



Check-Net[®] protects brands from source to shelf



Willie Beuth
3p Institute for Sustainable Management

Awareness of suppliers' practices is a major issue for apparel retailers these days. *Point of View* spoke to Willie Beuth from the 3p Institute for Sustainable Management, about how product visibility can affect both the ethics and the economics of their businesses.

What kind of activities are you working on through 3p?

3p is a group of companies who have formed a not-for-profit organization, which looks at traceability systems globally in different industries, including apparel. Through a business group called Global Sustainable Management (GSM), we show retailers how to better handle compliance with their social and environmental responsibilities, checking all the way back across the supply chain, from 'dirt to shirt' (fibers, productions, processes, chemicals and dyes, etc., all the way to the store).

What are the main concerns for apparel retailers?

The key focuses for apparel retailers are product safety and brand image. They must be able to promise their customers that all products that arrive in their shops are clean, safe and ethically produced and sourced. At 3p, we handle a code of conduct for social compliance: we don't just audit companies, we help them to reach the right standards.

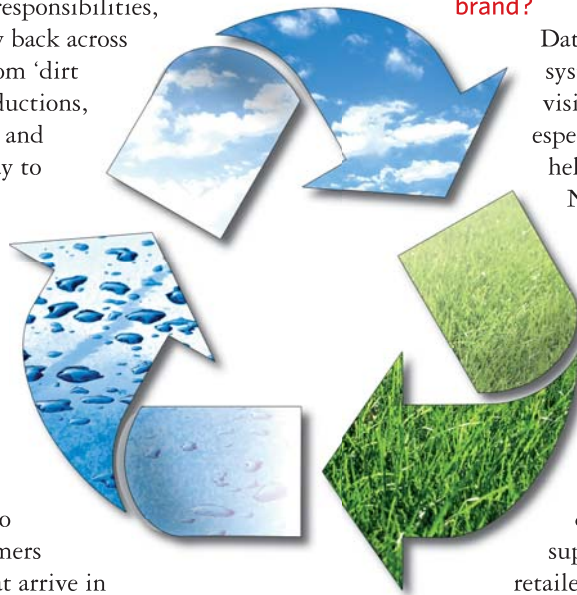
Is there a link between social responsibility and product visibility?

Yes. We have the clear position that you do not need to make continuous audits and control people, you need to set up

an effective integrated management system that leads to real changes, and to do this you need good product visibility. In the end, it is not just about image, it is also an economic issue: having knowledge of exactly what you produce helps you with cost.

Which technological solutions can help apparel retailers protect their brand?

Data management systems and product visibility solutions, especially RFID, will help them. Check-Net could have an important role to play here as it can be used to store data on how many tags people are buying, what they are paying, etc. Building databases on suppliers will help a retailer make important choices. Check-Net helps by providing information that goes deeper. For example, by tagging at source you get a picture of the whole service and a clear economic benefit, because you can follow up costs. You can see if your supplier is good, if he is compliant with social and environmental regulations, etc. Check-Net helps retailers to get a holistic view of their business.





How can Check-Net improve supply chain processes?

Check-Net can help to encourage openness because it is partially neutral and interested in providing a service. Everyone is focused on their own issues, but these are all related in the end. Manufacturers are concentrating on production, but maybe they don't know about social and ethical issues: there are different mindsets involved. People need to sit down and through dialogue, identify the weak points to see what can be done better. Check-Net is helping the industry to see that the money is not only 'in the front', at store level, but 'at the back', related to cost savings along the supply chain.

How can source tagging help brand protection?

Brand protection is related to source tagging because \$2 billion is lost to counterfeit products every year. People are spending money directly on investigation and deterrence, but they could solve it through source tagging. Often, 80% of this problem can originate in the factory itself. If you invest in source tagging you can help to make your suppliers more honest. With a source tagging and data management system in place the



The Fully Integrated Tag combines branding with an EAS security element, allowing source-tagged apparel items to arrive shelf-ready in stores.

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pressure on suppliers will be much greater to prevent this kind of thing from happening.

Do you think the industry needs to speed up its adoption of RFID?

RFID needs to be developed to address the specific needs of those who use it. At the moment, many feel they can live with just RF in the shop, but RFID will provide benefits for both manufacturers and retailers. Full product visibility will help people to identify and eliminate weak points. Apparel has complex issues, but product traceability really works. Things are changing rapidly and it is important that everyone knows that.■