

# Benefits Of Real-Time Traceability

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Manufacturing companies are increasingly under pressure to be compliant. Whether mandated by the government, customers, third-party auditors or quality standards such as ISO, companies must prove their ability to track and trace inventory, goods and other items in order to remain compliant and competitive in the local and global marketplace.

At a Bioterrorism Compliance Seminar held several years ago in Fort Worth, Texas, U.S. Food and Drug Administration (FDA) Southwest Regional Director Dennis Baker challenged the audience to consider a scenario: Should forward- and back-lot tracking compliance be done manually on paper, or should the FDA require this tracking to be computerized? While Baker said the FDA considered making automating lot tracking mandatory, the agency ultimately decided against it because competition was already successfully making that demand.

In the marketplace, fast food chains, superstores, restaurants and others affected by food scares demand a way to quickly and efficiently conduct recalls to protect their brands and, ultimately, protect their pocketbooks. As a result, vendors of these customers are under pressure to provide real-time traceability, or take the risk to potentially lose their business to the competition.

On the flip side, vendors that provide real-time traceability win business.

Consider Renfro Foods, a specialty food processor for salsas and sauces in Fort Worth, Texas. When Renfro moved from a manual-based system to real-time traceability in 2005, the new system enabled this 65-year-old company to not only move into a high-tech phase to grow its business; it also increased market share and provided compliance with new food regulations and standards.

Mock recalls, for example, can now be performed in minutes versus hours and possibly even days. The key is to collect all needed data in real-time, preferably with bar codes, that provide all the necessary information, regardless if the information comes from accounting or on the production floor.

“In addition to meeting the initial goal of compliance with the Bioterrorism Act, our new software systems provided our company with much more information about our production process than we’ve had in the past,” says Doug Renfro, president of

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Renfro Foods. "We were especially excited that we were able to install and implement the new software without adding a single staff position! As a further benefit, our new software processes and reports are a key part of impressing prospective new customers for our branded and private label business."

Beyond compliance, other benefits of real-time traceability go to the heart of the manufacturing and food processors' world, providing accurate on-hand inventory, accurate finished good costing and yield reporting.

With a real-time system, raw materials, work in progress and finished goods are bar coded and tracked throughout the manufacturing process. Real-time labor and workstation reporting provides key manufacturing information to minimize waste, reduce downtime, maximize yield and eliminate unnecessary overhead costs by automating labor intensive tasks. And, while a comprehensive system eliminates guesswork and system inefficiencies, the company always knows what employees are doing and where inventory is at all times.

Real-time production/shop floor control software should seamlessly integrate with a company's accounting system. Instead of manually chasing and preparing data, inventory is captured in real-time. This reduces overhead expenses, eliminates duplicate data entry, provides cradle-to-grave reporting and leverages key staff on higher pay-off projects.

A real-time traceability system also:

- captures in-process quality control data, live, on the shop floor;
- provides a complete audit trail and quality control results detailing who worked on what and when;
- displays specific, detailed work instructions at each step in the manufacturing process;
- supports item and component serialization;
- provides lot control and complete inventory batch or part history;
- provides real-time shop floor management data for scheduling and purchasing;
- illustrates real-time visibility of all shop floor activity for management;
- supports seamless handling of re-work and scrap, including lot control;
- provides real-time bar-coded driven employee time tracking and inventory movement; and
- enables the company to go completely paperless.

A robust solution captures real-time inventory data, including costs and quantities for raw materials, work in progress and finished goods. With Inventory and Balance Sheet valuations posted in real-time, companies can generate accurate Cost of Goods Sold and Income Statement reports each month, quarter or annually. Accurate bottom-line profit or loss is no longer dependent on the next time the company takes a physical inventory count.

Real-time traceability is becoming a necessity, as well as the cost of entry for many

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manufacturers and food processors. The good news is that the effort and cost of moving to a real-time system will quickly pay for itself and, if used strategically, expands a company's customer base by demonstrating compliance and a commitment to quality.

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[1] <http://www.tamlinsoftware.com/>