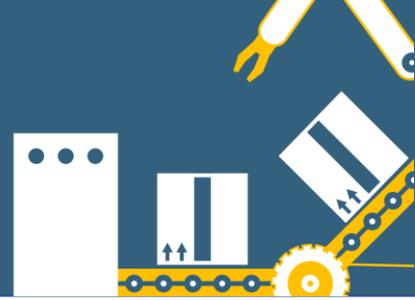


The 2018 Return on People™ Manufacturing Benchmark



HOW DO YOU MEASURE UP?

The **Return on People™ Benchmark** is a comparative measure of how well you convert the talent, engagement, and loyalty of your customers and employees into bottom line value. Calculate your Profit per Employee using the instructions below, then map your results to the bell curve to evaluate how you rank compared to your industry. Then, set your bar higher and take the 3 Next Steps on the reverse to get there.

Once you see what others have already achieved, you'll be motivated to follow, achieve, and surpass their performance, and reach higher levels.



Half the manufacturers on the Benchmark earn **less than \$28K** of Profit per Employee... Although they are some of the biggest manufacturers in the world



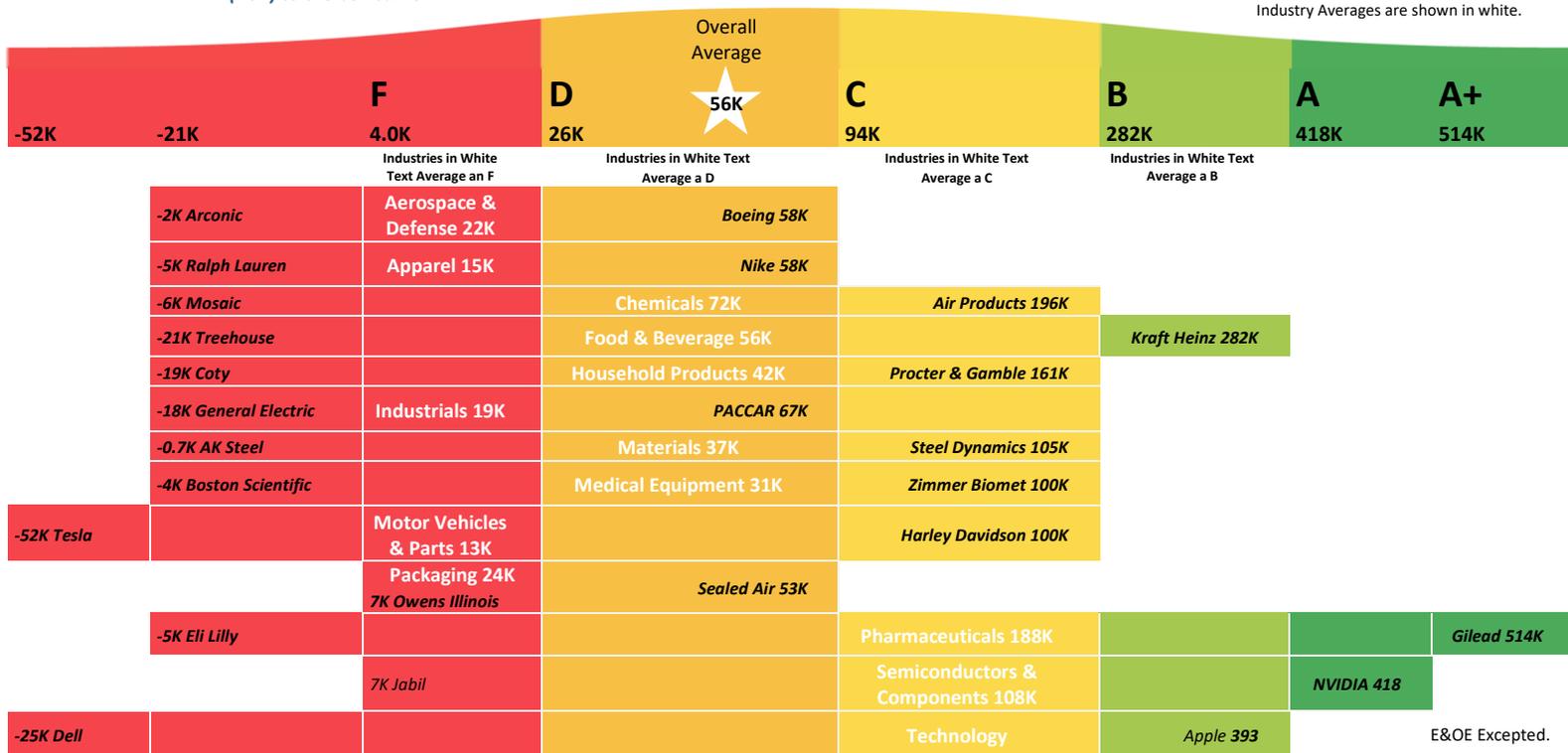
The **Average** manufacturer earns almost **TWICE** that, at **\$56K**.



Highly successful manufacturers earn **5X... 10X... UP TO 15X** the average. There are clear leaders in almost every industry, indicating that some are leveraging their assets better than others. And there are clear laggards.

Map your Return on People (RoP) to the bell curve

Table calculated using the Fortune 500 Manufacturing Sectors data. Not a Fortune 500 company? GREAT! See below for next steps. Company data in black reflect the best and worst performance in each category. Industry Averages are shown in white.



You CAN Fund the Future with Confidence

The results above do NOT point to a successful future for many manufacturers, but this is only one small piece of the puzzle. Regardless of where you landed on the bell curve above, there's light at the end of the tunnel for a couple of reasons. You probably are not a Fortune 500 Company, and that works in your favor because smaller companies are much more nimble and can more easily make the shifts required to see significant results. You just need to know where to look for these opportunities to continuously improve revenue and close profit leaks.

>> Follow the 3 STEPS on Page 2 >>



Your CFO is already working hard to optimize profits... but there's a **DIFFERENT** job to be done because **PROFITABILITY IS ABOUT BEHAVIORS, NOT BOOKKEEPING.**

Your Operations team is already working hard on continuous improvement and that's a great start... but there's a **BROADER** opportunity to capitalize on, **BEYOND PRODUCTION AND LOGISTICS.**



Your Leadership team is trying to develop strategies for the future... but massive change consumes massive cash and there's a **BETTER** way to build the kind of war chest you'll need to **SURVIVE AND THRIVE TOMORROW.**

Exponentially Increase Your Return on People™



STOP THE 3 MOST COMMON << BIG >> MISTAKES WHEN IMPLEMENTING ROP

- 1 Downsizing or Delaying Hiring to Improve Results**
The fastest, most short-sighted, and most damaging way to improve ROP is to eliminate people. Instead, top performers *hire*, knowing they can turn talent into value.
- 2 Go Granular Instead of Staying Big Picture**
Your first instinct will be to turn this into a departmental KPI. Don't. Use this metric to inspire, never to incent.
- 3 Measure Annually Without the Big Picture**
Top performing companies have a saw-tooth ROP graph, not a nice, even rise. Use a 5-year rolling average and look for a generally upward trend.

Why Net Income, Not EBITDA

This is the biggest question I get asked. Easy, that's how the Fortune 500 Data is reported.

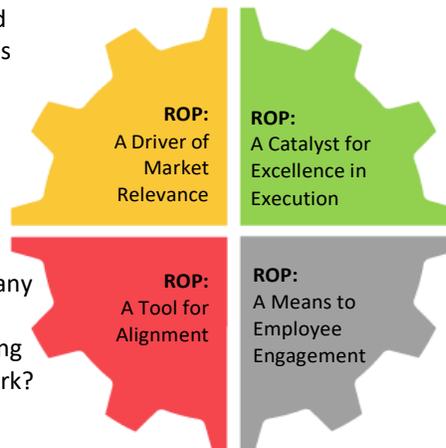
If you want to switch internally to an EBITDA- driven goal, you will have to calculate your own benchmark comparisons each year, instead of using the official Return on People™ Benchmark

HOW WELL DOES YOUR COMPANY LIVE THE 4 QUADRANTS OF ENTERPRISE EXCELLENCE?

Are you having trouble finding, engaging, and keeping good people, maintaining momentum in your continuous improvement activities, or protecting margins? If so, Return on People™ (RoP) and a Profit Plan to improve it hold the key to overcoming those challenges by helping your organization achieve Enterprise Excellence.

If your customers wouldn't name you as the Gold Standard in your industry, you have hidden issues with customer loyalty, top line growth, profit leaks, & service issues that are driving needless cost into your business. It's time to take back your profits by plugging those profit leaks.

How many of your employees could identify the 1-2 top strategic objectives for your company this year, and what *they're* doing *each week* to impact them? How many are confused, spending their time on well-intentioned but non-core work? It's time to help them shift the small everyday behaviors that make or break profitability.



RoP Leaders have the daily disciplines in place to execute strategy at an extraordinary level to secure financing, develop new products and successfully take them to market, achieve high on-time, complete and conformance goals, elevate service standards, and generate cash flow.

How big an issue is presenteeism, where your employees show up but don't bring their full talents? People love to win. The tools to increase ROP show them how.

Take 3 Next Steps



- 1. Benchmark YOUR Industry.** The numbers above are just a quick wake-up call. If you'd like my team to provide the Return on People™ data for your specific industry so that you can evaluate your performance more accurately and know where to set the bar, simply email me at ROPData@AnneCGraham.com
- 2. Set Your New Target:** In the work that I do, it's entirely reasonable to double profits within one year, and that opens up a world of opportunity for you. If it's worth a chat to find out how, email me at ProfitsPlease@AnneCGraham.com
- 3. Implement a Profit Plan** that's DIFFERENT, BROADER, and BETTER than what you've learned to do in the past. Let's talk about how to find profit across the entire Value Chain.