

# How to Manage Food and Beverage Compliance

## Part 1: The Benefits of Automation



# Introduction

This is the first in a two-part series that tackles the issues and solutions surrounding compliance in the Canadian food and beverage industry.

The series will provide an overview of the following challenges facing food and beverage manufacturers and provide advice on how to manage them:

- **Automation:** A look at how automation can provide better compliance while increasing productivity and worker safety.
- **Traceability:** Ingredient and product supply chain management is demanded by brand owners to protect themselves in case of an emergency.

- **Labeling:** Upcoming changes to Canadian labeling requirements mean greater transparency and food safety for the consumer.

In this part, we will look at automation while in **part 2** we will examine food safety and labeling requirements and how they impact compliance for food and beverage manufacturers.





# The Price of Being Non-Compliant

While food and beverage manufacturers have always faced their own unique brand of challenges regardless of the era, today's Canadian processing industry has become more complex than ever before.

The food and beverage industry—like all industries—must learn to adapt to the reality of a more interconnected work environment thanks to the digital revolution. It's not easy to keep track of all processes in the food chain from farm to fork, but it is necessary.



## What Is At Stake?



People (i.e. consumers) can develop life-threatening illnesses which, in extreme cases, can be fatal.



Damage to your brand's reputation may never recover after a product recall.



Financial losses as your brand and reputation suffer.



Regulatory fines and penalties can be accrued for failing to be compliant.

Having a strong and efficient compliance system in place will provide manufacturers with a complete view of their own systems and processes that will ensure all food and beverage safety regulatory and traceability requirements are met.

It will also provide the manufacturer with a means to monitor its own internal compliance via efficient supply chain management, while providing internal production forecasting—which will allow for inventory levels that match demand—and above all else, a higher customer satisfaction with the product.

Manufacturers are often unaware of the true cost of non-compliance until they are in a product recall situation—a brand owner's nightmare. The reaction time is critical in accessing collected data across multiple departments. Days, even hours, spent gathering information harms the brand owner as delays can erode consumer confidence to the point of the brand becoming irrelevant.

# The Benefits of Automation

While we know that not every manufacturer can afford to hit the ground fully-automated, getting there with a great crew of workers should be the eventual goal.

Why automate? Today's advanced automation equipment can provide real-time updates on how your production line is working. It can show you if your line is running at the desired rate to help you make deadlines—time is money, after all.

Automating a food or beverage facility—even just automating a select area of it, such as adding an automated printer for piece or box labeling—will increase production rates and productivity. It will also allow a more efficient use of materials and labour, and provide better product quality (all those labels will now contain specific data, for example).

As for the cost of automating—the ROI (return on investment) can be relatively short, thanks to the cost savings and benefits facility automation brings. There are also [provincial and federal government grants](#) and incentives that can assist in funding your automation projects.

A common misconception is that automation equals job displacement. Just because a job becomes more automated, it doesn't mean a worker has to be let go. This provides you with the opportunity to cross-train your employees to do different work on different production lines or to evolve positions so workers can take over parts of the job that complement the automation. There will always be a necessity for good, productive employees.

Along with reducing manufacturing lead times, automation can improve worker health and safety by enabling them to do their job in a safer manner. Thanks to safety features on modern equipment such as safety light curtains, if an employee accidentally enters a hazardous area, the sensors will detect and immediately shut down the equipment.

Automation also helps prevent workers from incurring injury from repetitive tasks such as heavy lifting, or constant twisting and turning. Worker on-the-job injuries have been falling for years, and with proper education and line automation, your employees will be safer.



# ERP - Why You Need It

For food and beverage manufacturers that already possess a degree of automation, linking the brains of each system or machine to a single “hive mind” is key, as most manufacturers will have a range of independent solutions in play.

Making sure your equipment and data can “talk” with one another, regardless of manufacturer of origin, can be achieved by utilizing the skills of companies proficient in automation management.

By integrating automated equipment with an ERP (Enterprise Resource Planning) software system, manufacturers will be able to see real-time data numbers, which will help minimize reaction time delays—an extremely important factor when a company is involved in a product recall or food safety issue.

An ERP system is a business system that acts as a central repository for all of a company’s data—a one-stop shop for the manufacturer. It allows a company to manage its day-to-day business activities, including accounting, procurement, project management, the supply chain, risk management, and, of course, compliance.

Whether in the cloud or on premise, an ERP system will capture information along the production chain, and share it across all departments of the company. This allows the manufacturer to boost production efficiencies, and to make informed improvements to products and processes, as well as provide data to boost margins, innovate, and identify new business opportunities. It also provides you with the data you need to properly handle any food safety issues.





# Conclusion

Automating with the proper equipment, software and resources not only helps improve the productivity of your processing facility, but it provides you with a compliance safety net that gives your customers confidence in your production capabilities.

Yes, the bottom line is definitely cost savings and increased productivity, but there are also huge benefits in terms of food and beverage safety. You can have it all.

## About **SYSPRO**

SYSPRO is a global, independent provider of industry-built ERP software designed to simplify business complexity for manufacturers and distributors. Focused on delivering optimized performance and complete business visibility, SYSPRO's strengths lie in a simplified approach to technology, expertise in a range of industries, and a commitment to future-proofing customer and partner success.

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