



# **Executive Brief:** Adapting to Operational Disruption in Material Handling





# Introduction

In today's material handling landscape, operational disruptions are not the exception—they are the norm. In 2024, 76% of companies experienced supply chain disruptions, with nearly a quarter facing more than 20 disruptive incidents in a single year. These ranged from parts shortages to labor gaps and equipment failures.

Heading into 2025, complexity is only increasing. Dealerships can no longer rely on reactive responses. Instead, resilience must be built into the foundation—through agile systems, workforce readiness, diversified supply chains, and technology-driven operations. This executive brief outlines key strategies across Workforce, Supply Chain, Digital Infrastructure, and Safety that position dealerships to stay operational, competitive, and profitable—no matter what the year brings.

# Workforce Resilience:

## Stabilize Talent, Empower with Technology

### Challenge

Labor shortages remain one of the most pressing operational risks. Recruiting and retaining skilled technicians, parts managers, and drivers has become increasingly difficult. Turnover disrupts workflows, slows productivity, and drains institutional knowledge. One in three organizations reported lost revenue or missed opportunities in 2024 due to labor gaps.

### Adaptive Strategies

- Invest in automation and digitization to reduce dependence on manual labor. Tools like mobile ERP apps and guided diagnostics empower technicians to service more equipment, faster.
- Upskill and cross-train existing employees to boost flexibility and reduce disruption when staffing fluctuates.
- Provide flexible schedules, competitive compensation, and growth pathways to increase retention and reduce rehiring cycles.
- Build partnerships with trade schools and technical programs to establish a long-term pipeline of skilled talent.

### Outcome

Dealerships develop a workforce that is both agile and tech-enabled—equipped to sustain service levels even amid labor instability.



# Supply Chain:

## Diversify and Increase Visibility

### Challenge

Modern dealerships rely on a global web of suppliers for equipment, parts, and consumables. That network is fragile. A single port delay, factory shutdown, or regulatory change can derail operations. Over one-third of companies in 2024 reported critical materials shortages due to disruption. Many lacked visibility across their supply chain, hampering their ability to adapt in real time.

### Adaptive Strategies

- Diversify key suppliers to reduce reliance on single-source risk—including alternative OEM and aftermarket vendors across geographies.
- Hold strategic buffer inventory of high-turn and long-lead parts to avoid stockouts during disruptions.
- Use real-time ERP and telematics platforms to monitor inventory levels and inbound shipments across locations.
- Strengthen supplier relationships with collaborative forecasting and contingency planning.

### Outcome

With visibility and sourcing flexibility, dealerships can respond quickly to disruption and avoid costly downtime or lost sales.

# Digital Infrastructure:

## Predict and Prevent Disruptions

### Challenge

Many dealerships still operate on fragmented systems that offer limited visibility into equipment health or operational bottlenecks. This increases vulnerability to unplanned downtime—whether from a failed rental unit or an overwhelmed service department. In many cases, minor issues escalate into major losses because warning signs are missed.

### Adaptive Strategies

- Implement predictive maintenance using telematics and IoT sensors to detect performance issues before failure.
- Use cloud-based ERP systems to automate and standardize workflows across departments, locations, and job functions.
- Leverage AI-driven analytics to identify patterns in equipment failure, optimize inventory levels, and surface real-time operational insights.
- Connect service, sales, inventory, and finance data in a single platform to enable coordinated, data-driven responses.

### Outcome

Dealerships move from reactive firefighting to predictive operations—reducing downtime, improving service efficiency, and enhancing decision-making.



# Safety and Compliance: Build It Into Operations

## Challenge

Workplace incidents and compliance failures are often overlooked as sources of disruption—but they can be just as damaging. Forklift-related injuries alone account for thousands of lost workdays each year. Regulatory enforcement is intensifying, and non-compliance can result in fines, downtime, and reputational damage.

## Adaptive Strategies

- Treat safety and compliance as strategic priorities—led from the top and reinforced through regular training and certification.
- Integrate telematics and digital inspection checklists into daily operations to enforce compliance and monitor behavior.
- Use AI-powered cameras and sensors to detect unsafe practices in real time and proactively intervene.
- Maintain centralized digital records of inspections, maintenance logs, and certifications to streamline audits and avoid interruptions.

## Outcome

Dealerships reduce the frequency and severity of incidents, build a culture of accountability, and avoid costly operational stoppages due to non-compliance.

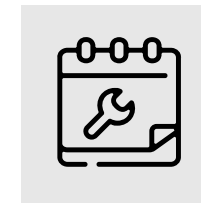
# The Common Thread:

## Resilience Through Technology

True operational resilience doesn't just rely on contingency plans—it depends on **systemic readiness**. That's where a unified digital platform like **VitalEdge's e-Emphasys ERP** delivers value. By consolidating your dealership's operational data and workflows into one scalable system, it enables:



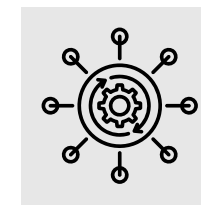
**Real-time visibility across departments and locations**



**Predictive maintenance and automated workflows**



**Smarter forecasting and decision support**



**Seamless integration of emerging technologies like AI, telematics, and mobile tools**

## Conclusion

Disruption will continue in 2025—but it doesn't have to derail progress. By investing in workforce development, supplier agility, digital modernization, and safety innovation, dealerships can shift from surviving disruption to thriving through it.

Technology is the force multiplier. Dealerships that align operational strategy with digital capability will outperform competitors who remain reactive. The payoff is clear: improved uptime, stronger customer loyalty, more confident employees, and a dealership that's ready for whatever comes next.



## See how leading dealerships are building resilience into every operation.

Learn how unified systems and real-time insights are helping them stay productive, compliant, and competitive—no matter the disruption.

**Request a Demo →**