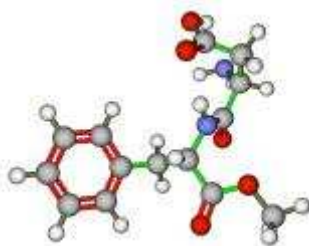


TRANSPARENCY WILL NO LONGER BE AN OPTION



John G. Keogh
President & Principal Advisor

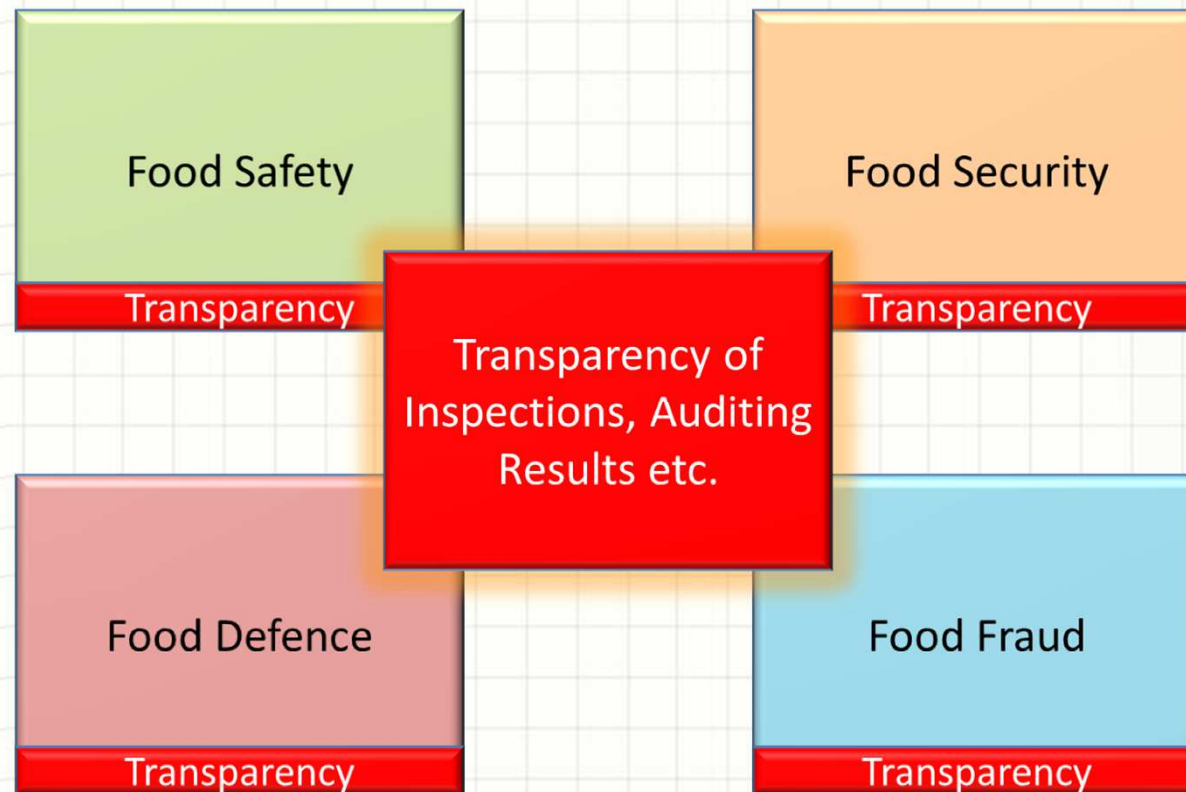
Shantalla Inc.
Toronto, Hong Kong & Viet Nam
John@shantalla.org

Transparency will no longer be an option;

- The regulatory system is driving new rules and regulations...
 - FSMA, EU 1169/2011, California Transparency in Supply Chains Act (2010), Halal etc.
- The food chain is global... and complex !
 - Food safety incidents at the ingredient level can have severe consequences
 - Incidents of food fraud are increasing.....or are just being discovered !!!
- Tech savvy consumers driving demand for information
 - there is a gap between consumer expectations and ability to deliver !
- Technology increasing velocity of everything...
 - Weeks -> days -> hours -> minutes -> seconds
- Global sourcing is complex and carries risk...
 - driving the need for *best practices* and *community based* capacity building
 - need to deploy global standards to enable traceability, interoperability etc.

Transparency will not be an option

The Regulatory system is driving new rules and regulations...focus is beyond food safety



Transparency is vital to the 4 pillars of the Global Food System

The Food Chain is global...and complex !





TRANSPARENCY WILL NOT BE AN OPTION

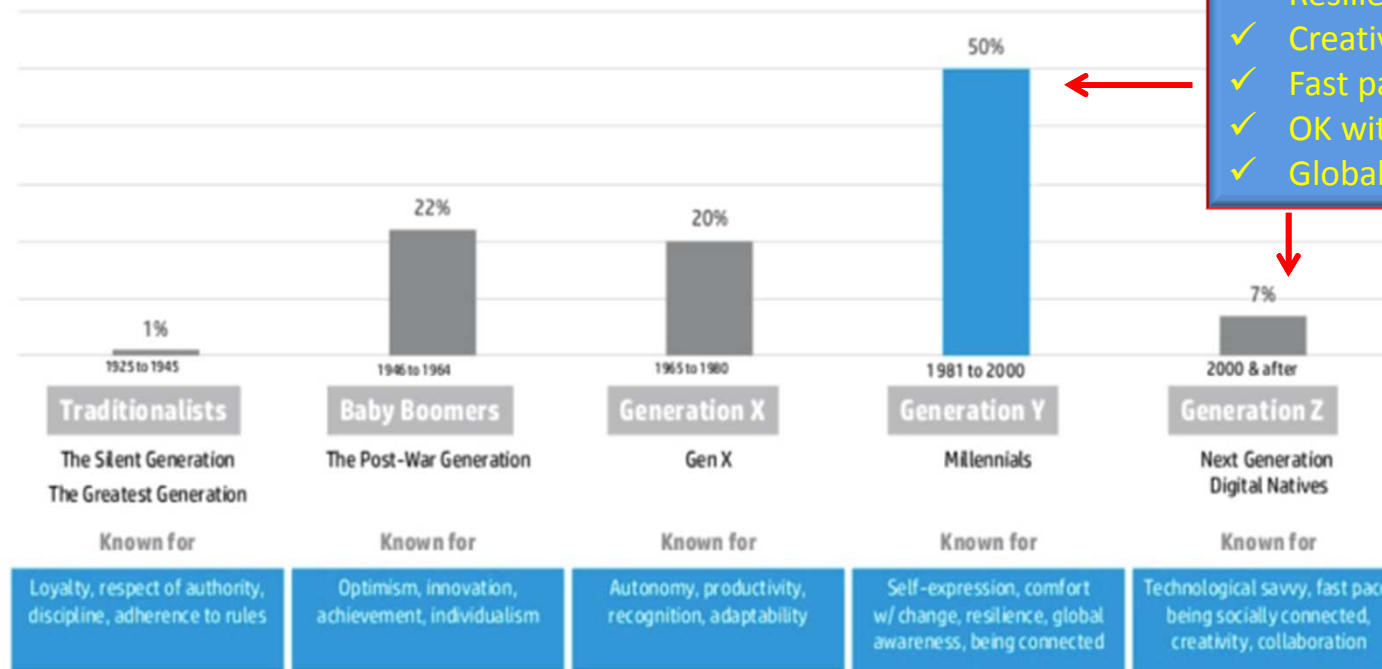
CONSUMER PRESSURES:

24 x 7 x ALWAYS ON.....

Transparency will not be an option

Reality check...changing face of consumers and employees

Our Employees and Customers are changing



Defined by their

- ✓ Tech Savvy
- ✓ Connectedness
- ✓ Collaboration
- ✓ Resilience
- ✓ Creativity
- ✓ Fast pace
- ✓ OK with change
- ✓ Global Awareness

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Transparency will not be an option

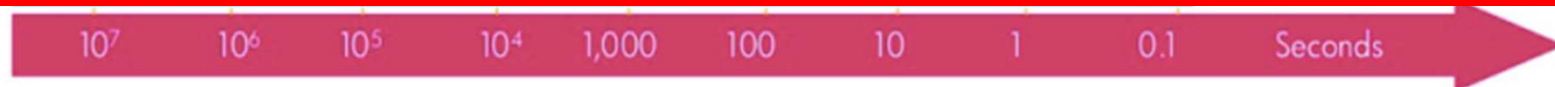
Technology fuelled velocity....

Time is shrinking



MIT:

we don't need to invent more technology to enable flying cars..we can do it today



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INCREASED IMPACT
OF CONSUMER
TECHNOLOGY
ADOPTION

IMPACT OF NEXT-
GENERATION
INFORMATION
TECHNOLOGIES

INCREASE IN CONSUMER
SERVICE DEMANDS



Tesco (Korea)



Peapod (US)



Ocado (UK)



Delhaize (Belgium)

AGING
POPULATION

RAPID ADOPTION
OF SUPPLY CHAIN
CAPABILITIES

INCREASE IN
REGULATORY
PRESSURE

INCREASED IMPORTANCE
OF HEALTH & WELLBEING

Nutrition Facts

Serving Size $\frac{3}{4}$ cup (55g)
Servings Per Container 5

Amount Per Serving

Calories None, it doesn't belong to you.

	% Daily Value*
Total Fat 6g	9%

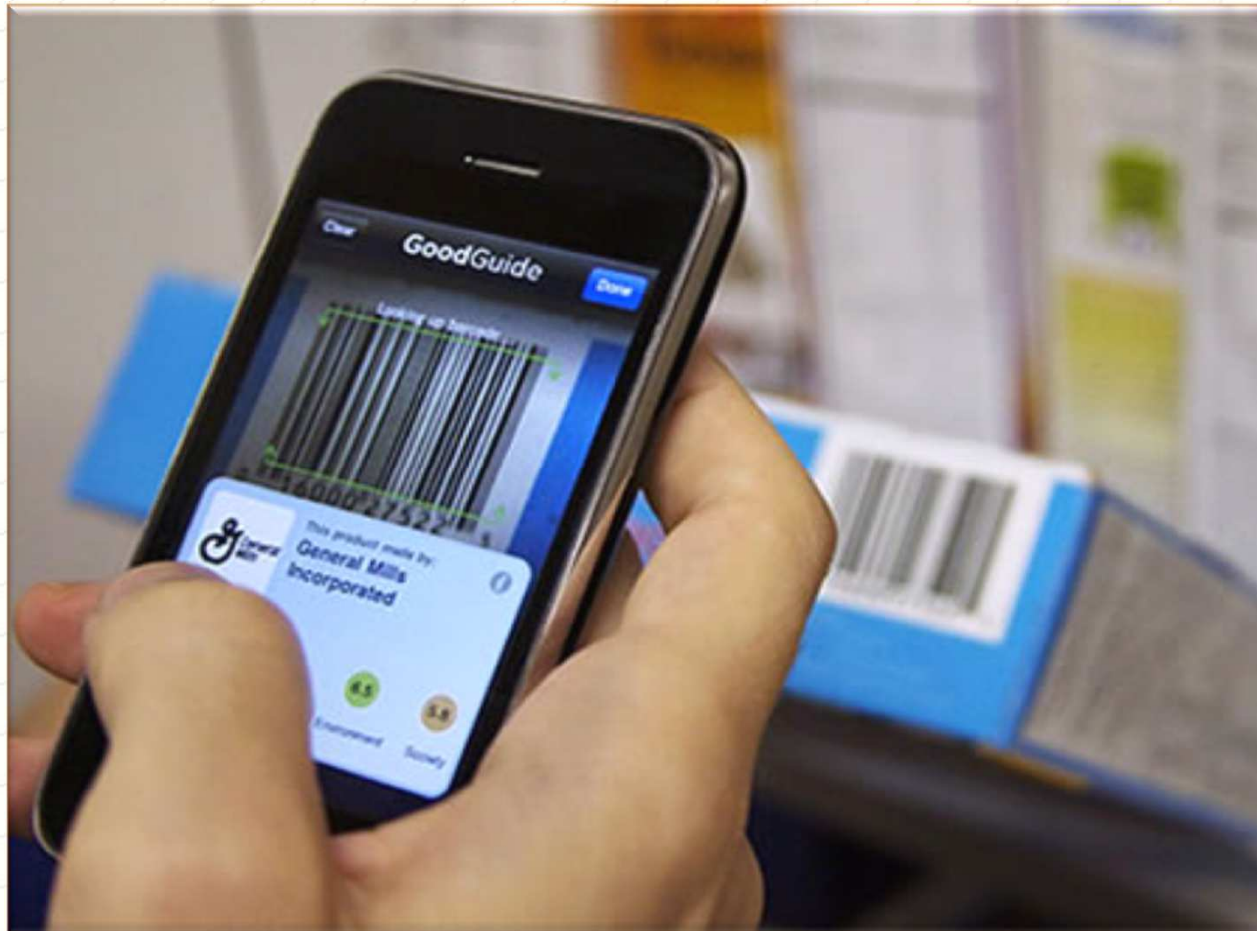
Don't worry about it!
What you don't know,
won't hurt you...

Protein 9g	18%
-------------------	------------

Vitamin A 25% • Vitamin C 50% • Calcium 30% • Iron 25%
*Percent Daily Values based on a 2,000 Calorie diet.

Transparency will not be an option

The smart phone is an important tool to access transparency data



Transparency will not be an option

The smart phone scans the humble linear barcode...but it has hit mid-life crisis at 40 !



Globally unique identifier on the product can be scanned at every point of sale / cash register. The cost saving through automation is passed to the consumer

Scanned more than 5 billion times daily.....TRUSTED !

Industry now working on a Next Generation Product Identifier project (NGPI) to move from 1D barcodes to advanced 2D such as GS1 Data Matrix or GS1 DataBar, GS1 QR

Transparency will not be an option

Reality check....there is a gap !

How Bad Is the Data?

91%

of mobile barcode
scans returned
incorrect product
descriptions



*Industry is working to fix this
Data Quality problem*

87%

of scans returned
no image



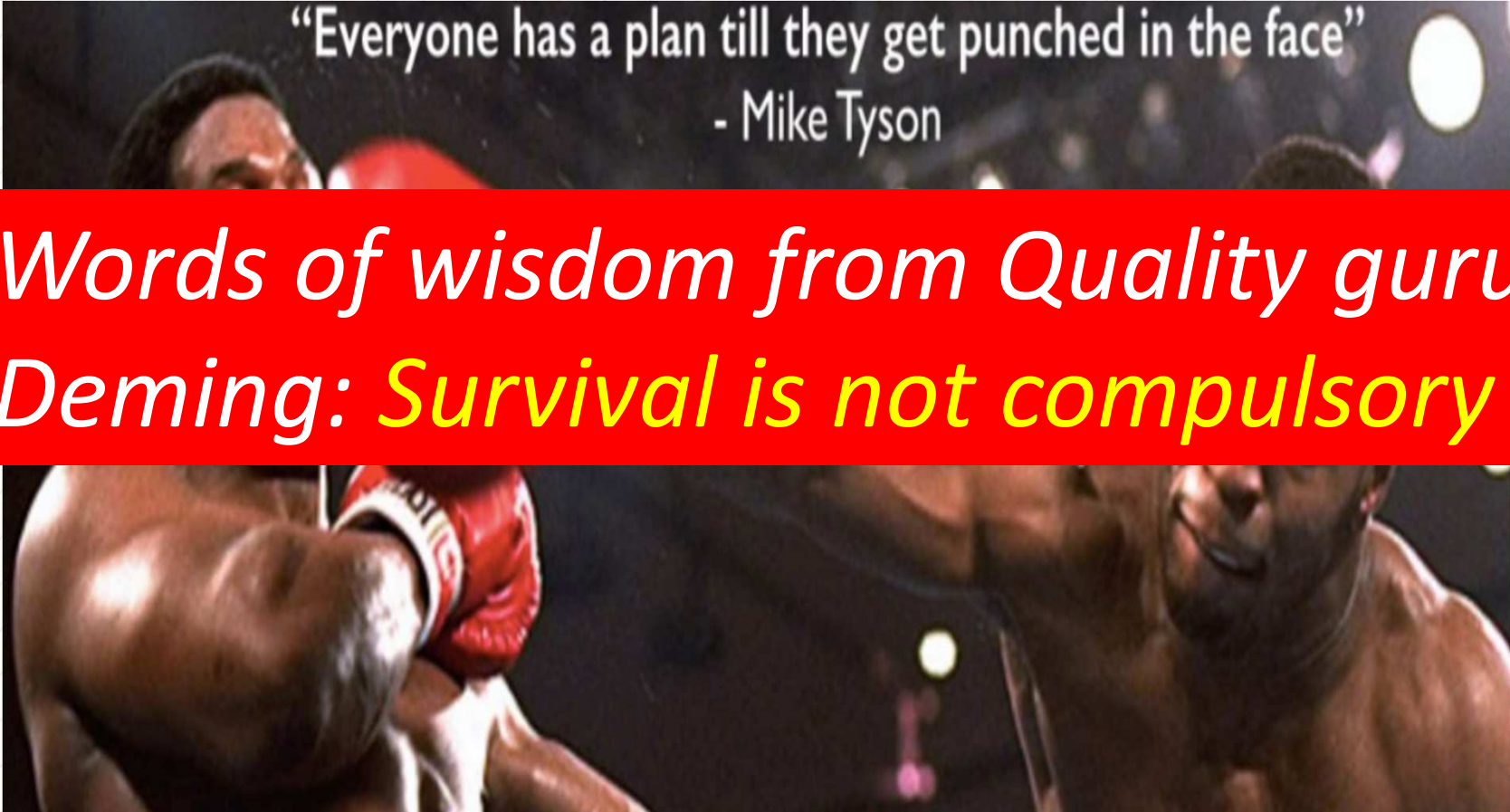
Source: "Mobile-savvy shopper report," GS1 UK and Cranfield School of Management

Transparency will not be an option

Bad Data is the new corporate Canary !

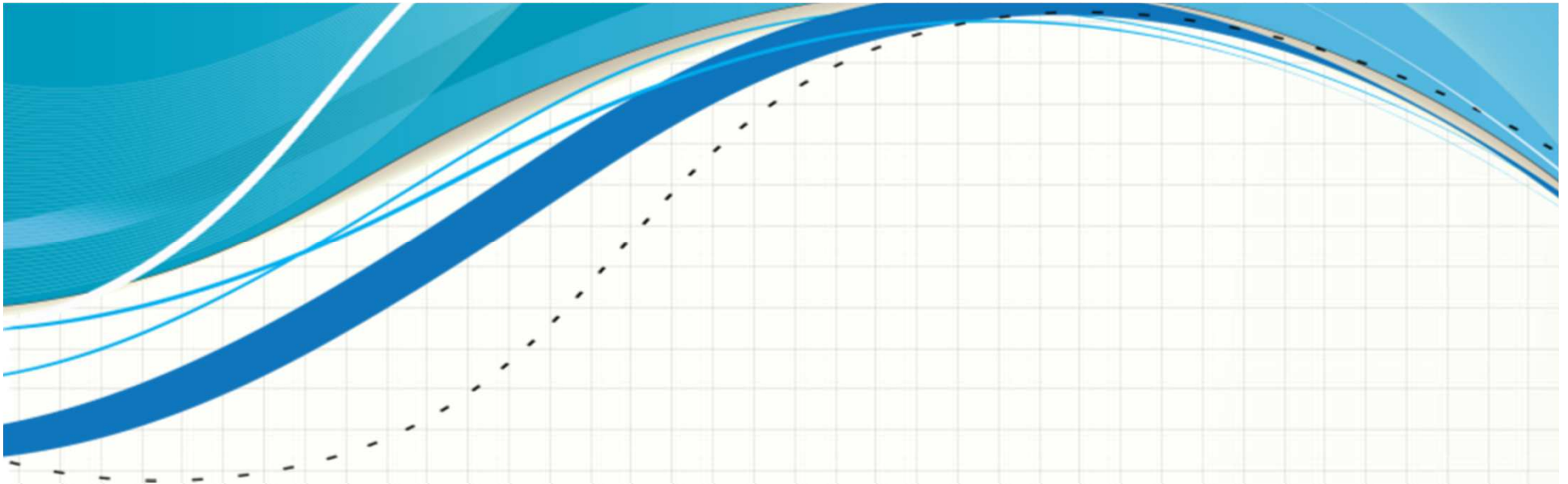


If the canary dies, it's time to run!

A composite image featuring Mike Tyson in a boxing ring. The top portion shows his head and shoulders with a quote overlaid. The bottom portion shows a close-up of his torso and arms as he punches. The background is a grid pattern.

"Everyone has a plan till they get punched in the face"
- Mike Tyson

*Words of wisdom from Quality guru
Deming: **Survival is not compulsory***

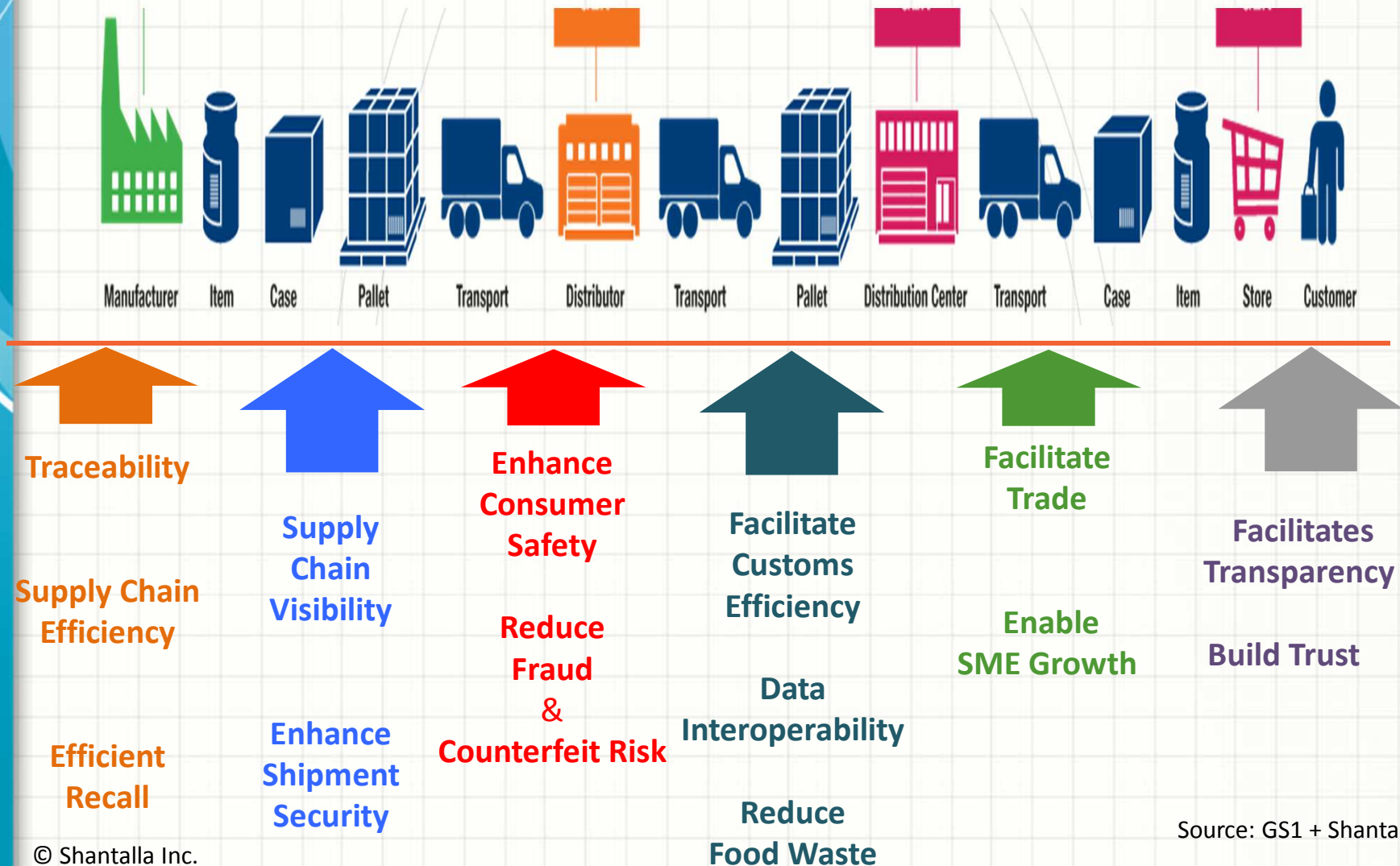


THE OPPORTUNITY:

**FOCUS ON TRANSPARENCY THAT CAN DRIVE
VALUE**

Transparency will not be an option

A foundation layer of global supply chain standards is a *must have* for transparency to work



Transparency will not be an option

A foundation layer of Global Standards enables value based Transparency

TODAY



**Compliance
Transparency**

FOCUS: Staying in Business

**Value
Transparency**

FOCUS: Increase Value

Regulatory
Compliance

Supply Chain
Transparency

Risk
Reduction

Build Trust &
Enhance Value

But....a focus on staying in business will not drive growth or encourage investments beyond the minimum requirements...



THE RISKS:

Transparency will not be an option

Transparency demands collective reframing of the problem statement !



Commenting on the Flying Car:

“Don’t think of it as a car that flies, think of it as a plane that drives.”

MIT student now serving as
Terrafugia’s CEO

Reframing Caution: balance stakeholder involvement:

- a) too many parties involved.....may be slow and tedious
- b) too few parties involved.....may not deliver and get buy-in
- c) the wrong parties involves.....destined to fail
- d) lack of a shared transparency vision.....may fail
- e) starting with/from a technology platform.....may fail



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Head & Tail Strategy is a likely outcome from A+B+C+D+E

Balance and align key stakeholders to move beyond the “Head & Tail” strategy. Need to focus on key details...put more meat on the bone.


Pilot + Test + Proof of Concept + Iterate... don't strive to be perfect from day 1

Transparency will not be an option

In Summary...

- The supply chain is global and complex...
 - think beyond food safety to *value based transparency*
- Transparency is an enabler of trust...
 - think brand value and differentiation of company and country
 - Transparency data sources are both private and public
- Transparency will not be an option...
 - keep the consumer front and center
 - must be aligned to a formal digital strategy
 - consideration should be given at policy and privacy levels
- Be *part of it* rather than *subject to it*...
 - think shareholder value and take leadership
- Without *Data Quality*, there is no Transparency....





“There is no market for unsafe food – underpinning consumer confidence with transparent supply chains and science-based decision making is the only way forward in global food trade”

Prof. Alan Reilly, CEO, Food Safety Authority of Ireland





THANK YOU

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