



**TRADE
INTERCHANGE**

Smarter Supplier Management

ARCUS[®]

A Trade Interchange System



CASE STUDY **AAK**

THE CHALLENGE

AAK is one of the world's largest food oil producers which has grown through expansion and acquisition. One of the outcomes of this approach was that there was a number of different processes to collect and manage supplier information resulting in multiple systems being used.



The procurement and technical teams at AAK gather key information for the food manufacturing sector, including remittance information, insurance, allergens information, sustainability accreditations and policies such as GFSI and Codes of Conduct.

This information was stored in multiple systems across the organisations different departments and geographical locations with no complete access to all of the information.

AAK delivers ingredients to some of the most strictly regulated food products, such as baby food, and the ability to show supplier information in an instant to their customers and industry regulators was becoming increasingly time consuming and complex.

In addition to this, AAK sources sustainable ingredients from across the globe and need to collect the relevant certifications to demonstrate this commitment and verify suppliers' credentials. AAK also wanted a single system to help procure ingredients at the best rates available and to manage the contracts for the suppliers, in addition to the supplier information.

They wanted all this information to be available across the whole organisation at a glance.

AAK wanted to:

- **Consolidate supplier information in one system available across the whole organisation**
- **Have a streamlined strategic sourcing platform encompassing sourcing, negotiation, supplier information and contract management**
- **Enable collaboration between procurement and technical departments across the globe**
- **Have confidence they could display all the relevant information at the touch of the button**

Thanks to the **ARCUS®** platform, the procurement and technical teams now have supply base confidence through the streamlined solution, which enables full visibility and control over supplier relationships across tendering, negotiating, on-boarding and contracting.

THE SOLUTION

AAK has used the eSourcing modules within the **ARCUS®** platform to source a wide range of items including fork lifts, egg powder, hydrogen and nitrogen and dried mustard.





AAK utilises eAUC and eRFX to ensure they are achieving, or beating market value on a range of the products and services they require across the business.

In addition, they have auctioned the logistic services across their European manufacturing sites using eAUC following a comprehensive electronic request for information from all interested organisations in delivering the service.

eAUC and eRFX have become embedded within the working practices of the procurement teams across AAK. They form a valuable tool in being able to request information from potential suppliers and verify they can deliver the quantities required prior to price negotiations. The ability to use online auctions, which typically only take 30 minutes, with multiple organisations bidding head-to-head results in a time efficient and cost beneficial solution.

AAK uses the ARCUS® Supplier Information Management (SIM) module to manage key supplier data, including production, quality and technical information at a company and site level. This ensures complete transparency and compliance associated with supply chain risks across the geographical areas SIM is deployed in. SIM is used in the UK, Sweden, Belgium, Netherlands, Denmark, Turkey and Singapore.



AAK	CHALLENGE	SOLUTION	KEY BENEFITS
AAK	<ul style="list-style-type: none"> Supplying other manufacturers and food retailers across multiple markets including baby foods; as a result they are subject to multiple third-party audits Difficult to easily access all relevant information Managing vast amounts of documents and certifications from suppliers including the ability to identify expiry dates of documentation at a glance Ability to collect information and verify information from a supplier at a site level Breakdown silos of information and working practices across multiple departments and sites across the globe 	 	<ul style="list-style-type: none"> Streamlined strategic sourcing solution with all the information in one platform Information is available at the touch of a button across all sites and departments Single version of the truth Increased collaboration between procurement and technical departments across the organisation Increased confidence that the information is accurate, up to date and verified

ARCUS® SIM has significantly improved the efficiency and outputs of the procurement and technical departments through its automated features which has freed up time for the teams to focus on what matters most.

The procurement team particularly benefits from the use of ARCUS® SIM as the responsibility to enter the required information is placed directly on to the supplier. This data is then stored centrally in the cloud, meaning there is never a need to re-key the information. In addition, requests for the information the technical team need to approve a company and site level are made at the same time. This reduces the time taken to on-board suppliers and ensures all the information sits in the same system.

Another feature of SIM which has improved the day to day working of the procurement team is that the comprehensive dashboard enables all members of the team to know, at a glance, exactly where the supplier

“ Trade Interchange’s SIM module allows us to effectively manage compliance risks in our supply chains worldwide, such as quality and Corporate and Social Responsibility.

We are always committed to enforcing best practice in all aspects of the business and we are confident that the ARCUS® platform fulfils all our requirements **”**

San Tickle, ESC Procurement Manager at AAK Belgium NV & AAK Netherlands

is at through the on-boarding process. When suppliers have yet to complete the requested information, automated reminders are sent out. The automated reminders are also utilised to ensure that all information on the system remains up to date and compliant. As a document nears the end of its validity, the system prompts the supplier to upload the replacement documentation.

The technical teams across AAK utilise the automated scoring functionality to identify which companies and which sites provide the greatest risks. The Manufacturing Site Level plug-in enables detailed questions at a manufacturing site level to be requested

captured and analysed independently and sit alongside the company level information. This information can then be used to determine whether to approve the supplier, approve with conditions, which may include auditing of the sites or companies, or which companies cannot be approved.

AAK imposes and enforces the highest standards of ethical and quality standards from its suppliers. SIM provides an audit trail of all information and reviews within the system, as well as providing the information for all departments to create and view notes against a supplier. This ensures that one version of the truth exists and information is shared across all departments.

Once a supplier has been fully approved, the technical team will request detailed product information. This information is captured within the



fully-configurable questionnaire and document collection functionality with SIM's Product Information Management (PIM) plug-in. The technical team will ensure that the information provided by the supplier meets their requirements and will determine which products can be supplied and from which manufacturing site.

By deploying the Site Audit plug-in within SIM the technical departments in particular have the ability to verify the information the supplier has submitted for each manufacturing site. The technical teams, or their appointed representatives, can view all or a subset of the information provided to verify that the situation and working practices at a site match the information provided and comply with the approval conditions where they exist. As the information is stored in the cloud, the auditors have access to live information.

The ability to track where the ingredients and products are sourced from is essential to the success of the business. As a producer of some of the most highly regulated products in the food industry, and as a supplier of products direct into food retailers, AAK is subject to high numbers of audits from customers. The ability to access all supplier, site and product information without delay is essential in providing customers with a high level of confidence in AAK capabilities and procedures.

“The deployment of SIM in the business has greatly streamlined our data collection, and improved the ease of maintaining the information. Critically, it has allowed us to share information across geographical boundaries and departments. It has also enabled us to work collaboratively across procurement and technical departments in particular”

San Tickle, ESC Procurement Manager at AAK Belgium NV & AAK Netherlands



“ Using SIM and the plug-ins, we now have the ability to quickly and efficiently find all the information we have on a supplier, their sites and the products they supply. We can demonstrate to our customers and regulatory bodies during external audits that we have collected and evaluated the information. The audit trail of information is crucial in demonstrating we have taken the steps to mitigate risks and to ensure the highest standards of quality and ethical sourcing in our business.”

Gunilla Gustafsson, Quality and Food Safety, AAK Sweden

A close-up photograph of a woman's face and hands. She is smiling and holding a fork over a bowl of salad. The bowl contains various ingredients like lettuce and carrots. The background is blurred.

INDUSTRY CHANGING DEVELOPMENT

AAK and Trade Interchange undertook a joint development of the PIM plug-in to address the gaps in the systems that existed in the food manufacturing market.

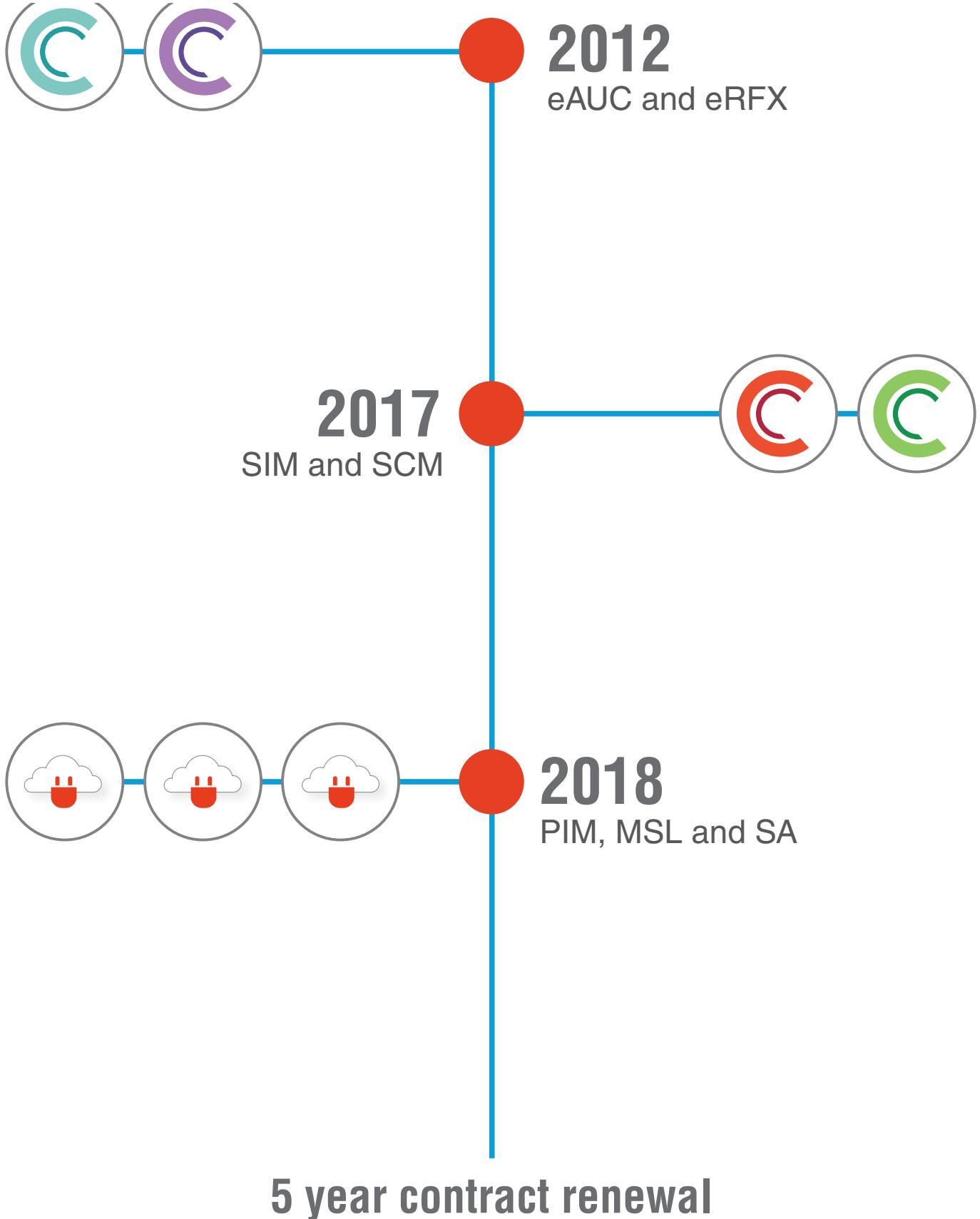


AAK had struggled to collect, maintain and approve product level information, including information on allergens and traceability, in a streamlined manner.

The ability to approve products individually and to designate which manufacturing sites the products are supplied from has significantly improved the control the teams at AAK have. Crucial to the success of PIM is that all product information sits alongside the rest of the supplier information and is not siloed in another system. PIM enables AAK to collect information from suppliers across the globe for any of their manufacturing sites worldwide.

To ensure supplier compliance against the contracted terms is maintained, AAK uses the ARCUS® Supplier Contract Management (SCM) module. All supplier contracts sit alongside all the other supplier information and can be viewed at a glance using the easy to use dashboard. Any failures in the contracted terms are easily highlighted. In addition, reminders to the procurement team to renegotiate the contract ahead of expiry are set up ensuring that the team has the best possible opportunity to renegotiate the deal on the best possible terms and with the full history of the supplier relationship at hand.

Implementation





“ AAK is a multinational food manufacturing company who utilise the ARCUS® platform to take the opportunity to bring the information the procurement and technical teams require into one single streamlined solution. From sourcing the items, to negotiating the best prices to ensuring the quality of the products used and, finally, to ensuring compliance against the contracted terms, ARCUS® is providing confidence and is proving to be an invaluable tool to assist the dedicated professionals. We were delighted to have developed the Product Information Management plug-in to address their business needs, a need which we have seen is apparent across food manufacturing and the foodservice and hospitality industries”

Mike Edmunds, Co-Founder and Managing Director, Trade Interchange

“ AAK is a great example of the depth and amount of information that is needed to be collected managed and approved within food manufacturing. Our industry specific supplier information management system enables this process to be streamlined and the information is shared across departments. The information is maintained using the automated workflows and provides confidence in the compliance of all approved suppliers”

Peter Gorton, Solutions Consultant, Trade Interchange.



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