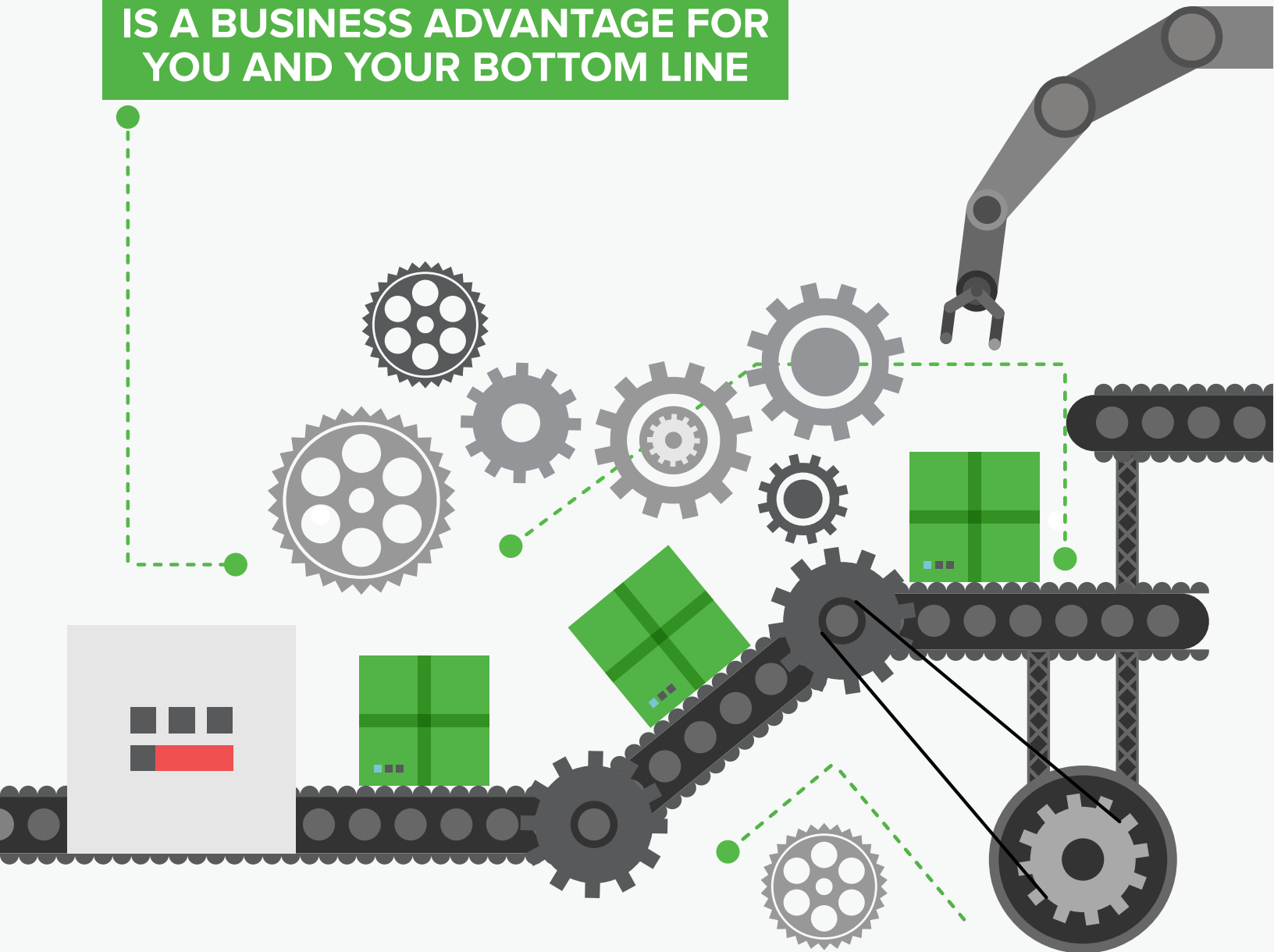


# HOW BEING COMPLIANT

IS A BUSINESS ADVANTAGE FOR  
YOU AND YOUR BOTTOM LINE



Today, the regulations that businesses -- large and small -- extend far beyond their own boundaries. In order to meet requirements for compliance, a company must be aware of -- and be able to ensure the compliance of -- any other entity along the supply chains it uses. This white paper shows how effectively and effortlessly this potentially overwhelming task can become when the right tools are engaged.

In today's globally connected world, businesses strive to lead their industries while forging new ground in those areas that are of critical importance to everyone around the world. Not only must these businesses be compliant with the latest government regulations, they also need to know – and track – those issues that are particularly important to their customers. To that end, savvy companies – large and small – spell out their compliance protocol as the first step in transparency.

With so many players in the supply chain and distribution game is overseeing their compliance really something that a modern business is able to accomplish?

Can technology be tapped to make this huge task more streamlined, understandable and accessible? This white paper delves into both of these forward-thinking issues and introduces viable answers that promise to become invaluable to those businesses who are interested in profitability and longevity, transparency and sustainability.



## THE NESTLÉ EXAMPLE

Nestlé, a global company that sells products that are designed to enhance the nutrition, health and wellness of those who partake of them, has established extensive compliance parameters. The company has issued a summary that is easily accessed via their [website](#) that explains its position.

A key element of this document is the "Four Pillars" approach the company takes to ensure it meets its goals of purpose, scope, compliance, continuous improvement and application for itself and its suppliers. These "Four Pillars" include human rights, safety and health, environmental sustainability and business integrity.

It is safe to assume that businesses within similar industries seek to meet the same standards. Furthermore, nearly every industry in the modern world must keep these directives at the forefront of their operations in order to find success as a world-class entity. Establishing those standards for itself and its suppliers is merely the first step in compliance, though.



## COMPLIANCE: IT STARTS FROM THE GROUND UP



Supply chains provide a vital link from raw materials to a finished product. For many companies these days, the supply chains associated with their products can be complex and extensive. At each stage of the process, a company must be able to verify that those applicable elements of their product meet the terms of their own established protocol. Additionally, these practices must also satisfy applicable governmental regulations as well as meets conscious consumers' expectations.

## MONITORING SUPPLY CHAINS

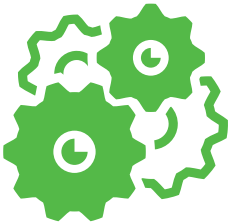


Proper, verifiable and all-encompassing monitoring of the supply chains, distributors and manufacturers used is vital to each company along its axis. A company that is not fully aligned and on board with the goals and expectations of others within the supply chain has the ability to derail the entire process. Bringing on new suppliers can be an expensive and extensive operation whose results can seem to be less than worthwhile.

Traditional methods, such as on-site visits, thorough research and an understanding of the often-complex production process for any given product, are significant hurdles to overcome when verifying the validity of a supplier. That being said, this procedure is one that is well entrenched – and used extensively still today – to determine if a supplier fits within a company's philosophy and vision.



## CHANGING TIMES REQUIRE COMPANIES CHANGE WITH THEM



Since 1906, the **United States Food and Drug Administration** (FDA), has been charged with ensuring that food and drugs that crossed state lines was unadulterated and not misbranded. For more than a century, the agency has evolved to stay current with changes in materials, transportation methods & consumer expectations.

The government's scope on such issues is far from encompassing however. In spite of a burgeoning interest and demand from consumers, it was not until 1990 that the United States Department of Agriculture's Organic Food Production Act mandated that the Secretary of Agriculture establish what would become known as the **National Organic Program** (NOP).

Prior to the passing of the legislation that mandated the formation of such a program, though companies were already tapping into this growing market by establishing their credibility and forging bonds with their niche markets. A primary method of doing so was being able to trace each segment of their supply chain to ensure that the company was in compliance with its own established regulations.

The most sincere and thorough way of doing so involves complete transparency of their processes -- from top to bottom -- and swift action against those who do not comply.

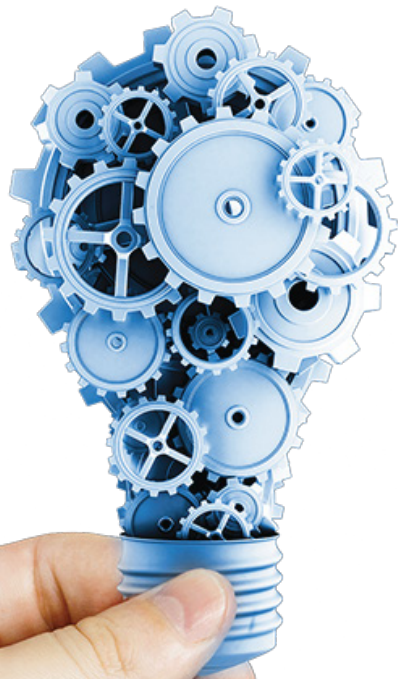
# DEALING WITH REGULATORY COMPLIANCE AND STAYING AHEAD OF THE ISSUES IS A BUSINESS ADVANTAGE



The advantages of staying ahead of regulatory compliance issues and dealing with them are twofold. Firstly, those regulations handed down by governmental entities often carry greater oversight and tighter restrictions on those businesses that fail to comply.

Not only is this costly to a business, it threatens to take away valuable resources that can be used in other areas such as research, development and testing. Staying abreast – and even ahead – of these regulations puts a company at a competitive advantage in the highly competitive business world. Projecting what compliance might look like in the future provides the impetus to release new projects now.

A second advantage in dealing with regulatory compliance in a timely manner involves consumer expectations. Today's consumers are informed, educated and involved. They are unafraid of bringing attention to companies – large or small – that are not compliant. The fact that those companies may be directly or indirectly aware of this lack of compliance is of negligible importance to consumers. The intent is the same in the eyes of most consumers as a part of the responsibility a business has to its customers.



## HIDDEN COSTS ASSOCIATED WITH NON-COMPLIANCE



Tools designed to facilitate compliance and a business' knowledge of the compliance of its supply chain are considered a worthwhile investment by most. The alternative in the form of non-compliance simply carries far too much risk to make it an attractive gamble.

Fines from governmental agencies, consumer disappointment, a potential loss of coveted certifications, falling revenues, a failed business – the list of potential hazards associated with non-compliance grows.

Other costs that might not be as obvious include the strain on human resources, as more personnel are needed to salvage negative social media campaigns, extended manufacturing times if product must be destroyed due to non-compliance and deadlines that are missed.



## TRANSPARENCY: THE ROAD TO TRUST AND VALIDITY

Transparency can be a daunting task and a frightening possibility for a business -- but it shouldn't be. Embracing transparency as a method of accountability allows a company to back up their beliefs and values with verifiable evidence from start to finish. Questionable tactics raise concerns from all facets of the business world -- from the government to other suppliers to the consumers. Staying transparent -- and insisting on transparency from all sources -- provides a fertile backdrop for growth across all sectors of business.

Transparency allows a business to quickly, easily and effectively determine any issues or potential problems within their supply chains, distributor networks and manufacturers so they can be addressed and solutions can be enacted. A key aspect of transparency is that it prompts a business to squarely face any issues as they occur rather than allowing them to simmer dangerously.

In the end, regulatory compliance is not fully possible without transparency. Tools like the innovative software from **Source Intelligence** provide a robust solution to the challenges faced by businesses of all sizes. **Industry-leading** software tools such as these seek to satisfy compliance requirements in a way that increases their bottom line rather than diminishing it. The thorough and streamlined set of tools from Source Intelligence enables companies around the world to instantly monitor their supply chains, distributors and manufacturers from nearly any location. A thriving and vibrant network of suppliers is supported in their efforts to record, document and transfer compliance information on products, practices and more to each customer down the supply chain. These vital tools are the connective fibers that support, develop and grow this dynamic network, propelling companies to reach new heights of success.

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