



# Priorities, Goals and Projections for Manufacturers, 2020

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# Key Insights

Thomas, North America's leading industrial sourcing and marketing platform, conducted a survey to discover the 2020 goals, priorities, and plans for our manufacturing and industrial clients.

- **Main Goals:** The majority of respondents cited costs and efficiency as their two main goals of 2020. Plans to achieve these goals range from a wide array of technological updates to improve back office processes, as well as strategic hiring initiatives to combat the skills gap.
- **Pain Points:** The surveyed suppliers and manufacturers expressed their desire to expand both domestically and internationally, but fear the landscape of international trade, prices of raw materials, access to capital, and staffing challenges may make their goals more difficult to achieve.
- **Varied Growth Objectives:** While many of the survey respondents did have revenue growth goals, 34% of respondents do not plan to expand their business in 2020 and 38% do not plan on investing in new processes. Similarly, very few respondents expressed desire to go public, go private, be acquired, or acquire other companies.







## Methodology and Firmographics

# Methodology

This Thomas Industrial Survey was conducted over a 3-week period in March 2020 (March 9, 2020 – March 23, 2020) during a time when businesses were being shut down due to stay-at-home orders stemming from the coronavirus. A total of 400+ respondents participated and 116 qualifying respondents were utilized in this data set.

## Invited Participants:

- **Qualifiers:**
  - Individual works in the industrial or manufacturing sector
  - Company is headquartered in North America
  - Individual respondent self-identifies as main decision-maker or influential in the decision-making process
- **Recruitment:** Respondents were invited to participate through Thomas email marketing. The invitation pool was incentivized with a \$100 Amazon gift card

## Respondent's Firmographics:

- **Revenue:** Business revenues span from less than \$2 million to over \$500 million
- **Employees:** Company size spans from fewer than 50 to over 1,000 employees
- **Headquarters Location:** Identified by region

## Survey Information:

- **Distribution:** Email invitations
- **Administration:** Qualtrics, online survey software
- **Language:** English
- **Size:** 31 total questions, including 3 screener and 9 demographic/firmographic questions

# Screenener Questions

## Introduction:

*This survey will ask questions about your business' 2020 goals and priorities. All responses are kept confidential.*

## Q1: Sector

Do you work in the industrial and manufacturing sector?

- Yes
- No

## Q2: Decision Makers

In your organization, do you have the ability to make decisions about which software your company uses?

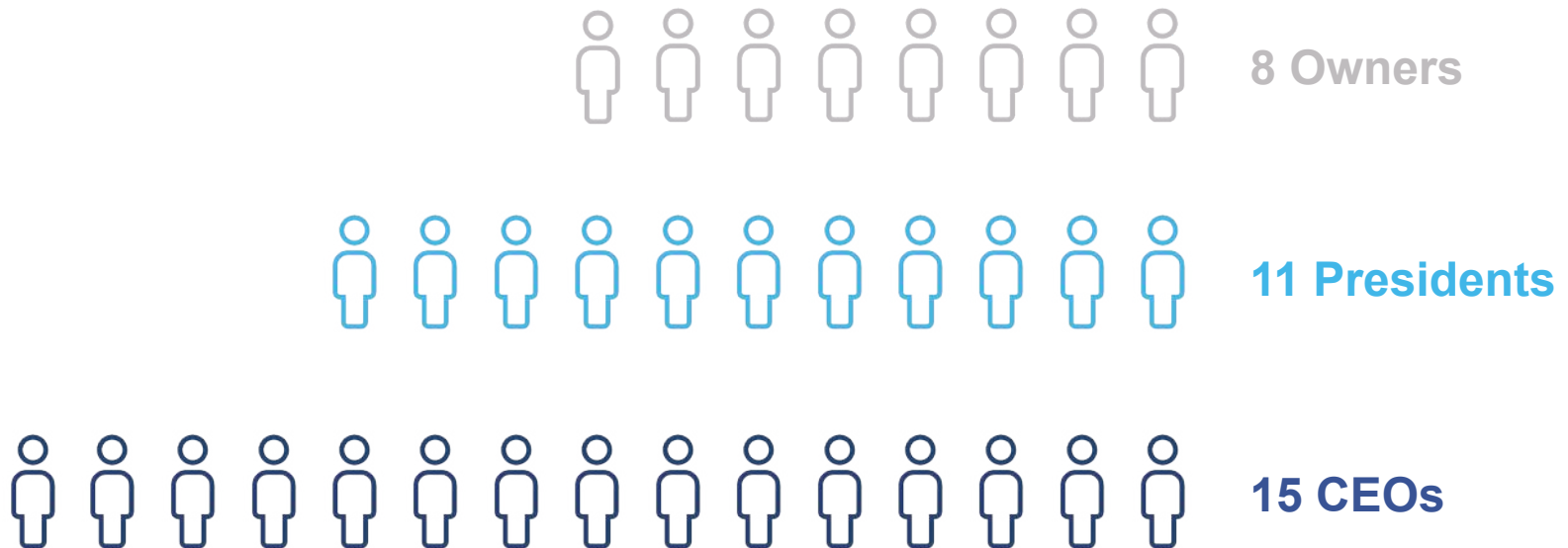
- Yes, I am the final decision maker for my company.
- Yes, I am the final decision maker for my department.
- Yes, I influence the decisions.
- No, I do not make or influence the decisions.

## Q24: Location

- Where is your company headquartered?
- North America
- South America
- Europe
- Middle East
- Africa
- Asia



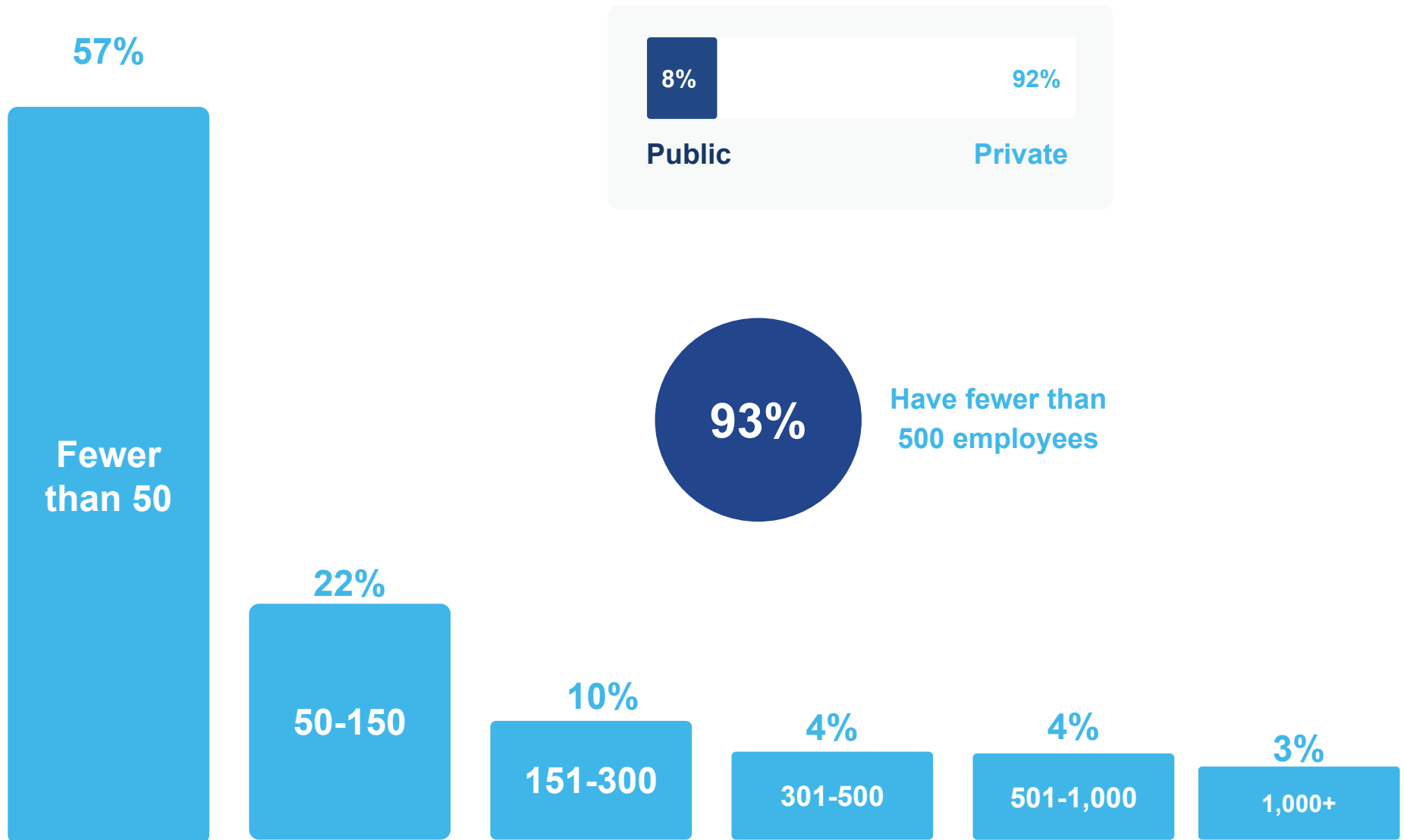
## Respondent Roles



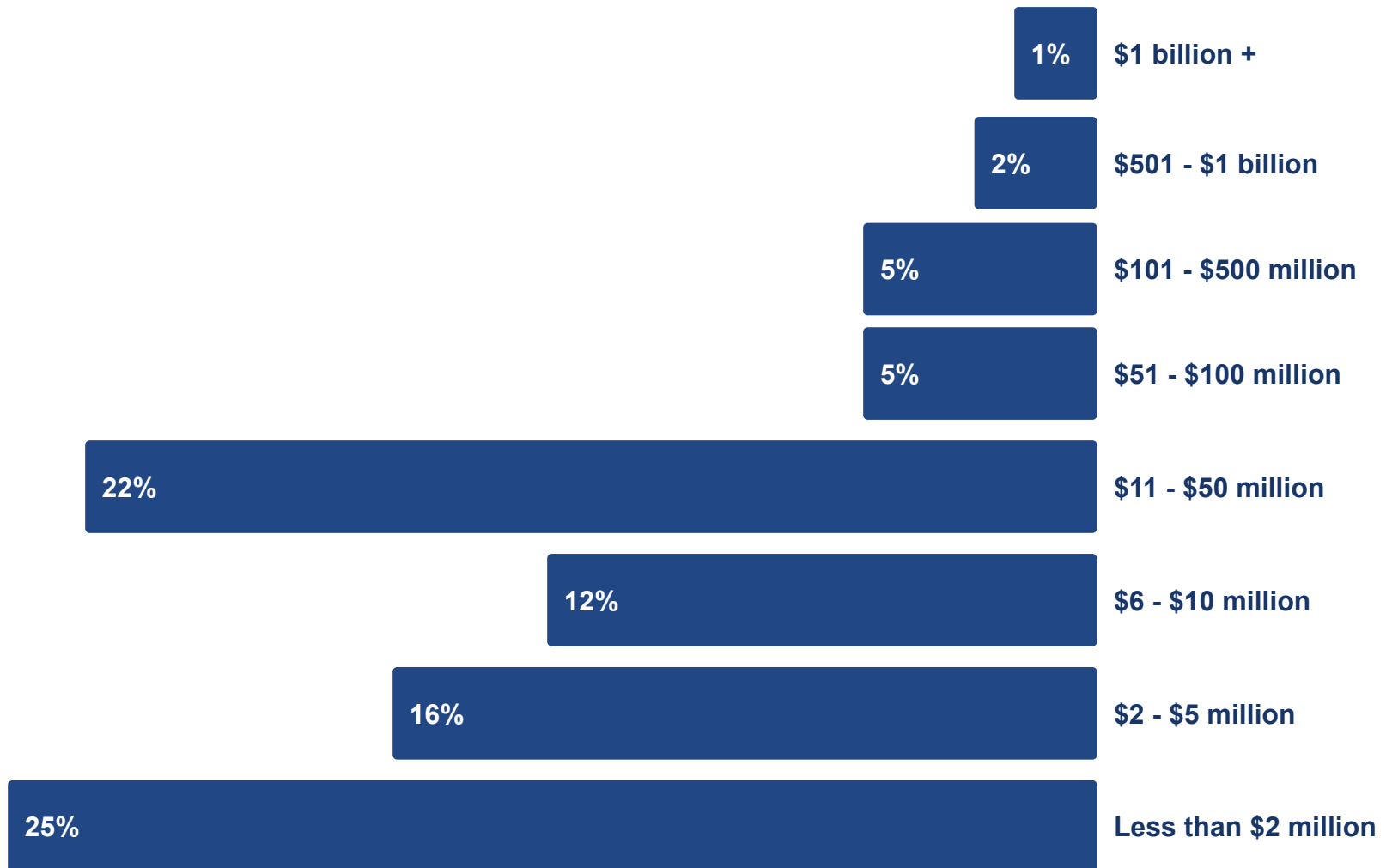
### Other Common Roles:

1 Founder | 8 Non-CEO C-Suite | 38 Managers/VPs/Directors

## Number of Employees and Company Type

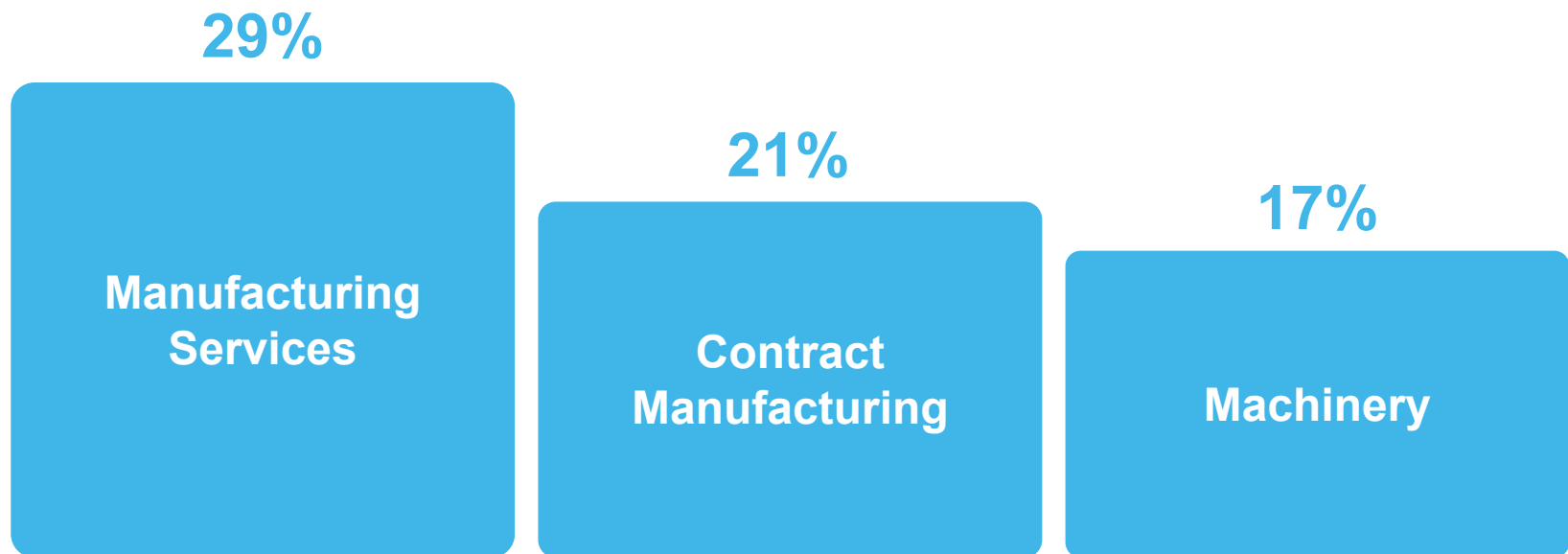


## 2019 Annual Revenue





## Industrial Classifications



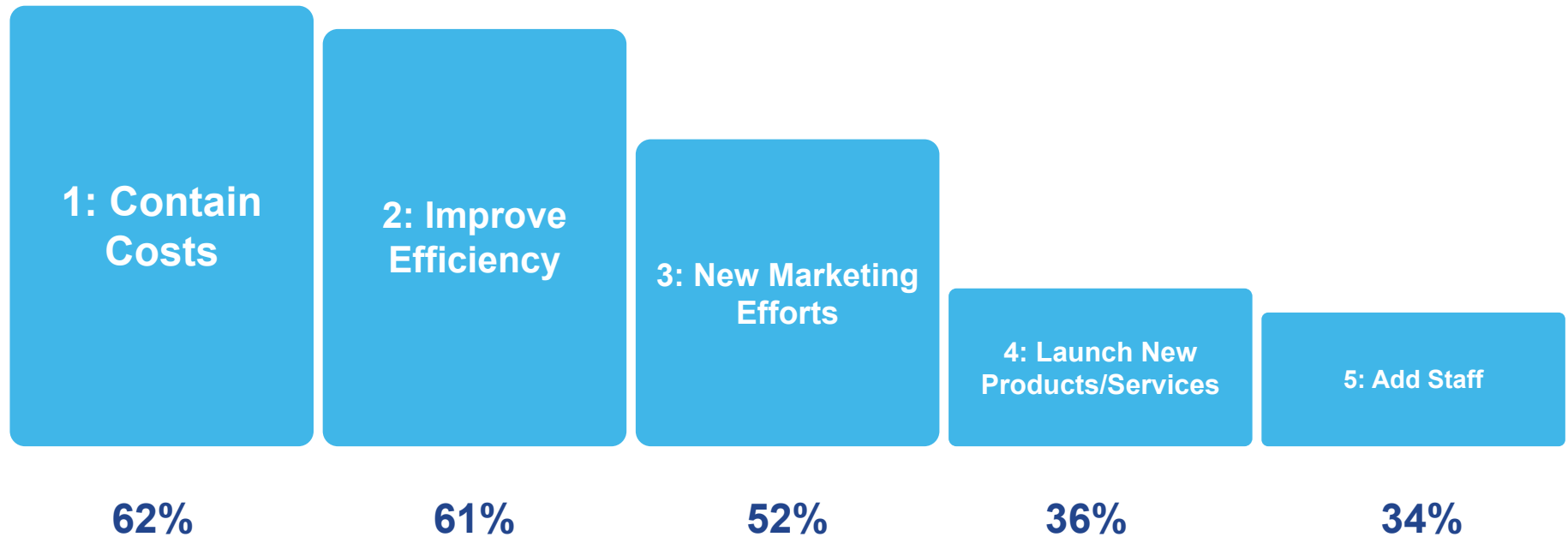
### Other Popular Areas:

Metal Fabrication | Plastic and Rubber Products | Chemical Products | Medical and Surgical Devices

A close-up photograph of a worker in a blue uniform and yellow gloves handling metal sheets in a factory setting. The worker is positioned on the right side of the frame, with their hands and arms visible. They are wearing bright yellow protective gloves and are carefully holding a stack of metal sheets. The background shows industrial machinery, including a large metal structure with a grid of rectangular components. The lighting is bright, highlighting the worker's hands and the metallic surfaces. The overall scene conveys a sense of precision and industrial activity.

**Survey Results:**  
Industrial and Manufacturing  
Companies' 2020  
Goals and Priorities

## Top 5 Business Priorities for 2020



### Least Commonly Chosen Priorities:

Go Public | Go Private | Acquire a Company | Be Acquired



## Revenue and Growth Expectations

31%

Are seeing an increase in **volume of shipments**

32%

Are seeing increased internal **inventory turnover** rates

35%

Anticipate **revenue growth** this year

45%

Are seeing increases in the **volume of orders** they're receiving

52%

Are able to **increase prices** for finished goods/services

## Growth vs. Stability Expectations

17%

Expect their 2020 revenue growth to be less than 2019

29%

Anticipate their 2020 revenue will be the same as 2019

34%

Do not plan to expand their business in 2020

38%

Do not plan to invest in improvements in their production facilities in 2020

## Internal Process and Costs Pain Points

**34%**  
are seeing longer  
timelines for  
collecting  
payments

**40%**  
are paying more for  
raw materials

**53%**  
are seeing  
increases in  
overall wages

**46%**  
see suppliers'  
deliveries taking  
longer to arrive

**55%**  
are seeing  
increases in employee  
benefit costs



## Staffing and Employment Pain Points

“Worry about losing key individuals that will be hard to replace. They have much history in their heads. We have capacity to spare and need little investment to more than double our business. **Issue is direct labor hiring.**”

-Medical and surgical devices manufacturer

Feel the average employee workweek is shortening

15%

Are seeing increases in employee compensation

37%

Plan to increase their number of employees

47%

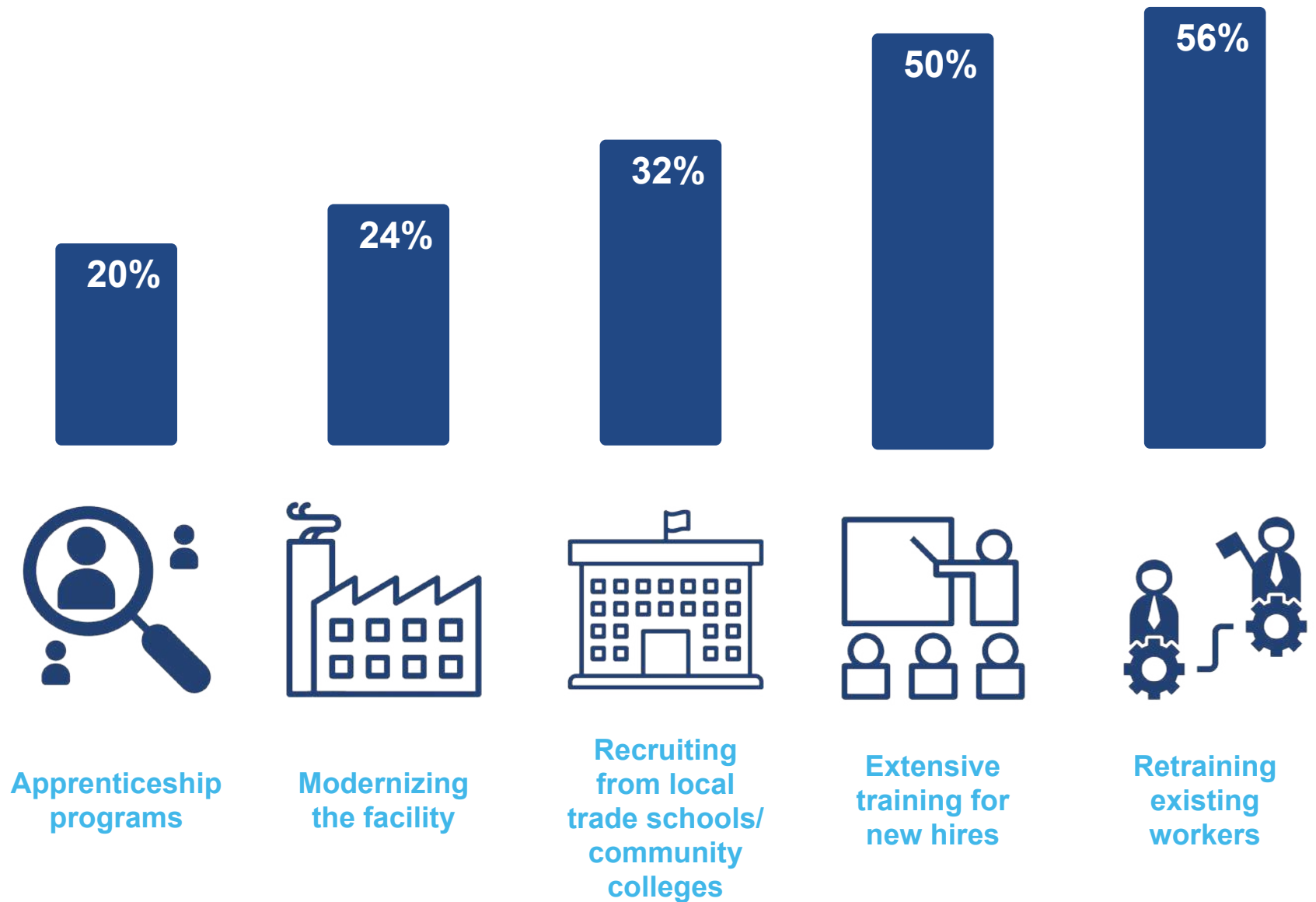
“Our growth strategy is dependent upon successfully raising capital to **hire VP of business development plus account managers.**”

-Manufacturing services provider

Are feeling the impacts of the skills gap in their staffing activities and use strategies to actively combat it

80%

## Addressing the Skills Gap



## Financial and Cash Flow Concerns



*Q: "As you consider 2020, what keeps you up at night? What makes you optimistic?"*



"Lack of cash flow."

-Industrial equipment manufacturer

"Keeps me up: cash flow issues / debt load."

-Manufacturing services provider

"We have capacity to spare and need little investment to more than double our business."

-Chemical products and application equipment manufacturer



## Data and Technological Pain Points & Goals

25%

Feel they **don't** have the data they need to make business decisions

35%

Are seeing an increase in the amount of **ecommerce and online sales** their business is conducting

20%

Want to improve back office efficiency as a strategy to **increase revenue**

9%

Feel they have the data they need, but **don't** know how to use it

32%

Feel back office constraints are having a **negative impact** on their business

41%

Are seeing **longer** internal customer service response times

16%

Want to **improve** their data collection processes as a top 5 priority in 2020

## Data and Technology Goals



“[We] would love **intelligent data.**”

-Industrial equipment and service provider

“[We need to find] the right tools(s) that provide **actual sales** data which I can utilize to get more accurate insights into relevant buyers of products and services exactly the same as, or similar to, what my company offers.”

-Mechanical engineering services, robotics, automation, aerospace products manufacturer

“As data becomes more available on the internet, hopes of utilizing or convincing upper management to invest in website improvement and **data access** to increase sales.”

-Industrial equipment manufacturer

“**Technological innovation** will keep us growing.”

-Industrial and consumer products manufacturer



## Domestic Expansion Goals and Expectations



“Fear: That **small business** will be regulated out of existence.”

-Industrial and consumer products manufacturer

49%

Plan to expand existing markets

33%

Aim to generate more revenue from existing customers

28%

Feel the strength of the US dollar will have a positive impact on their operations

“[What] keeps me up at night: Lack of Federal investment in **Industry 4.0**. Makes me optimistic: Economy is ready for change.”

-Biological and biotechnology products manufacturer

Q: “As you consider 2020, what keeps you up at night?  
What makes you optimistic?”

A: US Political Impacts



“Optimistic after **November Elections**. [Sales will be] flat until then”

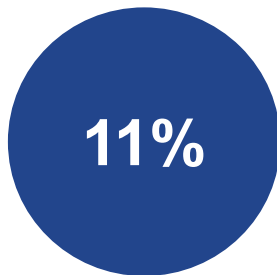
-Manufacturer of industrial components

“**The economy** was ok prior to COVID-19 and should return to similar levels before the year close”

“**Pending Recession**”

-Contract manufacturer

-Machinery manufacturer



Of respondents cited the government, economy and/or regulation as a primary concern in 2020

“**USA Dependency** keeps me up. [What makes me] optimistic is Trump is our President.

-Contract manufacturer

“**China** keeps me up; Trump helps me sleep so I can wake up optimistic...”

-Fabricated metal products manufacturer



## Global Expansion Goals and Expectations

**19%**  
want to generate more revenue  
through entering  
new geographic markets



**12%**  
plan to “go global” as one of  
their top 5 priorities this year

**17%**

Fear competition from Mexico or  
Canada

**49%**

Feel economic changes in overseas  
markets will have a negative impact on  
their operations

**66%**

Anticipate that trade uncertainty,  
including tariffs, will have a negative  
impact on their business

**69%**

Fear global supply chain shortages or  
disruptions



Q: “As you consider 2020, what keeps you up at night?  
What makes you optimistic?”

A: **Global and Domestic COVID-19 Impacts**

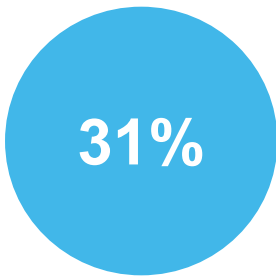


“COVID19-related impacts on the **economy, labor, logistics, infrastructure.**”

-Manufacturing and retail company

“When can we go back to hands on working mode. New plant startup at a stand still, but looking favorable when we can all go **back to work** and achieve normality.”

-Biological and biotechnology products manufacturer



Of respondents  
feared the impacts  
of the **COVID-19**  
pandemic on the  
economy and their  
businesses

“Keeps me up: Covid 19 concerns... Optimistic: Believe the economy IS still strong IF we get through the above concern without **panic and fear**... Ask me again in a year or so...!!! Stay safe out there.

-Manufacturing printing services provider

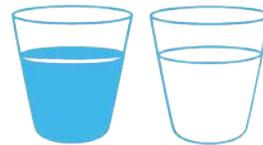
“Not knowing how long this Covid-19 is going to last. When this Covid-19 is over the industry will have to **ramp up quickly.**”

-Machinery manufacturer



## Overall Optimism

**37%**  
of respondents feel  
somewhat positive  
about 2020



**16%**  
of respondents  
feel very positive  
about 2020

Q: “As you consider 2020, what keeps you up at night?  
What makes you optimistic?”

A: **Industry Opportunities**



“Do not lack sleep and optimistic about **new product development.**”

-Measuring and controlling devices manufacturer

“The ability to **see opportunity** in what most see as a time of crisis.”

-Manufacturing services provider

“**New growing markets.**”

-Contract manufacturer

“Getting bought out and management changes is concerning. **The marketplace for our product is growing**, so I am optimistic about that.”

-Machinery manufacturer

“**New clients** are knocking at our doors do to poor quality/CS of competitors”

-Manufacturing services provider



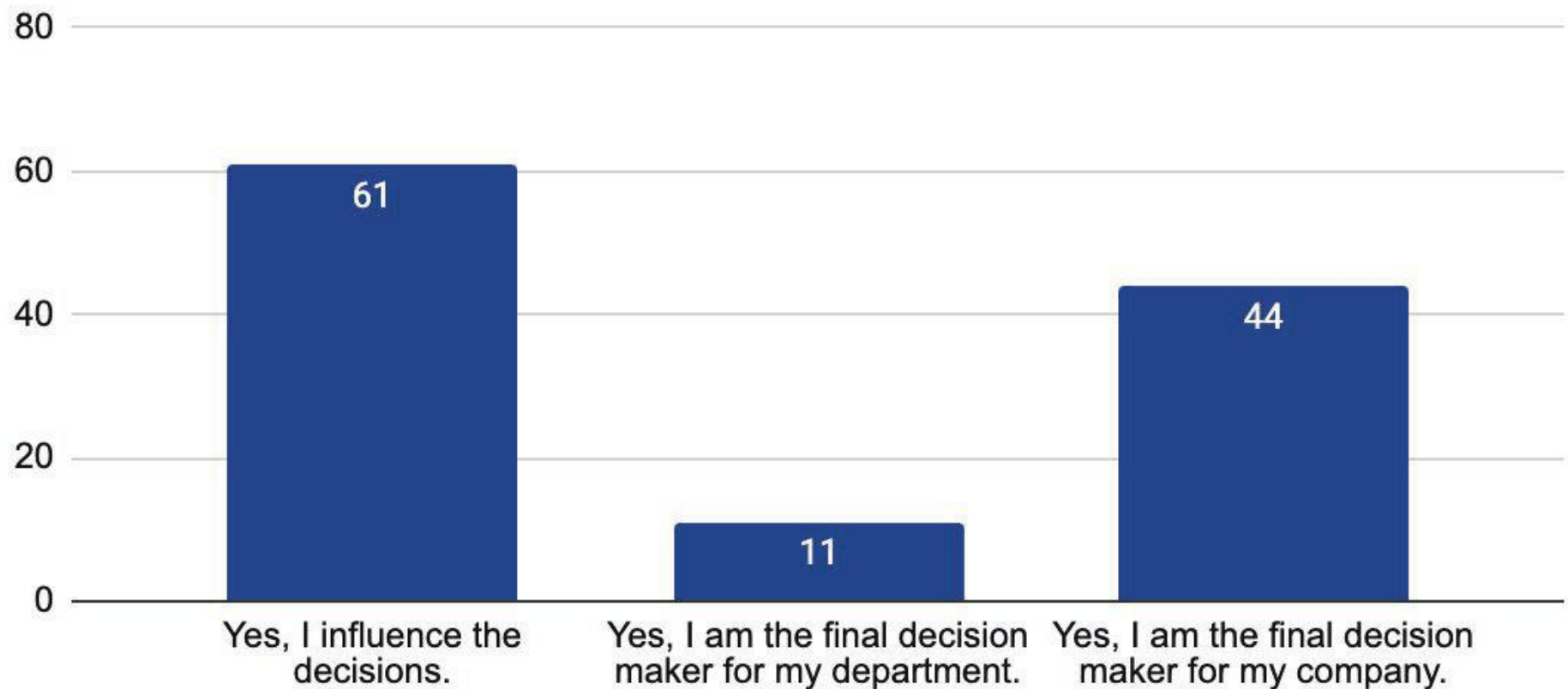




**Appendix:  
Survey Questions**

## Q2:

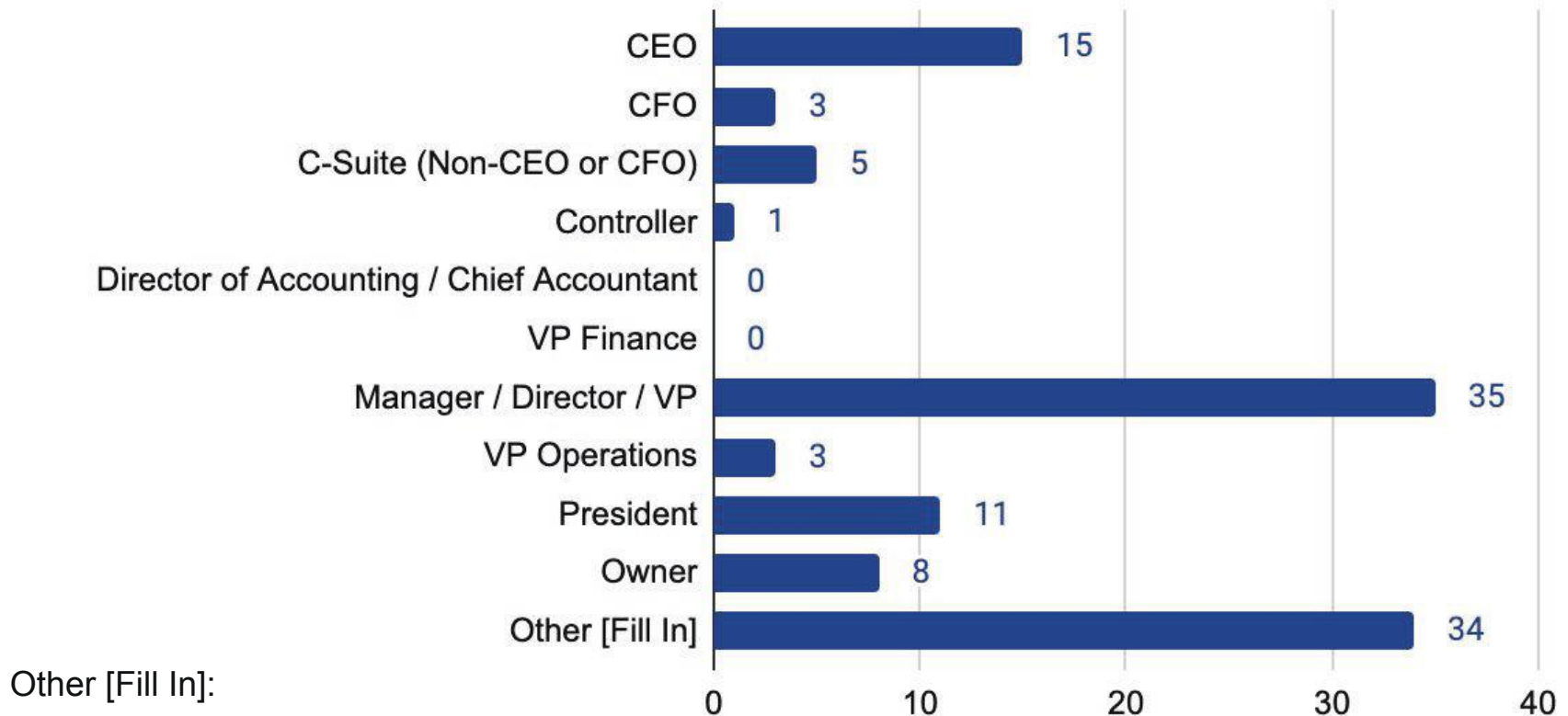
In your organization, do you have the ability to make decisions about which software your company uses?





# Q3:

## What is your job function?



Other [Fill In]:

*Engineering (x6)*

*Purchasing (x3)*

*Sales Manager (x3)*

*Marketing Manager (x2)*

*Sales Representative (x2)*

*Product Development (x2)*

*Designer (x2)*

*Founder*

*Brand Manager*

*Consultant*

*Executive Assistant*

*Offload Manager*

*Operations Manager*

*Quality Technician*

*Sales & Marketing Coordinator*

*Senior Executive*

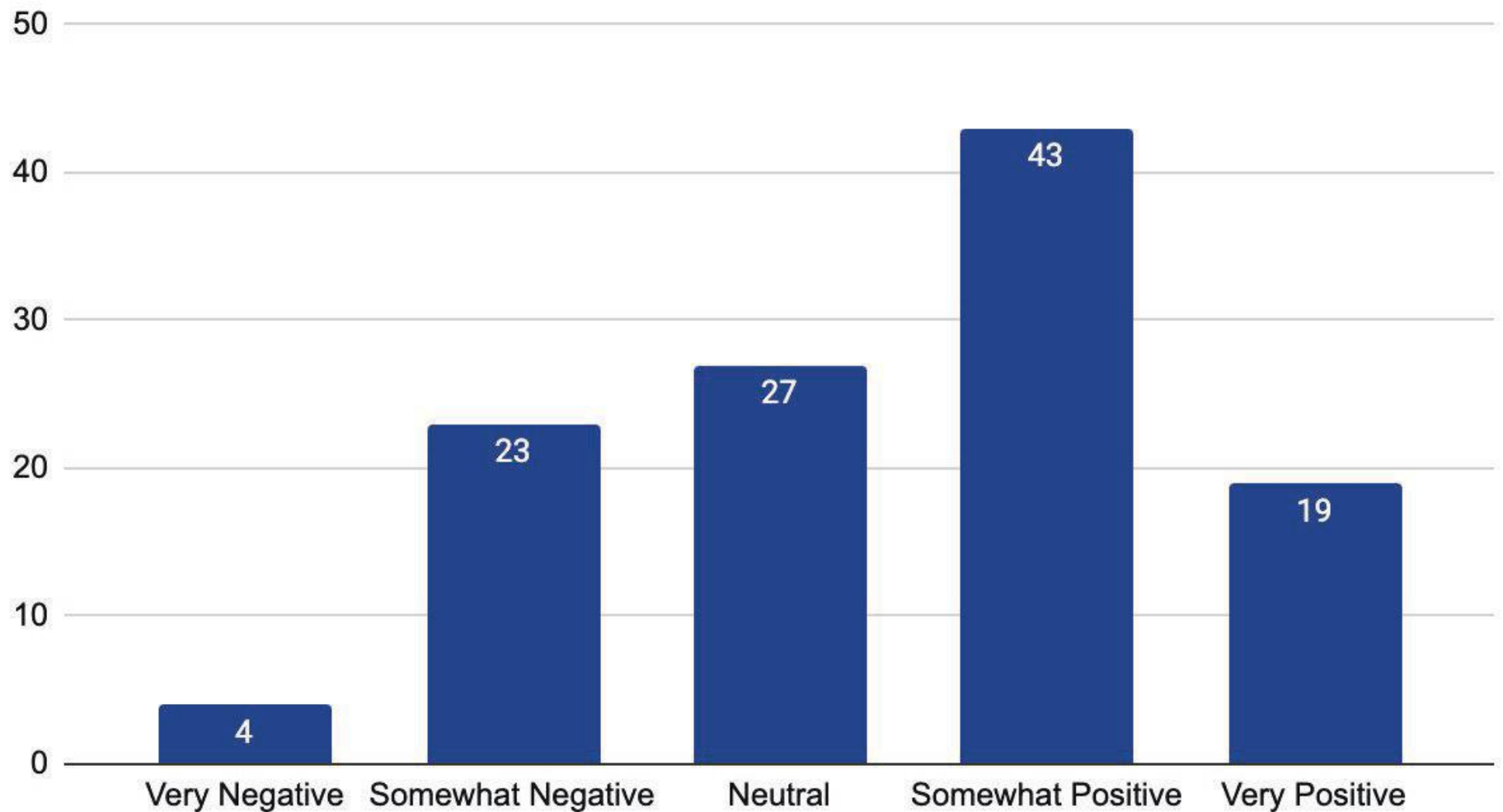
*Subject Matter Expert*

*Supervisor of Maintenance*

*Systems Admin*

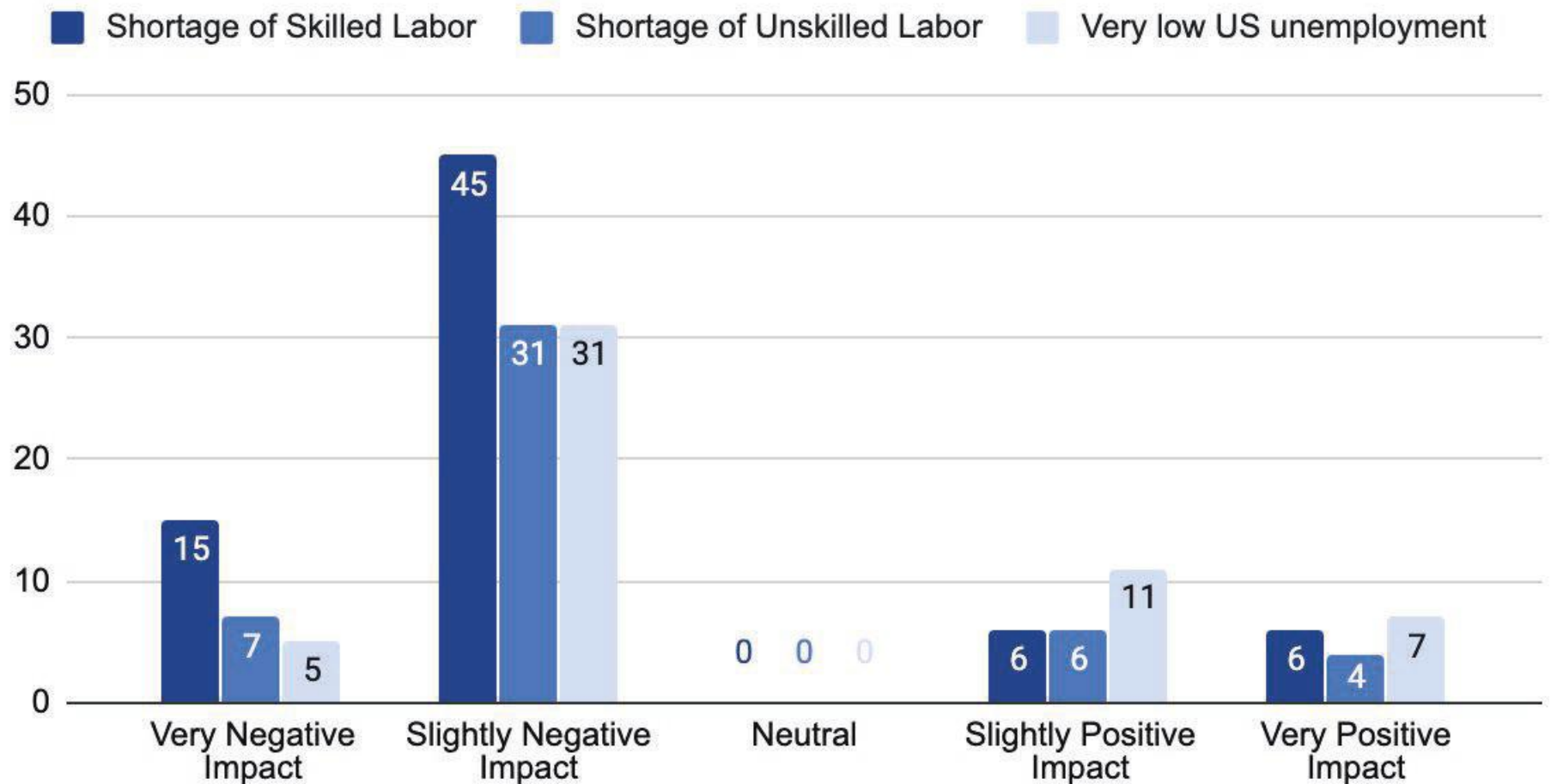
# Q4:

What's your overall outlook for your business in 2020?



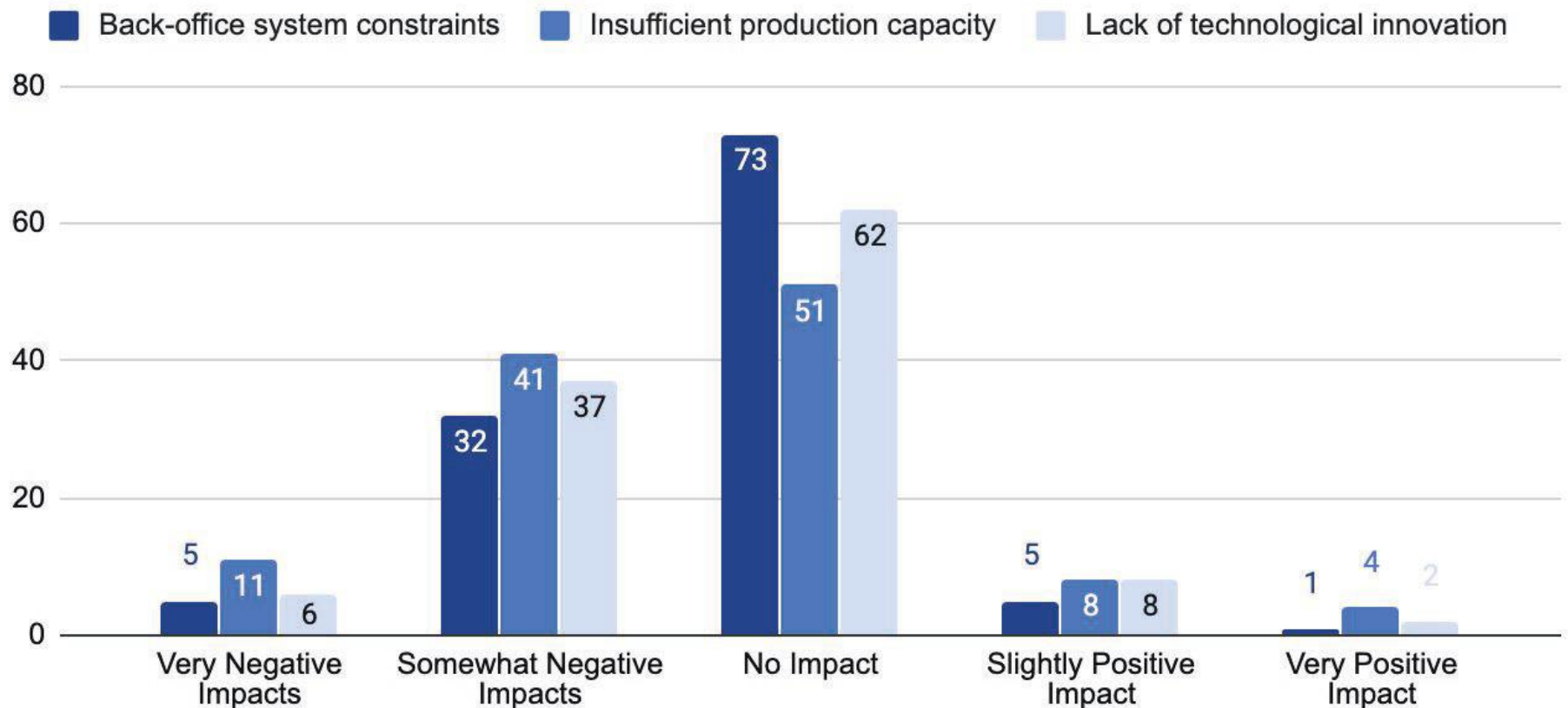
# Q5:

How do you expect these job market factors to impact your business in the coming year?



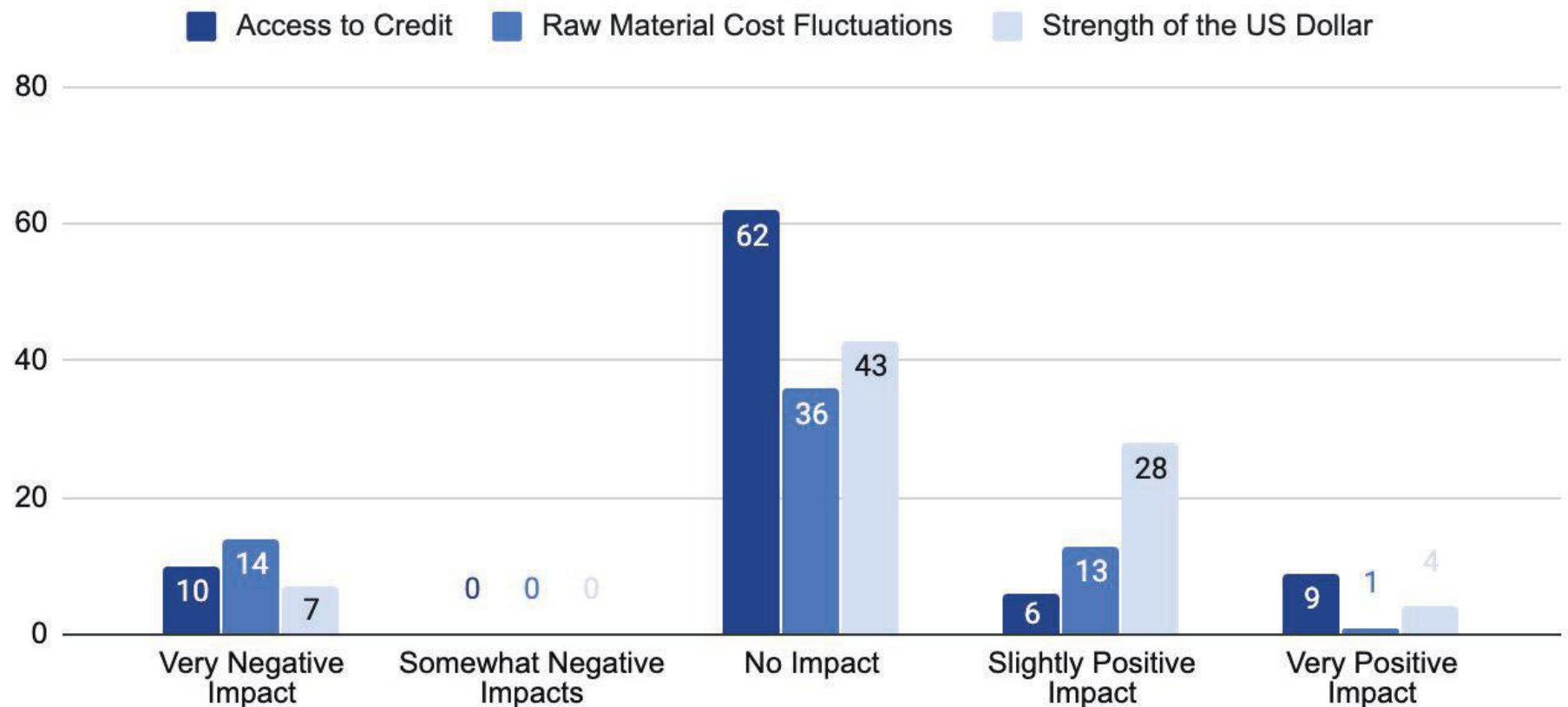
# Q6:

How do you expect these internal factors to impact your business in the coming year?



# Q7:

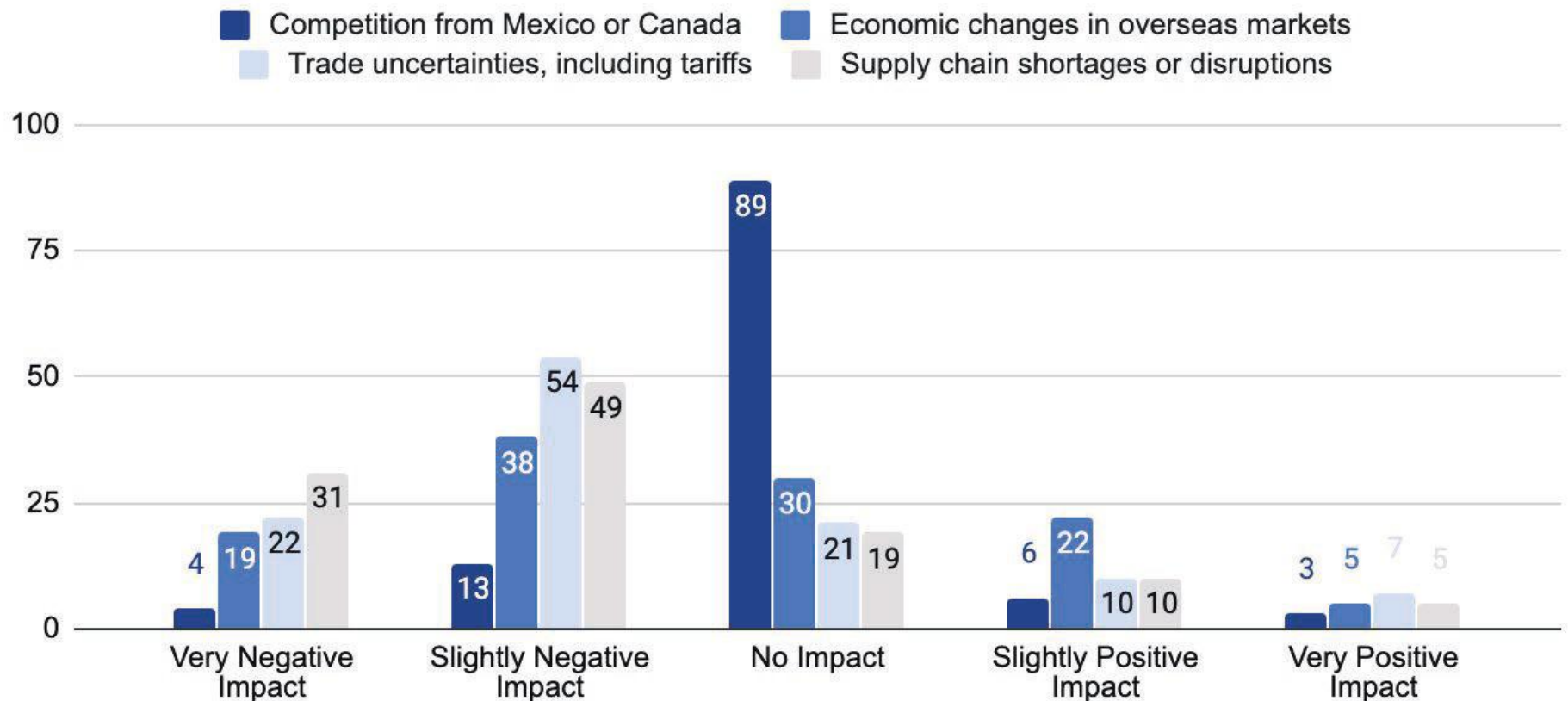
How do you expect these financial factors to impact your business in the coming year?





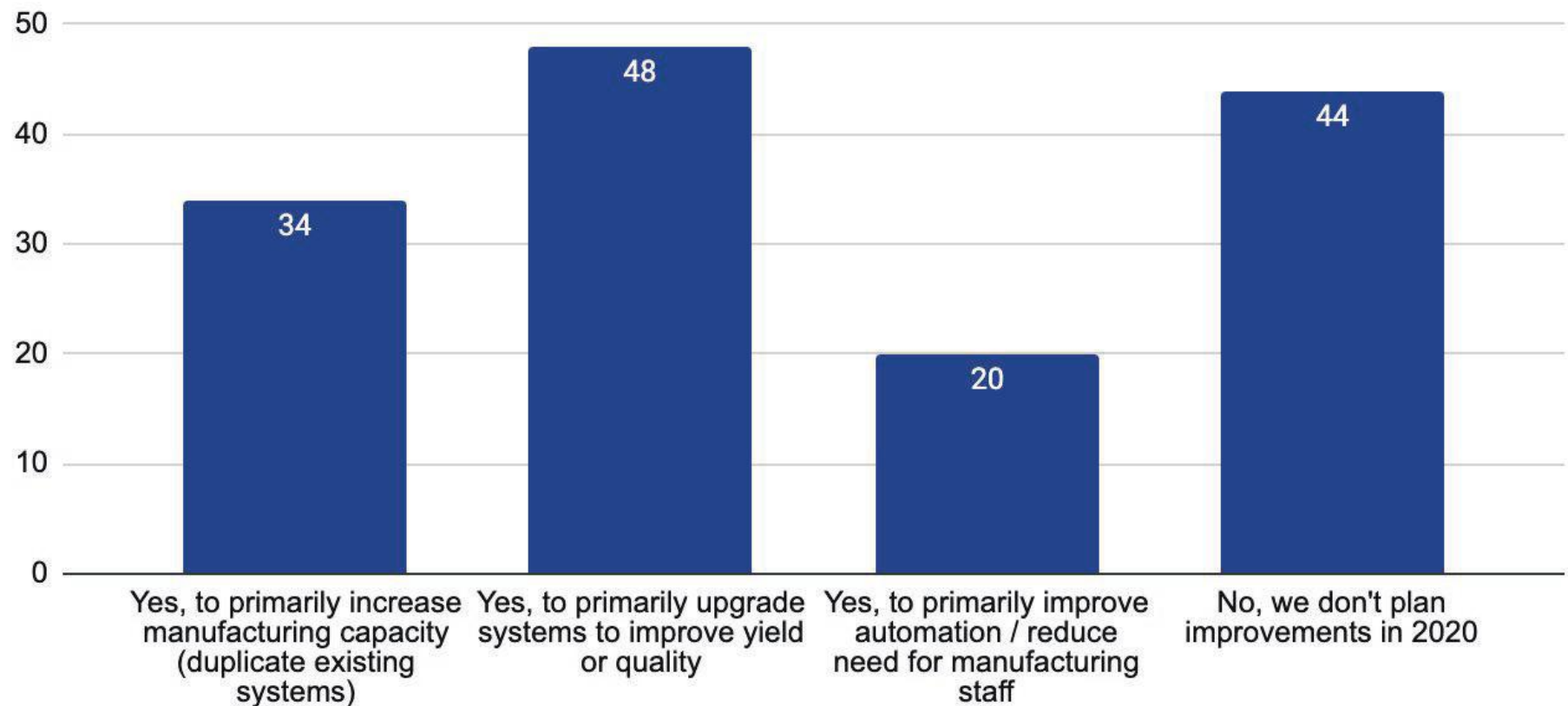
# Q8:

How do you expect these global factors to impact your business in the coming year?



# Q9:

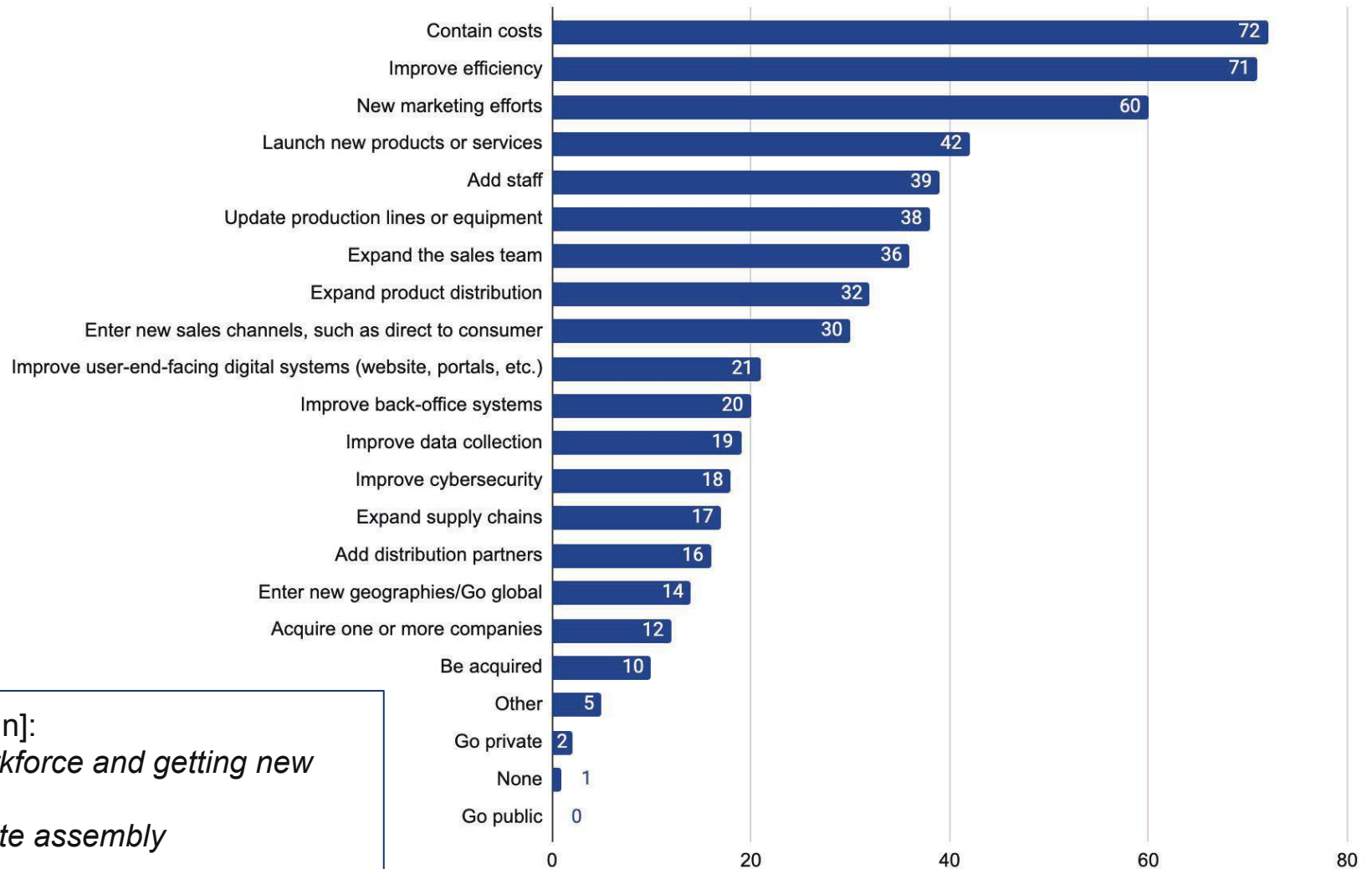
Do you plan to invest in improvements to your production facilities in 2020?



*More than one improvement could be selected by each respondent.*

# Q10:

## Top 5 Priorities for 2020

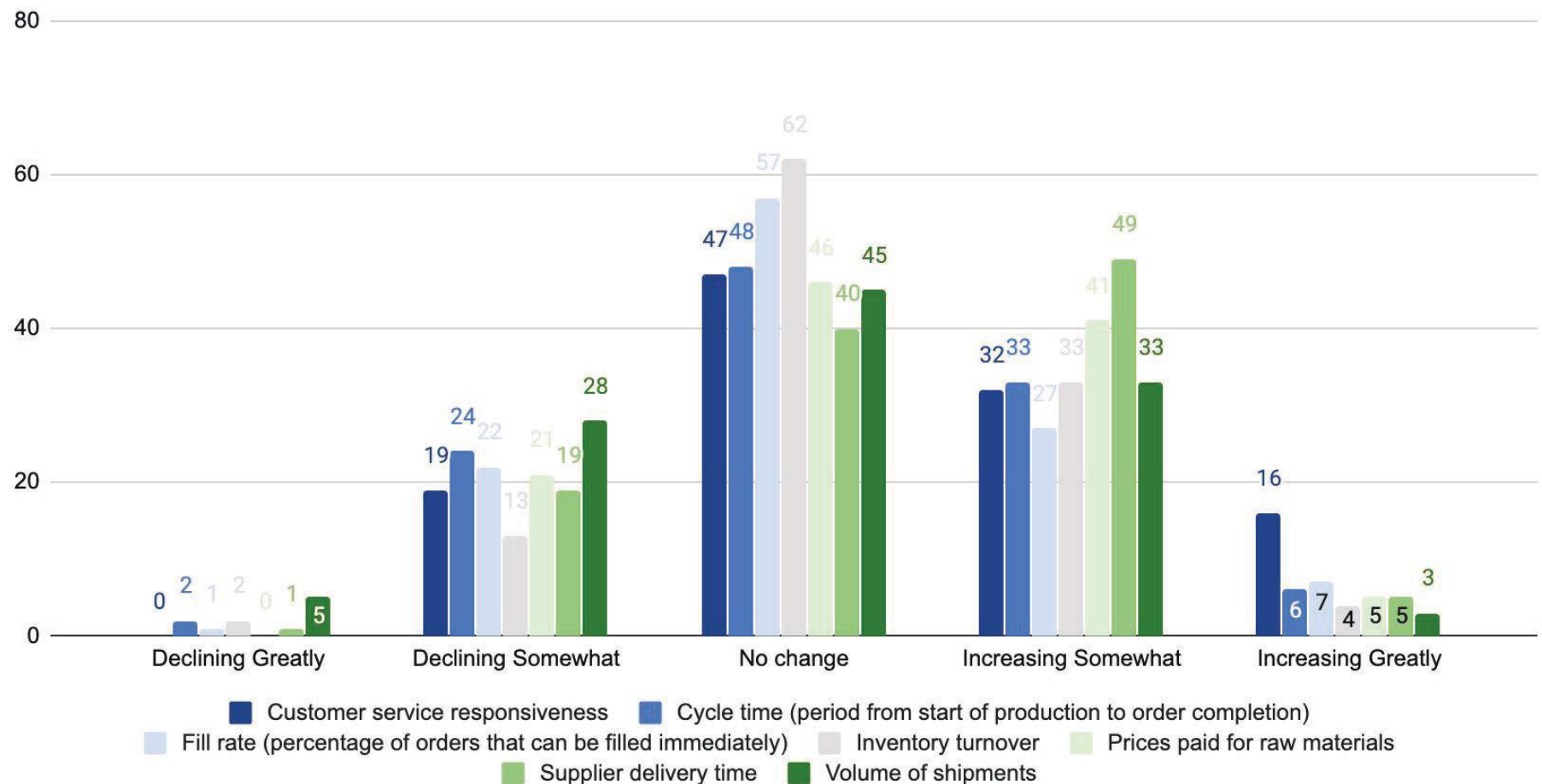


### Other [Fill In]:

- Aging workforce and getting new talent
- Consolidate assembly
- Diversify
- Pay down debt / improve Cash Flow
- Re-establish cash flow after gas hookup moratorium and Coronavirus

# Q11A:

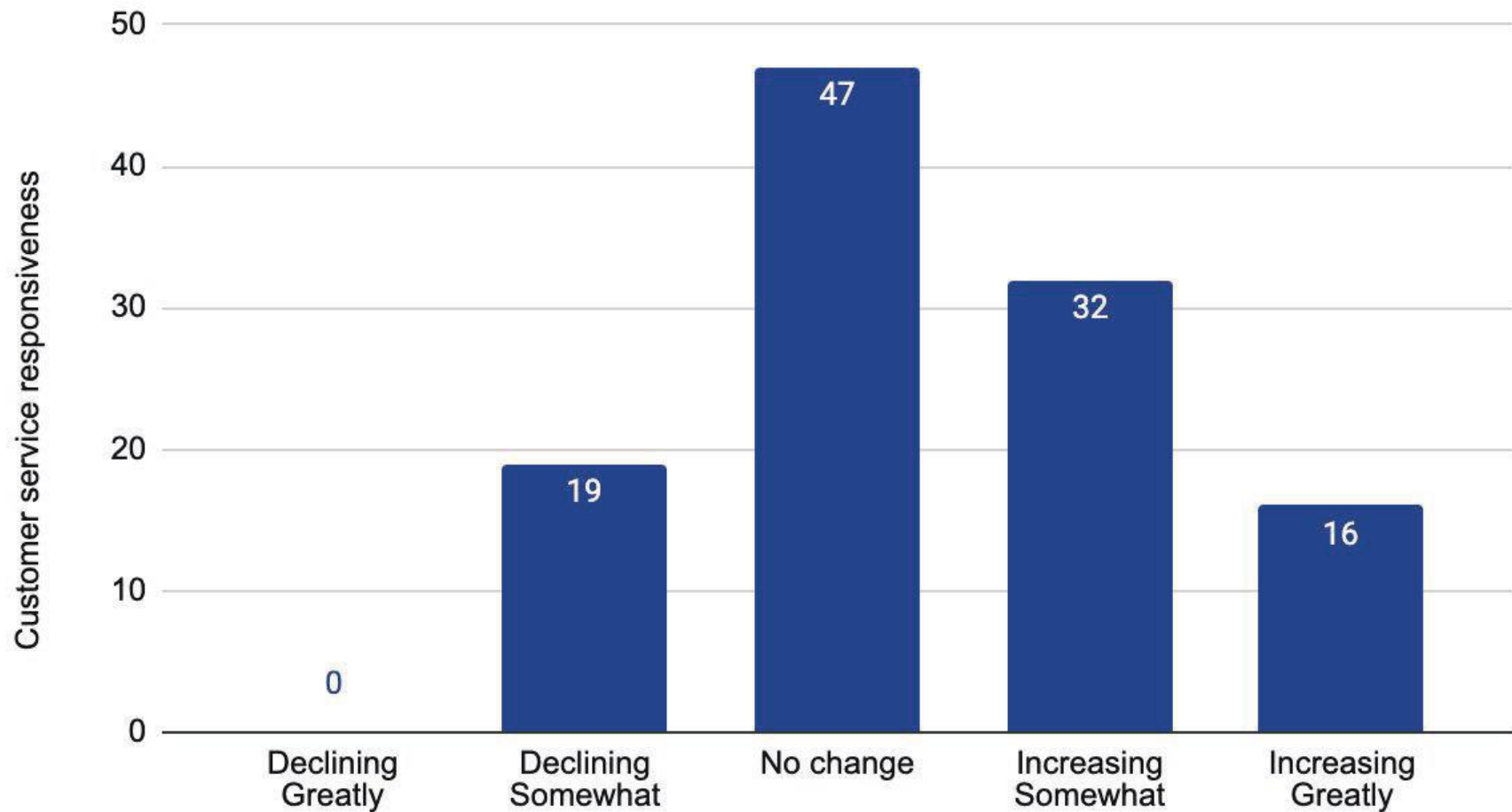
How are the following production and delivery processes changing in your business?



# Q11A:

How are the following production and delivery processes changing in your business?

## Customer service responsiveness

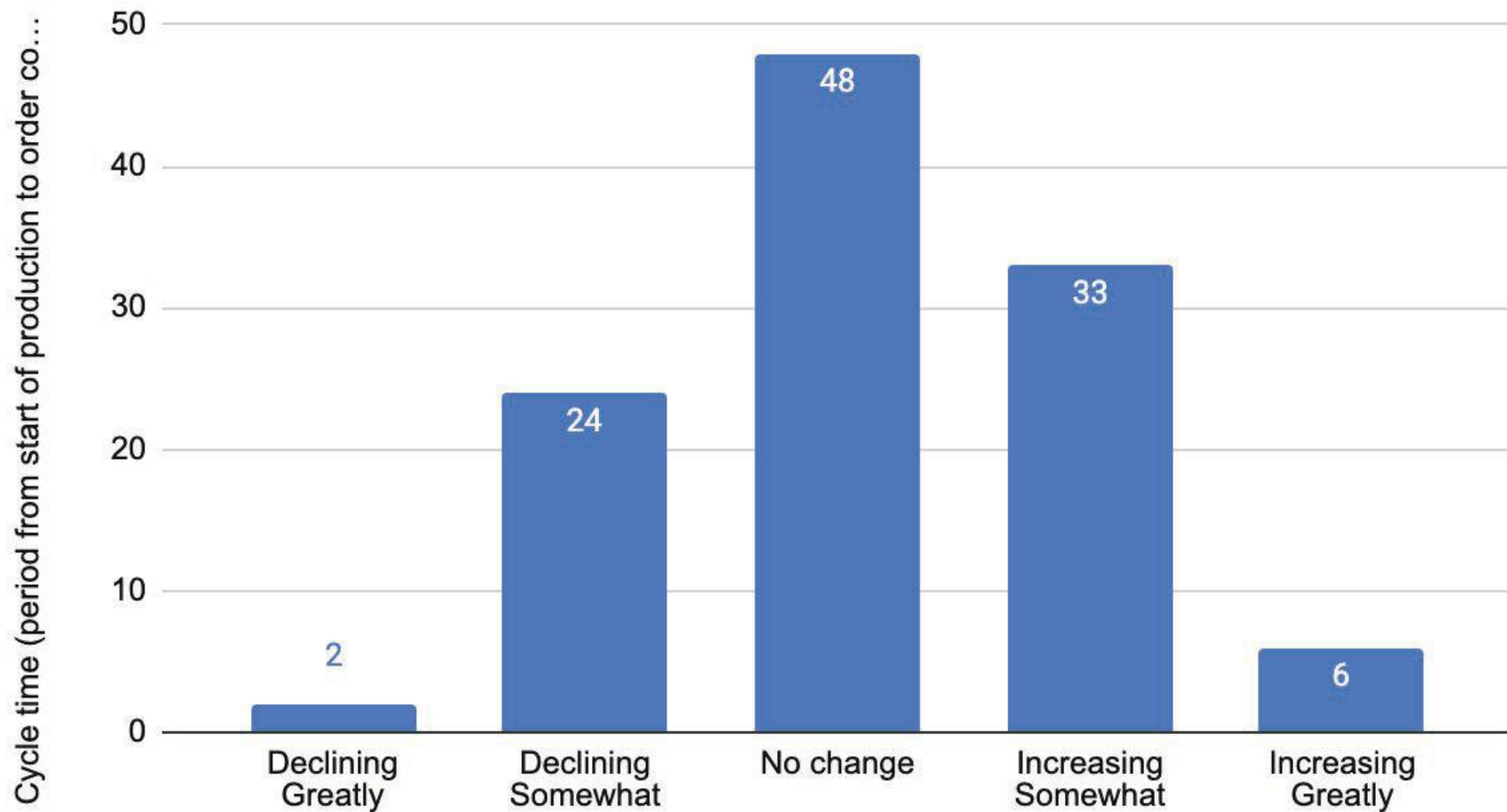




# Q11A:

How are the following production and delivery processes changing in your business?

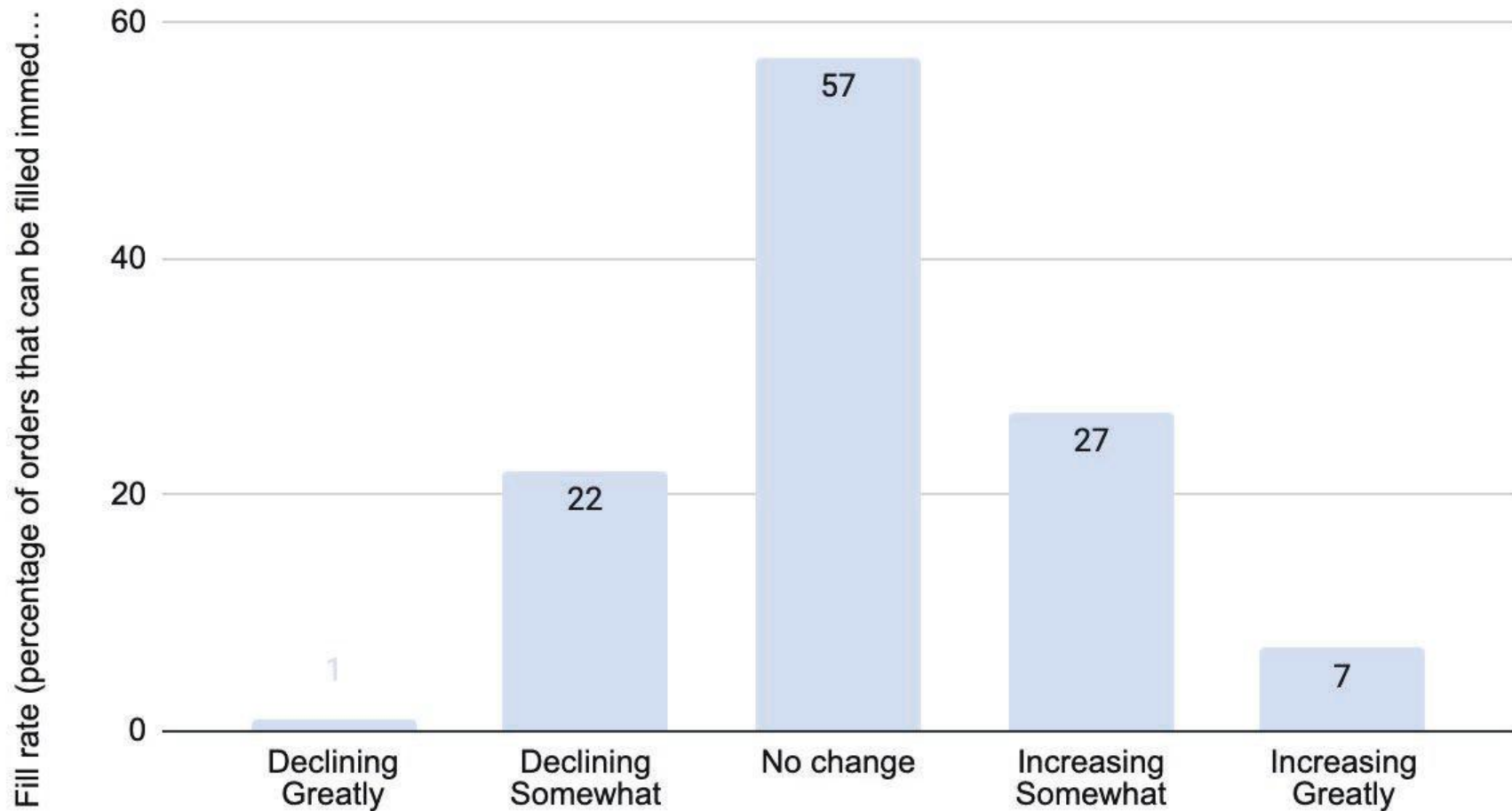
## Cycle time (period from start of production to order completion)



# Q11A:

How are the following production and delivery processes changing in your business?

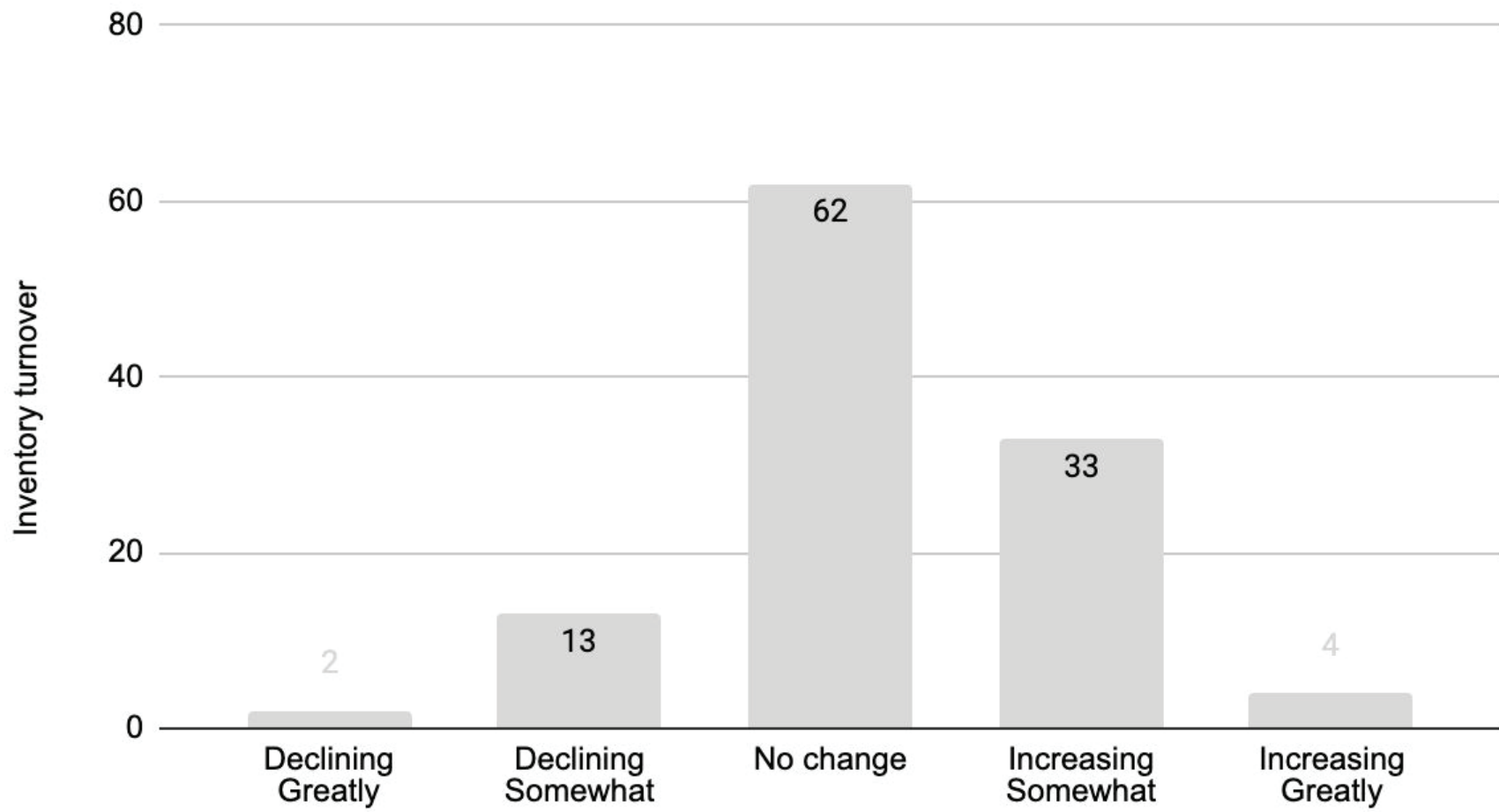
## Fill rate (percentage of orders that can be filled immediately)



# Q11A:

How are the following production and delivery processes changing in your business?

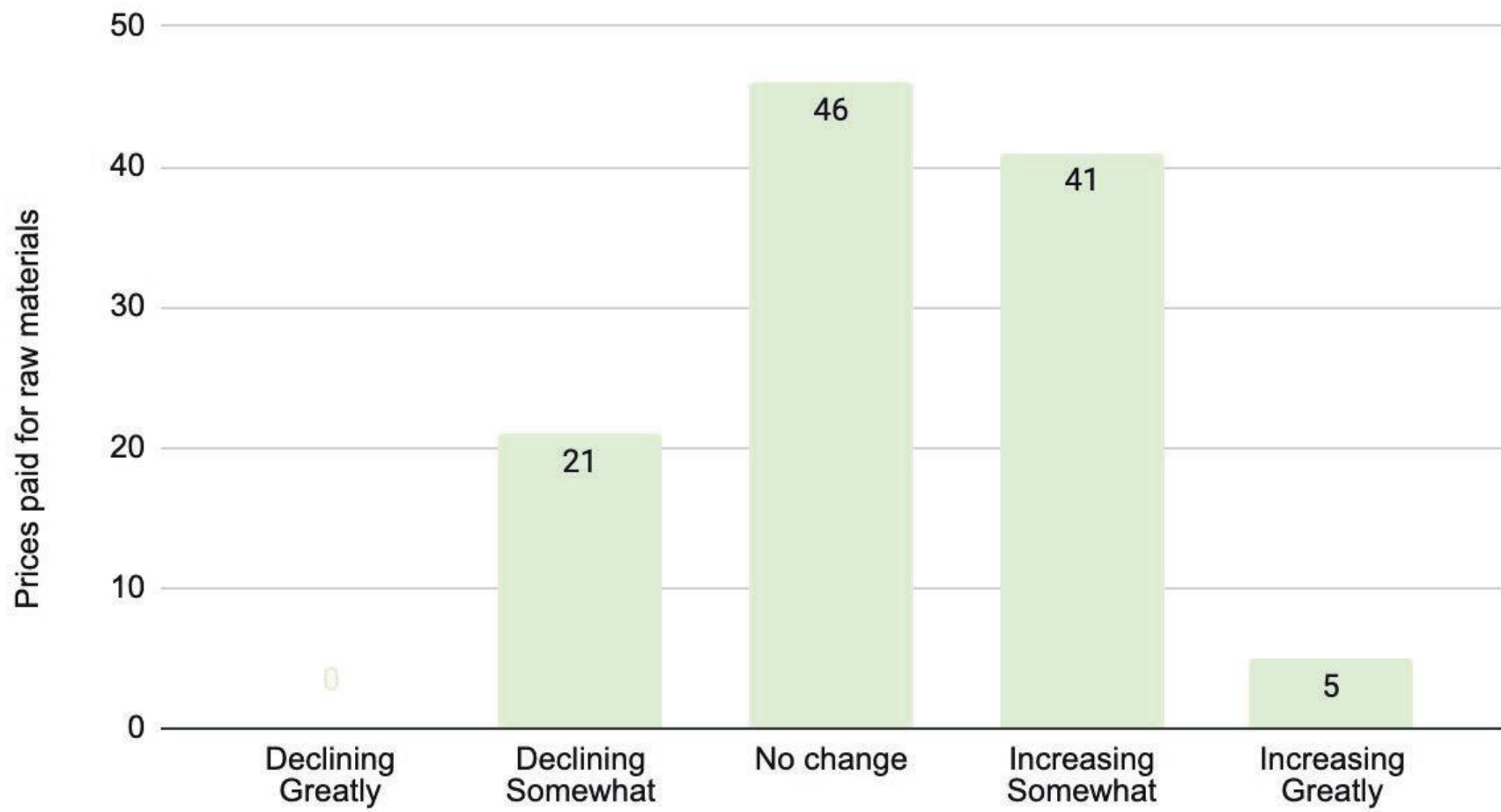
## Inventory turnover



# Q11A:

How are the following production and delivery processes changing in your business?

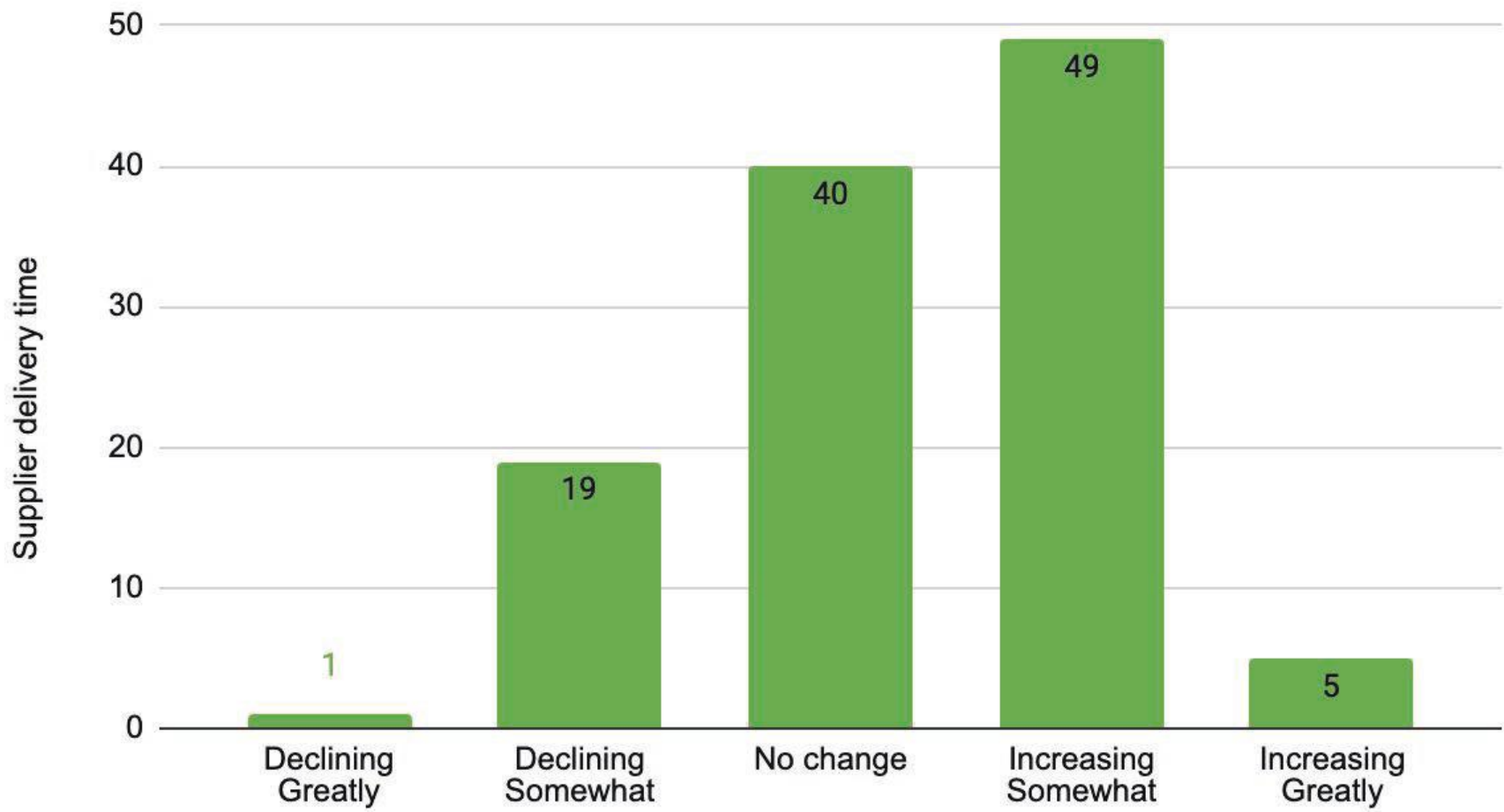
## Prices paid for raw materials



# Q11A:

How are the following production and delivery processes changing in your business?

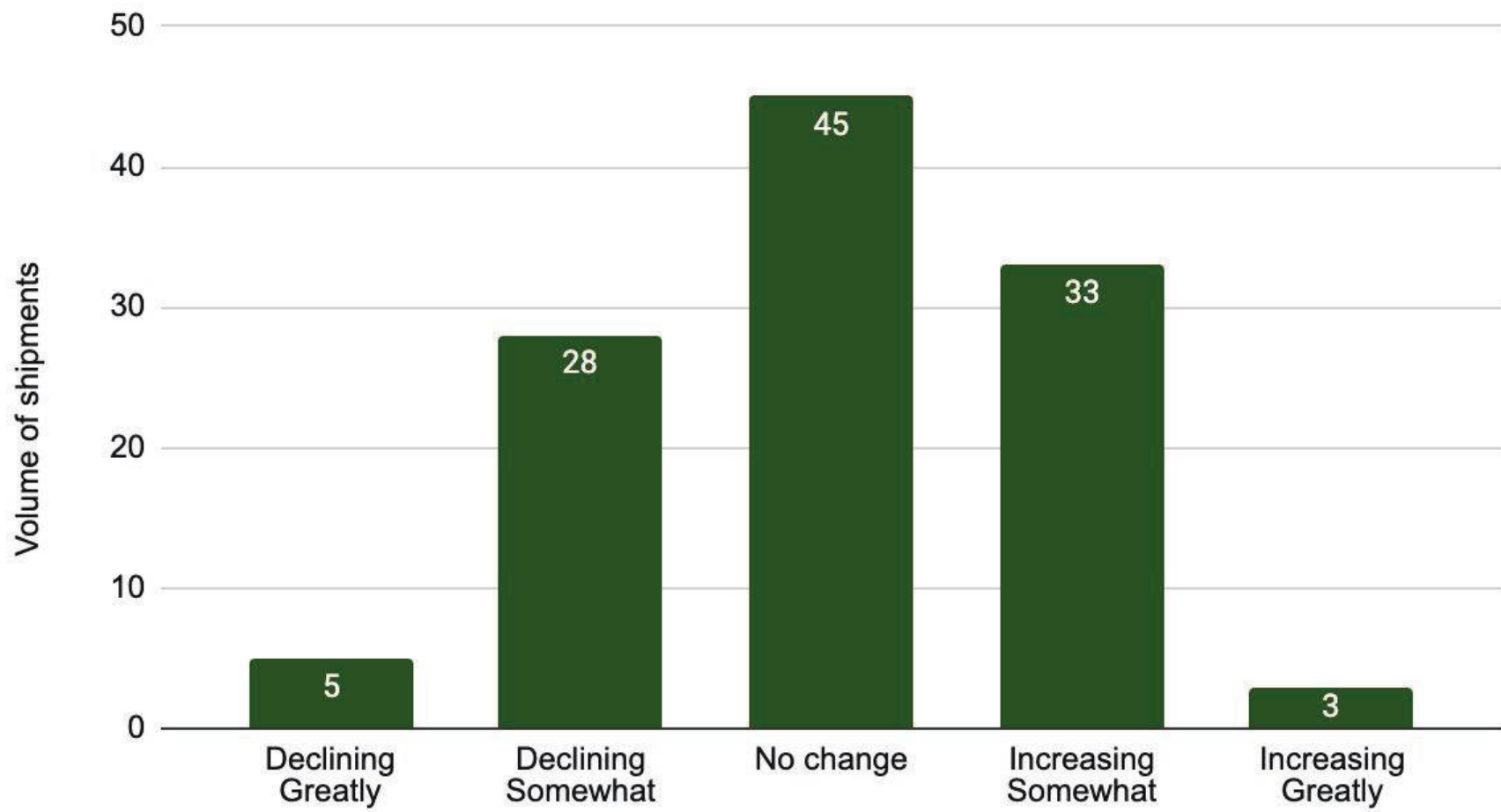
## Supplier delivery time



# Q11A:

How are the following production and delivery processes changing in your business?

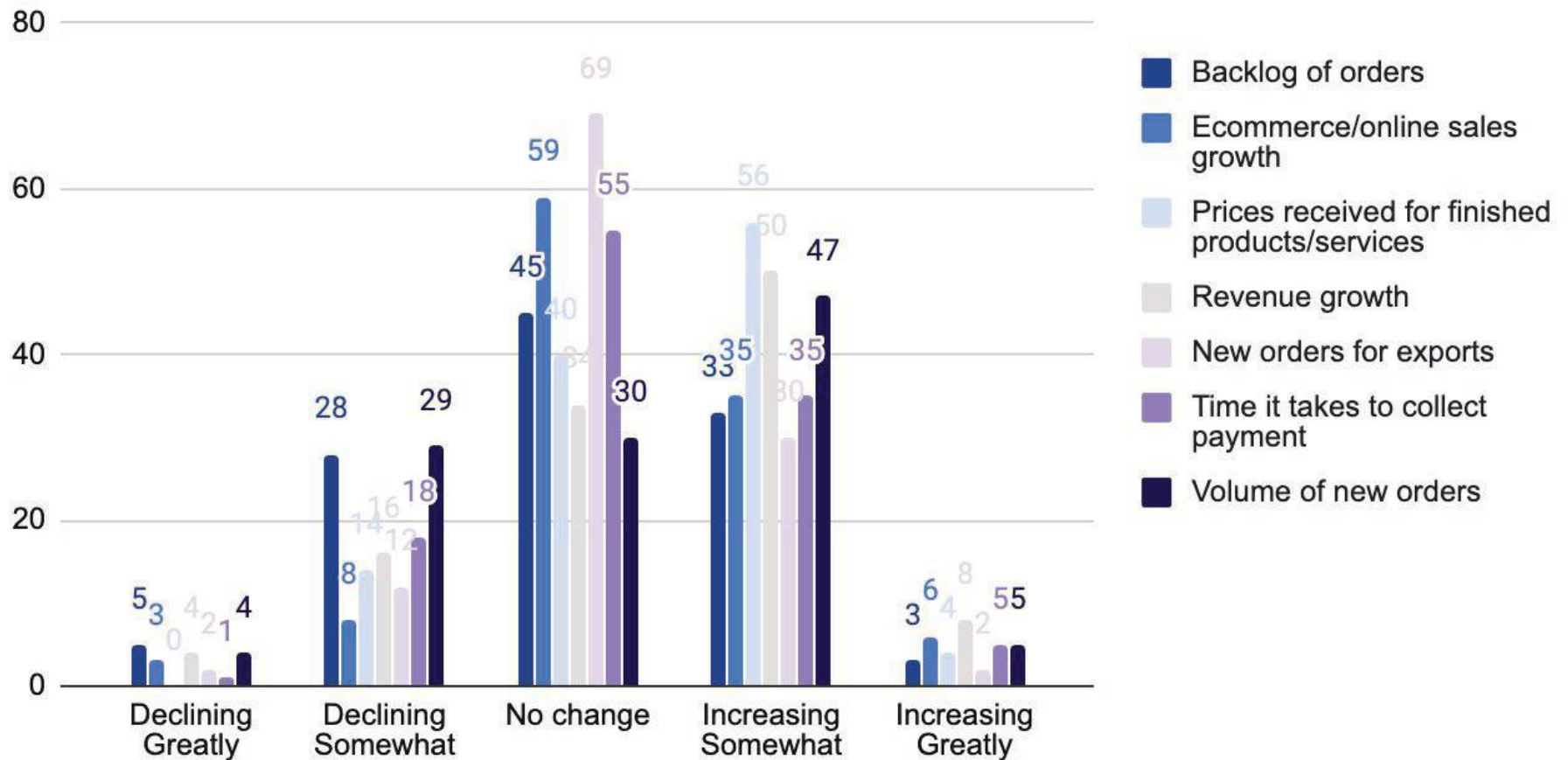
## Volume of shipments





# Q11B:

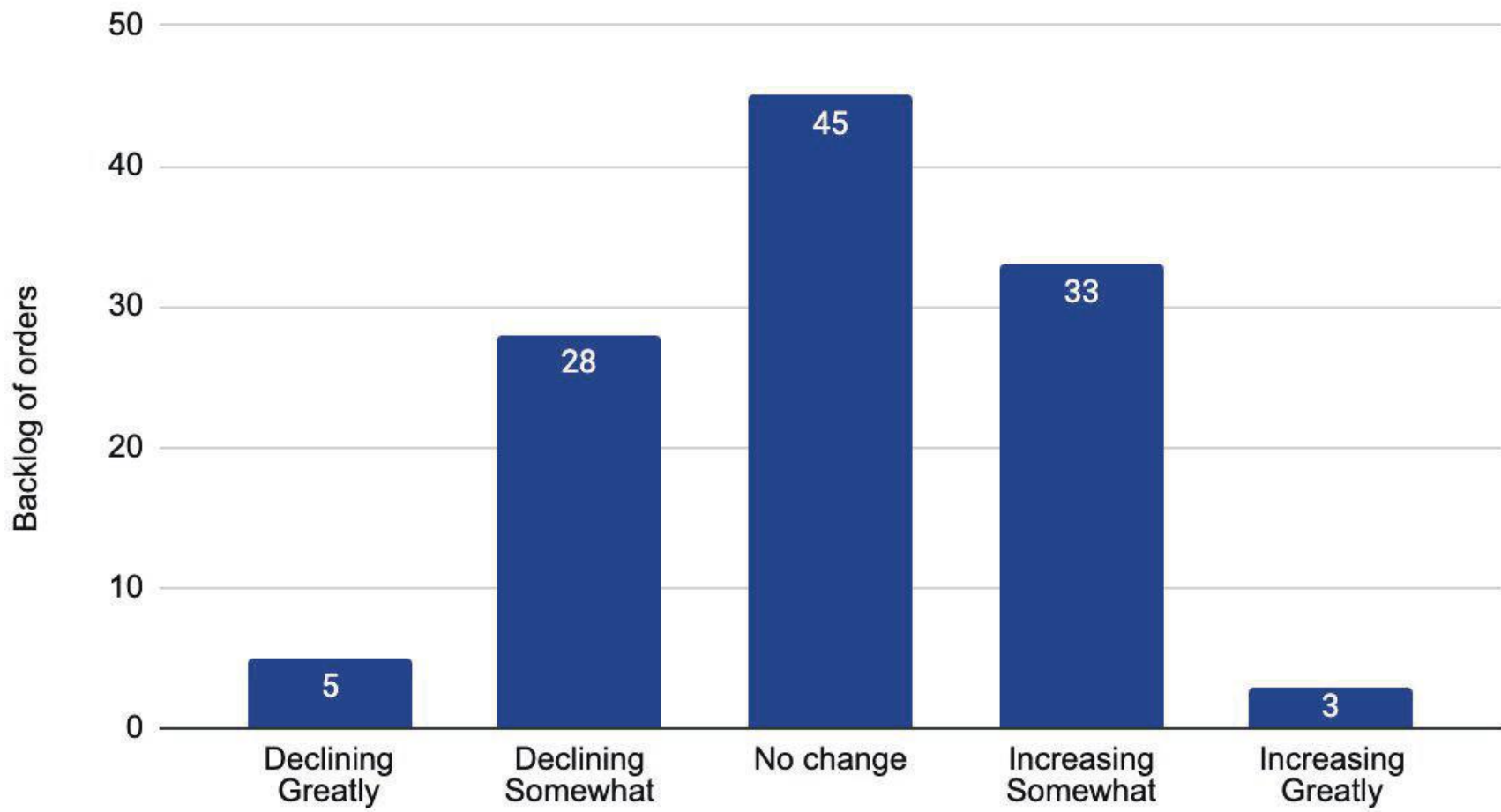
How are the following revenue processes changing in your business?



# Q11B:

How are the following revenue processes changing in your business?

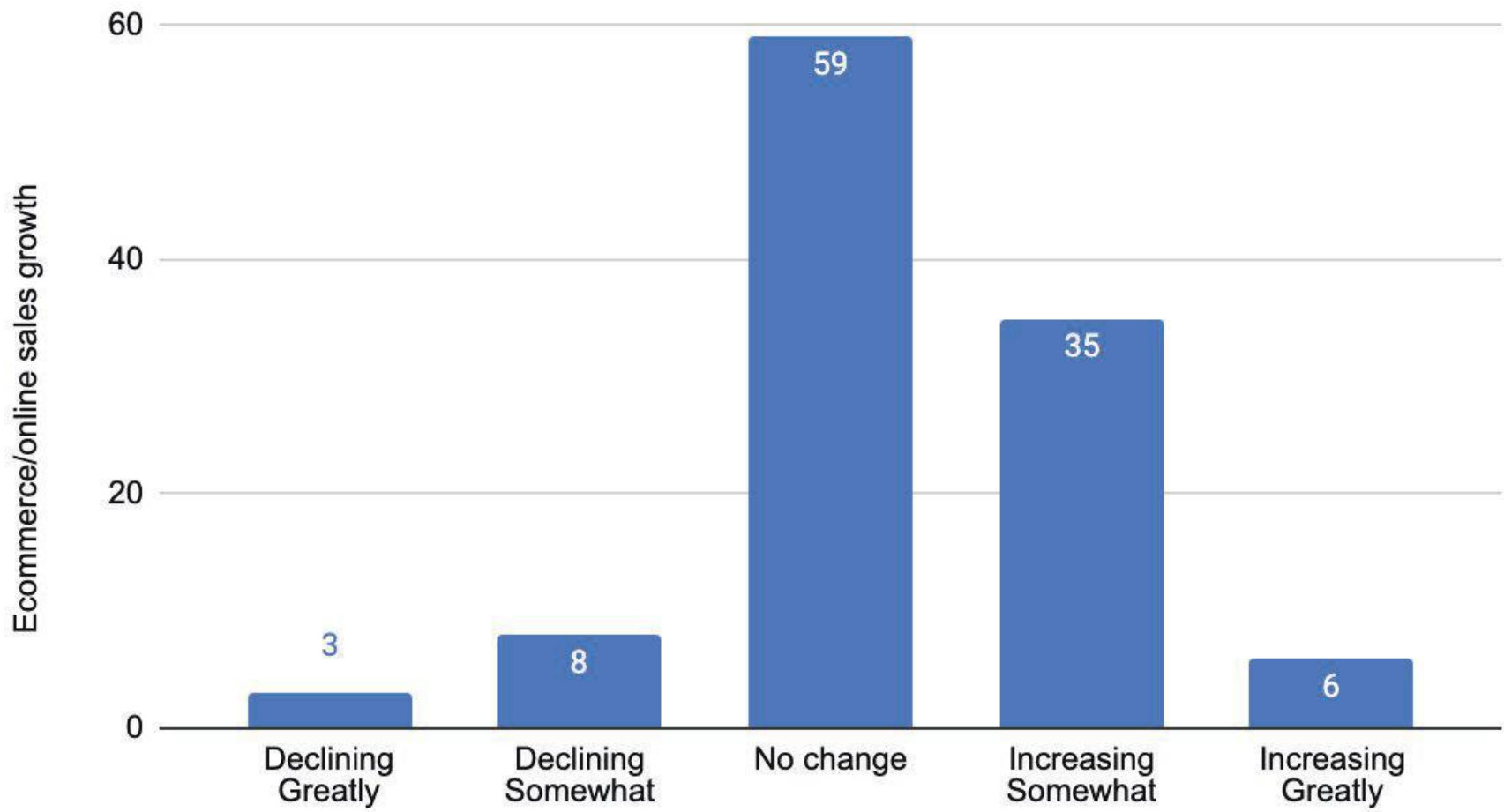
## Backlog of orders



# Q11B:

How are the following revenue processes changing in your business?

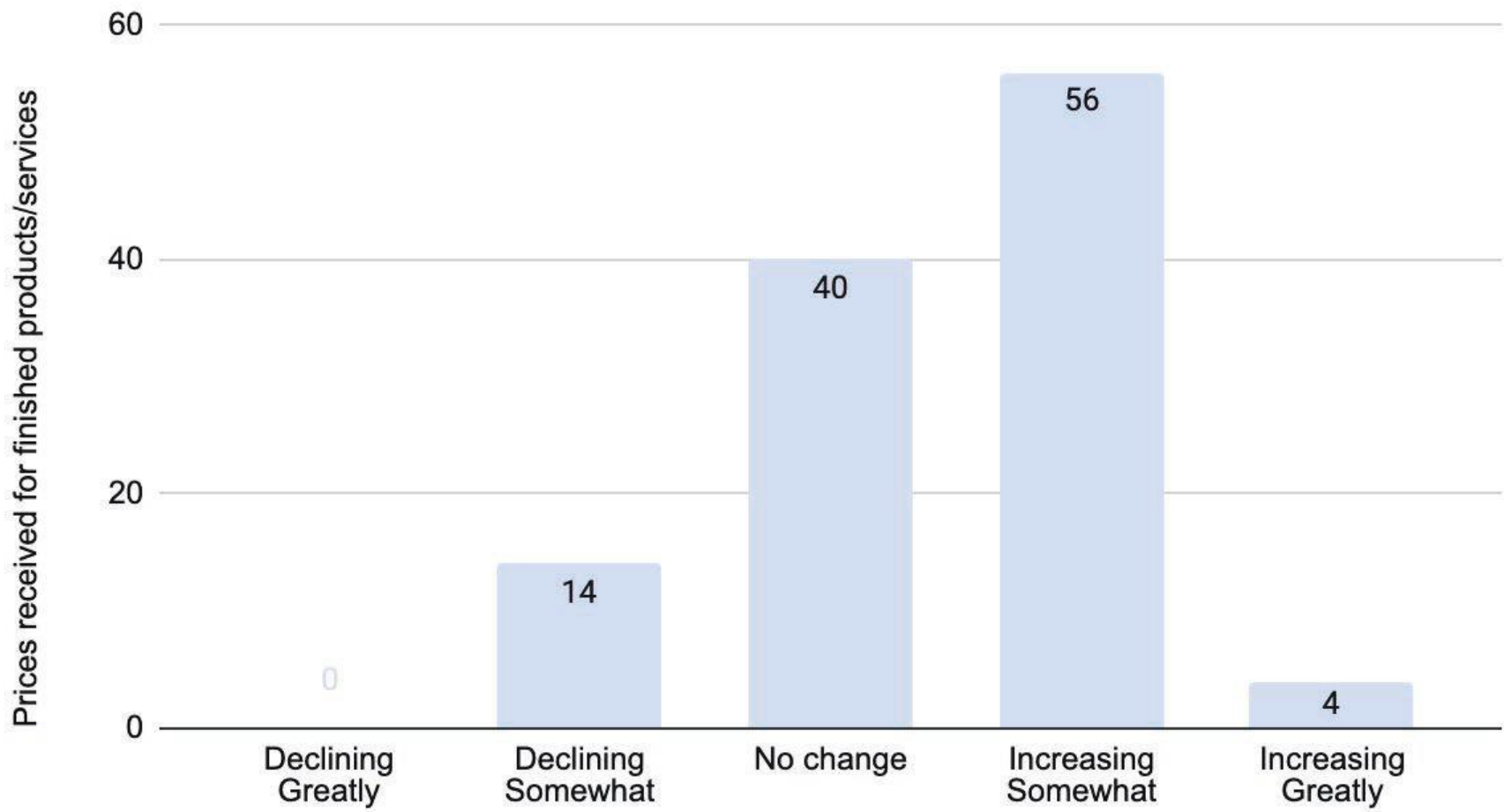
## Ecommerce/online sales growth



# Q11B:

How are the following revenue processes changing in your business?

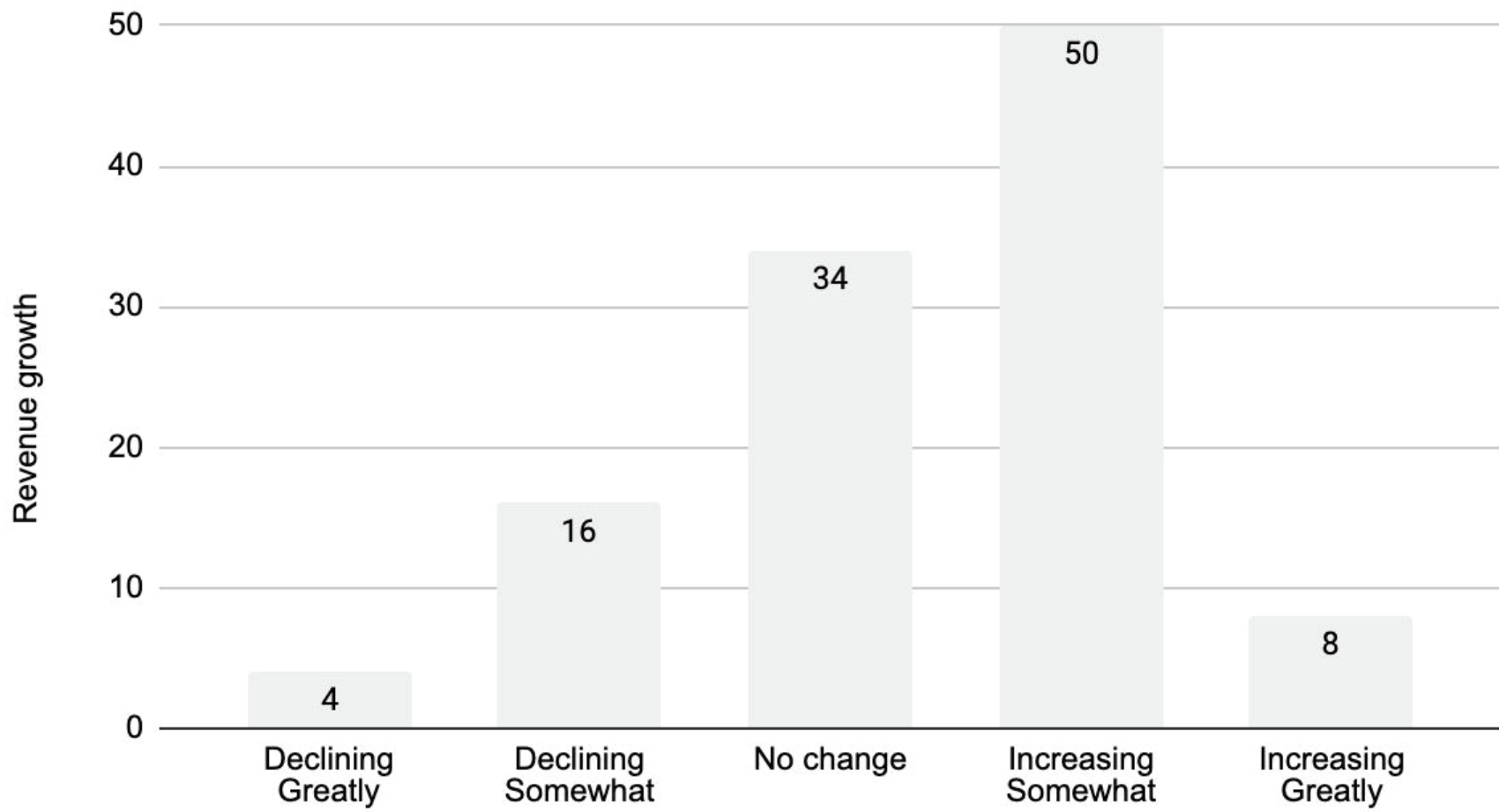
## Prices received for finished products/services



# Q11B:

How are the following revenue processes changing in your business?

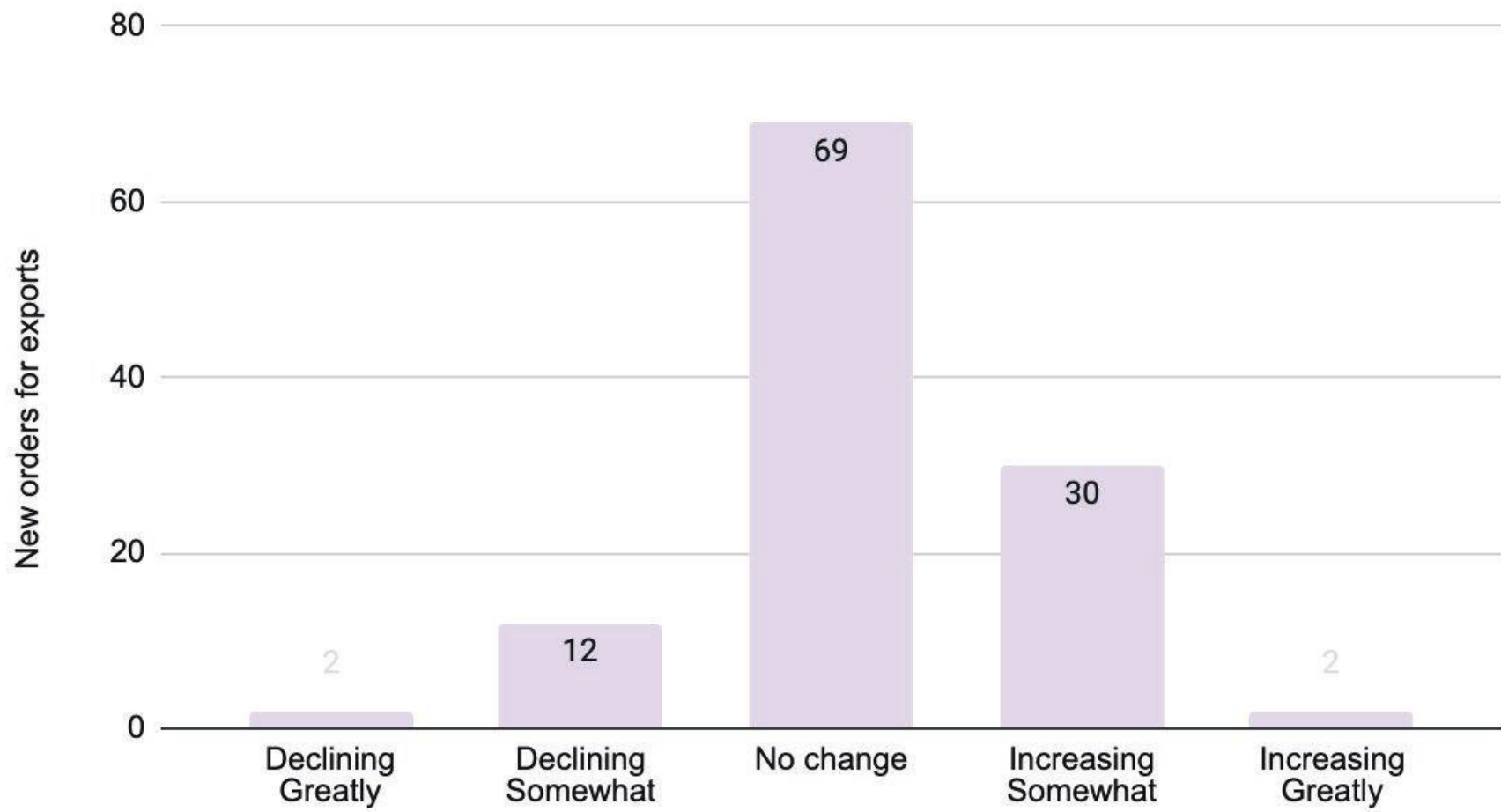
## Revenue growth



# Q11B:

How are the following revenue processes changing in your business?

## New orders for exports

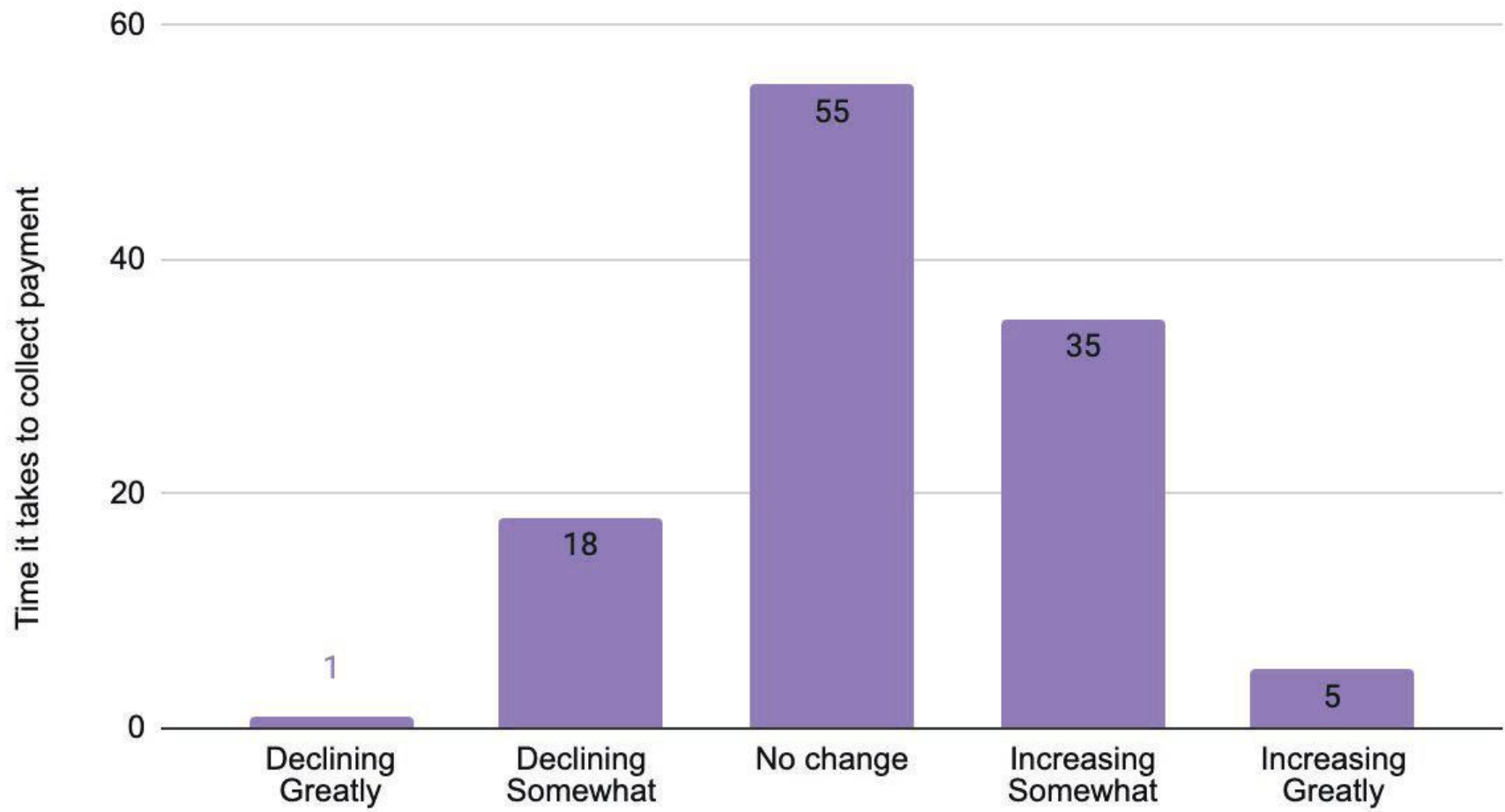




# Q11B:

How are the following revenue processes changing in your business?

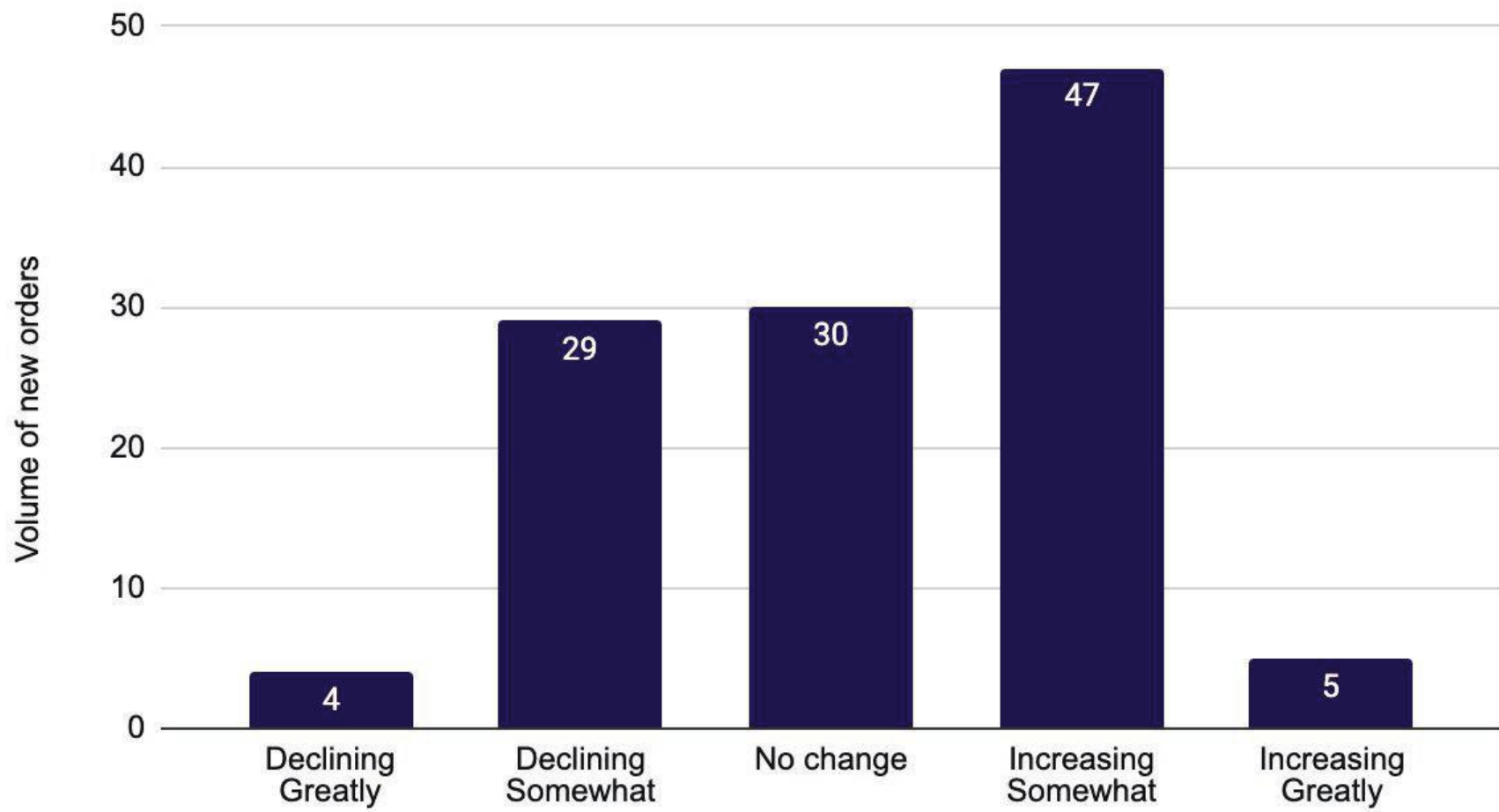
## Time it takes to collect payment



# Q11B:

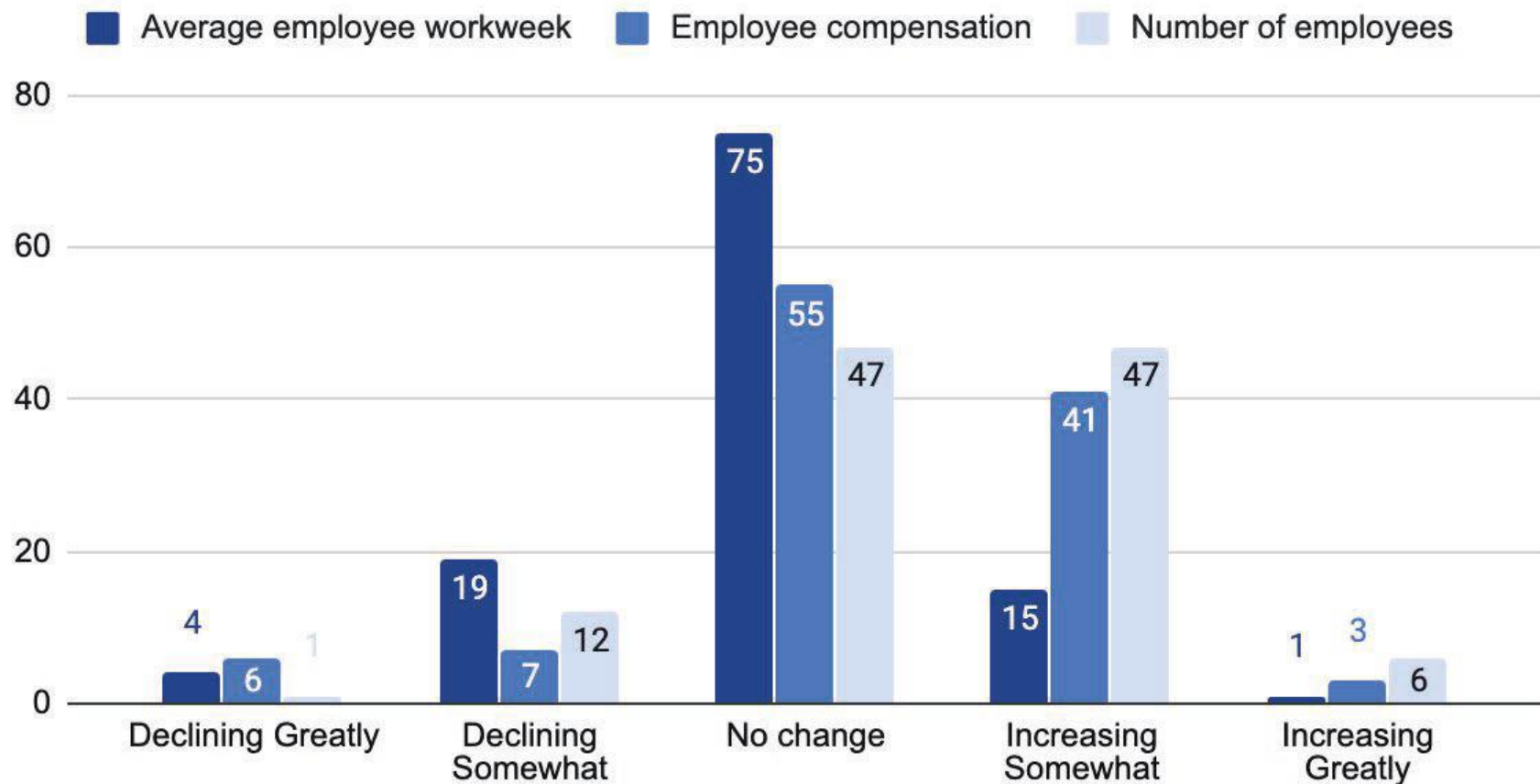
How are the following revenue processes changing in your business?

## Volume of new orders



# Q11C:

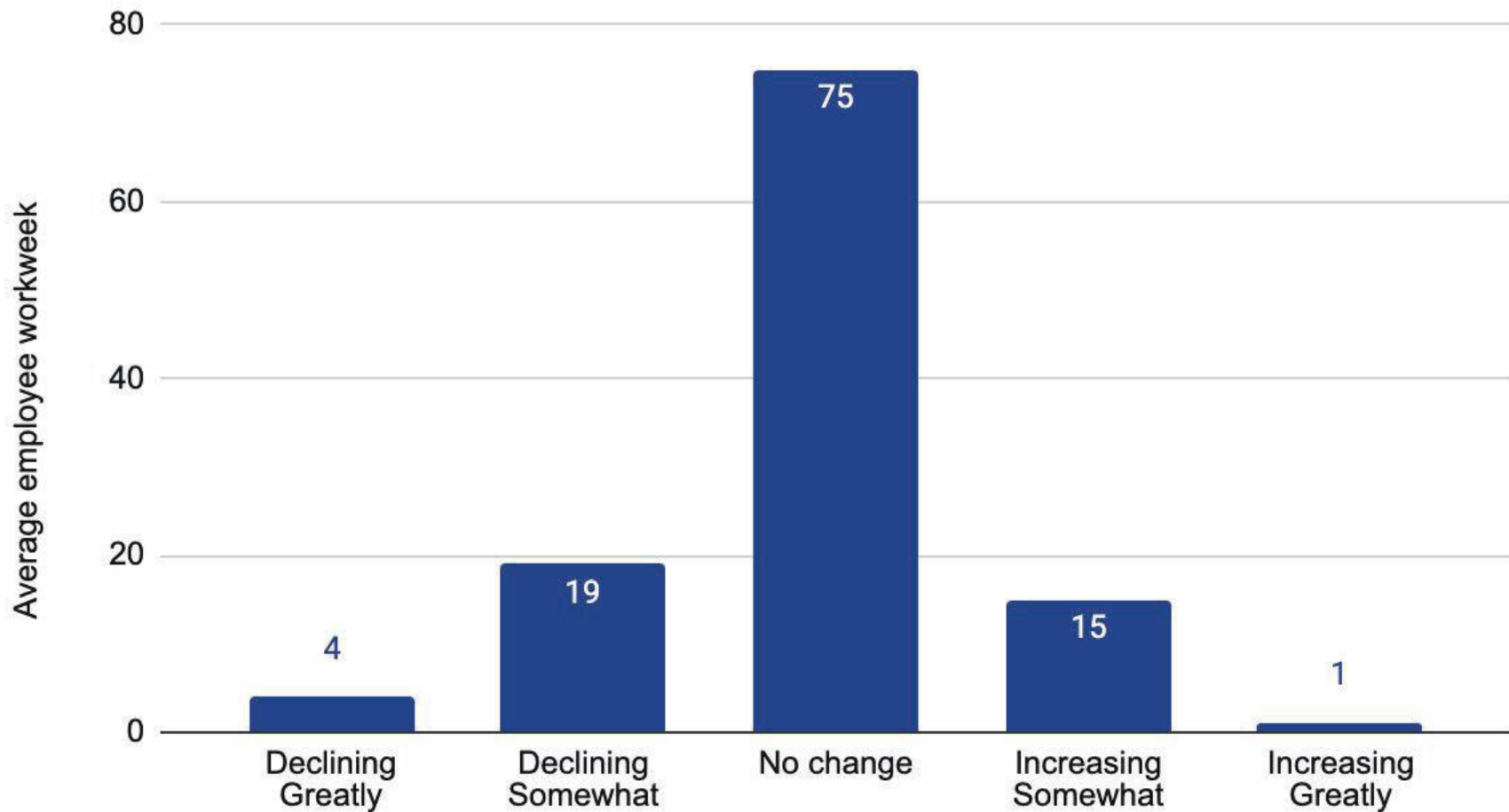
How are the following employee and staffing processes changing in your business?



# Q11C:

How are the following employee and staffing processes changing in your business?

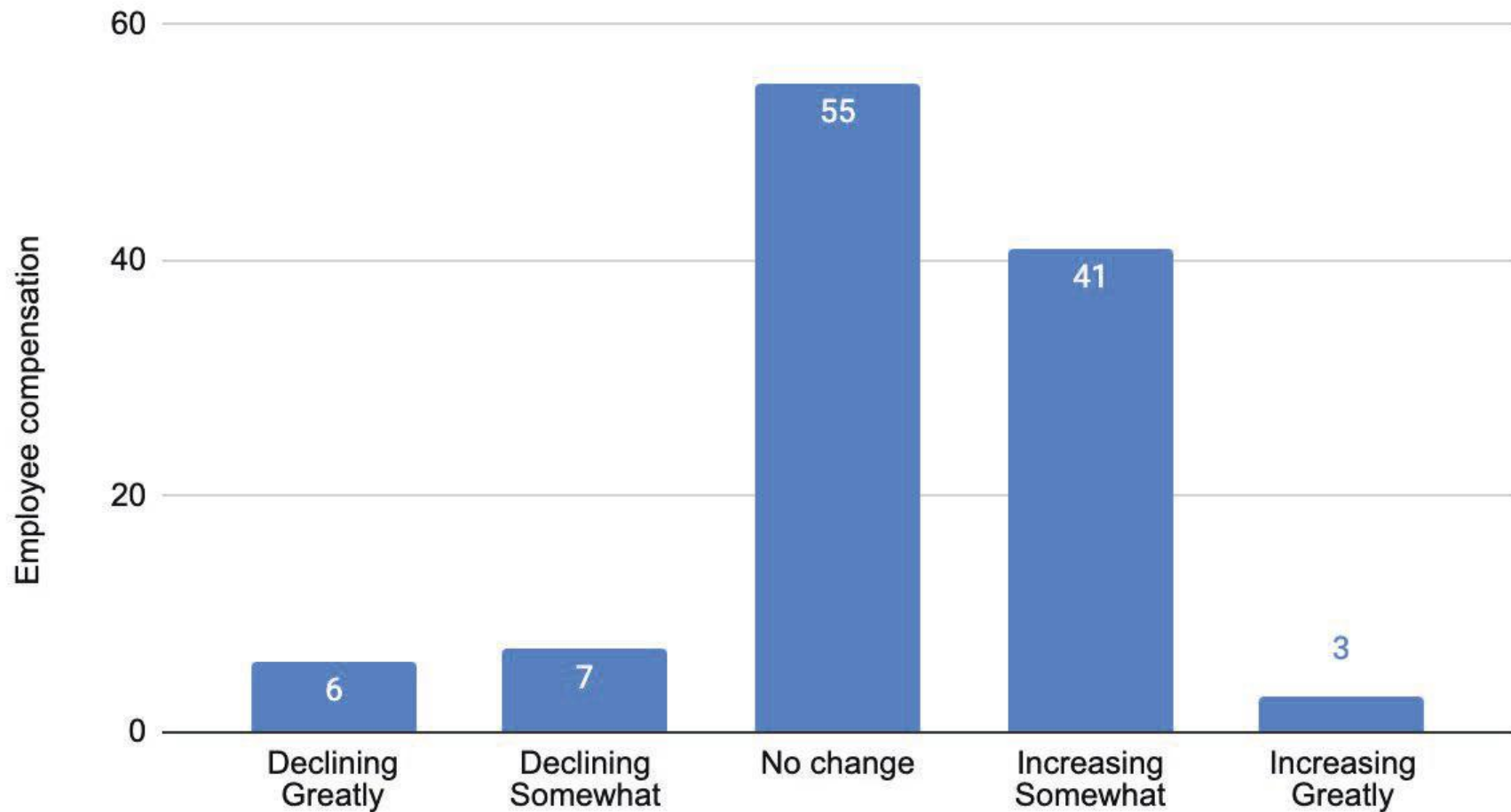
## Average employee workweek



# Q11C:

How are the following employee and staffing processes changing in your business?

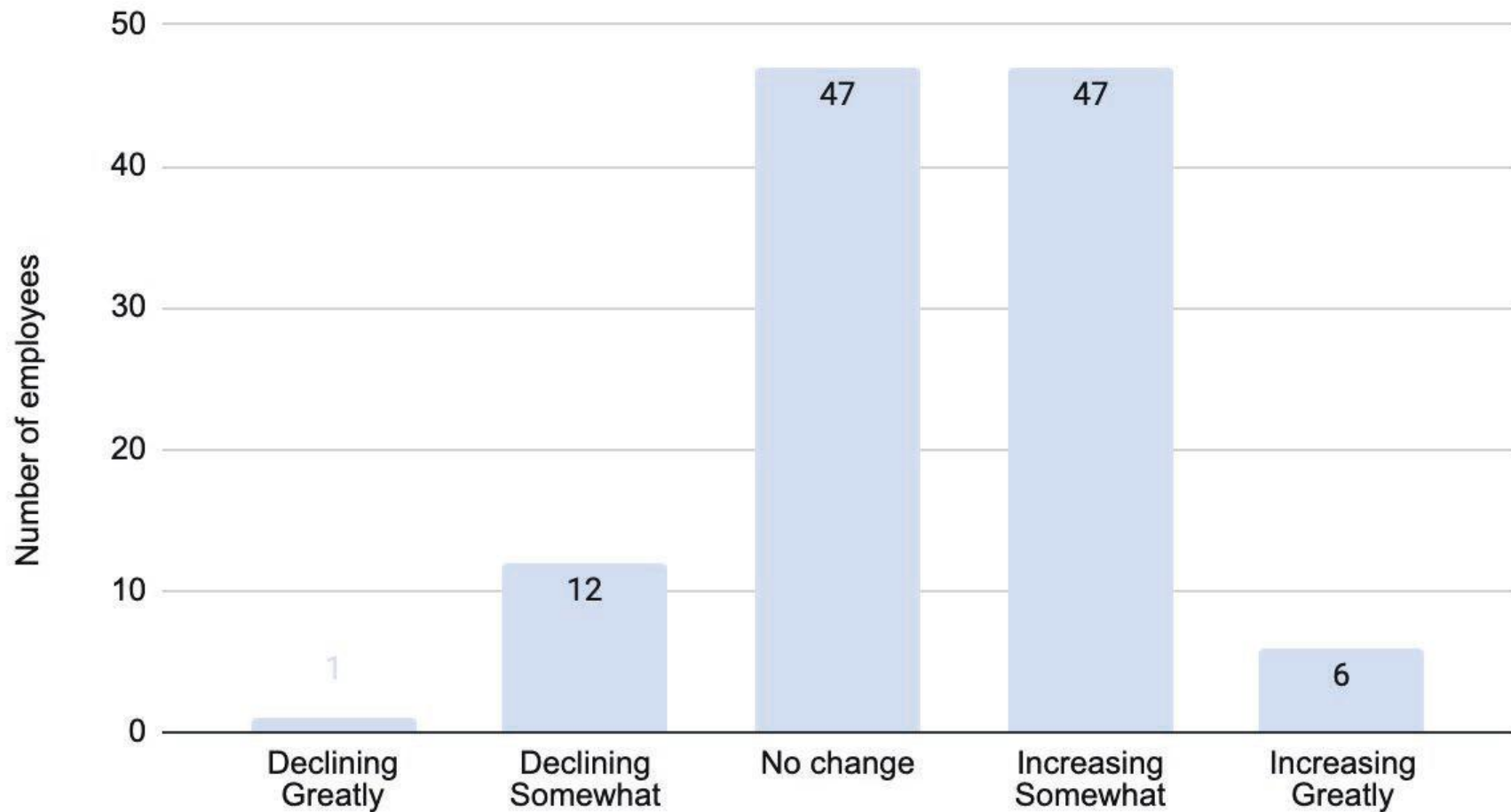
## Employee compensation



# Q11C:

How are the following employee and staffing processes changing in your business?

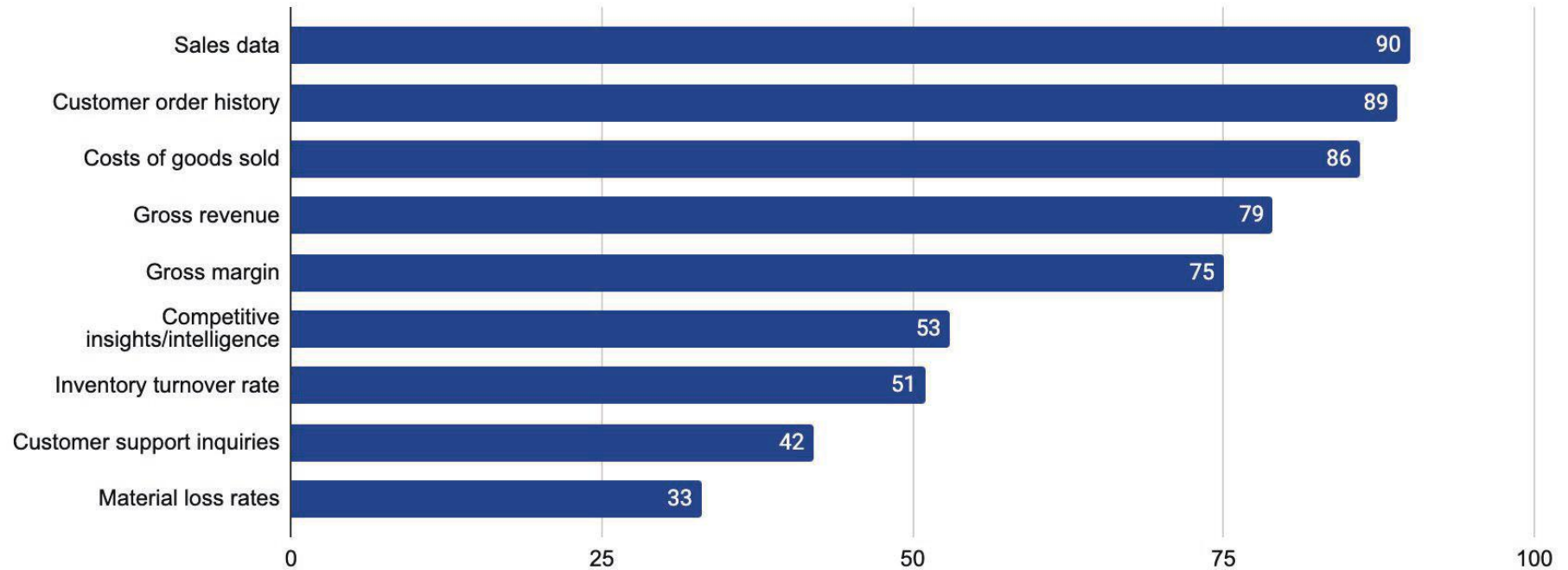
## Number of employees





# Q12:

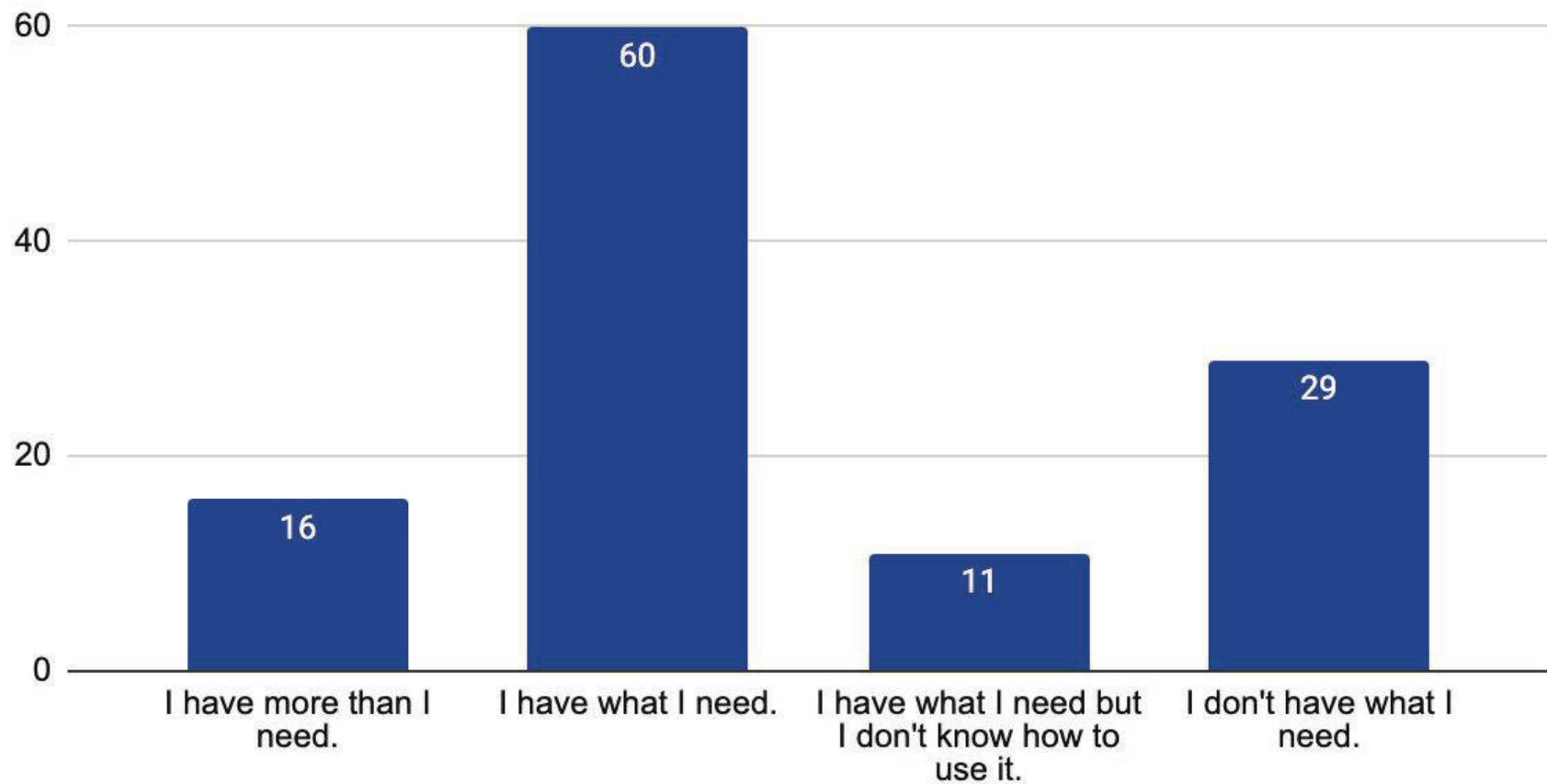
What data or information is available to you to inform your decisions?



*Respondents chose all that applied.*

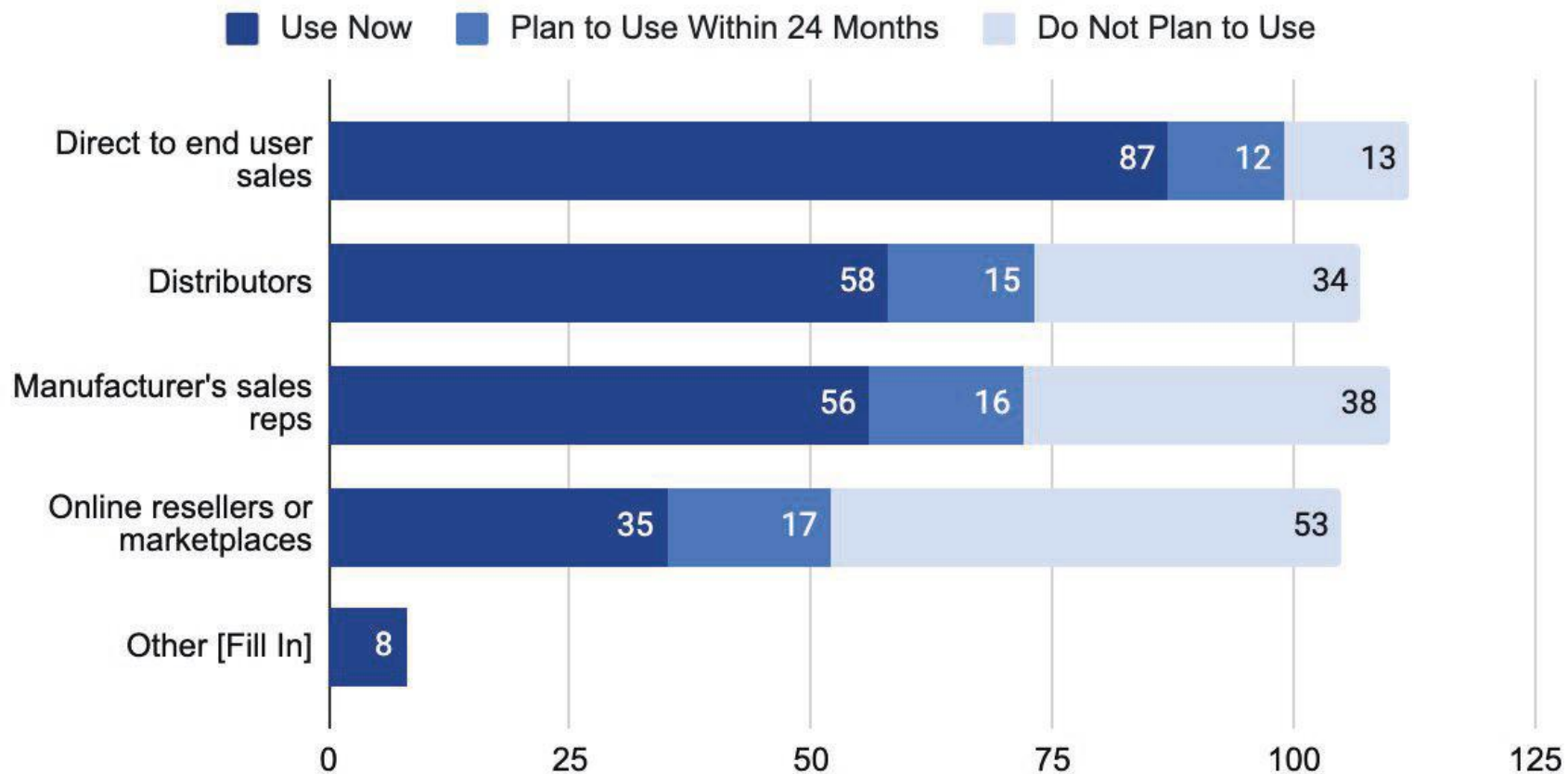
# Q13:

How do you feel about the amount and variety of data or information you have available?



# Q14:

What channels do you use now and plan to use to provide your end users products and services?

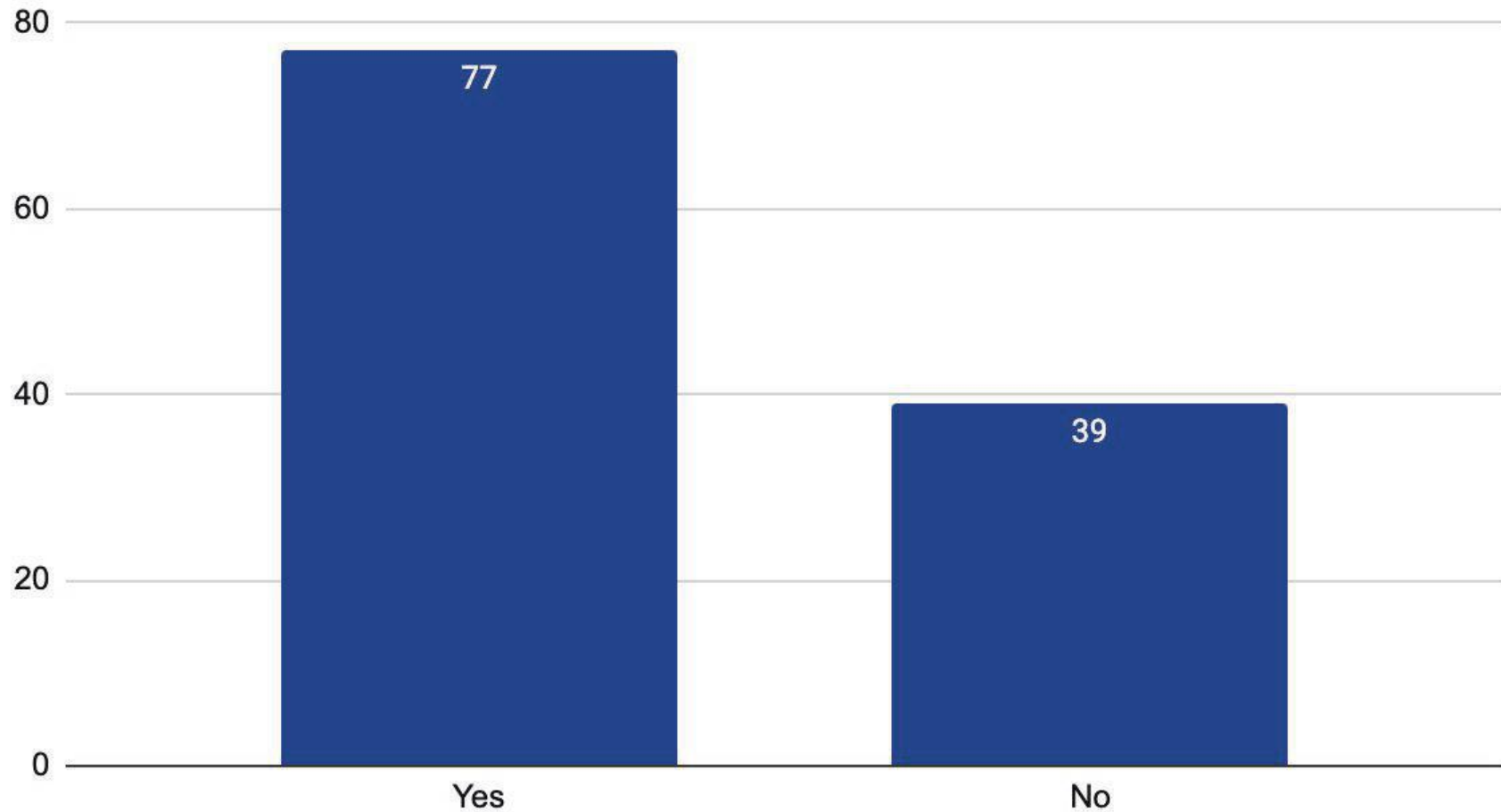


“Other” responses:

Cold calling | Defense certified | Designers | Direct sales | Direct to OEM |  
Startup, face-to-face selling & web | Word of mouth

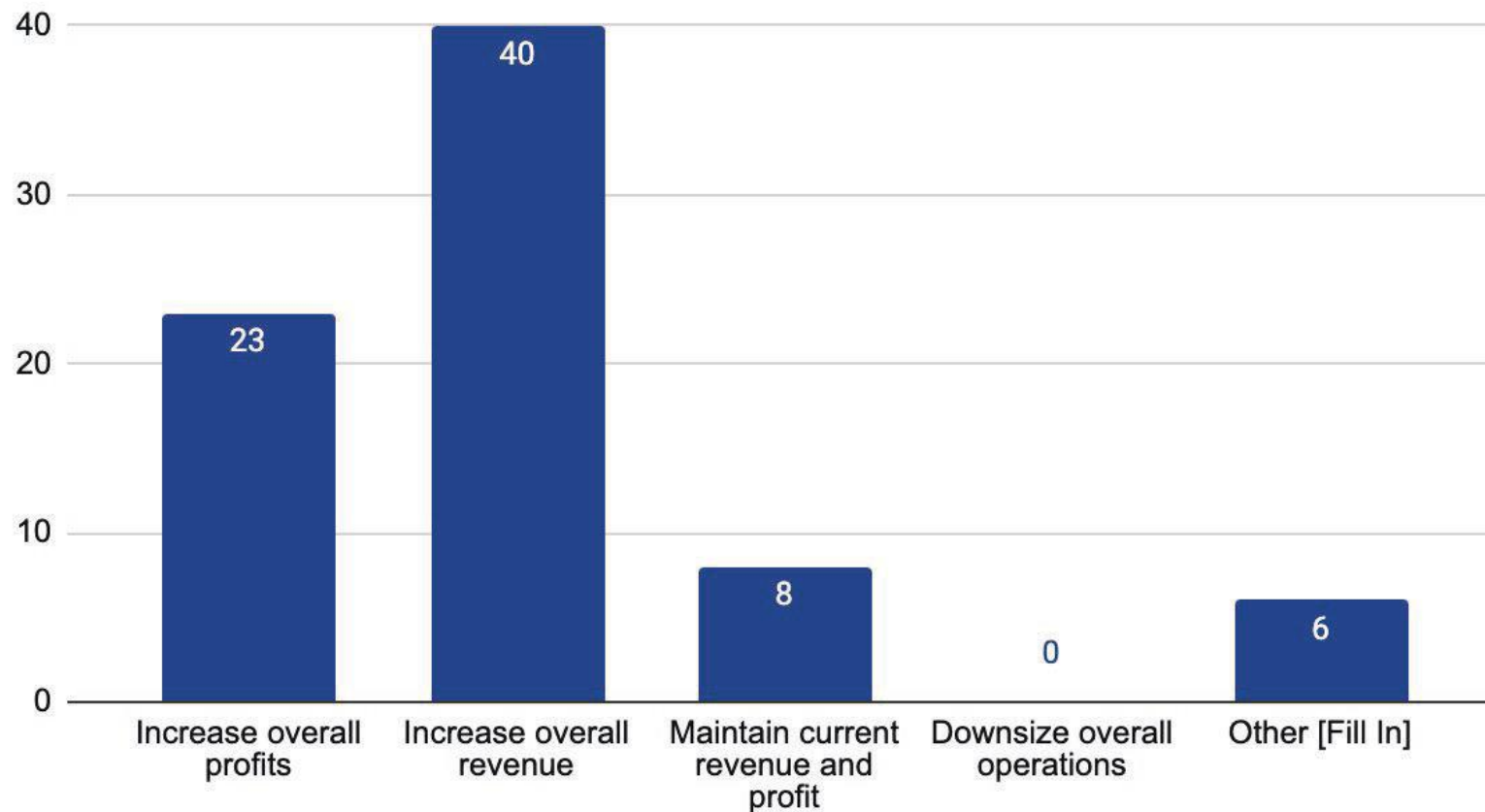
# Q15:

Do you plan to expand your business in 2020?



# Q16:

How do you plan to expand in 2020?

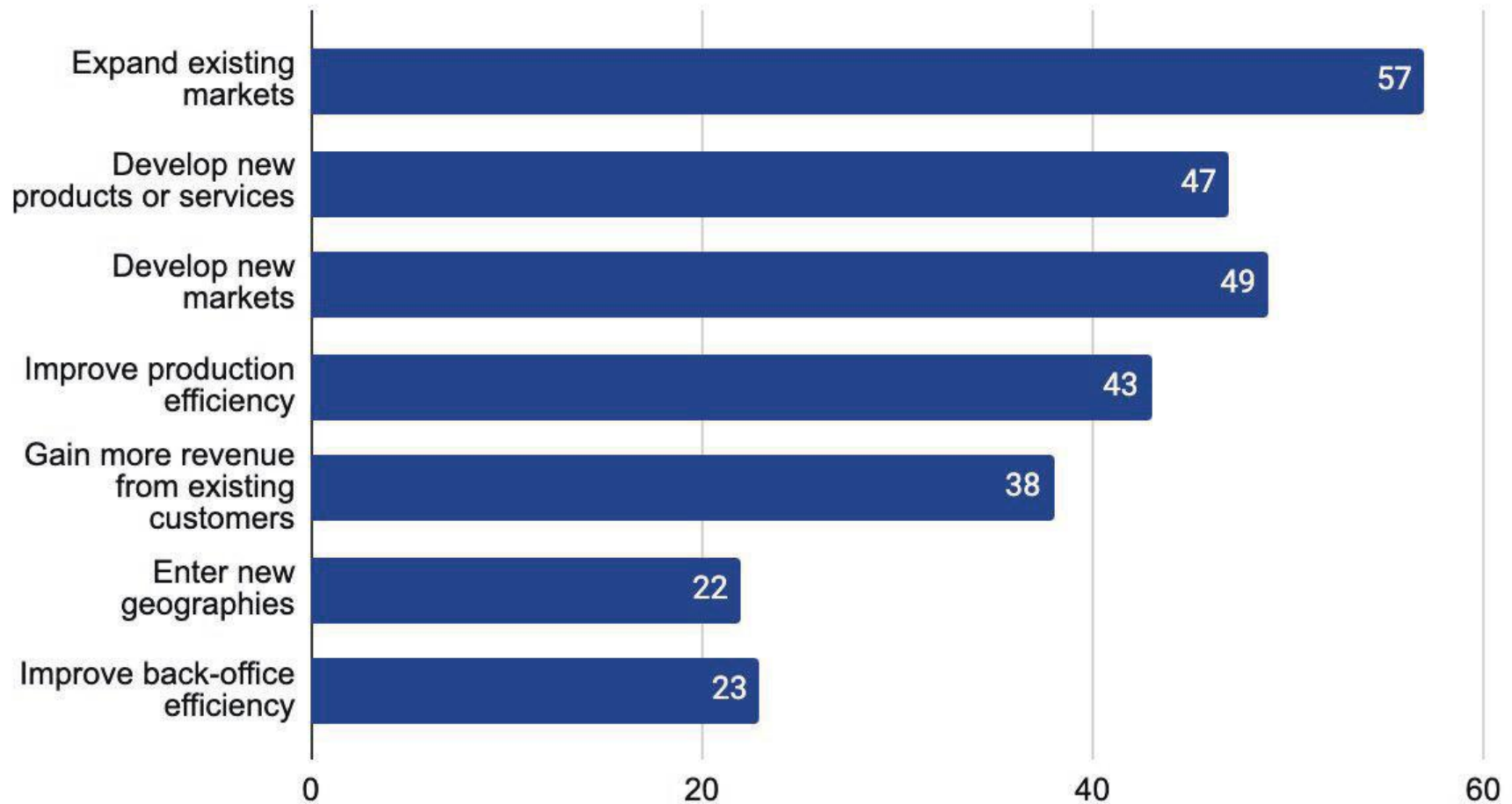


“Other” responses:

Automation | Complete new plant installation and fulfill new sales demand | Expand marketing | Find new customers | Seed | Would love intelligent data.

# Q17:

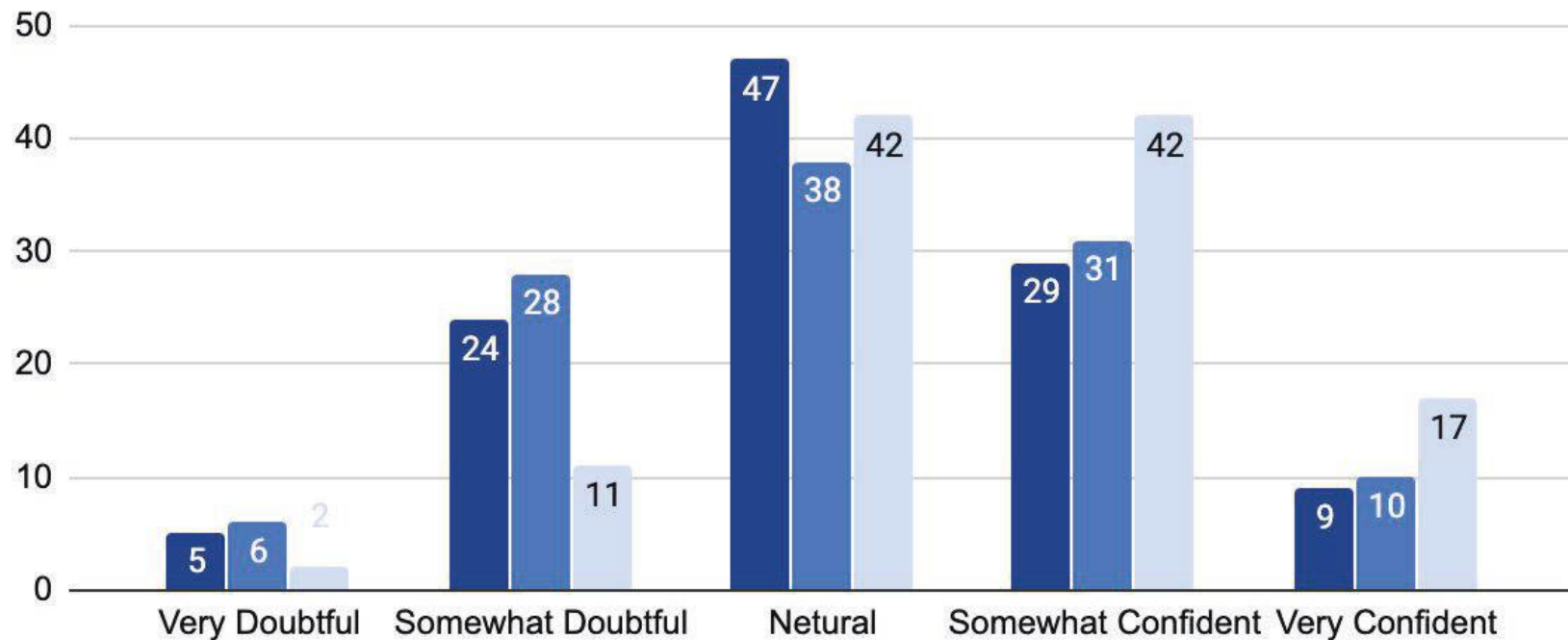
Which best describes your approach to increasing revenue?



# Q18:

Over the next year, how confident are you that you can hire enough workers in these classes to support your goals?

- Credentialed workers, such as degreed engineers or C-level executives
- Skilled workers, such as machinists or mechanics (trade school/advanced training)
- Un- or semi-skilled workers, such as pickers and packers

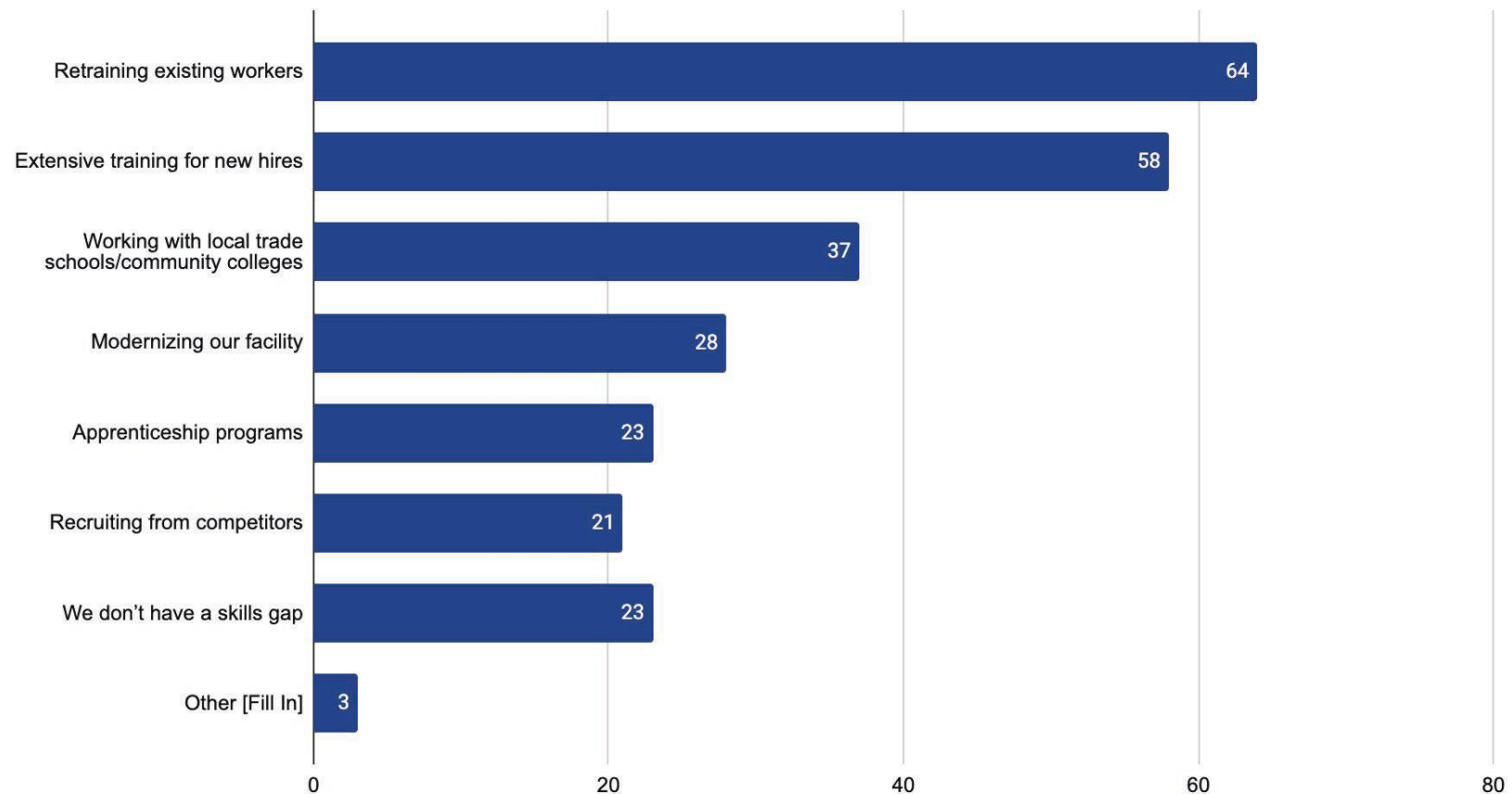


Respondents prompted to choose all applicable to their operations.



# Q19:

How are you addressing the skills gap?



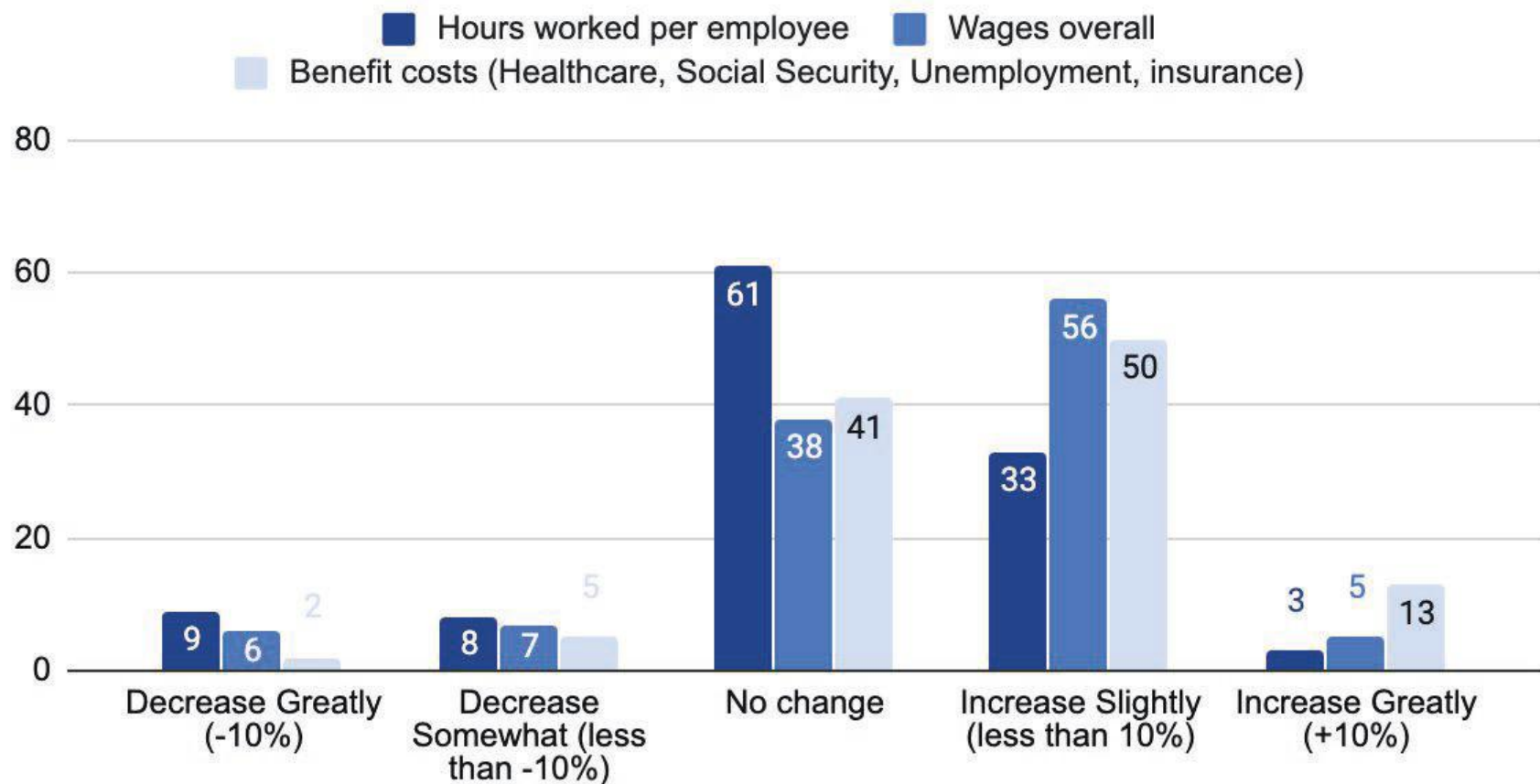
“Other” responses:

Use of current staff | Use of trained veterans | We are closing if things do not improve FAST |

We're not hiring nor do we plan to hire in the future.

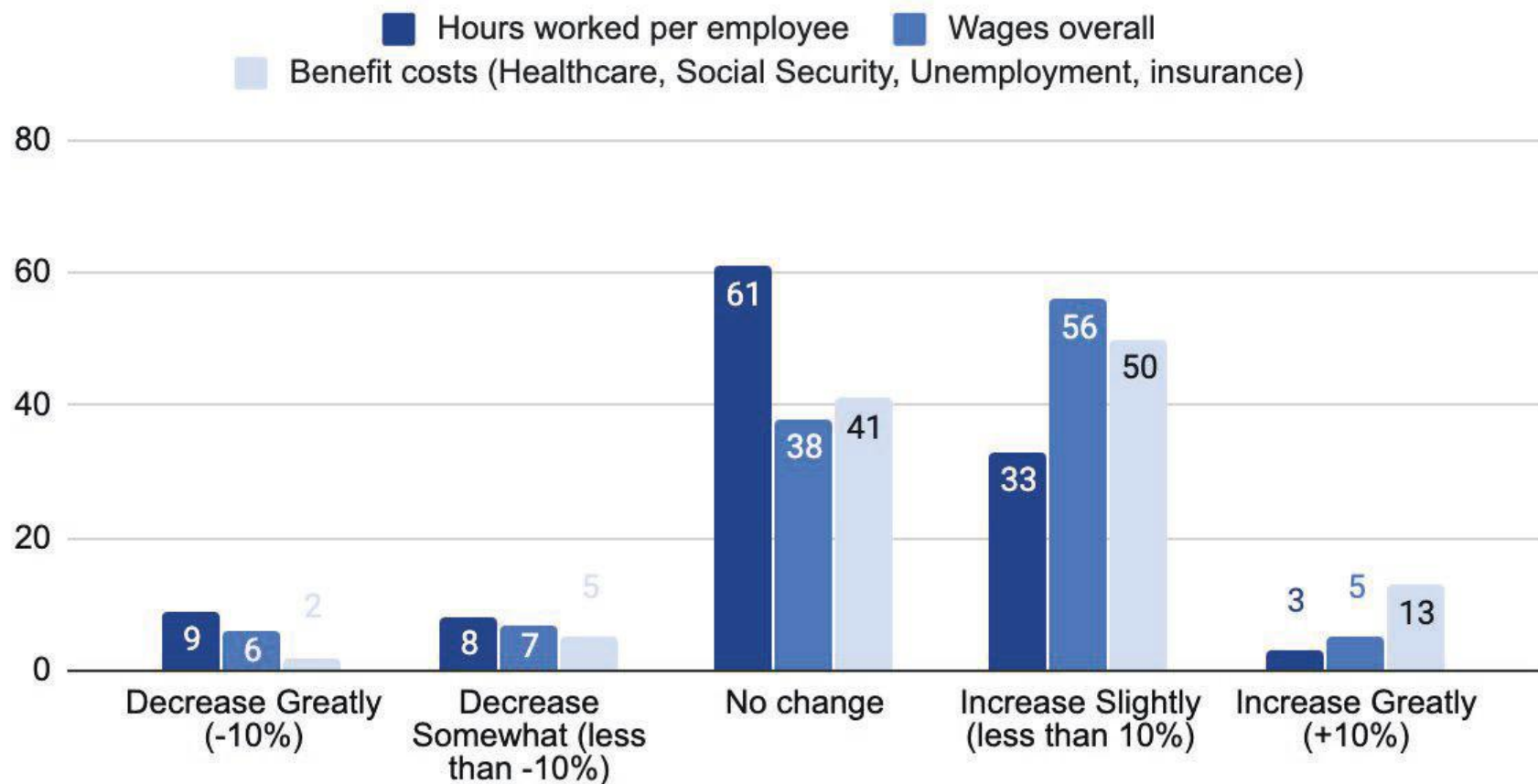
# Q20:

What's the trend in wages, hours worked and benefit costs for your company?



# Q20:

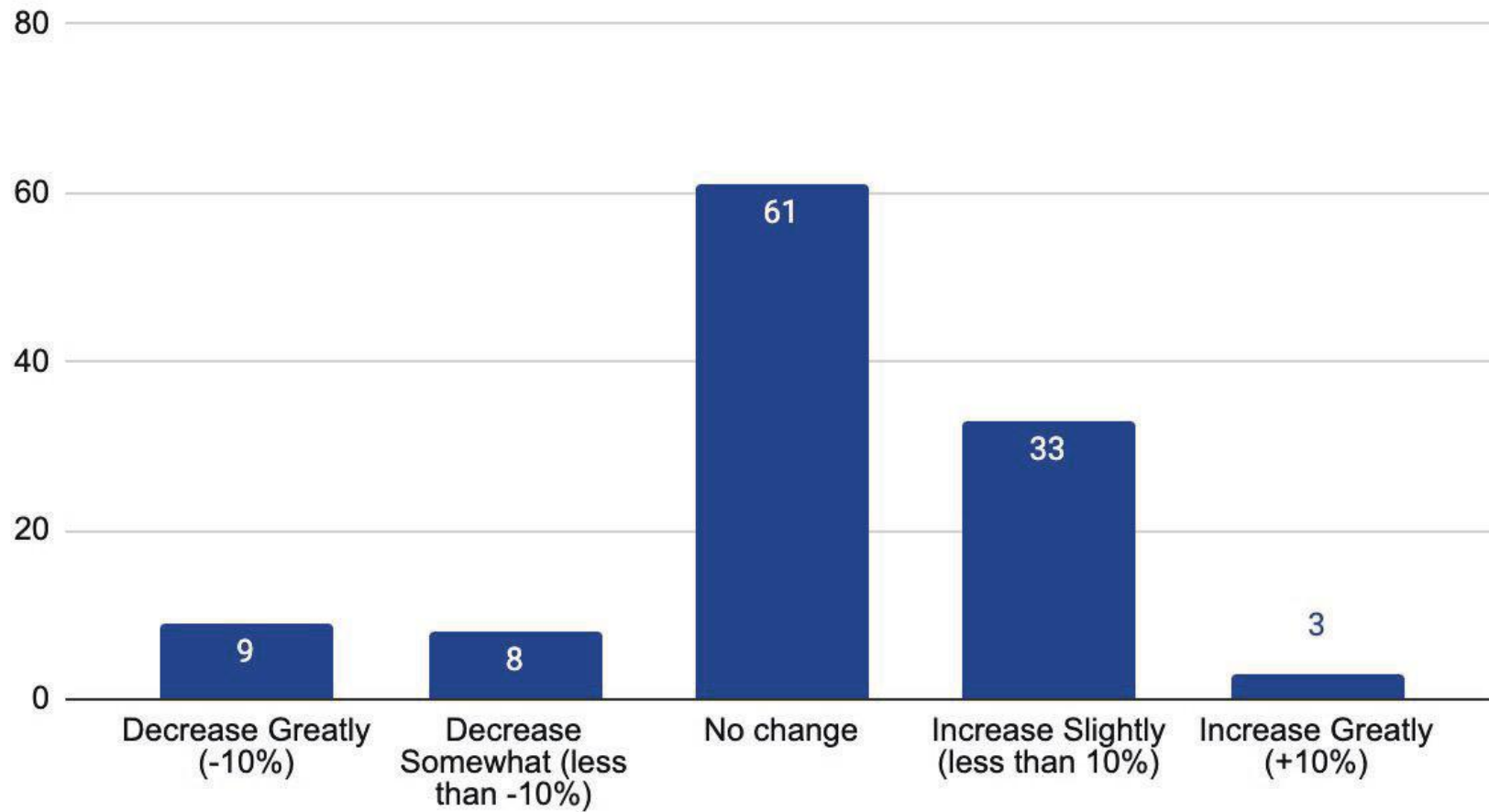
What's the trend in wages, hours worked and benefit costs for your company?



# Q20:

What's the trend in wages, hours worked, and benefit costs for your company?

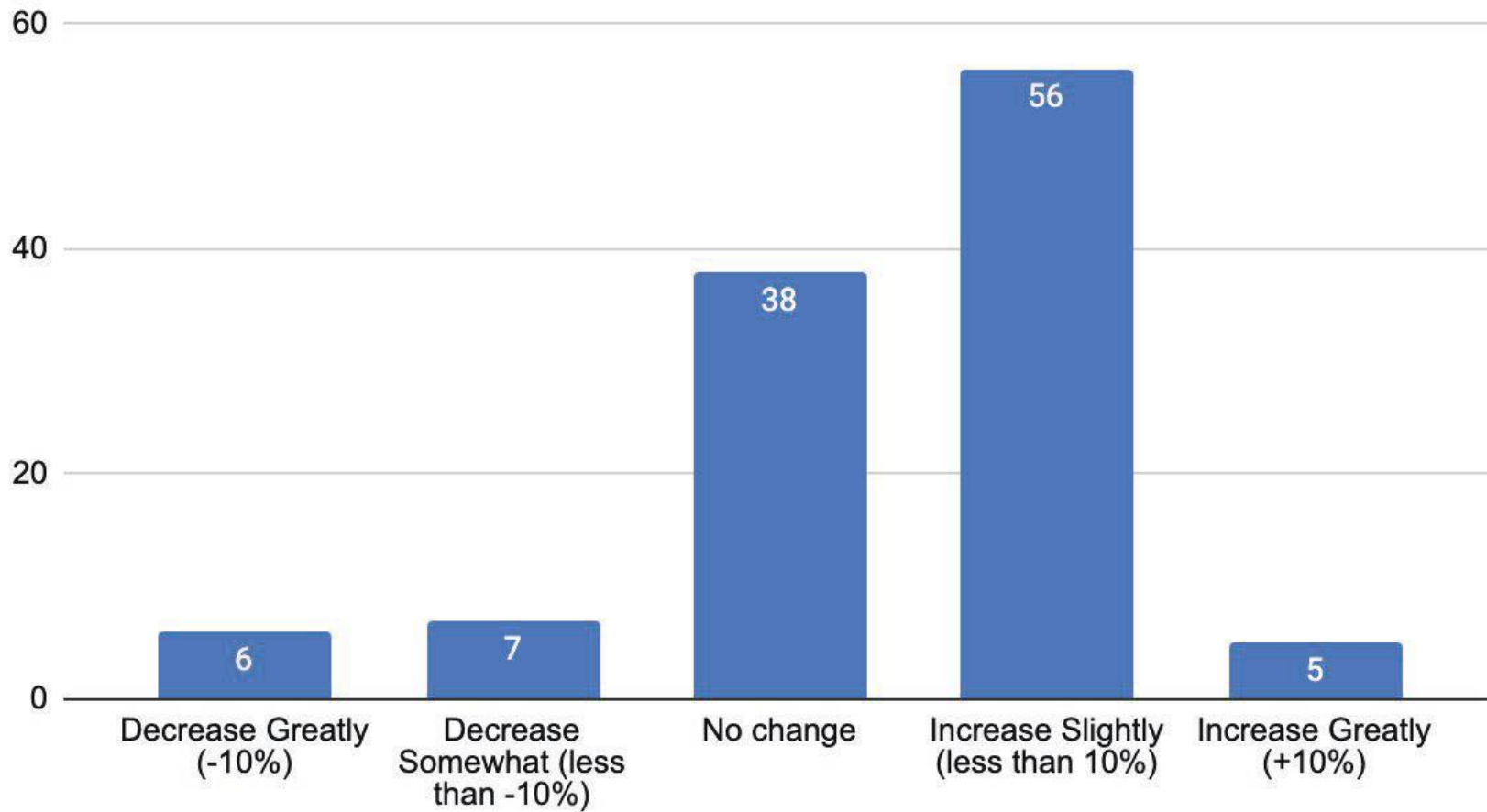
## Hours worked per employee



# Q20:

What's the trend in wages, hours worked, and benefit costs for your company?

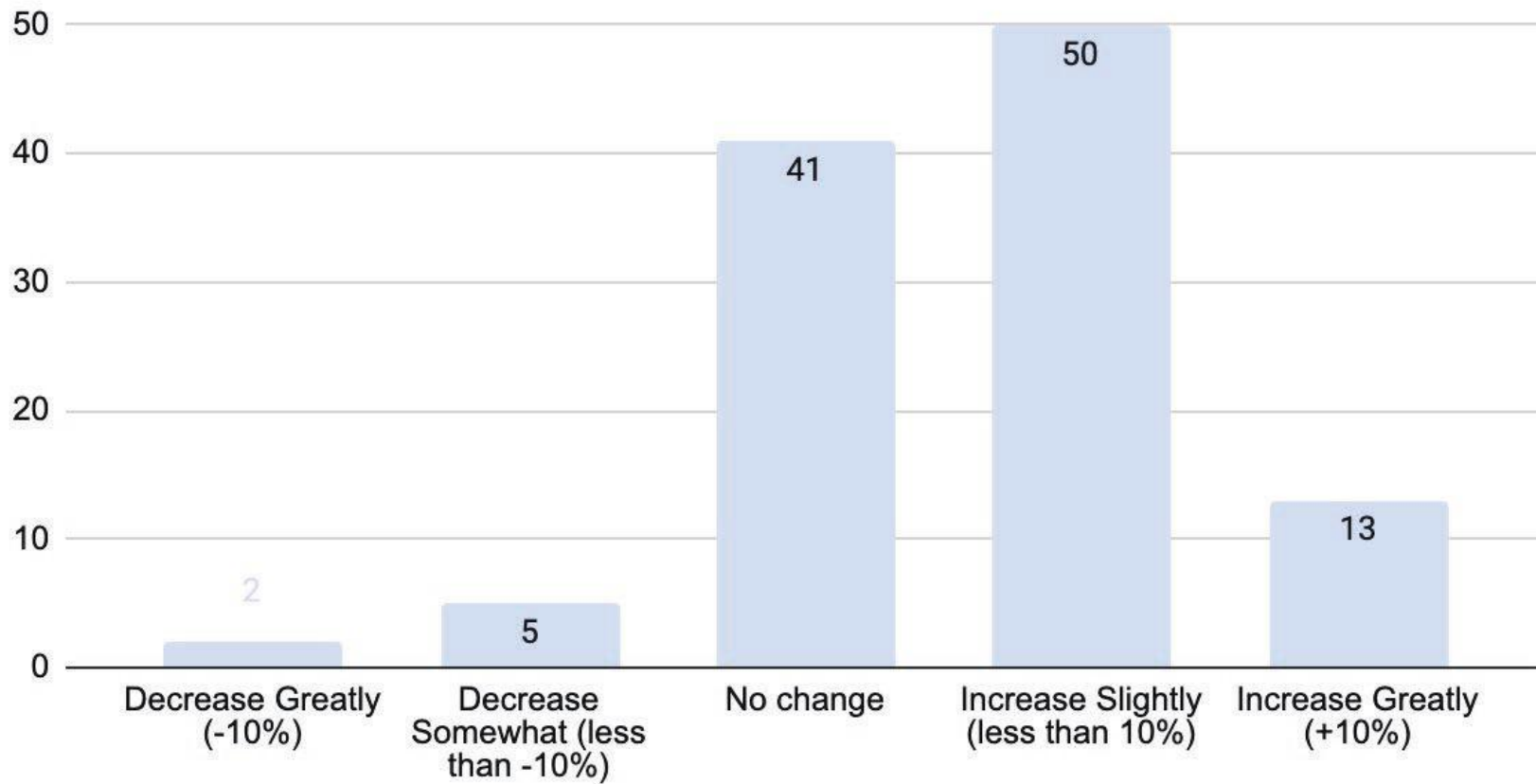
## Wages overall



# Q20:

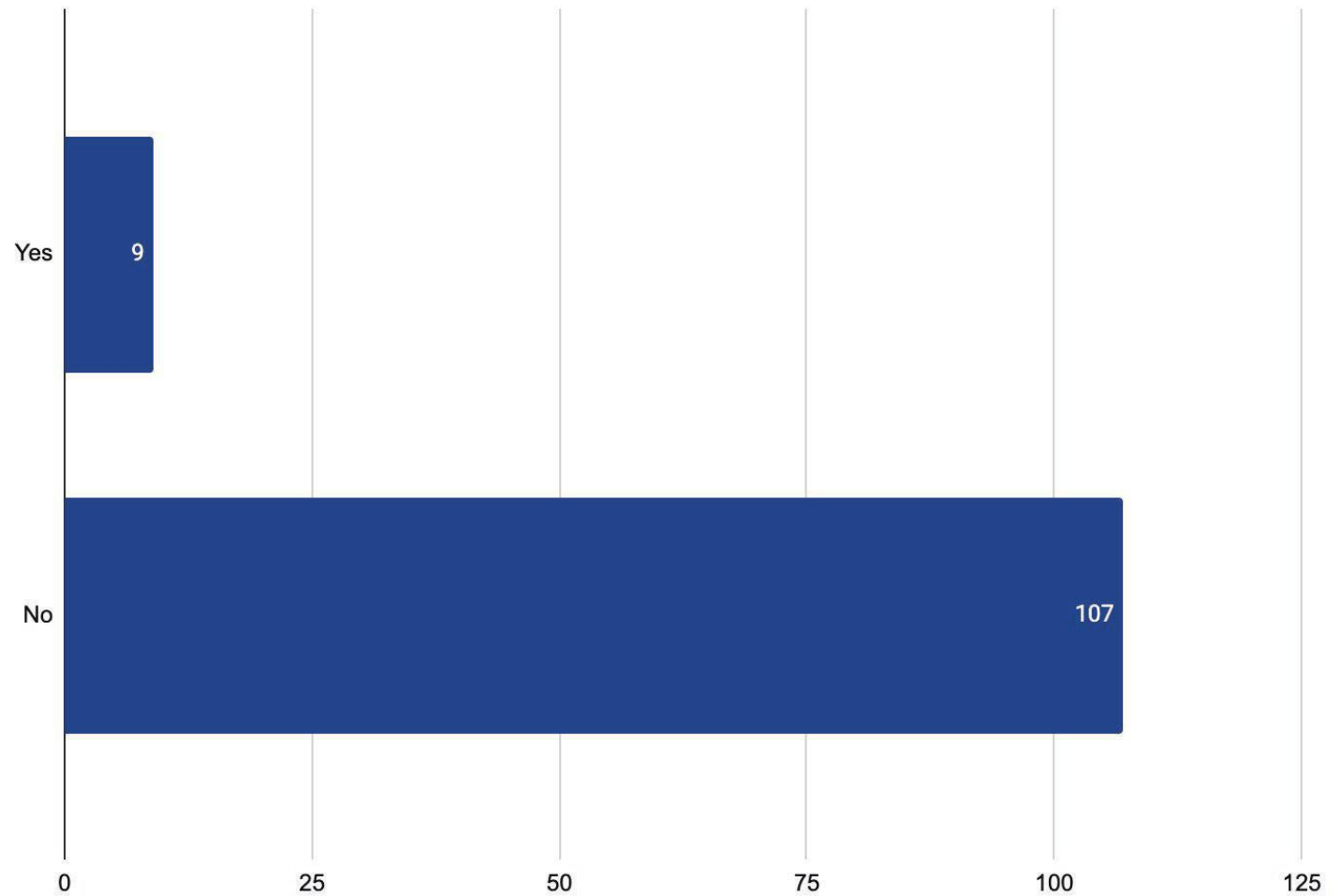
What's the trend in wages, hours worked, and benefit costs for your company?

## Benefit costs (Healthcare, Social Security, Unemployment, insurance)



# Q23:

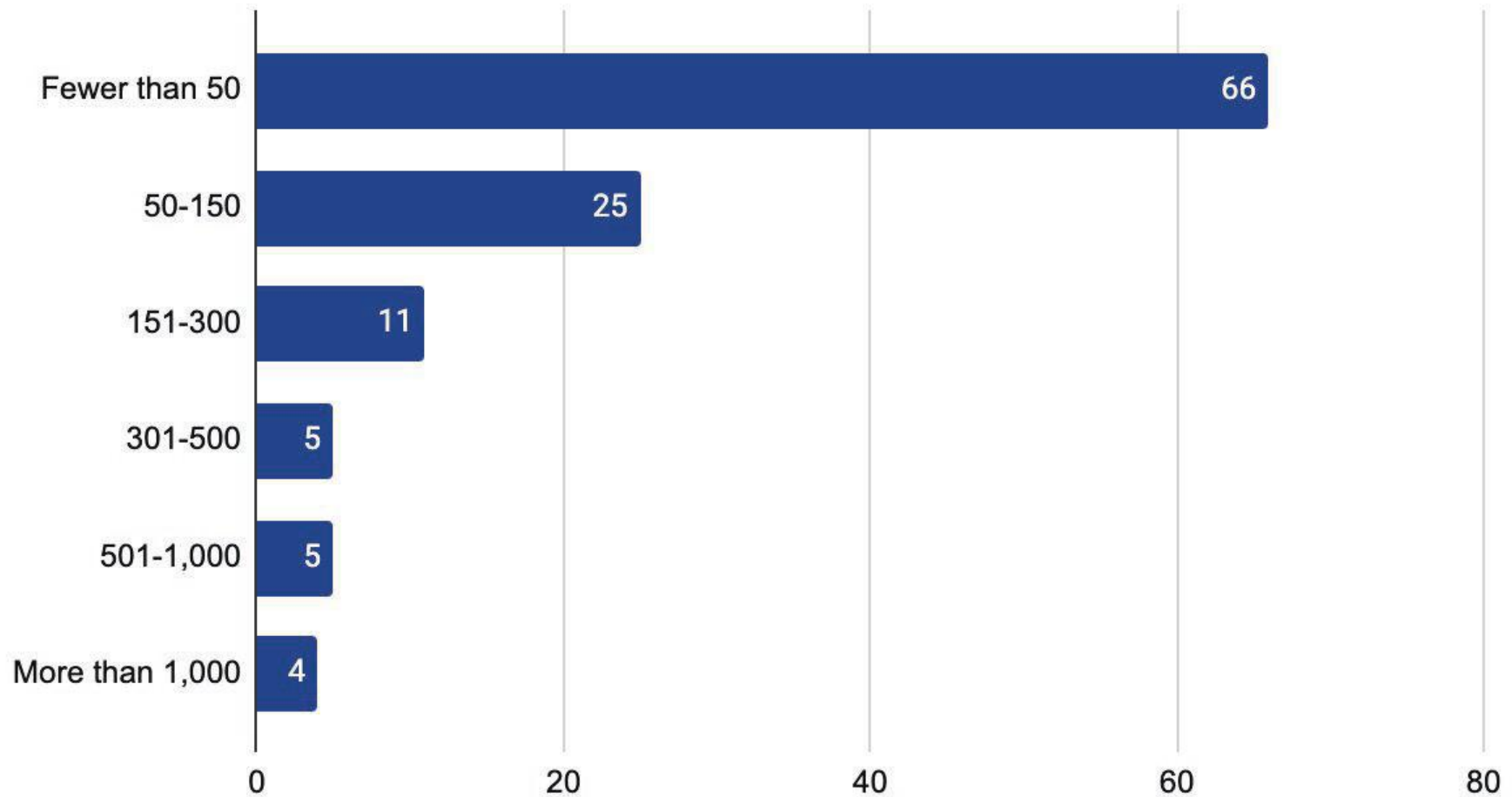
Is your company public?





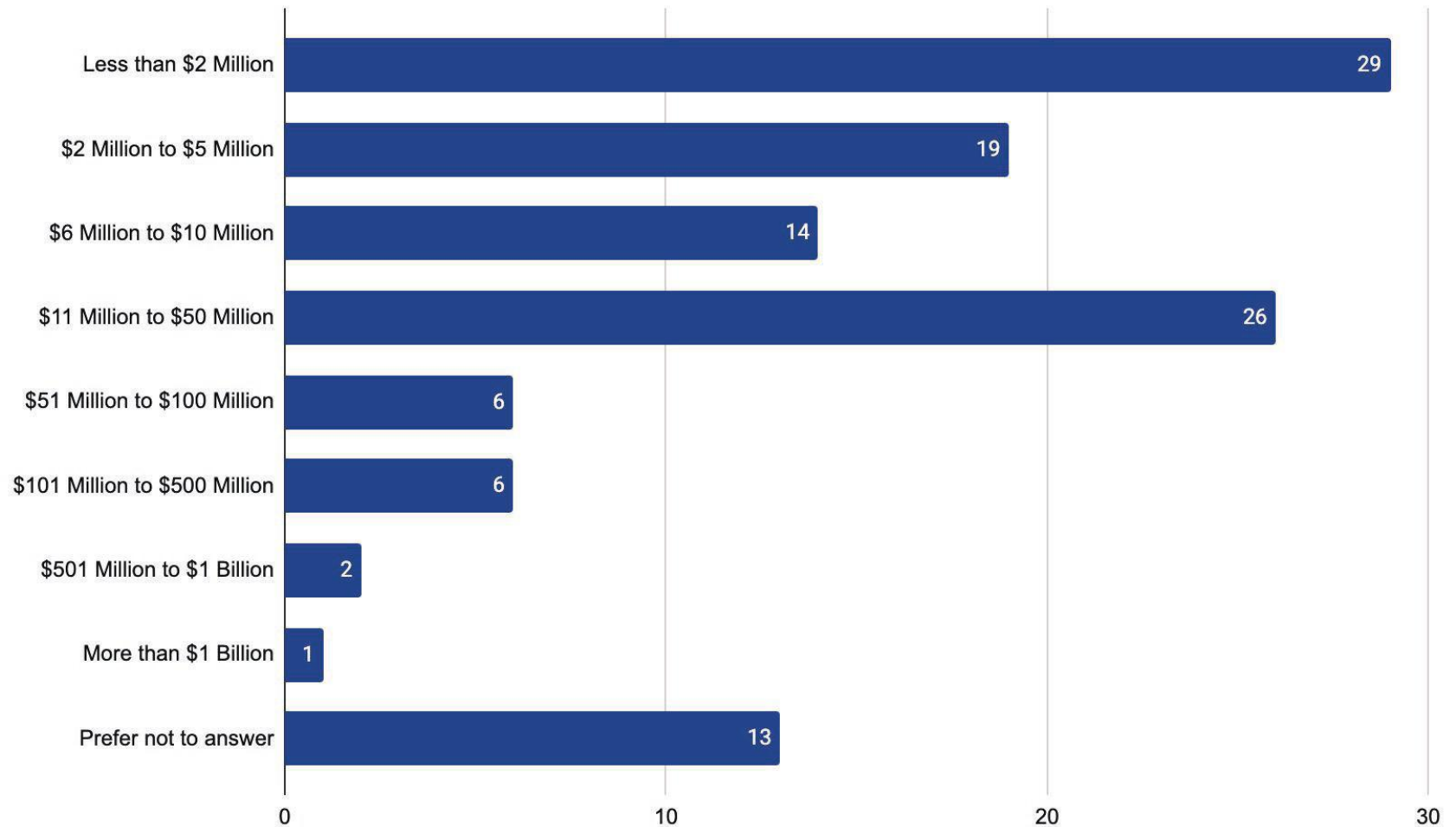
# Q24:

How many employees does your company have?



# Q25:

What was your company's 2019 revenue?



## Contact Information:

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