



Working Papers

Moving Solano Forward—Phase II

Task 3: Identified Cluster Analysis
Task 3.2 Business Survey Findings

July 2016

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Moving Solano Forward - Phase II

Task 3: Identified Cluster Analysis

Task 3.2: Business Survey Findings

MSF II Task 3: Cluster Analysis

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Task 3: Identified Cluster Analysis

Task 3.2 Business Survey Findings

INTRODUCTION

As part of Task 3.0, Cluster Analysis, Sub-task 3.2 a survey was to be conducted with businesses in the target clusters to further identify needs or challenges to their growth potential. The survey supplements the on-site personal meetings with businesses and groups to gather similar information:

During Task 2.0, over 20 individual meetings were conducted with target businesses within each city in Solano County to identify and discuss overarching issues or challenges to a location in Solano County. In all cases, workforce was the number one challenge in getting qualified workers with soft skills. For some businesses, there were infrastructure issues within the business parks they were currently located and issues relative to the State of California, such as, worker's compensation.

A parallel project being conducted is focused on building a workforce-training consortium engaging all agencies and organizations in 1) meeting the needs of business in preparing workers and 2) preparing workers for job opportunities. A meeting was held with Personnel Agencies and HR Managers with companies to also identify labor needs. Consensus was soft skills was number one need and then technical training depending on the industry.

Survey Target Audience

The target audience for the survey was manufacturing cluster, including Food & Beverage and Biotech. These industries are the base industries in Solano County with positive growth rates and higher than average capacity rates.

NAICS	Description	Projected Annual U.S. Growth 2014-2024		Mfg. Capacity Utilization
		Employment	Output	
31	Manufacturing	.01-1.9%	1.9-2.3%	63%-78%

The survey had a 12.4% response rate from the target group. The targeted businesses were a mix of small and large employers as indicated below:

Audience	%<10 Employees	10-50 Employees	>50 Employees
Traded Sector Employees	48%	29%	23%
Responding	30%	20%	50%

The survey had three key sections for input:

Industry Sector

Workforce

Operations

The following pages detail responses to each question, below summarizes responses.

Workforce Questions	
Positions in short supply	Engineering, Production, Machinists, Maintenance
Soft skills gaps	Problem solving, Communications, English
Most Valuable training needed	Occupational skills
Absenteeism & Turnover	Ranked low
Rank Productivity	Ranked 4 out of 5, with 5 being the highest
Rank Absenteeism	60% ranked a low absenteeism
Rank Turnover	69% ranked turnover low with 60%+ indicating employee tenure between 6-15 years

Operational Questions	
Annual Growth	60% indicated annual growth of 2-9%
Areas of Growth	62% are experiencing increased production
Potential New Investment	37% anticipate investments over \$1M
Competitive Needs	Workforce, Education in Trades
Strengths of Solano	Location

INDUSTRY SECTOR

1. Please choose the industry sector that best describes your business:

Agriculture, Forestry, Fishing or Mining	2 (7%)
Computer & Data Processing	0 (0%)
Construction	0 (0%)
Education	0 (0%)
Electronics/High Tech	0 (0%)
Equipment Manufacturing	0 (0%)
Finance, Insurance or Real Estate	1 (4%)
Food & Beverage Processing	2 (7%)
Health & Community Services	0 (0%)
Life Sciences/ Pharmaceuticals	0 (0%)
Logistics - Warehousing/ Transportation	0 (0%)
Manufacturing	15 (54%)
Office/ Professional Services	0 (0%)
Retail Sales & Services	2 (7%)
Wholesale Trade	1 (4%)
Other (Please Specify)	5 (18%)

OTHER comments regarding INDUSTRY SECTOR:

- Marine Services; Ship Repair
- Powder Coating, Metal Finishing
- Commercial Printing
- Fabrication
- General commercial printer

WORKFORCE

2. Total number of employees:

5-9	10-24	25-49	50-99	100-149	150-199	>200
9 (35%)	5 (19%)	1 (4%)	5 (19%)	2 (8%)	2 (8%)	2 (8%)

3. What percent of your employees are NON-SKILLED, trained on site?

<9%	10%	20%	30%	40%	50% or more	What are your hard to fill positions?
4 (15%)	1 (4%)	2 (7%)	1 (4%)	2 (7%)	16 (59%)	1 (4%)

Comments regarding NON-SKILLED employees trained on site:

- Need trainable young men

4. Which of the following occupational categories are in short supply or you are having difficulty in filling:

Business & Financial Operations Occupations	0 (0%)
Computer & Mathematical Occupations	2 (10%)
Engineering Occupations	3 (14%)
Farming, Fishing & Forestry Occupations	1 (5%)
Life, Physical & Social Science Occupations	0 (0%)
Management Occupations	0 (0%)
Office & Administrative Support Occupations	0 (0%)
Production Occupations	14 (67%)
Transportation & Material Moving Occupations	1 (5%)

5. Please identify any specific occupations that are in short supply or difficult to fill. (choose all that apply)

Administrative Services Managers	2 (9%)
Coating, Painting & Spraying Machine Setters, Operators & Tenders	2 (9%)
Computer Programmers	2 (9%)
Customer Service Representatives	3 (13%)
Cutting, Punching & Press Machine Setters, Operators & Tenders, Metal & Plastic	2 (9%)
First-Line Supervisors of Production & Operating Workers	4 (17%)
General & Operations Managers	3 (13%)
Industrial Engineers	1 (4%)
Industrial Production Managers	4 (17%)
Laborers & Freight Stock & Material Movers, Hand	4 (17%)
Machinists	7 (30%)
Sales Managers	3 (13%)
Shipping, Receiving & Traffic Clerks	2 (9%)
Welders, Cutters, Solders & Brazers	2 (9%)
Other	15 (65%)
Other Difficult Positions to Fill	7 (30%)

Comments regarding OTHER DIFFICULT POSITIONS TO FILL:

- Electricians, Outside Machinist, Pipe fitters, Painters/Blasters, Tank Cleaning, Environmental and Safety Specialist
- Commercial Truck Drivers
- Estimators and project managers
- Maintenance Technicians
- Software Engineers
- Other manufacturers moving to Mexico
- Production line - Etchers

6. Please indicate any gaps in workplace "SOFT SKILLS" you have identified. (choose all that apply)

Communications/Interpersonal Skills	9 (47%)
Critical & Analytical Thinking	8 (42%)
Customer Service	4 (21%)
Following Directions	8 (42%)
Good Attendance Record	4 (21%)
Leadership/Managerial	5 (26%)
Problem Solving	10 (53%)
Reading & Using information	5 (26%)
Teamwork	6 (32%)
Writing	6 (32%)
Other	1 (6%)

OTHER comments regarding SOFT SKILLS:

7. As your business looks toward the future, what type of training will be of most value to your employees as you seek to improve your workforce? Please prioritize them below.

	Most Valuable	Valuable	Least Valuable
Educational Skills	3 (15%)	14 (70%)	3 (15%)
Occupational Skills	13 (57%)	7 (30%)	3 (13%)
Soft Skills/Personal Effectiveness Competencies	9 (45%)	8 (40%)	3 (15%)
Other	2 (67%)	1 (33%)	0 (0%)

OTHER comments regarding types of TRAINING:

- Lower cost
- Above all, we are looking for people with passion and the truly "can-do" attitude
- Experience in holding a regular job / good habits

8. What training resources have you used to meet the skill needs of your workforce? (choose all that apply)

Local Community College	Local Workforce Investment Board	Four-Year College/ University	Trades Training Programs	Other Comments
3 (17%)	1 (6%)	1 (6%)	8 (44%)	9 (50%)

OTHER comments regarding TRAINING RESOURCES:

- Word of mouth and online
- N/A
- OJT, Previous experience
- In-House on the job training
- On the job
- Most of our production workers start as laborers.
- All those programs did not work for us - onsite training was only solution
- Previous experience skills

9. Please list name of FOUR-YEAR COLLEGE or UNIVERSITY you have used as a training resource.

UC Berkeley (2X)	Healds
UC Davis (2X)	Los Medanos
Stanford	None (5X)

10. How useful would a standardized work readiness skills training and certification credential that demonstrates a worker's aptitude and employability skills be in your recruiting and hiring?

Very Useful	Useful	Somewhat Useful	Not Useful	Other suggestions:
7 (28%)	5 (20%)	7 (28%)	6 (24%)	0 (0%)

11. Indicate the primary reasons rejected applicants are not qualified for the positions posted. Indicate your TOP THREE REASONS.

	First Choice	Second Choice	Third Choice
Criminal record or not passing drug screening	4 (24%)	6 (35%)	7 (41%)
Lack of relevant work experience	14 (64%)	5 (23%)	3 (14%)
Lack of technical skills	6 (33%)	11 (61%)	1 (6%)
Poor attitude or presentation	9 (43%)	7 (33%)	5 (24%)
Other	2 (100%)	0 (0%)	0 (0%)

OTHER comments regarding as a primary reason rejected applicants are not qualified for posted positions:

- Cost
- Cannot hire for wages in California

12. How would you rate average daily ABSENTEEISM?

High	Medium	Low	If average daily ABSENTEEISM is HIGH, is there a contributing factor?
2 (8%)	6 (24%)	15 (60%)	2 (8%)

Comments regarding ABSENTEEISM:

- Absenteeism has increased due to the statutory sick time requirement was implemented. We had a sick day policy that allowed for 5 days a year but abuse of the policy could be enforced. Now it is treated as a day of vacation by the employees, generally unplanned.
- So many government programs give benefits to workers families that it undermines the incentive to actually work hard

13. How would you rank annual employee TURNOVER?

High	Medium	Low	If annual TURNOVER is HIGH, is there a contributing factor?
3 (12%)	4 (15%)	18 (69%)	1 (4%)

Comments regarding HIGH TURNOVER:

- We hire as temp to full time. High turnover at the temp stage and much lower following hiring. The job is heavy manufacturing and not all are cut out for that.

14. What is the average tenure of the majority of your employees?

1-5 years	6-10 years	11-15 years	More than 15 years
5 (19%)	8 (31%)	8 (31%)	5 (19%)

15. On a scale of 1-5, with 5 being the highest, how would you rate your employees on productivity?

1 - Poor	2 - Fair	3 - Good	4 - Very Good	5 - Excellent
0 (0%)	3 (11%)	8 (30%)	11 (41%)	5 (19%)

16. Over the next five years, are you expecting older skilled workers to leave for retirement which you need to replace?

Yes	No
13 (48%)	14 (52%)

17. What percent of your retiring workforce are you expecting to replace?

Less than 10%	10%-20%	21%-30%	31%-40%	More than 40%	Are these skilled positions?
13 (52%)	3 (12%)	3 (12%)	1 (4%)	4 (16%)	1 (4%)

18. Please add any additional comments you may have concerning identified skill gaps in your workforce or recruiting challenges your organization has encountered.

- Hands on Technical skills technician training. Academic schooling does not develop or differentiate those with good technical aptitude for high level factory equipment operating positions.
- We are having trouble filling minimum-wage paying positions
- Skill gaps also include Electrician and Mechanic base skill set
- Shortage of unskilled workers willing to work hard. Shortage of good maintenance people who are willing to work in a heavy manufacturing environment. Our most success comes with promotion from within supplemented by internal and external training on electrical, PLCs, hydraulics and welding. Tough to find those external courses.
- Cannot compete
- Minimum wages for entry level workers is too high
- Various government programs appear designed to KEEP US from effectively accessing them for training; they are a waste of money re: very small business - they are designed for the larger "small" businesses not for us - it is frustrating. We have been aced out for over 30 years from utilizing the stuff our politicians are always bragging about doing "for us". I'm fine with that, just stop taxing me so much to fund these programs!

20. Why did you locate in your current city (Benicia, Dixon, Fairfield, Rio Vista, Suisun, Vacaville, Vallejo) in Solano County?

- Available assets and access to water **(2X)**
- Available space **(2X)**
- Benicia
- Moved here from San Francisco **(2X)**
- Business established here in 1920's.
- From the area **(5X)**
- Fairfield: growth opportunity, close to home
- Value **(3X)**
- Central location for Bay Area and Sacramento **(6X)**
- Most favorable toward a small start up business. City development rep actually took the time to sit down and talk to us about our goals. Fast permitting process.
- Lower land values; soft real estate market/much closer to home than previous location
- Proximity to the local refineries, our main customer base
- Norm Rapanich introduced us to Rio Vista, and we found the city to be simple and responsive to our relocating to RV Business Park. They actively engaged us, unlike 17 other cities we interviewed in Bay Area.

21. How many DAYS PER WEEK do you operate?

7 days	5 days	Other (Please Specify)
3 (11%)	16 (59%)	8 (30%)

Comments regarding DAYS PER WEEK operations:

- 6 DAYS A WEEK (5X)
- 4 DAYS A WEEK
- 5-6 DAYS A WEEK
- Up to employee - want 40 hours per week

22. How many HOURS PER DAY do you operate?

24 hours	16 hours	8 hours	Other (Please Specify)
2 (7%)	7 (26%)	14 (52%)	4 (15%)

Comments regarding HOURS PER DAY operations:

- 8-10 HOURS
- 10 HOURS
- Up to employee - want 40 hours per week
- 8 - 24 HOURS depending on the operation and the demand

23. How many SHIFTS PER DAY do you operate?

1 shift	2 shifts	3 shifts	Staggered shifts	Other (Please Specify)
17 (63%)	5 (19%)	2 (7%)	2 (7%)	1 (4%)

Comments regarding SHIFTS PER DAY operations:

- One 8 hour shift for hourly workers; owners work until work is done

24. Do you have the ability to expand operations/shifts within your existing facilities or are you operating at capacity?

Yes, there is room to expand	No, facility is operating at capacity
21 (81%)	5 (19%)

25. Do you lease or own your facility?

Lease	Own
11 (44%)	15 (60%)

26. If you LEASE, when will your lease expire?

Less than 2 years	2-4 years	5-6 years	More than 6 years
5 (42%)	3 (25%)	1 (8%)	3 (25%)

27. On a national scale, has your industry started recovering and experiencing some growth?

Yes	No
18 (67%)	9 (33%)

28. Is your company experiencing annual growth, if so at what rate?

Less than 2%	2% - 4%	5% - 6%	7% - 9%	More than 10%	Stable, not growing
1 (4%)	5 (20%)	3 (12%)	1 (4%)	6 (24%)	9 (36%)

29. If your company is growing, in what areas? (Choose all that apply)

Distribution	Equipment	Employees	Increased production	New product development and production	Space
8 (38%)	5 (24%)	7 (33%)	13 (62%)	11 (52%)	2 (10%)

30. What major capital investments will you be making over the next two years? (Choose all that apply)

Building	Equipment	Other (Please Specify)
9 (39%)	18 (78%)	3 (13%)

OTHER comments regarding Capital Investments:

- ☐ Employee training
- ☒ None **(2X)**

31. Could you share the potential investment?

Range <\$250,000	\$250,000 - \$500,000	\$500,000 - \$1M	\$1M - \$5M	\$5M - \$10M	More than \$10M
7 (37%)	4 (21%)	1 (5%)	4 (21%)	1 (5%)	2 (11%)

32. Would growth necessitate an expansion or new location for space?

Yes	No
5 (19%)	21 (81%)

33. Who do you go to for EXPANSION needs?

- | | |
|--|---|
| <input type="checkbox"/> Internal sources | <input type="checkbox"/> None |
| <input type="checkbox"/> Handled through local CapEx process | <input type="checkbox"/> Our network. City of Vacaville, EDB. |
| <input type="checkbox"/> The Wiseman Company | <input type="checkbox"/> Real Estate Brokers |
| <input type="checkbox"/> RE Agent | <input type="checkbox"/> Real Estate Brokers |
| <input type="checkbox"/> Myself (2X) | <input type="checkbox"/> Bank of the West |
| <input type="checkbox"/> City of Dixon for permitting of expansion on existing site. Local small warehouse space for additional storage. | <input type="checkbox"/> Springs Window Fashions produced in Mexico |

34. Are you currently exporting product overseas?

Yes	No
9 (35%)	17 (65%)

35. If you are currently exporting overseas, what percent of your products are exported overseas?

Less than 10%	11% - 20%	21% - 30%	More than 30%
5 (56%)	1 (11%)	0 (0%)	3 (33%)

36. If you are currently exporting overseas, how long have you been exporting overseas?

Less than 1 year	2 - 5 years	6 - 10 years	More than 10 years
0 (0%)	1 (11%)	3 (33%)	5 (56%)

37. If you answered NO to currently exporting overseas, are you THINKING about EXPORTING overseas?

Yes	No
0 (0%)	17 (100%)

38. Do you require any assistance in STARTING or EXPANDING your EXPORTS?

Yes	No
1 (4%)	22 (96%)

39. Who do you go to for EXPORT assistance?

- | | |
|--|---|
| ■ Not an exporter of products | ■ Me |
| ■ Internal | ■ Springs |
| ■ Spring Window Covering | ■ US Commercial Service, Elizabeth Krauth |
| ■ Handled within the zone logistics function. | ■ Nobody |
| ■ We get assistance from our clients, of which the products we manufacture for them are what we ship overseas. | ■ No one seems to be able to help, so we work it out with our customers. Government is useless and only in the way, and 3rd parties require too much money. |

40. Are your expectations for Solano County as a place for doing business being met? Such as supply chain, industrial services, labor recruitment, utilities, community support, costs, ease of development.

Yes	Yes, mostly	No
3 (13%)	15 (60%)	7 (28%)

41. If your expectations for Solano County as a place for doing business are NOT being met, what is needed to make this a competitive location for your business?

- Competitive supply chains and industrial services, a skilled workforce and a safe living and working environment
- Supportive staff at City of Vallejo
- Have to be competitive with companies outside California
- Labor pool - skilled and unskilled (3X)
- State is not helping and workman comp to high
- Finding the people with the right attitude and willing to compete and succeed on a global scale. We are somewhat entrepreneurial so finding people who can survive and thrive in that environment is very important. Finding people with passion for industrial products development, manufacturing and applications.
- Increased support on trades development in high school and 2 year colleges
- Growth in GDP and employment
- Road maintenance!
- If local businesses and consumers would consider doing business locally

42. What, in your mind, are 3 key STRENGTHS / ASSETS to locating in Solano County or your city that you would tell another business?

- Growth potential and access to highways and waterways
- Low skilled factory labor availability
- Proximity to SF
- Location **(7X)**
- Pro Business, Diverse people, Berryessa.
- Quality labor force, business friendly
- Growth opportunity, Good ROI of Real estate, diverse businesses and easy to find employees who live locally
- Supportive legislators **(3X)** (State government not so much!)
- Permitting process in Dixon is pretty straightforward.
- Cost of living **(3X)**
- Cost of real estate **(2X)**
- Proximity to UC Davis
- Beauty; talented pool of people; Solano EDC
- Affordable housing

43. Using a scale of 1-5 with 5 being the highest, how would you rank the following business factors in Solano County or your city?

	5	4	3	2	1	Please provide any comments to your ranking
Financial Capital	0 (0%)	3 (20%)	8 (53%)	2 (13%)	2 (13%)	We do self-financing Don't know the options
Infrastructure	0 (0%)	8 (44%)	8 (44%)	2 (11%)	0 (0%)	Benicia is built out. Issue for me
Market Access-Logistics	0 (0%)	13 (65%)	5 (25%)	2 (10%)	0 (0%)	
Leadership	2 (12%)	6 (35%)	5 (29%)	3 (18%)	1 (6%)	City's financial situation seems unstable or not managed properly, due to their need for increasing taxes & other fees.
Regulatory Environment	1 (5%)	3 (16%)	9 (47%)	4 (21%)	2 (11%)	Too much/many governmental regulations, fees and survey While Local authority is important, the Bay Area enlists too many local agencies applying authority beyond Federal and State regulations.
Technology	2 (11%)	4 (22%)	9 (50%)	2 (11%)	1 (6%)	Better and Cheaper Internet connectivity
Workforce	2 (10%)	6 (30%)	7 (35%)	3 (15%)	2 (10%)	

44. Comments regarding how or what Solano County can do to be more competitive in improving the economy?

- Encourage greater business diversity and improve the image starting with the safety and security of residents and visitors
- Stop Powerful special interest from controlling Vallejo City staff at the highest level
- Get Mexico and China out of mix
- If a company is interested in investing here, have a no agenda meeting between the existing and next company in order for them to talk
- Improve the schools
- Inspiring young people to pursue careers in industrial technology and "STEM", make regulatory environment business friendly (reduce red tape) while still protecting environment, OSHA, etc
- Decrease in property taxes and increase in overall employment. Unemployment is too high in Solano county
- More support for the refining industries, these are the economic drivers for the City of Benicia
- Tariff on products out of Mexico
- Maintain roads – it's a constant ongoing BIG problem. One of our vendors will no longer deliver here. They are horrible.
- Tax breaks and incentives for local manufacturers
- Reduce tax burden on its own citizens and businesses

45. Is there any particular assistance your business or industry needs to be more competitive in Solano County? (such as, workforce, safety, permitting, finance)

- Work ethics and a skilled workforce is paramount.
- Permitting
- Workforce **(2X)** - Specifically technicians **(1X)**
- Marketing, networking and new customers
- None
- No needs in Solano County, as none of our customers are located in this county.
- If government agencies would attend to their basic jobs, like maintain roads, I would be very happy.