

***The Milwaukee-ICIC Partnership  
Manufacturing Survey***

***Survey Findings***

***September 2003***

## **Table of Contents**

<b>I.</b>	<b>Survey Administration.....</b>	<b>3</b>
<b>II.</b>	<b>Survey Objectives.....</b>	<b>4</b>
<b>III.</b>	<b>Key Milwaukee Manufacturing Statistics.....</b>	<b>5</b>
<b>IV.</b>	<b>Overall Milwaukee Survey Findings.....</b>	<b>6</b>
<b>V.</b>	<b>Growing (Revenues) Companies Findings.....</b>	<b>9</b>
<b>VI.</b>	<b>Characteristics of Success Analysis.....</b>	<b>13</b>
<b>VII.</b>	<b>Inner City Findings.....</b>	<b>17</b>
<b>VIII.</b>	<b>Company Size Findings.....</b>	<b>25</b>
<b>IX.</b>	<b>Additional Statistically Significant Data.....</b>	<b>30</b>
<b>X.</b>	<b>Appendices.....</b>	<b>33</b>
	<b>A – Manufacturing Survey Instrument.....</b>	<b>33</b>
	<b>B – Survey Response by Location, Employment Size, Industry and Revenue Growth .....</b>	<b>46</b>
	<b>C – The Milwaukee Four County Area Manufacturing Universe.....</b>	<b>47</b>
	<b>D – Survey Categories and Weighting Adjustments.....</b>	<b>48</b>
	<b>E – Manufacturing Employment and Firms by Inner City, Rest of City, and Rest of MSA.....</b>	<b>52</b>
	<b>F – Manufacturing Employment by Inner City Zip Code.....</b>	<b>53</b>
	<b>G – Change in Manufacturing Employment by Geography in Milwaukee Four County Area.....</b>	<b>54</b>
	<b>H – Change in Manufacturing Employment for Wisconsin and the Milwaukee-Waukesha PMSA.....</b>	<b>55</b>
	<b>I – Map of Milwaukee’s Inner City, Rest of City, Rest of MSA.....</b>	<b>56</b>
	<b>J – Milwaukee Crime Statistics.....</b>	<b>57</b>

## ***I. Survey Administration***

In March 2003, the Milwaukee-ICIC Partnership team conducted a survey of 370 manufacturers in the Milwaukee four-county area. The Milwaukee four county area consists of Milwaukee, Ozaukee, Washington, and Waukesha counties.

The 62 question survey was developed by ICIC in consultation with MMAC, GMC, WMC, and other commerce-related organizations.<sup>1</sup> The survey was administered by Lein-Spiegelhoff, a Brookfield, Wisconsin survey research firm. Don Heinz, consultant and adjunct professor at Marquette University, provided post-survey statistical analysis and guidance.

370 surveys were completed: 295 by telephone, 13 web surveys solicited by publicity efforts, 47 web-surveys solicited through an “e-blast”, and 26 pre-test phone surveys that utilized a somewhat different survey instrument.<sup>2</sup> The survey was completed by CEOs, CFOs, and other senior executives.

The survey sample, 370 respondents, provides data with a confidence coefficient of 0.95 and a confidence interval of 4.8 percent. This means that if the survey were conducted an infinite number of times, there is a 95 percent probability that the results would be within 4.8 percentage points of reality each time.<sup>3</sup>

The survey was administered in a manner that reflects the universe of manufacturers in the Milwaukee four county area. This universe of over 4,000 manufacturers was broken down into 84 manufacturing “cells,” comprised of seven industry-type categories, three geographic areas, and four company size categories.<sup>4</sup> Based on the number of employees represented in each of these categories, the team set targets for the number of surveys to be completed in each of the 84 categories.<sup>5</sup>

Consistent with standard survey research practice, the team weighted the responses in each category so that their share of the reported sample equaled their share of the universe of manufacturers in the four-county area.<sup>6</sup>

---

<sup>1</sup> Please see Appendix A for a copy of the Milwaukee-ICIC Partnership Manufacturing Survey Instrument.

<sup>2</sup> The “e-blast” was sent to over 1,300 manufacturing e-mail addresses in the Milwaukee four county area. E-mail addresses were gathered from two sources: 1) the Manufacturers News Inc. (MNI) Wisconsin Directory, and 2) the Wisconsin Manufacturers & Commerce (WMC) member list. Responses from the pre-test phone survey were utilized only if they were derived from a question that was consistent with the final survey instrument question.

<sup>3</sup> See Appendix B for an analysis of survey responses by location, industry, employment size and revenue growth.

<sup>4</sup> See Appendix C for an analysis of the Milwaukee four county area manufacturing universe, compiled from a call list of 4,019 manufacturing firms.

<sup>5</sup> Please note that the team used number of employees to set targets for each category, not number of firms.

<sup>6</sup> See Appendix D for a chart detailing Survey Categories and Weighting Adjustments. Please note that 24 cells had no responses and therefore are not represented in the weighted sample.

## ***II. Survey Objectives***

The primary objective of the survey was to determine what portion of the 4,000 manufacturers in the four county area show credible signs of staying in the area and of operating in ways that make them more likely than other manufacturers to remain, grow, and be profitable in Milwaukee.

Secondary objectives included identifying inner city related issues. During the survey analysis process, the team also gained insight into the position of Milwaukee manufacturers in the supply chain and the public policy priorities of Milwaukee manufacturers.

The Milwaukee-ICIC Partnership will use survey findings as a resource to develop effective economic development strategies to improve the manufacturing environment in Milwaukee.

### **III. Key Milwaukee Manufacturing Statistics (Prior to Survey):**

1. The Milwaukee four county area supports many manufacturing jobs.<sup>7</sup>
  - a. Milwaukee four county area: 178,000 manufacturing jobs;<sup>8</sup>
  - b. City of Milwaukee: 53,000 manufacturing jobs;
  - c. Milwaukee's inner city: 26,000 manufacturing jobs.<sup>9</sup>
2. Manufacturing is a critical component of Milwaukee's inner city economy.<sup>10</sup>
  - a. 1 out of every 5 inner city residents who works holds a manufacturing job.<sup>11</sup>
  - b. **29% of jobs located in the inner city are in the manufacturing sector.**
3. The City of Milwaukee is losing manufacturing jobs while surrounding areas are growing their manufacturing employment base.<sup>12</sup>
  - a. City of Milwaukee lost **10,385** manufacturing jobs between 1995 and 2001.<sup>13</sup>
  - b. Surrounding counties gained a similar number of jobs to keep the regional employment levels flat over the same time period.
  - c. Over the last three years *survey* respondents lost 2,752 jobs, or 4.4% of the survey respondent employment base. Please note that between 1999 and 2001, Wisconsin's manufacturing employment fell by approximately **5.0%**, while the Milwaukee four county area declined **6.0%** during the same years.<sup>14</sup>
4. Metal-related manufacturing, printing, and chemical manufacturing are the largest manufacturing industries by employment in the Milwaukee four county area.<sup>15</sup>
  - a. 46% of manufacturers in the Milwaukee region are metal-related;
  - b. 19% are in printing;
  - c. 12% are involved in chemical manufacturing.

---

<sup>7</sup> Please see Appendix E for a breakdown of manufacturing employment and firms by Inner City, Rest of City, and Rest of MSA.

<sup>8</sup> Employment figures are derived from manufacturing SIC codes in Wisconsin Department of Labor ES202 data, 2001.

<sup>9</sup> Milwaukee's inner city is comprised of 11 zip codes including: 53204, 53205, 53206, and 53208 and portions of 53209, 53210, 53212, 53233, 53215, 53216, and 53218. Inner city zip codes were selected based on specific U.S. Census information. A zip code is identified as inner city if its Poverty Rate exceeds 20% or its Poverty Rate is 50% higher than the MSA average and its Median Household Income is 50% less than the MSA average.

<sup>10</sup> Please see Appendix F for a breakdown of manufacturing employment by inner city zip code.

<sup>11</sup> 27,600 inner city manufacturing workers aged 16+ out of 139,000 total inner city workers. U.S. Census, 2000.

<sup>12</sup> Please see Appendix G for a geographic analysis of manufacturing employment growth and decline in the Milwaukee four county area from 1995 to 2001.

<sup>13</sup> ES202, 1995, 2001.

<sup>14</sup> Wisconsin DWD - LMI. CES, 1999-2001. See Appendix H Change in Manufacturing Employment for Wisconsin and the Milwaukee-Waukesha PMSA. Source: Labor Market Information CES Data – Wisconsin Department of Workforce Development. The differences between manufacturing employment figures and percentage change in Appendices G and H can be accounted for due to variance in the data sources involved. These differences are within expectations.

<sup>15</sup> Industry percentages based on the comprehensive Milwaukee-ICIC Partnership email list of 4,000 manufacturers.

## **IV. Overall Milwaukee Survey Findings**

### **1. There are growing and profitable manufacturers in the Milwaukee four county area.**

#### Revenue:

- 44% (113 of 257) of manufacturers that provided revenue information showed revenue growth between 1999 and 2002. (Q4-Q5)
- 15% (38 of 257) of manufacturers reported no change in revenue.
- 41% (106 of 257) reported a revenue decline.
- 44% (113) of companies did not provide complete revenue information.<sup>16</sup>

#### Profitability:

- 75% (152 of 203) of manufacturers reported that they are profitable (Q8).
- 43% (132 of 303) reported that their profitability grew between 1999 and 2002 (Q9).

#### Employment:

- 33% (106 of 320) of manufacturers added employees.
- 20% (64) of manufacturers neither added nor cut employees.
- 46% (150) of manufacturers cut employees.
- Over the last three years *survey respondents* lost 2,752 jobs, or 4.4% of the *survey respondent* employment base. Please note that between 1999 and 2002, manufacturing employment dropped 14.0% in the Milwaukee-Waukesha MSA and 11.1% in the overall State of Wisconsin.<sup>17</sup>

### **2. A majority of manufacturers indicate that they expect their business to remain and grow at its current location. Moreover, one in five respondents is interested in conducting a plant expansion in the next two years.**

- Q52. We are confident that we will be in business at our current location in five years.
  - 73% (226) agree with this statement.
  - 12% (38) are neutral to this statement.
  - 15% (48) disagree with this statement.
- Q41. We expect to have more employees in the Milwaukee area in three years time.
  - 61% (184) respond Yes to this statement.
  - 39% (118) respond No to this statement.
- Q13. We are confident we will be supplying Our Largest Customer in five years.
  - 69% (215) agree with this statement.
  - 16% (51) disagree with this statement.
- Q51. We are interested in conducting a plant expansion in the next two (2) years.
  - 21% (64) agree with this statement.
  - 65% (205) disagree with this statement.

---

<sup>16</sup> Please note that respondents did not answer every question.

<sup>17</sup> State of Wisconsin Department of Workforce Development Labor Market Information

Responses to these questions do not differ significantly across the survey's three geographic areas: Inner City; Rest of City of Milwaukee; and Rest of MSA.<sup>18</sup>

Responses also do not differ significantly across the survey's four company size categories: 1-25 Employees; 26-100 Employees; 101-250 Employees; and 251+ Employees, with the following exception:

Q13 (We are confident we will be supplying our largest customer in five years) shows statistically significant differences among the different size respondents. Specifically, companies with 250+ employees are more likely to disagree with the statement.

- 16% (51) of total respondents disagree with this statement.
- 28% (21) of companies with 250+ Emp disagree with this statement.

***3. While the Milwaukee manufacturing sector is affected by foreign competition, many manufacturers are not shifting their business or their purchasing overseas.***

- Q19. Our Company has shifted more of our purchasing expenditures from local suppliers to lower cost foreign manufacturers.
  - 22% (70) agree with this statement.
  - 68% (213) disagree with this statement.
- Q61 We have considered moving our business, or a portion of it, to a foreign country.
  - 23% (74) agree with this statement.
  - 71% (225) disagree with this statement.
- Q15. Our Largest Customer is increasingly purchasing more from foreign suppliers.
  - 45% (134) agree with this statement.
  - 47% (141) disagree with this statement.
- Q21. Our company is increasingly – negatively – affected by low-cost foreign competition.
  - 60% (188) agree with this statement.
  - 33% (104) disagree with this statement.
- Q62. What is the top business concern facing your company?
  - 37% (119) cited foreign competition as the top business concern facing their company.
  - 17% (55) cited the economy as their top business concern, the second most cited concern.

***4. Most Milwaukee manufacturers sell their products to, and derive a majority of their revenues from, customers beyond the Milwaukee-Chicago-Madison area. Many manufacturers, however, are reliant on proximate suppliers.***

- Q17. Roughly what percentage of your company's total sales is shipped to customers located within 100 miles of the four county area?
  - Average percentage of company's total sales shipped within 100 miles: 29%
  - 64% (200) ship under 25% of total sales within 100 miles.
  - 9% (29) ship 25% to 49% of total sales within 100 miles.
  - 10% (30) ship 50% to 74% of total sales within 100 miles.
  - 17% (54) ship 75% to 100% of total sales within 100 miles.

---

<sup>18</sup> Please see Appendix I for a map of Milwaukee's Inner City, Rest of City, and Rest of MSA. Rest of City refers to any non-Inner City portion of the City of Milwaukee. Rest of MSA refers to any part of the Milwaukee four county area that is not in the City of Milwaukee.

- Q20. Roughly what percentage of your company's total purchasing expenditures come from suppliers – manufacturers and distributors – located within 100 miles of the four county area?
  - Average percentage of company's total expenditures that come from within 100 miles: 42%
  - 34% (104) purchase under 25% of total expenditures within 100 miles.
  - 23% (69) purchase 25% to 49% of total expenditures within 100 miles.
  - 23% (71) purchase 50% to 74% of total expenditures within 100 miles.
  - 20% (62) purchase 75% to 100% of total expenditures within 100 miles.

***5. Manufacturers believe that the top policy issue facing Milwaukee is taxes and believe that government can best assist them by reducing taxes and/or offering tax incentives.***

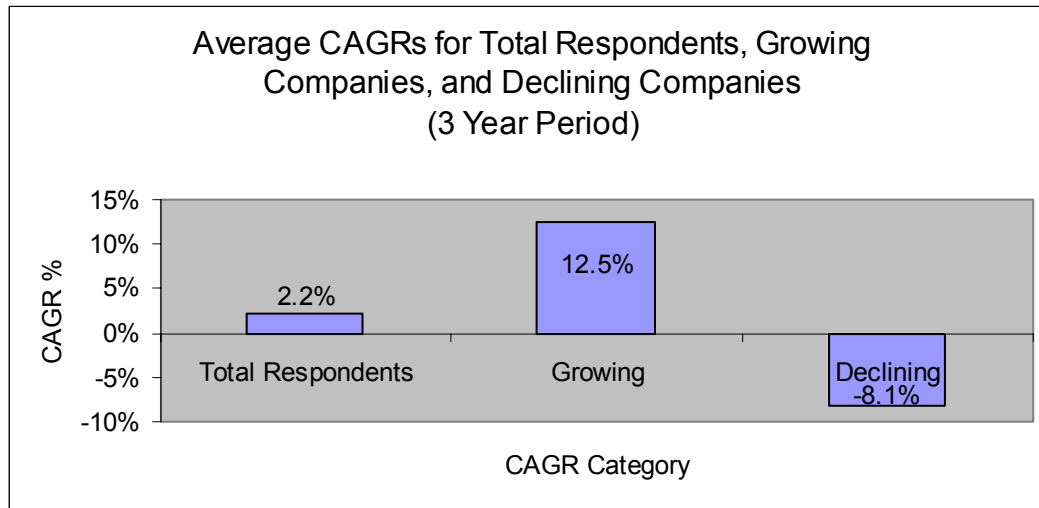
- Q57. What is the top policy issue facing the State of Wisconsin?
  - 54% (171) believe taxes are the top policy issue facing Wisconsin.
  - 21% (68) believe the budget (deficit, spending, and/or balancing) is the top issue.
  - 12% (29) believe that business and/or manufacturing development is the top issue.
  - 9% (30) believe that healthcare costs are the top issue.
- Q58. What is the one thing government could do to improve the Milwaukee area business climate?
  - 45% (135) feel that lowering taxes and/or tax incentives is the one thing government could do to improve the Milwaukee area business climate.
  - 23% (69) feel business development and/or manufacturing assistance is the one thing government could do to improve the business climate.
  - 10% (30) believe streamlining government is the one thing government could improve. (All responses add up to more than 100% b/c multi-answer)
- Q59. What is the one thing government could do to help your business?
  - 38% (119) feel that lowering taxes or providing tax incentives is the one thing government could do to help their business
  - 17% (53) cited dealing with foreign competition. (All responses add up to more than 100% b/c multi-answer)

## V. Growing (Revenues) Companies

To understand Milwaukee's growing and profitable manufacturers, the team analyzed manufacturers' historic performance and the future performance that they anticipate.

Historic performance is defined by the traditional financial metrics of revenue growth and profitability, as well as by employment growth. Anticipated future success is defined by responses to a series of questions about business location and relationships with customers.

**1. "Growing companies" – those respondents that grew their revenues between 1999 and 2002 – averaged a three-year Compounded Annual Growth Rate (CAGR) of 12.5%.<sup>19</sup>**



**2. Manufacturers that grew their revenues are more likely than non-growing manufacturers to be highly profitable (10% or more of after tax income as a percentage of sales), to have increased profitability over the last three years, and to have increased their number of employees over the last three years. Growing companies are also more interested than other respondents (both flat and declining companies) in conducting a plant expansion.**

Q8. What is the company's after tax income as percentage of sales (Profitability)? (Statistically significant)

- 28% (56) of total respondents report profitability of 10% or more.
- 41% (34) of growing companies report profitability of 10%+.
- 17% (5) of flat companies report profitability of 10%+.
- 14% (10) of declining companies report 10%+.<sup>20</sup>

<sup>19</sup> Compounded Annual Growth Rate (CAGR) is generated using Q4 (current sales) and Q5 (sales three years ago). The formula used to determine CAGR is  $[(\text{Current sales}/\text{Past sales})^{(1/3)}]-1$ . Also, for the purposes of this document, "growing companies" refers to companies that have grown their revenues over the last three fiscal years.

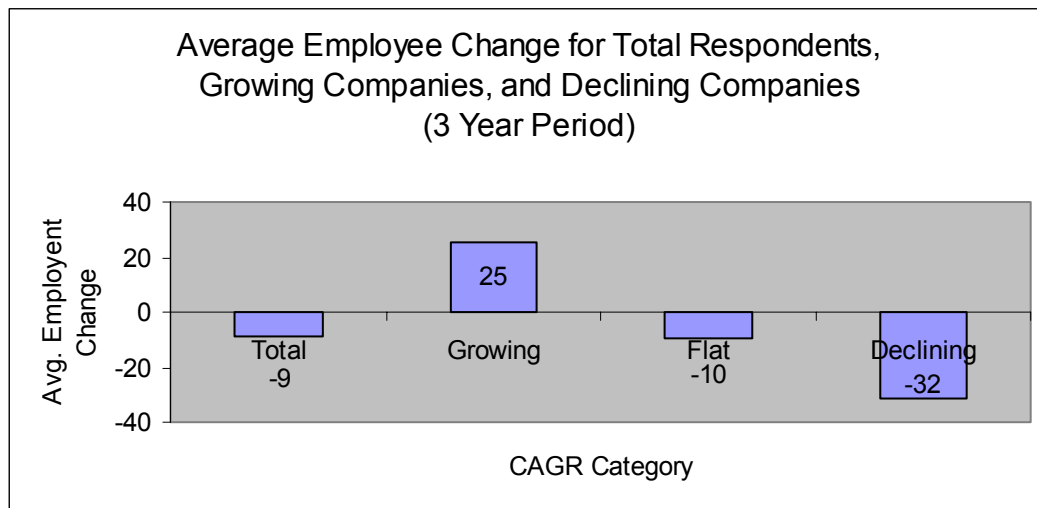
<sup>20</sup> Please note that not every respondent that answered Q8 (Profitability) also answered the questions required to calculate growing, flat, or declining [Q4 (current sales) and Q5 (sales 3 years ago)]. This accounts for the discrepancy in sums of growing, flat, and declining companies that answered Q8 and the total number of respondents to Q8.

Q9. Is the company more or less profitable that it was three years ago? (Statistically significant)

- 44% (132) of total respondents are more profitable than they were three years ago.
- 66% (73) of growing companies are more profitable.
- 36% (10) of flat companies are more profitable.
- 24% (24) of declining companies are more profitable.

Q34-Q35. Change in employees (Statistically significant).

- 33% (106) of total respondents added employees
- 61% (68) of growing companies added employees .
- 24% (9) of flat companies added employees.
- 4% (4) of declining companies added employees.



Q51. We are interested in conducting a plant expansion in the next two years. (Statistically significant).

- 21% (64) of total respondents agree with this statement.
- 31% (33) of growing companies agree with this statement.
- 11% (4) of flat companies agree with this statement.
- 10% (10) of declining companies agree with this statement.

**3. Growing manufacturers have closer relationships, and are more secure with, their largest customers.**

Q12. Our Largest Customer provides our company with supplier development assistance. (Statistically significant).

- 32% (99) of total respondents agree with this statement.
- 44% (46) of growing manufacturers agree with this statement.
- 26% (8) of flat manufacturers agree with this statement.
- 24% (25) of declining manufacturers agree with this statement.

Q16. Our Largest Customer could easily switch their purchasing from our company to our competitors. (Statistically significant).

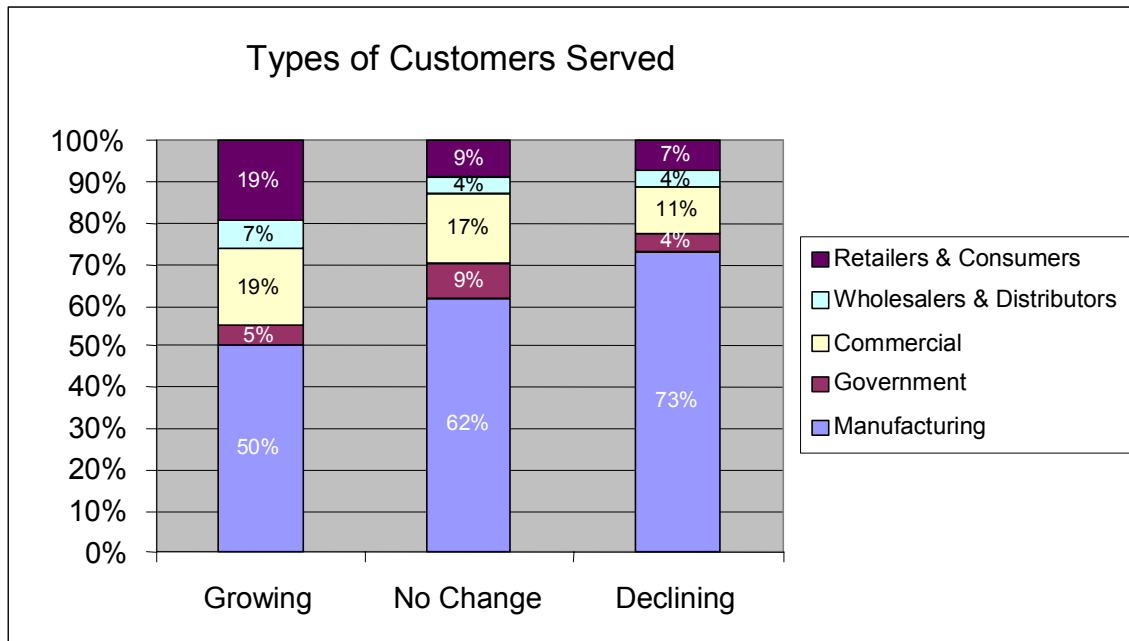
- 57% (177) of total respondents agree with this statement.
- 51% (54) of growing manufacturers agree with this statement.
- 57% (20) of flat manufacturers agree with this statement.
- 68% (71) of declining manufacturers agree with this statement.

Q15. Our Largest Customer is increasingly purchasing more from foreign suppliers. (Statistically significant).

- 45% (134) of total respondents agree with this statement.
- 33% (33) of growing companies agree with this statement.
- 37% (14) of flat companies agree with this statement.
- 56% (56) of declining companies agree with this statement.

**4. Growing companies are more likely than declining companies to serve customers located at the end of the supply chain (Statistically significant; multi-response question<sup>21</sup>).**

Q10. What types of customers does your company serve? (Statistically significant)



**5. Growing companies are more likely than declining companies to agree that it is critical their largest suppliers are located close to their Milwaukee facilities; these companies spend, on average, a higher percentage of their total expenditures locally than declining companies.**

<sup>21</sup> Survey respondents were able to provide more than one answer to Question 10, an open-ended question. All coded responses were included in this analysis.

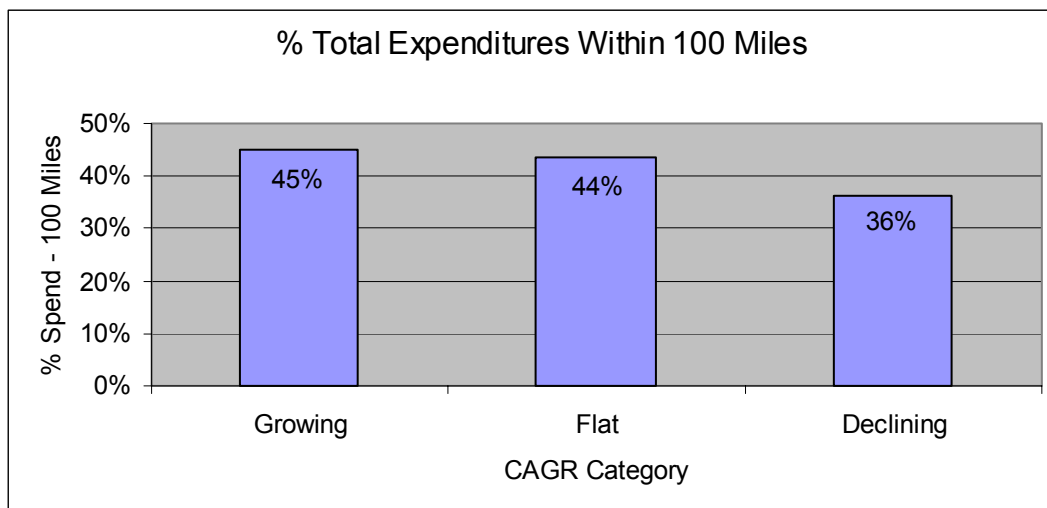
Q18. It is critical that our company's largest suppliers are located close to our Milwaukee facilities. (Statistically significant).

- 33% (105) of total respondents agree with this statement.
- 40% (42) of growing manufacturers agree with this statement.
- 19% (7) of flat manufacturers agree with this statement.
- 28% (29) of declining manufacturers agree with this statement.

Q20. Roughly what percentage of your company's total purchasing expenditures come from suppliers – manufacturers and distributors - located within 100 miles of the four county area? (Statistically significant)

- 20% (62) of total respondents spend 75% to 100 % of their expenditures locally.
- 27% (28) of growing manufacturers spend 75% to 100 % of their expenditures locally.
- 21% (8) of flat manufacturers spend 75% to 100% of their expenditures locally.
- 14% (14) of declining manufacturers spend 75% to 100 % of their expenditures locally.

Q20. Roughly what percentage of your company's total purchasing expenditures come from suppliers – manufacturers and distributors - located within 100 miles of the four county area?



## **VI. Characteristics of Success Analysis**

The team developed the survey instrument to determine if 11 “Characteristics of Success” – specific business actions identified through interviews with manufacturing experts – are correlated with financial success and future optimism. These 11 Characteristics can be divided into four sub-categories: 1) Prices, 2) Products and Processes, 3) Services, 4) Internal Operations.

### **Characteristics of Success**

#### Prices:

- 1) Our company is able to charge a price premium relative to our competitors. (Q27)

#### Products and Processes:

- 2) Our company competes by manufacturing proprietary products. (Q24)
- 3) Our company makes more complex, high-end products than 3 years ago. (Q25)
- 4) Our company utilizes proprietary or unique manufacturing processes. (Q26)

#### Services:

- 5) Does your company offer product design, development and/or testing services? (Q28)
- 6) Does your company offer product installation services? (Q29)
- 7) Does your company offer after-sale customer service? (Q30)

#### Internal Operations:

- 8) Does your company have a formal quality assurance program (e.g. ISO, QS) and/or a formal continuous improvement process (i.e., lean manufacturing)? (Q31)
- 9) Has your company made significant investments in information technology (e.g. CAD/CAM, EDI, ERP, CRM) in the last 3 years? (Q32)
- 10) Has your company increased the number of inventory turns over in the last 3 years? (Q33)
- 11) Does your company spend more on workforce training than it did 3 years ago? (Q40)

The team ran an analysis of the 11 characteristics of success against the following financial measures of success: 1) Revenue Growth/Decline Over Last 3 Years, 2) Profitability/Not Profitable, and 3) More/Less Profitable Over Last 3 Years. Don Heinz, statistician to the project, determined those correlations that were statistically significant. The statistically significant findings are found below.

### **Characteristics of Success vs. Financial Measures of Success**

	Revenue			Profitability			More/Less Profitable		
	Total	Grow	Dec	Total	Prof.	Not Prof.	Total	More Profit	Less Profit
Charge Price Premium <sup>22</sup>				40%	43%	12%	40%	49%	33%
Manufacture Proprietary Products	52%	56%	40%						
More high-end, complex product									
Utilize Proprietary Processes							46%	58%	39%
Product Design Development, Testing Svcs									
Product Installation Svcs				32%	38%	19%			
After-sale Customer Svcs	79%	72%	87%						
Quality and/or Continuous Imp Program				88%	84%	89%			
IT Investments									
Increased Inventory Turns									
Spend More On Workforce Training	63%	72%	55%				63%	71%	55%

**1. Companies that grew their revenues over the last three years are more likely than declining companies to manufacture proprietary products and spend more on workforce training than they did three years ago. There is a negative correlation, however, between after-sale customer services and revenue growth.**

**2. Profitable companies are more likely than non-profitable companies to be able to charge a price premium and to offer product installation services. Profitable companies are less likely than not profitable companies to offer quality assurance and/or continuous improvement programs (though only slightly).**

**3. Companies that are more profitable than they were three years ago are more likely to charge a price premium, to utilize proprietary or unique processes, and to spend more on workforce training than they did three years ago than less profitable companies.**

<sup>22</sup> Top row reads: 40% of total respondents charge a price premium relative to their competitors; 43% of profitable companies charge a price premium; 12% of not profitable companies charge a price premium.

The team also ran an analysis of the 11 characteristics of success against questions pertaining to future performance anticipated by the manufacturers themselves. Questions pertaining to anticipated future performance include:

1. We are interested in conducting a plant expansion in the next 2 years. (Q51)
2. We are confident we will still be supplying our largest customer in 3 years. (Q13)
3. We are confident that we will be in business at this location in 5 years. (Q52)
4. Does your company expect to have more employees in the Milwaukee four county area in the next three years? (Q41)

Don Heinz, statistician to the project, determined those correlations between characteristics of success and anticipated future performance that are statistically significant. The statistically significant findings are found below.

### ***Characteristics of Success vs. Anticipated Future Performance***

	Plant Expansion – 2 Yrs.			Supplying Largest Customer – 3 Yrs.			In Business Location – 5 Yrs.			More Employees – 3 Yrs.		
	Total	Agr.	Dis.	Total	Agr.	Dis.	Total	Agr.	Dis.	Total	Yes	No
Charge Price Premium <sup>23</sup>				40%	46%	24%	40%	46%	19%	40%	48%	26%
Manufacture Proprietary Products	52%	69%	49%	52%	57%	33%						
More high-end, complex product				66%	72%	52%	66%	75%	41%			
Utilize Proprietary Processes	46%	62%	43%	46%	55%	16%	46%	56%	19%	46%	52%	40%
Product Des. Development, Testing Svcs				77%	72%	94%						
Product Installation Svcs										32%	38%	26%
After-sale Customer Svcs				79%	81%	88%						
Quality and/or Continuous Imp Program												
IT Investments							82%	85%	83%			
Increased Inventory Turns												
Spend More On Workforce Training							63%	68%	41%			

<sup>23</sup> Top row reads: 40% of total respondents charge a price premium relative to their competitors; 46% of companies that are confident they will supply their largest customer in 3 years charge a price premium; 24% of companies that are confident they will supply their largest customer in 3 years charge a price premium. Please note that blank cells are not statistically significant data.

### **Prices**

**4. Companies that are more confident they will be supplying their largest customer in 3 years, those that are more confident they will be in business at their current location in 5 years, and those that are more likely to expect to employ more people in 3 years are more likely to charge a price premium than companies that do not hold those three beliefs about the future.**

### **Products and Processes:**

**5. Companies interested in conducting a plant expansion are more likely to manufacture proprietary products and to utilize unique or proprietary manufacturing processes than those that are not interested in conducting a plant expansion.**

**6. Companies that are confident they will be supplying their largest customer in 3 years are more likely to manufacture proprietary products, utilize unique or proprietary processes, and to manufacture more high-end complex products than they did three years ago.**

**7. Companies that are confident they will be at their current business location in 5 years are more likely to utilize unique or proprietary processes, and to manufacture more high-end complex products than they did three years ago.**

**8. Companies that expect to have more employees at in the next three years are more likely to manufacture more high-end complex products than they did three years ago.**

### **Services:**

**9. Companies that are confident they will be supplying their largest customer in 3 years are *less* likely to offer product design, development, and/or testing services and after-sale customer services.**

**10. Companies that expect to have more employees in the next three years are more likely to offer product installation services than those that do not expect to have employees in the next three years.**

### **Internal Operations:**

**11. Companies that are confident they will be at their current business location in 5 years are more likely to spend more on workforce training than they did 3 years ago.**

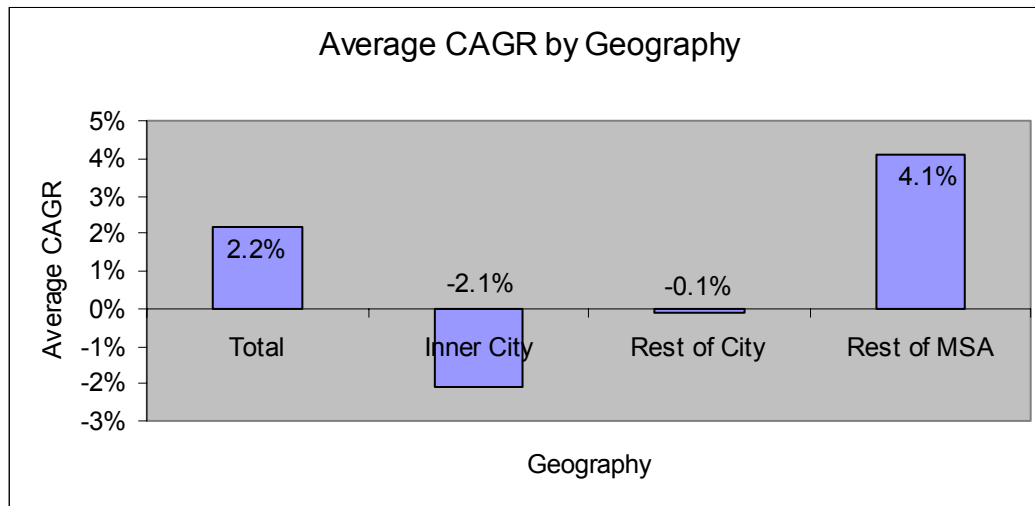
## VII. Inner City Findings

The team analyzed the financial performance and anticipated performance of Inner City manufacturers relative to manufacturers from the Rest of the City and the Rest of the MSA.

**1. Inner City manufacturers are less likely to have grown their revenues over the last three years than non-inner-city manufacturers. Moreover, while inner-city companies are as profitable as manufacturers in the Rest of the City, they are less profitable than companies in the Rest of the MSA.**

Q4–Q5. Change in Revenues? (Statistically significant)

- 44% (113 of 257) of manufacturers that provided revenue information showed revenue growth between 1999 and 2002. (Q4-Q5)
- 23% (10 of 44) of Inner City manufacturers reported growing revenues.
- 45% (21 of 47) of Rest of City manufacturers reported growing revenues.
- 50% (83 of 166) of Rest of MSA manufacturers reported growing revenues.



Q8. What is the company's after tax income as a percent of sales (profitability)? (Statistically significant)

	Total	Inner City	Rest of City	Rest of MSA
10%+	28% (56)	26% (7)	27% (12)	28% (38)
1%-9%	48% (96)	35% (9)	33% (14)	55% (73)
Not Profit	25% (51)	40% (10)	40% (17)	18% (23)

**2. While Inner City manufacturers are less likely than non-inner-city manufacturers to have grown their revenues and achieve profitability, they are just as likely to be more profitable than they were three years ago.**

Q9. Is the company more or less profitable than it was three years ago? (Not statistically Significant)

- 44% (132) of total respondents state they are more profitable than three years ago.
- 48% (22) of Inner City manufacturers are more profitable than three years ago.
- 41% (26) of Rest of City manufacturers are more profitable than three years ago.
- 44% (85) of Rest of MSA manufacturers are more profitable than three years ago.

**3. Inner city firms are as likely, if not more likely, than non-inner-city firms to anticipate future success.**

Q13. We are confident we will still be supplying Our Largest Customer in 3 years?<sup>24</sup> (Statistically Significant)

- 69% (215) of total respondents agree with this statement.
- 81% (43) of Inner City manufacturers agree with this statement.
- 75% (49) of Rest of City manufacturers agree with this statement.
- 63% (123) of Rest of MSA manufacturers agree with this statement.

Q41. Does your company expect to have more employees in the Milwaukee four county area in the next 3 years? (Not statistically Significant)

- 61% (132) of total respondents expect to have more employees in the next 3 years.
- 69% (32) of Inner City manufacturers expect to have more employees.
- 50% (30) of Rest of City manufacturers expect to have more employees.
- 62% (122) of Rest of MSA manufacturers expect to have more employees.

Q51. We are interested in conducting a plant expansion in the next 2 years? (Not statistically Significant)

- 21% (64) of total respondents agree with this statement.
- 17% (9) of Inner City manufacturers agree with this statement.
- 23% (15) of Rest of City manufacturers agree with this statement.
- 21% (41) of Rest of MSA manufacturers agree with this statement.

Q52. We are confident that we will be in business at this location in 5 years? (Not statistically Significant)

- 73% (226) of total respondents agree with this statement.
- 73% (38) of Inner City manufacturers agree with this statement.
- 78% (50) of Rest of City manufacturers agree with this statement.
- 71% (138) of Rest of MSA manufacturers agree with this statement.

---

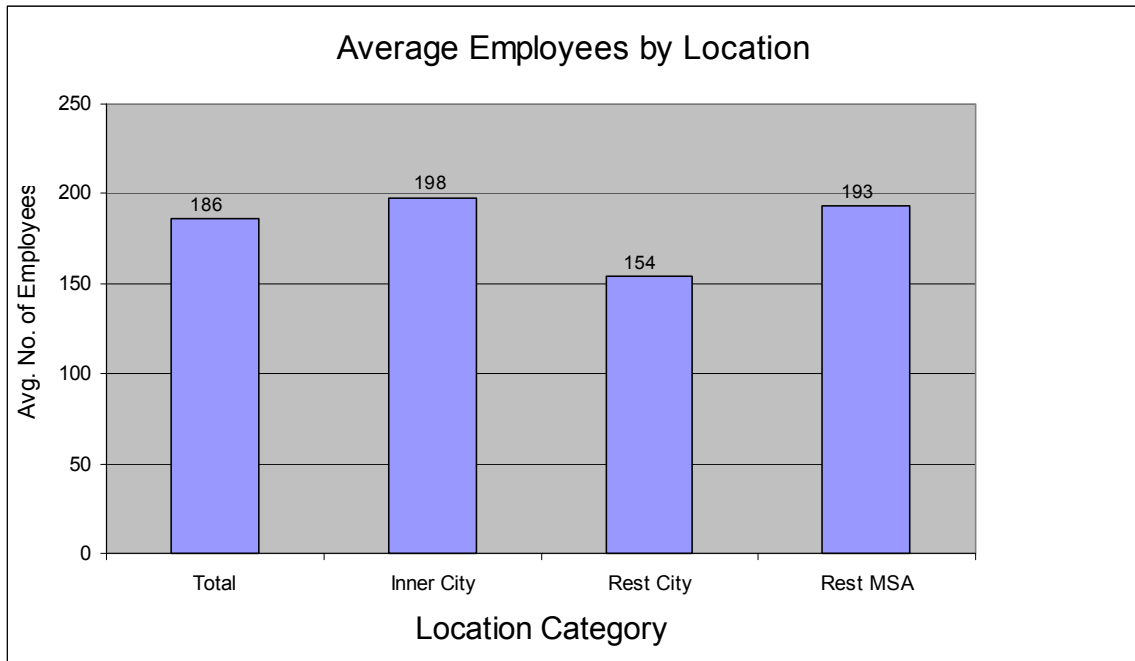
<sup>24</sup> "Neutral" responses to this question were excluded during statistical analysis to account for the low frequencies found in this response category.

The team analyzed the size of respondents relative to their location.

**4. Inner City respondents are as large as, if not larger than, manufacturers in the Rest of City and Rest of MSA.**

**Size of Company vs. Location**

Company Size Category	Total	Inner City	Rest of City	Rest of MSA
1-25 Employees	13%	19%	15%	11%
26-100 Employees	34%	30%	30%	36%
101-250 Employees	30%	32%	33%	28%
251+ Employees	23%	19%	21%	25%



Please note that the above table and chart consists of non-statistically significant differences across locations. Non-statistically significant differences indicate that there is no correlation between location and size of company. That is, manufacturers in one location are no more or less likely than those in another location to fall into a certain size category.

The team conducted a characteristics of success analysis on Inner City manufacturers.

**5. Inner city firms are as likely, if not more likely, than non-inner-city firms to exhibit business characteristics that correlate with financial and anticipated success.**

### **Characteristics of Success vs. Location**

<b>Characteristic of Success</b>	<b>Total</b>	<b>Inner City</b>	<b>Rest of City</b>	<b>Rest of MSA</b>	<b>Significant Difference?</b>
<b>Charge Price Premium<sup>25</sup></b>	<b>40%</b>	<b>40%</b>	<b>43%</b>	<b>39%</b>	<b>N</b>
<b>Manufacture Proprietary Products</b>	<b>52%</b>	<b>55%</b>	<b>61%</b>	<b>48%</b>	<b>Y</b>
<b>More high-end, Complex Product</b>	<b>66%</b>	<b>59%</b>	<b>72%</b>	<b>66%</b>	<b>N</b>
<b>Utilize Proprietary Processes</b>	<b>46%</b>	<b>33%</b>	<b>48%</b>	<b>50%</b>	<b>N</b>
<b>Product Installation Svcs</b>	<b>32%</b>	<b>27%</b>	<b>34%</b>	<b>33%</b>	<b>N</b>
<b>Spend More On Workforce Training</b>	<b>63%</b>	<b>63%</b>	<b>56%</b>	<b>65%</b>	<b>N</b>

Please note that statistically significant and non-statistically significant differences across locations are included in the above table. Non-statistically significant differences indicate that there is no correlation between location and the characteristics of success. That is, manufacturers in one location are no more or less likely than those in another location to have a certain characteristic. Only Question 24 (manufacture proprietary products) shows differences by location that are statistically significant. Manufacturers in the Inner City and Rest of City are more likely to manufacturer proprietary products.

The team conducted an analysis of Inner City competitive advantages and disadvantages relative to the Rest of the City and Rest of MSA.

**6. Over one quarter of manufacturers in the Milwaukee four county area have moved their business, or a portion of their business, out of the City of Milwaukee in the past decade. Moreover, while Inner City companies are more likely than both Rest of City and Rest of MSA companies to agree that they “would expand/move our manufacturing operations in/into the City of Milwaukee,” they are less likely to agree that they could assemble the necessary land if they needed to expand.**

<sup>25</sup> Reads: 40% of total respondents charge a price premium relative to their competitors; 40% of Inner City manufacturers charge a price premium; 40% of Rest of City manufacturers charge a price premium; 39% of Rest of MSA companies charge a price premium.

Q55. Has your business, or a portion of your business, moved out of the City of Milwaukee in the past decade? (Statistically significant)

- 27% (86) of total respondents moved their business or portion of their business out of the City of Milwaukee in the past decade.

Q48. We would expand/move our manufacturing operations in/into the City of Milwaukee. (Statistically Significant)

- 21% (63) of total respondents agree with this statement.
- 42% (21) of Inner City manufacturers agree with this statement.
- 22% (14) of Rest of City manufacturers agree with this statement.
- 15% (28) of Rest of MSA manufacturers agree with this statement.

Q44. Our company could easily assemble the necessary land if we needed to expand.<sup>26</sup> (Statistically significant)

- 63% (192) of total respondents agree with this statement.
- 54% (26) of Inner City manufacturers agree with this statement.
- 57% (36) of Rest of City manufacturers agree with this statement.
- 67% (129) of Rest of MSA manufacturers agree with this statement.

***7. Inner City manufacturers are less likely to believe that the basic readiness and technical skills of their workforce are a competitive advantage of their location.***

Q39. The basic readiness skills of the workforce are a competitive advantage of our location. (Statistically significant).

- 50% (158) of total respondents agree with this statement.
- 45% (24) of Inner City manufacturers agree with this statement.
- 36% (24) of Rest of City manufacturers agree with this statement.
- 56% (110) of Rest of MSA manufacturers agree with this statement.

Q38. The technical skills of the workforce are a competitive advantage of our location. (Statistically significant).

- 59% (185) of total respondents agree with this statement.
- 41% (22) of Inner City manufacturers agree with this statement.
- 52% (34) of Rest of City manufacturers agree with this statement.
- 66% (129) of Rest of MSA manufacturers agree with this statement.

---

<sup>26</sup> “Neutral” responses to this question were excluded during statistical analysis to account for the low frequencies found in this response category.

**8. Compared to non-inner-city manufacturers, Inner City manufacturers find crime and the perception of crime to be a problem at their location.<sup>27</sup>**

Q49. Crime in our neighborhood is a problem for our company.<sup>28</sup> (Statistically significant).

- 22% (68) of total respondents agree with this statement.
- 58% (31) of Inner City manufacturers agree with this statement.
- 13% (8) of Rest of City manufacturers agree with this statement.
- 15% (29) of Rest of MSA manufacturers agree with this statement.

Q50. Perception of crime in our neighborhood is a problem for our company.<sup>29</sup> (Statistically significant).

- 22% (69) of total respondents agree with this statement.
- 60% (32) of Inner City manufacturers agree with this statement.
- 12% (8) of Rest of City manufacturers agree with this statement.
- 15% (29) of Rest of MSA manufacturers agree with this statement.

**9. More than manufacturers in the Rest of the City, Inner City manufacturers feel their access/proximity to highways are a competitive advantage of their location. However, companies located outside Milwaukee's inner city but in the Rest of City have an advantage with their largest customer because of their plant's close location.**

Q45. Access/Proximity to highways is a competitive advantage of our location. (Statistically significant).

- 53% (167) of total respondents agree with this statement.
- 54% (29) of Inner City manufacturers agree with this statement.
- 38% (25) of Rest of City manufacturers agree with this statement.
- 58% (112) of Rest of MSA manufacturers agree with this statement.

Q14. Our company has an advantage with Our Largest Customer because of our plant's close location. (Statistically significant).

- 44% (136) of total respondents agree with this statement.
- 30% (16) of Inner City manufacturers agree with this statement.
- 56% (37) of Rest of City manufacturers agree with this statement.
- 44% (83) of Rest of MSA manufacturers agree with this statement.

The team analyzed the wages of Inner City manufacturers to non-inner-city manufacturers.

---

<sup>27</sup> See Appendix J for an analysis of Milwaukee Crime Statistics.

<sup>28</sup> "Neutral" responses to this question were excluded during statistical analysis to account for the low frequencies found in this response category.

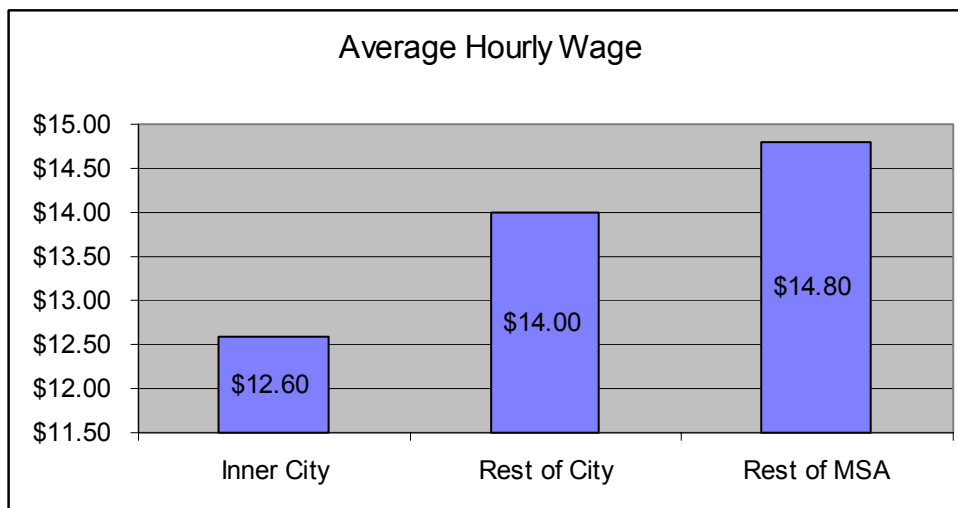
<sup>29</sup> "Neutral" responses to this question were excluded during statistical analysis to account for the low frequencies found in this response category.

**10. Inner City manufacturers pay less to rank and file employees than non-inner-city manufactures.**

Q36. Roughly, what is the average hourly wage of your company's rank and file employees? (Statistically significant)

	Total	Inner City	Rest of City	Rest of MSA
<\$12	18% (50)	33% (15)	21% (11)	13% (24)
\$12-\$14.99	38% (106)	45% (21)	43% (23)	35% (62)
\$15-\$17.99	30% (85)	18% (9)	19% (10)	37% (66)
\$18+	14% (38)	4% (2)	18% (10)	15% (26)

Q36. Roughly what is the average hourly wage of your company's rank and file employees?



The team analyzed the relationships that Inner City manufacturers have with other firms.

**11. Fewer Inner City manufacturers receive supplier development assistance from their largest customer than non-inner-city manufacturers.**

Q12. Our Largest Customer provides our company with supplier development assistance. (Statistically significant).

- 32% (99) of total respondents agree with this statement.
- 28% (15) of Inner City manufacturers agree with this statement.
- 40% (27) of Rest of City manufacturers agree with this statement.
- 31% (57) of Rest of MSA manufacturers agree with this statement.

**12. While Inner City manufacturers believe they are less vulnerable to mergers, acquisitions, and consolidation than non-inner-city manufacturers, they are more interested in growing through this type of business transaction.**

Q23. We are vulnerable to mergers, acquisitions, and consolidation at our Milwaukee facilities. (Statistically significant).

- 32% (100) of total respondents agree with this statement.
- 13% (7) of Inner City manufacturers agree with this statement.
- 26% (16) of Rest of City manufacturers agree with this statement.
- 39% (76) of Rest of MSA manufacturers agree with this statement.

Q60. We are interested in growing through mergers and acquisitions. (Statistically significant).

- 53% (167) of total respondents agree with this statement.
- 62% (33) of Inner City manufacturers agree with this statement.
- 48% (32) of Rest of City manufacturers agree with this statement.
- 52% (102) of Rest of MSA manufacturers agree with this statement.

## **VIII. Company Size Findings**

The team analyzed the historic and anticipated performance of different size companies in the Milwaukee four county area. Manufacturers were broken down into one of four size categories, determined by number of employees:

- 1-25 Employees
- 26-100 Employees
- 101-250 Employees
- 251+ Employees

***1. While larger manufacturers are more likely to have grown the number of employees over the last three years, smaller manufacturers expect to have more employees in the Milwaukee four county area in the next three years. Moreover, smaller manufacturers are more confident than larger manufacturers that they will still be supplying their largest customer in 3 years.***

Q34-Q35 Change in employees (Statistically significant).

- 33% (106) of total respondents grew their employee base over the last three years.
- 25% (11) of manufacturers with 1-25 Emp grew their employees.
- 25% (27) of manufacturers with 26-100 Emp grew their employees.
- 39% (36) of manufacturers with 101-250 Emp grew their employees.
- 41% (32) of manufacturers with 251+ Emp grew their employees.

Q41. Does your company expect to have more employees in the Milwaukee four county area in the next three years? (Statistically Significant)

- 61% (184) of total respondents expect to have more employees in the next 3 years.
- 72% (30) of manufacturers with 1-25 employees expect to have more employees.
- 76% (77) of manufacturers with 26-100 employees expect to have more employees.
- 47% (41) of manufacturers with 101-250 employees expect to have more employees.
- 51% (36) of manufacturers with 251+ employees expect to have more employees.

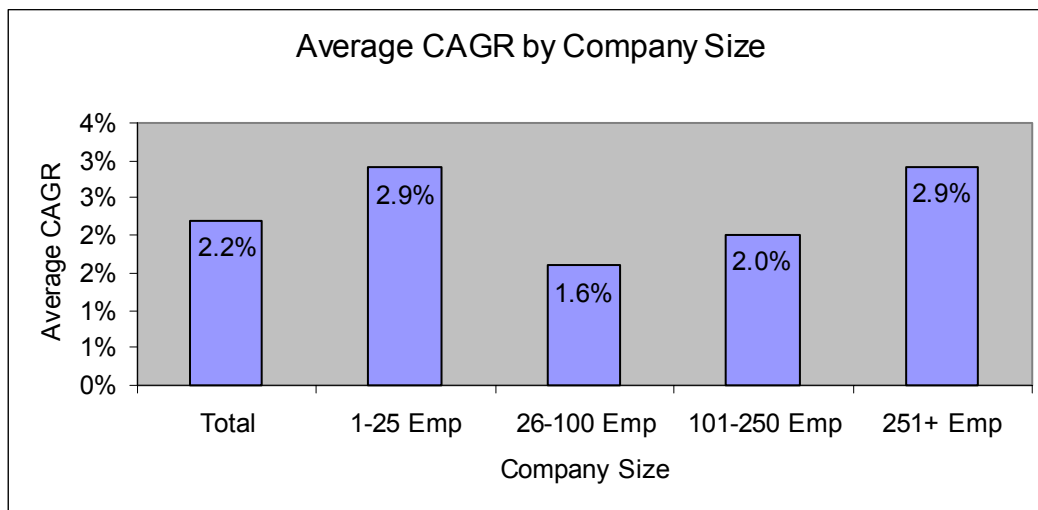
Q13. We are confident we will still be supplying Our Largest Customer in 3 years. (Statistically significant).

- 69% (215) of total respondents agree with this statement.
- 74% (28) of manufacturers with 1-25 Emp agree with this statement.
- 63% (66) of manufacturers with 26-100 Emp agree with this statement.
- 76% (72) of manufacturers with 101-250 Emp agree with this statement.
- 65% (49) of manufacturers with 251+ Emp agree with this statement.

2. Financial performance does not differ significantly between different size companies.

**Financial Performance vs. Company Size<sup>30</sup>**

Financial Performance Metric		Total Resp.	1-25 Emp	26-100 Emp	101-250 Emp	251+ Emp
Revenue Growth	Growing	44%	39%	48%	44%	42%
	Declining	41%	42%	37%	40%	48%
Profitability	Profitable	25%	27%	21%	32%	21%
	Not Profitable	75%	73%	79%	68%	79%
More or Less Profitable	More Profitable	44%	43%	39%	45%	48%
	Less Profitable	56%	57%	61%	55%	52%



3. More large companies (except for those with more than 250 employees) report that they are increasingly, negatively, affected by foreign competition. More large manufacturers also report that their largest customer is increasingly purchasing more from foreign suppliers.

Q21. Our company is increasingly – negatively – affected by low-cost foreign competition. (Statistically significant).

- 60% (188) of total respondents agree with this statement.
- 43% (17) of manufacturers with 1-25 Emp agree with this statement.
- 57% (62) of manufacturers with 26-100 Emp agree with this statement.
- 73% (68) of manufacturers with 101-250 Emp agree with this statement.
- 54% (41) of manufacturers with 251+ Emp agree with this statement.

<sup>30</sup> Differences shown in this table are not statistically significant.

Q15. Our Largest Customer is increasingly purchasing more from foreign suppliers. (Statistically significant).

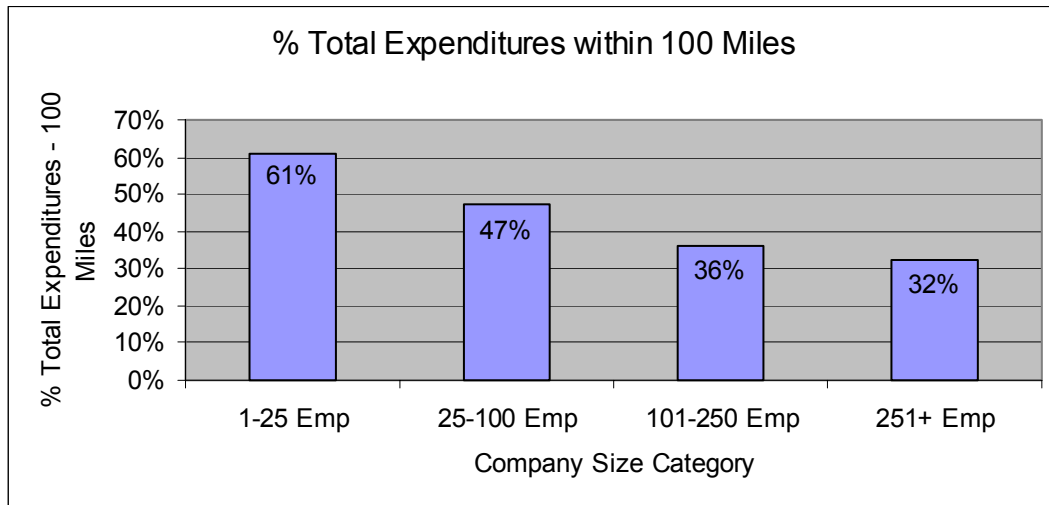
- 45% (134) of total respondents agree with this statement.
- 31% (12) of manufacturers with 1-25 Emp agree with this statement.
- 44% (46) of manufacturers with 26-100 Emp agree with this statement.
- 42% (34) of manufacturers with 101-250 Emp agree with this statement.
- 57% (43) of manufacturers with 251+ Emp agree with this statement.

**4. Smaller companies spend a higher percentage of their expenditures within 100 miles of the Milwaukee four county area.**

Q20. Roughly what percentage of your company's total purchasing expenditures come from suppliers – manufacturers and distributors - located within 100 miles of the four county area? (Statistically significant)

- 20% (62) of total respondents spend 75% to 100% of their expenditures locally.
- 52% (20) of companies with 1-25 Emp spend 75%-100% of their expenditures locally.
- 25% (26) of companies with 26-100 Emp spend 75%-100% of their expenditures locally.
- 12% (10) of companies with 101-250 Emp spend 75%-100% of their expenditures locally.
- 7% (5) of companies with 251+ Emp spend 75% - 100% of their expenditures locally.

Q20. Roughly what percentage of your company's total purchasing expenditures come from suppliers – manufacturers and distributors - located within 100 miles of the four county area?



**5. Larger manufacturers are more vulnerable to, and are more interested in growing through, mergers, acquisitions and consolidation.**

Q23. We are vulnerable to mergers, acquisitions, and consolidation at our Milwaukee facilities. (Statistically significant).

- 32% (100) of total respondents agree with this statement.
- 20% (8) of manufacturers with 1-25 Emp agree with this statement.

- 31% (33) of manufacturers with 26-100 Emp agree with this statement.
- 25% (23) of manufacturers with 101-250 Emp agree with this statement.
- 47% (36) of manufacturers with 251+ Emp agree with this statement.

Q60. We are interested in growing through mergers and acquisitions. (Statistically significant).

- 53% (167) of total respondents agree with this statement.
- 33% (13) of manufacturers with 1-25 Emp agree with this statement.
- 42% (46) of manufacturers with 26-100 Emp agree with this statement.
- 69% (64) of manufacturers with 101-250 Emp agree with this statement.
- 58% (44) of manufacturers with 251+ Emp agree with this statement.

The team conducted an analysis of competitive advantages and disadvantages for different size companies.

**6. Larger manufacturers are more satisfied with their city/town outreach than smaller firms.**

Q47. Our city/town provides good outreach to our company. (Statistically significant)

- 43% (132) of total respondents agree with this statement.
- 32% (12) of manufacturers with 1-25 Emp agree with this statement.
- 32% (34) of manufacturers with 26-100 Emp agree with this statement.
- 41% (38) of manufacturers with 101-250 Emp agree with this statement.
- 65% (49) of manufacturers with 251+ Emp agree with this statement.

**7. Larger manufacturers are more likely than smaller companies to exhibit specific characteristics of success.**

Q24. Our company competes by manufacturing proprietary products. (Statistically significant).

- 52% (162) of total respondents agree with this statement.
- 48% (18) of manufacturers with 1-25 Emp agree with this statement.
- 44% (47) of manufacturers with 26-100 Emp agree with this statement.
- 61% (57) of manufacturers with 101-250 Emp agree with this statement.
- 53% (40) of manufacturers with 251+ Emp agree with this statement.

Q25. Our company makes more complex, high-end products than three years ago. (Statistically significant).

- 66% (209) of total respondents agree with this statement.
- 40% (15) of manufacturers with 1-25 Emp agree with this statement.
- 60% (64) of manufacturers with 26-100 Emp agree with this statement.
- 80% (75) of manufacturers with 101-250 Emp agree with this statement.
- 71% (54) of manufacturers with 251+ Emp agree with this statement.

Q40. Does your company spend more on workforce training than it did three years ago? (Statistically significant)

- 63% (196) of total respondents respond Yes to this statement.
- 32% (13) of manufacturers with 1-25 Emp respond Yes to this statement.
- 56% (59) manufacturers with 26-100 Emp respond Yes to this statement.
- 69% (66) of manufacturers with 101-250 Emp respond Yes to this statement.

- 80% (58) manufacturers with 251+ Emp respond Yes to this statement.

## ***IX. Additional Statistically Significant Data***

### ***Geography***

Q3. Is the company publicly or privately held?

- 17% (57) of total respondents are publicly held.
- 19% (10) of Inner City manufacturers are publicly held.
- 6% (4) of Rest of City manufacturers are publicly held.
- 21% (43) of Rest of MSA manufacturers are publicly held.

Q28. Does your company offer product design, development and/or testing services?

- 77% (246) of total respondents respond Yes to this statement.
- 91% (48) of Inner City manufacturers respond Yes to this statement.
- 68% (45) of Rest of City manufacturers respond Yes to this statement.
- 77% (153) of Rest of MSA manufacturers respond Yes to this statement.

Q43. Our manufacturing facilities are efficient.

- 75% (238) of total respondents agree with this statement.
- 76% (40) of Inner City manufacturers agree with this statement.
- 88% (58) of Rest of City manufacturers agree with this statement.
- 71% (139) of Rest of MSA manufacturers agree with this statement.

### ***Size of Company***

Q2. Is the company a division or subsidiary of another company?

- 27% (87) of total respondents respond Yes to this statement.
- 9% (4) of manufacturers with 1-25 Emp respond Yes to this statement.
- 21% (23) of manufacturers with 26-100 Emp respond Yes to this statement.
- 26% (26) of manufacturers with 101-250 Emp respond Yes to this statement.
- 46% (35) of manufacturers with 251+ Emp respond Yes to this statement.

Q3. Is the company publicly or privately held?

- 17% (57) of total respondents are publicly held.
- 6% (3) of manufacturers with 1-25 Emp are publicly held.
- 10% (11) manufacturers with 26-100 Emp are publicly held.
- 14% (14) of manufacturers with 101-250 Emp are publicly held.
- 39% (30) manufacturers with 251+ Emp are publicly held.

Q28. Does your company offer product design, development and/or testing services?

- 77% (246) of total respondents respond Yes to this statement.
- 53% (20) of manufacturers with 1-25 Emp respond Yes to this statement.
- 80% (87) manufacturers with 26-100 Emp respond Yes to this statement.
- 84% (81) of manufacturers with 101-250 Emp respond Yes to this statement.
- 77% (58) manufacturers with 251+ Emp respond Yes to this statement.

Q29. Does your company offer product installation services?

- 32% (98) of total respondents respond Yes to this statement.
- 34% (13) of manufacturers with 1-25 Emp respond Yes to this statement.
- 36% (38) manufacturers with 26-100 Emp respond Yes to this statement.
- 20% (18) of manufacturers with 101-250 Emp respond Yes to this statement.
- 39% (30) manufacturers with 251+ Emp respond Yes to this statement.

Q30. Does your company offer after-sale customer service?

- 79% (252) of total respondents respond Yes to this statement.
- 77% (30) of manufacturers with 1-25 Emp respond Yes to this statement.
- 85% (91) manufacturers with 26-100 Emp respond Yes to this statement.
- 65% (62) of manufacturers with 101-250 Emp respond Yes to this statement.
- 90% (68) manufacturers with 251+ Emp respond Yes to this statement.

Q31. Does your company have a formal quality assurance program (e.g., ISO, QS) and/or a formal continuous improvement process (i.e., lean manufacturing)?

- 88% (281) of total respondents respond Yes to this statement.
- 60% (23) of manufacturers with 1-25 Emp respond Yes to this statement.
- 85% (92) manufacturers with 26-100 Emp respond Yes to this statement.
- 93% (90) of manufacturers with 101-250 Emp respond Yes to this statement.
- 100% (76) manufacturers with 251+ Emp respond Yes to this statement.

Q33. Has your company increased the number of inventory turns over in the last three (3) years?

- 70% (216) of total respondents respond Yes to this statement.
- 43% (17) of manufacturers with 1-25 Emp respond Yes to this statement.
- 68% (70) manufacturers with 26-100 Emp respond Yes to this statement.
- 64% (59) of manufacturers with 101-250 Emp respond Yes to this statement.
- 92% (70) manufacturers with 251+ Emp respond Yes to this statement.

Q38. The technical skills of the workforce is a competitive advantage of our location.

- 59% (185) of total respondents agree with this statement.
- 50% (19) of manufacturers with 1-25 Emp agree with this statement.
- 62% (66) manufacturers with 26-100 Emp agree with this statement.
- 47% (45) of manufacturers with 101-250 Emp agree with this statement.
- 72% (55) manufacturers with 251+ Emp agree with this statement.

Q45. Access/Proximity to highways is a competitive advantage of our location.

- 53% (167) of total respondents agree with this statement.
- 63% (24) of manufacturers with 1-25 Emp agree with this statement.
- 59% (63) manufacturers with 26-100 Emp agree with this statement.
- 42% (40) of manufacturers with 101-250 Emp agree with this statement.
- 53% (40) manufacturers with 251+ Emp agree with this statement.

### ***Growing (Revenues) Companies***

Q38. The technical skills of the workforce is a competitive advantage of our location.

- 59% (185) of total respondents agree with this statement.
- 60% (64) of growing manufacturers agree with this statement.
- 32% (12) of flat manufacturers agree with this statement.
- 62% (64) of declining manufacturers agree with this statement.

Q46. The transportation infrastructure (truck corridors, freeway access, etc.) in our neighborhood is good.

- 76% (239) of total respondents agree with this statement.
- 80% (85) of growing manufacturers agree with this statement.
- 70% (26) of flat manufacturers agree with this statement.
- 72% (75) of declining manufacturers agree with this statement.

## ***X. Appendices***

# Appendix A: Milwaukee-ICIC Partnership Manufacturing Survey Instrument

ID#: \_\_\_\_\_

<b>WEB SURVEY INTRODUCTION</b>
--------------------------------

<b>PARTICIPANTS CONTACTED THROUGH A PUBLICATION: <a href="http://www.surveymsoftware.net/hostls/icicweb.htm">www.surveymsoftware.net/hostls/icicweb.htm</a></b>
---

Thank you for participating in the web interview on behalf of the Milwaukee-ICIC Partnership. The Milwaukee-ICIC Partnership is a consortium of business and civic leaders from the Milwaukee area seeking to better understand the manufacturing climate in the Milwaukee area.

The goal of the Partnership is to help manufacturers grow in Milwaukee. To accomplish this task, we are conducting a survey of over 380 manufacturers from the four county region. The survey will help us measure the state of Milwaukee's manufacturing sector and create recommendations that can help us attain our goal of manufacturing growth. The survey should take less than 15 minutes of your time.

In addition to receiving the final results of the survey, respondents will be entered into a drawing for Milwaukee Brewer tickets. Two respondents will each receive 4 box seats to a Milwaukee Brewer's home game of their choice, based on availability.

Please note that responses to the survey will only be used in the aggregate and that information pertaining to individual firms will be held in strict confidence.

We, the survey sponsors, thank you for taking the time to fill out this survey.

- Dan Bader, President - Helen Bader Foundation
- Jim Haney, President - Wisconsin Manufacturing & Commerce (WMC)
- Kathy Hudson, President and CEO - Brady Corporation
- Phil Neuenfeldt, Secretary-Treasurer - Wisconsin AFL-CIO
- Tim Sheehy, President - Metropolitan Milwaukee Association of Commerce (MMAC)

Milwaukee ICIC Partnership Manufacturing Survey

Start time: \_\_\_\_\_  
ID#: \_\_\_\_\_

Col. 1-4

**TELEPHONE SURVEY INTRODUCTION**

Ask to speak with the contact listed.

Introduce yourself, saying: I'm \_\_\_\_\_ from Lein/Spiegelhoff, a research firm in the Milwaukee area. I'm calling you at the suggestion of <<PROMPT SOURCE NAME>> to ask you to participate in a fifteen minute phone interview on behalf of the Milwaukee ICIC Partnership. The Milwaukee ICIC Partnership is a consortium of business and civic leaders from the Milwaukee area seeking to better understand the manufacturing climate in the Milwaukee area.

The goal of the Partnership is to help manufacturers grow in Milwaukee. To accomplish this task, we are conducting a survey of over 380 manufacturers from the four county region. The survey will help us measure the state of Milwaukee's manufacturing sector and create recommendations that can help us attain our goal of manufacturing growth. The survey should take less than 15 minutes of your time.

In addition to receiving the final results of the survey, respondents will be entered into a drawing for Milwaukee Brewer tickets. Two respondents will each receive 4 box seats to a Milwaukee Brewer's home game of their choice, based on availability.

**Please note that responses to the survey will only be used in the aggregate and that information pertaining to individual firms will be held in strict confidence.**

Are you the right person to speak with (President, CEO, Plant Manager, Executive Vice President) regarding the competitiveness of the firm and its location?

Is this a convenient time to conduct the interview?

**IF RESPONDENT REFUSES TO PARTICIPATE IN A PHONE SURVEY** - Offer the respondent the option to participate in the survey online at [www.surveysoftware.net/hostls/icicmail.htm](http://www.surveysoftware.net/hostls/icicmail.htm)

**A. Corporate Information**

1. Please describe what type of manufacturing your company does. **(RECORD ONE RESPONSE - PROBE FOR CLARITY)**

Col. 5-6

- 01
- 02
- 97 Not a manufacturing company **(THANK/TERMINATE/TALLY)**
- 98 Other (specify)
- 99 Refused

2. Is the company a division or subsidiary of another company?

- 1 Yes
- 2 No (SKIP TO Q3)
- 3 Refused (SKIP TO Q3)

Col. 7

2a. Is the company headquarters located in mainland United States?

- 1 Yes
- 2 No (SKIP TO Q3)
- 3 Refused (SKIP TO Q3)

Col. 8

2b. In what city and state is the corporate headquarters located? (EXAMPLE: NEW YORK, NY)

CITY AND STATE: \_\_\_\_\_

498	Other (specify)
499	Refused

Col. 9-11

3. Is the company publicly or privately held?

- 1 Public company
- 2 Private company
- 3 Refused

Col. 12

**PHONE SURVEY READ IF "YES" (CODE 1) TO Q2: PLEASE ANSWER THIS SURVEY BASED ON THE DIVISION/SUBSIDIARY, AND NOT THE BROADER COMPANY.**

**WEB SURVEY: IF YOU ARE A DIVISION/SUBSIDIARY OF A COMPANY, PLEASE ANSWER THIS SURVEY BASED ON THE DIVISION/SUBSIDIARY, AND NOT THE BROADER COMPANY.**

**B. Financial Performance**

4. What were the company's annual sales for the most recent fiscal year?

\$ \_\_\_\_\_

999999999	Don't know/refused
-----------	--------------------

Col. 13-21

**WEB SURVEY: PLEASE WRITE YOUR SALES NUMBERS AS NUMERIC VALUES WITHOUT TEXT. EXAMPLE: "25 MILLION" IS 25000000". IF YOU DON'T KNOW OR REFUSE PLEASE SKIP TO THE NEXT QUESTION.**

**IF RESPONDENT REFUSES TO ANSWER QUESTION 4, PLEASE ASK THE FOLLOWING TWO QUESTIONS (4A. AND 4B.) AND SKIP TO Q8. IF THEY ANSWER Q4, PLEASE PROCEED TO Q.5.**

4a. What is the company's annual sales **range** for the most recent fiscal year?

- 1 Less than \$25 million
- 2 \$25 million to \$100M
- 3 Over \$100M
- 9 Don't know/refused **(DO NOT READ)**

Col. 22

4b. What was the company's annual sales range three (3) years ago?

- 1 Less than \$25 million
- 2 \$25 million to \$100M
- 3 Over \$100M
- 9 Don't know/refused **(DO NOT READ)**

Col. 23

5. What were the company's annual sales three (3) years ago?

\$ \_\_\_\_\_  
999999999 Don't know/refused

Col. 24-32

**WEB SURVEY: PLEASE WRITE YOUR SALES NUMBERS AS NUMERIC VALUES WITHOUT TEXT.  
EXAMPLE: "25 MILLION" IS 25000000". IF YOU DON'T KNOW OR REFUSE PLEASE SKIP TO THE NEXT QUESTION.**

6. What is the primary reason for the company's change in sales? **(RECORD ONE ANSWER - PROBE TO CLARIFY)**

\_\_\_\_\_

- 01
- 02
- 98 Other (specify)
- 99 Refused

Col. 33-34

7. What do you project your company's annual sales to be in three (3) years?

\$ \_\_\_\_\_  
999999999 Don't know/refused

Col. 35-43

**WEB SURVEY: PLEASE WRITE YOUR SALES NUMBERS AS NUMERIC VALUES WITHOUT TEXT.  
EXAMPLE: "25 MILLION" IS 25000000". IF YOU DON'T KNOW OR REFUSE PLEASE SKIP TO THE NEXT QUESTION.**

8. What is the company's after tax income as a percentage of sales (Profitability)? **(READ LIST ONLY IF NECESSARY)**

**NOTE: THIS IS ONE OF THE MOST IMPORTANT – AND DELICATE – QUESTIONS; IF RESPONDENT HESITATES, PLEASE PROMPT WITH RANGES.**

- 01 30% and above
  - 02 20% to 29%
  - 03 10% to 19%
  - 04 5% to 9%
  - 05 1% to 4%
  - 06 Flat
  - 07 -1% to -4%
  - 08 -5% to -9%
  - 09 -10% to -19%
  - 10 -20% to -29%
  - 11 -30% and below
  - 99 Don't know/refused **(DO NOT READ)**
- Col. 44-45

9. Is the company more or less profitable than it was three years ago?

- 1 More
  - 2 Less
  - 3 Don't know/refused
- Col. 46

**C. Customer**

10. What types of customers does your company serve (i.e., OEM, Tier 1 Suppliers, Tier II Suppliers, Government, Consumers)? **(RECORD ALL MENTIONED - PROBE FOR CLARITY)**

---



---

Col. 47-56

11. Roughly what percentage of your company's total sales can be attributed to your top three (3) customers?

\_\_\_\_\_ %

Statement	5= Strongly agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree, 6= Dk/ref (circle one number per row)					
12. <b>Our Largest Customer</b> provides our company with supplier development assistance. Col. 60	5	4	3	2	1	6
13. We are confident we will still be supplying <b>Our Largest Customer</b> in 3 years. Col. 61	5	4	3	2	1	6
14. Our company has an advantage with <b>Our Largest Customer</b> because of our plant's close location. Col. 62	5	4	3	2	1	6
15. <b>Our Largest Customer</b> is increasingly purchasing more from foreign suppliers. Col. 63	5	4	3	2	1	6
16. <b>Our Largest Customer</b> could easily switch their purchasing from our company to our competitors. Col. 64	5	4	3	2	1	6

999 Don't know/refused  
Col. 57-59

**WEB SURVEY: PLEASE WRITE YOUR PERCENTAGE AS NUMERIC VALUES WITHOUT TEXT (I.E., NO PERCENT SIGN. EXAMPLE: "55%" IF "55"). IF YOU DON'T KNOW OR REFUSE PLEASE SKIP TO THE NEXT QUESTION.**

**PLEASE ANSWER THE FOLLOWING STATEMENTS AS THEY APPLY TO YOUR COMPANY'S LARGEST CUSTOMER BY SALES. (READ AND ROTATE STATEMENTS)**

17. Roughly what percentage of your company's total sales are shipped to customers located within 100 miles of the Milwaukee four county area (Milwaukee, Ozaukee, Washington, and Waukesha counties)?

\_\_\_\_\_ %  
999 Don't know/refused  
Col. 65-67

**WEB SURVEY: PLEASE WRITE YOUR PERCENTAGE AS NUMERIC VALUES WITHOUT TEXT (I.E., NO PERCENT SIGN. EXAMPLE: "55%" IF "55"). IF YOU DON'T KNOW OR REFUSE PLEASE SKIP TO THE NEXT QUESTION.**

**D. Supplier**

<b>Statement</b>	<b>5= Strongly agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree, 6= Dk/ref (circle one number per row)</b>					
18. It is critical that our company's largest suppliers are located close to our Milwaukee facilities. Col. 68	5	4	3	2	1	6
19. Our company has shifted more of our purchasing expenditures from local suppliers to lower cost foreign manufacturers. Col. 69	5	4	3	2	1	6

20. Roughly what percent of your company's total purchasing expenditures come from suppliers – manufacturers and distributors – located within 100 miles of the Milwaukee four county area?

\_\_\_\_\_ %  
999 Don't know/refused  
Col. 70-72

**WEB SURVEY: PLEASE WRITE YOUR PERCENTAGE AS NUMERIC VALUES WITHOUT TEXT (I.E., NO PERCENT SIGN. EXAMPLE: "55%" IF "55"). IF YOU DON'T KNOW OR REFUSE PLEASE SKIP TO THE NEXT QUESTION.**

**E. Competition**

<b>Statement</b>	<b>5= Strongly agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree, 6= Dk/ref (circle one number per row)</b>					
21. Our company is increasingly - negatively - affected by low-cost foreign competition. Col. 73	5	4	3	2	1	6
22. Our company is negatively affected by the economic downturn but we expect to recover and grow. Col. 74	5	4	3	2	1	6
23. We are vulnerable to mergers, acquisitions, and consolidation at our Milwaukee facilities. Col. 75	5	4	3	2	1	6

## F. Products & Service Offerings

Statement	5= Strongly agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree, 6= Dk/ref (circle one number per row)					
24. Our company competes by manufacturing proprietary products. Col. 77	5	4	3	2	1	6
25. Our company makes more complex, high-end products than three (3) years ago. Col. 78	5	4	3	2	1	6
26. Our company utilizes proprietary or unique manufacturing processes. Col. 79	5	4	3	2	1	6
27. Our company is able to charge a price premium relative to our competitors. Col. 80	5	4	3	2	1	6

28. Does your company offer product design, development and/or testing services?

- 1 Yes
- 2 No
- 3 Don't know/refused

Col. 81

29. Does your company offer product installation services?

- 1 Yes
- 2 No
- 3 Don't know/refused

Col. 82

30. Does your company offer after-sale customer service?

- 1 Yes
- 2 No
- 3 Don't know/refused

Col. 83

## G. Manufacturing Operations & Technology

31. Does your company have a formal quality assurance program (e.g., ISO, QS) and/or a formal continuous improvement process (i.e., lean manufacturing)?

- 1 Yes
- 2 No
- 3 Don't know/refused

Col. 84

32. Has your company made significant investments in information technology (e.g. CAD/CAM, EDI, ERP, CRM) in the last three (3) years?

- 1 Yes
- 2 No
- 3 Don't know/refused

Col. 85

33. Has your company increased the number of inventory turns over the last three (3) years?

- 1 Yes
- 2 No
- 3 Don't know/refused

Col. 86

**H. Workforce**

34. Approximately, how many full time employees does your company currently have in the Milwaukee four county area (consisting of Milwaukee, Ozaukee, Washington, and Waukesha counties)?

\_\_\_\_\_ 999999999 Don't know/refused

Col. 87-95

35. Approximately how many full time employees did your company have in the Milwaukee four county area three years ago?

\_\_\_\_\_ 999999999 Don't know/refused

Col. 96-104

36. Roughly, what is the average hourly wage of your company's rank and file employees?

\$ \_\_\_\_\_ 99.99 Don't know/refused

Col. 105-109

**WEB SURVEY: PLEASE WRITE HOURLY WAGE AS A NUMERIC VALUE WITHOUT TEXT. (I.E., NO DOLLAR SIGN. EXAMPLE: "\$5.55" IS "5.55"). IF YOU DON'T KNOW OR REFUSE PLEASE SKIP TO THE NEXT QUESTION.**

Statement	5= Strongly agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree, 6= Dk/ref (circle one number per row)					
37. The availability of labor is a competitive advantage of our location. Col. 110	5	4	3	2	1	6
38. The technical skills of the workforce is a competitive advantage of our location. Col. 111	5	4	3	2	1	6
39. The basic readiness skills of the workforce is a competitive advantage of our location. Col. 112	5	4	3	2	1	6

40. Does your company spend more on workforce training than it did three years ago?

- 1 Yes
- 2 No
- 3 Don't know/refused

Col. 113

41. Does your company expect to have more employees in the Milwaukee four county area in the next three years?

- 1 Yes
- 2 No
- 3 Don't know/refused

Col. 114

**I. Location and Business Environment**

42. Where is your largest manufacturing facility within the Milwaukee Four County area (Milwaukee, Ozaukee, Washington, Waukesha Counties) located? (EXAMPLE: WEST ALLIS, WI) **(RECORD ONE ANSWER - PROBE FOR CLARITY)**

- 
- 01
  - 98 Other (specify)
  - 99 Refused

Col. 115-116

**PLEASE ANSWER THE FOLLOWING QUESTIONS AS THEY PERTAIN TO THE ABOVE MENTIONED LARGEST MANUFACTURING PLANT IN THE MILWAUKEE FOUR COUNTY AREA (MILWAUKEE, OZAUKEE, WASHINGTON, WAUKESHA COUNTIES).**

	<b>5= Strongly agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree, 6= Dk/ref (circle one number per row)</b>					
43. Our manufacturing facilities are efficient Col. 117	5	4	3	2	1	6
44. Our company could easily assemble the necessary land if we needed to expand. Col. 118	5	4	3	2	1	6
45. Access/Proximity to highways is a competitive advantage of our location. Col. 119	5	4	3	2	1	6
46. The transportation infrastructure (truck corridors, freeway access, etc.) in our neighborhood is good. Col. 120	5	4	3	2	1	6
47. Our city/town provides good outreach to our company. Col. 121	5	4	3	2	1	6
48. We would expand/move our manufacturing operations in/into the City of Milwaukee. Col. 122	5	4	3	2	1	6
49. Crime in our neighborhood is a problem for our company. Col. 123	5	4	3	2	1	6
50. Perception of crime in our neighborhood is a problem for our company. Col. 124	5	4	3	2	1	6

51. We are interested in conducting a plant expansion in the next two (2) years. Col. 125	5	4	3	2	1	6
52. We are confident that we will be in business at this location in five (5) years. Col. 126	5	4	3	2	1	6

53. What is the primary competitive advantage of the location of your largest Milwaukee area manufacturing facility? **(RECORD ONE ANSWER - PROBE FOR CLARITY)**

---

01  
98 Other (specify)  
99 Refused

Col. 127-128

54. If you could change one thing at the location of your largest Milwaukee area manufacturing facility what would it be? **(RECORD ONE ANSWER - PROBE FOR CLARITY)**

---

01  
98 Other (specify)  
99 Refused

Col. 129-130

55. Has your business, or a portion of your business, moved out of the City of Milwaukee in the past decade?

1 Yes  
2 No **(SKIP TO Q.57.)**  
3 Don't know/refused **(SKIP TO Q.57.)**

Col. 131

56. Why did your company move out of the City of Milwaukee? **(RECORD ALL MENTIONED - PROBE FOR CLARITY)**

---



---

01  
98 Other (specify)  
99 Refused

Col. 132-141

57. What is the top policy issue facing the State of Wisconsin? **(RECORD ONE ANSWER - PROBE FOR CLARITY)** (If questioned "policy", note: taxes, energy, education, regulation, economic slowdown, labor shortage, international situation, security)

---

01  
 98 Other (specify)  
 99 Refused

Col. 142-143

58. What is the one thing government could do to improve the Milwaukee area business climate?  
**(RECORD ONE ANSWER - PROBE FOR CLARITY)**

---

01  
 98 Other (specify)  
 99 Don't know/refused

Col. 144-145

59. What is the one thing that government could do to help your business? **(RECORD ONE ANSWER - PROBE FOR CLARITY)**

---

01  
 98 Other (specify)  
 99 Don't know/refused

Col. 146-147

**J. Strategic Plans**

Statement	<b>5= Strongly agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree, 6= Dk/ref (circle one number per row)</b>					
60. We are interested in growing through mergers and acquisitions. Col. 148	5	4	3	2	1	6
61. We have considered moving our business, or a portion of our business, to a foreign country. Col. 149	5	4	3	2	1	6

62. What is the top business concern facing your company? **(RECORD ONE ANSWER - PROBE FOR CLARITY)**

---

01  
 98 Other (specify)  
 99 Don't know/refused

Col. 150-151

**I. CONTACT INFORMATION - OPTIONAL**

63.	Company name	(CONFIRM)
64.	DBA	(CONFIRM)
65.	Street Address	(CONFIRM)
66.	City	(CONFIRM)
67.	State	(CONFIRM)
68.	ZIP	(CONFIRM)
69.	Phone	
70.	Fax	(CONFIRM)
71.	Contact Name	(CONFIRM)
72.	Contact's Email	(CONFIRM)
73.	Contact's Title	(CONFIRM)
74.	List	

**We want to assure you that responses to the survey will only be used in the aggregate and that information pertaining to individual firms will be held in strict confidence.**

Thank you for taking the time to participate in this important research.

Interviewer number: \_\_\_\_\_

End time: \_\_\_\_\_