



CONQUER COMPLIANCE AND CUSTOMER DEMANDS

How to Deal with Increasing Labeling Requirements



Challenges in Meeting Customer Expectations

When it comes to logistics, the speed and convenience of ecommerce has led to changing expectations in the B2C sector. Many leading 3PL groups say that their customers expect the same level of speed and convenience that they'd get from an ecommerce platform.ⁱ Customers want the ability to see their cargo in near-real time as it moves around the world, they want to see their cargo move fast, and they won't tolerate holdups or delays in customs or in international ports.

By and large, companies cannot meet these new customer expectations without using dynamic, data-driven printing. Meeting these expectations requires hitting an exact sequence of strict targets – meeting GS1 standards, complying with international export controls, providing warning statements and material safety data sheets based on country of origin and country of destination.

When a shipment leaves your loading dock, the labels on it need to correctly match what the customer needs – as well as the needs of a changing patchwork of international regulations. In other words, they need to comply with two sets of strict rules governing appearance, composition, and content. Labeling solutions now need to encompass countless variations so users can manage mass label changes easily and comply with a growing amount of international regulation that pertains to labeling.

Properly illustrating the challenge of meeting customer expectations in the logistics industry can be a challenge in and of itself. After all, some product categories are going to have more difficulties than others – a box of inert plastic widgets is going to have an easier journey than a shipment containing food or medicine. Rather than breaking down each specific industry and exhaustively cataloguing their individual hurdles, it's probably better (or at least more entertaining) to unpack a single product category that faces almost every logistics challenge imaginable.

ⁱ Freight Waves, "[Stifel's logistics panelists: 'Amazon effect' hitting B2B](#)," February 2018.



An Explosive Report

Yes, explosives. Explosives, one imagines, are the nearly the most difficult products to ship. Any challenges that shipping one product faces, explosives will face as well. Like electronics, their labeling is subject to strict compliance regimes. Like medicines and industrial chemicals, they can be dangerous if mishandled, and must be stored in dry, climate-controlled areas. Companies that wish to ship these materials must pass all these hurdles put together – and just like every other industry, their customers have heightened expectations for the speed of delivery.

Let's start by breaking these challenges down into a few categories.

Preparing to ship the product

When shipping combustibles, it is imperative that every unit of the shipment is labeled. That means a label for every individual box, a label for every bin or pallet, and then a label for the shipping container itself. Each of these labels must be in compliance with a number of regulatory requirements, and even simple mistakes have large ramifications. For example, what if the number of packages in the shipment doesn't agree with the number of packages specified on the shipping label?

Best-case scenario, this means reprinting labels and relabeling the packages. If the error isn't caught, it could mean that the package gets shipped with an incorrect label. The error most likely results in a fine and a shipping delay. In the very worst-case scenario, a package containing combustibles gets lost in transit.

Shipping the product

Once the cargo is shipped, there are a number of challenges to surmount. The cargo must arrive at its destination, it must get there in a timely manner, and it must arrive undamaged. In addition, the customer would like to track the cargo as it travels to its destination.

The company that ships the cargo can do almost nothing to aid the progress of its cargo once it is sent. All they can do is add information to the cargo, enough so that workers in ports and loading docks and customs facilities know how to handle the

cargo safely. This may mean adding multiple labels for redundancy, printing labels in multiple languages, and adding two-dimensional barcodes that act as data carriers for safety information.

Once again, errors result in a halted or delayed shipment. For example, users may print an English-only label while sending a shipment through an international port. It's possible to forget to print out an MSDS or attach it to the cargo. It's even possible to create a label with the wrong font size – when shipping hazardous materials, the identification number of the product must always be displayed in font that's at least 12 mm (0.47 inches) high.ⁱⁱ Failing to do so is a compliance violation.

Delivering the product

Combustibles, food and beverage products, and medicines must all comply with strict regulations once they reach their destination country. For example, combustibles are subject to both DOT and ATF regulations within the United States. Whether they're under the jurisdiction of one agency or another depends on whether the cargo is "in transport," and while the material is in transport it must always be supervised by a driver except under special circumstances.ⁱⁱⁱ

In addition, there's GHS to consider – the Global Harmonized System of Classification and Labeling of Chemicals. Although GHS itself is not law, many countries have amended their worker protection laws to match the strictures of the GHS. In addition, GHS has a detailed supplier labeling component. Supplier labels must include the name of the product, the name of the manufacturer and importer, a red pictogram, and a number of hazard statements that indicate the type and intensity of danger that one might face when using or transporting the product inside.

Once again, the company that ships these products can only provide information to the dock workers, drivers, and warehouse personnel. If that information is accurate and complete, then the shipment stands a much better chance of arriving at its destination intact.

ii Pipeline and Hazardous Materials Safety Administration, "[Interpretation Response #17-0001](#)," April 2017

iii ATF.gov, "[Regulation of Explosives in Transit](#)," Accessed February 2019



What is Enterprise Labeling?

Global companies are taking a different, “enterprise-centric” approach to labeling. These leaders see the strategic value of standardizing and integrating labeling with business processes across business lines and geographies. Enterprise Labeling for today’s complex global supply chain meets all your labeling needs offering a platform that ensures consistency, maximizes flexibility and scales with your business.

Changing customer requirements, changing regions, changing regulations and changing products all impact labeling. These all must be met in a quick and cost-effective manner. Enterprise Labeling gives the power to master labeling variations by automating and applying advanced logic to all labeling processes. With dynamic labeling you can maximize support for countless label combinations with minimum cost and effort.

In highly-regulated marketplaces, organizations must be able to consistently keep pace with evolving regulations. Enterprise Labeling allows firms to comply by making label changes to formats, barcodes, logos, languages, and content including quickly and easily adding industry-specific warnings, product information and even color to meet global and regional requirements and avoid risk of financial penalties.

Integrating labeling with enterprise applications lets organizations leverage their business processes and ‘sources of truth’ for label data. Certified integration lets companies automate labeling so they can improve efficiency, accuracy and avoid costly mislabeling.



Master Labeling Variability with Enterprise Labeling

When it comes to meeting increased regulatory and customer expectations with regard to shipping time and transparency, companies must provide reams of information. This provides handling instructions to the workers that transport their cargo over air, land, and sea, reassures customs officials, and helps the cargo conform to the letter of the law. Doing this means that you can enter new markets, avoid fines, and ship cargo according to the schedules that your customers now require.

The problem is that both international law and international shipping lanes are complicated. Therefore, no matter what kind of product a company is shipping, it is imperative that they automate the labeling process in order for labeling to keep pace with production. Enterprise Labeling allows you to comply by making label changes to formats, barcodes, logos, languages, and content including quickly and easily adding industry-specific warnings, product information and even color to meet global and regional requirements.

A logical solution

Let's start with configurable business logic which can be used to manage variability in labeling.

Creating shipping labels should be easy, from design to printing. Although the world of safe handling practices and international shipping compliance is complicated, it's not infinite. It's governed by rules that software can understand. Given a set of input parameters, a comprehensive labeling solution can generate a shipping label that complies with multiple international jurisdictions and contains enough information to help move products safely.

Based on simple inputs, an Enterprise Labeling platform would be able to generate complete, information-rich labels that comply with international law. It would create warnings statements in multiple languages, based on the country of origin and destination. It would supply barcodes that let companies track and trace their products. It would dynamically place images and pictograms on the label – and it would get the font size right too. It would even bring up adjunct materials and material safety data sheets as applicable.

Eliminating human error

Automating the process of generating a shipping label reduces and can ever eliminate the chance for human error, which increases the chance that your shipment will get through customs, across borders, and into your customer's warehouse without incident. It doesn't matter whether the product is food, medicine, or explosives – enterprise labeling lets companies match a set of complex and mission-critical requirements while streamlining the tangled environment of international commerce.



Keeping Up with a Global Supply Chain

The effect of regulations and emerging standards can have a significant impact on business as supply chains become more global and complex. Labeling is a specific area where constant change is necessary to comply with these evolving standards, especially those where labeling and identifying parts and packages can play a critical role to consumer safety. Adhering to regulations that define how products are developed, marketed, shipped, and disposed is essential to avoid fines, retain customers, stay competitive, enter new markets, and in some cases, remain in business.

Change, change, change

Changing customer requirements, changing regions, changing regulations and changing products all impact your labeling. Products intended for different markets will require labels in different languages that are designed according to different regulatory regimes. Accordingly, all facilities and suppliers should be able to generate labels for products shipped to these markets, without requiring special skills. Business users should be able to create an accurate label for a designated market without calling someone in IT.

By standardizing across your global enterprise with a comprehensive Enterprise Labeling Solution you can cope with the complex customer and regulatory demands to ensure customer responsiveness and regulatory compliance. It enables you to automate your labeling processes and support increasingly complex scenarios by using flexible business logic that is designed to manage variability in labeling.

A swift solution

The best way to master all of these labeling variations is by automating and applying advanced logic to your labeling processes. With dynamic labeling you can maximize support for countless label combinations with minimum effort. This allow you to leverage the data from your systems of record and configure rules that dynamically change label content based on that data. Rather than manually researching the legalese and pictograms necessary for a label in a given region, a user could simply select a country from a drop-down menu, select the nature and quantity of the products being shipped, choose the country of origin, and then receive a completed label design. Also, by enabling business users, changes and updates can be made by business users in hours or days rather than months so that requirements can swiftly be met and companies can stay one step ahead of competition.

In this highly-regulated global marketplace, you must be able to consistently keep pace with evolving regulations. Enterprise Labeling allows you to comply by making label changes to formats, barcodes, logos, languages, and content including quickly and easily adding industry-specific warnings, product information and even color to meet global and regional requirements.



Loftware Shows You How

Loftware offers these capabilities and more with [Loftware Spectrum®](#), a cloud-based Enterprise Labeling solution that stands up to the complexities of a global supply chain. Spectrum helps customers address complex variability in labeling so they can respond quickly and easily to evolving customer and regulatory requirements.

Loftware Spectrum is the only all-in-one labeling solution to be delivered via the cloud. Spectrum redefines how enterprises create, manage and print labels, enabling organizations to seamlessly implement, deploy, maintain and scale their labeling operations across their entire global network. Configured for your specific needs, Spectrum's comprehensive digital platform offers unlimited performance that ensures accuracy and consistency, while maximizing flexibility and offers unmatched expertise, service and support.

With Loftware, companies can reduce risks, enable compliance, cut costs, and ship their products more confidently in a complicated world. For more information, reach out to one of our representatives today at loftware.com.

Loftware is the global market leader in Enterprise Labeling and Artwork Management solutions with more than 5,000 customers in over 100 countries. Offering the industry's most comprehensive digital platform, with SaaS, cloud-based and on-premise solutions, Loftware redefines how enterprises create, manage and print complex labeling and packaging artwork and scale across their operations. Loftware solutions integrate with SAP®, Oracle® and other enterprise applications to produce mission-critical barcode labels, documents, RFID smart tags and packaging artwork. Our combined platform – whether for labeling, artwork management or both – enables customers to uniquely meet regulatory mandates, mitigate risk, reduce complexity, ensure traceability, improve time to market and optimize costs as they meet customer-specific, brand, regional and regulatory requirements with unprecedented speed and agility.



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