



Sustainability Initiative at Trader Joe's 15.972



Agenda

- Trader Joe's Introduction
- Operation Standards
- Key Sustainability Challenge
- Analysis Framework
 - Current Sustainability Strategies
 - Improvement Recommendations
- Follow-up Actions

Introduction

- Specialty grocery store
 - Smaller footprint and fewer items carried compared to other chains
 - Does not rely on national brands
- Customer base
 - Well-educated, well-traveled, and nutrition conscious
 - Green sustainable consumer perception
- As a private company, not required to disclose financial information

Operation Standard

- Price

- Premium product, low priced grocery

- Criteria of Quality

- Products free of non-natural enhancements

- Match distribution requirement

- Distribution network internally managed

- Strict delivery schedule

- Inventory management vigorously managed

Key Sustainability Challenge

- Balance between consumer preference for exotic and premium products vs. sustainable practices

Analysis Framework

- Review current sustainable strategies
 - Waste
 - Energy
 - Packaging
 - Seafood
 - Certifications
 - Employees policies

Current Sustainability Strategies

- Waste

- Bagging policy: plastic, paper, or reusable?
- Produce Sales Policy

- Energy

- Smaller store footprint
- Imported products

Improvement Recommendations

- Waste
 - Reusable bagging incentive programs
 - Multiple produce quantity options
- Energy
 - Supplier assistance programs

Current Sustainability Strategies

- Packaging
 - Post-use Symbols not used
 - Wrapped produce
- Seafood
 - Sustainable sourcing by 12/31/2012
 - Labeling policy
 - Species sales policy

Recommendations

- Packaging
 - Increase sustainable packaging use
 - Decrease volume packaging per product
- Seafood
 - Supplier assistance programs
 - Consumer awareness campaigns

Current Sustainability Strategies

- Certification Offerings
 - Organic, Fairtrade, and Rainforest Alliance
- Employee Policies
 - Non-unionized workforce
 - Open management culture
 - No-layoff policy
 - Mandatory training for all employees
 - Multi-task encouragement

Recommendations

- Certification Offerings
 - Increase consumer awareness
- Employee Policies
 - Encourage suppliers to also increase treatment to employees
 - Continue encouragement of Fairtrade standards

Follow-up Actions

- Question internal priorities
 - Find balance between exotic vs. sustainable product offerings by reviewing key focus areas previously described
- Review industry and competition's initiatives to gain further ideas for areas of improvement or actions
- Follow-up with team with any questions

Reference Links

- http://www.huffingtonpost.com/2009/07/13/the-greenpeace-vs-trader_n_230891.html
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- <http://www.sustainlane.com/reviews/trader-joes/W7LCPMCOCSPPAMDYSRNM439F1R2SB>
- http://www.sfgate.com/cgi-bin/blogs/green/detail?entry_id=37558
- <http://www.workforce.com/section/06/feature/24/06/51/>

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