SOURCE TO STORE

SUPPLY CHAIN VISIBILITY

OCTOBER 2018

TRACEABILITY

TRANSPARENCY

TRUST

Powered by

Transparency-**One**

SGS
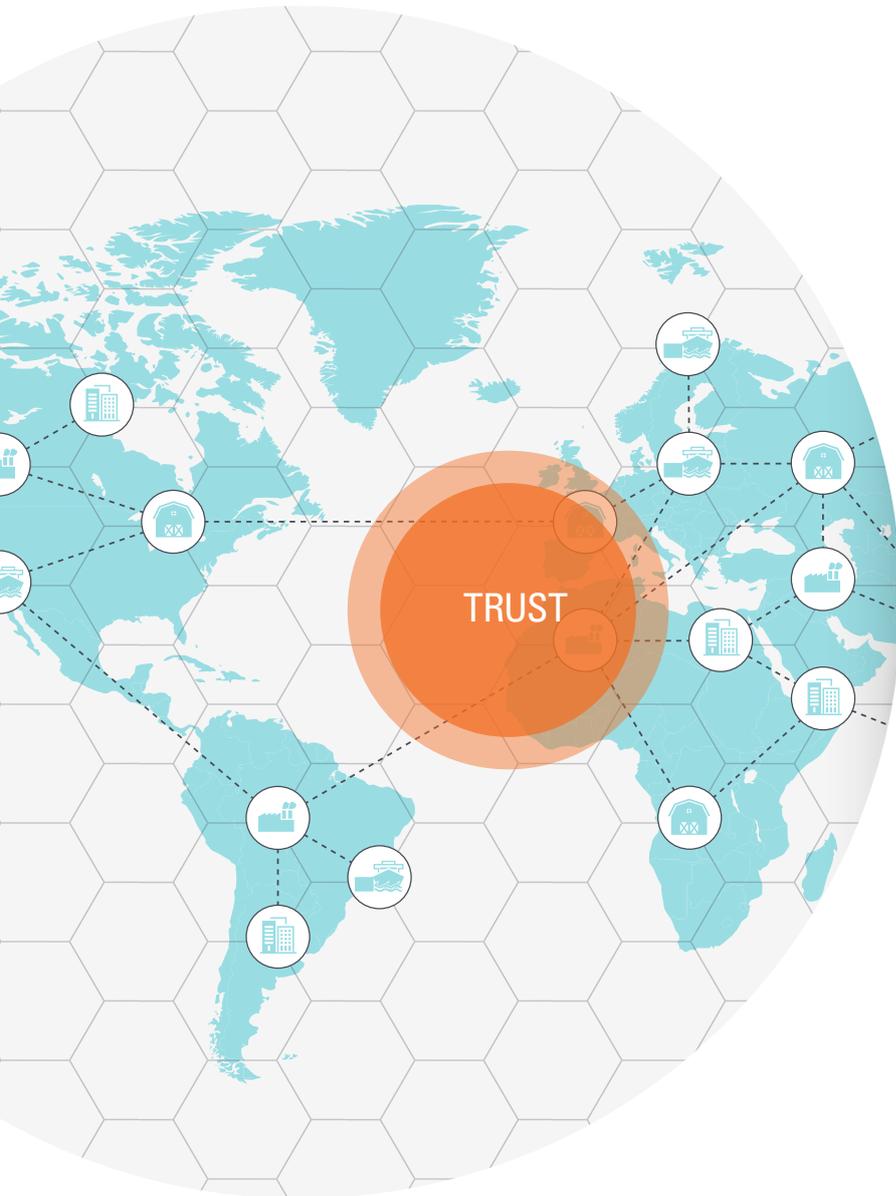
ABSTRACT

As globalization expands supply chains, it creates complexity and the opportunity for unsustainable, unsafe and non-compliant practices to be introduced without the knowledge of the brand or retailer. Stricter regulations and more demanding consumers mean businesses can no longer ignore the behavior of economic operators along their supply chain. Transparency-One is an online solution to help companies effectively monitor their supply chains.

In addition to supply chain mapping and risk mitigation, it provides the opportunity to transform supply chain data into brand value, helping businesses grow and build customer trust.

EXECUTIVE SUMMARY

Brands and retailers are being held accountable by authorities and consumers for the actions of those operating along their supply chains. As globalization expands the value chain, it decreases visibility and increases the opportunity for unsustainable, unsafe and non-compliant practices to be introduced without the knowledge of the brand or retailer.

Companies must proactively monitor their supply chains. This requires transparency at every stage, with data transferred securely along the supply chain to the brand or retailer.

Transparency-One provides an effective, efficient and secure solution for businesses looking to monitor and mitigate against the risks inherent in modern supply chains. Its powerful data capture and analytical tools also allow businesses to convert supply chain data into brand value – transforming risk mitigation into a business opportunity.

INTRODUCTION

Greater competition and choice in our stores requires longer, global supply chains, and with this comes greater complexity, greater risk, and the potential for damage to a brand's reputation. For a proactive business, however, it also represents an opportunity to enhance their reputation and build consumer trust.

There is a profound transformation taking place in modern business. Consumers are no longer placid; they are well-informed and have the means to actively find products that conform to their expectations regarding quality, price, and their philosophies concerning sustainability and social responsibility. Brands that fail to meet these expectations risk reputation damage and loss of consumer trust.

Authorities are also demanding greater accountability, making brands and retailers answerable for the actions of economic operators along their supply chain. They require assurances that a product is safe at every stage of its supply chain and complies with relevant regulations regarding sustainability and social responsibility.

A brand or retailer can be acutely damaged if it is ignorant of the actions of economic operators in their supply chains, affecting their ability to operate in target markets and permanently damaging consumer trust.

THE CHALLENGE

In today's world, brands and retailers must monitor their entire supply chains and measure product compliance to increase consumer trust.

The rewards are clear:

40% of consumers said they would switch to a new brand if it offered full product transparency

Source: Food Dive

91% of consumers declare they would be more loyal to a company that supports a social or environmental issue

Source: Nielsen

Sustainable brands can grow up to 50% faster than other businesses

Source: Marketing Week

Globalization has extended supply chains, introducing many new economic operators, but at the expense of transparency. Decreased visibility increases the opportunities for fraudulent components, uncertified suppliers, unsafe facilities, undeclared allergens and unknown sources to enter the supply chain.

Brand owners and retailers typically have limited visibility beyond the first tier of their supply chain. The challenge for proactive businesses, is how to extend this visibility to encompass the whole supply chain, down to the source. Companies that achieve this will mitigate themselves against the risk of regulatory non-compliance and help build consumer trust in their products.

UNDERSTANDING TRANSPARENCY AND TRACEABILITY

The goal for all brands and retailers must be the achievement of full transparency and traceability along the supply chain, but in today's market this is not always easy to achieve.

Transparency: To fully protect itself, a business must map its entire supply chain – from raw material to end product – capturing and transferring specific and accurate 'high-level' information relating to components, suppliers, facilities, certifications, etc. By doing this, a brand or retailer can protect itself from tangential association with non-compliant business and unsafe practices.

Traceability: A business should be able to monitor individual consignments of raw materials, ingredients and components as they progress along the supply chain. By monitoring using component batch-lot data and purchase orders, a company can mitigate, at a granular level, against the risk of non-compliant and unsafe products entering the supply chain. In addition, this will reduce costs if a recall is required.

While it is currently impractical for most brands and retailers to attain full traceability along their supply chains, companies should implement systems that can achieve full transparency – from source to store. The greater the transparency, and ultimately the traceability, in their supply chains, the more risk mitigation they will achieve for their businesses and more opportunities it will afford them for business development.

TRANSPARENCY-ONE: THE B2B NETWORK FOR THE MODERN SUPPLY CHAIN

Transparency-One uses graph technology to map even the largest global supply chains and is capable of capturing both supply chain mapping data (transparency) and operational data (traceability). It is the ideal solution for businesses operating complex global supply chains, giving them complete control over the data flow in their supply chains and delivering protection against the inherent risks found in modern supply chains.

Transparency-One covers a full range of consumer products including food, cosmetics, textiles, and general merchandise.

Designed for a globalized business environment, it allows brands and retailers to:

- Digitize their supply chains, securely transferring:
  - Supplier, facility and component data
  - Country of origin
  - Accurate Bill of Materials/Bill of Substances, etc.
- Capture compliance and business-specific information:
  - Test certificates
  - Custom surveys
  - Codes of conduct, etc.
- Run comprehensive analytics:
  - Regulatory reporting and compliance measurements
  - Supply chain score-carding
  - Geomapping

From one platform, a brand or retailer can ensure traceability and transparency along their entire global supply chain.

Transparency-One is always relevant. From day one, when it begins capturing data, it adapts to changes in the regulatory environment and supply chain, keeping brands and retailers up-to-date and helping them to optimize and protect their business.

But Transparency-One offers so much more.

BLOCKCHAIN TECHNOLOGY: ENSURING SECURITY FOR SUPPLY CHAIN DATA

Transparency-One has partnered with Microsoft to support blockchain Ethereum capabilities. Deployed on Microsoft Cloud (Azure), already one of the safest platforms in existence today, Transparency-One increases security of stored data by leveraging blockchain technology to create a permanent and immutable record of all supply chain interactions.

GLOBAL BUSINESS INTELLIGENCE: TRANSFORM DATA INTO ACTIONABLE INSIGHTS

Transparency-One is also a powerful tool for helping brands and retailers understand the environments in which their supply chains are operating. Its dashboards and reporting capabilities allow operatives to:

- View and analyze aggregated data
- Incorporate third-party data for deeper insights

- Create custom reports
- Visualize supply chains through geomapping
- Create and distribute customer surveys

Utilizing the data collected and aggregated by Transparency-One will allow brands and retailers to optimize the efficiency of their supply chains and exploit opportunities to enhance their business.

VISUAL TRUST: TURNING SUPPLY CHAIN DATA INTO BRAND VALUE

The partnership between Transparency-One and SGS offers brands and retailers a unique opportunity to magnify the value of their supply chain data. VISUAL TRUST allows brands, who have invested heavily in ensuring their products are safe, sustainable and socially responsible, to exploit this information by advertising this work to consumers.

Simply by scanning a product with a smartphone, consumers can access a wealth of information, including quality certificates, test results, supplier locations, and even farm photos. With consumers proactively seeking products that conform to their requirements, it makes sense for brands and retailers to transform supply chain data into brand value, building consumer trust in their products.

CONCLUSION
TRANSPARENCY-ONE: TRANSFORMING RISK INTO OPPORTUNITY

While ensuring compliance with regulatory requirements may be the primary reason many businesses seek to bring transparency into their supply chains, it is not the only benefit of mapping a supply chain. Brands and retailers may also wish to:

- Build consumer trust and boost sales
- Become an innovator in the market
- Achieve Corporate Social Responsibility (CSR) goals
- Distinguish themselves from the competition

The key to achieving these aims is the ability to accurately map their entire supply chain, extending their visibility beyond their direct suppliers. Without full transparency, businesses are susceptible to a wide range of supply chain risks, including product fraud, the introduction of hazardous materials, and accusations of unsafe and environmentally damaging work practices, which contradict their aims.

Transparency-One provides a single platform to economic operators looking to mitigate themselves against the risks inherent in today's global supply chains. The platform creates business opportunities by allowing growth and the optimization of supply chains through powerful data collection and analysis. In addition, VISUAL TRUST allows a business to build consumer trust through direct interaction with consumers.

The partnership of SGS and Transparency-One gives brands and retailers a one-stop solution for effective, global supply chain monitoring, with the added value of transforming risk mitigation into business opportunities.

ABOUT THE AUTHOR

GUY ESCARFAIL

Vice President, Global Head of SGS Transparency One

Guy has 25 years' experience within SGS and has held different positions within the company, such as High Impact Project Manager, and Country/ sub region Managing Director in Africa, Europe and Asia.

Guy is Vice President, global head of SGS Transparency-One, developing the sales strategy and deploying the Transparency-One digital platform that maps the entire supply chain, tracks compliance, and provides analytics to proactively manage business risks by leveraging the SGS network.

ABOUT TRANSPARENCY-ONE

Transparency-One is a cloud-based solution combining a global B-to-B social network with advanced services to transform supply chain risk management. Transparency-One enables companies to discover and connect with their end-to-end supply chains, proactively manage risk, onboard suppliers, and verify data—all within a single platform. The solution leverages cutting-edge graph database technology, powerful analytics, and supply chain expertise to help all supply chain stakeholders reduce business risk. Transparency-One connects complete supply chain networks, from source to store, to ensure supply chain integrity and build consumer trust.

ABOUT SGS

SGS is the world's leading inspection, verification, testing and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 95,000 employees, SGS operates a network of over 2,400 offices and laboratories around the world.

CONTACT

www.sgs.com/transparency-one
www.transparency-one.com
transparency-one@sgs.com
hello@transparency-one.com

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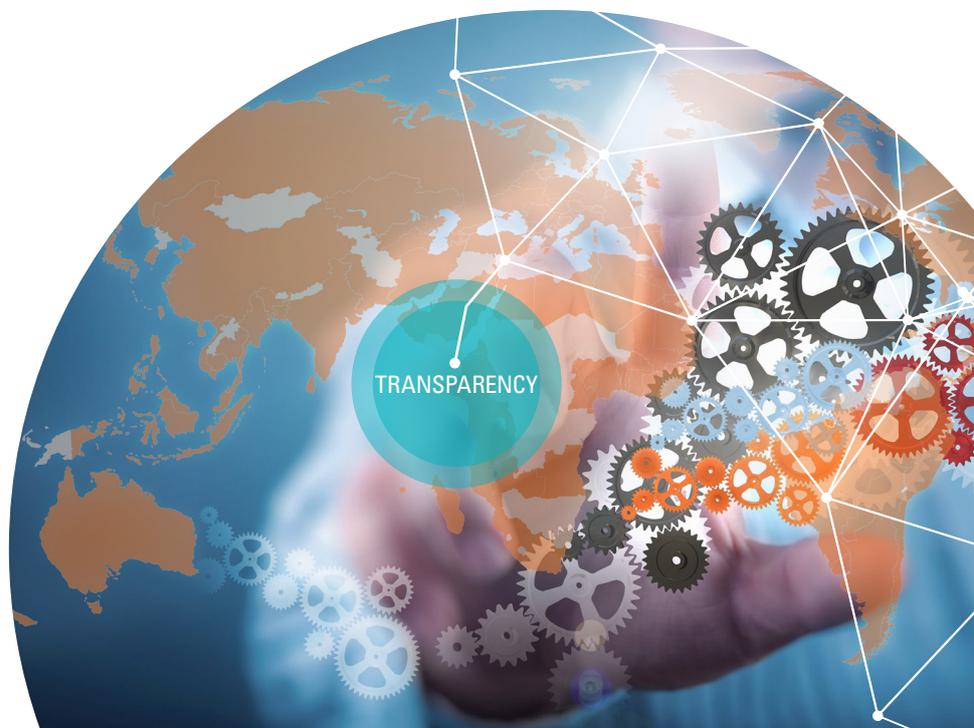
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WHEN YOU NEED TO BE SURE

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