

Case Study: Quality Control Best Practices for Supplier Compliance & Collaboration

Company Background: Chelsea Milling Company

The Chelsea Milling Company, makers of “JIFFY Mix,” is a 110 year old family-owned business, with a mantra to provide the highest-quality affordable product. Chelsea Milling is a complete manufacturer: the company stores the majority of the wheat it uses, processes it into flour for production, and even manufactures its own packaging.

Chelsea Milling ships over 150 million pounds of JIFFY Mixes per year, and its products are available at over thirty-thousand retailers and foodservice outlets.



The Problem

Chelsea Milling’s commitment to customers means extra attention to quality. But insuring that all suppliers continuously comply with all quality requirements meant that Chelsea Milling staff were swamped with manual tasks. The company needed a solution that permitted 24/7 quality control without adding personnel or compromising on quality.

The issues faced by Chelsea Milling included:

- Too many certificates of analysis (CoAs) that needed to be manually checked against Chelsea Milling’s ingredient specifications.
- Manual and inefficient processes to retrieve data to support customers’ GFSI audits.
- Inability to predict future performance or to evaluate suppliers on more than price and on-time delivery.
- No early warning of impending problems; operating reactively instead of proactively.

“TraceGains runs 24/7, insuring that *whenever* suppliers submit CoAs they are automatically checked.”

—Jack Kennedy, VP & General Manager, Chelsea Milling

The TraceGains Solution

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 place suppliers on probation, suspend them, or reject any of their shipments.

The TraceGains solution also measures the financial impact of non-compliance and monetizes the potential damage done 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 .



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Outcomes and Benefits

At Chelsea Milling Company quality isn't just a hollow motivator, it is the fiber of the company. TraceGains' SaaS (Software as a Service) solution helped Chelsea Milling fulfill its strategic "best in class" initiative and also leverage quality as a competitive advantage. Specific accomplishments include:

- **Average certificate of analysis latency** (receipt of CoA after material received)—has been reduced from 22.3 days to same-day. Chelsea Milling can now deal with problems before they are introduced into its supply chain.
- **Proactive quality, food safety, and risk management are empowered through TraceGains.** CoAs are no longer just backup documents used to investigate problems, but have become instant alerts to potential issues.
- **Digitizing CoA's and making them actionable has resulted in a 400% Reduction of out-of-specification lots** on the receiving dock. Since CoAs are often analyzed even before the shipment arrives, Chelsea Milling can now reject shipments even before they are received, saving the supplier reverse logistics charges and returns processing.
- **Significant reduction in ingredient variability** make product output more consistent, thus increasing customer satisfaction. This also reduces the cost of goods manufactured (COGM).
- **Labor needed to check CoAs is reduced** and CoAs are checked with accuracy and efficiency.
- **Staff focused on clerical tasks is redeployed** to higher-value problem solving.
- **Suppliers receive immediate and collaborative feedback** so that they can make adjustments, improving the quality of products while also strengthening their partnerships with Chelsea Milling.
- **Any dangerous materials are immediately identified** through continuous compliance monitoring, thus eliminating those materials and their suppliers from use.

"We have a whole new relationship with our suppliers based on synchronized data and communications."

—Jack Kennedy, VP & General Manager, Chelsea Milling

Most critically, overall risk to the company has been measurably reduced, and Chelsea Milling continuously receives **praise from regulatory and downstream auditors** for being able to produce complete supplier compliance documentation at a moment's notice.

As a next step, Chelsea Milling will be implementing automated purchase order acknowledgement, to better protect against stock-outs, better schedule and manage production, and improve cash flow.

