

Slide one: Rebooting American Manufacturing

We all know the term a rising tide floats all boats. And, we know that a big tide can briefly tip the sturdiest of boats. Well folks, the tsunami has hit.

We are here today to talk about the rescue.

Slide two: IT STARTS WITH A MARKET

This is a local story. Cleveland is the market.

The Village of Cleveland was incorporated in 1814. Her first European citizen, Lorenzo Carter, as a solid source of trade, declared our City. Over the years, Cleveland has lived up to her identity. Her manufacturers have been major contributors to our nation's wealth and competitiveness. Many in this room are, or work for, the source of those contributions.

For the past six months, I've been working three days a week for the City of Cleveland's Industrial Retention Initiative; in that role, I'm out visiting Cleveland manufacturers.

Unlike the stories, you read on the front page of the paper, these men and women are doing OK, considering the moment. They are cautious;

many have low debt and continue to grow despite the challenges. Their operations are professionally run, and most are reliably servicing customers they have supplied for years.

What's not OK is that most of Cleveland's industrial companies don't make a finish product. They are component manufacturers – job shops or machine shops – that is to say, they are interdependent on others in the supply chain to their customer. They can't operate alone. Many, without Automotive driving their production, no longer have a guiding market force that focuses them and absorbs their capacity. By the organization of their business model they don't have a culture of design or of marketing in house. Without an anchor client such as Automotive, they are adrift.

Slide three: INVENTORS CREATE JOBS

Here's the problem:

Most of Cleveland's manufacturers need sales – they need products to assemble in the short-term, and applications that absorb their capacity in the short-term, while they continue to build advance manufacturing capacity for the future.

To address the short-term we have to get pragmatic with our solutions.

You don't tell a Katrina victim we are thinking about a new house that will have robots to serve you breakfast. I'm sure you can understand my point.

We often forget - manufacturers are builders. Inventors create jobs.

Slide four: INNOVATION WORKS WHEN WE SEE IT AS A CIRCLE

Borderless expansion is over. The urgency of our economy forces us to innovate what we have long avoided – a big picture solution for Northeast Ohio.

Slide five: YOUR ROLE: INNOVATE A SOLUTION

By reflecting carefully, tracing our problems to the root, and taking bold action, we and our nation will emerge stronger and our economy will be vibrant.

We must be selective.

We must first innovate an industry that uses our resources. *Not what we wish for; but using what we have.* Northeast Ohio is home to the top

process experts in the world. Surely, we can design-to-suit and solve our own problems.

We must start this thoughtful leadership by integrating manufacturing services without huge learning curves. We must think "whole" before we begin. Regional health, we can't have Mom working and Dad laid off. It's not good vibes for our communities.

Let me share a story. In 1976 when I went to Italy to manufacture shoes the tanker-like trucks of Italian Wine I saw on the road impressed me. When I asked about them, the locals told me, "we're exporting Italian wine."

"Who is exporting Italian wine, I asked?" "Our nation", they responded. "Since none of our winemakers can afford to advertise individually we decided to do it together so we all benefit. Then there is work for all of us."

Smart thinking.

What I learned that day is that without a market for "Italian wine" or anything you are selling, it doesn't make any difference what brand label you put on it.

Ask me, if you have any questions about this point.

What is Northeast Ohio's *wine*?

Many are working hard. The medical industry is breaking barriers, and wind is gaining momentum. That takes care of some of us. Now, for those manufacturers that don't fit either of these supply chains we must add? AN INDUSTRY to absorb the work of the hands.

Today, we must begin with a vision of an industry that breaks out across the region and making an economy for more of us. We must think like the Marines. If your fellow recruit is having difficulty doing push-ups then get down and do pushups with him. Work with him and encourage him through the tough times. *You don't leave men behind* and you don't leave your community without work.

Taking this attitude and acting upon it is a HUGE step in innovation for America's leading process experts that live right here in Cleveland.

Slide six: CONNECT AND DEVELOP

I'm asking your commitment to focus.

Help us, *Re-invent "Made in Cleveland"* to begin with.

We can think of and use our region, like Edison used Menlo Park.

Let's put our heads together and create a strategy that improves the reuse of our labor resources.

We want to invent industries that highlight our valuable and skilled labor force, protect our environment, all the while honoring and cultivating our humanity. *There is a very good reason why Cleveland is considered a world-class cultural resource in the United States.*

Slide seven: **YOU MUST SOLVE PROBLEMS WITH A PLAN.**

We understand that Northeast Ohio is home to our nation's top process experts; we need to know we can ask your help.

This moment, this economy places our future in the hands of Cleveland's engineering community.

Slide eight: **AMERICAN FOOTBALL.**

Remember, American football added body armor and helmets after.

Before I introduce you to our panelists, I'd like to take a moment to thank the Cleveland Engineering Society for inviting us today, *Thank*

you Dawn, Lori, and Meghan for this opportunity and all of your support.

I'd also like to thank you, *the society's membership*, for your contribution. Your decision to share your precious time this afternoon speaks to your commitment. *WE thank you.*

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