



Manufacturing & Distribution

# The SMAC Stack Solution

## Four Keys to Manufacturing in a Rapidly Evolving Marketplace

July 2015

“Uber, the world’s largest taxi company, owns no vehicles. Facebook, the world’s most popular media owner, creates no content. Alibaba, the most valuable retailer, has no inventory. And Airbnb, the world’s largest accommodation provider, owns no real estate. Something interesting is happening.”

— Tom Goodwin, senior vice president of strategy and innovation, Havas Media

Something interesting is indeed happening. Several large forces are converging to alter the landscape for manufacturers both in Canada and around the world: First, the lightning fast emergence of social media is chipping away at traditional sales and distribution networks—there has never been a time when, globally, customer and manufacturer could communicate more directly. Second, the revolution of the smartphone is fast becoming the answer to the demands of instant gratification that every consumer economy seeks to nurture. Third, the rapidly growing ability to mine data on a massive scale—frequently referred to as Big Data or analytics—which allows (among other things) manufacturers to micro-target product marketing to specific regional tastes, and to more accurately predict its activities moving forward. And finally, the various, ubiquitous, ever accessible, ever up-to-date incarnations of cloud computing, the vast off site oceans of data that allow manufacturers to instantly manipulate information well beyond their own—or even their own industry’s—capabilities.

Together, these forces are rapidly altering the manufacturing environment. ***In an ingenious response, leading edge companies are now utilizing the very factors that are creating change to assist in adapting to it.*** This is known as SMAC or the SMAC Stack—social, mobile, analytics and cloud. The SMAC Stack is becoming an essential technology tool for manufacturers seeking stronger customer engagement, increased opportunities for growth and more accurate business predictability. The early adopters of these tools have increased efficiencies and greatly enhanced sales and marketing initiatives.

Let’s look at these emerging market forces individually:

“Social” refers to social media, the numerous and easily accessible electronic tools that enable anyone to publish and access information, collaborate on a common effort, or build relationships, on a potentially global scale. Employing social media can help your company increase its visibility, customer base and level of customer appreciation. As such it cuts through traditional marketing and distribution structures—including such once essential tools as advertising—and directly connects your products with their demand.



“Mobility” refers to the explosive growth in the use of smartphone technologies. We have become a society that is instantly connected to whatever we demand or desire, and we have the smartphone to thank (or blame) for this. In conjunction with social media this mobility has dramatically expanded new market potential and effortlessly cut through traditional means of communication, be it the dissemination of marketing materials or a new customer’s ability to make direct contact with a chosen manufacturer.

“Analytics” or “Big Data” refers to the process of collecting, organizing and analyzing large sets of data to discover patterns, trends and other useful information. Big data analytics can help manufacturers more precisely understand trends contained within sales and communication data, and also identify the information that is most important to the business and future business decisions. From CFOs and other C-level executives to warehouse traffic managers, this analyzed data offers dramatically increased and accurate predictability for every level of manufacturing activity.

And, finally, “cloud” refers to cloud computing, which at a basic level is the outsourcing of a corporation’s key digital tasks to offsite network of servers for a fee. These tasks can include “software as a service” (SaaS), “infrastructure as a service’ (IaaS) and “platform as a service” (PaaS). It first appeared when software applications were made available to companies over the Internet in the late 1990s (SaaS), meaning a corporation’s internal IT department was no longer responsible for maintenance of a specific program. Later on, companies with a massive Internet presence such as Amazon and Google offered to lease their own infrastructure by usage per month (IaaS/PaaS) and offered a wide array of tools and services to augment that infrastructure. Of key importance and applicability to manufacturers is the acquisition of the three S’s that adopting cloud computing achieves—scalability, speed and self service.

Combining these four emerging market forces could change how manufacturing businesses are structured, for the better. In the last CME Management Issues Survey, over 83% of respondents have increased the usage of information technology and social media tools, indicating they were a key element of their operations. However, organizations looking to successfully adopt these tools need to be cautious. To maximize the benefits of these tools, it is important to find an industry standard solution that is integrated by design, such as Microsoft, rather than as an afterthought and a business partner that understands both the evolving marketplace and the solutions to support that evolution.

Originally printed in the July/August 2015 issue of the Canadian Manufacturers & Exporters’ Magazine, 20/20.



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