

# Driving the digitisation of dairy

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The consumer packaged goods (CPG) industry stands to benefit greatly from digital innovation advancements. According to [a paper](#) *The Next Frontier in Consumer Goods: Digitally Enabled Innovation* by the strategy firm McKinsey & Company, digitisation can bring new products to market 50% faster, at a third of the cost, and with a significant return on investment.



Sasha Ramjathan, leader of the CPG segment for Southern Africa at Schneider Electric. Source: Supplied

Similarly, the dairy industry will benefit from the advancement of technology. In this section, McKinsey stresses that in order for dairy leaders to expand in the coming years, they must reconsider their approach to customer behaviour trends paired with digital, analytics and supply chain management.

## Consumer desires

As previously said, consumer behaviour plays a significant part in the dairy industry's efforts to innovate and evolve digitally. Sustainability has become a major consumer factor and point of differentiation in this market.

Consumers now demand more access to information with regards to the basic materials used to produce the food and beverages they purchase. Specifically, they wish to confirm the origin of the resources and whether (or not) they have been treated in a sustainable manner.

Digital solutions enable businesses to provide end-to-end product and process traceability to consumers. Indeed, digital technologies offer access to data that aids plan management in determining the availability and traceability of raw materials across the whole food processing, storage, and delivery life cycles.

Digitisation early adopters may address customer demand head-on. Using the example of lactose-free dairy alternatives, CPG businesses can swiftly modify their production lines to handle abrupt spikes in demand while benefiting from a better supply chain and traceability.



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## Enhancing operational effectiveness

Implementing a digitally-enabled infrastructure requires dairy executives to examine their immediate and future needs with consideration for consumer demand and sustainable operations. Digitisation creates great value at the executive and plant level by bridging information silo issues, so benefiting the entire value chain, from maintenance staff to facility engineers.

Listed below are several crucial steps that drive a company's digitisation efforts:

### Implementing predictive maintenance:

In dairy production processes, cows produce milk continuously. If companies are forced to discontinue operations, incoming milk will be wasted, resulting in the waste of a valuable food asset and a negative impact on profitability.

In spite of equipment breakdowns and failures, machine assets are subjected to a level of stress that exceeds normal parameters, necessitating precautions to reduce unnecessary product. Here, digital technologies that enable predictive maintenance will assist personnel in focusing on the most at-risk assets and planning repairs prior to a severe disruption in operations.

By assessing the status of their equipment with IIoT sensors, businesses may also increase the longevity of their equipment. If a repair is not warranted, businesses are permitted to delay it beyond the statutory time frame. According to McKinsey, improved condition monitoring decreases maintenance expenses by 10 to 15% on average.



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### Automating to enable rapid conversion to alternative products:

Automation technologies allow businesses to quickly respond to fluctuating market conditions. With the correct automation,

a dairy facility established for milk production may, for instance, introduce new recipes for chocolate and strawberry-flavoured milk.

Digitisation equips the dairy industry with the means to achieve specific, individualised benchmarks such as establishing more sustainable operations or enhancing fundamental processes to more rapidly adjust to market demand. Ultimately, digitisation is essential to provide profitable and efficient service to consumers and clients.

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