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Gartner for Supply Chain

# Factory Innovation Post-COVID-19

Five best practices for manufacturing  
operations leaders



Manufacturers are at a significant crossroads. Factories must not only support organizational endeavors for agility and growth, but they must also manage the ongoing impacts and risks of COVID-19. Social distancing, shift staggering and automation are spurring new approaches to leveraging technology. But regardless of approach, a clearly defined path to managing, deploying and sustaining a pipeline of innovation projects is required for future success. According to Gartner research, by 2024, 50% of factory work will be done remotely, impacting job families and shift schedules. There is no evidence that the COVID-19 crisis has slowed digital investments and smart manufacturing.

But innovating at scale, which is repeatable performance that enables an organization to move faster, is a challenge for manufacturing operations leaders. So is generating awareness of successful innovations; identifying which sites are most ready to adopt, or would benefit most from, innovative technologies and new ways of working; governing innovation management; and scaling pilots.

Short-term measures to navigate the crisis can only last so long before more strategic, new ways of working and manufacturing need to be established. Put another way, scaling innovation is not episodic; it is cyclical. It requires a deliberate approach to identifying opportunities to innovate, pilot and make successes known, and then to transfer. Synchronization ensures that innovations are continually improved upon, costs are managed and investments are planned — especially as budgets are challenging to come by. One-off pilots, projects in pockets and/or isolation, cultural bias and unmanaged changes can all derail scalability and expectations of repeatable innovation capabilities.

Ultimately, without scaling, innovation will not deliver its full value. It is mission critical for manufacturing operations leaders to overcome the challenges to scaling innovation in an era of continuous disruption.

Gartner closely studied organizations that have successfully cultivated and delivered innovations across their factories and plants, and identified five best practices for developing a systematic approach to delivering innovation across sites.

- **Align smart manufacturing efforts with workplace transformation.** Digitalizing manual and offline tasks will not only improve capacity utilization but also will be a platform for developing new factory worker capabilities. These competencies align with, outpace, and can be sustained in line with new capabilities and digital strategies over time. Changes to staffing models, skills requirements and collaboration will enable this.
- **Reduce resistance to change.** Adapt to social distancing requirements by following a gradual rollout plan. Explore and evaluate options with high-impact potential, and focus on the critical paths and core processes first. Be sure to catalog what can be automated later.
- **Align innovation operationalization with the production system.** This ensures site readiness and prioritization to execute and exploit. In a post-COVID-19 era, lean workforces in particular will need new metrics that integrate with the existing ways factories are managed.
- **Create demand for successful innovations.** Enable project leads to share their direct experiences with peer groups and stakeholders. Attract a project sponsor from senior leadership to stay apprised and informed of initiatives.
- **Connect synchronization with continuous improvements.** This will ensure hand-offs, eliminate competition for resources and expose further efficiencies. HR may be a good partner in assessing new required skills.

## About Gartner

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Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and an objective resource for more than 14,000 enterprises in more than 100 countries — across all major functions, in every industry and enterprise size.

## Supply chain manufacturing operations and strategy: How Gartner can help

The factory of the future will transform the role that manufacturing operations plays in supply chains and digital businesses. Smart manufacturing aligns with supply chain convergence, which is the need for supply chain organizations to synchronize and execute processes across multiple functional domains with minimal imbalance and conflict. Gartner experts in supply chain manufacturing operations and strategy help maximize the potential of smart manufacturing across the supply chain. Visit [gartner.com](https://gartner.com) to learn how we enable our manufacturing operations leader clients with the insights, advice, data and tools to deliver innovation.



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