

**NADO Conference
Las Vegas, October 2012**

“Regional Strategies: Silo Busting— Re-thinking the Purpose and Potential of the CEDS”

The Future of CEDS

By:

Chris Engle, Vice President
Avalanche Consulting, Inc.
Austin, Texas



www.AvalancheConsulting.com

About Avalanche Consulting

We help communities create jobs and investment.

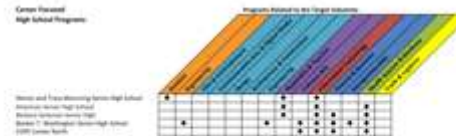
Avalanche is the nation's go-to strategist for workforce and economic development organizations.

ECONOMIC DEVELOPMENT



- Economic plans
- Target industry analysis
- Marketing plans
- Web strategies

WORKFORCE DEVELOPMENT



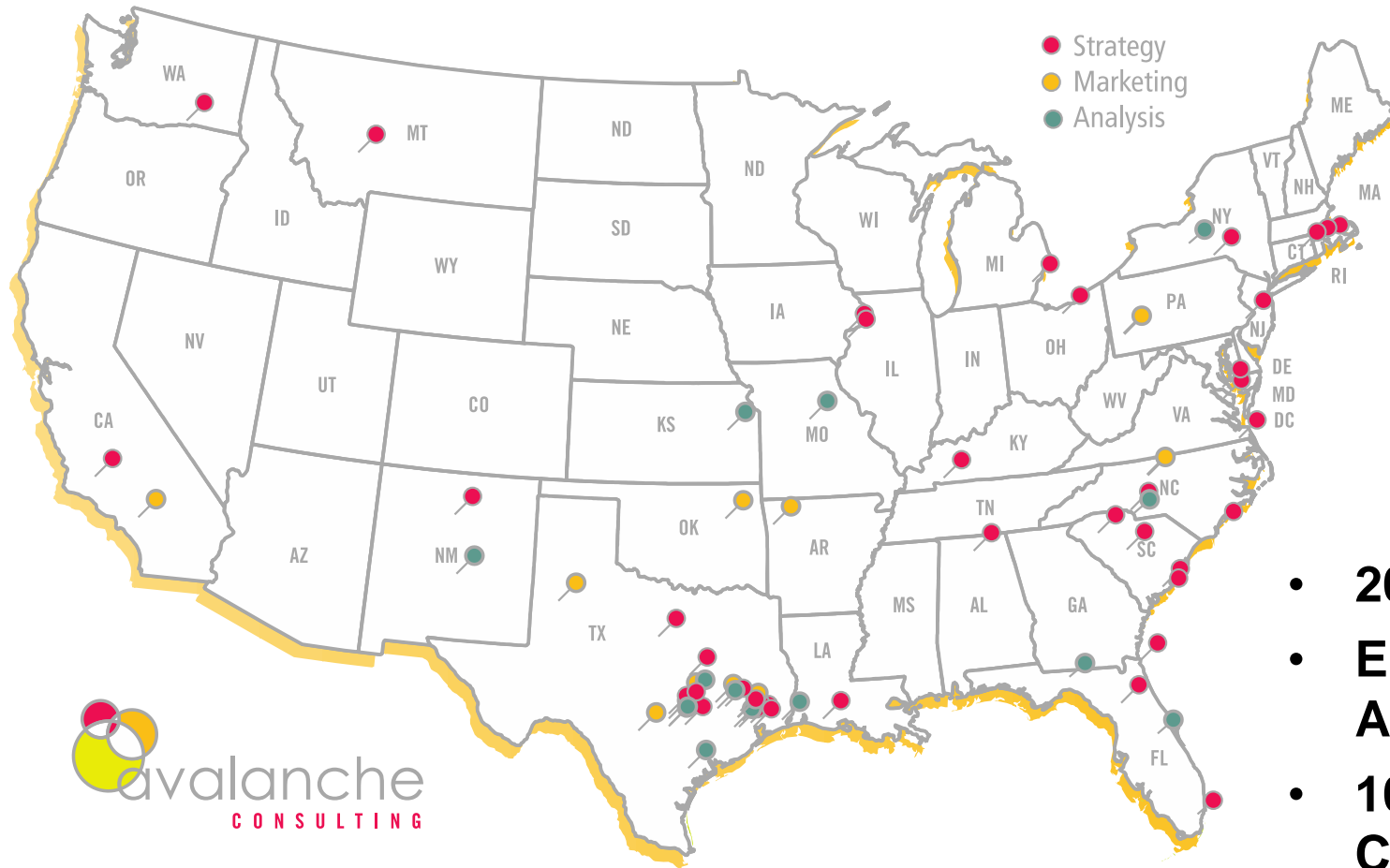
- Educational asset analysis
- Supply-demand gap analysis
- Workforce alignment strategies

RESEARCH TOOLS



- Dashboards
- Chart embedding
- Economic and demographic data
- Forecasts

Our Experience



- **20+ U.S. States**
- **Europe, Lat. Am.**
- **100+ Communities**
- **43 million people served**

Discussion for Today

- ✓ What EDA, NADO, and others are saying
- ✓ What a CEDS typically includes
- ✓ Recent examples in western KY, Charleston, and Charlotte
- ✓ New Online Tools
- ✓ The Future of CEDS

EDA's New Thoughts on CEDS

- ✓ Summary of economic conditions
- ✓ In-depth SWOT
- ✓ Strategies and implementation plan that is aligned with applicable state/local plans
- ✓ Performance measures

NADO's Standards of CEDS Excellence

1. Targeted strategies based on competitive advantages
2. Collaborative framework
3. Modern data tools
4. Visioning process with priorities, but not random infrastructure projects listed
5. Collaboration across EDD boundaries
6. Communicate in a compelling style
7. Engage public, private, non-profit, and educational sectors along with general public

New Funders for CEDS

EDA

Dept of Labor



State Commerce Departments

(rollup of regional CEDS in NC)



HUD's Sustainable Communities Initiative



(Charlotte Region - \$5M, 3 years)

HUD CBDG ?

Uniform Framework for a Statewide CEDS Rollup



Build a Regional Competitive Advantage and Leverage the Marketplace

It is easier to navigate downstream than row upstream, so we should build on our strengths and work with the market, not against it.



Establish & Maintain A Robust Regional Infrastructure

To be successful, we need to make sure investments in capital assets will support our communities, now and in the future



Create Revitalized & Vibrant Communities

Just as a chain is only as strong as its weakest link, great regions make sure that all of their cities, towns, suburbs and rural areas are positioned to succeed.



Develop Healthy and Innovative People

In an increasingly competitive and uncertain world, training, developing and educating our citizens will be critically important

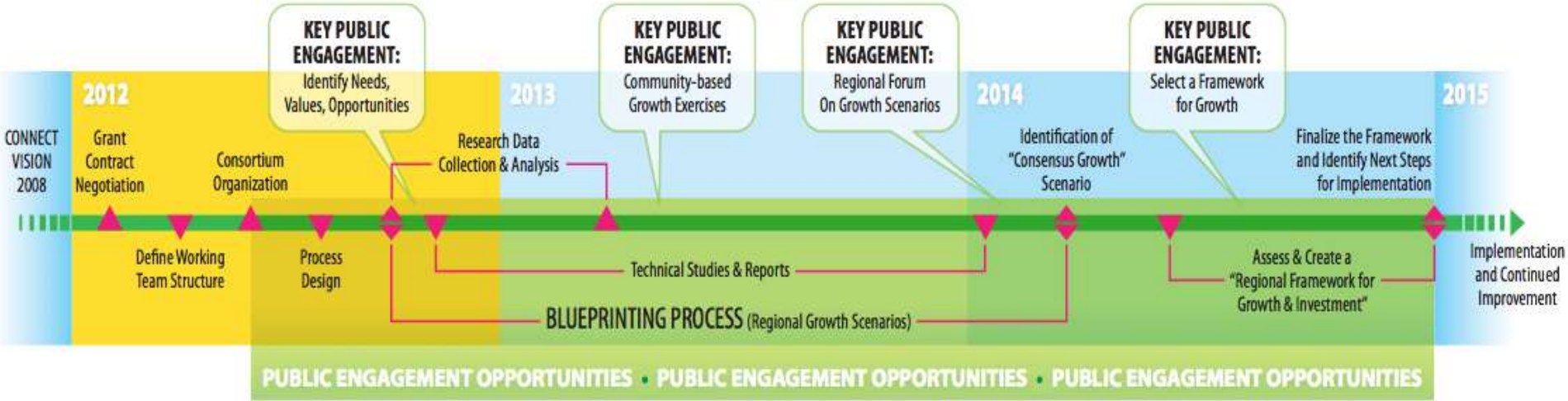


Vibrant Communities - Robust Region

14-county
Greater
Charlotte
Region

PARTICIPATION, LEADERSHIP and CHAMPIONS
Elected Officials, Regional Stakeholders and Residents: 14-County Region,
North Carolina & South Carolina

CONNECT CONSORTIUM
A broad-based group of more than 100 governments, businesses, non-profits,
and educational institutions responsible for guiding the process.



Jobs/Economic Development Land Use Transportation Housing Energy Public Health Natural Resources

CONNECT work groups representing the seven program areas above will provide technical support and guidance to the process of developing a regional growth framework.



**What does a typical CEDS
include today?**

A Typical CEDS Process

Economic &
Demographic
Assessment

Asset Inventory / SWOT

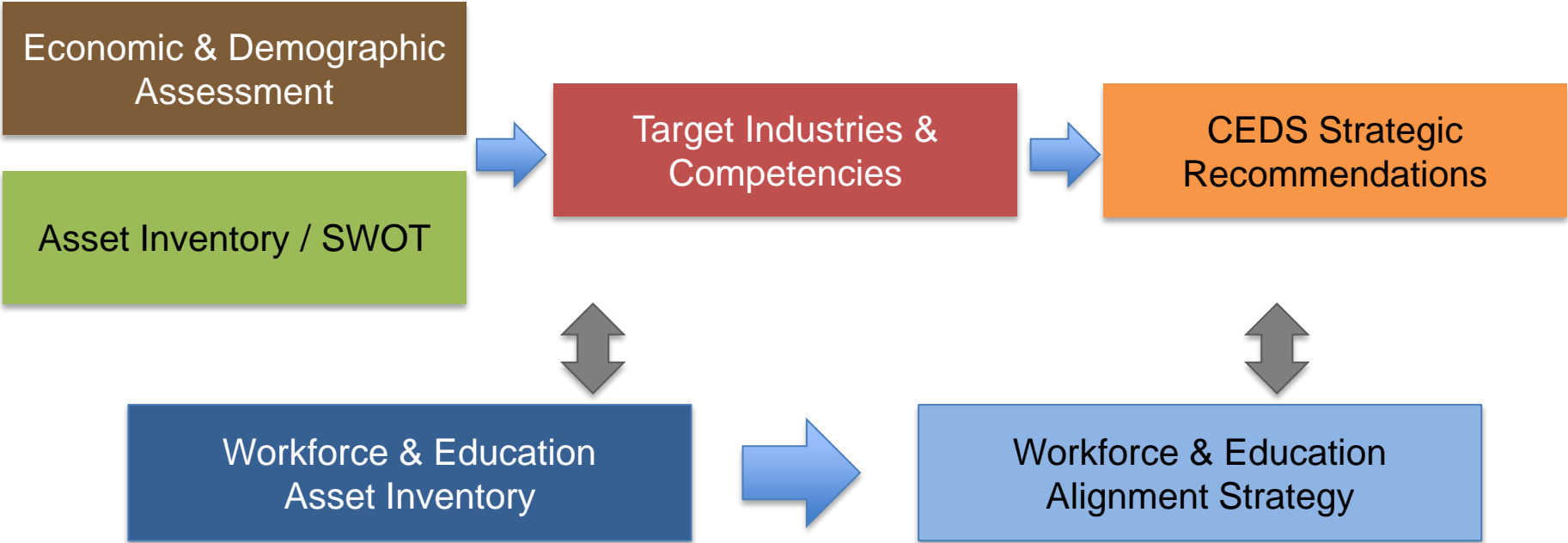


Target Industries &
Competencies



CEDS Strategic
Recommendations

Now We Include Workforce Assessments



Data Tool Add-on for W. KY

(Pennyriple Area
Development District)

PENNYRILE

HEADLIGHT

Your one-stop data source on the Pennyriple, KY economy

Home Industry Wages & Income Workforce Firms Demographics Education About Data Sources Help & Tutorial

Welcome to Pennyriple Headlight

...Your source for economic, demographic, and workforce data on the Pennyriple region.

Select from any of the datasets above:

- Industry Employment
- Wages & Income Levels
- Workforce & Unemployment Rates
- Firm Count By Industry and Size
- Demographics (Births/Deaths/Migration)
- College Graduates by Degree

Headlight gives you, the user, the full capability to generate reports based on the criteria **you** select.



PennyripleHeadlight.com was developed as part of a strategic planning process for the [Pennyriple Area Development District \(PADD\)](#) and the [West Kentucky Workforce Investment Board \(WKWIB\)](#) completed in October, 2010.

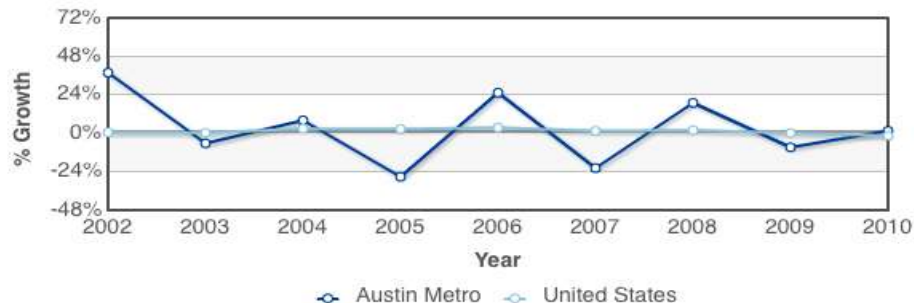
The portal was designed to provide up-to-date information on the Pennyriple economy and workforce. The Pennyriple region consists of nine counties located in the western area of Kentucky: Caldwell, Christian, Crittenden, Hopkins, Livingston, Lyon, Muhlenberg, Todd and Trigg.



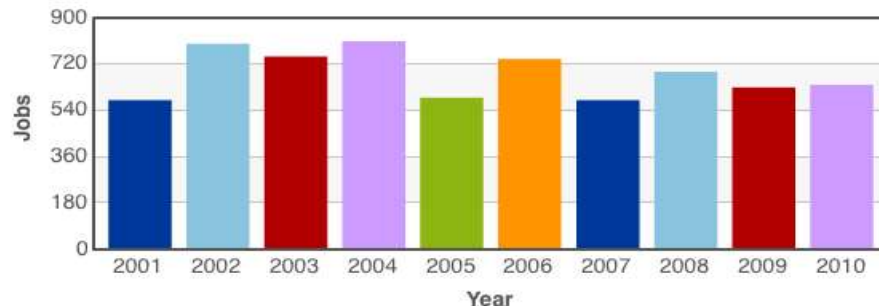
Employment By Occupation

Geography:
 Start Year:
 End Year:
 Occupation:

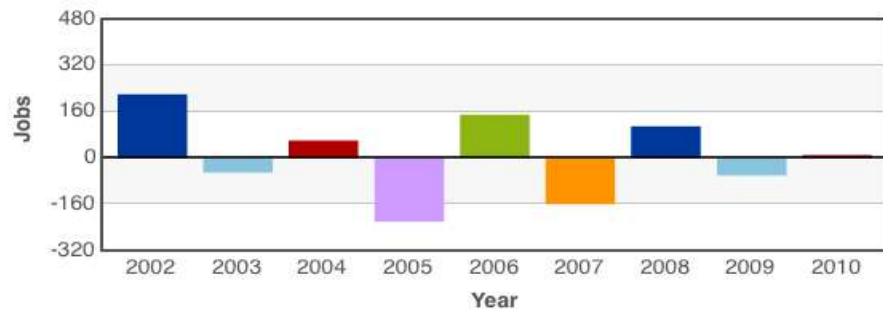
Employment Growth, Medical and clinical laboratory technologists, 2002-2010
Austin Metro vs. U.S.



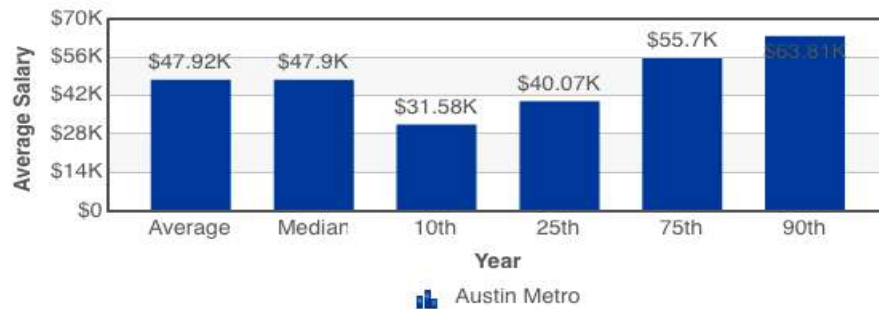
Employment, Medical and clinical laboratory technologists, 2001-2010
Austin Metro



Net New Employment, Medical and clinical laboratory technologists, 2001-2010
Austin Metro



Wage Distribution, Medical and clinical laboratory technologists, 2010
Austin Metro



Change chart size:

Watch a video on related occupations:

Competitive Assessment

Industry Performance

The largest three industries (as defined by the Bureau of Labor Statistics) are:

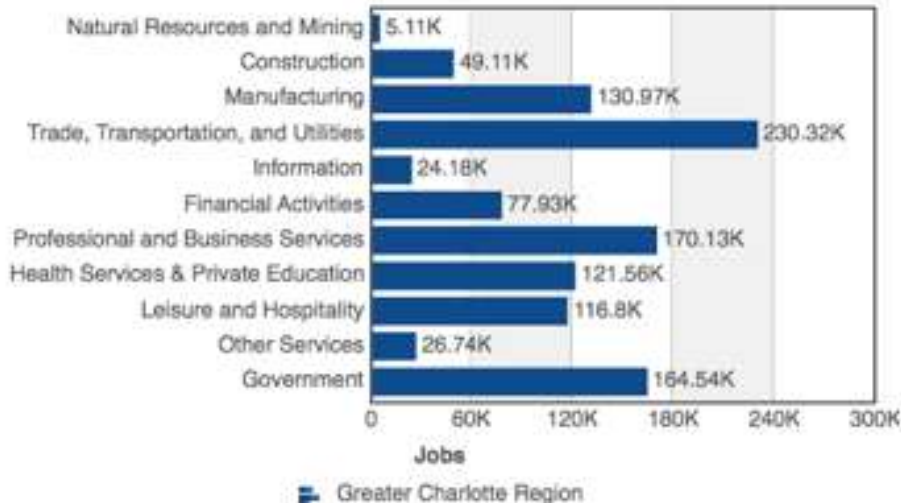
- Trade, Transportation, and Utilities; 230,000 jobs
- Professional and Business Services; 170,000 jobs
- Government; 165,000 jobs

Over the past five years, four industries created net new jobs in the region:

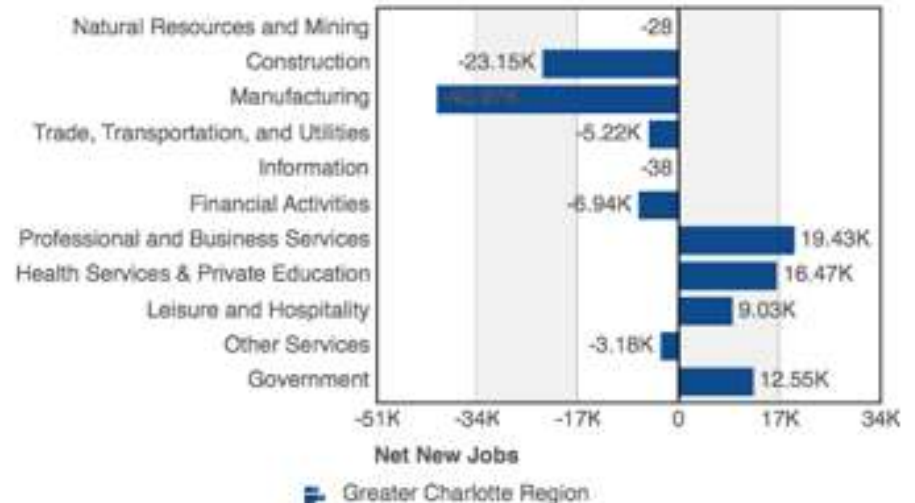
- Professional and Business Services; 19,400 new jobs
- Health Services & Private Education; 16,500 new jobs
- Government; 12,600 new jobs
- Leisure and Hospitality; 9,030 new jobs

More jobs were lost in the Manufacturing industry (41,000) than all other industries combined, despite the significant downturn in the region's financial and housing industries.

Employment by Industry, 2011
Greater Charlotte Region



New Jobs, 2006-2011
Greater Charlotte Region



Competitive Assessment and Metrics in Action: Charleston Scorecard

<http://www.crda.org/economicsscorecard/>



REPORT OVERVIEW

BUILDING REGIONAL PROSPERITY
Five years ago, our three-county region adopted a cluster-based economic development strategy designed to improve wages and fuel job growth in an economy increasingly defined by knowledge, innovation and global competition.

Now it's time to gauge our region's economic progress, and to see how we're doing compared to other, similar metro areas. Because of a time lag in data availability, this report captures data from the pre-recession environment. But, since the other metro areas also have been impacted by the recession, the comparative trends should still hold true.

WHAT DEFINES ECONOMIC PROSPERITY?
A successful economic development effort leads to strong job growth, improved wages and incomes, and an overall increase in a region's economic output. These outcomes are linked to four key competitive inputs, which are each considered in this report.

WHAT IS AN INDEX?
This scorecard combines 25 indicators of regional economic competitiveness. Each indicator is divided by the value for the United States and multiplied by 100. An adjusted value of 110 means the metric is performing 10% above the national average, and an adjusted value of 90 means the metric is performing 10% below national average.

MODEL FOR ECONOMIC PROSPERITY

- ECONOMIC DEVELOPMENT OUTCOME:** Economic Output, Employment, Earnings & Income
- ENVIRONMENT FOR DEVELOPMENT:** Industrial Composition, Physical Infrastructure, Social, Cultural & Institutional Environment
- COMPETITIVENESS INPUTS:** Human Capital, Innovative Activity, Entrepreneurial Environment, Quality of Place

OUR COMPARATIVE LOCATIONS
A task force of business and community leaders selected six similar metro areas and two leading metro areas for this benchmark project.

COMPARATIVE:

- Greenville, SC** for its manufacturing base, tech transfer and higher education
- Jacksonville, FL** for its port, business diversity, military presence and talent attraction
- Knoxville, TN** for its federal research lab, entrepreneurial environment and higher education
- Louisville, KY** for its entrepreneurial environment, R&D and strength in medical technology
- Richmond, VA** for its growing base of R&D, higher education, logistics and biotech cluster
- Savannah, GA** for its port, military, creative economy and tourism industry

LEADING:

- Austin, TX** shines on a healthy balance of technology, business services, education and government, and is a magnet for young talent.
- Raleigh, NC** consistently ranks among the best places to live, and is recognized for strong job growth, R&D and higher education.

Central AZ CEDS

(just 33 pages)

CAAG District Development Challenges

One year ago, the CAAG District completed and adopted its *Employment Centers Economic Adjustment Strategy*, in which a major theme is “planning in uncertainty.” Though some trends have firmed, the economic environment is still largely uncertain.

It is clear, however, that the “business as usual” growth-driven economy of Arizona and the CAAG District is on hiatus. After the boom-bust cycle of the 2000’s, the District’s greatest need is to develop a strong economic base and sustainable economy. This report’s economic assessment shows that there are serious weaknesses in the Region’s economy. What are the appropriate economic development responses?

Regionalism. In the global economy, mega-regions are the locus of the world’s economic activity. The District is part of the Sun Corridor mega-region, and clearly needs to leverage that opportunity for its own economic benefit.

Multiple Approaches. The District consists of multiple small-to-mid size communities contained in its four major sub-regional economies. This implies multiple economic development approaches for the four sub-regions.

Integrated Development. The District has a weak economic base, inadequate infrastructure, and high unemployment/low per capita income. The most effective long-term approach for the Region’s economic development is one of integrated regional development:

- Regional transportation development, which provides accessibility for economic development
- Regional economic development, which provides jobs for residents
- Regional work force development, which would support higher-quality economic development

Build from Existing. The Great Recession’s impacts of a long jobs recession, housing price bust, and structural unemployment are national problems. However, the effect on Arizona is profound. This has called the expectation of continual high levels of future growth into question. A conservative approach is to build upon what presently exists. Specifically, this means focusing on investing in existing employment/activity centers for immediate short-term development. Existing centers in each of the District’s counties are shown in the maps below.

Economic Gardening. The long-term structural trend of increased self-employment is an opportunity. As identified in the *Economic Adjustment Strategy*, an “entrepreneurial development program” that combines business incubators with revolving loan funds is appropriate.

Industry Cluster Development. To develop a diversified, sustainable economy from today’s starting point requires long-term focus and consistency. The District has a real opportunity in being part of the Sun Corridor. There is a strong need to understand the best-fit industry clusters for the mega-region, and to understand the CAAG District’s best fit within the Sun

Corridor.

Work Force Integration. The District’s high unemployment and low per-capita income, combined with the nation’s structural unemployment, demonstrate that work force development is a pressing need. Moreover, the District’s imbalance between population and jobs and its consequent high levels of out-commuting imply that work force development could be an economic development asset. These point to the need for close integration of economic and work force development.

Response to Transit-Density Changes. The likelihood of higher future gasoline prices is a significant challenge for the exurban-rural CAAG District. The Federal emphasis on combining high-density mixed-use development with mass transit is being planned by the District’s large metro neighbors. The District needs to evaluate its long term planning response to these changes.



SWOT Matrix Provides a Good Summary

INTERNAL	STRENGTHS <ul style="list-style-type: none">• Leading industries• Key, unique assets• Lifestyle draws	WEAKNESSES <ul style="list-style-type: none">• Infrastructure gaps• Education gaps
	OPPORTUNITIES <ul style="list-style-type: none">• Emerging sectors• Investment plans• Changing regional/global dynamics in your favor• New partnerships• New goals for your organization	THREATS <ul style="list-style-type: none">• What your competitors are doing better• Changing site selection requirements• Local industries in decline (offshoring threats)

Community Input

Online Survey is a Must

- Residents
- Investors

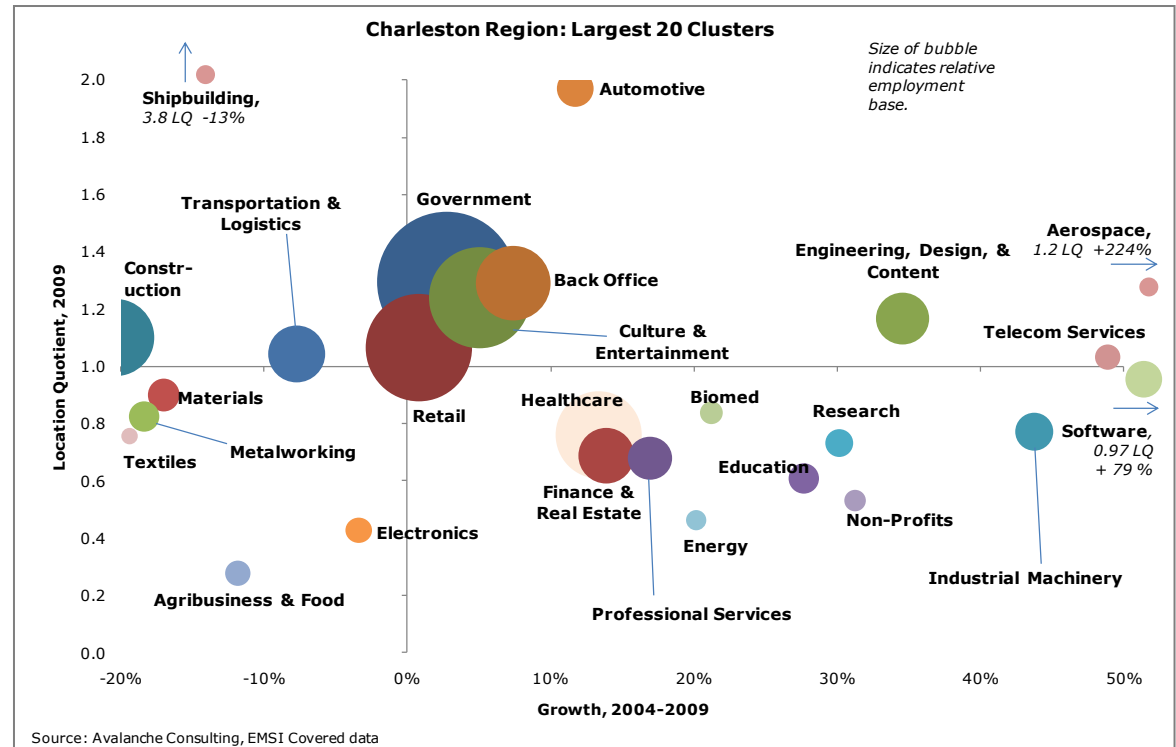
Focus Groups and Interviews

- Industry Executives
- Young Professionals
- Entrepreneurs
- Public Officials
- Realtors and Brokers
- Tourism, Non-Profits, Other Stakeholders

Industry Clusters

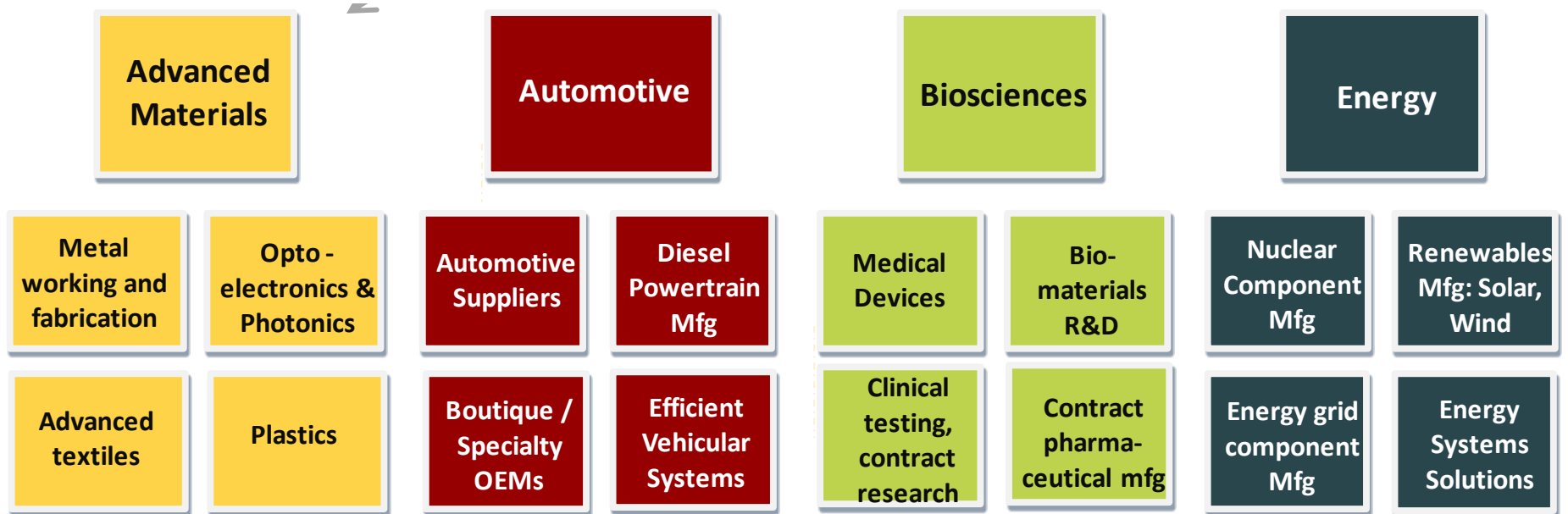
As consultants, we use a cluster analysis model to understand the dynamics of a local economy.

“Location Quotients” are a good way to understand which industries are concentrated in your economy. You can get location quotients from the Bureau of Labor Statistics:



http://data.bls.gov/location_quotient/ControllerServlet

Organize Targets as Macro and Niche



Implementation Matrix

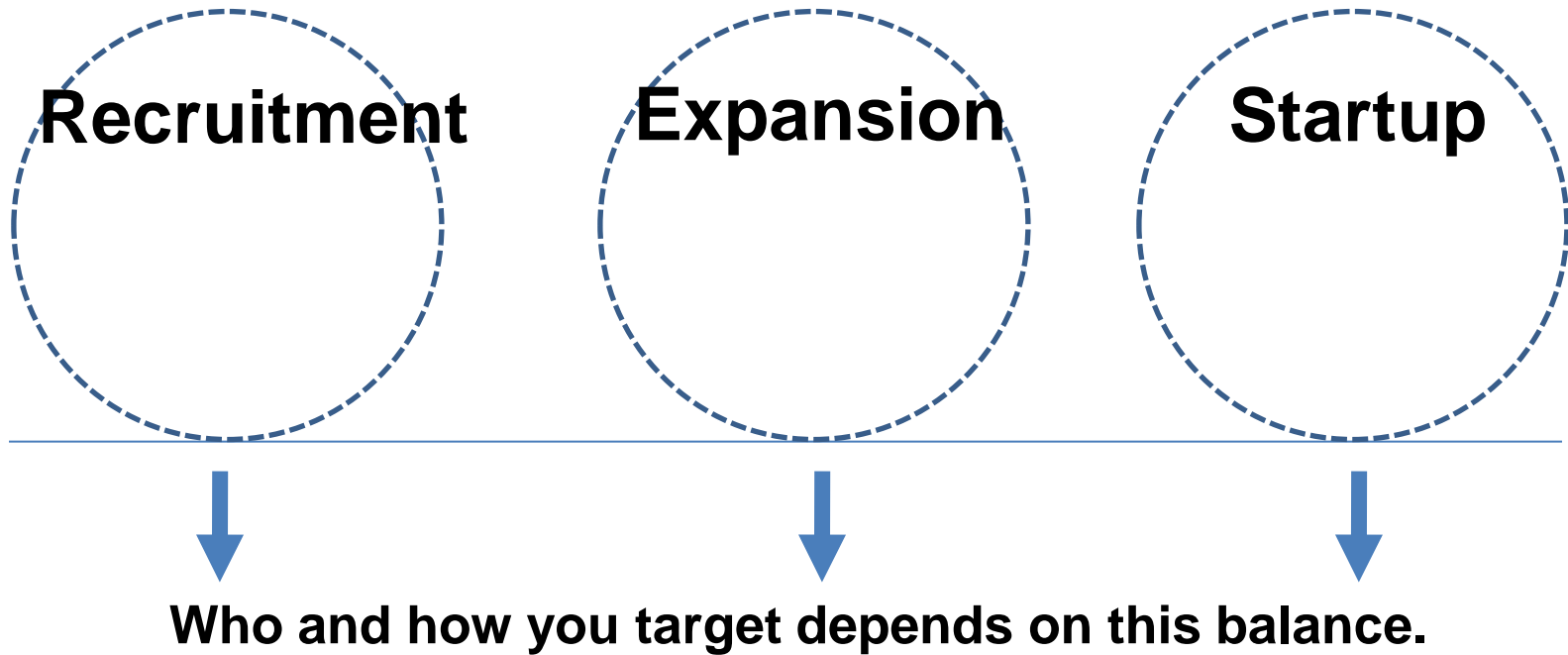
Sample format for an implementation timeline, with tactical steps corresponding to the Plan, budget, assignments, and schedule all indicated in one spreadsheet:

Recommendation	Cost	Assignment	Year 1	Year 2	Year 3
1. Internal Marketing					
<input checked="" type="checkbox"/>	Develop regional brand identity, logo	\$25,000	EDO, Chamber	■	
<input checked="" type="checkbox"/>	Reception to launch new marketing campaign	\$1,000	EDO	■	
<input checked="" type="checkbox"/>	Press conference to launch new marketing campaign	\$500	EDO, Executives	■	
<input checked="" type="checkbox"/>	Radio and television PSAs about eco dev	\$7,500	EDO, Agency	■	
<input checked="" type="checkbox"/>	State of the Region business summit	\$10,000	EDO, Chambers, Newspaper	■	■
<input type="checkbox"/>	Economic development related op-ed pieces	-	EDO Board	■	
<input type="checkbox"/>	Quarterly Coffee and Conversations	\$500	Chamber	■	■
<input type="checkbox"/>	Weekly business profile in local paper(s)	-	Newspaper, Executives	■	■
<input type="checkbox"/>	Hire full time BRE manager	\$55,000	Chamber	■	■
2. External Marketing					
<i>Tool Development</i>					
<input checked="" type="checkbox"/>	Target company database	-	EDO Staff, Agency	■	
<input checked="" type="checkbox"/>	Redesign sales materials with new logo	\$15,000	Agency, EDO	■	
<input checked="" type="checkbox"/>	Social media	\$2,000	EDO Staff, Agency	■	■
<input checked="" type="checkbox"/>	Website updates	\$5,000	EDO Staff	■	■
<i>Direct Sales</i>					
<input type="checkbox"/>	Commercial real estate tour	\$3,500		■	■
<input type="checkbox"/>	In-bound site selection / investment forum	\$10,000		■	■
<input type="checkbox"/>	Marketing missions	\$30,000		■	■



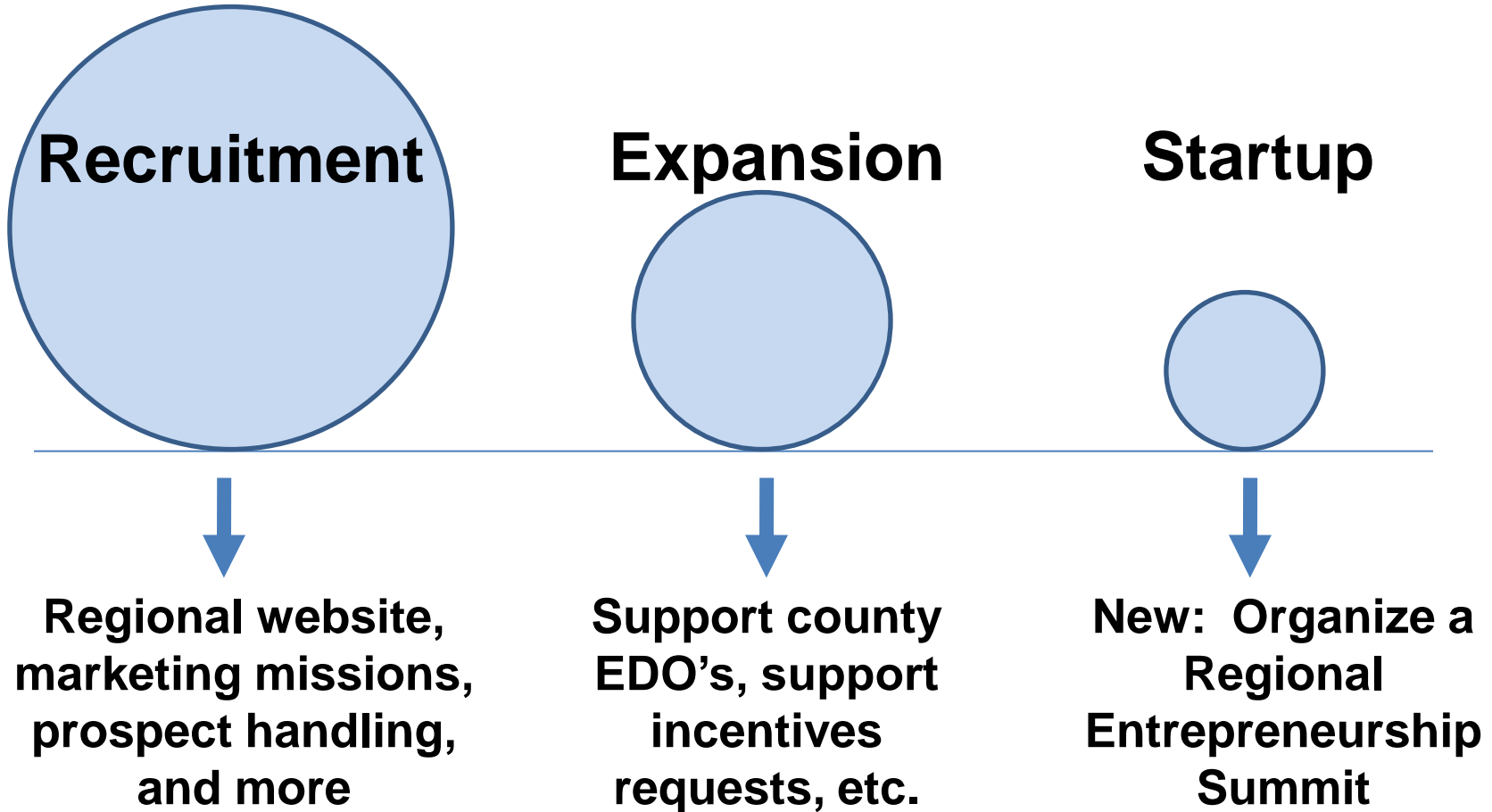
We all know that organizational priorities vary...

How does an organization define their mission around targets?



Prioritizing Targets for an Organization/Location

A regional partnership organization



**What are the biggest
frustrations and fears about
CEDDS Planning?**

The only constant is **change**...

What we need is a CEDS framework
that can **ADAPT**.

The **FUTURE** is **ADAPTABILITY**.

A Good Planning Framework Should:

Adapt

- Add new initiatives as they are started or discovered
- Add new supporting content as available
- Indicate when tasks are completed

Connect

- Connect to existing efforts at partner organizations
- Add new organizations that want to help / get involved
- Connect partner organizations to outside knowledge and expertise

Clarify

- Communicate the region's goals and plans to the general public
- Motivate and encourage partner organizations that their efforts are contributing to the larger plan and are being recognized

Organizing Recommendations and Efforts



Avalanche's 5 Goals / Pillars

- Workforce & Education
- Entrepreneurship & Innovation
- Infrastructure
- Business Climate & Marketing
- Quality of Life

These align with the SWOT analysis.

The Future of CEDS = Online

PROSPERITY FOR GREATER CHARLOTTE

Industry

Entrepreneurs

Talent

Infrastructure

Lifestyle

GOAL: The Greater Charlotte Region has a highly innovative entrepreneurial climate that drives the creation of high-growth firms.

Why?

OBJECTIVES

Services

Spaces

Funding

Research

Education

Coordinate and boost support services for entrepreneurs across the region.

Initiatives

- The Charlotte Entrepreneurial Alliance brings dozens of support organizations to enhance and coordinate services to entrepreneurs.
- Events such as the PowerUp Entrepreneurial Challenge and Startup Weekend bring entrepreneurs, mentors, and funders together.

Links to Key Players

- Charlotte Chamber
- UNCC
- CPCC
- Ben Craig Center
- SBTDC

<More>

See the Data

News

Lorem ipsum dolor

Headlight 2.0 Beta Testers

We are currently accepting applications for 3 more communities for free access as Beta Testers. Drop your business card or send an email to:

Chris Engle, Vice President
Avalanche Consulting, Inc.
Austin, Texas

www.AvalancheConsulting.com
chris@avalancheconsulting.com
512-480-9800

Headlight Presentation

(Time permitting)

THANK YOU !

Chris Engle, Vice President
Avalanche Consulting, Inc.
Austin, Texas

www.AvalancheConsulting.com
chris@avalancheconsulting.com
512-480-9800