How ERP software meets the unique challenges faced by Food & Beverages manufacturers

The food & beverages (F&B) industry, which feeds the ever-growing population around the world through thousands of companies, is one of the major industries in the world. The regulatory bodies like the FDA and other regulators worldwide, the industry operators like farmers, distributors, retailers, food processors, suppliers, and finally the end consumers are the many stakeholders involved in it. Being a vast industry, its scope is tremendous and quite rightly, it is segregated into a lot of different sub-verticals such as dairy, meat & poultry, beer, edible oil, sweets & confectionery products, packaged food, fresh produce, organic food and other beverages etc., thus also making it one of the largest sectors in the process manufacturing market.

But just like any other thriving industry, the F&B industry also faces certain challenges which are necessary to be dealt with in order to ensure business success for the F&B manufacturers. They usually operate on very thin margins, have to deal with shifting consumer demands, meet the need for constant innovation & sustainable manufacturing, seasonal demands, deal with fierce competition, and stringent regulatory & food safety requirements etc. Since there are so many stakeholders involved, there is obviously a lot at stake – most importantly the health and safety of millions of consumers of food products.

These challenges compel the bulk as well as small-scale F&B manufacturers to develop cost-effective products of highest quality, scale the efficiency to maximize productivity, improve profit margins and meet the consumer expectations, while ensuring compliance with the food safety regulations. In order to achieve all this, they are turning to food ERP software – a perfect tool that helps them meet the unique challenges they face. Through this e-book, we will understand in detail what all challenges do the F&B manufacturers face, and how an ERP addresses those key challenges. Continue reading:

Challenges faced by food & beverage manufacturers:

As discussed above in brief, the F&B manufacturers face a multitude of challenges. Discussing them here in detail:

1) Cost & margin pressures: The F&B industry operates on very less profit margins. There are various factors which affect the profitability. Fluctuation of input costs due to sudden and often unpredictable events, unexpected rise in packaging costs, dip in sales, and pressure from retailers, consumers, etc. are some of the top reasons that affect the F&B manufacturers' profitability.

2) Shifting consumer focus to healthier products: In recent times, the consumer focus has shifted towards healthier products big time. The new age food consumer is moving toward fresher, cleaner products with clean labels, and transparency has become the king. F&B manufacturers now need to be clear about how they are producing and what all ingredients are they using.

3) Rise of natural & organic products: Consumers are increasingly on the lookout for foods that do not contain artificial ingredients. This has brought down the demand for processed foods and fueled for the natural & organic food market. The consumers are fast moving away from 'center of store' products, comprising grocery, frozen, alcohol, and other packaged goods and becoming increasingly demanding for organic stuff, thus forcing the industry giants to alter their strategies.

4) Low product innovation cycles: Bringing new products - which are in line with the latest trends - faster to the market is not an easy job for the F&B manufacturers, as the process of innovating products and moving them through the cycle takes time. This challenge has often plagued the F&B manufacturing firms, and is one big issue the industry is currently looking to address.

5) Safety & regulatory requirements: With more foodborne diseases coming to the fore than ever and higher risk of contamination due to long, complex supply chains, there is an increasing need to address the public health concerns in the F&B industry. Moreover, the regulatory requirements are becoming increasingly stringent, posing challenges aplenty in front of the F&B manufacturers.

6) Fierce competition: Improved economy around the world has led to the development of many new players in the F&B market. Consumers, who are now faced with a variety of choices, actually end up consuming less. Overcoming this new competition and establishing their brand as a distinct entity in an oversaturated marketplace is a massive challenge for the F&B manufacturers.

7) Value-added products: Value-added F&B products, such as products fortified with vitamins, minerals, or protein, are becoming more popular amongst consumers of late. This has forced the manufacturers to add value to their products in such a way that it doesn't cost them much or require adding ingredients that consumers are likely to reject.

8) Consumer trust issues: The consumer trends in F&B industry are fickle. Some may change with time, some may sustain, while some may prove to be a fad. However, what is consistent is a consumer's trust in a brand. Also it is the only thing the manufacturer can control. Hence, it becomes a constant challenge for the manufacturers to retain the consumer's faith in their brand.

One cure to their worries - A tailored ERP:

A perfect-fit Food ERP software can address all the above mentioned as well as other challenges facing the F&B manufacturers. Apart from supporting their routine manufacturing operations, a food processing software provides critical aid, such as support to recipe, co-product and by-product management, batch scalability, shelf life/expiration, reverse bill of materials (BOM), flexible and dynamic packaging options, among others.

These days, almost all ERP providers are providing ERP solutions targeting the specific verticals. Specialized products are offered to different industries for their varied micro-verticals. For example, in context of F&B industry, there are specific Food & Beverage ERP software for dairy, beer, organic food, sweets, seafood etc.

How Food ERP software can address those challenges:

An efficient Food ERP software can address the challenges faced by F&B manufacturers through its robust functionalities. Take a look below:

1) Inventory management: Limited shelf life of ingredients and finished products is one of the biggest drawbacks of the F&B industry. But, the Inventory Management module of a Food & Beverage ERP software allows the manufacturers to have a real-time view of the inventory levels, anticipate demand, avoid wastage of stock, and reduce surplus. An ERP proactively manages all aspects of procurement, inventory, and sales - thus taking care of the cost & margin issues.

2) Recipe control: When you buy raw materials in tons, convert them into KGs and sell the finished product in pounds, complications are bound to happen. Add hundreds of multi-level recipes with thousands of pre-mixes and raw materials to it. A Food ERP software can handle all this easily, ensuring overall product and process consistency – thus taking care of consumers' demand for consistent products.

3) Safety needs & regulatory compliance: The safety and quality of food products remain a primary requisite for the consumers and thus a primary concern for the manufacturers. However, the government regulations break their back. Hence, they need a strong food processing software which can help them manage the quality and safety of their products and meet the stringent regulatory requirements.

4) Lot traceability: A process ERP software comes with lot traceability functionality, whose specific capabilities help the manufacturers manage complete tracking and tracing of all ingredients used in the processing of the final product. The benefits of this functionality include tracking allergenic ingredients, minimizing recall size, data integrity, quick response time, and sustained consumer faith in the products.

5) Quality control: The quality control module provides flexibility of defining different quality checks for every phase of operations, from receiving raw materials, through production of intermediates/finished goods, to inspections of finished goods before dispatching. This helps to deliver safe, uniform quality and compliant products throughout.

6) Shelf-life/expiry date determination: The F&B products have a limited shelf life and thus it becomes essential for the manufacturers to know how fast a product or its ingredients need to be consumed before it expires. Most Food & Beverage ERP software come with a built-in mechanism that alerts the manufacturers when ingredients are nearing or past their expiration dates, thus ensuring quality & safety.

7) R&D: Food ERP software's Formula and R&D modules make it possible for any F&B manufacturer to improve the product innovation cycle and introduce products faster to the market. Besides, these modules also allow the manufacturers to deal with fierce competition, add value to products, catch the latest market trends and work on developing new products.

BatchMaster does it best

BatchMaster ERP solutions cater to a wide range of process-manufacturing industries, including F&B, and their micro-verticals. It understands that the business needs of a seafood manufacturer can be different from that of a beer manufacturer, even as they both fall under the food & beverages industry. Loaded with numerous industry-specific features, BatchMaster's Food ERP software are the first choice of F&B manufacturers.

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.

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

Don't lose your existing software; Integration available with:

SAP ®Business One | **Tally** | **Microsoft Dynamics GP** | **sage**

For more information Log on to www.batchmaster.co.in

BATCHMASTER®
Process Manufacturing Software