Food safety is not just an issue for food manufacturers, producers and suppliers. Here’s what restaurants and food service operators need to understand to mitigate risks and protect the brand.

The Food Safety Modernization Act (FSMA) is in the process of rolling out regulations that will require organizations to comply with some of the biggest changes in the U.S. food supply chain in over seventy years (for more detailed information on FSMA, please see Kalypso’s webcast on the topic here). While the FSMA regulations are primarily aimed at food producers, manufacturers, and suppliers, food safety is still a major concern for the food service industry and the regulation will have far reaching effects. The CDC estimates that of the approximately 9 million people suffering from food-borne illnesses each year in the United States, almost 50% of them contracted their illness from restaurants or delis. This alone should be cause for great concern among restaurant and food service operators. In addition, recent highly-publicized recalls and the resulting backlash against a national fast-casual restaurant should be a warning that this could happen to anyone at any time.

Contaminations can occur at any point in the supply chain before the food reaches a restaurant and every participant is responsible for ensuring the safety of food within their part of the chain. However, food service operators hold a significant share of the responsibility because they are often the final line of defense between the food and the customer. When a contamination gets through the supply chain and onto customers’ plates, restaurants and food service operators carry the blame. Foodborne illness outbreaks and the resulting recalls can cause significant damage to a company’s brand, reputation and bottom line. The costs of managing an outbreak go beyond simply publically addressing an outbreak and reimbursing customers – they may also include removing an item from the menu and the subsequent lost sales, declining revenue when consumers lose faith in the brand, reduced brand equity, and a drop in stock price. To avoid these risks and comply with current and
future regulations, restaurants need to have a food safety strategy, be able to anticipate problems before they occur, and be able to address issues immediately when they do arise.

Three Strategies to Reduce Food Safety Risks

Many of the risk factors for foodborne illness in foodservice operations (such as inadequate cooking, contaminated equipment, and poor personal hygiene) are directly attributed to behavior that occurs within the food service facility and can be prevented through better training, standardized processes, and rigorous quality control of kitchens and food preparation areas. Reducing human error in your food service operations is essential to avoiding food contaminations.

External risk factors are obviously harder to control. The new FSMA regulations will improve traceability in the supply chain, which will help restaurants better identify the source of a problem and divert at-risk food before a crisis emerges. However, it is not enough to assume your suppliers will take full responsibility for tracking contaminants and letting you know before an issue arises. While food suppliers and manufactures will actively manage their supply chain to ensure they are following the FSMA guidelines, food service operators need to become more transparent, proactive and responsive to ensure they are protected from additional risks.

Be More Transparent

At the same time that government regulations around food safety become stricter, consumers are becoming more demanding. Not only do they expect the food they purchase from restaurants to be safe, but they are increasingly requesting qualities such as organic, locally-sourced, and non-GMO (genetically-modified organisms). Full visibility into the supply chain is essential for restaurants to ensure regulatory compliance as well as to prove claims aimed at customer satisfiers. This requires food service operators to know where the food they purchase is coming from, how it is produced, and be able trace all food back to its original source. Risk management tools enable foodservice providers to better manage their supply chain by providing visibility into the ingredients being used and the suppliers they are sourced from (see a McDonald’s example here). A centralized tool enables an organization to better understand the sources of its products and can pinpoint the origin of an issue when a risk is identified.

Be More Proactive

Don’t wait for the next incident or new regulation to arise. Plan ahead and remain proactive to ensure that you don’t get caught off guard by a changing landscape. This requires establishing safety standards and processes, documenting them, and ensuring employees and suppliers are complying. In addition, it’s critical to keep abreast of changing regulations and understand which consumer trends and medical research could impact future regulations. For instance, the growing concern regarding genetically-modified food (GMOs) may lead to stricter regulations and label requirements. It is important to understand what is going on in the industry and to create contingency plans that will allow a rapid response in the event of a new regulation in the future.

Be More Responsive

With better processes in place and a centralized system that can provide real-time data on all of your products, ingredients, and suppliers, responding to a risk or issue will become much quicker and more effective. With the right tools and systems in place, a food service operator can validate its supply chain within minutes of receiving report of an issue. The ingredient in question can be traced back to its source and can be linked to specific menu items, allowing the company to make the right decision about changing the offering and issuing a public statement. It is critical to establish a single “source of truth” for product specifications to provide visibility into how the standards for each specification were authored, maintained, and communicated to
suppliers.

Food service providers are the customer’s end source of the food supply chain, so they need to factor in the new FMSA criteria when reviewing and qualifying suppliers. The food industry is changing rapidly and stricter regulations are putting pressure on both suppliers and service providers. Getting the right organizational processes in place, supported by the right technology, will help mitigate risks to your brand equity and better prepare you for the uncertain future ahead.

Sources:

- i - http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6203a1.htm

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