Rootstock's Manufacturing Tech Survey Reveals Impacts of Economic Uncertainty on Enterprise Software Spending

51% of manufacturers plan to increase spending, but many are taking a more cautious approach during turbulent market conditions

SAN RAMON, CALIFORNIA, UNITED STATES, July 18, 2024 /EINPresswire.com/ -- Rootstock Software, a recognized leader in Manufacturing ERP, continues its in-depth series with Part 3 of its comparative analysis of the 2023 versus 2024 State of Manufacturing Tech Survey Results. This part of the analysis delves into manufacturers' investment plans for enterprise software,

Rootstock Manufacturing ERP Logo

such as ERP, CRM, and finance. The findings shed new light on shifting priorities and evolving strategies in response to current economic conditions.

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> *Stu Johnson, VP of Product Marketing at Rootstock Software*

"Our 2024 survey revealed that while manufacturers plan to increase spending on enterprise software, they are taking a more conservative approach when compared to 2023—with more modest spending increases. This trend reflects the economic uncertainties they face in today's market," said Stu Johnson, VP of Product Marketing at Rootstock Software. "Rootstock remains committed to supporting customers with ERP and AI solutions that matter to manufacturers and their current objectives. For example, Rootstock ERP can help manufacturers boost operational efficiency, reduce costs, and scale for growth, even during challenging financial times."
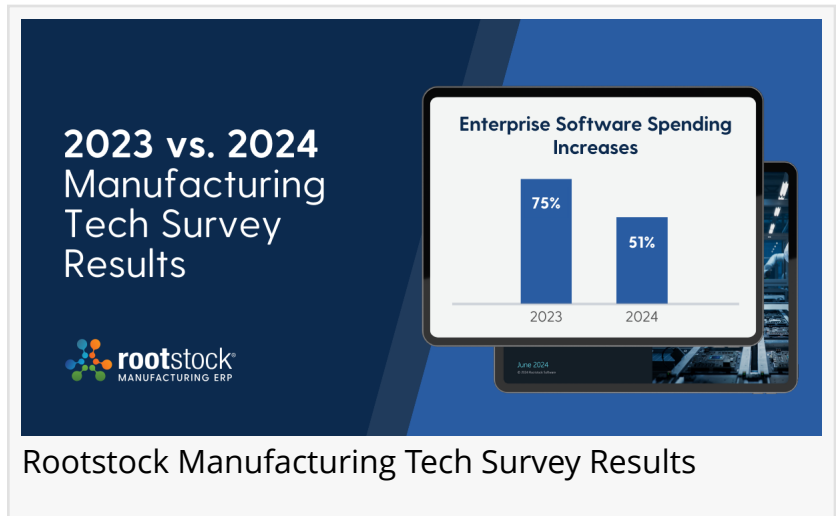
The 2024 State of Manufacturing Technology Survey Results revealed these notable shifts when compared to the previous year:

• REDUCTION IN SPENDING INCREASES. The 2023 survey indicated that a majority of

manufacturers (75%) planned to increase their spending on enterprise software. However, by 2024, this percentage decreased to 51%, marking a 24% reduction. This significant drop suggests a growing caution among manufacturers, likely driven by economic uncertainty, budget constraints, and a more conservative approach to new investments.

Rootstock Manufacturing Tech Survey Results

• RISE IN SPENDING CUTS. Conversely, the number of manufacturers planning to decrease their spending has increased. In 2023, only 9% of manufacturers intended to cut their software budgets, but this figure rose to 28% in 2024—a 19% increase. This significant rise indicates that manufacturers are increasingly focused on cost-cutting measures, optimizing existing resources, reducing operational costs, and reallocating budgets to more critical areas.

• SLIGHT INCREASE IN CONSISTENT SPENDING. There has been a small increase in the number of manufacturers opting to maintain consistent spending levels. In 2023, 15.7% of manufacturers planned to keep their investment levels steady, but this grew to 21% in 2024—a 5.3% rise. This trend speaks to a wait-and-see approach for one-fifth of respondents, wanting to avoid spending changes in the current landscape.

These findings highlight several key implications for the manufacturing industry:

• ECONOMIC UNCERTAINTY. The shift towards decreased and consistent spending underscores growing economic uncertainty. Manufacturers may be hesitant to make large investments in enterprise software until there is more clarity on market conditions and economic stability.

• COST OPTIMIZATION. The notable rise in manufacturers planning to reduce spending highlights a focus on cost optimization and efficiency. Manufacturers are looking to streamline operations, reduce overhead, and improve profitability.

• STRATEGIC CONSERVATISM. The observed trends imply a strategic conservatism among manufacturers. Many are choosing to maintain current investment levels to stay agile and adaptable to changing circumstances.

Rootstock Software is committed to helping manufacturers navigate these trends with innovative ERP and AI solutions tailored to the industry's needs. AIRS™, the company's groundbreaking AI solution, and comprehensive ERP platform empower manufacturers to enhance operational efficiency, improve supply chain resilience, and accelerate their digital transformation journey.

For complete 2024 survey findings, check out Rootstock's study here: https://clouderp.rootstock.com/rootstock-state-of-manufacturing-survey. And tune into Rootstock's press releases (https://www.rootstock.com/news/press-releases/), where additional parts of this comparative analysis will be announced.

METHODOLOGY
In partnership with Researchscape (https://researchscape.com/), Rootstock conducted this 2024 research via an online survey fielded in February to April 2024. There were 508 respondents to the survey across 14 countries (Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Japan, Netherlands, Norway, Sweden, United Kingdom, and United States) and leading "digital transformation" in companies with revenues of $10 million or more.

ABOUT ROOTSTOCK
Rootstock Software (https://www.rootstock.com/) provides the leading Manufacturing Cloud ERP, which empowers hundreds of manufacturers to turbocharge their operations in today's dynamic, post-pandemic world. Natively built on the Salesforce Platform, Rootstock delivers a futureproof solution. With it, manufacturers gain the agility to continually transform their businesses to meet evolving customer needs, navigate emerging challenges, and accelerate success. In addition, the "connectability" of Rootstock Cloud ERP gives manufacturers 360° visibility to collaborate with suppliers, trading partners, and the broader value chain. As Rootstock continues to grow, stay tuned to the company's latest LinkedIn posts (https://www.linkedin.com/company/2389168/admin/feed/posts/).

Tammy Delatorre
Rootstock Software
+1 213-320-1766
email us here
Visit us on social media:
Facebook
X
LinkedIn
Instagram
YouTube