

What Drives Top Shops?

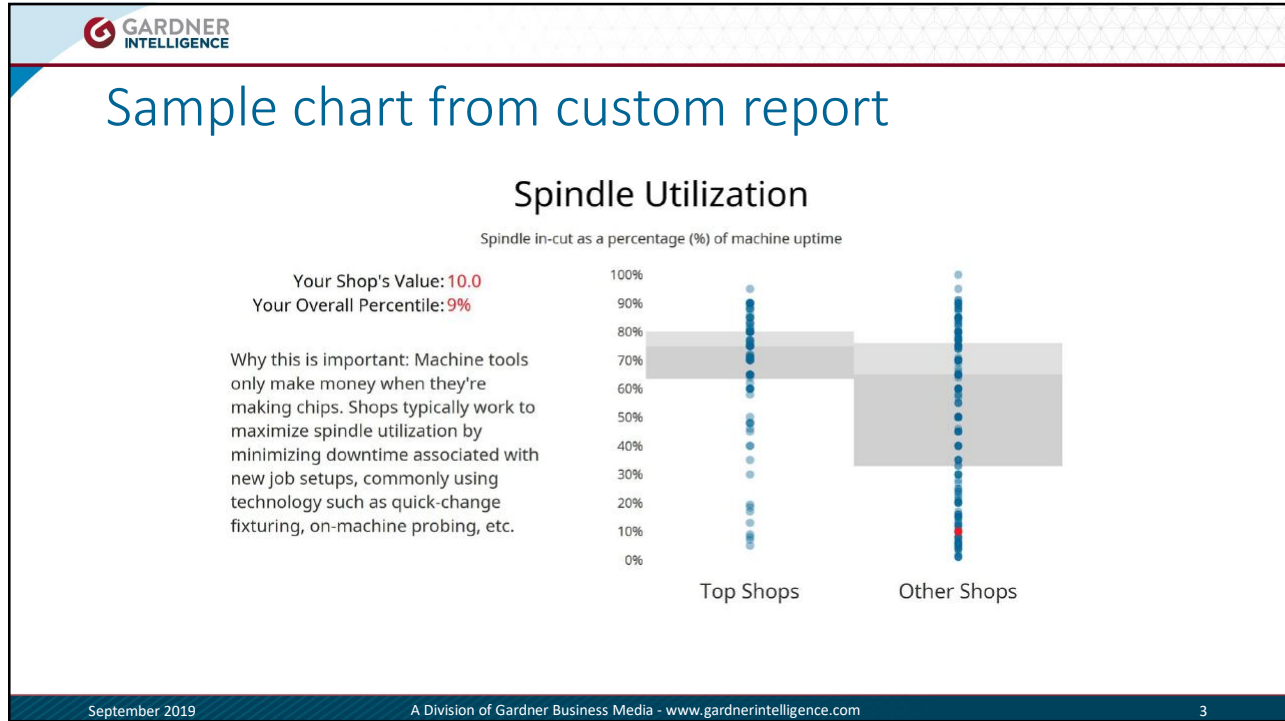
Steve Kline
Chief Data Officer

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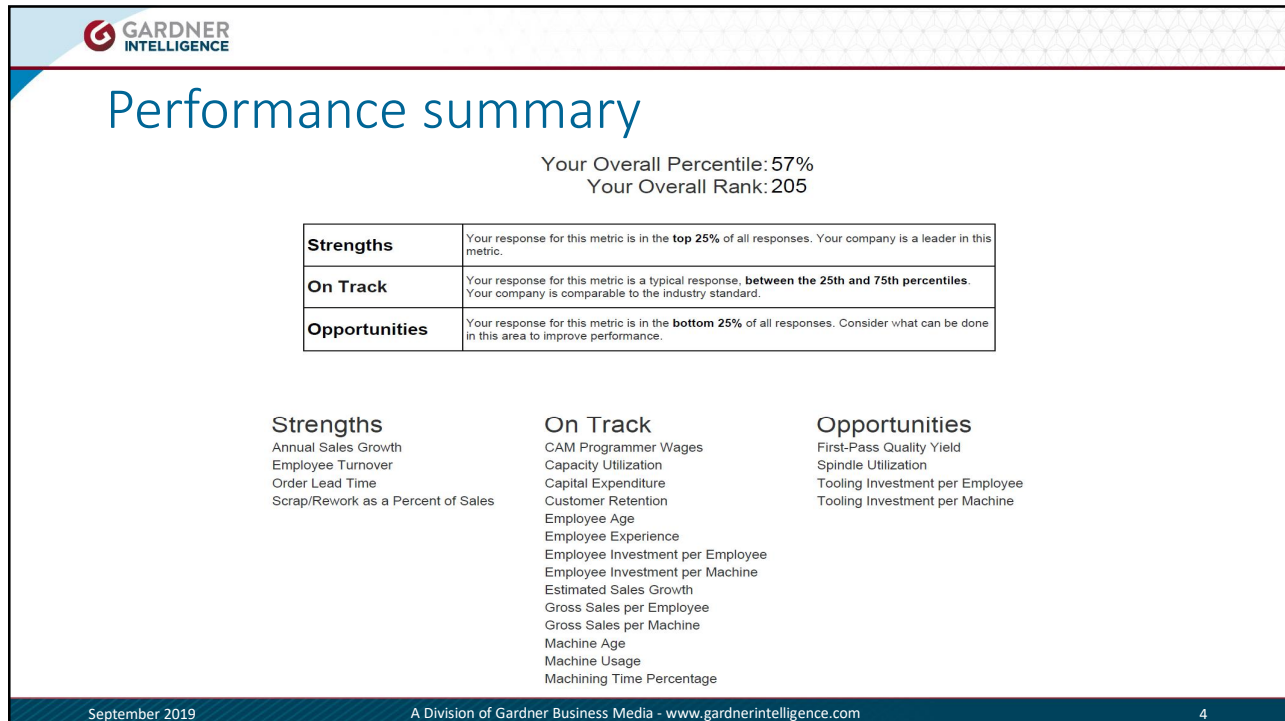
What is Top Shops?

- Annual benchmarking survey in its 9th year
- **Four categories** of questions
 - Machining equipment
 - Shopfloor practices
 - Business strategies
 - Human resources
- Shops scored on key metrics
- Top Shops are the **top 20%** of scorers
- Each year MMS editors name one shop in each category to the **Honors Program**
- Shops that sufficiently complete the survey get a **customized report**

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Correlations of continuous variables

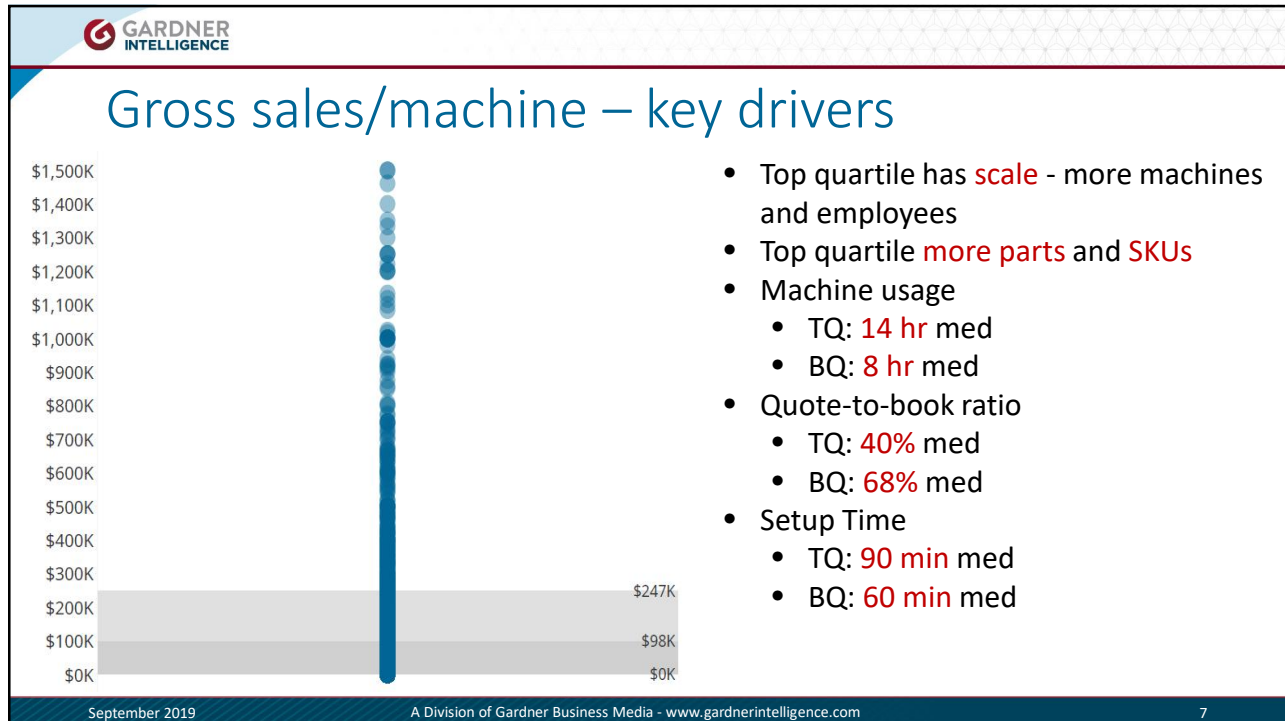
- Pick a single variable
 - e.g. Gross Sales/Machine
- Identify the shops in the top and bottom quartile
 - Top quartile – at least \$247,000 per machine
 - Bottom quartile - \$0 per machine
- Determine if any other variable(s) have a statistically significant correlation with being in the top or bottom quartile of gross sales/machine
- Find the magnitude of the effect
- Is it relevant?

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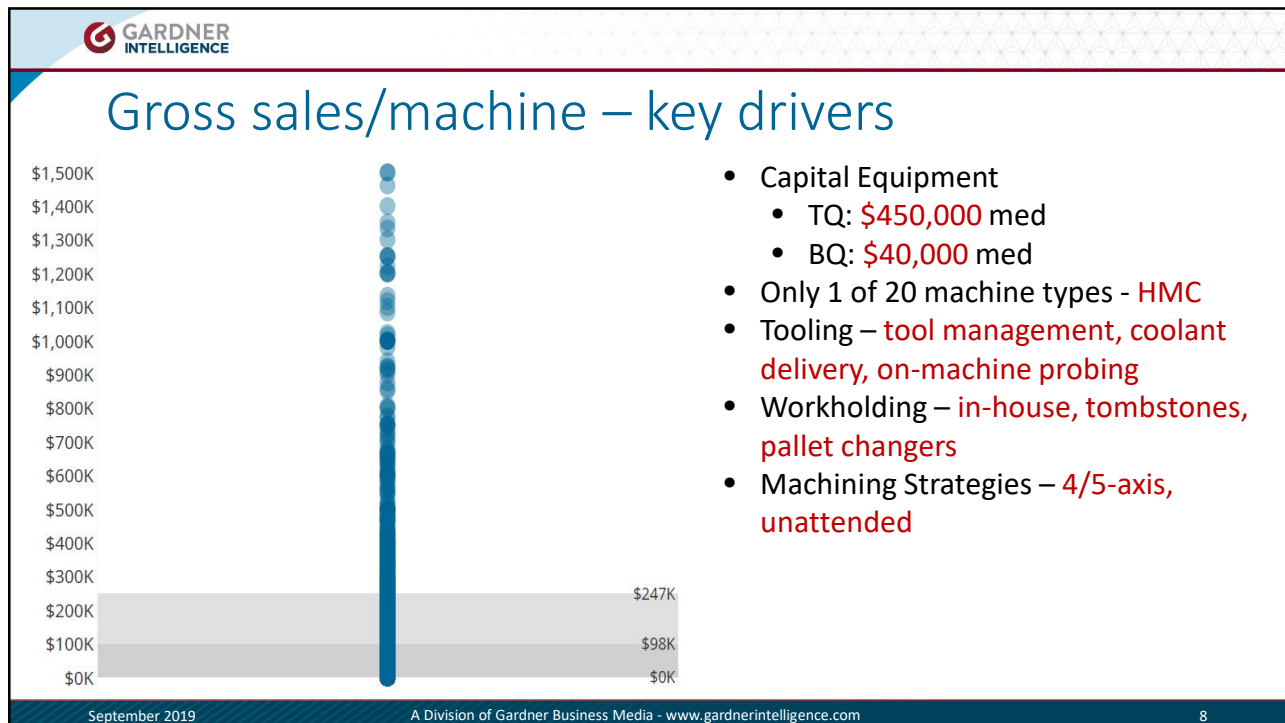
Correlations of dichotomous (yes/no) drivers

- Pick a single variable
 - e.g. Gross Sales/Machine
- Identify the shops in the top and bottom quartile
- Determine percent in top and bottom quartile that said yes for that driver
- Calculate the difference between the top and bottom quartile
- Is it statistically significant?
- Is it relevant? Is there more than a 20% point difference in use between the top and bottom quartile?

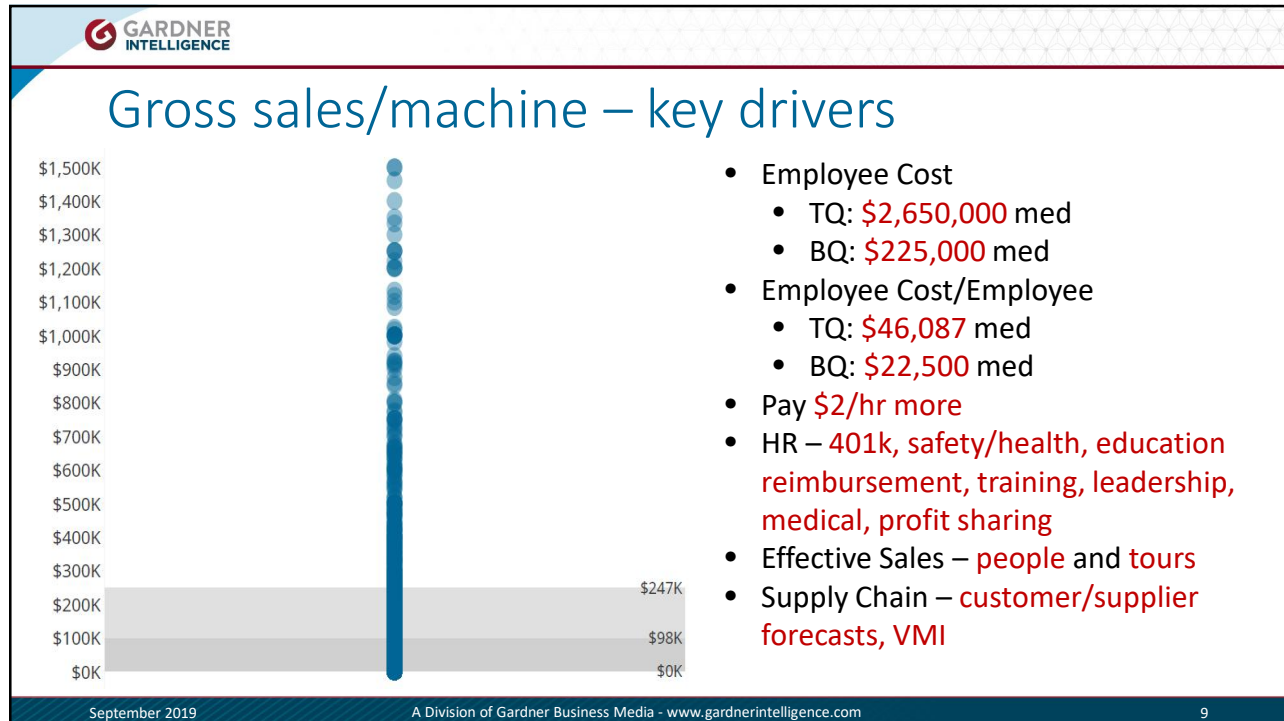
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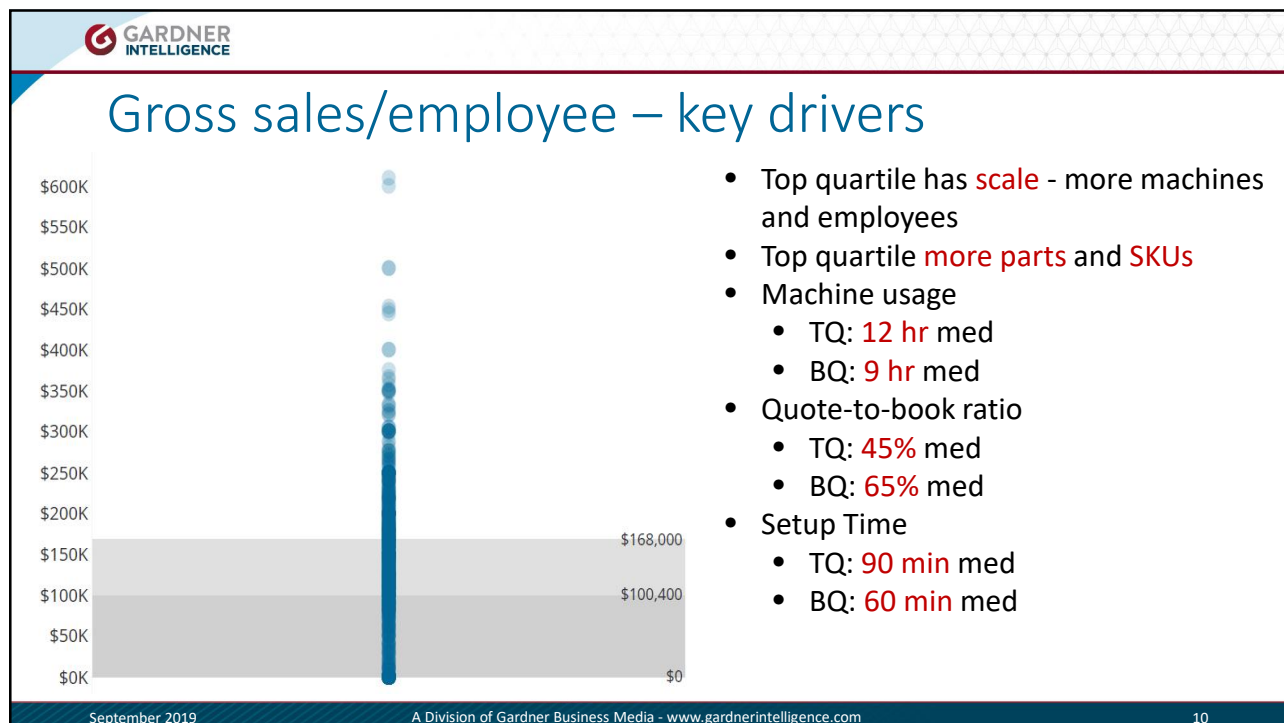
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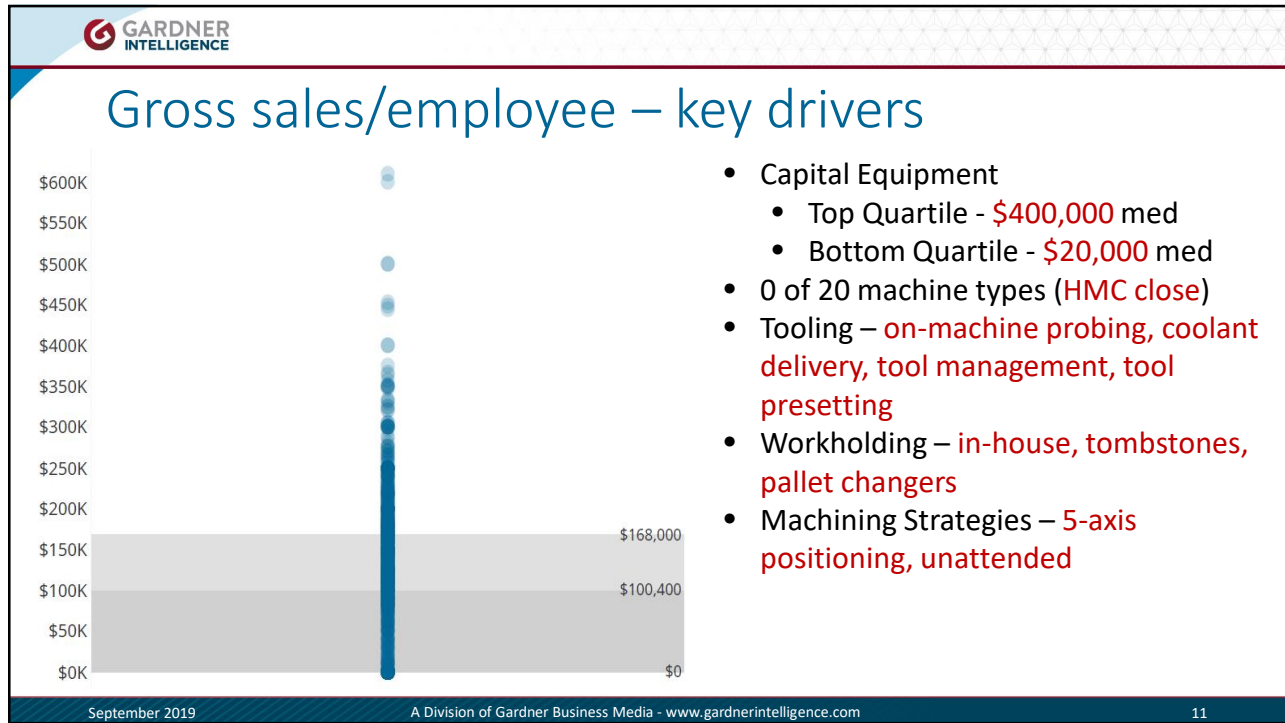
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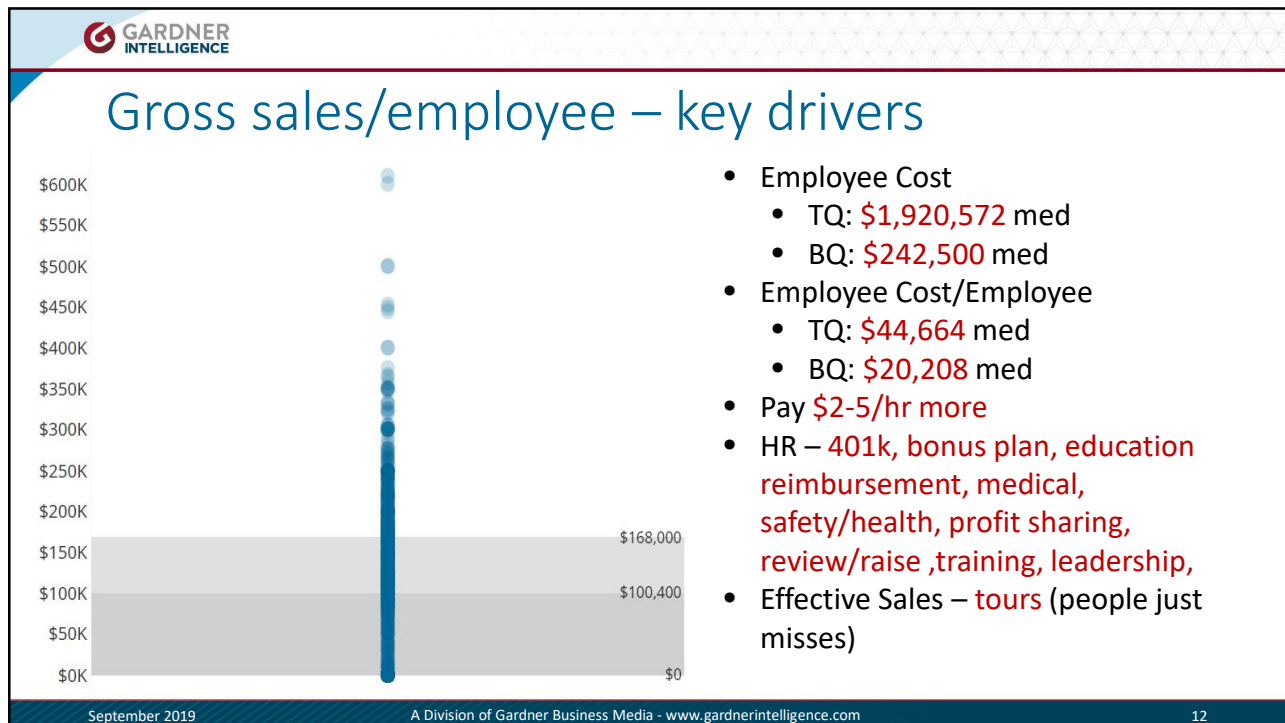
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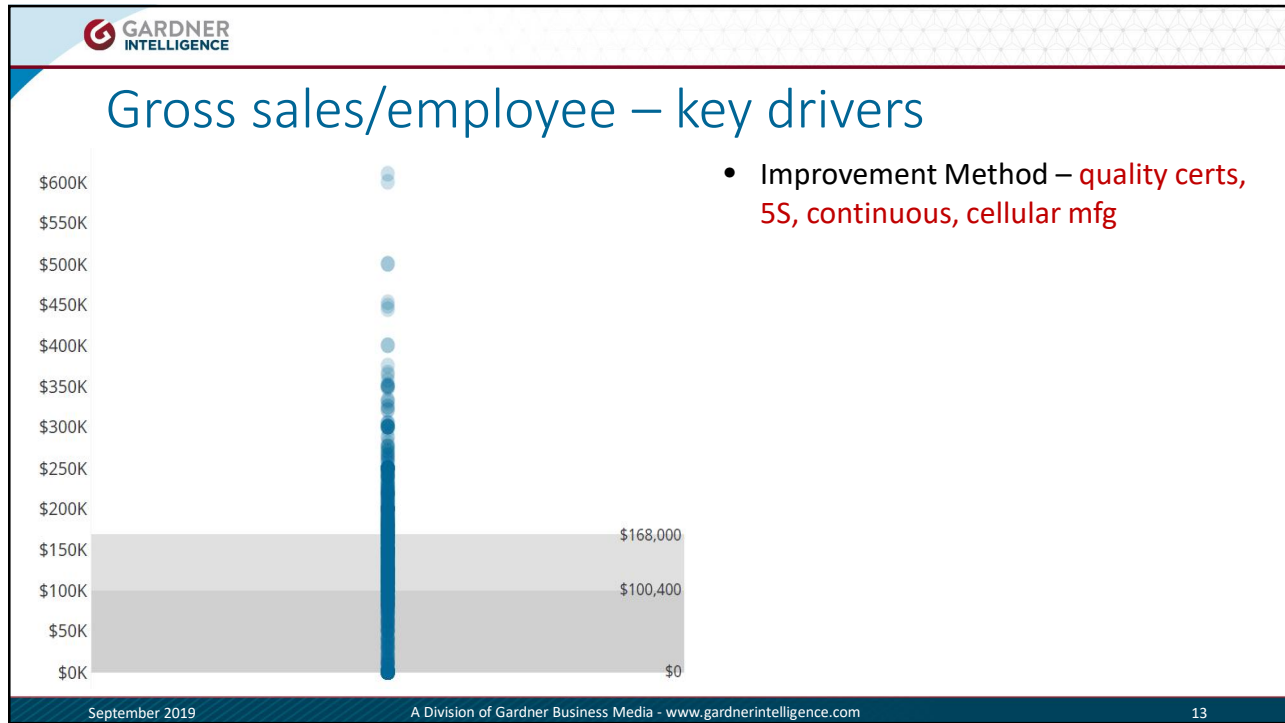
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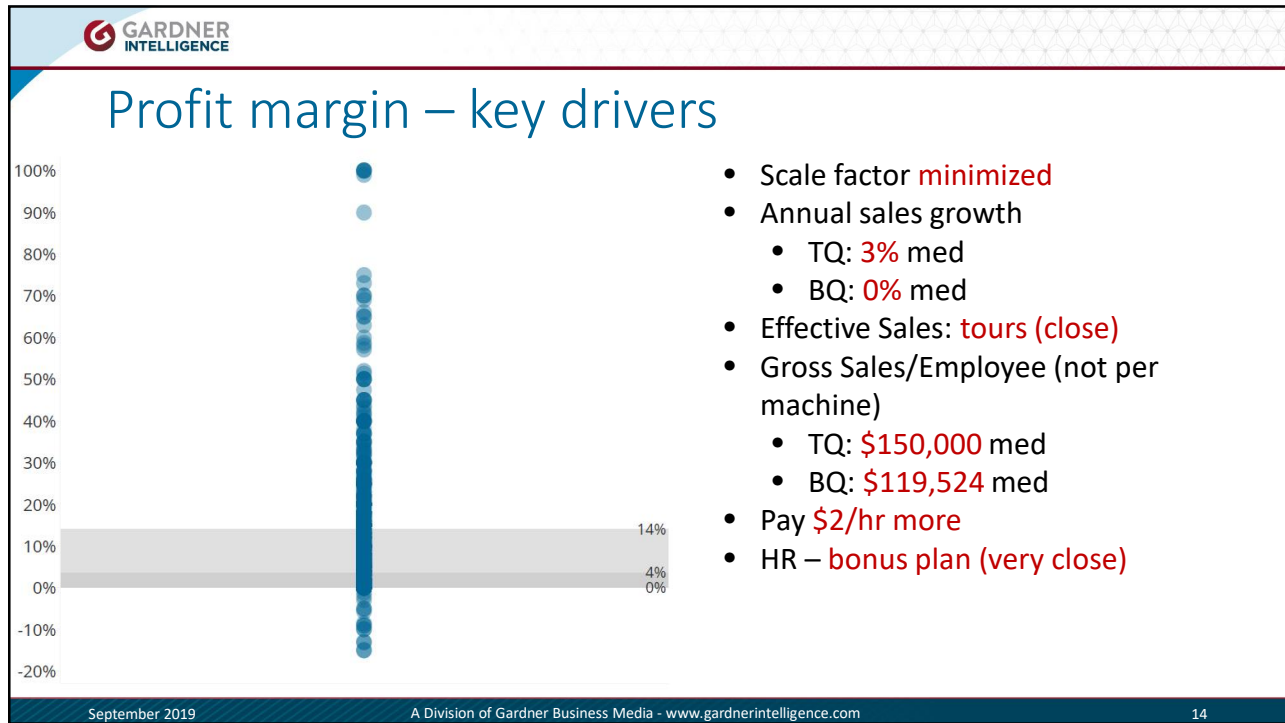
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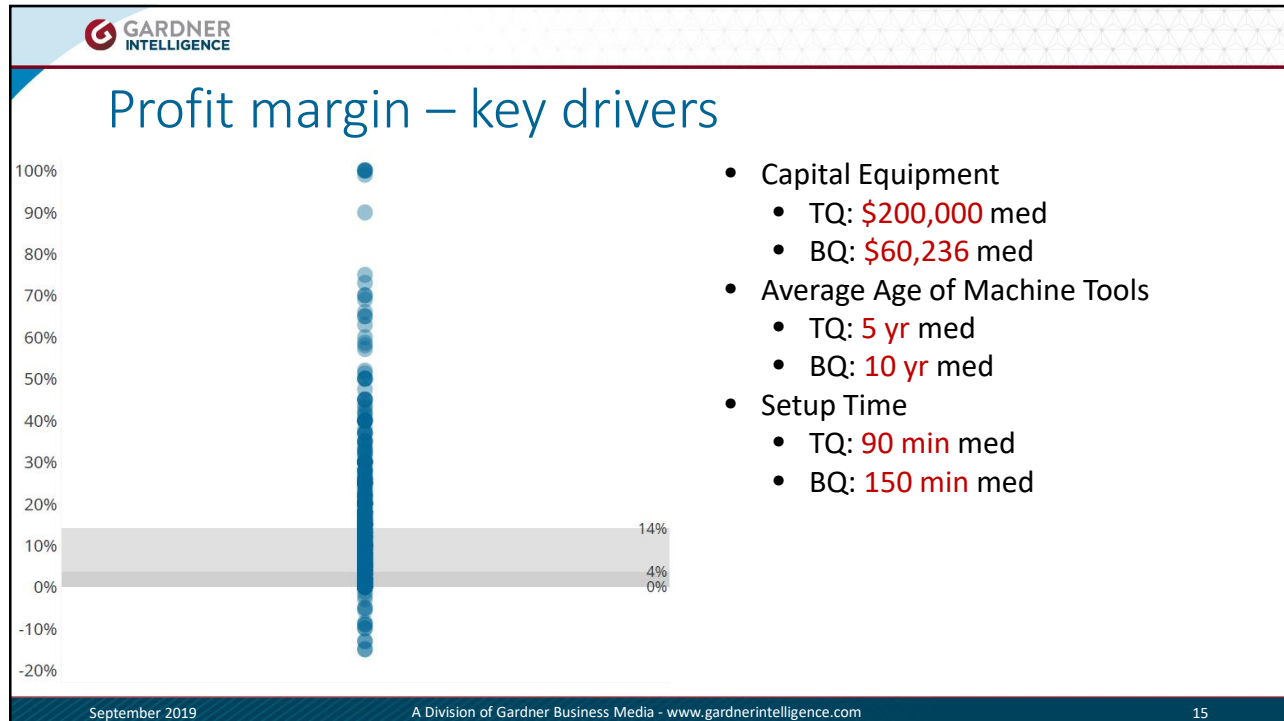
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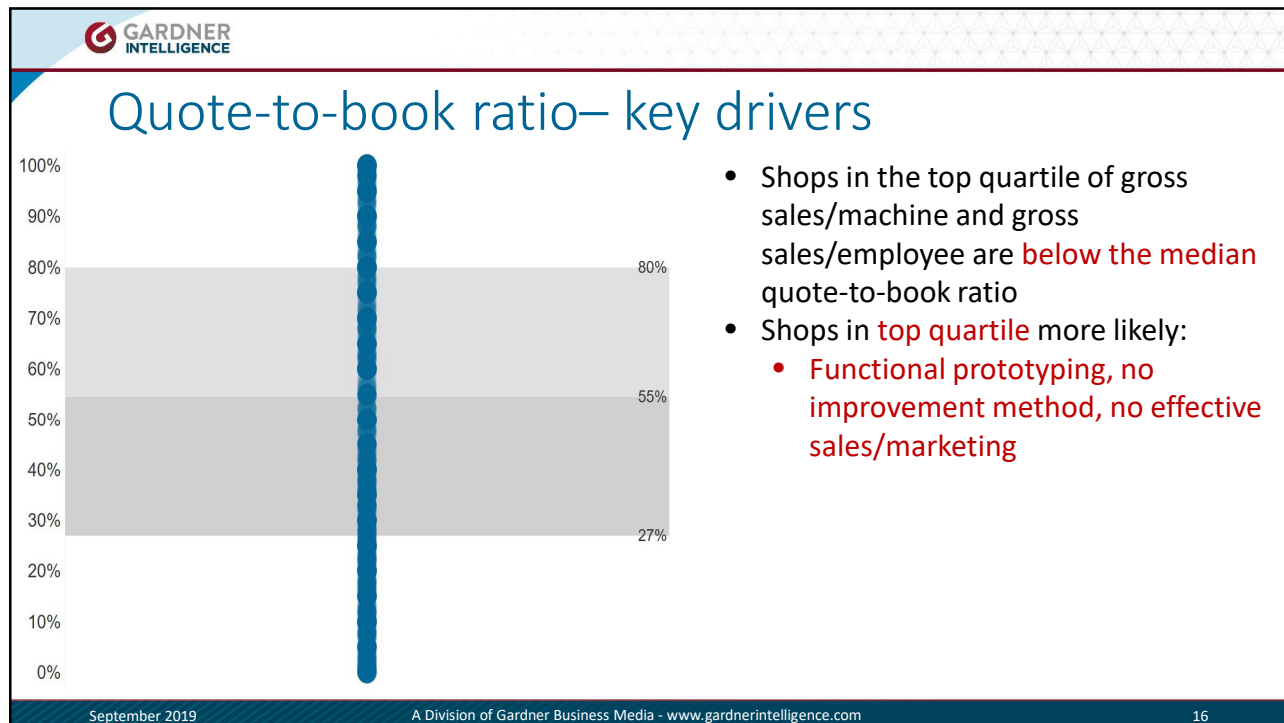
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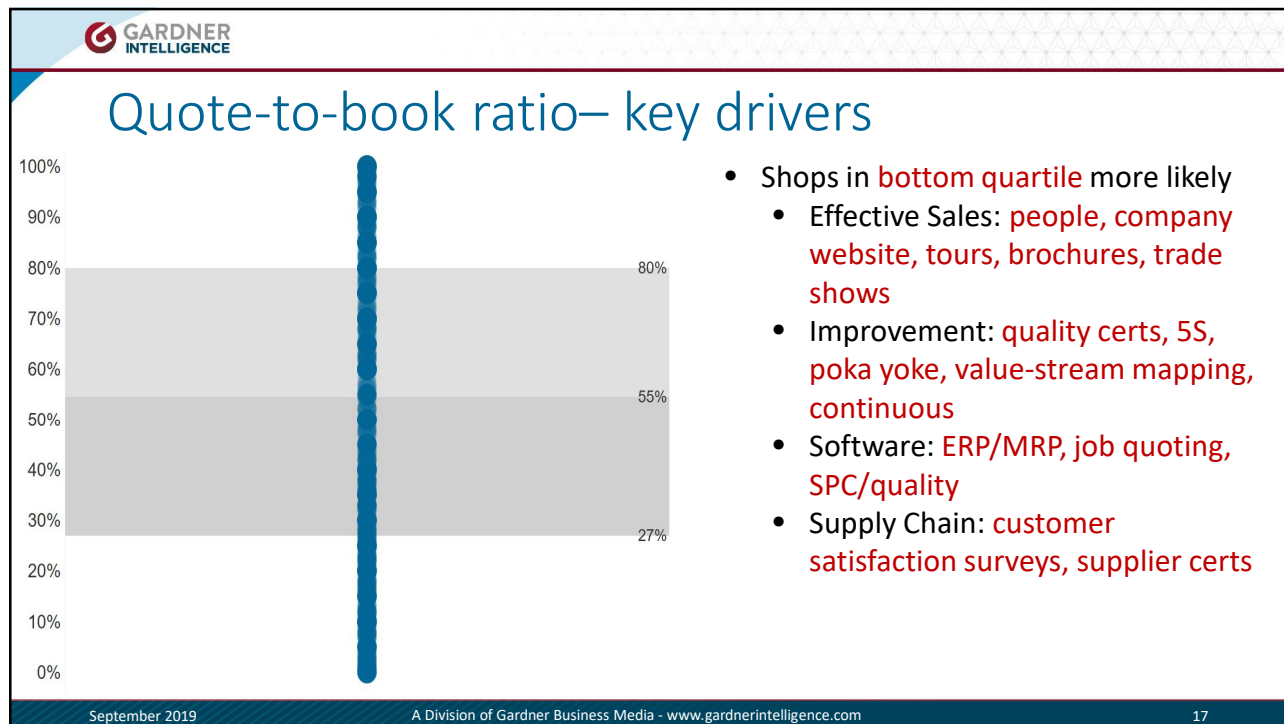
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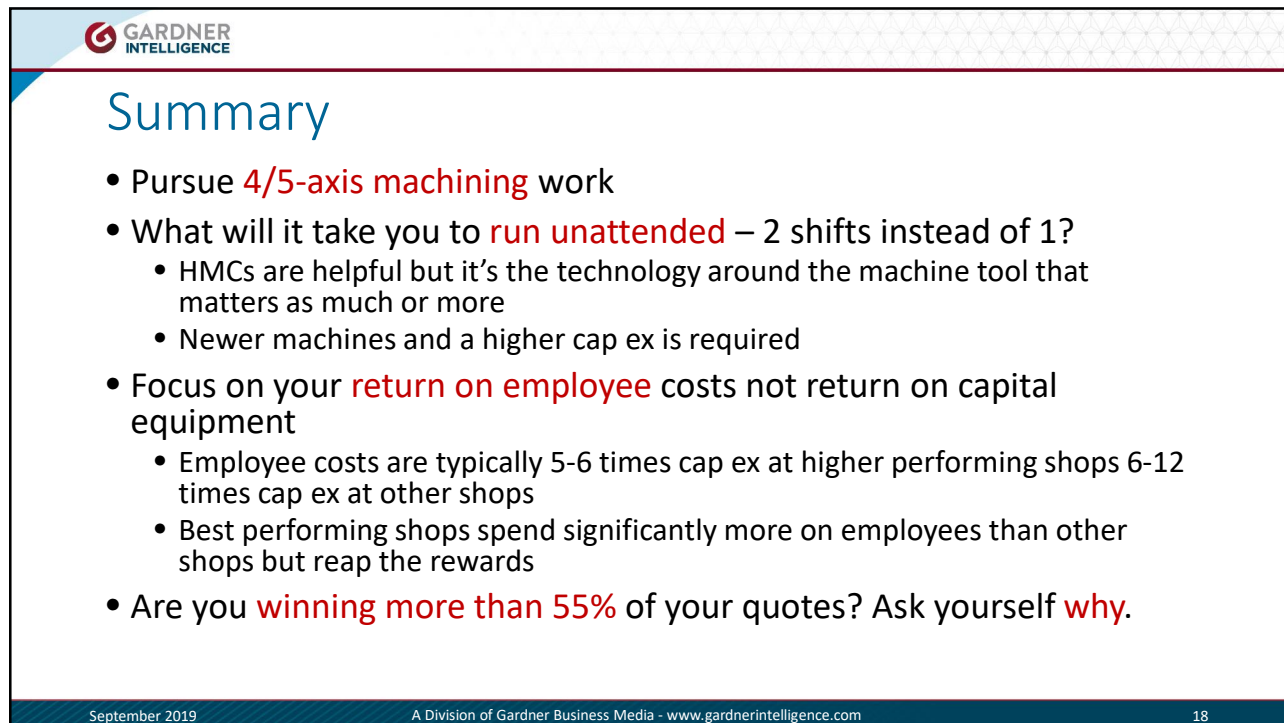
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