

GETTING A ROOT CANAL AT THE GROCERY; ONE - STOP SHOPPING AND GLOBAL LABELING

I recently met with an IT manager for a large Pharmaceutical company that had contracted with a well-known ERP vendor for an enterprise-wide system for labeling and regulatory compliance. Nine months into the contract and three quarters of a million dollars lighter, the client was still inundated with per diem charges for “configuration of the system” and to make matters worse, the system was not performing as required.

THE LEARNING CURVE

“Let’s be realistic,” the manager told me, “at this point, I’m not paying for them to configure my system or tweak the program. I’m paying for them to learn the ins and outs of compliance labeling and automatic identification and I’m also paying while they learn how to configure a reliable solution.”

LONG-TERM COMMITMENT

ERP vendors, feeling the effects of having oversold the market and having run out of products to sell, must now tap into new areas where they often lack knowledge and expertise. In recent years, ERP vendors have been taking on a wide variety of applications, spreading themselves thin without making a long-term commitment to any of the markets. New applications are chosen purely on their ability to boost incremental sales, which are necessary to meet the massive overhead created during boom times. Label and hardware companies are interested in increasing their hardware and software sales offering software just for that reason; however, they miss the depth of knowledge required to implement global labeling solutions.

DOES ONE SIZE FIT ALL?

Why does an experienced IT manager make the decision to use an ERP vendor to supply specialty products and services? The answer is just as simple as it is naive. Their existing relationship with ERP vendors makes the choice effortless if not justified. Should a business stick with one vendor for everything in IT simply because they have an established relationship, or want to limit the number of vendors with whom they deal? Definitely not. Would you get a root canal at the grocery store?

DYNAMIC PROCESSES

Supply chain collaboration projects such as compliance labeling are constantly evolving dynamic business processes. Compliance often means meeting multiple standards from multiple sources that may change rapidly. These characteristics require an innovative application structure that is designed to meet its flexible requirements. Implementing the solution requires a vendor that not only understands how materials flow through the supply



chain, but also has experience with regulatory compliance, enterprise labeling, bar coding, packaging and a wide range of other processes.

Although many ERP vendors claim that they have gathered the best products for integration to offer supply chain solutions from A-Z, the bottom line is that no one can really be good at everything. The strength of ERP vendors lies in stable processes, where risk is low and changes are infrequent. They do not offer the responsiveness required to meet the demanding needs of the compliance labeling process. In an area where technology is changing rapidly, the specialty vendor is constantly working to support the latest in technology and is generally years ahead of what the ERP vendor can offer.

Throughout the last twenty-five years while I have been implementing labeling solutions, I have dealt with clients who chose labeling supply companies, hardware vendors and large ERP companies as vendors for their global compliance labeling systems. None were successful in the long run.

SPECIALIZED SOLUTIONS

When it comes to purchasing specialized business systems experience proves that buying directly from the developer provides the best solution. Selecting a vendor that has a proven record of accomplishment for integrating their offering with their client's enterprise-wide systems will assure smooth system deployment. The savviest IT managers will realize the value of working with a vendor that has the expertise and knowledge to serve as both a partner and advisor. As the system evolves, upgrades and support will also become important.

The bottom line is *buyer beware*. Take the time to find a vendor that understands the global labeling cycle, offers their own unique and innovative process and technology, is experienced in successful deployment of enterprise-wide global labeling solutions and has the commitment and responsiveness required to provide a best in class system.

About the authors: Ramin Khoshatefeh and Phyllis Zaiger together bring over 40 years of experience in enterprise wide implementation of compliance and global labeling and automatic identification systems.