8 ways ERP solutions extend the chemical industry's reach

BATCHMASTER®
Process Manufacturing Software

Introduction

The chemical manufacturing industry is one of the major contributors to the world economy, and while the numbers may give a rosy picture, there's no denying the fact that the industry has its own fair share of challenges. The regulatory requirements are on the higher side, and the chemical manufacturers are compelled to work within the confines of a highly-regulated business environment. All their products, ranging from basic consumer products to specialty chemicals, are manufactured through complex processes which involve handling of hazardous materials. So, focusing on environmental engineering, which includes waste disposal management, radiation protection, industrial hygiene, fire hazards and overall industrial safety standards, also comes under their purview.

Then there are other set of challenges as well, which complexity brings along with it. Siloed organizational structure, which has multiple systems that are not integrated, substantial employee time spent on data manipulation, and a lack of streamlined processes result in inefficiency. Quite rightly, the chemical manufacturers look to have an integrated IT solution, which can help them redefine their business models, streamline the business processes, and drive collaboration and efficiency within the organization as well as beyond it. Here's where an industry-specific enterprise resource planning (ERP) software steps in. Besides fulfilling all the aforementioned needs, it can help them meet safety requirements and regulatory compliance needs too.

This e-book discusses challenges faced by the manufacturers operating in the chemical industry, the need for an ERP software, and how ERP solutions extend the chemical industry's reach.

# What restricts the limits of chemical manufacturers?

As discussed above in brief, there are a few challenges that hinder the growth of chemical manufacturers. Let's take a look at them in a slightly more detailed manner:

- **Poor visibility:** Chemical manufacturing companies, with their different disintegrated systems in place, often fail to have visibility across business functions. Having disparate systems create sets of information silos, which makes it impossible for the staff to have access to accurate, real-time information visible in one place. As a result, the management is clueless about data on the production process, order status, and other vital daily information.

- **Supply chain inefficiency:** In the absence of an ERP for Chemicals, the chemical manufacturing companies struggle to work in close collaboration with the supply-chain stakeholders. This results in increased inventory costs, cycle time, and greater need for working capital. What's more, it also hampers the decision making.

- **Safety & compliance requirements:** It is virtually impossible for the chemical manufacturers to meet the safety as well as compliance requirements manually. They need to maintain as well as constantly improve the safety standards at their workplace, and of their products and workers too. They need a tool for equipment maintenance, managing the hazardous substances, their access controls, and meet the regulatory compliances.

- **Production complexities:** Without a chemicals' ERP software, chemical manufacturers struggle to manage and improve asset productivity through capacity utilization, which comes back to haunt them. Then there are planning and scheduling issues, which crop up in the absence of an ERP system. In a nutshell, the top floor (management) of the company is completely cut-off from the shop floor when there's no ERP system in place.

ERP – a breath of fresh air

An ERP solution comes in as a breath of fresh air for the chemical manufacturers in more ways than one. With an ERP platform, chemical companies have an opportunity to take great leaps forward. It not just helps them with visibility across business functions, but removes all the hindrances to make the supply chain efficient, eliminates all the production complexities, and helps the manufacturers meet safety and compliance requirements, among other things.

Digital transformation and automation are sweeping over today's businesses like anything, and no business wants to stay behind. With an ERP for Chemicals' benefits such as integrated data, seamless processes, better-informed decision-making, and enhanced collaboration, digital transformation for the chemical manufacturers also becomes possible.
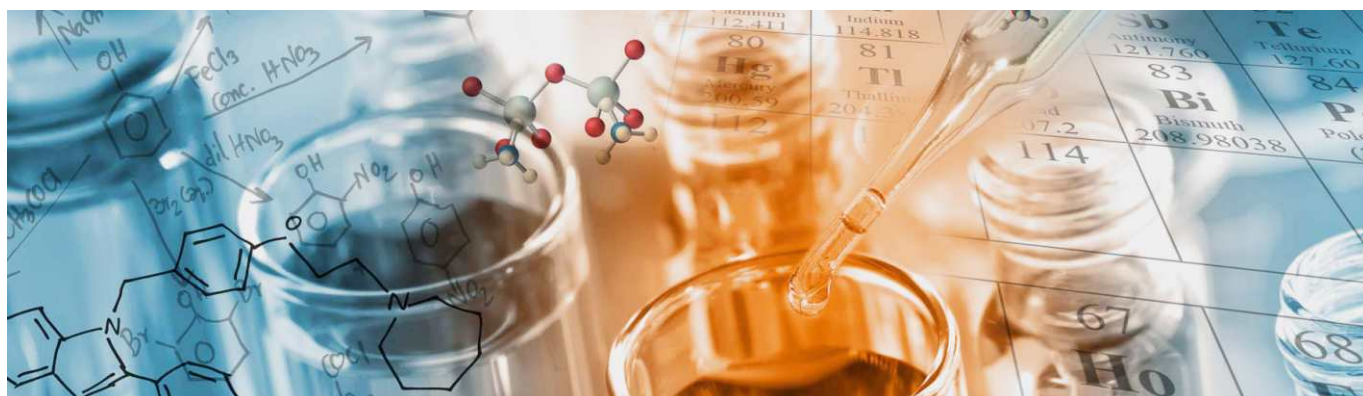
How ERP solution extends the chemical industry's reach?

An ERP for Chemicals extends the chemical industry's reach in essentially eight ways. Let's understand them in detail.

1. **Improves visibility:** A chemicals ERP software consolidates the entire business data and makes it available at a centralized location. This paves way for consistent data formatting and reporting across all the functions of the company, with real-time information becoming accessible for the business executives at any given time. This results in faster and more accurate decision making, greater visibility in to the different business processes such as the production process and order status, and flow of up-to-date information within the company.

2. **Enhances supply-chain efficiency:** An ERP software ties up all the loose ends to make the supply chain more effective. It gives the manufacturers end-to-end visibility across the supply chain, and fosters greater collaboration among all the supply-chain members. As a result, the manufacturers can keep a check on the inventory costs, reduce the cycle time, make strategic sourcing decisions for raw materials as well as for supply and demand planning, and eventually register greater profits.

3. **Meets regulatory needs:** A robust ERP system helps the chemical manufacturers define Standard Operating Procedure (SOP), which charts out the use of correct and safe handling/use of hazardous chemicals and equipment at work for the workers. It also helps them with calibration and equipment maintenance, managing the hazardous substances, and their access controls. By allowing integration of Hazardous Materials Information System (HMIS) and Workplace Hazardous Materials Information System (WHMIS) values with the formulas and items, ERP for Chemicals helps meet the regulatory compliances.

   Not just the safety of the workers, but an ERP ensures well-being of the end-consumer, manufacturer, as well as the environment too, with the automatic generation of safety data sheets (SDS) for formulas, items, batches, sales orders etc., adherence to OSHA, EPA, ISO, DOT, GHS compliance requirements, safe disposal, accountability & costing of hazardous materials as well as support for NC/CAPA, which keeps the manufacturer audit-ready.

4. **Eases production complexities:** A chemicals ERP software eases the production complexities, making the manufacturing process smooth. On the plant floor, it enables integrated production and planning, which results in lesser inventory being required, longer and optimized production runs, and improved asset productivity through capacity utilization. ERP also empowers the manufactures with batch management tools, work order processing and integration with sales, distribution, shipping, and other business functions for a holistic view.

5. **Makes business agile:** An ERP software lends the businesses more flexibility, agility, and keeps them ready for the challenges arising from changes in the business environment. It ensures that the supply chain is ready to meet the demand change, responding to the sales and marketing moves in real-time. This accelerates the cash-to-cash cycle. With an ERP for Chemicals, the chemical manufacturers not just get the ability to respond better, but also to anticipate needs of the customers and serve them faster and better.

6. **Facilitates innovation:** With strong formulation and R&D modules, an ERP solution can provide the R&D, marketing, and production departments with access to critical data and a solid base to collaborate on new products. It ensures that the time spent on devising new formulas is lesser, and getting the product to the market is faster, through streamlined plant operations and R&D. As a result, the companies manage to hold on to the competitive advantage by fostering collaboration and quick response to customer inquiries and demands.

7. **Improves operations:** An ERP solution provides the chemical manufacturers with the kind of data they need to plan and schedule the shop floor processes according to the capacity of the machines. This ensures that the capacity of the assets is optimally utilized, and the organization achieves greater productivity.

8. **Increases collaboration:** As discussed above briefly, an ERP fosters greater collaboration amongst the different stakeholders of the business. By sharing access of the ERP software with suppliers, and other partners, the manufactures can integrate the functions like vendor assessment and monitoring, contract development and management, invoicing, and material procurement with the key partners better. This collaboration between the different parties results in enormous benefits such as lower purchase prices, lower procurement costs, stronger vendor relationships, and a win-win situation for all.

Conclusion

It is clear from the points mentioned above that a chemicals ERP software is an integral and indispensable part of chemical manufacturing businesses. BatchMaster ERP for Specialty Chemicals, one such ERP loaded with all the aforementioned functionalities, effectively helps the manufacturers meet regulatory requirements, provides them with the ease of new product development, and benefits such as real-time information for pro-active decision making, improved customer service levels to retain and gain customer base, and increased margins and profitability. To know about it, visit the website www.batchmaster.co.in or write to us at sales@batchmaster.com.
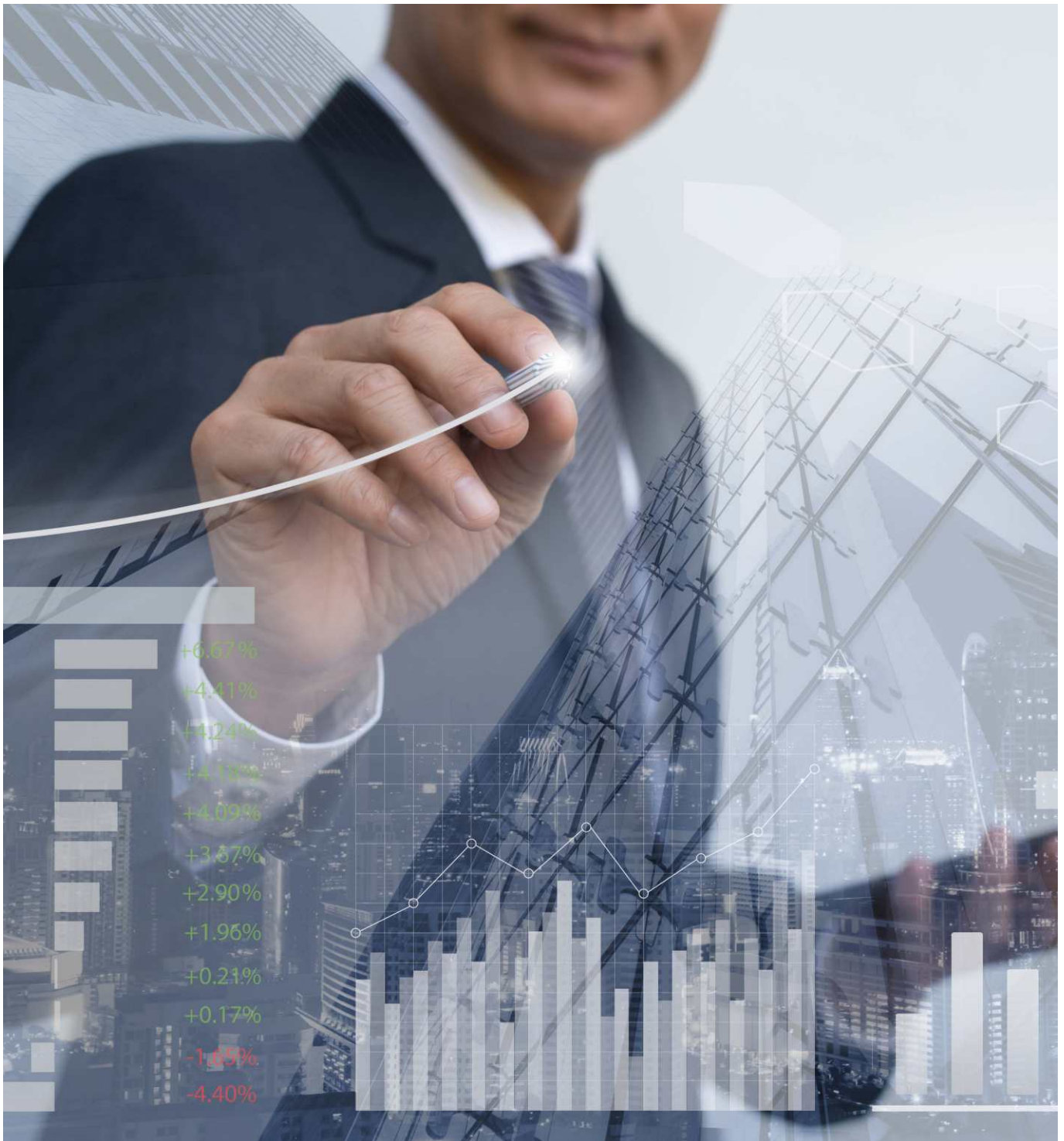
Who We Are:

BatchMaster Software is one of the market leaders in offering enterprise software solutions for the process manufacturing industries. With an in-depth industry analysis, we clearly understand the unique industry challenges and help them address those challenges through our industry-specific ERP solution.

more than **2500** Implementations	more than **40000** Users	more than **3000** Happy Customers
more than **30** Years of Experience	more than **500** Employees	**7** Offices Worldwide

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