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National Manufacturing Study Reveals New Trends, Steps for Success

[COLUMBIA, SC] – The SC Manufacturing Extension Partnership (SCMEP), along with its trade association the American Small Manufacturers Coalition, released the results of its [2011 Next Generation Manufacturing \(NGM\) Study](#), identifying key trends affecting the industry and steps manufacturers can take now to be successful in the next generation.

The study, conducted by the Manufacturing Performance Institute, finds that this is a critical point in time for U.S. manufacturing, and manufacturers must assess whether they have the workforce, business systems, equipment and strategies in place to successfully compete in the future. While external factors, like the economic downturn present challenges, manufacturers can remain competitive by focusing on six strategies assessed by the NGM Study as a blueprint for success (*see Next Generation Strategies at end of news release*).

Specifically, the study found:

- Nearly six out of 10 U.S. manufacturers could have a new leader in the next five years — a five percent increase over 2009. This presents an opportunity for manufacturers to solidify leadership and direction for years to come if they develop their next generation of leaders now.
- Sustainability is increasingly important to manufacturers, with 59.2 percent of manufacturers reporting that sustainability is important or highly important to their future, up from 35.1 percent in 2009. Many of these manufacturers are responding to customer demands for greener products, while others recognize cost-control opportunities such as reduced energy consumption and the re-use of materials.
- Most manufacturers have systems and equipment in place to support the current requirements of the six NGM strategies, but few describe their equipment as “state-of-the-art.” For example, only 18 percent have state-of-the-art equipment to support world-class innovation, and just 14 percent have state-of-the-art equipment to support world-class process improvements.
- Few manufacturers have *both* talent and workforce development programs to drive world-class performance. Due to an aging workforce and gap in skilled labor, more

professional training and development is needed to prepare manufacturers for the next generation.

- Small companies need assistance in implementing NGM strategies. Smaller manufacturers are less likely than larger companies to be at or near world-class performance in the six NGM strategies, and are less likely to have best practices in place.

“The six strategic areas assessed in the Next Generation Manufacturing Study serve as a road map for success to help U.S. manufacturers thrive in the next generation,” says John Irion, SCMEP president. “Helping small manufacturers identify strategic development priorities and overcome challenges within their operations will be key to the industry’s future growth and contribution to the nation’s economy.”

A majority of U.S. manufacturers surveyed said they look for outside help in a range of areas, such as regulatory compliance and business development, to achieve success. In addition, a majority say that their organizations have been positively impacted by state manufacturing associations and Manufacturing Extension Partnership centers, such as SCMEP. SCMEP helps South Carolina manufacturers develop and implement strategies in these six areas through customized training and consultation services.

In South Carolina, Columbia Tool & Die has focused on developing and retaining talented employees and opening new markets to expand its customer base. SCMEP assisted the manufacturer with obtaining AS9100 certification for the aerospace industry and ISO 9001 certification. SCMEP also helped Columbia Tool & Die recruit, hire and train a new sales manager and create three additional job positions. Combined with other sales endeavors, the manufacturer was able to retain 10 jobs and increase sales 200 percent.

“SCMEP and the Midlands Workforce Development Board have been a huge help to Columbia Tool and Die, allowing us to expand our business rather than go down the path that so many unfortunate companies have faced in today’s tough economic environment. From the beginning, SCMEP has been a great partner and we look forward to their continued help growing our business” says Jake Brackett, Columbia Tool & Die’s general manager.

The study, first conducted in 2009, surveyed more than 800 U.S. manufacturers. More information can be found at www.smallmanufacturers.org/2011NGMStudy.

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The Six Next Generation Strategies

Customer-focused innovation: Develop, make, and market new products and services that meet customers’ needs at a pace faster than the competition.

Engaged people/human capital acquisition, development and retention: Secure a competitive performance advantage by having superior systems in place to recruit, hire, develop, and retain talent.

Superior processes/improvement focus: Record annual productivity and quality gains that exceed the competition through a companywide commitment to continuous improvement.

Supply-chain management and collaboration: Develop and manage supply chains and partnerships that provide flexibility, response time, and delivery performance that exceed 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.

About SCMEP

The South Carolina Manufacturing Extension Partnership (SCMEP), headquartered in Columbia, SC, is a private not-for-profit organization that helps manufacturers throughout the state solve business and supply chain process problems. Supported by the state legislature and an affiliate of the National Institute of Standards and Technologies (NIST), SCMEP offers business and technology assessments, engineering expertise, lean manufacturing solutions, and innovation & business development services to South Carolina manufacturers through its suite of services. SCMEP provides this business and technology support to manufacturers through onsite consultations, partnerships with state technical colleges, research universities, and the S.C. Department of Commerce to provide educational programs, online assessment, and other business tools. Using SCMEP's services enables manufacturers to see business benefits at a faster rate and enhances economic development in South Carolina. To learn more about SCMEP, call 803.252.6976 or visit www.scmep.org.

About American Small Manufacturers Coalition

The American Small Manufacturers Coalition (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/.