



6 questions and answers on labeling in manufacturing

A question and answer with Software



How can cloud labeling help manufacturing companies **succeed in a highly competitive global marketplace?**

This Q&A addresses key top-of-mind challenges that companies face and provides insight into the significant gains that could be realized using the right labeling solution.

Labeling today is complex; today's manufacturers are faced with a range of evolving requirements that complicate the process — and leave many companies accepting this process as the cost of doing business. But it doesn't have to be. Labeling can make a huge difference, enabling IT and supply chain decision makers to not just overcome challenges, but provide their company with a distinct competitive advantage.

Read on and get our expert insight into how the right labeling solution can deliver significant, measurable results for you.

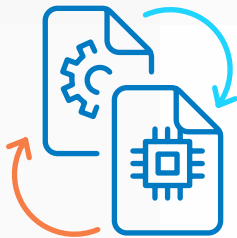


Our supply chain is a beast to manage. How can labeling make a difference?

The [manufacturing](#) industry has an intricate supply chain that's only growing more complex with a broad range of players, including raw material suppliers, warehouse and transportation managers, distributors, retailers, and end consumers. Each step requires accurate barcode labeling for faster, more efficient processing as well as precise track and trace of the product along the way. That's the goal, anyway.

At the same time, companies are dealing with customer-specific requirements which are increasing at a rapid rate. You're seeing more and more customers demand that graphics, translated text, branding, and even color be added to their labels. As a result, manufacturers struggle with a staggering amount of label templates, all of which must be created and maintained separately. This involves a lot of time and effort that flies in the face of trying to simplify processes and gain efficiencies in a complex global supply chain.

Which brings us to the inherent business benefits of a standardized cloud-based labeling solution. By taking a holistic and integrated approach to labeling, companies can respond quickly to new and evolving requirements, while maintaining labeling consistency across the supply chain. Dynamic, data-driven capabilities allow manufacturing companies to easily manage labeling — with fewer templates — and achieve dramatic reductions in overall maintenance and the costs associated with it.



How can labeling help me deal with **constant change**?

The impact of change is significant to a manufacturing business. When it comes to labeling, constant change — be it customer-specific label changes or branding requirements for distributors in a new territory, for example — can mean a manual, slow, labor-intensive process. If you rely on multiple, non-standardized labeling products, this often leads to an array of disjointed and redundant templates created in silos which

slows production and delays shipments. And because changes are not always captured earlier upstream in the process, there will be a risk of errors and inconsistencies.

With a standardized, centralized labeling solution, manufacturing companies can make changes at the data source — whether it's in the ERP, MES, or other system — and ensure that they will be reflected on the appropriate labels. Change it once, apply it many times. And when you can provide access to the same labeling solution to multiple users at different locations, you have full visibility and control across the value chain.



What was once a costly, yet generally accepted practice of using a mix of disconnected labeling software products is replaced with a unified, streamlined approach that manages change quickly and ultimately helps get product in the hands of distributors and customers faster.





Cost reduction is paramount. What can labeling do to help?

Let's apply a basic business principle here: If you can move product faster and more efficiently, you will save time and money — not to mention increase productivity, improve customer satisfaction, and so on. But many manufacturing companies aren't paying attention to areas within the supply chain where delays and mistakes happen at an alarming rate. Labeling is often an afterthought, but what if a customer wants a recently rebranded logo on its shipping label? Or what if a supplier delivers raw materials with the wrong label? To solve these specific issues, you may lose several hours or, more likely, several days.

In a recent survey we conducted with approximately 200 manufacturing professionals, nearly half — 47% — indicated they were experiencing costly downtime due to labeling disruptions. The reasons cited for these delays included dealing with customer-specific labels, product-specific labels, and slow label printing speeds, in that order. When you add up all these isolated labeling issues occurring across different segments of your supply chain, you're looking at hundreds of thousands of dollars of lost productivity, severely impacting your bottom line.

As mentioned, an enterprise-wide labeling solution, tightly integrated with existing systems, unifies your entire labeling process. By gaining centralized visibility and control, you can better adapt to ever-changing label requirements. Errors are reduced because you're pulling data from sources of truth, be it SAP, Oracle, your WMS system, etc. Any customer specific label changes that come in are handled systematically with secure access to a library of templates that can be updated as needed — while greatly reducing the number of templates you need to manage.

And from a performance perspective, if you use a labeling solution that supports native print drivers, you greatly reduce the drain on the network while improving the speed of label printing. When you're talking about a high-output environment supporting thousands of labels a day, this too adds up to tremendous gains in productivity and cost savings.



In fact, with many of our manufacturing customers, they're seeing a payback with cloud labeling in 12 months or less — and that's not considering some of the harder to measure benefits such as reduced downtime and better labeling accuracy.



What about compliance with regulatory requirements? How can labeling help?

Depending on your specific industry, you may have several US and international regulations to abide by. Food & beverage, medical device manufacturing, and even electronics have strict labeling requirements dictating product-specific labels, barcode standards for shipping containers, shipping and receiving transactional labels, 2D machine readable symbols, and more. Failure to comply with any of these standards can result in fines, returned product, or worse.

Fortunately, as we've discussed, cloud labeling provides the centralized platform to monitor and control what goes on your labels without having to replicate critical data. Tight integration with your ERP systems or other databases that manage regulatory information assures that the right data is being pulled for the right label. And as regulations change or evolve — as they often do — you can have confidence that your labels will draw from those same “records of truth” and accurately reflect the latest updates for continued compliance.



How can labeling create efficiencies at the supplier level?

Just as you can leverage an enterprise-wide solution to create, share, and update labels across your organization, why not do the same thing with your trading partners? If you're like most manufacturers, you rely on suppliers to deliver raw materials or components in a timely manner, but you experience costly hold ups in receiving as containers often need to be re-labeled before moving on to the production line. You could send suppliers your own pre-printed labels, but that has its own drawbacks as you're beholden to their process of storing and applying labels.

But now through secure, web-based access to your cloud labeling solution — and templates you create — the supplier can simply run off your labels to their local printers. Again, drawing from your data sources, the labels are already pre-populated with the information you need, so there are no delays when supplier materials arrive. They are scanned and put into production right away. Believe it or not, this is a concept that few manufacturers ever realized was possible.

Case in point: we recently visited the plant of a global maker of consumer products and noticed they had pallets and pallets of supplier parts in their receiving area. This was additional inventory that was waiting to be relabeled before it could move to the production line. They told us they stored two weeks' worth of safety stock to account for the relabeling process, which took about 80 man hours every month. They have 20 plants following a similar process. Quickly do the math and you're looking at about \$600K annually wasted on relabeling. That's not even considering inventory management costs.



The right labeling solution lets you share label templates with suppliers and other trading partners so incoming materials and components are labeled and formatted the way you want them. We've seen some companies save upwards of millions of dollars in labor, materials, and inventory costs when switching over to a cloud labeling solution.





How can labeling help us as we grow and expand our business?

With competition as fierce as ever, manufacturers are always looking to improve efficiency, including moving operations to cheaper countries. Mexico and India are common destinations for outsourcing. With this expansion to new markets, there's a need for speed as automation technologies quicken production and time to market, but is your labeling able to keep pace, especially when there are requirements for multiple languages and complex barcode data?

For example, certain health and safety information must be in the language of the country where the product is made and, if it's being shipped to another country, then the same information on the label must also be in that region's local language.

When a specific regulation changes in a country that you're shipping a product to, can you make the necessary text changes to labels quickly without stopping the manufacturing line? We discussed the value of pulling data from sources of truth like SAP or Oracle, but a change like this may require programming which can take 4 to 6 weeks to complete.



To overcome this challenge, look for cloud labeling with built-in business logic that can be dynamically updated as needed without having to wait for changes or updates to your enterprise application. Business rules can be configured and customized within a standard user interface to update label specifications quickly and dynamically – be it language, branding, regional compliance – where they're needed.

Let's take that same example of the health and safety information on the label. Suppose you bring on a new distributor in Germany who needs product right away to meet a huge customer opportunity. With configurable business logic as part of the labeling solution, select users can quickly pull up the template and translate the text to German without any delays. Product gets out the door within days versus weeks or months.





What are your questions about cloud labeling?

Learn more about how cloud labeling can help your manufacturing business reduce costs, improve response time, and drive greater efficiencies across your extended supply chain. Visit www.loftware.com or contact one of our [experts here](#).



The world's largest cloud-based labeling and artwork management provider

No matter what the challenge – digital transformation, time to market, or brand authenticity – Loftware can help you make your mark. We understand how global supply chains work and know that each item you produce and ship is an expression of your company's brand. We can help you improve accuracy, traceability, and compliance while improving the quality, speed, and efficiency of your labeling. Our end-to-end cloud-based labeling platform helps businesses of all sizes manage labeling across their operations and supply chain and our solutions are used to print over 51 billion labels every year. Loftware also fosters supply chain agility and supports evolving customer and regulatory requirements, helping companies save over \$200 million in fines annually. And with over 500 industry experts and 1,000 global partners, Loftware maintains a global presence with offices in the US, UK, Germany, Slovenia, China, and Singapore making us a trusted partner for companies in automotive, chemicals, clinical trials, consumer products, electronics, food & beverage, manufacturing, medical device, pharmaceuticals, retail/apparel, and more.

Locations worldwide:

- US
- Germany
- UK
- Slovenia
- Singapore