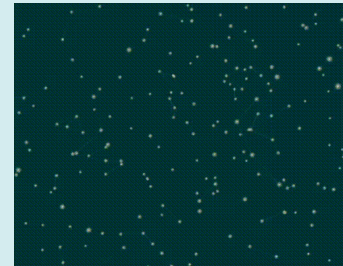




RESOURCES

Home
Resources
Resource Center

ISM June 2021 Report: Manufacturers See Increased Demand, but Struggle to Keep Up



Key Takeaways

- Demand from the market remains strong, with ISM reporting a 13th consecutive month of growth.
- However, supply chain issues like material shortages and rising commodity prices hinder manufacturers from producing as much as they could.

Demand for goods remains strong, with the [Institute for Supply Management's monthly index](#) reporting a 13th consecutive month of growth across 17 of 18 industries. However, many of these manufacturers are having a hard time keeping pace due to a plethora of supply chain issues, ranging from material shortages to commodity price increases.

According to ISM, lead time for production materials reached 88 days in June—the highest figure ever recorded in the history of the report. This has led to slower deliveries across the board, particularly in electronic supplies. ISM's Supplier Deliveries Index illustrates this impact, registering at 75.1% in June, with scores above 50% indicating slower deliveries.

Record-long raw-material lead times, wide-scale shortages of critical basic materials, rising commodities prices and difficulties in transporting products are continuing to affect all segments of the manufacturing economy.

Supply chain issues, material shortages, labor issues, and other obstacles are now beginning to manifest in prices. ISM's manufacturing price index reached its highest mark in the last 40 years, jumping 4.1% to 92.1% in June.

“Record-long raw-material lead times, wide-scale shortages of critical basic materials, rising commodities prices and difficulties in transporting products are continuing to affect all segments of

the manufacturing economy,” said Timothy Fiore, CPSM, CPM, Chair of the ISM Manufacturing Business Survey Committee.

Despite these obstacles, sentiment among manufacturers remains strong. The survey committee received 16 positive comments about the future outlook of the industry for every cautious comment.

“Continue to see very strong demand across all business units,” said one respondent from the chemicals production space. “In many cases, we are limited on our ability to supply by raw-materials availability. Still running at record volume but could be producing much more.”

Driving greater supply network efficiency with supply chain issue management software

As supply constraints, material costs, and other obstacles begin to impact activity across the sector, it's critical manufacturers address supply chain friction whenever and wherever they can. Supply chain issue management is a low-hanging fruit in that regard, with multienterprise work management solutions enabling manufacturers to significantly improve the way they work with their supply chain partners. This enables dramatic improvements in supply chain issue resolution and delivery performance.

Want to learn more? Download our new handbook for a step-by-step guide on how to use APT-SCIM to support your company's continuous business process improvement strategy.

New Handbook Alert



Supply Chain Issue Management Best Practices Handbook
Achieving Operational Excellence Through Digitalization and Continuous Process Improvement
tracelink. NETWORK FOR GREATER GOOD

Digitalize and streamline supply chain issue management

82%	65%
improvement in delivery performance	reduction in time to resolve supply chain issues

[Download the Handbook](#)

BlogSCWM for Compliance ExceptionsSupply Chain CollaborationManufacturing

Subscribe to Agile Supply Chain Insights

Stay informed with the latest patient-centric agile supply chain thought leadership content.

Learn more about the power of digital supply networks:



Survey: Late Shipments Top List of Biggest Sources of Supply Chain Risk

Manufacturing executives reveal the top sources of supply chain risk—and what you can do about them. Get the survey results.

[View More](#)



The Supplier Quality Challenge: Improving Products and Business Processes with Multienterprise Work Management

Ensuring supplier quality is a major challenge for supplier relationship management teams. Learn how multienterprise work management can help.

[View More](#)



The Top Six Supply Chain Issue Management Challenges—and How to Overcome Them

Lengthy issue resolution times top the list of the six biggest challenges to successful supply chain issue management. Get the survey results.

[View More](#)



Inside the Rise of the Digital Supply Network: What Does the Future Hold for Supply Chains?

Explore the evolution of supply chain technology—and see where supplier relationship management is heading in the future.

[View More](#)



Poor Visibility Tops IDC's List of 6 Obstacles to Pharma Supply Chain Resilience

More than half of companies across the end-to-end pharma supply chain lack the upstream and downstream visibility needed to respond effectively to sudden marketplace disruptions, according to new research from market intelligence firm IDC into the impact of COVID-19 on the global pharmaceutical industry.

[View More](#)