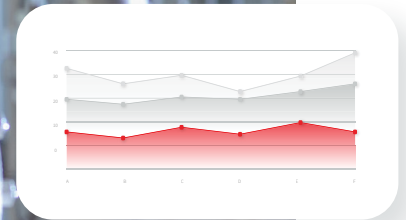


Profitability under pressure:

How industrial manufacturers are turning market pressures into competitive advantage



Introduction

The competitive landscape for industrial manufacturers has shifted fundamentally. Volatile input costs, global tariff disruption, rising demand for configured and customized products, and relentless pressure to reduce scrap, rework, and unplanned downtime—these are not temporary disruptions. They are the new operating reality.

This white paper looks at how industrial manufacturers—across machinery and equipment, electricals and electronics, metal and plastic fabrication, medical devices, furniture and fixtures, and windows and doors—are responding to sustained margin pressures, and what separates the companies pulling ahead from those simply absorbing the cost. The short answer is not more technology. It is technology that already understands how its industry runs, and artificial intelligence (AI) that sits close enough to the work to act on it.

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The pressure is real

Industrial manufacturers are operating amid converging headwinds. Trade policy has become unpredictable, and tariffs now move faster than quoting cycles. Materials, components, and energy—which together dominate the cost base in most discrete and process environments—move on political decisions rather than demand fundamentals. Customers expect more at the same time: configured products, shorter lead times, and full traceability. Every point of scrap, rework, or unplanned downtime lands directly on a margin that was already thin when the order was won.

Germany tells the story clearly. Industrial production excluding energy and construction was 4.1% lower in March 2026 than a year earlier, and new manufacturing orders fell 3.8% month on month in April 2026—with electrical equipment down 16.3% and machinery and equipment down 7.4%. Yet the stock of orders on manufacturers' books was 9.5% higher in May 2026 than a year earlier. Read together, those numbers describe something specific. For many manufacturers, the constraint is no longer winning the work. It is converting work already committed into shipped, profitable product—at predictable cost, with the capacity and skilled labor available.



-4.1%

Industrial production excluding energy and construction,
March 2026 vs March 2025¹

+9.5%

Higher stock of manufacturing orders,
May 2026 vs May 2025²

-3.8%

New manufacturing orders, April 2026 month on month;
electrical equipment
-16.3%, machinery -7.4%³

¹ Federal Statistical Office of Germany. (2026, May 8). Production in March 2026: -0.7% on the previous month. https://www.destatis.de/EN/Press/2026/05/PE26_158_421.html

² Federal Statistical Office of Germany. (n.d.). Industry, manufacturing. Destatis. https://www.destatis.de/EN/Themes/Economic-Sectors-Enterprises/Industry-Manufacturing/_node.html

³ Federal Statistical Office of Germany. (2026, June 8). New orders in manufacturing in April 2026: -3.8% on the previous month. https://www.destatis.de/EN/Press/2026/06/PE26_189_421.html

Four pressure points that define the challenge

**Input cost and tariff volatility make cost prediction almost impossible.**

Materials and components priced in one quarter arrive at a different cost in the next. Contracts fixed at a given margin erode before the job is complete, and energy costs remain structurally above the assumptions most cost models still carry.



Waste and rework stay stubbornly high in high-mix production. In engineer-to-order (ETO), make-to-order (MTO), and configure-to-order (CTO) environments, the opportunity to lift material utilization and first-pass yield—through tighter routings, better cutting and nesting plans, and real-time quality control—is significant but rarely fully captured. Usually, because the data needed to act sits in a different system from the people who could act on it.

**Customers now expect configured products at standard-product speed.**

Buyers want instant pricing, 3D visualization of options, and a confirmed delivery date at the point of inquiry—capabilities that legacy systems were never designed to support, and that spreadsheets and engineering rework cannot deliver at scale.



Supply chain fragility is structural, not cyclical. Cross-geography supplier networks—where subcontracted processing such as coating, heat treatment, sterilization, or specialist machining meets volatile lead times and single-source components—demand a level of real-time visibility and supplier collaboration that most manufacturers still lack.

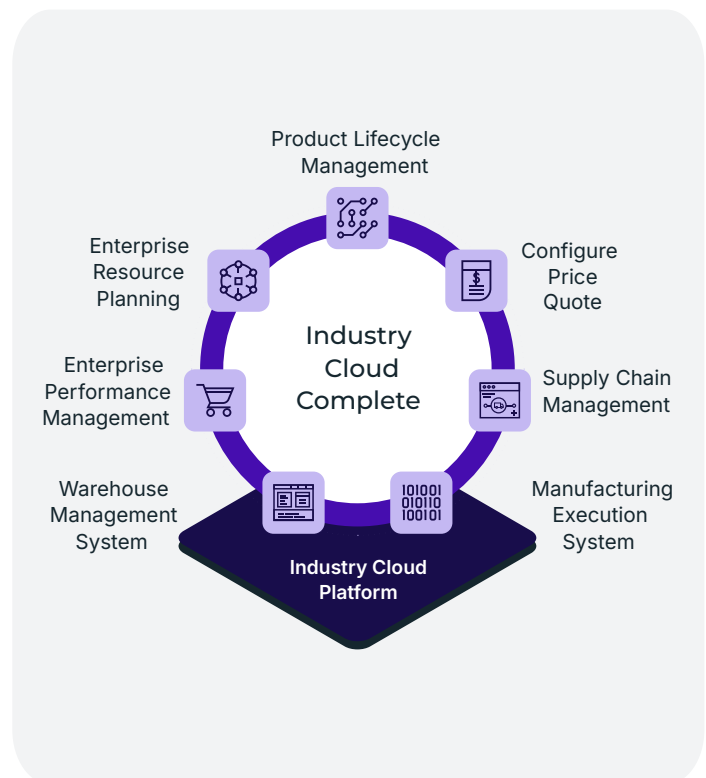
None of this is solved by working harder on the same systems. It is also where AI has become genuinely relevant rather than merely interesting: Cost volatility, wasted material, idle capacity, and supplier risk are all pattern problems that need constant monitoring and fast response—precisely the work that AI does well and that people cannot do continuously. German industry has already accepted the premise. [Around 58.7% of industrial firms report using AI⁴](https://www.ifo.de/en/facts/2026-06-05/more-half-companies-germany-use-artificial-intelligence), the highest share of any sector in the economy. Adoption is no longer the differentiator. What separates leaders is whether AI sits close enough to the process to change what actually happens—a price recalculated, a schedule adjusted, a supplier switched—or whether it stops at a dashboard that someone still has to interpret and act on.

⁴ ifo Institute. (2026, June 5). *More than half of companies in Germany use artificial intelligence*. <https://www.ifo.de/en/facts/2026-06-05/more-half-companies-germany-use-artificial-intelligence>

What actually changes the outcome

The first requirement is unglamorous. The system that runs the business must be designed for complex, multi-mode manufacturing in the first place—architected around the production strategies, costing structures, product attributes, and supply chain realities of a specific industry, rather than adapted to them afterwards. Infor CloudSuite™ solutions are built this way with industry processes, data models, and compliance rules present from the start rather than configured later.

That distinction is commercial, not philosophical. When industry processes are already in place, implementation starts from a known baseline instead of a blank sheet. Because processes are industry-built, adoption is faster—the workflows already resemble the way people work. Because less has to be customized, there is less bespoke code to maintain, so risk and the cost of change fall, and the upgrade path stays clean. The outcome that matters to a board is simple: Value arrives sooner, and it keeps arriving.



The second requirement is that the AI carries the same industry context. This is the point most often missed. A general model can reason about manufacturing; it cannot run a plant, because it does not know your processes, your data, or your rules. Infor's AI is built into the same industry foundation as the applications themselves—the agents work from the industry data model, the process logic, and the governance rules already in the platform. That is why they can act with precision early, rather than learning your industry on your budget and timeline. The capabilities below are therefore not a separate AI project running alongside the business system. They are the same workflows, with intelligence inside them.

CAPABILITY	BUSINESS OUTCOME—AND WHERE AI AND AGENTS TAKE IT FURTHER
Material price and surcharge management	Automates dynamic surcharges on sales and purchase documents when input prices move, protecting quoted margin without manual intervention. With AI: Agents monitor price movements, calculate the margin impact across open orders, and propose updated surcharges before the next pricing review.
Dimensional and attribute-based inventory	Tracks sheet, plate, bar, coil, profile, film, and reel by physical attributes such as gauge, grade, finish, and size—reducing scrap and enabling accurate nesting and yield optimization. With AI: Consumption patterns and remnant stock are assessed automatically, so cutting plans and material utilization improve run after run.
Embedded configure, price, quote (CPQ)	Automates configuration, pricing, and bill of materials (BOM) generation for custom products—accurate quotes in minutes, no part-number proliferation, and error-free order-to-production handoff. With AI: Quote analysis shows which configurations genuinely carry margin and which routinely erode it, so sales guidance is based on evidence rather than habit.
Quality management and scrap control	Customer spec-driven inspections, real-time deviation alerts, and closed-loop corrective actions—reducing rework and scrap at the source. With AI: Deviations are automatically traced to the machine, shift, operator, or supplier, and corrective actions are raised without waiting for the next review meeting.
Manufacturing execution (MES)	Real-time visibility across cutting, forming, molding, machining, assembly, and finishing—a paperless shop floor, live overall equipment effectiveness (OEE), and faster response to quality deviations or priority changes. With AI: Schedule adjustments and predictive maintenance recommendations are generated from the same live production data and then executed within the limits your team has set.

CAPABILITY	BUSINESS OUTCOME—AND WHERE AI AND AGENTS TAKE IT FURTHER
Multi-mode manufacturing support	ETO, MTO, CTO, make-to-stock (MTS), assemble-to-order (ATO), and repetitive production in one solution—switch or combine modes as the business evolves, without re-implementation. With AI: Process mining shows where each mode loses time and costs, so improvement efforts go where the money is rather than where the noise is.
Project costing and earned value	Real-time project profitability, cost-to-complete estimation, and milestone-based revenue recognition—so you know which projects are making money before they close. With AI: Agents summarize the financial health of every active project and flag cost-to-complete risk while there is still time to act on it.
Advanced planning and scheduling	Constraint-based planning across multiple sites, dual sourcing, and co-mingled purchase volumes—lower procurement cost and better capacity utilization. With AI: Supplier performance is monitored continuously, at-risk orders are identified, and alternative sourcing is proposed before the line stops.

The third requirement is that execution is embedded rather than assembled. Engineering change management, quality, dimensional inventory, project management, CPQ, MES, and field service belong inside the same operating backbone, not stitched together from a marketplace of third-party tools. Every integration is a point where data ages, context is lost, and an agent runs out of road halfway through a process. The fourth requirement follows directly from letting AI act at all, which is governance. Every action, whether by humans or agents, needs to be auditable and traceable by default, with people setting limits on what an agent may decide on its own. In risk-aware manufacturing environments, that is not a feature. It is the condition of entry.

From theory to practice: Manufacturers already executing

None of this is theoretical. Two manufacturers show what the approach looks like in daily operation—one scaling product innovation, the other rebuilding its operating foundation for AI.

Quooker®

Engineering change control at the speed of global growth

Quooker, the Dutch inventor of the instant boiling-water tap and a genuine premium product innovator, faced a challenge familiar to many mid-size manufacturers. As the company expanded internationally, managing engineering changes, quality specifications, batch data, and warehouse inventory across a growing product range became operationally complex. Maintaining A-brand product standards while scaling a global operations function required a platform that could handle manufacturing complexity without adding overhead. Infor CloudSuite™ Industrial Enterprise—paired with integrated product lifecycle management (PLM)—gave Quooker clear, real-time visibility into product revisions, quality specifications, and inventory state. The result is a daily operations capability that supports Quooker's relentless product innovation "around the sink" while the business scales toward its goal of becoming essential in every kitchen worldwide. The partnership is described by Quooker as one built on people—the depth of domain knowledge Infor brings, not just the technology. Read more [here](#).



Cloud migration as a competitive strategy—not a technology refresh

Meyn, headquartered in Oostzaan, Netherlands, is a global leader in poultry processing equipment with customers in more than 100 countries, took a deliberate decision. The move to Infor CloudSuite Industrial Enterprise was not about replacing a system. It was about building operational resilience in a fast-changing world. By migrating from on-premises Infor LN to the cloud, Meyn eliminated the burden of maintaining legacy infrastructure and accelerated its adoption of AI and automation capabilities. The first initiative deployed through Infor Velocity Suite targeted accounts payable automation—replacing manual processing of approximately 200 invoices per day with intelligent automation. The outcome: reduced processing workloads, improved accuracy, and the ability to scale operations without adding headcount. As Bart Kling, Director of IT at Meyn, put it: "What I really like about Infor is that it feels like a true partnership. We are confident that we are future-proofing our business as we work together and build new solutions using the latest AWS technology to deliver real return on investment." Read more [here](#).

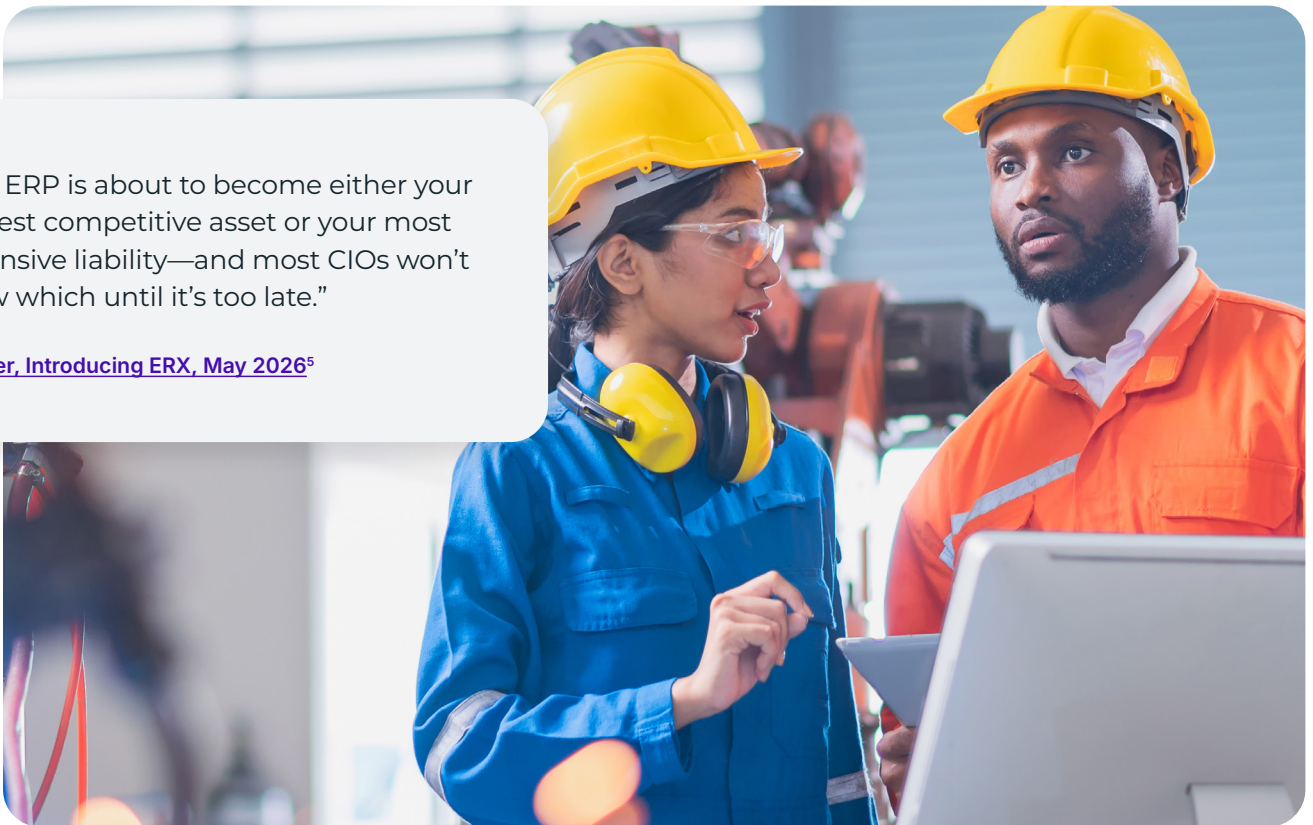
The next horizon: From ERP to ERX

For most manufacturers, the core system has been a system of record. It remembers what happened. It closes the books. It stores the order. For a long time, that was enough.

In May 2026, Gartner gave the next shift a name: Enterprise resource execution (ERX), described as the next generation of intelligent and autonomous enterprise resource planning (ERP). Where traditional ERP records, ERX senses what is happening, reasons about what should happen next, and executes across procurement, production, quality, and finance, with or without a person in the loop. The category name is new. For manufacturers already putting agents to work inside their operational processes, the work is not.

“Your ERP is about to become either your biggest competitive asset or your most expensive liability—and most CIOs won’t know which until it’s too late.”

[Gartner, Introducing ERX, May 2026⁵](#)



⁵ Leiter, G., Wilkins, A., Jartelius, J., & Ralhan, N. (2026, May 7). *Introducing ERX, the intelligent and autonomous next generation of ERP*. Gartner. <https://www.gartner.com/en/documents/7823117>

For industrial manufacturers, the practical implications are near-term and concrete:



Input cost volatility

An agent that detects a material or component price spike, calculates the margin impact on open orders, and proposes updated surcharges—without waiting for the weekly pricing review.



Quality execution

An agent that flags a deviation on a machining, molding, or assembly cell, traces it to a machine, shift, or supplier, raises a non-conformance, and adjusts the production schedule in real time.



Supply chain risk

An agent that monitors supplier delivery performance, identifies at-risk purchase orders, and initiates alternative sourcing before a production stoppage occurs.



Project intelligence

An agent that summarizes the financial health of every active project, flags cost-to-complete risk and produces status reporting automatically.



Gartner frames the journey in stages, from ad hoc to foundational and scalable, to intelligent and ultimately autonomous execution. It is direct about where the market stands, noting that most vendors are selling an ERX vision while offering a foundational, scalable ERP. For any manufacturer assessing AI claims in 2026, the practical question is not what the roadmap promises for 2028, but which stage the system in front of you is operating at today. Infor's answer is architectural rather than aspirational: Because the industry data model, process logic, and compliance rules are built into the platform itself, agents operate with execution-quality context. Not only the ability to recommend, but the ability to act with traceability—which is the difference between an agent that demonstrates well and one a manufacturer will let near a ledger or a production release.

In practice, that is delivered through Infor Velocity Suite, which brings AI, industry agents, process mining, automation, and prebuilt industry use cases together in a single offer, with predictable pricing and forward-deployed engineers who work alongside a customer's own team. The mechanism matters less than its effect. Because industry expertise is already in the agents and the data model, every use case that goes live makes the next one faster to stand up—what Infor calls compounded value.

Governance: What makes autonomy safe to use

Letting agents act within procurement, production, quality, and finance raises an obvious question: who is accountable? Identity and compliance models built for people—session-based, static roles, predictable behavior—were never designed for agents that run continuously, scale dynamically, and invoke tools across enterprise systems. Infor treats governance as part of the platform rather than a layer added afterwards, through Infor governance, risk, and compliance (GRC) in the Infor Industry Cloud Platform:



Every AI use case is registered before it reaches production. Models, generative AI (GenAI) applications, and automation agents—Infor or third-party—are registered with a business owner, data classification, risk category, and regulatory impact, giving you a single source of truth for AI risk posture instead of unregistered AI activity spreading across the business.



Dual-layer monitoring, because rules alone are not enough. Static, policy-based checks run alongside machine learning (ML)-based anomaly detection—behavioral profiling, intent recognition, adaptive thresholds—to surface subtle or evolving risk in real time. Most governance tools offer one layer.



Human in the loop where it counts. High-risk or policy-deviating decisions are escalated to a person, and your team sets the limits on what an agent may decide on its own—so people stay accountable for AI behavior as it scales.



Audit-ready evidence by default. Every AI use case is classified and tracked throughout its lifecycle, from onboarding to retirement, resulting in a documented, defensible record of how AI is governed in your organization.

Because this governance is embedded in the platform already running the workloads, there is no separate tool to procure, integrate, and maintain, and oversight keeps pace with the AI itself. That matters more than it sounds. Governance is not the brake on AI adoption in a risk-aware manufacturing business. It is what lets AI move from a contained pilot to production across sites, because the board can see what agents are doing, what they are permitted to decide, and what evidence exists if a regulator or auditor asks.

The move from intelligent to autonomous execution is a journey, not a switch, and it runs through data quality, cloud adoption, and process discipline. Manufacturers who start now compound their advantage month by month. Today, the stage you are at is an internal detail. Within a few years, it will become a competitive fact. Read more [here](#).

What to look for— and where Infor fits

If you are deciding where to invest next, five questions are worth asking of any vendor. They are the questions Infor is built to answer.



Is the industry depth in the core, or bought in? Dimensional inventory, material pricing, multi-mode manufacturing, project costing, PLM, CPQ, and MES are part of Infor's core solution rather than integrations from a third-party marketplace—which means lower implementation risk, faster time to value, and a cleaner upgrade path.



Does the AI know your industry, or only your prompts? Infor's industry agents operate from 25 years of embedded industry knowledge and the same data model as the applications, rather than learning your processes at your expense.



Can every automated action be audited? Governance, risk, and compliance are written into the core, so human and agent actions are traceable by default, and your team sets the limits on autonomy.



Will it hold up across a global footprint? Multi-tenant cloud on Amazon Web Services® (AWS®), multi-company, multi-site, and multi-currency, with localization and compliance for 74 countries—and no infrastructure burden to carry.



Is there evidence, or only a roadmap? Infor is a Leader in the 2025 Gartner® Magic Quadrant™ for Cloud ERP for Product-Centric Enterprises for the fifth consecutive year, and European manufacturers, including Quooker and Meyn, are live and delivering measurable results.

Where to start: A roadmap built around your highest-value use cases

The hardest part of an AI program is rarely the technology. It is deciding what to do first—and showing a credible sequence, from quick win to structural change, before any budget is committed.

That is the purpose of Infor's AI Adoption Hub. Starting from your industry, your operating priorities, and the specific challenges you name, it builds a phased AI adoption roadmap: The use cases that fit how your business runs, sequenced from fast, low-risk wins through to longer-horizon optimization. Each use case carries the challenge it addresses, an estimated value range, an indicative manual-effort reduction, the technology behind it, and—where one is ready—a live prototype you can watch working rather than a slide describing it. The output is not a proposal. It is a plan you can put in front of a Chief Financial Officer (CFO): what would change, in what order, and what it is worth.

Behind the roadmap sits Infor's forward-deployed engineering practice, which follows the same four steps on every engagement:



Discover. Understand your biggest operational challenges and identify where AI can create value fastest.



Prove. Validate the use case with your own data, measure the potential impact, and refine it for live use.



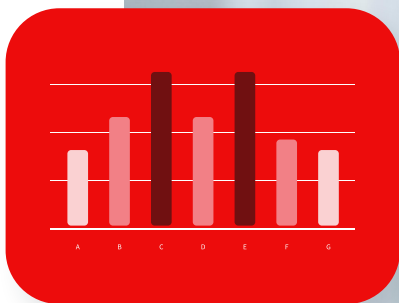
Prototype. Shape the roadmap and show working prototypes that make the opportunity tangible before you commit.



Deploy. Go live with the first use case, drive adoption, then use the same repeatable method for the next one—so value compounds with each step rather than plateauing.

Start with a free 30-minute AI adoption assessment

Thirty minutes with our industrial manufacturing team is enough to map your first phase. The use cases with the strongest value in your operation, an indicative range of effort reduction for each, and the sequence we would recommend. You leave with a phased roadmap you own, whether or not you take it further. No obligation, no procurement conversation—just an open and honest conversation to help you.



About Infor

Infor is a global leader in business cloud software products for companies in industry-specific markets. Infor builds complete industry suites in the cloud and efficiently deploys technology that puts the user experience first, leverages data science, and integrates easily into existing systems. Over 67,000 organizations worldwide rely on Infor to help overcome market disruptions and achieve business-wide digital transformation.

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