The OEM Advantage Playbook

How elite OEMs build resilience, protect margins and position themselves **to lead the next decade**

Rockwell Automation

expanding **human possibility**™

Welcome

This playbook is built on insights from a global survey of 500 OEM leaders across 17 countries conducted in 2025. The research reveals a clear performance gap between OEMs that are adapting to today's operating conditions and those that are struggling to keep pace.

This playbook distills the behaviors and decisions to help machine builders understand where they stand today and what actions **will strengthen resilience, performance and long-term competitiveness.**

About the Research

500+ OEM leaders surveyed globally

17 countries represented

Industries: Automotive, Energy, Life Sciences, Metals, Hi-Tech, Food & Beverage

Revenue range: $100M to $30B+

Top-performing OEMs are adaptive leaders

Top-performing OEMs don't outperform by accident, they **operate by a different set of rules.**

After analyzing the research, clear performance differences emerged among a subset of OEMs defined as leaders, those achieving 20%+ EBITDA* or 20% annual revenue growth. These organizations consistently:

- make faster decisions
- invest with greater discipline
- recover more quickly when disruptions occur.

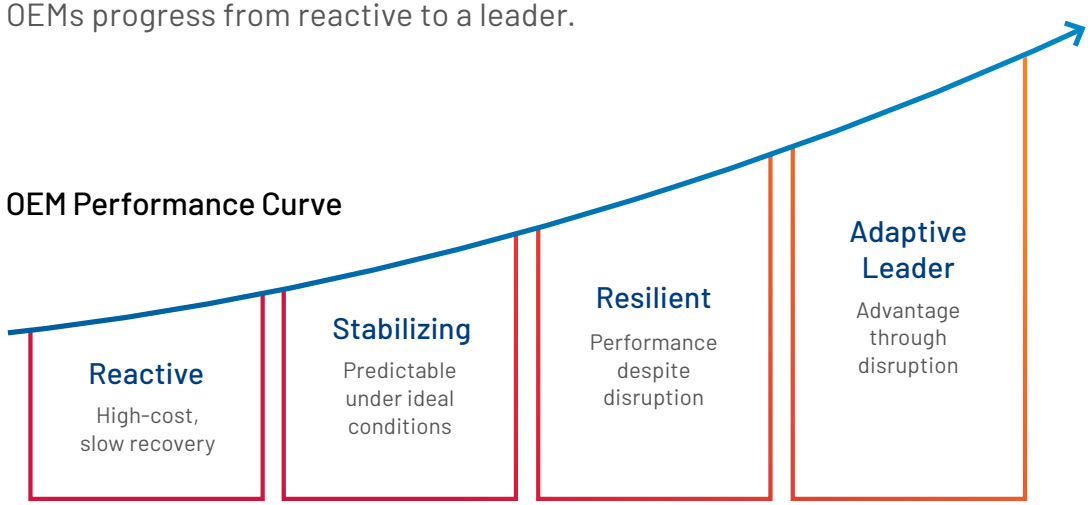
Leading OEMs Achievements

20%+ EBITDA* OR 20% annual revenue growth

Defining leadership is one part of the story. Understanding how OEMs progress toward higher levels of performance as conditions change is the next.

The OEM Performance Curve illustrates how organizations evolve in response to increasing disruption. Every OEM sits somewhere on this curve today - the goal is not to leap to the top overnight, but to identify where recovery breaks down and deliberately move up the curve. The five plays in this playbook are designed to help OEMs progress from reactive to a leader.

OEM Performance Curve



* EBITDA – Earnings before interest, taxes, depreciation and amortization

How top-performing OEMs win: Five proven plays

For decades, OEMs competed on preventing failures. Today, performance depends on how fast they recover.

Survey results suggest that while downtime continues to occur, its primary drivers have shifted beyond mechanical reliability, including software complexity, supply chain volatility, workforce instability and cyber risk. As a result, differences in performance increasingly reflect how quickly organizations recover when disruptions occur.

Average OEM Downtime Event

Average downtime event lasts
40hrs

Average downtime event costs
$3.6M

Every additional hour offline costs roughly
$92,000

Top-performing OEMs Recovery

Recover from downtime event in <24hrs

Resilience is not one initiative

Top-performing OEMs do not treat resilience as a single program or technology investment. They operationalize it across the business through a small set of repeatable plays.

1	2	3	4	5
Design	**Plan**	**Apply**	**Turn**	**Measure**
for lower Total Cost of Ownership (TCO)	for a resilient and evolving workforce	technology as a force multipler	compliance and cybersecurity into competitive advantage	what actually drives profit

These plays are not theoretical. They are grounded in operating results from OEMs that outperform on EBITDA, growth and customer trust – even when conditions are less than perfect. **The following plays show how leaders make that choice – deliberately and repeatedly.**

PLAY 1

Design for lower Total Cost of Ownership

Downtime is inevitable. Shortened recovery time reduces TCO.

Unplanned downtime isn't new - and in many cases, it's improving - but top-performing OEMs are helping their customers pull away by recovering faster than everyone else. For OEMs and their customers, the stakes are high: **40 hours of downtime costs an average end user $3.6M, with every hour offline bleeding $92,000.** The real differentiator isn't whether downtime happens, but how quickly organizations recover, reducing machine's TCO while separating the leaders from the rest.

Top-performing OEMs:

Compress lead times, not just costs	• Use shorter lead times to drive better COGS, delivery and inventory performance demonstrating that accelerated throughput is central to scaling growth and operational excellence • Make lead time a performance anchor, not a passive metric
Align leadership around speed	• Decision speed, confidence, and clarity are treated as core KPIs • Lead with resiliency – only 59% of OEMs say their organizations are moving fast enough to adapt to today's economic and trade realities
Recover faster - by design	• Restore operations in 24 hours or less, compared to the 40-hour global average • This 16-hour advantage compounds into millions in preserved revenue and margin
Engineer for diagnosis, not just uptime	• Use real-time diagnostics to isolate failures fast and prevent repeat incidents • Treat downtime data as strategic IP, not operational exhaust

Key takeaway

The winners aren't perfect. They're prepared.
Turn resilience into a repeatable advantage that protects margins and preserves revenue.

PLAY 2 Plan for a resilient & evolving workforce

The workaround isn't more people. It's technology + humans, by design.

For OEMs, talent instability has become a primary constraint on execution: **35% of global OEMs cite employee turnover as the top barrier to meeting strategic goals, rising to 47% in the U.S.** The result is growing performance volatility, where consistency - not just capacity - has become a competitive differentiator.

> "Workforce instability is shifting from a talent issue to an operational one. Manufacturers that embed expertise into systems reduce their dependance on scarce skills and improve consistency."
>
> Lorenzo Veronesi
> *Associate Research Director, IDC*

Top-performing OEMs:

Design for turnover, not tenure	• Assume people will leave and build systems that maintain performance across shifts • Embed expertise in machines, workflows, and data, not individuals
Replace tribal knowledge with institutional intelligence	• Capture machine behavior, failure modes, and fixes inside connected systems • Codify how problems are solved and reuse that intelligence at scale
Build decision-guiding equipment	• Shorten ramp time as machines guide operators through diagnosis and action • Use AI at the edge to enable faster, more confident decisions
Adapt to shifting customer expectations	• Support customers with operating and optimizing equipment • Realize equipment autonomy has moved from differentiator to operational necessity

Key takeaway

Survival depends on becoming more adaptive than the disruption itself.
Accept instability as reality, capture knowledge in systems, and use technology to amplify human capability.

PLAY 3

Apply technology as a force multiplier

Leaders move from monitoring what happened to predicting what's next.

Technology now differentiates OEMs by speed and intent, with digitally mature leaders deciding, deploying and adapting faster to build resilience in volatile conditions. Reflecting this momentum, **81% of OEMs say challenges are accelerating technology investment, while 77% view AI/ML as critical to designing quality into equipment.**

Top-performing OEMs:

Adopt advanced technology at significantly higher rates with intent	• Leverage digital twins, collaborative robotics (cobots), and autonomous mobile robots (AMRs) as resilience tools, not pilot projects • Move early while others stall - 29% of OEMs cite lack of appropriate technology as a barrier to achieving strategic goals • Use advanced technology to meet KPIs and reduce dependence on reactive maintenance and manual intervention
Treat technology as intelligence	• Shift from visibility dashboards to predictive, decision-driving systems • Use analytics and AI to move faster, not just observe operations
Design quality before machines exist	• Use digital twins to simulate performance, failure modes, quality outcomes • Apply learnings from deployed assets to improve next-generation designs
Turn asset performance data to strategic IP	• Reduce downtime • Shorten changeover times • Lower warranty exposure

Key takeaway

Monitoring keeps you informed. Intelligence keeps you ahead.
Predict failures, reduce recovery time, and engineer resilience and quality into every machine.

PLAY 4 Turn compliance and cyber-security into competitive advantage

Regulations such as the EU CRA are making security a core product requirement, shifting accountability to OEMs much like safety standards once did. Leading OEMs are embracing this shift as a marker of operational maturity that builds trust and competitive advantage, **with 63% expecting cyber risk to persist and 39% navigating evolving compliance requirements.**

Top-performing OEMs:

Leverage digital maturity as a competitive advantage	• 40% are less likely to cite compliance or technology gaps as barriers • Correlate digital maturity with resilience, speed, and adaptability
Treat cybersecurity like safety	• Design security into products from the start, not as a retrofit • Own responsibility at the executive level, not buried in IT • Recognize that buying decisions increasingly hinge on trust, resilience, and compliance readiness
Use cybersecurity to win markets	• Cyber resilience isn't just about risk reduction, it's about market access • Customers favor OEMs that can prove security by design, not after-thought remediation
Innovate through compliance	• Embed compliance into core workflows and product design, not standalone checklists • Use regulatory pressure to modernize architectures, strengthen discipline, and stand out in crowded markets • Turn compliance into an engine for efficiency and innovation, avoiding delays, attracting investment, and reinforcing global credibility

Key takeaway

Build resilience into products and platforms while using compliance to accelerate modernization.
Win customer trust and meet regulatory expectations with confidence.

PLAY 5

Measure what actually drives profit

Resilient, top-performing OEMs align their KPIs more tightly with their customer's KPIs.

The top KPI tracked across 92% of OEMs is production-focused metrics, emphasizing yield optimization. However, top performers measure differently. The most profitable OEMs take a broader view by **prioritizing Cost of Goods Sold (COGS) and lead times, over yield alone.**

Top-performing OEMs:

Redesign KPIs around business outcomes	• Shift beyond yield to metrics like COGS and lead time • Treat speed, cost, and quality as interconnected objectives
Measure ROI beyond the factory floor	• Evaluate smart manufacturing on efficiency, quality, and margin impact • Extend performance measurement across operations, finance, supply chain, and customer experience
Elevate people and customer metrics to first-class KPIs	• Track employee safety, satisfaction, and customer retention as core performance signals
Invest in where performance gaps are most visible	• While 78% plan to improve production KPIs, top investment priorities now include employee safety, satisfaction, and NPS • This reflects a fundamental shift in how leading OEMs define performance

Key takeaway

If your dashboards haven't changed, your performance ceiling hasn't either.
Measure what moves margins; Balance speed, cost, quality, and people, and use KPIs to drive action not just reporting.

OEM Resilience Self-Assessment

Where do you sit on the OEM performance curve?

Choose the statements below to assess how your organization performs when conditions are less than perfect. There are no right answers, only signals.

Downtime & Recovery

- ○ We can consistently restore operations within 24 hrs of an unplanned event
- ○ Downtime diagnosis is fast and data-driven, not dependent on specific individuals
- ○ We track recovery time and cost impact for every major incident
- ○ Each downtime event improves future recovery performance

Technology & Data

- ○ Technology investments are intentional and tied to resilience outcomes
- ○ We use data to predict failures and compress recovery time
- ○ Asset performance data informs future machine design
- ○ Digital tools reduce dependence on manual intervention

Metrics & Decision-Making

- ○ KPIs prioritize recovery speed, cost impact and margin protection
- ○ Production, finance and supply chain metrics are aligned
- ○ Dashboards drive decisions, not just reporting
- ○ Leadership decisions during disruption are fast and confident

Workforce & Knowledge

- ○ Performance remains consistent regardless of who is on shift
- ○ Critical machine knowledge is embedded in systems, not individuals
- ○ New hires can operate and troubleshoot equipment with guided support
- ○ Workforce turnover does not materially disrupt operations

Compliance & Cybersecurity

- ○ Cybersecurity is designed into products from the start
- ○ Compliance requirements are integrated into core workflows
- ○ Cyber resilience is owned at the executive level
- ○ Security and compliance strengthen customer trust and market access

Interpreting your results

1-5	you are operating REACTIVELY
6-10	you are STABILIZING, but resilience is fragile
11-15	you are operating as a RESILIENT OEM
16-20	you are becoming an ADAPTIVE LEADER

Five plays defining how leading OEMs perform

Design
for lower TCO

Top-performing OEMs assume downtime will happen and design operations to detect, diagnose and resolve issues quickly. They focus on recovery time as a core performance metric, protecting revenue and customer confidence by restoring operations faster

Plan
for a resilient & evolving workforce

As workforce turnover increases, leading OEMs reduce reliance on individual expertise by embedding knowledge into machines, workflows and systems. This approach supports consistent performance, faster onboarding and greater resilience as skills availability fluctuates.

Apply
technology as a force multipler

Leading OEMs apply technology deliberately to design quality and consistency into machines from the outset. By learning from deployed equipment and using data to inform future designs, they create a cycle of continuous improvement that scales over time.

Turn
compliance and cybersecurity into competitive advantage

Rather than treating compliance and cybersecurity as obligations, top OEMs integrate them into product and business design. This approach supports faster market access, reduces risk and strengthens customer trust in increasingly regulated environments.

Measure
what actually drives profit

High-performing OEMs expand beyond traditional production metrics to focus on measures directly tied to profitability and customer outcomes. Cost of goods sold, lead times, downtime recovery and workforce experience increasingly guide decision-making.

Want to learn more?

We invite you to connect with our OEM team, who can work alongside you to develop a roadmap aligned to your priorities and where you want to take the business next. Visit rok.auto/oemadvantage

Connect with us.

rockwellautomation.com — expanding **human possibility**®

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