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

Torrance, CA – 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.
- **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

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.

planning, to supply-chain development. Of those manufacturers that have used outside resources they report a positive impact.

“Next Generation Manufacturing teaches us that small and medium-sized manufacturers must continue to transform in order to remain competitive,” according to Jim Watson, President and CEO of CMTC. “In order to develop world-class manufacturers, it is imperative that nationwide organizations like the Manufacturing Extension Partnership continue to provide customized training and consultation services in these strategic areas.”

In Van Nuys, CA Louroe Electronics was able to implement innovation strategies that enabled them to decrease their product innovation cycle from 12 months to 3 months. This small 30-year-old company won their first award for a new product innovation from the Security Industry Association. They now have 9 new products in the pipeline and one new product design with a patent pending. “The innovation services provided by CMTC empowered us to strategically introduce new products into the market at an accelerated pace with new product releases scheduled through 2016,” stated Richard Brent, CEO.

The study, conducted in 2009 and 2011, surveyed U.S. manufacturers nationwide. More information can be found at www.smallmanufacturers.org/news.

About CMTC

A private, nonprofit corporation established in 1992, CMTC is the Southern California affiliate of NIST MEP, under the Federal Hollings Manufacturing Extension Partnership (MEP) program, a network of more than 60 centers across the country that provides assistance to small, medium and large manufacturers. CMTC serves Fresno to San Diego/Imperial County. CMTC and Manex represent the MEP system in California and work in close collaboration on all manufacturing issues and opportunities within the State of California. For more information, visit www.cmtc.com or follow us [on LinkedIn](#), [Facebook](#) or [Twitter](#). Subscribe to our manufacturing network blog at <http://www.cmtc.com/blog>.

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/.