Developing Your Business Vision for Food Safety

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Setting the Stage

What is a Business Vision for Food Safety?

Strategy for meeting compliance needs now and in the future…

Safefood 360 and Vision

Aligned with customers vision…

…founding principles

The Modern Food Business

- Maintain operations and markets in one or more geographical areas.
- Single or multi-site
- Compliance is driven by numerous commercial, legal and regulatory demands
- Manage hazards through risk based systems

The Modern Food Business

- Verified by external audits or certification
- The expectation is that they are sufficient
- Changing compliance environment… many drivers
- Dramatic increase in compliance burden

Globalization

- Increase in number of FBO's operating across borders
- National and international legal frameworks
- Certification
- Customer and technical requirements
- Visibility on shifting legal, social and political events at a local level

Supply Chain Management

- Increasing complexity of supply chain.
- Direct relationships diminished
- More information and data required
- Obtaining, reviewing, assessing data major task

Global Expansion of Third Party Certification

- GFSI certification, in particular, is a pre-requisite
- Certification is now a business overhead
- More value required from certification

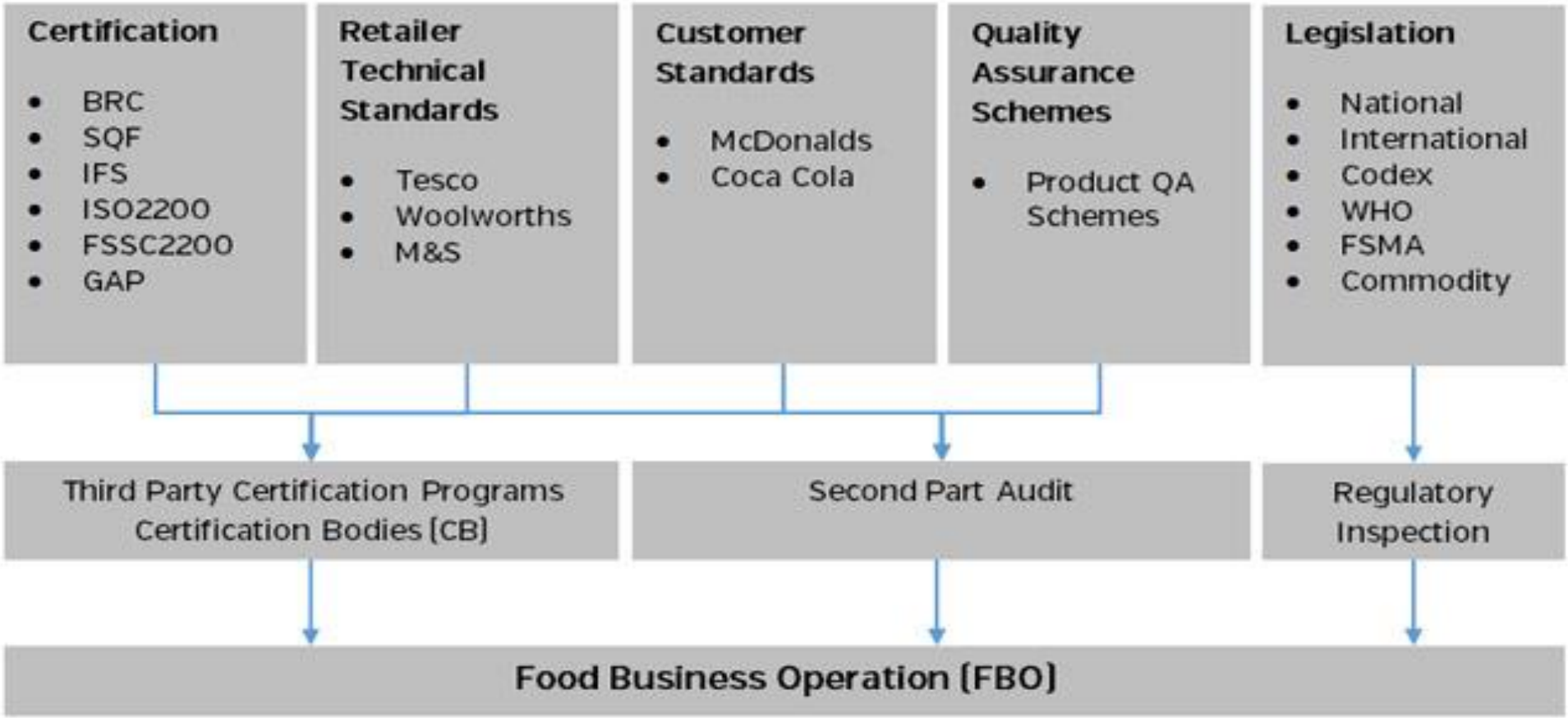
Changing Regulatory Environment

- Traditionally regulatory control less demanding than commercial and certification standards
- This is changing…
- New legal frameworks in the USA, Canada, China and India
- Assumption - legal requirements easily obtained once a GFSI certification is in place – valid?
- Recalls - Regulatory agencies are now the main players.

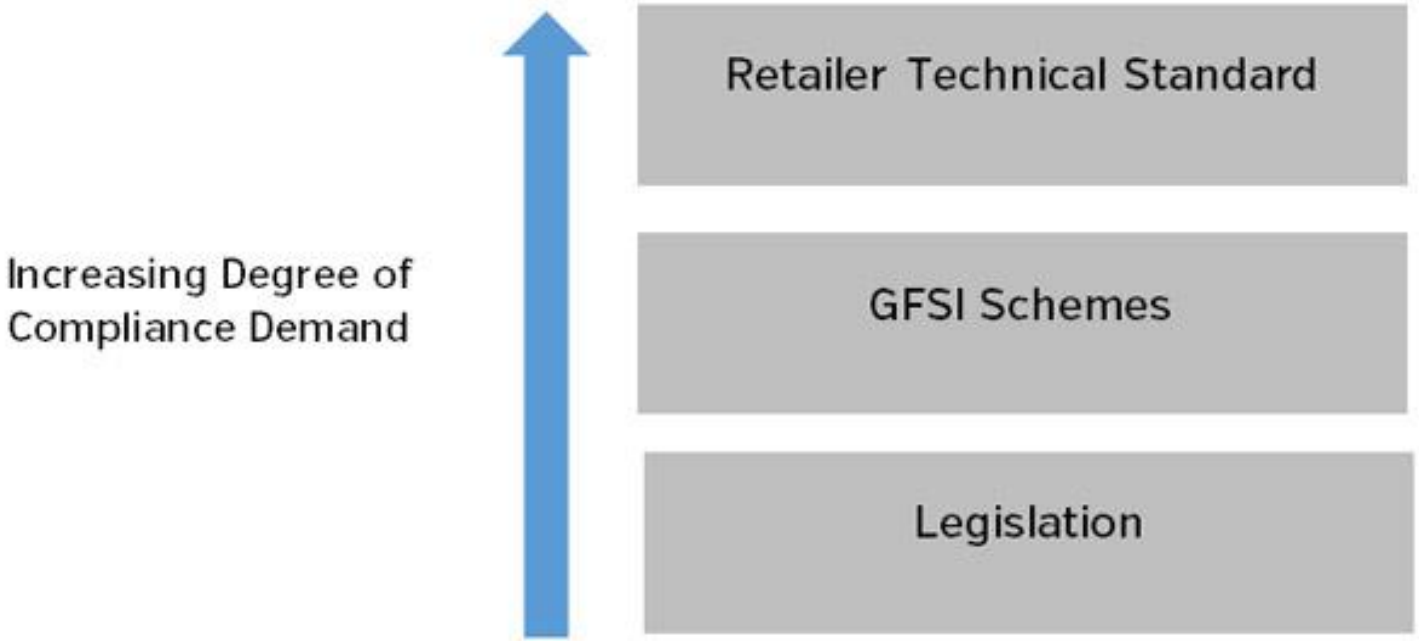
Commercial Compliance

- The dominance of the multiple retailers
- Retailer technical standards which can be a pre-requisite for doing business with them
- Process and product focused and prescriptive in terms of requirements
- Increases both the operational and compliance costs

Compliance framework



Technical Compliance Demand in Framework



Cost of Compliance

- Realization that the cost of food safety compliance is significant
- Historically perceived as a relative cost
- Adopted lean practices and IT
- Food safety compliance has a more absolute cost position
- Growing consciousness that savings can be made
- Value in being smarter about how compliance is managed

Perspective

- Compliance systems not built to cope with emerging challenges
- FSM under-invested compared to other business functions
- Legislation will be a major driver
- Horsegate has led to a new wave of rules
- **Dynamic environment – to continue**

Perspective

Food businesses should formulate a vision for food safety compliance…

…reflects the objective changes in the legal, regulatory and commercial environment…

… future proofed for whatever may come along in the coming decades.

Challenges

Change Management

- Change is not easy.
- Effective change management required
- Strong teamwork across the organization
- Food businesses must overcome many hurdles to keep pace

Absence of a Vision

- Difficult to see where one should start
- How it fits into the broader business objective
- Absence of a vision due to a number of reasons
- Food safety compliance is a relatively new discipline
- Best approach to formulating a food safety compliance vision is also starting to emerge
- Absence of a vision holds companies back

Lacking Integration of FSM in Core Management Team

- Technical teams and managers often feel excluded
- Food safety compliance subject of secondary meetings and budgets
- Costs savings and efficiencies relating to compliance usually do not form a core or specific requirement when investing in ICT or Lean programs
- Effect - frustrates the technical compliance improvements

Non-standardization

One of most significant risks and destroyers of time is non-standardization, which is the situation where business units, sites, departments and functions conduct similar or identical activities, tasks, processes and workflows differently

Poor Quality of System Design

- Poorly designed systems and workflows
- lead to inefficiencies, waste and failure
- Reaction to specific arising compliance needs
- Result - *the quick fix*
- Over time, these systems become embedded as standard

Variation in Compliance Requirements

- Legislation relating to risk assessment, hazards, commodities, composition, origin, ingredients and labelling can differ remarkably from one country to another
- Knowledge and resources
- Large retailers operate on their own set of technical standards.
- Daunting task

Management of an Increasing Complex Supply Chain

- Recent events has led to a dramatic increase in the burden
- Collection, analysis, and assessment of supply chain data
- It is a major undertaking - resources
- Complexity in sourcing primary data
- Food fraud and deception
- Pressure to both implement and maintain systems for (SQM)

Lack of Oversight on Compliance Levels

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 unknown to the business management

The danger of not taking action…

Failure / slow to react to this changing environment face significant risks:

- Inability to stay on top of a mounting compliance requirements
- Rising costs of product failures and non-conformances
- Significant failures of the products in the market

Consider the business impact of…

- Public recalls and withdrawals
- Increased operational costs and waste in processes
- The increasing risk from legal compliance burden

The Five Elements of Your New 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

1. Integration

What is Integration?

- Integrate food safety management and function with core management and business
- 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

Integration Steps

- Integration of the compliance team into the core business management processes
- Organisation
- Technical Manager
- Responsibilities
- Competency and Training
- Communication

2. Analysis

What is Anlaysis?

- Analysis of legal and commercial framework
- Provides a clear definition of business, legal, customer, food safety and stakeholder requirements
- Sustainable business development

Analysis Steps

- Identification of scope of compliance framework
- Identification of geographical scope of compliance framework
- Identification of common compliance requirements and outliers
- Identification of specific regulatory aspects required for local markets
- Development of a register and library of compliance framework documents

3. Standardization

What is Standardization?

- Standardizing compliance processes and systems across the business
- Business wide reporting and analysis become possible with standardized processes

Standardization Steps

- Identify processes and systems
- Standardization Platform Specification
- Tender Process
- Certification
- Implementation

4. Streamlining

What is Streamlining?

- Over time, compliance processes become complex
- Streamlining means that your team adopts a new mind-set where processes are made leaner
- Focus on value-adding work
- Improves employee motivation

Streamlining Steps

- Organizational capabilities
- Culture
- Process value
- Process efficiency
- Performance management

5. Improvement

What is Improvement?

- Build on your success by seeking and implementing ongoing improvements in compliance management
- Continuous incremental improvements keep you ahead in the regulatory environment

Improvement Steps

- Teams
- Standardization of root causes
- Analysis and reporting
- Projects