

Public Investment Plan (PIP)

Project Name:	NashvilleMade
Contact Information:	Audra Ladd
Category (A,B,C):	A
Funding Requested:	\$75,000
Mayor's Priority Area :	Community & Economic Development

1. What is the purpose of your PIP proposal?

To fund the launch of an organization solely focused on supporting manufacturing businesses in Nashville.

Specifically, funding will allow the organization to hire a proto-CEO, launch the branding platform (working title Nashville Made), develop a comprehensive directory of manufacturers and resources, recruit members and develop core programming to be rolled out in the next 24 months.

2. Describe the problem you plan to solve.

Manufacturing is an essential industry for Nashville, but it is fragmented and underserved.

There is no apparent strategy or central resource to promote, grow, or fund Nashville based manufacturers. This lack of focus and resources stalls collaboration and innovation, making it difficult for manufacturers to grow and consumers around the nation to find Nashville made products and services.

Nashville's manufacturing sector suffers from lack of data about itself, a skilled labor deficit, negative perception of manufacturing as a career, education about how to scale a company (that makes things), barriers to accessing capital, and not enough integration across industry sectors.

3. Describe your proposed solution to the problem.

To launch a member-based, non-profit organization that will make way for the growth of urban manufacturing and manufacturing jobs in Nashville.

This organization will create a community for manufacturers, launch a shared branding platform that can be used/licensed by manufacturers, and identify (and create a plan to address) the needs of manufacturers.

4. Describe the market for your proposed solution (Size of Impact).

The National Association of Manufacturers (2016) finds that manufacturers in TN account for 16.3% of the total output of the state, and employed 11.5% of the workforce. Total output from manufacturing was \$51.14 billion in 2015. There were 331,500 manufacturing employees in Tennessee in 2015, with an average annual compensation of \$67,456 in 2015.

Advanced manufacturing is one of the Nashville Area Chamber of Commerce's target industries. There are 77,500 manufacturing jobs in the region and Brookings (2015) named the Nashville the #1 Metro for growth in advanced manufacturing.

According to the [State of TN's latest report \(Q2 2016\)](#), there are 20,366 people employed in manufacturing jobs in Davidson County or 4.3% of the total workforce. (there are also 652 open positions). The average hourly wage is \$26.55 and average annual salary is \$55,224.

The market this organization will reach goes beyond traditional and advanced manufacturing to consider a broader definition of a manufacturer. We define our target market as manufacturing

businesses that are headquartered in Nashville and/or that make a product here and employs one or more person. This expanded view allows us to consider the maker movement and emerging shared economy that is changing how we think of manufacturers and how things will be designed and manufactured in the future. Key stakeholders include manufacturers, suppliers, distributors, industrial services companies, craft artisans and makers (e.g. custom fabricators, breweries, chocolatiers, fashion designers, etc).

5. Describe how your proposal works.

This concept has been drawn up for over a year by an urban manufacturing task force group and it is now ready to be launched. We propose a public/private investment model because it shows the community that Metro is invested in supporting makers/manufactures while also calling for private and philanthropic investment to follow Metro's lead investment.

The funds granted by Metro would allow the organization to hire a proto-CEO to build out the structure developed by the task force. The funds will also pay for the foundational elements of starting the organization including: accounting/legal/website/marketing.

After this foundation is built, the organization will have enough strength to stand on its own.

We are following a blueprint set by other cities for similar organizations and are utilizing the resources of the Urban Manufacturing Alliance <http://www.urbanmfg.org/> and their "[How to Develop a Locally Made Brand Platform](#)" Toolkit.

Made in NYC: <http://madeinnyc.org/>

SF Made: <http://www.sfmade.org/>

Made in Chicago: <http://www.madeinchicago.org/>

Cincinnati Made: <http://www.cincinnatiemade.org/>

6. Describe your proposal's business or financial model. Include dollars requested, total cost, budget estimates by category (capital, operations, staff, etc.), financial/in-kind contributions from partners, and recurring costs.

Staffing the organization will be job one, with a key strategic priority to organize, raises funds and develop programming and services most relevant to its members.

Nashville Made will mirror existing and proven funding models (e.g. SF Made) which will shift funding from philanthropic/government to membership dues, sponsorships, licensing fees, programming grants, and earned income from workshops and consulting.

Capital - We project the capital budget for the first three years to be between \$100,000-\$150,000 and programming is responsive depending on revenue.

Year 1 Budget

Revenue (grants, membership, sponsorship, paid events) - \$100,000

Operations - \$15,000

Marketing - \$15,000

Programming/Events 0 \$17,000

Staff - \$50,000

Legal & Admin - \$3,000

Space for the organization (office/events) will be in-kind. We expect banks to be interested in investing CRA funds (First TN has already provided some exploratory funding).

7. Describe your proposal's impact or return on investment for Nashville.

By creating a community of manufacturers, we can share information more effectively. A connected supply chain will allow manufacturing businesses to collaborate, source locally and grow (they can join together to source products, or utilize one another for custom fabrication and contract manufacturing). We also expect that because the sector will be more connected the workforce development pipeline will be improved- the manufacturers will have a faster feedback loop to the workforce development supports and will be able to fill jobs faster and with more qualified candidates. Even if we can reduce the 'open positions' by 10% that will put 65 people to work earning collectively \$3.5Million.

We will actually have a good idea of the impact and ROI because we are following San Francisco's model and requiring all members report revenues, employment and other metrics on an annual basis.

8. Describe your team's experience and management plan for the proposal.

The urban manufacturing task force will remain as the proto-board during the launch of the organization. This task force currently consists of members from two local banks, the ULI, leaders of the maker and fashion community, an industrial marketing firm, and IP lawyer, real estate developers, manufacturers, leadership team of the Nashville Area Chamber of Commerce, the Executive Director of the University of Tennessee Center for Industrial Services, and members from the State's Economic Development division.

There is an agreed upon mission, target market, and initial services plan.

9. Describe your proposal's launch plan and timeline for implementation.

Upon funding from Metro, the Board will focus on hiring the best person to launch the organization. At the same time as the search for the employee, we will work through the formal legal set up and initial marketing needs (URL, website, framework for directory, brand development and license agreement). The Board will actively recruit members and plan a launch celebration. This all will be done within 4 months of award of funding. It is the goal of the organization to have an operational organization with all the pieces in place by Manufacturing Day which is October 2017.

10. Describe your sustainability plan—how will your PIP continue after PIP funding is exhausted?

We expect the organization will be also to support itself without governmental funds after this first year. The organization has identified multiple funding sources including grants, membership dues, sponsorship opportunities, earned income from workshops and events, licensing fees and eventually consulting fees.