

6 KEY TAKEAWAYS

from the 2015-2016 Metrics that Matter Research Study

EVERY TWO YEARS, LNS Research and MESA International collaborate to identify the most pertinent trends in manufacturing and performance measurements. Each iteration has shifted slightly in scope and project focus, and 2016 is no different. With the advancements of the Internet of Things (IoT), Big Data and Cloud over the past two years, we took a look at how the attitudes, adoptions, and maturity of these technologies have evolved, and what it has meant for how business leaders view business improvements.

The following are six key highlights and takeaways from this year's study.

1 Major progress has been made around IoT awareness

While 44% of survey respondents indicated that they didn't understand IoT in 2015, in 2016 this number dropped to 19%.

Do not understand IoT:

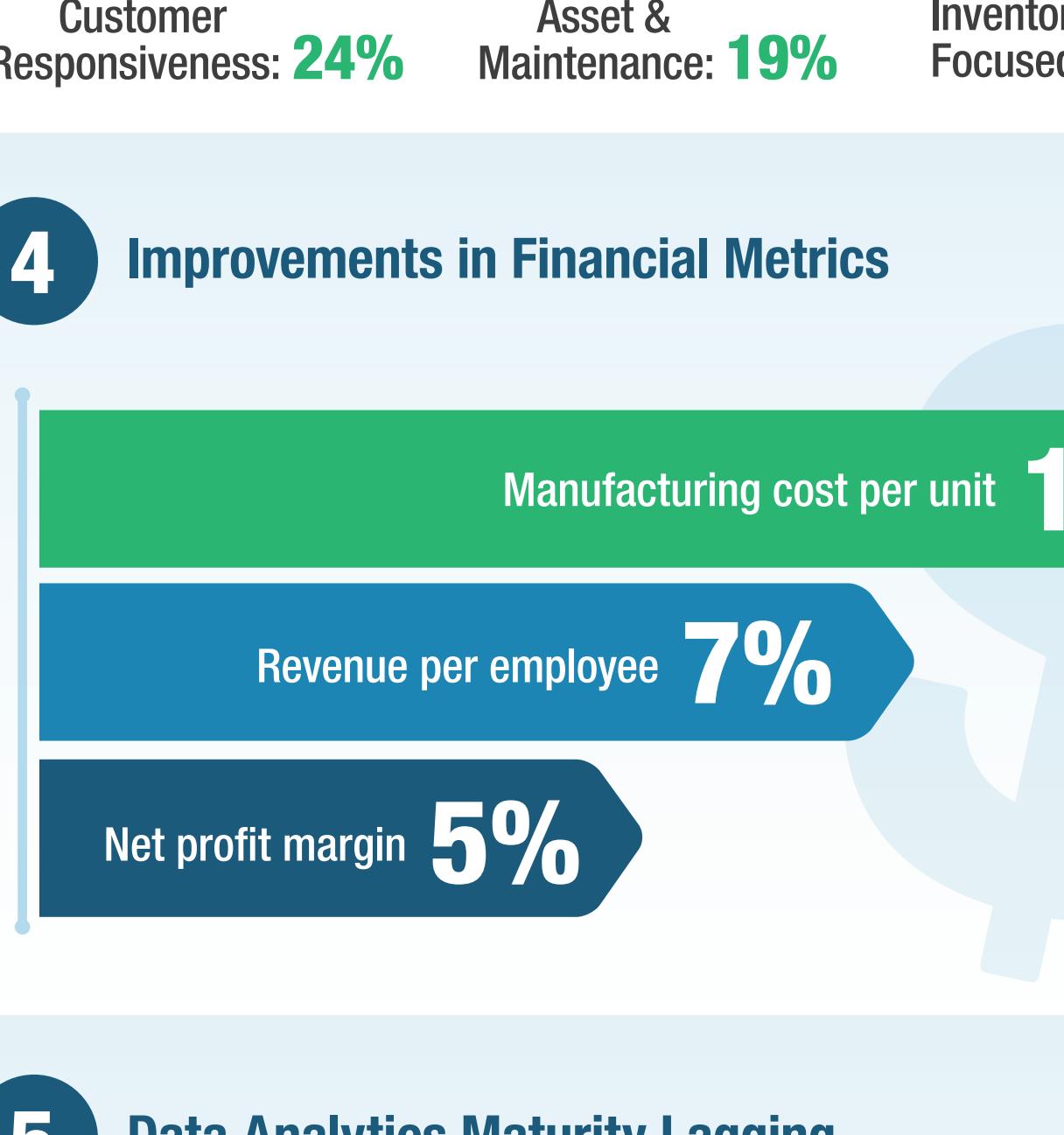
2016: 19%

2015: 44%

2 Movements in MOM

On-premise deployments still dominate industry, but the move toward Software as a Service (SaaS) is underway with 26% of respondents already operating MOM functionality from the cloud. 29% of respondents planning a MOM software deployment also listed cloud as their preferred model.

Actual and Planned MOM Deployment



3 When it comes to performance measurements "cash is still king"

Which manufacturing metrics does your company rely on for managing your operations?

Financial, Quality, and Efficiency metrics dominate operational concerns.



Financial: 47%



Quality: 38%



Efficacy: 34%

Followed by Customer Responsiveness, Asset & Maintenance, and Inventory Focused metrics.



Customer Responsiveness: 24%



Asset & Maintenance: 19%



Inventory Focused: 18%

4 Improvements in Financial Metrics

Manufacturing cost per unit 10%

Revenue per employee 7%

Net profit margin 5%

Continuous asset performance improvement across multiple plants

Manufacturing process improvement

Better forecasts of a production plant

Operational Excellence programs

5

Data Analytics Maturity Lagging

Manufacturers have work to do to catch up to current capabilities—only 14% responded that they had a corporate analytics program in place that uses manufacturing data.

14% Only use manufacturing data in analytics

Continuous asset performance improvement across multiple plants

Better production forecasts across multiple plants

Manufacturing process improvement

Operational Excellence programs

Customer Responsiveness

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Inventory Focused

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