BDO MANUFACTURING RISKFACTOR REPORT

MANUFACTURING INDUSTRY SERVES UP NEW RISKS

WHAT ARE THE TOP RISKS ON THE INDUSTRY’S RADAR?

Pressure Mounts to Shore Up Cybersecurity

- Manufacturing was the 2nd most targeted industry for cyber attacks in 2015.
- More than 9 in 10 manufacturers cite cybersecurity concerns.
- 91% cite operational infrastructure risk, implementation of new information systems and maintenance, up 44% from 2013.

The Race to Innovate: Getting Leaner and Meaner

- 97% cite competitive pressure and consolidation.
- 91% cite risks around executing corporate strategy, up from 69% in 2013.
- 87% worry about developing and marketing products that meet customer needs.

Market Fundamentals Create Kinks in the Demand Pipeline

- GDP Growth:
  - Q1 2015: 1.4%
  - Q1 2016: .5%
- 72% cite concerns about the financial health and stability of their customers or partners.
- 88% worry about less demand for their products or services.

Source: IBM

The 2016 BDO Manufacturing RiskFactor Report examines the risk factors noted in the most recent SEC 10-K filings of the 100 largest publicly traded manufacturers; the factors were analyzed and ranked by order of frequency cited.

For more information, visit https://www.bdo.com/industries/manufacturing-distribution/overview or contact

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