



2026 Manufacturing Industry Trends & Predictions

Contents

Disruption defined manufacturing in 2025.

Supply chains shifted faster than they could stabilize. Trade dynamics reshaped production footprints. Labor shortages persisted. Sustainability mandates added new operational complexity.

Amid all this turbulence, AI moved from the edges of experimentation to the center of industrial strategy. The conversation shifted from if to how fast, even as many manufacturers recognized a growing gap between urgency and readiness.

Manufacturing leaders are now focused on practical adoption: how to deploy AI at scale and deliver measurable outcomes across operations, supply chains, and the workforce. Industry data reflects this shift, with 93% of manufacturing COOs planning

to increase AI and digital investment over the next five years.

Yet progress remains uneven. Core system modernization and AI adoption are advancing at different speeds, leaving many organizations still building the foundations required to support intelligence end-to-end.

From our vantage point, one thing is clear... AI is here to stay. The next year will be about making it work in practice, not operating in isolation.

The following predictions reflect where we expect the most meaningful progress in 2026 and beyond.



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Prediction 1:

Organizational structures will be redesigned to support AI-enabled ways of working

Most manufacturing organizations were built for sequential work, fixed hierarchies, and departmental optimization. Through waves of digital transformation, systems modernized and workflows digitized, but the structure around the work stayed the same. Work changed. Tools changed. Organizational design did not.

That structure is now the bottleneck. AI can connect planning, production, supply chain, service and workforce activity in real time, but when an organization is still designed for linear, sequential work, the value stalls at departmental boundaries. Intelligence gets trapped in functions. Progress defaults to the pace of approvals and hierarchy, not the speed of what technology makes possible.

In 2026, we expect manufacturers to begin reassessing their design, not to reduce roles, but to remove the structural barriers that limit what people can achieve with AI. This is not about replacing humans, it's about removing the friction that holds them back.



When structure aligns with how work actually flows, **AI's impact** expands, and the ceiling on what's possible rises.





Prediction 2:

Supply chain intelligence will shift from episodic analysis to a continuous internal capability

If 2025 proved anything, it is that predicting disruption is impossible, but preparing for it is not. Manufacturers now have the ability to model complex what-if scenarios, simulate disruptions, and plan responses before issues reach production.

For most organizations, supply chain data remains distributed across systems and formats. That reality has not changed. What has changed is how manufacturers can work with it. AI-enabled supply chain

modelling and simulation tools can use that data, even where gaps remain, to build and test scenarios across the supply chain.

Over 2026, supply chain intelligence will increasingly become a core internal capability. Rather than relying on third-party or consultant-led, periodic analysis, manufacturers will use AI-enabled tools internally on a regular basis to explore scenarios, test assumptions, and better respond to change.



Optimization, resilience, and value creation become part of day-to-day operations.

Prediction 3:

Efficiency will turn sustainability into an operational requirement

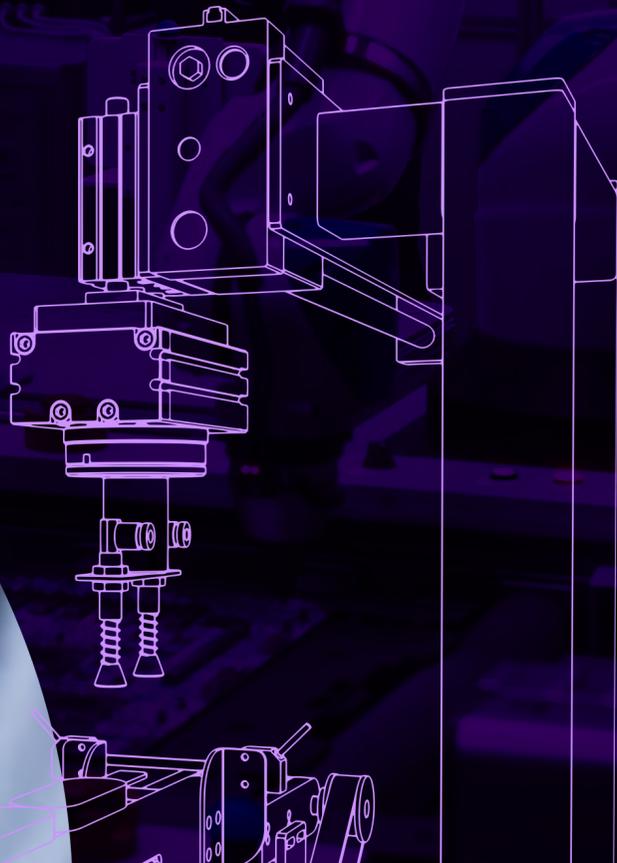
By 2027, manufacturers will have built AI-driven sustainability systems that monitor, report, and optimize environmental impact in real time, as environmental compliance becomes an operational imperative.

As global regulations fluctuate and investor expectations rise, manufacturers must now measure environmental performance with

the same rigor applied to cost and quality. Sustainability will become AI-enabled and embedded into how factories, supply chains, workforces, and assets are managed day to day, integrated directly into planning, execution, and optimization cycles.



What once required lengthy reporting cycles will evolve into a **continuous feedback system** that learns, flags anomalies, and guides adjustments.



Prediction 4:

Humanoid robots will become the new productivity engines on shop floors

Productivity challenges have been a familiar story in manufacturing for years, and they're only accelerating today. [OECD data](#) shows annual productivity gains have fallen from 2–3% in the early 2000s to less than 1% today. After years of digital transformation investment, many manufacturers are asking, why hasn't output kept pace?

The next leap in industrial productivity will come from a fundamentally new workforce model, one where robots and AI-enabled systems operate side by side. Humanoid and mobile robots are no

longer science projects. They're proving their value on production floors, designed not to replace people but to extend their reach, consistency, judgment, and problem-solving.

For most, that won't mean overnight automation. It will mean rethinking how people and robots collaborate day to day, clarifying which tasks are best handled by each, updating safety protocols, and redesigning workflows so teams work confidently alongside intelligent machines.



Manufacturers who modernize the relationship between people, robots, and AI will **move beyond stagnation**, regaining lost capacity and setting a new benchmark for industrial performance.

Conclusion

The predictions shaping manufacturing in 2026 point to a clear shift. AI is no longer confined to isolated initiatives or experimental use cases.

It is influencing how organizations are structured, how supply chains are managed, how sustainability is operationalized, and how work is performed on the shop floor.

For manufacturing leaders, the challenge ahead is not access to technology, but execution. Progress will depend on aligning AI adoption with core systems, organizational design, and day-to-day operations—rather than treating transformation as a series of disconnected programs.

Manufacturers that succeed will be those that build internal capabilities, embed

intelligence into their operating models, and modernize how people, processes, and technology work together. In doing so, they move beyond experimentation and begin capturing measurable, scalable value.

The year ahead will not be defined by new ideas, but by how effectively existing ones are put into practice.



The next phase of manufacturing transformation belongs to those who act decisively.



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IFS Cloud is a fully composable AI-powered platform, designed for ultimate flexibility and adaptability to our customers' specific requirements and business evolution. It spans the needs of Enterprise Resource Planning (ERP), Enterprise Asset Management (EAM), Supply Chain Management (SCM), and Field Service Management (FSM). IFS technology leverages AI, machine learning, real-time data and analytics to empower our customers to make informed strategic decisions and excel at their Moment of Service™.

IFS was founded in 1983 by five university friends who pitched a tent outside our first customer's site to ensure they would be available 24/7 and the needs of the customer would come first. Since then, IFS has grown into a global leader with over 7,000 employees in 80 countries. Driven by those foundational values of agility, customer-centricity, and trust, IFS is recognized worldwide for delivering value and supporting strategic transformations. We are the most recommended supplier in our sector. Visit [ifs.com](https://www.ifs.com) to learn why.

