

**For Immediate Release**  
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**DEFENSE SUPPLY CHAIN LINKING TO SMALL NEW ENGLAND MANUFACTURERS**  
*Companies in CT, MA, ME, NH, RI and VT Tapping Into Lucrative Department of Defense Contracts While Bolstering Homeland Security Initiatives*

With the United States military actively engaged in the War on Terror, there is a need to constantly produce new parts or replace worn out parts, materials and equipment used by our nation's soldiers.

As a result, large national and New England area manufacturers that supply the Department of Defense (DoD) have seen materials re-supply orders increase over the past few years. At the same time, economic pressures such as global competition and downward cost pressures from the DoD has created a shift within the industry. These large companies are now implementing a major structural change in their approach to manufacturing by transforming themselves from OEMs (Original Equipment Manufacturers) into final assemblers and are pushing down the management of much of their work to smaller subcontractors known as SMEs (Small and Medium Sized Enterprises).

In manufacturing, the flow of parts and orders from small to large manufacturers to the DoD is known as the "supply chain." Opportunities exist for SMEs to tap into the DoD supply chain, but a number of factors often block them from securing what can be lucrative subcontracting opportunities. Often the process to apply for and secure these contracts is cost and time prohibitive for small manufacturers, or they may not even be aware of the fact that they are qualified to make a part.

Three years ago, the Defense Logistics Agency (DLA) of the DoD established funding for a six-state, New England Manufacturing Supply Chain (NEMSC) Initiative to deploy an innovative solution to increase participation of the estimated 23,000 SMEs in New England that are underutilized in defense and commercial supply chains. Funding for this initiative has been made possible by the strong and continued bipartisan support of the New England Congressional Delegation.

The program was piloted in 2005 and produced immediate and significant results, thanks in part to the deployment of a proprietary engineering process that vastly reduces the amount of time and effort previously required by small advanced machine shops to prepare and submit competitive bids. This engineering process, together with SupplyPoint®, a web-enabled database that has company-supplied information about the capabilities and production capacities for over 4,500 New England SMEs, has drastically reduced the challenging process to

understand and prepare bids – with some successes yielding time reductions from as much as 180 hours to less than one hour. As a result, small advanced machine shops can now submit several competitive bids daily, compared with their past experience of perhaps only one or two a week. This increases their chances for a contract award.

The Supply Chain Initiative also enables different manufacturers to link their expertise, combining efforts on a bid. Since the program began, the SME award rate for DLA contracts has jumped from an average of only five percent to greater than 50 percent.

John Edinger, President of Pond Brook Machining, Inc. in Westfield, Massachusetts, a 6-person CNC machine shop, says the Supply Chain Initiative has enabled him to meet the needs of large clients without expanding beyond his means.

"Large OEM's are pushing me to purchase new computer aided design software that may also require hiring an engineer to run it, two expenses my six person shop simply cannot afford," said Edinger. "With SupplyPoint, I do not have to purchase this new software to be competitive because I can link with other manufacturers. If SupplyPoint had not come along, I would have to buy this software or stand a good chance of losing my large OEM contracts. "

Results of the New England Supply Chain Initiative pilot deployment include:

- Awards to date: \$8.5 million
- SupplyPoint® registered SMEs: 4,500+
- Average public solicitations reviewed daily: 4,000
- Average SMEs notified daily of solicitations: 140
- Solicitations issued to SMEs: 5400
- Bids submitted by SMEs: 775
- Bids award: 400
- Addressed over 50 backordered and problem parts for DLA

Clifton Wilson, President of Maine Tool & Machine LLC credits the combination of training assistance from his local MEP and the New England Supply Chain Initiative with his machine shop being able to tap into DoD contracts.

"The MEP and the New England Supply Chain Initiative have been invaluable in helping me understand contracting with the DoD. The in-depth training is thorough and specifically tailored to my business. These two programs have given me the skills and the knowledge I needed to view defense business opportunities on my own time and make educated decisions when determining whether to place a bid," said Wilson.

Any manufacturer is eligible to participate. Sign up at [www.mainemep.org](http://www.mainemep.org), [www.massmep.org](http://www.massmep.org), [www.nhmep.org](http://www.nhmep.org), [www.rimes.org](http://www.rimes.org), [www.connstep.org](http://www.connstep.org) or [www.vmec.org](http://www.vmec.org) or by calling 1-800-MEP-4MFG.

An MEP manufacturing business advisor will review registrations and may call to offer assistance in making sure that your data is complete. Your information will become part of a database of designated industry suppliers and will help identify suppliers and will help identify your company's capabilities as we match opportunities with suppliers.

MEP is part of a network of more than 400 business centers throughout the US, linked through the United States Department of Commerce – NIST (National Institute of Standards and Technology), committed to providing small and medium sized manufacturers with the help and solutions they need to succeed.

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