



The Manufacturing Succession Solutions (MSS) Project

Background:

- ◆ MSS is a new Initiative from Manufacturing Renaissance, a not-for-profit, Chicago-based organization established in 2014 with a Mission to “Advance Inclusive Sustainable Development Anchored in Manufacturing”
- ◆ To date, Manufacturing Renaissance has realized ongoing success by inspiring and preparing young Black, Latinx and other underrepresented people from diverse communities to secure and retain career-track jobs in manufacturing

Opportunity:

The new Manufacturing Succession Solutions (MSS) Project will take the important next step to:

- Begin to rebuild Chicagoland’s base of small and mid-size manufacturing firms*
- Diversify ownership of small and mid-size firms in the Chicago manufacturing sector*
- Accelerate expansion of Chicagoland job opportunities in manufacturing*

Facts:

- ◆ Aging Baby Boom owners, especially of small and mid-size manufacturing firms, have been leaving their leadership positions in large numbers:
 - ✓ In a 2019 survey by the University of Illinois Great Cities Institute, 73% of sampled manufacturing companies in the Chicagoland area had an owner over the age of 55
 - ✓ And 61% of firms surveyed lacked a defined ownership succession plan and had not chosen a suitable successor
- ◆ In 2021, there were over 6000 manufacturing companies in Cook County alone.
- ◆ In Illinois, 99% of manufacturing companies are owned by individuals who racially identify as white, despite nearly 42% of individuals living in the state identifying as another race or ethnicity—a painful reminder of inequality and exclusion in society. Women, as well, have typically been excluded from ownership in the manufacturing sector.
- ◆ A unique opportunity to retain and begin to rebuild our manufacturing base in Chicagoland and to dramatically diversify ownership in our manufacturing sector.

Project Design:

The Manufacturing Succession Solutions (MSS) Project will include these steps:

1. Establish an **Early Opportunity Network** to identify and gain introductions to owners of manufacturing companies including those that face a succession challenge.
2. Establish a **formal MSS relationship with the owner** defined in an MOU (Memo of Understanding) to assess viability of the company and requirements of a successor.
3. Identify **qualified Partners and Advisers** for the project.
4. Using expert assistance, **evaluate operational performance, define an exit strategy, and determine a competitive price** for the company.
5. Identify and **vet qualified entrepreneurs and employees with relevant experience** and interest in company ownership, assist the current owner in choosing the best Successor, and provide assistance in arranging the transfer of ownership.
6. Provide initial **3-6 months of Advisory assistance to the new owner** as opportunities and challenges arise.

Project Stages:

- ◆ **Stage 1: Development Stage Goal, Second Quarter 2024: \$100,000:** Developing a business plan, securing capital for operations; recruiting staff, advisors, and consulting partners; and sustaining momentum of our relationship with partners.
- ◆ **Stage 2: Full Operations FY 2024: \$605,000:** Build the organizational infrastructure; engage the broader community of Black, Latinx, Asian and other men and women entrepreneurs and advisors including unions and governmental agencies; engage the Early Opportunity Network.

MSS Contributor Levels

- ◆ **Cornerstone Sponsor:** \$25,000+
 - ❖ Primary recognition as a Sponsor of the Manufacturing Succession Solutions (MSS) Project
 - ❖ Input to the MSS Project Business Plan
- ◆ **Partner Levels:**
 - ❖ **Platinum:** \$10,000
 - Recognition on all Manufacturing Succession Solutions (MSS) promotional materials
 - Participation on the MSS Advisory Board
 - ❖ **Gold:** \$5,000
 - Tiered recognition* as Supporter of the Manufacturing Solutions Project
 - Invitation to special Supporter events
 - ❖ **Silver:** \$2,500
 - Tiered recognition* as Supporter of the Manufacturing Solutions Project
 - ❖ **Catalyst:** \$1,000
 - Tiered recognition* as Supporter of the Manufacturing Solutions Project

*Tiered recognition means graduated sizing by Contributor level for your company logo or personal image on MSS marketing materials

Appendix:

Staffing: We will have a small staff of experts in this field that will utilize a network of consultants with the capacity to assist manufacturing companies in all aspects of their challenges including ownership succession, company valuation, and talent recruitment and retention.

The MSS Startup Board of Directors: Manufacturing Renaissance will be the fiscal sponsor of the MSS Project. The MSS Startup Board consists of the following:

1. Dan Swinney, Manufacturing Renaissance, Director of Strategic Initiatives
2. David Robinson, Manufacturing Renaissance, Director of External Affairs
3. Sandra Finley, President & CEO, League of Black Women
4. Ken Gaebler, former CEO, Walker Sands Communications
5. Shari Giddens, Director of Marketing, Ravinia Capital LLC
6. Tom Goldblatt, Managing Partner, Ravinia Capital LLC
7. Diane M. Meister, Founder & Managing Principal, Meridian Associates Inc.
8. Phillip Molfese, CEO, Rubicon Innovative Solutions LLC