

Developing third world supply systems to international standards

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Developing third world supply systems to international standards can reduce the food safety risks within your supply chain and contribute to improvements in the communities and countries that your ingredients are sourced from. This virtuous circle can link food safety to corporate social responsibility!

We define third world suppliers broadly in line with the Oxford English Dictionary definition as being suppliers from countries such as Africa, Asia and Latin America collectively, especially when viewed as underdeveloped. One general exception being that we sometimes see suppliers from third world countries who are better than suppliers here in the UK.

We define international standards very loosely in this article as being 'a standard that is deemed acceptable for the food business operator who is using the ingredient based on a thorough risk assessment of the ingredient and its intended usage'. This definition may be challenged by many purists who would argue in favour of one of the many various food safety schemes.

Our reason for adopting this definition is pragmatic, if an ingredient is low risk then many of the current accredited food safety systems could be seen as too onerous for suppliers in the third world. A series of small achievable steps from where a supplier is today towards a fully accredited food safety certification may be more pragmatic than requiring suppliers to make a big leap.

So how do you move suppliers from where they are today into a process of continual improvement? We recommend a number of steps:

- **Make supplier audit questionnaires and product specifications requirements context specific**

If sourcing different types of ingredients such as meat, dairy and dry ingredients, it is recommended to deploy supplier audit questionnaires and specifications that are specific to the type of ingredients being supplied. This allows more detailed information to be gathered relating to the ingredient type and engenders greater co-operation when sup-

pliers recognise you are asking for information that is relevant.

- **Know what is in the raw material and understand the supply chain behind the raw material**

If you do not know what is in the raw material and understand the supply chain for that raw material from farm to fork you may be unable to 'risk assess' that supply chain. For example, while travelling between factories in a third world country (in my air conditioned car, due to 45°C temperatures outside) I repeatedly noticed open topped milk tankers bouncing along the rough roads with milk spilling out the top and no apparent refrigeration. These tankers frequently stopped at the roadside and collected milk from open churns.

The local farmers and tanker drivers had improvised a creative, but not food safe, method of ensuring the milk passed dairy intake checks. This practice highlighted a food safety risk that would have been overlooked through the usual supplier auditing process.

- **Understand fully what activities happen at supplier sites**

A detailed understanding of all processing activities which happen at the supplying site, throughout the year, may highlight risks that would not ordinarily be considered. This is particularly the case where a site is processing seasonal lines. Do a detailed evaluation of what the site is doing out of season, it can be quite revealing.

- **Collect supplier self audit questionnaires**

Having implemented the above steps you are now in a position to get supplier self audit questionnaires completed by your suppliers with a recognition of the type of issues that you need to be aware of. We recommend using Yes/No questions to ascertain key compliance information followed by qualifying questions to support the Yes/No questions. This ensures clear unambiguous responses to important questions with additional information to support the review process.

- **Review and risk assess the responses**

Ensure that all questionnaires are reviewed

in detail and an objective scoring system used to define the outcome of the review process. Scoring may be weighted to give greater importance to specific areas of concern or importance.

- **Seek clarification where required**

If answers are ambiguous or do not give the information required, it is reasonable to assume that the supplier may have worded their response to cover something up. Seek clarification. If in doubt, or even if you have a gut feeling, then request further information.

- **Audit the supplier**

As the market leader in solutions for supplier compliance management we recognise that supplier self audits are not ideal.

Our recommendation is to find a way of gaining access to a recent audit report from the site if you cannot audit the site yourself, or contract the work to a competent auditor. Another option is to share the audit costs with another business also sourcing from the supplier. An audit shared is an audit cost reduced!

- **Provide training and guidance to assist suppliers address non-conformances**

This is where a real difference can be made to developing third world supply systems to international standards and continually improving your supply chain.

When sourcing from third world suppliers and following the steps outlined in this article there are likely to be a substantial number of non-conformances.

The easy option would be not to approve the supplier but this may have commercial implications. An alternative route is to provide a range of training and guidance to help your suppliers improve their systems.

This can be as simple as providing detailed guidance to suppliers showing them practical ways to improve, arranging in country training for groups of suppliers, delivering eLearning solutions using the internet, or using webinar based training that enables interactive training remotely for large numbers of suppliers.

With extensive training expertise we would be delighted to guide you through

Continued on page 25

Continued from page 23

selecting which methodology is best for your business and supply chain.

● **Barriers to the above best practice and how to overcome them**

Agents and traders may be spot buying ingredients or have many suppliers of ingredients which they may not have audited.

Agents and traders have a role to play in many supply chains. We encounter many responsible agents and traders who have good supplier approval and management systems in place, we also encounter those that do not recognise that they have a responsibility to approve their suppliers and provide appropriate technical support to their customers.

These agents and traders are a major obstacle to assured supply chains and need to be pressurised to either improve or leave the food supply chain.

● **Supplier refusal**

All too often suppliers try to avoid providing information and give various excuses including:

- We're too busy.
- You do not buy enough from us to justify the time.
- We're too big.
- Lack of resources.

It can be difficult to navigate these issues whilst avoiding confrontation with un-coop-

erative suppliers. Supplier refusal can be reduced by using web-based databases, which aggregate requirements ensuring suppliers only have to provide the information once into a database, and with appropriate approvals the information can be accessed by multiple customers.

● **Lack of resource at suppliers**

Suppliers need to ensure that they have sufficient resources relative to industry requirements and web-based databases can reduce the time taken to provide this information.

It is recommended that purchasing departments consider a potential new supplier's technical resources and capability at the start of commercial discussions. It is often too late once a supplier's ingredients have been incorporated into products.

● **Have something to hide**

In this instance the supplier knows that they are not compliant and want to avoid you becoming aware of this.

This will manifest itself in one of two ways. Firstly suppliers will refuse using one of the excuses provided above or suppliers will avoid refusing but give different excuses each time you chase them looking for the information.

You need to be persistent and implement a planned de-list program. In our experience a credible threat of being de-listed motivates suppliers to provide information. It is impor-

tant to follow through with de-lists where it is clear that suppliers are not prepared to provide the information required.

Conclusion

By following the steps recommended to develop your third world supply systems to international standards and addressing the barriers to best practice you will deliver a supply chain which is less likely to present food safety risks to your business.

You will have de-listed some suppliers where the risk was deemed to be too high. As other food businesses implement the same strategy these risky suppliers will be forced to improve or leave the food supply chain.

By partnering with third world suppliers your business will have a strategic advantage, greater supply chain visibility and make a lasting improvement to the food safety systems in these countries. This will have many beneficial implications for the suppliers and the communities which they operate in.

By linking into the corporate social responsibility systems of your business, your food safety initiatives can contribute in a very positive way to the communities and countries that your ingredients are sourced from.

Safer ingredients and more prosperous communities in the third world are a win win for all participants. ■