



Making technology pay!

Fresh Produce Journal IT Monthly – Article 22

Published January 2006

Author : Mark Nixon, Anglia Business Solutions

Right First Time: How IT can help improve the quality of your product delivery.

Customers are a demanding lot, and their expectations get higher all the time. We all invest time and money in building and maintaining good relations with our key customers, and we try our hardest to delight them every day. Don't we?

It's an unforgiving world, though. If you made one hundred deliveries last week, ninety-nine of them perfect and one that went wrong, which one did your customer remember? When they called yesterday, was it to congratulate your account manager for achieving 99% success? Or was it to complain that you let them down, and to hear what measures you'll be taking to prevent a repeat occurrence?

Screwing up a delivery can be an expensive business nowadays. Of course, customers are entitled to reject product at the point of receipt if it doesn't meet their quality criteria. But they also expect you to ship the quantities that they ordered, at the right time of day, in approved packaging and correctly labelled up. Many customers have started to introduce financial penalties for failure to meet these requirements. In the worst case scenario of a product recall, fines can run into tens of thousands of pounds.

Let's take a closer look at what can go wrong with product delivery, and how IT can help prevent it.

Quality

Perhaps surprisingly, product quality is not often cited as the top reason for failing to meet customer expectations. Specifications are well defined and don't change that frequently. Rigorous QA at intake, in storage, during production and on despatch makes it less likely that unsuitable product will get through unnoticed. Even if a sub standard lot does reach the customer, there may still be an opportunity for you to replace it in situ.

Market leading companies tend to see QA as their competitive edge and treat it as a fully integrated, vital part of their operations. The key to getting it right is formal business processes for QA activities, with clear documentation and a change control procedure, plus structured training for new personnel. IT can help by providing tools to record product specifications and QA test results in one central place where they can be shared and analysed. More recent developments include mobile QA using handheld devices and integration of test data within the core business system. This improves visibility of QA



Making technology pay!

information across the organisation and enables rapid feedback to suppliers and more efficient claims when problems occur.

Quantity

In a market where forecast supply and demand can triple or halve in the space of 48 hours, depending on climate events, is it reasonable for customers to insist that you meet their order quantities? Reasonable or not, customers are demanding just that and there is even talk in some quarters of introducing penalties for failure to deliver on a previously agreed seasonal programme. Of course, if everyone faces the same situation then you can expect a more sympathetic hearing, but if you can't meet demand when others in your sector can...

IT can certainly help you to balance supply and demand in a dynamic environment – this is a sizeable topic in its own right. For more information refer to Bob Rose's excellent article *Managing Supply and Demand with IT* (FPJ, October 2005).

Labelling

One of the most common reasons for a failed delivery is mislabelled product. It's surprisingly easy to do, and there are plenty of opportunities for doing it. It's likely there will be multiple labels on the pack, plus additional labels on trays, pallets and other pieces of distribution hardware that refer back to the product itself. Some labels will contain variable information, like country of origin, and display until date.

Customers tend to change their labelling requirements more frequently and at short notice, to encompass promotions for example. Does everybody know who needs to know? If the wrong label is chosen at the start of a job, what are the chances of your production team faithfully repeating this mistake until the job ends? Then there's your multi-level QA procedure: how foolproof is it in reality? The average person is less likely to reject product if somebody else has approved it beforehand.

IT can help here in several ways. One key initiative is to include your label specifications in data held within your core business system. That way, when the labelling spec. for a product changes, there is only one place you need to record it. Everyone in your organisation works from the core system, so everyone has the latest information. Packs and trays can be verified by scanning the label prior to despatch – this can be used to drive a series of QA checks from the labelling spec itself. Also, you can verify against the customer's order too: preventing good product from being despatched to the wrong customer or depot.

Timeliness

If perfectly labelled, top quality product leaves your facility every day, how galling is it to have a delivery rejected because the time slot was missed at the distribution centre? Of course, that may be



Making technology pay!

your transport provider's fault rather than yours, so perhaps you can pass any financial penalties you incur on to them.

But IT can help here too, with the latest core business systems including a logistics module for planning transport and building loads more efficiently to meet your daily timetable, against orders that may change during the day until final confirmation has been received.

To conclude, quality and consistency of product delivery are increasingly valued by customers. This is definitely one area where you can't afford to lag behind your competition. Get it right first time, every time, and your customers will be delighted. Get it wrong and the relationship will suffer: keep doing so and you will be handing them an open invitation to investigate alternative sources of supply.

IT can certainly help, and it's not that difficult to make a business case for sensible investments to improve. If you integrate quality management successfully into your core business system you are sure to gain a competitive advantage.

For further information please contact linkfresh@angliabs.com