

Case Study: Becoming a Preferred Vendor by Proactively Preventing Problems



Company Background: Illes Seasonings & Flavors

Illes Seasonings & Flavors is a third-generation family business that produces liquid and dry food products sold to food manufacturers and national restaurant chains. Products include glazes, marinades, rubs, sauces, sauce bases, and flavors. The company was started in 1927 and today operates two facilities that are BRC certified.



Since opening its doors for business, Illes Seasonings & Flavors has focused on quality products and customer service (in no particular order). Today, to meet those goals, the company has to keep up with—and stay ahead of—innovations in manufacturing technology and operations, which is driving continuous investment to increase R&D and Information Technology capabilities.

Problem: Fast Growth without Compromising Safety

Illes Seasonings & Flavors is in growth-mode, and presently receives an average of 80 different raw materials with multiple lots per week—a number that is continuously growing; this growth necessitates additional improvements and streamlining of the supplier qualification processes.

Rapid growth and dealing with potentially high-risk ingredients and raw materials, as well as the risk of accidentally accepting and manufacturing with out-of-spec lots, could potentially threaten valuable customer relationships, cause significant waste, and threaten the viability of the business.

Industry and regulatory initiatives such as the Global Food Safety Initiative (GFSI) and the Food Safety Modernization Act (FSMA) require additional renewed focus on good supplier management and documentation systems. Prior legal advice to the industry recommended writing down nothing. All that has changed and these new initiatives and regulations mandate documentation and proof of everything. The new mantra is “If it isn’t documented, it didn’t happen.”

Solution: Shifting to Proactive Supplier Risk Management

David Schauf, VP of Quality (and technical adviser to R&D) and his team at Illes Seasonings reached out to TraceGains to improve a manual process that could not easily scale as business velocity and record-keeping requirements increased.

The updated and improved vendor management control program now receives and stores all supplier-provided information electronically in TraceGains. Both, corporate-level documents (e.g., certifications, audit results, insurance certificates, letters of guarantee), and lot shipment documents (certificates of analysis and their associated in-house/third-party lab results), are received by the TraceGains system, and immediately and automatically analyzed for compliance with Illes’ own business rules and requirements.

Any non-conformances are immediately flagged and alerted against, enabling Illes’ staff to re-focus on problem resolution instead of problem detection. While rapid growth continues, additional staffing was not required.

An error-prone process was rendered largely “error-proof.”

“TraceGains delivers what they promise. They do not rest on their laurels, are very receptive to suggestions, and have the best interests of their customers in mind at all times.”

*—David Schauf, VP of Quality
Illes Seasonings & Flavors*



Case Study: Brand Protection, Competitive Positioning, and Revenue Acceleration



Benefits: David Schauf Shares More About His Experiences

Efficient and user-friendly: We have found TraceGains to be much more user friendly and non-burdensome to our suppliers, than those systems which we have been required to work with as a vendor, which have been very cumbersome, onerous, difficult to use, resource consuming and provided no benefit to us.

"TraceGains' capabilities give us a competitive advantage and help us become a preferred vendor."

—David Schauf, VP of Quality
Illes Seasonings & Flavors

Accurate and automated vendor management: The most unique challenge was managing the vast number of vendors and ingredients that we deal with. TraceGains provides an efficient and relatively easy means of managing information without having to hire an army of clerks to scrutinize the volume of data that we receive (COAs, specs, certifications, etc.) to assure that everything is up to date and the data complete, accurate, and correct.

A comprehensive solution with a high degree of supplier acceptance: It has the capability to cover virtually all aspects of vendor management. TraceGains reduces the bureaucracy and does not require nearly as much specialization or modifications from the vendors that provide their information. The easier it is for the vendors to provide data, the more likely they are to do so. We have found a high degree of acceptance from our suppliers in willingness to comply with using TraceGains for our reporting needs largely because it is not an added burden. In addition, there is no charge or cost to the vendors to participate like there is with some other providers. I resent having to pay a service charge to provide data to my customers in a format I do not use.

Exception-based management: One of the best aspects of the TraceGains approach is managing by exception. In today's "document driven mentality" it is required that all data be reviewed—this is especially true of FSMA. This is quite burdensome and demanding of resources which may well detract from actually performing our basic quality functions. TraceGains not only collects, files, and collates information for reference, but can generate reports on any areas of interest. This largely takes that worry away by verifying data automatically and giving us the much more pertinent and relevant information on the exceptions and potential problems. This allows us to focus our attention on addressing real issues in a timely and effective manner.

Supplier score-carding: The efficiencies we have gained are in being able to actually review all the data we receive on a regular basis. We have also been able to identify areas of improvement in dealing with some vendors that we might not have recognized until some issue occurred. It also allows us an easier means of establishing and maintaining our own ingredient standards and to compare them between the standards of various vendors for the same ingredient. We are also better able to rate the services provided by vendors and establish meaningful scorecards. We expect even more efficiency improvements in the future as we expand the use of TraceGains systems to include more in the way of regular purchasing and receiving department interactions.

Return on investment: In order to comply with many aspects of the GSFI and FSMA it would require a much higher investment in quality program overhead costs to properly manage otherwise. There is also much to be said in the way of cost avoidance by being able to identify problem ingredient orders (before they even reach our dock in some cases). It is hard to place a true cost on the intangible benefits gained by loss reduction or prevention and increased operating efficiencies.

Competitive edge: TraceGains not only prevents problems from shipping to customers, but because Illes can now prove its proactive supplier risk management, the solution also provides a competitive edge and helps become a preferred vendor.

On TraceGains: As much or more than many service providers I have dealt with in my career, TraceGains delivers what they promise. In addition, they do not rest on their laurels and are on an obvious mission of continuously improving their products and services. They do this as well by actively soliciting as much input as possible from their customers. They are very receptive to suggestions and listen to new ideas. That makes it obvious to me that they are committed to the long haul and have the best interests of their customers in mind at all times.