

Manifest Destiny

DOMESTIC MANUFACTURERS EXPAND AND PROSPER WHILE REMAINING LOYAL TO THEIR ROOTS

BY CYNTHIA T. GRAHAM

March 2008

[Text Size](#) [Multiple Pages](#) [Print](#) [E-mail](#) [Reprints](#) [Comments](#)

IT'S HARD NOT to detect a sense of pride in the tone of business owners who manufacture domestically. The whole *thing* can be likened to a proud father announcing the birth of his firstborn son.

At this year's PPAI Expo in Las Vegas, this writer marveled at the countless booths that donned the "Made in the USA" designation. From household items constructed of plastic derived from U.S.-grown corn to U.S.-manufactured T-shirts decorated with crystals, the selections were endless. Then, it suddenly made sense—despite all the hype of overseas manufacturing purported to being the wave of the future, American manufacturing continues to thrive in an industry where its presence is often considered the exception, and not the rule.



PRO AMERICAN

According to [Mel Ellis](#), president of Milwaukie, Oregon-based HumphreyLine, the company opted not to go overseas, in large part, "because our product categories did not require us to," he said. HumphreyLine manufactures a full line of plastic items, including flyers, stadium cups, pails, yo-yos and bottles, in addition to a line of personal-care items. Ellis pointed out there is little labor in the molding of plastic items, with the only labor required "in the finishing steps." Furthermore, HumphreyLine has no interest in acquiring personal-care amenities from anywhere "other than American sources," Ellis noted, due to the strict standards set forth by the FDA, to which overseas products are not held. He said knowing what comprises each product, which allows manufacturers to comply with regulations—such as Prop 65 (see page 34)—is a primary benefit of domestic manufacturing. And being able to control the production schedule "to accommodate sudden changes in demand" is another nod toward American manufacturing, Ellis added.

BECKWITH DISPELLED A WIDELY HELD BELIEF THAT FOREIGN-MADE PRODUCTS ARE LESS-EXPENSIVE THAN THEIR AMERICAN-MADE COUNTERPARTS.

THE PRICE IS RIGHT

Yet, it's not just a sense of pride and the assurance of a safe manufacturing process (both of which are

hallmarks in themselves) that make American manufacturing a viable choice; it also has a lot to do with product pricing and quality, according to [Douglas Beckwith](#), director of sales and marketing at Creative Modeling & Design, North Attleboro, Mass. "Soon, the advantages that Chinese manufacturers currently enjoy with regard to their operating expenses and overhead costs will ... disappear, making 'Made in USA' once again not just a point of pride, but a better quality and cost-comparable alternative."

With that, Beckwith dispelled a widely held belief that foreign-made products are less-expensive than their American-made counterparts. He said with the production of larger and heavier products, such as medallions, and if customers are not "amenable" to waiting up to 12 weeks (or more) for their orders, "just the cost of airfreight to offer a reasonable production schedule can exceed the cost of the product itself, making our USA-made alternative a cost-efficient choice."

Ellis agreed, stating the risk of price inflation is, in fact, significant for distributors selling imported products. "There is far less protection against price increases with imports, where so many cost variables are in play," he explained. In HumphreyLine's case, Ellis said the primary cost risk is its plastic resin. "The rest of our costs are quite predictable over a reasonable planning horizon," he said.

Beckwith also pointed to recent headlines showing "how little regard many Chinese manufacturers have for their customers' health and welfare, let alone that of their employees" as incentives keeping him committed to domestic manufacturing. "We are confident that our quality standards, both in terms of our products and our workforce, will continue to allow us to grow and prosper," he said.

AMERICA THE DUTIFUL

One would think it a cinch to sell American-made products on American soil. Think again. According to Beckwith, the challenge does not lie in product costs, but in distributor education on quality tooling. "Distributors, especially those in business less than 15 to 20 years, have become so accustomed to cheap tooling and set-up charges or no set-up charges for, sadly, poorer-quality, China-made products that they have accepted those standards as the norm," he explained. "Many remain unaware there are higher-quality choices." His advice to distributors: "Quality starts with good designs and tooling, and is remembered long after price is forgotten."

When selling American-made products, Ellis stressed the importance of distributors playing up the recent misfortunes of many American retailers that subscribe to producing their products overseas, such as children's toy giant Mattel, who, last year, recalled more than 22 million toys found to have lead-based paint. "The end-buyer is anxious to avoid product liability in their advertising campaigns and do not want to jeopardize their brand equity with contaminated product," he said. "They are ready to buy American-made promotional products because they understand it is the smart move for their companies."

DESTINY MANIFESTED

Just as advocates of Manifest Destiny—the early belief that the United States was destined to expand from the Atlantic seaboard to the Pacific Ocean—were assured expansion was not only good, but that it was obvious (manifest) and certain (destiny); domestic manufacturers are confident their decision to stay stateside will pay off in the long run. "The U.S. is a great place to do business," Ellis said. "We have a wonderful history of encouraging entrepreneurial activity and risk-taking, things that characterize the majority of promotional product suppliers."