

The Growing Importance of PRODUCT TRACEABILITY

TRACEABILITY IS A CHALLENGE FOR MANY ORGANIZATIONS

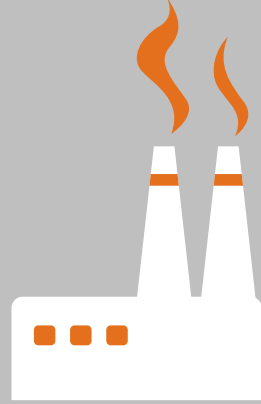
91% of apparel companies don't know from where their cotton is sourced¹

61% don't know where their garments were made¹

40% lack information and material visibility across their supply base²

38% lack critical information on supplier performance²

36% said their lack of visibility was due to inadequate IT systems²



TRACEABILITY CAN ALLEVIATE KEY SUPPLY CHAIN CONCERNS

Gain accurate insight into raw materials availability and origin

RAW MATERIALS

Manage product recalls cost effectively

Meet regulatory and safety compliance standards

Warehouse

Increase product quality and production efficiency

Improve customer safety and consumer satisfaction

Production & WIP

Distribution

PRODUCT RECALLS ARE NUMEROUS AND COSTLY

According to the Grocery Manufacturers Association, the financial impact of a recall in the U.S. is quite significant:



52% of all recalls cost more than **\$10 million**

23% cost more than **\$30 million**

626 food recalls occurred in 2015 for the U.S. and Canada³



600 RECALL NOTICES

IN 2013 an apparel manufacturer of 'see through' yoga pants

\$57- 67 MILLION LOSS following recall⁶

IN 2014 affecting more than **8 million** vehicles⁵

TRACEABILITY PLAYS A KEY ROLE IN OPERATIONAL PERFORMANCE



- Leading manufacturers are **30% more likely** to have enabled full traceability of components and items both upstream and downstream⁷
- Retailers hoping to achieve profitability must be able to track their merchandise (and their costs) as they move throughout the supply chain⁸
- Companies with traceability are almost **3 times as likely** to have the ability to monitor for regulatory compliance⁷
- Why invest in traceability?
 - Ease of compliance with global regulations
 - Improved recall process
 - Greater inventory visibility
 - More accurate upstream and downstream supply chain data⁹

AVOID PRODUCT RECALLS, IMPROVE PRODUCT QUALITY AND ACCELERATE TIME TO MARKET.

Why Amber Road?

- Comprehensive tracking and tracing from raw material origin to product delivery
- Accurate product testing from pre-production through production processing
- Single source for software and global trade content
- Fully integrated global compliance and supply chain solutions
- Flexible software platform

1. The Australian Fashion Report: The Truth Behind the Barcode, April 2015
2. KPMG's 2014 Global Manufacturing Outlook
3. Reported by Food Safety Magazine, January 2016
4. <http://www.foodsafetynews.com/2015/03/the-importance-of-food-traceability/#.VuBKXFbIS0s>
5. According to the Canadian Press, January 2015
6. NY Times, 21 March 2013, Recall Is Expensive Setback for Maker of Yoga Pants
7. Product Traceability: Tracing the Key to Manufacturing Success, Aberdeen Group, December 2015
8. Retail Supply Chain Visibility, Aberdeen Research, October 2013
9. Benefits of Food Traceability, July 2015, authored by William Fisher, Executive Director of the Food Traceability Center

LEARN MORE:

Download Amber Road's eBook
The Increasing Importance of Product Traceability

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