

Q&A: Ensuring Quality & Safety Throughout the Supply Chain

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Interview with Keri Dawson, vice president, Industry Solutions and Advisory Services, MetricStream



Keri Dawson of MetricStream discusses the importance of establishing and enforcing a compliance program that ensures the quality and safety of food and beverage products.

Q: Why is monitoring the complete supply chain so important for the food industry?

A: An impact to one segment of the supply chain can have a domino-like effect that can be immediately felt throughout the entire supply chain. Through an effective monitoring program, organizations can proactively track and report on all of their supply chain issues, incidents, exposures and risks in real time.

From a product recall to a factory disaster to an employee labor issue, it only takes one incident to become front-page news, spreading virally over social media sites. No organization has immunity, not even the largest or most powerful. Real incidents and perceived events or rumors can forever damage reputation. In the last year alone, we have seen several organizations experience reputational damage as a

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result of one incident at the supplier level, several tiers down in the chain.

Organizations today are also confronted with various national, regional and international laws, regulations and norms. A comprehensive 360-degree quality, safety and compliance program can give management visibility into the global supplier ecosystem, which can help guide strategic decision-making in a way that enhances brand reputation, improves market share and drives growth.

Organizations with multiple tiers of suppliers are especially vulnerable. These supplier ecosystems require ongoing assurance programs, including employee education and training programs, and the strong enforcement of associated policies. By improving visibility across the supply chain, organizations are better positioned to prevent avoidable supply chain incidents that can damage reputation, result in financial losses and even lead to regulatory action.

Q: What challenges do food companies face when it comes to ensuring quality products throughout the supply chain?

A: There are several challenges food companies face around ensuring quality products throughout the supply chain, including:

- **Food Quality and Safety Risks:** Quality and safety risks throughout the supply chain can be high in likelihood and impact if not properly managed. Recalls can be costly from a financial, operational and reputational perspective.
- **Regulatory Complexity:** An increasing number of regulations affecting entities across various segments and geographical locations throughout the supply chain makes compliance a costly and resource-intensive effort.
- **Increasing Consumer Demands:** Consumers have a greater voice than ever before, and companies need to strike the right balance between innovation, profitability, quality, safety and customer loyalty across their offerings.
- **The Big Data Deluge:** As supply chains grow more complex, managing all risk and compliance related information being generated is no easy feat.
- **Siloed Information:** Informational or functional silos across the organization and the external supplier ecosystem can threaten the success of any quality and safety program by fueling redundant efforts, as well as creating more risk exposures and traceability issues.

Q: What specific technologies are available that can help the food industry ensure quality products throughout the supply chain?

A: Advanced technologies can help organizations and the industry at large ensure quality products throughout their supply chains. Advanced technologies include:

- **Supplier Information Management:** Helps store and manage supplier profiles, relationships and hierarchies detailing suppliers, sub-suppliers,

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factory and facility profiles, manufactured products, certifications, certificates of analysis (COAs), risks, issues, and other performance related information.

- **Raw-Material Information Management:** Stores product related information including raw materials, ingredients, nutritional information, specifications and finished goods information in a central repository.
- **Product Testing Management:** Defines and manages testing and sampling plans, test properties and methods for materials, ingredients and finished goods.
- **Compliance Management:** Provides a centralized and integrated approach to manage all compliance requirements and standards.
- **Preventive Controls Management:** Creates and manages controls around food allergens, sanitation control, recall plans, environmental monitoring and supplier verification, as well as defines critical control points and thresholds, and links controls to identified risks.
- **Hazard & Risk Management:** Drives a risk-based approach to automating hazard identification and analysis, including identifying and managing risks at individual facilities.
- **Audit Management:** Automates internal and external audits such as quality audits, safety audits, and supplier surveys and certifications.
- **Non-Conformance and Corrective Actions:** Automates the non-conformance and corrective process, and facilitates root cause analysis and change management.
- **Complaints Management:** Provides a mechanism to record customer complaints, and automatically route complaints for further review, root cause analysis and remediation.
- **Product Recall Management:** Manages a comprehensive product-wide recall campaign, including communication to customers and the FDA.
- **Training Management:** Manages the overall employee training process, including scheduling classes and maintaining training records.

Q: How can food manufacturers create a compliance program that meets all regulatory standards while also meeting requirements of the specific product type, production and distribution location and the end consumer market?

Food manufacturers, suppliers and vendors can ensure complete compliance by implementing a food safety system that is monitored and audited on an ongoing basis, including the following key components:

- **Food safety values embedded in the organizational culture:** Setting the right 'tone at the top' is critical, and can be reinforced through employee education and training programs that provide the skills and knowledge needed to achieve the organization's food safety and compliance objectives.
- **Adopting a risk-based preventive control approach:** Adopting a risk-based preventive control approach can help identify foreseeable hazards for each type of food manufactured, processed, packaged or held at the facility. The implementation of preventive controls can identify, assess, prioritize

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and mitigate risks. CAPA plans can also be implemented through regular audits based on risk assessments.

- **Metrics to support risk and compliance goals:** Senior management should leverage the right metrics, KPIs and KRIs for tracking and assessing the efficiency of their risk and compliance programs. Organizations also need to conduct in-depth audits across fundamental elements of their food safety programs. Increasing compliance requirements call for enhanced preventative controls, rigorous documentation and the integration of all processes.
- **Quick and agile recall and replacement strategies:** The Food Safety Modernization Act (FSMA) granted the Food and Drug Administration mandatory recall authority, putting more focus on recall and replacement strategies to ensure products are identified and removed in a timely manner.
- **Effective record-keeping for traceability:** Organizations need to reconsider their current tracing procedures, the potential impacts on existing company systems, and new methods to evaluate suppliers and customers.

Q: What are the critical points that should be a part of every food company's compliance program?

A: There are several critical points that should be part of every company's compliance program, including:

- Standardizing food quality and safety management programs across the entire supplier base.
- Establishing a quality culture across the supply chain.
- Performing ongoing hazard analysis and implementing preventive controls.
- Continuously improving risk assessments and overall risk management.
- Conducting proper due diligence activities.
- Driving forward sustainability initiatives that make efficient use of energy and natural resources and minimize environmental impact.
- Performing frequent audits and inspections to identify non-conformance, and taking corrective measures.
- Improving complaint management programs.
- Focusing on quality and innovation as a means to drive customer loyalty.

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