

# Industrial Performance Measurement Associates International

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**TO:** Mr. Tom Dellahanty  
 Vice President, Duluth Industrial Machinery

**FROM:** Thomas J. Scribbs

**DATE:** February 19, 2002

**RE:** Operations Benchmarking and Performance Improvement

Attached please find performance indicators related to the operational effectiveness of companies in your industry. This data illustrates key financial and operational performance metrics for similar manufacturing processes to your own.

Industrial Performance Measurement Associates has been compiling this performance information for over 20 years. Our expertise and accumulated historical performance data provides a wealth of improvement practices.

Please use the attached information, which illustrates the effectiveness of other companies in your industry to help you identify whether performance benchmarking and improvement would be beneficial to your organization.

If you would like to learn more about performance benchmarking please let us know.

## Selected Performance Indicators

<u>Performance Measure</u>	<u>Return on Sales</u>	<u>Cash flow to sales</u>	<u>Return on Sales Growth</u>	<u>Growth in Sales</u>	<u>Overhead Expense to Sales</u>
North East Machinery Manufacturing	2.4%	5.6%	0.4%	12.7%	15.2%
<b>Top Performance Industrial Companies</b>					
All U.S. Machinery Manufacturing	10.2%	14.7%	0.5%	5.5%	11.1%
North East Machinery Manufacturing	5.5%	3.5%	-1.0%	1.3%	14.3%

## Three Year Net Profit Trend

2001, 2002, 2003

