

Supply chain responsibility

Examining the relationship between corporate philanthropy and the supply chain

By its very definition, a supply chain is a system of organizations, people, technology, activities, information and resources involved in the flow of global shipments from supplier to customer.

In many aspects, the supply chain is the engine that drives our economy — it is a vital service, fundamental to nearly every sector of the marketplace.

Therefore, it isn't difficult to comprehend why many corporations within the supply chain community have a growing interest in developing a social obligation to the local and national communities they serve.

"Logistics activities that demonstrate a deep-rooted commitment to the community are highly effective corporate initiatives that enhance relationships among employees, customers, vendors, partners and carriers," says Vaughn Moore, vice president of sales and marketing for AIT Worldwide Logistics, Inc. "The practice of corporate philanthropy has become an important factor in sustaining a successful and responsible logistics business."

Smart Business spoke with Moore about how the logistics industry has become guided by a collective social conscience.

How has community involvement been embraced by the supply chain community in recent years?

The logical and most obvious form for logistics providers to give back has involved providing the resources, warehouses, transportation solutions and other assets necessary to implement disaster relief operations that, at their core, are all about supply chains. The industry has been a leader at the forefront of using what it has and does every day in order to distribute goods and materials where they are needed most.

Two events in recent years have served as a wakeup call for the industry — Hurricane Katrina and 9/11. In the wake of those dire circumstances and horrific tragedies, transportation providers were called on to coordinate relief operations to civil society.

In addition to providing aid, they were also challenged to move beyond the tangible business aspect of transporting goods.



Vaughn Moore
Vice president of sales and marketing
AIT Worldwide Logistics, Inc.

As you might imagine, these two historical events prompted the industry to rally together, recognize the power of humanity and embrace the altruistic side of the supply chain.

Logistics businesses were inspired to find additional ways to connect with local and global communities in order to contribute to the greater good.

What are the challenges and benefits presented to companies interested in implementing successful corporate commitments?

Financial and time aspects, allocation of key resources, engaging employee participation and development of clear long-term goals are potential challenges involved in selecting a corporate commitment.

Above all else, the success of a corporate social initiative is critically dependent on whether the community commitment is closely connected to and integrated with your company's core competencies, business models and philosophies.

I've been using the term 'emotional

currency' for years to describe the spirit of community involvement that's adopted by employees who are properly vested in a cause. There's a big difference between writing a check versus contributing year-round time, participation and front-line support.

When employees at all levels across the entire organization actually care — not just about their job but about the company, its customers and the community — your corporate commitment quickly becomes an employee-owned initiative rather than a company-owned initiative.

In addition to that, a successful program increases the exposure of your brand, creates a unique competitive advantage for your company, boosts employee morale and builds your reputation as a company committed to affecting change, both within the industry and outside of it.

Given the current state of the down economy, how are employees expected to participate and donate in corporate sponsorships or commitments?

Whether your company partners with the American Cancer Society to support the fight against breast cancer, sponsors an adopt-a-family program every holiday season or offers disaster relief efforts to Third World countries, employee-owned initiatives are relatively recession-proof.

After all, it is the employees who are driving continuous participation, creating internal and external fund-raising campaigns, making donations and sustaining involvement.

When the values of your company have been indoctrinated into every aspect of your community commitment and corporate culture, employees feel a certain sense of protection, pride and recognition.

These values not only bring out the best in a company's employees, they ultimately shape and define your company and all of its global relationships among customers, partners, vendors and the communities where we live and work. <<

VAUGHN MOORE is the vice president of sales and marketing for AIT Worldwide Logistics, Inc., headquartered in Itasca, Ill. Spanning numerous nationwide locations and an ever-increasing network of international partnerships, the global transportation and logistics provider delivers tailored solutions for a wide variety of vertical markets and industries. Reach him at www.aitworldwide.com or (800) 669-4AIT (4248).

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