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# From AI to Economic Uncertainty

## Key takeaways from Marcum's 2023 National Manufacturing Survey

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(Marcum: New York) -- The results of [Marcum's 2023 National Manufacturing Survey](#), which features responses from hundreds of manufacturing CEOs and leaders nationwide, paint a mixed picture of confidence and concern against a backdrop of economic and technological changes. The [Consumer and Industrial Products group](#) of accounting and advisory firm [Marcum LLP](#) produces the annual survey.

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While 71% of respondents displayed optimism about the coming year, concerns about rising interest rates, inflation, labor shortages, and potential slowdowns highlight the challenges ahead.

Key findings of the survey include:

- Revenue and growth: 72% of participants reported a growth in revenue of at least 5% year-over-year.

However, these growth figures show a decrease from the prior year, hinting at an early slowdown in 2023.

- **Technological advancements:** Companies are increasingly looking toward artificial intelligence (AI) and other emerging technologies like enterprise resource planning (ERP) systems to drive operational efficiency and mitigate challenges such as labor shortages.
- **Workforce dynamics:** While the challenge of recruiting and retaining talent remains significant, with 75% noting it as a critical issue, there are signs of improvement. For example, fewer companies plan significant hiring initiatives, and expectations of wage increases are down from the prior year.
- **Economic preparedness:** In preparation for possible economic downturns, 74% of respondents are managing cash flow, with 58% increasing their planning efforts. Moreover, there is a clear trend toward cost-saving, with 48% looking to reduce expenses in light of rising interest rates.
- **Tax opportunities:** Despite tax reductions being a top priority, a staggering 20% of companies aren't taking advantage of any tax credits. This suggests untapped potential for firms to enhance profitability through strategic tax adjustments.
- **Strategy and technology:** There is a marked rise in the number of companies planning to invest in technology in the coming year. However, 30% claim to have minimal automation in their processes and may risk being left behind as industry practices evolve.
- **Emerging technology risks:** With companies increasingly dependent on technology, cybersecurity is paramount. Yet, 60% of respondents feel confident in their current tech protection against cyberthreats, suggesting a potential underestimation of evolving cybersecurity risks.

“Understanding these insights is critical for manufacturing businesses charting the future of the industry and their place in it,” says **Michael Sacco**, Marcum’s **National Consumer and Industrial Products** leader. “Our goal with this survey is to provide businesses with the perspective necessary to adapt and thrive. It’s heartening to see the growing emphasis on technological investments, from AI to ERP systems, and attention to improving internal operational efficiencies. While global factors like rising interest rates might introduce caution, the push toward optimizing operations and embracing transformative technologies paints a promising picture for the future.”

Amid the evolving landscape, a striking majority of survey respondents are gearing up for change. Rather than sticking to “business as usual,” they’re reevaluating and reshaping their strategies.

“In this year’s survey, we see challenges but also significant opportunities,” says **Jonathan Shoop**, Marcum’s Midwest Consumer and Industrial Products leader. “Many are gearing up to manage cash flow better, invest in technology, and strategize workforce planning, and it’s clear that a mix of rapid tech advancements and economic uncertainty is the motivating factor. It’s also a golden time for those with capital to consider strategic acquisitions, especially with potentially undervalued companies on the market. Proactivity is key. The steps we take now, whether in adopting new technology or fiscal strategies, will set the stage for a brighter future.”

For a comprehensive understanding and analysis of the findings, the full Marcum 2023 National Manufacturing Survey report is available [here](#).