



NJMEP

MANUFACTURING MATTERS

2021 - Issue #3

Helping New Jersey Manufacture Success

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MFG DAY



and the winners are...

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WHAT IS MANUFACTURING DAY AND WHAT DOES IT MEAN TO THE INDUSTRY?



Manufacturing Day (MFG Day) is celebrated on the first Friday in October with the goal of breaking down misconceptions and connecting this amazing industry. Students, parents, and the public have an outdated image of modern manufacturing. The only way to reverse the stigma is to show people the industry's true face.

MFG Day is celebrated in a variety of ways, from inviting students to tour active manufacturing facilities or by hosting industry gatherings to review best practices and explore the status of the industry. There's no right or wrong way to celebrate Manufacturing Day and in New Jersey, the New Jersey Manufacturing Extension Program, Inc. created its own unique way to bring the industry together.



'MADE IN NEW JERSEY' MANUFACTURING DAY

'MADE in New Jersey' Manufacturing Day is NJMEP's version of an MFG Day event. It has become New Jersey's largest manufacturing networking event of the year. The day consists of keynote speeches, break-out sessions on industry-critical topics, networking, great food and drinks, and of course the Manufacturing Awards. Industry professionals, business leaders, state representatives, and policymakers are all invited to attend this massive gathering where all these information sessions, networking opportunities, and the Manufacturing Awards are presented.

Select manufacturing businesses are nominated for 'Manufacturer of the Year' in unique categories. See all the 'Manufacturer of the Year' finalists and learn more about each of these stand-out 'MADE in New Jersey' manufacturers by turning to PAGE 7.

MOVING FORWARD

Manufacturing Day looked very different in 2020. With the onset of the COVID-19 pandemic, many events around the nation had to be canceled. As manufacturers stepped up to help offset the PPE shortage and assist with the development and distribution of the COVID vaccine, they were in danger of losing out on the day dedicated to highlighting their value. NJMEP thought 'MADE in New Jersey' Manufacturing Day was too important to let fall by the wayside. The event was taken to a virtual space and the Manufacturing Awards

were put on hold. Every manufacturing business deserved to be considered a Manufacturing Hero. Awarding a single organization would have been an injustice. Instead, every single manufacturing business was thanked and honored. 2021 is presenting its own challenges, but that will not stop the celebrations.

In 2021, 'MADE in New Jersey' Manufacturing Day is back in person with a virtual option. No matter how people are comfortable with engaging, they had the option to get involved. A complete in-person event was held at The Marigold in Summerset, New Jersey but anyone that wasn't ready for an in-person event or wanted to attend but is too far away could be part of the celebration virtually. The technologies and partnerships that were developed in 2020 allowed NJMEP to host a comprehensive virtual event side-by-side an in-person event. In addition to this flexible attendance option, the Manufacturing Awards are back! A spectacular keynote speaker and actionable break-out discussions elevate the event to being a must-attend to any individual in the industry.

NJMEP spearheads the state's premier manufacturing networking event but Manufacturing Day is celebrated all week, and all month long. Manufacturers from all over the state are encouraged to invite schools, teachers, students, parents, and the public into their facility to see manufacturing first-hand. The industry has struggled with an outdated image for decades. Most people still picture a Henry Ford facility when the words production line are mentioned. Few actually understand how far the industry has come. Modern manufacturing is no longer dark, dirty, and dangerous. The average manufacturing worker in



New Jersey is paid an average of over \$93,000 per year. An emphasis on professional development and employee safety has transformed today's working environment. These are fruitful career options that are far too often ignored by teachers, councilors, parents, which all influence students in their career decision making process. Manufacturing is in the midst of an incredible revolution where hands-on work meets creativity, technology, ingenuity, and criticality.

The world was reminded why manufacturing matters when the pandemic hit. New Jersey deemed all manufacturing essential, and these businesses were not laying off workers at the same rate as other industries. Manufacturers were able to retool, remain agile, and fight back against the COVID pandemic. Thanks to these businesses, the United States of America was able to regain its footing as the pandemic wreaked havoc on our nation and economy. The industry was thrust into the spotlight and Manufacturing Day will help maintain this momentum. During World War II the industrial might of the USA was revered but that popularity and respect soon faded. Manufacturing Day is essential, especially in 2021 to maintain that exposure and keep the industry in the public's eye.



Manufacturing Day is nationally celebrated on the first Friday of October and its success depends on every manufacturer speaking up and getting involved. Without the industry supporting itself, it will drift from public attention and lose the progress gained over the past few years. To learn more about 'MADE in New Jersey' Manufacturing Day or to find new ways to get engaged and speak up for the manufacturing industry, reach out to NJMEP today. Advocacy is a key pillar of how NJMEP supports the industry. There are countless ways to get involved and drive New Jersey manufacturing forward. 🧩





'MADE in New Jersey' Manufacturing Day 2021 'Manufacturer of the Year' Finalists

Manufacturing businesses from all throughout New Jersey are celebrated each year during NJMEP's 'MADE in New Jersey' Manufacturing Day Awards ceremony. 'MADE in New Jersey' Manufacturing Day 2021 brings together the entire industry on the first Friday of October to celebrate this nationally recognized celebration. Last year no single manufacturer took home a 'Manufacturer of the Year' award. During the start of the COVID-19 pandemic, every manufacturing business in New Jersey stepped up and earned the title of 'Manufacturing Hero.' After a year of disruptions, 2021 will be returning to relative normal for MFG Day 21. 'Manufacturer of the Year' awards return and attendees will be able to join in-person or virtually for those still facing restrictions.

The finalists below are in the running to join an exclusive group of New Jersey manufacturing businesses that can tout the title 'Manufacturer of the Year.' 'Manufacturer of the Year' awards are separated into six unique categories. Every finalist and the qualifications for each category can be found on the following pages.



'MADE in New Jersey' Manufacturer of the Year Start-Up Start-Up Manufacturing Business in NJ

timbur

Timbur LLC

Ezra and Ania Ardolino created a digital fabrication company that utilizes advanced robotic and CNC manufacturing methods to create distinct projects for global brands, retailers, and the architecture, art, and design industries. Their products are a thought-provoking mix of design, materiality, and robotics that re-imagine the national world. All Timbur products are proudly made in the USA using sustainable material and processes.

Each of Timbur furnishing is custom designed to meet the clients specialized needs. With their commitment to growing the business in New Jersey, leadership is focusing on improving their continuous improvement strategy. A blend of creativity and artistry in their products and the way they run their business put Timbur in the running for the 'MADE in New Jersey Manufacturer of the Year' award in the Start-Up category.



BELLUS

ALL NATURAL LABS

Bellus LLC



New Jersey is known as a Life Science leader but many don't realize many of these manufacturers are small and start-up operations. Bellus LLC is one of the Life Science manufacturers that make the Garden State stand out in this space. They manufacture skin care products using only all-natural ingredients. No matter how a customer wants to engage with this manufacturer, Bellus offers them the option. Whether a business has a product they formulated themselves, wants to use one of Bellus white label products, or needs a lab to formulate, package, and design a product, this 'MADE in New Jersey' manufacturer will be able to assist.



This New Jersey manufacturing business is on the forefront of innovation. The commitment they have to creating safe and healthy products is just one reason why Bellus stands out among the competition. Breakthroughs like their line of skin care products that have the capability to customize formulations to meet customers specific requirements keeps clients happy and the business growing. Bellus LLC is a perfect example of what it takes to be a finalist for 'MADE in New Jersey Manufacturer of the Year'.

'MADE in New Jersey' Manufacturer of the Year

Small 50 or Less Employees



F.W. WINTER INC. & CO.
THE METAL & ALLOY POWDER EXPERTS

F.W. Winter Inc. & Co.

F.W. Winter Inc. & Co. assembled a world-class, low-cost, production facility capable of manufacturing high-quality and consistent products. This New Jersey manufacturer positioned itself as a leading supplier of specialized metals, alloy lump and powders. Many of their products were formulated by F.W. Winter themselves. Through an impressive network of connections and partnerships that were handed down by the company's founder, F.W. Winter Inc. & Co. continues to offer fair pricing even in the face of the global pandemic.

This 'MADE in New Jersey' manufacturer is never done improving and innovating. In 2018 they implemented ISO 9001:2015 and engaged with NJMEP's lean services to create a culture of continuous improvement through lean manufacturing training. Leading with a family mentality, care, trust, and kindness toward all of their employees and staff allows them to better serve customers and build strong relationships with suppliers. With its headquarters in Camden, New Jersey, F.W. Winter Inc. & Co is an amazing example of a business worthy of being a 'Manufacturer of the Year' finalist.



ALEXIAN™
PÂTÉ & SPECIALTY MEATS

Groezinger Provisions Inc.



Groezinger Provisions Inc. is a family and women-owned business that manufactures pâtés and specialty meats in Neptune, New Jersey. This 'MADE in New Jersey' manufacturer has been in business since 1982. Groezinger and Alexian are their two signature brands, distributed to specialty food stores and high-end grocers across the country. Alexian Pâtés are made with fresh, natural ingredients, and are free from added hormones, antibiotics, and anything artificial. Producing a quality product and ensuring the product is safe for their customers is a top priority of the organization. To ensure they can continue to expand while maintaining quality standards, Groezinger Provisions invests in their workforce and business.

Both brands are focused on continuous improvement and providing the highest quality safe food to consumers. Leadership is always looking for the next way they can drive their business forward and consistently invests in professional development for their staff. Consistent growth, innovative business practices, a commitment to reducing waste, investing in their workforce, and never sacrificing quality put Groezinger Provisions Inc. in the running for a 'Manufacturer of the Year' award.



'MADE in New Jersey' Manufacturer of the Year Small 50 or Less Employees

CUSTOM
PICTURE FRAMES .com

Custom Picture Frames

This manufacturer combines creativity and craftsmanship to solve a common problem. Anthony Fontana built a thriving, full-scale manufacturing operation out of an idea. Located in Franklin, New Jersey Custom Picture Frames takes an innovative approach to the manufacturing process which makes it easier for more people to display their pictures, art, and keepsakes in a beautiful frame. Utilizing an efficient production process that keeps waste to a minimum, they are able to sell their products at an extremely competitive price point. Beginning as a passion project that only served friends and family, word began to spread because of the quality and ease of use.

Demand for their products is growing and Anthony is continuing to explore more ways to scale his operation while maintaining quality. It's a mission of the company to maintain their affordable prices no matter how much their business expands. Custom Picture Frames is an ideal example of a manufacturer fit to be a 'Manufacturer of the Year' finalist.



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'MADE in New Jersey' Manufacturer of the Year

Medium 51 - 250 Employees



LPS Industries Inc.

LPS Industries Inc is a leader in the packaging space and has been for over 50 years. They have the technical expertise to develop flexible packaging solutions for nearly any application. Businesses turn to LPS for their diverse range of capabilities and have delivered consistent, dependable performance with rapid turnaround for thousands of customers. This 'MADE in New Jersey' manufacturer has an impressive list of in-house capabilities which include laminating, coating, manufacturing preformed laminated pouches and monopolymer bags, slitting, printing, zipper extrusion, R&D and Quality Assurance along with so much more.

The broad range of manufacturing capabilities is only the beginning of what makes LPS Industries stand out compared to their competition. All manufacturing is performed using solar power at their primary New Jersey location. ISO 9001:2015 certified and a strict follower of GMP guidelines, this manufacturer earned its spot as a 'Manufacturer of the Year' finalist.



Norwalt Design Inc.



Since 1971, Norwalt Design Inc. has been the preferred resource for automation machinery. Their willingness to address often difficult automation problems with innovative custom solutions makes them a key asset to both long-time and new customers. They work with businesses in a variety of industries including plastic injection molding, food manufacturing, pharmaceutical, and the life sciences sector. This local 'MADE in New Jersey' manufacturer even played and is continuing to play a critical role in the fight against COVID-19.

This business is a shining example of a highly advanced manufacturing operation. Using the latest machinery, technology and a commitment to cultivating highly-skilled

workers allows Norwalt to produce amazing products that solve a plethora of real-world problems. With a focus on quality, this manufacturer is also active in working to reduce their carbon footprint. A commitment to their local community by investing in an apprenticeship program to give students and young adults hands-on experience at their facility helps expose more people to competitive jobs and fruitful futures. Norwalt will never stop working to improve, grow, and support its workforce and the local community. This manufacturing business deserves to be amongst the 'Manufacturer of the Year' finalists.



'MADE in New Jersey' Manufacturer of the Year Medium 51 - 250 Employees



Revel Nail LLC

This company is the embodiment of the American dream. The founders began by bottling their product on their kitchen table and later grew to a small, run-down warehouse in Deptford NJ. Both owners were working full-time jobs in addition to building the business. Phon Malone, CEO, developed a novel product named Up2You, allowing people to create gel polish out of their favorite nail polish color. This product, in addition to its dip powder, accelerated the company's growth. It allowed them to move into a bigger warehouse and sell to larger brands. All this growth took place over a few short years.



The example above is only one way Revel Nail works to break the mold. Committed to their customers and employees, they continue to invest to improve their processes to facilitate growth. Through investing in lean manufacturing training and working to ensure these strategies are adopted company-wide, their business remains an industry leader. Revel Nail and their entire team is a glowing example of a manufacturing business that meets all the criteria of a 'Manufacturer of the Year' finalist.



'MADE in New Jersey' Manufacturer of the Year

Large 251 or More Employees



Keystone Industries



Serving the Cosmetics, Dental, and health industries require a breadth of experience and innovative leadership. Keystone Industries has been helping their clients in these industries thrive by bringing their 100 years of manufacturing expertise to their projects. Their mission statement reads, "We are committed to the goal of total customer satisfaction. We are dedicated to the achievement of this goal by meeting or exceeding our customer expectations for product quality, competitive pricing and prompt delivery and customer service."



Keystone Industries is a 'MADE in New Jersey' manufacturing business that takes innovation seriously and is committed to developing and expanding their business here in the state of New Jersey. The fact they were able to retain 100% of their employees during the COVID pandemic and continue to recruit and grow is a testament to their commitment to their employees and communities. They used their capabilities and capacity to manufacture PPE including hand sanitizer, anti-microbial soaps, and disinfectants. Keystone Industries is a manufacturer that stood up in the face of COVID and is deserving of being a 'Manufacturer of the Year' finalist.



Wedgewood Village Pharmacy, LLC

Wedgewood Village Pharmacy, LLC is committed to serving both the human health and veterinary markets. This manufacturer has behemoth competition but continues to stand about and make an impression. Starting as a local community pharmacy they've grown to be one of the largest compounding pharmacies in the United States. They're located in several states in the US but a majority of their workforce and the HQ is located in Swedesboro, New Jersey. Even as they grew, they never stopped giving back to their local area.

This "MADE in New Jersey" manufacturing company is accredited by the Pharmacy Compounding Accreditation Board for compliance with PCAB and other recognized compounding standards. They currently employ over 700 employees nationwide and over 470 in new Jersey alone. When a New Jersey manufacturer can stand so tall among some of the toughest competition in the world, they earned their nomination as a 'Manufacturer of the Year' finalist.





'MADE in New Jersey' Manufacturer of the Year Large 251 or More Employees



CompoSecure LLC

Composecure manufactures premium payment metal cards like Visa and American Express credit cards. They have positioned themselves as a leader in the sector, becoming the largest metal card manufacturer in the world. This 'MADE in New Jersey' manufacturing company has been able to stand out from the competition by focusing on premium metal payment cards whereas their competitors primarily focus on the standard's plastic payment cards. Servicing the world's top banks, all their manufacturing facilities are in New Jersey but ship products globally. Materials science and research & development is a large part of what makes Composecure unique. They hold the IP on products they manufacture and bring together professionals and engineers from the traditional card manufacturing sector as well as engineers and R&D specialists from other industries.

At the start of the pandemic, CompoSecure began to review, improve, and overhaul stand operating procedures to ensure the safety of all the employees. This massive global disruption inspired them to do more for the local community and launched the #CompoCares initiative. The company even provides full-time employees 40 hours of paid time off each calendar year to volunteer with any non-profit organization of their choice. Continued growth hasn't stopped CompoSecure from supporting their employee's professional development and personal advancement. This New Jersey manufacturer is a prime example of what it takes to be a 'Manufacturer of the Year' finalist as both a 'Large Manufacturer' and 'Innovator of the Year.'



'MADE in New Jersey' Manufacturer of the Year 'Innovator of the Year' and 'Manufacturing Cares'



APM Hexseal Corporation



Founded in 1947 by Milton Morse and Riva Solins Morse, APM Hexseal set out on a mission to develop and manufacture environmental sealing solutions to protect and prolong the life of electromechanical switches and circuit breakers. This "MADE in New Jersey" manufacturer was instrumental in setting the initial standards for the military's new equipment protection requirements. They also played a major role in protecting United State's critical equipment during World War II. Innovation didn't stop in the 1950's. Currently, the company has 100 patents to its name. More than 50 million APM Hexseals "Boots" have been produced in a dizzying variety of types and sizes for military, commercial, and industrial applications all over the world.

More than 200,000 customers world-wide make use of APM Hexseal products. Customers include the boating industry, beverage dispensing machinery space, combat equipment of all kinds, off-road vehicles, medical equipment, and a wide-range of instrumentation and communications equipment. Innovators and 'MADE in New Jersey' trend-setters like APM Hexseal are fit to be called a 'Manufacturer of the Year' finalist!



Davion Inc.

New Jersey is home to a North American leading contract manufacturer of health, beauty, personal care and household products. Davion Inc. Produces millions of units for a multitude of customers and their ability to develop innovative products while bringing them to market quickly has been the key to this success.



They have the capabilities to fill jars, tubes, and pouches and all of their facilities are cGMP certified as well as Health Canada and FDA registered. Utilizing their fully equipped Research & Development laboratories they can develop a variety of product types including powders, gels, suspensions, creams, lotions, ointments, and single-phase liquids. Investing in the supply chain allows them to utilize an extensive supplier network to source the best quality ingredients and raw materials. A commitment to Quality Assurance and Quality Control ensure compliance with all established specifications. This 'MADE in New Jersey' manufacturer is a fantastic example of how providing end-to-end solutions for their customers can drive a business forward. Davion earned its spot as a 'Manufacturer of the Year' finalist.



'MADE in New Jersey' Manufacturer of the Year 'Innovator of the Year' and 'Manufacturing Cares'



Carl Stahl Sava Industries Inc

Founded in New Jersey in the 1970, this innovative 'MADE in New Jersey' manufacturer started out their journey as 'Sava' which was acquired by the Carl Stahl Group in 1988. They still manufacture and assemble its products at the 100,000 sq. ft. manufacturing facilities in Riverdale, New Jersey. Carl Stahl Sava Industries grew to become a leading manufacturer of high-quality, precision mechanical cable, cable assemblies, fittings, pulleys, and tools. This incredible manufacturer continues to invest in their workforce and facilities. The staff consists of thought-leading engineering and production experts that are dedicated to working with their customers to find the most appropriate and cost-effective, custom mechanical cable solutions.

Whether customers require custom-tailored fittings or are in need of a prototype, small production run, or require stress relieving or custom packaging, the Carl Stahl Sava Industries team can help. Few manufactures are able to provide so much value to so many industries. This New Jersey manufacturer fits the mold and deserves to be listed as a 'Manufacturer of the Year' finalist. 🏆



CONGRATULATIONS TO ALL THE FINALISTS

MFG DAY

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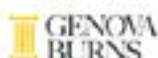
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TRENTON



TALK

EVERY DAY IS MANUFACTURING DAY

It is my pleasure to write to you with an update from the Bipartisan Legislative Manufacturing Caucus. The Manufacturing Caucus exists to bridge the gap between manufacturers and the legislators that represent them, to identify the specific obstacles facing each sector of the industry, and, ultimately, to draft and move legislation tailored to address these issues.

NATIONAL MANUFACTURING DAY...

One piece of the Caucus' mission is to bring awareness to the size, scope, and economic impact of this diverse industry. NJMEP's 2021 Industry Report reports that the average annual income of an individual in the manufacturing industry is nearly \$95,000. But even so, the vast majority of young folks are repeatedly told that the only way to begin their careers is to graduate from a four-year college. The same push to pursue careers in advanced manufacturing or in the trades just isn't there.

National Manufacturing Day offers yet another opportunity to highlight the economic impact of the State's manufacturing industry, the jobs it provides, and the new technologies driving innovation.

A LEGISLATIVE UPDATE...

The Legislature currently remains in recess and legislative activity will likely resume in November. We will spend the last few months of this 2020-2021



**SENATOR LINDA R. GREENSTEIN,
DISTRICT 14**

**CHAIR, NEW JERSEY BIPARTISAN
LEGISLATIVE MANUFACTURING CAUCUS**

Legislative Session pushing a number of bills to the Governor's desk and across the finish line. Just a few are listed below:

S3216 (former Caucus Co-Chair Senator Oroho, Senator Greenstein) would require various state entities to design and promote "manufacturing career pathways" in order to provide students with the skills they need to gain employment in the manufacturing or advanced manufacturing sectors.

S3857 (current Caucus Co-Chair Senator Testa, Senator Greenstein) would establish a "Trenton Makes Commission" tasked with finding and implementing the best ways to incentivize manufacturing businesses in New Jersey.

S3778 (Senator Greenstein) would establish a program to provide financial assistance to small businesses seeking to improve their indoor air quality. This is a bill I introduced after hearing from manufacturers that they had taken steps to make their facilities safer, on their own dime, and wanted to know if State assistance was available.

IN OTHER NEWS...

In FY2020, we fought to secure a \$1.5 million line item for NJMEP, matched by the federal government, in order to facilitate the opening of a new South Jersey training center. Just a few weeks ago, I was able to tour NJMEP's new Bellmawr training center in person.

In the FY2021 budget, NJMEP was awarded a \$2 million line item. I look forward to the new programs, equipment, and opportunities they'll be able to provide our New Jersey based manufacturers with this additional State funding.

IN CLOSING...

I am excited to participate in NJMEP's 'MADE in New Jersey' Manufacturing Day 2021, to learn more about emerging technologies and the complex needs of the industry, and to continue promoting an open line of discussion between manufacturers and the Legislature.

Strengthening this diverse industry takes more than just the work of a single entity. The success of our efforts in the Legislature is dependent on collaboration between Caucus members, NJMEP, and manufacturers themselves - making sure that we find solutions that actually work for you.

I look forward to the rest of 2021 and to the start of a new legislative session - there's still work to be done. 🍷



CONGRATULATIONS TO THE 'MANUFACTURERS OF THE YEAR'



SMALL

(50 or less employees)

Groezinger Provisions, Inc.

MEDIUM

(51 to 250 employees)

Norwalt Design, Inc.

LARGE

(251 or more employees)

Keystone Industries

START UP

Bellus, LLC

INNOVATION

CompoSecure, LLC

MANUFACTURING CARES

Carl Stahl Sava Industries, Inc.



CELEBRATING THOSE THAT STAND UP FOR 'MADE IN NEW JERSEY' MANUFACTURING

New Industry Allies Added to the 'Manufacturing Honor Roll'

'MADE in New Jersey' Manufacturing Day is filled with celebrations focused on New Jersey businesses. However, the industry could not progress without some stand-out partners and individuals. Time is set aside to honor some of these incredible entities that do so much for this vital industry. The 'MADE in New Jersey' Manufacturing Day Awards would not be complete without the 'Manufacturing Honor Roll' category.

The following individuals are being recognized for supporting the more than 11,000 manufacturing, life sciences, and STEM firms and their 400,000+ employees in the Garden State. Each of the 'Manufacturing Honor Roll' recipients will be given an award to immortalize their contributions to this critical industry. Manufacturing and the longevity of the industry depends on collaboration, innovation, and people. Those that are being recognized as part of the 'MADE in New Jersey' Manufacturing Day 'Manufacturing Honor Roll' have proven to be allies to the industry, supporting its development and continued progress in New Jersey.

See below for all the 2021 'MADE in New Jersey' Manufacturing Day 'Manufacturing Honor Roll' recipients:

- Senator Robert Menendez
- Congressman Josh Gottheimer
- Senator Tom Kean, Jr.
- Peter Connolly, President, ShockTech
Chairman of the Board, NJMEP
- The New Jersey State Employment and Training Commission (SETC)
- The Morris-Sussex-Warren Workforce Development Board
- Port Authority NY/NJ

New Jersey brings with it countless advantages to businesses, from its geographic location to its dense concentration of resources and highly educated workforce. There's still no escaping that manufacturers in the state have long been forgotten and neglected. Over the past two years, a light at the end of the tunnel presented itself. A new-found respect for manufacturing by the public has been catching on. The local businesses that stepped up to offset the PPE shortages or donate supplies and resources to their local community garnered positive and well-deserved attention. These businesses never stopped. They helped ensure we all had access to food and did their part in helping the supply chain could recover and progress. The 'Manufacturing Honor Roll' recipients showed they are willing to speak up for these accomplishments and are working to make sure the industry doesn't go unnoticed any longer.

On behalf of the entire industry, NJMEP would like to thank all those that continue to help contribute to manufacturing's progression in New Jersey and the United States of America. 🇺🇸



CONGRATULATIONS TO THE 2021 MANUFACTURING HONOR ROLL



Senator Robert Menendez



Congressman Josh Gottheimer



Senator Tom Kean, Jr.



Peter Connolly

Chairman of the Board, NJMEP;
President, ShockTech





Giving South Jersey Manufacturers Access to the Critical Services and Training They Need to Thrive

The 'Chris DePace' Training Center is Officially Open for Business

On August 19th state leaders, South Jersey-based manufacturers, and the NJMEP team came together to celebrate the official opening of the 'Chris DePace' Training Center. Located in Bellmawr, New Jersey, this training center has been established to better support manufacturers in the southern end of the state. Its first in-person training was successfully held on September 9th. This is the first of many courses and events that will be focused on helping manufacturers grow and expand.

"It's our responsibility to ensure that every manufacturing business in New Jersey has the option to take advantage of our services as New Jersey's MEP center. We've always been able to serve South Jersey-based manufacturers from our Cedar Knolls headquarters, but the opening of the Bellmawr training center makes it even easier for these businesses to upskill their staff and engage with NJMEP," explained John W. Kennedy, Ph.D., CEO, NJMEP.

Kennedy continued, "New Jersey is home to over 11,000 manufacturing and STEM firms. These businesses are located all around the state. The opening of our Bellmawr office not only marks a milestone in NJMEP's growth but is a massive step forward for the industry by extending our support of New Jersey manufacturing firms. It's a big day for our state and our industry,"

The Cedar Knolls Headquarters has always been able to service manufacturers no matter where they are located in the state. Remote teams have been strategically located throughout New Jersey for years. However, there's no better way to support

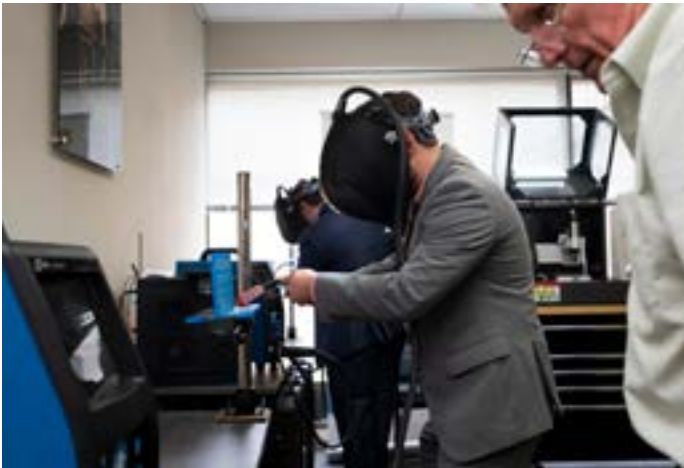


local manufacturers than by having a local presence. Having an established location in the south part of the state makes it even easier for business leaders to take advantage of in-person professional development courses for their teams. The fully-staffed South Jersey office is always open to any manufacturer looking to sit down with an expert and discuss how they can drive their business forward. The opening of the 'Chris DePace' training center is a much needed step forward for the New Jersey manufacturing industry.

The 'Chris DePace' training center was given its name in honor of a veteran NJMEP account manager that lost his life due to complications of COVID-19. Chris DePace will always be remembered as an honest, hard-working, and caring individual that would light up any room he stepped into. He worked with hundreds of manufacturers in his career at NJMEP and helped countless businesses and industry professionals grow and thrive in New Jersey. His impact on the industry and the people he connected with will be immortalized by the new training facility. Naming the

Not only was this milestone and Chris' memory worth celebrating by the NJMEP team, but prominent state leaders couldn't pass up the opportunity to attend the ribbon-cutting ceremony to share a few words about what this establishment meant to the area and industry. Senate President Stephen Sweeney, Senator and Legislative Manufacturing Caucus Co-Chair Linda R. Greenstein, Tim Sullivan, CEO & President NJ Economic Development Authority, and Assemblywoman Carol Murphy and more came to celebrate this massive achievement. The NJMEP Board of Trustees which is made up of local manufacturing and business leaders were all on-site, sharing with the audience exactly why a South Jersey presence will be a force for positive progress in the local area. The kind words of all of these amazing people and the incredible organization they represent are not only appreciated but act as encouragement to continue the NJMEP mission.

With one in-person training under its belt and multiple client meetings already completed and scheduled, South Jersey has the representation and support it will need for years to come.



facility after him is a wonderful way to honor this incredible individual and to make sure his name lives on. Chris and his legacy will continue to help local manufacturers achieve incredible successes so they can continue to support the local communities that meant so much to him.

Manufacturers in the southern half of the state will no longer have their voices left out of the conversation. New Jersey is not a big state, but too often are these businesses overlooked. NJMEP's 'Chris DePace' training center will be there to ensure all New Jersey manufacturing has access to the critical professional development opportunities and services they deserve while at the same time creating a local presence that cannot be overlooked by state leaders and legislators. 🧩



*New Jersey manufacturing is **Built to Last**. Come discover some of the featured manufacturers in this edition of Manufacturing Matters.*

Campbell Soup Company & Zero Surge

Campbell Soup Company

Many are unaware that New Jersey is home to one of the world's most recognizable food manufacturers, Campbell Soup Company. This business has been feeding the United States since it was founded in 1869. For over 150 years the company's mission has never changed: to make food that is delicious, affordable, and prepared with care – food that people love. Campbell Soup Company has withstood the test of time and proven that it can continue to accomplish its mission. The 'MADE in New Jersey' manufacturer has more than 1,200 employees based in Camden, New Jersey. It has grown exponentially over the years to where it stands now as an \$8+ billion company with over 14,000 employees worldwide. It is difficult to find a manufacturer that has connected with as many Americans as Campbell Soup Company.


This 'Built to Last' section is going to be a little different this week. NJMEP was lucky enough to sit down with Anthony Sanzio, Senior Vice President, Communications and Public Affairs, to discuss the past, present, and future of this amazing New Jersey-based food manufacturer. Learn more about Campbell Soup Company and what it took to create this unforgettable brand and hear how they remain committed to their mission. Read the complete interview on page 21.

Zero Surge

New Jersey is home to manufacturers of all shapes and sizes. Zero Surge is a small 'MADE in New Jersey' manufacturer that innovates in a big way. Located in Frenchtown, New Jersey, this local manufacturer was founded in 1989 by J. Rudy Harford. A problem-solver by trade, he wanted to completely reimagine the way the world looked at surge suppressors. He made it his mission to find out why surge suppressors failed and set out to improve the classic design. This local manufacturing business is a testament to the fact that an idea can be the first step toward progress. The company is now led by Jim Minadeo and Zero Surge continues on with its tradition of innovation and its commitment to customer satisfaction.

Progress isn't easy and constant innovation requires support to maintain growth and quality. Zero Surge products are used in a range of industries which requires the manufacturer to invest in the latest marketing practices to keep their products in front of their audience. Especially during the COVID pandemic, the 'MADE in New Jersey' manufacturer was looking for new ways to increase brand visibility. By partnering with NJMEP, they embarked on a digital marketing journey that would elevate their business and drive sales. To read the Zero Surge success story, turn to page 19 and see for yourself what a digital marketing transformation offered this New Jersey manufacturing business.

New Jersey manufacturing is Built to Last. These businesses and the employees that make it all possible are truly, 'Unsung Heroes.'

Check back in Manufacturing Matters every quarter to see the Built to Last manufacturing list. To be included, contact Mike Womack at mwomack@njmep.org and show the world your company is Built to Last. 

ZERO SURGE DOUBLES DOWN ON DIGITAL MARKETING TO EXPAND BUSINESS



SUCCESS STORY: INNOVATION & GROWTH

BACKGROUND

Zero Surge, located in Frenchtown, New Jersey began in 1989 when J. Rudy Harford was presented with the challenge of reinventing the surge suppressor. By closely examining failed surge suppressors Harford was inspired to improve the classic design. He developed and patented a series-mode surge suppression circuit that protects against the worst surges and he only continued to improve his design. Harford never stopped improving and Zero Surge's entire product line incorporates his revolutionary surge suppression technologies that are more reliable and more durable than other technologies on the market today.

Now led by Jim Minadeo, Zero Surge continues to develop additional models for emerging applications and improve the customer experience. The company is dedicated to using only US sourced components from US vendors. Currently, they have 7 employees and are constantly innovating to drive growth.

CHALLENGE

Surge suppressors are used in a plethora of industries spanning from restaurants and IT support to military and manufacturing and are critical in large-scale infrastructure projects as well. Zero Surge has a massive client pool but cutting through the noise is always difficult. All the time and effort spent upgrading their infrastructure while continuing to service key accounts and new business meant there was little time to spend on their digital presence. Their website was aging, and they weren't taking advantage of social media to strengthen their brand recognition and generate leads.

Since there are so many kinds of customers it creates a challenge when it comes to creating a focused marketing message. Zero Surge is a business made up of electronic and engineering experts. The individual responsible for marketing wears multiple hats and strictly focusing on digital and traditional corporate communications is not an option.

The combination of a large customer base and a product-focused business meant that Zero Surge was having trouble leveraging marketing to generate sales and growth opportunities.

SOLUTION

Zero Surge has engaged heavily with NJMEP events, open enrollment courses, and is active in the manufacturing community. Their product is unique and their needs are specialized. This history of engagement and trust made it easy for Zero Surge to reach out to NJMEP and talk through some of their pain points.

An initial consultation was conducted between Zero Surge leadership and their NJMEP Account Manager. NJMEP has visited the facility a few times over the course of 6 years, but it is critical the complimentary business assessment is as up-to-date as possible before exploring possible solutions to any business challenge. The Account Manager was introduced to the manufacturing process, toured the facility, and sat down for a lengthy discussion to ensure they understood all of Zero Surge's challenges. It was confirmed that exploring digital marketing could be an ideal way to offset COVID-19 disruptions in the short term while also helping their business grow and expand in the long term.

The next step was to bring in the Digital Marketing resource alongside the NJMEP Account Manager to meet with leadership. The Digital Marketing resource was introduced to Zero Surge and a thorough examination of Zero Surge's current marketing materials and digital presence was conducted. Once all the current materials were reviewed, an extensive digital plan was presented to Zero Surge.

NJMEP and Zero Surge are collaborating in the following areas:

- **Social Media activity and engagement**
NJMEP is training Zero Surge on social media best practices. Social Media posts are developed weekly and the Digital Marketing resource works with the Zero Surge team to refine the message.
- **Original content development in the form of blog posts**
Blog Posts and original web content is being produced to enhance the manufacturer's digital presence. The client is being educated on best posting practices and the value of original content to their digital marketing efforts.

- **Website Design**

A new home page is being developed to increase lead capture.

An updated theme is being used to make the site more functional and appealing.

New photos and graphics are being added to clarify the applications and audience reach.

- **Promotional Video Development**

6 promotional videos are being produced to serve as content for social media and featured website content.

- **Amazon Content Updates**

NJMEP is assisting Zero Surge in updating and improving its brand content for Amazon while educating Zero Surge on the best eCommerce product description practices.

RESULTS

Manufacturers that can effectively deliver their message in the digital space can increase their brand presence and bottom line. Zero Surge took the initiative to partner with NJMEP and improve its digital marketing efforts through a combination of training and consultative programs.

Zero Surge cited the following impacts from working with NJMEP over the past 12 months...

- **INCREASED SALES: \$90,000**
- **COST SAVINGS: \$10,000**
- **EMPLOYEES RETAINED: 7**

"If you're a manufacturer looking to improve your social media presence but haven't decided which service company to use, I recommend contacting NJMEP. They vet the service provider and supervise the project to make sure goals have been met,"
Jim Minadeo, President, Zero Surge."

Happy Retirement to a Long-Time NJMEP Team Member

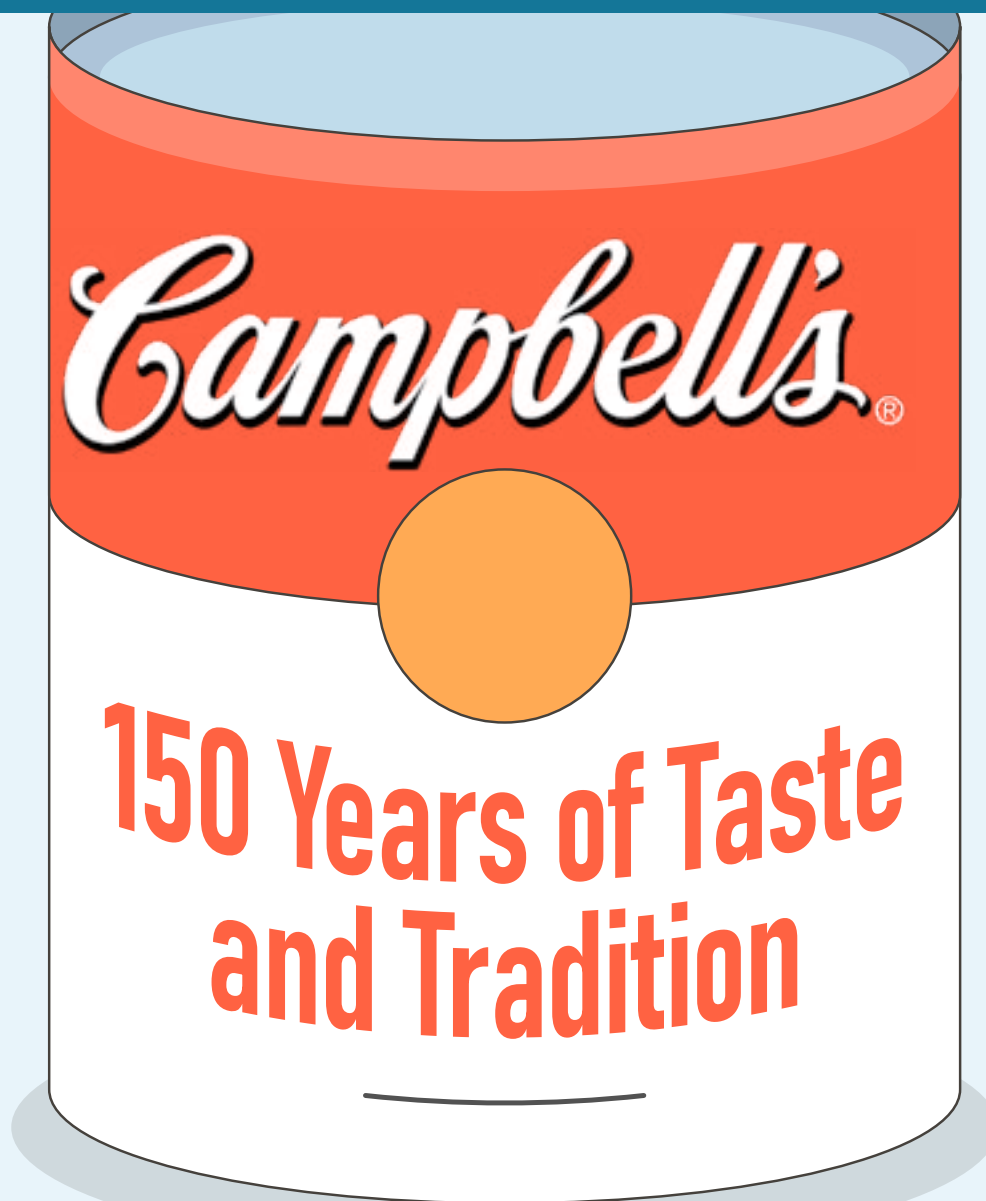
Bob Basso retired after 14 years of service. Bob has watched NJMEP grow from a small operation with only a few full-time employees to where it is today, 50 employees strong and nearly 100 resource partners. He was integral in the growth in his position as Controller.



His last day was June 30th, 2021. The NJMEP team and his amazing wife gathered at a local restaurant for drinks, food, and to remember all of Bob's contributions. In 14 short years, the entire organization is in a much different place. Through natural disasters, massive industry disruptions, and countless challenges, the company turned to Bob as a trusted resource to help weather the storms.

There is no doubt that Bob Basso will be missed around the office and throughout the New Jersey manufacturing industry. NJMEP and everyone that was lucky enough to work with him is going to remember his calm, and friendly demeanor. His professionalism and friendly presence will not be forgotten. Bob may be hanging up his NJMEP shirt but that didn't stop him from attending 'Jersey Guys' 6, No Lost Causes that took place in late July. Even though he will no longer be working with NJMEP, he couldn't say goodbye before taking part in this amazing fundraiser. This is a great example of why Bob will always be remembered by the people he worked with. Bob is a man that always went above and beyond, believed in the NJMEP mission, and always took the opportunity to give back.

Thank you for 14 years of incredible serve, Bob! 🍎



Campbell Soup Company has stood the test of time by maintaining the core values that have made the New Jersey company a fixture for generations

Even as Camden's own Campbell Soup Company celebrates its recent sesquicentennial anniversary, the company is looking ahead with a focused strategy, new product lines, a younger consumer

base, and a post-pandemic momentum. Yet they are still guided by the tried-and-true principles that have made them one of the most iconic and trusted food brands in the world for a century and a half. NJMEP recently spoke with Anthony Sanzio, Senior Vice President, Communications and Public Affairs, about the past, present, and future of this venerated company.

NJMEP: As one of the oldest established manufacturers in the state (and the country), you've seen a lot of companies come and go. To what would you attribute your longevity and resilience?

ANTHONY SANZIO (AS): Campbell was founded in 1869. For over 150 years, Campbell has been in the kitchens and pantries of homes across the world. We have also played a huge role in culture and tastes, especially in North America. From tomato soup and grilled cheese to Green Bean Casserole on Thanksgiving tables across America, Campbell has helped define some of our favorite comfort foods. From the battlefields of WWI and WWII to the Apollo missions, Campbell has been there. Campbell has found itself at the center of pop culture, from Andy Warhol's famous paintings of Campbell's Soup Cans to the catchy "M'm! M'm! Good!" jingle to other cultural icons like the Campbell Kids, "Wow, I could've had a V8" and some of our classic advertising on TV shows like Lassie.

Today, we are an \$8+ billion company with more than 14,000 employees – more than 1,200 of which are based in Camden, New Jersey—which has always been our home. Our headquarters is located about a mile from where the company was founded on the Delaware River. Campbell has always made food that is loved by people from all walks of life, from busy parents who need a little help with dinner to avid cooks and health-conscious consumers who appreciate the original plant-based beverage, V8. Family breakfasts start with Pepperidge Farm, kids hope to find Goldfish in their lunchboxes, dinners are made with Campbell's condensed soups, Swanson and Pacific Foods are used to create memorable meals, friends reach for Kettle Chips or Snyder's of Hanover while watching their favorite games, and kids snack on Lance crackers in the dugouts of Little League games. In almost every way, our food is part of everyday life for millions of people, across generations. We have a unique and differentiated portfolio filled with the "fabric of the nation brands" that consumers love. Today, more than 95% of U.S. households have a Campbell product in their pantry.

For us, the key to longevity is making food that people love, and connecting with them in meaningful ways. We have iconic brands consumers truly love. Now, we're taking these iconic brands, which people have such strong emotional attachments to, and making them relevant for new generations of consumers. Take soup, for example. Over the past few years we've seen a rise in what we call

quick scratch cooking – assembling simple ingredients for a great tasting meal. This was only amplified over the past 18 months, when consumers were eating at home more than ever before. Now, as we emerge from the pandemic, we are focusing on how we can help people with convenient, easy and inspiring recipes—how they can take that can of soup and combine it with a few other ingredients to make a quick and delicious meal for their family, or find a quick on-the-go snack. And we're seeing great results—with millennials driving strong growth in condensed cooking, broth and ready-to-serve soup.

NJMEP: The COVID pandemic had a devastating effect on businesses of all kinds. How did you weather the storm? Was the company as prepared as it could have been? How did it change your business model?

AS: Today, looking back over the past year and a half, we know a lot more about COVID-19 than we did in March 2020. We pride ourselves on being prepared, and our ability to anticipate a crisis or an external event that could impact our business. But there was no playbook in the early days, no information about how a company should respond to a truly unprecedented situation.

From the outset, our CEO's first step was to simplify our mission to focus on three clear priorities:

1. Take care of our people
2. Produce and distribute our food as safely and as quickly as possible for our customers, consumers and communities across North America
3. Anticipate and plan for the future

This focus helped everyone in the company—from front-line teams coming into our plants each day to office-based employees who suddenly found themselves working remotely—reprioritize and focus on the mission at hand. Our teams rallied and executed extremely well in an unprecedented operating environment. It required tremendous effort across every aspect of the business. The real heroes are our essential front-line teams who worked 24/7 to keep food on shelves across North America.

We also learned a lot about communication and new ways of working. For example, health screenings, contact tracing



and social distancing protocols disrupted the way our plant teams operated. It also impacted how we communicated, so we installed new digital signage to keep our front-line teams informed. As we begin to return to our office-based locations, we've also upgraded many of our conference rooms, both at our offices and across many of our manufacturing sites, to enable improved connectivity and collaboration tools across our network. Our IT team has done a tremendous job adapting to the new environment and keeping us all connected.

The impact of the pandemic has been profound and has impacted so many lives. We were fortunate to be in a position to support the needs of our customers and consumers, which rapidly accelerated our existing strategy in terms of building relevance, attracting and retaining new and lapsed consumers, and opening the door to younger households. Now, we are focused on retaining these new households by providing delicious food and experiences for our consumers.

NJMEP: Even with the pandemic largely behind us, there are still dangers out there—cyber attacks, meat shortages, supply chain interruptions, foreign competition, tightening regulations, etc. What are the biggest obstacles you are facing in 2021, and how are you preparing to overcome them?

AS: If the past 18 months have showed us anything, it is to expect the unexpected. You have to be agile to respond to this ever-changing environment. We are always mindful of business risks and prepare the best we can to mitigate those risks, whether it's cyber security, storms or other external events that could impact the business. Right now, we're focused on how we can continue to build relevancy for our iconic brands, while addressing current industry headwinds like inflation. We're also taking learnings from the pandemic, for example within

our supply chain, to build a better, more resilient company. The progress we are making on our categories and brands and the overwhelmingly positive indicators that we are seeing from consumers and customers make me confident that we will unlock Campbell's full growth potential.

NJMEP: Your company has been a fixture in Camden for generations...what makes New Jersey such a good place to do business? How has your relationship with the city/state evolved? How do you connect with and benefit from the community?

AS: South Jersey is a great region to do business. Our location provides us easy access to the world's financial center in New York as well as government and regulators in Washington, D.C. We have access to excellent higher education institutions on both sides of the Delaware River, providing a pipeline of talent. The region also offers our employees great quality of life with access to great schools, arts, culture and entertainment—particularly important as we look to attract and retain top talent.

We are very proud to have called Camden home for our entire 150+ year history. We made significant investments in Camden, including a \$132 million investment back in 2010 with our new Campbell Employee Center. We also helped attract other companies to Camden, including Subaru of North America, which is now our neighbor in the Gateway District.

Let's start with our relationship with the city. We have a long history of giving back to our hometown community through charitable grants, product donations and employee volunteerism. Right now, we're in the final year of our 10-


year, \$10 million effort to improve the health of young people in Camden. A highlight of the Campbell's Healthy Communities program is the Healthy Corner Store initiative, which provided store owners with technical assistance and support to increase healthy food access and market healthy foods. Starting with two stores in 2011, the initiative has grown to 42 stores—40% of all corner stores in Camden. As we look ahead to what's next, we're working to build upon that legacy with a new multi-year commitment focused on developing a blueprint for creating a healthy school food environment—starting in Camden—in which all students have access to the food they need to thrive.

During the pandemic, we contributed \$9 million in funds and food to support our hometown communities, with more than \$1.5 million going to organizations that serve New Jersey. We also donated \$100,000 to help the Camden City School District purchase laptops to enable remote learning and contributed \$100,000 to the New Jersey Pandemic Relief Fund. Last October, our CEO Mark Clouse joined Governor Murphy and the New Jersey CEO Council in supporting economic recovery in our state, including a pledge to increase our spending by 25% with N.J.-based small and diverse suppliers by 2025.

NJMEP: What do the next 150 years hold in store for your company and your market sector? Are there any trends and tastes that are affecting manufacturing, and food manufacturing in particular (vegan, non-GMO, organic, ethnic foods)? Any new product lines or branding updates aimed at addressing changing palates?

AS: We're always looking at ways to meet the needs of our consumers, whether that's through new products or new ways of engaging with our consumers. When it comes to emerging trends like plant-based, we like to say that we have the original plant-powered drink with V8, which was actually

created in 1933. More recently, our Pacific Foods brand offers a variety of plant-based soups and beverages. And last year, Pacific introduced condensed soup varieties in a can—all of which are organic and gluten-free. These products will help consumers quickly and easily add organic, nutritious ingredients to their meals.



We are very proud to have called Camden home for our entire 150+ year history.

In our snacking business, we're rolling out bolder flavors, which we know appeal to younger consumers. Last month, we launched limited-edition Goldfish Frank's RedHot crackers. And it's not just about new products. We're also evolving in the way we engage with consumers. For example, in April our Goldfish brand created the "Go for the Handful" TikTok Challenge with NBA players Boban Marjanović and Tobias Harris. The challenge garnered billions of views and helped us reach a new audience for the brand. So, looking ahead to the next 150 years, I believe we will continue to succeed by innovating to meet the evolving needs of consumers.

NJMEP: Any advice for New Jersey manufacturers who are just getting started, or looking to expand their business?

AS: It starts with having clarity around what you stand for as a company—having a clear purpose, values, and mission. Campbell was founded as a purpose-driven company, and the essence of our purpose hasn't fundamentally changed in 150 years—to make food that is good, honest and affordable and that people love. The next piece is having a solid strategic plan – identifying your key priorities, how you will achieve your goals and how you will measure success. Then, you need to get the right people on the bus, in the right seats, to drive your business forward. You also need to adopt standard processes that create predictability and the ability to forecast. And last, you need to expect the unexpected and be agile in adapting to whatever challenges come your way.



A wooden rolling pin lies horizontally at the top of the frame. To its left are three brown eggs. To its right is a white bowl containing flour. In the bottom right corner, a whisk with a green and white checkered handle is visible. The background is a rustic wooden surface.

Finding a Recipe for Success: 5 Essential Questions NJ Food Manufacturers Should Be Asking

Are you in the food business? Did you know there are more than 1,300 food and beverage manufacturers in New Jersey, making up more than ten percent of all manufacturing entities in the state? Whether you operate a full-scale processing plant or a Mom & Pop candy shop, you face a unique set of challenges as a producer of edible (or potable) commodities. Luckily, you're in good company, and in good hands with NJMEP as your go-to resource for training, advice, and best practices pertaining to any facet of your business.

Our specialized food manufacturing expertise can help you get your facilities and employees up to speed, overcome roadblocks, and find answers to questions like:

How can we reach a bigger audience and grow our brand?

NJMEP offers specialized seminars on Business Growth Services including Strategic Planning, Lead Generation and Marketing Assistance. You'll find a wide variety of resources designed to put you on the growth track toward a wider consumer base and a larger industry footprint. Let our experts give you the tools to make your business boom.

How can we make our products more efficiently, with less waste?

Your plant will work smarter when you take advantage of NJMEP's Business Efficiency Consultancy services, including intensive training in food-specific Lean Manufacturing Techniques, Plant Layout Optimization, and Cost Segregation Analysis.

How can we make sure our products are safe for consumers?


A new Online Food Safety program has been developed by NJMEP to ensure food and beverage manufacturers have easy access to training. Employees can participate in five self-paced online food safety training courses. These courses include cGMP Requirements & Readiness; Food Allergens; Food Defense; Food Recall and Withdrawal; and HACCP.

How can we make sure we are in compliance with all regulations?

NJMEP understands the importance of developing and maintaining key internal controls that ensure the reliability of compliance systems and meet certification requirements. A growing number of companies require their producers and suppliers to implement a certification program. Certification to a GFSI-certified standard (e.g., SQF, IFS, BRC, FSSC 22000) demonstrates that a company is working actively to manage its food safety risks. Our experts help you select the food safety standard that best aligns with business objectives and capabilities to ensure that compliance methods are optimized. We then manage the entire compliance and certification readiness process, working directly with onsite employees to mitigate risks, ensure certification, enhance market reputation, and drive business performance.

How can we make sure we are hiring quality employees?

The Industrial Manufacturing Production Technician Registered Apprenticeship program for Food focuses on production staff in the food and beverage manufacturing and related industries. Potential participants are incumbent workers with or without experience, formal education or new hires (High School graduates, veterans, the unemployed, workers without industry-relevant experience.) After graduation from the program and with additional classes and certifications, they would eventually make a prime candidate for supervising and managing roles.

Since its founding, NJMEP has been dedicated to the advancement of New Jersey food and beverage manufacturers. These examples are just a taste of the comprehensive learning and consulting resources available to our clients in this vital industry. For more information on how your company can benefit from our expertise, go to <https://www.njmep.org/food-training-program/> 

A New Kind of Criminal Threatens Critical Companies

New Jersey Defense Manufacturers Should be on High Alert for Cyber Attacks

Americans might not always see eye-to-eye on political or social issues, and there will always be heated discussions about what policies are best for our country. But people of all parties can agree on one thing: there is an ever-present, ongoing need to keep our citizens and our democracy safe from aggression.

New Jersey manufacturers are doing their part. While our state is home to prominent defense technology companies like Lockheed Martin and BAE Systems, it's also a haven for a number of smaller local manufacturers who supply many of the parts and materials that are vital to aerospace and other defense sub-sectors.

Now America faces a new threat, not from bullets or bombs. With the recent cyber attacks on petroleum facilities, transportation networks, and other vital components of infrastructure, it's clear that some of America's most vital assets are among its most vulnerable. Growing dependency on web-based tools, combined with the dramatic increase in the number of employees working remotely, creates a "perfect storm" scenario for cyber criminals to exploit.

A \$4.4M Lesson on Cybersecurity Do's and Don'ts


The recent ransomware attack on petroleum distributor Colonial Pipeline provided a textbook example of how a vulnerable online system can be breached and disabled.

Using an inactive account on the company's Virtual Private Network, hackers were able to gain access to Colonial's servers and install malicious code that crippled the pipeline control system. The company had no choice but to pay the \$4.4 million ransom...a very expensive wake-up call for Colonial, and a cautionary tale for other would-be victims. An investigation revealed a number of unsafe practices that contributed to Colonial's online vulnerability, including:

- **Poor VPN account management -**
Neglecting to identify and delete unused remote access accounts is essentially like leaving a basement window open.
- **Poor password management -**
Investigators speculate that the old VPN account's password was posted on the dark web. A Colonial employee may have used the same password on another account that was previously hacked.
- **Lack of MFA -**
Without a Multi-Factor Authentication (MFA) protocol in place, there was no second line of defense to deter the attackers.
- **Lack of network segmentation -**
Since all the company's servers were connected with a single login and no segmentation between departments, the hackers had access to every point in the system, including the software that operates the pipeline.

Cyberlink Helping to Protect the Companies That Protect America

Defense manufacturers of all sizes are at high risk since they encompass a complex supply chain that can potentially be compromised at any point along its length. As we have seen, cyber criminals can exploit a single weakness to cripple an entire network and will often target smaller suppliers who lack a robust cybersecurity presence. Recognizing the urgency of this new threat, NIST worked with the U.S. Department of Defense (DoD) to develop the Cybersecurity Maturity Model Certification (CMMC), a comprehensive set of protocols and procedures created to address a myriad of online threats and establish a baseline requirement of cybersecurity preparedness. Through our Cyberlink program, NJMEP leveraged the model to provide cyber safety certification for the Army and intelligence communities and develop a scalable solution specifically for small to mid-size companies. CMMC will provide New Jersey defense manufacturers with a robust set of tools and methodologies to recognize and prevent cyber attacks. NJMEP is here to guide them at every step in the certification process.

Learn how NJMEP can help your company become cyber-secure and compliant by visiting NJMEP.org/cyber. 



ROAD TO RECOVERY:

OPTIMIZING CASH FLOW DURING SUPPLY CHAIN DISRUPTION

During the massive disruption the pandemic has caused, the focus for most business owners in the supply chain market has been to protect employees and accelerate cash flow. The full impact on our businesses is still not foreseen, but through creative tactics and cash flow conservation strategies we can alleviate some of the pain now and get on a path to recovery.

As many manufacturing businesses have been trying to navigate how to manage operations while working remote and/or within a safe working environment, there are many questions still left unanswered. *When will customers and vendors resume normal business activities, and at what capacity? What are the ramifications to our businesses in the longer-term because of this pandemic? What does our workplaces look like moving forward, and what type of investments need to be made?*

It is important to stop and address the foundation of your current and future cash flow so your business can stay as strong as possible through challenging times. Since it is not business as usual, you need to take a fresh look at your daily, weekly, and monthly cash flow analysis.

Here are some areas to consider to potentially increase your business's cash flow today:

- **Seek aid.** Loan, grant and tax incentive programs have been provided from the federal and local level. Speak to your business advisor or visit Sax's COVID-19 Resource Center to reference options.
- **Re-visit insurance coverages.** COVID-19 and supply chain issues have caused businesses to change the way they conduct business (some have scaled up and some have scaled down) which could influence the amount of coverage needed (in addition to the need for cybersecurity).
- **Get your tax refund** if you haven't already. If you're owed a refund, file your return now for some extra cash. If you expect to have a refund due for 2021, then be prepared to file your 2021 return earlier in 2022.
- If you had a **net operating loss (NOL)** for 2018, 2019, and 2020 you can evaluate the option to carry it back to offset prior years taxable income. This can generate a relatively quick tax refund to use for your business.
- If you acquired and placed in service any **qualified improvement property (QIP)** after September 27, 2017, you may be eligible for a tax refund. The CARES Act made a technical correction to the TCJA allowing this property to be eligible for 100% bonus depreciation. However, you need to file an amended return to claim the refund.
- **Evaluate your safe harbor rule.** Business owners can reduce or eliminate 401(k) contributions if they give supplemental notice to employees explaining the action.
- **Get creative and make your dollars go farther.** Barter for the things you need. You'll get the goods and services without using your cash. Also, instead of scrapping your typical in-person events, virtual events are now widely accepted with little or no overhead costs.
- **Evaluate expenditures and weigh priorities.** Now may not be the time to purchase those promotional items or advertise at full capacity. Also, there may not be a way to get around fixed expenses like rent, but some landlords are deferring payments. It is in your best interest to have an open conversation and see what options are available to you.
- **Communicate with your customers and vendors and evaluate their needs.** How have they been impacted by the shutdown, and when will the demand for services most likely continue?

- **Proactively manage collections** by staying on top of outstanding receivables and monitoring the timing of your future cash collections. To get paid faster, consider offering customers/clients electronic payment options. Also, make sure your collection policies allow you to collect as soon as possible (i.e., adjusting your 30-day payment period to payment upon receipt of invoice).
- **Evaluate your monthly services and equipment** to determine what you are not using during your limited operations/shutdown. Be sure to notify vendors that services should be halted or modify the service schedule.
- **Reevaluate inventory levels** and modify your purchasing process based on the slowdown in sales or the demand for certain products or services. Delay purchases and inventory shipments based on cash flow availability.
- **Review your next 12-month schedule** of business travel, tradeshow, sponsorships, etc. and look to obtain refunds or credits for events canceled or postponed.
- **Evaluate gross profit margins by client.** Focus on increasing sales with more profitable clients and perhaps discontinuing services to slow or no paying clients. Also, consider offering discounts or promotions to encourage sales during the shutdown.
- **Evaluate your vendors** based on standability and availability. It may be time to consider multiple or back up vendors for key products and services.
- **Identify new vendors** for supplies needed to address the new workplace requirements and the reconfiguring of workspaces needed to comply with the social distancing and gathering protocols.

These are just several areas that require analysis to strengthen your cash flow but speak to your advisor as each manufacturing business is different. Although the future is uncertain, doing our best to project our future is paramount to give us the leg up. By being proactive in evaluating gaps or negative potential outcomes, we are putting our business in the best position possible during these tough times. After all, in tough times come new opportunities. Are you ready? 🍷

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Industry 4.0 Requires a Connected Business System Architecture

The current state of business system architecture and industry 4.0 adoption

Collecting data is easy, but gleaning insights from data has always been challenging. And actionable instructions or the orchestration layer built based on the gleaned insights is even more difficult. But this is where the real value of industry 4.0 initiatives is when machines and software can learn the context in real-time and take actionable steps that will positively impact the bottom line.

While manufacturers have accelerated the adoption of industry 4.0 initiatives, they have focused mainly on data gathering. In addition, their efforts concentrated on automation that can replace repetitive and mundane tasks with robotic applications. But without the critical orchestration layer, the companies have been struggling to reap the benefits. And because of this issue, the feelings have been mixed with the potential of Industry 4.0.

The orchestration layer plays an important role. Its function is to process gathered data and produce actionable instructions based on real-time internal or external factors. An example of internal factors could include dynamic scheduling changes due to a bottleneck in the production process. On the other hand, the external factors would be to make changes in the warehouse picking process because of sudden changes in the order volume.

The deficiencies in the traditional business system architecture

The orchestration layer is not just about technology. The most important reason for the missing layer is the organizational division of the manufacturing companies. This division could be related to how these companies made decisions and allocated budgets. It could also be associated with the technical division of the systems and networks because of the traditional conflict between the plant and enterprise priorities, often referred to as IT vs. OT.

This siloed mindset and conflicting priorities limit the cross-functional collaboration between plant, procurement, logistics, sales, or engineering teams. For example, the plant teams would get instructions from the top floor to deliver production orders without much insight into enterprise-level data. Based only on the shop floor data, they would optimize the changeovers, predictive maintenance, and overall equipment effectiveness. The enterprise teams would also have limited visibility into the plant-level information.

The business system architecture challenges of a growing organization

Division becomes more evident as the organization grows and adds more sites and facilities. Most facilities make decisions independently in a multi-site organization. These decisions could be related to procurement, sales, or production. The process for sharing resources is predominantly manual and chaotic, while each site maintains its system independently. Even if the sites may have access to the systems at other sites, correlating data points and

searching answers would require manual interpretation of data.

Furthermore, since the systems don't share one codebase and database, the company will not have centralized inventory and resources. It would make planning challenging for operations managers. For example, let's consider a scenario where a site may be running at 50% capacity while the other site may be looking for an additional 20% capacity to meet the deadlines.


If the production manager needs to move this additional demand to the new site, the process would be manual and require making multiple calls and manual coordination. This ad-hoc process would also make monthly, quarterly, or annual operational plans and forecasts difficult. Finally, it will result in conflicts between sales and operations as the operations team would be frustrated with the ever-changing requirements. In contrast, sales would be equally frustrated due to operations' inability to provide clear insights into the operational schedule and delivery dates.

Why is connected business system architecture needed?

To capitalize on the promises of industry 4.0, most systems in the enterprise and departments need to be connected in real-time bi-directionally. The edge devices need to communicate the data to a centralized engine that can produce optimum instructions using machine learning algorithms for each robotic application across the enterprise. It also requires connecting most current systems in real-time without manual decision-making involved.

Conclusion

Technology has come a long way for us to take advantage of completely automated factories that can improve the life of the average manufacturing worker. But unless we remove the organizational silos, it's hard to understand and recognize the benefits of these technologies.

So the first step of your journey to industry 4.0 would be to connect all your current systems in real-time, whether it is fully integrating the ERP system with other systems such as e-commerce and MES or marrying IT and OT systems to one network. 

Sam Gupta has been an ERP thought leader in the digital transformation space for nearly two decades, with the primary focus on financial systems and ERP. He has been part of large transformation initiatives for fortune-500 corporations but now spends his time consulting with SMEs as a Principal Consultant at ElevatIQ. Sam's deep expertise in manufacturing value chain combined with cross-industry expertise enable him to have higher success rate with digital transformation initiatives in the manufacturing, distribution, and retail industries. He is involved with digital transformation projects ranging from enterprise technology selection, integration, upgrade, implementation, and training. Sam regularly speaks at industry conferences and contributes his experiences through many popular blogs and publications. He also hosts a podcast called WBSRocks focused on business growth through digital transformation and ERP where he interviews top influencers and executives from ERP, Supply Chain, Digital Transformation, Supply Chain, and Accounting.



What trade, tax, and environmental policy shifts mean for manufacturers

By Shruti Gupta

Governments around the world are focused on bringing back critical supply chains and achieving strategic autonomy by rebuilding their domestic capabilities. This rebuilding is also going green as environmental concerns get factored into national, industrial and corporate objectives, and significant investments are needed at the national level to achieve these objectives. Accordingly, government proposals are focused on trade, tax, infrastructure, and environmental policies that will better enable these goals. These changes will introduce new opportunities for prepared manufacturers, especially alongside expectations for significant post-pandemic economic growth in the future (though the spread of the coronavirus delta variant is an element of uncertainty in the near term).

“The American economy is on the cusp of growth not seen in decades, but the sustainability of that growth will depend on decisions made today concerning taxes, spending and infrastructure” says Joseph Brusuelas, chief economist of RSM US. Industrial companies should harness technology and take into account the lessons learned during the pandemic and shifting government policies to position themselves to take advantage of what some are calling the Roaring ‘20s of the 21st century.

Trade

As the pandemic continues, various countries targeting self-sufficiency in critical supply chains are investing in advanced manufacturing capabilities and providing incentives to companies in key sectors. In addition to President Biden's \$1.2 trillion infrastructure proposal that aims to modernize the country's aging infrastructure, the administration is taking a whole-of-government approach to assess vulnerabilities and strengthen supply chains in areas including semiconductors, large-capacity batteries, and critical minerals and materials. The pandemic has also spurred other countries—such as Australia, Japan and parts of Europe—to invest in advanced manufacturing capabilities and provide incentives to companies in these key sectors.

These government initiatives provide opportunity for manufacturers that can cater to these markets, both in the United States and abroad. Accordingly, these policies will affect the choices that such manufacturers should make while considering global expansion, including whether to establish new manufacturing operations or export to new locations.

Taxation

Corporate taxes are arguably the preferred method to finance the above initiatives. The Biden administration wants to bring back manufacturing, but few U.S. tax proposals target reshoring. This makes sense because reshoring decisions encompass much more than tax policy and are based on operating costs and accessibility to talent, suppliers and markets.

At the same time, the global tax policy framework is itself undergoing a paradigm shift, toward taxing companies

based on the location of their customers instead of the taxpayer's country of residence. Also, countries that have long competed with one another to attract corporations by lowering tax rates are coming together to agree on a global minimum tax proposal to stop this race to the bottom. There is a long way to go before these proposals may be finalized, but given the focus on building back their economies, governments will be increasingly focused on discouraging tax base erosion.

Infrastructure and environmental policy

Environmental, social and governance issues continue to get attention and are shaping countries' policies as they race to meet net-zero emission targets. The tax proposals released by the Biden administration provide a host of credits and incentives for investments in clean energy and eliminate existing tax preference items for companies in the oil and gas and coal industries. The European Union is considering a carbon border tax—a tax on imported goods based on the greenhouse gases emitted to make them—initially for steel, aluminum, cement and fertilizers. The EU has garnered broad support from its members and has been more aggressive on environmental policy initiatives—but its trading partners that don't have robust environmental policies to begin with may find these measures unsettling.


\$949B in green stimulus* approved to date—by country



Source: BloombergNEF; RSM US LLP

*Green stimulus refers to stimulus policies that drive clean growth

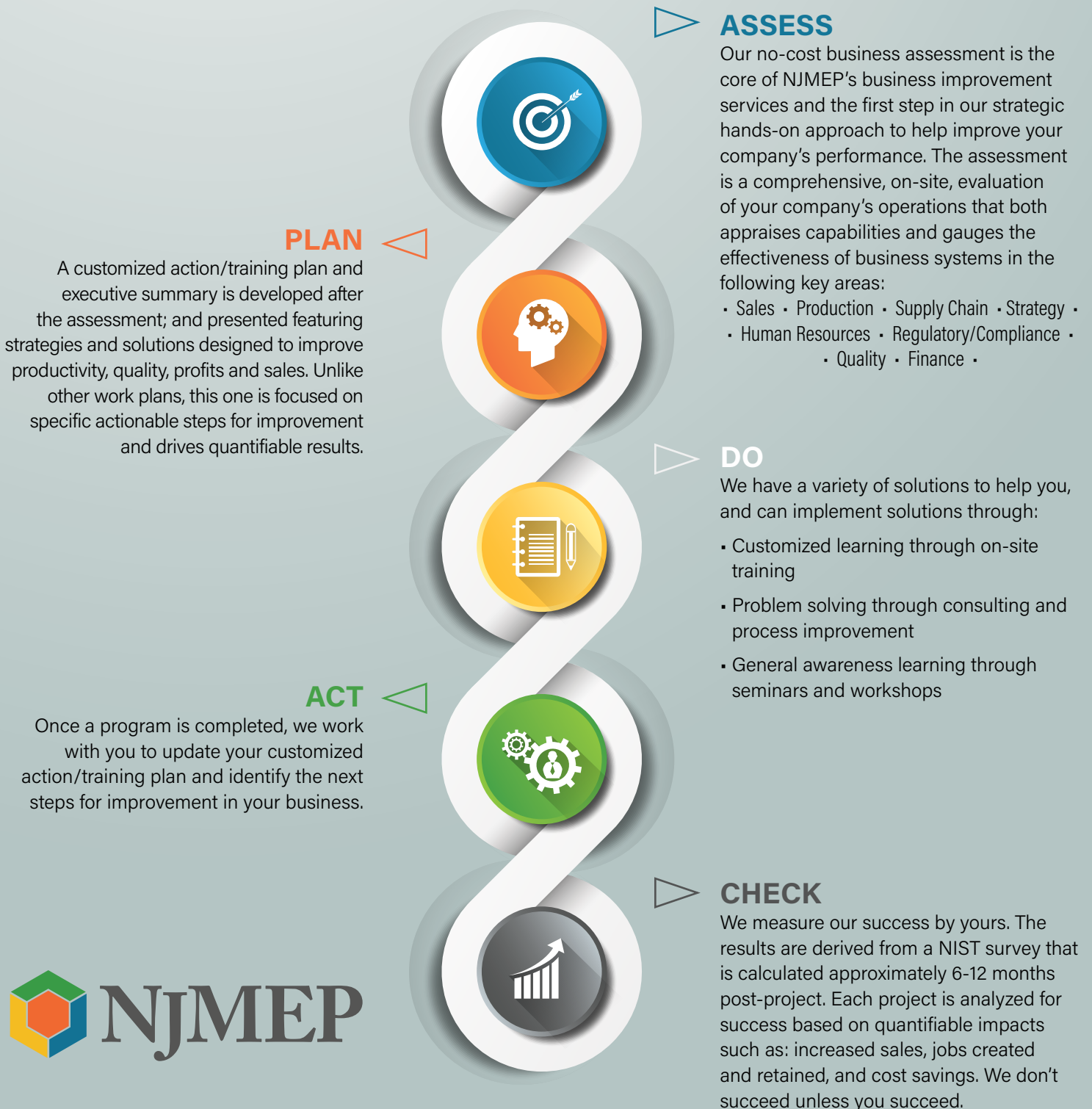
Making green products can be more expensive than the status quo, but also creates opportunities for companies to invest in advanced technologies to garner a greater share of the market. And given the rising global focus on sustainability, manufacturers of all stripes are left with no choice but to rethink product design and process.

Shruti Gupta has more than 15 years of experience advising multinational clients on their transfer pricing planning, supply chain structuring, global compliance and controversy management strategies. She has extensively worked with globally active companies with operations spanning multiple jurisdictions across the Americas, Europe and Asia to structure and defend their tax effective supply chains, global and regional headquarter services' framework, intangible property planning and global effective tax rate reduction strategies. 

Editor's note: A longer version of this article first appeared in the summer 2021 edition of RSM's The Real Economy: Industry Outlook for manufacturing and energy.

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