Red Diamond Doubles Number of Suppliers Tracked for Compliance; Reduces Required Staff 75% with ReposiTrak

OVERVIEW In November 2014, Red Diamond adopted ReposiTrak's cloud-based Compliance Management System to help scale company-required vendor documents and proactively manage FSMA-related recordkeeping. Red Diamond was originally introduced to ReposiTrak through a request to share documents with three of its wholesaler customers. ReposiTrak replaced Red Diamond's home-built, manual system which was tracking 150 suppliers. Once implemented, Red Diamond found it was doing business with over 350 suppliers through purchasing co-ops, over twice the amount they had been tracking. Bringing all vendors onto ReposiTrak significantly reduced Red Diamond's risk of non-compliance and also allowed the company to reallocate resources, as the staffing required to manage compliance documentation was reduced from four to one.

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 be retained for two years.

BUSINESS NEED Red Diamond's original document management system was home-built and highly manual. According to Neil Bogart, Red Diamond Quality Systems Manager and SQF Practitioner, Red Diamond stored hard copies of vendor documents in 3-ring binders and kept a record of stored documents in Excel spreadsheets. Bogart and team then reviewed the spreadsheets monthly to look for and follow up on missing or expired documents. With FSMA finalization beginning in August 2015, Bogart was searching for an easy, cost effective system to handle the increase in documentation expected under the new FSMA regulations.

Neil Bogart, Quality Systems Manager & SQF Practitioner

SOLUTION Red Diamond adopted ReposiTrak's cloud-based Compliance Management System in November, 2014. Bogart chose ReposiTrak for its technical capabilities, low cost and ease of use. He was originally exposed to ReposiTrak through a request to share documents with three of Red Diamond's wholesaler customers who are also members of ROFDA (Retailer Owned Food Distributors & Associates) a group of 13 independently-owned retail grocers.

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ReposiTrak
Trusted Brand Protection

Photo: Red Diamond is known for its teas.

BENEFITS - WITH DOWNSTREAM CUSTOMERS *Faster Vendor Approvals* – Bogart notes that if a new customer is already on ReposiTrak, his documentation can be shared immediately, making it faster for them to be approved as a new vendor and gain the business.

BENEFITS - WITH UPSTREAM SUPPLIERS *Scale* – ReposiTrak's Compliance Management System enables Red Diamond to proactively manage more documents by vendor today than ever before. Bogart is not only leveraging the system to manage food safety related documents, but all forms of compliance documentation, such as product specifications, Country of Origin declarations and Certificates of Analysis.

Exception Based Reporting – Document management has become much more proactive vs. reactive. ReposiTrak's Compliance Management System automatically sends alerts to Bogart and the vendor when documents are missing, when insurance limits are too low, or when a document is due to expire. Bogart notes that these alerts save time for both Red Diamond and its vendors while raising the level of compliance.

Risk Prioritization – With ReposiTrak, Bogart is able to classify vendors as High Risk, Low Risk and No-Risk, enabling Red Diamond to tailor the documentation requirements as appropriate and to focus its efforts and follow up with vendors that carry the highest risk.

Faster supplier response with E-sign – According to Bogart, ReposiTrak's e-sign functionality has increased response time from suppliers, as they no longer have to print, sign, scan and send back documentation. E-sign allows suppliers to sign instantly, thereby reducing Red Diamond's non-compliance alerts much more quickly.

Photo: Red Diamond Headquarters , Birmingham, AL

IMPLEMENTATION As a result of ReposiTrak's implementation, Bogart found that Red Diamond was actually doing business with 350 suppliers, but had only been tracking documentation for 150. That's because many of the foodservice products they were procuring were sourced through purchasing cooperatives. To reduce risk, Bogart decided that he would no longer rely on the co-ops to ensure that their vendors' food safety documentation was current and moved each vendor into ReposiTrak. Despite adding 200 co-op vendors, ReposiTrak's automation still enabled Bogart to reduce the staffing to manage Red Diamond's vendor documentation from four resources down to one (himself), and reallocate these resources to other areas of priority within the company.

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