

SUPPLY CHAIN ISSUES

working with suppliers

Marks & Spencer is helping to spread best practice in factories run by its suppliers in Morocco by supporting an educational programme for garment workers. The UK retailer's suppliers set up the training themselves using teachers provided by the Moroccan government

Like many other companies grappling with the complexities of supply chain monitoring, Marks & Spencer knows that publishing an ethical code of conduct is actually the easy bit. Getting suppliers to comply with it takes significant commitment in time and effort and what is even more difficult is encouraging factory owners and managers to go that extra mile and introduce wider social programmes in their workplaces.

That's why a small-scale but successful educational programme among the UK retailer's suppliers in Morocco has been a source of particular satisfaction back at the company's headquarters in London. The programme, which began in 2000, involves all six Marks & Spencer garment suppliers in the country, who run 25 factories, offering their workforces free literacy and numeracy classes.

The schooling is provided by the Moroccan government's training board, but the factories have rearranged their work schedules to allow employees to take the three-hour classes on the premises, or to provide transport to local training centres if no suitable classroom is available.

Already several hundred workers, most of them women, have completed courses. In one factory, 200 women have taken their first exams in Arabic, while another has put 60 people through classes. Even

the company

Marks & Spencer is one of the UK's biggest retailers of clothing, food and financial services, serving ten million customers a week in more than 300 stores. The company also has franchise partners in 30 countries worldwide, and has a group turnover in excess of £8billion. It:

- has been a member of the Ethical Trading Initiative – a coalition of companies and non-governmental organizations that aims to promote improvements in working conditions throughout the world – since 1999
- gave £4.9million in community donations during 2000/2001 – over one per cent of its pre-tax profits
- is providing 600 homeless people in the UK with work experience in its stores over the next two years in a joint initiative with Business in the Community
- stopped selling goods made with Indian cow leather in 2001 because of concerns about the treatment of cows used for this purpose on the subcontinent
- is a core funder of Sigma, a joint project of the British Standards Institution, the Department of Trade and Industry and two other bodies to devise a sustainability standard for UK companies.

the background More than 50 per cent of women in Morocco cannot read and write.

■ the educational programme, which began in 2000, involves all six of the company's garment suppliers in Morocco



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factory managers who were at first cool about the concept have warmed to it – not least because they report the classes have improved productivity.

Most of the suppliers say that a literate workforce is easier to manage. Training literature can replace time-consuming meetings with supervisors, while workers who have completed the course more easily understand safety instructions and health warning notices. From Marks & Spencer's point of view, the

the garment suppliers have spread best practice, with Marks & Spencer helping the process along

key strength of the programme is that the company has not imposed it from the centre. The suppliers set up the training themselves and tailor it to their requirements. Marks & Spencer's crucial role has been as an enabler.

The idea sprang from 'local benchmarking groups' set up by the company, at which suppliers share local problems and discuss Marks & Spencer's Global Sourcing Principles, a set of workplace standards adopted in 1999. When Marks & Spencer convened the Moroccan benchmarking group, the participants found that two of the suppliers had already set up an educational programme. Marks & Spencer discreetly made other suppliers aware it thought this a good idea, and when they found the costs were low and the benefits high, the suppliers became enthusiastic.

'We've been careful to ensure there's no competitive edge in these benchmarking groups because it's important all suppliers achieve compliance and beyond,' says Muriel Johnson, who has supervised the programme from within Marks & Spencer's quality management department. 'That was important in getting this idea to grow. It was also important to stress to our suppliers we are in a long-term partnership. That way it is easier to develop a social compliance programme.'

Marks & Spencer encourages suppliers to introduce their own social programmes because it says this is the simplest and most dynamic way of effecting change. 'Letting the suppliers take the initiative works best,' says Johnson.

The Moroccan programme shows how a light touch can deliver improvements. 'We are a broker,' she adds. 'We have not had to put money into this because the government finances the training. But we've enabled best practice to spread from two businesses to all our suppliers. The credit for that goes to the suppliers.'

One Marks & Spencer supplier who has seen the benefits is Zouhir El Alaoui, an executive at a factory serving the retailer, from the town of Rabat. Zouhir is also chairman of the benchmarking group. Although, rather unusually, most garment operatives at his site are well educated, he extended the classes to cover 20 ancillary workers, such as cleaners and security staff. 'There's a big improvement,' he says. 'Just having more people who can understand numbers

has saved us a lot of time with things such as pay slips, which we would often have to explain at length. Even at this early stage I can see we are saving time and money as a result and are improving morale and the quality of our staff.'

'Some workers are learning to read and write at the same time as their children or grandchildren. It is something they can share and enjoy with them.'

The social programme has had its problems. Some factory managers at first saw little reason to act because they considered illiteracy an inevitable fact of life, while some female employees have hurdles to overcome such as other family commitments making it difficult for them to enter the classroom at all. 'These are not insurmountable difficulties, and we will just have to work with our suppliers on them,' says Johnson. There is plenty of incentive to do so. Though it has yet to quantify the productivity benefits, Marks & Spencer believes improved performance and morale at supplier units 'must feed through to us.'

There have been reputational benefits too, not least with the Moroccan government, which sees the work as supporting its own educational initiatives. And although the programme has not been publicized, Johnson believes it will eventually fit into a picture of corporate behaviour that 'will inspire our customers and staff and make them think that Marks & Spencer is a little bit special'. Ultimately, however, Marks & Spencer would continue to support the programme even if there were no immediate returns for the company. 'It's enough for us that it's working,' says Johnson. 'We are content there are benefits for the workers and the suppliers.'

As a result, it wants to introduce the idea elsewhere in its global supply chain. 'An initiative like this takes us beyond legal compliance and into a realm where the vision of the factory manager becomes important,' says Johnson. 'That is when you really start to make a difference.'

■ Further information: Muriel Johnson at Muriel.johnson@marks-and-spencer.com, or visit www.marks-and-spencer.com

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This is an interesting extended educational programme that Marks & Spencer is supporting, as the beneficiaries are individuals working for its suppliers. The Moroccan government is paying and the Marks & Spencer group of suppliers is running the initiative. It really does seem to be win-win for all parties.

Features of note include:

- Employee benefit feeds through to productivity, retention and individual development
- Low-cost, high reputational gains to all those involved
- This discreet and effective corporate responsibility programme should have long-term benefits.

PHILIPPA FOSTER BACK, INSTITUTE OF BUSINESS ETHICS