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Five financial benefits of a sustainable future for your business

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A sustainability-first approach to business is no longer something that's simply nice to have: it's essential to long-term profitability. It is, therefore, no longer an option to ignore the business case for developing, implementing and maintaining a sustainable business model.

Both the pandemic and a succession of natural disasters have demonstrated that linear operations are vulnerable to disruptions, costing organisations time and money as well as restricting the availability of talent. Supplies of raw materials and components may be disrupted, employees left unable to reach factories or distribution centres, and logistics networks disrupted.

Sustainability is about both the bottom line of your business and its survival – and the key to sustainable business is connected data. End-to-end visibility allows businesses to create an auditable, efficient process in which every component is reusable or recyclable.

This isn't just idealism. Investors recognise that sustainability supports both businesses and the global ecosystem – and customers, too, have shown a willingness to pay more for responsibly-made products, while talented employees are looking for businesses with solid sustainability credentials.

Here, we'll look at some of the key benefits of a sustainable future for businesses – and explain how IFS solutions delivered by Muzulu can help them get to where they need to be.

1. Attracting and retaining customers

Customers increasingly want to see evidence that businesses are adopting a sustainable approach – and with Generation Z growing in purchasing power, environmentally-aware customers have a growing influence over the entire supply chain.

Ongoing shifts in consumer spending and behaviour demonstrate that a move away from a culture of consumption to a truly circular economy holds the key to a more cost-effective future for businesses.

IFS Cloud solutions delivered by Muzulu provide the comprehensive, auditable data you need to track everything from end to end. They allow businesses to quickly identify opportunities for reducing waste and boosting efficiency – from modes of transport along the supply chain to the reuse, remanufacturing or recycling of components.

Every step taken towards a more circular manufacturing cycle helps to attract – and retain – customer loyalty.

2. Attracting investment

The new generation of investors understands the value of sustainability. Much like customers, investors want proof of your sustainable credentials.

More than 25% of the world's assets under management are invested in accordance with Environmental, Social and Governance (ESG) factors. This is proof that investors aren't just chasing returns – they're looking to put their values into practice as well.

This is why it's vital for organisations to focus on ESG policies to retain market value and attract investment. In doing so, they need to be to prove the sustainability of their products, from sourcing materials to end customer demand, through analytics.

Businesses must be able to demonstrate their role in serving the greater good through their sustainability policies, adhering to the three pillars of ESG. If they fail to do so, they risk losing access to preferential ESG borrowing and investment.

3. Attracting talent

Not only are Generation Z concerned with sustainability as consumers; it's also a key priority for them as employees. Demonstrable business values and a commitment to sustainability can give your business the edge in recruiting and retaining dynamic, conscientious talent.

In fact, Gen Z is the first generation to prioritise purpose over salary when it comes to employment. They are therefore deeply concerned with issues around sustainability and want to see proof that their prospective employers are committed to it.

IFS Human Capital Management solutions delivered by Muzulu are designed to help develop the sustainability-led teams of tomorrow. They cover everything from strategic sourcing and planning, talent development, time and expense allocation and performance management to core HR for global corporations.

By investing in sustainability from top to bottom, organisations can in turn ensure a more financially efficient future supported by cost-effective recruitment.

4. Powering innovation

A sustainable strategy is vital to innovation, and transitioning to a sustainable model spurs efficiency across the board. It drives growth, wins customers, reduces costs and boosts efficiency from end to end.

As part of the circular economy, sustainability drives innovation across the supply chain. Sustainable service and maintenance regimes prolong the working life and value of products, especially if they have been built to last.

Every efficiency gain throughout the manufacturing process reduces the usage of water and power, as well as lowering manufacturing costs. In addition, more sustainable manufacturing boosts growth and the bottom line through new sources of competitive advantage and differentiation.

To find new paths to sustainability, organisations require technology – such as IFS solutions delivered by Muzulu – that provides insight and visibility. This helps to reduce waste and inefficiency while boosting resilience and fuelling future growth.

5. Leveraging achievements

Transparency is key to unlocking the benefits of sustainability in business – not only in proving the effectiveness of sustainable practices to stakeholders, but also in having access to the data necessary to make informed decisions.

With IFS solutions delivered by Muzulu, organisations can demonstrate sustainability from any point in the supply chain and manufacturing process. This includes using historic data to demonstrate how far a business has progressed towards key sustainability goals.

IFS Digital Twin of the Organisation (DTO) solutions delivered by Muzulu allow you to review and orchestrate processes so that you can ensure execution delivers against strategy. With a clear view of which functions deliver real sustainability and customer value, businesses can identify less effective processes and those that waste time and resources.

This can help to improve overall business performance as well as ensuring that businesses strive to meeting their sustainability objectives.

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The business case for sustainability

Using the right digital solutions – such as IFS Cloud – can help organisations reap the full financial rewards of sustainability. In an increasingly fast-paced business environment, sustainable manufacturing is a proven path to robust growth and competitive advantage.

But just talking about sustainability is no longer enough. Unless these warm words are backed up by action, businesses risk both competitive disadvantages and extra taxation penalties in future years, as well as struggling to attract and retain investment, talent and customers.

Developing a sustainable business model can be the path to a cost-effective and financially resilient future. To find out more about how IFS Cloud solutions can help your organisation become more sustainable, get in touch with Muzulu's team of helpful and knowledgeable experts today.

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About Muzulu

Muzulu is an industry-leading IFS consultancy dedicated to delivering fast, effective and sustainable business improvement. Our services and support simplify processes, enhance connectivity and build resilience, allowing your business to work smarter, prioritise what matters most and scale with confidence.

We have an unrivalled knowledge of IFS functionality and best practice, which we use to help you get the most out of your new or existing IFS ERP solution. Our unique approach delivers IFS solutions faster and more cost-effectively.

Muzulu is proud to be a trusted IFS Authorised Service Partner and IFS Silver Channel Partner, and we partner with complementary software providers including Pagero, Xelix, AccessPay and Boomi.