

Adapting to change: the need for agile manufacturing

How IFS software helps manufacturers to outmaneuver industrial trends and disruptors.



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Adapting to persistent trends and sudden disruptors

IFS provides a flexible platform that boosts business agility, supporting mixed-mode manufacturing and multiple production environments with one, integrated solution.

Just like any modern industry, manufacturing is no stranger to change. The challenge for many manufacturers is finding a way to increase the speed of their response, and to adapt with greater flexibility, when confronted by emerging trends and unexpected disruptors that impact the market.

Trend or disruptor?

Change is inevitable, it's the urgency that varies

Trends may be the more common instigator of change in manufacturing, take for example the shift from frozen to fresh food, the elimination of single-use plastics, the trend towards servitization and a growing concern for sustainability.

However, in terms of significant, persistent disruption—the pandemic has arguably created the most substantial impact upon the industry so far. Meanwhile, other disruptors have come in the form of supranational regulation; bottlenecks in the global supply chain; and technological innovation, including cloud services, automation and AI.

So how can manufacturers protect themselves from emerging challenges to the status quo?



Strengthening your business flexibility

The ability to accurately anticipate and quickly respond to changing market demands is vital for business continuity, and it lends manufacturers a valuable competitive edge.

Sometimes the impact of trends and disruptors can be felt across every business function—adapting to change means more than keeping your plants up and running, you might also have to make procedural changes in the back office, respond to new market demands, and make better use of employees’ strengths and talents.

Before we move on to discuss the prime disruptors and trends affecting the manufacturing industry today—here’s something to bear in mind: how could increasing your business agility help you to overcome any of the following challenges?

- An increasing degree of regulation requires your business to lower its carbon emissions, meanwhile your target market demonstrates a clear preference for sustainable, environmentally-friendly products
- An unexpected delay in the shipping of component parts means that your production line grinds to a halt, creating a backlog in warehousing, and knock-on effects that ultimately damage your bottom-line
- A competitor organization is undercutting your price point, offering a greater degree of product customization, improved customer relationship management and greater supply chain reliability

IFS software solutions increase your agility

Using a single, integrated, cloud-enabled application suite helps manufacturers to discover and manage more efficient operations.

For example, IFS makes mixed-mode manufacturing easier by offering built-in support for all manufacturing types in a single package.

This helps to combine engineer to order, configure to order, make-to-stock and make-to-order methodologies into one common solution, building resilience into your business model and enhancing your ability to adapt to change.

Visit [IFS.com](https://www.ifs.com) for more information about IFS solutions for manufacturing.



Disruptor: the pandemic changed everything

The COVID-19 pandemic is a first-rate example of a sudden onset global event. The pandemic forced every industrial sector to adapt operations, while also effecting radical change in consumer behavior.

The sudden disruption caused by the pandemic spurred on consumer stockpiling, created a need to shop more locally, increased demand for Personal Protective Equipment and hand sanitizer, and instigated other changes in behavior that the manufacturing industry at large was simply not prepared to accommodate.

The most successful manufacturers during this period were those that had the ability to rapidly modify their product lines, routes to market and supply chains. These same manufacturers will be those that are most able to overcome future trends and disruptors.

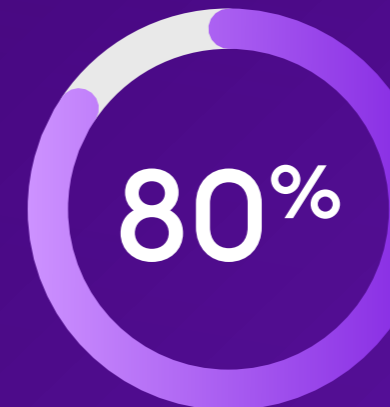
How Farrow & Ball adapted their business due to the pandemic

During the early stages of the pandemic, **Farrow & Ball** paint manufacturers had to switch from make-to-stock production to make-to-order, which required them to scale their production accordingly. They also needed to accommodate significantly more online orders, which affected their entire manufacturing strategy.

IFS enabled the agility they needed to easily reconfigure their manufacturing to small batch production, and manage the implications for warehousing and dispatch, so their business was able to quickly adapt to the new normal.



69% of customers bought brands new to them, when their favorites sold out



Flour and semolina experienced nearly an 80% increase in sales

Bizarrely, toilet paper was sold out for weeks!

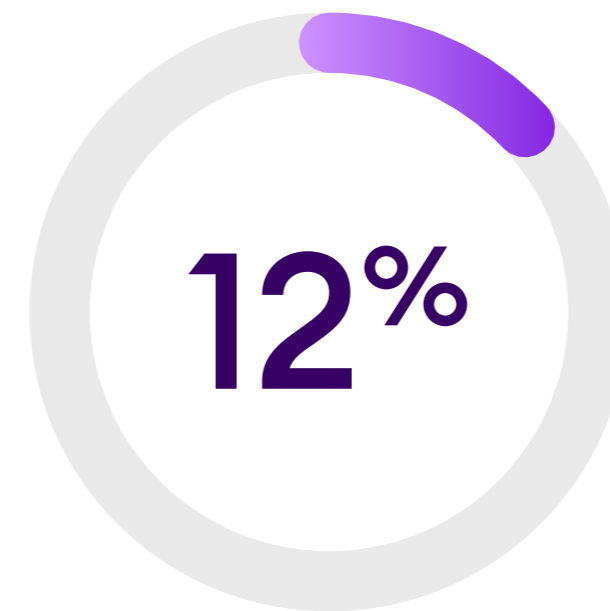
Trend: developing distributed supply chains

Agile manufacturers are benefitting from increasingly flexible supply chains, which limit their risk of disruption.

Historically, supply chains have been fairly linear, with a high degree of dependence across multiple locations—but this model has been shown to be highly susceptible to failure.

Finding weak links in the global supply chain

A disruptor event occurred when the Ever Given container ship became stranded in the Suez Canal, blocking all other freight traffic. This disruption meant that goods with a combined value of approximately **\$9.7 billion** were delayed, every single day of the blockage.



The Suez Canal carries about **12%** of the world's global trade per day

The Suez Canal event demonstrated precisely how fragile the global supply chain can be, creating knock-on effects for manufacturers waiting to receive critical components for production, and stalling industry across the world.

This shows why the trend towards more sustainable and resilient supply chains is gathering momentum. Manufacturers can mitigate the fragility of the global supply chain by distributing their reliance on a range of suppliers and having more flexible, alternative routes to market.

Managing such a dynamic supply chain requires a high degree of business agility, combined with relevant data and insight.

The **IFS solution** provides that control. The system logs transactions throughout the entire supply chain, from product development, through purchasing, production, warehousing and distribution. It can also present analysis and insight that will help your business to pre-empt and resolve potential blockers.

Trend: the cost-benefit of globalization

There are valuable opportunities to be found within new markets, however the trend towards globalization also brings increased exposure to potential disruption.

Industries across the world are increasingly connected by a shared reliance on trade, this interdependency is also enhanced by a trend towards consolidating and growing international business through mergers and acquisitions.

When operating in a global market, manufacturers become vulnerable to risks that can be generated in any corner of the world, whether that may be trade disputes, wars, natural disasters, changing stock prices, regulation or any other disruptor event.

As a result, manufacturers have an increased need for the ability to scale their operations quickly in order to meet high demand or to create cost-efficiencies during times of low activity.

Going global with Pukka Herbs

Pukka Herbs turned to IFS to support its global operations. They source their organic herbs from small farmers in 30 countries and export their products worldwide. As their operations grew, they needed a business system that could grow with them.

Using IFS technology, Pukka Herbs can now easily monitor their stock in multiple locations and anticipate changes that will be needed to respond to global trends, protecting their business from unexpected fluctuations in supply and demand.



Disruptor: navigating new legislation

Ensuring compliance becomes especially challenging when operating across multiple jurisdictions, but the IFS solution gives manufacturers the oversight they need.

Operating across multiple territories brings with it the need to comply with a range of legislation. As new regulations and directives are issued, the required changes can have a significant impact on your manufacturing business.

Often disruptive legislation will reflect broader trends. For example, increased regulation of single-use plastics is evidence of a trend towards more sustainable business practice. Although it may be difficult to predict the letter of the law, proactive manufacturers can anticipate likely changes and adjust their operations at short notice.

About IFS

IFS develops and delivers cloud enterprise software for companies around the world who manufacture and distribute goods, build and maintain assets, and manage service-focused operations.

Within our single platform, our industry specific products are innately connected to a single data model and use embedded digital innovation so that our customers can be their best when it really matters to their customers—at the Moment of Service.

The industry expertise of our people and of our growing ecosystem, together with a commitment to deliver value at every single step, has made IFS a recognized leader and the most recommended supplier in our sector.

Our team of 4,000 employees every day live our values of agility, trustworthiness and collaboration in how we support our 10,000+ customers. Learn more about how our enterprise software solutions can help your business today at [ifs.com](https://www.ifs.com).

#MomentOfService

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Production: twogether Creative, August, 2021.

