



NEW DEMANDS PROPEL IIOT ADOPTION IN F&B/CPG INDUSTRY

Serving consumers is not easy. While all manufacturers must listen to their customers, the pace of change for food and beverage (F&B) and consumer packaged goods (CPG) companies is staggering. Combine shifting consumer expectations with the challenges of globally sourcing raw materials and the rise of high-impact food recalls, the spotlight is shining brightly on the entire industry. Leaders are responding by using smart IIoT technology to build greater transparency and agility across their operation.

FIVE CHALLENGES TO THE STATUS QUO

Smart IIoT devices and systems provide unprecedented visibility into the operations and health of all components involved in F&B/CPG manufacturing. Leading companies are using these smart devices to address five critical industry challenges.

1 Cost reduction

Margins are already razor-thin, so reducing costs in the production process is essential. Even a small percentage in energy or water consumption reduction can result in millions of dollars saved over time.

For every 1% reduction in feed moisture, dryer energy consumption can be reduced by up to 4%.

The typical industrial plant in the U.S. can reduce its electricity use by around 5 to 15% by improving the efficiency of its motor-driven systems.

70% of global water is used for agricultural purposes and 19% is used for industrial purposes

Even a 1% increase in Overall equipment effectiveness (OEE) can result in millions of dollars saved annually.

2 Supply chain optimization

Optimizing your manufacturing to align with your supply chain—from strategic planning and forecasting to production scheduling and execution—must be done within the constraints of shelf life, production capacity, cost, and inventory. Mature organizations see significant revenue benefits of getting this right.

Using machine learning approaches to model complex relationships improves demand plan accuracy. Forecasting errors can fall by up to 50%.

Only 44% of the companies with mature processes suffered a 3% or more decline in their revenue compared to 57% with immature processes.

3 Comply with FSMA and other regulatory requirements

The implementation of regulations like the Food Safety Modernization Act (FSMA) has led to major changes in how F&B/CPG manufacturers focus on the safety and quality of their products, as well as how organizations will have to handle any safety issues that arise.

FDA estimated the total costs of compliance to be \$368 million for domestic farms.

4 Disruptive business models require agility

Dollar Shave Club proved that in a relatively short period of time, an entire segment can be disrupted. Through the combination of AWS, YouTube, and direct-to-consumer shipping, Dollar Shave Club transformed long standing purchase behaviors.

They were one of the first, but won't be the last to initiate this type of disruption.

49% of U.S. consumers shop for consumer packaged goods products online.

In 5 years, Dollar Shave club became the number-one online razor company with 52.4% share of the market.

5 Demand for transparency outside of the organization is stronger than ever.

94% of consumers say that food transparency is important and impacts purchase.

FACTORA **REDUCED** CUSTOMER COMPLAINTS BY INCREASING CONSISTENCY

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UNLOCK OPERATIONAL EXCELLENCE WITH COMPLETE TRANSPARENCY

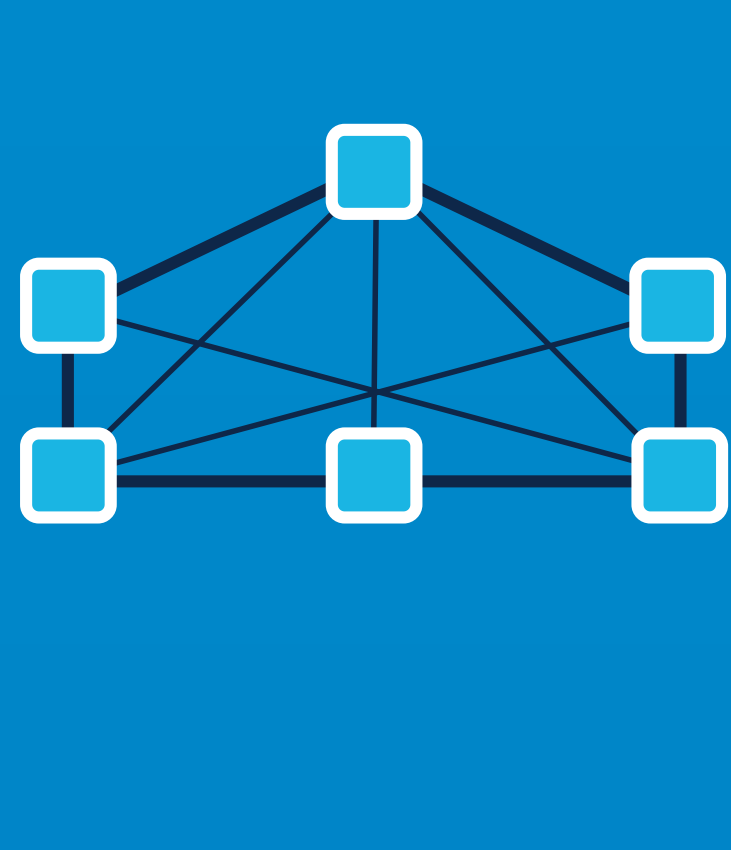
Step 1:

Conduct a detailed vulnerability assessment of operational technology and information technology systems by a team that has experience in performing industrial site or device assessments.



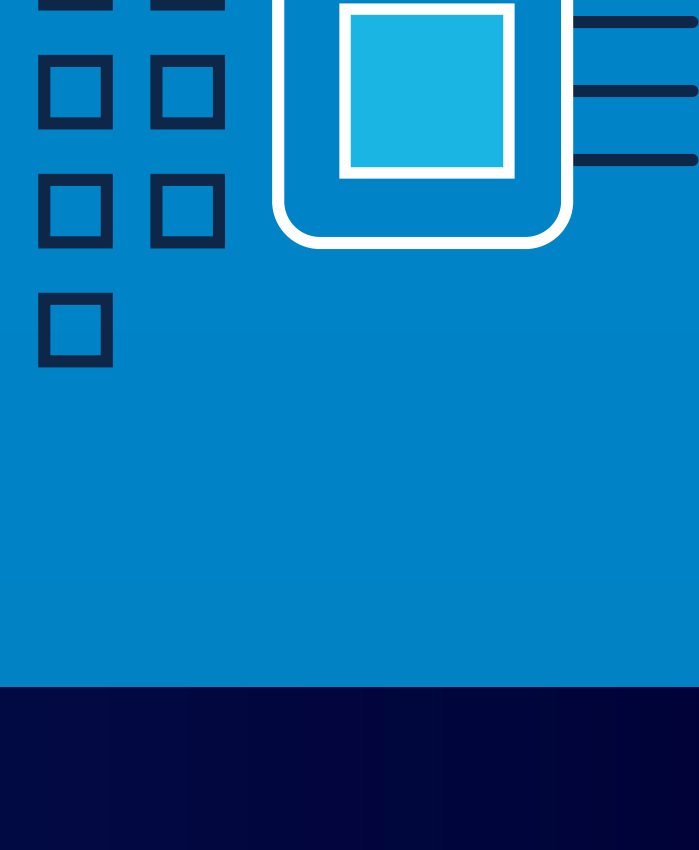
Step 2:

Evaluate the results of the assessment with candor and honest reflection of how to improve overall workflows and commitment to actionable steps for cyber protection.



Step 3:

Implement needed industrial tactical and strategic strategies for protecting the industrial ecosystem.



Browar Warka decreased the number of mechanical and electrical downtime events by

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39%

Food & Beverage and Consumer Packaged Goods leaders turn to GE Digital to transform real-time equipment data into actionable insights. Visit our resource page to learn how you can unlock these benefits and more.

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SOURCES

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