The Coronavirus Crisis:
What Manufacturers are Saying—and Doing
or as much as the coronavirus has dominated the headlines and infiltrated the lives and actions of, well, nearly everybody around the globe, the pandemic’s origins are relatively recent. The first hints of what was to come emerged in late 2019 and, indeed, the disease caused by the virus didn’t even have a name until mid-February when the World Health Organization officially dubbed it COVID-19.

The newness of the disease is important to any conversation. Because the world is still learning about its effects, researching possible cures and simply getting a grasp on the enormity of the coronavirus’s reach, everything is fluid. Facts change daily. How best to mitigate its spread is up for constant modification. “Should we or shouldn’t we?” is the topic of the day.

These questions and concerns are widespread – including among U.S. manufacturing. Industry Week has been robustly reporting on the impacts of the coronavirus on our manufacturing audience, as well as how this community has responded to the challenges issued by the disease. We’ve written scores of stories and no doubt will greatly add to those numbers before things return to “normal.”

Recently we asked our audience to tell us even more about how they are being impacted by and addressing the coronavirus. We sent out a survey to our Industry Week audience as well as to the manufacturing readership at sister media properties EHS Today, New Equipment Digest and Material Handling & Logistics. Our idea was to collect specific tactics and practices manufacturing leadership is using to maintain safety and productivity, to share ideas that perhaps your facility had not considered, and to remind everyone that we are all learning as we go.

We conducted the survey from April 13-20, via email and social media requests. After light cleaning of the data, we counted approximately 465 completed surveys. Here is what we learned.

**Today’s Actions, Tomorrow’s Change**

As we said early on in this report, the coronavirus is so new that there is little precedence for manufacturers to fall back on. And it shows in several comments elicited by the survey.

“Those in charge are meeting week by week to make decisions about scheduling and hours worked or if the business will be open or closed,” said one respondent in the food & beverage industry.

“Everything is in flux. May start operating late this week,” added a manufacturer in the automotive/transportation equipment sector.

“Just holding out to see what the ‘new normal’ is and how long it takes to get there,” added a manager in the metals industry.

But despite the lack of a concrete view of the future, and thus how to address it, survey respondents provided a somewhat upbeat view of the present. For example,
more than 90% identified themselves as “essential” businesses and a similar percentage were up and running, albeit not necessarily at a typical pace. Fewer than 15% had reduced or stopped production due to supplier-related issues, although some 17% reported having to find substitute suppliers or materials.

Fully three-quarters of manufacturers indicated a strong level of satisfaction with the practices implemented by their companies to maintain safety and productivity during the COVID-19 crisis. On a scale of one to five, with five being the most satisfied, nearly 34% ranked their company’s response a five, and another 43% gave it a solid four. Fewer than 10% placed their firms on the two lowest rungs of the satisfaction ladder.

“And management began discussing the virus in early March, and we implemented initial actions on March 10, including providing training to employees,” said a respondent in the electronics/high-tech industry who had given his company a ranking of five (most satisfied).

“We have split shifts and reduced hours, but all employees are getting full pay even if working less hours. Company acted quickly and was on the cutting edge of actions and implementation. Excellent coordination between leadership and operations,” added a respondent in the medical devices/lab equipment industry.

And one more: “Based on that fact that I don’t believe anyone was prepared for a situation like this, my company group was extremely responsive to the changing situation and worked to protect employees at the same time keep the company running,” noted a rubber & plastics industry respondent.

On the other end of the spectrum were comments like these: “My company is more concerned about staying in business than they are with the health of the employees,” said an industrial machinery industry respondent.

And, “Was saddened to see my company fight so hard to be considered ‘essential.’ They went so far as to threaten legal action to restart operations after our plant was shut down by the police. It was quickly obvious what the priority was, and it wasn’t employee safety. I had much higher hopes and expectations for the leadership of my company,” observed a respondent in the wood products/furniture industry.

With these comments as backdrop, let’s take a closer look at our survey respondents and the insights they shared with Industry Week. First, some quick demographics: Our survey respondents spanned the many vertical industries that comprise manufacturing, with industrial machinery grabbing the biggest bucket at 12.2%, followed by metals at nearly 11%.

All but 7% said their specific office or facility was open for business, although in many instances (39.8%) production workers were onsite while office workers or other positions worked remotely. As later data will show, the coronavirus appears to have driven significant work-from-home or other remote working arrangements.

**Production Operations Up and Down and Up**

Data show that most companies with manufacturing production operations are manufacturing goods—although not necessarily in typical fashion. Just 7% of respondents said they had completely shut down, and it appears that government mandate was the primary driver of that action. On the other end of the spectrum, slightly more than half of respondents are producing at a typical pace or have even ramped up production. Twenty-two percent of those who have ramped up production are in the food and beverage industry, which is the industry most represented in this category of production.
Among the comments generated by manufacturers who have ramped up production: “Chemical manufacturing industry remarkably busy. Can’t fill openings,” said one, while another noted that some of the safety precautions implemented by the company has spurred a need for workers.

“We have had to hire a lot of temp employees to fill crew as we separate crews to reduce interaction,” said a representative from the food and beverage industry.

For manufacturers that have reduced production, the supply chain may be one driver. Slightly more than 14% of survey respondents reported having reduced or stopped production due to supplier-related issues, while 17.1% said that while production continued at a typical pace, they had had to find substitute suppliers or materials.

Still 67% of manufacturers say supplier-related issues have not reduced or halted production operations. A few of those respondents have shut down for other reasons; still, the high percentage of respondents not reporting supplier-related issues was a slight surprise. Were they carrying high levels of inventory that are being used up? Did they have suppliers who were carrying high levels of inventory? Would the answer to this question have been different were it asked a week earlier, two weeks later, a month? We will follow up.

And, finally, about 85% of manufacturers are producing their typical product, while a healthy 15% are making products outside of their usual offerings.

The Technology Play—Let’s Talk Remote

In addition to asking how supplier-related issues were impacting production, we asked about the degree to which their investment in technology is influencing a manufacturer’s ability to continue operating during this
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pandemic. About half of survey respondents say their technology investment has enabled continuing operations—with about 21% describing its impact as "significant," while the other half says it has had no impact at all.

Approximately two-thirds of respondents did not identify specific technology investments (among a list we provided) that made a meaningful difference in their ability to operate during the pandemic. Nearly 13% of survey respondents cited robotics/automation.

However, the survey revealed that tools and technologies that allow remote working are attracting attention during this crisis. Of the 10.8% of survey respondents who told us that “other” technology investments were proving meaningful, most of them cited tools that allowed remote work. Be it videoconferencing, Zoom, VPN connectivity and even remote monitoring, technologies that support work-from-home or work-from-elsewhere opportunities have proved essential for some.

It will be interesting to revisit these technology questions once manufacturers have time to take a deep breath. Will the COVID-19 crisis ultimately spur the purchase of new technologies? Were there technologies that would have proven helpful, in retrospect?

Eye on Safety: How are Employees Staying Safe?

A strong majority of survey respondents indicated high levels of satisfaction with their company’s efforts to maintain safety and productivity during the COVID-19
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As we mentioned earlier, those responses beg the question: What measures are companies taking to keep employees safe? Here is what we discovered.

Most manufacturers are taking a multifaceted approach. Extra cleaning (88.1%) and strong enforcement of social distancing (83.5%) led the pack among a list of options provided to survey-takers. Slightly more than half say masks have been distributed by the company, while a small percentage says masks are allowed, but are voluntary and must be provided by the employee. Approximately 40% cite staggered arrival/exit times and temperature checks as other measures in play.

Fully 20.4% of respondents said their companies were taking measures beyond the list we provided, including working remotely. Among the “other” options cited most frequently were a ban on visitors and other outside personnel, and staggered breaks and lunch times.

Noted one respondent: “Sequestered essential manufacturing employees (rented a hotel) who will be the only ones permitted to work onsite, restricted all access to the plant/facilities.”

Distressingly, a few respondents observed that no additional measures had been taken in response to the coronavirus.

A Positive COVID-19 Test

It can happen and does: an employee tests positive for COVID-19. We asked respondents to identify from a list of possibilities the procedures their company has in place in that circumstance (we also assumed the infected employee would not continue working while ill).

Slightly more than 60% reported that employees who were in contact with the infected employee are placed on

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### Are there specific technology investments that are making a meaningful difference in your ability to operate during COVID-19 crisis? (Check all that apply)

- Robotics/automation .............................................. 12.8%
- 3D Printing/Additive manufacturing ................. 6.7%
- IoT ............................................................................. 3.9%
- Machine vision .......................................................... 4.6%
- None ........................................................................... 66.7%
- Other (primarily tools to support remote work) ....... 10.8%
leave. Over 42% said their facility is shut down temporarily for testing and cleaning. And a third said that the manufacturer takes temperature checks of all employees.

Some 19.3% of respondents report their company had no set protocol in place if an employee tests positive for COVID-19. A small number of those respondents have no set protocol because they are completely shut down; however, this response also raises questions: Are the manufacturers waiting for a positive test before creating a response? Or is it that given the recency of COVID-19, these manufacturers haven’t settled on a course of action?

Finally, approximately 8% reported having other measures in play. In many instances, those other measures included deep cleaning of the area where the person who tested positive worked, but not shutting down the entire facility.

**Staffing in the Time of COVID-19**

No doubt about it, the coronavirus and strategies implemented to contain its spread have had a profound effect on the staffing needed by many U.S. manufacturers.
For 31% of our manufacturing survey respondents, those staffing needs – or really, lack of staffing needs – have translated into furloughs, either temporary layoffs or reduced pay for reduced work. Nearly 7% report that their site has been subject to reduced pay for the same level of work.

Still, nearly 47% of respondents said their site had experienced no staffing or pay changes, and 14.4% had boosted pay. Moreover, nearly 9% had to hire temporary workers.

So what other staffing measures were manufacturers taking? In digging into some of the “fill in the blank” responses, we discovered that about 2.5% of respondents were at sites that offered employees voluntary leave without fear of losing their jobs.

Noted one respondent in the electronics/high-tech industry: “Although we are operating as if we were at 100% capacity, due to about 10%-15% of the workforce voluntarily taking leave of absences in various departments at various times (sometimes 1 week, some 2 weeks, some indefinitely), it is more difficult to project output for finished goods, and our actual capacity is reduced.”

A medical device/lab equipment maker shared its answer to obtaining added help: “Brought in additional personnel from another plant in the company that is not making essential products.”

Several survey respondents also noted the implementation of permanent layoffs, early retirement, delayed or eliminated raises, and reduced overtime. Each of these was cited by fewer than 1% or respondents.

For Continuity’s Sake

Forty-nine percent of our survey audience told us they had a business continuity plan that proved helpful.
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Learning as We Go

It is fair to say that Industry Week was at least a little surprised at the optimism of the answers—many manufacturers still working, fewer supply chain disruptions than we anticipated, and a very high percentage of respondents happy with the efforts being made by their companies.

We also recognize however, that this survey is a snapshot in time, and events continue to unfold without warning. As one respondent noted: “Amazing to think that you have complete control but to find you have absolutely none.”

We’ll do this survey again and track how sentiments and actions have changed. We will also take the data we have gathered here and create additional reports to bring detail to some of the practices noted here. Meanwhile, we will continue to do what we can to bring valuable information and insights to your manufacturing challenges. IW