

# Manufacturing Day 2025

CLEVELAND

Friday, October 10, 2025 | 8:00 AM - 12:00 PM

Holiday Inn Cleveland S Independence by IHG





# AGENDA

**8:00 – 8:30**

## **Breakfast & Networking**

**8:30 – 8:40**

## **Welcome & Opening**

Ryan Brickwood, Rea

**8:40 – 9:25**

## **The ISA Global Economic and Risk Outlook**

Michael Weidokal, International Strategic Analysis (ISA)

**9:25 – 10:10**

## **Securing the Future of Manufacturing**

Steve Grossenbaugh and Travis Strong, Rea

**10:10 – 10:25**

## **Break**

**10:25 – 11:10**

## **2025 Tax Update for Manufacturers – One Big Beautiful Bill Act Analysis**

Kaitlyn Robison, Rea

**11:10 – 12:00**

## **The Mindsets of Leadership**

Scott J Allen, Ph.D., SMU's Cox School of Business Executive Education and Winding River Consulting

**12:00**

## **Adjourn**



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# The ISA Global Economic Risk Outlook

Michael Weidokal, ISA



## The ISA Global Economic and Risk Outlook

**Presented by Michael Weidokal**

Executive Director

International Strategic Analysis (ISA)

[www.isa-world.com](http://www.isa-world.com)

[www.michaelweidokal.com](http://www.michaelweidokal.com)





# Agenda and Objectives

## Today's Agenda

- Introduction
- The Economy Today
- The Near-Term Outlook
- A Changing Population
- Rising Political Risk
- Rapid Technological Change
- A Changing Environment
- The Long-Term Outlook
- How to Prepare For Change

## Today's Objectives

- Determine the health and direction of the global economy
- Forecast the near-term and long-term outlook for the economy
- Analyze the macro trends that will impact the global economy
- Help you to prepare for the trends and developments that will transform the global economy



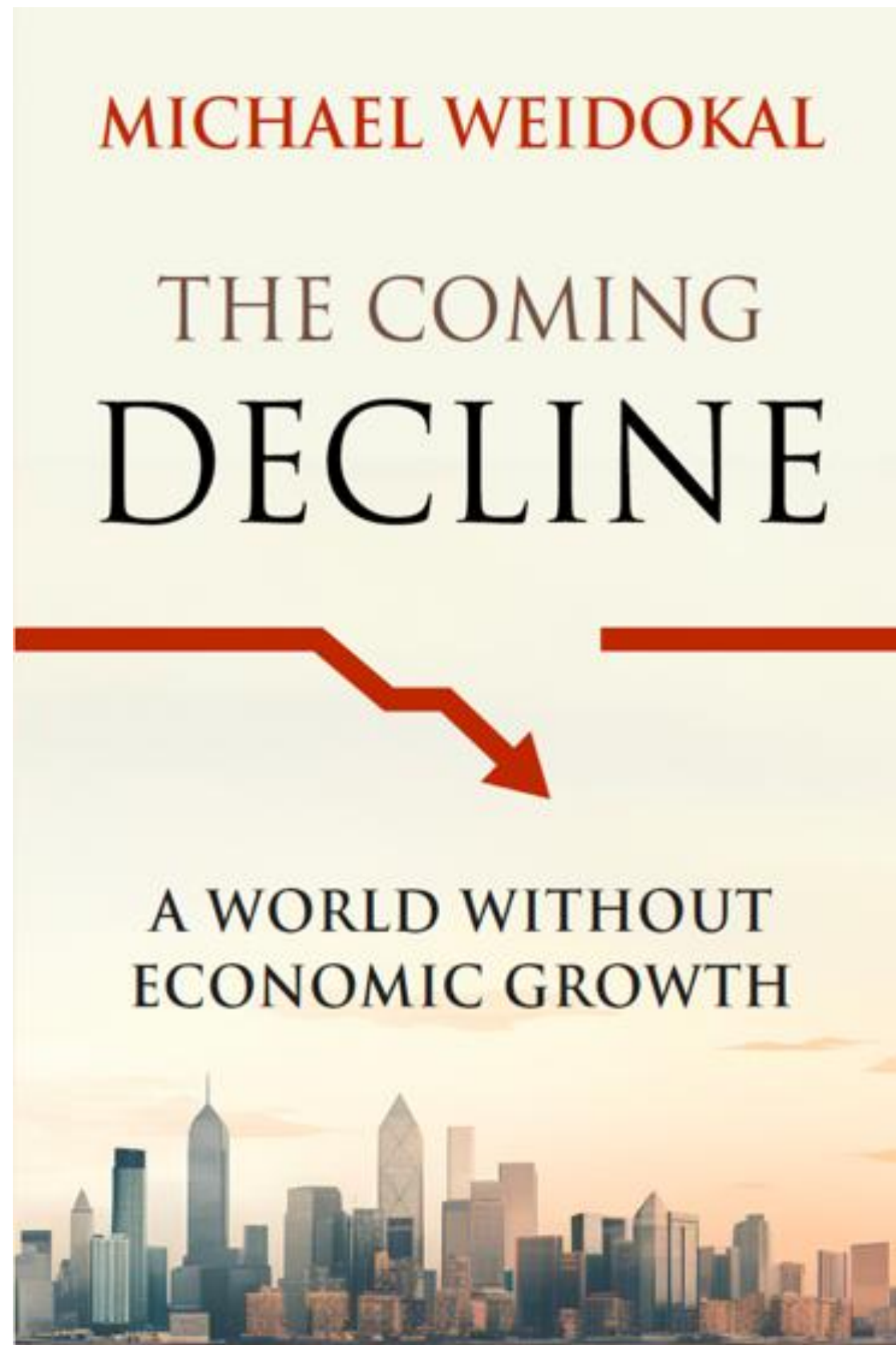
## Michael Weidokal

- Executive Director
  - ISA (International Strategic Analysis)
- Author
  - Latest Book: “The Coming Decline: A World Without Economic Growth”
  - Frequent articles in publications around the world
- Speaker
  - Keynote speaker in over 30 countries
  - Webinars to businesses and organizations around the world
- Coach / Trainer
  - Provides coaching and training services to a wide range of businesses and organizations

## How You Can Utilize Michael Weidokal

- As a keynote speaker
- As an online speaker in a webinar
- As a coach or trainer
- On a retainer service

# The New Book from Michael Weidokal: “The Coming Decline: A World Without Economic Growth”



## The Coming Decline

- The world is facing a future in which economic growth is no longer assured.
- Growth has been trending downwards in many of the world's largest economies for decades.
- Our modern world is based on the premise of continued economic growth.



# The ISA Macro Trends Planner

## Helping Organizations to Succeed in a Rapidly-Changing World



**The ISA Macro Trends Planner**

The ISA Macro Trends Planner enables your organization to navigate the major economic, technological, demographic, political and environmental trends that will impact your organization in the coming months and years.

### What is Covered

- A macro trends readiness analysis for your organization
- A strategy to prepare for demographic change and its impact on your workforce and markets
- A strategy to prepare for economic change in global, national and local markets
- A strategy to prepare for the accelerating pace of technological change
- A strategy to prepare for political change and the risks it presents to your organization
- A strategy to prepare for long-term environmental change
- A comprehensive strategic plan to succeed in a changing world
- A presentation of the ISA Macro Trends Planner to your organization

### Who Uses It

- Organizations that are seeking new opportunities for growth
- Organizations that are looking to identify threats to their future
- Organizations that are struggling to stay ahead of the rapid pace of global change
- Organizations that want a neutral, third-party view of their performance and outlook
- Organizations that want to ensure near-term and long-term success
- Organizations that want to identify the resources they need for future success
- Organizations that want the expertise of the world leader in understanding macro trends
- Organizations looking to develop a strategic plan to succeed in a changing world.

### What is Included

The Report	The Presentation	The Follow-Up	Access to ISA
A 250-300 page report and strategy plan for your organization	An in-person or online presentation of the report to your organization	Monthly or quarterly follow-up sessions to ensure the success of the strategic plan	Unlimited access to ISA for your organization for the duration of the project

**Contact ISA to Learn More**

Phone: 1-440-212-8470   E-mail: [isa@isa-world.com](mailto:isa@isa-world.com)   Web: [www.isa-world.com](http://www.isa-world.com)

## The ISA Macro Trends Planner

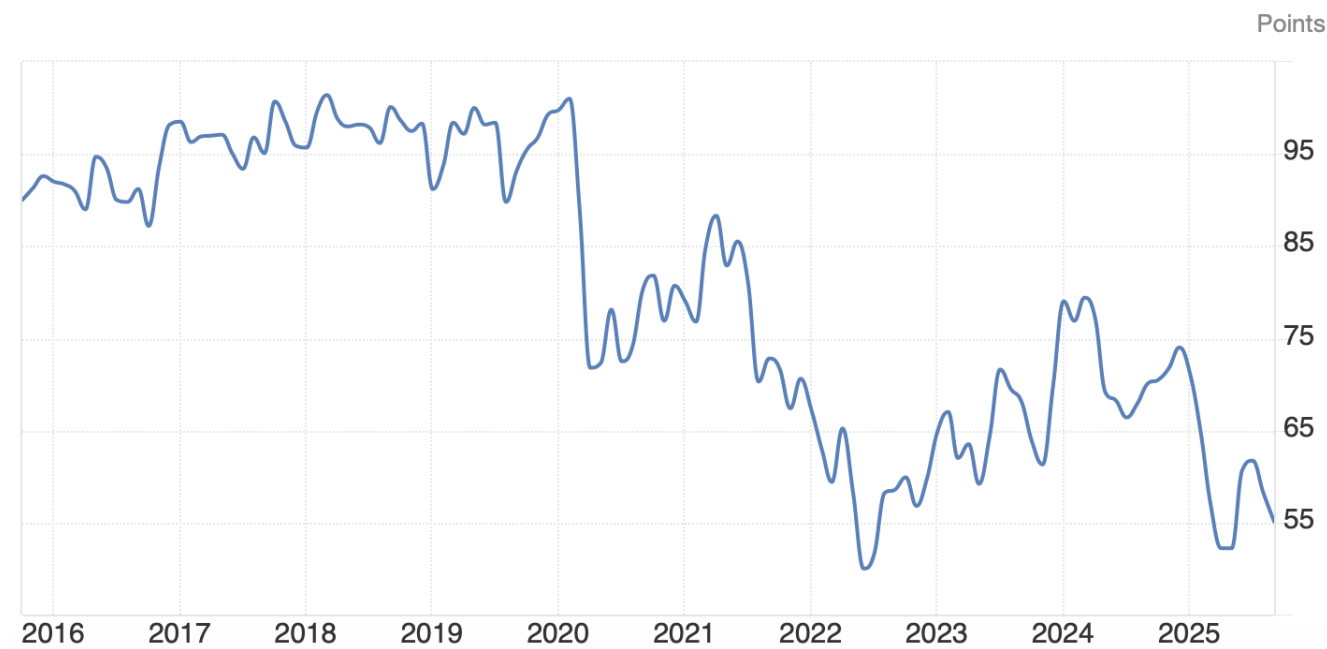
- A 300-page customized strategic plan to help organizations to succeed in a changing world
- Strategies to prosper amid rapid demographic, technological, economic and political change
- An onsite or online presentation of your customized ISA Macro Trends Planner

# The Global Economy Today

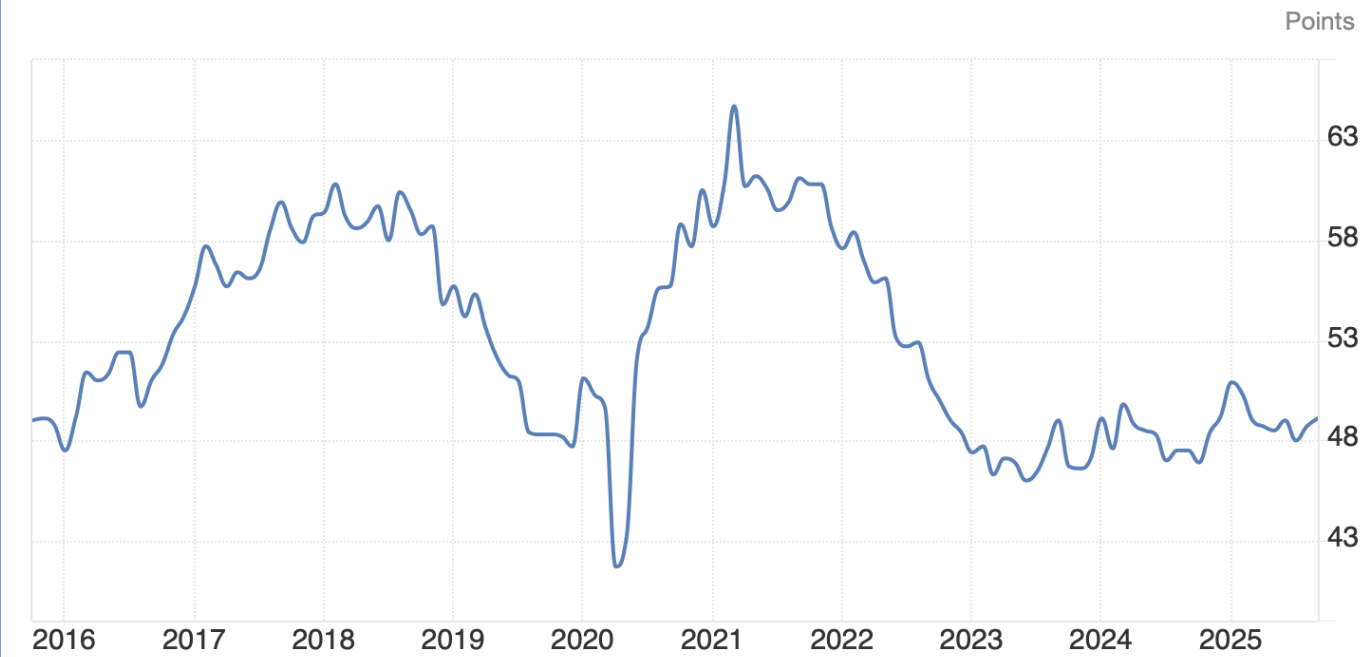


# Flagging Confidence in the Economy

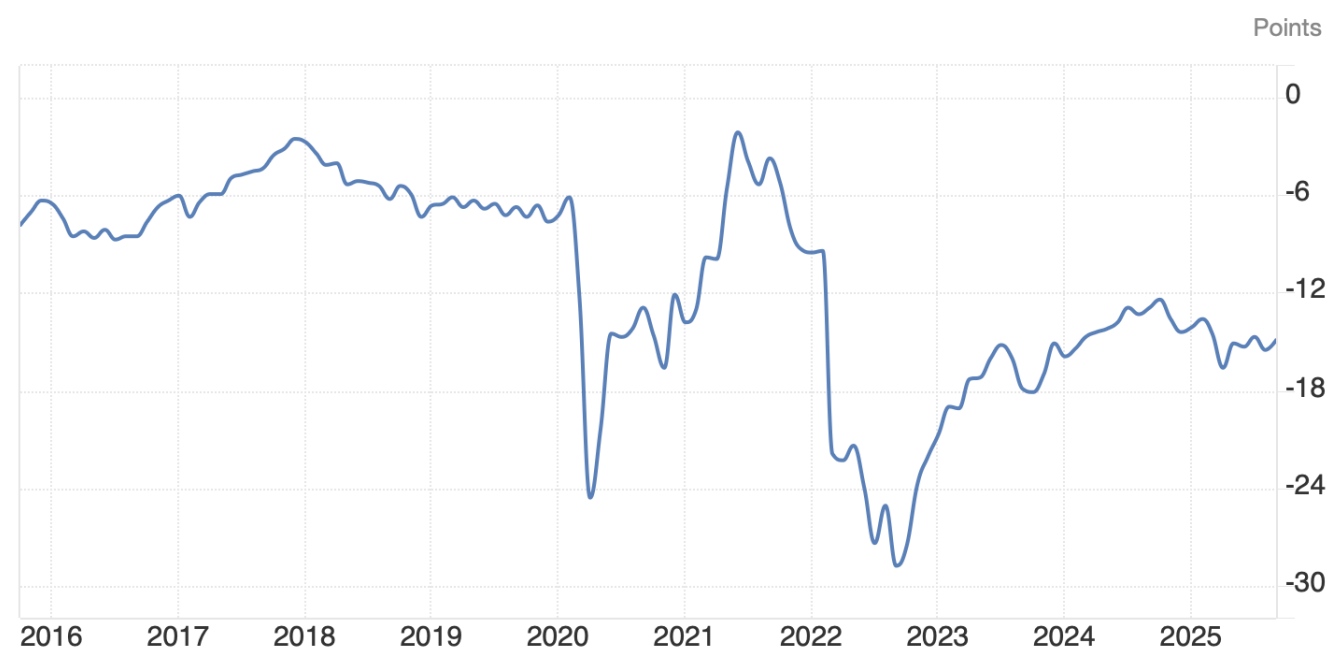
## US Consumer Confidence



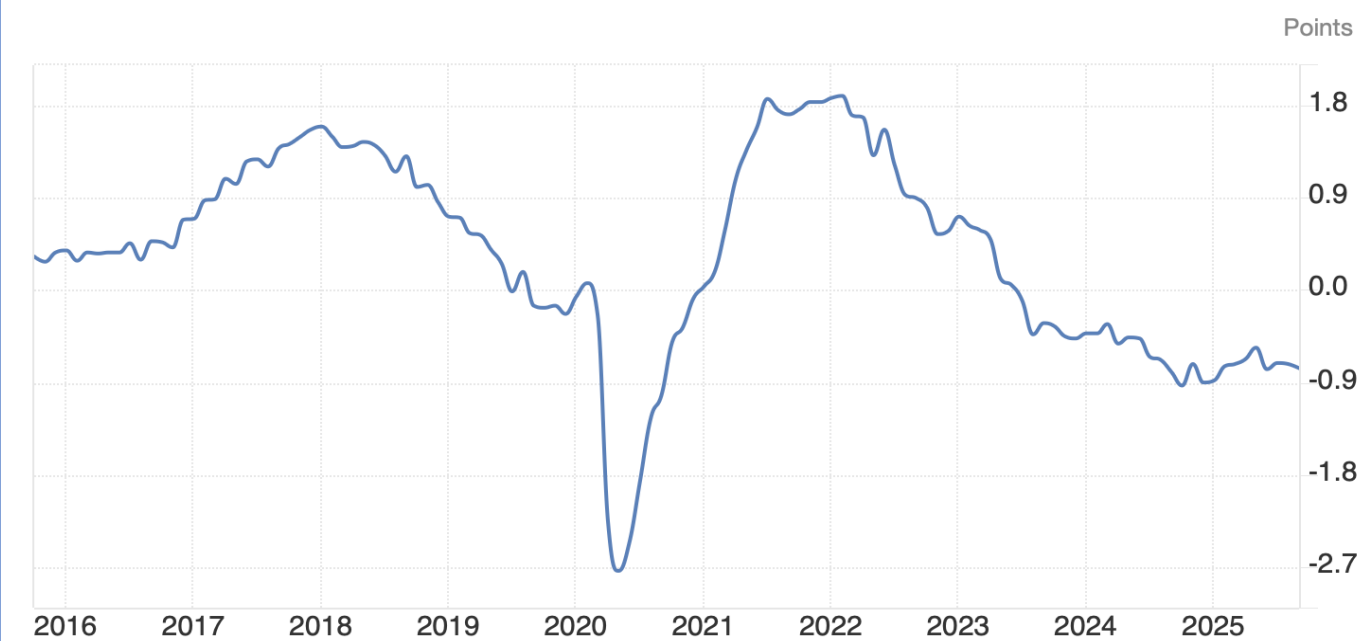
## US Business Confidence



## Europe Consumer Confidence

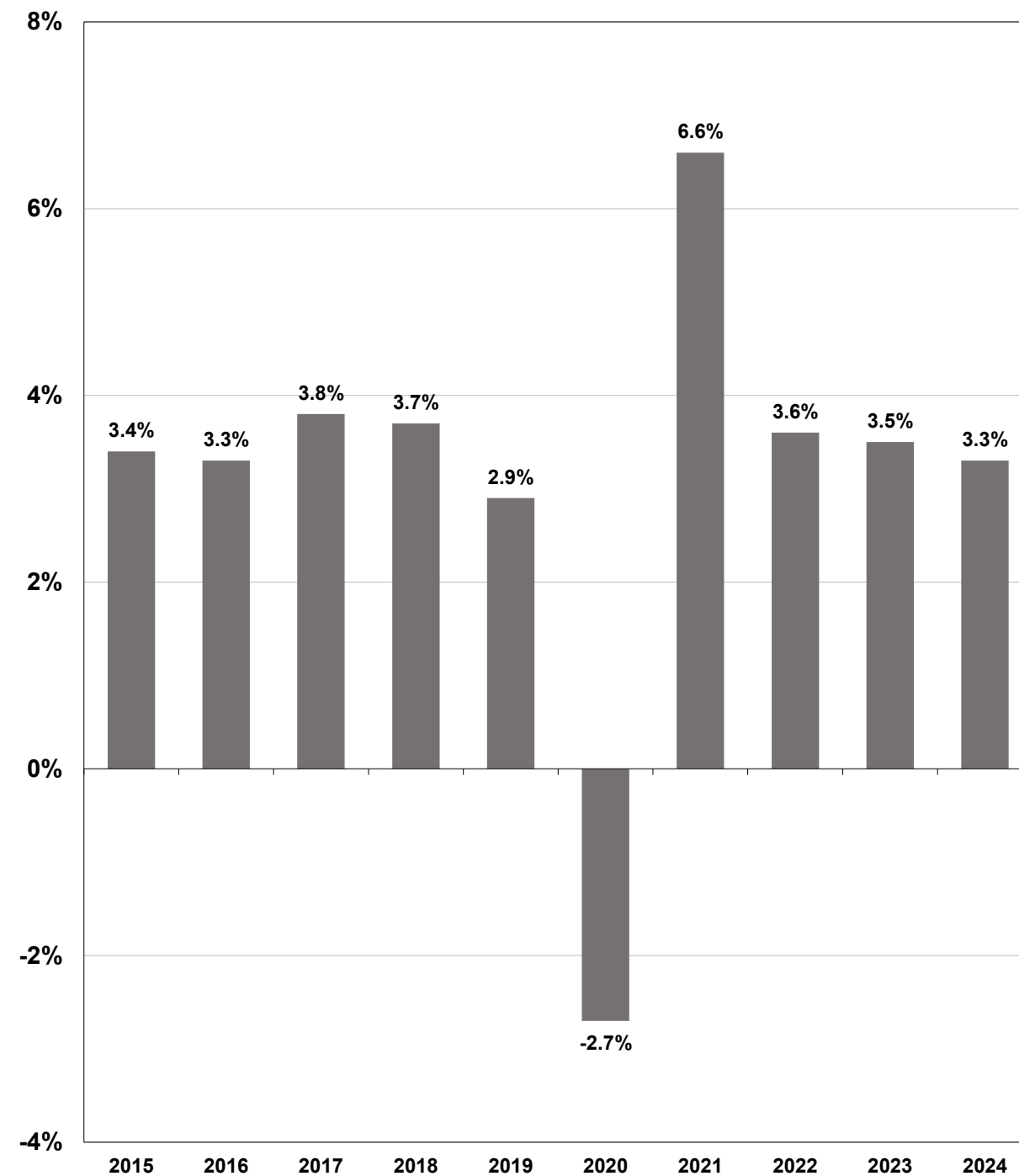


## Europe Business Confidence



# The State of the Global Economy

Global GDP Growth Rates



## Key Points

**The global economy has bounced back from the Covid-19 pandemic, but this recovery has been uneven.**

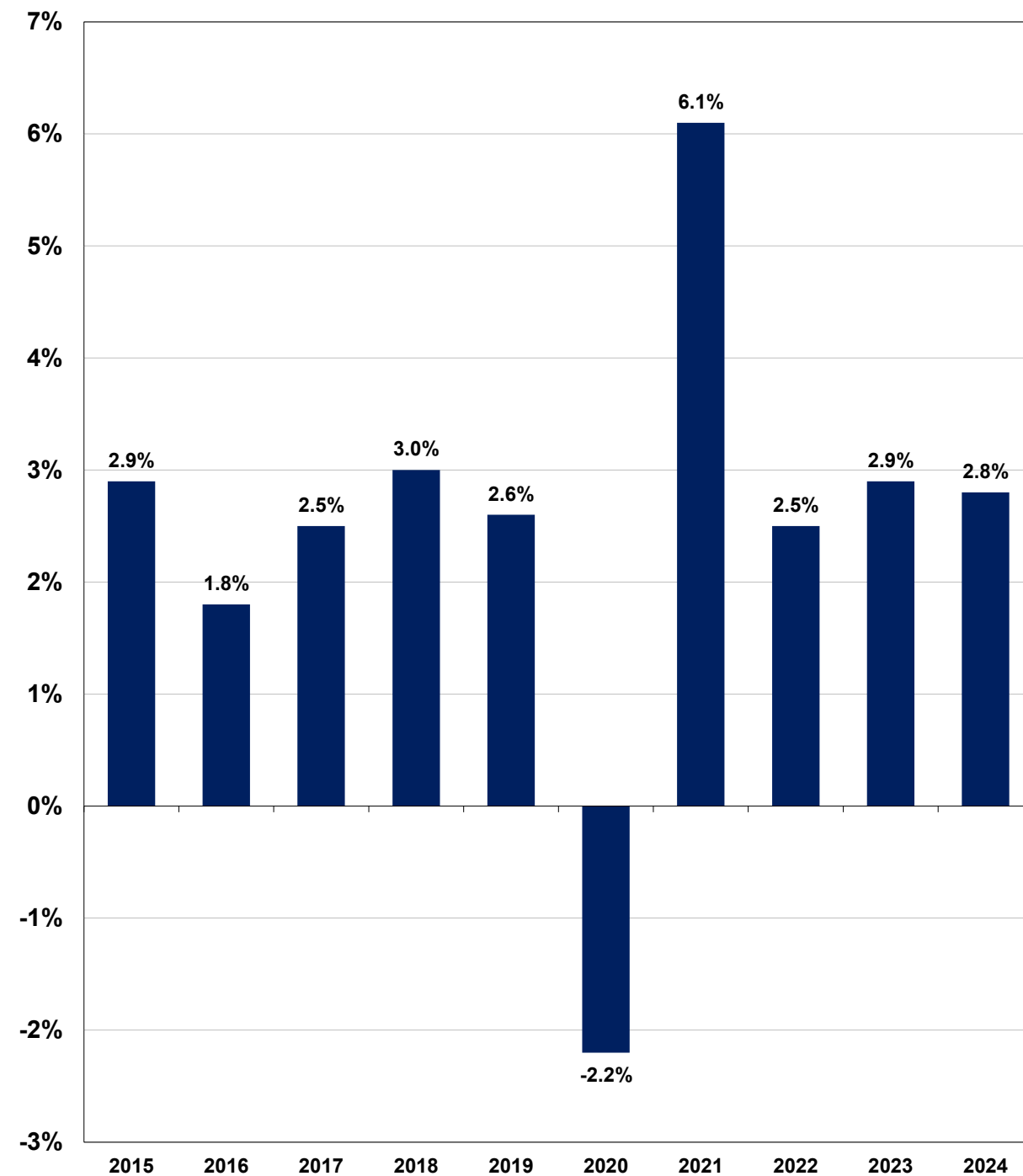
**Growth has been concentrated in a small number of countries, which many key economies slumping badly.**

**The economy managed to return to pre-Covid levels of growth in recent years.**



# The State of the US Economy

US GDP Growth Rates



## Key Points

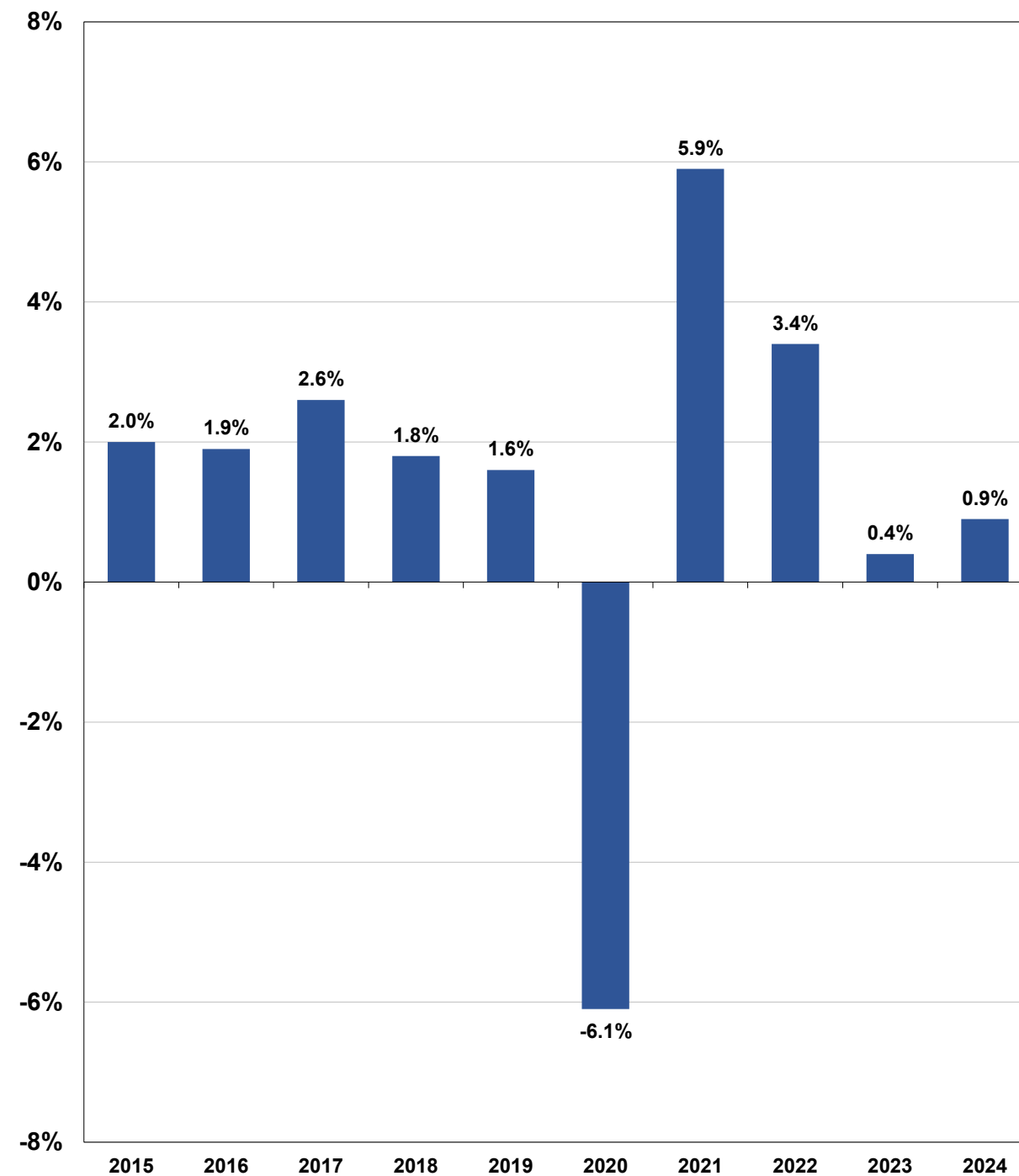
**The US economy has outperformed all other large developed economies over the past 15 years.**

**The US' recent growth has been driven by the US' high level of competitiveness and its high-growth sectors.**

**Furthermore, immigration has been a strong catalyst for growth in the US in recent years.**

# The State of the Eurozone Economy

**Eurozone GDP Growth Rates**



## Key Points

**The Eurozone economy has struggled to generate much growth in recent years.**

**Growth in the Eurozone has been concentrated in southern and central Europe since the pandemic.**

**The Eurozone has suffered from a decline in competitiveness and a reliance upon slow-growth industries.**



# The State of Developed Economies

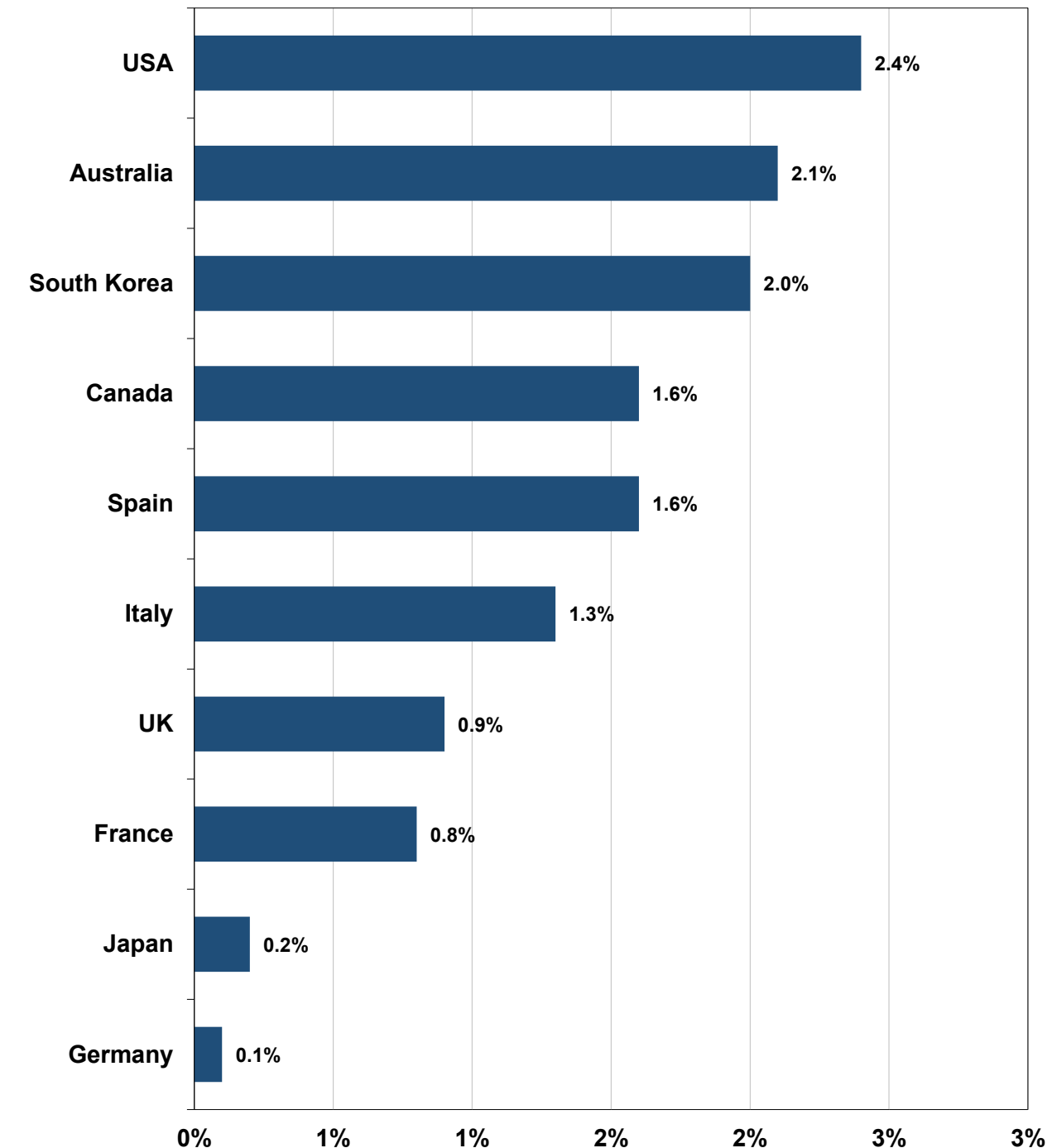
## Key Points

**Economic growth rates in developed economies have been below those of the previous decades.**

**Economies with strong high-tech or commodity sectors have outperformed their peers.**

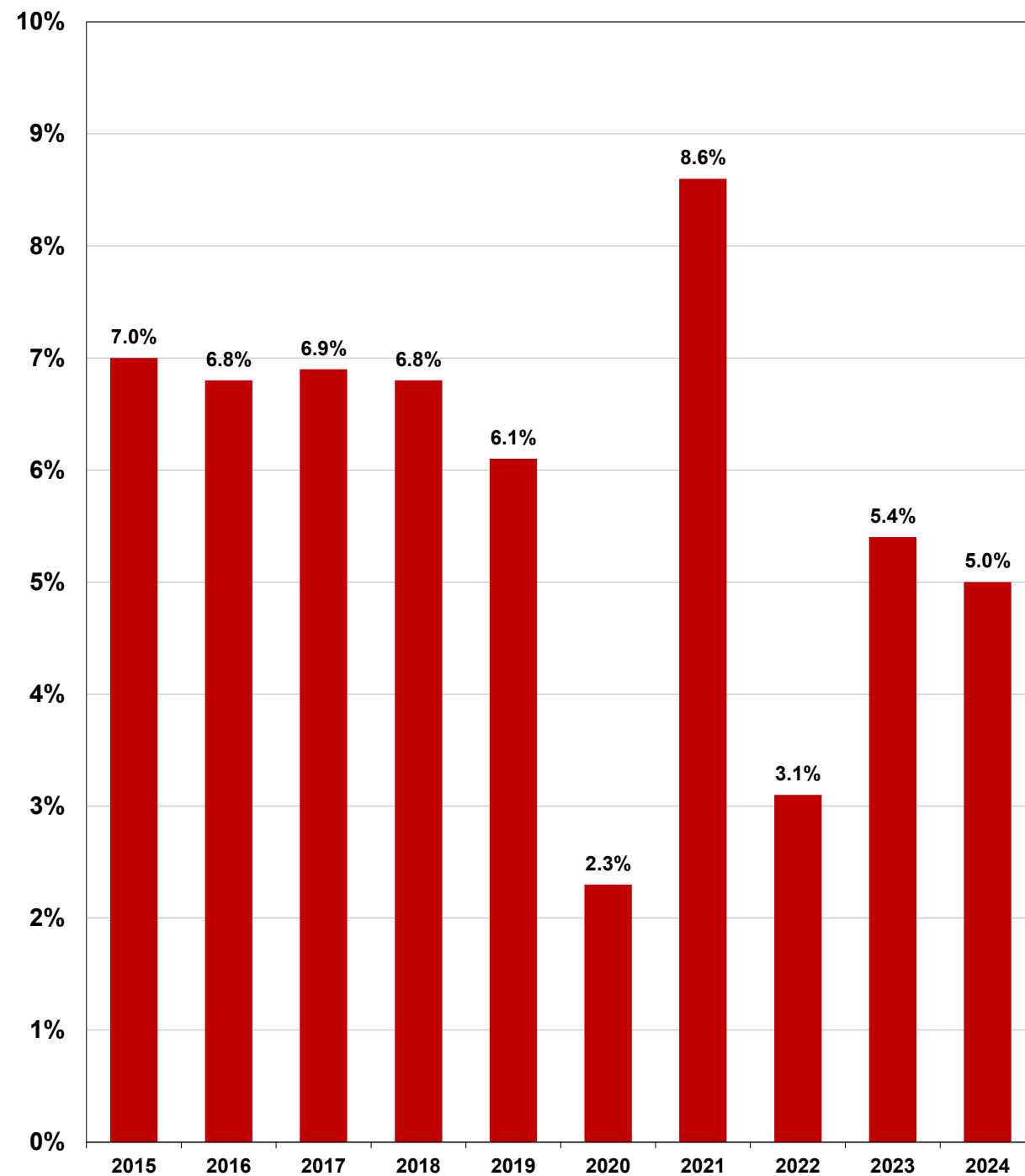
**Most major European economies and Japan have struggled to generate much growth over the past ten years.**

Average GDP Growth Rates for the Last Five Years



# The State of the Chinese Economy

GDP Growth Rates in China



## Key Points

**The days of 10% economic growth (or even 7% growth) in China are over.**

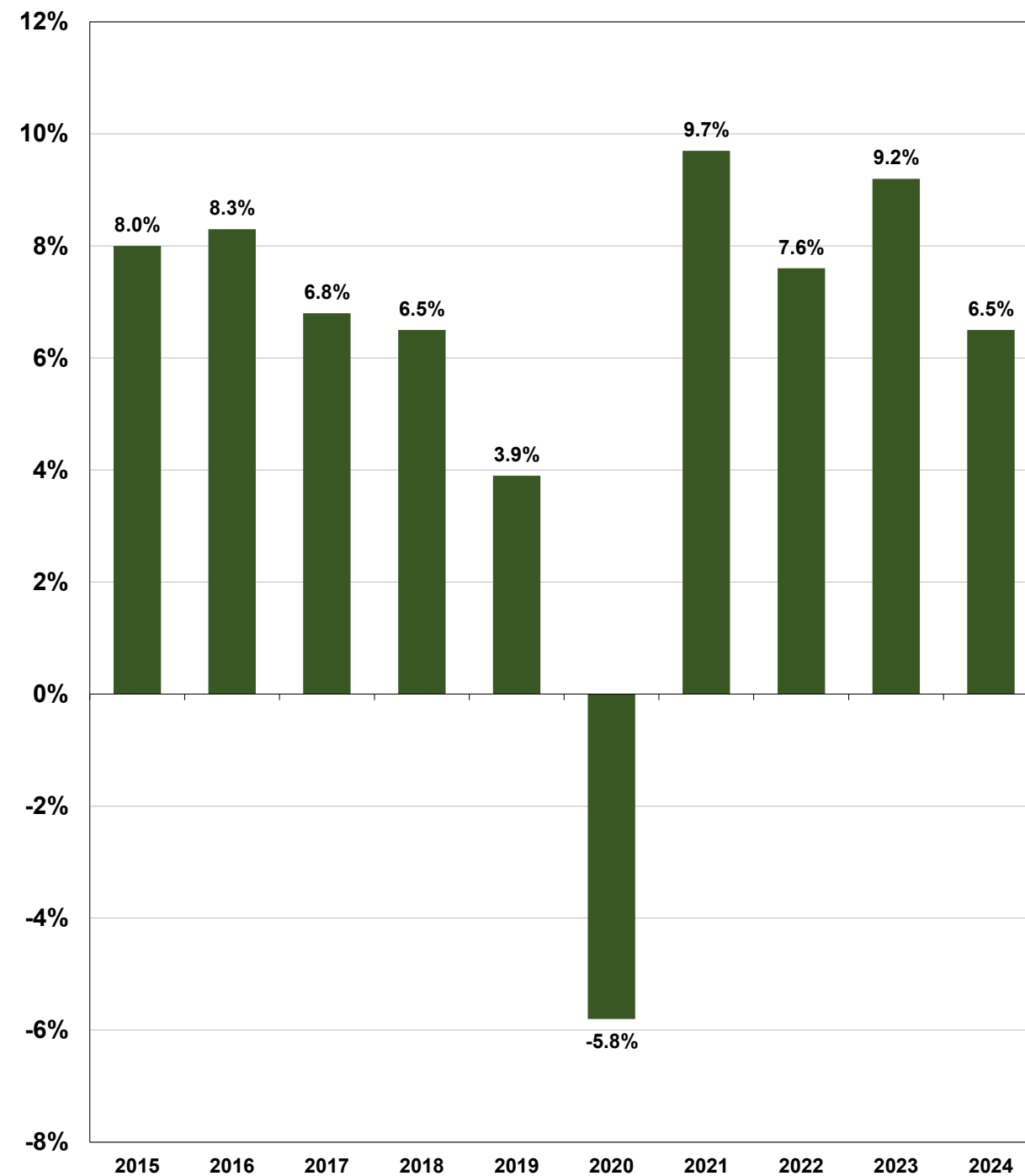
**Economic growth in China was 5.0% in 2024, with growth being boosted by new economic stimulus measures.**

**Domestic market weakness, coupled with rising trade tensions, have lowered China's growth ceiling.**



# The State of the Indian Economy

GDP Growth Rates in India



## Key Points

**India's economy performed better in recent years, but has been relatively volatile.**

**India's economy is highly unlikely to be able to ever reach the 10% growth that China did in the past.**

**India's role in the global economy will continue to increase as its economy grows larger.**

# The State of Emerging Economies

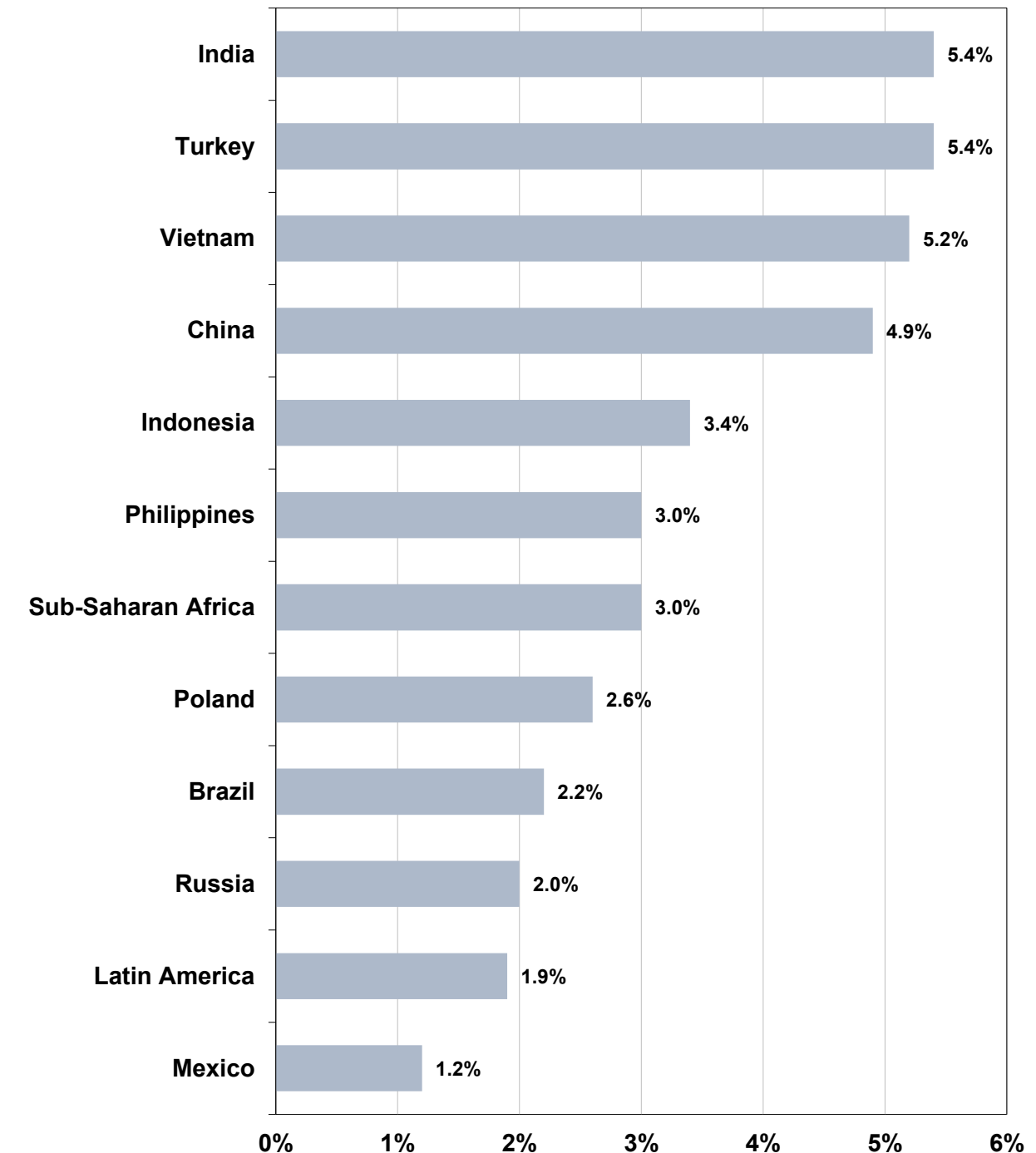
## Key Points

**Asian emerging markets have been one of the key drivers of global economic growth in the 21<sup>st</sup> century.**

**Southeast Asia is home to many of the world's fastest-growing economies.**

**Other regions have struggled to keep up with Asia in recent years.**

Average GDP Growth Rates for the Last Five Years



# Where Has the Growth Come From?

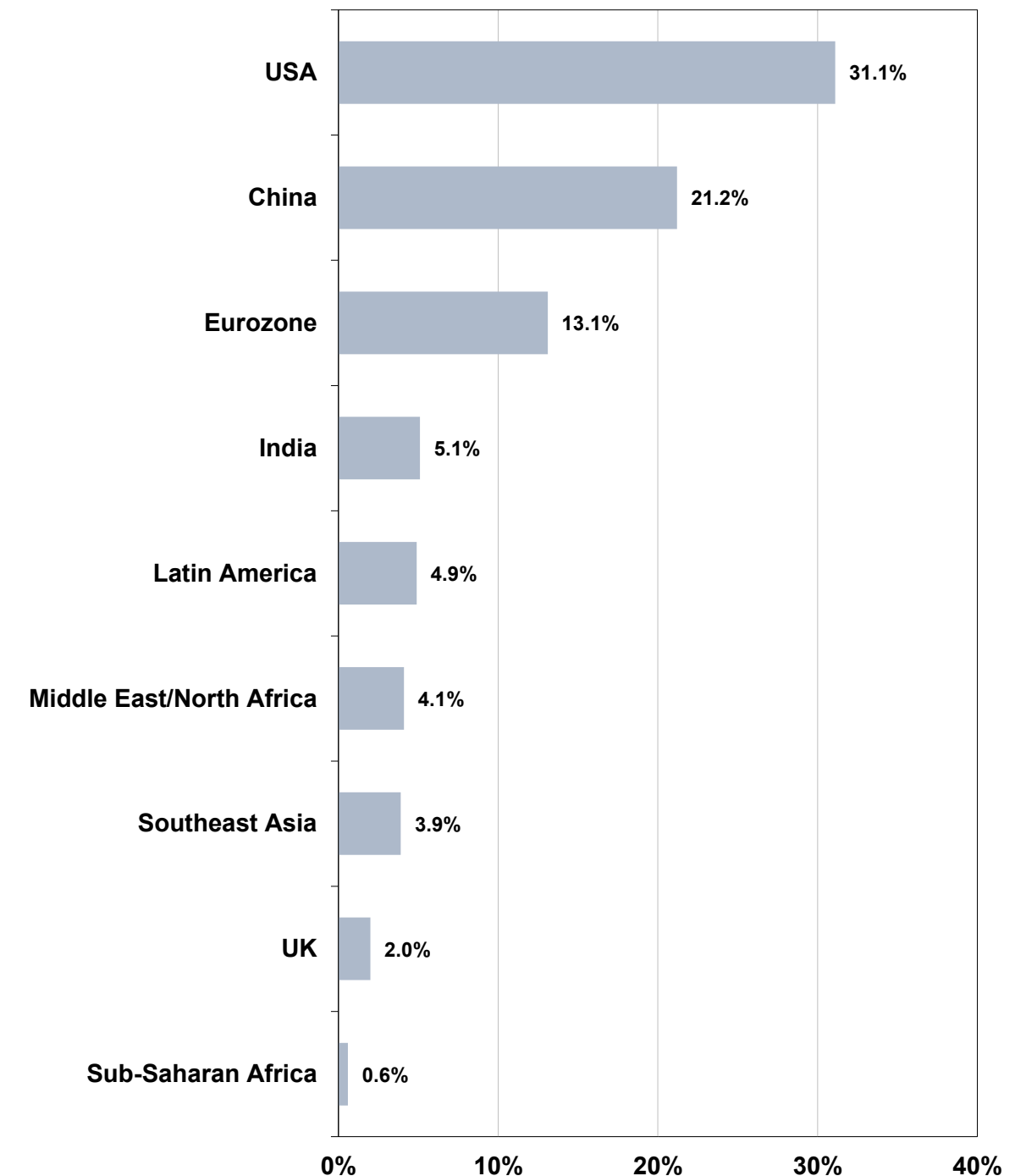
## Key Points

**The United States has contributed more than 30% of global economic growth over the past ten years.**

**Developed and emerging economies have contributed an equal amount to global growth during this period.**

**South Asia, Latin America, Africa and the Middle East have contributed less than 16% of global economic growth.**

**Contribution to Global Economic Growth Over the Past Ten Years**





# Where Has the Growth Come From by Sector?

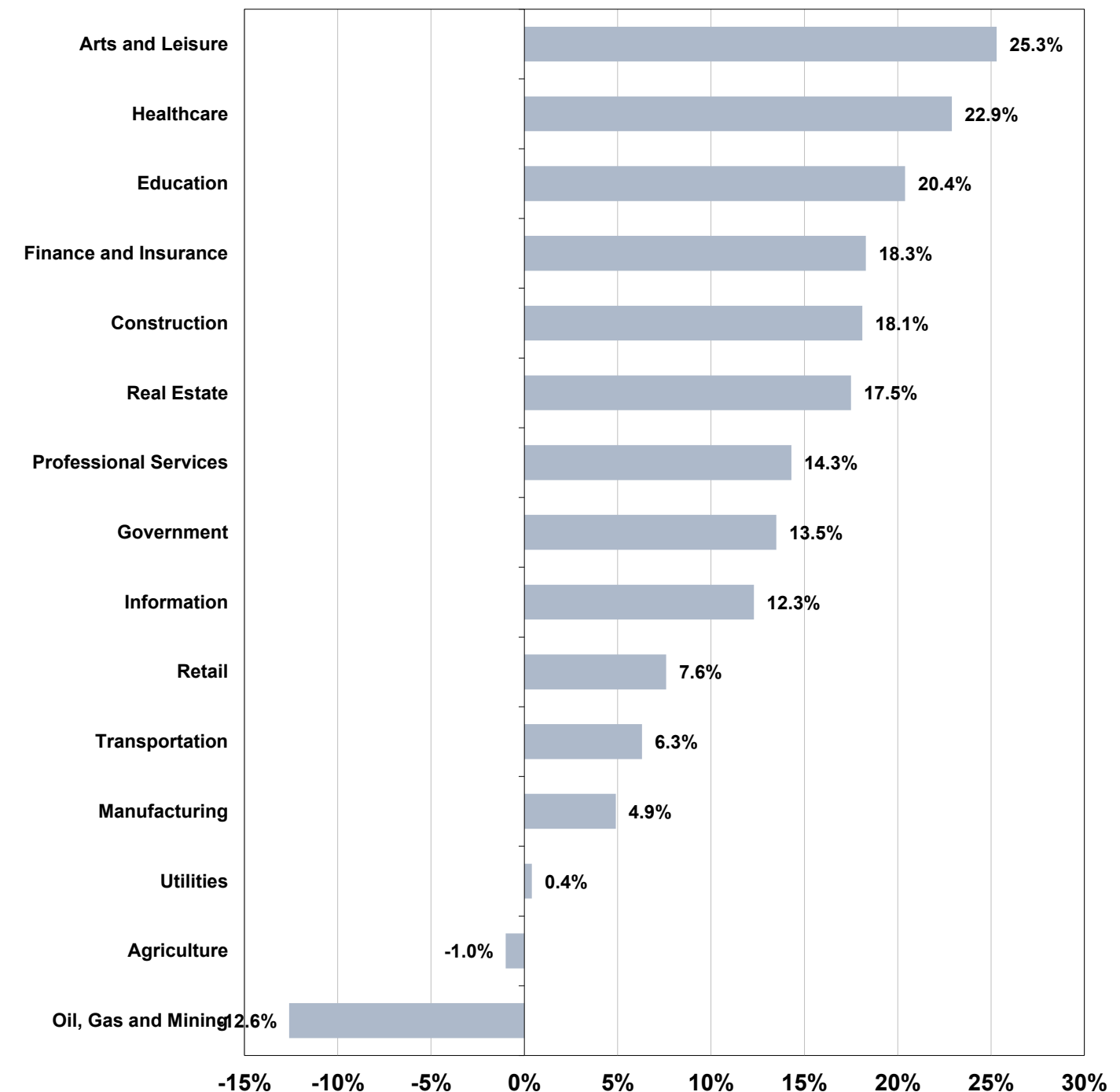
## Key Points

**The United States economy provides a good overview of which sectors are generating the most growth.**

**Service sectors have dominated growth in the United States in recent years.**

**Resource-based sectors of the economy have trended downwards after surging in the wake of the Covid-19 pandemic**

**Growth by Sector of the United States Economy Since 2022**



# The Second Trump Administration

## Domestic Policy Changes

- Shrinking the Federal Government
- Efforts to take control of the Fed
- Deportation of undocumented migrants
- Deployment of the National Guard

## Foreign Policy Changes

- A very active foreign policy, including efforts to end a series of conflicts
- Support for Israel and its Middle East wars
- Calls for the Annexation of Greenland and the Panama Canal (and Canada)

## Environmental Policy Changes

- Withdrawal of the US from the Paris Agreement on climate change
- Opening of federal lands for exploitation
- A reduction in support for the development of renewable energy

## Trade Policy Changes

- Tariffs on nearly all of the United States' leading trading partners
- A deliberate weakening of the US dollar
- A focus on attracting more foreign investment to the United States

# Trump's Tariffs

## Key Points

**The Trump Administration has imposed tariffs on a range of countries and industries.**

**The lack of clarity and consistency on trade policy weakened business and investor confidence**

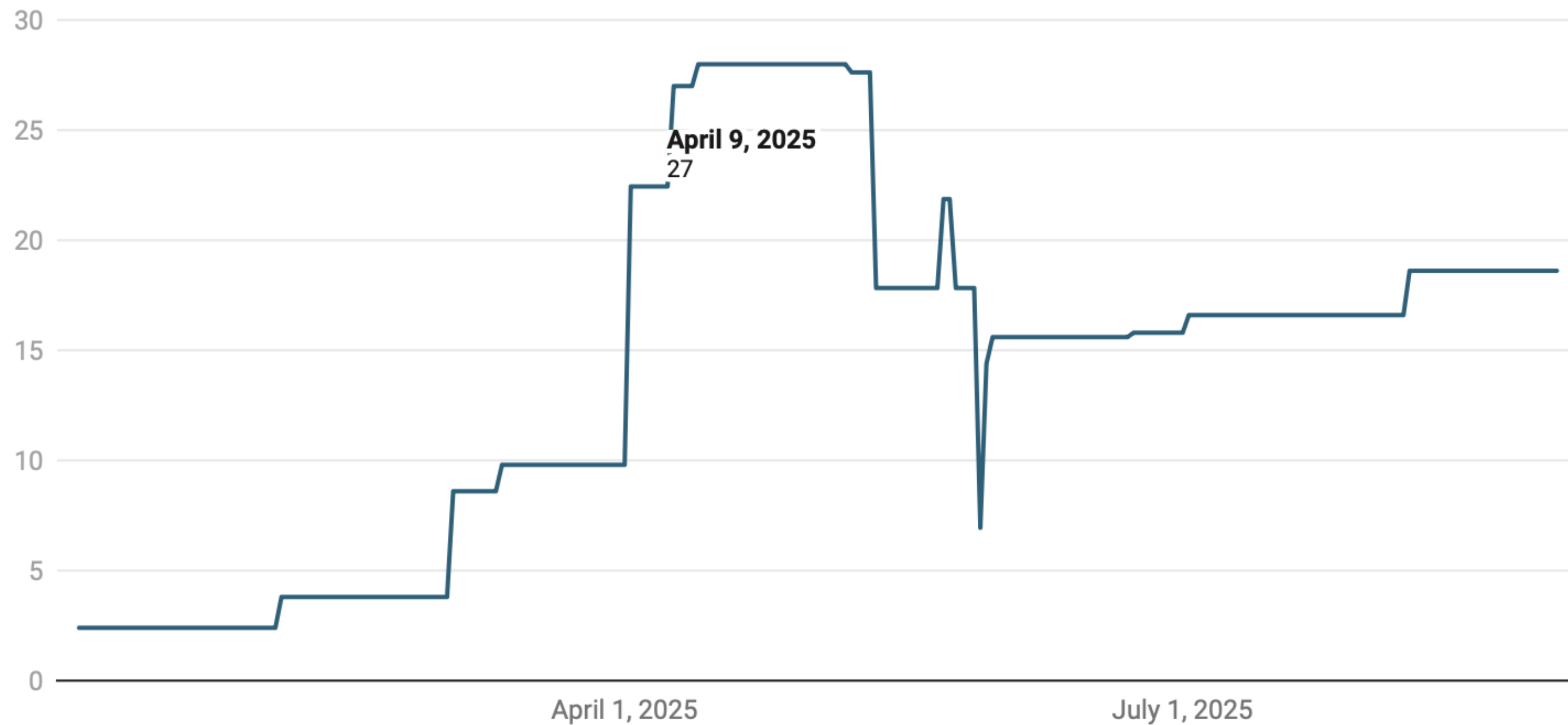
**These moves will accelerate the end of full-scale globalization and the trend towards regionalization.**





**Figure 3. U.S Average Effective Tariff Rate Since January 1, 2025**

Policy through August 6, Pre-Substitution  
Percent of goods import



# Trump's Tariffs

## Key Points

The Trump Administration has imposed tariffs on imports most of the US' trading partners, most notably China.

The Trump Administration has also imposed tariffs on steel, aluminum and automotive imports.

These tariffs have led to retaliatory tariffs against US imports in some of these markets.

## Why Use Tariffs?

**Decoupling:** Shift supply chains and reduce reliance on certain countries



**Potential impacts**  
High, persistent

**Countries:** China

**Industries:**  
Tech, energy, industrial materials, pharma, biotech, aircraft

**Rebalancing:** Reduce trade deficits and boost domestic production



**Potential impacts**  
Medium, persistent, mixed

**Countries:** China, EU, Japan, South Korea, Vietnam, India, Mexico, Canada, Brazil

**Industries:**  
Autos, steel, aluminum, agriculture, food, chemicals, consumer electronics, pharma, luxury, defense, energy, oil

**Negotiating:** Use economic pressure to achieve policy outcomes



**Potential impacts**  
Low, temporary

**Countries:** China, Mexico, Canada, EU, Japan, Latin America

**Industries:**  
Autos, steel, agriculture, consumer electronics, construction machinery, minerals, defense, energy, semiconductor equipment

**Funding:** Generate revenue to fund budget priorities



**Potential impacts**  
High, persistent

**Countries:** May be a broadly applied universal tariff

**Industries:**  
Consumer goods, autos, industrials; price effects and margin pressure across industries

# Fears of a Global Trade War

## Key Points

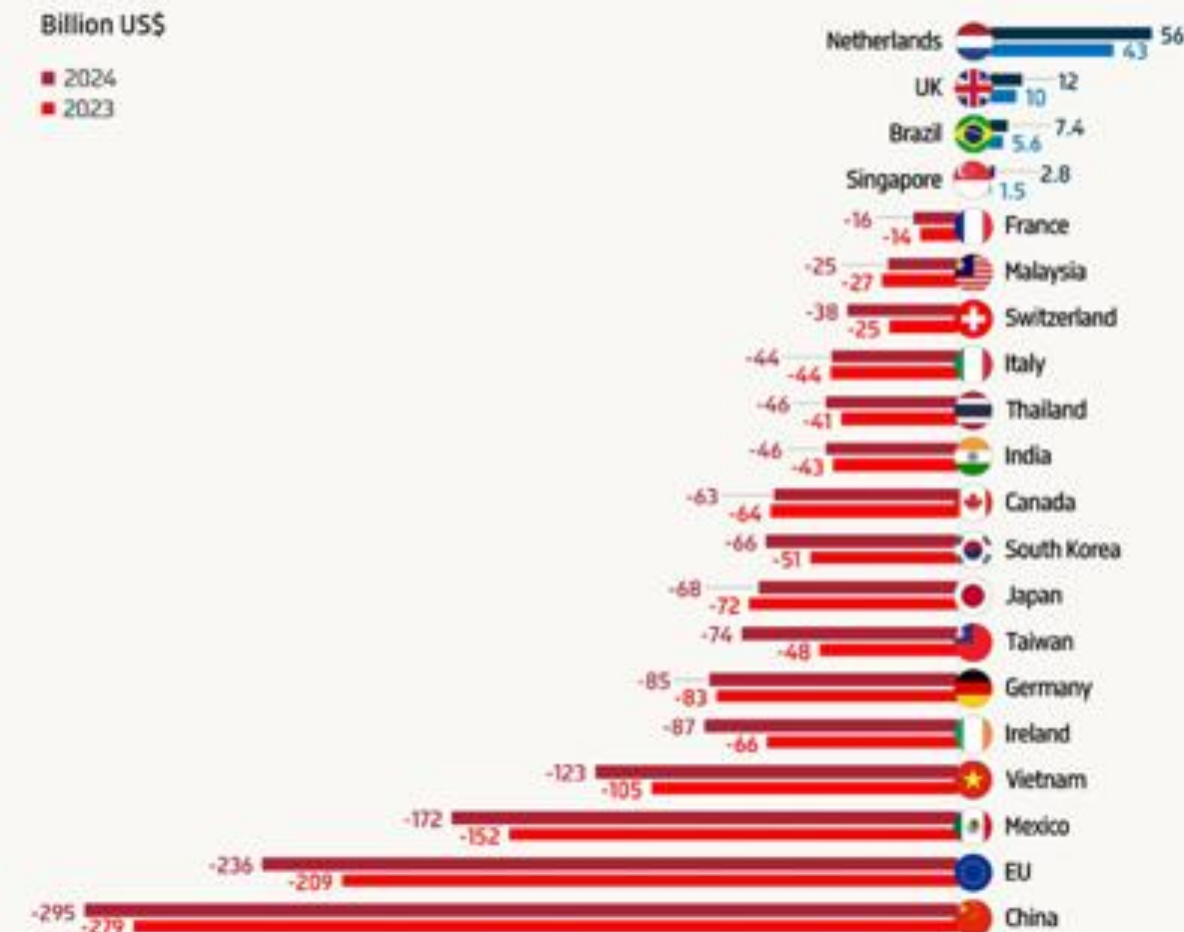
There are fears that the Trump Administration's recent tariffs could spark a global trade war.

The US market had been a key driver of economic growth for many of the world's leading economies.

The main fear is that countries will be more aggressive in seeking to boost exports to non-US markets.

## Key Data

### U.S. Goods Trade Balance with Major Partners (2023–2024)



Source: U.S. Census

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# Geopolitical Risk

## Key Geopolitical Flashpoints



# The Threat of Lingering Inflation

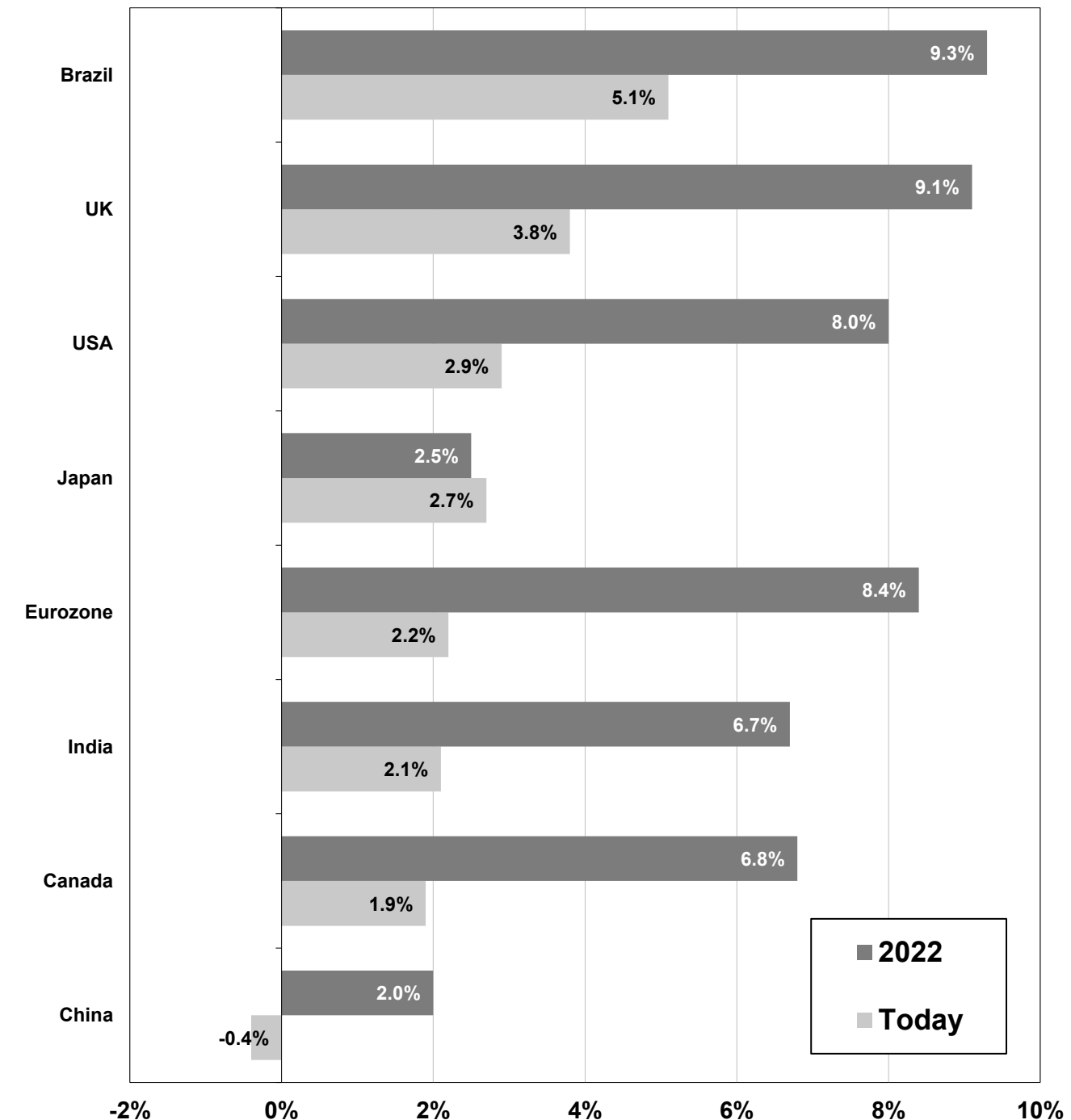
## Key Points

**Inflation rates have receded from their highs that followed the Covid-19 pandemic.**

**Food and real estate costs have remained relatively-high, keeping living costs too high for comfort.**

**Deflationary pressures are in place in China and could return in some European economies.**

**Inflation Rates in 2022 and Today**



# Interest Rates

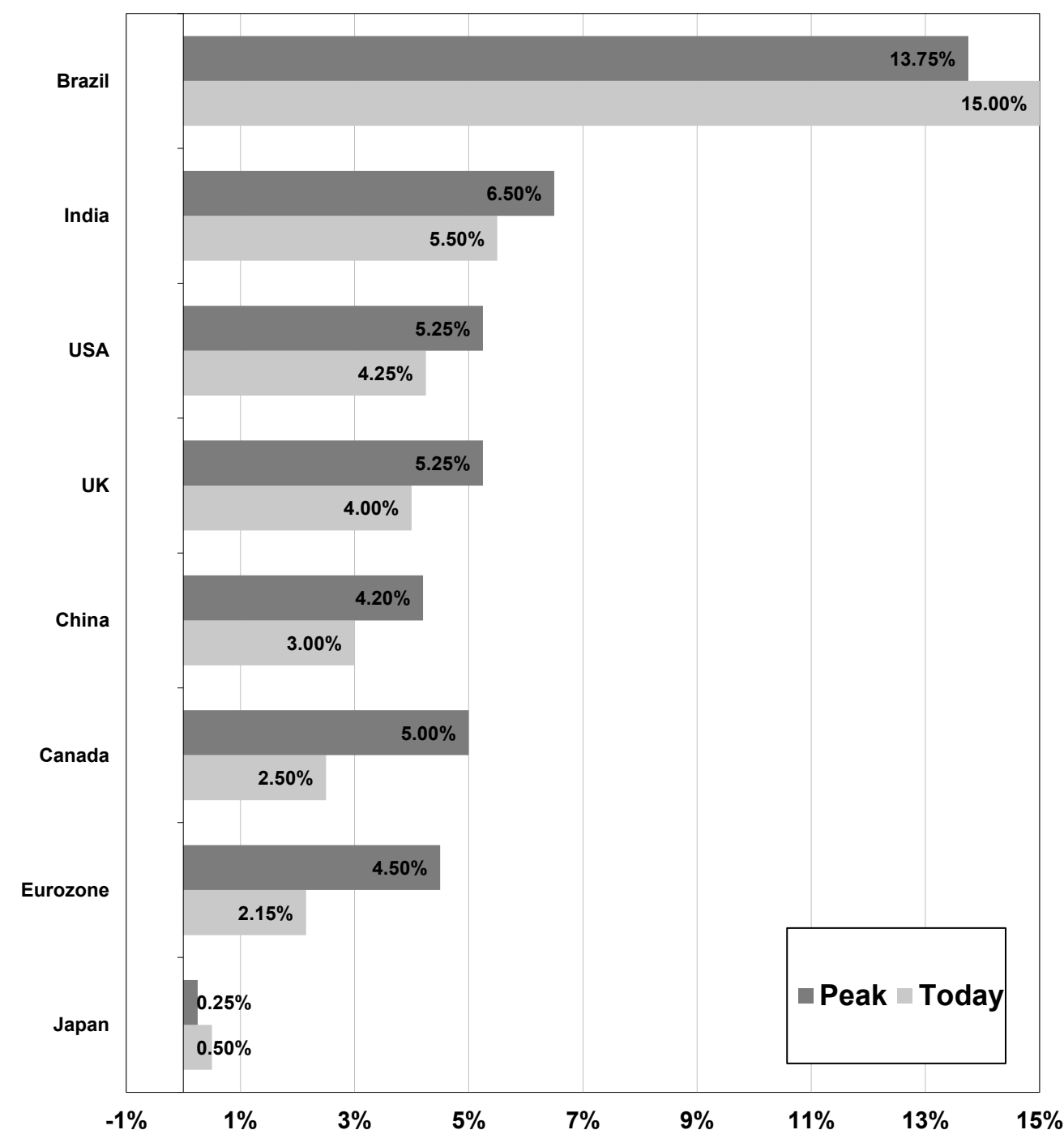
## Key Points

**Central bank in most key economies to cut interest rates in 2024.**

**However, lingering inflationary pressures have slowed the pace of interest rate cuts in 2025.**

**A new cycle of interest rate cuts began of late, despite inflation remaining above most central banks' targets**

Interest Rates at Their Recent Peak and Today





# Labor Shortages Persist

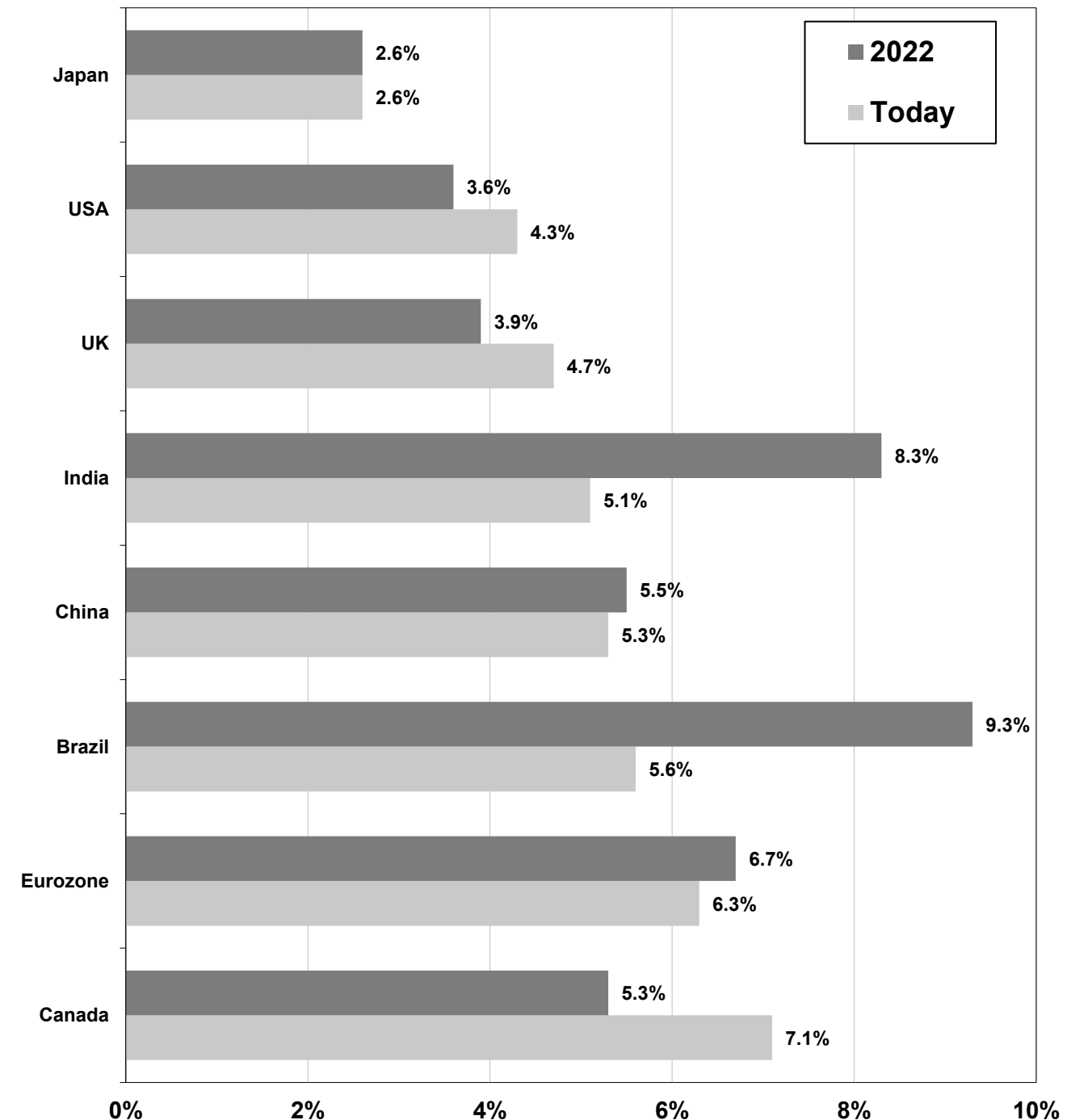
## Key Points

**Labor shortages remain a leading constraint on growth for many leading economies and industries.**

**Job creation levels have weakened in most major economies in recent months.**

**Working-age populations are stagnant or are declining in many of the world's leading economies.**

**Unemployment Rates  
in 2022 and Today**



# Summary of the Recent Past

Key Points	Details
Uneven Global Recovery	There have been a few star performers amid many struggling countries and industries.
Trade Concerns	The recent tariffs from the Trump Administration have raised fears of a global trade war.
Inflation/Deflation Concerns	Despite the sharp fall in inflation, cost-of-living concerns remain high.

# **The Near-Term Outlook for the Global Economy**

# Key Near-Term Economic Factors

## Key Points

**Inflation rates are likely to remain sticky over the near-term, but deflation will be a risk for some economies.**

**Interest rate cuts will be on hold until inflation rates fall to more manageable levels.**

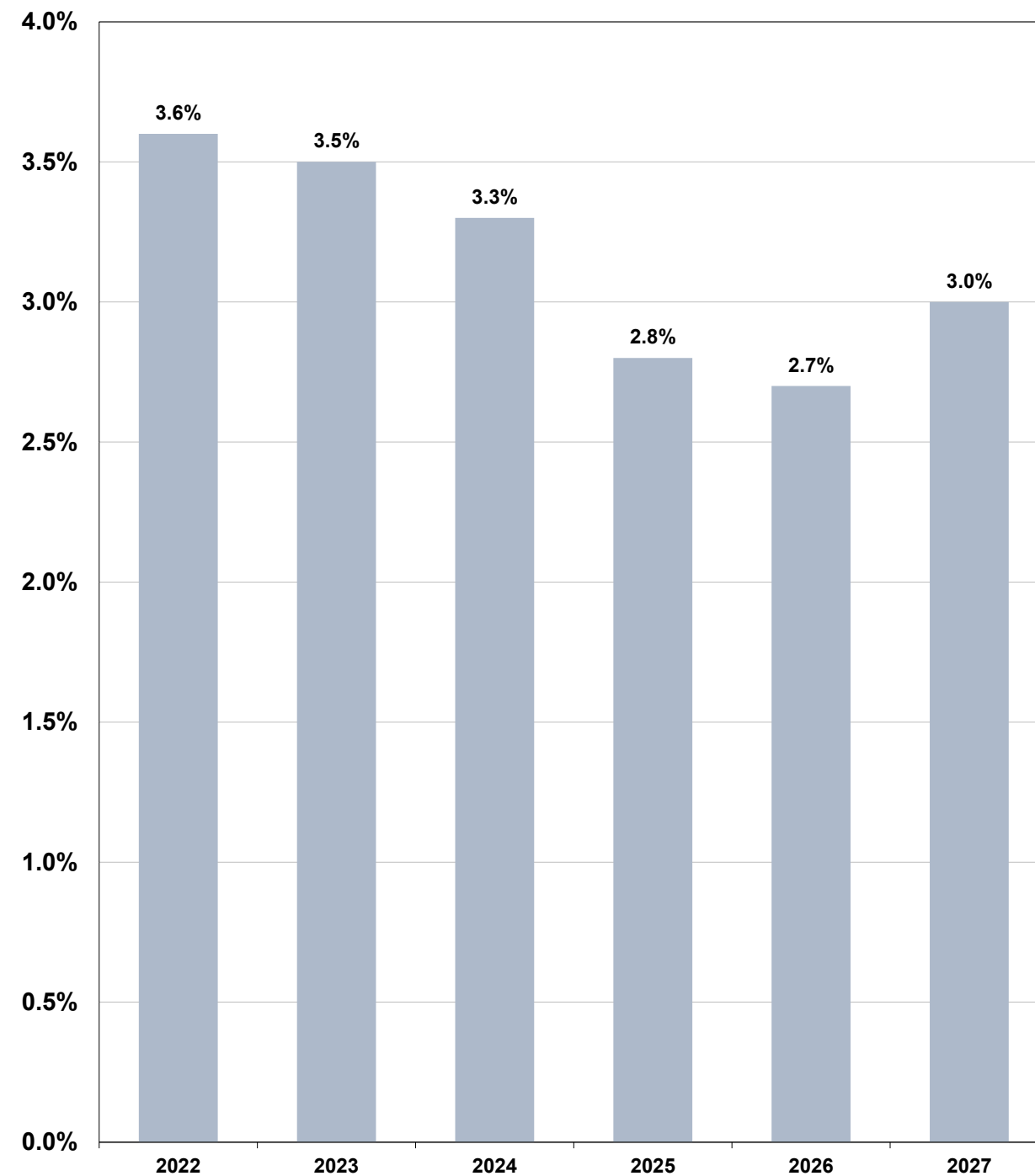
**Labor shortages will persist amid massive demographic and technological changes to the workforce.**





# The Near-Term Outlook for the Global Economy

Global GDP Growth Rates



## Key Points

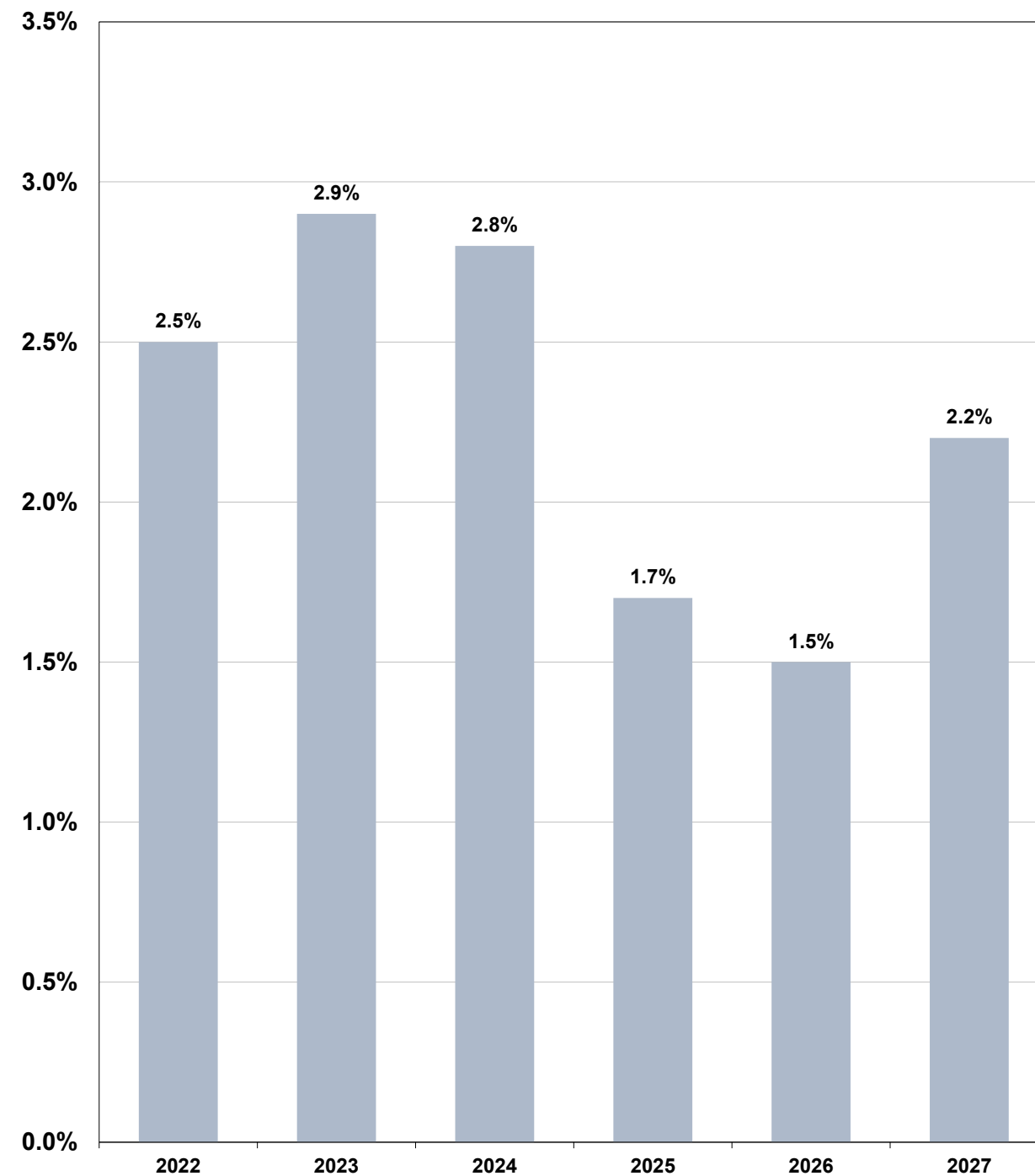
**Global economic growth is expected to slow over the near-term, due largely to trade uncertainty.**

**Fears of a global trade war have dampened expectations for the global economy over the near-term.**

**The potential for a larger-than-expected slowdown will remain in place over the near-term.**

# The Near-Term Outlook for the US Economy

US GDP Growth Rates



## Key Points

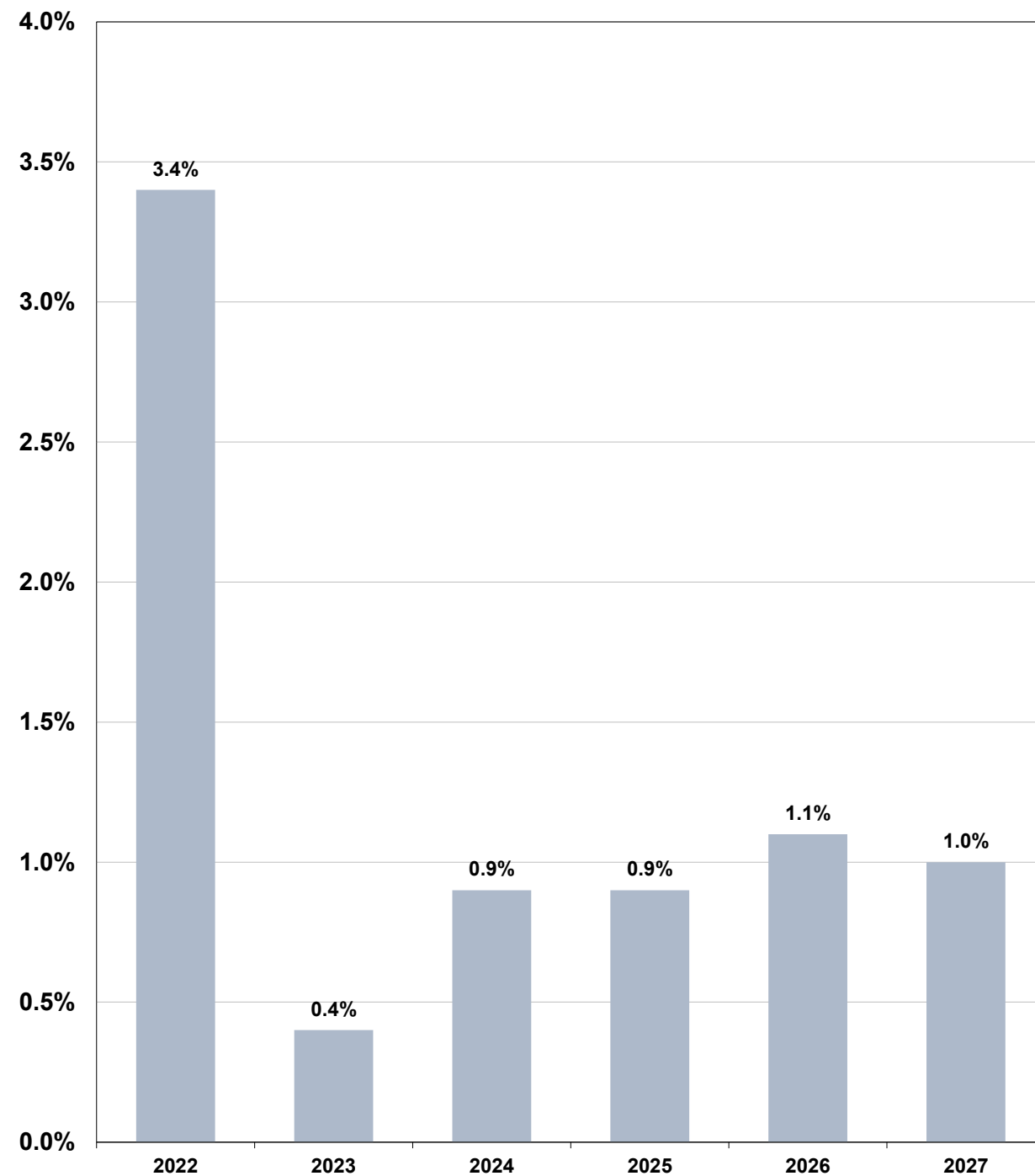
**Economic growth is expected to slow over the near-term due to falling confidence levels.**

**The threat of a recession over the near-term has risen due to this uncertainty and falling confidence levels.**

**A relatively-high level of economic competitiveness will remain in place in the United States.**

# The Near-Term Outlook for the Eurozone Economy

**Eurozone GDP Growth Rates**



## Key Points

**Economic growth in the Eurozone will remain sluggish over the near-term.**

**Germany and France will both struggle to generate significant growth over the near-term.**

**Smaller Eurozone economies, and some southern economies, will drive much of the Eurozone's near-term growth.**

# The Near-Term Outlook for Developed Economies

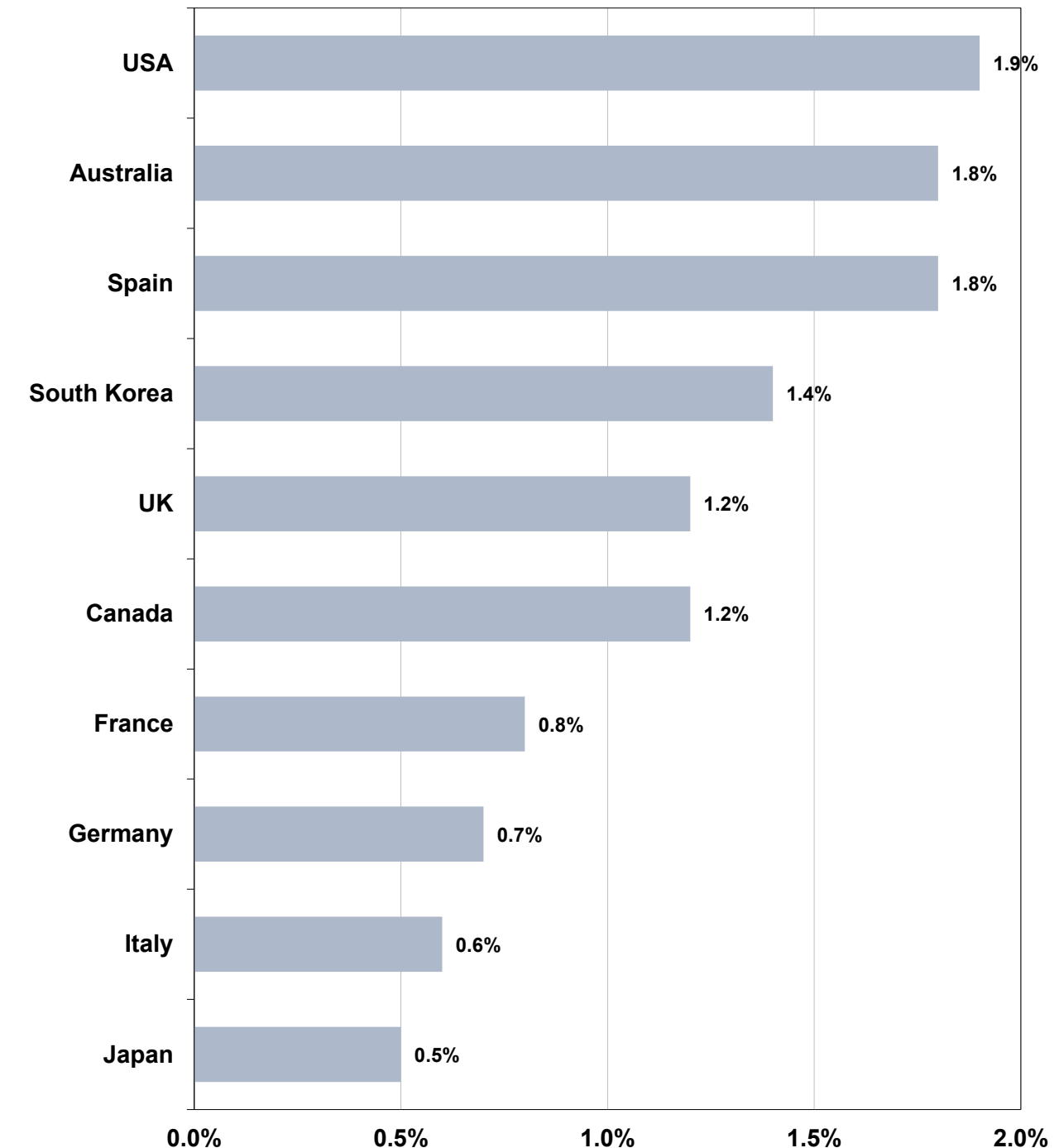
## Key Points

**Near-term economic forecasts call for relatively slow growth for all major developed economies.**

**A large presence in high-growth sectors of the economy will remain key to the success of many leading economies.**

**A lack of competitiveness will continue to hold down growth in many developed economies.**

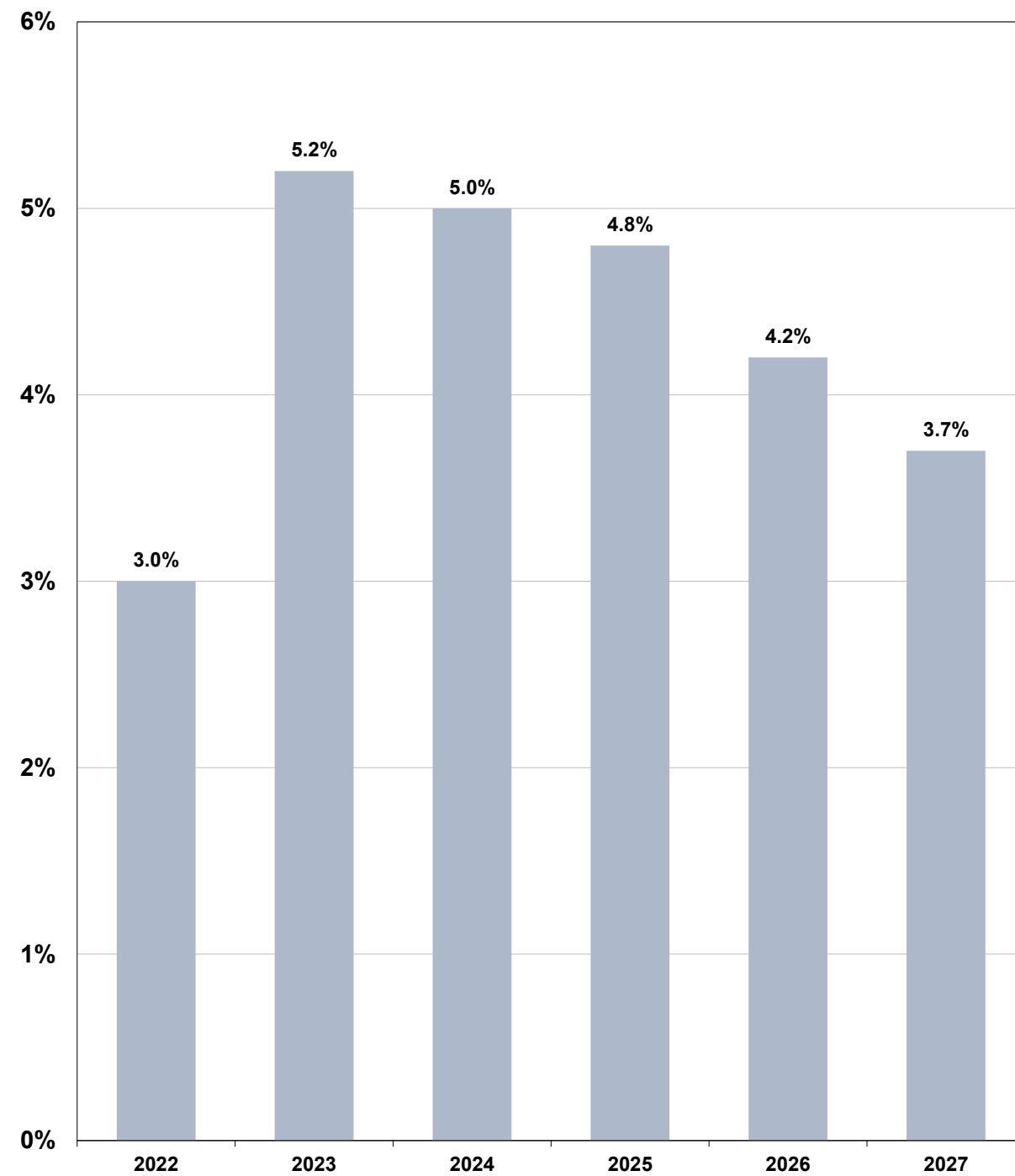
**Forecast Average GDP Growth Rates for the Next Three Years**





# The Near-Term Outlook for the Chinese Economy

**GDP Growth Rates in China**



## Key Points

**Economic growth rates in China are forecast to trend slowly downwards.**

**Growth will fall below 4% per year in the coming years.**

**Domestic market weakness will lead to a greater push for export competitiveness.**

# The Near-Term Outlook for Emerging Economies

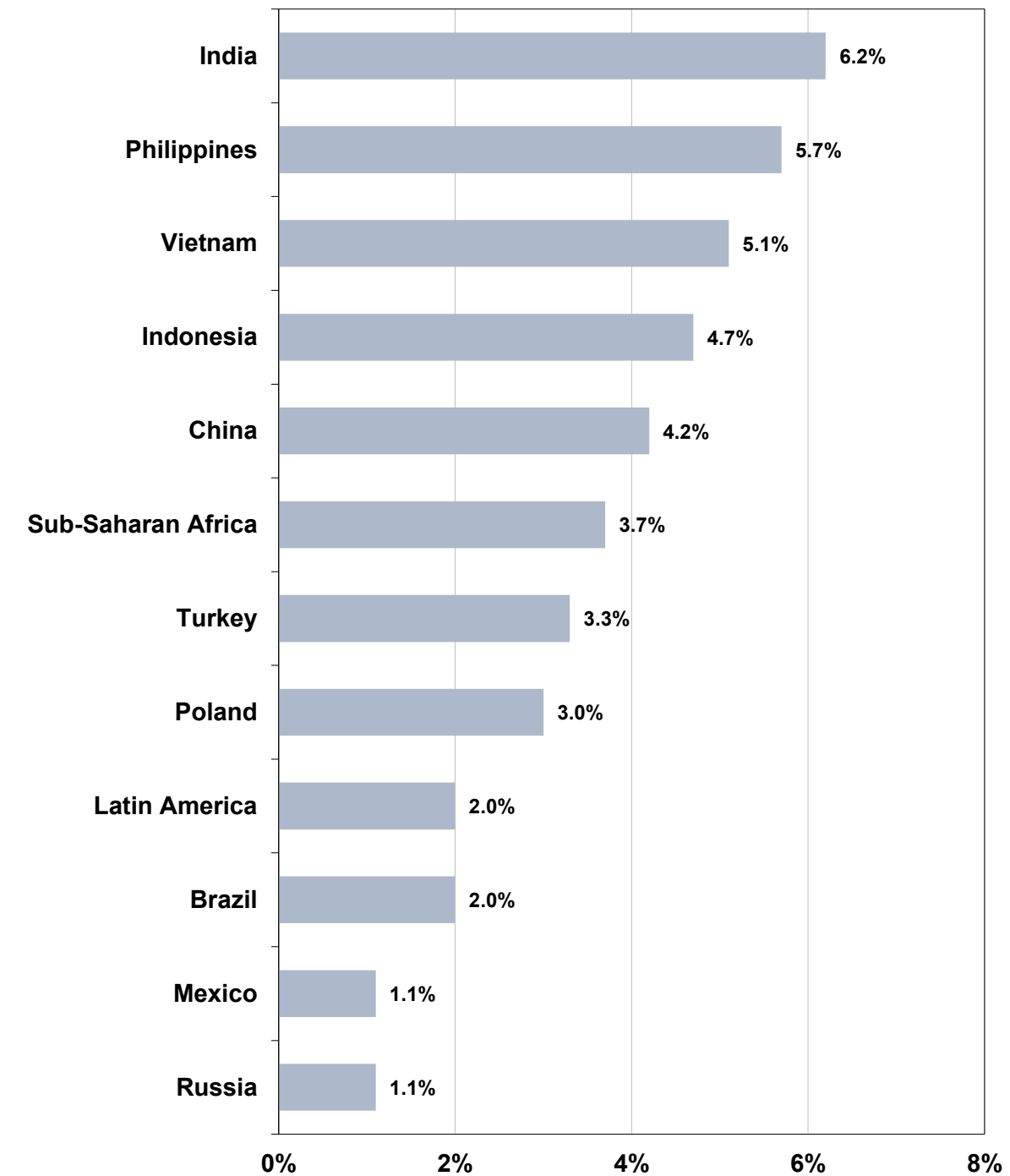
## Key Points

**Asian emerging markets will remain the fastest-growing economies in the world.**

**Indian growth will remain above 6% per year, but China's growth will fall around 4% per year.**

**Sub-Saharan Africa and Latin America will both record higher growth rates than in previous years.**

**Forecast Average GDP Growth Rates for the Next Three Years**



# Near-Term Growth Come From by Sector

## Key Points

**Technology is leading to the creation of a range of new industries that are driving global economic growth.**

**Some traditional industries, such as energy and healthcare, will continue to play a major role.**

**Investing in these growth industries is the key to success for a country or a business.**

## Near-Term Growth Sectors

**Artificial Intelligence**

**Quantum Computing**

**E-Commerce**

**Healthcare and Medicine**

**Energy**

**Defense**

**Automation and Robotics**

**Infrastructure**

# Near-Term Growth Come From by Country/Region

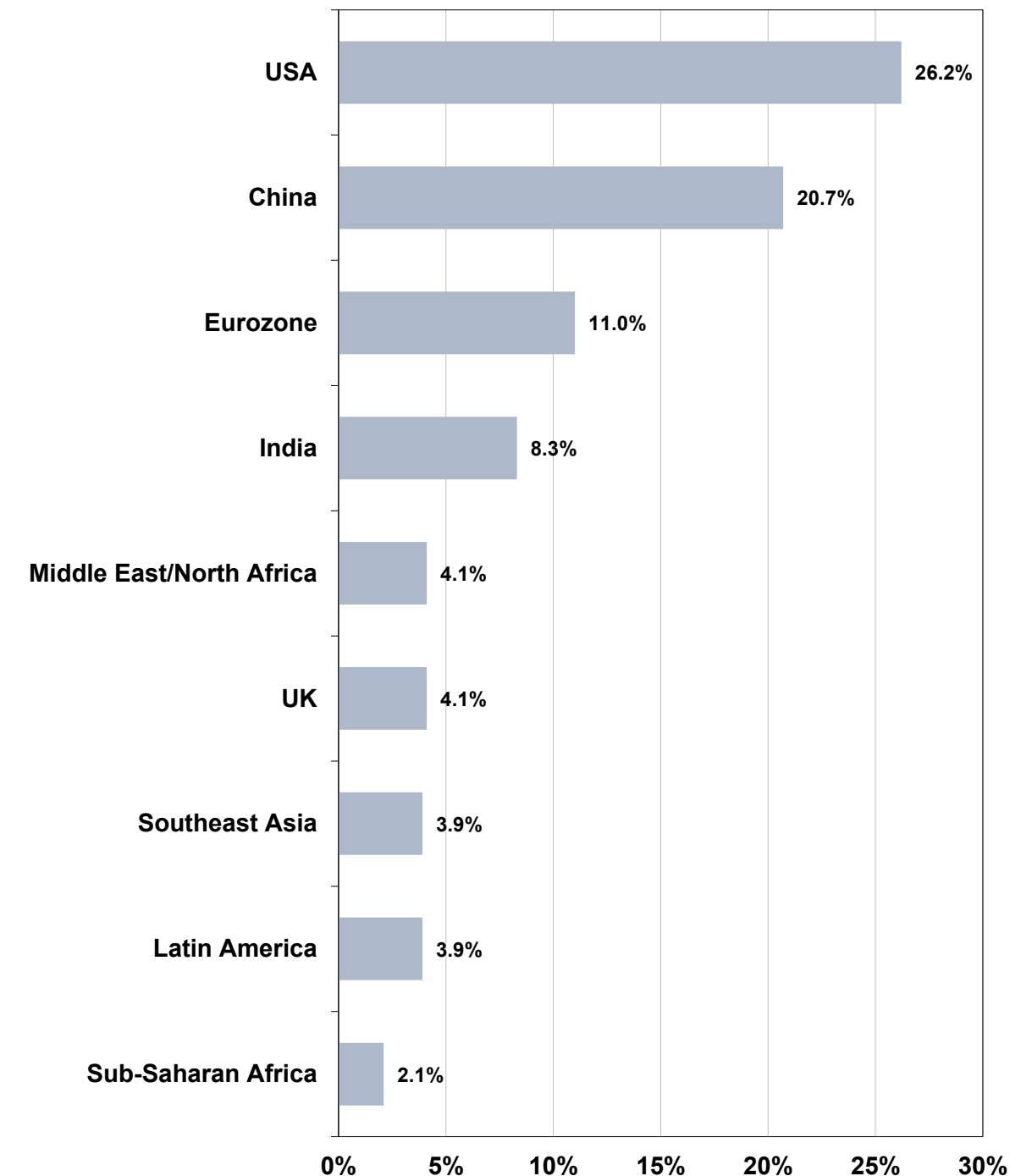
## Key Points

**The United States' contribution to near-term economic growth will fall due to the impact of recent tariffs.**

**Asian emerging markets will account for nearly 40% of additional global economic output during this period.**

**Some regions, such as Africa, will slowly generate a greater share of global economic growth.**

**Contribution to Global Economic Growth Over the Next Three Years**





# Geopolitical Risk

## Key Geopolitical Flashpoints Over the Next Three Years



# The Near-Term Outlook for Global Trade

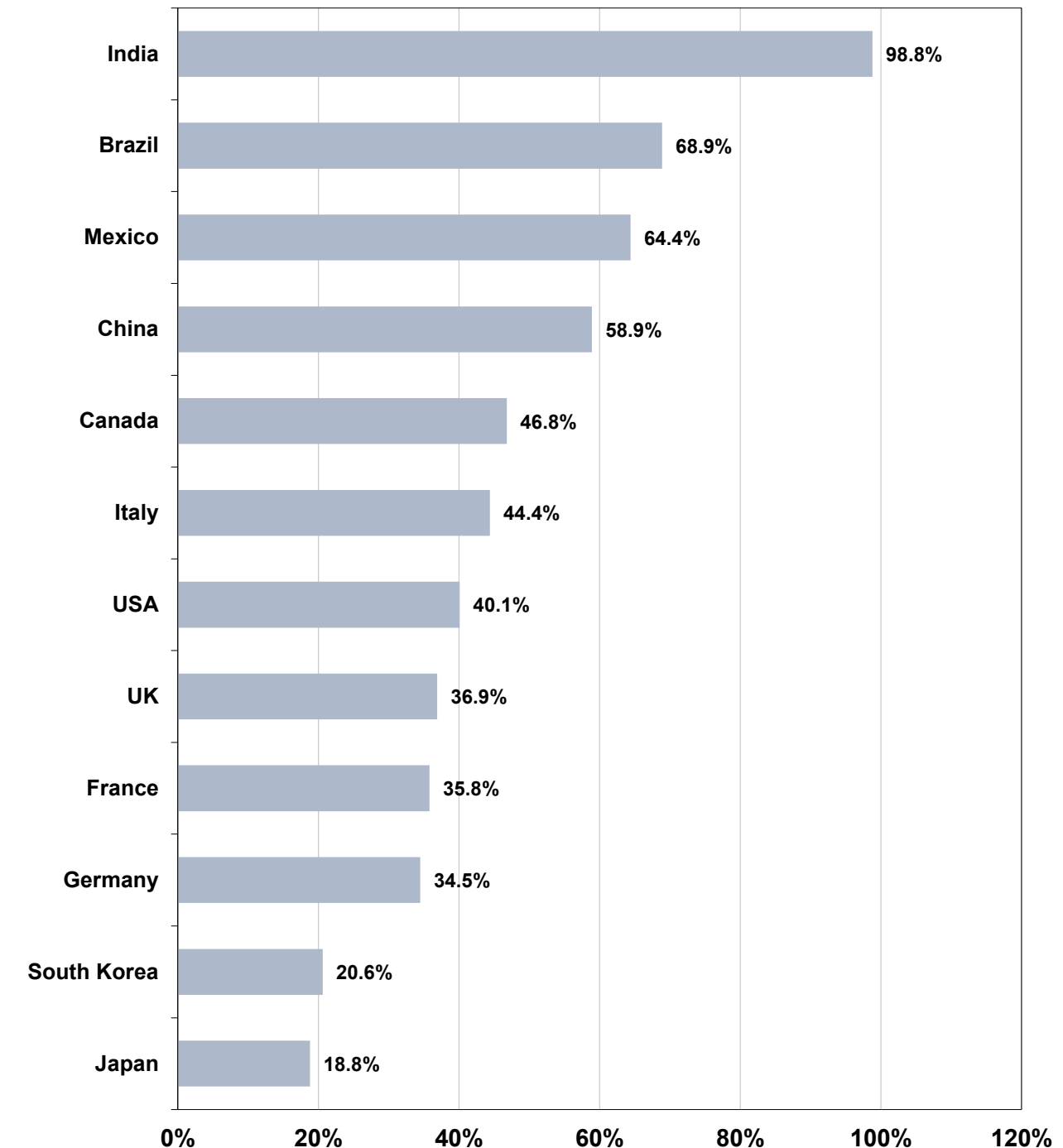
## Key Points

**There is a great deal of uncertainty at the moment due to fears of a global trade war.**

**US tariffs could disrupt not only US-based trade, but other major trading relationships as well.**

**The United States' recent economic success has been driven by the strength of its domestic market.**

Export Growth by Country Over the Past Decade



# The Near-Term Outlook for Foreign Investment

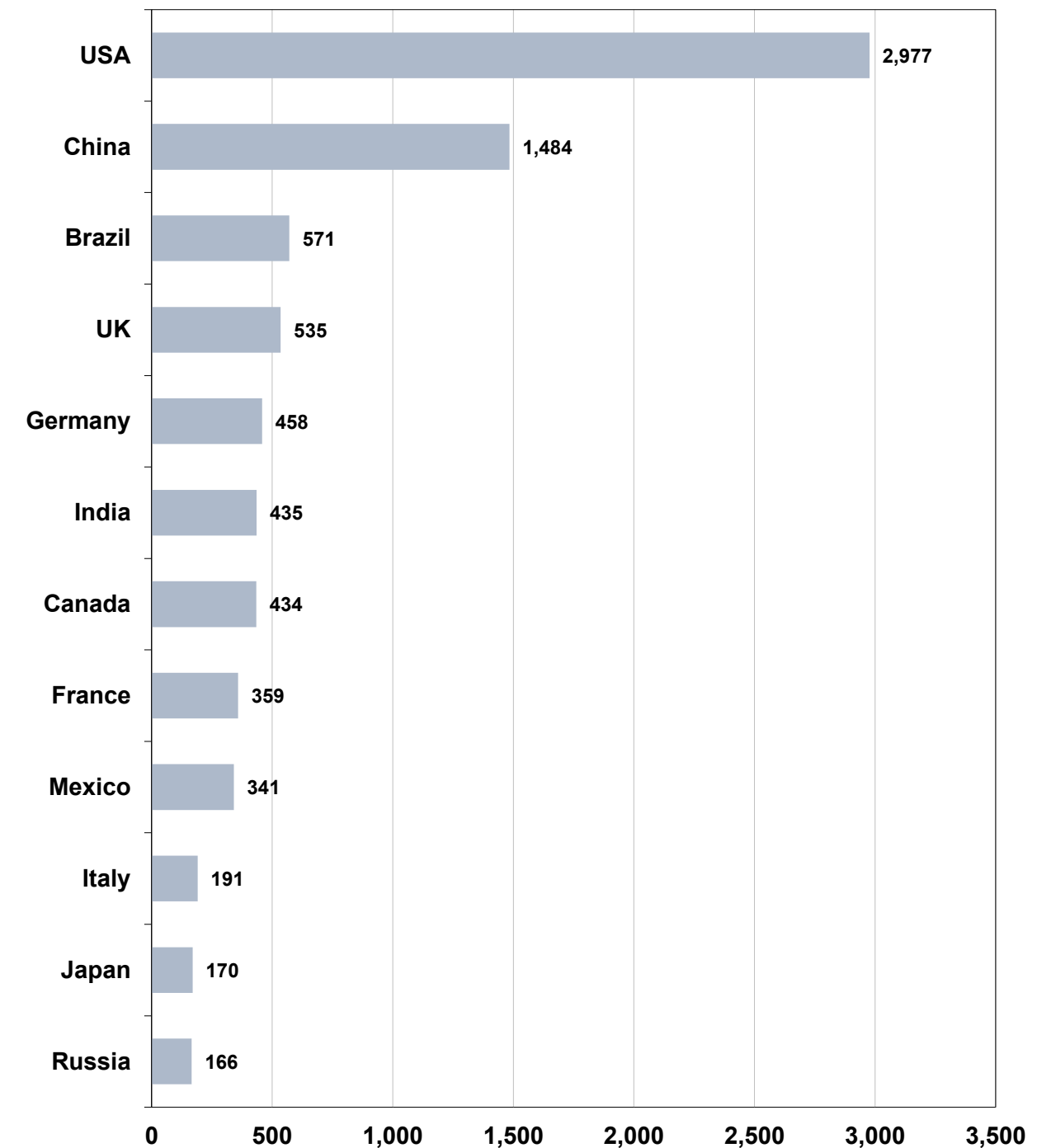
## Key Points

**The US and China will remain the leading recipients of foreign investment, but FDI in China has fallen.**

**Protectionism will drive foreign investment to those countries with sizeable domestic markets.**

**A large share of foreign investment will also continue to go to smaller, specialized economic hubs.**

Foreign Investment Inflows Over the Past Decade (Bil. US\$)



# The Growing Fears About Debt

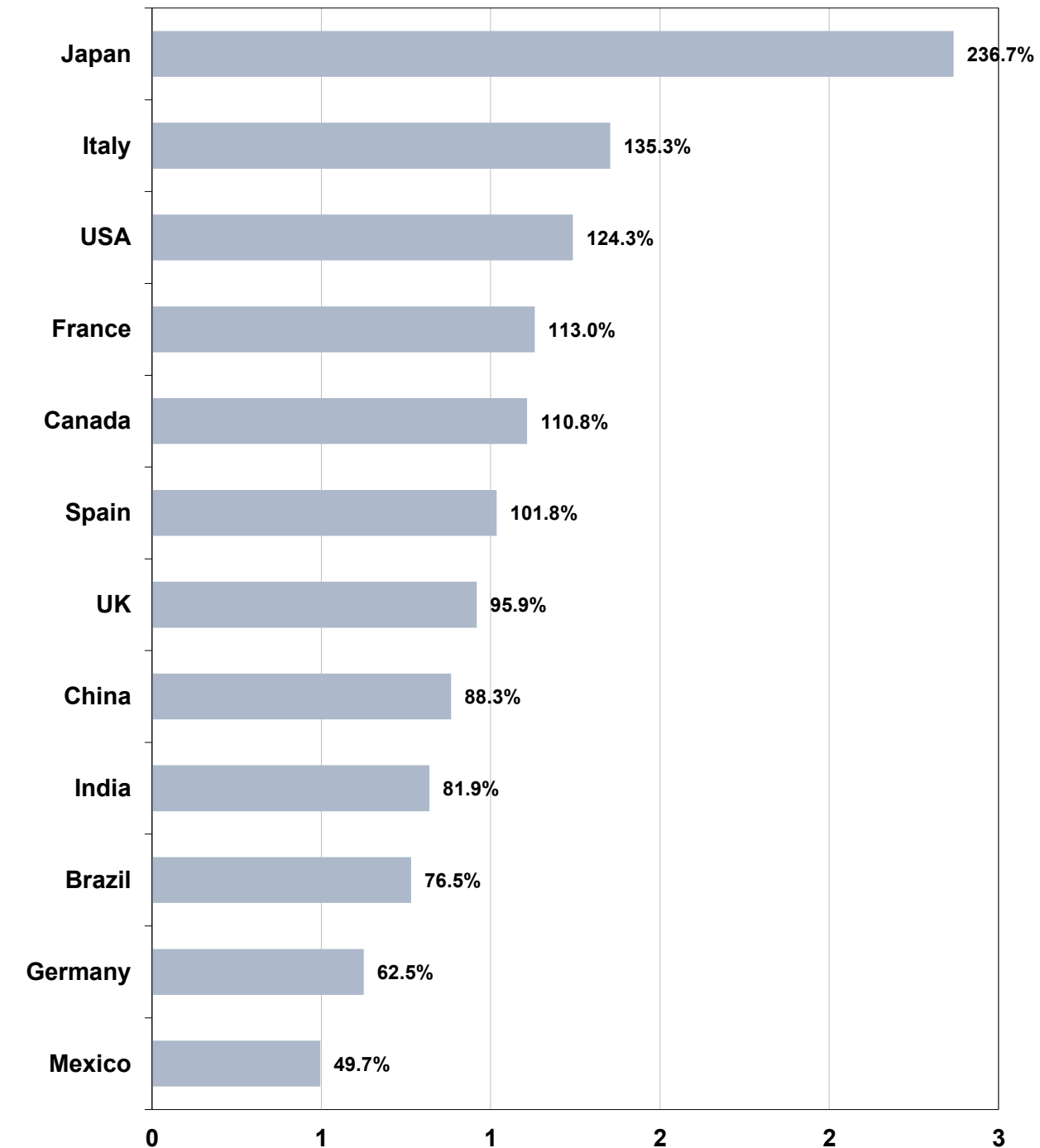
## Key Points

**Debt levels have risen in nearly all of the world's leading economies since the Covid-19 pandemic**

**Government expenditures, particularly on programs for retired people, are driving public spending increases**

**This debt is only sustainable without major spending cuts for as long as the economy continues to grow.**

Public Debt / GDP





# Summary of the Near-Term Outlook

Key Points	Details
<b>A Gradual Global Slowdown</b>	<b>Global economic growth will gradually trend downwards over the near-term.</b>
<b>Risk Levels Will Remain High</b>	<b>The threat of a global trade war has dramatically raised economic risk levels.</b>
<b>Growth Will Be Uneven</b>	<b>Economic growth will continue to be driven by a few countries and industries.</b>

# **Macro Trend #1**

## **A Changing Population**

# Key Population Trends

## Key Trends

**Birth rates continue to decline at a dramatic pace.**

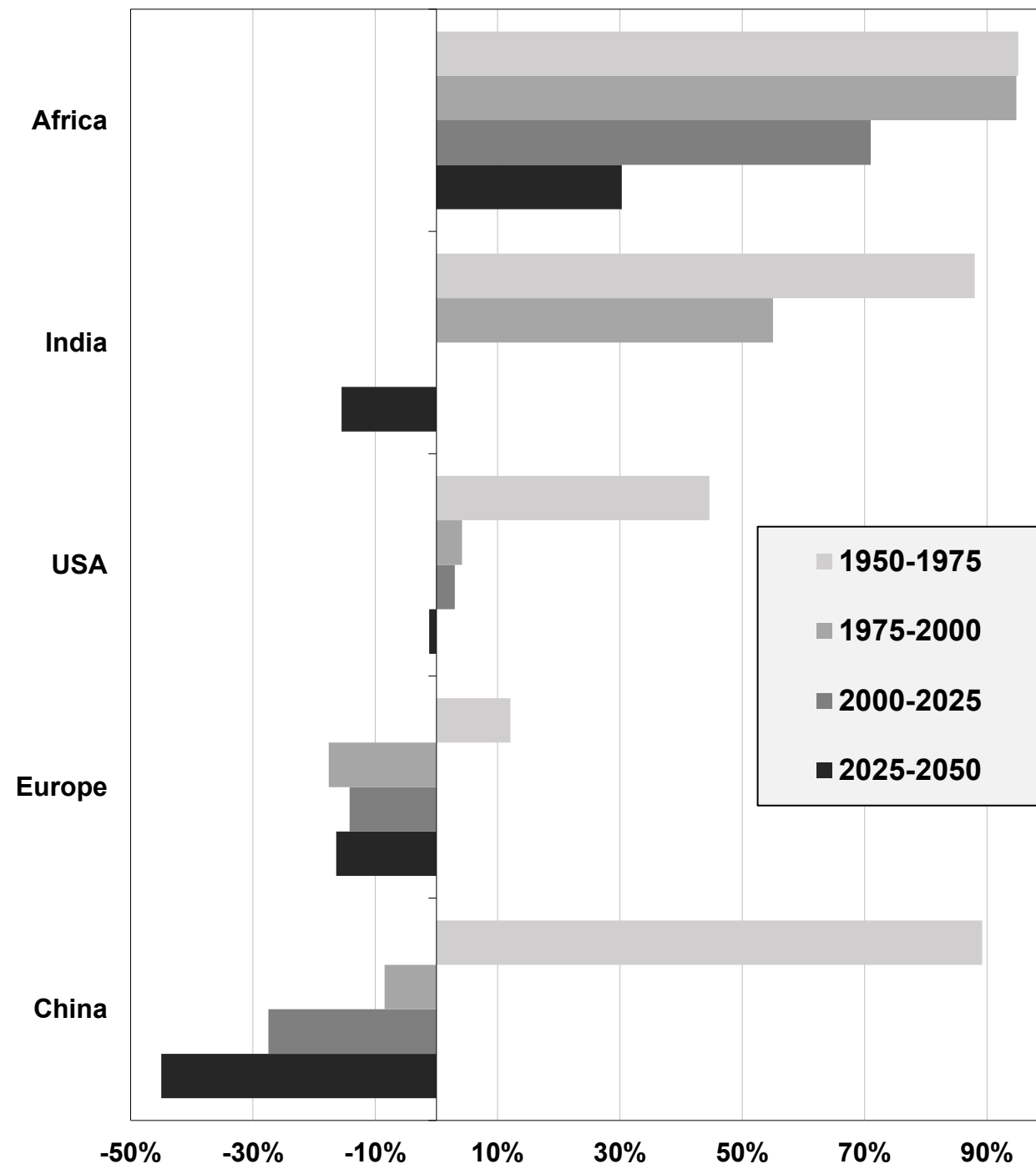
**The world's working-age population is stagnating, or declining.**

**The share of the population over the age of 65 is rising fast.**

**Labor shortages, and customer shortages, will worsen.**

# The Shrinking Youth Population

Change in Under-18 Population



## Key Points

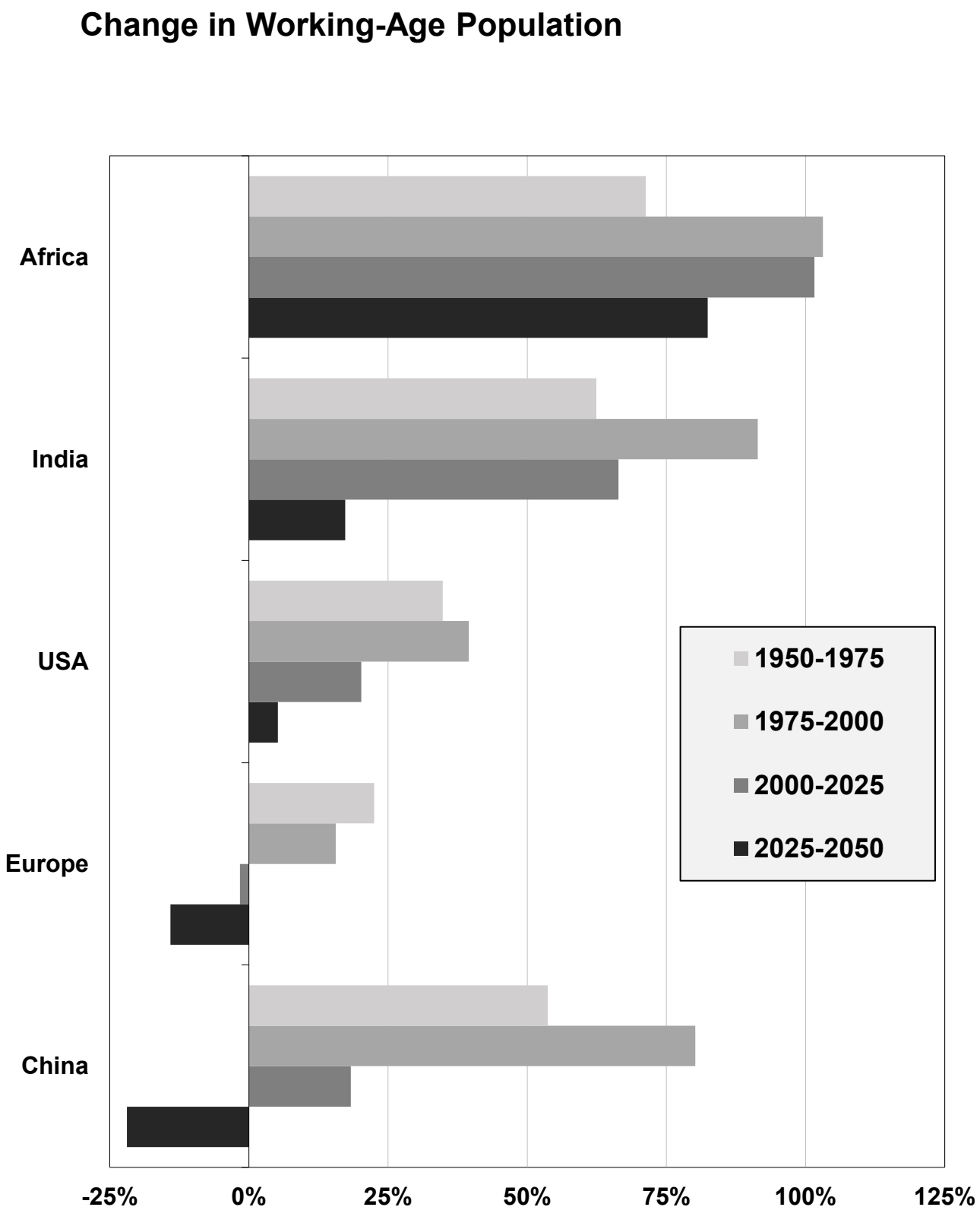
**Birth rates remain extremely low in many parts of East Asia and Europe.**

**Birth rates have fallen dramatically in most other areas of the world in recent years.**

**The youth population, outside of Africa and the Middle East, will decline sharply in the coming decades.**



# The Working-Age Population is No Longer Growing



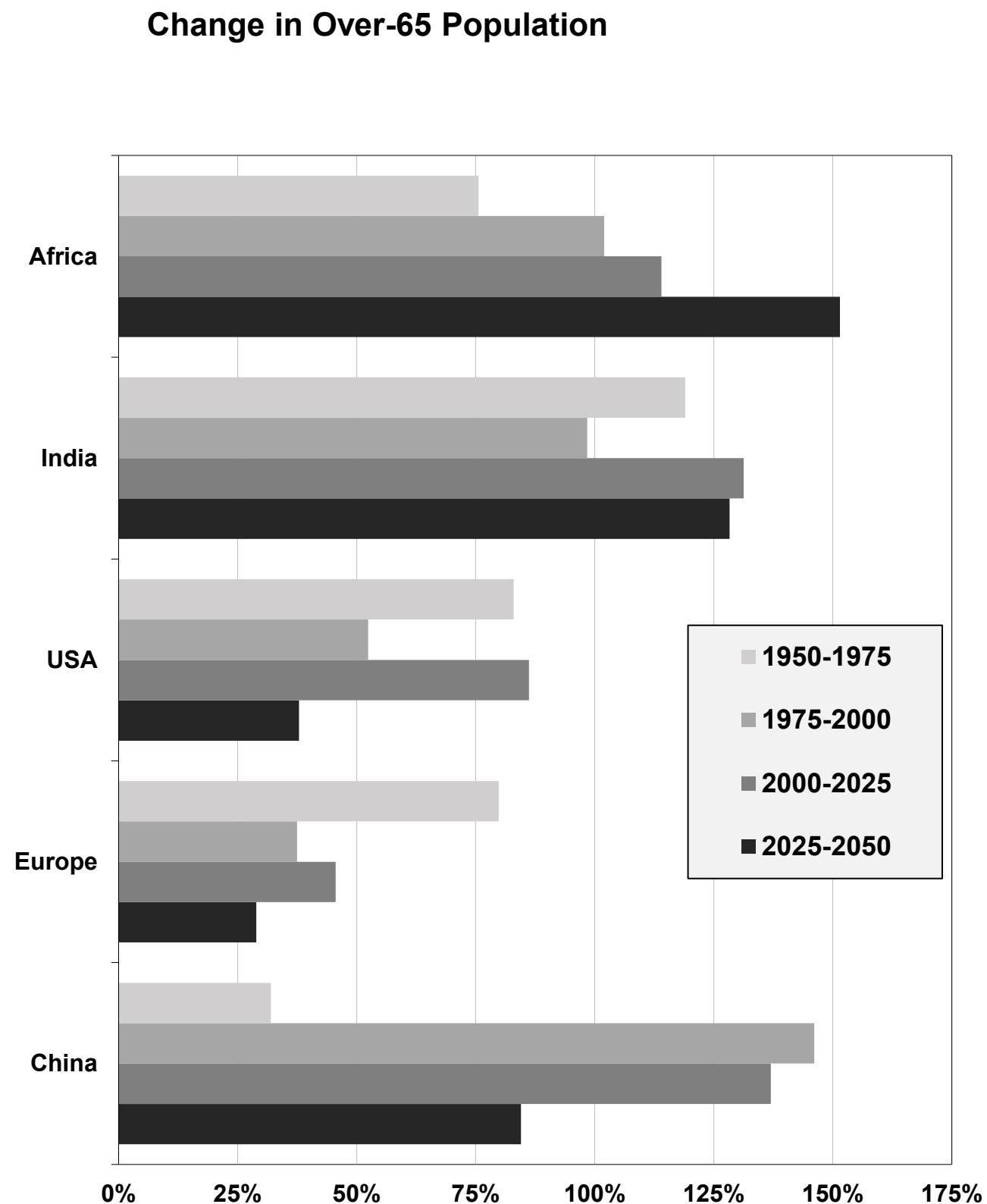
## Key Points

**Working-age populations are stagnating, or declining, in most of the world's leading economies.**

**Most of the growth in the global working-age population will come from Africa.**

**Extending the productive share of people's lives could become necessary to sustain the economy.**

# The Growing Over-65 Population



## Key Points

**The number of people over the age of 65 will double from 800 million today to 1.6 billion in 2050.**

**In most of the world, these 1.6 billion people will be “unproductive” members of society.**

**Government finances will come under increasing strain due to public spending on programs for over-65s.**

# Changing Population Characteristics



## Key Points

**In many major economies, the characteristics of their populations are changing rapidly.**

**These changes have brought labor and new ideas, but in many cases, societal and political strains.**

**If current trends continue, these changes will become even more pronounced in the future.**

# A World That Looks and Thinks Differently



## Key Points

**Changing priorities and lifestyles will have a major impact on the global economy.**

**Consumption preferences have dramatically impacted many industries.**

**Working preferences have also changed, presenting many challenges to businesses.**



# What This Means for the Economy

Key Points	Details
Demographic Decline	Falling birth rates mean that demographic decline will continue.
An Older Population	The average age of the global population will continue to rise.
Different Priorities	Priorities in terms of society, career and consumption are changing the economy.

# Opportunities and Threats

## Opportunities

**Products and services aimed  
at older consumers**

**New ideas and innovation**

**Less stress on many resources**

## Threats

**Shrinking markets and labor  
forces**

**Government finances**

**A more segmented market**

# **Macro Trend #2**

## **Rising Levels of Political Risk**

# Key Political Trends

## Key Trends

**More support for far-right or far-left policies**

**A fragmentation of politics into single-interest groups**

**Rising levels of geopolitical risk**

**A move towards localization and reshoring**

# Rising Levels of Extremism



## Key Points

**On the far-right, anti-immigration and socially-conservative positions have boosted support for right-wing parties.**

**On the far-left, identity politics and socially-liberal positions play a larger role among left-wing parties.**

**In most democracies, the political center has shrunk in terms of support and influence.**



# Rising Levels of Political Fragmentation

## Key Points

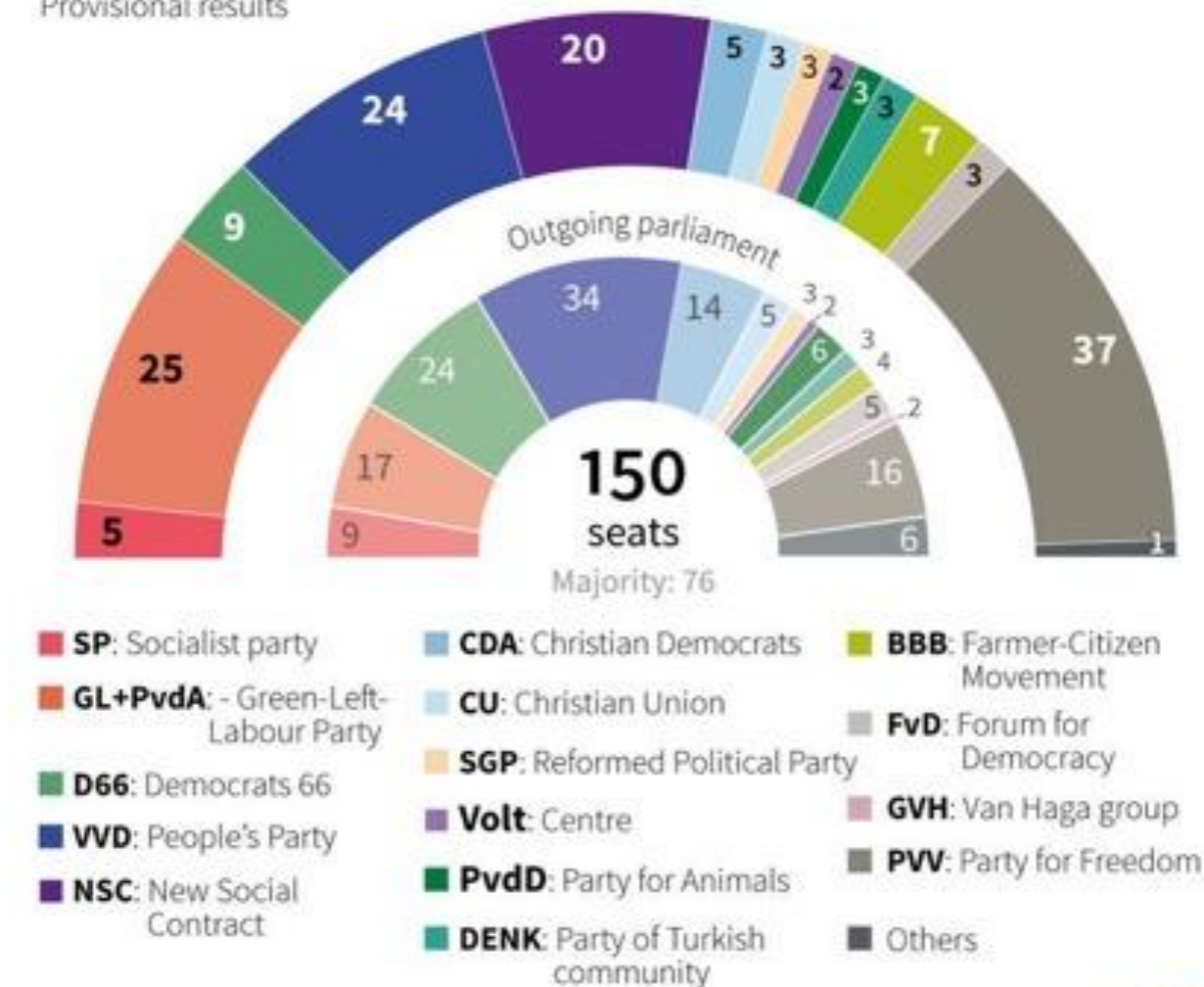
In parliamentary systems, forming and maintaining coalition governments is increasingly difficult.

In presidential systems, a wide range of views and positions are crammed behind a single party or candidate.

Such fragmentation could lead to a further loss of confidence in democracy.

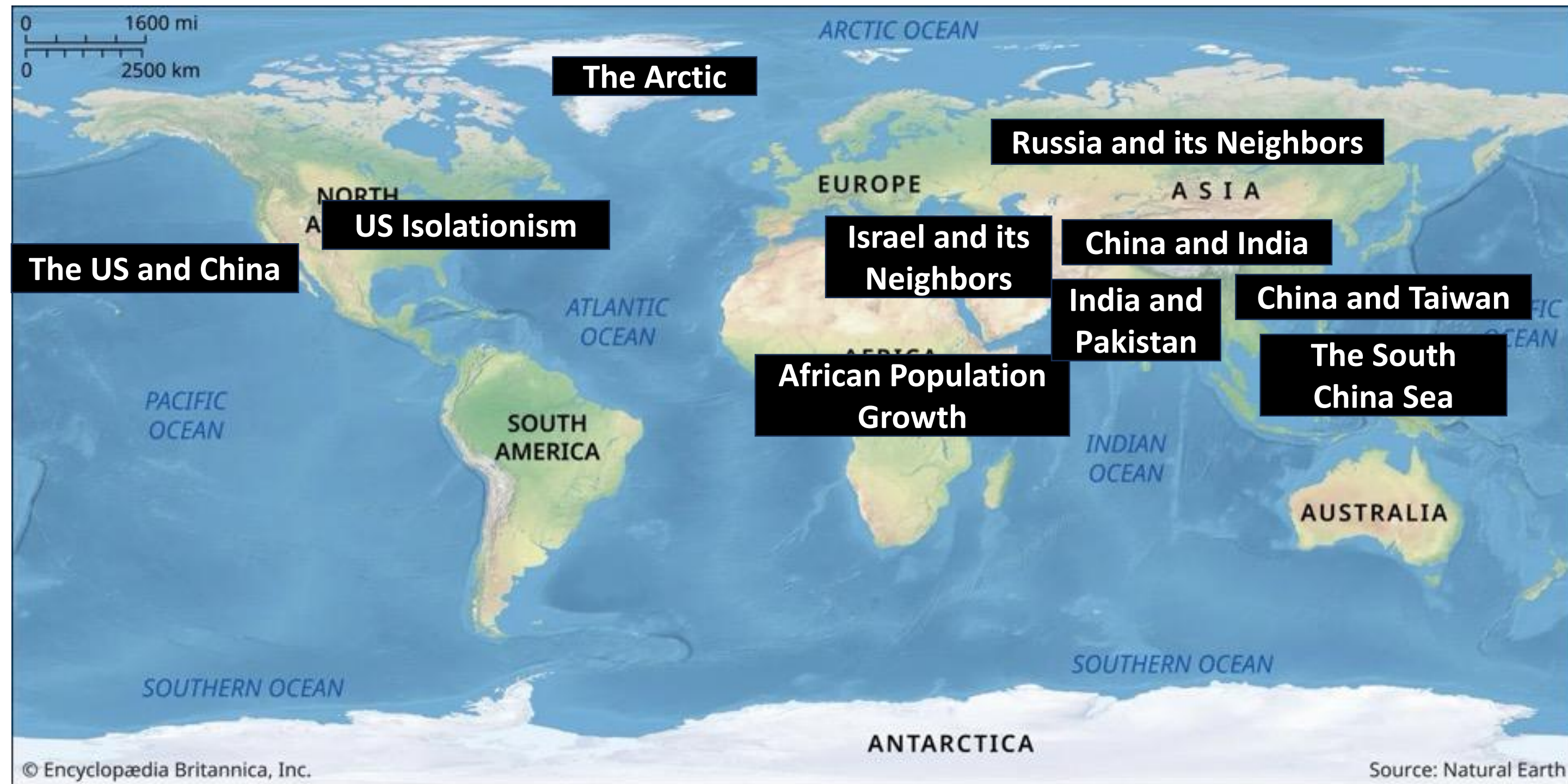
## Dutch elections

Incoming parliament  
Provisional results



# Geopolitical Risk

## The Ten Most-Dangerous Long-Term Geopolitical Flashpoints



# Localization and Reshoring

## Key Points

**The era of globalization is coming to an end.**

**In its place, a move towards regionalization is growing.**

**The biggest challenges to localization and reshoring are labor shortages and infrastructure deficiencies.**

## Potential Beneficiaries of Reshoring

**United States**

**Mexico**

**Spain and Portugal**

**Morocco**

**Southeast Europe**

**India**

**Vietnam**

**Indonesia**

**Thailand**

# What This Means for the Economy

Key Points	Details
<b>A Serious Threat to the Economy</b>	<b>Political and geopolitical risk will remain one of the biggest threats to the global economy.</b>
<b>Domestic Political Risk is Rising</b>	<b>Internal politics threaten to destabilize many of the world's leading economies.</b>
<b>The Threat of Great Power Conflict</b>	<b>The threat of a conflict involving two or more great powers will remain high in the coming years.</b>



# Opportunities and Threats

## Opportunities

**Re-shoring, near-shoring and  
friend-shoring**

**Competitive advantages  
based on stability**

**Competition could spur  
innovation**

## Threats

**Political instability and unrest**

**Conflicts between major  
powers**

**An end of globalization**



# **Macro Trend #3**

## **Rapid Technological Change**

# Key Technological Trends

## Key Trends

**Faster Technological Change**

**The World Moves Online**

**The Spread of Artificial Intelligence**

**The Need for Higher Productivity Growth Rates**

# Faster Technological Change

## Key Points

The pace of technological change is faster now than at any time in human history.

Many businesses and industries are struggling to keep up with the pace of technological change.

Technological change in the future may no longer be driven by humans.



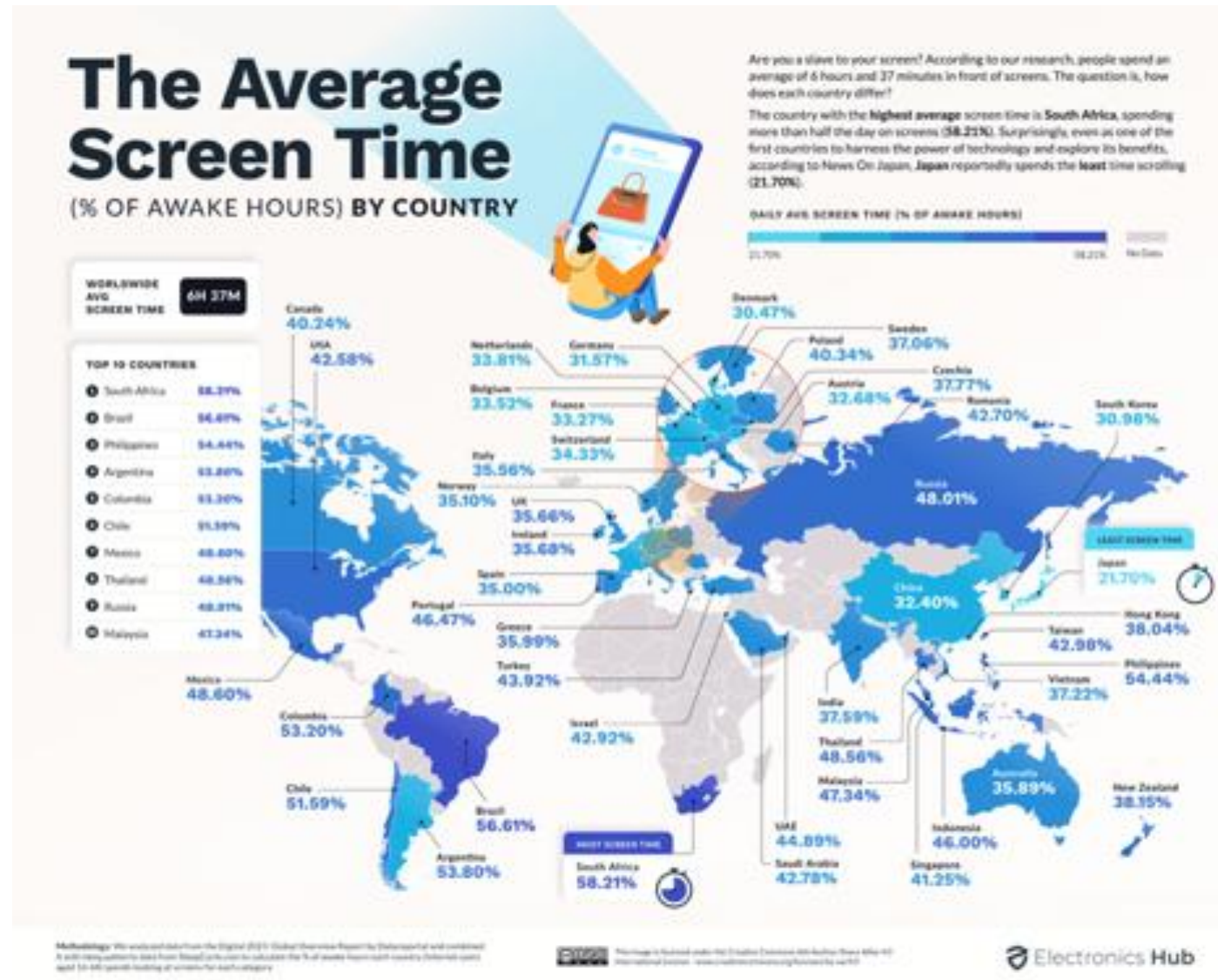
# The World Moves Online

## Key Points

The average person now spends nearly seven hours per day online.

The global e-commerce market is now worth more than \$6 trillion.

The online world is quickly becoming a parallel reality for a large share of the global population.





# The Spread of Artificial Intelligence

## Key Points

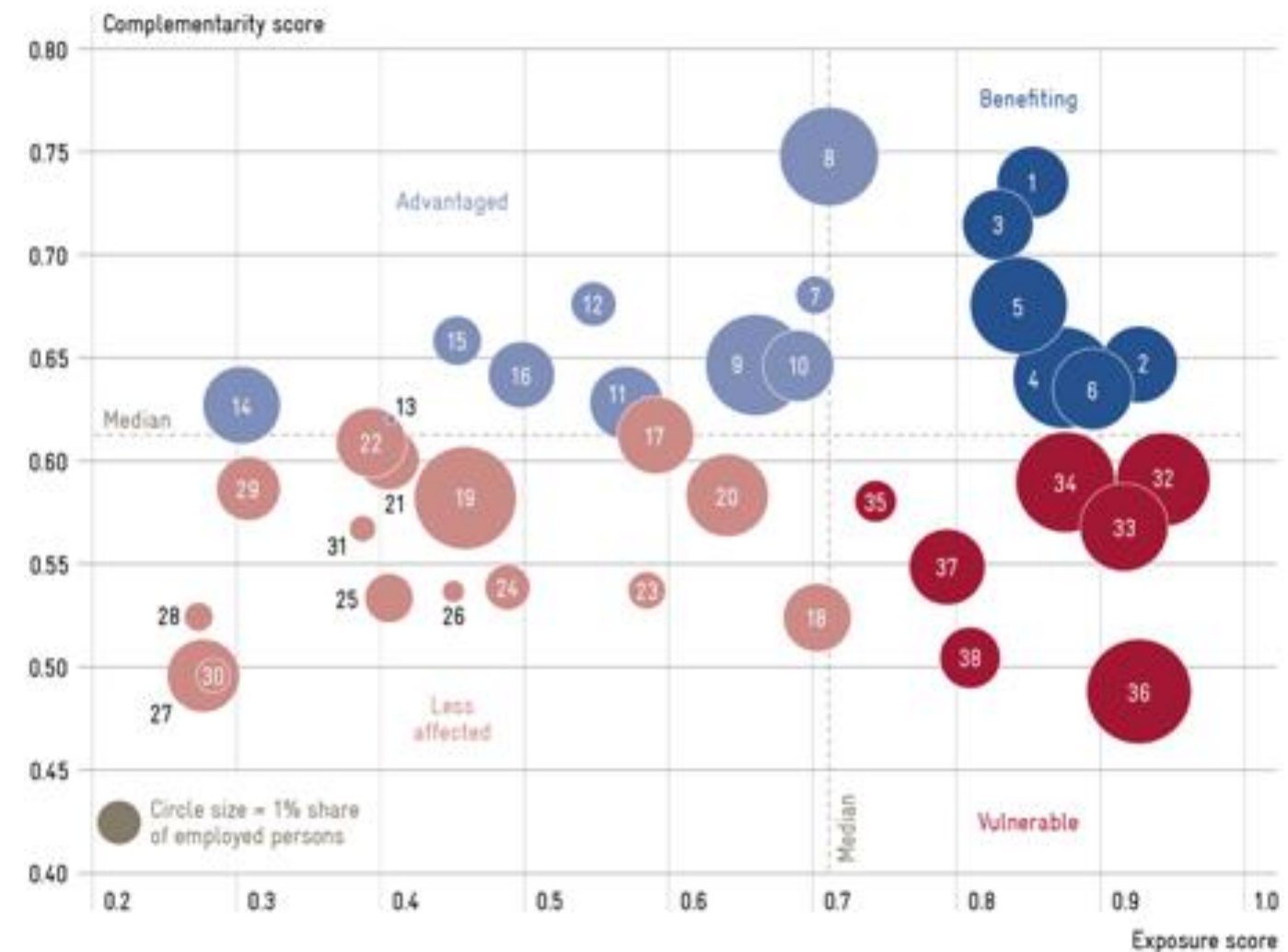
AI has the potential to be one of the most influential technological changes in the history of the world.

AI is slowly, but surely, transforming the workplace in many key sectors of the economy.

AI agents are expected to be the next "big thing" in AI and have the potential to drive productivity growth.

## AI has an impact in many (work) areas

Various occupational groups are affected by the potential applications of AI. Managing directors, teachers, doctors and related healthcare staff in particular are likely to benefit from the technologies in terms of increased productivity. Office workers, on the other hand, could find the technology competing with them.



**Benefiting:** 1. Managing directors 2. Commercial managers 3. Production managers 4. Scientists, engineers 5. Teachers 6. Social scientists, lawyers

**Advantaged:** 7. Hotel and catering managers 8. Doctors and allied health professionals (academic) 9. Engineering professionals 10. Legal social care professionals (non-academic) 11. Care workers 12. Security staff 13. Foresters, fishermen 14. Construction workers 15. Electricians 16. Drivers, mobile plant operators

**Less affected:** 17. Health care assistants 18. Customer-facing workers 19. Personal service workers 20. Sales staff 21. Skilled agricultural workers 22. Metal workers, mechanics 23. Precision craftsmen 24. Food processors 25. Machine operators 26. Assembly workers 27. Cleaning staff 28. Unskilled agricultural workers 29. Unskilled construction workers 30. Unskilled food processing workers 31. Waste management workers

**Vulnerable:** 32. Business economists (academic) 33. ICT technicians (academic) 34. Business economists (non-academic) 35. ICT technicians (non-academic) 36. General office staff 37. Finance office staff 38. Specialized office staff

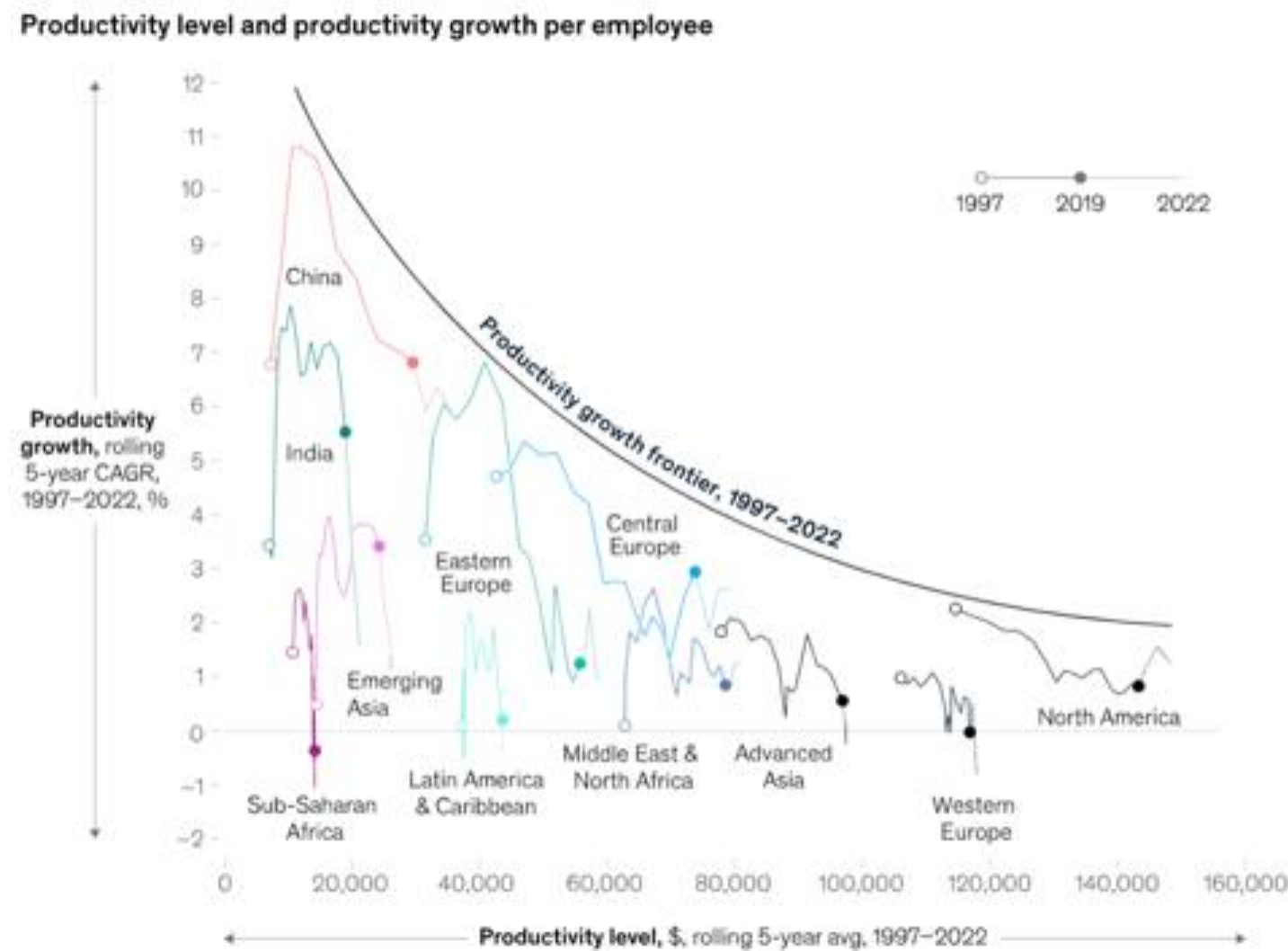
Source: FSD (2023), own calculations

Figure: Avenir Suisse



# The Need for Higher Productivity

## Productivity Growth Trends



## Key Points

**Productivity growth has been trending downwards in most developed economies for at least 50 years.**

**Without higher levels of productivity growth, the global economy will inevitably grow at a slower pace.**

**Technological changes such as AI and automation have the potential to drive an increase in productivity growth.**

# What This Means for the Economy

Key Points	Details
<b>Tech Industries Drive Growth</b>	<b>Technology industries are a leading driver of global economic growth.</b>
<b>The Risk of Being Left Behind</b>	<b>Countries, industries and businesses that are not present in the technological revolution risk falling further behind.</b>
<b>The Productivity Question</b>	<b>The global economy cannot grow faster in the future without higher rates of productivity.</b>

# Opportunities and Threats

## Opportunities

**Higher rates of productivity growth**

**The ability to produce more with less**

**New growth industries and businesses**

## Threats

**The threat of being left behind**

**Major disruptions to the labor force**

**Technology takes over**

# **Macro Trend #4**

## **A Changing Environment**

# Key Environmental Trends

## Key Trends

**A Changing Climate**

**Rising Natural Disaster Risk**

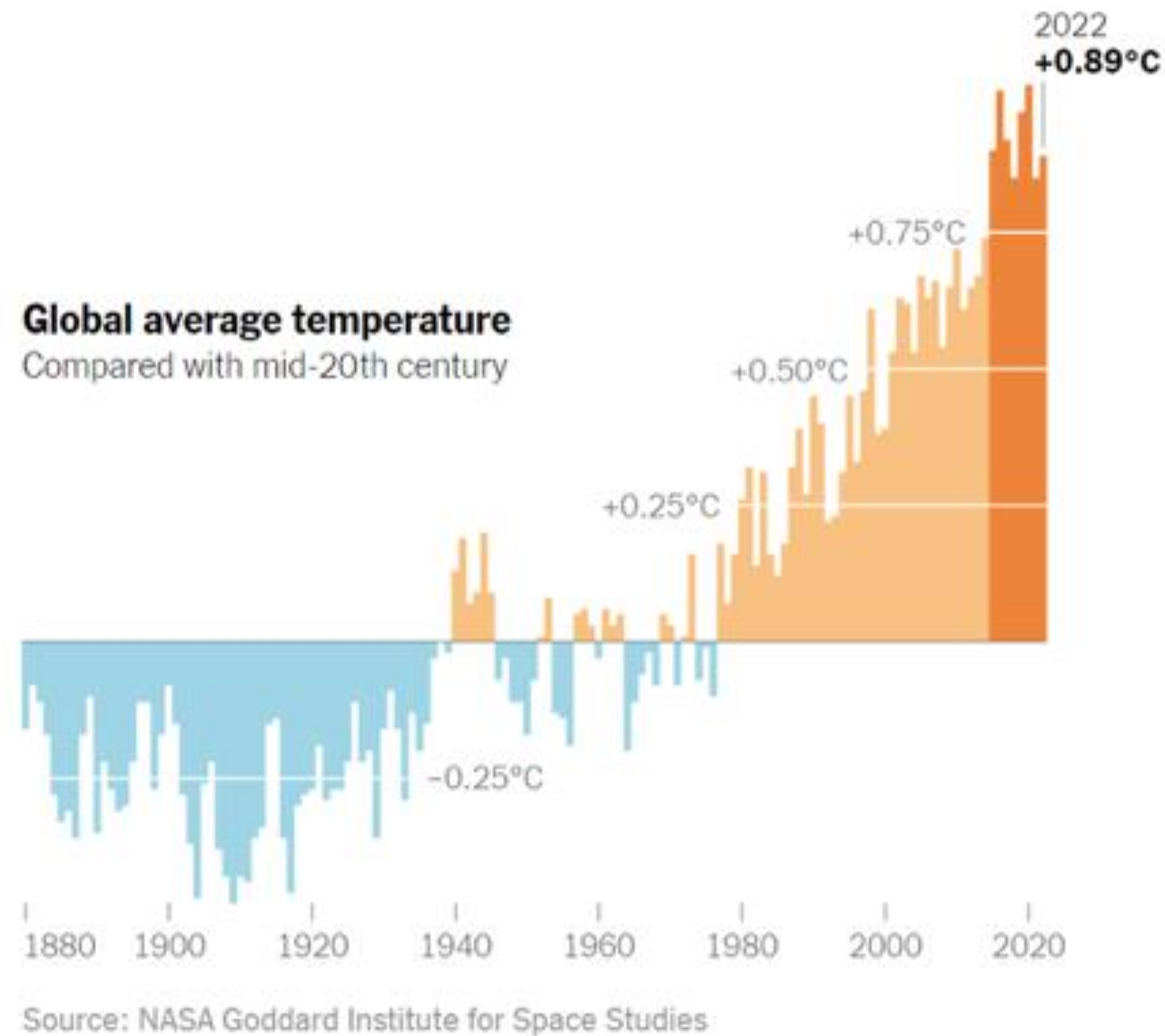
**A Focus on Sustainability**

**The Need for More Energy**



# A Changing Climate

## Average Global Temperatures



## Key Points

**Average global temperatures have continued to trend upwards in recent years.**

**Natural disasters have become more severe (and costly) as temperatures trend upwards.**

**Climate change is impacting many regions that are expected to generate significant economic growth.**

# Natural Disaster Risk

## Natural Disaster Risks

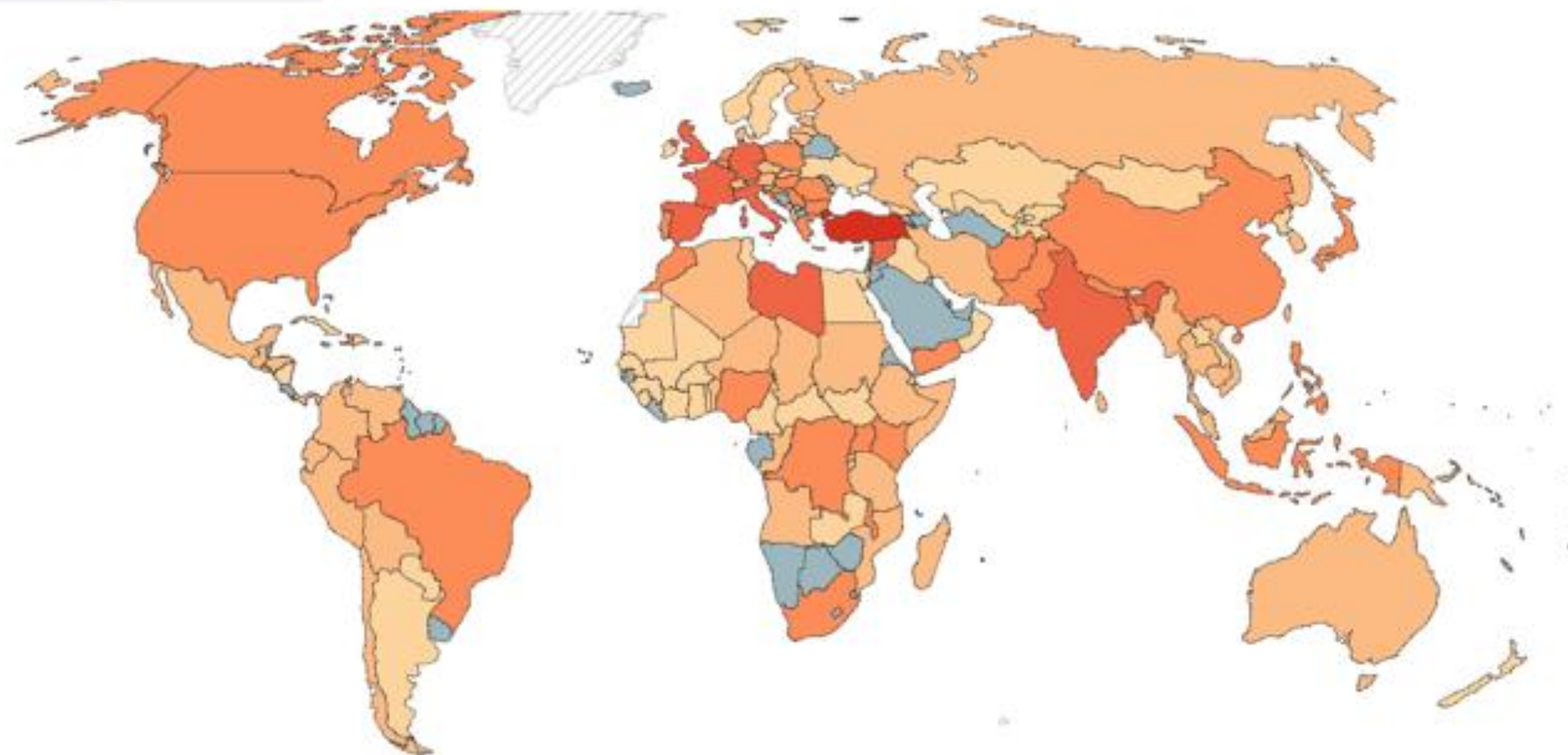
### Decadal average: Annual number of deaths from disasters, 2020

Our World  
in Data

Disasters include all geophysical, meteorological and climate events including earthquakes, volcanic activity, landslides, drought, wildfires, storms, and flooding. Decadal figures are measured as the annual average over the subsequent ten-year period.

Table Map Chart

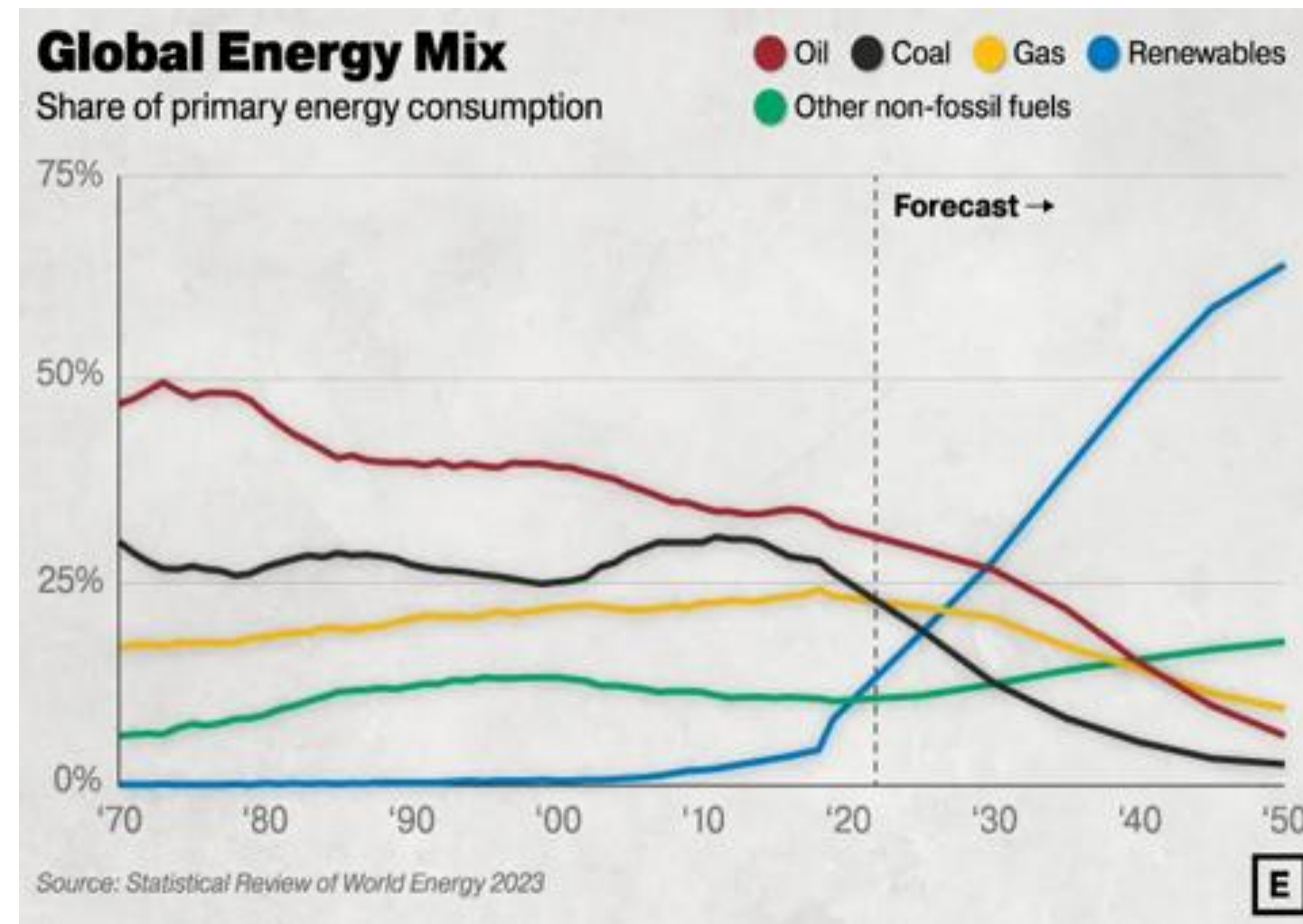
World



No data None 1 10 100 1,000 10,000 1 million 10 million

# A Focus on Sustainability

## Sources of Primary Energy



## Key Points

**Renewable sources of energy are quickly becoming the leading source of energy in many parts of the world.**

**This transformation to a renewable-driven world is having a major impact on the global economy.**

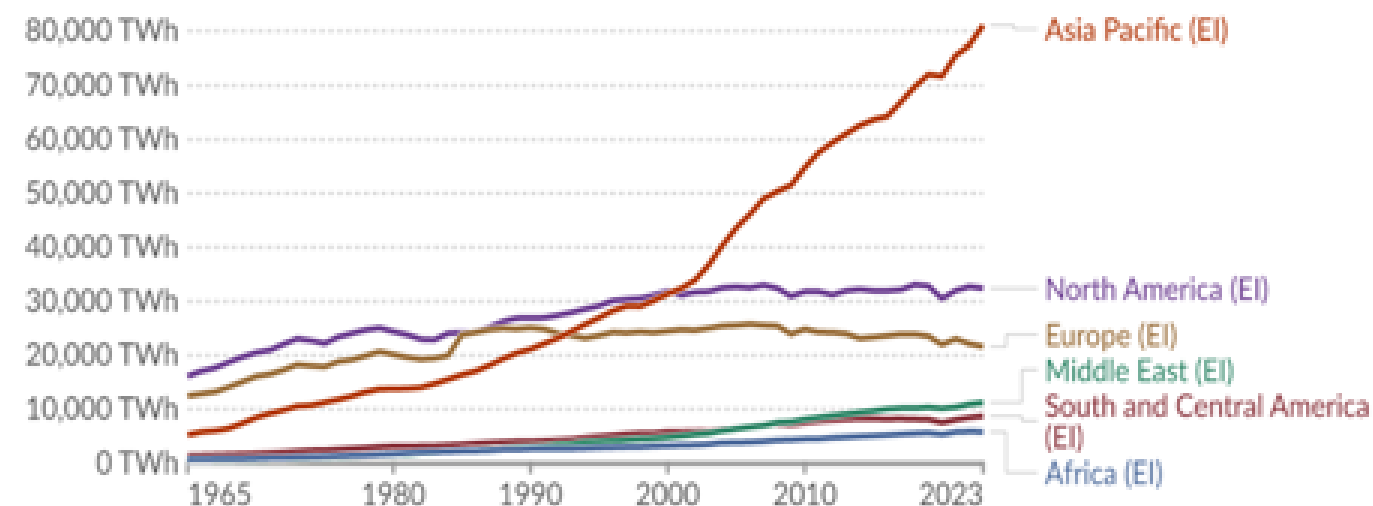
**Economic sectors linked to sustainability are among the fastest-growing sectors in the world.**

# The Need for More Energy

## Energy Consumption by Region

### Primary energy consumption by world region

Primary energy consumption is measured in terawatt-hours, using the substitution method.



Data source: Energy Institute - Statistical Review of World Energy (2024)

Note: The data includes only commercially-traded fuels (coal, oil, gas), nuclear and modern renewables used in electricity production, but not traditional biomass.

OurWorldinData.org/energy | CC BY

## Key Points

**Global energy consumption is ten times higher today than in 1924, and 2.4 times larger than in 1974.**

**Energy consumption in North America and Europe is steady, but it has risen dramatically in Asia in the 21<sup>st</sup> century.**

**Energy consumption will rise further due to demand in emerging economies and new sectors of the economy.**

# What This Means for the Economy

Key Points	Details
Potential Energy Constraints	Demand for energy continues to rise, threatening to usher in energy shortages.
Diverging Competitiveness	Countries with abundant energy resources have gained a competitive advantage.
Higher Human and Economic Costs	Meeting climate-related goals will be challenged by the need to meet energy demand.



# Opportunities and Threats

## Opportunities

**Competitive advantage for  
more sustainable regions**

**Competitive advantage for  
those with sufficient energy**

**A new growth industry**

## Threats

**Climate and natural disaster  
risk is rising**

**Energy constraints**

**Higher costs**

# **The Long-Term Outlook for the Global Economy**

# Long-Term Economic Trends

## Key Trends

**The generation of economic growth will become more challenging due to a range of factors.**

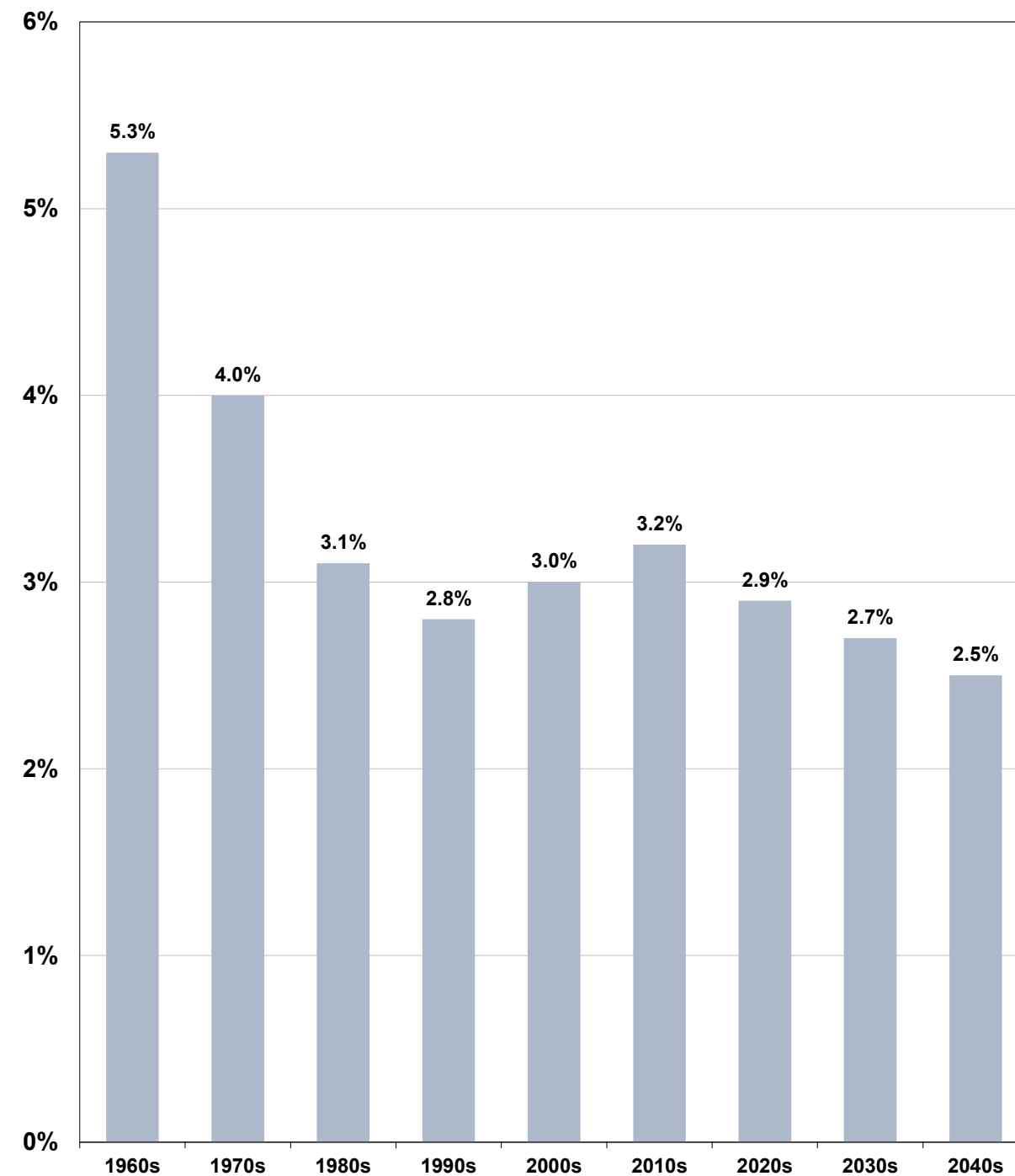
**Demographic decline poses one of the biggest long-term threats to the global economy.**

**Environmental, geopolitical and societal threats will have to be overcome in order to improve living standards.**

**Technological breakthroughs that enhance productivity in a sustainable manner are the key to long-term economic success.**

# The Long-Term Outlook for the Global Economy

Average Global GDP Growth Rates by Decade



## Key Points

**Global economic growth has held steady over the past 45 years at around 3% per year.**

**Much of this growth in the 21<sup>st</sup> century has come from Asian emerging markets.**

**Demographic decline and no obvious successors to Asian high-growth economies are a major risk.**

# The Long-Term Outlook for Developed Economies

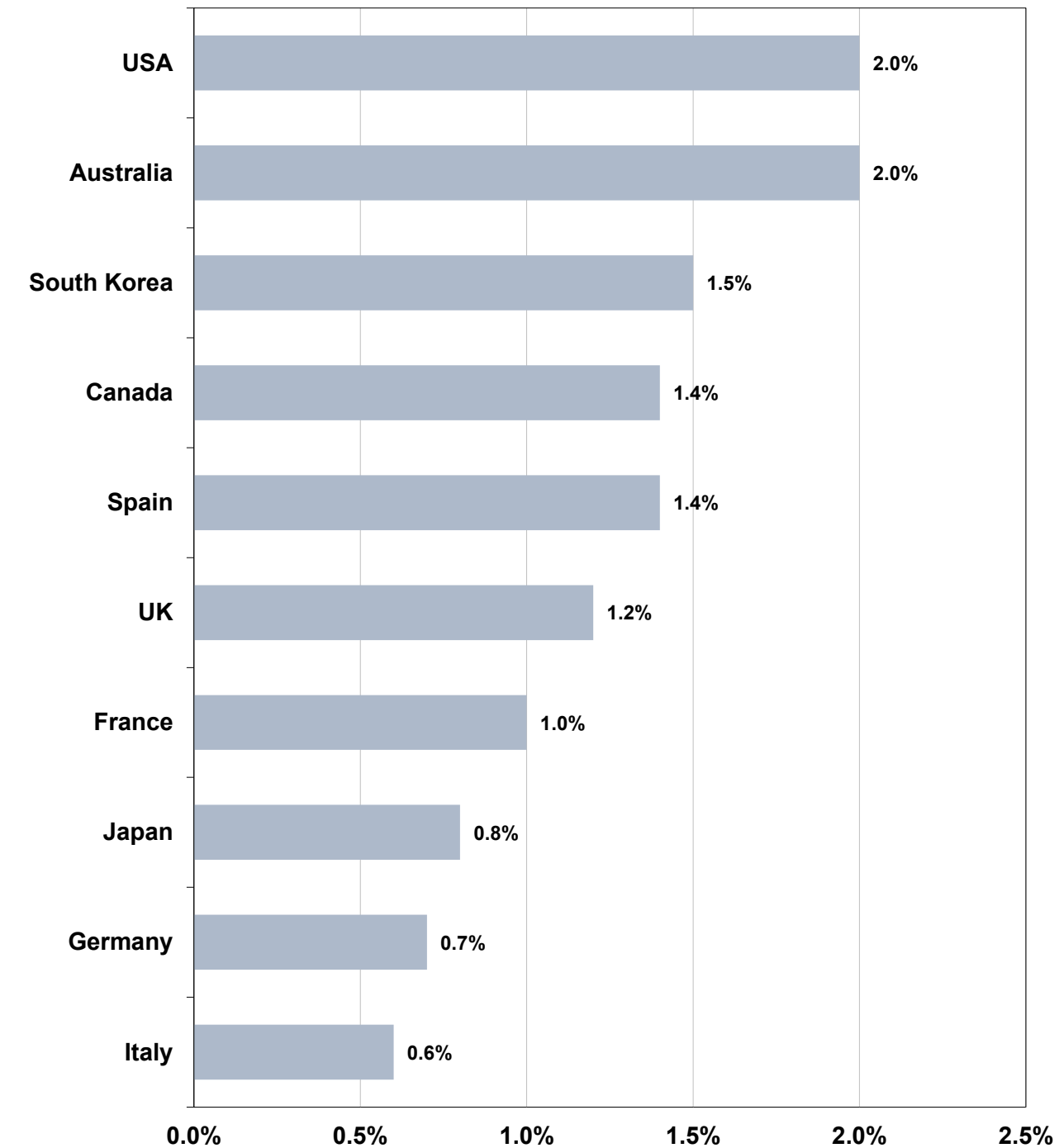
## Key Points

**“New World” developed economies will continue to grow faster than their peers.**

**European economies will grow a little faster than in recent years, but their growth ceiling remains low.**

**Those developed economies with high-tech sectors, or with natural resources, will grow at a faster pace.**

**Forecast Average GDP Growth Rates for the Next Ten Years**





# The Long-Term Outlook for Emerging Economies

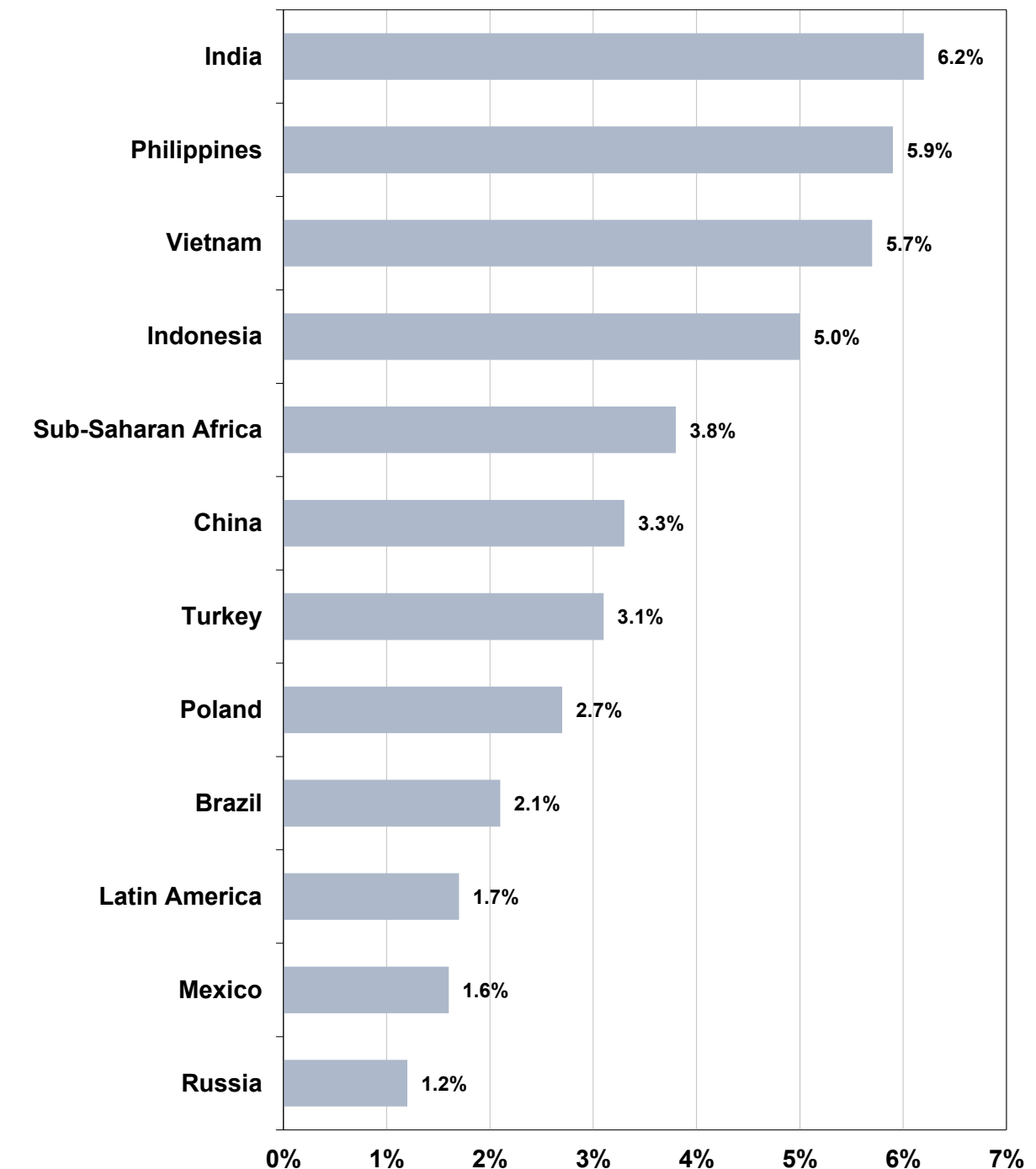
## Key Points

**Asian emerging markets will remain the world's fastest-growing large economies.**

**However, Chinese economic growth will continue to trend downwards over the longer-term.**

**Elsewhere, emerging growth will be highly uneven over the long-term.**

**Forecast Average GDP Growth Rates for the Next Ten Years**



# What This Means for the Economy

Key Points	Details
<b>A Focus on Productivity</b>	<b>Improvements in productivity are the best chance for continued global economic growth.</b>
<b>Less Workers and Consumers</b>	<b>The world is facing an increasing shortage of workers, and some sectors will see a shortage of consumers.</b>
<b>New Drivers of Growth</b>	<b>New drivers of growth, both countries and industries, need to emerge to drive long-term global economy growth.</b>

# **How to Prepare for the Changes Ahead**

# How to Prepare Your Business to Succeed

Key Points	Details
Identify Opportunities and Risks	Stay abreast of the important economic, political and technological changes that will impact your industry and business.
Accumulate Needed Resources	Have the resources in place to take advantage of opportunities, and to mitigate risks, as they arrive.
Develop Strategies to Succeed in a Challenging World	Work with experts from inside and outside of your business to develop strategies to grow and prosper.

# The ISA Global Economic and Risk Outlook

## **Have the ISA Global Economic and Risk Update Presented to Your Organization or At Your Next Event**

- As an in-person speech
- As an online webinar

To learn more, contact Michael Weidokal at:

- [mweidokal@isa-world.com](mailto:mweidokal@isa-world.com).





# Securing the Future of Manufacturing

IT & OT: DIFFERENT WORLDS,  
SHARED RISKS

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**Steve Grossenbaugh**

Business Development Manager

Steve.Grossenbaugh@reamanaged.com

*Steve is a Business Development Manager with Rea Information Services. Steve has been providing technology solutions to Ohio's businesses for nearly 20 years.*



**Travis Strong**

Principal

Travis.Strong@reamanaged.com

*Travis is a Principal with Rea Information Services. Travis' 18-year career has focused on IT risk management and cybersecurity for organizations.*





# Agenda: Securing the Future of Manufacturing



**Why This Matters: Cybersecurity as a business risk—impacting operations, safety, and reputation**



**The Cyber Threat Landscape: lions and tigers and bears, oh my!**



**Expanded Attack Surface: More connectivity = more entry points**



**IT & OT: Different Worlds, Shared Risks: Bridging the gap between IT and OT environments**



**Risks & Business Impact: Downtime, safety, damage, regulatory pressure**




**Best Practices & Call to Action: Your cheat sheet**



**Partnering for Security: Filling internal gaps and building resilience**





# Why this matters

Manufacturing has increased reliance on modern technology, including industrial control systems (ICS), Internet of Things (IoT) devices and operational technology (OT).

These innovations can boost productivity and streamline operations, but they've vastly expanded the cyberattack surface.

Cybersecurity is a business risk, not just an IT issue.

Manufacturing accounts for 25% of attacks primarily due to low tolerance for downtime and relatively low level of cyber maturity.

The global costs associated with cyber crime are estimated at \$10.29 trillion, with projections reaching \$16 trillion by 2029.





# Top 5 cyber threats

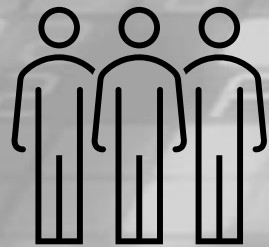
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# CYBER THREAT LANDSCAPE



## **Phishing & social engineering**

- Phishing remains a leading attack vector
- Attackers use social engineering to trick users
- Artificial intelligence is making it easier (or more difficult)



## **Insider threats**

- Malicious or accidental actions; manipulation
- Individuals may leak or misuse sensitive data
- Excessive/outdated permissions; onboarding/offboarding



## **IP theft**

- You have important information
- If compromised, could erode business over time



## **Ransomware attacks**

- Remains one of the most prevalent threats
- Double-extortion tactics
- Outdated systems, weak passwords, flat networks



## **3<sup>rd</sup> parties, cloud & supply chain security**

- Reliance on 3rd parties expands the threat landscape
- Attack surface expands beyond your four walls
- An attack of one party can impact another party

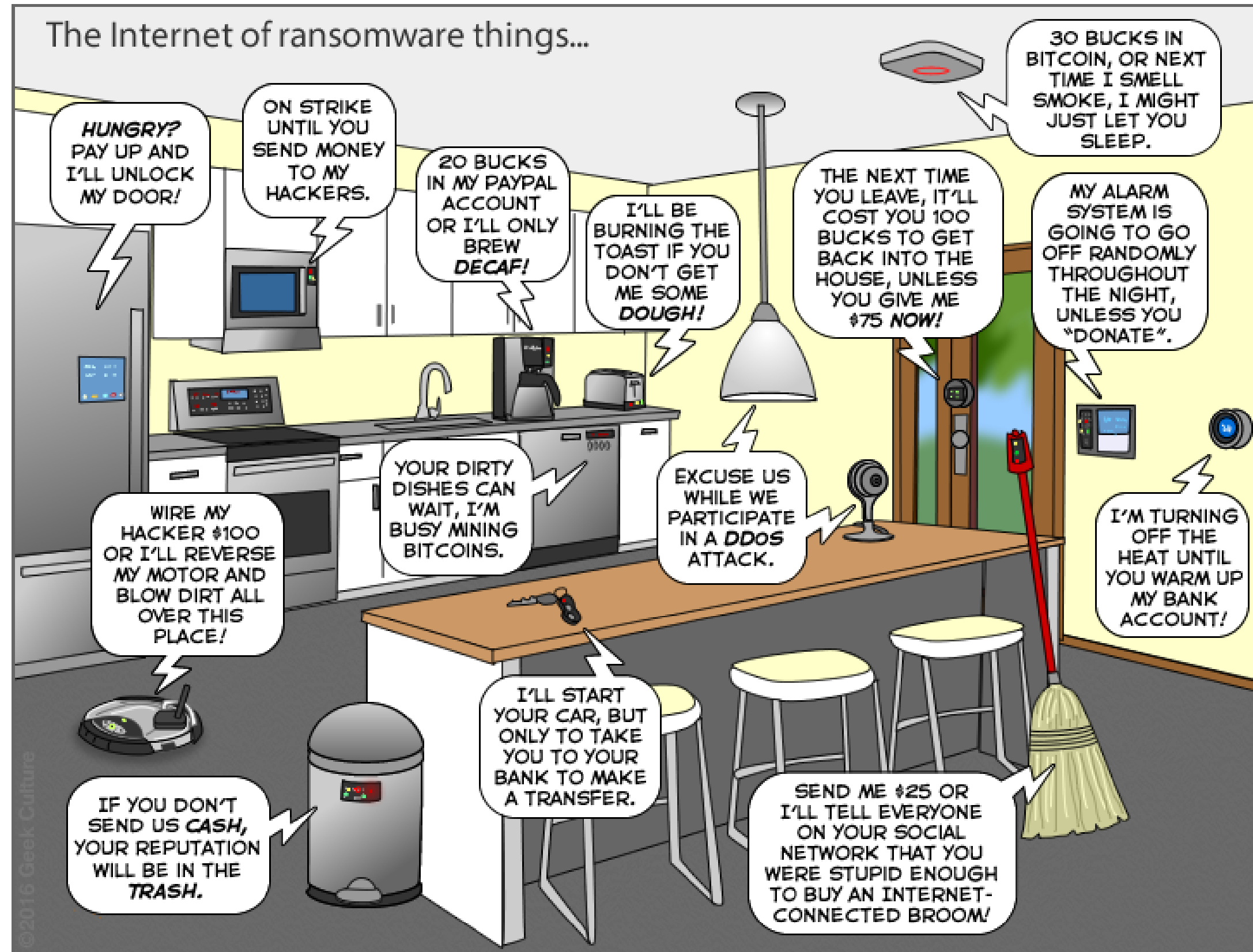


## **Legacy systems**

- Outdated / vulnerable systems are low-hanging fruit
- Difficulty patching/updating leaves them exposed

# Expanded attack surface

The Joy of Tech™ by Nitrozac & Snaggy

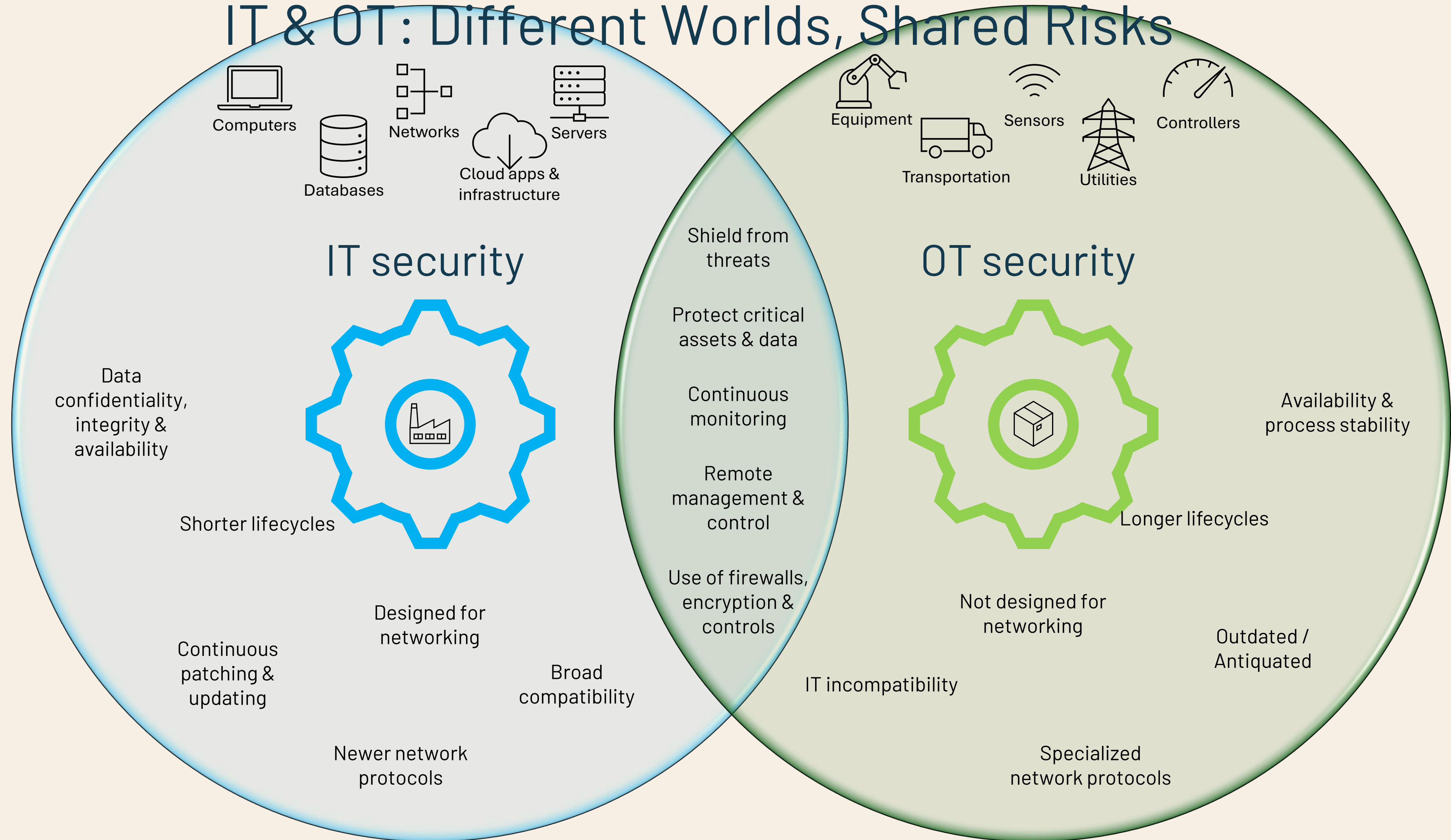


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# IT & OT: Different Worlds, Shared Risks



# IT & OT: Different Worlds, Shared Risks

**Collaboration** between IT and OT from a cybersecurity standpoint is of greater importance as the lines blur.

OT systems used to be isolated from the internet and external threats but are now connected, which introduces vulnerabilities.

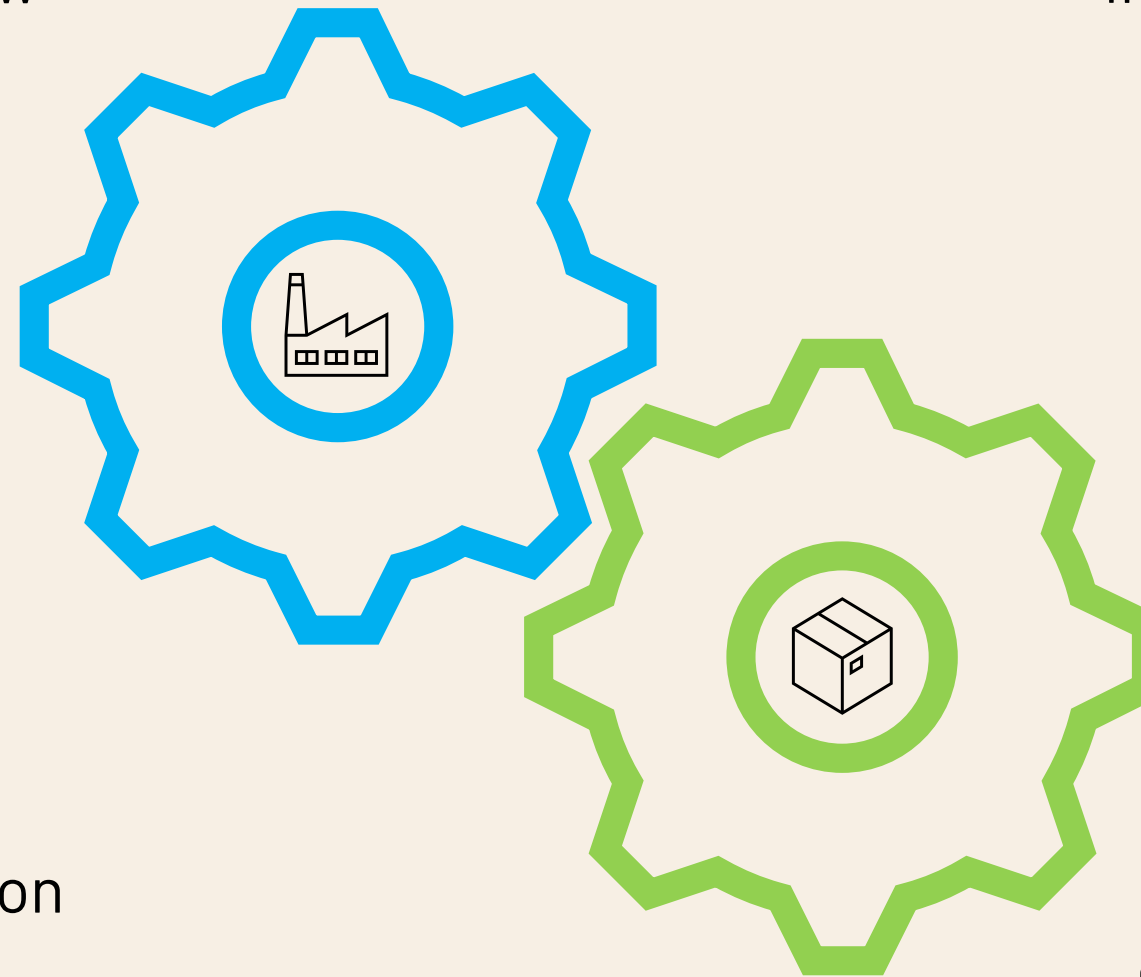
Collaboration helps with a good design and implementation of security measures.

IT and OT are more interconnected now and relying on data-driven systems.

Collaboration helps facilitate far better use of data – data is the new oil.

These areas are increasingly dependent on each other to maintain security – by working together, you can bridge the gap with protecting assets and operations.

Collaboration means a more secure, compatible infrastructure to support business strategy.







A photograph of a large industrial factory floor. In the foreground, a large red robotic arm is mounted on a black base. In the background, several other red robotic arms are visible, working on assembly lines. The ceiling is high with exposed metal beams and bright industrial lights. The overall scene depicts a modern manufacturing environment.

# RISKS & BUSINESS IMPACT

Downtime = lost revenue and productivity

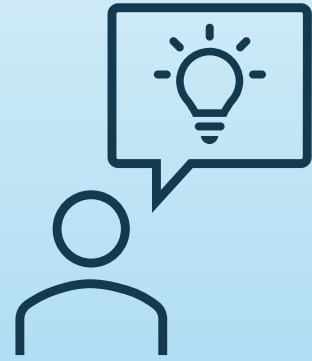
Safety risks to employees and equipment

Damage to trust, reputation, & competition

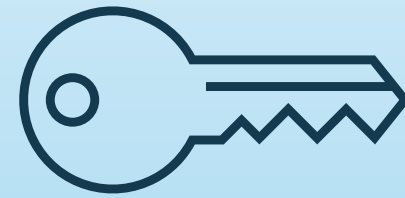
Regulatory pressures

# Your cheat sheet

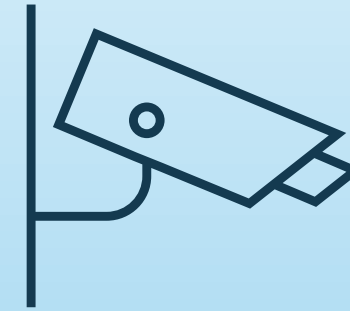
*Take these with you. While not an exhaustive list, it's a good start.*



Employee awareness, training,  
& policies



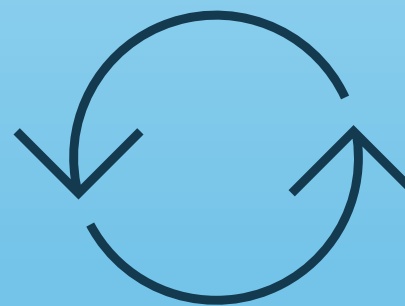
Identity, access management,  
& principle of least privilege



Monitoring – incident response  
& disaster recovery



Network segmentation & zero-  
trust philosophy



Patch & vulnerability  
management



Advanced threat detection





# PARTNERING FOR SECURITY

- 1) Proactive vs. Reactive
- 2) Identify and fill skill and resource gaps
- 3) Options
  - Managed Services / Security Provider (MSP/MSSP)
    - Fully managed service
    - Co-managed service
  - Virtual Chief Information Security Officer (vCISO)
  - Information security risk assessments





# BREAK

We will begin again shortly.

# AGENDA

**8:00 – 8:30**

## **Breakfast & Networking**

**8:30 – 8:40**

## **Welcome & Opening**

Ryan Brickwood, Rea

**8:40 – 9:25**

## **The ISA Global Economic and Risk Outlook**

Michael Weidokal, International Strategic Analysis (ISA)

**9:25 – 10:10**

## **Securing the Future of Manufacturing**

Steve Grossenbaugh and Travis Strong, Rea

**10:10 – 10:25**

## **Break**

**10:25 – 11:10**

## **2025 Tax Update for Manufacturers – One Big Beautiful Bill Act Analysis**

Kaitlyn Robison, Rea

**11:10 – 12:00**

## **The Mindsets of Leadership**

Scott J Allen, Ph.D., SMU's Cox School of Business Executive Education and Winding River Consulting

**12:00**

## **Adjourn**



# **2025 TAX UPDATE FOR MANUFACTURERS**

One Big Beautiful Bill Act Analysis

Kaitlyn Robison, CPA, CFE, MPPA, Rea

# Which provision of the OBBBA do you believe has sparked the most discussion?



# AGENDA

1. OBBBA Overview
2. Bonus Depreciation & 179 Expensing
3. R&D
4. 163(j) Planning
5. Energy & Credits
6. Workforce Incentives
7. State Considerations
8. Practical Implications & Action Items



**OBBBA**

# A PIVOTAL YEAR OF CHANGE

- One Big Beautiful Bill (aka OBBBA, aka The 2025 Act)
  - Addressed TCJA sunseting uncertainties
  - Provides permanent fix to 174 and Bonus
  - Includes many popular provisions from campaign



# Campaign Trail Provisions



No tax on overtime



No tax on tips



No tax on Social Security



Car loan interest deduction



# Other Key Federal Changes



Increased SALT deduction cap



Lower individual tax rates are now made permanent



Enhanced QBI



Estate and gift tax exemption is now \$15 million



International Tax Updates



Changes to Energy Credits



# Bonus Depreciation and Section 179



# Deduction Limits

## Bonus Depreciation

- No dollar limit
- Can deduct % of the cost of property, regardless of total amount spent

## Section 179

- Maximum deduction limit
- Phase out threshold

# Income Limitation

## Bonus Depreciation

- No income limitation
- Even if the deduction creates a net operating loss, the business can still claim it

## Section 179

- Deduction cannot exceed taxable income from active business activities.
- Unused amount can be carried forward to future years

# Eligible Property

## Bonus Depreciation

- Property with a recovery period of 20 years or less

## Section 179

- Most tangible property
- Some improvements to nonresidential real property
  - QIP
  - HVAC
  - Roofs
  - Security Systems
  - Fire Protection



# Application

## Bonus Depreciation

- Automatically applies
- Can elect out by class of asset

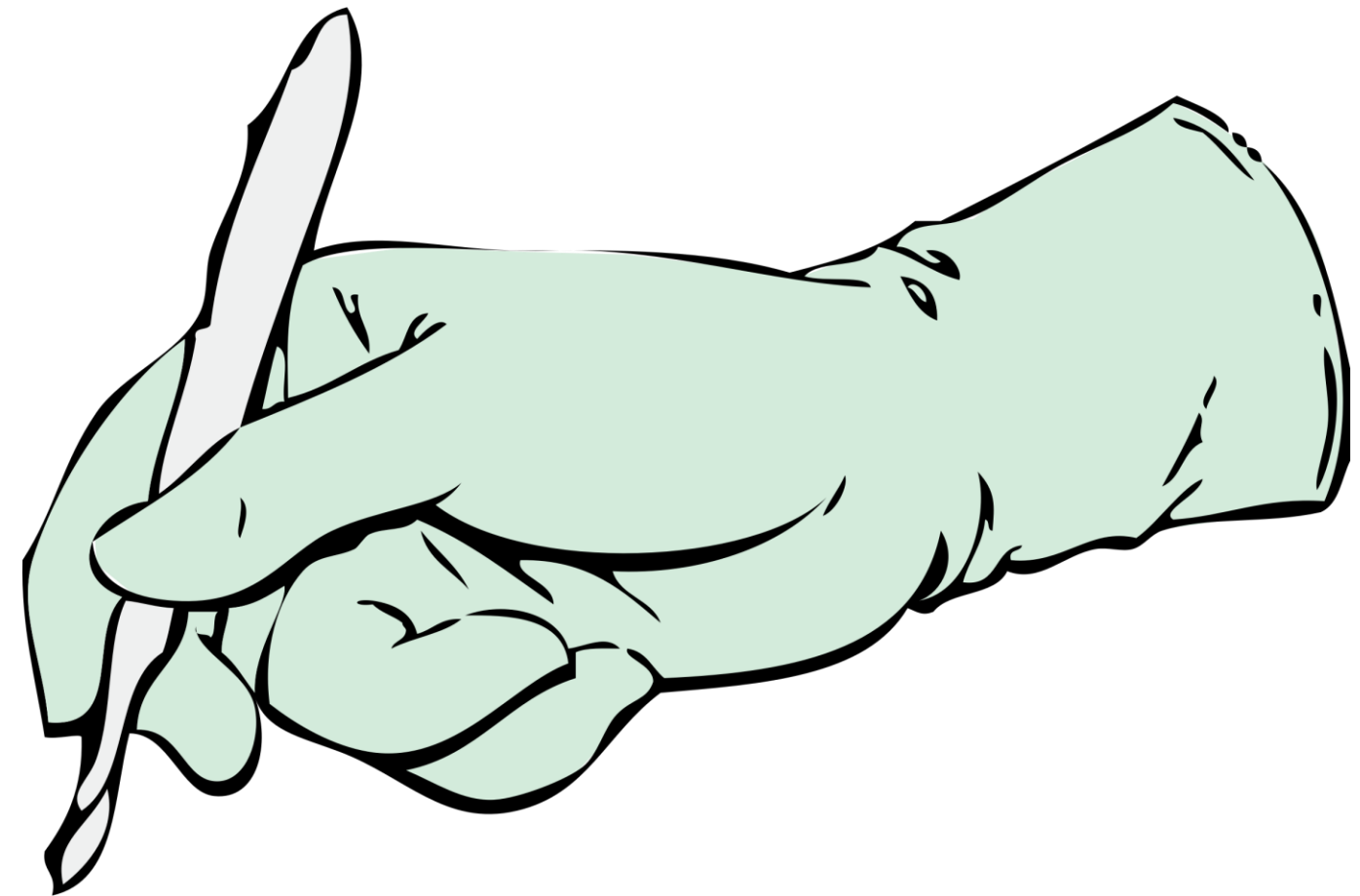
## Section 179

- Elective by property
- Section 179 expensing is applied to eligible property before bonus depreciation
- 179 is applied first

# Bonus Depreciation



# Section 179



# Current Law vs. New Law - Bonus

## 2024 Law (Pre-OBBBA)

- Bonus depreciation was phased down annually with the TCJA:
  - 2018–2022: 100%
  - 2023: 80%
  - 2024: 60%
  - 2025: 40%
  - 2026: 20%
  - 2027 and later: 0%

## OBBBA

- 100% - Property acquired after January 19th, 2025

# Current Law vs. New Law - 179

## 2024 Law (Pre-OBBBA)

- Expensing limit \$1,220,000
- Phase-out starting at \$3,050,000

## OBBBA

- Expensing limit increased to \$2.5 million
- Phase-out starting at \$4 million
- Indexed for inflation



# Qualified Production Property

## New for 2025

- Immediate expensing for the portion of nonresidential real property that qualifies as "qualified production property."
- Construction must begin after January 19, 2025
- Must produce qualified product defined as "Tangible Personal Property"





# Qualified Production Property



- **Not included:**
  - Areas of the facility used for offices, administrative functions, or unrelated activities would not qualify for the 100% expensing.
  - Must allocate costs appropriately between qualifying and non-qualifying portions.
- Cost segregation is advised

# Case Study

# Case Study

- **Background:**

- ABC Manufacturing, Inc. is a mid-sized U.S. manufacturer of industrial equipment. ABC plans to expand its operations by purchasing new machinery and building a new production facility.
- Assume construction of facility begins after January 19, 2025, and the property is placed in service by the end of 2030 and the entire facility qualifies as qualified production property.

- **Planned Capital Expenditures:**

- New manufacturing equipment: \$2,400,000
- Office computers and software: \$200,000
- New production facility (nonresidential real property, used exclusively for manufacturing): \$5,000,000
- Office furniture for the new facility: \$100,000

# Step 1: Section 179 Expensing - OBBBA

## 179 Eligible Property:

Manufacturing equipment:	\$2,400,000
Office computers and software:	200,000
Office furniture:	<u>100,000</u>
	\$2,700,000

- The Section 179 deduction is limited to \$2,500,000 for 2025
- ABC's total eligible purchases do not exceed the \$4,000,000 phaseout threshold

**Section 179 deduction claimed: \$2,500,000**



# Step 2: Bonus Depreciation - OBBBA

## Eligible Property:

Manufacturing equipment:	\$2,400,000
Office computers and software:	200,000
Office furniture:	<u>100,000</u>
	\$2,700,000
Section 179 deduction	<u>(2,500,000)</u>
	\$200,000

## Remaining basis after Section 179:

- $\$2,700,000 - \$2,500,000 = \$200,000$

**Bonus depreciation rate (2025, OBBBA): 100%**

## Bonus depreciation deduction:

- $100\% \times \$200,000 = \$200,000$

- ABC can also elect to fully expense the portion of the new production facility used for manufacturing
- **New production facility bonus depreciation: \$5,000,000**

**Total Bonus Depreciation Deduction: \$5,200,000**



## **Step 3: MACRS Depreciation - OBBBA**

**Since all eligible property has been fully expensed under Section 179 and bonus depreciation, there is no remaining basis to depreciate under MACRS for 2025.**

# Step 4: Tax Impact - OBBBA

## Total immediate deductions in 2025:

- **Section 179:** \$2,500,000
- **Bonus depreciation** (including qualified production property): \$5,200,000
- **Total deductions:** \$7,700,000

## Tax Savings:

- At a 21% federal corporate tax rate, the immediate tax savings would be  $\$7,700,000 \times 21\% = \$1,617,000$ .

# **Case Study Recalculated for 2025 (Pre-OBBA Law)**

# Step 1: Section 179 Expensing (Pre-OBBA Law)

## Eligible Property:

Manufacturing equipment:	\$2,400,000
Office computers and software:	200,000
Office furniture:	<u>100,000</u>
	\$2,700,000

- **Maximum Section 179 Deduction:**  
\$1,250,000

**Section 179 deduction claimed: \$1,250,000**

# Step 2: Bonus Depreciation – (Pre-OBBA Law)

## Eligible Property:

Manufacturing equipment:	\$2,400,000
Office computers and software:	200,000
Office furniture:	<u>100,000</u>
	\$2,700,000
Section 179 deduction	<u>(1,250,000)</u>
	\$1,450,000

## Remaining basis after Section 179:

- $\$2,700,000 - \$1,250,000 = \$1,450,000$

**Bonus depreciation rate (2025, Pre-OBBA): 40%**

## Bonus depreciation deduction:

- $40\% \times \$1,450,000 = \$580,000$

- ABC can not elect to fully expense the new production facility used for manufacturing
- **New production facility bonus depreciation: \$0**

**Total Bonus Depreciation  
Deduction: \$580,000**



# Step 2: MACRS Depreciation – (Pre-OBBA Law)

## Eligible Property:

Manufacturing equipment:	\$2,400,000
Office computers and software:	200,000
Office furniture:	<u>100,000</u>
	\$2,700,000
Section 179 deduction	<u>(1,250,000)</u>
	\$1,450,000
Bonus Depreciation	<u>(580,000)</u>
Remaining basis for MACRS	\$870,000

MACRS 5-year property, half-year convention, 2025 rate:  
 $20\% \times \$870,000 = \$174,000$

## New production facility:

MACRS 39-year property, mid-month convention, 2025 rate:  
 $\$5,000,000 \times 2.461\% = \$123,050$

**Total MACRS Depreciation Deduction: \$297,050**

# Step 4: Tax Impact - (Pre-OBBA Law)

## Total immediate deductions in 2025:

- **Section 179:** \$1,250,000
- **Bonus depreciation:** \$580,000
- **MACRS:** \$297,050
- **Total deductions:** \$2,127,050

## Tax Savings:

- At a 21% federal corporate tax rate, the immediate tax savings would be  $\$2,127,050 \times 21\% = \$446,680$ .

# Incremental Benefit from OBBBA

- **Additional first-year deduction:**

$\$7,700,000 \text{ (OBBBA)} - \$2,127,050 \text{ (pre-OBBBA)} =$   
**\$5,572,950**

- **Additional tax savings:**

$\$1,617,000 \text{ (OBBBA)} -$   
 $\$446,680 \text{ (pre-OBBBA)} =$   
**\$1,170,320**

# Research & Development







# R&D Changes Starting in 2025

- **Immediate deduction:** For tax years starting after December 31, 2024, businesses can again fully deduct domestic R&E costs in the year they were incurred
- **Foreign R&D amortization remains:** Foreign R&E costs must still be capitalized and amortized over 15 years.
- **Voluntary amortization:** Taxpayers can still elect to amortize domestic R&E expenses over 60 months if they prefer.

# R&D Retroactive Relief

**For small businesses with average annual gross receipts of \$31 million or less:**

- You may elect retroactive expensing by filing amended returns for the 2022, 2023, and 2024 tax years.

# R&D Retroactive Relief

**For larger businesses (with average annual gross receipts over \$31 million):**

- You cannot file amended returns for prior years to expense costs, but you can accelerate deductions for previously capitalized R&E costs.
- You have two options for deducting the remaining unamortized domestic R&E costs from 2022–2024:
  - Deduct the full remaining balance in your 2025 tax return.
  - Spread the remaining deduction evenly across your 2025 and 2026 tax returns.

# R&D Tax Credit

- **Conforming changes:** To prevent a double benefit, taxpayers will either need to reduce the R&E deduction by the amount of the R&D credit or elect the reduced credit .
- **Retroactive adjustments:** Eligible small businesses that file amended returns for 2022–2024 will need to consider the conforming changes retroactively, which may affect their R&D tax credit claims for those years

# 163(j) Planning



# 163(j) Interest Deduction

- The EBITDA add-back for the business interest deduction limitation is restored and made permanent.
- This allows businesses to deduct interest up to 30% of earnings before interest, taxes, depreciation, and amortization (EBITDA), rather than EBIT.

# Energy & Credits

# Energy & Credits

- Many clean energy tax credits are ending early:
  - Clean vehicle credits end for vehicles acquired after September 30, 2025.
  - Commercial clean vehicle and alternative fuel refueling property credits end in 2025 or 2026.
  - Clean electricity production and investment credits (sections 45Y and 48E) phase out for new projects after 2027, with new restrictions for foreign-owned or influenced companies.
- Section 179D deduction for energy-efficient commercial buildings is not available for construction beginning after June 30, 2026

# Workforce Incentives

# Workforce Incentives: Pell Grant Expansion

- The OBBBA expands eligibility for the Pell Grant award
- Short-term, workforce-aligned programs can qualify for Pell funding starting **July 2026**.
  - Approx 150-600 hours
  - 8-15 weeks



# Workforce Incentives: 529 Plan Flexibility

- The OBBBA expands the flexibility of 529 education savings plans
- Plans can now be used for registered apprenticeships and recognized credentialing costs tied to eligible postsecondary programs.

# **Workforce Incentives: Permanent Employer Student Loan Benefit**

- Employer payments of employee student loans are now permanently excluded from gross income (previously set to expire after 2025).
- The annual exclusion amount (\$5,250) is indexed for inflation starting in 2027.
- This benefit can be used as a recruitment and retention tool, especially for skilled workers with student debt.

# State Considerations

# State & Local Tax Updates



**Bonus & Section 179:** Some states do not conform to federal bonus depreciation or Section 179 rules, so state tax treatment may differ.



**Energy Credits:** Some states will continue to offer rebates or credits for energy efficiency, renewable energy, or pollution control equipment.



**Local Incentives:** Local governments may offer property tax abatements, infrastructure support, or training grants for new or expanding manufacturers.

# Sales Tax Exemptions

- Most states provide a sales tax exemption for manufacturing machinery, equipment, and materials used directly in the manufacturing process.
- The scope of the exemption, qualifying items, and procedures for claiming the exemption vary by state.
- Some states offer only partial exemptions or reduced rates, and a few states do not provide a general exemption.
- Manufacturers must generally provide exemption certificates and maintain documentation to support their claims.





# Sales Tax Exemptions – OH, PA, WV

State	Exempt Items (General)	Notable Restrictions/Requirements	Claiming Procedure
Ohio	Machinery, equipment, consumables, testing, handling, power, repair parts, cleaning	Primary use test, excludes admin, storage, realty, general safety, general cleaning, packaging	Exemption certificate, documentation, audit support
Pennsylvania	Machinery, equipment, parts, foundations, supplies, pollution control, testing, R&D	Predominant use (>50%), excludes vehicles, admin, sales, safety, heating/cooling, pre/post prod.	Exemption certificate, documentation
West Virginia	Equipment, supplies, materials, services for direct use, pollution control, mining	Direct use standard, excludes construction, non-manufacturing, incidental use	Exemption certificate (F0003), direct pay permit

# Practical Implications & Action Items

# Practical Implications for Manufacturers

- **Capital Investment:** The restoration of full expensing under both Section 168(k) and Section 179, along with immediate R&D expensing, may improve cash flow and reduce the after-tax cost of investing in new equipment, automation, and process improvements.
- **Workforce Development:** Expanded education benefits (Pell Grants, 529 flexibility, employer student loan repayment) can help attract and retain skilled workers and may be used as part of a competitive benefits package.
- **Succession Planning:** The higher estate tax exemption provides more flexibility for family business succession and intergenerational transfers.
- **State Tax Considerations:** Most states will conform to the new federal expensing and R&D rules, but some may require addbacks or have lower limits.

# Action Items

1. **Review Capital Expenditure Plans:** Consider accelerating or expanding investments in machinery, equipment, and facilities to take advantage of immediate expensing.
2. **Evaluate R&D Activities:** Review R&D activities for current year expensing, Analyze the impact of filing amended returns vs. taking an accelerated deduction; review eligibility for the R&D credit.
3. **Update Employee Benefits:** Consider implementing or expanding student loan repayment programs and communicate new 529 plan flexibility to employees.
4. **Plan for Succession:** Review estate plans in light of the higher exemption; coordinate with legal and tax advisors.
5. **Energy and Sustainability:** Act quickly to claim federal energy credits before they expire.
6. **Documentation:** Keep detailed records for all capital expenditures, R&D activities, and energy projects. Review your eligibility for sales tax exemptions and ensure you have the required documentation for each state.
7. **Look for IRS Guidance:** Be on the lookout for specific IRS guidance and interpretation of the new tax legislation.



# Questions?







# The Mindsets of Leadership

Scott J. Allen, Ph.D.,  
SMU's Cox School of Business Executive  
Education and Winding River Consulting

# The Mindsets of Leadership

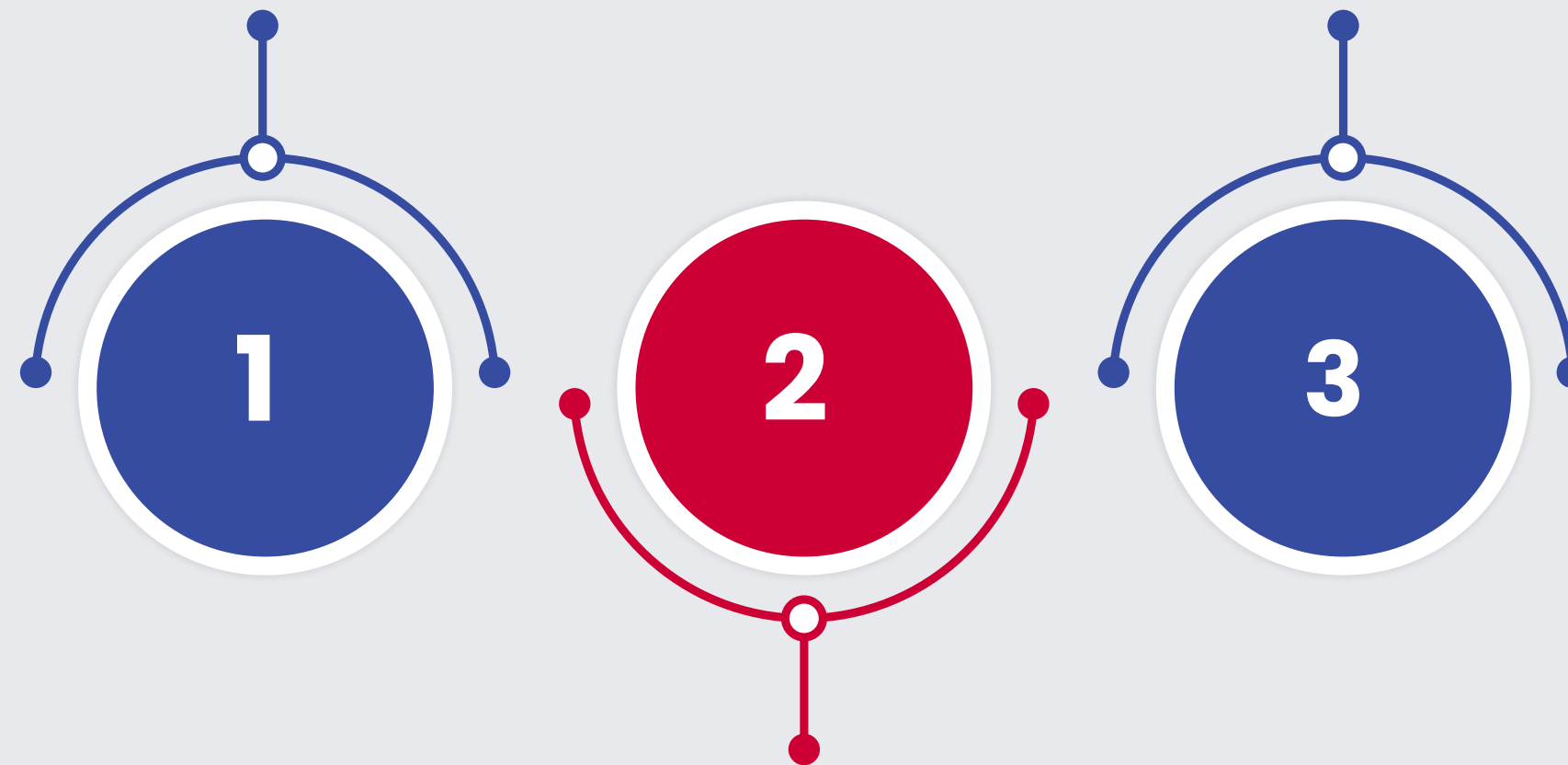
 Scott J. Allen, Ph.D.



# Today

Fast, Fun, Fascinating

The Arena



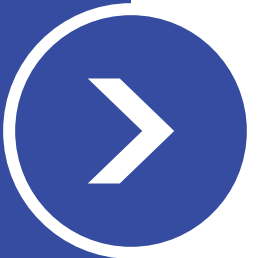
I Don't Know Better, I Know Different

# The Balcony



“

**We are the ‘they’ now**



—— Leaders at Vocon ——



70%



Gallup

## **The benefits of engagement**

**10% higher customer loyalty/engagement**

**14% higher productivity (production)**

**18% higher productivity (sales)**

**70% higher well-being**

**22% higher organizational citizenship (participation)**

— Gallup —

“

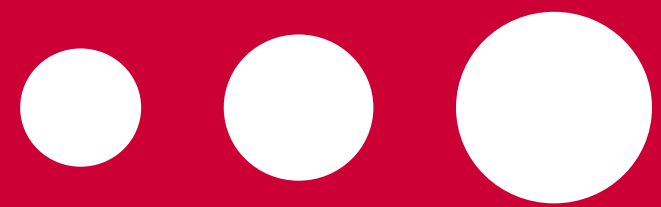
**The soft skills are the hard skills.**

—— Amy Edmonson ——

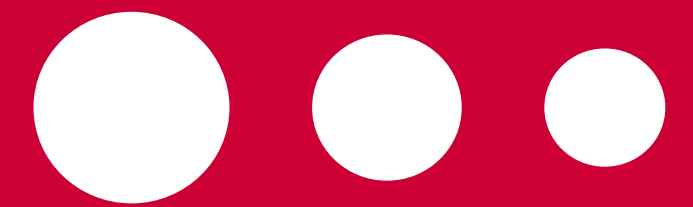


# **The Process of Influencing Others Toward a Common Vision**





# Growth Mindset



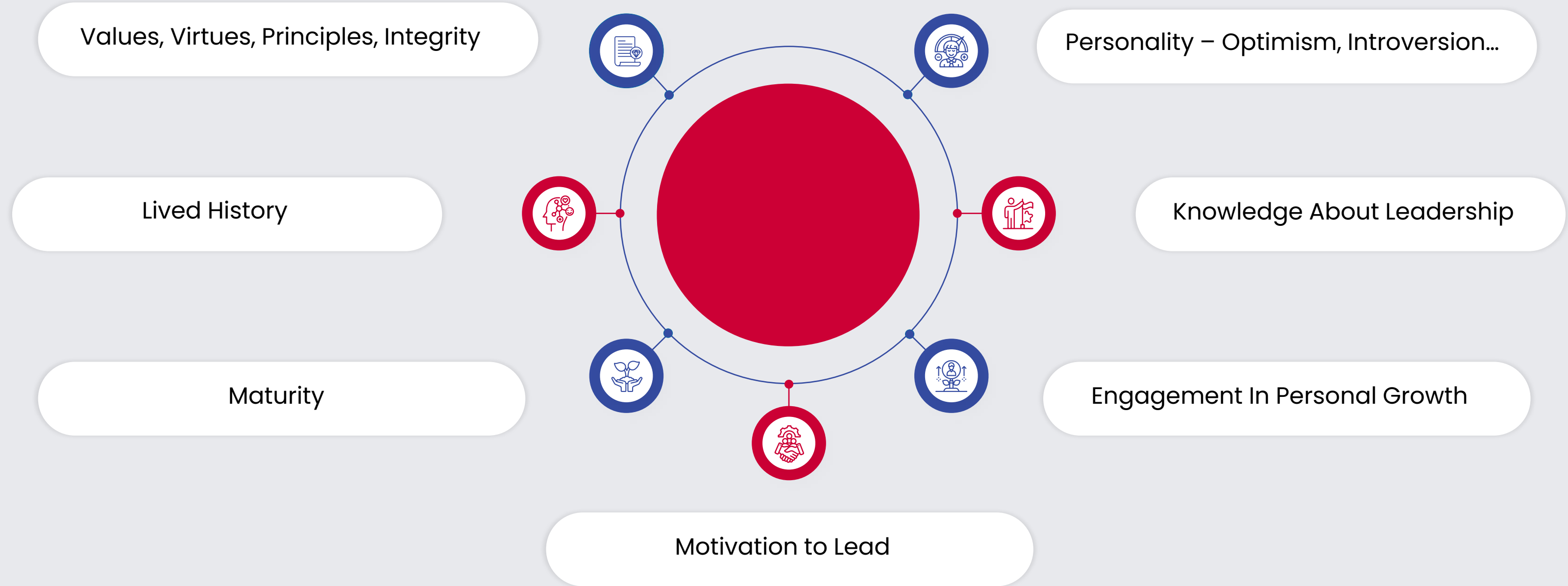


“

**Who you are is how you lead**

———— Bob Hogan ————

# Who You Are....





# Mindset

A fixed mental attitude or disposition that predetermines a person's responses to and interpretations of situations. A way of thinking, an attitude, or opinion, especially a habitual one.

# Carol Dweck

Growth vs. Fixed & The Power of “Yet”





## FIXED MINDSET

- » We don't
- » They won't
- » He'll never
- » I/we can't
- » It is what it is
- » We've always done it...



## GROWTH MINDSET

- » What if we
- » How could we
- » How might
- » I wonder if
- » What else could we try?
- » What other options exist?





**Becoming is better than being**

— Carol Dweck





**Every system is perfectly designed to  
get the results that it does.**

— Dr. W. Edwards Deming

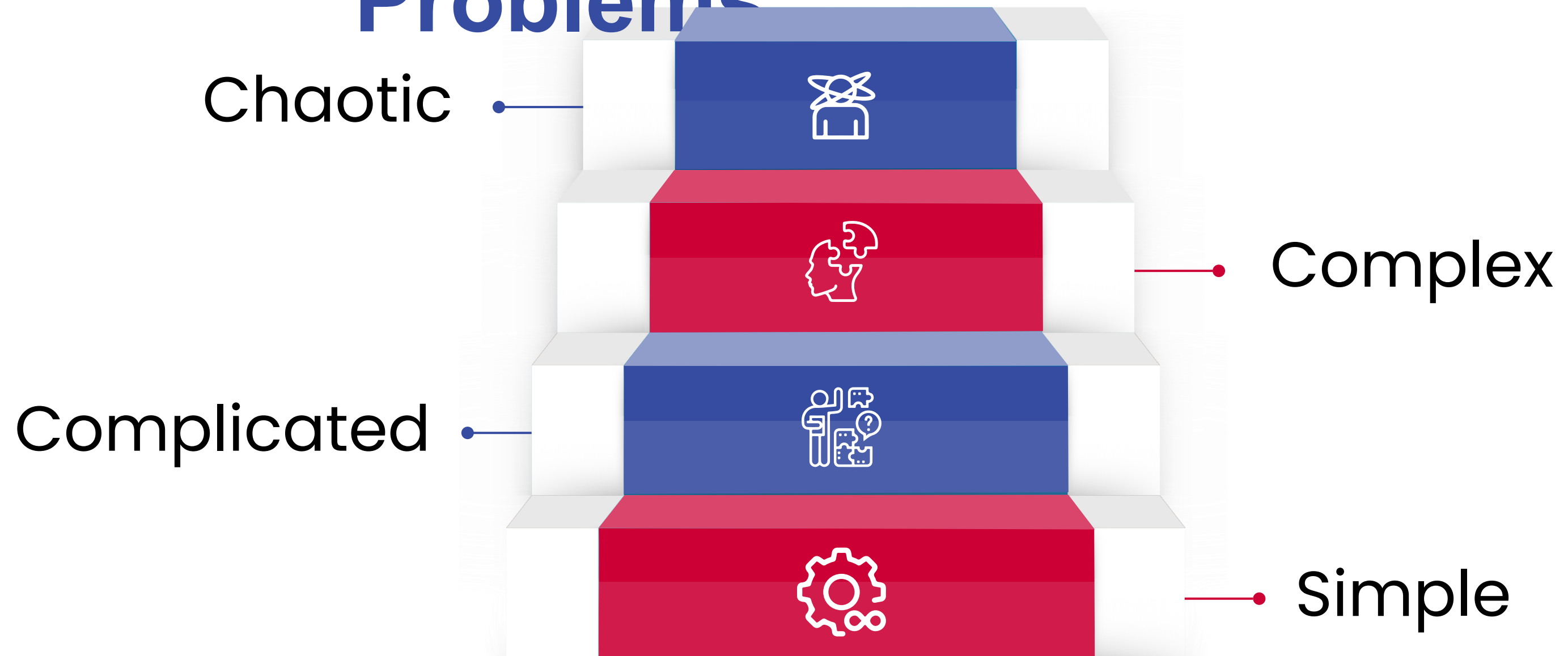


“

**Fall in love with the problem**

Uri Levine

# Four Types of Problems



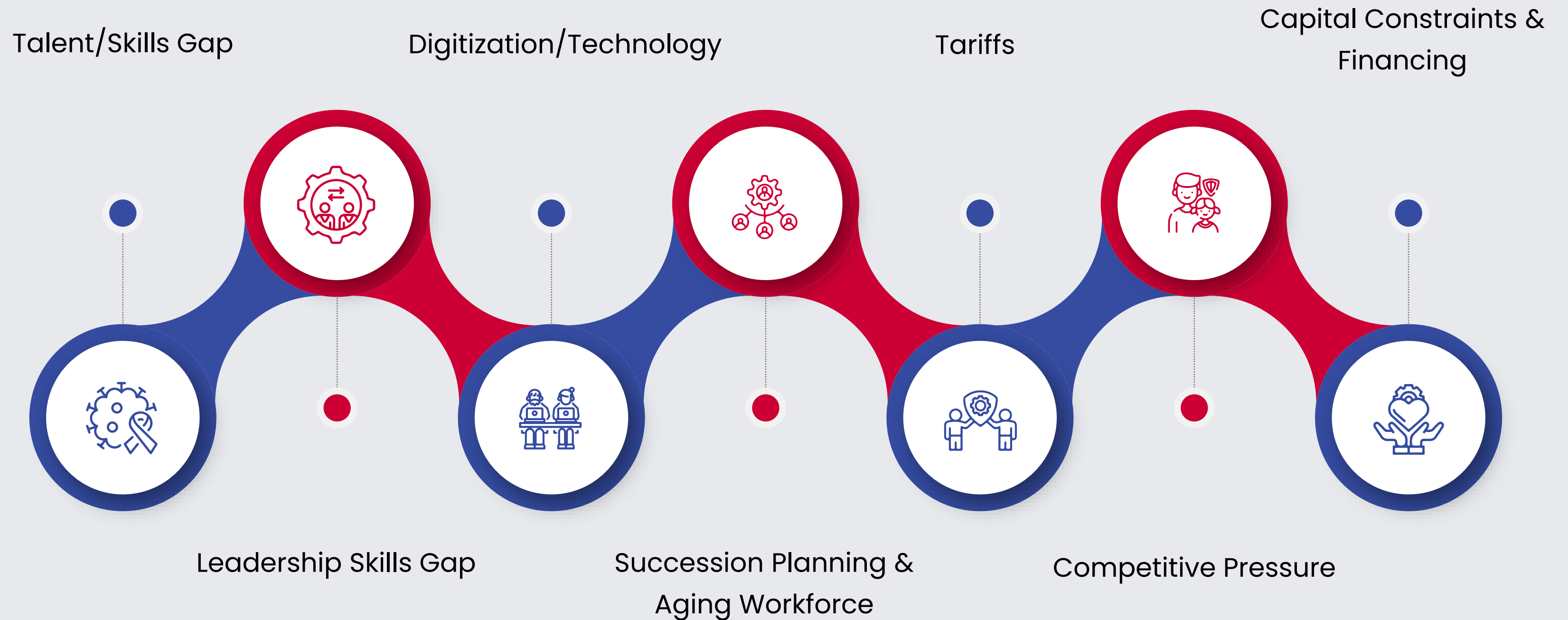
# With Complex Adaptive Challenges

Leaders set the stage and  
elevate the right questions





# Complex Challenges



“

**Leaders Create the Weather**

—— Dr. Jonathan Reams ——

# Desert





# Tornado



# A Blizzrd-Like Tundra





# 50° And Rainy







**Partly Cloudy**





**Sunny With Some Clouds**

**Let's Connect on  
LinkedIn!**



# Practical Wisdom Newsletter





**THANK YOU!**