



Big Picture Strategies for SQF 2000

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Food Safety is always a fundamental mission for food processing companies, but high profile food safety incidents, growing regulatory attention, and Wal-Mart's SQF 2000 mandate make earning SQF certification increasingly imperative. This paper offers four strategies for rapidly gaining and sustaining your SQF certification, while realizing substantial business value from those efforts.

SQF 2000 Certification*

Earning SQF (Safe Quality Food) certification enables a supplier to give assurances that food has been produced, prepared and handled according to the highest possible standards. Launched in 1994, the SQF Program is administered by the SQF Institute, a division of the Food Marketing Institute. SQF 2000, for the food and manufacturing and distribution sectors, is based on the Hazard Analysis and Critical Control Points (HACCP) method with a focus on risk assessment and prevention of food recalls and food safety incidents. SQF 2000 certification is earned via annual third-party audits.

One: Think big.

A top North American food processor launched its SQF initiative with clear focus... The goal was to ensure food safety, pure and simple. But in exploring their food safety risk points, leaders began to discern root causes which, when effectively addressed, would also drive millions of dollars of costs out of their processes and significantly raise productivity. By integrating SQF with their Lean manufacturing initiative and stepping up traditional productivity approaches, the company could simultaneously ensure ongoing food safety and dramatically improve P&L. Management soon stopped viewing the SQF effort as a free-standing program. The more sensible course, they realized, was to combine food safety initiatives with a renewed focus on cost efficiency and productivity improvement. The company is now actively pursuing more than \$20 million in targeted bottom line benefits as it drives toward SQF 2000 certification.

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Effective food safety requires control of end-to-end (E2E) processes. In most companies, processes have not been clearly linked across functions. People tend to view work in terms of the "silos" in which they have immediate control. This lack of understanding of how parts of processes actually interact, end to end, is the root cause of many food safety failures.

*Source: SQF Institute (www.sqfi.com)

You can approach SQF Certification as an “added requirement” to be met through an audit-and-correct approach, or as a welcome catalyst for integrating your people, management systems and processes horizontally and vertically to make your company sustainably more competitive and profitable as it ensures food safety. Here’s the good news: A big picture mindset will actually get your organization “SQF-ready” faster than will a narrow audit mindset. Earning your SQF certification will require major effort in any case. Why not realize the fullest possible return on the investment?

Two: Engage hearts and minds.

In a 2008 survey of U.S. and European senior executives - sponsored by Celerant Consulting and conducted by the Economist Intelligence Unit - 75% of U.S. respondents reported that no more than half of their change initiatives were successful. “Winning over the hearts and minds of employees at all levels” was the most frequently cited (by 51%) barrier to success. Roughly a third (31%) also cited failure to gain local management buy-in.*

SQF auditors can identify your food safety gaps, but only your organization can close those gaps and prevent new gaps from opening. For that to happen, you need ownership for SQF compliance at the activity level. The people who do the work must feel personally engaged in ensuring food safety.

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Further, this vital mission should be shared by management and employees. SQF 2000 is a challenge they must tackle together. In many food processing companies, of course, there is a substantial divide between management and front-line employees. You must provide a bridge to unite them. Lean manufacturing, for example, provides shared goals, a toolset, and a common language so food safety solutions can be developed with the front-line. By engaging hearts and minds through a system such as Lean, you can ensure sustainable food safety results while also driving up business performance.

Three: Go visual.

Visual management systems drive accountability by making the needed contributions vividly clear to all functional areas and hierarchical levels. Without a visual management system, HACCP plans will not be consistently executed. Nor will critical control points be effectively managed. Visual management systems sustain focus on food safety and coordinate actions to prevent food defects, costly recalls, and excessive inspection costs.

*A change for the better: Steps for successful business transformation, Economist Intelligence Unit, May 2008

Visualization is a mainstay of the Management Control and Reporting Systems (MCRS®) which Celerant has developed through two decades of work inside major manufacturing and processing operations. MCRS is not a piece of software. It is a comprehensive, disciplined decision making approach custom crafted with and by the people of your organization.

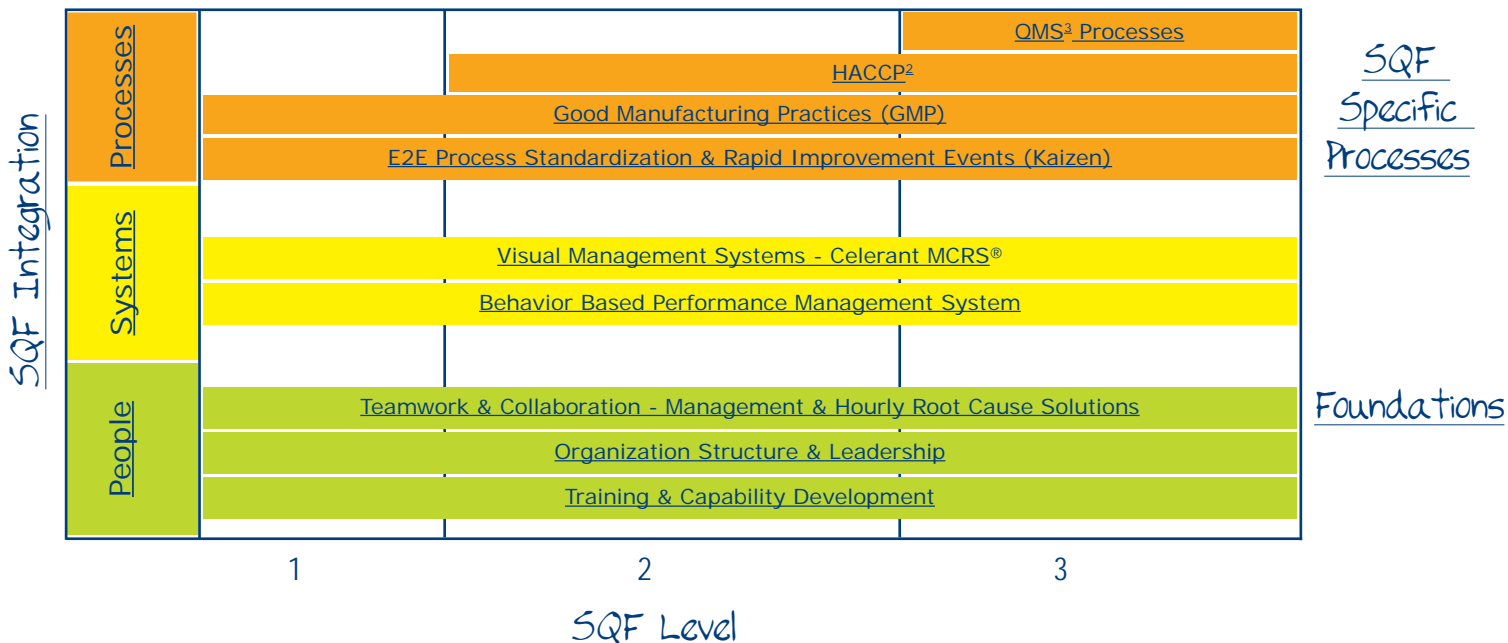
MCRS begins with clear intent. Business leaders clarify their strategy (in this case, the food safety strategy) and the keys to its fulfillment. Facilitated discussions articulate corresponding intent and across all functions. The critical contributions to be made by each area are then captured in KPIs - key performance indicators - a metric that measures a vital activity or process. Your people are coached to craft KPIs that define their own success with a focus on root causes and early identification of problems and risks.

MCRS makes the right KPI data visible to the right people, when they need it to effectively control operations. Aggregated performance data might be reviewed at a monthly meeting of senior leaders, while front line work teams may review their operating data hourly or following each shift. The visible, immediately relevant data flowing through your MCRS drives accountability and execution at every level. Visible data also reinforces a satisfying sense that work is meaningful. MCRS engages the whole organization in a unified pursuit of your food safety and business improvement goals.

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Four: Fortify your foundations.

A sense of urgency around SQF may tempt you to build your SQF processes on a foundation of uncontrolled, unaligned work processes and systems. But that is clearly a recipe for trouble. Simply layering SQF on weak foundations can yield uncontrolled costs, a host of new inefficiencies, overworked staff, non-value-add activity, increased food safety incidents and decreased business performance.



A more practical picture of your organization is a big picture that envisions sustained results flowing from effective integration of your people, work processes, and the systems through which you manage your business.

Your SQF performance will only be as strong as these vital foundations. Only by addressing the big picture can you achieve consistent, sustainable food safety.

Conclusion

For many companies, SQF will be just one more program to layer on. Their SQF vision will remain small, as will the business benefits they can realistically hope to achieve. But for you, SQF can be the impetus to a whole new level of performance. The big picture perspective briefly described above equals big returns on your SQF investments.

To shape your big picture pursuit of SQF, we suggest your company begin with a big picture assessment. You want to be guided by a very clear, data-based vision of what you might accomplish and how you can accomplish it. Over the course of a few weeks, a specialized Celerant team will work with you to calculate - in hard-dollar terms - the financial and operational benefits **your** company can gain through the big picture strategies highlighted in this paper.

About the Authors



Doug Newman is Vice President of Celerant's Consumer Packaged Goods sector. Mr. Newman brings a unique combination of sales leadership, direct sales, consulting, professional services, technology services and formal education to the firm. An entrepreneurial business development executive with a consistent track record of dramatically increasing revenues, Mr. Newman possesses extensive experience in the consumer goods, retail and manufacturing sectors. Mr. Newman received a Master of Business Administration from Northwestern University's J.L. Kellogg Graduate School of Management. His majors as part of the accelerated four-quarter program were in Finance, Marketing and Health Services Management. Mr. Newman earned a Bachelor of Science degree in Marketing from Indiana University's Kelley School of Business.



Dennis McRae, Vice President, brings over 17 years of consulting experience managing and leading large complex results based implementations. Dennis has successfully worked in a wide array of sectors including: Aerospace, Chemicals, Pharmaceuticals, Telecom, and discrete manufacturing. Dennis is also a practitioner of Lean and Six Sigma and has successfully trained 100+ people in results based delivery.

We have offices in 12 different countries and we will always go where our clients need us to be.

If you want a conversation about the ways we can help your business achieve results, every time, you can call us on:

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