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Despite Industry Headwinds, U.S. Manufacturers Are Optimistic, Expecting Revenue Growth in 2017

CARMEL, Ind. (January 19, 2017) – Today, Carmel, Indiana based Blue & Co., LLC and St. Charles, Illinois based Leading Edge Alliance (LEA Global) jointly released the results from the 2017 National Manufacturing Outlook Survey.

With more than 250 participants, this survey report contains the expectations and opinions of manufacturing executives in more than 20 states across the country producing a wide variety of products including industrial/machining, transportation/automotive, construction, food and beverage, and other products.

Results from the survey include:

- 74% of small manufacturers and 69% of large manufacturers expect revenue to grow in 2017.
- Manufacturers are more optimistic about their local/regional economies than the national or global economies.
- The top priority for manufacturers in 2017 is “cutting operations costs”, however, high-growth manufacturing respondents are more focused on “research and development”, with 12% of high-growth respondents reinvesting more than 10% of annual revenue.
- Labor continues to be a challenge for manufacturers with 67% of respondents expect labor costs to “increase” and an additional 7% expect labor costs to “increase significantly” in 2017.
- Appropriate cost allocation and accurate and timely data will become required capabilities for successful businesses in the industry.
- More manufacturers will be considering both sales and mergers in 2017 as well as strategic acquisitions.

U.S. manufacturing industry headwinds are significant and include both internal issues, such as high inventory-to-sales ratios, the cost of technology, and labor shortages, as well as external issues like the price of raw materials and strength of the dollar.

Strategic manufacturers should have ongoing conversations with all of their advisors, including their accounting and tax provider, as to how to overcome these challenges and achieve their business goals.

About Blue and Co.

Blue & Co., LLC is an independent accounting and advisory firm with more than 450 people in 14 offices across Indiana, Ohio, Kentucky and Texas. With over 45 years of experience, Blue & Co.’s public

accounting expertise includes the practice areas of assurance, tax compliance and consulting, healthcare consulting, benefit plan services, valuation and litigation support, and business services. Its industry specializations include manufacturing & distribution, healthcare, construction, nonprofit, technology, financial services organizations, and agribusiness.

For more information, please visit www.blueandco.com.

About LEA Global

Founded in 1999, LEA Global is the second largest international association in the world, creating a high-quality alliance of 220 firms focused on accounting, financial and business advisory services. LEA Global firms operate in 107 countries, giving clients of LEA Global firms access to the knowledge, skills and experience of over 2,000 experts and nearly 23,000 staff members.

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