



Human Trafficking: It Takes a Business Community to Drive Business with a Purpose

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IDC's Quick Take

Last week, SAP Ariba held a human trafficking roundtable event at its SAP Hudson Yards New York City offices. The roundtable focused on the United Nations Global Compact that adopted 17 sustainable development goals for its 2030 agenda two years ago. While most individuals and businesses believe slavery was abolished years ago, there are currently over 40 million forced laborers worldwide. The United Nations Global Compact initiative is assisting in highlighting the problem of modern slavery, forced labor, and noncompliance with human rights. And this initiative lines up quite well with procurement and global supply chains.

This roundtable discussed the opportunity to bring awareness of human trafficking to businesses. It focused on what is currently available to help businesses uncover the problems within their supply chains. Along with the United Nations Global Compact, Nielsen, Made In A Free World, and SAP Ariba discussed the opportunities to bring about change within global supply chains.

Product Announcement Highlights

The [United Nations Global Compact](#) is a call for companies to align strategies and operations with universal principles on human rights, labor, environment, and anti-corruption and take actions that advance societal goals. The mission is business with a force for good. In fall 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals (SDGs). Building on the principle of "leaving no one behind," the new Agenda emphasizes a holistic approach to achieving sustainable development for all. The 17 goals are:

1. [No Poverty](#)
2. [Zero Hunger](#)
3. [Good Health and Well-Being](#)
4. [Quality Education](#)
5. [Gender Equality](#)
6. [Clean Water and Sanitation](#)
7. [Affordable and Clean Energy](#)
8. [Decent Work and Economic Growth](#)
9. [Industry, Innovation and Infrastructure](#)
10. [Reduced Inequality](#)

11. [Sustainable Cities and Communities](#)
12. [Responsible Consumption and Production](#)
13. [Climate Action](#)
14. [Life Below Water](#)
15. [Life on Land](#)
16. [Peace and Justice Strong Institutions](#)
17. [Partnerships to Achieve the Goal](#)

Lise Kingo, CEO and executive director, United Nations Global Compact, highlighted the changes needed in decent work. "There are over 40 million people who are part of modern slavery, and many of them are part of global supply chains. Unfortunately, businesses don't always know their supply chains may be part of this larger societal problem."

Technology to the Rescue

Most businesses do not know they have an issue, mainly because they haven't thought about it and would never think there is a problem today. The way to help a business is allow them to measure and see the bigger picture behind it and recognize human trafficking issues do exist within global supply chains. Add to this the ability to measure a commerce technology platform and the right set of data and workflows and you can change the context of slavery with your business.

Justin Dillon, founder and CEO of [Made In A Free World](#), believes "Slavery is a business and is just commerce in reverse. Slavery is cheating businesses." In response, Dillon's company has built a solution called FRDM. Made In A Free World started as a nonprofit organization in 2011 by partnering with the U.S. State Department to build the first every Slavery Footprint platform combining product data with consumer purchase data to provide footprints to close to 30 million people worldwide. The company then developed an extremely large federated database of supply chain data designed to assist companies, organizations, and institutions to protect their purchases from human rights abuses (FRDM) and became a for-profit company. The Made In A Free World software helps businesses to simplify social risk management by housing everything in one place. In addition, Made In A Free World has a [link](#) so each business can quickly calculate the number of slaves that work for their company within the supply chain.

When Made in a Free World's FRDM software is married with the Ariba Network and the SAP Ariba customer's supply chains, transparency is created so businesses recognize where they have a problem. SAP Ariba estimates more than 75% of the Global 2000 are connected to the Ariba Network, spending \$12 trillion a year on goods and services. With this kind of buying power, the opportunity to influence the world and provide fair labor practices across the supply chain is significant. Business with a purpose is critical to making procurement awesome and moving beyond pure cost savings.

Nielsen is just one company of many that are focused on creating transparency to help with social compliance aspects of procurement. With thousands of suppliers globally, one person cannot do social compliance justice. But with the aid of the technology that is reliable, actionable, and transparent, Nielsen is moving toward identifying the social injustices and becoming a procurement team with

purpose. Nielsen utilizes SAP Ariba's supplier risk management solution. The SAP Ariba supplier risk management solution applies machine learning to leverage data from Made In A Free World and other third parties, connecting the data with context of the business. This allows procurement to uncover where the risks and exposures are geographically, drill into a country and its hot spots, and then go further to manage the issues in context of the supplier. Procurement finds it easy to view and understand because there is a 360-degree supplier profile and transactions on one page. The view ties back to the businesses' UNSPSCs and is then married with the FRDM data to show a map of the supply base, the total spend in the supply base, and each supplier. The data can also be broken down further by part/component number to understand the n-tier supply base and the concerns over even a particular mineral purchase at the bottom of the supply chain. As an example, 65% of tin ore consumed in the United States is coming from particular global areas. The power of the SAP Ariba supplier risk management solution is its ability to combine the big data into the materials that go into the product. Once this nonconforming information is uncovered, the business can work with suppliers to find out where they buy their products. In most cases, the problem is with the distributor, manufacturer, warehouse, or even the engineering of the product. Once a problem is uncovered, both the buyer and seller can take joint responsibility to do good and make a change.

Not Knowing Is No Longer an Excuse

Procurement now has the ability to promote awareness of social compliance utilizing the partnership of SAP, SAP Ariba, and Made In A Free World. A business may choose to ignore the obvious, but it is also no longer an excuse. Doing what is right is the modern world's mantra.

In addition, finding issues is a second step to helping solve the problem. Dillon said it well, "Make sure your company understands their bottom line is their top-line/brand value. Value is about your business and what you give away; social compliance monitoring and problem solving allows a company to operationalize these values." And last, remember not to confuse product with perfection. Most companies will never have a perfect supply chain or be perfect just as humans since we are not perfect and we don't have perfect lives. Dillon summed it up well, "Don't make perfect the enemy of progress."

IDC's Point of View

Mobilizing procurement to add more to its already burgeoning list of successes — spend management best practices, cost savings directly impacting profitability, diversity and CSR initiatives and goals, assurance of supply, and risk mitigation — means procurement must continue to do more with less. Procurement is the one area of the company that continues to perform, assisting the business with better profit and balance sheet outcomes; increased federal, state, and country mandates; and compliance.

Social compliance, while not new to businesses, is hard to manage and monitor. When you build a solution centered around some of the United Nations and State Department concerns, blend it with data from formidable third-party sources, and tie it onto a technology platform procurement utilizes daily, you put the power of community to work. The community-built platform enables the business to identify and work with a supply chain to end the social injustice of modern slavery.

We expect more to come within procurement and supply chains as more businesses tie themselves to promoting their business with a purpose beyond just making money. In the end, we are one world that must do good and help each other to follow the same or better path.

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