

(1) What are the key problems and issues facing small U.S. manufacturers and their competitiveness and opportunities for growth in the near-term (1 to 2 years), mid-term (3 to 5 years) and/or long-term (more than 5 years)?

One of our biggest problems as a small U.S. manufacturer is the ability to find the right people and skill set that we need. The struggle to find people continues to cause capacity constraints that we struggle to manage. We have strategically sourced products to other manufacturers to allow us flexibility to meet our customers' demands. The challenge with sourcing to companies similar to us is that there needs to be a lot of trust with that supplier. We find that most of our suppliers do business with our existing customers or know our existing customers, so there is always a risk of the customer going direct. To complicate this matter, our supply chain professionals do not have the time or resource to build and manage these relationships.

One of the other biggest challenges that we face now and long into the future is the price of commodities and our foreign policies. Steel is our most expensive item that we use and the policies or lack of policies that we have in this industry causes major issues in the fluctuation in pricing. We are very concerned that commodity pricing will have major effects on our business and ability to grow now and in the future.

The other major issue that we face in Michigan is the lack of infrastructure spend. Our roads and bridges are terrible and we have already faced road shutdowns that have had a huge impact on our business. These shutdowns have added an enormous cost to our business and will continue to grow in the near future unless something is done with infrastructure.

Lastly, we need a bridge to Wisconsin. I know this is not feasible, but the lake is prohibiting us from being competitive in those markets. I know we are doing some work in the port in Muskegon, but we need a more efficient way to ship product to Wisconsin, Minnesota, etc. The lake causes too many issues with transportation for us and we cannot compete in those markets.

Kind Regards,

DeWys Manufacturing

