

# Supply Chain Operation Excellence Award

## PARKnSHOP Chinese Vegetable Traceability System



### Company Background and Vision

PARKnSHOP (PNS) is one of the region's leading supermarket chains with more than 230 stores in Hong Kong, Macao, and now China. About a quarter of the chain's outlets are superstores, which offer traditional Chinese fresh foods and vegetables, and an extensive selection of international consumer products.

PNS, which is among the companies under the A.S. Watson Group, always strives to meet the needs of an increasingly affluent population whose expectations of quality and convenience are changing every year. It has been in the forefront of setting new benchmarks for quality, value and service in the Asian retail industry.

### Business Challenge and Context

Recent safety concerns by the general public regarding consumption of fresh foods and vegetables are not taken lightly by PNS. In fact, it has pioneered a major shift towards higher health and hygiene standards.

In 1998, PNS established Hong Kong retailing's first-ever dedicated food-safety laboratory as part of its innovative Fresh Check campaign. It also created its own Fresh Check Hygiene Academy for staff and supplier training, as well as built Asia's first multi-temperature distribution and processing centre, utilizing hi-tech facilities.

Continuing on with this mission, the giant retail store has recently introduced a significant enhancement to its Fresh

Check program, which allows them to take control of the production of every vegetable supplied from Mainland China.

PNS works with various farms and production bases in China, which supply the store with more than 300 varieties of vegetables to meet the basic needs of customers in Hong Kong. These products, besides meeting PNS' Farm Check System as well as passing strict requirements imposed by China's General Administration of Quality Supervision, Inspection and Quarantine (CIQ), are now fully monitored along the whole supply chain using the Chinese Vegetable Traceability System introduced by PNS mid this year.

The Traceability System allows PNS to 'manipulate' the whole supply chain operations from the production of the vegetables to processing until they reach PNS outlets and finally into the hands of the consumers. Various tests are conducted along each stage of the supply chain, and through the Traceability System, PNS assures consumers that they can consume only fresh and safest vegetables.

Traceability barcode labels with information such as the supplier's names, type of products, manufacturing dates, and other relevant production data are pasted on each basket of vegetables. The data are used to check quality of the products at every stage of the supply chain and if problems are detected, the system can easily trace back the origin and recall back the product.

### Results

PNS' proactive approach in taking full control of its whole supply chain operations by using a proven Traceability System that ensures quality of products are maintained at the highest level earned the company the Supply Chain Operation Excellence Award in this year's First ECR Hong Kong Awards.

It has lived to its reputation as a company that adheres to the highest hygienic standard for the benefit of the general public. Based on international traceability system, PNS' own system, which also complies with CIQ regulations, is a truly responsive supply chain strategy – another key assessment criterion for bagging the coveted ECR Hong Kong Awards.