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# Digital transformation of labeling

**CHR HANSEN**

*How Chr. Hansen modernized labeling to streamline processes and SAP integration with a validated system*

## Background

Chr. Hansen is a global bioscience company that creates natural solutions for the food, nutritional, pharmaceutical and agricultural industries. They develop and produce cultures, enzymes, probiotics and natural colors for a rich variety of foods, confectionery, beverages, dietary supplements and even animal feed. They have one of the world's largest commercial collections of bacteria strains, numbering over 30,000. Founded in 1874, Chr. Hansen has over 3,000 employees in more than 30 countries.

**Solution:** NiceLabel LMS
**Industry:** Bioscience

### Challenges

- Custom-built solution was costly to maintain
- Validation of system costly
- Labor-intensive label creation process
- Lack of 24/7 system support

### Solution

- NiceLabel ABAP package for tight SAP integration
- Print queue functionality
- NiceLabel variant technology
- 24/7 system availability

### Benefits

- Label template reduction
- More efficient label design process
- Successfully validated label management system
- Global rollout by end of 2019

### Labeling a business-critical function

Labeling is a fully-integrated part of Chr. Hansen's production and delivery process and plays a central role in their distribution process. "It is really key that the labeling process works," states Jens Berth, Senior IT Project Manager at Chr. Hansen. They have around 3,000 label print requests per day, and they print pouch, box, packaging and shipping labels. Chr. Hansen prints labels from 30 different locations and they have a dedicated team of label designers, Business Support, who interface with IT, Compliance, Legal and Production functions in order to create and maintain their label templates.

## Challenges

### Labeling system makes validation challenging

Chr. Hansen's previous labeling system had its limitations. "The cost of running the system was very high," says Johnny Krogh Sørensen, IT System Manager, Global IT for Chr. Hansen. "It was based on 15-year-old technology and was built on a fire-and-forget philosophy." As Chr. Hansen operates in the life science industry, any software that touches a regulated process must be validated according to criteria set forth by the Food and Drug Administration (FDA). However, the fact that the system was custom-built made it costly to validate it. Additionally, only internal users could access the system, and the label creation process was both tedious and cumbersome.

### Inability to provide 24/7 IT support critical

However, the most critical shortcoming was that Chr. Hansen could not get the 24/7 IT support for the system that their production demands. "It's mission-critical that the production line doesn't stop," Jens relates. "Each production line has someone responsible for identifying why the line stops, hunting down the issue and fixing it. If a line is down for 20 minutes, you get a call from upper management."

To address these issues, Chr. Hansen began the process of finding a new labeling solution. "We wanted true web-based access, a smooth and effective template design process and a standard system ready for validation," states Johnny. The system also needed to offer global support and service, a seamless failover system and a reliable, consistent data flow.

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# Solutions

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*Jens Berth, Senior IT Project Manager, Chr. Hansen*

### Tight SAP integration using NiceLabel's ABAP package

NiceLabel delivered a label management solution that is tightly integrated with Chr. Hansen's enterprise resource planning system, SAP, using NiceLabel's SAP ABAP package. NiceLabel's ABAP package ensured a quick, simple implementation, which pleased the Chr. Hansen team. "It works really well thanks to the SAP plug-in," Jens relates.

Chr. Hansen uses NiceLabel's built-in label template approval process with delayed publishing workflow. Label templates are built in the NiceLabel system, and approved in the NiceLabel document management system (DMS). The solution sends label information to SAP, so that they know the label templates, variants, version, and variables used in each print batch. They have a predefined list of allowed variables stored in SAP, and if an unapproved variable is used, they get a warning. This workflow also allows them to send print requests for a specific (previous) version of a label template or variant, which is useful if they need to do a rerun of a production order.

### Web printing application meets delayed label printing needs

The NiceLabel team also configured a web printing application for Chr. Hansen to accommodate their way of working. The printing application is important, as labels are never printed at the same time as a work order/print request is created in SAP. "We have hundreds of workers creating process orders in SAP all the time," relates Jens. "Typically we create orders one week in advance of the actual printing, so the web printing application lets us print the label job that was previously created by SAP; this is key for the way we work."

### Enabling 24/7 availability

To meet their requirement for 24/7 system availability, they have placed local NiceLabel servers at their plants in Avedøre, Denmark; Polheim, Germany; and Milwaukee, USA. These servers are synchronized with the main server (in Hørsholm, Denmark) so that they can continue to produce and print labels, even when the main server is unavailable.

### Taking advantage of NiceLabel's variant technology

Chr. Hansen also uses NiceLabel's variant technology, built specifically for life science companies, for the pharma part (Health and Nutrition) of their production. A label variant is the exact finished label for a specific SKU. This functionality enables Chr. Hansen's QA staff to approve the label variants before they are printed. Label variants also prevent any unauthorized changes to the label content after the variant is created. The print operator can only change or enter a very limited set of variable fields, such as the batch number and production date.

# Benefits

Implementing NiceLabel's Label Management System, with its universal label templates and label variant technology, gave Chr. Hansen the opportunity to reduce and consolidate their templates. "We've done a huge clean-up with NiceLabel, as opposed to the old system. We've really been able to reduce the number of templates we use," Jens says.

### Improved user experience benefits business users

The new system also offers benefits for those working with label design. "The users are very pleased with the Label Designer," relates Jens. "They like the features it has. It is a much better user experience than the previous solution." Johnny agrees, "The overview from the business support side is better. It's a more effective process and I can discover if there's an error earlier than I could before."

### Successful validation an important milestone

Chr. Hansen also achieved a significant milestone at the start of 2019, when they successfully completed the validation of the NiceLabel Label Management System. They are still in the process of rolling out the system to the entire organization, but the hope is that all locations will be running on NiceLabel by the end of 2019. "This is a huge success in Chr. Hansen and we will retire our former label management system," states Jens.

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## The world's largest cloud-based Enterprise Labeling and Artwork Management provider

**Case Study**

*Loftware is the world's largest cloud-based Enterprise Labeling and Artwork Management provider, offering an end-to-end labeling solution platform for companies of all sizes. Maintaining a global presence with offices in the US, UK, Germany, Slovenia, China, and Singapore, Loftware boasts over 35 years of expertise in solving labeling challenges. We help companies improve accuracy, traceability and compliance while improving the quality, speed, and efficiency of their labeling. As the leading global provider of Enterprise Labeling and Artwork Management, along with Clinical Trials Labeling and Content Management, Loftware enables supply chain agility, supports evolving regulations, and optimizes business operations for a wide range of industries. These include automotive, chemicals, consumer products, electronics, food & beverage, manufacturing, medical device, pharmaceuticals, retail, and apparel.*

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