10 things you should know about meeting the growing demand for individualized products

Mass-producing products on time, at low cost and with high quality is no longer enough. Manufacturers need to make fundamental changes in their operations to meet customer demand for individualized products built to specific requirements.

How does the demand for individualized products impact your operations?

- With mass customization, the number of parts in inventory can proliferate and managers often stubbornly resist making the necessary changes, as demonstrated by one major manufacturer that took 10 years to correct the problem.
- The tightly integrated processes essential for efficiency in a mass production business model are ill-suited for mass customization and have to be replaced with processes that are configurable, according to an article in the Economist.
- Delivering more make-to-order and engineer-to-order products puts strains on their operations and profitability, say 58% of respondents in a Manufacturing.Net survey.
- The need to quickly build and distribute unique products that have unpredictable demand creates significant challenges for manufacturers and their supply chain partners, according to an article in IndustryWeek.
- Customers are so unwilling to wait for their customized orders that the World Economic Forum concluded that speed, not knowledge, will be the basis of future manufacturing competition.

How can you manage the new demands?

- Use advanced analytics and business intelligence tools to better predict your needs for raw materials and production capacity.
- Implement a strategy to mass-produce products up to their point of differentiation, postponing final assembly and configuration until you have a specific order. Read more about the advantages of postponement logistics in this Forbes article.
- Use specialized lower cost providers to complete 8 late-stage production, assembly, warehousing, packaging, and shipping.
- Take advantage of **new communications and** 9 **collaboration tools** to improve how you coordinate within your company and across your supply chain.
- Give customers the ability to configure your products to suit 10 their unique needs. Read about some of the new technologies that are making this possible in this McKinsey & Company article.

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