Mastering make-to-stock manufacturing: Five best practices to stay ahead
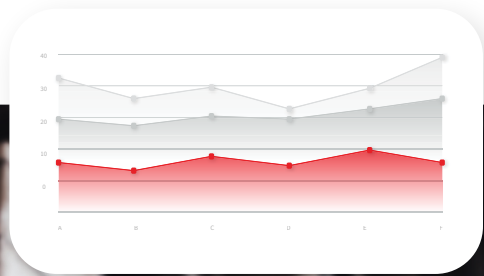
Table of contents

infor

Make-to-stock today

Make-to-stock (MTS) manufacturing has long been a favored strategy, offering efficiency and cost savings in scenarios where demand remains steady and predictable.

However, unpredictability is growing increasingly common — with changes in market trends and consumer demands, MTS producers face significant challenges in maintaining efficiency and control, which can impact cost, resources, and revenue.

Disruptive shifts in consumption patterns, supply chain dynamics, and the prevalence of legacy systems are fundamentally altering MTS processes. But these challenges also present opportunities for producers to innovate and maintain their competitive edge.

By adopting best practices in the MTS sector, manufacturers can navigate these complexities and meet growing customer expectations with agility and flexibility.

This guide will outline five essential methods for MTS producers to thrive in today's dynamic market.

infor

Common challenges impacting the MTS Sector

Companies adopting the MTS strategy often encounter key struggles that profoundly impact revenue and overall satisfaction. These challenges include:

Coordination conundrums: Without efficient coordination between product planning, sales forecasting, and inventory management, companies risk over or underproduction. Instead, producers should consider ways to streamline the coordination process to ensure the right amounts are produced at the right time.

Inventory management: Limited visibility into the supply chain can hurt businesses — from higher inventory costs to resource drain. By implementing robust inventory management practices like lean manufacturing, companies can establish a healthy inventory system and sustain their competitive edge.

Lead time variability: Longer lead times mean slower response to changes in customer needs and demands, resulting in decreased customer satisfaction, increased costs, and potential loss of revenue to competitors. MTS producers need to focus on efforts to shorten lead time with effective demand forecasting to minimize waste and reduce unnecessary costs.

Legacy ERP dilemma: While many companies have ERP systems in place, most are typically on-premises, outdated and less efficient. These legacy ERPs pose long-term risks to businesses, including limited scalability, security vulnerabilities, and rising maintenance expenses. To address these challenges, MTS producers should explore adopting a modern ERP solution to enhance scalability and decrease costs over time.

infor

Five ways to future-proof your MTS manufacturing

To stay ahead, MTS producers can frame these challenges as opportunities to optimize processes, improve supply chain health and drive efficiency across the sector. By implementing best practices and investing in the right solutions, manufacturers can maintain a competitive advantage and ensure business longevity.

Here are five recommended practices to consider:

1. Embrace lean manufacturing

Efficient MTS manufacturing hinges on embracing lean principles. Simply put, lean manufacturing aims to minimize waste and maximize efficiency by implementing methods that can successfully identify and eliminate waste, such as wait time, unnecessary storage costs and overstock.

One key example of lean manufacturing is the "just-in-time" production process that ensures materials are produced only when needed, based on demand. To achieve this, MTS producers can adopt real-time demand sensing and efficient production planning in their processes. With lean manufacturing, companies can reduce lead times, operating costs, and enhance product quality.

2. Develop an accurate inventory management system

Producers can strike the right balance between stock levels and costs by utilizing safety stock and implementing a robust ERP system. This prevents stockouts and overstocking, leading to significant resource savings and increased agility to meet customer demands.

Additionally, a well-developed inventory management system can also enhance customer satisfaction by ensuring products are readily available.

Five ways to future-proof your MTS manufacturing

3. Enhance demand forecasting and planning

In MTS businesses, accurate demand forecasting is critical, as products are built for anticipated customer needs, not specific orders. By analyzing historical data, market trends, and customer feedback, companies can forecast demand and align production schedules. This optimization of stock utilization minimizes excess inventory, saves resources, and fosters agility to respond to changing consumer demands.

4. Agile supply chain management

With unpredictable demands and a highly competitive market, MTS manufacturers need to ensure their supply chain is agile and flexible to quickly respond to unprecedented change. Gaining end-to-end visibility (from sales and production to inventory and procurement) will empower businesses to make data-driven decisions and fortify business resilience across the sector.

5. Leverage advanced technology

The adage "the only constant is change" holds true for MTS production. MTS producers can benefit significantly by adopting advanced technology to drive process improvements. In a sector where production volumes vary, cloud technology allows for seamless scalability, ensuring IT infrastructure aligns with changing demands. Implementing a cloud-based, industry-specific ERP can pave the path to better data analytics.

Additionally, embracing automation and robotics can further improve production processes for greater efficiency.

Modern ERPs offer significant benefits, yet many companies hesitate to embrace it due to the timely and financial cost of implementation and potential business disruption. For MTS manufacturers, ERP considerations can be limiting; complex, feature-rich systems meet their needs but have a steep learning curve, while simple solutions lack industry-specific functionalities.

The ideal solution? A robust yet user-friendly ERP tailored to the unique needs of MTS production with an easy, out-of-the-box implementation.

infor

Infor Prebuilt:
Built for make-to-stock excellence

Infor Prebuilt is a best-in-class, cloud-based solution specifically designed for inventory-driven businesses. Built on Infor CloudSuite Industrial Enterprise, it is a pre-configured unified system that scales with your growth and empowers continuous innovation without extensive costs or disrupting core operations.

With Infor Prebuilt, producers can:

Streamline business process flows by leveraging up to 400 categories of data pre-configured for business specificities across the sector

Connect and exchange data by easily integrating Infor and third-party enterprise systems while eliminating information silos

Leverage world-class infrastructure with Amazon Web Services powering Infor cloud capabilities, providing safety and security while enabling business resilience
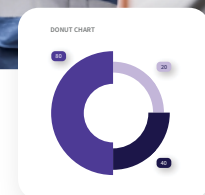

infor

Stocking up for success

Efficiency and control are the cornerstones of success in MTS manufacturing. With unpredictable demands and shifting market trends, MTS manufacturers must ensure their operations are aligned across the board, from product planning and sales forecasting to inventory management.

By following best practices, MTS manufacturers can safeguard market share, balance demand and production, minimize waste, and maintain a competitive edge.

With 20 years of industry expertise, we offer tailor-made solutions designed to secure your future, with the robust ERP capabilities you need to power innovation for years to come.

infor

About Infor

Infor is a global leader in business cloud software products for companies in industry specific markets. Infor builds complete industry suites in the cloud and efficiently deploys technology that puts the user experience first, leverages data science, and integrates easily into existing systems. Over 67,000 organizations worldwide rely on Infor to help overcome market disruptions and achieve business-wide digital transformation.

infor.com

Discover the tailor-made solution built for inventory-driven operations

LEARN MORE

infor