

HDTs: 5TH CITY

INDUSTRY MODULE

GLOBAL RESEARCH CENTRUM: CHICAGO

I. CONTEXTUAL LECTURE

REVISED December 6, 1978

OCTOBER 1978

Rational Objective: To lay out the arenas of appropriate industry for community economic development.

Existential Aim: Experience the wide variety of industrial possibilities for local development.

INTRODUCTION: Economic objectives:

I HOME INDUSTRY	Craftsmanship Recovery		Local Marketing		Special Skill Utilization		Low Individual Investment	
	Artifact Crafts	Expanded Hobbies	Retail Contracts	Standardized Crafts	Elders Handicraft	Homemakers Part time	Private Capital	Individual Pace
	Custom-made Goods	Traditional Arts	Outlet Suppliers	Novelty Shops	Handicapped employment	Artists Enterprise	Particular Skill	Piece Work
II SERVICES INDUSTRY	Marketable Services		Industrial Devlpmt. Ctr.		Unemployed Skills		Cooperative Funding	
	Repair & Maintenance	Construction Company	Market Research	Start-up Funding	Former job Skill	Disused Skills	Local Construction	Park Maintenance
	Equipment Rentals	Entertainmnt Fields	Advertising Operation	Industrial Entrepre- neurship	Hobby Related	Common Labor	Street Maintenance	Trash Removal
III PROCESSING INDUSTRY	Resource Utilization		Regional Market		Skill Upgrading		Extended Investment	
	Agro Products	Forest Assets	Self Distribution	Local Needs	Technical School	Apprentice Practice	Community Shares	Private Investment
	Land Resources	Recyclable Materials	Low Competition	Minimal Transport	Business Courses	On-the-job Training	Government Backing	Corporation Interest
IV ANCILLARY INDUSTRY	Employment Intensive		Guaranteed Market		Skill Training		Outside Capitalization	
	Piece Assembly	Specialized Production	Parent Industry	Potential Expansion	Upward Mobility	Semi-skilled Usage	Parent Industry	Government Grants
	Packaging Operation	Sub-Contracting	Trade Territory	Secured Contracts	Skills Upgrading	Management Training	Equity Transfer	Bank Loans

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Introduction:

I HOME INDUSTRY	Craftsmanship Recovery	Local Marketing	Special Skill Utilization	Low Individual Investment
II SERVICES INDUSTRY	Marketable Services	Industrial Devlpmt. Ctr.	Unemployed Skills	Cooperative Funding
III PROCESSING INDUSTRY	Resource Utilization	Regional Market	Skill Upgrading	Extended Investment
IV ANCILLARY INDUSTRY	Employment Intensive	Guaranteed Market	Skill Training	Outside Capitalization

II. FIELD SEMINAR
TACTICAL PLOT

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INDUSTRY TACTICS:	INDUSTRY PROGRAMS				
	I	Craftsmanship Recovery	Local Marketing	Special Skill Utilization	Low Individual Investment
	HOME INDUSTRY				
	II	Marketable Services	Industrial Devlpmt Center	Unemployed Skills	Cooperative Funding
	III	Resource Utilization	Regional Market	Skill Upgrading	Extended Investment
	IV	Employment Intensive	Guaranteed Market	Skill Training	Outside Capitalization
	ANCILLARY INDUSTRY				

- 3 Building Materials
- 4 Repair Equipment
- 6 Finance Clinic
- 10 Local Investment
- 12 Loan Fund
- 15 Development Capital
- 18 Planning Consultations
- 25 Skills Bank
- 28 Labor Recruitment
- 33 Union Commitments
- 38 On-Job Training
- 131 Automotive Center
- 133 Flea Market
- 136 Assembly Plant (electronics)
- 138 Development Corporation
- 139 Factory Facility (manufac-
turing operation)
- 140 Construction Company
- 141 Sales Promotion
- 142 Local Advertising
- 143 Marketing System

II. FIELD SEMINAR

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Rational Objective: To demonstrate the use of the industry programs in a particular community through the document tactics.

Existential Aim: To experience the impact of a community's use of tactics to implement a new turn in its economy.

INTRODUCTION: Reflection on the contextual lecture: (1) What do you remember from the lecture? (2) What are examples of the various types of industry from your own community?

TACTICAL REVIEW

1. Pass out 5th City documents and walk through the charts:
 - Vision: What do you notice as the vision of 5th Citizens, especially in regard to industry? What would be some of your hopes and dreams for this community? For your own community?
 - Contradictions: What do you notice is blocking this community in the arena of industry?
 - Proposals: What are the industry proposals here? What are the advantages of these strategies in 5th City? In your community?
 - Tactics: Ask objective questions on the chart (How many arenas, how many paratactics and names, how many tactics related to industry).
2. Pass out industry tactics plotting sheet with 4x4; divide room into four parts, each sub-group taking a fourth of the subtactics and plotting them on the program 4x4. Representatives from each group put plot from their group on the board. Add other industries done since the consult.
3. Reflect on the board plot: What strikes you about the plot? Where has 5th City put its emphasis in terms of industrial development? Where are tactics missing? Why? What contradictions are handled by these tactics? How do you suspect the vision of local residents is realized through these tactics? What does this plot tell us about the next moves in 5th City?
4. Pass out list of potential industries for 5th City and briefly discuss it.

TOUR

1. Go first to the Industry Center and observe the industries operating there: Cube Cor furniture modules, alarm systems installation, window insulation assembly, body shop and radio/tv repair shop. Check list of potential industries to see what other industries could locate there or as part of an expansion of the Industry Center.
2. Go to the projected site of the automotive Center and vision possible components that could operate there. 5th Citizen guide tells story of automotive center development progress.
3. Observe the 5th City Construction Co. at work on one of its sites and discuss with Mr. Glover the work of the company and its future plans.
4. During the tour observe other potential industrial sites for expanding with new industry.

REFLECTIONS:

1. Conversation on impressions of 5th City industry and on what the next great leap in industrial development must be.
2. Discuss what is standing in the way of this leap and how to move.
3. What did you discover about doing local community industry?

III. TECHNICAL ENCOUNTER

REVISED December 6, 1978

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Rational Objective: To see how small scale industry is successfully initiated, operated financed and supported by local community.

Existential Aim: encounter a dramatic illustration of the implementation of local industry.

INTRODUCTION: Context visit to a small Illinois town with a variety of small industries. Pass out maps and introduce the trip and practices. Highlight elements of special interest on the visit.

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PREPARATION:

1. Group discussion of the key things to look for during the investigation of the town's industry.
2. Build a screen of questions in relation to industrial initiation, marketing processes, employment profile, finance and community role. Include things like the percentage of community people employed in the local industry and how it is owned and operated.
3. Divide into groups appropriate to the number of industries to visit on a rotating basis.

VISIT:

Options for the industry visit include a rural industrial town of under 1500, or an exurban mixed community about 2000, or a suburban Chicago ethnic community under 10,000. The Economic Development Commission in Chicago is a helpful source in selecting the town.

REFLECTION:

1. Return to program center for reports and reflection.
2. Discuss the impressions and outstanding features of the visit. Cover areas of finance, production, employment, marketing and community relations. Discuss current contradictions and future plans.
3. Push for the technical wisdom learned about creating and sustaining light industry in local community. Get a list of the 10 major learnings for successful industrial development.

CONCLUSION: What new insights did you get on this trip in regard to economic development? What is the human element in industrial development?

DESCRIPTION OF POTENTIAL IVY CITY INDUSTRIES (SAMPLE)

1. CUBE-COR: a plywood industry that processes raw materials into furniture used as book shelves, tables, children's chairs, stereo cabinets, etc.
 2. AUTO REPAIR: an automotive service center that has transmission repair, motor overhaul, tune-up, paint and body work, and general service and inspection readiness.
 3. PRINTSHOP EXPANSION: the expansion of the present space, capacity and sophistication, and increased employment.
 4. ELECTRONIC ASSEMBLY: suggested by a former SBA contact at a time when space was not available.
 5. SYNTHETIC OIL DISTRIBUTION: the warehousing, selling and distributing of synthetic oil. (note special folder)
 6. WAREHOUSING: for short term storage until space is filled.
 7. ALUMINUM WINDOW ASSEMBLY: receiving kits to fill orders for such companies as Washington Plate Glass. (this could include door assembly, window screens and storm windows)
 8. LAUNDROMAT: offering total laundry services, including coin operated washers and dryers, coin operated dry cleaning or "send out" dry cleaning home cleaning rentals such as carpet and upholstery cleaning equipment. A washing and folding service would also be provided.
 9. CONVENIENCE MARKET: to service the marketing and convenience needs of the community. It would contain a complete line of groceries, packaged and fresh meats, non-prescriptive drugs and cosmetics. Other conveniences such as fast foods deli, bake shop, hardware, notions, magazines, etc. would be available for purchase. It would be consumer sensitive through ongoing surveys.
 10. RECYCLING PLANT OPERATION: the collection, sorting and storage of aluminum cans, newspaper, glass and tires for distribution to local buyers.
 11. TEMPORARY WORK CORPS: a work corps of unemployed and underemployed people with diverse skills to do temporary work such as moving and transfer, refurbishing and cleaning, minor repairs, etc.
 12. BUILDING AND CONSTRUCTION COMPANY: a company of semi-skilled and skilled craftsmen who would do remodeling, renovation, roof repairs, general repairs, additions and contracting from developers for new construction. Contracts through SBA, city housing agencies, etc. would be sought.
 13. LOW TECHNOLOGY ASSEMBLY: contracts with SBA, GAS, Navy, etc.
 14. VAN AND CAR WASH: the cleaning and washing of custom vans through a special water recycling process. Contracts will be sought with government motor pools, the police department and other agencies that have fleets of vehicles. At present there appears to be no van washing facility in the northeastern section of D.C.
 15. BUSINESS AND INDUSTRY DEVELOPMENT CORPORATION: The expansion of ICCO (The Ivy City Corporation) to do broad based industrial and commercial development in Ivy City and Trinidad areas to provide skill training and up grading devices, and management training facilities and the overall coordination of the industrial complex.
- OTHER UNEXPLORED OPTIONS: (1) packaging; (2) textiles; (3) contracts secured through economic development agencies: C.U.P., GWBC, MAGGIE, ETC.

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IV. IMPLEMENTATION LECTURE

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Rational Objective: To lay out the implementary systems necessary for local industrial development.

Existential Aim: To experience new possibility through a corporate structural approach to local industrial development.

Introduction: Reiterate the aims of industrial development: (1) Income producing, (2) employment, (3) skills training, (4) self-reliance.

I PROGRAM DEVELOPMENT KEYS	Ancillary Industry		Processing Industry		Service Industry		Home Industry	
	Guaranteed Market	Potential Expansion	Simple Next step	Capital-Light	Public Contract	Unemployed Skills	Private Capital	Outlet Suppliers
	Trade Territory	Secured Contracts	Packaging	Labor Intensive	Start-up Funding	Repair & Maintenance	Family Industry	Homemakers Part-time
II PRACTICAL ACTIONAL SCHEMES	Developmental Center Campaign		Shoe-string Initiation Campaign		Comprehensive Planning Campaign		Managerial Training Campaign	
	Industrial Shed	Low Overhead	Local Market	Immediate Turnover	Products Discernment	Space lay-outs rg/Community Plan	Corporate Planning	Common Operations
	Multiple Enterprises	High Adaptability	Loaned Equipment	Simple Production	Business Option skills	Phased Development	Record Systems	Specialized Training
III GUILD TASK FORCE FUNCTION	Development Corporation		Investment Systems		Marketing Promotion		Products Refinement	
	Established Businessmen	Prospective Investors	Equity/Leverage	Loan Acquisition	Advertising Campaigns	Market Research	Increase Production	Sharpen Finishing
	Potential Laborers	Legal Form	Grant Proposals	Establish Guarantees	Contracts Procurement	Sales Events	Streamline Assembly	Improve Packaging
IV AUXILIARY SUPPORT ROLE	Technical Access		Seed money Location		External Relations		Operational Services	
	Resident Consultants	Field Trips	Parent Company	Letters of Credit	Environmental Design	Retail Outlets	Initial Book-keeping	Debt-re-tirement Monitoring
	Advisory Network	Skills Repository	Revolving Fund	Vendor Credit	Regional Plan	Special Programs	Investment Catalyzation	Guardian Help

V. RESOURCE PANEL
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Rational Objective: To acquaint participants with the various resources available to enable industrial implementation.

Existential Aim: To dispel the mystery and close the distance of public and private resources through an interchange and stories of local achievement.

INTRODUCTION: Introduction of panelists.

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PREPARATION

Moderator leads an invitational conversation with the participants:

- Who here has ever worked in a small industry?
- Who has tried to start up one? What?
- What did you encounter in the process?
- What issues would be of utmost concern to you if you were to attempt to get a small industry started in a community like this or the one you come from?
(list concerns on blackboard and circle group's most important).

SUGGESTED PANEL ARENAS:

Treasury Dept., Regnl. Comptroller
Venture Capital Firm.
EDA Regnl.- Tina Dolgopol
Commercial lending facility
Industry rep. (large/small)
Market research firm
Economic Development Commission
Uni. Chicago Business School

PANEL

Moderator calls upon the panelists to say a word about what they do and address all or part of the following questions:

- What has been the greatest contradiction you had to overcome in local industry development? How did you deal with it?
- What would a community have to do to get government funds to enable industry to start up?
- What kinds of consulting and training services are available to community industries?

GROUP-PANEL DIALOGUE

1. Moderator calls upon participants to ask questions of the panelists.
2. Moderator invites panelists to ask a question of the group.
3. Moderator asks for closing insights and comments from the group on this event.

CONCLUSION: Moderator thanks the panelists and invites further informal dialogue.

VI. PRACTICAL WORKSHOP
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Rational Objective: To teach a method of selecting the best potential industries for a community from among a large number of possibilities.

Existential Aim: To experience a way of getting hold of industrial development by focusing on a realistic picture.

INTRODUCTION: Rehearse the industrial development process (see diagram) and point out that the workshop focus is on the "focusing down" section and that market research has already been initiated. Using 5th City as the community...

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INDUSTRY BRAINSTORM

...brainstorm on board possible industries which:

1. use available raw materials.
2. do next step processing.
3. use available labor effectively.
4. service newly discovered markets.

Get list on blackboard, eg,

1. Electronic parts
2. Maintenance
3. Millwork
4. Trash recycling
5. Sewing
6. Horticultural

INDUSTRY SELECTION

Mark on chart: are reasonably sure (+), doubtful (-), or lack knowledge (o) as to:

1. available guaranteed market.
2. accessible production technology (facility, equipment, tech. exp.).
3. available personnel (management, labor, legal, accounting).
4. available raw materials.
5. distribution costs
6. capital requirements..

Aspect Indus.	Mkt.	Prod Tech	Per snl	Raw mat	Dist cost	Capital reqmts.
Electr'c	+	o	+	+	-	o
Maint.	o	+	+	+	+	o
Millwrk	+	-	-	-	-	o
Trash	+	+	+	-	o	o
Sewing	+	+	o	+	+	+
Horticul.	-	-	+	-	+	o

Group evaluate industry potential by putting marks in appropriate places on board chart.

Art form conversation on the board and pick the five most likely.

INDUSTRY ANALYSIS

Break into five groups; each group appoint a scribe; talk through the following questions and write report to the group:

1. Description: What kind of units would be produced?
2. Market: Who would buy them?
3. Price: At what price would they be sold?
4. Volume: How many would be sold in a year? Quarterly?
5. Skills: What skills would be necessary?
6. Employment: Number of employees (based on volume).
7. Equipment: Itemize equipment needs and estimate cost; list sources of funding for cash.
8. Facility: What will be the cost of the facility including space lease, telephone and utilities?

(Continued other side)

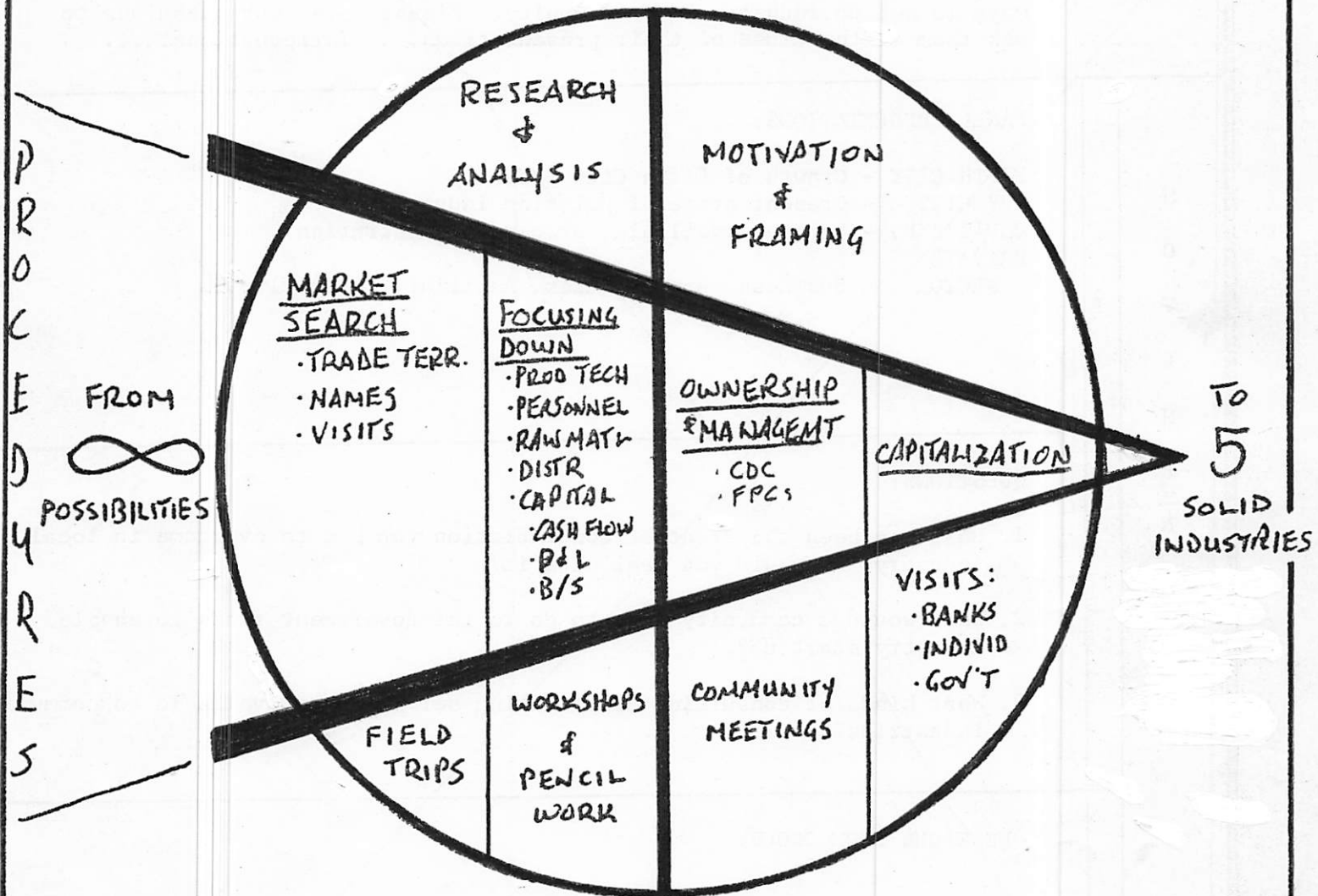
CONCLUSION: Plenary report and reflection: Insights? Learnings? Significance of this industry analysis? What further questions? What do next in industrial development?

9. Additional costs: such as legal, audit, insurance, transport, accounting and advertisement.
10. Management: Describe the management requirements.
11. Finance: Describe the method of financing.
12. Wages: per individual per month (structure wages to accelerate with business development so provision is made for adequate capitalization and protective investment).
13. Timeline: Describe the number of days and minimum tasks necessary to set up the operation.
14. Renovations: Describe renovations needed including walls and construction, plumbing, electrical, etc.
15. Space: Designate space requirements in number of square feet.
16. Spacial recommendation: Identify the location of industry in projected space or building.

THE LOCAL INDUSTRIAL DEVELOPMENT PROCESS

ICA: CHICAGO

DYNAMICS



ACTIVITIES