

SPOTLIGHT



THE STRATEGIC POWER OF PACKAGING AND LABELING

- How Loftware's knowledge, experience and solutions unlock value and drive performance



IN THIS EDITION:

Formulating a Winning Strategy for Labeling

Five Ways Insight Transforms Packaging Artwork Processes

Finding Your Labeling Sweet Spot

IN THIS EDITION

03 Formulating a Winning Strategy for Labeling

A customer story from GSK focusing on how labeling is a driving force behind their global operations.

09 Five Ways Insight Transforms Packaging Artwork Processes

How reporting and business intelligence help improve performance throughout the packaging artwork lifecycle.

14 Finding Your Labeling Sweet Spot

Using the Enterprise Labeling Maturity Model to benchmark against the competition and gain buy-in for investment.

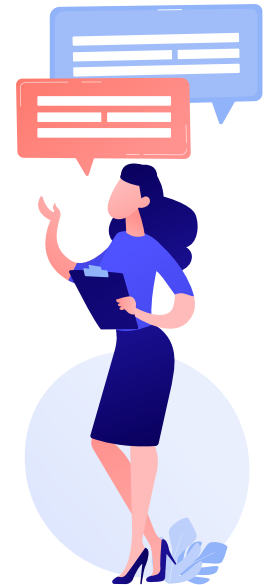
WELCOME TO SPOTLIGHT. In this edition we focus on the increasingly strategic role of labeling and packaging across businesses.

The labeling landscape has evolved from essential yet unseen, to a key strategic enabler for business growth. Forward-thinking organizations are now seeing their labeling processes as a way to enhance operations, speed up time to market and reduce inefficiencies.

We look at how focusing on optimizing labeling and artwork management ensures organizations can transform out of date, disconnected, manual processes to automate, streamline and digitize these complex business processes and deliver measurable improvements across their global landscape.

In addition to enabling significant efficiencies, optimized processes ensure delays are prevented, markets are reached, supply chain effectiveness is strengthened, and maximum levels of productivity effectiveness are achieved.

When considered as a strategic enabler, optimized labeling and packaging processes can open the door to improved business performance and deliver competitive advantage. Can you afford to overlook the benefits your business could unlock?



FORMULATING A WINNING STRATEGY FOR LABELING

The crucial role of labeling at GSK



Robert Worland

Product Owner - Warehouse, Distribution & Labeling
GSK

In this customer interview, we explore the critical role labeling plays at GSK, a global healthcare and pharmaceutical leader.

We talk with **Rob Worland**, GSK's Product Owner – Warehouse, Distribution & Labeling, about the company's approach to labeling and why it is core to business success. Rob shares his predictions for the future of labeling based on industry trends, technology shifts and company objectives, and reflects on the value the organization has been able to unlock with the support of Loftware's Enterprise Labeling solution, Loftware Spectrum.

Rob has been Tech Product Owner for Factory Operations and Labeling since 2018, including SAP WM, outsourced warehousing, temperature monitoring, and labeling solutions.



Replacing legacy solutions to drive performance improvements

Rob has seen his role at GSK evolve over recent times as the business has embraced centralization, he explains what that means for him and how some of those changes have come about, "My original role was focused on managing the deployment of Warehouse Management within SAP ECC 6.0 across all of our pharmaceutical and healthcare sites globally. Our legacy labeling system, which we'd had for 20 years, wasn't standardized across our sites and we were acutely aware of the need to move to a centralized solution. Rolling this out globally and enabling us to all operate from one system has become about 50% of my role, as the company focuses on a strategic move towards a centralized IT model."



"We have seen SAP label print times reduce by 98%. We've also achieved a 75% reduction in label design time and a 66% reduction in label design costs."





Standardization, centralization and integration are key to meeting many of the common challenges we face.



Embracing a standardized and centralized approach to labeling

So what were the key drivers that led to GSK focusing on a standardized, global solution? Rob explains, “Part of our global strategy for adopting a centralized model was driven by the large amount of complexity to labeling introduced over recent years, and increased costs with running a system on each warehouse site.”

Furthermore, the role of labeling at GSK has changed to become more strategic over the last five to ten years, and Rob believes there were several factors at play, “SAP has been core to our more strategic focus on labeling, and

reducing label formats and templates was something we wanted to drive towards to streamline our process and support lower operating costs.

Previously, there were instances where inventory figures were requested on a particular product line but would take weeks to collate from every system. By that point, the information was no longer relevant or as valuable.”

GSK knew that a centralized data approach would help to deliver greater, real-time insight, as well as delivering streamlined labeling processes without the complexity and manual input required to deal with different systems at locations across the globe.

Overcoming challenges through standardization and centralization

Labeling challenges for GSK and the pharmaceutical industry are mirrored by many companies. Rob explains, “Many challenges we face are linked to business growth at GSK: supply and distribution chains become increasingly complex with regulatory changes happening rapidly across the globe. For example, we have to track our products in large supply chains through GPS and serialization. We also have to deal with frequent business changes, including mergers and acquisitions, that put pressure on businesses in our industry to ensure company branding is adopted quickly to avoid legacy logos remaining on packaging.”



a labeling solution needs to be able to grow with our business and ever-changing regulatory landscape

To overcome such challenges, Rob believes it's key to be able to react simply to complex situations, "We needed a standard approach to labeling across all of our sites, rather than having to rework solutions suddenly because a new regulatory requirement has come into play in one country, for example. Now, we can go to a single centralized source and make the change required without disruption.



"Standardization, centralization and integration are key to meeting many of the common challenges we face."

The case for ensuring labeling is integral to your business strategy

It can often be the case that labeling does not get the attention it deserves until something goes wrong, or disaster strikes. So, what were the most important areas for Rob and his team to focus on in order to help promote the benefits of adopting a globally standardized labeling strategy?

"To us, a labeling solution needs to be able to grow with our business and ever-changing regulatory landscape, and not just focused on short-term requirements. Now that we have this agility embedded in our labeling

solution, we are able to move from a reactionary strategy to a future-focused plan."

"Regulatory compliance is key in our industry, but it's constantly evolving and so it's a major consideration in terms of our labeling and therefore, our systems. As an example, most markets across the globe have either introduced serialization as a regulatory requirement or are planning to do so. Serialization is complex and accuracy is key, the labeling system must be able to respond. Instead of scrambling to manage these types of changes through a reactive strategy, we moved to one that is proactive and allows for future development down the line."



The impact of a standardized labeling solution has been transformative

“Reducing wastage is also important for us as it is within pharma generally because some products are of such high value that losing just one batch costs us significantly. This wastage might occur as a result of a high temperature issue or inadequate tagging, so a standardized labeling system helped us integrate with a new temperature monitoring solution on all sites knowing that all data we needed was available to scan from our standard labels, leading to a reduction in waste and saving money.”

The impact of Loftware Spectrum

Having selected Loftware’s Enterprise Labeling solution, Loftware Spectrum, as the standardized solution in 2020, GSK has seen significant value. Rob tells us, “We’ve always been technology

led and knew that to stay ahead of the evolving requirements of our industry, we needed a platform that could move with the market. We implemented Loftware’s Enterprise Labeling solution in 2020 and we have seen SAP label print times reduce by 98%. We’ve also achieved a 75% reduction in label design time and a 66% reduction in label design costs. The impact of a standardized labeling solution has been transformative.”

“Loftware actively develops its products, which is crucial in allowing us to stay ahead of future demands and ensure this is a long-term

solution. In transitioning to Loftware’s Enterprise Labeling Solution, we’re not only benefitting from a product, we’re benefitting from their company scale and their specialized industry experience too.”





With Loftware, we know the system can continually meet our demands and support us in new ways of working

An Approach That's Fit for the future

Rob explained how supply chain developments and changing labeling requirements were likely to be increasingly viewed as a strategic enabler over the coming years, "The Internet of Things enables us to do more and more sophisticated labeling, including new inputs such as light exposure data, that can help us gain even greater insight across our supply chain. There's the topic of E-labeling too, which will have significant impact on how we approach certain elements of our labeling processes. There's also more coming in the way of serialization that will impact how we operate. We expect to see external systems communicating with each other, allowing new ways of working that make the whole operation and

supply chain process more effective. With Loftware, we know the system can continually meet our demands and support us in new ways of working as our processes evolve and become even more advanced."

You can find out more about Loftware Spectrum's advanced capabilities at loftware.com/Spectrum. Take a look and see how it could help you to unleash benefits across your global landscape.



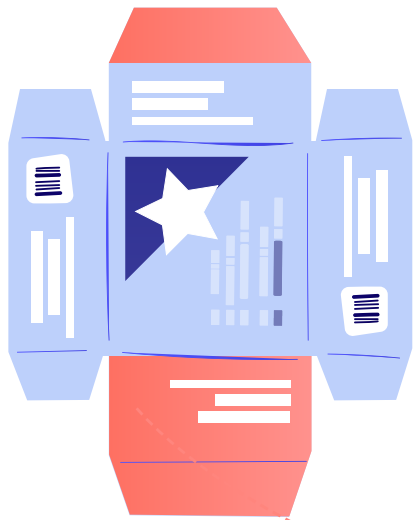
FIVE WAYS INSIGHT TRANSFORMS PACKAGING ARTWORK PROCESSES

How reporting and business intelligence help improve performance throughout the packaging artwork lifecycle



Gemma Wood
Product Manager
Loftware

Are you struggling with outdated, manual artwork processes that throw your packaging approvals into chaos and impact your time to market?



Gemma Wood, Product Manager at Loftware, explains how a digitalized, automated approach to Artwork Management enables organizations to spot opportunities for operational improvement and make informed business decisions that speed packaging approvals and drive time to market. At such a critical point in our global economy, automation, insight and intelligence relating to the packaging artwork process can offer organizations a real operational advantage.

Gaining visibility throughout the entire end-to-end product packaging process, across multiple projects, can drive improvements and enable new levels of efficiency to help organizations get products to market more quickly than the competition.

This high-level insight enables businesses to address recurring issues, identify opportunities and optimize operations strategically. Specifically, advanced reporting and Business Intelligence (BI) enables insight for measurable improvements in five key areas.

1. Understanding the impact of customer demands

Even though the 'customer is king' mantra stands true, demands for non-standard packaging across multiple customers can make managing packaging development increasingly complicated. What's more, the review process and subsequent amendments can become increasingly difficult to manage as a result, causing delays and ultimately impacting sales.

An Artwork Management Solution with Business Intelligence provides high-level data and detailed insight to highlight the true cost in terms of time and money, and importantly, where the problems lie in the process. Through intelligent functionality, organizations can see which projects regularly take longer or require more work, and at which points in the process. Changes can then be made to tackle issues, whether internally or by adjusting terms or timescales with



the customer. When time-consuming customer requests are identified, these can then be quantified and discussed in accordance with agreed KPIs. Furthermore, not only will an Artwork Management Solution with BI help you to identify troublesome customer demands, the time saved by optimizing existing processes can open the door to you taking on even more customer specific packaging projects, enabling you to expand revenue opportunities.

2. Process improvement

Maximizing operational productivity has become an even bigger priority in the COVID-19 landscape, to aid business recovery and support growth.

Automating artwork processes not only allows for tasks to be easily tracked

and managed but when the system is combined with a BI tool, organizations can access a high level of intelligence gathered across multiple projects, allowing them to review and optimize workflow.

Typos, wrongly placed barcodes, and technical issues related to the dieline are common and costly challenges. Being able to track back to understand how errors are occurring or why late changes are repeatedly happening, allows businesses to identify where the issues are originating and re-configure business workflows to manage risks more effectively.

Projects being put on hold or withdrawn can cause more serious issues and need assessing from a strategic viewpoint. By assigning a reason

code to these occurrences using BI, organizations can identify how often and where in the process these problems are arising most commonly. The data highlights a problem and provides insight, allowing for strategic revamps and in turn, safeguarding the critical time to market.

3. Managing supplier challenges

External issues with partners and service providers put deadlines in jeopardy and risk the efficiency of the project.

Advanced reporting and BI as part of an Artwork Management Solution delivers much-needed transparency and provides organizations with a suite of information detailing accuracy issues or time lags. This might be a designer



Advanced reporting and BI as part of an Artwork Management Solution provides organizations with a suite of information detailing accuracy issues or time lags

using out-of-date branding or a hold up in turning around amendments that impact final approval. These valuable insights can be used to improve supplier management in several ways.

For example, supplier scorecards can be introduced, measuring performance against the Service Level Agreement



An Artwork Management Solution with BI can provide a clear view of active, planned, and pending tasks for an accurate workload assessment

(SLA). This can help when choosing preferred suppliers as it offers accurate data on who is delivering effectively. In cases where the insights point to a problem, reporting provides evidence to discuss a supplier's performance against the SLA and renegotiate agreements.

4. Improving resource management and efficiency

Distribution of tasks can become unevenly weighted across a team for numerous reasons, slowing projects down as a result. An Artwork Management Solution with BI can provide a clear view of active, planned, and pending tasks for an accurate workload assessment. This enables users and managers to take a proactive approach to resource management by:

- Identifying when a team member has a disproportionate amount of work assigned, and another has availability to support.
- Planning for extra resource if required.
- Effectively distributing tasks across a team.

Senior managers can benefit from responsive heatmaps to bring together information from hundreds of projects in an at-a-glance view. Harnessing robust, high-level data for comparison and adjustments becomes near effortless. Tasks that regularly run behind can be identified and building a business case for increased people power and/or process improvements

is made easy. It drives accountability too, something that has long been a challenge across the packaging development process as a result of the sheer number of stakeholders involved in different areas of the development cycle.





With high-level, up-to-date insight, problematic trends can be quickly identified and resolved



5. Identifying risks in real-time to avoid disaster

The best Artwork Management Solutions deliver BI that allows organizations to pre-empt issues and be responsive by giving fast access to real-time data.

This is critical in allowing organizations to instil agility in their processes and respond to internal and external factors at pace, potentially at dozens of locations across the globe.

In many cases, the benefits extend beyond pace and agility. When we think about packaging for industries such as pharmaceuticals for example, there is a risk of even greater repercussions for not being able to manage artwork approvals quickly and effectively, where

it could lead to delayed treatment and, ultimately, impact patient health.

With high-level, up-to-date insight, problematic trends can be quickly identified and resolved. The BI solution allows data to be drilled down and filtered in multiple ways, such as by location or region.

Organizations can unlock the benefits of functionality such as color-coded dashboards to instantly see exactly where the packaging process is compromised, enabling an immediate fix. Because the BI tool can highlight emerging problematic patterns, organizations can investigate, isolate the key driver and make necessary changes to prevent a costly issue.

Track, measure and transform your entire packaging artwork process with **Loftware Smartflow**

With Loftware's Artwork Management Solution, Smartflow, customers are able to access detailed reporting, insight and BI, configured to their unique requirements. Smartflow supports customers in ensuring compliance, measuring KPIs, and driving process improvements both internally and with suppliers.

Its pioneering technology is seamless to implement, and immediately enables projects to run smoother, supporting teams to react with agility and improve their processes. Find out more about the value Loftware Smartflow can deliver for your organization at loftware.com/artwork-management.

FINDING YOUR LABELING SWEET SPOT

Using the Enterprise Labeling Maturity Model to benchmark against the competition and gain buy-in for investment



Kevin Miller

*Director of Global Pre-Sales
Loftware*

Labeling has evolved from being considered a necessary but isolated element of a product's journey to a strategic part of business growth.

By applying a standardized approach using labeling best practices, organizations are reducing inefficiencies, increasing supply chain agility, and gaining competitive advantage. An optimized labeling system provides flexibility and scalability, while reducing risks and boosting speed.

Kevin Miller, Director of Global Pre-Sales at Loftware, explains how and why the Enterprise Labeling Maturity Model helps businesses chart a course to labeling excellence.

Labeling has always been a necessary function yet has often been overlooked as an area that can support your supply chain strategy. However, our experience shows that when organizations look at labeling from a strategic viewpoint, the opportunities

for it to support growth and reduce inefficiencies become clear and can help to ensure the function gets the attention, and investment it deserves.

What kinds of labeling challenges are organizations facing?

As organizations grow, increase their product range, and spread operations to multiple locations, they often find themselves with different labeling systems. Elements of the labeling

process might be inherited from acquiring another company, and they may be using processes and corporate branding that differ between locations. Companies need to simplify their process to avoid labeling errors, which hurt them financially and impact the brand. Alongside streamlining, organizations also want to add some flexibility to their labeling process. For example, the ability to incorporate site-specific data and to easily adapt labels to comply with regulations in a particular country, or for a different supplier.



How does an Enterprise Labeling Solution add value to an organization?

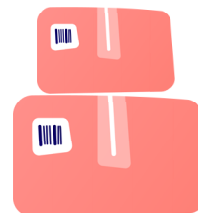
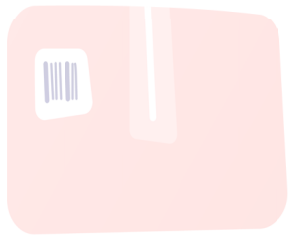
A consolidated, Enterprise Labeling approach turns what has become an unmanageable amalgamation of systems into a cohesive, standardized platform. Businesses can tailor their labeling requirements easily and accurately, negating the need for multiple, manual changes.

By focusing on a drive towards labeling excellence, customers can use the maturity model to identify routes to overcoming key challenges, including:

- Improving label approval and change speed
- Integrating with enterprise applications to ensure real-time up-to-date data
- Empowering business users and extending labeling access to suppliers
- Reducing label templates across a global landscape
- Automating high-volume label printing
- Reducing labeling errors, fines and recalls
- Ensuring regulatory compliance

How can an organization transition to a standardized labeling solution without causing disruption?

The prospect of implementing the solution or optimizing the process further can feel daunting. Organizations often struggle to fully grasp the full scale of their entire labeling processes due to the siloed nature of operations. Managers often only interact with the process they rely on for their part of their business, on their production site, and have no visibility of labeling processes that may be in place elsewhere. The process needs examining holistically to ensure everything is captured and a detailed roadmap for labeling improvement can be delivered.



At the beginning of a customer engagement, Loftware will lay the foundations for labeling excellence by adopting the principals set out in the Enterprise Labeling Maturity Model. This framework will help lead the organization on a path to labeling excellence in a manageable, digestible way.

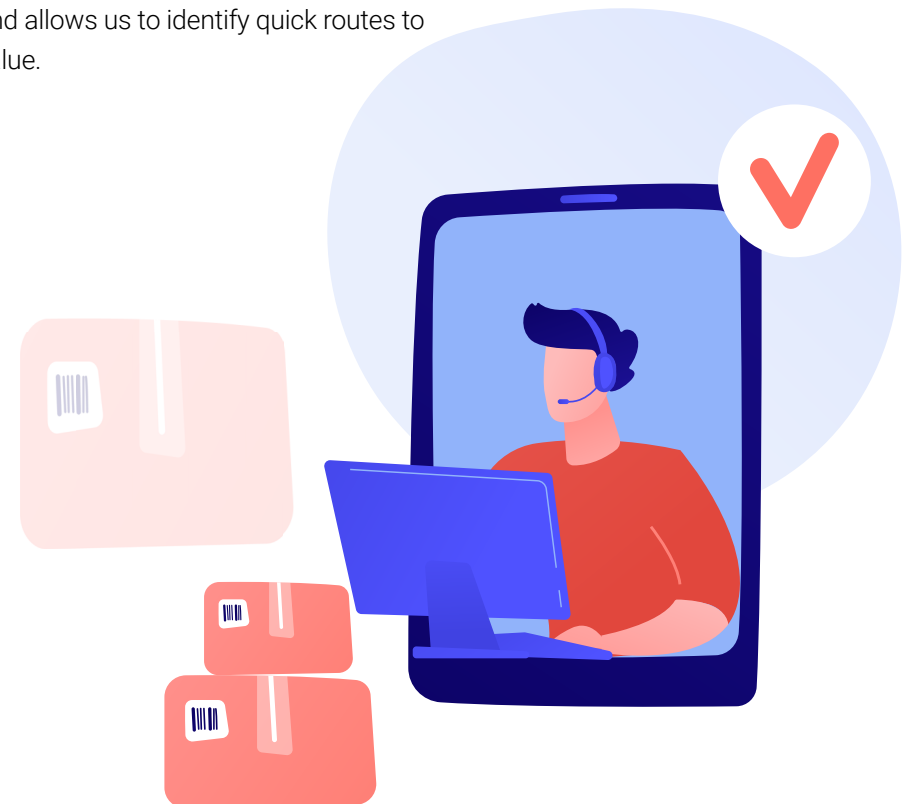
What might a journey to labeling excellence look like?

To develop solutions for both the immediate and longer-term, we need to map out where on the journey a customer's labeling process falls and where they need to be with their labeling capabilities.

The first step involves assessing the customer's current level of labeling effectiveness. By undertaking an Enterprise Labeling Maturity Assessment and a series of discovery sessions, labeling challenges and opportunities are pinpointed and a strategy is developed using the 9 dimensions of labeling outlined in the Maturity Model Framework. Each company has different strengths and weaknesses, and it's crucial to understand where to focus so you can accurately build out your Enterprise Labeling Improvement Plan

Early collaborations with an organization will often focus on key areas that cause the most concern or frustration. One area of concern may be label templates and the different data points from which information is being

drawn. For example, we might quickly identify that we could reduce the volume of labeling templates by 30% by leveraging consistencies and utilizing layers, this immediately makes the path to improvements seem much less daunting, provides a tangible example of the benefits that can be unlocked, and allows us to identify quick routes to value.





...when organizations look at labeling from a strategic viewpoint, the opportunities for it to support growth and reduce inefficiencies become clear. A consolidated, Enterprise Labeling approach turns what has become an unmanageable amalgamation of systems into a cohesive, standardized platform

During the strategic process, we regularly discover synergies in different locations of an organization. This means some labeling elements from different regions can work together as they are, and some parts of the label can remain the same for multiple sites. This saves time and cuts costs and allows for a more straightforward implementation.

Our model creates a roadmap for moving an organization through the five stages of the Enterprise Labeling Maturity Model in a manageable way.

What is the Enterprise Labeling Maturity Model?

The Maturity Model provides organizations with a framework for labeling improvement. Beginning with a simple but effective self-assessment, it highlights areas of capability and pinpoints zones for development. The Maturity Model covers five specific stages that allows customers to

identify where they are on their labeling journey, where they want to go and most importantly, how to get there.

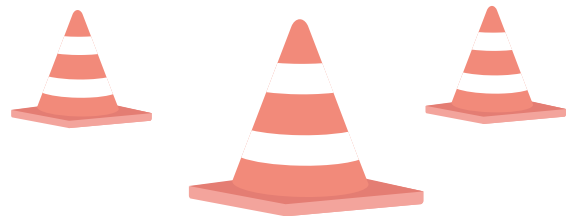
We've been able to develop this at Software as a result of specializing in the labeling space for nearly 35 years. We've worked with companies across the globe, identifying critical areas for improvement and supporting business transformation.





Research, knowledge and key industry experience has allowed us to create a sophisticated model for customers to chart their course to labeling improvements across **five key areas** that we categorize as:

- **React:** responding to your organization's bespoke labeling requirements.
- **Manage:** proactively managing and planning your labeling processes.
- **Integrate:** Consolidating your existing processes and beginning to integrate labeling with enterprise applications.
- **Orchestrate:** Standardizing and centralizing labeling Solution across your organization.
- **Extend:** Optimizing your labeling process beyond your organization across your supply chain.



Achieve labeling excellence with Software

Through the Five Stage Maturity Model, Software partners with you to create a labeling platform that is seamless and supports the growth of your organization. For a personalized report on your company's labeling maturity, take five minutes to answer the questions in our [labeling assessment](#). This customized report will provide you with valuable insight into your labeling processes and help identify roadblocks and operational gaps and operational gaps to lead you to new efficiencies.



Kevin's view:

The Enterprise Labeling Maturity Model is a great way to build a business case for labeling improvements. The model helps our customers get stakeholder buy-in by identifying the strategic value of investing in their labeling.

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, packaging artwork 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.

