



# Perry Johnson Registrars Food Safety, Inc.

## Effective Food Industry Risk Management

### What is Risk?

Risk is one of the most well-known yet feared concepts in the food safety industry, simple due to the infinitely complex situations that may arise. Every day seems to bring headlines about a new threat – contamination, food fraud, *recalls*. Any of these could spell disaster for a company's bottom line, or (even worse) their reputation among consumers.



The expectation that food growers, manufacturers, and packagers anticipate and mitigate risk is intrinsic – after all, they're the entities “putting dinner on the table” for billions of people worldwide. While each part of the industry has their own unique possible risks, it's the unforeseen risks that slip by unnoticed that are the most devastating.

### Blind Spots – A Threat to Supply Chain Integrity

No organization ever thinks a crisis can or will happen to them – but is that based on a realistic grasp of risk management or a pure fantasy? The bias of “our company is fine, it won't happen” can stall efforts of proactivity. Instead of being unrealistically optimistic, adopting a realistic mentality that accepts the fact that risks and hazards *will* happen is key; embracing the possibility makes it easier to put the spotlight on potential problems before they arise and will support continuous improvement.

Every link in the supply chain has the potential to be affected. From novel microbiological threats, fraud connected to ingredient scarcity, geopolitical instability and uncertain consumer demand, all of these and more must be considered as valid dangers to an organization. Before threats can be addressed, a thorough understanding of the supply sources is required – all the way back to the original source.



[www.pjrfsi.com](http://www.pjrfsi.com)



## Trust and Strategy – Keys to Excellence

As globalization and increased complexity expose organizations to more risk than before, trust has become even more critical. Whether the trust in question is held by governments, fellow businesses, consumers, or the global community at large, organizations that have cultivated a strong foundation of trustworthiness enjoy incredible benefits. From customer preference and loyalty to additional support during difficult times, emphasizing trust through proactive programs and risk management.

In pursuit of establishing trust, using a careful strategy is crucial. “Intelligent Risk” helps companies maneuver through tricky situations while simultaneously developing trust. By focusing on the specific risks associated with their goals, Intelligent Risk influences the organization's tendency to take risk and the ability to control risky situations. Thus, through optimization of opportunity and the mitigation of risk, organizations can realize new advantages over less risk-savvy competition.

At the foundation of Intelligent Risk is the *who* – that is, carefully choosing risk professionals or otherwise empowering employees throughout the organization to make informed decisions. These selected professionals may then assist with the anticipation, interpretation, and optimization of risks and opportunities. Additionally, the careful application of data-gathering and analytics can help pre-empt blind spots before they become an issue. Choosing the best metrics by which to measure key risk indicators (KRIs) will allow for effective advanced warning against potential issues related to incidence, complaints, and other events.

Optimizing all processes and policies in an organization to take risk into account is a smart way to keep every team member on the same page. If select employees do not understand their roles and how best to approach risk, miscommunication and misinformation leading to systemic breakdown may result.

Through “future-proofing” risk management systems, the risk professionals put in place are better informed and better equipped to perform.

### Where to Start

Certification can be a great starting point if your organization is uncertain how to approach the issue of risk management. To learn more about the certification options that might best suit your needs, or to learn more about risk management in general, reach out to PJRF SI today! Call (248) 519-2325 or visit [www.pjrfsi.com](http://www.pjrfsi.com) to find free resources including webinars, podcasts, and downloadable Infosheets.

[www.pjrfsi.com](http://www.pjrfsi.com)

