PRODUCT RECALL

20 PIECES OF PEER ADVICE

Handling a product recall and comply with traceability laws

PRACTICAL ADVICE
from food experts on solving critical issues.

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PRODUCT RECALL

A product recall can be damaging to the business from a brand and consumer confidence perspective, as well as being costly from a monetary sense in the recall process and possible future losses. When a safety issue has been identified the clear, concise and timely actions that follow are critical to the business. Once an issue has been raised the knowledge of the product is foremost to the business; understanding where the stock is located and where it has been dispatched. This is all about the traceable elements of the product.

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Q: *What advice would you give your peers to efficiently handle a product recall and comply with traceability laws?*

"The key is to have a perpetual system tracking the lot genealogy from receipt through multiple manufacturing steps, location transfers, and the ultimate shipment of product to customers. In some cases that will also require tracking of lot combinations in a bin - e.g. multiple lots of milk co mingled in a silo. This is VERY difficult to track manually, and should be part of the ERP system, with the capability to rapidly report trace lot results, starting at any point in the process (receipt to shipments, or vice versa)."

JIM BRESLER, *United States*

Use the highest level of practical tracking on items, whether this be batch numbers or serial numbers. This allows full traceability from the sales despatch through production to the purchase of each component used.

DAVID MOODIE, *United Kingdom*

Highly perishable items are traced back for product recall that are about to expire when lying unsold on the shelf in stores. ERP batch number and expiry traceability functionality helps quickly pinpoint the products for recall.

SHAILESH GAJARALWAR, *India*

"While industry segments vary in their willingness to handle lot trace granularity, traceability boils down to capability to bracket production and logistics through the use of "lots" or "batches". Without lot traceability throughout the manufacturing and logistics chain, recalls cost more due to the need to use much broader sweeping recalls based on date-code or day-of-production."

PHILIP BRUNS, *United States*

> **Batch goods and series numbers.**
>
> **IMANTS SAKSS,** *Latvia*

> " Ensure your ERP solution is tracking your product by batch to the end customer to allow immediate action to be taken. This has the benefit of complying with the traceability laws and proving assurance to your customers that in the event of an issue the business is able to determine exactly where all the affected product has been sold. "
>
> **TONY CARLISLE,** *United Kingdom*

> " Consider implementing bar code data collection strategies to minimise the effort required in recording batch information in the warehouse and on the shop floor. "
>
> **KEVIN BULL,** *United Kingdom*

> " Ensure product is batch controlled and the components in the BOM are also batch controlled. This should enable a simple drill down through the elements to determine full traceability of all ingredients. "
>
> **CHRIS BRAISBY,** *United Kingdom*

> " Make sure that the trace is carried through from supplier to customer or end user. Make the best trade off between trace in the system and a physical id on the product. Think about the likelihood of the occurrence and then the severity if it occurs. Find the pragmatic balance when defining the level of traceability. "
>
> **HENRIK OXLUND,** *Denmark*

> " Utilise ERP solutions that enable you to quickly see the full lifecycle of finished products / ingredients in one area of the system. "
>
> **MARTIN BURDEN,** *United Kingdom*

> *Study the history of major product recalls and learn from their mistakes. Practice recalls over and over as if it were a fire drill. Your company's life may depend on it.*

DON TYLER, *United States*

> Make sure you have the ability in your warehousing and distribution operations that you can trace the origin of goods and track a shipment to it's destination, by not only automatically identifying pallets, but also being able to automatically identify cartons/boxes/items on these pallets by using e.g. SSCC labels and license plates.

GUIDO VAN OSCH, *Netherlands*

> *Don't invest in a product recall solution, but make very sure your ERP solution is capable of delivering a full tracing report.*

WIM PLUIMERS, *Netherlands*

> It is possible to handle complete traceability and handle effortless recall by having an ERP system that supports the full value chain. It is important that the full value chain from purchase to production to warehouse and sales is covered by the ERP system.

JOHN PETERSEN, *Denmark*

> *Do not delay - time is of the essence with product recalls and the best way to is to practice cradle to grave traceability on a regular basis.*

ANONYMOUS, *United States*

> *Ensure full, searchable tracking (ERP based) through the supply chain.*

BJØRN PEDERSEN, *Denmark*

" Make sure that your people are entering the information correctly into the system, and that you are tracking information in compliance with regulators. Mock recalls should be a part of your regime as well. "

NATASHA PIJUAN, *United States*

" *Invest in a modern ERP system to replace a wide range of your current IT applications.* "

PER CHRISTENSEN, *Denmark*

" Make sure you have implemented lot control across all finished, intermediate and raw material. Annually fabricate an internal recall based on an actual finished goods lot number at a customer. "

JON WELLS, *United States*

" The simplest method to approach this is a leveraged IT solution that records tracking information and can provide information on available affected stock including where the impacted item has been sent. These systems should be able to perform a lookup and look down trace to enable the business to take constituent products used in a process and find both the related end products and the source. The next steps are the removal of the affected product from the market place and the prevention of further penetration into the market. The in-house product is the easiest to manage with stock being segregated and written off once identified. The externally delivered product will require more management, including the notification of customers with the identification elements of traceability and the delivered sales order. This will assist them in identifying the relevant stock to see whether they have consumed it or can physically return it. The simplest way to achieve this is to have a product recall form that can be dispatched to the customer electronically. Once the product recall information has been issued the recall responses need to be managed and chased, and record of all responses recorded to ensure a recall report can be generated. Returns of product should be managed through a traceable returns process to assist in the segregation and quarantine of the returned product to prevent any possible cross-contamination or re-issue. A close off period should be defined and a full report of the recall cause, remedy and returns should be made to assess the effectiveness of the recall process and to prevent future repeats of the source issue. "

STEVE WEAVER , *United Kingdom*

HOW CAN COLUMBUS HELP?

COLUMBUS *F&B*

Food and beverage companies have unique, wide-ranging needs that go well beyond standard Enterprise Resource Planning (ERP). Many food companies often struggle to pull together "a system that fits" with add-ons and costly customizations within their core ERP application.

Columbus*F&B* enhances core ERP capabilities to meet food-centric needs, and also builds in industry-specific features traditionally found only in third-party ecosystem solutions. Our goal is to deliver, and continuously enhance, an affordable solution that meets common requirements and scales and upgrades with minimal customizations.

Our solution also includes the role tailored user experience, multi-language and multi-currency capabilities, and seamless integration with your IT infrastructure. Columbus enables you to meet customer demand, dissolve traditional barriers to doing business, and adapt internal procedures to create a lean, profitable environment–now and into the future.

BENEFITS

1. **INTEGRATED SYSTEMS SMOOTHLY CONNECT ERP AND ENTERPRISE ASSET MANAGEMENT PROCESSES.**
   The ERP system automatically triggers the maintenance system with critical production information. Enterprise asset management capabilities will then reserve the corresponding downtime on your ERP production schedule.

2. **OPTIMIZE PRODUCTION SCHEDULING BASED ON PRODUCT PROPERTIES SUCH AS COLOR AND FLAVOR.**
   Columbus*F&B* integrates production and maintenance scheduling to optimize capacity utilization.

3. **PAY ON GRADE AND QUALITY OF RECEIVED PRODUCTS.**
   Settle payments to your growers and farmers based on actual product characteristics by automatically calculating the price based on quality data. Users can also adjust the base price and add charges or deductions.

4. **MANAGE POTENCY WITH EASE AND FLEXIBILITY.**
   View, value and work with potent items in inventory and formulas–critical for organizations working in dairy, vinegar, wine, beer and spirits. Revaluate potent inventory and pay growers or vendors based on the potent content of their supplied materials or ingredients.

5. **ELIMINATE MANUAL, OFFLINE PROCESSES FOR BATCH-BALANCING POTENT LOTS.**
   Achieve desired potency targets with automated processes that let people view, select, blend, and balance lots while working directly in your ERP solution.

The full Columbus*Food* solution includes our best practice business process modeling with *RapidValue*, our own Food and Beverage and Supply Chain Solution modules, Microsoft Dynamics AX, and our proven implementation methodology, *SureStep+*.
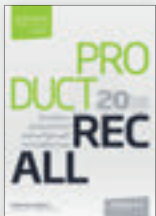
Columbus*RapidValue*®   **Columbus** *F&B*®   **Columbus** *SCS*®   **Columbus***SureStep+*®

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The Columbus*Food* Notes From The Field Series:

Volume 1
Product Recall

Volume 2
Predicting Demand

Volume 3
Perishable Items

Volume 4
Supply Chain

Volume 5
Business Processes

Volume 6
Food Safety

For more information on Columbus, our clients' experiences and our solutions, please visit **www.columbusglobal.com**