Feasibility of Order Consolidation
Introduction
Objectives
Methods
Results
Challenges/Successes
Lessons Learned
Next Steps
Motivation

Of all UC’s, UCSD has the second highest percentage of OfficeMax Small Orders (66%)

Initiative

Reduce Percentage of Small Orders (total less <$75)

How

Communication

Outreach
Context: FY 2012

Total # Office Supply Orders: 20,780
=13,507 lbs cardboard (1 order=0.65 lbs cardboard)

<table>
<thead>
<tr>
<th>Metric</th>
<th>2012</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Small Orders</td>
<td>65</td>
<td>40</td>
</tr>
<tr>
<td>Total # Small Orders</td>
<td>13,743</td>
<td>8,933</td>
</tr>
<tr>
<td>Cardboard waste (lbs.)</td>
<td>8,312</td>
<td>5,403</td>
</tr>
</tbody>
</table>

Total Cardboard Savings: 3,530 lbs. (6 tons, 38 trees)
Source: Environmental Paper Network. Assume cardboard is not recycled
<table>
<thead>
<tr>
<th>Resource Savings</th>
<th>Amount</th>
<th>Equivalent</th>
<th>Monetary Savings</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>16,705 kWh</td>
<td>2 homes/year</td>
<td>$2,505.75</td>
<td>SDGE</td>
</tr>
<tr>
<td>Greenhouse Gas Emissions</td>
<td>4.55 tons CO₂</td>
<td>2 cars/year</td>
<td>$45.91</td>
<td>Sacramento Bee</td>
</tr>
<tr>
<td>Water</td>
<td>32,717 gallons</td>
<td>&lt;1 swimming pool</td>
<td>$175.77</td>
<td>City of San Diego</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>2,730 lbs</td>
<td>&lt;1 garbage truck</td>
<td>$425</td>
<td>SD Waste Management</td>
</tr>
</tbody>
</table>

Projected Total Savings Amount: $3,152

Environmental Savings Amounts obtained from Environmental Paper Network Calculator
170 Departments

213 Average OM Packages per day

6,566 Shoppers

316 Buildings
Small Orders

- Free Shipping
- Fast Delivery

A Negative Externality

Small Orders at No Cost

The Environment
Suppliers
Waste management

Costs
Methods

Personalized E-mails to Top 5 Buyers

Generalized E-mail to Next 15 Buyers

Other Outreach/Training

- Sustainable Purchasing Practices Pledge
- Earth Week Tabling Event
- Earth Week Webinar
- Infographics
- Social Media
- Quarterly Newsletter
Results

Buyer 1
Animal Care Program
Orders For 15 Different Vivarium

Buyer 2
Neurosciences
Orders on behalf of own department + 2-3 labs

Buyer 3
Administrative Computing & Telecomm.
Orders on behalf of own office
Shares office space with a P&C Buyer
Buyer 1: Animal Care Program

% of All Orders

Month

Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

Small

Large

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Buyer 1:
Animal Care Program

% of All Orders

Month

Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

Small

Large

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
Buyer 2: Neurosciences

% of all Orders

- Small
- Large

Month: Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun
Buyer 3:
ACT

% of Total Orders

Small
Large
Challenges
Supplier Limitations

- PO’s treated separately
- Separate Packaging
- Multiple Locations
- Backorder
$75: Too High?

“It’s inconvenient to wait for $75, especially if you have to tell other people to wait, too.”

Minimum: $Dollar vs. #Line

Multiple Locations/People per Order

Storage
• “Soft” approach to encourage behavioral modifications has short term results

• Can’t rely solely on people to change their behavior to consolidate orders
  – the long term requires systematic changes
  – Make it easy for people to do the right thing
Lessons Learned

- Departments have different internal procedures for ordering supplies
- Practicality to purchase minimum $75 order for office supplies is not easily feasible
  – How long do they have to wait?
- Strong behavioral adhesion
- How to balance environmental issues, supplier costs, and department costs
Next Steps

- Consider lowering the minimum dollar order to $50
- Promote new Shared Carts feature
- Investigate systematic changes to incentivize consolidation
  - Charging a Shipping Fee for Small Orders
    - Compare: Amazon Super Saver shipping
    - Discover willingness to pay/price elasticity for shipping
  - Establish campus-wide weekly orders
- Identify other suppliers where order consolidation can take place
Thank You

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