

99% of process manufacturers preparing for growth despite market challenges

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Growing regulatory change and uncertainty is impacting the vast majority of process manufacturers, but they are responding by investing in new technologies and leveraging the cache surrounding 'Made in America'.

As political uncertainty bites, almost two-thirds of process manufacturers (62%) say regulatory changes are affecting their business, with more than four-in-five (82%) revealing the threat of import-export shake-ups having significant impact on strategic decision-making.

Despite those challenges, however, that same number (82%) are confident their home-grown industry will be considered a world leader by 2025, and an overwhelming 99% of all process manufacturers say they are preparing for growth.



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The figures come from the latest global state of the nation report on process manufacturing from cloud business management solutions provider Sage. The research covers businesses in the US, Canada, and the UK, and reveals a sector that's taking charge of its own destiny despite growing change and uncertainty.

The report provides a detailed picture of a sector poised for change in areas of technology, services, skills and where goods and materials are sourced.

The importance of local sourced goods

Driven by uncertainties around importing and exporting, process manufacturers see a bigger opportunity in providing local sourced goods regardless of price, rather than cheaper items irrespective of origin.

This trend towards onshoring is driven not just by the brand impact home-grown goods can have and the value customers place on 'Made in America', but also ties in with concerns around risk, and the importance process manufacturers place on the traceability of raw materials.

The research reveals 90% of all participants said they see a lack of traceability as a risk, both to brand value (55%) and, more seriously, to human life (36%) where allergens are concerned. Having the right tools and systems in place gives them security in ensuring a healthy brand, customers and profits.



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Increasing the bottom line through technology

The top long-term priority for process manufacturers is enhancing profitability. For the majority (61%), that means investing in technology to drive greater productivity, followed by plans to expand into new markets and improve customer service (56%).

The importance placed on technology is also reflected on the factory floor – with the majority (52%) seeing data-driven production as a key trend currently transforming the sector, and a similar number (54%) believing that emerging technologies like robotics, IoT and automation will have the greatest impact over the next five years.

The research shows the key benefits include reduced operational costs (29%), followed by increased visibility/traceability across the supply chain and enabling automation of repetitive tasks (both 27%).

Closing the skills gap

The importance of technology is also reflected in the skills being sought out – two-fifths (39%) believe proficiency in data science and computer science will be critical if manufacturing is to remain competitive, compared to advanced critical and creative thinking skills (25%) and proficiency in engineering (18%).

The report highlights that with the potential knock-on effect of regulatory changes around immigration, many process manufacturers will need to look at changing their recruitment strategies, including finding people from outside traditional talent pools.



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