



**2025 ▶ VOL 1**

# KEEP YOUR FINGER ON THE PULSE

OF THE MANUFACTURING  
+ DISTRIBUTION INDUSTRY

*Access real-time competitive intel  
to apply to your business strategy*

 **SIKICH**®

**2025 ▶ VOL 1**

**MANUFACTURING & DISTRIBUTION  
PULSE SURVEY RESULTS**

The Sikich Industry Pulse surveys U.S. manufacturing and distribution executives across sectors and geographies throughout the year. These executives share their sentiments on top industry and macroeconomic trends – opening a real-time window into where we're headed. The manufacturing sector represents the backbone of the U.S. economy, an indicator of overall economic health and innovation.

Scroll through the results from our most recent survey below.

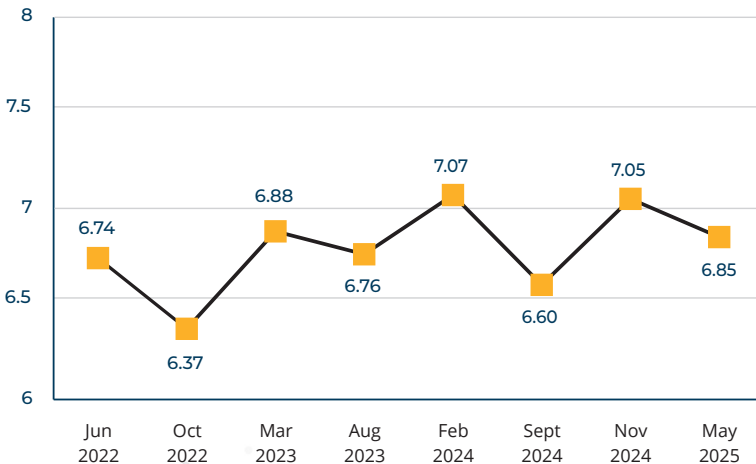
# CAUTIOUS OPTIMISM AMID ECONOMIC AND TECHNOLOGICAL EVOLUTION

Our results show that executives are cautiously optimistic, still somewhat defensive but planning for technological evolution. Specifically, they're gearing up for the future of artificial intelligence and advanced robotics.

## INDUSTRY OUTLOOK

We're in a time of heightened uncertainty but manufacturing executives' business outlooks are still moderately optimistic. On a scale of one to 10, the average confidence score of business prospects over the next six months is 6.85, a slight year-over-year increase and a bit above the three-year average. Fifty-six percent of the votes are concentrated in sentiment scores of 7 and 8, with a more even spread among the other options.

### EXECUTIVE OPTIMISM TRENDS





Although most executives are optimistic, varying concerns are dampening the confidence of some. The most cited concerns are current and proposed tariffs (63%), geopolitical climate (43%) and national political climate (36%).

On the flip side, 32% still report consistent or increasing customer demand, a sign that there are potential opportunities for targeted investments in capacity, supply chain optimization, customer experience and more.

“With many headlines focused on uncertainty, executives are lured into a state of indecision. The manufacturing industry is resilient and executives that choose to act will reap the rewards. Disruption has created several opportunities for a competitive edge by encouraging smarter supply chains, cleaner processes and faster, tech-driven growth. The future isn’t something to brace for – it’s an opportunity to build.”

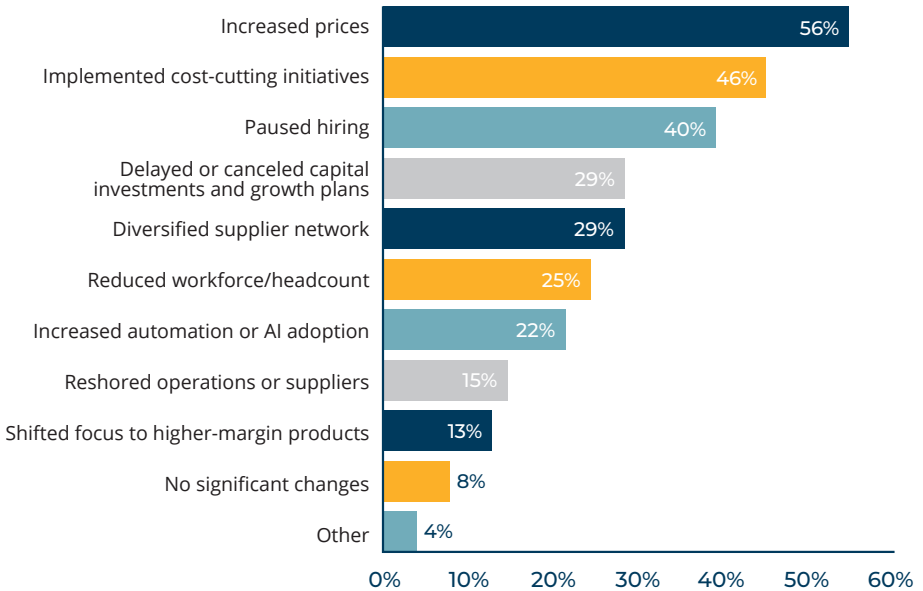
– **JERRY MURPHY**

CPA, CMA, CGMA; PRINCIPAL & MANUFACTURING SERVICES LEADER

# RESILIENCE IN TODAY'S ENVIRONMENT

Most respondents recently made operating and investment adjustments to protect margins amid continued macroeconomic uncertainty. The most common measures taken were direct defenses of the bottom line.

## ECONOMIC UNCERTAINTY RESPONSE



When asked how they're currently or plan to respond specifically to tariffs, executives painted a ranging picture. Most reaffirmed their focus on price hikes: 67% of respondents are passing costs on to customers. Forty-three percent are adjusting supply chains to minimize exposure. Optimistically, almost 30% are either simply absorbing the added costs or plan no changes. We're seeing a spectrum of business resilience and short-term risk tolerance here, from reactive pricing to preserving customer loyalty.

# THE FUTURE OF AI & ROBOTICS

Although AI may be dominating manufacturing conversations, actual adoption is much more limited. Only 1% of executives reported expanding AI across multiple functions, 25% aren't currently exploring AI and 39% are in a research-only phase. Workforce exposure to AI is similarly low, with 76% of respondents acknowledging that fewer than 10% of employees are training on or using AI. AI is top of mind for manufacturers, yet the competitive landscape remains wide open. For forward-thinking manufacturers willing to move from exploration to execution, this moment offers a chance to leap ahead.

## AI JOURNEY SNAPSHOT

### PHASE 0

**25%**

We are not currently exploring AI for our business

### PHASE 2

**31%**

We have started small-scale AI projects and pilot programs

### PHASE 4

**1%**

We are expanding AI across multiple functions and seeing an impact

### PHASE 1

**39%**

We are researching AI possibilities but no implementation

### PHASE 3

**4%**

We have implemented AI in the early stages of implementation

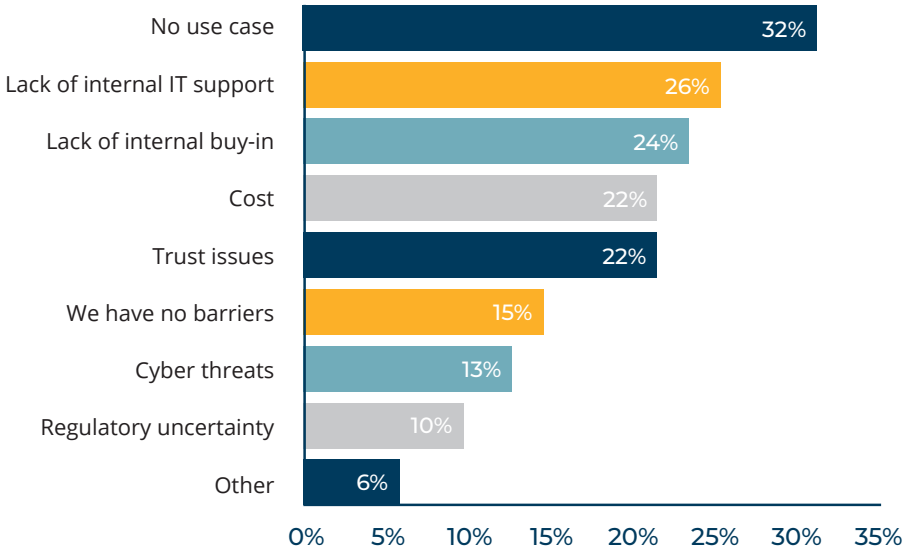
### PHASE 5

**0%**

AI is a core part of our operations and decision-making processes

Among adopters, the most common applications are sales, marketing & customer service (65%), finance and administration (35%) and process optimization (23%). Companies successfully integrating AI into these functions experience lower customer acquisition costs, reduced manual workload and quicker decision-making. Many businesses don't integrate AI because they're unsure of how to apply it, don't have the needed skills or haven't agreed on how to use it.

## AI IMPLEMENTATION BARRIERS



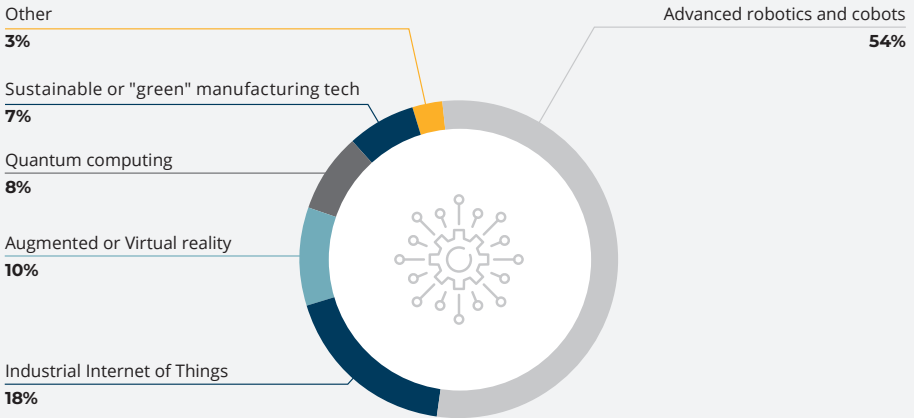
A significant hold-up is that many leaders don't yet trust AI to make critical manufacturing decisions, but they expect to over time. When asked to rank their trust in AI on a scale of one to 10, the average sentiment score was 4.44. But although only 1% believe AI is already ingrained in manufacturing, 84% expect it to become standard within five years. Despite skepticism today, there is clearly confidence in tomorrow. According to the [National Association of Manufacturers Q2 2025 Manufacturers' Outlook Survey](#), nearly 90% of manufacturers plan to prioritize digital transformation in their operations over the next 12 months.

“These results represent the early stages of a major shift. Naturally, most manufacturing executives are still in the research phase and cautious, which is common with transformative technology in any industry. The opportunity exists in the gap between exploration and implementation. Companies already using AI in targeted areas like sales and operations are seeing real, measurable gains. To capture truly transformative data, manufacturers must rethink their workflows with an ‘AI-first’ mentality rather than simply bolting algorithms onto yesterday’s human-centered processes.”

– RAY BESTE, PRINCIPAL AI STRATEGIST

Executives overwhelmingly see more immediate disruption coming from advanced robotics (54%), followed by industrial internet-of-things (18%) and augmented/virtual reality (10%). The manufacturing industry is eager for technological innovation, but currently keener on physical investments.

## TECH PREDICTIONS: WHAT'S NEXT?



Operational strategy and technological foresight are more important than ever in the manufacturing industry. We partner with businesses to navigate these complexities with confidence. Whether it's overcoming regulatory and demand pressures through scenario planning and market entry strategies, helping clients model tariff exposure and margin impact, or demystifying AI use cases with clear roadmaps and practical training, our multidisciplinary teams are here to help. Our wide-ranging services also span equipment and robotics software. We're committed to helping you not just survive transitions but lead them.



## ABOUT SIKICH

Sikich LLC is a global company specializing in technology-enabled professional services. With more than 1,900 employees, Sikich draws on a diverse portfolio of technology solutions to deliver transformative digital strategies and ranks as one of the largest CPA firms in the United States. From corporations and not-for-profits to state and local governments, Sikich clients utilize a broad spectrum of services\* and products to help them improve performance and achieve long-term, strategic goals.

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