



Mississippi Manufacturing Demographic Analysis and InnovateMEP Market Penetration

January 2013

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Mississippi Manufacturing Market Demographics

Mississippi is home to a very diverse group of manufacturers, ranging from micro-enterprises to major manufacturing corporations such as Sanderson Farms (poultry), Huntington-Ingalls (shipbuilding) and Ashley Furniture (upholstered furniture).

A database provided by NIST-MEP on November 15, 2012 provided limited demographic data for 5,723 Mississippi enterprises meeting the basic criteria to receive MEP services. The first of these requirements is a valid Data Universal Numbering System (D-U-N-S) number, while the second is a primary or secondary North American Industrial Classification System (NAICS) code beginning with 31, 32, or 33. This database defined the population used for basic demographic analysis in this section.

Additional demographic variables were obtained (as available) from *Hoover's* online directory. Comprehensive data for 5,307 of the 5,723 companies were extracted using the list building and downloading capabilities provided by *Hoover's*. Partial data for the remaining 416 companies were obtained using individual company lookup. Eighteen of these companies were determined to be out of business and were eliminated from the population. These data were combined form the final population database of 5,705 companies.

In terms of the number of companies, this population is dominated by very small enterprises. Exhibit 1 provides a table that summarizes the number of companies, total employment, and total annual sales by employment size range. As shown in the table, 4,047 (70.9%) of the companies reported fewer than 10 employees at that location. However, these companies accounted for only 7.1% of total employment and 10.7% of total annual sales for the population.

Exhibit 1 – Mississippi manufacturers: number of companies, total employment, and total annual sales by number of employees, December 2012

Number of employees at location	Number of companies	% of companies	Total employment	% of employment	Annual sales (millions)	% of annual sales
Less than 10	4,047	70.9%	11,681	7.1%	\$ 1,642	10.7%
10-24	627	11.0%	9,189	5.6%	\$ 925	6.0%
25-49	374	6.6%	12,441	7.5%	\$ 1,585	10.3%
50-99	277	4.9%	18,119	10.9%	\$ 1,894	12.3%
100-249	254	4.5%	36,891	22.3%	\$ 6,246	40.5%
250-499	80	1.4%	26,772	16.2%	\$ 961	6.2%
500-999	35	0.6%	22,691	13.7%	\$ 929	6.0%
1,000 or more	11	0.2%	27,748	16.8%	\$ 1,222	7.9%
Totals	5,705	100.0%	165,532	100.0%	\$ 15,405	100.0%

Source: Dun & Bradstreet

While no legitimate manufacturing client would ever be excluded from receiving our services based on size, *InnovateMEP* defines our primary market as manufacturers with 10 or more employees, representing a potential customer base of 1,658 manufacturing enterprises in the state. The remainder of the demographic analysis focuses on this customer base, which accounts for some 153,851 manufacturing jobs and total annual sales of \$13.7 billion.

Exhibit 2 provides a table summarizing the number of companies, total employment, and total annual sales revenue by primary industry group for companies with 10 or more employees. Note that 194 (11.7%) of the companies reported a non-manufacturing primary NAICS code but were included in the population because they possess a secondary NAICS code beginning with 31, 32, or 33.

Exhibit 3 provides a table summarizing the number of companies, total employment, and total annual sales revenue by manufacturing industry group (3-digit NAICS code) for companies with 10 or more employees. For this purpose, companies were classified using the first (out of 20 possible) manufacturing NAICS codes (i.e., beginning with 31, 32, or 33). Exhibit 3 reveals that while traditional Mississippi manufacturing industries such as food, wood products, furniture manufacturing and fabricated metal products continue to be important parts of the manufacturing base, there is now a very significant transportation equipment sector, especially in terms of employment.

Although manufacturing establishments can be found in most of Mississippi's 82 counties, they are not evenly distributed throughout the state. Exhibit 4 provides a map showing the distribution of companies by county. Exhibit 5 shows the distribution of manufacturing employment by county. As these maps show, significant concentrations of manufacturing establishments and employment are can be found in the Jackson (central), Tupelo (northeast), and Gulf Coast (south) regions.

Several additional demographic variables were available from the database. For companies with 10 or more employees, analysis of these variables reveals that:

- 929 (79.5%) of the companies indicated that they are a “single location” company, while 138 (8.3%) indicated “headquarters”, and 586 (35.3%) identified as a “branch” location.
- 1,550 (93.5%) of the companies indicated that they are not a “subsidiary,” just 2.5% indicated that they are a subsidiary of another company.
- 1,037 (62.5%) of the companies reported a year of founding. Of these, the average reported age of the companies (in 2012) is 31.6 years. The vast majority (82.3%) of these companies were more than 10 years in age.
- 1,628 (98.2%) of the companies reported their facility size. Of these, the average reported facility size is 45,803 square feet. Just 379 (23.2%) have more than 50,000 square feet.
- Just 94 (5.7%) of the companies were identified as being exporters; 1,468 (88.5%) of the companies indicated that they do not export (this variable was not available for 96 companies).
- Just 161 (9.7%) of the companies were identified as being importers; 1401 (84.5%) indicated that they were not (this variable was not available for 96 companies).
- Just 134 (8.1%) of the companies identify as being “women owned.”
- Just 49 (3.0%) of the companies identify as being minority owned.

Exhibit 2 – Mississippi manufacturers: Number of companies, total employment, and total annual sales by primary industry classification (2-digit NAICS), companies with 10 or more employees, December 2012

Primary NAICS (2-digit) major industry group	Number of companies	% of companies	Total employment	% of employment	Annual sales (millions)	% of annual sales
11 - Agriculture, Forestry, Fishing and Hunting	14	0.8%	1,648	1.1%	\$ 2,430.4	17.7%
21 - Mining, Quarrying, and Oil and Gas Extraction	4	0.2%	103	0.1%	\$ -	0.0%
23 - Construction	40	2.4%	3,958	2.6%	\$ 501.2	3.6%
31-33 - Manufacturing	1,464	88.3%	138,646	90.1%	\$ 10,066.9	73.1%
42 - Wholesale Trade	54	3.3%	2,040	1.3%	\$ 206.9	1.5%
44-45 Retail trade	33	2.0%	1,419	0.9%	\$ 141.1	1.0%
48-49 - Transportation and Warehousing	5	0.3%	1,535	1.0%	\$ 9.3	0.1%
51 - Information	9	0.5%	1,418	0.9%	\$ 43.6	0.3%
52 - Finance and Insurance	1	0.1%	136	0.1%	\$ 0.5	0.0%
54 - Professional, Scientific, and Technical Services	6	0.4%	216	0.1%	\$ 19.9	0.1%
55 - Management of Companies and Enterprises	1	0.1%	125	0.1%	\$ 104.9	0.8%
56 - Administrative and Support	4	0.2%	132	0.1%	\$ -	0.0%
61 - Educational Services	2	0.1%	65	0.0%	\$ 2.9	0.0%
62 - Health Care and Social Assistance	6	0.4%	452	0.3%	\$ 11.1	0.1%
71 - Arts, Entertainment, and Recreation	1	0.1%	10	0.0%	\$ 0.2	0.0%
72 - Accommodation and Food Services	1	0.1%	40	0.0%	\$ 1.3	0.0%
81 - Other Services (except Public Administration)	13	0.8%	1,908	1.2%	\$ 222.4	1.6%
Totals	1,658	100.0%	153,851	100.0%	\$ 13,762.8	100.0%

Source: Dun & Bradstreet

Exhibit 3 – Mississippi manufacturers: Number of companies, total employment, and total annual sales by manufacturing industry classification (first manufacturing NAICS), companies with 10 or more employees, December 2012

First manufacturing NAICS (3-digit) industry group	Number of companies	% of companies	Total employment	% of employment	Annual sales (millions)	% of annual sales
311 - Food Manufacturing	140	8.4%	20,114	13.1%	\$ 4,355.3	31.6%
312 - Beverage and Tobacco Product Manufacturing	27	1.6%	1,554	1.0%	\$ 141.4	1.0%
313 - Textile Mills	15	0.9%	1,002	0.7%	\$ 22.3	0.2%
314 - Textile Product Mills	26	1.6%	1,245	0.8%	\$ 47.3	0.3%
315 - Apparel Manufacturing	39	2.4%	5,716	3.7%	\$ 451.7	3.3%
316 - Leather and Allied Product Manufacturing	2	0.1%	27	0.0%	\$ -	0.0%
321 - Wood Product Manufacturing	164	9.9%	9,903	6.4%	\$ 561.0	4.1%
322 - Paper Manufacturing	58	3.5%	5,353	3.5%	\$ 193.1	1.4%
323 - Printing and Related Support Activities	68	4.1%	3,173	2.1%	\$ 177.8	1.3%
324 - Petroleum and Coal Products Manufacturing	34	2.1%	3,724	2.4%	\$ 857.5	6.2%
325 - Chemical Manufacturing	105	6.3%	7,079	4.6%	\$ 738.6	5.4%
326 - Plastics and Rubber Products Manufacturing	88	5.3%	7,037	4.6%	\$ 438.8	3.2%
327 - Nonmetallic Mineral Product Manufacturing	115	6.9%	4,785	3.1%	\$ 335.4	2.4%
331 - Primary Metal Manufacturing	42	2.5%	2,681	1.7%	\$ 163.5	1.2%
332 - Fabricated Metal Product Manufacturing	201	12.1%	10,091	6.6%	\$ 989.6	7.2%
333 - Machinery Manufacturing	149	9.0%	12,251	8.0%	\$ 666.7	4.8%
334 - Computer and Electronic Product Manufacturing	55	3.3%	3,222	2.1%	\$ 168.9	1.2%
335 - Electrical Equipment, Appliance, and Component Mfg.	50	3.0%	11,156	7.3%	\$ 698.4	5.1%
336 - Transportation Equipment Manufacturing	92	5.5%	25,420	16.5%	\$ 1,100.6	8.0%
337 - Furniture and Related Product Manufacturing	111	6.7%	13,858	9.0%	\$ 1,191.1	8.7%
339 - Miscellaneous Manufacturing	77	4.6%	4,460	2.9%	\$ 463.8	3.4%
Totals	1,658	100.0%	153,851	100.0%	\$ 13,762.8	100.0%

Source: Dun & Bradstreet

Regional Analysis

Blueprint Mississippi established eight distinct economic development regions (typically referred to as “Momentum regions”) in the state, with specific plans and goals for each based on existing conditions within the region, current trends, and the strengths of the various regions. Exhibit 6 provides a map identifying these regions and provides number of manufacturing companies with 10 or more employees and corresponding total employment by region. Exhibit 7 provides this data in tabular form, along with annual sales totals by region.

Exhibit 6 - Number of manufacturing establishments and total employment by Momentum Mississippi region (Blueprint Mississippi), December 2012

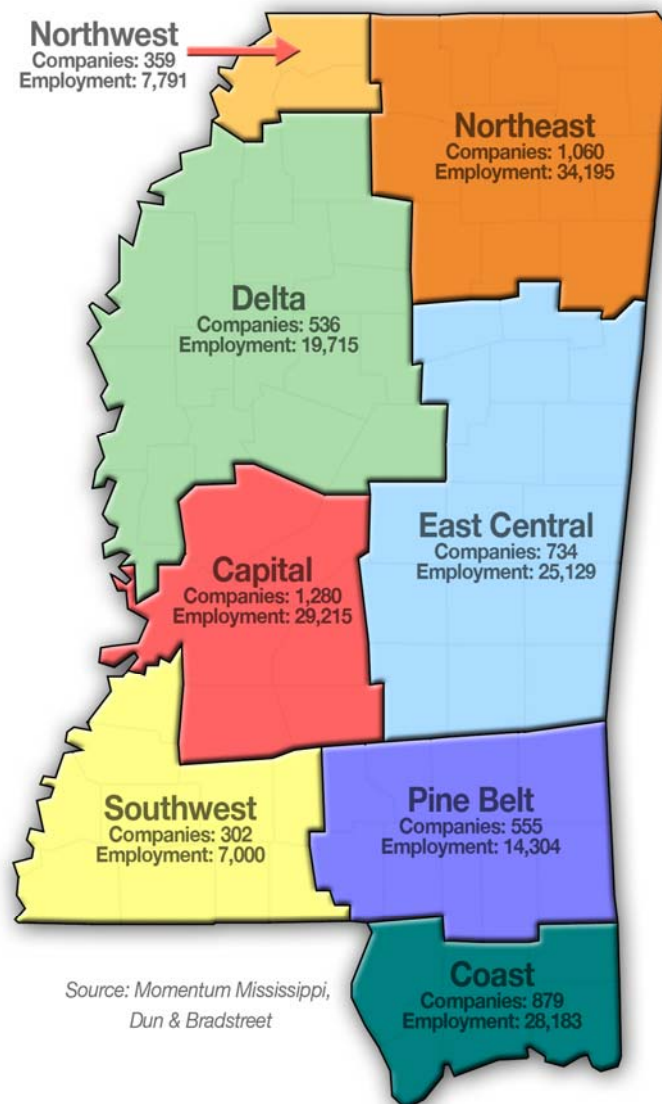


Exhibit 7 – Mississippi manufacturers: Number of companies, total employment, and annual sales by Momentum region, companies with 10 or more employees, December 2012

Momentum region	Number of companies	% of companies	Total employment	% of employment	Annual sales (millions)	% of annual sales
Northwest	96	5.8%	7,080	4.6%	\$ 221.7	1.6%
Northeast	387	23.3%	32,299	21.0%	\$ 2,218.1	16.1%
Delta	182	11.0%	18,699	12.2%	\$ 1,350.0	9.8%
East Central	240	14.5%	23,620	15.4%	\$ 2,495.8	18.1%
Capital	336	20.3%	26,515	17.2%	\$ 2,174.3	15.8%
Southwest	84	5.1%	6,361	4.1%	\$ 189.7	1.4%
Pine Belt	145	8.7%	13,093	8.5%	\$ 3,478.7	25.3%
Coast	188	11.3%	26,184	17.0%	\$ 1,634.5	11.9%
Totals	1,658	100.0%	153,851	100.0%	\$ 13,762.8	100.0%

Source: Dun & Bradstreet

Exhibit 8 provides a breakdown of employment by Momentum region and manufacturing industry segment. Key industries (those with significant employment concentrations) for each region are highlighted in red. *InnovateMEP* tailors events and other activities in each region to the region’s manufacturer base. Examination of Exhibit 8 reveals the following:

- The *Northeast* region, which has the largest total employment among the regions, is dominated by the furniture and related products industry, but also has significant employment in machinery, plastic and rubber products, wood products, and transportation equipment. This last category is expected to grow dramatically in the next few years, as the new Toyota plant located near Tupelo comes up to full production and continues to develop its local supplier base. There are also emerging aerospace and steel clusters located in this region.
- The *Capital* region, including the capital city of Jackson, hosts perhaps the most diverse manufacturing base. This region is very strong in a wide range of manufacturing industries including transportation equipment (Nissan and many of its Tier 1 suppliers), food processing, plastics and rubber products, machinery and equipment, wood products and paper.
- Manufacturing employment in the *Coast* region is dominated by transportation equipment, primarily ship-building. There are also significant concentrations of employees in petroleum refining, chemicals, and fabricated metal products.
- The *East Central* region includes the majority of the state’s poultry industry and much of what is left of the state’s apparel industry. Other key industries in the region include wood products, machinery, and transportation equipment (primarily automotive suppliers).
- The *Delta* region is dominated by appliance manufacturing (including Viking Range) and food processing. There are also significant employment numbers in machinery and fabricated metal products.
- The *Pine Belt* region is dominated by food processing. Other manufacturing industries with significant employment in the region include electrical equipment, wood products, and machinery.

Exhibit 8 - Total manufacturing employment by Momentum region and manufacturing industry segment (based on first appearing 3-digit manufacturing NAICS), companies with 10 or more employees, December 2012

First manufacturing NAICS (3-digit) industry group	Northeast	Capital	Coast	East Central	Delta	Pine Belt	Northwest	Southwest
311 - Food Manufacturing	1,055	3,899	836	4,736	2,786	3,983	687	2,132
312 - Beverage and Tobacco Product Manufacturing	348	449	243	150	103	101	-	160
313 - Textile Mills	382	110	-	340	-	-	68	102
314 - Textile Product Mills	430	10	24	90	332	300	11	48
315 - Apparel Manufacturing	840	445	80	2,932	367	215	691	146
316 - Leather and Allied Product Manufacturing	15	-	12	-	-	-	-	-
321 - Wood Product Manufacturing	1,861	1,520	695	2,067	579	1,462	340	1,379
322 - Paper Manufacturing	1,509	1,417	187	352	699	880	134	175
323 - Printing and Related Support Activities	651	799	358	232	391	78	543	121
324 - Petroleum and Coal Products Manufacturing	162	659	2,480	65	153	100	10	95
325 - Chemical Manufacturing	807	1,754	1,530	1,265	360	354	829	180
326 - Plastics and Rubber Products Manufacturing	2,906	2,259	300	496	571	145	80	280
327 - Nonmetallic Mineral Product Manufacturing	609	1,059	776	655	881	391	326	88
331 - Primary Metal Manufacturing	891	855	51	403	104	97	280	-
332 - Fabricated Metal Product Manufacturing	1,322	1,845	1,424	1,650	1,709	840	886	415
333 - Machinery Manufacturing	3,169	2,237	363	2,035	2,098	1,247	946	156
334 - Computer and Electronic Product Manufacturing	332	710	466	1,356	202	140	-	16
335 - Electrical Equipment, Appliance, and Component Manufa	1,059	2,083	35	489	5,058	1,843	589	-
336 - Transportation Equipment Manufacturing	1,634	3,383	15,683	2,022	1,273	361	221	843
337 - Furniture and Related Product Manufacturing	11,332	483	243	770	462	360	208	-
339 - Miscellaneous Manufacturing	985	539	398	1,515	571	196	231	25
Totals	32,299	26,515	26,184	23,620	18,699	13,093	7,080	6,361
Source: Dun & Bradstreet								

- The *Northwest* region has a small but diverse manufacturing base. Not noted in these numbers is that this region is emerging as a key logistics center due to its close proximity to Memphis.
- The *Southwest* region has a relatively small manufacturing base that is dominated by food manufacturing and wood products.

InnovateMEP Market penetration

Exhibit 9 provides a summary of the clients served (unduplicated) and surveyed by *InnovateMEP* over the last three years (12 quarters) by size range based on number of employees. A total of 137 manufacturing clients received at least one MEP project over this period. Of these, 10 clients (7.3%) had less than 10 employees. The remaining 127 companies represent an approximate market penetration of the *InnovateMEP* primary market (Mississippi manufacturers with 10 or more employees) of 8.3% (127 of 1,658).

Exhibit 9 – Number of companies receiving *InnovateMEP* projects and total employment represented, by number of employees, 2009-2012 (12 quarters)

Number of employees at location	Number of companies	% of companies	Total employment
Less than 10	10	7.3%	46
10-24	17	12.4%	290
24-49	13	9.5%	450
50-99	33	24.1%	2,231
100-249	29	21.2%	4,283
250-499	21	15.3%	7,171
500-999	11	8.0%	7,207
1,000 or more	3	2.2%	14,400
Totals	137	100.0%	36,078

Source: InnovateMEP internal records