



How to set social procurement targets for your business.

Making a difference with First Nations.

Acknowledgement

Winc acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging.

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What is social procurement?

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Social procurement is the term used when a business procures goods or services of social value. These businesses are choosing to buy goods from other businesses that are committed to dedicating a percentage of annual profits towards achieving a social mission.

These businesses are known as social enterprises – and include many with Aboriginal and Torres Strait Islander ownership. So chances are when you choose to make a purchase from an Aboriginal and Torres Strait Islander owned business, you are contributing back to the communities in which they operate and creating positive economic and social outcomes.

Procurement → Acquiring goods and services

Social Procurement → Acquiring goods and services while generating social outcomes.



A social enterprise will invest back into the community by dedicating profits or resources to serve a social purpose.

Why is it beneficial to have a social procurement strategy?

Introducing a social procurement strategy into your business will redirect your buying power to create social change and give you the ability to track your positive impact in social value. Having a good social procurement strategy offers a range of benefits for your business, your people and the social outcomes you are supporting:

Implementing a social procurement strategy with a focus on Indigenous can:

1. Generate a huge positive impact that doesn't require additional funding.
2. Stimulate greater opportunities for a stronger and more diverse economy.
3. Encourage local economic development and growth by creating jobs for Aboriginal and Torres Strait Islander People.
4. Help your business achieve Corporate Social Responsibility targets.
5. Close the employment gap between Indigenous and non-Indigenous Australians.

According to Supply Nation's Social Return on Investment (SROI) Report, for every dollar of revenue, Certified First Nations Suppliers generate \$4.41 of economic and social value.¹ That means every dollar goes four times further when spent with Indigenous businesses.

Engaging with First Nations businesses creates a significant and measurable social impact. Aboriginal and Torres Strait Islander business are more likely to:

100x

more likely to hire Indigenous people

56%+

frequently provide pro-bono advice and support

54%+

sponsor local sports teams / cultural events

Provide community benefits



How to build a successful social procurement strategy?

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Don't be afraid to start small - even small purchases create significant impacts. By procuring from First Nations businesses, Aboriginal and Torres Strait Islander communities benefit enormously from the support created from that engagement.

Tracking and demonstrating the benefits of your program through a procurement strategy is a valuable tool that will help emphasise the importance of supporting Aboriginal and Torres Strait Islander people, and for future decisions based on that positive impact.

1. Assess your current situation

Do a quick assessment of your current supply chain. You might be surprised to discover that you already engage with an Indigenous business to fulfill some of your procurement requirements. Once you have identified the need for goods and/or services, make a conscious choice to contribute this to your social procurement spend. Consider which businesses you already purchase from: are there any changes you can make to your existing spend to create more social value?

Make small switches – for instance if you are hosting an event, consider using a First Nations owned catering company or think about using a First Nations business for your next order of business cards. On your next office supply run, purchase products from diverse suppliers via Winc such as notebooks from Tjindgarmi or copy paper from Mandura.



How to build a successful social procurement strategy?

2. Create social value goals

Social value encompasses the wider economic, social and environmental effects of an organisation's actions. Once you have a better understanding of your current engagement with First Nations businesses, set social targets that will help build momentum and inform your action plan. For example:

- Set a target for increasing your direct or indirect spend with Aboriginal and/or Torres Strait Islander businesses. Over what time period will you achieve that goal? How will you measure it?
- Set targets for the social value you will create as a result of that spend. You can do this by:
 - Committing to procuring some goods and services from Aboriginal and Torres Strait Islander owned businesses.
 - Committing to engaging a percentage of commercial relationships with Aboriginal and/or Torres Strait Islander businesses.
 - Partnering with like-minded stakeholders like Winc to develop joint programs that support the growth of Aboriginal and Torres Strait Islander businesses.
- Attend networking events for First Nations business owners to meet relevant business contacts and foster new connections.
- Reach out to your Winc account manager for more information how we can help you achieve your social procurement goals.

Your business could also consider introducing a Reconciliation Action Plan (RAP). A RAP is a roadmap that supports an organisation's commitment to their reconciliation movement.

Workplaces can introduce a RAP as any part of their reconciliation journey. For more information visit: <https://www.reconciliation.org.au/reconciliation-action-plans/>



How to build a successful social procurement strategy?

3. Generate Internal Awareness

Create internal awareness about your business' decision to introduce a social procurement strategy focusing on supporting Indigenous communities. This will provide your employees with the opportunity to get involved and contribute. These relationships will help to drive genuine progress to reach your goals and enrich the journey for both your team and your business.

4. Create opportunities

In an increasingly competitive market, First Nations business owners are looking for ways to increase the chance to win opportunities. Support them by adding clauses to your contracts, creating realistic opportunities within your tender documents for Indigenous entities and advertising it to the right channels. Working with a workplace supplies company like Winc can make this much easier to achieve. By tapping into Winc's existing customer base and national logistics footprint, First Nations businesses can scale more quickly. For national organisations, buying through Winc makes the job of delivering against national Indigenous social procurement goals much easier to achieve.

5. Connect

Seek out organisations and peak bodies to help with your procurement journey and networking opportunities. Supply Nation has introduced a verification process to promote Aboriginal and Torres Strait Islander businesses. These businesses are not only certified but are audited annually to ensure continuing compliance: <https://supplynation.org.au/about-us/>

Winc is proudly a founding member of Supply Nation and maintains the highest level of Supply Nation Partnership as a Red Ochre partner. View Winc's case studies on connecting with the following First Nations businesses:



- **Integrity Health & Safety**

Proud Dughutti man, Liam Harte, launched Integrity Health & Safety in 2014 with Wiradjuri man Brad Goodwin, while working as a paramedics. In 2017 Liam identified a collaborative opportunity with Winc, forming a successful partnership that went on to sell over 1,000 lifesaving defibrillators to Woolworths supermarkets.

- **Tjindgarmi and Teter Mek**

Tjindgarmi and Teter Mek were established when Torres Strait Islander artist and entrepreneur Jasmin Herro developed a range of Indigenous-branded office products for the enterprise and education sectors. A percentage of profits from all Tjindgarmi and Teter Mek products are donated to the Teter Mek Foundation.



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There are also state-based peak bodies that support First Nations owned businesses by building skills and facilitating opportunities. These include:

- New South Wales Indigenous Chamber of Commerce (NSWICC)
- South East Queensland Indigenous Chamber of Commerce (SEQICC)
- The Tasmanian Indigenous Chamber of Commerce (TICC)
- Pilbara Aboriginal Contractors Association (PACA)
- Northern Territory Indigenous Business Network (NTIBN)
- Noongar Chamber of Commerce and Industry (NCCI)
- Kinaway, based in Victoria

6. Share your success stories

Finally, share about your social procurement journey with your employees, customers and key stakeholders. By sharing about how your organisation is achieving its social value goals, you spread positive information on the importance of supporting First Nations businesses and communities.

To find out more about our First Nations offering, contact your Winc Account Manager.



References:

¹Supply Nation, 2020, "The Sleeping Giant: A Social Return on Investment Report on Supply Nation Certified Suppliers", <<https://supplynation.org.au/wp-content/uploads/2018/08/Sleeping-Giant-Report.pdf>>