How food companies can transform data for better decision making
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One of the great promises of business software for food companies is that it supports the collection of more data, which in turn leads to a deeper understanding of the business that management can act on. Unfortunately, the truth is the transition from collecting data to actionable insight is more challenging than just compiling monthly statistics in reports.

In this paper you will learn

How to build a foundation for insightful, evidence-based decision making.

How to make the transition from collecting business data to finding valuable insights and acting on them.

How to transform your company into a data-driven organization.

To act on data, you first have to collect it properly. Every company collects data on production, finance, inventory and other facets of their organizations, yet few achieve mastery over it. That’s because most aren’t collecting data in a way that maximizes its value.

To be valuable, there are some principles your data collection efforts need to follow.

Be comprehensive

To make decisions that take the big picture into account, you have to collect data from a wide variety of sources. Some will be easier to measure than others, which is why many get caught in the trap of focusing too much thought and energy on the data that’s easiest to collect. That kind of bias will undermine your efforts to become a data-driven organization right from the start.

Instead, measure everything, taking advantage of sensors, cameras, scanners and whatever other technology is available to take the effort and error out of the measurements.
Manage your processes inside your business software. Many of the family-owned businesses in the food industry are still using the same paper-based processes they outgrew long ago. Those processes were good enough for record-keeping, but they’re not good enough to facilitate data-based decisions.

Finally, put all the data in one place, maintaining one version of the truth. Eliminate isolated spreadsheet files that keep important knowledge accessible to only a few people by adopting software that unifies all parts of your business.

Be accurate

It’s obvious that data can only be useful if it reflects reality, but it isn’t always clear how to make that happen. Diligent, competent employees aren’t enough to ensure data accuracy.

That’s why automated data collection and record keeping are important. People take too long and make too many mistakes, even when they’re careful, and especially when the work is mundane and repetitive. That’s the kind of work computers do well, so employ automation whenever possible where data has to be collected.

Think beyond the obvious when considering automation. When we think automation, we immediately picture the shop floor. But automation can also mean prompting a salesperson to fill in critical form fields, reminding an executive that their approval is needed on an order, or warning an order-taker that the customer on the line has over-extended their credit.

Apply the food industry’s best practices for measuring things with the help of experts. Data mastery requires a unique skillset, and food industry metrics are especially challenging, so get outside help where you need it at the start. In time your organization will develop its own expertise.

Be current

You can’t rely on IT or others for reports, and you can’t wait hours for the next scheduled report run. When you get good at being data-driven, waiting until tomorrow won’t be an option, so insist on a system that handles data in real time.
With real-time data comes the opportunity for accurate, on-demand reporting, which is absolutely necessary if you really want to change the role data plays in your discussions and decisions.

**Be accessible**

If the data isn’t online, then it isn’t available to anyone not on your premises. To support better decision making, it must be available while those decisions are being made, which could be anywhere, any time. Connecting your data to the internet means you and your people can be equally effective wherever they are.

Along with mobility comes the requirement that your system be device agnostic. When employees access the data remotely, you won’t be in control of what devices they use, so it has to work with them all. A web interface is the best way to achieve that; if you can reach the data through a web browser, the device type doesn’t matter.

After all that effort ensuring your data is comprehensive, accurate, current and accessible, you can’t afford to be cut off by system downtime. Whether it’s for routine system maintenance or a major natural disaster, make sure your data rests with a partner that promises uptime, data redundancy and regular backups.

Don’t try to reach that standard by hosting the system yourself: it’s too critical to your business, too difficult to achieve and too far removed from the things your people should be focused on. Engage an expert instead.

Integrated business software (also known as Enterprise Resource management software, or just ERP), is how to achieve these goals. By using one piece of software to manage every facet of your organization, you can collect data that’s comprehensive, accurate, current and accessible.

**Going from data to insight**

Once you’ve implemented ERP software and built a repository of reliable data, you can start on the real challenge: finding hidden insights. Reports and dashboards are a good start towards that goal, but they’re not enough. To be truly valuable, the data must be presented the right way.

To start, it must be relevant to the user’s role. Customizable metrics, visualizations and alerts mean users can see only what matters to them. Permissions control keeps some data off-limits for some users, depending on their role.

Being relevant also means that noise is filtered out, and that reports only show the metrics that matter. More data doesn’t always equal more information, so in addition to being relevant, the data in the reports must also be important. These two things are easy to confuse, which is why it pays to have a systematic approach. Don’t surf the data. Instead, configure reports to show only what you know is important.
But a well configured report is only helpful if it’s easy both to generate and assimilate. The right visualizations for the data have to be automatic so you can spend your time looking for connections and relationships in the data, not setting up the way it’s displayed. Good data visualization helps people focus on the few metrics and levers you know will make a difference, so they don’t get overwhelmed or stuck in ‘analysis paralysis.’

For all of this to reach its full potential, you need everyone on the same software platform, and that platform has to be fast so that it facilitates rather than hinders day-to-day decision-making. The ability to assign and track tasks is a popular feature because it makes it easy to attach actions to insights, along with an owner and deadline. Email integration is a big bonus, too, since that is the medium most people already rely on for sharing important insights.

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Building a data-driven organization

Once you understand the principles above, you’re ready to start on a path towards implementing them in your organization. The result will be better decisions, based in fact rather than intuition. Those better decisions will increase your competitiveness and accelerate your growth.

Here’s a rough plan you can use to make that happen.

1. Start with ERP software. It won’t be enough to just buy and install software, though. Choose an implementer who can advise you on what metrics are important in the food industry, and in your sub-vertical specifically. This will be a long-term investment, and the foundation of your new data-driven approach, so don’t cut corners when it comes to choosing either a product or the vendor.

2. Work with your software vendor to configure your reports and dashboards so that they are relevant, important, easy, shareable and actionable.

3. Use advanced analytics tools to go beyond the most obvious metrics. Then you can start to use the data prospectively, not just retrospectively — that’s where its real value comes in. Use trend lines to find the meaning in scatter plots, study seasonal variation to make better forecasts, investigate customer profitability to identify the customers you should drop. Make sure the vendor has expertise in applying these techniques.

4. Give workers the training to evaluate and act on the data properly. It’s a skill they don’t have, and they can’t develop it on their own. Quality ERP comes with thorough training options for general reporting, and training in advanced analytics is often available too.

5. Create a process for continual improvement. This should be the work of a cross-functional team so that every part of the organization has a say in, and a stake in, the outcome. It should spell out processes, goals, policies and timelines aimed at making it a regular ritual to refer to the data and make incremental improvements based on what you find.

6. Tell employees to support their recommendations with data; once you’ve given them the tools and training, demand that they use it. This won’t always be possible — you’ll have to use your judgment — but most of the time this should be the standard.

7. Track and share the improvements to build enthusiasm and commitment to the new way of doing things. The more visible the improvements are, the easier it will be to build momentum towards more.

8. Now that you have an entirely new approach to handing data, you have to make it impossible for people to slip back into their old ways. To do that, systematically and ruthlessly eliminate Excel and paper reports, and anything else that compromises the one version of the truth principle.
Conclusion

It isn’t easy to embark on the journey that starts with a reliance on paper and ends with a truly data-driven organization. But with these guidelines, integrated ERP software, analytics tools and the right partners, it is achievable.

With increasing competition in the food industry, new customers get increasingly hard to find. But the power to squeeze more revenue from every customer and market segment and more profit from every revenue dollar is entirely within your ability. Whether you are responsible for operations, finance, some other area of the business or all of the business, the key lies in mastering your data.
JustFood ERP software helps food manufacturers and food distributors improve food safety, streamline operational efficiency and manage business growth.

Our software connects departments, data and processes into a single cloud ERP, giving you the insight, visibility and control needed to take your business to the next level.

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