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B Resource Guide:
Local Purchasing Policy



B Resource Guide: *Local Purchasing Policy*

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I. Definition: Local Purchasing Policy

A Local Purchasing Policy is a documented commitment to give preference to locally produced goods and services, purchased from a local and independent business, over those produced more distantly.

II. Definition: Local Independent Business

The definition of local can vary depending on your geographic area. It should be thought of as the area that people in your community consider to be local. A recommended guideline to use is within a 50-mile radius of a place of business.

III. Why Create a Local Purchasing Policy?

There are many well-documented benefits to communities and to each of us to choosing local, independently owned suppliers.

Sustainable Connections' Top Ten reasons to Think Local – Buy Local – Be Local³

1. **Buy Local -- Support yourself:** Several studies have shown that when you buy from an independent, locally owned business, rather than nationally owned businesses, significantly more of your money is used to make purchases from other local businesses, service providers and farms -- continuing to strengthen the economic base of the community.

1 <http://www.livingeconomies.org/netview/whos-eligible-to-join>

2 <http://www.livingeconomies.org/netview/whos-eligible-to-join>

3 <http://www.sconnect.org/thinklocal/why/>



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2. **Support community groups:** Non-profit organizations receive an average 250% more support from smaller business owners than they do from large businesses.
3. **Keep our community unique:** Where we shop, where we eat and have fun -- all of it makes our community home. Our one-of-a-kind businesses are an integral part of the distinctive character of this place. Our tourism businesses also benefit. "When people go on vacation they generally seek out destinations that offer them the sense of being someplace, not just anyplace." ~ Richard Moe, President, National Historic Preservation Trust
4. **Reduce environmental impact:** Locally owned businesses can make more local purchases requiring less transportation and generally set up shop in town or city centers as opposed to developing on the fringe. This generally means contributing less to sprawl, congestion, habitat loss and pollution.
5. **Create more good jobs:** Small local businesses are the largest employer nationally and in our community, provide the most jobs to residents.
6. **Get better service:** Local businesses often hire people with a better understanding of the products they are selling and take more time to get to know customers.
7. **Invest in community:** Local businesses are owned by people who live in this community, are less likely to leave, and are more invested in the community's future.
8. **Put your taxes to good use:** Local businesses in town centers require comparatively little infrastructure investment and make more efficient use of public services as compared to nationally owned stores entering the community.
9. **Buy what you want, not what someone wants you to buy:** A marketplace of tens of thousands of small businesses is the best way to ensure innovation and low prices over the long-term. A multitude of small businesses, each selecting products based not on a national sales plan but on their own interests and the needs of their local customers, guarantees a much broader range of product choices.
10. **Encourage local prosperity:** A growing body of economic research shows that in an increasingly homogenized world, entrepreneurs and skilled workers are more likely to invest and settle in communities that preserve their one-of-a-kind businesses and distinctive character.

Under current market conditions, it is often perceived as cheaper to buy distantly produced goods. Larger multinational companies use their economies of scale to attract consumers to purchase goods manufactured from afar by offering lower prices. Yet, the added costs are not always factored in: transport, packaging, facilities, inspection - and their associated environmental costs.



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Of course it may not be possible to buy what you need locally. And trade with other countries is a good thing; as a company, you can support the livelihood of many in poor and vulnerable areas abroad, who depend on international buyers. Plus, there are times when goods produced from afar may actually utilize more environmentally friendly methods of production than your neighboring supplier.

All these considerations are acknowledged. The point is to first build a local *sustainable* supply network to the extent possible; and when goods are purchased from afar, do your part to green the supply chain and to ensure that local community benefits.

- Ask suppliers if they source locally.
- Require specific environmental and social criteria of suppliers: share your **supplier code of conduct** and social and environmental mission, and request theirs in return.
- Work collaboratively with suppliers to develop and implement sustainability standards if they do not currently exist, or set performance objectives to improve upon current standards. This only helps the local economy.
- Commit to meet with all significant suppliers yearly.
- Actively seek to recruit minority owned businesses into your supplier mix where possible.

Check out B Corporation, **Mugshots CoffeeHouse & Café**, to learn about their exemplary local purchasing practices.