

# Manufacturing industry trends for 2024

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Big changes are afoot in the manufacturing market with some high-tech sectors seeing a renaissance while other sectors are seeing mostly headwinds. With 2024 shaping up to be a turbulent year, what can manufacturing FMs count on? This month we are outlining the top trends for the manufacturing industry and key takeaways for FMs.

Technology and innovation will continue to play a significant role to support manufacturing facilities who are looking to address these complex challenges. Of these challenges, labor and talent shortages certainly will top the list for many in 2024. To overcome this, many companies are embracing a smart factory approach to attract the next generation of manufacturing employees.

Trends to look for in 2024

Let's explore some of the top trends that are affecting manufacturers in 2024.

1. Improve talent attraction and retention. To address labor and talent shortages, manufacturers are employing new digital tools while also tapping into the knowledge of the aging workforce and retirees. Companies will establish external partnerships and mentorship opportunities to build and upskill the talent pipeline.
2. Leverage digital technologies. In 2024, embracing a smart factory approach is essential. Manufacturers can improve agility, resilience, and efficiency by leveraging digital solutions and by exploring the 4<sup>th</sup> Industrial Revolution. Companies are also investing in digital technologies that create new and enhanced aftermarket offerings that could lead to revenue-generating opportunities.
3. Reimagine supply chain challenges. The complexities of managing supply chains continue to persist.

Manufacturers are pivoting toward digital solutions like supplier managed inventory services to introduce automation in an inexpensive yet robust way. The past few years have proven that the companies who have invested in supply chain automation have gained a competitive edge.

4. Utilize data-driven decision making. Sensors, remote monitoring, the Internet of Things, connected devices, and RFID-powered technologies are providing essential data that lead to critical and improved decision making. These kinds of data-driven opportunities lead to improved efficiency and more productive operations.
5. Embrace federal funds and incentives. A general drive toward a net-zero future has generated increased investments in product electrification and decarbonization. Manufacturers will look for ways to leverage federal incentives to implement a variety of strategies.
6. Tackle economic pressures and market shifts. Globalization is not dead, but the trend is shifting as businesses are diversifying where they source and make their goods. The impact is profound. To address the margin pressures in a higher-cost environment, manufacturers will focus on optimizing operations.
7. Understand the rise of artificial intelligence. Manufacturers are among the earliest adopters of artificial intelligence and exploring the potential of revolutionizing processes. Increased productivity, enhanced decision making, and improved cost savings will drive further adoption.
8. Explore predictive maintenance. The cost of downtime is staggering. Predictive maintenance is not new in manufacturing, but companies continue to look for strategic ways to identify possible equipment failures that cost them millions in production downtime. The most efficient forms of predictive maintenance are obtained through the use of innovation and technology.

#### How supply chain disruptors affect the trends

Recognizing the potential of smart factories and harnessing advanced technologies will help manufacturers optimize operations and gain a competitive edge, but where do we start? I continue to encourage organizational leaders to assemble a diversified innovation team and start small, tackling just one or two of these trends in 2024.

In addition to recognizing the trends, it's also a good idea to keep in mind the disruptors that can arise, particularly when it comes to managing complex supply chains. Every organization should take a proactive approach to supply chain disruption and have strategies in place to help tackle common challenges.

Supply chain disruptions can include anything that contributes to the inefficiencies of processes involved in the production and distribution of goods and components. Labor shortages, shortage of raw materials, natural disasters, geopolitical unrest, and a global pandemic like COVID are examples of supply chain disruptors that can slow down manufacturing and distribution.

When manufacturers adopt these trends, recognize the disruptors, and embrace a forward-thinking approach, they position themselves as industry leaders and find ways to forge ahead of the competition.

#### Key takeaways as we enter 2024

1. Don't be tempted by too many trends. Identify a few that could have the biggest positive impact for your organization and start there.
2. Assemble a diversified team to tackle your next innovation project.
3. Early innovators will be rewarded in this turbulent market. Don't wait to innovate!