

DIGITAL CHALLENGES OF THE FOOD & DRINK INDUSTRY & HOW WE CAN HELP

27th May 2025

An independent member firm
of Moore Global Network Limited  MOORE

Introduction to Johnston Carmichael

We are a top 20 UK firm of Chartered Accountants and Business Advisers, passionate about the food & drink sector, owned and managed by the partners, just like the majority of our clients.

We advise **2,000** farmers, food growers, landowners and **500** food & drink producers.

900 Partners and staff across 11 UK offices.

Across industry sectors, we audit more Top 100 privately owned companies in Scotland than any other accountancy firm.

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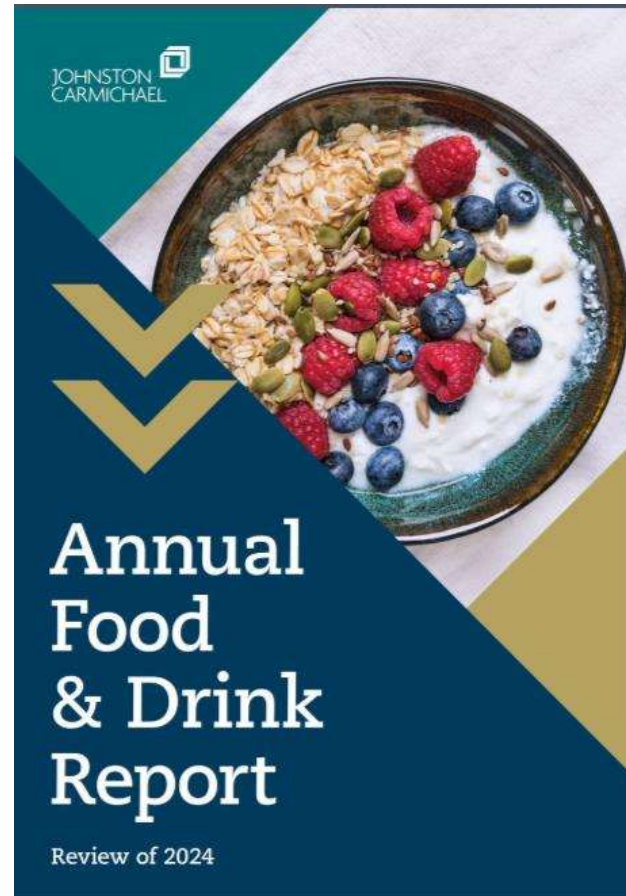


MOORE



Our annual Food & Drink Survey

1. Business health
2. Performance and profitability
3. Innovation and automation
4. International growth
5. Sustainability
6. People



Fraser Kidd

Senior Manager | Digital Advisory

I began my career in telecommunications and transitioned to a role as a Business Applications Consultant for a facilities management company. I then worked in Risk Assurance at a Big 4 accountancy firm.

More recently, I was the Group IT Manager at an Engineering and Manufacturing company in Scotland's central belt, overseeing the IT estate across three sites and leading projects to implement the latest digital technologies.

I joined Johnston Carmichael in 2024, specialising in Business Analysis, System Selection, and Project Management, with a proven ability to implement digital solutions from project initiation to post go-live support.

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Triggers

Through our experience, we've pinpointed several key indicators that tell us when a business is ready for digital transformation which we've detailed here.

By assessing what stage our clients are currently at, we can explore how we can help them on their journey.

We can then advise them on the next steps tailored to their business needs.

Every Business needs some form of Digital Transformation

Software no longer fit for purpose

Growth aspirations

Performance optimisation

Reliance on spreadsheets

Multiple legal entities

Change management

Non-integrated systems

Legacy systems

Why: Because it ensures readiness for future transitions

**Why is it important to keep
systems updated and on the
correct infrastructure**





M&S

EST. 1884



'They wanted \$4m':
Lessons for M&S from
other cyber attacks



M&S cyber attack linked to gang of teenage hackers

Criminal group Scattered Spider may be involved in breach, say investigators

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Matthew Field Senior Technology Reporter. **Hannah Boland** Retail Editor
29 April 2025 12:26pm BST

A devastating cyber attack on Marks & Spencer that has **forced it to halt online sales** for five days has been linked to a notorious teenage hacking gang.

Experts assisting the retailer with the fallout of the incident believe a group known as Scattered Spider – a disparate gang of cyber criminals thought to include British and American teenagers – may be involved in the breach, sources said.



M&S Cyber Attack Sparks Online Order Jumble—urgent shoppers update on canceled orders, refund policies & next steps.

The Digital Challenges of a food & drink business



The Digital Challenges for your business



**Supply Chain
Visibility &
Traceability**



**Integration of
Legacy Systems
with Modern
Technology**



**Data
Management &
Analytics**



**Regulatory
Compliance &
Digital Reporting**



**E-Commerce &
Digital Marketing
Challenges**



**Automation &
Smart
Manufacturing**



**Cybersecurity
Risks**

The Challenges



Supply Chain Visibility & Traceability

- The industry relies on complex supply chains, often with international suppliers, making real-time tracking difficult.
- Blockchain and Internet of Things (IoT) solutions exist but are expensive and require significant IT investment.
- Compliance with food safety and traceability regulations (e.g. HACCP, BRCGS) is challenging without advanced IT systems.

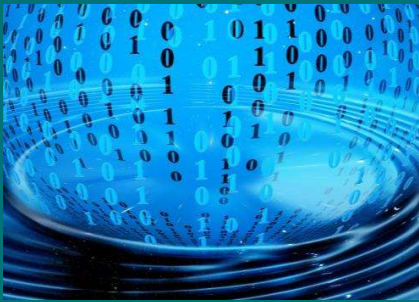
The Challenges



Integration of Legacy Systems with Modern Technology

- Many businesses still use outdated IT systems that struggle to integrate with new technologies like cloud computing and AI.
- The cost of upgrading systems can be high, and staff training is often required

The Challenges



Data Management
& Analytics

- Companies generate vast amounts of data from production, sales, and logistics, but many lack the tools to analyze and use it effectively.
- Implementing AI and machine learning for demand forecasting or quality control requires expertise and investment.

The Challenges



Regulatory
Compliance &
Digital Reporting

- Food safety regulations are becoming more stringent, requiring digital tracking and reporting.
- Brexit has added new regulatory challenges, increasing the need for efficient customs and export documentation.

The Challenges



E-Commerce & Digital Marketing Challenges

- The shift towards online sales requires robust e-commerce platforms and digital payment systems.
- Many traditional food and drink businesses lack the digital expertise to compete effectively.

The Challenges



Automation &
Smart
Manufacturing

- Automation can improve efficiency, but many companies struggle to integrate IoT, robotics, and AI into their production processes.
- High costs and a shortage of IT-skilled workers in the food and drink sector create barriers.

The Challenges



Cybersecurity Risks

- Food and drink companies are increasingly targeted by cyberattacks, such as ransomware and data breaches.
- Many small and medium-sized enterprises (SMEs) lack the resources for strong cybersecurity measures.
- Compliance with regulations like GDPR adds another layer of complexity.

Who have we worked with



Case study – Vertical Farming

We partnered with a technology vertical farming organisation to –

- Conduct a review of the company's key business processes. This project aimed at ensuring robust procedures were implemented to support their anticipated global growth.
- We performed an end-to-end business review, preparing detailed process maps to help management understand their current processes
- We also delivered a comprehensive report highlighting issues and weaknesses in each process, along with recommended actions for improvement.
- JC supported the organisation in selecting an ERP system to replace their current software.
- We developed a comprehensive Statement of Requirements and 'To Be' process maps.

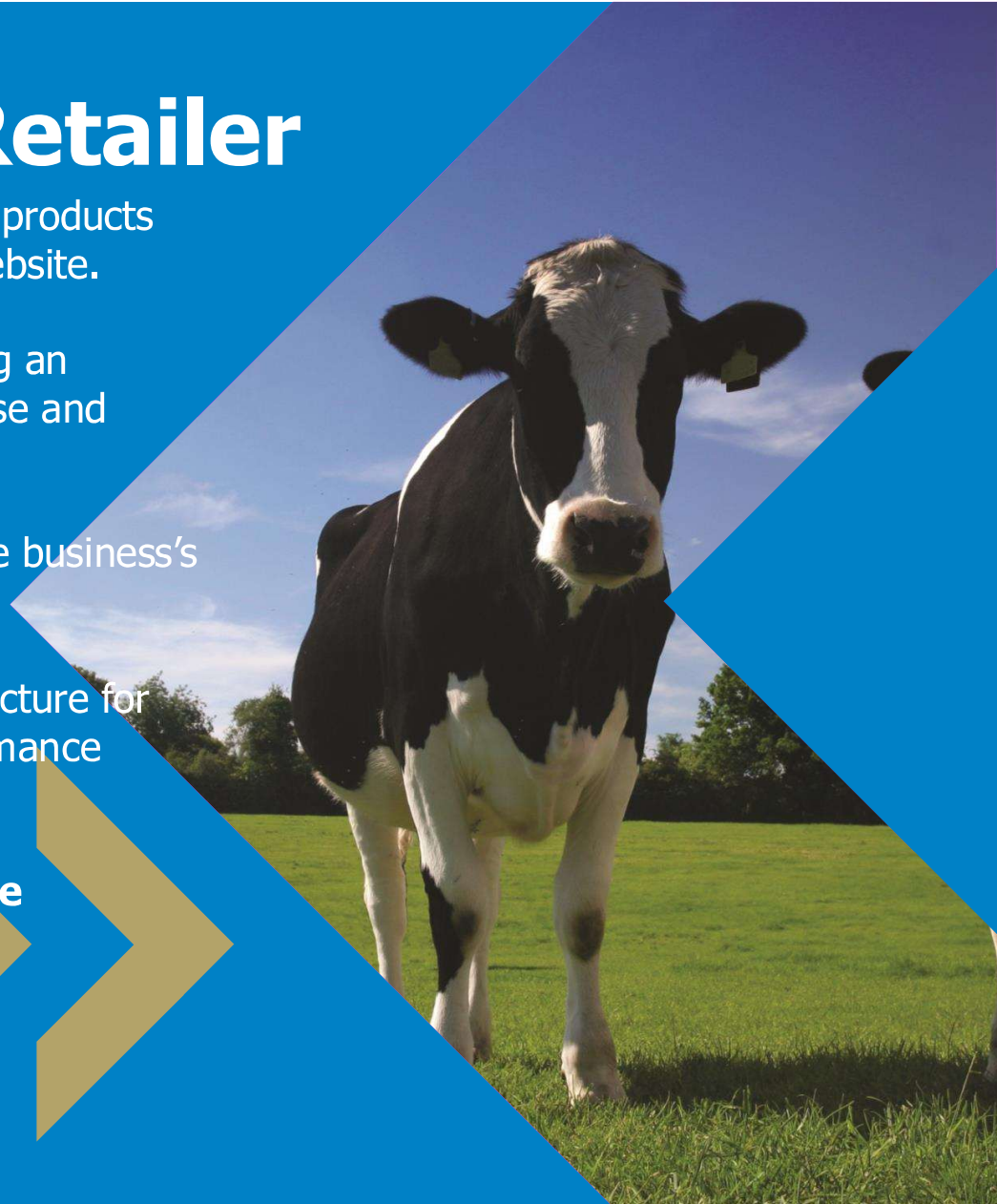
The project concluded with the organisation operating from a robust platform to support their growth.



Case study – Butchery Retailer

We were engaged by a butchery retail business that sells its products through its own farm store, independent retailers, and its website.

- **Reviewed business and finance processes**, delivering an **Efficiency Opportunities Report** to optimise system use and unlock operational gains.
- Rolled out **bespoke, interactive training** tailored to the business's needs, driving smarter, more efficient ways of working.
- **Revamped the Chart of Accounts**, simplifying the structure for clearer, faster reporting and sharper departmental performance insights.
- **Integrated till and online ordering systems with the accounting platform**, automating data flows to:
 - Eliminate manual errors
 - Deliver real-time, accurate sales and stock reporting
 - Boost operational control and decision-making



The Johnston Carmichael Digital Advisory Approach



Digital Advisory @ Johnston Carmichael

Full service offering

- Cloud accounting system implementation
- Data analytics and insights
- Process mapping and re-engineering
- Cloud adoption and optimization
- System reviews
- Software evaluation and selection
- Project and Change management
- Post-implementation reviews
- App advisory and integration
- Training and upskilling
- Cybersecurity analysis



What are the benefits?

Embracing digital solutions offers many benefits. These include becoming more efficient, profitable and providing better experiences for customers.

By streamlining processes and using data analysis, businesses can make informed decisions.



Increased Productivity

Simplify and improve processes for greater efficiency



Compliance

Traceability and Reporting to meet evolving standards



Cost Savings

Automation and efficiency gains reduce costs



Forecasting

Accurate predictions to better plan for the future



Customer Service

Faster, personalised support to keep customers happy



Flexibility

Ready to meet your evolving needs

Summary

Johnston Carmichael can help the **Food and Drink industry** tackle key challenges by leveraging technology to drive efficiency, enhance financial management, and support sustainable growth.

From streamlining **supply chains** and **automating processes** to improving **data insights** and **cash flow management**, our expert team provides tailored digital solutions that help businesses adapt to changing market demands.

Whether it's navigating **cost pressures**, **complying with industry regulations**, or **scaling operations**, we support food and drink businesses with the tools and strategies needed to thrive in an increasingly digital world.





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Questions

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