



**TRACEGAINS**

# Improving Compliance, Reducing Risk

## TraceGains' Supplier Management Software Provides Better Food Safety and Sales for Illes Seasoning & Flavors

By Jaan Koel



Illes Seasonings & Flavors of Carrollton, TX, is a third-generation family business that produces liquid and dry food products and sells them to food manufacturers and national restaurant chains. Products include glazes, marinades, rubs, sauces, sauce bases and flavors, among others. Established in 1927, Illes now operates two BRC-approved facilities.

With more than 500 raw materials coming from hundreds of suppliers, Illes experiences first-hand the challenges and demands of the Global Food Safety Initiative (GFSI) and the new Food Safety Modernization Act (FSMA) regulations. These regulations require that Illes track, document, and approve each supplier and product on an ongoing basis as part of its comprehensive Food Safety Program.

“We’re customer oriented and, in order to be customer oriented, you have to have a good supplier management system in place, especially in this environment of FSMA and GFSI. It has to be in peak condition at all times,” says Illes’ VP of Quality, David Schauf.

The more complex a product is based on an increasing list of ingredients, the more difficult, costly, and time-consuming it can be for companies to comply with today’s growing list of food safety auditing and supplier management requirements.

### Competitive Edge

Meanwhile, companies must remain not only competitive and profitable, but also provide the best level of service to their customers. Doing so requires access to specific information about ingredients or products supplied to them, quickly and accurately. As a company, Illes strives to provide this information to customers if and when and in whatever format they request—faster and more effectively than its competitors.

“Our ability to manage documentation and reporting requirements in a professional, proactive manner gives us a competitive edge. By keeping our customers informed of issues and not having them worry about them keeps us on their list of preferred suppliers. It’s as much about food safety as keeping sales on the rise.”

### TraceGains' Solution

To remain competitive, profitable, and customer service-centric, Illes uses the services of TraceGains, Inc, based in Westminster, CO, to help manage all its food compliance documentation collection, analysis, and reporting needs. The company provides a cloud-based, full-service document supplier management system that it customizes to each client’s specific business needs. TraceGains essentially transfers all client document management and analysis, audits, updates, and other requirements into its own hands, so the client can focus on their business.

“They are full-service and handle everything from reading to filing to follow-up when needed both on the supplier and vendor management side,” explains Schauf. “We’ve handed most of our document control needs over to them to manage, and it’s taken a big load off of our shoulders.”

Schauf says his company’s most unique challenge is managing the vast number of vendors and ingredients, which involves carefully scrutinizing the immense volume of data the company receives (e.g., COAs, specs,

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certifications) to ensure that everything is up to date and that the data are complete and accurate.

“We have found TraceGains to be much more user friendly to our suppliers than other systems we have been required to work with as a vendor, systems that have tended to be somewhat awkward and time consuming to deal with,” he notes.

He further points out that TraceGains software reduces bureaucracy and does not require nearly as much specialization or modifications from vendors that provide their information. “The easier it is for vendors to provide data, the more likely they will do it,” he says. “In addition, there is no charge or cost to the vendors to participate like there is with some other providers.”

Schauf points out that TraceGains software not only collects, files, and analyzes information for reference, but also generates reports on any areas of interest. These reports help alleviate worry by verifying data automatically and giving the company pertinent information on exceptions and potential problems.

## Increased FDA Authority

Schauf has spoken at a number of conferences, delivering a presentation entitled Practical Aspects of an Effective Supplier Control Program.

“I use the term ‘Practical Aspects,’ because all too often we tend to do things so they only meet literal requirements. ‘Practical’ will help companies not only to pass an audit, but will also strengthen its overall program and minimize risks to food safety,” he says.

He speaks about the five key areas for implementation focus of FSMA: Prevention; Inspection & Compliance; Response; Imports; and Enhanced Government Partnerships.

**FSMA’s key focus point #1—Prevention**— centers on an effective HACCP plan and risk-based Food Safety Program, along with an effective Document Control Program—the very things companies such as TraceGains can help to design and implement.

**Inspection and Compliance, focus point #2**, is about increasing the frequency of FDA inspections. For example, high-risk facilities in the United States must be inspected every three years, and 600 foreign facility will undergo inspections during the first year, doubling that number every year for the following five years.

**Key focus point #3—Response**—gives the FDA the authority to issue mandatory recalls when a company fails to order a voluntary recall despite it being clear that public health is at risk.

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**TraceGains... delivers what they promise. Together with us, they are on a mission to continually improve their products and services.**

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**Point #4—Imports**—gives the FDA greater oversight over imported food products in the United States and requires importers to be responsible for verifying that their foreign suppliers have adequate Food Safety Programs in place, and that qualified third-party assessors be used to verify them.



Additionally, foreign suppliers must provide certificates of compliance as a condition of entry when needed.

**Point #5 is Enhanced Government Partnerships** between FDA and state and local agencies, as well as foreign governments and their industries in regard to U.S. food safety requirements.

On the subject of vendor management, Schauf breaks vendors down into three main categories—manufacturers, distributors, and brokers. “Vendor selection and approval depend on things such as supplier quality and third-party food safety audit scores,” he explains. “Other criteria include competitiveness--pricing, freight costs, customer service--and logistics such as lead times and inventory availability. All of these things factor into keeping food safe and sound.”

## Continuous Improvement

One of the important efficiencies Schauf says his company has achieved with supplier management software from TraceGains is an ability to review all data as it comes in on a regular basis. “We have been able to identify areas of improvement in dealing with some vendors that we might not have recognized until some issues have occurred. It also allows us an easier means of establishing and maintaining our own ingredient standards and compare them against standards provided by other vendors for the same ingredient. We are also better able to rate the services provided by vendors and establish meaningful scorecards accordingly.”

No doubt, when it comes to food safety, continuous improvement must be entrenched in every producer and foodservice company’s culture. “TraceGains helps us do that, and delivers what they promise,” says Schauf. Together with us, they are on a mission to continually improve their products and services. They are committed to the long haul, and have the best interests of their customers in mind at all times.”

