

# The Compliance Shutdown

A 12% variance stopped production for two weeks.

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The auditor arrived on a Tuesday.

By Wednesday, the production line was silent.

The variance wasn't huge by some standards – **just 12%**.



But when you're manufacturing products with strict traceability requirements, "**just 12%**" means:

- Can't prove which components went into which products
- Can't verify lot numbers with confidence
- Can't trace forward or backward through the supply chain

So production stopped. Not for hours. **For 14 days.**



## The Aftermath:

- **\$2.3 million in shutdown costs**
- Weeks of manual reconciliation
- Delayed shipments to critical customers
- Emergency staffing costs

**The Real Cost:** The realization that "acceptable variances" were never acceptable at all.

How confident are you in your inventory accuracy right now?