

# MANUFACTURING MEGATRENDS

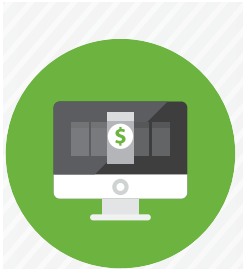
The Impact of  
Megatrends on U.S.  
Manufacturers



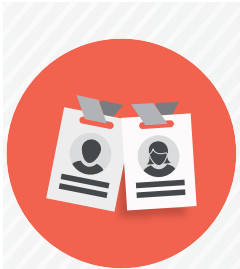
# Introduction

Manufacturing's leaders are facing unprecedented global complexity, and the sector is now powered by software and data every bit as much as by steel and electricity. The ability to access insights about how to survive and thrive has never been more critical.

Recent shifts in technologies, demographics, and markets have created a new normal for manufacturers. Those that adapt quickly will emerge more innovative and agile than their competitors. Five disruptive changes set the stage for the future of manufacturing.



**INFORMATION  
IS THE NEW  
CURRENCY**



**THE NEW  
WORKFORCE**



**GLOBALIZED  
ECONOMIC RISKS  
& OPPORTUNITIES**



**REGULATORY  
LABYRINTHS**



**TECHNOLOGY'S  
PROMISE & PERIL**

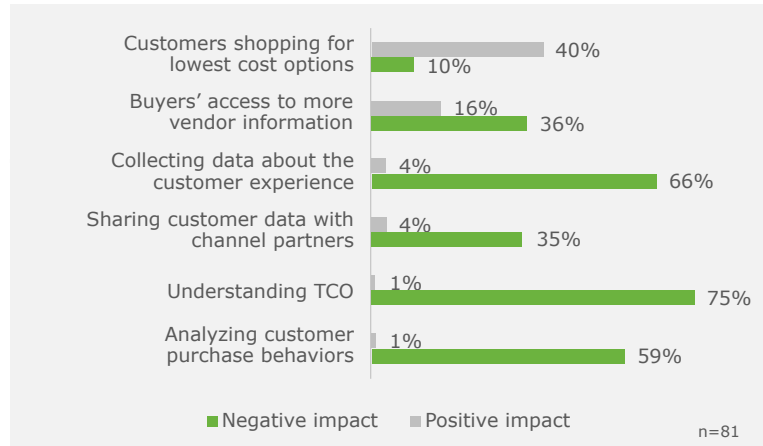


# INFORMATION IS THE NEW CURRENCY

Thanks to unparalleled access to information on pricing and profitability, customers have never been better informed on the total cost of ownership.

Source: MAPI research

## Perspectives from senior leaders about the impact of information transparency trends on their businesses...



Understanding total cost of ownership (TCO) offers companies a profit opportunity, but for premium providers, comparison shopping can negatively affect the business.

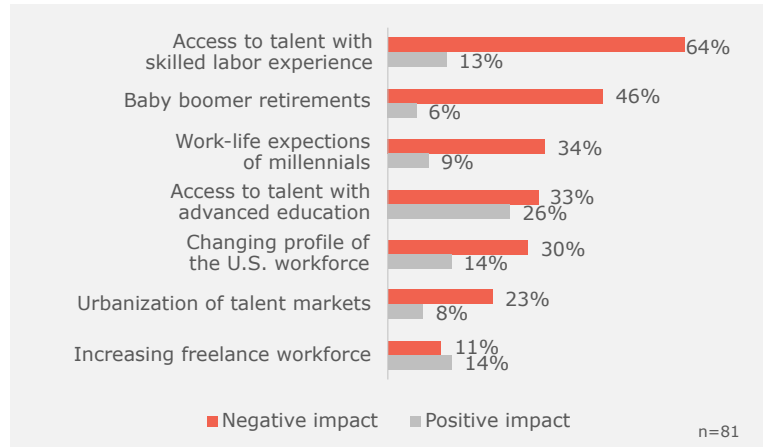


# THE NEW WORKFORCE

Labor markets are transforming—the manufacturing workforce is aging, it’s harder than ever before to attract talent, and women and minorities make up an increasingly large share of the workforce.

Source: MAPI research

## Perspectives from senior leaders about the impact of demographic trends on their businesses...



**100% of middle managers report that the skills gap is having a negative impact on their businesses, whereas only slightly more than half of CEOs and presidents agree.**



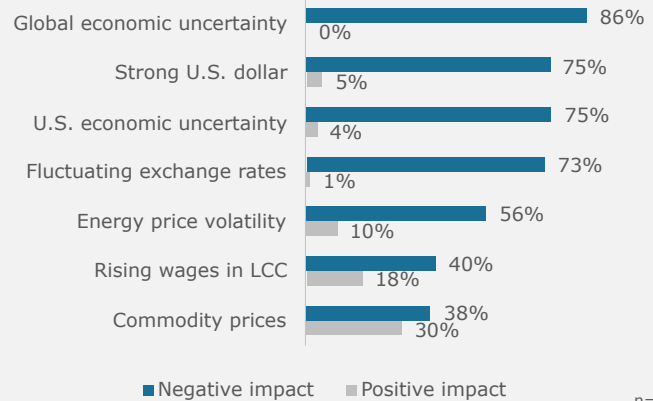


# GLOBALIZED ECONOMIC RISKS & OPPORTUNITIES

With 45% of U.S. manufacturing revenue generated overseas, exposure to currency fluctuations, volatile energy and commodity prices, global supply chain disruptions, and regional economic uncertainty is at an all-time high.

Source: MAPI research

## Perspectives from senior leaders about the impact of economy on their businesses...



Although pessimistic, CEOs and presidents are more optimistic than their teams about the impact of currency exchange rates and economic uncertainty on their businesses.



# REGULATORY LABYRINTHS

The regulatory playing field has never been more global or less level. Ever-changing regulatory requirements make it increasingly difficult (and costly) for manufacturers to succeed globally, and force manufacturers to reallocate resources to address burdensome regulations.

Source: MAPI research

## Perspectives from senior leaders about the impact of regulations on their businesses...



In our survey, CEOs and presidents were the most likely to say that regulations have a negative impact on their businesses.

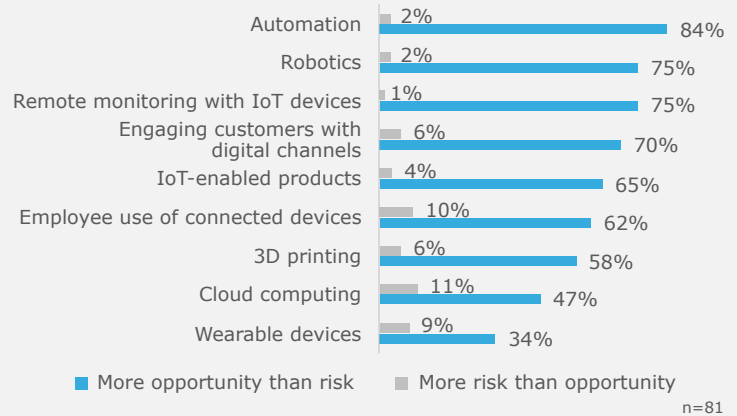


# TECHNOLOGY'S PROMISE & PERIL

The digital revolution is delivering amazing opportunities, such as the Internet of Things, 3D printing, and the cloud, as well as a Pandora's box of risks, meaning that intellectual property can be stolen and online reputations tarnished in seconds.

Source: MAPI research

## Perspectives from senior leaders about the impact of technology trends on their businesses...



Executives are overwhelmingly positive about most recent technological advances, yet a small minority express concerns about the risks associated with cloud computing, wearable devices, and connected devices at work.

# Top 10 Trends Negatively Affecting Businesses

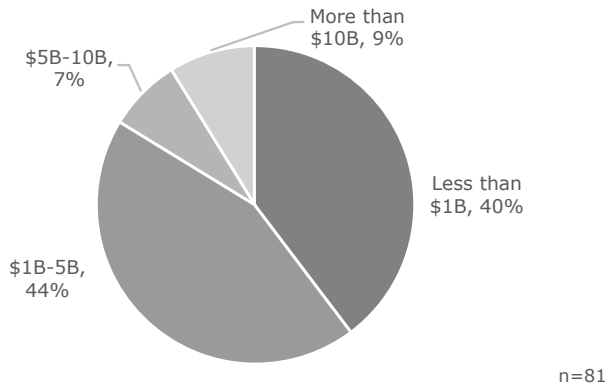
The executives we surveyed overwhelmingly pointed to economic factors as having the most significant negative impact on their businesses in 2015.

Of the top 10 negative trends affecting businesses in 2015, all but one—the skills gap—concern economic or regulatory matters.

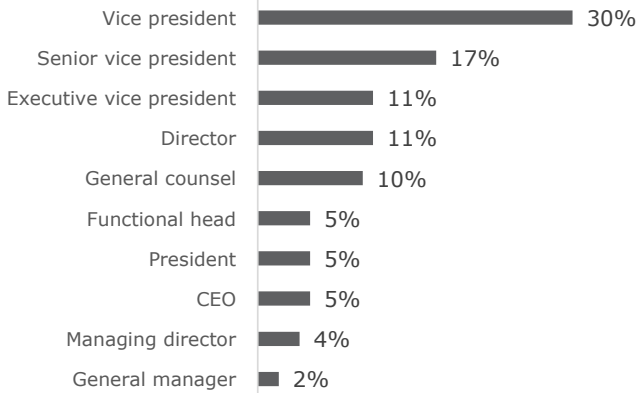
1 Global economic uncertainty	2 Strong U.S. dollar	3 U.S. economic uncertainty	4 Fluctuating exchange rates	5 U.S. tax policy
6 Affordable care act	7 Energy price volatility	8 Access to skilled labor	9 International corporate tax policy	10 Conflict minerals compliance

# Respondents at a Glance

## Respondents by Revenue Size



## Respondents by Title



Source: MAPI research

## Respondents by Role



MAPI surveyed members of the CEO; CFO; Division Leadership; Engineering, Research, and Development; Finance; HR; Law; Manufacturing; Marketing; Sales; and Strategy Councils in December 2015 about the impact of megatrends on their businesses. This report summarizes the results.

# Respondents at a Glance

## Respondents by Industry

