

# NIST-MEP supply chain optimization program to aid US manufacturers

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Credit: Dmitry/Fotolia.com

After a successful pilot project held in five states, the National Institute of Standards and Technology (NIST) Hollings Manufacturing Extension Partnership (MEP) has launched a new supply chain optimization program to help U.S. manufacturers become more competitive.

According to John Ramsey, a lead subject matter expert for the effort, manufacturers of any size can benefit from the program, which seeks to increase competitive advantage through stronger, more collaborative supply chains. "Our goal is to help manufacturers align their corporate

strategy to their [supply chain](#) strategy," says Ramsey. "When disruptions occur due to natural or systemic factors, manufacturers with a supply chain strategy are able to respond more quickly."

The program establishes a coaching and mentoring partnership between MEP's subject matter experts and participating manufacturers to address barriers to effective supply chains. NIST MEP surveyed manufacturers and found that companies suffer from a lack of collaboration and visibility in their supply chains and lack a synchronized plan for those elements. The survey also showed that many do not understand the true total cost of ownership—the costs for every activity along the supply stream.

MEP centers help to improve supply chain performance by quantifying the needs of the supply chain and focusing on the points in the process that are impeding throughput. Total cost of ownership is one element on which the centers provide guidance, along with executive and partner engagement and risk management.

As part of the pilot effort, the South Carolina Manufacturing Extension Partnership helped its client, Syn Strand, avoid \$3 million in capital expenditure, realize \$2 million in increased annual sales, save \$200,000 a year and retain eight full-time jobs—all while achieving a 10 percent increase in capacity and a 10 percent reduction in inventory.

Initial efforts at Syn Strand had focused on the usual suspects of reducing inventory and increasing production speed. The MEP center's supply chain optimization process revealed that the key to improving the company's profitability was better communications with its sister and parent companies and the integration of new planning and scheduling software. This not only helped boost performance at Syn Strand, but provided deep insight into the entire supply chain and benefited the whole company.

Now that the program is being expanded to more centers, manufacturers can work with their local MEP center to tailor a plan to their own needs. Visit [www.mepsupplychain.org](http://www.mepsupplychain.org) for a complete listing of program offerings.

**More information:** Read the case study found on the site's 'Resources' page at [www.mepsupplychain.org/resource/](http://www.mepsupplychain.org/resource/).

Provided by National Institute of Standards and Technology

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