

Jan

One of the
RSM team



How industrial companies are
using tech to bolster global
supply chains

As the supply chain becomes more complex, cloud ERP is helping companies upgrade their tech, automate processes and gather real-time insights to solve industrial challenges. Here's how.

As a whole, manufacturers in the United States account for about 11% of the total output in the country and employ 8.41% of the nation's workforce. Roughly 240,000 manufacturing firms are currently operating in the U.S., where total manufacturing market output is currently \$6.36 trillion and expanding. Globally, the distributors that bring all the manufacturers' finished goods to market are also growing and on track to reach \$11.93 trillion by 2032, up from \$7.83 trillion in 2023.

Working with the broader manufacturing segment is the thriving industrial sector. It's there that companies that produce plant machinery, material handling equipment, automated packaging equipment, vehicles, tooling and machinery components work with their industrial distributors to get their products into end users' hands.

Making that happen isn't easy, and the task is becoming increasingly difficult for industrial manufacturers and distributors that rely heavily on aging legacy systems, disconnected software applications and spreadsheets to run their growing operations. Others rely on homegrown systems that were developed decades ago, and whose original makers have long left the company to retire or fill positions at other companies.

The continued supply disruptions, high costs of doing business, inflation and the labor shortage are just some of the roadblocks that are exposing the gaps in these manual approaches and driving companies to explore modern technology options.

This playbook uncovers the main technology challenges that industrial manufacturers and distributors face in today's uncertain business environment and shows how a modern cloud-based enterprise resource planning (ERP) system supported by an experienced implementation advisor can help companies break free of these constraints and future-proof their global supply chains.





When your processes work against you

Right now, industrial manufacturers and distributors are facing a number of supply chain management challenges that include (but aren't limited to) the need to manage increasingly complex and globalized supply chains; unpredictable demand due to seasonal fluctuations and current economic conditions; a shortage of skilled workers; ongoing geopolitical instability in areas like Europe and the Mideast; and the increasing prevalence of extreme weather events.

These and other challenges can interfere with an industrial manufacturer's and distributor's ability to meet customer demand and meet their own profitability goals. Companies must also think beyond the core process of "buying components and raw materials to be used to make or distribute products to customers" and understand the complexities of their global chains. Effective supplier management is a crucial aspect of this, but the ability to manage one's own internal processes and data should be first and foremost.

"A lot of industrial companies are trying to figure out how they can better plan so that they don't run out of the critical raw materials needed to meet customer demand," said Les Jankiewicz, senior director, technology consulting at RSM US LLP, a NetSuite Alliance Partner. "They're also working to balance out the need for skilled labor, be it in assembly, for quality inspections, or to manage planning and scheduling right on the plant floor."

To tackle these projects, many industrial organizations seek out solutions that yield the fastest results in exchange for the least amount of resistance. With the bar set this low, many companies wind up throttled by the very systems they put in place during the startup phase: QuickBooks, Excel spreadsheets and a lot of manual processes. To patch the holes in their systems over time, the same companies likely installed myriad different third-party applications, none of which "talk" to one another or share data without needing even more spreadsheets.

"Most of the industrial companies we've worked with were either using aging software systems that weren't fully integrated with one another, or they're at a point where their expanding operations just can't be run on a basic application like QuickBooks anymore," Jankiewicz explained. These approaches create numerous different challenges, including the inability to keep data "clean" and usable; a lack of reporting tools; poor demand planning and forecasting; and employees who spend entirely too much time shuffling data from one system to the next in hopes of creating a cohesive, actionable picture of organizational performance.

For example, an accounting team member will access QuickBooks for one data point, enter that data into a spreadsheet, and then share that spreadsheet via email with the designated production or fulfillment planners. For the typical industrial company, this process likely repeats itself over and over again throughout the day. The system is error-prone, time-consuming and takes professionals away from more meaningful, strategic work.

"Industrial companies wind up putting a lot of work into maintaining data and trying to keep that information current," Jankiewicz said. This can get especially tricky for the organization that's already dealing with constrained resources and that doesn't have the time or manpower to keep its data current. Things start to slip between the cracks and before you know it, operational visibility becomes more of a "wish" than a reality. Suddenly, products aren't coming off the production line on time, orders are shipped late, inventory counts are inaccurate and customers are unhappy.

"By the time a customer is upset, it's too late to be able to do anything about it," said Jankiewicz, who has seen all too many industrial companies dealing with this conundrum on a daily basis. "Companies then wind up having to expedite the orders and pay more for air freight to keep that customer happy. This directly impacts a manufacturer's or distributor's bottom line and profitability."





Gain a competitive edge and meet customer demand

A growing number of industrial manufacturers and distributors are investing in technology that helps them advance down the digital transformation path, and for very good reason. With the right systems in place, these organizations can improve efficiency and productivity; reduce operating costs; improve quality; gain a competitive edge; and better meet the ever-changing demands of their customers.

For industrial companies, [NetSuite cloud ERP](#) offers a wide range of features and functionalities—from financials and accounting to inventory and supply chain management, and all points in between. With NetSuite in place, industrial companies can:

- Manage orders across all channels—web, call center, B2B portal or marketplace—to deliver a seamless experience.
- Enable a buy anywhere, fulfill anywhere experience with real-time inventory visibility across all locations and warehouses.
- Achieve a 360-degree view of the supply and demand across all inventory locations and distribution channels.
- Manage the modern supply chain with control, visibility and planning across your procurement operations.

Jankiewicz has helped many manufacturers implement NetSuite and said those customers are consistently impressed with the ERP's user-friendly qualities. "This is an ERP that's actually fun to use due to its user interface, the nature of its design and how easy it is to learn," he said. The fact that the ERP is available 24/7 from anywhere in the cloud also helps minimize the complexities of running a modern industrial supply chain, where myriad different suppliers, contractors, third-party logistics providers and transportation providers are involved in every single order.

Interacting with customers is also easier with NetSuite, which provides an easy way to enter purchase orders, check inventory levels and check on order statuses. "NetSuite makes it easier for customers to follow through from the time the order comes in until it's processed and all the way through to the point of shipment," said Jankiewicz.

All of NetSuite's active customers get two automatic software updates per year, with new features, enhancements to existing features, and bug fixes included in those releases. Because you're always on the latest release, you can stay ahead of the curve and know that your business's changing needs are always being met.

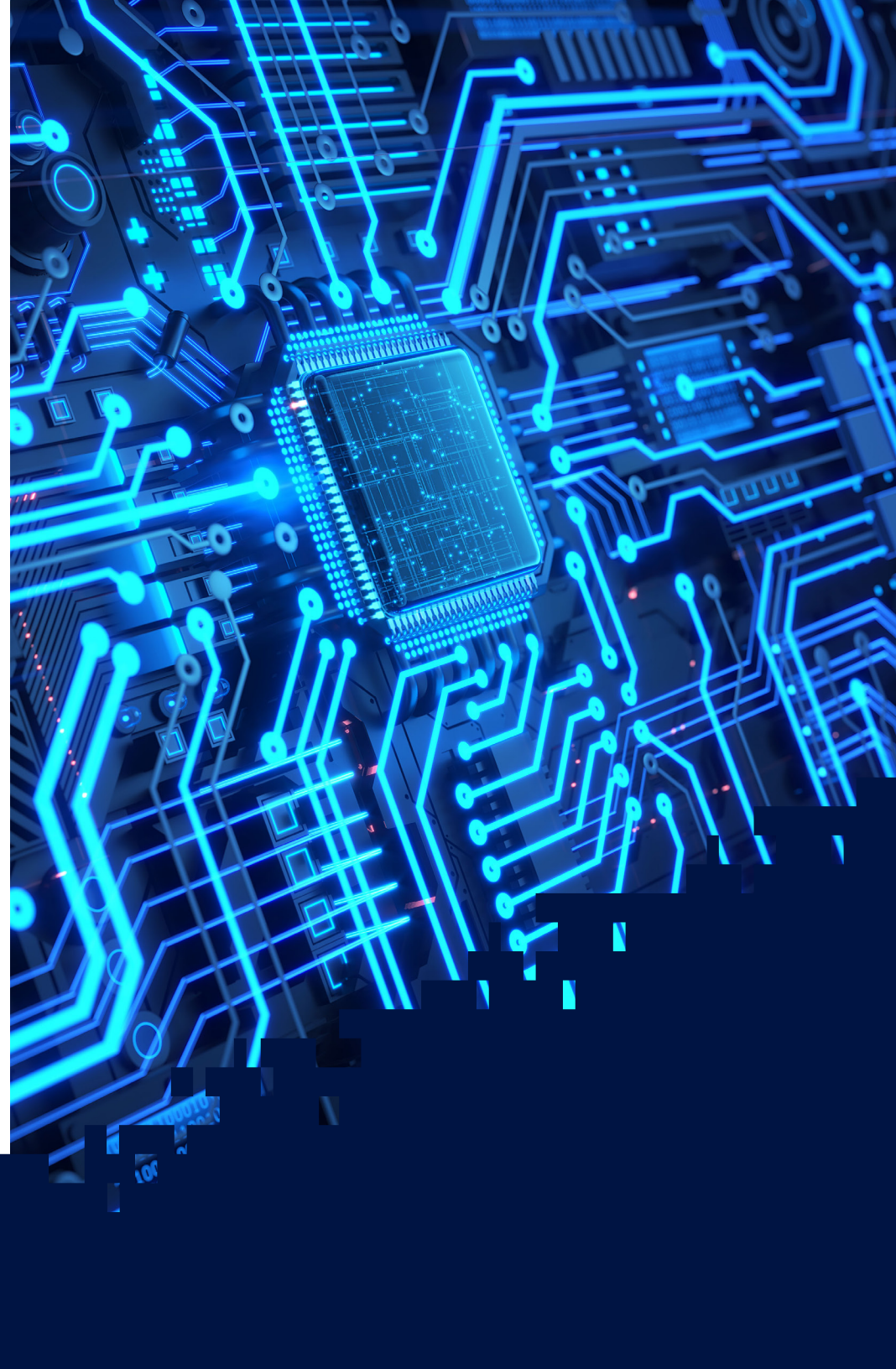
Using automation to tackle labor issues

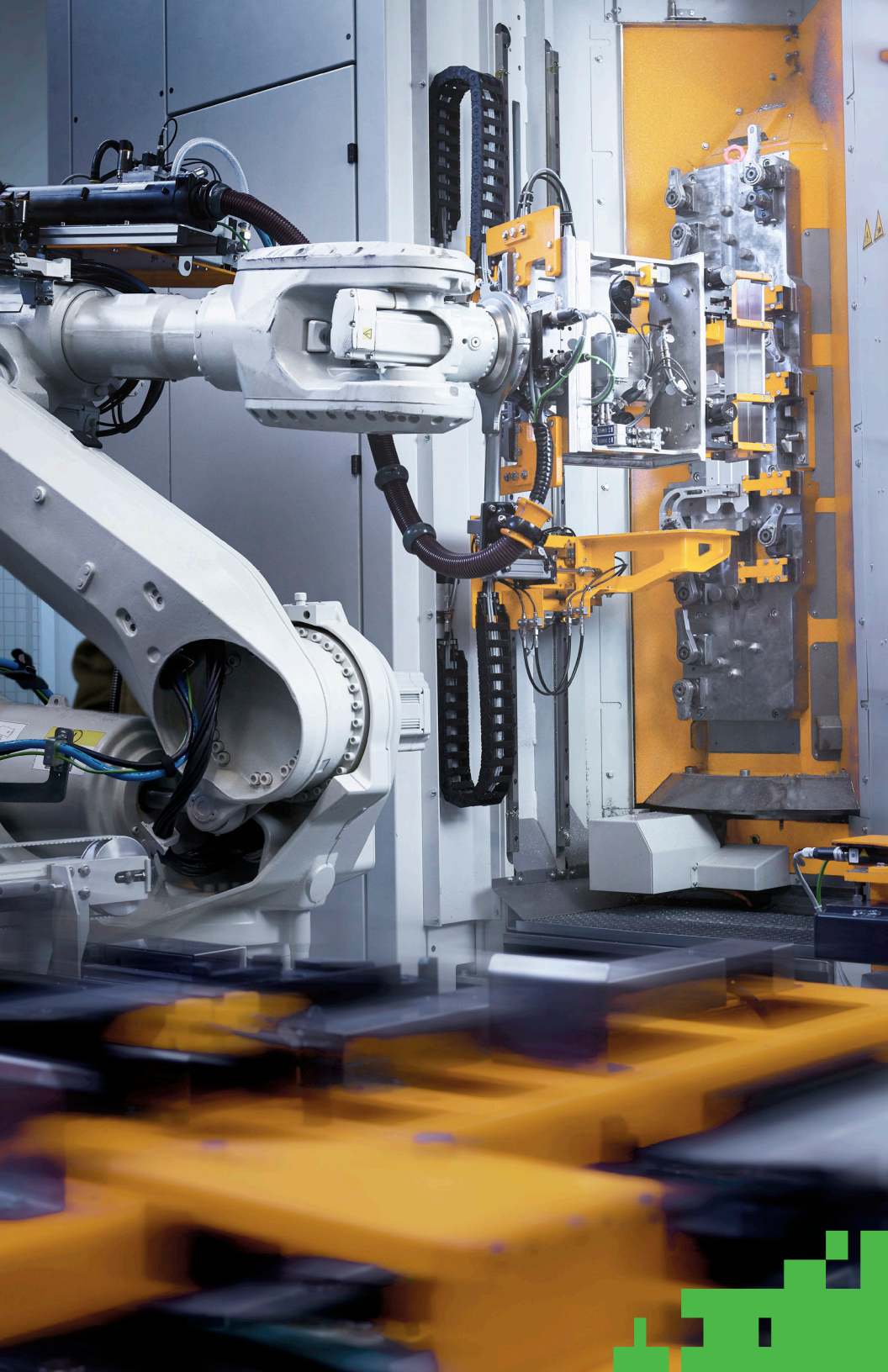
The national labor shortage continues to impact most industry sectors, but manufacturing has definitely felt more than its fair share of those impacts in recent years. As of June 2023, nearly 60,000 manufacturing positions were waiting to be filled at companies nationwide.

"With older employees retiring, the labor shortage has become a pressing concern for manufacturers, employees and investors, as it can affect productivity and growth," SteelCraft President and CEO Kevin Stevick writes in [Forbes](#). Along with honing their corporate cultures, prioritizing training and establishing partnerships with educational institutions, manufacturers should also consider adopting more technology to help offset their labor woes.



In my experience, by incorporating sophisticated tools and software, businesses can streamline operations, boost productivity and reduce reliance on manual labor," Stevick writes. "This strategy enables employees to constantly improve themselves to concentrate on more strategic duties while maximizing productivity despite limited resources.

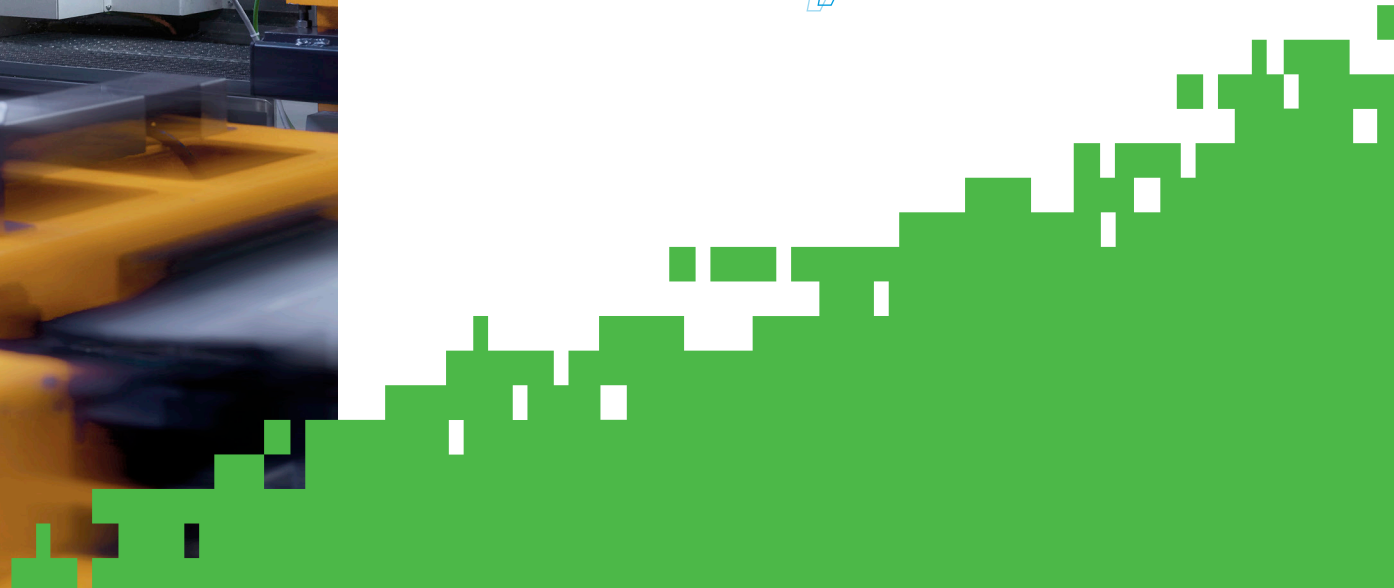




Automation helps industrial companies solve these labor issues in a number of ways. Automating repetitive and time-consuming tasks reduces the need for manual labor and allows associates to focus on more appropriate tasks; reduces errors, improving the quality of a company's products and services; and enhances the company's ability to adapt quickly to new customer demands and market trends. The benefits of automated systems like NetSuite can also help companies attract and retain talent.



The industrial company that can't recruit two new planners can use NetSuite to improve efficiencies and do more with its current staff," said Jankiewicz. "It's easier to interact with and use a modern ERP platform like NetSuite than it is to try to learn an aging legacy system and then use spreadsheets to fill the gaps between that system and other third-party solutions.





Covering all the bases

With NetSuite as the technological foundation, RSM helps industrial manufacturers and distributors leverage technology to streamline their operations, optimize processes and focus on their core missions. As a NetSuite Alliance Partner, our core value proposition includes deep industry specialization and a lengthy track record of helping industrial firms successfully implement NetSuite.

When industrial companies work with RSM to implement NetSuite, they also get the benefit of deep industry experience and the assurance that they'll be supported by people, processes and technology transformation as part of their ERP implementations. RSM's specialists understand the industry challenges and the solutions that help organizations meet those challenges.

Some of RSM's top offerings for retailers include prebuilt solutions (e.g., integrations to third-party platforms); custom solutions in NetSuite that meet industry-specific requirements; and an implementation approach that folds change management into the ERP implementation journey. RSM also has key relationships within the industry to provide recommendations on available third-party tools that deliver best-in-class solutions in industry sectors.

RSM's secret sauce

With NetSuite and RSM in their corners, industrial companies can also scale up, add new locations, break into new markets and/or grow their operations in ways that wouldn't be possible using QuickBooks, spreadsheets and disconnected applications.

Katie Shepard, NetSuite supervisor at RSM, says her company's "secret sauce" lies in a unique implementation methodology that starts with a thorough understanding of the customer's business, challenges and requirements. From there, RSM can pinpoint exactly which NetSuite modules make the most sense for that specific customer. "We've worked with a lot of industrial companies, some of which came to us looking for deeper knowledge of NetSuite best practices and experience within their industry to help meet their unique and growing needs," said Shepard.

To industrial companies whose growth and success is being throttled by too many aging and manual systems, Jankiewicz said there's no better time to make a move to a unified, cloud ERP like NetSuite. Delaying this decision will only incur lost opportunity costs, he said, and put your organization even further behind its competitors.

The manufacturers and distributors that work with RSM to implement NetSuite, on the other hand, will be able to maintain a clear advantage while bringing all aspects of their growing businesses onto a single platform that addresses all of their needs ... and more.

[Learn more](#)



+1 800 274 3978
rsmus.com

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