

Overview Explanatory Note

Virtual Multi-Stakeholder Policy Dialogue 27-28 April 2020
Accelerating action for Sustainable and Circular Value Chains in
Garment & Footwear



UN / CEFAC

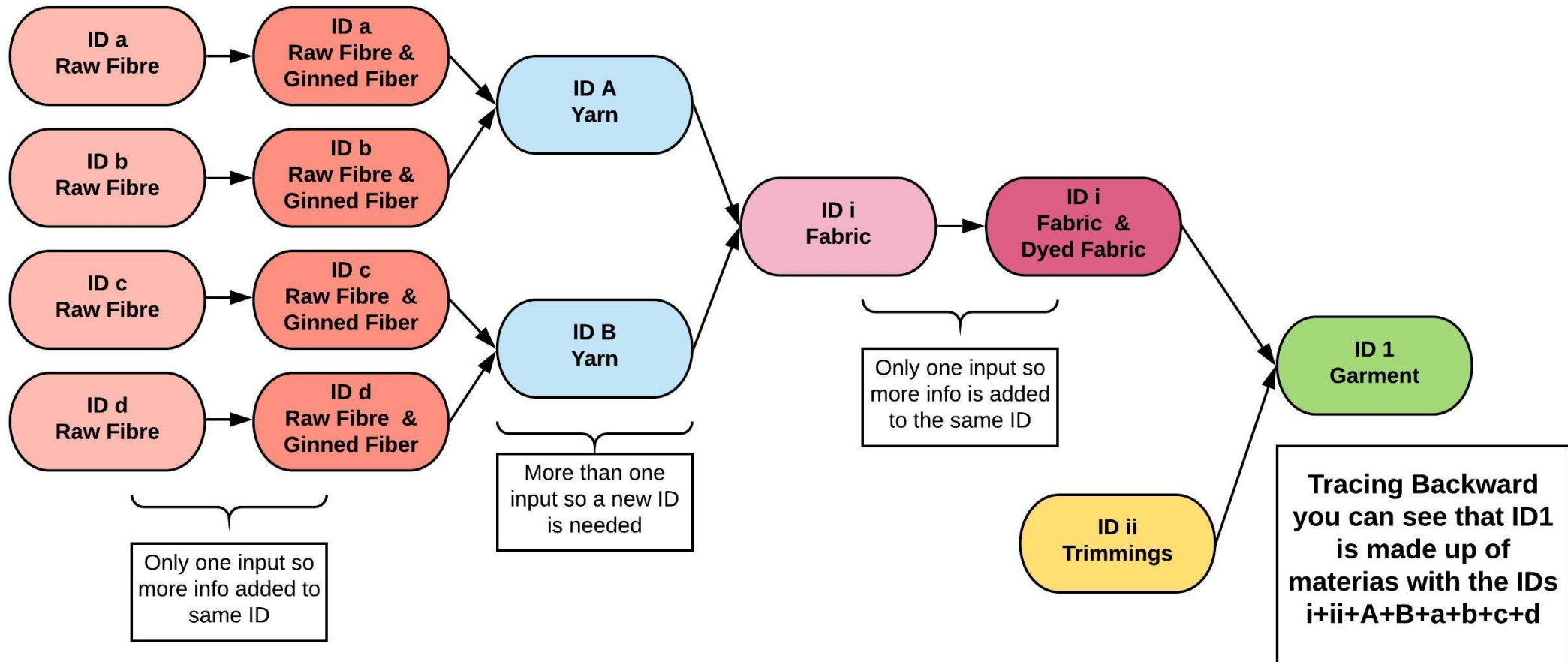
Why Business Process Analysis?

Let's start from the Foundation for Traceability and
Transparency

Identifiers or IDs



IDs form the “chain” that links material flows across a supply chain in order to create traceability





Challenges for IDs

- How to attach a unique ID to an output so that you are sure it will travel with the product?
- How to capture the IDs so they are properly linked?
- How to prevent the use of fraudulent IDs?

All at a minimal cost

Remembering that small cost increases up-stream result in much larger increases downstream as each participant add a % markup to the price

IDs are “doors” to further information



Which information? – the implementor decides

Minimum: the input IDs (establishing the “link”)
Name and address of the producer/processor
Date produced
Location produced
Processes used
Certification of producer/processor
Etc.



Challenges for ID Information

- How much to collect for each ID?
- When and where to collect the information & by what means?
- How to prevent the registration of fraudulent information?
- Who should have access to which information, when and how?
- What is the SME and up-stream partner able to provide?

AND for Sustainability

- What is the minimum information that an ID should point to in order to support a particular sustainability policy claim?

Business Process Analysis

Will help us to

- Answer most of these questions

and

- Provide key input to the technical process of defining what data means in a standardized way that can be understood and exchanged by computers (i.e. the development of semantic standards)

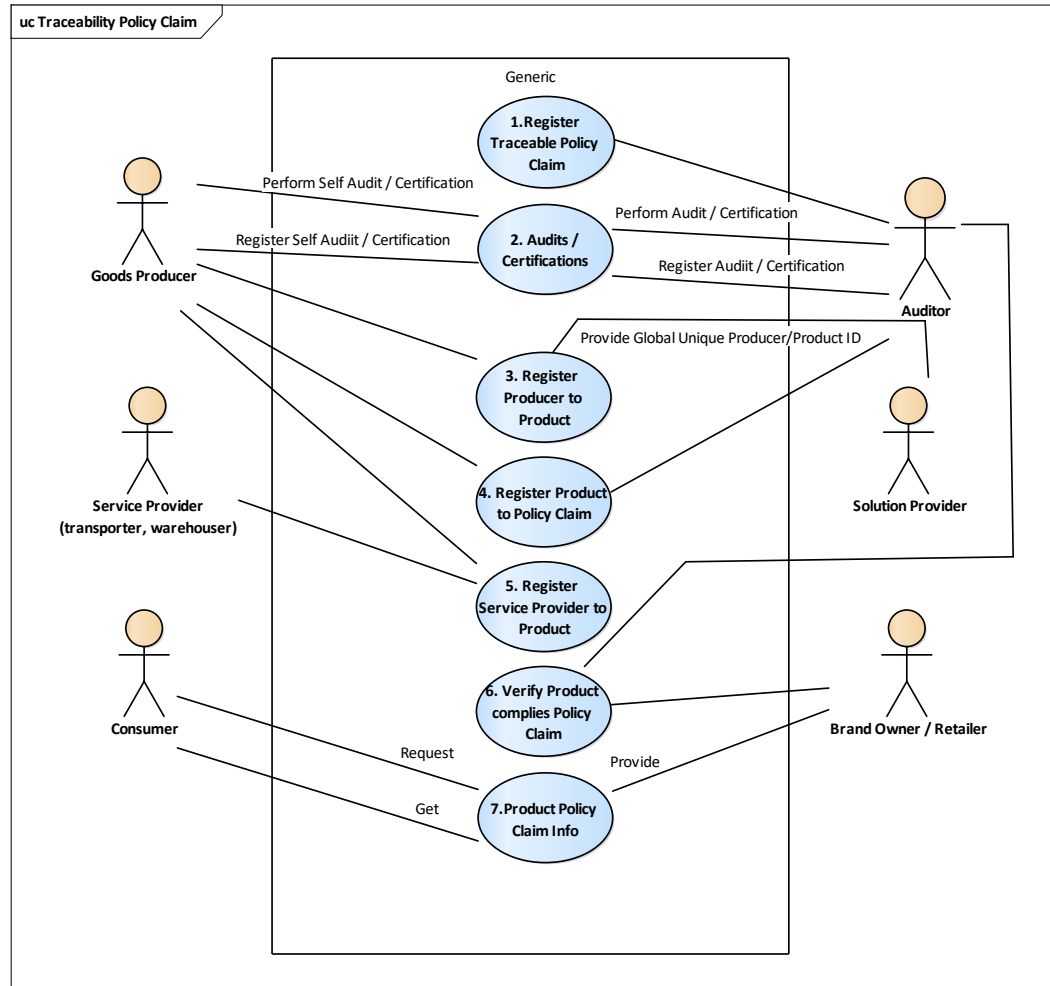


Business Process Analysis (BPA) is the first step in a data standardization process

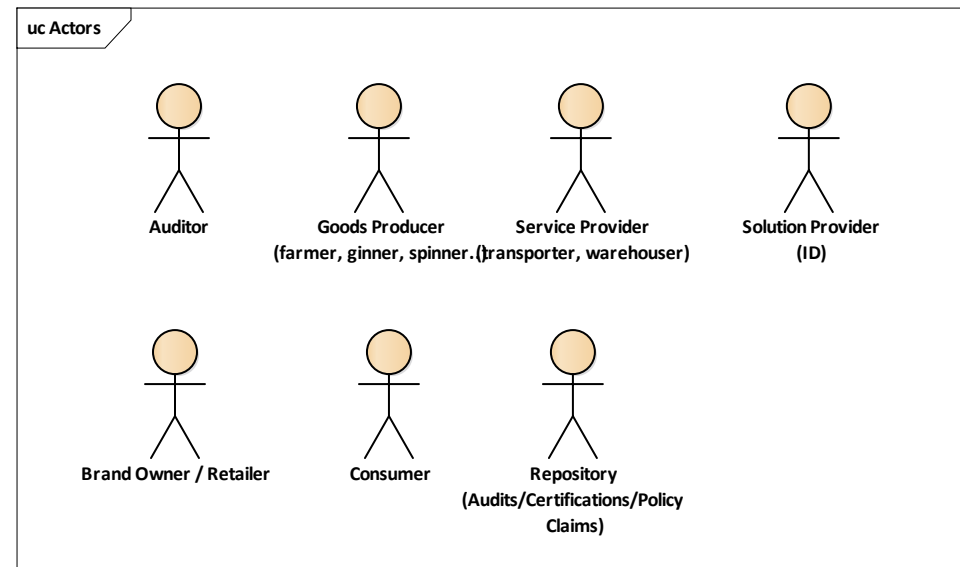


There are 5 steps inside of a BPA which we will look at now

Yellow highlights information in each step that links it either to the previous or next step



1. Prepare a **Use Case diagram** identifying the principle processes and the actors



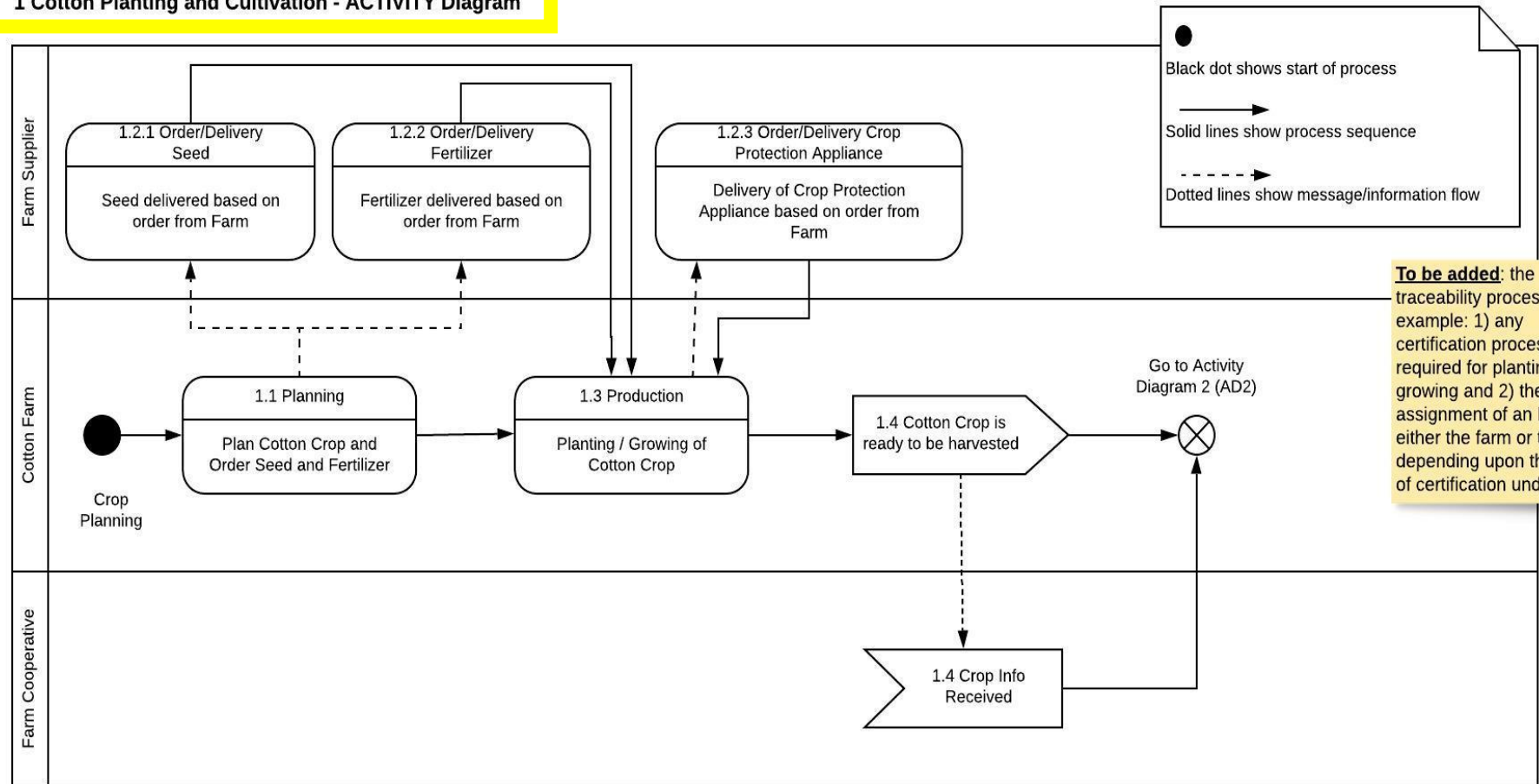


2. Develop an Activity Diagram for each

Process in the Use Case showing the

- Participants in the process
- Actions / activities undertaken
- Sequence of actions
- Information flows

1 Cotton Planting and Cultivation - ACTIVITY Diagram

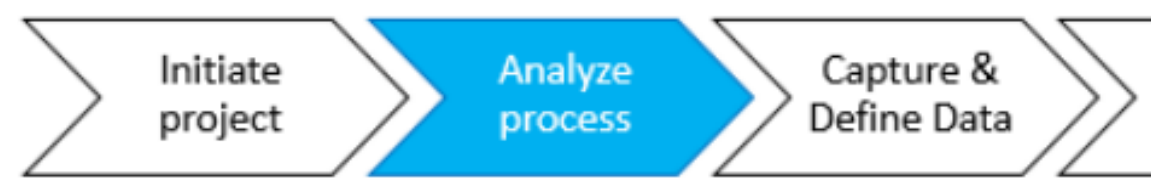




- The Auditor registers the traceable policy claim. It includes all involved parties and certificates to provide the necessary proof. The Auditor can be the Brand Owner / Retailer.
- The Auditor or Goods Producer perform (self) audits / certifications. They both can register them.
- The Goods Producer uses global unique IDs, provided by a Solution Provider, in order to register himself and the product(s) he produced (including transformation). As a Service Provider may not be aware of the products being transported, stored etcetera, the Goods Producer has to provide the involved product IDs (missing link between Goods and Products). The farmer is also a Goods Producer.
- The Goods Producer and Auditor can register products under a Product Policy Claim because they gain the needed certificate(s).
- The Service Provider uses a global unique IDs, provided by a Solution Provider, in order register himself and the product(s) he has in custody.
- The Brand Owner and the Auditor can verify if a product complies to the traceability policy claim. Although some Brand Owners can do this already as they are Auditor as well.
- The Consumer can request for information about a product regarding the Product Policy Claim. The Brand Owner/Retailer provides this information.

3. Prepare a Business Process Description which describes in text, “the story” behind the diagram and any information exchanges, including documents.

3. For Best Results, Use a Standard Business Process Description Form – Part 1



Name of process area	Cotton Value Chain – The information in this example was “invented” as an example, it needs to be filled in by a cotton supply chain expert				
Name of business process activity (use case)	1. Cotton Planting and Cultivation				
Process participants	Cotton Farm, Farm supplier, Farm Cooperative				
Input and criteria to enter/begin the process	Information available for crop planning. This is what has to be completed before this process can begin. For example, for spinning, the cotton has to have been ginned and delivered to the spinner before the process can start				
Parallel Processes	List any processes from the use case diagram that can be undertaken either completely or partially in parallel with this process. If it is only partially in parallel, explain.				
Description of Activities <u>A step by step description of what happens in the process</u>	<u>Description</u>	<u>Periodicity</u>	<u>Required Documents + Includes entry of data into computer systems</u> (include name of system) Examples of all documents or images of data entry screens (screenshots) should be collected	<u>Required Other Information</u> / Communication method + Who sends info to Who Examples of emails, pdfs, etc need to be collected	<u>User Stories</u> For each user story indicate who is the individual user. For example, the truck driver (not the transport company) or the inspector (and not the inspection company) NOTE: there can be more than one User Story for an activity <u>In this column you can go beyond the process as it is today and say for activities what your goal for the activity is in the future and the benefit of realizing that goal</u>
	Needs to mention <u>all of the participants</u> to this step in the process	Daily, monthly, every 8 weeks, yearly, etc.	Plan made and kept by farmer	None	Individual (as a): farm owner Goal (I want): to have the largest possible crop at the best time Benefit (so that): My farm can be profitable and support my family and workers
	1. 1 Crop planning by the farmer Farmer plans cotton crop and plans initial seed and fertilizer orders	Yearly in January			



3. Using a Standard Business Process Description Form – Part 2

Output and criteria to exit the business process	The cotton is ready for the farmer to harvest it. The criteria to exit usually becomes the input criteria for the next process
“Common” exceptions / problems	Example: Poor weather results in loss of crop
Circular economy related observations	For example, if there are waste products from this process that could be re-used and/or if one of the inputs could be a recycled product
Other Observations, for example related to traceability needs for different activities	



3. Using a Standard Business Process Description Form – Part 3

The 2 sections below are being filled in separately, by the UNECE based on information already provided by supply-chain participants. When finished, the draft versions will be circulated for comment

Related laws, rules, regulations	Laws regarding child labour as well as pesticide and fertilizer use		
Sustainability Risks, Criteria and Validation If the list is too long this section can be moved to an annex.	Sustainability risks (hot spots) within this process	Sustainability criteria and standards to address the risk	Validation methods for criteria and standards
	Child labour	XXX Guidelines	For example, Certification, Audit, Inspection, Self-evaluation, etc.
	Use a new line for each risk		



4. Prepare a **Document/Information Exchange List**, based on the Business Process Descriptions. This lists all information exchanges (documents & others) and identifies where different processes exchange the same information

Name	Description	Process using document / information								Count	Nature of document	Created by	Transaction specific	Count
The document as used in the process descriptions.	Explain in your words the function of the document	Indicate the processes of your use case in which the document/information is "used". Used can have different meanings. Specify if it is - created, presented, annotated, or submitted and Inform whether the document is an electronic document, a paper document (original with stamp, signature etc.), or a scanned copy.								Total Number of processes	Is the purpose of the document is commercial (private law) or regulatory (public law)		Transaction specific means that the validity is linked and limited to a specific transaction	Total Number of originals
		1 Cotton Production	2 Ginning	3 Spinning	4 Weaving	5 Fabric Finishing	6 Garment Production	7 Enablement and Packaging	8 Delivery to Retailer					
Invoice	Trade agreement between supplier and purchaser	Created, Submitted	Created, Submitted	Created, Submitted	Created, Submitted	Created, Submitted	Created, Submitted	Created, Submitted	Created, Submitted	8	Commercial document	All parties except trader	Yes	3
		Paper document (original)	Paper document (original)	Paper document (original)	Scanned copy	Scanned copy	Paper document (Original)	Paper document (original)	Scanned copy					
CMR	Shipping document	Created, Submitted	Created, Submitted	Created, Submitted	Created, Submitted	Created, Submitted	Created, Submitted	Created, Submitted	Submitted	8	Commercial document	Exporter broker and trucker	Yes	1
		Paper document (original)	Paper document (original)	Paper document (original)	Paper document (original)	Paper document (original)	Paper document (original)	Paper document (original)	Paper document (original)					



5. For each of the identified Information Exchanges, a **list of all the data included**

Number from Document Spreadsheet: 2		Document Name: CMR			
Number	Column / Box	Description	Additional description	Code List? (Yes/No)	Code list comments (give reference)
1	Consignor / Exporter	Name and complete address of the consignor of the goods	Complete Postal address Contact can include mobile telephone number and email	No	
2	Consignee / Importer	Name and complete address of the consignee of the goods	Complete Postal address Contact can include mobile telephone number and email	No	
3	Place of delivery	The foreseen place of delivery of the goods.	Address, country are mandatory. Date, time of arrival, time of departure, warehouse opening hours are not obligatory	No	
4	Place and date of taking over the goods	Address and date when the goods are taken into charge by the carrier.	Address, Country, Date, Time of Arrival, Time of Departure	No	
5	Documents attached	Name and serial number of documents attached at CMR		No	
6	Marks and Notes	Marks and notes essential for transport and customs procedures		No	
7	Number of packages	Number of packages of the shipment		No	
8	Method of packing	Method and type of packaging, pallets, collets, etc		Yes	UN/CEFACT packaging code

Business Process Analysis (BPA) is the first step

We will undertake 2 ½ process analyses (as described in the 5 steps above)

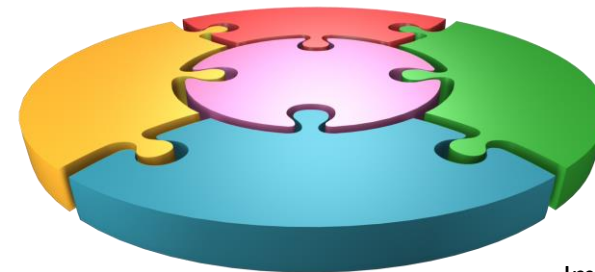
The results will then be used by the technical team for standards development. Work on Guidelines will also take into account the results from 2.5

1 One that is Generic for Traceability To identify what data needs to be exchanged, with whom and when in order to establish traceability for a **policy claim** by the brand / producer / factory/farmer

2 One for the Cotton to Finished Garment Process as it exists

To identify what product and process data is currently exchanged, with whom and when

2.5 A Revised Cotton to Finished Garment Process that includes the actions and data needed for Traceability





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Thank you!