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AGILE
PRODUCT LIFECYCLE
MANAGEMENT

Avoid Brand Destruction Due to Product Recalls

Food and beverage companies face intense challenges. With product recalls on the rise, companies must enforce greater information and process governance, improve label-development practices, and maintain product-information traceability across the global supply chain. And they must protect their brands from potential damage due to product recalls.

Today's food and beverage market is dynamic and competitive. To grow and stay compliant with increasing customer and regulatory demands, organizations are pushed to do more each year, often with the same or fewer resources than before. Satisfying global customers and multi-country regulations presents additional challenges. To stay ahead of the curve, companies are engaging in strategic acquisitions, cost-reduction exercises, and expansion into new categories and markets. Yet such actions can create huge stresses on organizations and processes.

Companies that are not equipped to handle these complexities are struggling to balance growth and risk. Problems arise, such as product and label-development errors, leading to costly rework, confusion, and delays. The most serious mistakes result in recalls, catastrophic damage to brands, and health risks.

And when the brand is at stake, so is profitability—in the short term and, even more damaging, over the long term.

Companies often pay a significant price in the event of product recalls in lost profits and expenses incurred to rehabilitate the brand, with some customers moving on permanently. Companies can also face business interruption and even class-action lawsuits, and both at a huge expense.

Product Recalls: A Growing Trend

Food and beverage manufacturers have always faced the threat of food safety issues and recalls. But the potential for recalling products that contain contaminated, noncompliant, or improperly labeled ingredients has elevated as the complexity of the food and beverage industry has increased. Growing regulations—especially those across a global supply chain—and intensified customer requirements are placing new demands on those designing, labeling, and manufacturing products.

Today's food and beverage companies struggle to keep up. They face a growing inability to follow standard operating procedures, maintain adequate visibility

MANAGING YOUR PRODUCT LIFECYCLE, PROTECTING YOUR BRAND

Food quality and safety demand stringent oversight internally and across the supply chain, plus a best-practices approach to managing the entire product lifecycle. With these in place you can

- Effectively collaborate across departments and with suppliers, customers, and co-packers
- Centralize product and sourcing data
- Deliver global visibility throughout the product lifecycle—from development through delivery and beyond
- Enhance labeling practices
- Improve your change control processes
- Maintain traceability across the global supply chain
- Ensure governance and compliance
- Protect your brand

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FACT: “When a category has a recall, 57 percent of consumers stop buying the affected product for at least a year.”

AMR Research, April 2009



“Oracle’s Agile Product Lifecycle Management for Process is a key component to our corporate strategy.”

Kim Glenn, Director of Research and Development, Tyson Foods, Inc.

and governance around changes, effectively manage large supplier networks, and maintain extensive catalogs of products and raw materials. Here’s why.

Where Food and Beverage Companies Fall Short

As the demands for product quality and compliance increase, so do the requirements for managing the entire product lifecycle. Unfortunately, many companies lack the necessary product development, production, and management practices to sufficiently protect their brands. Specifically, they don’t have the systems, processes, and policies in place to prevent error-based product recalls from occurring. They also lack the tools to locate contaminated ingredients from a supplier, quickly identify their exposure, and mitigate the situation to minimize impact to the brand.

Growing complexity, combined with scattered and manual systems and processes, creates an environment where mistakes and errors are unavoidable. Risk is created when one or more critical elements are missing, including

- Centralized, governed, and reliable product and sourcing data
- Predictable and highly visible collaboration across functions, suppliers, customers, and co-packers
- End-to-end visibility into label, product, and supplier data—from the moment product development begins

- Streamlined, dependable change control and data governance processes
- Screening and traceability—across all products, recipes, and raw materials
- The ability to adapt to changing compliance and market requirements

Secure the Brand—While Unleashing Efficiency and Innovation

Gutsy companies attempt to overcome some of these shortfalls by sheer heroics. Fire drills, long hours, and growing percentages of “non-value-added work” are symptoms of organizations scrambling to make do.

Successfully developing and delivering products in today’s market demands more. It requires systems that can provide a single source of the truth for integrated product data. Food and beverage companies also need the tools to leverage that information through a collaborative process. Companies need the means to reel in renegade data that sits in disparate silos across the organization. Then they can remedy the disconnect between product development and regulatory/labeling teams, and meet intense governance challenges.

With an integrated product lifecycle management platform, food and beverage companies can screen products against compliance rules throughout the development cycle. If contamination occurs once products have hit the market, they

can quickly identify their exposure and potential impact. Transparency and visibility into the entire operation are critical, and product lifecycle management can provide the necessary lens.

In addition to reducing risk, effective product lifecycle management can help companies more easily merge with or acquire new companies, enter new markets quickly, and modify products to adapt to changing requirements and consumer demands. As it happens, many of the core needs for recall prevention and food safety—centralized information and processes, governance, collaboration, and decision-support tools—are also key factors in successful innovation.

Oracle: Protecting Your Products, Protecting Your Brand

Oracle can help you strengthen your brand against the growing threat of the competition—and product recalls. Oracle’s Agile Product Lifecycle Management for Process helps food and beverage companies make better product portfolio decisions, collaborate with design and supply chain partners, accelerate new product introductions, and manage compliance. With Oracle, companies can minimize the potential for product recalls, quickly get to the root cause within their supply chain in the event of a product recall, and continuously protect their brands and significant branding investment.



Oracle is committed to developing practices and products that help protect the environment

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