



Chasing the Cheese:

How Manufacturers are **Transforming Throughout Times of Change** to Find Success at the End of the Manufacturing Maze

Succeeding in the post-COVID-19 world will require re-imagining **what manufacturers do to create value**. As the industry is constantly changing, so must manufacturers as they adapt to unprecedented disruptions and rising demands. The book by Dr. Spencer Johnson titled “Who Moved My Cheese?” is an analogy for the world manufacturers are facing today and in the foreseeable future—a cautionary tale about the dangers of complacency and the importance of embracing change.

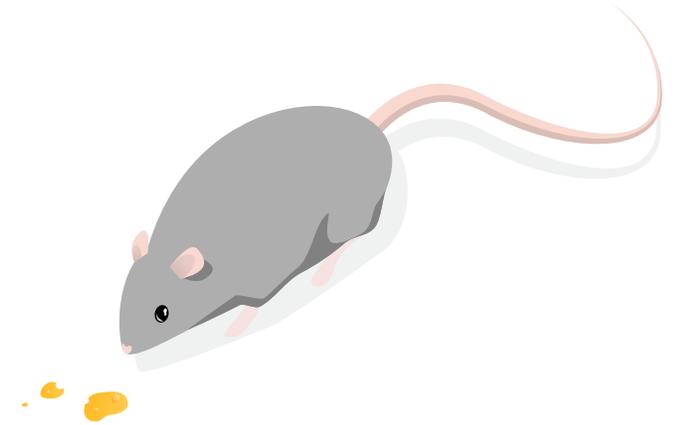
Let’s explore how the mouse (manufacturer) moves through the maze (today’s manufacturing landscape) to get to the cheese (success, driven by transformation and innovation).



The Impact of COVID-19 on Digital Strategies

Manufacturers have had to make permanent changes due to COVID-19, including shifting to hybrid work models, utilizing more cloud usage and automation, and implementing contactless customer experiences.

According to a study from IDC Research¹, the vast majority of companies surveyed said they want to or are already embracing a digital-first strategy in response to COVID-19.



15.6%

said disruptions from the pandemic highlighted a need to shift to 'digital-first' but they are still figuring out how

31.5%

said that they are starting to execute their digital-first strategy now

28.0%

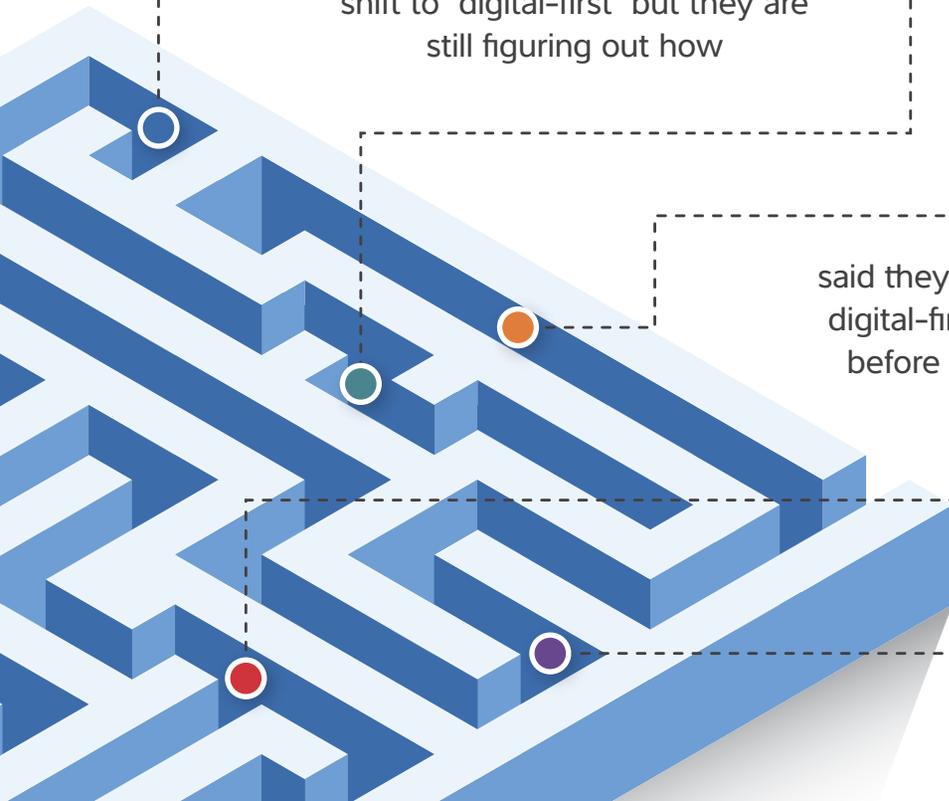
said they have already shifted to digital-first and are continuing to expand

22.4%

said they recognized the need for a digital-first approach and changed before the pandemic happened

Only 2.3%

of manufacturers said they don't feel there's a need to adopt a digital-first strategy



Today's Top Operational Focal Points

Manufacturers are busy implementing business initiatives to help them **transform throughout times of change.**

Top operational focal points for today's manufacturers, according to IDC Research², include:



37.5%

Production
Costs



30.6%

Quality
Management



25.1%

Supply Chain
Management



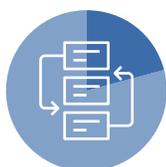
22.9%

Staffing
and Talent



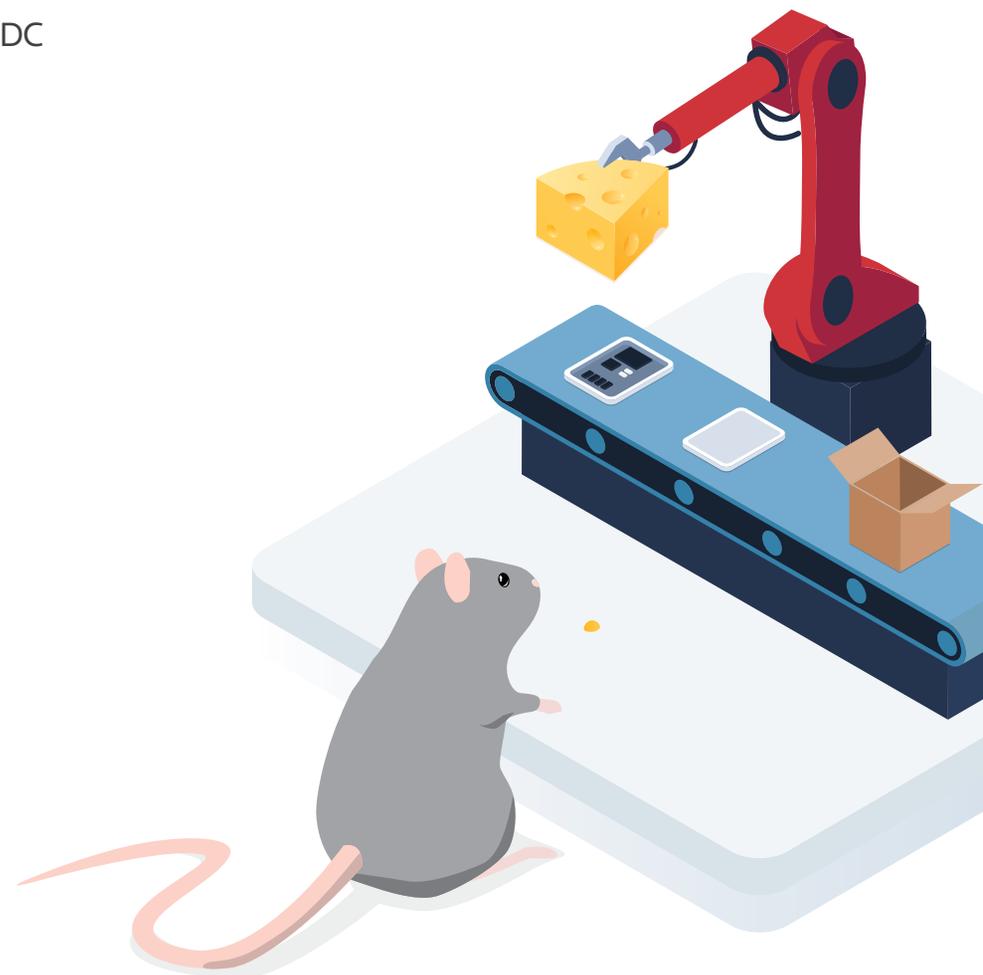
21.7%

Risk
Management



20.9%

New Product
Integration



*% of respondents report as their top operational focus area

Tomorrow's Biggest Business Priorities

Manufacturers that are forward-focused **have an eye on their investments.**

Manufacturers' top business priorities over the next 12 months, according to IDC Research³, include:



42.7%

Customer Satisfaction



48.3%

Operational Efficiency



44.5%

Employee Productivity



41.6%

Innovation



44.1%

Profits



25.8%

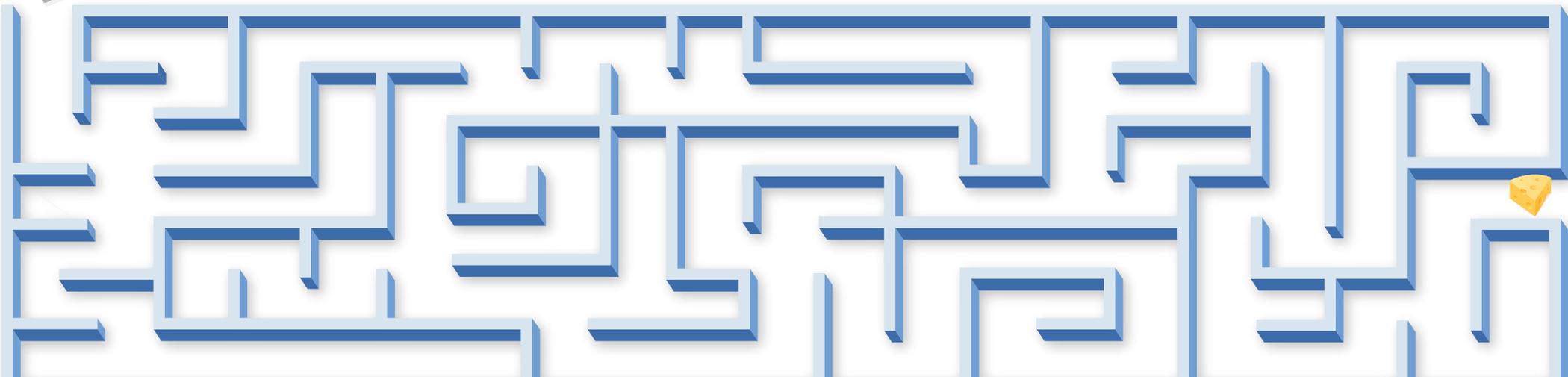
Revenue



25.4%

Cost Savings

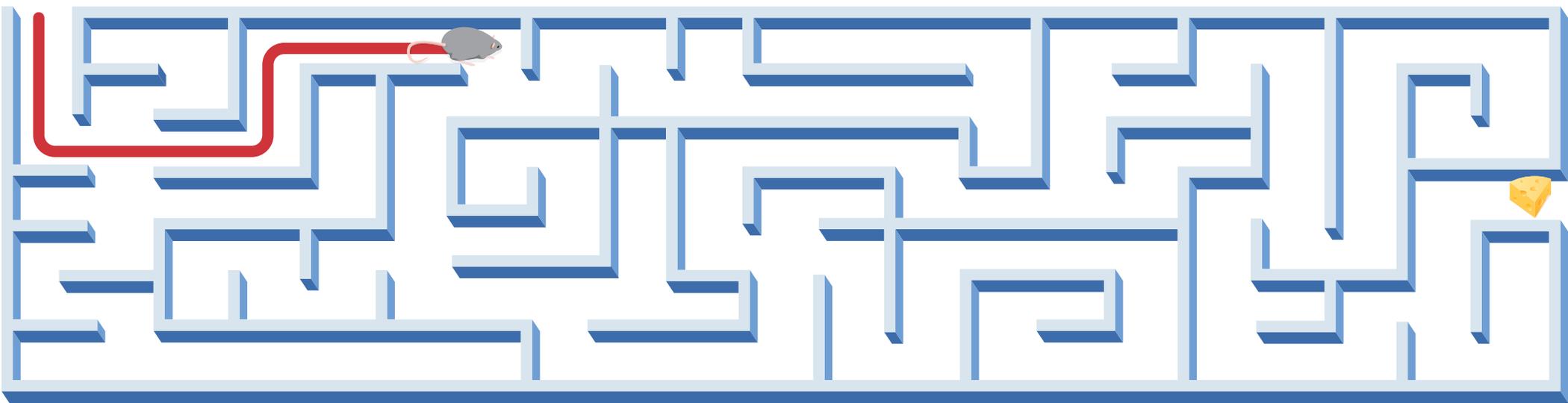
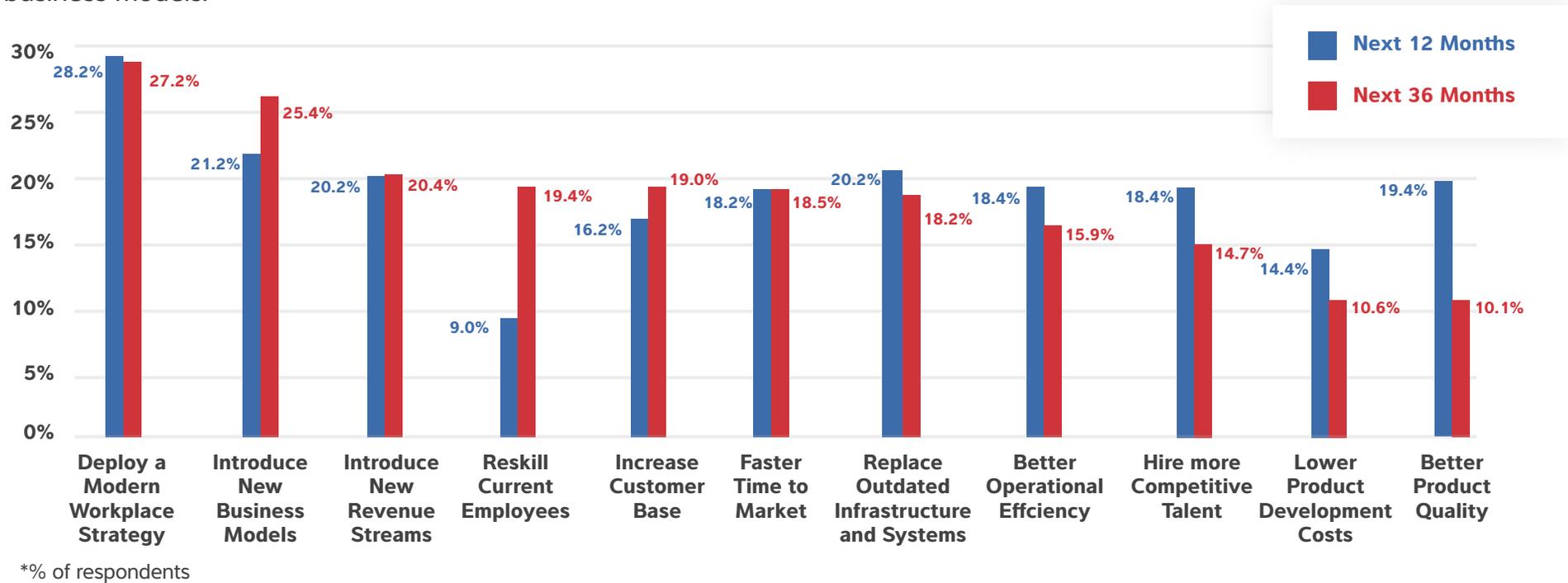
*% of respondents report as their biggest business priority



Discrete Manufacturing's Overall Near and Long-Term Goals

Discrete manufacturers have **specific goals they are looking to achieve** over the next year and beyond.

Top priorities, according to IDC Research⁴, include areas like deploying a modern workplace strategy and introducing new business models.

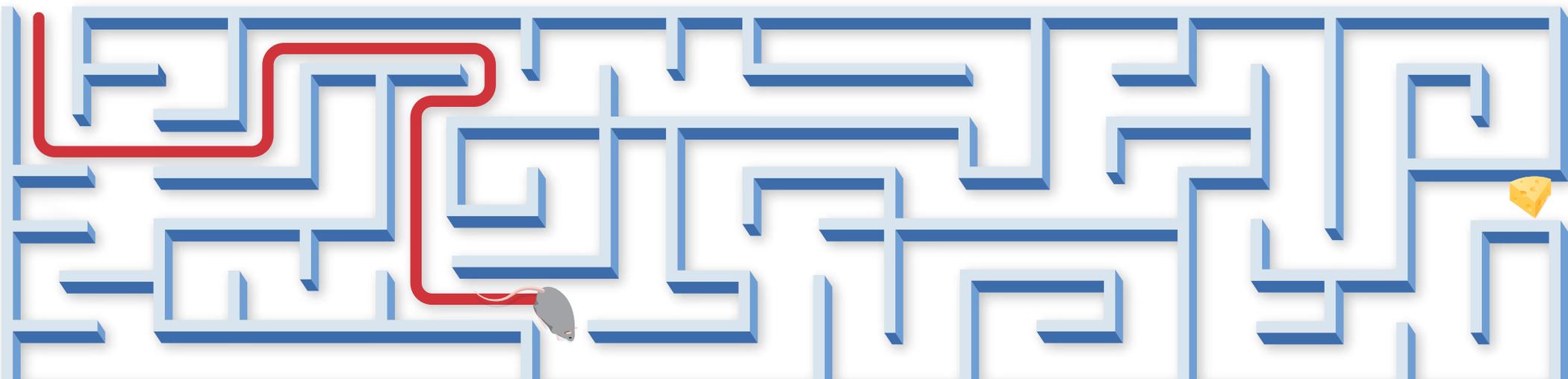
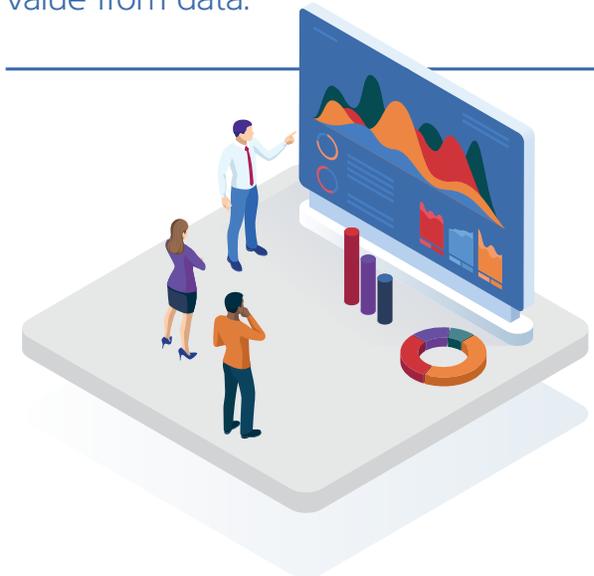


The Key to Transformation: Innovation and a Digital-First Mindset

The key to achieving the business initiatives above, and transforming along the way, is innovation. As an organization moves along this maze of the manufacturing landscape, they must constantly reinvent and reassess the way they operate. With a digital-first mindset, the right tools, and the right data, **manufacturers can navigate the maze no matter its twists and turns.**

According to IDC Research⁵, **65% of organizations began to track and measure new KPIs in the past 12-24 months**—but IT is not keeping up with demands from the business.

91% of organizations rank data and analytics as a competitive advantage / differentiator. However, **only 24%** are able to extract adequate available value from data.



Turning Data into Insights

Digital-first manufacturers are leveraging data to make important decisions. Essential to this is the **ability to access and contextualize the massive amounts of data** an organization is producing. IDC Research⁶ indicates the majority of manufacturers are:

*Level of agreement from 1 (strongly disagree) to 5 (strongly agree).

 **4.06**

Using technology to obtain actionable insights about customers and operations

 **3.70**

Focused on reducing time it takes to recognize the business value from technology investments

 **3.79**

Using tech to deeply transform parts of the business vs. broadly transforming the entire organization

Further, the **top strategies to enable data-driven decision-making** include efforts like:



Enabling continuity through **predictive analytics**



Having **autonomous AI-driven decision making and control**



Creating digital scale through a new **digital engineering organization**



Becoming market-driven through **hyper-connected products**



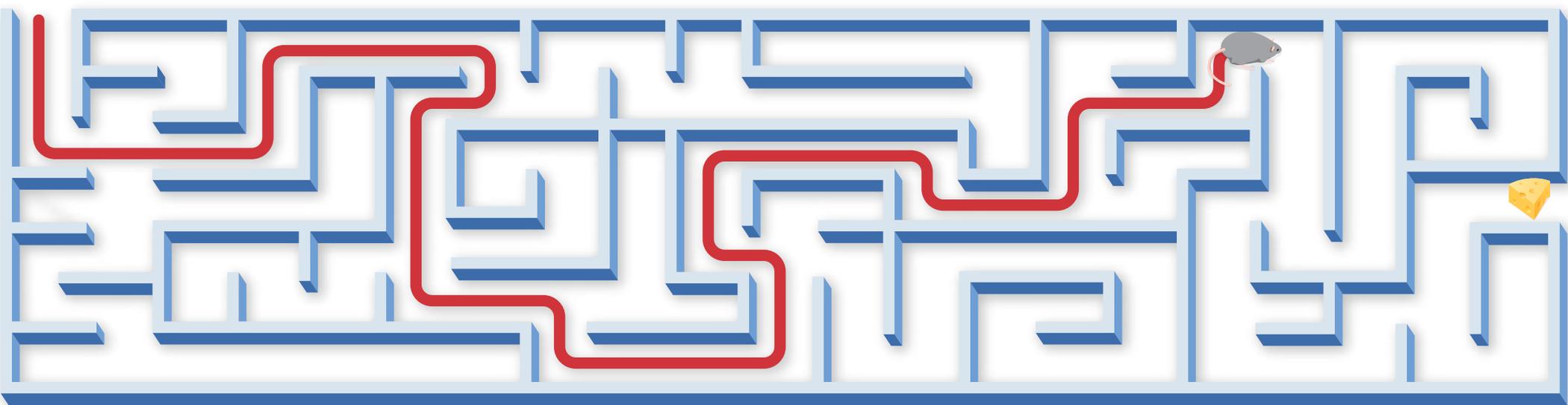
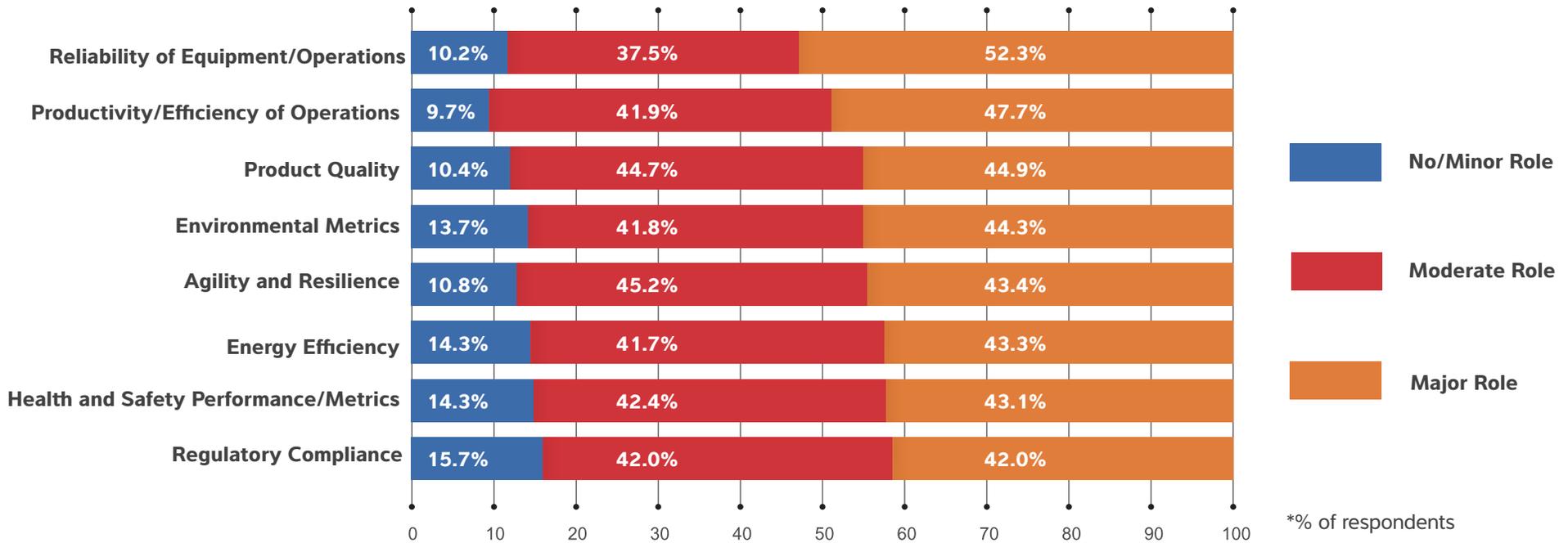
Achieving resilience through **ecosystems**



Importance of Digital Technology on Operational Improvements

Technology plays a large role in the success of organizations through times of change. **Implementing the right digital technology** is key to enhancing operations.

When asked by IDC Research⁷, respondents reported that technology plays a large role in operational improvements.



Skillsets Needed to Mitigate Human Workforce Challenges

Another business disruption that manufacturers have been addressing is the **increasing lack of resources and knowledge**, as well as the manufacturing skill gap.

Savvy organizations have responded by capturing knowledge from experienced employees, and focusing on improving resources and knowledge sharing. According to IDC Research⁸, manufacturers are focusing on defined skillsets when hiring talent.



Ability to Collaborate Within/Across Groups



Problem Solving/Design Thinking



Ability to Work with Large Datasets/Data Science



Ability to Use Digital Technology/Data Literacy



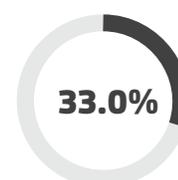
Communication/Presenting and Sharing Information



Managerial Skills/Planning Activities of Others

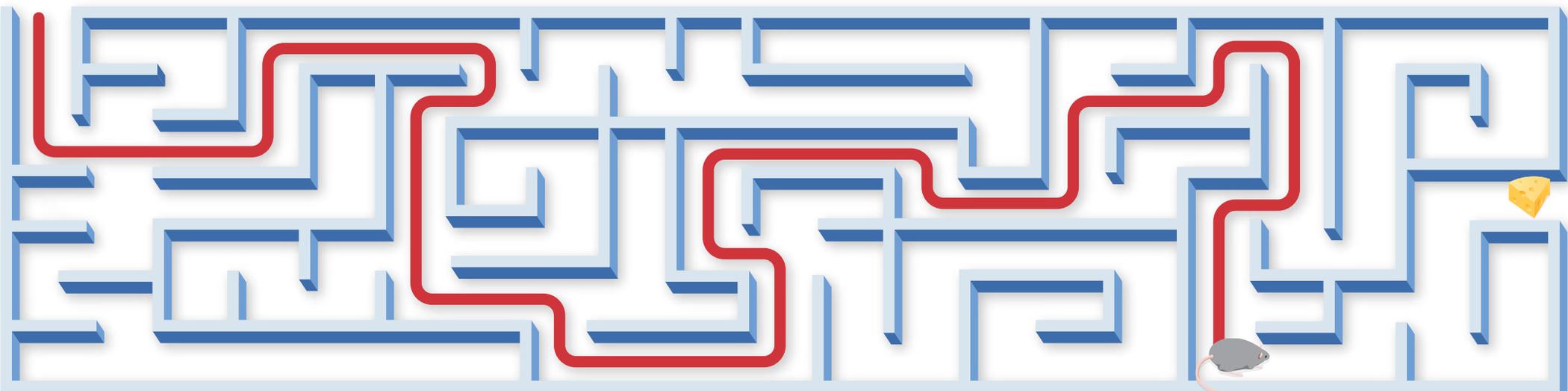


Change Management Skills/Adaptability



Interacting with Clients and Customers

*% of respondents



Catching the Cheese by Putting the Right Solution in Place

The success at the end of the maze only comes from recognizing challenges, adapting to them, implementing a digital-first strategy, leveraging data to make decisions, and enabling the right tools to lead you along the way.

Implementing an Industry 4.0-ready Manufacturing Execution System (MES)/Manufacturing Operation Management (MOM) platform allows organizations to **realize factory digitization and operational improvements like never before**—even in the face of change.

With the right platform, you'll be able to:



Quickly adapt to changing demands and maintain continuous process improvement



Ensure consistency and adhere to best practices



Drive innovation and distinct value



Eliminate waste and reduce costs and errors



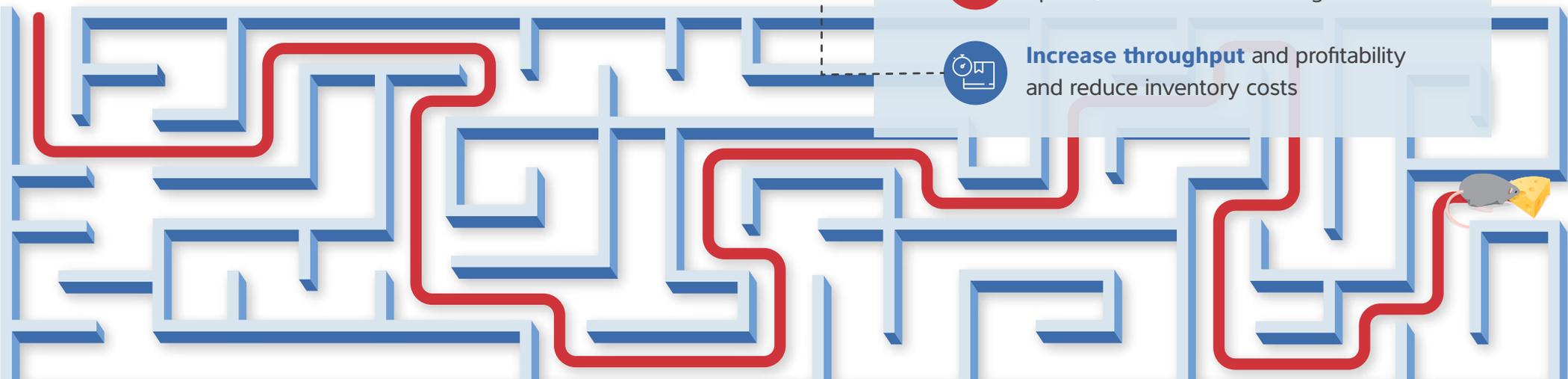
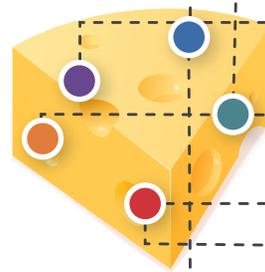
Improve collaboration and eliminate version/revision control issues



Reduce production delays, maximize uptime, and minimize shortages



Increase throughput and profitability and reduce inventory costs



Aegis' FactoryLogix is the solution that can enable all of these benefits. FactoryLogix is an innovative IIoT platform upon which MES operates to seamlessly connect people, processes, systems & devices—allowing organizations to make smarter decisions faster, and finally catch the elusive cheese.

Learn more about the maze of manufacturing—and discover how to navigate your way to your own cheese.

[▶ Watch Webinar Now](#)



1. IDC Future Enterprise Resiliency & Spending Survey - September 2021
2. IDC Future Enterprise Resiliency & Spending Survey - September 2021
3. IDC Future Enterprise Resiliency & Spending Survey - September 2021
4. IDC 2021 Industry IT & Communications Survey - June 2021
5. IDC Worldwide IT/OT Convergence Surveys - June 2020
6. IDC Future Enterprise Resiliency & Spending Survey - February 2021
7. IDC Future of Operations Survey - July 2021
8. IDC Talent Management Study - June 2019

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