

# The IT Factor

How to profit from the information age.

By June Nicolay

The meat industry has become a massive information-gathering entity due to regulations surrounding traceability, nutritional analysis, HACCP, COOL and international logistics. The exercise of collecting information can be overwhelming and expensive.

Successful corporations embrace positive change and do IT better than their competitors. What is IT? IT (information technology) is the undefined edge some corporations have over their peers and there is a strong association between the IT factor and how a corporation gathers and manages information.

With all decisions based on the information available at any given time, it stands to reason that the better the information, the better the decisions.

The first challenge in keeping up with the information age is to gather data as part of routine daily work tasks without adding too much time to human processes. Working hard is not as effective or profitable as working smart. Data logged in separate, unrelated files or spreadsheets must be copied and compiled in order to gain any meaningful insights. Integrated software solutions allow workers to input data once, based on their role and responsibility, allowing the data to flow through to all other associated areas of the business based on the design of the software. Integration in design will significantly reduce or eliminate duplication and redundancy. The more times information is handled, the more expensive it becomes.

Industry-specific solutions are software and equipment designed specifically for that industry. These solutions, while sometimes more expensive up front, can save thousands of dollars in the long term. The workflow, terminology, user interface and built-in industry logic will be more efficient and comfortable for workers to use.

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Data should be collected based upon the needs of the corporation. Some data is required in a real time setting. The term "real time" means that data is updated in the integrated areas of the system as it is occurring.

Inventory control information should be kept as much as possible in a real time setting. Some policies and procedures will need to take place in preparation of real time data processing.

If a corporation is not ready to implement real time data capture, alternative procedures should be implemented with an eye to the future. The term "batch" means that data is updated from time-to-time in batches throughout the process. In some settings, this is the best way to start to track inventory and other business data.

Inventory control begins with receiving. All product coming into the facility must be inspected, identified, and put away both in the real world and digitally in the computer systems. Corporations that have streamlined their receiving workflow have successfully eliminated more than three-quarters of the problems resulting from poor inventory control.

This is the first place that a barcode or RFID tag should be considered. Barcodes and RFID tags are identifiers that are placed on product so that a mobile device can determine what is in the case or pallet. The GSI Canada Association, along with other international associations, has been working diligently on barcode standards. UCC/EAN-compliant barcodes have the capability of storing vendor, product, date, weight and lot code or serial code

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data in the barcode. One scan and the user is able to process the inventory based upon that data. The need to manually log lot codes and weights will no longer be necessary. This is a very cost effective way of handling very detailed data.

Warehouse management systems (WMS) track product from the point of initial receiving to delivery. Depending upon the scope of the facility and the volume of product handled, this can be a daunting task. Barcode identifiers or RFID tags placed on products facilitate the tracking of products by scanning or reading the tags. Procedures and policies must be implemented in conjunction with any WMS activity. Inventory control systems will enable corporations to put away product in the best location in the warehouse and pick product from the desired location in the warehouse. Product can be allocated to production, put on hold, reserved for specific customers and shipped based upon the desired rotation efficiently. Mobile computers enable workers to update the data as they work. Knowing where product is in the warehouse will save time for all operations and sales staff. Proper rotation, appropriate allocation to production, 100-per cent fill rates on orders, and prudent compliancy for traceability all begin with solid receiving and warehouse management practices.

In a dynamic environment it's difficult to keep up-to-date with what has come in, and what has been shipped. Integrated systems will update all inventory data and display



information about availability easily. Industry-specific systems will have quick look-ups based on product, customer buying patterns and availability. Proactive communication can only be achieved with up-to-date data practices.

Corporations that are very responsive to their customers offer a variety of ordering methods. Sales reps armed with mobile databases connected to the main system, web ordering, EDI and traditional order-desk activities should be tied to an integrated order fulfillment system. Production can see demand, available inventory can be allocated, and orders can be sent for direct picking fulfillment based upon shipping logistics. Sales go up, shorts go down.

Data collected by each department as part of the routine day ends up in the main database of integrated solutions. Proactive management begins with accessibility to meaningful data. The good news is IT is a side benefit of compliance with Can Trace practices. The IT factor is yours for the profit. **M**

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*June Nicolay is the vice-president of distrib-u-tec Software.*

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