

NEMRA™



NATIONAL ELECTRICAL MANUFACTURERS
REPRESENTATIVES ASSOCIATION

Manufacturer of The Future Report

Executive Summary

**A NEMRA Strategic Advisory Council Initiative
(August 2024)**



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Since the launch of NEMRA's Rep of the Future report in 2020, the electrical distribution industry has survived Covid, tariffs and supply chain challenges; experienced accelerated growth due to governmental policies investment into electrification trends, infrastructure, and the reshoring of manufacturing; and is being further amplified due to data center investments.

These business dynamics are intersecting with societal changes, the most relevant being shifts in the workforce and the effects that this shift has on distributors, manufacturers, and agents of manufacturers. Changes in training, tools, and workforce composition have been brought about because of consolidation and changes in the structure of the workforce. In addition, the dynamics of customers have changed because of the consolidation of distribution channels, the presence of bigger contractors operating in many sectors, and the establishment of goods with value-added features.

The market has undergone significant change over the past four years which has also driven business consolidation within the distribution, manufacturer representative and manufacturing communities.

Seeking to help NEMRA members navigate these changes, the NEMRA Strategic Advisory Council (SAC) endeavors to update the Rep of the Future research to prepare members for the future.

The first phase of this initiative is to gain insights from manufacturers, who are the customers of representatives of manufacturers, to understand how they see the market, the channel, and their needs over the next three to five years. Over 30 manufacturers shared their input.

The study provides a summary of the most important topics that were revealed during these discussions. These topics included:

- The consolidation at all levels of the channel and how that will impact roles and decisions that companies will make.
- The drive for operational efficiency and the resultant importance of technology, quality data, and artificial intelligence,
- The importance, and primary role for an agency, of driving local demand
- The challenges of an aging workforce.

In addition, the research emphasizes the significance of generating demand in the local area and the need for investments to guarantee agency knowledge.



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Manufacturers emphasized that manufacturer representatives will need to:

- Focus more on end-users and driving demand,
- Possess effective marketing skills
- Operate efficiently and embrace technology to quicken the pace of business, and
- Invest in their team while absorbing the responsibility of product trainer.

Topics covered include the influence of the consolidation of distributors and manufacturers, the push for operational efficiency, the function of technology, and the significance of data, and appropriate metrics, in determining success.

Manufacturers believe that agencies should be demand drivers, since they possess the ability to combine product expertise with knowledge of the local market and the ability to promote preference for a certain brand. This is especially in light of distributor consolidation where stocking decisions are made based upon other criteria, frequently beyond representative influence. Additionally, manufacturers stress the need for agencies to invest in training and educating distribution personnel.

The research offers insights into the ways in which manufacturers and representatives of manufacturers may adjust to meet tomorrow's challenges to achieve future success. This research is the precursor to the 2025 Rep of the Future report and shares the challenges that manufacturers feel that they face looking forward.

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