

South Bay Economic Development Roundtable

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California Manufacturing Technology Consulting ® (CMTC)

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CMTC is committed to improving the competitiveness of So. Cal Manufacturers

- Non-profit consulting organization
- Serves over 600 manufacturers per year
- All projects surveyed by a 3rd party
- Providing consulting services since 1994

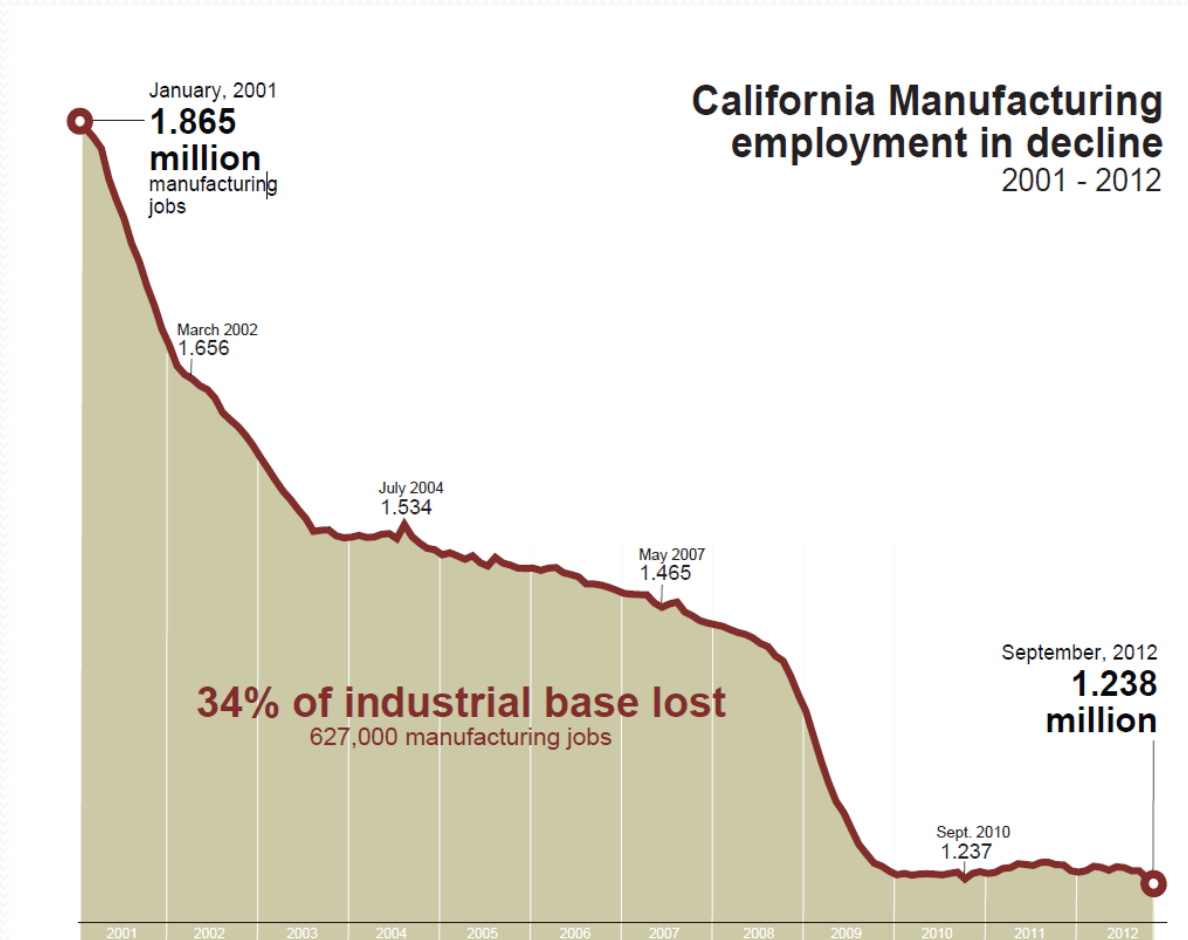


Focus on assisting manufacturers with business growth strategies

- Increased competition in domestic & international markets
- Recent survey indicated that “Sales Growth” was of most importance followed by business strategy
- 3 top areas to stimulate growth were sales & marketing, new product development and market diversification



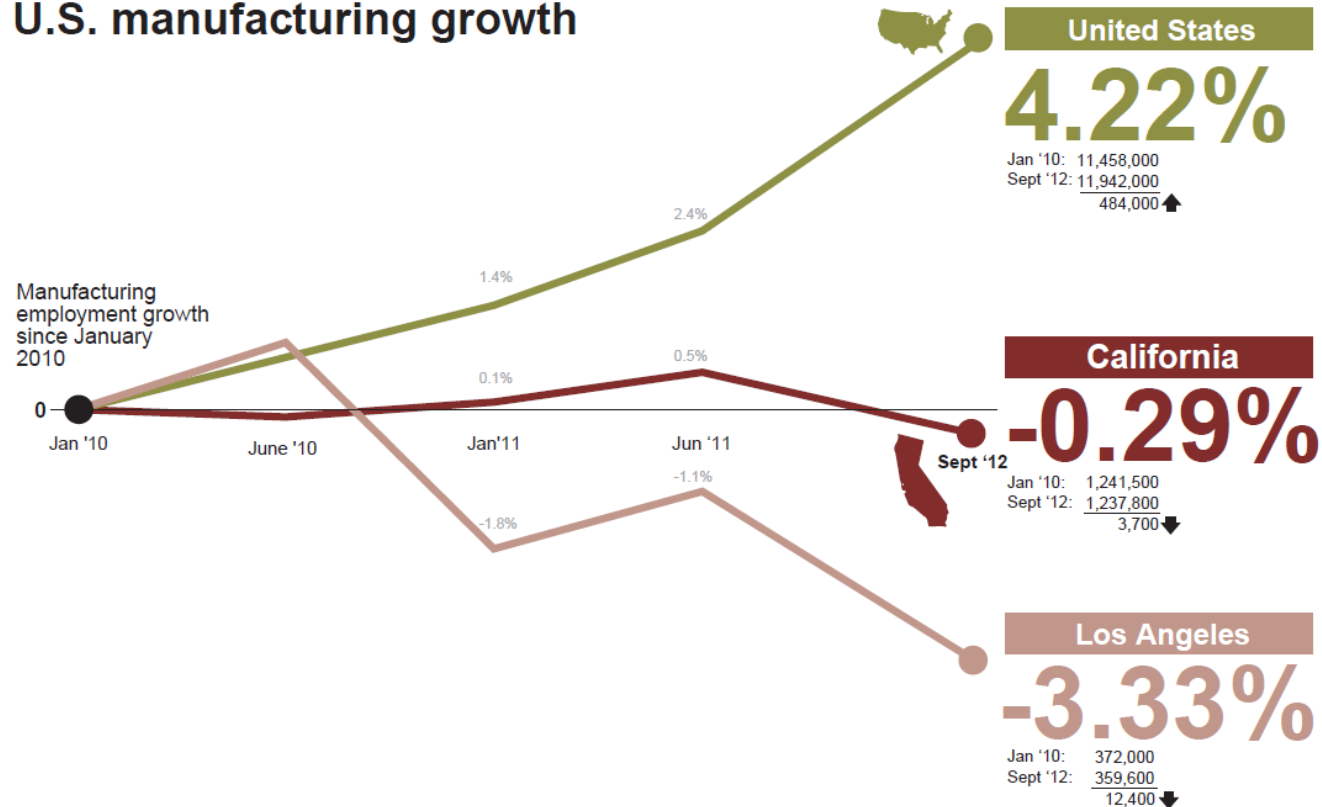
California Manufacturing Employment



Source: California EDD, Labor Market Information. Chart: CA Manufacturers & Technology Association

California Employment Growth

California lagging behind
U.S. manufacturing growth



Manufacturing is still a vital economic engine for California

- 44,000 manufacturers in the state more than any other state in the country
- 8.9% of California's workforce is employed in the manufacturing sector
- In 2011, the manufacturing sector made up 11.7% of CA's Gross State Product
- Manufacturing jobs average \$64,000
- Manufacturing jobs are job multipliers, yielding 4-7 additional non-mfg jobs.



Manufacturing has a large presence in the South Bay

- 3,300 manufacturers are in the South Bay
- 90% are less than \$5M in annual sales
- 51% are in Torrance, Gardena, and Carson
- 3% are exporting
- Top three industries are machine shops, bakery products and textile manufacturing



Why do manufacturers stay in California?

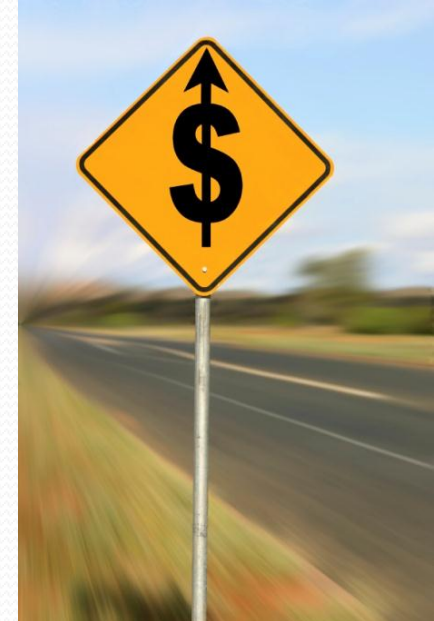
- Top three attributes for staying in California
 - Great location to reach customers and suppliers
 - Difficult to relocate to other states
 - High quality of life



Source: CA Manufacturers & Technology Association

What discourages manufacturers from hiring or investing in California?

- Top issues for not hiring and investing in California
 - Cost of insurance (including workers comp)
 - Future of California laws or regulations that will add excessive costs
 - Cost of labor (not including workers comp)
 - Risk of litigation for disciplining or firing low performing employees



Source: CA Manufacturers & Technology Association

What can we do?

Give them a reason to stay & grow!

- Work together to find manufacturers in need of help
 - Hard to find, don't ask for help and are focused on operations
- Determine their issues and provide assistance
 - Small Manufacturers Advantaged (SMA) program will assess and provide areas to improvement at no charge
- Work together to stay in contact with manufacturers to advise them of assistance programs
 - Newsletters, events, roundtables, etc.



Give them a reason to stay & grow!

- Identify incentives for workforce development
 - Use Employment Training Panel (ETP) funding
- Help them retain and find skilled workers
 - Partner with Workforce Investment Boards (WIBs)
 - Connect with community colleges
- Team up to form collaboratives to secure grants to provide assistance
 - All about job creation
 - Focus on energy efficiency, workforce, and innovation



