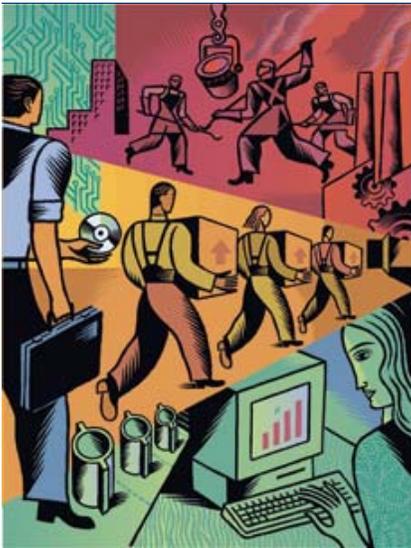


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The government takes criticism for the regulations it throws in the way of manufacturers, but its agencies work hard to support the sector. Matt Bolch finds out what's on offer

Every day, it seems, a new federal, state or local regulation pops up that manufacturers have to comply with. If it's not something that directly impacts manufacturers from a federal agency such as the Occupational Safety and Health Administration, it's Sarbanes-Oxley accounting regulations, Health Insurance Portability & Accountability Act guidelines, new state regulatory laws and local regulations. Can a manufacturer get a break here?

Actually, manufacturers can find a wealth of assistance from federal, regional, state and local agencies, much of it free or at a reduced cost. Depending on whether a manufacturing company is expanding, relocating, developing new products or technologies, trying to be more effective or competing in a global marketplace, there are many agencies that stand ready to help. Unfortunately, finding the help that you seek isn't as easy as picking up the phone or hitting the Internet. Since many of these organizations operate on tight budgets, there isn't much money for advertising or marketing. But valuable resources are available, if you seek them out. Chambers of commerce, local universities, colleges and technical schools are good places to start looking.

The Small Business Administration maintains a network of 63 Small Business Development Centers that have more than 1,100 offices that manufacturers can turn to for a variety of services. Offerings vary among offices, but, for example, the SBDC of Ohio can address strategic planning, training, human resources, marketing, locating funding and technical issues. The latter is offered in conjunction with the Manufacturing Extension Partnership program. "We look at the softer side of the equation, the business side," says Jim Ackley, director

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and manager of manufacturing technology for Ohio's SBDC. "The MEPs look at the technical side." SBDC services are free, but clients do pay for consultants and MEP project costs.

Since 2003, however, the MEP program has been under attack from the Bush administration, which has repeatedly sought significant cuts in its operating budget. But the program enjoys strong congressional support, and lawmakers have been quick to restore funds to about \$106 million a year, says Carrie Hines, executive director of the American Small Manufacturers Coalition, a trade association of MEPs. The administration has proposed a \$46.3 million operating budget in fiscal year 2007, but 63 US senators, 223 representatives and 17 governors have signed letters supporting MEP at the \$106 million level, all but assuring its continued existence at nearly full funding, which reached a peak of \$113.5 million in fiscal year 1998, says Hines.

"No other federal resource can help small manufacturers compete, innovate and access global markets like MEPs," Hines says of the 350 MEP field offices, which are branches of 59 cooperative agreements in the US and Puerto Rico. "American competitive pressures are great, and this is the only program approved by the government to increase competitiveness."

MEPs tout three broad offerings: assessment, training and technical assistance. Examples include going into a plant to examine its practices, recommending a process improvement project, helping with R&D or locating a university or other entity for product testing. Manufacturers pay market rates of about \$125 an hour for MEP services. Federal funds, which comprise about one-third of operating budgets for most offices, help bring down the cost of services to small manufacturers. "MEPs are a necessity for the small manufacturing community," Hines says. With a documented return on investment of \$6 for every dollar invested, according to National Institute of Standards and Technology research, MEP officials argue that the program should be expanded, not shrunk or eliminated.

For manufacturers with products to sell to government agencies, Procurement Technical Assistance Centers can help manufacturers learn about what products the government is buying and how to sell into this lucrative market. Funded by the Defense Logistics Agency within the Department of Defense, the PTAC network comprises 93 centers across the US that match federal spending dollar-for-dollar with state, local and private funds. "The majority of PTACs don't charge fees, but there are ones that do to recoup costs of matching services or classes," explains Becky Peterson, president of the Association of Procurement Technical Assistance Centers and manager of finance and administration at the University of Tennessee Center for Industrial Services.

The PTAC matching service helps manufacturers learn what local, state and federal agencies are buying and what products in their inventories might be a good fit. The PTAC network enjoys stable congressional support, and industry is starting to recognize the value of PTAC's services, Peterson says. "The type of service we bring, we can refer them to MEPs, the Small Business Administration or other agencies," Peterson says. "We want to be seamless; we don't want to bounce manufacturers from place to place."

Larger manufacturers can help their suppliers become more efficient and environmentally friendly through The Green Suppliers Network, a collaborative venture among industry, the US Environmental Protection Agency, and the US Department of Commerce's MEP program. The goal is to help suppliers continuously learn ways to save money, optimize resource use and eliminate waste through on-site technical reviews that help manufacturers become more profitable and have a lower environmental impact.

The Green Suppliers Network currently is focused on the automotive, aerospace, office furniture and pharmaceutical/healthcare industries, says Tom Murray, chief of the prevention analysis branch of the EPA. During the 31 reviews the network has performed so far, the return on investment has been at least three-to-one, "but some companies are getting much higher returns," Murray says. "The MEP's strength is working with small- and medium-sized enterprises to improve quality and help them stay in business. The EPA works with suppliers to improve their environmental footprint."

Manufacturers looking to sell products into international markets can find assistance through the US Commercial Service. Offerings include world-class market research, trade events where companies can introduce their products to potential customers, introductions to qualified buyers and distributors and counseling on the export process. "We're responsible for generating new clients for organizations and developing and communicating information to US companies to help them understand the export process and identify markets to try and enter into," says Doug Barry, acting executive director of the US Trade Promotion division of USCS.

The number of exporters has increased four-fold in the past 10 years, and the value of US exports in 2005

increased to a record \$1.27 trillion. USCS helped more than 80,000 companies last year, with small businesses comprising nine out of every 10 firms assisted, Barry says. Founded in 1980, the USCS has 161 offices in 87 countries, generally employing natives of those countries who speak the language and know the market, the consumers and the industries well. Additionally, USCS operates 108 US Export Assistance Centers in every state except for Wyoming and South Dakota. Depending on the service needed, fees for services range from free to reasonable for the depth of assistance available.

And should financing the export of US goods and services to overseas markets prove problematic, the Export-Import Bank of the United States is ready to help. Ex-Im Bank does not compete with private lenders, providing export financing products that fill gaps in trade financing, says Wayne Gardella, vice president for domestic business development. Ex-Im Bank provides working capital guarantees (pre-export financing), export credit insurance, loan guarantees and direct loans (buyer financing). Gardella stresses that no transaction is too large or too small, with 85 percent of transactions directly benefiting small businesses. Fees are paid by the exporter or the buyer, depending on the type of sale. The bank has a staff of 400 throughout the United States, and the agency financed \$14 billion in transactions last year across industries that represented just under \$18 billion in US exports. “The challenge for us is in reaching small businesses,” Gardella says. “Big companies already know about us.”

Whatever needs you have, the chances are that there is an agency out there somewhere that does exactly what you’re looking for.

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