IMPO Insider: Q&A With Randy Schwartz, Dakota Manufacturing Extension Partnership

As Center Director and Chief Executive Officer, Randy Schwartz leads the development and operation of the Dakota Manufacturing Extension Partnership (Dakota MEP), an affiliate of a unique, public and private national system dedicated to domestic manufacturing. Dakota MEP partners with manufacturers in both North Dakota and South Dakota to help initiate industry success. Dakota MEP is a bellwether division of The National Institute of Standards and Technology's Manufacturing Extension Partnership (NIST MEP)-- a nationwide network of resources transforming manufacturers to compete globally, supporting greater supply chain integration, and providing access to technology for improved productivity.

Q: Explain your organization, and its purpose in the growth process of the manufacturing industry.

A: We are a non-profit organization dedicated to helping manufacturers become more competitive, productive, profitable, and sustainable. We're part of a national network of programs that is dedicated to doing the same thing. In many respects, manufacturers are not necessarily looking for a consultant who will come in and help them with a problem; they're interested in a partnership. It's up to us to do what we can to create greater partnerships between ourselves and our companies and, frankly, between manufacturers themselves.

Randy Schwartz

Q: What is Dakota MEP's relationship like with NIST MEP? How closely do the state organizations align with the national initiatives of the

organization? How is Dakota MEP in a unique position?

A: The NIST MEP system isn't a franchised program; you can modify and adapt your MEP program to the nature of your state and marketplace. Here at Dakota MEP, we are interested in acquiring public support to assist manufacturers, but at the same time, engaging manufacturers to work with us and to understand that they have to come to the table with some financial support of their own.

Q: How does your organization attempt to encourage involvement from manufacturers?

A: Through partnerships. We try to ensure that at the end of a project with a manufacturer, there is a return on investment something these companies actually have to hang their hats on and feel good about. Our program, as well as the entire national MEP program, is really focused on helping manufacturers realize quantifiable benefits and results.

Q: Describe the ways in which establishing a "new worker pipeline" has improved the situation for manufacturers and workers in the Dakotas.

A: We have been working on ways for manufacturers to come together, work together and understand that their industry needs a pipeline of talent and new workers that are attracted to manufacturing. We've been able to pilot the Manufacturing Boot Camps that encourage people to take an interest in manufacturing. What has been great is knowing that we are giving opportunities to improve and change people's lives. It's an intangible satisfaction.

Q: What do you think are some of the biggest challenges currently facing manufacturers?

A: The biggest challenge facing manufacturers is globalization. The business models that allowed manufacturing to be successful after World War II no longer hold up today. Trying to maintain competitiveness is harder than it's ever been. Globalization is one of the reasons we focus so much on encouraging companies to become Lean enterprises. Companies that are seeking to compete globally are looking for the best ways to serve those markets, and maybe they can do that from the US, and maybe they can't. In some cases they're making business decisions based on finding the lowest-cost place to operate the US may not always be the lowest cost place to operate. Technology is also a major challenge for manufacturers. The use of information technology is causing the world to shrink a lot. Because of globalization and technology hurdles, manufacturers in this country haven't been able to increase prices. If you take a look at what goes on in the US economy, business and industry prices have been increasing, while manufacturing prices have been leveling off. The driving force, why it's not able to enjoy some of the same improvements to the economy like the rest of the industries are, is because of globalization and technology. Those two issues are putting so much pressure on their ability to compete.

Q: How are you currently addressing problematic worker-specific issues

such as output and wage rates?

A: We want to ensure that whatever can be done to emphasize value the value of your employees is being done. Through helping companies become Lean enterprises, we put more emphasis on the value and output per employee, because everyone in the organization is looking for opportunities to improve output and reduce waste. Also, manufacturers may not be doing a good job of expanding their markets. Maybe they've got great products or services, but they're not getting them into the marketplace as well as they need to. Manufacturers need to have good people to maintain new ways of conducting business, and they are going to have to compete for those people. Not only are manufacturers going to have to attract them, but they will also need to develop and retain those people. Ultimately, that means the wage rates need to go up in some cases, and maybe in a lot of cases.

Q: Using your experience with the manufacturing industry, what is the best advice you would offer to a struggling company?

A: To do a realistic assessment of themselves, defining what they are really good at by asking their customers, end-users, suppliers, wholesalers and staff not just relying on internal opinion. It may require bringing in someone that can provide an objective overview of what their strengths and weaknesses are. We have an exercise that we can take companies through to help them identify what they're really good at that somebody else would have a difficult time replicating or copying: what makes them unique, and what makes them really stand out? Sometimes we can find things that they're really good at that they can use in other products and services.

What is NIST MEP?

The National Institute of Standards and Technology Manufacturing Extension Partnership (NIST MEP) is a n
technical and business assistance to America's 355,000 small and mid-size mar

NIST MEP maintains a grassroots network serving all 50 states through over 70 non-profit MEP Centers, provi
support to smaller firms. The MEP system includes over 2,000 manufacturing and business specialists with deep
world-class business consulting.

For more information on NIST MEP, visit www.mep.nist.gov [1]

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