MEP Advisory Board

June 8, 2022
FACA Board Meeting

This is a simplified version of the presentation for website purposes. A full version may be requested by emailing Cheryl.Gendron@nist.gov
FACA and the Advisory Board

- The MEP Advisory Board is authorized under Section 3003(d) of the America COMPETES Act (Pub. L. 110–69), as amended by the American Innovation and Competitiveness Act, Public Law 114–329 sec. 501 (2017), and codified at 15 U.S.C. 278k(m), in accordance with the provisions of the Federal Advisory Committee Act, as amended, 5 U.S.C., App.
Welcome from the MEP Director

- Pravina Raghavan, MEP Director
MAB Meeting Details

- **Wednesday, June 8, 2022**
- Welcome and introductions
- Opening remarks and welcome
- Board and audience introductions
- MEP Director’s update
- Presentation: Silver Tsunami and Succession Planning
- Board feedback and discussion
- Public comments
- Closed session
Welcome New MEP Advisory Board Members
Approved May 2022

- **Peter Connolly**, NJMEP Advisory Board, New Jersey
- **G. Christopher Mathews**, National Custom Hollow Metal Doors, Maple Leaf Awning and Canvas, Arkansas
- **Dr. Annette Parker**, South Central College, Minnesota
Welcome to Tulsa

- Matthew Newman, MEP Advisory Board, Chair
Welcome to Tulsa

- **Dave Rowland**, President and CEO, Oklahoma Manufacturing Alliance, OK MEP
The MEP Advisory Board

- Chair: Matthew Newman, New Era Advisors, Inc.
- Vice Chair: Mary Isbister, GenMet Corp

- Ray Aguerrevere, Custom Metal Fabricators
- Jose Anaya, El Camino Community College
- Don Bockoven, Fiber Industries LLC
- LaDon Byars, Colonial Diversified Polymer Products, LLC
- Peter Connolly, Connolly Consulting
- Bernadine Hawes, Econsult
- Miriam Kmetzo, Welding Technology Corp*
- Mitch Magee, Consultant
- Chris Mathews, National Custom Hollow Metal Doors and Frames & Maple Leaf Awning & Canvas
- Pat Moulton, VT Tech*
- Annette Parker, South Central College
- George Spottswood, Quality Filters, Inc
- Leslie Taito, Taco Comfort Solutions
- Jim Wright, Proof Research

*Participating Online
Welcome and Introductions

- **Laurie E. Locascio**, Director of NIST and the Under Secretary of Commerce for Standards and Technology

- **Mojdeh Bahar**, NIST, Associate Director, Innovation and Industry Services
NIST MEP Director’s Update

• Legislative and MEP program budget updates

• MEP National Network update
  • Supply chain
  • Workforce
  • Technology and innovation

• MEP National Network 2017-2022 strategic plan update
# MEP Program Budget Outlook

<table>
<thead>
<tr>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appropriation Status</strong></td>
<td><strong>Appropriation Status</strong></td>
<td><strong>Appropriation Status Outlook</strong></td>
</tr>
<tr>
<td>• Base funding: $150 million; $4 million increase over FY 2020</td>
<td>• $158 million for MEP</td>
<td>• President’s budget calls for $275 million for MEP</td>
</tr>
<tr>
<td>• Funding not subject to cost share requirements; elective for Centers receiving state funds conditioned on federal cost share requirement</td>
<td>• Funding not subject to cost share requirements (elective for Centers receiving state funds conditioned on federal cost share requirement)</td>
<td>• No expectation of cost share exemption</td>
</tr>
</tbody>
</table>
NIST MEP Projected Spend Plan Through March 11, 2022

<table>
<thead>
<tr>
<th>Available funding:</th>
<th>$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation</td>
<td>158.0</td>
</tr>
<tr>
<td>Carryover from FY 2021</td>
<td>2.0</td>
</tr>
<tr>
<td>Anticipated prior-year recoveries</td>
<td>3.2</td>
</tr>
<tr>
<td>Funding from other agencies*</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Total available funding</strong></td>
<td><strong>164.8</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned expenditures:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Center renewals</td>
<td>134.1</td>
</tr>
<tr>
<td>Strategic competitions</td>
<td>0.7</td>
</tr>
<tr>
<td>Contracts</td>
<td>6.5</td>
</tr>
<tr>
<td>NIST MEP labor</td>
<td>11.5</td>
</tr>
<tr>
<td>NIST and program overhead</td>
<td>12.0</td>
</tr>
<tr>
<td><strong>Total planned expenditures</strong></td>
<td><strong>164.8</strong></td>
</tr>
</tbody>
</table>

Projected FY 2022 efficiency rate = 11.84%; actual FY 2021 efficiency rate = 11.94%.

* Funding from DOD for contracts and project support
Manufacturing Legislation

- EO 14005, EO 14017 and other actions have heightened manufacturing visibility nationwide

- FY22 Appropriations requires MEP to start work on the supply chain database.

- Appropriations coming for a new Bipartisan Innovation Act?
Uniqueness Value MEP to Build US Manufacturing

- MEP Centers act as the lynchpin in boosting communities and ecosystems across the country.

- MEP National Network can support the Administration’s priorities focused on:
  (a) Ensuring operational domestic supply chains,
  (b) Improving and increasing the available workforce at a living wage, and
  (c) Supporting growth of advanced manufacturing technology.

- MEP Centers serve SMMs, a unique client base, that will need additional support to be able to increase their reach and penetration while also increasing their economic impact in their communities.

- NIST MEP can partner with other bureaus in the Department of Commerce and other federal agencies to increase U.S. Manufacturing by broadening the services available through the MEP National Network.
MEP Client Demographics

U.S. manufacturers statistics

- Over **98.9%** of U.S. manufacturers are small (<500 employees)
- Over **90%** have <100 employees
- According to the Economic Census, SMMs historically account for **73%** of paid employees, **62%** of value added, and **67%** of payroll in U.S. manufacturing

MEP clients

- Over **79%** of MEP clients have <100 employees
- **42%** of MEP Clients have <20 employees
- **18%** of MEP clients are in rural areas
- **12%** of MEP clients are woman owned
- **10%** of MEP clients are startups
- **6%** of MEP clients are minority owned
MEP Program Support for Supply Chain

- MEP has extensive experience with and expertise in **building supplier networks**
- Senate USICA and House COMPETES both specify **MEP program role for national supply chain database**
- Supplier Scouting is the foundation of how MEP Centers can work with manufacturers to **map their supply chains and populate supplier databases**, which will enable us to identify required capabilities and potential vulnerabilities
Supply Chain: Network Support
MEP Program Support for Workforce

Customized Training for Entry-level Workers

Recruitment and Talent Acquisition

Strategic Talent Planning

Leadership Coaching and Development

Organizational Culture and Employee Engagement

Succession Planning

*MEP helps SMMs with an extensive range of workforce needs that address all stages of the employee lifecycle*
Workforce: Network Support
MEP Program Support for Technology and Innovation

Robotic Manufacturing Sensor Collaboration with NIST Labs, NIST MEP and NY MEP
MEP Program Support for Technology and Innovation

MATTR/MATTR+

- MEP-Assisted Technology and Technical Resource Program (MATTR) is expanding via MATTR+
- MATTR+ will provide SMMs efficient and rapid technology consultation from world-class researchers
- NIST MEP funding will provide dedicated consulting support with NIST labs for MATTR+

Food Industry Services

- Program with U.S. multinational supermarket chain serves to reach SMMs within their supply chain and establish direct prime/OEM relationship
- Leverages FDA partnership to help SMMs meet Food Safety Modernization Act (FSMA) requirements
Innovation and Technology: Network Support
Strategic Competition Update

FY 2022 Center State Competition

- **NOFO One** (awards announced Oct. 1 for Jan. 1, 2023 start)
  - Kentucky, Nebraska, Rhode Island and South Dakota
  - Applications received April 26. Review process ongoing. Award recommendations will be sent to NIST Grants Management Division by July 9

- **NOFO Two** (awards announced April 2023 for July 1, 2023 start)
  - Arizona and Maryland
  - NOFO will be posted Aug. 1, 2022. Applications will be due Oct. 28, 2022
MEP National Network
2017-2022 Strategic Plan Update
Measures for the 2017-2022 Strategic Plan

- Assessed the pandemic’s impact on manufacturing
- Forged partnerships and created connections
- Helped manufacturers pivot
- Evolved operations in a new normal
18 Month Measures of Success

1. Strengthening the National Supply Chain
   Increase supplier matches and clients served in critical areas

2. Serving the Manufacturing Workforce
   Increase client engagement in workforce services

3. Increasing Awareness
   Amplify and measure Network brand awareness

4. Leading in Technology Deployment
   Increase client engagement in technology services and implementation
Measure One: Strengthening the National Supply Chain

- Supplier scouting requests
- Successful scouts – matching buyers and sellers
Goal: Increase supplier scouting requests by 10%

Baseline: 124
Update Through 2022Q1 (9 Months): 122
Goal: 137

Goal: Increase successful supplier scouting matches by 10%

Baseline: 298
Update Through 2022Q1 (9 Months): 411
Goal: 328
Measure Two: Serving the Manufacturing Workforce

- Clients and/or projects in workforce-related services
Measure Two – Serving the Manufacturing Workforce

Goal: Increase clients engaged with workforce projects by 10%
Measure Three: Increasing Awareness

- Count occurrences of the hashtag #MEPNationalNetwork
- Count of online mentions of brand terms “MEP National Network” and “NIST MEP”
- Total subscribers to the NIST MEP Blog
- Aggregate count of backlinks
- Number of followers on NIST MEP’s Facebook, Twitter and LinkedIn pages
Measure Three – Increased Awareness
Goal: Amplifying Network Brand Awareness by at least 10%.

<table>
<thead>
<tr>
<th>Brand Measure</th>
<th>Baseline for Current 18 Months*</th>
<th>Progress To Date</th>
<th>New Goal for Current 18 Months</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>#MEPNationalNetwork hashtag occurrences</td>
<td>567</td>
<td>636</td>
<td>624</td>
<td>+12%</td>
</tr>
<tr>
<td>Brand Mentions</td>
<td>194</td>
<td>142</td>
<td>213</td>
<td>-27%</td>
</tr>
<tr>
<td>Manufacturing Innovation blog subscribers</td>
<td>40,130</td>
<td>47,451</td>
<td>44,143</td>
<td>+18%</td>
</tr>
<tr>
<td>Backlinks</td>
<td>186</td>
<td>258</td>
<td>205</td>
<td>+39%</td>
</tr>
<tr>
<td>Social media followers</td>
<td>18,419</td>
<td>19,035</td>
<td>20,261</td>
<td>+3%</td>
</tr>
</tbody>
</table>

*Progress to date based on data from Jan. 1-March 31, 2022
Measure Four: Leading in Technology Deployment

- Clients and/or projects in technology services
- MATTR engagements
Goal: Increase clients engaged with technology services projects by 10%

Goal: Increase MATTR requests/inquiries by 10%
<table>
<thead>
<tr>
<th>Working Group</th>
<th>Board Leadership</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Chain Development</td>
<td>Don Bockoven, Lead</td>
<td>MEP National Network program support and development of manufacturing supply chains</td>
</tr>
<tr>
<td></td>
<td>LaDon Byars, Co-Lead</td>
<td></td>
</tr>
<tr>
<td>Executive Committee</td>
<td>Mary Isbister, Lead</td>
<td>Support Board governance and connection with local Center boards</td>
</tr>
<tr>
<td></td>
<td>George Spottswood, Co-Lead</td>
<td></td>
</tr>
<tr>
<td>Strategic Plan, 2023-2028</td>
<td>Bernadine Hawes, Co-Lead</td>
<td>Support development of the MEP National Network 2023-2028 Strategic Plan</td>
</tr>
<tr>
<td></td>
<td>Jim Wright, Co-Lead</td>
<td></td>
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</tbody>
</table>
Daniel Goldstein, CEO and President, Folience

Presentation: *Silver Tsunami and Succession Planning*

What is MEP’s role?
The Silver Tsunami Matters For US Manufacturing

- Manufacturing is a **key contributor** to the U.S. economy
  - Employs over 12 million Americans
  - Contributes over $2.7 trillion to GDP
- Both aging ownership and workforce threaten the productivity and competitiveness of manufacturers
- Nearly 99% of U.S. manufacturers have **<500 employees**
  - Many are family-owned
- The impact of aging ownership is **significant** for U.S. manufacturers in particular
  - Manufacturer owners typically older than other industries
U.S. Manufacturer Owners’ Are Older Compared to All Industries

- **Manufacturing:**
  - 34 and under: 4.5%
  - 35 to 54: 34.0%
  - 55 and older: 61.4%

- **All Industries:**
  - 34 and under: 5.7%
  - 35 to 54: 43.4%
  - 55 and older: 51.0%
U.S. Manufacturing Has Largest Share of Owners Aged 55 or Older Among U.S. Industry Supersectors
MEP Succession Planning Work

- Since 2016, MEP Centers have completed **190** succession planning related projects with **167** different manufacturers
- This work resulted in **113** completed client surveys, which had the following economic impact:
  - **$97.9M** in new and retained sales
  - **$7.4M** in total cost savings
  - **$33.2M** in total new client investments
  - **914** jobs created and retained
Succession Planning Leads to Restructuring for Growth

- **Client name:** Greaves Corporation

- **How CONNSTEP helped:**
  - Created an infrastructure for growth, addressed employee’s changing responsibilities and provided a greater understanding of management roles
  - Production floor capacity increased and a clear roadmap was established for transitioning of leadership roles
  - Greaves Corporation considers itself better positioned to become a leader in the electrical connector industry

**Client Results:**

- $600,000 in increased or retained sales
- 5 new or retained jobs
- $1,100,000 in new investment
- $40,000 in cost savings
Jose Anaya – Thank You for Your Service

Dean of Community Advancement
El Camino Community College

Two terms of Board service:
July 2016-July 2022
Next MEP Advisory Board Meeting

Tuesday, Sept. 20, 2022

Co-located with the MEP National Network Update meeting and the FORME Center Best Practice Conference in Chicago, Illinois

Board members invited for ALL activities:

- Monday, Sept. 19 through Tuesday, Sept. 20 morning: MEPNN Update Meeting
- Tuesday, Sept. 20 afternoon: MEP Advisory Board Meeting
- Wednesday, Sept. 21: Center Best Practice Conference
MEP National Network Strategic Plan 2023 – 2028
Development Review and Feedback
Thank You

For the Full Presentation, Please contact Cheryl Gendron at Cheryl.Gendron@nist.gov

VISIT OUR BLOG
https://www.nist.gov/blogs/manufacturing-innovation-blog

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