

Help on way for Ventura Co. factories



Written by Stephen Nellis

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As forecasters note the resilience and productivity of Ventura County's manufacturing sector, economic development officials are reaching out to more than 1,000 manufacturers in the county to offer consulting services, help accessing loans and money to train and retain workers.

Despite losing 6,400 jobs since Ventura County employment peaked in 2006, manufacturing remains the county's second-largest job generator with about 33,600 people employed in 2009. Many of those jobs are in high-tech, high-value industries such as biotechnology drugs and computer-controlled tools.

That makes it vital to hang on to manufacturing in the county, said Bruce Stenslie, executive director of the Economic Development Collaborative-Ventura County, or EDC-VC, which is leading the outreach program with several other groups.

"It's the relative value of the industry as demonstrated by wages," Stenslie said. "Manufacturing jobs in Ventura County pay about 37 percent higher than the average job in Ventura County, and about 14 percent higher than the average manufacturing job in the rest of the state."

Manufacturing jobs have been in decline in the nation and in California for two decades, said Brad Kemp, director of regional research at Beacon Economics. But Ventura County has held onto those jobs better than the rest of the state, and many of the losses have been the result of technological innovation rather than cheaper foreign labor.

"I think a huge misconception is that those jobs are going overseas," Kemp told the Business Times. "That's not true. The great majority of job losses have come from automation."

On the upside, Kemp said, Ventura County's manufacturing sector has been bringing in more dollars with fewer jobs. In 2007, the sector peaked at nearly \$6.5 billion in gross output before taking a dive with the recession.

"We're really growing in manufacturing. The question is, What's the effect of those losses?" Kemp said. "The job losses are significant because they're heavily depleting the middle class."

While Kemp warned that a jobs recovery is going to be painfully slow for Ventura County, he said the county's manufacturers provide a strong base for future growth. Chemical manufacturing — which includes the biotech drugs made by Amgen and Baxter, two major employers in the county — was worth \$3.6 billion in 2009, dwarfing the next largest category of goods by a factor of five.

“Think about what that means with the Baby Boom,” Kemp said. “The biggest generation is going into the heaviest medical-use years of their lives.”

Ventura County's computer and electronic products brought in \$650 million in 2009, and machinery brought in \$592 million. Many of those goods head overseas, Kemp said.

“[Ventura County has] a heavy durable export orientation. That bodes well when foreign economies are doing well and the dollar is weak,” Kemp said.

“China is fighting hard by buying treasuries to keep the dollar strong. While there are forces fighting to stop the dollar's fall, we thought it would be a good thing for closing the trade gap.”

EDC-VC has sent out hundreds of letters to Ventura County manufactures offering assistance, and firms have started taking advantage of it. One is Applied Powder Coating, a company that provides durable coatings for metal work.

Vick Anselmo, the company's president, said the firm scrambled to about last year as Haas Automation, one of its largest accounts, struggled with reduced demand and other clients cut back on orders or folded altogether. Sales were down more than 60 percent, and Anselmo had to cut his staff to around 24, down from 60 in recent years.

“There were a lot of sleepless nights throughout last year,” Anselmo said. “We shifted gears, and it was whatever we had to do to survive.”

Anselmo has met with EDC-VC to evaluate how he can reduce costs and keep workers. He said they connected him with utility-company officials to work on cutting electricity and natural gas rates, two of his biggest expenses.

“But they're also helping me to improve the top line — getting new customers and zeroing in on a marketing message or an image that we can work outward with,” Anselmo said.

Anselmo said he also plans to tap workforce training money that EDC-VC told

him was available through Ventura County's Workforce Investment Board. "They're spending money to help manufacturing companies better themselves," Anselmo said. "I'm definitely going to take advantage of that."

On the non-durable goods side, Ventura Limoncello Co., an artisanal maker of a lemon liqueur based in Ventura, has also started meeting with the EDC-VC for advice. James Carling, who owns and runs the small operation with his wife, was mulling buying bottling and sterilization machinery. But the economic development officials helped persuade him that his money might be better spent right now on marketing.

"They basically said, 'Don't put your capital right there.' We really shouldn't be looking at any of that until the marketing drives demand for the product to support it," Carling said. "It was very beneficial to get some perspective."

Carling also said the EDC-VC is helping him with a marketing challenge peculiar to his business. His limoncello falls into the hard-liquor category, which means he can't sell direct to consumers. But consumers drive the demand that distributors want to see.

Carling said economic development officials are helping him come up with a marketing strategy that reaches consumers but reassures distributors that it's OK to do business with his small company. "Unlike the wineries and breweries, we can only sell to liquor stores and restaurants. We've been very challenged in getting distributors to notice us," Carling said. "It's nice to know there are some resources out there."

- Staff writer Stephen Nellis can be reached at snellis@pacbiztimes.com

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