



# **Exploring Challenges and Opportunities in the Manufacturing Sector in the Sarnia Lambton Region**

**A Community Report by the Sarnia Lambton Workforce  
Development Board (SLWDB)**

## Acknowledgments

The views expressed in this publication are the views of the Sarnia Lambton Workforce Development Board (SLWDB) and do not necessarily reflect those of the Province. The Government of Ontario and its agencies are in no way bound by any recommendations contained in this document.

### Mission

SLWDB is a diverse and dedicated organization, committed to identifying needs and facilitating solutions to attract, train and retain a viable workforce through community partnerships.

### Vision

Growing Sarnia Lambton's workforce for tomorrow's economy.

SLWDB leads Sarnia Lambton in its approach to workforce development and labour market planning. The team actively engages organizations and community partners in local labour market projects. SLWDB also conducts consultations with business owners throughout the year in order to identify needs and facilitate solutions to grow the local workforce.

### Network

SLWDB is one of 26 local planning board areas that make up Workforce Planning Ontario that are funded to conduct and disseminate local labour market research and engage community stakeholders in a planning process that supports local solutions to local issues.



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## Executive Summary

In 2025, the Sarnia Lambton Workforce Development Board (SLWDB) sought to understand the challenges and strengths in the Manufacturing Sector in the Sarnia Lambton region. Stakeholder interviews provided insights into current trends, operational pressures, and potential solutions, forming a comprehensive understanding of the local manufacturing landscape.

The interviews highlighted the critical importance of organizational capacity, workforce alignment, and strong workplace culture in driving growth. They also emphasized the value of collaboration and resilience within the region's industrial ecosystem, pointing to the need for an integrated, region-specific framework to build capacity and sustain long-term competitiveness.

The sector faces workforce and operational gaps, including skilled labour shortages, digital skill deficits, rising costs, regulatory pressures, and the need for inclusive, safe, and sustainable workplaces. Addressing these challenges requires targeted workforce development, process modernization, cross-industry collaboration, and strategic investment across emerging manufacturing subsectors. Strengthening organizational capacity and workplace culture positions Sarnia Lambton as a resilient, collaborative, and strategically competitive industrial hub, supporting long-term growth, competitiveness, and regional economic stability.

## Introduction

Within Sarnia Lambton, manufacturing is critical to local prosperity. The area boasts a highly skilled workforce and well-established industrial infrastructure. Manufacturing in Sarnia Lambton supports thousands of direct and indirect jobs, sustains local businesses, attracts new talent and investment, and reinforces the region's reputation as a key contributor to Ontario's and Canada's industrial strength. According to the 2016 and 2021 Census, the workforce in Sarnia Lambton's manufacturing sector reduced by 7.7% over this period (<https://www.slwdb.org/publications/>).

Recent trends have highlighted significant challenges. The 2024 Advanced Manufacturing Council Report by the Government of Ontario indicates that the province's manufacturing sector has declined by 14% as of 2024.

In response to these challenges, this project was undertaken to conduct comprehensive research into both the challenges and strengths of manufacturing businesses in the Sarnia Lambton region and across Ontario. Drawing on the insights generated through this research, strategic recommendations were developed to support the sector's continued growth and enduring competitiveness.

By sharing these themes, the project aims to provide actionable insights that can guide policymakers, industry leaders, and community stakeholders. Moving forward, the results of this initiative are expected to strengthen the Sarnia Lambton manufacturing ecosystem, enabling businesses to adapt, innovate, and grow. Ultimately, the project aspires to reinforce the region's industrial leadership while creating long-term economic resilience and opportunities for future generations.



## Methods

To uncover the challenges and opportunities within Sarnia Lambton's manufacturing sector, 21 qualitative interviews were conducted, with leaders in industry, training, and economic development.

The stakeholders included educators, policy makers, and small, medium, and large business owners covering a diverse range of manufacturing areas. These areas included advanced manufacturing, food and beverage production, clean technology, industrial machinery, as well as the project management, carbon, and personal care manufacturing sectors, ensuring a comprehensive and representative perspective across both industrial and consumer-oriented production industries.

Each interview was transcribed and systematically analyzed to identify codes, and ultimately recurring themes related to sector challenges, emerging opportunities, training requirements, and workforce development needs. The information was subjected to a thematic analysis to identify key issues and emerging prospects while ensuring that the findings represent the diverse perspectives of stakeholders.



# Results

## Theme 1: Organizational Capacity and Resource Constraints

The manufacturing sector in Sarnia Lambton operates in a dynamic and complex environment where organizational capacity and resource limitations directly influence growth, competitiveness, and resilience. Stakeholder interviews highlight that companies face significant market volatility, economic uncertainty, and rising operational costs, all of which impact strategic decision-making, investment, and long-term planning. Workforce shortages, coupled with increasing environmental and regulatory pressures, further constrain the sector's ability to optimize operations and maintain stability.

The two main constraints affecting organizational capacity and performance fall under financial and procurement and operational challenges.

### 1. Financial and Procurement Limitations

- Market volatility and economic uncertainty reduce confidence in strategic investments.
- Limited cash flow restricts expansion, adoption of new technologies, and facility modernization.
- Rising raw material and production costs strain budgets and influence pricing strategies.
- Access to financial incentives and grants is limited, particularly for small and medium-sized manufacturers.
- Challenges in forming strategic partnerships, especially for start-ups, limit market access and slow revenue growth.
- High costs and complexity of diversification, adopting automation, and advanced manufacturing technologies create capital strain and affect investment planning.

### 2. Operational Challenges

- Aging workforce and trade skill shortages (electricians, welders, plumbers, machinists, millwrights, painters) reduce capacity and increase training and succession costs.
- Growing demand for digital and technical skills (automation, robotics, CNC (Computer Numerical Control) machining) requires ongoing upskilling to maintain efficiency, support technology adoption, and remain competitive.
- Limited availability of specialized training programs and workforce grants, along with graduates' lack of hands-on experience, place additional burdens on manufacturers, particularly start-ups.
- Production stability is affected by uncertainty due to automation transitions, COVID-19, and U.S. tariffs in key sectors (Steel, Aluminum, Petrochemicals, Automotive, Industrial Machinery, Food & Beverage), leading to cost volatility and supply chain disruptions.
- Regulatory compliance with environmental and safety standards increases operational costs and can delay projects.
- Cross-border trade disruptions, including inspection delays, impact production timelines, product quality, and customer reliability.

Collectively, these financial, operational, and workforce-related challenges highlight the complex environment in which Sarnia Lambton's manufacturing sector operates. The challenges reflect both micro and macro forces that can create additional strain on local manufacturing-based businesses.

## Theme 2: Preparing a Future-Ready Manufacturing Workforce

Our stakeholders emphasized that future growth in Sarnia Lambton's manufacturing sector depends on aligning workforce skills with localized training. As markets become increasingly competitive and technology-driven, the region needs to strengthen talent development which involves coordinated connections among those in the education sector and industry. These connections are essential to build a resilient and future-ready manufacturing workforce. The following points outline the key growth areas supported by strategic alignment and collective focus on building a forward-looking workforce.

### 1. Developing the Next Generation of Manufacturing Talent

A skilled and adaptable workforce is critical for sector resilience and competitiveness. Key focus areas include:

- **Industry-aligned education programs:** Expanding curricula and hands-on training in advanced manufacturing systems, quality standards, and regulatory requirements to equip students with the skills and knowledge needed to meet current industry standards.
- **Workplace training and mentorship:** Structured upskilling initiatives, internal training, and mentorship programs to strengthen technical, problem-solving, and adaptability skills.
- **Youth engagement initiatives:** Plant tours, career awareness events, and networking opportunities to foster early interest in manufacturing careers and build a sustainable talent pipeline.

### 2. Strengthening Partnerships and Community Collaboration

Collaboration among educational institutions, industry, and the broader community enhances workforce readiness and drives sector growth:

- **College-industry alignment:** Co-designed programs, internships, apprenticeships, and applied research ensure workforce skills match evolving market needs.
- **Community talent integration:** Recognizing and supporting local residents and immigrant communities broadens the labor pool, introduces diverse perspectives, and strengthens inclusive participation.

By strategically developing talent and building collaboration amongst networks, Sarnia Lambton can foster a cohesive, future-ready manufacturing ecosystem.



## Theme 3: Holistic Employee Experience and Workplace Culture

Stakeholders emphasized that fostering an inclusive, diverse, and equitable workplace, ensuring employee well-being, and maintaining safe and sustainable work environments are essential for retention, engagement, and overall organizational success. The following areas describe the evolving workforce needs and cultural priorities that will shape the sector's future readiness and performance.

### 1. Workforce Diversity and Inclusion

- There is a growing need to promote greater participation from women, newcomers, and other underrepresented groups in skilled trades.
- Organizations require the development of more equitable workplaces that foster innovation, engagement, and long-term workforce sustainability.

### 2. Employee Well-being, Safety, and Workplace Culture to Build a Strong Team

- There is a call for a firm commitment to safe, healthy, and sustainable work environments, which is essential for retention and operational stability.
- Supervisory practices and team dynamics require careful attention, as uncooperative management can negatively impact morale and productivity.
- Professional development should be encouraged through mentoring and coaching programs that align employee capabilities with evolving industry requirements.

By prioritizing workforce well-being, and career development, the Sarnia Lambton manufacturing sector can cultivate a resilient, skilled, and future-ready workforce. Strategic investments in training, inclusive practices, and supportive workplace cultures not only enhance productivity but also empower employees, foster engagement, and position organizations for long-term creativity and enduring advancement.

***“Take care of your people, and they will take care of your business.”***



## Recommendations

A key strength of the Sarnia Lambton region lies in its well-established industrial ecosystem. The presence of a strong manufacturing and petrochemical cluster, supported by decades of technical expertise and specialized industry knowledge, provides businesses with a stable production environment, robust supply chain connections, and ongoing support for local production and Canadian-made goods. Strategic infrastructure and logistics advantages - including proximity to Highway 402, rail networks, regional airports, and direct access to U.S. markets - further enhance operational efficiency and enable market expansion.

Building on these regional strengths, as a call to action - these themes are uncovered during the data analysis process have informed a series of strategic recommendations:

### 1. Building a Skilled and Engaged Team

- Connect with a local human resources consultant to help ensure compliance and efficiency.
- Use regional workforce programs and data reports from the Sarnia Lambton Workforce Development Board (SLWDB) for targeted training and workforce planning (<https://www.slwdb.org/>).
- Foster a positive workplace culture with employee assistance programs and workplace well-being initiatives.

### 2. Clarifying Business Focus and Operational Excellence

- Define a clear business niche and scale operations strategically, by leveraging Sarnia Lambton’s strengths in petrochemicals, advanced manufacturing, and skilled trades.
- Continuously refine processes, close operational gaps, and adopt innovative approaches through lean practices and targeted automation.
- Explore collaborations or contract manufacturing to expand capabilities through local partnerships, industry networks, and regional supply chains.
- Implement structured “lessons learned” reviews following every project or operational milestones to continuous improvement, operational consistency and strengthen future performance.
- Cultivate a growth mindset, patience, and persistence to navigate challenges through focused leadership, workforce development, and ongoing upskilling aligned with regional priorities.

### **3. Community Engagement and Strategic Networking**

- Build partnerships by actively participating in community and industry events through organizations such as the Sarnia Lambton Chamber of Commerce, fostering visibility, trust, and opportunities for local collaboration and business growth.
- Partner with industry peers, research institutions, and economic development agencies (e.g., City of Sarnia, Sarnia Lambton Economic Partnership (SLEP), Chamber of Commerce, Community Futures, and others) to access market intelligence, funding opportunities, innovation support, and regional networks that strengthen competitiveness and support business expansion.
- Implement a robust marketing strategy using social media, referrals, promotions, events, and follow-ups to boost visibility, strengthen client relationships, and drive business growth within the Sarnia Lambton community and beyond.

### **4. Innovation and Continuous Improvement**

- Monitor market gaps, competition, and emerging trends to guide business decisions.
- Invest in innovation, clean technologies, and advanced manufacturing practices to maintain competitiveness.
- Integrate continuous improvement into daily operations to proactively respond to global supply chain shifts and industrial demands.
- Apply insights gathered from project-based “lessons learned” assessments to refine processes, strengthen decision-making, and accelerate organizational learning.
- Align operational and growth strategies with long-term sustainability goals.
- Streamline offerings with long-term business objectives and regional economic priorities.

Taken together, these strategic recommendations build on Sarnia Lambton’s established industrial ecosystem, skilled workforce, and strategic infrastructure to provide a clear roadmap for manufacturers. By leveraging regional strengths in petrochemicals, advanced manufacturing, skilled trades, and logistical connectivity, organizations can enhance operational efficiency, expand market reach, and strengthen competitiveness. Investing in workforce development, innovation, and continuous improvement - while engaging with local networks, partners, and economic development agencies - will enable businesses to respond effectively to evolving market demands, emerging technologies, and global opportunities. Implemented in a planned and coordinated manner, these initiatives position manufacturers to thrive sustainably while driving long-term growth and regional economic resilience.



## Conclusion

The manufacturing sector in Sarnia Lambton remains a cornerstone of the local regional. The industry faces persistent challenges, ranging from labour shortages and cost pressures to market volatility, however it continues to benefit from a well-connected industrial network, proximity to major transportation routes, and highly specialized expertise.

This project was undertaken to provide a comprehensive understanding of the key priorities for workforce development and sector growth. Our stakeholders have shared their insights and experiences throughout this process, providing a perspective on the operational realities, workforce challenges, and growth opportunities within the local manufacturing ecosystem. Throughout our work, we have gained valuable insights on emerging areas of expansion, critical skill requirements, and operational needs, while highlighting both vulnerabilities and advantages that inform a solid roadmap for policymakers, business leaders, and community stakeholders.

By harnessing the region's strengths, fostering unified leadership, and advancing targeted investment strategies, Sarnia Lambton is well positioned to elevate its industrial prominence, drive sustainable economic growth, and create lasting opportunities for current and future generations. Central to achieving this vision is the strategic use of regional labour market intelligence - integrating employer insights, workforce data, and real-time industry trends - to enable more precise workforce planning, responsive program development, and evidence-informed policy decisions. Strengthening this data-driven capacity will ensure that regional strategies remain adaptive, forward-looking, and closely aligned with evolving economic conditions, ultimately reinforcing Sarnia Lambton's competitiveness within an increasingly dynamic manufacturing landscape.



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We welcome feedback on this report

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