

A Case Study:

Central Grocers Prepares for FSMA Compliance; Automates to Significantly Scale Document Management



OVERVIEW Central Grocers is the seventh largest grocery cooperative in the United States and a member of ROFDA (Retailer Owned Food Distributors Association). If you buy your food at an independent supermarket in the Chicagoland area, there is a 95% probability that the products were shipped to them from Central Grocers.

In February 2015, Central Grocers adopted ReposiTrak's cloud-based Compliance Management System to help them keep track of its required vendor documents and to proactively administer FSMA-related records. ReposiTrak replaced Central's previous short-term manual system of records management, which at the time covered only about 15% of its vendor base and only a handful of records. Within a year, Central Grocers has now enrolled twice the number of vendors in ReposiTrak, and has scaled the breadth of documents managed to thirteen, with two more on the horizon to comply with FSMA's Sanitary Transportation requirements. This progress was made possible through ReposiTrak's team of high-touch, consultative specialists and proactive use of the system's automated alerts and exception reporting, along with Central Grocers' dedicated program support and follow-up.

FOOD SAFETY LIABILITY INCREASES The Food Safety Modernization Act (FSMA) represents the most sweeping change to the food safety landscape in more than 70 years. With the signing of FSMA in 2011, wholesaler and retailer executives became legally responsible for the safety of their supply chains. The Food and Drug Administration (FDA) continues to affirm they will enforce FSMA not through inspection, but by focusing on prevention and pursuing legal action. To be in compliance with the seven major FSMA rules, retailers and wholesalers will need to collect, manage and store multiple documents from each vendor for compliance. These documents must be available to the FDA on request within 24 hours and be maintained for two years.

BUSINESS NEED With FSMA finalization beginning in August 2015, Central Grocers CEO, Ken Nemeth felt his organization needed to embrace a culture of food safety and so he created a food safety department and hired Mary Jo Maffei-Panagos as director to lead it. Her training in food safety and experience as a food safety consultant and auditor made her a perfect choice.



Mary Jo Maffei-Panagos
Director, Food Safety
Central Grocers

Panagos was challenged with building the program from the ground up to not only meet federal regulations but to educate the company's 500+ employees on the changes in the industry. "I am responsible for anything related to the safety of the products that come into Central's facility and to everything that leaves Central's facility," Panagos says. Her days are spent on a variety of safety-related functions. She oversees all microbiological testing, vendor recalls and daily sanitation team reviews, as well as coordinates with the occupational safety department to focus on increasing the overall safety culture across Central Grocers. "As a one-woman show", Panagos said she definitely needed to automate vendor document management to enable her to focus on her additional responsibilities.

SOLUTION Central Grocers adopted ReposiTrak's cloud-based Compliance Management System in February 2015, after being introduced to the system's capabilities by ROFDA. ReposiTrak was chosen for its technical capabilities, low cost and ease of use.

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ReposiTrak

Trusted Brand Protection

“It’s very easy to access ReposiTrak from anywhere if I need to check on a vendor’s compliance.”

-Mary Jo Maffei-Panagos, Director of Food Safety, Central Grocers

BENEFITS Scale. After previously only collecting a few documents, Central now requires as many as 13 different records from its vendors. *Bio-terrorism prevention, FDA meat #, Third party audits, HAACP, Certificates for Kosher and/or Organic and Country of Origin records* are now required in order to manage Central’s food safety requirements. In addition, *Certificates of Liability, Letters of Continuing Guarantee, Hold Harmless, Indemnity, W-9 and Supplier agreements* are required by Central’s legal and procurement departments.

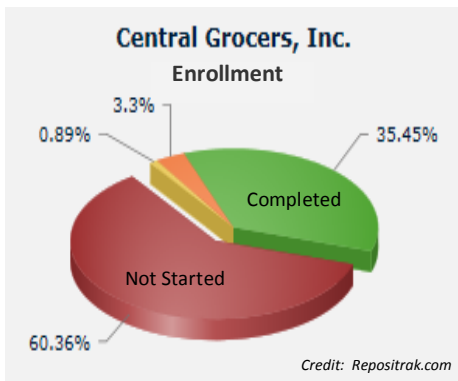
Accessibility. All documents are managed through ReposiTrak and are accessed by designated resources in each department. Internet access is one of Panagos’ favorite things about ReposiTrak. “It’s very easy to access ReposiTrak from anywhere if I need to check on a vendor’s compliance,” she says.

Review Queue. Panagos likes the ability to set up certain documents, such as *Certificate of Liability Insurance*, to require her review before the system marks their status as “compliant”. She can also designate documents to be reviewed from any classification of vendor, like those labeled as “high risk”.

Exception-based Reporting. ReposiTrak consultants work directly with Central’s vendors to answer record-related questions and minimize the exceptions reviewed by Panagos and a cross-functional team that includes marketing, purchasing and the CEO. This process alerts Central’s team only when vendors have documents missing, when insurance limits are too low or when a document is due to expire. Panagos notes that these alerts save time for both Central and its vendors while raising the level of compliance.



Illinois Indiana Wisconsin Michigan
Central Grocers serves more than 400 independent supermarkets in the Chicago market. credit: central-grocers.com



RESULTS To date, Central Grocers has enrolled more than a third of its vendors into the program and scaled its document requirements extensively. Panagos credits Central’s commitment from CEO, Ken Nemeth and cross-functional team members for achieving its results. Automated reports are sent every Sunday to the team to assess both enrollment progress and compliance.

FOOD, NON-FOOD AND SEASONAL VENDORS ARE INCLUDED All of Central Grocers’ vendors – food, non-food and seasonal—are included in the program. When prospective vendors approach Central, they are provided with a link to enroll in ReposiTrak and then must provide the required records in order to obtain a vendor number. Panagos reports that the majority of

vendors have willingly enrolled in ReposiTrak and are happy to share documents, as those who have invested and passed third party audits are eager to share their credentialing. In her earlier experience as a food safety consultant and auditor, those not wanting to share their data sometimes have something to hide.

FUTURE PLANS Moving forward, Central Grocers will continue to increase its document requirements to comply with FSMA rules, specifically the recently finalized Sanitary Transportation rule. The company also plans to automate its new vendor approval process through the use of ReposiTrak’s vendor portal. That way, ReposiTrak can collect and review all new vendor documentation before a vendor number is issued and the first PO is cut. Longer term, Central plans to tie ReposiTrak to its Purchase Order System, so that a PO will not be issued to a vendor that doesn’t have its documentation in order.

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ReposiTrak

The Industry Standard in Food Safety