

E.COLI AND ERP: LESSONS FROM A TRAGEDY

The inadequate traceability revealed in the recent E.coli outbreak could apply to your enterprise systems as well, reports Dan Roberts.



Dan Roberts: enormous amount of data

The recent outbreak of E.coli in Germany was very sad for all involved. There will no doubt be an investigation into how it happened and how to prevent another outbreak.

Much of that enquiry will focus on the processes involved in growing, harvesting, packaging and transporting the affected food. Equally serious were the failings of the food traceability system to pinpoint the source of the contamination. The delay before discovering the source potentially led to more people becoming infected than should have been.

So how come the much-touted traceability in the food supply chain did not provide an answer more quickly? I had been led to believe that traceability was so good in the food industry, that you could tell not only which farm a cut of meat had come from, but the individual animal. Yet the German authorities were unable to even narrow it down to the right country.

Tracking individual items is one of the strengths of ERP-based systems. Knowing what has been sold to which company is vital to ensure that you get paid for it. The complication comes with the distribution and sales network connecting to the consumer.

In previous E.coli outbreaks, the source has usually been traced to a small outlet that has supplied a limited geographic area. If the source is a large supermarket, then things become more difficult to trace. When there are hundreds of items, the common foods among a group of victims could be quite large.

Perhaps if traceability moves to the next level – tracking individual items to individual consumers – then it might make tracing the source of contamination easier. For example, if you know that although those sickened all bought Spanish cucumbers, they were not all from the same batch (or even the same farm), then you could eliminate that possibility.

The trouble is that tracking that level of detail right to the consumer level (even with the benefit of being able to use their loyalty cards as an ID number) requires an enormous amount of data. That sort of data is not easily processed with the systems in place today.

Ironically, the answer may come from Germany. This is the sort of application that SAP believes its new HANA in-memory analytics appliance will be able to support. Early adopters have been reporting that they have been able to perform tasks unthinkable before.

But until high-end processing systems become available to everyone, regulators will be attempting to tighten up the current regulations.

Without knowing the details of the German E.coli outbreak, it's hard to know the root cause and therefore the potential solution. No doubt in the fullness of time, the reasons will become clear.

Until then, it would be wise to review your own company's risk from product problems in the field. Whether you are heavily regulated or not, the impact of not having complete track & trace capability is enormous, creating risk to your customers, relationships, reputation and brand equity. If something similar were to happen in your industry, would your systems stand up to scrutiny?

● *ERP Software Evaluation Centre Expert Dan Roberts is a consultant with Cambashi and editor of 'Cambashi Examines Enterprise Applications'. Email: dan.roberts@cambashi.com.*