



From the Desk of the President



Michael A. Gibbons
President, GSC

Remembering a Turning Point in Worker Safety

March 25, 2011, marked the one hundredth anniversary of a tragic event that resulted in many positive changes in occupational safety standards. On March 25, 1911, a fire broke out at the Triangle Shirtwaist Factory in New York City. Within 18 minutes, 116 young women and 30 men, whose average age was 19, lost their lives in the fire. Many of the workers could not escape the burning building because the managers had locked the doors to the stairwells and exits.

The New York state legislature established the Factory Investigating Commission to investigate safety and working conditions in workplaces across the state. In 1912, the New York legislature passed eight bills proposed by the Factory Investigating Committee. The bills covered a wide range of conditions and industrial dangers affecting workers, including: sanitation, the work of women who had given birth, rest periods, child labor, hours of work for women and children, and injuries sustained on the job.

In January 2000, the Worldwide Responsible Accredited Production (WRAP) was launched to ensure lawful, ethical and humane manufacturing globally. The non-profit, independent, Virginia-based WRAP is the world's leading facility certification program mainly focused on the apparel, footwear and sewn products sectors. Facilities worldwide can receive a certification lasting for six months to one year based on compliance with the 12 WRAP principles including: compliance with laws and workplace regulations, prohibition of forced and child labor, health and safety, hours of work, environment, customs compliance and security.

Today, WRAP is the world's largest labor and environmental certification program for labor-intensive consumer products manufacturing. The organization enjoys the support of 25 international trade associations including the International Apparel Federation, which represents 36 national associations and over 180,000 individual companies

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Award-Winning Sourcing



[Juee Vinayak](#)
Chair, GSC 3S Awards

Distant Village Packaging: Socially Responsible Business as a Win-Win

Distant Village Packaging was awarded the coveted GSC 2010 3S Most Innovative Award on February 8, 2010. Here is a brief interview conducted by Juee Vinayak, chairperson of the GSC 3S Awards, with Distant Village founder, Rich Cohen, revealing his views on sustainability and social responsibility. Throughout 2011, the newsletter will continue to feature all of the farsighted companies that won or made submissions for the 2010 3S Awards.

How was Distant Village Packaging founded? Was it an entrepreneurial vision?

Distant Village was founded on the premise to serve 3BL concerns (environmental preservation, community development, and economic empowerment), while operating a growing, thriving, profitable business. When going to market, we are focused on the packaging needs of our clients. Our goal is to build their brand image and drives additional revenue. Often our packaging is successful with the client, and we receive growing re-orders, since the packaging is working for them. When clients are supportive of our deeper purpose, they often contribute toward our scholarship fund. Those clients make us and our communities even happier. We've been fortunate to have excellent clients that support of our mission. Distant Village is proof that social business is a win-win for everyone.

Tell us more about sustainable handmade packaging products. How has this initiative changed the life of the artisans and the communities involved?

Artisans have enjoyed consistent yearly growth with Distant Village. We work with artisans to show them how to develop packaging from local materials, and provide them unprecedented access to the global packaging market. This has brought more jobs to their remote communities. The work is stable and consistent. Often they come from sustenance farming or fishing, if not unemployment. Distant Village and our clients support their communities with student scholarship funding, disaster relief, and fellowship events. I always look forward to the fellowship events. They consist of a full day filled with healthy fresh food, children's art contests, games, running races, basketball tournaments, karaoke, badminton, parades, cultural dances and songs, and much more. The entire community gets involved! It has been a great way to building connections and ties us deeper into the community.

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Distant Village Packaging

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What has been the most challenging experience you have had with Distant Village Packaging? Has it influenced or changed any of your beliefs/perspectives?

I was extremely challenged in the early years of Distant Village (early 2000's). I realized quickly that despite the good mission and intentions of Distant Village, first and foremost our value-added business impact needed to be communicated clearly. As a pioneer in sustainable packaging, we had a mature sustainable offering before it's time. However, in 2006 I was invited to present at industry conferences to explain and define sustainability. Global understanding is rapidly developing. Today we are enjoying rewards from the fruits of our labor as sustainability pioneers. We're being rewarded with wonderful sales growth and fulfillment of our social mission.

As the winner of the GSC 2010 3S Most Innovative Award, how do you plan on using the monetary award received and what are your future plans for Distant Village Packaging?

I am grateful for the generous monetary gift. 2011 will be a year of growth and expansion. Our gift will contribute toward funding to expansion into Europe (we already have clients in England), and a deeper penetration into the US Market. Our future is quite exciting, in that, we have recognized that we are much more than a packaging company, but rather a "reliable and authentic source for natural and sustainable materials and products".

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Distant Village Packaging

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What awards and press has Distant Village Packaging received? Please enumerate.

Most recently our sister company, Distant Village Philippines, is excited to have been recognized in August, 2010 by the government of the Philippines as the Best Eco-CSR Program of the Year. The company is only 2 years old, so this has been a wonderful surprise to us.

Our company (and many of our clients) was featured on the cover of Packaging Design Magazine in December, 2010. This is an industry-leading magazine in our packaging world.

There have been other awards and press over the years, and some I am unaware of. By doing a google on "Distant Village" or "Distant Village Rich Cohen", one can see what the world is saying!

What is your view about sustainability and social responsibility? What would be your message to budding entrepreneurs who would like to make a difference through the 3S principles?

Our company was borne from a seed of sustainability and social responsibility. Every product and every decision is coming from that root. Existing companies without those roots are challenged. They have existing processes, machines, and leadership which all must be adapted, re-engineered, or re-created. An authentic sustainable business is rooted in the hearts of the companies staff and leadership. Budding entrepreneurs have a wonderful opportunity to create a pure and authentic company with the a social mission baked into the company from the very start! From my experience, it may take more patience and persistence, however the rewards and fulfillment come in many forms like this recognition and award from Global Sourcing Council.

Prospective customers interested in sustainable packaging solutions can contact Distant Village Packaging via email rich@distantvillage.com or phone 1-773-276-4554. Also visit www.distantvillage.com to learn more.



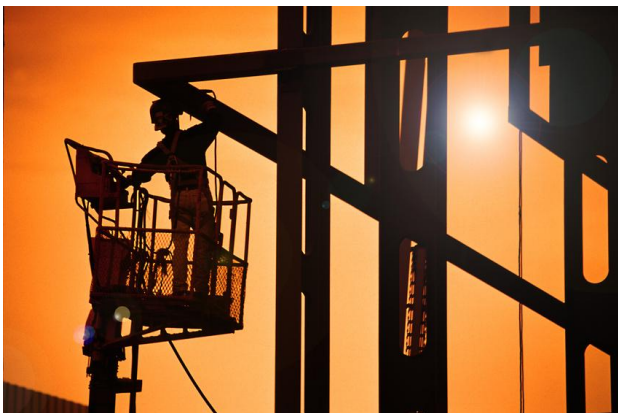
Remembering a Turning Point in Worker Safety

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Despite the progress, worker safety still needs improvement on a global basis. On May 10, 1993, a fire at Kader Toy Factory in Thailand killed 188 workers, most of whom were young female workers. And, more recently, two fires in Bangladesh claimed the lives of 21 employees. More recently, on April 20, 2010 the explosion of the BP-owned oil platform Deepwater Horizon left 11 oil workers dead and led to accusations of lax record-keeping and unresponsiveness to safety warnings. The disaster at the Fukushima Daiichi Nuclear Power Plant in Japan has led workers there to “voluntarily” expose themselves to highly dangerous and unhealthy situations in cleaning up radiation leakage.

China has made a series of moves to enhance occupational safety and protect workers' legitimate rights in recent years. Figures from the China State Administration of Work Safety showed that a total of 97 people were punished in 2010 after being held responsible for two deadly coal mine accidents and a major traffic accident in China. China has also passed a labor contract law in 2008 to strengthen the worker rights and interests (*Peoples Daily Online*, 3/26/11).

Social responsibility is one of the primary pillars of the GSC, and as members we should support organizations such as WRAP, while keeping in mind the tragic events of one hundred years ago. A great deal of improvement has been made in factories around the world in terms occupational safety over the past 100 years, but there are still many areas where progress can and must be made. The GSC will continue to work towards promoting Sustainable and Socially Responsible Sourcing (3S) as a part of these important efforts. To join us, please visit the [GSC website](#) for membership information.



Sourcing Viewpoint



Bill Bierce
Resources Chair, GSC

CSR in India: Wipro's Stand Against Corruption

Anti-Corruption Open Letter by Wipro's Chairman: Corporate Social Responsibility in Outsourcing in India and other Emerging Countries

Outsourcing has created a middle class and an educated wealthy elite in India and other emerging countries. The legal framework that promotes private industry and international trade in services also distributes the benefits unequally. In a January 2011 "open letter" to the Indian Government, business leaders of Wipro and Mahindra (and other Indian industry) asked the Indian government for more attention to civil rights, social equity and clean and responsible government.

Open Letter. The public letter calls on India's government to reform "the widespread governance deficit almost in every sphere of national activity, covering government, business and institutions." The key focus was to improve the quality of the rule of law through:

- attacking corruption "with a sense of urgency, determination and on a war footing," including the establishment of anti-corruption special public commissioners.
- "creation of genuinely independent and constitutionally constituted regulatory bodies, manned by persons who are judicially trained in the field concerned."
- elimination of excessive administrative discretionary decisionmaking that has been "routinely subjected to extraneous influences."
- making governmental "investigative agencies and law enforcing bodies independent of the executive."
- unrelenting action to pursue a national mission without dilution or digression from the challenges of achieving growth and alleviating poverty.

For the online slideshow version, [click here](#).

Globalization of "Governance" and "Compliance." The inspiration from this Open Letter draws upon the governance and compliance mandates imposed by well-drafted outsourcing contracts on the service providers in countries such as India. Governance, compliance and transparency are:

- legal mandates under U.S. securities laws (Sarbanes-Oxley) and U.S. federal sentencing guidelines;
- accounting mandates under SAS 70, Type II audit guidelines;
- Generally accepted "Business Process Management" principles that have evolved from ITIL software development guidelines and project management principles, and
- Shareholder democracy as reflected in principles of fiduciary duty of directors and officers; and
- Contingency planning and risk management for multinational enterprises seeking to concentrate back-office operations in a few specialized service centers.

"In a January 2011 "open letter" to the Indian Government, business leaders of Wipro and Mahindra (and other Indian industry) asked the Indian government for more attention to civil rights, social equity and clean and responsible government."

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CSR in India: Wipro's Stand Against Corruption

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Wipro's Chairman Premji understands this linkage.

Social Impact, Legal Framework and Effective Sourcing. This open letter highlights the social impact of global sourcing on India and, probably, other countries that have engaged in privatization and promotion of global entrepreneurship.

Service Buyers. Enterprise customers now operate in an environment where "corporate social responsibility" ("CSR") is measured by investors, local community groups, government and non-profits. When assessing prospective sourcing partners, enterprise customers should add the Open Letter criteria to their checklist and communicate the CSR issues for a dialogue. By addressing issues on the "rule of law" (versus "rule by bureaucrats"), the vendor selection process can serve the enterprise customer's search for "viable" vendors, improve local legal frameworks and achieve more stable, predictable and resilient sourcing outcomes.

Service Providers. This plea by Wipro's Chairman Premji and other Indian business leaders highlights the role of the service provider in promoting good governance in the host government. Service providers have a "bully pulpit" and social responsibility to ensure that the benefits of globalization and outsourcing are distributed widely to the larger community in their countries. Focusing on a more transparent, less corrupt, less bureaucratic government will invite further foreign direct investment and avoid loss of opportunities for sustainable economic growth.

The *Global Sourcing Council* is a non-profit corporation dedicated to promoting sustainable business practices and corporate social responsibility in global sourcing. See www.gsccouncil.org to join.

"Service providers have a "bully pulpit" and social responsibility to ensure that the benefits of globalization and outsourcing are distributed widely to the larger community in their countries."

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David Kinnear
Chair Elect, GSC

Sourcing Leadership

Bagels, Networking & Business: The Next Generation Global Sourcing & Sustainability Summit

There's no place like New York. Ask any New Yorker – or anyone who has always wanted to be one. And there's simply no arguing – the bagels are the best in the world. As are the opportunities for networking. The Next Generation Global Sourcing & Sustainability Summit on April 6, 2011 was no exception. A capacity registration despite the rain.

A substantial and energized gathering of industry professionals assembled to network, debate, discuss – and further the boundaries of our industries. To explore what is new, to listen to and engage those driving this next generation of advancement in sourcing and services delivery. We heard what is happening in Healthcare, the impact of Cloud, the implications of our insatiable demand for Energy, the tough-love pitch of Sustainability, the seemingly unstoppable advance of Social Media, the move toward mobile data all around us – and pondered together the question of whether governance and regulation advances or hinders economic growth.

In introducing the debate as a varied "bouquet" of issues for reflection, David Kinnear encouraged the audience to take a 10-10-10 view of where we are, and how critical issues like cloud will change our future. If we look back 10 years, look at now, then look 10 years ahead, what can we expect? Global Sourcing Council (GSC) Board member Gregg Butler took the chair and artfully guided the discussions, bringing out the fragrance and nuances of these issues and the important common threads that run throughout.

We listened as the next generation of outsourcing leader and entrepreneur, Walt Young, CEO of Innerworks International, described the impact of cloud technology on reducing costs and increasing efficiency in the Healthcare space. A view confirmed by Tom Young, one of the most experienced voices in infrastructure advisory work at TPI. Tom spoke of the major winners and losers that cloud would create in the next 5-10 years and the opportunity for big-step cost savings, not just incremental.

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Panel Participants and Chairs for the Summit

Next Generation Global Sourcing & Sustainability Summit

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John Perez of Vonage helped us explore the next chapters in how our expectations of social media will evolve and how it is becoming such an important and effective tool in addressing customer service. In this vein, no one in the audience will soon forget Tom's plane ride to Ontario -- and the best answer for a broken toaster may simply be to buy a new one versus calling customer care. Is this progress?

There could be no underestimating the level of debate and dialogue generated by Jay Raphaelson's remarks on energy -- the clear path toward greater regulation and perhaps self-generation for large organizations -- combined with commentary on the general lack of knowledge about how the sector works and what that means for the average client. If we are using more efficient technology methods, but our dependency on technology and thus also energy is increasing dramatically, then does the future get more or less expensive and is it more or less efficient? Views differed on that. It is difficult to know for sure when alternative energy technologies will be ready for general deployment, but there was strong consensus on the need for domestic energy solutions versus the current state of overseas reliance.

While some clients have toned down their green procurement requirements, many others have made it a top priority. The direction toward embracing sustainability is clear though the definition of sustainability remains broad and vague for many in the marketplace. Those who lead will shape it and the government will take care of the laggards, was the essence of Stephen Nemeth's comments as he spoke of TwoDegrees work in the field. Mark Sickles connected the dots between fighting change and the many benefits of embracing change, as so many organizations strive to find compatibility in the demands of fiscal responsibility, social responsibility and the new era of cloud.

With excellent networking and plenty of audience participation, it was everything it was intended to be-- an informal yet informative evening of great networking and lively debate. Can't wait for the next one. See you there!

With appreciation to BK Advisory Group, SPi, GSC and GSSOCX - and all those who made this event possible and the members of our distinguished panel.



Walt Young, Aileen Silvestre and David Kinnear

Upcoming Events

Nearshore Nexus: New Axis of Outsourcing

April 26, 2011
Jersey City Hyatt, Jersey City NU



Ray Wang

The Global Sourcing Council invites you to join us at one of the most important global sourcing events of the year. Nearshore Nexus will bring together over 250 sourcing professionals to examine the rising influence of the "New Axis of Outsourcing" – interconnecting North America with Central and South America.

[Register today](#) to learn from some of the smartest minds in ITO/BPO who will examine why nearshore sourcing is seen as a viable complement to sourcing in Asia; examination of regional cost differentials and the "total cost of outsourcing", why the buzz around Brazil is justified, results from a recent survey on personal safety perceptions of Latin America and much more!

Attendance to the conference is FREE for buy-side, sourcing customers.



Dr. Jerry Luftman

Key Conference Highlights:

- **The Future of Enterprise Software:** One of the brightest futurists on SaaS and Cloud services - Ray Wang, CEO of Constellation Research, forecasts how your IT operations can seize new advantages in software development.
- **IT Offshoring and Cloud Services:** Dr. Jerry Luftman, Distinguished Professor at Stevens Institute of Technology and a Nationally Respected Authority on IT human capital, presents a "State of IT Offshoring Report" and moderates a panel on the drivers behind nearshoring.
- **What Really Matters for Buyers of Offshore/Nearshore Services:** John Parkinson, Global Sourcing Chief at Axis Capital, provides a firsthand account of IT/BPO offshoring and the influence cultural familiarity has on outsourcing relationships.



John Parkinson

The full-day conference is specifically built to generate deep, business-driven insights into sourcing in the Americas in an executive-level setting. We have purposely limited the number of sponsors to 'tilt' the balance of attendees in favor of decision-makers - in order to stimulate high quality networking and peer sharing.

Don't miss this priceless opportunity to learn about a dynamic region and a dynamic opportunity for your business. **Sign up today: The first 100 decision-maker/customer registrants receive a \$25 VISA Gift Card to defray local travel expenses.**

REGISTER AT: WWW.NEARSHORENEXUS.COM

For questions, contact Conference Chair, [Kirk Laughlin](#)

Mark Your Calendars

✓ [April 20, 2011](#)

GSC Webinar - Rural Sourcing: Profit with Purpose

Madan Pataki, CEO, MeritTrac and Trustee, Head-Held-High Foundation
Sudhir Achar, Chair of the Board, VantageAgora

✓ [April 26, 2011](#)

Nearshore Nexus Conference: New Axis of Outsourcing, Jersey City, NJ

✓ [May 11, 2011](#)

GSC Webinar – Global Source of Innovation

Jordan Cohen, Pfizer Works interviewed by Karen Morris, GSC Bd. Member

✓ [May 25, 2011](#)

GSC Webinar - Data Security Laws in European Union vs Global Cloud:, Secure Sourcing Destination - Poland-Katowice

Marcin Nowak, Eastern Europe DDS Centre Manager, Capgemini
Pawel Ponczyk, Ernst & Young, Poland
Mateusz Skowronki, Strategic Investments, City of Katowice, Poland



Submissions for the May issue of the GSC Newsletter are due no later than **Thursday, May 5, 2011**. Email the newsletter editor, [Marsha Weisfeld](#), with any articles for consideration, or with any comments or suggestions you may have.

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About the GSC...

The Global Sourcing Council is focused on assisting organizations from all sectors, buyers and sellers, achieve their economic goals without sacrificing sustainability. The GSC fosters the exchange of information and a dialogue through:

- Best Practices – the GSC defines and delivers best practices celebrating the intellectual and social capital of the world in a respectful and sustainable manner
- Collaboration –the GSC delivers a wide range of events, activities and webinars to enable its members to network, meet, and share ideas, for growth and to further drive the goals of the GSC
- Education – through the delivery of events, information, and certification, the GSC aims to inform and educate its members on all aspects of sustainable outsourcing processes, issues and trends
- Thought Leadership – the GSC offers an open, unbiased discussion platform for new ideas, controversial issues and general information on socially responsible sourcing in a professional and respectful manner.

We are looking forward to hearing from you. Please contact [Wanda Lopuch](#) if you would like to participate in the work of committees or contribute your time, talent or resources in other ways.