

ON THE POSITIVE SIDE

MassMEP Opens the Doors to the Defense Department

There's some good news for the owners of small- and medium-sized manufacturing firms in the Bay State: Dealing with the government has gotten a lot easier thanks to a program administered by the Massachusetts Manufacturing Extension Partnership (MassMEP).



Jack Healy

The New England Manufacturing Supply Chain is a new program designed to help manufacturers in the defense industry find contracting and subcontracting opportunities. This non-profit initiative is designed to enhance opportunities for manufacturers by identifying specific bid opportunities, defining bid requirements, assisting in teaming arrangements and agreements, creating gain-sharing opportunities, and providing technical assistance.

According to Jack Healy, director of operations for MassMEP, the New England Manufacturing Supply Chain (NEMSC) program had its genesis in the events of 9/11. But even prior to that the Department of Defense had already started to

change the way it does business. With the end of the Cold War, the military took advantage of the "peace benefit" by reducing the number of suppliers it used to gain them cost advantages of large-scale orders. What the military lost in return was the flexibility and speed offered by a bigger network, as the number of DOD suppliers dropped from 130,000 to just 30,000.

But the war on terrorism and the conflict in the Middle East has changed all that. Today, the military once again requires "rapid response" from its vendors to keep up with its needs and cost is no longer as important a consideration. "Small companies can give quick turnaround and quality products, but not so much of a price break," Healy said.

The NEMSC program helps companies get back into the business of supplying the DOD in a variety of ways. It is far more than a mere clearinghouse of government requests for bids. Under the old model, researching and preparing a bid for the government could require as much as forty hours of work, time that small businesses could ill afford. The result often was a bid that reflected more guesswork than reality. This program pares that time down dramatically, to as little as half an hour. Much of the research and prep work is already done. The contractor can concentrate on just the final steps of preparing a bid, resulting in an estimate that is both realistic and competitive. "Labor, overhead and material are all that need to be figured out," Healy notes. "This helps the cost as well."

The new program also addresses the critical shortage of skilled workers, particularly Computer Numerical Control (CNC) operators, in manufacturing today. The manufacturing steps are laid out in advance by NEMSC, so the manufacturer has the luxury of allowing less experienced workers complete the work. Using this program, Healy noted, "a basic person like myself can run a machine."

Another important key to NEMSC is that it also maintains a database of the manufacturer's capabilities, so the system can present only the most feasible possibilities to each individual company.



Left: State Senator Richard T. Moore, D-Uxbridge, holds the MassMEP Lean Manufacturing Award as he presents it to, from left, Richard Clemence, vice chairman, Board of Directors, Hyde Tools, Inc.; Rich Emmons, project manager, MassMEP; Mike Prior, operations manager, MassMEP; Rick Clemence, president, Hyde Tools, Inc.; Richard Hardy, chairman of the board and CEO, Hyde Tools, Inc. The presentation took place April 8. Right: The Hyde Tools, MassMEP Lean Partnership Roundtable Team.

Moreover, the program is easy to join, and free. Any Massachusetts manufacturer, regardless of size, is eligible. Just register on-line at www.massmep.org or call 1-866-666-1226. A MassMEP manufacturing business advisor will review registrations and may call to offer assistance in making sure your data are complete. Company information will become part of a database of designated defense industry suppliers and will help match the company's capabilities with supplier needs.

Healy hopes to see the program expand beyond just DOD bids. He'd like to create a database of non-government businesses looking to expand their own supply chains. "We have a lot of shops here with a lot of capacity and getting these shops connected with people who need parts is what this is all about," he said. "The opportunities are there to connect all the manufacturers in New England."



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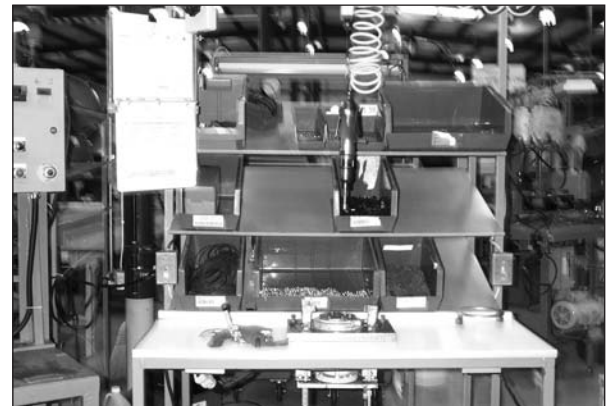
Working with Associated Industries of Massachusetts, Healy added, is another key component to the success of MassMEP programs. "There are not many venues for cost effective training available," Healy said. "AIM has the ability to provide that training across the state cost effectively. It also provides a valuable liaison with the government. AIM will tell the government when legislation hurts small- and medium-sized enterprises. It also is one of the better organizations that promotes exports and international trade."

MassMEP is funded by federal and state grants and fees it charges for some services, such as consulting. It began in 2000 as a program to aid small- and medium-sized manufacturers in the Bay State. How critical are these businesses? The statistics are surprising. According to Healy, about two-thirds of the state's manufacturers employ fewer than 20 people, and 82% employ fewer than 50. That's a very big piece of the economy. "Our job," he said, "is to go in and teach new management practices and it's been very, very successful."



For instance, NEMSC doesn't exist as a "stand alone" program. While working with MassMEP to obtain bids, a manufacturer can also learn about so-called "lean manufacturing" techniques from MassMEP. "Lean manufacturing is in some ways the opposite of mass production," Healy said. "Mass production techniques don't work well for smaller businesses. Lean manufacturing eliminates the bottlenecks in mass production by allowing a single piece to flow through the entire system until it is completed rather than have to wait for the next step in the process. It is one of the most important innovations in manufacturing on the past 75 years."

The end result of the combination of lean manufacturing and the NEMSC program is a company that is flexible, efficient and more productive, and with better customer service than in the past.



The MassMEP emphasis on lean manufacturing works. Just ask Dick Ayres, the director of human resources at Hyde Tools, a Southbridge company that manufactures tools and products for home remodeling and repair. "Lean manufacturing is a process that works in three basic areas, he said. "It shortens the length of time it takes to make a process complete, it makes the process safer, and it improves quality. In every case, we've had a great deal of success. We've cut as much as half the time it takes to do a task. Lean manufacturing makes the company more efficient."

The company has undergone the original training and is now conducting "Kaizen" sessions. "Kaizen" is Japanese for "continuous improvement," a system based on "continuing education" efforts.

Ayres also has high praise for MassMEP personnel. "The two MEP folks have been in a plant before and understand our side," he said. "They have been able to build a really good rapport with both the management and the floor people. It is important to be able to conduct these sessions in a spirit of cooperation." ■



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