Manufacturing Trends to Watch in 2022

A guide to the top trends impacting manufacturing in 2022 and beyond

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tacton **Sales made simple for complex manufacturing**

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Introduction

What is in store for manufacturing in 2022 after another year of changes and challenges presented by COVID and uncertain economic times? Manufacturing has had two straight years of disruptions and challenges that have defined how they will operate in 2022 and beyond.

These disruptions have created the latest trends and initiatives that are fueling manufacturing towards a new way of working. We have broken down the trends into five key focus areas for manufacturers in 2022.

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Trend 1: Disruption proof operations

The pandemic has made manufacturers prioritize creating resilient operations that can adapt quickly to market conditions and changes. Three major areas of concern for manufacturers are supply chain management, worker shortages and resource scarcity.
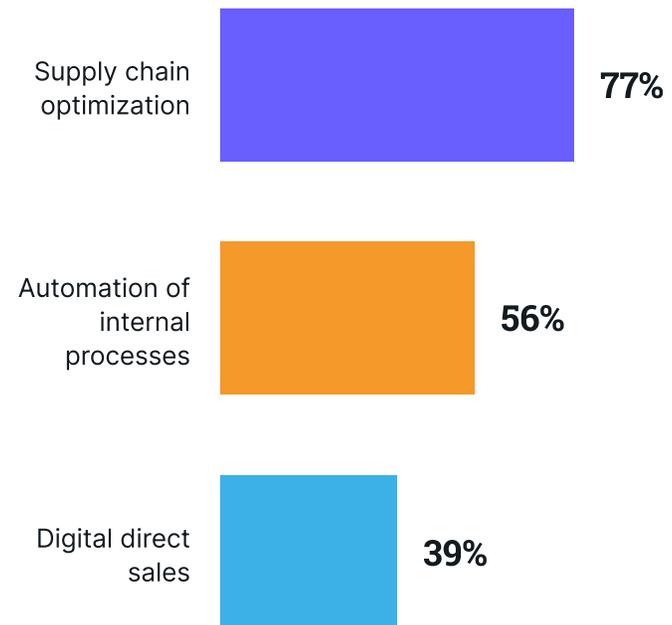
Fragile supply chains
Globalization and hyper connectivity has created increased competition for manufacturing, making predictable supply chains essential to success. Supply chains have become increasingly complex.

The circumstances were quickly transformed into chaos for every business due to the COVID pandemic. In 2022 the problems are persisting, making it critical to keep an eye on ways to find flexibility and reliability. In addition, an unstable geopolitical landscape is also creating supply chain problems.

Sales teams must know that the product they are promising customers will be available before they give a custom quote.

Check out just how important supply chain optimization is to current manufacturing initiatives:

Supply chain optimization — **77%**

Automation of internal processes — **56%**

Digital direct sales — **39%**

(Source)

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Disruption proof operations continued

One way manufacturers can achieve better clarity on the supply chain issues is by creating a holistic view of their products with data. Creating a data handshake between customer needs and order fulfilment, your factory and supply chain knows how to produce, assemble, and install an incoming order.

This minimizes order errors and ensures that the promised functionality (and value) of the equipment can be delivered, within budget and timeframe.

Reshoring becomes more realistic
While reshoring has been a topic for a while now, it is becoming more of a reality due to the ongoing concerns of the supply chain. The fragile supply chain has made manufacturers second guess how they do business. With more urgency to fill orders with speed and accuracy, manufacturers will consider reshoring a viable option.

Staffing shortages
The last two years have been dubbed the great resignation by many due to the mass movement or retirement of employees. This has left manufacturers struggling to hire skilled employees to replace the years of internal knowledge that some employees had. When they do hire new employees, onboarding can take months, which hurts the bottom line. Trying to find ways to ramp up new hires is critical to helping grow the business while also giving employees easier ways to be successful such as smart tools and technology.

One manufacturer noted the challenges of staffing shortages:

"The fact is that we can't hire people, but we desperately need to expand."

Trend 2: New buying behavior

Manufacturing customers are changing quickly, new buyers are emerging, and they want their products fast and the journey to be fully digital. Buyers are also highly influenced by how they live as consumers, so expectations set in the B2C really drive the expectations that permeate into the B2B space.

In fact, according to an Accenture study, _High-Voltage Digital B2B Sales_, 90% of industrial customers see clear benefits in digitizing B2B sales processes. With so much interest in digitalization from customers, it is imperative to offer places for them to interact with your full product portfolio online.

In addition to a quick and digital experience, customers also demand transparency about how products are made, pricing and delivery times. With a mix of channels being used to make a decision, manufacturers must find ways to sell consistently across channels.

Manufacturers who take time to understand their buyers journey and offer a frictionless buying experience will see benefits throughout the entire customer lifecycle.

According to our study, 93% of B2B buyers prefer digital channels when they already know what they want to buy and we also see that 65% of millennial B2B buyers say the technology they purchase for personal use influences what they purchase for their organizations, and they account for 45% of B2B buyers

Thomas Wrana **Accenture**

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Trend 3: Sustainability

Sustainability is a global imperative for businesses across industries. New Environmental, Social, and Governance (ESG) goals are shaping how manufacturing will do business in the future. Manufacturing will need to meet requirements for sustainable processes to meet the goals of not only their home countries, but also meet requirements of regions they do business in.

The goals of customers will also be a big part of hitting sustainability goals, they will want to know exactly where their product is sourced and its environmental footprint.

Sustainability initiatives are critical to the success of manufacturers, but they also add another level of complexity to creating product quotes. **With 94% of manufacturers understanding the importance of sustainability it's important to act now**. Finding ways to address any customer need based on sustainability can help manufacturers deliver on the promises they have made.

Just how important is sustainability to manufacturers?
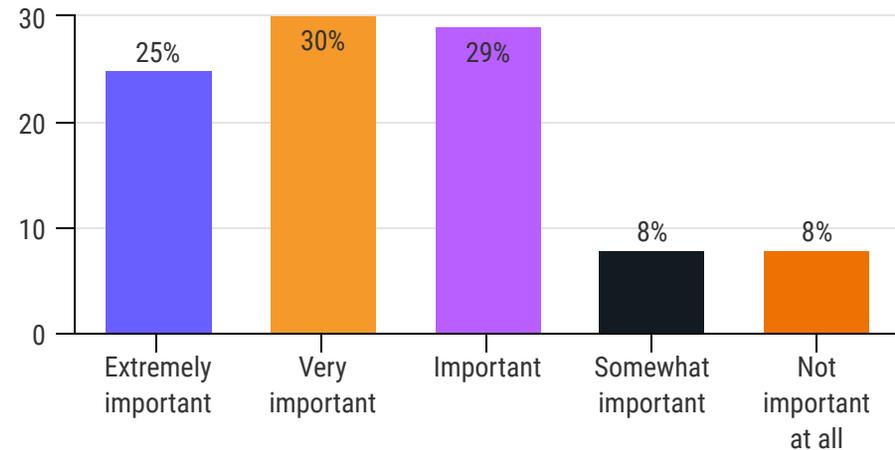
Sustainability initiatives are here to stay. Manufacturers who take this challenge head on can find new ways of increasing operational efficiency by reducing cost and waste, while also meeting the needs of a more conscious buying group who demand sustainable products.

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Trend 4: Managing complexity

These emerging trends add up quickly when it comes to complexity for manufacturers. Sustainability, customer needs and more make it hard to create valid quotes of complex products, pricing and order fulfilment.

Complexity can relate to the number of product parts, or the number of functions your products are supposed to support. Even small changes on one end of the product can have serious repercussion effects on other ends, making manual redesign for every customer request very time-consuming for your sales engineers. Complexity can also relate to the number of variants or customizations you offer in your product line.

Complexity is also related to the market and compliance rules on the markets you operate (all markets if you sell globally). As more industries and products are required to comply with local and regional regulations, the cost and strategies for handling those regulatory frameworks become more critical to the effectiveness of your operations.

To address these challenges, companies benefit from removing the slow and manual steps in the sales process by automating it as much as possible. This necessitates digital transformation in gathering customer requirements, configuring, and optimizing the product, creating the needed technical information, as well as automating the forecasting and ordering processes. A key improvement is enabling customers and front-line staff, that don't have the deep technical skills, to configure the product. It requires a significant change in focus around how product configuration is managed and executed.

Trend 5: Equipment-as-a-Service

With manufacturing changing rapidly, many companies are looking to find ways to disrupt their typical sales model and capture more value by creating predictable revenue streams. Equipment-as-a-service (EaaS) is one-way manufacturers are looking to achieve these goals.

Equipment as a service or EaaS is a model where the producer of a product rents out equipment to end-users while collecting payments on a monthly, or yearly basis for the usage of the product.

This is beneficial to manufacturers because it delivers reliable streams of revenue. EaaS also enables both the manufacturer and end-user to collect data on how the product is used, which helps both understand how the product is used, and how.

Expect that subscriptions will generally become more common in our lives and that includes manufacturers. But it is important to note that it is not possible or does not make sense for every manufacturer to offer every product and service as a subscription. The expectation should be that most manufacturers will have some subscriptions in addition to their traditional one-time sales process model. The key is to start looking into subscriptions now.

Frank Sohn **Novus CPQ**

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In closing

Manufacturing is being driven to a more digital and sustainable future, fueled by an increase in customer demands. With so many challenges manufacturers will need to find ways to adapt or face even more uncertainty. Many manufacturers have begun the search for solutions that enable them to do more with less, while creating agility in a disruption prone industry.

One product, Configure, Price, Quote (CPQ) is changing how manufacturers do business. With CPQ for manufacturers its easier than ever to make configuring capital equipment and adjacent services in an exciting and flawless process for both your internal teams and your customers.

At Tacton, our CPQ was built specifically for manufacturing. Tacton gives manufacturers the ability to confidently respond to any customer needs quickly, in a sustainable and evolving market. We're the trusted configuration partner of over 350 customers across the globe.

Find out how we're helping our customers transform their sales experience

Schedule your call!

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