Executive Q&A

With Dennis Clabby, Executive Vice President, Purchasing, IPC/SUBWAY
Member of the Foodservice GS1 US Standards Initiative
Executive Leadership Committee

Q: The Foodservice GS1 US Standards Initiative has helped to drive real change across the industry, what benefits have IPC and SUBWAY seen?

A: For IPC and SUBWAY, GS1 Standards are the vehicle that will help us make full supply chain traceability a reality. Knowing exactly where a specific lot code of food product is in the supply chain is our goal. If this product is a risk to our brand, and our customers, the benefits of adopting the use of standards are immeasurable.

If this isn't enough benefit, GS1 Standards provide the foundation for many other supply chain efficiencies and benefits. GDSN® enables us to give our customers the accurate product information they demand at all times and at the same time gain significant ROI with logistics optimization by having one source of truth. By scanning GS1-128 barcodes, we can have full supply chain visibility which enables us and our trading partners to make informed decisions about production, forecasting and inventory which drives efficiencies in our supply chain. Scanning GS1-128 barcodes reduces the opportunity for errors in receiving, inventory management, stock rotation and picking processes.

Q: Looking back, how has this changed the way you have done business internally? With your trading partners?

A: We have strived to eliminate communicating item information via email, in Excel sheets, or phone calls. If there is a new product to be launched, it needs to be published via GDSN. We have been able to quantify $1.3 million dollars in annual cost avoidance by focusing on using one source of truth and making sure that the source data is always accurate. This way we benefit from accurate truckload and material handling optimization and avoid overweight trucks.

We have made GS1-128 barcode and Critical Tracking Events on SUBWAY shipments a mandatory process for our system. This allows us to capture daily information on where our products are as they move from one location to the next. Our restaurants are now able to scan GS1-128 barcodes and get alerts on expired or withdrawn products, as well as products that don't meet the shelf life established by SUBWAY "gold standards." This helps us serve only the freshest products to our customers, while reducing quality complaints overall.

Q: What's still a pain point when it comes to standards? What keeps you up at night?

A: Reaching full supply chain traceability fast enough. Our distributors are trying to enable their systems and processes to meet our requirements, but it's taking a lot of time and effort. Ensuring the safety of our customers and protecting our brand cannot happen quickly enough for us.

Q: How can you leverage these benefits to drive your company's innovation forward?

A: Our theme is Fresh Forward. Technology is essential in being able to continuously improve our supply chain process and products. Using GS1 Standards, we are ensuring we have accurate information about our products, locations, and business transactions to guarantee the right product, right place, and right cost. Our innovative SubVentory app is used by all SUBWAY restaurants to receive and inventory products. Restaurant operators will scan GS1-128 barcodes at time of delivery and then again during inventory. This provides near real-time information to the supply chain about the product, including remaining shelf life and whether there are any quality concerns associated with this product. Receipts and inventories are automatically updated and provide detailed and aggregated product visibility. Product traceability is based off the scanning of the GS1-128 bar code throughout the supply chain. "One source of truth" is essential to guarantee that our customers are getting accurate and up-to-date information about ingredients. GDSN will help us keep our customers informed about the sandwiches they buy.