

Landmark Manufacturing Survey Promotes Best Practices

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To stem a relentless decline in factory jobs, New Jersey's 12,000 manufacturers are being asked to take part in a first-ever survey to assess their progress toward the world-class standards demanded by global competition.

The **New Jersey Manufacturing Extension Program** is coordinating and funding the survey, which was pioneered by the state of Wisconsin and is now being rolled out nationwide. The online survey should only take about 30 minutes to complete, according to **Bob Loderstedt**, president of the nonprofit NJMEP, which coaches manufacturers on how to streamline production, cut waste and develop products their customers want.

The Next Generation Manufacturing Study asks manufacturers to assess their performance across six areas: customer-focused innovation, worker engagement and talent development, production process improvement, supply-chain management, sustainable solutions, and global engagement. Companies will be asked to complete the survey between Feb. 10 and March 15.

In a letter that accompanies the survey, Gov. **Jon S. Corzine** urges manufacturers to participate and "provide valuable insights to strengthen and improve manufacturing performance and competitiveness."

The results could identify gaps between the ideas manufacturers say they endorse, and the steps they're actually taking to turn those ideas into reality, Loderstedt said.

"Suppose 40 percent give a very high rating to the importance of human capital, but 50 percent are spending 8 hours or less each year training each employee," he said. That sort of disconnect would signal the need for public policies that align the state's manufacturing sector with world-class practices, Loderstedt said.

Philip Kirschner, president of the New Jersey Business & Industry Association said the survey will help the state Department of Labor and Workforce Development and NJMEP "tailor their training programs, so employees learn the most modern techniques to improve efficiency and output. In this fierce global environment, manufacturers need to be as productive as possible."

New Jersey has been losing hundreds of manufacturing companies, and thousands of factory jobs, for decades. The state had about 295,000 workers in manufacturing at year-end 2008, compared with nearly 430,000 a decade ago.

But the survivors keep pushing for higher productivity, so the state's factory output keeps rising, Loderstedt said. "In the last 25 years, the manufacturing sector has doubled its productivity, and that productivity has grown at twice the rate of the rest of the economy. Manufacturers have known for a long time that without productivity increases, they could not survive."

The majority of New Jersey's 12,000 manufacturers are small firms — 50 percent employ fewer than 10 workers, two-thirds have fewer than 20, and 83 percent employ 50 or fewer, Loderstedt said.

"What we have is tremendous manufacturing diversity," he said. "New Jersey could be the nation's supply-chain capital in areas like medical equipment, plastics, metal fabrication and food. For new products, manufacturers should be looking to New Jersey to see what components could be made here."

Participants can remain anonymous, but those who identify themselves will get a report that benchmarks their results against the whole survey, the nation and other firms their size.

Wisconsin got a 5.3 percent response to its survey, but Loderstedt is shooting for as high as 9 percent. To get there, he's working with a coalition of business groups to help get the word out, including the Bergen County Workforce Investment Board, Commerce & Industry Association of New Jersey, Employers Association of New Jersey, Hudson County One Stop Career Center, Hudson County Workforce Investment Board, Meadowlands Regional Chamber of Commerce, Mercer County Workforce Investment Board, Middlesex County College, Morris Sussex Warren Workforce Investment Board, New Jersey Business & Industry Association, New Jersey Chamber of Commerce, New Jersey Society of CPAs, New Jersey Technology Council, South Jersey Chamber of Commerce and Union County College.

Loderstedt was encouraged that in his Jan. 20 inaugural address, President Barack Obama praised "the risk-takers, the doers, the makers of things." The president "understands the value of manufacturing," Loderstedt said, adding that studies have shown that for every manufacturing job created or saved, four to eight service jobs are created or retained.