

Introducing MESA Metrics Study

February 2012



About the MESA Metrics Study

Who conducted the research?

- MESA (Manufacturing Enterprise Solutions Association)

www.MESA.org

Industry association → manufacturers, IT hardware and software suppliers, system integrators, consultants, analysts, editors, academics, students

“Improve business results and production operations through optimized application and implementation of information technology and best management practices.”

- Cambashi → research firm

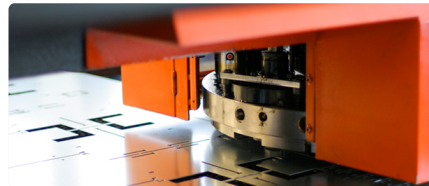
www.cambashi.com



About the MESA Metrics Study Demographics

Breadth

Global, 26 industries
Continuous process, batch
process, discrete, packaged
goods mixed mode, and other
mixed mode manufacturing
styles
Variety of operating
conditions



Depth

305 responses
Across all levels: operations,
management, executive

About the MESA Metrics Study

Sponsors

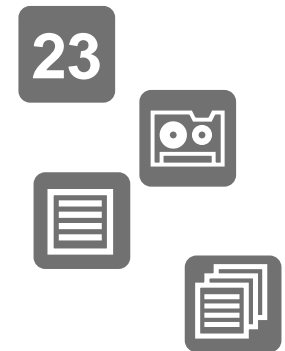
- Solarsoft
- Camstar → www.camstar.com
- Rockwell Automation → www.rockwellsoftware.com
- SAP → www.sap.com
- Tata Consultancy Services Ltd. (TCS) → www.tcs.com
- iQity Solutions → www.iqitysolutions.com

About the MESA Metrics Study

Marketing Activities

- Properties

1. Webinar ... Thursday of this week
2. Webinar recording ... by Friday?
3. Summary report (≈12 pages) ... by Friday?
4. Comprehensive report (≈45 pages) ... by Friday?



- Campaign

≈28,500 manufacturers invited to take survey last fall

Customers on advisory committee + interviewed

≈42,000 manufacturers invited to the event (this week)

Deliberate campaign flow

always refer to it as
“The MESA Metrics Study”
(*not* a benchmark)

About the MESA Metrics Study How are they different?

Solarsoft Benchmark

How does my current plant performance compare to yesterday, other plants, other manufacturers, other industries?

e.g. understand the correlation between operations metrics and plant tactics



MESA Metrics Study



How do manufacturers use plant performance metrics to achieve business results?

e.g. understand the correlation between business results and using plant metrics + IT

How are they different?

Solarsoft Benchmark

MEASURE	COMPARE	CORRELATE	ACT LIKE BEST-IN-CLASS
MY OEE is 78%	<ul style="list-style-type: none"> • What was my OEE yesterday • How do other plants/lines in my company measure up? • What is BIC in my industry? • What is BIC in other industries? 	What do BIC's do differently?	How can I adapt their tactics in my plant, on the line?
Changeovers average 45 minutes	<ul style="list-style-type: none"> • Company average = 30 minutes • Other companies like mine average 25 minutes • BIC in my industry = 20 minutes • Another industry = 20 minutes 	<ul style="list-style-type: none"> • How do they handle scheduled maintenance? • Is their staff better trained? • Do they have a better process for handling machine parts? 	<ul style="list-style-type: none"> • Which tactics costs less and net more? • Can I move parts storage closer to the machine? • Should we maintain more frequently?

How are they different?

MESA Metrics Study

MEASURE	COMPARE	CORRELATE	ACT LIKE BUSINESS MOVER
<ul style="list-style-type: none"> Financial performance (EBITDA, net operating profit, 13 indicators) Who are the business movers? 	<ul style="list-style-type: none"> Business movers vs. everyone else (EBITDA, net operating profit, 13 indicators) 	<ul style="list-style-type: none"> What do business movers measure on the line, in the plant? How do they measure these things? What are their processes? 	<ul style="list-style-type: none"> Change your culture Change your processes Get the right IT

About the MESA Metrics Study

Why conduct this study?

- A “business mover”
 - Average 10% improvement in net operating profit or,
 - Average 10% improvement in earnings before interest, taxes, depreciation, and amortization (EBITDA) or,
 - At least 1% improvement in more than half of the business and financial metrics in the study, seven or more of thirteen
- Business movers are different! – they get FINANCIAL RESULTS
 - Culture
 - Performance processes (metrics + programs)
 - Use of IT (applications + approaches)

About the MESA Metrics Study

Why should manufacturers care? (the top 6 take-away's)



- **Engage, educate, and empower employees**

Understanding metrics enhances operators', supervisors', and managers' skills: structured thinking and seeing business impact lead to better decision-making.

Provide line-level metrics during the shift to help operators and technicians make adjustments.

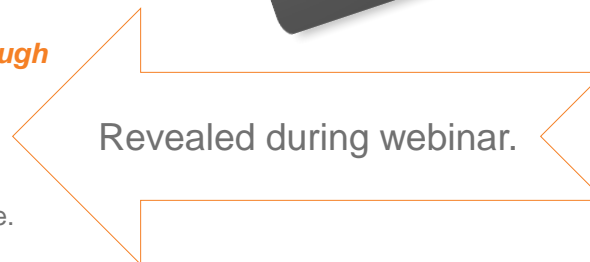


- **Align metrics from business to plant to line and through the supply base**

Train and communicate in all levels critical to business success.

Use metrics consistently as part of the company culture.

Employ sound practices in performance measurement.



About the MESA Metrics Study

Why should Solarsoft sales reps care?

The study prescribes things we do for our customers every day!

ERP	MES	EMI
<ul style="list-style-type: none"> Widely in use, but more than 60% 3+ years old, more than 45% 5+ years old Manufacturers don't have the data extraction, real-time views, configurability, or capabilities they need 	<ul style="list-style-type: none"> Only $\frac{1}{3}$ of manufacturers have it Improve at least 1% on every operational metric in the study + more likely to improve dramatically (10% per year or more) Improvements quickly result in ROI through higher efficiency and lower operating costs Is foundational for performance metrics, providing timely and accurate data on plant operations 	<ul style="list-style-type: none"> Fewer than $\frac{1}{3}$ of manufacturers have it Makes a significant difference in how rapidly plant staff sees metrics for their scope of control EMI = sound practices that help plant staff respond effectively Those that already have dashboards not satisfied that staff sees metrics rapidly enough to act on them

Only $\approx \frac{1}{3}$ of manufacturers with any IT system use automated data collection → no or limited real-time insight!

About the MESA Metrics Study

Why should Solarsoft sales reps care?

More importantly,
the researchers advise...



Align shop floor metrics with top floor objectives!

“Using software applications does not ensure companies will improve performance effectively. Integration to enable process flows among applications is critical.”

Oh, and by the way, we're the ONLY company that ALREADY does this! ... none of our competitors can, or understand how.

Sales Campaign



Rules of the game

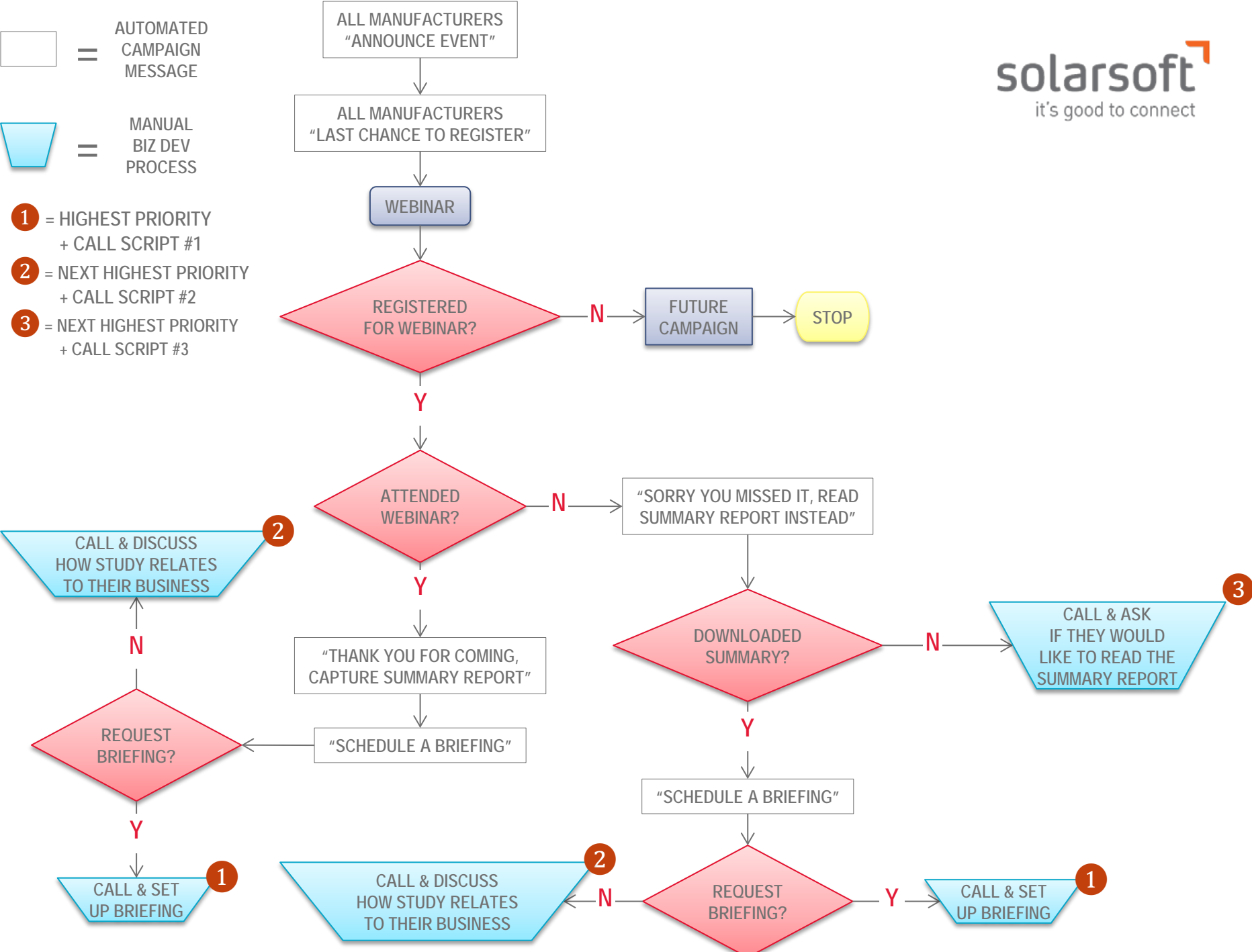
- We want to be FIRST to get the leads' attention → our competitors are using the same list!
- All briefings must include an approved exec → we'll get back to you on that
- Briefings should include a prospect decision-maker
- No one gets the long version without Andy A's approval ... preferably in a briefing setting

Sales Campaign

Before you pick up that phone

- Attend the webinar
- Read and understand the study (short and long versions) → if you need help connecting the dots back to our business, ASK
- Review the campaign flow and supporting notes, and make a plan

-  = AUTOMATED CAMPAIGN MESSAGE
-  = MANUAL BIZ DEV PROCESS
- 1** = HIGHEST PRIORITY + CALL SCRIPT #1
- 2** = NEXT HIGHEST PRIORITY + CALL SCRIPT #2
- 3** = NEXT HIGHEST PRIORITY + CALL SCRIPT #3



Sales Campaign

Script #1 ... call and set up briefing

THINGS WE KNOW

1. Lead registered for the event
 - a) Invited by MESA
 - b) Invited by Solarsoft
 - c) Invited by other sponsor
2. Possibly attended the webinar – check roster
3. Has already seen the summary report via download on our site
4. Requested a briefing via our online request form
5. Now expects to be taken through the long version of the report during the briefing
6. Need Andy Amalfitano's approval to release the long version via PDF after the briefing

THINGS YOU CAN ASK/TALK ABOUT

1. Thank you for requesting a briefing
2. We'd like to line up the most appropriate person to go over the expanded material
 - a) What part(s) of the webinar and/or report resonated most?
 - b) Do you perceive your company to be a business mover, close to it, or lagging far behind?
 - c) If business mover, what would you like to tackle next?
 - d) If close or lagging far, what do you perceive as your biggest area of opportunity, according to what you've already seen?
 - e) What challenges to you anticipate along the way?
3. Who else on your team should we include?
4. The briefing could take up to 1 hour, what are some available times, and I'll lock in the right person on our side

Sales Campaign

Script #1 ... email sample

Hi {first_name},

Thank you for requesting a private briefing on the MESA Metrics Study. I'll be working with you to set up the call. During the meeting, we'll cover the following topics:

- Key recommendations + the implications for your business
- Evaluating areas of opportunity + deciding which strategies are highest priorities
- Anticipating challenges

This agenda above is a guideline only – the meeting will be an open discussion, and we'll cover the aspects of the study that are most important to you. {name here}, a Solarsoft on-staff metrics expert will lead the discussion.

Since the briefing is unique for every business, you may want to include others on your team who have insight about your company's operations metrics and processes. Let me know who we should include so that I can set up a conference bridge to include everyone.

Please let me know which of these times works best for you:

Tuesday, March 6 – 2:00 PM EST

Wednesday, March 7 – 2:00 or 4:00 PM EST

Friday, March 9 – 11:00 AM EST

Very best regards,

Diane Murray

Marketing Manager

Solarsoft Business Systems

T +1 972 849 3952

skype | nimblemarketingpro

www.solarsoft.com

Sales Campaign

Script #2 ... discuss how study relates to their business

THINGS WE KNOW

1. Lead registered for the event
 - a) Invited by MESA
 - b) Invited by Solarsoft
 - c) Invited by other sponsor
2. Possibly attended the webinar – check roster
3. Possibly has seen the summary report via download on our site – check SFDC or Marketo

THINGS YOU CAN ASK/TALK ABOUT

1. Thank you for your interest in the MESA study
2. What most sparked your interest in the study?
3. The study was conducted to find out what manufacturers can do to improve business results through manufacturing operations.
 - a) Did you know that business movers improved either operating profit or EBITDA an average of 10% each year over the last three years?
 - b) Did you know that their success was a direct result of how they go about things? ... their culture is different, their performance processes are different (metrics + programs), and their use of IT is better (applications + approaches).
 - c) Did you know that they take a “top floor to shop floor” approach, and align metrics from business to plant to line and through the supply base?
4. If you've already read the limited version, let's schedule a briefing –OR–
5. If you haven't read the limited version, can I send it to you, and follow up in 3 days?

Sales Campaign

Script #2 ... email soundbites

- The MESA Metrics study is very clear about six things manufacturers need to do to get financial results:
 - Use metrics to see and seize opportunity
 - Match operational metrics to business goals
 - Align metrics from business to plant to line and through the supply base
 - Engage, educate, and empower employees
 - Get beyond finger pointing to create a culture of shared accountability
 - Prioritize IT projects to gain timely, meaningful metrics
- It's hard to decide what you're going to tackle first – read the summary report, then schedule a briefing with our on-staff metrics experts.

Sales Campaign

Script #3 ... would they like to read the summary report

THINGS WE KNOW

1. Lead registered for the event
 - a) Invited by MESA
 - b) Invited by Solarsoft
 - c) Invited by other sponsor
2. Did not attend the webinar
3. Has not seen the limited report

THINGS YOU CAN ASK/TALK ABOUT

1. Thank you for your interest in the MESA study
2. You registered, but couldn't make it
3. There were some really interesting findings that came out
 - a) Did you know that business movers improved either operating profit or EBITDA an average of 10% each year over the last three years?
 - b) Did you know that their success was a direct result of how they go about things? ... their culture is different, their performance processes are different (metrics + programs), and their use of IT is better (applications + approaches).
 - c) Did you know that they take a "top floor to shop floor" approach, and align metrics from business to plant to line and through the supply base?
4. There were some really interesting findings that came out; I'll send it to you, and follow up in 3 days

Sales Campaign

Script #3 ... email soundbites

- If you missed the MESA Metrics study webinar, you didn't hear the six critical steps manufacturers need to take to get financial results:
 - Use metrics to see and seize opportunity
 - Match operational metrics to business goals
 - Align metrics from business to plant to line and through the supply base
 - Engage, educate, and empower employees
 - Get beyond finger pointing to create a culture of shared accountability
 - Prioritize IT projects to gain timely, meaningful metrics
- Read the summary report and then let's schedule a quick call to explore the implications for your business.