

# Q&A

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WHAT YOU ALWAYS  
WANTED TO KNOW  
ABOUT CENTRAL  
CAROLINA INDUSTRY  
BUT WERE AFRAID  
TO ASK

# Q&A

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**The Sanford Herald**  
‘To inform, challenge and celebrate’

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## THE INDUSTRIAL LEXICON 1

**Cluster.** A group of interrelated companies — including manufacturers, suppliers and service providers — that are concentrated in one geographic area and help contribute to each other's overall success.

▶ The concept of clusters is used by economic developers to attract new industry in their areas of strength and spur growth.

The Research Triangle region, for example, is focusing its future on developing business in a dozen emerging, potentially-profitable business clusters — including advanced gaming and e-learning, agricultural biotechnology, clean green technologies, informatics (computer technology), defense technologies and pharmaceuticals.

**EDC.** Economic Development Corporation (or Commission), usually a nonprofit or governmental organization working to attract business, provide assistance for existing employers and enhance the overall economic climate.

▶ Exactly what an EDC does can vary. In most cases, though, EDCs work

with large industry, while chambers of commerce serve smaller and retail businesses.

Central Carolina EDCs include the Lee County Economic Development Corp. in Sanford, Chatham County Economic Development Corp. in Pittsboro, Harnett County Economic Development Commission in Lillington and Moore County Partners in Progress in Pinehurst.

**Employment Security Commission.** The state agency providing unemployment services, unemployment insurance and labor market information.

▶ Most people encounter the Employment Security Commission when they've lost a job, since it handles claims for unemployment benefits and maintains a database of available positions. But the commission also keeps statistics on the labor force and calculates the state unemployment rates you've been seeing much more frequently in the news.

**RTRP.** Research Triangle Regional Partnership, an economic development association designed to

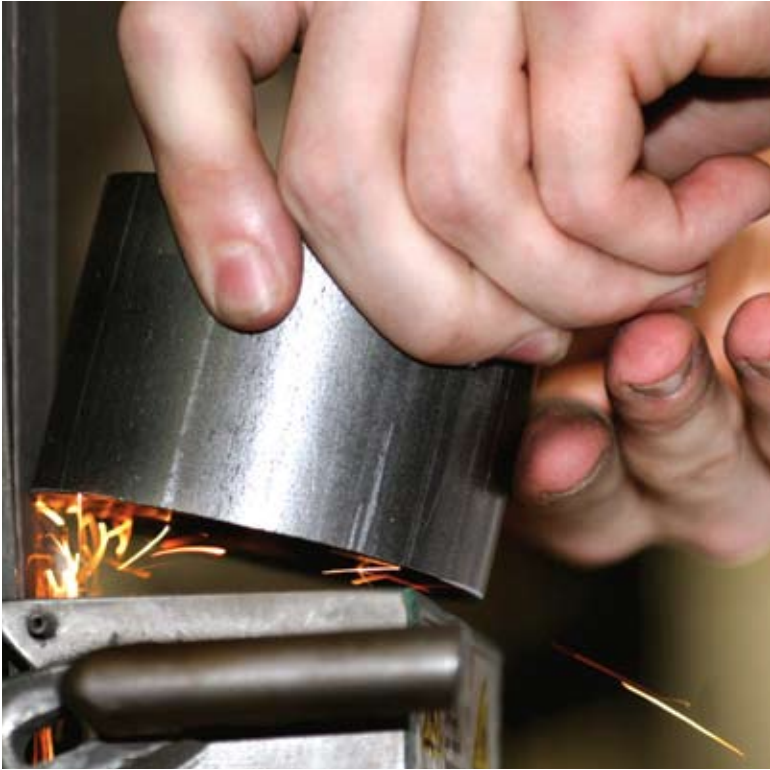
promote business in a 13-county region centered around Raleigh, Durham and Chapel Hill.

▶ Based at RDU International Airport, the organization is led by president and CEO Charles Hayes, a resident of Sanford, and includes Lee, Chatham, Harnett and Moore counties. The RTRP recruits business to the region, helps existing companies grow and develops strategies to keep the region competitive in the world economy.

**The Industrial Executive Forum.** A quarterly strategy session open by invitation to the top executive at manufacturers throughout the Sanford area.

▶ Company CEOs, presidents and plant managers gather every few months with business and economic experts to discuss emerging issues and find solutions to strengthen their companies and the overall economic climate.

Recent forums focused on potential changes in federal labor law and new educational services in Lee County Schools designed to prepare better workers.



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There are places where manufacturing has disappeared, but there still seems to be a lot of industry here. Is that true and, if so, why?

First of all, let's recognize that industry has been hit hard by the economy, but so have all kinds of businesses. So, when industry has struggled, it's usually because so many of the local companies are manufacturers.

Manufacturing still employs 37 percent of the Lee County workforce, based on figures from the North Carolina Employment Security Commission — which is good for local families, since manufacturing jobs tend to pay better than jobs in many other sectors.

There are many reasons why manufacturing continues to thrive here, according to Bob Heuts, Lee County's economic development director. And it all starts with "location, location, location."

"When companies decide where to do business, they begin with access," he says. "Can they get supplies in and products out of their plants? Can they reach their customers? What we offer, literally, is access to the world, and that's exactly what these companies need."

Heuts points to four-lane

divided highways running through Sanford and quick access to I-40, I-95 and major population centers along the Atlantic coast. Plus, a well-developed general aviation airport, nearby RDU International, and accessibility to rail service and major shipping ports.

But that's just one piece of the puzzle.

The availability of skilled labor is another critical consideration, and Heuts believes the Central Carolina region is rich with qualified people — thanks to a long tradition of industry and training provided by one of the state's larger community colleges. For research-oriented companies, it doesn't hurt that world-class universities are just down the road.

Add to the mix a lower cost of doing business than companies find in many areas of the country, a favorable local business climate and competitive incentives offered for major relocations and expansions, Heuts says, and you have a recipe for success that he believes will continue for years to come.





I hear all the time about foreign companies wanting to locate in the Research Triangle region. Are there any in our immediate area?

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There are a good number of foreign-based companies operating in the Central Carolina region.

According to Lee County Economic Development, there are at least eight manufacturers in and around Sanford whose parent companies are based outside the United States.

By country, they include: Canada (Meikle Automation and Uniboard), Italy (Magneti Marelli), Germany (Coty), Japan (Saiden Technologies), Switzerland (SpanSet) and the United Kingdom (GKN Precision Forming in England and Score Energy in Scotland).

Other nations represented in Harnett County are The Netherlands, with Boon Edam, and Sweden, home of Saab Barracuda.

Foreign-owned companies

offer the area many benefits, according to Jeff Lamb, chief executive officer for Saiden. Among other things, they often bring fresh perspectives on business, attract expertise from around the world and enrich the local culture.

And while international companies may not ease the local pain in a worldwide recession, they can help create a more stable business climate when regional changes affect global markets.

“Any locality should strive to increase the diversity of its industrial base,” Lamb says. “A diverse group of industries is affected by different business cycles, and the end result is a smoother, more stable industrial base that can better adjust to changing conditions and absorb external shocks.”





## I know manufacturing jobs are among the higher-paid jobs in our region. How can I prepare myself for work in industry?

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Start by forgetting anything you might have learned about industry from years ago.

Because many industrial jobs used to be fairly routine and labor intensive, manufacturers had the option of hiring good people with a strong work ethic and training them on the job. Back then, a high school diploma was often enough to be hired and to succeed.

No longer. Technology and change are the new rules of industry, and that means more workers not only need to have job-related skills — metalworking, for example — but also a much stronger general education and the ability to learn independently.

Cathy Swindell, the director of industry services at Central Carolina Community College who helps local companies train employees, says most manufacturers are looking for at least one year of postsecondary education — often much more,

depending on the particular industry and job — along with practical experience.

“Add to that a strong work ethic; the willingness to further their training to include related job tasks and higher levels of skill within their own, specific job function; and the ability to perform in a teamwork environment,” she says. “With the large number of applicants in the job market, an individual has to determine what is necessary to separate them from the pack. That’s usually in the form of specific experience, education and credentials related to the job.”

Swindell suggests considering what it takes to be “employable” in a broader sense, not merely what it takes to be “employed” in one particular job. The two approaches are very different, she says, and the college is focused on elevating people to become employable in the constantly-changing industrial environment.



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I have the experience and background for industry, so what advice do you have for landing the job?

That's a tough question, particularly in a tight labor market, where a lot of people are competing for relatively few jobs.

You might be surprised, though, how many people make the most basic errors during the hiring process. Understanding some simple, commonsense truths can put you one step ahead.

▶ Rule One: Remember that first impressions are important.

Susan Clegg, who serves as human resources manager at Pentair Water Pool and Spa, has advised many local job seekers through her work as director of community development for the Central Carolina Society for Human Resource Management.

It may be surprising, but she often begins by reminding job seekers to do what seems obvious — be courteous and dress appropriately, whether they're completing an application or attending a formal job interview.

▶ Rule Two: Be prepared.

Having a polished resume is important, even for positions requiring an application. For entry-level positions, a resume isn't absolutely necessary, Clegg says, but it does help explain your past

work experience and can give you a competitive advantage.

And, she says, it's important to have all information needed to complete the application truthfully — including dates of previous employment and phone numbers for all references. "Incomplete applications are often ignored," she says.

▶ Rule Three: Use some good common sense.

Consider this a catchall category for those things everyone should do anyway. Be on time for appointments. Turn off your cell phone during an interview. Be courteous. They might seem basic, but the mere fact that Clegg mentions each one suggests that not everyone has received that particular memo.

▶ Rule Four: Show you're the kind of person who can do the job.

Even during a short interview, it's important to demonstrate that you can handle a busy business environment where people work in teams and meet deadlines.

Clegg says those doing the hiring are looking for more than technical skills: "They need to show enthusiasm, energy and a willingness to work."

**CCSHRM.** Central Carolina Society for Human Resources Management, a regional association of human resource professionals from industries in Lee, Chatham, Harnett and Moore counties.

▶ Like many professional associations, CCSHRM holds meetings to share ideas and invites speakers to keep members up to date on new law and policy. But the group's most visible project is "JobFest," the area's largest job fair.

**CRC.** Career Readiness Certification, a state-recognized credential for adult workers, certifying their basic skills in applied math, reading for information and locating information.

▶ Candidates achieve different levels of certification — bronze, silver or gold — according to their scores on a national job skills examination by ACT Inc., a national testing company better known for its college entrance exam. Locally, Central Carolina Community College administers the

certification.

### **Customized Training Program.**

Industrial training coordinated by the North Carolina Community College System and provided at little or no cost to companies.

▶ Specially-designed training under the program can be provided to new or continuing employees and is generally conducted in the plant. Funding arranged through Central Carolina Community College may cover the cost of instruction, materials, lease of training facilities and instructor training.

### **Incumbent Worker**

**Grant.** Funding provided to companies under the federal Workforce Investment Act to help existing workers develop new skills.

▶ Administered by the North Carolina Department of Commerce, the grant is designed to help companies cope with a changing work environment and develop the kind of highly-skilled workforce that attracts companies to the Tar Heel

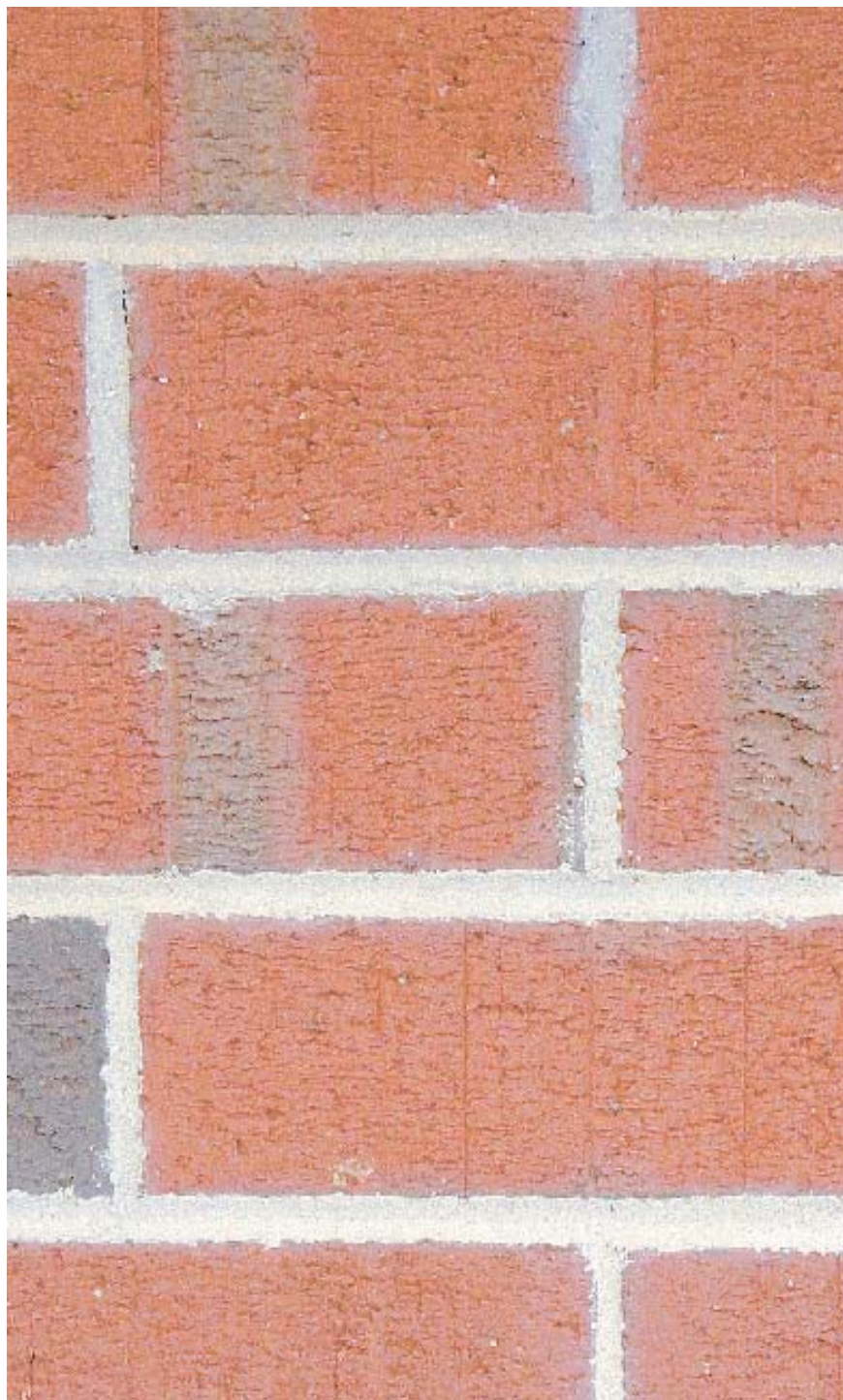
State.

Proposals are reviewed by a local board and companies could receive up to \$25,000 in any grant year and up to \$40,000 during the company's lifetime.

**STEM.** Science, Technology, Engineering and Math, a technology-based middle school curriculum offered in Lee County Schools.

▶ Students at East Lee Middle School, the state's first middle school STEM academy, complete 10-day units in topics such as digital music, laser technology, forensic science, video production, health and fitness, computer graphics and animation, and environment and ecology.

Earlier this month, school officials announced the program would be expanded to West Lee and SanLee middle schools and the Global Learning Center operated by the curriculum's publisher, Paxton/Patterson, will relocate from Michigan to Sanford.





Will BRAC have any significant impact on industry in our region?



It's too early to say for sure what impact the federal military Base Realignment and Closing plan will have on local economies farther away from Fort Bragg, but when the U.S. Army Reserve and U.S. Army Forces commands do finally move from Fort McPherson, Ga., plenty of people and businesses will be pouring into our region.

Tim Moore, a program manager working for the BRAC Regional Task Force planning group, compares the overall economic impact to what would happen if two Fortune 500 companies suddenly relocated nearby.

The population in an 11-county region surrounding Fort Bragg will swell by nearly 41,000 people, Moore says, with Lee County welcoming roughly 10,675 new military and civilian residents.

With the additional people will come additional jobs. Moore says about 1,000 jobs will be created in Lee County through 2011.

Most, though certainly not all, will fall into five broad

economic sectors — government, construction, professional and technical services, retail trade, and health care and social assistance.

And since the two relocating commands include high-ranking generals who make financial decisions affecting the entire U.S. Army, defense-related industries are sure to join the convoy.

The U.S. Army Forces Command, for example, controls \$30 billion annually in defense and other related contracts. Companies interested in competing for the lucrative contracts are already packing up or establishing offices in and around Fort Bragg.

So what does that mean for industry?

Again, it's too early to be certain, but manufacturing will likely expand in the region, as defense-related companies locate nearby, increasing the number of jobs available in the sector.

Companies wanting to tap into additional opportunities in the Research Triangle may find Lee County to be a particularly attractive location.





## What role do incentives play in attracting new industry?

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It's not the only consideration when industries are searching for a new location, but it's a critical one. Since just about everyone offers economic incentives of some sort, relocating companies usually don't even consider communities that don't provide economic assistance for such a large and risky investment.

Though packages vary from county to county, here's how the current policy works in Lee.

Even to be *considered* for incentives, a company new to the county must make an investment of \$5 million or more in the community — often in the form of a new building — and create or retain jobs that pay at least the average wage for similar jobs locally.

The typical package would be worth 50 percent of the additional property taxes that company pays for no more than the first five years. If no additional property taxes are paid — or if the company fails to meet its other obligations — no incentive money is paid.

Economic developers say incentives are necessary, because that's how the process works — not just here, but globally as well. Not providing any package at all essentially would eliminate a community from the competition for major employers that bring significant investments and jobs.



**BRAC.** Base Realignment and Closure, a major restructuring of America's military bases that, among other things, moves the U.S. Army Reserve and U.S. Army Forces commands from Fort McPherson, Ga., to Fort Bragg.

▶ What that means, according to the BRAC Regional Task Force planning group, is 40,000 new military and civilian personnel — along with their families and related businesses — flowing into a region that includes Lee, Harnett and Moore counties.

**ISO 9000.** A series of quality standards for manufacturing and other organizations issued by the International Organization for Standardization.

▶ ISO 9001:2008 certification, the latest standard released last year, is awarded to companies demonstrating a quality management system that includes a clear policy, decisions based on data, quality testing during production and regular performance audits. It's a

signal to customers that the company has adopted business practices that often lead to better-quality products or services.

**Kaizen.** A Japanese word meaning "improvement." In manufacturing, it generally refers to the idea of monitoring and continually improving how business is conducted, whether it's how products are made or how management operates.

▶ Because kaizen is more of a philosophy than a procedure, it's practiced differently from one company to another. What they have in common, though, are an emphasis on teamwork, personal discipline, improved morale, suggestions for improvement and a group of employees who diagnose and correct problems.

**Lean.** A management strategy designed to eliminate wasted work and financial costs in the manufacturing process. Also known as "lean manufacturing" and "lean management."

▶ Companies all over are adopting lean methods,

which first took root in the Japanese manufacturing industry. Methods often include quality improvement programs, preventative maintenance, reducing production times, minimizing inventory and eliminating any activity that doesn't increase value for the customer.

**Sustainability.** Generally defined, a way of living or conducting business that can be maintained over a long period of time without depleting natural resources.

▶ Ask a dozen people what "sustainability" means and you'll probably get two dozen answers. There's no standardized definition for what's sustainable and what's not, and it's become such a faddish, marketing-oriented term that it often means very little in any particular situation.

For industry, becoming more sustainable often includes a set of initiatives — conserving water and energy, reducing and recycling waste, minimizing dangerous emissions and enhancing employee health and safety.



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