



MHI

— BURCHETTE & ASSOCIATES, INC.

TRANSFORMATION AGE

SHAPING YOUR FUTURE

MHI Roadmap Series

Transformation Age: Shaping Your Future, the third publication in the MHI Roadmap Series, is intended to provide material handling, logistics and supply chain industry professionals insights into trends impacting success in the next 10 to 20 years.

TRANSFORMATION AGE

FIRM OF THE FUTURE

Success in the coming decade will be marked by significant changes in the workforce, workplace and business approaches. Change will be iterative, abounding with opportunities for entrepreneurial initiatives.

A NEW LOOK

WORKFORCE

WORKPLACE

BUSINESS APPROACHES



FIRM OF THE FUTURE

A NEW LOOK

Looking out ten years, the vision for the firm of the future is clear. There is no doubt: the environment will be much different than what we experience today.

Leaders and their teams will be younger and steeped in technology. The workforce will be diverse, dispersed and highly skilled.

Warehouses and factory floors at leading companies will be highly automated and flexible to accommodate shifting priorities and demands.

The technology focus will embody human needs, making the shift to man + machine rather than emphasis on one to the exclusion of the other.

Education and training will be a career-long activity with both education institutions and companies utilizing advanced technology to speed and enhance the effectiveness of the learning process.

Collaboration and partnerships will bring together competitors and peers to leverage industry opportunities in new and exciting ways.

Industry consolidation will create new powerhouses, while entrepreneurial activity will abound in specialty areas.

Beyond 2030, change will not slow.

Continued commercialization of new technologies and enhancements of tools will emerge in waves of development throughout the following decade out to 2040.

INSIGHTS

- LEADERS AND TEAMS WILL BE YOUNGER AND STEEPED IN TECHNOLOGY.
- THE WORKFORCE WILL BE DIVERSE, DISPERSED AND HIGHLY SKILLED.
- UTILIZE A FLEXIBLE BUSINESS MODEL.
- MOVE TO AN INTEGRATED, COLLABORATIVE ECOSYSTEM.
- USE SMART AUTOMATION, DIGITAL TOOLS AND FLEXIBLE WORK ENVIRONMENTS TO ACCOMMODATE DYNAMIC PRIORITIES.
- SHIFT TECHNOLOGY FOCUS TO MAN + MACHINE.
- ENHANCE STRATEGIES FOR MANAGING RISK, SUSTAINABILITY, BRAND, MARKETING AND SALES.

FIRM OF THE FUTURE

Brand, Marketing and Sales Management

Organizations approach brand management, marketing and sales in a myriad of ways. For the coming decade, a number of principles and practices are critical for success.

Strategy is key: Strategic thinking and problem solving will be key assets in these functions. Much like in operational areas, scenario planning will be needed to underpin resilience to changing competitive forces.

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Market segmentation, research and measurement will be critical strategic tools and data analytics will fuel tactical execution.

User Experience Rules: The outlook for the decade promises a strong focus on customer experience – also known as user experience (UX) – beginning with purchase needs and considerations and extending through shipping, usage and disposal or re-use.

This concept describes all aspects of interaction between a customer and a brand or company, including all of the organization's services and products. User experience is a broad concept, one that incorporates experiences across the spectrum from word-of-mouth references to social media commentary and personal use of products.

When someone calls for a replacement part, they have a user experience. When they operate equipment, open a shipping box, or visit a website, that's user experience.

All forms of interaction – real and virtual – will be critical in customer purchase decisions, sales transactions, usage, service delivery and brand loyalty. Even a customer's anticipation of what something like a robotic process might be can come into play.

In support of this perspective, brand managers must champion a customer-centric environment throughout the company. Everything from product design to delivery channels should be driven from a user experience point of view.

User Experience is broader than the more familiar concept of customer service or the digital reference to User Interface (UI).

UX is at the core of customer expectations for brands, companies, product and services. It reflects the customer's valuation of many factors, from access, ease of use, and friction of return processes to navigation of a website and brick and mortar shopping. It can include sensory experiences such as the fragrance in the air of a retail shop or a brand sound element in an advertisement. It's the whole spectrum of experience.

UX is the essence of what the firm of the future should be built around to meet customer expectations, to drive value and to reap profits in the Transformation Age.

Ashish Shah
Senior Director, User Experience, GEP



Trend Expert

User Experience: Providing Customer Value Nets Big Rewards

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FIRM OF THE FUTURE

Omni-Channel Marketing: Omni-channel marketing approaches will be needed to address all facets of user experience.

This approach provides customers with seamless and integrated shopping with a unified message, voice and brand value proposition.

The number and type of communication channels will increase and the interrelationships among them will be complex.

Voice search and controls, video on new smart surfaces, holograms and true three-dimensional images – technically referred to as “3d free-space volumetric images”—will be added to the marketing communications. This spectrum was broadened significantly in the last decade with the power of social media and alternative media formats.

Brand and marketing elements will need to be refined. How should your brand “voice” sound; how should your brand be personified? How many seconds will you have to engage a prospect with your message before they move on to something else? How will you incorporate the voice of the customer and convert voice search to sales?

To be successful, omni-channel marketing requires significant collaboration and information sharing across the business enterprise, as well as integrated customer information systems that yield actionable, timely information.

This decade will see the art and science of marketing become merged more than ever before.

Digital Approach: Increases in smart automation will produce corresponding increases in data on market conditions, customer profiles, product usage and competitive factors. The key will be to create meaningful, actionable information to drive business processes and meet customer expectations.

How should you utilize equipment maintenance data to manage customer relationships or create sales opportunities? Are your edge systems in manufacturing plants or distribution centers interfacing with marketing systems to capture opportunities? Are your customers reacting differently to robotic processes than human interactions?

Investments in new data management, analytics and system interfaces will be needed to leverage new computing capabilities and create greater value for marketing and sales purposes and for the enterprise overall.

In many cases, investments in new systems will be more cost effective than trying to tie together legacy systems. For example, legacy systems may require an inordinate amount of time for retrieving and cleaning data by analytics staff. Newer systems and approaches will free these experts to spend time on creating actionable strategies from information gleaned across multiple systems. Outside providers should be considered as they may provide significant leverage and cost efficiencies to the processes required for updating marketing information systems and capabilities.

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FIRM OF THE FUTURE

Collaboration: Leaders in brand, marketing and sales management will need to collaborate with each other and with other functional departments across the enterprise. Never before has such collaboration been more important to the success of business. The collaboration needs to be active and supported with transparent, shared information systems and decision-making processes.

Finance, risk management, product design, information technology, manufacturing, warehousing and distribution are all key marketing and sales partners who have critical information and who drive processes that impact customers in some way. Shared insights can lead to innovation and even small improvements that benefit the customer and ultimately the bottom line.

Relationship Management: While data and digital tools will be critical information sources, personal relationship management of key prospects and customers will continue to bring added value. In this highly digital world, people crave personal interactions for what they view as key purchases and significant service issues.

The same is true for transactional touch points for all customers. Employees need to be empowered with information and processes that allow them to provide customers with quick, expedient solutions, whether online, on the phone or in a retail store. To this end all business functions must work together to support first line employees' customer interactions.

Leading with Vision

The decade ahead requires vision, leadership and innovation from brand, marketing and sales leaders. Success in retaining customers and winning new business depends on a unified corporate vision with flexible means to accommodate a rapid pace of change.

Market and customer insights must be embedded in the corporate strategy and risk management scenarios.

Brand positioning should be defined and managed for the user experience across every element of the company, including the employee experience.

Rapid change strategies for branding, marketing and sales must be developed to address dynamic market and competitive conditions.

The art of communication must be amped and adjusted with the science of data analytics.

Graphic design will need to accommodate diverse and new delivery channels and devices.

Collaboration with other company leaders can lead to shared insights and discovery.

Brand, marketing and sales functions will have a critical role to play in the coming decade as leaders of change, creators of customer value and contributors to corporate financial success.

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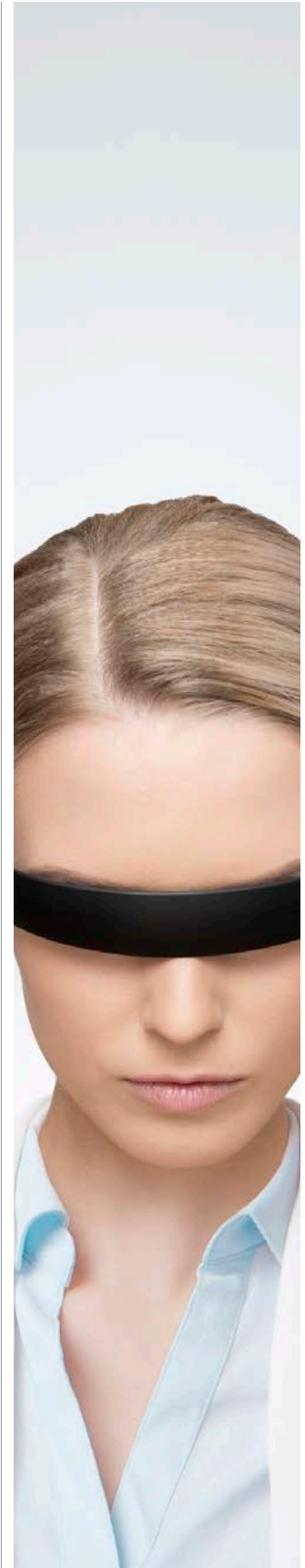
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FIRM OF THE FUTURE

Success in the Future

The industry landscape will continue to change and material handling, logistics and supply chain firms will be different in many ways in 2030 and 2040 than they are today. Making those differences the elements of a successful, prosperous business requires vision, planning and action today.



Report Credits

The “Transformation Age, Shaping Your Future” report site offers information and dialogue on long-term industry trends for the material handling and logistics industry. As such, the information contained within serves as an invitation to engage in thought and discussion about key factors that are expected to drive, fuel and impact various aspects of life, commerce and industry in the coming decade.

Much of this information was gleaned from in-depth interviews with industry leaders and trend experts. Other data was obtained from secondary research of published material on specific topics. The combination provides insights into those forces that will impact the industry and, more importantly, the implications for action needed now and in the future by company leaders and their teams.

We wish to express thanks to all who gave their time and shared their experience, expertise and opinions for this report.

The report and website were developed by Burchette & Associates, Inc. for MHI.

For more information about this report, contact:

Emmy Lou J. Burchette
President & CEO
Burchette & Associates, Inc.
emmylou@burchetteandassociates.com

or

George Prest, CEO, MHI
gprest@mhi.org

Project Team

Research Design & Report Author: Emmy Lou J. Burchette
Research Specialist: Joe Coon
Copy Editor: Andrea Cooper
Website Project Manager: Karen Gafney
Website Design: Eric van den Brulle
Website Development: Geoffrey Atkin

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Shaping Your Future

Firm of the Future

- A New Look
- Workforce
- Workplace
- Business Approaches

Tools

- Innovation
- Smart Automation & Technology
- Data & Digital Decisioning Tools
- Packaging & Labeling
- Transportation & Freight Delivery

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BURCHETTE & ASSOCIATES, INC.

P.O. Box 12706
Charlotte, NC 28220
burchetteandassociates.com
T 980.348.8435



8720 Red Oak Blvd., Suite 201
Charlotte, NC 28217
T 704.676.1190
Connect With Us

