

2024 EMEA
Manufacturing Survey
Report

Insights from Senior Industry Leaders



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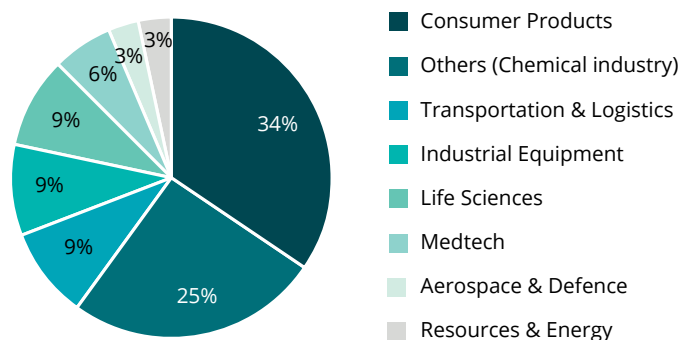


Introduction

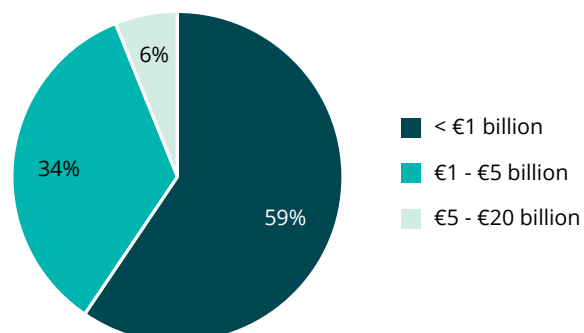
Senior manufacturing leaders play a more pivotal role than ever in today's fast-moving and ambiguous business landscape. They find themselves helping to meet margin objectives to contribute to corporate success, navigating the dynamic supply chain disruptions of the modern world, and driving the digitalisation agenda. This report reveals the results of an EMEA-wide survey conducted with senior manufacturing leaders. In the survey, we examined their priorities, the pressing challenges confronting them, and the difficulties they face in overcoming these challenges.

The survey received responses from a total of 32 participants across the EMEA region.

Industry respondents overview



Respondents' company annual revenue overview





Executive Summary:

The survey results reveal that growth and cost reduction have emerged as the primary focus areas for senior manufacturing leaders. This is a sign of a strategic shift towards enhancing market presence and profitability. Interestingly, sustainability and supply chain resilience have taken a backseat, suggesting that sustainability initiatives might be driven more by regulatory compliance than by a genuine commitment to environmental stewardship. This underscores the pressing need for businesses to balance growth and financial goals with the market's sustainability expectations.

A significant barrier to achieving the desired growth and cost reduction is the inefficiencies and ineffectiveness in operational processes. Many respondents acknowledge

these challenges and plan to invest in digitisation as a solution. This investment in digital transformation aims to streamline operations, elevate data-driven decision-making, and enhance overall efficiency, thereby supporting the broader goals of growth and cost reduction.

Another persistent challenge noted by respondents is the shortage of skilled labour, particularly at the engineer, managerial and executive levels. This issue is compounded by technological advancements and an ageing workforce, which are expected to exacerbate the skills gap. Addressing the shortage of skilled labour is crucial if companies are to implement their growth and digitisation strategies successfully.





Priorities for the Next 12 Months

Growth Investments

Looking ahead, the majority of respondents plan to invest in growth, with two thirds aiming to achieve this by reducing costs. This approach highlights a strategic focus on improving operational efficiency to free up resources for growth initiatives.

Cost Reduction Goals

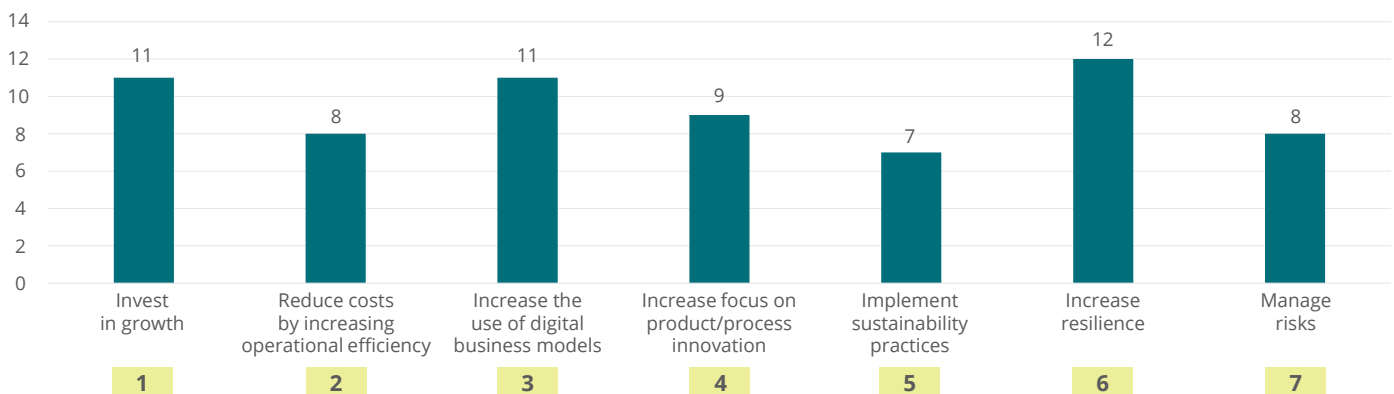
Among those prioritising cost reduction, 50% intend to use the savings to reinvest in growth. Others are focusing on sustainability efforts, digitalisation, product innovation, and risk management. This diverse allocation of cost savings reflects a balanced approach to achieving both short-term and long-term objectives.

Resilience

Despite the importance of resilience in today's volatile business environment, improving and managing resilience is not a high priority for most respondents. Resilience had been on an uptrend in recent years and now momentum seems to be fading. This finding suggests a potential vulnerability that companies may need to address to ensure sustained success.



Ranking in order of importance, which of the following business strategies have the highest priority over the next 12 months?





General Risks Facing Companies

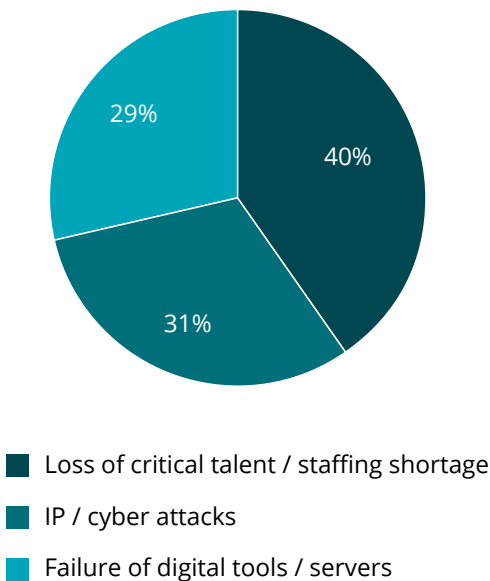
Top 3 risks

The top risks identified by respondents include the loss of critical talent and staffing shortages – which is consistent with the 2022 CEO survey findings – IP and cyber attacks, and the failure of digital tools and servers. These risks highlight the critical importance of talent management, cybersecurity, and robust IT infrastructure in maintaining business continuity.

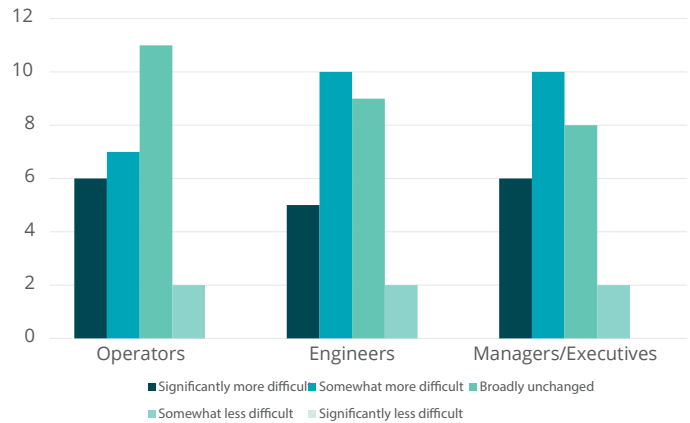
Recruitment Challenges

Recruitment difficulties are particularly acute for engineers, managers, and executives, while recruitment for operators remains largely unchanged. This trend underscores the need for targeted recruitment

Top 3 scenarios that present the greatest risk to our organisation moving forward



Have you found it more or less difficult to attract talent in the last 12 months?



strategies and talent development programmes to address the skills gap at higher organisational levels – especially considering the growth and cost reduction priorities.

External Workforce

To manage additional demand and complement their current workforce, 50% of respondents are using external resources. This approach highlights the growing reliance on flexible workforce solutions to address labour shortages and meet business needs.



Supply Chain Risks and Disruptions

Mitigation Strategies

To mitigate supply chain risks and disruptions, respondents are employing strategies such as activating alternative material sources, driving product portfolio rationalisation, and increasing inventory levels. These are rather classical but nevertheless effective measures to handle dynamic situations and ensure the continuity of operations.

Predictive Capabilities

Respondents feel they can only predict and anticipate supply chain risks and disruptions to a limited extent. However, whether or not this realisation is increasing investment in enhanced risk management and predictive analytics capabilities, in order to better navigate supply chain challenges, remains unclear from the responses.





Operational Challenges and Investment Priorities

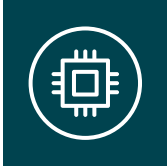
Top Investment Areas

The top areas for investment identified by respondents encompass processes, sustainability, technology – namely analytics and data management solutions – and permanent workforce recruitment. These investment priorities reflect the responses to the general risks for companies highlighted by the respondents.

Supply Chain and Distribution

There is a strong desire to invest in flexible supply chain and distribution networks, followed closely by agile and quick time-to-market strategies as well as research and development. These investments aim to enhance responsiveness and innovation, positioning companies to better meet market demands and enable growth.





Technologies: Current and Future Use

Impactful Technologies

Technologies that significantly impact manufacturing both currently and in the near future are primarily focused on increasing process efficiency and

effectiveness. This focus underscores the critical role of technology in driving operational improvements, especially when it comes to paving the way to data-driven decision-making.

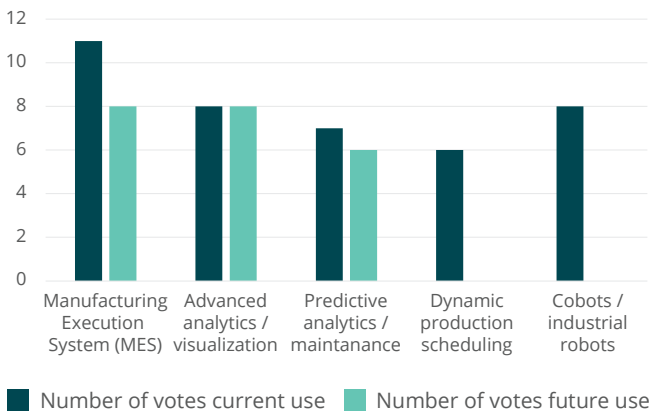
To what extent are the following technologies used by manufacturing?

Top 3 in use

The most impactful technologies currently in use include Manufacturing Execution Systems (MES), advanced analytics/visualisation, and predictive analytics/maintenance. These technologies are pivotal in enhancing process control, data-driven decision-making, and proactive maintenance.

Implementation Barriers

Major barriers to technology implementation include the lack of skilled labour, poor quality data, and poor integration across applications. Overcoming these barriers is essential to maximising the benefits of technological investments and enabling cost reduction.





Use of Generative AI in Manufacturing

Top Use Cases

Generative AI is being utilised to enhance customer service, improve data analytics for strategic decision-making, and automate routine administrative tasks.

These applications demonstrate the potential of AI to drive efficiency and innovation in manufacturing and the attributed contribution of GenAI to cost reduction targets.





Sustainability: Challenges and Data Monitoring

Main Challenges

The primary challenges to sustainability efforts identified by respondents are a lack of knowledge and a lack of perceived value. This feedback may seem contrary to public sustainability pledges – but reveals a need for greater education and awareness around the benefits of sustainability initiatives.

Carbon Footprint Monitoring

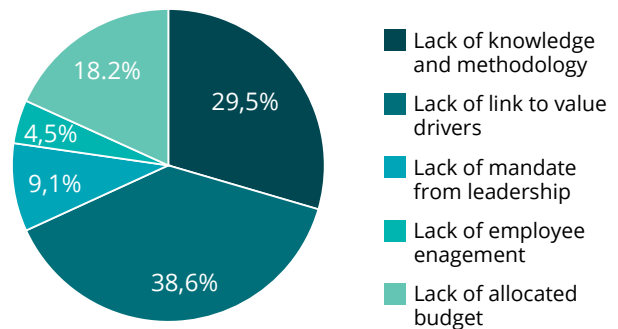
40% of respondents monitor their carbon footprint monthly, while 60% monitor it annually – primarily smaller companies with less than \$1 billion in revenue. Despite regular monitoring, respondents stated that the data collected is rarely used to influence decision-making. This indicates that many companies track their carbon footprint mainly for compliance rather than to generate actionable insights.

We would like to extend our heartfelt thanks to the survey respondents for their valuable time and insights. Their contributions are instrumental in helping us understand the current landscape and the challenges and opportunities that lie ahead for the manufacturing sector.

For further insights relating to manufacturing industry, check out our latest article:

[Manufacturing in Western Europe – A sector at a crossroads.](#)

What challenges do you experience in day to day operations when it comes to implementing sustainability in your organisation's operations?





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