The nutraceuticals industry needs traceability technology more than ever.

By David Boos, CEO, Cornerstone Consulting Inc.

With growing attention on food additives, supplements, diet drinks, and general good nutrition in the United States, many parents are becoming more conscious and proactive about what they serve their children and what they consume as well. This, combined with our nation’s population of aging, health-conscious baby boomers, creates an ideal environment for businesses involved in the nutraceutical industry. In fact, a report released by market researcher Global Information Inc. projected that the global market for the nutraceutical industry, including those invested in dietary supplements, functional foods, and beverages, will grow to USD $250 billion by 2018. Now more than ever is the time to maximize on opportunities to reach consumers who are interested in and motivated about weight loss, relaxation, and general self-improvement through reliable health products. However, this will all count for very little if these businesses are unable to consistently meet the industry’s regulatory standards and customers’ rising expectations.

With reliable business management tools, nutraceutical manufacturers, distributors, retailers, and
Traceability technology will be a large part of that essential business toolkit, granting nutraceutical manufacturers the ability to verifiably trace their goods along the distribution chain in the interest of safety, accurate ingredient listings, and overall efficiency. With track-and-trace technologies, you’ll be able to prove beyond a shadow of a doubt exactly where your raw materials were grown or originated; confirm what materials were used in the manufacturing of said product; and accurately record the percentage of each individual ingredient that ends up in the final package for labeling purposes and customers’ peace of mind. It goes without saying that those proactive businesses that are on the front end of this technology will have a significant competitive edge. Traceability technology is more relevant than ever in the wake of the New York Attorney General Eric Schneiderman’s (NY AG) recent investigation of the herbal supplements industry. The many debates between American businesses and political leaders about the validity of the DNA barcoding tests involved in the NY AG’s investigation are altogether less relevant than the conversations now happening amongst the nation’s health-conscious customers—that is, the customers who will likely wish to see what businesses can do to reassure them that their products are safely beyond such scrutiny. The ability to provide this reassurance will directly affect the industry’s ability to sustain business success well into the future. Looked at one way, this could be a great business opportunity for savvy SMEs looking to expand their existing customer bases to act now to meet the demands of consumers seeking new and more reliable sources for everything from energy or relaxation drinks to plant-based protein supplements, etc.

According to FDA, “The manufacturers and distributors of dietary supplements are responsible for making sure their products are safe before they go to market. Manufacturers are required to produce dietary supplements to minimum quality standards and ensure that they do not contain contaminants or impurities, and are accurately labeled.” Traceability technology makes this highly beneficial mission much simpler. Companies can already rely on three excellent track-and-trace options available to refine business operations and to reassure health-conscious customers. One, of course, is existing barcode and RFID tools that enable businesses to quickly capture and store data and accurately monitor and track inventory quickly and with less error.

Another interesting option is Google Glass. When combined with custom applications for stock management, Google Glass “glasses” can be used to quickly locate and pick stock in warehouses. When used for stock picking, orders can be organized, transmitted, and displayed directly to workers’ glasses for fast deliveries. We know this works because an e-commerce business based in the Netherlands called Active Ants has successfully tried this, according to an article published in Wireless magazine stating that the company’s use of Google Glass for stock picking made the job 15% faster, with 12% fewer mistakes.

ERP, or enterprise resource planning software systems, is another. ERP enables a company to gather, store, manage, and interpret data between separate departments, meaning that it can be used to trace raw ingredients to manufacturing sites to final packaged products. Integration is the key here, and it’s absolutely invaluable.

The most important thing to remember here is that modern consumers are interested in safe and healthy nutrition sources for self-improvement. The nutraceutical industry has an amazing opportunity to be a part of that process. Information, technology, and the intrinsic desire to help one another will get us there together.
Source URL:
http://www.nutritionaloutlook.com/trends-business/viewpoint-traceability-technology%E2%80%94-a-must-today%E2%80%99s-nutraceutical-manufacturer

Links: