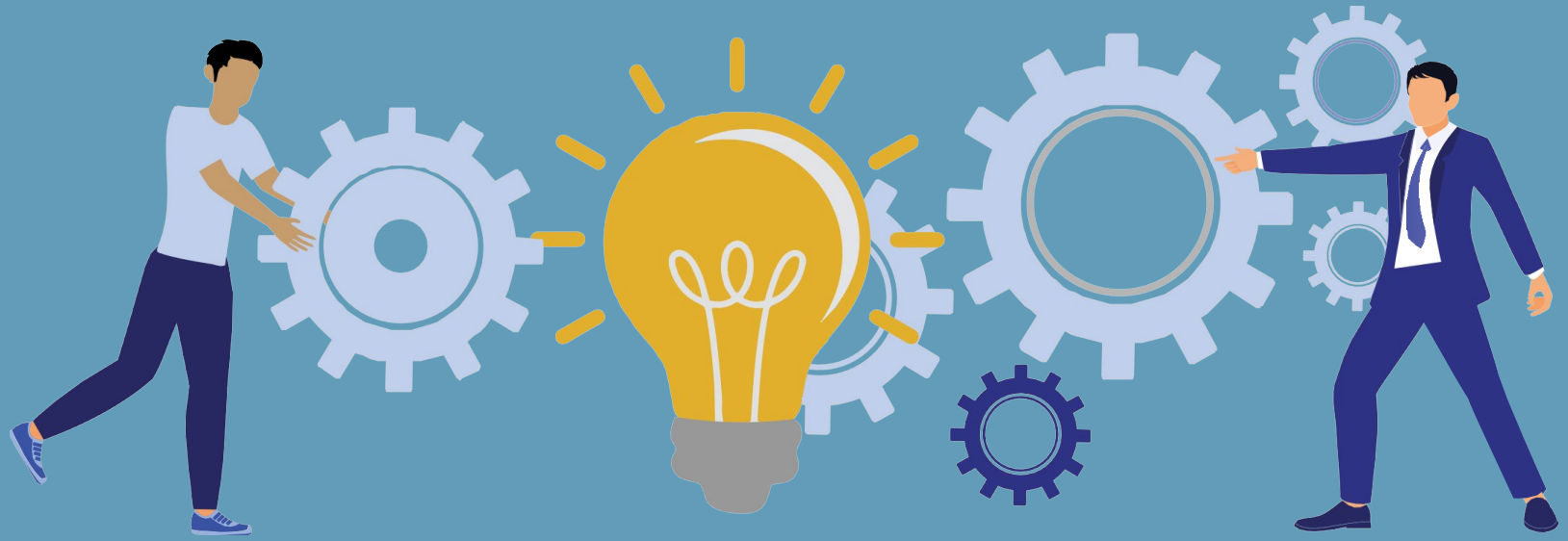
MAY 2026

WHITE PAPER

2026 Innovation for Packaging and Processing OEMs



PMMI Business Intelligence

pmmi.org

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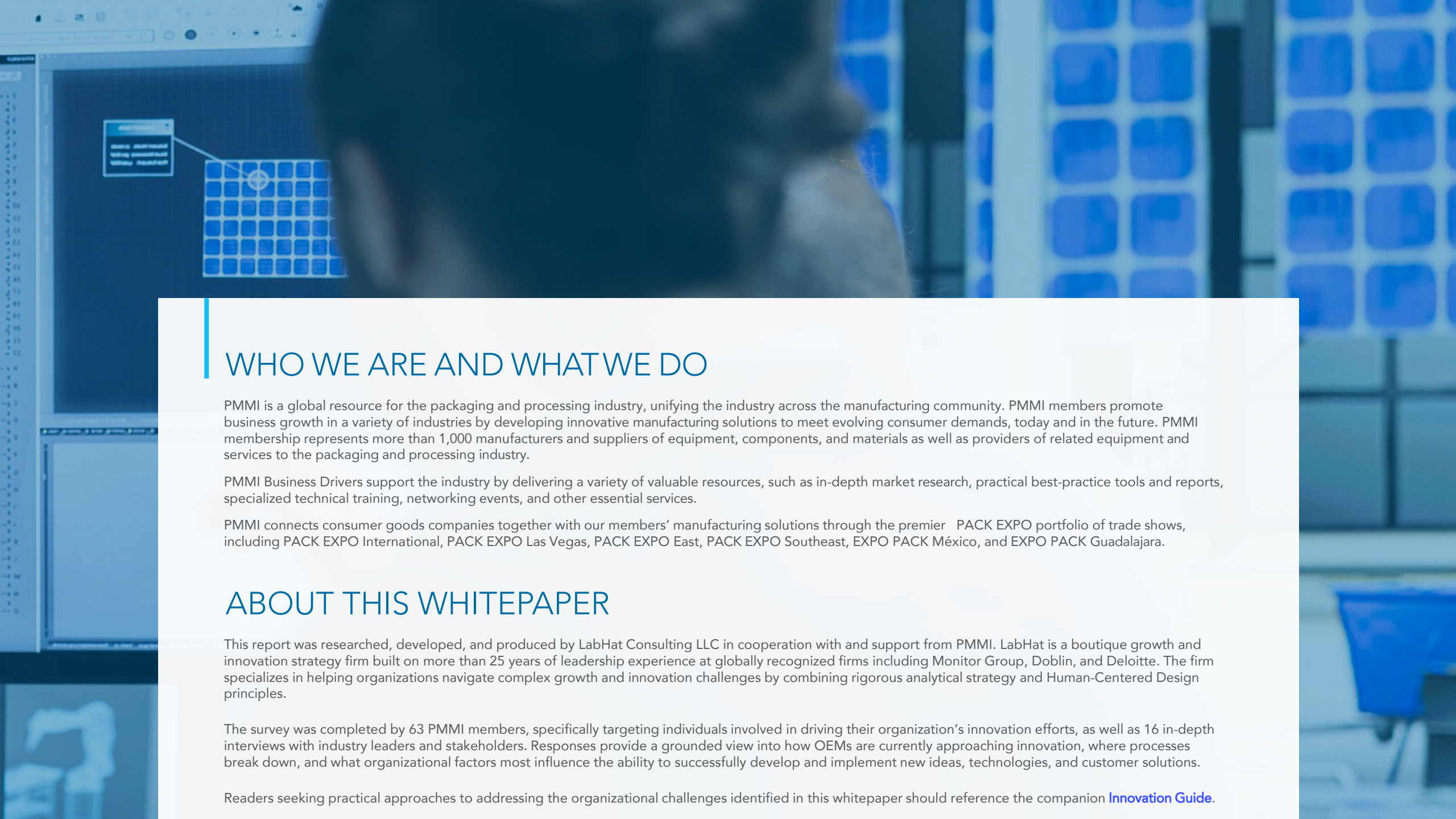


WHO WE ARE AND WHAT WE DO

PMMI is a global resource for the packaging and processing industry, unifying the industry across the manufacturing community. PMMI members promote business growth in a variety of industries by developing innovative manufacturing solutions to meet evolving consumer demands, today and in the future. PMMI membership represents more than 1,000 manufacturers and suppliers of equipment, components, and materials as well as providers of related equipment and services to the packaging and processing industry.

PMMI Business Drivers support the industry by delivering a variety of valuable resources, such as in-depth market research, practical best-practice tools and reports, specialized technical training, networking events, and other essential services.

PMMI connects consumer goods companies together with our members' manufacturing solutions through the premier PACK EXPO portfolio of trade shows, including PACK EXPO International, PACK EXPO Las Vegas, PACK EXPO East, PACK EXPO Southeast, EXPO PACK México, and EXPO PACK Guadalajara.

ABOUT THIS WHITEPAPER

This report was researched, developed, and produced by LabHat Consulting LLC in cooperation with and support from PMMI. LabHat is a boutique growth and innovation strategy firm built on more than 25 years of leadership experience at globally recognized firms including Monitor Group, Doblin, and Deloitte. The firm specializes in helping organizations navigate complex growth and innovation challenges by combining rigorous analytical strategy and Human-Centered Design principles.

The survey was completed by 63 PMMI members, specifically targeting individuals involved in driving their organization's innovation efforts, as well as 16 in-depth interviews with industry leaders and stakeholders. Responses provide a grounded view into how OEMs are currently approaching innovation, where processes break down, and what organizational factors most influence the ability to successfully develop and implement new ideas, technologies, and customer solutions.

Readers seeking practical approaches to addressing the organizational challenges identified in this whitepaper should reference the companion **Innovation Guide**.

Member and Customer Discovery

Detailed Findings and Results

Who we surveyed

Respondents averaged 26.7 years of professional experience and 19.4 years in the packaging and machinery industry.

BY ROLE

32% Sales / Marketing

25% Engineering / R&D

21% Owner / CEO / President

8% Operations / Manufacturing

14% Other

BY COMPANY SIZE

29% Under $20M

44% $20M to $100M

27% Over $100M

BY INNOVATION INVOLVEMENT

38% Lead vision and strategy

22% Manage day-to-day execution

40% Provide input and support

Source: PMMI Member Survey (n=63); PMMI Member Focus Group / Interviews (n=16)

What's Driving Innovation

86% rate innovation a 4 or 5 out of 5 — consistent across all roles and company sizes. 33% call it essential for survival.

TOP INNOVATION DRIVERS

REACTIVE	PROACTIVE
51%	*49%*

Innovation is nearly split between reactive responses to market changes and proactive efforts to lead new developments.

- → **87%** Customer demand for flexibility and speed
- → **73%** Integrating new technologies
- → **63%** Keeping up with competitors
- → **25%** Replacing aging product lines
- → **24%** Defending against market disruption

Source: PMMI Member Survey (n=63); PMMI Member Focus Group / Interviews (n=16)

Companion Resource Available: ***PMMI Innovation Guide***

Where AI Stands Today

Members are using AI on their business — not yet in their machines.

01

Integrated

AI in products or customer-facing services (10%)

02

Operational

Internal Only (37%)

03

Testing/Piloting

(22%)

04

Evaluating

exploring use cases (22%)

05

Interested

don't know where to start (5%)

06

Not Applicable

(5%)

59%

Actively using or testing AI

10%

AI integrated into products or customer-facing services

73%

Cite integrating new technologies as a top-3 innovation driver

Source: PMMI Member Survey (n=63); PMMI Member Focus Group / Interviews (n=16)

The ambition is real… *but leaders and teams aren't seeing the same picture*

How important is innovation to your company?

86% **Say it is a high or essential priority**

4.31/5 **How leaders rate themselves as *innovation champions***

3.40/5 **How their teams rate them**

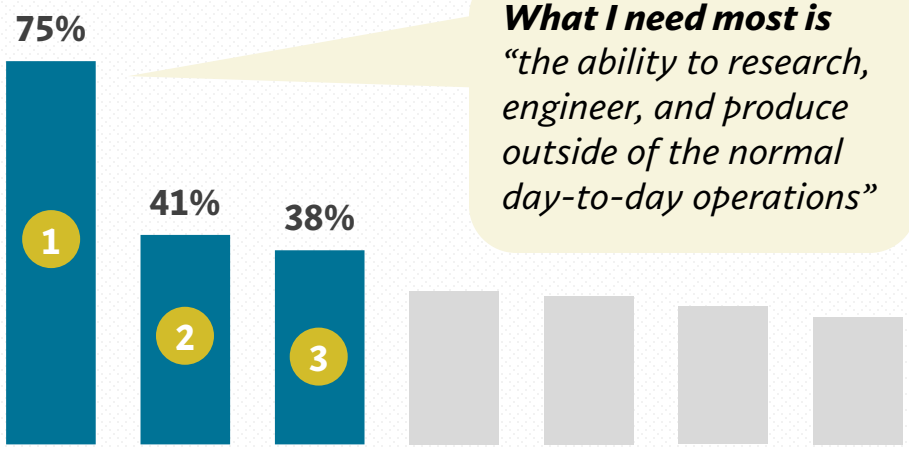
Leaders and their teams aren't just rating things differently. They're not solving the same problems.

Seniority vs. Role with Inno	**Lead Vision**	**Manage Day-to-Day**	**Provide Input**	Total
Senior Leadership	**8**	3	2	13
Engineering / R&D	**6**	**7**	3	16
Sales / Marketing	3	2	**15**	20
Operations / Manufacturing	1	1	**3**	5
Total[1]	18	13	23	54

Note: (1) Total excludes 9 respondents self-categorized in "other roles" (i.e., brand management, FP&A, customer service)
Source: PMMI Member Survey (n=63); PMMI Member Focus Group / Interviews (n=16)

Leaders think the **problem is *culture***. *Teams* think the **problem is *time***.

What are the biggest barriers to innovation?



What I need most is *"the ability to research, engineer, and produce outside of the normal day-to-day operations"*

1. **Day-to-Day Operational Demands**
2. **Unsure Of What The Customer Wants**
3. **Finding and Retaining Talent**

SAME ORGANIZATION

3 different realities

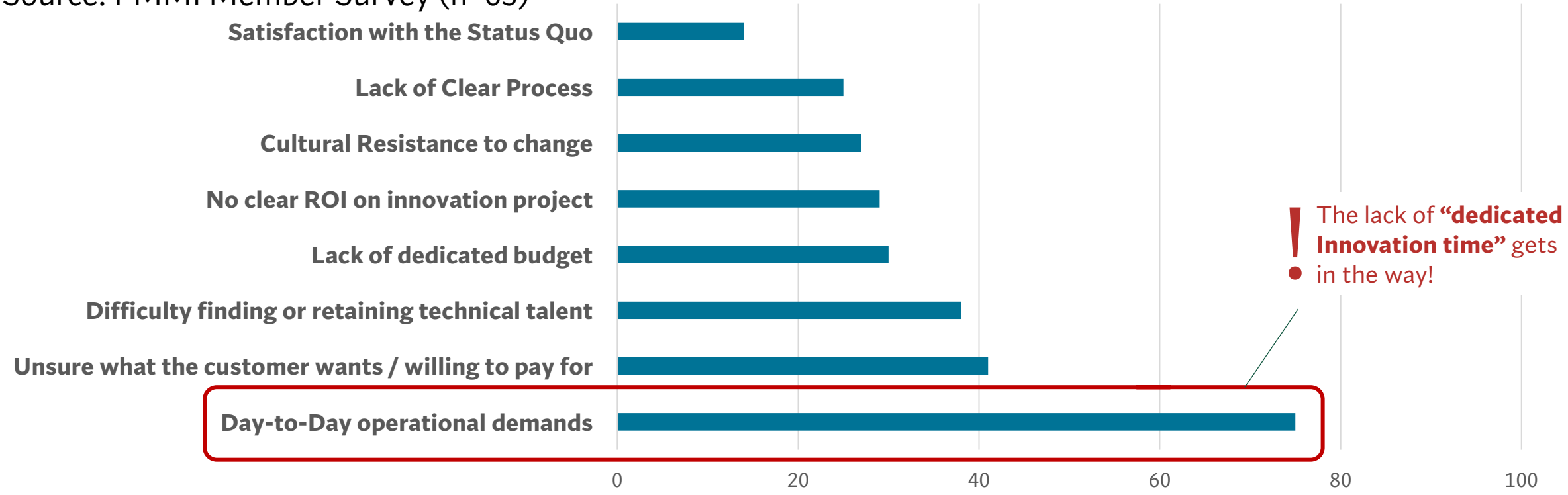
	Leaders / CEOs	Engineers	Sales
Biggest Barriers	Customer Uncertainty + Culture	**Day-to-Day Operational Demands**	Getting Ideas to Market
Biggest Future Innovation Priority	**Profit Model *(54%)***	Product Performance *(75%)*	Product Performance + Service *(45%)*
If I had a "Magic Wand"	Dedicated Resources, Customer Clarity	Isolation from day-to-day	**Remove engineering as a bottleneck**
What I want most in an Innovation Playbook	Commercialization, **Customer Discovery**, Innovation Intent	**Customer Discovery**, Faster Prototyping	**Customer Discovery**, Success Metrics

Source: PMMI Member Survey (n=63); PMMI Member Focus Group / Interviews (n=16)

Companion Resource Available: ***PMMI Innovation Guide***

Overall, day-to-day operational demands is the dominant barrier

Source: PMMI Member Survey (n=63)



"The ability to research, engineer, and produce outside of the normal day-to-day operations"

"Let the team focus 100% on the innovation while expecting some failures along the way"

"Knowing exactly what the customer wants versus what they need"

Interestingly, **high-maturity members are more likely to acknowledge these barriers** than low-maturity members, suggesting a deeper understanding of the challenges of innovation.

Source: PMMI Member Survey (n=63); PMMI Member Focus Group / Interviews (n=16)

Innovation Capability Scorecard

Where we are strong (and where we are not).

STRATEGIC INTENT

A **clearly defined "North Star"** that guides innovation and prevents initiatives from losing momentum.

RESOURCING & GOVERNANCE

A defined **decision-making model to fund and staff** the right ideas.

PROCESS

The advancement of innovation, from **problem definition** to customer discovery to idea gen. to prototyping to **launch**.

INFRASTRUCTURE

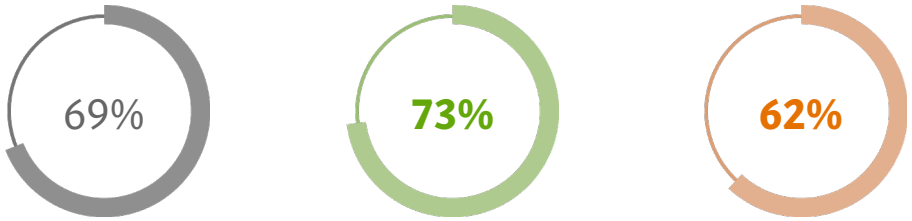
The essential **tools, assets, and networks** required to innovate.

Companion Resource Available: ***PMMI Innovation Guide***

Innovation Capability Scorecard

Where we are strong (and where we are not). Self-Assessment (rated on a 1-5 scale, overall 3.27 out of 5).

STRATEGIC INTENT 3.40/5

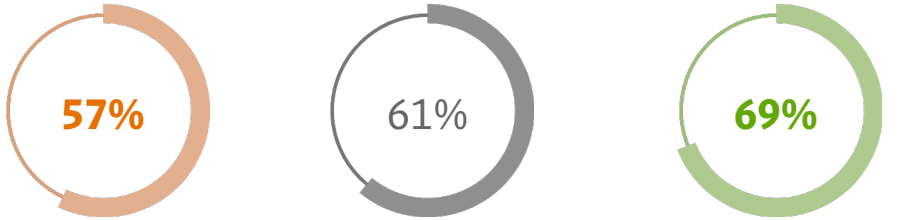


- Innovation Intent — 3.43
- **Customer Insights ↑** — **3.67**
- **Tech Scouting ↓** — **3.11**

RESOURCING & GOVERNANCE 3.24/5

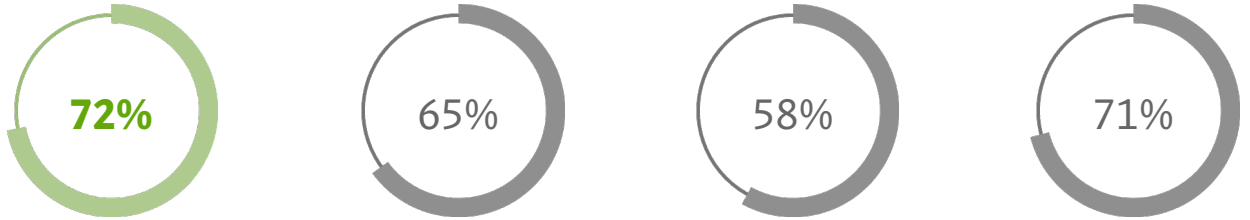
- Resource Allocation ↓ — 2.95
- Portfolio Management — 3.32
- **Decision-Making ↑** — **3.60**
- Metrics & Accountability — 3.10

PROCESS 3.11/5



- **Agile Development ↓** — **2.84**
- Scaling & Launch — 3.05
- **Knowledge Capture↑** — **3.43**

INFRASTRUCTURE 3.32/5



- **Senior Leadership ↑** — **3.59**
- Talent & Culture — 3.24
- External Ecosystems — 2.89
- IP & R&D Doc. — 3.56

Source: PMMI Member Survey (n=63); PMMI Member Focus Group / Interviews (n=16)

A more expansive frame: the Ten Types

Research shows that breakthrough concepts integrate typically 5+ types

Network
Connections with others to create value

Process
Signature or superior methods for doing your work

Product System
Complementary products and services

Channel
How your offerings are delivered to customers and users

Customer Engagement
Distinctive interactions you foster

Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement
CONFIGURATION				OFFERING		EXPERIENCE			

Profit Model
The way in which you make money

Structure
Alignment of your talent and assets

Product Performance
Distinguishing features and functionality

Service
Support and enhancements that surround your offerings

Brand
Representation of your offerings and business

Source: The Discipline of Building Breakthroughs, 2012

Highlights from the survey: Innovation today that spans the Ten Types

Profit Model

Subscription / OPEX Models: Shifting from a one-time capital equipment sale to "Guaranteed Uptime" or "Pay-per-Pouch" models

Early Financial Buy-in: Partnering with customers for shared financial backing on new design-test-launch plans

Certified Refurbishment Program *(aspirational):* Create a "circular" marketplace to take back, modernize, and re-sell older equipment for smaller-scale customers

Network

Material Ecosystems: Partnering deeply with film/resin suppliers to co-innovate on material compatibility before the machine is built

Joint Innovation Councils *(aspirational):* Form a semi-annual advisory board with key customers to discuss 3-year packaging trends rather than next week's orders

Tech Scouting: Formally partnering with startups or universities to integrate emerging tech like AI and advanced sensors

Structure

Specialized Hiring: Recruiting specific talent for new tech (like robotics) rather than just retraining existing staff

Knowledge Management Systems: Leveraging IP and R&D documentation not just for tax credits, but as a structured internal "learning" asset

Dedicated "Ring-Fenced" R&D *(aspirational):* Creating internal Tiger Teams to work on innovation "sprints", with time protected

Process

In-House Manufacturing: Developing "signature methods" (e.g., manufacturing bearings in-house to reduce cost and lead times)

Agile Refinement: "Redesigning a process" in real-time to solve a specific high-speed requirement for a single project

Product Performance

Speed & Throughput: Redesigning machines to be 20–30% faster or 50% quicker on changeovers

Simplicity: Removing complexity (e.g., replacing 3 servos with 1) to improve reliability and lower cost

Robotics: Integrating dedicated robots for material handling and labor savings

Product System

Monoblock Systems: Designing modular, integrated lines that offer the "smallest footprint in the market"

Brand Integration: Creating a "Single HMI look and feel" across different machine brands within the same company to simplify operator training

Service

Remote Connectivity: Mitigating local IT hurdles to provide "remote machine monitoring" as a value-add

Customer Trials: Offering on-site trials and testing phases to ensure buy-in before final acceptance

Channel

Direct-to-Stakeholder: Finding new channels to reach Brand Managers and Sustainability Directors rather than just Engineering / Procurement

Digital Support: Providing "self-service" digital portals for training and part ordering that bypass traditional sales reps

Brand

Reliability Identity: Positioning the company as "the best running machine in the factory" to compete on uptime rather than price

Market Sector Specialist: Rebranding from a generalist to a specialist in a high-growth niche (e.g., "The Leader in Sustainable Dairy Packaging")

Customer Engagement

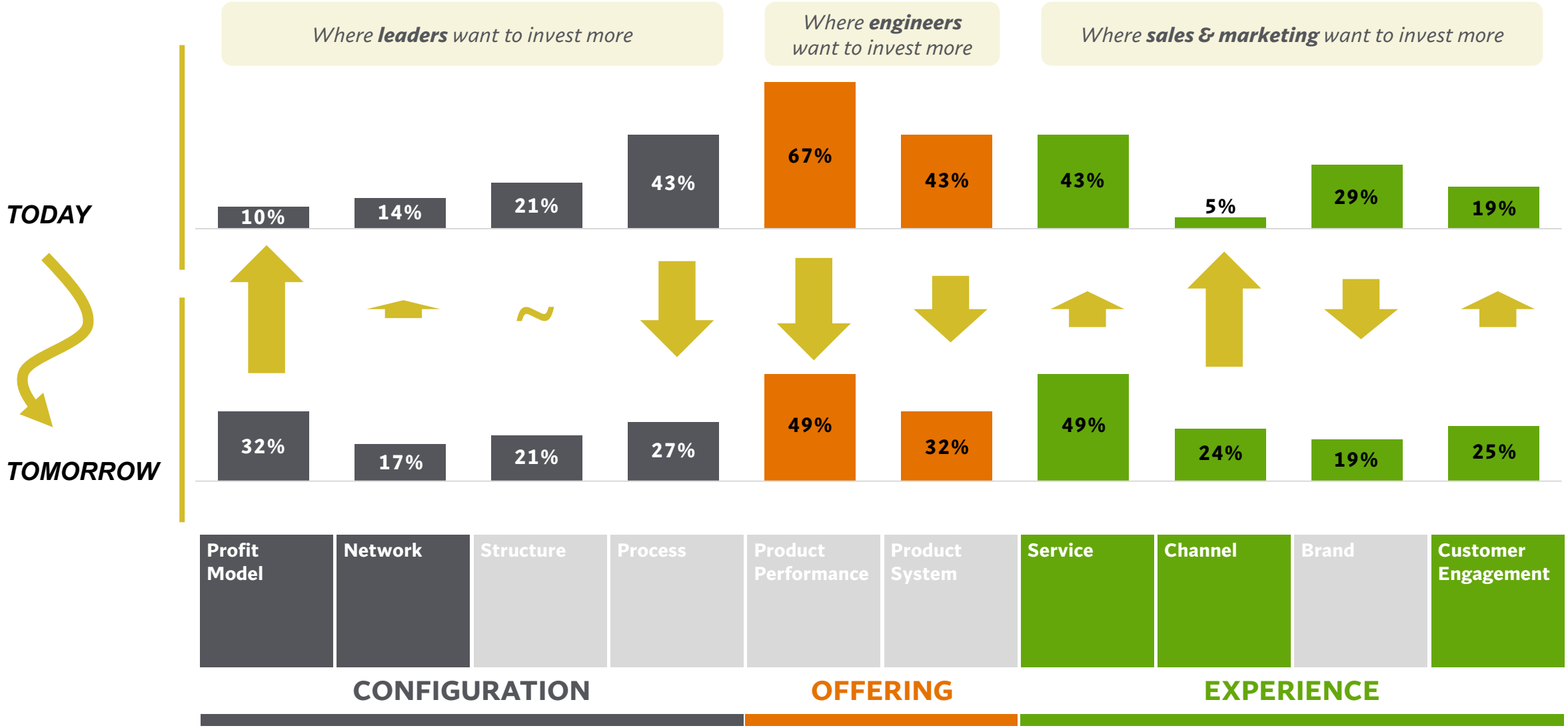
Early Concept Discovery: Moving upstream to become "unpaid consultants" 18 months before an RFP is even written

AI-Driven Insights: Using machine data to show customers where their bottlenecks are, becoming a strategic advisor rather than a vendor

Source: The Discipline of Building Breakthroughs, 2012; PMMI Member Survey (n=63); PMMI Member Focus Group / Interviews (n=16)

Companion Resource Available: ***PMMI Innovation Guide***

Where are we innovating today? Where should we be?



Source: The Discipline of Building Breakthroughs, 2012; PMMI Member Survey (n=63); PMMI Member Focus Group / Interviews (n=16)

Companion Resource Available: ***PMMI Innovation Guide***

What Customers Are Saying

"If a vendor wants to put a piece of equipment on the dock and walk away, that's not a good relationship with me"

"I really care about how we maximize our current asset base – and OEMs seem less inclined to engage on that"

"Material suppliers have more insight in the direction we're going. It's a day-to-day relationship"

"True innovation is when the new tech delivers a unique business response – a win for both parties"

"We need our OEMs to be lifecycle partners – not to stop when they sell the equipment"

"No OEM wants to spend 3 months on a concept only to find out they won't get the bid"

"We bring them in early and want them to hear from the business. We're not just building a widget, we're building a business solution"

"What looks great on the shelf isn't practical if you can't run at full speed"

Source: PMMI Customer Interviews (n=6)

Obsess over the End User (Q1: The Engagement Model: How Cust.'d Like to Partner)

	Voice of the End User	Exemplary OEM Behavior
1. **The Asset Optimizer** (vs. The Equipment Seller)	**Behavior: TRUST** *"It doesn't end when you sell us the machine. It never ends. We want you to be our life cycle service provider."* **- Company M**	Leads with a **"current-state" audit**. Instead of pitching a new line, they provide kits, software updates, or engineering consulting to **make existing machines run** new, sustainable materials or 2x more SKUs. They prioritize the customer's ROI over their own sales quota.
2. **The Simplifier** (The 'First Day, Every Day' Rule)	**Behavior: EMPATY** *"Build your equipment assuming the operator is always in their first day... We're not going back to a model of people being there for 30 years."* ***- Company G***	Designs for a high-turnover workforce. They **eliminate "tribal knowledge"** by building systems that are intuitive, error-proofed (Poka-yoke), and provide on-screen, just-in-time guidance. They take responsibility for the "usability" of the machine, not just its mechanical speed.
3. **The Messy Middle Collaborator**	**Behavior: COURAGE** *"The earlier we get people involved in the process, the more it impacts the end result. If we lock in on a design and then go to the vendor, it costs three times as much to make."* ***- Company P***	Willing to **engage 12–18 months before a PO is even a possibility**. They show up as thought partners during the ideation phase — helping R&D understand what's physically possible before Marketing locks in a design that Manufacturing can't run.
4. **The Data Democratizer** (The Open-System Ally)	**Behavior: TRANSPARENCY** *"I just want to connect to the machine and get data in a standard way. We will handle the work internally."* ***- Company F***	They **stop trying to "lock" the customer into a proprietary digital ecosystem.** They provide clean, standardized data tags (OPC-UA/MQTT) and recognize that the CPG owns the data. They win by being the easiest machine to integrate into a multi-vendor factory floor.
5. **The Institutional Memory Partner** (The Bridge Builder)	**Behavior: CONTINUITY** *"The [material] suppliers are willing to come in, listen to where things are likely going for the business... That's why you remember the wins."* ***- Company J***	They **proactively track the business cycle**, not just the maintenance cycle, briefing new stakeholders on why past design decisions were made, so the CPG doesn't lose institutional knowledge every time a brand manager rotates.

Source: PMMI Customer Interviews (n=6)

*Companion Resource Available: **PMMI Innovation Guide***

Make Bold Moves (Q2: *The Competitive Move:* Why Customers Choose You Over Others)

	Description	A	B	C	D	E	F	Total Top 2 Votes
1. **The Material Agnostic OEM**	**Move: DERISKING** *Machines that seamlessly handle **paper, mono-PP, and PCR-heavy plastics** interchangeably, switching materials with **minimal OEE penalty** and no major* mechanical changeover.		✓		✓			2
2. **The Data-Transparent OEM**	**Move: INTEGRATION** *An OEM that provides **actionable, open-architecture data** - not raw PLC code - that plugs directly into the customer's existing **enterprise systems** to surface insights and predict issues.*	✓		✓				2
3. **The Simulation-First OEM**	**Move: VELOCITY** *An OEM that uses **digital twins to simulate** how a new or alternative material will behave on the line **before production stops** for a physical trial.*	✓			✓	✓	✓	4
4. **The Late-Stage Differentiation OEM**	**Move: PORTFOLIO GROWTH** *Equipment designed for **late-stage differentiation**, changing pack sizes, formats, or bundle configurations (e.g., standard run to variety pack) in **minutes rather than hours**.*		✓	✓		✓	✓	4
5. **The Sustainability-as-a-Service OEM**	**Move: SHARED RESPONSIBILITIES** *OEM **guarantees OEE performance** on sustainable materials, taking on shared risk of the **material-machine interface** (not just selling the machine).*							-

Source: PMMI Customer Interviews (n=6)

Validate with Velocity (Q3: The Tech Standard: What Customers Want the Machine to Do)

	Description	A	B	C	D	E	F	Total Top 2 Votes
1. **The "Human-Machine Interface"** for the Unskilled Gap	**Tech: SOFTWARE/UX** *An HMI with **guided video troubleshooting, 3D part id.**, and on-screen tutorials, assuming the operator has **zero prior experience** and no manual to reference.*	✓	✓	✓	✓	✓		5
2. **Material Variability Readiness**	**Tech: MECHANICAL** ***Retrofit kits and material test labs** where customers can stress-test **paper-based and designed-for-recycling films** for seal integrity and barrier performance before committing to equipment.*		✓					1
3. **Circular Lifecycle EPR Support**	**Tech: SENSING** *Equipment with **sensing technology that detects and compensates** for the variable physical properties of **high-PCR content**, ensuring consistent runability as recycled content increases.*						✓	1
4. **Inclusive Design Engineering**	**Tech: PRECISION** *Precision **laser-scoring and easy-open engineering** that makes packaging genuinely accessible across all consumer age groups, not just compliant on paper, but **consistently functional in practice**.*							-
5. **Autonomous Optimization (Agentic AI)**	**Tech: INTELLIGENCE** *AI that **self-adjusts in real time**: if material density fluctuates or a component degrades, the machine corrects to **maintain OEE without human intervention**.*	✓		✓	✓		✓	4

Source: PMMI Customer Interviews (n=6)

What this tells us about what customers are looking for

Customers value technical capability, but are also looking for a different kind of relationship with OEM (partners)

Consistently across every interview, I need...

A PARTNER WHO SHOWS UP BEFORE THERE'S A PROJECT ON THE TABLE	**We can't wait to be briefed.** How can we show up with a point of view before the project even exists?
AN OEM THAT UNDERSTANDS THE BUSINESS BEFORE WE HAVE A SPEC	**The real innovation decisions are made before RFQs.** How can we engage earlier, before decisions are made?
A PARTNER IN THE ROOM TO HELP DEFINE AND SHAPE THE PROBLEM	**The path in is through problems and priorities.** How can we create new kinds of customer touchpoints?
AN OEM THAT LEADS WITH OPERATIONAL IMPACT, NOT MACHINE CAPABILITY	**Customers aren't thinking feature-first.** How can we better anticipate changes to the Line and P&L impact?
INNOVATION THAT WORKS WITHIN THE EXISTING OPERATION, NOT AROUND IT	**Complexity is a barrier, not a differentiator.** How can we solve better for existing equipment and zero retraining?

Source: PMMI Customer Interviews (n=6)

Companion Resource Available: ***PMMI Innovation Guide***

PMMI Business Intelligence

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