

President & CEO Network

Industry Report: AML Industry Pulse

#1

U.S. Ranking in
Manufacturing
Intensity

1 in 5

Hoosier
jobs are in
Manufacturing

The Executive Perspective: Today's Top Priorities for AML Leaders

Four themes rising consistently across peer-to-peer conversations with presidents and CEOs of Indiana advanced manufacturing and logistics companies – and what they signal for the sector.

Early signals for sector at large

The four themes on the following page appeared in every cohort, across companies of every size and specialty, throughout the first months of the Conexus President & CEO Network.

Theme #1

Tariffs, Material Costs & Pricing Volatility

The cost environment is not a temporary disruption but a structural shift. The companies adapting fastest have stopped waiting for prices to normalize.

What leaders are reporting

- Aluminum up roughly 30% since December; tungsten moving from \$20 to \$200 per pound
- Steel tubing purchased in small quantities from multiple suppliers with no ability to stockpile
- Freight surcharges climbing and rarely reversing
- For most, tariffs have not yet made domestic sourcing straightforwardly more competitive
- Quote windows shortened from 30 to 10 days as a hedge against price escalation

What is working

Companies winner are competing on capability, specialization and speed rather than commodity cost, and building supplier redundancy into sourcing strategies.

Theme #2

Labor, Workforce & Frontline Development

Indiana unemployment sits at 3.3% — under 3% in Elkhart County. The labor market is not loosening, and the challenge is more specific than a headline number suggests.

What leaders are reporting

- The supervisory pipeline — people who can lead a team and drive accountability feels particularly thin
- New hires not surviving 60 days at several member companies
- Shop-floor employees increasingly need digital and AI fluency to do their jobs effectively
- Upskilling for the evolving shop floor and upskilling for AI are not separate problems — the skills overlap more than they differ
- Geographic access to community college programs is a real barrier for smaller shops

What is working

Hiring for cultural fit and training in-house. Earn-and-learn partnerships. Framing technology investment as part of the employee value proposition — members report candidates respond to shops that are modernizing.

Theme #3

AI Moving from Curiosity to Operations

AI is a current operational question for manufacturers of every size — not a future one. The range of adoption is wide, and the leaders moving fastest have concluded that not moving carries more risk than moving thoughtfully.

What leaders are reporting

- Daily use of Copilot, Claude, ChatGPT and specialized tools like Murray Mentor is common among early adopters
- One member's team built a CRM-to-sales-action-plan tool in under a month
- Others are moving carefully — surveying employees, weighing data security and seeking process-specific applications before committing
- The CRIT framework (Context, Role, Interview, Task) is emerging as a practical CEO entry point no data infrastructure required

What is working

Starting with AI as a thinking partner for leadership decisions, then expanding. Members report immediate value from structured prompting frameworks, with minimal cost and no technical setup required.

Theme #4

Business Systems, Data Visibility & AI Governance

Behind every AI conversation is a more foundational question: is the data infrastructure ready to support it? ERP and CRM disconnection is a consistent blocker across the Network.

What leaders are reporting

- Leaders frequently cannot track shipment cost per customer, ROI per distributor or time spent per account
- Companies with more integrated systems are visibly better positioned to use AI productively
- EOS implementations are surfacing data visibility gaps that day-to-day operations had obscured
- AI-enabled security risks are growing alongside productivity gains, making governance an immediate priority

What is working

A deliberate sequence: establish leadership-level vision, encourage employee use and learning, then add light governance and training. Designating a security-focused role is emerging as a best practice. Members who follow this sequence report more durable adoption and more manageable risk.