

IMPORTANCE OF INDUSTRY TO A COMMUNITY

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A strong manufacturing base creates a broad foundation on which the rest of the country's economic sector grows. Manufacturing production and the workers they employ generate demand for other manufactured goods. Manufacturing also drives supply chain growth by generating innovation and creating new technologies throughout the country.

The business/manufacturing world today, is very different than what it was as little as five or ten years ago. Advanced technology and global competition are the driving forces of this never-ending change. As a result of this changing technology, businesses/companies have been downsized significantly through consolidation, mergers, acquisitions, and bankruptcies. In order to succeed in the 21st century, the manufacturing operations must be Lean, global, modern, technology-focused, highly flexible, quality-driven, and cost competitive, with a well-trained workforce.

Lean is a concept that commits a company to a program that eliminates waste, simplifies processes, improves quality and speeds up production. It is a totally different system from usual way of doing things. Lean principles involve eliminating waste, whether it is in time, materials, efficiency, personnel, or processes to a range of non-value-added activities such as rework, scrap, excess inventory, excess processing, delay and transporting. *For many people, the reducing or eliminating waste is the most important aspect of Lean operations. It is not a question of working harder, but working smarter.*

The potential rewards of Lean are so amazing that it is surprising that only about 25% of the businesses/companies in the world have implemented some form of the Lean philosophy. There will be those who will resist the changes that are necessary to implement Lean principles and gradually fade away because they cannot compete in price, quality, and delivery with more progressive firms. Not to change cannot be justified by saying *“It was good enough that way for years, why is it not good enough now?”*

Can we afford to lose more industries?

- Many people have no idea of how important a strong manufacturing base is to the economic health of a community and the country.
- Manufacturing helped to forge the nation's identity as a world-class nation.
- It provides an assurance of a steady paycheck that provides the necessities of life for the workers families and raises their standard of living.

- Lose one industry and the earning power of their workers generally goes down, along with their high salaries and is replaced by lower paid service-industry jobs.
- Their buying power is reduced which affects every business in the community.
- Manufacturing creates another 1.6 related jobs for every manufacturing job.
- Manufacturing spurs the demand from raw materials to intermediate components and services.
- Every manufactured article sold generates another \$1.43 in intermediate economic output.
- Manufacturing wages are generally 22% higher than the national average.
- Every manufacturing job lost removes a major source of income from the economy affecting consumer demand, families, and neighborhoods.
- The community loses the tax revenue of each industry that means everyone must pay higher taxes to compensate for the loss of tax revenue.
- The more industries that are lost make the community less attractive to other industries to locate there.
- Real estate values tend to go down as industries leave the community.
- The prosperity of the country goes down as industries leave the country.

What can provincial and national governments do?

- Offer retraining programs to assist workers to adjust to new technological knowledge.
- Set up advisory committees to assist industries experiencing difficulties in dealing with new technology and help them with a sound plan to become competitive on the world market.
- After a suitable plan is presented, offer them low-cost loans to be spent on becoming competitive with current world standards.
- Have regular checkups to ensure the company is on the road to recovery or if some mid-course corrections must be made.