2017 RETURN ON PEOPLE™ MANUFACTURING BENCHMARK

START WITH THIS CALCULATION AND ENTER IT ON THE BELL CURVE BELOW:

$$\frac{\text{Annual Net Income (NOT Gross Margin NOT EBITDA)}}{\text{Number of Employees}} = \text{Your Profit Per Employee: } \$\_\_\_\_$$

Half the manufacturers in the Benchmark earn less than $25,000 of Profit per Employee… although they are some of the largest companies in the world.

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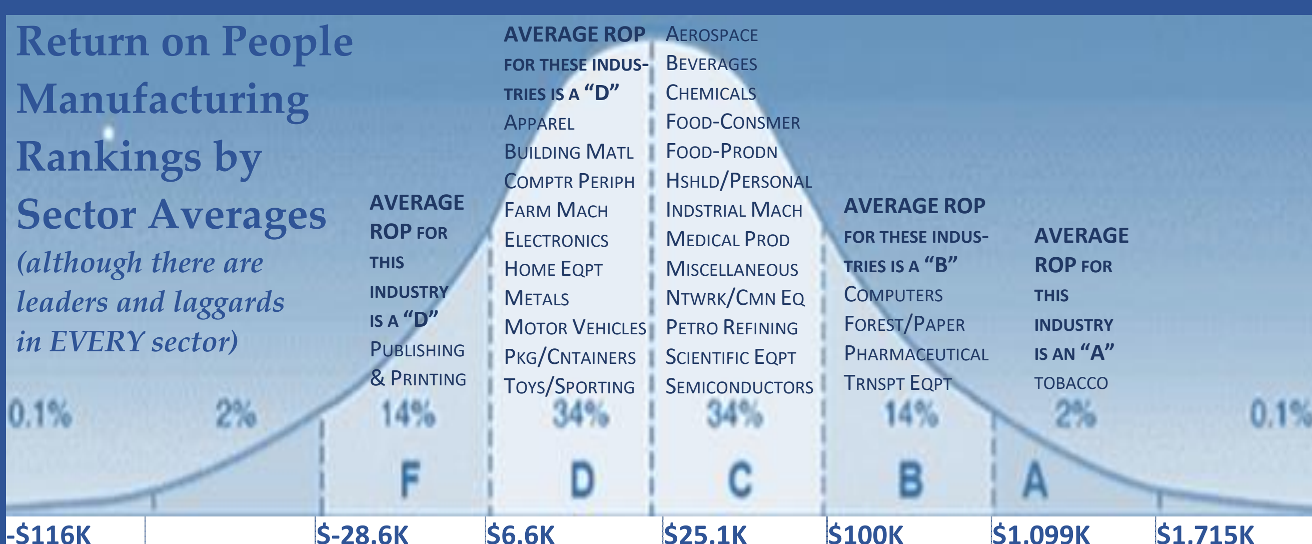
HOW DO YOU MEASURE UP?

The AVERAGE manufacturer earns **3X** as much

Highly SUCCESSFUL manufacturers earn **15X** as much as an average manufacturer

The *Return on People™ Benchmark* provides a comparative measure of how well you convert the talent, engagement, and loyalty of your employees & customers into bottom line value. Map your Profit per Employee above to the bell curve below to evaluate your People-Centric Profitability.

Calculated using the manufacturing subset of the Fortune 500, ROP is a powerful tool for setting the bar higher than you ever thought you could AND creating a plan to reach it… because once you see what others have already achieved, you'll be motivated to follow, achieve, and surpass their performance. (You are, aren't you?)



Examples of Companies Earning Each Grade

 Anne is the #1 Bestselling Author of **Profit in Plain Sight** and creator of ProfitU & the P.R.O.F.I+T Roadmap. For details on your industry, interpreting results, and a Profit Plan to increase your score contact me at 2017ROP@AnneCGraham.com

Achieved a "B" or better? Please let me know – we'll be featuring industry leaders in an upcoming edition of AME's TARGET Magazine.

HOW TO INTERPRET AND USE THE BENCHMARK

STOP

The 3 Most Common BIG Mistakes When Implementing ROP:

1 Downsize or Delay Hiring to Improve Results

The fastest, most short-sighted, and most damaging way to improve ROP is to eliminate people. Top performers continue to 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 and perhaps even incent or bonus based on this. Don't. Your managers will make Mistake #1, thinking they're doing the right thing. Use this metric to inspire, never to incent.

3 Measure Annually

Top performing companies have a saw-tooth ROP graph, not a nice, even rise. Why? Because they strategically take the short-term hit to invest, and then see the uptick they're looking for. Use a 5 year rolling average and look for a generally upward trend.

How Well Does Your Company Live the 4 Quadrants of Enterprise Excellence?

ROP: A Driver of Market Relevance

- 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. If that sounds like you, you need new strategies and tactics to eliminate yorur profit leaks

ROP: A Catalyst for Excellence in Execution

- ROP leaders have the daily disciplines in place to execute strategy at an extraordinary level. Whether securing financing, developing a new product and taking it to market, driving high quality and service standards, or managing cash, if you often miss strategic goals, you need support to execute

ROP: A Tool for Alignment

- How many of your employees could tell you the 1-2 top objectives for the company this year and what they're doing *this week* to impact them? How many are confused, spending their time on well-intentioned non-core work? Profit results from getting better at aligning employees with what really matters.

ROP: A Means to Employee Engagement

- 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 are all based on visual management, so they can get on the field, get in the game, and make a difference.

Why Net Income, Not EBITDA?

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

So, for an apples-to-apples comparison, use Net Income.

If you want to switch internally to an EBITDA-driven goal by all means do so, as long as you're consistent.

You will have to calculate your own benchmark comparisons each year, instead of using the official Return on People Benchmark.

Apply for the World Class Return on People Challenge

What is it?

Be recognized as a leader on the ROP Benchmark

Why Enter?

Pride in Achievement for you and your People

Qualifications

- ✓ Submit 5 years of your Net Income and your annual # of Employees to **WorldClassROP@LegendaryValue.com**
- ✓ Achieve an A or B ROP each year vs. that year's Benchmark.
- ✓ All submissions will be acknowledged.

Deadline: September 30, 2017

Reach World-Class Standards More Quickly

ProfitU is the only fully-mentored online learn- by-doing program that delivers customer-focused, people-centric, and profit-powered results to significantly increase your ROP in less time than you're spending on email

Limited Places Available
Request Details:
ProfitU@AnneCGraham.com