INTRODUCTION
Whether out of compliance with the European EFSA Regulation 178/2002, the U.S. FDA Bioterrorism Act (a.k.a. the Public Health Security and Bioterrorism Preparedness and Response Act of 2002) or out of the desire for better business operations, traceability matters. This white paper highlights the importance of traceability to retailers and logistics providers, the advantages of adopting new technology systems (or upgrading existing ones) to address traceability issues and the example of one technology solution - Aldata’s G.O.L.D. Track - that enables players to easily and quickly comply with the mandatory regulations and enjoy enhanced supply chain visibility.

WHY TRACEABILITY MATTERS
From compliance to competition, retailers and logistics operators face increasing pressures to have supply chain visibility at all times. There are three main reasons why traceability is critical:

✔ Compliance with the EFSA and FDA mandates

The various outbreaks of food safety issues in Europe in recent years, highlighted by BSE scares and outbreaks of Foot & Mouth disease in the UK, provided the catalyst for the upgrade of the European Food Safety Authority’s Regulation 178/2002. The new mandates include clear responsibility of food and feed industry players to ensure food safety, implement food traceability and also measure to recall or withdraw from market products identified as unsafe. Similarly, the potential for terrorist or other attacks on the United States’ food supply necessitated the passing of the 2002 Bioterrorism Act, which gives companies who manufacture, process, pack, transport, distribute, receive, hold or import food in the United States until December 9, 2005 to comply with the new recordkeeping regulations defined by the Food and Drug Administration (FDA) as part of this act. In the event of an attack, the FDA now requires retailers to identify (within 24 hours of a request) the immediate previous source of food and the immediate subsequent recipients of food, if sent to businesses (and if these records are already being maintained). Failure to establish and maintain or provide these records to the FDA could result in civil or criminal charges. Traceability matters because effective traceability systems enable retailers to assist the EFSA and the FDA in isolating the source and extent of a food recall more quickly, thereby ensuring food safety for consumers and reduced recall expenses, limited liability and less bad publicity for themselves (retailers) and their distribution partners (Wholesalers, 3PL’s, warehouse operators, etc.).

✔ Product Differentiation

Consumers value food items, whether fresh produce or other products, that are produced with certain “content” attributes (e.g., calcium-enriched, isoflavones-enriched) or “process” attributes (e.g., organic, country-of-origin guarantee, fair trade assurance). Since these attributes are difficult for consumers to discern, having a traceability system in place to verify a food product’s origin or method of production enables retailers to confirm these attributes and thus sell these products at a higher premium. Traceability matters because it helps retailers, wholesalers and logistics providers in an environment where margins are thin, achieve higher profits and differentiate themselves from their competitors.

✔ Supply Chain Visibility

Understanding the past and future flows of their food products provides all players with the supply chain visibility they need to operate more efficiently as a whole. Knowing where products are in the chain and where they are going enables retailers and logistics providers to perform more optimal inventory planning and management and to offer better customer responsiveness and service (knowing where products are helps retailers know when they will reach the shelves). Traceability matters because it helps in making more informed business decisions in relation to ongoing operations.

ADDRESSING TRACEABILITY THROUGH TECHNOLOGY
The advantages of adopting new technology systems (or upgrading existing ones) to address traceability issues are many. First, a technology solution helps to more efficiently manage the growing volume of information that must be collected, analyzed and acted upon and to do so in record time. Second, a technology solution provides the speed of responsiveness needed to avoid the negative consequences that may result from taking too long to react to food safety or quality issues, such as negative publicity, liability brought on by consumer illnesses or failure to respond in time to a regulatory body request. Finally, a technology solution lowers the recordkeeping and coordination costs associated with synchronising supply chain records across the food chain and of managing product flows through the chain.

DELIVERING MAXIMUM TRACEABILITY: THE ALDATA SOLUTION
To help retailers address these traceability issues, Aldata created G.O.L.D. Track, a web-architected and JAVA-based solution that provides seamless upstream and downstream traceability of your entire supply chain.

G.O.L.D. Track allows retailers to define the type of information to be tracked via indicators (e.g., supplier code, order number, serial number and others) and, based on these indicators, instantly locate or trace products (at the unit and pallet level) and retrieve information about their associated activities, such as product movement up and down the chain, ingredients used, manufacturing method and other activities. G.O.L.D. Track interfaces with other Aldata G.O.L.D. modules and/or existing applications and enables supply chain partners to:

• Obtain a perfect vision of past and in-progress product flows
• React immediately to anomalies
• Measure the service quality throughout the supply chain; and
• Respond to regulatory body requirements and requests within the required timeframe
For example, should retailers discover a contaminated batch of biscuits, G.O.L.D. Track would allow them to track these biscuits back to their ingredient sources and identify which ingredient(s) contributed to the contamination - like bad eggs. With G.O.L.D. Track, retailers can then identify which batches of biscuits contained the bad eggs and to which stores the contaminated biscuits were shipped. They (retailers) can then remove the contaminated product from the shelves promptly. Logistics providers and warehouse operators can identify biscuits in storage and/or transit and react accordingly to recall products. G.O.L.D. Track provides the visibility, flexibility and accessibility needed to comply and compete in today’s regulatory and competitive environment.

CONCLUSION
Traceability matters. The law requires it; the competitive landscape demands it; and your supply chain benefits from it. More and more organisations recognise this and the need for flexible technology solutions that enable them to access, process and respond to information quickly.

INDUSTRY TRENDS

About Aldata Solution UK Ltd.
Aldata is a global provider of merchandising management and supply chain solutions for high volume retailers and logistics providers. Aldata’s software, G.O.L.D., is a single integrated system that helps to generate, manage and fulfill consumer demand by automating merchandising and supply chain operations. For more information, please call 0870-774 3632, e-Mail info@aldata-solution.co.uk or visit www.aldata-solution.co.uk