

# Industrial tech sector companies have opportunity to accelerate amid uncertainty

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Companies in the industrial technology sector have a big opportunity to ramp up growth amid the current economic uncertainty.

That's according to Asutosh Padhi, a managing partner with McKinsey & Company North America and author of "The Titanium Economy: How Industrial Technology Can Create a Better, Faster, Stronger America." He spoke yesterday at a Metropolitan Milwaukee Association of Commerce event held in downtown Milwaukee.

"Moments of uncertainty is where companies are able to differentiate," he said. "Meaning that the actions you take right now, in this year and the next few years, will actually have more of a difference to the outcome of the company than perhaps actions you could have taken in any other year."

Padhi's remarks centered on the potential of what he calls the "titanium economy," referring to the modern industrial sector characterized by business-to-business enterprise. One of the companies profiled in the book, Brady Corporation, is a Milwaukee-based manufacturer of technical equipment and other specialty products.

He estimates this sector contributes at least \$400 billion to the U.S. GDP and supports about five million jobs. While companies that fit his definition are spread across the country, he noted the majority are clustered around the Midwest, building on the region's history and expertise in manufacturing.

Padhi called Milwaukee an important hub for this activity, and offered a number of suggestions to MMAC members on how to benefit from the ongoing "revival" of the U.S. manufacturing sector. Those included investing in digital resources and new technologies, exploring new pricing models to raise revenues, shifting resources to the most promising customers and channels, expanding product offerings by

acquiring new capabilities, and many more.

In a section of his talk focused on mergers and acquisitions, he urged attendees to invest “in and after” economic downturns, identify market gaps that arise and “capture opportunities created by volatility.”

Despite the uncertainty presented by inflation, geopolitical risk and historically tight labor markets, he noted customer demand in the industrial tech sector remains very strong.

“This is a moment to accelerate,” he said.

*-By Alex Moe*