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**BEFORE THE SUBCOMMITTEE ON MANUFACTURING, TRADE, AND**  
**CONSUMER PROTECTION**  
**SENATE COMMITTEE ON COMMERCE, SCIENCE, AND**  
**TRANSPORTATION**

**November 17, 2020**

**“Examining the American Manufacturing Industry’s Response to the  
COVID-19 Pandemic”**

Good afternoon Chairman Moran, Ranking Member Blumenthal and members of the Subcommittee. Thank you for the opportunity to appear before you to discuss the manufacturing community’s response to the COVID-19 pandemic.

I am Tiffany Stovall. I am the CEO of Kansas Manufacturing Solutions (KMS), the Kansas Manufacturing Extension Partnership (MEP) Center. I have been with MEP since 2010 and began leading, as CEO, in 2017.

I am sure that the Subcommittee is familiar with the Manufacturing Extension Partnership, but as a reminder, we are the nation’s only program providing hands-on, in-depth support to small and medium-sized manufacturers to help them compete more effectively in the global marketplace. The MEP National Network has 51 centers - one in every state plus Puerto Rico. MEP has over 1300 manufacturing experts on staff, 400 service locations, nearly 2100 3<sup>rd</sup> party service providers and partners, and we interact with over 28,000 manufacturers per year. MEP Centers are the go-to experts for advancing United States Manufacturing.

As a public-private partnership, MEP delivers a high return on investment to taxpayers. The Upjohn Institute for Employment Research conducted a study of MEP this past year and found that the program generates a 14.4:1 return on investment. Each year, an independent firm surveys manufacturers regarding the impact they have achieved from MEP Center services. In 2019, MEP clients reported \$15.7 billion in new and retained sales and the creation or retention of 114,650 jobs. Considering that the average U.S. manufacturing worker earns more than \$87,185 in wages and benefits per year, MEP clients are economic drivers in their communities.

MEP clients are also increasing their capacity for the production of goods. MEP clients reported \$4.5 billion in new investments directly attributed to their work with MEP.

It is because of its history of working with manufacturers as trusted advisors that MEP was uniquely positioned to support U.S. manufacturers when they had to adapt to the exceptional challenges presented to them during the COVID-19 pandemic. Manufacturers have had to respond to COVID-19 challenges within their own facilities, but they are also helping our nation respond to COVID-19 by producing critically-needed personal protective equipment (PPE), ventilators, and other equipment and goods essential to the nation's public health efforts. I would also like to mention the other manufacturing industries that have kept our food supply going as well as all of the other essential goods that may not be directly related to COVID-19 response but need to stay in production.

When the lockdowns began in March, manufacturers across the country had to close their doors. Their suppliers could not supply them, and their customers could not buy from them. They faced a set of mortal threats, none of which they had seen before. KMS and the other MEP Centers were there for them then, and we are there for them now as manufacturing leads the way to economic recovery. We helped manufacturers create new supplier networks, navigate stay-home orders, apply for Paycheck Protection Program (PPP) funds, develop and implement best practices for internal COVID-19 safety, and in many cases, retool their factories to make COVID-19-related products.

I would like to acknowledge and thank Congress for providing temporary cost share relief to MEP for the 2020 fiscal year. Ordinarily, the cost share requirement leverages federal funding with a non-federal match. When the pandemic hit, our non-federal funding stopped, which would have prevented us from unlocking the federal funds. Temporary cost share relief has allowed KMS and the other Centers across the National Network to provide much-needed services to manufacturers during these unprecedented times. Over the course of the last several months, thanks to CARES Act funding and temporary cost share relief, the MEP Centers have done incredible work with manufacturers to help them re-tool, stay afloat, and modify their processes and procedures to adapt to the new health safety protocols. Many Centers remain working remotely; they have had to adjust their service delivery to protect their own staff and adjust to the changing policy protocols of their manufacturing clients. The temporary cost share relief has been critical in allowing them to do so.

Some examples of the kinds of work that Kansas Manufacturing Solutions and other MEP Centers have been able to do as a result of the temporary cost share relief:

- Work with companies that needed to invest in pivoting their operations instead of paying for MEP services in the short term;
- Keep specialized expertise on staff at MEP Centers to provide guidance to manufacturers during this critical time;

- Provide webinars, instructional materials, and guidelines to manufacturers about how to get specific PPE and information regarding critical resources like PPP;
- Focus solely on meeting the needs of U.S. manufacturers and provide them with critical services at their time of greatest need, without worrying about the Center meeting payroll or paying rent; and
- Shift the delivery of direct services and training to online and virtual platforms when we could not meet with companies in person.

### **Supply Chain and Supplier Matching**

Supply chain issues have been heightened because of the pandemic. Believe it or not, there is no national supply chain database, so organizations were scrambling to figure out where to go to get specific parts, materials, and PPE. KMS and other MEP Centers worked around the clock in the early days of the pandemic and beyond to keep manufacturers viable by matching companies to suppliers and getting them supplies they needed. We built supply chain databases as we went, state by state, and linked them through our National Network Supplier Scouting system.

KMS and the MEP National Network have been working tirelessly to build and strengthen PPE supply chains to ensure the United States has the critical PPE to meet the needs of our citizens during this unprecedented pandemic.

One example of how this has worked here in Kansas is with a manufacturer, Fuller Industries, that produces FDA approved disinfectants, hand sanitizer, soaps and other industrial strength janitorial products and cleaners. They also sell dispensers for soap and sanitizer. These dispensers had been previously sourced overseas and Fuller Industries was suddenly facing long lead times, short supplies and a reduced ability to deliver this product to clients including medical centers after the onset of the pandemic. Fuller reached out to KMS with the urgent need to gain more control over their supply chain.

KMS was able to quickly match them with another manufacturer in Kansas that could help them bring production of the sanitizer dispensers in-house. While the project is still ongoing, this a great example of the supply chain building that is happening by connecting one manufacturer to another - reshoring a production capability that helps meet the nation's PPE needs. This effort will generate more U.S. investment, U.S. revenue, and U.S. jobs. An upside for Kansas is that it also is a significant investment in a rural community.

This is the kind of work MEP is doing right now, every day, every month and as long as we need to help manufacturers weather the COVID-19 storm.

## **Adjusting to New Safety Protocols**

Workplace safety is a huge concern for manufacturers during the best of times, and is incredibly heightened during the COVID-19 pandemic. While a portion of the U.S. workforce shifted to remote work, this is not an option for the manufacturing sector. MEP Centers helped manufacturers understand the recommended safety protocols and adjust everywhere from the front office to the production floor to shipping facilities and beyond.

Centers have helped by creating and updating Safety Guides for manufacturers on COVID-19 practices in their facilities based on current best practices, including the appointing an infection control officer, use of thermometers, face shields, masks, and other PPE to keep staff safe.

These safety protocols also include considerations on plant layouts to increase safety of the workforce and encourage six-foot distancing when possible, without disrupting production or efficiency. Again, MEP staff was already well positioned for this type of work because of the ongoing trusted advisor relationships we have had with manufacturers and the shop floor expertise within the Centers. MEP and KMS understands their business and has earned this trust.

KMS has provided manufacturers throughout the state with COVID-19 safety guidelines and updated COVID-19 policies for HR handbooks. This helps give companies peace of mind that they are doing the right things to keep their employees safe and communicating expectations effectively to their employees.

## **Moving Forward: Sustaining and Growing US Manufacturing**

In helping manufacturers respond to COVID-19, we are helping them build operational resiliency and keep their workforce steady. Manufacturers are driving economic recovery while also suffering an economic hit and uncertainty themselves. The role of MEP is to help manufacturers get back on their feet, deliver tools to address the uncertainty so the nation can continue to get back on its feet.

Throughout this pandemic, MEP Centers like KMS are continuing to provide critical services to help sustain and grow manufacturing, even if those services have to be delivered in different ways. We have long been known for working elbow-to-elbow with companies anywhere from strategy in the board rooms to process and efficiency on the shop floor. While we miss the face-to-face interaction, we have been able to pivot to meet the restrictions many manufacturing companies have had to set by putting our existing services on virtual platforms and developing new services that can be effectively delivered remotely.

An example of one of these newly developed services from KMS is an on point new program called Future State Optimization. It is a proprietary multi-faceted program to help

manufacturers sustain profitability throughout the pandemic while building for their future. This program provides a three-part framework for delivering expert consultancy, a comprehensive manufacture centric assessment and a strategic roadmap for manufacturers to ensure their future and the future of their employees.

This comprehensive program will help manufacturers understand through the deployment of the assessment what will and has to change only temporarily, what will need to change permanently, and how to make good strategic decisions without full information in rapidly changing economic environments with the help of high level consultation from planning experts, financial scenario planning and a roadmap of *how* to pivot to sustained profitability.

In the face of so much economic uncertainty, this program is designed to ensure manufacturing leaders get back into the driver's seat and be proactive with their current business strategies instead of reactive. The process can make the future much less daunting, and the feedback from the first few companies that have gone through the hands-on, intensive process has been outstanding. In the words of one early participant:

*"KMS was able to take a very complex set of opportunities facing Mid-State Aerospace, distill them down to very understandable and prioritized list of actions to grow our business as well as develop a roadmap to address the COVID-19 impacts from both an operational and economic standpoint."* – Robert Rogers, President, Mid-Sate Aerospace

I hope the foregoing information has given insight on how Kansas Manufacturing Solutions has responded to the unprecedented COVID-19 pandemic in Kansas and how the MEP National Network has responded across the United States. In a strong and coordinated response to this pandemic, together we are partnering with manufacturers on their top COVID-19 concerns about adjusting to new safety protocols, building operational resilience, supply chain concerns, and workforce needs while giving critical insight into investment plans and regional infrastructure need. Manufacturing generates the kind of jobs that come with benefits and a paycheck. Manufacturing matters to the health of Kansas and to the health of the US. Whenever, wherever, and however we can, we need to support domestic manufacturing. KMS does that and MEP does that!

I sincerely appreciate the opportunity to appear before this Subcommittee. I look forward to answering any questions you may have.