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# Compliance, Consistency and Flexibility:

Three Reasons to Consider an ERP Solution Built for Cosmetics Manufacturing

We've all been there; diligently working to make your software fit your own way of doing business. You might be using workarounds, manual processes, or supplementing your work with other systems to help your business get by – but not ahead. Instead, you're dealing with frustrations, headaches, inaccuracies and inefficiencies that risk the very quality and consistency that keep your customers loyal.

If you're struggling with your software systems and/or a generic outdated enterprise resource planning (ERP) solution, it may be time to step back to evaluate. This software is supposed to be the central technology that allows you to store, track and share all of your product data in one centralized database. But how easily is it providing the precise functionality you need to run your business? Are you changing your processes to fit the ERP solution, instead of the other way around?

#### An ERP Solution for the Cosmetics Industry

An ERP solution built specifically for cosmetics manufacturers provides unparalleled functionality and visibility. It can adapt to your needs as your products change and as regulations shift, so you don't have to be tied to an outdated process or risk falling out of compliance. It goes beyond the basics of an accounting and Microsoft® Excel-based system, or even a one-size-fits-all ERP solution. And when it comes to support, the ERP vendor's team will be knowledgeable and helpful with industry, regulation, as well as certification issues and best practices because they're dealing with those challenges on a regular basis.

Whether you're looking to replace your outdated ERP solution with a better one or you're searching for your very first one, there are key factors to consider. With a solid understanding of how the solution keeps you in compliance, maintains consistent practices, ensures a standard of quality with your products and stays flexible to market demands, you can be confident that the ERP you choose is the right fit.

## **Comply with Shifting Regulations**

Inherent in the cosmetics industry are risks like product recalls due to adverse reactions, negative effects to allergens or incorrect ingredient labeling. As a result, the industry is under constant government scrutiny.

#### AN ERP CAN HELP YOU:

- · Tighten and manage security at all levels
- Accurately log transactions
- · Conform to best practices

An industry-specific ERP solution goes beyond ensuring compliance with long-standing rules to help you meet requirements for the very latest regulations, whenever they arise. For example, the Personal Care Products Safety Act requires, in part, that companies submit ingredient statements to the Food and Drug Administration (FDA) and keep abreast of any FDA review that establishes limits or conditions for the use of an ingredient. This could include changing labeling requirements or changing the amount of an ingredient that can be used in the final product. An ERP solution has the flexibility and knowledge to help you adapt to these new demands.

In addition, provided auditing tools, supporting data records and sound reporting standards provide you peace of mind that no matter how the rules are changing and evolving, your system will help you stay up-to-date.

#### **Accurately Track and Trace Inventory**

Granular track and trace capabilities in your ERP help keep you in compliance. Knowing what makes up your inventory, the status and quality of that inventory, maintaining control, managing expiring inventory, allergens and where each component is at all times are also paramount data points that can make or break your business.

An industry-specific ERP solution gives you greater visibility to help control costs, reduce expired inventory and better track all inbound, production and outbound materials. It takes into account material yield or loss factors for better planning, costing and margin analysis. It knows what material is out on the floor, in production or in current work areas. Knowing these data points in real-time is key for determining the timing and quantity of purchases and production, as well as how much inventory to buy, stage, use, and how products are truly impacting your bottom line.

#### **Lot Tracking**

Lot tracking is a huge concern for many cosmetics manufacturers – but few have mastered it on their own. With detailed lot tracking abilities, an ERP solution can determine not only the lot number of where your products are located, but when they are added to a recipe, how much and when in the process.

For instance, when paraben is used in multiple batches or recipes, you must know every place where the preservative was used, which products it was used in and where those products are located. If your facility handles an allergen like dyes, you need to track them for storage and handling, recall reporting, managing cleans and more. An ERP solution with this level of detail allows you to more easily isolate a safety issue and forecast the extent to which a product has been affected, including which items have been contaminated and where they originated.

#### **RESPONDING TO RECALLS**

Recalls are an ever-present threat. With the right ERP solution, you can run tracking reports on lot numbers, raw materials and more. Because the features are specific to your industry, you can pull the reports you need in minutes instead of hours, providing timely and accurate information in support of an audited mock recall or in the unfortunate circumstance of a product recall.

An ERP solution gives you greater visibility into your operations so that you can increase the efficiency of your production flow, fulfill orders more accurately and improve your percent-of service to your customer base. Any ERP vendor should understand that lot tracking is central to your operations. These capabilities should be a core offering of an ERP solution not an add-on module that is offered because the vendor wants your business.

## **Consistent but Flexible Operations**

Each company will have its own standards, like color or texture requirements for bases, creams or other substrates used in cosmetics. The ability to produce your products effectively and consistently, yet remain flexible to custom requests, new regulations or improved ways of doing business will factor largely into your product margins and ultimately the bottom line.

#### **Formulas**

You need exceptional controls over complex, multiple-level formulas. The formula system of the right ERP solution allows a chemist to create new formulas, utilize mixed units of measure, observe physical properties, record manufacturing instructions, set up quality control tests and distinguish costs for labor, material and overhead – all from within one system.

### **Recipe Control**

In many discrete manufacturing industries, the unit of measurement doesn't change. But in your world, you may be purchasing ingredients in kilograms, stocking the item in pounds and counting them by the unit, so your software must be able to deftly handle these types of conversions. It should also log quality aspects of your materials and manage tight controls around recipe management.

### Quality

Quality control tools that understand batch manufacturing ensure that considerations such as scrap losses or a mineral's particle size are accurately tracked and factored. As your volumes increase, product lines added or SKUs grow, an ERP solution that knows the cosmetics industry will ensure quality across your operations.

#### MORE ERP SOLUTION BENEFITS FOR COSMETICS MANUFACTURERS

- Effective batch sizing and scaling
- · Robust R&D functionality
- · Comprehensive multi-phase project accounting

Your ERP solution can provide features for non-conformance. An ERP solution gives you greater visibility into your operations so that you can increase the efficiency of your production flow, fulfill orders more accurately and improve your percent-of-service to your customer base. Any ERP vendor should understand that lot tracking is central to your operations. These capabilities should be a core offering of any ERP solution – not an add-on module that is offered because the vendor wants your business.

An ERP solution can protect your reputation and quality standards by recording and tracking all materials, product data and quality control results, along with real-time data on your operations. It makes completing complex quality control routines easy, efficient and accurate, which results in quicker turnaround time for your inbound and outbound materials.

## The Bottom Line: Customer Loyalty

Your whole business is riding on customer satisfaction, safety and regulatory compliance. Operating with manual processes or storing information on disparate spreadsheets is simply too much of a risk.

In the highly complex and regulated world of cosmetics, there are enormous benefits to utilizing an ERP solution developed specifically for your industry. Its advanced and relevant functionalities ensure compliance and granular inventory tracking and management. Plus, it supports the consistency your customers expect with the flexibility to adapt your operational processes to future demands and changes.

With an ERP built for cosmetics manufacturers, you can be confident that you are optimizing your efficiencies, delivering a quality product and keeping your customers coming back.



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