



Advanced Supplier Management Means Better Business for Specialty Food Ingredients

TraceGains Provides Competitive Advantage

By Jaan Koel



Specialty Food Ingredients of Fargo, ND, is a privately-owned company that imports and distributes nuts, seeds, dried fruit, grains, dehydrated vegetables, spices, cashews and many other products to food manufacturers in North America and abroad. “Most of our customers are in the U.S.,” says Specialty Food Ingredients Vice President Quality Control Jessica Dodd, “and we have some customers in Canada and others overseas as well.”

The company’s bread and butter is quinoa, a grain high in protein. Other volume leaders are pumpkin seeds, macadamia nuts, and cashews. The company, which employs about 200 people in locations including North Dakota, New Jersey, Illinois, Minnesota, and California, prides itself in being a one-stop shop for customers across the board, so its product list is huge. “Currently we have nearly 800 suppliers and some 1500 different items,” says Dodd. “With the advent of the Food Safety Modernization Act, our need to track and document each supplier and item has grown exponentially. Before, we did everything—product and supplier profiles—manually. Two years ago, we realized we needed a whole new system that could do that for us automatically.”

That’s because the new FSMA protocol requires at least seven core documents from each supplier, and that each of them be updated annually. Examples include identifying and verifying suppliers of organic and kosher products. Other requirements include a third-party audit report, such as a GSFI audit, GMPs, HACCP protocols, food safety systems, product flow charts, liability insurance, product guarantees, FDA number, and others.

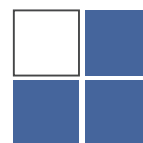
“On top of this, the new rules require a large number of documents to be created and maintained for each product,” notes Dodd. “These include product spec sheets, storage and shelf

life information, lot code translation, nutritional information, country of origin, GMO status, allergen content, sewage impact, irradiation statement, and case dimensions.” To do this manually for Specialty Food Ingredients’ 1500 item product portfolio would take a super-human effort and a whole staff of dedicated research and document specialists. “There’s no way we could do this manually and stay competitive in our industry.”

Leveraging TraceGains

To deliver the requirements set out by FSMA, Dodd knew her company would need an electronic document management supplier that offered highly automated and user friendly software. “Two years ago, I was at a conference and heard a presentation by the President and CEO of TraceGains,” she says. “What I heard fit our needs perfectly. We needed to look no further, and have not looked back.”

TraceGains Inc., of Westminster, CO, provides a cloud-based document management system that it customizes to each client’s specific business needs. The company transfers all client document, auditing, updating, and other requirements into its own hands, so the client can go about the business of doing business.



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“The beauty of their system is the many action forms they email to our suppliers,” says Dodd. In each case, suppliers identify themselves with their FDA registration--if they have one and when they registered. “It’s really handy. The supplier types information into the blank areas of each form and, when they email them back to us, the information automatically populates the corresponding fields within TraceGains’ software. This means we don’t have to type in anything ourselves, which saves us an enormous amount of time and money.”

What’s more, the software keeps track of annual updates automatically before they expire and sends out an email accordingly. “Say we have a supplier with Kosher certification. We can set TraceGains to automatically send an email 10 days in advance of expiration, with a follow up email acknowledging receipt, or a reminder in case the supplier hasn’t responded. To do something like this, along with entering all this data when it does come in, would take an inordinate amount of work and a huge team of people.”

Color Coding

Dodd says one of the things that set TraceGains apart in her eyes was the ability of the company’s software not only to manage documents, but also to analyze them. This includes supplier level documentation, shipment level documentation, including COAs and order confirmations, and alerting the customer when there’s something out of spec.

“You can also set up effective color coded measurements for each supplier and the products they’re delivering to you,” she

points out. “Green for go, yellow for caution, and red for stop. Visually, if it shows up red, for instance in moisture content, it really sticks out. This kind of method is better than just looking at numbers on a white sheet of paper.”

Another thing about TraceGains’ service is accessibility. “You can do it from anywhere,” says Dodd. “Among all the documents we request and all the all the items and suppliers we have, the plants we operate all have their own QC departments, but for the rest of the company we now have only three people in our headquarters that handle the rest.”

Flash Steam Sterilization

Carole Inman, who works as Specialty Food Ingredients’ Vice President of Sales and Marketing, explains that all incoming food ingredients undergo thorough inspection to ensure that they meet stringent quality requirements for appearance, flavor, moisture content, microbiology and chemistry. After x-ray scanning for removal of foreign matter, the company uses its advanced “flash” steam injection to rapidly raise the temperature and effectively kill microorganisms. This method is both effective and gentle, much like the steam injection process used to treat UHT (ultra-high temperature) aseptically packaged milk.

“Here’s an example of how it helps,” she explains. “Say we’re shipping a truckload of walnuts that are 5-log safe. If we need to provide proof of this, we don’t want to lose that business because of having to scramble for supporting paperwork and delay our shipment for one or two days needlessly. With TraceGains, we can respond with proof in 15 minutes. It makes us look like a genius.”

She says this kind of responsiveness makes her company more competitive. “We want our customers to order from us because we’re the easiest to order from.”

Dodd adds that the demand for speed and accuracy in supplying this kind of information to customers is increasing. She explains that in the last couple of years demand has gone from 25 percent to 80 percent of customers, and anticipates in the next few years all 100 percent will be expecting it. “In other words, we won’t be able to continue selling anything without it.”

To summarize, TraceGains has enabled Specialty Food Ingredients to have thousands more documents on file and at its fingertips than ever before, and everything is current.

Dodd emphasizes that in the end it’s all about food safety. Concerns have increased dramatically and will continue to increase considering more recalls everywhere. “Anything we can do to stay ahead of the game is only going to help us in the long run, and means the suppliers we work with need to stay ahead of theirs as well.”



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