

To: meprfi <meprfi@nist.gov>

Subject: RevAZ Support for Supply Chain Project with Penn State, Michigan State, and Arizona State Universities

To whom it may concern:

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 and our neighboring MEPs in California and Nevada.

In working with small and medium sized manufacturers across the state, it has become evident that the continuous improvement efforts of these companies must include a focus on improved supply chain performance, a more strategic approach to supplier selection and supply chain management, and a better understanding of risk. Specifically, we see clear needs for improvements in customer forecasting, production planning, inventory management, supply chain finance, and vendor management. I would also point out that cybersecurity is an important concern for many of these manufacturers and that they are not well prepared to respond to the challenge.

Supply chain offerings are a major focus in the RevAZ strategic plan and the proposed work I discussed with [REDACTED] of ASU has the potential to be a significant benefit to our clients. We must keep in mind that many of our clients are relatively unsophisticated when it comes to supply chain practices and the project should be focused on developing processes that can be easily implemented by existing staff with some consulting support from the MEP. By taking this approach, we can help companies develop the base capabilities upon which we can build continuous improvement plans focused on supply chain performance. It would be best for the project to focus on the development of best practices for small and medium sized manufacturers and implementation using commercially available tools (e.g., supply chain software, tracking technologies like GPS and RFID, etc.).

Many of our clients are 1st and 2nd tier suppliers to major OEMs. While these OEMs often talk about helping their suppliers improve their supply chain capabilities to “help” them become “better” suppliers, our experience suggests that some large OEMs are not always sincere in their motives and their attempts to “help” are often met with skepticism and mistrust. The MEPs can play an important role in establishing proper motives, building trust, and helping the smaller companies make decisions that improve their businesses while avoiding the pitfalls of working with OEMs that may try to take advantage of them (e.g., 180 day payment terms, onerous order cancellation terms, fluctuating forecasts that transfer all the risk to financially vulnerable suppliers, etc.). RevAZ is beginning to work with both sides to bridge the differences. I believe the project contemplated here can help build stronger and more positive relationships up and down the supply chain.

The university supply chain programs have tremendous capabilities and are on the leading edge of supply chain management. While the larger companies benefit by

hiring graduates of these programs, the smaller manufacturers are generally not in a position to hire them or lack the understanding of the benefits that would accrue from such in-house expertise. By establishing appropriate partnerships between the universities and the MEP centers, the small and medium sized manufacturers will gain 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.

I strongly support this effort.

Please feel free to email or call me if you have questions or would like additional information.

Sincerely,

[Redacted Signature]



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