

2025 & Beyond

Navigating the Evolving Landscape:
**A Manufacturer's
Playbook for
Success in
Minnesota
& Wisconsin**

MDI®

**Build Resilience.
Protect Margins.
Focus on What
Matters.**



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Introduction: The Imperative For Agility And Strategic Partnership In Modern Manufacturing

The manufacturing sector in 2025 stands at a pivotal juncture, particularly in the industrious heartlands of Minnesota and Wisconsin. While opportunities for growth and innovation abound, manufacturers face a confluence of persistent and emerging challenges. From navigating an increasingly complex global trade environment marked by new tariffs and supply chain volatilities, to addressing chronic workforce shortages and managing escalating operational costs, the path to sustained success demands unprecedented agility, strategic foresight, and a willingness to embrace innovative solutions.

This playbook is designed for manufacturing leaders – the Supply Chain Managers, Plant Managers, Operations Leaders, Procurement Specialists, and Chief Financial Officers – who are on the front lines of these challenges. It offers a deep dive into the current state of manufacturing in Minnesota and Wisconsin, dissects the critical pain points, and, most importantly, illuminates how strategic partnerships, particularly in areas like outsourced kitting, assembly, and

packaging, can provide a powerful lever for navigating complexity, enhancing efficiency, and protecting margins.

Drawing on the latest industry data, economic outlooks, and real-world impacts of recent trade policies, this report aims to provide actionable insights and a clear roadmap. It will explore how Minnesota Diversified Industries (MDI), with its unique social enterprise model and proven expertise in providing purpose-driven solutions, can empower manufacturers to not only weather the current storms but also to build more resilient, efficient, and competitive operations for the future. The goal is to transform challenges into opportunities, fostering a manufacturing ecosystem in the Upper Midwest that is robust, innovative, and poised for long-term prosperity. We will delve into specific strategies that enable businesses to focus on their core competencies while leveraging external expertise to streamline non-core functions, ultimately driving growth and achieving a stronger bottom line in a dynamic 2025 landscape.



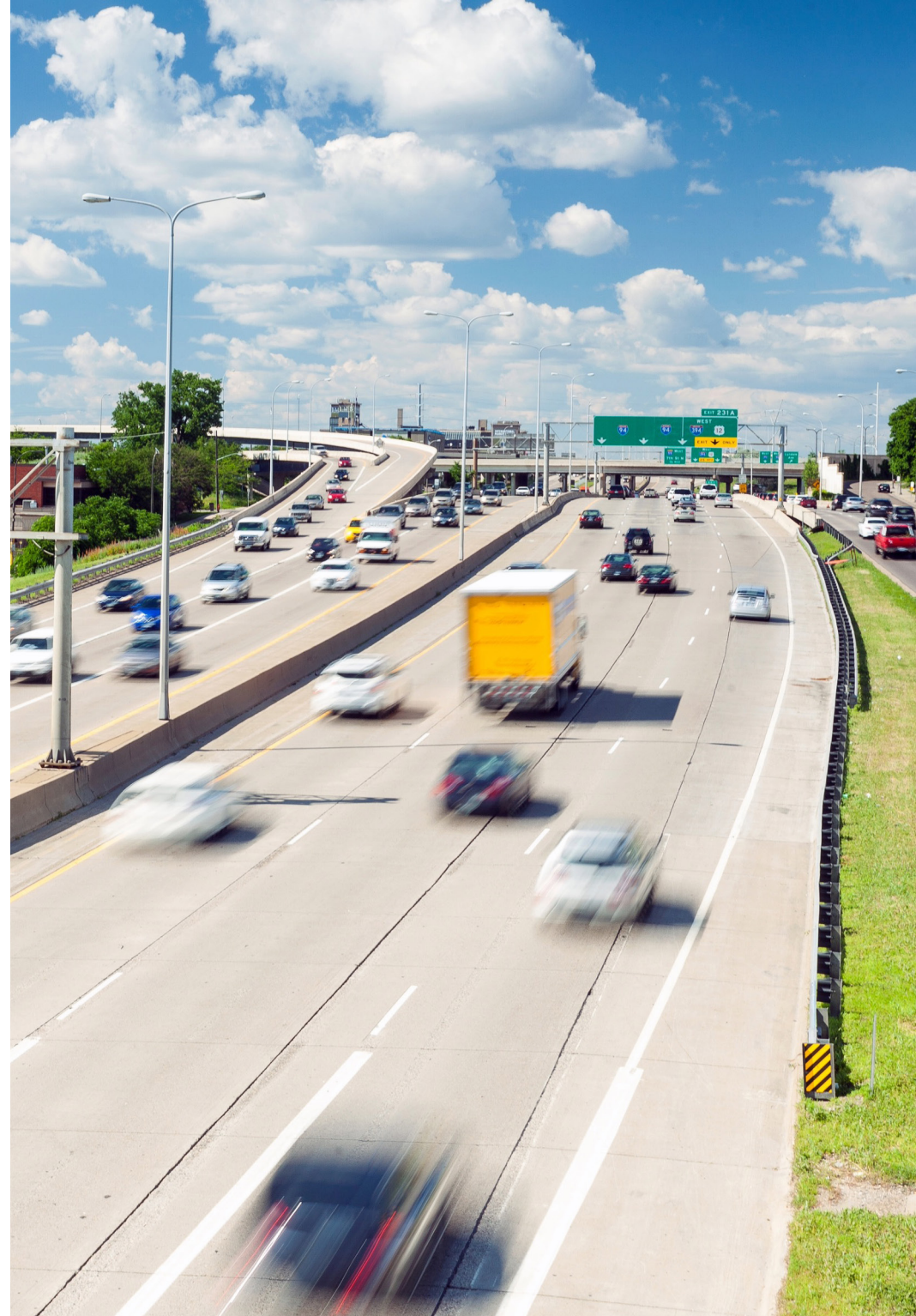
Chapter 1: The State of Manufacturing in MN –2025 Outlook

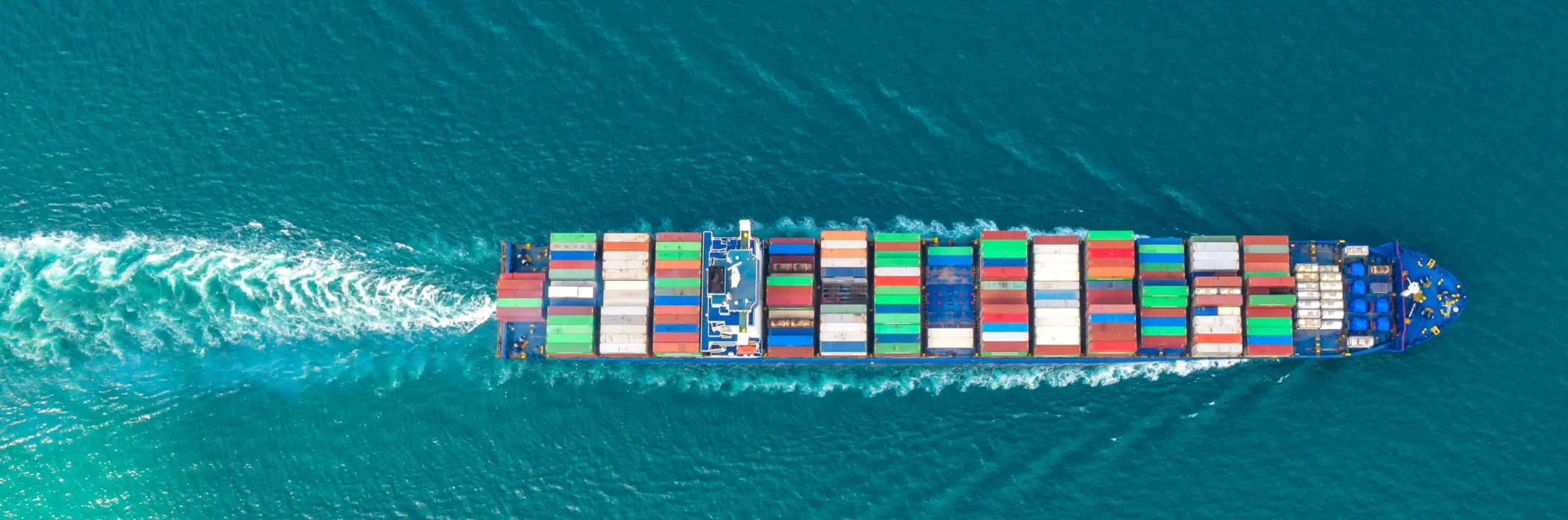
Minnesota's manufacturing sector, a cornerstone of the state's economy, enters 2025 with a sentiment of cautious optimism, tempered by significant headwinds. While the state demonstrated commendable resilience and growth through late 2024, with manufacturing exports increasing by \$2.2 billion (an 11.5% gain year-to-date compared to the same period in 2023), the landscape is increasingly complex. Cooling inflation offers some respite, but a confluence of factors, including persistent workforce shortages, escalating cost pressures, and the profound impacts of new and potential tariffs, shapes a challenging yet opportunity-laden environment.

Economic Indicators and General Climate:

As of late 2024, Minnesota's GDP growth, while positive at +2% (Q3 2024), lagged slightly behind the national average. The Mid-America Manufacturing Index from Creighton University (December 2024) indicated a Business Conditions Index of 51.4 for Minnesota. While still above the growth-neutral threshold of 50, this represented a dip from previous months, with new orders (46.4) and production/sales (49.0) showing contraction. Positively, delivery lead times were slowing (56.2), inventories were expanding (53.4), and employment remained in expansionary territory (51.8). However, a significant portion of supply managers (~45%) anticipated a recession in the first half of 2025, reflecting underlying anxieties.

A critical concern voiced by Minnesota manufacturers is the perception of the state's business climate. The 2024 State of Manufacturing® (SOM) survey by Enterprise Minnesota revealed that a record 56% of manufacturing executives believed the business climate was worsening, a stark increase from 15% five years prior. This anxiety is largely attributed to the burden of new legislative mandates, including paid family and medical leave, and their anticipated financial and operational impacts, particularly on smaller manufacturers.





Deep Dive: Tariff Impacts and Supply Chain Strains in MN (2025)

The year 2025 has brought the issue of tariffs and international trade policy to the forefront for Minnesota manufacturers. As of April 2025, reports indicated a significant increase in tariffs on goods imported from China, potentially reaching 145% on many items, alongside existing 25% tariffs on goods from Canada and Mexico, and a 25% tariff on steel and aluminum. The prospect of a baseline 10% tariff on all imports further fuels uncertainty.

Minnesota businesses are already feeling these impacts directly. China is Minnesota's second-largest import partner (nearly \$6.7 billion in goods imported in 2024, representing 15% of total imports) and its third-largest export market (over \$2.2 billion in goods like medical equipment, pharmaceuticals, meat, and dairy products sent in 2024). The tariff hikes have led to immediate price increase warnings from suppliers. For instance, businesses like Asia Mall and various toy retailers (who source nearly 80% of U.S.-sold toys from China) have expressed significant concern over rising costs and the challenge of keeping consumer prices reasonable. Best Buy's CEO

also anticipates that vendors will pass tariff costs to retailers, making price increases for American consumers highly likely.

The Minnesota Chinese American Chamber of Commerce has highlighted the direct harm retaliatory tariffs have already caused to Minnesota's farmers and the broader Midwest agricultural economy. This underscores the vulnerability of key export sectors to trade disputes.

While Minnesota's diversified economy, with strengths in medtech (e.g., Medtronic, 3M) and specialized, less commodity-driven exports, may offer some relative insulation compared to states with a heavier reliance on traditional manufacturing, the impact of tariffs on input costs and export market access remains a critical concern. The "anxieties about the impacts of a potential intensification of trade conflicts affecting both access to international markets for products and the ability to source inputs," noted by the MPMA, are now a tangible reality.



Key Challenges Confronting Minnesota Manufacturers in 2025:

1. Workforce Shortages and Development: This remains a primary and persistent challenge. Attracting and retaining skilled workers is a top concern, exacerbated by an aging workforce and the need to upskill employees for Industry 4.0 technologies. The difficulty in finding talent means companies are increasingly focusing on retaining existing employees. Wage pressures are also a factor, with manufacturers competing against other sectors for labor.

2. Intensified Cost Pressures and Economic Uncertainty: Beyond the direct impact of tariffs, rising material costs, energy costs, and general inflation continue to weigh heavily. The uncertainty surrounding tariff policies makes financial planning and investment decisions exceptionally difficult. Long-term planning, in general, is cited as a “big heartburn” due to industry changes, employee turnover, and the regulatory environment.

3. Technology Adoption: Investing in automation, AI, IoT, and cybersecurity is crucial for competitiveness. However, the cost and complexity of adoption, particularly for small to medium-sized enterprises (SMEs), remain significant hurdles, now compounded by broader economic uncertainties.

4. Regulatory and Legislative Environment: As mentioned, new state-level mandates are a significant source of anxiety, adding to the cost and complexity of operations in Minnesota. This contributes to the perception of a worsening business climate.

5. Supply Chain Volatility: Beyond tariffs, broader global supply chain disruptions continue to pose risks. Manufacturers must navigate component shortages, logistical challenges, and the need for greater supply chain resilience, potentially exploring alternative sourcing or reshoring/nearshoring options, though these come with their own set of challenges and costs.

Opportunities and Strategic Imperatives:

Despite these challenges, opportunities exist. Minnesota's strong export growth in 2024 highlights the potential in global markets. Manufacturers investing in automation, process improvements, and diversification of customer bases are better positioned for growth. The current environment underscores the need for strategic partnerships that can help mitigate risks, enhance efficiency, and provide access to reliable, skilled labor for non-core functions. By focusing on core competencies and leveraging external expertise for areas like kitting, assembly, and packaging, Minnesota manufacturers can free up resources to navigate the complexities of the 2025 landscape, invest in critical innovations, and build a more resilient future.

(Sources: MPMA 2025 Outlook, Enterprise Minnesota State of Manufacturing® 2024 Survey, CBS Minnesota, Milwaukee Journal Sentinel, Daily Reporter, ASSEMBLY Magazine, Creighton University Mid-America Manufacturing Index)





Chapter 2: The State of Manufacturing in WI – 2025 Outlook

Wisconsin's manufacturing sector, a traditional powerhouse of the American Midwest, faces 2025 with a blend of inherent strength and significant, evolving challenges. While a remarkable 93% of Wisconsin manufacturers reported being financially healthy and 66% expected higher sales in 2025 (according to the NEWMA Manufacturing Vitality Index Report), this optimism is set against a backdrop of intense pressures from workforce shortages, the imperative of technology adoption, and, critically, the escalating impacts of 2025 tariff policies and global supply chain disruptions.

Economic Indicators and General Climate:

Wisconsin's manufacturing base, historically rooted in machinery, food and beverage processing, paper products, and metal fabrication, has long been a driver of the state's economy. However, this traditional focus also makes it particularly susceptible to certain macroeconomic shifts. The NEWMA report highlighted that while the skilled worker shortage remains a primary concern (though slightly fewer companies reported difficulty finding talent – 58% vs. 84% the previous year), the adoption of new technologies and navigating industry disruptors like AI are key areas of focus and challenge.





Deep Dive: Tariff Impacts and Supply Chain Strains in Wisconsin (2025)

The year 2025 has thrust Wisconsin manufacturers into the direct path of significant trade policy headwinds. The implementation and proposal of substantial tariffs – including up to 145% on many Chinese imports, 25% on goods from Canada and Mexico, a 25% tariff on steel and aluminum, and a potential 10% baseline tariff on all imports – are creating profound uncertainty and direct cost implications. Wisconsin, with its heavy reliance on traditional manufacturing and significant export activities, is considered particularly vulnerable.

Sources from April and May 2025, such as the Milwaukee Journal Sentinel and the Daily Reporter, paint a clear picture: Wisconsin's manufacturing and farming sectors are heavily exposed. The state imported over \$38 billion in goods in 2024, with about half coming from countries facing the highest tariffs (China, Canada, Mexico). Machinery and electronic products constituted about one-third of this import value. The tariffs are expected to raise costs for local

businesses reliant on imported raw materials and components (like steel and aluminum for companies such as Briggs & Stratton) and for consumers, as these costs are passed down. Business leaders have expressed hesitation in making large investments due to this policy uncertainty.

Retaliatory tariffs pose a severe threat to Wisconsin's key exports, which include industrial and electrical machinery (nearly 40% of state exports in 2024), dairy products, cranberries, and tractors. An analysis referenced by the Milwaukee Journal Sentinel (from the New York Times) indicated that retaliatory tariffs are concentrated in industries accounting for nearly 10% of Wisconsin's workforce, a higher proportion than in neighboring Minnesota (6%). This highlights the state's heightened vulnerability. Experts like Steven Deller (UW-Madison) have characterized the fluctuating tariff policies as detrimental, creating uncertainty that the economy abhors and ultimately leading to a situation where "Everybody loses."



Key Challenges Confronting Wisconsin Manufacturers in 2025:

1. Intensified Cost Pressures from Tariffs and Inflation: The direct cost of imported materials and components is rising sharply due to tariffs. This, combined with general inflation and wage pressures, is squeezing margins and making cost management a critical daily battle. The uncertainty surrounding future tariff levels further complicates financial planning.

2. Workforce Shortages and Development: While the reported difficulty in finding talent has slightly decreased, the skilled worker shortage remains a dominant challenge. Manufacturers are investing in their existing employees, focusing on training and empowerment, and trying to attract younger generations to the field. Technology is seen as a key enabler to help bridge the talent gap.

3. Navigating Global Supply Chain Disruptions: Tariffs add another layer of complexity to already strained global supply chains. Wisconsin manufacturers must contend with potential disruptions in the availability of critical components (e.g., the risk to rare earth mineral supplies from China due to trade disputes) and the increased costs and lead times associated with international logistics.

4. Technology Adoption and Industry 4.0: Investment in Industry 4.0 technologies (cybersecurity, cloud computing, IoT, automation, AI) is recognized as essential for competitiveness. Over half of Wisconsin manufacturers are investing in plant modernization, and 67% plan to invest in generative AI. However, the cost of these investments, coupled with the need to train the workforce to use these new tools effectively, remains a challenge, especially amidst broader economic uncertainty.

5. Export Market Volatility: Given Wisconsin's reliance on exports, the threat of retaliatory tariffs and shifting global demand patterns creates significant volatility. Access to international markets for key Wisconsin products is at risk, impacting revenue and potentially leading to job losses in affected industries.

Opportunities and Strategic Imperatives:

Despite the formidable challenges, Wisconsin manufacturers are actively seeking solutions. The strong emphasis on collaboration, as highlighted by NEWMA, where manufacturers, educators, and workforce development leaders share resources and best practices, is a significant strength. Investment in technology and employee upskilling are key strategies being pursued.

For Wisconsin manufacturers, the current environment necessitates a sharp focus on operational efficiency, supply chain resilience, and strategic cost management. Partnering with domestic providers for non-core, labor-intensive functions like kitting, assembly, and packaging can offer a pathway to mitigate some of these pressures. Such partnerships can provide access to a stable workforce, help control labor-related costs, and allow manufacturers to dedicate their internal resources to navigating the complexities of international trade, investing in core production technologies, and developing strategies to maintain competitiveness in a rapidly evolving global market.

(Sources: Weidert.com/NEWMA Manufacturing Vitality Index Report, Milwaukee Journal Sentinel, Daily Reporter, ASSEMBLY Magazine, CBS Minnesota)





Chapter 3: Common Ground, Shared Burdens: Overarching Challenges for MN & WI Manufacturers in 2025

While Minnesota and Wisconsin possess distinct economic nuances and sectoral strengths, their manufacturing industries in 2025 grapple with a significant set of shared challenges. These common burdens, intensified by the current global economic climate, new tariff regimes, and persistent supply chain volatilities, demand strategic and often collaborative responses. Understanding these shared pain points is crucial for identifying effective, broad-based solutions.



1. The Unyielding Workforce Crisis: Talent, Skills, and Retention

Across both states, the most consistently cited and pressing challenge is the shortage of skilled labor. This is not a new issue, but it has reached critical dimensions. An aging workforce, a perceived reluctance among younger generations to enter manufacturing, and a widening skills gap for Industry 4.0 technologies create a perfect storm. Manufacturers in both Minnesota and Wisconsin report significant difficulty in attracting and retaining qualified em-

ployees, from entry-level operators to highly skilled technicians. This directly impacts production capacity, quality control, and the ability to innovate. The focus has increasingly shifted from pure recruitment to aggressive retention strategies and substantial investment in upskilling existing employees. However, wage pressures, often driven by competition from other sectors and broader inflation, add another layer of complexity to workforce management.



2. Navigating the Labyrinth of Economic Uncertainty and Escalating Costs

The macroeconomic environment of 2025 is characterized by a palpable sense of uncertainty. While some manufacturers report healthy sales, a significant undercurrent of anxiety persists regarding potential recessions, fluctuating demand, and, most acutely, the rising cost of doing business. Inflationary pressures on materials, energy, and logistics are compounded by the direct and indirect impacts of new tariffs.

- **Tariff-Induced Cost Hikes:** The imposition of significant tariffs in 2025 (e.g., up to 145% on many Chinese goods, 25% on steel and aluminum, and a potential 10% blanket tariff) directly inflates the cost of imported raw materials, components, and machinery. This squeezes profit margins and forces difficult decisions about pricing and investment.
- **Supply Chain Volatility Costs:** Disruptions in the global supply chain, whether from geopolitical events, shipping bottlenecks, or retaliatory trade measures (like China's potential restrictions on rare earth mineral exports), lead to increased lead times, uncertainty in component availability, and higher logistical costs. Manufacturers are forced to carry more inventory, find alternative (often more expensive) suppliers, or risk production stoppages.
- **Investment Hesitation:** The combined uncertainty stemming from economic forecasts and unpredictable trade policies makes manufacturers hesitant to commit to large capital expenditures, even if those investments are crucial for long-term competitiveness and efficiency.

3. The Dual Challenge of Technology Adoption (Industry 4.0)

Embracing Industry 4.0 – encompassing AI, IoT, automation, cloud computing, and advanced data analytics – is no longer a luxury but a necessity for survival and growth. Manufacturers in both Minnesota and Wisconsin recognize this, with significant planned investments in areas like generative AI and cybersecurity. However, the path to successful technology adoption is fraught with challenges:

- **Cost and Complexity:** Implementing new technologies requires substantial upfront investment and can be complex to integrate with existing systems, especially for SMEs.
- **Skills Gap:** Finding or training employees with the skills to operate and maintain these advanced systems is a major hurdle, linking directly back to the workforce crisis.
- **Return on Investment (ROI) Justification:** In an uncertain economic climate, justifying the ROI for large technology projects can be difficult, especially when facing immediate cost pressures from other areas like tariffs.





4. The Growing Burden of Regulatory and Legislative Environments

While varying in specifics between the two states, manufacturers consistently voice concerns about the increasing complexity and cost associated with the regulatory landscape. In Minnesota, for example, new mandates around paid family and medical leave have caused significant anxiety regarding their financial and operational impact. These regulatory burdens add to the overall cost of doing business and can divert management attention from core operational and strategic priorities.



5. Intensified Global Competition and Market Access

Manufacturers in Minnesota and Wisconsin operate in a fiercely competitive global market. Tariffs and trade disputes not only increase the cost of inputs but can also lead to retaliatory tariffs from other nations, making U.S. exports more expensive and less competitive. This directly impacts access to crucial international markets, affecting sales, revenue, and potentially leading to job losses in export-dependent industries.

These shared challenges underscore the need for innovative solutions that can enhance efficiency, manage costs, provide access to a reliable workforce, and allow manufacturers to focus on their core

competencies. The subsequent chapters will explore how strategic partnerships, particularly in outsourcing non-core functions, can offer a powerful means to address these multifaceted pressures.

(Sources: MPMA 2025 Outlook, Enterprise Minnesota State of Manufacturing® 2024 Survey, Weidert.com/NEWMA Manufacturing Vitality Index Report, Milwaukee Journal Sentinel, Daily Reporter, ASSEMBLY Magazine, CBS Minnesota, Creighton University Mid-America Manufacturing Index)



Chapter 4: MDI's Purpose-Driven Solutions: A Strategic Advantage in a Turbulent Landscape

In the face of the multifaceted challenges confronting Minnesota and Wisconsin manufacturers in 2025 – from acute workforce shortages and escalating operational costs to the severe impacts of new tariffs and persistent global supply chain disruptions – the need for strategic, agile, and reliable partners has never been more critical. Minnesota Diversified Industries (MDI) emerges as such a partner, offering a suite of purpose-driven kitting, assembly, and packaging solutions that directly address these pressing pain points, enabling manufacturers to enhance efficiency, manage costs, and focus on their core competencies.



1. Alleviating the Workforce Crisis with Reliable, Skilled Labor:

The chronic difficulty in attracting and retaining skilled labor is a dominant theme in both states. MDI's model provides a direct and effective solution:

- **Dedicated Workforce:** MDI offers access to a committed and skilled workforce of over 350 professionals across four Minnesota-based, state-of-the-art facilities. This immediately relieves clients of the burdensome and costly process of recruiting, hiring, training, and managing staff for non-core assembly, kitting, and packaging tasks.
- **Reduced Reliance on Temporary Staffing:** As MDI's own materials state, partnering with them can "Reduce the number of temporary workers in your plants" and "Eliminate the need to use staffing agency," offering a more stable and integrated labor solution.
- **Focus on Core Employee Development:** By outsourcing these functions to MDI, manufacturers can redirect their existing skilled employees from ancillary tasks to higher-value core production, innovation, and strategic initiatives, maximizing the impact of their internal talent.
- **Social Enterprise Advantage:** MDI's unique mission as a social enterprise, employing people with disabilities, fosters a highly motivated, dedicated, and lowturnover workforce within MDI. This translates to consistent quality, reliability, and a stable labor supply for its clients – a significant advantage in a tight labor market.



2. Combating Escalating Costs and Economic Uncertainty:

The current economic climate, marked by inflation and the severe cost impacts of 2025 tariffs, demands rigorous cost management. MDI's services are structured to provide tangible financial benefits:

- **Converting Fixed to Variable Costs:** Outsourcing to MDI transforms fixed labor costs associated with in-house assembly/packaging (salaries, benefits, HR overhead) into predictable, variable operational expenses. This offers greater cost control and flexibility, especially crucial when navigating fluctuating demand and uncertain economic conditions.
- **Optimized Efficiency and Reduced Per-Unit Costs:** MDI's specialization in kitting, assembly, and packaging, coupled with its ISO 9001 and ISO 13485 (for medical devices) certified processes, often leads to greater operational efficiency and lower per-unit costs than manufacturers might achieve in-house, particularly if these are not their core strengths.
- **Mitigating Overhead Escalation:** MDI explicitly positions its services as a solution to "Cost Overheads" and "Escalating Overheads," directly addressing a key pain point for manufacturers.
- **Shared Production Risk and Margin Protection:** MDI's commitment to being a "labor supply partner who shares in the production risk and quality guarantee" and its focus on helping clients "Reduce Expenses. Increase Efficiency. Protect Margins." are vital in the current high-cost environment.

3. Enhancing Supply Chain Resilience and Navigating Trade Disruptions:

The 2025 landscape is defined by tariff-induced complexities and ongoing global supply chain strains. A domestic partner like MDI offers strategic advantages:

- **Domestic Operations as a Buffer:** MDI's Minnesota-based operations provide a degree of insulation from international shipping disruptions, geopolitical risks associated with overseas outsourcing, and some of the logistical headaches of managing international assembly. While tariffs on imported components used by MDI (if sourced internationally by clients or MDI) remain a factor, the assembly and kitting processes themselves are domestically secured.
- **Streamlined Logistics for Domestic Supply Chains:** For manufacturers sourcing components domestically, utilizing MDI for assembly and kitting can simplify logistics and reduce lead times compared to international alternatives.
- **Flexibility and Scalability in Volatile Times:** MDI's capacity to "swiftly and efficiently assemble and package products" and adapt to "production volume fluctuations" offers crucial flexibility. This is essential when tariffs or supply disruptions cause unpredictable shifts in demand or component availability. The ability to scale services up or down quickly without the fixed costs of an internal workforce is invaluable.
- **Alleviating Bottlenecks:** If internal kitting or assembly processes become bottlenecks due to labor shortages or sudden surges in demand (perhaps driven by shifting trade patterns), MDI can step in to ensure production continuity and alleviate these chokepoints.





4. Enabling Focus on Core Competencies and Strategic Adaptation:

In an environment demanding constant adaptation to new tariffs, evolving regulations, and technological advancements, manufacturers must focus their internal resources on strategic priorities.

- **Freeing Up Management and Engineering Talent:** By entrusting non-core kitting, assembly, and packaging to MDI, clients can free up their management, engineering, and R&D teams to concentrate on core product innovation, navigating complex trade policies, redesigning supply chains for resilience, and investing in critical production technologies.
- **Addressing “Diluted Focus” and “Innovation Constraints”:** MDI directly identifies these as problems its services solve, allowing clients to sharpen their strategic direction.

5. Ensuring Quality and Reliability:

Even for non-core functions, quality is paramount. MDI's commitment to quality is demonstrated through:

- **ISO Certifications:** ISO 9001 (quality management) and ISO 13485 (medical devices) certifications underscore a rigorous approach to quality control.
- **Specialized Facilities:** A dedicated white room for medical device assembly ensures adherence to high standards for sensitive products.
- **Product Testing and Inspection:** MDI incorporates these into its processes, providing an additional layer of quality assurance.



By leveraging MDI's specialized capabilities, manufacturers in Minnesota and Wisconsin can transform significant operational challenges into strategic advantages. MDI's solutions offer a pathway to not only mitigate the pressures of the current manufacturing landscape but also to build more agile, resilient, and competitive enterprises poised for success in 2025 and beyond.

(Sources: MDI Website (mdi.org), MPMA 2025 Outlook, Enterprise Minnesota State of Manufacturing® 2024 Survey, Weidert.com/NEWMA Manufacturing Vitality Index Report, Milwaukee Journal Sentinel, Daily Reporter, ASSEMBLY Magazine, CBS Minnesota)





Chapter 5: Conclusion – Partnering for a Resilient and Prosperous Future in Manufacturing

The manufacturing landscape of 2025 in Minnesota and Wisconsin is undeniably complex, characterized by a potent mix of persistent challenges and emerging pressures. The specter of workforce shortages continues to loom large, demanding innovative approaches to talent acquisition and retention. Economic uncertainties, amplified by inflationary pressures and the significant, often disruptive, impacts of new tariff regimes and ongoing global supply chain volatilities, require manufacturers to operate with heightened agility and strategic financial acumen. Furthermore, the imperative to adopt Industry 4.0 technologies amidst these pressures, coupled with an evolving regulatory environment, adds further layers to the operational intricacies faced by businesses in both states.

This report has meticulously detailed these challenges, drawing on the most current data and insights available as of early 2025. We have seen how tariffs are directly impacting input costs, creating market uncertainty, and threatening export competitiveness. We have explored how supply chain disruptions necessitate greater resilience and adaptability. And we have reaffirmed that the struggle to find and keep skilled labor remains a fundamental constraint on growth and efficiency.

However, within these challenges lie significant opportunities for manufacturers who are willing to think strategically and embrace innovative solutions. The path forward is not about weathering the storm in isolation, but about forging strong, purposeful partnerships that can provide leverage, expertise, and much-needed relief from noncore operational burdens.



Minnesota Diversified Industries (MDI) stands ready as such a partner. With a proven track record in providing high-quality, reliable kitting, assembly, and packaging services, MDI offers more than just outsourced labor; it offers a strategic advantage. By entrusting these critical non-core functions to MDI, manufacturers can:

- **Gain Immediate Access to a Skilled and Dedicated Workforce:** Alleviating the pressures of recruitment, training, and retention in a tight labor market.
- **Achieve Greater Cost Control and Predictability:** Converting fixed labor overheads into variable costs and benefiting from MDI's operational efficiencies, especially crucial in an era of tariff-induced cost escalations.
- **Enhance Supply Chain Resilience:** Partnering with a domestic, Minnesota-based provider like MDI can offer greater stability and reduce some of the logistical complexities and risks associated with international sourcing and assembly.
- **Sharpen Focus on Core Competencies:** Freeing up invaluable internal resources – management, engineering, R&D – to concentrate on strategic imperatives such as navigating trade policies, innovating core products, investing in critical production technologies, and developing new markets.
- **Increase Agility and Scalability:** Responding effectively to fluctuating market demands without the constraints of a fixed internal capacity for ancillary tasks.

The challenges of 2025 are real, but they are not insurmountable. For manufacturers in Minnesota and Wisconsin, the key to not only surviving but thriving lies in smart, strategic decision-making and the cultivation of partnerships that enhance operational excellence and strategic capacity. MDI's purpose-driven model, commitment to quality, and deep understanding of the manufacturing sector make it an ideal ally in this journey.



Take the Next Step Towards a More Resilient Future:

We invite you to explore how MDI can specifically address your unique operational challenges and help you achieve your strategic objectives in 2025 and beyond.

- **Request a Quote:** Discover how MDI's tailored solutions can offer a cost-effective approach to your kitting, assembly, and packaging needs. Let us provide a detailed proposal that aligns with your specific requirements.
- **Set Up a Consultation:** Engage in a no-obligation discussion with our experienced team. We can delve deeper into your operational pain points and explore how a partnership with MDI can deliver tangible benefits to your bottom line and overall efficiency.
- **Come and Tour Our Facility:** Witness firsthand MDI's commitment to quality, efficiency, and our unique social mission. A tour of our state-of-the-art facilities will provide a clear understanding of our capabilities and how we can seamlessly integrate with your operations.

Contact MDI today to begin charting your course towards a more resilient, efficient, and prosperous future for your manufacturing enterprise.

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(Note: Some specific dates for reports like NEWMA or Creighton University are based on their typical release cycle or as cited by secondary sources if direct 2025 primary links were not available during the search window. All web sources were accessed on May 6-7, 2025.)



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