

Drivers of success

Factors fuelling demand for the world's
most ambitious Manufacturing
& Distribution companies

Disruptive technology

Manufacturing and distribution companies that prosper will be those willing to adopt artificial intelligence and disruptive technology.

In 2020, the global investment in Artificial Intelligence (AI) was estimated at \$50 billion and many are expecting spending to more than double by 2024.

One of the biggest areas of expenditure – about 20% of the total – is intelligent process automation, which is replacing

humans carrying out low-value, repetitive tasks with AI-enabled machines.

Industrial manufacturing and retail/consumer products have been one of the biggest AI success stories post-Covid. However, there is still huge potential for organisations to embed technology deeper across more of their operations.

Supply chain resilience

The most pressing topic for many CEOs is the state of the supply chain.

From the onslaught of the pandemic, companies have been dealing with raw materials and component shortages, the rising cost of goods caused by inflation and labour shortages.

While we have seen improvements, the pressure is unlikely to abate as geopolitical tensions in Europe and

Asia – the workshop of the world – look set to continue.

Supply chain stresses are not expected to be resolved until some of the underlying causes stabilise.

Expect companies to continue to see new methods of reaching customers and look for alternative manufacturing bases to replace or augment traditional operations.



CEOs wrestle with ESG

The top five disruptors in manufacturing and distribution are all heavily influenced by ESG: cost of capital, cost of product, availability of product, the battle for talent and the customer experience.

Companies that are committed to ESG will benefit from cheaper and easier access to capital.

They will also have more choice when hiring as top talent wants to work for environmentally and socially-conscious companies.

Consumers want to feel good about their choices so buying from an ESG-minded company is becoming increasingly important for sales and brand loyalty.



Embrace disruption

Manufacturing and distribution has had to overcome many obstacles over the last few years, from the pandemic and associated supply chain disruption to maintaining a solid workforce.

Many business models are not appropriate for this 'new normal' and leaders are looking more closely than ever at automating vast swathes of their operations to improve efficiency and give them a competitive edge.

Many executives find the sophisticated solutions emerging both intoxicating in their promise and exasperating in their complexity – only 12% of US companies have implemented AI systems and disruptive technology across their entire organisations.

While it is right to be cautious, much of the highly specialised technology coming out of the research labs today will soon become mainstream. Delay can be riskier than taking action.



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