

# 4 key lessons for future-ready manufacturing

 By [Robin Fisher](#)

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The persistent nature of Covid-19's disruption on the manufacturing industry highlights a need, and an opportunity, to rethink business operations to be more adaptable to market dynamics.



Modern-day demand planning needs more sensitivity to what customers are going through, encouraging sales and operations planning processes to evolve in response. This explains why more and more business leaders are investing in digitisation.

In addition to digital transformation, the highest priorities for C-suite executives over the next 24 months include increasing process efficiencies, demand planning, and new service offerings. This is according to Salesforce's *Trends in Manufacturing Report*, a survey of 750 responses from manufacturing leaders globally.



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A key differentiator between manufacturers who are future-ready and those who are not is business agility. That is, in digitising sales and operations, establishing strong channel partner relationships, and adoption of a “service as a revenue centre” mindset.

The report provides four key lessons for manufacturers wanting to become future-ready.

## 1. Customer-facing roles have changed forever

While supplier and production capacities bore the brunt of the pandemic's initial impact, the most long-lasting changes are expected in customer-facing roles.

In addition to altered capacities, the need for improved marketing and customer communications changed significantly over the past twelve months. To improve customer and channel transparency, and forecast precision, we're witnessing the

retiring of manual approaches like predicting the future or collaborating on spreadsheets.

## 2. The cloud is a key ally

Cloud technologies also relate to future preparedness. Future-ready manufacturers are 2.2 times more likely to have moved their sales and operations systems to the cloud; and 2.5 times more likely to have fully migrated specific business-critical systems like financial planning or demand planning systems.

The ability to respond quickly to new product applications, optimization of overall inventory, and reduced time to revenue from launch date are just some benefits.



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## 3. Insights will drive successful partnerships

Ease of doing business is an important indicator of partner success. A key part of this is channel partnerships and collaboration. Over 8 in 10 manufacturers admit that inaccessible data, legacy tools, and cloistered teams impede their forecasting process.

This is why future-ready respondents have doubled down on digitising their sales and operations to collaborate effectively with channel partners, building stronger relationships around data transparency, co-selling, and co-marketing. Moving forward, successful channel partnerships will also include sharing insights securely across ecosystems from manufacturers to dealers to end customers.

## 4. For resilience, consider aftermarket services

The sales process doesn't end at product purchase, of course. Aftermarket services like spare parts, diagnostics, and support are all growing in importance of value proposition, particularly for future-ready manufacturers. This group is also more bullish on bundling product, support, software, other services in a single revenue model – also called servitisation.

Overall, 86% of future-ready manufacturers currently provide servitisation options, indicating a “service as a revenue center” mentality. These new business models, coupled with their progress migrating service systems to the cloud, have positioned future-ready manufacturers ahead of their peers.

As manufacturers prepare for a post-pandemic world, agility will be fundamental to how they do business. Increasingly, deployment of automation will replace manual forecasting; digitisation of sales and operations will be a key determinant for

future-readiness. What's more, business models, are an important part of embedding resilience into manufacturers' strategy.

## ABOUT ROBIN FISHER

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