4 ways to improve label management and compliance

Of all the challenges in managing the product lifecycle of your consumer packaged goods (CPG), labeling can be one of the most complex yet critical to your success. You need to consistently deliver compliant, clear, compelling labels—despite changes in regulations and consumer tastes, the need to source ingredients globally, and increasing competition.

Here are four best practices for label management that can help preserve your brand’s reputation and enhance your competitive edge—while helping to ensure that you deliver the best possible labels.

1. Automate for compliance and less litigation risk

Changes in FDA, USDA, and other country and local regulations are too many and too frequent to address on an ad hoc basis. And missteps can have severe consequences. Non-compliant or misleading labeling can lead to a forced product recall, which can cost your company millions of dollars. Additionally, consumers, advocacy groups, and even competitors can be eager to litigate, and your packaging and labeling are often the focal point of these contests.
To reduce your risk of non-compliance (and associated fees and other business consequences), implement product lifecycle management (PLM) software with built-in regulatory content and design features, such as claims, nutritional content, and declaration of allergens. Whether you’re reformulating or repackaging existing products or introducing new ones, industry-specific label management functions can automatically apply the latest rules and exemptions pertaining to label format, content, and placement.

Consolidate label data to ensure consistency

In response to increasingly fragmented consumer tastes, many CPG companies are diversifying their offerings, resulting in a growing number of SKUs. Every SKU requires its own label, but it must be consistent with others in the same product line or brand. In addition, differences in packaging for various distribution channels may affect the placement and content of the labels, while other specifications must remain the same.

One way to stay on top of all these demands is to consolidate your formulas, ingredient statements, nutritional claims, and label designs in a central repository, which then serves as the source for all new designs and content. When your label management system also offers templates for nutrition statements, claims, and allergen declarations, even your newest employee can complete label design jobs accurately and efficiently.

Working from a single source, you can not only avoid potentially costly errors, but also respond to new SKU labeling requests faster and more cost-effectively.
Support traceability with integration of all systems

Consumers today want to know more than ever about the sources of the ingredients listed on food and beverage packages. According to a recent survey by the Food Marketing Institute, the average consumer scrutinizes 5.4 claims on the front of the package, and 9.9 nutritional content facts on the back. The ability to provide information on the source of every ingredient in every batch builds trust among skeptical shoppers.

Traceability is even more important when something goes wrong. Consumers and retailers rely on organizations such as Global Safety One (GS1) to report on risks and manage recalls promptly and accurately. Supporting GS1 and complying with the documentation requirements of the Food Safety Modernization Act (FSMA) requires deep supply chain visibility, obtainable most efficiently through the integration of your PLM and ERP systems. A standards-based middleware platform can shorten the time and reduce the risk of this integration process. If your company acquires other CPG businesses, the same integration platform can quickly incorporate the new products into your PLM system, allowing you to respond with confidence to all inquiries.

Connect all contributors to shorten time to market

Successful label management draws on and affects multiple resources, both inside and outside your company. For example, if you have co-packing agreements with another company, you are both equally liable for any non-compliance. So it makes sense for your co-packer’s regulatory affairs managers to be able to tap into the label data in your PLM system. PLM systems with integrated collaboration make this possible.

According to consulting firm Tech-Clarity, spreadsheets and shared folders are not enough to fuel the speed and throughput requirements to remain competitive in formula-based industries. When product developers create their recipes in the PLM system instead of on spreadsheets, regulatory staff can access the formulations and begin their work sooner, shaving a significant amount off your time to market. Processors can be notified immediately about allergen-containing products and have more time to protect their facilities preemptively. And, the moment a product formulation changes, your ingredient suppliers can be alerted immediately, no matter where in the world they are located.