Creating Your Corporate Vision for Food Safety Compliance
Our mission is to provide global food businesses with cutting-edge software products and expert advice that support you in the management of food safety, quality and compliance. We provide you with solutions that exceed your expectations and are a pleasure to use. These solutions help your operations staff complete work faster and better while giving management the oversight and control that they need.
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Setting the Stage

What is a Corporate Vision for Food Safety Compliance and Why Does It Matter?
A corporate vision for food safety compliance is a defined and documented strategy for mapping out the business’s objectives for meeting its compliance obligations now and in the future. It is focused on future-proofing the business’s need to meet a dynamic compliance framework, maintain a high level of consumer protection and support business development objectives.

The Corporate Food Business
The corporate food business may be characterized as a food enterprise that maintains operations and markets spanning a number of geographical borders. It is typically multi-site in nature with a corporate structure which may include group, business unit and local site operations.

General
Food safety hazards and their management remain an ongoing preoccupation for most food businesses. Food safety is driven by numerous commercial, legal and regulatory demands. Often the true nature of food safety hazards and their associated risks do not become apparent until there is a specific event. These events may range from a minor consumer complaint to the more serious market recall in full public and regulatory glare.

Today, food businesses manage these risks through various systems of compliance which are developed against specific standards and internal business needs. These systems are verified through a framework of internal and external audits or certification programs, and the expectation is that they are sufficient to keep the business on the right side of their compliance and business objectives.

However, the scope and nature of food safety compliance has been changing dramatically over recent decades. The changes have taken place on many fronts and have led to an increased compliance burden.

Globalization
Key among these changes has been the globalization of the food industry. This has seen the emergence of many large food businesses operating across numerous geographical borders and regions. These companies are multi-site in nature with some form of central organization and management compliance needs and oversight.
The challenges of globalization are significant. How does a global business maintain a system of compliance which now needs to achieve the following:

- Meet legal and regulatory compliance demands across various national and international legal frameworks
- Maintain certification across numerous sites
- Meet the specific technical requirements of different customers
- Manage variation in the quality of compliance systems in local sites due to resource and cultural differences
- Maintain the oversight of local operations and system creep (process of local sites deviating from standard procedures in an incremental fashion)
- Keep track of the shifting legal, social and political events at a local level

**Supply Chain Management**

Another significant impact of globalization has been the increasing complexity of the food supply chain. While direct relationships between producers and suppliers have steadily diminished, the demands to obtain more information and data from stakeholders in the chain have increased dramatically. Obtaining, reviewing, assessing and keeping this data current has become an almost impossible task for even well-resourced food companies.

**Global Expansion of Third Party Certification**

The recent explosion of third-party certification for food businesses poses additional challenges. GFSI certification in particular is now considered to be a pre-requisite to any serious market activity. The benefits are clear. However, many companies retain the feeling that certification is now a business overhead and are seeking to derive more value from the process. For large multi-site companies, local sites may maintain certification to different GFSI standards, creating a barrier to business group needs.
Changing Regulatory Environment
Traditionally, legal and regulatory control of the food industry operated at a level far below commercial and certification standards. However, this is changing. Recent developments in the legal frameworks in the USA, Canada, China and India point to the greater intervention of national and international agencies in how the food industry maintains compliance. The simple assumption that legal requirements will be easily obtained once a GFSI certification is in place is no longer valid. In terms of market recalls and adverse business impacts, the regulatory agencies are now the main players.

Commercial Compliance
The dominance of the many retailers has found expression in many aspects of the food supply chain. Not least is the role of retailer technical standards, which can be a pre-requisite for doing business with them. These technical standards are typically process and product focused and prescriptive in terms of requirements. Meeting them increases both the operational and compliance costs.

Size and Complexity of Food Businesses
The nature and character of food businesses are changing. Consolidation of the industry globally is a continuing trend. The trend is towards fewer, but larger, and more global businesses.

Multi-site, multi-national companies with developing business unit and group structures create the conditions for significant business and food safety risks. It is not uncommon for senior executives to lose sleep over the unknown level of control in a small remote plant recently acquired and absorbed into the group. The potential impact of the weakest link in a global business can be significant. Management of this risk presents a key challenge.

Cost of Compliance
Another major change in the food industry is the increasing realization of senior executives that the cost of food safety compliance is significant.

Historically it was perceived as a relative cost when compared against other business functions such as operations, logistics and administration. However, as businesses have matured and successfully adopted lean practices and IT in these functions, food safety compliance has occupied a more absolute position in terms of impact on costs, losses and business risk. From the CEO down to middle management, there is a growing awareness that not only can significant savings be made in the area of compliance but there is value in being smarter about how compliance is managed.

Perspective
Based on our experience in the food industry, food safety compliance systems in most food businesses haven’t yet been fully built to cope with these emerging challenges. The role of food safety compliance in most companies remains under-invested compared to other business functions.

Due to compliance becoming more important from a customer’s perspective, compliance now plays a much larger role than ever before. FSMA in the United States has been a driver of new types of regulations, and events like the 2013 Horsegate have caused the introduction of a whole new wave of rules. The regulations have evolved from the early days of CODEX to being the highly sophisticated, and complex, international standards of today. In this environment new types of compliance risks become evident.

Food businesses should formulate a corporate vision for food safety compliance that is future proofed for whatever may come in the coming decades.
Challenges

Change Management
Change management can be a thorn in the side of many great initiatives. Effective change management requires both transformational leadership and strong teamwork across the organization. Corporate food businesses must overcome many hurdles to keep pace with an expanding volume of regulatory requirements while balancing impacts on people, processes, and technology.
In our work with food businesses, we have witnessed first-hand the challenges posed by the expanding scope of compliance. In the following chapters we will highlight some of these challenges.

**Absence of a Vision**

Most senior executives in a corporate food business know there are significant gains to be found by improving how compliance is managed and controlled in their organization. However, it can be difficult to see where one should start and how it fits into the broader development strategy of the company.

This absence of a vision is due to a number of reasons that are covered in this paper. However, food safety compliance is a relatively new function compared to traditional compliance disciplines, e.g., financial or corporate. For this reason, the best approach to formulating a food safety compliance vision is only now starting to emerge. Nonetheless, the absence of an established vision holds companies back from achieving the gains they seek.

**Lacking Integration of FSM in Core Management Team**

Technical teams and managers often feel rejected by the core business processes and decisions. Food safety compliance as a business objective is often the subject of secondary meetings and generalized operational budgets. Costs savings and efficiencies relating to compliance usually do not form a core or specific requirement when investing in ICT or Lean programs. The effect can be to frustrate the technical compliance team in seeking improvements in their roles and benefits to the business as a whole.

**Non-standardization**

One of the most significant risks and destroyers of time and resources is non-standardization. By non-standardization we mean the completion of the same tasks by business units in a different manner.

Variation in how key processes, such as CAPA management, are conducted from site to site can result in failure of some sites to correctly estimate risks. Other sites, on the other hand, may be expending valuable resources on low priority issues. From a business group perspective, it can result in poor and varying visibility on compliance status and can frustrate efforts to address issues.

Non-standardization can also lead to significant waste in human and financial resources. People spend time on activities and workflows that add little value. Even the mere activity of having to figure out how a local site is conducting some processes can be enormously wasteful.

The vast majority of systems and processes used for food safety compliance are repetitive, particularly in the areas of management processes, HACCP and general controls. They lend themselves well to standardization.

**Poor Quality of System Design**

In any organization, poorly designed systems and workflows for the management of compliance can lead to inefficiencies, waste and failure to maintain compliance standards. Poor design often emerges out of a reaction to specific arising compliance needs and the efforts of the company to meet these needs quickly — the quick fix. Over time, these systems become embedded in the company and create a “hidden plant” with waste and poor compliance outcomes. In larger enterprises, this effect is more pronounced as it is magnified across greater and more complex structures, business units and plants.

**Variation in Legal and Commercial Standards**

Corporate food businesses by their nature tend to operate globally both in terms of manufacturing and markets. Globally spread operations often lead to a situation where the business as a whole needs to deal with different legal standards. Legislation relating to risk assessment, hazards, commodities, composition, origin, ingredients and labeling can differ remarkably from one country to another.
This places large demands on the company in terms of knowledge and resources to operate and trade legally. Similarly, a customer such as the large retailers can often operate on their own set of technical standards. For food businesses, servicing a number of these retailers while meeting the requirements can be a daunting task.

**Variation in Third Party Certification**

Food businesses who operate plants in different locations across the globe often find that each site has its preferred third-party standard they wish to be certified against. Even when they all operate under GFSI, there can be variation in the specific scheme and protocol used to maintain certification.

**Impact of Compliance Failures**

Food safety failures are an inherent part of production and distribution of food products. Our goal is the reduction in the number of failures and the mitigation of their severity. With greater regulations, standards of compliance, and investment in food safety control, there remain significant levels of product failures in the marketplace that affect consumers. The impact of these failures can be traumatic financially, to the company, and personally, to the employees concerned.

**Management of an Increasingly Complex Supply Chain**

Recent food safety issues in the market and the resultant regulatory and commercial reaction has led to a dramatic increase in the burden to manage supply chain compliance. Much of this compliance burden centers on the collection, analysis, and assessment of supply chain data including specifications, risk assessments, certification, audits, CAPA and others. It is a major undertaking and for large corporate food businesses it is almost a dedicated department in its own right. The issue is compounded by the increasing complexity of the supply chain which makes sourcing primary data difficult and provides ample opportunity for food fraud and deception.
Many food businesses now report major pressure to both implement and maintain systems for Supplier Quality Management (SQM), and the sector is crying out for workable solutions.

**Lack of Oversight on Compliance Levels Across the Group**

Many technical managers experience a sense of helplessness regarding the true state of compliance across a large corporate business with multiple sites. Short of always getting on a plane and spending days traveling to put their feet on the sites in question, there is always a nagging sense that little can be done except react to issues as they arise. This reactionary approach is not sustainable, particularly where the business is expanding and compliance changes are rapid. The lack of real-time oversight and control are major sources of business risk, personal stress and costs in maintaining standards of compliance.

**“Creep” in Local Systems and Processes**

Creep is the slow and incremental change in key processes and systems that can take place in local plants unknown to the business unit or group. Individually these changes do not amount to much but over time the cumulative effect can be significant and pose a risk to the business and product safety.

The process is facilitated by use of open platforms for document and procedure control, workflows and reporting (paper, Excel, Word, etc.). Changes can be made by local managers without any recourse to the business group and may not be detected until a scheduled internal or external audit, if at all. The ultimate effect of creep is a lack of control. It can also undo the efforts to put in a standard system across the group and hide underlying risks emerging over time.
Three Areas Where Change Is Happening

The danger of not taking action

The constantly changing legal and compliance food safety framework creates challenges.

Corporate food businesses that fail or are slow to react to this changing environment face significant risks:

- Inability to stay on top of mounting compliance requirements
- Rising costs of product failures and non-conformances which for many companies can be catastrophic
- Significant failures of the products in the market damage business and brand values and the overall performance of the company

Consider the business impact of:

- Public recalls and withdrawals
- Increased operational costs and waste in processes
- The increasing legal compliance burden on the industry as a whole as a result of political and consumer reaction to food safety issues

Given the scope and dynamic nature of today’s food safety and compliance framework and its clear impact on corporate food businesses, incremental or reactionary adjustments will not provide a sustainable business model. A new vision and approach is required which integrates the core business activities and functions with food safety and its management.

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Corporate food businesses that fail or are slow to react to this changing environment face significant risks.
### Areas of Food Safety Management Undergoing Change

<table>
<thead>
<tr>
<th>Area of Change in Food Safety Management</th>
<th>Current State</th>
<th>Emerging State</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approach to Food Safety Management</strong></td>
<td></td>
<td></td>
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<tr>
<td>Key compliance processes, such as auditing, CAPA, recall, SQM, monitoring and document control are different from site to site.</td>
<td>• Food safety processes are starting to be integrated into a single platform as opposed to being managed in a number of fragmented systems.</td>
<td></td>
</tr>
<tr>
<td>Compliance level against industry regulations differs from site to site even if each site follows the same certification.</td>
<td>• Key processes are being group led as opposed to being defined at a site level.</td>
<td></td>
</tr>
<tr>
<td>Compliance is heavily reactive which means that new processes are introduced together with new regulations.</td>
<td>• Benchmarking and performance management is starting to be possible due to better application of ICT solutions.</td>
<td></td>
</tr>
<tr>
<td>Reporting and KPIs differ from site to site making group-wide overview of compliance status nearly impossible.</td>
<td>• More and more companies are moving away from following multiple certifications and are adopting one of the GFSI standards.</td>
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</tr>
<tr>
<td><strong>Food Safety Management Team</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior compliance roles are disconnected from business decision making.</td>
<td>• Business groups are now in the position to offer real support, and not just oversight, due to better application of ICT solutions.</td>
<td></td>
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<tr>
<td>Compliance teams are typically overly burdened with tasks and with not enough resources to deal with the volume of work.</td>
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<tr>
<td><strong>Scope of Food Safety Management</strong></td>
<td></td>
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</tr>
<tr>
<td>Food safety compliance is often like a separate business within the larger group and food safety risks are not usually taken into account as part of wider business risk assessments.</td>
<td>• Communication technologies are improving the way food safety compliance teams can now interact and audit systems can be accessed from remote locations.</td>
<td></td>
</tr>
<tr>
<td>Food safety systems are disconnected from each other, which leads to double work in some areas while in other areas critical tasks are falling between the crack.</td>
<td>• Food safety talent is moving freely from site to site. Talent is being developed by investment in education and professional events participation.</td>
<td></td>
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The Five Elements of Your New Vision

Following the changes in general approach, team and scope of food safety, it is now time to start developing your vision and build a roadmap for realizing it. We recommend food businesses use the following five tried and tested approaches as the starting point for developing their corporate vision.

1. Integration
   Integrate food safety management with core management.

2. Analysis
   Analysis of legal and commercial framework

3. Standardization
   Standardize systems and processes across group

4. Streamlining
   Streamline and simplify systems and processes

5. Improvement
   Build on your success by seeking and implementing ongoing improvements in compliance management
## Five Approaches

<table>
<thead>
<tr>
<th>Approach</th>
<th>What is it?</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Integration</strong></td>
<td>Integrate food safety management with core management</td>
<td>• Introduce new thinking to decision making and avoid costly surprises later. • Better utilize the compliance expertise and knowledge that has previously remained tacit in your organization.</td>
</tr>
<tr>
<td><strong>2. Analysis</strong></td>
<td>Analysis of legal and commercial framework</td>
<td>• Provides a clear definition of business, legal, customer, food safety and stakeholder requirements. • Sustainable business development.</td>
</tr>
<tr>
<td><strong>3. Standardization</strong></td>
<td>Standardize systems and processes across group</td>
<td>• Group-wide reporting and analysis become possible with standardized processes. • Improves learning from site to site and allows people to move within the group.</td>
</tr>
<tr>
<td><strong>4. Streamlining</strong></td>
<td>Streamline and simplify systems and processes</td>
<td>• Allows your teams focus their efforts on value-adding work. • Improves employee motivation.</td>
</tr>
<tr>
<td><strong>5. Improvement</strong></td>
<td>Build on your success by seeking and implementing ongoing improvements in compliance management</td>
<td>• Continuous incremental improvement keeps you continuously ahead in the regulatory environment.</td>
</tr>
</tbody>
</table>

This table lists out five different areas where your organization can start developing a highly effective corporate vision for food safety. Each of these approaches work as standalone, but the most benefits are realized by employing them all in sequence.
1. Integration

Current State
- No clear vision for corporate compliance
- Food safety management and compliance lie outside the core management processes of strategy, finance, HR and purchasing
- Food safety management team members are technical people with no formal management training or education
- Key decisions, development and budgets are taken independently of food safety and informally notified
- Food safety team only involved at management level during crises or follow poor audit outcomes
- Food safety representative has informal or no direct line of communication to senior management
- No integration of reporting at senior or enterprise level
- No formal system for measuring compliance and not measured as a cost centre

Transition State
- Development of initial corporate vision for compliance
- Process of integration of food safety team into key decisions commences through formal review processes
- Commence training of existing team in key management skills or appointment of skilled manager
- Early development of budgeting processes and cost centres
- Appointment of defined BG and BU level management to execute vision

Target State
- Fully embedded vision that is documented, with defined KPIs, reviewed and revised
- Food safety leaders are a core and integrated part of the general management team
- Clear Business Unit and Group organization structure with defined responsibilities
- Key business, strategy, operational and other decisions are taken with food safety fully part of the process
- Food safety managers are trained and experienced in management skills and communication
- Formal budgets and cost centers in place and under the control of senior technical members
- Clear lines of communication to top level executives
- Risk and compliance responsibilities are spread across all functions, not just technical
- Risk assessment and management is driven by analytics, key risk indicators, and dynamic risk assessment, monitoring, and testing
- Reporting provides actionable information at the enterprise level
2. Analysis

<table>
<thead>
<tr>
<th>Current State</th>
<th>Transition State</th>
<th>Target State</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Poor understanding of legal and commercial framework</td>
<td>• Increased understanding or limited access to expert knowledge</td>
<td>• Automated systems for the monitoring and actioning of legal, regulatory,</td>
</tr>
<tr>
<td>• No formal or robust processes for monitoring, reporting and actioning legal and commercial changes across the group</td>
<td>• Semi-automated systems for notification of legal and commercial changes</td>
<td>commercial and scientific developments in the sector</td>
</tr>
<tr>
<td>• Lack of or poor access to legal, technical and compliance expertise</td>
<td></td>
<td>• High-level understanding of legal and commercial framework within internal resources</td>
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<tr>
<td></td>
<td></td>
<td>• High-level ability to translate requirements into lean and effective systems of management and control</td>
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<td></td>
<td></td>
<td>• Risk Analysis central process to all decisions</td>
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</table>
3. Standardization

<table>
<thead>
<tr>
<th>Current State</th>
<th>Transition State</th>
<th>Target State</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Little or no standardization of compliance systems or processes across the group</td>
<td>• Introduction of new ICT and software solutions for FSM, SQM and other key process and workflows</td>
<td>• Utilizes ICT and other technical tools to standardize all processes and workflows across group, unit and site operations</td>
</tr>
<tr>
<td>• Each local site operating independently in terms of legal and certification standards</td>
<td>• New tools and systems establish the first phase of standardization in management process workflows, risk assessment, HACCP, PRPs, etc</td>
<td>• Centralized control from top down with flexibility for local sites based on risk and business case</td>
</tr>
<tr>
<td>• Significant “creep” between sites and within sites</td>
<td>• Early stages of site alignment</td>
<td>• Common certification used across group</td>
</tr>
<tr>
<td>• Little or no oversight of compliance status in local site</td>
<td>• Basis for real-time oversight developing</td>
<td>• Each site operates to defined and standardized systems of workflows</td>
</tr>
<tr>
<td>• Long lag time between significant events and notification of same, e.g., product failures</td>
<td>• Communications practices and data exchange shifting on-line and more automated</td>
<td>• Benchmarking of all site activities</td>
</tr>
<tr>
<td>• Little or no use of IT or other standardization tools with high reliance on manual processes and tools</td>
<td>• Risk assessment becoming more centralised forcing culture change at both business group and site level</td>
<td>• Real-time visibility on compliance status at all levels</td>
</tr>
<tr>
<td>• Changes in system take place at discretion of local managers with no reporting to central group</td>
<td>• Local sites use various certification standards</td>
<td>• Real-time notification of significant events</td>
</tr>
<tr>
<td>• Risk assessment and control is performed in site “silos”</td>
<td>• General or generic hazard identification</td>
<td>• Little or no creep in local systems - failures are a result of system design and local variation</td>
</tr>
<tr>
<td>• Introduction of new ICT and software solutions for FSM, SQM and other key process and workflows</td>
<td>• Use of standard risk assessment methods</td>
<td>• Automatic and real-time reporting to business group</td>
</tr>
<tr>
<td>• Changes in system take place at discretion of local managers with no reporting to central group</td>
<td>• Specific hazard identification</td>
<td>• Changes controlled at central level – risk defined</td>
</tr>
</tbody>
</table>
4. Streamlining

### Current State
- Systems and process are complex with lots of non-value adding workflows and methods
- No assessment of how systems can be re-designed
- High level of manual operation and systems maintenance

### Transition State
- Formal policy of reducing complexity and non-value adding activities established
- Process of reviewing and eliminating complexity commences
- New tools and ICT introduced and at initial stages of set-up leading to change in work practices
- Emergence of improvement opportunities

### Target State
- Systems and processes are as simple as possible but not simpler
- “Waste” has been eliminated from all key processes and workflows
- Quality design of systems built in from the start
- Virtual elimination of manual processes which repeat
5. Improvement

Current State
- Systems and processes have not been assessed for improvement opportunities
- No management of change process in place
- No use of KPIs or reporting
- Decisions to improve based on immediate compliance need and not sustainability
- Poor or no validation of systems
- Certification in place because it is required

Transition State
- Benefits of improvement as a business process increasing in management consciousness
- New systems and standardization highlight more improvement opportunities

Target State
- Ongoing review and identification of improvement projects based on quality data generated from systems
- Clear management of KPIs
- Decisions based on sustainable objectives and not quick-fixes
- Real-time oversight, visibility notification and escalation of activities based on risk assessment
- Supplier quality management, management of change and other key improvement processes are fully integrated into overall FSM
- Benchmarking is used in all sites to drive improvement and best practice
- Strong validation of systems for hazards and risks
- Certification used for improvement
Managing Change
A key hurdle to realizing your vision will be the management of change. A grand vision requires an extensive project and you need to be equipped with the necessary tools and knowledge to be successful.

Key success factors include:
• Management commitment is present to making your change initiatives stick and carry them over the initial challenges
• A sufficient budget needs to be reserved for change projects every year
• Change is usually met with organizational inertia; overcome the inertia by involving people from all levels of the organization early on in the change process making sure that they feel ownership in the change.
• Focus your communication efforts to explaining the meaning and purpose of change, as opposed to fixating on mere benefits of change. People will respond to your change initiative more positively when they understand the impact of change within the big picture. Instead of explaining that “this new mock recall process will save 1 hour of your time” you should communicate that “this improved mock recall process will make sure that if we ever have to conduct a real recall, you will be in a better position to pull the product out of the market and potentially save lives by being better prepared.”

How to Realize Your Vision

Key success factors include broad executive-level ownership and visible support for change.
1. Integration

Integration of food safety management with core management. Making food safety compliance an embedded element of corporate business activities.

The first step in developing your corporate vision and strategy is the real integration of the compliance team into the core business management processes. Integration is required to ensure that all decisions are made with consideration to the compliance demands of the business and to avoid compliance failures. Your vision document should address each of these areas with clear projects to support their implementation.

<table>
<thead>
<tr>
<th>Area</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization</td>
<td>The first step is to define the current organizational structure and responsibilities at the group, unit and site level. Identify where gaps exist in terms of resources, competencies and assigned responsibilities. The objective here is to identify where opportunities exist to integrate compliance management into the core management processes.</td>
</tr>
<tr>
<td>Group Compliance Officer</td>
<td>If not already in place, the company should install a person in the position of Group Compliance Officer. This is a senior position, and the person should be an experienced individual with competency in management and communication skills. A robust knowledge of compliance is also essential. This person will report directly to the most senior level in the organization. It will be this role that will facilitate the changing culture of the organization and delivery of the corporate compliance vision and strategy. The role will naturally cover other compliance related functions such as health, safety and environmental management.</td>
</tr>
</tbody>
</table>

The first step in developing your corporate vision and strategy is the real integration of the compliance team into the core business management processes.
2. Analysis

It is time to conduct an analysis of legal and commercial frameworks. Clear definition of business, legal, customer, food safety and stakeholder requirements.

The next step in developing your corporate vision for food safety compliance is an analysis of the compliance framework that governs your entire food business operations and markets. The analysis should be conducted by competent resources and, where required, expertise should be sought. The scope of this can be endless, so take your time and take a structured approach. The number of food businesses which cannot clearly define the scope of their compliance obligations is surprising.

This process essentially allows you to define the specification of compliance that your vision needs to address.

The output of this step should be a clear register of compliance references, including copies of all relevant laws, acts, and regulations, codes of practice, technical documents and standards. Also take account of geographical requirements for both operations and markets. The final part of this process is a clear identification of common requirements across the compliance framework and outliers. This analysis facilitates the next stage of process - standardization.

<table>
<thead>
<tr>
<th>Area</th>
<th>Actions</th>
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<tbody>
<tr>
<td>Identification of scope of compliance framework</td>
<td>Identify all compliance standards relevant to the business:</td>
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<tr>
<td></td>
<td>• Regulations</td>
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<td></td>
<td>• Directives</td>
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<tr>
<td></td>
<td>• Acts</td>
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<td></td>
<td>• Codes of practice</td>
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<td></td>
<td>• Technical standards</td>
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<td>• Certification standards</td>
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<td></td>
<td>• Internal standards</td>
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<td></td>
<td>• Commodity standards</td>
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<td></td>
<td>• Industry standards</td>
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<tr>
<td></td>
<td>• Customer specifications</td>
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<tr>
<td>Identification of geographical scope of compliance framework</td>
<td>• FDA</td>
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<td>• EU</td>
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<td></td>
<td>• WHO / Codex</td>
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<tr>
<td></td>
<td>• Other geographic markets and areas</td>
</tr>
<tr>
<td>Identification of common compliance requirements and outliers</td>
<td>Review and assess the requirements from above and identify the common requirements contained in the various standards. It will often be the case that significant aspects of these requirements are identical or can be met by adopting the most stringent standard as the benchmark. Similarly, specific requirements that may lie outside the general requirements of the standards should be identified and included in the scope of the vision.</td>
</tr>
<tr>
<td>Identification of specific regulatory aspects required for local markets</td>
<td>Some local markets may have very specific regulatory protocols that need to be addressed when conducting business. For example, the FDA under FSMA has very specific requirements and administrative protocols for importers.</td>
</tr>
<tr>
<td>Development of a register and library of compliance framework documents</td>
<td>A register of all relevant compliance framework documents should be developed centrally and indexed by business application, operation, product, process, market, unit and site. This register, along with copies of all these documents, should be centrally controlled.</td>
</tr>
</tbody>
</table>
3. Standardization

Standardize systems and processes across group.

Once the compliance framework has been defined, you are ready for the next step - standardization of relevant processes and systems. The reasons for this have already been discussed, but it is this stage where the real benefits of your vision become realized. When done right the benefits can be obtained quickly.

In large corporate food businesses there exists various processes, systems, procedures, workflows, forms and records designed to define and record compliance related activities. They will have been installed to meet legal, certification and customer requirements. These procedures will exist at group, unit and site level and will have been developed in organizational silos over the years in reaction to different requirements.

Most businesses have undertaken improvement projects to standardize these systems across the group with limited success due to the open platforms used and process creep. The key to this step is identifying which processes and systems should be standardized and then selecting the right platform to implement standardization. In most cases, a software will be used as the platform of choice, which means that the project needs to clearly define the requirements for the software.

It should be noted that the quality or effectiveness of the process or tool is not the main focus of this step, but rather the standardization of the process is. Assuming that the platform has been well designed, improvements to the process will be easy to achieve at a later stage.

Once the compliance framework has been defined, you are ready for the next step which is the standardization of relevant processes and systems.

<table>
<thead>
<tr>
<th>Area</th>
<th>Actions</th>
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<tbody>
<tr>
<td>Identify processes</td>
<td>Identify the key group, unit and plant level processes and systems to be standardized. This should include:</td>
</tr>
<tr>
<td>and systems</td>
<td>• HACCP and other risk management systems</td>
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<tr>
<td></td>
<td>• Management processes</td>
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<tr>
<td></td>
<td>• General PRPs</td>
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<td></td>
<td>• Operational PRPs</td>
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<td></td>
<td>• Documents control</td>
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<td></td>
<td>• Supply Chain Management</td>
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<tr>
<td>Standardization</td>
<td>Systems and processes that lend themselves well to standardization include auditing, CAPA, management review, non-conformance management, recall, deviation, HACCP and document management workflow.</td>
</tr>
<tr>
<td>Platform Specification</td>
<td>Start a project to define the specification of the software platform required to deliver standardization. This project should be conducted by a cross-functional team made up of group, unit and site leaders, users, IT, and change management members. The specification should be comprehensive and include:</td>
</tr>
<tr>
<td></td>
<td>• Scope of the application(s) covering HACCP, Management, PRPs, Monitoring, Documents, SQM</td>
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<td></td>
<td>• Business structure supports</td>
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<td></td>
<td>• Enterprise requirements supports</td>
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<td></td>
<td>• Security</td>
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<tr>
<td></td>
<td>• Workflows</td>
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<td></td>
<td>• Oversight, notification, alerts, user controls</td>
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<td></td>
<td>• Support</td>
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<tr>
<td></td>
<td>• Scalability</td>
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<td></td>
<td>Remember, the platform must be capable of preventing local creep of processes and provide clear central business group oversight. Also, refer to the next step in the process, streamlining, as an input for your platform specification.</td>
</tr>
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<td>Area</td>
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<tr>
<td>Tender Process</td>
<td>Undertake a robust tendering process to select the right product and service provider(s).</td>
</tr>
</tbody>
</table>
| Certification | A project to install a standard certification scheme across the group and all sites. It is crucial that, where possible, all operational units use a common certification standard to reduce costs and support a standard process. Options include:  
  - ISO 22000 (Group level)  
  - FSSC 22000 (Unit and Site Level)  
  - Other GFSI standards (Site Level) |
| Implementation| Following selection of the correct platform and service provider, a project for the management and implementation of the solution should commence. |
4. Streamlining

*Simplify systems and processes.*

After your industry-wide analysis and standardization of processes you will have the right platform in place to start streamlining your systems. This process of streamlining needs to start from the most resource intensive processes so you will have to spend time identifying where most of the waste is generated.

Note that if the standardization platform selected in the previous step is robust enough, you will have already achieved gains in this area and now have the tool that allows for quick implementation of lean principles.

**Compliance processes and organizational structures now create the environment to start using lean principles, identify waste in compliance processes, and start implementing more value-added activities.**

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| Organizational capabilities   | • Give key people access to the data that allows them to identify wasteful processes.  
|                               | • While you want to remove creep from your key compliance processes, you need to give your staff the right tools and authority to make improvements in their work.                                      |
| Culture                       | • It needs to become second nature in your culture to rethink processes and question the status quo; allow people to speak their mind and approach management openly.  
|                               | • Embrace open innovation and gather feedback from all levels of the organization.  
|                               | • Encourage people to become problem solvers, not complainers.                                                                                                                                         |
| Process value                 | • Improve the value of your compliance processes by estimating the perceived value, cost and effort of your processes and then streamlining those with the worst ROI.                                
|                               | • Introduce cost tracking as part of your deviation management; this will help you make the cost of noncompliance more transparent.                                                                     |
| Process efficiency            | • Remove unnecessary steps, approvals, administrative tasks and decisions from compliance processes.                                                                                                   
|                               | • Identify bottlenecks in your compliance processes; bottlenecks are typically related to approvals or verifications that rely on a single person. Find ways to spread the work.                        |
| Performance management        | • The management of your compliance processes should be based on relevant and easily monitored KPIs, that you can then use as part of group wide streamlining projects. Example of such KPIs include: complaints time to closing out, mock recall duration, time to approving a document etc.  
|                               | • Make sure your KPIs are part of the wider compliance strategy and are often communicated to your people.                                                                                           |
5. Improvement

*Build on your success by seeking and implementing ongoing improvements in compliance management.*

Improvement is the final stage of realizing your vision. The objective is to embed an approach to improving the various compliance workflows on a continuous basis.

To keep your systems improving continuously, make sure to schedule regular reviews with your team that reveal where you currently are and where you need to undertake new initiatives. You should also collect feedback from all levels of your organization.

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<thead>
<tr>
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<tbody>
<tr>
<td>Teams</td>
<td>• Establish project teams to examine processes for improvement and waste elimination.</td>
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<td>• Assign responsibilities for continuous improvement.</td>
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<tr>
<td>Standardization of root causes</td>
<td>• Generate a standard list of root causes from Business Group down. This list can then be used at all levels of your organization to support quality reporting and guide improvement initiatives.</td>
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<tr>
<td>Analysis and reporting</td>
<td>• Standardize the reporting of non-conformances and put extra focus on the categorization and analysis of root causes.</td>
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<td>• Establish regular and ongoing management review processes with standard inputs and outputs.</td>
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<tr>
<td>Projects</td>
<td>• Clear identification of projects.</td>
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<td></td>
<td>• Undertake projects with clear metrics to achieve continuous improvement.</td>
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<td></td>
<td>• Utilize specific improvement tools in your reporting. This should include the use of statistical tools.</td>
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</tbody>
</table>
Available Modules

Document Control
Upload, approve and review all your central documents. Keep track of versions and be notified of changes.

HACCP
Build and maintain all your HACCP plans. Benefit from advanced risk assessment models and decision trees.

Management
Paper free management processes with automatic reporting.

PRPs
Document and manage your daily operations and enjoy the benefits of automatic scheduling and alerts.

Monitoring
Monitor any parameters in your system including CCPs, oPRPs and material quality.

Supplier Management
Approve, risk assess and review suppliers. Conduct audits, collect documents, and let your suppliers complete self-assessments.

Utilities
All the necessary tools ranging from alerts to reporting.

• Document Control
• HACCP
• Hazard Database
• Complaints
• CAPA
• Non-conformance
• Management review
• Auditing
• Recall
• Quality Management
• Calibration
• Cleaning
• Pest Control
• Employee Training
• Microbiological Control
• Traceability Testing
• Medical Screening
• Contamination Control
• Code of Practice
• Monitoring
• Receiving Inspections
• Batching
• Supplier Control
• Supplier Portal
• Employees
• Suppliers
• Product
• Materials
• Alerts
• Reports & Analytics
How can Safefood 360° help you realize your vision?