



CLEVELAND INDUSTRIAL RETENTION INITIATIVE
A Program of the City of Cleveland



2018 ECONOMIC IMPACT

In 2018, a team of **four retention specialists** conducted **in-plant outreach visits** to 375 manufacturing and manufacturing-related firms, representing over **19,500 jobs***, and reached out via email to an additional 186 companies representing **1488 jobs*** to promote the CIRI program and offer support. CIRI completed **295 services** primarily in the areas of general business assistance, operation improvements, infrastructure, employment & training, company finances, and safety & security. The CIRI team also referred many firms to Manufacturing Works for support in apprenticeship formation, talent recruitment, and technology support. CIRI engaged **partners** including the **City of Cleveland, Ohio Means Jobs Cleveland-Cuyahoga County, the National Development Council – Grow Cuyahoga County Fund, MidTown Cleveland, MAGNET, and the Greater Cleveland Partnership** to provide valuable services to manufacturers in a wide variety of industries.

Service Interventions to four unique firms†

- These interventions affected 227 existing direct manufacturing and manufacturing-related jobs with an estimated annual payroll of \$14.7 million‡
- Generated \$135,000 in capital investment in 2018
- Created \$88,500 in operation improvements that reduced costs allowing for the reinvestment in workforce, facility maintenance, and process improvements§

* Employment data from Manufacturing Works database of CIRI visit summaries over the past year
 † Interventions are defined as services where new jobs were added, jobs were at risk, operation improvements led to cost reductions, or investment was made
 ‡ Payroll is estimated based on Chamber Model updated with OH-LMI Q1 2018 wage data
 § Cost reductions include reduction in operating costs associated with supply purchases, shipping, security, energy management, and employment & training costs

The **Cleveland Industrial Retention Initiative (CIRI)** is a program of the City of Cleveland, managed by Manufacturing Works (formerly WIRE-Net). CIRI assists the city's manufacturing firms to improve operations, maintain profitability, and remain competitive. CIRI provides local companies with information and support including:

-  **COMPANY FINANCES**
-  **GENERAL BUSINESS ASSISTANCE**
(e.g. business to business connections, sales development, etc.)
-  **BUSINESS OPERATION IMPROVEMENTS**
(e.g. cost-saving measures, Lean learners groups, etc.)
-  **REAL ESTATE (SITE SELECTION) & LAND ASSEMBLY**
-  **EMPLOYMENT & TRAINING**
-  **INFRASTRUCTURE**
-  **TECHNOLOGY & MODERNIZATION**
-  **BUILDING PERMITS & ZONING**
-  **SAFETY & SECURITY**
-  **MARKETING**
-  **WASTE MANAGEMENT & ENVIRONMENTAL COMPLIANCE**

Manufacturing Matters to Cleveland!

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Completed

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MANUFACTURING WORKS

Manufacturing Works (formerly WIRE-Net) has managed the CIRI program for the City of Cleveland for 12 consecutive years. During that time CIRI has completed thousands of company visits/assessments and completed thousands of services in support of company needs. Additionally, the team has provided companies with sensible general business assistance, financing options including both public and private options, real estate and land assembly assistance, employment training resources, safety and security support, and much more. The team has developed strong relationships with many Cleveland manufacturing companies, that have evolved into a trusted advisor role.

Manufacturing Works has recently completed their 2020 Vision plan, which identified several important challenges facing Cleveland manufacturers. One key challenge is the fast-changing technologies on the factory floor known as Industry 4.0. We define this as a cluster of technologies emerging in data collection/plant visualization, automation, new materials and processes, and machine learning/predictive maintenance. The CIRI team will be including basic Industry 4.0 readiness discussions in the assessment survey to help develop a baseline status of Cleveland manufacturers. Failure to engage in Industry 4.0 technologies could lead to a significant risk to competitiveness of Cleveland's manufacturing sector, and CIRI will help define a base standard of readiness to engage in these technologies for Cleveland manufacturing companies.

Another important challenge identified in the 2020 Vision plan and confirmed through hundreds of CIRI visits/assessments is the large number of Cleveland manufacturing companies that do not have a leadership and/or an ownership succession plan in place. Recent Manufacturing Works data identified 732 Cleveland manufacturing companies, with almost 17,000 employees, that do not have an ownership succession plan in place. Lack of succession planning and the absence of a financial plan to transfer wealth to the retiring owner could represent a significant risk to the Cleveland manufacturing base economy and its employment levels. A comprehensive succession plan can help retain and grow neighborhood employment, stabilize neighborhoods, and grow wealth. Working through the CIRI team outreach, Manufacturing Works is developing solution options for both Cleveland and regional manufacturing companies to address the need of planning for ownership transition.

As defined in the 2018 CIRI contract, Manufacturing Works will commission a study of the manufacturing sector of the city of Cleveland. The study will identify the size of the manufacturing industry's sectors including employment, contribution to gross regional product (GRP), number of establishments, and wages. The study will address the following groups: industries that are part of the economic base, groups of "high-performing" manufacturing industries, manufacturing industries that are paying "high" wages, and manufacturing industries that are growing wages. This study is nearing completion and should be available by the end of March 2019.