

# 10 trends for 10

lean manufacturing rebirth of textiles green  
industry developing employees from within the  
cluster approach defense technologies just-  
in-time production expansion by technology  
distance training production returning home

a look at recent trends  
in central carolina industry



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**10 trends for 10** was produced as a public service by The Sanford Herald and the Lee County Committee of 100. It was directed by R.V. Hight, written and designed by Chip Pate, photographed by Wesley Beeson and originally published in The Sanford Herald's 2010 Industrial Edition, an annual showcase highlighting top industries throughout the region. This reprint was developed and distributed courtesy of the Lee County Committee of 100. Copyright © 2010 by The Sanford Herald.



## about the edition

It's no secret that industry is in a constant state of change. With the pressure of global competition and new technology constantly emerging, companies are either changing or dying. There is no "status quo."

Some outdated ideas of manufacturing die hard. You still hear some people deride industry as a dead-end working environment — a place where unskilled people labor for poor pay and no real chance for a better life.

If that kind of plant exists at all any more, it's the very tiny exception to a very large rule. Modern companies rely on high-tech equipment and talented people to use it, and jobs in the sector pay well compared to others.

That kind of environment means industry is always transforming. What happened decades ago is not happening today. In fact, what happened last year may not be either.

"10 trends for 10" takes a look at where local manufacturing is heading right now.

We started by asking company leaders, economic development officials and anyone who wanted to contribute for their insights. Then, we took a look at what success area companies have had and distilled it all into a very brief look at industrial trends.

But read it quickly. At the speed of business, the list could be far different next year.

# 1

## lean manufacturing

Though it's not particularly new, the strategy of eliminating wasted work and unnecessary financial costs continues to drive industry here and around the world.

The concept of lean manufacturing covers a lot of ground — including quality programs, the drive to reduce inventory and an increased emphasis on preventative machine maintenance.

GKN Precision Forming, which forges auto parts, has been so successful with lean manufacturing that it recently was able to move a new product from initial design into production in just six months.







## 2

### rebirth of textiles

What a difference one year can make.

Last September, local textiles seemed to be unraveling. Parkdale America had already closed its Sanford yarn operation and Hanesbrands was announcing its intention to do the same, together pulling 240 jobs from the workforce.

Since then, Parkdale has reopened with a new, \$7 million investment in high-tech equipment and expects eventually to employ about 120 people.

Not to be outdone, Frontier Spinning Mills embarked on an expansion of its own, adding \$15.5 million worth of yarn spinning equipment and 45 more employees — raising its total in Sanford to 460.

# 3

## green industry

Sustainability. Environmental stewardship. Call it what you wish, but everyone seems to be going “green.”

Some examples are obvious. Noble Oil and Lee Iron and Metal have been leading recyclers for years, and it’s hard to find a company that’s *not* working to eliminate waste, improve the environment or construct buildings under guidelines from the U.S. Green Building Council.

Some area manufacturers are particularly innovative. Pfizer, for one, employs reverse osmosis to reuse water, introduced biodegradable tableware made from sugar and corn into its café and is pursuing many projects to help reduce carbon dioxide emissions.





Back in the day, companies of all sorts groomed their own for greater responsibility and moved people up the organizational chart. Then, the age-old approach seemed to disappear in favor of finding new people with the needed skills out in the marketplace

Caterpillar and Pentair Water are among the local companies placing a renewed emphasis on leadership development for current employees.

Not only does it make economic sense, but it can be a morale booster, encouraging people to reach their full potential and reap greater awards.



developing  
employees  
from within

# 5 the cluster approach

Pharmaceuticals. Defense Technologies. Electronics. They're not community college courses, but the kind of companies that already thrive here.

Recruiting new companies in these groups — or *clusters* — is the prime economic development strategy being used throughout the Research Triangle Region and beyond.

"You can't use the shotgun approach any more," says Bob Heuts, Lee County's economic development director. "You literally can't afford to be all over the place. There's a much better chance of success when you target companies that have needs and interests in common."





## talking points

Local industry always generates plenty of interesting facts and figures. Here are a few emerging from Lee County companies this year.

- GKN Driveline Precision Forming has garnered 41 percent of the world's market in automobile constant velocity joints.
- Static Control Components, a company created and based in Sanford, ships its products to more than 165 countries.
- Saiden Technologies has entered the "green" revolution by manufacturing polymers used to formulate a roof coating that reflects solar energy back into the sky.
- Pilgrim's Pride processes about 42 million chickens each year in its Sanford plant.
- Consumer Digest recently named two Trion air purification products as "Best Buys" — the Trion HE Plus 2000 electronic air cleaner and Trion Air Bear Supreme filtration system.
- LCI Inc.'s new lean initiative and crate manufacturing operation provide opportunities for people with disabilities who receive job training through the organization.
- Mertek Solutions, which opened this year, is the latest incarnation of EMS, formed and operated in Sanford by the same owner.

# 6

## defense technologies

Speaking of clusters, defense technology and manufacturing companies could become an important source of economic growth throughout Central Carolina.

BRAC, the military's Base Realignment and Closure initiative, moved the U.S. Army Reserve and U.S. Army Forces commands from Fort McPherson, Ga., to Fort Bragg.

That means a flood of defense contractors and related industries is already moving into the area to provide goods and services to the U.S. Army's top brass.

The cluster includes research and development, 3D imaging, software development and other cutting-edge technologies.





Linked to the general idea of lean manufacturing, just-in-time production seeks to reduce the amount of inventory required to keep manufacturing flowing and finished products moving out to customers.

By reducing inventory, companies can cut costs, improve quality and enhance safety.

Pentair Water Pool and Spa, one of the local innovators, has combined its Plan for Every Part (a database containing detailed information about every part used in the plant) with Kanban (a system used to monitor and replenish materials) to improve sustained on-time delivery by 40 percent while reducing sustained inventory by half.



## just-in-time production



# 8

## expansion by technology

With all of the emphasis on emerging technology, it's no surprise that local companies are relying on machines to expand the business.

Jerry Pedley, president of Mertek Solutions, which makes machines for many of the area's top manufacturers, says automation is an important resource to reduce labor costs and succeed in a competitive, global marketplace.

"Just about everyone understands that you can't expand without machinery and automation," he says. "It increases production, but also can improve quality and employee safety."



## distance training

When companies call Central Carolina Community College for employee training, it used to mean finding an instructor and a classroom. Now, it could require a software package.

"I'm getting more and more requests for distance training," says Cathy Swindell, CCCC's director of industry services. "I'm seeing more of a shift as people get more computer savvy."

The advantages are clear. Companies running around the clock can train third-shift employees as easily as daytime workers. And it could be cheaper, depending on how far — and how long — classroom instructors might need to travel.

It's not just a matter of convenience and costs. Distance training plays into how younger workers learn and how they're used to interacting with others.





In a global marketplace, there's no doubt that some manufacturing in the United States will continue moving overseas for easier access to international customers and lower production costs.

What may surprise people is that other lines exported years ago are actually returning home. Caterpillar, 3M and Trion are among the companies helping to establish this trend.

Trion officials say that quality improves when company leaders can monitor production more closely.

Others cite the greater time and cost of overseas shipping, more difficulty performing just-in-time production at a distance and political instability in some parts of the world.

10

production  
returning  
home



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