



ASHLAND

MEETING THE CHALLENGES OF PRODUCT-LABELING COMPLIANCE

QUICK FACTS

Industry

Chemicals

Revenue

US\$7.8 billion

Employees

12,000

Headquarters

Covington, Kentucky

Web Site

www.ashland.com

SAP® Solutions and Services

SAP® Environment, Health, and Safety Management application

Implementation Partner

SI PRO Consulting

Chemicals industry giant Ashland Inc. faces a dizzying array of product-labeling regulations around the world, and the penalties for non-compliance are very stiff. To gain confidence in its ability to maintain an excellent compliance record, Ashland adopted the global label management functionality of the SAP® Environment, Health, and Safety Management application as its global standard. Now, country subsidiaries that once had antiquated labeling systems – or none at all – are fully modernized.

Key Challenges

- Process 250,000 labels per week
- Meet exacting, constantly changing product-labeling regulations for multiple countries
- Bolster confidence in product safety and ability to achieve compliance
- Improve label management by introducing state-of-the-art IT
- Institute a single worldwide label management standard

Implementation Best Practices

- Met all schedule and budget goals
- Engaged system integrator with in-depth product knowledge and implementation experience
- Built up internal expertise
- Implemented single software instance for the entire enterprise
- Performed implementation on a region-by-region basis
- Extended access to external partners

Financial and Strategic Benefits

- Achieved greater control over and confidence in labeling processes
- Integrated the labeling supply chain
- Developed ability to print labels anywhere for any country
- Enhanced hazardous material communications
- Cut costs by streamlining labor-intensive processes
- Cut shipment delays waiting for labeling
- Implemented print-on-demand capability

Why SAP Was Selected

- Tight integration with SAP® software already in place for running the business
- SAP's global presence
- Multilanguage support
- Comprehensive functionality
- State-of-the-art technology

Low Total Cost of Ownership

- Held IT resources constant despite rapidly increasing complexity of compliance regulations
- Centralized IT support
- Retired legacy applications and hardware
- Greatly reduced overall technical complexity
- Eliminated reliance on spreadsheets to consolidate worldwide data

Operational Benefits

- Reduced time required to deal with new regulations from years to weeks
- Reduced number of label templates employed from 100s to just 20 or 25
- Increased number of languages supported to 20 or 30
- Increased efficiency for label management teams
- Replaced overnight label data downloads with real-time responses

“SAP Environment, Health, and Safety Management has made us more confident in our ability to comply with today’s labeling regulations as well as all the new ones that are emerging constantly.”

Karen Murphy, VP of Environmental Health and Safety, Ashland Inc.

www.sap.com/contactsap

Ashland Inc. is a FORTUNE 500 diversified chemical company that provides well-known product lines like Valvoline to customers around the world. With sales and operations in over 100 countries, Ashland must meet myriad regulations from agencies – including the U.S. Environmental Protection Agency – regarding product labeling. Failure to follow them imperils the public’s safety and can lead to substantial fines – which is why Ashland has always taken regulatory compliance very seriously and works hard to maintain an excellent compliance record. However, with operations growing increasingly global and new regulations constantly emerging, the firm faces evermore daunting labeling challenges.

Many years ago, Ashland’s various country subsidiaries purchased proprietary systems for managing product-label information. These systems were all based on now obsolete technologies – such as the company’s U.S.-based mainframe – and they were unable to communicate with each other. China, a fast-emerging market for Ashland, had no automated assistance at all. To consolidate results for compliance reporting, the firm relied on spreadsheets and labor-intensive processes.

Worldwide Standard for Labeling

Ashland resolved to deploy a common standard for managing and controlling labeling on an enterprise basis. After investigating alternatives, it chose the global label management functionality

of the SAP® Environment, Health, and Safety Management (SAP EHS Management) application. “We’ve been running parts of the company with SAP software for almost a decade, and that’s where we now maintain our product-labeling data,” explains Jim Friedman, group project manager for Ashland. “The tight integration between SAP EHS Management and our core SAP business applications was one deciding factor along with SAP’s ability to serve us wherever we do business.”

Ashland implemented SAP EHS Management one geography at a time, starting in Canada. Using only its internal resources in this area, the company went live with the labeling functionality on time and within budget. To help with the rest of the global rollout, Ashland engaged an experienced system integrator that knew the product well: SI PRO Consulting. With SI PRO’s help, the implementations in the United States, Mexico, Europe, and China went even more smoothly.

Compliance Confidence and Much More

With a single global standard for labeling and common processes company-wide, Ashland is more confident than ever in the safety of its products and its ability to continue complying with regulations. Labels can be printed in any country – allowing Ashland to take advantage of available resources or cheaper labor in one locale to serve the needs of another. Company suppliers can also access the application so that they too can improve efficiencies. In a lucrative new line

of business for disposing chemical wastes for customers, Ashland uses the software to print labels to show which products are being returned for disposal. IT too sees the benefits now that the mainframe, the outdated applications, and the need for spreadsheets are gone.

“SAP software has added a level of discipline to our compliance program around the world,” says Karen Murphy, Ashland’s VP of environmental health and safety. “With the integration between SAP EHS Management and the SAP Recipe Management application, we can ensure that the chemical compositions for our products and thus the hazard labels are kept current. As we improve or customize products for our customers, we are confident that our labels reflect any changes made and remain up-to-date and compliant.”

The future no doubt holds many new compliance challenges around product labeling, but with SAP EHS Management, Ashland is ready for them.

Implementation Partner

SI PRO GmbH, based in Mannheim, Germany, and Boston, Massachusetts, is one of the leading SAP consulting firms with dedicated expertise in environment, health, and safety; product life-cycle management; business intelligence; and logistics integration. Focused on process industries, SI PRO’s services cover the entire project life cycle.



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