

Automation Investment High Among U.S. Manufacturers

written by Lauri Moon | June 28, 2016

MAPI survey shows actual, planned automation investment high among U.S. manufacturers

(Logistics Management – Patrick Burnson: 6-13-16) A new report from the MAPI Foundation indicates that despite the economic slowdown in the industrial sector over the past year, the incidence of actual and planned automation investment is very high in American manufacturing.

The report is based on a national survey of U.S. manufacturers and non-U.S. manufacturers with a presence in this country and is the second in a series of studies on productivity that the MAPI Foundation is producing this year.

Written by Cliff Waldman, director of economic studies at the MAPI Foundation, and sponsored by Rockwell Automation, a global leader in industrial automation, the findings of the national survey show that the high incidence of automation investment spans various company sizes and manufacturing subsectors:

- 83% of respondents indicated they engaged in automation investment in the past five years.
- More than three-quarters (76%) plan to engage in such investment during the next three years.
- 45% indicated their automation investment was part of a broader technology upgrading and 35% said it was a stand-alone investment. The remainder of respondents indicated they engaged in both.

“Automation implementation exhibits characteristics of both capital investment and innovation investment,” observes Waldman. “While deploying machinery into a production line has characteristics of capital equipment investment, it does not appear to be as short-term oriented as capital investment.”

Waldman added, “Automation also does not appear to be an element of business

expansion. Rather, *it is more like process innovation whose principal goals are cost reduction and product quality improvement.*"

"The findings in the MAPI Foundation's second study confirm that automation is a critical driver of productivity and quality improvements for manufacturers as they seek to stay competitive in this challenging environment," said Joe Kann, vice president of global business development at Rockwell Automation.

"The study also points out that automation investments are more often seen as part of a broader business-wide technology upgrade as opposed to a stand-alone application. This is consistent with Rockwell Automation's vision of *The Connected Enterprise* in which operational technology is converged with information technology to drive higher levels of productivity and competitiveness," Kann noted.

(Patrick Burnson is executive editor for *Logistics Management* and *Supply Chain Management Review* magazines and web sites.)