Interview of Kate Sofis
Founding Executive Director, SFMade
Interviewed by Steve Dubb, Research Director, The Democracy Collaborative
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Kate Sofis is Founding Executive Director of SFMade, a non-profit organization launched in 2010 to support the building of a local manufacturing base in San Francisco. SFMade engages directly with entrepreneurs and growing small companies, all of who are headquartered in and manufacture in San Francisco, offering industry-specific education, networking opportunities, branding and marketing assistance, and "infrastructure" support, including help with workforce/ hiring, accessing capital, and finding industrial real estate. By building strong local manufacturing companies, SFMade aims to sustain and create job opportunities for the city's low-income communities and individuals with less typical education, experience, or skills.

Could you talk about your background and how it informed the start of SFMade?

SFMade is very much a fruition of several threads of passion that I have had really through my life: manufacturing, economic development around entrepreneurship, and urban issues. I started my career in high-tech manufacturing in Boston and spent over a decade in that field. When that off-shored, I was determined to continue to work in domestic manufacturing and shifted my focus to more "craft-based" industries—working in ceramic tile and then furniture manufacturing. Along that path I also developed a growing interest in how ecologies of companies work together. The last manufacturer I worked for, a furniture manufacturer, succumbed to the "dot-com recession" in 2001. I remember being somewhat incredulous at the time that, although we still had orders on the books and a viable company, in the end we had to close because we lost access to critical "infrastructure," including capital.

I think, at the same time, American cities had also really given up on local manufacturing, and San Francisco was no exception. I decided if I was going to continue to work in the sector, I would have to reposition my efforts at the broader community or city level, and so I re-tooled, earning a Masters in City Planning and Social Policy at the London School of Economics in 2003, and shifted my career into economic development. Really in hindsight – it wasn't such a large deviation from my path –it was just a shift of orientation - from working inside companies to working with groups of companies.

SFMade is a marriage of manufacturing and economic development and the value of life in the city. We are about the challenges and the possibilities of *urban* manufacturing specifically.

You have described SFMade as a "fresh approach to revitalize and fuel local manufacturers." What are the key elements of this approach?

It is multi-layered, as all things are. The thing we were originally known for, and perhaps what we continue to be most well known for, is our work to harness the power of place – the notion of creating a "local brand" for a city and connecting that to local manufacturers through the use of the SFMade logo and brand. To use an example, it is "San Francisco inside" when you carry a bag that is Timbuk2 made. In the beginning, we were working with just 12 manufacturers who agreed to use the SFMade brand on their products or websites or in their marketing. But SFMade has now grown into a brand that consumers recognize on the west coast, in New York City, and even at a retail store in Tokyo. That local brand is a very powerful part of what we do. It is the element of what we do which is most asked and talked about by other cities.

A second differentiator of our work, and that of other partner cities, has been a fresh collaborative, instead of competitive, approach to manufacturing economic development. Rather than look outside, trying to throw economic incentives and attract businesses from cities or keep people from leaving, we instead take a look really at who has already chosen to start and grow businesses in San Francisco. Generally our companies all have a value proposition that allows them to charge a premium that sustains higher wages and land costs. Our goal is to remove any and all barriers to growth and success of these companies. At the same time, if a company starts in San Francisco, but has a business model that requires a scale or cost model that is not appropriate to San Francisco or the Bay Area, we will be the first to help them find a better location. We also work to help San Francisco companies make supply chain connections to suppliers in other US cities when that makes sense.

Overall, we consider ourselves pragmatists when it comes to keeping all or some production local. Many larger SFMade companies in fact have hybrid models. They produce a sizeable amount locally but will partner or co-manufacture as part of their business model. What is fresh about our view, it is not this binary perspective of making it in the United States – let's do it here if we can do it here, but let's not drink this philosophical sauce that we are somehow going to contain 100% of supply chains locally nor are most of our companies interested in containing their customer base to the locality. They want to grow locally and to sustain local jobs, and in order to achieve the scale needed to do that, many need to sell to a much broader footprint.

Third, we deliberately have scoped and continue to focus our work within a single city. That has allowed us to go deep and partner with a myriad of city departments. We work most closely with the Mayor, the Board of Supervisors, and the Office of Economic and Workforce Development. But we also work with San Francisco Unified School District, collaborating on our new high school youth programming. We partner with the Planning Department to think through industrial land use policy as well as to collaborate with any of our manufacturers working on a complicated construction project. We even work with San Francisco's MTA (Metropolitan Transit Authority, known locally as "Muni") on parking strategies and thinking differently of how to get workers and customers to far-flung manufacturing areas.

By digging deep, we can take a broad wrap-up around model: land use and real estate, hiring (work with the city's workforce development), education and business advising for the companies and an emerging youth program. It is a combination of being able to work in all of these areas as well as have partnerships with the city, which makes our model particularly viable. In many other cities – Chicago, for example – there are so many organizations and agencies with deep histories working in manufacturing economic development. This was not the case in San Francisco when we started SFMade. I have yet to meet the organization in a city of our size that has our luxury of having it all under one roof. We can really act as an ombudsman for the manufacturers. While we are independent of the city government, the City is our best partner. We still could have done much of what we done without the City, but that partnership makes us much stronger. So most often we speak of ourselves as a real public-private partnership rather than just a nonprofit.

How long did it take to form SFMade? Could you describe the different steps that it took to begin to bring your work to scale?

We had our soft launch – finding 12 seed manufacturers who were already operating in the city who would act as an advisory board – in November 2009. We had great positive feedback. They were all chosen to participate, as they are really emblematic of the scale and diversity San Francisco manufacturing: Anchor Brewing Company – the city's largest brewery and probably best known brand, Ritual Roasters – our largest coffee roaster, an up and coming bag manufacturer, Rickshaw Bagworks, and the city's oldest manufacturer, 113 year old McRoskey Mattress Company. We had our formal launch in 2010 and really started with a focus on two programs – our local branding concept, embodied in the now trademarked SFMade logo, and industry-specific education and business advising.

Interestingly, we didn't explicitly focus on what many now talk about the most: how this work fosters a strong sense of community. I grew up in hardscrabble Buffalo, where we mostly just sought to create jobs, period. I've been a latecomer of the notion of building community through the economy. I was a bit of skeptic. But from our launch with 12 companies, we grew rapidly. We had plans to serve 30 manufacturers in our first year; in fact, our network grew to 105 companies by December 2010. Most were existing companies and most referred each other. It was really truly amazing – in that first year, save for an article or two in the press, we spent no resources on advertising or marketing. The manufacturers referred each other to SFMade. They were drawn to us by the notion of community – banding together. I no longer underestimate how powerful that notion is and continues to be. Bizarrely, although it was a recession, we just hit on a theme – the timing was right, the opportunity of the recession got funders focus on job creation. We did not have a hard time getting seed funding. A number of our local banks: Wells Fargo, New Resource Bank, Citibank jumped in quickly. We also had strong initial support from the City – right up to the Mayor. This enabled us to secure funding through City of San Francisco's CDBG [Community Development Block Grant] program. I think the timing and the focus of the work helped a lot — the American psyche was tired of having everything made overseas. The consumer base was really interested in the notion. And the recession was helpful in creating the fire to do something differently to create jobs.

In San Francisco, we have this history and reputation that the economy is about tech jobs and finance jobs for super-educated people. We kind of forget about everybody else. Manufacturing is a counterbalance in the mayor's mind and the public's mind. Tech is harder for young people, less educated people, people whose first language is not English. We have had an exponential growth trajectory. In our first year, we had a $100,000 budget, one staff person (who was me), and 105 companies. By the end of the second year, we were at 250 companies with a staff of three and a budget of $300-400,000. Now we are serving 462 companies and have a staff of five and our budget is just shy of $1 million. Where we are expanding the scope of our work now, we are leveraging partnerships with other organizations and funding those initiatives jointly.

Another new component of our work is connecting manufacturing to the next generation, something I never thought I'd be doing, frankly. Growing up in Buffalo, if you could "get out" and get away from manufacturing in the 1970's and 80's, you did. But modern urban manufacturing is at a much more human scale and we are excited to reintroduce the potential for young people to work for small urban manufacturers or even to start their own business someday. With YouthMade – we are partnering with Juma Ventures to place 40 very low-income high school kids over the next year into paid internships at local manufacturers. The model itself of partnering with another non-profit organization rather than scaling up our own staff – is also a hallmark of our approach. In this era of nonprofit organization proliferation, it is important for organizations to think about their growth imprint. It is not only better for us – with Juma, we can secure higher funding than we could independent of each other and we can attract new funders together. In the case of YouthMade, our primary funding partner is JPMorgan Chase – this will be the first time they are financially supporting SFMade and we are told our partnership with Juma was particularly compelling to them.

Another growth area for us has been partnering with other cities that are engaged in similar efforts. We launched the Urban Manufacturing Alliance (the UMA) in 2011, in partnership with the Pratt Center for Community Development in New York, which now hosts Made in NYC, and is the nonprofit community development arm of Pratt. Together, we secured over $400,000 to support the UMA in its first year. That money is being deployed to create tool kits and deployed to other regions to implement other initiatives. We have one initiative launching in Chicago, one under way in the Bay Area focused on garment manufacturing, and a third in the New York City region. We are really excited. The UMA is not its own entity, it's not incorporated and it doesn't yet have its own staff, although it has capacity through our joint funding. Part of our work in the next year will be to determine whether it becomes an advocacy organization or a separate nonprofit and over time, what policy issues or programs are most needed to support the work of organizations like ours working in cities. Again in this area, we are expanding the footprint of our work not by expanding ourselves, but by creating new collaborative structures. The UMA is like a co-op of economic development organizations all focused on the same thing, growing their own urban manufacturing sectors. We currently have engagement from organizations across more than 20 major US cities in the UMA.

What are the main manufacturing sectors in San Francisco?

Our major sectors are all consumer product manufacturers. Three large sectors: the largest is "cut and sew " – apparel, bags, and leather goods. The secret to that sector and the growth of that sector is that we still have a relatively deep contract garment manufacturing capacity in the city.

We have upwards of 50 companies that have skilled sewers. Some of these are sewing houses that used to make clothes for Levis or the Gap. Their highly skilled sewers hail largely from Hong Kong, mainland China, Vietnam, and the Philippines. The companies that have made it, they have made it because they do short production runs, work with smaller designers. What we see in that in that sector are young designers who come to San Francisco for school or they come because they are over Los Angeles or New York. We also see larger brands that are on-shoring portions of their product line. That's a growth sector for us.

One of our challenges is that because the workforce is aging and most of the (largely immigrant) women aren't looking at their kids to go into sewing, we have to look at who will be the next generation. Is it some other generation of immigrants? That is what we see in New York. It is no longer just Chinese. You also have garment workers who are more recent immigrants from countries like Ghana or Ecuador. We are also looking for an approach that could be attractive to native-born Americans. That is an idea of our youth program – to expose young people to these opportunities. That probably does involve adding more technology to get rid of the most backbreaking work. Garment manufacturing is surprisingly low-tech in high-tech San Francisco. Manufacturers could use CNC (computer numerically controlled) equipment. The technology does exist.

Our second largest sector is food-and-beverage. That has to do with slow-food and farm-to-table and the same thing that has spawned the wonderful restaurants, the Alice Waters of the world. Often, our food entrepreneurs are former chefs who have a passion for chocolate, or coffee, or granola and go off on their own. Sometimes a new product evolves out of restaurants – such as sauces. We always had a lot of beer and wine. San Francisco's history as the Barbary Coast has meant that the city has a long, proud history making for beer, and to a lesser degree, distilled spirits. Anchor Brewers and Distillers may be our largest brewery, but we also have Speakeasy and Magnolia, newer growing craft beer brands, both expanding into more space to accommodate their growth. We also have a number of wineries, now back in the city. One of the challenges is that once you get beyond really tiny, you need more space than you do in many of the sectors. If you can't find affordable space, we won't keep those guys as they grow. That's an area we are really focused on right now. We have done a lot of work collaboratively with the City on land use.

The third sector is harder to define but could be said to be design-infused consumer products — iPad cases, furniture, jewelry, ceramics — things made out of metal and wood and glass and acrylic and even clay. Bikes are another one. They almost all have a lot of design thought in the product and they are marrying that design with local craft capacity.

In sectors other than garments, what are the demographics of the workforce? Who works for San Francisco manufacturers?

In our other industries, it's more mixed. Overall across all of these sectors, we have 462 companies. At this point, we have an estimated 95% percent of the sector that produces locally in San Francisco participating in SFMade. As a result of this access, when we do our annual data collection and survey, we are able to obtain more detailed data about the nature of these urban manufacturers than is publically available. We know that people from low and moderate-income households still occupy 76 percent of the jobs. In food, it's a real mix ethnically. You will find all kinds of people in food and beverage. We find young American-born kids of all backgrounds who have a passion for making chocolate, working next to a father of three from Mexico. In other companies, the manufacturing capacity is made up of people who came out of the building trades — for example, former cabinetmakers making wood framing for an iPad case. Metalworkers are now milling some component that is going into someone's bag. We are finding a reapplication of trades that we thought might be lost. We are seeing a reemergence of crafts.

One company that exemplifies this "marriage" of craft with technology is Dodo Case: they are use bookbinding technology to make iPad cases. Because of e-books, the originally bookbinding sector had become a dying industry. Now DodoCase has a full bookbindery as a key part of their operations and is actively hiring and training people in the art of bookbinding.

Could you discuss some of the challenges?

In food and beverage, it is related to space and size. For some companies, they are expanding. Anchor Brewers and Distillers (the venerable San Francisco craft beer manufacturer) is building a second location – it is on San Francisco-owned Port property, in partnership with the San Francisco Giants whose stadium is adjacent to the site. If they hadn't secured that very special site and partnership, they may not have been able to expand further within the city. Another SFMade chocolate manufacturer is currently manufacturing on the waterfront as well, but their lease is up soon; we have been in a feverish search to try to find them new space for the past six months and it is not a sure thing that we will succeed.

For the small companies, they need co-packers – help with bottling, commercial scale baking. The city hollowed out its co-packing and bottling capacity. We don't have a baker or a sauce maker in the city. With the little guys, if they land a contract with Whole Foods or some other large customer, they have to move production out of the city. We at least try to keep them in the Bay Area. It would be good to have modest scale co-packing back in San Francisco. We are working with the City and private sector actors to catalyze that in the next year or two.

We also have real holes in what kinds of materials can be sourced locally – if you are making something about of wood, we have a lot of wood workers. With metal, we have some but fewer contract manufacturers, and they are all small. But sometimes we can't find contract manufacturers at all – powder coating, plastics, acrylics – none of that is stuff we make in San Francisco. With plastics and acrylics, we make little in the United States as a whole. In this area, we need more contract manufacturers. We need to make it easier for folks to invest in powder coating or a laser cutting. Or get someone into the city that can do small-scale manufacturing in these key areas.

I think another complex issue results from decades of separating product design from manufacturing, and that continues to color the sector even as we start to produce more in the U.S.

Everyone it seems wants to be a “maker” but few want to actually be the manufacturer. We often meet designers and budding entrepreneurs who have designed a prototype product—using 15 pieces of equipment and 800 hours of their own time at a local hacker space or in their garage/kitchen. Invariably, with many, their first question is: “Who can make them for me?” We don’t have a silver-bullet answer. It used to be that when you wanted to make something, you made it. Or you purchased equipment and hired folks to help you make it, under your direction. You didn’t assume someone would make it for you. The current ethos is still often – you can design it and someone else will make it. That is an obstacle: we have a dearth of people who want to take the hard path of making it in-house. We need to think about education and training and access to capital to help people take that path and be successful. It is harder to get loans for making things than shooting it over the internet to someone else who is going to make it for you.

Do you see your work intersecting with the environment and sustainability? If so, how?

We do, although not as significantly as some of our colleagues. For Pratt in New York City, that is a hallmark of their work and they have launched a number of successful initiatives. Their Spec It Green program is particularly interesting, where they have connected the architecture/building industry’s appetite for green building products with local manufacturers of those products. At SFMade, we don’t screen for companies on environmental goodness. But we know the vast majority of our companies think about sustainability themselves and more than 50 percent have gone beyond “we recycle” or “we manage our energy utilization” to actively thinking about sustainability. For example, one company we work with is Rickshaw Bags. They have a product called the “zero” – it’s a bag that produces zero waste. They have literally designed it to use all of the fabric cuttings that go into it. Compared to many other cities, we have a lot of companies who have deeply thought about this.

We are starting to think more now about weaving sustainability more deeply into our practice: we started with educational offerings to the companies. For example, we have a partnership with PG&E (Pacific Gas & Electric). They have been going out and doing energy audits and have been innovative to help their companies to conserve their energy use – that reduces a cost, so it is attractive to many companies. We also have a grant from Google focused on using local manufacturing to reduce the overall carbon footprint in cities.

The other area, although we don’t have a lot of traction yet, is supply chain localization. The challenge for us is that we are a small city, an expensive city. It is hard to think about localizing a lot of our raw materials. If garment is a sector, cotton is a big input – not a lot you can do about that in terms of localization. You could have companies think about different materials, really focusing on developing products that intentionally make the best use of locally available materials. But this is a relatively new area for us.

Has SFMade worked with any businesses with cooperative or employee ownership?

The short answer is that we had one actual co-op but it has disbanded (in furniture manufacturing). What we have more in San Francisco are companies that are setting up stock ownership or phantom stock where if there is a sale of the company, at that point the employees immediately vest and benefit and get a percentage of proceeds. That's what happened when our largest bag manufacturer - Timbuk2 – changed ownership a number of years ago. When the company was sold, each employee got an average payout of several years of salary and most of them continue to work at the company today.

Timbuk2 is now majority owned by a private equity firm. But it is important to note that fewer than five of our 462 companies are owned by institutional equity of any sort. The vast majority are family-owned or closely held by two or three people. None of our manufacturers are public. In some ways, family and private ownership – combined with good business models— is a large the reason why these companies have had the staying power. This is the "stickiness" that keeps the companies here, through multiple recessions and with the higher costs and complexity of doing business.

Another emerging area that we are trying to help catalyze is capital. Last year alone we had 12.5-percent net new job growth. The appetite for capital is increasing. You can't do it all with debt. So we are looking at options like crowd funding and creating explicit angel networks.

Of our 462 companies, 30 percent are younger than we are and we were founded only there years ago. Of this 30 percent, a quarter of those have launched themselves on Kickstarter or Indiegogo. People are using crowd funding. It lends yourself to do that if you are making consumer products. I don't think it would work so well with firms like tool-and-die manufacturers.

Do you worry about family businesses folding as the baby boom generation retires? Do you look at succession?

We are keeping our eye on family transition. One of our longest running manufacturers is McCroskey Mattress Company, it is third-generation owned and has been operating continuously in San Francisco for more than 100 years. For companies like this, it is not always clear if there will be a next-generation owner or if other paths make more sense that perhaps engage senior employees in ownership over time. We are actively looking at a variety of tools including ESOP [employee stock ownership plan] structures, employee buyouts, and occasionally mergers of smaller companies in the same sector to achieve long-term sustainability.

We have a handful of companies that are in this situation, where they will have some real decisions to make over the next decade. Certainly some of the garment manufacturers themselves will find themselves in this position with an aging ownership and workforce. That said, San Francisco, relative to other cities, such as Pittsburgh or Buffalo, has a relatively young manufacturing sector as a whole so the challenge in this area seems manageable so far.

What is the role for community development finance in supporting local manufacturing?

It is a hugely important part of the infrastructure. Anything goes, whether it is a traditional CDFI (community development financial institution) or hybrid CDFI's like Pacific Community

Ventures (which makes double-bottom line equity investments and has a new loan fund). We are also seeing banks go downstream in terms of the loans they are able to offer. To a company, the general feeling is "I don't care where I get the money." It is all about interest rates and can I get the loan. I am seeing a lot more movement in loan products. We are finally seeing some results in the federal initiative to get SBA [Small Business Administration] loan dollars released. Sometimes it feels frankly like we are swimming in new loan funds right now. The City just launched two new loans funds and there is a new SBA loan product. There is also a California loan fund. It's all good news generally, although I will also say the landscape of whom to go to for which product is now more complex.

On the equity side, even with the existence of double and triple bottom line funds, if their funds come from institutional investors, there are real limits to the risk they can undertake —especially in deploying capital to companies with less than $5 million in revenue, which is where many growing manufacturers are. And while we certainly have a robust angel community in the Bay Area, a majority of that investment has historically been directed towards technology companies. But, we believe that there is a market for patient investment in solid local manufacturing companies. We have already seen indications of this in several of our manufacturers who have prominent angel investors from the tech sector itself; our new Craft Capital initiative will be exploring ways we can target more angel investment specifically into this sector.

Could you talk about the role of public policy and how SFMade liaises with City officials?

What I always tell people is you can do a lot without your city government if need be. I say that because we hear from some similar organizations that their cities are not yet deeply engaged in manufacturing. But if you can engage your city government in your work, your power to create change rises exponentially. This has certainly been our experience. I have mentioned some of the "transactional" areas we work with the City – on finding low-moderate income workers for jobs, helping companies get through planning and permitting, etc. But our City partnership has also been very important in evolving policy in a number of areas. One notably one was business tax reform: until last year, San Francisco had a payroll-based business tax system that intensively taxed labor-intensive businesses like manufacturers and left partnerships, such as law firms, or sole proprietorships — such as real estate brokers — off the hook entirely. Many administrations had tried to get something changed but none had the political support to achieve this. Last year we finally did that in San Francisco, abolishing our payroll tax system and putting this to the voters – electing to change business taxes to be based on gross receipts (consistent now with most other US cities). Manufacturing was a big part of the effort; it provided a lot of horsepower to the public campaign. The measure passed it overwhelmingly. That's one example where we got really involved and that made a huge difference. Manufacturing had a real seat at the table.

Another area of policy work is industrial land use and zoning so that we at least have a measure of protection for some of industrial space in the city. That has been a huge part of our work. The Eastern Neighborhoods Plan created industrial zones. Hitherto it had been the Wild West, with some real estate developers working to convert former industrial space into live-in lofts. Later this summer, we will launch a second partnership -- a nonprofit industrial corporation. It will act like an affordable housing organization but for the provision of industrial space. We intend to start the group under our fiscal sponsorship, but spin it off as a separate organization.

Transportation management has been another area. Parking management must deal with more and more folks in a very small city. We have been very proactive in thinking about this in our work with San Francisco's transit authority – public transit out to the industrial parks in the city.

We don't have policy folks. Instead, we scan where the pain points are and deploy staff, often me, into that area and/or get some grant money from a foundation to get extra capacity in that area. We also view the Urban Manufacturing Alliance as another place that policy can sit. As we move forward to launch the nonprofit real estate organization, we are drawing on policy work from Pratt around nonprofit industrial development from Brooklyn Navy Yard and Greenpoint and using their work to inform our efforts.

If you had to highlight a few key accomplishments of SFMade's work to date that you are most proud of, what would they be?

One of the things we often talk about was our very first collaboration with a major national retailer –Banana Republic (a division of San Francisco headquartered Gap Corporation). We convinced them two years ago to have a dedicated SFMade station in their flagship store in downtown San Francisco. It symbolized the coming out of the sector. We aren't just a sector of people making funky hats – it was important for proof of concept and a number of small manufactures got lift-off by being pulled into that opportunity.

That payroll tax reform for me was another highlight. There was no doubt in my mind that having manufacturing featured so prominently both behind closed doors and in the public eye was really instrumental in making that change. Seeing the power of our sector in being an organized front was powerful to see.

Also, 30 percent of our 462 companies are younger than we are. We've made it cool again to be a manufacturer. In cities across the U.S. and Canada, we are seeing others doing similar work now. There is "Made in Copenhagen" and "Fait a Montréal" (Made in Montreal). We helped Pratt re-launch Made in New York and we are also connecting with a sister initiative, Made in Portland. We are inspired that so many folks are trying to do the same thing and we know some have been inspired by us and that's very gratifying.

How do you see this model working when adopted in rust belt cities?

I believe our work – with rust belt cities and also in places like Oakland and New Orleans – we collectively have to figure out how this renaissance is going to benefit the Buffalos and Detroits of the world. The advantage we have in San Francisco includes having a relatively affluent consumer base – which allows a company to launch a new product and guarantee its first market will be local – combined with a city brand that has power, whether that product is on a shelf in

San Francisco, in New York, or in Tokyo. That is not going to apply as easily in a place like my hometown of Buffalo. That said, I do think there are some commonalities.

One principle is to dig deeply and have one organization or one initiative of organizations where there is one-stop shopping. That is powerful and needs to be looked at in cities where there are too many organizations for a manufacturer to know where to go.

A second is the wrap-around concept. We provide help with capital, help you find space, help you hire – that has been a really effective model for us. Many weak market cities, such as Buffalo, are smaller than we are. The advantage is that, practically speaking, it is possible to have a one-stop shop. By contrast, there is a different challenge with Los Angeles or New York or Chicago to have a single organization; it just isn't reasonable in cities that large, but I think it would work in many places.

Then there are cross-region supply chains. My hypothesis and I've always thought about it in Buffalo is that there is a role to connect first-tier cities with rust belt and other cities with different competencies and cost structures. Part of the solution means that we are not just bringing everything to each city — recreating the competitive urban models of the 70s — but instead we partner with other regions in the U.S. on manufacturing we can't do. We are starting to pilot that in Chicago. For example, we have a bicycle manufacturer in San Francisco that found a frame builder in Chicago. Part of my hope with the Urban Manufacturing Alliance — which does include some "rust belt" cities like Cleveland — is that we can link supply chains across cities.

As I have thought about Buffalo as a whole, I ask myself, "What do you do about Buffalo?" Growing up here, we just kept to ourselves. The City had this marketing campaign back in the late 70's/ early 80's when the city was really struggling economically – that in spite of it all, we were "Talking Proud!" There was something perhaps "patriotic" about that saying as a Buffalonian, but it also sort of implied a "we can do it ourselves" kind of attitude. I always wondered, even in my youth, why aren't we doing more – proactively reaching out – to Toronto (90 minutes away), Pittsburgh (3 hrs) and to New York? I suspect Buffalo is not unique. There is a focus on pride of place and lifting ourselves up. That is valuable. But cities like Buffalo would do better to also link with strong market cities and vice versa.

Another key to our success has been diversity. Those rust belt cities that have created some diversity in their manufacturing base, Chicago is a good example, have historically done better cities that have developed largely around one sector and one or two large companies. Somewhere along the way, manufacturing diversity is a key, whether you're New York, Newark, Buffalo, or San Francisco.

For more information on SFMade, see their website at www.sfmade.org. *For more information on the Urban Manufacturing Alliance, see their website at* www.urbanmfg.org.