

Productivity is paramount for success – here's how industry can move the dial

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Productivity is a critical focus within industry. Businesses of every size, operating in every sector, are continually seeking to improve the efficiency with which goods are produced and customers served.

Increasing productivity puts huge opportunities – such as increased profits, greater investment in labor costs, and business growth – within reach. It's no surprise productivity is positioned to be a top priority for CEOs in 2025.

Despite this urgent drive for productivity, only a small percentage of businesses are managing to move the dial. There's a clear, growing gap between leaders who have made meaningful improvements, and those stuck in the productivity quagmire.

Breaking down the productivity barriers

Businesses face myriad challenges around driving productivity. Each comes with its own complexities, impacted by everything from business size to sector.

- **Obsolete equipment and technology.** Reliance on outdated machinery and a lack of technology adoption can block the path to productivity. With increasing maintenance costs and ever-slowng run-times, a cumulative effect can worsen the impact over time.
- **Supply chain disruptions.** Whether it's raw material shortages, transportation delays, or geopolitical instability, the list of external factors that can impact industrial businesses is ever expanding.
- **Regulatory compliance challenges.** Keeping pace with regulatory changes takes up a significant amount of time and headspace, absorbing critical resource and stopping teams from analyzing output.
- **The skills gap.** Hiring and retaining talent is increasingly difficult – with US manufacturing currently facing a major hiring crisis that can be seen replicated across the globe. Plus, Infor's research outlined that 33% of businesses reported a lack of technical skills as hampering their productivity efforts.

Businesses must find a way to overcome these hurdles if they want to start improving productivity. Some are already doing this successfully – and enjoying significant business benefits as a result. For those who are struggling to make meaningful gains, reflecting on the actions of their more successful peers should be a significant source of interest.

The productivity opportunity

To drive tangible and effective productivity gains, businesses need to take a two-pronged approach.

The first driver, physical automation, has been underway for over a century. Whether it's investment in robotics or machinery, businesses already understand that completing physical processes with machines is a sure-fire way to get more done, faster, and with less resource. But because most already have this in place to a significant extent, there isn't huge scope to make further headway.

To really ramp up productivity, businesses will need to embrace the second prong: digital automation.

From optimizing workflows to simplifying processes, digital automation refers to using technology to automate tasks or actions. This offers far more lucrative productivity returns, but is currently where most are falling short.

It's important to note that, before they take this step, enterprise businesses should modernize their IT environment. This not only ensures readiness for new technology – such as digital automation – but also builds a stable foundation for innovation.

Manufacturers can have a number of reasons to implement digital automation: from narrowing the skills gap to informing new product development. Wherever they choose to invest, Infor research suggests businesses have consensus on the key reasons – with increased productivity (61%) coming out on top.

Ultimately, the power of your output isn't driven by investment in your plant or equipment; it's driven by how you use your data.

63% of businesses said past investment in digital technologies helped their business to be more productive.

Powering productivity with data

Every industrial business has access to copious amounts of raw data that can be used to create efficiencies and improve productivity – yet many struggle to put that data to good use. To truly capitalize on this rich information source, businesses need to implement valuable tools that extract actionable insights.

Using data effectively also positions businesses to make the most of advancements like Machine Learning and AI, with the benefits of an AI-powered productivity boost already being keenly felt by some.

Midwest Wheel, one of the largest truck parts distributors in the Midwestern U.S., uses recommendations powered by AI to improve customer service. The AI solution analyzes customer order history and uses that data to recommend accurate, relevant parts for purchase. This helps customers save both time and money, and has reduced sales order processing time by 30%.

Four key considerations for the digital automation journey

- **Modernized platform.** Before you can begin, you need to modernize your IT platform and applications to support the adoption of digital automation.
 - **Data compatibility.** Understanding data and the process that sits behind data is crucial to delivering digitalization successfully.
 - **Commitment to upskilling.** Without fostering the right skillsets to nurture the digital automation journey, many businesses will struggle to put their data to best use.
 - **Proactivity.** There's no time like the present. Industry can't wait for the right support or moment to take the next step.
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Act now to make productivity gains

The advent of physical automation has completely transformed the landscape of industry. Now, as

businesses seek to escape long-standing productivity ruts, it's a business imperative to kickstart digital automation, with benefits such as greater efficiencies becoming a critical driver of success in an increasingly volatile market.

And time is of the essence. The significant value of digital automation is clear, compelling and within reach – meaning businesses that act quickly have much to gain over their competitors. For many, their vision of a more productive operation is on the horizon: through fully embracing digitization, they can set sail towards a brighter future.

To find out more about the digital automation opportunity, sign up to our webinar, where you'll hear advice from expert speakers about how you can exploit the data within your business to move the dial on productivity gains.

Source: Infor.com