**Customer stories**

# Fonterra Co-operative Group Limited

Global dairy nutrition cooperative increases traceability, transparency, and recall test speed with OpenText™ Global Product Authentication Service (GPAS)

Industrial Manufacturing        Internet of Things (IoT) Platform        Business Network        Europe

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## About Fonterra Co-operative Group Limited

Fonterra Co-operative Group Limited is a global dairy nutrition company. As the world's largest dairy exporter, Fonterra stands for environmental sustainability, caring for the community, and providing the most nutritious dairy products possible.

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| Farmers: | **Around 10,000** |
| Population served: | **Over 1 billion** |

# Summary

## Challenges

- Supporting food safety and quality to preserve full consumer confidence.

## Solution

- Collaborated with trusted experts for success.

- Established trust in source traceability with simple QR code scans.

## Results



**Increased** customer confidence and satisfaction



**Improved** product traceability and recall significantly



**Increased** food safety

# Challenges

- **Needed to support food safety and quality**
- **Needed to boost customer confidence**

Fonterra's business ethics are centered on caring for the environment and the community it serves. In 2013 it had to manage a high-profile and sensitive precautionary product recall. A potential contamination occurred that could have health implications, so it was all hands on deck to manage the crisis.

As explained by Rekha Baptista, Traceability Centre of Excellence manager, for Fonterra, "Brand confidence is precious to us. In this event, a contamination was eventually ruled out, but it took significant effort and too much time to accurately identify all the affected products and their destinations down to the last kg. We were able to trace all our product, but as our traceability process was not fully automated and relied on an array of systems involving a mix of electronic information as well as manual logs and spreadsheets, we recognized that this was not good enough. It highlighted to us the urgent need to improve our traceability systems and processes."

Fonterra had been expanding rapidly. 30 manufacturing sites in New Zealand produce over 16 billion liters of milk every year, 95 percent of it destined for the export market. A high degree of automation had been introduced in the supply chain, but yet capturing data to trace products and validate the provenance was still not fully automated. Fonterra committed to invest in a full "trust in source" traceability program that would deliver the capability for product to be traced within three hours. Taking this a step further, they identified that having traceability within the supply chain was not sufficient, but information needed to be available at the consumer's fingertips too, giving them complete trust and visibility of the source of their purchase. Baptista said, "A parent buying infant formula for their baby must have the confidence that what they are feeding their child is completely safe. We want to connect consumers to their food, provide transparency through the supply chain, and allow them to see the origin of the food they are purchasing."

> **Although OpenText didn't have the exact capability we needed, we were struck by their willingness to work with us to develop a solution that would have a much closer fit to our requirements.**
>
> **Rekha Baptista**
> Traceability Centre of Excellence Manager, Fonterra

# Solution

To streamline product tracing, boost response speed for future recalls, and give customers the tools to check safety for themselves, Fonterra deployed OpenText's Global Product Authentication Service (GPAS) with QR code-based tracking.

## Products Deployed

**OpenText™ Aviator IoT →**
OpenText GPAS helps brands protect products and secure supply chains while creating a new marketing channel in which to engage their customers

### Collaborating with trusted experts for success

After exploring over 75 solutions available, Fonterra selected five to go forward to RFI stage. No one company could quite deliver a 100 percent match to their requirements, but OpenText was the closest match and of such a high quality that Fonterra selected them. Baptista on the choice for OpenText, "Although OpenText didn't have the exact capability we needed, we were struck by their willingness to work with us to develop a solution that would have a much closer fit to our requirements."

The result of this collaboration is the Fonterra-customized version of OpenText's Global Product Authentication Service (GPAS) offering. This enables the data collection and business intelligence reporting for actionable analytics and alerts. The investment allows Fonterra to show consumers very efficiently where and when the product was manufactured, its expiry date, and its authenticity. An initial pilot deployment in Fonterra's Auckland production plant included full SAP® integration, and was live in just a seven-week timeframe. Unique GPAS QR codes are distributed to the manufacturing systems, where they are laser etched directly onto the product containers.

### Establishing trust in source traceability with simple QR code scans

Flagship infant formula brand Anmum, using Fonterra dairy nutritional products, was the first to leverage GPAS. Using their mobile phone, consumers can scan the unique QR code on each Anmum product. A multi-lingual consumer portal will interpret up to 20 data attributes giving them information about its provenance, either before they buy it or afterward. Over 86 percent of the Anmum brand products are now covered by GPAS.

The internal traceability has also proved very useful, as Baptista stated, "A few months ago, we were investigating a batch of raw milk from a farm. The milk had already been collected and combined with other collections and delivered to our processing site. Because we were able to very quickly identify and isolate the product that was manufactured, we were confident that we had ring-fenced all product containing milk from this batch. This meant the product could be tested to confirm that it was safe to use. Without full electronic trace capability this would

have been a complicated process that took a long time, and we would have had to put all our processing on hold. Safety is paramount and our highest priority as we make food, so when it comes to food safety, we have a zero risk appetite."

Members of the Fonterra family around the world have access to user-friendly traceability dashboards and analysis reports to answer customer queries and enable fast decision-making.

# Results

Fonterra has dramatically improved traceability and consumer trust through use of GPAS, showing the rest of the dairy industry the way to a safer, more transparent supply chain.

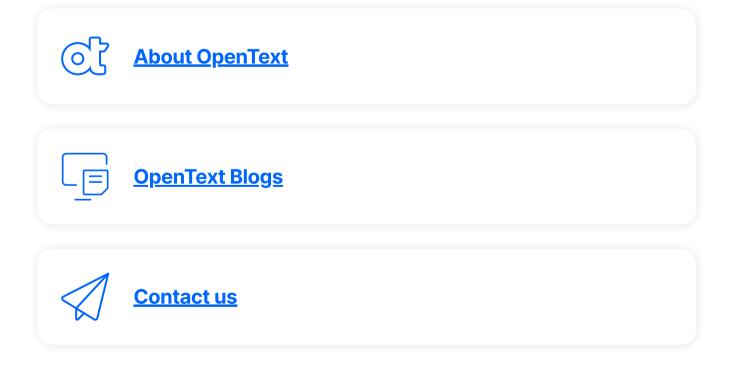### Increased customer confidence and satisfaction

The industry and regulatory response to Fonterra's traceability initiative has been overwhelmingly positive, with other industries learning from their experience to adopt similar principles.

Globally, Fonterra is the first dairy producer to have introduced this level of traceability, giving huge confidence to its consumers. Customer survey results reflect this feedback as they understand that food safety is Fonterra's highest priority. Thankfully there has been no need to use the functionality in real-life.

### Improved product traceability and recall significantly

To ensure robust trace capability, Fonterra regularly performs traceability exercises, and can demonstrate that it not only meets the three-hour target, but exercises can be done in a shorter time. This provides the confidence that fully transparent automated processes can be quickly activated at any time to effectively trace products. Baptista concluded, "Our products meet people when they are at their most vulnerable; new mothers needing to feed their babies. There is absolutely no safety risk worth taking in that scenario, and our collaboration with OpenText gives our consumers that trust."

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