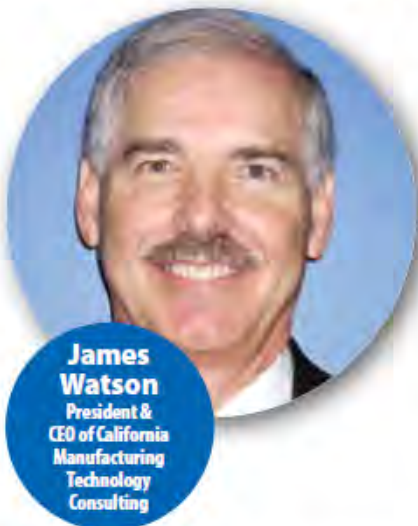


Outlook for Manufacturing in California in 2015



James Watson
President &
CEO of California
Manufacturing
Technology
Consulting

technology are integrated into small and mid-sized businesses, training will be paramount to secure employee buy-in, expand capabilities and ensure sustained adoption. Manufacturers will need to train their existing employees to embrace changes and develop a more advanced and skilled team.

As many of our baby boomers approach retirement, companies will also prioritize attracting the next generation of manufacturing workers. Companies will appeal to younger workers about the wide range of manufacturing careers available in California and highlight the benefits of working in our industry. As manufacturing deploys more technology, the industry will become more attractive to a generation that is tech savvy.

Market Expansion will Move to the Forefront

In 2015, maintaining the status quo and hitting "current levels of production and sales" won't be enough. Growth through market expansion will become key to the success of California manufacturers. Market expansion doesn't just occur; companies must proactively set a strategic plan for growth.

Organizations will look to expand their product lines and improve their existing products. Exporting to international markets will additionally become more crucial to strategic growth, as 95 percent of the world's customers live outside our country. With our state's prime position on the west coast more companies will take advantage of the proximity to important foreign markets to initiate or expand their international sales.

Manufacturers can also expand by becoming more marketable domestically. Exploring product modifications and adopting new industry standards can introduce manufacturers to new market segments and attract new customers.

Manufacturers will Redefine Innovation

Innovation is a great word to use in manufacturing. However, it seems that every company in every industry is hailing how innovative they are nowadays. Innovation is becoming more typically associated with expensive new computer inventions and technical equipment.

In 2015, manufacturers will redefine the term. Innovation doesn't have to be limited to a new invention. Rather, being innovative



■ Top: Nicholas Jolly gives a final inspection to the crank case of a piston engine at B&B Manufacturing in Valencia. Right: Final inspection of flight control parts. Photos by Dan Watson.

2015 will be a pivotal year for California manufacturing. There is a feeling of "cautious optimism" among California's manufacturers, and rightfully so. The manufacturing community has made gains in job growth and expansion, but more must be done to build upon that momentum and to strengthen our industry. Here are some key ways manufacturing will evolve in 2015:

Technology Will Play a Larger Role

Technological advancements are changing how manufacturers approach production. Improved equipment and processes are becoming more readily available to California's small and mid-sized manufacturers, which will enable them to become more competitive. Technology will be more accessible and affordable, allowing California companies to better automate processes, reduce costs, enhance communication and improve their speed to market.

There will be a particular focus on additive manufacturing, otherwise known as 3D printing. The concept of additive manufacturing has been around for a while, but recent breakthroughs are empowering smaller companies to leverage 3D printing to their advantage. Manufacturers will be able to create high precision prototypes of their designs, machining jigs and molds through a process that significantly reduces time and costs.

Workforce Training and Recruiting Will Become More Critical

As technology, equipment, processes and procedures change, so will workforce development. In 2015, training is going to be more vital than ever. As new processes and

will refer to using a different or unique way to solve a problem and improve your business. You can be innovative in different departments using different methods and innovation does not have to be expensive. For example, if your company has yet to adopt Lean manufacturing principles, doing so can be a new way to help promote teamwork within your company while increasing throughput and reducing production costs. Green manufacturing can help you combat rising energy costs and improve efficiencies. Simply put, innovation will be more about problem solving.

The "Made in the U.S.A." Label will Become Stronger

Product value is making a comeback, and nothing represents quality more than U.S. manufacturing. This is good news for California's manufacturers. Manufacturers will do a stronger job at showcasing and marketing that their products and parts are made locally. Study after study confirms the favorability of purchasing locally produced products and that the international market is willing to pay more for



American-made goods.

When manufacturers do a stronger job at promoting the "Made in the U.S.A." brand, we all benefit. It's estimated that if we spent only 1 percent more on America-made products, it would create 200,000 new jobs for our economy.

2015 will be an exciting year for California's manufacturers. With the right mentality and support, the manufacturing industry will grow and prosper. ■