

Case Study: Just-In-Time Inventory and Improved Supplier Collaboration

Company Background: Berner Food and Beverage, Inc.

Berner Food and Beverage, Inc., is a leading private-label and store-brand supplier of quality food and beverage products such as processed cheese, snack dips, latte, and meal replacement beverages.

From merchandising solutions to a full spectrum of value-added services, Berner's clients experience the same high level of service and support that have earned the company the "Category Colonel" award within the supermarket industry for ten of last eleven years.

Berner's facilities are USDA and SQF2000 Level 3 approved, and meet the demanding standards of major retailers in North America.



The Problem

When moving from SQF 2000 Level 2 to Level 3 in 2011, Berner faced significantly more stringent compliance requirements for the quality and food safety practices of its suppliers, including detailed proof of compliance for ingredients and packaging.

Berner also wanted greater transparency all the way to its suppliers' docks.

Finally, a company initiative for reduced/just-in-time (JIT) inventory required continuous and immediate visibility into any potential supply chain disruptions due to supplier quality, compliance, or late/short shipment problems. This required, for example, a better P.O. acknowledgement process and advance visibility into incoming lots.

The TraceGains Solution

"We've been able to extend supply chain visibility and actionability all the way to our suppliers' docks, helping us manage supplier risk with much better precision."

—Troy E. Grove, CIO,
Berner Food & Beverage, Inc.

The TraceGains platform consists of Supplier Management, Supplier Compliance, and Supplier Impact modules, which help companies continuously verify whether a supplier, as well as every one of its shipments, is in compliance with all the company's business rules and ingredient specifications.

When suppliers are out of compliance or nearing a violation, the system automatically initiates supplier corrective action requests (SCARs), sends eNotifications to both internal and supplier personnel, and can automatically suspend or put on probation suppliers and any of their shipments.

The TraceGains solution also measures the financial impact of non-compliances and monetizes the potential damage done to the supply chain in areas such as manufacturing efficiency, finished goods quality, and product safety.

Additionally, the system provides a comprehensive Purchase Order acknowledgement tracking function, with alerts for supplier late or short-shipments that may cause supply chain disruptions.



Case Study: Just-In-Time Inventory and Improved Supplier Collaboration

Outcomes and Benefits

TraceGains' 24/7 compliance firewall automatically and continuously insures that supplier shipments meet all of Berner's specifications and business rules. Non-compliant shipments can be automatically rejected and the appropriate staff at Berner and the supplier instantly notified. The supplier portal hosted by TraceGains allows Berner's suppliers to automatically upload or submit any of the documents typically requested—allergen certifications, insurance documentation, letters of compliance, GFSI documentation, certificates of analysis—freeing up Berner staff to focus on higher value tasks. Additionally, Berner gained a mechanism to communicate with suppliers in real time about their performance, which helps both sides improve their collaboration and relationship.

“With TraceGains we can now move closer to just-in-time inventory management, reducing safety stock, improving cash flow, and boosting our bottom-line.”

—Troy E. Grove, CIO,
Berner Food & Beverage, Inc.

By automatically analyzing supplier data, including compliance and certification documentation, and comparing all certificates of analysis against ingredient specifications and laboratory results, the TraceGains solution develops risk scores for each supplier and its ingredient and raw material shipments.

1. **Accelerated acceptance of in-spec shipments.** Because the supplier is already authenticated by TraceGains, and the Certificate of Analysis (CoA) automatically checked for compliance, receipts can be expedited to manufacturing.
2. **Moving closer to just-in-time inventory.** Berner is experiencing improved cash flow because it needs to keep less safety stock on hand, does less spot-market buying, and has fewer rush-freight expenses.
3. **Automated purchase order acknowledgement.** Suppliers can now see how well they have managed Berner purchase orders over time, and Berner is instantly alerted to any supplier late or short-shipment problems.
4. **Supplier scorecard.** Berner now sees supplier compliance trending information against its business rules and ingredient specifications, giving the company an early-warning system and continually ranking each supplier for performance and risk. Suppliers, through the supplier portal, are now instantly aware of their performance, and given the opportunity to adjust sooner than at their annual performance review with Berner.
5. **Continuous audit process.** By automatically comparing Berner's laboratory results against claims made by suppliers on their CoAs, Berner can now track how well suppliers measure up against their own performance claims over time.
6. **Partnership tool.** Most importantly, Berner believes that the TraceGains platform allows for better collaboration with its suppliers, because both customer and suppliers are drawing conclusions from the same data. “One version of the truth” allows Berner to better counsel underperforming suppliers, and to acknowledge or reward those suppliers that are performing well. And Berner can now better evaluate its own performance, and reexamine its own specifications and compliance requirements, based on the company's and its suppliers' needs.

