



## New Mexico Defense Industry Adjustment Supply Chain Map & Portal Project

The New Mexico Economic Development Department (NMEDD) has received funding from the Department of Defense (DoD), Office of Economic Adjustment (OEA) to enhance its capacity to assist our communities, businesses and workers that may be affected by reductions in DoD spending.

A statewide asset and supply chain mapping study will be completed to identify:

- 1) Workforce, technology and product vulnerabilities among DoD suppliers.
- 2) In-state resources that can be augmented to develop and implement community adjustment and diversification strategies.

### Communication

Creating awareness and enlisting the participation of all DoD stakeholders are key to gathering complete and reliable information. Seven community kickoff meetings are being held throughout the state as a first step in reaching our target audience. The intended outcomes of these events include a more complete list of defense dependent companies and resources, via greater state-wide participation in project surveys and strategy development.

#### Web Portal

A New Mexico-centric web portal will be established to serve as a central conduit for disseminating and gathering information, leveraging assets, networking and modeling the state's defense ecosystem.

*With a large defense industry sector, 4 military installations, 3 national laboratories and 3 research universities, New Mexico has for decades been a willing and effective partner in preserving the security of the nation in peace and war.*

*It has provided a solid foundation for current and future mission capabilities.*

*But with this significant focus comes risk.*

*As future reductions or cancellations in defense spending occur, New Mexico could be negatively impacted in terms of lost jobs and economic vitality, and critical DoD suppliers may be lost.*



## Analysis

Integral to the state's defense community are private sector businesses - including contractors and their suppliers - that provide equipment, supplies, services and technical support. Yet, a comprehensive list and characterization of exactly who they are and where they fit in the supply chain does not exist. Consequently, it is not known how vulnerable or important they are in the event of reductions in defense spending. In addition to the potential economic impact of job losses, there might also occur unintended consequences, such as the loss of a critical single source component supply, workforce skill or manufacturing capability. To better understand these potential impacts, NMEDD will coordinate the development of a database that maps and inventories the defense ecosystem in New Mexico. The database will provide an understanding of the in-state dynamics of defense contracting and the impact defense spending reductions might have on private sector contractors and suppliers, and consequently, communities.

A variety of approaches will maximize the completeness and utility of the information. The study will include surveys, face-to-face interviews, database analyses and technical reviews.

### **What is a Defense Ecosystem Asset & Supply Chain Map?**

*Answer: A comprehensive gathering of information and visualization of the organizations and companies engaged in the full value chain of the industry.*

*For the purposes of the New Mexico mapping project ...*

**Assets** are defined as the economic development, education and training, research and access-to-capital organizations that can assist defense dependent companies in adjusting and diversifying.

**Suppliers** are defined as the prime contractors, subcontractors, and their subcontractors that provide components, products, systems, research & development, raw materials and/or other goods and services to the DoD or companies in the value chain.

#### **Questions for Suppliers:**

- who are you
- what do you do
- what do you manufacture
- where are you located

#### **Questions for Assets:**

- what do you do
- what resources do you provide
- what new initiatives are planned
- where are you located

## Collaboration

Through various forums, the web portal, and a statewide strategic advisory group, we anticipate this to be a statewide collaboration to address the needs of New Mexico's private sector defense industry.

An alignment of state and local economic adjustment and diversification strategies will result in a strengthened and more productive response to adverse DoD budget and procurement reductions. Identification of mission critical technologies, capabilities, products and workforce skills within the state will enable proactive DoD actions to preserve them. Identification of in-state technical assistance and other programs and resources that can help defense dependent companies will contribute to the state's responsiveness.

In summary, this collaborative effort will create the foundation upon which strategies can be developed to safeguard New Mexico's private sector defense supplier base, broaden their capabilities for competition and preserve and enhance regional workforce capabilities associated with new business opportunities and entrepreneurial growth.



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