

# Made in California

The California brand is iconic. Many wide-eyed tourists enjoy our public beaches, deserts, wooded forests and hiking trails. Television and film enthusiasts wait in anticipation for our skilled production teams to release the next episode or sequel. Fashion designers and culture scouts lean on our quality of place and disruptive character to inspire their work. What is less known, but is a giant in terms of jobs and output, is California's manufacturing industry. California is home to more manufacturing facilities than any other state.

The manufacturing industry is going through transformational changes. Three-dimensional (3D) scanning and printing offers advanced manufacturers and hobbyists with new customization capabilities. Manufacturers and their customers can tweak product designs on-the-fly before it goes to print, rapidly increasing the number of SKUs available.

3D printing also eliminates the cost of tooling or molding, which makes the prototyping process almost instantaneous. Cost reductions can be realized with ease because the process of manufacturing goes from raw material to final product without molds. There is distinct time to market benefit here.

However, 3D printers haven't been able to perfectly integrate multiple materials when printing a single product. In addition, all 3D printers are designed to print with some form of surface roughness with an estimated accuracy within 0.005 of an inch. This means post-processing like sanding is typically required.

CNC machining allows for a larger variety of materials, higher tolerances, isotropic properties, and little cost in post processing. From a business model perspective, CNC machining is still the industry norm, but 3D printing is gaining momentum when customer customization and rapid prototyping is required.

Oftentimes, the SCVEDC staff visits with manufacturers to determine ways it can support them. In particular, the

staff often visits with manufacturing firms that are re-tooling their facility or preparing to purchase new equipment. Specifically, the SCVEDC can work with manufacturers to understand and apply for the new Manufacturing and Research & Development Equipment Exemption.

The SCVEDC also partners with the non-profit California Manufacturing Technology Consulting® (CMTC), to provide manufacturers with technical and strategic solutions to achieve growth. CMTC helps manufacturers achieve high operational performance, and profitability, in addition to helping sustain and modernize U.S. DOD legacy parts through partnering with defense industry subcontractors.

The CMTC team can work directly with a SCV manufacturer to guide them through a re-tooling process and even enterprise transformation. CMTC can help SCV manufacturers understand the three legs of the enterprise transformation stool, which are:

- Operational Excellence
- Leadership and Culture
- Workforce Development

According to the CMTC, California is home to more than 30,000 manufacturers contributing to \$213.3 billion in output (2012) and more than 1.4 million manufacturing jobs. To support those manufacturers, CMTC administers the "Made in California" Program to recognize manufacturers who produce products within the State.

The "Made in California" Program includes networking events to create synergies with other manufacturers, advertise their products and capabilities, refer national business opportunities, share a monthly eNewsletter and encourage the use of the Made in CA logo.

The Made in CA Program was created two years ago and the website ([www.cmtc.com/made-in-california-program](http://www.cmtc.com/made-in-california-program))



now receives 8,000 to 10,000 visits a year and it is growing. Over 500 California manufacturers have signed up for the Made in CA Program so far and each profile page currently receives an estimated 10 to 100 visits monthly.

CMTC recently surveyed the Made in CA members and found that the two most important factors about being a program participant were identified as supporting manufacturing in California and access to new business opportunities.

Please contact the SCVEDC to learn more about how we partner with CMTC to ensure SCV manufacturers thrive in a rapidly changing technological environment.

This article was co-written with Chris Anacker and Ellen McKewen from California Manufacturing Technology Consulting (CMTC).

## SCVEDC Updates & Events

### U.S. Cluster Mapping Presentation

On July 31st, 2014 the SCVEDC, in partnership with Harvard Business School, will be holding a half-day event to explain the [www.clustermapping.us](http://www.clustermapping.us).

### SCVEDC Launches New Website

[www.scvdc.org](http://www.scvdc.org) has been updated to serve a renewed SCV digital media outreach strategy.

## Econo Watch

Source: Santa Clarita Valley Economic Development Corporation.

Santa Clarita Valley	Q1 '14	Q4 '13	Q1 '14 Sq Ft
<b>Commercial Vacancy Rates</b>			
Office Space	12.20%	10.50%	580,773
Industrial Space	6.40%	6.70%	1,267,431
Retail Space	6.20%	6.40%	762,373
<b>Total Marked Sq. Ft. Vacancy Percentage</b>			
Office Space - as a % of Vacancy	22.25%	19.00%	
Industrial Space - as a % of Vacancy	48.55%	50.90%	
Retail Space - as a % of Vacancy	29.20%	30.11%	
<b>Building Permits</b>			
	Jun. '14	May. '14	May. '13
Commercial/Industrial Building Permits	1	1	2
Residential Building Permits	7	32	10

Local Company Stock Prices	May '14	Apr. '14	% Change
Bank of Santa Clarita (BSCA)	9.16	9.05	1.22%
Mankind (MNKD)	8.90	6.55	35.88%
Carnival Corp. (CCL)	40.03	39.31	1.83%
Mission Valley Bank (MVLY)	6.20	7.00	-11.43%
Six Flags * (SIX)	40.46	40.14	0.80%
Woodward (WWD)	44.70	44.83	-0.29%
Lennar (LEN)	40.90	38.59	5.99%

Note: \* Six Flags' stock split 2:1 on June 28, 2011 after closing at \$72.82 on June 27, 2011.

Unemployment Rates	May '14	Apr. '14	% Change
Santa Clarita	4.8%	4.6%	4.35%
Palmdale	10.0%	9.5%	5.26%
Lancaster	11.4%	10.9%	4.59%
Glendale	6.9%	6.6%	4.55%
LA County	8.0%	7.6%	5.26%
State	7.1%	7.3%	-2.74%