HOW TO AVOID A FOOD RECALL

HT talks with Joe Scioscia, vice president of sales at VAI and an expert in supply chain management, on best technology practices to avoid a food recall. With a fully integrated solution, restaurants can leverage important product data and track fulfillment, verification and movements of food throughout the supply chain - ensuring each point of processing and inspection is accounted for to comply with food safety regulations.

What is the bottom-line impact of a food recall?

Joe Scioscia: Food product recalls are a major threat to food businesses. They result in disruption to operations and can be very costly for food companies to logistically recall the product in addition to the direct cost of stock. In addition, the loss of consumer confidence can result in significant long term financial losses for a company from loss of future sales.

Food recalls cost companies an average of $10 million in direct costs alone, according to a study by the Food Marketing Institute and the Grocery Manufacturers Association (GMA) in the US.

Why is transparency across the supply chain becoming an increasingly important concern for businesses? Consumers?

Scioscia: With sizable amounts of product being shipped and delivered on a daily basis, it's important to keep track of where each unit is located at all times. Gaining full visibility into the supply chain is necessary for food distributors because it allows them the insight needed to keep processes moving smoothly with the ability of pinpointing problems as they arise. Additionally, the complexity of the supply chain is growing with global shipments increasing from high consumer demand. Achieving a transparent supply chain will help streamline complicated supply chains and lower the amount of issues that arise.

Supply chain transparency benefits consumers, as well. With food contamination being a top public health risk, consumers can find comfort in the fact that distributors have the ability to gain full supply chain visibility. This can help to diminish high amounts of recalls along with ensuring there are no expired products hitting the shelves.

What food safety best practices do food manufacturers and distributors need to have in place?

Scioscia: At a minimum, processors and distributors need to have track and trace software in place. The best practices for lot control tracking come down to three key areas: Labeling, Scanning, and Record Keeping. Lot tracking can be done at a license plate level, bin level, or individual box or case level. The case can be made that the "license plate" method is typically the easiest and most efficient approach to follow. These lot labels are used for raw materials, and the processor can then scan the raw materials that are used in production batches, and track the finished products those

batches produced. By doing this, processors know if an ingredient in the chain is suspect and can quickly determine which specific batches and customers have the tainted finished products containing that ingredient.

When food suppliers receive a pallet of goods, the pallet license plate will have all of the lot information already on it – including shelf data, expiration date, and production date. From there, when goods are picked, the food supplier will scan the license plate on the pallet to record the lot information of every box that leaves their facility. When selecting or picking products to be placed on pallets, it is essential that the selectors/pickers are trained to avoid placing cases of refrigerated raw products over cases of ready-to-eat products so as to avoid the possibility of cross-contamination during transit.

How can technology such as a fully-integrated ERP system, IoT and inventory management tools increase visibility in the supply chain?
Scioscia: Applying technology to the supply chain can enhance warehouse operations and create smooth tracking processes. A fully-integrated ERP system can give distributors the ability to see into the supply chain, find out who has worked on a specific order, as well as gain insight into the time each order is processed. The increased manageability in the supply chain gives distributors the chance to shift their attention to places where other problems may occur.

Additional tools such as IoT and inventory management can grant distributors with options such as tracking alerts and suggested purchasing. From a cost-effectiveness standpoint, distributors will get a look into customer buying trends and how to manage inventory accordingly - saving on goods that aren't purchased often and expire quickly - which in turn reduces food safety risks. Applying modern technology also gives distributors a space to store and manage their data through cloud-based resources. This lowers security risks and enhances storage flexibility while also giving employees the opportunity to edit data if needed. Upgrading warehouse processes through technology such as an ERP system and the IoT provide solutions that can prevent supply chain risks - while also saving companies time and money.

For businesses considering investing in a centrally based ERP solution, what features should they look for?
Scioscia: Centrally-based ERP solutions should offer inventory management with lot control, a quality control application, and an integrated warehouse management application. Lot tracking and quality control is an important part in the record keeping of quality processes. Companies can track temperature, quality, shelf life dates, and more. Any facility that produces or handles food must keep highly detailed, accurate records related to food safety. Automating record-keeping with a centrally-based ERP solution enables food manufacturers to increase time-to-market, reduce costs, and ensures accurate records.

Joe Scioscia is the vice president of sales at VAI. His responsibilities include both direct and indirect sales, worldwide field support, field strategy and planning, sales operations and product development. Scioscia has been selling enterprise management solutions to distribution and manufacturing companies for more than 25 years, and he has helped some of the industry's most recognized companies improve efficiencies and responsiveness.