Critical Success Factors for Today’s Manufacturing Industry

Like every industry today, the world of manufacturing is dealing with increasing business pressures. Secure and seamless order fulfillment processes will not be sufficient to win and retain customer loyalty. Success for today’s manufacturers will depend on their ability to provide superior value to customers in not only products and processes, but services and solutions as well. To deliver this added value critical to keeping customers, companies will have to deploy flexible and collaborative systems that decrease the time to market for innovative products with ever shorter life cycles, while reducing costs and opening up new revenue streams.

The path toward innovation and success is paved over time by the choices of business decision makers. Yet, every business executive faces the challenge of determining which choices will reap real rewards, and which are merely today’s technology fads.

Examining the path

Examining the past is one way of understanding future direction. Many enterprises are now benefiting tremendously from decisions made in the last decade to streamline and automate business operations in manufacturing, especially through classic enterprise resource planning (ERP) systems. Today, extending ERP technology to run on Internet-based frameworks, which support real-time communication and information exchange (collaboration), is far enhancing the efficiencies and cost savings enabled by these systems beyond expectations. By expanding the possibilities for integration and collaboration to customers, suppliers, and partners, companies can achieve wholly new levels of business value. But how does an organization transform an inter-enterprise chain into an integrated, adaptive, collaborative business value chain?

Work with partners to dominate markets

To empower the corporation and create new business value, executives must integrate their business more comprehensively, collaborating earlier in the product life cycle and including business partners and stakeholders in the process. These links must extend both upstream, to vendors and their suppliers, and downstream, to customers and those driving market demand. By developing powerful collaborative bonds, corporations can expose unprecedented visibility into their business operations—the ability to understand their own market demand and production capacity, and to respond in ways that make them valuable partners to customers and suppliers alike. This visibility can empower the enterprise to succeed in ways never before possible.

Every manufacturing company needs to evolve to realize the agility necessary to integrate trading partners, to collaborate for innovation, and create value across company boundaries. The core theme for manufacturing companies today is: Industry leaders will be working with partners around core competencies to dominate markets.

The challenge

The challenge, then, rests in helping leaders to avoid overlooking critical opportunities— and falling forever behind. To assist in this effort, this and the
subsequent two articles, seek to help executives better understand the challenges of transforming today’s manufacturing processes.

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