

MANUFACTURING IN MOTION: TRANSFORMING FOR A NEW INDUSTRIAL ERA

Technological advancements are transforming the manufacturing sector and ushering in a new industrial era. A survey of over 500 manufacturing executives explores their changing strategies, shifts in talent needs and what the most innovative and tech-forward companies do differently.

Developed by
The Economist Intelligence Unit

Implementing a transformation strategy

“We are beginning to embrace the Fourth Industrial Revolution to competitively capture new business opportunities.”

Paul Bakus, President, Nestlé Corporate Affairs

63% of manufacturers have implemented transformation initiatives



Nearly **1 in 5** are developing a transformation strategy



Most common strategic initiatives:



Increasing operational efficiency
58%



Creating new products and services
54%

3 in 4

manufacturers who have implemented transformation initiatives have seen benefits



Manufacturers expect further improvements:

■ Currently ■ In three years

Increased revenues



Collaboration and communication



48% of manufacturers expect industrial transformation to enhance productivity



42% expect to benefit from more efficient logistics

Investing in talent

“We are seeing an effort across community colleges throughout the country to build industry partnerships and think creatively about making the adaptable skills needed in manufacturing today.”

Lee Wellington, Founding Executive Director, Urban Manufacturing Alliance

More than 1 in 3 manufacturers say difficulties recruiting/retaining employees with the right skills is their greatest challenge

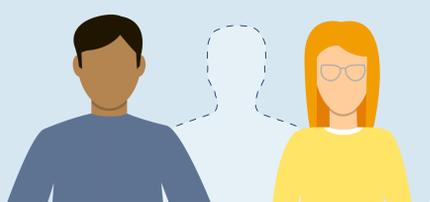


Largest talent hurdles in three years:

42% expect difficulty recruiting new employees with the prerequisites for on-the-job training

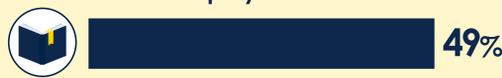


38% say there will be a lack of candidates who are interested in working in manufacturing



Most effective methods to develop skills:

Reskill current employees



Collaborate with industry partners



Support job rotation



Collaborate with educational institutions



Approximately

7 in 10

manufacturers say workers will lack the basic technical skills needed for retraining in the next three years



Innovating for success

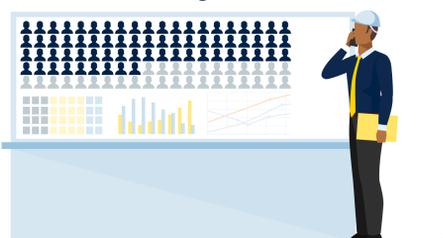
“There is great appeal in the modern, more entrepreneurial, higher tech manufacturing.”

Mark Muro, Senior Fellow, Metropolitan Policy Program, Brookings Institution

The EIU classifies leaders as the 1 in 5 manufacturers who rate their organizations as “well above average” in innovation and adopting advanced technologies



69% of manufacturers agree that in three years leading-edge technologies will provide an advantage over competitors in low-wage countries



Leading-edge technologies adding value over the next three years:

Cloud and mobile technology

■ Leaders 41%
■ Others 31%



Internet of Things

■ Leaders 39%
■ Others 29%



Big data and/or computing advancements

■ Leaders 39%
■ Others 26%



The impact of new technologies varies across industries within manufacturing:

Advanced manufacturing methods

■ Machinery 50%
■ Overall 37%



Cloud and mobile technology

■ Computers and electronics 45%
■ Overall 33%



Biotech and materials science

■ Chemical products 39%
■ Overall 19%



Note: Data based on an Economist Intelligence Unit survey conducted in July 2017. The research, sponsored by Prudential, surveyed over 500 U.S. manufacturing executives.

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