RESEARCH REPORT

L2L

Beyond Breakdowns: **The Real Impact of Manufacturing Downtime**

New survey shows companies can save millions per year by addressing downtime’s hidden causes.

Table of Contents

INTRODUCTION

The enemy of productivity

In manufacturing, every minute of downtime comes at a cost. While some downtime is necessary, an overwhelming portion of line stoppages occur due to preventable issues. And it’s eating away at company profits, time, and even employee morale.

In short? Downtime equates to missed revenue opportunities and margin erosion.

Extensive line stoppages are expensive problems that go beyond simple equipment failures. The solution requires more than just fixing broken machines.

According to over 600 manufacturing leaders, to get to the root of excess downtime, **you have to solve systemic manufacturing issues first**.

In this survey, L2L partnered with a third-party research firm to ask manufacturers from major industrial verticals across 46 U.S. states about all things downtime in their facilities.

We wanted to know:

- The major causes of planned and unplanned downtime
- The impact of downtime on productivity, costs, and team morale
- What companies are doing to address the problem
- Technology’s role in reducing downtime and improving manufacturing agility

INTRO

Who we talked to

Before we dive into what we learned, here's a brief overview of who we talked to.

607 Total Respondents:

46
U.S. STATES

79%
MALE

21%
FEMALE

Age range

6%
AGES 18-28

39%
AGES 45-60

52%
AGES 29-44

4%
AGES 61-79

Years in Current Role

2%
1 YEAR OR LESS

32%
6-10 YEARS

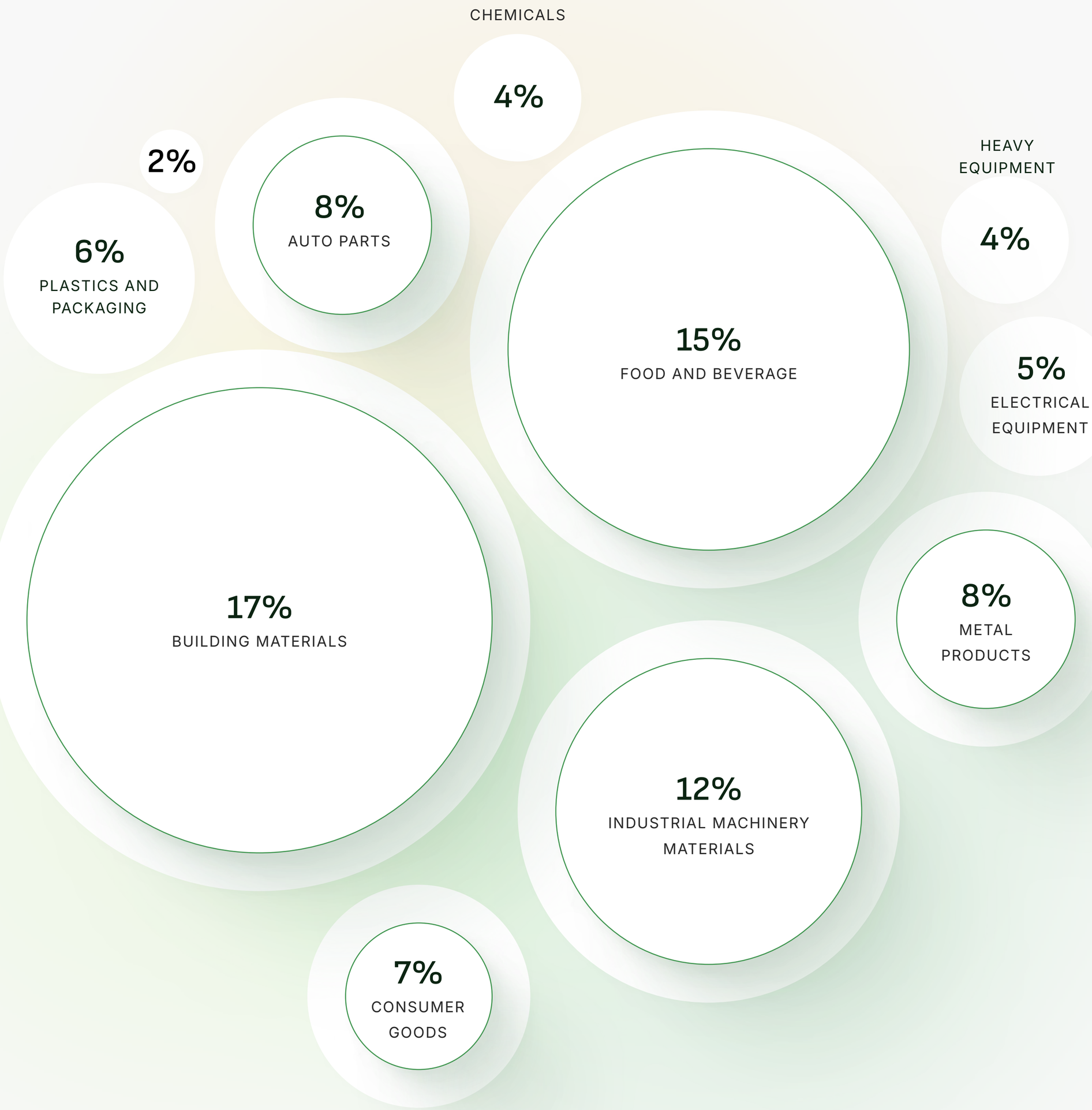
34%
2-5 YEARS

31%
MORE THAN 10 YEARS

INTRO

Who we talked to

Industry



17%	Building materials	4%	Plastics or rubber products
16%	Food and beverage	4%	Chemical processing
12%	Industrial machinery materials	4%	Heavy equipment
8%	Metal products	3%	Aerospace components
8%	Auto parts	3%	Medical device or pharmaceutical
7%	Consumer goods	2%	Textiles/apparel
5%	Electrical equipment	2%	Packaging and paper products
5%	Others		

INTRO

Who we talked to

Job title

PART 1:

Examining the root causes of downtime

Here’s what’s obvious: Whenever a machine or line goes down, production value drops.

Downtime, a timespan where an entire line or a single asset stops working, is incredibly costly for manufacturers. In fact, 6 in 10 leaders surveyed said that downtime costs their business **over $250,000 per year.**

6/10

leaders surveyed said that downtime costs their business over **$250,000 per year**.

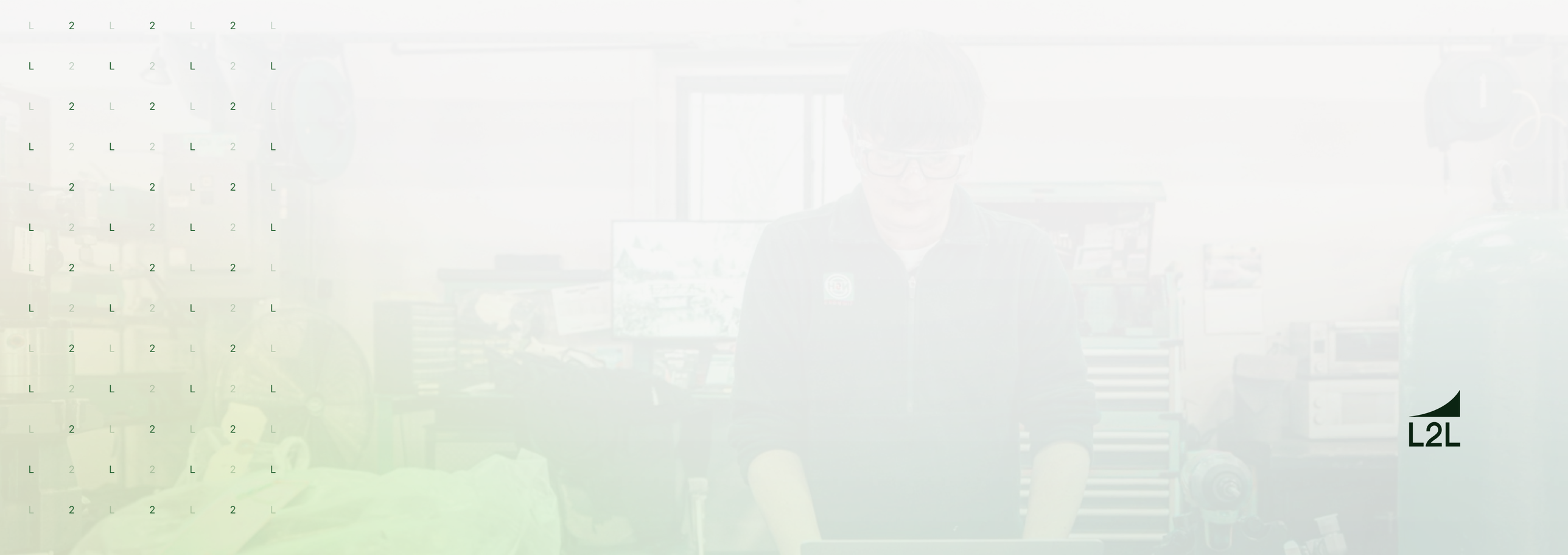
And it costs them precious production hours, too. Respondents indicated that their facilities experience an **average of 30 hours of downtime per month**, or **360 hours annually** of lost production capacity. What’s alarming is that **17—the majority—of these hours** are attributed to **unplanned downtime**, or pauses not factored into production schedules.

Let’s put that into perspective:

With manufacturers averaging 30 hours of downtime monthly and 60% losing over $250,000 annually, every minute of lost production costs approximately $12. A 10-minute stoppage may cost $120, while a 2-hour unplanned outage approaches $1,400. If this pattern repeats itself across 10 sites, for instance, manufacturers are looking at **losses exceeding $200,000 per month**.

In fact, facilities lose more money in five minutes of downtime than they pay most operators in an hour. One hour of downtime equals what they pay their highest-paid floor managers for nearly a **full day of work**.

Over a year, these incidents compound into six and seven-figure losses, making downtime reduction one of the highest-ROI investments manufacturers can make.

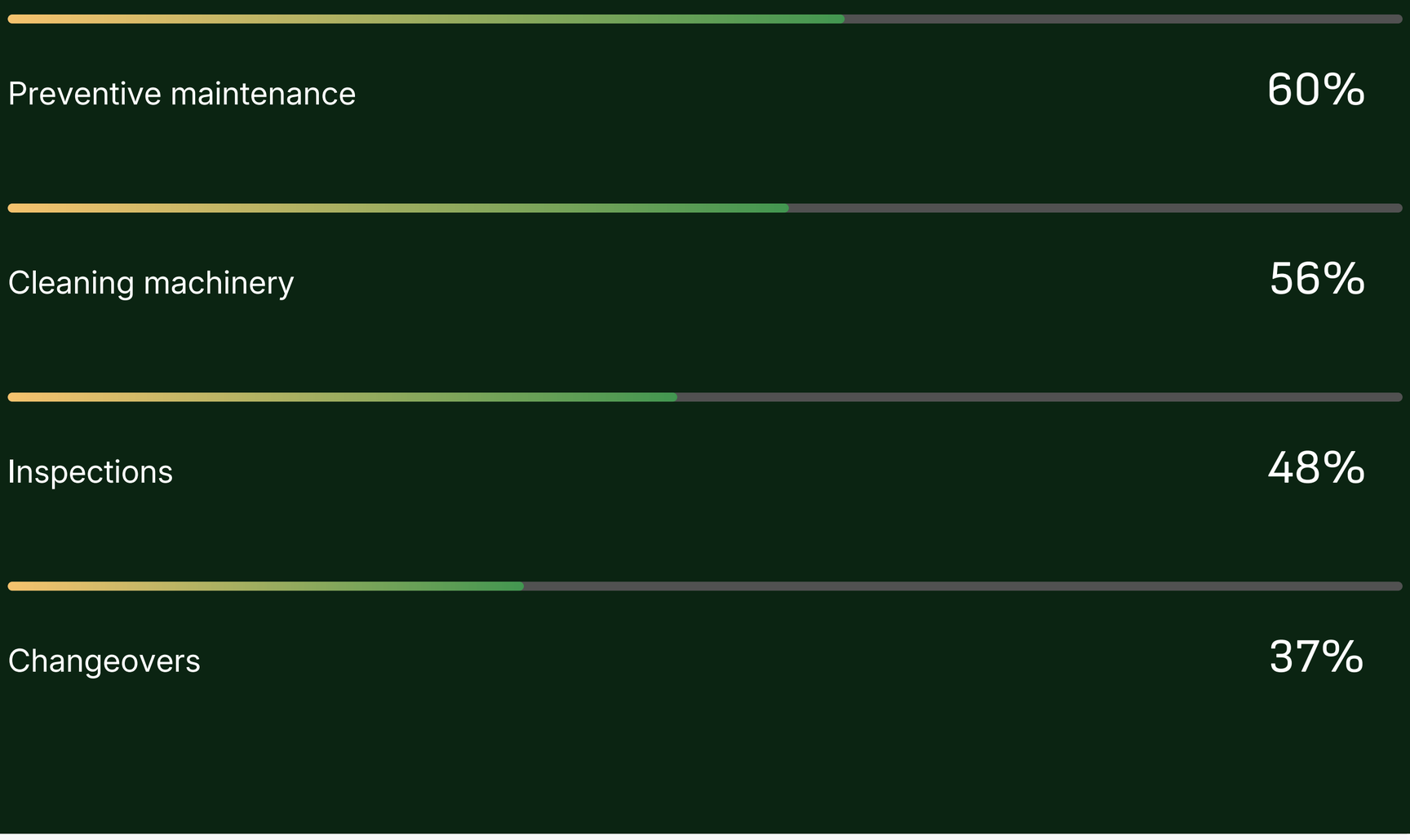


PART 1:

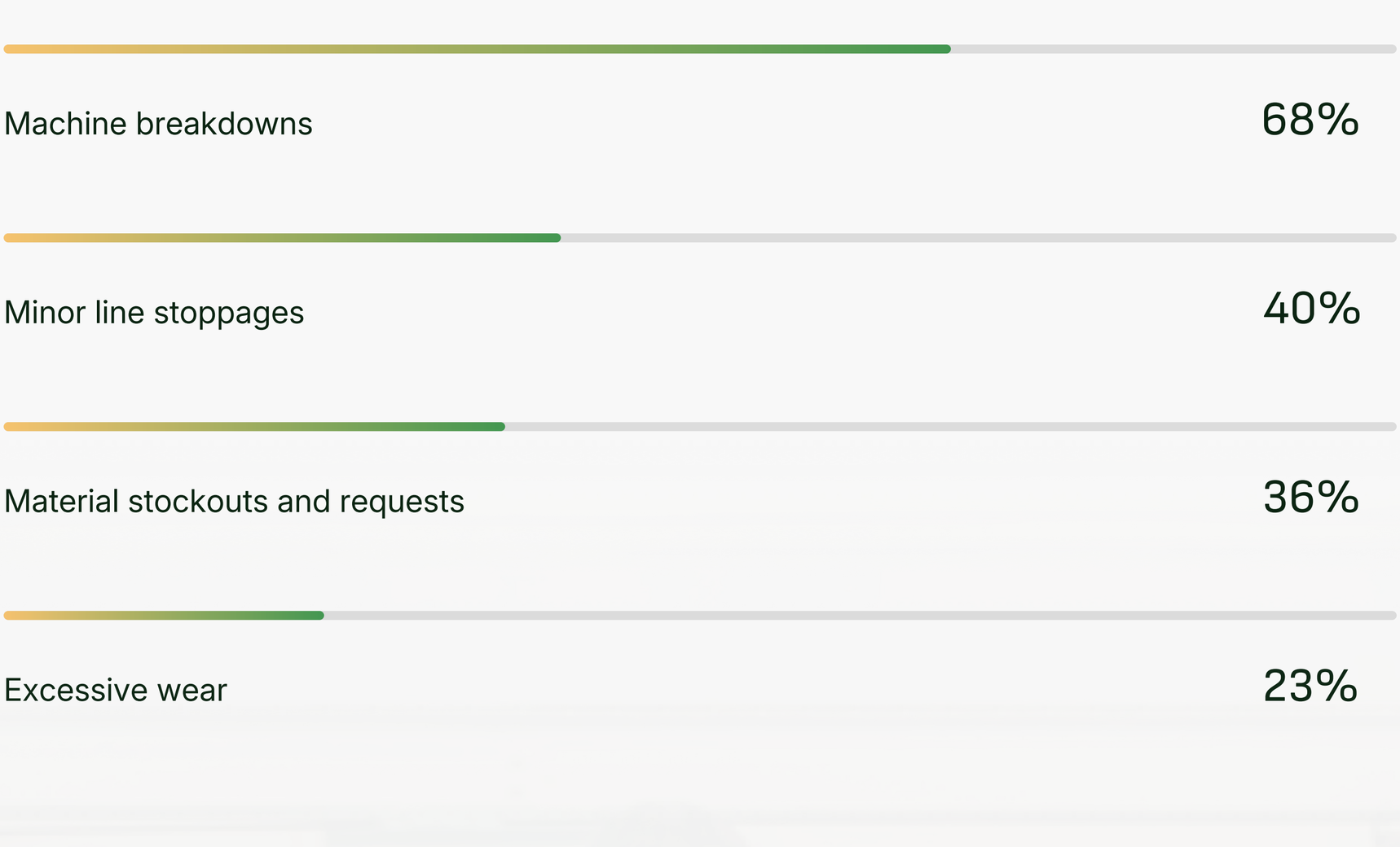
Examining the root causes of downtime

Here are the leading causes of planned and unplanned downtime that our respondents reported:

Planned Downtime



Unplanned Downtime



PART 1:

Examining the root causes of downtime

Despite preventive maintenance being noted as the top reason for planned downtime, machine breakdowns still dominate respondents' list of unplanned downtime causes. Yet, regular machine breakdowns aren't a surprising occurrence, given that **67% of respondents** said their companies take a reactive approach to maintenance.

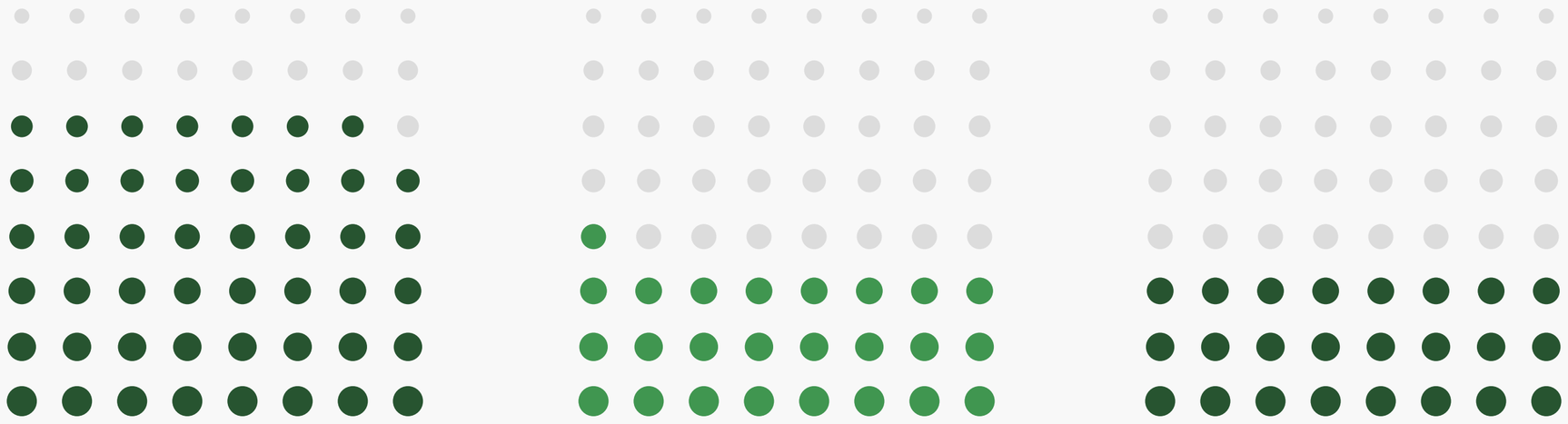
67%

of respondents said their companies take a **reactive approach** to maintenance.

" While competitors react, leaders prevent. "

Proactive operations → Consistent margins → Competitive advantage in tight markets

Additionally, respondents indicated that poor reporting and tracking contribute to excessive downtime:



74%

said delays in reporting issues lead to chain reactions that slow everything down

40%

reported they don't have a consistent downtime tracking system

37%

said downtime issues are always solved immediately

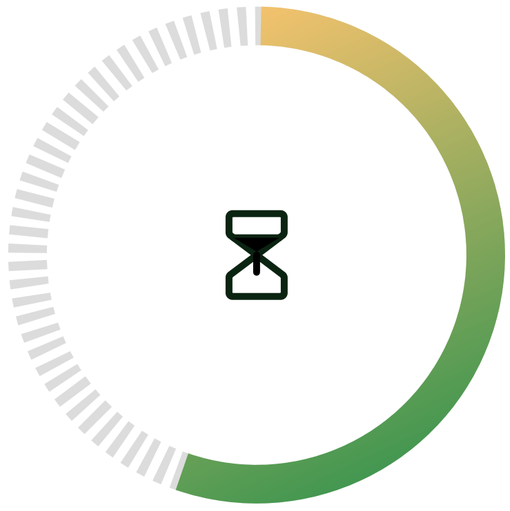
PART 1:

Examining the root causes of downtime

Production stoppages, for any reason, are just another part of the workweek for manufacturing professionals.

55%

said that downtime feels more like a “when” than an "if," and it impacts nearly every area of manufacturing.



Moreover, not all downtime is accounted for.

72%

of those surveyed said that undocumented fixes and adjustments, which create “hidden factories," contribute to downtime in their facilities.

Whether the result of a one-time event or a chain reaction of issues, excessive downtime siphons time, material and financial resources, and employee morale. We’ll explore the losses associated with downtime in the next section.

PART 2:

Beyond the balance sheet:
The full impact of excessive slowdowns

So, how does downtime hurt manufacturers?

We've already seen that it costs most industrial companies upwards of a **quarter million dollars annually**. Here's what makes it such an expensive problem.

According to the manufacturing professionals surveyed, averaging 30 hours of downtime per month has a massive impact on their business:

52%

said that excessive downtime has impaired their ability to meet production targets, shipping deadlines, or both in the past 12 months

73%

reported negative impacts on product quality due to downtime

For many, downtime erodes team spirit despite its commonality. **27%** of respondents agreed that production slowdowns have **negatively impacted their morale**, and those in supply chain management were **26% more likely** to say this.

Additionally, **26%** of all respondents said that downtime has hurt team morale, with those in automotive manufacturing **35% more likely** to report this effect. And when we asked them how this issue made them feel, one word came up more than the rest: "Frustrated" (**16%** of responses contained this word).

It's no surprise that manufacturing professionals are frustrated with downtime in their facilities, especially when stoppages are ultimately preventable. In the next section, we'll explore what companies are (and aren't) doing to address the root causes of downtime.

PART 3:

Fixes in progress:
How manufacturers are responding to downtime

What actually happens after a line goes down?

72% of respondents said that when it's time to address a downtime event, they **personally check in** with the operators and other team members in proximity to the problem. This manual process of walking from person to person for information wastes critical minutes when every second of downtime counts.

When asked what their companies have done to reduce downtime in the past 12 months, respondents revealed a variety of investments:

Training and skills initiatives 50%

Continuous improvement 50%

Asset and maintenance management 44%

Quality improvements 41%

Safety initiatives 33%

Production execution 30%

Standardized work 22%

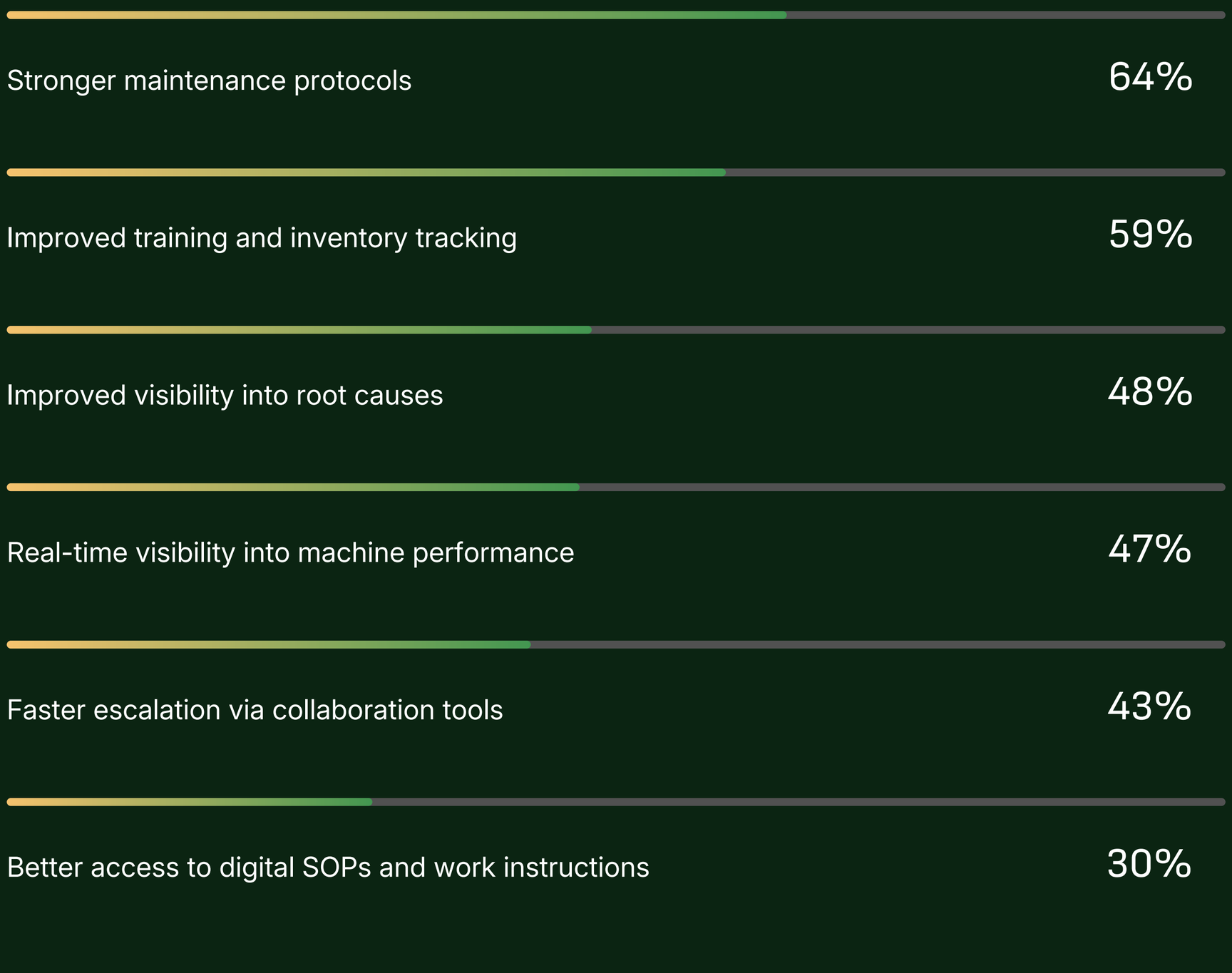
93% of respondents reported that their organizations are taking action to improve uptime, but the effectiveness of these solutions is mixed. **Half** reported that their facility's downtime management hasn't improved over the past year, and only **46%** said it's measurably improved.

PART 3:

Fixes in progress: How manufacturers are responding to downtime

So, what helped reduce downtime in these plants?

Here’s what the 46% said:



The data suggests that uptime improvements require **clear, actionable guidance** around maintenance protocols and **thorough, timely visibility** into factors affecting machine performance.

And not surprisingly, reducing downtime offers substantial benefits.

69%

of survey participants said downtime reduction makes it **easier to meet production goals**

...while **65%** said it **lowers stress** on managers and their teams.

Additionally, **52%** said less downtime results in **greater capacity** for production and other tasks, while **47%** agree that investment in downtime reduction leads to **lower operating costs**.

It’s clear that minimizing stoppages benefits productivity, team morale, and a company’s bottom line. Today, though, digital technologies play a role in production and maintenance. Let’s take a look at how they impact downtime management.

PART 4:

How (smart) technology helps

Most manufacturers use traditional industrial technologies like computerized maintenance management systems (CMMS), manufacturing execution systems (MES), and enterprise asset management (EAM) to support their operations. But legacy systems often compartmentalize data and don’t always enable the real-time visibility or knowledge-sharing capabilities frontlines need to identify and resolve downtime-causing issues.

The good news is that the market is primed for new digital technologies that enable this level of visibility and action. However, only **38%** of respondents said their organizations successfully use these technologies to support operational improvements. Although **62%** didn’t report using technology to improve operations, **51%** expressed interest and active experimentation with it.

But why the low adoption rate?

One reason is that the available technology doesn’t always meet manufacturers’ needs. Among the most commonly reported challenges are:

Another reason is that companies simply don’t allocate budget towards new technologies. **30%** of those not prioritizing digitization say that budget is their biggest barrier, and those in industrial machinery manufacturing were **43% more likely** to say this.

Moreover, respondents revealed that artificial intelligence (AI), the newest and most advanced technology available to manufacturers, is mostly underutilized. While **54%** report using it, automotive manufacturers were **37% more likely** to report successful AI utilization in their operations.

So, what can leaders do to alleviate the burden of excessive downtime? We’ll dive into that topic in the final section.

CONCLUSION:

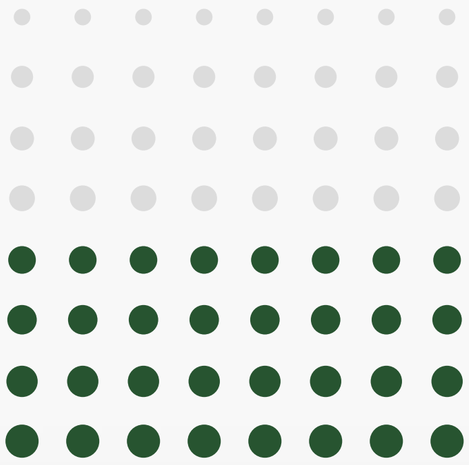
Imperatives for maximizing uptime and profitability

Based on our survey data, too much downtime isn’t an isolated problem, but the symptom of underlying issues across processes, communication lines, and undocumented inefficiencies.

Moreover, **31%** of the manufacturing professionals surveyed stated that leadership’s **misaligned expectations of on-the-ground operations** have **hindered their ability to improve uptime**. This insight was especially common among respondents from organizations bringing in at least $500 million annually.

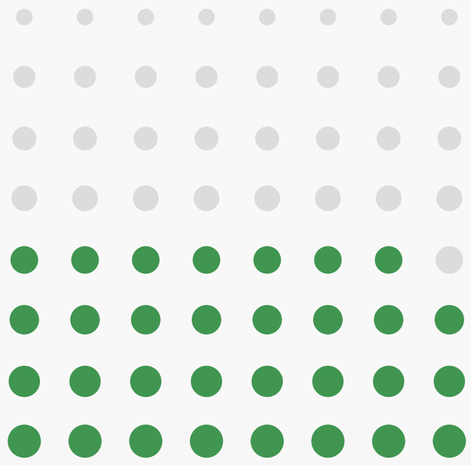
One reason leaders may not prioritize solving downtime is a lack of visibility into its causes. This lack of visibility, according to respondents, is largely due to disparate systems that silo data and make it hard or impossible to share information with the right people at the right time.

Not surprisingly, **33%** said that investing in integrated systems that **unify operations** and **connect people, processes, and data** would make the biggest difference in reducing downtime —a crucial step in supporting their top goals:



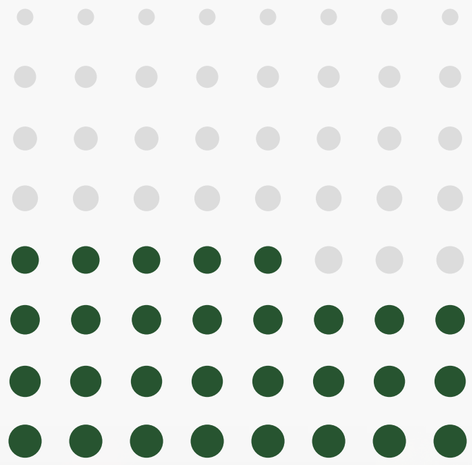
50%

Increasing production output



48%

Enhancing workforce efficiency



45%

Reducing costs

PART 4:

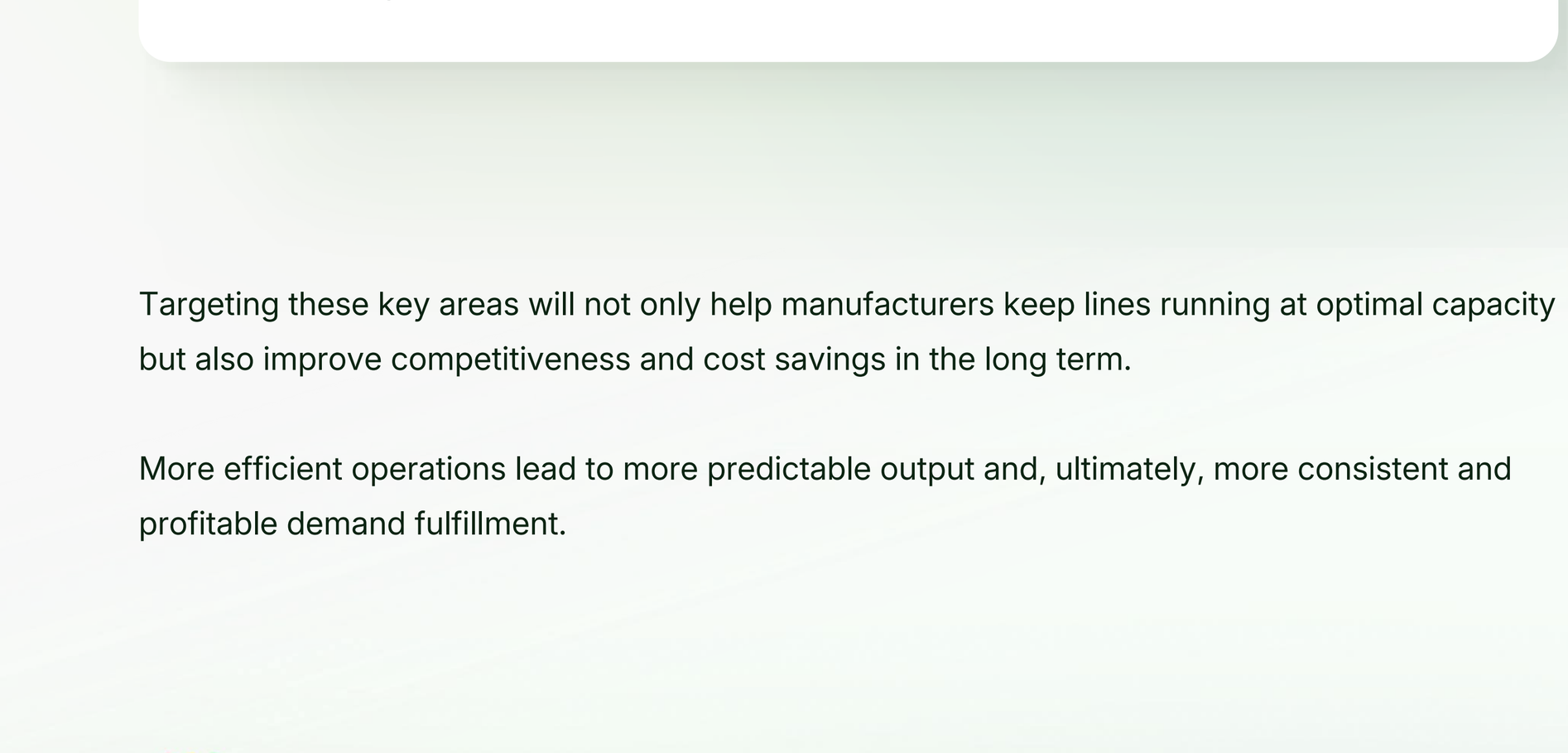
How (smart) technology helps

Achieving each of these goals requires a level of manufacturing agility enabled only by a operations management platform. To address the operational problems causing excessive downtime and lost profits, manufacturers need:

- **A unified system** that visualizes the root causes of downtime and helps employees take the right corrective action, faster
- **Communication tools** that streamline knowledge sharing and make it easy to escalate issues on the shop floor to the right teams
- **Training and knowledge management strategies** that help manufacturers develop stronger maintenance protocols, train new hires faster, and support workforce retention
- **Real-time data and insights** around machine performance, inventory levels, and shop floor processes uncover opportunities for profit-boosting process improvements

Targeting these key areas will not only help manufacturers keep lines running at optimal capacity but also improve competitiveness and cost savings in the long term.

More efficient operations lead to more predictable output and, ultimately, more consistent and profitable demand fulfillment.



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