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Customer Story

Flügger

Getting the label right is crucial

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Company Overview

Flügger is an international company which takes its starting point in Scandinavia. The turnover is approximately 280 million Euro. The company is listed and has about 1,500 employees. Flügger designs and markets a wide and coordinated assortment within decorative painting, wood protection, spackling paste, wallpaper, and tools of a high quality, which is being sold via the retail chain Flügger Decor with almost 400 stores in Scandinavia, Eastern Europe, and China. Besides, the company supports many of Scandinavia's largest DIY retailers with private label paints.

Flügger has five factories located in three different countries, which produce both tools, paint, and designer wallpaper. In Kolding, Denmark, the factory manufactures around 20 million liters of water-based paint, wood preservation, and wallpaper adhesive. Another of its factories produces 30 million water-based and solvent-based paint, wood preservation, cleaning products, and filler.

Highlights

Flügger's millions of liters of paint come with a label. A content declaration. Creating and managing the label designs are jobs that involve a number of people, in-house and externally as well. Most of the workflows in the creation used to be handheld, and emails were the central communications tool.

Then, in 2020, the Encodify platform was adjusted, and things started to change: Automation, for instance, was integrated into the workflow. And, apart from having a better informed view of the touchpoints in the process, Emma and her team eventually recognised improvements in more areas of their work:

- Time spent is down
- Efficiency is up
- Fewer errors occur
- Less proofreading
- Automated notifications

All resulting in a production time of one week. Previously, the production time would be up to two weeks. In other words, Flügger is supplying their private label customers with the right labels and faster. It's a win-win situation.

It is fair to say that for Flügger getting the color right is crucial. But getting the label right is almost as crucial.

> *We have gone from an average of three proofing rounds to an average of 1.47 proofing rounds. We save a lot of time on the fact that it has become a more efficient flow without too much manual handling.*

Mette Maibom,
Supply Chain Specialist at Flügger

Challenges and Goals

A bucket of paint is not just a bucket of paint. Not if you are producing 50 million liters of it, color-coded and subjected to legal requirements. However, for a producer like Flügger, it is not just a matter of its own reputation. Flügger is not only one brand, but many brands. Flügger provides retailers and DIY marketplaces with private label brands.

The importance of labeling the buckets with the exact color and codes is immense. And to ensure that the color codes are always correct, Flügger is using Encodify's platform to manage the workflow. Previously, the process was mostly being held manually. Things had to improve, as Emma Søgaard Wartacz Andersen, procurement coordinator with Flügger's private label line, explains:

> *"We would handle the process of printing labels and distributing them in mostly manual ways. We would exchange emails with the graphic designers and anyone involved in the production process. Every time it would take us about two weeks to complete the process and tick off "job done." Then, obviously, we would start over the process again. We are supplying hundreds of stores with paint."*

Getting labels correct is extremely important. Paint sold is subject to legislation. It's made up of chemicals, after all. Besides, paint comes with several characteristics, and in fact, you would probably need to be a mathematician to calculate the number of combinations that a paint producer faces. Paints as material substances can be described on 20 different physical characteristics. Add to that, for instance, the many different color appearances that are a result of pigmentation. So, getting the labels correct is crucial to Flügger.

> *"The label is an important part of the business. And the process of producing the label is equally important. We have to make sure labels are produced in time for our product department to do their job. Ultimately, if someone is delaying the process, the customer might be losing money. So, the workflow has to be effective and synchronised."*

The solution

The Encodify platform is at the core of coordinating and managing the workflows related to Flügger's private label business. Customers of Flügger's private label business represent some of the largest DIY retailers in Scandinavia. And Flügger's reputation as a high-quality product rests ultimately on more than 200 years of being in business. Keeping the number of errors at a minimum is vital, yet speed is a key factor as well. Printing the right labels at the right time was always the obvious goal, but it got easier once Flügger was upgraded on the Encodify platform.

Previously, Flügger would have a harder time trying to get an overview of the process. In the late first quarter of 2020, the dashboard was introduced, and it really changed the perspective recalls Procurement Coordinator, Emma Søgaard Wartacz Andersen:

"It was great. The design is cool, and suddenly I had an entirely new grasp of the process. I could easily identify where we had jobs to be completed and outstanding issues. It was - and is - a totally different world".

Suddenly, Emma and her team have more time to do other stuff or increase deliverances. After all, Flügger experienced more significant demand during the first half of 2020, and revenue in the second quarter of 2020 surged by 16%. Looking back now, the upgrade of their Encodify platform happened just in time to meet the increased demand, says Emma:

"Yes, the upgrade of the Encodify platform is not free of charge. But it is money well spent. We spend far fewer hours on updates and new labels. As soon as we started onboarding everyone involved in the workflow, the minute we experienced time savings and fewer mistakes. So I have to say I have only good things to say about the update".

> *We are dealing with chemical components, so there is legislation to comply with. If we make just a single mistake, the consequences are felt throughout the value chain.*

Emma Søgaard Wartacz Andersen,
Procurement Coordinator at Flügger

Annual consumption

Flügger produces annually 16,146,000 labels divided into 1,246 different variants.

Annual consumption of round buckets is 6,200,000 pieces divided into 50 variants.

Annual consumption of square buckets is 550,000 pieces.

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Encodify HQ

Sverigesgade 5

5000 Odense C

Denmark

Copenhagen

Amager Strandvej 390, 1. LM 22

2770 Kastrup

Denmark

Support

Phone: +45 70 22 55 35

Email: helpdesk@encodify.dk

Madrid

Paseo de la Castellana 77

Madrid 28046

Spain

London

3, Waterhouse Square

138 Holborn

London EC1N 2SW

United Kingdom

Sales

Phone: +45 92 45 43 08

Email: info@encodify.dk