



Overcoming 3 key challenges in manufacturing with cloud labeling

Cloud-based labeling solutions alleviate disruptions, reduce costs and improve sustainability practices





Introduction

In today's rapidly evolving manufacturing landscape, digital transformation has transcended from being a mere option to an absolute necessity. The imperative to embrace this paradigm shift is driven by several compelling factors, with survival emerging as the most pressing concern. The escalating disruptions in supply chains have placed unprecedented pressure on organizations to expedite their time-to-market while simultaneously meeting the soaring expectations of their customers.

In this context, the capacity to swiftly adapt has become a decisive element that determines the success or failure of businesses operating across a variety of sectors. According to data from IDC's 'Worldwide Digital Transformation 2022 Predictions'⁰¹, 50% of companies are now implementing a digital

transformation roadmap. In contrast, two years ago, 73% reported having no digital roadmap at all.

One area that plays a crucial role here is the adoption of cloud technology within global supply chains. This includes enhancing legacy manual processes through automation, improved deployment, and less frequent bottlenecks, as well as a more efficient and affordable packaging process. In manufacturing, three issues have stood out as priorities as businesses take advantage of the cloud to improve their digital posture: sustainability, cost pressures, and ongoing supply chain disruptions.

Enhancing efficiency and alleviating supply chain disruptions

According to Loftware's 2024 Top 5 Trends in Labeling & Packaging Artwork' report⁰², which surveyed nearly 500 professionals from organizations across all major industries and 55 countries, 80% of business leaders surveyed have experienced a direct business impact because of supply chain issues. That's why organizations need labeling solutions that are resistant to supply chain disruptions.

Companies of all sizes are looking to expand into new regions across the globe. As they realize this growth, their supply chains and labeling practices will become increasingly more complex, which can lead to inefficiencies and disruptions if operating disparate legacy solutions.

Cloud-based labeling, however, allows companies to maintain existing systems and user interactions to scale labeling across their entire business ecosystem. Additionally, this approach increases the elasticity of a manufacturer's overall labeling system, giving users more flexibility with re-provisioning, adding, or expanding technological infrastructure resources.

Most importantly, businesses can swiftly onboard new sites quickly and extend labeling to suppliers and partners. With multiple locations, new suppliers, partners, and 3PLs gaining flexible access to centralized labeling and label content, there is a dramatic reduction

in labeling errors, meaning costly and time-consuming instances of relabeling can be easily avoided. This is crucial to ensuring business continuity and supply chain agility.

Furthermore, rather than creating, copying, or updating label templates at every site, accurate and compliant labels can be quickly accessed from any location at any time. This removes the uncertainty and human error involved in generating new labels at each site, which can negatively impact time to market and result in supply chain bottlenecks.

Cloud labeling improves the bottom line

Companies can dramatically reduce costs associated with labeling errors by harnessing the power of cloud technology. Gartner research⁰³ highlights the costly results of inaccurate labeling and discusses how non-declared allergens, mislabeling, and inaccurate packaging graphics continue to be a leading cause of product delays and recalls, ultimately costing manufacturers millions of dollars in lost sales. However, implementing a cloud-based labeling solution – one that links labeling processes with business processes to drive speed, accuracy, and compliance – helps to eliminate the risk of labeling errors, thereby saving companies money, time, and brand reputation.

Additionally, the cost of owning large on-site enterprise software systems has historically been prohibitive for small to mid-sized businesses. Employing large teams to maintain an expensive IT infrastructure was too much for these organizations. However, cloud-first business strategies have given these companies access to world-class systems. Rather than paying a hefty fee, manufacturers can spend on a subscription basis and upgrade their plans as needed. Additionally, without needing to purchase or maintain IT infrastructure or support large IT teams, these organizations can reallocate this money back into their businesses.

With improved traceability across the supply chain, companies can quickly identify expensive problem areas in their labeling ecosystem and rectify the issue. For example, suppose bottlenecking occurs somewhere in the manufacturing chain, access to this data from the cloud in real-time enables the business to recognize and fix the issue before it's too late.

Embracing the cloud for sustainable success

With ESG and sustainability becoming increasingly mainstream, businesses are incorporating sustainably focused corporate goals.

Loftware's 2024 research found that 76% of organizations already have a sustainability initiative, indicating how important this issue is across all sectors. However, as they look to meet these targets and set a new standard for responsible business, organizations must ensure their supply chains reflect this commitment. According to a 2022 EY study⁰⁴, not only do supply chains account for more than 90% of an organization's greenhouse gas emissions (GHG), but also 50%-70% of their operating costs. So, how do companies go about tackling this?

Part of the equation is around how social, ethical, and environmental performance factors into the process of selecting suppliers. With sustainability at the forefront, digital traceability can help companies deliver on their environmental commitments. Being able to trace products both upstream and downstream will become important for managing the product lifecycle and ensuring sustainable sourcing. These intelligent supply chains can track, trace, and authenticate products at every stage of the journey, from raw materials to consumer goods. Additionally, cloud-based labeling solutions reduce inventory and ensure that all products are correctly identified, shipped, and delivered to the right place, thereby avoiding unnecessary loss and waste.

A clear roadmap to digital transformation

As globalization continues to shape the [manufacturing landscape](#), businesses are feeling increasing pressure to optimize their supply chains to meet growing demands, all while staying environmentally sustainable. With the adoption of cloud technology for their labeling operations, manufacturers now have an unprecedented opportunity to achieve both goals. Cloud technology is the key to unlocking greater supply chain efficiency, sustainability, and profitability for manufacturers. Armed with a clear roadmap to digital transformation, businesses can confidently embrace the future of manufacturing and ensure their long-term success.

Loftware offers all-in-one centralized cloud-based labeling solutions that redefine how companies of all sizes create, manage, and print labels across the supply chain. With Loftware's modern labeling solutions, manufacturers can extend labeling and artwork to suppliers, draw data from sources of truth, control stagegate processes, reduce IT maintenance, enable data-driven labeling, and drive continuous improvement across the enterprise.

References

[01] [IDC FutureScape: Worldwide Digital Transformation 2022 Predictions](#)

[02] [Loftware 2024 Top 5 Trends in Labeling and Packaging Artwork](#)

[03] [Gartner Research, Understanding the Labeling and Artwork Management Software Market, April 6 2023](#)

[04] [EY, How sustainable supply chains are driving business transformation](#)



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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.