

November 2014

Our Brand in the Future – Advanced Manufacturing Hub of the West?

So where do we go from here? The Reno-Sparks area is clearly in transition, but transition to what? Our brand and reputation is linked to gaming and tourism, which is still an important part of our economy, but is currently less than 20% and not growing. What's next? What will Reno-Sparks be known for in 20 years? If the prospect activity of the past three years is any indication, we are on track to be thought of more for our manufacturing and logistics than gaming. We are slowly gaining traction as the advanced manufacturing hub of the West – a manufacturing ecosystem that includes a significant technology component.

So why advanced manufacturing and why here? Long before Tesla looked at us, we were making substantial progress in convincing manufacturing companies to consider Reno-Sparks for their relocation or expansion. In the past three years we have added more than 20 new manufacturing companies to the region and more than 20 of the existing manufacturing companies in the area have also expanded – all totaling over 2,030 new jobs. That does not include the 10 manufacturing prospects that are likely to come here in the next 6 months and it does not include Tesla. These companies looked at many locations in the West and what they found here is unique; a strategic location, quality workforce and an environment that is cost effective and very supportive of advanced manufacturing.

Advanced manufacturing is not your father's style of manufacturing: dirty, assembly line and labor intensive. Over time, those manufacturing operations have migrated to locations where labor was inexpensive. Global competition put many of those that did not make the change out of business. The exceptions are those companies that embraced technology, significantly reducing labor costs, and thus remaining competitive. We are seeing a wave of advanced manufacturing companies grow, or even in-source back to the U.S., as labor costs overseas increase, transportation costs rise and speed to market becomes more important. By being business friendly to these high-tech manufacturing operations we are effective at attracting an increasing number of prospects and even companies like Tesla!

The Tesla announcement just accelerated a trend that was already taking off. Now what do we do to maintain this momentum? The one "fly in the ointment" for our region, as we develop this new brand, is our workforce. So far, we have been successful in meeting the employee needs of our new manufacturing companies; companies like Ardagh, an advanced manufacturing company that just relocated to the region and had a grand opening last week. They make cans, yes cans for food etc., but they do it with almost \$100M of technology, including extensive robotics! The employees they hired are more technology based than assembly line workers and get paid accordingly.

So there you have it. We are growing in an exciting industry, one that manufactures everything from cans and unmanned aerial vehicles, to electric vehicle batteries and maybe even electric cars. However, we will not succeed in our transformation to the advanced manufacturing hub of the West, unless we first transform our attitude and our education system to focus on science, technology, engineering and math (STEM), an investment in the workforce of the future, our kids and grandkids!

