

Technology Fails to Lift Productivity for Australian Food and Beverage Manufacturers

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Nearly six in ten Australians working in food and beverage manufacturing (58.4 per cent) believe their organisation is becoming less productive, despite continued investment in workplace technology, according to new research commissioned by global management consultancy Argon & Co.

The survey of 500 people working across the sector found employees are still spending a considerable amount of time on manual and repetitive work. More than four in five respondents (81.8 per cent) spend over a quarter of their working week on repetitive or manual tasks, while 40.8 per cent said it takes up more than half of their week.

Almost all respondents (95.8 per cent) said work is being duplicated across systems, teams or processes, with 75.8 per cent reporting this happens to a moderate or significant degree. In practice, that can mean entering the same data into multiple systems, maintaining spreadsheets alongside enterprise platforms or manually reconciling production information.

"Food and beverage manufacturers are investing in technology to improve productivity, but many employees are still spending too much time on manual admin, repeating checks or moving between different systems. Technology alone won't fix an inefficient process. If you introduce a new system without changing how the work gets done, you risk adding another layer of complexity rather than making people's jobs easier," said Paul Eastwood, Managing Partner at Argon & Co.

The research suggests the technology itself is only part of the challenge. More than three-quarters of respondents (76.4 per cent) said new technology is typically introduced without also changing the corresponding processes, responsibilities or broader ways of working around it. Six in ten identified outdated processes or poor integration with existing systems as the biggest barrier to getting more from technology, including 34 per cent who said underlying business processes are never updated.

By comparison, only 14 per cent identified a lack of leadership support as the biggest obstacle, suggesting the challenge is less about the appetite for new technology and more about how it is put into practice.

"Manufacturers won't solve productivity challenges by adding another tool to an existing process. Before introducing AI, businesses need to look at where work is getting held up, what could be done differently and where technology can genuinely make the job easier. Otherwise, there's a risk of using AI to speed up processes that weren't working well in the first place," said Eastwood.

Much of the sector is still in the early stages of AI adoption, with 82.4 per cent saying their organisation had introduced AI only to a limited extent or not at all. The reported impact on productivity was also mixed. More than two in five respondents (41.8 per cent) said AI had delivered no noticeable productivity improvement or had made their work more difficult, while only 14.4 per cent reported a significant productivity boost.

The mixed results suggest that introducing AI does not automatically translate into improved productivity. Even when the technology works as intended, its impact can be limited if it does not have access to the right information, fit into how employees actually work, or address a clear business need.

Some of the greatest opportunities to improve productivity in food and beverage manufacturing are in everyday operations. Almost two-thirds of respondents (63.2 per cent) identified production, supply chain, or inventory management as the areas offering the greatest opportunity to improve productivity. More than half (52.2 per cent) said their top priority for technology was reducing repetitive tasks or eliminating errors and rework, while 30.4 per cent nominated better planning and scheduling as their top priority.

"The greatest value from AI will come when manufacturers start with a clear business problem, rather than the technology itself. That could be reducing waste, improving throughput, producing more accurate forecasts or managing inventory more effectively. From there, manufacturers can look at where processes can be improved and where AI can genuinely help. AI is only one part of the solution, and its value depends on how effectively it supports the people, processes and decisions around it," concluded Eastwood.