

Can You Survive a Recall?

The Importance of Food Lot Traceability



According to a [study](#)¹ by the Food Marketing Institute and the Grocery Manufacturers Association (GMA) in the US, the average cost of a food product recall is about 10 million dollars in direct costs. These kind of numbers have a significant impact on an organization and, if not handled correctly, can be damaging to your success. Tasks like tracing and removing contaminated products, as well as addressing the cause of the contamination, have to be completed with urgency in order to ensure successful recovery of your brand image and most importantly, consumers' well-being.

Be prepared with the right information to mitigate the risks and minimize exposure while protecting the health of your customers.

In 2015 there were 626 recalls in the US. More than a third of these recalls could have been avoided because they were allergen-related issues (milk, peanuts, eggs, wheat).

The costs of not knowing what your current lot traceability processes aren't telling you has never been bigger.



This eBook walks through how you can ***resolve the top 3 food manufacturing issues*** and get back in control of lot traceability. You'll learn:

- The impact of customer experience and bi-directional communication portals
- How to prepare for a recall - creating a plan, and reviewing the latest mandatory FDA recall requirements to avoid fines
- How to start migrating towards a fully automated food lot traceability system

Customer experience and connecting through portals

Today's consumers are connected to technology and given their use of social media, brands should expect consumers to be vocal about their customer experiences.

Gone are the days when a customer will simply submit a complaint request or call an 800 number. When there's an issue with your service or product, today's buyers will complain publicly.

You must have processes in place to address customers concerns, regardless of the channel they use to voice those concerns.

It's important to recognize the important role that technology plays in the lives of today's buyers and consider how a positive or negative customer experience may be vocalized broadly.



Preferred Tool for Customer Experience - Microsoft Dynamics 365. This solution helps you reduce costs and increase profitability by organizing and automating business processes that nurture customer satisfaction and loyalty in sales, marketing and customer service. [Watch this overview demo](#) to learn more.

With easy access to social media, successful sales and marketing in manufacturing is a complex balancing act requiring more and more visibility to actual data. Real-time visibility to suppliers, customers and all others involved in your business has never been more important for maintaining successful pipelines and customer loyalty.

If you don't have a bi-directional communication portal to every channel of your business, you're missing the critical information you need to stay ahead of your competition. You may not have a sales portal to your business, but **your competition** does and **they are listening**. They are listening to your prospects, your reps, and your customers.

The good news is **many food manufacturers who have become lean on the production floor are learning that applying similar principles in sales and marketing can also lead to increased production**. These manufacturers know nothing is more important to their sales than an accurate visual of what is happening in their channel right now.

They are looking at their complex sales scenarios, including inside sales, field sales, direct sales, reseller networks and noticing communication gaps, redundant data and slow movement. They understand two things very clearly. First, they recognize the impracticality of trying to make good decisions using countless spreadsheets on multiple desktops with no consolidation.

A sales portal can bridge the gap to your back-end systems and create a seamless communication protocol that empowers everyone in the channel, employees and non-employees, while providing accurate real-time visibility in a secure manner that can help accelerate the sales process.

Preparing for a recall – the top 4 areas of importance

When preparing for a recall, it's best to keep this phrase in mind: **"It's good to know, more important to document."** There are four areas of importance you need to not only know about, but properly document too.

Know and document key data about your suppliers

- Food Safety Certification
- GMP Audit Documents
- Certificate of Analysis

1

Know and document your production facility activity

- Hygiene and sanitation instructions for key personnel
- Record microbial test data
- Backward and forward lot traceability

2

Know and document who ships your product and how they do it

- Record sanitary conditions of transport mode
- Keep record of inspection documents provided by carrier

3

Know and document key data about your suppliers

- Supplier onboarding process
- Manage approved suppliers by purchased item
- Food safety certification tracking
- Locate and track GMP audit documents
- Electronically store Certificates of Analysis

4

So how can you begin migrating towards a fully automated food lot traceability system?

These are the key steps to start migrating to a fully automated food lot traceability system:

1. Track key data from your supplier material receipts
2. Record data in real time – use mobile enabled warehouse management tool to record data in real time and to avoid data entry errors
3. Manage lot holds, restricted transactions, sub-lot dispositions
4. Record quality data
5. Train quality personnel to perform detailed “online” lot trace
6. Train personnel on use of online mock recall tool

To gather in-depth detail on each of these steps or watch to a demo on an online mock recall with Microsoft Dynamics technology, watch this on demand webinar, [Food Lot Traceability: the Real and Devastating Costs of Not Investing In a Modern System.](#)



Microsoft Dynamics offers a fully automated food lot traceability system

Purpose-built



Start with what you need and grow at your own pace

Productive



Familiar tools in the context of your business processes

Intelligent



Built-in intelligence to proactively guide to optimal outcomes

Adaptable



Grow, evolve and transform with modern, extensible platform

Microsoft Dynamics 365 offers a variety of tools to help manufacturers implement a traceability system that works for their needs and can protect them in the event of a recall.

Supplier onboarding process – Below is an example of how set up a supplier onboarding process. Using the [Microsoft Dynamics 365](#) Case Management tool, you can define and implement a supplier onboarding process where some specific audit and quality-related onboarding steps can be defined. By activating the workflow function, approval steps can be assigned to specific people or roles within your company (buyers, quality managers, accounts payable managers, etc.)

The screenshot displays the Microsoft Dynamics 365 Case Management interface. The top navigation bar shows 'Dynamics 365' and 'Finance and Operations'. The main area is divided into several sections:

- Case Information:** Shows 'CASE: 1883 - ADE SUPPLY COMPANY' and '00029 - Vendor Approval Ingredients'. Fields include Case ID (00029), Billing project, Name (Ade Supply Company), Case category (Suppliers), and Category type (Purchase).
- Process Configuration:** Shows 'PROCESS: Vendor Approval' with a status of 'Opened'. It includes fields for Priority (2), Case resolution (None), and a 'FOLLOW UP' section with an Email ID field.
- Case Log:** A table listing activities:

Created datetime	Description
1/30/2017 06:17:24 PM	Received Protein Powder Sample (SKU #7635)
1/30/2017 06:16:42 PM	Received Conformity Certificates (see attached)
1/30/2017 06:16:07 PM	Sent our vendor questionnaire
- Activity Configuration:** Shows '00225 : VENDOR APPROVAL Vendor Approval' with Name 'Get GMP Certificates', Activity number '00422', and Purpose 'Get GMP Certificates'. It is marked as 'Required' and 'No'.
- Associations:** A table showing relationships between entities:

Primary	Entity type	ID	Name
<input type="checkbox"/>	Item	7635	Why Protein Organic
<input checked="" type="checkbox"/>	Vendor	1003	Ade Supply Company

Red arrows in the image point to the 'Vendor Approval' process name, the 'Get GMP Certificates' activity, and the 'Why Protein Organic' and 'Ade Supply Company' entries in the associations table.

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Dynamics 365 Finance and Operations Product information


Save Add Remove View OPTIONS

180 : OILADDITIVE(50#BAGS)
Approved vendor list

PRODUCTS

Item number	Product name
180	Oil Additive (50# bags) ...

Vendor ↑	Effective	Expiration
E200551488	3/13/2018	Never
1003	3/13/2018	Never



Manage approved suppliers by purchased item – Once a supplier has been on-boarded, the vendor can be included in an *Approved Vendor List*. In Microsoft Dynamics 365, the purchase of certain items can be restricted to approved vendors in order to avoid the procurement of ingredients or packaging suppliers from companies that have not gone through a quality audit or onboarding process.

Food safety certification tracking –

In Dynamics 365 Finance and Operations, the vendor profile can include various certifications for approved vendors. These certifications can be time-sensitive or subject to renewal. The actual certificate documents (e.g., PDF documents) can be attached to the vendor master record in Dynamics 365 providing you with a central repository for vendor and quality related documents.

The screenshot shows the Dynamics 365 Finance and Operations interface. The top navigation bar includes 'Dynamics 365' and 'Finance and Operations'. Below it, a menu bar contains 'Save', '+ New', 'Delete', 'VENDOR', 'PROCUREMENT', 'INVOICE', 'GENERAL', and 'OPTIONS'. The 'GENERAL' tab is active, showing various sections: 'MAINTAIN' (On hold), 'COPY' (Add vendor to another legal entity), 'SET UP' (Contacts, Bank accounts, Vendor state tax IDs), 'Summary update' (Certifications), 'Purchase orders with retention' (Product filters), 'TRANSACTIONS' (Transactions, Invoices, Balance), and 'TAX INFORMATION' (Update 1099, Vendor settlement for 11). A red arrow points to the 'Certifications' link under 'Summary update'. Below this, the vendor profile for '1002 : Lande Packaging Supplies' is shown, with fields for Name, Group, Organization number, and others. A second screenshot below shows the 'Certifications' sub-tab for the same vendor, with a red arrow pointing to the 'Audit 3rd' certification entry. The details for this certification include: Certifying organization: Reily Food Safety Audit Ser..., Certification type: Audit 3rd, Certification number: SA9002, In process: No, Certificate received: Yes, Liability amount/Bond limit: 0.001, Comments: Reily BRC Audit NOV 2016, Expiration date: 12/31/2017, Certification date: 11/12/2016, and Effective date: 11/12/2016.



Also, for time-sensitive certifications, you can use a D365 F.O workspace to monitor certificates are due for a renewal.

The screenshot displays the Dynamics 365 Finance and Operations interface. The main area is titled 'Quality order processing and inquiry' and contains a table of quality orders. The table has columns for Quality order, Item number, Account selection, Test group, CW qty, Quantity, and Status. A sidebar on the left contains several menu items, with a red arrow pointing to 'Vendors with expiring Audit Certificates (...)'. The top navigation bar includes 'Dynamics 365', 'Finance and Operations', and a search bar.

Quality order	Item number	Account selection	Test group	CW qty	Quantity	Status
000001	M0061	US-104	Concentrat		1.00	Pass
000021	ESC215	1001	FibreInsp		1.00	Pass
000022	ESC215	1001	FibreInsp		1.00	Pass
000023	RES1000	1003	ResinChk		1.00	Pass
000024	S1201KR1BA01A		KC-JR-Spec		1.00	Pass
000025	S1201KR1BA01A		KC-JR-Spec		1.00	Pass
000026	S1201KR1BA01A		KC-JR-Spec		1.00	Pass
000031	S1201KR1AA01A		KC-JR-Spec		1.00	Open
000032	S1201KR1BA01A		KC-JR-Spec		1.00	Pass
000033	S1201KR1BA01A		KC-JR-Spec		1.00	Pass
000034	S1201KR1BA01A		KC-JR-Spec		1.00	Pass
000035	S1201KR1BA01A		KC-JR-Spec		1.00	Open
000036	ESC215	1002	ResinChk		1.00	Pass
000037	7635	1003	MatCheck		1.00	Pass
000040	NBPK40	1002	PackMats		1.00	Pass
000041	ESC215	1001	Concentrat		1.00	Pass

Dynamics 365 Finance and Operations

Inventory management > Periodic tasks > Quality management > Quality orders

Save + New Delete Validate Reopen quality order Inquiries Inventory Cases CAPA cases Quick results entry OPTIONS

Quality orders

Overview General References Financial dimension Inventory dimensions

Quality order	Item number	Site	Warehouse	Batch number	Test group	Quantity	Status	Reference type
000021	S122	5	51	LOT000102	Ingr-Insp	1.00	Pass	Purchase
000022	S122	5	51	LOT000103	Ingr-Insp	1.00	Open	Purchase
000167	S122	5	51	LOT000103	Ingr-Insp	1.00	Open	Inventory

+ Add Remove Results Customer COA requirements

Overview General Test Test plan

Sequence nu...	Test	T...	Include results	Attribute	Override	Test result	Attribute value	Update inventor...	Test results exist
5	Moisture %	✓	<input checked="" type="checkbox"/>		<input type="checkbox"/>	12.0000	12.0000	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10	Microbio	✓	<input checked="" type="checkbox"/>		<input type="checkbox"/>	11.2000	11.2000	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20	Visual Check	✓	<input checked="" type="checkbox"/>		<input type="checkbox"/>			<input type="checkbox"/>	<input checked="" type="checkbox"/>

Periodically validate supplier quality testing – While your ingredient or packaging vendors may supply certificates of analysis which include their quality test results, as a precautionary measure it is best to periodically validate the quality results using your internal quality department or a third-party QC testing company.

For internal tests that could be done e.g. every 3 months or every tenth shipment, you can use the Dynamics 365 Quality Control functionality where minimum samples and test results can be recorded and these will be directly linked to a vendor purchase order and receipt.

How Alithya is Helping Food & Beverage Manufacturers

Alithya delivers innovative Microsoft ERP, CRM, BI, web and portal solutions and services on premise or in the cloud to food and beverage manufacturers in North America and Europe. The award winning company enables you to achieve successful business outcomes and is one of the largest resellers of Microsoft Dynamics 365 (formerly Dynamics AX and CRM).

Want to know more?

Schedule a recall assessment at (866) 420-7624