



# Developing an *Effective* Supplier Approval & Management Program



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Tyson Foods produces approximately 1 out of every 5 pounds of chicken, beef, and pork in the United States.



# Food Safety... Why Not You?™



Food Safety &  
Quality Assurance



## Why Do We Need One?

Do we need one?

Every single person in the supply chain makes a difference



farm



production



warehousing



transportation



retail



food service



consumer



2014 AVERAGE WEEKLY PRODUCTION



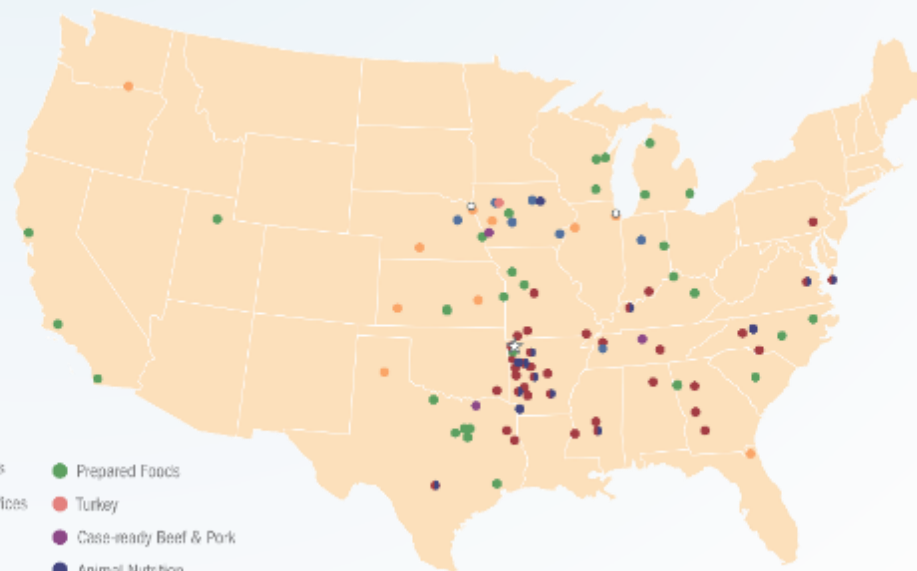
**41,400,000** Head per Week



**133,000** Head per Week



**383,000** Head per Week



- ☆ Headquarters
- Corporate Offices
- Chicken
- Beef
- Pork
- Prepared Foods
- Turkey
- Case-ready Beef & Pork
- Animal Nutrition



# WHY DO WE NEED ONE?



# Most Importantly....



food service



retail



consumer





# Cornerstones of Supplier Management

## Initial Approval

- How do they get a foot in the door?

## Ongoing Performance Management

- Does the supplier and the material meet specifications?

## Corrective Actions

- What happens when they don't deliver?





## The Initial Approval Process

1. Know *your* risk
2. Do your homework
3. Check the scoreboard
4. If necessary, go on a field trip
5. Qualification or disqualification



## Know *Your* Risk

### What are we trying to procure?

- Raw Meat or Poultry
- Spices
- Vegetables
- Packaging Materials

### What are we going to do with it?

- Grind
- Cook
- Package



## Do Your Homework

What do you want/need to know?

- Product
- Process

Ask some questions

- Self-Inspection Survey

Lay out the ground rules  
*and gain agreement*

- Supplier Expectations Manual



# The Self-Inspection Survey

Allergen Presence and Controls

Intervention Usage

Country of Origin

Microbiological Performance History

*Supplier Approval Program*

Foreign Object Exclusion Equipment

Compliance History

Process Segregation

Sanitation Program

Analytical Testing

Environmental Monitoring





## Check the Scoreboard

### Are they GFSI certified?

- If not, are they willing to get there?

### Google them

- Have they had a recall in the recent past?
- Have they received a Letter of Warning (FDA)?
- Have they been subject to an enforcement action (FSIS)?

### Is the material known to be associated with fraud?



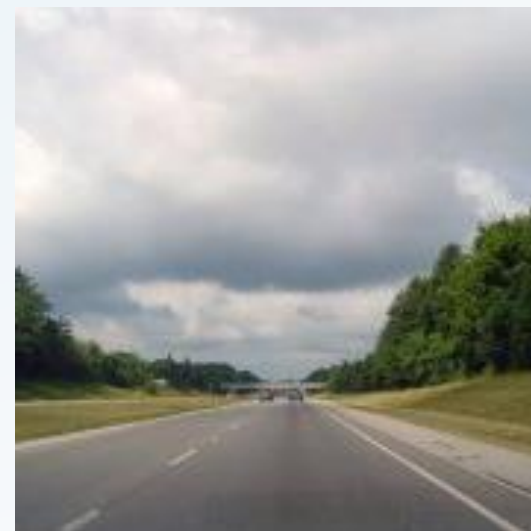
## Going on a Field Trip



You can't be everywhere at once!



Prioritize based on risk.



Have a purpose and plan.



## Why Take a Field Trip?

### October 2015 Recalls (1<sup>st</sup> - 25<sup>th</sup>)

- FDA – 36
  - (3 pet food, 4 medical devices)
- FSIS – 6

### Iconic Brands Not Immune to Disaster

#### **Blue Bell Ice Cream to begin phase two on November 2, areas include north central Texas and north central and southern Oklahoma**

Brenham, Texas, October 1, 2015 – Blue Bell Ice Cream will enter phase two of its five phase market re-entry plan on Monday, Nov. 2. Phase two includes north central Texas (Dallas, Fort Worth and Waco areas) and north central and southern Oklahoma (Tulsa and Oklahoma City areas).

“We have experienced tremendous consumer response and support since our return to stores on Aug. 31,” said Ricky Dickson, vice president of sales and marketing for Blue Bell. “This support, coupled with our current production capacity, has slowed our ability to enter additional distribution areas. We are working as hard as we can to keep stores in phase one stocked without jeopardizing the new quality and safety procedures we have implemented to ensure our products are safe and of the highest quality.”

Currently Blue Bell Ice Cream is being made in Broken Arrow, Okla., and Sylacauga, Ala. “We continue to make good progress and expect to begin production at our main plant in Brenham in the next few months,” Dickson said. “With our Broken Arrow plant now producing ice cream, we are confident that we can build enough inventory to enter phase two beginning Nov. 2. We do not have a date for any other phases at this time. As soon as we know that we can properly service the customers in an area with an adequate supply of Blue Bell Ice Cream we will move to the next phase.”

For now Blue Bell is producing five flavors of ice cream in the half gallon and pint sizes: Buttered Pecan, Cookies ‘n Cream, Dutch Chocolate, Homemade Vanilla and The Great Divide. More flavors will be added in the future. 12-pak Homemade Vanilla Cups and 12-pak Homemade Vanilla and Dutch Chocolate Cups are also available in stores.

“We are extremely grateful to everyone who has supported us during this time,” Dickson said. “Thank you for your patience as we work to return to our markets.”

For more information and to find out where Blue Bell is available visit [bluebell.com](http://bluebell.com).

Source: Blue Bell

## Post-Field Trip Assessment

- Observations v. Documentation
- Willingness to Conform or Comply
- Timeline for Corrective Actions
- Timeline for Qualification Decision



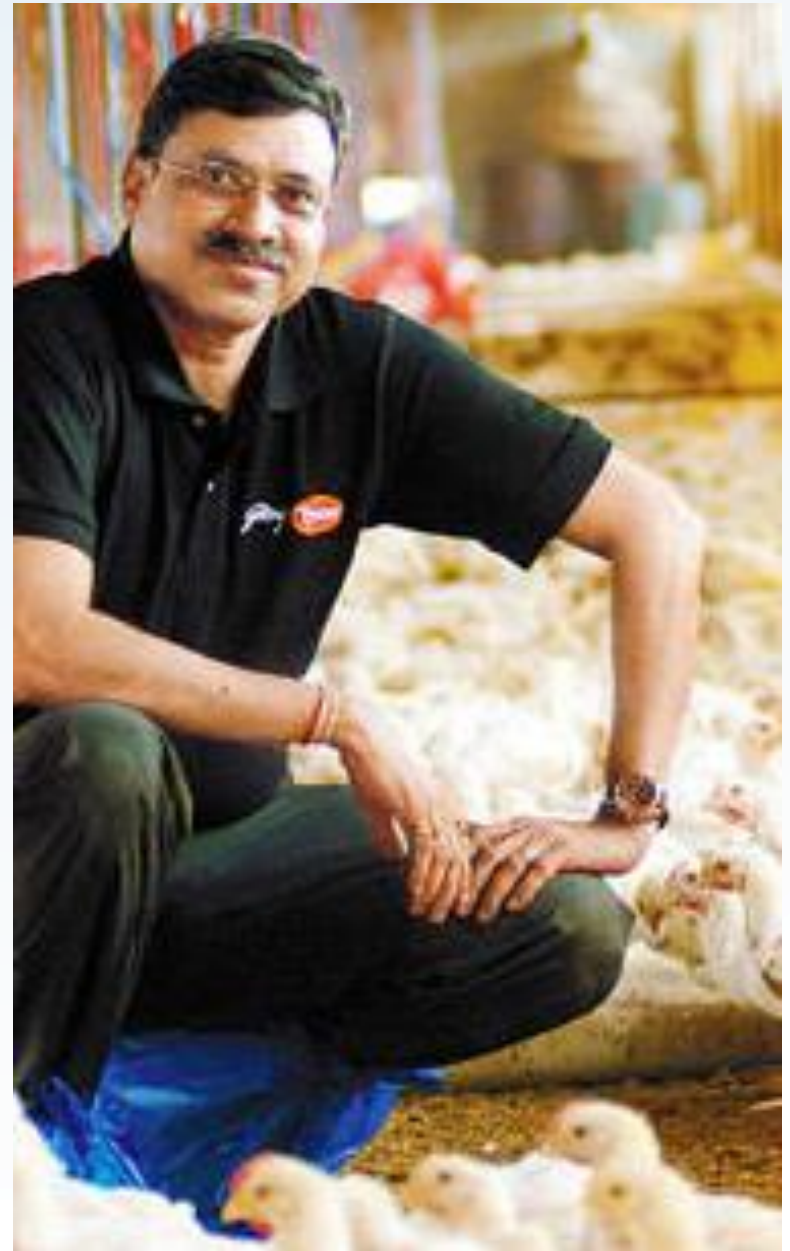
So They're Approved....

Now What?



# Supplier Management

1. Know the Risk
2. Administer Exams
3. Poll the Audience
4. Keep Score
5. Embrace  
Technology
6. Love 'em or  
Leave 'em!



## Know the Risk

### Have your plans changed?

- Raw v. RTE

### Do the materials have a clean bill of health?

- COA
- Test and hold

### Are their papers in order?

- Import re-inspection

### Has the picture shifted?

- Food fraud





# Administer Exams

...BUT- beware of  
DIY testing

- Pathogen v. Indicator

Check it out

- Packaging integrity
- Label verification
- I-House number (if applicable)
- Weigh-In

Mind expiration  
dates!

- Keep a schedule



## Poll the Audience

### Stick around for the show

- Chubby?
- Smell good?
- Appearance

### Ask for feedback

- Get what you paid for?
- Consistent product?
- Good service?
- Other comments?





# Keep Score

## Have a reporting mechanism

- Naughty or nice?
- How often?

## Provide feedback and expect corrective actions

## Assess corrective actions

- Thorough?
- Reasonable?
- Actionable?





## Embrace Technology

### Database the information

- How else can you stay current?

### Get some help!

- Resources v. workload  $\neq$  success
- Prioritize information



# Love 'em or Leave 'em

## Relationships take work

- It's a partnership!
- Communication is key

## Know when to cut your losses

- How much is too much?
- Are there instant winners?

## Have an exit strategy

- Consider contractual commitments
- Be realistic about the timeline



# Corrective Action Responses

What are we looking for?





So...

What's the Goal?



## What Does “Good” Look Like?

Expect root cause analysis

- 5 Why

Evaluation of the scope

- Are other/similar materials affected?
- Severity of the fallout

Immediate actions to stop the bleeding

Preventive actions to avoid the hamster wheel effect

Implementation dates for all actions



# How Can You Help the Supplier?

## It starts on *your* end

- Give them a good description
- Photos or other visual aids

## Set expectations

- Communication
  - Timing
  - Level of detail
- Replacement product





## How Can You Help Yourself?

Go with your gut!

Take a field trip

Phone a friend

- Legal counsel
- Expert opinion

Prepare for the worst

- Contingency plan
- Crisis management





## Closing the Loop

Supplier  
management is not  
for the faint of heart

Complacency is not  
a viable position



“You can do what I cannot do. I can do what you cannot do. Together we can do great things.” - Mother Teresa



Committed to continuous  
improvement.

