

# The Inflection Point for the Factory of the Future

2020 has been a year that has seen unprecedented disruption for most industries due to the COVID-19 pandemic. Amid the pandemic, the world could not afford for manufacturing and distribution to grind to a halt.



## The Disconnect

Before the shifting point of the pandemic, businesses opted to offshore operations to drive cost and efficiency control.

On home ground, these businesses did not need to invest in assets or innovation. The shop floor was driven by manual inspections, manual recording and disconnected processes.

Cell Control Room

Disconnected Processes

Manual Inspections

Manual Recording

## The Shift

During the pandemic, manufacturers and distributors had to contend with the rise of a new remote workforce, supply chain disruptions and inefficient business systems.

### Mobilizing the Remote Workforce

As social distancing became the new normal, entire workforces needed to connect as well as collaborate remotely.

The perception in the manufacturing sector is that factories are heavily depend on operators to keep machines running and it's simply not possible for resources to work remotely.

37%

of companies were unable to provide the remote work capabilities to employees that were required.

73%

of businesses stated they would need to invest in capabilities to facilitate remote working.

### Managing Supply Chain Disruptions

60% of businesses were impacted by supply chain disruptions during the pandemic. This in turn affected their ability to support their customers through the pandemic.

### Why?

When digging deeper into the reasons behind supply chain disruption, 29% agreed that the disruption of material supply was due to disruptions in materials transiting through affected countries.

Additionally, 43% stated they had highly-integrated supply-chains that were disrupted due to the impact on the raw materials from the country-of-origin.

### In Response to Supply Chain Disruptions

42% of businesses stated that they will near-shore or re-shore manufacturing operations.  
56% stated that they are already investigating dual sourcing and other initiatives to reduce supply-chain risk.

## Think Forward

Businesses have come to realize that in order to overcome supply chain disruptions, their business operations need to become more agile moving forward. Here, industry-built technology solutions will deliver industry specific functionality for manufacturers and distributors to optimize and simplify operations, stay current and in control.

### The Factory of the Future

Now is the time for manufacturers and distributors to embark on their digital transformation journey and embrace the promise of Industry 4.0.

Technologies like robotics, advanced Quality Control, Machine Learning (ML), Artificial Intelligence (AI), digital citizens and Internet of Things (IoT) will define the factory of the future. The good news is that you can use ERP to support your overall digital strategy. The key is to ensure that it is future-fit.

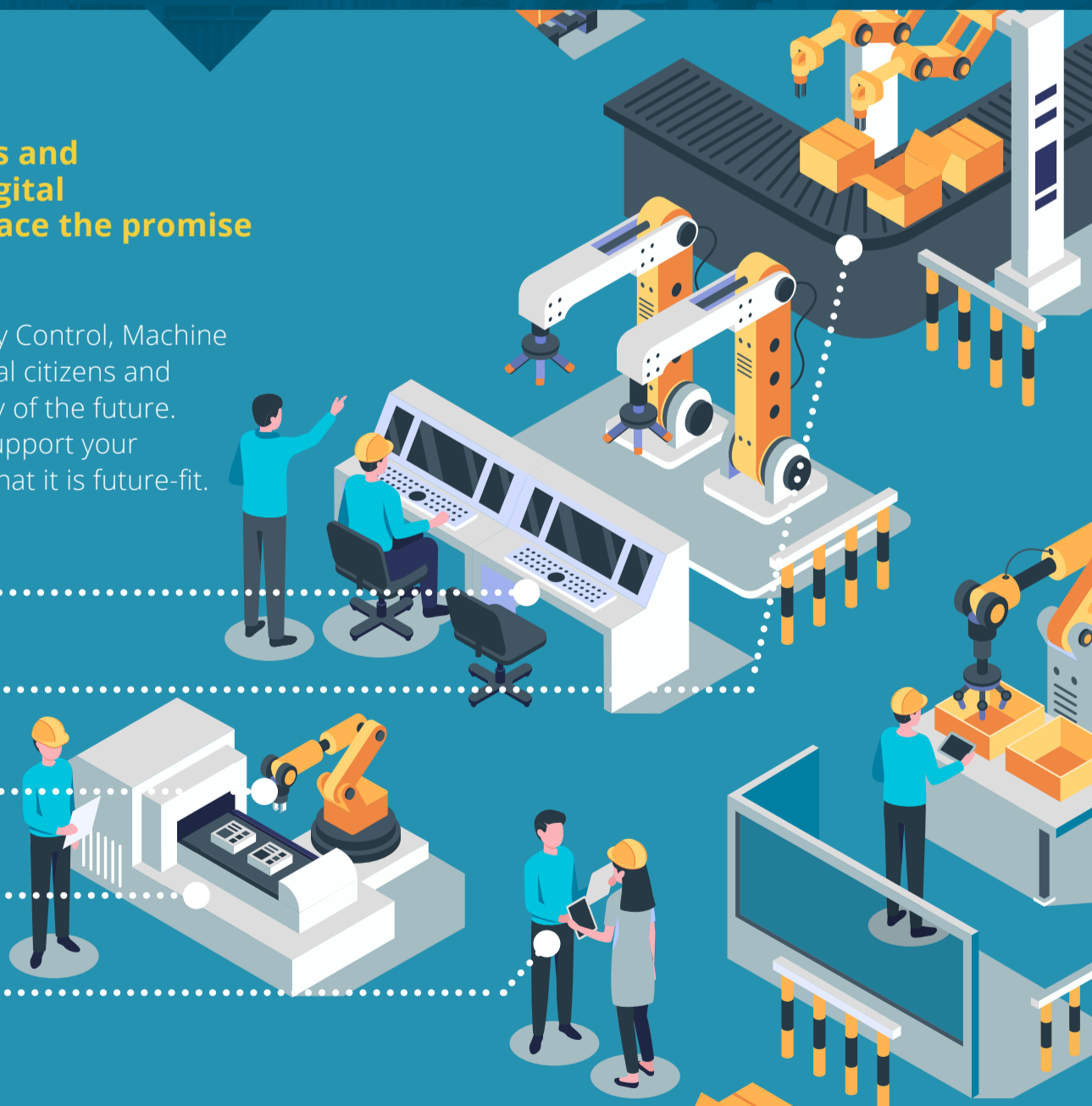
Advanced QC

Optimization & Analytics

Robotics

Sensors, IoT & Shop Floor Data Collection

Predictive Maintenance



In order to better understand the shift presented by the pandemic and the drive towards industry 4.0, this year, we conducted an industry study into how manufacturers and distributors handled the shift during COVID-19. An online survey was shared with industry professionals of different managerial levels within each of our key regions.

This included the United States, Canada, EMEA and APAC. The survey was conducted in August 2020 and was directed to both office workers as well as operational workers in departments including operations, office of finance, IT, logistics, marketing and sales.