



North Carolina's Economic Development Structure and the Department of Commerce



NC Economic Development Structure

Principal Players:

- N. C. Department of Commerce
- Seven Regional Partnerships
- Local Economic Development Agencies

Others:

- Allies
- N.C. Community College System
- University of N. C. System
- Local Governments
- And many others
- State Agencies
- Service Providers
- Rural Center
- Golden LEAF



State Auditor's Review of the Department of Commerce

- Focus: How has Commerce responded to previous economic development studies?
- Studies:
 - Market Street Associates (1999)
 - KPMG (2002)
 - Kenan-Flagler/Luger (2003)
 - Ticknor & Associates (2005)



State Auditor Survey Preliminary Findings

A majority of respondents:

- Don't view Commerce as the lead state economic development agency
 - DOC and partnerships set their agendas independently
- Believe roles of principal players are not clearly defined
- Are not certain about the state's economic development vision
- Think there is no state marketing plan



Other Auditor Preliminary Concerns

- Duplication of activities—inefficient redundancy
- Lack of integrated marketing effort
- Sub-optimization of state resources allocated to economic development
- No one is in charge—who's the lead agency?



North Carolina's Choice

- Options:
 - Top-down state directed and funded economic development structure
 - Collaboration of state directed and funded state programs and bottom up regionally funded and directed organizations
 - State funding and direction of state programs and state funding of regional organizations directed by regional boards



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Fain's Opinion—Roles

- There's a valuable and appropriate role for state, regional and local agencies
- Agencies at each level should do those things for which they're best suited
 - Where can scale benefits be achieved
 - Where should efficiency be sacrificed for focus and flexibility
- Regional and local agencies should have the flexibility to address the opportunities and challenges of their geographies
 - One size doesn't fit all
- Accountability metrics should measure performance versus objectives uniquely important to that agency
 - One size still doesn't fit all
 - Credit comes for meeting agency-specific objectives



Make Sense Roles for Commerce

- Marketing/branding the state
- Handling clients; ensuring all parts of state are considered
- Designing/advocating state incentives
- Maintaining statewide data base
- Facilitating interface with state agencies



Make Sense Roles for Partnerships

- Marketing/branding the region
- Addressing region-specific opportunities or challenges
- Creating scale benefits for constituent counties—sharing cost of
 - Administrative assistance/specialized know-how
 - Research/analysis
 - Training
 - Professional services
- Gathering and utilizing private sector financial support with a regional focus



Make Sense Roles for Local Economic Development Agencies

- Getting the locality ready for success
- Educating local, public and private leadership on the keys to success, including incentive strategies
- Leading the development of a SWOT-based action plan—and a value proposition
- Putting product in place
- Articulating the local value proposition to sell the client



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Vision

**An economy built on exceptional
education and on innovation, supported
by a modern infrastructure**



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Vision

- A state
 - of **well-educated people – critical thinkers**
 - committed to **wise, consistent investment in innovation and infrastructure**
 - which differentiates itself as a **state of knowledge workers who drive business success – *a true state of minds***



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Long-Term Strategies

- Invest in education and train a globally competitive workforce
- Develop communities prepared for economic success
- Nurture innovation and the commercialization of ideas through investment in science, technology and university outreach – to bring the innovations of the lab and classroom into the marketplace
- Maintain an exceptional business climate with affordable costs and provide programs and services for businesses in order to attract new companies to North Carolina, support the growth and success of existing businesses – large and small – and encourage entrepreneurial startups
- Foster North Carolina's quality of life including cultural, natural and heritage assets



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Department of Commerce Division

- Business and Industry
- Tourism, Film and Sports Development
- Workforce Development
- Marketing
- Policy, Research and Strategic Planning
- International Trade
- Community Development
- Office of Science and Technology
- Communications and External Affairs
- Finance Center
- Administration/Legal



Government and Business Climate

- Progressive
- Consistent
- Education focused
- Business friendly
- Collaborative



Sources of Human Capital

- Existing Talent Pool
 - Strong cadre of existing companies in targeted industries
 - Skilled existing workforce
- Emerging Talent Pool
 - Continued in migration of new residents
 - Quality of life serves as magnet for recruiting and retaining talent
- Future Talent Pool
 - Robust education pipeline expands pool and supports continued growth





So?



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Statewide Marketing Plan

Marketing North Carolina as a Business Destination

- Align Marketing Infrastructure for Optimal Effectiveness
 - Access expert resources
 - Advertising/Marketing Agency – Trone Advertising
 - National/International Media Relations Agency – DCI
 - Revamp and Redesign the State’s Business (Commerce) Website
 - Ticknor Study: 3/4 of all site searches utilize statewide websites
 - State of the art technology – Fresher content, better platform for brand and relationship building
 - Revamp and Integrate Web-based EDIS System
 - Ticknor Study: Instantly available data can be key competitive advantage
 - SAS-based, Business Intelligence-oriented framework
 - Deploy a Customer Relationship Management (CRM) System
 - Ticknor Study: Gaining and sharing customer knowledge a critical competency for ED organizations
 - Evaluate and realign Marketing Mix (tactics)
 - Greater emphasis on media/public relations
 - Event and trade shows: Complete marketing programs
 - More emphasis on direct marketing/relationship marketing strategies



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Statewide Marketing Plan

Marketing North Carolina as a Business Destination

- Differentiate and communicate the state's brand/value proposition in terms of market-driven, prospect needs
 - Backdrop: The new global war for talent
 - Brand platform: North Carolina - The State of Minds
 - Knowledge-based and increasingly skilled workforce
 - Commitment to education grows talent
 - NC Lifestyle attracts talent
- Address perception gaps among key audiences
 - Corporate executives
 - Site selection consultants
 - The national media
- Regain marketing visibility for the state 'brand'
 - Targeted Advertising, Media Relations
 - National B2B, trade vertical magazines (ie: Site Selection)
 - Direct marketing program via Forbes Magazine 'CoverWrap'
 - Press tours, media pitching, other PR



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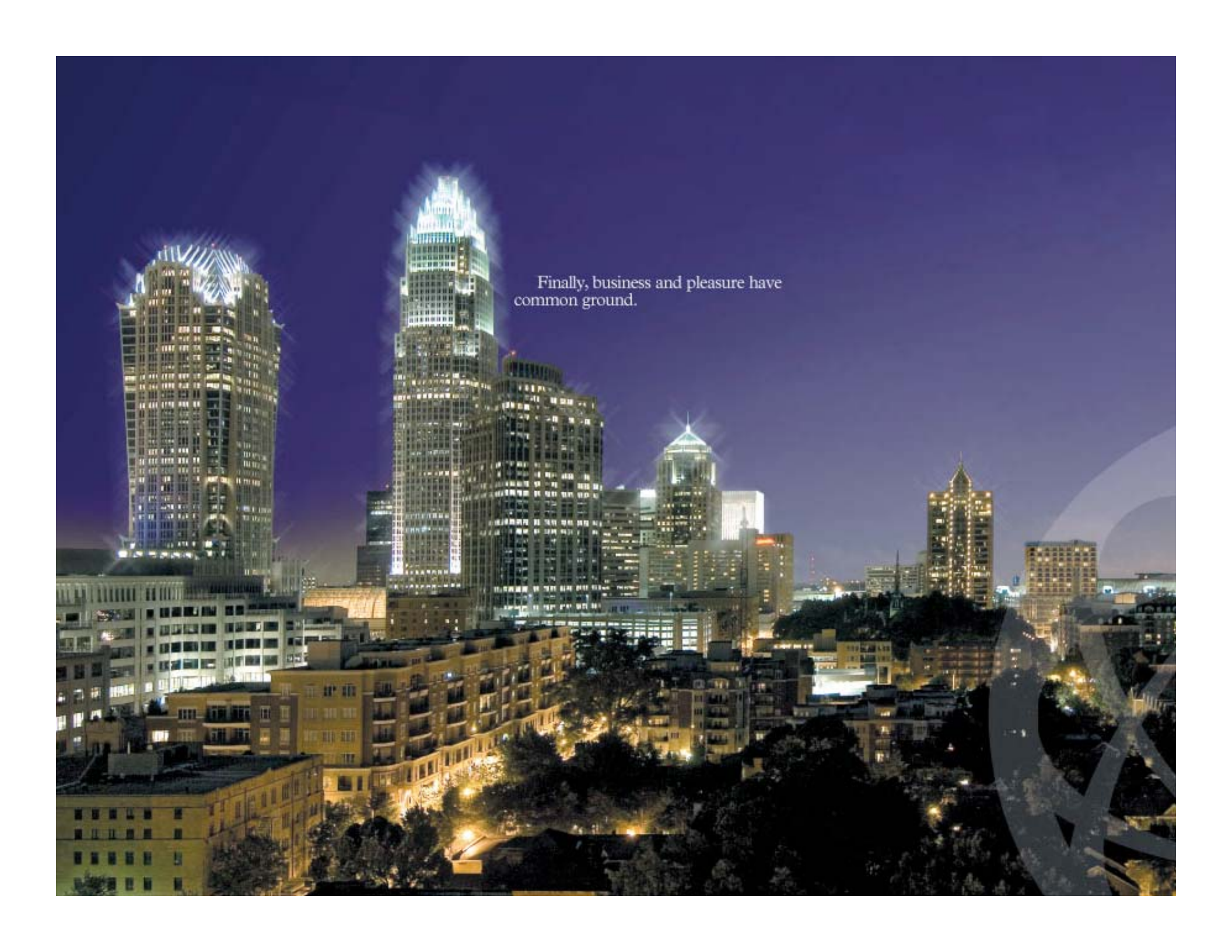
Statewide Marketing Plan

Marketing North Carolina as a Business Destination

- Establish and execute an integrated marketing and communications plan
 - Unified message platform development
 - Message synergy between marketing/advertising programs and media/pr
 - Upgrade identity and collateral systems
- Establish systematic marketing channels and programs to targeted industry sectors
 - Research-based strategies
 - Relationship and direct marketing orientation
 - Focus on value-added content generation



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A nighttime photograph of the Atlanta skyline. The image shows several prominent skyscrapers, including the Georgia State Capitol building with its illuminated dome, and other modern high-rises. The buildings are lit up with warm yellow and white lights, contrasting against the dark blue night sky. In the foreground, there are lower-rise residential or commercial buildings, some with balconies, and trees. The overall scene depicts a vibrant urban environment.

Finally, business and pleasure have
common ground.

Welcome to the deep end of the talent pool.





In the '90s we laid the foundation for a well-educated work force.

The 1790s.

Finally, business and pleasure have
common ground.



Great minds think here. That's why world-class financial institutions, software corporations and hi-tech firms, not to mention 14 Fortune 500® companies, have chosen to call North Carolina home. And we just happen to be a great place for business. North Carolina is a place where people truly enjoy living. Cultured and recreational pursuits abound and career opportunities, allowing them to excel in a competitive world. Across the state you'll find more than 50 universities, as well as

innovative, employment incentives and help in getting started in the country. We're home to the 2016 NBA® Stanley Cup® Champions, eight past NCAA national titles, as well as the home of the NCAA 2016 world. We make your wildest dream a reality. See what great minds have to offer you and your business. Visit www.nccommerce.com.



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Welcome to the deep end of the talent pool.



Great minds don't
climb to call. Now
recruitment people

It's getting deeper every day. Top companies are flocking to the talent North Carolina produces in its schools and businesses. With three of the top 10 banks, we've become a major financial hub with more than 145,000 people currently employed in the industry. More than 2,500 IT companies, employing over 200,000 workers, make their home in North Carolina, and Ernst & Young ranked the state third

in the nation in the number of biotechnology companies for the third consecutive year. And with more than 100 businesses in our Research Triangle Park, we're a magnet for engineering and biotechnology graduates. See where great minds can take your business at www.nccommerce.com.

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In the '90s we laid the foundation for a well-educated work force.

The 1790s.

We discovered long ago that better education means better jobs. So, among other things, North Carolina opened the first public university in 1795 and later pioneered the country's first workplace training programs. We are committed to and invest heavily in both primary and secondary education, including the creation of smaller, more specialized high schools. The state ranks sixth in the nation in per capita expenditures for

higher education and our institutions conduct more than one billion dollars in sponsored research annually. We understand that better students make better employees, and better employees make better businesses. See where great minds can take your business at www.nccommerce.com.



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