



# The Importance of **Robust ERP** in Sustainable Manufacturing

# ‘Unprecedented’

If the manufacturing industry as a whole had to **describe 2020 in one word**, this is most likely how they’d describe it.

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Some of the Issues that arose resulted in a **state of disarray** for organizations of every size.

# 1

*Disruptions to supply chains*

# 2

*Wildly fluctuating changes in demand*

# 3

*Shortages of materials*

# Going forward

# 53%

53% of the manufacturing industry expect COVID-19 to significantly impact operations, long term.

**Source: National Association of Manufacturing (NAM)**

Businesses will **need to continuously monitor and evaluate their production plans** as the demand for certain goods like automotive, non-essential goods, and construction materials continues to waver.

In contrast to things like chemicals, ventilators, sanitizers, hygiene products, PPE, and various pharmaceutical raw materials which have all dramatically increased. This shift in demand calls for a realignment, and systematic **implementation of operational business processes in concert with a fortified ERP system.**

# Some of the **biggest concerns of the manufacturing industry** at the height of the Covid-19 pandemic

**1**

**Loss of revenue due to** stalled production around the world

**2**

**Rapid change in demand patterns** for certain consumer goods

**3**

**Low or no availability** of raw materials

**4**

**Realignment of the workforce** to accommodate working from home

**5**

Downward or **backward fiscal growth.**

**6**

**Disruption of supply chains** due to travel restrictions

**7**

Fear of exposure to the virus resulting in **skeleton crews on production floors**

# Future Sustainability

The future sustainability of organizations in the manufacturing sector will **depend on specific investments** to streamline, realign, and effectively manage business and production operations including:

Tools

Software

Systems



# Challenges Faced by the Manufacturing Industry During Covid-19

**01**

Disrupted Supply Chain

**02**

Changes in Demand

**03**

Disrupted Supply Chain

**04**

Disrupted Supply Chain

**05**

Disrupted Supply Chain



# Lasting Effects

The after-effects of Covid-19 has compelled decision-makers from businesses in the manufacturing sector to completely reevaluate their business processes and automation in order to deal with supply chain bottlenecks effectively. This is **where the implementation of an effective ERP** system comes into play.

Listed below are just a few key strategic ways that a comprehensive ERP system like **Microsoft Dynamics 365 for Supply Chain** and **Finance** can help fortify the end-to-end manufacturing life cycle for companies in this industry.

# 1/3

## Addressing Bottlenecks in the Supply Chain

ERP systems have proven essential to optimizing the supply chain and providing top-to-bottom visibility of production cycles to avoid situations like stock-outs, inventory glitches, and logistical issues. **ERP tools have become highly critical** to businesses as global supply chains are disrupted, helping to mitigate damages by overhauling the demand-to-supply strategy and optimizing the supply chain accordingly. These systems are highly crucial when it comes to collating and classifying production data for complete visibility to workers on the shop floor and beyond.



Listed below are just a few key strategic ways that a comprehensive ERP system like **Microsoft Dynamics 365 for Supply Chain** and **Finance** can help fortify the end-to-end manufacturing life cycle for companies in this industry.

## 2/3 **Boosting Automation to Compensate for Skeletal Workforce**

Thanks to restrictions still in place, many factories continue to operate at 50% workforce or even less to maintain social distancing to mitigate exposure risks. **This means that more manual operations are becoming automated, requiring planning, changes in hardware and software**, training, and proper deployment of automation protocols. This can all be managed with the help of a robust ERP system.

Listed below are just a few key strategic ways that a comprehensive ERP system like **Microsoft Dynamics 365 for Supply Chain** and **Finance** can help fortify the end-to-end manufacturing life cycle for companies in this industry.

# 3/3 Addressing Bottlenecks in the Supply Chain

Since the pandemic, there has been a swing in need for certain commodities, such as automobile parts, sanitizers, hygiene products, and ventilators. These **rapid changes in the market require an ERP system that helps streamline raw material purchases, billing cycles, payroll solutions** and more.

## Boosting Manufacturing with Microsoft Dynamics 365

Comprehensive platforms like **Microsoft Dynamics 365 Finance or Supply Chain** help improve efficiency and productivity for businesses in the manufacturing industry.

Systematic tools assist with **planning, logistical management, change analysis, data collation, capacity requirement management**, and responding to rapidly changing needs.

# Boosting Manufacturing with Microsoft Dynamics 365 ERP during Covid-19

## 01

### Supply Chain Management



Mitigating damages caused by supply chain disruptions. Optimizing existing logistics and transportation patterns to suit current demand.

## 02

### Change Management



Collating data for changing requirements and preparing business strategies. Coordination with stakeholders to effectively navigate changing demand patterns.

## 03

### Inventory Management



Estimating raw material requirement basis changed demands. Preventing stockpiling or stock-outs. Top-to-bottom inventory visibility for all stakeholders.

# Key Takeaways

Numerous changes that developed at the onset of Covid-19 created significant setbacks businesses in the manufacturing industry;

Savvy organizations that can take advantage of **the right ERP software while investing in intelligent solutions will be in the best position** for growth when the dust settles. Here are some final points to remember when it comes to ERPs in the manufacturing industry.

1

Analyzing global and local goods and commodities requirements will be **essential for running a modern manufacturing plant.**

2

Manufacturers need to be ready to rethink their supply chain and **inventory management strategies** and implement proven and systematic resource planning tools.

3

Top executives and decision-makers in the manufacturing sector need to **invest in smart manufacturing ERP software solutions** to combat the changing demand and supply patterns.



# About Xcelpros

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**Our** team is comprised of forward-thinking, experienced Subject Matter Experts (SMEs) and Technology Consultants with decades of business, industry, and regulatory experience.

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