

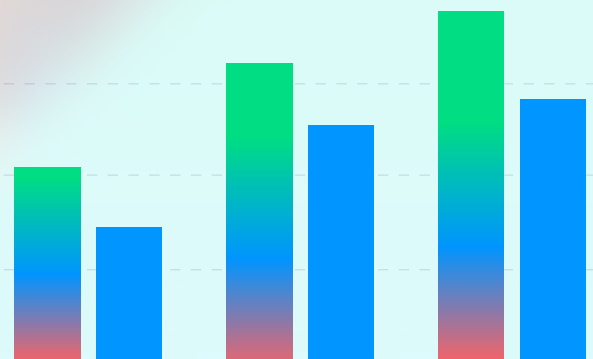
Report

State of Manufacturing 2026 Report

How pairing deep industry expertise with data-driven commercial strategy is crucial for growth



Qualified Leads



Executive summary

The manufacturing world is changing faster than it has in the last 40 years:

- ✓ Global supply chains are getting better, but are still fragile
- ✓ It's still hard to find enough workers to meet demand
- ✓ Customers want to buy and interact with businesses digitally more than ever, but new technology is coming out faster than many plants can adopt
- ✓ The pressure to compete is getting stronger as more production moves back home (reshoring), and even smaller companies are using automation to compete with established firms

“To win today, manufacturers can't just rely on running a perfect factory. This report shares what I've learned over the last year from industry groups, watching the market, and talking directly to customers across different manufacturing sectors. It explains the main forces that will shape manufacturing in 2026 and gives leaders five practical, clear steps to gain an edge in a challenging market.”



Kathee Kelly

President, demandDrive Manufacturing

The manufacturing landscape today

Manufacturing is going through a massive transformation. Some shifts hit fast, like the chaos of the pandemic, broken supply chains, and people leaving the workforce. Other changes have been happening for years, like automation, digitization, and shifts in global demand.

Market Conditions Are Challenging

- **A cautiously stabilizing economy:** Demand is strong in many segments, but purchasing patterns remain unpredictable.
- **Supply chain reconfiguration:** Nearshoring, dual sourcing, and risk mitigation strategies are now long-term necessities.
- **Persistent labor constraints:** Skilled trade shortages limit production capacity and slow technology adoption.
- **Margin pressure:** Rising material and energy costs require new efficiency gains and stronger forecasting.

Technologies Are Reshaping The Sector

- **AI and machine learning** can help predict when machines will break, optimize production, and improve forecasting.
- **IIoT** (Industrial Internet of Things) provides real-time data from operations.
- **Cloud ERP and MES integrations** make decision-making faster and easier
- **Automation and robotics** are expanding what we can do, even with fewer workers available.

Technology insight: Technology is changing manufacturing fast, but not everyone is keeping up. Many companies buy new tools without a clear plan or the right people to use them effectively. This gap between what the technology can do and what's actually implemented is getting bigger, and it's costing manufacturers money right now.

Industrial buyers have changed

Today’s manufacturing buyer is better informed, more digital, and more risk-averse than ever.

- ✓ 70%+ of research is done before speaking to sales
- ✓ Buyers expect **technical expertise, operational understanding, and clear ROI** from vendors
- ✓ Procurement now involves **larger committees and longer cycles**
- ✓ Digital content, peer networks, and third-party reviews influence decisions significantly



This poses challenges for manufacturing sales teams that fail to adapt. Most manufacturers have strong products and deep operational knowledge, but inconsistent sales structure. Common issues include:

Text	Bottom of Funnel	Text
Poor digital experience (e.g., outdated website, lack of content for online research)	Undefined or uneven sales process	Limited reporting or forecasting accuracy
Lack of messaging that differentiates value to technical buyers	Poor pipeline visibility	Misalignment between sales, marketing, and operations

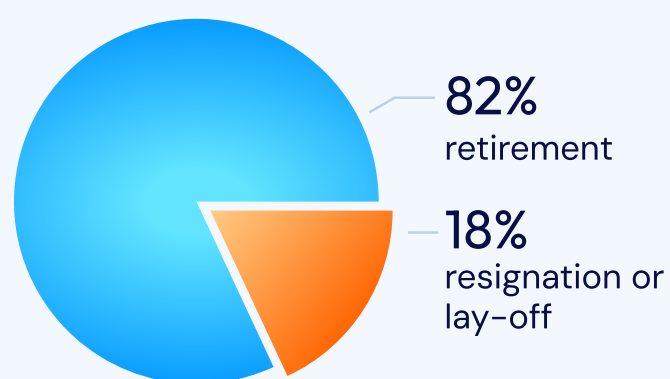
Operational pressures are limiting growth

Even well-run manufacturing organizations face mounting operational challenges.

Workforce & Skills Gaps

- Retirement of experienced workers leaves knowledge voids
- Younger workers expect modern tools and digital workflows
- Upskilling is now essential, not optional

Reasons for Manufacturing Job Exits



Source: National Association of Manufacturers (NAM)

Supply Chain Complexity

- Ongoing disruptions require flexible planning
- Inventory misalignment threatens cash flow
- Customers demand real-time transparency

Production Efficiency & Cost Pressures

- Plants struggle to reduce downtime
- Maintenance strategies lag behind equipment sophistication
- Margins tighten without continuous improvement

The common thread across all these pressures:

Manufacturers need better data, better insights, and better alignment between operational reality and commercial strategy.

Where leading manufacturers are investing in 2026

In response to the conditions explored above, today's forward-thinking organizations are investing resources (both human and financial) in three critical core areas.

Data & Reporting Infrastructure

More manufacturers are treating data as a strategic asset, not just a leftover from their day-to-day work. They're investing in:

- Unified dashboards
- Sales and production forecasting models
- Tools that connect CRM, ERP, and operations data

Process Modernization

Companies are making their work processes the same for everyone, moving away from relying on what only a few long-time employees know, and making sure all departments are working toward the same goals. This Includes:

- Documented sales processes
- Consistent reporting cadences
- Clear KPI frameworks Defined handoffs between marketing, sales, engineering, and operations
- Clear KPI frameworks

Commercial Transformation

Manufacturers are evolving their go-to-market (GTM) strategies through:

- Content-enabled selling Smarter territory planning
- Smarter territory planning
- Account-based revenue programs
- Better qualification frameworks
- CRM optimization

5 actionable steps for manufacturing leaders in 2026

The market conditions, buyer behaviors, and operational pressures outlined in this report point to clear priorities for manufacturers who want to outpace the market in the years ahead.

Here are five practical steps you can take to get your company ready, along with how demandDrive Manufacturing can help if you need support.



1. Connect your data to see the full picture

How to do it:

Link your sales (CRM), business planning (ERP), and factory production data together to improve forecasting and decision-making.

How demandDrive Manufacturing can help:

We specialize in connecting your sales and marketing technology so that all your data moves smoothly between systems. Once your data is connected, we build easy-to-use, centralized dashboards. These dashboards put all your sales, marketing, and product information in one place, giving you a clear, real-time picture for faster, smarter decisions.

2. Update your sales process for digital buyer behaviors

How to do it:

Provide customers with the content they need during their research phase, and ensure your sales team are leveraging engagement insights for intelligent, insight-driven conversations.

How demandDrive Manufacturing can help:

We've established that buyers do the majority of research on their own before they talk to a salesperson – your sales team needs to be ready to continue that conversation smoothly. We help manufacturers create online information (digital content) that gives customers the information they need while they are doing their research. From there, our sales development teams use technology to see how buyers interact with your content online, figure out which leads are truly ready to buy, and have productive conversations with them based on their behaviors so far.

3. Focus technology spending on what gives the best ROI

How to do it:

Not all digital projects will help your business equally. Start by investing in the ones that will lead to clear, measurable profit gains.

How demandDrive Manufacturing can help:

Drawing on extensive experience with manufacturing organizations, we audit and streamline fragmented marketing, sales, and data systems to eliminate duplication, connect siloed data, and ensure your tools can grow with your business. Every digital initiative comes back to the data, so we set you up with the tracking and guidance to focus on what's working and fix (or eliminate) what's not.

4. Align all departments with the same information and company goals

How to do it:

Give sales, operations, marketing, and finance teams a clear understanding of organizational goals, plus access to the same, accurate information to understand performance.

How demandDrive Manufacturing can help:

We help manufacturing organizations develop KPIs with clear ownership so all GTM teams can drive toward the same shared goals, with full visibility into progress and performance. Because we take an integrated approach to sales, marketing, and operations, we ensure cross-functional team alignment is enabled at every step.

5. Invest in your workforce

How to do it:

Train your employees to use new digital tools, understand data, and use modern ways to sell.

How demandDrive Manufacturing can help:

Our SDR teams are trained on and use advanced digital tools and sales processes from day one, saving you the cost of these technology investments and management overheads. In addition to these SDRs who sit alongside your staff, our sales development programs include experienced managers for strategic planning and consultation, plus five hours of revenue operations support to ensure you have everything you need to implement a winning sales strategy your entire workforce is enabled to support.

A new path forward

Manufacturing is entering a transformative era. Success will depend on the ability to combine deep operational understanding with data-driven commercial strategy. Organizations that adopt this approach will improve visibility, sharpen forecasting, strengthen margins, and ultimately build more resilient and competitive businesses.

The landscape explored in this report presents not just a new chapter for manufacturing: it's a new chapter for what's possible when strategy, data, and industry knowledge converge.

For manufacturers looking for a partner in this transformation, demandDrive Manufacturing combines expertise in optimizing the path to revenue with a deep understanding of how your business operates, from plant floor dynamics to industrial processes and production constraints.

About the Author



[Kathee Kelly, M.A.Ed., Ed.S](#) is a transformational leader in industrial manufacturing with 28+ years of experience driving organizational performance across MRO, Electrical, and Utilities sectors. Born into a family-owned CNC machine shop, she developed an early, firsthand understanding of how manufacturing businesses operate, from the shop floor to customer delivery.

Kathee is currently President and General Manager of [demandDrive Manufacturing](#), an agency that helps B2B manufacturers build pipeline, generate qualified opportunities, and scale revenue through proven sales development programs.

Thanks for reading

Learn more about how demandDrive Manufacturing helps B2B manufacturers build pipeline, generate qualified opportunities, and scale revenue through proven sales development programs.

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