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NEWS

Future of Factories: How market diversification, consolidation, and reskilling are transforming the Piedmont Triad

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EDITOR'S NOTE: Welcome to our series Future of Factories, which investigates how manufacturing in North Carolina is adapting to the pandemic and innovating for the future. Subscribe and sign up for our newsletter to stay tuned.

Manufacturing is in need of a makeover. Ever since COVID-19 hit our shores, raw materials are less accessible, and the bitter cocktail of globalization and nationalism has created tensions within the manufacturing world. It exposed just how fragile our supply chains were, spurring a movement toward deglobalization and an investment into modernizing and strengthening our homegrown manufacturing industry in the United States.

This investment has yielded some interesting positive results within central North Carolina. In this past year, a pottery manufacturer in Burlington blossomed in the home goods boom and developed a new management structure. A sewing company in Asheboro went from making T-shirts to PPE, reorganized its factory, and dramatically expanded its operations.

Read more: Future of Factories: How a business made a \$250,000 from old T-shirts

Both manufacturing companies benefitted tremendously from a government program that offers free or low-cost consulting services from distinguished engineers, academics, and businesspeople.

Under the CARES Act passed last year under President Donald Trump, the North Carolina Manufacturing Extension Partnership (NCMEP) has used \$1.5 million from the grant to develop programs that have helped North Carolina manufacturers cope with the effects of COVID-19.

Additionally, the nonprofit Council for Economic Development (CED) provided mentorship, financial backing, and education for small businesses in North Carolina.

Here's a few key ways organizations like the CED and NCMEP have helped manufacturers adapt to an unpredictable and rapidly changing world:

Market diversification: Teaching an old factory new tricks

The pandemic has created shortages of key raw materials and reshaped the way labor forces can interact. Because of this, many factories can no longer make the same products they used to. The NC Manufacturing Extension Partnership helps these businesses figure out what new product lines they can explore using their current material and intellectual capital.

Phil Mintz, director of the NCMEP, explains: "We've been helping many companies try to figure out, now that the pandemic has taken this thing away, what new areas should I go into that would allow me to be more diversified and be able to be more prepared. We have these programs that will investigate different technologies and opportunities in areas that match your company's abilities."

The North Carolina Manufacturing Extension Partnership also guided companies through the process of gaining a certification that helped them delve into a new industry. For example, some factories may want to pivot into fields like automotive or aerospace manufacturing, but those industries follow strict guidelines. The NCMEP would provide materials to help the factory conform to ISO (International Organization for Standardization) regulations.

Similarly, the Council for Economic Development provided free mentorship for many businesses struggling in the pandemic. Jay Bigelow, Head of Entrepreneurship at the CED, reached out to businesses across North Carolina saying, "Hey, this is a crazy time. If I can help at all, here's my calendar. Put 30 minutes on it, and let's have a call," according to entrepreneur Chris Pence.

Chris Pence founded Haand, a pottery company in Burlington, with one of his best friends from high school, Mark Warren. 80% of their business came from supplying hotels and restaurants with their handmade porcelain tableware.

"We were working with over 175 restaurants and then last year, that basically disappeared," recalls Pence.

After a phone call with Bigelow, Pence realized the potential they had selling direct to consumer. Bigelow put them in touch with someone who did e-commerce consulting.

"We didn't have any money, so we ended up trading him tableware for his consulting," Pence says.

Through an intensive four-day boot camp with this e-commerce guru, Pence built a whole digital strategy for his company. A combination of strong digital marketing and high consumer demand for home goods helped Haand survive in the pandemic. Mark and Chris are now looking to expand their workforce by 25% this year.

Consolidation and reskilling

As businesses consolidated due to demand shortages, they often needed help reskilling their workers to adapt to a new factory setup or new skillset.

"A good example of that is we work with a company that supplies the hospitality industry. So they made like packages of fruits and nuts and things that went on cruise ship. Well, nobody's sailing, right? Because of that, they had to consolidate three plants into one," explains Phil Mintz, director of the NCMEP.

Mintz and his team at the NCMEP assisted in retraining workers to operate new kinds of machinery or reimagining a manufacturing space.

NCMEP project facilitator Bill Iacovelli worked with Trotters Sewing Company in Asheboro. They experienced a boom in business amid the pandemic by creating masks and other forms of PPE for hospitals and consumers. Its owner Lori Trotter wasn't ready to expand into a new facility but needed to fulfill a larger intake of orders using the same amount of space.

Iacovelli came in and immediately got to work. He removed extraneous inventory and sorted and labelled the remaining inventory. Boxes of cloth scattered horizontally all over the warehouse were stacked on racks to take advantage of all the vertical space. Essentially, he consolidated their inventory to free up enough space for more orders to be processed.

"We're in the midst of just trying to get the orders done and when you're trying to do that and grow at the same time, it's very stressful and very overwhelming," recalls Lori Trotter, "To have someone come in with the expertise of the NCMEP and look at it from an outside perspective was a breath of fresh air during a very difficult time."

Editor's note: we previously wrote that Phil Mintz worked with Trotters when in fact it was NCMEP project facilitator Bill Iacovelli. A correction has been made.

Michelle Shen is an Economic and Data Reporter for The Courier Tribune. Feel free to reach out to her with story tips on Twitter ([michelle_shen10](#)), Instagram ([pretty_photos_by_michelle](#) OR [michelle_shen10](#)), or email (mshen@gannett.com).