



**TRADE
INTERCHANGE**
Smarter Supplier Management

ARCUS[®]
A Trade Interchange System

TIME TO PRIORITISE

The efficient supply chain



“The key to your business’s future success is a streamlined and automated supply chain.”

Mike Edmunds, Managing Director, Trade Interchange

Freeing employee time

A desire for greater efficiency is at the heart of every supply chain. More efficient supply chains produce less waste, are the most responsive and use the least resources including costs, people, transportation and technology.

Time is one of these valuable resources. Not only the time it takes to deliver the products to the customer but also internal processes within supply chain management, namely the time it takes employees to complete necessary tasks across departments.

With the increasing complexity of global supply chains, the move towards streamlining and automating internal processes is inevitable. Automated integration and co-ordination of all supply chain elements leads to increased profitability and reduced waste, as well as greater transparency and collaboration within the business.





New research revealed

A new report was conducted by 3GEM on Trade Interchange's behalf. Professionals surveyed included managers, heads of departments and above working in the UK food and drink manufacturing industry. Figures are taken from the responses of those working in procurement, technical, quality, legal and finance departments. All of the businesses involved in the survey have an annual turnover of at least £20 million and 65% have an annual turnover of over £30 million. Of those questioned, 16% were management board or C-suite executives.

The report reveals the most time-consuming tasks for employees managing supply chains within the food and drink industry, examining which area of business loses the most time to inefficient processes; as well as the main benefits of automation in supply chains.

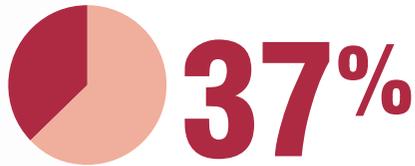
Inefficiencies within supply chain management

The report showed that nearly half (48%) of supply chain employees' time was taken up by assessing supplier and contractual risk. It also found:

- 18% of managers said their time was taken up by tendering contracts
- 17% spent most of their day on repetitive administration
- 14% spent the majority of their time managing contracts

This research by Trade Interchange is backed by a US report from Gartner¹ which found an average \$1 billion company spends 1,000 hours every week managing suppliers and their information. This time is primarily spent on data entry and maintenance, contact requests for updated data, compliance monitoring, performance monitoring, accounts payable and invoice verification. At least 25% to 50% of this valuable time is spent on supplier information alone; the equivalent of six to eight full-time employees.





of respondents say nearly two days are lost chasing suppliers for information per week, while 21% spend two to three days on this task alone

Trade Interchange also found that a large amount of time is spent on other tedious aspects of supply chain management. The report revealed:

- 37% of respondents spend nearly two days (9 to 16 hours) chasing suppliers for information
- 21% spend two to three days (17 to 24 hours) a week on this repetitive task

The research delved into which areas of the business lost the most time and found:

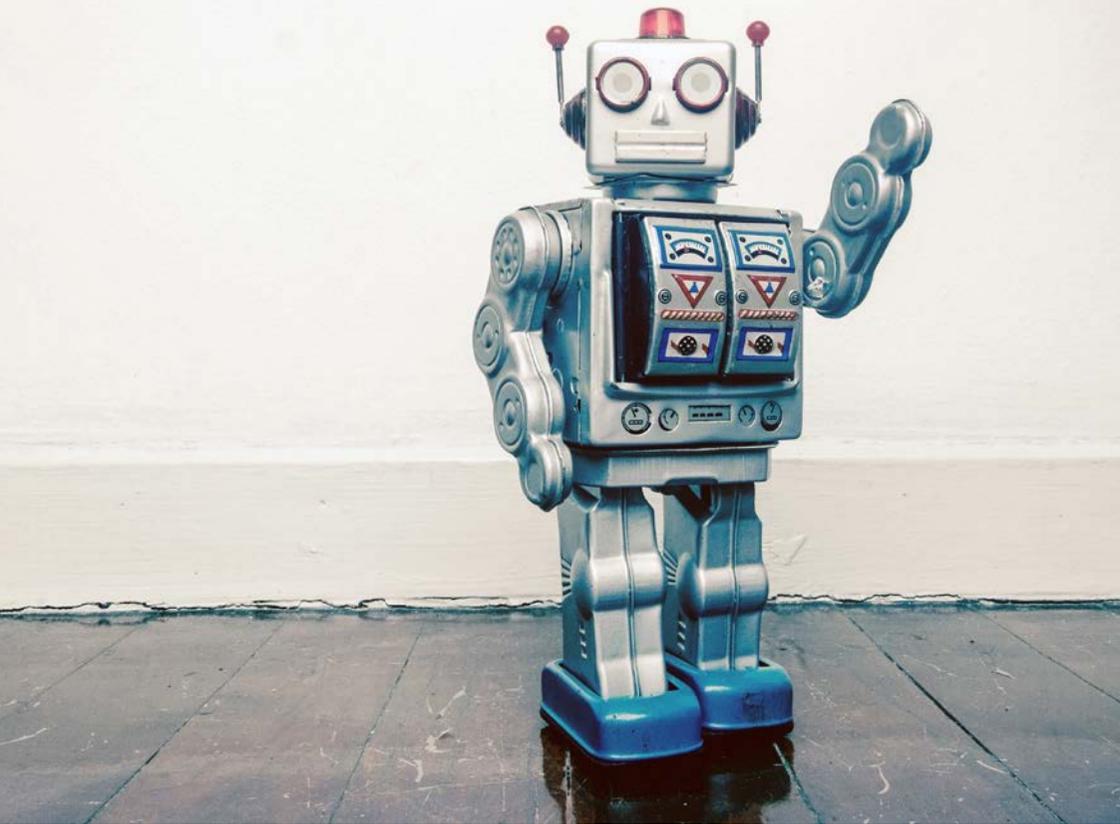
- 41% of respondents claimed the supply chain had the most inefficient processes
- 31% reported the quality department failed to make the best use of time or resources
- Only 2% of those surveyed said no time is lost due to supply chain inefficiency

Gaining time and other benefits of automation

Automation of previously manual tasks has multiple benefits for the business and its employees. Freeing the time of senior employees within the business from the administrative burden of large amounts of data increases job satisfaction. By focusing on more strategic tasks such as negotiating better deals and solving logistical issues, they are also more productive. Not only this, automation leads to increased accuracy (no more mis-keys or human errors) and less risk as data can be collected and checked in a more systematic and streamlined way. This can help to protect your business from reputational and brand damage.

With a more efficient way of accessing and storing data, your business can also be more transparent through better reporting, benchmarking and identification of suppliers who don't meet companies requirements or those who have unethical business practices.





An example of this is Swedish packaging company Tetra Pak, which now requires third-party verification to guarantee its paperboard suppliers do not use wood from any form of deforestation that breaks the natural forestry cycle. If they do, they are unable to supply Tetra Pak. This level of global verification would be difficult, and perhaps impossible, to achieve manually.

The Trade Interchange survey showed 33% of the food and drink manufacturing businesses questioned have more than 1000 suppliers and yet 65% of businesses still use spreadsheets or paper-based systems to manage supplier information.

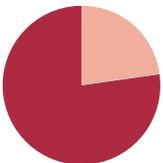
Trade Interchange asked what the main benefit would be for an organisation or business if entering supplier data inputting could be automated:

An overwhelming 77% said that it would mean more time to concentrate on more interesting work; it would reduce and potentially eliminate human errors and save money

- 22% said that it would lead to happier and more productive employees
- Only 2% see no benefit to the automation of this process within the supply chain

The benefits of automation within supply chain management

- More efficient, streamlined internal processes
- Employees have more time to work
- Greater employee satisfaction
- Achievable sustainability goals
- Cost savings
- Greater transparency across all departments
- Easier sharing of essential information and data
- A reduction and potential elimination of human errors
- Accurate data that inspires trust internally and with suppliers
- More responsive to consumer needs
- Greater consumer confidence
- Mitigation of risk and reputational damage



77% of respondents say automation of supply chain data will mean more time to concentrate on more interesting work



Data sharing

The most effective supply chains co-ordinate effortlessly across multiple departments including procurement, manufacturing, logistics, sales and marketing, and quality and technical. They rely on fast, accurate data that staff and customers can trust. Information sharing across departments is essential for innovation, rapid growth and increased profitability, in addition to allowing greater transparency of processes and reduced delivery time.

Perhaps surprisingly then, Trade Interchange found there is very little data sharing across departments within the UK's food and drink manufacturing industry at present:

- 75% of food and drink manufacturing businesses currently share 'selected or very little information' across departments
- Only 21% say they share information all across their teams

Leveraging data to increase supply chain efficiency

As supply chains become less analogue and more digitised, they are using increasing amounts of data. Harnessing this data is the key to becoming more systematic and productive. A 2018 study by Accenture² found 36% of Consumer Packaged Goods (CPG) companies agree to the need for greater IT integration across the supply chain; yet they are missing opportunities to use new technologies within the supply chain to drive profitable growth. 'They are taking a more cautious and traditional cost and efficiency-based approach to investing in new IT to improve the supply chain,' said the study. 'Smaller-scale IT investments are spread across a wide range of supply chain functions and technologies, rather than focusing on investments that can make an impact in key areas by elevating supply chain services and capabilities.'

Big data and predictive analytics are one of the IT investments which have the potential to provide greater intelligence over networks. For example, big data analytics can help with forecasting

demand – booksellers in Russia found through analysing data that sales soared in cold weather. Ozun and other online booksellers kept a close eye on the weather and increased book recommendations as the temperature dropped. Gartner³ predicts that by 2023 'at least 50% of large global companies will be using AI, advanced analytics and IoT [Internet of Things] in supply chain operations.'

Nimble companies that have streamlined supply chains can react quickly to the fickle nature of consumer demands. An investment in new IT and innovative solutions such as artificial intelligence, cloud infrastructure, blockchain, advanced analytics and automation is a way to rapidly respond to new food and drink trends. Investing in a new IT system for your supply chain can eliminate slow response times, data silos, and ineffectual internal practices; instead creating a 21st century supply chain which is agile, intelligent and highly efficient as well as effective.

The benefits of ARCUS® SIM

New functionality in ARCUS® SIM includes artificial intelligence, which can help your business:

- Save valuable time
- Reduce risk by identifying non-compliant documents or suppliers
- Prioritise checks
- Increase supplier compliance with verified, relevant documents
- Ensure that every document has an initial review before it is received by the organisation
- Increase confidence that the information received is relevant and matches that requested

With new AI functionality within ARCUS® SIM, your organisation can reduce human error, prioritise and process documents and essential information more quickly which leads to employees who can concentrate on more value-added tasks; in addition to a more efficient supply chain with reduced costs. The system provides a full audit trail, giving evidence of best practice and ensuring procedures are in place to protect your company's brand and reputation. Bring your business to the cutting-edge of technology with the help of Trade Interchange.

About Trade Interchange

At Trade Interchange we help organisations reduce the costs, risks and complexities associated with managing a large supplier base. Our solutions support a range of supplier management activities, from initial tenders and supplier information management, through to supplier contract and performance management.



Managing Director, Mike Edmunds, explains how Trade Interchange is at the forefront of managing data and increasing efficiency

'At Trade Interchange, we have developed our ARCUS® SIM (Supplier Information Management) software to reduce the amount of time spent on managing large amounts of supplier data, by taking the process online and placing the responsibility onto the suppliers to provide the relevant information. This means there is no need to re-key data, and all information held is exactly as the supplier provides ensuring accuracy of information.'

'ARCUS® SIM is a central platform for collecting, storing and managing supplier data, and is used within a variety of industries and languages in over 20 countries across four continents.'

'ARCUS® SIM saves precious employee time by managing vast amounts of supplier data, ordering and processing information so employees can escape

the administrative burden. The system allows businesses to see when suppliers last logged on and has built-in automated alerts and escalation levels.'

'Sharing data and information is also easier with the help of ARCUS® SIM. All of the data is held centrally and securely and can be configured to fit your company's needs, so the amount of information shared across departments can be tailored for each business. When essential information needs to be shared, it's easy to do in one communication, which saves crucial time. Auditing is straightforward, as all information and data is organised and prepared for industry regulation and compliance checks. Moreover, information is easily accessible when needed by anyone (if authorised) within the business.'

¹ Gartner, <https://www.gartner.com/en/newsroom>.

² Accenture, Driving Your Own Disruption, PDF, 2018.

³ Gartner: Gartner Predicts 2019 for Supply Chain Operations, December 17, 2018, Kasey Panetta, www.gartner.com/smarterwithgartner.



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SIM
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For more information, contact us:

 +44(0)33 3320 9933

 @TradeInter

 Trade Interchange Ltd

www.tradeinterchange.com

