



# **Made In America**

## **American Goods – American Jobs**

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**A Cluster Based Business Development Project**

# **Made in America**

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## **Abstract**

Made in America, American Goods, American Jobs was designed to provide business development support to a cluster of locally owned small garment manufacturers in Washington State. This sector had been negatively affected by global competition and trade deficits with foreign markets, resulting in business closures and job losses. A community economic development project with the goal of retaining local garment manufacturers, the Made In America project supplied assistance to companies to increase competitiveness; and to create 50 employment opportunities for low-income residents. Through customized technical assistance and resource development, the project was successful in assisting twelve (12) companies to increase their sales and market access; and created 69 jobs for low-income individuals.

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## Executive Summary

Made in America, American Goods, American Jobs (MIA) is a project of the Metropolitan Development Council (MDC), a 501(c)3 non-profit community development agency. Implemented through their Economic Development Services division, the project was designed to work with a number of garment textile manufacturers in Pierce County, Washington. This sector has been heavily affected by global competition and trade deficits with foreign markets, resulting in economic losses for our community, including business closures and job losses for residents. The project goal was to create 50 new employment opportunities for low-income residents of Pierce County while retaining small garment manufacturers and supporting their competitive growth.

Customized technical assistance and support services were designed to address the following six core manufacturing areas: 1) Access to contracting opportunities, 2) Marketing American made products, 3) Workforce assistance, 4) Manufacturing production efficiency, 5) Product and market diversification, and 6) Equipment automation.

The project is assessed through process and outcome evaluation, focused on the type of service provided, project implementation, and the extent the project impacted participating companies. This evaluation revealed that firms engaged in the program realized a 34% overall increase in sales. Companies reported an increase in their markets, products, and government contract sales. A 27% increase in the overall employment base, resulted in the creation of 69 jobs for low-income individuals.

Funding support for MIA was made available through a grant from the U.S. Department of Health and Human Services, Office of Community Services, Job Opportunities for Low-Income Individuals.



## I. COMMUNITY NEEDS ASSESSMENT

American manufacturers, particularly in the garment industry, have weathered tragic losses that are a result of market changes and effects of globalization. This reality has made it difficult for many to remain competitive in product pricing. Several manufacturers have lost a significant amount of contract work to less costly overseas production. Many were forced to close their businesses, placing a large number of residents into unemployment at a difficult time in our economy. Overseas production means manufacturers can access very low labor costs and avoid many American tax and regulatory requirements imposed on United States companies giving them a competitive advantage. In many cases, U.S. companies are given tax incentives to relocate their production to overseas locations, providing yet another advantage.

In Washington State this means loss of jobs. According to Washington State garment manufacturers, the garment industry in Washington employed approximately 35,000 workers prior to 1994. With contract losses and subsequent business closures, this workforce has been reduced to approximately 3,000 garment workers in 2004 and falling. That is a loss of 32,000 skilled trades workers in just the garment sector of our manufacturing community, and possibly the greatest sector impacted by world markets.

Puget Sound was the outerwear capital of the United States in the 1950's and 1960's. At that time, no other region was producing the volume of outdoor wear as was being produced in Washington State. Large companies like Black Bear, Seattle Quilt, TMPCO, Sportscaster, Roffe, Sunset Sportswear, Thaw Corp, Apparel Manufacturing, Farwest Garments and Pacific Trail contributed to a large employment base of skilled trades workers. This industry was built on the influx of our immigrant population, providing a quickly learned skill, easy entry and plenty of opportunity for new Americans.



In the late 1970's, many of the clothing buyers for large retailers began looking to overseas sources for product. In the late 1980's American manufacturers and recognized name brand merchants began to seek production resources overseas to increase their profitability. These groups, such as Patagonia and Nike were certainly making money with domestic manufacturing, but overseas, profits could be significantly increased. Global trade and world trade agreements in the 1990's has escalated this trend, forcing business closures nationwide.

### **Project History and Community Context:**

**Trade issues.** With the outpouring of manufacturing to overseas and the concerns of child labor and inhumane labor conditions in foreign countries, a national effort to regulate trade in the form of the North American Free Trade Agreement was approved in 1993. This addressed concerns regarding worker dislocation, tariffs and quotas from imports to prepare a "free" trade environment. Strict rules regarding the origin of materials were to ensure US textile producers would continue to supply US apparel companies that moved to Mexico. Without policing effort and with other loopholes soon companies found it far more advantageous to move offshore.

There is much conflict on the issues of global trade, its benefits, its intent, and its implementation. Many support the notion that international trade will ultimately bring economic balance to the world, especially in developing countries. However there are those who feel that the intent and effort is not necessarily in accord, believing more damage has been caused, than good. "...to many in the developing world, globalization has not brought the promised economic benefits. A growing divide between the haves and the have-nots has left increasing numbers in the third world in dire poverty, living on less than a dollar a day. Despite repeated promises of poverty reduction made over the last decade of the 20<sup>th</sup> century the actual number of people living in poverty has actually increased by almost 100 million" (Stiglitz 2002).



According to the Industry Trade Effects Related to NAFTA report (February 3, 2003), the two US workforce sectors most adversely affected are the Textiles / Apparel industry, and the Automotive industry. This report goes on to further state that in 2001, trade flow with NAFTA partners shows US Exported \$8.9 Billion goods, while importing \$13.2 Billion into our markets related to Textile / Apparel products. This is a negative trade balance of \$4.3 Billion. According to the US International Trade Commission Interactive Tariff and Trade (Industry Trade Effects Related to NAFTA report, February 3, 2003), total trade with Mexico and Asia in Textiles / Apparel for 2001 shows much larger trade deficits. Mexico imported \$15 Billion while Asia imports were at \$43 Billion, deficits of \$4.2 and \$40 Billion respectively.

Senator Hollings, Ranking Member of the Senate Commerce, Science and Transportation Committee, who introduced the Save American Manufacturing Act of 2003, “February [2003] marked the thirty-first consecutive month that manufacturing employment has declined. ....Already more than two million manufacturing jobs are gone.” Tragically, that is 2.3 million jobs in less than three years.

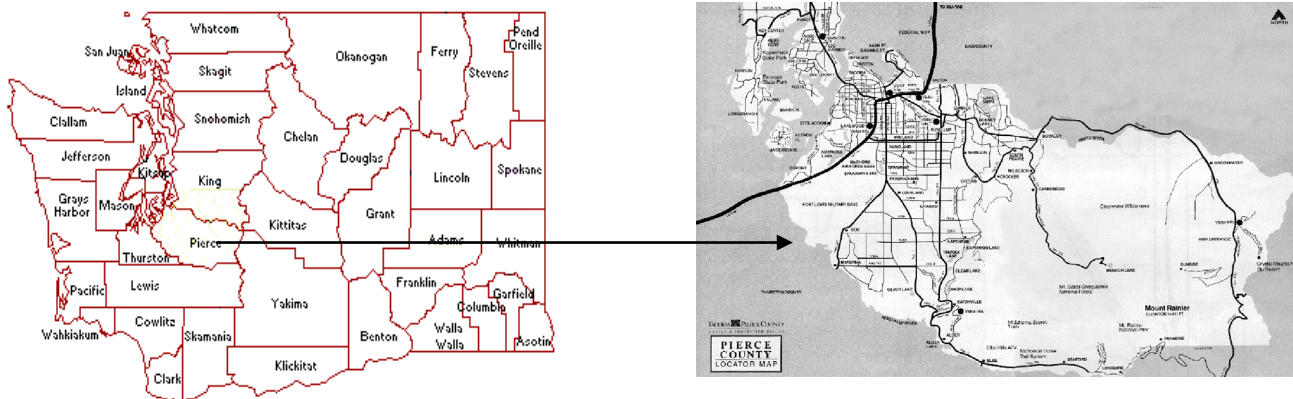
**Local climate.** In Washington State this impact has resulted in the loss of approximately 32,000 apparel trades jobs over the last 10-15 years. Other issues affecting competitiveness are the cost of doing business, regulatory expenses, high rates for wages, health care, tax and insurance and high operating costs. This makes it difficult for local manufacturers to compete even with companies located in states with a more business friendly climate. For companies within Pierce County, it is hoped that they will benefit from the Renewal Communities tax credit program, and the workforce assistance incentives and tax credits.

Congressman Adam Smith, who represents this district, believes it is important to provide opportunities for local businesses to compete for federal government contracts. As Washington

State posts the third highest unemployment in the country (June 2003), it is important to look to small business owners to provide a vital element in developing a healthy and innovative economy. Congressman Smith has signed on to The Job Protection Act of 2003. He and his staff work hard to respond to the needs of our small business community and their efforts to be successful government contractors. He holds several procurement events a year and has hired a procurement coordinator in his office to further facilitate this effort.

Locally, through awareness efforts made by the Washington Manufacturing Services and others, Washington State legislators now share the view that Washington's manufacturers have come to hold: "that manufacturing matters, manufacturers and manufacturing jobs have a place in Washington's economy... implementing effective programs that are enabling Washington's manufacturers to favorably compete in the global marketplace." (Washington Manufacturing Service, Summer 2003)

### Target Community:



Pierce County, with Tacoma as its core city, has an urban and rural culture. It is Washington's second largest county with approximately 745,411 residents and has a poverty level of 13%. Its central urban core has a poverty level of 20%. Pierce County currently has its





highest rate of unemployment in 15 years, posting a June jobless rate of 8.1%, with several neighborhoods reporting over 35% unemployment. This exceeds Washington's overall rate of 7.7%, ranking third highest in the nation (June 2003). Pierce County's per capita income is \$25,587, which is lower than the State at \$31,230 and the nation at \$29,469.

**Target population:** This project requires creative and innovative strategies and solutions. The introduction of new product lines, uses, and markets. Marketing and awareness of American made products and the importance of consumer support is important in securing patronage. Expanding product marketability to include export markets, developing competitiveness and consumer demand. The project staff and partners have explored all of these and more.

It is clear that these companies have much in common. During forums held and through the process of exploration, these businesses gained networking opportunities that brought new ideas to the table. Joint bidding and contracting was also considered as a possible method to compete on complex projects, and to jointly advocate for domestic procurement with local government entities. Unfortunately, the economy of the day continues to take a toll on these employers. While holding discussions, several companies were forced to lay-off staff. Many companies were down to skeleton crews. One of the largest remaining garment manufacturers in the Northwest announced during one of our sessions that the owners had decided to close their Mexico operations and all of their US production facilities. This was sad news, but a reality faced by these companies and their employees daily.

## II. PROBLEM IDENTIFICATION

Tacoma/Pierce County is a socially and ethnically diverse community. Pierce County outranks all other Western Washington area Counties in the percentage of families receiving



Temporary Aid to Needy Families (TANF). The County includes several neighborhoods of endemic poverty, such as in the Tacoma Enterprise Community (EC), population 21,000, and neighborhoods adjacent to three large military installations with 30,000 military personnel. The total percentage of residents living at or below the poverty level within the EC is 41.37%, in comparison to the overall Pierce County poverty rate of 11.9%, and the Washington State poverty rate of 10.8%, as reported by the U.S. Census Bureau.

Poverty Level in the Tacoma Enterprise Community Census Tracts

Population	4,115	4,598	3,727	734	1,102	274	2,947	3,010
Median Household Income	\$2,366	\$16,238	\$10,010	\$13,542	\$6,319	\$26,917	\$25,379	\$6,724
Per Capita Income	\$7,313	\$8,181	\$6,478	\$7,456	\$7,830	\$17,130	\$8,807	\$2,487
Percent below poverty	40%	36%	61%	43%	47%	20%	26%	79%
<hr/>								
Total EC Population	20,507							

With high unemployment, there are not enough jobs available for low-income residents to access which provide higher than minimum wage pay. Washington State’s minimum wage rates are adjusted annually as they are benchmarked to the inflation index. Over the last three years, minimum wage for Washington has been: 2003, \$7.01; 2004, 7.16; 2005, \$7.35. Currently it is the highest in the nation. This is seen by employers to be a barrier to competitiveness not only internationally, but also with other states with lesser minimum wage requirements. As manufacturing costs are typically 70 percent labor, this becomes problematic for many employers.

**National Hourly Minimum Wage Statistics  
Compared to Washington State**

<b>Range</b> \$2.65 – 7.35	<b>Median</b> \$5.15	<b>Mean</b> \$5.48	<b>Washington</b> 7.35
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On the other hand, a higher minimum wage means families will have a greater tendency toward self-sufficiency. Washington State's minimum wage laws are aggressive in moving toward family wage jobs. This issue is of concern for most communities in the United States. The challenge remains: how to maintain wages and reach wage progression that is favorable for self-sufficiency, while assisting our businesses to be price competitive in order to grow our local economy. Economic development analysts suggest innovation and design are key to competitiveness, with automation technology and production efficiency being critical components. While it is believed that automation is necessary to reach price competitiveness, automation tends to have the opposite effect on job retention and creation. The concept of automation basically replaces the human component in a manufacturing application. Successfully reducing costs of production and increasing efficiency, but reducing the employment base in the process.

Those that remain employed in the apparel industry understand the difficulties that their employers face. They are concerned about the future of their jobs. With the trend toward downsizing, many of their colleagues have been forced onto unemployment creating a dislocated workforce. Many of these individuals have limited marketable or transferable skills. The employee demographic is quite unique encompassing immigrant residents, elderly, those with little education or work experience, minorities and those with English as a second language. With the broad loss of manufacturing jobs, there is uncertainty where replaceable employment will be found. As an alternative, some of the more highly skilled workers have looked to contract piece-work, or to start their own business. Others find themselves on public assistance.

**Project Goals:**

The Metropolitan Development Council proposed to provide technical support and access to contracting opportunities utilizing experience in operating the Procurement Technical Assistance Center. In the last four years, this project has been responsible for more than \$70 Million in awards to local businesses. This, combined with a history of providing effective business development and financing programs, allows the organization to work with the whole business. Additionally, a demonstrated ability to impact economic self-sufficiency for low-income and TANF individuals made this a reasonable and appropriate project for the agency.

Made in America (MIA) addresses the technical and financial needs of the garment sector for Pierce County and provides a vehicle to access development support, resources and contracts. Project supporters are very committed to the goal of a healthy economy in Tacoma, Pierce County. This project aimed to increase competition for regional and local contracts, create employment opportunities, and promote business development through participation in the free enterprise system. The goal is to create new employment opportunities for low-income residents of Pierce County while supporting small garment manufacturers to increase their competitiveness. This project proposed to create 50 new skilled trades jobs through the support of these businesses.

The project hopes to generate community impact by creating employment opportunities for individuals whose only “marketable skills” are their hands. Low-income individuals who may have limited skill, limited experience and limited levels of education will fill these jobs. This sector often employs immigrants who speak little English and may have little to no work experience in the US.



### **III. PROJECT DESIGN**

Made In America is a community economic development project, which strives to grow and sustain our local garment/apparel industry. Through technical support and access to market opportunities, we hope to retain this business base and provide employment opportunities to low-income individuals by rebuilding the opportunities that have been lost due to competitiveness issues.

The Metropolitan Development Council (MDC) implemented the project by supporting a professional staff and resources needed to work with twelve (12) garment manufacturers. The project provided customized technical assistance and support in the following six areas: 1) access to contracting opportunities, 2) marketing American made products, 3) workforce assistance, 4) manufacturing production efficiency, 5) product and market diversification, and 6) equipment automation. The project assessment is through process and outcome evaluation. A process evaluation concentrates on the type and amount of service provided to participating businesses and the extent of any implementation challenges. The outcome evaluation measures participant achievement toward increased competitiveness, increased business opportunities and job creation.

#### **Community participation:**

Initiated by a group of local small garment manufacturers through discussions relevant to the garment industry, a local coalition of manufacturers, community supporters and local government representatives emerged. These community minded business owners have expressed their growing frustration and concerns about American manufacturing and the losses due to the increasingly difficult task of remaining competitive in the global market.



Project participants are businesses who employ local area residents in our target community. They are invested in and committed to the community. The process of defining this project came about over a series of forums addressing the impacts of trade and policy, competitiveness and local trends. Paramount was identifying solutions to the many economic losses this sector has endured, while filling the need and demand for American made products.

### Stakeholders

Stakeholder	Stakeholder Interest	Obtaining Support or Reducing Obstacles
<b>Garment Manufacturers</b>	Sustainable business and workforce assistance.  Hope that the project will provide much needed technical support for growth of their business and maintaining their employees.	This project originated from this stakeholder group. There would be no project without them. Project services will be tailored to the individual business needs, giving them full say in how they participate. Of concern will be the amount of time they have to invest in addressing their individual concerns. Effort to provide group assistance and minimize time will be made; however the amount of services and impact of those services will be driven by their commitment to participate.
<b>Low-income residents of our community</b>	Jobs, income and supportive services.  Like the goals of the project: to create employment opportunities for low-income individuals.	This group consists of displaced workers from this field of employment who are fully supportive of the effort to assist companies to create the capacity to re-hire them. The only obstacle that stands in the way is creating job opportunities. As the project unfolds, opportunities will become available. The companies and DSHS (below) will facilitate employee participation. It will be important to access supportive services and employment assistance programs to re-engage individuals and place them into job openings.
<b>Metropolitan Development Council</b>	The project provides additional resources to our community and diversifies services of the agency. MDC believes the project will address multiple community needs while growing long-term job opportunities.  The project supports the economic development efforts of agency.	As the entity responsible for project implementation and management, MDC is a critical stakeholder as well. At the project level, there is 100% support for the project. The project staff articulated the project to funding sources and succeeded in obtaining funds. It will be necessary to ensure proper internal support within MDC. This will be done through regular communication with executive management.
<b>Washington State Office of Minority and Woman Business Enterprises</b>	The project supports the internal initiatives of OMWBE. It strengthens their role with MDC and the EDC (below) in their effort to be an effective business assistance group. It supports their agenda to identify strategies that will make the state more business friendly.	Involved in the project’s conceptual development, the OMWBE is in full support of the project design. They are a resource for implementation. They have committed to providing technical support and access to training and education as appropriate. However they are short staffed and may have difficulty in giving time to the project. The project has enough capacity to operate without this stakeholder if necessary.



<b>Tacoma Pierce County Economic Development Board</b>	Project provides additional resources available for economic development in the Tacoma/Pierce County region. Increases the tools in their resource bank and increases partner activity; diversifying the strategies they have available to assist companies.	The EDC has agreed that there is a need for this effort and has committed to supporting the goals of the project by providing technical support. As with the OMWBE, they are a small staff with limited time to offer. From a political and visibility perspective, it would be best to maintain this stakeholder involvement; however, the project does have significant resources to succeed without this group if necessary.
<b>Department of Social and Health Services</b>	Hope to gain a partner in bringing low-income and unemployed individuals into employment. Goals are in line with their mission and objectives.	To maximize the role of DSHS in the project, it will be necessary to establish working agreements and on-going dialogue with the Regional Director. This will facilitate the referral process and buy-in by case managers and service officers who manage client cases. They seek ways to place clients into revenue-generating opportunities such as work experience or job placement. We do not anticipate any opposition; however there may be some administrative functions that will need to be resolved to make the process operate smoothly.
<b>Congressman Adam Smith</b>	Provides resources to his constituency and addresses one of his core issues of small business competitiveness. Helps him address trade issues and his agenda for developing resources to help American manufacturers.	Congressman Smith believes it is important to provide opportunities for local businesses to compete for business and that small business owners provide a vital element in developing a healthy and innovative economy. He and his staff are committed to the project. It will be important for the project staff to maintain close communication with his office to ensure continued support. Making them aware of the project's successes will be beneficial for the companies involved. This linkage will be beneficial to the project over time as trade issues become more critical to our community's economic engine.

**Host Organization:**

The Metropolitan Development Council (MDC) is the federally designated Community Action Agency for the City of Tacoma. It is also a Community Development Corporation (CDC). For 38 years, the agency mission has been to “provide the support necessary for people to remove themselves from poverty.” In the last 13 years, MDC has focused on developing innovative projects that address the needs of TANF recipients and low-income individuals and families. MDC’s Economic Development office has operated a number of projects similar in size and scope to this project, which focused on self-sufficiency through business and job creation. These projects operate out of MDC’s Economic Development Services office, which



also oversees microenterprise, procurement, microlending, childcare and other technical assistance programs targeting specific community need. The founding director, Teresa Lemmons, has led the organizations ten year track record for providing microenterprise and business development services, resulting in the creation of over 430 new business ventures, 2,100 new jobs, \$70 Million in contract awards and over \$900,000 in small business loans. Staff utilized to carry out the primary goals of the project, with support from project partners include, the Economic Development Director, Procurement Officer, Data Specialist and Loan Specialist. This team has over 55 years combined experience in providing technical support to businesses.

MDC has partnered with several local agencies, which support the project's mission, goals and objectives. These are the Tacoma/Pierce County Economic Development Board, the Washington State Office of Minority Business Enterprises, and the Department of Health and Human Services. MDC has significant history in working with all of these agencies to develop resources and services for residents of Tacoma/Pierce County.

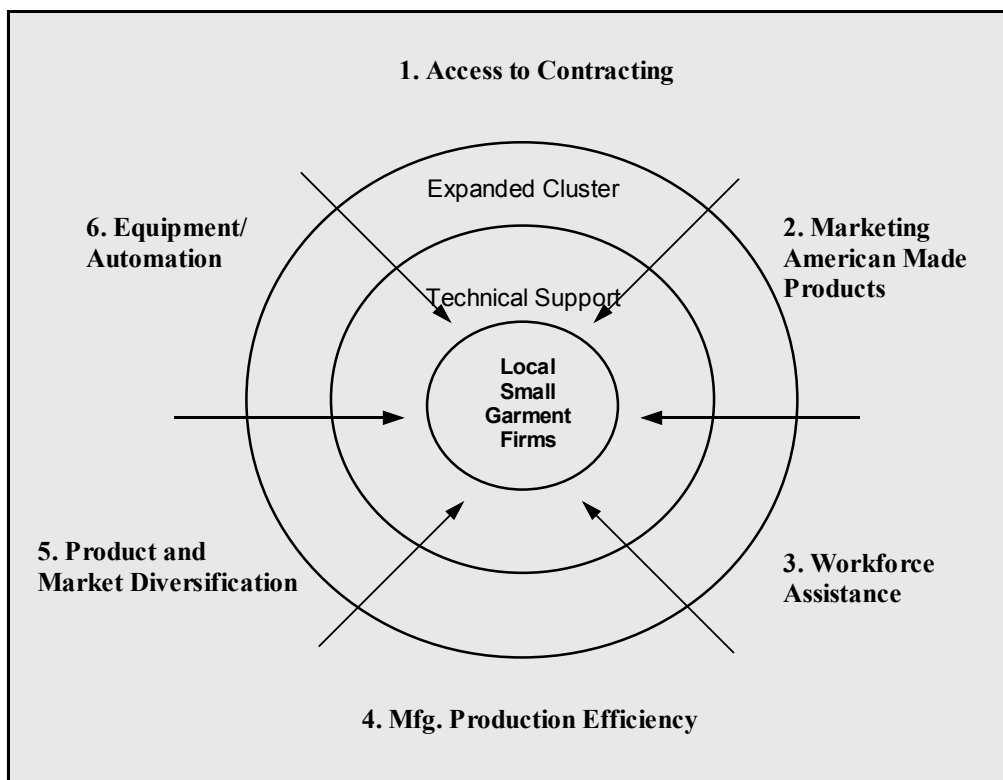
**Method:**

MDC's experience with industry initiatives, projects that focus on a specific industry, had much greater results and community impact than those with a generic design. Targeting allowed for the development of customized resources, tools and services around the sector.

Michael Porter's Cluster Theory defines clusters as groups of similar and related firms concentrated in a small geographic area. A cluster must consist of interconnected firms in the same fields, specialized suppliers, service providers, firms in related industries and associated institutions (1998). Through competitive and cooperative dynamics, industry clusters are successful in creating competitive advantage for their member firms.



MIA closely fits a cluster-based development model on a small scale. Participating firms are typically small manufacturers with 50 or fewer employees. Some of the participating entities are microenterprises with five or fewer employees, operating from modest commercial or home-based facilities. Utilizing a cluster approach, this project supports entities, which are loosely associated and similarly impacted by competitiveness issues. Manufacturers, suppliers, sub-contractors, designers and others have all been affected. Creating a competitive edge requires looking at the whole company and addressing production efficiencies, product and market niche, marketing and access to technology or automation equipment. The chart below provides a visual of the project model.



The six areas most commonly identified by business owners and community members include the six interventions pictured in the above graph. These are further defined below:

**Products and Outputs:**

1. Access to contracts: Being more competitive to win contracts is second to learning how to access, respond and position a firm to be able to initiate contracting with federal, state and local government. There are several certification and registration processes that must be completed. If a company is eligible for special program assistance such as disadvantaged, veteran owned or minority business concern, additional certifications must be completed. The process of identifying appropriate agencies and appropriate solicitations in which to bid is critical to the effort.
2. Marketing and awareness: An important effort is to make the general public, procurement offices and government officials aware of the risks and benefits associated with buying import vs. American made products, encouraging our communities to see domestic procurement as an investment in our local economies. A significant piece of accessing contracting opportunities is the marketing effort needed to ensure that buyers know that these businesses and products exist. This is an ongoing effort and one that is never complete. Those businesses successful in reaching rapport with a buyer are far more likely to receive a call for product. The more they know that these makers exist, the more opportunity will come their way.
3. Workforce / Trained labor: Labor is the largest expense for manufacturers. The average garment worker earns wages ranging from \$7.50 to \$10.50 per hour. Seasoned employees reach \$12.00 – \$15.00 per hour, with management exceeding that. This project worked with labor training resources and cost sharing programs such as WorkSource, which seeks to train and employ low-income individuals in skilled trades. Increased business opportunity requires the business to ramp up production. In this instance a coordinated effort to conduct employee recruitment and job training to develop



skilled workers will be engaged. Tax incentives can play a role in offsetting labor costs. Within Pierce County lies the City of Tacoma, a Renewal Community and Enterprise Zone with employment tax incentives. The project will ensure that participating businesses are utilizing available tax benefits which they are eligible to receive for hiring low-income residents.

4. **Efficient production:** Analyzing production flow, bottlenecks, areas of improvement, and how material moves from order to delivery. Everything from receiving to layout, production to shipping, must be as seamless as possible with few touches. Efficient production flow is another critical area of cost control and ultimately competitive pricing. MIA will seek to support businesses with expert production specialists to analyze and consult with our businesses on improving production efficiencies.
5. **Product / Market Diversification:** Product and market diversification as identified prior, as a principal strategy in overcoming production seasonality. For example items with a usefulness in winter will be assessed for usefulness for summer applications. These may be introduced to the market and may offset seasonal production.
6. **Equipment and automation:** With efficient production comes automation to reduce costs and improve competitiveness. Makers that cannot produce with the most efficiency are less likely to compete on price. The more a product takes in time to produce, the more expensive it becomes to make. Equipment automation, software and hardware, provides for production cost reduction and improves overall efficiency of the operations. This can apply to prototyping or pattern making, cutting and marking pieces for production, as well as sewing and embellishing. Equipment automation can be a costly investment. The



project works with participating businesses to identify needs and secure equipment financing as needed. The following outcomes will be effective in meeting objectives:

Objective	Outcome
1. Obtain Contracting Awards	Increased sales and employment opportunities
2. Develop market for American Made Product	Awareness and Desire for American Made Goods marked by increased sales
3. Utilize workforce assistance and incentive programs	Working relationships established with workforce and incentive programs
4. Attend production and manufacturing training sessions	Establish manufacturing production efficiency to become more competitive
5. Increase sales to stabilize industry	Expanded product lines and diversified market.
6. Secure equipment financing	Obtain automation equipment for increased efficiency and opportunity.

**Quality of Jobs and Business Opportunities.** This project promotes career development opportunities, which will reduce overall poverty and lead to economic opportunity for low-income individuals. The apparel industry offers a range of employment opportunities for the entry level and experienced worker alike. Below is a list of the types of jobs that are available through industry expansion. Entry wages range from minimum wage of \$7.35 to \$9.00 per hour. Experienced workers can progress up to \$15.00 per hour. This higher rate is common for Supervisors, Pattern Makers and Managers:

- Sewer/Operator
- Floor Support Personnel
- Cutting and Bundling
- Marker Makers
- Inspectors
- Embroidery
- Supervisors
- Warehouse staff
- Shipping and Receiving Clerk
- Pattern Makers
- Managers
- Administrative and Clerical

A typical employee may enter employment as a sewer, floor support or warehouse staff. After showing proficiency, they may progress to cutter, sewer/operator, or bundler. If an individual comes with some sewing experience, they may be able to begin employment as an



operator and advance into inspectors, pattern makers and managers once they have adopted all required skills and proven abilities.

To sustain employment, employers in the program utilized supportive services as per our agreement with Department of Social and Health Services and WorkSource. Access to affordable childcare resources has been made available through linkages with Working Connections program of DSHS. This provides low-income individuals access to childcare subsidies and is based on individual income. These resources are available as employees move through wage progression on a sliding scale.

#### **IV. PROJECT IMPLEMENTATION**

The project has an 18-month implementation period, running from October 2004 through April 2006 with additional follow-up monitoring and evaluation activities through September 2006. To support an overarching goal of the project to sustain local small apparel manufacturing firms, and both retain and grow jobs, a multi faceted strategy was proposed. A detailed look at the project objectives, tasks, performance indicators and outcomes are presented using the following project Logic Model and Implementation Work Plan:



Logic Model  
Made In America – American Goods, American Jobs

Objectives	Inputs	Activities	Outputs	Utility	Short Term Outcome	Intermediate Outcome	Long-Term Outcome
<b>Access to Government Contracting Opportunities</b>	<p>Program Director and Procurement Specialist, businesses, OMWBE, T/PC Economic Development Board</p> <p>Computer, Electronic bid system, application, curriculum, office space and supplies.</p>	<ul style="list-style-type: none"> <li>• Orientation education and registration</li> <li>• Assess government markets on individualized basis</li> <li>• Provide bid-matching services</li> <li>• Develop awareness effort for American Made Goods</li> </ul>	<ul style="list-style-type: none"> <li>• Four orientation sessions held</li> <li>• 10 clients complete orientation</li> <li>• Identify markets for 10 companies</li> <li>• Bid Matching initiated</li> <li>• Complete Statement of Issues</li> <li>• 3 Tradeshow opportunities with buyers</li> </ul>	<ul style="list-style-type: none"> <li>• Attendance and sign in sheets</li> <li>• Technical assistance applications</li> <li>• Client entered on Bid-match database</li> <li>• Statement of Issues on file</li> <li>• Client participation at tradeshows</li> </ul>	<ul style="list-style-type: none"> <li>• Companies obtain Central Contractor Registration</li> <li>• Expand products and services to government markets</li> <li>• Participate in bid and solicitation opportunities</li> <li>• Awareness of domestic procurement issues and obstacles</li> <li>• Visibility of domestic manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>• Increase market</li> <li>• Increase sales</li> </ul>	Business Retention and Growth
<b>Business Assistance</b>	<p>Program Director, Procurement Specialist, Loan Specialist, OWMBE, Washington Manufacturing Services, Washington Employers</p> <p>Classrooms, registration fees, assessment tools, transportation, telephone, internet, bid-match system, assessment tools, computers, calculator, financials, applications, pens, paper, supplies.</p>	<ul style="list-style-type: none"> <li>• Education and training opportunities coordinated</li> <li>• Client needs assessments for production, products and markets, equipment and capital needs.</li> <li>• Individualized technical assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Three education/training opportunities established</li> <li>• 10 company assessments completed for production, market, product, automation and capital needs.</li> <li>• 150 hours of technical assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Client notifications</li> <li>• Client intake forms</li> <li>• Company assessment tool</li> <li>• Service delivery logs</li> <li>• Client follow-up survey</li> </ul>	<ul style="list-style-type: none"> <li>• Production efficiencies identified</li> <li>• Equipment and automation needs identified</li> <li>• Diversify products and markets</li> </ul>	<ul style="list-style-type: none"> <li>• Increased production efficiency</li> <li>• Expanded business base</li> <li>• Increased competitiveness</li> </ul>	Business Retention and Growth
<b>Employment Opportunities</b>	<p>Project Director, Department of Social and Health Services</p> <p>Assessment tools, work agreements, paper, pens, travel, fax, copier, office space</p>	<ul style="list-style-type: none"> <li>• Assess training and skill needs of workers</li> <li>• Assess incentive and workforce assistance programs</li> <li>• Assess employment opportunities and aid recruitment and job placement</li> </ul>	<ul style="list-style-type: none"> <li>• Identify barriers and resources for workforce</li> <li>• Develop linkages to training and incentive programs</li> <li>• Develop employee recruitment plan</li> </ul>	<ul style="list-style-type: none"> <li>• Client follow-up surveys</li> <li>• Service tracking logs</li> <li>• Recruitment plan</li> </ul>	<ul style="list-style-type: none"> <li>• Workforce program agreement initiated</li> <li>• Clients aware of and/or engaged with tax and workforce incentive programs</li> <li>• Customized workforce plans as needed.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased employment opportunities</li> </ul>	50 jobs created and filled by low-income individuals.



**Made In America Implementation Work Plan**  
 Period October 2004 through April 2006

Period October 2004 through April 2006 <b>Activity</b>	<b>M</b> <b>1</b>	<b>M</b> <b>2</b>	<b>M</b> <b>3</b>	<b>M</b> <b>4</b>	<b>M</b> <b>5</b>	<b>M</b> <b>6</b>	<b>M</b> <b>7</b>	<b>M</b> <b>8</b>	<b>M</b> <b>9</b>	<b>M</b> <b>10</b>	<b>M</b> <b>11</b>	<b>M</b> <b>12</b>	<b>M</b> <b>13</b>	<b>M</b> <b>14</b>	<b>M</b> <b>15</b>	<b>M</b> <b>16</b>	<b>M</b> <b>17</b>	<b>M</b> <b>18</b>	<b>Outcomes</b>
Operationalize Program																			Office and staff in place, services begin
Identify Participating Businesses																			8-12 businesses selected to participate
Initiate Client Needs Assessments																			Customized assistance plan developed
Conduct Advisory Board Meetings																			Ongoing stakeholder input and project oversight
Develop Evaluation and client tracking tools																			Project and client activities monitored and tracked
Initiate Contract Assistance																			Clients received orientation, registration, bid assistance
Provide 1:1 Customized assistance																			Client progress on their customized assistance plan
Provide Training and Assistance on Production Efficiency																			Education and technical support received by clients
Develop Awareness for American Made Goods																			Statement of Issues and information dissemination
Assess workforce needs																			Develop assessment tools and access to incentive programs
Develop program linkage to workforce assistance																			Referral and training agreement with Work Source
Project Reporting to funding source																			Bi-annual report of project activities and outcomes

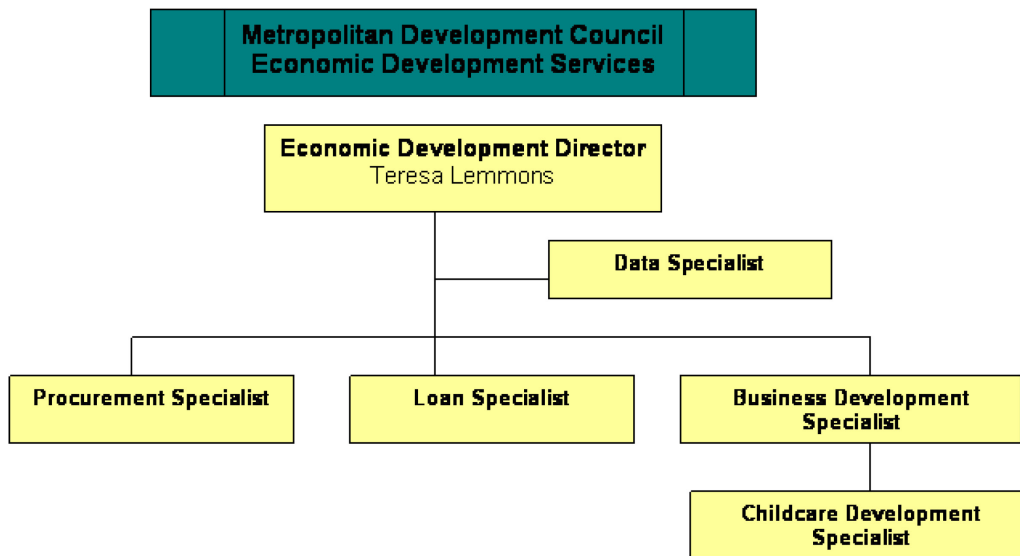


**Staffing:**

Metropolitan Development Council’s Economic Development Services are responsible for the implementation of the work plan. This includes the Economic Development Director, Procurement Specialist, Data Specialist and Loan Specialist. Staff job descriptions describing responsibilities and qualifications are provided in Appendix B.

- Economic Development Director, Teresa Lemmons: Responsible for overall program design and implementation. Outreach and engagement with client businesses. Interaction with resource partners and oversee staff assigned to the project.
- Procurement Specialist, Tom Westerlund: Primary responsibility is assisting firms to identify, assess, prepare for, and seek contracting opportunities. Manages the bid matching system and provides special certification assistance to businesses.
- Data Specialist, Maria Skinner: Provides administrative and clerical support to staff. Primary party responsible for data collection and data interaction with the evaluator.
- Loan Specialist, Robin Harwood: Aids staff in support of client services related to business financing and lending, as well as business financial statements, credit and cash flow.

**Organizational Chart**





**Budget:**

A detailed budget breakdown and budget narrative is included in Appendix C, Budget Detail. Below is an expense summary.

**Summary Budget**

<b>Item</b>	<b>Amount</b>	<b>Percent</b>
Personnel (wage and fringe)	\$203,814	61%
Travel	3,000	1%
Supplies	6,300	2%
Contractual	20,000	6%
Other Operating Expenses	54,540	16%
Indirect Overhead	49,245	14%
<b>Total Project Budget</b>	<b>\$336,899</b>	<b>100%</b>

As this is a technical assistance intensive program, staffing costs are a large percent of the total budget. Evaluation is also significant due to a third party evaluation component.

**V. MONITORING AND EVALUATION****Monitoring:**

The work plan, Gantt chart and logic models all serve to provide benchmarks and outcome indicators for monitoring purposes. The Gantt chart is used to keep staff focused and aware of the time frame in which tasks need to be completed. This tool is also helpful should activities fail to meet the timeline anticipated. In these cases, project activities are re-evaluated and the tasks or timeline is revised.

As indicated above, these tools are extremely useful and necessary in keeping the project on track and progressing toward its goals. These monitoring instruments are more useful in evaluating the performance of a program against its objectives vs. evaluating the impact a program has on its target population.



Staff and Advisory Board meetings along with monthly reporting and semi-annual reporting monitor the project achievement toward outcomes. A review of project tasks and activities during implementation was used to improve and assess efforts.

**Data Collection.** A third-party evaluator assisted in the development of evaluation and data tracking tools. Staff, to assess client progress and activities, then used these tools. This data collection and progress reporting provided staff with valuable input on project strengths, weaknesses or findings that were of interest as the project moved forward.

Data was collected on the participating businesses at enrollment, capturing baseline data that is used to determine progress. A follow-up questionnaire was utilized to capture growth and learn of the successes and difficulties that have arisen. This data was collected by staff and provided to the evaluator for data input and analysis using SPSS software. An external evaluator was instrumental in providing objective input on progress and identifying potential areas of concern.

Service documentation was done using a Service Tracking instrument designed for staff use in classifying the type and extent of services provided. A brief comment on the nature of the service is also collected in addition to keeping detailed files for all participants. The following table shows a monitoring review of the initial implementation plan. It illustrates the actual timeline and achievement toward goals.



**Monitoring of Implementation Plan**

Activity	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	M 13	M 14	M 15	M 16	M 17	M 18	Status
Operationalize Program	▼ ●	□ ●																	Complete
Identify Participating Businesses	▼ ●					□ ●													Complete
Initiate Client Needs Assessments			▼ ●					□ ●											Complete
Conduct Advisory Board Meetings			□			□						□						□	Complete
Develop Evaluation and client tracking tools		▼ ●		□ ●															Complete
Initiate Contract Assistance		▼ ●				□ ●													Complete and on-going
Provide 1:1 Customized assistance				▼ ●														□ ●	Complete and on-going
Provide Training and Assistance on Production Efficiency						▼ ●			▼									□ ●	Complete.
Assess workforce needs																	▼ ●		Developed later than anticipated. Ongoing.
Develop program linkage to workforce assistance																	▼ ●		Developed later than anticipated. Ongoing.
Project Reporting to funding source							□						□					□	Complete

**Evaluation:**

The purpose of evaluation for the MIA program is three fold; 1) to assess the value of the program model and its impacts, 2) to learn about what worked and what did not, in order to provide information to the field, and 3) to fulfill funding requirements as a demonstration program for the US Department of Health and Human Services, Office of Community Services (OCS). A third party evaluator participated in the design and implementation of the evaluation plan. This evaluation component is necessary to provide feedback to staff, and to provide credibility for the project model and program achievements.

Research Question: The overall question we want answered is: To what extent did the Made In America project aid the sustainability of local small garment manufacturers in the Tacoma/Pierce county area; and was it successful in generating jobs for low-income individuals?

Research Design: To aid this evaluation, a before and after, or pre-post design, was utilized. Research and evaluation is based on qualitative and quantitative surveys, interviews, and data collection methods. As the sample size for this project is very small, the project is not measured against like organizations or industries, simply measuring impact of interventions, process and outcome objectives. No comparison or control groups were utilized.

Research Design and Survey Instruments in Appendix E contain the questionnaire and instruments utilized to collect baseline and progress information for each participating company. An interview approach was used to collect data from participating companies. This interview process allows for qualitative data, and the opportunity to learn about participant experiences. See Research Model in Appendix E.



The overall goal of the Made in America project is to create 50 new skilled trades jobs via business expansion within the garment industry for low-income individuals. The program design allowed businesses to be provided with a program to:

1. Help them obtain government contracts. Businesses will be assisted in obtaining the certifications necessary to do business with the government, and other certifications that may be applicable to a particular business (e.g., MWOB).
2. Help them develop a market for American-made products, with an outcome of increased sales. Businesses will be assisted in emphasizing “buy American” with local and state government procurement offices, and will be provided with technical assistance in marketing and purchasing.
3. Help them obtain workforce assistance and incentive programs, with an outcome of hiring low-income workers and accessing tax benefits. Businesses will be made aware of programs that can help support low-income workers, such as the State Department of Social and Health Services for job training, workforce readiness, and other programs, and the Division of Child Support as necessary.
4. Help them take advantage of production and manufacturing training sessions, with an outcome of increased production efficiency. Production specialists will consult on the efficiencies of three businesses, and the project will sponsor representatives of six businesses to attend a one-day seminar on production efficiency.
5. Help them improve their “bottom line,” with an outcome of expanded product lines and diversification of their markets. Technical assistance to be provided to determine the feasibility of diversification.



6. Help them secure equipment financing, with an outcome of becoming increasingly automated and more efficient. Technical assistance will be provided regarding businesses' fiscal capabilities to support the financing and acquisition of automation.

### **Process Evaluation.**

**Program Implementation:** To initiate the project, program partners met to further define roles. Program partners participated in identifying existing resources they could bring to the project and determined which resources they could assist in developing. Design and development of necessary program implementation tools and client tracking instruments were completed for program evaluation purposes. Office services and staff were put in place to assist clients.

**Recruitment:** An existing group of apparel manufacturers was part of the development of this effort; however it was desired to locate other firms that may benefit from program services which were not previously identified. Program staff conducted public records research and program partners assisted in identifying potential clients. Online tools through the public library system and existing partner databases allowed staff to search by NAICS codes to target potential clients in our geographic target region. Staff was then able to develop an internal potential client database. Program print materials were developed and potential clients were mailed a program announcement. Staff conducted follow-up telephone calls to offer services. Interested participants were met with individually to discuss services.

**Services:** Staff conducted a technical assistance needs assessment for enrolled clients. An action plan was crafted for each participant addressing specific needs. Technical assistance



was provided on an individualized basis with services conducted both on-site and at MDC offices. Staff coordinated group training opportunities and opportunities for client and product visibility. The table below provides a list of the general technical assistance activities provided.

**Technical Assistance Services**

Core Technical Areas	Services
Access to contracting	<ul style="list-style-type: none"> <li>• Orientations, education and registration completed</li> <li>• Government markets, agencies and appropriateness assessed</li> <li>• GSA schedule counseling and contracting initiated</li> <li>• Registration and ongoing bid-match services provided</li> <li>• Joint contracting opportunities sought</li> </ul>
Marketing Assistance	<ul style="list-style-type: none"> <li>• Awareness materials prepared and presented for policy and procurement action</li> <li>• Material and product presented to government buyers</li> <li>• Commercial market opportunities sought</li> </ul>
Manufacturing Production Efficiency	<ul style="list-style-type: none"> <li>• Lean Manufacturing workshop made available to clients</li> <li>• Production assessment consulting made available to clients</li> </ul>
Product and Market Diversification	<ul style="list-style-type: none"> <li>• Assessments of current markets completed</li> <li>• Product enhancements and new products discussed</li> <li>• New markets discussed and sought</li> <li>• New business models discussed</li> </ul>
Workforce Assistance	<ul style="list-style-type: none"> <li>• Workforce needs, training and skill have been discussed</li> <li>• Barriers and resources have been discussed</li> <li>• Employment opportunities have been identified</li> <li>• WorkSource linkages have been made</li> </ul>
Equipment Automation	<ul style="list-style-type: none"> <li>• Automation and equipment needs discussed</li> <li>• Financing programs and strategies discussed and accessed</li> </ul>

Community in this project relates to the business owners and their employees, to project advisors and to stakeholders. Their participation has been instrumental and necessary. Stakeholder groups have been actively involved in the implementation and development of program resources. In addition to being advisory members, each of these groups has participated in their own way. The Office of Minority and Women Business Enterprises provided women



and minority business certification sessions and individualized support to client companies. The Tacoma Pierce County Economic Development Board provided project promotion and policy input. Congressman Adam Smiths' office has conducted awareness and educational conference opportunities, in addition to referring clients and working with them on obtaining congressional support.

Two stakeholder groups have been less involved due to the timeline of the project. These are the Department of Social and Health Services along with workforce agencies and low-income individuals seeking employment. These stakeholders have been assembled to support the need for specialized training and recruitment as agreed during initial project planning.

### **Outcome Evaluation.**

Project staff collected client status via follow-up surveys every six months throughout the project. This data was compared with client status at intake to determine what extent the project aided the sustainability of local small garment manufacturers and generated jobs for low-income individuals. The following chart illustrates the progress toward project goals.





**Summary Evaluation Table**

<b>GOAL: Businesses Retention and Growth</b>		
<b>Activity</b>	<b>Output</b>	<b>Indicators</b>
<ul style="list-style-type: none"> <li>• Orientation education and registration</li> <li>• Assess government markets on individualized basis</li> <li>• Provide bid-matching services</li> <li>• Develop awareness effort for American Made Goods</li> <li>• Education and training opportunities coordinated</li> <li>• Client needs assessments for production, products and markets, equipment and capital needs.</li> <li>• Individualized technical assistance conducted</li> </ul>	<ul style="list-style-type: none"> <li>• Six orientation sessions held</li> <li>• 12 clients completed orientation</li> <li>• Identified markets for 12 companies</li> <li>• Bid Matching initiated</li> <li>• Complete Statement of Issues</li> <li>• 3 Tradeshows attended</li> <li>• Five training opportunities held</li> <li>• 12 company assessments completed for production, market, product, automation and capital needs.</li> <li>• 118 individual technical assistance sessions held</li> </ul>	<p><i>Increased competitiveness:</i></p> <ul style="list-style-type: none"> <li>• Companies became educated in the contracting market</li> <li>• Companies became more competitive by becoming certified to do business with the government</li> <li>• Companies now participate in bid and solicitation opportunities</li> <li>• \$340,000 in Equipment and automation financing has lead to production efficiency</li> </ul> <p><i>Expanded business base:</i></p> <ul style="list-style-type: none"> <li>• Three companies reported increasing their markets.</li> <li>• Five companies reported an increase in their product offerings.</li> </ul> <p><i>Increased Awareness:</i></p> <ul style="list-style-type: none"> <li>• State legislators and local procurement bodies are now aware of the benefits of American goods procurement.</li> <li>• Increased visibility of domestic manufacturers to government buyers</li> </ul> <p><i>Increased Sales:</i></p> <ul style="list-style-type: none"> <li>• Companies reported a 34% increase in sales of \$2,927,000 from enrollment to follow-up.</li> <li>• Contract awards resulted in 91.25% of sales growth.</li> </ul>
<b>GOAL: 50 Jobs created and filled by low-income individuals</b>		
<b>Activities</b>	<b>Output</b>	<b>Indicators</b>
<ul style="list-style-type: none"> <li>• Assess training and skill needs of workers</li> <li>• Assess incentive and workforce assistance programs</li> <li>• Assess employment opportunities and aid recruitment and job placement</li> </ul>	<ul style="list-style-type: none"> <li>• Linkages to workforce training and tax incentive programs made</li> <li>• Develop employee recruitment plan</li> <li>• Business growth has produced employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Workforce program agreement in place resulting in recruitment and training opportunities for low-income individuals</li> <li>• Clients aware of and/or engaged with tax incentive programs</li> <li>• Businesses report increased employment opportunities for low-income individuals</li> <li>• Companies report a 27% overall increase in employment from enrollment to follow-up</li> <li>• 69 jobs created and filled by low-income individuals</li> </ul>



## **Progress toward Objectives**

Twelve clients participated in the project. Eight clients were targeted manufacturers who were struggling to retain their operations under difficult market conditions. Four clients were designated as part of the extended industry cluster, being new to the industry, or part of the expanded sector.

Six clients both retained and grew their business operations as marked by growth in their product, market, sales and employment base. Two clients were able to retain operations and maintain sales and employment levels from enrollment to follow-up. Three clients were start-up operations, one of which was a dislocated garment employee. Two of the start-ups fill new product markets, and one introduces industry innovation. One client closed their business during the project due to legislative rulings that forced a shut down of operations from within the women's correctional facility.

At the first follow-up, three clients had introduced new products since enrollment: military caps, mattress covers and gloves. There has been a marked increase in selling to retail markets. Two businesses indicated this as a market at enrollment. Six did at follow-up. There has also been an increase in government sales. Two businesses indicated it as a source at enrollment, and five businesses indicated it as a source at first and second follow-ups.

There was an initial decrease in total employees from enrollment to the first six month follow-up. The average at enrollment was 35 employees. One client discontinued business operations shortly after the project was initiated which follows the trend toward loss in this industry sector. However we are seeing the trend reverse for those actively participating in the program. Mean annual sales for businesses have increased, from \$1.68 million at enrollment and at the first follow-up to \$2.25 million at the second follow-up.



Two clients achieved MWBE certification, two clients achieved HUB Zone certification, six clients obtained Central Contractor Registration and one client met the Veteran Owned Business status between enrollment and follow-up.

Two clients indicated access to government contracting at enrollment, all did at the first and second follow-ups. Similarly, three businesses indicated being registered with Central Contractor Registration at enrollment, and all did at the second.

Two clients have applied for and received loans since enrollment (\$250,000 and \$90,000). One client at the first follow-up and three at the second indicated receiving government contracting since enrollment (\$125,000, \$49,000, and \$2,500,000 respectively) for a total of \$2,674,000.

Five clients have received marketing technical assistance and all clients have received government certification and contracting assistance—which also includes activities related to marketing, production, and other services.

Manufacturing production efficiency assistance has been provided to three clients, and equipment and automation funding assistance has also been provided to three clients. Increased production efficiency is too difficult to assess with objective follow-ups. One company has participated in Lean Manufacturing workshops.

Four clients have received product diversification assistance. Although there has been a decrease from enrollment to follow-up in businesses having commercial contracts and in e-tail, there has been a marked increase in selling to retail markets and an increase in government sales and in subcontracting.



**Individual Client Progress and Customized Services Summary**

<b>Client 1: Fleece Garment Manufacturer</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Fleece Outdoor Wear, Safety Vests	Mattress Covers	Diversified Products
Markets	Commercial, Sub-Contracting	Commercial, Sub-Contracting, Retail	Diversified Market
Number of Employees	35	50	15 Additional Jobs (43% workforce increase)
Annual Sales	\$2 Million	\$1.5 Million	\$500,000 Decrease
Business Certifications	MWBE, CCR	MWBE, CCR, HUB Zone	Increase in Certifications
Access to Government Contracting	Accessing contracting opportunities	Accessing contracting opportunities	No Change
Contract Awards	None	None	No Change
Financing	None	None	No Change
<b>Customized Services:</b>			
<p>Product Line: Worked with client to explore a new product line as an opportunity to develop retail sales. Aided the client with design, branding, and market analysis.</p> <p>Product Expansion: Worked with client to explore investment in joint venture to manufacture an alternative to car seats for children. Assessed investment potential, market and product review, researched investment, loan and lines of credit, reviewed business plan to incorporate overseas operations.</p> <p>Production Efficiency: Attended Lean Manufacturing session that provided client with improved management of assembly operations. Researched quality assurance policy and procedures for improved operations and to meet potential contracting requirements.</p> <p>Joint Production: Linked client with Embroidery manufacturer to identify opportunities for joint product and market development targeting retailers seeking American made garments for visitors and tourists coming to the USA.</p> <p>Government Contracting: Researched government markets, established lead generation for bids, facilitated certifications and registrations for client. Linked client with Contract Broker seeking manufacturers to supply American made military garments.</p> <p>Competitiveness Issues: Joined client at several state level meetings, forums and study sessions providing extensive support for issues related to competition, workforce, offshore outsourcing, policy and resource utilization. Worked with State legislators and US Congressional Representatives.</p> <p>Workforce Issues: Discussed methods to maintain employees during difficult times. Company profit margins were so slim that budgets would not accommodate employee benefits. Creative ideas around non-monetary incentives were explored.</p> <p>Tax Incentives: Provided client with access to tax benefit programs for hiring low-income residents of the community.</p>			



<b>Client 2: Tent and Awnings</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Fabric, Tents, Awnings	Fabric, Tents, Awnings	No Change
Markets	Commercial, Sub-Contracting, Government	Commercial, Sub-Contracting, Government	Diversified Market
Number of Employees	105	105	No Change. Retained workforce.
Annual Sales	Did not disclose	Did not disclose	Unknown
Business Certifications	None	CCR	Increase in Certifications
Access to Government Contracting	No Access	Access	Increased Access to Government Contracting
Contract Awards	None	None	No Change
Financing	Did not disclose	Did not disclose	Unknown
<b>Customized Services:</b>			
<p>Government Contracting: Researched government markets, established lead generation for bids, facilitated certifications and registrations for client.</p> <p>GSA Counseling: Client was interested in exploring a General Services Administration supply schedule contract. Counseled client through proposal development to include regulatory and contract term translation. Provided proposal review prior to submission. Aided with access to government representatives.</p>			



<b>Client 3: Embroidery</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Caps, Embroidery	Caps, Embroidery, Military Caps	Diversified Products
Markets	Commercial, Retail	Commercial, Retail, Government	Diversified Market
Number of Employees	28	34	6 Additional Jobs (21% workforce increase)
Annual Sales	\$3.1 Million	\$3.1 Million	No Change. Stabilized Revenue
Business Certifications	Veteran Owned	Veteran Owned, CCR	Increase in Certifications
Access to Government Contracting	No Access	Access	Increased Access to Government Contracting
Contract Awards	None	\$49,000	Increase in Sales
Financing	None	\$250,000	Increased Access to Capital
<p><b>Customized Services:</b></p> <p>Joint Production: Linked client with Fleece manufacturer to identify opportunities for joint product and market development targeting retailers seeking American made garments for visitors and tourists coming to the USA.</p> <p>Government Contracting: Researched government markets, established lead generation for bids, facilitated certifications and registrations for client.</p> <p>Financial Assistance: Researched and identified resources for client to pursue business loans and lines of credit.</p> <p>Linked client with Contract Broker seeking manufacturers to supply American made military garments.</p> <p>Workforce Needs: Assessed company growth and potential for new employees and employee recruitment needs.</p> <p>Tax Incentives: Provided client with access to tax benefit programs for hiring low-income residents of the community.</p>			



<b>Client 4: Outdoor Gear</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Rain Gear, Boots	Rain Gear, Boots, Gloves	Diversified Products
Markets	Commercial	Commercial, Government, Retail	Diversified Market
Number of Employees	16	18	2 Additional Jobs (13% workforce increase)
Annual Sales	\$1.1 Million	\$1.5 Million	\$400,000 Annual Sales Increase
Business Certifications	None	MWBE, CCR,	Increase in Certifications
Access to Government Contracting	No Access	Access	Increased Access to Government Contracting
Contract Awards	None	None	No Change
Financing	None	None	No Change
<b>Customized Services:</b>			
<p>Competitiveness Issues: Worked with client on competitiveness issues regarding the State of Washington's Prison Industries assuming contracts from private sector employers. Attended state sponsored forums and sessions to discuss policy recommendations to improve the process of handing competitive contracts directly to prison industries and taking opportunity away from private sector firms which hire residents and pay taxes.</p> <p>Government Contracting: Investigated problems with former government and Dunn and Bradstreet registrations. Researched government markets, established lead generation for bids, facilitated certifications and registrations for client.</p> <p>Marketing and Awareness: Provided client with booth space to display products and meet government buyers at large statewide tradeshow.</p>			



<b>Client 5: Marine Gear</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Immersion Suits	Immersion Suits	No Change
Markets	Commercial, Government	Commercial, Government, GSA	Diversified Market
Number of Employees	4	4	No Change. Retained workforce.
Annual Sales	Did not disclose	Did not disclose	Unknown
Business Certifications	MWBE, CCR	MWBE, CCR	No Change
Access to Government Contracting	Accessing contracting opportunities	Accessing contracting opportunities	No Change
Contract Awards	None	\$125,000	Increase in Government Contract Sales
Financing	Did not disclose	Did not disclose	Unknown
<b>Customized Services:</b>			
<p>GSA Counseling: Clients primary interest was in obtaining a General Services Administration supply schedule contract. Counseled client through proposal development to include regulatory and contract term translation. Provided proposal review prior to submission. Aided with access to government representatives and post award assistance.</p> <p>Government Contracting: Researched government markets, established lead generation for bids, facilitated certifications and registrations for client.</p>			





<b>Client 6: Tennis Wear</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Women's Tennis garments	Women's Tennis garments	No Change
Markets	Retail	Retail	No Change
Number of Employees	1 Part-time	1 Part-time	No Change.
Annual Sales	\$0 Sales Start-Up Company	\$0 Sales Start-Up Company	No Change
Business Certifications	None	None	No Change
Access to Government Contracting	No Access	No Access	No Change
Contract Awards	None	None	No Change
Financing	None	None	No Change
<b>Customized Services:</b>			
<p>Business Development: A new business venture, worked with owner and key staff to establish the business model, business planning, product development, trade mark and branding. Aided in developing policy and procedure for operations, sales and management.</p> <p>Dislocated Worker: The key staff person served under employment contract after being laid off from a downsized garment manufacturing facility.</p>			



<b>Client 7: Glove Manufacturer</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Wide variety of Gloves	Wide variety of Gloves	No Change
Markets	Commercial, Distributor	Commercial, Distributor, Government	Diversified Market
Number of Employees	50	70	20 Additional Jobs (40% workforce increase)
Annual Sales	\$3.2 Million	\$4.0 Million	\$800,000 Increase in Annual Sales
Business Certifications	None	Veteran Owned, CCR	Increase in Certifications
Access to Government Contracting	No Access	Access	Increased Access to Government Contracting
Contract Awards	None	None	No Change
Financing	None	None	No Change
<b>Customized Services:</b>			
<p>Government Contracting: As the business operates through exclusive wholesale distributors, they do not seek to secure contracts that would be in direct competition with their distributors. Bid lead generation is conducted daily with opportunities being made available to this distributor base, resulting in increased business activity for the manufacturer.</p> <p>Workforce: Worked with client to identify anticipated employment needs. Worked with community and technical colleges to provide customized job training program for client and others as well as employee recruitment assistance to seek potential workers.</p> <p>Tax Incentives: Provided client with access to tax benefits for hiring low-income residents of the community.</p>			



<b>Client 8: Sewing and Design</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Variety of apparel products	Variety of apparel products	No Change
Markets	Commercial	Commercial	No Change
Number of Employees	7	0 Business Closure	Loss of 7 jobs
Annual Sales	\$500,000	\$-0-	\$500,000 Decrease
Business Certifications	None	None	No Change
Access to Government Contracting	No Access	No Access	No Change
Contract Awards	None	None	No Change
Financing	None	None	No Change
<b>Customized Services:</b>			
<p>Business Development: Worked with client to address improvements to business model, workforce issues and identifying potential market expansions. Clients business was located at a women’s correctional facility as an on-site manufacturing facility employing inmates. The business was providing market wages to inmates and assisting them to build funds for restitution. The development of legislative rulings prohibited for-profit business from using an inmate workforce as an unfair advantage (job skills training at little to no cost to employers). This decision was broadly applied, resulting in the business being forced to shut down operations, although the business did not meet the definition of the ruling.</p> <p>Networking: Established linkages with other manufacturers and designers in developing potential business opportunity.</p> <p>Marketing: Assisted client with presentation and content for brochures and website development., marketing strategies and print material.</p>			



<b>Client 9: Swimwear</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Men's and Women's Swimwear	Men's and Women's Swimwear	No Change
Markets	Retail	Retail	No Change
Number of Employees	1	2	1 Additional Job
Annual Sales	Did not disclose	Did not disclose	Unknown
Business Certifications	None	CCR	Increase in Certifications
Access to Government Contracting	No Access	Access	Increased Access to Government Contracting
Contract Awards	None	None	No Change
Financing	None	None	No Change
<p><b>Customized Services:</b></p> <p>Business Development: A start-up company, worked with owner on business planning, product development, market diversification, sales and marketing. Provided access to legal assistance for trademark. Assessed cash flow and capital needs. Identified resources for equipment financing. Aided client to develop production and management protocol.</p> <p>Government Contracting: Researched government markets, established lead generation for bids, facilitated certifications and registrations for client.</p> <p>Due to a major illness the owner was unable to continue operations.</p>			



<b>Client 10: Contract Broker</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Miscellaneous Products	Military Uniforms	Diversified Products
Markets	Commercial	Commercial, Government	Diversified Market
Number of Employees	1	7	6 Additional Jobs (600% increase)
Annual Sales	\$0 Sales Start-up Company	\$2.67 Million	\$2.67 Million increase in Annual Sales
Business Certifications	Service Disabled Veteran Owned Business (SDVOB)	SDVOB, CCR, MWBE, HUB Zone,	Increase in Certifications
Access to Government Contracting	No Access	Access	Increased Access to Government Contracting
Contract Awards	None	\$2.5 Million	Increase sales in Government Contracts
Financing	None	None	No Change
<p><b>Customized Services:</b></p> <p>Government Contracting: As a new business venture, assisted client in preparedness and access to government contracting opportunities. Facilitated certifications and registrations for client. Researched government markets and established daily lead generation for bids. Provided pre and post bid assistance for contract awards.</p> <p>Networking: Assisted client to established working relationship with several local garment manufacturers to fulfill American made goods requirements on a large federal Department of Defense contract for military garments.</p>			



<b>Client 11: Mass Customization</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Women's Custom Suits	Women's Custom Suits	No Change
Markets	Retail	Retail	No Change
Number of Employees	0 Start-up Business	0	No Change
Annual Sales	\$0 Sales	\$0 Sales	No Change
Business Certifications	None	None	No Change
Access to Government Contracting	No Access	No Access	No Change
Contract Awards	None	None	No Change
Financing	None	\$90,000	Increased Access to Capital
<b>Customized Services:</b>			
<p>Financing: Reviewed financial plan and business strategy for capital investment. Researched and identified financial resources for venture investment and loans for business capitalization. Facilitated meetings with national investment representatives.</p> <p>Marketing: Addressed marketing strategies for local sales as well as national promotion and distribution potential. Discussed market analysis and market testing.</p> <p>Business Planning: Counseled client regarding overall business strategy, and the implementation of he business plan, marketing plan and financial plan.</p> <p>Networking: Identified and established linkages to several garment manufacturing facilities that could provide production resources to the new business venture. Client currently has a formal working relationship with another Made in America manufacturer.</p>			



<b>Client 12: General Apparel Manufacturing</b>			
<b>Key Objectives</b>	<b>Data at Enrollment</b>	<b>Data at Follow-up</b>	<b>Change</b>
Products	Variety of apparel products	Variety of apparel products	No Change
Markets	Commercial, Sub-Contracting	Commercial, Sub-Contracting	No Change
Number of Employees	9	35	26 Additional Jobs (289% workforce increase)
Annual Sales	\$170,000	\$720,000	\$550,000 Increase in Annual Sales
Business Certifications	None	None	No Change
Access to Government Contracting	No Access	Access	Increased Access to Government Contracting
Contract Awards	None	None	No Change
Financing	Did not disclose	Did not disclose	Unknown
<b>Customized Services:</b>			
<p>Market: Services were initially targeted around increasing market opportunity. The sale of the company to a new owner brought new energy and opportunity to the company, which shifted the company's focus.</p> <p>Workforce: Workforce has been targeted as the most critical need. With forecasted growth, the company is struggling to readily access a skilled and reliable workforce. Worked with this and other companies to implement a customized job training program and employee recruitment effort to fulfill workforce needs. Provided resources for client to better communicate with employees with limited English speaking skills.</p> <p>Facility: Discussed purchase of real estate and future development interests to expand operations and create a hub for garment and design activity through a design center/incubator concept. Worked with City to determine development potential.</p> <p>Government Contracting: Facilitated certifications and registrations for client. Researched government markets and established daily lead generation for bids.</p>			

**Jobs Created:** The majority of new jobs were entry-level positions in production and operations. Standard compensation is minimum wage, \$7.35 per hour. Piece-work incentives are also part of the standard compensation package and can bring an employees hourly rate to \$8.00 to \$10.00 per hour. On-site job training is provided with wage progression opportunities.



After a few months, and with motivation, new employees are averaging \$10.00 to \$12.00 per hour.

Several companies report a growth trend that would require adding another 45 jobs to the existing employment base over the next six to twelve months.

**Employee Demographic:** The hiring trend appears to be unemployed or underemployed individuals. Older female workers with some prior experience with sewing; minority residents; and residents with English as a second language make up the majority of new employees.

There are some formerly employed garment workers still available; however businesses report little to no new hires have related experience or skill. Over the last five years as this industry downsized, dislocated workers eventually found employment opportunities elsewhere. As a result the skilled workforce that was accessible to manufacturers five years ago is no longer available.

**Overall Outcome**

The Made In America program assisted client companies to achieve a 34% increase in sales and 27% growth in their employment base, resulting in 69 jobs created and filled by low-income individuals.

**Sustainability:**

It is expected that there will be no significant requirement for funding support beyond the project period. Through new product and market opportunities, businesses have increased their competitive positioning. The time period for this project has been relatively short in terms of business development and sustainability, however, given the existence of business resources, sustainability is supported and on-going by the project partners as a normal course of their





mission(s). It is hoped that this initiative succeeded in providing the apparel sector with timely hands-on assistance needed to regain competitiveness, to position resources and tools to carry them into the next stage of their growth.

It is also hoped that similar actions can be taken to secure and strengthen other industries that are facing similar market obstacles. In that case, the Made In America project may be a model to replicate, applying these practices to other industry sectors.

The Metropolitan Development Council does not seek to sustain or to institutionalize the efforts of this project. This has been an opportunity to provide necessary services at a critical time, empowering and retaining local businesses that provide jobs to our residents.

## **VI. CONCLUSIONS AND RECOMMENDATIONS**

The Made In America program was successful in achieving its goals. As a cluster based economic development tool, MIA successfully aided the sustainability and growth of local apparel manufacturing and related firms. Sixty-nine (69) jobs were created and filled by low-income residents of our community. There is a greater awareness of the concerns of the industry and the benefits of American made goods.

### **Lessons Learned:**

Significant challenges presented to the MIA project had to be addressed, primarily retaining a workforce during slow production periods and a negative market trend. Working with businesses to define product and market diversification options as a principal strategy in overcoming production seasonality, during a high stress environment had its challenges. The emotional toll that owners have experienced in trying to maintain operations in a negative climate requires careful consideration of their motivation level and their desire to seek



opportunity. Awareness of this “burn-out” is necessary in encouraging businesses to invest the time and emotional capital needed to revisit and rebuild their operations.

Client success is directly linked to the level of effort they are willing to, or able to invest. Management capacity is also a factor in the ability to access opportunities. As small businesses, clients do not typically have the depth of staff to fully engage with resources and technical assistance. Often there is one key manager that is responsible for operations, sales and growth. With limited support, it is difficult for these managers to try something new or take time out to invest in strategy sessions. Other companies were structured differently, where the owner, or manager, was primarily responsible for strategic direction and growth of the business with supportive staff to manage daily operations. In these instances clients were in a better position to take advantage of assistance.

Staff of the project worked diligently to provide on-going opportunities to engage with clients. Daily bid announcements, regular training and education opportunities, and sharing of resources were meant to draw the client into a development mind-set. With limited availability from key managers, many services were not participated with by all clients. This matter was discussed with clients, staff and the project evaluator. As each business’ needs are different, it was difficult to come up with a solution that would be beneficial for all. For example, one client was unable to respond to bid opportunities that were perfect for her business, but she could not free up her time to develop the bid. Bid development often requires pattern making, sourcing of material, estimating production time and costs, assessing shipping and packaging requirements and more. These are lengthy processes that become time wasted if the bid is not won. In this instance, the hiring of an expert pattern, design and production consultant was considered as a solution. This person would be able to aid all clients in their bidding if needed. The bid process



requires an intimate knowledge of the business, its operations and pricing. This person would have to know intimate details of each company needing assistance. In addition to being a monumental time consuming task, there were two critical problems with the concept. One, it would require a significant level of trust and confidence by the companies involved; and two, this type of individual is near non-existent given a downsized industry.

Marketing of products was conducted hand in hand with the message that American made goods procurement is necessary to resolve economic issues and increase opportunities for residents. This key factor was presented to local government procurement managers and decision makers as an economic development tool. Facilitating an awareness campaign to promote “Buy American” requires clients to participate in the process.

One change was made early in the design and development stage of the project to eliminate a potential project partner. Initially it was suggested that a full production assessment would be conducted for clients to achieve greater production and cost efficiencies. This would consist of a review, value stream mapping, recommendations and implementation assistance. After exploring these ideas with potential clients, it was determined that this level of production analysis was too extensive and non-responsive to their needs. A thorough stakeholder analysis revealed that this partner was neither critical nor necessary to the success of the project.

All stakeholder groups were involved with the project. While post implementation project advisory meetings were held they tended to be surface discussions. An excellent relationship exists between our advisory members and client companies when dealing with specific areas of need, such as tax incentives for hiring residents of a historically underutilized business district or working to obtain a minority business enterprise certification. The project could have benefited from a more intensive buy-in from state and local partners on domestic



procurement issues. It is understood that some of these advisors are representatives of governmental entities, which may make it difficult for them to express this support, or participate in an awareness campaign.

### **Findings**

1. American companies can maintain a competitive advantage in negative market conditions through responsiveness, delivery, small runs, prototype, and specialty production.
2. With customized technical support local firms are able to increase competitiveness and both retain and create jobs.
3. The project produced a cost per job of \$4,883.
4. A cluster-based approach is effective in creating opportunity for business and residents.
5. Companies report a growth trend that would require an additional 45 jobs over the next six to 12 months.
6. The 69 jobs created were primarily entry level production with on-the-job training opportunities
7. New job wages were \$7.35 minimum, the average being \$8.00 - \$10.00 per hour. Wage progression of \$10.00 - \$12.00 per hour was realized over a few months of employment. Most jobs included a benefit program.
8. New employees were typically unemployed or under-employed, primarily older female, minority and limited English speaking residents.

### **Recommendations:**

Due to extensive planning, research and community input, there have been no real surprises with this project. A product of the local garment manufacturing scene, MIA has not met with any resistance because of its community centered beginning. There was broad participation in the design and execution of a strategy by local small businesses, employees, stakeholders and local, state and federal government representatives that crafted the concept. It



is highly recommended to seek thorough community input and support from internal and external groups in addition to proponents as well as opponents.

Beyond the funder, it is important for us to share information about our findings to our participants, our community and the broader field of community economic development. Clients and partners are extremely interested in the lessons and accomplishments of the project overall. Management and staff of MDC want to be sure that the project achieved its proposed objectives and met its stated goals. Other interested parties include those serving the small business community such as, Small Business Development Centers, membership of the Association for Enterprise Opportunity, CDFI and CDC groups providing technical assistance to businesses who struggle with competitiveness issues. Additionally, it will be important to share findings with local, state and national government bodies responsible for regulatory and policy decisions as well as local Chambers of Commerce and Economic Development Councils and Commissions.

## **VII. APPENDICES**

Appendix A: Needs Assessment

Appendix B: Job Descriptions

Appendix C: Budget Detail

Appendix D: Project Powerpoint

Appendix E: Research Design and Survey Instruments

Appendix F: Statement of Issues, Washington State Garment Coalition