



Industry Trends in ServiceNow

Your **Manufacturing Industry**
Insights for 2020 and Beyond

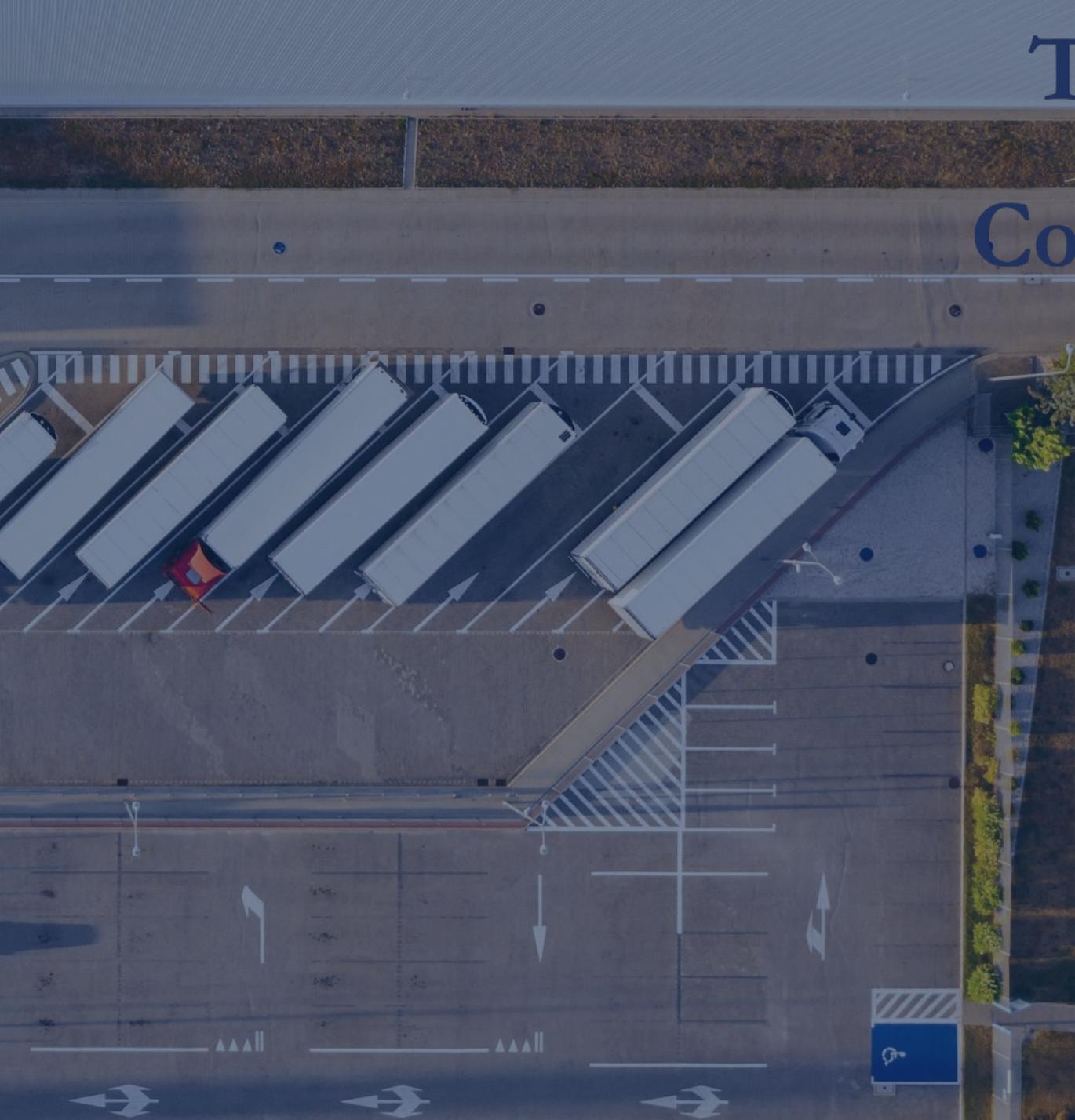


Table of Contents

3 State of the Industry

5 Top Challenges

7 Top Imperatives

11 Acorio Case Study

15 Forging a Path Forward

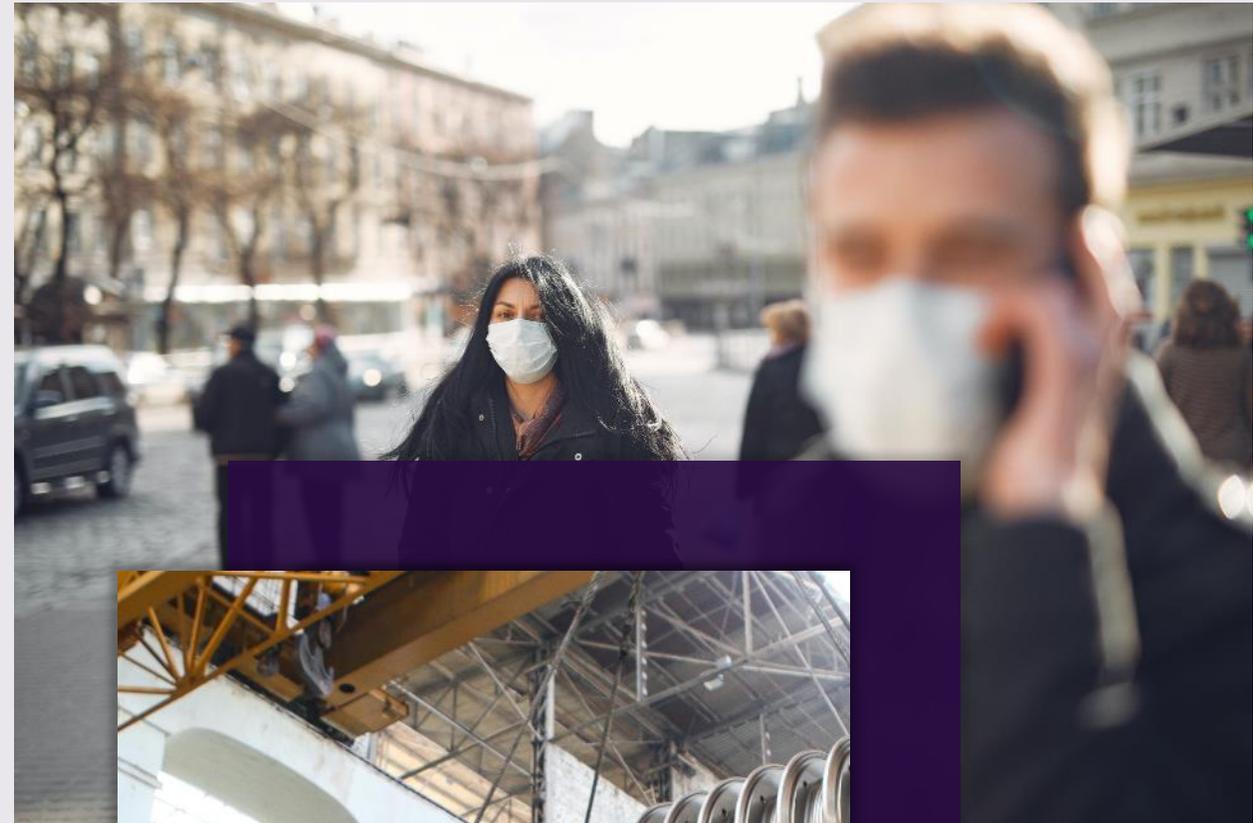
The State of the Industry

2020 brought on unique changes for the manufacturing industry – from government lockdowns and supply chain disruptions to political unrest and wary consumers, the year has offered countless opportunities to step back and re-evaluate current operating models.

Pressing pause isn't always a bad thing. The pressure felt by the industry at the start of 2020 produced some diamonds – **the nimblest companies around the globe pivoted seemingly overnight to meet new and evolving needs.**

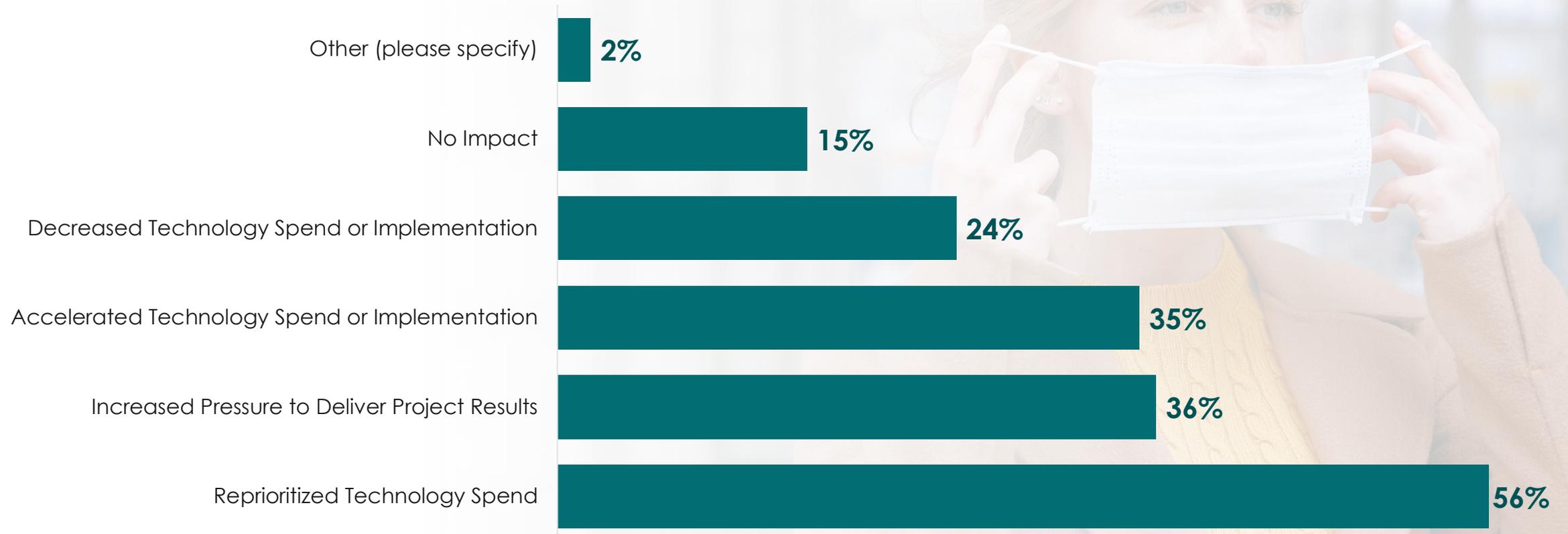
Countless fashion companies switched to mask production at the start of the coronavirus pandemic, allowing them to keep their factories open while delivering a product in high demand. L'Oréal Cosmetics proved its agility by using its facilities to manufacture hand sanitizer that they then distributed for free to employees, partners, and healthcare professionals.

That type of agility and vision – sensing a need and having the right digital strategy in place to pivot and deliver on it quickly – will remain crucial to the success of manufacturing organizations in 2021 and beyond.



How 2020 Has Changed Business

How has COVID-19 changed your business's technology and digital transformation strategy? N = 180



Top Challenges Facing Manufacturing Organizations Post-COVID-19:

1

Supply Chain Disruption

Manufacturing firms may be called to move facilities or diversity their supply chains to mitigate the disruption caused by country-specific lockdowns and transportation disruptions, as well as tariffs. Beyond 2021, cost-competitiveness shifts worldwide could make companies will be more apt to move operations to new sites.

2

Government Mandates

Ensuring the health of employees while navigating changing tariffs and government mandates will be essential. In addition to legally mandated protocols, individual companies will be expected to self-regulate to ensure worker safety and maintain health standards.

3

Tightening Labor Market

Manufacturing orgs, especially those in advanced technologies, are facing a widening skills gap. Attracting, developing, and maintaining the best talent will be essential. Investing in your team and offering opportunities to upskill will become the norm.

4

Economic Slowdown

Organizations that pivot their strategies to anticipate economic disruption will be better poised to weather the fall-out brought on by the coronavirus pandemic, global political unrest, and wary consumers throughout 2020 and beyond.

What are manufacturing execs saying?

56%

Of the leading manufacturers consider enhancing ordering and delivery capabilities or multichannel strategies among the most important factors for success in the next few years

45%

Have invested in developing differentiated service offerings based on customer value to improve customer experience

2/3

Consider access to specialized skills for emerging technologies among the most important factors for success in the next few years

Manufacturing's Top Imperatives for 2021

1. **Ditch silos**
2. **Automate manual processes**
3. **Invest in the right tech**
4. **Connect disparate systems**

Ditch Silos

When your systems are connected, they run smoothly. Disjointed systems slow down growth by impeding communications between teams. Ditching organizational silos will unlock productivity and deliver crucial enterprise-wide visibility as business continues to digitally advance in the new decade. Maintaining an agile, connected working model that allows for a quick decrease in production could be the difference between making or missing earning targets.



Spotlight on: Industry 4.0

Broken channels of communication, lack of actionable data, and manual processes continue to plague manufacturing firms of every type – even those who have an existing Digital Transformation roadmap in place.

Industry 4.0 will be the next step to connecting everything, everywhere. Modernizing and digitalizing an organization's manufacturing structure by relying on Internet of Things (IoT), Predictive Analytics, and other advanced technologies will allow manufacturing organizations of the future to run smoothly, even while rapidly expanding or relocating parts of the supply chain. Connecting disjointed systems and automating manual tasks will free up financial and human capital resources to be reinvested elsewhere.

Automate Manual Processes

Manufacturing companies as a whole lag behind other industries when it comes to automating manual administrative and operational processes.

The sheer scale of operations makes implementing the latest technology difficult for manufacturing orgs – deciding on the wrong technology and ultimately needing to remove it can be just as costly as making do with inefficient legacy systems.

Now, with the rapid changes 2020 has brought to every industry, companies can no longer afford to stall in their digital transformation efforts. ServiceNow has emerged as the champion enterprise-wide cloud solutions platform to support organizations across industries, with its proven ability to eliminate silos, automate inefficient manual processes, combat disruption, and drive growth.





Invest in the Right Tech

The right mix of hardware, software, and well-trained staff is crucial to maintaining quality, working efficiently, and responding to disruption quickly. Investing in the right technology now will make or break organizations in the business climate that is emerging in the new decade.

Read on to see how one global manufacturer used the ServiceNow platform to revolutionize its HR processes across 70 countries.

Fortune 500 Paint Supplier

A leading supplier of paints, coatings, and special materials, this Fortune 500 company has operations in over 70 countries. With humble beginnings in the United States, it's now the largest coatings company in the world and a clear leader in its industry.

47,000 Users

70 Countries

Scenario

With no centralized management structure, the paint supplier struggled with siloed departments and business units. Before partnering with Acorio, the company had designed a new global HR operating model that would be delivered in a multi-year program. The organization's main goals were streamlining global HR into one hub and saving money where they could in light of current economic and political trends.

Solution

In just under a year, Acorio and the paint supplier implemented a custom Service Portal including chat, HR Case Management, and Knowledge for their HR teams, employees, and leadership. ServiceNow also included an integration with their existing Workday service platform, which would bring over employee data and initiate HR cases from certain transactions so HR agents could engage with employees with a background of information.

Results

The project went live on time, a huge accomplishment for a company that had never undertaken an HR project of this magnitude. Over 8,000 Knowledge Article searches in 10 different languages were conducted on day one. The new ServiceNow HR Portal funneled users to the knowledge base as a first resort, freeing up service reps' time.



Connect Disparate Systems

Disconnected systems not only impact your organization's visibility, they impact efficiency and productivity.

ServiceNow's Digital Workflows have the power to bring order to disparate systems and processes. They can bridge the gap between manual and digital operations – creating a truly panoramic view of a manufacturing operation.

Connected systems combined with sophisticated predictive analytic and preventative maintenance measures allow your organization to run more smoothly – for example, field agents can be deployed to service machines before they break down, potentially saving you from a costly disruption.



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In our conversations with operations leaders, we find that many are energized and inspired by the progress the [COVID-19] crisis has forced them to make. Production lines have achieved record levels of availability and output: one automotive company found that manufacturing productivity actually increased when it introduced physical-distancing measures. After switching to daily planning cycles and gaining real-time visibility of their operations, managers don't want to return to the old cadence of monthly planning and metrics that lag behind the situation on the ground.

- McKinsey, *Jump-starting resilient and reimagined operations*

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ServiceNow Platform Spotlight: Predictive Analytics

Statista predicts that the number of smart devices connected to the Internet of things (IoT) will reach 75 billion by 2025. This massive network of connected devices offers up a crucial opportunity for Manufacturing organizations, as every connected device has the potential to stream important diagnostic data to a central source. ServiceNow's Digital Workflows make it possible to collect, view, and act upon the immense volume of data streaming in from IoT-connected devices and systems.

With Manufacturing organizations running on strict schedules, each hardware or software malfunction amounts to a direct hit to the bottom line. Having systems in place that allow for the timely collection of data from connected equipment and devices will allow you to intervene before a costly outage or breakdown.

ServiceNow's Hardware and Software Asset Management solutions shine when it comes to reducing spend and disruption. With an accurate warning system in place, you can be sure your equipment and systems are functioning properly and conduct routine maintenance with better insight into current status.

Forging a Path Forward

Emerging technologies, social pressure, changing consumer demands, and changing business ecosystems are all contributing to spell change for every industry.

2020 has brought manufacturing enterprises a unique opportunity to step back and assess how they can be strategic in how they initiate change and digitalize their business. Focusing on attracting top talent, investing in the right technology, and building agility and business continuity is key.

Rather than focusing on single tools or processes, manufacturing organizations of the future will do well look at the big picture – how can emerging technologies align with existing processes to build a more innovative, resilient, and sustainable manufacturing organization?



Real world business outcomes throughout your ServiceNow journey. Powered by Acorio, the largest pure-play ServiceNow consultancy.

Empower now.

100% ServiceNow

9 Unique Practices

Global Certs Leader

Customer Outcomes

World Class Talent

Advisory & Implementation



20% of Acorio's 240+ Employees