McDonald's Supplier Implements Food Traceability System to Comply with Mandate







CUSTOMER CASE STUDY

Automated solution removes manual processes, improves accuracy and enables full traceability compliance

La Chiquita Tortilla, Latino Enterprises Inc., established in 1979, is the number one producer of specialty tortillas in the United States. As a family-owned and operated business, La Chiquita is small enough to offer custom-made products, but large enough to meet national restaurant chain requirements, producing high-quality tortillas and chips using premium grade flour, corn and ingredients. With an AIB (American Institute of Baking) superior rating, La Chiquita operates a state-of-the-art production facility in Atlanta, Georgia.

As a supplier of tortillas and chips to McDonald's via the chain's food distribution companies, La Chiquita was required to meet McDonald's supply chain traceability requirements by implementing a systematic food traceability solution.

The Problem:

All suppliers of McDonald's food must meet stringent food safety and quality standards, which include dedicated production lines, storage facilities and production formulas. In addition to requiring an adequate HACCP (Hazard Analysis and Critical Control Points) program, McDonald's implemented its US Product Traceability initiative to comply in advance with the Food Safety Modernization Act (FSMA) passed by Congress in 2011 and going into effect Oct. 31, 2014. To comply with this initiative, McDonald's suppliers must track and trace products from raw materials through production to distribution points.

As a food manufacturer producing 150,000 to 200,000 pounds of tortillas daily for McDonald's, La Chiquita needed to implement an automated traceability system to comply with the McDonald's initiative, along with a recall system to encompass customers, suppliers, trucking and product lots. Their existing, manual processes did not meet McDonald's automation requirements for traceability, which included the ability to identify any affected or contaminated products within four hours of notice. Failure to do so would require a recall on all products within the past three years.

SOLUTION OVERVIEW

INDUSTRY
Food Manufacturing

PROBLEM
Existing manual processes did not meet McDonald's automation requirements to track and trace products from raw materials through production to distribution points.

SOLUTION
Eliminate manual processes and automate raw materials and finished goods tracking with automated work-in-process traceability software, mobile computing and wireless networking.

RESULTS
Provided automated traceability of raw materials from production to distribution, eliminated time-consuming manual processes and paper forms, and achieved compliance with McDonald's mandates.

La Chiquita wanted to eliminate its current manual processes and implement a compliant system before the mandated “go live” date. They also needed complete visibility of all raw materials and finish goods in order to eliminate time-consuming, daily physical inventories. Additionally, they wanted the system to accommodate future growth needs.

Why Inovity?

Although La Chiquita was initially working with another IT company proposing a different solution, they decided to select Inovity, formerly BarCode ID Systems, for this project. Inovity offered one point of accountability for all software, hardware and support, and maintained strong partnerships with industry providers who had extensive expertise with track and trace solutions. Additionally, Inovity and their industry business partner, BellHawk Systems, were extremely candid about what their proposed solution could and could not do in La Chiquita’s budget range. This candor and advisory approach built trust between the organizations and was the type of company La Chiquita desired.

The Solution:

After thorough consultation with La Chiquita on their system requirements, Inovity proposed the integration of an inventory and food traceability solution with software, mobile computing and wireless networking products and services from key industry business partners BellHawk Systems Corp., Honeywell AIDC and Ruckus Wireless.

BellHawk’s Enterprise Work-in-Process and Inventory Tracking software provided data capture, label printing and materials traceability that replaced La Chiquita’s use of paper forms and manual keyboard data entry with barcode scanning and mobile computers, saving significant labor and eliminating data-entry mistakes. Using the BellHawk Enterprise software, La Chiquita could now:

- Track materials by lot number, serial number and location, as well as enforce expiration dates, storage requirements, quality control parameters, and hazardous materials status
- Track what materials were used in the manufacture of all intermediate or finished products
- Build a traceability database to enable rapid tracking back to the source of defects or contamination and enable rapid limited recall of resultant defective products
- Track compliance with their quality assurance plan by tracking every step of the manufacturing process, including quality control approvals and the collection of test data
- Ensure correct labeling by automatically printing product and customer-specific labels based on the contents of its database
- Gain a real-time overview of the status of inventory, work-in-process, equipment, labor, quality control, customer orders and shipments

La Chiquita was also required to capture and send an automatic EDI ASN (Electronic Data Interchange Advanced Shipment Notice) to McDonald’s supply chain management company and to the appropriate distribution centers (DCs) where the products were being shipped, which included standard serial shipping container code (SSCC) data, item quantities, lot numbers, etc.

Furthermore, La Chiquita was required to send over 20 additional pieces of data regarding the shipment and its destinations, automatically, which was achieved by FTP file delivery to specified DC sites. The software also needed to detect any errors in the preparation or transmission of the ASN and warn IT management via email that an error occurred. Lastly, it

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needed to prevent errors and mistakes made by workers while capturing the needed data for the shipment.

For the hardware components of the La Chiquita solution, Inovity conducted a site survey and implemented a Ruckus wireless network within the 120,000 square foot facility, along with freezer-grade handheld mobile computers and accessories from Honeywell AIDC, and barcode printers from Zebra Technologies. Inovity and BellHawk provided thorough training on the equipment and software, along with thorough documentation and ongoing technical support. their purses, men would put cards in their wallets, employees might forget their cards, etc. These behaviors would have to be overcome for the solution to work as desired.

The Results:

Although the BellHawk Enterprise software handled many of La Chiquita's requirements out of the box, some of the additional data requirements involved code modifications and adjustments. Using newly-developed modules and writing new code, BellHawk developers were able to modify the software and make adjustments to fully accommodate these additional requirements. Because La Chiquita's accounting system, MAS90 (Sage 100), had an older Providex database with read-only capability, the software could not automatically export receipts and ship orders back to Sage 100. However, to prevent manual data entry (and the inevitable resulting mistakes), transfers into Sage 100 could be achieved using exported and imported data via Excel spreadsheets until an accounting system upgrade occurred.

While the initial test installation functioned as required by La Chiquita, it was not immediately put into full production due to La Chiquita's staff shortages and lack of internal capabilities. As the McDonald's deadline loomed, La Chiquita brought on a new IT Director whose immediate focus was to fully implement the solution throughout the facility and production. With this dedicated resource on board, Inovity and BellHawk were able to have the entire system in place and fully operational before the McDonald's deadline.

Since the installation, La Chiquita is compliant with McDonald's mandates. The removal of manual processes and automation of data, inventory, raw materials, product lots and shipments has improved visibility and accuracy and removed the need for daily, manual inventory counts. La Chiquita has engaged Inovity and BellHawk to provide additional modules and functionality with the BellHawk Enterprise software and is looking to expand operations to a new, second facility in Florida.

Inovity, formerly BarCode ID Systems, is a business process improvement company that transforms technology into powerful, integrated solutions that drive efficiency and reduce costs. As a specialty IT systems integrator, Inovity designs and delivers innovative solutions that connect and relay crucial business information between all points of operational activity, in real time. By emphasizing workforce mobility, ERP data mobilization and business process intelligence, Inovity provides automated technology solutions for manufacturing, distribution, healthcare, field service and retail environments.

Established in 1993, Inovity is privately owned and headquartered in Atlanta, and maintains sales and engineering offices in Atlanta, Chicago, Boston, Greenville, SC, Greensboro, NC, Columbus, OH, Huntsville, AL and Ft. Lauderdale. With innovation at its core, combined with solutions for productivity, agility, efficiency, connectivity and visibility, BarCode ID Systems has become Inovity. Contact Julie A. Leonard, Marketing Director, 800-452-7418, ext. 9045, jleonard@inovity.com, http://www.inovity.com.

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