



Top 8 Manufacturing Trends for

»» 2022

MANUFACTURERS RISE TO CHALLENGES, SEIZE OPPORTUNITIES

Today's challenges bring with them opportunities for innovation, efficiency and positive change. To help you stay resilient and agile, the NAM has compiled the top eight manufacturing trends for 2022 and provided curated resources for each.



1. The Labor Shortage

Resignations | Talent | Skills Gap

THE TREND:



2021 saw the beginning of the Great Resignation, with record numbers of workers leaving their jobs. Experts anticipate the labor shortage will continue well beyond 2022, resulting in an estimated 2.1 million unfilled manufacturing jobs by the year 2030.* Some good news is that diversity, equity and inclusion efforts are helping to attract larger numbers of women and diverse workers to the industry. And forward-thinking businesses are taking advantage of the opportunity to revamp employee benefits and truly differentiate themselves.

**According to a study by Deloitte and The Manufacturing Institute.*



HOW THE LABOR SHORTAGE AFFECTS MANUFACTURERS:

- ✓ Rely on a combined strategy of policy, on-the-ground programs, technology, innovation and grit to build and maintain a sufficient workforce.
- ✓ Implement advanced manufacturing technologies to increase operational efficiencies and meet production goals with fewer personnel.
- ✓ Develop programs to upskill and cross-train your existing workforce.
- ✓ Use AI technology to acquire the right talent faster.
- ✓ Provide 10+ benefits to improve retention of your current employees.
- ✓ Continue efforts to create a company culture that is welcoming to people of all genders, abilities and backgrounds.

RESOURCES

CREATORS WANTED AND ONGOING WORKFORCE PROGRAMS

Tap into the power of the NAM's Manufacturing Institute to access a talent pool of highly skilled women, military veterans, students and more. Participate in Creators Wanted to showcase the great careers that modern manufacturing has to offer.

Learn more >

- > Creators Wanted
- > STEP Women's Initiative
- > FAME Federation for Advanced Manufacturing Education
- > Manufacturing Day
- > Heroes Make America

NAM MANUFACTURERS RETIREMENT

Help your employees feel secure and reassured that they can retire when ready, while reducing the amount of time, hours and money spent managing your own retirement plan.

Learn more >

SPECIAL REPORT: MERCER 2021 LABOR MARKET REPORT

New research from NAM Health Care partner Mercer. Mercer suggests that providing employees 10+ health and well-being benefits can aid in retention.

Learn more >

2. Supply Chain Challenges

Delays | Shortages | Costs

THE TREND:



Current supply chain bottlenecks may be caused by several factors: ongoing pandemic-related disruptions, strong demand, the labor shortage, logistics challenges and transportation issues. As a result, costs and lead times are increasing, and manufacturers are struggling to acquire products and raw materials to meet production capacity. These issues are expected to continue into at least the first half of 2022.

HOW SUPPLY CHAIN CHALLENGES AFFECT MANUFACTURERS

- ✓ Navigate delays, shortages, cost increases, port gridlocks and other disruptions.
- ✓ Expand your supplier pool and/or find suppliers closer to your facility to minimize some issues and avoid others altogether.
- ✓ Work with allies and partners across the globe to ensure an effective and efficient supply chain.
- ✓ Connect with more potential customers in the U.S. who need what you produce.
- ✓ Experience financial impacts (better or worse).
- ✓ Ramp up production when possible or retool as needed to meet critical supply needs.
- ✓ Advocate for policies that strengthen the supply chain and promote the U.S.'s ability to compete.



RESOURCES

MANUFACTURERS MARKETPLACE

Use this searchable database to reduce dependence on distant suppliers and do business with more manufacturers in the U.S.

Learn more >

BUILDING A 4.0 DIGITAL THREAD FOR SUPPLY CHAINS

Learn how smart manufacturing technologies can improve supply chain issues, including demand planning, transportation and logistics, financial resiliency, product complexity and organizational structure.

Learn more >

DIGITIZATION OF THE SUPPLY CHAIN: QUICK TIPS

Discover lessons learned from COVID-19 and tips to create a supply chain that can react swiftly, mitigate risks and successfully respond to future disruption.

Watch >



3. Leadership Through Disruption

COVID-19 | Culture | Technology

THE TREND:



This is a challenging and exciting time to be a manufacturing leader. You need to focus on overcoming today's obstacles while still making strategic decisions for the future. New technologies have the potential to increase resilience, innovation, efficiency, competitiveness and more. Yet leaders must also give attention to people—to allaying their health and safety concerns, enhancing company culture and preparing workers for a digital future.



HOW LEADERSHIP THROUGH DISRUPTION AFFECTS MANUFACTURERS

- ✓ Build relationships with manufacturing leaders across sectors who may be solving similar challenges.
- ✓ Understand and advocate for favorable policy on hot-button issues, such as mask and vaccine mandates.
- ✓ Provide health and well-being resources to help your team handle pandemic-related stress.
- ✓ Lead by example to foster an inclusive culture where people of all genders, abilities and backgrounds can thrive.
- ✓ Familiarize yourself with advanced manufacturing technologies and processes that can boost resilience, improve operations and increase competitiveness.

RESOURCES

NAM MANUFACTURERS RETIREMENT

Help your employees feel secure and reassured that they can retire when ready, while reducing the amount of time, hours and money spent managing your own retirement plan.

Learn more >

MASTER CLASS SERIES

This series of virtual educational programs is designed for manufacturers who want to advance their operations and gain a competitive edge.

Learn more >

NAM HEALTH CARE

NAM Health Care is an exclusive NAM member benefit that helps small- and medium-sized manufacturing companies offer Fortune 500-type benefits. Health care coverage includes telehealth services as well as mental health resources.

Learn more >

THE CULTURE IS THE COMPANY

Hear from ALOM's Hannah Kain on the state of the industry and the keys to successful leadership.

Read >

4. Cybersecurity

Ransomware | Insurance | Risk Mitigation



THE TREND:

Cyber incidents will continue to rise in 2022, and manufacturing companies are at elevated risk due to the use of IT and OT systems. Potential cyber incidents include ransomware attacks which have increased in frequency and cost, email fraud, hacking and more. While all insurance costs are rising, falling victim to any one of these situations could disrupt your operations, putting processes, equipment and people in harm's way and ultimately cost your company a significant chunk of your revenue.

HOW CYBERSECURITY AFFECTS MANUFACTURERS

- ✓ Follow cybersecurity best practices to reduce risk and eliminate some attacks altogether (e.g., proactive monitoring, employee training, network segmentation).
- ✓ Understand that in addition to financial damage, cyberattacks cause safety hazards, loss of reputation, damage to customer relationships and more.
- ✓ Expect cyber insurance premiums to rise as much as 25% due to increasing frequency and severity of attacks but also understand the high cost of an attack. Consider cyber insurance a “must-have” to protect and mitigate against full impact of an attack on a manufacturer.
- ✓ Enlist the help of professionals to identify vulnerabilities in your network and take steps to close any gaps.
- ✓ Prepare for potential new legislation that could require some manufacturers to report cyberattacks within 72 hours of an incident.



RESOURCES

CYBER RISK ASSESSMENT

Take the NAM's complimentary Cyber Risk Assessment to learn your cyber risk level. Simply answer brief questions to receive a detailed report that identifies your company's vulnerabilities.

Take the assessment >

NAM CYBER COVER

NAM Cyber Cover is a program designed to meet the unique cybersecurity needs of manufacturers. It includes cyber insurance with coverages for bodily harm, property damage and pollution that may result from security failures as well as proactive monitoring and risk mitigation.

Learn more >

CYBERSECURITY BEST PRACTICES FOR MANUFACTURERS

Download this quick one-page resource to learn five best practices that can help you reduce your risk of a cyber incident and recover swiftly if one should occur.

Download >

REIMAGINING THE CYBERSECURITY WORKFORCE

Learn the 247 cyber roles manufacturers need to consider today and in the future to ensure their companies are protected.

Read >



5. Digital Transformation

Leadership | Technology | Operational Excellence

THE TREND:



The Manufacturing 4.0 Revolution is well underway. Digital transformation is not optional; it is imperative to the ongoing success and competitiveness of U.S. manufacturing. Manufacturers that want to succeed must understand that M4.0 is as much about people as it is about smart technology. Additionally, savvy manufacturing leaders know they must look beyond 2022 all the way to 2030 to prepare for what is ahead.

HOW DIGITAL TRANSFORMATION AFFECTS MANUFACTURERS

- ✓ Become a factory of the future to increase efficiency, reduce costs, improve quality and gain visibility into the supply chain.
- ✓ Adopt advanced technologies as a strategy to boost resilience against future disruption.
- ✓ Alleviate some supply chain challenges with solutions such as digital twins and digital threads.
- ✓ Drive sustainable and Net Zero operations with M4.0 technologies.
- ✓ Develop digital acumen to understand the business-changing impact of new technologies.
- ✓ Create a diverse and inclusive workforce that is prepared to thrive alongside advanced technologies such as AI and robots.

RESOURCES

MANUFACTURING LEADERSHIP COUNCIL

The NAM's digital transformation division, the Manufacturing Leadership Council, offers connections, insights and strategies to help manufacturing leaders survive and thrive with the latest advanced technologies. **Learn more >**

MANUFACTURING IN 2030 PROJECT

Participate in this year-long project from the Manufacturing Leadership Council to look into the future of manufacturing so you can prepare for what lies ahead. **Learn more >**

IN-PERSON AND VIRTUAL EVENTS

Attend a virtual plant to tour to see the latest digital manufacturing technologies in action. Participate in Rethink: The Manufacturing Leadership Council Summit to gain best practices necessary to succeed in your journey to M4.0. **Learn more >**

LEADING EDGE SMARTBRIEF

Keep up with trends in manufacturing tech, IOT, cybersecurity, sustainability, workforce and what other companies are doing with a quick daily e-summary. **Subscribe >**

6. Culture

Diversity & Inclusion | Women in Leadership | Retention



THE TREND:

Continuing to enhance your company culture in 2022 isn't just the right thing to do—it has major potential to drive innovation and business growth in manufacturing. An inclusive workplace with a positive culture can alleviate workforce shortages, improve financial performance, boost resilience, achieve breakthroughs and more.

- ✓ Include people of all ages, genders, races and ethnicities, abilities, sexual orientations, education, life experiences and socioeconomic backgrounds.
- ✓ Ensure women have equal access to leadership roles, pay equity and opportunities for advancement.
- ✓ Consider untapped talent pools to meet your workforce needs, such as the formerly incarcerated.
- ✓ Use technology to enable scalable, consistent implementation of practices, processes and programs that support diversity, equity and inclusion.
- ✓ Create a culture of innovation that rewards hard work and idea generation.
- ✓ Prioritize environmental sustainability and social responsibility to attract a younger workforce while improving your community.



RESOURCES

DIVERSITY + INCLUSION BENCHMARKING IN MANUFACTURING

The Diversity + Inclusion Benchmarking report from the Manufacturing Institute offers baseline data from U.S. manufacturers on current industry D&I policies. It includes insights on hiring, diversity-related reporting, employee resources and the benefits of a diverse workforce. This research is an important tool to measure progress towards a more inclusive manufacturing industry.

Download >

MANUFACTURERS MARKETPLACE

Use this searchable database to identify specific diverse suppliers in the U.S. and filter by qualities such as woman-owned, veteran-owned and other demographics.

Learn more >

MANUFACTURING LEADERSHIP AWARDS

Enhance company culture by recognizing innovation. Nominate for the Manufacturing Leadership Awards to create a win-win—your team will feel valued and your company will get a steady stream of new ideas and innovations.

Learn more >

NAM ENERGY

Connect with an energy adviser who can help you explore technology solutions such as solar power and battery storage to improve sustainability and resiliency while reducing costs.

Learn more >



7. Mergers and Acquisitions

Buy | Sell | Transition

THE TREND:



Pandemic-related shortages of supplies and workers spurred many manufacturers to consolidate processes and facilities in the name of efficiency. This situation is creating lucrative buying opportunities for manufacturers who are looking to expand their operations and gain market share. Manufacturers interested in selling assets can maximize profits by demonstrating value beyond revenues, including culture, technology, customers and more.



HOW MERGERS AND ACQUISITIONS AFFECT MANUFACTURERS

- ✓ Reassess your M&A strategies as the uncertainty of 2020 and 2021 yield to a clearer vision of demand in 2022.
- ✓ If selling, bolster your bottom line by examining profit margins across the customer base.
- ✓ If buying, identify tax credits and other incentives that may be available for expansion, training, land or new equipment.
- ✓ Maintain a strong management team for a seamless transition.
- ✓ Stay up to date on potential legislation that aims to prevent certain M&A to enhance competition.

RESOURCES

NAM INCENTIVES LOCATOR

Discover funds, tax credits and other incentives your company might qualify for when you expand your operations. Have an expert identify opportunities and manage the entire process for you.

Learn more >

WHAT'S IN BIDEN'S EXECUTIVE ORDER ON COMPETITION?

Get a quick rundown of President Biden's Executive Order on Promoting Competition in the American Economy and how it could affect potential mergers and acquisitions in manufacturing.

Read >

NETWORK WITH MANUFACTURING LEADERS

Stay in-the-know about potential buying opportunities. Join the Manufacturing Leadership Council to connect with a global business leadership network of senior manufacturing executives.

Learn more >

NAM-FROST PARTNERSHIP

Explore opportunities within specific segments of manufacturing to determine feasibility of mergers or acquisitions and partnerships. Gain access to research and other resources.

Learn more >

8. Opportunity

Incentives | Growth | Innovation



THE TREND:

In 2020 and 2021, the phrase “unprecedented situation” was often used in a negative context to describe difficulties, disruptions, obstacles and challenges. In 2022, manufacturers have the opportunity to redefine this phrase and instead look for unprecedented innovations, efficiencies, improvements and breakthroughs that will enhance their businesses and the industry as a whole.

HOW OPPORTUNITY AFFECTS MANUFACTURERS

- ✓ Explore incentives and tax credits to claim your share of \$80 billion in government incentives available to businesses in the U.S. every year.
- ✓ Understand new manufacturing technologies and their potential to help your business become more responsive, adaptive, agile and competitive.
- ✓ Stay connected to manufacturing peers who can share wisdom, experiences, connections and best practices.
- ✓ Keep an eye out for potential buying opportunities as manufacturers consolidate facilities.
- ✓ Continue to enhance culture by creating a truly inclusive environment that people want to be a part of.



RESOURCES

NAM INCENTIVES LOCATOR

Discover funds, tax credits and other incentives your company might qualify for when you expand your operations or purchase new equipment. Have an expert identify opportunities and manage the entire process for you.

Learn more >

NAM LEADING EDGE CONTENT

Browse videos, checklists and whitepapers from thought leaders about the use of IOT, the growing cybersecurity threat and creating a tech-driven agile supply chain.

Explore >

RETHINK SUMMIT

Connect with other manufacturing leaders to gain insights and best practices that can help you seize opportunities in 2022 and beyond.

Learn more >



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