



U.S. Small Business
Administration

Supply Chain Example

Applesauce From Orchard to Consumer by NAICS

← **Upstream Supply Chain**

Manufacturing
31-33 series

Downstream Supply Chain →


111331
Apple Orchards



484220
Specialized Freight Trucking, Local



311421
Juices, Manufacturing



484121
General Freight Trucking, Long-Distance



424410
Food, Merchant Wholesalers



484110
General Freight Trucking, Local



445110
Supermarkets



Presidential Executive Orders

14005 Made in America

14017 America's Supply Chain

EO 14005 Made in America

What it does:

- Raises domestic content threshold of federally procured goods under the Buy American Act from 55% to 75% by 2029
- Increases transparency, reporting and the requirements for Agencies to obtain a waiver
- Establishes products available for super price preferences.

Next Steps:

- Businesses can weigh in on Notice of Proposed Rule (closes 10/28/21): [Regulations.gov](https://www.regulations.gov), Refer to “FAR Case 2021-008”, select comments

Supply Chains/EO 14017

- 100 day report: Semi-conductors, Pharma, Large Batteries, Critical Materials and Minerals

[100-day-supply-chain-review-report.pdf \(whitehouse.gov\)](#)

- 1 year reports due in February: Agriculture, Health and Bio Prep, Transportation, Energy, ICT, Defense
- Tracking crossover issues: International Trade, Workforce, Production and Innovation, Sourcing Minerals

Manufacturing Office



SBA Administrator

June 9, 2021

"...a resilient supply chain depends on all of our small businesses and innovative startups, including those owned by women, people of color, and others who have been historically left behind by federal R&D and investment policy and whose full potential we need to leverage if we are to build back better. The SBA looks forward to partnering across the federal government to strengthen domestic competitiveness and supply chain resilience by ensuring that every entrepreneur has equitable access to credit, investment, customers, and advisory services that are essential to scaling up to the challenge."



White House Announcement

July 28, 2021

President Biden announced on the floor of a manufacturer that SBA would be creating a new Manufacturing Office.

"SBA has created a new manufacturing office to help small manufacturers access federal contracts, financing, and business development support. The office will coordinate activities across the Agency in response to the President's Executive Orders on Made-in-America, supply chain resiliency, and racial equity."

--Made in America Fact

Small Business Manufacturers in the US

- ~600,000 small business manufacturers
 - Employ 5.1 million workers (43% of sector).
 - Generate \$1.3 trillion in receipts (24% of sector).
 - 74% of employers in mfg have less than 20 employees.
 - Average small employer in mfg has \$5.4 million in ann. rev.
- Small business share of employment by mfg subsector ranges from Apparel (84%) to Transportation Equipment (19%) (SUSB).
- Women and minorities underrepresented in business ownership, especially in mfg sector (ABS, NES-D).
- From 2008 - 2018, small mfg employment fell by 13% (-9% overall mfg sector) (SUSB).
- 402,000 mfg job vacancies in Feb 2020; 814,000 in June 2021 (JOLTS).
- Mfg employment down about 400,000 in July compared to Feb 2020 (ADP).
- Top SB mfg needs over next 6 months (SBPS):
 - Identify and hire new employees (51% mfg; 40% all)
 - Identify new supply chain options (45% mfg; 21% all)

Sector	Firm Size	Firms (%)	Employment (%)	Receipts (%)
Mfg	Small Businesses	596,295 (99%)*	5,079,058 (43%)	\$1.3 trillion (24%)
	Large Businesses	3,960 (1%)	6,833,607 (57%)	\$4.2 trillion (76%)
	Sector Total	600,255	11,912,665	\$5.5 trillion

*Includes 354,100 nonemployers and 242,195 small employers.

Source: Census Bureau Statistics of US Businesses (SUSB); Nonemployer Statistics (NES);

<https://cdn.advocacy.sba.gov/wp-content/uploads/2021/08/30143723/Small-Business-Economic-Profile-US.pdf>

	Mfg %	All Sectors %
Women	25.1%	37.7%
Men	64.7%	56.1%
White	88.3%	79.8%
Black/African-American	4.2%	9.9%
Asian	4.8%	8.2%
American Indian and Alaska Native	0.4%	0.4%
Native Hawaiian and Other Pacific Islander	0.1%	0.1%
Hispanic	9.4%	12.8%
Veteran	6.8%	5.7%

Source: Census Bureau Annual Business Survey (ABS); Nonemployer Statistics by Demographics (NES-D)

U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

Challenges

Natural Disasters



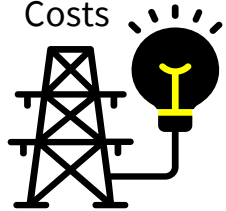
Environmental Regulations



Worker Shortages



Energy Costs



Certifications



Management Expertise



Cyber



Supply Chain Disruption



Logistics transportation



Community Relations



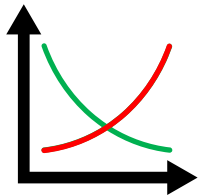
Raw materials



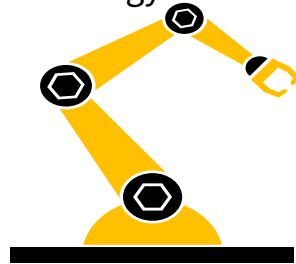
Pandemics



Fluctuating Demand



Technology



Capital Costs



Leverage Opportunities



More procurement opportunities



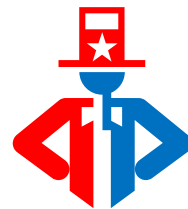
New Maker Movement



Focus on stronger supply chains



Accessible technologies and robotics



National investments in priority areas



Improving image

SBA Support

Capital (loans/investments)

- R&D: Small Business Innovation Research (SBIR) grant coordination
- Investment: Small Business Investment Companies (SBICs)
- Working capital loans: 7a Program/loan guarantees
- Asset financing for equipment and facilities: 504 program
- Export assistance grants

Coaching/Counseling (business plans, loan packaging, hiring, operations)

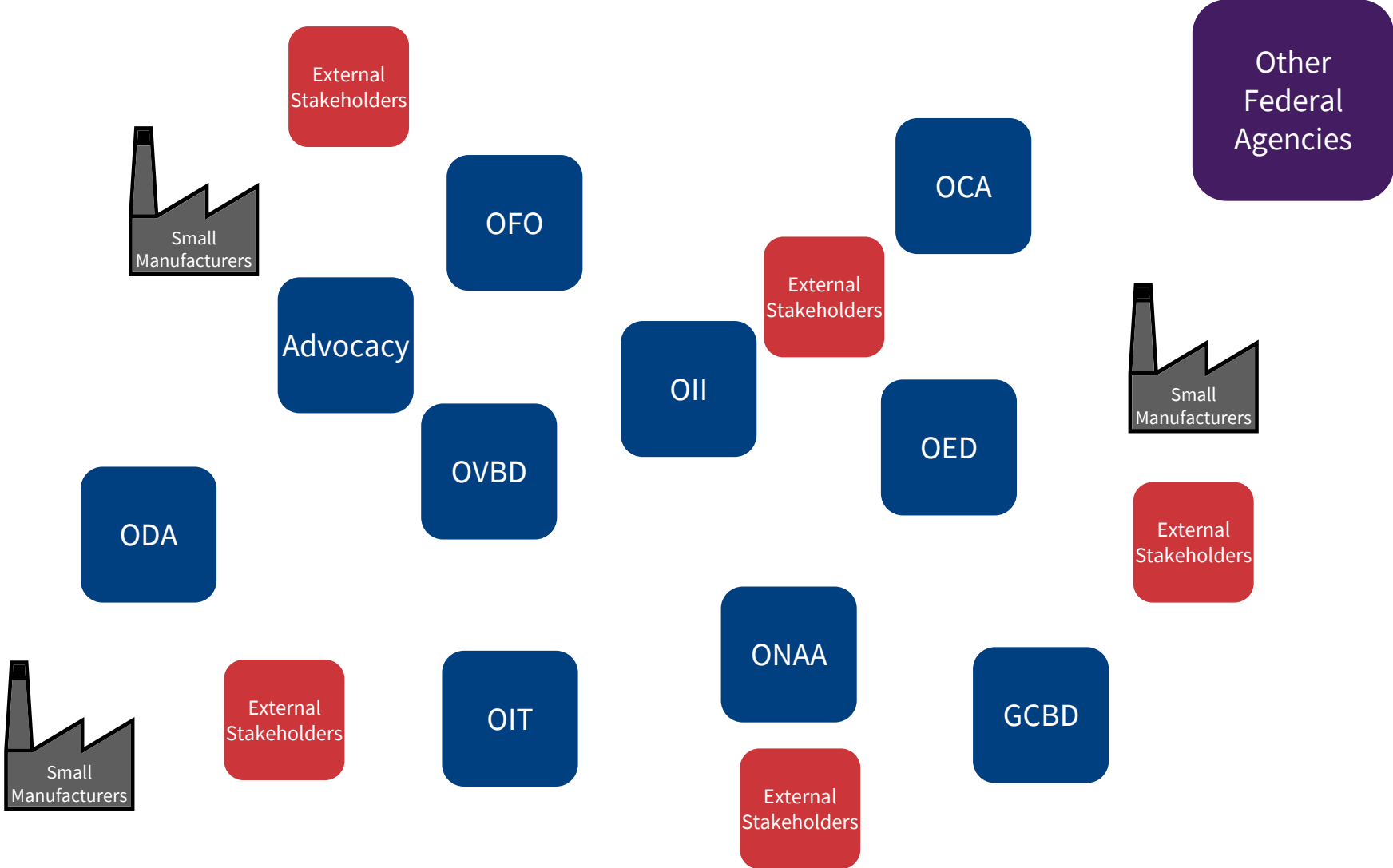
- SBDCs
- WBCs
- SCORE
- VBOCs
- Accelerators
- Online training platforms
- Regional Innovation Clusters

Contracting/Federal Procurement (set asides for small businesses)

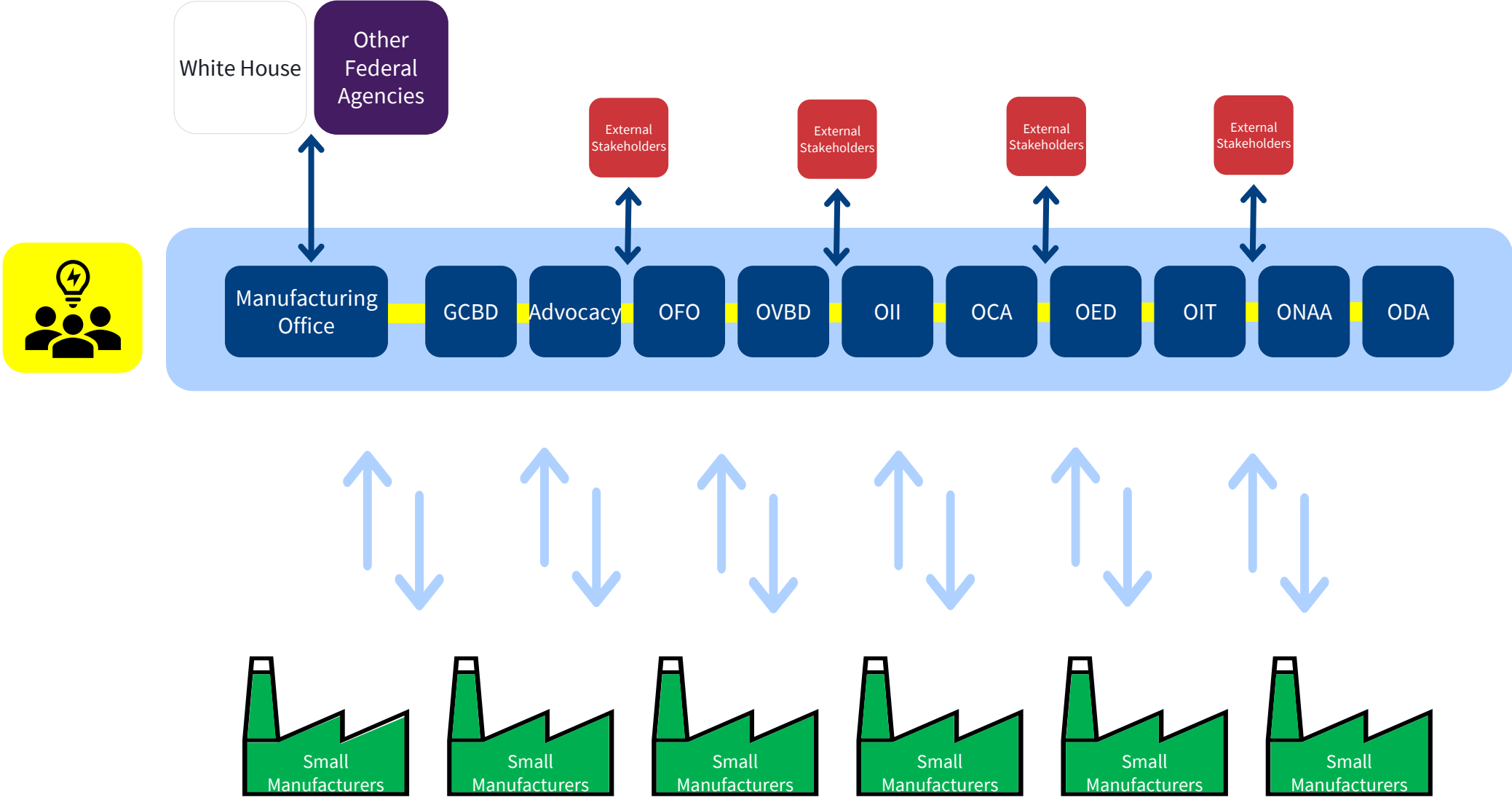
- Small Disadvantaged Enterprises (SDB): 8a
- Women-owned enterprises: WOSB
- Under-resourced communities: HUBZone
- Veterans

Current Manufacturing Support

White House
EOP



Opportunity to Magnify Impact to Manufacturers



Core Functions and FTEs

A dvance Policies	B olster Programs	C onnect Manufacturers
Help more small manufacturers succeed by creating opportunities and removing barriers to success	Help more small manufacturers overcome challenges through capital, counseling and contracting programs	Help more small manufacturers obtain help by connecting them to appropriate resources

Impact

- Expanded industrial base and participation in federal procurement generally by small disadvantaged businesses (SDB), women-owned small businesses (WOSB), service-disabled veteran-owned businesses (SDVOSB) and small businesses that are located in historically underutilized business zones (HUBZones) with manufacturing NAICS;
- A singular and elevated SBA response to issues related to supply chains and manufacturing;
- More effective policy recommendations that address the unique challenges facing small manufacturers and under-represented communities within various manufacturing sectors due to heightened industry input, data collection, research, and policy analysis;
- Expanded participation by small manufacturers in all SBA programs through focused outreach strategies to link them to resources; Enhanced resources such as education, technical assistance, training, and financing that build capacity and capabilities of small manufacturers;
- Coordinated support for small manufacturers through collaboration with workforce development programs, colleges and universities, industry groups, and other federal agencies that can assist in the creation, growth and expansion of manufacturing capabilities of small businesses;
- An increase in the number of innovations that lead to new and inventive market products; and,
- More resilient communities that produce materials and goods locally, provide quality jobs, build economic stability and spur neighborhood revitalization.