



Transformation in Small and Mid-Sized Manufacturing:

DIGITAL

IS ONLY A SMALL PART
OF THAT TRANSFORMATION



Transformation in Small and Mid-Sized Manufacturing: Digital is only a small part of that Transformation

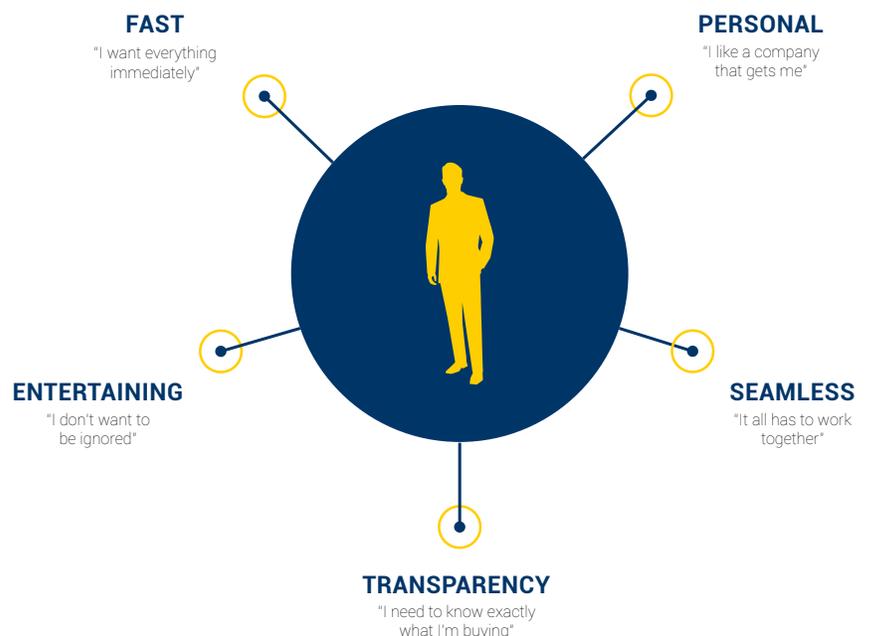
Nothing has altered the landscape of the consumer goods manufacturing industry quite like the Omni Channel phenomenon created by the **explosion of ecommerce** options available to consumers. This is forcing a digital makeover in the manufacturing industry, and those companies that are adapting quickly to become more nimble through better data management, improved business intelligence and visualization of the demand to order process from end to end are the ones leaping ahead of their competition. Many in the industry, however, are still in the stage where they are asking why it's so essential to turn older disconnected systems across the enterprise under the into one platform that provides a comprehensive integrated set of business processes and insight into the business. After all, if it ain't broke, don't fix it, right?

Not so, with the digital revolution in full swing those who do not act will be more quickly left behind than they think. At Navigator Business Solutions, we've seen advances in **cloud-based** business management accelerate the race to a much larger and more profitable finish line than ever before, leveraging smart analytics to control costs throughout the manufacturing process. **The challenge to be met** is to transform your processes that work today into one that works much more efficiently, and then reinvest those savings in your supply chain where they are needed most. To get there, you will need a robust suite of cloud-based business management solutions that incorporate the third-party systems you are already using, and NBS's SAP-based ERP platforms are the platform for that transformation.

What is Sparking This Digital Transformation?

CHANGING CONSUMER NEEDS

As the digital transformation affects the buying experience for consumers, they're experiencing the instant gratification offered by the online shopping experience. They get to go into a buying experience with either very few expectations, or incredibly complex ones, and quickly find the item they want, buy it, and it ships often in a span of days or even hours. They may click away from a page in search of something as superficial as a different color option or a frustrating payment process. No matter how granularly small the conflict, it is big enough to now result in a lost sale.



Because the digital market has transformed the consumer goods shopping experience into a lightning-fast process from research to delivery, manufacturers need to be able to quickly track and adapt to these changes to increase their share of this rapidly changing huge market. Customers want **lots of customization options**. To do that, heatmap data needs to be available to people in the product development department, design department, as well as the web developers. Up-to-the-minute analytics across the entire process is the only way to be able to keep pace with consumer demands.

A GLOBAL MARKET WITHOUT BRAND LOYALTY

Virtually anyone in the world can access any product on the web, which means manufacturers across the globe must be able to ship anywhere products their products are in demand. Seamless and rapid logistics become doubly important within a market where consumers **have less allegiance to brands** they may have bought from before. According to Deloitte, **three out of four consumer product categories saw a decline in brand loyalty since 2011**. As their choices have exploded, consumers' needs have simplified, and they merely want the product features they want at a price they can afford -- and not much else.

Having a **data-driven dashboard** view of your entire operation helps to optimize the delivery process by finding where your supply chain lacks efficiency. If the only thing customers care about is getting what they want, when they want it, it pays big dividends to be able to constantly optimize the process and take advantage of every grain of customer engagement they offer you.

NECESSARY OPERATIONAL COST SAVINGS

You may have an inkling about a warehouse in need of better management, or about a particular supplier shipping a few more defective parts than another. You may already have those numbers on paper, but those numbers take on greater importance and meaning when you can visualize them on a dashboard, contextualized within the supply chain they affect. And as sales shrink in the digital market, manufacturers are trying to find new ways to **slim down costs** on the production side.

Business Intelligence tools not only allow you to pinpoint your supply chain bottlenecks, but they also save you time compiling reports and paperwork. **Digital transformations** mean manufacturers can do the same data crunching with less people and less paper, while driving more actionable results.

Challenges to Consider Before Making the Switch

IMPLEMENTATION TIME

Some businesses may be able to absorb the impact of a significant slowdown in their delivery and supply chain while new solutions are built to take the place of old ones, but your average small- or mid-size manufacturer cannot slow down and survive. To avoid the slow down, the best option is to implement a solution that incorporates out of the box "best practices" with any critical existing third-party solutions you may already have in place. SAP's cloud based ERP platforms are that best option. By leveraging this approach, you can take advantage of the profitability of a cloud-based platform without losing the time spent other options require you to spend engineering business processes while implementing their systems to override multiple ad-hoc systems you may already be using in different departments.

Taking full advantage of SAP's Suite in a Box capabilities allows you to transition without losing your ability to conduct business as usual, so you never have to lose any customers to hiccups in the transition process.

LEAN TRANSFORMATIONS

Digital cloud-based business solutions **cut down on analysis** and paperwork significantly, by uniting your business data in a central hub enabling complete supply chain visibility. The filtering and dashboards perform tasks once performed manually by an employee, and does it all without the need to compile thick dossiers of paper. While simply reducing paperwork and specialized labor might seem like a small savings, it ripples out into greater savings across other areas.

Using end-to-end data visibility, you can better predict equipment breakdown and maintenance costs, so budgeting becomes a much more precise science than ever before. It can also help you pinpoint places where personnel additions and subtractions could improve your process and bottom line. SAP's platforms allow you to "zoom in" on any point along your increasingly complex supply chain and respond instantly. Front end customer data also helps focus the product development process, moving production only in the direction customers need without wasting resources.

QUALITY CONTROL & COMPLIANCE

Every returned item becomes an opportunity to improve your process, and certainly not a learning opportunity that should be wasted. The only problem with a returned item is they come at the cost of one disgruntled customer and every friend they tell about the product that didn't meet their expectations. Multiply that by a few hundred defective products in an ecommerce environment with robust commenting and rating capabilities, and you've opened a hard-to-suture artery in your cashflow.

Within your organization, **compliance issues** can significantly slow down your processes as well, and can be another area where SAP's platforms will help you save time. With a fast-changing regulatory environment spanning across multiple national borders, maintaining accurate data for auditing reasons can save you time lost to the red tape void down the road.

Up-to-the-moment reporting is the necessary tool for anticipating problems and compliance issues. Chasing down the sources of your problems in the digital age is not a time expenditure small and mid-size consumer products manufacturers simply can no longer afford to ignore. With data that has the capability to trace individual supplier part batches and beyond, you can pinpoint small problems long before they become major logistics and PR headaches.

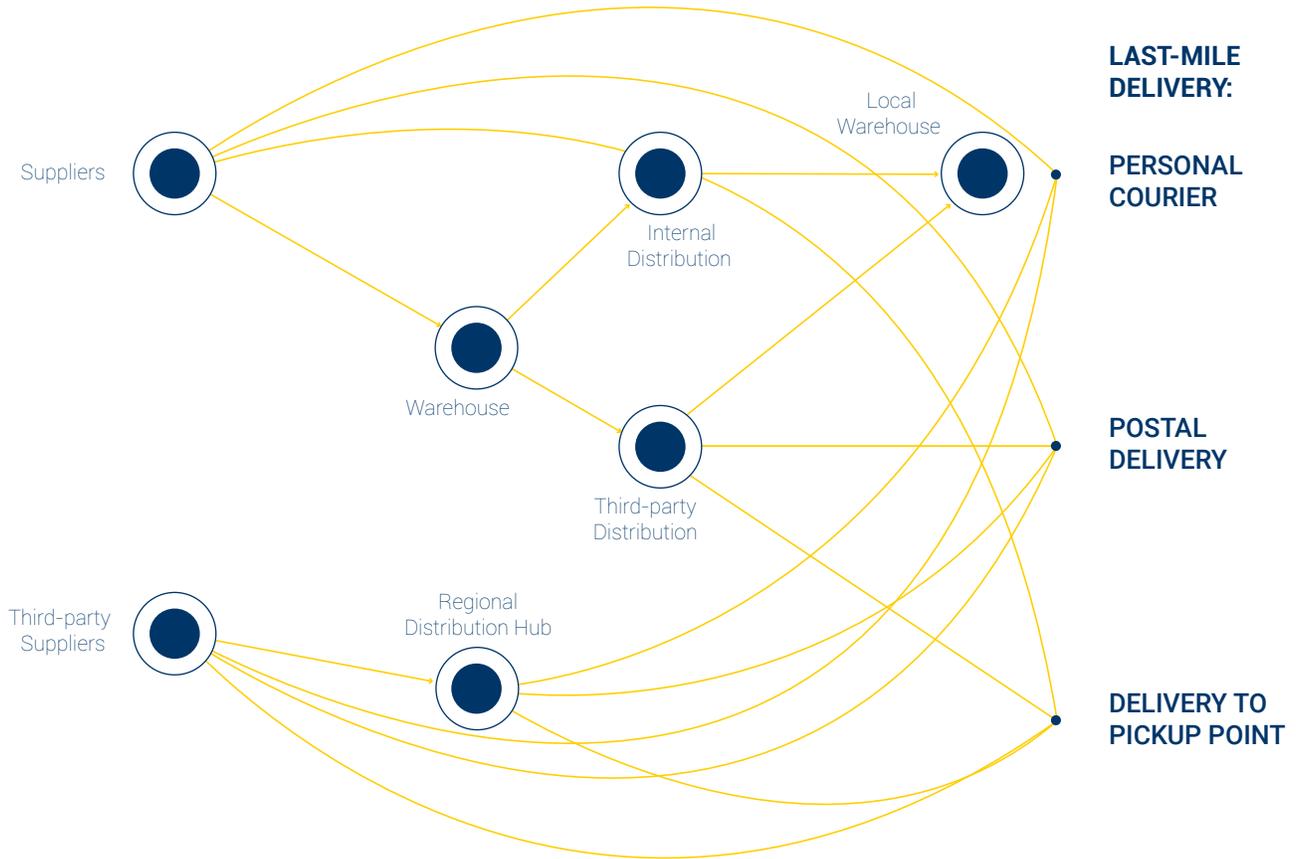
Necessary Capabilities for the Modern ERP Platform

END-TO-END VISIBILITY

The most important thing your **cloud-based ERP platform** can do is unite all your data into one central hub, accessible from anywhere on any screen, and make it available in a variety of effective visualizations and granularities. From the moment someone clicks to your website, to the moment of delivery, and into the customer feedback experience, you should be able to track the entire process and analyze the efficacy of each step.

Real time data allows you to watch your product go from **order to delivery**, and along the way, to drop hints about how the process could be improved. In the post-digital era, the goal isn't to find problems, it's to anticipate them before they happen. With the global needs of consumers becoming more voracious, you need to be able to see an entire network of logistics in a singular view, thus arming yourself to anticipate anything from weather-related shipping problems to customer interface interaction issues, and see the impact of every solution in a holistic way.

Smart Distribution Network



Making sure your supply chain was communicating used to be a relatively vertical integrated affair from design, to production, and then fulfillment and shipping. But the ecommerce explosion has turned a neatly organized process into a massive, tangled vine of options between brick-and-mortar stores, digital marketing outreach, and "dark store" ecommerce platforms that bridge the two worlds.

For example, shipping and fulfillment issues are a multi-headed snake, with everything from direct factory drop shipping, to using retail and ecommerce platforms to complete that last mile of delivery. But it also means you will have much more product in circulation, so your ERP solution needs to be able to handle a complex supply chain from the start, and to expand as more buying options are brought to market in the future.

SMARTER INNOVATION

As many brands have proven, nothing can sink an emerging product line faster than trying to expand it without determining which aspects and features will support real, sustained growth. Especially when you're dealing with a multi-tier supply chain, bringing new products to market based on customer feedback can lead you in a thousand different directions, so end-to-end data visibility can help you move inventory to new markets more efficiently and intelligently. It can also help you offer smarter customization options based on regional and cultural data in the specific location you're expanding to. Navigator's industry-leading ERP solutions can help streamline this process to turn great products into dream products.

IMPROVE THE OVERALL CUSTOMER EXPERIENCE

Cloud-based ERP solutions support innumerable internal processes, and in turn, they improve the customer experience as well -- if you know how to leverage the information. Customers aren't just interested in a product or a purchase anymore, but an **entire experience from start to finish**. SAP's ERP platforms can help, by offering a high-definition snapshot of every step in the process, and every step in the order fulfillment. Using good customer feedback, built on strong collection processes, and making it available across the supply chain, you can begin to unlock the secrets a new slew of digital-first shoppers holds. As options expand for consumers, SAP's ERP platforms can help you understand not only what brings consumers to the brand, but what drives them away as well. Constant improvement and pursuit of the most elegant process for delivering the best product is the new game, not just making and retailing a best-of-market product.

Conclusion

The digital commerce transformation has created the need for a new level of Enterprise Resource Management as the winding avenues of commerce snake out across the web. To survive, manufacturers must stretch themselves into brand new geographic and digital territories, and do so with increasingly smaller operating margins. There is only one means to accomplish this: create a business management platform that is accessible anytime, anywhere, on any device. Navigator Business Solutions employs SAP's industry-leading cloud-based ERP platforms to help small and mid-size consumer goods manufacturer make the most efficient use of all their resources and time. It doesn't have to be a time-sucking, expensive transformation when you take full advantage of the full line of Suite in a Box capabilities. You owe it to your bottom line to see how NBS can help you get there.



