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Top 5 Challenges Facing BC's Manufacturing Industry

October 11, 2022



EMPOWERING MANUFACTURERS

your CANADIAN MANUFACTURING NETWORK 

Top 5 Challenges Facing BC's Manufacturing Industry

AGENDA – October 11, 2022

- About EMC
- Issues Affecting Manufacturing
 - Manufacturing GPS Survey Findings
 - Supply Chain Trends
 - Emerging Technologies Trends



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About EMC

Vision:

- For Canadian manufacturers to grow and be more competitive – at home and around the world.

Our Mission Statement:

- Canadian Manufacturers sharing to optimize learning, expertise and resources, to achieve world-class.

Now Going on 25 years...

- Industry driven programming
- Provide advanced manufacturing expertise, facilitate knowledge networks, resources, services, training and other support.
- Foster continuous improvement, benchmarking and sharing of ideas and best practices...



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About EMC

A unique grassroots **not-for-profit** organization of manufacturers:

- ✓ **All Sizes**
- ✓ **All Sectors**
- ✓ **All Levels of Sophistication**



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Issues Affecting Manufacturing

Issues Affecting Manufacturing

Top Challenges for 2022

- **Skills and Labour Shortages**
- **Increasing Cost of Manufacturing**
 - HR / Labour and Workforce capabilities Costs
 - Energy Costs
 - Cost of Regulation, such as Low-Carbon Economy Costs
- **Acceleration of Advanced Manufacturing Technologies**
- **Trade Exposure – Exports**
- **Increased Competition (Canada, USA and Global Markets)**
- **Finding New Customers and Access to Markets**



Manufacturing **GPS**



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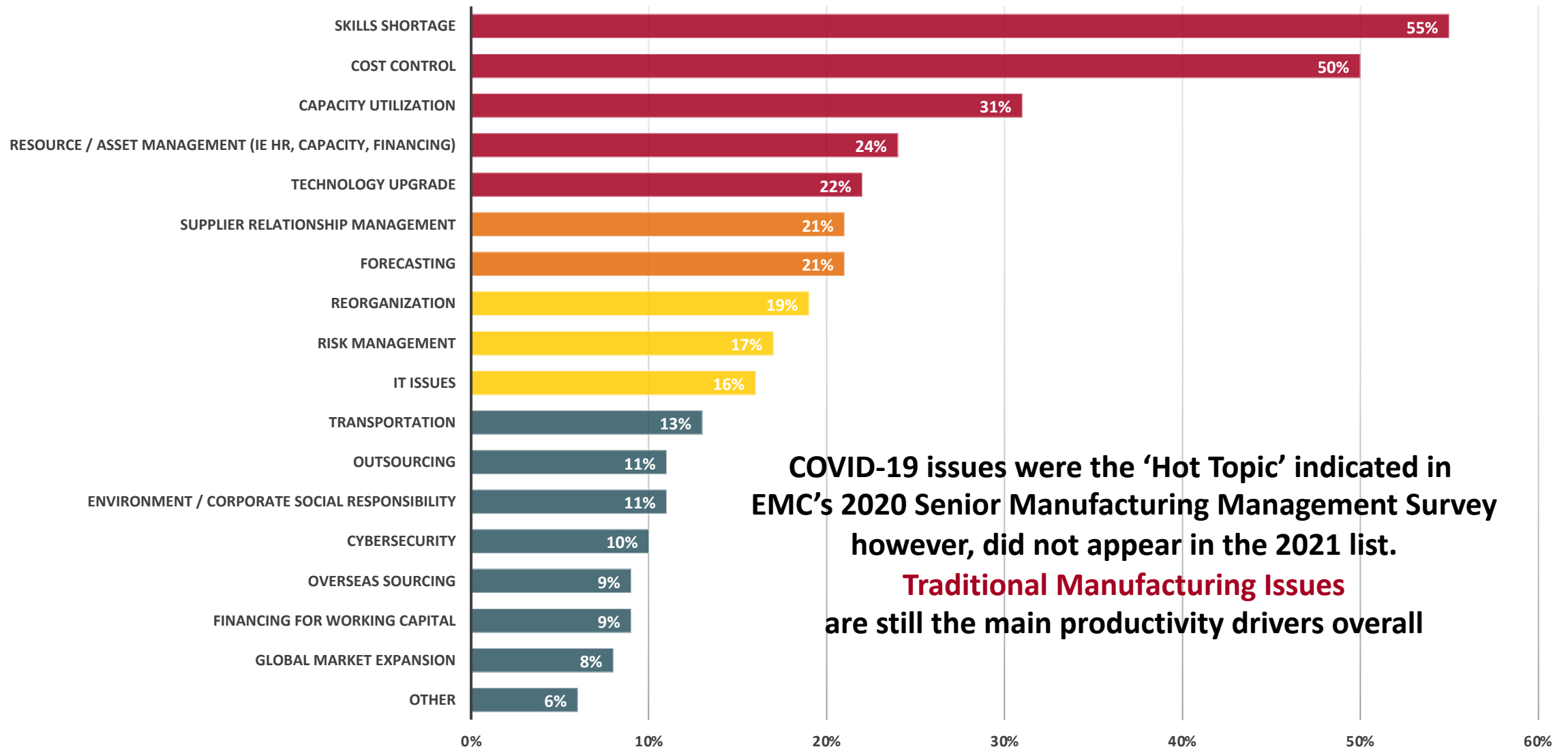
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Issues Affecting Manufacturing:

Most Significant Plant Management Issues for 2022

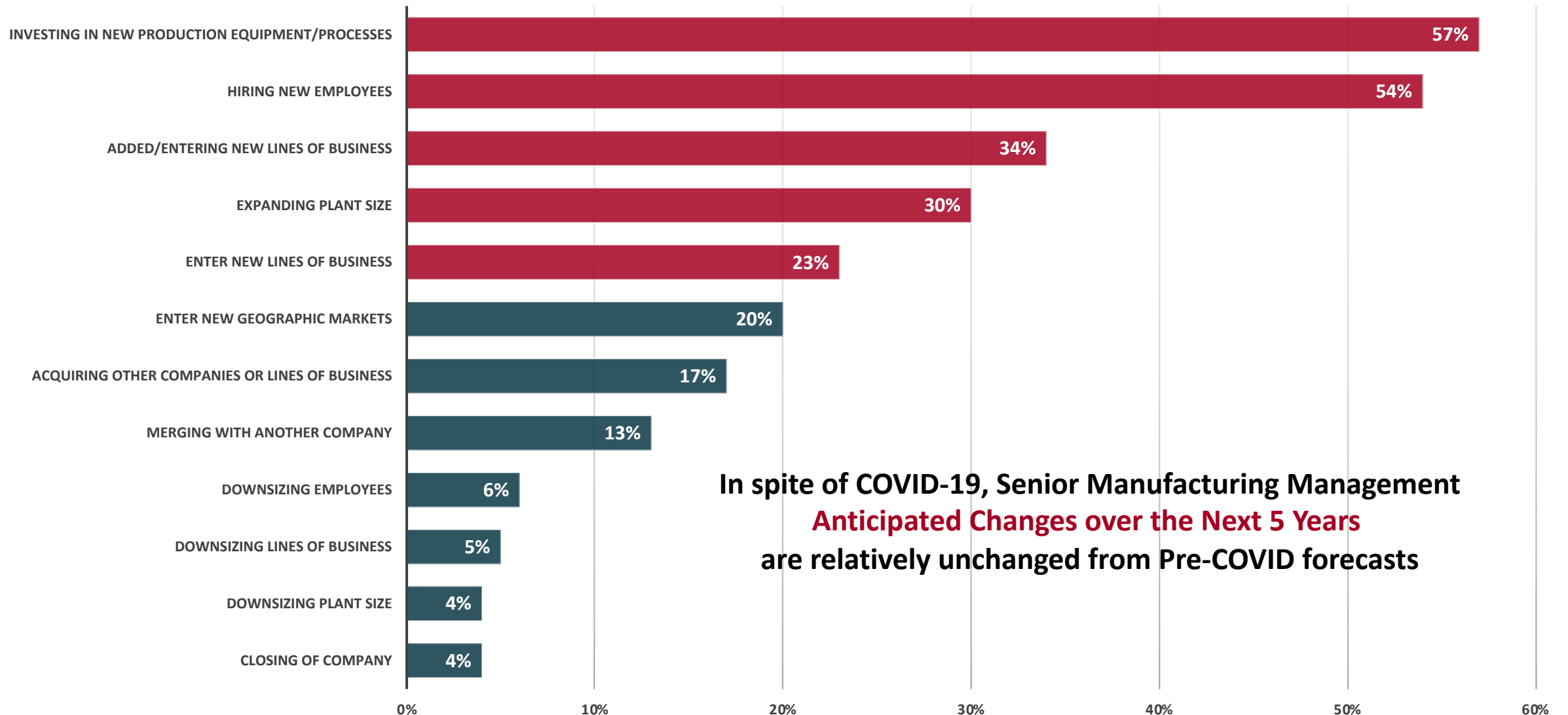


COVID-19 issues were the 'Hot Topic' indicated in EMC's 2020 Senior Manufacturing Management Survey however, did not appear in the 2021 list.

Traditional Manufacturing Issues are still the main productivity drivers overall

Issues Affecting Manufacturing:

Changes Anticipated by Plant Management Over Next 5 Years (2022 - 2026)



In spite of COVID-19, Senior Manufacturing Management Anticipated Changes over the Next 5 Years are relatively unchanged from Pre-COVID forecasts

Supply Chain

National Supply Chain Task Force Report:

- 21 short / longer-term actions to reduce congestion, improve reliability and build resilience within Canada's transportation supply chain
 - Easing port congestion.
 - Addressing labor shortages and employee retention.
 - Establishing a federal Supply Chain Office to unify relevant federal government activities.
 - Protecting corridors, border crossings and gateways from disruption.
 - Developing a national transportation Supply Chain Strategy.
 - Engaging the U.S. and the provinces and territories to achieve mutual recognition of regulations, polices and processes.



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Supply Chain Trends

What manufacturers are seeing...

- Lack of predictability across all aspects of Supply Chains is making planning and execution very tough/challenging.
- Impacted by material cost increases, long lead times and shortages and the transportation / shipping delays

What manufacturers are doing...

- Looking for & implementing innovative ways to address these issues
- Offset material price increases through cost reduction efforts
 - ie VA ideas for products and packaging, alternate lower cost materials, increased automation.
- Addressing lead times/shortages by:
 - increasing ordering horizons, increasing inventories, supply diversification, on-shoring, etc.
- More frequent communication with supply chain partners



Emerging Technologies Trends

Strategic investment in various technologies

- **Enterprise Resource Planning (ERP) Systems**
 - Helps manage product supply chains by tracking business resources
- **Artificial Intelligence (AI)**
 - Integrating computer systems into the production process
 - Majority of employers are short staff; AI allows businesses to augment labour & maximize talent
- **Robotic Process Automation (RPA)**
 - Adapted to emulate the actions of a human workforce and automate specific business processes to work in concert with people.
- **Blockchain**
 - Use to store legal contracts, track product inventory, and monitor movement along the supply chain



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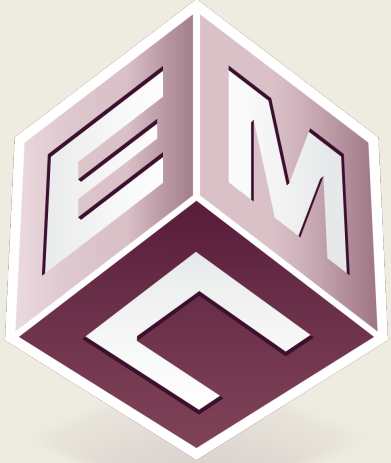


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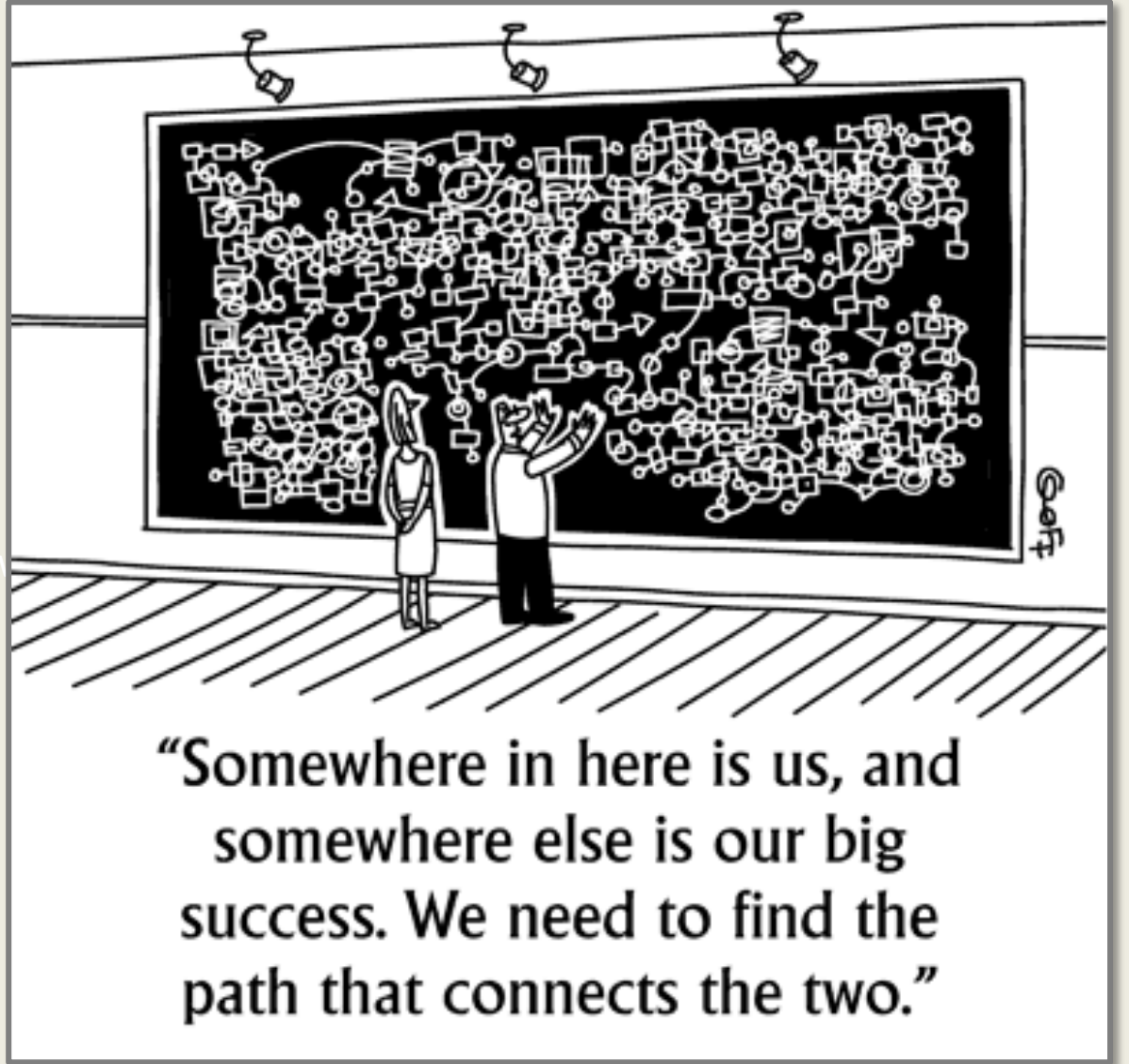
Thank You!



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“Somewhere in here is us, and
somewhere else is our big
success. We need to find the
path that connects the two.”