



Feeding People Like Family

How Surlean Foods tackled food safety in real-time using Cognos Analytics 11

The Challenge:

Generating USDA compliant reporting real-time by anyone in the organization at any point during the week. The existing process utilized three disjointed reports that only 3 highly skilled employees in the company were able to run.

The Solution:

The solution addresses two business critical needs. The first is a real-time exact replication of the database to the cloud, which can serve as an automatic switch-over disaster recover solution. The second is converting that replica into a Business Intelligence Data Warehouse near-real time. This allows disaster recovery backed ad-hoc reporting 7 days a week to meet USDA reporting requirements.

The Benefit:

Surlean can now track all operations, minute-by-minute. This is driving improvements in business processes that will move the company towards even more efficiency and profitability while remaining in regulatory compliance.





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Ensuring food safety is one of the most recognizable business problems in society. Confidently stating the source, processing, and sales path of every food item ensures that if any challenges arise an organization can quickly act. Financial and reputational risk is real and regulatory closure can prove the ultimate penalty.

Since 2017, there were more than 130 recalls, encompassing approximately 21 million pounds of meat. Causes ranged from bacterial contamination, to undeclared substances, and extraneous materials found in products.¹ Given the perishable nature of these products, with a typical fresh meat lot having a 7 day shelf-life, time is of the essence when it comes to detecting an incident, identifying the affected product, and recalling it before reaching the consumer. Every passing hour increases the odds that the product reaches consumers or gets reused into derivative products.

The primary challenge is the speed of reaction to an incident, and the problem goes well beyond that, as identifying the disposition of the contaminated goods is insufficient alone. The producer needs to account for all the related inputs and outputs from production, at every point in the process. The ability to do this with thoroughness and clarity

is the difference between simply replacing contaminated lots, or going out of business.

When the Grocery Manufacturers Association surveyed three dozen international companies in 2011, more than half reported being impacted by a food recall during the previous five years. Eighteen percent of those said the hit from the recall and lost sales was between \$30 million and \$99 million; 5% said the financial impact was \$100 million or more. The long-term reputational damage to companies can have an even steeper price tag.²

The Solution

Surlean Foods, a subsidiary of the Leonard Holding Company, a third-generation family-owned business, was like any similar producer, struggling to effectively with a requirement to account for, and report on, the location and value of all of its own products. Surlean embarked on an ambitious digital transformation, replacing multiple a disparate Inventory Management system & Accounting System with highly complex integration points legacy Purchasing, Production, Sales and reporting systems, while partnering with Deacom (ERP solution) and QueBIT consulting, to deliver a new ERP deployment and a seamlessly integrated Cognos Analytics 11 based information delivery system. The company is required to account for the usage and whereabouts of all raw materials used in production as well as finished goods produced. Producing reporting across this range and volume of data historically has been very labor intensive and difficult to manage. Because time truly is money, the challenge was to design an intuitive reporting and analytics system which produced this information in real-time.

“QueBIT worked with the Surlean Foods team to create a robust recall system with traceability from beginning to end. Their project planning, communication, and responsiveness to our needs made them very easy to work with.”

Katie McClain, V.P. of Technical Services & Continuous Improvement

¹ United States Department of Agriculture, Food Safety and Inspection Service 2017 report

² By Beth Kowitz for Fortune Magazine – “America’s food industry has a \$55.5 billion safety problem.” May 6, 2016

The Transformation

“Where is it?”

In October of 2018, the initial deployment of the new system took place. It provided visibility, in real time, to all phases of the business operations. Utilizing the extensive capabilities of Cognos Analytics, the users could traverse all related information without leaving the report screen, extracting pertinent information at any point if desired. Whether the goal was finding all products shipped to customers which utilized an ingredient from a specific receipt, finding all receipts and inputs which were part of a specific customer delivery, or simply finding where inventory resided in their own facilities; Surlean could now find and produce documentation related to every phase of their operation, in real time.

“Where did it come from? Where is it going?”

As “enlightening” as a set of spreadsheets can be, nothing beats a picture, and for understanding the “where” of your current business situation, no picture beats a map. All key data deployed in the system was geocoded to provide a clear picture of the “where”, not just the “what” of their business operations. This means clear geographic locations for all ingredient sourcing, production, and delivery. Maps embedded in Cognos Analytics dashboard reports can show the full picture of where it came from, and where it’s going.

“Can I trust it?”

Since the processes move rapidly, and any delay or inaccuracy can lead to significant hardship, it’s not enough to have just the single application. You also need confidence that the application is right. Utilizing the capabilities of Cognos Analytics, a monitoring and alerting system was deployed, which tracks the completeness of the database replica and alerts key people if a variance outside an acceptable tolerance is detected. A Daily digest of activity is also produced to provide that additional layer of confidence that all components are running correctly.

“But I have other questions too...”

Underlying the recall reporting system is a comprehensive reporting model which enables ad hoc analysis, with additional reporting and dashboarding related to Surlean operations. This intuitive interface, modeled to follow business processes, addresses the issue presented by legacy reporting methods as it ensures all consumers of this vital business information see the data in the same way.

“Why did this happen? Can I prevent it from happening again?”

The investment in Cognos Analytics was also a commitment to the future, where simple operational transparency can give way to deeper, AI-driven analytics. The future goal of heading off recalls before they happen, while a seemingly ambitious goal, is now in the realm of possibility.

The Benefit

While early on in its new digital journey, Surlean can now track all operations, minute-by-minute. This is driving improvements in business processes that will move the company towards even more efficiency and profitability. Beyond the ability to reactively address concerns around recalls and food safety, Surlean is poised to leverage these capabilities as a competitive advantage.

About Surlean Foods

Surlean Foods is a custom food manufacturer, providing America's leading restaurant chains with proteins, soups, sauces, and more since 1979. Surlean Foods two locations in San Antonio and Dallas, TX employ over 225 individuals. Continuing to improve operations, R&D and customer service, Surlean Foods recently updated its production optimization process to now using the Red Zone system. In 2016 Surlean Foods spent \$8 million to upgrade the Dallas location to include a customer innovation center. Surlean Foods launched a new ERP system on October 1, 2018 and has seen an increase in business intelligence.

The success of Surlean Foods began in 1963 when Al Leonard started L&H Packing, a meat packing plant in San Antonio, TX. Since then the company grew to become one of the largest slaughterhouses in the Southwest. Surlean Foods was created to vertically integrate the meat packing plant to further process the harvested beef. Daryl Scott, president of Surlean Foods and a grandson of Al Leonard, has since added many more product offerings to the Surlean Foods menu.

About Leonard Holding Company

The Leonard Holding Company is a third generation, family-owned business providing shared services to the family of business. The two operating companies are New Earth, a composting company, and Surlean Foods, a customer food manufacturer. Leonard Holding Company also has real estate, oil and gas, and equity investments as a part of its holdings.

Neal Leonard, a grandson to founder Al Leonard, is the CEO of the holding company. There are four family members from the third generation among the nearly 400 total employees in all the companies.



About QueBIT

Trusted experts in analytics, QueBIT is dedicated to helping organizations leverage their data to make more intelligent decisions, that result in significantly improved business value. QueBIT has delivered analytics solutions for more than 450 organizations, including some of the largest and most successful companies in the world. QueBIT solutions span the entire spectrum of analytics, from data management, including Big Data strategy and implementation, Business Intelligence, Business Planning, Predictive Analytics and IoT Analytics. QueBIT's unique CARE methodology coaches customers to achieve independence in solution ownership, while delivering rapid time to value. QueBIT has been recognized with many industry awards. www.quebit.com