





EBOOK

## INTRODUCTION

At the beginning of 2020, the food and beverage industry looked far different than it does today. Manufacturers were focused on supply chain issues, finding the right talent, and beating lower market prices. And in the months leading up to the pandemic, 46% of food and beverage leaders ranked new competitors as their biggest obstacle to growth in the coming year.\*

However, with the onset of COVID-19, government-mandated shutdowns and social-distancing requirements forced manufacturers to quickly shift their focus to address the more pressing challenge of how to keep their business up and running.

To learn how they're managing demands in an ever-changing, fast-paced world, Plex Systems conducted two surveys of food and beverage manufacturers, one pre-COVID as a part of the <u>5th Annual State of Manufacturing Technology</u> <u>Report</u>, and the second one once the pandemic had unfolded.

#### Here are the highlights of the findings

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\*5th Annual State of Manufacturing Technology Report



## COVID-19 DELIVERED A MIXED BAG FOR THE F&B INDUSTRY

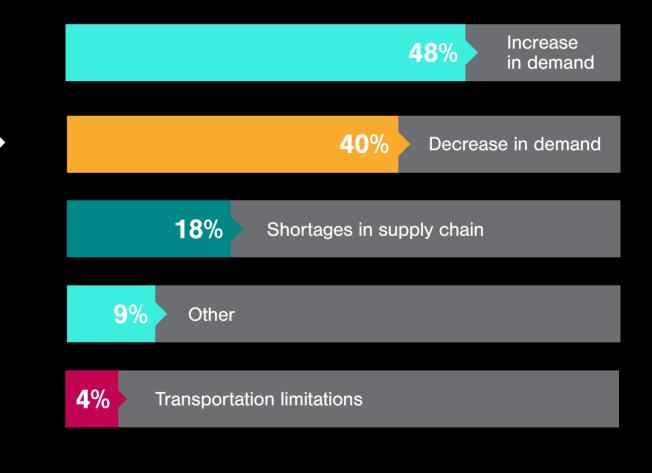
Faced with finding new ways to effectively run their businesses, food & beverage manufacturers agree technology is key.

Before the pandemic, **38% of food and beverage manufacturers who had started to digitally transform their businesses saw positive business impact from their technology investments.** Once COVID-19 hit, those
investments continued to pay off in a big way.

Here's why: The pandemic impacted food and beverage manufacturers in different ways. Many companies that produce snacks and pre-packaged foods saw their revenues go up. When the shelter-in-place mandates and restrictions were enacted, demand for these types of foods skyrocketed and grocery store shelves were wiped out. In stark contrast, some manufacturers that supply restaurants and food-service companies saw a significant drop in demand and revenue and, in some cases, were forced to scrap much of their inventory.

In both scenarios, technology is the essential ingredient. Access to real-time data and the ability to forecast and manage inventory throughout the supply chain can enable many manufacturers to navigate these tough circumstances and identify issues before they impact their production.

### What COVID-Related Factors Have Contributed to Changes in Your Revenue?





"Certain aspects of our supply chain were affected as a result of COVID, but because we invested in a [cloud-based] supply chain management tool, we were able to order additional product when we saw the pandemic beginning to unfold, set up new suppliers, and execute contracts all while working remotely."

-Marcus Merchant, Director of Information Technology at Olde Thompson

## IT'S TIME TOGET SNART

Being agile and nimble is key to running a successful food and beverage manufacturing facility during normal times. It's even more important during a crisis that brings the economy to a halt.

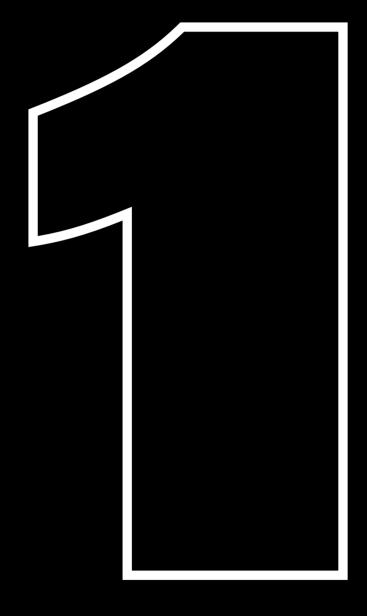
But it's impossible to be agile and nimble – not to mention achieve full traceability, comply with food safety compliance requirements, and deliver quality products – when you're managing your manufacturing operations on paper with manual processes and outdated systems.

Trying to run a modern business using outdated systems is a recipe for disaster.

It's time for food and beverage manufacturers to get smart with smart manufacturing technology.

"Thirty percent of our workforce went to work from home. To have the ability to be nimble and move quick was really key for us."

-Marcus Merchant, Director of Information Technology at Olde Thompson



**BENEFIT 1** 

## SMART TECHNOLOGY DELIVERS FULL TRACEABILITY



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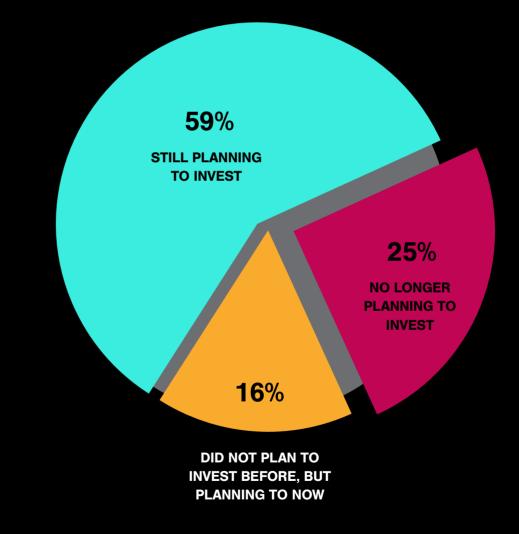
When you're making food products, having full traceability and the ability to prevent critical errors throughout the production process is everything. To do that, you've got to have data and the right technology in place to help you make informed data-driven decisions.

Before COVID-19, manufacturers needed traceability and error detection capabilities to help them adhere to food safety regulations, like the Food Safety Modernization Act (FSMA), streamline the audit process, or successfully run a mock recall – all of which will continue to be critical to the success of food and beverage manufacturers.

During the pandemic, however, the ability to effectively utilize data took on a whole new meaning. Companies that invested in smart manufacturing technology could see a supply chain disruption coming before it impacted their operation. Or, in the cases of significant upswings in demand, they could use the technology to better understand their capacity to take on additional orders and fulfill them faster than the competition.

When we surveyed food and beverage manufacturers, most respondents indicated they are still planning to invest in technology regardless of the COVID-19 impact. Based on recent events, investing in smart manufacturing technology is a smart move.

#### Will Your Technology Investment Plans Change Due to COVID-19?



"From a quality perspective, we need to measure waste and recalls, and ensure quality checks are being performed on schedule and at the right points in the process. Using a mix of paper-based reporting and DOS systems that were not linked made this process time-consuming, inconsistent, and costlier than necessary. And then there was the issue of reporting information back to clients."

-Nicolas Jones, Operations Manager at Aaron Thomas Company





**BENEFIT 2** 

## SMART TECHNOLOGY ENABLES DECISION MAKING FROM WHEREVER YOU ARE



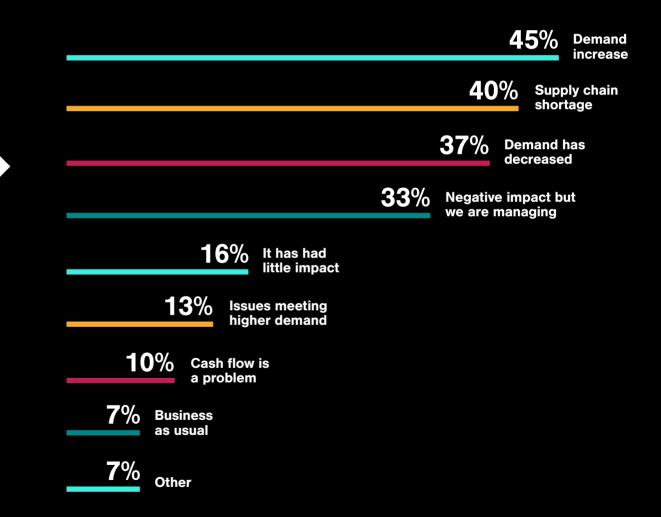
## SMART TECHNOLOGY ENABLES DECISION MAKING FROM WHEREVER YOU ARE

The impact of COVID on the day-to-day operations of food and beverage manufacturers has varied greatly, ranging from shortages in supply chain to changes in demand to cash flow concerns. And, if tackling these issues wasn't hard enough, nearly everyone who replied to our survey also pointed out they were experiencing dramatic changes in terms of how and where they work.

Having to quickly pivot to a remote working situation is no easy task. It's even more daunting when you need to pivot in the midst of a pandemic that's throwing curveballs at your business. In the midst of chaos, and especially when margins are slim and quality pressures are high, you need immediate access to information like production data, inventory levels, supplier information, and quality. A cloud-based smart manufacturing system delivers just what you need, enabling you to make informed decisions no matter where you are. It makes the move from your office to your kitchen table, home office, or couch easy and stress-free.

Pandemic or not, having access to critical production data helps keep food and beverage manufacturers informed, connected, and empowered to **make the best decisions for their business anywhere, any time.** 

#### How has COVID-19 Impacted Your Day-to-Day Operations as a Business?



"During COVID, a lot of our office personnel are working from home, so we found a lot of our in-house processes were not working. We had to quickly transition over to a cloud process. One example of that is we had to import over our quality manuals into Plex because they weren't getting reviewed in a timely manner, they were just sitting on people's desks."

-Jennifer Berry, ERP Analyst at Shank's Extracts

To hear Jennifer's full account, check out this on-demand webinar: <u>6 Ways to Error Proof Your Plant Floor</u>



**BENEFIT 3** 

## SMART TECHNOLOGY DELIVERS GROWTH



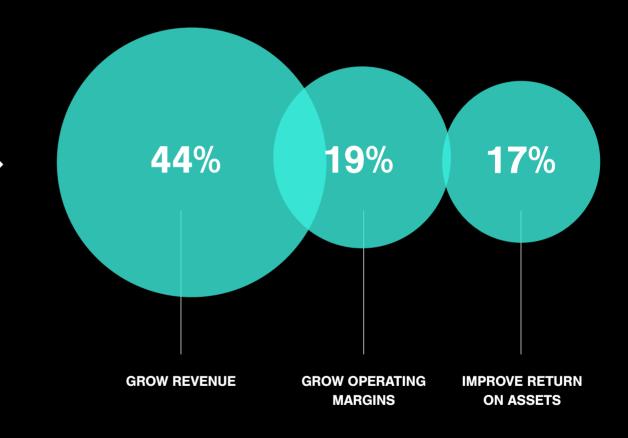
## SMART TECHNOLOGY DELIVERS GROWTH

Managing your food and beverage business with paper or disconnected systems is no way to build confidence with your customers. To earn and keep their business, you've got to demonstrate you can trace ingredients from end to end to prevent contamination and errors in your production line.

Technology helps level the playing field. Whether you're a single-plant manufacturer or managing hundreds of suppliers from plants across the globe, having one unified system that you can access from anywhere will help you deliver the quality and efficiency your customers demand. That is the key to driving revenue growth, which 44% of food and beverage manufacturers indicated was their number one financial objective prior to COVID-19.

In fact, full-service package contractor **<u>Aaron Thomas Company</u>** realized an **80% revenue growth after upgrading to a cloud-based platform**.

#### What is the Top Financial Objective for Your Company?



# CONCLUSION

The first half of 2020 has made it clear that our world and the way we do business have forever changed.

That's why advanced smart technology is more important than ever. It's played a key role in keeping people and businesses connected from anywhere. It's made the difference between companies thriving and barely surviving. In some cases, it's helped keep operations running and prevented total shutdowns and the need to scrap costly inventory.

Food and beverage manufacturers need technology that enables their business to stay ahead of the competition, forecast their supply chain needs, and adhere to food safety compliance, all while keeping their customers happy and their employees safe.

In the midst of the uncertainty and fear, we learned that the majority of food and beverage manufacturers who are using cloud-based smart manufacturing systems to run their business are hopeful and feeling positive about the health of their business post-COVID.



## Want to learn how cloud technology like the Plex Smart Manufacturing Platform can help your business thrive?

**Click here** 

plex.com/smartF&B

"Plex has not only brought our business up to date, it has given our customers an even greater level of security and satisfaction. And that's never a bad thing."

-Charlie Cain, CEO at Dominion Liquid Technologies

