# Why process manufacturers are looking to the Cloud?

## Current scenario

Information Technology (IT) solutions may come across as a highly complex and demanding aspect of modern businesses. Quite ironically, however, much of the complexity the organizations experience with their IT solutions doesn't result because of the technology itself, but because of the organizations' inability to keep pace with its rapid evolution. With changing times, technology too has changed and the modern businesses increasingly need to modernize their solutions and keep them contemporary. A study by IDC reveals that by 2019, 75 percent* of manufacturers will have their operations transformed with digitally connected modern processes that improve responsiveness and productivity. This doesn't come as a surprise, as today many IT and business managers understand the numerous cost and operational benefits that a modern-day solution like Cloud-based ERP can deliver.



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Cloud-based manufacturing ERP solutions allow companies to standardize their core operations on a modern and easily configurable platform, ensure that all their applications have access to accurate, up-to-date and consistent financial as well as operational data, and offer a variety of capabilities. Their benefits range from rapid deployment, real-time access to data & enhanced security to significant reductions in both capital and operational expenses. Besides, they are quicker to roll out and easier to customize. In this e-book, we will discuss specific challenges process manufacturers face, how a Cloud ERP helps address those challenges, and why are they looking to the cloud:

## Many challenges, one fix - Cloud ERP

Process manufacturers face plenty of challenges on a day-to-day basis. However, they can actually reap significant benefits from the cloud. Cloud-based process manufacturing ERP brings unprecedented transparency with visibility from the plant floor to the top floor. Traceability, batch recipe management, inventory optimization, automated compliance and quality management are few of the critical business challenges addressed by Cloud-based manufacturing ERP solutions. Check out about them and other challenges below:

· **Integration of plant floor - top floor data:** Complete integration of real-time operational data collected from the plant floor (manufacturing operations) and made available to the top floor (business management) is a challenge for the process manufacturers, and at the same time key to reducing costs, streamlining operations, and improving customer satisfaction. With cloud ERP, organizations free up IT resources to become more strategic and work with operational technology (OT) experts to achieve all the aforementioned objectives.

· **Track & trace ingredients as well as finished goods:** In a process manufacturing business, tracing lot information for both ingredients coming from suppliers and finished goods going to customers, so as to react to potential food safety problems/recalls quickly and precisely remains a challenge. But with Cloud ERP, organizations can access detailed historical information related to supply chain, production, inspection, and usage at any time and from anywhere with an internet connection, making the job easier.

· **Insights into batch recipes to mitigate risks:** Cloud-based ERP solutions give organizations, which produce dozens or hundreds of recipe combinations, ability to track all data related to batch recipes through real-time visibility. This transparency allows the organizations to inculcate last minute customer requirement changes or substitute materials due to their unavailability. Cloud-based ERPs also provide a strong base for recipe comparison and analysis, which helps the organization eliminate any scope of error. The organizations can also apply QC tests, can inspect the batch even when it is into production to ensure quality and avoid rework. Moreover, it can check whether or not the output is as per the standards. If it is not, the necessary actions can be taken in real-time.

· **Hone inventory accuracy:** Inventory accuracy is another challenge for the process manufacturers. Excess inventory, which is perishable in nature, is not just wasted cost but can also lead to quality and safety issues. A Cloud ERP's Material Requirement Planning (MRP) functionality allows you to make exactly the quantity required for shipping on time, achieve higher profits by minimizing inventory holding costs and reduce delays caused by lack of raw materials.

·   **Comply without compromise:** Keeping up with, and ensuring compliance is a massive challenge in itself. Rather than simply maintaining compliance documentation, organizations must focus on creating business processes that result in compliancy. A Cloud-based manufacturing ERP provides industry-specific compliance assistance to cover FDA, HACCP, Bio-terrorism, GHS, FSSAI etc. compliance needs. In additions, it also supports process flow charting, statistical process controls, electronic signatures, approval workflow and more to ensure that the processes are compliant, streamlined and effective.

·   **Connectivity with customers & suppliers:** A Cloud-Based ERP allows the process manufacturers to stay connected with the customers as well as suppliers from anywhere, anytime. This facilitates early resolution of customer grievances/returns and at the same time, allows faster, timely inventory replenishment when the stock levels are falling for a product which is in high demand.

## Why's Cloud ERP such a big hit with the process manufacturers?

Cloud ERP provides on-demand real-time access to data and resources coupled with reduced costs, scalability, automatic upgrades and maximum uptime, and the ability to store large amounts of data. These benefits, which are increasingly pulling the process manufacturers towards the cloud, are described in detail below:

· **Real-time access to data and resources** – The cloud provides on-demand access to data and resources stored in the cloud from anywhere and anytime using any internet-enabled device, allowing every department at every step of the supply chain to react instantly to changing business needs.

· **Reduced costs –** Cloud-based process manufacturing ERP can reduce IT expenditures, including infrastructure, maintenance and life cycle costs, by as much as 54 percent*, especially when compared to the high costs associated with older, on premise ERP systems. Besides, a perfect Cloud ERP solution also eliminates the need for paying extra for application software licenses. It will rather let you pay an affordable fixed monthly fee.

· **Scalability –** 73 percent* of manufacturing companies find it either important or very important that cloud-based solutions are able to scale and establish collaboration. Indeed, Cloud-based manufacturing ERP can be scaled up or down with changing project workloads. Software and hardware requirements are also scalable in the cloud.

· **Data storage & security –** The cloud is ideal for storing, managing and accessing large amounts of data. Also, a Cloud ERP solution is fully capable of performing digital data security, and foiling attacks on the company's server. Besides, a good cloud solution provider makes arrangements for disaster recovery facility running 24x7. This way, no valuable data is lost and there is always a back-up.

· **Automatic upgrades & maximum uptime -** A Cloud ERP sends alert notifications of upcoming upgrades, which are auto generated on the client's server. Also a good cloud vendor usually conducts the upgrades and backups during off hours, thus ensuring least possible server down time, bringing down the wastage of productive hours to almost zero and keeping the system up-to-date and available all the time.

These benefits translate into greater visibility into every function across departments, faster innovation, improved productivity and efficiencies through integrated business processes and mobile integration, which allows employees to access data and transform it into smarter decisions from any device anywhere. No wonder, around 47 percent* of organizations surveyed for a recent study plan to move their core ERP systems to the cloud within next five years.

## How can you pick the right Cloud ERP solution?

There are certain important things your organization must consider when selecting a Cloud ERP. Check out below:

- Cloud brings with it speed, agility and innovation. You must quickly move from the drawing board to deployment. Can your organization adapt?

- Is a private cloud, public cloud or a hybrid cloud solution best for your company? Which vendors offer these solutions and will they be in business a year from now? Choose a cloud ERP solution that's right for your organization.

- Security remains a critical factor in considering cloud ERP solutions. Are you ready to extend your enterprise security policy to the cloud?

- Customization has always been an issue with the ERP systems. Manufacturing firms must spend some time determining how easy it is to customize and add enhancements to the cloud ERP systems.



The benefits and finer points of Cloud ERP mentioned above make it an integral part of all process manufacturing businesses. Loaded with all those aforementioned benefits, BatchMaster ERP on Cloud caters to a wide range of process-manufacturing industries. To know about it, visit the website www.batchmaster.co.in or write to us at sales@batchmaster.co.in.

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## Who We Are:

BatchMaster Software is one of the market leaders in offering enterprise software solutions for the process manufacturing industries. With an in-depth industry analysis, we clearly understand the unique industry challenges and help them address those challenges through our industry-specific ERP solution.

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| more than **2500** Implementations | more than **40000** Users | more than **3000** Happy Customers |
| more than **30** Years of Experience | more than **500** Employees | **7** Offices Worldwide |

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