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EXCELLENCE IN MANUFACTURING CONSORTIUM YORK MANUFACTURING NETWORK

The Planning and Economic Development Committee recommends the adoption of the recommendation contained in the following report, April 12, 2006, from the Commissioner of Planning and Development Services:

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

The purpose of this report is to provide an update to Regional Council on the Excellence in Manufacturing Consortium and the York Manufacturing Network.

3. BACKGROUND

In 2004 staff partnered with the Excellence in Manufacturing Consortium (EMC) as a direct response to the objective in the Economic Strategy to facilitate the establishment of an advanced manufacturing consortium in the Region. This led to the formation of the York Manufacturing Network as an addition to the Excellence in Manufacturing Consortium. The EMC and the York Network foster industry learning, knowledge sharing, networking, and continuous improvement amongst York Region manufacturers.

4. ANALYSIS AND OPTIONS

4.1 Importance of Manufacturing

In the past decade, the York Region manufacturing sector has experienced remarkable growth in employment and productivity and is vital to the health of the Region's economy.

Based on the 2004 York Region Employment Survey, manufacturing continues to be the dominant employer in York Region accounting for approximately 24.9% of total employment. The Regional job growth rate in manufacturing was strong at 6.1% which is in contrast to the national trend which demonstrated a 1.2% decrease in manufacturing employment and a slow-down in export oriented industries. In York Region strong growth in sub sectors such as transportation equipment and motor vehicle parts manufacturing may have attributed to growth in 2004.

Since 2004, the Canadian manufacturing sector has experienced considerable volatility. Expansion occurred in some industries due to strong global demand while other key industries struggled. A backlog of unfilled orders was at the highest level since November 2002 with machinery and aerospace contributing to the rise. On the other hand temporary plant closures and production slowdowns have recently contributed to declines in manufacturing of motor vehicles and parts in some areas of the Province.

The manufacturing sector is constantly exposed to new challenges such as competition, innovation, and specialization in a global marketplace. To remain competitive firms must adapt to the rapid development of innovative products, use processes that involve higher-end flexible production, and apply lean business systems.

The Canadian Manufacturers and Exporters (CME) has predicted that the future of Canadian manufacturing will be characterized by firms engaged in advanced manufacturing with computer controlled equipment and statistical process and material requirements planning, integrated supply chain management, and lean manufacturing techniques.

4.2 Excellence in Manufacturing Consortium (EMC)

The EMC is a unique not-for-profit consortium of manufacturers and exporters that is dedicated to fostering networking and knowledge sharing opportunities, industry learning, and continuous improvement.

EMC is “Canada’s Largest Manufacturing Consortium” and is recognized as Canada’s leading knowledge industry network. It has expanded from 12 original members based in Owen Sound Ontario, to over 550 manufacturers partnering through provincial branches in over 44 Consortia and 100 communities that span all regions of Ontario, New Brunswick and other areas of Eastern Canada.

4.3 York Manufacturing Network

There has been significant development in membership in the York Manufacturing Network since March 2005 when four York Region manufacturing firms originally signed on. Membership currently stands at ten active and fully engaged members from across the Region. Testimonials from York member companies Alutron Modules Inc., B.C. Instruments, Crown Metal Packaging Canada and Bon L Canada are attached. (Attachment 1).

New recruitment is ongoing with five manufacturers currently indicating positive interest in membership. To expand and grow the York Region Network, EMC continues to develop potential members through direct telephone contact, Business Briefing Sessions member presentations, plant tours, and special event invitations. Potential members are eligible for two complimentary invitations to attend special events.

Two Business Briefing Sessions have been held in York Region, one in 2004, the other in 2005. These sessions provided executives of manufacturing firms an opportunity to learn about EMC and the benefits of membership. A seminar was held in May 2005 at the Richmond Hill Golf Club to advise participants how to evaluate and measure for “Lean Metrics” within their organizations.

In addition, two Strategic Interest Group (SIG) Manager’s networking events were held in 2006: *Lean Strategies Compensation/Recognition Motivation* event in January hosted by Bon L Canada in Richmond Hill and *Supply Chain Management* event held in February hosted by Alutron Modules at the Aurora Chamber of Commerce.

Members of the York Network are also invited to attend events of relevance held by neighbouring EMC Consortia thereby increasing opportunities for learning, sharing and growing enabling them to become more globally competitive.

4.4 2006 Program

Two Business Briefing Sessions are planned for 2006 to promote the benefits of EMC membership to manufacturers in the Region: June 7th at the Thornhill Country Club (Attachment 2) and in the Newmarket/Aurora area in the fall

Members have opted to hold monthly SIG networking events called “York Region Continuous Improvement”. In 2006 these will be hosted by members on a rotational volunteer basis and will focus on the concept of lean manufacturing to increase production and profitability while eliminating waste. All groups are represented including Senior Management, Human Resources, Quality Assurance, Purchasing, Engineering and any departments involved in the production process.

A Regional Group of CEO/Owners has formed to allow for further peer networking opportunities. The York Region Field Service Advisor facilitated the first CEO/Owner event at Etratech in Burlington on March 22nd. Twelve EMC members participated at the event including three from York Region. The group of CEO's agreed to initially meet monthly for the next three months and have decided that a maximum number of 12 members would be the most efficient. Plans are underway to organize a similar group specific to York Region.

The Excellence in Manufacturing Consortium Annual Members Conference “Advantage Through Excellence” will be held on October 3rd and 4th in Burlington. Over 300 delegates from across Canada are expected to attend. The event will allow manufacturers to explore the competitive advantages, opportunities and successes that can be achieved through peer-to-peer networking and sharing of 50 best practices.

4.5 Website Opportunities

In 2005, over 695,000 new visitors viewed EMC’s website for pertinent industry information, access to the knowledge network and to EMC activities in specific communities. Of the total number of enquiries over 30% were from businesses in the

United States. This has lead to an export opportunity that EMC is investigating and developing for the membership.

The recent launch of the Member Resource Area on the EMC website provides members with a new resource to access pertinent information on the York Region Consortium and on EMC's 44 consortia across Ontario and Atlantic Canada.

4.6 Relationship to Vision 2026

As outlined in Vision 2026, a strong and competitive York Region manufacturing sector will contribute towards the Economic Vitality goal of Vision 2026.

5. FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

6. LOCAL MUNICIPAL IMPACT

In partnership with area municipal economic development staff and the EMC Field Services Advisor, staff continue to work towards developing the York Manufacturing Network in all local municipalities.

7. CONCLUSION

Manufacturing remains the dominant employer in York Region even as manufacturing employment is weakening in other parts of the Province, nationally and in the United States. The establishment of an advanced manufacturing consortium, The York Manufacturing Network, seeks to encourage technological innovation and commercialization by assisting York Region manufacturers with the knowledge and tools to ensure continued success.

It is recommended that this report be received for information, and that staff continue to work with the Excellence in Manufacturing Consortium to continue to expand the York Manufacturing Network throughout the Region.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause are included with this report.)