# Executive Summary

Manufacturing is undergoing a decisive transformation. Rapid technological advances, shifting customer expectations, and rising sustainability pressures are reshaping service from a support function into a core driver of profitability and growth.

To understand how industry leaders are responding, and what this means for service and support, IFS surveyed 800 senior manufacturing decision-makers across key global markets.

This report goes beyond trend-spotting. It offers a practical playbook, showing how top manufacturers are boosting profitability with new service models, tackling workforce shortages through smarter enablement, and streamlining operations with technologies like Industrial AI.

Use it to benchmark your progress, uncover what's working (and what isn't), and identify where to focus next. Each section combines global and regional insights with clear, actionable takeaways to help you act faster, invest smarter, and lead with confidence.

## TOP FINDINGS:

### 1. Servitization goes mainstream:

**94%** Report new service models impacting operation

**39%** Cite servitization as key to long-term growth

**Outcomes-based contracts (31%)** and **tiered service models (27%)** now outpace traditional warranty or break-fix service models, signaling a structural shift.

### 2. AI and Automation take the lead:

**96%** of firms use AI

**28%** are fully scaled

**Cloud infrastructure now ranks top (63%)** among the three biggest tech priorities for manufacturers.

### 3. Digital maturity advances

Adoption of AI/ML, IoT, and optimization tools is widespread across the industry, but momentum is now shifting from initial implementation toward integration, scalability, and extracting real-time operational insights.



### 4. Field service management *priorities* evolve:

Field service is now valued equally for:

Planning: **36%**

Visibility: **35%**

Customer experience: **35%**

a shift from its earlier customer-first emphasis in the 2023 report.

### 5. Strategic challenges *shift*:

Compared to 2023, service complexity **22% to 36%**

and outdated tech **29% to 35%**

are rising concerns, prompting accelerated modernization efforts.

Increased regulatory requirements have emerged as the number one challenge in 2025 (40%), up from number four in 2023.

### 6. Resilience builds despite gaps:

**95%** report supply chain disruptions

and **more than 99%** have adopted at least one mitigation strategy. Yet **only 32%** feel **'very confident'** in their resilience.

### 7. Upskilling over attrition:

**98%** face labor shortages

The focus has shifted to training, with increased use of e-learning and internal academies. Automation investment jumped from **27% to 38%** between 2023 and 2025.

### 8. **Sustainability** becomes embedded:

**97%** VIEW IT AS IMPORTANT

**79%** TRACK EMISSIONS

Though it now ranks seventh in strategic priority (vs #1 in 2023), it's treated as standard practice, not an aspiration.