

IMI.

Challenges in the Material Handling Industry

January 2019



Technical Workers – The Unicorns of Today’s Workforce

Material handling systems are a fundamental element of a range of industries from aerospace, to food, to warehousing and distribution. Currently serving 7.5 million end-users of varying types, the material handling industry is one of the most diverse and vital industries to the US GDP.

The continuous movement of globalization sets extremely high customer service expectations for the material handling sector, causing this booming industry to face a sizeable staffing crisis. This tenacious skill shortage could risk more than \$2.5 trillion economic output over the next decade. According to the MHI Industry Report for 2018, a survey of over 1100 manufacturing and supply chain industry leaders indicates that 64% of companies identify hiring and retaining top talent as a major challenge. This distinct lack of skilled workers has provoked a modern surge in robotics and artificial intelligence, forcing the industry to automate the process, and creating a reduced need for humans.

The skills gap is a global issue in the material handling industry. Almost 40% of American employers say they cannot find workers with the skills they need. Despite offering

sufficient wages and providing enticing benefits, American industries are still stuck with ample job vacancies.

Why? There are numerous reasons for the 650 000 trades positions that go unfilled every year. One being the baby boomer generation is retiring from the workforce, while the youth of today are entering non-traditional sectors of work. Career paths in the industry are not defined and educational support is not mature enough to aggressively engage younger generations. Countless businesses are not willing to invest in the development of their most important resources, people.

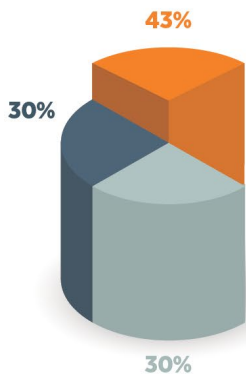
In addition, the slower adoption rate of innovative and disruptive supply chain technologies is shifting business preferences to contracting and outsourcing the job as opposed to internal departments executing core services.

The constant demand of skilled labor from customers is seen as the biggest challenge for the supply chain sector. However, the fight for top talent and the need to fill these crucial positions has become a daunting concern for material handling companies worldwide.

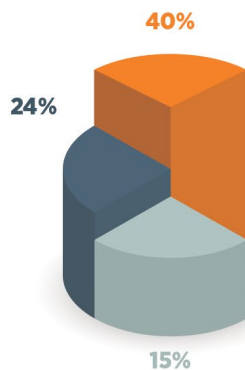
SUPPLY CHAIN CHALLENGES IN 2018

● Extremely Challenging
 ● Very Challenging
 ● Somewhat Challenging

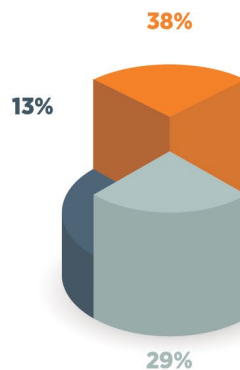
Customer Demands on the Supply Chain



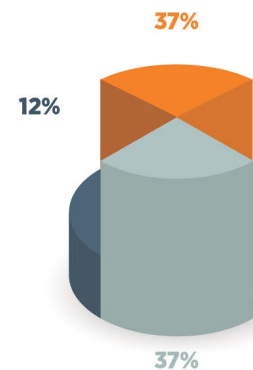
Hiring Qualified Workers



Forecasting



Rising Customer Expectations



Source: MHI Industry Report 2018

THE SKILLS GAP IN NORTH AMERICA

60% of skilled production positions go unfilled due to the skills gap

3.4 million

manufacturing jobs will be created from 2015-2025

58% may remain unfilled due to the skills gap

Why employers say its hard to fill skilled trade positions:

- 1 Lack of experience
- 2 No applicants
- 3 Lack of hard skills
- 4 Lack of soft skills

46% of US employers have difficulty recruiting skills trade vacancies

Source: Sources: Manpower Group, "Talent Shortage Survey 2016/2017", <http://www.manpowergroup.us/campaigns/talent-shortage/>; <https://www.manpowergroup.com.mx/uploads/estudios/Escasez-de-Talento-MX.pdf>; <http://manpowergroup.ca/campaigns/talent-shortage/assets/pdf/2016-Talent-Shortage-Canada-Infographic.pdf>
Deloitte, "Help Wanted: American manufacturing competitiveness and the looming skills gap", 2016, <https://www2.deloitte.com/tr/en/pages/manufacturing/articles/help-wanted.html>

While the material handling industry is thriving and optimistic, the sector's workforce crisis seems to be casting a dark cloud over the future. The uphill battle the material handling industry has before them is apparent.

So how is IMI currently tackling this dark cloud? With over 20 years of experience, and the largest mechanical installation company in North America, we are specialists in confronting the trades gap.

By the virtue of IMI, we have multiple clients in various industries of material handling. We cross train our employees on parallel skillsets to increase the probability of being able to use a candidate in various roles. Weather our client seeks a job in mechanical, electrical, robotics or automation, IMI will staff this request from our large pool of qualified technicians.

In parallel, we understand automation is a critical component to execute the demand within the supply chain. We can no longer rely fully on human support, but instead, on technology. IMI offers installation services and a platform of support offerings to maintain warehouse centers that are critical to today's supply chain. IMI's combination of leveraging talent and automation is what has made us North America's largest mechanical installation company.

At IMI we hold our innovation to the highest of standards. Rhonda is our artificial intelligence human resource platform solution. Through pure innovation and AI, she automates the candidate and employee lifecycle, leaving employees and employers fulfilled. Rhonda is an extended solution to the current skills gap. Her powerful features allow employees to function to their maximum ability while drastically boosting workplace culture.

IMI will continue to forge ahead, focusing on the combination of human capital and innovation to flourish within the material handling industry.

IMI

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