Worried about GHS compliance?

How an ERP can help
It’s no secret that meeting the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) standards is a top priority and concern for chemical manufacturers. And for good reason: after June of 2015, new labeling regulations on containers and safety data sheets (SDS) were required to help standardize the way U.S. companies label hazardous information. This means significant needs for your business, from better intelligence, to inventory visibility, to updated reporting mechanisms.

Process manufacturers in the chemical industry require specific functionality to achieve GHS compliance. Detailed tracking of all materials, accurate material labeling and comprehensive reporting capabilities are a must. As a material manager, controller, or IT professional, you’re working hard to make sure your operations, processes, systems and equipment are updated and ready for the change. Whether you work with specialty chemicals, plastics, lubricants, inks, paints or another material, the right enterprise resource planning (ERP) software can help ensure that you not only weather the transition to the new standards, but that your business thrives because of them.

Why ERP Software?

Today, you need to meet GHS regulations. Next year, there may be another new requirement. You don’t have time to track every change and nuance, so let your software do that for you.

An ERP system tracks information in all areas of your organization in real-time, including those critical to GHS compliance: lot tracking, inventory management, quality assurance, manufacturing processes, planning and execution, financials and more. It integrates all of this data and provides the ability to store, share, track and report information using one common database.

Its key features should include:

- Reliable lot tracking solution
- Trusted GHS compliance capability, including SDS authoring and GHS labeling
- A solution that understands regulations and how they apply to you
- Robust business intelligence tools for reporting
- Effective batch sizing and scaling
- Intelligent bill of materials formula calculations
- Established formula management system

Make sure your ERP software vendor is a certified partner for delivering GHS standards.

Look for a vendor that understands and excels at their core competencies, as well as one that has an established, certified partner for implementing specialized GHS requirements. For instance, delivering to GHS standards and ensuring expertise in all business critical areas (e.g. composition data) will help you manage inventory and formulations, as well as provide you with the right functionality to ensure compliance.

Let’s look at three specific ways ERP software can help you meet GHS standards.
Lot Tracking and Inventory Visibility

Many chemical manufacturers are lagging in the ability to track by lot number, which is essential for meeting GHS requirements. Lot tracking gives you a more comprehensive view of your inventory and its state, which is central to GHS compliance. This should be the backbone of your ERP, not an add-on.

- Connecting lot tracking to inbound materials gives you greater visibility into what the material is, who sent it, its core attributes and when it’s due to expire.
- Lot tracking can help you quickly identify where each material was located at which time, which products it was used in and the location of the final product.
- Greater inventory visibility lets you see what material is out on the floor, in production, its current work area and more. This is key for determining the timing and quantity of purchases and production in order to meet demands.
- Accurate yield measurements go hand-in-hand with accurate inventory management. ERP software designed for chemical manufacturers takes into account material yield or loss factors for better planning, costing and margin analysis. This helps you determine how much inventory to buy, stage, use and how products are truly impacting your bottom line.

Labeling

Inventory traceability and visibility will lead to more accurate labeling practices, which are at the heart of the GHS changes. The ability for your ERP software to help you accurately label your materials must go beyond the simple labeling of a pre-determined set of data.

- Your implemented solution should include the ability to analyze composition data that helps you understand the results of material mixing. For example, if you mix three hazardous materials together, the system knows how to accurately label the hazards resulting from the finished product.
- The ERP should alert you to any risk of a reaction or negative effect of the mixing and batching. This is especially important for manufacturers that build customized products.

Flexible Reporting

You may not have to or want to report on the same things as other process manufacturers in your industry, and you shouldn’t have to. ERP software allows you to perform self-service reporting, including the data you need for GHS standards, along with your company’s own particular KPIs. With graphical, flexible and real-time data, ERP software can be the ultimate tool for tracking your company-specific goals while ensuring GHS compliance.
A Smarter Way to Meet GHS Standards

No doubt about it, making sure you are in compliance with GHS standards may be a challenging and complicated exercise. ERP software will give you the data intelligence and tools that keep your operations efficient and in compliance, while also giving you the peace of mind that your business is optimized, not hindered.

Learn More about GHS

Although existing laws regulating chemical labeling are similar, they differ enough to require multiple labels for the same product within the U.S. and in international trade scenarios. The goal of the updated GHS requirements is to ensure that employers, employees and the public are provided with adequate and standardized information about chemical hazards so that they can take appropriate measures to protect their health and safety.

If you would like to learn more about GHS standards, we recommend the following resources:

- U.S. Department of Labor: A Guide to the Globally Harmonized System of Classification and Labelling of Chemicals
- U.S. Environmental Protection Agency: Globally Harmonized System for Classification and Labelling of Chemicals
- U.S. Environmental Protection Agency: Glossary of Label Elements Included in GHS