＋ELEVATE

Program Effectiveness

Redefining Program Effectiveness

Defining the elements of an effective program is critically important when presenting new initiatives and investment scenarios to senior leadership teams. A clearly defined objective and an associated measure can bring shape to a new process or even a new way of thinking. Defining the context for the program and clarifying the KPI's will help the leadership team make more informed decisions and prioritize effectively.

Different perspectives on program effectiveness

Stakeholder

Measurement

Executives

Minimizing negative publicity

Legal

Having a mechanism to check every factory is adhering to the law

Sourcing

Does not cause price or factory instability or unresponsiveness

Finance

Return on investment

Risk Managers

Given documentation or evidence to evaluate any risk

CSR

Workers lives less at risk and conditions improving

Looking good / aiming for good

A program that looks good may omit messy facts about supply chains and any data that isn't black and white, distorting the real issues. A program that aims to drive impact may allow flexibility in their approach but struggle to put the framework in place to give proper support. And all programs struggle to find the right metrics to show effectiveness.

How do we measure performance?

An effective program does not:

- Drive up the cost of goods
- Negatively impact supplier profitability
- Increase factory churn or slow the company's ability to respond to trends
- Focus its efforts managing negative publicity
- Mask supply chain visibility
- Put workers lives at risk
- Have a negative impact on workers and the communities where it operates

Measuring effectiveness

KPI's for senior leadership

- Influence
- Factory churn rate
- Transparency
- Visibility
- Supplier ownership
- High risk and health and safety
- Active improvement projects
- Overall compliance score
- Awareness building
- No. of workers benefitting
- Program cost per factory
- Total wage gap for strategic factories and core factories

A new story

We believe social responsibility programs should be able to say:

- We have full transparency in our supply chain for the factories we have targeted and we have identified the full set of social risks.
- The risks are manageable and where they're not, we have a plan of action.
- We have regular and deep visibility into the factory portfolio to understand root causes and when these change, we take immediate action.
- The action being taken is not having a major negative impact on the portfolio, in terms of increasing costs at the factory or increasing factory churn.
- We are having a positive business impact on the factories by encouraging them to become more productive, nimble and aligned with our company's business needs.
- We are able to move with the factory portfolio as it changes and can bring a factory up to speed quickly.
- We are positively impacting the lives of workers and their communities.
- Our reputation and share price are not being impacted by social responsibility issues in the supply chain.

We believe that this is the unrealized value of social responsibility work. Social responsibility can become the trigger to push factories to become more productive and better suppliers.

Please contact your local ELEVATE team to learn more or email info@elevatelimited.com