



Establishing A Local Manufacturers' Association

The Vaughan Experience

by Elise S. Back

Introduction

The retention and growth of our existing industries are an important element in the economic health of our communities. It is a well known fact that between 65-80% of all jobs come from existing businesses, rather than new business development. Thus business retention and expansion are a vital facet of our local economic development program.

In response to this, the City of Vaughan has initiated a new and innovative program geared towards business retention and expansion through the establishment of the Vaughan Manufacturers' Association (VMA).

The purpose of this discussion paper is to briefly outline the steps involved in implementing a local manufacturers' association.

The Setting

Structural changes in the economy, high interest rates, the high Canadian dollar and other factors have resulted in the rapid decline of the manufacturing sector within the Greater Toronto Area. Given these realities of our local economy, the City of Vaughan and the Central East Branch of the Ministry of Industry, Trade and Technology (MITT) have taken the initiative to assist the local manufacturing industries to deal with their current situa-

tion and to respond to issues affecting their productivity and competitiveness, by establishing a local manufacturers' association.



Elise Back is the Senior Economic Developer with the City of Vaughan. Prior to her position with Vaughan, Elise worked for the City of North Bay and the Town of Markham Economic Development Departments. Elise's extensive education includes a Bachelor of Arts from York University, a Bachelor of Applied Arts from Ryerson Polytechnical Institute, and a Master of Applied Environmental Studies degree from the University of Waterloo. Elise is a member of the Economic Developers Association of Canada, and is actively involved with the Economic Developers Council of Ontario. She is EDCO's Student Co-ordinator and is on the EDCO Marketing Awards Committee. Elise is a Director of the York Region Tourism Marketing Agency, and is an Ex-Officio Board member of the Vaughan Manufacturers' Association.

The concept behind a local manufacturers' association is based on the principle of SELF-HELP within the manufacturing community. Each manufacturing establishment would have the opportunity to share and resolve common difficulties and problems in a non-competitive environment. Thereby, this networking system would lead to increased global competitiveness for the individual manufacturers.

The objectives of such an association can be summarized as follows:

1. To foster co-operation and to facilitate those members within the community and surrounding areas to become organized.
2. To provide an environment of co-operation among companies and various levels of government on trade, investment and other development activities.
3. To stimulate the development of an outward looking international orientation of the City's industry.
4. To strengthen the City's industrial base and to improve its international competitiveness.
5. To enhance the productivity and

performance of the City's industrial base by encouraging adoption of innovative technologies, industrial processes and human resource practices.

Why Vaughan Was Chosen For A Local Manufacturers Association

In order to establish a local manufacturers' association, an environment con-

ductive to its survival must exist. The following criteria should be considered if a local manufacturing organization is to be established in a given community. These criteria are set out as follows:

- The community should have a dynamic and growing manufacturing base.
- There should be a definite recognition by the community that a strong manufacturing sector is essential to the economic well being of the community.
- There should be a significant number of individual manufacturing firms that are relatively well off and growing. This is essential in order to maintain attendance and interest in the association.
- There should be a manufacturing base of 800-1000 individual firms that are potential candidates for membership. A targeted promotion program should result in 200 members over a period of time. It is essential for the survival of the association to have at least 40-50 members initially.
- The community should have a strong locally-based organization/individual that will become the leader in the establishment and development of the association.

The City of Vaughan provided the ideal setting for a local manufacturers' association because of its dynamic and diversified manufacturing base. There are an estimated 2,000 manufacturing firms located in Vaughan. The City is one of the fastest growing communities within the Greater Toronto Area and enjoys a relatively high economic growth rate. In addition, the recent establishment of the Economic Development Department indicates the commitment by the City to foster local economic development.

The Steps

There are a number of steps that must be undertaken in order to initiate a local manufacturers' association. These steps are:

1. Determining The Facilitating

Organization

The success of a local manufacturers' association is clearly dependent upon the facilitating organization or group acting as a catalyst. This facilitating organization could be the local Chamber of Commerce, the Economic Development Department, or the provincial Ministry responsible for economic development. The facilitating group does not have to be limited to just one local organization. In the case of Vaughan, the City's Economic Development Department worked in conjunction with the local branch of the Ministry of Industry, Trade and Technology.

2. Identifying The Community "Spark Plugs"

It is paramount to the success of the association to identify key players ("spark plugs") within the community who would assist in the promotion, development and organization of the association. These individuals could consist of the CEO's, or top executives of the major manufacturing industries within the community.

3. Establish A Founding Board

Once the "spark plugs" have been identified, the facilitating group should organize a meeting with the "spark plugs". At this meeting the "spark plugs" and the representatives from the facilitating group would act as the founding board of the association. After all, it is imperative that you have an association to promote.

4. Brainstorming Session

After the Board has been established, some basic principles must be determined. These would include: setting up an executive committee and an organizational structure; terms of reference; mission statement; promotional strategy; membership eligibility; and method of financing. With reference to Vaughan, it was determined that the Association's executive would consist of: the Chairperson (Susan Marlow); a Vice-Chairperson (Dave Osmond); the Secretary (Molly Zito); and the Treasurer (Vince Ursini). There are 8 Board of Directors, and 4 Ex-Officio Board members from the City and MITT. It was also decided that there would be a Program and Membership Committee. In terms of financing, both the City and

MITT provided \$2,500 each for seed money.

5. Council Endorsement

For any local program to be successful, Council's endorsement is a must.

6. Promotional Strategy

The hardest task that the new association will encounter is trying to sell itself to the local community. First, some sort of promotional strategy will have to be devised. The strategy should address such marketing tools as: direct-mail, telemarketing, press releases, flyers, letters from the Mayor, and cold calls. The VMA's membership drive included: a letter from the Mayor, and a flyer, followed up by telephone calls. As a result, there are over 50 local manufacturing firms that belong to the Association.

7. Inaugural Dinner Meeting

Once the association is underway, an inaugural meeting should be held to officially launch the association. This meeting could be in the form of a dinner, with a keynote speaker, used as a drawing card. The association's goals, mission statement, and action plan would be unveiled at the same time.

8. Follow-Up

After the inaugural meeting, a follow-up should be undertaken to determine the success of the association. To determine their future needs, a survey of the association is a good idea. The survey could address the future promotional activities; dinner or workshop suggestions; preference of meetings; and whether the members are interested in exhibiting their products at the association's functions.

To Date

The Vaughan Manufacturers' Association is one of a kind in Canada. The membership is just over 50, and the Association's Board of Directors are continuing their membership drive. The VMA's inaugural dinner meeting was held in October of 1991, with the Honorable Ed Philip, the Minister of Industry, Trade and Technology as the guest speaker.

Conclusion

The future looks bright for the VMA. There are a number of new initiatives planned for the future: a membership directory, newsletter and seminar workshops. The success of the Vaughan Manufacturers' Association is a result of the commitment of the City of Vaughan's Council, and the constant hard work by the VMA's Board.

In order for an association to be successful there has to be two important elements: the human and the financial resources. In terms of the human resources element, there should be an individual who will devote at least 1 day a week to the association. If the Economic Development Department is the facilitating organization, the Economic Development Professional would be the individual responsible to help the association.

With respect to the financial resources, the facilitating group would be responsible for providing the initial "seed money" to cover the start up costs.

It has taken just over a year for the Vaughan Manufacturers' Association to get off the ground, and so far has proven to be a great success. It is strongly recommended that communities across the country consider this new and innovative approach to business retention and expansion modelled after the VMA experience.