

# Real-Time Inventory Management is Key to Dietary Supplement Manufacturers Success

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Among manufacturers, dietary supplement makers face a special set of regulations enforced by the U.S. Food and Drug Administration. They're referred to as the current good manufacturing practices, and they outline the ways in which dietary supplement makers should manufacture their products responsibly. The final rules were established in 2007 and aim to make sure consistency and quality standards are followed. This includes ensuring identity, purity, strength and composition of dietary supplements don't vary.

Much like food manufacturers, dietary supplement companies have to worry about expiration dates, which means inventory management is a critical aspect of operations.

## **What are the CGMPs?**

The regulatory language for the current good manufacturing practices is fairly expansive. For instance:

- Manufacturers need to make sure the design and construction of production facilities are done in a way that ensures they're maintained easily.
- There must be strict quality control standards, as well as cleaning.
- Final products, incoming and in-process materials need to be tested, and manufacturers have to maintain detailed records of these processes.
- Manufacturers must retain these records for at least a year beyond the shelf-life date or two years past the distribution date for the final batch of a dietary supplement.
- All equipment used in the manufacturing of the supplements must be appropriate for products.

### **Why Should Dietary Supplement Makers Pay Attention?**

The U.S. Department of Justice will get involved if manufacturers are caught in violation of the CGMPs. According to Natural Products Insider, three separate dietary supplement makers in New York were prohibited from continuing operations by the DOJ. One of the most important facts related to the injunction is that the manufacturers were small businesses, meaning they had fewer than 10 employees.

This should demonstrate to manufacturers that the FDA and other federal agencies won't overlook bad practices, even in smaller organizations. One specific dietary supplement manufacturer had products that included controlled substances and it failed to verify final batches met purity, identity, strength and composition standards. Not only does the injunction stop a company from producing new merchandise, but it also blemishes a company's public image.

### **Inventory Management Solutions Can Prevent Interruptions**

Because the ingredients play such an important role in dietary supplement manufacturing, it's critical that companies keep strict control over their inventories. Cornerstone Research & Development provides a clear example of a manufacturer that made a strong investment in data management. The company operates a large facility - more than 100,000 square feet - that's runs at a rapid pace with a high volume of materials.

The manufacturing process involves several steps. First, raw materials are picked and weighed. These components are then moved to the manufacturing facility where they're blended. Third, this product is sorted to manufacture tablets or capsules, and these are subsequently packaged for picking and shipping.

Because product moves quickly through these four steps, Cornerstone required real-time inventory management procedures. Before partnering with RFgen, all of the picking and weighing records were maintained manually, which is not only slow, but error-prone. Record-keeping was also completed several days after the dietary supplements are finished. This was simply inefficient and slowed down production.

When Cornerstone integrated RFgen's component picking module to manage raw material inventory selection, the company was able to improve productivity during the picking stage by 50 percent. Cornerstone was also able to monitor inventory levels at every step of the manufacturing process and digitally verify amounts. This not only increased accuracy, but also strengthened quality control and reduced the time it took for entire process.

Like companies in the food manufacturing industry, dietary supplement makers need to make sure they comply with federal regulations. Inventory management solutions help ensure organizations maintain quality standards regardless of scale.