

EPICOR

Voice of the Manufacturing Manager



2024



INTRODUCTION

In the dynamic world of manufacturing, today's leaders are continually seeking technologies and initiatives to enhance the products we use every day, from cars to computers to buildings. However, they regularly face challenges that threaten to undercut the good work they do. These obstacles can come from any direction: decreased worker engagement, supply chain disruptions, increased cost of raw materials, and even factory inefficiencies. Even macroeconomic hurdles such as supply chain impacts find their way into the day-to-day concerns of frontline workers, as we've found in past research.

The evolution of technology solutions with the uncertainty of adoption and use by competition and customers only adds stress and confusion to where resources should be allocated. What initiatives are manufacturing leaders adopting to address these challenges? How are they adopting and enacting them to create better strategies and plans that will propel them to the head of their industry?

We surveyed 978 manufacturing leaders from 16 countries for our second annual "Voice of the Manufacturing Manager" to learn more about their daily challenges, how they're adopting technologies, how they're developing their workers, how they're allocating budgets for the future, and more.

As you look ahead, we hope you use this report as a resource to help you understand how other manufacturers are facing challenges and leveraging opportunities, and what strategies they're employing for success in 2024 and beyond.

Kerrie Jordan

Group Vice President, Product Management

Epicor Software



Key Findings

Our respondents gave us the following insights into the challenges and opportunities that manufacturing leaders are facing today:





More Technology and Modernization

- 51% say their company is “very modern” compared to others in their industry.
- Additionally, 65% are investing in new technology more than ever, and 75% say their company embraces a data-first strategy.
- Modernization has improved efficiency, increased productivity, and improved quality control.
- They’re **implementing AI** the most in production efficiency, quality control, and data sharing and transparency.

Supply Chain Initiatives

- 75% say supply chain resilience and sustainability are very important.
- To improve their supply chain strategy, respondents are implementing digital tracking tools for better visibility, adopting sustainable materials and practices, and diversifying suppliers.
- However, the top barriers they face are costs, regulatory challenges, and a lack of technology.

Engagement in the Workplace

- 56% say morale at their company is high.
- They attribute high morale to flexible work schedules, bonuses or higher pay, and more paid time off.
- They're actively creating a better work environment by offering flexible work schedules, providing better tools and technology, and focusing on listening to staff.

Leadership Priorities and Challenges

- Their top daily priorities include ensuring safety, quality control, and production efficiency.
- 61% say sustainability is a higher priority than ever and 65% say the integration of innovative technology is a higher priority than ever.
- Daily challenges include ensuring safety and compliance, managing a diverse team, and hitting production targets.
- 72% believe automation will change their current job over the next five years.

Developing the Skills to Use That Technology

- 91% say their company is making upskilling a priority for workers.
- Top upskilling initiatives include providing on-site/on-the-job training, providing access to an online training platform, and covering tuition for courses and training.
- As they hire new employees, the top skills they're looking for are problem-solving skills, technical skills, and teamwork.





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Modernization



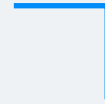
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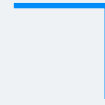
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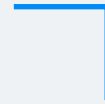
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EPICOR

Part 1:

Technology and Modernization

Manufacturing organizations that want to stay competitive in their industry have to embrace technologies like AI, digitization, big data, and more to improve efficiency and productivity, and to keep pace as a modern company. Are manufacturers using technology to lead their industry, or are they struggling to keep up?

Here’s a brief overview of what we learned:

- 51% say their company is “very modern.”
- 65% are investing in new technology more than ever.
- Modernization has improved their company by improving efficiency, increasing productivity, and improving quality control.
- They’re implementing AI the most in production efficiency, quality control, and data sharing and transparency.

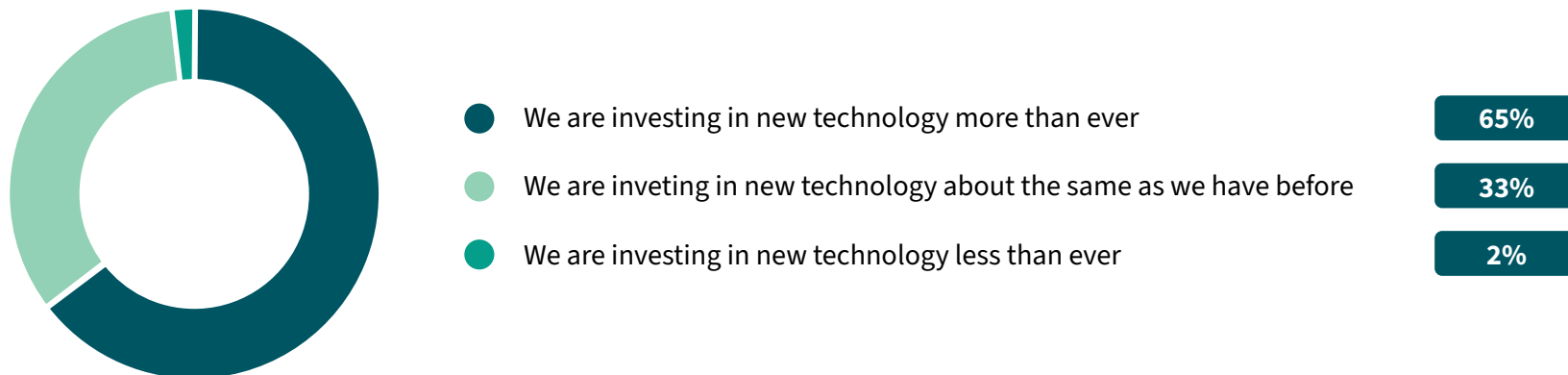
65% are investing in new technology more than ever

As to the current state of technological investments over the past 12 months, 65% say they are investing in new technology more than ever. 33% are investing in new technology about the same as they have before, and 2% are investing in new technology less than ever.

2023 Report

More are investing in technology more than ever this year, with a 10% increase from just 55% who said they were last year.

State of investments in new technology over the past 12 months:



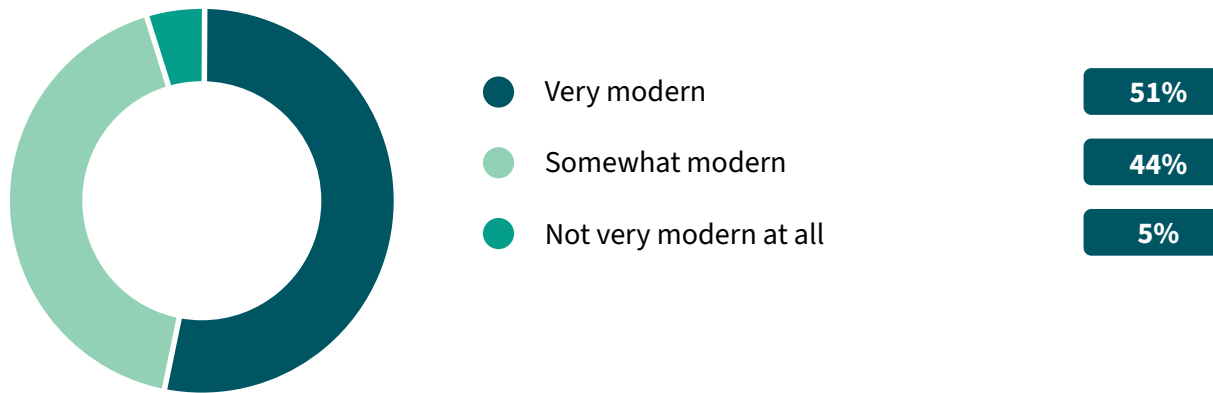
51% say their company is “very modern” compared to others in their industry

When compared to other companies, 51% of respondents say their organization is “very modern.” 44% say their organization is somewhat modern, and 5% say it’s not very modern at all.

2023 Report

7% fewer respondents this year say their company is “very modern” than the 58% in 2023. Those who say their organization is “somewhat modern” increased from 36% to 44%.

Compared to other companies, how “modern” would you say your operation is?



Top Five Modern Technologies and Tools

For those who say their organization is very or somewhat modern, these are the technologies they employ the most:

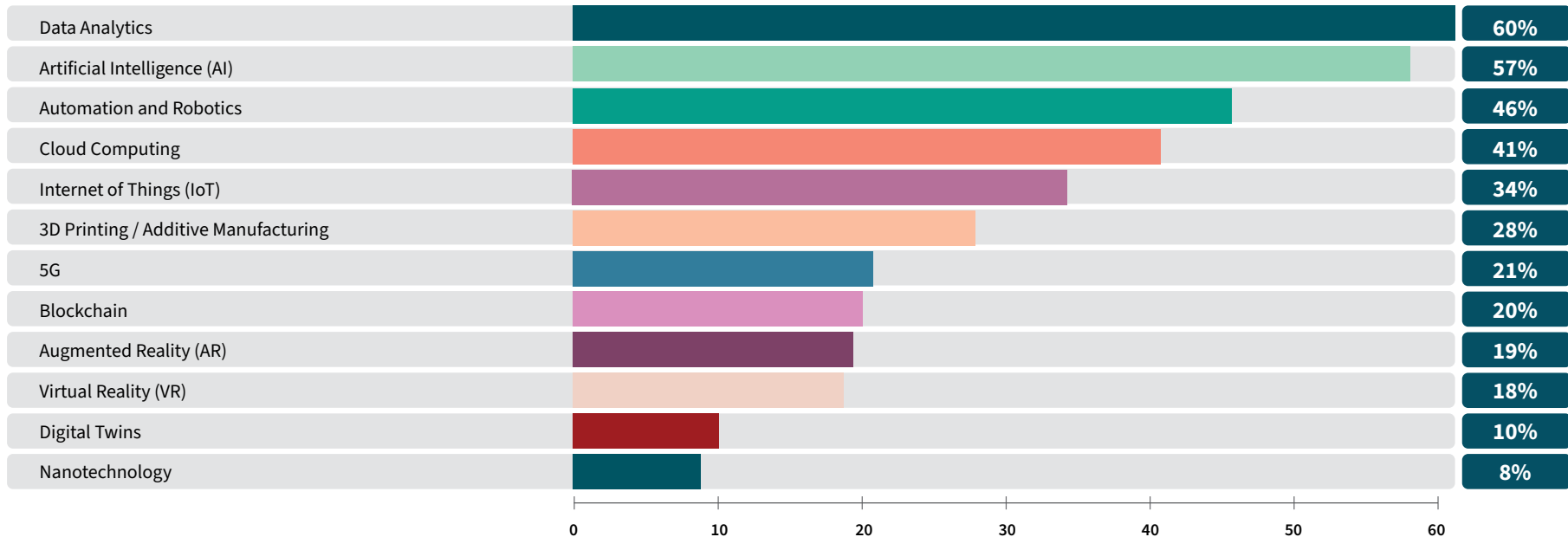
1. **Data analytics** (60%)
2. **Artificial intelligence (AI)** (57%)
3. **Automation and robotics** (46%)
4. **Cloud computing** (40%)
5. **Internet of Things (IoT)** (34%)

Other technologies include 3D printing/additive manufacturing (28%), 5G (21%), blockchain (20%), augmented reality (AR) (19%), virtual reality (VR) (18%), digital twins (10%), and nanotechnology (8%).

2023 Report

Last year's top modern technologies lead with AI (49%), which fell to second place this year yet still garnered 8% more votes than last year. Data analytics, which ranked second at 33%, shot up to first place and 60% this year.

Which modern technologies and tools is your factory using? [select all that apply]



Top Five Modernization Improvements

For those who said their organization is very or somewhat modern, these are the biggest improvements modernization has brought to their company:

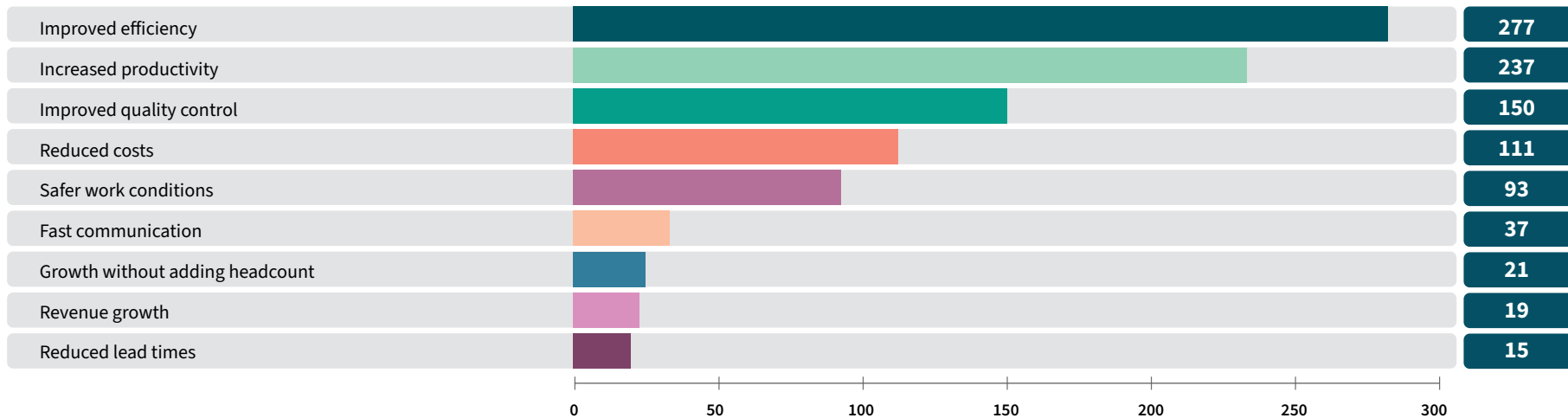
1. **Improved efficiency** (30%)
2. **Increased productivity** (24%)
3. **Improved quality control** (16%)
4. **Reduced costs** (12%)
5. **Safer work conditions** (10%)

Other improvements include fast communication (4%), reduced lead times (2% tie), growth without adding headcount (2% tie), and revenue growth (2% tie).

2023 Report

Last year's report reflected similar improvements: increased productivity (32%), improved efficiency (28%), and reduced costs (17%) were the top three.

What is the #1 improvement modernization has brought to your company?



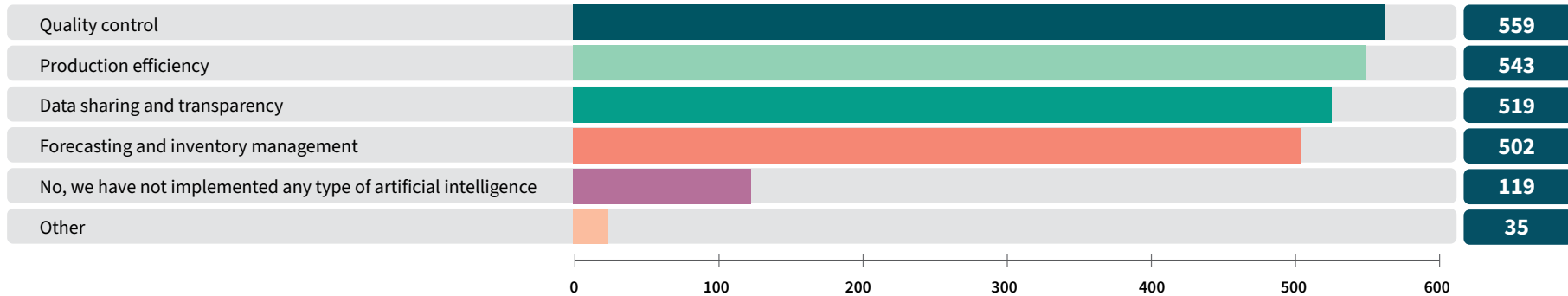
Top Four Areas of AI Implementation

Our respondents have implemented AI to improve the following areas:

- 1. **Quality control** (55% tie)
- 1. **Production efficiency** (54% tie)
- 2. **Data sharing and transparency** (51%)
- 3. **Forecasting and inventory management** (50%)

3% use it in other areas, and 12% say they have not implemented any type of artificial intelligence.

Has your organization implemented AI to improve any of the following areas? (Select all that apply)





42% see future opportunities for AI

For those who answered no above, 42% do see opportunities for AI implementation in the future. 23% don't see opportunities for AI, and 35% don't yet know if there are opportunities.

Do you see opportunities for Artificial Intelligence to be implemented at your organization?



Potential Areas of Application for AI

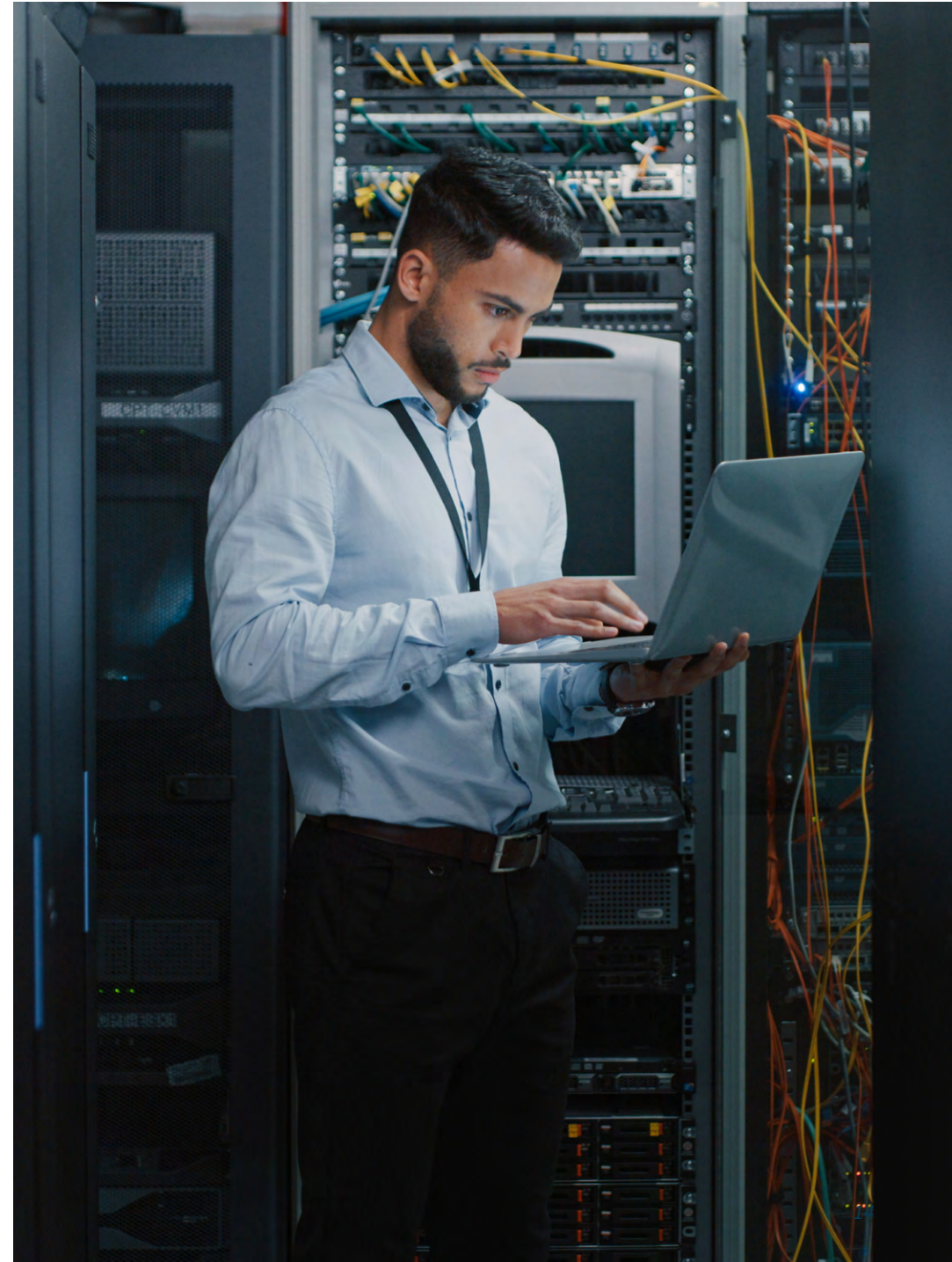
When asked to elaborate on the potential applications where AI could be implemented, respondents answered with the following, in their own words:

Inventory:

- Inventory management would benefit from AI.
- AI would help with inventory being more accurate and save time as well.
- SKU rationalization and inventory management.
- Managing inventory and offset.
- Finished product to inventory before shipping.

Planning and Forecasting:

- This could be worked into our forecasting models.
- Learning/predicting trends in the marketplace to prepare better.
- Planning, problem solving.
- Can be implemented in the planning phase with the ability to determine the availability of raw materials through purchasing and quality systems.
- What plant to build to maximize use of resources.
- Forecasting consumer demand.
- It can be used for R&D purposes as well as optimizing our supply chain and manufacturing capabilities.



Supply Chain:

- Monitoring supply chain issues.
- To establish a better supply chain response.
- Managing supply chain.

Productivity:

- We use sufficient palletizer robots, but a better AI could increase productivity and decrease safety issues.
- It could be used for streamlining administrative tasks.
- Automation of some mundane tasks.
- We have started some RPA work but I know there is a lot more that can be done.
- Could be used to simplify the more tedious elements.
- Control work.
- AI could be implemented in the product control area.
- It would make our jobs a lot easier.
- Plenty of opportunities to improve efficiency by using AI by reducing repetitive work.
- Communication.

Data Management and Analytics:

- Better data management.
- Data visualization and reduction of repetitive tasks.
- We could use AI to help with data analysis .
- It could be used to do analytics for the company, saving us time and money!

Employee Training:

- AI would be of help for the proper training of our employees.
- HR offices.
- AI could be helpful for training.
- AI could be implemented in the process of employee selection.

Customer Ordering:

- Automatic purchases.
- Order processing.
- Probably when customers want to order products.



Please rank how accurate each statement is to your organization.

Answers	1	2	3	4	5	6	7	Mean
Digitization: Our company heavily embraces the digitization of processes from design to delivery.	152	141	156	176	172	130	77	3.77
Automation: Our company heavily uses automation to improve efficiency and reduce costs.	108	200	172	181	143	122	78	3.73
Flexibility: Our company is highly flexible and responsive to changing market demands and customer needs.	138	150	174	157	147	129	109	3.84
Sustainability: Our company actively engages in efforts to reduce waste, energy consumption, and greenhouse gas emissions.	146	127	179	190	116	118	128	3.87
Collaboration: Our company prioritizes collaboration with stakeholders including manufacturers, suppliers, customers, and partners.	121	146	168	113	169	155	132	4.05
Employee Experience: Our company empowers employees through technology to improve their work experience.	145	137	90	90	160	197	185	4.31
Data Accessibility: Our company places a high priority on using data to make faster and more accurate decisions.	194	103	65	97	97	153	295	4.43

Mean indicates the average ranking each item received. Because "1" is the highest ranking, the item with the lowest mean is the one that was ranked most highly.

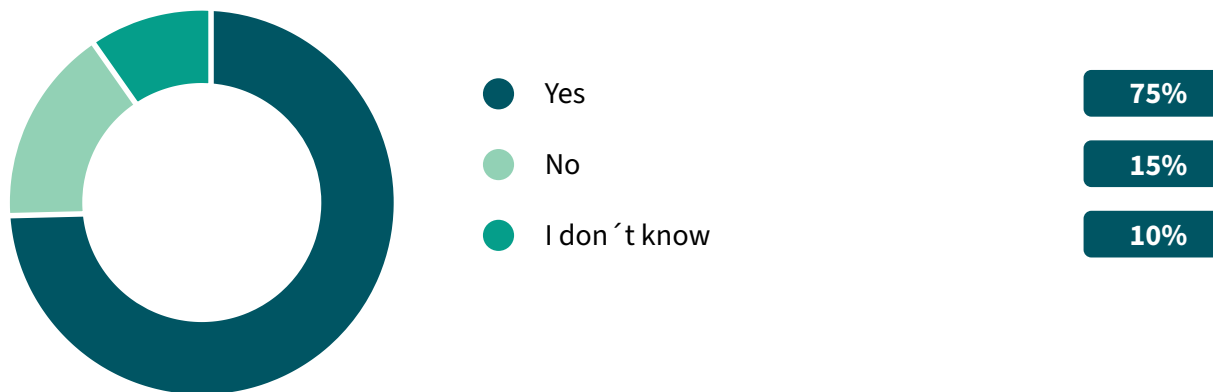
75% say their company embraces a data-first strategy

As part of that modernization, 75% say their company embraces a data-first strategy. 15% say their company does not, and 10% are unsure if their company does.

2023 Report

Last year, 67% said their company embraced a data-first strategy, which jumped 8% to this year.

Would you say your company embraces a “data-first” strategy?



Top Three Benefits of a Data-First Strategy

Of those who embrace a data-first strategy, the biggest benefits are the following:

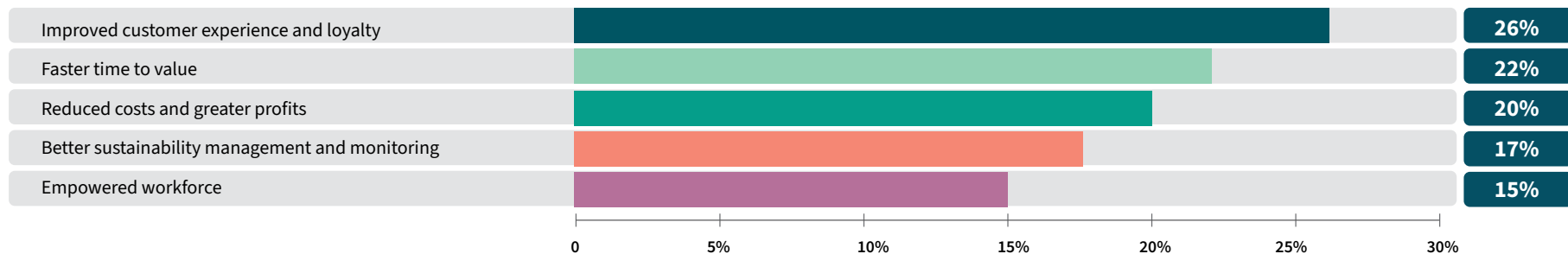
1. **Improved customer experience and loyalty** (26%)
2. **Faster time to value** (22%)
3. **Reduced costs and greater profits** (20%)

Other benefits include better sustainability management and monitoring (17%) and an empowered workforce (15%).

2023 Report

Last year, respondents found similar benefits: Improved customer experience and loyalty (33%), faster time to value (28%), and better sustainability management and monitoring (24%). However, reduced costs increased from 6% last year to 20% this year.

What has been the biggest benefit of your data-first strategy?



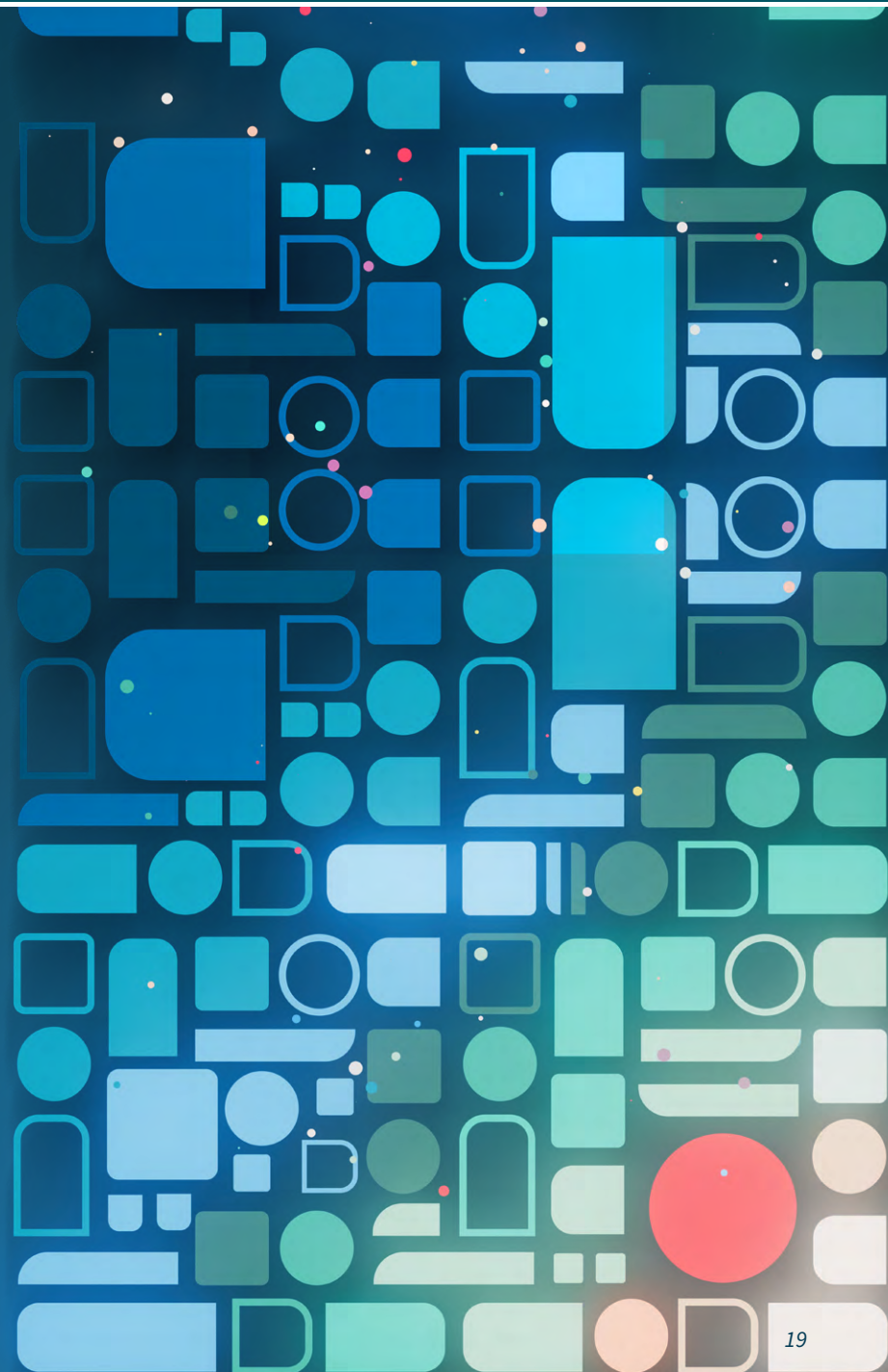
Summary

Manufacturing leaders need to meet their daily priorities — which, as we’ll see below, are safety, quality control, and production efficiency — as well as ensure they’re overcoming the challenges they face. All of this can be done through technology. The top three technologies they’re embracing today are data analytics, artificial intelligence, and automation and robotics.

When it comes to AI, respondents are all-in implementing AI to improve production efficiency, quality control, data sharing and transparency, and forecasting and inventory management. Of those who currently aren’t implementing AI, 42% do see future opportunities for it.

Additionally, 75% say their company embraces a data-first strategy, giving them the additional benefits of improved customer experience and loyalty, faster time to value, and reduced costs and greater profits.

Overall, 51% say their company is “very modern” compared to others in their industry and 65% are investing in new technology more than ever. That modernization is bringing improved efficiency, increased productivity, and improved quality control.

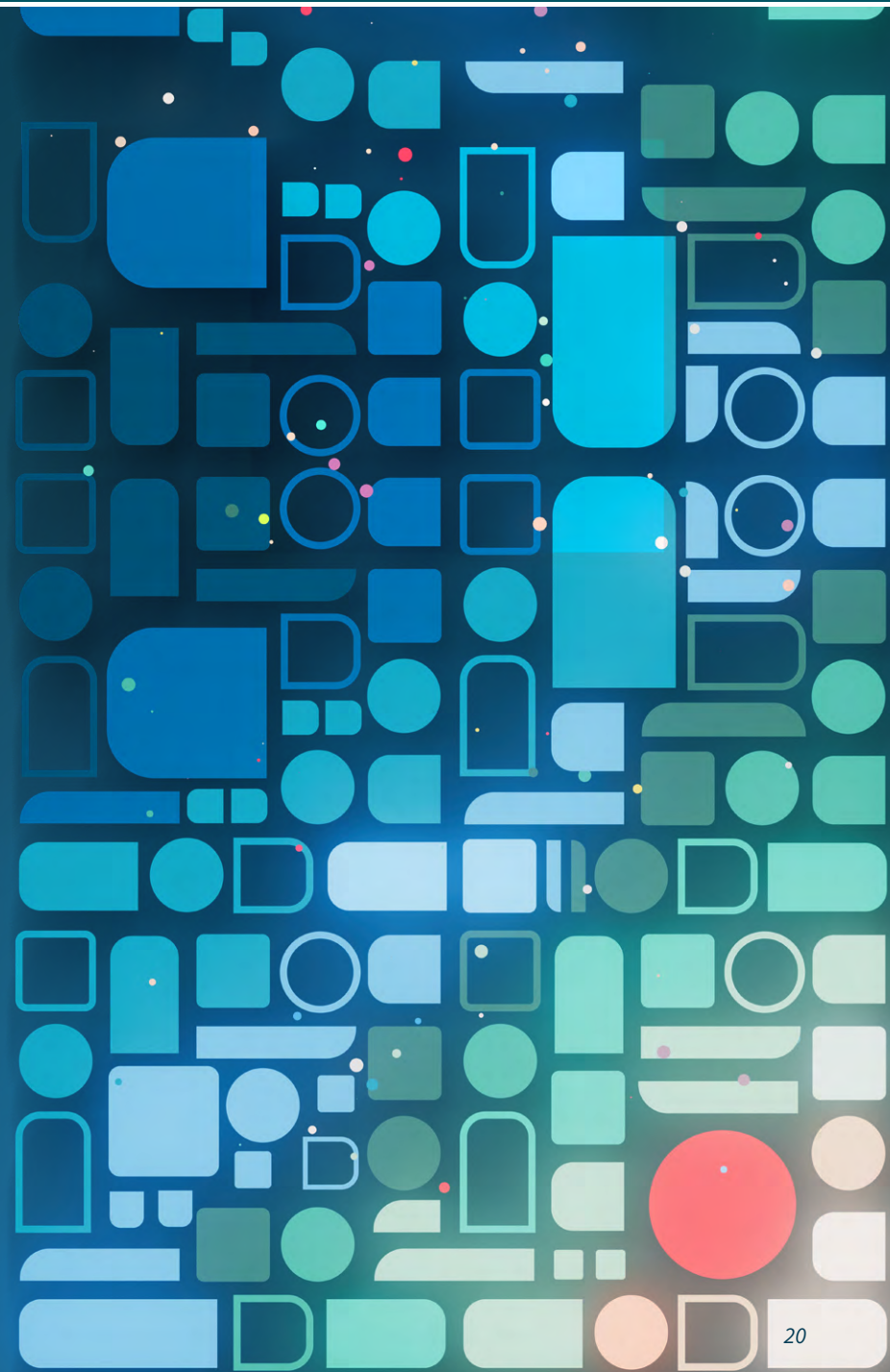


Changes for 2024:

When compared to last year's survey, slightly fewer believe their organization to be "very modern" — 51% this year compared to 58% last year. However, 65% this year are investing in new technology more than ever compared to only 55% last year.

While they're still using the same technologies and seeing similar modernization improvements, this year's respondents also see their modernization improvements result in improved quality control, up to 16% this year from 11% last year.

Additionally, more respondents say their company embraces a data-first strategy — 75% this year compared to 67% last year. This year, more are finding that a data-first strategy leads to reduced costs and greater profits, going from 6% last year to 20% this year.



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Part 2:

Upskilling and New Skill Sets

A strong organization has happy, well-trained, and engaged workers at its core — and all the better if employees find a career at the company and contribute their skills and knowledge. One way to ensure that happens is through a commitment to upskilling, or increasing a worker's skillset to help them improve in their current role.

Here's a brief overview of what we learned:

- 91% of respondents are prioritizing upskilling their employees.
- The top upskilling initiative is providing on-site or on-the-job training.

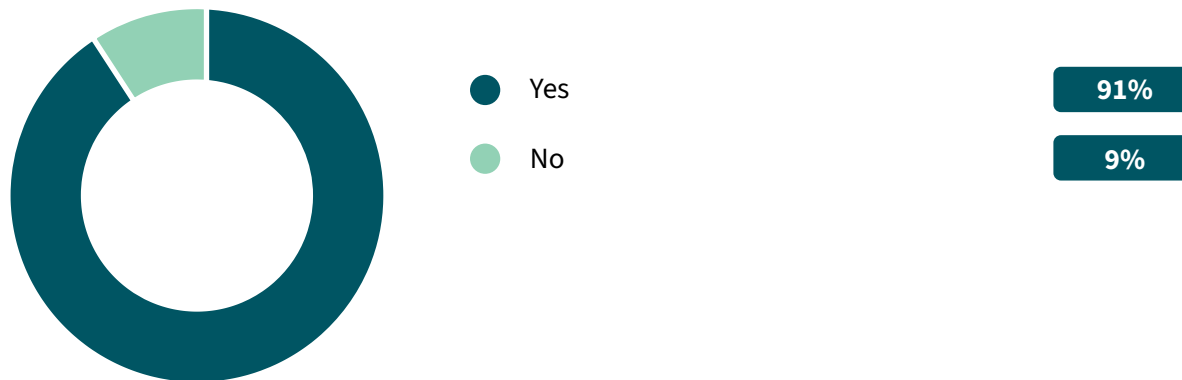
91% say their company is making upskilling a priority for workers

Are our respondents' companies focused on upskilling? 91% of respondents say that their company is making upskilling a priority, while 9% are not.

2023 Report

77% said their company is making upskilling a priority for workers, which increased 14% to this year.

Is your company making upskilling a priority for your workers? [Upskilling: increasing a worker's skillset to help them improve in their current roles, while reskilling involves teaching workers skills to transition to new roles.]



Top Three Upskilling Initiatives

For those whose companies are making upskilling a priority, they're doing so in the following ways:

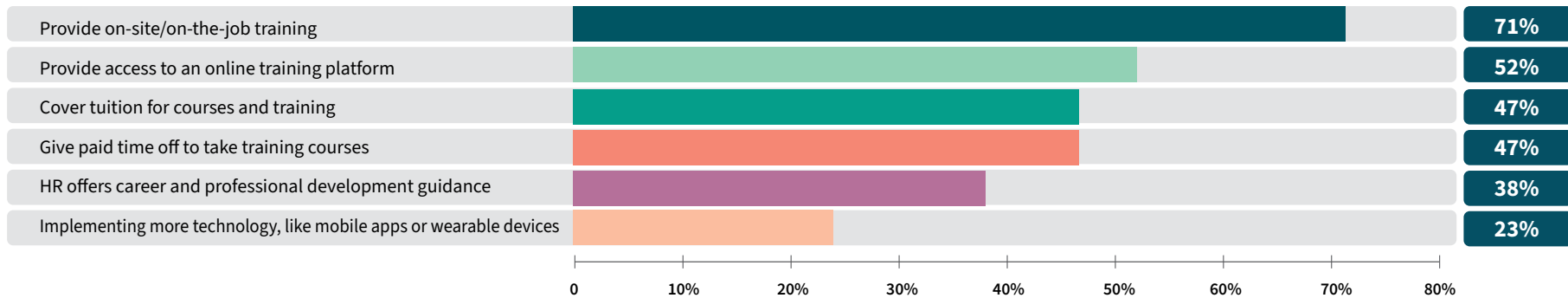
1. **Providing on-site/on-the-job training** (71%)
2. **Providing access to an online training platform** (52%)
3. **Covering tuition for courses and training** (47%)
4. **Giving paid time off to take training courses** (47% tie)

They're also offering career and professional development guidance (38%), and implement more technology, like mobile apps or wearable devices (23%).

2023 Report

Last year, respondents offered similar options: access to an online training platform (56%), on-site or on-the-job training (53%), and giving paid time off to take training courses (52%).

What are you doing to help your team upskill? [Select all that apply]

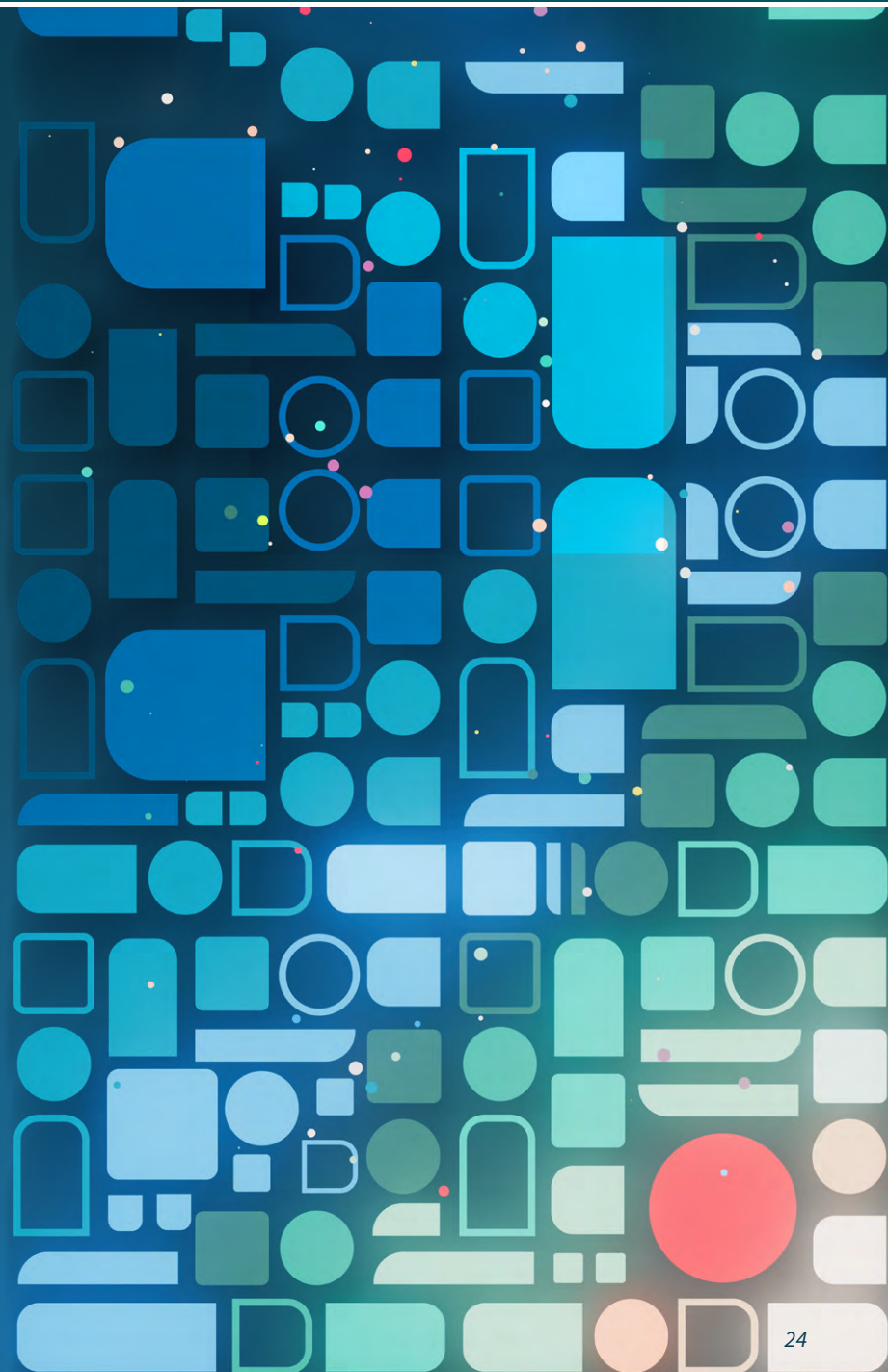


Summary

If manufacturing organizations want to continue to bring on new technologies to scale into the future, they need skilled workers to not only implement and use those technologies, but lead digital change. This is why 91% say their company is making upskilling a priority for workers. They provide those opportunities by providing on-site or on-the-job training, access to an online training platform, or cover tuition for courses and training.

Changes for 2024:

When comparing to last year's survey, many more manufacturing managers are saying their company is making upskilling a priority — 91% this year compared to 77% last year. As for how they're doing it, providing on-site or on-the-job training and access to an online training platform are still top, but more are covering tuition for courses and training as well, up to 47% this year compared to 32% last year.



Part 3:

Day-to-Day Work

Keeping manufacturing operations running efficiently is no easy task, and manufacturing managers must lead well in many areas to keep production running smoothly and workers satisfied and engaged. We asked respondents to elaborate on their day-to-day experiences: what's going well, what's challenging, what are their priorities, and what actions are they taking to improve their workplace.

Here’s a brief overview of what we learned:

- 56% of manufacturing leaders say morale is high.
- Top reasons for high morale include flexible work schedules and bonuses or higher pay.
- Their biggest challenges are ensuring safety and compliance, and managing a diverse team.
- 61% say sustainability is a higher priority than ever.
- 65% say integrating innovative technology is a higher priority than ever.

56% rate morale as high at their company

From what they see around them each day, 56% of respondents say that morale is high at their company. 41% say it’s average, and 3% say it’s low.

2023 Report

Last year, 64% said morale was high at their company — which has decreased 8% to this year.

How would you rate morale at your current company?



Top Five Reasons for High Morale

Those who replied that morale is high say their company has done the following to create that atmosphere:

1. **Flexible work schedule** (24%)
2. **Bonuses or higher pay** (23%)
3. **More paid time off** (12%)
4. **Provided better tools and technology** (10%)
5. **Management focuses on listening to staff** (9%)

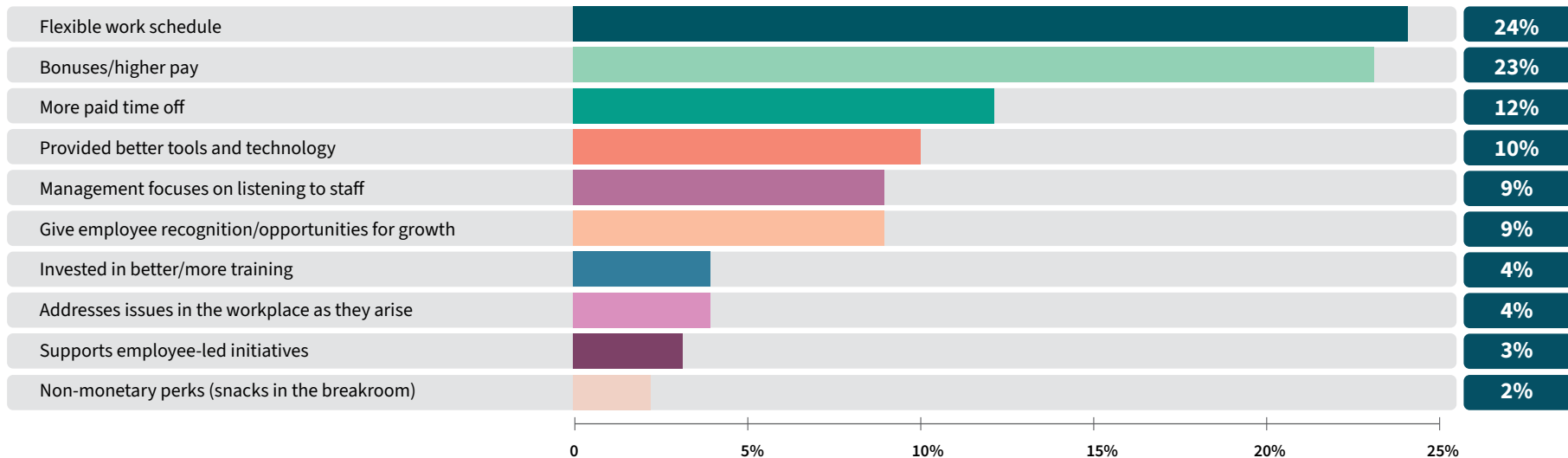
They also attribute high morale to giving employee recognition or opportunities for growth (9%), investing in better or more training (4%)

(tie), addressing issues in the workplace as they arise (4% tie), supporting employee-led initiatives (3%), and non-monetary perks like snacks in the breakroom (2%).

2023 Report

Last year's top reason for high morale was more paid time off (21%), followed by giving employee recognition or opportunities for growth (18%) — which dropped to 9% this year — and bonuses or higher pay (15%). Providing a flexible work schedule rose from 6% last year to first this year at 24%.

What's the #1 thing your company has done to create high morale?



Most Enjoyable Aspects of Work

When asked what they enjoy most about their work, the manufacturing leaders we surveyed said the following:

1. **Solving problems** (56%)
2. **Working with technology** (52%)
3. **Leading teams** (46%)

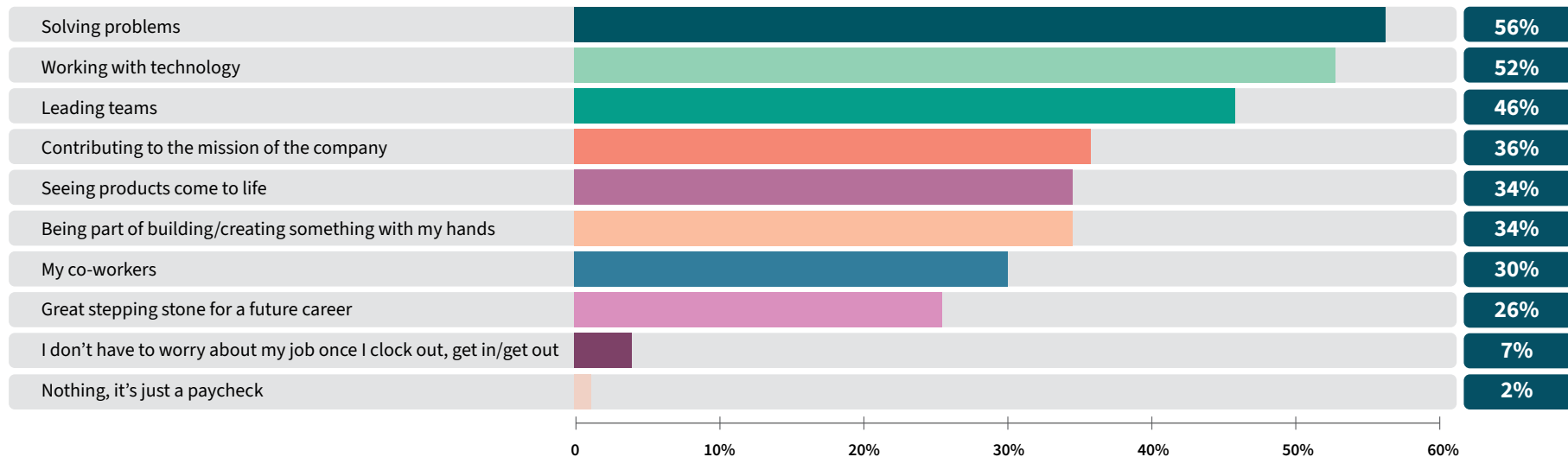
They also enjoy contributing to the mission of the company (36%), seeing products come to life (34% tie), being part of building or creating something with their hands (34% tie), their co-workers (30%), it's a great stepping stone

for a future career (26%), they don't have to worry about their job once their clock out; they can get in, get out (7%), and some like nothing about it — it's just a paycheck (2%).

2023 Report

Solving problems increased from 31% last year to 56% this year, as did working with technology (from 45% to 52%) and leading teams (from 36% to 46%). However, being part of building or creating something with their hands dropped slightly from 40% to 34%.

What do you enjoy the most about your work? (Select all that apply)



Top Five Initiatives to Create a Better Work Environment

Respondents say they have done the following in order to create a more enjoyable, productive work environment for their employees:

1. **Flexible work schedule** (22%)
2. **Provided better tools and technology** (14%)
3. **Management focuses on listening to staff** (13% tie)
4. **Increased pay** (13% tie)
5. **More paid time off** (10% tie)

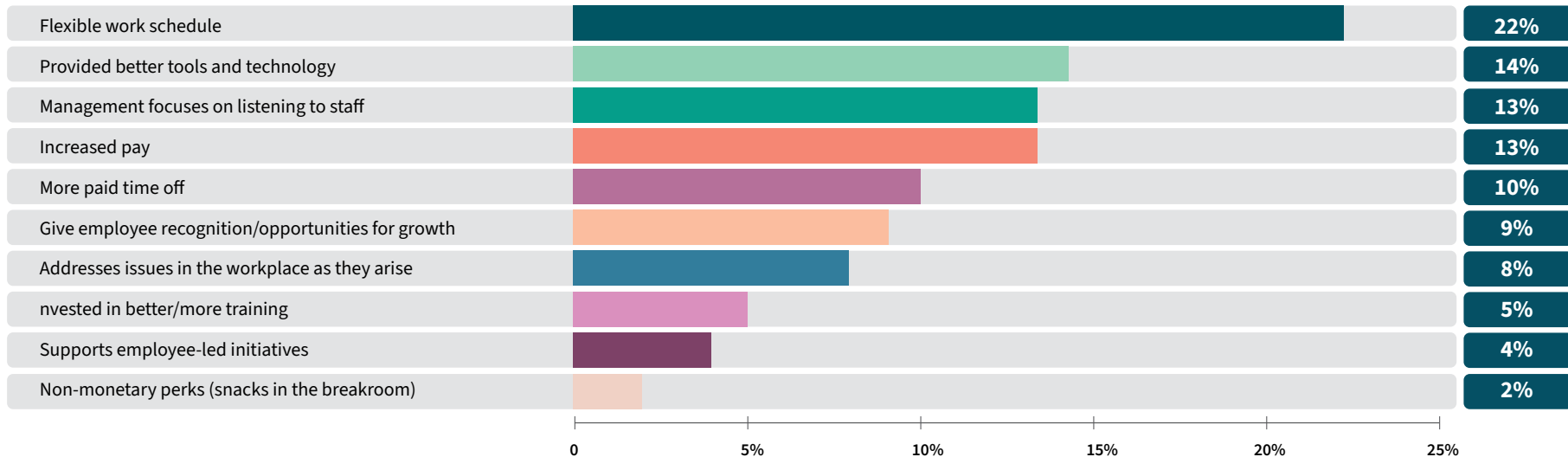
Other initiatives include giving employee recognition or opportunities for growth (9%), addressing issues in the workplace as they arise (8%), investing

in better or more training (5%), supporting employee-led initiatives (4%), and non-monetary perks like snacks in the breakroom (2%).

2023 Report

Last year’s initiatives were similar: Providing better tools and technology (18%), more paid time off (17%), and management focusing on listening to staff (13%). Providing a flexible work schedule, at 7% last year, rose 15% to first place this year.

What is the #1 thing you’re doing to create a better work environment?



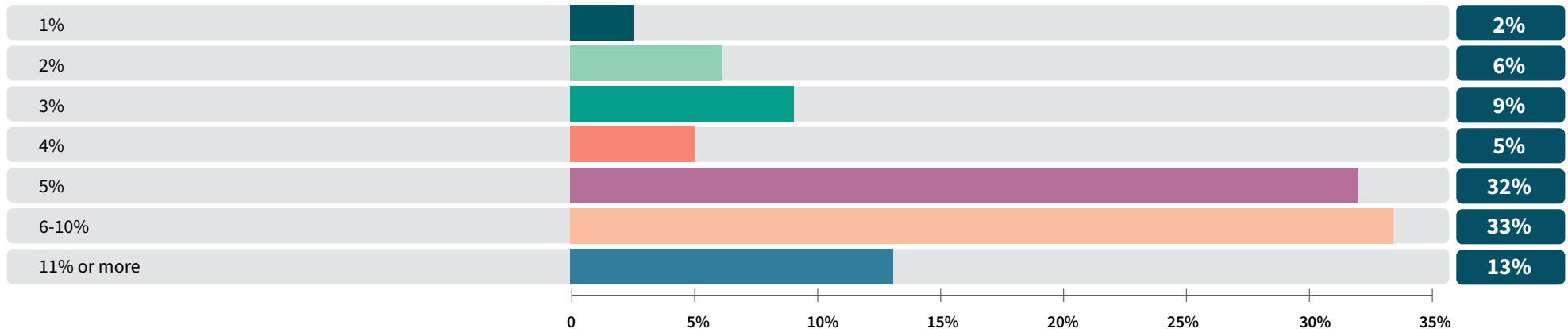
78% are giving a raise of 5% or higher

For those whose top initiative is increasing pay, 32% of respondents are giving a 5% raise, and 33% are giving raises ranging from 6% to 10%. 13% are giving raises of 11% or more, and 23% are giving raises between 1% - 4%.

2023 Report

Last year, 79% gave raises up to 5%, whereas this year, 78% are giving raises of 5% or higher — a massive difference.

By how much are you increasing pay?



Top Four Daily Manufacturing Challenges

The greatest challenges that respondents face at work include the following:

1. **Ensuring safety and compliance** (16%)
2. **Managing a diverse team** (13%)
3. **Hitting production targets** (12%)
4. **Staying competitive** (11%)

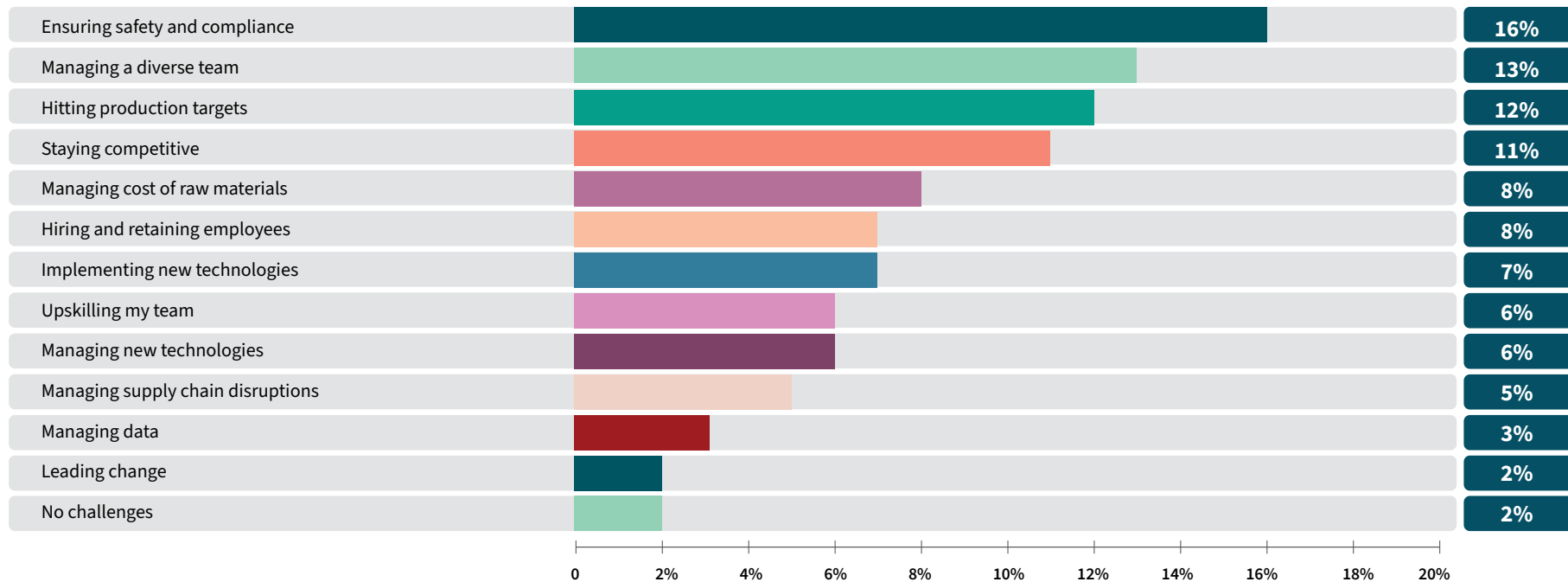
Other challenges include managing the cost of raw materials (8% tie), hiring and retaining employees (8% tie), implementing new technologies (7%), upskilling their team (6% tie), managing new technologies (6% tie),

managing supply chain disruptions (5%), managing data (3%), and leading change (2%). Finally, 2% say they have no challenges.

2023 Report

Last year’s manufacturing challenges were similar: Hitting production targets (16%), managing a diverse team (16%), and ensuring safety and compliance (15%). Implementing new technologies dropped from 10% last year to 7% this year.

What is your #1 greatest challenge at work?



Top Three Priorities for Manufacturing Leaders

Manufacturing leaders cite the following as their top daily priorities:

- **Safety** (28%)
- **Quality control** (22%)
- **Production efficiency** (14%)

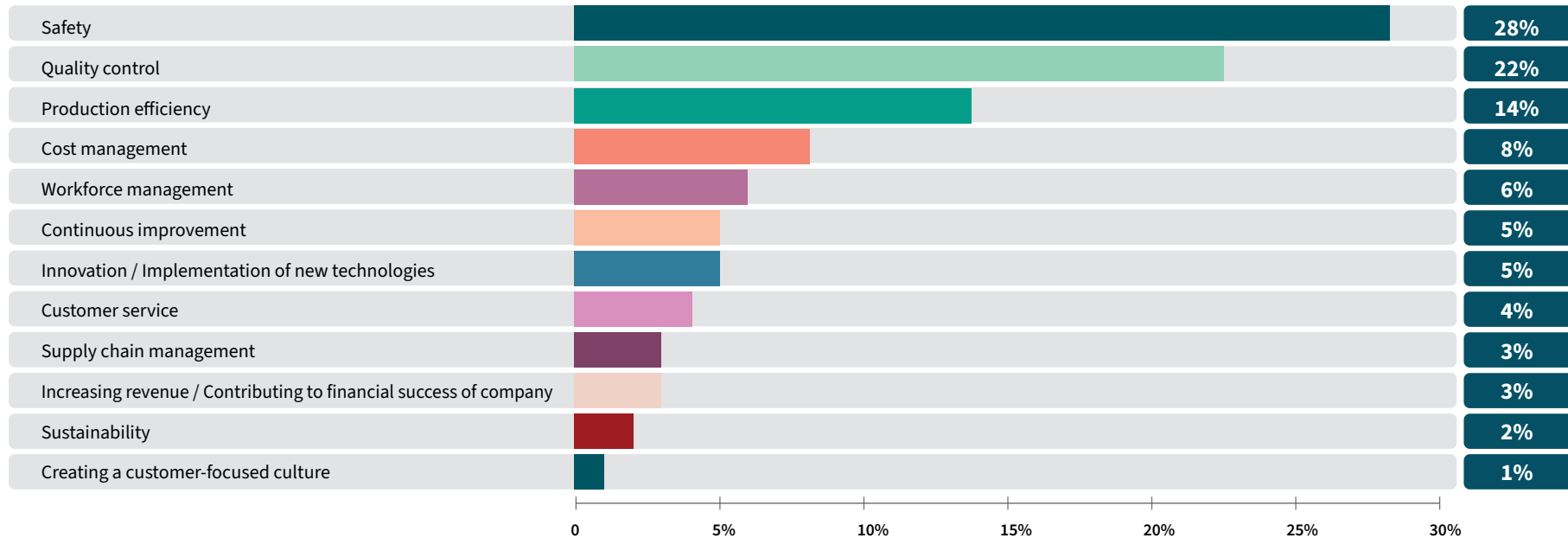
Other priorities include cost management (8%), workforce management (6%), continuous improvement (5% tie), innovation or implementation of new technologies (5% tie), customer service (4%), supply chain management (3% tie), increasing revenue or contributing to financial

success of the company (3% tie), sustainability (2%), and creating a customer-focused culture (1%).

2023 Report

Last year’s priorities were similar: Quality control (44%), cost management (38%), and production efficiency (34%). Safety increased from fourth last year to first place this year. (Last year’s question was asked as “choose all that applies,” whereas this year’s was limited to one choice, resulting in percentages appearing differently.)

As a manufacturing leader, what is your #1 day-to-day priority?



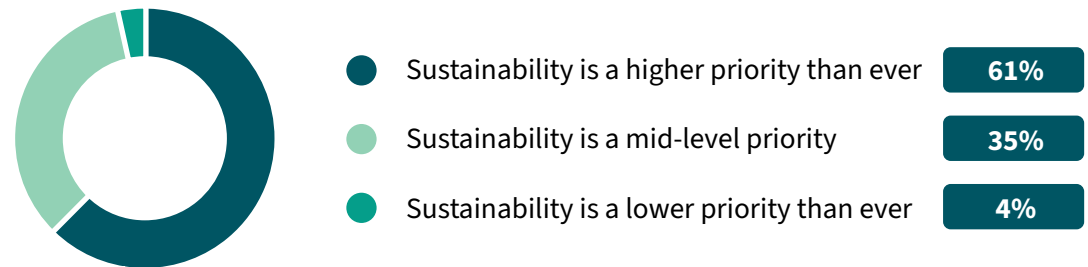
61% say sustainability is a higher priority than ever

How are manufacturing organizations thinking about sustainability? 61% say that sustainability is a higher priority than ever. For 35%, sustainability is a mid-level priority, and 4% say that sustainability is a lower priority than ever.

2023 Report

Last year, a similar number of respondents (63%) said sustainability is a higher priority than ever.

How is your organization doing at making sustainability a priority?



65% say the integration of innovative technology is a higher priority than ever

How are manufacturing organizations approaching integrating technology into systems and processes? 65% say that integrating innovative technology is a higher priority than ever. 33% say integrating innovative technology is a mid-level priority, and 2% say integrating innovative technology is a lower priority than ever.

2023 Report

Last year, 62% said the integration of innovative technology was a higher priority, rising 3% this year.

How is your organization doing at making the integration of innovative technology a priority?



Summary

Manufacturing leaders need to not only make sure their operations and production capabilities are running efficiently, but that they're creating a positive and supportive culture for their workers as well. 56% say that morale at their companies is very high, and they're working to build that morale through a mix of providing flexible work schedules, bonuses or higher pay (78% are giving a raise of 5% or higher), and more paid time off.

In addition to prioritizing a great work culture, manufacturing leaders are prioritizing safety, quality control, and production efficiency. Additionally, 61% say sustainability is a higher priority than ever, and 65% say the integration of innovative technology is a higher priority than ever. However, daily challenges include ensuring safety and compliance, managing a diverse team, and hitting production targets.

Ultimately, the initiatives they're embracing to create a better work environment include flexible work schedules, providing better tools and technology, and ensuring management focuses on listening to staff.

Changes for 2024:

Compared to last year's survey, fewer rate their morale as high at their company, from 64% last year to 56% this year. However, reasons for high morality stayed relatively the same from last year. While initiatives to create a better work environment have pretty much stayed the same as well, providing flexible work schedules jumped from 7% last year to the top spot at 22% — perhaps signaling that management is listening to employees and making changes in how they schedule.

Manufacturing managers' priorities and challenges have stayed relatively the same, too, except that "staying competitive" rose 5% from last year to this year, breaking into the top four. The same percentage say that sustainability is a higher priority than ever, while those who say the integration of innovative technology is a higher priority than ever rose from 62% last year to 65% this year.

Additionally, 78% are giving a raise of 5% or higher this year whereas last year, 79% were giving raises up to 5% — a massive difference.



The Epicor logo is displayed in a white, bold, sans-serif font in the top left corner. The background of the slide is a dark teal color with a complex digital pattern of glowing blue and white geometric shapes (squares, circles, lines) and a grid of small white dots, resembling a circuit board or data visualization. A large, semi-transparent blue square with rounded corners is positioned in the upper right, containing a dense arrangement of these geometric shapes, with one prominent red circle near the bottom right of this square.

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Part 4:

Supply Chain Resilience and Sustainability

The supply chain uncertainties of the past few years have forced manufacturers to create strategies that allow for more control when disruptions happen, and ESG initiatives are making supply chain sustainability a priority as well. How well are manufacturing leaders doing with their supply chain management and resilience?

Here’s a brief overview of what we learned:

- 75% say supply chain resilience and sustainability is very important.
- Respondents are implementing digital tracking tools for better visibility, adopting sustainable materials and practices, and diversifying suppliers.
- Top barriers they face are costs, regulatory challenges, and a lack of technology.

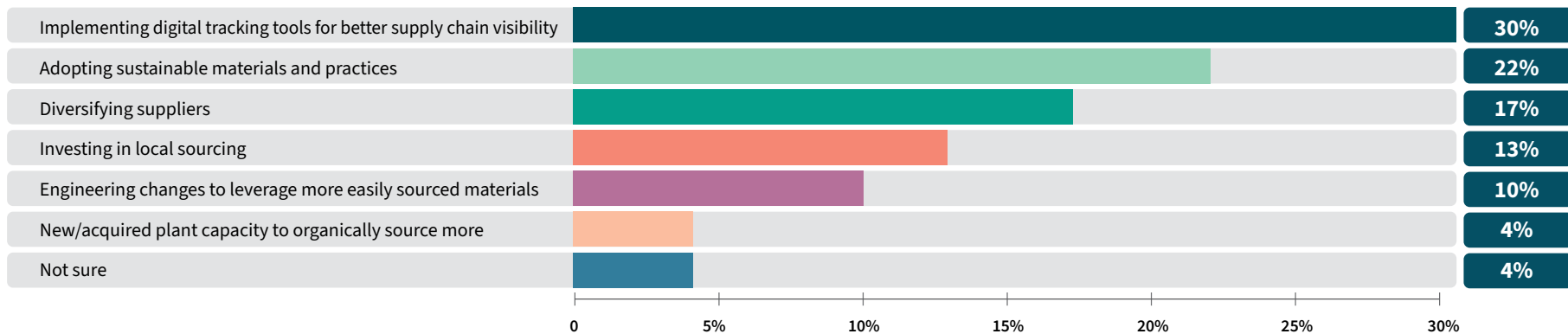
Top Three Approaches to Improving Supply Chain Strategies

Adapting supply chain strategies to improve resilience and sustainability needs to be a priority for manufacturing managers. Here are the top ways they’ve done so:

- 1. Implementing digital tracking tools for better supply chain visibility (30%)**
- 2. Adopting sustainable materials and practices (22%)**
- 3. Diversifying suppliers (17%)**

Other approaches include investing in local sourcing (13%), engineering changes to leverage more easily sourced materials (10%), and new or acquired plant capacity to organically source more (4%). 4% are not sure of their company’s approach.

How has your organization adapted its supply chain strategies to improve resilience and sustainability in the past year?



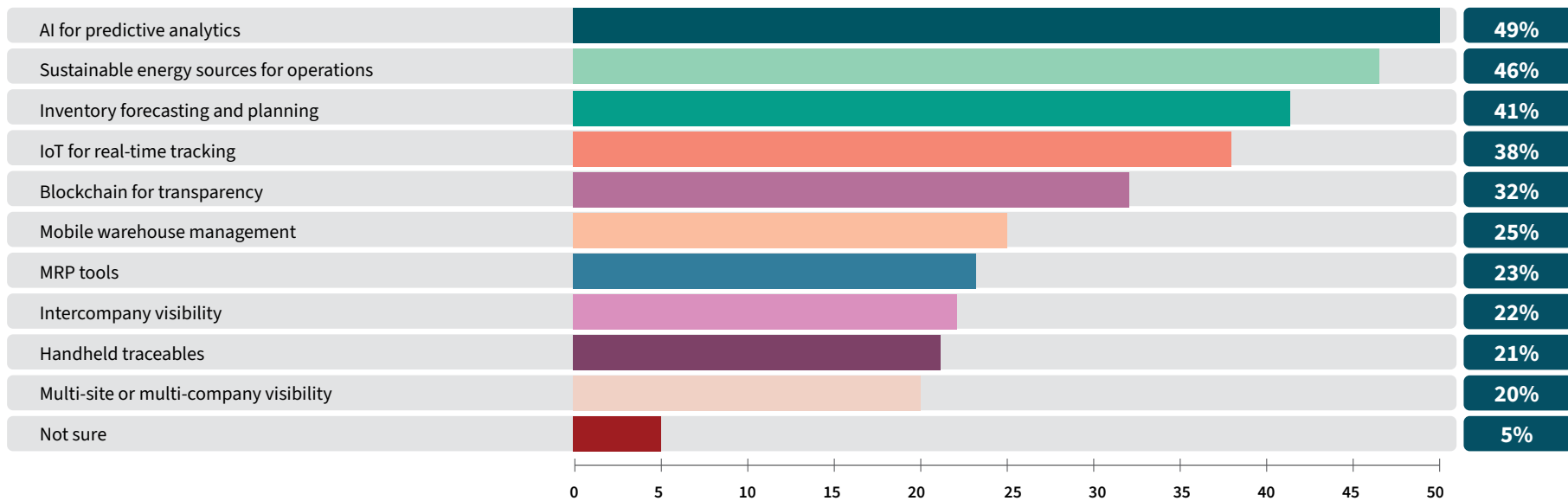
Top Five Tech Investments to Enhance Supply Chain Sustainability and Resilience

How are manufacturing managers investing in technology to enhance supply chain resilience and sustainability? Here are the top ways they've done so:

1. **AI for predictive analytics** (49%)
2. **Sustainable energy sources for operations** (46%)
3. **Inventory forecasting and planning** (41%)
4. **IoT for real-time tracking** (38%)
5. **Blockchain for transparency** (32%)

Other technologies include mobile warehouse management (25%), intercompany visibility (22%), MRP tools (23%), handheld traceables (21%), and multi-site or multi-company visibility (20%). 5% are not sure of their company's approach.

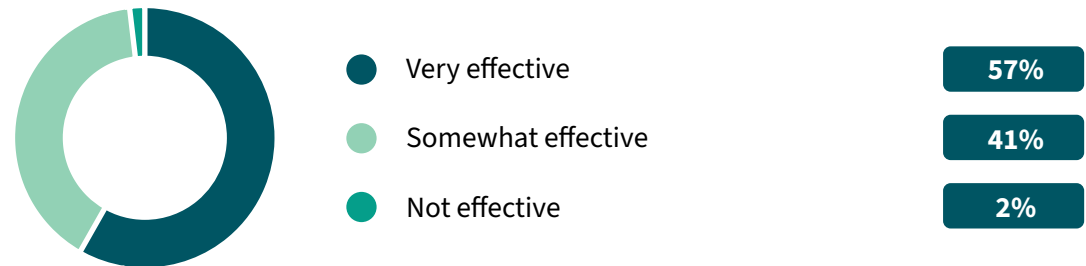
In what ways has your company invested in technology to enhance supply chain sustainability and resilience? (Select all that apply)



57% find their technologies very effective in improving supply chain sustainability

When it comes to the efficacy of their technology, 57% find the current technologies their company employs in improving supply chain sustainability to be very effective. 41% find them somewhat effective and 2% find them not effective.

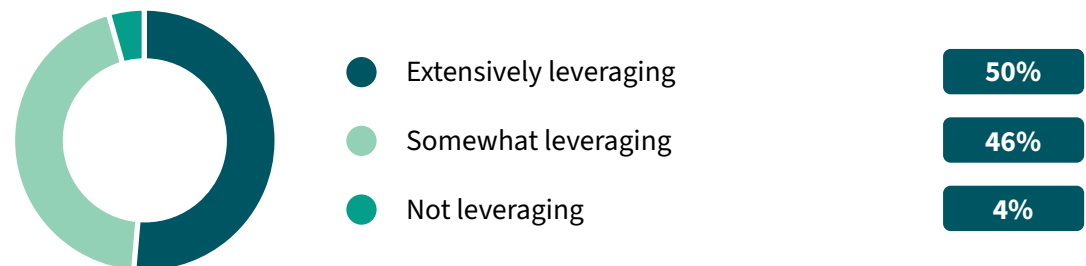
How effective do you find the current technologies your company employs in improving supply chain sustainability?



50% are extensively leveraging data analytics for supply chain resilience and sustainability

When it comes to using data analytics for supply chain resilience and sustainability planning, 50% are extensively leveraging it, while 46% are somewhat leveraging it. 4% are not leveraging data analytics at all.

To what extent is your organization leveraging data analytics for supply chain resilience and sustainability planning?



75% say supply chain resilience and sustainability is very important

When it comes to the importance of supply chain resilience and sustainability in their overall business strategy, 75% of respondents say it's very important. 24% say it's somewhat important, and 1% say it's not important at all.

How do you rank the importance of supply chain resilience and sustainability in your overall business strategy?



- Very important
- Somewhat important
- Not important

75%

24%

1%

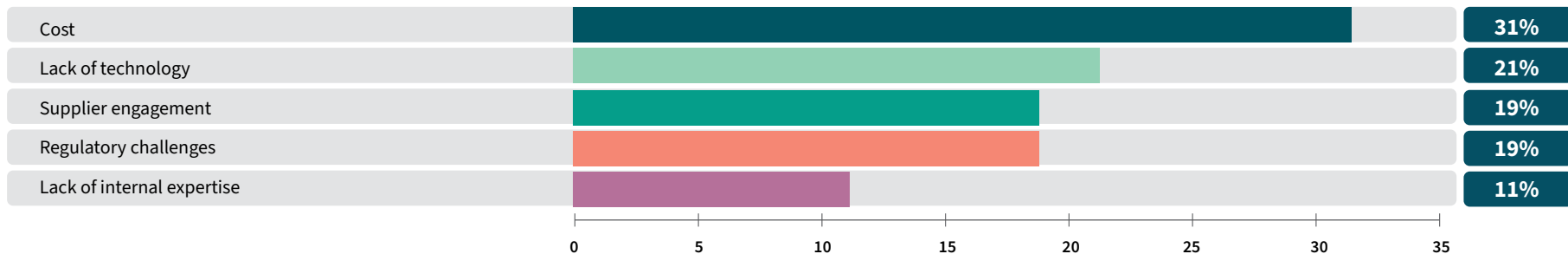


Top Five Barriers to Achieving a More Resilient and Sustainable Supply Chain

The main barriers to achieving a more resilient and sustainable supply chain are:

1. **Cost** (31%)
2. **Regulatory challenges** (21%)
3. **Lack of technology** (19% tie)
4. **Supplier engagement** (19% tie)
5. **Lack of internal expertise** (11%)

What is the main barrier your organization faces in achieving a more resilient and sustainable supply chain?



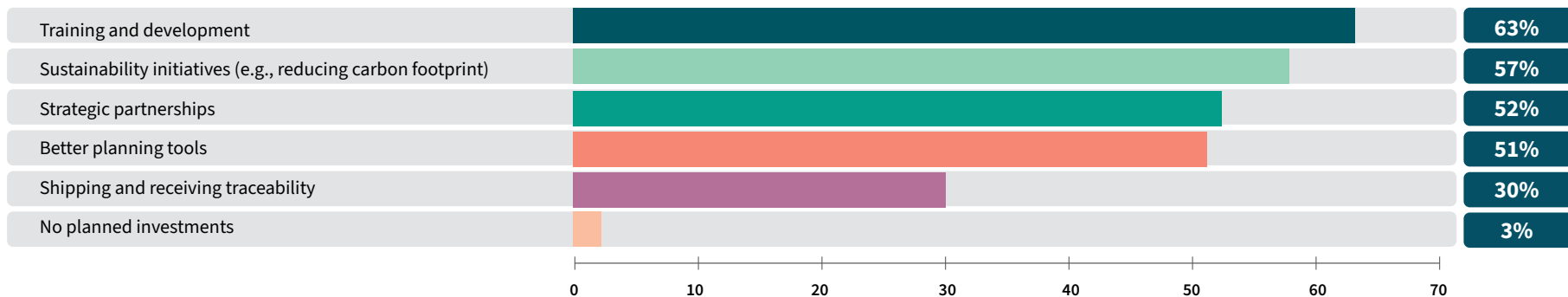
Top Five Plans to Enhance Supply Chain Resilience and Sustainability

Respondents say their company plans to make the following investments to further enhance supply chain resilience and sustainability:

1. **Training and development** (63%)
2. **Sustainability initiatives (e.g., reducing carbon footprint)** (57%)
3. **Strategic partnerships** (52%)
4. **Better planning tools** (51%)
5. **Shipping and receiving traceability** (30%)

3 % have no planned investments.

Looking forward, what investments does your company plan to make to further enhance supply chain resilience and sustainability?



Summary

75% say supply chain resilience and sustainability is very important, resulting in manufacturing leaders taking action to ensure they have more control over their supply chain. The top initiatives they're taking to improve their supply chain strategies include implementing digital tracking tools for better visibility, adopting sustainable materials and practices, and diversifying suppliers.

They're also investing in technologies like IoT for real-time tracking, AI for predictive analytics, and blockchain for transparency, and 57% find their technologies very effective in improving supply chain sustainability. Additionally, 50% are extensively leveraging data analytics for supply chain resilience and sustainability

However, the top barriers they face to enhancing their supply chain resilience and sustainability are costs, regulatory challenges, and a lack of technology.



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Part 5:

Outlook of Manufacturing Work

Organizational growth will rely on good leadership, high employee engagement, embracing technologies, and putting strategies in place for supply chain management. Here's how respondents are anticipating the future of their industry.

Here’s a brief overview of what we learned:

- 65% anticipate their budget for technology will increase.
- 72% believe automation will change their current job.
- Most plan to stay at their current employer and not switch jobs.
- Nearly half say turnover has increased.

Top Skills to Look for When Hiring

Manufacturing leaders are looking for these top skills as they hire:

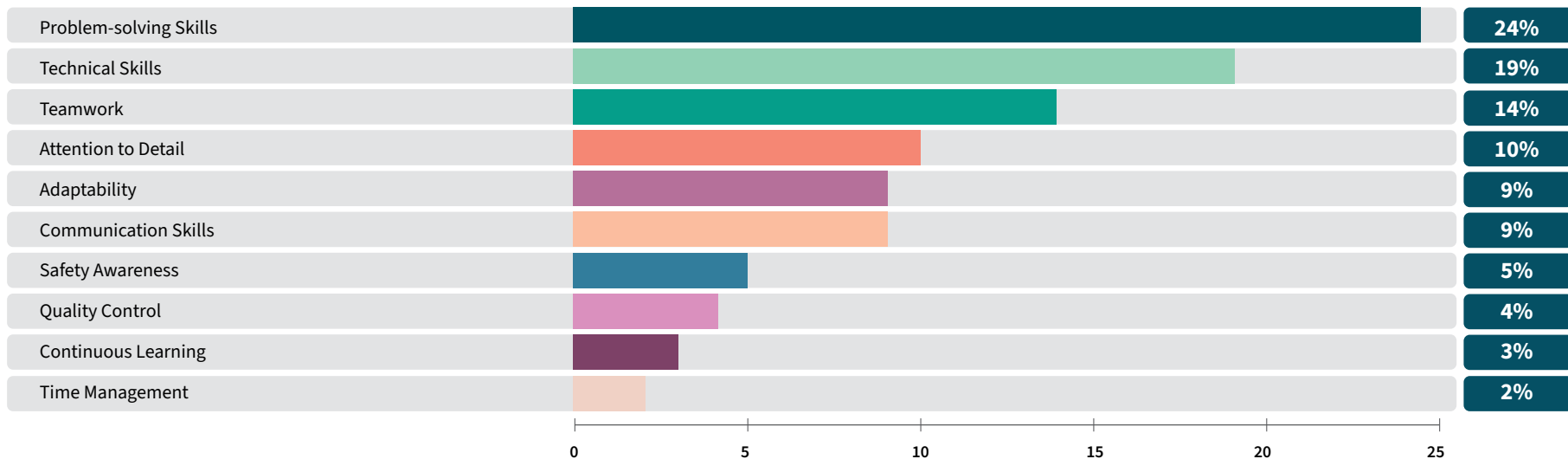
- 1. Problem-Solving Skills** (24%)
- 2. Technical Skills** (19%)
- 3. Teamwork** (14%)
- 4. Attention to Detail** (10% tie)

Other skills include adaptability (9% tie) communication skills (9% tie), safety awareness (5%), quality control (4%), continuous learning (3%), and time management (2%).

2023 Report

Last year, the top skill they were hiring for was communication, which dropped from first to sixth. However, problem-solving skills, technical skills, teamwork, and attention to detail were in the top skills last year. (Last year’s question was asked as “choose all that applies,” whereas this year was limited to one choice, resulting in percentages appearing differently.)

When hiring new employees, what are the most important skills you look for?



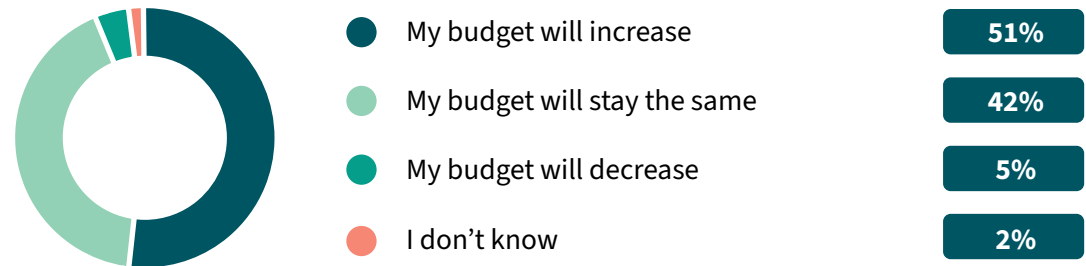
51% anticipate their budget for talent will increase

Will respondents have the ability to hire new employees? 51% say their budget for talent will increase over the next year. 42% say their budget will stay the same, while 5% say their budget will decrease. 2% don't know how their budget will change.

2023 Report

Last year, 60% anticipated their budget for talent would increase, dropping 9% this year.

How do you anticipate your budget for hiring new employees and retaining employees will change in the next 12 months?



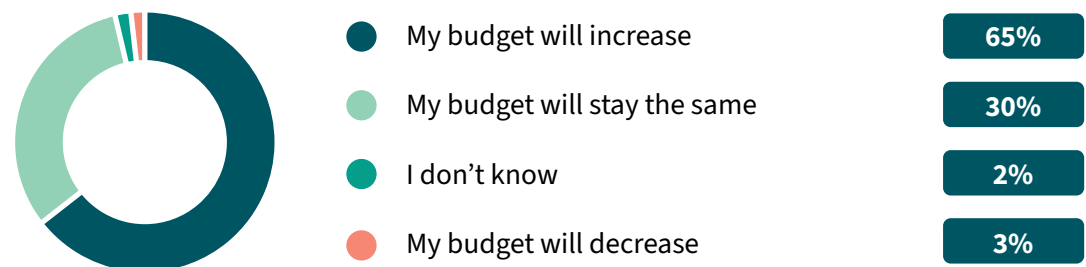
65% anticipate their budget for technologies will increase

Will respondents have the ability to invest in new technology? 65% say their budget for new technology will increase over the next year. 30% say their budget will stay the same, while 2% say their budget will decrease. 3% don't know how their budget will change.

2023 Report

Last year, 62% anticipated their budget for technologies would increase, comparable to 65% this year.

How do you anticipate your budget for investing in new technologies will change in the next 12 months?



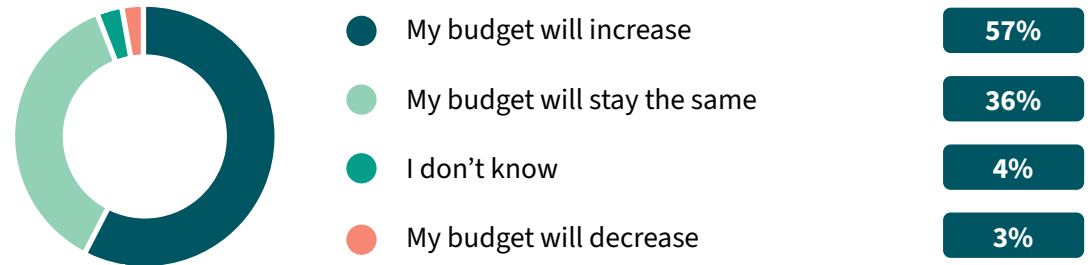
57% anticipate their budget for sustainability will increase

Will respondents have the ability to invest in sustainability? 57% say their budget for sustainability will increase over the next year. 36% say their budget will stay the same, while 3% say their budget will decrease. 4% don't know how their budget will change.

2023 Report

Last year, 61% anticipated their budget for sustainability would increase, dropping 4% this year.

How do you anticipate your budget for investing in sustainability will change in the next 12 months?



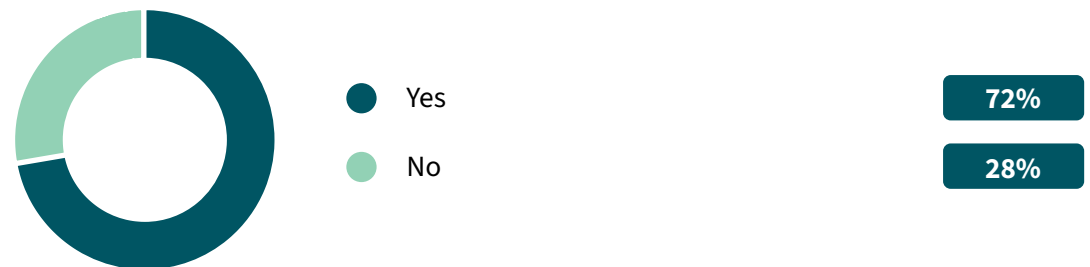
72% believe automation will change their current job

72% of manufacturing leaders believe that their current job will change over the next five years due to automation or robotics. 28% do not believe it will change.

2023 Report

Last year, 71% believed automation would change their current job, comparable to 72% this year.

Do you believe your current job will change with the introduction of automation/robots in the next 5 years?



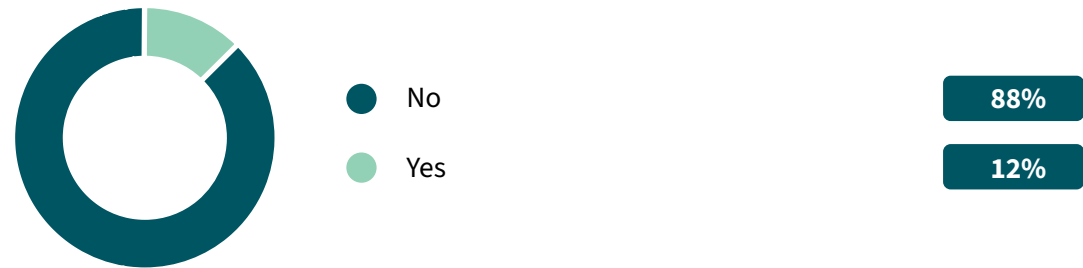
88% plan to stay at their job for the next 12 months

88% of manufacturing workers plan to stay at their job for at least the next year. However, 12% plan to leave.

2023 Report

Last year, 81% planned to stay at their job for the next 12 months, which increased 7% this year.

Do you plan to leave your job in the next 12 months?



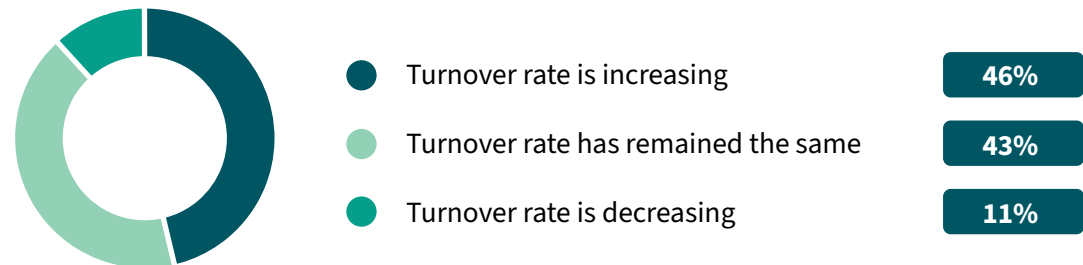
47% say turnover is increasing

When it comes to turnover at their companies, 43% say the rate has remained the same, while 11% say it's decreasing. However, 46% say the rate is increasing.

2023 Report

Last year, 44% said turnover is increasing, comparable to 47% this year.

How would you rank your company's rate of turnover in the past 12 months?



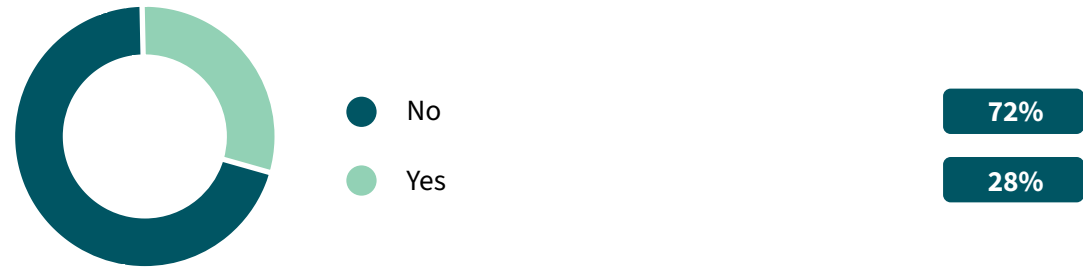
28% said they would take a pay cut to go work in a more technology-driven factory

Would our respondents trade their current organization for a more technology-driven one? Only 28% said that they would quit to go work in a more technology-driven factory, but had to take a 10% pay cut. 72% would stay put.

2023 Report

Last year, 28% said they would take a pay cut to work in a more technology-driven factory, which is the same this year.

Would you quit your job today to go work in a more technology-driven factory if it paid 10% less?



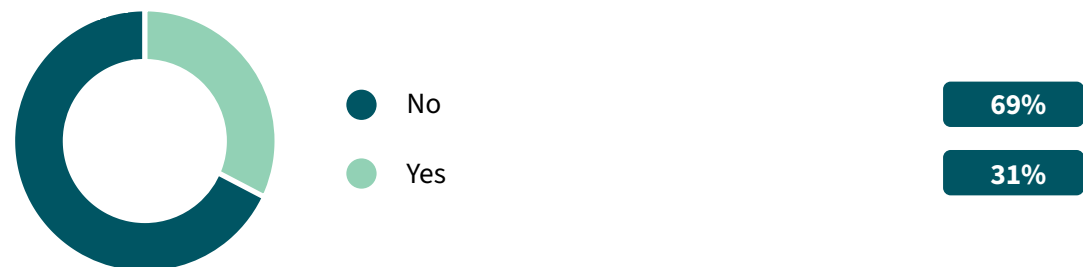
31% said they would take a pay cut to go work in a more sustainable factory

Would our respondents trade their current organization for one that took a more sustainable approach to manufacturing? Only 31% said that they would quit to go work in a more technology-driven factory, but had to take a 10% pay cut. 69% would stay put.

2023 Report

Last year, 29% said they would take a pay cut to work in a more sustainable factory, which increased 2% this year.

Would you quit your job today to go work in a factory that took a more sustainable approach to manufacturing if it paid 10% less?



Summary

To support new technological and upskilling initiatives, manufacturing leaders need budget allotments. 51% anticipate their budget for talent will increase, 65% anticipate their budget for technologies will increase, and 57% anticipate their budget for sustainability will increase.

While 72% believe automation will change their current job, they seem ready to embrace it and adapt to it, as 88% plan to stay at their job for at least the next year. Since management tends to be more committed to longevity with the company, only 28% said they would take a pay cut to go work in a more technology-driven factory and 31% said they would take a pay cut to go work in a more sustainable factory.

Changes for 2024:

Compared to last year's survey, manufacturing managers are primarily hiring for problem-solving skills today, as communication skills, which were first last year at 43%, fell to 9% this year (however, last year respondents could choose all that applied). When it comes to budgets, the anticipated budget for talent dropped from 60% last year to 51% this year; the anticipated budget for technology rose slightly from 62% last year to 65% this year; and the anticipated budget for sustainability dropped slightly from 61% last year to 57% this year.

Nearly the same amount believe that automation will change their current job — from 71% last year to 72% this year — and more respondents plan to stay at their job for at least the next year, from 81% last year to 88% this year. However, while around the same say turnover has stayed the same (44% last year to 43% this year), 22% last year said their turnover rate was increasing, while 47% say the rate is increasing this year — a significant change.





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Part 6:

Actionable Takeaways for Manufacturing Leadership

The challenges manufacturing leaders face today threaten to undercut the good work companies do to create the products we use each day. Here are some actions you can take to address those challenges, based on the insights above.

Commit to modernizing

This year, fewer believe their organization to be “very modern” — but manufacturing companies should be becoming more modern, not standing still. However, this year more manufacturing companies are investing in new technology, which is a good sign that manufacturing leaders are turning to technology to help increase efficiencies. Start by evaluating your business objectives and in which use cases you can leverage technology to see improvements and returns. Then explore which technologies to invest in that will help move your business goals forward — don’t just adopt technology for technology’s sake.



Adopt a data-first strategy

Additionally, more respondents say their company embraces a data-first strategy — 75% this year compared to 67% last year — which is producing additional benefits of improved customer experience and loyalty, faster time to value, and reduced costs and greater profits. Start your data-first journey by digitizing documents, then adopting technologies like an ERP to help you collect, store, and analyze that data.



How to implement AI

The top ways respondents are using AI is to improve production efficiency and quality control. But when asked, respondents shared that they're using AI in use cases across inventory management, planning and forecasting, supply chain, productivity, data management and analytics, employee training, and customer ordering. See where AI will make the most impact in your business.

Continue committing to upskilling

91% say their company is making upskilling a priority for workers. Continue creating opportunities for workers to learn new skills, especially as you bring more technologies on board. Provide on-site or on-the-job training, or provide access to an online training platform where workers can self-pace their training, earn new certifications, or learn new skills to be prepared to climb up the ladder. Investing in upskilling will help improve engagement as well — especially when manufacturing leaders see high morale slipping.





Take action over supply chains

75% say supply chain resilience and sustainability is very important to their business. If you're looking for ways to have better control over your supply chain, look to the strategies others are taking: implementing digital tracking tools for better visibility, adopting sustainable materials and practices, and diversifying suppliers. Couple those strategies with technologies like IoT for real-time tracking, AI for predictive analytics, and blockchain for transparency.

Conclusion

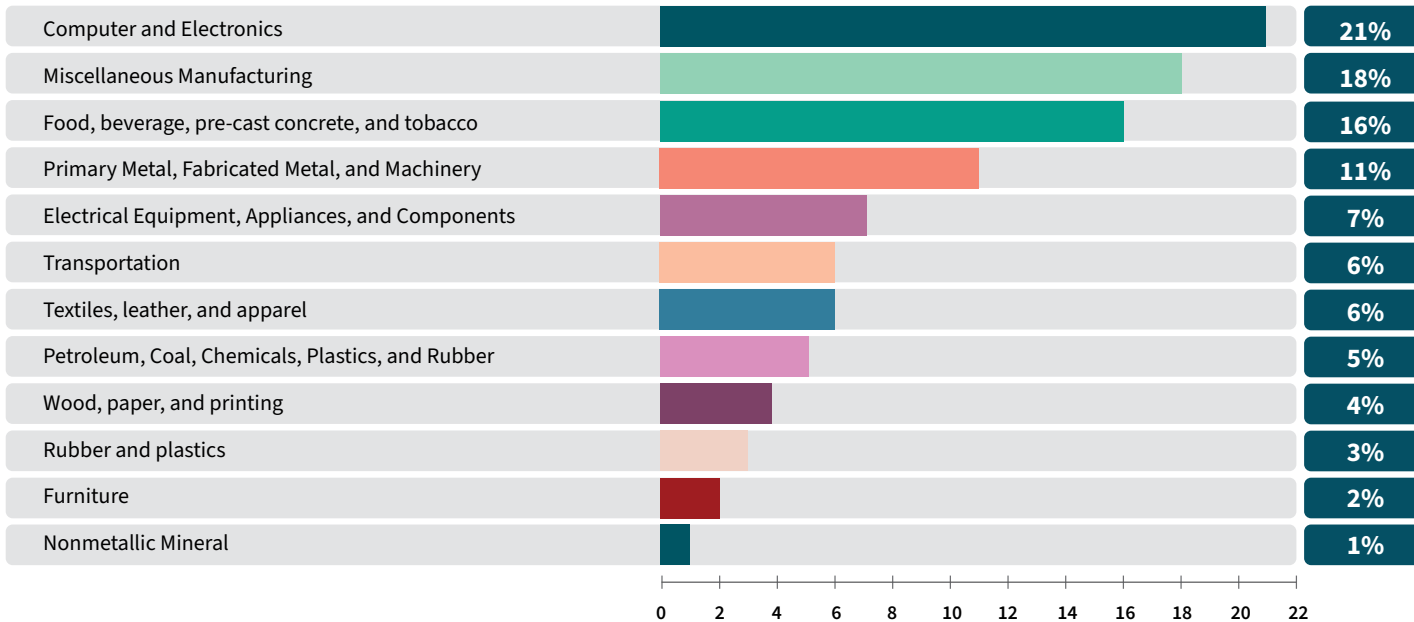
Manufacturing leaders today are taking action to address challenges they face each day by adopting initiatives to improve employee engagement, leveraging technologies that improve operational efficiencies, and taking action to have more control over their supply chain. By using the above insights, you can gain a better understanding into how other manufacturers are facing challenges and leveraging opportunities, and what strategies they're employing for success in 2024 and beyond.

Profile of Who We Surveyed:

















Methodology and Participant Demographics

In order to provide greater context around these findings, here are more details on who we surveyed and the methodology used. Starting on April 30, 2024, we surveyed 978 manufacturing managers. The survey was conducted online via Pollfish using organic sampling. Learn more about the Pollfish methodology [here](#).

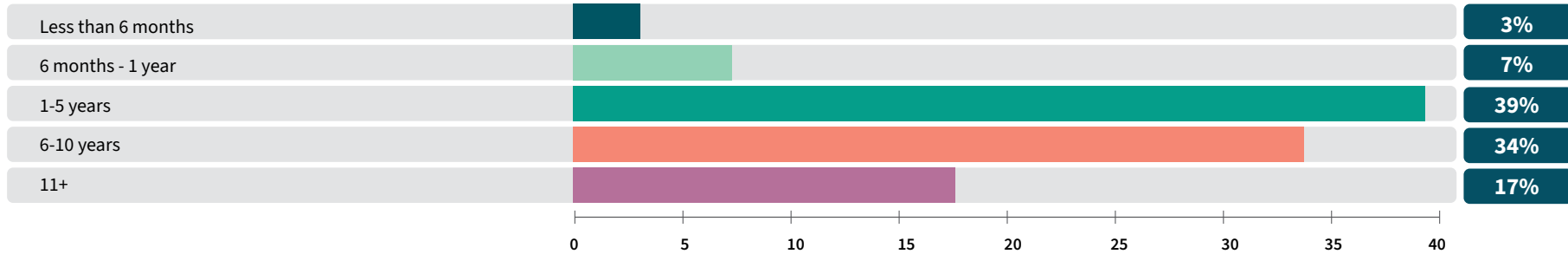
What best describes the goods you primarily manufacture where you work?



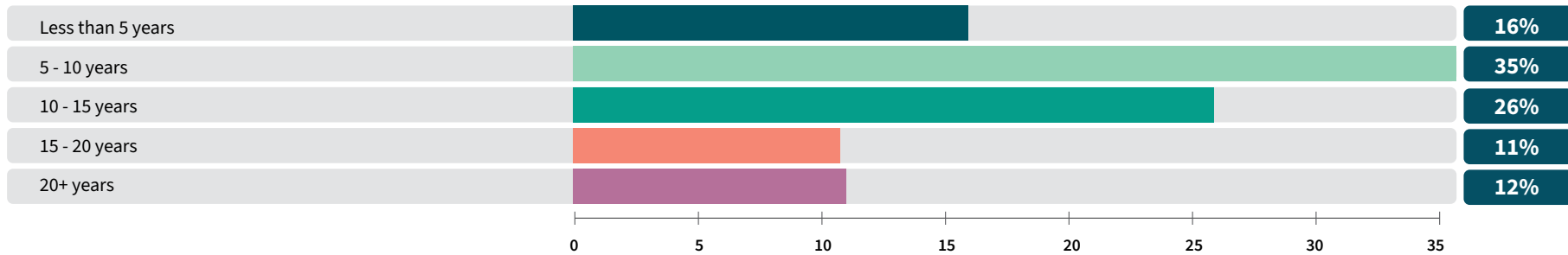
Where are you from?

	Argentina	10
	Australia	140
	Canada	30
	Colombia	14
	Germany	98
	Ireland	150
	Malaysia	24
	Mexico	26
	New Zealand	10
	Poland	48
	Singapore	23
	Sweden	4
	United Arab Emirates	36
	United Kingdom	50
	United States	292
	Vietnam	23

How long have you been at your current company?



How long have you worked in manufacturing across all jobs, including your current job?





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