

To whom it may concern:

It is with great enthusiasm that I am writing to express my support for the supply chain project proposed by Penn State, Michigan State, and Arizona State Universities in partnership with their respective MEP centers.

As program director for Pure Michigan Business Connect (PMBC), a program of the Michigan Economic Development Corporation (MEDC) that specializes in developing new supply and R&D opportunities for small and medium sized Michigan business, I have extensive experience working with manufacturers of all sizes and in a variety of industries. In my work, it has become increasingly evident that in order to support companies in my state well into the future, that there must be significant, multi-industry collaboration that is focused on improving supply chain performance, creating a more collaborative, strategic approach to supplier selection and supply chain management, and to better understand supplier risk as they develop and embark on new procurement opportunities. Specifically, we see clear needs for improvements in customer forecasting, production planning, inventory management, supply chain finance, vendor management, and more. As we continue into the 21st century, cybersecurity is also of growing importance, both to our organization and our businesses, as oftentimes the access to new opportunity is contingent upon automated or computerized technology that must be protected to build, maintain, and grow competitive advantages. If our companies are not prepared in all of these areas, they will not be as successful as we need them to be to ensure our state's long-term economic health.

Supply chain support (procurement, international trade, business attraction and growth, etc.) is a major focus of the MEDC strategic plan and the proposed work we have discussed with Dr. David Closs of MSU. We know that our supply chain offerings pose significant benefits to our clients and constituents in a multitude of ways. We know that as Michigan and its sister Midwestern states continue their economic comeback, that we must also keep in mind that many of our clients and constituents struggle to adapt to a rapidly changing marketplace and continue to utilize a relatively unsophisticated approach to managing their supply chain. Thus, it is our goal to engage partners, including the MEP, and support activities that focus on developing processes that can be easily, effectively, and efficiently implemented by our companies' existing staff. By taking this approach, we can help companies and industry sectors develop the competitive base capabilities upon which we can build continuous improvement plans focused on supply chain performance. While there are currently numerous tools at the disposal for small to midsize companies, it would be useful for this project to help aggregate and develop best practices for small and medium sized manufacturers and implement them using commercially available tools (e.g., supply chain strategy, value propositions, information technology, tracking technologies like GPS and RFID, etc.).

PMBC and the MEDC engage a multitude of clients in numerous industries. As one of the fastest growing manufacturing supply chains, many of our clients are 1st and 2nd tier suppliers to major OEMs. These OEMs understand the need to help their supplies to improve supply chain efficiencies, as it directly impacts their bottom line and the overall economic health of our state. However, OEMs, and even major Tier 1s, often struggle with having the necessary bandwidth to develop their suppliers improve their supply chain capabilities to help them

become “better” suppliers (obtaining more, or expanding work orders, obtaining additional clients in the industry, etc.). I feel that the MEPs can play an important role in building trust between suppliers and up-tier manufacturers, as well as helping the smaller companies make decisions that improve and strengthen their businesses while avoiding typical pitfalls of working with OEMs that may not have the requisite supplier support and growth systems. MEDC has worked long and hard with both sides to understand and bridge the gap, but we understand the need for experts in the field that can delineate the proper nuances and impact immediate, influential decisions. I believe the project contemplated here can help build stronger and more positive relationships up and down the supply chain.

Our state has a number of world-class universities, including Michigan State University, with supply chain programs that have tremendous capabilities and are on the leading edge of supply chain management. While larger companies benefit directly by hiring graduates of these programs, oftentimes smaller manufacturers are generally not in a financial position to hire them or lack the understanding of the benefits that would come from having such in-house expertise. By establishing appropriate partnerships between the universities and the MEP centers, the small and medium sized manufacturers will gain additional direct access to world class supply chain practices and the hands-on support required to implement them. This will have a direct and significant impact on the global competitiveness of these manufacturers.

Please accept this letter as my strong endorsement of this project and this effort. Our state, and our nation, is at a unique time where we must collaborate more intelligently to help bring manufacturing into the 21st century, and keep it relevant and competitive in an increasingly global marketplace. I feel that this initiative will be a huge benefit not only to our state, but all involved.

Sincerely,

State of Michigan | Michigan Economic Development Corporation