KDD043 - Approach to Labelling

Status	Approved
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Issue

Syensqo currently has over ten different labelling applications across different domains, such as logistics, EHS, warehouse management, QM and transportation etc. Some of them, such as SAP GLM (Global Label Management), are actively used across multiple GBUs, including Aroma Performance, Composite Materials and Technology Solutions etc. Other applications, however, are either used by only one GBU or are no longer in use.

With the transition to SAP S/4HANA, SAP GLM is not on the roadmap for the future and will be replaced by a partner solution. Refer to SAP Label Management Future Direction & Vision in section See also below.

Therefore, it is important to review the current labelling applications and develop an approach to help Syensqo streamline labelling processes, ensure label consistency, improve operational efficiency, and reduce maintenance costs.

Recommendation

It is recommended to standardize and simplify labelling applications across all Syensqo businesses using the following approach:

- **Assessment and Inventory:** Identify and catalog the current labelling applications with understanding the functionalities, user base, and integration points.
- **Requirements Definition:** Engage with stakeholders from various GBUs to understand their labelling needs and preferences during detailed design phase. Make sure the requirements are clearly documented, and the labelling aligns with ERP Rebuild solution designs.
- **Standardization and Simplification:** Use SAP Partner Label Solution for all ERP Rebuild in-scope labels. Other labelling applications fall outside the scope of the ERP Rebuild Project, as they operate independently of SAP. This approach will standardize labeling processes, reduce complexity, and ensure an unified labelling solution across various business units.
    - Label data, label determination and process integration will be managed in SAP S/4HANA.
    - Label design and printing will be managed through a partner solution, such as Loftware or Eurosoft-Plus, including the integration between the partner solution and S/4HANA. Given Loftware's extensive use across multiple Syensqo operations, it is a strong candidate for the unified labelling solution. However, the final choice of the labelling partner will be determined during the Detailed Design phase, after a thorough analysis.

Background & Context

Based on the information gathered during the As-Is Analysis and follow-up interviews, the table below provides an overview of the current labeling applications within Syensqo. For each identified application, the table details the category and type of labels managed, in scope of ERP Rebuild Project or not, and which GBUs are currently utilizing it.

Note: Some relevant information is still pending. It will continue to be collected through the Detailed Design phase.

Application	Category	Label Type	In-Scope	Aroma Performance	Composite Materials	Novecare	Specialty Polymers	Technology Solutions
SAP GLM (Global Label Management)	1). Regulatory Label (Product Stewardship) 2). Custom Labels (Product Stewardship)	Dynamic Label	Y	Y	Y	Y	Y	Y
Loftware Spectrum	Non Regulatory Label	Dynamic Label	Y		Y	N	Y (used at key US sites MJS, AQS)	
Loftware Spectrum Web Access	One-off Static Text Label	Static Label	N		Y	N		
Loftware Nice Label / Loftware Cloud	Zebra Labels and EHS Label	Dynamic Label	Y					
Bartender	Customer Labels	Dynamic Label	Y	Y (EU, US)		Y (EU, US)	Y (chang shu site)	
MarkWare						N		

Codesoft								
EB-SOFT						N		
Techlink Labelling						N		
Label View						N		
Labware			Y			N		
Material Group Labelling								
TBarCode						N		
Adobe Illustrator	Manual labels	Dynamic Label, Static Label	Y (Dynamic Label), N (Static Label)				Y	
Offline	Manual labels	Dynamic Label					Y	
Offline	Static labels	Static Label	N					

Assumptions

- Dynamic labels generated using data from SAP, as part of process which sits in scope of ERP Rebuild Project. Others fall outside the scope of the project, as they operate independently of SAP.
- The standardized labelling application should be closely integrated with SAP S/4HANA.
- The standardized labelling application is able to interface with all of the existing label printers, or the printers can be replaced to make them compatible.
- The decision will be made during detailed design phase whether the selected labelling application needs to be integrated with other non-SAP applications.
- The selected labelling application adheres to regulatory requirements relevant to Syensqo industry, and allows for easy updates to accommodate new regulatory requirements or changes in labelling standards.
- The selected labelling application will have the flexibility to cater for the required layout, including the special customer requirements such as the specification for labels in Composite business.
- For simpler labels, in addition to the selected labelling application, Syensqo might consider using SAP standard tools such as SAP BTP (Business Technology Platform) Forms Service.

Constraints

System Limitations: The unified labelling application must support all in-scope labelling functions and features previously covered by various third-party applications. It can be challenge to replicate the same functions. Therefore, it is important to identify and address any gaps that require custom developments to fill.

Regulatory Compliance : Ensuring that the unified labelling application meets all regulatory requirements and industry standards is critical.

User Adaptation: Users accustomed to different labelling applications may face difficulties adapting to a new, standardized application. Comprehensive training will be necessary to ensure that all users are proficient in the selected labelling application.

Scalability: Ensure that the standardized labelling solution can scale with future growth and adapt to new requirements or technologies.

Impacts

Implementing a standardized and simplified labelling solution in a SAP S/4HANA project involves several potential impacts, both positive and challenging.

Operational Efficiency

- A unified labelling solution can streamline labelling processes across different business operations, including logistics, warehouse management, EHS and transportation etc.
- A unified solution ensures consistency in label formats, designs, and compliance across different departments and locations, which helps reduce redundancy and improve operation efficiency.

Label Consistency

- Label formats and structures may vary among different label applications. Mapping and transforming data from these diverse formats into a consistent format for the unified application(s) can be complex.
- If historical labelling information in multiple applications need to be migrated to the unified application(s), ensure that relevant historical information remains accurate and accessible.

Cost Implications

- Initial costs for implementing an unified labelling solution can be significant, including software, integration, and training expenses etc.

- Over time, standardization and simplification can lead to long-term cost savings through reduced maintenance, support, and licensing fees for multiple applications.
- To optimize costs, for make-to-order process, the selected labelling application should be able to print labels in required local languages as needed, without having to wait until the shipping stage. For make-to-stock process, re-labelling will be required due to the relevant information will be known only at later stage.

Change Management

- There will be a learning curve and adaptation period for end-users not only requiring to change over to the unified labelling application, but also for those currently using the selected application. Comprehensive trainings are required as well as updating documentation and standard operating procedures (SOPs) accordingly.
- Consolidate from multiple applications to an unified system can be disruptive and time-consuming. A support framework should be established to assist users during the transition and address any issues promptly.
- Stay informed about advancements in labelling technology and consider periodic reviews to incorporate new capabilities or improvements.

Business Rules

- Labels need to adhere to specific industry standards and containing relevant safety information, such as hazard symbols and safety instructions.
- Regulatory labels must include regulatory compliance information according to standards such as REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) in EU and GHS (Globally Harmonized System).
- Labels must be in the languages required by the regions where the products are manufactured and distributed and use standardized symbols for safety warnings.

Options Considered

Option A: Standardized and Simplified Solution

The approach for the future labelling solution is to **Standardize and Simplify** by consolidating the company's current labelling applications.

Transitioning from multiple labelling applications to an unified solution fully integrated with SAP S/4HANA environment is a significant task that involves careful planning and execution.

1. Assess and Inventory
    - Define In-Scope: Dynamic labels generated using data from SAP as part of process sits in scope of ERP Rebuild Project. Others fall outside the scope of the project, as they operate independently of SAP.
    - Catalog Existing Applications: Identify and document all in-scope applications, their functionalities, user base, integration point and how each application is used.
2. Define Requirements
    - Gather Stakeholder Inputs: Engage with stakeholders from various GBUs to understand their in-scope labelling needs and preferences.
    - Document Requirements: Define clear requirements for labelling that align with SAP S/4HANA capabilities and business needs.
3. Standardize and Simplify Applications
    - Identify Common Needs: Look for common labelling requirements across different GBUs to standardize processes and reduce complexity.
    - Leverage SAP Partner Solutions:
        - Label data, label determination and process integration will be managed in SAP S/4HANA.
        - Label design and printing will be managed through a partner solution, such as Loftware or Eurosoft-Plus, including the integration between the partner solution and S/4HANA.
        - Due to Loftware's current adoption in Syensqo, its advanced design and customization options, and its support of regulatory compliance, it stands out as a strong contender for the unified labelling solution. However, it will be helpful to explore other SAP's partner solutions to determine the most suitable labelling application for Syensqo.
4. Analyze Gaps
    - Compare Existing and Future Capabilities: Perform a gap analysis between the functionalities of current applications and the selected labelling solution.
    - Determine Customization Needs: Identify any gaps that require custom development to fill.
5. Implement and Deploy Unified Solution
    - Migration: Ensure that data and labels from legacy applications are accurately migrated to the selected labelling solution, including required historical data and current labels. For example, there are some specific format used in current SAP GLM in Aroma business that need to be included in the standardized application.
    - Go-Live and Post Support: Prepare for a smooth go-live and support teams are ready. Offer ongoing support and address any issues that arise after the transition to ensure stability and user satisfaction.

Option B: 1 to 1 Migration Solution

1. Identify all in-scope labelling applications and understand their functionalities, user base, and integration point.
    - In-scope: Dynamic labels generated using data from SAP as part of process sits in scope of ERP Rebuild Project.

2. Migrate identified applications in future SAP S/4HANA environment. If application requires data from SAP or feed the data back to SAP, consider to establish interface between the labelling applications and SAP.

Evaluation

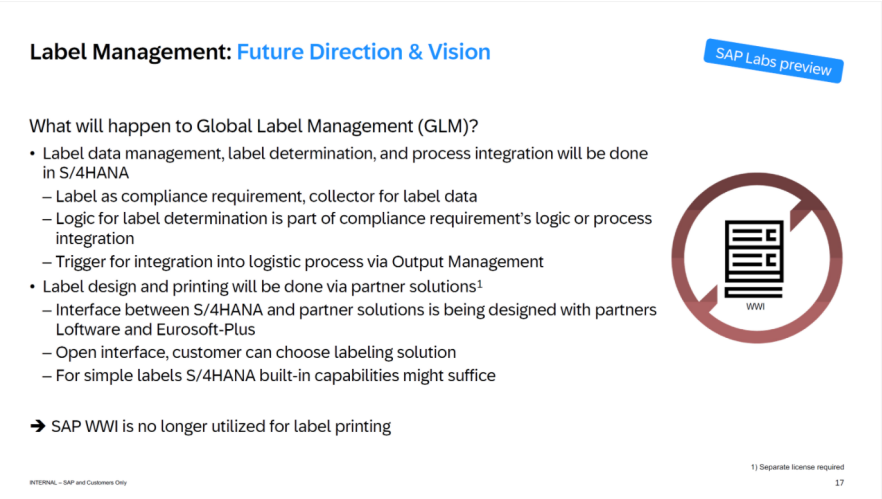
Based on five different criteria, the matrix below compares the pros and cons of the potential options for future Syensqo labelling solution.

	Option A - Standardized and Simplified Solution	**Option B - 1 to 1 Migration Solution**
Operational Efficiency	⊕ The unified solution reduces the number of tools and eliminates redundant processes, leading to more streamlined operations and simplified processes . ⊕ Standardized solution may accelerate the deployment of new labels and changes, enhancing responsiveness.	⊖ Manage multiple labelling applications increases complexity since it requires overseeing various systems, each with its own setup, updates, and support needs. ⊖ Overlapping functionalities among applications can lead to inefficiencies and redundancy in system capabilities.
Standardization and Uniformity	⊕ Consolidation into a standardized solution helps ensure data accuracy and consistency across the organization. ⊕ A standardized solution can offer better integration with SAP S/4HANA and improve data flow.	⊖ Different applications may produce labels with varying formats and standards, leading to inconsistencies in label appearance and content, also to Non compliance because CLP regulation for ex. require size and color of the pictograms, minimum font, key data organization in the label. ⊖ Multiple applications may result in fragmented data management, affecting the quality and accuracy of the information used in labelling.
Cost Saving	⊖ Initial costs for implementing a unified labelling solution can be significant, including expenses on software, integration, migration and custom development etc. ⊕ Over time, standardization can lead to long-term cost savings through reduced maintenance, support, and licensing fees for multiple applications .	⊕ Keeping multiple applications utilizes existing investments and allows reduced immediate costs. ⊖ From long term perspective, each additional labelling application incurs separate maintenance, support and license costs, leading to higher overall expenses.
Flexibility and Scalability	⊖ A standardized system may not be flexible enough to handle specific or unique labeling requirements that the legacy systems addressed. ⊕ A standardized labelling solution simplifies the overall IT architecture, making it easier to adapt to changes in business processes, volume, and complexity, and allowing for more straightforward scalability.	⊕ Multiple applications offer flexibility to adapt to evolving business requirements or unexpected challenges during the transition. ⊖ Adapting multiple applications to new processes or changes can be cumbersome and slow.
Change Management Efforts	⊖ Users accustomed to existing applications may find difficulties to transiting to a new system, which can affect productivity initially. ⊕ On an ongoing basis, training users on an unified labelling solution reduces complexity and simplifies scaling training efforts as the organization grows.	⊕ Users can continue working with familiar applications potentially reducing initial training costs and easing the transition. ⊖ On an ongoing basis, training users on multiple labelling applications increases the complexity and duration of training sessions. ⊖ Expertise may be fragmented across different applications, making it harder to resolve issues quickly and effectively.

As shown in the matrix, standardizing and simplifying the labeling applications helps Syensqo streamline the labelling processes, ensures the label consistency, improves the operation efficiency and reduces maintenance costs. Therefore, adopting standardization and simplification is recommended for the future Syensqo labelling solution.

See also

1. SAP Label Management: Future Direction & Vision



Change log

Version	Published	Changed By	Comment
CURRENT (v. 63)	**Sept 10, 2024 18:30**	**HE-ext, Cindy**	
v. 62	Sept 10, 2024 18:28	**HE-ext, Cindy**	
v. 61	Sept 10, 2024 16:21	**HE-ext, Cindy**	
v. 60	Sept 10, 2024 15:06	**HE-ext, Cindy**	
v. 59	Sept 10, 2024 13:56	**HE-ext, Cindy**	
v. 58	Sept 04, 2024 12:26	**HE-ext, Cindy**	
v. 57	Aug 30, 2024 11:58	**SCHWARTZ-ext, Stefanie**	
v. 56	Aug 29, 2024 13:16	**HE-ext, Cindy**	
v. 55	Aug 28, 2024 07:46	**HE-ext, Cindy**	
v. 54	Aug 28, 2024 07:38	**HE-ext, Cindy**	

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Workflow history

Title	Last Updated By	Updated	Status
There are no pages at the moment.			

Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

Oct 02, 2024	Actor	Type	Activity	Version
Approved	FALL-ext, Cheikh	State	changed state to Approved at 3:31 pm	v63

Pending SteerCo Review	FALL-ext, Cheikh	State	gave *Final Approval* approval at 3:31 pm	
Sept 26, 2024				
	FALL-ext, Cheikh	State	changed expiry date to '10 Oct, 2024 01:17 pm' at 1:17 pm	
		State	changed state to Pending SteerCo Review at 1:17 pm	v63
Pending Stakeholder Review	FALL-ext, Cheikh	State	gave *Stakeholder Review* approval at 1:17 pm	
Sept 11, 2024				
	FALL-ext, Cheikh	State	changed expiry date to '18 Sept, 2024 03:56 pm' at 3:56 pm	
		State	changed state to Pending Stakeholder Review at 3:56 pm	v63