

# ERP FOR THE FOOD AND BEVERAGE INDUSTRY

How Best-in-Class Companies Leverage Their ERP to Efficiently Run Their F&B Operations

The need for traceability, quality, and compliance within the food and beverage (F&B) industry has become increasingly important. In order to remain competitive, companies must leverage their ERP solutions to meet market expectations and growing customer demands. A recent Aberdeen study of over 100 F&B decision makers revealed that:

- Companies need to **focus on quality and food safety** to minimize potential risks.
- Reducing waste and improving efficiency is **critical for margin growth**.
- Utilizing real-time data can help companies **keep up with increasing regulatory compliance**.
- Implementing real-time alerts for greater responsiveness can **improve business agility**.

The top two market pressures for F&B companies are the security and stability of data and the increased volume and complexity of data.

## Best-in-Class Methodology

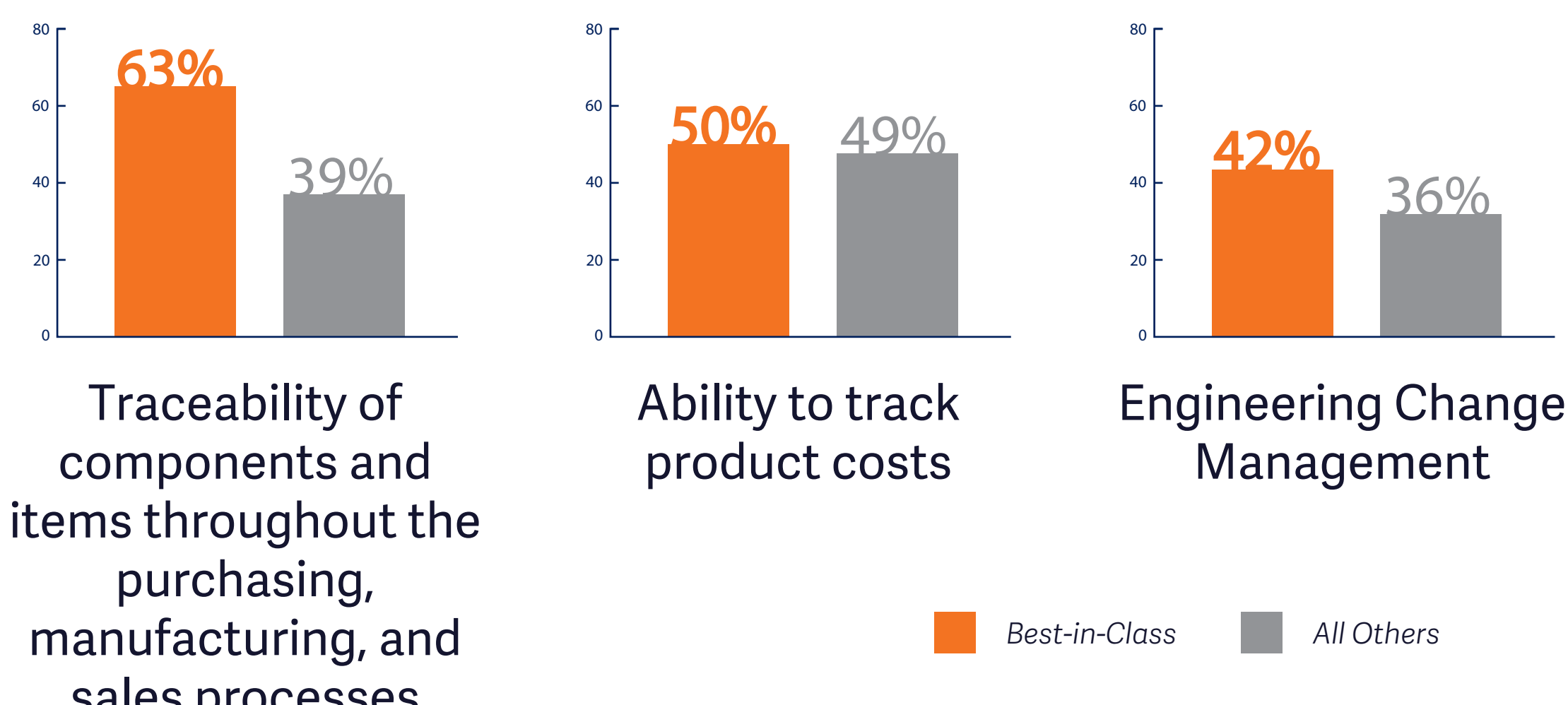
Best-in-Class companies are defined by Aberdeen as the top 20% of companies based on their performance in four key business metrics that are critical to ERP effectiveness. Compared to All Others (the remaining 80%), Best-in-Class companies are:



## Critical F&B Capabilities

With pressures rising, companies are looking for ways to get the most out of their ERP solutions. In addressing these concerns, companies must focus on their core business objectives and in doing so, they will have the opportunity to put themselves out in front of any potential downside risks through implementing ERP technologies utilized by Best-in-Class companies.

The following ERP capabilities are how the Best-in-Class are addressing traceability, quality, and compliance within the F&B supply chain:



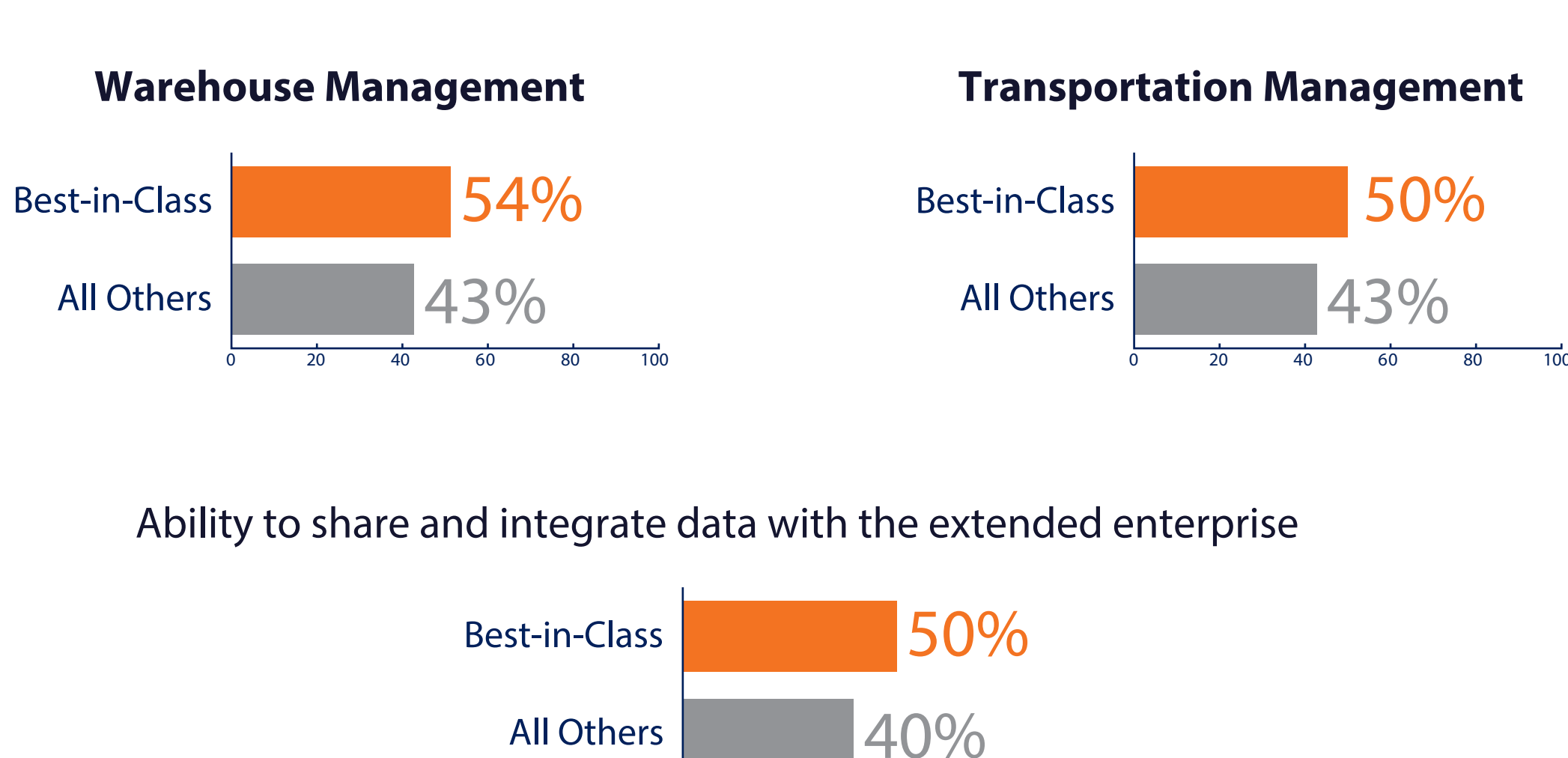
## Increased Visibility and Data Access

Best-in-Class companies understand that having strong ERP can be instrumental across their organization. For example, with greater visibility to every inventory across all locations is vital for achieving higher customer service levels with lower inventories. Moreover, accessing data in a self-service capacity supports speed and time to data for decision making. Best-in-Class companies are:

- 50%** **more likely** to have the ability to monitor regulatory compliance.
- 38%** **more likely** to have real-time access to inventory of raw, materials, WIP, parts and tools, and finished goods.
- 28%** **more likely** to have real-time visibility into status of all processes.

## Extended Enterprise

It is important for companies to remember that visibility for F&B extends beyond the enterprise to suppliers, resellers, customers, distributors, and regulators. When considering the extended enterprise, companies must be ready for anything that could take place from supplier to customer. For example, having visibility into shipments can prevent any potential problems. Aberdeen research indicates that Best-in-Class companies are more likely to be focusing on these three key areas with their ERP:



## Summary

With companies looking for every opportunity to get ahead, they should focus on their ERP solutions as a key step in improving their business operations. Best-in-Class companies are establishing the proper solutions for their ERP in order to meet the mounting pressures placed upon them. By focusing on improving traceability from supplier to customer, the quality of the product to minimize potential risks, and compliance with regulations, Best-in-Class companies have built an ERP system that can produce long-term productivity and profitability through schedules that allow them to make on-time deliveries safely and efficiently.

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