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## NEXT GENERATION MANUFACTURING STUDY REVEALS OPPORTUNITIES FOR U.S. MANUFACTURERS TO EXCEL

Madison WI – On October 4, 2013 the [American Small Manufacturers Coalition \(ASMC\)](#), in conjunction with Manufacturing Day, released a summary of its results from the 2013 [Next Generation Manufacturing \(NGM\) Study](#). The NGM Study measures manufacturers' readiness, support systems and resources, and performances in six key strategic areas necessary for world-class manufacturing and future success.

The Manufacturing Performance Institute (MPI), part of [The MPI Group](#), conducted this research based on recent survey responses of manufacturing executives. The current data shows that manufacturing organizations that achieve world-class status in at least two of the NGM strategies and maintain industry-average levels in the other four areas are in the best position for long-term survival.

However, the 2013 data finds that most of these manufacturers – successful as they are today – aren't investing in the strategies that will carry their firms into tomorrow.

"The study data identifies an enormous execution gap – the difference between the numbers of firms that recognize the importance of a particular NGM strategy, and the number that comes close to or that achieved world-class status in that strategy," said John Brandt, Founder & CEO of MPI.

For example, the study found:

- 90% of manufacturers believe **superior process improvement** is important, whereas only 44% of those manufacturers are near or currently at world-class status in process improvements.
- While **human capital management** is an issue, NGM data suggests few manufacturers are taking initiative to address talent shortages: 69% of manufacturing executives have the leadership and talent to drive world-class customer-focused innovation, but only 37% have talent development programs to support world-class customer-focused innovation.
- Most manufacturers have the **tools, technologies and business equipment** they need today, but those tools won't meet the needs of the future. Only 11% of manufacturers describe their tools and business equipment as "state-of-the-art" and capable of providing long-term support for world-class supply-chain management.

## SIX NGM STRATEGIES

### **Customer-Focused Innovation:**

Develop, make, and market new products and services that meet customers' needs at a pace faster than the competition.

### **Superior Processes/Improvement**

**Focus:** Record annual productivity and quality gains that exceed the competition through a companywide commitment to continuous improvement.

### **Human-Capital Management:**

Secure a competitive performance advantage by having superior systems in place to recruit, hire, develop, and retain talent.

### **Supply-Chain Management and**

**Collaboration:** Develop and manage supply chains and partnerships that provide flexibility, response time, and delivery performance that exceeds the competition.

**Sustainability:** Design and implement waste and energy-use reductions at a level that provides superior cost performance and recognizable customer value.

**Global Engagement:** Secure business advantages by having people, partnerships, and systems in place capable of engaging global markets and talents better than the competition.

- 33% of manufacturing executives anticipate a **planned leadership succession** in the next five years, and another 28% of executives indicate a succession may occur.
- Similar to 2011, manufacturers continue to **seek external support from outside organizations** in dealing with a range of activities from compliance issues, to strategic planning, to supply-chain development. Manufacturers that have used outside resources report a positive impact.

“The Wisconsin Manufacturing Extension Partnership (WMEP) is uniquely positioned to assist the state’s manufacturers,” said Buckley Brinkman, Executive Director of the WMEP. “Wisconsin has a vast array of resources available to help manufacturers, and the WMEP can access this network to bring those resources to bear for manufacturing. This study highlights that manufacturers recognize the need for assistance, and we’re here to see that they get the help they need.”

An example of a manufacturer committed to Next Generation Manufacturing is Ultra Tool & Manufacturing of Menomonie Falls, Wisconsin. The company’s state-of-the-art facility is open for tours today, October 4<sup>th</sup> for Manufacturing Day from 10:00 am – 3:00 pm where visitors will be able to see the world-class operation first-hand. A WMEP client, Ultra Tool & Manufacturing continues to innovate and has just undertaken the task of measuring its overall environmental impact with the goal to achieve profitable sustainability. After establishing a 360-degree baseline, the company will evaluate, then implement selected projects that enhance sustainability while reducing costs. This proactive approach to growth and sustainability anticipates the needs of present and future customers and positions the company as a leader in its sector. [Click here to register](#) for the company’s open house today.

The study Next Generation Manufacturing Study, conducted in 2009 and 2011, surveyed U.S. manufacturers nationwide. More information can be found at [www.smallmanufacturers.org/news](http://www.smallmanufacturers.org/news).

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#### **About the WMEP**

WMEP is a private, nonprofit organization committed to the growth and success of Wisconsin manufacturers. WMEP receives financial support from the Wisconsin Economic Development Corporation and the NIST Hollings Manufacturing Extension Partnership. WMEP also partners with many public and private organizations to serve Wisconsin manufacturers. Since 1996, WMEP has helped more than 1,300 Wisconsin manufacturers make nearly \$400 million in improvements in technology, productivity and profits; helping to generate nearly \$2.5 billion in economic impact and creating or saving over 14,000 manufacturing jobs. Visit [www.wmep.org](http://www.wmep.org)

**About American Small Manufacturers Coalition (ASMC):** ASMC is a trade association of manufacturing extension agents whom work to improve the innovation and productivity of America’s manufacturing community. ASMC advocates for legislative and programmatic resources that allow its small manufacturing clients to better compete in the global marketplace. For more information, visit [www.smallmanufacturers.org/](http://www.smallmanufacturers.org/).