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Innovation and Manufacturing in the Berkshires

June 13, 2019

#Berkshire Rising

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Goal of the Presentation

The Goal of this Presentation is to

- -Provide an overview of the History of Advanced Manufacturing in the Berkshires
- -Provide an overview of the Berkshire Innovation Center.
- -This presentation will include an overview of:
 - -The BIC's facilities
 - -The BIC's services and the various programs

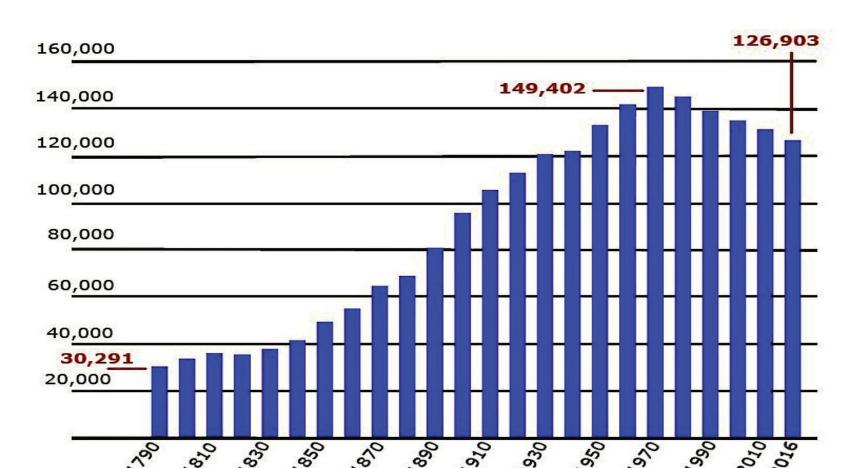
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History of the Berkshire County

- -Pittsfield-Birthplace of GE, and Former Home of GE Plastics, Ordinance and Transformer Business
- 1907-1987-GE had a significant history in Pittsfield
 - Jack Welch worked in Pittsfield
 - Occupied 300 acres, 50 + buildings on the Housatonic River
- 14,000 jobs lost when the Company left Pittsfield
- Significant pollution of the area due to PCB use
- -North Adams-Former Home of Sprague Transformer
- 3,000 jobs lost
- 20% of the residents live below the poverty

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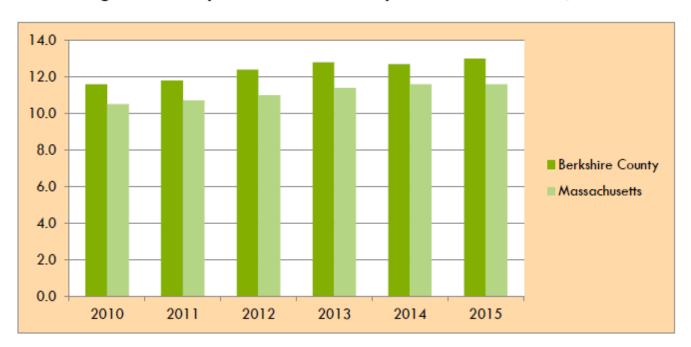
Population Decline-Berkshire County



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Economic Challenges in Berkshire County

Percentage in Poverty in Berkshire County and Massachusetts, 2010-2015



In 2016-the Percentage of Families in Poverty increased from 11% to 13%

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Berkshire County Industry Clusters

| Economic Performance of | 44 | 222 | | Ť | |
|---------------------------------------|--|---------------|---------------|-------------------------|----------------------------|
| Berkshire Industry Clusters | Advanced Manufacturing and Engineering Services | Creative | Healthcare | Food and Agriculture | Hospitality and Tourism |
| Gross Regional Product | \$917,000,000 | \$398,000,000 | \$702,000,000 | \$416,000,000 | \$394,000,000 |
| Total Jobs including self-employed | 6,450 | 5,450 | 11,417 | 8,947 | 6,329 |
| Job Growth 2010-2017 Berkshire County | 3.1% | 9.5% | 3.0% | 4.0% | 6.3% |
| Job Growth 2010-2017 Massachusetts | 3.4% | 18.1% | 14.6% | 16.1% | 11.7% |
| Job Growth 2010-2017 United States | 8.8% | 14.2% | 14.2% | 16.2% | 8.7% |
| Industry Concentration | 0.98 | 1.62 | 1.50 | 0.92 | 1.29 |
| Average Wage & Salary | \$72,477 | \$30,249 | \$52,877 | \$22,184 | \$27,735 |
| Jobs Multiplier | 4.8 | 1.6 | 1.7 | 1.7 | 1.4 |

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History of the Berkshire Innovation Center

- -The Massachusetts Life Sciences Act of 2008 provided:
- Funds for the "Design, construction and development for life science incubator building in the William Stanley Business Park in Pittsfield"
- The Massachusetts Life Science Center (MLSC)
 - Requested the City of Pittsfield conduct a feasibility study and develop a business plan for the future building
 - In 2013 an RFP was issued by Pittsfield
 - New England Expansion Strategic was awarded the contract for the Feasibility Study and the creation of business plan.

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Feasibility Study Guideline

- -New England Expansion Strategies (NEES) presented to the MLSC Board of Directors
- MLSC set strict guidelines for the study
 - 1. <u>Direct Engagement with Stakeholders</u>
 - 2. Outreach to New York Organizations
 - 3. <u>Right Fit for the Region</u> The Berkshires is a unique region of Massachusetts (i.e. what works in Cambridge-Boston, Worcester, Lowell will not necessarily work in the Berkshires)
 - 4. <u>Definition of Incubator</u> The definition should be in the broad sense of the word
 - 5. Target Industries
 - 6. <u>Phased Approach</u> The Feasibility Study and Business Plan will utilize a phased approach.

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Feasibility Study Guideline

- Phase One and Phase Two Guidelines were set by the MLSC
 - The Phase One Study
 - A Feasibility Study and a Conceptual Business Plan.
 - Phase Two
 - Detailed Business Plan
 - Operating Model
 - Facility Plan
 - Financial Pro Forma's
 - Formalized commitments and partnerships
 - Letters of Intent
 - MOU's

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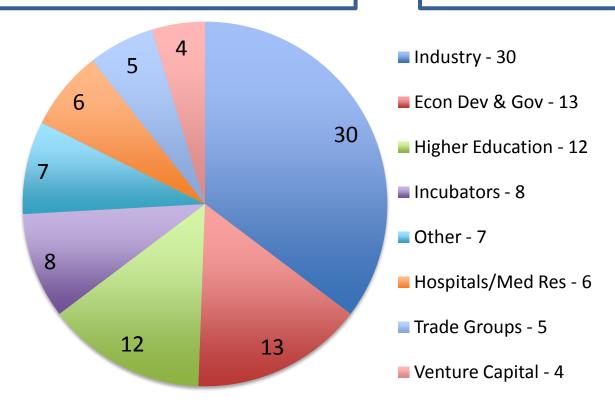
Extensive Industry & Stakeholder Participation

85 External Organizations

- Includes 40 from Berkshire County
- Additional 22 from Western MA, NY

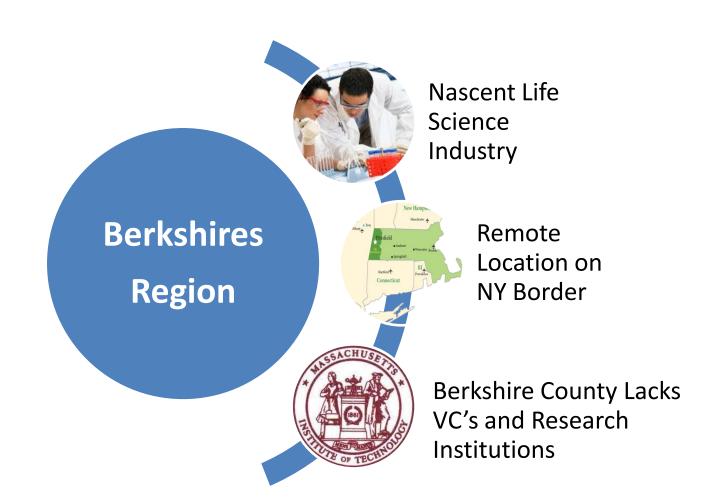
30 Private Sector Companies

- Includes 26 from Berkshire County
- 6 Life Sciences & 20 Advanced Manufacturing



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Business Plan Addresses Unique Regional Challenges



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BIC Strategic Answer – Build on Regional Strengths

Secondary Voc-Tech Education Berkshire Community College and MCLA

Excellent Quality of Life

Low Cost to Live & Work

"Research Donut"

8 Major Research Institutions within One Hour Radius of Pittsfield (MA & NY)

Manufacturing Know-How and Leaders – GD, SABIC, Crane

Life Science Supply Chain

30+ Companies in Berkshire County

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The Innovation Equation

"And, thus, we are all looking for the magic formula. Well, here you go: Creativity + Iterative Development = Innovation"

-James Dyson, Founder, Dyson

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Mission of the BIC

- I. The Berkshire Innovation Center will Provide a Catalyst to Enable and Accelerate Innovation and Growth of Existing Companies in the Berkshire Region
 - A. Primarily focus: Small to Medium Sized Manufacturing Companies (SME's)
 - 1. In Life Sciences and Life Sciences Supply Chain
 - 2. Advanced Manufacturing & Technology
 - B. Objective
 - 1. Spur Economic Growth, Jobs, and Investment in the Region.

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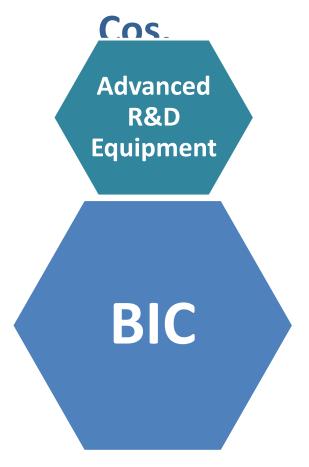
Leadership /Mentor Companies

Primary

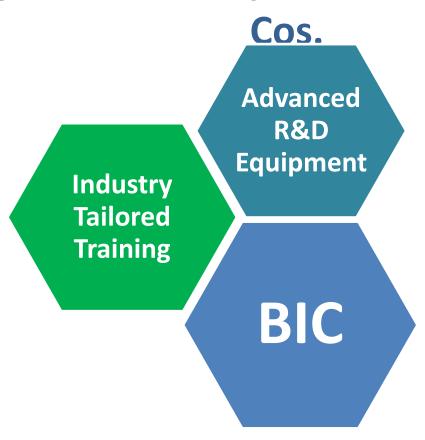
Existing Small to
Medium Size
Manufacturers (SME's)
in Life Sciences, Life
Sciences Supply Chain
(Materials, Plastics),
Advanced
Manufacturing &
Technology

Startups

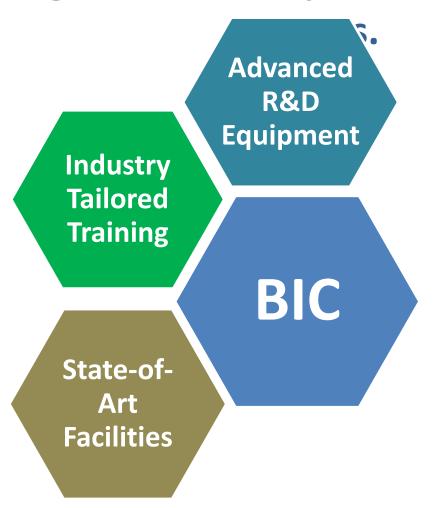
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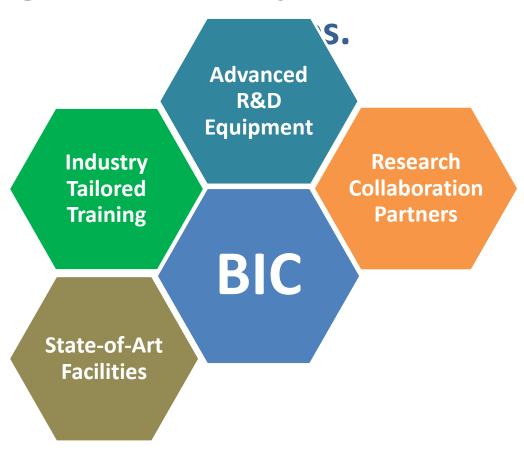
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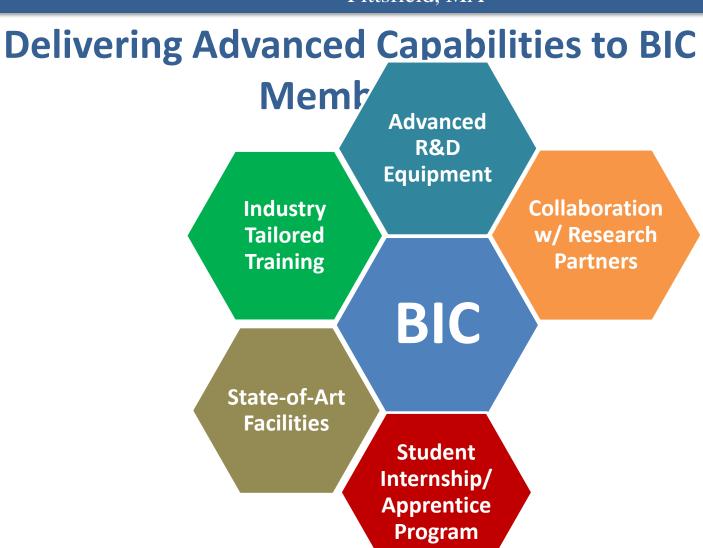




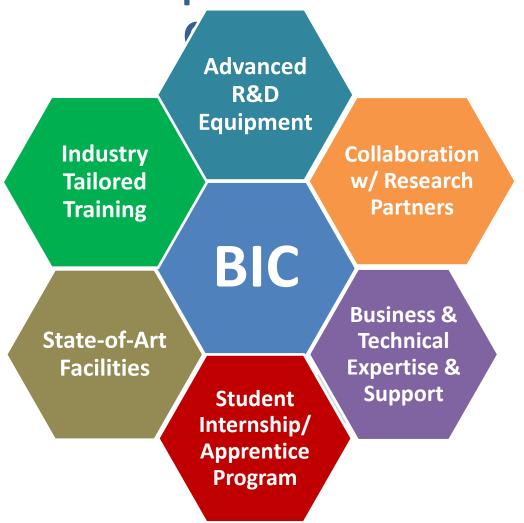








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Equipment Plan

Precision
Analysis &
Microscopy

Design & Reverse Engineering

Precision Measurement

\$2 Million
Budget

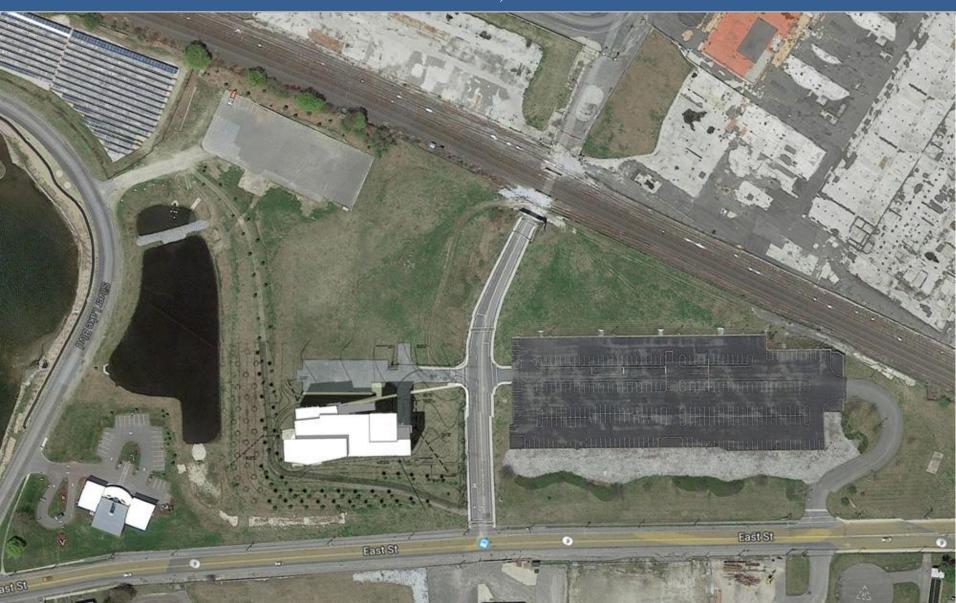
Automation & Robotics
Training

Interactive Videoconferencing

Rapid Prototyping 3D Printing

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BIC Facility









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Key Strategic Partnerships for the BIC

- Manufacturing USA Become the Regional Focal Point for the 14 Institutes in the National Network for Manufacturing Innovation
- Partnership with the <u>Massachusetts Green High</u>
 <u>Performance Computing Center</u>
- Strategic Partnerships i.e Valley Venture Mentors, Tech
 Spring, CCAC, and UMASS Advanced Manufacturing Center

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Unique Opportunities in the Berkshires

- The BIC will create unique, Industry Specific Programming to attract out of region interest to the BIC-i.e. VR/AR Surgical Suite
- Launch of the BIC's RFP Program Network
 - Receive RFP's/RFQ's
 - Coordinate response to win the business for member companies
- The BIC will leverage the existing cultural assets (Tanglewood, Jacob's Pillow, etc) to offer opportunity for corporate meetings
- BIC will host Berkshire Focused Networking Events
- Alignment with the Berkshire Blueprint

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Unique Opportunities in the Berkshires

- Transitioning legacy manufacturing base
 - From Plastics and Paper Manufacturers transitioning to builders of new products like Medical Devices
 - Injection Molders to World Class Mold Makers
 - Key opportunity to accelerate the "on shoring" movement
- Three special effects companies located in the Berkshires
- Developing software, coding, and testing cluster
 - General Dynamics-Mission Systems
 - NTS, Intertek

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Q1-BIC Activities/Updates

- Identified as a Cluster Asset in the Healthcare and Advanced Manufacturing Cluster in the Berkshire Blueprint 2.0
 - Began meeting bi-monthly with 1Berkshire to discuss how to partner together to achieve the cluster goals
- BIC Website Update and Launch
- PEDA Design Review Board
- Berkshire Robotics Challenge
- Co-Sponsor Berkshire Innovation Night
- Lever Business Challenge

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Q1-BIC Activities/Updates

- Berkshire Community College Faculty Search Committee
- Partnered with the Mass Green High Performance Computing Center and the Northeast Cyber Team Initiative to offer a Pilot Program for BIC Members
- SBA and EDM-BIC Architect Update
- April 24th-Invited Panelist on the "Powering the Mass Innovation Ecosystem" in Boston.
- Launched the BIC RFP Pilot Program

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Q2-Next Steps-Upcoming Activities

- April 30th-Guest Speaker ASQ Berkshire Quarterly Meeting-"Innovation in the Berkshires
- On June 4th- Host a visit from Ira Moskowitz, the Director of Advanced Manufacturing Program for the Mass Tech Collaborative
- Began discussions with Pharmaceutical Non-profit to offer Advance Life Science Trainings at the BIC
- Continued discussions with a BIC Member and the State on how we can support their future hiring plans
- BIC AV and IT RFP
- BIC Software RFP-Equipment and Room Rental Program
- Health Insurance Market Study

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What Role does Engineering for the BIC and Berkshire County

- -Engineering and Creative Design is the Foundation of Innovation
- -Productivity without Creative Design quality is meaningless
- -With the increased decentralization of manufacturing, Engineering is PARAMOUNT
- -NEXT FLEX

Flexible Hybrid Electronics-Manufacturing Institutes U.S.A.

-BIC FELLOWSHIP PROGRAM

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BACKUP SLIDES



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BIC Balanced Scorecard

INTERNAL BUSINESS PROCESSES How smooth is your business running? Establish realistic budgets, Document policies and procedures

CUSTOMER: Who buys your product or service?

Short and Long Term

Communication Strategy

VISION: To support existing small to medium sized manufacturers in the Life Sciences and Advanced Manufacturing Industries

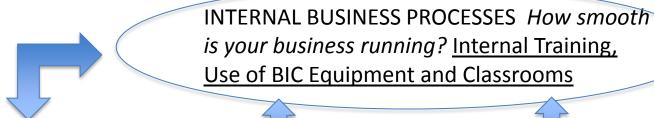
FINANCIAL: Financial
Performance: Increase
Membership Revenue,
Increase Sponsorship
Revenue



LEARNING AND GROWTH: Corporate Culture: Establish relationships with Key Partners, Establish strong Board of Directors

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Balanced Scorecard Berkshire Community



CUSTOMER: Who buys your product or service? # of new accounts, new products, new services

VISION: To support existing small to medium sized manufacturers in the Life Sciences and Advanced Manufacturing Industries

FINANCIAL: Financial
Performance: Increase
Revenue, # of New
Products, Project
Profitability



<u>LEARNING AND GROWTH:</u> Corporate Culture: # of seminars, speaker events, new classes attended