Customer Profile

Henkel improves its product lifecycle management with Infor Optiva

Facts at a glance

Product: Infor Optiva
Industry: Life Sciences/Home & Personal Care
Country: Germany

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—Uwe Laabs, Head of IT-Processes and Service Management PLM, Henkel Beauty Care, Henkel AG & Co. KGaA

About the company

Henkel AG & Co. KGaA is a global leader in laundry and home care, beauty care, and adhesive technology products. Its well-known brands include Persil, Schwarzkopf, and Loctite. With both consumer and industrial products, the Düsseldorf, Germany-based company has 47,000 employees worldwide and counts among the most internationally aligned German-based companies in the global marketplace. To learn more, visit www.henkel.com.

Looking to the future

For Uwe Laabs, the Beauty Care product development department at Henkel AG & Co. KGaA, in Düsseldorf, is a unique place to work. As a qualified business engineer, he's responsible for IT processes and service management in the product lifecycle management (PLM) area. But as a trained lab technician, he also enjoys following the development processes of new shampoos and hair treatments. And at Henkel Beauty Care (one of the company's divisions, alongside Detergents and Cleaning Products, as well as Adhesive Technologies), every cosmetic product is developed with Infor™ Optiva.

Henkel first started using PLM software from Infor in 2002 in order to allow its developers to electronically record the development of new formulas for hair, body, skin, and dental-care products. This has been a very important process for Uwe Laabs and his team, as his customers are the staff of the Beauty Care development department, for whom the PLM solution helps make it easy to observe all statutory regulations and internal Henkel policies. With a new cosmetics regulation being enforced in 2013, as well as with raw materials management continuing to be of ever-greater significance in worldwide product development, Henkel's PLM department has to continue to find ways to meet these challenges. Laabs states, "In order to equip ourselves for future challenges, we looked at ways to upgrade in 2012—and we again opted for Infor Optiva. The solution is specifically tailored to process manufacturing, and the latest version has been so well adapted that it fits in perfectly with the way we work." With the technical phase of the migration already completed, phase two now focuses on the actual processes and getting the software to help development run even smoother. Laabs and his team have already made some small adjustments to bring about specific improvements.

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Efficiently approving ingredients

Before a cosmetic product is launched to market, it's subject to a complex lifecycle at Henkel. One place new ideas can come from is from collaboration with a raw materials supplier, explains Laabs: "In this case, a developer is presented with an active ingredient with entirely new characteristics. Our development team's task is to find materials that are as economical and yet as high quality as possible, while at the same time offer added value to the customer. If the material appears to fulfill these requirements, the developer enters it into Infor Optiva and launches an inspection process, at the end of which the material will ideally be approved for use in production."

The raw material is identified as experimental in Infor Optiva with a status number, and colleagues are then permitted to start making trial formulas with it. The material is also tested in the laboratory where it's determined how the material behaves in standard formulas and what its physical-chemical characteristics are in regards to parameters such as density or viscosity. This information flows into Infor Optiva's integrated laboratory journal. Before Infor Optiva, this information used to be logged in paper notebooks; but now all documentation is stored in a database, which all development departments can access, work in, and share knowledge at the same time.

"Sometimes a substance turns out to be unsuitable for a shampoo; but it might be suitable for another product, so the ingredient will remain stored in Infor Optiva if required. If it doesn't meet any of the requirements and expectations then it's marked as unsuitable and it's also excluded from all further developments," Laabs explains. "Ideally, a workflow is triggered that runs from the developers to various expert groups and on to the PLM department in order to secure an approval for the material." Details of the newly introduced cosmetics ingredients, such as pricing information, regulations, and toxicological approval, are then transferred to a SAP database. Henkel uses SAP software throughout the company, which means that all of the company's divisions can access the laboratory journals of other departments, saving time in assessing raw materials. Additionally, the maintenance of all the data on approved, usable raw materials takes place centrally in SAP for all of Henkel's divisions.

Speeding up time to market

The cosmetics specialists at Henkel's Beauty Care development department benefit greatly from Infor Optiva's ability to provide centrally maintained data in SAP. Of Henkel's approximately 47,000 employees worldwide, around 2,600 of them work in research and development—which corresponds to about 6% of the company's entire workforce. Instead of constantly having to test new materials, developers have access to the full knowledgebase compiled by their own colleagues. It was a direct result of the availability this transparent, comprehensive data that Henkel's product development department was able to launch products to market so quickly like SYOSS hair care, Fa body care, and Palette hair color, as well as be able to create Syoss and other brands. Laabs states, "Since all of our product developers can see previously used ingredients in Infor Optiva, our time to market is drastically reduced."

Infor Optiva also helps ensure that only those raw materials that have been approved for comparable areas of use or regions according to regulations make it into the formula process. The system's formula version control means that departments can maintain an overview of the state of development. As soon as new products are tested on skin models, the results flow back via a document management system into the product information file in Infor Optiva. If an existing formula is improved, the previous one is deleted and replaced in the system. Infor Optiva also offers a genealogy for formula management. A line of descent shows the previous formulas that have been used to develop a current combination. "This traceability is very useful, because it means we can quickly check which ideas we've already had and where they have taken us," explains Laabs.

Improve decision making

In addition to supporting day-to-day development work for new products, Henkel's PLM department is also responsible for strategic planning and uses Infor Optiva to perform analyses and generate reports. For example, Infor Optiva can simulate how the cost a formula's raw materials might be reduced based on current prices. Infor Optiva can also be used to deliver formula survey reports for actively discovering which developments are in the pipeline and which ingredients are being used. This information has other uses too, such as by the regulatory department for comparing the concentrations of ingredients being used against those permitted by legislation. Laabs aims take Infor Optiva even further by using the Guidelines & Restrictions module to develop solutions for automatic formula evaluations, discovering whether a material is regulated by cosmetics legislation, and whether a particular ingredient can interact with other ingredients.

Cooperating globally

Henkel's PLM department also works strategically to help reduce complexity. It does this not only by discovering possibilities for where the number of ingredients being used can be cut, but also by finding opportunities for buying ingredients in bulk. Because of Infor Optiva's strong international capabilities, Henkel was able to implement the system in four more of its development departments in North America, South America, the Asia-Pacific region, and in the Middle East and North Africa region over the last few years. Even though the servers physically reside in Germany, all employees can access the same data (which is stored in English), regardless of where they're located. This fosters a global approach to the procurement process for Henkel's purchasing department. With authorized suppliers filed in SAP and uploaded into Infor Optiva, staff can check whether a raw material is available and if it can be used worldwide. "Through targeted supplier selection, we ensure that we provide the same quality with fewer raw materials," says Laabs.

Improving sustainability

At the end of a product lifecycle, Henkel always addresses the questions of whether a formula can be broken down organically and to what extent it was developed with raw materials that are sustainable. Henkel publishes a sustainability report once per year that examines the degradability of products and the proportion of renewable raw materials used in production. "Here also, we work in a strictly scientific manner, backing up all information with material data", says Laabs. "Infor Optiva significantly contributes to our sustainability, because it allows us to provide the corresponding data."

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