



**Perry Johnson Registrars
Food Safety, Inc.**

Supply Chain Management – A Winning Strategy for Risk Management





Handling quality and safety through all stages across the supply chain is crucial in maintaining consistent, safe product for consumers. From design and procurement to conversion, distribution, and eventual end-user experience, do you have an effective program in place to manage your supply chain?

In the simplest of terms, a supplier quality program should accomplish three things: risk assessment, risk management, and risk mitigation.

Assessment may seem like the most straightforward task of the three, but elements of risk not taken into consideration by the assessment portion of a program may lead to issues down the line. Both before use of a supplier and at regular intervals during use, each supplier's risk profile and ability to meet your organization's individual standards offers a baseline understanding of general risk and a simple way to monitor for future changes. HACCP – Hazard Analysis & Critical Control Points – should be used with a focus on prevention, identification of conversion risks, controls, and monitoring of compliance. As with any food safety program, all key systems, from HACCP and microbiology to allergens, should be validated by a third party.

Risk management, the second goal of a company's supplier quality program, seeks to control the risks outlined by the assessment portion of the program. This portion has the widest range of options, and steps taken can vary depending upon the nature of the business, its products, and the scale of operations in question. Auditing – both internally and externally – may seem like the most obvious or traditional option. Taking a risk-based approach to assess company compliance to policies and the proper execution of programs result in corrective or preventive actions that can be used to improve or revise the assessment section of the quality program.

Other options for risk management can include raw material testing and verification, training to drive awareness and organizational competencies, traceability programs to manage materials through to the end product, or specification management for materials, processes, and finished goods.

Finally, mitigation of risk rounds out the three primary goals. Best encapsulated by crisis management, this portion of a company's program should include a well-defined and fully fleshed-out company-wide process for proactive and effective management of issues arising from failures earlier in the chain. Ultimately, the goal of mitigation is to reduce the potential negative impact upon the business, from consumer harm to brand reputation and standing.



Lacking a strong supplier quality program carries a number of implications, the avoidance of which is well-worth the investment a sound program entails. From the damage to consumer trust that can be caused by a recall to the stress of FDA engagement with your sites or facilities, the chance of having to deal with the fallout from an underdeveloped or nonexistent supplier quality plan can be enormous.

While the prospect of developing and maintaining such a plan can be daunting, PJRFSI is equipped to help through third-party supply chain audits as well as retailer-specific auditing. Using best industry practices and the years of experience held by our auditors and staff, PJRFSI is able to custom-tailor a supply audit strategy for any client. These fully customizable programs are intended to gather the most comprehensive and accurate data possible in order to help our clients protect their supply chain and strengthen their quality plans.

“Assessing your supply chain is probably one of the most important things that you and your company can do. Nothing could be timelier now, than to make sure your suppliers are not the cause of your company having a foodborne illness outbreak or a product recall – both of which could cause irreparable harm to your reputation. But should you be doing risk assessments as the bare minimum? I would also suggest for higher risk suppliers (who may also be your highest volume suppliers) that you have a support team or external provider in place to do assessments on your behalf.”



Paul Damaren
Senior Vice President for
Food Safety & Supply Chain

Suppliers are – and always will be – a critical component to any organization and its success. However, they remain one of the biggest potential risks your organization may face; taking appropriate steps to prevent such failings is crucial to long-term success.”

For those companies who are suppliers of notable industry brands, PJRFSI is able to offer approved audits on behalf of select names, such as Cracker Barrel or Whole Foods. Additionally, PJRFSI is pleased to be among the first to offer GRMA (Global Retailer & Manufacturer Alliance) audits for cannabis products – a must-have as more and more states legalize recreational adult use!

If you are interested in learning more about how PJRFSI can help support your company and find weak links in your supply chain, please visit www.pjrfsi.com or call (248) 519-2523.





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