

EPICOR

The Supply Chain of the Future

4 Manufacturing Global Supply
Chain Megatrends



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Introduction

Technology continues to profoundly impact supply chain operations. It provides business insights and increases efficiencies for operations that once required many hours of tedious manual labor. The only thing that matches the speed of operational change with technology is the advancement of the technology itself.

Global megatrends are creating customer demand for constant innovation and have the power to dramatically change the manufacturing landscape.

This is an overview of the megatrends that have the most potential to impact supply chains. Followed by solutions that can help you manage the effects while staying productive and tracking toward your goals.

What's Trending in Supply Chain

1

74% of manufacturers believe smart manufacturing will increase competition and are redesigning their manufacturing organizations.

Reshaping the Manufacturing Workforce, Gartner

2

By 2024, half of factory work will be done remotely, impacting job families, and shifting schedules.

Supply Chain Digital Transformation, Gartner

3

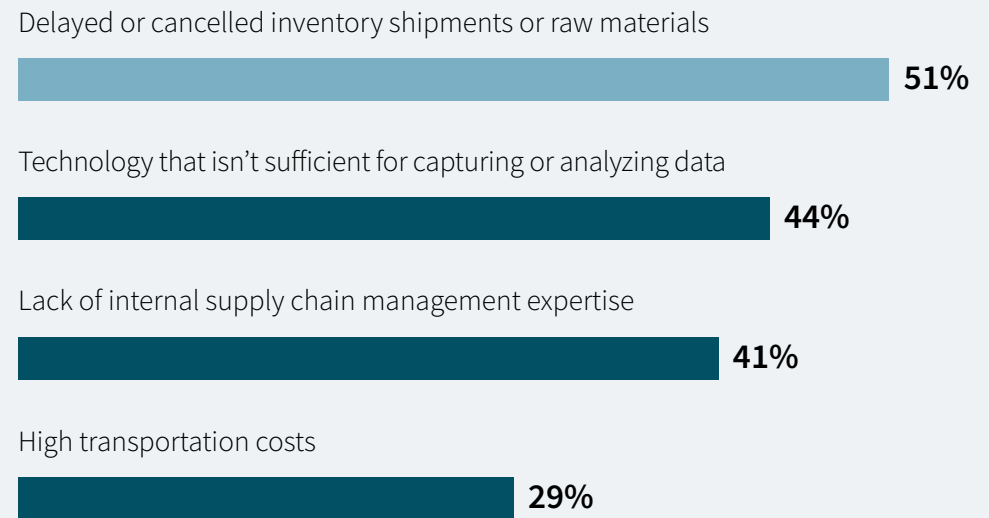
Digital is a key priority for most supply chain leaders, but less than half have a plan to implement a supply chain digital transformation roadmap.

Supply Chain Digital Transformation, Gartner





Manufacturing technology leaders report these supply chain challenges in the last six months:



www.pulse.qa, April 2022

4 Global Supply Chain Megatrends

Global megatrends create customer demand for constant technology innovation and have the power to dramatically change the manufacturing landscape.

You can optimize your business to tackle supply chain megatrends head-on. The key is embracing new enterprise technology with capabilities that lead your organization into the future.



1

Logistical Challenges

Supply chain issues that began during the pandemic persist, leaving manufacturers scrambling to find and certify new suppliers—often with increased prices. The associated implications with production downtime, missed deliveries, and additional costs for raw materials is forcing most manufacturers to get creative with supply chain management. In fact, 71% are redesigning supply chains with technology and 58% are increasing their supplier base¹.

To survive logistical challenges, you need to be agile and use technology to foresee trends and adapt quickly to changes. The ability to nimbly procure materials from multiple sources, forecast accurately, and adjust plans to reduce downtime and keep obligations is vital. You must be able to operate and do business online with cloud-enabled technology to serve customers wherever they're located.

1 What Manufacturers are Doing to Reshape Supply Chains, Forbes

2

Globalization of Future Markets

PricewaterhouseCoopers estimates that the world economy will roughly double in size by 2042, driven by emerging economies that could grow, on average, almost twice as fast as advanced economies². Your business will need to understand how to cater to new markets, operate within their borders, and build supply chains that reach customers across the globe.

To operate in a global market, you must be customer-centric and understand what customers want based on where they are located. Software with multi-currency capabilities is a fundamental for vertically specialized and service-oriented manufacturers. It can also help you get a foothold in new markets and stand out from your competitors.

2 The Long View: How Will the Global Economic Order Change by 2050





3

Sustainability

The conversation to reduce carbon dependence is ongoing. Deloitte reports that low carbon manufacturing affects every step of the value chain, impacting smart factories and digital supply networks. “Those who do not act will be left behind, and [are] at risk of penalties from regulators, investors, or customers as calls grow for higher standards and transparency³.”

Though objectives to achieve a greater degree of sustainability in manufacturing have waxed and waned, the need for sustainability is here to stay. Many states in the U.S. already require manufacturers to adhere to stricter environmental standards. To address this, you must be innovative in your approach and adopt technology that provides data-driven insights that regulators and consumers will increasingly demand.

³ Sustainable Manufacturing: From Vision to Action, Deloitte

4

Workforce Shifts

Manufacturing will continue to experience the challenges of a decreasing talent pool and tight labor market. There may not be enough skilled workers to perform the jobs of the future. “Today’s smart factories need workers that are technologically agile—from mentoring robots to making 3D-printed parts,” Gartner reports. “As manufacturers adopt new technologies, they’re also filling a talent gap—recruiting from other industries, partnering with schools, upskilling workers, and piloting apprenticeships⁴.”

To compete in this tight labor market, you need to provide resources for your employees that help them increase collaboration and efficiency, including working on technology that allows flexibility and remote access. Using technology to automate tasks can also help with labor issues and free up critical resources for functions that add greater value to the organization.

⁴ Reshaping the Manufacturing Workforce, Gartner

How to Create the Supply Chain of the Future

Innovate with Intent

There's a tremendous opportunity for manufacturers to implement technology that's more accessible, better at collecting critical data, and connecting people via integrated capabilities. With information stored in the cloud, data becomes more accessible across your business and functional areas. You expand access to your business—from remote locations and on mobile devices. Transforming to digital, cloud-enabled technology is proven to drive growth, mitigate risk, and optimize costs⁵.

Manufacturers that adopt digital technology provide the foundation for a new type of factory.

“Emerging digital innovations like artificial intelligence, advanced analytics, big data/data lakes, and the Internet of Things support a more transparent, automated, intelligent, and orchestrated end-to-end supply chain.”⁵

Supply Chain Digital Transformation | Gartner

It is not necessary to incorporate every new technology, but it's wise to continually explore areas that can be optimized to help you stay competitive. Adopting new technology does not mean forgoing the technology you currently use or replacing humans with robots. The latest enterprise technology for supply chain management can be integrated with existing enterprise resource planning (ERP) systems. You can make great gains by simply using the tools already available in your ERP including advanced analytics, business intelligence, artificial intelligence, eCommerce, mobile, and more.

⁵ Supply Chain Digital Transformation, Gartner



Build a Plan for Success

You're not alone if you are overwhelmed by the sheer number of technologies available, let alone deciding which may have the greatest impact and the best ROI. Gain clarity by taking a step back to answer a few fundamental questions:

- Where are you today in transitioning your organization to digital capabilities?
- What are the biggest challenges you face?
- Where do you want to be in five years?
- What are the biggest challenges in getting there?
- How can you take advantage of technology and automation?



Do you have a strategic roadmap? If not, investigate how to create one that outlines the possibilities and opportunities that lie ahead.

Key factors for success:

- 1.** Integrate technologies that facilitate supply chain transformation
- 2.** Leverage cross-functional teams
- 3.** Engage trusted technology providers
- 4.** Identify and deploy high-return, low-risk compatibilities
- 5.** Constantly evaluate and adjust



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