



The **Wisconsin**  
**Manufacturing**  
**Report**



WISCONSIN CENTER FOR  
**MANUFACTURING**  
& **PRODUCTIVITY**



**GREATEST  
CHRISTMAS  
MOVIE EVER!!!**

**DIE HARD**

# THE FIVE BIGGEST TAKEAWAYS

# FIVE BIGGEST TAKEAWAYS

1

## **The Economy Is...Meh**

Economy stuck in neutral

2

## **Control Freak**

"I can control what happens within these four walls..."

3

## **Labor Pains**

Workforce concerns top the list

4

## **Gone Phishing**

Fears about cyberattacks are rising

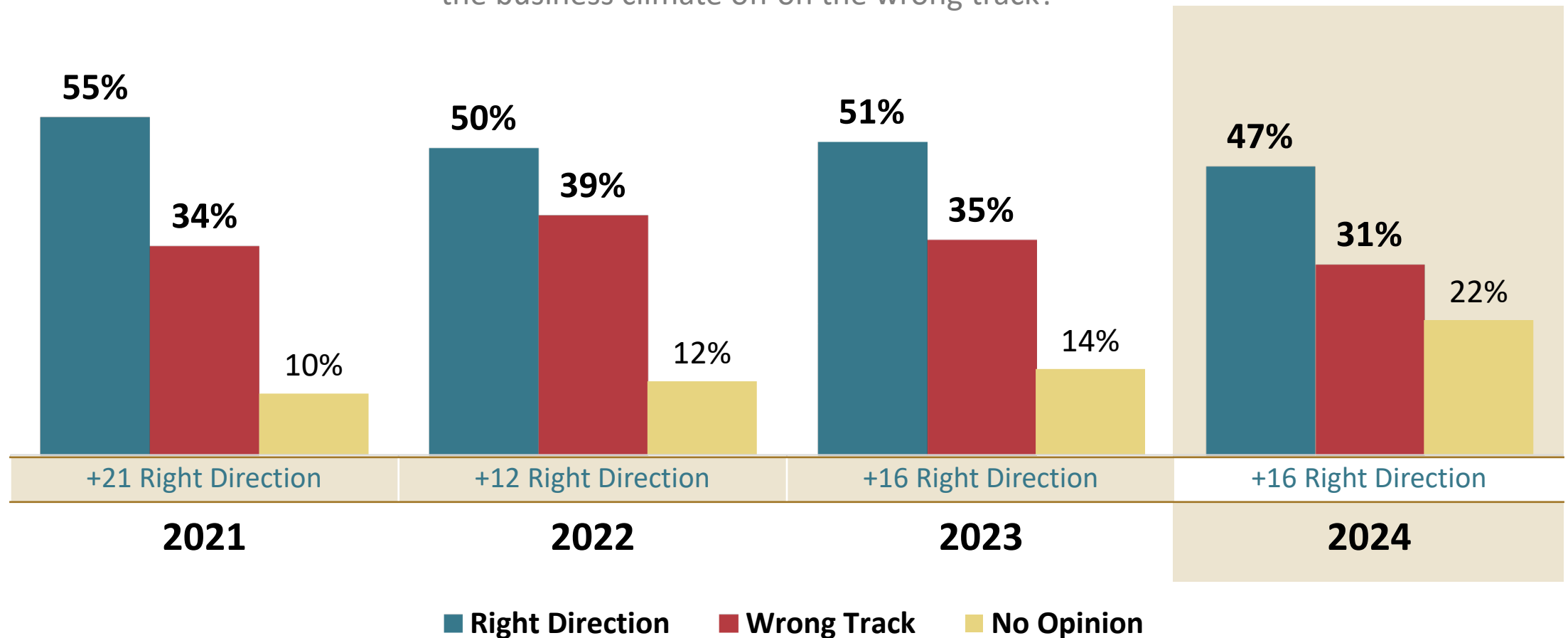
5

## **Tech-tonic Shift?**

Automation to address workforce issues  
AI adoption and recognition rises

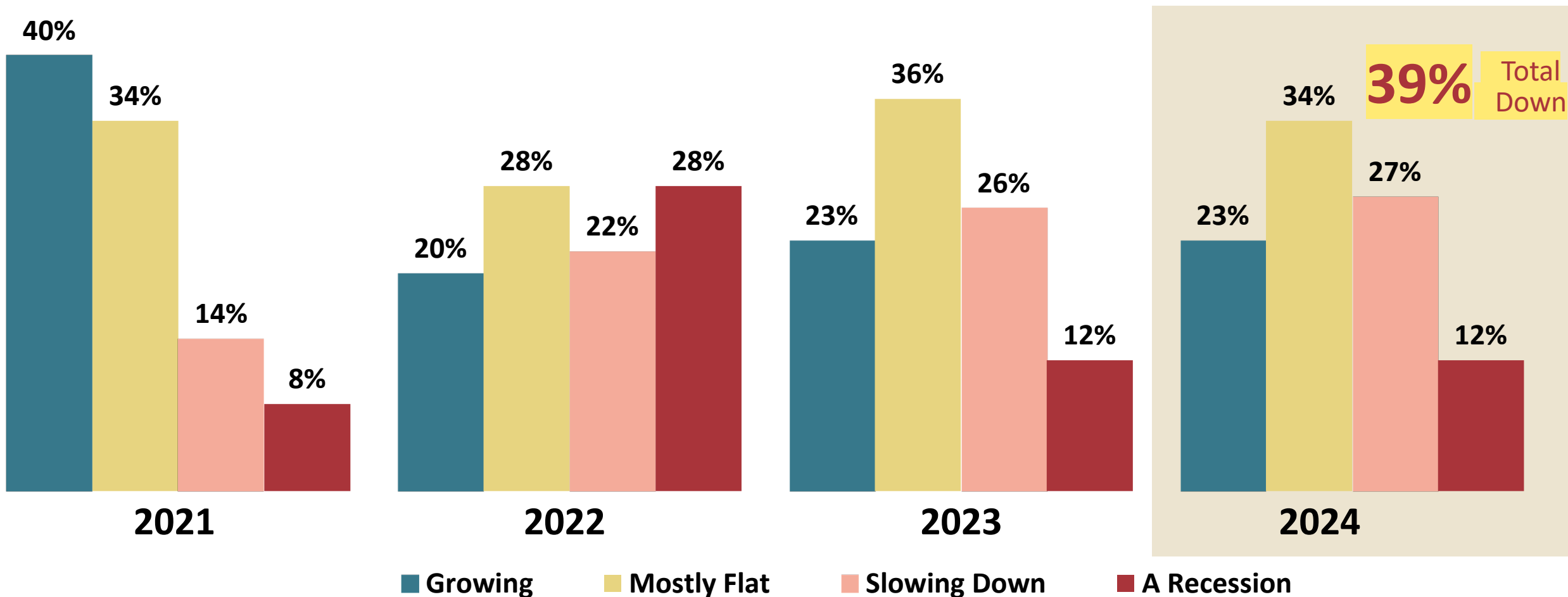
## The percentage of manufacturers who say the business climate is heading in the right direction has dipped below 50% for the first time, as uncertainty rises to its highest level yet.

“Would you say the business climate in the state is heading in the right direction, or is the business climate off on the wrong track?”



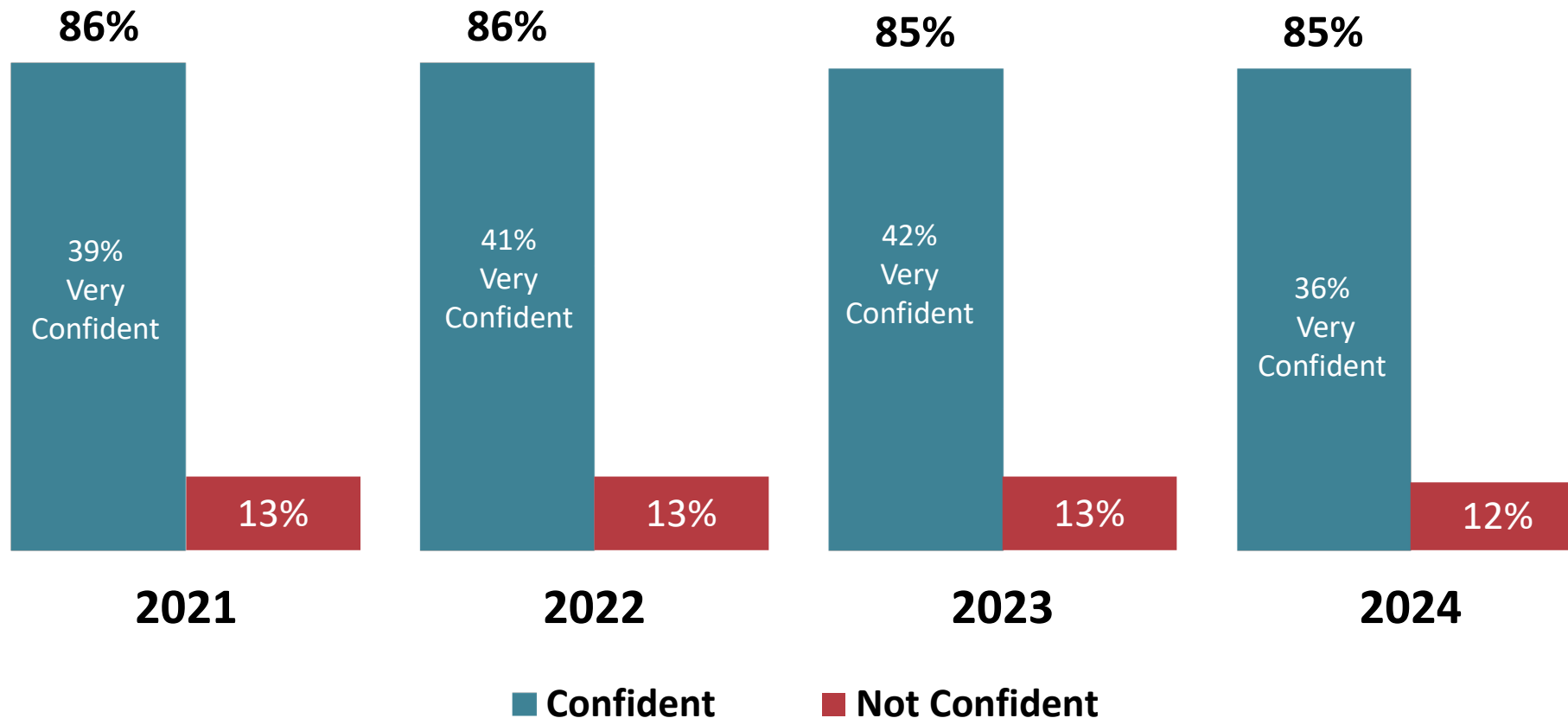
## Manufacturers are less pessimistic than they were back in 2022, but still less than a quarter say the economy is growing.

“Overall, right now, do you think Wisconsin's economy is growing, slowing down, mostly flat, or in a recession?”



## Despite concerns about the overall economy, Wisconsin manufacturing executives remain confident about their own companies' financial outlook.

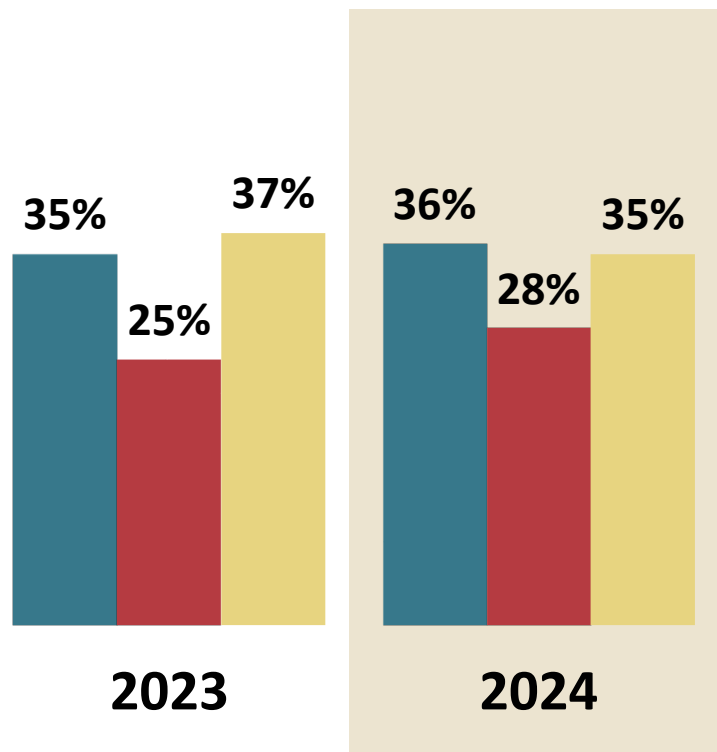
“Let's shift gears for a moment and focus more on your company. From a financial perspective, how do you feel right now about the future for your company?”



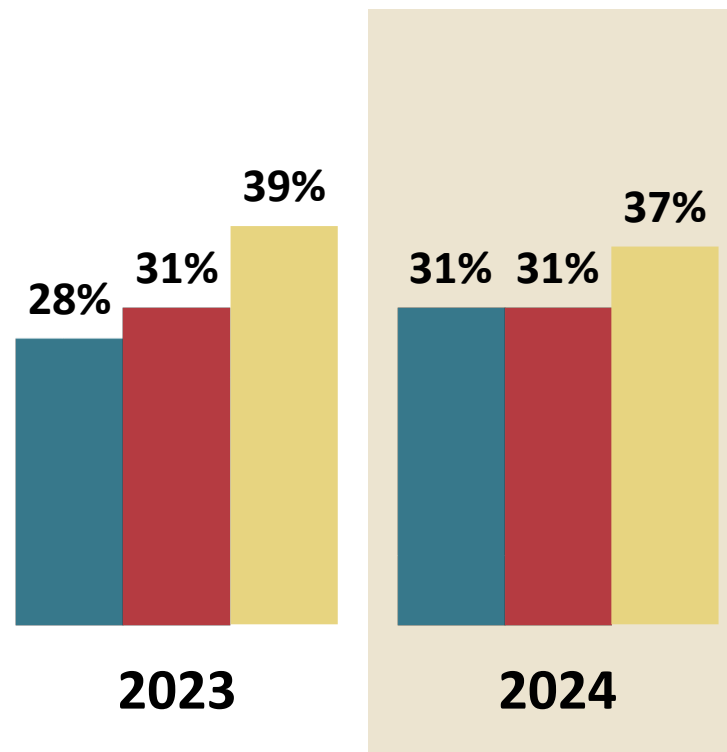
## Yet, only about one-in-three expect to see increases in gross revenues and fewer say the same for profitability and capital expenditures.

“As you look to the year-end, do you expect your company’s \_\_\_\_\_ for 2024 to increase or decrease compared to 2023, or will they probably stay the same?”

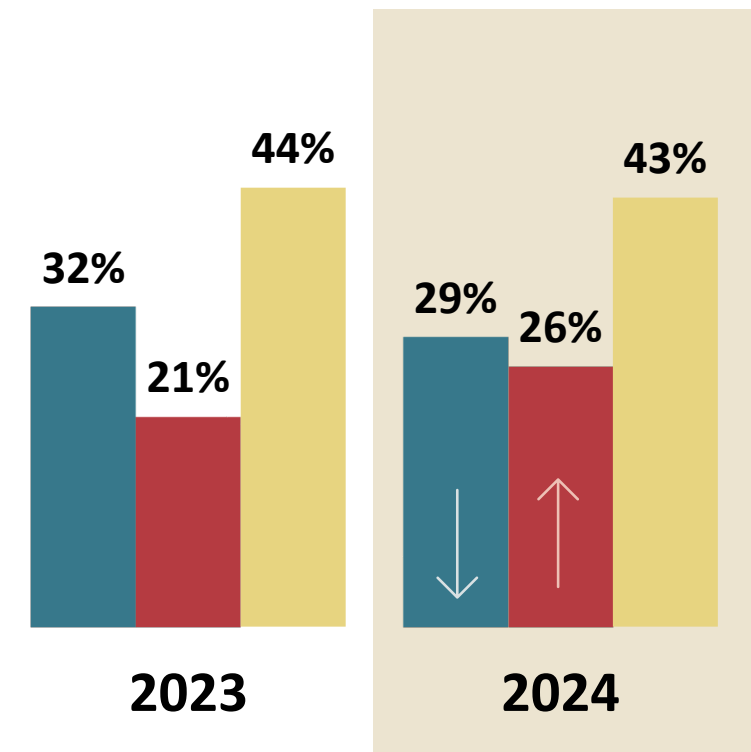
### Gross Revenues



### Profitability



### Capital Expenditures



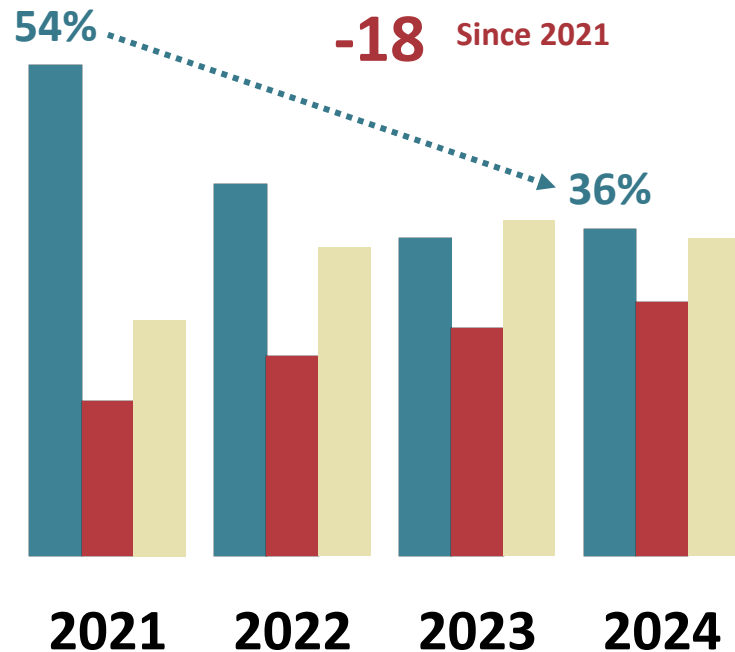
■ Increase ■ Decrease ■ Stay The Same



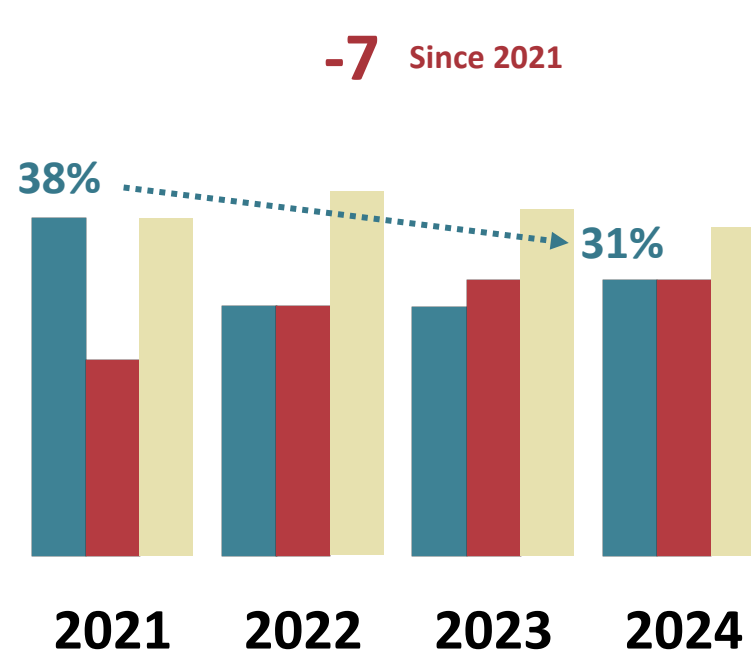
# Decline from a peak or a longer-term trend?

% Expected Increases That Year

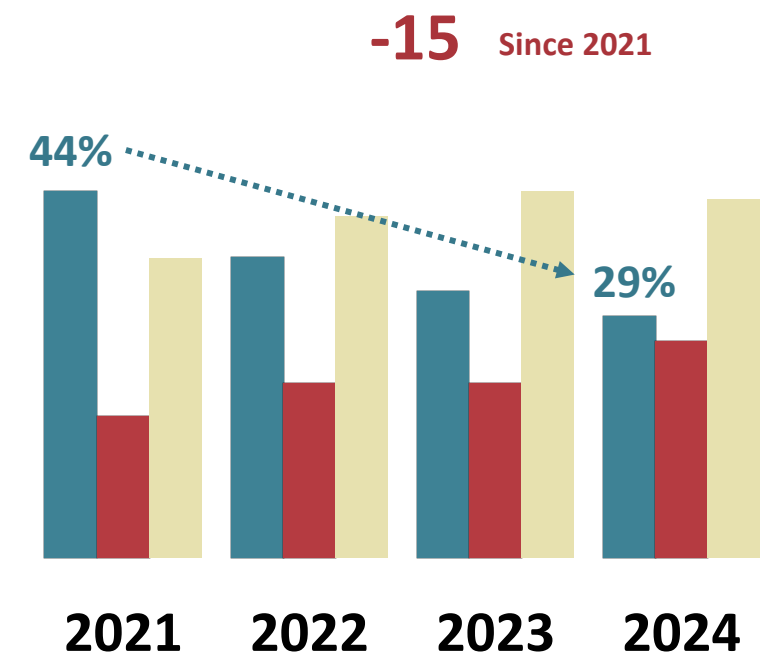
## Gross Revenues



## Profitability



## Capital Expenditures

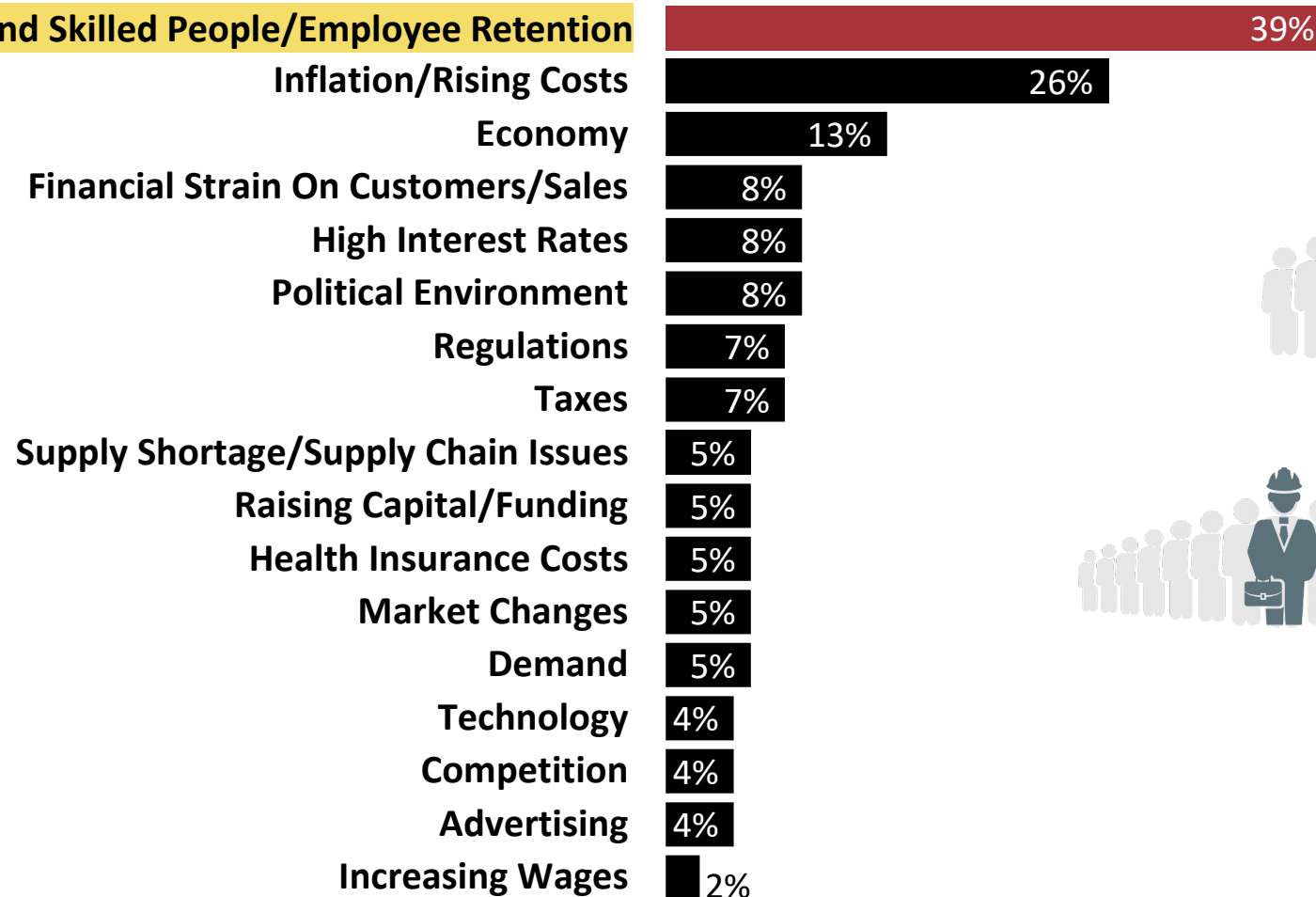


■ Increase    ■ Decrease    ■ Stay The Same

# It's all about the workforce!

“Next, thinking about your company, what would you say is the one or two most important issues affecting your business and its future success?” (OPEN ENDED)

**Finding Quality and Skilled People/Employee Retention**



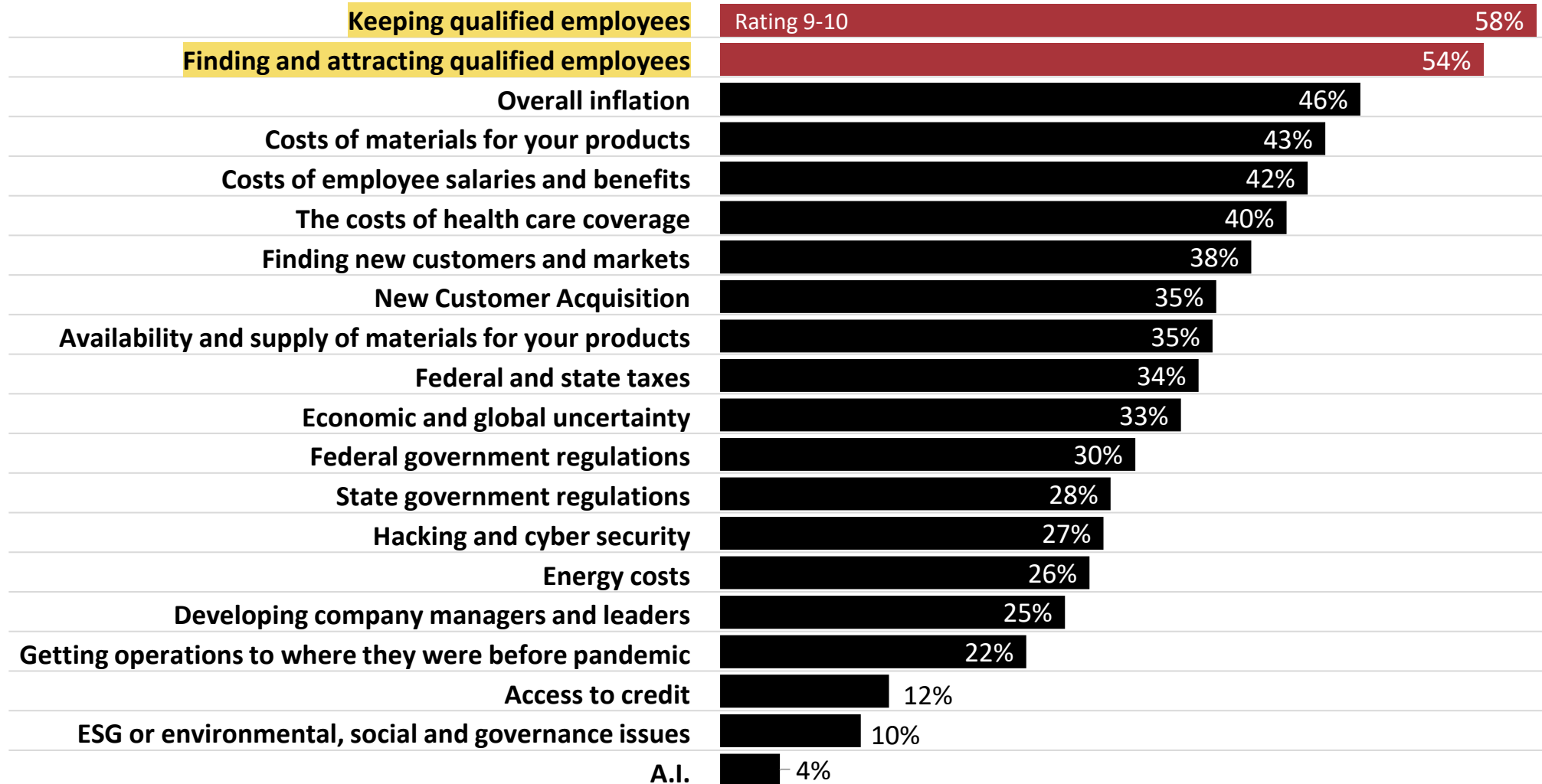
**33%**  
Among  
Companies with  
1-49 Employees

**57%**  
Among  
Companies with  
50+ Employees

Responses less than 2% not shown

## Workforce concerns remain atop the list of manufacturers' concerns.

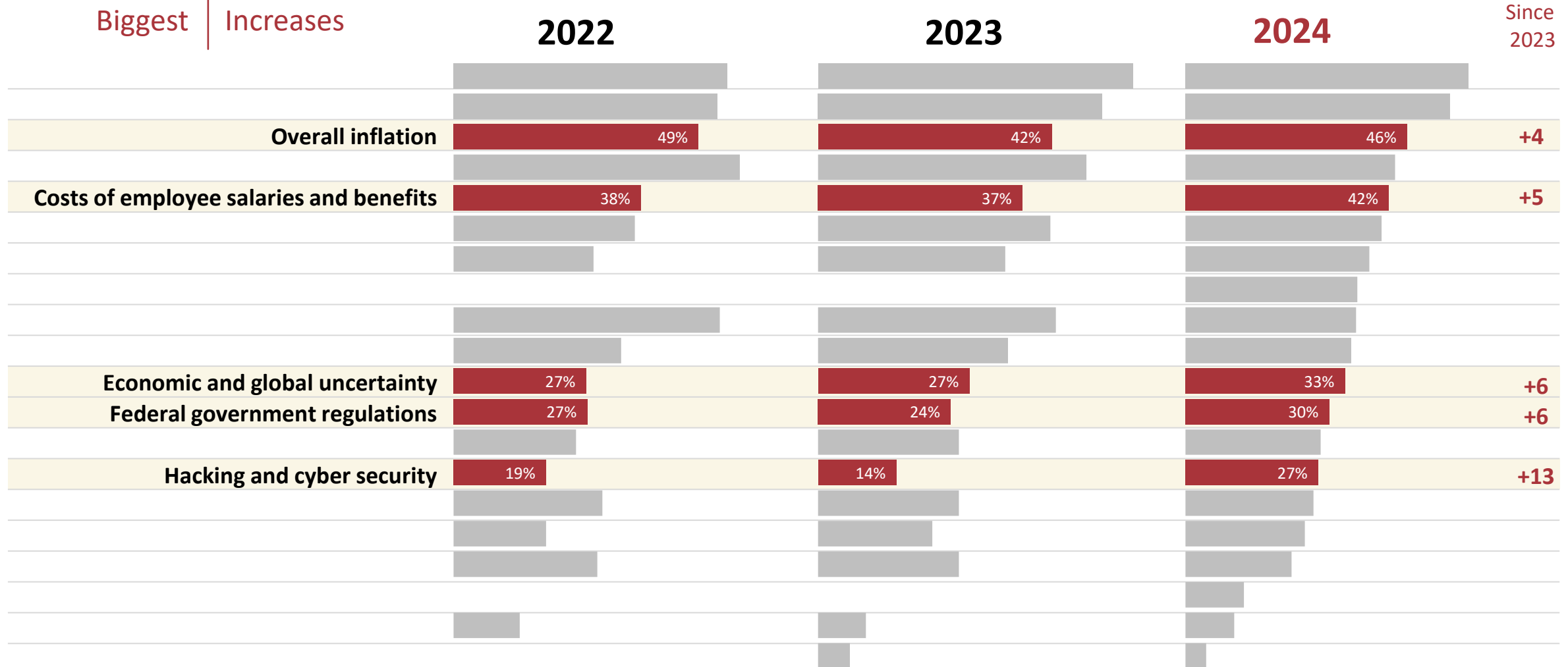
“Next, we're going to look at a series of different issues that may or may not impact you and your company. For each one, please rate how important that issue is to you and your company's success.” (1-to-10 Scale: 1 = Not Important At All / 10 = Extremely Important)



# Inflation, uncertainty, and cybersecurity

Very/Extremely Important To Company's Success (% 9 - 10)

Biggest ↑ Increases

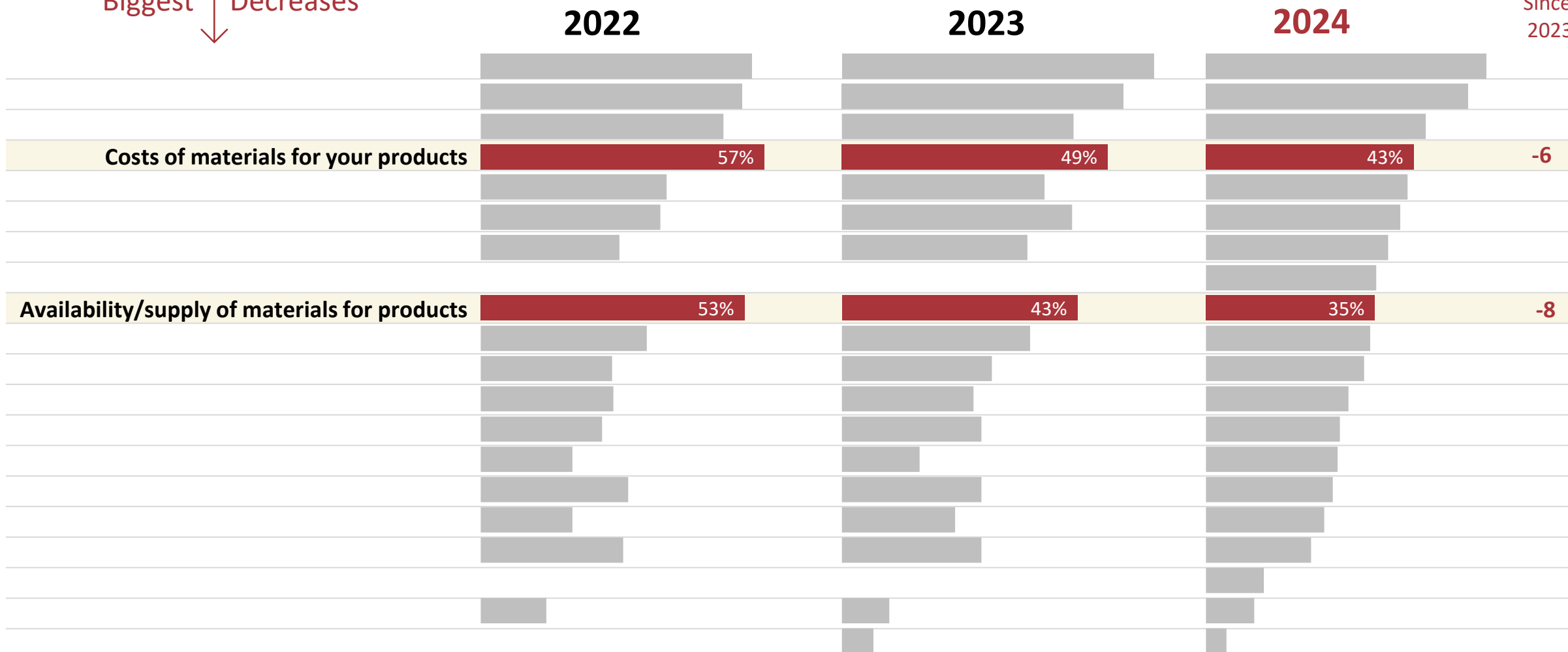


# Supply Chain back in purchasing

Very/Extremely Important To Company's Success (% 9 - 10)

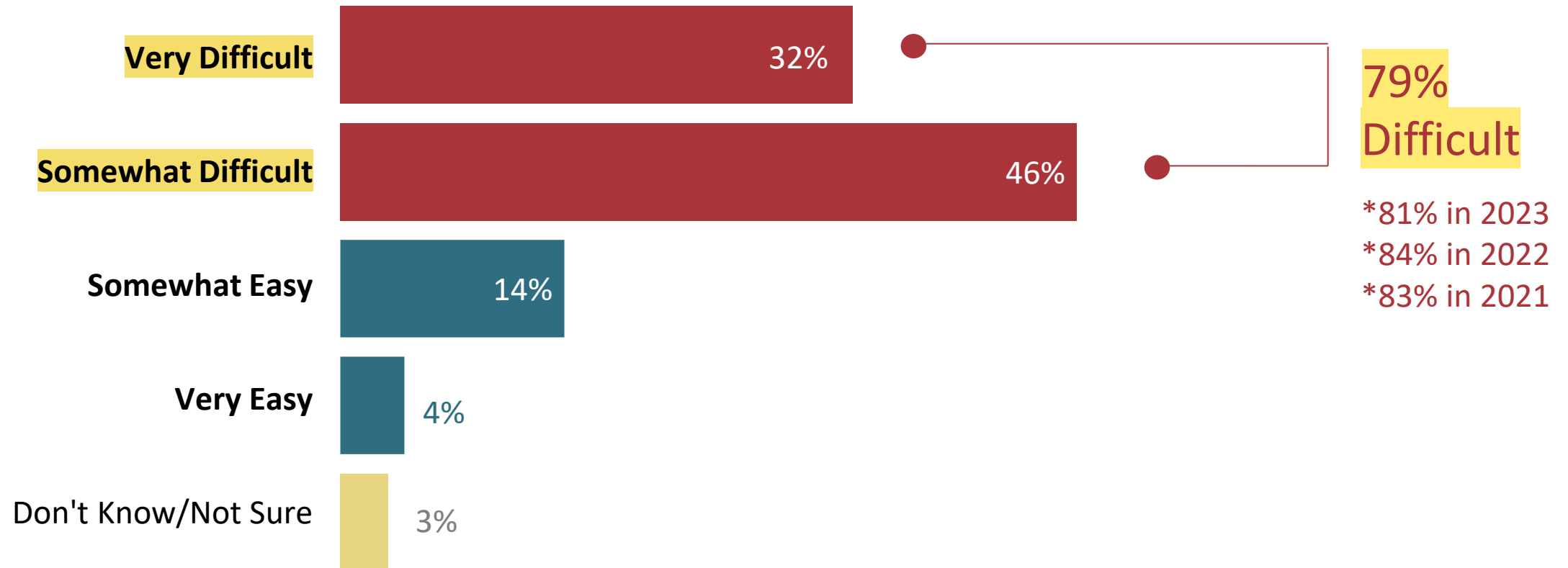
Biggest ↓ Decreases

Since  
2023



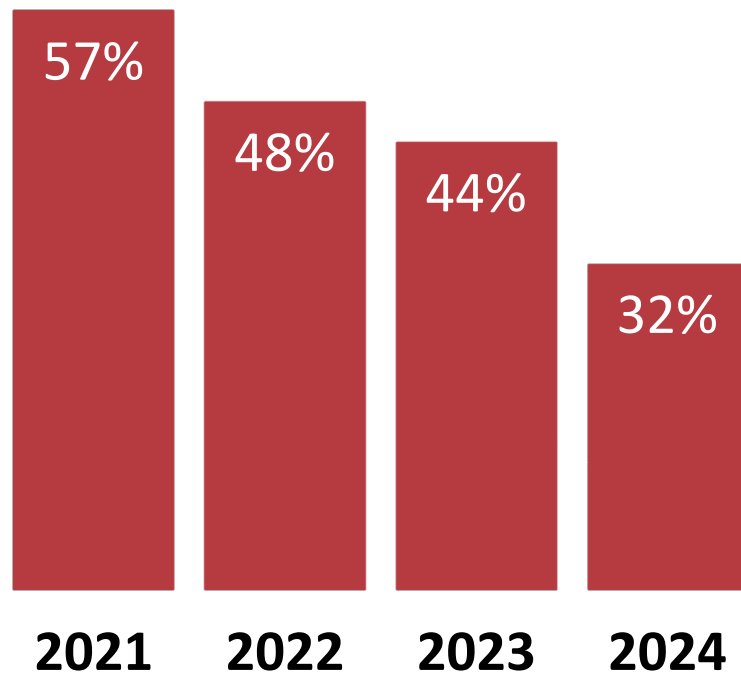
## It's still difficult to find employees – and it will be for awhile

“Generally speaking, how easy or difficult is it for your company currently to find qualified workers for new or open positions?”



## Fewer manufacturers say it's *very* difficult to find workers

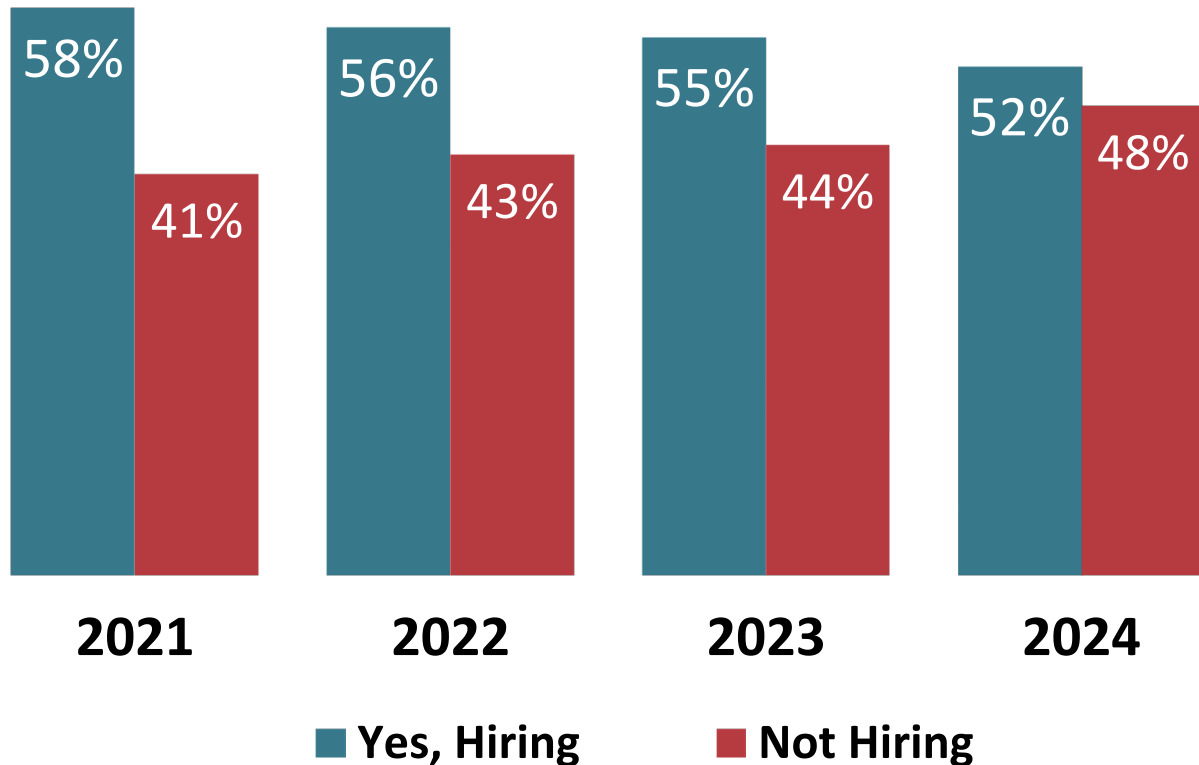
**% Very Difficult To Find Workers (Overall & By Company Type)**



	2021	2022	2023	2024
1 – 49 Employees	53%	44%	44%	31%
50+ Employees	68%	58%	43%	36%
Revenue Under \$1M	46%	35%	36%	26%
Revenue \$1 – \$5M	60%	57%	53%	39%
Revenue \$5M+	65%	56%	47%	32%

## Fewer employers are hiring and they have fewer open positions

“Does your company currently have positions that are open for hiring?”



(ASKED AMONG THOSE HIRING) “And, based on your best estimate, how many positions would you say your company has open that you are currently hiring for?”

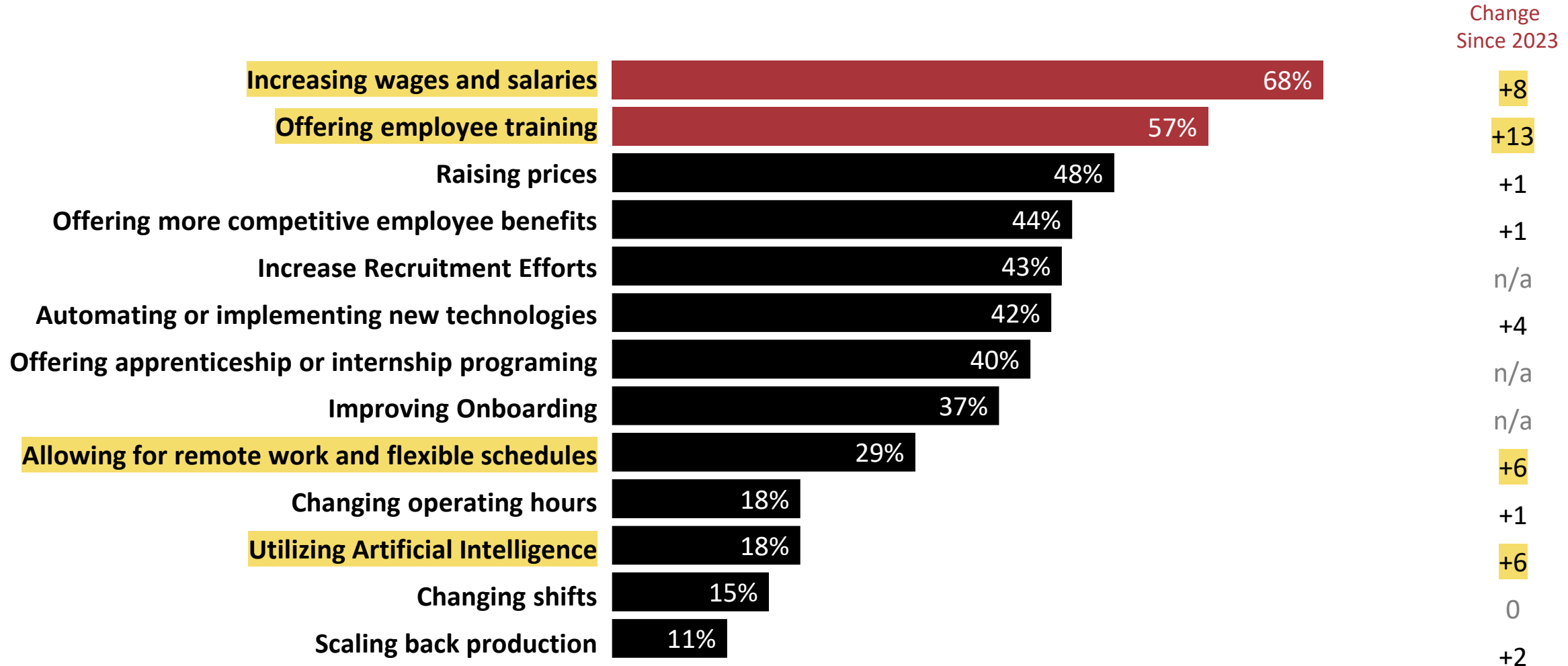


\* Was 33% in 2021



## Manufacturers take more flexible approaches to retain employees

“Is your company considering any of the following changes to address potential long-term workforce challenges?”



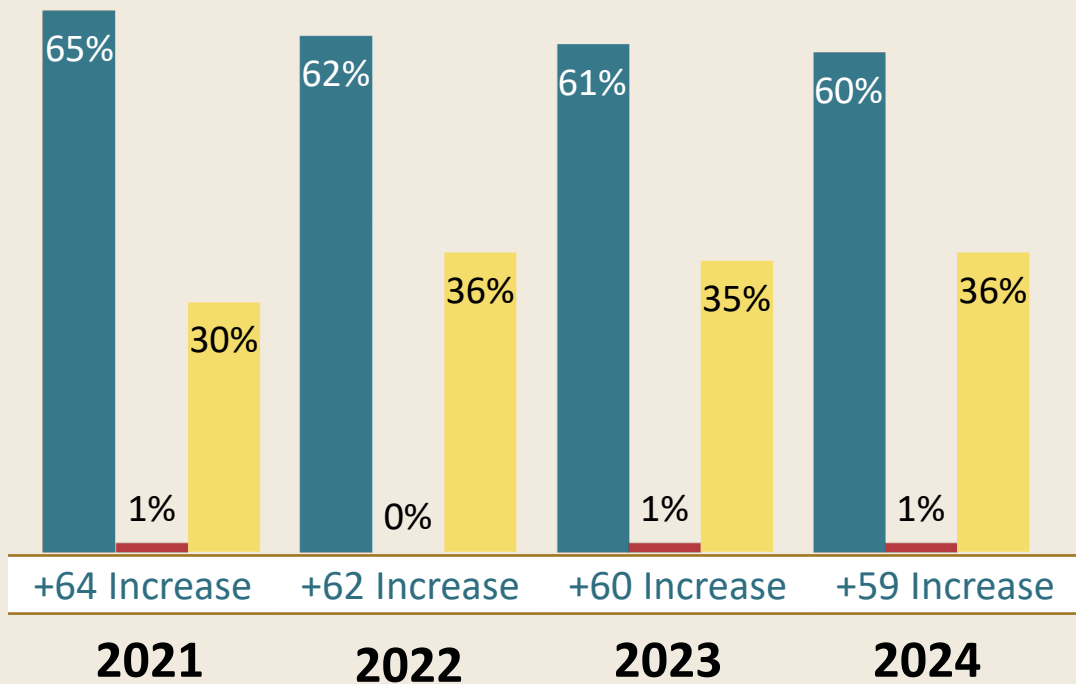
## “All the Above” v. Pay More

Considering Changes By Company Type (Results 50%+ Per Type Are Shaded)

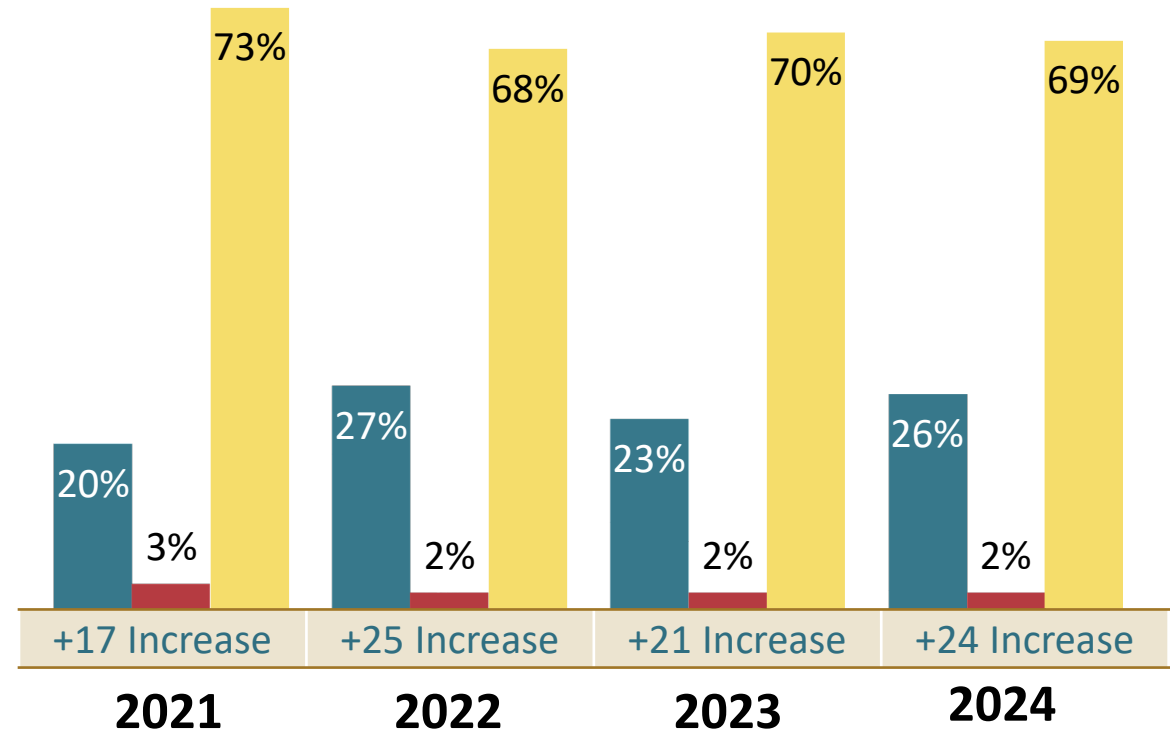
	Company Size		Revenue		
	1-49 Employees	50+ Employees	Under \$1 Million	\$1- \$5 Million	\$5 Million+
Increasing wages and salaries	70%	64%	57%	75%	74%
Offering employee training	57%	57%	49%	60%	62%
Raising prices	50%	42%	51%	47%	47%
Offering more competitive employee benefits	42%	48%	28%	51%	51%
Increase recruitment efforts	37%	60%	31%	43%	50%
Automating or implementing new technologies	37%	56%	30%	37%	54%
Offering apprenticeship or internship programing	38%	44%	41%	32%	45%
Improving onboarding	31%	56%	15%	42%	48%
Allowing for remote work and flexible schedules	29%	29%	29%	33%	26%
Changing operating hours	17%	22%	19%	17%	21%
Utilizing artificial intelligence	15%	25%	11%	23%	19%
Changing shifts	12%	24%	14%	7%	22%
Scaling back production	12%	7%	15%	8%	9%

# Manufacturers expect to increase wages, but most don't plan to make any changes to their benefit offerings.

“Overall, do you **expect wages for your employees** will increase, decrease, or stay about the same this year?”



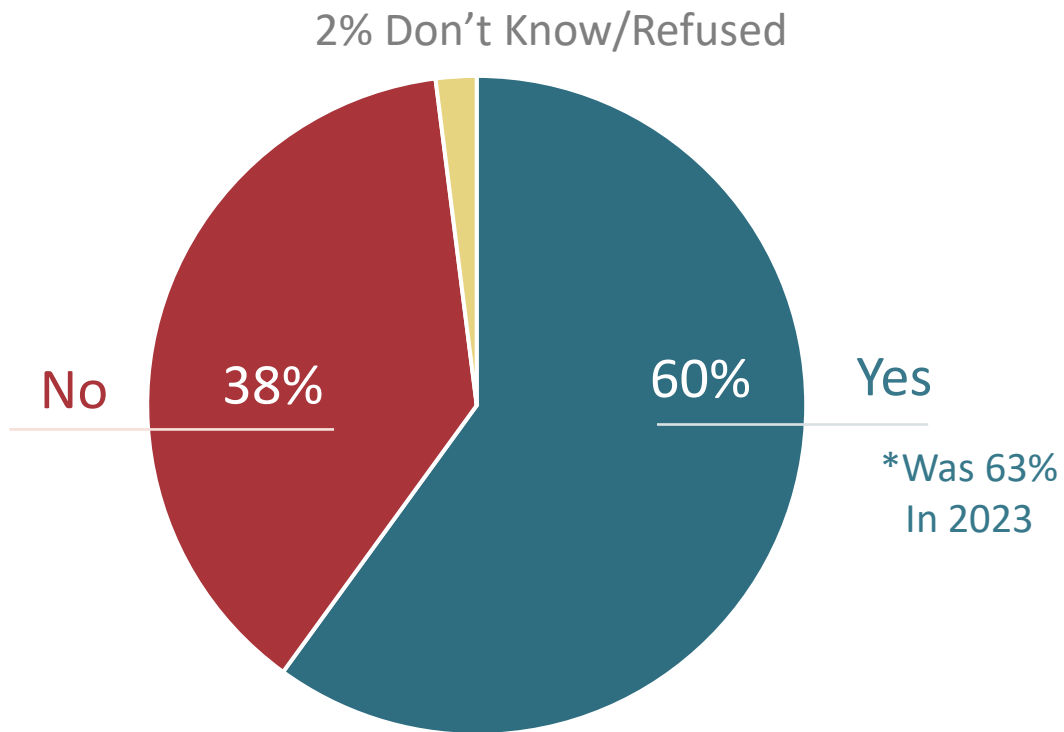
“Overall, do you expect the benefits you offer your employees will increase, decrease, or stay about the same this year?”



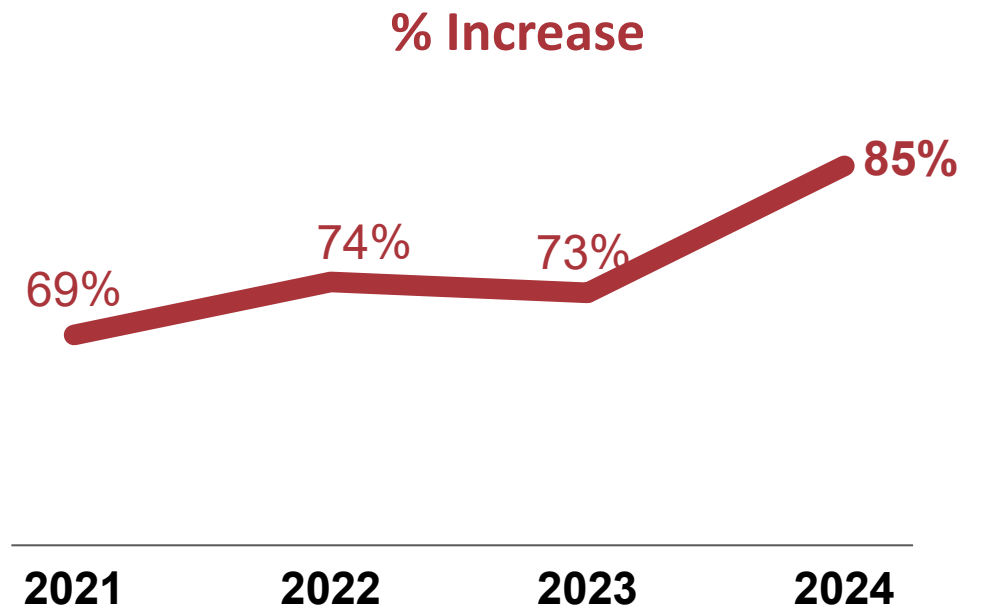
■ Increase ■ Decrease ■ Stay The Same

# Most manufacturing companies provide health insurance to their employees, and nearly all of those who do say they expect costs to rise.

“Does your company currently provide health insurance to your employees?”

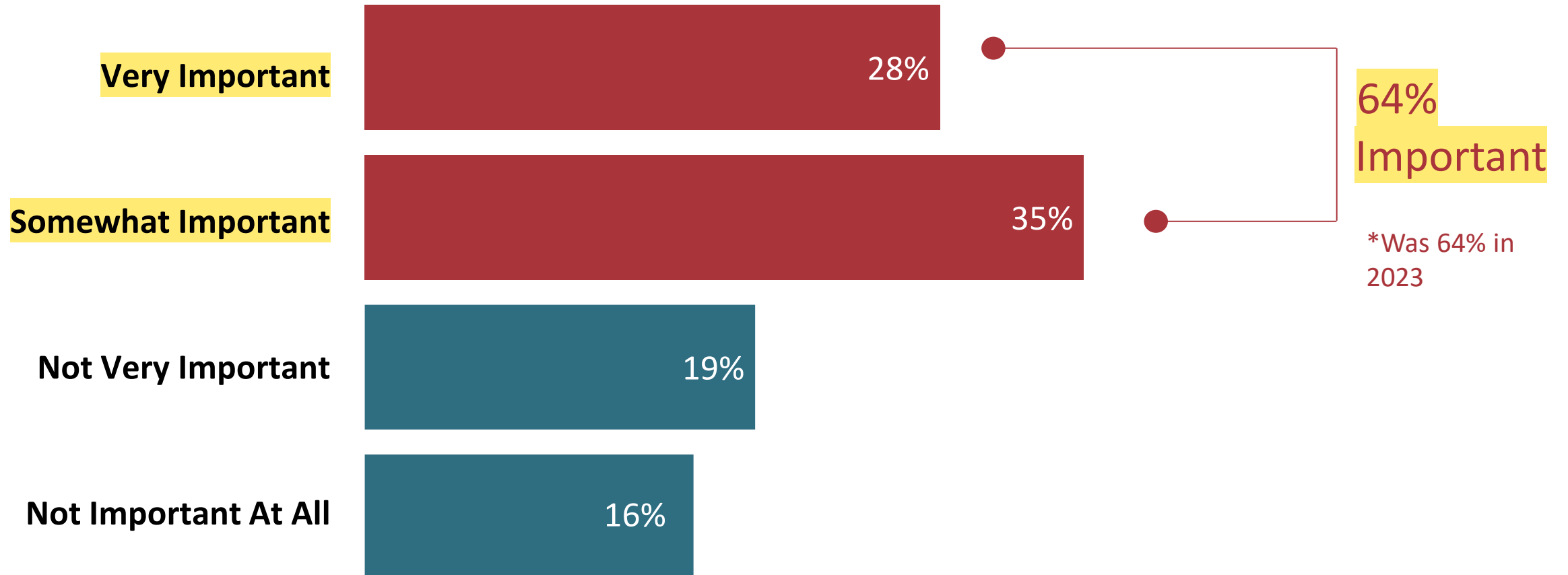


AMONG THOSE WHO PROVIDE INSURANCE: “Do you expect the cost your company pays for health care will increase, decrease, or stay about the same in 2024?”



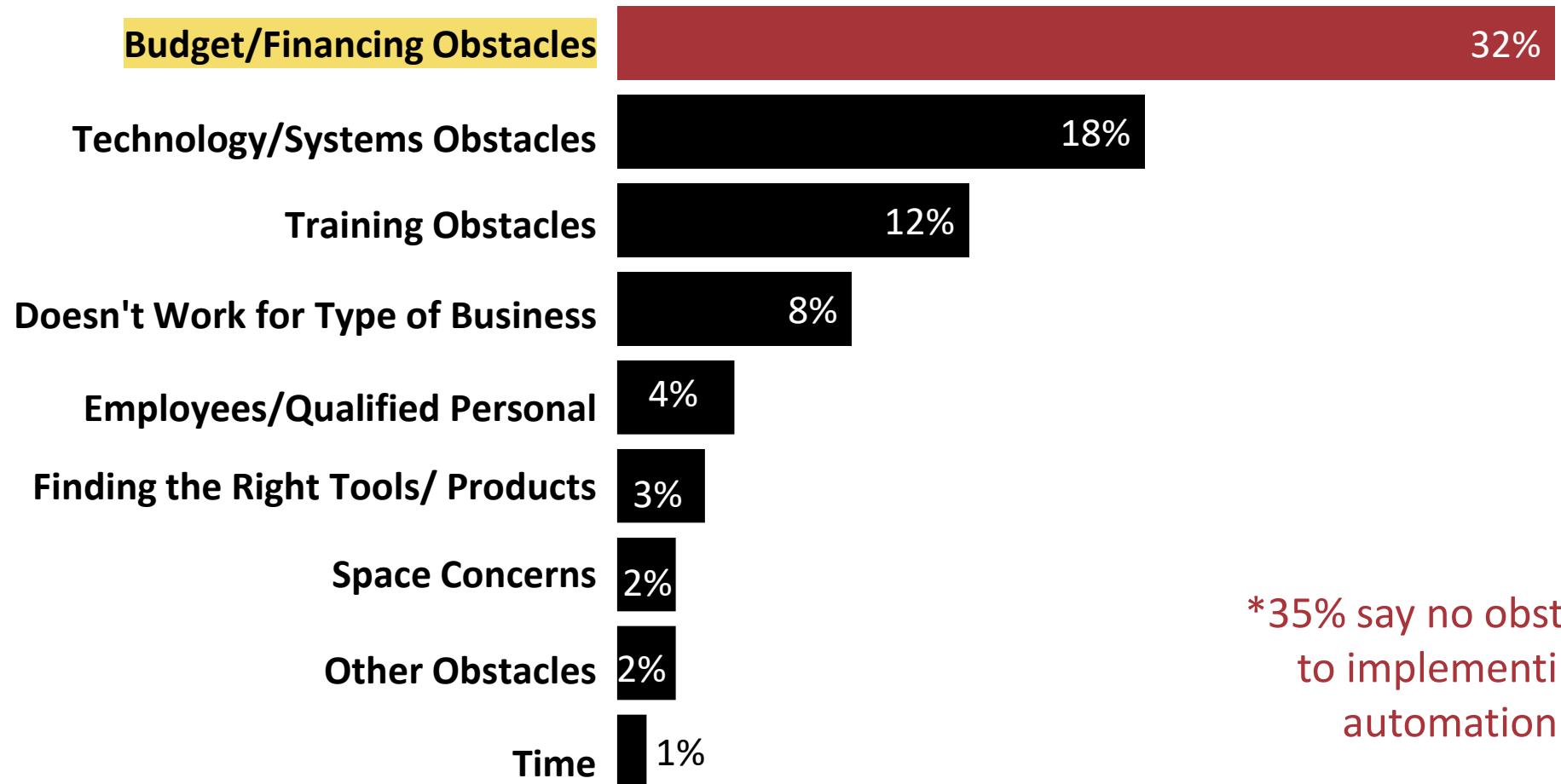
## A majority of manufacturing executives see automation as important to their company's future, with nearly three-in-ten saying it's *very important*.

"Generally speaking, how important do you think automation will be to your company's future?"



## Among those who say there are obstacles to implementing automation, financing is the top concern.

“Are there any obstacles to implementing automation at your company?”



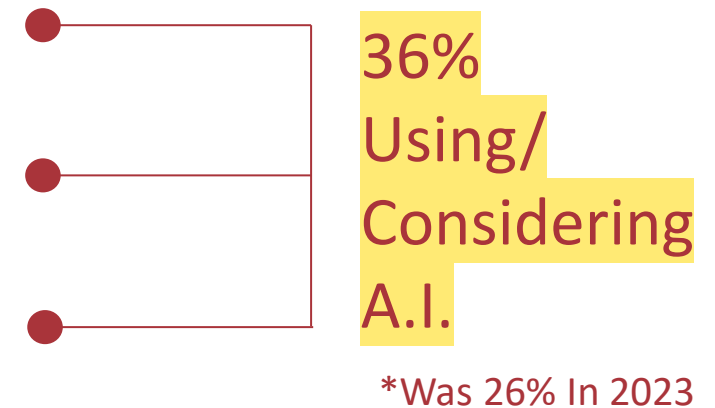
\*35% say no obstacles to implementing automation

## You can't make me!

“Have you previously used, are you currently using, or are you considering using artificial intelligence, or A.I., in your business operations?”

	2023	2024
Currently Using A.I.	10%	18%
Considering Using A.I. Within Next Year	7%	6%
Considering Using A.I. Within Next 2-5 Years	9%	12%
No, Have Never Used and Have No Plans to Use A.I.	72%	59%

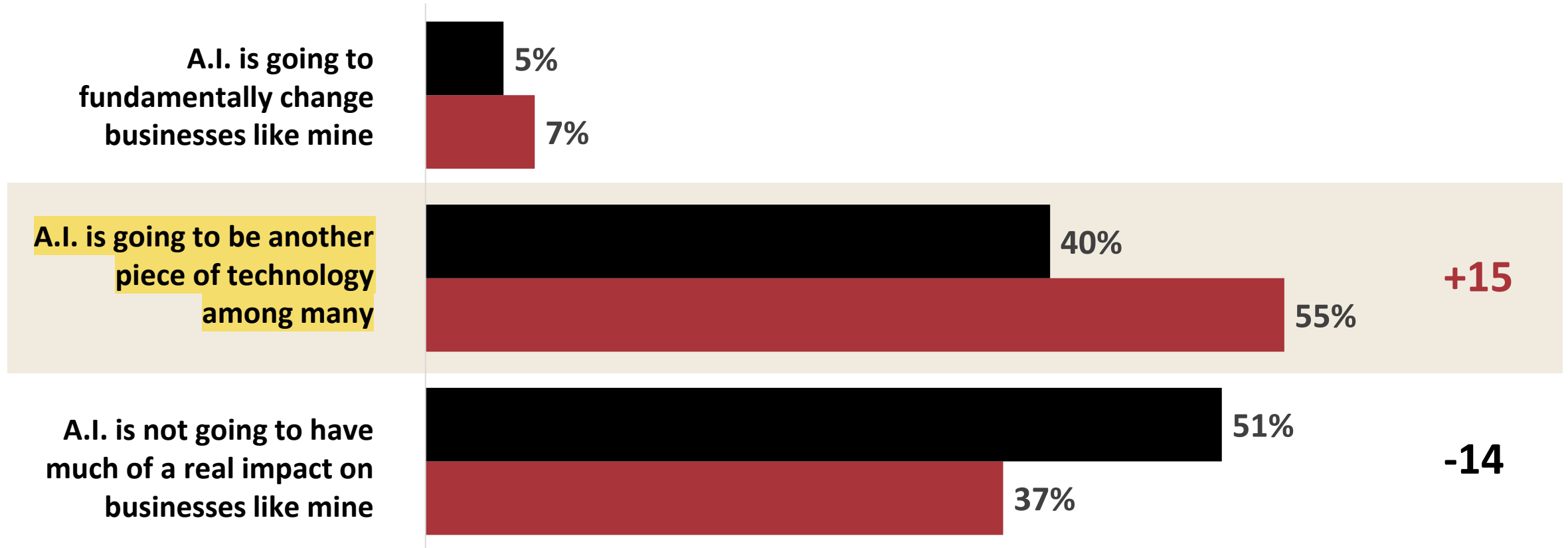
4% Don't Know/Not Sure



## This might be important

“Thinking about the next few years, which ONE of the following viewpoints on the impacts of artificial intelligence, or A.I., on businesses like yours do you agree with more?”

■ 2023 ■ 2024

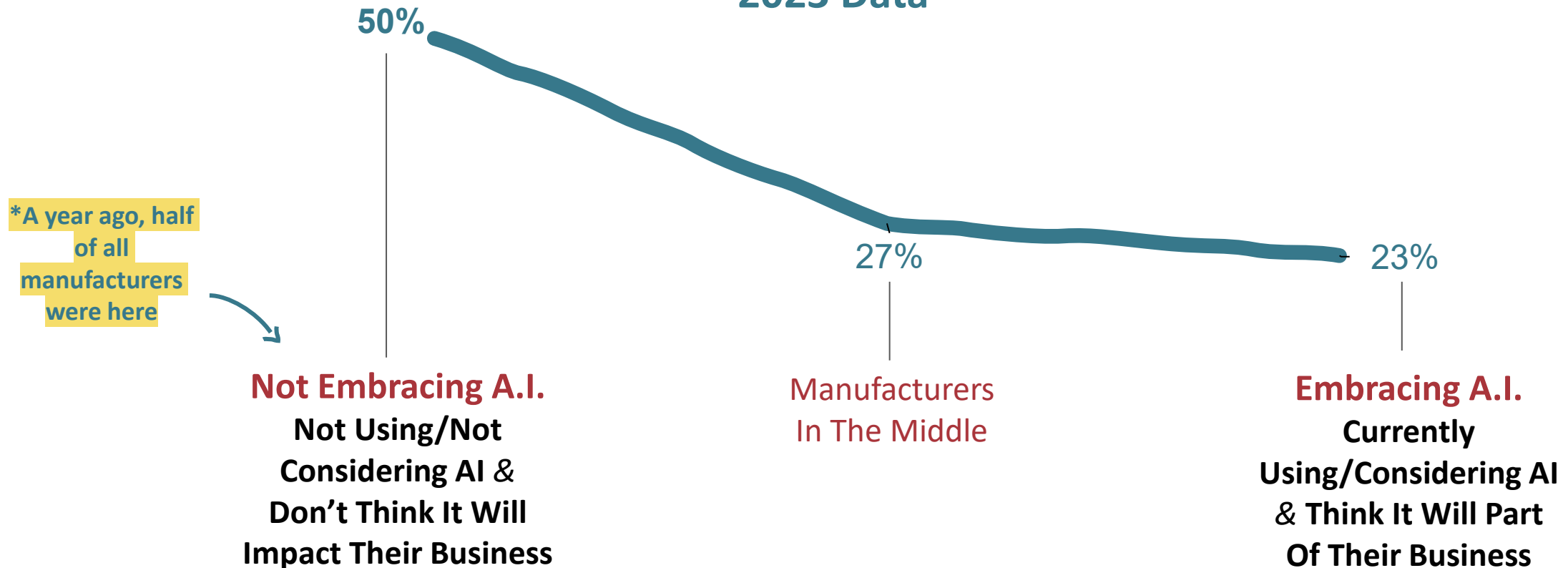




## “The A.I. Embracement Curve”

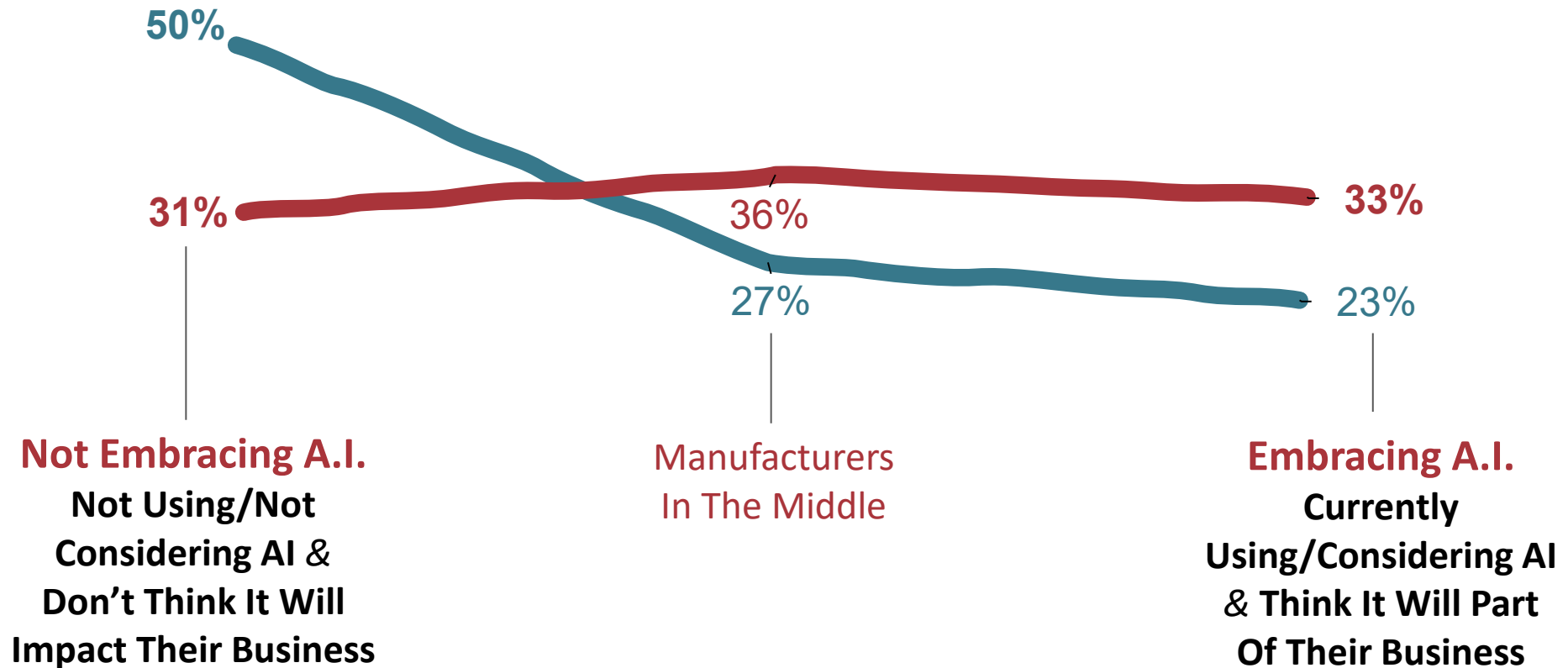
**A.I. Embracement Curve** Is The Combination Of The Two A.I. Questions  
(Current Usage/Consideration Of A.I. + Perceived Impact On Their Business)

### 2023 Data



## The trend is positive, but we need more!

### 2023 Compared To 2024



## Nearly two-in-ten Wisconsin manufacturers say they have been hacked or experienced a data breach of some kind.

“On a different topic, has your company been hacked or experienced a data breach of some kind?”

79%  
Have Not



18%  
Have

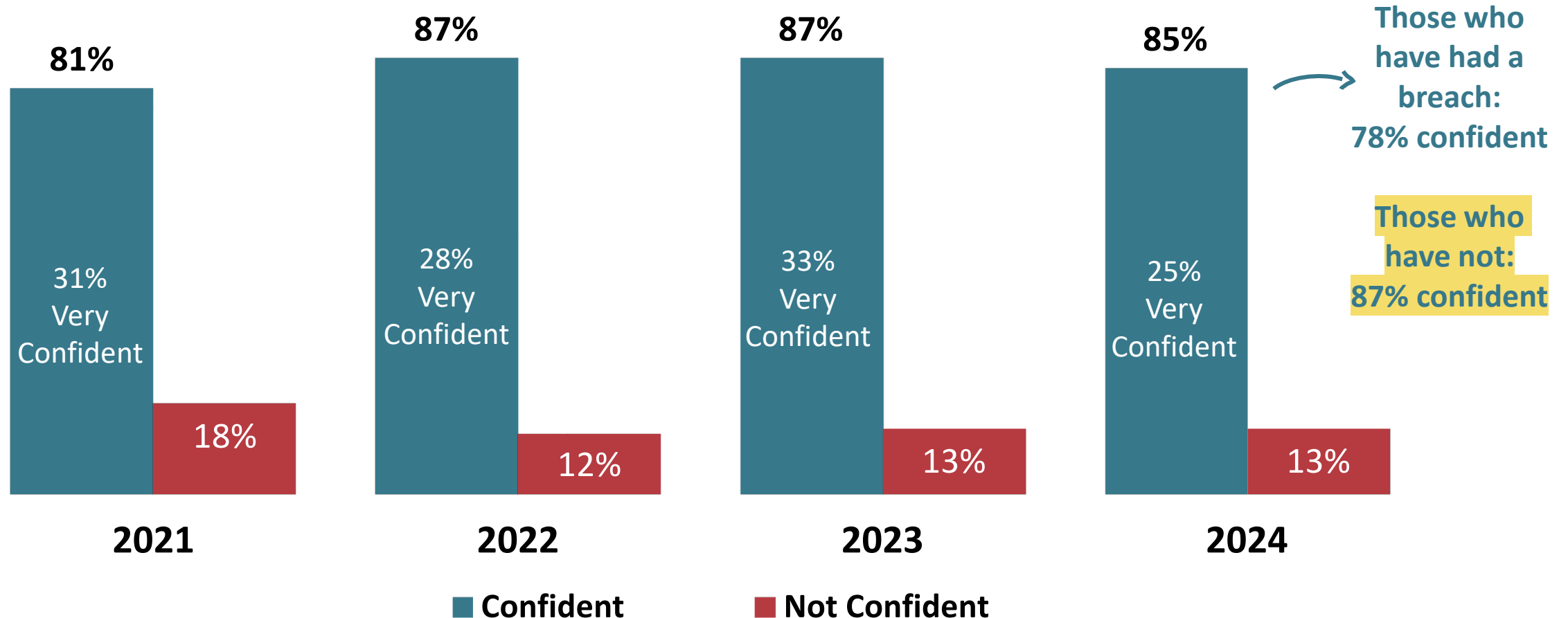
\*22% in 2023

\*18% in 2022

\*16% in 2021

## Manufacturer confidence in their cybersecurity continues to be high.

“How confident are you that your company is secure from hacking, data breaches, and other technological threats?”



## Open capacity makes growth more important

“Overall for the year \_\_\_\_\_, do you expect to increase investment in any of the following areas?”

	2023	2024	Change Since 2023
Growing revenue and profitability	61%	72%	+11
Sales and marketing	n/a	60%	n/a
Maximizing productivity	56%	58%	+2
Employee development	50%	56%	+6
Expanding sales within the United States	56%	55%	-1
Employee training	50%	53%	+3
Workplace and company culture	37%	42%	+5
Systems, technology, and automation	36%	39%	+3
Data and cyber security	27%	35%	+8
Research and development	30%	32%	+1
Ecommerce	n/a	27%	n/a
Expanding sales globally	19%	19%	0
ESG Issues and Sustainability	14%	17%	+7
Obtain ISO certification	8%	10%	+2

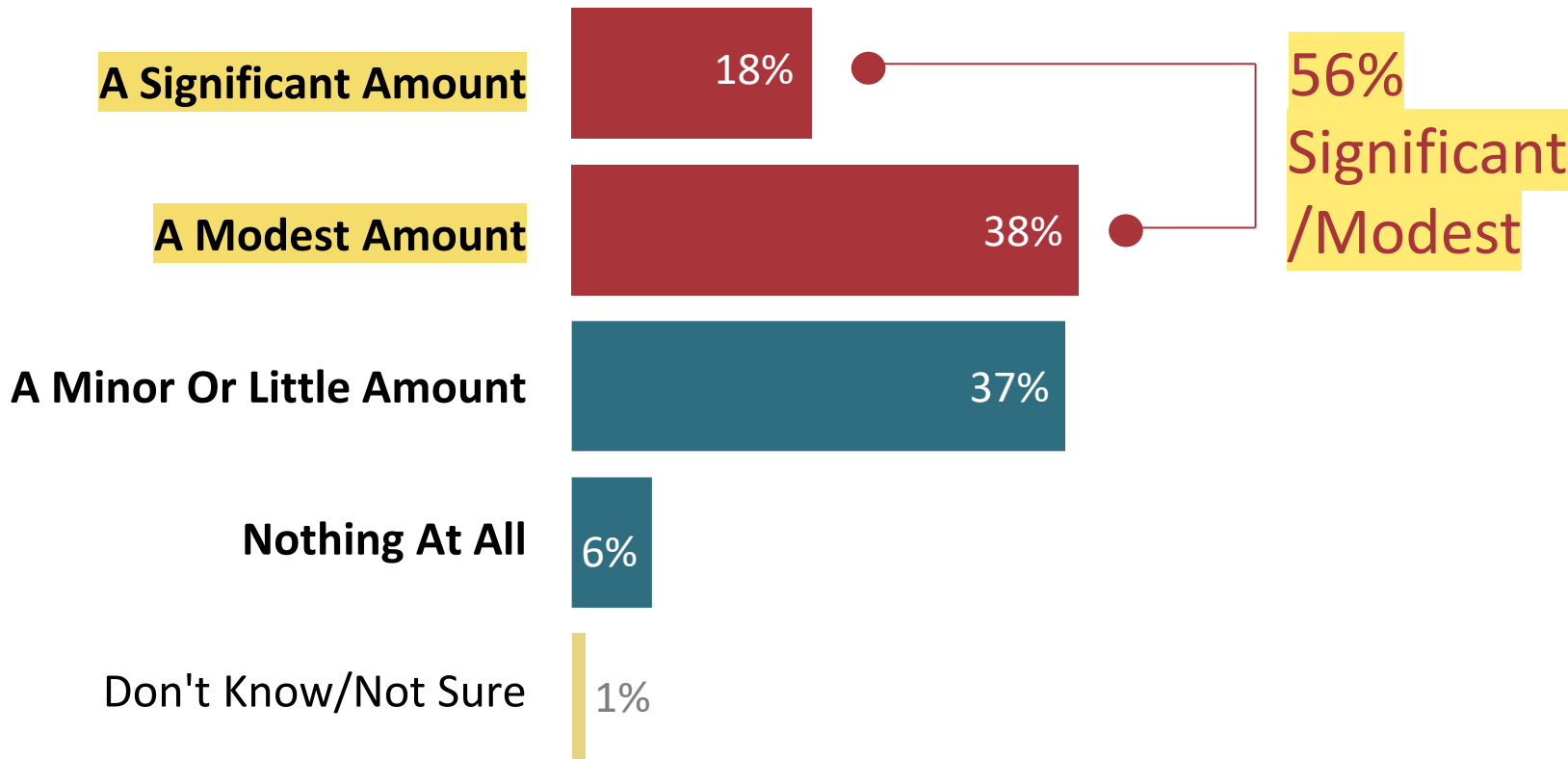
## Companies see their main source of growth in finding new customers and markets, followed by finding and retaining employees.

“As you think about your company's future, what would you say are the two or three most important drivers of your company's future growth?”



# Over half of manufacturers are investing a significant or modest amount in sales and marketing for their business, especially the larger companies.

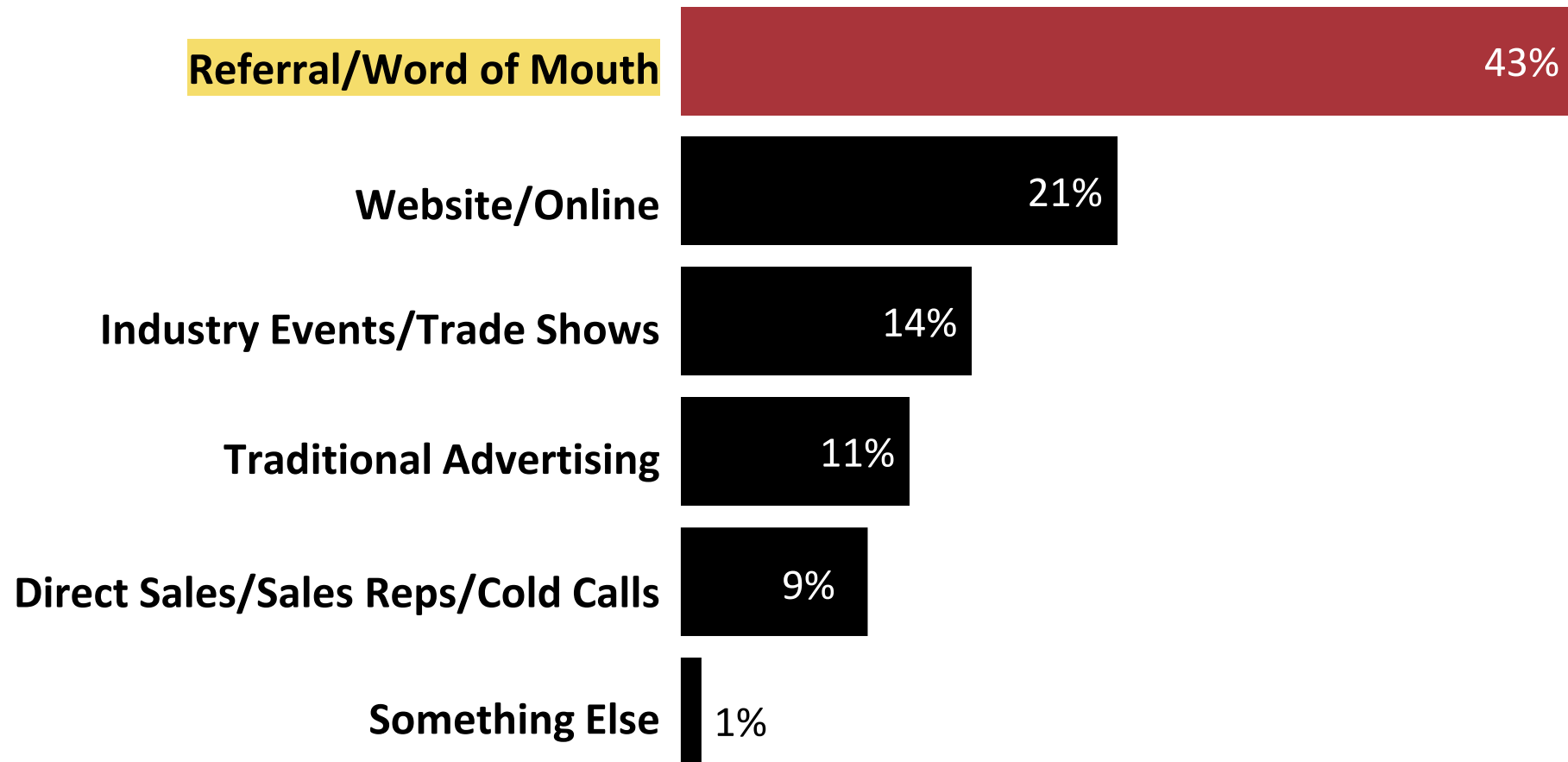
“How much does your company invest in sales and marketing?”



% Significant/Modest	
1 – 49 Employees	51%
50+ Employees	73%
Revenue Under \$1M	46%
Revenue \$1 – \$5M	48%
Revenue \$5M+	69%

## New customers come primarily through referrals and word of mouth.

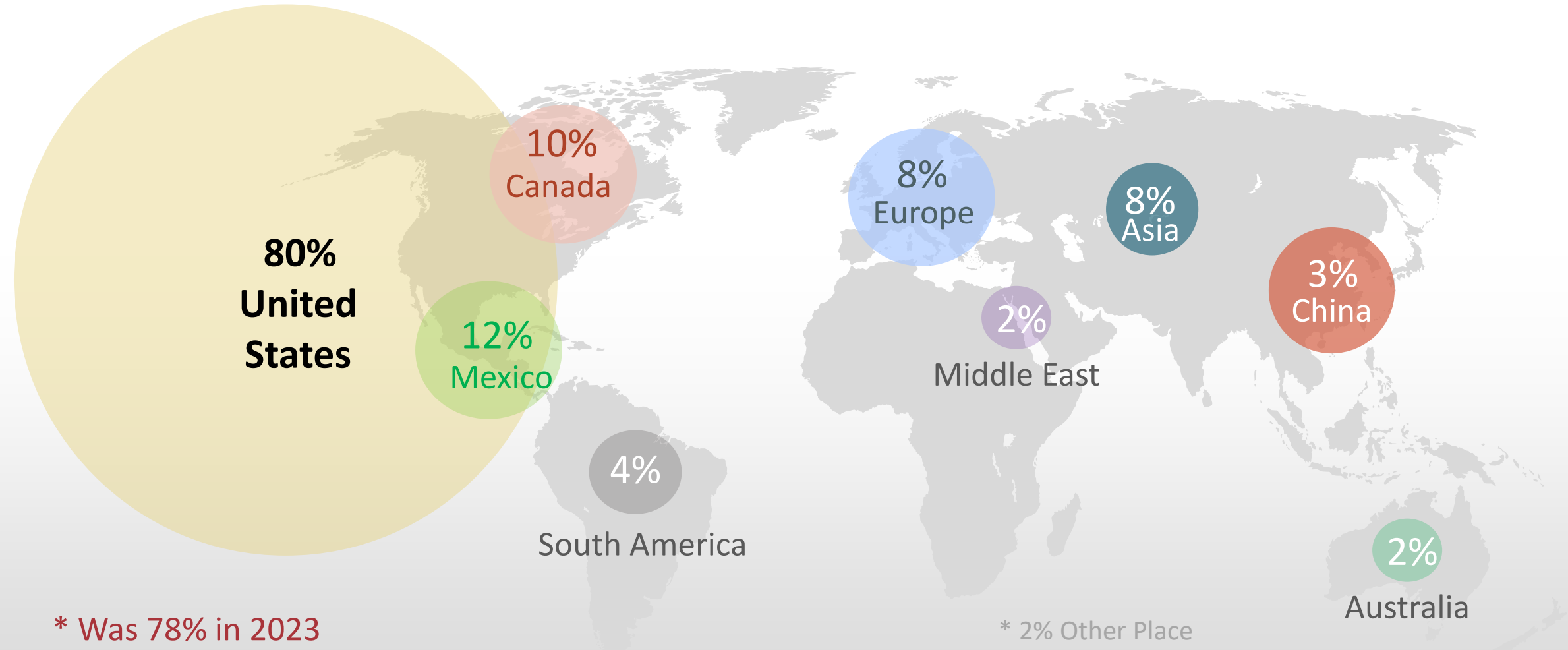
“What is your primary source of new customer acquisition?”





# The United States is overwhelmingly seen as the greatest opportunity for increasing prospective business.

“And, in what part of the world do you see greatest increase in prospective business?”



\* Was 78% in 2023

\* 2% Other Place

# THE BOTTOM LINE

# THE BOTTOM LINE

1

**Wisconsin manufacturers believe the economy is stuck in neutral.**

2

**Workforce challenges continue to be a major concern,** though fewer companies are hiring and have fewer open positions. The focus shifts from hiring difficulties to the growing struggles of retaining and affording existing workers.

3

**To address long-term workforce issues, more manufacturers are adopting automation. Additionally, a growing number recognize the potential value of artificial intelligence.**

# THE BOTTOM LINE

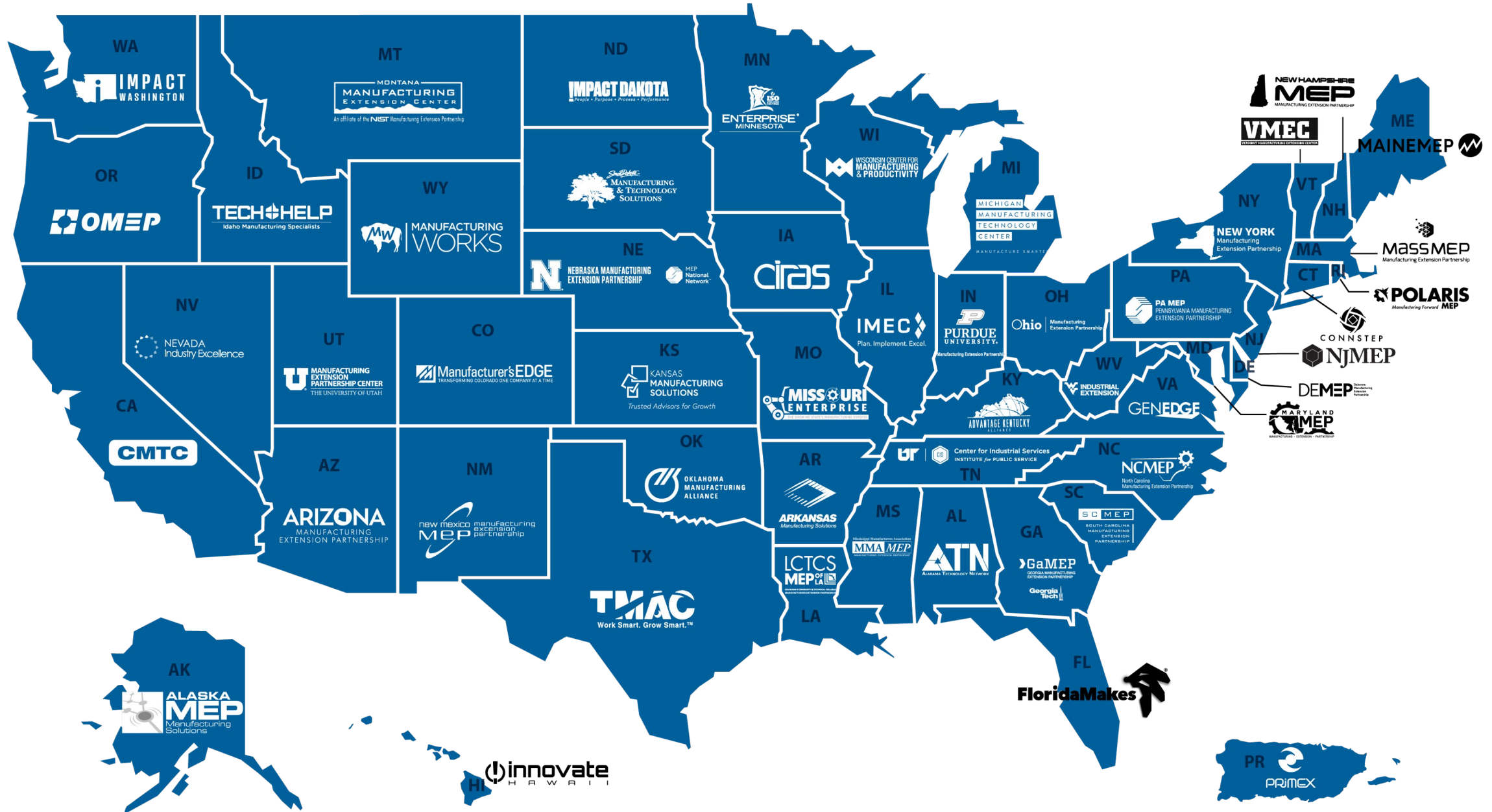
4

**AI uptake remains slow**, with more manufacturers using the technology to boost productivity.

5

**A slower economy opened production capacity, spurring new growth efforts.** Interestingly, for many—especially smaller manufacturers—referrals and word-of-mouth remain the leading sources of new customer acquisition.

# NIST MEP National Network





The Wisconsin  
Manufacturing  
Report 

For more information about this study, contact us:

**Buckley Brinkman**

Executive Director/CEO

Wisconsin Center for Manufacturing & Productivity

[608.729.4160](tel:608.729.4160) | [brinkman@WiCMP.org](mailto:brinkman@WiCMP.org)

[www.wicmp.org](http://www.wicmp.org)

