



# VIEWS & VISIONS

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## Turning Our Resources into Prosperity

Joe C. Eddy, President and CEO  
Eagle Manufacturing Company

Joe C. Eddy is President and CEO of Eagle Manufacturing Company. He is immediate past Chair of the Board of the West Virginia Manufacturers Association and serves on its executive, M2M conference, finance and education committees, as well as Chair of the WWMA Educational Fund.

Mr. Eddy also serves as Vice President of the Foundation Board at West Virginia Northern Community College, on the advisory board at the McDonough Center for Leadership and Business at Marietta College, on the board of the Regional Economic Development Partnership, and founded the Joseph and Debra Eddy Foundation and the Joseph Eddy Technology Fund at West Virginia Northern Community College.

He was recognized in 2013 by *The State Journal's* "Who's Who in West Virginia Business" and his company was ranked fifth nationally in *Chief Executive Magazine's* 2012 Best Private Companies for Leaders.

Prior to joining Eagle in 1996, Mr. Eddy held engineering, finance and management positions at Amoco Production Company in Andrews, Texas; Gulf Oil Corp in Bakersfield, California; Spectrum Resources in Marietta, Ohio; Tazwell Corp in Jackson Hole, Wyoming; and two of his own startup companies, Oilfield Services Corp and Enhanced Technologies.

Mr. Eddy holds a bachelor of science degree in petroleum engineering from Marietta College.

At factories across West Virginia, manufacturers are producing the highest-quality products with the most productive workers in the world. So, why aren't more of these products being exported to other countries?

In recent years, there have been dramatic shifts in the economics of manufacturing, both in the United States and abroad. Changes in wages, productivity, supply-chain costs, energy costs, currency values and other aspects of manufacturing have undermined the competitive advantage of emerging economies around the world. For example, after many years of modernizing, China now has increasing labor, raw materials, land and utility costs, with its cost advantage declining from nearly 30 percent to only a five-percent advantage over the United States today. This has created a re-shoring to the



*Ricky Frey packing Eagle's well-known safety cans.*



United States and great new market opportunity for favorably priced, high-quality U.S. and West Virginia products to be sold worldwide.

Many major industries are shifting their manufacturing to reflect these changing dynamics. For example, for many years, no chemical companies were planning major investments in the United States, yet now they all are. This change has virtually eliminated any advantage our competitors achieved in moving operations to "low-cost countries" during the past 10 years. This has created tremendous opportunity for U.S. and West Virginia manufactured goods to be exported around the world.

During the past 120 years, Eagle Manufacturing Company has evolved from a manufacturer of consumer-oriented glass products into the leading manufacturer of industrial safety and environmental compliance products in the United States. During this time, Eagle has been exporting products to select markets in North America, Europe and Southeast Asia. Now, with more than 1,000 products for *Protecting People, Property and the Planet*, Eagle is focused on growing its iconic brand outside of the United States. In fact, our strategic plan calls for increasing our export sales two-fold by the end of 2016. We are on track for a 40 percent increase this year, and expect 25 percent in 2015 and 15 percent growth in 2016, lifting export sales from seven percent to nearly 11 percent of total sales.

Industrial safety and environmental regulations similar to those drafted by OSHA, EPA and other agencies in the United States are now

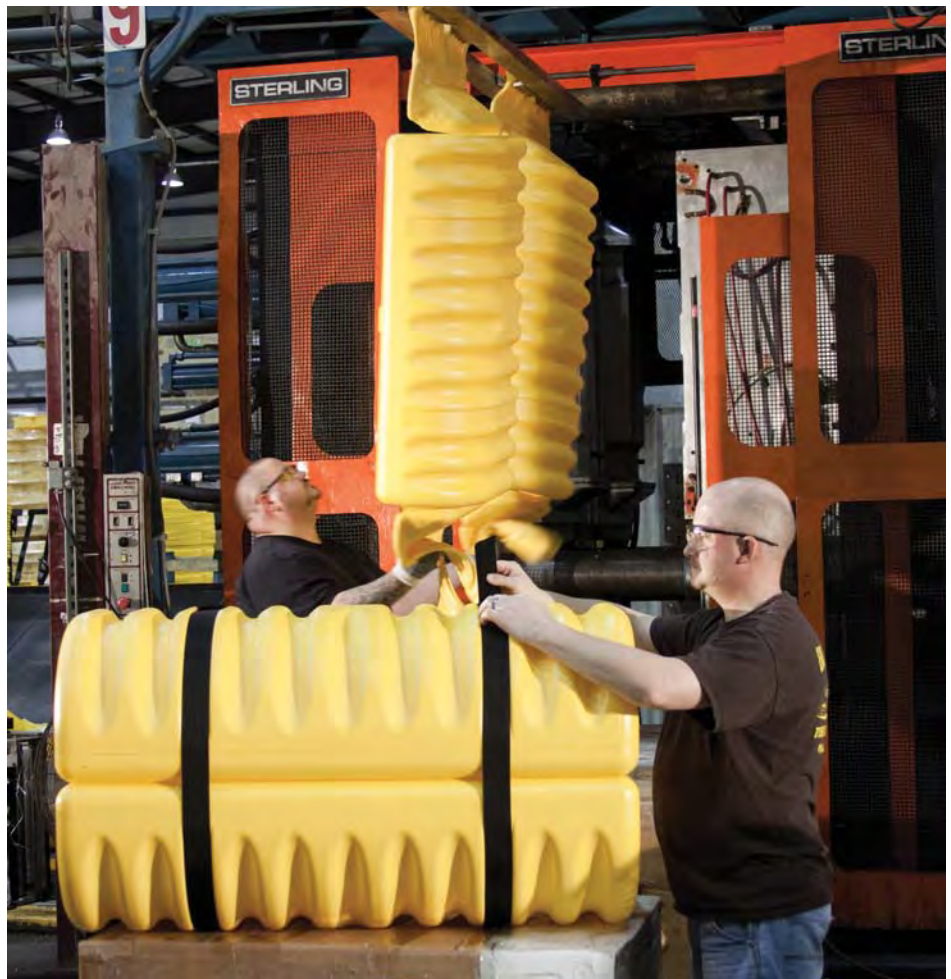
becoming more common throughout the world, creating a tremendous opportunity to supply compliance products. To take advantage of this opportunity, Eagle has spent the past five years investing heavily in product and process innovation, improved productivity and increased capacity to meet this growing demand.

In addition to product and production enhancements, Eagle also has created a business development position focused on product line and export market expansion to support our growth objectives. To date, Eagle has found immediate success through participation in industry-specific international trade fairs and through working with the West Virginia Development Office to participate in trade missions with other West Virginia manufacturers. Successful new distributor relationships have been established in Australia, Canada, China, Israel, Mexico, Nigeria, Poland, Russia, the United Kingdom and Vietnam.

Steve Roberts, our Business Development Manager, notes “the global market is hungry for another competitor in this category of products.” Similar opportunities may exist for other West Virginia companies that are willing to explore their options.

The “Made in USA” label is well regarded across the world, yet many manufacturers don’t capitalize on this benefit. Cindy Wilson, our European Accounts Manager, notes “our European customers demand quality products at a good price and delivered on time. Our ability to consistently meet these demands is why they continue to purchase our products.” The quality and nature of U.S. products drive this demand for the “Made in USA” label.

Many may be surprised to learn that 95 percent of the world’s consumers and 75 percent of the world’s purchasing power exist beyond U.S. borders, yet less than 15 percent of U.S. manufacturers export their products. With an investment of research, resources and a commitment to learning and building an export business infrastructure, any company with exportable products can achieve success.



*Eagle employees Charlie McAllister, left, and Gene Lyke make poly column protectors on a blow-molding system.*

For the past three years, manufacturing activity has been growing more rapidly than the overall U.S. economic gross domestic product. This is the first time this has happened in more than 50 years. Raw materials, natural gas and electric costs in the United States are now among the lowest in the world, creating a competitive advantage for energy-intensive manufacturers. Also, the United States is now the largest producer of both natural gas and oil in the world, affording manufacturing stability and security.

Along with raw material and energy-cost advantages, technological innovation, rapid global communication, renewed focus on education and a well-established transportation infrastructure make the United States, and especially West Virginia, an ideal location to return to prominence as a global manufacturing hub. These advantages clearly make a

difference, as exports continue to rise to record levels, with U.S. exports growing seven times faster than the U.S. GDP since 2005.

To maintain a competitive advantage and continue to grow manufacturing and exports, U.S. manufacturers must remain engaged at both the state and federal levels. Critical topics include: a comprehensive energy policy; competitive corporate tax rates; a stable workforce; responsible regulations; and reduced health care costs.

In West Virginia, we have the additional obligation to optimize the contribution our natural resources provide to our local economy. By helping to create a state that provides a competitive business environment and a capable workforce, we have the ability to attract local investments to turn our resources into prosperity for West Virginia as well. ▽