

Our Journey to Supply Chain Transparency

What is your vision for traceability?

This is a very common question these days for foodservice operators. Our simple answer: Our vision is to achieve full supply chain visibility to make real-time, fast, and accurate decisions while giving our customers what they demand. Our journey began as we started exploring opportunities for enhanced traceability. After numerous large recalls, IPC's Quality and Supply Chain Director, Rick Buttner realized that we had to get traceability by

lot code from the manufacturer to our restaurants. Our produce suppliers introduced the Foodservice GS1 US Standards Initiative to IPC, and we joined in 2010.

We quickly learned there was great opportunity to improve the way we managed and shared item information, which provided the foundation for all our business processes and for enhanced traceability. IPC worked closely with our supply chain partners to enhance the efficiency and visibility of our supply chain implementing GS1 Standards in a process improvement journey.

Leveraging GS1 Standards

There is a lot of information available on GS1 Standards, so knowing where to begin was our main goal. We had to assess our current systems to understand the main sources of pain. Product data discrepancies in our supply chain system seemed like a good place to start. With the help of GS1 US®, we were able to outline specific steps our manufacturers, distributors, and redistributors had to take to reach our vision while getting a tangible ROI. We leveraged the Foodservice GS1 US Standards Initiative Adoption Checklists to establish timelines and goals for our whole system.

We didn't reinvent the wheel: GS1 US had each step of the way outlined for us! We needed to put our Supply Chain puzzle pieces together to understand the specific roles and responsibilities each supply chain partner had to take on.



Here is a look at each step of our journey in more detail:

Step 1: Assign unique global product and location identifiers

SUBWAY® Franchisee World Headquarters, LLC (FWH) assigned Global Trade Item Numbers (GTINs) to all SUBWAY® branded products and asked our manufacturers to do the same with their proprietary items to facilitate the communication of product-specific information whenever a business transaction takes place or a barcode is scanned in the supply chain. IPC also asked our trading partners to start using Global Location Numbers (GLNs) to help identify supply chain physical locations. These standards provided a solid foundation toward whole chain traceability. Using these unique global identifiers greatly simplified the exchange of information for both master data and dynamic data for business transactions and traceability.

Step 2: Leverage the Global Data Synchronization Network™ (GDSN®) as one source of supply chain product data

The GDSN enables the electronic transfer of standardized product information between trading partners and the continuous synchronization of that information over time. Most IPC suppliers and distributors were more than willing to use the

GDSN, as they saw the mutual benefit for all involved to have one source of product data. The GDSN ensures all partners have access to the same, accurate information.

As part of a data quality Six-Sigma study last year, IPC estimated that by using the GDSN and having everyone access one source of truth, our organization would see a return on investment of about \$1 million dollars in annual freight and material handling costs just through "cleaner" product information for 83 products where we corrected erroneous data leveraging GS1 US Data Quality rules.

Step 3: Improve visibility with case level GS1-128 labeling

In 2014, IPC outlined expectations for trading partners around the use of GS1-128 barcode case labels and this is now part of our contracts. These labels are important to the traceability program because it encodes the product GTIN as well as other dynamic data elements, including dates and batch or lot numbers. By being able to identify cases, all supply chain partners can manage fast and accurate tracking of inventory.

Step 4: Integrate technology solution for enhanced traceability

IPC partnered with technology provider, FoodLogiQ, to create an

How Do GS1 Standards Enable Traceability for Enhanced Food Safety?



enhanced traceability program. This custom platform syncs with the GDSN and provides an online portal for all vendors to manage and track their shipments from the source all the way to the destination restaurant. Eight suppliers and distributors participated in the pilot, assisted with the development of the program and helped determine how it will operate moving forward. After a pilot concluded successfully in November 2015, IPC began fully rolling out the SUBWAY®-IPC/FoodLogiQ Traceability program. Currently 74% of products by volume sold to SUBWAY® have a GS1-128 barcode. The goal is for 100% of SUBWAY® branded product manufacturers to have these in place by December 2016. 46% of our distribution system (by restaurants serviced) are already capturing or have committed to capture case lot code information for each case delivered to our restaurants by the end of 2016.

Traceability programs based on GS1 Standards reduce costs and time managing suppliers, reduce the cost of investigating and executing recalls or withdrawals, increase profits with access to new customers and channels, and help protect the brand by delivering quality product.

Supply Chain Efficiency, Traceability, and so much more..

As we approach our traceability goal we are starting to realize GS1 Standards can also help provide more transparency to our customers. Consumers are not just concerned about foodborne illness outbreaks, they are empowered more than ever to learn about food origins, ingredients and nutritional.

The SUBWAY® brand is committed to giving our customers the information they need to make informed dining decisions any time.