

# MetricStream

## Complaints & Audit Management Solution in the Food & Beverage Industry

### Effective compliance and reduced safety risks for stronger brand

Mandates by the FDA and the USDA such as HACCP procedures and ISO 22000 based food safety management systems are the basis for many quality and compliance programs in the food and beverage industry. Record levels of complaints and the growing realization that efficient quality and compliance management can positively benefit business are driving complaint and audit management to the top of many organizations' agenda. Failing to deal effectively with quality proves detrimental not only from a regulatory standpoint but also in terms of avoidable litigation and tarnished brand image.

To stay as a preferred brand, companies need a solution which integrates their food safety initiatives through adequate audits and triggers corrective action in case of any customer complaints - a process of automatic mapping of deviations and violations back to a specific list of food safety issues.

MetricStream provides a comprehensive Complaints & Audit Management solution for the Food & Beverage industry, giving you a head start by providing dependable automation and regulatory compliance. It ensures effective compliance, reduces food safety risk, streamlines information flow and business processes, improves operational efficiencies and above all helps meet desired quality levels and compliance requirements.

### COMPLAINTS MANAGEMENT IN THE FOOD & BEVERAGE INDUSTRY

In spite of the broad recognition and adaptation to continuous quality improvement, there continues to be a challenge within food manufacturing and services organizations to fully integrate this approach in their operations. The primary reason for this is the complexity of the structure of the food industry and the risk prone, perishable nature of its products. While a food manufacturing and services company has to deal with a complex supply chain: the franchisees, retailers and the end consumer at the structural level, it has to also ensure food safety at all levels of production. Unattended complaints at any level from any partner or customer can lead to tarnished brand image and thinning of bottom line. Traditional systems have failed to deal with this complexity and



- ▶ CAPA
- ▶ HACCP
- ▶ ISO 22000
- ▶ Food Labeling
- ▶ Food Safety Audits
- ▶ ISO 9000/14000

strict regulatory environment of the food and beverage industry. Frequent recalls and food related outbreaks highlight the cracks in the prevalent systems. Major flaws of these traditional systems are:

#### MAJOR BOTTLENECKS

- ▶ **Manual Handling of Complaints:** Interdependency of various channels like franchisees, suppliers, retailers and the end-consumers makes manual handling of complaints very cumbersome and inefficient.
- ▶ **Regulatory Actions:** The various food security legislations increase the onus on efficient recordkeeping for all transactions and interactions made with all channel partners.
- ▶ **Isolated View of Complaints:** In spite of interdependency of the channels, most complaints have to be handled in isolation due to lack of adequate communication and information at the time of complaint resolution.
- ▶ **Non-Prioritization of Complaints:** It is important to prioritize complaints in order to ensure minimal loss to company. For example, a food company having 100 franchises will receive an average of 5 complaints from each franchisee in a week. In absence of proper protocol, the complaints will be managed as

## Highlights of Complaints Management Solution

- ▶ Quality Indices
- ▶ Traceability
- ▶ Reports and Metrics
- ▶ Incident Recording, Routing
- ▶ Track and Close Incidents
- ▶ Reports and Metrics

*they come or at the discretion of the complaint manager. Hence, there will be no risk assessment and prioritization based on severity levels. This may prove fatal for the brand both from business as well as regulatory standpoint.*

- ▶ **Subjective Complaint Handling:** In absence of a proper information management system, the ability to discern the overall impact of events and their remedial action becomes subjective, determination often relying on the individuals assigned to make the decision of whether the event is critical to the business or not.
- ▶ **Acknowledgement of Complaints and Defining of Responsibility:** The channel against whom the complaint has been made needs to initiate the remedial action. However, traditional systems do not facilitate tracking of ownership of complaint and its remedial action. As business grows and spans across geographies, it becomes difficult to manually overlook each complaint and the resulting corrective action.

## COMPLAINTS MANAGEMENT SOLUTION

MetricStream Complaints Management module is a comprehensive solution for managing complaints from customers, channel partners and from within departments. The real-time visibility provided by MetricStream enables organizations to track each complaint through its lifecycle from initiation to closure - following the appropriate process to ensure that nothing slips through the cracks. The powerful analytics and reporting capability with dashboards helps managers to perform trend analysis and spot recurring problems and drive timely root cause analysis. Based on a complaint, managers can also trigger internal or supplier corrective and preventive action. The highlights include:

- ▶ **Complaints Recording & Routing:** Complaint recording is automatic and is routed to the complaints manager to initiate a complaint for a product or service coming from any channel, be it business partners or customers.
- ▶ **Customized Screen View:** Complaint manager can have

separate screens for suppliers, franchisees, retailers etc., all encompassed in one solution. The exact fields, the level of drill-downs, information captured and layout can be customized by using the Process Flow Designer.

- ▶ **Exhaustive, Automatic Data Analysis:** There are various reports that can be generated by the Complaints Manager. For example, reports on status of complaints, feedback from the complainer, status of remedial or corrective action.
- ▶ **Prioritization of Complaints:** Complaints can be prioritized based on the parameters given in inbuilt business rules.
- ▶ **Investigation and Response Monitoring:** Deadlines can be given for remedial action and automatic alerts can be set for reminders and delays.
- ▶ **Charge-backs and Mediation:** Supports charge-backs, credits, returns and replacements that result from complaints. In case of disputes or rejection of complaints, an authorized user can mediate for resolution and close the case.
- ▶ **Metrics and Reports:** Provides complete visibility into complaints database and lifecycle with comprehensive aggregate reporting as well as individual case status tracking.
- ▶ **Executive Dashboard View:** Graphical executive dashboards provide statistics and data by a variety of parameters like complaint types, products, status, open cases, average closure times, franchisee, region, supplier, with drill-down capability.
- ▶ **Transparent Closed-loop System:** The solution creates a closed loop system where each channel can directly interact with the complaint manager in real time. They can take ownership of the complaint, reject it, suggest remedial action etc, all of which is automatically recorded and the final outcome updated to the complainer and the manager, giving the whole process transparency, fairness and efficacy.

## EXAMPLE

Consider a food chain having more than 1600 outlets, spread across the United States. Their trading partners include raw product suppliers and distributors. Management wants to eliminate product safety risks from supply chain and improve trading partner efficiency by providing product credits to franchisees precipitated by product quality or safety complaints. To maintain the quality associated with their brand they have to systematically address the complaints from all the persons and companies associated with them and provide corrective action for such complaints.

Currently, any branch that faces problems sends a paper-based

report to the corporate office. With rapid outlet expansion and complex nature of complaints, it is getting difficult to prioritize them before resolving. Also, without proper documentation from the past, it is difficult to ascertain the status and nature of corrective actions that have been implemented.

## AUDITING

The food industry faces an unprecedented level of scrutiny. Consumers are not just concerned about the safety and quality of food products but also about the way in which they are produced. The Government has laid strict guidelines to be followed for auditing. Complexity of food industry leaves no scope for slack audits. An imperative part of quality and safety management auditing in food industry is today faced with many challenges.

### Major Bottlenecks

- ▶ **Non-Standardized Auditing Process:** Many companies have numerous auditing groups that perform dozens of types of audits. This leads to variation in the auditing standards being followed by the company.
- ▶ **Audit Planning:** Defining objective and scope of the audit process and organizing audits in logical packages with detailed evaluation and pass/fail criteria with checklists not easy.
- ▶ **Audit Execution:** Data collection, analysis and review is highly time consuming and resource intensive. There is no common approach for capturing data elements, nor is there any ability to automatically aggregate the information for analysis. Aggregation must be done manually, which is slow, laborious and not always consistent in information content.
- ▶ **Reports and Metrics:** Proper reporting needs to be done otherwise no action can be taken against the audit.

## AUDIT MANAGEMENT SOLUTION

The efficiency of audit execution and integration of the audit process with the overall enterprise-wide quality management system are critical for successful audit management.

MetricStream Audit Management is a comprehensive solution that enables companies to manage all audits within an organization as well as audits of external entities, such as suppliers and contractors. It provides capabilities to efficiently plan, schedule and conduct audits, allows audit findings to be reviewed and analyzed by a team, enables initiation of follow-up activities such as corrective/preventive actions when needed and provides the ability to monitor the entire process. The powerful analytics and reporting capability with graphical dashboards to track each audit

from initiation to closure gives managers complete real-time visibility into the quality system. The major highlights of the Audit Management Solution are:

- ▶ **Comprehensive Audits:** The solution gives the facility to conduct all types of audits then be it supplier, distributor or product audit. Also, the channels and the auditors have separate log-ins to the solution enabling access and communication in real time to every user involved in the audit.
- ▶ **Tailor-made Checklists:** Auditors can organize an audit in a logical structure and hierarchy with detailed audit templates and work orders. Evaluation and pass/fail criteria, checklists and tasks that need to be performed for executing the audit can also be defined.
- ▶ **Exhaustive:** Clicking on any higher level audit element will drill-down to the lower level audit elements, giving the user exhaustive view of the audit and its result.
- ▶ **Closed Loop:** Auditor can examine the responses given by the channel for which the audit was conducted, approve or reject the same and track it till the problem is solved.
- ▶ **Secure Web-based Access:** All users get appropriate views and tabs for initiating actions, responding to events, managing to-do lists and assigning tasks, viewing reports and dashboards.
- ▶ **Sustains Compliance:** Whole process of auditing is done and reiterated with the push of a button ensuring easy, long term compliance.
- ▶ **Real Time Monitoring:** Reports are assessed in real time while simultaneously a repository of previous results is maintained, giving the auditors and managers a complete track of events, at the click of a button.
- ▶ **Centralized and Standardized Auditing Process:** Implements a global and consolidated approach to managing audits.
- ▶ **Scorecards for Channels:** Audits can provide scorecards for both supplier and individual store or outlet quality. Report data can identify consistently poor performing stores, outlets and suppliers.

MetricStream solution is designed to scale across the entire extended enterprise for effective management of compliance and quality processes. It ties together critical quality processes like complaint and audit management, communications and data from dispersed franchisee locations, corporate headquarters, customers and suppliers. The result is an integrated quality and compliance management system which speeds resolution of quality issues, helps prevent quality problems through dissemination of localized knowledge and provides for greater transparency and accountability in all quality and compliance related processes.

### **Case Study - Large Supermarket Chain**

This MetricStream customer is one of the largest supermarket chain in the United States. The company strives to ensure compliance with food safety regulations to maintain safe shopping and work environments for its customers and associates and that its associates are expected to consistently perform high quality food safety practices. The quality assurance function that is responsible for auditing and reporting on the food sanitation and safety environments within its stores, manufacturing plants and warehouses.

MetricStream safety, quality and compliance solution delivers key benefits such as:

- ▶ Providing reporting functions that can access all of the quality data and generate reports that accurately and efficiently show results of audits and corrective actions
- ▶ Serving as integrated system to store the quality records and information in a central repository and an integrated entry point for all data to be managed
- ▶ Handling key functions like receiving audits, food safety evaluations and third-party audits
- ▶ Complying with government regulations and reducing the risk of rejection or noncompliance

## Case Study - SUBWAY-IPC



Independent Purchasing Cooperative (IPC) is a cooperative that is owned by more than 8,000 US and Canadian SUBWAY franchisees and provides supply chain management services to the SUBWAY restaurant system. IPC manages a network of trading partners who provide food and packaging products to all US and Canadian SUBWAY restaurants. These trading partners comprise a large number of suppliers, distributor centers and produce distributors.

IPC's mission is to negotiate the lowest costs for purchased goods and services, improving quality and enhancing competitiveness and insuring the best value to SUBWAY franchisee members and their customers. The business goals that drove IPC to implement the MetricStream solution were:

- ▶ To eliminate product safety risks from the SUBWAY supply chain that could adversely affect their customers and to eliminate food quality inconsistencies.
- ▶ To improve trading partner efficiency of providing monetary and product credits to franchisees precipitated by product quality or safety complaints.

The MetricStream solution at SUBWAY- IPC supports key business process workflows and provides powerful quality reporting and monitoring features delivering significant business value such as:

- ▶ Visibility to trading partners (suppliers and distribution companies) of franchisee product quality and safety complaints to ensure timely response.
- ▶ A mechanism for trading partners to document and publish their response to the franchisee product quality or safety complaints.
- ▶ Visibility into responses and feedback to appropriate parties.
- ▶ Alerts and notifications about product quality or safety issues.
- ▶ A systematic mechanism to schedule and execute product and plant audits.
- ▶ Visibility into audit information to trading partners and other concerned parties.
- ▶ Analytics to trading partners and appropriate parties on audit and complaints data.
- ▶ Web-based access to quality, safety and compliance data from across the enterprise.

With MetricStream's solution, IPC has dramatically reduced its costs in the supply chain and increased the franchisee satisfaction.

### Highlights

- ▶ Quick Implementation
- ▶ Seamless Integration
- ▶ User-friendly
- ▶ Built-in Reporting
- ▶ Robust Security
- ▶ Improve Processes





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## **ABOUT METRICSTREAM**

MetricStream is the leading provider of solutions for Governance, Risk, Compliance (GRC) and Quality Management. Organizations today need a systematic approach to defining and managing GRC initiatives and quality management programs through a sustainable and integrated process that is aligned with the corporate strategy instead of a series of unrelated tactical projects. MetricStream has enabled leading corporations in diverse industries to make the shift from isolated compliance initiatives and departmental silos of risk-related information to integrated enterprise-wide strategy for GRC and quality management.

# **MetricStream**

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