

## State of the Industrial Manufacturing Sector in Response to COVID-19



As stay-at-home orders become the new norm, the daily level of panic is ever-so-slowly fading, especially among manufacturers. That said, it's clear that companies are on edge, waiting for the inevitable peak of this pandemic. Despite the unknowns and myriad of questions that will emerge, industrial manufacturers are operating under new protocols and doing their best to maintain both safety and productivity.

First and foremost, adjusted daily operating procedures have been the initial response to this pandemic. Non-factory workers have mostly been sent home to work remotely, but productive, essential factories rely on frontline workers. In many cases, stringent social distancing and sanitization measures have been put in place and shifts are staggered to prevent cross-contamination. Increasingly, factories are introducing daily temperature testing and symptom screening to ensure their employees remain healthy. Where possible, masks and gloves are being distributed.

However, many factories – especially in the auto and airline industry – have gone a step further and halted their manufacturing efforts entirely, closing factories across the US and Europe. For others, this isn't an option – those serving the food industry, for example, are busier than ever, trying to meet increased demand.

Some factories are taking yet another approach – retrofitting their facilities to manufacture essential components and equipment for the medical community. Manufacturers large and small are taking on this challenge – one small facility in [Baltimore](#) pivoted from their core product to design and manufacture test-tube racks for coronavirus testing, while [General Motors](#) has prioritized building 30,000 medical ventilators – these and similar efforts are invaluable in the race to combat COVID-19.

In cases where facility retrofitting isn't possible, supplies such as masks and gloves – once used by factory workers – are being donated to local hospitals and medical centers. [Starkey Manufacturing](#) is just one example of this – they recently donated 80,000 masks to healthcare workers in Minnesota. With the concerning shortages of personal protective equipment, test kits, and other medical supplies, it's heartwarming to see manufacturers stepping up to help those on the frontlines.

Whichever response a manufacturer takes, the fact is that their market footprints and complex supply chains have a deep impact on both local and global economies – there will undoubtedly be shortages and financial hardships at every turn. This reality is why the [CARES Act was recently enacted](#), which includes the Paycheck Protection Program, incentivizing businesses to keep employees on the payroll. Additionally, the [National Association of Manufacturers recently requested](#) a “Manufacturing Resiliency Fund” from the federal government, which would introduce \$1.4 trillion in loans to improve liquidity for small and medium-sized manufacturers. Both the CARES Act and the Resiliency Fund include tax credits for those who are able to keep their employees on the payroll. Essentially, it's a move that aims to protect employees, ensure economic security, and set the stage for the road ahead – though, in reality, it's just one of many efforts that will be needed to save the manufacturing landscape as we knew it before this crisis.

At the end of the day, with so many unknowns, it is undoubtedly challenging for manufacturing leaders to remain resilient and plan for recovery while simultaneously reassuring their employees. They must consider the widespread long-term impacts, including digital capacities, worker preferences, supply chain disruption, supplier relationships, M&A

opportunities, and, of course, costs, among many others. That said, this humanitarian crisis has put a spotlight on the industrial manufacturing sector and their critical role in the nation's economy and wellbeing – a spotlight that will likely stay bright for the long term.