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Your Partners for Responsible International Workplaces

Tuesday August 4, 2009

## Partnership Model Launched

The FFC is pleased to announce the launch of the FFC Partnership Model - a fresh look at membership types in the FFC that is inclusive of all supply chain actors. The model was launched in order to create and enable opportunities for information management, data exchange, transparency and collaboration at any level and among any actor in the supply chain. Moreover, with membership categories for all supply chain actors, the FFC now supports any compliance business model: those that seek an internal audit management solution that is "bottom-up" and/or "top-down", as well as those that seek a platform to collaborate with any actor in their supply chain, including with other purchasers of a supplier. For more information, visit our website at [fairfactories.org/our-community/membership-categories.html](http://fairfactories.org/our-community/membership-categories.html) or email [information@fairfactories.org](mailto:information@fairfactories.org).

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## Collaboration & Technology Research

Many factories producing consumer goods are visited every two weeks on average or 25 times a year. It is a time-consuming and repetitive process, which sucks up resources and produces a lot of duplicated information. Resources spent on auditing could be allocated towards remediation and capacity training in factories – actually improving the issues found in audits, rather than re-finding the same problems. Interested companies are finding ways to collaborate with each other in shared factories through audits, corrective action plans and remediation to assess and improve factory workplace conditions. The FFC wants online information-sharing technology to be part of the solution.

FFC received a grant from the Levi Strauss Foundation to research how technology enables brand collaboration in supply chain practices. FFC developed a survey and conducted interviews to reach 101 people from companies, NGOs, academics, governments, and audit firms. FFC wanted to know how companies are currently collaborating, what are the drivers and obstacles to collaboration, and what role technology is playing.

### [Current Collaboration Practices](#)

Research showed companies are currently collaborating

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## Also This Month

### Membership Drive

The FFC is currently running a membership drive, offering 35% savings on annual dues for any Company / Purchaser member who signs up in the next three months.

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formally and informally. Formal collaboration is where companies collaborate through a structured and mediated program. Research indicated approximately 60% of companies are collaborating on joint codes of conduct, joint projects in a specific geographical region, and participate in multi-stakeholder initiatives.

Informal collaboration is ad-hoc and impromptu consultation between companies. Research revealed that companies rely heavily on informal collaboration. Ninety percent of respondents consult with another brand or other brands on specific compliance or remediation issues, 85% of respondents participate in working groups, and approximately two-thirds are conducting joint audits and joint remediations with other companies.

Companies tend to collaborate with companies in the same industry and not just with any brand that shares the same factory. The most used and most useful sharing practices between companies are sharing audits, corrective action plans, and remediation reports. Over half of the companies agreed that sharing audit results was the most useful for their company. One respondent stressed that sharing audits is good for business, "sharing audit results with other companies increases our own leverage." Shared audits alleviate factory audit-fatigue and free up resources for remediation and capacity training. One respondent emphasized that sharing audits allows resources to be reallocated, "We need to focus more on issue solving and remediation rather than issue finding."

#### Drivers and Obstacles to Collaboration

What is driving companies to collaborate? The FFC research found that companies are collaborating on supply chain practices to reduce cost, increase efficiency, enhance performance and improve factory working conditions. There are many obstacles to collaboration. The biggest obstacle is differing auditing standards and methodology between companies. Lack of confidence in another company's ability, competency or quality of work is another hurdle. Legal concerns around company collaboration, an unclear return on investment, and lack of technology also hinders collaboration.

#### The Role of Technology

The research revealed that technology does not make companies collaborate, but facilitates the collaboration process. Companies must initiate collaborative relationships with other companies, while technology can make the process efficient by providing data collection, sharing and storage. Seventy-two percent of respondents believe that technology aids them in their collaboration efforts.

The FFC research identified additional software tools to develop to facilitate online sharing which include 1) profiles, 2) matchmaking and 3) shared calendars.

Profiles of factories, auditors and companies would help identify potential collaborating opportunities. Factory profiles would include the number of audits conducted, areas on non-compliance, trainings and certification received, and information on management. Auditor profiles would increase users' knowledge of auditor's experience, skills, and audit

methodology. Company profiles would provide company philosophy, code of conduct, audit methodology, remedial strategies and auditor preferences.

Matchmaking tools would use factory data to match companies who use the same factory and then supply all associated information on past audits, upcoming audits, and pending activity.

Two types of shared calendars, the factory audit calendar and the social compliance calendar, would alert users to opportunities to collaborate in factory audits and trainings. The factory audit calendar would alert companies to scheduled audits at shared factories. A social compliance calendar would alert CSR managers, auditors and suppliers to webinars, trainings and facilitate e-learning. E-learning is an opportunity to provide training to suppliers at a reduced cost by using online technology.

#### Future Aspirations for Collaboration

Overall, the research indicated companies see brand collaboration as useful and would like to see more openness between companies in supply chain practices.

Future aspirations for collaboration are more joint projects with other brands in specific geographical areas, increased participation in multi-stakeholder initiatives and increased use of shared data platforms like the FFC and Supplier Ethical Data Exchange (SEDEX). Also, the research found there is a desire to conduct trainings with other brands, and create a joint service to respond to worker grievance.

For more information, or to see the results of the survey, visit [fairfactories.org/resources/research.html](http://fairfactories.org/resources/research.html)

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## Dynamic User Roles Launched

The FFC launched customizable security roles and user rights or permissions. Members now have the ability to create accounts, user logins and assign specific permissions (such as view, edit, etc.) to users as they see fit, according to the tasks that they need their users to perform on their behalf.

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