



Next Generation Manufacturing Study Highlights

January 11, 2010

A Bold Goal

- BEDC has set a bold goal for Burlington's manufacturers:
 - Maintain the City's manufacturing employment base
 - Increase productivity and output by 10-15% over the next decade.
- Achieving this goal will require:
 - Existing manufacturers expanding
 - Recruiting new manufacturers
 - Fostering entrepreneurship

Approach



Statistics & analysis

Focus Business Consultants

Interviews & roundtable

Deloitte Consulting & Jump Point

Global studies & literature research

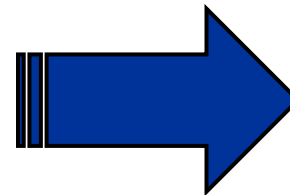
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Strategic thought topics

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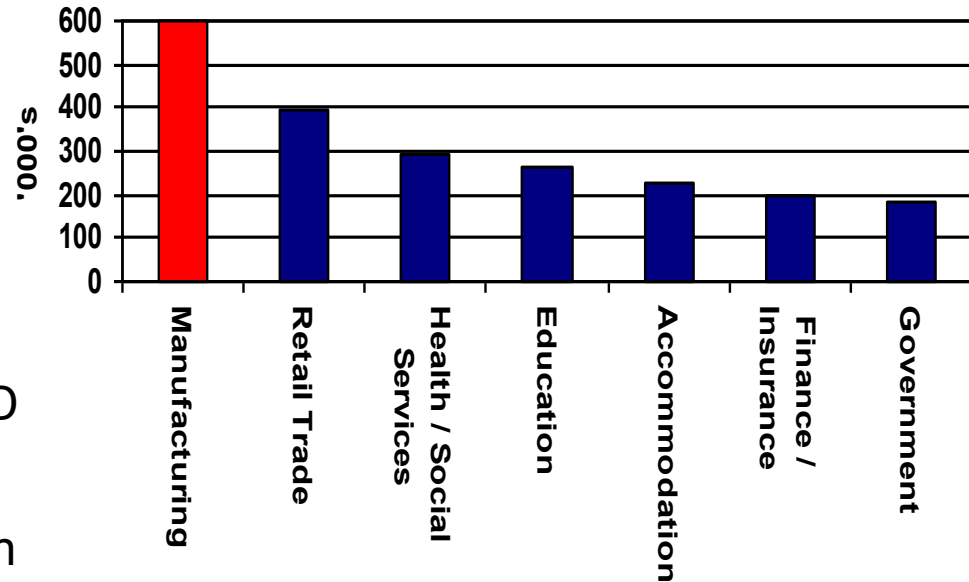
Collaborative research & consultation



Actionable suggestions from leading manufacturers

Manufacturing in context

- Manufacturing = 18% of Canada's GDP
- Manufacturing accounts for 75% of Canada's annual goods and services exports (\$400 Billion)
- Every \$1.00 of manufacturing output generates over \$3.00 in economic activity – greatest multiplier effect
- 2/3 of all private sector Canadian R&D is driven by manufacturing
- 2.3 million Canadians are employed in the manufacturing sector



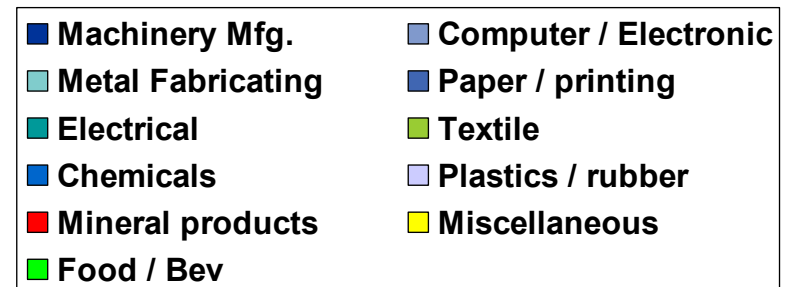
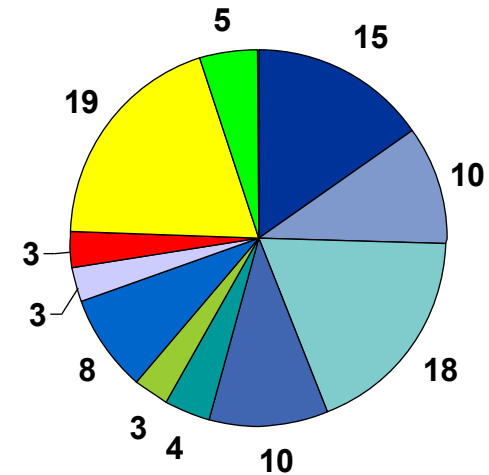
Manufacturing jobs are among the highest paying hourly jobs

In the GTA and Golden Horseshoe - Manufacturing is the largest employer

Manufacturing matters in Burlington

| | |
|---------------------------------------|-------------------------------|
| # of firms | 510 |
| # of headquarters | 41 |
| # of employees in Burlington | 14,831 |
| % of Burlington workforce | 17.5% |
| Burlington manufacturing revenue | \$2,293M (million Cdn \$) |
| % of all Burlington industry revenues | 55% |
| Average revenue per employee | \$299.5 (thousand Cdn. \$) |

% of Burlington Manufacturing Revenues



Themes emerged through consultation

Lines of Inquiry:

- Attractiveness as a location for manufacturing
- The future of manufacturing in the region
- What sectors and sub-sectors will emerge as leaders
- Key factors influencing the future
- Workforce/human capital issues
- Burlington's competitiveness as a location

Strategic Themes:

Innovation/creativity

Networking/collaboration

Key success factors

Evolving workforce capabilities

Business development

Theme #1 Innovation/creativity

Research findings

- Recognize that the market rewards innovation with growth
- Even in tough times, innovation is one of the most productive places to invest
- Build “idea factories”
- Continually identify AND make use of government supports for innovation

Manufacturer’s suggestions...

- **solicit and respond to customer needs**
- **engage with post secondary and research institutes, to bring IP to market**
- **create a culture of innovation by engaging employees**

Theme #2 Networking/collaboration

Research findings

- Recognize that your people are already collaborating online in all types of ways, work-related or not.
- Networking forums and collaborative arrangements can yield significant benefits for companies

Manufacturer's suggestions...

- **Build focused networks that work for your company**
- **Set specific goals and objectives for networking**
- **Share the responsibility**

Theme #3 Key success factors (startup/mature businesses)

Research findings

- Successful manufacturers are shifting their business model from low value-add and contract manufacturing to high value-add and IP ownership
- An efficient value chain is essential to delivering viable products at competitive prices

Manufacturer's suggestions...

- **Focus on eliminating non-value add, by analyzing the value stream**
- **Understand your core competencies and enhance them**
- **Go beyond the stated norms**

Theme #4 Evolving workforce capabilities

Research findings

- The knowledge content of manufacturing jobs is evolving and will be even greater in the future
- Modern global manufacturers expect employees to have exemplary team building multitasking and problem-solving skills

Manufacturer's suggestions...

- **Leverage HIEC/others to ensure entry level employees have skills**
- **Help change the image of manufacturing in Burlington**
- **Invest more in training & development to bring more general skills in-house**

Theme #5 Business development

Research findings

- Leading companies are always in the hunt for new growth opportunities
- The need to diversify and penetrate non traditional product markets is a lesson learned from the automotive downturn
- Reviewing sales force effectiveness and price realization can yield significant results

Global practices

- **Be global in company thinking: build international relationships**
- **Use local sourcing, make it user friendly**
- **Collaborate locally on a business level and leverage government training funding**

Closing thoughts – Burlington as a location

- Manufacturers are satisfied with their choice and planning to stay
- Strategic cross-roads between GTA and U.S. export market
- Right ingredients to evolve into a business centre for entrepreneurs and small to medium manufacturing
 - access to skilled labor, knowledge workers
 - excellent educational facilities
 - solid infrastructure, and amenities

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