

---

## LQ'S EXECUTIVE INTERVIEW SERIES BEST PRACTICES IN GREEN LOGISTICS

---

### A Conversation with **Jeff Moore**, Managing Director and **Susan Moore**, Director of Sustainability, Lakeside Logistics



*Lakeside Logistics, a nonasset based supply chain and transportation management company, designs and implements customized solutions for major shippers across North America. The firm's collaborative culture enables its team to collaborate with customer organizations to create a platform for efficient work processes and develop innovative logistics concepts. Development of proprietary Webbased technology, customized to each customer's requirements, takes paper and time out of their process. In recognition of the importance of the environment, Lakeside created the position of Director of Sustainability in June 2007. Susan Moore, PEng, was appointed to this position to drive the company's environmental initiatives.*



**LQ:** Is your firm developing and managing standards for a greener supply chain? Does this include suppliers and customers?

**Susan Moore:** Lakeside doesn't have a supply chain as such; we work with shippers as an integral component of their supply chains. We are, however, leading industry change through the development and management of our own program, Vision Green. This comprehensive threepronged program focuses on the company and staff, our carriers and customers.

The company does not feel it is our role to develop standards for the industry. We are instead setting goals. These goals have been established to enable us to address standards and requirements that are put in place by our customers.

**LQ:** Does your firm foster a culture of sustainability from the top down?

**Jeff Moore:** Yes, from the top down and the inside out. We believe that the key to building sustainability into the firm's culture depends on the commitment of top management. The vision of sustainability became clear to me while I was listening to a speech by Dr. Ron Dembo, founder and CEO of zerofootprint—an organization dedicated to driving towards a lowcarbon world. I saw the need for Lakeside to develop a green program to address the needs of our staff and our customers. Simply put, it was the right thing to do. By allocating resources and providing support to get the program underway, management has demonstrated its commitment to the entire company. Senior management recognized that to get real traction, they needed to engage individual staff members in the green initiative. The Green Team was formed with a representative from each department, thus strengthening our commitment throughout the organization. Because Vision Green is now a core principle of our company, it has been integrated into all new employee training. It was inspiring to see the enthusiasm of our people both at work and at home. One young woman stopped driving to work every day, riding her bicycle the 5 km instead. Another staffer brought a discarded stapler back to me, letting me know that it still worked just fine. Both of these are small things, but they are representative of the depth and breadth of the green commitment within the company.

**LQ:** How is your company working with customers to develop supply chain sustainability?

**Jeff Moore:** Once we had our own house in order, Lakeside was ready to begin its outreach to customers and suppliers. We are working with customers to quantify the current carbon footprint of their transportation network. Through a combination of the proprietary, inhouse technology of our Executive Dashboard and partner resources, we are providing customers with their CO2 emissions on a monthly basis. And this is just the starting point. We are continuing to develop processes and algorithms

to finetune the numbers and provide more actionable data.

Lakeside is contributing to the reduction of customers' transportation emissions through our load and route optimization technology. This, combined with the use of our SmartWay carrier partners, who are already committed to lowering their carbon emissions, contributes green benefits along with cost efficiencies.

Customers are interested in knowing more about our Vision Green process. One company is studying our principles for potential application to its own organization. Another customer, Xerox, a company dedicated to a greener world, invited Lakeside to participate in its Environment Week activities.

**LQ:** Does your company need to cooperate with suppliers as well as customers to achieve your green goals?

**Susan Moore:** Cooperation and collaboration are two primary levers in creating a cleaner planet. No one can do it alone. We work very closely with our carrier partners (suppliers) to achieve our green goals. We ask for their commitment to the program, and in return give them preferred status and higher visibility. Sharing industry news and findings informs each group on new innovations. Our goal is to be the leader in the industry when it comes to understanding carbon KPIs, and we are working with customers to determine what data is required.

**LQ:** Is there a view that competitiveness in the marketplace is associated with developing a green supply chain?

**Susan Moore:** There is no question that developing a green supply chain is the right business decision. Customers have committed to reducing greenhouse gas emissions. Government is in the process of specifying what its expectations are going to be. Logistics companies that are able to understand and execute against these expectations will sustain a competitive advantage.

**LQ:** Is there a view that developing green practices and standards will increase corporate efficiency and add to profits?

**Jeff Moore:** Green practices hinge on reducing your carbon footprint through a variety of initiatives. For the most part, carbon reduction goes hand in hand with cost savings and efficiency. At the end of the day, it is really about minimizing waste, whether that is trash, paper, electricity or fuel. Smart businesses will find a way to minimize waste through technology that has a quick ROI, and by optimizing efficiency throughout the supply chain network.

**LQ:** Some schools of thought contend that ignoring green supply chain practices will likely result in trouble for the top and bottom lines of a company. Does your firm's management share this perspective?

**Jeff Moore:** Ignoring green supply chain practices does not make sense, because fundamentally, it distills down to increasing the overall efficiency of your organization and minimizing waste throughout the system. This translates into lower operating costs and increases revenues as more buyers seek out green-oriented suppliers.

**LQ:** Can you name some of the concrete things your firm is doing to enhance supply chain sustainability, and some of your plans for the near future?

**Susan Moore:** As mentioned before, we do not operate a major supply chain. This list includes items that Lakeside has initiated internally as well as for the sustainability of our customers' supply chains.

- Lakeside is a carbon neutral company with annual goals to reduce our carbon emissions. We achieved carbon neutral status in November 2007 through a combination of carbon emission reductions and carbon offsets. Since the program's inception, we have decreased our emissions by 50 percent, thus reducing our dependence on carbon offsets.
- We joined the SmartWay Transport Partnership in September, 2007.
- We are working with our carrier partners to educate them about our Vision Green program by meeting with them one on one to discuss the tangible benefits of going green and joining SmartWay.

- We have doubled our SmartWay carrier base in the past 16 months, delivering the related benefits to our customers.
- A Prius hybrid vehicle provides transportation for our Carrier Relations Manager.
- We launched the inaugural Vision Green awards at our annual Carrier Appreciation Night. The Vision Green Globe was awarded to 12 key carriers that have demonstrated their commitment to reducing emissions by joining the SmartWay Partnership.
- We work with customers to help them understand our Vision Green program to enable them to apply our findings on becoming more sustainable.
- We speak at industry gatherings to inform colleagues in the industry about our Vision Green Program and challenge them to match our Vision Green initiatives.

**LQ:** Do you think the economic downturn will put a damper on your efforts to enhance supply chain sustainability?

**Jeff Moore:** Quite the opposite. However, there may be some firms who will use the economy as an excuse to delay or disregard their environmental responsibilities. Lakeside's management sees the economy and the environment as intricately linked. Now, more than ever, conservation must be paramount. Reducing one's carbon footprint generates efficiencies and cost savings. Achieving the efficiency gains will help us emerge as a stronger, smarter, leaner and sought-after logistics supplier.

Companies are more likely to look at outsourced options when credit and capital expense budgets are tight. This tightening restricts companies from spending money on people and technology, the two things that are the core of Lakeside's business offering. History has shown us that when times are tough, outsourced options provide a solution for bridging the gap.

(Questions for this Executive Interview Series have been prepared by Nicholas Seiersen, LQ's Executive Editor, & Senior Manager, KPMG.)