

A Case Study:

Affiliated Food Midwest Prepares for FSMA Compliance; Cuts Vendor Document Non-Compliance in Half



OVERVIEW In February 2014, Affiliated Foods Midwest (AFM) adopted ReposiTrak's cloud-based Compliance Management System to help scale AFM-required vendor documents and proactively manage FSMA-related records. ReposiTrak replaced AFM's home-built, manual system in which they estimated about 30% of their vendors were non-compliant. Once implemented, ReposiTrak reduced AFM's non-compliance among vendors to an average of 15% through proactive alerts, automated exception reporting, and AFM's focused follow-up.

INCREASING LIABILITY The Food Safety Modernization Act (FSMA) represents the most sweeping change to the food safety landscape in more than 70 years. With the signing of FSMA in 2011, wholesaler and retailer executives are now legally responsible for the safety of their supply chains. With FSMA's focus on prevention and seven proposed new rules, retailers and wholesalers will need to collect, manage and store multiple documents from each vendor for compliance. These documents must be accessible upon FDA request within 24 hours and two years back.

BUSINESS NEED Affiliated Midwest's previous system was home-built and highly manual. AFM stored both soft and hard copies of vendor documents, however, many of their oldest vendors had been grandfathered into the system without documentation. Only three documents were collected: *Certificates of Liability* with specified limits, *Hold Harmless*, and *W-9s*.



John Grimes, Director of Safety for Affiliated Foods Midwest estimated that about 30% of vendors were non-compliant in their home-built system with the three records they required. *Certificates of Continuing Guarantee* and *3rd Party Audits* had never been requested from vendors, but were now desired.



AFM services 15 states through three state-of-the-art distribution centers

SOLUTION Affiliated Foods Midwest adopted ReposiTrak's cloud-based Compliance Management System in February 2014. ReposiTrak was chosen for its technical capabilities, low cost and ease of use. To facilitate changeover, ReposiTrak was able to accept AFM's information in already existing electronic documents.

BENEFITS Accessibility - According to Grimes, "with our prior system I could find a requested document within 24 hours, but with ReposiTrak, I can pull it up and instantly share it with an FDA agent even before they have a chance to leave my office."

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ReposiTrak

Trusted Brand Protection

“As more retailers and wholesalers adopt ReposiTrak, the vendor community will move more quickly to embrace this industry solution which will help them comply with FSMA.”

-John Grimes, Safety Director, Affiliated Foods Midwest

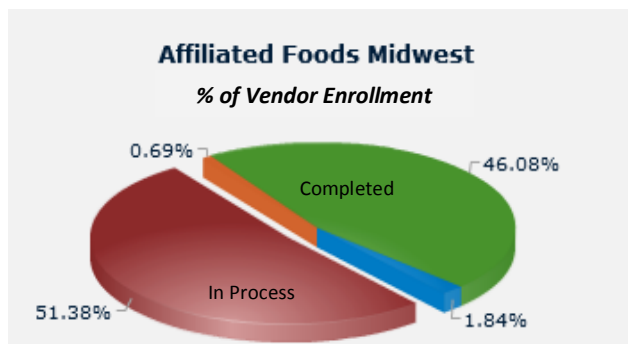
Exception Based Reporting - Document management has become much more proactive vs. reactive.

ReposiTrak’s Compliance Management System automatically sends alerts to Grimes and the vendor when documents are missing, when insurance limits are too low, or when a document is due to expire. Grimes notes that these alerts save time for both AFM and their vendors while raising the level of compliance.

Scale - ReposiTrak’s Compliance Management System enables Affiliated Foods Midwest to proactively manage more documents by vendor today than ever before. Grimes is now able to additionally require and easily manage 3rd party audits and *Certificates of Continuing Guarantee*.

RESULTS Among Affiliated Foods Midwest’s vendors who have been on the ReposiTrak system for 60 days or more, non-compliance averages less than 15%. This is a significant reduction vs. AFM’s original home-built system that they estimated averaged about 30% across fewer required documents.

As for sign-ups, more than half of the vendors on AFM’s approved vendor list are now registered and sharing documents after nearly a year on ReposiTrak. Grimes believes “as more retailers and wholesalers adopt ReposiTrak, the vendor community will move more quickly to embrace this industry solution which will help them comply with FSMA.”



IMPLEMENTATION Martin Arter, President/CEO of Affiliated Foods Midwest and FMI Board Member, has been a proponent of educating the industry on FSMA preparation and an early adopter of ReposiTrak’s Compliance Management System. To ensure a successful implementation, Grimes credits Arter with assembling a cross-functional team and driving its adoption from the top down to eliminate departmental barriers or

pushback. Automated reports are sent every Sunday night to a multifunctional team, including Martin, to assess progress. AFM’s procurement managers also assist Grimes in collecting missing information or bringing new vendors on board.

ON-GOING VENDOR MANAGEMENT Moving forward, Affiliated Foods Midwest will use ReposiTrak to approve all new vendors. When a new vendor signs up, ReposiTrak pushes out templates for them to fill out in addition to registering and sharing their required food safety documents.

Longer term, AFM plans to tie ReposiTrak to its Purchase Order System, so that no purchase is made with a vendor who is not compliant in ReposiTrak.

