


The Wisconsin Manufacturing Report

AI

Insights Shaping the Future of Wisconsin Manufacturing



WISCONSIN CENTER FOR
MANUFACTURING
& PRODUCTIVITY

A woman wearing a yellow hard hat and safety glasses is focused on operating a large industrial machine in a factory setting. She is wearing a red and black plaid shirt and black gloves. The machine has a large drill bit and various mechanical components. The background is slightly blurred, showing more of the industrial environment.

Proudly Powering Manufacturing Progress.

Manufacturing drives growth across Wisconsin, and we're honored to serve the companies shaping strong futures for our communities. When you're ready to take your next step forward with a bank built for your industry and business, we're here.

Ready when you are.

firstbusiness.bank

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Welcome to the fifth annual Wisconsin Manufacturing Report (WMR)

Manufacturing shaped the major part of my professional life for the past four decades. I believe manufacturing is a critical part of any successful country's economy – spurring economic growth, practical innovation, and the great jobs that support a healthy middle class. One reason Wisconsin is such a great state is that we understand the value of making the things the rest of the world needs.

Manufacturing is the largest contributor to the state's GSP, so the issues that affect the industry ripple through the rest of our economy. Manufacturers face ongoing worker shortages, supply chain disruptions, uncertain prices, and the impact of new technologies – including AI – on their businesses. It's a chaotic time with few obvious answers.

The Wisconsin Manufacturing Report exists to bring some clarity and context around manufacturing during these tumultuous times. We work hard to present unvarnished, unbiased information to help manufacturers, manufacturing supporters, and policy makers make good decisions. For this study, we conducted 405 manufacturer interviews and held four focus groups around the state to pull together a clear picture of Wisconsin manufacturing and manufacturers.

This year, we confirmed that manufacturers are an optimistic bunch – ready to invest in their growth, provided they have some clarity about how those investments will pay off.

We face an ongoing worker shortage requiring new approaches and advanced technology to improve productivity. Accordingly, we saw a huge jump in our “AI Embracement Curve” as more manufacturers include AI in their operations. This study provides insights on all these issues...and more!

Of course, none of this happens without sponsor support. First Business Bank helped us get this initiative off the ground and we appreciate being on this journey with them. Top Floor Technologies and Chortek both made investments with us and broadened our attention to include marketing and financial perspectives in the final product. Their support and input strengthen the report and make the output more relevant.

Thank you for reading this edition of the Wisconsin Manufacturing Report. We appreciate your interest in – and support of – the MEP and our work to make Wisconsin the best manufacturing state in the country.

Together we go forward!



Buckley Brinkman
Executive Director / CEO

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Wisconsin Manufacturing Overview

Manufacturing remains the largest and most important segment of Wisconsin’s economy, contributing more than \$72 billion in activity and supporting almost 480,000 family-supporting jobs. Wisconsin consistently ranks as one of the most concentrated manufacturing states in the country with 18.2% of our workforce in manufacturing, as compared to 8.8% nationwide. We produce the parts, components, and assemblies that support American manufacturing and make Wisconsin’s manufacturing base resilient.

Manufacturing drives the Wisconsin economy. We know how critical the sector is to our success in the world economy and that manufacturing leaders and policymakers need good information to keep the industry healthy. That’s why the WCMP produces the Wisconsin Manufacturing Report – the best source of impartial manufacturing information for our state. The insights pulled from the WMR enable our leaders to take advantage of new opportunities and create a bright manufacturing future.

That future includes an ongoing worker shortage that drives strategies. Leading manufacturers recognize that growing their businesses in the face of this obstacle requires them to maximize their available talent: investing in upskilling, incorporating more technology, and taking more flexible approaches to recruitment and retention. AI will play an integral role in future advances, freeing people to develop their strengths and make larger contributions for their companies and communities. We need all our manufacturers to embrace these challenges and engage new technology to keep Wisconsin successful into the future.

Major Wisconsin Industries

Manufacturing	Educational Services, Health Care, and Social Assistance	Professional and Business Services	Retail Trade
479,846	469,046	370,485	312,489
Employees	Employees	Employees	Employees
\$72.12B	\$41.44B	\$43.06B	\$28.40B
GDP	GDP	GDP	GDP
\$68,429	\$62,018	\$73,224	\$34,687
Average Wage	Average Wage	Average Wage	Average Wage

Sources: U.S. Census Bureau County Business Patterns Survey, 2023
U.S. Department of Commerce Bureau of Economic Analysis, 2023

Wisconsin Top Manufacturing Sectors:

2018-2023 Comparison

Food Manufacturing

	2018	2023	Change
Establishments	990	1,040	+50
Employment	73,222	80,121	+6,899
Employment per Establishment	74	77	+3

Fabricated Metal Product Manufacturing

	2018	2023	Change
Establishments	1,931	1,904	-27
Employment	69,070	71,619	+2,549
Employment per Establishment	36	38	+2

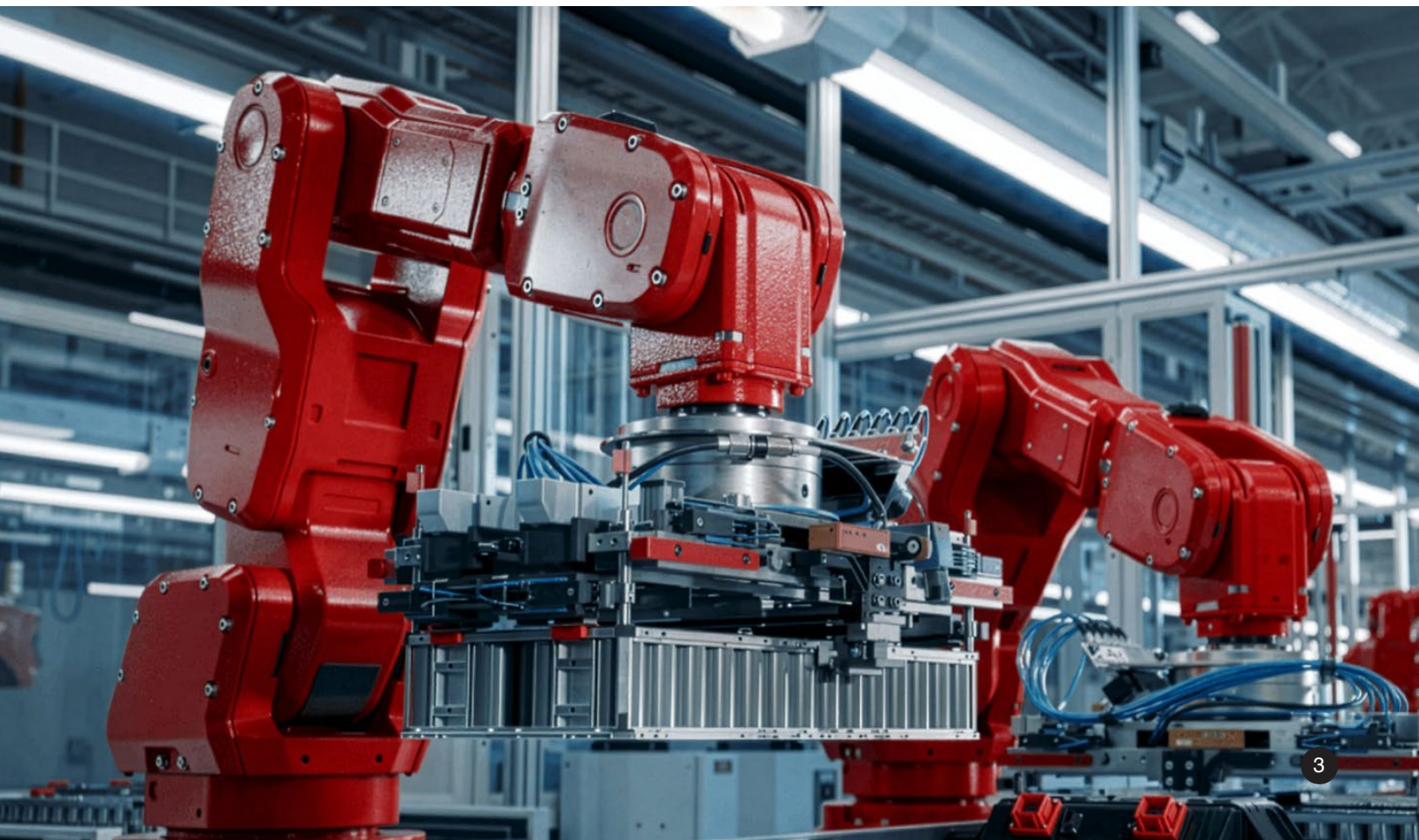
Machinery Manufacturing

	2018	2023	Change
Establishments	1,014	942	-72
Employment	61,347	61,414	+67
Employment per Establishment	61	65	+4

Printing and Related Support Activities

	2018	2023	Change
Establishments	674	591	-83
Employment	26,134	22,252	-3,882
Employment per Establishment	39	38	-1

Source: U.S. Census Bureau, County Business Patterns Survey



Findings

1 The worker shortage will not go away

- Manufacturers use more flexible workforce policies and approaches to improve recruitment and retention
- Technology adoption plays a larger role in improving productivity and market competitiveness
- Labor markets softened, but slowing immigration and unfavorable demographics mean we will need more workers for the foreseeable future

2 Manufacturers see AI as an important technology for their businesses

- For the first time, the majority of manufacturers embrace AI
- Larger companies see more difficulties in implementing AI than smaller organizations
- Manufacturers struggle to start using AI, and then have trouble making a return on their investments

3 Growth is back on the menu

- Improved productivity, capacity expansions, and lower demand put manufacturers on the hunt for new business opportunities
- Manufacturers reduce their risk by growing in domestic markets
- Word of mouth remains the most important source of new business

4 Tariffs create ongoing market uncertainty, slowing investment

- Changing policies make it difficult to set pricing, predict profitability, and commit to capital investments
- Manufacturers remain split on their support for tariffs
- Concern centers more on unpredictable costs than uncertain supply chains

5 Optimism is at an all-time high

- Wisconsin manufacturers believe in their companies and think the economy is headed in the right direction



Marketing for Manufacturers

For 25+ years, Top Floor has partnered with hundreds of manufacturers to achieve their growth goals through targeted lead-generation strategies.

CRAFT A STRATEGIC MARKETING ROADMAP

based on your existing marketing footprint, customer personas, and competitive landscape.

GENERATE BRAND AWARENESS

at the top of the funnel by building your industry reputation, thought-leadership, and social media footprint.

BUILD A POWERHOUSE WEBSITE

that turns online users into an engaged audience and interested prospects.

CONNECT YOUR MARKETING TECHNOLOGY

including CRM, your website, and email marketing software to create tailored customer segments and user experiences.

ATTRACT IN-MARKET CUSTOMERS

through paid media, content that resonates, and personalized campaigns across a spectrum of marketing channels.

We build customized marketing campaigns that attract, convert, and retain. Ready to take the next step?

Let's talk.

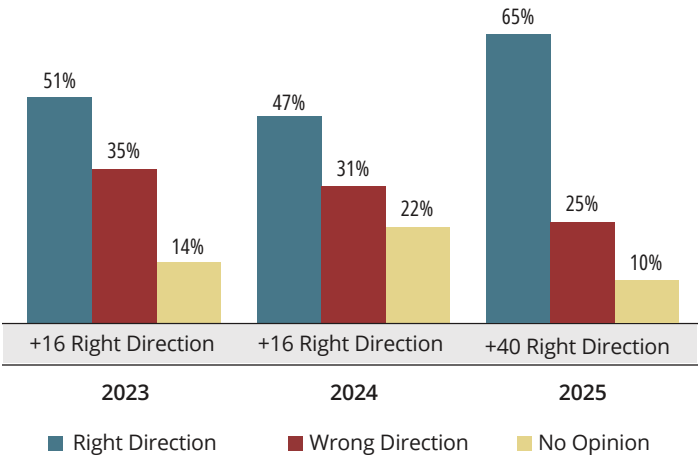
topfloortech.com/report



Study Highlights

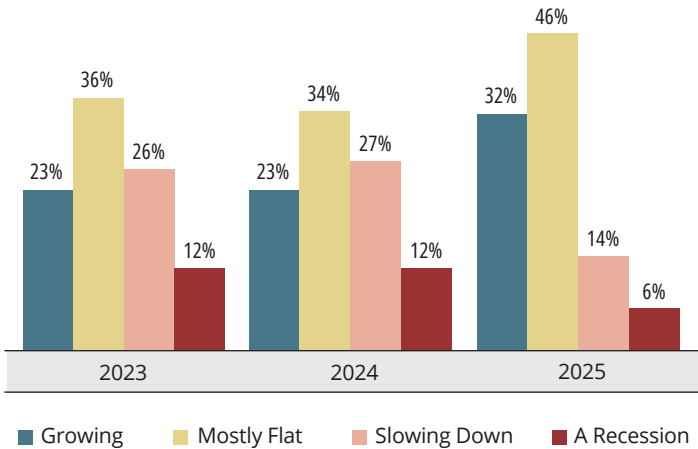
The percentage of manufacturers who say the business climate is heading in the right direction reached its highest level yet.

“Would you say the business climate in the state is heading in the right direction, or is the business climate off on the wrong track?”



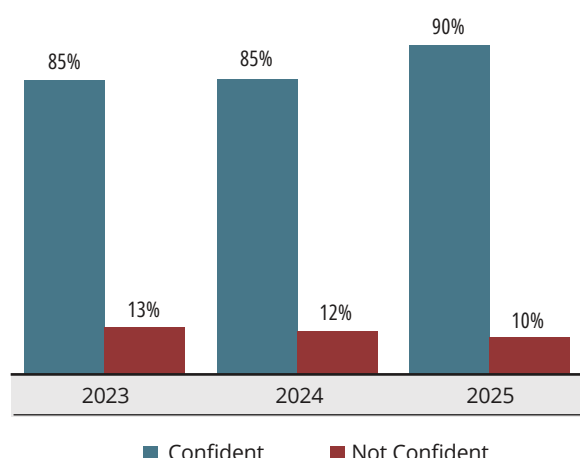
While a plurality say the state’s economy is mostly flat, one-in-three believe the economy is growing – the highest we’ve seen since 2021.

“Overall, right now, do you think Wisconsin’s economy is growing, slowing down, mostly flat, or in a recession?”



Wisconsin manufacturing executives remain extremely confident about their own companies' financial outlook. Smaller manufacturers had the largest increase in confidence.

"Let's shift gears for a moment and focus more on your company. From a financial perspective, how do you feel right now about the future for your company?"



Total Confident

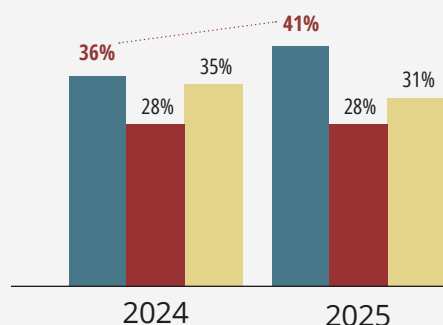
	2023	2024	2025	Change
1-49 Employees	84%	82%	88%	+6
50+ Employees	89%	94%	96%	+2
Revenue <\$1M	78%	72%	78%	+6
Revenue \$1 - 5M	86%	88%	90%	+2
Revenue \$5M+	91%	92%	94%	+2

Manufacturers expect revenues and productivity to increase, but uncertain market conditions slow capital expenditures.

"As you look to the year-end, do you expect your company's _____ for 2025 to increase or decrease compared to 2024, or will they probably stay the same?"

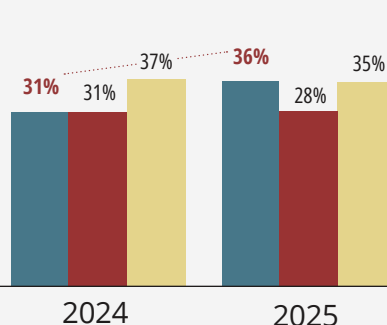
Gross Revenues

+5 INCREASE



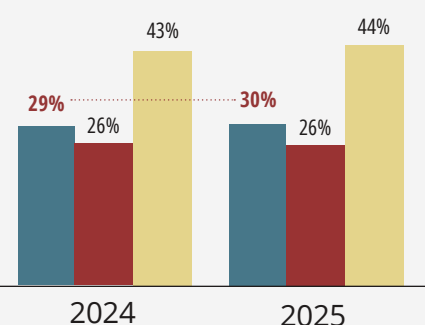
Profitability

+5 INCREASE



Capital Expenditures

+1 INCREASE

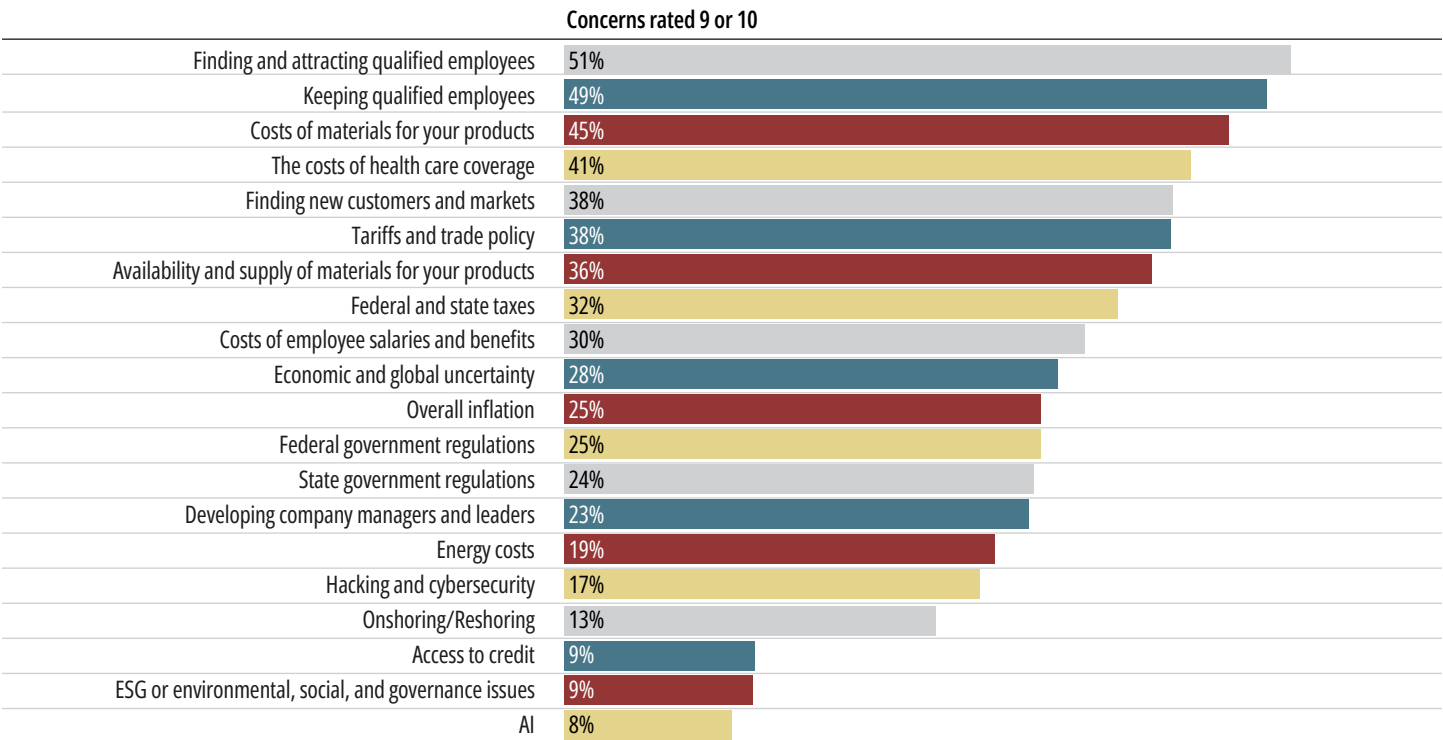


■ Increase ■ Decrease ■ Stay The Same

Manufacturing Concerns

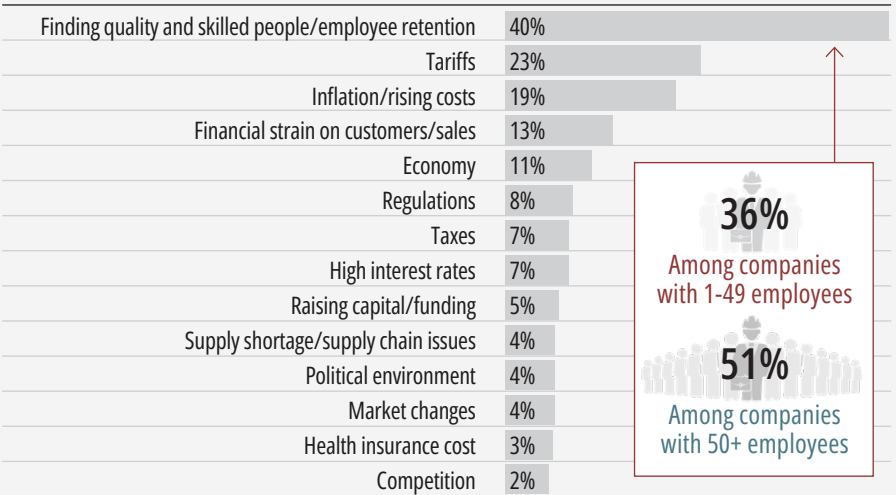
Workforce issues remain atop the list of manufacturers' concerns.

"Next, we're going to look at a series of different issues that may or may not impact you and your company. For each one, please rate how important that issue is to you and your company's success."
(1-to-10 Scale: 1 = Not Important At All / 10 = Extremely Important)



Workforce, tariffs, and inflation concerns account for most of the top of mind issues manufacturers see affecting their success.

"Next, thinking about your company, what would you say is the one or two most important issues affecting your business and its future success?"
(OPEN ENDED)

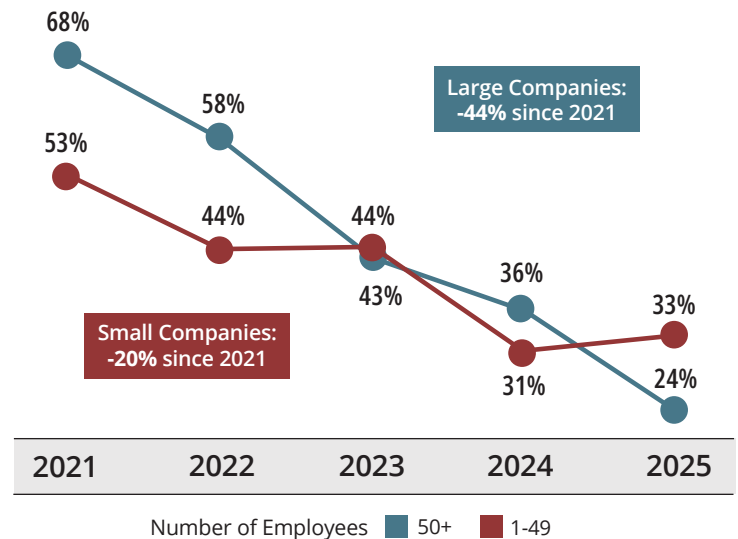
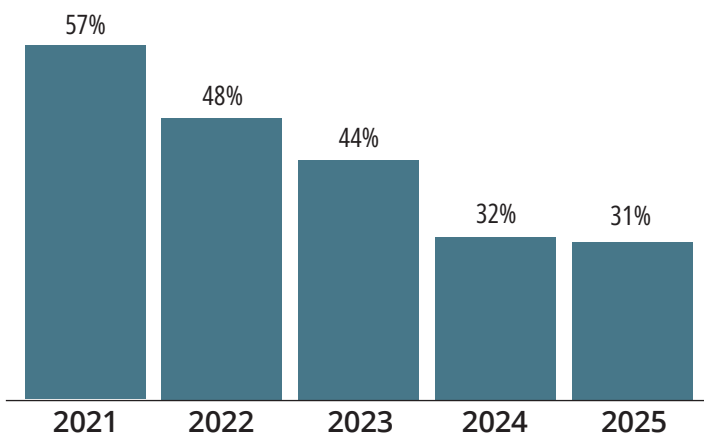


Responses less than 2% not shown

Workforce

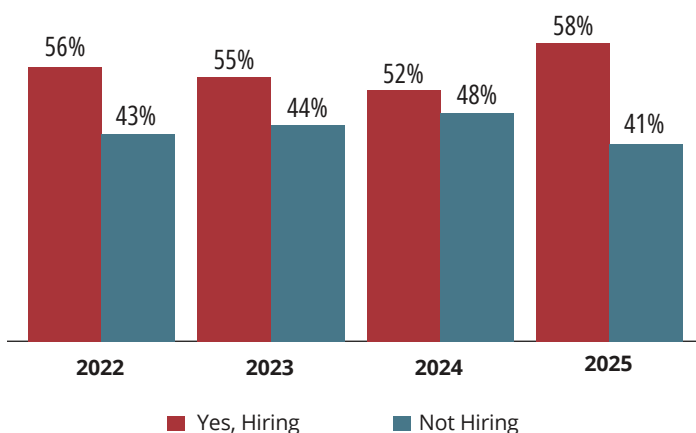
Those who say it's *very* difficult to find the workers they need continues to decline (especially among larger companies).

"Generally speaking, how easy or difficult is it for your company currently to find qualified workers for new or open positions?"



Most manufacturers say they are hiring, but they're hiring for fewer positions.

"Does your company currently have positions that are open for hiring?"



(Asked Among Those Hiring)

"And, based on your best estimate, how many positions would you say your company has open that you are currently hiring for?"

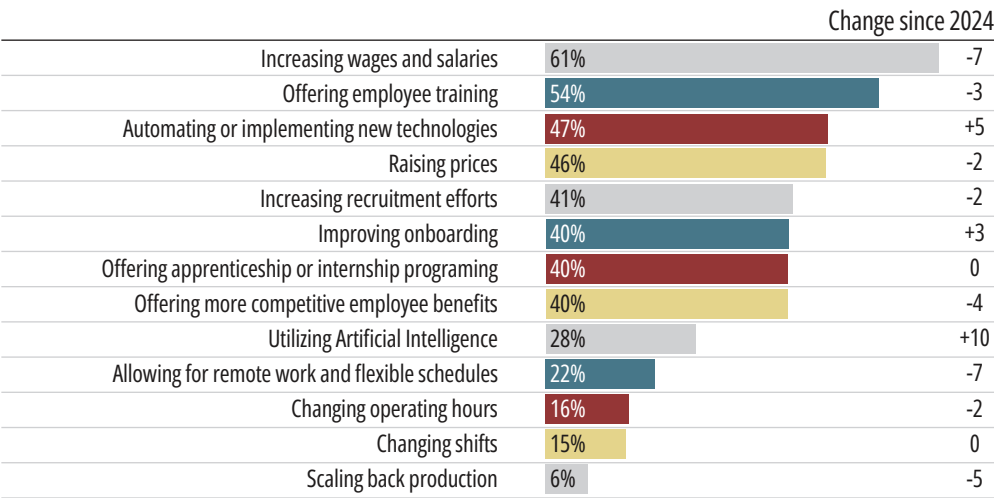
	1-3 Positions	4-9 Positions	10+ Positions
2021	46%	32%	20%
2022	53%	25%	21%
2023	58%	24%	18%
2024	58%	23%	19%
2025	60%	24%	15%



Workforce (continued)

Manufacturers still lean heavily on pay, training, and new technology to address workforce constraints.

“Is your company considering any of the following changes to address potential long-term workforce challenges?”



Larger manufacturers try more things than smaller manufacturers to address workforce issues.

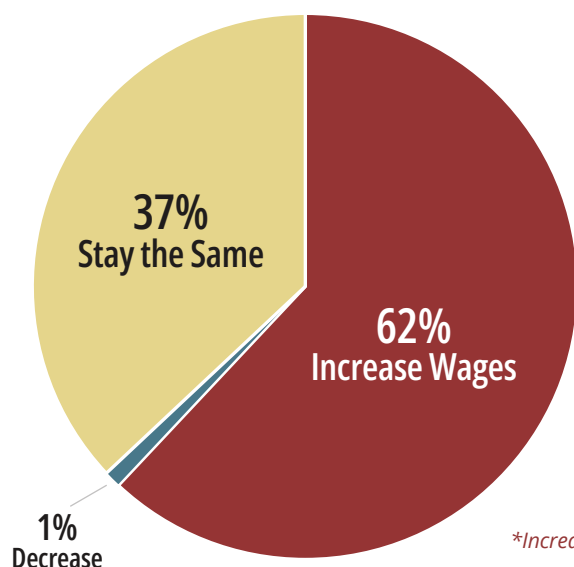
Considering Changes By Company Type (Results 50%+ Per Type Are Colored)

	Company Size	
	1-49 Employees	50+ Employees
Increasing wages and salaries	60%	63%
Offering employee training	53%	55%
Automating or implementing new technologies	45%	56%
Raising prices	47%	40%
Increasing recruitment efforts	37%	52%
Improving onboarding	35%	57%
Offering apprenticeship or internship programming	37%	48%
Offering more competitive employee benefits	40%	39%
Utilizing Artificial Intelligence	27%	32%
Allowing for remote work and flexible schedules	22%	24%
Changing operating hours	15%	19%
Changing shifts	14%	17%
Scaling back production	7%	6%

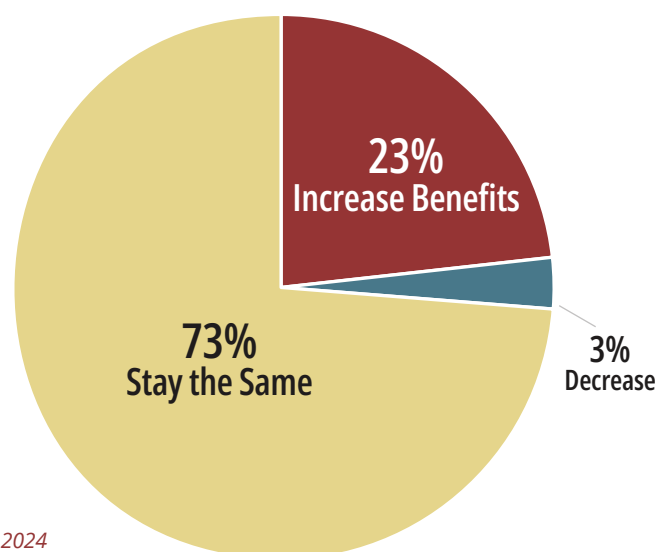


Manufacturers expect to increase wages, but most don't plan to make any changes to their benefit offerings.

"Overall, do you **expect wages** for your employees will increase, decrease, or stay about the same this year?"



"Overall, do you **expect the benefits** you offer your employees will increase, decrease, or stay about the same this year?"



**Increase Wages was 60% in 2024*

Compensation and culture remain the key ways companies try to attract new employees.

"When thinking about attracting and hiring new employees, what does your company believe is its strongest selling point to prospective employees?"

	2023	2024	2025	Change since 2024
Salary and wages	28%	30%	27%	-3
Work environment	25%	29%	37%	+8
A work-life balance	23%	25%	25%	0
Flexible shifts and work schedules	24%	23%	22%	-1
Employee benefits	15%	16%	17%	-1
Products you make	13%	14%	12%	-2
Company mission or purpose	10%	12%	11%	-1
Potential for career growth	13%	11%	11%	0
Local area	11%	10%	13%	+3
High tech jobs	1%	2%	2%	0

Growth Focus

Manufacturers are making investments, just not capital investments.

“Overall for the year ____, do you expect to increase investment in any of the following areas?”

	2024	2025	Change since 2024
Growing revenue and profitability	72%	71%	-1
Maximizing productivity	58%	65%	+7
Expanding sales within the United States	55%	62%	+7
Sales and marketing	60%	62%	+2
Employee development	56%	56%	0
Employee training	53%	55%	+2
Systems, technology, and automation	39%	49%	+10
Workplace and company culture	42%	47%	+5
Leadership training	n/a	37%	n/a
Research and development	32%	34%	+2
Data and cybersecurity	35%	31%	-4
E-commerce	27%	25%	-2
Expanding sales globally	19%	21%	+2
Environmental, social, and governance issues	17%	12%	-5
Obtaining ISO certification	10%	8%	-2

Companies see their main source of growth in finding new customers and markets, followed by finding and retaining employees.

“As you think about your company’s future, what would you say are the two or three most important drivers of your company’s future growth?”

Finding new customers and markets	54%
Finding/attracting qualified employees	46%
Keeping qualified employees	39%
Increasing productivity and eliminating waste	31%
Implementing new technology/automation	26%
Creating new products	19%
Developing company managers and leaders	14%
Better strategic planning and implementation	12%

New customers come primarily through referrals and word of mouth.

“What is your primary source of new customer acquisition?”

Referral/word of mouth	46%
Website/online	25%
Industry events/trade shows	11%
Direct sales/sales reps/cold calls	9%
Traditional advertising	6%
Something else	2%

Referrals are even more important for lower revenue manufacturers.

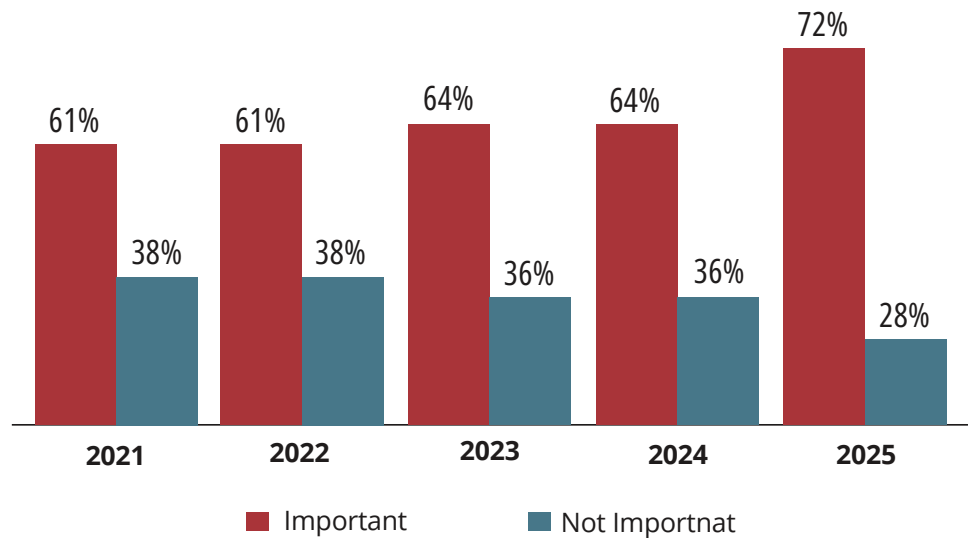
“What is your primary source of new customer acquisition?”

	Under \$1M	\$1M - \$5M	Over \$5M+
Referral/word of mouth	62%	52%	34%
Website/online	18%	26%	26%
Industry events/trade shows	3%	7%	18%
Direct sales/sales reps/cold calls	3%	5%	14%
Traditional advertising	9%	6%	4%
Something else	5%	2%	2%

Automation

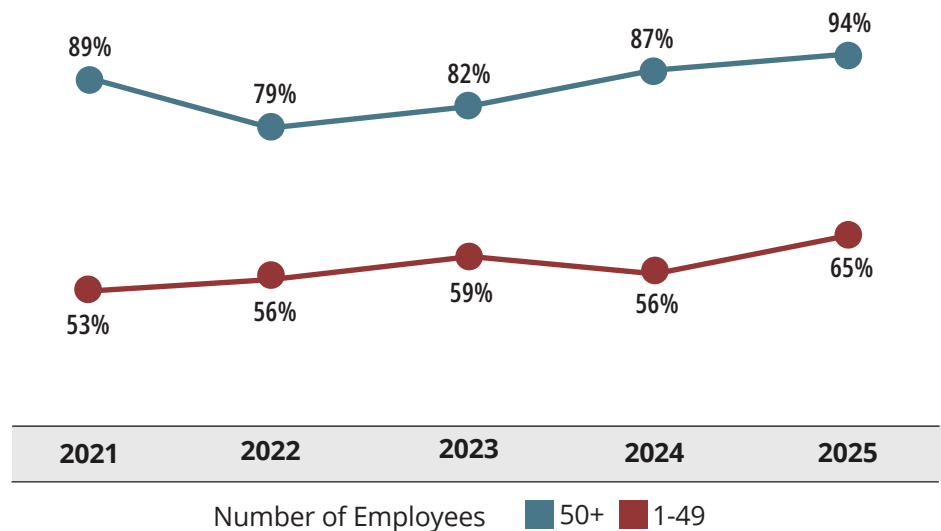
Three-in-four executives see automation as important to their company's future, a noticeable increase over the past four years.

"Generally speaking, how important do you think automation will be to your company's future?"



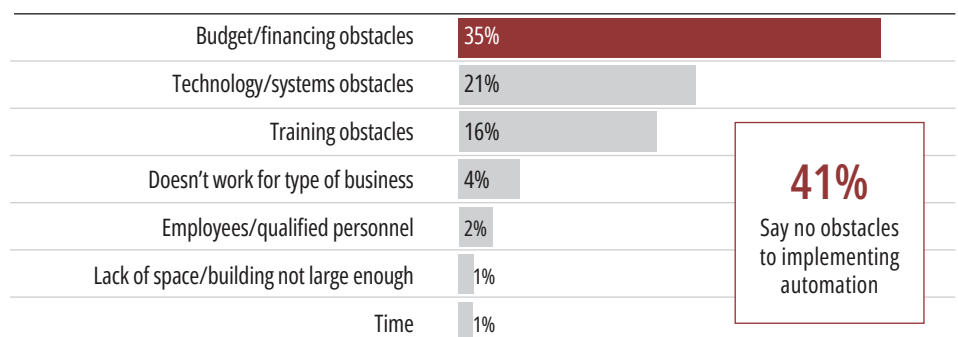
Automation became more important to both larger and smaller-sized manufacturers since 2022.

Automation Importance To Company's Future By Company Size



Among those who say there are obstacles to implementing automation, financing is the top concern.

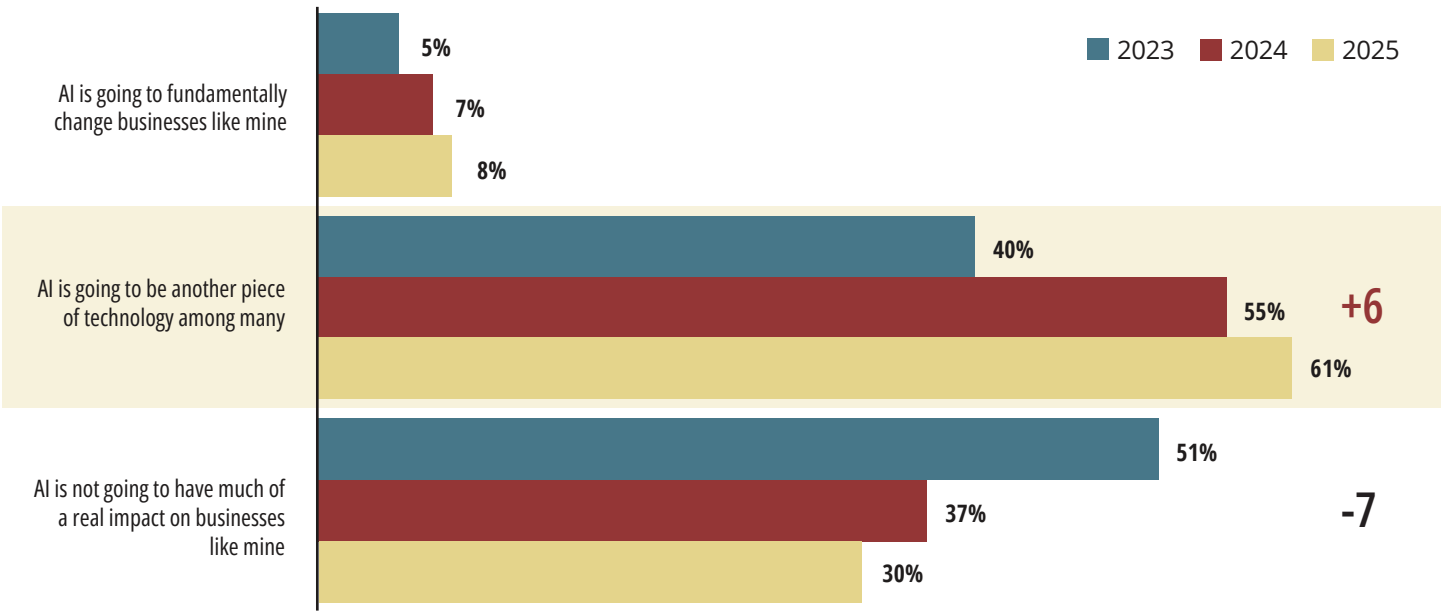
"Are there any obstacles to implementing automation at your company?"



Technology Blind Spots

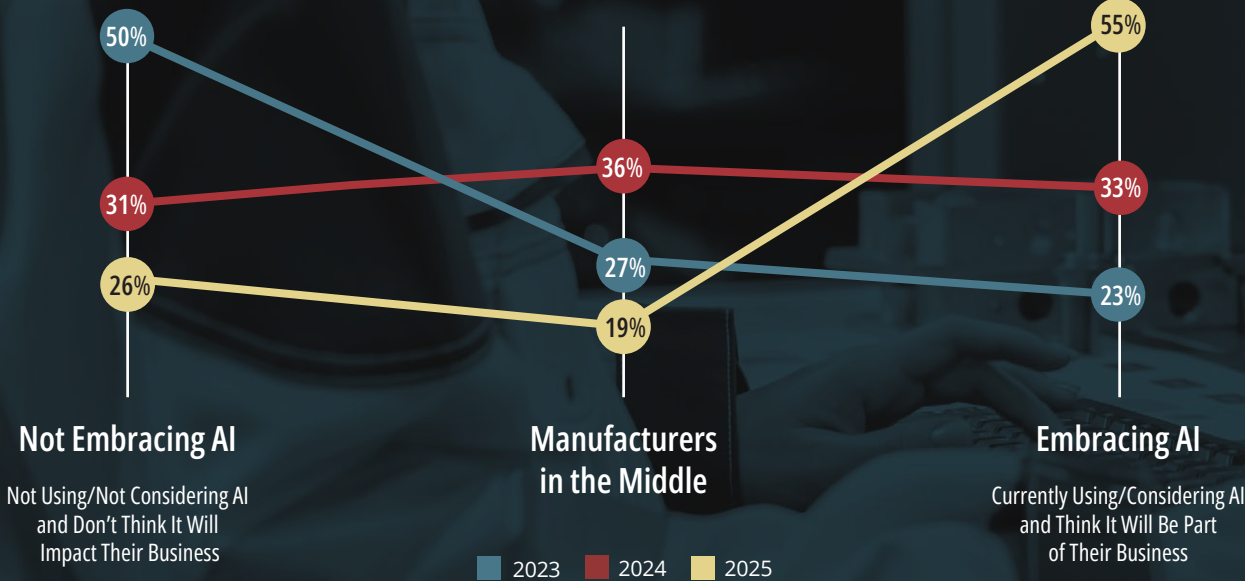
Most manufacturers believe AI will impact their business, but few believe it is transformational technology

“Thinking about the next few years, which ONE of the following viewpoints on the impacts of artificial intelligence, or AI, on businesses like yours do you agree with more?”



Now we find the inverse of the “AI Embracement Curve” from two years ago.

2023 Compared To 2024 And 2025



One-in-five Wisconsin manufacturers say they have been hacked or experienced a data breach of some kind.

“On a different topic, has your company been hacked or experienced a data breach of some kind?”



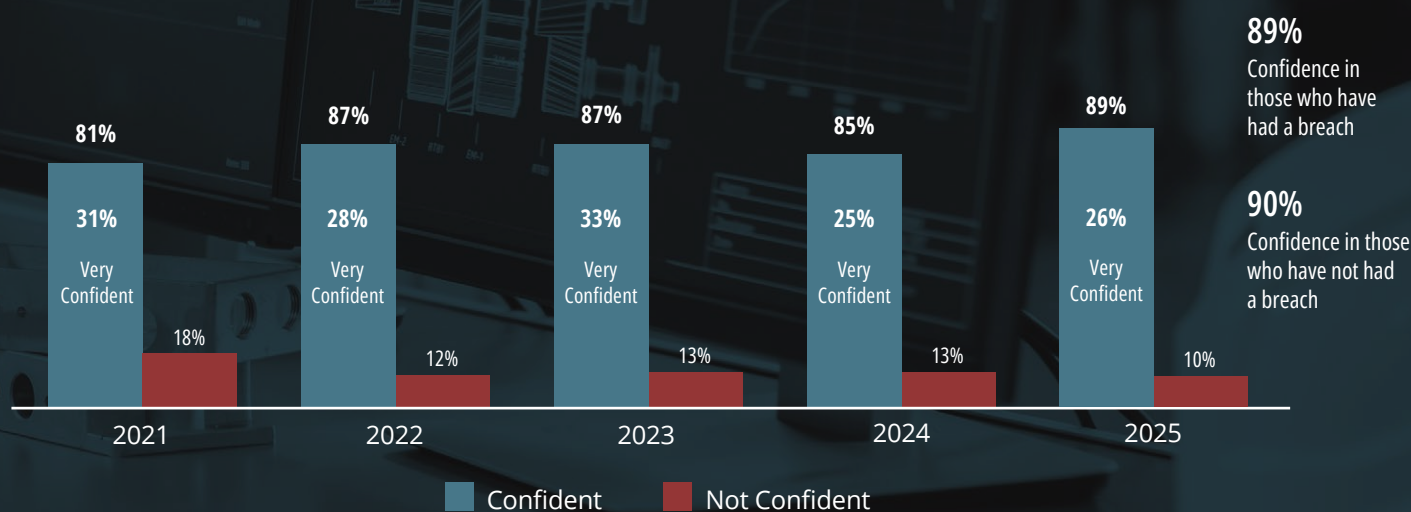
Fewer larger manufacturers report being impacted by data breaches this year.

% Hacked or Experienced a Data Breach (by Company Type)

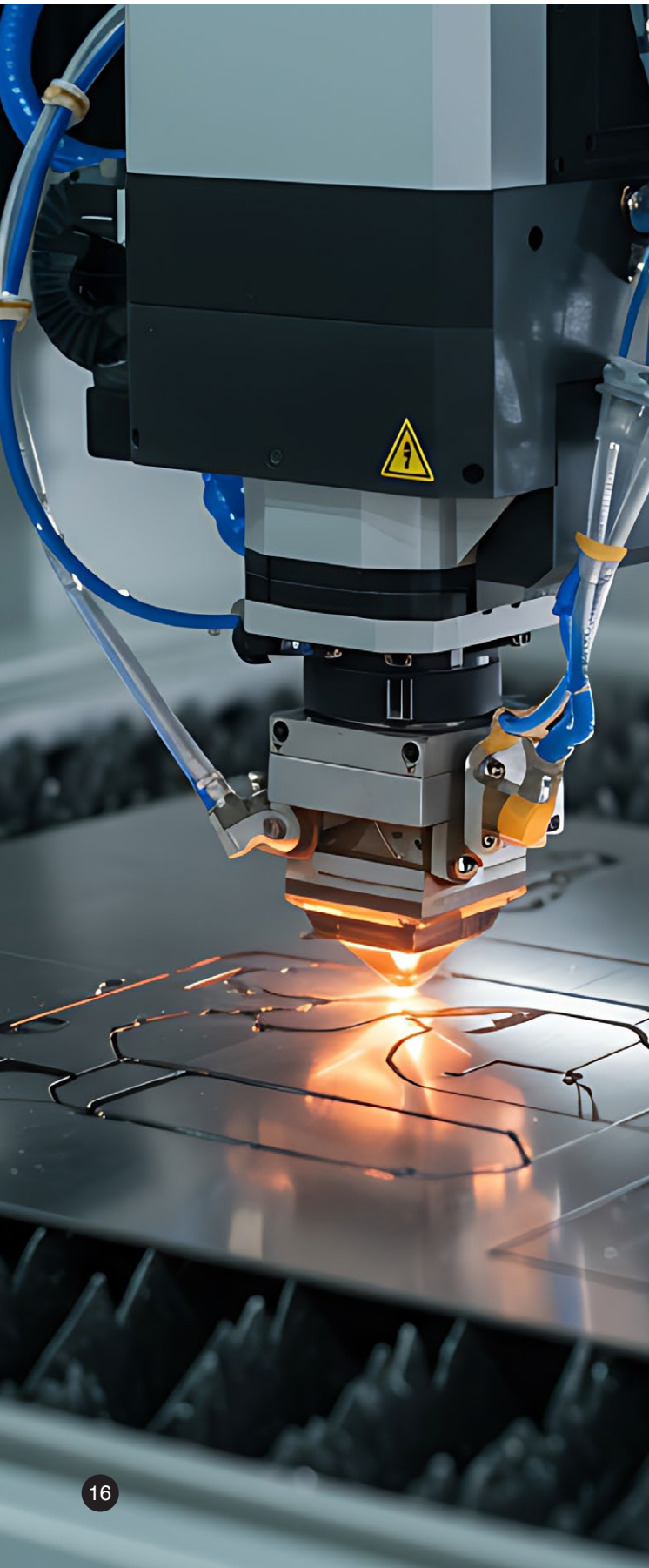
	2021	2022	2023	2024	2025
1-49 Employees	15%	15%	15%	15%	15%
50+ Employees	17%	17%	17%	17%	17%
Revenue <\$1M	15%	15%	15%	15%	15%
Revenue \$1 - 5M	15%	15%	15%	15%	15%
Revenue \$5M+	26%	26%	26%	26%	26%

Manufacturer confidence in their cybersecurity continues to be high.

“How confident are you that your company is secure from hacking, data breaches, and other technological threats?”



Implications



Tariff and immigration uncertainty is eroding momentum.

- Manufacturers are optimistic and ready to invest and grow
- They are leaning into upskilling and engaging talent
- Inconsistent actions on tariffs and immigration are causing delays on important decisions, wasting market momentum

Virtuous circles build resilience in turbulent times.

- Successful manufacturers build virtuous circles that create value, grow talent, and support their communities
- These circles use consistent, broad-based leadership to create a stable operating environment
- That leadership and environment makes incorporating new initiatives a part of their daily routine

Wisconsin fuses manufacturing strength with a passion for innovation to create a strong economy.

- Manufacturing is the largest sector of the Wisconsin economy and drives other segments
- Our heritage celebrates manufacturing – we know the importance of making stuff
- We support advanced manufacturing with:
 - A skills system built by key stakeholders – industry, education, and government
 - Statewide policies that support manufacturing
 - Multiple platforms to share expertise and catalyze improvement
- Strong manufacturing enables us to experiment, engage, and develop effective new approaches to stay competitive

Actions for Manufacturers

Invest in your workforce

- Cultivate a talented and engaged workforce
- Upskill to effectively use advanced technologies
- Lead with flexibility in your workforce approaches
- Create horizontal – as well as vertical – career progressions

Create a plan to increase productivity

- Aim high! Commit to improving productivity by 30-percent or more
- Build a roadmap for your company that sets direction and establishes accountability

Embrace AI and focus on projects with a return

- Find a champion to lead the charge – it might be you!
- Experiment to find projects with promise
- Focus on quick wins – execute projects that prove AI's value

Engage guides to find expertise that fits

- A complex and fast changing environment makes it tough to stay current
- Use professional guides to identify and engage the right resources at the right time
- Connect with the Wisconsin MEP Network to find the best guides for your situation



Methodology

On behalf of Wisconsin Center for Manufacturing & Productivity, Meeting Street Insights conducted a survey among manufacturing executives in Wisconsin.

- The quantitative survey was conducted July 30 – August 19, 2025, among 405 manufacturing executives; it has a margin of error of 4.9%.
- This is the fifth annual survey conducted among manufacturers in the state. The first study was completed August 16 – September 12, 2021, the second study was completed July 29 – August 3, 2022, the third study was conducted July 30 – August 23, 2023, and the fourth from July 28 – August 23, 2024.
- In addition to the survey, Catalyst facilitated a series of in-person focus groups among manufacturing executives in Milwaukee, Green Bay, and Menomonie, along with one virtual group, September 9-11, 2025.

Survey Sample Composition

	This Survey Demographics	Census Statistics (County Business Patterns Survey)
1-49 Employees	75%	75%
50+ Employees	25%	25%
Metal Fabrication	22%	24%
Machinery Manufacturing	21%	14%
Printing	10%	7%
Product Manufacturing/Industrial	10%	12%
Paper/Wood Products	9%	13%
Other Type of Manufacturing	27%	30%
7 Rivers Alliance	5%	5%
Centergy	5%	5%
Grow North	4%	4%
Madison Region Economic Partnership	14%	14%
Milwaukee 7 (Southeast)	35%	34%
Momentum West	9%	9%
Prosperity Southwest	3%	3%
New North	22%	23%
Visions Northwest	3%	4%

Market Insights – Five Critical Perspectives

The Wisconsin MEP Network connects with the best manufacturing resources and expertise. We invited four of our partners to provide their insights on critical manufacturing issues.



WMEP Manufacturing Solutions encourages manufacturers to translate their optimism into action that improves operations and builds momentum.



The Manufacturing Outreach Center at UW-Stout fuses AI with Lean principles to create a practical approach for manufacturers to accelerate change and improve their operations.



Kevin Kane from First Business Bank highlights the exceptionalism of Wisconsin manufacturing and how the right financial partner can facilitate change and accelerate growth.



Top Floor's Justin Kerley outlines a framework manufacturers can use to maximize their marketing investments and use cutting-edge technology to build their customer base.



Michael Radtke from Chortek describes how manufacturers can use the new changes in tax laws to get better returns from their automation investments.



Turning Optimism into Action

Confidence is rising across the state. The next step is action—building productivity, investing in people, and leveraging smart technology.

The 2025 Wisconsin Manufacturing Report paints a promising picture—Wisconsin manufacturers are more confident about their business climate, their operations, and their future. Revenues and profitability are trending upward, and optimism is at its highest level in years.

Now is the time to turn that confidence into momentum—taking deliberate action to strengthen productivity, develop your workforce, and harness technology and data for measurable results.

From Incremental to Transformational Productivity

Productivity isn't about doing more—it's about doing better. Manufacturers who build daily improvement into their operations are increasing throughput, reducing waste, and stabilizing lead times. Tools like Lean, value stream mapping, and visual management help shift teams from reacting to problems toward preventing them. In some cases, transformational changes may be needed to break old patterns and unlock the next level of performance. The result is more consistent operations and stronger profitability.

Invest in People to Strengthen Workforce Resilience

While workforce pressures are easing, retention and engagement remain top concerns. Commit to developing frontline leaders, strengthening onboarding, and investing in skill-building. When employees see a path for growth and feel supported by capable supervisors, turnover drops, productivity rises, and business results follow.

Automate with Purpose and ROI

Automation remains one of the most important—and sometimes intimidating—opportunities for Wisconsin manufacturers. The key isn't automation for its own sake, but automation that solves the right problem. Start small, focus on ROI and workforce readiness, and build from early wins. If a past project didn't meet expectations, don't walk away—fresh eyes and experienced guidance can often turn it into the success you originally envisioned.

Explore AI Strategically

AI is moving fast—from buzzword to practical tool on the factory floor. From predictive maintenance to smarter scheduling and quality monitoring, manufacturers are beginning to see real value. The key is knowing where to start. The most successful companies begin with low-cost, low-risk pilots that show how AI can enhance—not replace—human expertise. More importantly, they are using AI to free skilled employees from repetitive, time-consuming tasks so they can focus on higher-value work.

The 2025 Wisconsin Manufacturing Report shows a sector ready to grow. The next step is translating that confidence into action—through systems that strengthen productivity, investments that empower people, and technologies that amplify performance. Is your organization ready to take action—and deliver results?

Let's Take the Next Step Together

At WMEP, our mission is simple: help Wisconsin manufacturers succeed. Our advisors bring real-world experience to every engagement and partner with you to deliver practical, measurable solutions in Growth, Operations, People, and Technology. Learn more at wmep.org.



Digital Lean and AI: Practical Steps for Wisconsin Manufacturers

For small and medium-sized manufacturers, every resource matters. That's why Artificial Intelligence (AI) is such a game-changer. AI builds on the foundation of lean by turning data into actionable insights. While lean focuses on eliminating waste and streamlining processes, AI takes it further by predicting issues before they happen, automating repetitive tasks, and helping you make faster, smarter decisions. Together, Digital Lean and AI create a powerful system for continuous improvement.

A great way to approach this integration is through the Innovative Problem-Solving Method: the 4Ds—Discover, Define, Develop, and Deliver:

- Discover: Identify the problem or opportunity. Where could automation or predictive insights save time—maintenance, quality checks, or scheduling?
- Define: Gather and clean your data. AI thrives on accurate information, so make sure you're tracking the right metrics consistently.
- Develop: Design a small pilot project. Test AI in one process first, measure results, and refine your approach.
- Deliver: Train your team and roll out improvements gradually. Keep monitoring and adjusting - AI isn't "set it and forget it."

The good news? You don't need a huge budget to start. Small, smart steps can make your business more efficient, resilient, and ready for the future.

Beyond this AI specific example, UW-Stout's Manufacturing Outreach Center (MOC) uses the 4D method from Continuous Improvement to AI. This flexible method can scale from a single project to a roadmap of multiple projects in a multiyear transformational strategy. No matter how big or small the problem or the solution, MOC has the people and tools to get you there.

Want to learn how AI can fit into your operation? The MOC, in partnership with the Center for Advanced Manufacturing and Artificial Intelligence (CAM-AI), can help you apply the 4Ds and integrate these tools into your processes. Let's start the conversation to explore practical strategies tailored to your business.

UW-Stout MOC
moc@uwstout.edu | 715-232-2397



Proudly Powering Manufacturing Progress

Wisconsin's manufacturing industry stands as the backbone of our state's economy, cementing our position as a national manufacturing powerhouse. With nearly 9,000 manufacturers employing over 570,000 workers, Wisconsin punches well above its weight in manufacturing.

The Wisconsin Manufacturing Report showcases the innovation, resilience, and economic impact driving our state's manufacturing sector forward. It delivers valuable insights into industry trends, growth opportunities, and strategies to fuel expansion. That's why First Business Bank proudly sponsors this report — highlighting manufacturing excellence aligns with our commitment to partnering with the businesses powering Wisconsin's economy.

What makes Wisconsin manufacturing truly exceptional?

Wisconsin leads the nation in manufacturing concentration, with manufacturing representing 15.78% of our state's workforce — nearly double the national average. This concentration reflects our state's deep manufacturing expertise and the innovative spirit that draws major enterprises to our borders.

Wisconsin manufacturers continue to demonstrate remarkable strength, generating billions in economic activity while supporting hundreds of thousands of jobs across the state.

Why do manufacturers choose First Business Bank as their financial partner?

Supporting manufacturing excellence means truly understanding what manufacturers need to thrive beyond traditional lending. Our teams across Wisconsin, serving businesses in the Southeast, South Central, and Northeast regions, provide integrated financial solutions for the complex demands of modern manufacturing operations.

Manufacturing businesses face unique financial dynamics — seasonal fluctuations, heavy equipment investments, large inventory requirements, and complex working capital cycles.



First Business Bank Milwaukee Group

You need banking partners who understand these realities and can help optimize returns on your cash reserves while managing the timing challenges inherent in manufacturing operations.

First Business Bank's cash management experts, along with commercial and industrial lending and commercial real estate specialists, work together as a team to deliver proactive, responsive service that helps your funds work harder while ensuring seamless cash management that supports your production cycles and growth goals.

What sets our manufacturing expertise apart?

Whether you're planning AI integration, facility expansions, managing equipment financing, or navigating ownership transitions, we bring deep expertise in helping manufacturers with financing solutions paired with deposit and treasury services that optimize your financial position.

When you need a financial partner who understands manufacturing and provides the expertise you need to fuel your success, you choose the Wisconsin-grown bank built for your manufacturing business. Ready when you are.

Visit our website to learn how First Business Bank's specialized manufacturing expertise and statewide presence can benefit your business operations and growth plans. firstbusiness.bank
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*Author: Kevin Kane
President –Southeast Wisconsin Market, First Business Bank*



Where Should Manufacturers Invest Their Marketing Budget in 2026?

According to the 2025 Wisconsin Manufacturing Report, sales and marketing remain a high priority for driving growth. Investments in these areas have risen again, alongside heightened interest in finding new customers, exploring new markets, and adopting strategic technology. As manufacturers look to sharpen their competitive edge in 2026, three areas stand out for investment: online lead generation, new technology adoption, and expanding into new markets.

1. Online Lead Generation

Manufacturers still rely heavily on referrals, but **digital channels** are the second-strongest source of new business. This year's data underscores the crucial role of a high-performing website and online presence. Nearly half of manufacturers cite finding new customers and markets as the most important growth driver, and 25% say their website or online channels are their primary source of new customers.

Manufacturers should focus on four key areas:

- **Boost Awareness:** A combination of thought leadership, SEO, GEO, paid ads, and social media is essential for getting and staying in front of new buyers.
- **Improve User Experience (UX):** Buyers expect clarity, speed, and easy navigation. Accessible design and functionality encourage qualified leads to engage.
- **Identify High-Intent Visitors:** Modern website analytics and visitor identification tools reveal which companies are exploring your site and their research interests, informing retargeting and sales prioritization.

2. Automation, AI & Productivity

The 2025 report reveals a clear trend: manufacturers are increasingly investing in systems, technology, and automation—with a notable **10-point increase** from last year. This trend is foundational to sales, marketing, and customer acquisition. Thoughtful technology adoption is essential as companies seek to expand into new markets, for example:

- **AI Search (GEO) Visibility:** As AI-driven search becomes prominent, a strong marketing strategy is needed to ensure your brand appears in generated answers, requiring unique content and ongoing optimization.
- **Lead Scoring & Automation:** AI tools help identify likely converters, and AI-assisted workflows handle repetitive tasks, follow-up, and customer segmentation.
- **CRM Optimization:** A well-structured CRM centralizes data, brings clarity to the sales pipeline, and helps track ROI.

3. Expanding Sales Within the U.S.

One of the strongest themes is the emphasis on expanding sales within the United States. 62% of manufacturers listed U.S. sales expansion as an investment priority, and 87% say the U.S. is the greatest area of opportunity for new business.

To grow in new regions or sectors, businesses must intentionally build awareness outside their existing networks:

- **Industry-Specific Content:** Tailor case studies, landing pages, and messaging to each vertical.
- **Targeted Digital Advertising:** Use geographic and industry targeting to expand your reach efficiently.
- **Trade Show Amplification:** Pair event participation with pre- and post-show campaigns to capture leads beyond booth traffic.

Where to Start

Manufacturers that strategically allocate their marketing budgets in 2026 will be better positioned to grow their customer base. Since every company's needs are unique, starting with an audit of your current online presence is essential.

Top Floor is ready to dive deep into your digital footprint and build you a strategic marketing roadmap.



Author: Justin Kerley, Owner, Top Floor

How the “One Big Beautiful Bill” Helps Manufacturers Invest in Automation

If there's one theme that jumped out from the 2025 Wisconsin Manufacturing Report, it's this: manufacturers know they must automate to stay competitive. Seventy-two percent say automation is critical to their future, but too many still hit the same roadblock: How do we afford it?

The newly enacted One Big Beautiful Bill (OB BB) changes that equation. It gives manufacturers some of the strongest tax incentives we've seen in a generation. Tools specifically designed to reduce the cost of automation, accelerate ROI, and free up capital for growth.

Below are the three areas where we see the biggest impact for manufacturers planning robotics, smart equipment, software, and facility upgrades.

1. Equipment: 100% Bonus Depreciation + Section 179

Under the OB BB, manufacturers can once again take 100% Federal bonus depreciation for qualifying equipment placed in service after January 19, 2025. That means robotics, CNC equipment, automated material-handling systems, vision systems, and AI-enabled machinery can be fully expensed in the year they go into service.

For many manufacturers, the question of accelerating depreciation deductions then becomes: Should we use bonus depreciation or Section 179?

The OB BB also doubles Section 179 expensing to \$2.5 million, with phase-outs beginning at \$4 million. Section 179 provides more flexibility (for example, allowing partial expensing across assets) while bonus depreciation offers a clean, immediate write-off.

Why it matters for automation: Automation projects aren't small. The ability to deduct the full cost upfront can significantly reduce the true cost of robotics and connected systems and improve project payback, especially in the first year.

2. Property: 100% Depreciation for Qualified Production Property (QPP)

Automation doesn't just require machines. It often requires the right space to support them. The OB BB introduces a brand-new elective deduction for Qualified Production Property, allowing manufacturers to fully expense certain types of nonresidential real property tied directly to production. There are technical requirements and timing rules, but for manufacturers expanding or reconfiguring their footprint, this provision can be a game-changer.

Why it matters for automation: Historically, building improvements had to be depreciated over decades, even when they were essential to automation. With the new QPP deduction, the facility investment can now keep pace with the technology it supports.

3. R&D: Full Expensing Returns for Domestic Innovation

Automation projects almost always involve research and development (R&D), whether it's engineering workflows, developing custom software, integrating systems, or prototyping new processes.

The OB BB reinstates full and immediate expensing for domestic research and experimentation costs (Section 174A), undoing the financially disruptive process of amortizing research expenses over five years.

Small manufacturers and companies with capitalized R&D from 2022-2024 also have special “catch-up” opportunities to reclaim deductions they've been carrying forward.

Why it matters for automation: Many manufacturers don't realize that their automation work is R&D and that the engineering behind system integration, custom controls, and production optimization now may qualify for immediate expensing. Oh, and don't forget about the actual tax credit for increasing research and development costs.

Next Steps for Manufacturers

The OB BB offers advantages but also introduces new rules and requirements. Navigating these complexities effectively ensures you capture the full value of the incentives without triggering penalties.

Manufacturers who want to take advantage of the OB BB should begin planning now. At Chortek, we work with manufacturers every day at the intersection of tax strategy and operations. If you're exploring automation or evaluating how the OB BB may impact your investment timeline, our specialists can help you build a strategy that maximizes tax savings and accelerates your automation roadmap.

This article is for informational purposes only and does not constitute tax, legal, or financial advice. Tax laws are complex and subject to change. Before making any decisions or taking action based on the information provided, manufacturers should consult a qualified tax advisor to evaluate their specific situation.



Author: Michael Radtke - Tax Partner, Chortek LLP

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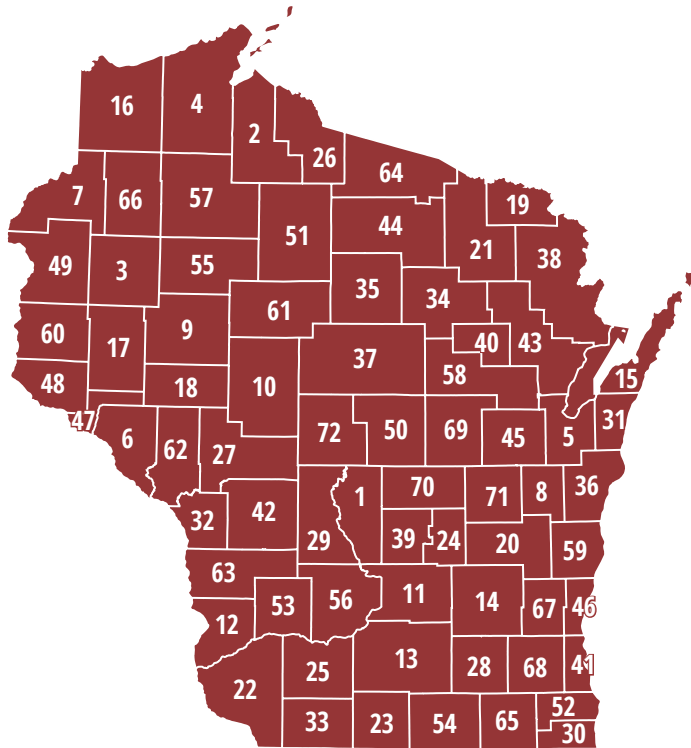
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Wisconsin Manufacturing Data





Wisconsin Manufacturers by County

Manufacturing impacts every one of Wisconsin's 72 counties, employing more people than any other industry and generating \$72 billion of GSP. Our state depends on manufacturing for a vibrant future. These pages show the distribution of manufacturing establishments and employment across the state.

Sources: U.S. Census Bureau County Business Patterns Survey, 2023; YourEconomy.org, Business Dynamics Research Consortium of the University of Wisconsin's Institute for Business and Entrepreneurship

County	Manufacturers	Employees
1 Adams	24	364
2 Ashland	21	983
3 Barron	95	5,292
4 Bayfield	30	219
5 Brown	524	28,716
6 Buffalo	16	337
7 Burnett	28	909
8 Calumet	67	3,381
9 Chippewa	174	5,887
10 Clark	82	3,947
11 Columbia	106	5,322
12 Crawford	24	1,460
13 Dane	804	29,483
14 Dodge	156	11,384
15 Door	84	2,049
16 Douglas	63	1,849
17 Dunn	85	4,492
18 Eau Claire	168	5,935
19 Florence	7	194
20 Fond du Lac	186	10,124
21 Forest	14	314
22 Grant	67	2,785
23 Green	66	3,840
24 Green Lake	34	1,060

County	Manufacturers	Employees
25 Iowa	42	1,536
26 Iron	16	163
27 Jackson	33	491
28 Jefferson	171	9,608
29 Juneau	46	2,193
30 Kenosha	231	9,615
31 Kewaunee	39	1,866
32 La Crosse	163	7,141
33 Lafayette	22	1,482
34 Langlade	53	1,324
35 Lincoln	51	2,532
36 Manitowoc	187	10,271
37 Marathon	262	18,923
38 Marinette	88	5,123
39 Marquette	25	1,238
40 Menominee	2	4
41 Milwaukee	1,355	47,038
42 Monroe	75	3,757
43 Oconto	54	2,538
44 Oneida	79	1,656
45 Outagamie	385	19,385
46 Ozaukee	235	8,463
47 Pepin	15	187
48 Pierce	58	1,465
49 Polk	100	4,550

County	Manufacturers	Employees
50 Portage	112	5,002
51 Price	40	1,599
52 Racine	350	17,102
53 Richland	31	1,295
54 Rock	260	12,581
55 Rusk	24	1,364
56 Sauk	128	5,402
57 Sawyer	31	733
58 Shawano	58	2,429
59 Sheboygan	234	18,533
60 St. Croix	199	7,037
61 Taylor	37	2,627
62 Trempealeau	56	8,514
63 Vernon	55	1,123
64 Vilas	55	315
65 Walworth	245	8,889
66 Washburn	23	1,010
67 Washington	345	14,988
68 Waukesha	1,120	39,022
69 Waupaca	93	5,571
70 Waushara	38	1,317
71 Winnebago	327	24,841
72 Wood	131	5,677
Total:	10,704	479,846

Wisconsin Manufacturers by Federal District

District	Member	Manufacturers	Employees
State	Sen. Ron Johnson, Sen. Tammy Baldwin	10,704	479,846
1	Rep. Bryan Steil	1,243	61,601
2	Rep. Mark Pocan	1,128	42,704
3	Rep. Derrick Van Orden	1,174	52,906
4	Rep. Gwen Moore	1,022	30,772
5	Rep. Scott Fitzgerald	1,814	69,419
6	Rep. Glenn Grothman	1,474	89,257
7	Rep. Tom Tiffany	1,472	62,763
8	Rep. Tony Wied	1,377	70,424

Sources: U.S. Census Bureau County Business Patterns Survey, 2023; YourEconomy.org, Business Dynamics Research Consortium of the University of Wisconsin's Institute for Business and Entrepreneurship



Wisconsin Manufacturers by State Senate District

District	Senate	Assembly	Assembly	Assembly	Manufacturers
1	Andre Jacque	Joel Kitchens	Shae Sortwell	Ron Tusler	305
2	Eric Wimberger	David Steffen	Joy Goeben	Elijah Behnke	311
3	Tim Carpenter	Karen Kirsch	Sylvia Ortiz-Velez	Priscilla Prado	239
4	Dora Drake	Darrin Madison	Sequanna Taylor	Russell Goodwin	346
5	Rob Hutton	Robyn Vining	Angelito Tenorio	Adam Neylon	461
6	LaTonya Johnson	Kalan Haywood	Supreme Moore Omokunde	Margaret Arney	154
7	Chris Larson	Ryan Clancy	Christine Sinicki	Jessie Rodriguez	290
8	Jodi Habush Sinykin	Paul Melotik	Deb Andraca	Daniel Knodl	545
9	Devin LeMahieu	Paul Tittl	Joe Sheehan	Lindee Brill	391
10	Rob Stafsholt	Rob Kreibich	Treig Pronschinske	Shannon Zimmerman	329
11	Steve Nass	Tyler August	Amanda Nedweski	Robin Vos	411
12	Mary Felzkowski	Rob Swearingen	Calvin Callahan	Jeffrey Mursau	375
13	John Jagler	Mark Born	William Penterman	Alex Dallman	313
14	Sarah Keyeski	Karen DeSanto	Tony Kurtz	Maureen McCarville	334
15	Mark Spreitzer	Brienne Brown	Ann Roe	Clinton Anderson	279
16	Melissa Ratcliff	Joan Fitzgerald	Randy Udell	Andrew Hysell	257
17	Howard Marklein	Travis Tranel	Jenna Jacobson	Todd Novak	268
18	Kristin Dassler-Alfheim	Lee Snodgrass	Dean Kaufert	Lori Palmeri	343
19	Rachael Cabral-Guevara	Nate Gustafson	David Murphy	Kevin Petersen	342
20	Dan Feyen	Rick Gundrum	Robert Brooks	Jerry O'Connor	386
21	Van Wanggaard	Bob Donovan	Angelina Cruz	Robert Wittke	244
22	Robert Wirsch	Tip McGuire	Ben DeSmidt	Greta Neubauer	263
23	Jesse James	David Armstrong	Rob Summerfield	Karen Hurd	382
24	Patrick Testin	Nancy VanderMeer	Vincent Miresse	Scott Krug	283
25	Romaine Quinn	Angela Stroud	Chanz Green	Duke Tucker	312
26	Kelda Roys	Francesca Hong	Renuka Mayadev	Shelia Stubbs	268
27	Dianne Hesselbein	Lisa Subeck	Mike Bare	Alex Joers	245
28	Julian Bradley	Scott Allen	Dave Maxey	Chuck Wichgers	377
29	Cory Tomczyk	Patrick Snyder	John Spiros	Brent Jacobson	324
30	Jamie Wall	Benjamin Franklin	Ryan Spaude	Amaad Rivera-Wagner	356
31	Jeff Smith	Jodi Emerson	Clint Moses	Christian Phelps	348
32	Brad Pfaff	Steve Doyle	Jill Billings	Tara Johnson	269
33	Chris Kapenga	Cindi Duchow	Jim Piwowarczyk	Barbara Dittrich	354
					10,704

Source: YourEconomy.org, Business Dynamics Research Consortium of the
University of Wisconsin's Institute for Business and Entrepreneurship



The Wisconsin Manufacturing Report

We love to discuss Wisconsin manufacturing.

The Wisconsin Manufacturing Report poll and data analysis is conducted by Meeting Street Insights. The report is underwritten by the Wisconsin Center for Manufacturing & Productivity and is made possible through the support of our generous sponsors. If you are interested in being part of the report, please contact us.

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