

Made in Rhode Island Manufacturing Collaborative

Public Session

Thursday, September 12, 2013, 11:30 a.m.

Rhode Island Economic Development Corporation

The following were in attendance:

Collaborative

Marcel A. Valois (chair)
David Blanchette
Charles Fogarty
Paul McGreevy
Kelly Carello
Cristina DiChiera

Advisory Council

Erik Bright
Lisa Carnevale
Giovanni Feroce
Ray Fogarty
Bill McCourt
Craig Pickell
Harsha Prakash
Helen Lang

RIEDC Staff

John R. Pagliarini
Sherri Carrera
Jennifer Howard

At 11:35 a.m. Mr. Valois opened the meeting and greeted the attendees. He introduced himself as the executive director of the RIEDC and the chair of the group, mentioning that he does not know everyone at the table and would like to go around the table for introductions.

The first item on the agenda was to discuss the Made in Rhode Island Manufacturing Collaborative legislation. Mr. Valois defined the collaborative and advisory council as a working group that was asked by the General Assembly to look into the concept of a Made in Rhode Island initiative.

The General Assembly mandated that the group report back by April 30, 2014 on the initiative with the following information:

- What would this program look like if put in place?
- What would the standards be in terms of certification, branding and marketing?
- Who would be the certifying authority?
- Who would administer the program?
- What would the business plan look like for this project?

In the absence of funding from the General Assembly, Mr. Valois said, there cannot be any hiring of a research or business strategy team, so the committee of volunteer industry experts must complete the work, supported by an advisory council – making for a large work group.

The group is required to meet quarterly, for a minimum of three more times over the next several months. Mr. Valois said the conversation will determine if additional meetings are needed above the requirement.

Mr. Valois asked the group if there is support for this initiative in the business community. Will it add value – such as new customers and new markets – since it was devised as an economic development initiative? How bold should the committee be? Mr. Valois had met with Mr. Bright and Ms. Carnevale on the genesis of program and to have preliminary discussions. These initiatives have become a national movement, with similar programs around the country – some including food manufacturing, which the legislation suggested keeping out of the Made in Rhode Island program.

Mr. McCourt said there is a project underway for the year with the Rhode Island Manufacturers Association (RIMA), the Rhode Island Manufacturing Extension Service (RIMES), the Rhode Island Economic Development Corporation (RIEDC) and the John H. Chafee Center at Bryant University to create a database in an outward interface of all the manufacturers in Rhode Island – approximately 2,500 companies currently. The partnership would maintain the database and enable search capability of what companies manufacture what products. The site is currently in development.

Mr. Valois said he is a support of a strong manufacturing base given his background, and the state has tremendous potential in its heritage and infrastructure of bankers, designers and those who have touched manufacturing over a lifetime. The future may look different, pulling characteristics of the old manufacturing economy but also aggressive in creating growth. He mentioned the RIEDC's partnership with the Rhode Island Foundation (RIF) in putting focus groups together for the state's RhodeMapRI initiative.

Mr. Bright talked about creating space for small businesses to keep graduates in Providence to start businesses here and contribute to the economy. There is a need to offer professional space and community to those working out of their basements and garages, which will eventually grow jobs. He mentioned the creation of the West Side Arts District and the relocation ordinance for developers to provide funds to small businesses that had been displaced. The original legislation, he said, was going to incorporate all products including food, but it was narrowed given the heritage of the state's industry. Mr. Bright informed the group that there is a Seafood Collaborative in the works. The idea of these initiatives, he said, is to build pride in products manufactured locally, tap into the industrial heritage that is still redefining itself, and educate people that many products are made in the state. People want to

support local businesses and purchase products that tell a story. The ultimate goal is identifying what “made in Rhode Island” means because the state wants to create incentives to companies invested and hiring in the state. The group needs to decide on the guidelines for products used and the manufacturing process. This will make it easier for these locally born businesses to grow and contribute to the discussion on how to make Rhode Island more business friendly.

Ms. Carnevale suggested that the group could raise funds and collect donations with the goal of empowering the group as much as possible. The group should be able to establish and implement guidelines, and the project could be as simple as figuring out what the Made in Rhode Island qualifications are. Mr. Valois said he wanted to focus on whether the project has a lot of potential, and if it does, should it be done and does it add value. He wants to seek input from the manufacturing community. Ms. Carnevale said that she comes from a creative background and thinks that artists should be included under the manufacturing umbrella. The Steel Yard is a good example.

Mr. Bright said the fundamental goal of creating a logo is to educate people on what is legitimate and see that the brand is authorized by the state under specific guidelines.

Mr. Valois said there are two markets: artisans and traditional manufacturers that export outside of the region. Does this initiative have value to the latter group? Mr. McCourt responded that the manufacturing community is split – many local companies are just part of a larger process, and therefore, putting a logo on their product may be problematic (for example, building iPhone components), but, on the other side, the initiative will also show people the Rhode Island effort and build appreciation.

Ms. Lang thought the project was great because it can identify a quality product and clump products together that were made in Rhode Island and are, therefore, superior. She said that 95 percent of The Steel Yard’s business is in Rhode Island, and they want people to think well-built, quality materials, a 100 percent Rhode Island workforce, and a job training program that feeds into public works when they think of the organization.

Mr. Feroce asked if this would be a membership group that people buy into. He said they should take the legislation and have it be worth something by trademarking the logo, defining a process to use the logo and make sure that logo is not thrown around. What are the key products that make Rhode Island different? That’s the goal of the initiative, to answer that question. People know to get furniture from South Carolina that’s made by the Amish; the collaborative should take the project to that degree. He is happy that it’s not all-inclusive so the group can hone in on what Rhode Island does best. There will be the opportunity to add further categories as time goes on. Metrics are important, so the group should define attainable metrics to show achievement while not trying to take over the world.

Mr. Valois sees the legislation as all-inclusive, coming from a political entity asking the group to figure this out. The group needs to identify how it’s not all-inclusive, if that is the case. What sectors provide the most bang for the buck? It is a government-centric model, but nothing in the legislation says it has to be administered by the government. The collaborative should give ideas on who will administer the program. Right now, it is all-inclusive, all models, but the group’s job is to funnel down to create a

meaningful program and present that to the General Assembly. Mr. Feroce responded that the initiative is far too broad to achieve success and economic impact should be a requirement.

Mr. Pickell gave the group some background on his company, Bullard Abrasives. He sees the same problems in the state as he did back in the 1970's when he was based here before. He sees potential opportunity to create connections that aren't being made; for example, not even one percent of his business is done in state. Many of the manufacturing companies in Rhode Island could be using Bullard's products and services, growing their businesses by connecting with people in the state. Mr. Pickell wonders what supplies, products and services he is buying that he could be buying from a Rhode Island supplier since he would rather trade within the state than with other states. He wants businesses to take down their no soliciting signs on the front door and invite "made in Rhode Island" manufacturers in.

Ms. Carnevale stated that it didn't have to be a requirement to use the logo to participate in the program, so those supply chain manufacturers could still benefit.

Mr. Pickell would like to promote that these sorts of companies exist in Rhode Island. How many people don't know the more industrial businesses that are headquartered here, he asked. There is potential for an enormous impact on the economy – easily \$10-15 million in revenue for Bullard in the state. However, there is no easy access; there could be an initiative to welcome Rhode Island based vendors.

Mr. McGreevy asked Mr. Pickell how he finds suppliers for his company. Mr. Pickell said his suppliers are known in the industry, where the raw materials stream is narrow. He never thought about Rhode Island based companies until the economy went south on everyone and he was looking for a way to counteract that. How can that mentality be changed within the state? It will get unemployment down and help Rhode Island's worker numbers.

Mr. McGreevy asked what the state has to replicate to get Bullard's supply chain here. Mr. Bright said the idea is to create a database, which RIF is doing locally and RIMA is doing statewide. The goal is to have a viable database as part of someone's website and create incentives down the road so people are jumping to get on the list.

Ms. Carello offered to finalize the logo with the trademark office in the Secretary of State's Office. Mr. Bright said the logo went through a year and a half of revisions, passing through legal. Mr. Valois said there should be an auditable standard and enforced use of the logo. Mr. McCourt said that there has to be competitiveness to locally made products because they are not cheaper, but there is an intangible value. Some products are easy to identify as locally made, while others – like submarines – are more difficult because final assembly is done here, but the materials are made elsewhere.

Ms. DiChiera mentioned that the Rhode Island State Council on the Arts (RISCA) is navigating tax-free art for one-of-a-kind pieces with legislation and defining what one-of-a-kind means. RISCA determines the standards, audits individual applications and gets references for artists. Mr. Valois asked how the standards are enforced, and Ms. DiChiera said the staff has connections to help, but Randall Rosenbaum makes the final decision. The question lingers how to bridge the gap between unique artists and

designers who are on the brink of exploding in the industry. Mr. Valois said this was an example of self-regulating around the industry, which means the incentive doesn't have to be enforced by government. Mr. McGreevy offered the services of the Department of Businesses Regulation (DBR) to enforce complaints and fines. Mr. Valois asked whether the logo is qualification for incentives – if that is a path the group should pursue. Is the logo a marketing and information source, or is it an incentive qualification, he asked. Mr. Bright asked why it couldn't be both, and Mr. Valois said it could be, but that is for the group to decide.

Mr. Valois said the next step is for the group to look at best practices around the country and determine the next steps. Ms. Carrera had emailed the group some examples, citing Maine as having the best program.

Mr. Valois asked the group what their feeling was. Mr. McGreevy inquired what information should be pulled for the best practices; what does the group want to learn from the Maine program. He said the collaborative doesn't have to reinvent a new program but can pick and choose from other states' programs. Ms. Carrera said she is meeting with the Maine representative next week. Mr. Valois said they can get a sense of what other states are doing, what the breadth of the issue is and how much the government is involved.

Mr. Feroce suggested doing an email survey to get feedback. Mr. Valois said the information needs to be available to everyone. Does the group want to explore what this means and market it with a government sponsor next year or the following year? There are different options, but the group needs to address all.

Ms. DiChiera recommended a face-to-face event to make connections and encourage intra-state trading; they could also add a networking component to the manufacturing database.

Mr. Valois questioned the potential of Rhode Island having a center of design and manufacturing after touring the Rhode Island School of Design. Mr. Pickell said everyone is looking for those resources that will keep the state competitive.

Ms. Lang said people need to be educated on the financial and environmental impacts of buying and trading locally.

Ms. Carrera told the group that her manufacturing clients don't want chamber-type networking events; they want to meet other people in the industry who can help them. Ms. DiChiera concurred that people want to interact, not just walk around booths; events need to be engaging.

Mr. Valois wrapped up the conversation since the allotted meeting time was up, and he would like to keep the meetings to an hour. He summarized the following take-away tasks:

- Conduct a survey of best practices, make available to everyone and summarize results for next meeting.
- Develop a survey to see what people are thinking.

- Discuss the legal review of the Made in Rhode Island logo, which the collaborative has agreed upon pending compliance.
- Mr. Bright and Ms. Carnevale will summarize the draft eligibility requirements to compare to the best practices.

The next meeting will take place on Tuesday, October 29, 2013, at 11:30 a.m., at the RIEDC. During the meeting, the collaborative will focus on the next two requirements in the legislation: eligibility and best practices.

Mr. Valois adjourned the meeting at 12:39 p.m.

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