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September 18, 2022 04:00 AM UPDATED 20 HOURS AGO

Technology bridging the gap for Cuyahoga County manufacturers

A survey of regional firms highlighted labor and supply chain difficulties, but advances in smart manufacturing could provide a needed boost in productivity

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It is no secret in Northeast Ohio that manufacturing matters for our neighborhoods and local economy. Cuyahoga County has the most manufacturing companies of all 88 counties statewide; Summit County is fourth and Lake County is sixth on the list, according to the [Ohio](#)

[Manufacturing Association](#). Together, those three Northeast Ohio counties account for more than 21% of the manufacturing companies in the state.

According to the [National Association of Manufacturing](#), every \$1.00 spent in manufacturing has an impact of \$2.68 on the U.S. economy. So, it should come as no surprise that surveying manufacturing companies, both locally and nationally, provides plenty of valuable insights for Northeast Ohio and the nation. That is the intention of our annual manufacturing survey – here are some of the observations from this year’s report.

Labor

The survey, which was released last month, showed continuing shortages in both skilled and unskilled labor, as well as challenges with employee retention, which is often cited as a threat or obstacle to growth. But even with those labor-related obstacles, 77% of those surveyed plan to increase headcount in the next 12 months. To accomplish the hiring and mitigate the retention issues, 86% have raised wages, 66% have improved benefit packages and the majority of the survey respondents increased bonuses. 77% of those surveyed plan to increase wages by at least 5% in the next two years, with 26% saying they plan to boost wages by 10% or more.

Smart Manufacturing

Even with all the improvements to workplace conditions and the competitiveness of pay, bonus and benefits programs, there is no near-term answer for a shrinking pool of candidates. That is where smart manufacturing capable of supplementing a workforce comes in. Half of the survey respondents adopted new technology last year and another 40% plan to do so this year. Some of that technology investment on the horizon is likely to be of the smart manufacturing variety and will come by way of augmented reality (AR). AR can be used in a variety of applications, and specific to addressing labor-related challenges, can identify safety improvement opportunities, enhance the current workforce’s skillsets and when used to onboard new employees or cross-training existing staff, AR can even shorten the learning curve.

Logistics and Supply Chain

One other notable change in survey respondents was related to logistics and the supply chain. The number of survey respondents saying that COVID impacted their logistics nearly doubled from last year's survey. Most notable, 63% of those surveyed reported shipping delays and a third could not meet demand due to supply chain issues.

Outlook

Manufacturers remain upbeat, nonetheless. For the most part, their order books and backlogs are full, as evidenced by the 84% of survey respondents who are seeing sales growth from their core business this year, despite any labor, hiring or technology challenge they might be facing. Time will tell how much of that sales growth is inflationary due to price or pent-up demand.

Marcum's advisors can help manufacturing companies navigate these challenges and opportunities. For more information on our firm and our team, visit [marcum.com](https://www.marcum.com). To download our survey results [click here](#).