

Right on track with product traceability

By Alastair Coss

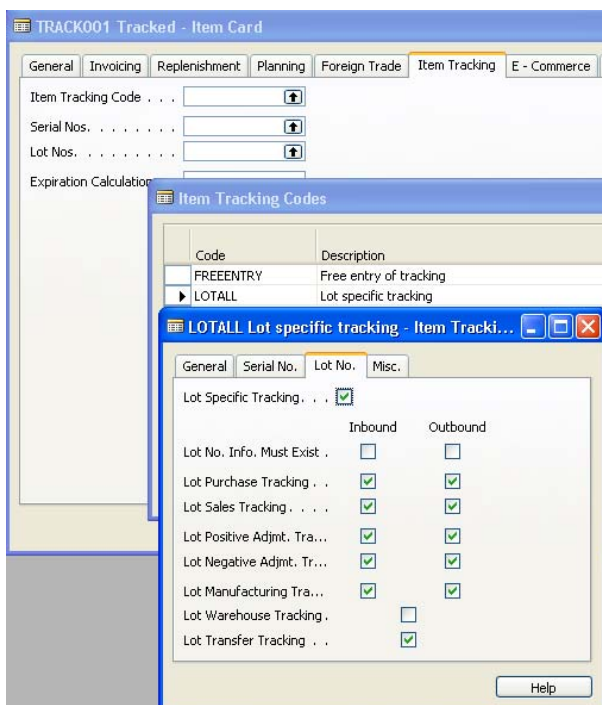
How many times have you seen, or for that matter been involved in a product recall. With ever increasing levels of press and public focus, manufacturing companies simply have to have some kind of product tracking system.



The number of high profile product recalls in the last few years has served to both raise the awareness and reduce the public tolerance for manufacturers who are not able to efficiently identify where their products have gone and how quickly they can reclaim them.

The ability to recall a product is not just limited to food products, as the recent international recall of some 18m toys on safety grounds for the US toymaker Mattel and both Savlon & Durex recalls has proven. All these high profile product recalls highlight the impact it can have on a business. These are not limited to the cost of recalling the product, replacement or refund costs, but the major reputational damage.

So how can a business prevent a product recall, and how can they contain the negative impact, if implementing a product recall is the only option? Tracking within the supply chain has to be robust. This starts with understanding and recording where and how each ingredient / component is produced, where and how it is transported from and to, and lastly where and how the finished product is sold.



Traceability is not negotiable

Traceability is a mandatory requirement throughout the supply chain. The design is optional; paper or electronic but the functionality must be demonstrable.

A full product tracking system has to address and record 100% of all stages of a product's life. In some businesses the amount of data this can generate is enormous. Furthermore the large majority of coding and labelling currently configured is manual with human error inevitable.

How can software help you and what should you expect?

The application of technology to support complex processes with ever smaller margins requires both operational agility and tight controls. Expanding the use of information technology is the best way to add greater value and support more cost effective operations.

With suitable software the ability to automate at each touch point, streamlines the many diverse processes. You can automate from order capture to raw ingredient / component entering the supply chain or finished product being purchased by the customer. Business intelligence becomes cohesive and comprehensive as information is automatically fed to the appropriate applications and processes. This allows suppliers to communicate both internally and externally of the distribution centre with key partners and customers.

The recent years have driven the supplier's communication ability to the limits with key customers demanding ADN's (Advance Delivery Notification) with full SSCC (Serial Shipping Container Codes) information.

The benefits for SSCC (Serial Shipping Container Codes) usage are clear, however the technology is not.

With most customers demanding the information provided by SSCC, to speed up their receipt process and supply chains, the only solution is to have the right technological solution. As there is no standard means of sending information and protocols vary it makes sense to have a system that can be flexible and adaptable, and as far as possible future proof.

SSCC (Serial Shipping Container Codes) ensures:

- Logistics units are identified with a number that is unique worldwide through a common vendor numbering scheme that uses the EAN.UCC Company Prefix so that the number cannot be duplicated.
- Information can be exchanged between trading partners effectively by bar coding logistic units and electronic business transactions.
- Global standards can be adhered to.
- Standards apply through the entire supply chain, from raw materials supplier to manufacturer to distributor/wholesaler to end user/retailer.

The technology

The recent trials and implementations of RFID mean it will be only a matter of time before their adoption is universal, and supply chain systems will have to evolve to accommodate this new technology. In the same way technology which can track containers coming in and out of a site is proving to be extremely beneficial. It helps calculate and monitor the cost of lost crates, barrels, shipping containers and pallets which can mean the difference between profit and loss.

A good ERP (Enterprise Resource Planning) system has the ability to offer significant benefits across a business and can or perhaps should form the basis of a product tracking system. One point to consider is if the system can maintain the identity of a unit through a change in form. Many systems fall short because of their inability to track the identity of a unit through packaging, storage and shipment.

The benefits of a good ERP system are well documented, perhaps less known are the abilities to fully track products and allow all interested parties to have full visibility of product location.

The success of an IT implementation project can largely be down to two factors. One is obvious, the IT provider, the other not always obvious or understood, is the company itself trying to adopt product tracking. Change within the business is not always managed and lack of defined accountabilities and a clear communication program, lead to poor project success.

Like any IT implementation project the process starts with a clearly defined methodology and a good diagnostic phase. The diagnostic phase documents high level business processes and defines the requirements. It identifies major gaps and provides a high level solution approach with recommendations.

This is followed by the analysis phase, identifying functional fits, producing a project charter and documenting the functional requirements. The analysis phase leads to the design and then development.

The deployment phase puts the solution through testing, user training and full acceptance. Successful IT projects rely on strict project methodology and will deliver successful projects. There are very few perfect projects, but there are many successful projects!

Legally and morally compliant

Tightly integrated tools can help supply companies achieve more efficient processes and lower operational costs while providing great service. By assessing and incorporating the necessary component into your ERP system, you can feel confident that your business is both legally and morally compliant. When the necessity to initiate a product recall is thrust upon a business, it is some comfort to know that the system employed is 100% efficient, and that the impact on the customer and the business is limited. The reputation of a business will never be enhanced when a product recall is professionally handled, but liability can be limited.

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About the Author

Alastair Coss, works for Tectura UK, and has 20 years in the supply chain industry. He has lectured for CILT and at various colleges and universities on supply chain principles. For more information about Tectura visit www.tectura.co.uk

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