



OSI Europe Conducts Supplier Quality Summit

Event Encourages Best Practice Sharing within Global Supply Chain

Gersthofen, Germany, July 18, 2019 – OSI Europe hosted its 2019 Supplier Quality Summit in Munich, Germany, bringing together the company's valued suppliers, experts in the food and agriculture industries, and leaders in food quality. The Summit was held on June 18, 2019 with the theme *Winning Together: Achieving Superior Supply Chain Quality*, and highlighting collaboration as the means to achieve [superior food quality](#). The speakers stressed the importance of cooperation to foster a safe, efficient food industry that nourishes and enriches the people and communities which it serves.

The key messages and common threads that were discussed included foreign material management, animal welfare, diversity in the workforce, and food safety culture. Aside from focusing on the scheduled topics, the Summit also allowed time for the attendees to share best practices and revealed an abundance of knowledge among the representatives of different industry sectors.



Opportunities to Collaborate

Kevin Cahill, managing director for OSI Europe, spoke about challenges in the supply chain as customer expectations continue to rise, causing them to demand higher standards that cascade through all levels of that supply chain. Additionally, he spoke about how volatility brings risk and suggested how everyone should collectively manage that risk, from farmer to harvester to finished goods processor.

"The farming process is evolving to require [sustainability](#) measures as well as higher animal handling and welfare standards," Cahill said. "Consumers want transparency about such practices." Cahill further described how veganism, vegetarianism and flexitarianism continue to grow and could achieve a significant share of the protein market in the near future. "In fact," he stated, "many people who buy vegan products are not vegan at all, but are looking to these items as healthy choices for their healthier lifestyle. We all need to be ready to address such consumer needs."

Angelika Wendt, vice president, Food Safety and Quality for [McDonald's](#), discussed the chain's brand expectations, where the goal is to ensure that McDonald's is a trusted brand for quality food, served safely. To drive home this point, Wendt used a video clip of Steve Easterbrook, McDonald's president and CEO, where he emphasized how important food safety is to the brand and asserted it as the company's number one priority.

About OSI

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“Customer trust is key for our business and food safety underpins that level of trust,” Easterbrook said in the clip. “The goal for McDonald’s suppliers is zero food related product recalls and zero food related injury or illnesses.”

A primary concern for consumers is finding foreign materials in their food, so all McDonald’s suppliers were encouraged to work together – whether raw material, equipment or food processors – to eliminate this risk. Since the primary sources of foreign materials are typically the food itself (e.g., bone), equipment (e.g., packaging or machine parts) or people (e.g., hair, gloves, etc.), the responsibility for quality and safety is shared by all industry members. “McDonald’s is able to use its sheer scale to elevate food safety and achieve excellence,” Wendt concluded, “but we must do it together, in collaboration with our suppliers.”

Claire Donoghue, operations director for OSI Europe Foodworks and OSI Europe’s sustainability leader, detailed OSI’s commitment to continuous improvement in the sustainability of the company’s operations as well as its supply chain, and the specific changes being made in OSI’s European business to meet its sustainability goals.

One observation that Donoghue made was regarding a way these changes can be achieved. “When you connect sustainability goals to people’s values,” she said, “it becomes possible to motivate those people to make lasting changes.”

OSI is focused on helping drive such positive change throughout its supply chain, from farms all the way to consumers, and Donoghue presented two OSI sustainable beef programs in Europe that reach farmers, helping recognize and incentivize on-farm sustainability: *Best Beef* in Germany and *Cultivate* in Poland. By making these programs personal to the farmers, these farmers are more motivated to continue to operate in a sustainable way.

Monitoring Operations and Behaviors

Ensuring humane treatment of live animals at all stages of life, including prior to slaughter, is clearly the right and respectful thing to do. A monitoring program can be used as a tool to monitor the treatment of these animals and ensure that appropriate care is being provided. Such a program can also give early indicators of any mishandling and drive improvement. Susan Shifflette, technical manager for OSI Europe Foodworks, discussed the use of such programs with Summit attendees.

“Video monitoring provides the ability to watch more of the production process as it happens and delivers better information to develop any corrective actions,” Shifflette explained. “Using a third party to routinely audit processes based on video footage is an industry best practice. It is a valuable tool used for observing in an unbiased way, and can provide a site with a great deal of data about its operations.” OSI utilizes third party remote video auditing in all of its beef slaughter sites in Europe.

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"It is necessary to clearly define what constitutes inappropriate handling and acts of abuse so swift action can be taken when someone violates established policies," Shifflette continued.

Mark Moshier, president of [Arrowsight](#), a remote video auditing firm, explained that the data his company provides creates awareness, requires accountability and delivers transparency. "Self-use video monitoring is a novel idea but its consistency often wanes over time, as its novelty wears off," Moshier said. "Hiring a third party ensures dependable results will continually be delivered against established standards."

Panel Discussion: Globalizing Protein Specifications

A group panel was assembled to discuss the need for global specifications, and included Bruce Feinberg, McDonald's senior director, Global Protein Quality; Norbert Rank, McDonald's senior manager, Global Quality Systems, Poultry & Fish; and Jutta Schmid, manager, Raw Material Quality for OSI Europe.

Feinberg began by noting that McDonald's was working hard to contemporize its specifications for beef, pork and chicken raw material, while globalizing the standards for each protein type. "It is important for me to have interaction with our suppliers," Feinberg stated. "I want to be sure they all have a proper food safety culture. Having that is extremely important. Such a culture ties in well with McDonald's expectation of self-managed excellence," he said, "and ensures that the specifications will be upheld."

Rank described the role of direct suppliers to McDonald's (such as processors, like OSI) as sponsors to the raw material vendors. OSI's Schmid affirmed her role as such a sponsor, where she executes the specifications and communicates the expectations to the raw material suppliers in Europe. She identified a reduction in antibiotic use in chickens by those vendors and detailed further work being done on a cross-functional team to work on chicken sustainability throughout the supply chain.

Women in Global Leadership Roles

The conference also included a vibrant session on diversity and women in leadership roles within European organizations. Paula Marshall, third generation CEO of [The Bama Companies](#), spoke about building a leadership team and setting the tone of diversity. "Different thinking brings better ideas," she asserted. Marshall was concerned that there are not any significant moves towards diversity in European companies. Marshall also explained how she had met Dr. W. Edwards Deming, known as The Quality Guru, and learned early in her career the importance of high quality and lower price, removing waste and variation. These are basic principles that made her company successful and they are concepts that are still very relevant today.

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Managing Supply Chain Quality

OSI's Dr. Kenneth Petersen, senior vice president, Quality Assurance and Regulatory Affairs, revealed how OSI's global strategies are centered on risk while focused on the customer. Petersen asserts one must go back to basics to prevent risks. Something as basic as proper cleaning of food sites is sometimes taken for granted and requires vigilance for effective performance. He identified ways to prevent foreign material in the final product through hygienic design, training and alignment, and supplier approvals and removals.

"From a process perspective, foreign material can be identified and prevented from getting to the customer by the use of x-ray for raw materials, bone elimination systems, final product metal detection, and control of loose tools," Petersen said. "It is all about prevention, prevention, prevention."

In a time of 'big data,' identifying risk in the supply chain is made easier through the use of available tools that can utilize such data. One tool is a platform provided by [Foods Connected](#), which OSI uses to collect information, store documentation and maintain an approved supply list for its proteins. Roger McCracken, CEO, managing director and founder of Foods Connected, described OSI as a premier company that is utilizing leading indicators to foresee certain risks in its supply chain. The tool is also used to communicate to suppliers and keep them up to date on modernized specifications or any complaints related to the material that was supplied. Such a platform is improving measurement of raw material vendors and thus improving overall supply chain quality management, leading to better quality food.

Food Safety Culture Journey

Rhona Quin-Mcleod, technical director for [Morrison's Supermarkets](#), shared her experience of the three-year journey Morrison's experienced to improve the firm's culture of food safety. The company had conducted employee surveys at all their sites, but what made the biggest difference was when the CEO toured the plants and asked each site manager to reveal their top three strengths and their top three opportunities for improvement. "By understanding the perceptions of your employees," Quin-Mcleod said, "you have a basis to improve in key areas the business has identified."

Awards Presentation

OSI Europe was pleased to present a series of awards to four of its suppliers, including:

OSI United Kingdom Beef Supplier of the year – [The Buitelaar Group](#)

OSI United Kingdom Pork Supplier of the Year – [Tulip](#)

OSI Supplier Sustainability Award – [ABP Group](#)

OSI Europe Poultry Supplier of the Year – [2 Sisters Storteboom](#)

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L-R: Rhona Quin-Mcleod of Morrison's; David Wieberneit, McDonald's key account director, Central Europe for OSI; Angelika Wendt of McDonald's Corporation; and Roger McCracken of Foods Connected

OSI's focus for the future will be to drive industry progress through teamwork and cooperation with its suppliers, with guidance from its trusted partners and industry experts. Noting the volatility that exists in the protein markets, the company is looking for novel solutions, and, in some cases, going back to basics to reduce and eliminate risks through awareness, transparency, and accountability. The Summit provided the opportunity to share knowledge and tools to leverage improvements in the supply chain.

The take-home message for OSI's raw material suppliers was to work on improving quality in what they are providing, knowing now that at least 50% of OSI's findings of foreign matter come from raw materials. What can the supplier do differently to reach the next level of prevention? Do they have a food safety culture? What are they doing with people and processes to develop a strong culture around food safety? How can we work together to win together and foster a safe, efficient food industry that nourishes and enriches the people and communities it serves?



The OSI team enjoys a few smiles at the conclusion of a successful Quality Summit.

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