

# MANUFACTURING

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*Goal:* Provide manufacturers the resources and support they need to have a productive workforce and efficient operations that will help them remain competitive on global markets.

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While manufacturing suffered disproportionately in the recent economic downturn, it still forms an important part of Oregon's economy, and any effort to improve the economy will require a recovery of the manufacturing sector. Manufacturers now compete on a global market with companies in China and other developing countries with low labor costs. Faced with these challenges, local manufacturers will have to do things better, smarter, and more efficiently if they hope to compete and survive.

**Expand Manufacturing Training Programs.** The Salem area has made strong efforts to offer firms a competitive advantage in manufacturing by providing a skilled labor force through manufacturing training opportunities. The Enterprise for Employment and Education, the local workforce investment board, has formed a partnership with local employers, business groups, and government agencies that culminated in a \$2.76 million federal grant to create the new Advanced Manufacturing and Technology Institute, which will provide skills training in advanced manufacturing and high-tech occupations such as Oracle and other computer applications, manufacturing processes, and micro-electromechanical systems. This program will collaborate with the new West Salem High School manufacturing lab, an innovative technology program that will ensure that high school graduates have the basic skills that local manufacturers need. In addition, numerous local firms have benefitted from the consulting and training services provided by the Oregon Manufacturing Extension Partnership, and several local manufacturers have been awarded workforce training grants from the Governor's Employee Workforce Training Fund, which utilizes federal funds to help companies train their workers in order to improve their productivity and help retain or expand the firm. The Salem area should build on these efforts to position itself as a leading location for manufacturers by providing a pool of skilled manufacturing labor that will help local business expand and recruit additional firms to the area.

*Responsibility:* Private Sector, Local, State, Federal

**Provide Resources for Lean Manufacturing.** Jointly funded by the federal and state governments and the private sector, the Oregon Manufacturing Extension Partnership (OMEP) is a non-profit group of manufacturing and business professionals that has helped more than 500 Oregon manufacturing firms become more efficient, productive, and competitive by training their workers, adopting advanced manufacturing technologies, and improving business practices. Businesses in Marion and Polk counties have greatly benefitted from OMEP's services. For example, Marquis Spas of Independence doubled its existing factory's production capacity, preventing the company from having to spend millions on a new facility. OMEP's work with Patrick Industries in Woodburn, which manufactures doors for recreational vehicles, helped make the operation much more efficient and prevented a potential closure of

the facility by its parent company. Medallion Cabinets of Independence is seeing rapid growth in its workforce; the company's work with OMEP allowed the company to hire more than 150 new workers in a few months and rapidly ramp up production with minimal problems. By making these firms more efficient and their workers more productive, OMEP has helped the companies increase their competitiveness, which in many cases is necessary to retain the firm or help it expand.

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**Develop the Oregon Nanoscience and Microtechnologies Institute.** Microtechnology and nanotechnology, fields focused on developing miniaturized components and devices that will be used in a variety of products, have incredible potential to create new industries and drive economic development: The National Science Foundation has estimated that the market for nanotechnology will reach *\$1 trillion* sometime around 2015. In an effort to capture some of this potentially massive industry, the Oregon Legislature created a "signature research center," the Oregon Nanoscience and Microtechnologies Institute (ONAMI), a powerful collaboration between OSU, the University of Oregon, Portland State University, the Department of Energy's Pacific Northwest National Laboratory, the state of Oregon, and the high technology "Silicon Forest" industry cluster. ONAMI will take advantage of federal research funding from the Department of Defense, Department of Energy, and other sources and also hopes to receive federal funding dedicated to nanotechnology research; Governor Kulongoski and the Oregon congressional delegation are leading efforts to ensure federal support for the project. ONAMI will conduct research on a diverse spectrum of projects, including miniature energy and cooling systems for the military that will likely find wide commercial applications. ONAMI will make a strong effort to rapidly translate its research into commercial applications and spin out technology that can be licensed to new or existing companies. This will drive economic development by attracting firms that produce or utilize micro- and nanotechnology to the areas surrounding the research institutions. Through the presence of ONAMI's Center for Microtechnology-based Energy, Chemical, and Biological Systems at OSU, Corvallis is well-positioned to attract many of the companies generated by ONAMI; as a nearby urban area with a strong manufacturing sector, Salem has an opportunity to attract spin-off firms and their suppliers. With the Mill Creek Industrial Park providing a large supply of buildable industrial land, regional leaders should pursue efforts to attract nano- and microtechnology firms to the site.

*Responsibility:* Private Sector, State, Federal