2023 State of the Market
ENDEAVOR BUSINESS
INTELLIGENCE
LASER FOCUS
WORLD

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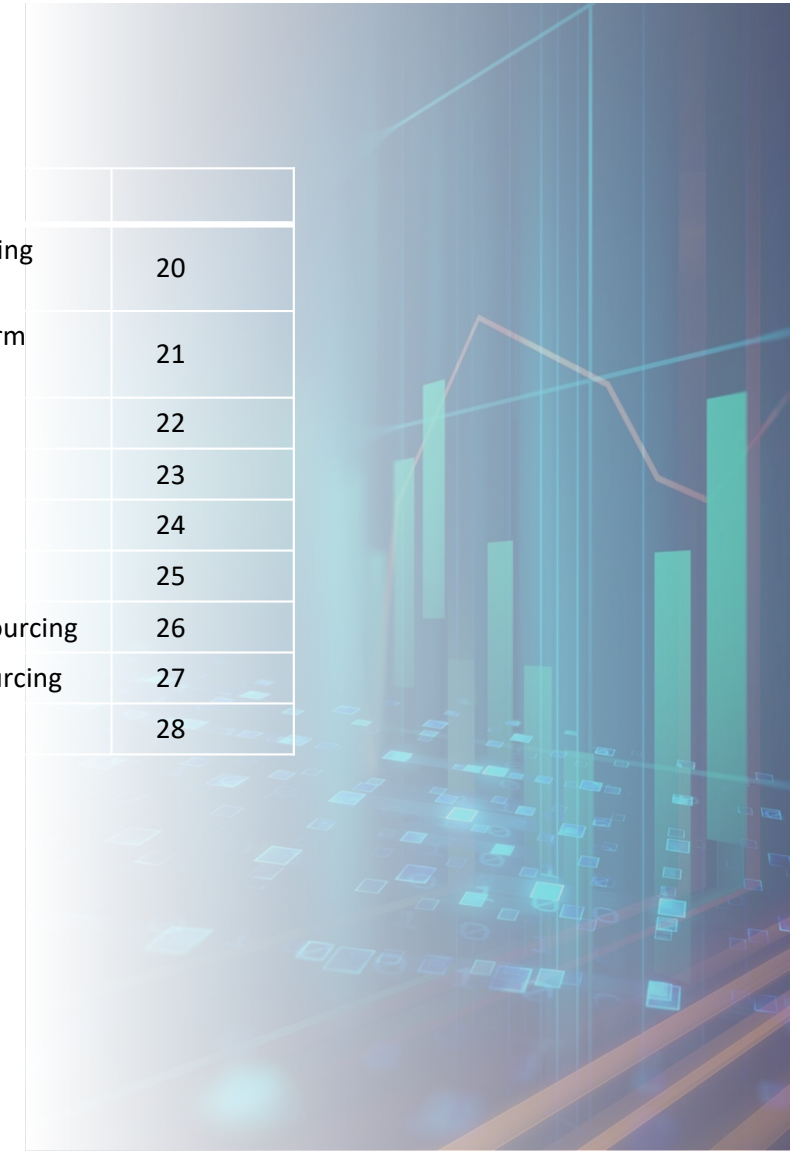

Objectives and Methodology

ENDEAVOR BUSINESS INTELLIGENCE

OVERVIEW

- Methodology, data collection, and analysis by Laser Focus World. Data collected November 16, 2022 through January 21, 2023.
- Methodology conforms to accepted marketing research methods, practices and procedures.
- This report was specifically prepared for *Laser Focus World*.

METHODOLOGY

- On November 16, 2022, *Laser Focus World* emailed invitations to participate in an online survey to members of our database. Reminder mailings were sent to non-respondents November 22 and November 29.
- On January 18, 2023, email invitations were sent to association members.
- By January 21, 2023, Endeavor Business Intelligence had received 464 responses to the survey.

RESPONSE MOTIVATION

- To encourage prompt response and increase the response rate overall, a live link to the survey was included in the email invitation to route respondents directly to the online survey.
- The invitations and survey were branded with the *LFW* logo to take advantage of user affinity for this valuable brand.
- Each respondent was afforded the opportunity to enter a drawing for one of 4 $100 Amazon gift cards.

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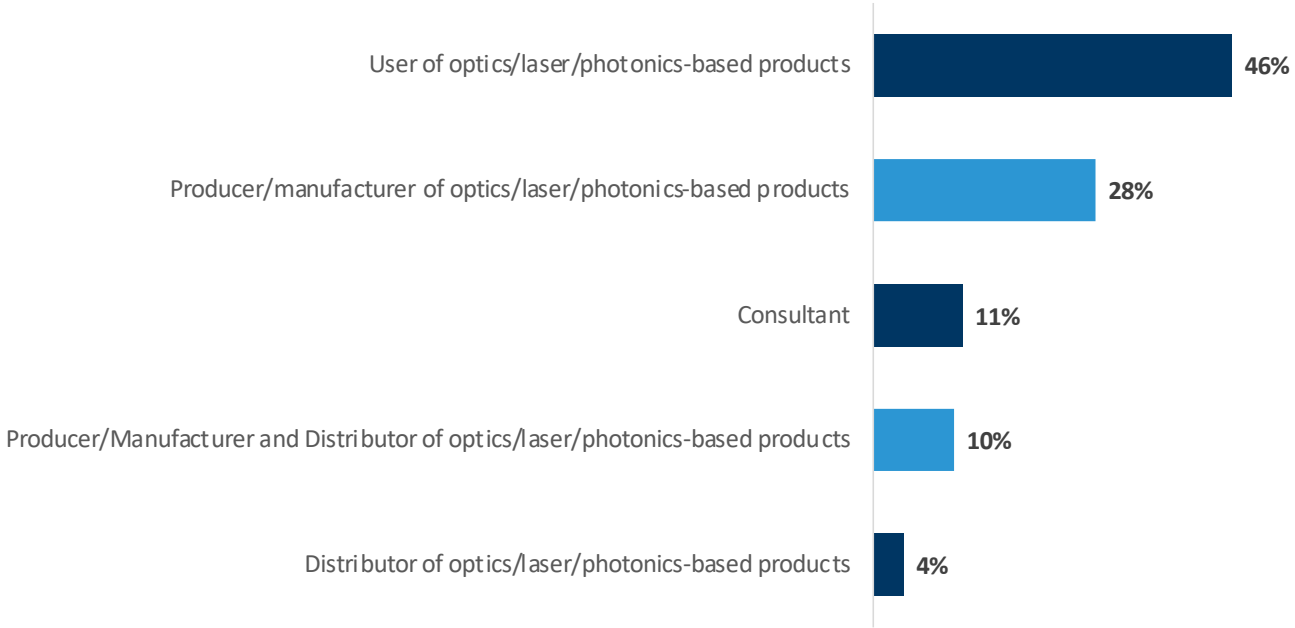
Respondent Profile
ENDEAVOR BUSINESS INTELLIGENCE

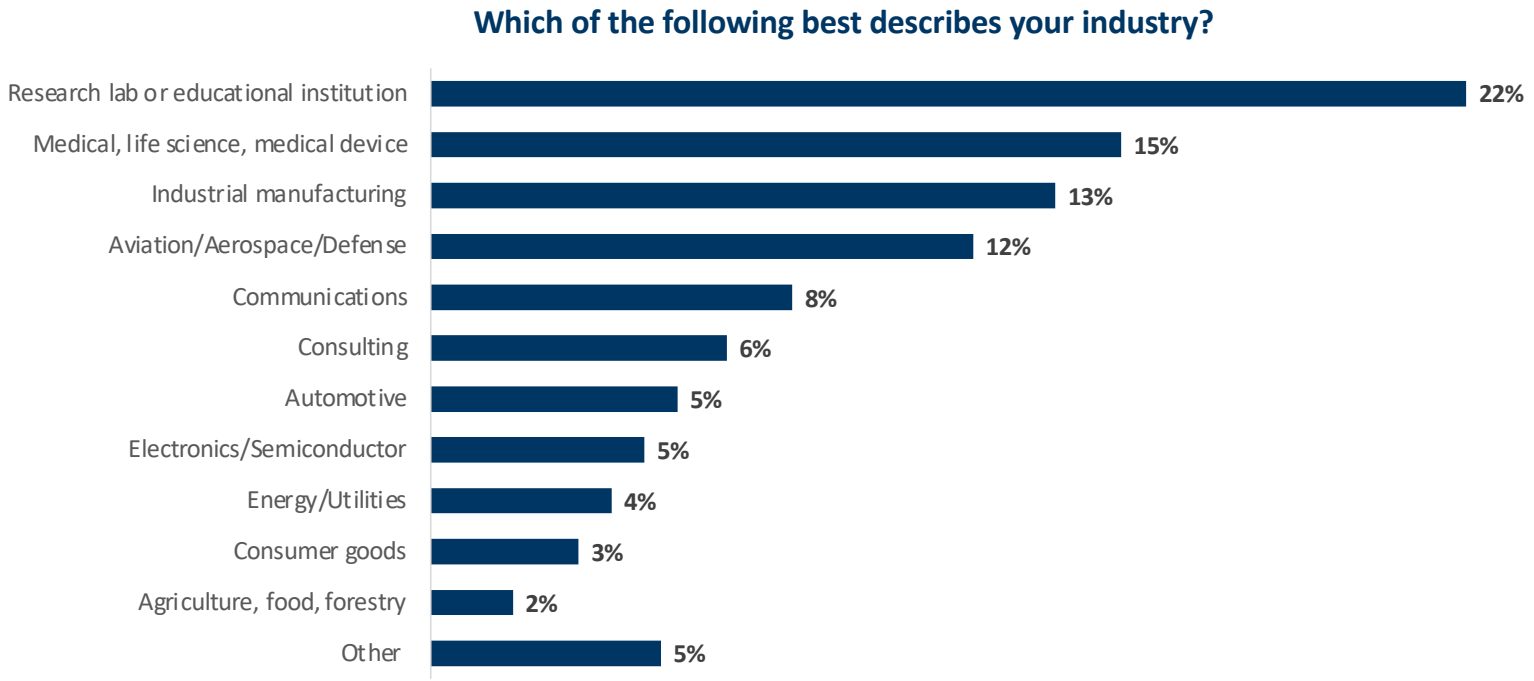
Organization

Which of the following best describes your organization?



Base: All respondents (n=464).

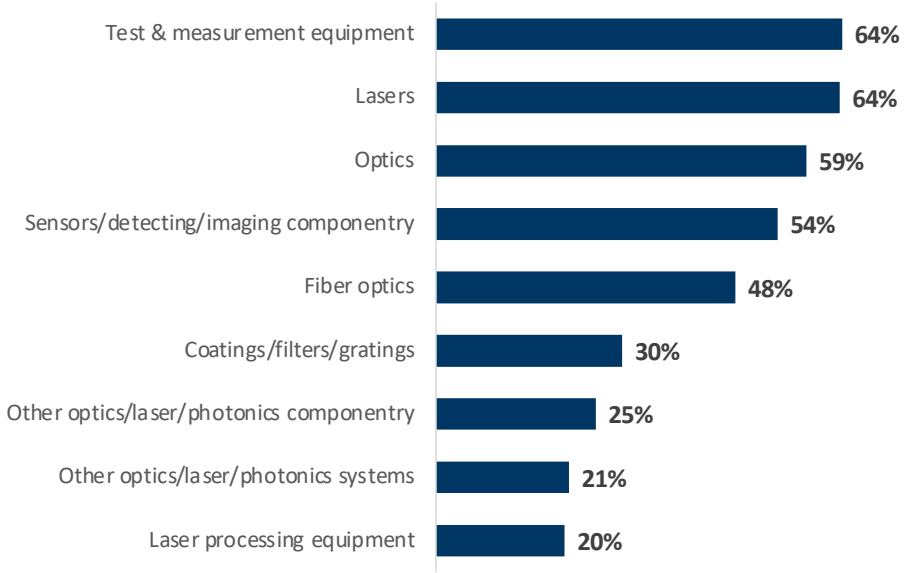
Buyer Industries



Base: All buyer respondents (n=283).

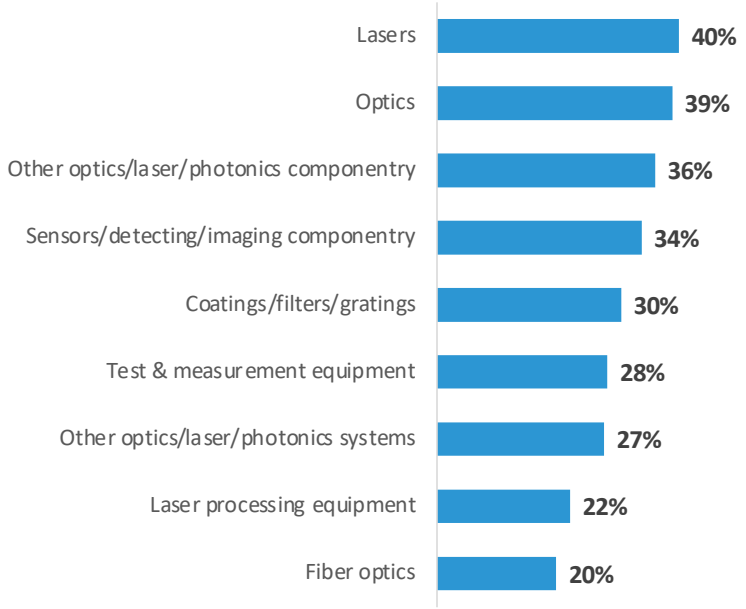
Company Profile

What optics/laser/photonics-based products does your company buy, specify and/or integrate into the products your company designs or manufactures? (Please select all that apply)



Base: All buyer respondents (n=284).

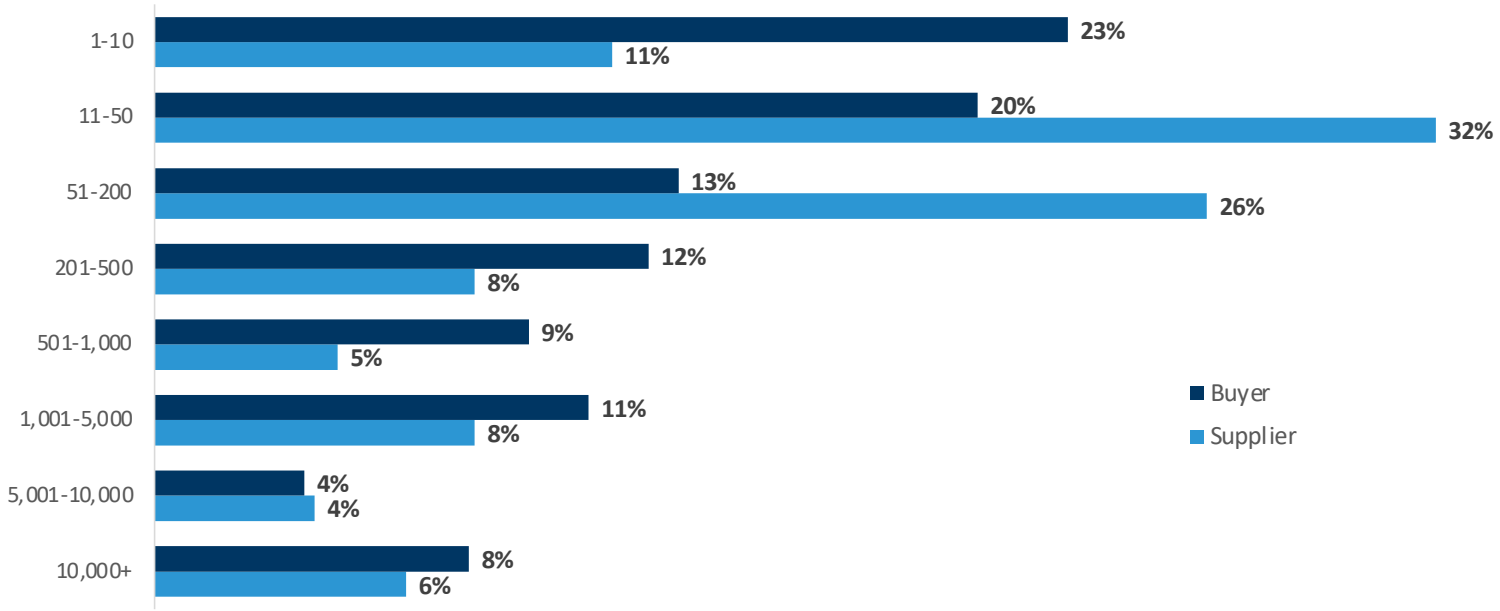
What optics/laser/photonics-based products does your company produce? (Please select all that apply)



Base: All supplier respondents (n=179).

Company Size

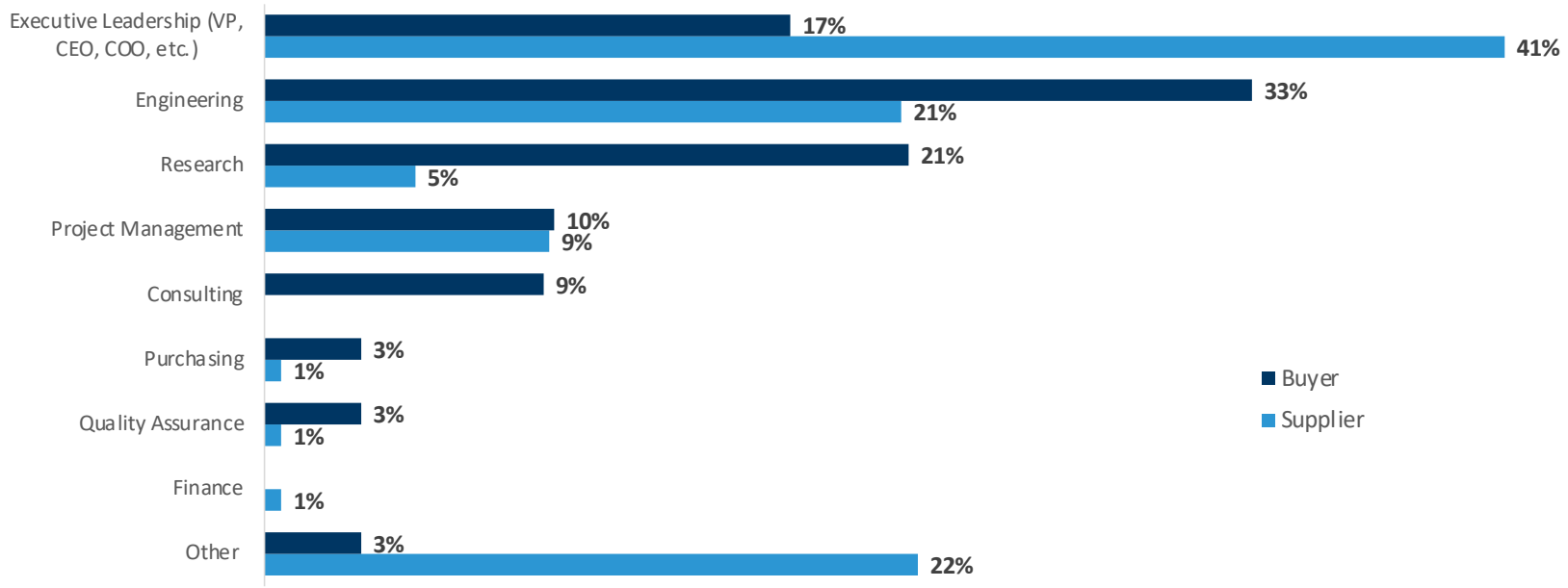
Approximately how many employees currently work for your organization?



Base: All buyer (n=269) and supplier (n=176) respondents.

Job Function

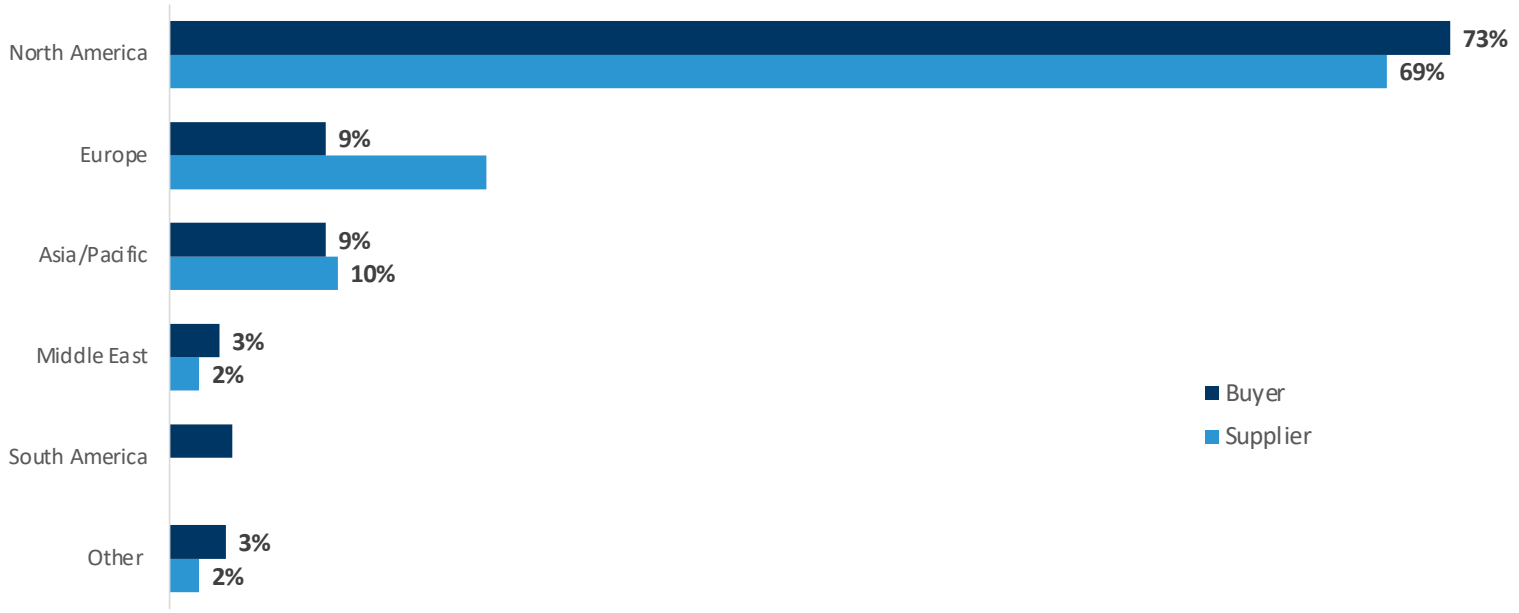
Which of the following best describe your job function?



Base: All buyer (n=281) and supplier (n=180) respondents.

Location

What is your geographic region?



Base: All buyer (n=282) and supplier (n=178) respondents.

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Key Findings
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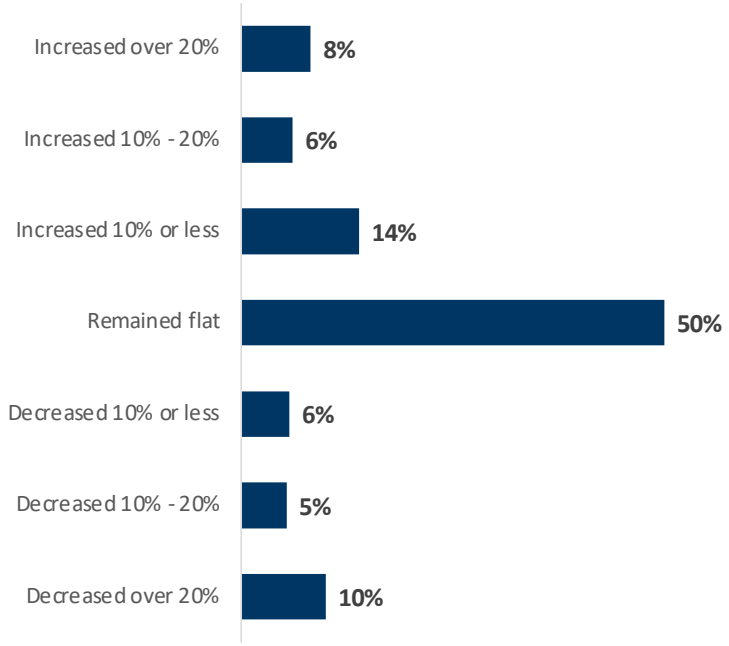
Change in Budgets and Revenues over last 12 months

Buyers

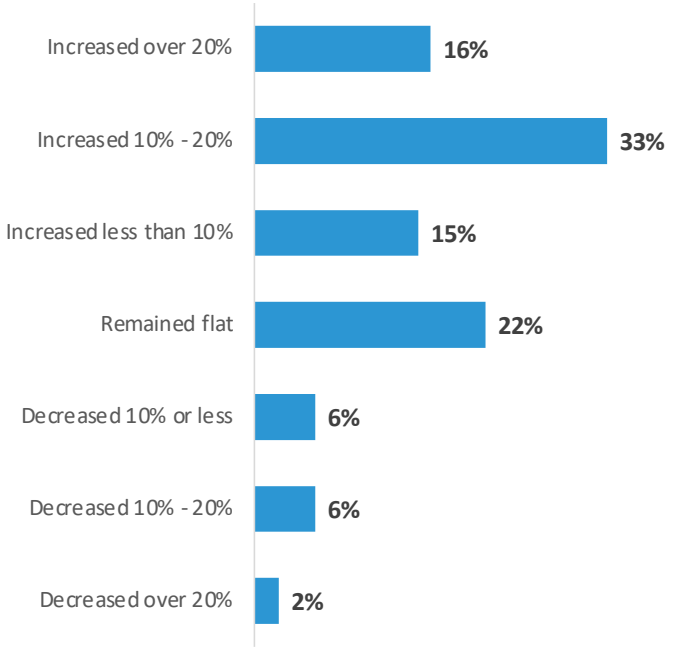
How has your organization's budget for buying/specifying optics/ laser/photonics-based products changed over the past 12 months?



Base: All buyer respondents (n=278).

Suppliers

How has your organization's revenue changed over the past 12 months?

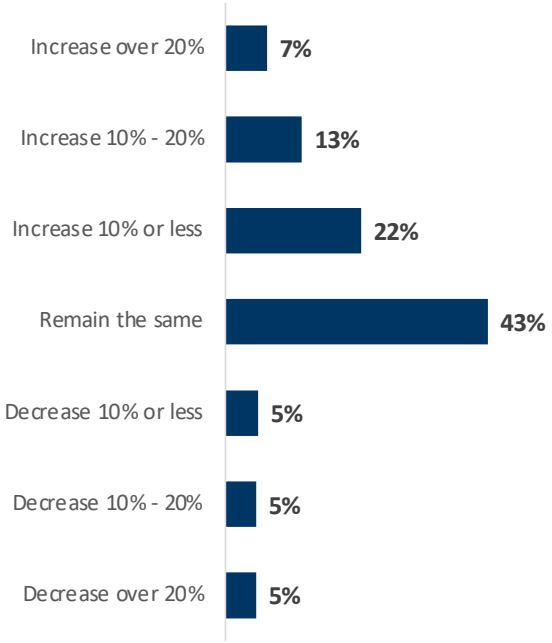


Base: All supplier respondents (n=176).

Budget and Revenue Projections over next 12 months

Buyers

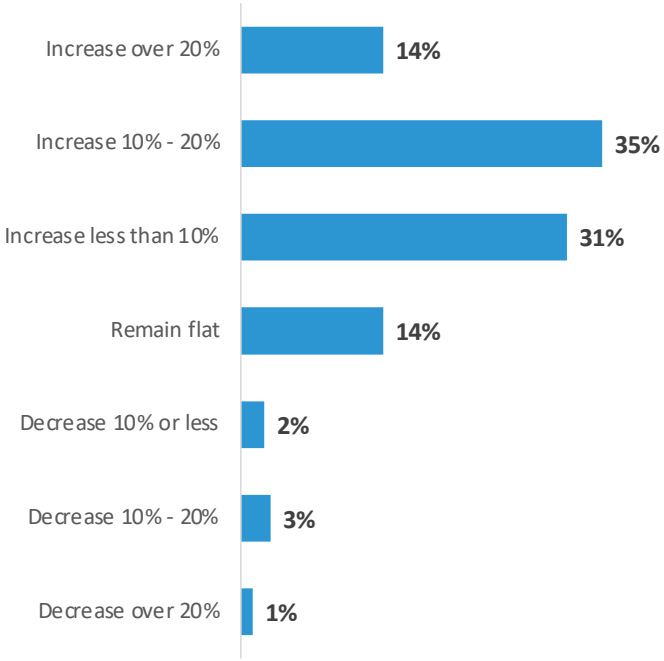
Compared to the past 12 months, how do you expect your purchases of optics/laser/photonics-based products to change over the next 12 months?



Base: All buyer respondents (n=279).

Suppliers

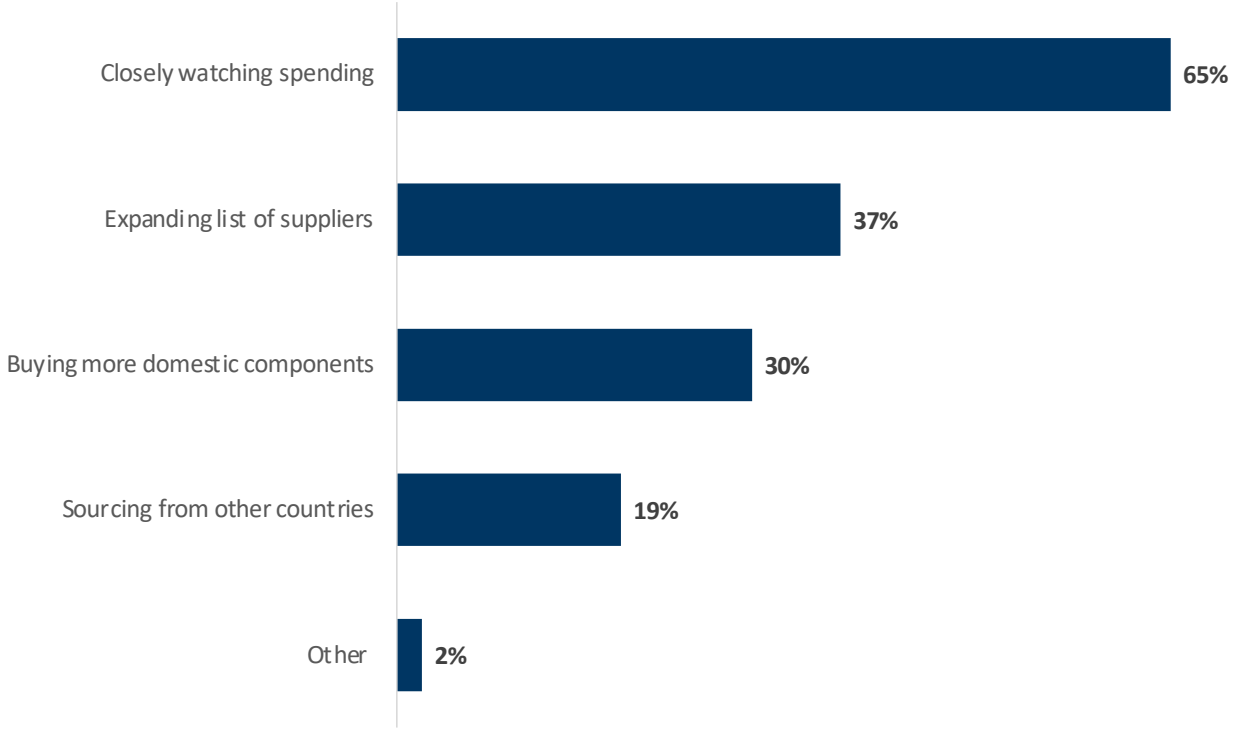
What are your revenue projections for the next 12 months?



Base: All supplier respondents (n=175).

How Buyers are Responding to Economic Uncertainty

How is economic uncertainty impacting your purchases and projections in relation to optics/laser/photonics-based products? (Please select all that apply)

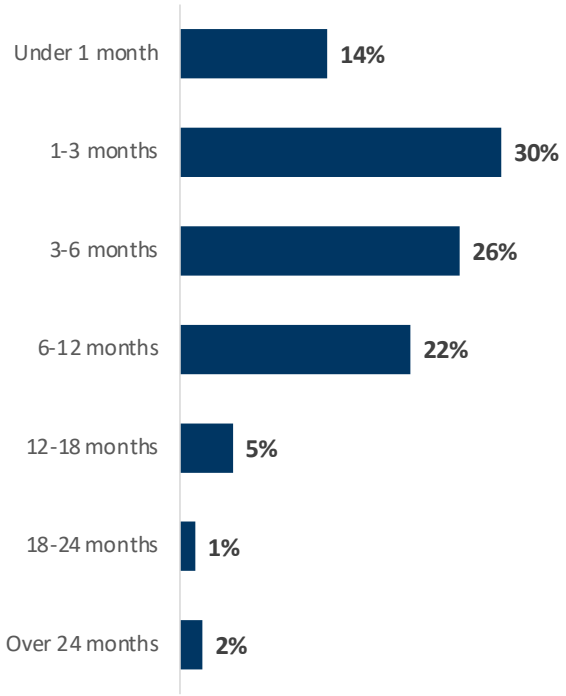


Base: All buyer respondents (n=282); multiple answers allowed.

Buyer and Supplier Lead Times Expectations

Buyers

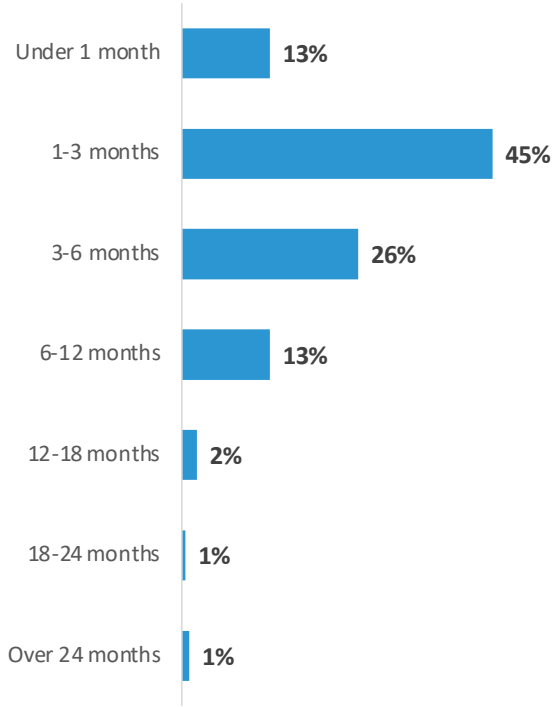
How long is your expected lead-time when buying optics/laser/photonics-based products?



Base: All buyer respondents (n=283); multiple answers allowed.

Suppliers

What is your typical lead time from order to delivery on components and materials?

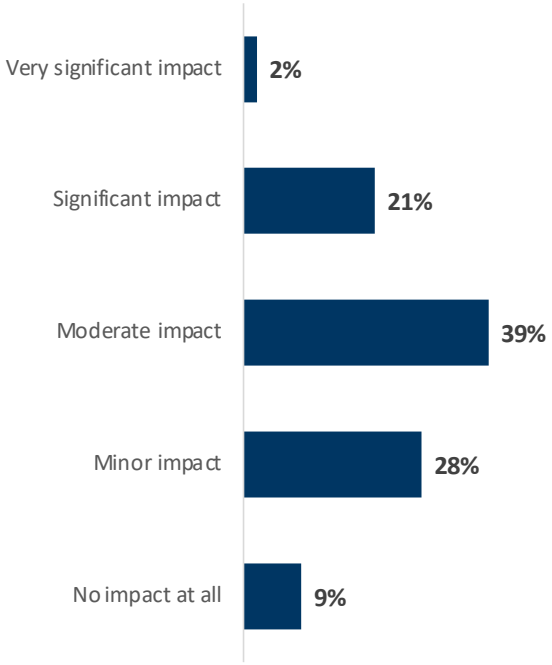


Base: All supplier respondents (n=180).

Impact of Supply Chain Issues on Buyers and Suppliers

Buyers

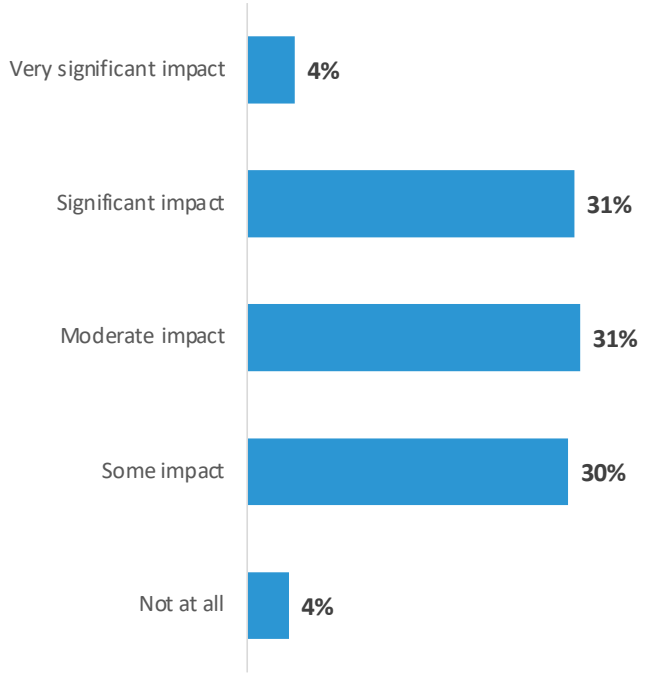
How have supply chain issues impacted your ability to effectively source and receive the optics/lasers/photonics-based products you need?



Base: All buyer respondents (n=281).

Suppliers

How have supply chain issues impacted your lead times?

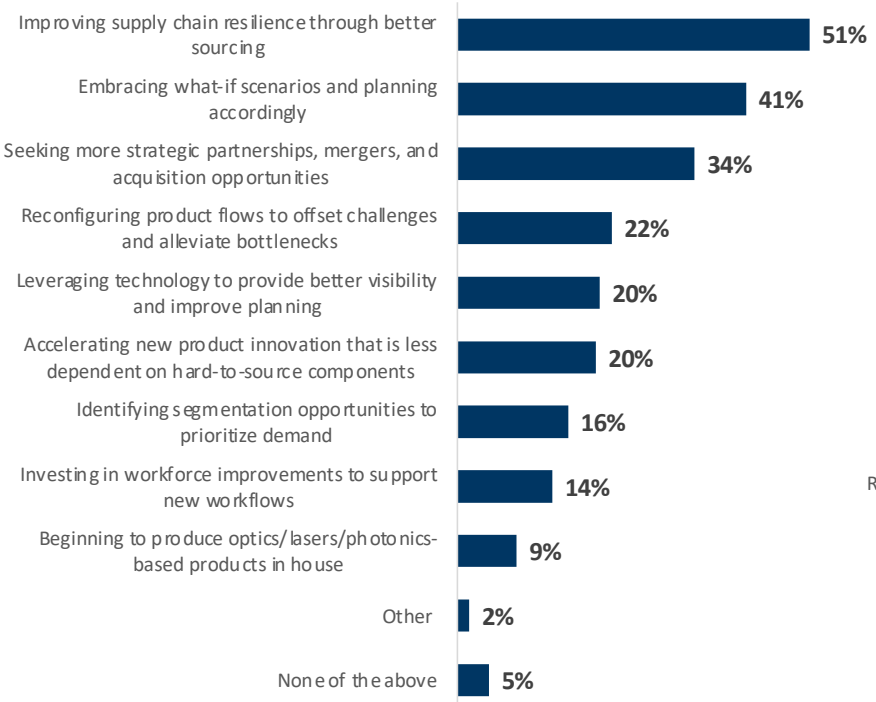


Base: All supplier respondents (n=180).

Buyer and Supplier Responses to Supply Chain Issues

Buyers

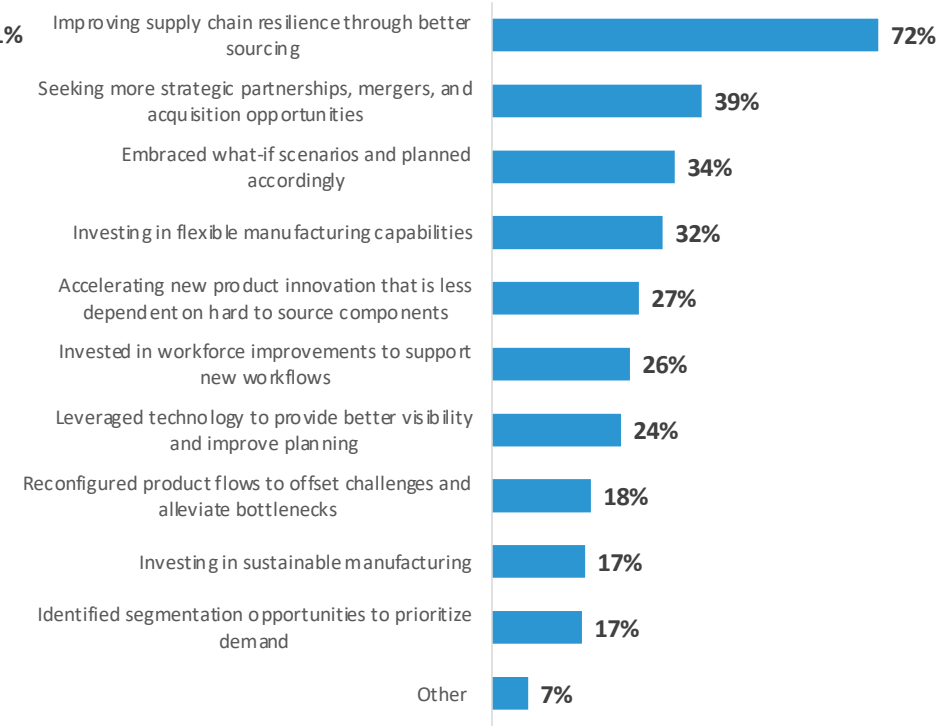
How is your company responding to supply chain issues? (Please select all that apply)



Base: All buyer respondents who have experienced supply chain issues (n=176); multiple answers allowed.

Suppliers

How is your company responding to supply chain issues? (Please select all that apply)

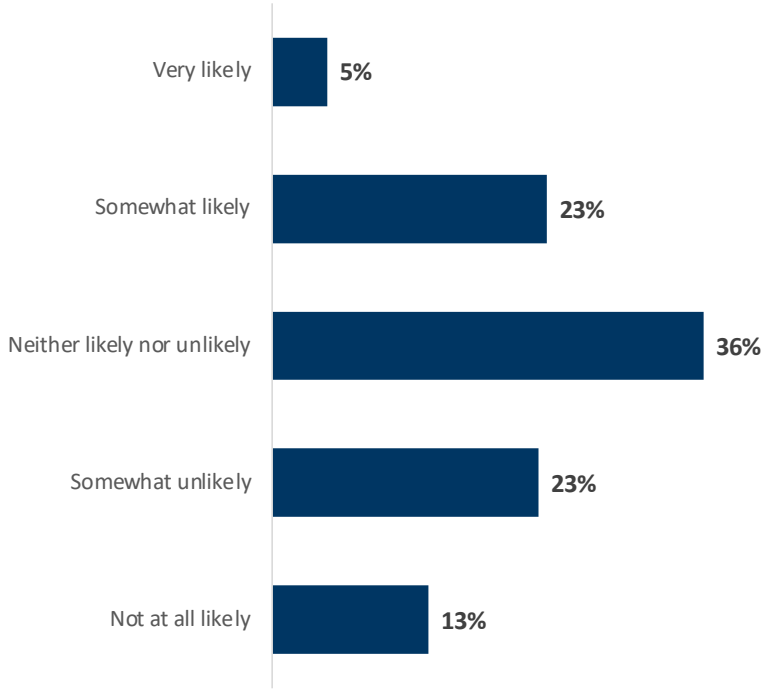


Base: All supplier respondents (n=175); multiple answers allowed.

Likelihood to Shift Strategy from Components to Systems

Buyers

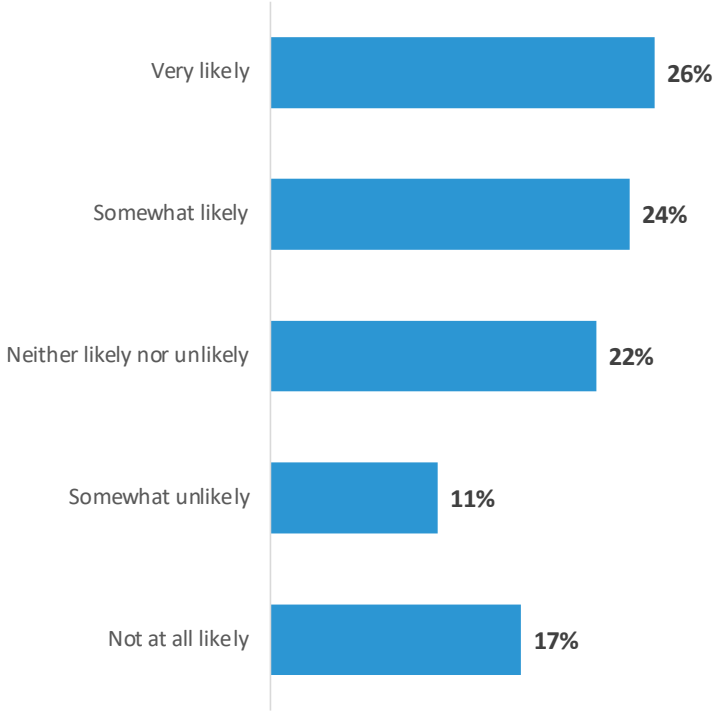
How likely are you to shift buying patterns towards optics/lasers/photonics-based systems, assemblies, subassembly rather than components?



Base: All buyer respondents (n=280).

Suppliers

How likely is your business to shift towards offering systems, assemblies, and subassemblies rather than components?

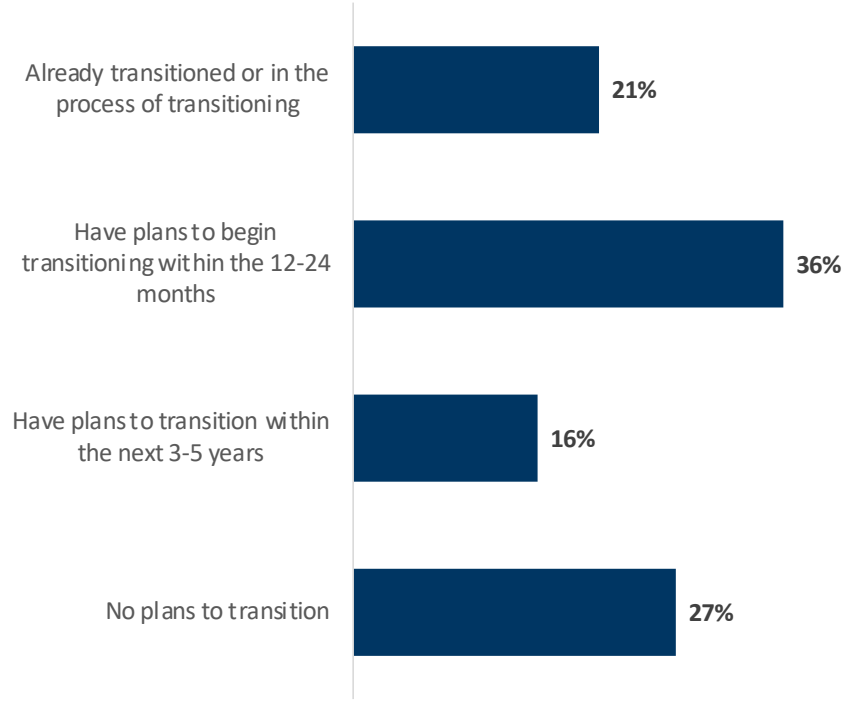


Base: All supplier respondents (n=178).

Timing of Transition from Components only to Complete Systems

Buyers

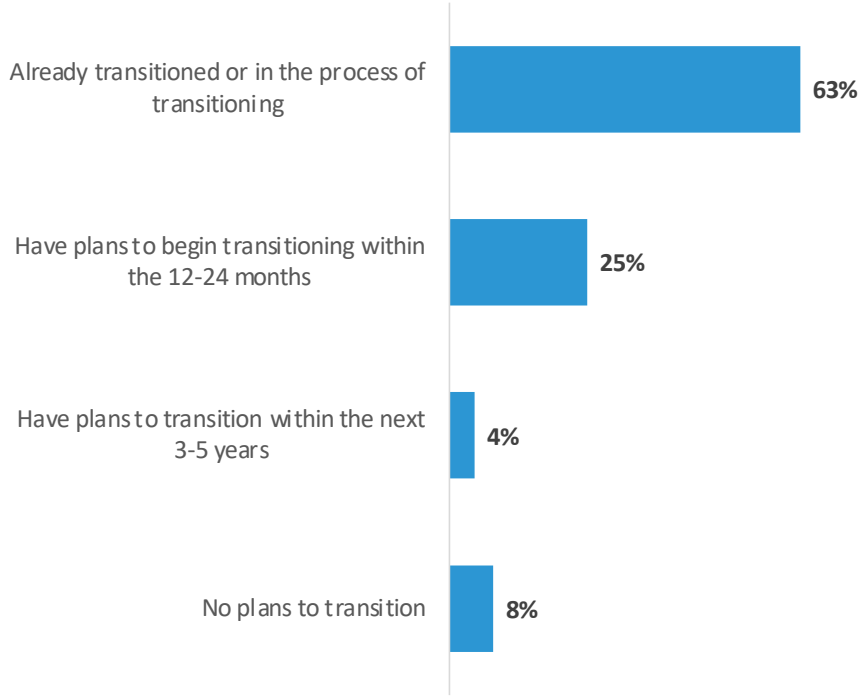
How soon do you plan to transition to purchasing systems rather than components?



Base: Buyer respondents likely to move to assembled parts (n=77).

Suppliers

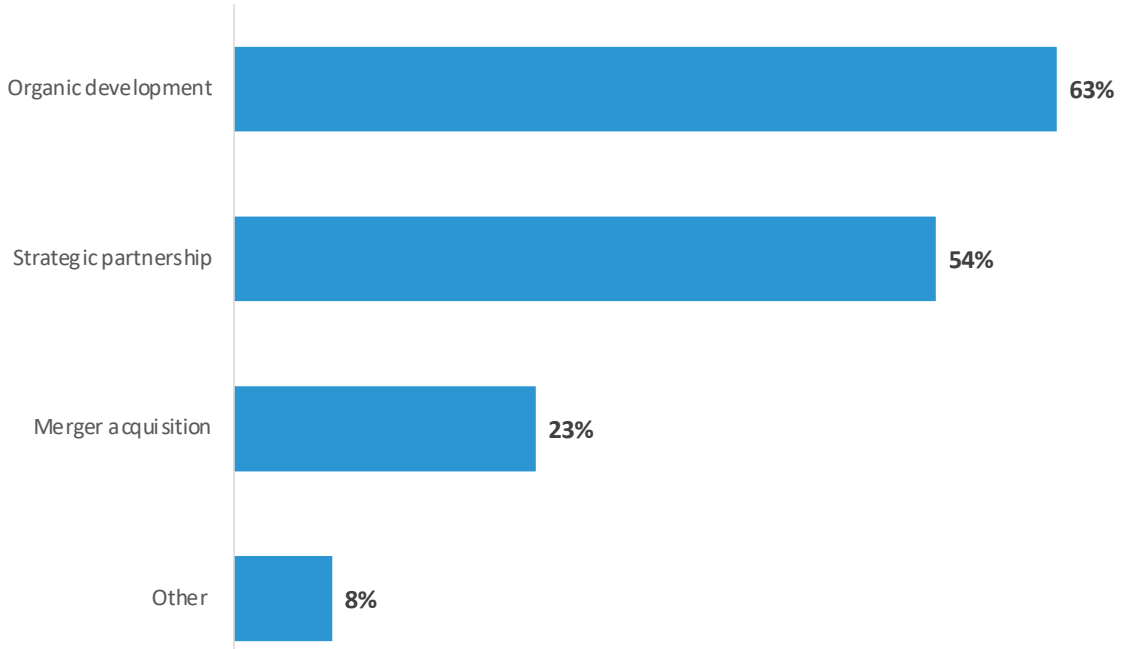
How soon do you plan to transition to offering systems?



Base: Supplier respondents likely to move to assembled parts (n=89).

Suppliers Strategies for Offering Systems Approach

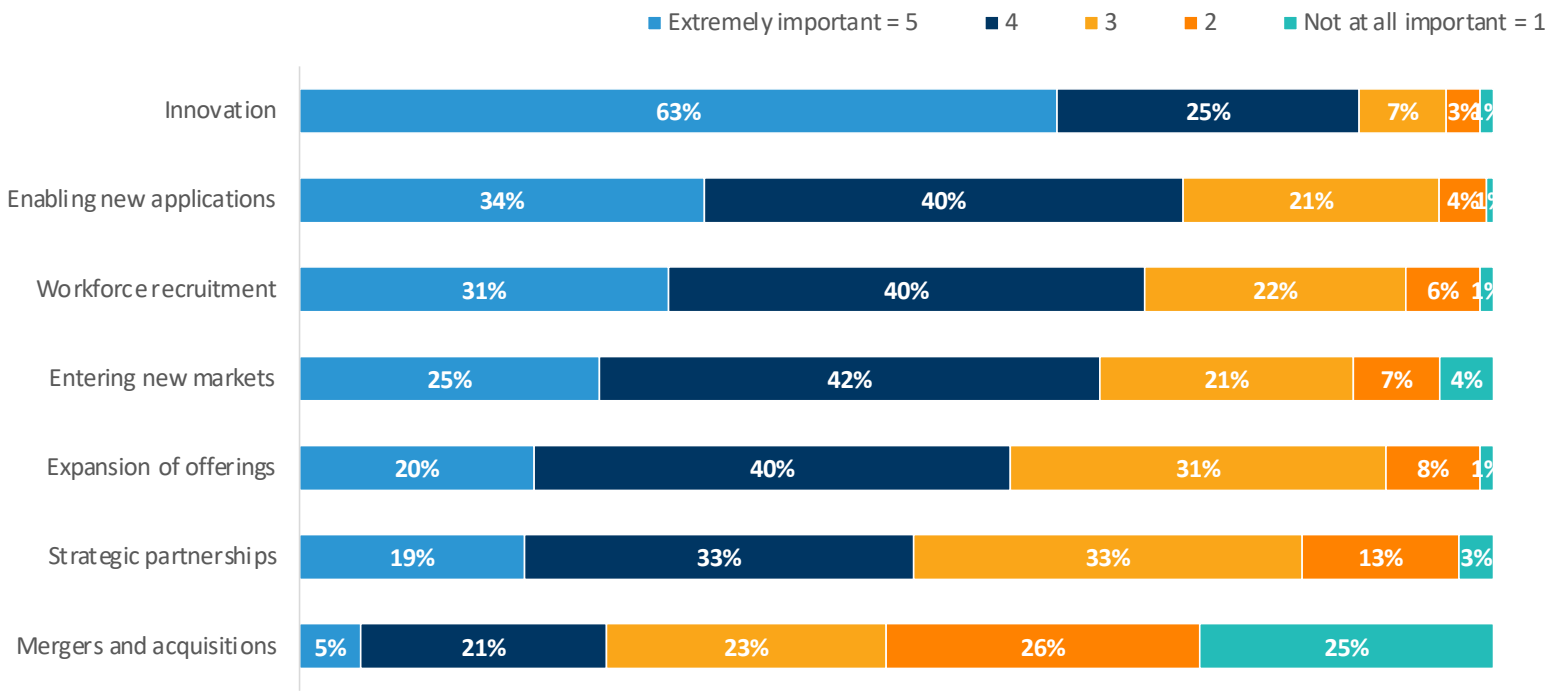
What strategies will you consider when transitioning to a systems approach?
(Please select all that apply)



Base: All supplier respondents (n=172); multiple answers allowed.

Vital Attributes for Long-Term Success for Suppliers

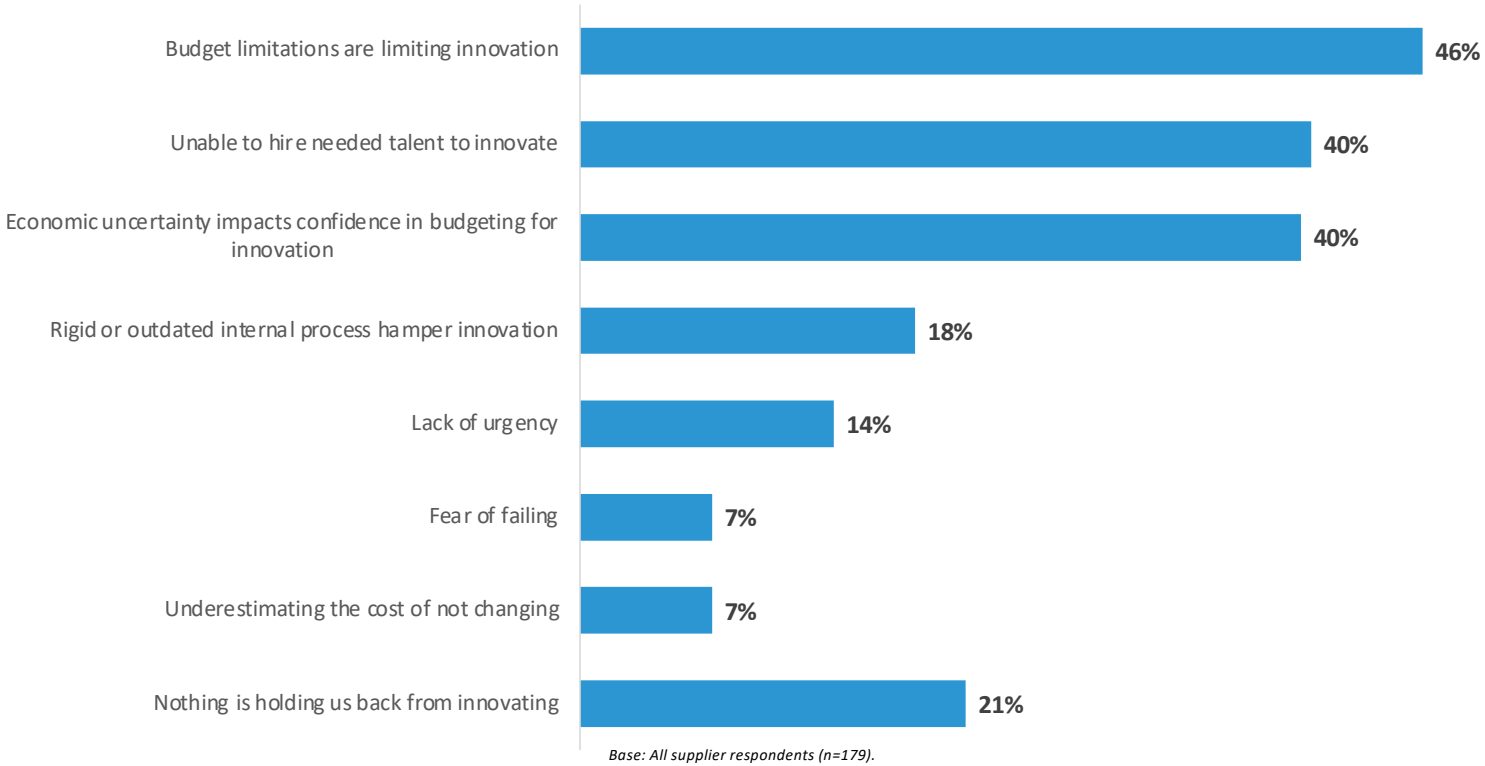
How important are each of the following to your company's ability to compete long-term?



Base: All supplier respondents (n varies from 175 to 179).

Barriers to Innovation for Suppliers

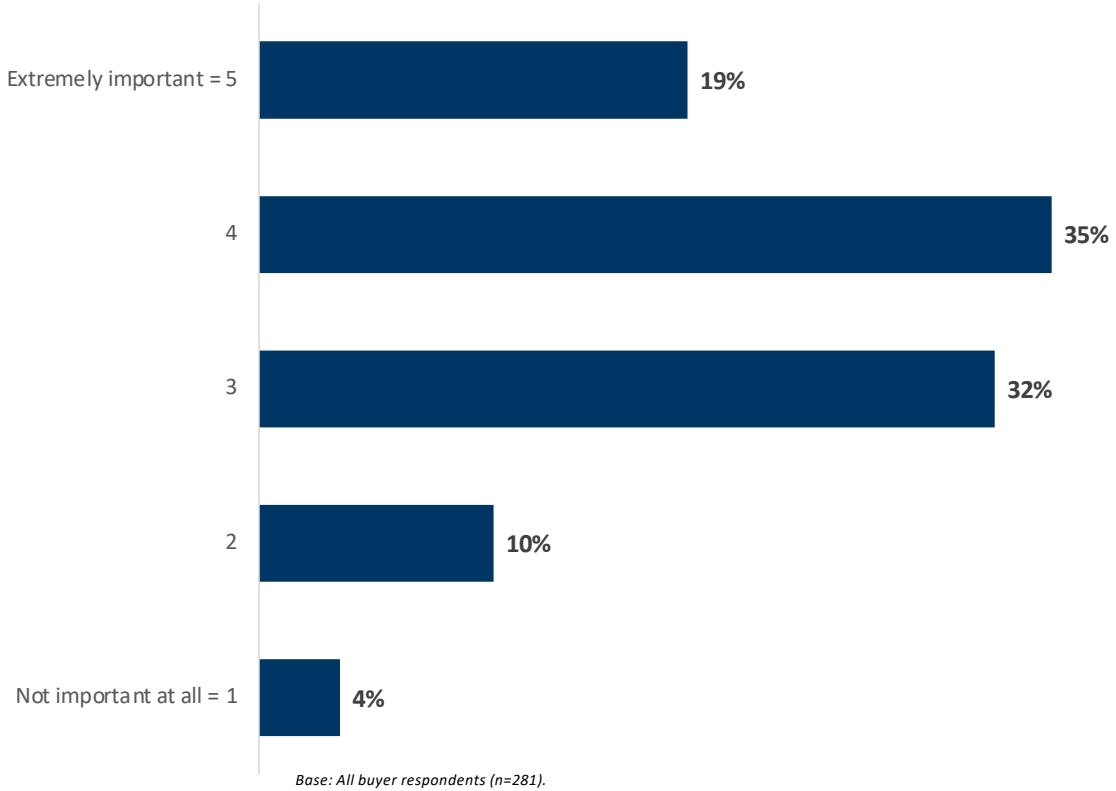
Which of the following factors are currently inhibiting your organization's ability to innovate?
(Please select all that apply)



Base: All supplier respondents (n=179).

Importance of Innovation for Buyers

How important is innovation to your organization when sourcing optics/lasers/photonics-based products?



Base: All buyer respondents (n=281).

Ongoing Supply Chain Concerns for Buyers and Suppliers

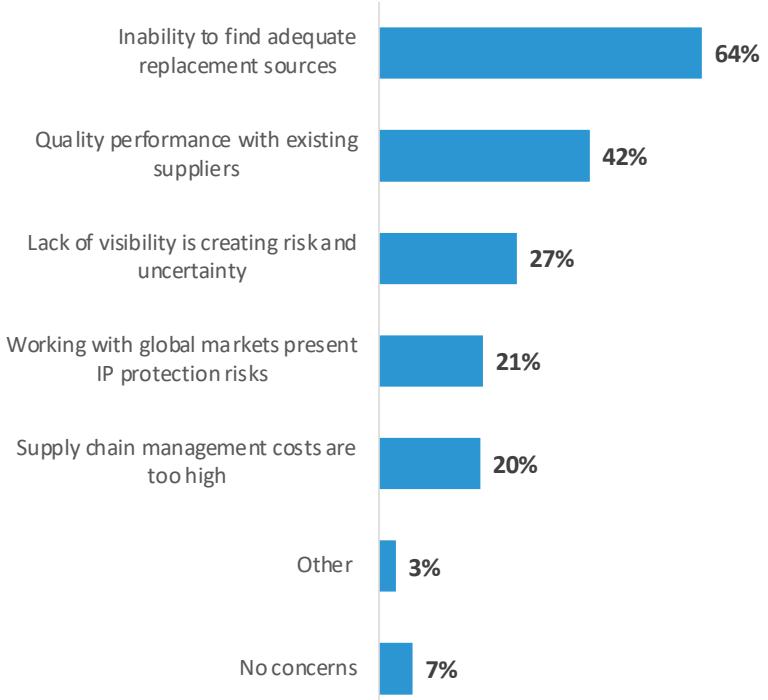
Buyers

What concerns do you have about your company's existing supply chain? (Please select all that apply)

Base: All buyer respondents (n=281) ; multiple answers allowed.

Suppliers

What concerns do you have about your company's existing supply chain? (Please select all that apply)

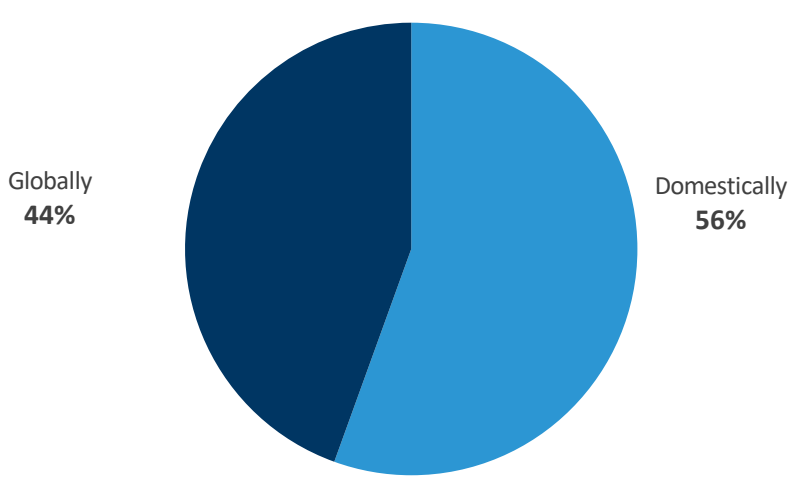


Base: All supplier respondents (n=179); multiple answers allowed.

Global vs. Domestic Sourcing

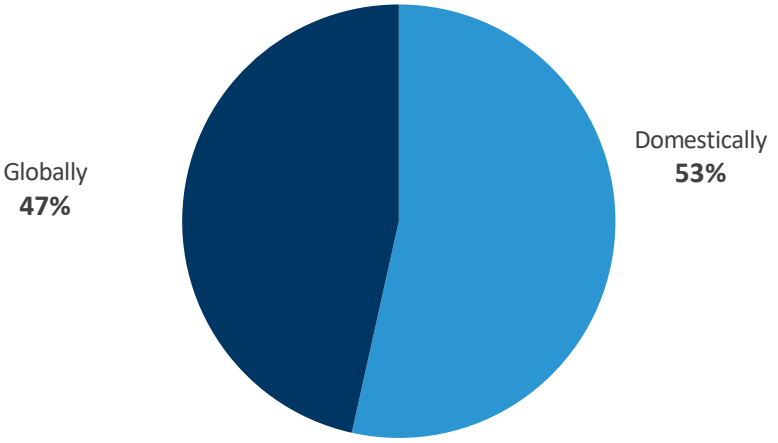
What percentage of components and materials are sourced domestically versus globally?
(Average percentages reported)

Buyers



Base: All buyer respondents (n=268).

Suppliers

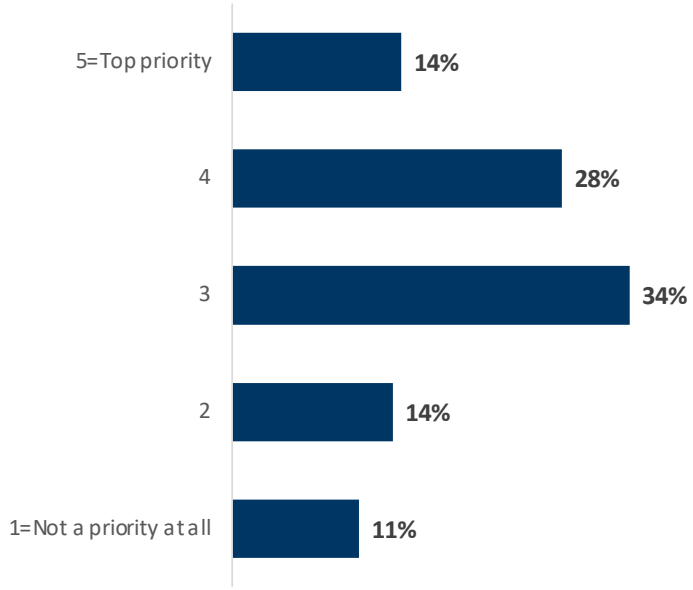


Base: All supplier respondents (n=165).

How Important is Domestic Sourcing?

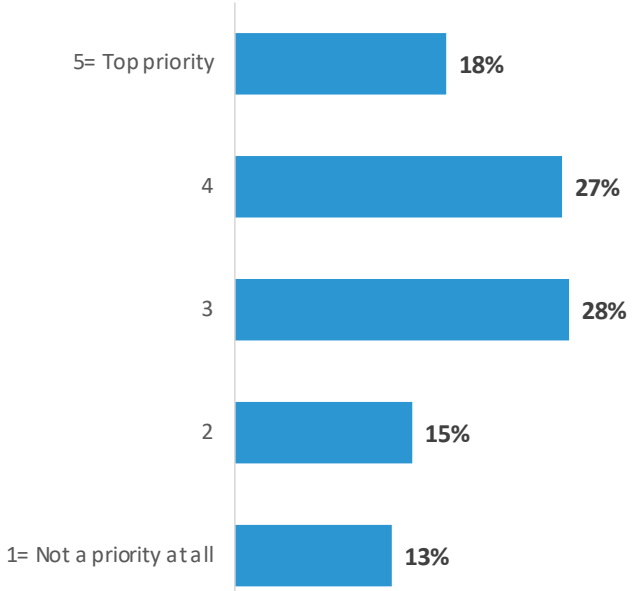
To what extent are you prioritizing or planning to prioritize domestic manufacturing and sourcing?

Buyers



Base: All buyer respondents (n=281) ; multiple answers allowed.

Suppliers

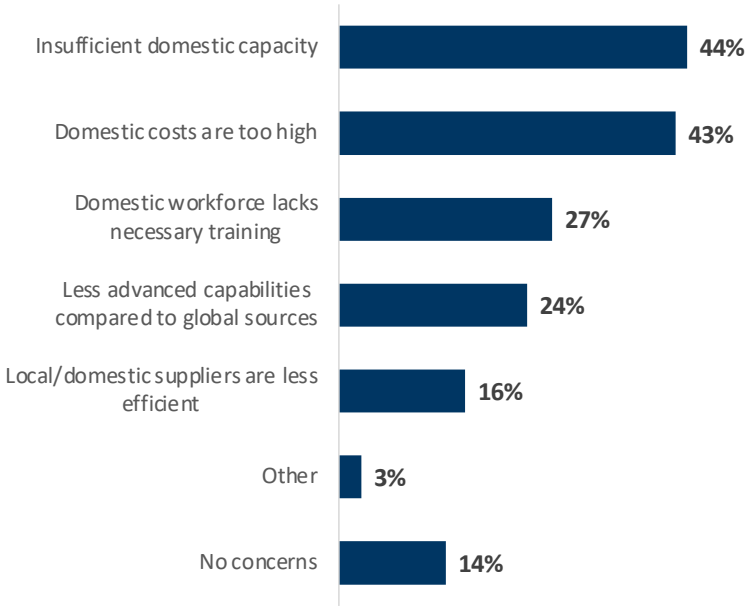


Base: All supplier respondents (n=179); multiple answers allowed.

Concerns with Domestic Sourcing for Buyers and Suppliers

Buyers

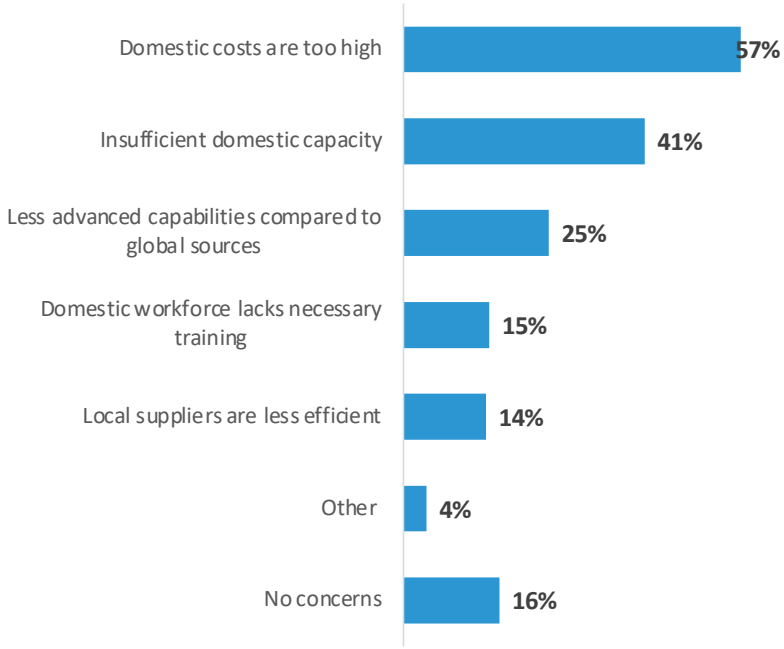
What concerns do you have in increasing dependency on domestic manufacturing/sourcing? (Please select all that apply)



Base: All buyer respondents (n=281) ; multiple answers allowed.

Suppliers

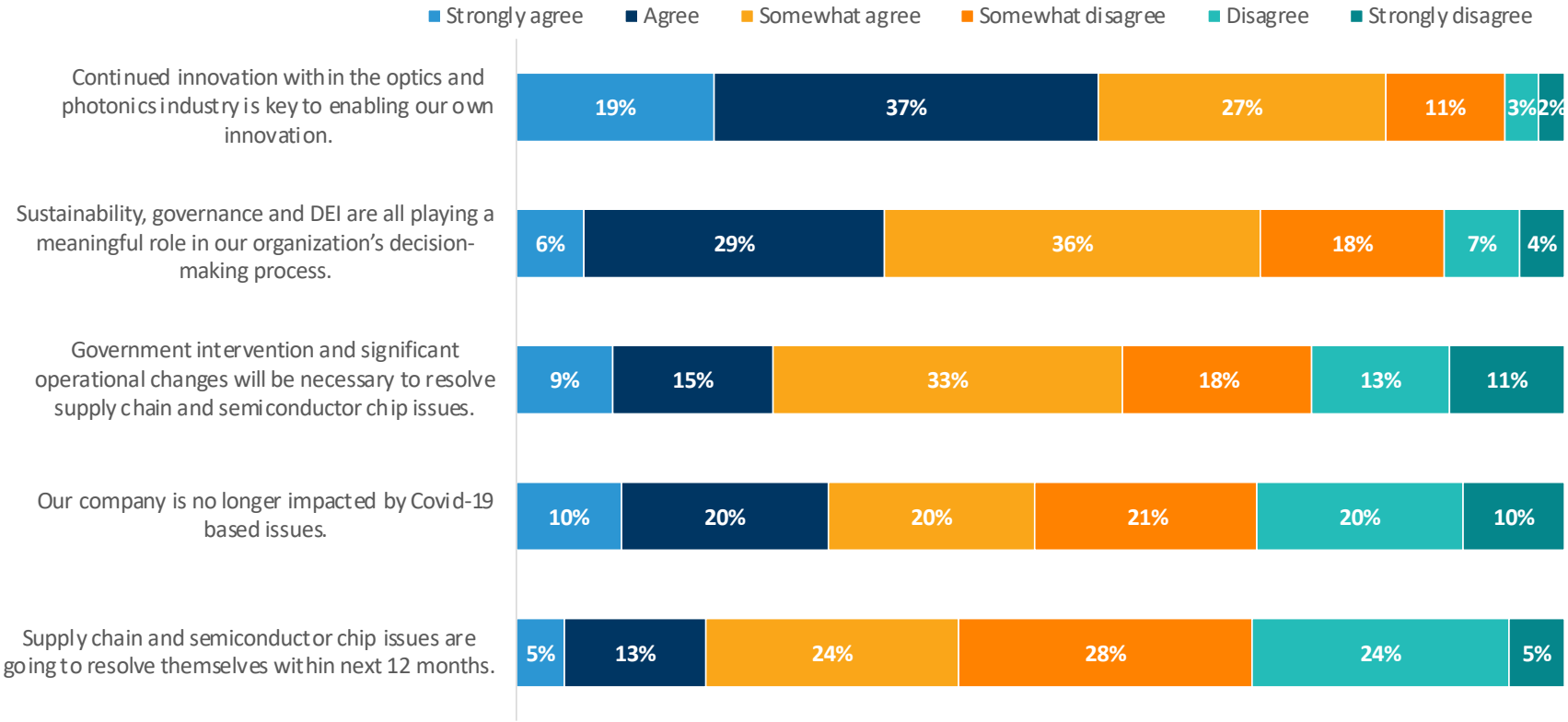
Which of the following are concerns with regard to increasing dependency on domestic manufacturing/sourcing? (Please select all that apply)



Base: All supplier respondents (n=178); multiple answers allowed.

Buyer Attitudes Towards Market Trends

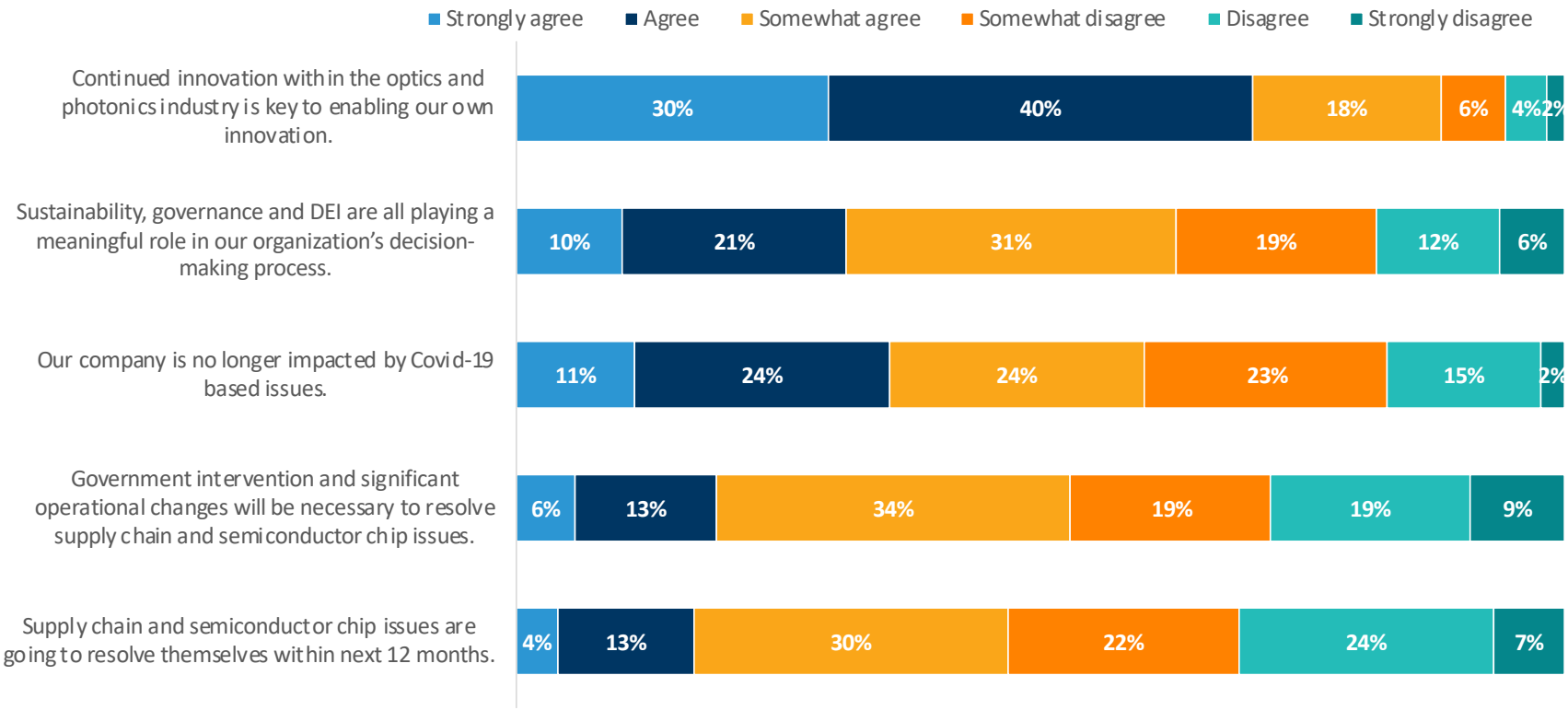
How strongly do you agree or disagree with the following statements?



Base: All buyer respondents (n varies from 279 to 282).

Supplier Attitudes Towards Market Trends

How strongly do you agree or disagree with the following statements?



Base: All buyer respondents (n varies from 177 to 178).