

Written Testimony of

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Good afternoon, Chair Baldwin, Ranking Member Sullivan, and distinguished Members of the Committee. Thank you for the opportunity to testify about the role of small and medium sized enterprises (SMEs) in advancing domestic manufacturing and the potential support that the Commerce Department can provide through its Manufacturing Extension Partnership (MEP). I am President of Husco Automotive, a medium sized, minority-owned Wisconsin based global manufacturer of highly engineered hydraulic and electromagnetic controls for current and new automotive propulsion systems. I am also the current Board Chair of the Wisconsin Manufacturing Extension Partnership, providing me the unique position of being both a MEP consumer and directly connected witness to the exceptional value and return on investment that the MEP system delivers to America's SME's.

My first experience with the WMEP was in my current role at Husco and prior to joining the WMEP board. Five years ago, Husco embarked on a venture to design and build our own advanced manufacturing equipment. As we developed into becoming our own integrator, we decided we also wanted to help small manufacturers in Wisconsin solve their manufacturing challenges. The WMEP provided multiple manufacturing-specific programs and venues for us to introduce our capabilities and competencies to just such a group. We connected with a small manufacturer in need of solving a complicated packaging problem that was difficult for the operator to execute by hand, making the 3-shift per day / 5 days-a-week task frustrating and physically unpleasant. The issue was also creating

internal capacity constraints causing lost sales and profits. Our Advanced Manufacturing Group established a unique solution that eliminated the need for the operator to execute this specific task. We built the machine, introduced it to their shop floor and successfully eliminated the problem. The small manufacturer, with the help of the WMEP, secured training for the operator such that he gained new skills associated with providing technical support and maintenance for this and several other production equipment machines on their factory floor. As simplistic of an example this specific engagement represents, it was a powerful statement across several areas pertaining to key elements of the MEP mission. Sometimes, it is the simplest success stories that carry the most insight into the best way forward. First, through their targeted technology and services programs and state-wide manufacturing events, they introduced a small manufacturer to local sources of relevant advanced manufacturing technology and integration. Second, they facilitated the development of a machine operator such that he could step into a more value-adding role for both the company and his overall personal situation. I share this story because it represents how two SME's, one with an advanced manufacturing solutions capability connected and collaborated thru the MEP system in advancing the state of manufacturing for the common good and developing the workforce such that both the business and the worker realize a positive outcome.

To be globally competitive...no, strike that, to be the clear global leader of the most advanced technologies and manufacturing processes in the world, we must embrace and grow organizations like the MEP, who onboard some of the best talent across all aspects of manufacturing, leveraging their many years of expertise in their respective areas to help guide our SME's, and ultimately all of America's manufacturers, toward that goal. The MEP's are perpetual drivers of innovation in product and process. And they have mastered how to couple that with helping to find the right paths of development for the workforce. The link between onboarding advanced technologies and processes and connecting SME's

with the right training for its workforce is an especially important attribute of the MEP expertise portfolio that I wanted to highlight here for you today.

Another area I would like to touch on is supply chain. Husco Automotive has experienced its share of challenges in securing material from overseas and has been working hard over the last 3 years to move parts to local sources. As Board Chair of the WMEP, I have had the opportunity to see several engagements that have solved supply chain problems. 'Help us find a source for this part in the United States as we can no longer afford supply chain delays from overseas sourcing due to volatility in freight schedules, international shipping costs, and political unrest' is a common ask of our consultants. The MEP system is the natural leader to help solve this problem. As more and more MEP engagements occur, America's SME's will become the best global solution for supply. In fact, it's happening already. At the WMEP, I have seen multiple SME manufacturers that we have engaged with grow their sales by 15%+ and becoming that onshore 'solution' thanks to process improvements and new investments in advanced manufacturing technology and workforce development – all guided by WMEP consultants. With more success stories like these which I have witnessed at the WMEP, we will be able to move even quicker in getting SME's to play a bigger role being that 'onshoring' solution.

An additional benefit from these types of MEP engagements that will also come out of the proposed CHIPS Act MEP investment will be a national database of suppliers that will be available for MEP's system-wide to access and use to help identify high potential, local source options facilitating fast, cost effective solutions to these supply chain problems. It truly will be a game changer when it comes to further assisting manufacturers find 'onshoring' solutions.

Senators, expanding the MEP is a critical 'seed' in the CHIPS and Science Act. As you well know, for every one dollar of federal investment, MEP generates \$26 in new sales growth and \$34 in new client investment. MEP-led innovation in manufacturing related product and process coupled with training our workforce to support these new technologies will only further evolve the small and mid-size manufacturers here in the United States. An expanded MEP system, thanks to the CHIPS Act investment, will be the foundation for America's SME's to build their own opportunity for exponential growth through local supply of material, new product and process technology, and a highly skilled workforce. I leave you this afternoon with both my WMEP Board Chair and SME leader hats on and ask that you support the CHIPS and Science Act and the designated funding for the MEP network.

Thank you for your time and consideration.