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Matter of Security

By Alliston Ackerman

Perfetti Van Melle tracks all candy materials to ensure food safety in the United States

The events of September 11, 2001, reinforced the need to tighten the security of the United States. Just one of many results to follow the tragedy was the passage by Congress of the Public Health Security and Bioterrorism Preparedness and Response Act of 2002, a.k.a the Bioterrorism Act. The act, which President George W. Bush signed into law June 12, 2002, requires the registration with the Food and Drug Administration (FDA) of any facility that processes, packs, manufactures or holds food that will be consumed in the United States. In addition to registration, the Act also requires:

Facilities maintain detailed records of the acquisition, production, distribution and sale of food products;

Registrants are immediately accessible to the FDA;
and Registrants are able to provide the FDA with detailed tracing of any food product at a moments notice. Title III, Subtitle A of the Bioterrorism Act requires the FDA to promulgate regulations affecting an estimated 420,000 U.S. and foreign food and beverage facilities.

Call to Action

Perfetti Van Melle (PVM), famous for its Mentos Mints and other tasty sweets, is one of the many mid-sized companies that must update its IT systems to comply with the Bioterrorism Act by June 9, 2006 — the deadline for manufacturers with between 11 and 499 employees. PVM is working with SAP provider itelligence Inc. to implement a batch management system with the ability to track all batches of all materials to ensure products can be recalled if required.

Prior to the FDA mandate, PVM did not keep records of where specific lots of product were shipped nor did it keep records of what batches of raw materials were used in a particular lot of finished product.

According to Dave Hofmeister, CIO, Perfetti Van Melle USA, a targeted recall would be next to impossible. "If a situation would occur that required a product recall, we would have to try to recall the product based on date codes that are printed on wrappers and packaging," says Hofmeister. "We would then have to broadcast a recall message to any customers who received similar product after the date on question. A recall scenario without batch management would not be pretty."

After the Bioterrorism Act was approved, PVM determined that the development of a manual or adjunct system to meet the Act's requirements was out of question due to the scale of its operations, which includes raw materials, packaging, and in-bound and out-bound transporting.

As a user of SAP ERP since 1997, PVM went to Plan B — use the batch management functionality inherent in PVM's ERP system to meet all requirements of the Bioterrorism Act with very little

customization. itelligence had already devised a solution specific to the consumer packaged goods industry that helps customers embrace Food Safety principals and comply with the Act's requirements by tracking all batches of materials to ensure products can be recalled.

"I personally have had a very long history of successful SAP support from itelligence," says Hofmeister. "I simply have never had an engagement with them that did not turn out to be a complete success. When I joined PVM and was told that I was to run this project, itelligence was the first partner that I called."

Above and Beyond

PVM is currently in the 'realization' phase of its batch management project, which means that it is completing unit testing and is about to embark on integration testing with project completion projected for February 2006.

In the end, the batch management system is expected to capture lot numbers of all raw ingredients and any packaging that comes into contact with PVM's consumable product.

For example, Airheads — PVM's taffy-like candy bar — have a dozen or so ingredients. PVM will record every batch that comes into the warehouse, record what batch is used for what production order, print the lot number on the Airhead, record the specific batch of wrapper material, keep record of where Airheads are shipped and keep records on carriers used to transport goods to customers.

"We are definitely looking at this project as an opportunity to realize some significant business benefits," says Hofmeister. "As a part of this project, we will implement RF barcode data entry on our shop floor in order to facilitate batch number data entry."

This will enable PVM — for the first time — to have the movement of goods reflected in real-time in its SAP system. It will allow PVM to instill a discipline whereby no single movement of physical goods will occur without a corresponding SAP transaction. The data entry responsibility will be pushed to the individuals who are actually responsible for the physical movement — a relief to those planners who currently perform all of the SAP transaction tasks many hours after the movement occurs.

PVM is implementing the RF project with the help of Catalyst International. While the RF deployment is not a requirement imposed by the Bioterrorism Act, PVM believes it will lead to better business practices. This effort is also slated to go live in February as part of the overall lot traceability project.