



# Rhino Report: The Top 3 Manufacturing Pain Points of 2018

# Introduction

Technology is evolving, consumers are changing, expectations are getting higher and as a result, the way that organizations are doing business is changing. And manufacturing organizations are no exception.

The manufacturing industry, along with many others, is at a crucial point in time - while there is great opportunity for growth, challenges lie around every corner.

Understanding the biggest challenges in the industry is a fundamental part of overcoming them - however, the real key to success is putting together a plan of action to address the industry's top pain points head on. Through our extensive research, we've put together a report highlighting those pain points and how to solve them in order to ensure success.

# Talent Shortage

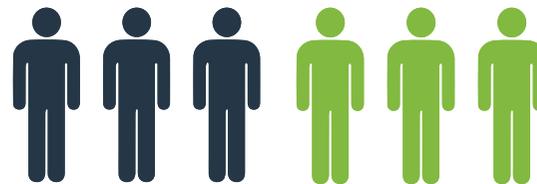
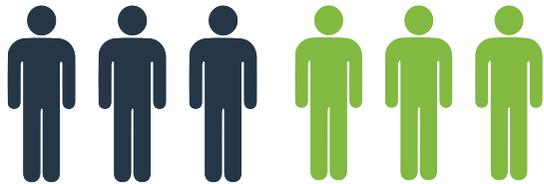
The biggest challenge that the manufacturing industry is currently facing is a shortage of skilled workers. According to a report by Deloitte and the Manufacturing Institute [1], between 2015 and 2025, nearly 3.5 million manufacturing jobs will be needed (in the U.S. alone), and 2 million are expected to go unfilled due to the skills gap.



# Talent Shortage

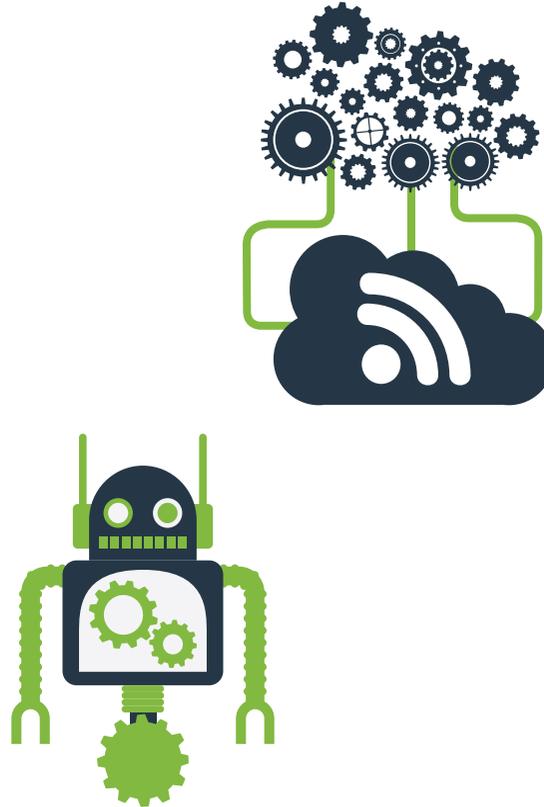
You're probably wondering why this is happening, right? Well, according to that same report, an aging workforce is to blame. As baby boomers retire and leave the workforce, employers are left to look to a younger, less experienced generation (millennials) to fill the gaps.

2 million available jobs and a shortage of workers to fill them may leave you wondering what the solution to this challenge could possibly be. But, there may be more options than you think. The first, and perhaps most obvious path to overcoming the labor shortage is to invest more time and money into attracting and (more importantly) retaining a skilled workforce. This includes hiring talent agencies or internal resources to find qualified workers, offering competitive wages and benefits, providing extensive training and ensuring your organization is a pleasant place to work.



# Talent Shortage

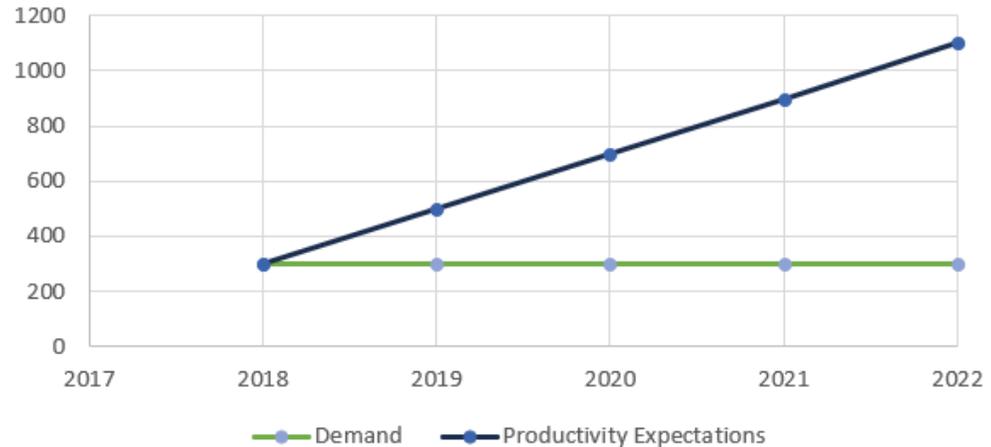
However, if there simply aren't enough people out there to do the jobs that are opening up as baby boomers leave the workforce, the most viable solution may be implementing technology to do time-consuming tasks such as inventory tracking or new employee onboarding, so that existing employees can focus on more strategic initiatives. Although implementing technology in the workplace could mean advanced technology, like robots, it doesn't have to. Starting small gives both the organization and its employees a chance to understand the value and drive user adoption, so an enterprise rollout down the line can be implemented faster, and will be more accepted internally.



# Increasing Productivity

Another top challenge that manufacturing is facing is in regards to productivity and output. Retiring baby boomers may leave the industry without the workers it needs, but that doesn't mean that demand is going to come to a halt - manufacturing companies still need to meet (and ideally exceed) consumer demands, regardless of how many employees they have. According to a 2017 PwC report [2], manufacturing demand isn't rapidly growing, so making productivity gains is paramount to the industry's success.

### Manufacturing Demand and Productivity Expectations



# Increasing Productivity

So, how do manufacturing companies do that exactly?

The key to increasing productivity is to improve the systems that your organization has in place, and ensure they're running as efficiently as possible. If your organization is using legacy systems and machinery, consider an upgrade - it may be a big investment now, but it has the potential to save you a lot of money in the future. And maybe even more importantly, ensure that all employees are trained on the processes and working at their maximum efficiency.

Top-notch equipment



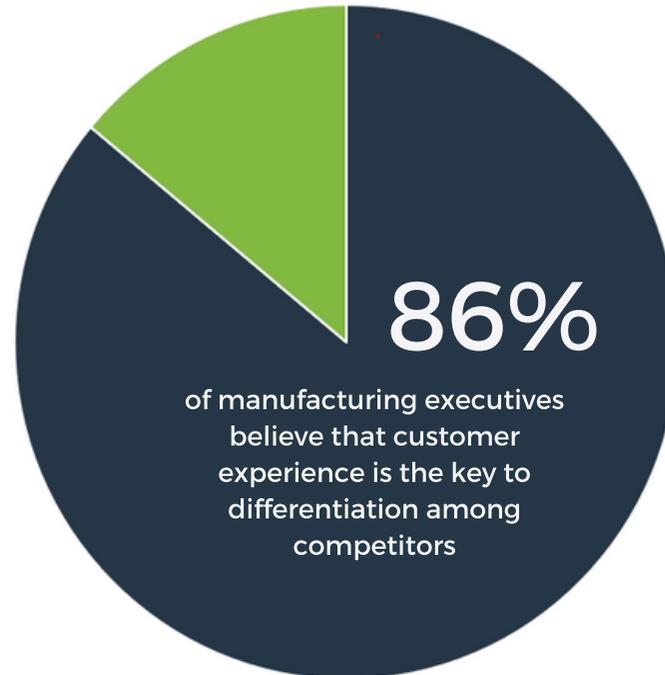
Well-trained employees



The Results You're  
Looking for

# Customer Experience

We live in a world where the customer comes first. Consumers expect good customer service, and if they don't get it, they'll often take their business elsewhere. And the demands of the consumer buyer are bleeding into the demands of the business buyer in such a way that the business buyer now wants a very personal and professional customer service experience every time, as well. In fact, according to a Salesforce Research report [3], "customers (including business buyers) are demanding more personalized service, and the businesses that deliver that higher level of service will see benefits to their bottom line."



# Customer Experience

It's evident that the customer experience is important in the manufacturing industry, but ensuring consumers have a great experience every time they interact with your organization isn't always easy. So, what do you do? The answer's pretty simple: Invest more time and money into the customer experience.

According to the same Salesforce Research report, high performing manufacturers are...

**1.6x**

more likely than  
underperformers to have  
increased service budgets  
over the past two years

**1.8x**

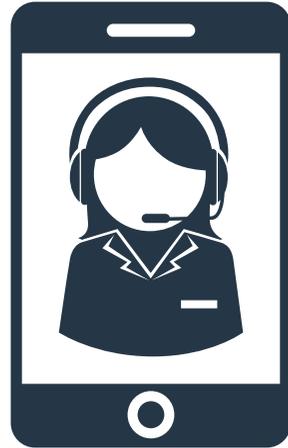
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# Customer Experience

So, what does investing in customer service entail?

1. Make it easy for consumers to reach you, and give them options on how to engage with you. Make customer service phone numbers and emails visible in apparent spots on your website.
2. Consider implementing a chat bot to make the experience even easier - this way, consumers never have to leave your site to submit an inquiry.
3. Hire a 24/7 or extended hours customer service team to address complaints quickly.

Small improvements show the customer that your organization puts their needs first, so you can maintain customer loyalty and drive repeat business for the organization.



# The Future

With an ever-changing ecosystem, it's safe to say that doing business the same way it's always been done isn't going to cut it in the future. But changing the way things are done shouldn't be shocking or scary to organizations and their employees. By staying informed of the biggest challenges, or better yet, areas for opportunity in the industry, and taking small steps to implement new ways of doing things, your manufacturing organization will be doing everything it can to improve its performance, reputation and revenue.

# Takeaways

- There's a talent shortage occurring in the industry, leaving many organizations without the skilled workers they need. Invest more into attracting and retaining talent, and implement technology in the workplace.
- Consumer demand must be met, and ideally exceeded. Purchase top-notch equipment and train employees.
- Consumers will take their business elsewhere if they don't have a pleasant experience with an organization. Spend more time and money on the customer experience and make it easy for people to reach your organization.

# Endnotes

1 The Skills Gap in U.S. Manufacturing: 2015-2025 Outlook, 2015

<https://www2.deloitte.com/us/en/pages/manufacturing/articles/boiling-point-the-skills-gap-in-us-manufacturing.html>

2 2017 Industrial Manufacturing Trends, 2017

<https://www.strategyand.pwc.com/media/file/2017-Industrial-Manufacturing-Trends.pdf>

3 Revolutionizing Customer Service in Manufacturing, 2016

<https://a.sfdcstatic.com/content/dam/www/ocms/assets/pdf/industries/state-of-service-manufacturing.pdf>