

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



Company Background: Specialty Commodities Inc.

Specialty Commodities, Inc. is a global importer, distributor, processor, and wholesaler of specialty ingredients for foodservice and food manufacturing (human and pet). Its three divisions—Specialty Food Ingredients, Specialty Pet Food, and Specialty Organics—require a supply chain exceeding 1,200 suppliers (about half foreign, and nearly 20% organic). The company offers 1,500 items via its 14 domestic and international facilities. Specialty Commodities also operates its own processing facility that performs chemical-free pasteurization to assure customers the highest possible food safety.



SPECIALTY
COMMODITIES INC.

Specialty Commodities' facilities are QAI, HACCP, and ISO certified—its Lodi pasteurization facility is additionally GFSI (IFS) certified—so that the company can provide its customers with product specifications, allergen statements, nutrition labels, certificates of analysis, ingredient statements, and kosher, organic, and fair trade certifications.

The Problems

Despite Specialty Commodities' very best efforts to prove to customers that it can provide the safest ingredients possible, the company's own success and growth is creating additional problems. With an ever-growing number of suppliers, supplier risk and compliance management becomes increasingly time consuming and inaccurate, and in the long-term can expose the company to greater liability.

Additionally, pending regulatory compliance with the Food Safety Modernization Act (FSMA)—especially sections 301 (foreign supplier verification), 403w (allergen labeling), 418 (hazard analysis, preventive controls), and 419 (produce standards)—is beginning to put an even greater emphasis on the company to automate its supplier management processes.

Lastly, the company wants to compete more effectively with its food safety messaging, wishing to create a recognizable brand that buyers trust implicitly, therefore necessitating tighter supply chain controls.

The Solution

"TraceGains' red, yellow, green automation on all incoming ingredients insures nothing bad gets into our products."

—Jessica Dodd, Dir. Quality Control
Specialty Commodities, Inc.

TraceGains' supplier risk, compliance, and performance management solution enables companies to better collaborate with supply chain partners, while automating trust and accountability. Performance is automatically tracked at the company-, lot-, and ingredient attribute level, and the TraceGains system will automatically alert internal and external stakeholders to any nonconformances.

By automatically analyzing supplier-provided documentation, such as certificates of analysis, prequalification questionnaires, audit documents and results, certifications (kosher, organic, etc.), insurance certificates, allergen questionnaires, and import requirements (COOL, C-TPAT, FSMA Section 301), and then comparing the claims and results against corporate- and plant-level business rules, the system can instantly put suppliers on hold while alerting the company's management to take immediate action to control risk.

Supplier risk and performance dashboards and scorecards are updated in near-real-time, enabling a company to counsel under-performing suppliers while rewarding exceptional suppliers. On average, TraceGains customers experience a 56% reduction in out-of-spec lot receipts, and a 20% reduction in ingredient attribute variability.



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Outcomes and Benefits

Specialty Commodities has a corporate and marketing initiative to raise its profile in the marketplace, which is why the company has invested many resources into compliance with various domestic and global standards.

Now, however, the company wishes to go on the offensive; to create a high-value food ingredient *brand* that can defend its positioning and premium pricing. With a multitude of benefits delivered by TraceGains' solution, Specialty Commodities is well-primed to prove to customers that it can deliver safe, quality ingredients.

"TraceGains enables us to better market against our competition, by helping us prove that our supply chain is safe, and that our products are compliant with FSMA and GFSI goals."

*—Carole Inman, VP Sales/Marketing
Specialty Food Ingredients*

Benefits enjoyed by Specialty Commodities include:

- **Better FSMA compliance** - The Food Safety Modernization Act's foreign supplier verification requirement mandates risk-based preventive controls, the monitoring of shipment records, and lot-by-lot certification of each shipment received, all of which are provided out-of-the-box with TraceGains.
- **Full document traceability** - Specialty Commodities maintains eleven item-level and seven supplier-level documents, all of which are now fully traceable and actionable with TraceGains. Several of the company's own documents have been converted into TraceGains ActionForms™ which fully aid in the retrieval of required supplier information. As ActionForms™ are received, they are automatically read and analyzed for supplier compliance. Automatic Supplier Corrective Action Requests (SCARs) can be triggered as needed.
- **Certificate of analysis uniformity** - Regardless of layout, Specialty Commodities now has a uniform view onto all COAs submitted by suppliers. Data are automatically read off the documents and immediately compared to business rules and ingredient specifications, assuring full uniformity and conformity with the company's needs.
- **No more missing documents** - Considering the multitude of suppliers and mix of documents required from each based on the specific trading relationship, Specialty Commodities is now alerted whenever a required document is missing, non-conformant, or about to expire. The fully automated workflow provided by TraceGains can even request updated documents from the supplier as they are nearing expiry.
- **Supply chain-wide notifications** - With TraceGains' eNotification capability, supply chain partners can now be informed summarily of changes and updates (e.g., ingredient specifications, legal updates, etc.) in one single email that requires acknowledgment and creates accountability.
- **Brand protection and revenue acceleration** - Because Specialty Commodities has gained better control of risks in its supply chain, the company can now better assure its customers that its products are safe and compliant with each customer's needs. Specialty Commodities is now the vendor of choice more frequently, and the company can charge and defend premium pricing.

