MICHIGAN MANUFACTURING TECHNOLOGY CENTER







2026 MANUFACTURING INSIGHTS SURVEY REPORT

A SNAPSHOT OF TODAY'S INDUSTRY FROM THE SMALL AND MIDSIZE MANUFACTURERS DRIVING MICHIGAN FORWARD

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A LETTER FROM MICHIGAN MANUFACTURING TECHNOLOGY CENTER

Ingrid Tighe
MMTC President

Michigan's manufacturing legacy is well known, and since 1991, MMTC has collaborated with manufacturers, legislators, and stakeholders to help our industry compete and thrive.

In fall 2025, we launched our inaugural Manufacturing Insights Survey to track real manufacturer feedback on industry trends, strengths, challenges, and opportunities. This report is the culmination of this initiative and analyzes comprehensive responses from small and midsize manufacturers across our state. Whether you are shaping policy, leading a company, providing crucial resources, or advocating for Michigan manufacturers, we hope this report offers a valuable glimpse into our industry's current and future landscape. Thank you for joining us in creating a stronger, more resilient manufacturing industry in Michigan!

WHY MANUFACTURING?

In 2025, Michigan's manufacturing industry:

Paid an average annual compensation of **$104,245**

Exported nearly **$60B** worth of goods (2024 data)

Employed nearly **600,000** residents

Contributed more than **$111B** in value to Michigan's economy

SOURCE: https://nam.org/mfgdata/regions/michigan/

MANUFACTURING INSIGHTS SURVEY SUMMARY

***METHODOLOGY:** MMTC conducted its 2025 Manufacturing Insights Survey between October 3, 2025 - November 7, 2025 via electronic questionnaire. MMTC analyzed 114 confidential responses and derived recommendations from independent research and industry best practices.*

114 RESPONDENTS STATEWIDE. MOST ARE:

- **Small Manufacturers:** 75% report $25M or less in revenue.
- **Geographically Diverse:** Respondents represent 39 of Michigan's 83 counties.
- **Tech-Enabled:** More than ½ use automation technologies and safeguard against cybersecurity threats.

INDUSTRY PERCEPTIONS

- **Manufacturers were split on today's business climate,** with 41% reporting that it declined in the past year, 30% suggesting it stayed the same, and just 29% perceiving that it had improved.
- Manufacturers demonstrated confidence by **investing in their businesses:** companies invested in technology and operational excellence, more than ⅓ grew their workforces and revenues, and nearly ½ launched new products.
- **Manufacturers are more optimistic about 2026, with 40% predicting business growth,** 45% expecting the industry climate to stay the same, and just 15% expecting business prospects and revenues to shrink.

TOP STRENGTHS/OPPORTUNITIES

- **Manufacturers are leveraging innovation**—especially Lean, AI, process automation, basic 3D printing and robotics—to boost productivity.
- Roughly 60% of **respondents are taking action against cybersecurity threats,** from training staff to enlisting third-party vulnerability reviews.
- **Manufacturers are investing in their workforces and culture** to attract and retain top talent, and many opportunities exist for skilled and unskilled workers alike.

TOP THREATS/CONCERNS

- Manufacturers report negative impacts from **economic and political uncertainty,** ongoing skilled worker shortages, rising raw material costs, and supply chain unpredictability.
- Manufacturers want to invest further in technology and process improvements but often **lack the time, grant funding, and expertise to prioritize these initiatives.**
- Manufacturers are developing and deploying new products, yet most **derive the bulk of revenues** from legacy products.

WHAT MANUFACTURERS ARE REPORTING ABOUT BUSINESS OPTIMIZATION & TECHNOLOGY

Michigan manufacturers are growing, innovating, and investing in technology in an uncertain environment. Manufacturers are adopting basic Industry 4.0 applications like 3D printing and standard robots, streamlining processes with Lean, exploring artificial intelligence, and more than 60% are ramping up cybersecurity protections. However, manufacturers report that further process optimization and technology adoption are hindered by a lack of resources.

AMONG RESPONDENTS:

- More than ½ launched a new product in the past 12 months.
- ½ created or used a strategic growth plan.
- Roughly 60% reported using automation, and ½ increased automation in the past year.
- Just under 25% considered selling their businesses in 2025.

TOP BUSINESS PRIORITIES:

- Finding New Customers
- Retaining and Developing Employees
- Increasing Productivity and Improving Processes

Manufacturers need **financial incentives, education and training, and examples** from similar companies (including demonstrations and tours) to support their technology and process optimization goals.

SUCCESS STORY

After JC Gibbons' Technology Opportunity Assessment with MMTC suggested a cobot could better utilize their workforce and achieve significant ROI, the company piloted the technology with a borrowed unit from MMTC. The successful pilot led to the company's purchase of their own cobots, a 40% improvement in throughput, increased on-time deliveries, and a boost in customer satisfaction.

BUSINESS PROCESS & TECHNOLOGY SOLUTIONS

PROBLEM: MANUFACTURERS LACK THE TIME, MONEY, CAPACITY, AND EXPERTISE TO FURTHER INTEGRATE TECHNOLOGY AND OPTIMIZE BUSINESS PROCESSES

SOLUTION: KNOW THE REAL PROBLEM

Understanding the problems and processes costing your business time, money, and resources is a crucial first step in determining whether technology adoption is the right path. Identifying root causes, connecting operational performance metrics to financial results, and applying tools like activity-based costing, which evaluates the actual cost of producing a given product, can help manufacturers identify the true problem and prioritize solutions. For example, an improved plant layout may streamline production more than an expensive cobot.

SOLUTION: PLAN AND TEST BEFORE YOU INVEST

Whether you're integrating technology, preparing for succession or acquisition, or reducing waste, making a concrete plan guides the process, aligns actions with business goals and customer demands, and ties resources spent to clear returns, Test your plan in low-risk ways with simulation tools that model production flows, small-scale pilots, or Proof of Concept (PoC) with a trusted partner to evaluate impact before launching a full deployment.

SOLUTION: USE TECHNOLOGY TO ENHANCE GOOD PROCESSES—AND START SMALL

Applying technology to an unstable process increases cost and complexity, so first, optimize the process. Then, start with smaller, simpler technology investments or pilots to reduce risk, accelerate learning, and free up time and resources for future enhancements. For example, using sensors to gather data on a single production process can mitigate breakdowns and inform future automation efforts. MMTC's Technology Opportunity Assessments help manufacturers build a practical, scalable roadmap for advanced technology integration.

SOLUTION: LEVERAGE GRANT AND TECHNICAL ASSISTANCE PROGRAMS

Government and nonprofit-funded grants, cost-share incentives, or capital programs can increase access to process optimization consulting and advanced technologies. Many funding programs also provide technical assistance to help manufacturers prioritize enhancements with the strongest return on investment. In Michigan, Industry 4.0 Technology Implementation Grants, GEM SEMCA, Going Pro Talent Fund, Michigan Defense Resiliency Consortium (MDRC), STC Grants, and others exist to help manufacturers refine processes, incorporate technology and automation, and upskill staff.

SCAN TO CONTACT US ABOUT MMTC'S BUSINESS AND TECHNOLOGY SERVICES

WHAT MANUFACTURERS ARE REPORTING ABOUT THE WORKFORCE

As the U.S. manufacturing industry has evolved, so have the demands on our workforce—and, for years, worker shortages and skills gaps have remained prevalent. Nonetheless, 80% of our respondents maintained or grew their workforces in 2025, and 85% expect to maintain or grow in 2026. To achieve these goals, companies must have strong talent pipelines, committed and capable staff, and a workplace culture that bolsters success.

CULTURE

- 75% of respondents focused on company culture to improve recruitment and retention.
- Nearly all increased salaries recently to boost competitiveness.
- Most offer informal on-the-job training, coaching, and mentoring, including knowledge transfer from more experienced employees.
- Some offer formal technical training or tuition reimbursement for continuing education.

RECRUITMENT

- Manufacturers seek applicants with technical training and experience, yet also have roles for entry-level, unskilled workers.
- Existing talent pools include local high school and vocational school students and graduates, veterans, women, and other diverse groups.
- Recruitment challenges center on applicant suitability, with nearly ½ of respondents reporting that applicants lack the necessary skills or training, and ½ indicating that applicants lack the appropriate work ethic or commitment to the job.

Most difficult roles to fill: CNC Machinist, Operator, Technician, Maintenance

SUCCESS STORY

TWB Company, a steel producer, contacted MMTC to help reduce the company's 26% turnover rate and upskill staff to promote retention. MMTC conducted Supervisor Skills training for eight mid-level supervisors and Blueprint Reading for nine additional employees. These efforts reduced turnover to 12.6%, decreased turnover costs by $160,000 and enabled TWB's internal maintenance team to assist in a broader range of projects.

WORKFORCE DEVELOPMENT SOLUTIONS

PROBLEM: MANUFACTURERS NEED A SKILLED, MOTIVATED, AND COMMITTED WORKFORCE TO PROMOTE LONG-TERM SUCCESS.

SOLUTION: BUILD SKILLS AND KNOWLEDGE EFFICIENTLY WITH MENTORSHIP & TECHNOLOGY Manufacturers can affordably address skills gaps with technology-based training and mentorship on in-demand capabilities. AI, virtual reality, and augmented reality have made skills training more accessible and customizable for any size employer. Mentorship programs can impart institutional knowledge and in-demand skills specific to a company's culture and processes using in-house resources. Grant funding may also be available to support in-person and technology-based training.

SOLUTION: PROVIDE A CLEAR PATH TO ADVANCEMENT

Offer new and existing staff a clear roadmap to a long-term career through certifications, cross-training, and leadership development. A recent LinkedIn survey found that 94% of employees would stay longer at companies that invested in their careers. Even in smaller workplaces, employees can develop new skills, take on additional responsibilities, serve as mentors, or become formal or informal leaders within the organization. Individual development plans can position employees for new internal opportunities while aligning with the overall business strategy.

SOLUTION: DIVE DEEPER INTO TALENT POOLS WITH TARGETED PROGRAMS

Targeted state, federal, and nonprofit programs can increase manufacturer access to trained and capable populations, including military veterans (via GI Bill or Skillbridge); women and diverse racial groups (through STEM-focused initiatives); people with disabilities (via supportive employment programs offering technical training and adaptive technology); and formerly incarcerated citizens (through reentry programs). These programs offer access to specific candidate pools and employment support to promote success.

SOLUTION: TACKLE WORKFORCE CHALLENGES TOGETHER

Manufacturers with similar workforce needs can use Employer-Led Collaboratives (ELCs) to develop the talent and capabilities necessary for continued success. ELCs share resources and funding to help groups of manufacturers meet common employment and training challenges. Collaboration reduces the overall costs and administrative burden for each employer while ensuring robust and effective training and upskilling approaches that strengthen regional manufacturing industries.

SCAN TO LEARN MORE ABOUT MMTC'S TRAINING AND CERTIFICATION PROGRAMS

WHAT MANUFACTURERS ARE REPORTING ABOUT SUPPLY CHAINS

Global policy changes and increased demands on the U.S. manufacturing industry are affecting supply chains, and manufacturers are pivoting in response. Between MMTC's participation in the National Institute of Standards and Technology's Supply Chain Optimization and Intelligence Network (SCOIN) pilot and survey, MMTC has worked to identify the biggest supply chain challenges and opportunities in our industry today.

OUR SCOIN REPORT SHOWED:

- ½ of small and midsize manufacturers lacked documented risk management strategies for their supply chains.
- Many small to midsize manufacturers use limited or single-source supply chains.

OUR MANUFACTURING INSIGHTS SURVEY REINFORCED THESE FINDINGS:

- More than 80% of respondents indicated that supply chain management was either a concern or currently impacting growth.
- Roughly 30% had brought or considered bringing business back from overseas in response to policy changes.

Supply chains are the foundations of manufacturing businesses and critical to keeping our manufacturing industry capable, productive, and resilient.

SUCCESS STORY

MMTC used CONNEX and supply chain matchmaking strategies to make crucial and timely connections between a rail OEM and a new supplier. Within three days of receiving a request for information (RFI) about a critical component, MMTC identified a West Michigan supplier, verified capabilities, and connected the supplier with the OEM to provide a quote for the work.

SUPPLY CHAIN SOLUTIONS

PROBLEM: MANUFACTURERS MUST EVOLVE AND EXPAND SUPPLIER BASES AND REFINE STRATEGIES TO CREATE DIVERSE AND RELIABLE SUPPLY CHAINS.

SOLUTION: BE VISIBLE WITHIN YOUR SUPPLY CHAIN

Most survey respondents used direct sales or word-of-mouth to garner business, making it crucial to be digitally visible in your supply chain. Whether potential partners are using AI to identify suppliers, following up on a networking conversation, or simply searching the Internet, they need to be able to discover where you are and what you can do with just a few clicks. Verifying your Dun & Bradstreet profile, keeping your website up to date, and submitting information to manufacturing data aggregators like **MFG.com**, **Data Axle**, **CONNEX MI**, and **Sustainment**, or matchmaking programs like MMTC, can help manufacturers make the right connections to fuel future success.

SOLUTION: MANAGE BEYOND THE FOUR WALLS

Manufacturers must evolve to actively manage the entire supply chain, from suppliers through customer delivery. Key questions manufacturers should be able to answer include: Are trucks arriving on time? Are jobs started without the correct materials on hand? Are production schedules disrupted due to late components, inaccurate inventory, or unreliable suppliers? By expanding visibility beyond the shop floor and into supplier performance, logistics, inventory accuracy, and demand signals, manufacturers can make better decisions, reduce variability, and improve on-time delivery.

SOLUTION: ENTER NEW SUPPLY CHAINS TO WIN NEW BUSINESS

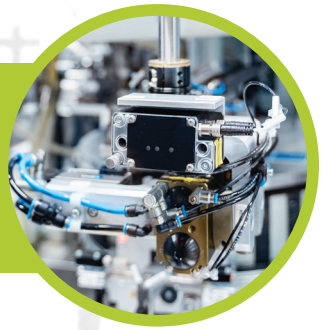
For small and midsize manufacturers, breaking into new supply chains such as defense or aerospace requires both connections and the ability to meet strict quality, cybersecurity, and compliance requirements. MMTC helps manufacturers strengthen internal systems and processes to qualify for new markets and to demonstrate capability, reliability, and regulatory compliance. MMTC also offers supplier scouting and matchmaking services, Innovation Expos, and other opportunities to build credibility and establish relationships that lead to new business opportunities.

SOLUTION: HARNESS AI FOR GREATER INSIGHT

As supply chains grow more complex, AI can help manufacturers move faster and make better decisions across operations and sourcing. AI tools can conduct deep research on potential suppliers or accelerate the quoting process by analyzing historical jobs, labor hours, material usage, and overhead to generate faster, more accurate quotes. By using AI to turn data into insight, manufacturers can improve responsiveness, reduce risk, and gain a competitive advantage across quoting, procurement, and supply-chain management.

SCAN TO LEARN MORE ABOUT CONNEX MI AND SUPPLY CHAIN SERVICES

TRAINING, TECHNOLOGY, AND CONSULTING TO ADVANCE BUSINESS GOALS



Identify and Implement Advanced Technology: No-cost Technology Opportunity Assessments and affordable implementation support help companies make technology improvements that align with business maturity, budget, and performance goals. This free, two-hour process results in an assessment summary report, technology recommendations, and a personalized implementation plan.

Optimize Operations with On-Site Consulting by Industry Experts: MMTC's consultants bring decades of direct manufacturing experience in engineering, operations management, Lean and Six Sigma, supply chain management, and more to every engagement. From the production floor to the boardroom, MMTC uses best practices and industry-recognized approaches to save time, money, and resources.

Transform Your Workforce With In-Demand Training: MMTC offers funding and planning to upskill staff, attract talent, and maximize workforce potential. Most MMTC training courses are approved for crucial grant funding programs like the Going PRO Talent Fund. Contact us to learn more about available programs and grants or browse courses at **education.the-center.org**.

Expand Your Business Network: MMTC drives connection across our state, from MMTC Innovation Expos with networking and expert technology guidance to User Groups like the Leaders of Industry User Group and MMTC-North's Continuous Improvement Group. MMTC also helps expand supply chains and business opportunities with supplier matchmaking strategies and the CONNEX MI database. Search CONNEX MI free at **the-center.org/CONNEX**!

Learn and Track Progress with MMTC: MMTC's Learning Hub outlines training programs, consulting opportunities, events, user groups, and more to help manufacturers gain the skills and connections they need. Create learning plans, register for courses and programs, track progress, and access free, self-guided resources at **education.the-center.org**.

Use Grant and Technical Assistance Programs to Optimize & Expand Into New Markets: From bringing manufacturing ingenuity to the defense energy supply chain to playing a role in Michigan's mobility movement, MMTC connects manufacturers with grants and programs that build upon capabilities, support new market entry, and position companies for greater success.

SUPPORTING MANUFACTURERS AT EVERY STAGE

MMTC connects companies with the resources and expertise to reach the next business milestone.

EXAMPLE SERVICES & SUPPORT BY BUSINESS STAGE

STARTUP

- "Bridge to Production" consulting process for startups
- Safety, compliance, and foundational skills training
- Basic quality setup, early Lean practices, and production readiness consulting
- Technology adoption support for introductory automation and analytics
- Supplier identification to enter market

GROWTH

- "Road to Reinvention" consulting for market expansion
- Skill building for supervisors, operators, and quality roles
- Lean deployment, quality systems, automation readiness, and initial Industry 4.0 consulting
- Technology adoption support for robotics and data collection
- Supplier development and resilience planning

ESTABLISHED

- Advanced quality, continuous improvement, leadership, and technology training
- Process optimization, AI pilots, and strategic and succession planning consulting
- Technology adoption support for full industry 4.0 foundations, advanced robotics, and data analytics
- Supply chain diversification, reshoring, and risk assessment

TRANSFORMING

- "Road to Reinvention" consulting for market transformation and repositioning
- Training in new technologies, reskilling, and future skills
- Consulting on full modernization, new business models, and technology transformation
- Establish Technology as a core competency by creating an internal Advanced Manufacturing Program (AMP).
- Supply chain network redesign and future market sourcing

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