



# How Competitive is U.S. Manufacturing?

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# Manufacturing in the Spotlight

- A Czar for manufacturing
- Job losses in manufacturing
- “Saving manufacturing”
- Reports and studies on manufacturing
  - ✧ DOC, NAM/MAPI, Report of the President



## Manufacturing Competitiveness – Then

- Similar issues and concerns in the 1980s
- Similar studies
- “Made in America” - MIT study
- Causes of problems were diagnosed to be primarily managerial not governmental



# Transformation in Manufacturing

- Performance improvement systems:
  - ✧ Lean, ISO/QS, Baldrige, Shingo
- Information and communication technologies
- Policies of the federal government in the U.S.
  - ✧ MEP, CRADA . . .
- Global developments:
  - ✧ Reduction of trade barriers
  - ✧ NAFTA
  - ✧ Emergence of China as the “Workshop of the World”



# Manufacturing Competitiveness – Now

- Acceleration in productivity
- Causes of problems were diagnosed to be primarily governmental
- Leonard study
- President's Six-Point Plan



# Implications Of Studies

- Declining significance of payroll costs
- Drivers of location decisions in manufacturing
  - ✧ Access to markets, time-based competition
- Outflow of FDI to developed and low wage countries
- What will be “Made in America”?



# Competitiveness Challenges

- Small manufacturing enterprises
  - ✧ Lower productivity
  - ✧ Lack of business planning
  - ✧ Supply chain positioning
- R&D and the Innovation Ecosystem
  - ✧ R&D and manufacturing linkages
  - ✧ Lopsided distribution of R&D
  - ✧ Replication in other countries
- Skills gap
  - ✧ Innovation Ecosystem
  - ✧ Manufacturing