

Dynamic labeling: cost reduction and regulatory compliance in the food sector

A leader in its market, one of Spain's foremost companies in the food sector — specializing in the manufacturing of bags for coffee and powdered milk for vending machines — was faced with the need to standardize, streamline and automate its processes for designing, managing and printing its product labels. Its aim was to respond to growing demand arising from an increase in the number of countries (in Europe, the Middle East, Asia and the Americas) to which it exported its products.

Deploying a new on-premise ERP system, Microsoft Dynamics Business Central, and integrating BarTender Automation Edition have allowed the company to respond to new foreign market demands. The company also managed to reduce the time and resources needed to develop labeling processes while simultaneously ensuring compliance with various food labeling laws.

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– *Antonio Checa, Practice Lead
Business Central at PKTech*



The challenge

The company's main challenge was complying with the different labeling regulations of each country to which it exported its products. Its labeling process, where packaging machines screen-print labels directly on the packaging, was an added challenge.

The labels had been designed manually, and after multiple intermediate processes, a worker provided the label information to the packaging machine via USB. Later, once the packages were labeled, they were stored in boxes, and the boxes were stored on pallets, all with their respective labels. The company's fleet of printers was comprised of different types of equipment, including direct printers (Markem-Imaje) and label printers (Zebra and Toshiba).

As the number of countries to which the company exported its products increased, the process of designing, managing and printing labels became more complicated and the likelihood of errors

also increased. In addition to the relevant logos (proprietary brand and private labels) and the ingredient information on each product, the label had to include other information, such as allergens. This additional information varies depending on the destination country's regulations, as does label's language.

Within five years the company went from handling fewer than a dozen labels to managing several hundred, so that when any update or change was needed, the labeling procedure held up the entire manufacturing process up. The company attempted to respond to the challenge by increasing the number of employees responsible for these tasks, which, in addition to increasing costs, and thus the product's selling price, also increased the risk of errors. As a result, the probability of goods being retained in customs for non-compliance with legislation and food safety regulations of the importing country increased.



The solution

The increasing in complexity and resources involved in the labeling process, and therefore the risk of errors, had become so substantial that a complete transformation of operations was necessary. In order to do this, and given that the management system used by the company had also become obsolete, the company asked systems integrator PKTech to take the helm and tackle the deployment of a new ERP system on-premise: Microsoft Dynamics NAV.

In parallel, and fully integrated with the new ERP system, the company installed Seagull Scientific's BarTender Automation Edition software, which allowed the labels to be produced 100% dynamically, and within the Navision environment. BarTender's Integration Builder makes it simple to integrate the software with any ERP system. "Integrating BarTender," emphasized Antonio Checa, PKTech's Practice Lead for Dynamics NAV/Business Central, "was extremely easy. We did 90% of the integration ourselves and relied on BarTender's efficient and expert customer support team for the remaining 10%."

With the new solution, the company went from manually managing 300–400 labels to managing only five templates, allowing them to print between 5,000 and 6,000 different labels, which thanks to BarTender, are easy to dynamically customize according to the requirements of each order depending on the customer, the type of shipment, and destination, among other variables. BarTender's Intelligent Templates™ make it possible to establish fixed conditions or patterns for each client's labeling and dynamically define the fields and data that should appear on the label, as well as their layout on the label.

The project was carried out in two phases — deployment and adaptation — in a record time of two months and with an ROI of less than one year, helping to ensure the success of the company's international expansion strategy. Additionally, the company has the added advantage that BarTender is tested against Microsoft Dynamics NAV platforms.

The benefits

Standardizing and centralizing labeling has afforded the company greater quality assurance when it comes to labeling regulations in all of the countries to which it exports its products, and it has contributed to the effectiveness of their tracking system. Implementing this new system has changed the process radically. Now a single person, the quality manager, is able to handle labeling, with full confidence that labeling will comply with the food safety and language regulatory requirements of each country.

The project represents a clear example of BarTender's power and ease of integration, according to the professionals at PKTech, a company which has 20 years of experience coordinating and executing projects to implement Microsoft business solutions (ERP and CRM).

In fact, the new system brought the company from manually working with 300–400 labels to automatically handling 5,000–6,000 labels. In addition to increasing its capacity, it has decreased costs and reduced the possibility of error practically to zero. It should be noted that, in the event of incidents or a simple need for customer support, both the company and its service provider have 24/7 multi-language support from BarTender.

Overview

- ▶ Spain's leading company in the manufacture of bags for coffee and powdered milk for vending machines needed to standardize, streamline and automate its processes for designing, managing, and printing its product labels.
- ▶ As the number of countries it exported its products to increased, the company was faced with increased demands for customized labeling as well as the challenges of complying with different regulations.
- ▶ The company's labeling process underwent a complete transformation, and together with PKTech, they performed an on-premise deployment of Microsoft Dynamics NAV and BarTender software, fully integrated with the new ERP system.
- ▶ The project was carried out in two phases in a record time of two months and with an ROI of less than one year, helping to ensure the success of the company's international expansion strategy.
- ▶ With the new system, the company went from manually working with 300–400 labels to automatically handling 5,000–6,000 labels. They increased capacity, decreased costs, and reduced the possibility of error practically to zero.
- ▶ Standardizing and centralizing labeling has raised the level of labeling compliance control and has contributed to the effectiveness of their tracking system.

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