

White Paper

Smart Customers Make Informed Buying Decisions

THE LONGEST YARD FOR THE FOOD CHAIN

As food safety legislation heats up, shippers can enhance the security of their supply chains – and reduce costs – by turning their attention to yard management solutions.

The food supply chain rarely receives public attention unless something goes wrong – a product gets recalled, media and PR machines start spinning, and legislators renew calls for reform. When e. coli, salmonella, salmonellosis, botulism, and listeria share headlines with popular brands repercussions linger. In a similar way, yard management rarely receives corporate attention unless a trailer or shipment drops off the radar.

Food safety and security has been a recurring agenda item for government regulators trying to build greater transparency and accountability into an increasingly global supply chain. As companies source and transport food products from farther afield the potential for contamination, security breaches, and shrinkage increases. As a consequence, shippers are becoming much more vigilant about how they track and monitor assets – especially in the yard.

FOOD SAFETY ENFORCEMENT

When the U.S. Food and Drug Administration (FDA) passed the Food Safety Modernization Act (FSMA) in January 2011 it triggered a ripple effect that is still radiating out through the supply chain. It had been more than 70 years since the U.S. government last introduced any significant food legislation and many consumer advocates and shippers welcomed the change.

The FMSA's action was largely precipitated by a number of high-profile food-borne disease outbreaks and recalls that amplified public awareness and criticism of lax FDA enforcement. While the new provisions instruct the administration on how to better manage and respond to product recalls, it also creates a regulatory architecture that seeks to prevent epidemics from occurring in the first place.

Moving forward the FDA has the authority to propose and enforce new regulations with regards to companies that harvest, handle, and transport raw fruits and vegetables. It will also be able to hold foreign growers and importers accountable to these same standards.

The FDA has also been busy pressing forward with the first stages of implementing the Sanitary Food Transportation Act (SFTA) of 2005, which will transition the responsibility of food transportation inspections from the U.S. Department of Transportation (DOT) to the FDA. The legislation is targeted at preventing possible food contamination while freight is in transit, and the FDA will be charged with regulating packaging, transportation, and information sharing between different parties in the chain.

The sum effect of current food safety rulemaking is that shippers need to be more vigilant in how they manage their supply chains. Real-time visibility to and monitoring of shipments in transit is critical to ensuring that products remain viable. At the same time, if and when the FDA warrants a mandatory recall, companies will have to pinpoint exactly where products are positioned.

Chain of custody remains a cardinal concern for shippers. Identifying blind spots at important junctures between modes and facilities is a necessary area for improvement. Many companies are turning to yard management solutions (YMS) as a measure to extend the efficiencies of the warehouse and help bridge security, safety, and visibility gaps that exist when trailers and their contents sit in limbo.

LOCATING EFFICIENCIES IN THE YARD

Within the geography of a supply chain the yard falls between a staged trailer and a loaded dock. It's a critical transshipment nexus, like any port or rail/intermodal ramp. Ensuring visibility during these "jump" points is a primary concern for all food-grade shippers.

Historically, companies have prioritized transportation management (TMS) and warehouse management systems (WMS) to optimize various logistics functions from planning and procurement to asset and labor utilization. Yard management solutions present yet another opportunity for companies to increase visibility, enhance security, and reduce costs by automating detailed monitoring of trailers at a facility.

For example, a WMS tells a picker to pull SKUs for a particular trailer. A TMS guides that shipment to a specific carrier. But who's in charge of tracking when a trailer begins unloading or loading and how long it idles in a yard before it moves?

From a practical perspective, shippers or consignees that don't know when a trailer arrives in a yard or whether a shipment is sealed and maintained at a proper temperature are leaving the door open to risk. Even a perishable shipment forgotten in a refrigerated trailer for 36 hours can arrive at a retail location in a different condition than if it was properly staged and left a facility right away ¬– thereby compromising its shelf life.

Apart from safety and security, a YMS enables shippers to share pertinent information with other parties in the supply chain. There are myriad efficiencies to be gained as a consequence. On average it typically takes a trailer three days to complete a move ¬– 2.5 days may be spent sitting in a yard empty or loaded. So yard management solutions can greatly increase asset utilization, prevent demurrage charges, and reduce fuel use and carbon emissions with regards to idling refrigerated trailers.

Moreover, if a shipper reduces the number of trailers dwelling loaded in a yard it can eliminate transient inventory and associated carrying costs from the supply chain. A retailer might take a day worth of safety stock out of a store location if it has confidence turning trailers.

STRENGTHENING THE SUPPLY CHAIN

Businesses can operate pristine warehouses, work with talented core carriers, and manage inbound freight precisely down to the SKU – but if they don't know where in the yard a shipment or trailer is located all of those other efficiency gains are moot. The consequences may be far worse.

The food supply chain is only as safe and secure as its weakest link. Yard management has never commanded the appreciation, attention, or investment that warehouse and transportation functions have. But with new safety regulations changing standard operating procedures and consumer confidence as fickle as ever, companies that fail to make yard management an integral part of their warehouse operations are risking a lot more than lost trailers.

PINCSolutions

PINC Solutions is North America's leading supplier of supply chain visibility and advanced yard management solutions with Fortune-500 customers in the manufacturing, retail, logistics, and transportation sectors. PINC has pioneered the development of cost- effective RTLS using passive RFID technology that minimizes capital investment required in the infrastructure. PINC's award-winning products are designed with a scalable architecture for businesses of any size, and are expandable with modular components as customers needs grow. Available as turnkey solutions and delivered through a Software-as-a- Service (SaaS) model, these systems have proven their value through immediate efficiency improvements in customers daily operations, typically generating positive ROIs in less than a year. To learn more about PINC Solutions, please visit www.pincsolutions.com.

Copyright © 2012 PINC Solutions, Inc.

Connect with us: