

# MANUFACTURING MATTERS

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New NJMEP CEO  
Peter Connolly

MADE IN NJ Showcase

Trenton Talks

Helping New Jersey Manufacture Success



NJMEP

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2023



# MANUFACTURING MATTERS

New Jersey's manufacturing magazine, sharing the voice of the industry. Find the latest updates, resources, and trends shaping manufacturing and hear from the thought leaders driving the industry forward.



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# Manufacturing Trends to Watch

## What 'MADE in New Jersey' Manufacturers Need to Know

*by Mike Womack, Sr. Marketing & Communications Manager*

Only a few years ago manufacturing was thought to be a dying industry in the United States. The general public had no idea that there were still hundreds of thousands of manufacturing businesses that call the United States home. Since the pandemic, the US was forced to pay attention to its domestic manufacturing capabilities, and support has only continued to grow these past three years. The industry is in the midst of a renaissance with federal and state entities investing heavily in its success. Manufacturers have taken lessons learned from supply chain disruptions and implemented interesting strategies to avoid the same mistakes that were made in the past. Lastly, the value of connectivity and transparency when it comes to the national supply chain and manufacturers capabilities is being understood and supported.

Every quarter Manufacturing Matters breaks down some of the most impactful emerging trends affecting the New Jersey manufacturing industry. In this issue there are three that stand out—the current New Jersey manufacturing renaissance, inventory management strategies, and the value of supply chain connectivity. Come explore each aspect of a transforming manufacturing industry, right here.

### Manufacturing Renaissance

**New Jersey can be a challenging state for a manufacturer to set up shop or continue operating. Real-estate costs, a difficult-to-navigate regulatory climate, and a high cost of living create a set of obstacles for many businesses. However, the tide is changing. COVID-19 was disastrous in almost every single way, but what it did do was highlight the need to have a strong domestic manufacturing industry. Since 2020, support for domestic manufacturers has skyrocketed. From all the support provided by the CARES Act, then the CHIPS and Science Act, and now at the state level like the NJMVP program and the Manufacturing in Higher Education Act, the United**



States and New Jersey specifically have been outwardly vocal about the value local manufacturing provides the nation.

Now, the money is starting to follow. In New Jersey, the NJMVP program provided manufacturers with a way to offset up to 50% of the cost of new equipment, the CHIPS Act promises financial support, and local manufacturing partners like MEPs also received funds to give manufacturers access to ways to strengthen their supply chain. Support is returning to manufacturing. Manufacturers need to maintain this momentum. The only way this support will continue is if the industry can effectively collaborate with state and federal agencies.

## Inventory Management

Manufacturing leaders have faced so much disruption over the past three years, new strategies are starting to emerge, especially in Inventory Management. Oftentimes, strategies developed during unprecedented times are only to help a business overcome that particular issue. Lessons should be learned during those times of uncertainty, but if business strategies don't continuously realign with the current economic landscape, it could spell disaster for an organization that stays defensive. The Fabricators & Manufacturers Association recently shared a story from economist Dr. Chris Kuehl and an insight that was shared focused on Inventory Management and how manufacturers have shifted their thinking.

Manufacturers rely heavily on a functional supply chain, especially when it comes to sourcing

commodities. Consumption of raw materials like steel and aluminum has been increasingly volatile. Inconsistencies in the economic landscape and its usual impact on commodity prices have put manufacturers in a difficult spot. With the threat of recession, businesses can usually expect prices to decline, but that was not the case. Aluminum prices soared to match aerospace demand, and as other industrial commodities follow this same trend, it has producers cautious. COVID is still very much influencing businesses' decisions about how they manage inventory, and Dr. Chris Kuehl has seen that leaders would rather miss out on sales than get stuck with excess inventory. Only time will tell if this is a sustainable business practice or one that needs to shift before that loss in sales equates to an unsustainable balance sheet.

## Industry Connectivity

"Supply Chain" is now the ultimate buzzword used in nearly every industry. Some tend to dramatically understate the true scale of supply chains and generally don't realize many are connected in ways that are impossible to track and assess on a spreadsheet full of suppliers and customers. The supply chain is global. Raw materials, equipment, manufacturers, wholesalers, retailers, and the transportation and technology needed to facilitate the logistics of moving these commodities and products around the world are far beyond what many can fathom. This intricate interwoven network of businesses, governments, and consumers requires a delicate balance to avoid massive chain reactions that disrupt each step along the way. A single delay could

spell disaster, causing issues for months downstream.

The CHIPS and Science Act focuses heavily on revitalizing domestic semiconductor manufacturing, but a critical part of that legislation outlines the development of a national supply chain database. The need to create this kind of deep understanding of domestic manufacturing capabilities and capacity was highlighted during the pandemic. An initiative to develop this connected network of manufacturers and suppliers is currently underway, spearheaded by the NIST MEP National Network. Connectivity will be a key trend in strengthening domestic manufacturing and national security over the next five years. Manufacturers need to connect with their local MEP centers to ensure they're part of this community, so they are not overlooked next time the country needs their support.

Check back every quarter to review the manufacturing themes driving the industry forward. Explore a focused snapshot of how the industry is transforming here in New Jersey and throughout the United States. There are countless ways businesses can improve, so being able to cut through all the noise will be key. Set aside time to review the manufacturing renaissance, inventory management trends, and industry connectivity in 2023. Discover how these themes can impact your business and uncover the latest ways to get involved. 🧩

*Follow the latest from New Jersey manufacturing by following @NJMEP on Twitter, Facebook, and LinkedIn. Stay engaged all year long to help protect and support the industry.*



## STATE-OF-THE-STATE MANUFACTURING

THURSDAY, MAY 4, 2023

# It's Sink or Swim for New Jersey Manufacturers

State-of-the-State of  
Manufacturing Summit  
Hosted Industry Leaders,  
Partners, and Legislators  
Committed to Working on  
Real, Lasting Change  
for the Industry

## Manufacturing Needs More Collaboration

In some ways the 8th Annual NJMEP State-of-the-State of Manufacturing Summit represents the end of an era, bringing with it the hopeful promise of a new tomorrow. For Peter Connolly, current COO of NJMEP and next in line as CEO, in his opening remarks he told a packed audience, "We need to collaborate more, we need a more resilient supply-chain, and we need to connect with our New Jersey Veterans," referencing NJMEP's latest initiative, the New Jersey Defense Manufacturing Consortium (NJDMCC)—a program geared toward bringing manufacturers together with New Jersey veterans to help solve the workforce shortage while also strengthening the DOD supply chain. With over 11,000 manufacturers in New Jersey, most of which are small to medium sized businesses with less than 50 employees, Connolly goes on to say, "Today's summit was developed to give manufacturers a voice to discuss their issues with the state legislature." An open discourse between manufacturers and legislators which wouldn't exist without the forum provided by State-of-the-State.

For Dr. John Harmon, President and CEO of the African American Chamber of Commerce of New Jersey (AACCNJ) and a guest speaker, he says, "It's important that we . . . allow this to be an opportunity to forge new relationships, to make a transformational impact on our state." Dr. Harmon continued, "Let us raise our voices and focus our efforts on providing solutions [and] let's engage our legislators and get them to



understand that manufacturing should be one of the priorities of this state.”

A sentiment echoed by Michael Womack, architect of State-of-the-State and Senior Marketing and Communications Manager for NJMEP, who said, “This [event] is about having a constructive conversation and moving the industry forward.”

Manufacturers and industry partners also heard a brief message from Congressman Andy Kim, who was not able to attend but still wanted to take the opportunity and share his thoughts on the state of manufacturing in New Jersey. He pointed to the CHIPS and Science Act as one of the ‘big steps’ toward bringing manufacturing back to the United States—a bill that will infuse \$280 billion into high-tech manufacturing and scientific research, including over \$50 billion towards research and manufacturing of semiconductor chips in the US. Something Congressman Kim says, “This is good for our economy, this is good for our community, and good for growing jobs here in America.”

Congresswoman Mikie Sherrill, a retired US Navy Pilot who sits on the House Armed Services Committee

and the new House Select Committee on Strategic Competition between the United States and the Chinese Communist Party, speaks further about the future of industry in America. She says, “It’s well known that the last century was the American Century—that US ingenuity, competitiveness, and innovation determined the destinies of billions of people across the world. Years ago, there was a feeling of almost inevitability that this century was going to be the Chinese century. That’s what the Chinese and others wanted us to believe, that democracies somehow weren’t nimble enough for the new economy—that we couldn’t compete. But that has proven to be entirely incorrect. American innovation is once again leading the world.” Congresswoman Sherrill goes on to cite the 385,000 manufacturing jobs created in 2021 and the 396,000 jobs created in 2022—the largest manufacturing job gains since 1994; the Inflation Reduction Act, which incentivizes auto manufacturers to produce their vehicles in the US; the \$210 billion investment in semiconductor manufacturing coming from the CHIPS and Science Act; the \$150 billion in clean energy generation and manufacturing that will be made possible through the offshore wind project in New Jersey; the \$88 billion in Electric Vehicle and battery production; an increase of 34% in manufacturing construction spending in 2022; supply chains becoming more resilient and secure, addressing national security concerns, and improving competitiveness with China, while also helping to keep costs down for consumers—all things which point to a bright future for domestic manufacturing.



### **Town Hall 1: Corporate Business Tax, Workforce Development, Public Transit, Supply Chain, Incentives, Childcare Assistance, Over-regulation, and De-Stigmatization of the Industry**

Eric Scott, award winning journalist and Event Moderator opened the first Town Hall by saying, “[It’s] good to see the legislators and representatives of the manufacturing industry taking some time to really talk and see that there is a lot more common ground than issues that may divide us.” He then welcomed the Industry and Legislative Panelists and turned the microphone over to them for opening remarks.

The panel of legislators included Assembly Speaker Craig Coughlin, Deputy Majority Leader Chris Tully, Assemblywoman Beth Sawyer, and Assemblywoman Victoria Flynn. Speaker Coughlin began by thanking NJMEP for the opportunity to participate in the State-of-the-State saying, “It offers us [the legislators] the opportunity to hear what matters and how we can continue to work together to move New Jersey forward . . . by





coming together and having an open and honest discussion about issues you get to really understand what's important and how we move forward."

As for the Industry Panelists for the first Town Hall, Michell Megala, CEO of Hickory Industries Inc., Elene Costan, CHRO of Berje Inc., Pankaj Das, President of Das' Creamery, Michele Siekerka, President/CEO of NJBIA, and Tony Russo, President of the CIANJ were there to pose questions to the legislators. Michelle Megala of Hickory Industries kicked things off with the first question: "What is being done to encourage manufacturers to stay in New Jersey?"

Assembly Speaker Craig Coughlin mentioned the \$14.5 billion tax incentive and financing program passed in 2020, which created the Manufacturing Voucher Program (MVP)—a \$20 million dollar pilot program that provides vouchers to cover 50% of the cost of new equipment for manufacturers. The MVP program also recently underwent a vote in March which approved an increase in funding to \$33.75 million, which will allow more manufacturers to upgrade their equipment with the help of subsidies.

Scott made a quick segue into the Garden State's notoriously high corporate business taxes (CBT), to which Michele Siekerka reminded attendees and legislators that New Jersey continues to rank number one on the wrong side of the equation. "We do want to thank all our legislative leaders and the governor thus far for their commitment to see the sunset of the corporate business tax at the end of this year," Siekerka said. "This is a significant situation, and we must ensure that the sunset happens—since New Jersey currently has the highest corporate business tax in the nation at 11.5%."

When the 2.5% surcharge does expire, New Jersey's CBT will land at 9%, which still ranks fourth highest in the nation and nearly double the national average (5%)—with Pennsylvania planning to drive their CBT down to 5% in the coming years, this could mean a mass exodus of industry from the Garden State. "What we need for our competitiveness and affordability is to be 'in the pack,'" Siekerka continues, "So the sunset should be step one." She also went on to address the Unemployment Insurance Trust, stating that 37 other states used their Covid Relief money to replenish the Unemployment Insurance Trust and alleviate the burden from employers. She addressed the \$10 billion surplus of Covid relief money the current administration has and—to thunderous applause from the audience—asked that that surplus be used to give employers some relief and not hit them with another cost in July.

Once the clamor died down, Eric Scott asked Speaker Coughlin what the thought process was in putting

together those incentive programs versus a blanket reduction of the CBT.

"There's a price tag to reducing taxes," Coughlin replied, "and so we've tried to figure out other ways to stimulate growth and provide opportunities." The Assemblyman was referencing back to the \$14.5 billion in incentives and said that they were a real effort to attract businesses and keep them in New Jersey. He also went on to mention the \$19 billion investment in keeping New Jersey's public schools the top ranked system in the nation, an effort to help build a more highly skilled and qualified workforce. "It's about trying to strike a balance," Coughlin added.

One of the key roadblocks in New Jersey with the incentive programs is the amount of red tape involved in navigating those programs—something Assemblywoman Victoria Flynn says negatively impacts how businesses can grow in New Jersey. For her district, breweries seem to be most affected by overregulation, often seeking greener (and more manufacturing-friendly) pastures out-of-state. Sentiments that are later echoed by Assemblywoman Beth Sawyer and Tony Russo, President of the CIANJ who, when speaking about the 17 programs that were





put forth in the Economic Recovery Act, says clients within and outside of manufacturing say the view is not worth the climb.

Elene Costan, CHRO of Berje Inc., brings the conversation back to center saying, "Thank you all for what you have done. I think this conversation and these questions are more about next steps to make sure companies remain and are still attracted to New Jersey." She cites disjointed public transit and childcare issues as some of the key components negatively impacting Berje's workforce, saying that high school students are not able to participate in apprenticeship programs due to not having access to public transportation and also that employers are again running into too much red tape when trying to offer employer-assisted childcare programs—something Assemblywoman Beth Sawyer speaks to saying, "We are overregulating as legislators. And that's something where I'd say less government is always better. As a small business owner and a single mom, I can relate to both." An area where more discourse is certainly needed.

Following up on vocational schools and apprenticeship programs, Moderator Eric Scott said that there needed to be more information coming from Educational Institutions and Counselors when talking with students about future plans and career paths, something Elene Costan said needed to be incentivized on the part of the educational institutions to get them to reach out to manufacturers instead of the other way around—as many small businesses and manufacturers don't have the same resources as Berje does, to send Human Resource staff

on outreach to local schools to attract young people to the industry.

For Assemblyman Chris Tully, who is a second generation American, the message about the intersection between vocational and traditional post-secondary education is personal: "I was the first one in my family to go to college, I was a child of immigrants . . . and I think it's just been a generational shift now that we're naturally seeing—college is, quite frankly, unaffordable for a lot of our residents, and they're now naturally looking at apprenticeships and other ways." He continues, "We're [the assembly] trying to find that clear pipeline from young people to the workforce." Tully says the assembly is currently working to expand the highly successful County College Pathway program, which educates students and reduces training costs for employers, while greatly improving student job placements. He also cites the current budget (unapproved at the time of the event) which is providing \$27.5 million to support pre-apprenticeships, apprenticeships, and on the job training—something he says is being done to address workforce shortages in the long-term.

In closing the first Town Hall, Eric Scott asked the audience how many of their businesses would benefit from leaving New Jersey—to which roughly a quarter of the audience responded by clapping. It's something he says underscores the importance of the type of discussions and discourse events like State-of-the-State provides. Scott closes by touting the importance of reaching out to your local representative and bringing awareness to issues specific to your industry, he says, "What we've discovered by doing these panels is

that you're not the only one having the problem that you're having—there are others in the manufacturing industry in New Jersey that are having it as well."

As for the legislators, Assemblywoman Beth Sawyer closed their remarks with thunderous applause from the audience saying, "We need you to stay here. We believe in you—now, I know we have to convince you to believe in us," she continues, "We have to invest in our children, because they are our future. With the \$10 billion surplus we do have the ability to do this . . . come up to us, talk to us, tell us your concerns, give us your ideas because, again, we are your voice."

## **Town Hall 2: Liquor Licensing, Transit Infrastructure, The Road to 'Nowhere', Workforce Shortages, and Getting Past the Talking Stage**

Before the second Town Hall kicked off, Nick Toth, Deputy Assistant Commissioner of Workforce Development and Director for the NJ Office of Apprenticeship shared updates from a listening session held between the NJDOL, NJMEP, and the industry. Be sure to check the NJMEP





blog for an in-depth recap on Toth's speech.

State-of-the-State's second Town Hall began with introductions from Briana Vannozzi, anchor for NJ Spotlight News and event moderator—with the Industry Panel consisting of William Scull, Logistics Manager of South Jersey Glass & Door, Alison Brita, CEO Mamma Bella LLC, Ellen Pietrowitz-Phillips, President of LEM Plastics, Christina Renna, President/CEO of the Chamber of Commerce Southern New Jersey, and Luis O. De La Hoz, Chairman of the Statewide Hispanic Chamber of Commerce of New Jersey. On the side of the Legislative Panel, Assemblywoman Verlina Reynolds-Jackson, Assemblywoman Marilyn Piperno, Assemblyman Antwan McClellan, and Senator Kristin Corrado were participating.

"We know that the pandemic ushered in a number of new problems for our manufacturers and the business industry as a whole, but certainly these are not necessarily new," began Vannozzi, "A lot of these have been building over the years . . . but now we're really confronted with them."

Alison Brita of Mamma Bella began

the dialogue by asking how the playing field in the liquor industry can be leveled between license holder permissions—meaning, how can the licensing process be made more fair across all sectors of the alcohol industry—to which, both McLellan and Reynolds-Jackson responded by saying that their offices are reviewing and addressing antiquated liquor laws and trying to reduce overregulation in the industry.

"There is this unfairness built into the process for everyone," responded Senator Kristen Corrado, "And it's a conversation that's ongoing." The Senator mentioned how the discussion centered around compensating those businesses that had purchased liquor licenses, how to make more licenses available, and how to include breweries and distilleries in the equation. In response, Alison Brita clarified that including those businesses is important and would help bolster the economy, but it's still not looking at the whole picture, as it doesn't consider legislation for blenders and rectifiers, like Mamma Bella—which produces award-winning cello and liqueurs.

For Bill Scull, Logistics Manager for South Jersey Glass & Door, he asked the Legislative Panel what plans were in-the-works to expand South Jersey's transit infrastructure to help facilitate larger-scale manufacturing and supply chain development. Reynolds-Jackson and McLellan both responded in kind by saying that legislators recognize the issues with South Jersey and its inaccessibility, and say that there are conversations happening regarding improvements to transit in South Jersey—particularly in reference to a route 55 expansion. "We do know that

Cape May, Atlantic City, and Vineland received \$20.4 million dollars in federal funds for traffic improvements," says Reynolds-Jackson, "but that isn't enough to say we have the money."

"I like that you're saying we're getting out of the talking phase and getting into the doing phase," says Scull, "but the research I did on this—since [Route] 55's inception in 1975, it's been planned to have a railroad. It's almost a fifty-year conversation—it blows my mind what South Jersey could've been with a fifty-year head start." Had the South been given the type of infrastructure it needed decades ago, with access to Philadelphia, Camden, and New York City, Scull believes it could've been as successful as certain counties like Bergen and could've been a large manufacturing hub. Briana Vannozzi echoes similar sentiments to Scull, saying that the transportation desert that the legislators and panelists are referring to, and the conversation of funding transit expansion in the area, is something that she covered as a journalist nearly two decades ago.

"Would you support a dedicated source of funding [to expand transit access to South Jersey]?" asked Vannozzi of the legislative panel.

Assemblywoman Reynolds-Jackson said: "I would support it, if it doesn't take away from my housing trust fund—if it doesn't take away from other projects," she continues, "We want to support it in its own dedication but not taking away from programs that are needed desperately as well."

Assemblywoman Piperno, who sits on the Special Committee on Infrastructure and Renewable Energy, also supports



the idea of creating a dedicated fund to expand transportation in South Jersey saying, "Having dedicated funds to an area can only help keep us a little more focused," she says, "We don't want to keep stealing from Peter to pay Paul, which tends to happen way too much out of the state house."

Following up, Ellen Pietrowicz-Phillips asks the legislators, "When making these decisions regarding manufacturing in New Jersey, what is the biggest—or who is the biggest obstacle that's in your way, and how does industry and government start to work together so we can get past these obstacles?"

For Senator Corrado, she says the biggest obstacle is not having all the information they need to make informed decisions on legislation—that they get hundreds of bills a year thrown at them and very often they don't have all the facts. She says, "Good-intentioned bills have unintended consequences that can really hurt businesses." An open dialogue with businesses is really the most critically important component to drafting effective legislation.

At this point, Ms. Vannozzi turned the



microphone over to Christina Renna of the CCSNJ who said, "I think the overarching theme is the need for less regulation, and more input into the legislative process." She says this can be done to avoid the need for 'clean-up bills' in the future—essentially, getting legislation right the first time. Renna also says it would be beneficial to bring back the 'red tape committee'—an entity that was created during the Christie Administration, whose sole purpose was to review legislation and see where it can be modified or changed to simplify it.

With the second Town Hall discussion nearing its end, Briana Vannozzi turned the microphone over to the industry panelists once more and asked them specifically where their business faced the most hurdles. Again, the industry panelists echoed much of the same that was previously discussed—workforce development, labor costs and shortages, liquor licensing, public transit access for employees, corporate business taxes, and the ever-looming presence of red tape. Referencing these points, Ellen Pietrowicz-Phillips of LEM Plastics flipped the question back on the industry panelists and said, "As we bring our problems, as we bring our questions, let's start bringing solutions and then this way we can get past the talking stage and start working on problem solving." The audience appeared to support this sentiment and responded in kind with uproarious applause.

### Honest Answers: Help Us Help You

Following the second Town Hall panel, attendees in the Patriot's Theater heard remarks from Senator Michael Testa,



Co-Chair of the Manufacturing Caucus, who skipped out on budget hearings across the street to show support for the manufacturing sector in New Jersey. For him, he resounds that more collaboration is needed and that events like State-of-the-State give him hope for the future of industry in New Jersey.

"One thing that we all agree on is that we have to make New Jersey a more business-friendly state, and we have to be able to cut through the red tape," says Testa, "I'm committed to manufacturing. I'm committed to working with NJMEP, and I'm committing to making the economy and the landscape better for business in New Jersey," continued Testa.

Following Senator Testa's remarks, attendees welcomed Torsten Schimanski, NJMEP Chief Strategy Officer and leader of the New Jersey Domestic Manufacturing Community Consortium (NJDMMC)—an initiative that Congresswoman Mikie Sherrill has shown particular support for, owing to her background as a Veteran Navy Pilot. Torsten explained that the program has already attracted the attention of the Joint Base McGuire, Ft. Dix and Lakehurst, and has



been attracting a lot of attention and support from manufacturing partners in the DOD sector, but he explained we need to shift even more focus toward supporting our nation's veterans and their families—a cause any proud domestic manufacturer can certainly get behind. He invited attendees to speak with NJMEP's team, their account managers, and other participants in the program to learn how they can get involved and support this vital cause.

Closing out the event, Michele Siekerka of the NJBIA offered some closing remarks and invited John W. Kennedy to join her on-stage for what would be his last State-of-the-State as functioning CEO of NJMEP. The key issue, which seemed to thread itself through the fabric of State-of-the-State's discussions, was that of the skills gap and overall workforce development issues. Manufacturers just can't seem to attract the young workers they need to rebuild the talent pipeline and continue growing their business in New Jersey—an issue that isn't just affecting New Jersey businesses but domestic manufacturers across the nation as well.

"I am optimistic about the future of the industry," begins Kennedy, "Because everything we see, touch, and use each day is manufactured by someone."

When it comes to tackling the industry's most critical issue—the skills gap—Kennedy reflects the same feelings Ellen Pietrowicz-Phillips remarked upon in the Town Hall panel and says that while state support and resources can help, manufacturers need to take it upon themselves to work toward solutions.

"What companies have to do is understand that there is no 'people pipeline,' and that we all need to work together to refill it," he said. "Companies are not going to be able to locate that individual with 5 to 10 years' experience and all the applicable skills, because they're already working. They have to be willing to hire the entry-level person and use the resources available to train them."

Kennedy said earlier in the day during his opening remarks that manufacturers will need to invest in apprenticeships and other on-the-job training if they want to begin tackling the workforce development issue, which he says is the industry's biggest problem—one that will only worsen with new initiatives like the CHIPS and Science Act and Offshore wind. It might not be the answer manufacturers wanted to hear, but, in typical John Kennedy fashion, it was an honest one.

"We've really worked hard," says Kennedy, "The NJBIA, NJMEP, the Community College Consortia, the DOL—and we have developed some programs that worked—we have the Pathways model. It exists. It is not

perfect, but we need companies to engage." For manufacturing in New Jersey, it's a matter of survival at this point—it's sink or swim, fight or flight. He continues, "We have to engage. Help us do that. We've done a lot of work, there's a lot of solutions. Is it perfect?" asks Kennedy, "Nope, but we need you to reach out to us and talk about workforce opportunities and discuss how we can get people in the door."

Progress can't stop at the doors of the Trenton War Memorial either. NJMEP is ready to help manufacturers take the next step and continue moving the industry forward, but it can't be done alone. Contact NJMEP and find out what can be done to help facilitate real and lasting change for your manufacturing business. Don't wait, it's time for action. Stop treading water—it's time to swim. 🏊‍♂️







# Peter Connolly Takes Over as Center Director and CEO of NJMEP

Connolly Plans to Continue Pushing NJMEP to Even Greater Heights

June 1, 2023 marks the end of an era as John W. Kennedy closed this chapter of his life and retired as Center Direct and CEO of NJMEP—a position he'd held for the past 11 years. As of that day, Peter Connolly took the reins as NJMEP Center Director and CEO. Connolly brings a wealth of experience, as a Senior Executive with 40 years of experience in operations, business development, and general management in the Aerospace and Defense industry, on top of serving as Chairman of NJMEP's Board of Directors for over 12 years.


**Peter Connolly, CEO of NJMEP had this to share:**

**"Today we say goodbye to a great advocate and leader in the manufacturing industry, John W. Kennedy. His perseverance and drive have taken NJMEP to extraordinary heights and his work reaffirmed the value that New Jersey manufacturing has on the economy, workforce, and our national security.**

**I will be taking over as NJMEP's Center Director and CEO. My goal will be to maintain our centers respected status in the NIST MEP National Network and continue ensuring the New Jersey manufacturing industry has a resource it can lean on—one that will support each individual business's growth, productivity, and efficiency. It will be vital for the team and I**

**to do all we can to maintain the momentum of visibility that the industry has received under John's guidance, and it is my responsibility to push that to an even higher level.**

**I'm excited to take on this role after years of supporting this organization as Chairman of the Board of Directors. My years of experience running manufacturing companies, my time as an NJMEP client, and the incredible team here provides me with all the tools needed to ensure NJMEP and the New Jersey manufacturing industry will continue to progress and thrive."**

Peter Connolly maintains NJMEP's commitment to current programs, especially in the areas of Workforce Development, Supply Chain resiliency and transparency, and supporting manufacturers on their journey to adopting innovative technologies. Additionally, he will renew NJMEP's commitment to serving South Jersey-based manufacturing businesses through partnerships, new geographic-specific programs, and outreach. Connolly brings with him years of experience working with state and federal delegates and intends to bring this strength to NJMEP in order to ensure manufacturing always has a place in New Jersey by helping educate policymakers about the value of the industry and its impact on the nation. 



# Celebrating 'MADE in New Jersey' Manufacturing

## Highlighting Essential 'MADE in New Jersey' Manufacturers That Drive NJ Forward

Manufacturing is a critical part of the New Jersey economy.

These businesses play a vital role in their local community and have proven to be essential to the state and nation. 'MADE in New Jersey' is a complimentary program that helps highlight these businesses which are incredible economic stimulators and providers of competitive employment opportunities. With over 11,000 manufacturers that make their products right here in New Jersey, be sure to check back every issue for the latest 'MADE in New Jersey' manufacturer shoutouts!



**CANFIELD TECHNOLOGIES** Since 1844, Canfield Technologies has been manufacturing high quality solders and fluxes for the Industrial, Plumbing, and Electronics industries throughout the Garden State and the world. They offer an extensive line of industry leading lead-free and lead bearing solder alloys that are available in wire (solid and cored), bar, BGA spheres, ribbon, preforms, rings, anodes, and ballast forms, and they also offer complimentary soldering fluxes in paste and liquids for many industries. Canfield Technologies is an ISO 9001:2015 certified company that manufactures all of their extensive product line at their Sayreville, New Jersey facility.



**CRYOFAB INC.** Cryofab, Inc. is a cryogenics company based in Kenilworth, New Jersey, and they serve as a key vendor and manufacturer in the global cryogenic equipment marketplace. They manufacture and service cryogenic storage and accessories, offering both standard and custom fabrications to their worldwide customer base. Cryofab participates in just about every marketplace where liquid gases are used, including industrial, research, biotech, homecare, and semiconductors.



**AIRMATIC COMPRESSOR SYSTEMS** Airmatic Compressor Systems was founded in 1975 and is based in Carlstadt, New Jersey. They're an environmentally conscious, customer centric 'MADE in NJ' company that helps businesses reduce operating costs and improve productivity while providing exceptional service. As New Jersey's largest distributor and servicer of air compressors and vacuum pumps, they provide Garden State businesses with efficient and reliable equipment and services, while also helping to reduce costs and environmental impact.



**THREE 3'S BREWING COMPANY** Founded in 2016, Three 3's Brewing Company is a family owned and operated independent brewing company located on the outskirts of Downtown Hammonton, New Jersey. They offer a rotating selection of beers in a wide array of styles as well as their own Hard Seltzer line—Bougie Bubbles—offering something to drink for everyone. Three 3's Brewing Company boasts a family friendly environment where patrons can enjoy a drink in their cozy taproom or in the outdoor Beer Garden where they'll find unparalleled views of the sunset. Their products are distributed to retailers and restaurants throughout New Jersey and Eastern Pennsylvania.



**MACTEC PACKAGING TECHNOLOGIES** Mactec Packaging Technologies has been a trusted supplier of small to medium output single unit dose blister packaging, pouch packaging, and rotary filling equipment for nearly 20 years. Founded in 2004, Mactec is a 'MADE in NJ' manufacturer based in Sayreville, New Jersey, and they provide Made in the USA packaging solutions to a wide array of industries throughout the Garden State and beyond.

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

## FIDELITY INDUSTRIES & UNITED PREMIUM FOODS

### FIDELITY INDUSTRIES

Fidelity Industries is a leading independent manufacturer of vinyl wallcoverings for the commercial hospitality and healthcare markets, located in Wayne, New Jersey. They got their start nearly 50 years ago as a textile supplier, with wall coverings accounting for only 30% of their business, their primary focus being high-end residential wallpaper. As times changed, so did Fidelity Industries, and as the popularity of high-end wallpaper waned, Fidelity had to evolve their operations to match with the market. In the 1990s Fidelity branched out into commercial wallcoverings for healthcare and commercial properties and has been changing and innovating ever since. Their manufacturing operations have grown to encompass over 350,000 square feet of production and warehousing space where they manufacture thousands of styles, textures, and patterns, and offer many well-known, designer brands and full flexibility to custom design wallcoverings to suit their customer's needs.

All Fidelity products meet or exceed specifications for Type I and II accordance with ASTM E 84 standards and CE declaration of conformity, and they've also been a pioneer of "green" corporate philosophy, producing sustainable products in an environmentally responsible manner. As an industry innovator, Fidelity has poured their resources back into their business, making large contributions to their Research and Development efforts so that they can continue to manufacture ever better and more environmentally conscious products. Learn more about Fidelity's successes on PAGE 14 to see how they were able to save by exploring R&D Tax Credits.

### UNITED PREMIUM FOODS

United Premium Foods (UPF), a USDA and FDA certified food processing, storage, and distributor, provides quality food products and temperature-controlled warehouses, and is the leading manufacturer and distributor of authentic Irish and Italian meat products in the US. Operating out of a state-of-the-art, 110,000 sq. ft. food processing and cold storage facility in Central New Jersey, UPF brings more than 100 years of combined food production experience and offers services that meet customer demands by being willing to customize and optimum their entire production process.

UPF is already known as a manufacturer of the highest quality products, but with ever-expanding production they were looking to optimize and enhance their facilities to get the most out of their team and production. Expanding into new industries and markets required specific certifications, and since UPF has worked with NJMEP on certain projects like R&D Tax Credits and Cyber Security, they picked up the phone and called Food Vertical Specialist Rob Lindemann to talk LEAN Manufacturing. Read more on PAGE 16 about UPF's Success Story and see how they were able to break through into new markets with LEAN Manufacturing.

*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](mailto:mwomack@njmep.org) and show the world your company is Built to Last.**

# FIDELITY INDUSTRIES INC. USES R&D TAX CREDITS TO EXPAND DESIGNS AND CAPABILITIES

## Background

Located in Wayne, New Jersey, Fidelity Industries is the leading independent manufacturer of vinyl wallcoverings for the commercial hospitality and healthcare markets. The company began in the 1970s as a textile supplier and at that time wall covering only accounted for about 30% of their business—primarily selling high-end residential wallpaper. As the years went on, and popularity of stylistic and high-end wallpaper declined, Fidelity had to reevaluate where they were focusing their sales and marketing efforts. In the 1990s Fidelity got involved in commercial wallcoverings for healthcare and commercial properties and has been evolving and innovating ever since, standing at the forefront of innovation and design. Since then, they've grown to encompass over 350,000 square feet of production and warehousing space where they manufacture thousands of styles, textures, and patterns, offering many well-known brands and full flexibility to custom design wallcoverings to suit their customer's unique specifications. All of their products meet or exceed specifications for Type I and II accordance with ASTM E 84 standards and CE declaration of conformity, and they've also been a pioneer of "green" corporate philosophy, producing sustainable products in an environmentally responsible manner.

Nearly two decades ago, when much of the industry was slow to address the environmental impact of manufacturing, Fidelity made the decision to eliminate toxic, solvent-based inks from all products, instead opting to use inks that are free of ozone-depleting chemicals. They also implemented an aggressive recycling program that would heavily reduce the amount of waste produced, including scrap metal, paper and cardboard, as well as scrap vinyl and wallcovering trim. They've made substantial progress in the reduction of water and energy use in their manufacturing facilities, offices, and warehouse, as well as encouraging the use of better, more fuel-efficient vehicles by their employees wherever possible. Fidelity remains committed to their "Green Mission" and are continuously seeking new ways to be proactive in manufacturing wallcovering products with the least amount of

impact on the environment—without ever compromising on style or quality.

## Challenge

NJMEP came into the picture about 10 years ago and originally worked with Fidelity Industries to help them get LEAN and optimize certain areas of their production and manufacturing processes, and since 2016 NJMEP has been helping them on exploring various cost-saving methods, particularly in reference to Research and Development (R&D). Although they're considered a fashion business, there's a lot more R&D involved than one would initially suspect. Since then, Fidelity has gotten involved with world-class fashion designers and can sometimes spend upwards of \$1 million on research and development annually—costs that with the proper guidance can qualify manufacturers like Fidelity Industries for R&D Tax Credits, allowing them to utilize their saving to further reinvest in their products and manufacturing procedures.

No doubt, Fidelity was going to consult with NJMEP's expert resource again to ensure they not only deployed their expertise and verified the proper R&D activities, but also because their services come with a built-in Audit Defense.

## Solution

NJMEP's expert resource worked closely with Fidelity's team to establish a comprehensive list of qualified R&D activities and to determine all qualifying expenses (wages, supply expenses, and contract expenses) attributable to the identified research efforts. They then used these costs to calculate final figures relating to the IRS and State tax credits. Upon completion, the resource supplied Fidelity and their CPA a copy of the report in a preliminary form to use for filing the Federal and State tax returns.

The resource then conducted telephone interviews with senior technical staff to obtain information pertaining to the company's overall R&D process, including the manner





## SUCCESS STORY: OPERATIONAL EXCELLENCE

of participation of key personnel and a discussion of the types of contemporaneous documentation maintained by the company as well as additional information pertaining to each of the qualified activities. The resource then provided a description of the company's overall R&D process, a Project Summary covering certain qualified activities, and Project Descriptions presenting the technical challenges and process of experimentation associated with the qualifying research activities.

The last step in the R&D Tax Credits process was to assemble and deliver a final R&D Tax Credit Study to Fidelity Industries. In total, the process may only take a few hours but has the potential to save tens of thousands of dollars in tax credits—allowing small to medium-sized manufacturers to deploy their resources elsewhere. According to Mr. Brook, “After a few years of doing the tax credits, a lot of it was simply copying information over to the forms. It was very smooth sailing—then they come for an hour to review the paperwork and I would say if the process took more than 2 hours per year, that would be a lot.”

In addition to providing all the financial and technical documentation necessary, the expert resource also provides an additional eight hours of audit defense support at no additional charge if the tax credit claim and/or supporting documentation is subjected to questions, review, or audit by either the IRS or the State authorities.

### Results

The following results were cited as a direct result of engaging with NJMEP 12-18 months following the conclusion of the project outlined above.

“[R&D tax credits] help us in many ways to develop our product,” says Mr. Brook.

- ✓ **NEW & RETAINED SALES: BETWEEN \$20,000,000 AND \$50,000,000**
- ✓ **NEW JOBS: 4**
- ✓ **RETAINED JOBS: 37**

Fidelity Industries has worked with NJMEP in the past, and programs like the R&D Tax Credits is a simple project that allows them to recoup certain expenses and stay agile in a regularly shifting market, bringing new and exciting products from world-class designers consistently to market. “We’re sent a very detailed report every year and from year-to-year there’s not much that changes that we need to keep up with. In our business we deal with high-end designers that want to try different things and the R&D Tax Credits gives you the opportunity to do business with people you might otherwise not be able to work with.”

Fidelity Industries is currently working with NJMEP’s expert resource on additional R&D Tax Credit projects, and when asked whether he’d recommend our services he said, “Absolutely, I think that most companies could use the type of assistance NJMEP offers.”

“They gave me the rules of the game, told me what has to be done. The first year we applied for R&D Tax Credits was very challenging, we had to learn everything from scratch. We had an interview with [NJMEP’s Expert Resource] and they sent me all the forms, went through our billing to see what we were billed for certain things, and make sure that was okay.”

Shmuel Brook, Vice President - Fidelity Industries Inc.

# UNITED PREMIUM FOODS EXPANDS PRODUCTS AND INCREASES PRODUCTIVITY AMID LABOR CRUNCH

## Background

United Premium Foods (UPF) provides quality food products and temperature-controlled warehouses. As a USDA and FDA certified food processing, storage, and distribution manufacturer, UPF serves as the leading manufacturer and distributor of authentic Irish and Italian meat products in the US. They operate out of a state-of-the-art, 110,000 sq. ft. food processing and cold storage facility in Central New Jersey.

UPF has more than 100 years of combined food production experience and offers services that can help customers customize and optimize their entire production process—from product formulation to quality-controlled production, and finally to packaging and short-term cold storage. Thanks to multi-vendor industry partnerships, UPF can also leverage bulk pricing for their customers during the supply acquisition process.

UPF already manufactures the highest quality products, but they were looking to expand their business offerings and work with new clients, which required them to acquire specific certifications to gain access to new marketing opportunities.

## Challenge

UPF's CFO has worked with the New Jersey Manufacturing Extension Program (NJMEP) in the past on R&D tax credits and thanks to those successful efforts, UPF approached NJMEP again in 2021 with hopes of further optimizing their production process and addressing certain challenges that they faced in terms of Food Safety—particularly with their expansion of pet food products.

According to Ken Mayer, CEO at UPF, "[UPF was] looking at a lot of challenges with Food Safety. Even in the pet world, food safety is a very high concern. There's a certain priority that people have with their pets and food safety is not to be taken lightly."

UPF was also facing certain manufacturing challenges, they were particularly struggling in certain areas with efficiency,

yield loss, and that's why they brought in NJMEP to discuss LEAN Manufacturing. The more efficient a manufacturing processes can be made, the higher the potential yield. Taking steps to further optimize manufacturing processes and training staff to adopt new principles that will reduce setup times, convert activities that will make production line staff more efficient per shift, further increasing ROI in the long term.

UPF understood that it was more important than ever in the post-COVID environment that they optimize every step of their manufacturing process. They were looking to mitigate any form of waste in production, whether it be from inefficient manufacturing processes or employee mistakes with Food Safety.

Since UPF had previously worked with NJMEP on R&D Tax Credits and recently brought the team in for an IT Security Assessment as well, it was an obvious choice to reach out to Rob Lindemann, Account Manager & Food Vertical Specialist at NJMEP.

## Solution

The solution to UPF's challenges was to first map out the current processes for their food manufacturing production facility and then create a baseline for process improvements while further identifying areas of opportunity. The solution was centered around creating a current state process map followed by an improvement opportunity list. A value stream map (VSM) would then be drafted where an evaluation of every step from beginning to end, from order receipt through shipment of the finished product, and this would provide a baseline for generating a future state map with necessary optimizations generated through UPF's work with NJMEP.

The second aspect of enhancing and optimizing productivity was creating quick changeover opportunities on the production line to increase the amount of product that each production line can generate per shift. Training was





## SUCCESS STORY: **FOOD MANUFACTURING**

### Results

implemented that taught production line staff how to convert internal activities to external activities and –such as reducing setup time for a specific piece of equipment–so that they could generate more finished product in the same amount of time, which resulted in more revenue generated per shift. The principles outlined in this training propose a reduction of as much as 20% of the initial setup time, which would give the production line more time to focus on actual tangible production.

After meeting with CEO Ken Mayer and taking a detailed plant walk through focusing on food safety practices, NJMEP's resources determined there was a need to adjust the food safety culture of UPF's employees. This adjustment would require enrolling qualified employees in training courses facilitated by expert resources that focus on Environmental Monitoring Programs, Cleaning & Sanitation Programs: SSOPs, Pre-Op Inspections, and Machine Manuals. There was also a need to mentor UPF's Quality Control team and educate them on problem solving to better meet their client's quality needs. It was also necessary to implement Monthly Training Sessions to effect long-term changes are continued.

In a highly competitive market like food manufacturing, it's important to continue to innovate and expand operations to keep up with shifting trends. Through the course of LEAN Manufacturing and Food Safety training and implementation that was facilitated by NJMEP's expert resource, UPF was able to retain \$50,000 worth of sales, retain two employees, and cut costs by \$18,000.

- ✓ **Retained Sales: \$50,000**
- ✓ **Employees Retained: 2**
- ✓ **Cost Savings: \$18,000**

The consultation with NJMEP's expert resource also provided UPF's Production Line Workers and Quality Control Team with long-term implementation strategies and the tools to ensure that the work done during the project is carried out in all future day-to-day production activities.

Outside of the tangible monetary results, Ken Mayer CEO of UPF says it's their employees that are the real testament to their success: "The biggest success story here are the people. We have a great group of people and that's our biggest asset within the building. Equipment is equipment, we can replace that, but you can't replace good people easily."

"On the food safety side, if you're not committed and you're not establishing a food-safe culture, you're not going to grow your business–period. The larger opportunities that we're working for will not tolerate that at all. Whether it be issues with micro failures or foreign materials, everybody [in the industry] has these challenges but it's how they mitigate and deal with them is what separates the good manufacturers from the bad. Your reputation will live or die on that."

Ken Mayer, CEO - United Premium Foods Inc.

# A Brief History

## of Manufacturing in New Jersey from the Colonial to Modern Eras

*continues...*

By Ken Schwemmer, Advocacy and  
Operations Support, NJMEP

**Bayonne had its first oil refinery established in 1875, which experienced so much success that by 1880 Standard Oil had built a pipeline from Pennsylvania to Bayonne.**<sup>1</sup> The success of the refineries, and the city having a naval port, led to Bayonne becoming an industrial center for oil production. The success this industry had in Bayonne was shown by the end of the nineteenth century by having the 3,000 workers refining about 40,000 barrels of oil per day, which was then shipped around the country or sent for foreign consumption.<sup>2</sup> This new industry proved to be highly successful for places like Bayonne and would further increase consumption of New Jersey manufactured products around the country and the world.

Down in southern New Jersey, Camden also saw manufacturing industries grow during the same period. Several major manufacturing companies planted their roots in Camden; however, one of them that embraced newer innovations was Campbell's Soup. Originally founded in 1869 by Joseph Campbell, Campbell's Soup grew to the point that it became an incorporated business by 1891.<sup>3</sup> In 1897, Dr. John T. Dorrance, nephew to the president of Campbell's Arthur Dorrance, invents a new process to help with condensing soup for the company.<sup>4</sup> This allowed for the product to retain the quality of the ingredients while putting the soup into cans. The company continued to grow in the following years and eventually achieved national distribution status in 1911.<sup>5</sup> Campbell's Soup was able to embrace innovation at the time and use it to increase their production, which eventually led them to become one of the biggest manufacturers in Camden.

While it is easy to point out examples of growth and success from the major manufacturing hubs of the late nineteenth century, there were other towns across New Jersey that grew thanks to industrialization. One of those towns was Boonton in Morris County. Boonton was already home to the New Jersey Iron Company as of 1830, which was producing cut nails, but the company went out of business in 1876 due to the invention of the wire nail.<sup>6</sup> During the financial Panic of 1876, The Boonton Silk Company started building its factory, and eventually, the company was bought out by Paterson silk manufacturers Pelgram and Meyer in 1881.<sup>7</sup> Pelgram and Meyer built a four-story mill on Monroe and Lincoln streets, where it would employ 500 people and produce around 12,000 yards of silk dress goods per week.<sup>8</sup> This would not be the only industrialized factory that would open in Boonton.

Boonton would also have a rubber manufacturing plant established in the 1890s. Edwin A. Scribner founded the Loando Hard Rubber Company in Boonton in 1891.<sup>9</sup> Scribner, a chemist, had developed a process to combine rubber with asbestos and sulfur that could be made into cast-iron molds, which was the forerunner of molded plastics.<sup>10</sup> The company would reorganize into the Boonton Rubber company under the management of Richard W. Seabury, who added a department for manufacturing a variety of electrical insulating materials.<sup>11</sup> The company would eventually sell the first molded parts, which made Boonton the birthplace of molded plastics.<sup>12</sup> This shows that other places in New Jersey outside of the manufacturing hubs were also industrializing and increasing their manufacturing abilities during the Second Industrial Revolution in New Jersey.

New Jersey's manufacturing success continued into the twentieth century. New Jersey was manufacturing goods like gangbusters. For forty years prior to World War I, New Jersey had the second-highest growth rate in the United States.<sup>13</sup> All over the state manufactured goods were being made. For instance, Hoboken became known for its rail and shipping networks while Perth Amboy was considered the national center for terra-cotta industries.<sup>14</sup> All of this success for New Jersey's manufacturing industries would prove to be vital by the time of World War I. These manufacturers would come to be some of the biggest producers for the war effort.

World War I broke out in 1914 and America remained a neutral power



until 1917. Though President Wilson declared neutrality for America, American businesses were engaging with European nations during the war, and New Jersey manufacturers were filling numerous orders for European nations. In the chemical industries, Hercules Powder had its Kenvil plant in Roxbury produce 150,000 pounds of cordite per day to meet a British order in 1915.<sup>15</sup> Du Pont expanded their munitions plant in Carney's Point sixty-seven times its prewar capacities by 1917 and was employing around 25,000 workers.<sup>16</sup> Singer Sewing Machine Company converted their Elizabeth plant so it could produce war materials, Du Pont also acquired technologies to make dies at their Deepwater, NJ facility after the Emergency Dye Tariff was passed in 1916. New Jersey manufacturers had become heavily involved in supporting the Allied war effort before the United States' involvement.<sup>17</sup> Once the United States, declared war in 1917, New Jersey would continue to provide war material for the American war effort.

*to be continued...again...*

<sup>1</sup> Israel, "The Garden State Becomes an Industrial Power," 183.

<sup>2</sup> Israel, "The Garden State Becomes an Industrial Power," 183.

<sup>3</sup> Howard Gillette Jr., *Camden after the Fall: Decline and Renewal in a Post-Industrial City* (Philadelphia: University of Pennsylvania Press, 2006), 19.

<sup>4</sup> "Campbell History," *Campbell Soup Company*, October 21, 2021, <https://www.campbellsoupcompany.com/about-us/our-story/campbell-history/>.

<sup>5</sup> "Campbell History," *Campbell Soup Company*, October 21, 2021, <https://www.campbellsoupcompany.com/about-us/our-story/campbell-history/>.

<sup>6</sup> *Boonton Historical Society, Boonton* (San Francisco: Arcadia Publishing Inc., 2017), 10.

<sup>7</sup> *Boonton*, 114-15.

<sup>8</sup> *Boonton*, 115.

<sup>9</sup> *Boonton*, 118.

<sup>10</sup> *Boonton*, 118.

<sup>11</sup> *Boonton*, 118.

<sup>12</sup> *Boonton*, 118.

<sup>13</sup> Brian Greenberg, "The Progressive Era," in *New Jersey: A History of the Garden State*, eds. Maxine N. Lurie and Richard F. Veit (New Brunswick: Rutgers University Press, 2012), 204.

<sup>14</sup> Greenberg, "The Progressive Era," 208.

<sup>15</sup> *NJ WWI Centennial Home - World War I centennial*. Accessed March 6, 2022. <https://www.worldwaricentennial.org/nj-wwi-centennial-home.html>.

<sup>16</sup> *NJ WWI Centennial*.

<sup>17</sup> *wNJ WWI Centennial*.



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# From Homebrews at Apartment 902 to New York City Skyline Views

by Matt Hrisko, Copywriter, NJMEP

902 Brewing Company got its start way back in 2012 in Hoboken, in Colby Janisch's apartment—number 902. "We had a brew room, and we did a lot of homebrewing," says Janisch, COO of 902 Brewing. "I built a lot of the original equipment, which is actually still sitting in the back," says Janisch, pointing to the back of the taproom where pallets of empty cans sit, waiting to be filled with Jersey City's finest craft brews—the old brewing equipment just beyond it, as much a testament to the founder's ingenuity as it is a sentimental homage to the company's roots.

It was never meant to become a full-time operation for Janisch and Don Vogt, CFO, who met one summer while sharing a shore house in Belmar. "It was kind-of just a Saturday hobby we were doing for fun, just to make beer and we had a little kegerator at the apartment for homebrew kegs—essentially just a passion project at first," says Janisch. "Then we did a bunch of competitions, won them, and we decided, 'You know what, let's make a business out of this'—ten years later and look where we are," he says, sitting at one of the tables in the 902 Taproom alongside Vogt. 902 Brewing Company is centrally located in a burgeoning area of Jersey City that will soon feature new apartment complexes, restaurants, bars, and other retail spaces—the entire area shows signs of development. The 902 Taproom sits comfortably in an old warehouse building in Jersey City, beneath the

shadow of the New York City Skyline where, against all odds, 902 Brewing Company is fermenting success one beer at a time.

Outside of the normal ebb and flow of business operations as a craft brewery in New Jersey, Janisch talked about the unique challenges faced by microbreweries in the state: "We opened two days before the Covid shutdown so unfortunately, we spent the first two years between learning Covid rules and the second things (with Covid) finally calmed down, [the Division of Alcoholic Beverage Control (ABC)] put these Draconian restrictions in place," says Janisch, referring to the ABC Special Ruling that restricts things like the ability to advertise Scheduled & Private Events at the brewery, access to food, and the ability to serve coffee or soft drinks to patrons, just to name a few. The imposed restrictions on craft breweries are suspected to be at the behest of restaurant and bar lobbyists, who feel that if craft breweries were allowed free reign to operate their business, as breweries do in neighboring states like New York and Pennsylvania—contributing \$4.2 billion (4th) and \$5.3 billion (2nd) to their respective state's GDP annually—then they would threaten the success of the restaurant and bar industry in New Jersey.



902 Brewing is a MADE in NJ Manufacturer and recently got involved with NJMEP to revitalize their social media and digital presence. "Now, the exposure is finally an actual business challenge we have to deal with instead of something that's been thrown at us unnecessarily like government regulation," says Janisch. Don Vogt adds, "It makes it a lot easier to have to deal with business challenges than regulation challenges."

When talking about how 902 Brewing Co. got involved with NJMEP, Janisch says, "I think we reached out about grants, then we met with an Account Manager, and we started talking about marketing packages, and started working on R&D Tax Credits," he says, "And we got the whole overview of what NJMEP was about and it's in our lane, so wherever we can get help from [NJMEP] we've been trying to get it."

The project is just beginning, but one thing is certain of 902 Brewing Company—the view of New York City's Skyline from atop 902's Taproom is certainly worth the climb up the warehouse steps to access the rooftop bar, where, within the restrictions of the ABC's Special Rules pertaining to limited scheduled events, you can listen to some tunes and enjoy a nice cold beer on a hot afternoon. 🍷



# General Aviation & Electric Goes from Small Steps to Great Leaps

Trodding ground where some larger manufacturers dare not

## A HISTORY OF INNOVATION

General Aviation & Electronics was founded in 1954 by John Baker Sr., a former purchasing agent for DuMont Laboratories, a company who helped to popularize television. When Baker became dissatisfied with the performance of most suppliers he dealt with, he decided to go out on his own. When asked about how the company got its start, current President and CEO John Baker Jr. said, "[My father] worked in purchasing for DuMont, and one of the things he bought was sheet metal. One day he decided 'why should I buy this stuff when I can make it for less?' and so he started Metalix doing sheet metal. He had partners but said, 'look I want to go out on my own'—so he did that (starting General A &E)," adds John. The company's name derives from their first two customers, Robinson Aviation and Curtis Wright Electronics, which by happenstance is how they became General Aviation & Electronics.

Beginning out of a small Quonset hut, the company evolved into an industry leader by going after contracts with much larger companies like Western Electric (the



manufacturing arm of the Bell System), IBM, and the Government, and by working on projects like the USS Nautilus and the Patriot Missile programs. After John Baker Sr.'s untimely passing in 1963, his wife Bella took over managing the business, growing it and moving to a much larger facility in Hackensack, N.J. After more than a decade of Bella at the helm, John Baker Jr. took over management in 1979. "At the time, I was working in financial analysis and business development," says John, "I went to school at Lehigh (University) in Pennsylvania, took a year off, worked in this factory where I learned how to operate most of the equipment and I could set up a punch press, brake, spot-welding, did assembly work and so on. Then I went to Columbia and got my MBA." He continues, "This guy [who was managing operations] comes to see me and says, 'Look, you gotta get involved here, because if I go on to another job, what's your mom gonna do?' So I came to work here." In 1985, John doubled the facility's footprint with the help of the Economic Development Authority (EDA). "I got involved in the business and expanded the building again with a loan from the EDA," he says.

With John Jr. at the helm, General A & E went on to invest in automation, ISO 9001:2015, and AS 9100: Rev D, and they're currently striving to acquire NADCAP accreditation for various in-house special processes. In the past, General A & E has worked with NJMEP on such projects as workforce development, R&D Tax Credits, and Cybersecurity. They sell their products and services to both large companies in the aerospace and electronics industry like Honeywell, Tyco, and Sikorsky, who require specialized certifications, as well as small

and medium-sized firms needing specific attention to detail. In order to meet delivery commitments, they offer in-house welding, spot welding, plating, assembly, and silk screening. General A & E are precision sheet metal fabricators who have worked with big names like GE, IBM, Lockheed Martin, Boeing, and many more—while remaining competitively priced enough so that they can also do business in price conscious markets like construction and retail display.

### **GOING WHERE SMALL MANUFACTURERS HAVE RARELY GONE BEFORE**

General A & E believes in collaborating and partnerships to strengthen their 'MADE in NJ' Manufacturing business. When the Department of Justice issued notice last July that Department of Defense contractors would need to meet compliance with the latest cybersecurity standards (CMMC 2.0), or risk losing their contracts, they turned to the NJMEP team of Cyber Experts to ensure they were in compliance. "General A & E has, by necessity, has gone after military and aerospace," says Baker, "Because it's really tough to compete in the high value commercial space." Without achieving CMMC 2.0 Compliance, they may have lost access to certain Defense Contracts that they've held in the past. These new regulations require all prime and sub-contractors to meet the new cybersecurity standards.

"I know one company that doesn't [want military or aerospace work] in New Jersey," says John. "[They] are bigger than us, but they don't want that work because they don't want to go through the CMMC and

all that other stuff that [General A & E] did," he continues, "No matter how big they are, no matter what kind of economies of scale they experienced, if they had to do what I did [with CMMC] it wouldn't be competitive for them."

According to Dave Visalli, Senior Account Manager and Cyber Security Specialist at NJMEP, the issue with cyber security is that small to medium-sized manufacturers often don't have the resources needed to invest in cybersecurity, which makes them much more vulnerable than larger outfits. "Small to medium-sized [businesses] are the most vulnerable because they don't really have the infrastructure in place to be cyber secure," says Visalli, "They don't have the time or resources to ensure proper cyber hygiene, so they're most vulnerable."

### **MAKING DOD AND AEROSPACE MORE ACCESSIBLE**

In the past, General A & E has participated in programs offered by the EDA to great success, even allowing them to expand their operations back in the mid-1980s. This vital industry support allowed them to remain competitive in a high stakes industry. The EDA is still active in supporting small to medium-sized manufacturers in New Jersey.

Labor costs are one of the greatest hurdles manufacturers like General A & E face in the Garden State, but the available solution to that is just as problematic. "If you want to improve the manufacturing environment, you have to do one of two things," he says. "Either create a situation with the EDA or some other entity that you enable these businesses to get more automated equipment, where labor is a



smaller input as a percentage of total cost," he continues, "Or the other possibility is you in some way facilitate—as NJMEP has done with Lockheed Martin—the small and medium sized businesses having better understanding of, and ability to comply with, the various requirements of military and high-end aerospace companies. For example, as per NJMEP I'm adopting this CMMC."

Luckily, the NJEDA has recently launched the Manufacturing Voucher Program—a \$20,000,000 pilot program intended to assist New Jersey manufacturers with acquiring the manufacturing equipment they need using grants that will cover a percentage of the costs of new equipment. The NJEDA also recently announced last month at State-of-the-State that it has already approved more than \$8

million in vouchers which will benefit 69 manufacturers as part of the program, and the NJEDA's board voted in March to increase funding to \$33.75 million. For small to medium-sized manufacturers in New Jersey looking to follow in the footsteps of General A & E, and acquire or expand department of defense contracts, they can get involved with the New Jersey Defense Manufacturing Community Consortium (NJDMCC)—a program that connects unemployed or underemployed Veterans and their families with manufacturers in the DOD and aerospace sector, and helps solve the labor shortage by providing those individuals with no cost, manufacturing-specific training certifications, and also allows the manufacturers to get access to more lucrative government contracts.

If the most recent State-of-the-State taught the industry anything, it's that manufacturing in New Jersey needs one thing above all else—collaboration. Without voicing concerns, educating legislators, and coming together to help tackle the large roadblocks that exist in the industry, the manufacturing industry will stall. The industry needs to keep collaborating with industry partners like the EDA, the NJDMCC, the NJBIA, and continue exploring how we can make sectors of the industry—like aerospace and DOD—more accessible for small to medium-sized manufacturers. Only by coming together as one voice can the industry truly be heard. 🏡

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# Unionwear Remains Committed to Domestic Manufacturing

**Unionwear Employees** are given a thorough onboarding and detailed description of their particular role, so they know exactly what hat they'll be wearing

## UNIONWEAR: A HAT COMPANY AHEAD OF ITS TIME

Mitch Cahn, President of Unionwear, left his career in finance to pursue the American dream—becoming a business owner. Beginning in 1992, Cahn attributes Unionwear's success to being ahead of the times. "I worked on Wall Street, and I wanted to start a business and I had this idea of making baseball hats for the fashion business, because it was not a thing back then," he says. "Baseball hats were really just for baseball fans and some promotions. You wouldn't go into a clothing store and buy a baseball hat—that had not happened yet."

At the time, baseball hats in fashion were just beginning to evolve, and Cahn mentions a few instances involving popular culture in the early 90s where he saw celebrities and other cultural icons beginning to wear baseball hats that didn't feature a baseball team on them. Luckily for Cahn, fate would deal him a lucky hand. "There was a baseball hat factory in Jersey City that had gone out of business, and so I bought their equipment at an auction sale and hired their workers," says Cahn, referring to the original six

employees that made up Unionwear. The company now has around 153 full-time employees.

Shortly after purchasing the defunct baseball hat manufacturing facility in Jersey City, Cahn got straight to work. "I immediately started calling fashion brands and saying, 'Hey, do you want us to make hats for you?' I was very successful, very quickly," Cahn adds, "It was very easy—I've never had it so easy since then." After 1994, when many of Unionwear's competitors started off-shoring their operations—a move echoed by much of the textile industry—the company began making hemp hats, an idea which Cahn says was a little too early and a few decades ahead of its time. Since then, competition in the textile industry has only gotten fiercer, with Chinese-made products flooding domestic ports at an unbelievable rate. Unionwear had to remain agile and evolve their production methods to meet this new challenge.

## MAXIMIZING EMPLOYEE POTENTIAL

Automation is often a word incorrectly attributed to job loss or replacement, but that's not the case with Unionwear. "We have learned how to use equipment to get more out of the same number of people, and we now have the volume to be able to do that," Cahn says. Automation is less about reducing your employees to cut costs and more about optimizing the effectiveness of the employees you already have—something that's attracting more and more manufacturers as production ramps up without the skilled laborers to work and meet demand. An issue that Cahn was intimately familiar



with in the wake of COVID.

"Finding people had been very difficult for years," Mitch says, "And now we have so many people looking for work. We get like 10 applications a day, and we went two years without a job application during COVID." But that's not the hardest challenge Unionwear has faced in terms of workforce development, at least not for Cahn.

"The hardest thing is training people to reach their full potential. It's easy to get people to 50% of their potential, harder to get them to 80%, and impossible to get employees to 100% of their potential," he says. "The problem is that people work very hard, but they don't necessarily know what's best for the company, and that's management's problem—and management's fault." While touring Unionwear's production facility, Cahn pointed out three separate incidents where his employees were working too hard. He'd rather his employees work smarter, not harder.

## THE VALUE OF PARTNERSHIP

NJMEP recently worked with Unionwear and placed professionals in Sales Roles, Accounts Payable, and also placed a Government Contractor with the company. Cahn says, "Koleen Singerline from NJMEP had directly placed people with us in non-production roles, and those are jobs that are hard to fill for us, because people don't look at manufacturing necessarily as a great career move, unless they're really interested in it." Manufacturers are having a difficult time attracting young workers to the industry because there's a stigma about manufacturing jobs—there's

not enough emphasis on the benefits of a career in manufacturing. For Luis Piñas, Accounts Payable Manager and a 25-year-veteran in the textiles industry that NJMEP placed at Unionwear 9 months ago, "Manufacturing is a very good industry," he says, "It's very challenging, it's something new every day, it keeps you going, and it keeps you learning." If it's a question of dollars and cents, if young people in New Jersey were informed that the average full-time manufacturing employee makes \$97,281 annually, that would certainly attract some attention.

Regarding the direct hire placement that NJMEP helped facilitate for Unionwear, Cahn says that they weren't looking to hire at the time when he was contacted by NJMEP's Business Development and Recruitment Specialist. She reached out to Cahn and told him that they had someone who would make a perfect addition to the Unionwear team, and building on the decades of collaboration from NJMEP and Unionwear he decided to look and see where this person could fit into their operation. Cahn says, "When we find people who are interested in [manufacturing] and are talented it's very helpful."



## KNOW WHAT HAT YOU'RE WEARING

One of the things that Cahn says helps make his employees successful is detailed and thorough preparation for the on-boarding process. "When we bring somebody on," says Cahn, "We have a very detailed job description and on-boarding and training schedule, which makes it so people have a much better chance of success here." Combine that with effective vetting and analysis of candidate strengths and weaknesses, an NJMEP service that Unionwear has come to trust, and you have a fairly streamlined on-boarding that teaches new hires exactly what's expected of them on the job.

Talking more about Unionwear's specific process, Cahn Says, "We have a detailed overview of the business and then the actual job that the [new hire] is going to do," he continues, "We have a cultural on-boarding where we talk about the unwritten rules of the office—we actually wrote them down. Then the person's trained on the things they need to do. That's normal, every business does that, but they might not have it on a schedule, or they might make people fend

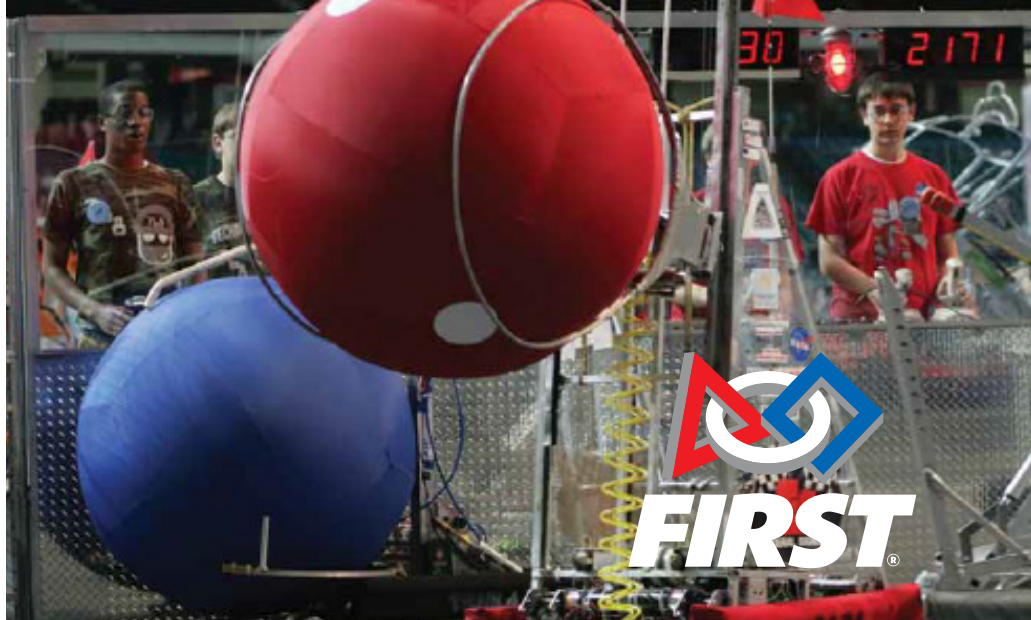


for themselves—especially at a small business. We then create a schedule, and we have a list of everything the new person needs to learn, and who's going to teach them, and they do it in batches of 10—at their own pace. This way, they don't have to learn stuff by accident."

## COMMITTED TO DOMESTIC MANUFACTURING

When confronted with the question of what makes Unionwear different from other manufacturers, Cahn says, "We have a commitment to making products domestically that everyone else has given up on, and we've figured out a way to make it work. We've figured out how to make domestic manufacturing work for the highest labor-content products in the textile business through continuous improvement, lean manufacturing, automation, and technology," he continues, "It is a belief in not just solving problems as they happen—we solve problems to make sure they never happen again. It's all about sustainability and—'How do we keep growing?'"

After working closely with NJMEP for nearly 20 years, Cahn talks about the value and benefits this partnership has had on his business and the manufacturing sector as a whole. "[NJMEP] are leaders in the industry and they have given us so much support over the years—probably 8 different projects since 2004. They've made our employees more valuable through all the training programs that we've done. NJMEP introduced us to lean and every potential program that we could think of to subsidize the improvement of our ability to continue manufacturing domestically."



# Students Interested in STEM Should Consider FIRST Robotics

A Young, Successful Engineer Attributes Learning Valuable Industry and Leadership Skills to Joining FIRST Robotics and Surrounding Himself with Industry Leaders

## PROVIDING STUDENTS WITH LIFELONG STEM AND LEADERSHIP SKILLS

FIRST Robotics is a community rooted in providing young people with skills needed for their future careers and lives through inclusive, team-based robotics programs that can be facilitated in after-school programs. Built upon a global support system of volunteers, educators, and sponsors that includes some of the top Fortune 500 companies, FIRST provides benefits like access to exclusive scholarships, internships, and other opportunities that create work and interpersonal connections alike.

Cory Molloy, a Mechanical Engineer with Novium, cites his experience with FIRST Robotics at his alma mater of Shawnee High School in Medford, New Jersey, as the catalyst for his interest and career in engineering. "It was the fall of 2009 where I had the opportunity to really understand what was going on [with FIRST], because of an event where they were showing off different clubs and activities at my high school. There they were showing off the robot and having it complete actions related to the previous year's game," says Molloy. "I was a sophomore [in high school] at the time and was like, 'this might be cool to jump into,' so I

signed up and then started with the team for that upcoming season.”

Gaining early exposure to engineering through the FIRST Robotics program really cemented his interest in the field. “I started working closely with some of the more technical and experienced mentors that have had a long tenure with the team, and I was guided into a leadership role growing through the program,” says Molloy. “The skills that transpired from that direct exposure [to FIRST] cascaded from leadership all the way down to the fundamentals of engineering.”

For Cory, whether you win or lose, the important thing is that you dedicate the time if you want to be successful. He says, “with [Team] 1647 at Shawnee High School and Seneca High School, we had a really fantastic season in 2011. We were finalists in the New Jersey Regional and made it to the semifinals in Philadelphia.” Even though his team did not end up qualifying for the championship event, the valuable skills and his experience as a student are things he continues to use to this day. “It all stemmed from me working hard, having late nights with the team, and even taking time during study hall breaks to work on the robot,” he adds.

When asked about the skills he adopted while participating in FIRST, Molloy says, “your skill development is reliant on the time spent with great mentors. If they’re going to go all in and teach the fundamentals of engineering, or even just provide exposure, you as a student need to make sure that you act like a sponge and put in the effort yourself to get the best experience possible.”

Sometimes, there are misconceptions about whether the students should be doing more of the actual design and engineering, or

if this should be left up to the mentors, to which Molloy says, “it’s a tough discussion as some believe it should only be student focus only. However, I truly believe it’s a mutual partnership. It’s your obligation as a mentor to teach the students skills that you yourself have learned along the way—either from other mentors as a student, or from your career, from college, or any other environment—and culminate that into your team’s structure and design execution,” he continues, “Being in an environment like such really pulls a lot of useful [skills] out, from both parties as the students sometimes teach their mentors.”

“I was able to provide that structure with Team 2659 in 2018 where it allowed the team to obtain the first seed in San Diego and win the regional competition that year, pushing us to the championship. The team had been working out of a classroom at the end of the 2017 season and by the end of 2018 shifted into a new space that has now seen a large investment for new equipment and restructuring. For me to see that from my own personal perspective of, ‘Hey, I can work directly with students, leading them and building this team together... it really was a pivotal moment for me to understand how critical mentor involvement was,” says Molloy of his experience working with RoboWarriors in Mission Hills, California.

## **HARD WORK AND DEDICATION PAYS OFF**

One of Molloy’s favorite moments was working as a mentor for Team 254, based in San Jose, California. “Team 254—who I ended up mentoring and working with during my final years in California,” he says, “they have won the World Championship and have continued on to do so a handful of times.” Winning the FIRST World Championship is quite an accolade, both as

a participant and as a mentor, but for Cory, that wasn’t the most important part. Having the opportunity to work with people he respected and looked up to in the industry is spectacular.

“My experience with them has been amazing because I’ve been able to work with such talented people and have that hive mind mentality of folks pushing a design that was extremely detailed and optimized. All the students are incredibly talented because of the exposure from those mentors and getting to work alongside them,” he says. “That’s kind of where I mentioned that paradigm in relation to a mutual partnership—working with them has been an incredible experience. I could only imagine how many more useful skills I would have gained as a student.” That is the delicate symbiosis of working with FIRST—the mentors take just as much away from the experience as the students do, especially when working with more experienced mentors that have been in the industry for longer than they have been themselves.

## **WHAT’S NEXT FOR CORY MOLLOY AND FIRST ROBOTICS**

What’s next for Cory’s work with FIRST Robotics? “Right now, I’m pretty much a point of contact for a few teams in California where I continue to try and give back,” he says. “An opportunity might appear for me to step into another leadership role here in New Jersey over the next couple years or even just act as another mentor alongside more talented individuals,” he adds, “I’m still a mentor at large, but not directly working with a team one-on-one.” Molloy will be providing insight into things like high level design strategies and working through some design-based problems wherever he can. In a professional capacity,



Cory's has also worked on a few projects with a distributor for the FIRST Robotics Competition who provides components and parts for teams to use. His plan is to help create opportunities for additional sensors and electro-mechanical components that are commonly used in industry to be commercialized for competition use.

Reflecting on his overall experience with FIRST, Cory says the experience was, "something that benefited me tremendously and I know for other students it can benefit them just as much as well... I decided to hang onto FIRST and it catapulted my career."

When asked about the key to his success, both professionally and with the FIRST Robotics Competitions, Cory reaffirms his earlier sentiment—that it is all about surrounding yourself with like-minded people – the people that you aspire to be like and learn from. "I was able to surround myself with really smart people," he says, "and my experience was certainly one of a kind, just like anyone else's, so my best advice would be to continuously put yourself in a position to be around the people you aspire to be. Take the steps, not only in FIRST, but in life as well, where if you look up to somebody, and you say to yourself, 'Hey, I want to be really great at that,' and I know these folks are incredible at what they do, go and make sure that I surround myself with them, work with them, ask them questions. Put yourself in their space and be able to ask yourself, 'What can I learn from them? How could I be better?' Always look for that progress. I put myself in that position, to be pushed by other individuals that were once mentors at the time, who now I consider friends."



**NJMEP is inviting veterans, veterans' family members, and New Jersey manufacturers to become part of the NJ Defense Manufacturing Community.**

The mission is to ensure the Department of Defense Supply Chain grows locally while utilizing the talent the armed forces develops once they leave the service.



**The community is built up of both manufacturers and job seekers.**

➤ **To join the community or learn more, visit [NJMEP.org/njdmcc](https://NJMEP.org/njdmcc)!**



# NJMEP

Helping New Jersey Manufacture Success

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PART OF THE  **MEP National Network™**



A woman with dark hair tied back, wearing a blue top and a necklace with a star pendant, is seated at a desk. The desk is cluttered with various items including NJMEP brochures, a red mug, and a nameplate that reads "EMPRESS CASANO". The background is a solid blue color.

# The Legacy of Women in Manufacturing: Hearing from Women Leaders

Recognizing womens' contribution to manufacturing

Last year, the New Jersey Manufacturing Extension Program (NJMEP) celebrated the Year of Women in Manufacturing, to shine a light on the disparities women face within the manufacturing industry. With the current labor shortage that has had the manufacturing sector reeling in the wake of the Covid-19 Pandemic, it's important that manufacturers continue to shift focus to a heavily underserved demographic within the industry—women in manufacturing.

We decided to ask the Women Leaders at NJMEP, What was the actualized benefit of the Year of Women in Manufacturing Initiative?

Stephanie Casano, Director of Compliance and Quality Control at NJMEP, says that women present a unique opportunity for businesses feeling the labor crunch—"Women currently make up 33% of the manufacturing population [and this] initiative is so critically important because we can be more competitive and leverage untapped talent across the labor force."

The Year of Women in Manufacturing was a jumping-off point for driving change for women in the industry, and for Kathleen Baldwin, Sales Support Manager at NJMEP, she says that the Year of Women in Manufacturing Initiative has given women





in the industry “a foundation to be heard, recognized, and a chance to encourage the next generation of women manufacturing professionals.”

“Women have just as much to contribute to the manufacturing industry as men do,” says Stacy Cooke, Senior Account Manager at NJMEP, “including their knowledge, talent, innovation, and vision. Manufacturing has historically been a male-dominated industry—and that needs to shift.”



For Tiana Maynard, Workforce Development Specialist, it’s about recognizing all women in their various

roles in the Manufacturing Industry: “As women are stepping into different roles in manufacturing, while also presenting and providing new resources, it’s great to acknowledge that many of these women are central figures. Acknowledging and placing an emphasis on women in this industry is a way to reveal how women have so far assisted in contributing to manufacturing’s innovation and growth.”

## WOMEN IN MANUFACTURING: BY THE NUMBERS

The U.S. Census Bureau originally reported that between 2010 to 2020 the share of women in manufacturing jobs was steadily increasing in every working-age category. It’s now more important than ever to

refocus the industry’s efforts and continue the work that started in the previous decade. The outlook so far is favorable for women in manufacturing, with early reports showing that in 2021 9.1% of people entering the manufacturing workforce were women aged 55 to 64, a nearly 6% increase from pre-Covid figures (8.6%). So, it appears the tides are shifting for the better, but progress must not stop there. As it stands...

- ✓ 1 in 3 Manufacturing Employees are Women (33%)
- ✓ 1 in 4 Manufacturing Leaders are Women (24%)
- ✓ Only 30% of Women are likely to seek out a manufacturing career
- ✓ 75% of women in manufacturing roles recommend a career in manufacturing

“In 2022, women earned an average of only 82% of what men earned. We need to continue to move that dial,” Stacy Cooke weighed in. Manufacturing is a perfect industry to close this gap with the average annual compensation for a full-time manufacturing professional in New Jersey being over \$97,000.



Constantina Meis, Community Relations Manager at NJMEP, says, “Only 33% of women are represented in the manufacturing industry workforce, which is substantially lower than the normal workforce numbers across the US, and

it also gets lower as you look to higher level positions,” she adds. “When you have a diverse workforce, innovations, creativity, and growth occur within the company. It becomes more profitable and dynamic because of different ways of thought, experiences, and ideas are brought to the forefront. Change for equality has historically been slow, not only in manufacturing but in all areas of society. For Kathleen Baldwin, this initiative is helping to expedite the process: “With continued emphasis on women in manufacturing the Year of Women in Manufacturing has been a part of the change in that female employment in the industry reached its height in 2022, with a total of 3.77 million workers, and women now account for 33% of the manufacturing workforce. These numbers will continue to grow in 2023 with NJMEP’s continued emphasis on women in the manufacturing industry.”

## PUSHING FORWARD BEYOND THE YEAR OF WOMEN IN MANUFACTURING

In a recent survey conducted by Thomas in association with Women in Manufacturing (WIM), 44% of Women say leadership/management training had the most significant impact on their manufacturing career advancement, and a further 35% reported that Mentorships impacted them.

In a recent Department of Labor Manufacturing Listening Session, hosted by the DOL and NJMEP, concerns were voiced by Women in Manufacturing Industry Leaders like Casey Bickhardt, Owner of GEMCO, and Ellen Pietrowitz-Phillips, President of L-E-M Plastics & Supplies,

Inc. They both expressed concerns about a need for grants or subsidies that are tailored to administering Leadership Training and upskilling for their employees. As Women Leaders in the Manufacturing Industry, they can appreciate the importance of leadership training and mentorship firsthand.

Constantina Meis talks about her own personal commitment to furthering the cause of Women in Manufacturing. "I have made it my mission throughout my years in politics, community work, and now at NJMEP to support and empower women—to see women thrive and become rising stars in their leadership roles, careers, family and public service," says Meis. "I am inspired by women like my mother, women who built a life and a successful career with no educational background, and who made sure I had the key foundation needed to grow to be the woman that I am today. Many of these women I meet in the manufacturing industry have such similar and amazing stories. We need to tell it," she adds.



From an operational standpoint, Laura Fisher, Human Resources Manager at NJMEP adds her own personal insight: "The manufacturing sector is so important to our country, and it is important to recruit



new talent into these positions. NJMEP's Year of Women in Manufacturing effort has done an excellent job focusing on opening doors for people who may not have thought of working in manufacturing as a possibility."

"More and more women are taking key roles in manufacturing to pave the way for others to follow suit," says Stacy Cooke. "Shining a light on those women who have worked hard and proven successful will motivate other companies to push for more gender inclusivity in manufacturing and leadership roles."

Kathleen Baldwin, builds on this idea by saying "Women have played an increasingly important role in the manufacturing sector, contributing to its growth, innovation, and sustainability." She continues, "It is especially true today as more women are taking on leadership roles, creating new products and services, and becoming key figures in the industry."

The Thomas and WIM study also reported that only 20% of manufacturers offer leadership training and only 13% offer mentorship programs—so without the proper programs being offered by the industry, we may see a stagnation in women leadership numbers. "We have a long way to go but more companies seem to be on board with this transformation to ensure that we're making strides towards equality," echoes Stacy Cooke, who as an Account Manager works firsthand with NJMEP clients on many projects that include workforce development.

## THE LEGACY OF THE YEAR OF WOMEN IN MANUFACTURING

Laura Fisher, who is responsible for hiring and managing on-boarding at NJMEP, pulls her personal experience from an Operational standpoint and says that, "the most substantial milestone achieved during the Year of Women in Manufacturing was an increased focus on underrepresented and underserved groups in the industry." An area that NJMEP will continue supporting in 2023 as the organization focuses on the formation of Initiatives like the New Jersey Defense Community Consortium (NJDCCC), which offers career opportunities to Veterans and their families—79% of which are female veterans in New Jersey.

From a social standpoint, Stephanie Casano says that for her, "One of the greatest results of [NJMEP's] efforts was the sisterhood created from the Year of Women in Manufacturing—these relationships are priceless . . . because they were founded on the importance of empowerment and support, as well as increasing awareness for women to choose manufacturing as a career!" One area that should be of note, and that supports Stephanie's sentiment, is that manufacturers should consider getting involved in programs like FIRST Robotics—a nationwide robotics competition that brings together younger men and women and gives them the skills to pursue higher level careers in robotics. According to the US Census Bureau, one of the ways the industry has been attracting more women and reducing the gender gap was by changing the perception of women in manufacturing and encouraging girls at a young age to pursue STEM subjects—



and FIRST is the perfect vehicle for that introduction to middle-school and high school-aged girls.

The Year of Women in Manufacturing Initiative, which culminated in 2022 at the 10th Annual 'MADE in New Jersey' Manufacturing Day Event where outstanding Women Leadership was recognized with a series of awards. The intent was to highlight the industry's most prominent Women Leaders. The first ever Year of Women in Manufacturing Scholarship was awarded to Micaela Alvarez, Director of Operations at Universal Nutrition—who is using the scholarship to further her education in the prestigious Executive Education Program at MIT's Sloan School of Management—and secondly, Ellen Pietrowitz-Phillips, President of L-E-M Plastics & Supplies, Inc. was awarded the first ever Rising Star Award, which was awarded for standout leadership in the industry. These were both awards that, in Kathleen Baldwin's opinion, "highlighted their value to New Jersey's manufacturing industry and women in manufacturing [as a whole]"—as symbolic a gesture as literal. "Recognizing women in this industry now, is not only the start of encouragement for other women, but also only a taste of what the next generation of women can bring forward to continue manufacturing's success," says Tiana Maynard, Workforce Development Specialist at NJMEP—a message NJMEP is proud to carry forward as the legacy of the Year of Women in Manufacturing. 🍷



# The Importance of Supply Chain Connectivity to Grow Your Business

Manufacturing has always had an element of matchmaking at its core. As a supplier, you want to be found quickly by original equipment manufacturers (OEMs), prime contractors, and tier one and two suppliers. Buyers want to find companies capable of doing their work.

The ability for manufacturers and suppliers to connect has never been more important. The domestic supply chain is quickly evolving due to advanced manufacturing breakthroughs and growing demand for electric vehicles, solar batteries and other high-tech innovations. Connectivity will also be essential for small and medium-sized manufacturers to capture some of the huge business development opportunities throughout the supply chain coming with major government projects, such as:

- **CHIPS and Science Act:** \$280 billion to bolster semiconductor capacity, catalyze research and development, create regional high-tech hubs, and develop a bigger, more inclusive science, technology, engineering and mathematics (STEM) workforce.
- **Infrastructure Investment and Jobs Act:** \$1.2 trillion for projects ranging from roads and bridges to broadband, power grids, airports and more.

- **New Jersey's Offshore Wind Project:** \$8 billion to create the New Jersey Wind Port, the nation's first offshore wind-marshaling port for energy creation, which will create an estimated 8,000 to 10,000 new jobs.

Increased awareness of opportunities and capabilities within supply chains gives manufacturers a competitive advantage.

## The cautionary tale of PPE production and acquisition during the pandemic

The massive demand for personal protective equipment (PPE) early in the COVID-19 pandemic offers a cautionary tale. Opportunities in your backyard—and nationally—may not be visible unless you are connected to the right supply chain platforms.

When the pandemic began, I was the Program Manager for the SMART Congressional Initiative-Covid Task Force based in New Jersey. I was responsible for acquisition of PPE for more than two dozen federal agencies. At the time, the vast majority of PPE used in the U.S. came into California ports from Asia. As the pandemic set in, the PPE acquisition process quickly broke down. I made a number of trips to California in hopes that it would improve our acquisition efforts. Unfortunately, being close to the California ports did not help, and we had less than a 2% success rate in acquiring the much-needed PPE.

Despite the government's rapid response program, there was little knowledge of capabilities among the domestic manufacturing sector. I eventually learned there were more than 200 companies in New Jersey capable of producing PPE.

Having this information a few years ago could have saved a lot of time and money. I would have concentrated my efforts to acquire PPE through these New Jersey companies.

Now, with lessons learned, we are in the process of growing our national database of suppliers. This is being coordinated in each state through local MEP Centers. So, let's not make the same mistake ever again. We now have systems in place that will help capture opportunities to build the domestic supply chain.

## Supplier scouting and databases can be powerful tools for growth

The MEP National Network's Supplier Scouting service (<https://www.nist.gov/mep/supplier-scouting>) was expanded due to the pandemic and can be applied on a national, regional or local scale. With extensive relationships and knowledge of U.S. manufacturing capabilities, Supplier Scouting identifies manufacturers with appropriate production and technical capabilities and connects them with the supply chains of larger companies and government agencies. In addition, suppliers are identified and connected with purchasers, responding to the specific needs of individual companies or agencies. MEP Supplier Scouting helps OEMs and government agencies identify new suppliers that can produce hard-to-source items.

MEP Centers can support vendors, materials or technical searches by identifying:

- Technical and process capabilities
- Production capacities

- Proficiency to make products
- Ability to pivot production to critical supplies

Many MEP Centers have partnered with private entities to create in-state and national database platforms. The largest, the CONNEX Marketplace ([njmep.org/connex](http://njmep.org/connex)), now has a database of more than 140,000 manufacturers. MEP Centers can use these database platforms to find suppliers and fulfill requests issued through the supplier scouting service.

Here are how database platforms generally work:

- **For suppliers:** They build a profile to share their North American Industry Classification System (NAICS) and Standard Industrial Classification (SIC) codes, equipment, capabilities, services, certifications, location, HUBZone Small Business Administration classification, and more to help buyers in the vetting and supplier selection process.
- **For buyers:** They submit requests for information, requests for proposals, requests for quotes, and more. Qualifying suppliers are notified, applicants are vetted, and the best match is brought to the buyer.

Buyers and sellers connect directly through the platforms, which allows big manufacturers to search and find your business according to your unique capabilities and what you can produce—not just what you have built in the past. It also allows you to easily search and discover large manufacturer needs.



## Key to unlocking domestic capabilities: The supplier identification project

John Kennedy, the CEO of the New Jersey Manufacturing Extension Program (NJMEP), has an extensive background in manufacturing. A former manufacturing business owner, John has a doctorate in industrial engineering, and his research focused on production, inventory, and supply chain. When John learned about New Jersey's Offshore Wind (OSW) project coming to the state, he did what comes naturally to engineers—he developed a comprehensive matrix and roadmap for connecting stakeholders.

As details emerged for the New Jersey OSW project, John and his team broke down the approximately 8,000 parts in a wind turbine (bushings, electronics, fasteners, etc.), and cross-referenced those with New Jersey manufacturers' NAICS codes. He then looked at which companies in New Jersey could supply those parts. This exercise identified 1,464 New Jersey manufacturing companies that might be able to do business with OSW.

He has created a model for how to connect suppliers and buyers:

- **Phase 1:** Identify and outreach. A stakeholder must invest the time into breaking down an opportunity that yields a qualified list of prospects.
- **Phase 2:** Engagement. Conversations about opportunities and capabilities will expand possibilities. For example, an initial breakdown may show there are three NAICS codes that might align with a manufacturer, but a conversation reveals that the manufacturer could easily adapt to five or more codes.

NJMEP continues to work closely with the governor's office, the Manufacturing Caucus, and the New Jersey Economic Development Authority in leading the New Jersey supply chain on key areas like offshore wind power generation.

## Supply chain connectivity has many potential impacts

Government projects to boost the evolving domestic supply chain will present more and more opportunities for small manufacturers. While you may not manufacture components for semiconductors, every new fabrication plant will need doors, windows, manufacturing equipment, and other infrastructure. There is plenty of incentive to become part of supply chain platforms, for example:

- In New Jersey, the OSW project will require equipment beyond wind turbines, such as transfer stations, containers, cabling, and thousands of other components, parts, and general construction.
- Your state may have set-aside programs for manufacturers in certain categories, which could provide an even greater opportunity to capture new business.

- As the domestic supply chain evolves, regional specialty clusters will emerge related to raw goods, production, and distribution. This is yet another opportunity for small manufacturers to raise their visibility for new business.
- These clusters and capabilities will make it easier for in-state agencies to prioritize resources, such as building a talent pipeline. The CHIPS and Science Act is an opportunity to grow the pipeline for optics and photonics, and the OSW project will need welders, among many other specialties.

Another advantage to increased connectivity with your supply chain is that you are helping mitigate risk during emergencies and disruptions. Being part of an effective database or network means you are easily identified as an alternate supplier that can help manufacturers improve their supply chain diversity and resiliency.

## Your local MEP Center can help

Your local MEP Center (<https://www.nist.gov/mep/centers>) can work side-by-side with you to use the MEP Supplier Scouting service and database networks to increase your supply chain connectivity. If you are a manufacturer, let's talk. 🧩



**ROBERT MAZZUCA**  
STAFF ENGINEER, NJMEP



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# Offshore Wind to Bring Clean Energy to Millions in New Jersey

While Ocean Wind 1 & 2 Promise  
a Clean Future for New Jersey,  
What Is Promised to  
Garden State Manufacturers?

## WHAT IS OFFSHORE WIND?

The Bureau of  
Ocean Energy  
Management  
(BOEM) is a



federal agency who's responsible for all offshore wind projects located within federal waters. There are currently three offshore leases with projects in development off the coast of New Jersey—they're so named Ocean Wind 1, Atlantic Shores, and Ocean Wind 2—and as for the northeast corridor, there are further projects already approved for the states of New York, Rhode Island, Connecticut, and Maryland.

Ørsted—a European-based leader in clean energy that currently operates more offshore wind energy projects than any other company in the world—has been working for over five years on developing New Jersey's first offshore wind project—the 1,100-Megawatt (MW) Ocean Wind 1 project, which they're conducting in partnership with the BOEM, the New Jersey Department of Environmental Protection (NJDEP), and PSE&G. Ocean Wind 1 will deliver enough offshore wind capacity to power half a million New Jersey homes, with the capacity to power over one million homes when Ocean Wind 2 is completed.

## ECONOMIC AND JOB GROWTH IN NEW JERSEY

The Offshore Wind project will feature a \$250 million investment that will place New Jersey at the center of the American offshore wind supply chain. The project features plans to build a state-of-the-art manufacturing



facility located at the Paulsboro Marine Terminal in Gloucester County, which will build monopiles for offshore wind turbines. The Gloucester County facility will be the largest industrial offshore wind investment in the United States to-date, and will create more than 500 manufacturing jobs alone. New Jersey's investment in offshore wind will result in job growth across numerous industries, including construction, manufacturing, and professional services. It's projected that New Jersey will see approximately 20,000 new jobs related to offshore wind. According to the New Jersey Economic Development Authority (NJEDA), offshore wind is projected to create nearly 2,000 jobs in manufacturing by 2025, and a further 8,000 (totaling over 10,000 jobs) by 2030.

## WHERE NJ MANUFACTURING FITS IN

While this projected economic growth is undoubtedly going to benefit New Jerseyans across the board, it's not guaranteed that New Jersey businesses will benefit directly from the project at first. There have been no pro-New Jersey business stipulations set in stone in the project's contracts and details about how New Jersey Manufacturers will be engaged directly in the supply chain are murky at best. Organizations like NJMEP are working with the states' manufacturers to provide insights and connect business leaders with key decision makers. The lack of transparency when it comes to New Jersey manufacturers capabilities and how they can support an Offshore Wind supply chain may have held the state back from encouraging Offshore

Wind partners to source manufacturing support and services from New Jersey firms. The state is just now starting to understand the true scale and scope of the 'MADE in NJ' manufacturing industry, but without capitalizing on this momentum, NJ manufacturers will not be considered when engaging in future large-scale state and federal projects.

Ørsted is currently engaged in the planning and development stage, which their timeline usually estimates about 4-7 years of this stage, and the next stage will be 1-2 years for manufacturing and assembly, which is going to be an important period for New Jersey manufacturers that operate in sectors critical to this new infrastructure—especially metal fabricators and welders. Business leaders must continue speaking up to be on top of mind as this massive project moves forward.

Another potential area where the offshore wind project may impact New Jersey businesses is that Ørsted could attract manufacturing employees away from their current employers with temporarily higher paying jobs and roles within the offshore wind supply chain. While this is great for workers, the opportunities will only be available for a short time and could be disastrous for New Jersey manufacturers who are already struggling with workforce issues amid the labor shortage. It's more important than ever for New Jersey manufacturers to stay up to date on all the latest updates regarding offshore wind, as the impact on the industry is sure to affect most businesses in the Garden State. Additionally, 'MADE in NJ' manufacturers need to take advantage

of every possible workforce retention solution currently available. The more attractive they can make their business and the more valued employees feel, the better chance these businesses will have of retaining their current workforce.

When the project was originally announced in 2020, there was a lot of excitement about the prospect of clean energy and the influx of jobs and economic growth for New Jersey. "Offshore wind is a once-in-a-generation opportunity to not only protect our environment, but also greatly expand our state economy in a way that has immediate impacts and paves the way for long-term growth," said Governor Phil Murphy at the time the project was announced. While the positive economic impact of offshore wind is undeniable, manufacturers must keep an eye on the project's progression to ensure they don't miss any opportunities the state may provide. 🍷





# Protect Your Enterprise

## Proper Cyber Hygiene is Good Practice for Every Business

Cybersecurity is nothing new to modern businesses, but have leaders put enough focus on securing our greatest assets? In the wake of the Covid-19 pandemic, the industry has seen a paradigm shift in how businesses—at their very core—can and should function. There's been a hard push for more virtual and digital services, and with the continued advancement of digital technologies manufacturing is going to see a rise in associated risks. According to the Cybersecurity and Infrastructure Security Agency (CISA), "the COVID-19 pandemic has led critical infrastructure entities to increase their use of remote-based technologies for industrial control systems [which has] created a larger "attack surface"—that is, more points in a network that attackers can try to enter." The advent of the digital age was only the tip of the iceberg as businesses shift more and more to a virtual and hybrid workplace model. "The convergence of cyber-physical technologies and systems that deliver our critical functions—from manufacturing to healthcare to transportation and beyond—means that single events can manifest in the loss or degradation of service across multiple industries," reported CISA. There's been a recent resurgence of interest in civil-cyber defense, as the pandemic shed light on many of the insecurities our supply chain faces. Essentially, what CISA is saying is that any breach in the supply-chain can cause catastrophic effects across many, if not all, industries.

With businesses shifting more and more toward remote and hybrid employment models, these areas offer the biggest opening to cyber threats, as employees use company devices on unsecured networks. According to the latest Comprehensive Cyber Review (July 2022), the Department of Justice (DOJ)

reported that the FBI was actively investigating over 100 variants of ransomware responsible for causing over \$1 billion in losses to victims, and in the previous calendar year the Internet Crime Complaint Center (IC3) received a total of 959,584 complaints [of internet crimes] with losses totaling over \$21 billion—so the biggest threat to American businesses and manufacturers in 2023 is undoubtedly the threat of cyber-crime. Lisa O. Monaco, Deputy Attorney General, says that the cyber threat "has exploded. It has become more diffuse, more sophisticated, more dangerous than ever before."—and for American businesses, it's time to start taking real steps toward securing their enterprise.

### WHAT IS CMMC 2.0?

Cybersecurity Maturity Model Certification (CMMC) 2.0 is the gold standard for ensuring an organization is secure against cyber threats. It's a complex and rigorous process that determines how securely a business creates, handles, and disseminates Controlled Unclassified Information (CUI). If a manufacturing business is certified as CMMC 2.0 compliant, then they have a competitive edge over the competition, not only in the Defense Industry but across most other industries as well. The perks of CMMC 2.0—as opposed to the original model—is that it offers a simplified and streamlined version of compliance that truncates the original model from five levels to just three levels. The new levels are Level 1 (Foundational), Level 2 (Advanced), and Level 3 (Expert). Level 2 (Advanced) is similar to the original Level 3 in that businesses at this compliance level must securely store and share CUI—which is information that is created or owned by the government that requires safeguarding or dissemination controls consistent with applicable laws, regulations and

government-wide policies.

CUI is not classified information, and it's not corporate intellectual property unless it was created under the umbrella of a government contract. If your company works for the Department of Defense (DOD) in a capacity that requires the handling of CUI—either as a prime or subcontractor—then you will be required to achieve at least a Level 2 certification. Meeting Level 2 requirements has been streamlined with CMMC 2.0, as the DOD has dropped the 20 security controls that were included in version 1.0 and aligned the standards in 2.0 with the 110 controls found in NIST 800-171 (National Institute of Standards and Technology, a subdivision of the U.S. Department of Commerce)—which is tasked with protecting CUI in Nonfederal Systems and Organizations.

## WHY MANUFACTURERS NEED CMMC

Manufacturers of any kind, Food Processing, Life Sciences, Medical Devices, Chemical Manufacturing, DOD—proper cyber hygiene is good practice for all. Any threat to the supply chain will inevitably affect the ebb and flow of products and materials across the entire economy, so it's important that every industry begin safeguarding its vital information and resources. Dave Visalli, Senior Account Manager and Cyber Security Specialist at the New Jersey Manufacturing Extension Program (NJMEP), weighed in on who is affected by cybercrime most: “[Regardless of industry sector] it's important to have an understanding of your environment and your vulnerabilities to protect your enterprise, especially if you're dealing in intellectual property, chemical formulation, or HIPAA—because of the intellectual property, those are [the businesses]

at highest risk. Small to medium-sized [businesses] are the most vulnerable because they don't really have the infrastructure in place to be cyber secure. They don't have the time or resources to ensure proper cyber hygiene, so they're most vulnerable—and there are a lot of them in New Jersey. There are a lot of manufacturers that are involved in the life science, chemical manufacturing, [and] department of defense spaces—upwards of 3,000.”

The thousands of manufacturers that call New Jersey home must review their cyber security protocols and systems—even more pressing so for any prime or subcontractor, because the DOJ is not mincing words about the necessity of cybersecurity compliance in the private sector. In the past, businesses could simply offer Plans of Actions and Milestones (POAM) as collateral for accepting DOD contracts, without having to actually take steps to ensure that the policies were put into action—but no longer. CMMC 2.0 is a new measure that's indicative of the sentiment that the DOJ means business. Lisa Monaco, Deputy Attorney General, says that “holding contractors accountable for their cybersecurity promises will enhance resiliency against cyber intrusions across the government, the public sector and key industries [like manufacturing].”

## WHAT'S AT STAKE

The Federal Government is no longer going to take POAMs at face value. When Lisa O. Monaco gave her Keynote Address this past July at the International Conference on Cyber Security, she affirmed that sentiment by explaining that the Civil Cyber-Fraud Initiative (CCFI)—which was launched in 2021—would apply the DOJ's traditional expertise and would “hold accountable those companies that contract with

the federal government and receive federal funds, but fail to follow required cybersecurity standards.” This area is mostly a warning call to any prime or subcontracting manufacturers that are working with the DOD. If you fail to meet CMMC 2.0 compliance once the initiative is finalized and ratified into law, then you can expect to lose any existing DOD contracts you previously held—or worse, if you don't tie up the loose ends in your POAM, you could also be prosecuted by the DOJ for misrepresenting your organization's cybersecurity compliance. Already, the CCFI has resulted in one such defense contractor being liable for paying \$9 million to resolve allegations that it misrepresented its compliance with cybersecurity requirements in DOD and NASA contracts.

While DOD contracting and CMMC 2.0 compliance may not feel applicable to a business if they operate outside the defense sector, another area these businesses should consider is Cyber Insurance Liability. The U.S. Government Accountability Office (GAO) compiled a report this past July that discusses cyber threat liability and its effects on insurance premiums. According to GAO, “The cost of cyber insurance is based in part on the frequency, severity, and cost of cyberattacks, all of which have been increasing. The uncertainty about future threats also plays a role, and insurers have become more selective about who and what gets covered.” So, while your business's potential to earn may not be affected by these recent changes in cyber compliance statutes, you could find yourself holding the bag when—most likely not if—you experience a cyber breach; and most likely you won't be able to rely on cyber insurance liability. Reports from GAO show that between 2017-2020 Cyber Insurance Premiums increased nearly 12%, and

that number is expected to continue to climb as claims increase.

Regarding an increase in cybersecurity incidents, the FBI analyzed data reported between 2016-2021 and realized that cybersecurity incidents involving the most common types of incidents (business email, data breach, denial of service and distributed denial of service, and ransomware) increased nearly 27% in the past 5 years, with an associated increase in total cost from \$470 million (2016) to more than \$2.5 billion (2021). With the incessant rise of cybersecurity incidents, if a manufacturing organization is not increasing cybersecurity controls and parameters, then they are not protecting the enterprise. Cybersecurity is an ever-evolving landscape and it requires renewed vigor and enthusiasm if a business plans to continue operating in the manufacturing space in New Jersey, domestically, and abroad. They will need to take the necessary measures to rise and meet the challenge, and luckily enough, manufacturers are not alone on this one.

## GETTING STARTED WITH CYBER HYGIENE AND CMMC 2.0

While the process itself is daunting and may leave manufacturing leaders feeling as though they don't know where to start, there are several resources available for manufacturers considering revisiting their cybersecurity protocols and practices. The process of reaching CMMC 2.0 compliance itself requires a NIST 800-171 self-assessment, which results in scoring that's later posted in the Suppliers Performance Risk System (SPRS) database. Then, contracting officers—from the DOD—can check this database prior to contract award or exercising an option year to ensure the self-assessment is complete. Finally, a

score is posted and a POAM is made available to close any gaps found in the self-assessment. However, it doesn't stop there with the self-assessment. Contract Requests for Proposal will soon be requiring CMMC compliance to be considered for award. The CMMC level will depend on the contract and the type of work the business will be involved in. Bringing your business up to CMMC compliance is a daunting task for a firm that isn't in the Cyber Security business and will require a credible, experienced partner to get you across the finish line.

That's where someone like Dave Visalli comes into the equation: "We come in, perform an assessment, we help you understand your environment, the vulnerabilities, the gaps, and we put together a Plan of Actions and Milestones—a POAM—to help you get fully secure." In the past year, NJMEP has helped two New Jersey-based manufacturers hit the ground running with CMMC compliance. In 2022 Dave worked with General Technical Services, LLC to achieve level 2 CMMC Compliance and helped them retain contracts valued in excess of \$15 million, and more recently has undertaken the task of bringing Wireless Telecom Group up to compliance through 2023.

## YOU'RE NOT ALONE

While CMMC 2.0 compliance might be resource intensive, there are some upsides for smaller businesses with fears that the cost will put them at a competitive disadvantage. Namely, one of the details in the CCFI ensures that "companies that follow the rules and invest in meeting cybersecurity requirements are not [going to be put] at a competitive disadvantage." While the sentiment is there, there's no concrete foundation as to how the DOJ plans to enforce that idea. In the

meantime, small to medium-sized businesses should take inventory of their resources, begin understanding their environment, and take the initial steps at addressing their cyber hygiene shortcomings—that way they're not left holding the bag once these statutes and protocols are enacted.

That's where the New Jersey Manufacturing Extension Program can help: "For the small to mid-size company that doesn't have the resources to tackle this on their own, we're experts. We understand their environment, we go through everything with them, we help manufacturers write that POAM, and we can give them periodic guidance on how to get there—or, we can step in and help them get to those milestones," says Dave Visalli. It's time to stop thinking of cyber hygiene as something theoretical or hypothetical, or amorphous—it's something businesses and manufacturers need to start considering as a necessary area of their operations. Think of cybersecurity certification and CMMC compliance as another feather in your cap in terms of the level of security and prestige that an organization can offer prospective clients and customers. In the end, if a manufacturer not tied to DOD contracts or they feel like CMMC compliance isn't worth the cost or efforts, Dave Visalli affirms that at the end of the day "[You need to] protect your enterprise, protect your business—what you've worked so hard to build. You've achieved a level of success as a business and you owe it to your enterprise and your customers to protect what you've built. When you do those things you not only secure [your business], your employees, your customer, your supply chain—you become a better partner for prospective customers that you can do business with in the future." 🍌



# Bridging the Skills Gap

In a highly competitive job market, employers must give new-hires assurances that their careers won't die on the manufacturing floor.

With skilled laborers aging-out of the industry, new data suggests now is the time for manufacturers to start taking advantage of rising resignation rates across several other industries. According to the National Association of State Chambers (NASC), a lot of these workers don't have another job lined-up and are looking to change industries. The US population also experienced its lowest growth rate (.12% from 2020-2021) in recorded history, which means manufacturers won't be able to rely on a steady stream of entry-level workers. The labor shortage presents an interesting dilemma—as minimum wages rise to meet inflation, how do manufacturers keep up?

For an American newly entering the workforce—or reentering from military service—it seems a no-brainer to seek out service jobs that offer around \$15/hr minimum wage. However, most entry-level service jobs do not offer many benefits outside of a competitive hourly wage; most are lacking in the healthcare, educational, or career advancement category. The average annual salary of a full-time manufacturing professional is \$97,281, according to NJMEP's annual Industry Report, but beyond that, many manufacturing roles can lead to broader career trajectories that far surpass opportunities found in the service industry. On top of that, manufacturing is on the verge of ushering in a 4th Industrial Revolution with a renewed push for alternative energy and the CHIPS Act is poised to bring in thousands of specialized jobs to the state. Now is a more important time than ever for NJ Manufacturers to reinvest in their workforce, and it begins with seeking out and educating two key demographics—young people and veterans.

NJ has an untapped supply of military veterans, 5.4% of which are currently unemployed in the state. Manufacturers can offer these NJ veterans stable, secure, and fulfilling careers, while also benefiting from the years of experience their military service has given them. It's important to work with MEPs and [other veteran groups in NJ] to try to attract talent from these outside sources. NJ manufacturers should also look to supporting groups that grant them access to the state's youth, such as FIRST Mid-Atlantic Robotics—an organization that hosts robotics competitions that offer a tremendous opportunity for the manufacturing community to get involved with the future generation of engineers and manufacturers.

Another area several states have investigated and found success, is reinvesting in the talent pipeline by exploring and implementing new apprenticeship programs. The NASC reported nearly 600,000 active apprentices in the US at the end of 2021, and 242,000 new apprentices, and several states are considering instituting (or have already begun offering) tax credits for companies that provide internships, apprenticeships, or other training that results in a recognized credential. Manufacturers located in



areas where programs such as these are not available to them, will need to take advantage of events like NJMEP's State-of-the-State of Manufacturing Summit, where state legislators and manufacturers come together to discuss the industry's greatest challenges. Businesses must be their own advocates and compel policymakers to shift much needed resources and support toward manufacturing.

Luckily, forward steps are already being taken in New Jersey, according to Robert Asaro-Angelo, the commissioner of Labor & Workforce Development. "Apprenticeship reduces employee turnover and increases productivity, and builds a pipeline of skilled workers," says Asaro-Angelo, and thanks to The New Jersey Apprenticeship Network (NJAN), New Jersey manufacturers have a streamlined process for matching career seekers with specialized employers and training providers. However, the work must not stop there. Manufacturers must continue to lean on employee training and upskilling, especially as the industry itself continues to evolve. Advancements in technologies means that manufacturers must continually modernize their workforce, and by better advertising benefits and incentives, leaning on upskilling and career development for new and current employees, and connecting with NJ's youth—either by apprenticeship programs or volunteer opportunities—the manufacturing industry can better bridge the ever-widening skills gap. 🧩



New Jersey has rediscovered the importance and value of its 'MADE in New Jersey' manufacturing industry. The small and medium sized businesses that make up the majority of this critical industry contribute billions to the state's GDP. These businesses range from food manufacturing all the way to advanced semiconductor production and touch nearly every sector in between. As the state begins to recognize its value, New Jersey has been investing in manufacturing at a rate not seen in decades. Key state legislators and industry supporters have shared their thoughts on the industry with Manufacturing Matters magazine. Find their input and comments in the Trenton Talks section, below:

**For this edition of Trenton Talks,** NJMEP thought it would be beneficial to ask some of the manufacturing industry's most pressing and common questions to the legislature's leading industry advocates, Senator Linda Greenstein and Senator Michael Testa. Senators Greenstein and Testa co-chair the Legislative Manufacturing Caucus (LMC), a bi-partisan group of Senators and Assemblymembers dedicated to helping New Jersey's manufacturing industry and working closely with NJMEP to do so.



**Senator Linda Greenstein** is a Democrat from Plainsboro, representing parts of Middlesex and Mercer Counties in Legislative District 14



**Senator Michael Testa** is a Republican from Vineland, representing all of Cape May County, most of Cumberland County, and parts of Atlantic County in Legislative District 1

To start broadly, we would like to know your opinions on what New Jersey currently does well as far as supporting manufacturing and what can be improved upon?

**Greenstein:** I think one of the most exciting things we've done recently is to include in the state budget truly historic investments in manufacturing. Just last year, New Jersey initiated a new \$20 million program called the New Jersey Manufacturing Voucher Program (NJMVP) to help manufacturers purchase certain new equipment for their facilities. I'm incredibly glad that the program will continue into FY24. But, considering how quickly the program was oversubscribed, I think we need to take a look at expanding the program so that more manufacturers can get a piece of it. And, as often is the problem with state government, we need to make sure that awardees receive that funding as quickly as possible.

**Testa:** New Jersey's vocational schools, county colleges, and senior institutions of higher education do a phenomenal job of supporting manufacturing in New Jersey. A prime example of this is Rowan, who not only prepares students for careers in manufacturing, but also conducts

research for companies. If only the current administration spent more of your tax dollars preparing students for well-paying manufacturing careers than for a football coach who is averaging \$1 million per win, this area of strength would be even better!

There are multiple areas that need improvement, but the biggest one to me is ensuring that taxpayer dollars are being used to buy goods from New Jersey manufacturers whenever possible. If the prices are comparable, there is no reason for State or local governments to buy goods from other states if they are available from a New Jersey company. The economic multiplier on manufacturing in New Jersey is very high and that money would be better spent being injected back into the economy here.

Senator Testa, you touched on education, what can be done to ensure that there is a steady supply of qualified, capable employees to fill manufacturing jobs in New Jersey?

**Testa:** The “brain drain” is a major problem in New Jersey. Supporting our schools, including K-12, vo-techs, and institutions of higher education is an important step in ensuring that manufacturers in the State have a pool of qualified candidates to choose from, but the outmigration of our high school graduates is a major issue. My former colleague, now Congressman, Tom Kean, authored a bill that would have directed the Secretary of Higher Education to study the extent and causes of outmigration. The bill unanimously passed the State Senate twice, but despite great urging did not receive so much as a committee hearing in the General Assembly.

**Greenstein:** One bill we’re working to pass is called the Manufacturing in Higher Education Act (S659). I sponsor this bill alongside former caucus co-chair, Senator Oroho. The goal of this legislation is to better prepare students with the skills they need to pursue careers in advanced manufacturing. Far too often, we’ve heard from manufacturers that, at times, they’re able to find candidates to fill positions, but if they don’t have the math skills they need to do the job, it isn’t a good fit. We know that recent generations have been pushed to attend college, end of sentence, end of discussion. There isn’t the same support for our trades. While there is still work to be done to re-advertise other paths besides four-year colleges, we think this bill is a good way to engage current college students to pursue careers in the advanced manufacturing industry. S659 has passed the Senate but needs to be heard by the Assembly.

You both mentioned different pieces of legislation. To wrap this up, what is one pending bill that you think all manufacturers in New Jersey should know about?

**Greenstein:** I’m going to use this opportunity to briefly mention a small package of bills I recently introduced: S3693, S3694, and S3695. All aim to better pair small businesses with government assistance programs. This isn’t necessarily a problem specific to manufacturers. We’ve heard from small businesses across the state who are trying to figure out what programs are available to them. Too often, it’s hard to get that answer quickly. I am hoping that these three bills—which would create an Office of Financial Assistance in EDA, a common application, a needs-matching



website, and an advertisement grant program—are pieces of that puzzle.

**Testa:** I know you asked for one bill, but I am going to highlight two manufacturing bills that I wrote. The first is S594, which would give a corporation business tax (CBT) credit for investment in manufacturing equipment, facility renovation, modernization, and expansion. For too long, New Jersey has focused its tax credit programs on the volume of jobs created, rather than on creating quality careers. By offering tax relief to manufacturers who invest in their New Jersey facilities, it will allow them to expand their operations here, which means more high-quality, well-paying employment opportunities for New Jerseyans. The second bill is S597, which establishes the Manufacturing Workforce Development Grant Program. The bill is a branch-off from the Manufacturing in Higher Education Act that would foster partnerships with county colleges and manufacturers in order to create internship opportunities to further develop New Jersey’s manufacturing workforce.

**Thank you both! For those reading this, if you are looking to get in contact with Senator Greenstein or Senator Testa, they can be reached at their legislative email addresses: [SenGreenstein@njleg.org](mailto:SenGreenstein@njleg.org) and [SenTesta@njleg.org](mailto:SenTesta@njleg.org), respectively.**





# Building Solutions for Manufacturers

**This is a pivotal year** for New Jersey manufacturers, who have been resilient in the face of inflation, labor shortages, and supply chain challenges that undermine growth and profits.

NJBIA keeps state policymakers focused on manufacturers' challenges by working closely with our state-level partners including NJMEP and the Bipartisan Legislative Manufacturing Caucus, as well as the National Association of Manufacturers.

We have also partnered with industry and community colleges to strengthen the workforce pipeline through initiatives such as the Pathways to Career Opportunities, which is aligning postsecondary curriculum with employer needs to ensure workers have the hands-on skills and stackable credentials needed in manufacturing and other key industries.

Critical to the success of all these efforts on behalf of manufacturers is the state budget process now underway because it implements tax policies and sets spending priorities. In the run-up to the start of the new fiscal year on July 1, NJBIA has made sure that the needs of manufacturers and the rest of the business community have been heard by state lawmakers.

The sunset of a temporary 2.5% surcharge on the Corporation Business Tax has dominated state budget negotiations. New Jersey has the highest corporate tax in the nation and NJBIA has been fighting on behalf of businesses to ensure the state keeps its promise to reduce the CBT rate from 11.5% to 9% by allowing the surcharge to expire as scheduled on December 31.

Manufacturers are disproportionately registered as corporations, which makes CBT reform a high priority. NJBIA strongly supports the CBT reforms in S-3737/A-5323, now pending in

the Legislature. In addition to making New Jersey more competitive by changing the way global intangible low-taxed income (GILTI) and net operating losses (NOLs) are treated under the state tax code, the bill also makes other changes sought by manufacturers to support innovation.

NJBIA also advocated for manufacturers during the budget process by asking lawmakers to increase state funding for the successful Career Pathways and Basic Skills Training programs and provide more financial support for cell and gene therapy biomanufacturing. We also asked for an increase in funding for the NJMEP program and greater financial support for the state's new robotics initiative that will attract the next generation of workers into STEM and advanced manufacturing careers.

“ **Helping New Jersey manufacturers grow and strengthen their position in the global marketplace requires a competitive tax code and highly skilled workforce pipeline. NJBIA is committed to working with our manufacturing partners to make this happen.** ”



**MICHELE SIEKERKA, ESQ.**  
PRESIDENT & CEO OF NJBIA &  
BOARD OF DIRECTORS OF THE  
NATIONAL ASSOCIATION OF  
MANUFACTURERS

# YOUR ROADMAP BEGINS WITH AN ASSESSMENT

New Jersey Manufacturing Extension Program, Inc. (NJMEP) is a not-for-profit company that helps New Jersey's small to mid-sized manufacturers become stronger and more competitive. Designed to meet your needs, we develop more effective business leaders, drive product and process innovation, promote company-wide operational excellence and foster creative strategies for business growth and greater profitability. NJMEP's training processes and methodologies are designed to specifically meet the needs of manufacturers.



## ASSESS

Our no-cost business assessment is the core of NJMEP's business improvement services and the first step in our strategic hands-on approach to help improve your company's performance. The assessment is a comprehensive, on-site, evaluation of your company's operations that both appraises capabilities and gauges the effectiveness of business systems in the following key areas:

- Sales • Production • Supply Chain • Strategy •
- Human Resources • Regulatory/Compliance •
- Quality • Finance •



## DO

We have a variety of solutions to help you, and can implement solutions through:

- Customized learning through on-site training
- Problem solving through consulting and process improvement
- General awareness learning through seminars and workshops



## CHECK

We measure our success by yours. The results are derived from a NIST survey that is calculated approximately 6-12 months post-project. Each project is analyzed for success based on quantifiable impacts such as: increased sales, jobs created and retained, and cost savings. We don't succeed unless you succeed.

## PLAN

A customized action/training plan and executive summary is developed after the assessment; and presented featuring strategies and solutions designed to improve productivity, quality, profits and sales. Unlike other work plans, this one is focused on specific actionable steps for improvement and drives quantifiable results.

## ACT

Once a program is completed, we work with you to update your customized action/training plan and identify the next steps for improvement in your business.







# “Trenton Makes the World Takes” stands as a stark monument to the manufacturing glories of the state that built this nation.

**It's also a reminder of New Jersey's potential as a global manufacturing hub.** Equipped with both a workforce that is second to none and a storied history of world-class innovation, New Jersey—more than any other state in the nation—stands to benefit from a renewed focus on U.S. manufacturing and advanced technologies.

In Congress, I am relentlessly focused on making life more affordable for working families by building a strong economy that provides opportunity for everyone. If we want to make New Jersey the best place to live for generations to come, we must invest in manufacturing.

Investments in manufacturing will fuel our economic growth and take advantage of our competitive edge—New Jersey's highly skilled workforce. New Jersey has the nation's best public school system, colleges and universities that offer a cutting-edge education,

community colleges that work closely with businesses to meet their needs, and apprenticeship and training programs that provide businesses with a workforce they can find nowhere else in the country. And we can do more. Ensuring that every child in this state has access to a world class, public school education will grow our highly skilled manufacturing sector and our economy as a whole.

When I look at the challenges and opportunities facing New Jersey, I know that our state will lead the nation in competing in the new economy if we continue our culture of innovation and education.

When the world needed a COVID vaccine, New Jersey's pharmaceutical companies and research institutions stepped up to do the impossible, producing a vaccine within a year. When the pandemic wrecked global supply chains, we expanded clean energy and semiconductor manufacturing capacity in the United States to help defeat worldwide shortages and lower prices for these critical goods.

Congress has an important role in building on that progress. I joined the new House Select Committee on the Strategic Competition Between the U.S. and the Chinese Communist Party (CCP) to level the playing field for New Jersey companies. I hear from business owners throughout NJ-11 about the hits they have taken from unfair CCP practices like intellectual property theft and the illegal dumping of subsidized goods in U.S. markets. I'm working with our democratic allies to hold the CCP accountable and grow our investments in manufacturing right here at home.

Last Congress, we moved to invest in high-end semiconductor chips manufacturing through the CHIPS and Science Act as well as cutting-edge electric vehicle and battery production through the Inflation Reduction Act. After we passed this historic legislation, I sat down with Wireless Telecom Group at their headquarters in Parsippany, alongside American Microsemiconductor Inc. and NJMEP. Industry leaders shared with me how the CHIPS and Science Act would help them expand their skilled workforce and better compete in the global economy.

And we are already seeing the results. Just last year, America's manufacturing sector had the largest annual job gains in almost three decades. Not only are we seeing growth in high-end job opportunities, but these investments are also reducing energy and car prices for families, countering some of the cost increases we've seen since the pandemic.

As we continue to grow our economy, we have to build on our advantages in training and education. One of my favorite examples is the Department of Defense's Defense Manufacturing Community Support Program. After voting to reauthorize this program in the National Defense Authorization Act, I fought alongside NJMEP to secure one of six grants nationwide to create a Defense Manufacturing Community Consortium. This funding will allow NJMEP, working with Picatinny Arsenal, our community colleges, business community, and more, to train hundreds of veterans and their family members for careers in the defense manufacturing ecosystem.



The County College of Morris, located in my district, holds a \$4.5 million Department of Labor grant that I voted to fund a statewide manufacturing initiative, partnering with eight other colleges to ensure that apprenticeship training is happening across New Jersey. We've also seen how the New Jersey Pathways initiative, led by the New Jersey Council of County Colleges and NJBIA, is expanding manufacturing training across the state.

Thanks to the investments we've made, close to 350,000 people work in New Jersey's manufacturing industry and earn an average salary of \$97,000. I am grateful to have NJMEP as a partner in our fight to level the playing field for New Jerseyans.

For generations, our state's workforce has propelled the United States into the future. With the advantages our state has and the opportunities created from investments in manufacturing and innovation, New Jersey will continue to lead. And I'll continue to be your partner in the fight to invest in American manufacturing, bring jobs back from overseas, and create a more affordable future for New Jersey families.

“ When I look at the challenges and opportunities facing New Jersey, I know that our state will lead the nation in competing in the new economy if we continue our culture of innovation and education. ”



**CONGRESSWOMAN MIKIE SHERRILL**  
NEW JERSEY'S 11TH  
CONGRESSIONAL DISTRICT



# Behind the Numbers

## Dicing the Data in our 2023 Food Manufacturers Survey

Early in 2023, the Manufacturing & Distribution team from Grassi Advisors & Accountants set out to assess the state of the food manufacturing industry in New York and New Jersey in an annual survey conducted with the New Jersey Food Processors Association. Once again, this year's survey findings identify the latest trends, gauge industry outlooks, and provide critical benchmarking data.

This year's survey report dove deeper into the "why" behind the data by eliciting candid feedback from industry focus groups on key issues addressed in the survey. The report lays out a clear picture of improved conditions amid lingering challenges and innovative opportunities.

### Impact of Inflation

While the impact of inflation was identified as a clear hurdle in the focus groups, survey results indicate it was one that most companies were able to clear. Revenues increased for two-thirds of those surveyed (compared to just over half in 2022), and a mere seven percent saw revenues decline. At the same time, profits stayed strong, with a majority of respondents increasing their profits over the previous year at an average increase of 22 percent.

Unlike their suppliers, however, respondents said that passing price increases along to their customers is not a sustainable strategy to combat inflation. While an average of three-quarters of clients accepted some level of price increase last year, according

to survey respondents, those increases averaged six percent—far less than the rate at which material, labor, and other prices have spiked.

As one focus group participant put it, "Up to this point, we were able to pass along price increases. The concern on my part is that the increases from our suppliers aren't slowing down, but we're going to have a harder time passing along from this point forward." Another one agreed, "Our customers basically refuse price increases. We either have to walk away and lose the business, eat the margin, or try to find lower-cost suppliers."

Respondents did that and much more to combat rising costs in almost all areas of their business. After price increases (54%), the top three commonly used strategies for combatting inflation were: increased distribution channels (47%), increased production of specific products (45%), and reduced product variations (30%).

When asked how businesses are addressing raw material price increases in particular, respondents reported absorbing a portion of the costs (47%), renegotiating prices with current vendors (43%), reducing other operating costs (40%) and identifying lower-cost suppliers (37%) among their most common strategies.

Of course, the current high interest rates were identified as a compounding factor. "The higher cost of capital is just going to increase the cost of everything," said one focus group participant.

### State of the Supply Chain

Delivery lags and other logistical challenges continue to plague the industry.



In fact, supply chain disruption was most commonly reported as a top challenge by survey respondents (47%), outranking even inflation-related challenges (46%) and high labor costs (44%).

Technology is increasingly becoming the weapon of choice in fighting supply chain disruption, particularly in mitigating its impact on inventory. Half of all respondents reported utilizing automation tools through supply chain management software to assist with tracking and managing inventory.

Focus group participants were quick to point out that an enterprise resource planning (ERP) system alone is often not enough to manage risk in this current environment. One explained the process: "We knew we needed a warehouse management system. We already had an ERP that was suitable. We know how critical WMS is, so we found the best WMS for our needs and our ERP provider said they'd support the third-party integration."

Other effective inventory strategies being employed by nearly half of respondents are: purchasing inventory in bulk for long-term storage (47%), financing additional inventory purchases (43%), diversifying product sourcing from different geographic locations (42%), and maintaining inventory based on just-in-time methodology (42%).

Manufacturers surveyed are also investing in ways to strengthen their own link in the supply chain through expanding or enhancing their production plans. Sixty-three percent plan to add automation to their production lines in 2023, and 48 percent plan to open additional lines/plants.

## The Latest on Labor

While COVID outbreaks and other staffing challenges decreased significantly in 2022, maintaining staffing levels remains a concern for 59 percent of respondents.

Survey respondents and focus group participants are using a variety of strategies to address these concerns. The most common responses were: offering flexible schedules, providing financial incentives, increasing line automation, and hiring temporary/contingent workers.

Within the focus groups, participants provided some specific examples of these strategies and their outlooks on how staffing is evolving:

"One of our solutions is that we made a really lucrative referral program. And that's really our most effective recruiting tool."

"We've worked with a lot of workforce development culinary programs and got either interns or graduates from their program. It takes a little bit more time to train them, but we're getting employees who want to believe in us and follow us."

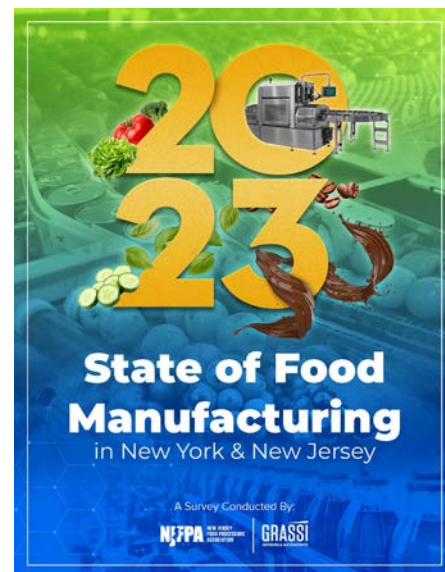
"We automated the majority of our lines, so we went from a production line requiring 12 people down to 5 people."

"I'm feeling a bit more optimistic about it because I am seeing a lot more responses when I post. I don't know if it's turnover, people moving from job to job, or more people on the market, but I'm feeling more optimistic about the labor force."

It appears this optimism is shared by a majority of small companies (fewer than 500 employees) surveyed, with 52 percent saying they were only slightly, somewhat

or not at all concerned about maintaining staffing levels. A much greater percentage of large companies surveyed (73 percent) expressed higher levels of concern.

Perhaps most telling is the position of staff recruiting and retention in the ranking of survey respondents' greatest challenges. Only 34 percent chose staffing as a top concern this year, down from 58 percent in last year's survey.



## Optimism Driven by Opportunity

Overall, optimism was a key takeaway throughout the survey and focus groups. A strong majority of survey respondents (82 percent) are confident that revenues will continue to climb in 2023, and this is backed by the proactive pursuit of innovation and other opportunities.

The majority of respondents (69 percent) are increasing capital spending this year to keep the positive momentum going. Of those who are planning to increase spending, most will be investing in IT/technology (65 percent), expanding production lines (56 percent) and

enhancing facilities/buildings (48 percent).

And the optimism doesn't stop there. One focus group participant even found a silver lining in the greatest challenge—supply chain disruption: “During COVID, we were supplying many chain's store for the first time, and when their supply chain issues eased, they stayed with us because they learned they couldn't put all their eggs in one basket anymore.”

Download a free copy of the 2023 survey report at <http://bit.ly/3JZisFF> to discover more of the innovative opportunities, strategic changes, and technology decisions facing food manufacturers and distributors this year. If the pandemic forced companies to innovate to survive, now is the time to innovate in order to thrive.



***Grassi's Food & Beverage specialists can help you benchmark your business performance and use the results to chart a confident course for the future. Contact Robert Grote, Manufacturing & Distribution Practice Leader, for more information.***



## How NJBIA is here to Help Your Business

Whether you are a one-person operation or a Fortune 500 company, New Jersey Business & Industry Association (NJBIA) is here to help your business succeed. **Wayne Staub, Chief Business Relations Officer for NJBIA, breaks it down for us.**

### What is NJBIA?

NJBIA is the largest, most influential, and most impactful statewide business association in the US. We have been around for more than 110 years advocating for thousands of New Jersey businesses to build a more prosperous state. NJBIA also has the largest lobbying team in the statehouse, tirelessly tracking thousands of legislative proposals and regulations affecting your business. We also provide members with personal assistance, valuable information, educational programs, back-office solutions, and networking opportunities—all to help reduce your costs and grow your business.

**Speaking of reducing costs, what are some programs that NJBIA offers that can help members save money on Day One?**

We try to support small businesses in the back-office areas that they may not have access

to. Our health benefits offer low-cost, self-funded comprehensive plans with hundreds of choices. Our FREE HR Support Center can help our members find the answers they need when they are trying to navigate today's challenging employment issues. We have our payroll services, and now we provide 401k plans. Then there is the money-saving benefits with several nationally known companies—save on shipping, office supplies, email clients, travel and more!

So right away, from day one, there's value for members of every size to start saving thousands of dollars.

### **What about education and development? How does NJBIA factor in?**

NJBIA provides seminars, webinars, and information on everything from how you manage remote employees to managing conflict between multi-generational employees, and dealing with stress in the workplace. And, with our HR On Demand service, our members can create an employee handbook, which is so important these days, and it will automatically update itself when laws change. With so many rules and regulations changing so frequently the average handbook is out of date every 7 weeks! It's one less thing for our members to worry about!

We also host some 150 events throughout the year so members can network and gain insights for a wide range of topics

throughout the year, and our biggest event of the year, the Women Business Leaders Forum (WBLF), is coming up in a few months!

Members also have access to our new BIA LEARN program. Employees can take online courses to help them stay compliant, reduce risk, and drive employee engagement. Our training library features over 360 courses from Compliance & Legal, IT, Customer Service, Diversity, Harassment, Professional Development, and more!

### **How can members stay current on business trends and government?**

Yea, there is more to NJBIA than just the member benefits programs listed above. Our government affairs team is a leader in advocacy and closely tracks thousands of pieces of legislation in the halls of the statehouse to make certain our members have a voice. They fight anti-business bills and support laws that will help grow your company and New Jersey's economy. There are a lot of issues that are coming at us fast and furiously that impact business every day.

So, how do we get all this info to our members so they stay up to date on changes to laws that can impact how their business operates? With all of our communication outlets! Our daily New Jersey Business Today newsletter, our award-winning New Jersey Business Magazine, and on TV every Saturday and Sunday with Minding Your Business TV

Show on News12+, where we interview members and legislators. And to lighten up the mood, we have a fun podcast with Other People's Business. So, we have a lot of information going out. Plus, there's even more information on our website, which is an invaluable resource for all businesses across the state.

**Visit [www.njbja.org](http://www.njbja.org) and see how NJBIA can work for you.**



***Wayne Staub is the Chief Business Relations Officer and part of the executive team at NJBIA. He leads the recruitment efforts and works closely in helping the development of benefit programs and partnerships.***







# Strengthening B2B Contracts

Commercial B2B contracts are an essential part of any business. In addition to accurately capturing a deal's core terms, they should also provide an enforceable framework for resolving potential disputes.

Since many manufacturing companies enter into contracts governed by NJ law, understanding how certain key provisions will work in the event of a dispute is particularly important. These provisions include: warranties and limitation of liability, which we will discuss below, as well as indemnification and time of the essence clauses/delay damages, which we will cover in Part 2 in the next issue of Manufacturing Matters.

## Warranties

A warranty is a promise that a certain quality or circumstance will be the case. NJ law recognizes both express and implied warranties. Express warranties are written directly in the contract and do not require any special legal language to enhance their enforceability. If the words indicate an intent to make a promise about a product or service, then an express warranty will be considered given.

Before signing a new contract, the express warranties should be reviewed to ensure that: (i) the warranty obligation is unambiguous; (ii) the warranty time period is defined; (iii) instructions on how to submit a warranty claim are provided; (iv) it is clear who has discretionary obligations in the event of a warranty claim (e.g., who decides whether to repair or replace) and (v) the warranty will be invalidated under certain circumstances (e.g., unauthorized modifications or misuse).

Although New Jersey law also provides for a number of implied warranties, such as the warranty of merchantability and fitness for a particular purpose, these warranties are often expressly disclaimed in B2B contract negotiations.

## Limitation of Liability Provisions

Under NJ contract law, it is generally well-established that parties in B2B contracts can limit their liability, as well as the remedies available for breach of contract, via a limitation of liability provision. Before drafting such a provision, it is important to first consider potential losses in terms of those you are willing to compensate without limit, those you wish to exclude, and those you wish to cap. With these parameters in mind, a limitation of liability provision may include: (i) specific obligations to maintain certain types and levels of insurance; (ii) caps on maximum damages; and (iii) exclusions of consequential damages (such as lost profits).

Consulting an experienced attorney on these and other issues can help achieve business objectives and reduce risk.



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