

azentio 

Streamlining Manufacturing with Cloud ERP:

A path to digital transformation

Whitepaper | November 2024

produced by **Connect Global Group** for **Azentio**



Manufacturing industries today face an increasingly complex landscape, shaped by evolving customer demands, stringent regulatory requirements, and constant pressure to reduce operational costs. In response, many companies are turning to Cloud ERP solutions to streamline operations and drive digital transformation.

Recently, a panel of experts from diverse sectors, including food manufacturing, pharmaceuticals, and heavy machinery, gathered to discuss how Cloud ERP is reshaping manufacturing. The webinar, moderated by Rajesh Kumar, Head of ERP Product Management at Azentio, featured insights from Prapthi Rai, Head of Quality Process Development at Barakat, Tiago Maracaneiro, Head of Procurement at Americana Foods, Ali Awadalla, Group CFO, Al-Sadhan Group and Jagan Arumugam, Global Head of Presales and Solution at Azentio.

This whitepaper summarizes key takeaways from their discussion on how Cloud ERP can drive efficiencies, ensure compliance, and enable proactive decision-making.

Key challenges in compliance

Rajesh opened by asking the panelists about compliance challenges, particularly in sectors with stringent safety regulations. Tiago Maracaneiro, Head of Procurement at Americana Foods, explained that the food industry faces complex regulatory demands, requiring compliance with both local and international standards.

He remarked, “we need to manage changing global trade regulations,” underlining that food producers must navigate frequent policy shifts. Compliance involves comprehensive oversight, from raw material sourcing to the finished product, and requires robust systems to track and report data. Tiago highlighted the importance of real-time data in ensuring compliance, which allows companies to be “ready for any audit, any certification process, and even for customers.”

Tiago emphasized that seamless integration across the supply chain is crucial for compliance, as any missing data could threaten brand reputation and consumer trust. He noted that regulations can differ significantly by country, and keeping track of all requirements whether for production standards or documentation poses a unique challenge. Cloud ERP solutions help consolidate compliance data in one platform, simplifying regulatory audits and reducing risk.

Inventory management and waste reduction

Inventory management, especially for perishable goods, presents additional complexities. Prapthi, Head of Quality Process Development at Barakat, shared her perspective from the food industry, where short product lifecycles demand careful coordination of inventory and supply chains. She discussed how delays in transportation, such as those affecting pineapple shipments from the Philippines, can turn products “into juice by the time they arrive.” As a result, her team has implemented two strategies: sourcing locally to reduce transit time and enhancing demand forecasting to better anticipate needs. Accurate forecasting not only helps avoid waste but also ensures that high-demand products are consistently available.

Prapthi highlighted that relying on local sources for certain ingredients helps Barakat mitigate risks associated with international logistics. This shift also promotes sustainability, as shorter transportation routes reduce the carbon footprint.

Moreover, Prapthi explained that digital tools are essential for implementing this strategy, noting that Cloud ERP systems enable precise tracking of inventory levels and facilitate adjustments to avoid overstocking or understocking. “With Cloud ERP, we can make real-time decisions that are critical for managing perishables,” she emphasized.

Product quality and supplier relations

Ensuring consistent product quality is a primary concern, especially in sectors where safety and compliance are paramount. Tiago pointed out that quality assurance begins with selecting reliable suppliers. “Quality controls start from the very beginning,” he said, describing how his team performs sampling, trials, and first-batch production tests to verify that suppliers meet their standards. Tiago further explained that a key metric in supplier management is defect rate, which helps them assess product quality and track any variations over time.

Prapthi added to the discussion, emphasizing the importance of employee training in quality control. “Happy people make happy products,” she observed, stressing that well-trained employees are essential for maintaining consistent quality. The use of Cloud ERP systems has also made it easier to standardize processes and keep track of quality metrics, such as customer complaint resolution times and product yield. With Cloud ERP, companies can automate quality checks and set alerts for non-compliance, ensuring that any issues are immediately flagged and addressed.

Managing diverse product portfolios

One of the more complex challenges facing manufacturers is managing a diverse product portfolio, which can strain resources and increase costs. Jagan, Global Head of Presales and Solutions at Azentio explained that companies often believe having more product variations will lead to increased sales, but this isn’t always the case. “If you look at the industry data, the rate of new product introductions has grown by 40-50% over the last decade, but sales haven’t increased at the same rate,” Jagan noted. This discrepancy can lead to higher production costs, lower equipment efficiency, and increased marketing expenses.

To address these challenges, Jagan recommended a “cost-to-serve” analysis, which breaks down the costs associated with each product, from raw materials to delivery. This analysis allows manufacturers to identify which products generate the highest profit margins and make informed decisions about their portfolio. Additionally, he mentioned a strategy known as “delayed differentiation,” where customization happens later in the production process, allowing companies to respond more flexibly to demand. “This approach is particularly useful for online commerce,” Jagan noted, as it enables manufacturers to offer personalized products without significantly increasing production complexity.





Sales forecasting and cross-department alignment

The need for alignment between sales forecasting, production, and inventory management was another major theme. Ali, Group CFO, Al-Sadhan Group, shared that sales forecasts often exceed what the production and supply chain teams can realistically fulfill. “Sales teams have their ‘wishes,’ which don’t always align with supply chain realities,” he explained. Inaccurate forecasts can result in stockouts or excess inventory, both of which affect profitability. He emphasized that historical sales data and realistic growth projections are essential for creating achievable forecasts.

Prapthi agreed, adding that unexpected demand fluctuations often put pressure on production to meet unrealistic targets, leading to potential quality compromises. She pointed out that a more data-driven approach, supported by Cloud ERP, allows for better planning and alignment. Cloud ERP systems also facilitate communication across departments, ensuring that everyone has access to the latest data and can adjust their plans as needed.

Automation and predictive maintenance

Automation, especially predictive maintenance, has become increasingly critical for modern manufacturing operations. Jagan discussed how IoT sensors are transforming maintenance practices by providing real-time data on equipment performance. “IoT sensors and connected devices are at the forefront of predictive maintenance,” he noted, explaining that these tools enable manufacturers to predict when equipment will need maintenance, thus minimizing unplanned downtime. Predictive maintenance is especially valuable in industries with expensive machinery, where unexpected breakdowns can lead to significant production delays.

Jagan shared that predictive maintenance can reduce maintenance costs by up to 30% by identifying issues before they become severe. With IoT sensors monitoring variables such as vibration, speed, and temperature, any anomalies can trigger alerts and automatically notify the maintenance team. This system minimizes human intervention and ensures that potential issues are addressed before they affect production. “Predictive maintenance takes the guesswork out of decision-making and is data-driven,” he said, adding that Cloud ERP systems are essential for integrating this data with broader manufacturing workflows.

Documentation and compliance in process manufacturing

In industries like food and pharmaceuticals, documentation and regulatory compliance are ongoing challenges. Prapthi explained that documentation for process manufacturing is extensive, encompassing everything from batch records and safety data sheets to quality certificates. “Managing document`ation volume is a massive challenge,” she noted, particularly for companies operating across multiple sites. Cloud ERP systems help by providing a centralized repository where all documents are stored, making it easier to retrieve and share information as needed.



Prapthi also highlighted that regulatory changes require continuous updates to documentation, a process that Cloud ERP can streamline. Frequent updates to regulations mean that manufacturers must remain agile, and a robust change management system helps them adapt to new requirements without disrupting operations. By automating parts of the documentation process, companies can reduce human error and ensure compliance with minimal effort.

The role of Cloud ERP in enabling digital transformation

Rajesh wrapped up the session by discussing the overarching role of Cloud ERP in digital transformation. Cloud ERP enables manufacturers to connect various departments procurement, inventory, quality control, finance, and more into a cohesive, data-driven ecosystem. This connectivity enhances transparency, enabling real-time decision-making that improves efficiency and responsiveness. He emphasized, “Automation and digital integration are essential for manufacturers to remain competitive in today’s market.”

The panelists agreed that Cloud ERP is a foundational tool for digital transformation, providing the infrastructure needed to implement advanced analytics, automation, and predictive tools. With Cloud ERP, manufacturers can leverage data across all facets of their operations, enabling continuous improvement and fostering a culture of innovation.

Future outlook

The webinar concluded with reflections on the transformative potential of Cloud ERP in manufacturing. Cloud ERP systems, combined with predictive analytics and automation, equip manufacturers to meet the growing demands for efficiency, quality, and regulatory compliance. By integrating data from across the organization, Cloud ERP allows manufacturers to optimize their processes, improve customer satisfaction, and reduce operational costs. As Rajesh summarized, “Automation is not just a trend; it’s an essential evolution in manufacturing.”

The panelists echoed this sentiment, emphasizing that Cloud ERP will be critical for companies seeking to thrive in a rapidly changing industry landscape. As manufacturing continues to evolve, digital tools like Cloud ERP will enable companies to adapt to new challenges, streamline their operations, and deliver value to their customers.

This whitepaper is a summary of the discussion held at the "**Streamlining Manufacturing with Cloud ERP: A path to digital transformation**" Webinar in November 2024, produced by **Connect Global Group** for **Azentio**.

[Click to watch the webinar](#)

The webinar panel

It is important to note that all the answers provided by the experts in this webinar are their own and do not necessarily represent the views or opinions of their organisations.



Tiago Marcaneiro
Head of Procurement – Protein
AMERICANA FOODS



Ali Awadallh
Group Chief Financial Officer
AL-SADHAN GROUP



Prapthi Rai
General Manager –
Product & Process Excellence
BARAKAT GROUP



Jagan Arumugam
Global Head,
ERP Presales & Solutions
AZENTIO



Rajesh Kumar
SVP, ERP Product Management
AZENTIO



Produced in partnership with Azentio

© 2024 Connect Global Group LTD. All rights reserved. The content of this document is subject to copyright. Any modifications, truncations, additions, and alterations, as well as publication, translation, or use thereof for commercial training purposes by third parties, shall require the prior written consent of Connect Global Group LTD. Reproduction for personal use is allowed solely on the condition that this copyright notice is also stated on the reproduced documents.