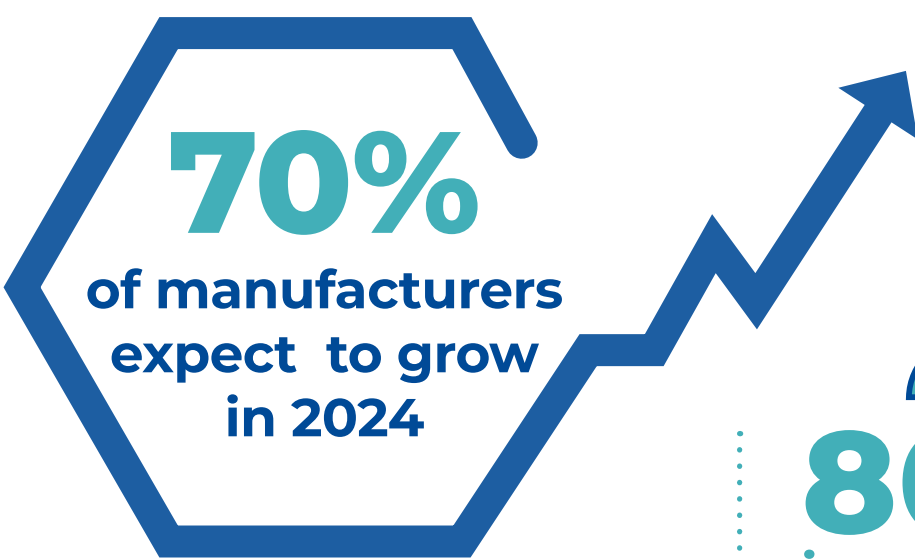


Manufacturing leaders are investing in their companies and collaboration, but many are also considering selling.



MAGNET's 2023 survey of Northeast Ohio manufacturers tells an exciting story of growth and change, and highlights persistent challenges, as our region strives to execute the [Blueprint for Manufacturing in Northeast Ohio](#). This is a summary of key findings about how manufacturing leaders are investing in their people, infrastructure and the region as a whole.



Corporate leadership is highly optimistic about the year ahead.

Following several years of growth, 43% of companies expect to see at least another 5% revenue jump and 45% expect that same increase in headcount next year.

Headcount growth last year was uneven. Only 16% of companies with 10 to 100 people had >10% growth versus 35% for mid-size companies (100 to 300 people). We anticipate this trend to continue, especially for larger companies with the capacity to unlock growth.



80% increase in people of color in supervisory & management roles

The face of leadership is changing.

Northeast Ohio factories and leadership tables have never looked like our communities. That lack of diversity is finally starting to change with an enormous increase in people of color entering leadership roles. These changes are happening at lower and mid-level management, and we would expect to ultimately see increased diversity in senior level positions in the coming years.



Companies are investing in the future.

- **54% of manufacturers are investing in their workforce.** Wages are going up, especially for entry level workers. But 40% of companies say these wage increases are hampering their growth.
- **67% are investing in manufacturing capabilities**, including Industry 4.0 transformation, and 63% are investing in innovating new products.
- **Leaders of companies with 100+ people** are more frequently looking for technology and innovation to provide capacity and flexibility and reduce lead times for customers. Smaller manufacturers are leaning into these efforts to create more company growth, but overall are investing much less than larger companies.
- **27% of companies increased their capital expenditures by 10+% last year** and 21% plan *another* 10+% capital outlay in 2024.



1/3 of NEO companies considered selling in the past year

Manufacturers are considering selling in droves.

In addition to those currently considering selling, approximately 20% of manufacturers were either acquired or were part of an acquisition last year. This is a 45% increase over the last two years.

The good news is that more companies (35%) now have senior leadership succession plans in place.

More company and community leaders are working together.

The federal government continues to release grants requiring significant community partnership – and we're meeting the challenge. The collaboration by dozens of nonprofits, educational institutions, manufacturers, and government agencies has helped secure regional planning grants and designations through EDA's Build Back Better, NSF's Regional Innovation Engines, and EDA's Regional Technology and Innovation Hubs, among significant other philanthropic and government funding.