Case study : Traceability in Consumer Goods

Packaging company in Peru gains competitive advantage with the GS1 Traceability Solution

Positioning themselves versus the competition in a demanding market

Vartini Packing is a young packaging company established in Peru in 2004. Targeting the international consumer goods manufacturers such as Unilever or Henkel meant meeting their strong requirements from their upstream suppliers in terms of **flexibility and operational risk.**

Vartini Packing decided to differentiate itself by developing a packaging traceability service for its clients, providing **real-time visibility** into their packaging operations, something that no other packaging company in Peru was doing.

Building a globally recognised traceability system based on GS1 standards

Vartini Packing worked closely with **GS1 Peru** to identify areas for improvement and set up a traceability system based on GS1 standards.

The approach included:

- **Review of their current traceability system using the GS1 Global Traceability Assessment.**
  This checklist of control points and compliance criteria ensure companies meet all traceability regulatory and business requirements.
- **Set up of a new process based on the GS1 Traceability Standard**, including: (1) use of GS1 standards to identify and track their packaging products and cases (GTIN-13, GTIN-14, SSCC);

(2) mapping of their processes; and (3) set up of a registry of information, to show how data is captured and stocked.

- **Development of a Traceability Tool,** to provide clients with real-time visibility on critical business information such as raw material identification, batch number, quality control and final product dispatch.
- **Integration of raw material supplier information into their ERP system** for full supply chain visibility, from origin to destination.

After a successful implementation, a final audit report by GS1 provided an internationally-recognized acknowledgement of the traceability system in place.

Tangible benefits for its clients that led to increased sales for Vartini Packing

For consumer goods companies, the successful GS1 Global Traceability audit meant a real increase in confidence in Vartini Packing's system.

Thanks to the new traceability system, clients benefited from **real-time visibility**, allowing for improved product quality and effective response to market demand. Key clients, such as Unilever, 3M, Henkel and their third-party logistics providers are using the new Tracaeability tool.

For Vartini Packing, this meant reduced cycle times; reduced administrative costs such as information searching, and led to a 20% **increase in sales** with their main clients, with an ROI x3 after X months.

> 20% increase in sales from their main clients thanks to the Traceability System proposed

Collaboration is key to success

For Vartini Packing, the **collaborative approach with GS1 Peru**, including diagnosis, process optimization, standards implementation, guidance and final audit, was critical to the success of the project. The global positioning of GS1 also ensured the buy-in of senior management.

Also critical to implementation is the **active participation of employees**. Trainings were provided to raise awareness in traceability, quality systems, logistic best practices and GS1 standards.

> *"The GS1 Traceability system and GS1 Global Traceability Assessment has helped us not only meet, but also exceed our customers' need for real time information. For our customers, this is a key and differentiated value added service of our company".*
>
> *Carlos Nicho, Vartini Packing CEO*

GS1 GLOBAL TRACEABILITY SOLUTION

A single, recognized traceability process for all quality & safety requirements

GS1 is a not-for-profit organization that develops supply chain standards. Its Global Traceability Solution provides companies with a single traceability process to meet all safety requirements:

- **GS1 Traceability Standard:** a description of the traceability process, defining the minimum business requirements for companies to meet traceability regulations and how to correctly use the technical GS1 Standards with existing technology and information management tools.
- **GS1 Global Traceability Assessment:** a diagnosis based on a checklist of control points & compliance criteria developed to review traceability systems in place.
- **GS1 Global Traceability Guidelines** for specific sectors
- GS1 Training & implementation support by local GS1 Member Organizations

Contact :

- Interested in learning more about this case? Contact GS1 Peru

  Milagros Dávila: **mdavila@gs1pe.org.pe**

With special thanks to :   Vartini Packing