

# TOWARDS A GREENER SUPPLY CHAIN

## SUBSTANTIATION OF THE PROFESSIONAL PRODUCT

### Abstract

In this part of the portfolio the choices and decisions of the creation of Professional Product will be elaborated and explained in more detail.

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# TOWARDS A GREENER SUPPLY CHAIN

## SUSTAINABLE SUPPLY CHAIN MANAGEMENT STRATEGY AND SUSTAINABLE SUPPLIER EVALUATION AND SELECTION PROJECT FOR CLIVEDEN HOUSE

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The Netherlands

Submission date: 14<sup>th</sup> June 2021

I hereby declare that:

- I am fully informed about the Professional Product PF criteria;
- All the work I have conducted to fulfill criteria is entirely my own;
- I have not been assisted by any other person, except the coaching offered within HBS guidelines.

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Date 13/06/2021

Signature:



## Preface

Dear reader,

This Young Professional portfolio represents the work and effort done for Cliveden House on the topic of sustainable supplier selection and evaluation processes, as well as supply chain management strategy. The foundation of this project is to increase and improve the green initiatives that take place in the hotel, set new goals and strategies for a structured sustainability policy, and to continue to grow the philosophy of sustainability from all sectors, and dimensions. In today's world there is a great need for more sustainability, more green thinking, more looking into the impacts on the planet rather than quick benefits.

The idea of the project came from a simple discussion with the client that more organizations should focus on sustainability even if they are luxury category. It is not impossible as this project shows. Customers are gradually demanding more green initiatives and their expectations of ethical businesses continue growing. Sustainability is an enormous concept that takes many years to even begin the journey of going fully green. Starting from each player in the supply chain is a great direction. Inspiring more people, stakeholders, the government to be part of a greater movement.

I am very grateful that I received this opportunity to work with an amazing YP group that supported, laughed, and struggled with me during the semester. Also, I want to thank Cliveden House and the general Manager Mr. Francisco for this great experience to get to know the organic market of the UK and all its beautifully interesting farmers and local shop owners. It was a pleasure having meaningful conversations with people that understand sustainability in the most primal way – food quality, protection of the land we live on, and supporting a community that surrounds us.

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## Summary

Sustainability is a necessity for businesses from many different angles. Sustainable supply chain management has been gaining attention continuously due to increased attention to sustainable targets on organizational and macro policy levels. Local and organic products have been a recent demand that is rapidly growing and becoming a movement for a younger generation each year.

This project aims to select the best-suited sustainable organic suppliers, evaluate them and start a new supply chain management strategy. The project analyses different trends, methods from the theoretical perspective, as well as from the practical by conducting interviews and communication with the suppliers.

The structure of this project aims to analyze Cliveden House's current green initiatives, their expectations of the new suppliers, also future plans regarding sustainability policies in the hotel. The key concepts were studied and implemented into giving the best solutions and advice to the client.

The final professional product that is created is a video presentation of three episodes that shows an overview of the top ten best sustainable organic supplier matches, their profiles, insights, opinions, motivations, and expectations. Then a clear implementation plan is created and finally alternative solutions, and conclusions are presented.

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## 1. Introduction

Table of Information about the assessment criteria

<b>Assessment Criterion</b>	<b>Relevant information within professional product</b>	<b>Relevant information within substantiation</b>
The professional answers the client's question with an appropriate and substantiated professional product	Please view: Episode 1 of Professional product video  See link below the table	Please view: Chapter 2: management questions of the client and trend analysis
The professional identifies the most important (internal and external) trends and developments and clarifies their influence on the issue.	Please view episode 1 of the Professional Product video  See link below the table	Please view: Chapter 2: Management Questions of the client and Trends and Developments
The professional collects knowledge in a responsible way to support a decision and values this knowledge.	Please view all three episodes of the Professional Product video  See link below the table	Please view: Chapter 4: Use of knowledge
The professional justifies how the wishes of the stakeholders have been taken into account in the final product.	Please view all three episodes of the Professional Product video  See link below the table	Please view: Chapter 5: Stakeholders
The professional substantiates the extent to which the made choices are socially responsible (e.g., with regard to ethical, intercultural and sustainability aspects).	Please view all three episodes of the Professional Product video  See link below the table	Please view: Chapter 5: Stakeholders
The professional demonstrates the financial feasibility of the professional product.		Please view: Chapter 6: Finance

Link to episode 1:

[https://video.saxion.nl/media/Part+one+of+PP+Rugile+Piliutyte+436285/1\\_qpnapgzk](https://video.saxion.nl/media/Part+one+of+PP+Rugile+Piliutyte+436285/1_qpnapgzk)

Link to episode 2:

[https://video.saxion.nl/media/Part+two+of+PP+Rugile+Piliutyte+436285/1\\_wbe4bf68](https://video.saxion.nl/media/Part+two+of+PP+Rugile+Piliutyte+436285/1_wbe4bf68)

Link to episode 3:

[https://video.saxion.nl/media/Part+three+of+PP+Rugile+Piliutyte+436285/1\\_pmppqdck](https://video.saxion.nl/media/Part+three+of+PP+Rugile+Piliutyte+436285/1_pmppqdck)

## 2. Management question of the client and trend analysis

Management question: ***How can Cliveden House improve its supply chain management strategy to create a more sustainable luxury guest experience during their stay?***

Sustainability has been defined as meeting the needs of the present without compromising the ability of future generations to meet their needs. The concept specifically focuses on the three sustainability pillars: environmental, socio-cultural, and economic developments and impacts (UN, 1987).

Sustainable hotel development is the responsible use of resources in a development project to safeguard the long-term environmental, social, and economic sustainability to benefit all stakeholders. Sustainable hotel development also focuses on the moral, ethical, social, and political impact of taking action during hotel management projects and operations (Legrand, 2018).

Considering the existing need for sustainability in the hotel industry, the general manager of Cliveden House Mr. Macedo has described the management problem by saying that the hotel guests have been expecting and demanding new sustainable implementations and changes.

During the last decade, hotels have been implementing **sustainability strategies** that contain a plan with set actions to be taken to positively impact the environment, as well as benefit the business in a socio-economic way. As stated in the International Journal of Culture, Tourism and Hospitality Research, the sustainable strategy is tailored to the different types of hotels as well as to the type of operations that take place there (Alameeri, Ajmal, Hussain, & Helo, 2018). Cliveden House is a luxury five red star hotel, which means that its sustainability strategy should be fitted to meet the needs of **luxury sustainability** criteria.

The current sustainability strategy in Cliveden House is unclear, it does not contain measurable goals or targets, it creates an image that some green practices do take place, however it could be improved. Mr. Macedo has explained that different initiatives have been tried already such as providing guests with reusable water bottles, implementing big water stations to refill bottles in the SPA changing rooms, and using the land around the hotel to grow apple trees and herbs. These practices have raised more environmental awareness among the guests and the staff, however, there is still much more that could be done to create an even more environmentally friendly experience.

The client stated that it is more difficult to implement sustainable changes in the hotel because of the involvement of the government, as well as the fact that the building and grounds are a monumental heritage. Another **unique problem** regarding sustainability is the need to be exceptional and different, the hotel is asking for green practices that could inspire their guests, create a storytelling experience for them, and there is a clear need to being special. Cliveden House represents a high-end luxurious home with exceptional service, yet still quirky, friendly, warm, and family-like.

Sustainable luxury is a recent trend within the age of sustainable development that focuses on luxury products with sustainable values rather than eco-friendly products seeking a luxury image. Cliveden House is a luxurious hotel that wants to improve its sustainability strategy according to luxurious sustainability standards. 78% of luxury travelers think it's important for their hotel to respect the environment through sustainability practices (ACCOR, 2019). The same study has shown that 84% of luxury travelers consider it very important that the hotel gives recommendations of experiences that are not harmful to the local community (ACCOR, 2019).

Mr. Macedo explained that the demand for sustainable hotel practices has been first noticed **ten years ago**. Since then the industry has been implementing new strategies, action plans to supply this new green demand. With each new green implementation, the hotel has received more questions and growing guest expectations for green products.

This situation closely relates to another recent trend in the hospitality industry regarding sustainable development which is the demand for locally produced goods (Wong, 2020) This trend has been called the local food movement (DeLind, 2011). Local, organic, and fresh produce is believed to ensure higher nutritional values when compared with imported produce that has suffered from lengthy transport times. The sincere concern for reducing one's carbon footprint is coupled with the personal reassurance of not buying products made in distant countries under exploitative circumstances (Eren, 2017).

Focusing only on economic sustainability in the supply chain is not enough these days. There is increasing pressure placed by companies, consumers, community organizations, governments, competitors that are socially and environmentally sustainable. Study shows that there is strong evidence that promoting and developing socially, and environmentally responsible practices can help businesses increase their profits because sustainable practices positively affect customers' perceptions and actions

(Mbasera & Plessis, 2016). The triple bottom line (people, planet, profit) approach should establish a sustainable supply chain among the three dimensions. This project will mainly focus on the social sustainability dimension and how this affects the social- welfare of related stakeholders, customers, and suppliers who are directly impacted by the operations. (Other stakeholders such as the employees or the government have been decided not to be included after a **conversation with the client and the relevance of these stakeholders.**)

According to the study, a sustainable supply chain from the social sustainability perspective deals with community-oriented culture, local/ regionally based suppliers/ logistic providers, and manufacturers located in those communities (Rashidi & Saen, 2018). This project will focus more in-depth regarding these named concepts in the following chapters.

According to the paper on the social sustainability dimension, successful partnerships are defined as long-term and ones that promote the production of environmentally friendly products. Socially responsible actions are likely to positively influence hospitality companies' long-term development through strengthening their relationship with all suppliers, partners, and stakeholders (Najjar, Small, & Yasin, 2020). Since sustainable materials and/or service processes are considered to be the first step in implementing a sustainability strategy in any supply chain, sustainability practices should start with the *supplier selection and evaluation process* (Taherdoost & Brard, 2019). Therefore, the selection of "sustainable suppliers" is the first step in establishing a sustainable hospitality supply chain. To achieve the goal of working with a sustainability-oriented supplier base, a business can either push existing suppliers to achieve a higher level of sustainability or only work with suppliers that meet the company's sustainability standards.

The general manager has expressed a clear **urgency** to implement more green initiatives that would not only make the guests feel more environmentally responsible but also to gain a competitive advantage among other luxury hotels and to supply a unique green experience that could enhance the guest experience.

The hotel manager has also expressed that in the past years the creation of **Cliveden's identity** was widely focused on unique and exceptional service that makes the guests feel right at home. Therefore, the implementation of new sustainable practices should fit within this identity. Lastly, the client has described that hotel guests have been more responsive to products and services in the hotel that contain a storytelling feel and emotion attached. This hotel trend is gaining attention in the past years in the industry, and four clear reasons for this demand have been described: storytelling inspires guests, influences direct booking, builds excitement, and gains trust (Rosenvinge, 2019). This method is mostly seen in hotel marketing practices; however, it can be successfully implemented in sustainable hotel supply chain management practices in a form of text, pictures, videos, or tours by the staff members.

Cliveden House wishes to create a more sustainable experience for its guests whilst supplying the demand for unique, luxurious, and hospitable time in the hotel. The hotel would like to implement changes based on mentioned trends, in a manner that would fit within the current Cliveden House identity. The budget for these implementations is flexible and can change accordingly based on the recommended green practices. As long as the solutions fit the hotel's identity, values, and future vision, the new sustainability practices can be very creative, original, and maybe never seen before in the hotel industry.

### 3. Solution Strategies

This chapter will explore the choices and decisions made to choose the *supplier selection and evaluation process* as the professional product in order to improve the sustainable supply chain management of Cliveden House, and no other alternative solutions.

At the beginning of the YP semester, the client has expressed that the management problem should be simply an improvement of the sustainability of the hotel by implementing various green initiatives. This idea has been addressed in more detail in the Plan of Approach. However, during some later meetings, the client has expressed that he would like to make the project more specific and focus on the sustainability aspect of **supply chain improvement** and specifically on new collaborations and partnerships with new suppliers. This has been a clear direction for the researcher to define the research scope since not all the aspects of hotel sustainability need to be taken into account when creating the Professional Product. Therefore, the decision was made to focus only on the improvements in the hotel's supply chain by **finding new suppliers**. Later in the process, clear selection and evaluation criteria have been set in order to choose the best matching suppliers.

However, if the client had not given this direction specification regarding the new suppliers, many possible alternative solutions could have been developed and later implemented. This chapter will analyze six alternatives and why some of them have been dismissed.

A table has been created to illustrate and score each alternative in comparison to the chosen product development idea. In order to compare these alternatives on a measurable scale, some evaluation criteria have been selected by the client, and by the researcher later in the process of desk research (see Appendix I).

The solutions are evaluated by scores from 1 to 3 on the **set criteria**:

*Urgency*: how urgent should it be implemented (1 not urgent 3 very urgent)

*Impact on the management problem*: does it solve the management problem in the most direct way (1 does not answer all client's problems, 3 covers all management problem angles)

*Sustainable values*: the impact on sustainability, green principles (1 does not include all sustainability pillars, 3 includes all three pillars)

*Time efficiency*: how much time is needed to implement it (1 means too long, 3 is a short time)

*Budget*: financial resources needed (1 is too expensive, 3 is fitting in the budget)

*Resources*: human (staff), intelligent (knowledge), practical (equipment) (1 means too many resources needed, 3 means some resources needed)

*Hotel guest involvement*: direct contact with the hotel guests (1 little contact, 3 means the guests are very involved)

*Feasibility*: easiest to create (1 means difficult to develop and implement, 3 means easy implementation)

*Resistance*: highest resistance from stakeholders (1 high overall resistance, 3 is low resistance) more about resistance is explained in the Stakeholders chapter.

The alternatives include hotel sustainability improvement by implementing popular green initiatives such as solar panels, water-saving systems, self-sufficient gardens (No 3 in table). According to the literature, these initiatives are the first that hotels start implementing in need of reducing energy costs and achieving maximum sustainable efficiency (Londoño & Hernandez-Maskivker, 2016). However, this option has scored low on-time efficiency, resources required to develop such complicated systems, as well as the budget being too high. Feasibility is also very low since it is a difficult process of creating such advanced systems, even though it scores high on the sustainability value aspect.

Other alternatives that are more related to the supply chain management include: checking in/ out gift baskets for the hotel guests that include samples of products from the suppliers (No 1 in the table). This option has scored well on time efficiency since after the research it was visible that the organic producers always have leftover produce that can be used as sample size goods. Another high score was the involvement of hotel guests since it is a gift for them therefore only awareness and no spending. This option scores average (2 points) on most criteria, the budget of creating it is not too high, feasibility is also average meaning it can be implemented easier since the suppliers expressed that their current full capacity would not get in the way of this. However, this option scores low on the overall impact on the management problem, it does not bring economic benefit to the hotel, it does not support the locals since it's cheap, and the sustainability level is not directly affected by it.

Alternative products were also considered at the beginning of the YP semester such as craft beer, candles, and room scents (No 2 on the table). This option was dismissed early in the process since the client and the researcher agreed that it might be too expensive (1 point for the budget), also the customers might not be very eager to try these products even if it is as a gift from the hotel. This option also scored low on the sustainability values, even if these products are hand-made and local, the waste and toxin management of these products tends to be a complicated process. The overall impact on the management problem is high since this option could potentially bring revenue, it is local and includes the local community, it also allows visiting and experiencing the production of these goods. However, it can cause high resistance from the hotel's perspective since it is not their usual inventory to sell to their guests.

Pet-friendly gifts, spa kits, Covid 19 themed baskets with hand sanitizers, masks, picnic supplies, or party kits is another alternative of how new suppliers can be implemented (No 4). For this option, the client has described that similar kits already exist in the hotel, and also it is a waste of budget (low score) on something that the guests might not even use. It positively affects the brand image of the hotel by showing

care and attention to each guest, however, creating these kits would cause too much resistance from the hotel staff.

Another alternative that seems to be popular among other hotels is the guest involvement in tours and excursions around the local community businesses (No 5). This option scored very high on multiple aspects since it takes almost no resources to be implemented, almost no budget to develop, it tackles the matters of sustainability and local community involvement with the hotel guests, as well as brings great awareness about the partnerships that the hotel has. This option also has the least resistance since only a contract should be signed with the local farms and shops to be visited by the hotel guests freely when on their stay. The only lower score for this option is the direct revenue gain for the hotel, since the guests are visiting the farms, a commission paid by the farmers could be an option to solve this.

This option has scored very well and was approved by the client; therefore it is an addition to the implementation plan and the professional product.

Lastly, the option that has scored high on almost every aspect, the new jam, tea, and honey suppliers for long-time partnerships. This option solves the management problem in the most direct way by answering all client's concerns such as sustainability, hotel image, local community involvement, and new higher-quality goods to be sold to hotel guests. The resistance is medium, the budget is in the norm, the resources necessary are medium, and the feasibility and time efficiency is high.

After scoring and selecting the best fitting option as the Professional Product, the next steps of the project have been determined to **develop a supplier selection and evaluation criteria** and choose the best fitting organic jam, tea, and honey producers for further partnership with the hotel. This was the option with the most points and the highest impact and the most direct solution to the management problem. Later it was decided to start collecting knowledge regarding the topics of the sustainable supply chain, suppliers' selection, and evaluation process, and green tourist expectations (the demand chain management) and start creating the final profiles of found suppliers that are willing to collaborate and partner up with Cliveden House.

## 4. Use of knowledge

### 4.1 Required knowledge

This chapter should give a complete understanding of the research processes necessary for the design of the professional product. A research overview has been created following the stages set in the Plan of Approach.

In order to solve the management problem, research questions and sub-questions have been established to have a maximum positive impact on different areas of the management problem. The areas include the **target group** (organic local suppliers) and the evaluation and selection process. Then the area of **motivations and objectives** for this collaboration between Cliveden House and the new suppliers, the motives and goals for this partnership. Another area that needs to be researched is the theoretical and practical implementations of **sustainability pillars**, this should help to determine if the theory matches with practices in real farms. And lastly the area of green tourists, **hotel guests**, and their demand for sustainable initiatives, which is gradually growing and shifting the industry focus.

Research questions are a structured form to organize data and all the findings and a clear tool to know how to prepare for the knowledge collection stage. Each research question has been created based on the trends and developments, as well as the expectations of the client.

In the appendix, a table can be found with the explanation of each research (sub)question and which research method has been chosen to answer and analyze it (see Appendix V).

RQ 1: What are the attributes of the target group that should be targeted?

SQ 1: which target groups are targeted by similar organizations as the client?

SQ 2: which attributes of the target group are important according to the client?

RQ 2: What is the communication and collaboration objective for the new sustainable supply chain?

SQ 3: what are the objectives of the client?

SQ 4: what are the needs and objectives of the potential suppliers?

RQ 3: What are the attributes of sustainability that are most suitable for the management problem?

SQ 5: what are the topics and pillars of sustainability that the client is most interested in?

SQ 6: what are the topics of sustainability most important in the market/ industry?

RQ 4: what is the hotel guest interaction with the sustainable initiatives?

SQ 7: which of the new supplier activities and purchased goods can be seen by the guests?

SQ 8: what is the communication message towards the hotel guests regarding the new sustainable supply chain?

#### *4.2 Knowledge collection*

According to Verhoeven, the **research strategy** is contained in the research questions (Verhoeven, 2014). All of the previously mentioned research (sub)questions have been identified as descriptive. They all aim to describe something rather than explain, predict or connect. These kinds of questions can be answered by qualitative and quantitative research (Verhoeven, 2014). This chapter will explain which research questions required either a qualitative, quantitative, field or desk research strategy.

**Desk research strategy** can be performed by secondary analysis (Verhoeven, 2014). This method is used for the SQ1, SQ6, and SQ8 to collect information that has been gathered by other researchers. These questions mainly deal with information that does not require a deeper understanding of motives, opinions. SQ 8 could be researched separately in **future research** since the topic of demand chain management concept and specifically, motives and opinions of hotel guests should be explored in more depth. In this research, the influence of hotel guests is of secondary importance.

**Qualitative field research strategy** focuses on the perception of the subject and examines the arguments and motives (Verhoeven, 2014). Sub questions 2, 3, and 5 were directed at the client, his opinions, needs, and experience. SQ4 was directed at the potential organic suppliers (the target group), their needs, opinions, motivations. Some questions such as SQ7, SQ6 needed a mixed research strategy, meaning that at first those questions were researched by a literature review (secondary research) and later confirmed during interviews for more depth.

For questions SQ2, SQ3, and SQ5 the client's motivations, opinions needed to be examined, therefore an **unstructured interview** was the preferred **method of data collection**. This type of interview gave the possibility to prepare topics to be discussed, unfortunately, an interview guide has not been prepared, and the meeting has not been recorded. However, this type of interview gave much freedom to widely discuss the topic of evaluation of the suppliers, clear sustainable guidelines that should be followed, demands of hotel guests, and future plans and strategies of the hotel. The interview was flexible, follow-up questions were asked, this process was easier for the researcher (Verhoeven, 2014).

Questions SQ4 and partly SQ6 were directed at the suppliers, the research method chosen for that were **semi-structured interviews** and **email communication**. These questions addressed the selection criteria earlier mentioned by the client to find out if the chosen suppliers are a good fit, also sustainability practices in the farmers' companies, and lastly the motivations and objectives for this possible new partnership.

SQ7 has been answered by a conversation with the client after the communication with the possible suppliers was completed. Together with the client, it was agreed on which activities and which goods purchased from the new suppliers should be visible and available to the hotel guests. Therefore, this question has been answered.

Concerning **desk research**, SQ1 investigated similar organizations such as Cliveden House to find existing projects and what type of supplier groups are targeted by them. Concepts of supply chain management, suppliers' selection process have been analyzed deeper. To answer this question, there was already data available.

Question SQ6 was first partly answered by already existing data to find out what sustainability processes to look for when choosing the right suppliers, as well as what sustainability trends are circulating in the supply chain management industry. There was much data available on these topics, also considering time efficiency this was the most fitting method.

SQ8 addresses the communication messages that would target the green tourists and the current hotel guests in the best way in order to introduce them to the new green initiatives in the hotel. Since this question is very general and too broad to be answered in-depth, only main concepts have been researched in already existing sources. Many other researchers have discussed the topic of marketing and communication channels and the best way to target hotel guests to reach them in a positive way.

Regarding the **selection and data sources**, the research unit is the people (who and amount) that take part in the research and are the foundation of **the sample** that will be used. SQ2, SQ3, SQ4, SQ5, and SQ6 have been answered by means of interviews, or email communication, therefore, required the right interviewees. This has been done by non-probability sampling (Verhoeven, 2014), these samples are not randomly chosen. The sampling method for these interviews was self-selection. This means that only people that met the criteria have been interviewed. This has provided the researcher the flexibility to select the most suitable interviewees. The selection criteria is presented in the Professional Product video. Since questions 2, 3, and 5 were aimed at the client, this interviewee has been chosen already and did not need a sampling strategy.

For the questions aimed at the possible suppliers, desk research first had to take place since it was **not possible to travel to the UK** and see the farmers in person. An online database/ website Big Barn is a platform that helps people to find good quality, safe, accountable, and organic food from local sources. It is a community interest company that allows visitors to set filters and adjust the search for specific products. To find the possible interviewees the filters have been set by location (25 miles radius around Cliveden House), food type: tea, honey, and jam. This has limited the farmer options and the interviewees have been selected. Therefore, the sample was not drawn randomly, the respondents were self-selected.

After collecting all the data, it had to be analyzed for conclusions to be drawn. The **methods of data analysis** were based on the type of research strategy used. The questions that have been answered by qualitative research strategy require a deconstructing of information by transcribing the interviews. When the interviews are transcribed, the coding process begins. Coding is summarizing each piece of text by using a few words (a code) (Verhoeven, 2014). After the codes are written, the axial coding takes place and links, and connections between the codes are created. A coding table is created afterward, it can be found in the appendix (see Appendix VII).

#### 4.3 Findings

In order to answer the first research question '*What are the attributes of the target group that should be targeted?*' desk research has been performed to find what similar supply chain management projects aim for and to answer the first sub-question. These projects serve as inspiration, best practices for the project of Cliveden House's sustainable supply chain. Next to the desk research, the client has also been interviewed to contribute to the clear criteria of supplier selection (target group) later in the project.

**Similar projects** have been searched among online databases and search engines with the keywords and phrases of the *sustainable supply chain, supply chain management in hospitality, supplier selection, and evaluation process*. This research has shown that luxury hotels similar to Cliveden House have been gradually increasing their awareness regarding sustainability and various ways of implementing this trend in daily operational hotel activities. Popular hotels such as Radisson, NH hotel chain have dealt with sustainable supply chain improvements in the last five years and share their success in a form of annual sustainability and responsible business reports (RADISSON, 2016) (NH, 2019). The main points of attention seen in these hotels are the **very specific criteria** for the supplier selection process which is very individual to each hotel. Some of the more popular criteria are certification that proves the level of sustainability processes that take place in the supplier's business, second is the production capacity to ensure that the demand of the hotel is sufficiently supplied, and third is the financial health of the supplier to deal with the always-changing economy (Vandchali, 2017). Other hotels have expressed different selection criteria that include green packaging and labeling, as well as profit on the product, meaning that the revenue after selling the product to the hotel guests should be higher than the purchasing price. More details on this topic will be later described in the chapter 'finance'. Expert opinions in the literature state that supplier selection criteria can be grouped into economic, environmental, social, and transportation dimensions. After the clear criteria are set, the evaluation takes place usually by scoring and choosing the best match for the partnership (Taherdoost & Brard, 2019).

The second sub-question (still first research question) deals with the attributes of the suppliers that the client Mr. Macedo has expressed during the interview (Tranquilini, 2020). The client has based his assumptions about the target group (potential suppliers) on his long experience in the hotel industry such as various hotels that he has worked in, other hotel managers sharing their experiences, and by attending various conferences regarding growing hotel trends such as sustainability. The client mentioned several aspects such as the **geographic attributes** - the supplier selection should be local therefore a mark of 25 miles (approx. 40 km) was chosen as a fitting radius. Economic activities such as purchasing price, selling price, and investment possibilities have been discussed, Mr. Macedo expresses his passion for projects that have a greater impact on the environment that can be measured sooner, and a financial benefit only in the long run. The client does not expect an immediate economic profit after implementing the sustainable suppliers, as long as the overall food value and guest satisfaction increase, and the environmental footprint is reduced. A very important aspect is the **capacity** of the production that the organic suppliers can deliver. The demand for the hotel is high therefore it is challenging to find a sustainable and organic local producer that could provide higher food quantities. Another aspect mentioned is the **'organic' certification**: waste management, packaging, and other green practices that take place in the supplier's company. Lastly, the most important aspect was the values, strategies, mission and future growth plans of the suppliers should match those of Cliveden House. Meaning that the overall **philosophy of work and ethics** of the suppliers' company should be the same as Cliveden's. This topic is presented with much detail in the Professional Product videos.

The second research question is a direct continuation of the first one since it deals with the exact **objectives and motivations** for the partnership of the client and the suppliers. This question has been answered by the client during the interview and by the potential suppliers in a form of interview or email messages. The client has explained his interest in sustainable innovations, green initiatives, thinking outside the box for solutions, creating an impression, causing a reaction with any products or services present in Cliveden House. As the client mentions in the interview, he was always aware that it is quite a challenge to find sustainable organic producers from around the area that would have enough capacity to supply a hotel, the YP project was a great opportunity to explore this topic in more depth. The client was also aware that rejection and negative reaction is a probable outcome of this research, however, any insight about this topic is still of great interest. The highest motivation as mentioned by the client is the inevitable shift of the economy towards sustainability and the better of our environment. Regarding the goals and visions of the suppliers, the client would like to see the same eagerness for change and minimization of environmental footprint, inspiring creative ideas, and a passion for sustainable growth from the selected new suppliers (Tranquilini, 2020).

The fourth sub-question deals with the objectives of the potential suppliers regarding the possible partnership with Cliveden. The answers from the suppliers are very mixed, some of them described profit and financial guarantees as to the main objective since the cold 2021 season left them with barely any harvest (Tranquilini, 2020). Other suppliers have expressed a deeper necessity for meaningful partnerships. One of the interviewed farmers has shared his visions on how they deal with waste management in the farm in a very innovative way, their company strategy is to be completely self-sufficient and maintain steady profit growth while educating local residents and visitors about organic produce. Other suppliers have expressed their care about food quality as a priority of their business. Some of the emailed suppliers have described the need for collaboration not only with possible customers such as hotels and restaurants but also partnerships with other farmers and shop owners. The local region where Cliveden House is located has a friendly local community of organic producers that have expressed their interest in collaborating among themselves in order to supply bigger clients by means of sharing equipment, managing harvest, and by staff sharing when extra hands are needed. Finally, even after receiving **negative responses** from the suppliers regarding their capacity to take on new customers of this scale, some still agreed to answer **hypothetical questions**. Questions about other motivating factors that could encourage them to find ways to supply a hotel in the future, various alternative partnerships. Some of these motivating factors were changes in contracts signed by purchasing and selling parties, financial guarantees, advertisement and more awareness, the willingness to accept different types of produce off season, not only one type of produce. These insights are discussed in more detail with specific quotes and examples from the interviews in the Professional Product videos.

To conclude, this research question was explored thoroughly by both the client and the suppliers and more detailed answers of each supplier can be seen in the appendixes of the transcribed interview or the Professional Product videos. However, there is a visible match visible among the suppliers and what the

client's wishes were. Companies tend to focus more on sustainable growth rather than a quick profit (Tranquilini, 2020).

To answer the third research question again the interviews with the client and the suppliers will be analyzed. As described in the trends and developments chapter, sustainability is defined by the three pillars of environmental, economic, and social impact. This research question was important to determine the **priority of these pillars** according to the client and to see if it matches with the potential suppliers. The highest importance has been given to the **social impact** both by the client and by the suppliers since the topic of supply chain management mostly deals with stakeholders and different people involved, and the impact that it has on them. The most evident social sustainability impact seen in this project is the way the suppliers deal with operations within their own farm or company, other existing partnerships that already have been active such as with schools and universities, as well as with organizations that recruit people with disabilities, cultural diversity in the work place, as well as partnerships with NGOs and other local organic businesses. Other social impacts mentioned by the farmers were a supportive working environment, health and safety of employees, labor rights, measures in the workplace to ensure ethical practices, and overall positive impact on the surrounding community along the supply chain.

From the client's perspective, **social sustainability** should be most visible in the form of ethical business with existing and future partners and suppliers, and also taking responsibility for the operations of the hotel's suppliers when necessary. Sustainable practices should be adopted across the whole supply chain, not limited to the farmers (Najjar, Small, & Yasin, 2020). The suppliers of the farmers (if there are any) should also be transparent and open about the ethical, responsible business being conducted since the hospitality industry is multi-dimensional and the supply chain can be of many levels (Ariffin & Maghzi, 2011). But also, being transparent and having a clear communication strategy with the guests, since the increase of customer pressure for green and responsible activities. Increasing customer awareness regarding sustainable practices that take place in the hotel is of primary importance and this way contributes to the growing trend of sustainability and education of their guests. Other stakeholders such as investors, governmental institutions also play a critical role and affect the hotel to adopt different aspects of sustainability implementation.

Interesting points were expressed by the client and the suppliers regarding the **environmental sustainability impacts** as well. During the interview, the client has mentioned specific criteria regarding environmental conservation and protection such as waste management systems, labeling and packaging activities, resource consumption, certificates, and finally that the production has to be local in order to minimize the logistically caused CO<sub>2</sub> emissions. The interviews and conversations with the suppliers have given more detail and specific examples of environmental protection systems. 15 of the questioned suppliers have shared that they are almost 100% self-sufficient and do not have external outsourcing needs.

The third sustainability pillar - the **financial impact** has also been mentioned as an important factor, especially by the suppliers. One of the motivating factors for suppliers to collaborate among other farmers and supply the needed amount of produce to the hotel is financial development. Desk research has shown that wholesale products (jam, tea, honey) tend to be less expensive and therefore more preferred by bigger businesses. Therefore, the organic suppliers have a strict demand to receive financial security in order to continue their high-quality work, pay fair amounts to their employees, and continue their sustainable development and proceed towards sustainable growth. From the hotel's perspective, the client has mentioned that sustainable supply chain management is a long process that requires investment in the current time and only receives profits in the long run. The financial impact for the hotel would be the awareness that the new organic produce will gain from the hotel guests, improved hotel brand image that will result in increased bookings and restaurant orders. More on this matter is in the Finance chapter. The client is willing to increase their costs for sustainable produce and activities as long as the benefits and profits come in the long run. The profit can be in various forms such as an increase in bookings because of a change in the hotel guest type - more green travelers, more responsible hotel lovers who are willing to spend more money on their stay.

The information about the sustainability pillars has been used in order to add more depth to the chosen suppliers, make conclusions about selection and evaluation criteria, and it can be seen in more detail in the professional product.

The last point from the research, that answers the fourth research question, deals with the **importance of hotel guests** and what a big role they play in the overall sustainable development of Cliveden House. Since it was not possible to contact actual guests who have stayed in Cliveden, literature research shall suffice. At the beginning of the YP project, the client has explained that the new implementations of organic

suppliers have to be visible to the hotel customers. Since the sustainability trend has been evolving for the last decade, customers have become more selective and pickier when it comes to how they want to interact with the sustainable products and services in the hospitality industry. The customers of the hospitality industry want to engage with sustainable activities if that means that they receive more freedom of choice (Londoño & Hernandez-Maskivker, 2016). The main factor mentioned by these hotels when choosing a sustainable supplier is the influence of hotel guests, their role is important since the sustainable activities that take place in the hotel can impact their consumption and purchasing decisions during their stay (Mefford, 2011). People enjoy having options of day activities around the local area of the hotel, especially if that includes the self-fulfillment aspect of supporting smaller businesses (Londoño & Hernandez-Maskivker, 2016). Other hotel guests expect to receive a luxurious experience in the hotel even if in smaller amounts, but in a higher quality (Peng & Chen, 2019). Lastly, hotel guests want to feel that the decision to buy a locally produced product is their own, the hotel just accommodated it. Customers do not like to be targeted with sustainability messages, charity-like activities only for the sake of helping someone else, nowadays sustainability term is thrown around in almost every advertisement campaign therefore consumers have become more resistant (Londoño & Hernandez-Maskivker, 2016). It is strongly advised that the client continues with this project of sustainable supply chain implementation from different dimensions such as marketing and communications. It is of great importance to understand how to hotel guests can receive the highest value from the green initiatives and what is the best marketing message directed at them.

#### 4.4 Use of results

In order to answer the management problem **“How can Cliveden House improve its supply chain management strategy to create a more sustainable luxury guest experience during their stay?”** four research questions have been developed based on theory. They address the aspects of attributes of the target group, the collaboration and partnership objectives, the specification of each sustainability pillar, and a choice of the right design of a communication message for the hotel guests. In this chapter, more information is provided regarding each aspect and the effect on the creation of the Professional Product videos.

The first component of the Professional Product is **the list of top ten** chosen suppliers that were proven to be the best match based on the selection and evaluation criteria mentioned in the previous subchapter. The research provided insights about the target group, which is organic local producers of jam, tea, and honey, and for the scoring and selection of the best fit. The Professional Product videos better illustrate the ideal attributes set by the client, it gives opinions of the suppliers, presents the size of produce capacity, also the willingness to create these partnerships with the hotel. Each supplier on the list is presented in a clear setting that also gives insights into the organic certificates, sustainability practices, nature protection, or local community activities that take place. Lastly, the growth strategies, mission, and vision of the suppliers' companies are examined and presented in the videos accompanied by beautiful pictures from the farms and a map to show that the local aspect is met.

The second part of the Professional Product video content is created based on literature analysis. This part of the video is called the *Implementation Plan*. Literature used was sources that explain what type of procedures take place after the suppliers are selected. Research papers have shown that in order to maximize the positive impact of the sustainable supply chain a very clear new strategy and management plan must be created (Morana, 2013). Since this YP project mostly deals with the selection and evaluation of suppliers, the implementation plan was of secondary importance and it is best if this topic is researched thoroughly by other researchers in the near future. In order to present the client with some guidelines and best ways to develop and implement the new suppliers, the researcher has presented a detailed PDCA overview, a general Balanced Scorecard, and Key Performance Indicators (Sarkis & Bai, 2014). First, the PDCA method has been introduced to create more clarity and examples of how Cliveden House can set goals and monitor the processes that will take place when developing the new supply chain management strategy with the selected local organic new suppliers. The first phase is called '*Plan*' in this phase the hotel is advised to prepare and plan ahead the organizational changes, to refresh the sustainability strategy and vision, to establish new progress measurement tools, to follow the Trends and Development of the industry, to add sustainable activities to the marketing plan, and to possibly agree on new thesis projects. All of these

aspects of the *Plan* phase are examined in the Professional Product videos. The next stage '*Do*' contains an action that Cliveden House is advised to take after the planning. Therefore, the new marketing strategy should take place, the new supplier management strategy begins, new purchasing agreements are signed with the suppliers, day tours, activities, excursions are offered to hotel guests, and lastly, events, festivals, and pop-up shops start taking place in the hotel. The third phase is '*Check*', it mainly focuses on the evaluation of all the action that has been taken in previous stages. Therefore, the client is advised to have evaluation meetings with the new suppliers, with employees, and to closely monitor and evaluate the hotel guests' satisfaction analytics. The last phase of the DPCA circle is '*Act*', this phase is for improvement strategies, resistance management, change management, new ideas, and innovations to take place. More on each of these concepts are presented in the Professional Product videos.

The next type of guideline suggested for the client is the use of a Balanced Scorecard. There are various online tools to create very extensive and detailed BSCs that provide a clear overview of goals, objectives for each department, and each project of the company. Then it can be divided into smaller targets and KPIs, a timeline presented, and even the percentage of completeness (Mathea, 2015). The researcher has created an example of how such a BSC could look like and included some goals and objectives in the four categories of financial, customer, internal processes, and learning and growth perspectives.

The most efficient and direct way to monitor and measure specific targets is the Key Performance Indicators. The researcher has provided possible KPIs that the client can use, and has given four categories of management, social, environmental, and financial. KPIs are easiest to monitor if the SMART formulation is used. Please see all the KPIs in the professional Product videos.

The third part of the professional product is resistance management. Resistance management is an important aspect of any new project, especially of this scale. More details on the resistance that can be expected from the stakeholders can be found in the Stakeholders chapter of this document. The best resistance management strategies and how to minimize the resistance are given in the professional product videos.

A very important part of this project has been the hotel guest perspective since in the management question chapter the client clearly describes the importance of considering guests' expectations. The sustainable practices should be seen by the hotel guests, they have an important impact on the success of this project and any future implementation of sustainable initiatives. Literature has shown that hotel customers can be hesitant if the new green initiatives take away any part of the luxurious experience (Alameeri, Ajmal, Hussain, & Helo, 2018). However, the majority of guests pay very close attention and expect more sustainable activities, more higher quality products, food and beverages of higher nutrition value, more involvement with the local community, and the satisfaction of knowing that the environment is protected because of their involvement. Some companies that start implementing more green initiatives tend to be driven more by public pressure than true ethical beliefs, and the customers are the first ones to notice that. More on the importance of marketing in supply chain management strategies will be discussed in the finance chapter since marketing the green activities can bring great economic value to the company.

The last part of the Professional Product videos is the alternative solutions that came about during the research phase. Some of the suppliers expressed that even if they do not have the necessary capacity to supply the hotel directly, they would still like to be part of the project in different ways. Some of the best-suggested alternatives are pop-up shops that could be set up for each small beekeeper or farmer to sell their produce directly to hotel guests, second is the seasonal menu changes that the hotel could implement to fit the organic production quantities. The third option is to invite hotel guests for tours, excursions, farm visits, and the fourth is that the hotel could have their own weekly farmers market with stalls for each small producer. In that way, not only the hotel guests but the local community can come and visit the hotel. All of these alternatives are suggested to the client in the Professional Product videos.

To conclude, the research has proven to be very successful. The research questions have been answered in the most efficient way to create the professional product and to present it to the client. During the meetings with the client, he has been updated regularly on the progress and has enjoyed listening to the results and outcomes of the research. It is safe to say that sustainability is felt in each supplier's mentality, their ways of doing business, and their visions for the future. Cliveden House's location is abundant with various organic producers, and if the client has decided to implement more produce than jam, tea, and honey, there are means and resources to do so.

#### 4.5 Discussion

This chapter will examine and discuss the aspects of the usefulness of the conducted research, the quality of the knowledge obtained, the relevance of the topics discussed, various practical and academic limitations, what remains unanswered by this research, and lastly, ethical decisions that took place during the research.

The first aspect, and arguably the most important one is the **usefulness of the research** for further creation of the Professional Product. At the beginning of the YP project, it was very little known regarding the processes of supply chain management or supplier selection/ evaluation practices, therefore the research had to be conducted and the suppliers who are the highest match for Cliveden's selection criteria were chosen for future partnership and collaboration. Sustainability pillars had to be applied in real-life cases and scenarios of the interviewed suppliers to understand them better and to guarantee a high sustainability level of the chosen suppliers. Without the research, it would be nearly impossible to understand all topics and aspects concerning the development of sustainable supply chains, and also without having the interview and constant communication with the client, the selection and evaluation criteria would not be given. Regarding the usefulness of the research, it can be said that the original task of finding suppliers has been delivered but not with much confidence from the suppliers. With additional changes about the motivations and demands of the suppliers, the project still provides useful information for the client, however not the original idea of suppliers who agreed immediately. Nevertheless, these insights will be very useful if the client decides to continue developing this supply chain improvement in the future.

The aspect of **relevance** can be described as ever-growing, as the research shows, the topic of sustainability, responsible business, green hotels is only increasing in today's industries around the world, and the demand for green, clean, transparent practices is rapidly rising (Wong, 2020).

The quality of the knowledge collected will be described by means of **reliability and validity**. First, reliability means that the research does not have random errors and it could be replicated by other researchers under different circumstances, and still produce similar results (Verhoeven, 2014). Qualitative research uses an open approach, which does not have a marked setting, therefore makes the assessment of the reliability challenging. However, Verhoeven (2014) suggests a few ways how reliability can be increased. Firstly, the sample chosen for the research is 30 participants, which is large in this project, however only one supplier has agreed to an interview, the rest chose to answer via email or chose to talk to the client directly. Therefore, the reliability is hindered due to the **low response rate**. The interview with the supplier has been **recorded**, with the approval of the interviewee, and stored for later reference, this positively affects the 'reporting and justification'. Secondly, an **interview guide** has been prepared to have a semi-structured interview with the supplier to minimize inconsistencies. Third, all participants (email and interview) have been given a clear introduction and explanation of the topic. Lastly, in order to analyze the interview and the emails, **transcription, and coding** took place to ensure consistent analysis. The reliability is also increased by sending the transcribed interview, as well as notes taken during the interview to the interviewee for confirmation. Another positive aspect was that the client has checked the interview guide that was created before the first supplier interview, then he checked the primary results of the research, during the progress meeting and has confirmed by giving positive feedback.

However, some aspects **hindered the reliability** of the research such as no creation of a logbook to justify decision making, another thing is that the majority of the suppliers only had time to answer questions via email and not in a form of an interview. This can affect the reliability because the supplier is not given explanations of unknown terms or questions, also no direct follow-up questions can be asked, and explanations in the text are not as detailed as a face-to-face interview. Other aspects that can hinder the reliability is that the interview with the client was **unstructured**, and not recorded, therefore only notes made during the interview have been used as reference.

The validity of the knowledge is divided into three parts: construct, internal, and external validity. **Construct validity** according to Verhoeven (2014) means that the construct can be measured by chosen methods. Construct validity can be achieved by ensuring that the indicators and measurements are carefully developed based on existing knowledge (Verhoeven, 2014). In this research, the construct validity can be perceived as high since all the sources have been evaluated by the AAOCC criteria which guarantees up-to-date and relevant information (see Appendix II). As well as the main concepts of sustainability and supply chain management have been operationalized based on literature, thus existing knowledge. Also, the literature review has been the basis of the interview guide creation.

**Internal validity** refers to the possibility to draw conclusions that can withstand the criticism of other researchers (Verhoeven, 2014). The internal validity has been increased by 'maturation' meaning that the management problem did not solve itself because the research took too long. Secondly, various farmers were chosen for the selection process such as tea, honey, and jam suppliers, they presented similar opinions, but still different in their own professional specifications.

However, since only one supplier has taken the time to have an interview, the interview guide as an instrument could not have been used on other suppliers. The questions had to be adjusted to fit the email environment.

Another aspect that can **hinder internal** validity is the fact that the communication with the suppliers could not have taken place in the UK due to Covid 19 restrictions, therefore some respondents chose not to answer some questions. This could have been avoided by having real-time, face-to-face interviews. This means that the conclusions cannot be guaranteed, and the information lacks completeness. Since different research methods have been used, also known as the triangulation method, the reliability increases. The methods used were literature review, qualitative research, desk research to support different statements from various angles. Some suppliers could have been biased when answering the questions knowing that a luxurious hotel wants to work with them, this could have affected their responses to present themselves as a better match.

**External validity** deals with the generalisability to other situations, whether it is a correct reflection of the population (Verhoeven, 2014). The author explains that there is a threat to external validity such as sampling bias, meaning that the participants do not represent the general population. This is the case in this research since the chosen suppliers are not enough to make conclusions, most of the suppliers also shared their own opinions therefore this cannot be taken as a general truth about a topic. Follow-up research is advised to take place in the future in order to interview more subjects to be able to generalize. However, this topic of sustainability is a trending problem that many hotels deal with, therefore from the client perspective, it can be generalized.

Several **other limitations** have taken place during the research. The time frame limitation of the YP semester (16 weeks) has affected the completeness of the research. The suppliers as a target group are mainly elderly people that deal with the work of farming, therefore interviews and online questions are not a comfortable way for them to express their opinions. Other practical limitations were the bad weather season for this project since it was a cold spring and the farmers have not been satisfied with the harvest, therefore not being able to take on new customers. Another practical limitation is that the researcher was a single person, and this project could be more insightful if there were more hands-on deck. Additional limitations were the fact that the researcher could not disclaim the name of the hotel that could have been a motivating factor for the suppliers to respond more eagerly, some suppliers have requested to speak directly with the hotel. Also, the fact that most organic producers are small-scale farmers, the capacity to take on new partners is full. And lastly, the geographical radius set for the assignment is limiting in itself.

The client is completely aware of all of these limitations and understood their importance on the overall quality of the research, however, he was still very pleased with the results that have been presented to him

Ethical decisions have taken place during the research in the form of Saxion privacy regulations. All of the stakeholders have been informed about how their data is going to be processed. A consent form has been sent to each interviewee (confirmed on record), and a disclaimer message has been attached in the emails sent to other suppliers. Since the names of the final selected suppliers need to be disclosed in the Professional Product, it was important to ask for their consent to use real names of their businesses and a possibility to be approached later this year by the hotel representatives. All the contact information of the possible suppliers has been found online therefore without breaching privacy policies.

## 5. Stakeholders

For the realization of the Professional Product, various stakeholders are involved during different stages of the development of the project. This chapter analyses the roles and responsibilities, as well as the resistance of each stakeholder. In addition, the broader social impact concludes this chapter.

### 1. Cliveden House representatives - general manager, supply manager (staff)

This stakeholder group is the most important one in the creation of the Professional Product. The interest level is very high since the client has asked the management problem of sustainable supply chain improvements to be solved. Roles that took place during the research phase were knowledge collection in the form of meetings, emails, and constant communication with the client. The general manager (client) has been guiding the researcher, providing clear evaluation criteria for the selection of organic suppliers, as well as giving feedback and advice on financial and hospitality industry-related topics. The client has also given his expertise regarding sustainability matters and which pillars should be of most importance for this project. Since the professional product video contains an implementation plan, more roles and responsibilities of the client, as well as other involved employees are described in detail. Resistance and change management is also discussed in the video. Since organic producers are generally too small to supply a hotel, advice on collaboration between various suppliers has been suggested. Therefore, the general manager together with the purchasing manager of the hotel should take on new tasks such as supervision of more than one supplier and also new projects towards mutual growth that can bring great triple bottom line benefits for both parties (Najjar, Small, & Yasin, 2020). The resistance that can be expected from this stakeholder (the purchasing manager) is medium. There will be more responsibilities, more working time, more strategies and goals to reach, and more tasks for the employees of the hotel who shall take on the new sustainable projects together with the suppliers. However, this resistance can be minimized by more structured employee management (more details in the video). The general manager's resistance is low since he is very motivated to start making a change by implementing green initiatives within the hotel and seems to be excited about what is to come.

## *2. New local organic suppliers*

The second stakeholder is the target group of this project - the organic local suppliers. Three producers of goods have been chosen: jam, tea, and honey farmers. During the research they had a role of sharing their willingness to collaborate and work together with Cliveden House, to explain organic production practices, to take the role in interviews regarding the motivation factors, and also to give insights about the whole organic food industry. The suppliers that have been contacted proved to be very helpful and the knowledge shared has been the main content basis for the Professional Product creation. The future roles of these suppliers will depend on the agreements and contracts signed with the hotel. Since there are many projects, plans expected between suppliers and the hotel, not only purchasing, but also further business development, educational tours for the hotel guests, and new innovations for even higher sustainability levels the resistance can be expected to be high. The suppliers have many aspects to consider, for them, this is a risk to lose their current smaller customers for a big long-term project with a hotel with high demand. Another risk is the collaboration with other suppliers/ farmers in order to create a big enough capacity and produce amount to supply the hotel. Sharing staff, equipment, and intelligent resources can be difficult when more players are involved. However, in order to satisfy the suppliers, they have shared their own demands and motivations that would reduce their resistance. These motivations are described in detail in the Professional Product.

## *3. Customers, hotel guests, travelers*

It is an important stakeholder group since the literature and research have shown the immense impact and demand from travelers for green hotels. During the YP project the guests' expectations have been analyzed in form of a client interview, review forums, since contacting them directly was not possible and due to Corona, the hotel was closed, therefore no guests could be approached directly. Nevertheless, the opinions of hotel guests have been taken into consideration when creating the Professional Product. Customers' satisfaction motivates the hotel to adopt different aspects of sustainability. The new suppliers implemented into the supply chain of Cliveden House will have a direct effect on the guests since the new green initiatives will be marketed and targeted to increase guest awareness and to attract more bookings from green tourists. Other roles of the hotel guest are explained in the implementation plan in the professional product. In short, the guests should be kindly asked to enjoy the new offered tours, excursions, educational activities held in the farms of the new suppliers also be encouraged to try new organic menu options in the hotel restaurant as well as purchasing sample-sized organic products to take home after the stay. The resistance can be expected to be medium. Studies have shown that not all tourists like to be forced to partake in sustainable activities, some do not think still that luxury can be combined with sustainability, other guests, more traditional ones, might feel uncomfortable when more green tourists start booking at Cliveden House and more green initiatives shall take place. Therefore, a very clear marketing and communication strategy

should be created by the hotel in order to create an inviting message towards skeptical, traditional guests who show more resistance towards new implementations. Examples of how to deal with this customer resistance are given in the Professional Product video.

#### *The broader impact of the project*

This YP project tackles all three pillars of sustainability, as the research has proven. The management problem is very relevant and only growing in today's economic climate. The whole idea of searching for local and sustainable new suppliers is a direct example of a broader social impact on the whole supply chain, on the community, and all stakeholders, or even the government. As mentioned in previous chapters the benefit of this project can be visible from all three pillars of sustainability. The social benefits for people involved in the supply chain, for the education of the community, for the involvement and employment of local farmers and land workers, new strategies that can guarantee transparent and responsible conduction of business. The environmental benefit is visible in the form of waste management, land preservation, and sustainable organic certificates that guarantee the protection of land's resources. The economic impact is the strategies for all parties and stakeholders involved in the project. Since both, the hotel and the suppliers are eager to grow their businesses in a sustainable manner, increase their financial profit by simultaneously protecting and caring about their work ethic. By implementing a sustainable supply chain and continuing the sustainable strategy in the future, Cliveden House sets an important ethical example not only for its competitors in the industry but for various businesses in different markets. The new sustainable strategy that is advised to be developed in the future should bring the necessary attention and awareness, and more care towards the protection of Earth's resources and people.

## 6. Finance

The finance chapter of this project has to deal closely with the sustainability pillar -economic impact. After discussing with the client the type of financial procedures that might take place when implementing the professional product, he was certain that this case is very similar to many others in the hospitality industry and that the best way to explain these procedures is to look at already existing data. The article 'The Economic Value of Sustainable Supply Chain' from 2011 has been taken as a basis to describe the financial interactions that take place. This article provides great case studies and analyses the examples of other companies similar to Cliveden House (Mefford, 2011).

Corporate ethics is an interesting topic for this project and the YP semester in general. Ethical businesses gain more attention from shareholders, governments, investors, and consumers (Mefford, 2011). The efforts of sustainability normally focus on the social and environmental behavior rather than on the economic argument, which is gradually shifting. In today's society, it is beneficial for companies to pursue sustainable business practices in order to bring higher satisfaction for the shareholders and to guarantee the long-term competitiveness of the company (Mefford, 2011).

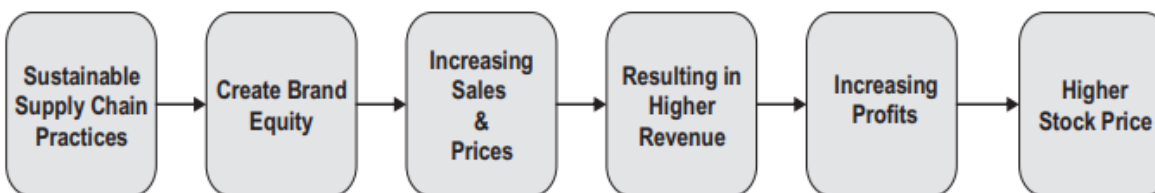


Illustration I

If we closely follow the illustration I shown in this chapter, a connection is seen from the first step *Sustainable Supply Chain Practices* all the way to *Higher Stock Price*. This chapter will explain this link.

Firstly, more companies take into consideration what customers think about their sustainability practices. Many managers think that ethical business is the right thing to do, but some also think that this can benefit their revenue. A study of 25,000 consumers from 26 countries has found that companies with sustainable values and practices result in higher sales and strong customer loyalty. The study has also shown that the biggest motivators for consumers are labor practices, business ethics, environmental

practices, and responsibility for the local community. In this way, the first connection between *sustainable practices* to the *brand equity* can be seen. **Brand equity** is a marketing concept implying companies develop a strong loyal profitable consumer base. Loyal customers will buy more, pay higher prices, this will even reduce expenses on marketing costs. Therefore, the second connection can be made. The clear ethical values and practices of a company lead to a more loyal customer base, created brand equity, increasing sales and as well prices, or at least no need for discounts. The decision to take more sustainable activities can result in **higher revenue** in time. It is more likely that managers tend to look at short-term cost-cutting and profit maximization, however, it is customer satisfaction and its influence on the company that can guarantee long-term benefits. In today's technologically open age almost no companies can hide anymore any unsustainable, low labor cost, polluting practices. This can bring enormous negative publicity and harm the reputation.

Many companies try to avoid long complicated processes of implementing a green supply chain, sustainable production, or services because the goals of these activities are long-term and need years of dedication, improvements, planning efforts. More of these efforts will be described in the Professional Product video about implementation plan and performance measuring (see the link to video in the introduction chapter). In this project, the general philosophy of wanting to do better and to support the local community is already a big step in the long process. It is an important decision to change comfortable low costs/ low quality for premium organic produce made locally, enriched with the best nutritional value and flavor but more expensive. Sustainable supply chain practitioners have discovered that in the long run, it pays off to choose the **higher-cost** organic supplier that can be flexible to change according to feedback, rather than selecting the **lowest price** wholesale food productions. In this case, hotel guests are willing to pay higher prices initially to purchase higher quality produce. Literature shows that companies that implemented sustainable activities with fewer supervisors, better quality, teamwork, and worker responsibility resulted in shorter delivery times, 11% higher pay and lower turnover rate, and productivity bonuses (PLANERGY, 2016). To summarise, a company that successfully implements green initiatives will experience continually increasing quality and productivity, making the company **more competitive**. Even additional costs such as training, higher wages, study trips, sustainability fairs, and festivals will eventually pay off and even improve the sustainable activities that the hotel implements. The main concept of sustainable business philosophy is that when one party prospers, the other stakeholders will also benefit. The marketing, production, and financial effects, if done correctly, should improve the profitability of the company. Greater revenues in the marketing chain and lower costs in the production channel lead to higher net income and profits for the sustainable company. Reduced customer complaints, employee lawsuits can result in lower financial risk. This provides an additional channel of influence on the firm's valuation, possibly lowering the corporate cost of capital (Mefford, 2011). To give just a few examples of actual costs, expenses, and investments the researcher has picked a wholesale produced strawberry jam price (350g for £ 2.90) for comparison with organically produced one (350 g for £ 3.99). The price comparison shows an increase of costs by almost 30% per jam jar which the client described as very reasonable and expected. The client has shared that the hotel is ready to spend up to 40% more on organic local produce. Other additional operating costs might include training programs for employees, marketing plans for hotel guests, and educational promotional activities with the suppliers. The final illustration III is shown in the appendix that presents the financial impact on each stakeholder mentioned in the previous chapter (see Appendix IV).

In illustration II (see Appendix VIII) a clear and complete overview is presented to show how different parts connect and (in)directly affect each other to bring higher company stock value, higher revenue, and a great return on investment made, even if in an indirect form (Mefford, 2011).

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## Appendices

### Appendix I Alternative Solution evaluation criteria

	Alternatives					
Measure	1.Gift basket with samples of food	2.Variety of products: craft beer, spices and seasoning, candles or room scents	3.Solar panels/ electric car charging stations/ water saving systems/ self-sufficient gardens	4.Theme kits: SPA, party, Covid, picnic	5.Activities: excursions, day tours, classes, tastings	6.New jam, tea and honey supplier selection and evaluation (the Professional product)
Urgency: how urgent does it need to be implemented	1	1	1	0	2	2
Impact on the management problem	1	3	2	1	3	3
Sustainable values: green principles	2	1	3	1	2	3
Time efficiency: how much time is needed	3	2	1	3	2	3
Budget: financial resources	2	1	1	2	3	3
Resources: human, intellectual, practical	2	2	1	2	3	2
Hotel guest involvement:	3	2	1	2	3	3
Feasibility: how easy can it be created	2	2	1	2	3	2
Resistance: stakeholder resistance	3	2	1	1	3	2
Total points	20	16	12	14	24	23

## Appendix II Evaluating sources using AAOCC criteria

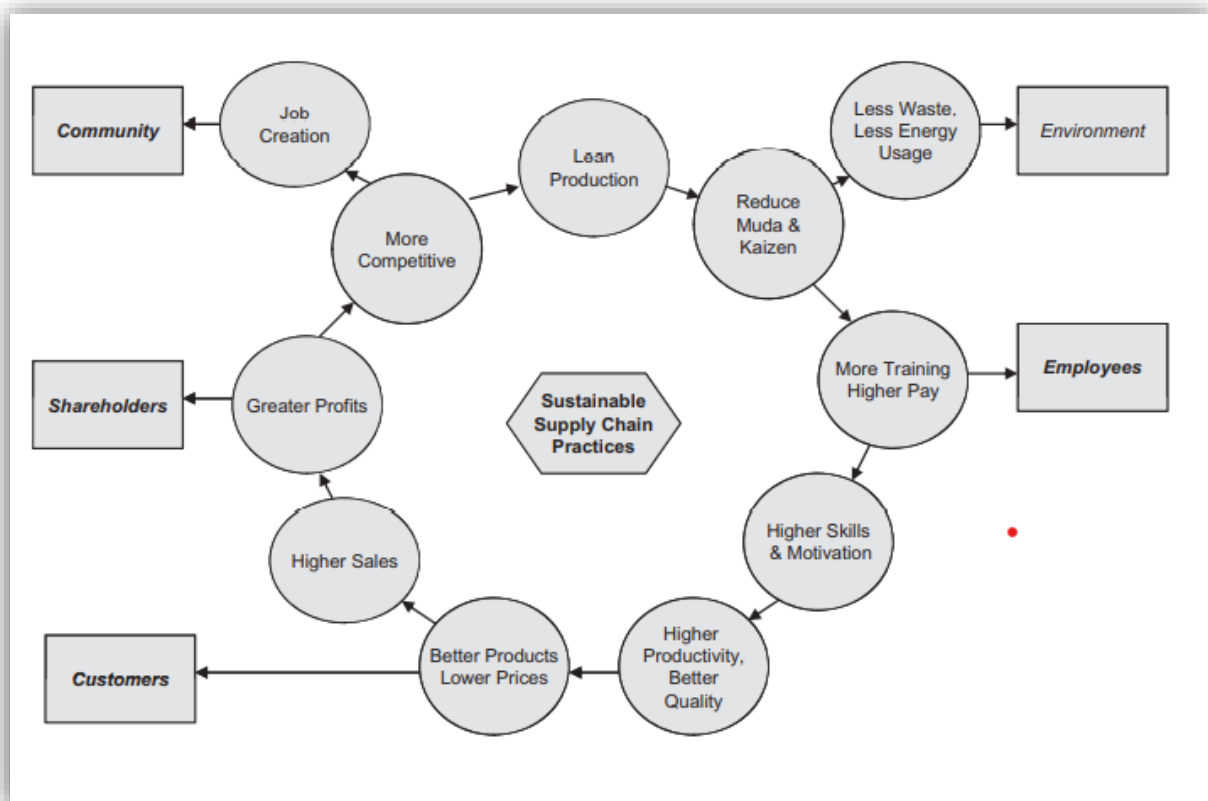
Note: Maximum score per criteria is 3 points (+++) minimum is zero. The maximum score per source is 15points					
Source	Authority	Accuracy	Objectivity	Currency	Coverage
<b>Hotel guests' perception of green practices: A content analysis of online reviews.</b>  <i>Tourism and Hospitality Research.</i>	+++ Yi, S., Li, X., & Jain, C.  There is more information online about the authors, their studies, work experience, other papers	+++ The information is based on extensive content analysis and data given on different literature sources and review forums	+++ The insights are objective, the author provides best case examples of more than one consumer review channel	+++ Year: 2018	+++ The paper analyzes the topic thoroughly giving wide range examples of the content analysis completed
<b>Luxury Hotels going green - the antecedents and consequences of consumer hesitation.</b>  <i>Journal of Sustainable Tourism.</i>	+++ Authors: Peng, N., & Chen, A.  There is information about the authors online	+++ The article is based on previous theories and literature	+++ The theory is presented and is objective and based on research	+++ Year: 2019	+++ The paper discusses all ins and outs specifically for luxurious hotels and their interaction with sustainable activities
<b>A Conceptual Framework of Sustainable Hospitality Supply Chain Management.</b>  <i>Journal of Hospitality Marketing &amp; Management.</i>	+++ Authors: Xu, X., & Gursoy, D.  Information about the authors is available	+++ The insights are based on research of implementations and theories	+++ The article objectively presents the insights on the topic	+++ Year: 2015	+++ Very extensive framework and findings that lead to creating of a conceptual model

## Appendix III the list of all suppliers contacted

A list of all the contacted suppliers:

1. Walthamplace
2. pinewood nurseries
3. Cashtea
4. Jakesboost
5. Natures raw honey
6. Honeys of henley
7. Coopers honey and bees
8. Bosley Patch
9. Randall Farms
10. Copas Farms
11. Maidenheads farmers market
12. Woodstock english honey
13. Surrey hills honey company
14. Chiltern hills honey
15. The corner shop
16. Festival of food and wine
17. The mile menu
18. Bevans at longacres
19. Venetias kitchen
20. Be happy products
21. Great missenden food festival
22. The farm shop
23. Healthright
24. Twist mustards
25. Mapledurham food festival
26. Real organic foods
27. Roberts butchers
28. Orchard view farm
29. Anilas authentic sauces
30. Bethneys butchers
31. Hartley wintey country market
32. Noels farm shop
33. The truffle limited
34. Sandwich plus bakery and deli
35. Chiltern cold pressed rapeseed oil

## Appendix IV financial impact on stakeholders



## Appendix V research strategy and methodology

Research questions	Research strategy	Method of data collection	Selection of data sources	Methods of data analysis
SQ 1: which target groups are targeted by similar organisations as the client?	Desk research	Secondary analysis	Reports, articles, websites related to supplier selection and evaluation criteria, supplier attributes, other companies like Cliveden House	Summarising and structuring the information, operationalization by categorizing the findings
SQ 2: which attributes of the target group are important according to the client?	Qualitative Field Research	Unstructured interview	Non probability sampling: self-selection	Taking notes, summarising, sending to the interviewee for confirmation
SQ 3: what are the objectives of the client?	Qualitative Field Research	Unstructured interview (the same time as SQ2)	Non probability sampling: self-selection (the same time as SQ2)	Taking notes, summarising, sending notes to the interviewee for confirmation
SQ 4: what are the needs and objectives of the potential suppliers?	Qualitative Field Research	Semi structured interview	Non- probability sampling: self-selection	Transcribe, Open Coding, Axial Coding, Coding table
SQ 5: what are the topics and pillars of sustainability that the client is most interested in?	Qualitative Field Research	Unstructured interview (same time as SQ2 and SQ3)	Non probability sampling: self-selection (the same time as SQ2 and SQ3)	Taking notes, summarising, sending notes to the interviewee for confirmation
SQ 6: what are the topics of sustainability most important in the market/ industry?	Qualitative Field Research and Desk research	Semi structured interview and secondary analysis	Non- probability sampling: self-selection And reports, articles related to the examples of sustainability pillar importance in the hotel industry and supply chain management	Transcribe, Open Coding, Axial Coding, Coding table and Operationalisation to categorise concepts and topics discussed
SQ 7: which of the new supplier activities and purchased goods can be seen by the guests?	Qualitative Field Research and Desk research	Semi structured interview and secondary analysis	Non- probability sampling: self-selection And reports articles related to hotel guest interactions with sustainable practices	Operationalisation to categorise concepts and topics discussed and Taking notes, summarising, sending notes to the interviewee for confirmation
SQ 8: what is the communication message towards the hotel guests regarding the new sustainable supply chain?	Desk research	Secondary analysis	Reports and articles that explain the importance of marketing communication strategy, examples of guest resistance and satisfaction	Operationalisation to categorise concepts and topics discussed

## Appendix VI Fraction of the Interview Transcript with Supplier

1 represents the supplier

2 represents the interviewer (Rugile Piliutyte)

1: every time you start a conversation they will say ok great, that would be lovely to have I would like to have 20 lamb racks each week, im sending not those many animals and they always want the same part in big quantities, the same cut in big quantities and this is something for a small producer is difficult to do. The other issue is really the prices because ofcourse the hotel wants to pay you know often what they used to pay whole sale from the conventional producer they come to the producers and say I used to pay this, no actually im not selling whole sale I have much higher production costs, the economy seems to be the difficulty to provide which is very unfortunate because I think it's a win win situation in many respects.

2: Its actually very reasonable everything you are saying because more and more companies want to be more organic more sustainable, there are trends happening, even customers the guests in the hotels are asking is this organic is this locally made so I think more and more businesses are getting the pressure from the whole economy to move towards the more organic produce but limitations also exist like you said the money and finance

1 :exactly, so in a way the change on the mindset of the consumer, the middle man on the chain also the hotels the restaurants the chefs they need to change their mindset as well in economic terms but also the grower to be more flexible.

2 :Can you tell me more about the flexibility of the grower, in which terms?

1 :a lot of small businesses, small organic gardens and small holdings, its very tight you have to run it quit tightly because the margins are very low the risks are very high there is a lot of work and the resources are limited so if a grower turns to find something that works he will stick to that because its working and its very hard to change that sometimes. I cant quit explain why because of the routine to what one does and one struggles to change that so everything new that comes to us the growers it needs to make sense financially but also needs to be exciting, it needs to be an opportunity for the grower to engage with a wider society short of say.

2 :you said so many things I had in my notes, what would be the guarantees or factors that small businesses would look for when trying to make a partnership, like you said, future growth possibilities maybe more stuff maybe legal contracts that give you more guarantees financially.

1 :I suppose in a sense then flexibility from the other side, commitment to buy what is being produced for them that would be an attraction, in the terms of the quantities set the prices are very clear commercial arrangement. The other thing is the flexibility in terms of buying. Lets say the grower has a surplus of a specific crop, would you consider taking it? So flexibility in what is been bought but on the other hand a clear commercial agreement that would be really good.

2 :that is good to know, because when im talking with the hotel, they know its quit difficult to work with smaller businesses because of the quantity and the amounts most of the time. So do you think it would motivate small organic businesses if there are lets say, the hotel offers good prices, but the small business still cannot supply this high demand, would small businesses consider collaborating?

1 :that is a great idea! And that's what small businesses need to do more but without the middle man because that is always the problem, putting someone else earning in that chain. It's a chain issue, the shortest the chain the better it is for both parties. The longer you make the chain the more issues. But I absolutely think that is the way forward. We work not for the hospitality industry but at my business for example one of the things we produce for instance is as a contracted crop are seeds. We are having this whole conversation at the moment in terms of finances but also in terms of developing growers in that work per region, so how can people support each other because one of the issues with quantities is as soon as you start producing quantity of a specific crop generally speaking means you are gonna have to develop your infrastructure for that and sometimes, not always, you have specific infrastructure for different crops so no wonder people tend to specialize to certain things because then they have all the equipment to work with. So that's part of the dilemma. Collaboration would be definitely the way forward. Another invitation which I think for the chefs would be very exciting is changing the menu. I cant give you 20 kilos of carrot but I can give you 20 kilos of beetroot. Its the same issue that we see with most businesses, the hotel has got a system, has a routine that they know is time efficient, is money efficient then they need to stick to that. What we really need is an open dialogue between all of us, consumers growers and businesses.

2 :what do you think when hotels or restaurants have seasonal menus? That is a good idea right?

1 :yes definitely that's the way to go! Otherwise it cant be local!

2 :you cannot demand the same product if it doesn't grow currently

## Appendix VII Interview coding table

Axial Codes	Open Codes
<b>Criteria for selection</b>	Jam, honey, tea
	Capacity
	Size of production
	Local
	Organic
	Sustainable practices
<b>Sustainability Pillars</b>	High costs
	Profit and revenue
	Environment protection
	Local community
	Trends
<b>Consumers / hotel guests</b>	High demands
	Activities
	Willingness to interact
	Expectations

## Appendix VIII Financial Connections

