

Volume 02 | December 2020



Your Source for Monthly Manufacturing News

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Manufacturing News from our Nation, State and Region

National News

November Marks 7th Straight Month of Manufacturing Growth; Firms Optimistic and Taking Proactive Approaches to Possible Challenges in the Future

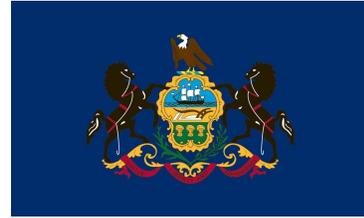
November's [Institute for Supply Management \(ISM\) report](#) acknowledged another strong month of manufacturing growth, with new orders and production continuing to increase, but it also raised ongoing concerns about an escalation in material costs, slowing supplier deliveries and constrained hiring in response to a shortage of viable job candidates. Compared to its outstanding growth in October, the sector expanded at a slower rate in November, although the slowdown was largely attributed to worker pipeline concerns and supply chain issues, including price and delivery times. Research panelists remained optimistic, but stressed manufacturer need to proactively address growth painpoints by diversifying supply chains, mitigating supply chain risks, embracing technology and production techniques to offset the workforce shortage and deploying Continuous Improvement methodologies to minimize waste in light of rising input costs. Firms in the plastics, metal product, paper and foundry subsectors may experience particularly high increases in input costs in the absence of future contracts, making production efficiencies even more critical to their long-term profitability.



State Update

State Budget Supports Manufacturing, Export, Workforce & Veteran Programs

The Commonwealth of Pennsylvania's full Fiscal Year 20-21 (July 1, 2020 through June 30, 2021) budget was approved last month as the interim five-month budget, passed during the COVID-19 pandemic, neared maturation. The budget maintained level funding for manufacturing support programs, such as [Manufacturing PA](#), the [Ben Franklin Technology Partners](#) initiative and the [Partnerships for Regional Economic Performance](#) program. The [Office of International Business Development](#) also received near-level funding. The Commonwealth renewed its investment in apprenticeship training programs and held veteran education assistance, transportation programs and outreach efforts steady when compared to the prior year. NEPIRC thanks our leaders in Harrisburg for their commitments to manufacturing, our future workforce and our veteran community.



Regional News

Global Market Data Research Firm Highlights Importance of Manufacturing to Northeastern & Northern PA

Updated data published by [EMSI](#), a world-leading labor market data company, identified Manufacturing as the third largest employment sector, fourth fastest-growing sector and fifth highest per-employee earning sector across NEPIRC's 11-county northeastern and northern tier of Pennsylvania region. Manufacturing was also acclaimed as the leader in Gross Regional Product, which stood at \$7.61 billion or 17.7% of total regional output. Regional manufacturers were credited with infusing \$3.3 billion in payroll and benefits into the local economy, contributing \$271.3 million into the state and federal treasuries in the form of taxes and purchasing \$1.12 billion in goods and services from regional suppliers. Overall, the region was classified as "highly dependent" upon industrial employment. Individuals seeking more granular data are encouraged to contact [Eric Joseph Esoda](#), NEPIRC's President & CEO, at Eric@NEPIRC.com.



NEPIRC News

Team Members Achieve AS 9100:2016 Certification

NEPIRC's Mechanical Engineer and QMS implementation expert, [Ray Kryeski](#), along with our Lean Enterprise Consultant, [Brian Matyjevich](#), recently attained their AS 9100:2016 certifications. The pair will host NEPIRC's AS 9100:2016 Revision D Internal Auditor Training in spring 2021 and are available to assist our region's aerospace suppliers in achieving and surpassing the quality expectations of the Americas Aerospace Quality Group ([AAQC](#)) and International Aerospace Quality Group ([IAQG](#)). Companies considering pursuing AS 9100 registration or implementation are welcome to contact Ray (Ray@NEPIRC.com) or Brian (Brian@NEPIRC.com) for a no-cost overview and current QMS assessment.

Market Feedback: NEPIRC Clients Create Jobs, Retain Employees and Book More Sales Amidst Pandemic

Throughout the past two months, an independent market research firm, commissioned by the U.S. Department of Commerce, reached out to a sample of 21 NEPIRC clients to determine how their engagements with NEPIRC impacted their business amidst the pandemic. Collectively, those clients attributed the creation of 49 new jobs, retention of 149 at-risk jobs and realization of more than \$25 million of incremental revenue to their NEPIRC-led projects. They also reported \$4.09 million in annualized cost savings as results of NEPIRC's Lean, ISO, Six Sigma, and other services, along with \$3.3 million in cost avoidance due to better use of floor space, reduced downtime, increased worker productivity and other positive outcomes of their projects with NEPIRC.

Serving Clients Through Virtual and On-Site Consultations

In response to the COVID-19 pandemic, NEPIRC has successfully transitioned many of its no-cost assessments and advisement programs, training and workforce development series and consultative services to virtual or hybrid (virtual and in-person) formats. This conversion makes it possible for manufacturing leaders to obtain expert assistance and high-quality Leadership, ISO, Lean and similar topical training in formats consistent with their company's latest COVID-19 safety policies or related restrictions. Companies interested in utilizing NEPIRC's expertise to rebound from COVID-19 setbacks and emerge from the crisis more efficient, profitable and resilient are encouraged to contact Dale Parmenteri, NEPIRC's Vice President of Consulting Operations, at Dale@NEPIRC.com.

New Business Opportunities: Companies Looking for Suppliers

NEPIRC is relaying these potential new business opportunities to manufacturers across our region:

- **ALUMINUM ("SODA") CANS:** A beverage producer is searching for a supplier of aluminum cans for a soft drink product. Maximum diameter is 66.5 mm and maximum height is 112.2 mm. Product and supplier must meet all FDA food safety standards. Cans must be decorated (labeled) to buyer specifications (multiple SKUs) and include a standard pull-tab common within the industry. Approximately two million units will be needed per year w/ palletized delivery to Arizona.
- **CONFIDENTIAL: NEW BANDAGE DESIGN:** A company (confidential) is seeking a bandage manufacturing partner to produce a prototype run of 100,000 new-to-market bandages. Once successfully prototyped, the company would entertain licensing product directly to the successful initial supplier. NDA required for full specification list, but the product is similar in design to common "-Aid" type bandages. Suppliers with medical, adhesive, nonwoven material, absorbent material or similar product experience are encouraged to consider.
- **METAL LIFT-CHAIR COMPONENTS:** A company in Pennsylvania is seeking a domestic supplier to replace a Chinese resource for metal lift chair components. Specs are available upon request from NEPIRC. Basic construction is tube and plate steel with welded or nut-and-bolt attachments. Expected quantity varies depending upon the particular part, but a minimum of 150,000 units is a reasonable estimate.

Supply chain disruption is causing an immediate need for alternative suppliers.

- **LIFT CHAIR MOTOR:** A Pennsylvania company is seeking a domestic supplier for lift chair motors to replace a Chinese resource. Single-drive motor rated 24V/55W with maximum push force of 6000N at stroke of 212 mm. Various other specifications, including min/max install lengths, min/max speeds, dB noise levels and so forth, are available through NEPIRC. A quantity of 54,000/yr anticipated.

Companies interested in these supplier opportunities are encouraged to contact Dale Parmenteri, NEPIRC's Vice President of Consulting Operations, at Dale@NEPIRC.com. Please use "Supplier Opportunity" as the subject line for an immediate response!

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