



# Food & Beverage Industry Software Trends 2023

# 2023

# Food & Beverage Industry Software Survey Report

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## Introduction

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Welcome to the second edition of our Food & Beverage Industry Software Survey Report! In 2022, we saw an industry rapidly embracing new digital technologies to help manage the headwinds caused by the ongoing labor shortage and supply chain disruptions. This year, the labor shortage continues with no end in sight, and while supply chain problems have abated, inflation and other financial challenges are top of mind.

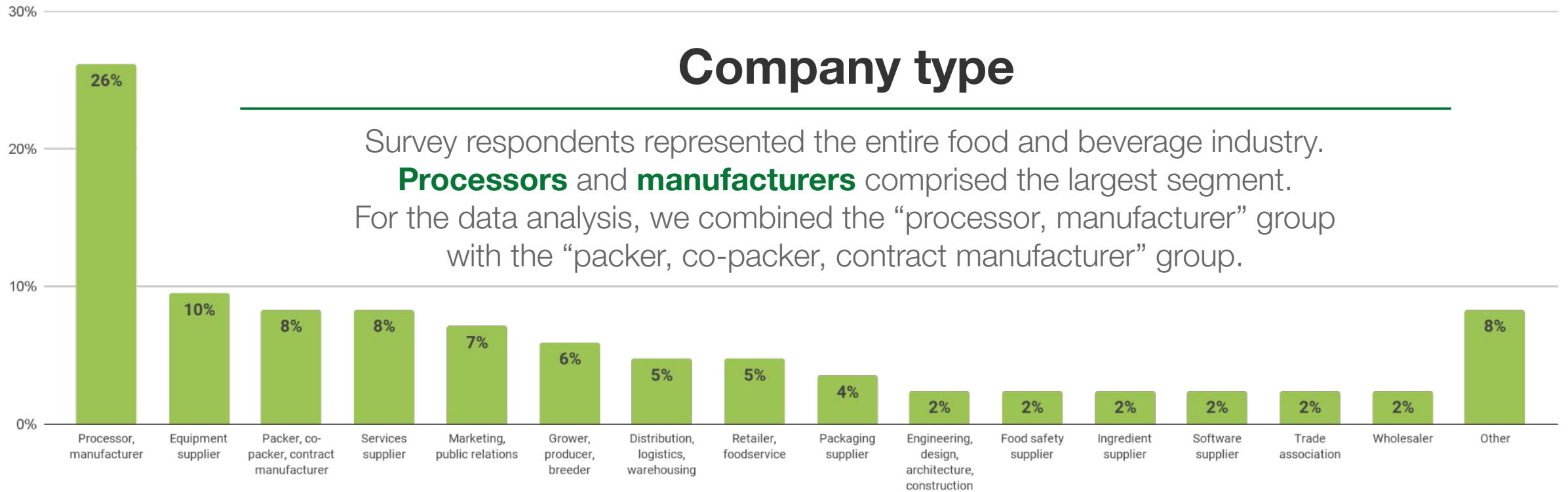
In response, processors and manufacturers are continuing to turn to technology. The proportion who said software has transformed their business stayed the same as last year, 43%, but the proportion who said software provides a competitive advantage for their business shot up from 30% to 54%.

Software priorities are also changing. Last year, cost was ranked as the most important attribute, while this year it's functionality. These results suggest that industry leaders have seen the value that technology can bring and are willing to invest in tools that will transform their business.

They're also prioritizing tools that provide comprehensive solutions. Enterprise resource planning (ERP) was rated as the most valuable software, up from sixth place last year. It was also identified as the top software priority for 2023.

Read on for more insights into how software continues to transform the food and beverage industry.

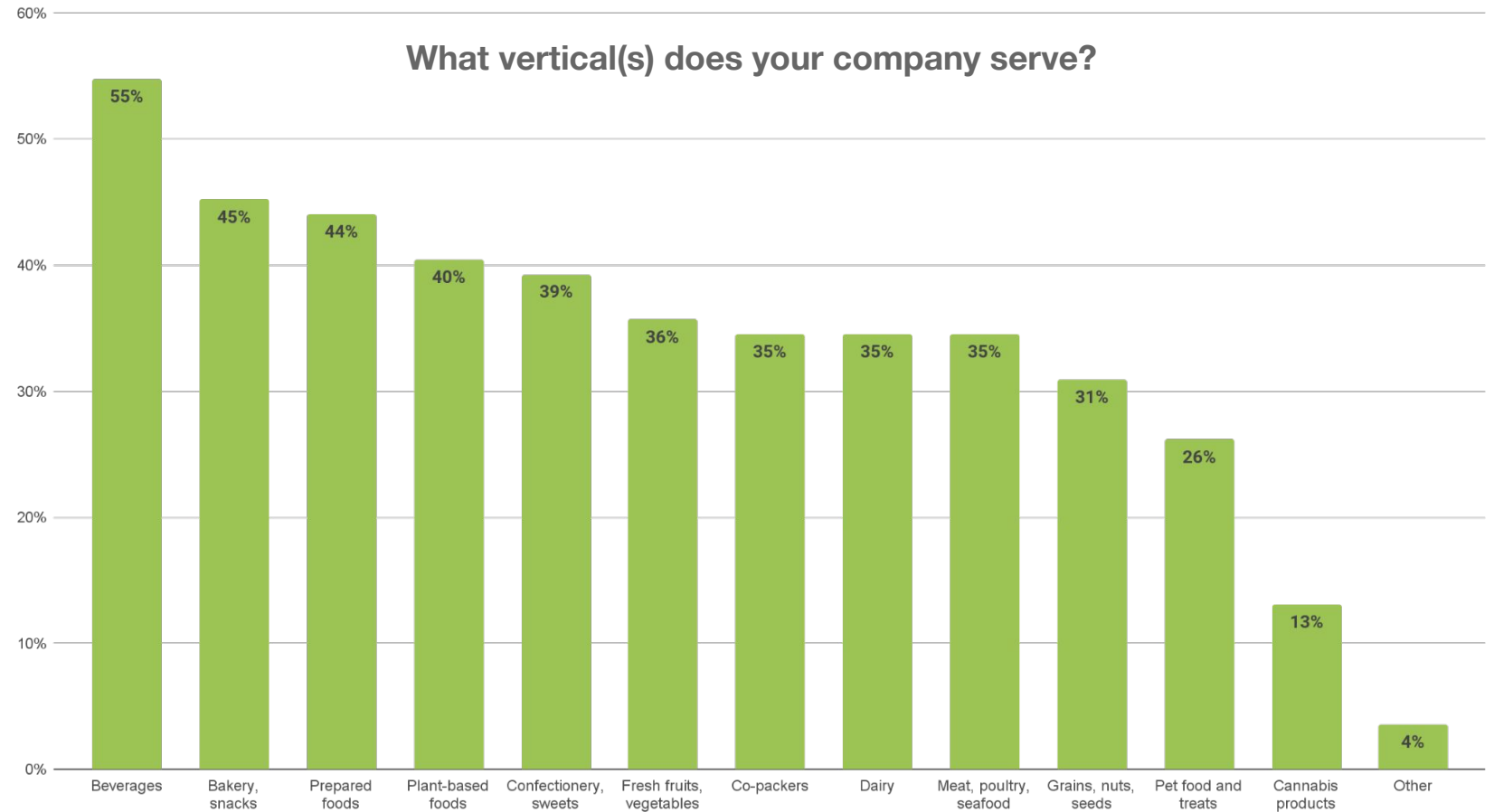
# Part 1: Who Took the Survey



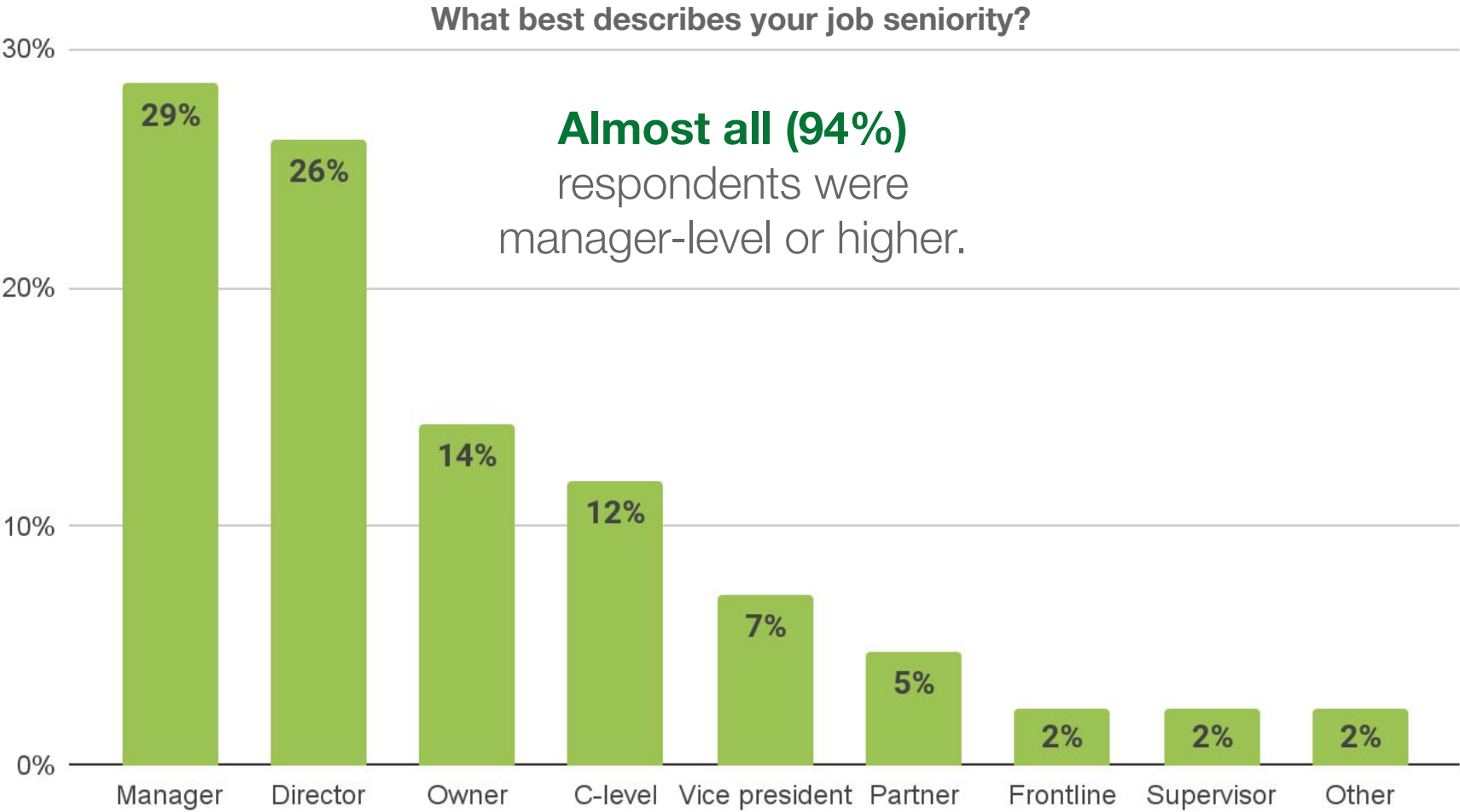
# Industry verticals

Respondents came from all verticals of the food and beverage industry. The top five verticals were:

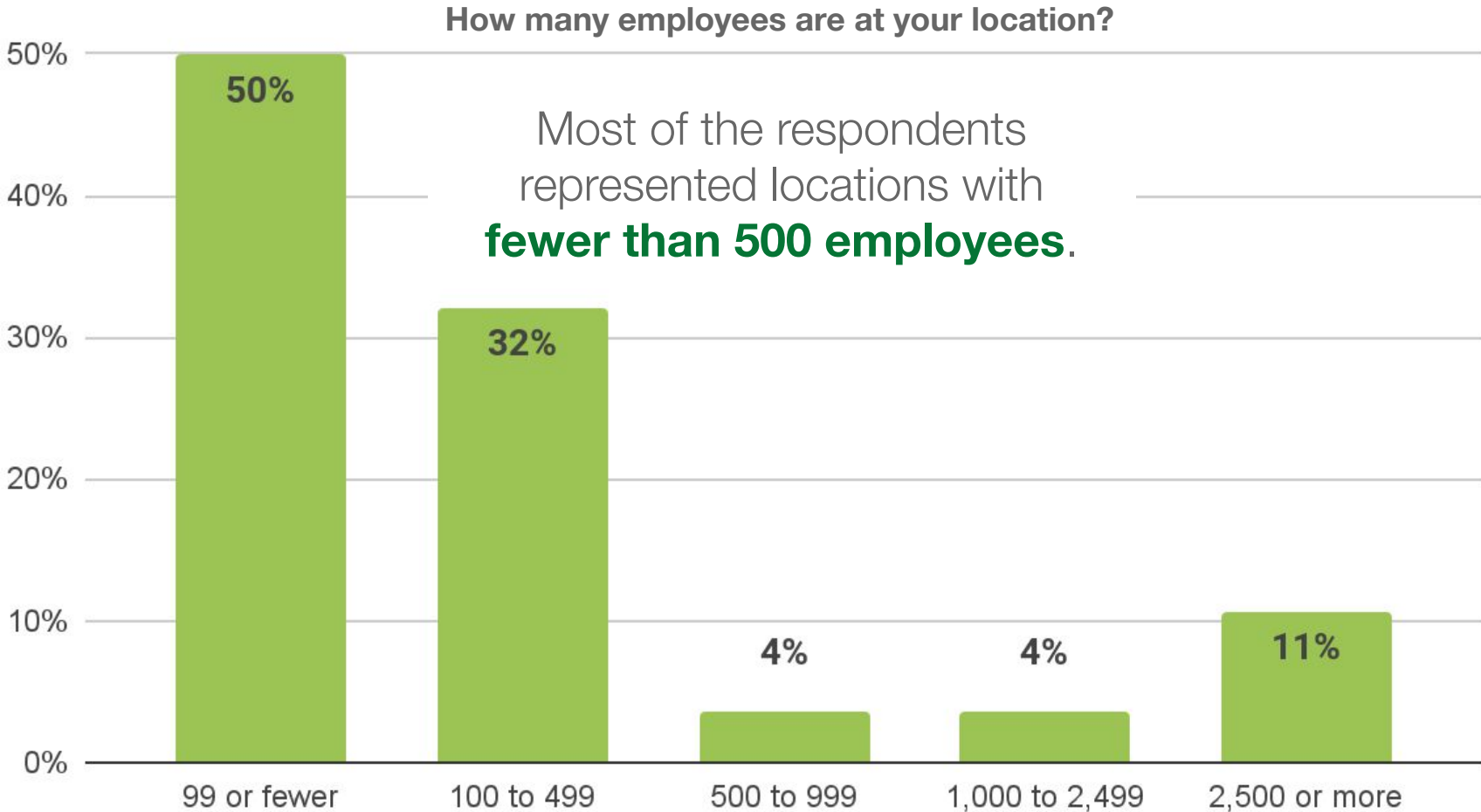
1. Beverages
2. Bakery and snacks
3. Prepared foods
4. Plant-based foods
5. Confectionery and sweets



# Job seniority



# Company size



# Part 2: Biggest Challenges



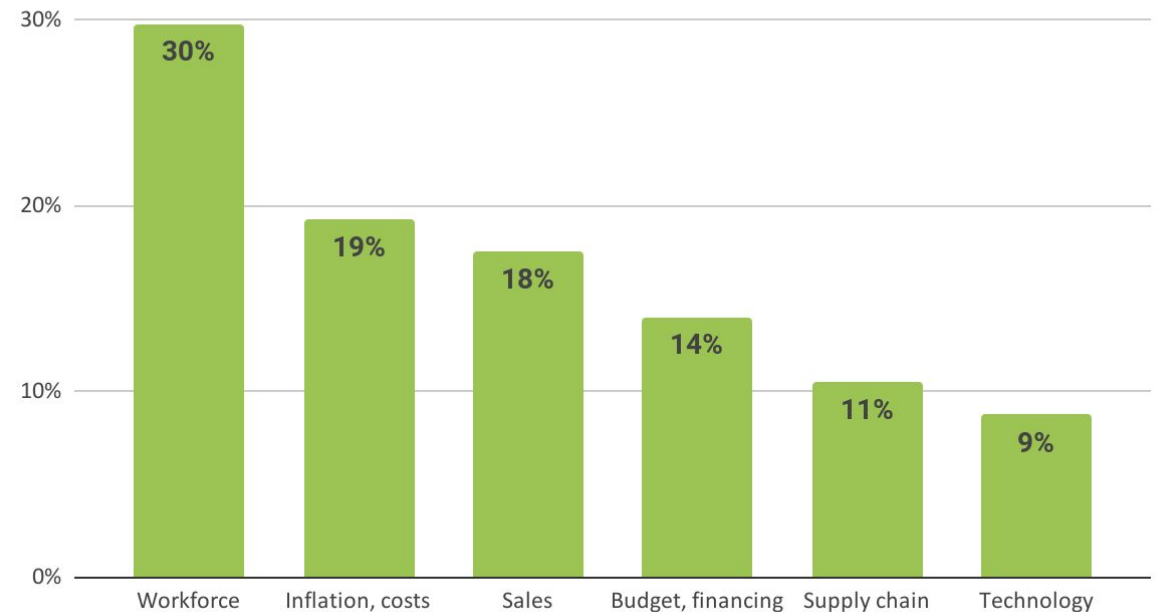
*Like all of us, the top challenge has been a market that is unstable and changing quickly. To keep up with what the industry needs and be able to pivot and help most effectively is both challenging and rewarding.*



In an open-ended question, we asked respondents the top challenge facing their company right now. Almost 1 in 3 identified **workforce issues** including hiring, retention, and the cost of labor. **Costs** in general, and inflation in particular, made up the second largest category, followed by difficulty **getting new clients and growing sales**.

In addition to these specific challenges, many respondents also cited general market uncertainty and volatility as negatively impacting their business.

What is the top challenge facing your company right now?



ERP is key:

- › Safeguard financial resources
- › Reduce waste and expenses
- › Unlock earnings

**Discover how, now»»**



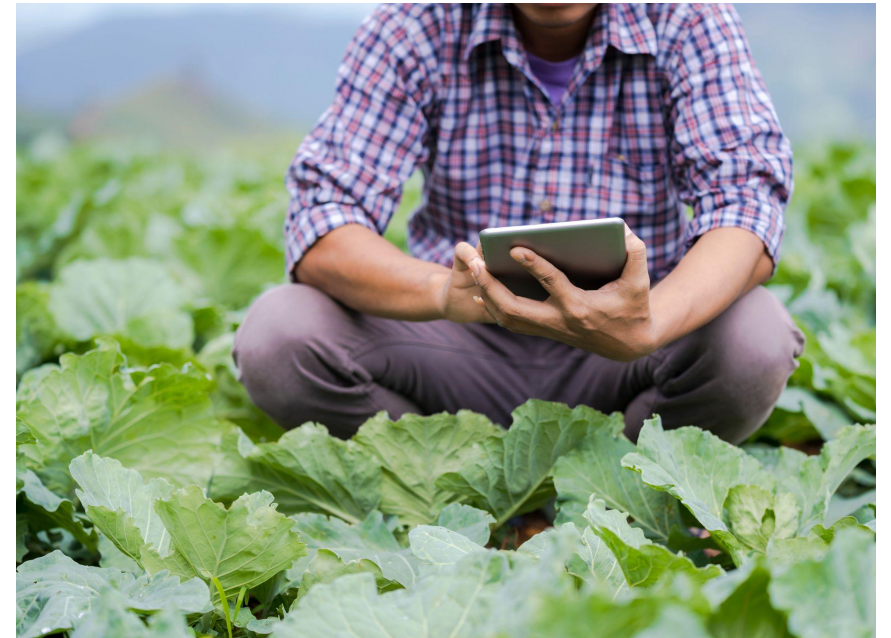


# Part 3:

## Attitudes Toward Digital Technologies

The ongoing labor shortage continues to spur food and beverage companies to adopt digital technologies of all types, from automated processing equipment to packaging robots and autonomous guided vehicles.

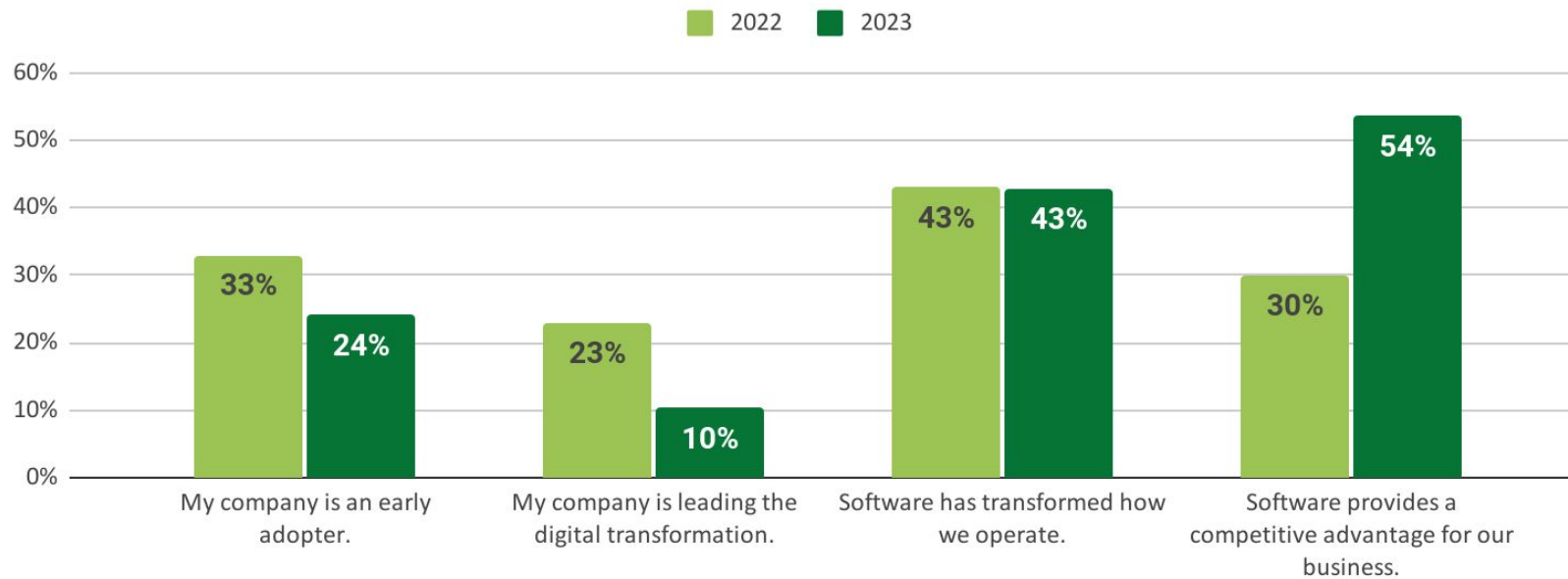
For software in particular, tightening regulations around issues like traceability, coupled with a volatile market, are forcing processors and manufacturers to adopt tools that provide complete oversight into their operations and give them the information they need to adapt to ever-changing conditions.



More than four in 10 (43%) processors and manufacturers said that software has transformed their operations, which is the same as last year. But the percentage who said that software provides a competitive advantage for their business jumped 80%, from 30% to 54%.

**With regard to new software for your company, how much do you agree or disagree with the following statements?**

**Processors and manufacturers**

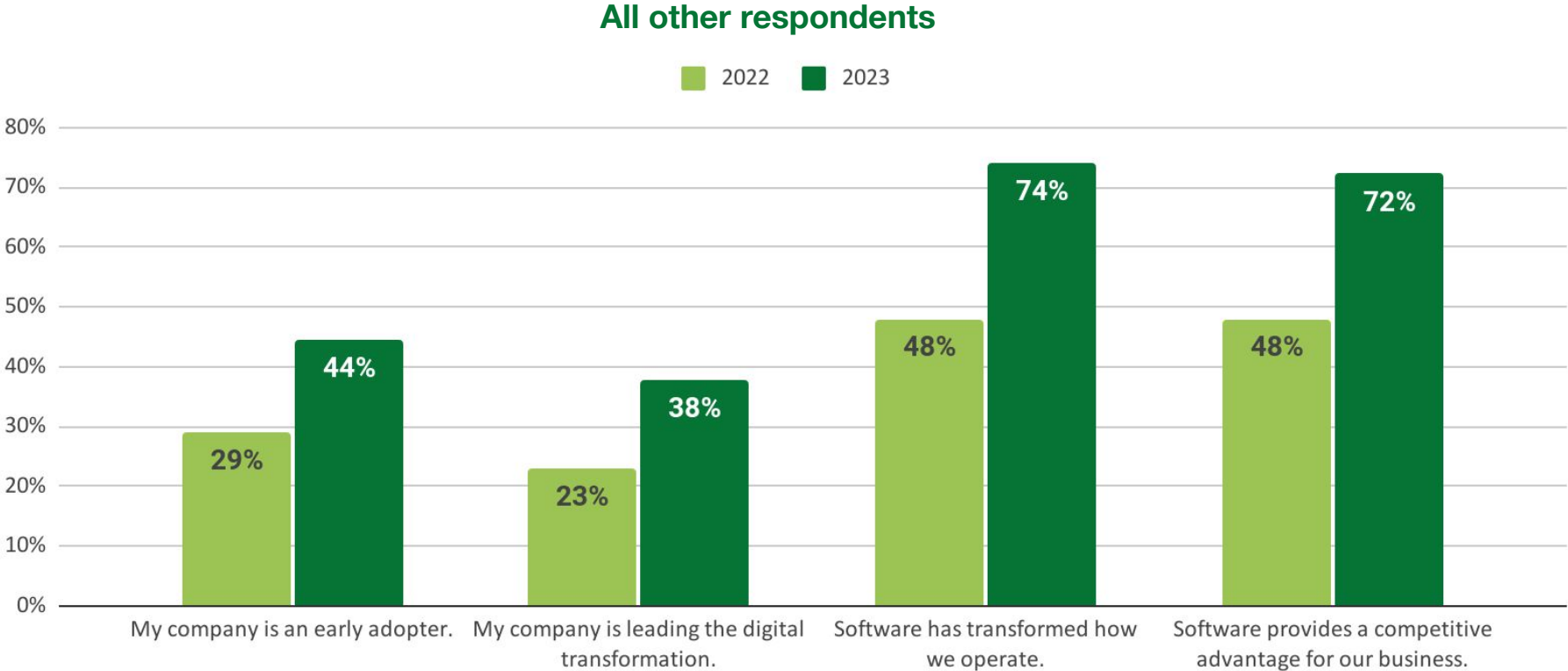


Meanwhile, the proportion who said their company is an early adopter and leading the digital transformation dropped compared to 2022.

These results suggest that while processors and manufacturers are seeing the benefits of adopting technologies, most are still unwilling to be the first to try out new tools.

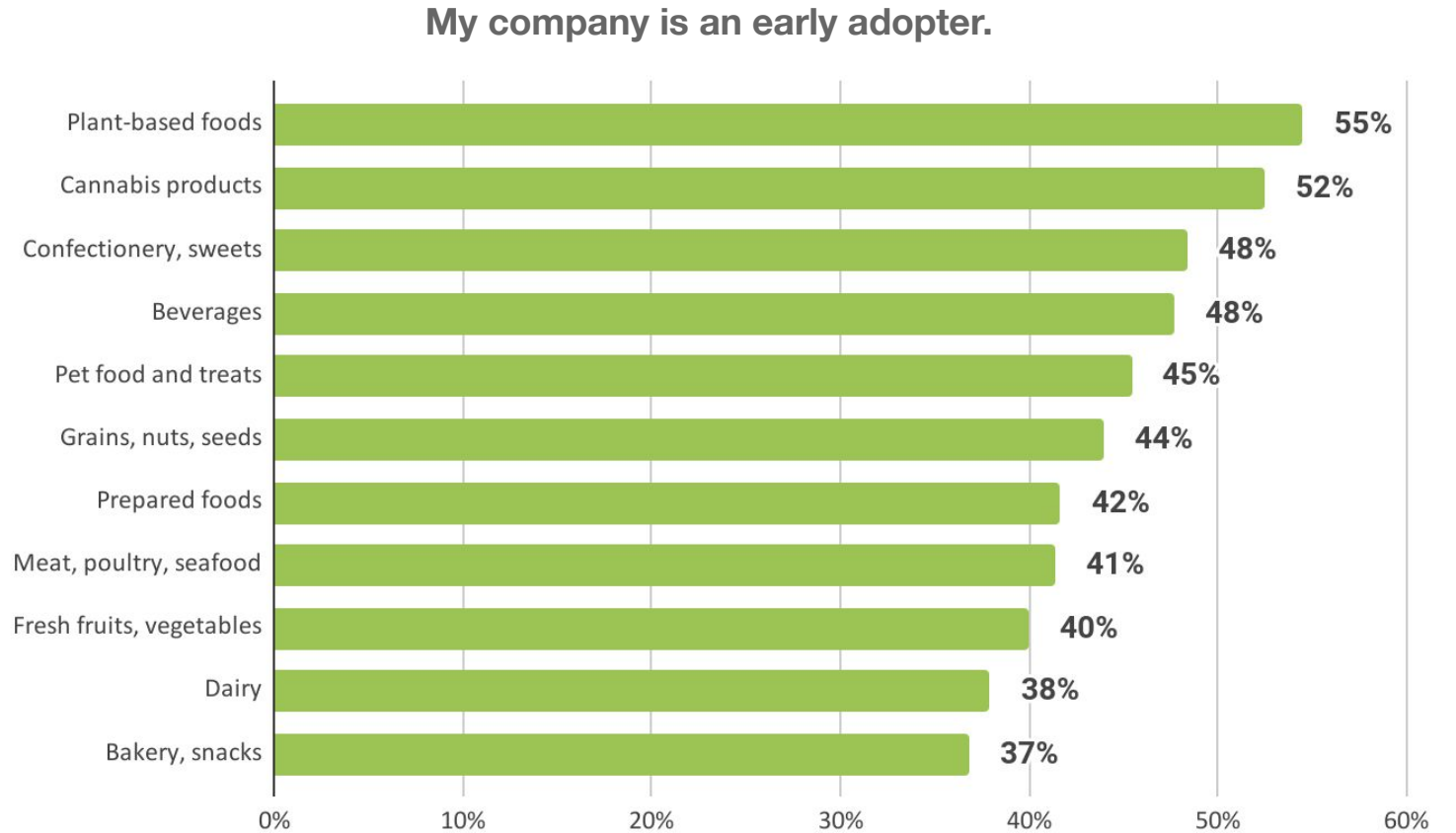
The other respondents (suppliers, retail and foodservice, etc.) agreed more strongly with all of the technology statements than the processors and manufacturers. They also agreed more strongly with all statements compared to last year.

With regard to new software for your company, how much do you agree or disagree with the following statements?



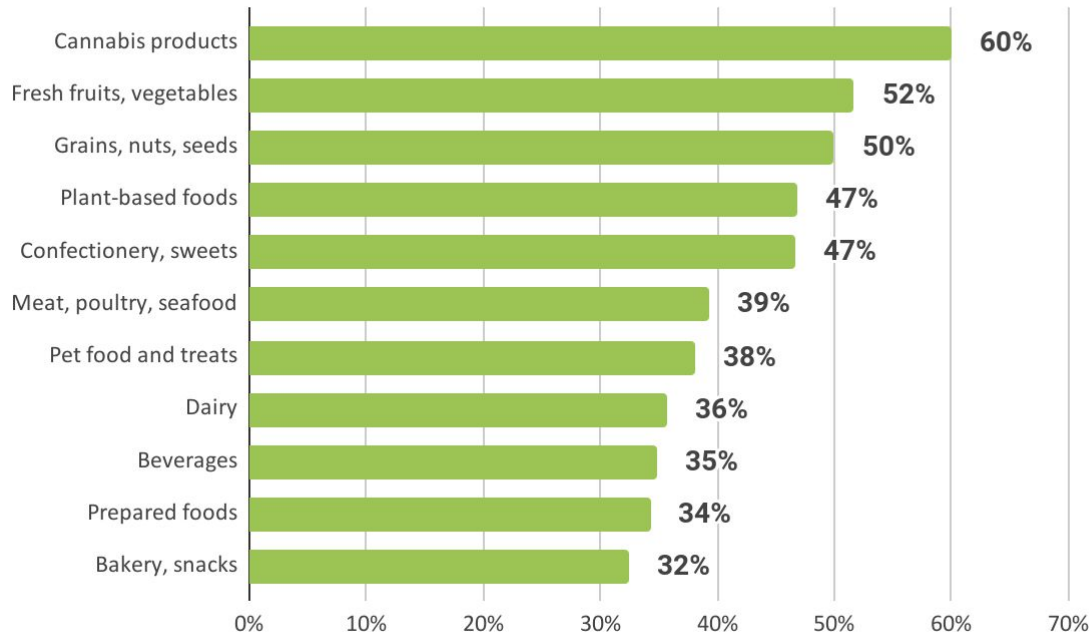
## Early tech adopters (by vertical)

Perhaps not surprisingly, some of the newest industry verticals are most likely to adopt new technologies. More than half of respondents in the plant-based foods (55%) and cannabis products (52%) verticals said that their company was an early adopter. At the other end of the spectrum, just 37% of respondents in bakery and snacks and 38% in dairy said the same. However, all of these numbers are higher than last year, when the top industry was meat, poultry, and seafood at 35%.



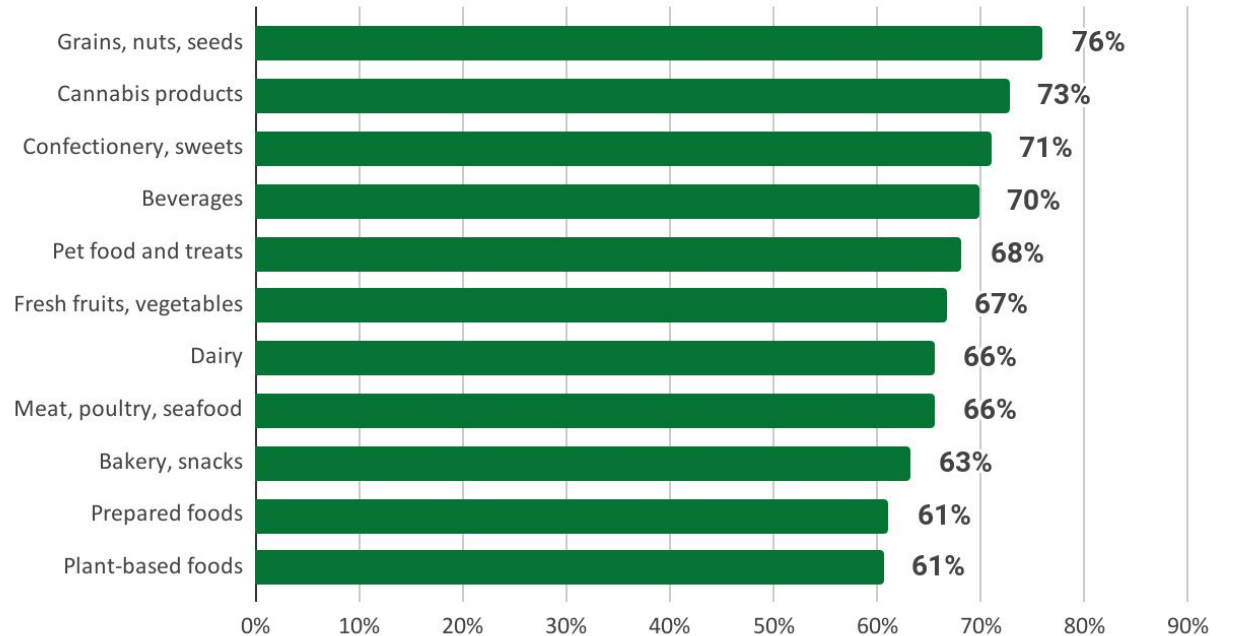
# The digital transformation (by vertical)

My company is leading the digital transformation.



60% of respondents in the cannabis products industry said their company is leading the digital transformation, compared to 32% in bakery and snacks. In 2022, the top industry was dairy at 29%.

Software has transformed how we operate.

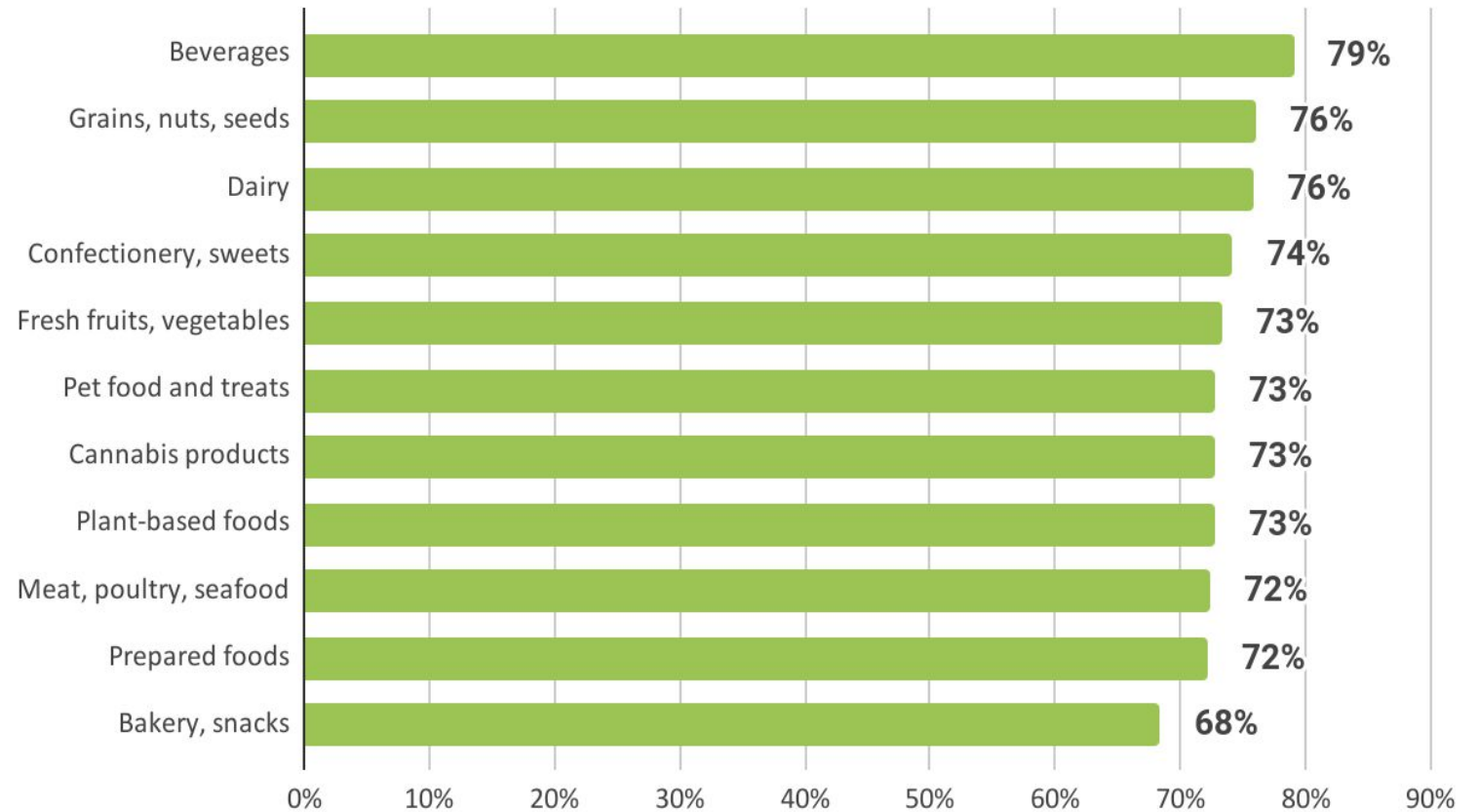


76% of respondents in the grains, nuts, and seeds industry said software has transformed their operations, compared to 61% in plant-based foods. In 2022, the top industry was meat, poultry, and seafood at 55%.

## Competitive advantage (by vertical)

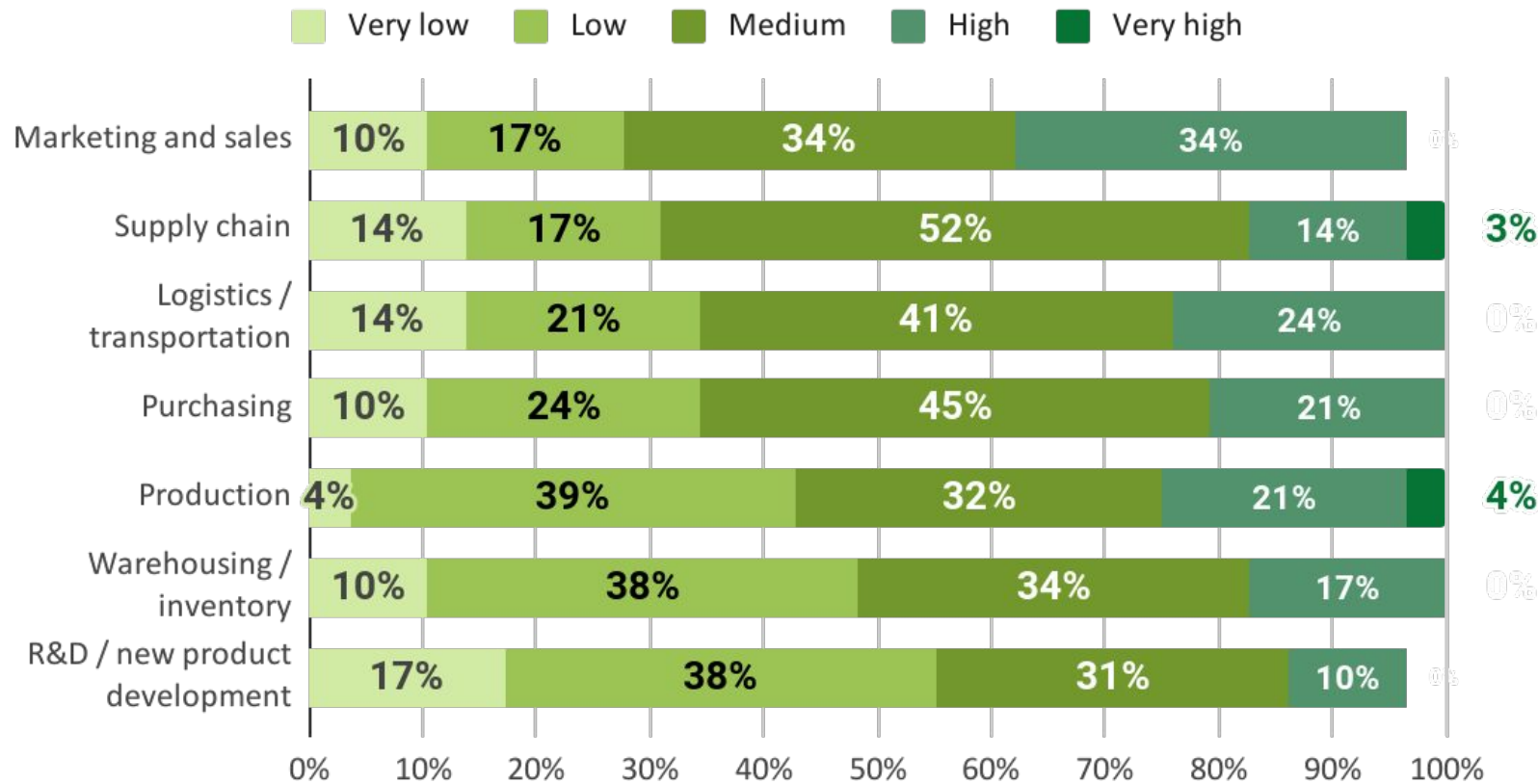
A large majority of companies in all verticals (from 68% in bakery and snacks to 79% in beverages) said that software provides a competitive advantage for their business. In 2022, the top industry was bakery and snacks at 55%.

Software provides a competitive advantage for our business.



# Digital maturity

How would you rate your company's digital maturity across the following functional domains?

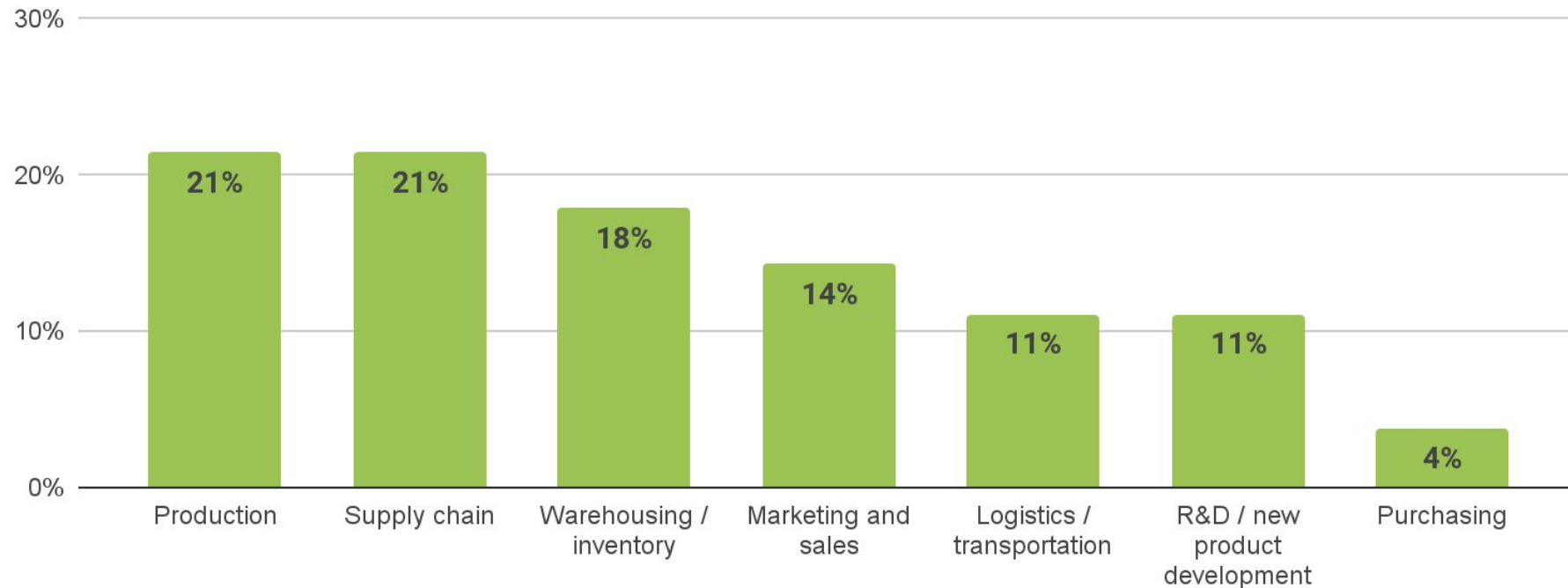


Overall, respondents rated their company's digital maturity as medium or higher across all functional domains except R&D / new product development. The top three most mature functions are marketing and sales, supply chain, and logistics / transportation.

## Opportunities for digital transformation

The top two areas where respondents see the biggest opportunity for digital transformation to drive results are production and supply chain. More than one in five (21%) respondents rated each of these as the top area of opportunity.

Where do you see the biggest opportunity for digital transformation to drive results for your company?

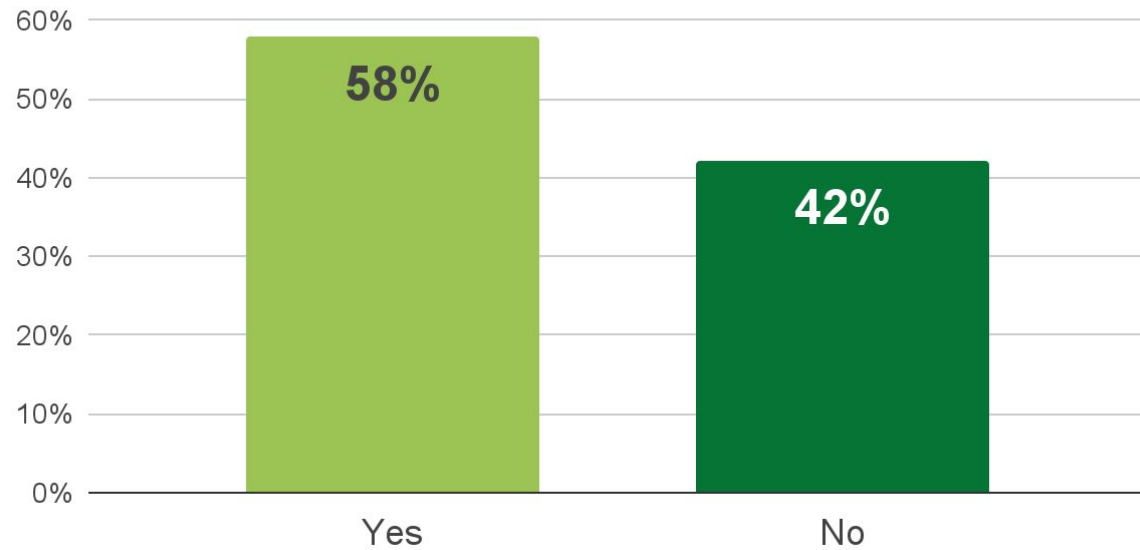




## Successful software implementation

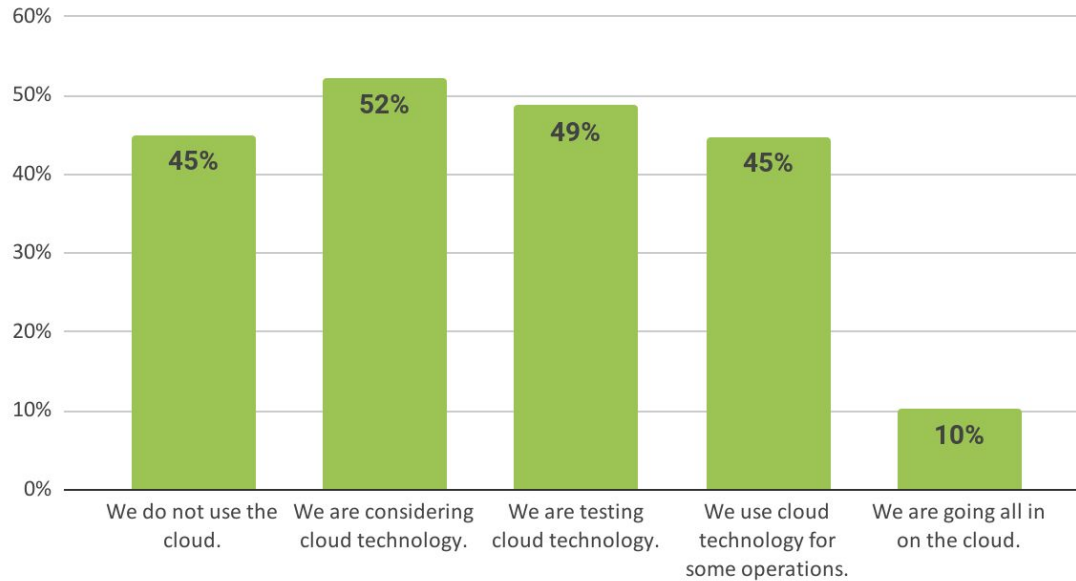
Technology changes the nature of work that needs to be performed. In the food and beverage industry, technology can help mitigate labor issues, but successful implementations require digital skills. Only 58% of respondents said that their company currently has the skills needed to use new software effectively. This suggests that software that's easy to use from vendors that provide a high level of support will be in demand.

Do you believe your company has the digital skills required to use new software effectively?



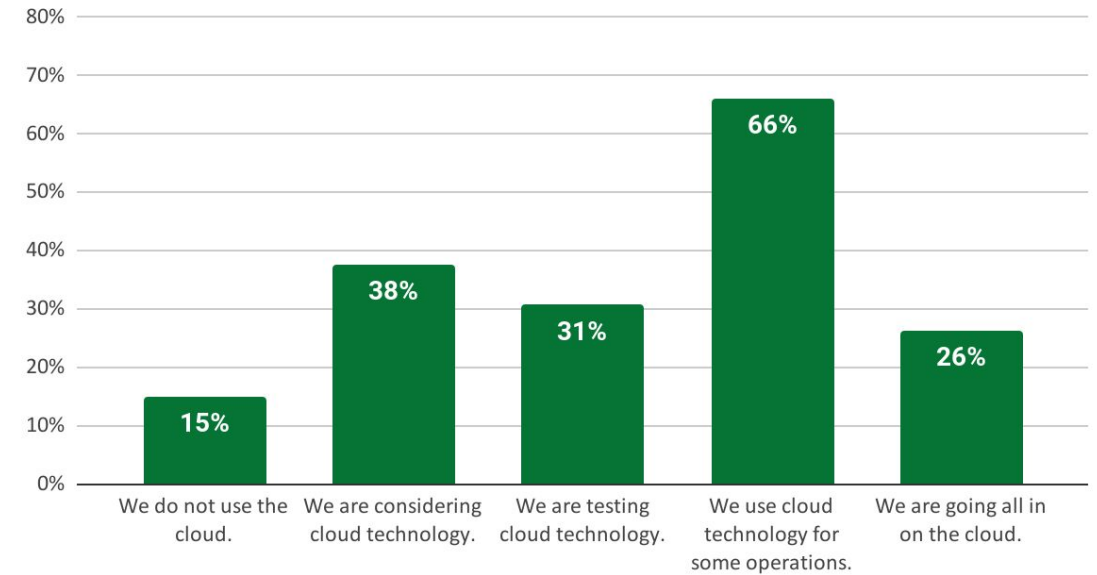
# Cloud computing

Processors and manufacturers



Many processors and manufacturers have taken at least one step toward cloud computing, whether that's actively using it or just considering making the move. At the same time, 45% said they don't use the cloud at all, and only 10% said they are "going all in" on the cloud.

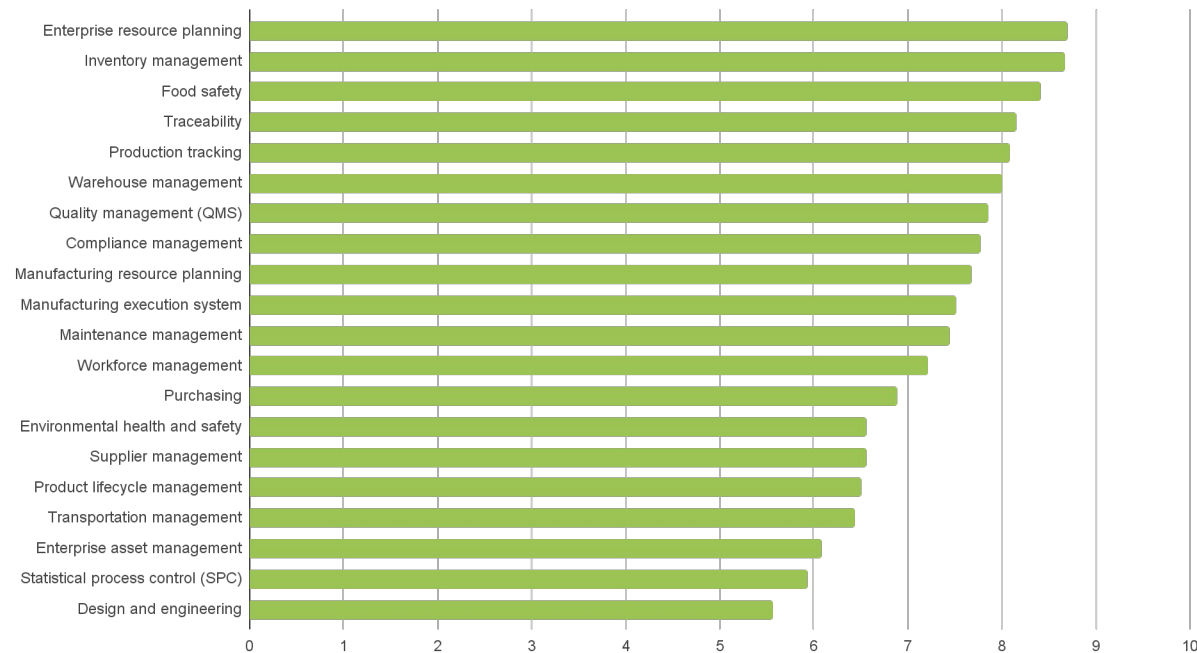
All other respondents



The other respondents were much more likely to have already adopted the cloud. Two-thirds (66%) said they use it for some operations, while 26% said they're "going all in." Only 15% said they don't use the cloud at all.

# Part 4: Most Valuable Software

How valuable are the following software solutions for the success of your business?



We asked respondents to rate various software solutions on a scale of 1 to 10, where 1 = not at all valuable and 10 = extremely valuable. These results are from processors, manufacturers, co-packers, and contract manufacturers only.

Enterprise resource planning (ERP), inventory management, and food safety tools were rated as the most valuable solutions. Traceability, which was last year's top software, fell to #4. On the other end, design and engineering, statistical process control (SPC), and enterprise asset management (EAM) were rated as least valuable.

In addition to the ratings, we also asked respondents three related open-ended questions:

- What is the most valuable software you use on a regular basis?
- What is your company's top software priority for 2023?
- What software do you wish your company would purchase to improve your day-to-day work?

For the first two questions, the most common answer was enterprise resource planning (ERP) software. This is the same as last year, and suggests that processors and manufacturers are looking to move away from multiple disparate software systems and instead consolidate their critical data and information into a platform that provides a single source of truth.

The third question generated a wide range of answers, with many respondents indicating that they'd like a "better" solution than the one they currently have.

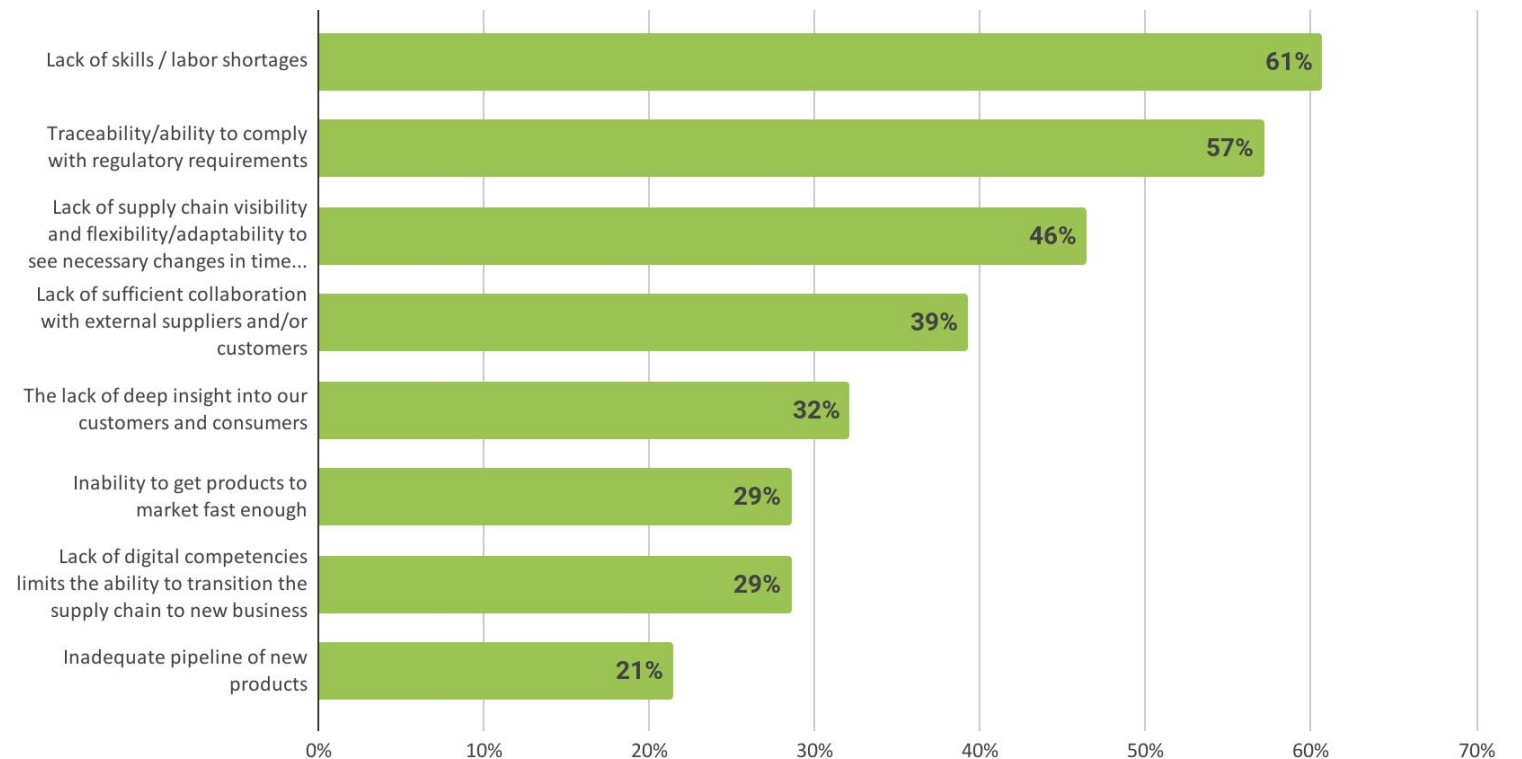


## Looking ahead

We asked respondents to think about the future of their business and what areas that are already challenging might get worse if technology solutions aren't implemented. The top three answers were:

- Lack of skills / labor shortage
- Traceability / ability to comply with regulatory requirements
- Lack of supply chain visibility and flexibility / adaptability to see necessary changes in time to react to them effectively

**What current gaps are likely to be the most problematic in the future if not addressed through technology?**



## Most important software attributes

We asked respondents to rank 11 software attributes in order of importance. These results are from processors, manufacturers, co-packers, and contract manufacturers only.

**How important are the following attributes when evaluating software?**  
(Rank in order of importance.)

1	Functionality	7	User training and support
2	Return on investment (ROI)	8	Industry-specific features and capabilities
3	Cost	9	Time to implement
4	Ease of use	10	Scalability
5	Integration with existing systems	11	Industry expertise of the software vendor
6	Flexibility / customizability		

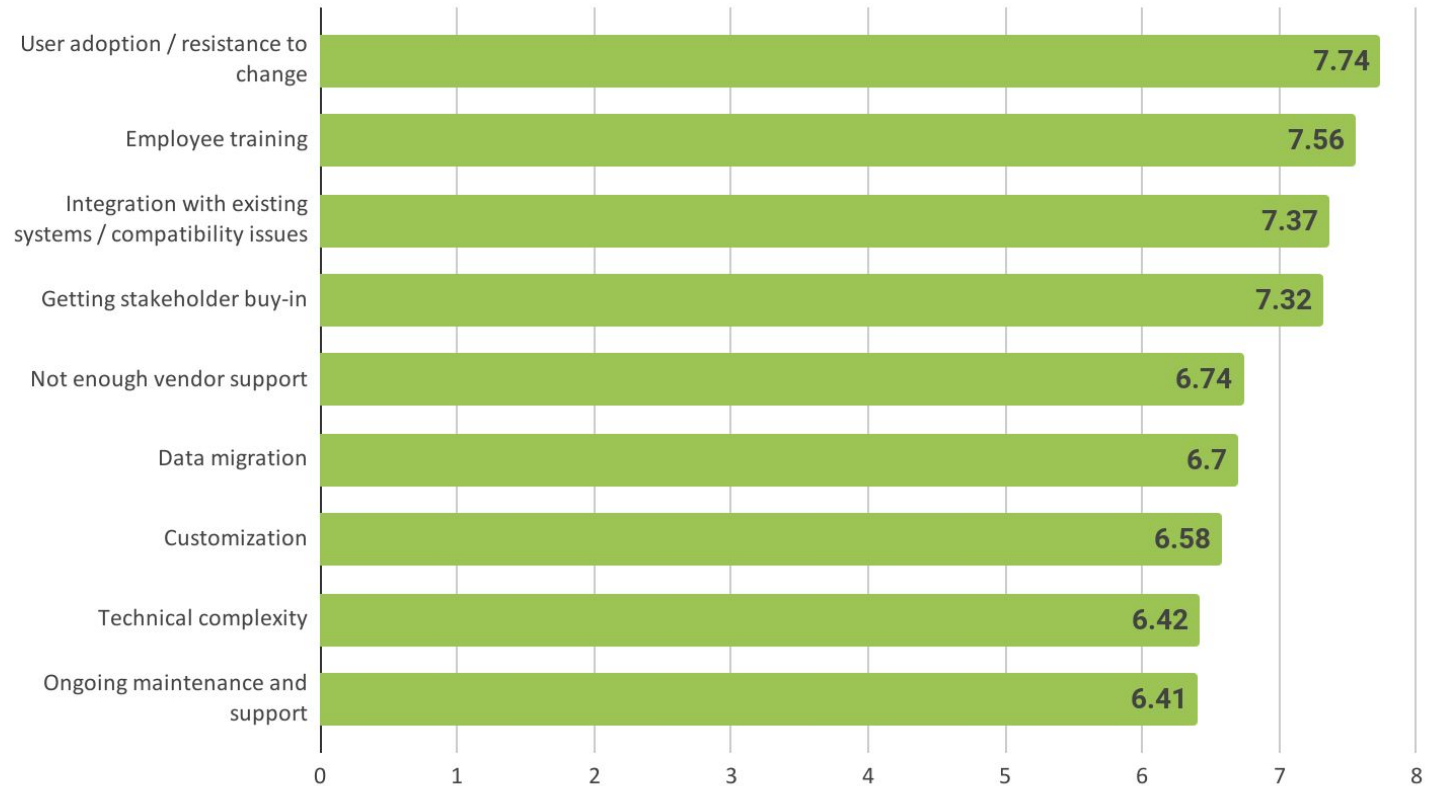
**Functionality** replaced cost as the top-ranked factor overall. The only other major change from last year is that industry-specific features and capabilities fell below flexibility / customizability and user training and support.

# Software implementation challenges

We also asked what challenges respondents face when implementing new software. On a scale of 1-10, all challenges were rated above a 6. The top three challenges identified were:

- User adoption / resistance to change
- Employee training
- Integration with existing systems / compatibility issues

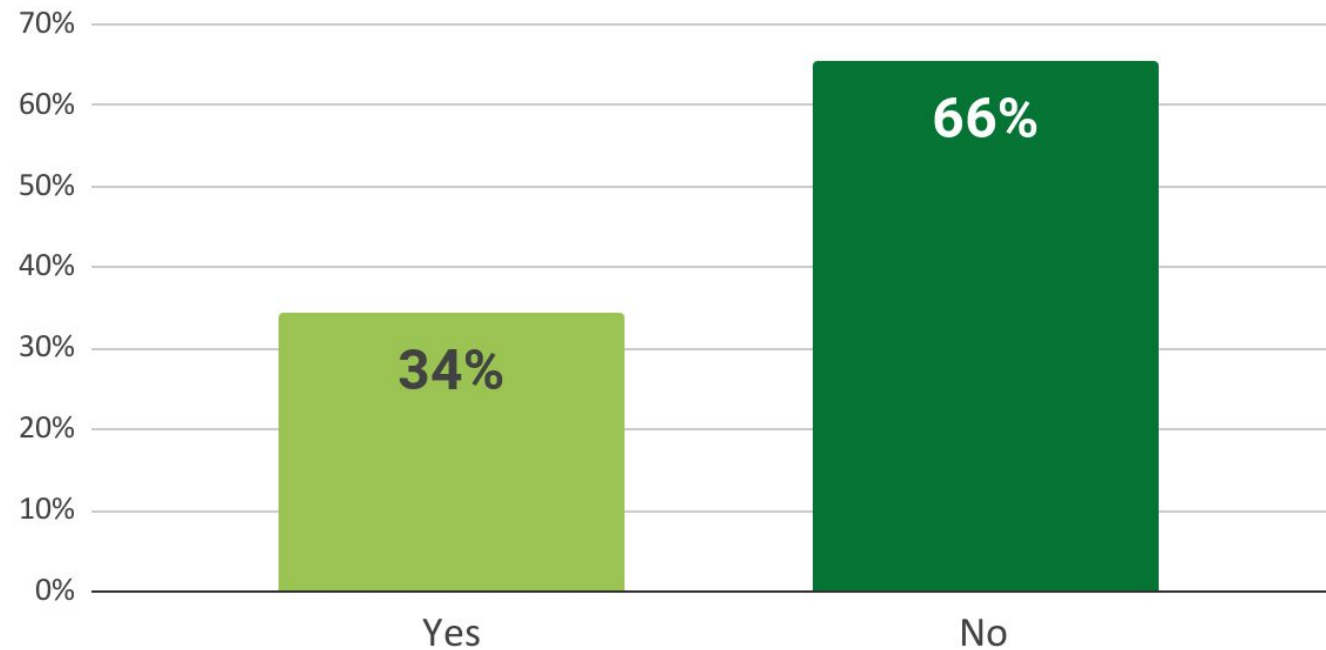
When integrating new software into your operations, how challenging do you find the following?



## Software implementation process

Despite the many challenges, only 34% said their company has a formal implementation process for new software. While this is up from 28% last year, it indicates additional room for improvement.

Does your company have a formal implementation process for new software?





# Starting the Digital Transformation Journey

*From Jack Payne, VP of Solution Consulting, Food and Beverage*

When your business is preparing for or engaging in digital transformation, it's critical that everyone involved understands that it is a journey, not a destination. The food and beverage industry—as well as the technology that supports it—is constantly evolving, and that means digital transformation initiatives should in large part focus on continuous improvement and effective change management.

Generally, you should begin by establishing your foundation, typically an enterprise resource planning (ERP) solution. If your company doesn't have one in place, you'll need to carefully evaluate your options and find the right industry-specific platform for your circumstances. If you do already have an ERP, you might consider upgrading it, migrating it to the cloud or potentially replacing it if it lacks key functionalities or isn't user-friendly.

You should also create a roadmap for your journey before you begin. That should include a realistic timeline and observable milestones, and it should be shared with everyone in the organization to set expectations and help them understand the different phases of the transition. Digital transformations result not in just a change of technology, but also typically a change in your processes and your employees' mindsets.

And speaking of change, we must recognize that it can be scary, especially for factory floor workers, as their jobs and daily tasks

may change substantially as a result of new software being implemented and processes being adjusted. Proper support from executive leadership, with clear communication every step of the way, is the best way to overcome that challenge and get buy-in at all levels of the business.

As you progress through your digital transformation, you should begin to see positive effects on your metrics and key performance indicators (KPIs). In the case of a food and beverage company implementing its first ERP, this might be the first time that metrics and KPIs are readily accessible—that's one of the biggest advantages of a purpose-built, fully digital system.

With time, your journey may reveal new opportunities to unlock additional functionality and benefits through the addition of complementary solutions like product lifecycle management (PLM), overall equipment effectiveness (OEE) and enterprise asset management (EAM) software. Through integration with your ERP, each of these can help round out your tech stack and propel your digital transformation forward.

*If you're ready to learn more about our portfolio of food and beverage solutions and how they can help modernize your business and drive continuous improvement, reach out to us today at [info@aptean.com](mailto:info@aptean.com).*





**Thank You!**

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