

GO Virginia Advanced Manufacturing Working Team Meeting

May 31st, 2018

Virginia Highlands Small Business Incubator, Room 107

In attendance:

Becky Joyce

Randy Eades

Kevin Mumpower

John Kilgore

Te-Kai Shu

Joe Gillespie

Sam Wolford

Mandy Barker

Mary Anne Holbrooke (phone)

Rachel Patton (phone)

Melinda Leland (phone)

John Matthews (phone)

Becky Joyce started the afternoon stating the group has been meeting to discuss workforce, which seems to be the prevailing topic. The first of three main issues is the aging workforce. What is the prep for aging workforce and recruitment? The second issue is the turnover rate. Employees don't stay in positions as long as they used to. Te-Kai Shu stated the average tenure at Strongwell used to be 15.8 years and it is now much lower. Kevin Mumpower stated that at Bristol Compressors the average used to be 22-24 years, now new employees average 3-6 year turnover. The third workforce issue is training. Companies agree that mid to upper level skilled training is needed. Mr. Mumpower suggested programming, CNC, mechatronics, PLC, machinists, robotics, robotic welders, etc. He stated Bristol Compressors would probably lose half their workforce in the next 3-4 years.

Next Ms. Joyce brought up that small manufacturers are having an issue with the need to upgrade to new equipment and the need to fill upper level positions. Mr. Mumpower said there is a need for people just to keep up with software and technology. Manufacturers need people with that kind of thought process. They also need people to stick to a schedule, stay drug free, and have team work social skills. Mr. Shu thinks small manufacturers are in a position to disrupt large manufacturers because of mergers and acquisitions. Mr. Mumpower agreed and stated Bristol Compressors just signed with a small company, for assistance. He stated small companies have fewer layers of people they have to go through, allowing them to make faster decisions. Some larger companies are trying to find smaller companies with interesting, disruptive technologies.

Mr. Mumpower introduced the idea of a hybrid Makerspace, a place where people could learn to make different products, learn to write a business plan, and get help turning their idea into a business. The Makerspace would be 4,000-5,000 square feet and people could make things from wood, plastic, metal

products, robotics, water jet laser cutting, etc. A person could go to whatever their interest is and make something. That person would then be taught how to move from Makerspace to Business Space. The process would be taking an idea from Makerspace to a “shark tank” like critique. Then the person would take feedback from their critique and go back to Makerspace to improve the product. This process would repeat until the product was ready for the Business Space. Once in the Business Space there will be lawyers, accountants and mentors assigned to help. When the person is ready to start their business they can lease a small space to get started until they can get moved into a final location. Sam Wolford shared he’s not familiar with anything that currently exists like this, and there are a lot of benefits to this type of concept. This is where seed fund investment would come in. Mr. Mumpower added that businesses could buy a subscription to Makerspace. Then if the company had a certain need they could source it from people in Makerspace. He thinks Makerspace is the last cog we need to home grow businesses since we already have the CoE. Ms. Joyce stated that three locations partnering together would be a strong grant application. She suggested Bristol, Carroll County, and Wythe County. Mr. Shu has been researching the most successful Makerspace which was in Dallas. They had membership fees ranging from \$100-250. They also had a Board of Directors. He has the information on file from a teacher at Virginia Middle School. Ms. Joyce suggested each Makerspace be specialized towards the community it serves, but share mentors and other resources. Other ideas that were mentioned included getting educational support from community colleges, reaching out to the small business development center in each community, and the issues that might arise with patents.

Randy Eades presented a work release program for low risk inmates. The program would allow low risk inmates to be put on work release, get trained for specific jobs, then get hired by manufacturers. Right now the inmate population cost is skyrocketing. 85% of inmates are in jail for drug or drug-related offenses. Mr. Eades believes that, after dealing with addiction, the inmates can be trained and entered back into the workforce. Once the inmates have a job they will be drug tested 3-5 days a week. Mr. Eades added there is a mental health component to the program. This will be a replacement program for drug-court. There is a tax incentive for business to hire felons. Mr. Eades thinks there is currently close to a 50% recidivism rate and the program would lower that. The people chosen will go through a screening process. Once they are part of the program the inmate will check in with either a probation officer or the Sheriff’s office before work. The probation officer will work with the inmate’s work schedule so that it doesn’t interfere. Mr. Eades wants GO Virginia to fund the educational piece. Ms. Joyce stated the Workforce Development Board and Community Colleges would also help with education. Rachel Patton stated her workforce development board works with the drug court, so the local workforce development boards would potentially be willing to partner for a grant. Ms. Joyce suggested that Mr. Eades work on a pilot program in Bristol and work with Bristol’s workforce development board. Mr. Eades stated they are trying to start the program as close to July 1st as possible.

Mr. Mumpower stated that a new company is willing to put their manufacturing at Bristol Compressors or in this area. He believes the company should be brought to this area as soon as possible. He also believes that having them here would bring in other manufacturers because of their motor technology. A facility with the equipment and capability for their needs to be found. Mr. Mumpower has reached out to Genedge, Mr. Wolford is looking at numbers and has set up a call with Shannon Blevins to start planning.