Combating the Skills Shortage in U.S. Manufacturing

U.S. manufacturers may be putting up to 11% of EBITDA at risk annually as a result of a shortage of skilled workers and increased production costs.

**Lack of skilled workers**
- 80% of executives report a moderate to severe shortage of highly skilled workers.
- 75% of executives report a moderate to severe shortage of skilled workers.
- 61% say it has been difficult to hire the skilled people they need.

**Increased production costs**
- 50% plan to increase production by 5% or more in the next five years.
- BUT, as manufacturers use overtime to maintain base production levels, overtime costs increase . . .
  - 70% say overtime costs are up at least 5%.
- . . . and downtime also increases.
  - 62% say downtime increased at least 5%.

**Five strategies for strengthening the talent supply chain**
1. Take advantage of digital technologies to make skills training available any time, anywhere.
2. Collaborate with educational institutions to upskill current employees and build a pipeline of future skilled workers.
3. Build standardized skill sets and employee engagement using certification programs.
4. Utilize apprenticeships to build a highly skilled workforce.
5. Expand the candidate pool by hiring for potential rather than “perfect” fit.

To access the full report please visit [www.accenture.com/manufacturingskills](http://www.accenture.com/manufacturingskills).

Source: Study surveyed 300 executives from U.S. manufacturing companies with an average annual revenue of $100 million. The study was conducted between August 2013 and January 2014.

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