

Next Generation Manufacturing

World-Class Performance Benchmarks

What does it mean to be world-class?

The following benchmarks measured in the Wisconsin Next Generation Manufacturing Survey highlight the performance criteria met by world-class Next Generation Manufacturers in each of the six Success Attributes.

1 Customer-Focused Innovation

Delivers new and better customer solutions at a faster pace than the competition.

Is the organization's progress toward customer-focused innovation world-class? ✓ YES

Does the organization have regular monitoring and review of specific metrics by the CEO and senior staff with transparency and clarity throughout the organization? ✓ YES

New products as a percentage of total SKUs launched annually: >20%

Annual sales derived from products introduced in the past three years: >50%

Percentage of workforce dedicated to new product development: >10%

Organization's investment in new product development/R&D as a percentage of sales: >10%

100% 80% 60% 40% 20% 0%

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2 Advanced Talent Management

Gains competitive advantage through best practices in talent recruitment, development and retention.

Is the organization's progress toward human capital acquisition, development and retention world class? ✓ YES

Does the organization have regular monitoring and review of specific metrics by the CEO and senior staff with transparency and clarity throughout the organization? ✓ YES

Value added per employee $\frac{[\text{sales} - \text{cost of materials}]}{\text{number of employees}}$: >\$175,000

Formal training hours devoted annually to each employee: >40hrs

Annual labor turnover rate $\frac{[\text{number of voluntary and involuntary separations}]}{\text{typical staffing level}}$: 0%

Percentage of employees regularly participating in empowered work teams (i.e., make decisions without supervisor approval): >90%

Percentage of employees dedicated to assessing and upgrading the organization's talent pool: >10%

100% 80% 60% 40% 20% 0%

3 Systemic Continuous Improvement

Achieves recurring enterprise-wide productivity gains that exceed the competition.

Is the organization's progress in systemic continuous improvement world-class? ✓ YES

Do customers demonstrate strong loyalty to products due to ongoing trust in the organization's people and capabilities? ✓ YES

Does the organization have regular monitoring and review of specific metrics by the CEO and senior staff with transparency and clarity throughout the organization? ✓ YES

Deliveries reach customers in perfect order (on time, high quality, meeting all customer specifications): >98%

Productivity (i.e., value add) improvement over the past three years: >100%

Organization's investment in capital equipment as a percentage of sales (three-year average): >10%

100% 80% 60% 40% 20% 0%

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Extended Enterprise Management

Leverages a flexible network of suppliers and partners to provide competitive advantages of speed, cost and quality.

Is the organization's progress in extended enterprise management world-class? ✓ YES

Are strategic suppliers and customers active participants in operations, continuous improvement, and product development efforts participating fully in strategic planning, and identifying and responding to new markets? ✓ YES

Does the organization have regular monitoring and review of specific metrics by the CEO and senior staff with transparency and clarity throughout the organization? ✓ YES

Reduction in total value of inventory throughout the supply chain for primary product (furthest supplier to end customer) over the last three years: >50%

Percentage of workforce dedicated to supply chain and partner development, management, and collaboration: >10%

Investment in information technologies (hardware and software) as a percentage of sales (three-year average): >10%

100% 80% 60% 40% 20% 0%

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Sustainable Product and Process Development

Integrates environmental best practices into company operations and product development to maximize competitive advantage.

Is the organization's progress toward sustainable product/process development world-class? ✓ YES

Does the organization have regular monitoring and review of specific metrics by the CEO and senior staff with transparency and clarity throughout the organization? ✓ YES

Annual reduction in energy per unit of product output: >50%

Annual reduction in usage of non-recycled material per unit of product output: >50%

Products (as a percent of sales volume) that are completely recyclable/reusable: 100%

Percentage of workforce dedicated to reducing energy, material, or emissions in its operations: >10%

Percentage of workforce dedicated to Green products (product and packaging impact, green products and markets): >10%

100% 80% 60% 40% 20% 0%



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Global Engagement

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Secures business advantages through people, partnerships and systems capable of engaging global markets, talent and resources.

Is the organization's progress toward global engagement world-class?	✓ YES
Does the organization have regular monitoring and review of specific metrics by the CEO and senior staff with transparency and clarity throughout the organization?	✓ YES
Countries outside of the United States that the organization operates in or partners in production facilities:	>10
Change in dollar volume of sales outside the United States over the past three years:	>100%
Total direct workforce located overseas and/or located domestically and responsible for global business activities:	>50%

100% 80% 60% 40% 20% 0%



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