

nextec

Operational Resilience in Food Manufacturing

Turning volatility into a competitive
advantage through modern ERP





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Operational Resilience in Food Manufacturing

Turning volatility into a competitive advantage through modern ERP

- improve agility
- protect margins
- enable faster decision-making
- improve traceability
- create scalable infrastructure for growth

What's changed in food manufacturing operations?

The Structural Shift in Food Manufacturing

The Environment Has Changed

- Input cost volatility remains elevated
- Private label share ~18–20% and rising
- Forecast accuracy often 60–75%
- Persistent supply chain instability

Where do most Companies lose
margin?

Margin Pressure Is Systemic

Where Margin Erodes

- Raw Material Variability and Yield Variance
 - Even a 0.5–1% yield gap on high-volume SKUs can translate into millions annually.
- Give-away (overfill)
 - A 1–2% average overfill can erode 50–150 basis points of margin on key product lines.
- Forecast Inaccuracy
 - forecast accuracy in food manufacturing can range from 60–75%, which directly drives excess inventory or service failures

How does modern ERP change
decision velocity?

The Visibility Gap

Siloed Systems Create Risk, modern ERP systems offer:

- Real-time landed cost calculation
- Integrated demand planning tied to production
- Lot-level profitability analysis
- Immediate cost impact modeling when supplier prices change

How does modern ERP affect Traceability, Compliance and Risk?

Traceability & Risk Mitigation

Compliance Without Administrative Burden

- Automated lot tracking
- Embedded quality workflows
- Recall scope isolation in minutes
- Reduced financial & brand exposure

How does operational integration
affect working capital?

Inventory & Working Capital Optimization

Inventory as a Strategic Lever

- Typical 60–90 days inventory
- 10% reduction = significant cash release
- Reduced safety stock through visibility
- Improved forecast alignment

What does the data tell us about
growth and M&A in Food
Manufacturing?

Scaling Growth & M&A

Infrastructure for Expansion

- Multi-site standardization
- Consolidated financial reporting
- Standardized costing
- Rapid onboarding of acquisitions

Speed round

- **How long does modernization take?**

Speed round

- How long does modernization take?
- **Biggest implementation risk?**

Speed round

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- **ROI Timeline?**

Speed round

- How long does modernization take?
- Biggest implementation risk?
- ROI Timeline?
- **Why cloud?**

Takeaways

Operational resilience requires:

- Real-time visibility
- Integrated financial and operational data
- Automated traceability
- Scalable infrastructure

About NexTec

An award-winning business technology consultancy

NexTec specializes in providing Cloud and on-premises **ERP** and **BI** solutions for small and mid-sized businesses.

For **30 years**, we have been implementing, servicing, and supporting business technology across various industries, specializing in:

- Food & Beverage
- Manufacturing
- Distribution
- Professional Services
- Construction
- Cannabis / Agriculture

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