SHRINK SOFTWARE

OPERATOR PLAYBOOK

The FSMA 204 Operator Playbook.

A practical implementation framework for institutional food manufacturers preparing for the July 2028 compliance deadline. Built from operator experience, not vendor marketing.

PUBLISHED BY

Shrink Software LLC

AUDIENCE

Operations directors, food safety leaders, and compliance owners at institutional fresh food manufacturers (3 to 30 production locations)

DATE

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FORMAT

Planning document — designed to be marked up and brought to leadership meetings

EXECUTIVE SUMMARY

What this playbook gives you.

FSMA 204 is the most significant food safety recordkeeping requirement in a generation. The compliance deadline is July 20, 2028 — extended from January 2026 by FDA action in 2025. Most operators will treat the extension as a reprieve and pay for that decision in 2027 and 2028. This playbook is for the operators who don't intend to be in that position.

The honest operational reality is that FSMA 204 compliance is not a documentation project. It is an operational integration project. The records the rule requires have to be generated automatically as a byproduct of how work gets done on the production floor — not as a separate compliance task layered on top of existing operations. Operators who try to retrofit traceability into spreadsheets or bolt it onto their existing ERP will spend more, take longer, and end up with less reliable records than operators who treat the project as a workflow redesign.

This document provides four things most FSMA 204 content does not:

- A **24-month implementation timeline** mapped to typical operator readiness gates between now and the July 2028 deadline
- An **operational readiness self-assessment** you can complete in 30 minutes and bring to a leadership meeting
- The **specific buyer pressure landscape** you will face from distributors and managed-service operators ahead of the FDA deadline, anchored to publicly documented programs from Sysco, Walmart, Kroger, and others
- A **90-day starter project** definition — what a credible first phase looks like, with success criteria you can defend in a budget conversation

The playbook is vendor-neutral through the first seven sections. The final section describes how Shrink Software approaches the problem, for operators who want to evaluate a purpose-built solution. Whether you ultimately choose us or someone else is less important than getting the operational design right.

SECTION 1

The 24-month timeline.

The FDA deadline is July 20, 2028. Working backwards from that date, here is what a credible implementation timeline looks like for a mid-market institutional fresh food manufacturer with 3 to 30 production locations.

TIME HORIZON	WHAT NEEDS TO HAPPEN
Now through Q4 2026 Months 1–6	**Scoping and assessment.** Complete the operational readiness self-assessment in Section 2 of this playbook. Identify which of your products contain Food Traceability List (FTL) ingredients. Map your current data capture across receiving, transformation, cooling, and shipping. Identify the gaps. This is leadership-driven work, not IT-driven work — the assessment has to be done by people who understand the production floor.
Q1 2027 Months 7–9	**System selection.** Decide between (a) extending current systems with FSMA 204 capabilities, (b) purchasing a dedicated traceability layer that sits alongside existing ERP, or (c) replacing the operational stack. Most mid-market operators land on (b) for cost and timeline reasons. Vendor evaluation should take 8 to 12 weeks if you have a clear set of evaluation criteria — see Section 4 for that framework.
Q2–Q3 2027 Months 10–15	**Pilot at one site.** Implementation always takes longer than vendors estimate. Run a 90-day pilot at one production location before rolling out to the rest of the network. The pilot exists to surface workflow integration problems, operator training needs, and data quality issues that will be invisible until people are actually using the system.
Q4 2027 – Q1 2028 Months 16–21	**Multi-site rollout.** Stagger rollout across remaining sites, two to four sites per quarter. Each site requires real training time for receiving staff, production leads, and shipping coordinators. Budget for productivity dips during the first 30 to 45 days at each site. Operations that try to deploy across all sites simultaneously routinely fail.
Q2 2028 Months 22–24	**Mock audit and remediation.** Run an internal mock FDA traceability audit. Request a randomly selected lot code and time the process from request to delivery of compliant records. If the answer is anything other than "under one hour for any product, any lot, any site," remediate before July 20.
July 20, 2028	**Enforcement begins.** FDA traceability requests can occur at any time after this date. The 24-hour response requirement is binding. Buyer audit pressure intensifies — see Section 3 for the buyer landscape that will already be in place by this point.

> **What this timeline really means.**
>
> Operators who begin the assessment work in mid-2026 have a comfortable runway. Operators who begin in mid-2027 are working under pressure. Operators who begin in early 2028 will not finish in time and will be making operational decisions under duress. The extension to July 2028 created the appearance of a long runway. It did not create the runway itself.

SECTION 2

Operational readiness self-assessment.

This assessment is designed to be completed in 30 minutes by an operations director or food safety leader who understands current floor-level practices. For each statement, check the box if it is true today across all of your production sites. Items left unchecked are gaps that need to be closed before July 2028.

Receiving

- [ ] Every FTL ingredient is logged at receipt with a Traceability Lot Code from the supplier, captured in a system (not on paper) at the point of receipt.
- [ ] Receiving records include supplier identification, quantity, unit of measure, product description, location, date, and time — captured at the time of receipt, not entered retroactively at end of shift.
- [ ] Receiving staff can identify whether any incoming ingredient appears on the FDA Food Traceability List without consulting a separate document or asking management.
- [ ] If your supplier's lot code is missing or unreadable on a delivery, there is a defined operational protocol that does not involve "accepting the shipment and figuring it out later."

Transformation

- [ ] For every production run that uses an FTL ingredient, the system records which input lots were used and which output lots were produced — linked together at the time of production, not reconstructed afterward.
- [ ]

If a single batch uses ingredients from multiple input lots, the system captures all input lots associated with that output lot — not just the most recent one received.

- [ ] Production records identify the operator who executed the run, the time the run occurred, and the location where the work was performed.
- [ ] If you needed to identify every finished product made from a specific input lot today, you could produce a complete list within one hour without spreadsheet work.

Cooling and process steps

- [ ] Cooling logs for FTL products are completed at the actual time of the cooling event, not filled in at end of shift from memory or estimated timestamps.
- [ ] Temperature checks for HACCP-critical control points are time-stamped at the moment of the check and tied to the specific lot being processed.

Shipping

- [ ] Outbound shipments of FTL products include the Traceability Lot Code on the shipping documentation that travels with the product to the customer.
- [ ] If a customer or buyer requests traceability information for a specific delivery, the records can be retrieved and shared within one business day without manual reconstruction.

The 24-hour test

THE TEST THAT MATTERS

Could you respond to an FDA traceability request within 24 hours today?

This is the binding operational standard. Pick a random finished product produced 90 days ago at any of your locations. Have someone produce, in writing, the complete chain from inputs received to product shipped, including all lot codes, dates, locations, operators, and quantities. If the answer requires more than four hours of manual work, your current system will not pass an FDA audit. This is the gap the rest of this playbook helps you close.

SECTION 3

The buyer pressure timeline.

FDA enforcement is the most visible deadline. It is not the most operationally consequential one. The buyer pressure timeline — the dates by which your distributor, retailer, and managed-service customers begin requiring documented traceability from suppliers — is already ahead of the FDA deadline. Operators who plan only against July 2028 will face buyer-driven requirements well before regulatory ones.

The following are publicly documented programs from major buyers across the institutional food supply chain. Each represents a present-day reality, not a hypothetical future.

Sysco

Sysco — the largest foodservice distributor in the U.S., serving approximately 730,000 customer locations through 340 distribution facilities — announced its FSMA 204 traceability initiative in 2023 and began implementation in 2024 in partnership with iFoodDS. Sysco's public position is that the company is "taking steps to help our suppliers comply" through education and tooling, but the operational direction is unambiguous: Sysco expects supplier alignment with its traceability standards as part of ongoing commercial relationships. Suppliers who cannot produce KDE data at Sysco's required cadence face commercial pressure independent of any FDA action.

Walmart and Sam's Club

Walmart has implemented some of the most concrete supplier-facing traceability requirements in the industry. Through Walmart's Supplier One portal, food suppliers are required to self-declare, at the item level, whether each item is on the Food Traceability List. All food suppliers are required to provide an Advanced Shipment Notification (ASN) containing KDEs for all shipments. Pallets containing food must be labeled with an SSCC-18 barcode linked to the ASN. These requirements are in production today, not pending. The Sam's Club program runs in parallel through the Item Data Management system. Suppliers who cannot meet ASN-with-KDE requirements at the line level lose the ability to ship.

Kroger

Kroger has publicly disclosed building a central traceability system that consolidates supplier information, inbound shipment data, and outbound traceability details into a unified data layer. Kroger completed initial product and data mapping work in 2023 and continues to expand the system. As with Walmart, the operational implication for suppliers is that traceability records cannot be reconstructed reactively when

Kroger asks for them — they have to be generated automatically as part of normal operations and made available through Kroger's data interfaces.

Compass Group

Compass Group's published Food Safety Policy explicitly requires "similarly high standards from our suppliers and contractors" and commits the Board to annual policy review against legislative changes. Compass operates approximately 50,000 client locations globally. Suppliers feeding Compass-operated institutional dining — hospitals, universities, corporate campuses — face direct policy-level pressure to align traceability practices with Compass's commitments.

ReposiTrak and industry networks

ReposiTrak, the largest food traceability and regulatory compliance network in the U.S., now publicly states that major retailers, wholesalers, foodservice operators, and quick-service restaurants are "demanding broader traceability practices across all product categories" — including traceability for products outside the Food Traceability List, additional KDEs beyond FDA minimums, and accelerated implementation timelines that exceed federal deadlines. As of early 2026, ReposiTrak's traceability network includes over 40 specialty food suppliers actively queued to integrate, alongside hundreds of major retailer and distributor connections already live.

The pattern

> **What the buyer pressure landscape actually means for your operation.**
>
> Your customers will not wait until July 20, 2028 to require traceability data from you. They are building (or have already built) the systems they need to comply themselves, and those systems require structured, real-time data exchange with their suppliers. A typical institutional food manufacturer serving Sysco, Walmart, and one or two managed-service operators is likely to face their first hard buyer-driven requirement somewhere between Q4 2026 and Q3 2027 — 12 to 21 months before the FDA deadline. Operators who are not in production with a workable traceability layer by mid-2027 will be making operational decisions under buyer pressure, not FDA pressure, and the buyer pressure has commercial consequences that are immediate and concrete.

SECTION 4

The architectural decision.

The single most consequential decision in any FSMA 204 implementation is the architectural one: where the traceability records actually come from. This decision determines whether the project succeeds at a manageable cost or fails expensively.

There are three architectural patterns operators consider. They are not equally viable.

Pattern A: Spreadsheets and paper logs, hardened

The instinct is to extend what already exists. Add columns to the receiving log, create a new spreadsheet for transformation tracking, build a master traceability workbook. This approach feels low-cost because it requires no software purchase. It is the most expensive of the three patterns in practice.

Spreadsheet-based traceability fails the 24-hour test in nearly all cases. Manual lot code entry has documented error rates between 1 and 5 percent — under FDA scrutiny, inconsistent records are nearly as damaging as no records. The labor cost of maintaining spreadsheets at the cadence FSMA 204 requires (every receiving event, every transformation, every cooling cycle, every shipment) typically exceeds the software cost of purpose-built traceability within 12 to 18 months. Pattern A operators routinely abandon their spreadsheet approach in late 2027 or early 2028, at which point they are making panicked vendor selection decisions with no time for proper evaluation.

Pattern B: Extending the existing ERP

Operators with NetSuite, SAP, Oracle, or Acumatica often assume their ERP will handle FSMA 204 through extensions or modules. This assumption is sometimes correct and sometimes not, and the difference matters enormously.

ERP systems are built around financial and inventory transactions: purchase orders, receipts, transfers, invoices. They handle the office side of food operations well. They are not architecturally designed for floor-level workflow execution at the operator-and-event level. Bolting FSMA 204 onto an ERP typically produces records that exist in the system but were not generated at the time and place the work happened — which is the exact failure mode the FDA's 24-hour rule is designed to surface. The records look compliant on screen and fall apart under audit scrutiny.

If your current ERP vendor has a purpose-built FSMA 204 module that is implemented at the production floor (not in the back office), Pattern B can work. Ask the vendor for reference customers who have passed an FDA mock audit on the system. If the vendor cannot produce them, Pattern B is not viable for your operation.

Pattern C: A dedicated execution layer alongside ERP

The third pattern — and the one most mid-market institutional operators converge on — is a dedicated workflow execution layer that sits alongside the existing ERP. The ERP continues to run financial and inventory transactions unchanged. The execution layer captures the floor-level workflow: receiving events, transformation steps, cooling cycles, label generation, shipping. Compliance records are generated automatically as a byproduct of the workflow, not as a separate documentation task.

Pattern C avoids the architectural problems of A and B. It also avoids the cost and timeline of replacing the ERP, which most operators correctly want to avoid. The trade-off is that it requires integration between the new execution layer and the existing financial system — but the integration scope is bounded (order-to-invoice flow and supplier data sync) and well-understood.

Evaluation criteria for any pattern

Regardless of which architectural pattern you pursue, the system you adopt should meet the following criteria. These are the operational requirements that determine whether FSMA 204 compliance will actually work at scale.

- **Workflow-gated execution at the point of work.** Records are created when work happens, by the operator doing the work, on the device they are using. Not entered retroactively at end of shift.
- **Real-time lot linkage across transformation.** When ingredients are used in a production run, the system links input lots to output lots automatically, without operator math.
- **Mobile-first and multilingual.** Institutional food operations have diverse workforces. The system has to work on the floor in the language the operator actually speaks.
- **One-click traceability retrieval.** Pick any lot. Trace it backward and forward. The result should appear in under 30 seconds, not be assembled by an analyst.
- **ERP coexistence, not replacement.** Your financial system should not have to change for FSMA 204 compliance. If a vendor requires you to replatform your ERP, that is a structural problem with their solution, not a virtue.
- **Audit-ready output formats.** The system should produce FDA-format traceability records directly, not require manual reformatting before submission.

SECTION 5

Six common implementation traps.

The following patterns recur in failed or over-budget FSMA 204 implementations. Each is preventable. Each requires deliberate attention to avoid.

Trap 1: Treating compliance as a documentation project

The most common failure mode. Operators assemble a compliance binder, build a master spreadsheet, and assume the documentation work is the project. It is not. FSMA 204 compliance is an operational redesign in which traceability records become a byproduct of normal work. Documentation projects produce compliant-looking artifacts that fail under audit because the underlying operational work is unchanged.

Trap 2: Letting IT lead the selection

FSMA 204 is an operations problem expressed through software. When IT leads vendor selection without active leadership from operations and food safety, the selected system tends to optimize for technical integration over floor-level usability. The system goes live and operators do not actually use it — they continue running paper logs in parallel because the new system is too cumbersome to use at production speed. Operations leadership must be the buyer.

Trap 3: Underestimating training time

A new traceability system requires real training time for receiving staff, production leads, cooling coordinators, and shipping coordinators. The training is not 30 minutes. It is typically two to four hours per role, repeated 30 days later for reinforcement. Operators who skip the training investment see data quality collapse within the first two months and have to retrain anyway, after operational damage has occurred.

Trap 4: Trying to go live across all sites simultaneously

Multi-site rollouts that attempt simultaneous go-live across all locations routinely fail. The implementation team is stretched thin, surface-level problems become widespread before they can be diagnosed, and training quality degrades. Stage rollouts across two to four sites per quarter. Pilot at one site first. Use the pilot to discover problems that will exist at every site.

Trap 5: Buying from a vendor who has never operated a kitchen

FSMA 204 software is being sold by vendors with widely varying levels of actual operational experience. Some vendors have built their products by studying the regulation; others have built theirs by living in the operational reality. Ask any prospective vendor for a specific example of a problem their product solves that they only learned about by running a production kitchen. Vendors without an operator-driven product origin story typically miss critical workflow details that surface during implementation.

Trap 6: Optimizing for the FDA audit and ignoring the buyer audit

Operators sometimes design their compliance approach exclusively around the FDA 24-hour rule. They forget that Sysco, Walmart, Kroger, and others will be auditing their traceability data continuously and

automatically through supplier portals. The buyer audit is more frequent, more granular, and more commercially consequential than the FDA audit. Design for both.

SECTION 6

The 90-day starter project.

For operators who have completed the readiness assessment and identified gaps, the next step is a credible 90-day starter project. The starter project is not the full FSMA 204 implementation — it is the diagnostic and design phase that makes the full implementation possible. A well-defined starter project produces enough evidence to support a real budget conversation with leadership and enough operational learning to make the system selection in Q1 2027 a defensible decision.

DAYS 1–30

Map and measure

Document current data capture across receiving, transformation, cooling, and shipping at one representative site. Identify which records exist in systems versus on paper versus only in operator memory.

Time the actual process of producing a full traceability chain for a randomly selected lot. Record where time is lost.

DAYS 31–60

Define the operational target

Based on the mapping, define what the receiving, transformation, cooling, and shipping workflows need to look like to produce automatic traceability records.

Build a one-page workflow specification for each of the four core CTEs. This becomes the evaluation reference for vendor demonstrations in Q1 2027.

DAYS 61–90

Build the budget case

With the gap analysis and workflow specification in hand, assemble the budget conversation: cost of doing nothing, cost of spreadsheet hardening, cost of dedicated execution layer.

Present to leadership with a recommendation, supporting evidence, and a Q1 2027 vendor selection timeline.

Who owns the starter project

The starter project should be led by an operations director or food safety leader, not by IT and not by external consultants. The work requires deep knowledge of how the production floor actually operates, which is knowledge that lives with operations leadership. External advisors can be useful for benchmarking and process input, but the core work of mapping current state and defining target state has to be owned internally.

Success criteria

- A documented current-state map of data capture at one production site, accurate to operator-level practice (not what the SOP says, what people actually do)
- A documented gap analysis identifying every place where current practice falls short of FSMA 204 requirements
- A one-page target workflow specification for each of the four core CTEs (receiving, transformation, cooling, shipping)
- A defensible budget request and vendor selection timeline ready for leadership approval

An operator who completes the 90-day starter project successfully has bought themselves time. They enter Q1 2027 with the work done that most operators will not begin until late 2027 — and they will make their system selection from a position of clarity rather than panic.

SECTION 7

About Shrink Software.

Shrink Software builds Shrink Manager, an execution layer for institutional food production that sits alongside existing ERP systems and generates FSMA 204 compliance records automatically as a byproduct of normal operations. The platform has been in production for over two years across 10 institutional food production sites, processing more than one million units per year. Compliance output flows through to 200+ institutional accounts via partner distribution channels including Aramark, Sodexo, and Compass Group.

We built Shrink Manager because we ran into this problem ourselves. Our sister company, Anu Sushi LLC, attempted a NetSuite implementation in our institutional kitchens and discovered that the ERP could not handle floor-level workflow execution in the way FSMA 204 would eventually require. We built the execution layer that NetSuite was not designed to provide. We have been refining it in production ever since.

If the architecture described in Section 4 of this playbook describes what your operation needs, Shrink Manager is one of the options worth evaluating. If you would like to see how the platform handles the workflows your operation runs today, the easiest first step is a 30-minute

conversation in which we walk through your current state and identify where Shrink Manager would fit.

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