

Editorial

Special Issue on Cost–Benefit Analysis for Economic Sustainability in Supply Chains

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In the actual competitive arena, competition occurs among supply chains, which must be globally resilient and sustainable. Typically, dominant and focal companies influence the upstream and downstream of the supply chain and represent a benchmark of the most demanding standards of the industry that should be followed [1]. The activities of all companies in the supply chain are very intertwined, and externalities are generated, directly and indirectly affecting companies within the supply chain, other industries and, finally, the society. The impact of such externalities should be understood from different perspectives and, in this context, the concepts of cost–benefit analysis and triple bottom line have emerged and should be taken into consideration.

Indeed, companies should commit to measuring their social and environmental impact, in addition to their financial performance, rather than solely focusing on generating profit, or the standard “bottom line.” A triple bottom line perspective must be taken into consideration, where financial profit or economic dimensions are complemented by other aspects. Typically, a triple bottom line (TBL) is an accounting framework with three components: social, environmental (or ecological) and financial. Such a perspective is committed to the welfare of future generations through (i) being economically viable; (ii) ecologically correct; and (iii) socially fair [2–4].

In 1994, John Elkington established the “Triple Bottom Line” of people, planet and profit (also known as the 3Ps, TBL or 3BL) and has recalled the concept in a short 2018 article published in the *Harvard Business Review*, entitled “25 Years Ago I Coined the Phrase “Triple Bottom Line.” Here’s Why It’s Time to Rethink It”. The TBL concept was followed rapidly by double and quadruple bottom lines; social return on investment (SROI); multiple capital models; full-cost accounting; ESG (a framework for investors and financial analysts focused on environmental; social and governance factors); the environmental profit and loss approach pioneered by Trucost, Puma, and Kering; net positive; blended and shared value; integrated reporting; impact investment; and most recently, Boston Consulting Group’s (BCG) Total Societal Impact framework. Nevertheless, the success or failure of sustainability goals cannot be measured only in terms of profit and loss. It must also be measured in terms of the wellbeing of billions of people and the health of our planet. Thus, TBL dimensions can be also connected to the three Ps: people, planet and profits [2].

In this Special Issue:

- (1) Two articles focus on the development of assessments tools to assess the bankruptcy in organizations. First, Li and Li proposed a revenue-sharing and buy-back (RSBB) contract to coordinate the supply chain with a cash-strapped retailer or manufacturer and analysed the impact of the acceptable bankruptcy risk. Furthermore, Aldalde et al. proposed a predictor based on the eighth-model of the Altman Z-Score Logistic Regression. Through this contribution, a bankruptcy probability ranking can be applied by a set of companies structured as a supply chain.



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- (2) Three papers address non-financial aspects as a way to improve cost–benefit analyses. Al-Marri and Pinnington Social present evidence on how project management can contribute to organizing, implementing, aligning and monitoring sustainability-centred programmes from a corporate social responsibility perspective. Furthermore, Allui and Pinto’s study aimed to identify the non-financial benefits of companies from Saudi Arabia. In this study, a survey was conducted regarding a set of randomly selected Saudi companies, including those from the manufacturing and service sectors. According to the authors, this kind of research and its findings could encourage firms’ managers and stakeholders to improve social responsibility activities to better achieve non-financial benefits and improve competitive advantage. The third paper (Morais and Barbieri) analyses how stakeholder positioning influences the extent to which focal firms in a supply chain implement governance mechanisms to address social issues in complete supply chains.
- (3) The public sector is addressed by other two papers. Gaus et al. addresses economic sustainability using a life cycle cost (LCC) model. The time-related dimension of economic sustainability constitutes a focus of interest, specifically the procurement management activity. The proposed approach merges organizational information processing with organizational buying behaviour theory. Empirically, it reports original insights into eight cases in the public sector. The second paper (Thesari et al.) is a literature review that explores how the preferences of decision makers are used during the process of public budget planning. In addition, this paper analyses how such preferences affect the improvement of the governance of municipalities and human quality of life.
- (4) Green supply chains are addressed by three published papers. The first paper (Reche et al.) intends to answer if it is possible to define a conceptual model that could guide companies to embed their integrated product development process (IPDP) into supply chain management (GSCM). The authors propose a preliminary model integrating IPDP and GSCM. Their main contribution is a preliminary model for companies that allows the environmental impact of products in different GSCM to be reduced based on an IPDP. The second paper (Tapia-Ubeda et al.) focuses on the integration of green supply chain management and circular economy. The authors propose a framework where the greening factor is introduced as a new concept. Through that factor it is possible to measure the effort required for a productive process to become sustainable. This framework is applied in a set of Chilean companies from different sectors, through which it is possible inspire a wide range of application possibilities. Finally, a third paper (Kruger et al.) addresses supply chains and the measurement of their sustainable performance. The proposed model looks at the three dimensions of sustainability to strengthen or enhance a triple bottom line analysis with a focus on environmental care and well-being. Specifically, in the case of swine supply chains.
- (5) The generation of business models is the topic addressed by the other two papers: the first paper, by Gomes et al., identifies how the merger of two logistics companies points to different customer segments can positively contribute to sustainability. This approach addresses social and environmental aspects. A literature review on business models, conceptual business models, and sustainable business models was conducted to validate these topics. An analysis of the strengths and weaknesses in these areas within two companies created an artefact that allowed for the optimization of processes and savings in human and material resources, the identification of qualitative benefits arising from mergers, improvements in productivity and services, the standardization of processes, and the implementation of innovative digital technologies. Finally, Minatogawa et al. modelled the way that sustainable business model innovation (SBMI) can learn from business model innovation. A bibliometric study was developed, and from this, the authors were able to discuss critical gaps in the SBMI literature. Through the identification of such gaps, possible pathways to solve these

gaps through lessons learned from business model innovation were identified. The findings of this study can inspire future research on SBMI, which can be a basis for further efforts towards sustainable development in companies and organizations.

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