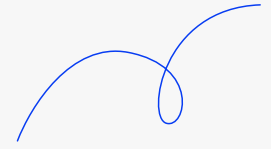Guide

Food Manufacturing 2025: AI Technology Drives Inventory Innovation

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Introduction

Introduction: AI boom in 2025 for food industry

It's clear that we're in a new age of Artificial Intelligence (AI). No industry is untouched. The Food Manufacturing and Distribution Industry is no exception.

The 2024 CommBank Manufacturing Insights Report reveals that almost nine in 10 food and beverage manufacturers and distributors plan to increase technology investment this year.

Global research group, Gartner, recently announced top supply chain organisations are using AI to optimise processes at more than twice the rate of low performing peers. AI will significantly influence the food distribution industry in 2025.

New tech demands quick action to stay competitive

It's easy to see why the industry is moving quickly to adopt AI tech. As a tool for faster and more accurate decision making, there's less risk of getting it wrong when there are thousands, if not tens of thousands, of dollars at stake with purchasing or sales decisions.

We're seeing it's worth it: AI slashing costs and boosting efficiency

This year, Fishbowl inventory management software released our AI Insights tool. We're now seeing first hand how Australian food manufacturing and distribution businesses have opened avenues for streamlined operations, heightened efficiency, and cost reduction.

With the AI Assistant Athena, businesses can tease out any part of the inventory data, from sales results to stock counts. In new and exciting ways this guides forecasting, efficiency, and purchase decisions.

How AI helps inventory management for Australian food manufacturing and distribution businesses

This resource is written to reveal the opportunities afforded by AI and how to transition to a better inventory management system to capitalise on those opportunities.

Find out:

· AI Unlocked: Top 3 ways AI is shifting Australian food inventory management
· Trends in AI: What competitors are doing and how it's changing performance
· How to take back control of your business with essential software from Fishbowl
· How other food manufacturing and distribution businesses have benefited from Fishbowl
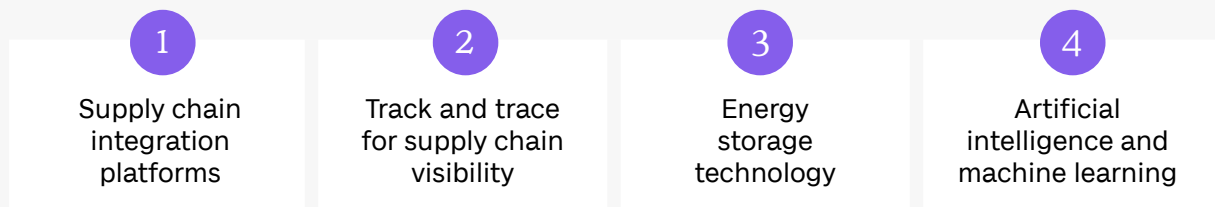
Trends in AI: What competitors are doing and how it's changing performance

The recent **CommBank Manufacturing Food & Drink Insights Report** found that producers and distributors have navigated an operating environment marked by higher costs, constrained skills, and fluctuating customer demands by prioritising productivity. That has provided a strong foundation for growth, supported by planned investment in new technologies, skills, and sustainable practices.

TOP 3 Focus Areas for Food & Drink Business		
Challenges	**Initiatives to boost productivity**	**Areas of investment to improve productivity**
Labour skill level (38%)	Tighter inventory management systems (46%)	Supply chain (56%)
Ineffective operating systems (37%)	Digital technology adoption and staff reskilling (44%)	Operating systems (49%)
Labour availability (34%)	General staff reskilling (42%)	Technology & software (46%)

Most impactful emerging technologies in the next three to five years

Almost nine in 10 Food & Beverage manufacturers and distributors plan to increase technology investment in the year ahead, including 30% that will significantly extend digital spend. The CommBank findings revealed the top 4 areas of tech investment that will have the biggest impact in the next five years:

1	2	3	4
Supply chain integration platforms	Track and trace for supply chain visibility	Energy storage technology	Artificial intelligence and machine learning

> "It's clear from Australia's largest food and drink industry trends research report that inventory management is front and centre. The arrival of AI technology has enabled this. It's a huge opportunity, but with it those who don't adopt quickly may find themselves left behind.
>
> Community expectations are quickly changing and more than ever people expect to deal with an efficiently run business. So, businesses must rise to a new challenge. At Fishbowl we're excited to be part of that change and able to offer our customers this new technology."

Fishbowl Managing Director, Simon Jupe

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AI unlocked: Top 3 ways AI is shifting Australian food inventory management

There's no mistaking the rise of AI. Food manufacturing and distribution businesses, like in other industries, are well placed to take advantage of these opportunities.

From the CommBank Manufacutring Insights Report, the industry is ready and primed to do so right now. With a focus on inventory management and supply chain efficiency, it's no longer a case of whether to invest, but how to invest.

For many though, it's hard to know what technology to invest in and the Return On Investment (ROI) to expect.

Given that any technology adoption demands personnel investment to get it up and running, it's helpful to know what available options will likely yield the best results.

For just five minutes of your time to read, this list of Top 3 AI transformations taking hold of Australian food businesses will help you see what parts of your business will benefit most.

Comparing this list to your own business challenges, we expect you'll see where new technology, like Fishbowl AI Insights, will add value to boost your business's bottom line.

> While we're all used to technologies evolving, AI is more of a leap forward. For Australian businesses managing inventory, it's a huge and immediate opportunity. It's about getting faster insights which are much more tailored to each businesses' own challenges. With our clients we're already seeing significant financial and operational gains, not to mention improvements in business culture when everything runs more smoothly.

Fishbowl Managing Director, Simon Jupe

⟩ 1: Real-time inventory visibility for quicker and more accurate decision making

The world moves faster now than ever. Sales are lost without being able to respond quickly to customers. For all kinds of food manufacturing and distribution businesses, immediate visibility of what is in stock and where it is means better business in so many ways.

AI can process and analyse large data sets quickly. It can do that on a broader range of queries. By examining sales trends, customer purchasing, behaviour and stock levels instantly, every decision becomes easier.

⚠ **Impact on business**

- Improved operational efficiency and cost reduction
- Enhanced demand forecasting and inventory management
- Increased agility and responsiveness to market changes

💡 **The solution**

Immediate information is a game-changer, and Fishbowl AI Insights equips food manufacturing and distribution businesses with the tools to stay ahead. Its barcode and scanning technology automate order processing and fully digitise the warehouse, ensuring real-time access to essential inventory data.

Fishbowl AI Insights can identify underperforming products, pinpoint deficiencies, and forecast demand more accurately than traditional forecasting methods that may rely solely on historical sales data or a simple trend analysis.

Whether you're dealing with sales, logistics, production, or financial management, Fishbowl integrates these functions into one cohesive system, allowing your business to operate efficiently and seamlessly.

"Fishbowl is a very powerful tool. It gives me the information I need when I want it. It gives my staff members the information they need when they want it, and that's the most powerful opportunity that you can have in a business.

General Manager of Sajani Cups and Cones, Suzie Boor
Food Manufacturer and Distributor
Sunshine Coast & Gold Coast

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2: Quicker order fulfilment for improved inventory turnover

AI can power automation technology to streamline product picking, packing, and shipping. Inventory management software like Fishbowl allows you to use tools to automatically update things like quantities, locations, accounting data, and reports.

⚠ Impact on business

Core functionality of inventory management software includes:

- **Accuracy** - Scan items in and out with a barcode reader.

- **Reordering efficiency** - Set up automatic reorder points on items to prevent stockouts and overstocks.

- **Warehouse efficiency** - Speed up picking, packing and shipping with insights into what stock is where and how much you have.

- **Data quality** - Integrate other business solutions like accounting software and customer self-ordering platforms to eliminate double data entry.

What's new with AI vs. earlier Inventory Management Software (IMS)?

You might be saying, Well, "My IMS already does these things". Yes, that's true. But AI takes things further. AI's ability to analyse vast amounts of data at lightning speeds enables it to manage and perform the various inventory tasks faster and with more precision than humans or an IMS alone can achieve. This leads to fewer errors and improved inventory management.

💡 The solution

With the added capability of Fishbowl AI Insights, Fishbowl's automated systems can generate purchase orders when stock levels reach certain levels.

There's the advantage of creating special customer pricing and the ability to take prepayment for orders, with Fishbowl automatically emailing the customer an order confirmation before picking.

Now you can keep track of supplier lead times and performance to ensure timely and accurate deliveries. That's an absolute win for business resilience.

> " Now with Fishbowl, we can have so much confidence in placing orders. What used to take us 1-2 days, with Fishbowl we can now achieve in just 2-3 hours! "
>
> **COYO Production Manager, George Turner**
> Food Manufacturer and Distributor
> Sunshine Coast & Gold Coast

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3: Automated inventory audits for more accurate inventory management

AI simplifies counting and reconciliation with automation. It minimises human error and identifies where there are discrepancies, making it more precise and reliable. Manual audits are a thing of the past.

Historical data can now be analysed in different ways to see patterns to predict future issues and be proactive in fixing them. For example, if the system detects unusual discrepancies between expected and actual inventory levels, it can flag these for further investigation.

This can save time, reduce operational costs and allow businesses to take control where they may not have been able to previously.

⚠ Impact on business

Core functionality of inventory management software includes:

- **Clever item tracking** - Barcode scanners collect data, which AI systems process in real time.

- **Automated stock counting** - The system scans and counts items to determine current stock levels, then compares these counts against expected inventory records (using machine learning) for accuracy.

💡 The solution

With automated stock counts, up-to-the-minute data on existing stock levels are easily compared to any previous sales period. This is consolidated in easy-to-apply reports that can be tailored for what you need. Fishbowl AI Insights can report on many things, including existing and future stock levels, to empower better decision making today.

AI unites with the Internet Of Things (IoT)

IoT is the collective network of connected communication devices. This includes smart thermostats and kitchen appliances, fitness-tracking watches, and security systems.

In the last few years we've seen an increasing number of facilities coming to depend on both AI and Internet of Things (IoT) technology to improve performance.

For example, improved site monitoring can be achieved with **signals from RFID tags attached to pallets** that can be tracked by IoT sensors installed throughout a factory.

AI analytics data collected from a factory IoT fleet can provide detailed insights into the performance of factory machinery through a central AI-driven inventory management app, like Fishbowl. This helps managers **optimise their use and prevent downtime**.

With so much adoption of this tech, the cost vs. benefit tradeoff is clear, empowering businesses towards sustainable growth.

> We would have a lack of usability and accuracy within our business if we were to still rely on spreadsheets and our accounting system. Fishbowl has automated our processes and it's quite nice to be able to know that it's all there and accurate in real time. Huge comfort comes in knowing we can pull a report at any time and know that it's correct. We are growing very, very rapidly, so we plan to take full advantage of Fishbowl within sales and production by generating custom reports, providing even better visibility.

Husk Distillers Head Distiller, Quentin Brival
Drink Manufacturer and Distributor
Tumbulgum, Northern NSW

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⧁ Scooping Up Success

How these two unique ice cream and yoghurt manufacturers and distributors transformed their business with Fishbowl inventory management software

CASE STUDY: Sajani Cups and Cones

Based on the Sunshine Coast and Gold Coast, Sajani imports, manufactures, and distrbutes ice cream and related dessert products to gelato stores, cafes, and restaurants Australia-wide.

How Sajani Cups and Cones saved thousands a year on lost sales due to stockouts

Already an experienced business owner, when Suzie Boor, General Manager of Sajani, bought this family-owned business she knew change was immediately needed.

"We knew this business had great potential but not a lot of structure. So we had utilised Fishbowl at another business that we have and it worked extremely well there, so we decided to utilise Fishbowl here in Sajani, which has proven to be amazing." - General Manager of Sajani Cups and Cones, Suzie Boor

There was an immediate focus on improving stock management, streamlining purchasing, and winning back customer respect lost from previous stockout issues.

"The last year has saved us thousands of dollars because we don't have any issues with not having things in stock anymore. Our customers are confident that we're able to supply them

with the goods that they need when they actually need them. Any staff member at any time can see what's on order. Fishbowl gives me the flexibility and the knowledge to be able to answer questions at any time. Everything is more efficient. It has probably cut two to three hours a day in staff hours because it streamlined our business incredibly."

With that fixed, now Suzie can set her sights on growth.

> "Fishbowl has allowed us to actually get true costs of that product that we're selling. We import and now there's no guesswork on exchange rates and pricing anymore. Fishbowl has also increased our sales because we have become a reliable supplier. When we purchased the business we probably had about 3,000 line items. We've expanded that to around about 5,000 to 5,500. Without Fishbowl we wouldn't have been able to do that."
>
> **General Manager of Sajani Cups and Cones, Suzie Boor**

Highlights

Challenges

- ⊘ Constantly running out of stock
- ⊘ Lack of real-time visibility over stock
- ⊘ Unable to grow because the system is not able to track thousands of products
- ⊘ Customers losing confidence
- ⊘ Lack of pricing accuracy with importing

Solutions

- ⊘ Instigated Fishbowl Warehouse shipping and receiving processes with accurate order tracking
- ⊘ Product picking lists organised by location for the fastest route on the warehouse floor
- ⊘ Integration of B2B client portal for easy ordering.

Results

- ⊘ Sales growth with more efficiency and accurate data
- ⊘ Thousands a year not lost on sales due to stockouts
- ⊘ Customers stay due to reliable service
- ⊘ Staff satisfaction increased due to confidence in sales and supply chain
- ⊘ Staff hours slashed, saving 2-3 hours a day
- ⊘ Empowered with forecasting to grow business

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CASE STUDY: COYO

Sunshine Coast based family business COYO sells certified organic, dairy-free coconut yoghurt and ice cream available from coast to coast across all supermarkets Australia-wide.

How COYO slashed order time from 1-2 days a week to 2-3 hours a week.

It's a big task to run a thriving wholesale yoghurt and ice cream business delivering to supermarkets Australia-wide. That combined with it being a highly regulated industry requiring precision in storage and transport. Errors of just a few hours can potentially require entire orders to be destroyed.

COYO's co-founder, Sandra Gosling, could see that managing inventory via spreadsheets was costing them thousands of dollars in stock and hundreds of unnecessary hours spent ordering and handling.

Upon choosing Fishbowl's inventory management software, Sarah worked with Fishbowl's specialist team to deploy the software.

"Fishbowl provided great support, but it was hard at first. The change management piece was significant. You know, getting people to endorse and use the new system, but then all of a sudden, things started to happen and here we are!"

"Fishbowl has emerged as an invaluable asset to our entire organisation, not to mention offering us an environmentally conscious shift away from mountains of paper."

"Since implementing Fishbowl, COYO has experienced substantial gains in efficiency and workflow improvement. You get instant visibility, you can trace everything back; it's been a game changer!"

"We were having stock shortages, every one to two weeks. I do remember a lot of spreadsheets. It was very, very difficult to see where the errors were happening. Traceability for compliance was a critical factor and we were struggling."

COYO Co-founder, Sarah Gosling

Highlights

Challenges

- ✓ Time-critical stock management needs not met with spreadsheets
- ✓ Erratic shifts in demand and supply during major growth
- ✓ Stock shortages every week or so
- ✓ Limited visibility of stock
- ✓ Impossible to see or fix errors quickly

Solutions

- ✓ Fishbowl centralised all stock information
- ✓ Barcode system supports real-time visibility into stock levels, locations, and movements
- ✓ On-the-ground Fishbowl support staff eased transition to new system

Results

- ✓ Time it takes to place orders weekly reduced from 1-2 days to just 2-3 hours
- ✓ Sales, logistics, production, and finance are now unified
- ✓ Fewer stockouts, overstocking, and less customer dissatisfaction

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Ready to Enhance Your Inventory Management?

Fishbowl is the industry's most flexible and popular Inventory Management System. With the ability to connect to and integrate with core business solutions, like Xero for accounting, FedEx for shipping, and Shopify for eCommerce, business owners can operate virtually their entire system through Fishbowl's powerful platform.

For food manufacturing and distribution professionals, Fishbowl offers real-time visibility into current stock levels to help you run a smooth operation. Automation features, such as Fishbowl AI Insights can be utilised for routine processes, like reordering, reduce the manual workload to minimise errors.

You also get actionable data to improve decision-making, thanks to robust reporting features that provide insights into sales trends and other essential metrics.

Book a demo to learn how Fishbowl can help you

Book a demo

"Inventory is oftentimes the largest asset a business holds. It's also the biggest liability for many organisations. Having the right tools to manage your inventory can eliminate that liability and turn the most challenging aspects of your business into your greatest strength and competitive advantage."

Simon Jupe
Fishbowl Managing Director

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