



**TRADE  
INTERCHANGE**  
Smarter Supplier Management

**ARCUS**<sup>®</sup>  
A Trade Interchange System



**WHAT'S IN  
YOUR PICNIC?**

# What supply chain risks are in your basket?

Picnics are a defining feature of a quintessentially British summer, as the country scrambles to gather their picnic blankets, insect repellent and a basket of food to share with family and friends while enjoying the English sunshine (or lack thereof).

With more people choosing to spend time outdoors away from their laptops and phones al fresco dining is on the rise, with an estimated ninety-four million picnics taking place each year within the UK. With the cost of healthy, homemade snacks paling in comparison to that of an evening restaurant meal it is no wonder increasing numbers of Brits are choosing to embrace the great outdoors.

Social and corporate responsibility determines the success of a company more than ever before, with a business' reputation and reliability directly impacting profits. Allergens and antibiotics can contaminate supply chains with potentially deadly consequences, which in an era of social media and instant sharing, can lead to the collapse of a company.

An increasingly environmentally and socially conscious consumer has led to sustainability and provenance becoming major concerns for customers in all sectors, as unethically sourced products which damage the environment or use modern slavery can be equally detrimental to a business' success.





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# Hayfever isn't the only allergen to consider

Allergens within the food sector can be dangerous at any time, however rising numbers of picnics mean these threats can be exacerbated. The number of people choosing to dine with family and friends increases each year, with participants often skim reading their snacks' packaging with little thought to any potential threat, which can be deadly.

With almost two and a half billion pounds being spent each year on picnic food and an increasingly environmentally aware consumer, businesses must examine their own supply chains or risk losing their share of this growing market.

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Dan Urwin, Head of Procurement and Supply Chain Performance, Whitbread





Media frenzies surrounding a brand can be sparked in seconds, which is something companies involved in past controversy know all too well. Contamination within the supply chain and naivety surrounding allergens can result in damage to profit, reputation and even life. While it is notoriously difficult to ensure food is entirely free from allergens, ARCUS® SIM is a 'flexible solution [which] could benefit the organisation by improving efficiency and enforcing compliance'<sup>1</sup>, removing the risk of unknown allergens which can be present within the supply chain. This enables a business to accurately list all of their ingredients ensuring customers are safe, in addition to maintaining respect and trust within the industry.

<sup>1</sup>Spencer Playle, Head of Supply Chain, PizzaExpress



*Trade Interchange listened to our requirements, and has configured ARCUS® to meet our needs. We now have full belief and trust in the software, which is proving to be invaluable.”*

Harvey Marston, Head of Procurement,  
Four Seasons Health Care



## Allergens within alcoholic drinks

Allergens are particularly difficult for customers to detect within alcoholic beverages, a summertime staple, as drinks with alcohol content higher than 1.2% are not required by law to list their ingredients. While it is not technically necessary to display these ingredients, doing so contributes to consumer trust in a business, in addition to helping avoid adverse reactions and potentially expensive lawsuits.

By using the ARCUS® SIM Product Information Management plug-in, supply chains are able to be managed with

ease eliminating risks of the unknown, as ‘The information [companies] collect is what the business needs to reduce risk and increase confidence in their supply chain.’<sup>12</sup>. An increasingly health conscious Britain means food and drink businesses must expand their product range in order to keep up with the growing trend of ‘free-from’ products, something which brands such as No-No Flatbreads recognise.

However, it is important to acknowledge an uncertain supply chain’s potential to jeopardise a company’s success, as contamination can occur at any point



during the manufacturing process without proper management of the supply chain. With the average product recall costing a company ten million dollars in direct costs alone, it is vital for businesses to actively work towards the elimination of risks within their supply chain or face eventual collapse. Whether the interest in 'free-from' products is due to dietary restrictions or trends there is no doubt sales of these products are on the rise, as 65% of twenty-five to thirty-four-year-olds say they regularly purchase some variation of a dairy or gluten-free product. ARCUS® SIM enables companies to

monitor their supply chain more closely than ever before, as the responsibility for ensuring products adhere to company standards is placed upon the suppliers.

The software allows them to upload necessary documentation on to the cloud-based platform which is then checked by artificial intelligence to verify the validity of all key paperwork, saving companies time and money. ARCUS® SIM allows businesses to tailor supplier questionnaires to their own specifications, removing the guesswork from supply chains and ensuring brand, reputation and profit are protected.

<sup>2</sup>Dan Urwin, Head of Procurement and Supply Chain Performance, Whitbread

# Should we worry about antibiotics?

Growing populations lead to increasing stress upon food production businesses, as demand continues to rise and farmers need to produce more goods in order to protect their livelihoods. This can result in a multitude of unethical practices, for example using antibiotics to ensure their stock does not deplete. Using antibiotics within food supply chains is a 'threat to human health', compromising the reputation and profits of businesses whose suppliers are found to engage in agricultural malpractice.

While it is evidently necessary to do more to mitigate the risks of allergen contamination in the supply chain, as 88% of respondents to Trade Interchange's survey concur, less thought is given to the use of antibiotics. The commonplace use of antibiotics, particularly in supply chains, contributes to the 33,000 deaths in Europe alone each year from antibiotic-resistant infection.

Only 41% of respondents to Trade Interchange's survey claimed to monitor antibiotic use within the supply chain, leaving a staggering 59% of businesses unaware of their suppliers' antibiotic usage. No picnic is complete without ham sandwiches, however the last thing customers want to consider is the volume of antibiotics contained within their filling. Working to eliminate the use of antibiotics in supply chains ensures businesses are not left one sandwich short of a picnic. ARCUS® SIM enables businesses to avoid the use of antibiotics in their products, mitigating the risk of customer distrust and loss of profits using artificial intelligence to verify suppliers' key documents at the point of upload.

Trade Interchange's survey revealed 59% of businesses are unaware of their suppliers antibiotic usage.





# Are picnics sustainable?

A company's success is increasingly dependent upon its corporate and social responsibilities, as environmental concerns continue to grow. Consumers are more likely than ever to consider sustainability when choosing which product to buy, encouraging businesses to ensure their products comply with increasingly high standards of sustainability. Customers are becoming more conscientious of the products they buy, not only due to allergens, but also due to the sustainability of the product and the company's environmental impact.

The food and drink market currently accounts for 20% of the UK's CO<sup>2</sup> emissions, however with 69% of customers claiming they would be willing to pay more for responsibly sourced goods, there is a huge market for sustainably produced food and drinks. Ethically labelled products have surpassed health food and beverages in profits and popularity, proving there is a lucrative market for environmentally friendly goods.

With hordes of shoppers clamouring for sustainable food to fill both their shopping and picnic baskets, businesses must listen to their customers and become more environmentally aware in order to avoid falling behind in the sustainability race.





Increasing numbers of ethically minded customers leads to closer examination of businesses' supply chains, which pose a threat to any company unable to provide evidence of their sustainability methods at each point throughout their manufacturing process.

*“ The system continues to be essential in aiding our teams manage the complex challenges of allergens, antibiotic use and sustainability whilst helping us to monitor and prevent modern slavery within our supply chain. ”*

Dan Urwin, Head of Procurement and Supply Chain Performance, Whitbread



Society's shift towards sustainability not only impacts food and drink markets, as plastic packaging poses a threat to the environment and business' success in any sector. The impact plastic has on land and sea is inescapable; more than eight million tonnes of plastic waste are dumped in our oceans each year, in addition to the plastic residing in the stomach of 90% of all sea birds.

ARCUS® SIM's Product Information Management plug-in enables companies to monitor how much plastic is used

throughout their production process; allowing consumers to enjoy picnics guilt and plastic-free while businesses enjoy their ethical reputation and increasing sales. Customers believe 'ARCUS® SIM allows us to effectively manage compliance risks in our supply chains worldwide such as quality and Corporate and Social responsibility'<sup>3</sup>, leading to more profitable businesses and a more sustainable environment.

FareShare is a charity encouraging sustainability as they work to redistribute



over a quarter of a million tonnes of edible food which is thrown away in the UK, in order to provide almost 10,000 charities with fresh produce instead. By supplying 36 million meals FareShare saved the charity sector over £28 million, generating socially responsible customers' support for the food redistribution charity. ARCUS® SIM allows businesses to be confident in their sustainability and environmental footprint, ensuring their suppliers meet any standards which are set. The cloud-based software uses artificial intelligence

to verify suppliers' documents at the point of upload, reducing the risk involved in maintaining a business' supply chain.

“ ARCUS® SIM allows us to effectively manage compliance risks in our supply chains worldwide such as quality and Corporate and Social responsibility. ”

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# Has modern slavery created your picnic?

Modern slavery has the potential to cost businesses their reputation and profits, as increasing numbers of modern slavery cases leads to more risk if a company's supply chain is found to exploit workers. Modern slavery can be found in the supply chain of a multitude of products, many of which are found within family picnics. While slavery is not often your first thought while eating slightly melted chocolate sunbathing in the great outdoors, its unethically produced products are likely to surround you.

Mismanagement of supply chains can lead to chocolate being manufactured as a result of the 40.3 million people globally involved in modern slavery, something which is not so sweet to consider while enjoying picnics with family and friends. From the food you eat to the blanket upon which you sit, there is no guarantee it has been manufactured without modern slavery, unless the company from which it was bought has evidence of a detailed and complete supply chain; something which is a picnic to manage with the help of ARCUS® SIM.

An increasingly globalised supply chain coupled with a lack of regulations protecting workers in some countries leads to unreliability surrounding thousands of products, and even more uncertainty for the companies through which they are sold. ARCUS® SIM allows a company to closely monitor their supply chain, using artificial intelligence to verify a supplier's credentials while making it easier than ever to ensure suppliers comply with the UK Modern Slavery Act, reducing the risk and time involved with managing supply chains.

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# How Trade Interchange can help

ARCUS® SIM revolutionises the way in which supply chains are managed, as the responsibility is placed upon the suppliers to ensure their adherence to regulatory guidelines. Businesses are able to tailor their supplier questionnaires based on the biggest risks for their company, protecting their reputation as well as their profits.

Historically, supply chains were notoriously difficult to manage, as 'The original system was paper-based and required four signatures for approval, buyers would spend ages chasing paper around the business.

It was difficult to keep track of how the agreements were progressing and each department had their own method or system of tracking.'<sup>4</sup>. While paper-based supply chains are no picnic, ARCUS® SIM allows businesses to be fully in control of their cloud-based system saving time, money, and most importantly, your brand's reputation.

<sup>4</sup>Rob Luckhurst, Category Procurement Director, Brakes







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No company is without challenges or risks, however 'Trade Interchange's ARCUS® modules [...] continue to be essential in aiding our teams manage the complex challenges of allergens, antibiotic use and sustainability whilst helping us to monitor and prevent modern slavery within our supply chain'<sup>5</sup>, ensuring businesses' reputations are protected in addition to their customers and workers.

In an era of transparency, businesses rely on trust, as consumer shopping habits are increasingly determined by a company's responsibility of sourcing

and other ethical decisions. Awareness of social and corporate responsibility is constantly growing as consumers continue to question the provenance of products, incentivising companies to stay one step ahead or face a loss in profits. Businesses must continually prove their ethical sourcing, a disconcerting task before ARCUS® SIM provided companies with a 360° view of their supply chain.

The cloud-based system places responsibility on the suppliers to ensure all of their documents are correct, up to date and compliant with latest regulations



Reliability has the potential to make or break a business, which is why ARCUS® SIM's artificial intelligence verifies supplier's documents at the point of entry, using machine learning to contextualise documents in the system with a 99.5% success rate.

which are then centrally stored, providing remote access significantly reducing risk, human error and the administrative burden. This seamless approach to managing different supplier risks such as allergens, antibiotic use, sustainability and modern slavery helps companies to establish a trustworthy and ethical reputation. Reliability has the potential to make or break a business, which is why ARCUS® SIM's artificial intelligence verifies key suppliers' documents at the point of entry, ensuring the document is in the correct format and valid. This

significantly reduces the amount of time it takes to monitor supply chains, as machine learning enables the artificial intelligence to contextualise documents in the system with a 99.5% success rate, creating a more efficient, accurate and reliable company.



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