

MARKET ST



LIVE WORK GROW

730 PEACHTREE STREET SUITE 540 ATLANTA GEORGIA 30308 404 880-7242 FAX 404 880-7246

LIVE WORK GROW

Market Street brings original insights and clarity to the evaluation and revitalization of the places where people live, work and grow. *Market Street* is an independent firm that focuses solely on community and economic development issues. Through honest and informed assessments, *Market Street* can equip you with the tools to create meaningful change. Our solutions successfully merge our experience and expertise with your economic and social realities.

Table of Contents

Background	2
Introduction	4
Methodology	5
Greater Austin Marketing	7
Website Review	7
Operational Review.....	12
Opportunity Austin Operations	12
Opportunity Austin Marketing Program	16
International Marketing.....	23
Lessons from Other U.S. Regions	30
Literature Review	30
Websites	30
Direct Mail Campaigns	32
International Marketing.....	36
Special Events	38
Branding/Advertising Campaigns.....	40
Best-Practice Communities	43
Nashville Area Chamber of Commerce	43
Greater Richmond Partnership	46
Greater Oklahoma City Chamber.....	49
Communities That Cut Back On Economic Development.....	54
Denver Metro Chamber of Commerce	54
Memphis Regional Chamber.....	55
Greater Austin Chamber of Commerce.....	58
Conclusions and Strategic “Takeaways”	60

BACKGROUND

In 2003, the Greater Austin Chamber of Commerce retained *Market Street Services*, an Atlanta-based community and economic development consulting firm, to develop a holistic, long-term economic development strategy for the five-county Austin region. The Chamber leveraged the strategy recommendations in the creation of the Opportunity Austin initiative, which identified opportunities and challenges the Chamber would need to address in order to put the Austin region on the road to economic recovery after losing thousands of high-wage jobs in 2001 and 2002.

Opportunity Austin rolled out in 2004. Its aim was to rejuvenate the region's economy by creating 72,000 new jobs and adding \$2.9 billion to the regional payroll by 2008. After registering solid success in Opportunity Austin's implementation, Chamber leaders have once again contracted with *Market Street* to assess Greater Austin's competitiveness and draft an economic development strategy – Opportunity Austin II – for the next five years.

The following scope of work is designed to continue metro Austin's strategic Opportunity Austin process with a comprehensive understanding of the region's present, past and future economic and demographic trends, and degree of business competitiveness. By initiating Opportunity Austin II with consensus regarding the challenges at hand, the eventual development of its strategic components and implementation guidelines will be grounded in defensible data, and agreement on priority strategic directions.

The five components of this strategic process are outlined below:

- I. **Competitive Realities:** The report began with a snapshot of the region's economic and demographic trends compared to the state and the nation. Then, the Austin region's business climate was assessed against four peer metro areas: Denver, Colorado; Nashville, Tennessee; Phoenix, Arizona; and Raleigh-Durham, North Carolina. The region's relative competitiveness compared to these metros was evaluated according to the following components: education and workforce development; infrastructure; business costs; innovation and entrepreneurship climate; and quality of life. Finally, stakeholder input gathered from interviews, focus groups, and an online survey helped provide a more holistic analysis of Greater Austin's competitive realities, beyond the numbers. This research report was presented to the Greater Austin Chamber Economic Development Corporation (EDC) Board in May 2007.
- II. **Target Business Review:** This report analyzed how the region's employment structure and wages have changed in recent years. This investigation into Greater Austin's business clusters informed

recommendations to revise and refocus the Chambers target business sectors. The Review was presented to the EDC Board on June 14, 2007.

- III. **Economic Development Marketing Assessment:** This assessment will examine Greater Austin's multi-faced marketing program against national best-practices. A review of the Chamber's website, operations, and international marketing efforts will summarize efforts implemented since Opportunity Austin's inception. Lessons from other communities, including three best-practice case studies, will provide key findings on how Greater Austin can further improve its marketing effectiveness.
- IV. **"Taking it to the Next Level" Strategy:** This economic development strategy will outline goals for the Chamber and its partners to work towards over the five years of Opportunity Austin II implementation. Specific policy objectives and action steps will also be recommended. These will directly respond to the key findings of previous deliverables and stakeholder input. Benchmarks and performance measures will also be identified so that the Chamber may track its progress toward achieving the *Strategy's* goals during implementation.
- V. **Implementation Plan:** Effective implementation is critical to the success of the *Strategy*. The Steering Committee and *Market Street* will work together to provide program assessments and enhancement recommendations, establish timetables and funding allocations for implementation. *Market Street* will also recommend a communication program for the *Strategy's* public rollout.

INTRODUCTION

The dynamics of competitiveness in economic development are inclusive of many components that relate to a community's capacity and competency to effectively grow quality local jobs. As a complement to the five competitiveness focus areas reviewed in Greater Austin's *Competitive Realities* report – education and workforce development; infrastructure; business costs; innovation and entrepreneurship; and quality of life – this *Economic Development Marketing Assessment* looks at the Greater Austin Chamber's practice of economic development as it relates to operations, funding, and domestic/international marketing. The report also offers perspective on Greater Austin's efforts through an analysis of comparison regional economic development processes. The focus is on three regions that have achieved consistent, continuing success, and three regions that cut back on efforts and suffered economic consequences as a result.

Insight gleaned from this analysis of six comparison regions will inform the process of developing, funding and implementing the recommendations contained in the Opportunity Austin II strategy. *Market Street* is not trying to suggest that the Greater Austin Chamber must implement all these best practices, but rather is presenting them as “new ideas” for the Chamber to potentially consider.

The rather complex dynamics of this *Marketing Assessment* are necessary because the nature of community and economic development has changed. Global competition and the “death of distance” between companies have opened up the competitive playing field for new business development that is truly international. More and more communities are fighting over fewer and fewer projects. In order to compete effectively on the global stage, every component of local capacity must be effectively “mined” for new prospects and to positively influence prospects that are interested in relocating.

Currently, the Greater Austin Chamber is doing many things well relative to economic development marketing, but new techniques are warranted in order to further diversify the local economy and increase the wealth of local citizens. Special attention to the websites, personal relationships and focused efforts will be key to ensuring Opportunity Austin II is as successful as the strategy's first iteration.

METHODOLOGY

In this *Economic Development Marketing Assessment* of the Opportunity Austin initiative, *Market Street* has examined the current marketing programs of the Greater Austin Chamber in the context of national best-practices and comparison-community-specific campaigns. The following components comprise this *Assessment*.

- **Website Review:** Using the International Economic Development Council's (IEDC) "Excellence in Economic Development Award" review criteria, *Market Street* used the following criteria to assess the effectiveness of the Chamber's primary website, AustinChamber.com, and its new talent development website, AustinHumanCapital.com.
 - Website goal/Mission;
 - Quantifiable results related to goal;
 - Data type & quality;
 - Interactivity;
 - Timeliness of information;
 - Quality of content;
 - Organization, visual appeal and navigability;
 - Accessibility; and
 - Overall value for economic development efforts.

- **Operational Review:** *Market Street* interviewed key staff, and used the original 2003 strategy and the mid-course correction of 2006 to perform a complete review of the operations of Opportunity Austin. Programs, staffing, and budgets were reviewed and analyzed, paying particular attention to the overall marketing program. Staff persons interviewed in this process are noted later in this report. Project Advisor **C. Jones Hooks** assisted in the assessment of Greater Austin's existing and potential marketing capacity.
 - Project Advisor C. Jones Hooks has been President of the Hampton Roads Economic Development Alliance (HREDA) since 1999. HREDA was initiated in 1997 to provide a cooperative and aggressive business attraction program for Virginia's Hampton Roads Region. Under Hooks' leadership, HREDA was ranked among the top 10 percent of economic development groups in the nation by Blane, Canada Ltd., an economic development marketing consulting firm. Prior to joining HREDA, Hooks was a Senior Manager in the Strategic Relocation and Expansion Services Practice of KPMG Peat Marwick in Atlanta, Georgia.

- **International Marketing:** *Market Street's* assessment of the Chamber's existing and potential capacity in international marketing and development is based on interviews by conducted by *Market Street* staff and Project Advisor, **Craig Lesser**, with professionals at the Greater Austin Chamber and

state/regional internationally-focused development officials. Project Advisor, C. Jones Hooks also contributed to this analysis.

- Project Advisor Craig Lesser is a Managing Director at McKenna Long & Aldridge, LLC, one of the Southeast's largest law firms. He is the head of a newly formed international public affairs initiative within the firm's government affairs practice. His primary focus is on expanding the firm's presence abroad and interfacing with international businesses operating in the United States. Previously, Lesser served as Commissioner of the Georgia Department of Economic Development. He was appointed to his post by Governor Sonny Perdue in 2004. In this role, he led efforts to recruit new business to Georgia from around the nation and internationally.

- **Lessons from Other U.S. Regions:** Using the American Chamber of Commerce Executives' (ACCE) archive of "Awards for Communications Excellence", the International Economic Development Council's (IEDC) archive of "Excellence in Economic Development Awards," and *Market Streets* broad background in field of economic development to construct a review of "best-practice" marketing strategies.
- **Community Profiles:** *Market Street's* profiles of U.S. regions considered to be leaders and "laggers" in strategic marketing and economic development programming were developed based on conversations with organization staff members, Chamber annual reports and websites, and news archives. *Market Street's* CEO Mac Holladay, who has over 30 years of experience in community and economic development, developed the list of communities that are profiled in this report.

GREATER AUSTIN MARKETING

The full breadth of a community’s marketing capacity and effectiveness directly relates to that community’s competitiveness for new jobs and higher wages. The following sections profile different components of the marketing dynamic, and assess Greater Austin’s existing – and potential – efforts related to each.

Website Review

As a component of Opportunity Austin implementation, the Greater Austin Chamber completely redesigned its website and created an additional site specific to the technology and innovation economy. Chamber officials have received positive feedback from prospects and site-selection professionals on the comprehensiveness of the main site’s data, navigability/user-friendliness, and provision of support-services information. Because of the efficacy of the website, Chamber officials said they are being called “later in the game” by site consultants who have short-listed Austin based on web-provided information alone.

Senior Project Advisor C. Jones Hooks also found the AustinChamber.com site to be very complete in terms of the topics covered and information provided. The site is also presented in a user-friendly manner, according to Hooks.

To further analyze the Chamber website and the www.AustinHumanCapital.com “talent”-focused website, *Market Street* relied on criteria developed by the International Economic Development Council (IEDC) to assess website submissions for its annual “Excellence in Economic Development Awards.” It is also imperative for Greater Austin’s websites to implement search-optimization techniques so that prospective users are easily directed to the Chamber’s principal domains.

This assessment of Greater Austin’s two principal economic development websites – AustinChamber.com and AustinHumanCapital.com – are presented in the following matrix.

Criterion	AustinChamber.com	AustinHumanCapital.com
<i>Website goal/Mission</i>	The site's purpose is to promote economic development, market Greater Austin as a place to live/work, and encourage Chamber membership. The four categories on the homepage do an effective job of providing the visitor with clear options to pursue additional information.	Like its sister site (AustinChamber.com), the HumanCapital.com site features a well-designed homepage that clearly lays out the mission of appealing to technology and innovation focused companies and workers.
<i>Quantifiable results related to goal</i>	A wealth of information is provided by clicking through the main category links. Sub-categories are consistent with overall themes and always provide information that is useful to the user.	While less robust than the Austin Chamber main site in terms of data and information, the Human Capital site does offer useful links to a number of key entities that fuel the technology sectors in Greater Austin.
<i>Data type & quality</i>	Data is principally related to economic and demographic trends. However, data also include information on local healthcare capacity, available sites and buildings, recent expansions and re-locations, and other categories related to essential economic and community development issues.	The only site data concerns area utilities, home sales and maps, cost of living, and Austin's high technology "mix." In this regard, the availability of quantitative information on HumanCapital.com is limited. As is the case for the Chamber site, there is no direct indication to the user that additional data is available at the Chamber's main site.
<i>Interactivity</i>	The site has limited interactivity. The user is provided a tool to customize reports by clicking on boxes related to specific data categories, and, on another sub-page, is asked to participate in an online poll based on a specific question. Users are also able to generate customizable reports on available sites and buildings and click on an interactive regional map by community. Other than these tools, there are limited interactive features.	The HumanCapital.com site has no interactive features. This may be an issue for "technology-focused" users who are accustomed to websites with many interactive and multi-media capabilities.

Criterion	AustinChamber.com	AustinHumanCapital.com
<i>Timeliness of information</i>	Certain economic indicators are updated monthly, and others as available. All demographic and economic data is the latest available from government sources.	Though there is limited time-specific data on the site, it is nevertheless current.
<i>Quality of content</i>	As noted, the site features useful information and germane data on the principal categories of the regional economy, community, and Chamber membership. There is very limited information directed towards entrepreneurs, small business people, start-up companies and innovators. While this information is contained on the AustinHumanCapital.com site, it is not made clear to the user that he/she must visit another site to access this information. Likewise, there are few links to outside governments, economic development organizations, etc., on the main site. While these are also found on the HumanCapital.com site, it is again unclear to the user that he/she must leave the Chamber site to access it.	For the most part, the content on HumanCapital.com is very useful for directing the user to additional regional resources related to arts, education, venture capital, utilities, support organizations, etc. In this regard, it is an effective tool for aspiring entrepreneurs and small business people. However, if they are anticipating the site itself to provide reams of useful information on starting a business in Greater Austin, they will be disappointed.
<i>Organization, visual appeal, and navigability</i>	The site design and organization is clean, uncluttered, intuitive and easy-to-use. Navigation is user-friendly and clear. A helpful "path" of the hierarchy leading to the user's current pageview is positioned near the top of the screen. Each page features pictures of Greater Austin attractions and views. While these images are interesting and capture the user's eye, there is limited use of Flash animation, GIS, or streaming video that would make the site experience more compelling for the visitor.	The organization, visual appeal, and navigability of the HumanCapital.com site is a mirror of the Chamber's main site and, therefore, very effective. As with the Chamber site, though, the HumanCapital.com site suffers from a lack of more dynamic visual features such as customizable GIS, Flash animation and streaming audio/video.

Criterion	AustinChamber.com	AustinHumanCapital.com
<i>Accessibility</i>	Information is easily accessible and reached intuitively through links provided at each level of the site hierarchy. The user never feels as if he/she is "hunting" for particular information.	As with the Chamber's main site, the Human Capital site is very accessible, easy to navigate and user-friendly.
<i>Overall value for economic development efforts</i>	Overall value for economic development is high. Prospects and relocation professionals would have no problems finding the information they need to assess Greater Austin's compatibility and competitiveness for a project. Target specific pages and PDF "brochures" provide additional specificity and utility for companies in these priority industries.	The overall value for economic development of the Human Capital site is less obvious than the Chamber's main site. The principal utility of the Human Capital site is its collection of links to organizations and entities that work with aspiring entrepreneurs to incubate businesses, provide seed and venture capital, and assist with business-plan development and the like. As a stand-alone site, it is less valuable for the average user than the AustinChamber.com site.

Key Conclusions: AustinChamber.com

Overall, a very effective, easy-to-use, information-rich website for all its intended purposes: economic prospecting, living/working in Austin, and Chamber membership. Potential areas of improvement for AustinChamber.com include:

- ✓ Inclusion on AustinHumanCapital.com of information related to technology businesses, innovation and entrepreneurship, and start-up/small businesses – in addition to links provided to regional governments and organizations – is not clearly specified on AustinChamber.com. User may think that this information is not provided relative to Greater Austin.
- ✓ Despite an overall clean, graphically interesting and colorful presentation, AustinChamber.com would benefit from additional use of more dynamic media such as Flash animation and streaming video/audio.
- ✓ There are a handful of interactive features on AustinChamber.com, but the site would be more compelling for the user with the addition of clearly-labeled features such as GIS and other mapping applications overlaid with specific data compatibility. The user should then be able to easily download this customized file to their system.

Key Conclusions: AustinHumanCapital.com

If the intention of the site is to pique the user's interest and direct the technology-focused site visitor to additional resources related to Greater Austin's technology community, venture and seed-capital resources and quality of life amenities, then it is a useful tool. However, as a stand-alone resource for an individual or company interested in Greater Austin as a locus for innovation, incubation and small business development, the site is lacking the comprehensiveness and depth necessary to truly serve as a "one-stop" resource for technology development and innovation dynamics in the region. Potential areas of improvement for AustinHumanCapital.com include:

- ✓ More dynamic presence of tech-friendly "bells and whistles" that would appeal to the site's target demographic of technology-focused professionals, innovators and entrepreneurs. A more robust inclusion of Flash animation, customizable GIS and streaming video/audio features would raise the site to the level anticipated by Greater Austin's reputation as a technology mecca.
- ✓ AustinHumanCapital.com has limited availability of economic, demographic, infrastructure, and quality of life data. However, by leveraging the robust data capacity of the Chamber's main site through clearly indicated links and verbiage, the Human Capital site would be able to offer the user a more dynamic array of quantitative information.
- ✓ An overarching question is whether AustinHumanCapital.com even warrants being a standalone tool for talent attraction/retention in Greater Austin. The site's data components could be transferred to AustinChamber.com to enhance the main site's already robust storehouse of information. The talent and lifestyle features of AustinHumanCapital.com could become a separate page on the main Chamber site, or be integrated into a more focused, comprehensive and targeted site for young professionals. This site would appeal to all categories of worker – not just technology professionals – and therefore support efforts to diversify the regional economy. A continued focus on high-tech – while it certainly plays to Greater Austin's strengths – would nevertheless do little to ensure long-term sustainability of the regional economy.

Operational Review

Considering the Greater Austin Chamber's limited capacity in economic and community development prior to the launch of Opportunity Austin, the increases in the Chamber's post-2004 budget, personnel, and programming resulting from strategic implementation have been remarkable. The Chamber's Economic Development Department has grown from one staff person to 12, while its education and workforce programming has been transformed into a best-practice model.

In order to assess the operational dynamics of the Greater Austin Chamber as they relate to Opportunity Austin implementation, *Market Street* conducted extensive interviews with key Chamber staff responsible for each component of strategic implementation. In addition, *Market Street* interviewed Chamber President **Michael W. Rollins** to get an overall perspective on the Opportunity Austin initiative.

Staff interviewed by *Market Street* included:

- **Susan Davenport**, Vice President, Business Retention & Expansion (BRE)
- **Dave Porter**, Senior Vice President, Economic Development
- **Drew Scheberle**, Senior Vice President, Education and Workforce Development

Questions were geared both towards their experiences-to-date related to implementation, as well as staff's expectations of future implementation-related needs in the areas of budget, staff and programming. These discussions informed the development of this Operational Review section.

OPPORTUNITY AUSTIN OPERATIONS

The general consensus – with the exception of the Chamber's Business Retention and Expansion program – was that current levels of staff, budget and programming are sufficient to effectively implement Opportunity Austin. When the Opportunity Austin II plan is confirmed and accepted by the EDC Board, a reassessment of existing capacity to implement the new plan will be conducted with potential adjustments to personnel and budgetary levels detailed in the *Implementation Plan*.

Programming discussions related to marketing and development of Greater Austin's target industries were reflected in the *Target Business Review* report presented to the EDC Board in June 2007, and also in the following Marketing Program assessment section.

Based on qualitative feedback from Greater Austin Chamber staff interviews and *Market Street's* assessment of existing Opportunity Austin operational dynamics, the following conclusions were drawn for each operational category:

Overall Operations

- ✓ The organizational structure of the Greater Austin Chamber relative to Opportunity Austin implementation has been effective and sufficient to activate, coordinate and manage the different components of strategic implementation.
- ✓ The EDC Board has been a valuable asset to the Chamber through its role as overseer of Opportunity Austin programming and investments.
- ✓ Budgetary capacity, planning, and distribution has – on the whole – been sufficient to enable effective implementation of Opportunity Austin. If there is one component that was said to be underfunded during the strategic implementation cycle, it is marketing.

Economic Development (Recruitment) Operations

- ✓ Top department officials said that the Greater Austin Chamber’s Economic Development personnel and programming focused on corporate recruitment is sufficiently budgeted and staffed to implement Opportunity Austin.
- ✓ Specifics of target-based marketing processes and products will be discussed later in this report.

Business Retention and Expansion Operations

The Greater Austin Chamber’s business retention and expansion program was essentially built from scratch as a component of Opportunity Austin implementation. Because it is a “start-up” operation, there were said to be the usual array of growing pains expected of a comprehensive program that is in its formative stages. Nevertheless, it is important to definitively state the specific goals of the BRE program as it matures. For example, *Market Street* worked with the Greensboro Economic Development Partnership to develop a BRE program for the city. The program had the following stated goals:

1. To identify and facilitate the resolution of any problems that can interfere with the retention and expansion of existing businesses;
2. To address any identified gaps in services and programs in partnership with other local economic development organizations and local governments;
3. To generate leads and positive testimonials and feed these to the community’s recruitment efforts; and
4. To expand businesses’ market reach through the promotion of international trade and the creation of a buyer-supplier match program.

By tailoring BRE development to these goal areas, Greensboro was able to design a best-practice program.

Shifting focus back to metro Austin, the following issues and realities of the Chamber's BRE program were drawn from qualitative input with key Chamber staff and Greater Austin business leaders:

- ✓ As a “start-up” operation, the BRE is trying to achieve the right structure so that more viable opportunities for expansions and relocations are generated from site visits.
 - Recruitment leads are currently not focused enough; the right questions still need to be posed and information “drilled-down” to the level that it’s useful for follow up activity in regards to new opportunities.
 - The program has its “toe in the door” with regional businesses and is making progress; however, because the Chamber had “ignored” the local market for so long prior to Opportunity Austin, it takes time to win back the confidence of regional companies.
 - Staff are continuing to work on being more strategic in terms of which companies to call on, and how often.
 - While it will take time to build relationships with companies, the department must have adequate resources to visit the necessary companies.
 - It was said by more than one official that the BRE program is currently understaffed; this is especially so as the BRE personnel have also been coordinating the CenTex Regional Center of Innovation and Commercialization (CT-RCIC) effort.
- ✓ Opinions among Chamber staff were mixed regarding the efficacy of the Synchronist Business Information System software used for the BRE program. While it is a useful program, questions designed to follow up on visit discussions were said to be insufficient to generate quality new employment opportunities. *Market Street* also feels that there are potentially superior BRE software programs on the market that the Chamber might consider for implementation of Opportunity Austin II. A better survey “instrument” for the BRE process would enable Chamber staff to refine the interview process and questions to better “mine” for quality leads and opportunities.¹
 - Synchronist’s pre- and post-visit protocols dictate all aspects of the visitation process and follow up procedure.
 - BRE staff do their “homework” in advance of the visits to source the input data for the visit.
 - Site visits typically take 40 minutes to go through all the questions required by Synchronist.
 - The Chamber has established a follow-up process for potential leads generated during site visits; the “recruitment team” pursues all prospective recruitment leads and opportunities.

¹ The Greensboro, North Carolina BRE program utilizes the Executive Pulse software.

- To date, however, the leads have generally been too “vague” to facilitate recruitment successes. As noted, Chamber staff are working to fine-tune the process to generate more viable leads.
- The Chamber purchased the master license for the software with the intent of enabling regional partners to purchase sub-licenses and link to the master system.
 - Currently, Leander and Round Rock are on-line with Synchronist, and Georgetown is looking to purchase a sub-license.

Education and Workforce Operations

The Greater Austin Chamber’s education and workforce development programming was negligible prior to Opportunity Austin implementation. After determining top priorities and what the role of the Chamber could be relative to education, the Education and Workforce Department chose to focus efforts on selected key areas: dissemination of regional educational-performance data; improvement of regional college matriculation rates; best-practice school district strategic redesign (beginning with AISD and expanding regionally); affecting the optimal composition of regional school boards; performance-based bonuses for educators; and state-level advocacy for legislation impacting Austin-area schools and educational dynamics.

- ✓ The department coordinates and hosts a number of public events focused on regional educational-performance trends, issues seminars, college-matriculation advocacy, and other topics germane to Greater Austin’s education and workforce climate.
- ✓ The programming implemented by the Education and Workforce Department represents a best-practice model for chambers of commerce relative to local education and training.
 - Leveraging the Greater Austin Chamber’s volunteer network and legislative influence regionally and at the state Capitol, staff has been able to further its agenda and make a real impact on regional education and training.
 - By focusing on the gears that drive the engine of regional education (school and district programming and design, composition of school boards, performance measurement, etc.) and leveraging the influence of the Greater Austin business community, education and workforce staff has successfully avoided the “mission-drift” of trying to reform all of public education and training in the region.
- ✓ Because of its expansive programming agenda, the Education and Workforce Department would benefit from additional staff capacity.
 - This is especially true during legislative sessions, when intense lobbying efforts take staff away from the office for days at a time.
 - Concomitant with increased personnel capacity would be higher budgetary allotments for the department.

OPPORTUNITY AUSTIN MARKETING PROGRAM

One of the key findings from the 2003 Opportunity Austin strategic process was the perception in the economic development community that Greater Austin was not “in the game” of employment growth and quality recruitment. With unemployment at near-record lows and the job market flush, regional public and private leadership did not want to risk a cannibalization of skilled workers that would result from robust job-creation efforts. As a result, economic development marketing efforts were almost non-existent prior to Opportunity Austin implementation.

A key strategic recommendation to announce to the economic development world that Greater Austin was refocused on strong employment and wage growth led to recharged efforts to “get the word out” to corporations, site-selection and corporate relocation professionals, and the national media that metro Austin was again “open for business.”

The result of the Greater Austin Chamber’s strong push into external marketing was a new brand and tagline (Austin: The Human Capital), a refreshed website, and a new, multi-channel marketing effort complete with direct mail, horizontal and vertical trade publication advertising, on-line advertising, trade-show visitation, site-selector-hosting events, public-relations-coordinated media placements, target-specific marketing materials, and other tools.

Market Street will assess the Greater Austin Chamber’s marketing efforts at the “macro” level, as well as the various components of the overall program.

Overall Marketing Program

- ✓ A principal concern of the Chamber’s marketing pieces that feature quantitative information is a consistent lack of data sourcing.
 - A professional economic development organization cannot afford to rely on data without substantiation; data must be consistently referenced or noted when claims are made.
- ✓ While more muted colors may be an intentional part of the Greater Austin branding campaign, the design/colors utilized for many of the brochures do not convey the vitality and excitement of Austin.
 - More vibrant colors could be used to achieve more of a “wow” factor.
 - Additionally, many of the Austin-area photographs used in marketing campaigns contain no evidence of “life,” i.e., people, animals, street scenes, crowded parks, etc. A greater use of images of Austin’s downtown and neighborhood vitality would complement the images of skylines, natural environments and infrastructure.
- ✓ Much of the language in the advertising copy seems to be an attempt by an agency to “put a message out” based on economic development information provided by the Chamber.

- Unfortunately, often such an effort by persons who have a limited understanding of economic development results in a regurgitation of information and data without conveying an appropriate message or understanding.
- Consequently, ads and topical sentences become verbose. Austin’s advertising efforts could be enhanced by more economic development staff involvement with the advertising agency during the creative process.
- Ultimately, the Chamber ED Department should move towards hiring an in-house graphics/advertising/PR person with creative talents to oversee and bring as much of this process as possible in-house. Over time, the benefits of such an effort would result in more succinct messages; greater flexibility; enhanced turnaround time, and cost savings.
- ✓ An ongoing and – to date – successful focus of Austin-area marketing efforts has been a “full-court press” on the state of California.
 - Future efforts will – and should – continue to pursue key recruitment targets in high-cost California regions for relocation to Greater Austin.
 - In addition to high-tech companies, non-tech concerns should also be a primary focus of California-outreach efforts in order to facilitate greater diversification of the Greater Austin economy.
- ✓ The Chamber should integrate into certain marketing messages the dynamic investments that have been made in the regional BRE program.
 - A focus on international and small business/entrepreneurship efforts would also add to the portrayal of Greater Austin as a holistic environment for business support of all types.

Print and On-line Advertising

- ✓ On the whole, the publications selected for advertising placements are extremely weak. With its competitive strengths in key industry groups, Greater Austin should be more aggressively advertising in trade and other vertical publications.
 - Funds used for ad placements in *Site Selection*, *Area Development*, *Expansion Management*, and *Southern Business and Development* would be better spent on other opportunities. These magazines are accessible and result in editorial copy; however, their value is limited.
 - Customizing responses to inquiries from site-selection publications is a spurious tool for facilitating quality leads and relocation opportunities.
- ✓ Looked at as a group, most of the Greater Austin publication ads have too much copy; it is doubtful that the average reader will take the time to go through this amount of text.
 - Many of the ads also lack visuals that convey vibrancy, excitement, etc.

- ✓ The Chamber might consider conducting specific surveys to leverage for advertising copy. For example, a survey of companies moving to Austin over the past ten years and/or a workforce survey could lead to specific marketing pieces in addition to establishing greater credibility with the ad viewer by actually referencing specific, quantifiable results.
- ✓ The only online ad placement (in the *Wall Street Journal's* Northern California edition) was generally ineffective.
 - With the gradation of the ad, it appears that Austin has smoggy air. The “atmosphere” could definitely be shown better.
 - What exactly is the message of this ad? Is this an attempt to speak to smog/weather/atmosphere or is it beyond that? The byline in the Austin logo (The Human Capital) might be a more effective angle to play off of in regards to the NoCal market; Greater Austin as a cost-competitive locale that also has a “forward thinking, fun-loving, vibrant, skilled workforce.”

Target-Specific Materials

Overall

- ✓ The Greater Austin Chamber should undertake a more aggressive pursuit of its economic development target industry groups.
 - Efforts should include more vertical ad placements based on publication research and Austin’s trade show/marketing missions.
 - More research to increase the number of face-to-face appointments should be pursued rather than pursuing “leads” from “site selection” publications that have limited potential for generating viable opportunities.
- ✓ Some consideration should be given as to whether or not each brochure for a targeted industry campaign must be the same color or whether the same template could be utilized with different colors highlighting the various target industry groups.

Trade Publications

- ✓ As with the horizontal publication ads, the trade-focused ads suffer from too much text, and images that could generally stand to be more active.
- ✓ The “Brain Power” and “Dressed for Success” are the most effective of the target-specific trade ads and utilize the most creative “tag” lines.
 - The Automotive-specific ad (“Brain Power”) has a compelling composition with the auto designer² front and center. But it is a bit confusing whether he is a model or an actual Austin-based professional. His inclusion in the ad begs this question and distracts a bit from the message.

² It is actually unclear whether the man pictured is an Austin-based automotive designer, some other type of auto professional, or a paid model.

- ✓ The only ad that shows any type of Austin-style vitality is the “There’s a different energy here” spot. The live music communicates energy and vitality, but the inclusion of the bridge and motorboats is curious.

Notes On Industry-Specific Brochures

- ✓ **Austin: Where Biology Meets Technology**
 - The photo on page 1 is confusing. What and who should be bylined if this is technology found in Austin?
 - Rather than referring to “migrating” to describe Austin’s population growth, a term such as “innovative or creative” talent would be more effective.
 - “Migrating” can connotations in today’s world of immigration and other hot-button topics. (“Migrating” is used in several of the brochures to describe the talent coming to Greater Austin.)
 - The paragraph describing the median age for Austin is not sourced.
 - The reference to Austin’s “modern international airport is diminished by the phrase: “opened in 1999.”
 - The airport has been open long enough to safely omit these reference. (It should be noted that this same phrase is used in several of the other brochures.)
- ✓ **Setting the Pace for Wireless Revolution**
 - On the first page, the rankings for “unwired cities” and “free wireless hot spots” must be sourced.
 - On page 3, under “Quality of Life,” several “Best” listings are referenced, but no sources are given.
- ✓ **Converging Industries: Making Austin a Great Place to do Business:**
 - On page 2, youthful and talented workforce and a superior business environment topic should be sourced.
 - Several references to data are highlighted here without sources.
- ✓ **Austin’s Semiconductor Industry**
 - On the first column of page 1, several employment numbers are discussed without sources being referenced.
- ✓ **Austin’s Automotive Industry:**
 - Of all the target-specific brochures, this is the most effective. The format, quotes selected and industry examples used are all very effective.
 - On page 2, column 1, “Workforce” comments regarding Central Texas workforce productivity must be sourced
 - The listing of innovation centers and companies is well done, while the location topic is excellent.
- ✓ **Plug in to clean energy in Austin:**
 - The format of this brochure is not the same as all of the others. There is no logo in the upper left corner.

- On page 2, the reference to “Green Building Program” should be sourced.
- ✓ **Distribution and Logistics:**
 - If a uniform format is to be followed, then the background for the target group should be blue.
 - On the second page, “Sites & Buildings” should be sourced.
 - On the final page of this brochure, the “Skilled Workforce” section references Austin as being 13 percent lower than the average wage. What is the source? The next paragraph also has lots of data, but no sources.

Trade Shows, Out-of-Market Visits, Site-Selector Events

As a component of Greater Austin’s efforts to “get back in the game” of economic development, the Chamber’s renewed marketing program included targeted outreach to a number of constituencies.

Site-selection professionals were invited to come to Austin for a “retreat” in which they were feted, introduced to regional leaders, and shown Greater Austin’s many competitive corporate and infrastructure-related assets. Now that the Austin region is back “on the radar” of site consultants, money would be more logically spent on site-selection specialists that are involved with projects in key target areas that will diversify Greater Austin’s economy (health care, professional services, etc.)

Through the Chamber’s leadership, top public and private Austin-area officials have been making trips to key domestic and international destinations to visit with companies, elected officials and other local “influencers.” However, as will be discussed in the International Marketing section, Greater Austin does not do enough to leverage its top business, governmental, and university leadership for marketing and economic development.

Lastly, Chamber economic development staff have stepped up their trade show and conference visitation schedules tremendously. Industry shows visited generally are aligned with the Chamber’s priority target sectors. As implementation of Opportunity Austin II commences, Chamber staff should reprioritize target-show visitation on events that give them direct face-time with top industry business leaders. Staff should also consider visitation of trade shows in targeted industries in which Greater Austin is less well known.

The following are notes and information resulting from interviews with Greater Austin personnel as well as *Market Street*’s assessments of local efforts.

- ✓ Chamber officials noted that trade shows are an “excuse” to get into a market and bring top regional partners and business leaders to influence potentially relocating companies.

- As operations move forward, the Chamber will be more “focused” on specific targets and trade shows rather than having a presence at a wider variety of events. This is critical for the maximization of marketing resources for efforts that hold the best potential for success.
- The CoreNet show was said to be a worthwhile outlet for Greater Austin marketing, but only if an Austin-area representative is invited to speak at the conference.
- ✓ Hosting site selectors in the Austin region will continue to be an important means to keep Austin in the minds of these professionals and let their clients know that metro Austin is interested in quality growth.
 - Chamber staff and volunteer leaders still hear from site consultants that Austin is “only about high-tech.” Therefore, it may be warranted to cut back on exposure to site consultants focused on high-tech projects.
 - Efforts are continuing to broaden awareness of Greater Austin’s current – and potential – economic diversification and broad array of workforce skills.
 - It will be important to ensure that a broad and continuing mix of selectors is included in the rosters for these events.
 - Because – as reported by Chamber staff – slightly over 50 percent of prospects are currently coming from site selectors and real estate firms, it is imperative that new and best-practice outreach methods complement existing efforts in order to diversify the Chamber’s sources of lead-generation.
 - An optimal percentage for prospects derived from site selectors and real estate firms is below 40 percent.
- ✓ Out-of-market visits will continue to be a vital means to get “face-time” with potential prospects and key leadership. They are also a tool to leverage the networks of local companies for conversations with potential relocation prospects.
 - For every trip, Chamber officials should strive to leverage the highest-placed and most influential leadership in the Austin region. This means – for example – taking Michael Dell on an out-of-market visit, or having him host a local event for some of Dell’s top suppliers.

Public Relations

The Greater Austin Chamber contracted with New York-based public relations firm Joele Frank, Wilkinson Brimmer Katcher (JFWBK) to handle media placement, crisis communications, arrangement of out-of-market interviews and other selected services. The firm has secured Austin-centered stories in such influential publications as the *Wall Street Journal*, *New York Times*, *Economist*, *Business Week*, *Business 2.0* and other publications. JFWBK estimates that 17,500,000 “consumer impressions” have been generated via media placements to date. The firm has

calculated an “advertising equivalency” value of these placements at \$131,089 since July 2006.³

Most recently, when the Associated Press published an erroneous report related to SEMATECH’s announcement of an expansion in Albany, New York, JFWBK tracked over a dozen U.S. media outlets’ handling of the news and coordinated Greater Austin’s response to the story. The firm also contacted a number of media outlets directly to print revisions to the AP story with corrected information.

The following notes relate to the Chamber’s public relations efforts.

- ✓ Feedback from Chamber officials indicated that JFWBK is doing an effective job of getting bylined stories out of Austin and making good appointments for Chamber representatives to meet with different media outlets.
 - The number of company contacts for the Chamber secured by JFWBK is impressive. This is especially true if the companies are within Greater Austin’s target sectors and adequate research has been conducted on each company.
 - Because public relations (and websites) have been the most important and most effective parts of the Chamber’s marketing program, these efforts should be enhanced. For example, consideration should be given to developing PR contacts in high-value markets like the Bay Area, Boston, Chicago, and other regions the Chamber is targeting for new investment.
 - Consideration should also be given (if not already done) to arranging visits to Austin for key national and out-of-market media representatives.
 - The success of public relations effort has led Chamber officials to consider investing in fewer direct ad placements and prioritizing PR-related efforts for Austin-related articles.
- ✓ The “consumer impressions” and “advertising equivalency” cited by JFWBK in reference to the Chamber’s return-on-investment (ROI) or public relations monies are suspect measurements.
 - While all media firms attempt to use these numbers, specific goals including number of appointments, article placements, and number of reporter visits to Austin are potentially better gauges of the Chamber’s ROI.

³ Source: “By the Numbers: A Progress Report for the Greater Austin Chamber of Commerce, July 2006 to June 2007,” Joele Frank, Wilkinson Brimmer Katcher.

International Marketing

As the scope of economic development has become global with the advent of the New Economy, the majority of press reports about the phenomenon have concerned outsourcing (also referred to as “offshoring”) of U.S. jobs and the threat domestic industries are under from international competition. A less publicized – but equally dynamic – result of globalization is the “opening up” of foreign markets for American goods, and the benefits for international firms to establish operations in the U.S.

Those economic development professionals who travel overseas are instantly struck by the tangible opportunities for business development with foreign companies. In today’s economy, ignoring the potential of international markets is done so at great risk.

The following assessment of Greater Austin’s existing and potential capacity in international marketing and development is based on interviews by *Market Street* and Project Advisor, Craig Lesser, with professionals at the Greater Austin Chamber and state/regional internationally-focused development officials. Project Advisor, C. Jones Hooks also contributed to this analysis.

EXISTING EFFORTS

Currently, the Greater Austin Chamber’s international program is limited to key overseas trips made to meet with the corporate leadership of Samsung, a top regional employer. These trips were said to be critical in the 2006 announcement that Samsung would invest \$3.5 billion in a new 300mm semiconductor plant to create nearly 1,000 new jobs in Austin. The ribbon-cutting for the new plant was held in June 2007.

In Spring 2006, the Chamber was delivered a report (*Creating An Effective International Business Development Strategy For the Austin Region*) by consultant Competitive Strategies Group (CSG) assessing the region’s capacity and potential for augmented international efforts. The study produced a long list of separate recommendations, including:

1. The International Center of Austin (ICA) should consider exploring the purchase of a World Trade Center (WTC) license and evolve to a WTC;
2. The Chamber should create a Vice President of Global Business Development to facilitate international efforts for Greater Austin;
3. The Chamber should create a Greater Austin International Business Coalition committee staffed by the VP of Global Business Development;

4. Cluster-based marketing and recruitment efforts should be focused on high-potential countries, including: Canada; Western Europe; Korea and Japan (China is a long-term possibility);
5. A campaign should be developed to build relationships with U.S. and foreign bank representatives, foreign trade center personnel, and other leaders;
6. A resource inventory of interest to prospective overseas investors should be developed;
7. Foreign representatives working for Greater Austin should be retained in Europe and Asia;
8. A Greater Austin community overview should be available in a number of foreign languages;
9. Determine the possibility of developing an International Intermodal Center (IIC) at Austin-Bergstrom International Airport (ABIA);
10. Better promote the regional Foreign Trade Zone (no. 183) and Greater Austin's benefits as an international region;
11. A strategic planning initiative should be conducted, coordinated by the International Center of Austin and the Chamber's new international coalition;
12. Greater Austin should create a program with area colleges to offer an annual orientation for new and returning foreign-national students; and
13. Foreign-currency exchange should be offered as a service at ABIA.

The report prioritized recommendations for implementation in either 2006 or 2007, and listed anticipated implementation costs for certain new programs or positions. The Greater Austin Chamber is working on implementing components of the report, including the translation of key website materials into Korean.

Market Street and its project advisors reviewed the CSG report and determined that many of its findings and conclusions remain significant and were repeated by those interviewed for this *Economic Development Marketing Assessment*. A few key elements of the CSG report, in addition to the analysis contained in this *Marketing Assessment*, serve as a useful basis for moving forward with international development efforts in Greater Austin. Currently, however, there is no cohesive international initiative being implemented by the Greater Austin Chamber.

Two words were used time and again in current interviews: "leadership" and "coordination." While there certainly is a substantial leadership component in the Austin region (political – both state and local – business and academic), these key leaders do not appear to lend their position and skills to any significant cohesive international initiative. In other words, there is not one single individual in the community who stands out as an effective spokesperson (or salesperson) for existing international initiatives. No one leader has taken the elements of Greater Austin's international efforts and made it a mantra to stir the community's emotions regarding the enormous potential for spreading the gospel of Austin overseas.

Likewise, while a number of internationally-focused programs and professionals are aimed at Greater Austin's potential to develop overseas markets, there is little coordination or synergies emanating from these efforts. The "silos" formed around Greater Austin's international marketing and outreach elements impede the effective development of cohesive strategies to bolster the region's capacity for maximizing importation/exportation, overseas brand awareness, and effective recruitment of foreign-based concerns to metro Austin.

Greater Austin's international prospects are made more challenging by the state of Texas' curious lack of outreach to overseas markets. Aside from a focus on Mexico, the Lone Star state does not actively pursue initiatives focused on established or emerging markets in any part of the globe. Texas has no international offices, and the current governor has not made foreign travel a priority. In many ways, Greater Austin will have to work that much harder to establish a foreign presence due to Texas' extremely weak internationally-focused efforts. In fact, metro Austin may ultimately choose to eschew state assistance altogether, instead focusing on outreach and potential partnerships with other Texas regions such as Houston and/or Dallas.

OPPORTUNITY AREAS TO LEVERAGE INTERNATIONALLY

Why should Austin market on the international stage? Frankly communities cannot afford not to. Most states and a growing list of cities have embarked on global marketing campaigns, and those who remain on the sidelines do so at their own peril. On the plus side, Austin already has a small but respected reputation overseas for service, high tech, and affordable living; thus, there is a natural opportunity to expand this awareness. Indeed, as the home of one of the most widely known computer businesses in the world (Dell), with a growing reputation as a new Silicon Valley, and with a huge investment and expansion by a high tech foreign company (Samsung), a natural path to build on Austin's existing business initiatives exists.

All the elements for a strong global presence are already available. As the capital of the state and the home of the Texas governor, there is also a natural opportunity to cash in on the international visibility of the Lone Star State. At a minimum, these factors form a strong basis for a marketing campaign to extend and build on current success.

Dell

The most probable and appropriate asset to leverage internationally, however, rests with Greater Austin's corporate leadership. Austin is the birthplace and still home to Dell. This company and its brand are known in every corner of the world. Even so, the company and its owner, Michael Dell, are never mentioned in reference to international marketing. While the company may not want to engage in an aggressive international marketing campaign on behalf of Greater Austin, there is a component that, at minimum, should be discussed with Dell leadership. That

component is the engagement of Dell executives sharing their time and talent to support Greater Austin in its international strategy.

For example, Dell executives meet frequently with foreign business leaders and government officials. They should be well versed on the assets of the Austin region and should be willing to remind these international players that Austin should be on their radar. Many major international business leaders undoubtedly are desirous of securing a meeting with Dell executives. It must be the Greater Austin Chamber's charge to leverage such visits as best as possible in the pursuit of top prospect companies. Every senior executive who lives in Greater Austin and has the opportunity to either travel globally or host international business people should be a salesperson and marketer for the Austin region. Dell is merely an example, because of its enormous brand value and global reach. But this concept should be installed in all of Greater Austin's major business participants.

Samsung

Another example is Samsung. Now that this Korean company has again confirmed its belief in the Austin region, the story should not end there. Will Samsung agree to be a part of a marketing campaign? Will Samsung executives routinely speak out locally on the merits of Greater Austin as a prime U.S. location for foreign investment?

In Samsung's native Korea, the company has provided Greater Austin with a new awareness and viability among the giants of a rapidly growing Korean economy that is aggressive in its desire to penetrate the American market. Metro Austin leaders must strive to capture this moment and consider requesting that Samsung executives make introductions to other business leaders in Korea. Keeping in mind that investments are often the results of committed long term relationships, it is important for the Greater Austin political and business community to build on the Samsung investment by making appearances in Korea and holding, "How to Do Business in Austin" seminars. Like Dell, Samsung will have many international business executives visiting their Austin facilities. An agreement should be made to encourage discreet meetings and receptions with these executives and members of Greater Austin's leadership to market the community.

International Chairperson

In addition to the engagement of top regional companies in international marketing efforts, it is imperative to have a credible, reliable and committed high-level executive volunteer chairperson leading Greater Austin's efforts. This is an individual who will form a team of like minded executives at the CEO-level to respond to priority international opportunities. It should arguably be someone who adds a certain passion to these credentials to insure the buy-in of others in order to maintain a team that will be available when international visitors are in the area.

This chairperson of Greater Austin's international efforts should, on yet another level, "connect the dots." This is very significant role for the region's top spokesperson for international marketing because of the reported lack of coordination among the dedicated, but relatively unconnected, existing international initiatives in Greater Austin.

These dynamics adhere to the simple yet potentially overlooked notion that business follows relationships. For example, business investments (i.e., foreign direct investment or FDI) result from trade, which results from market analysis, which is encouraged by relationships. These relationships can occur in different quarters, all of which are within Greater Austin's reach. The entirety of community relationships comes from a combination of cultural, educational, political and business connections.

In the Samsung example, a business relationship certainly already exists. Some of that undoubtedly bleeds over to an educational component that includes UT-Austin and other institutions of higher learning in Greater Austin. Samsung needs educated workers; certain of its employees may either be graduates of – or have children in attendance at – UT-Austin. In addition, Samsung and the university may have relationships based on funded research. All of these dynamics can be leveraged for the benefits of international awareness and marketing.

Sister Cities

Austin has another established political relationship with Korea through its "sister city" of Gwangmyeong. This relationship should encourage discussion of hosting best practice seminars, infrastructure development, educational dynamics, and security issues. These sister city relationships have a cultural component that should include music and arts exchange as well as tourism visits; interview respondents told *Market Street* that, indeed, these components have strong connections at all levels between Austin and Gwangmyeong. However, there was a seeming lack of coordination of this sister city effort, despite the honorable intentions of everyone already engaged. As was previously noted, this lack of coordination relative to international relationships and marketing is emblematic of Greater Austin's overall foreign-focused efforts in general.

Of the sister city relationships, with the exception of Gwangmyeong in Korea and Saltillo in Mexico, refrain from spending any more time on these sister city affiliations. This should be the case for two reasons: 1) the other sister cities do not constitute real business potential, even for the medium term, and, 2) there is no way to reasonably support more than two sister cities and still make the relationships worthwhile and productive. It is simply too expensive and can degenerate into mere photo ops for political figures. Once the ceremonies are done with, the excitement and enthusiasm disappear.

Diplomatic Corps

Relationships that do warrant attention and investment of time and effort are Greater Austin's interactions with the diplomatic corps in Houston and Dallas. Especially key is the Korean Consul General in Houston. The CG should be reached out to and must always be committed to participate in all of Greater Austin's Korean-focused initiatives. The CG should be an active supporter of the Austin region and always knowledgeable about its assets. Make the Korean CG an ambassador for Austin!

In fact, Greater Austin is of cultural, historical and political interest to all the Dallas and Houston diplomatic corps. Austin region leaders should create opportunities for consular officials to be hosted in Austin and to meet the business community. Consuls general, trade representatives and bi-lateral chamber executives should all be ambassadors for Greater Austin. This is a very important component of any new international initiative.

University of Texas at Austin

Continuing with the theme of key leverage points for Greater Austin's international marketing efforts, the dynamic regional presence of institutions of higher learning presents another opportunity area to advance metro Austin's foreign prospects. As was referenced in the example of Samsung's potential relationship with UT-Austin, thoughtful, creative and vigorous efforts to engage the leadership of UT-Austin, Texas State, St. Edwards and other regional colleges and universities in the region's international marketing efforts will bear fruit.

The Greater Austin Chamber should investigate university chairs that have been endorsed by global institutions. Utilize the professors who hold these chairs and engage them in corporate opportunities. Invite them to participate in seminars and trade seminars. They bring enormous credibility to the international business community.

Similarly, the president or chancellor of UT Austin must participate in this international marketing aspect of the Chamber's activities. Investigate where UT-Austin is reaching out globally; where is it seeking key partnerships? Professors in those countries should be utilized as extensions of Greater Austin to spread the word of the Austin region's competitive advantages.

International Strategy Creation

As Greater Austin begins to recognize the depth of its international community and builds strategic alliances with corporate, governmental and academic leadership in the region, the Greater Austin Chamber must then develop strategic steps for implementation that would utilize this depth and parlay it into an aggressive international program. This program should specifically leverage opportunities in the target sectors recommended in this Opportunity Austin II process: Convergence

Technologies, Creative Media, Green Industries, Health Care and Life Sciences, and Corporate and Professional Operations.

It almost goes without saying that an aggressive international program will include the development of best-practice marketing materials. International awareness in marketing can be as simple as including, "USA" in the address used for marketing materials. The Greater Austin Chamber and affiliated websites should continue to be translated into foreign languages representing priority target markets. In addition, specific multi-channel marketing materials reflecting Greater Austin's enhanced international efforts are needed to complement outreach efforts to regional and foreign leadership.

Ultimately, metro Austin's international program will only be as effective as the region's levels of engagement at the corporate, governmental and university levels in outreach efforts and funding appropriations. It will be up to the Greater Austin Chamber to see that this engagement leads to tangible opportunities for metro Austin communities. *Market Street* and its advisors feel the Chamber is the obvious and correct place for coordination of these efforts. The business community must be the leading advocate. No entity besides the Chamber - political or otherwise - will likely take up the challenge and respond with the requisite capacity needed to be effective internationally.

The Chamber should adopt the following as its "mantra" for effective realization of international efforts:

Leadership, Strategy, Coordination, Communication

Each of these dynamics - operating as a system - will be crucial to Greater Austin's ability to leverage its great potential for international development into tangible results.

PERSPECTIVE FROM OTHER COMMUNITIES

Part One of this *Marketing Assessment* looked at Greater Austin's programmatic and operational dynamics related to Opportunity Austin implementation and marketing - both domestic and international. Before any recommendations are made relative to the Austin region's marketing programs, Part II of the report will talk about current best-practices in marketing and outreach as well as provide examples of communities with sustained, effective economic development programs and others that have cut back investments to their ultimate detriment.

The perspective provided by Part II will also inform the *Assessment's* final conclusions and strategic "takeaways."

LESSONS FROM OTHER U.S. REGIONS

To supplement the previous internal review of Greater Austin's marketing efforts, the following sections examine external approaches to economic development marketing. The following literature review presents "best-practice" marketing strategies for websites, direct mail campaigns, international marketing, special events, and branding and advertising campaigns related to economic development. Following that section, information is presented on three regions that are considered leaders in strategic marketing and economic development, in addition to three communities that have taken a step back from aggressive economic development efforts.

Literature Review

WEBSITES

Research suggests that up to 80 percent of initial screening for company relocations are now done by the Internet, according to the International Economic Development Council (IEDC). The biggest need that corporate site seekers and consultants have is the ability to quickly and easily obtain current, reliable, solid information about a community. In order to maximize effectiveness, economic development websites must have high quality data that is visually appealing and organized within an easy to navigate framework.

Below are three best-practice examples of economic development websites. What makes these exemplary is that in addition to quality data, each has distinctive features that serve focused areas of their client or membership base. These features in turn reflect the strategic goals and priorities of the organization.

Metro Denver Economic Development Corporation (EDC) www.metrodenver.org

An affiliate of the Denver Metro Chamber, the EDC is a public-private organization charged with regional leadership, job creation, and marketing activities related to economic development. Launched in 2004, Metro Denver EDC's website was designed based on comprehensive input from top site selection consultants. Data needed by site selectors, business leaders, and investors to make critical decisions were included in the easy-to-navigate website.⁴

⁴ IEDC National Awards, 2005. Accessed online at:
http://www.iedconline.org/Downloads/2005_Winners.pdf

In addition to providing a comprehensive online data center (including downloadable information on the local workforce, population, economy, taxes, incentives, K-12 schools, colleges and universities, and quality of life), the Metro Denver EDC website has some unique features. These include:

- Commentary on the Denver and U.S. economy by a top Denver-based economist.
- Business leader profiles, which rotate to highlight the region's most prominent CEOs, presidents, and managers and why they consider Metro Denver to be a competitive place for business.
- Interactive GIS mapping of the region's office, industrial, and retail buildings and vacant properties.
- Searchable company database that allows users to find regional businesses by name, business sector, city, county, or zip code.

Greater Richmond Partnership

www.grpva.com

Originally launched in 1994, the Greater Richmond Partnership overhauled its website in 2003 earning it a national award in website design from IEDC.⁵ In addition to providing high quality, up-to-date information on the local workforce, available buildings and sites, and cost of doing business, the website has some unique features that attempt to connect a variety of users to Greater Richmond. Some of these features include:

- An online photo tour provides users with a "sense of place" by showcasing Greater Richmond's neighborhoods.
- A "Companion" Partnership website written in Chinese to leverage international development opportunities (www.we-usa.com).
- A specific portal for women- and minority-owned businesses that connects entrepreneurs to financial resources, government contracting opportunities, and technical assistance providers.
- A featured video called "Speaking of Richmond" which highlights specific areas of competitiveness for the region.

Greater Louisville, Inc.

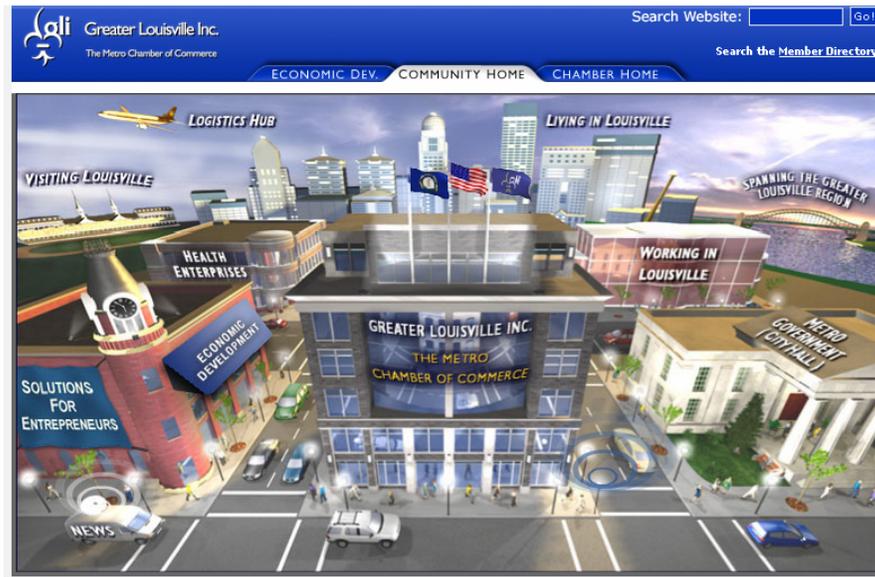
www.greaterlouisville.com

Greater Louisville, Inc. is the chamber of commerce and economic development entity for the Louisville region. The organization's website has been noted as a best-practice for its interactivity and the quality of its content. A unique, eye-catching

⁵ IEDC National Awards, 2002. Accessed online at: http://www.iedconline.org/Downloads/2003_Winners.pdf

home page connects users to information with graphical representation of downtown Louisville.

Website Homepage for Greater Louisville, Inc.



The organization’s website has some other unique features including:

- Talent recruitment resources for regional employers including a link to GreaterLouisvilleWorks.com, which is a talent database with more than 50,000 people registered as currently living in or interested in moving to the region.
- Portfolio summaries of companies in the organization’s High Impact Program, which identifies and serves local high-growth companies.

DIRECT MAIL CAMPAIGNS

Three best-practice examples of direct mail campaigns are outlined on the following pages. Each campaign satisfied different objectives including business recruitment, talent recruitment, and event promotion. The commonalities lie in the marketing approach. Each effort included a well thought out targeted mailing list, a creative product, and quality information.

In fact, *Market Street* believes that only very narrow, targeted direct mail campaigns have any positive impacts. The Greater Austin Chamber may find this approach to be useful in marketing its new “diversification targets,” but direct mail is not recommended for general marketing operations.

Wake County Economic Development Organization *Textile Precision Marketing Campaign*

The Wake County Economic Development Organization (EDO) is a public-private partnership overseen by the Greater Raleigh Chamber of Commerce. The organization is responsible for business recruitment and retention, and marketing Wake County and its municipalities.

A report published by the Research Triangle Regional Partnership noted that to fully leverage the region's universities (Duke University, University of North Carolina-Chapel Hill, and North Carolina State University), they must be incorporated into all economic development strategies.⁶ This regional goal spurred the Wake County EDO to build a direct mail campaign around NC-State's world-renowned College of Textiles and the region's textile business cluster.

Students and faculty at NC-State helped develop lists of targeted in four sub-fields of advanced textiles: non-woven materials, biomedical textiles, medical textiles, and nanofibers. Then priority companies were identified based on companies that have existing connections to the region, through the university or supplier firms. These companies received direct mailers, each of which included three items:

1. "Threadbare No More: Smart technology in North Carolina is helping revive the tattered textile industry-and putting Raleigh-Durham back on the map"
 - May 2005 *Forbes' Magazine* article highlighting Wake County and the strengths and achievements of NC State's textile program.
2. "The Future of Textiles is Here"
 - An informational booklet highlighting Greater Raleigh's resources for textile companies, including tax breaks and talent base, and NC-State's College of Textiles and its research centers.
3. Personalized data booklet
 - Each company on the mailing list received a personalized booklet listing the company's name and outlining specific local resources that may help meet that company's needs.
 - Booklet covers were printed on Evolon, a material manufactured in Greater Raleigh.⁷

Concurrently, the organization ran print advertisements in select trade magazines and launched a textile-specific website. In February 2006, MeadWestvaco announced it would invest \$14 million in a Center for Packaging Innovation in Wake

⁶ Research Triangle Regional Partnership. (March 2004). *Staying on Top: Winning the Job Wars of the Future*.

⁷ IEDC National Awards, 2005. Accessed online at:
http://www.iedconline.org/Downloads/2005_Winners.pdf

County, creating 200 jobs.⁸ This announcement followed a face-to-face meeting with leaders from the Wake County EDO after MeadWestvaco received the direct mailer. The organization also scheduled over 20 meetings with other high-priority companies, resulting in nine “hot prospects.”⁹

Jacksonville Regional Chamber of Commerce *Super Bowl Direct Mail Campaign*

When the National Football League announced Jacksonville, Florida would host Super Bowl XXXIX in 2005, leaders at the Jacksonville Regional Chamber of Commerce realized this would be a tremendous opportunity to market the region. The Chamber partnered with a private marketing firm to develop what would become the most aggressive Super Bowl marketing campaign undertaken by an economic development group.

Media surveys conducted a year prior to the event showed that most survey participants did not have a firm understanding of Jacksonville’s amenities or business climate. The Chamber’s objective of this marketing campaign was to increase awareness in these areas. With a budget of \$250,000, the Chamber along with its marketing and advertising advisors, launched three direct mail campaigns.

1. “Countdown to Kickoff: There are XX days until the Super Bowl comes to Jacksonville. What are you doing to get ready?”
 - Series of seven postcards mailed out once every three weeks.
 - Each postcard front featured a different humorous photograph. The back of the postcard outlined how Jacksonville leaders were working to prepare for the Super Bowl and grow the city.
 - Targeted toward media contacts, site consultants, and convention and tourism planners.

2. “Your Gear for the Game”
 - Series of four high-end gift mailers sent every five weeks.
 - Included Bolle sunglasses, a Cutter and Buck golf shirt wrapped like a football, Bushnell binoculars, and a Coach passport holder.
 - Targeted 300 “A-level” business contacts.

3. Electronic Media Kit

⁸ NC State Press Release. Accessed online at:
http://news.ncsu.edu/releases/2006/oct/100606_RTRP_release.htm

⁹ Wake County Economic Development/NC State University. *Precision Marketing Initiative*. Accessed online at: http://open.nat.gov.tw/OpenFront/report/show_file.jsp?sysId=C09600336&fileNo=010

- Working pen with a USB drive inside the cap. Each USB was loaded with photos, video files, and information about Jacksonville.
- The mailer read, “This pen can’t write a story about the Super Bowl for you. But it will sure give you lots of ideas.”
- Targeted top-tier media contacts.

Together, these mailings reached 225 media contacts, 300 target businesses, and 10,000 general business and tourism contacts.¹⁰ Because of these efforts, the Jacksonville Chamber of Commerce was awarded the American Chamber of Commerce Executive (ACCE) grand prize for direct mail in 2004. In its award application, the Chamber noted, “The effects of this program are ongoing and have been overwhelmingly positive. The media mailings generated a large amount of interest and have resulted in numerous articles – both in Jacksonville and in other cities. Initial follow up on A-level mailings showed over 70 percent interested in future contact with a nearly seven percent considered highly qualified leads.”¹¹

RightNow Technologies and Montana State University *Recruiting Alumni Back to Bozeman*

RightNow Technologies is a software company headquartered in Bozeman, Montana with 400 local employees and 300 more located in 14 worldwide locations. The firm had great difficulty finding qualified workers for jobs sales, marketing, and software engineering at its Bozeman campus. After job placement ads in major west coast newspapers failed to yield a good supply of promising resumes, RightNow’s founder and CEO, Greg Gianforte, contacted the alumni office at nearby Montana State University (MSU) for help.

MSU provided the company with a list of alumni who had graduated within the past ten years with a degree in computer science. However, in order to protect the university’s graduates, MSU placed strict restrictions on the list use. The list could not be sold or distributed and had to be destroyed after one use. With these parameters in place, RightNow launched a direct mail campaign sending alumni postcards asking them to reconsider moving back to Bozeman. These were followed up with a personal letter from Mr. Gianforte discussing the local job opportunities within his company.

RightNow says this approach has not generated an increased volume in applications, but that applicants are better qualified and are knowledgeable about the Bozeman area. In this regard, this approach to talent recruitment has helped RightNow remain

¹⁰ Cornerstone Unveils Super Bowl Marketing Plan. (September 22, 2004). *Jacksonville Business Journal*.

¹¹ ACCE ACE 2004 (Awards for Communications Excellence). Accessed online at:

<http://www.acce.org/ACE-Awards-By-Year.aspx?Year=2004>

and grow in Bozeman.¹² It has also strengthened the company's partnership with Montana State University.

RightNow Technologies recently announced it would fund a \$240,000 three-year distinguished professorship award at MSU's computer science department. The company will also continue to sponsor two yearly academic scholarships for outstanding students within the department. Both of these moves bolster the competitive of the College of Engineering and its computer science department, according to university administrators. Gianforte said, "The computer science program being healthy and prosperous is directly related to our long-term health. It's extremely important for us that MSU have a vibrant computer science program."¹³

INTERNATIONAL MARKETING

In today's global economy, international marketing is increasingly a key component of competitive economic development strategies. More than trade shows and print advertisements, the cornerstone of successful international marketing is networking and relationship building.

Hampton Roads Economic Development Alliance (HREDA) *Global Economic Development Operation*

The mission of the Hampton Roads Economic Development Alliance (HREDA) is to market the Southeastern region of Virginia nationally and internationally in order to attract jobs and investments to the region. The organization's budget reflects these priorities. In 2006, HREDA committed 76 percent of its \$3.1 million in revenues to marketing. A key component of HREDA's strategic approach to marketing is its Global Economic Development Operation, which includes:

- International marketing;
- Foreign national personnel; and
- An international roundtable of investors and strategic partners.

The organization is focused on making inroads into key foreign markets – including China, the United Kingdom, Germany, and Canada - through relationship building and aggressive marketing. HREDA retained foreign-based consultants to lead marketing efforts in China and the U.K. to represent Hampton Roads at events and

¹² Spors, Kelly (June 4, 2007). For Company in Remote Location, Ex-Residents Offer Promising Pool. *The Wall Street Journal*.

¹³ Montana State University. (Spring 2007). RightNow Technologies is a Model for University, Community Partnership. *Mountains and Minds Online Magazine*.

trade shows. Additionally, members of the HREDA marketing team traveled over 140,000 air miles in 2006 to missions abroad.¹⁴

Last year, three international companies announced direct investments in Southeastern Virginia. All announcements resulted from mission trips taken in the past five years and subsequent relationships that had taken root.

- Touchroad International Trading: China-based textile and jewelry company announced it would establish its U.S. headquarters in Hampton Roads. HREDA originally met with Touchroad in September 2005 on a trip to Shanghai.
- Mombaur International Consulting Solutions: German-based software company, which develops applications for the medical and aerospace industries, announced it would relocate to a technology incubator in the Hampton Roads area. HREDA originally met with the company in a 2001 marketing mission to Germany.
- East Coast Container Trading: German-based manufacturing company that makes special containers for shipping. The region's port operations were a key selling point for this strategic move. HREDC met with East Coast Container during a 2004 marketing mission in Germany.

Metro Orlando Economic Development Commission (MOEDC) *International Business Development Team*

The Metro Orlando Economic Development Commission (MOEDC) serves the City of Orlando and the surrounding four-county region by attracting new business investments through marketing, and by assisting existing local companies with expansion and retention concerns. To help achieve this mission, the MOEDC has an International Business Development Team to help local businesses boost export sales and by marketing the Orlando region globally.¹⁵ Some of the specific activities of the team include:

- Assisting local companies identify and capitalize on export opportunities.
- Supporting international companies that are expanding to the Orlando region.

¹⁴ Hampton Roads Economic Development Alliance. *2006 Annual Report*. Accessed online at: <http://hreda.com/publicImages/downloadFiles/Annual%20Report%202006%20for%20Web%201.pdf>

¹⁵ MOEDC. Accessed online at: <http://www.orlandoedc.com/About%20the%20EDC/index.shtml>

- Aggressively marketing the region through advertising and key international business development missions.
- Facilitating business matching through inbound trade missions
- Providing counseling sessions on visas, tax laws, and other issues of concern to international companies.¹⁶

The International Business Development Team publishes a monthly e-mail newsletter called the “Metro International News Brief” to circulate to its members and key contacts. The following provide a sampling of the team’s recorded activities for May 2007.

- Team members met with:
 - Executives from RBC Centura Bank to establish a relationship for international programs.
 - Executives from Calhill Homes to discuss international marketing strategies.
- Co-sponsored the Hong Kong Trade Development Council Program hosted by the Florida-China Association, Inc.
- Hosted delegation from the American Chinese Culture Exchange Center in Beijing that is participating in the National Hardware show and convention in Orlando.
- Coordinated a “Protocol Training” for EDC staff with the collaboration of the office for Global Perspectives of the University of Central Florida.

The organization began pursuing international opportunities early in 2004 and has ramped up capacity over the last three years. The organization has registered some clear “wins” as a result of these focused efforts. In 2006, six international companies from Germany, Canada, Spain, and Australia announced direct investment in the region.¹⁷

SPECIAL EVENTS

Luncheons, tours, and trips are all special events economic development organizations sometimes sponsor in order to promote their communities. Often times the purpose of such events is to learn from other communities or to provide networking opportunities that help facilitate business leads. These best-practice examples illustrate “out of the box” ways to create positive buzz and to expand communications networks.

¹⁶ MOEDC. *Building Global Connections* brochure. Accessed online at: <http://www.orlandoedc.com/core/fileparse/Documents/EDC%20Documents/Publications/Industry%20Brochures/International.pdf>

¹⁷ MOEDC. *2006 Annual Report*. Accessed online at: <http://www.orlandoedc.com/core/fileparse/Documents/EDC%20Documents/Publications/EDC%20Annual%20Report%202006.pdf>

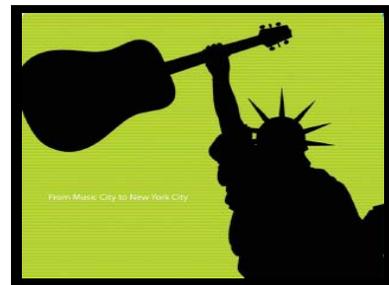
Nashville Area Chamber of Commerce *Music City to New York City Trip*

Since the Country Music Association began its annual CMA Awards show in 1965, the City of Nashville had hosted the event every year. However, in 2004, the association announced it would temporarily move the CMA Awards to New York City in 2005. Although this was a loss for Nashville, members of the Chamber of Commerce saw this as an opportunity to promote Nashville to New York-based businesses.

Together with the Nashville Convention and Visitors Bureau (CVB), the Chamber organized a trip to New York City. Each organization's board members, investors, and key stakeholders were invited to attend, including the CEOs of Bellsouth and HCA, so that the Chamber and the CVB could effectively network with key New York-based business leaders.

The Chamber and the CVB hosted a business luncheon for over 200 New York-based business leaders to showcase the region's competitiveness.

The event also promoted Nashville as a hot travel destination. To make the event unique and exciting, country music singers, including Sara Evans, performed at the event. In addition, all New York contacts received a t-shirt, a gift CD, and information on Greater Nashville's business competitiveness and quality of life.^{18 19}



Illinois Department of Community and Economic Opportunity & the Economic Development Council of the Bloomington-Normal Area (Illinois) *Reverse Trade Mission*

In order to help boost direct foreign investment in central Illinois, Governor Rod Blagojevich's Department of Commerce and Economic Opportunity arranged for a "reverse trade mission" in Bloomington-Normal, located two-and-a-half hours southwest of Chicago. A team from the Governor's office escorted 24 Chicago-based foreign trade commissioners to the region in order to promote central Illinois to the commissioners and to encourage them to promote the region to colleagues overseas. Twenty-one countries were represented by the delegation including Canada, China, France, Great Britain, Hong Kong, Korea, Spain, Taiwan, and Thailand.

¹⁸ IEDC National Awards, 2006. Accessed online at: http://www.iedconline.org/Downloads/2006_Winners.pdf

¹⁹ Nashville Chamber of Commerce (2004-05). *Partnership 2010 Annual Report*. Accessed online at: <http://nashvilleareainfo.com/Docs/Annual%20Report%20PDFs/P2010%20Annual%20Report.pdf>

Trade commissioners, community leaders, and over 100 members of the local business community participated in tours of the City of Bloomington, the City of Normal, and Illinois State University (ISU). In addition, they heard presentations from leaders at Mitsubishi Motors (a large local employer), ISU's Dean of the College of Business, and the mayors of Bloomington and Normal. These presentations highlighted central Illinois' competitive advantages in logistics, workforce development, research, and quality of life. Each trade commissioner was given a travel bag filled with unique marketing materials and in-depth information pertaining to the economic competitiveness of Bloomington-Normal.^{20 21}

Ontario Ministry of Enterprise *Journalist Tour*

BIO is the world's largest international biotechnology conference. Each year, thousands of leaders from the public and private sectors meet to discuss trends and new opportunities in biotechnology. Ontario was to host the BIO conference in 2002. With over 15,000 people – 11,000 of which were expected to be from the United States or overseas – Ontario's Ministry of Enterprise saw the opportunity to further promote the province as a competitive place for biotechnology to international business leaders.²²

Before Ontario hosted the global BIO conference in 2002, the Ministry of Enterprise invited five international science reporters to a four-day "Life Sciences Journalists' Tour." The objectives were to:

- Highlight local research capacity.
- Promote breakthrough discoveries found by Ontario researchers.
- Discuss the provinces' support infrastructure for commercialization
- Tour several biotech companies at all stages of maturity.
- Benefit from international press coverage.²³

BRANDING/ADVERTISING CAMPAIGNS

Associating a brand identity with a community is an effective way to market its assets. A creative branding and advertising campaign can help a community "get in the game" of economic development by helping to establish an image that promotes business competitiveness. Branding and advertising on the regional level can also

²⁰ Illinois Department of Commerce and Economic Opportunity. (September 15, 2005). Press Release. Accessed online at: http://illinoisbiz.biz/dceo/News/2005+Archives/pr_09152005.htm

²¹ IEDC National Awards, 2006. Accessed online at: http://www.iedconline.org/Downloads/2006_Winners.pdf

²² BIO archives. Accessed online at: <http://bio.org/speeches/pubs/milestone03/bio2002.asp>

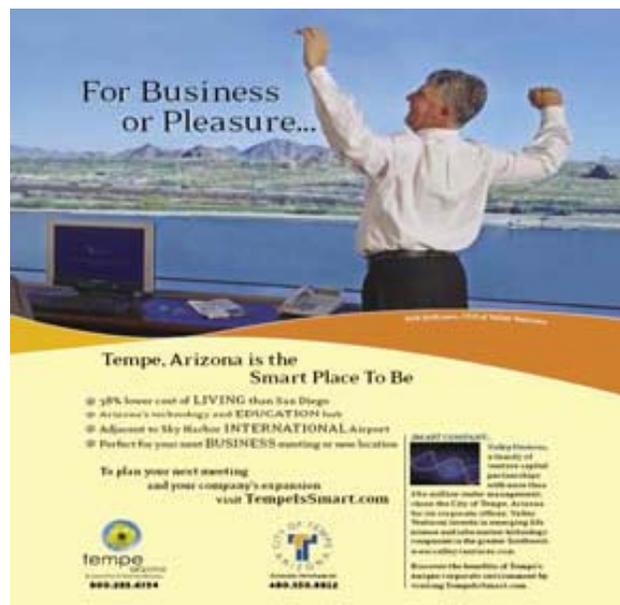
²³ IEDC National Awards, 2002. Accessed online at: http://www.iedconline.org/Downloads/2002_Winners.pdf

benefit chambers of commerce that wish to strengthen their image and role in local economic development.

Tempe, Arizona
The Smart Place to Be

The City of Tempe, the Arizona Technology Council, and Arizona State University partnered together in 2004 to launch a national advertising campaign in order to attract more technology-related businesses to Tempe. The advertisements showed workers enjoying the region’s natural amenities with the caption: Tempe, the smart place to be. The entire campaign was designed in-house utilizing the talents of existing staff.

The ads cost a total of \$40,000, initially running in select east and west coast distribution markets for *Forbes*, *Fortune*, *Money*, *BusinessWeek*, *Newsweek*, *Time*, and *U.S. News and World Report*.²⁴ The National League of Cities and the International Economic Development Council both recognized the City of Tempe for its outstanding branding campaign.²⁵



²⁴ IEDC National Awards, 2005. Accessed online at: The advertisements were all made in-house utilizing the talents of existing staff.

²⁵ Image from City of Tempe. <https://www.tempe.gov/comdev/WeeklyUpdate/12JAN07.pdf>

Baton Rouge Area Chamber (BRAC)
Re-branding Campaign

The Baton Rouge Area Chamber of Commerce (BRAC) realized the need to take a strong leadership role in regional economic development after Hurricane Katrina. However, in recent years, the Chamber had not been regarded as a strong business partner. In order to revive the image of the Chamber and to position it as a leader in economic development efforts, it partnered with a communications firm on a re-branding campaign.

BRAC and its advertising consultants developed a list of key audiences. These included:

- Prospective businesses;
- Site selection consultants;
- Current business community; and
- Region’s existing 100 largest businesses, most of which had never been associated with the Chamber.

Based on focus groups of local leaders from the Chamber’s nine-parish service area, the advertising consultants developed a new brand for the Chamber: a star with nine arrows pointing out and nine white arrows pointing in.²⁶ The brand was meant to symbolize collaboration and return on investment. The brand was launched at a luncheon, an event that continued on a regular schedule in order to update investors and the media on the Chamber’s efforts.



Using “literal publicity” to explain what the brand meant and that the organization was committed to working together for results were effective in changing local perceptions. BRAC reports that, since launching its new brand, Chamber event attendance has doubled and more than 90 new members have joined the organization. The Chamber achieved these results with a \$75,000 budget for the branding and marketing campaign.²⁷

²⁶ Logo from Baton Rouge Area Chamber of Commerce. Accessed online at: <http://www.brac.org/site.php>

²⁷ ACCE ACE 2005 (Awards for Communications Excellence). Accessed online at: <http://www.acce.org/ACE-Awards-By-Year.aspx?Year=2005>

Best-Practice Communities

In the field of economic development, best-practice marketing efforts occur alongside comprehensive, coordinated economic development strategies. The strategy outlines priorities and new opportunities, shaping effective, targeted marketing campaigns. The following section profiles regions that are considered to be leaders in strategic marketing and economic development efforts: Nashville, Richmond, and Oklahoma City.

Each community was considered a second-tier city in the early 1990s and was virtually unknown in the national economic development arena. However, visionary leadership and commitments from both the public and private sectors helped these communities build well-funded, forward-thinking, regional plans to improve their competitiveness as a place to live and work. The Nashville Area Chamber, the Greater Richmond Chamber, and the Greater Oklahoma City Chamber have all completed multiple campaign cycles to fund ongoing aggressive economic development and marketing efforts.

NASHVILLE AREA CHAMBER OF COMMERCE

Partnership 2010

History: *Partnership 2010* originated in 1990 as *Partnership 2000*, a regional public-private economic development initiative. Prior to the development of this program, the Nashville Area Chamber of Commerce's economic development efforts were under-funded. As a result, the 10-county Nashville region was not a contender in "the game" of national economic development. In the minds of many corporate executives and site selectors, Nashville was not even on the map.²⁸ *Partnership 2000* has proceeded in four-year strategic investment cycles, changing its name in 1998 to *Partnership 2010*. The current cycle (initiated in 2006) is the first effort to span five years.

Goals: While earlier strategic cycles registered many successes, there was still progress to be made in providing more high-wage, high-skill jobs in the Nashville region. Initiated in 2002, the fourth *Partnership* strategic investment cycle featured a renewed commitment from the private and public sectors. The year 2002 goals of *Partnership 2010* were to promote:

- A diversified, sustainable economy.
- Quality education and workforce development resources.
- Opportunities for innovation and entrepreneurship.

²⁸ Best practices in economic development. <http://www.winnipeg-chamber.com/PDF/Wire/Selling%20Wpg.pdf>

- Competitive infrastructure development.²⁹

Approach: To achieve these goals, in 2002 the Chamber outlined a comprehensive approach to regional economic development for *Partnership 2010*.

- **Recruit:** Aggressive business recruiting targeted areas including corporate headquarters, administrative offices, technology companies and high-skill manufacturing.
- **Retain:** Effectively serve the region’s existing businesses through proactive tracking and business assistance programs.
- **Entrepreneurship:** Promote entrepreneurship as another avenue to promote economic growth and the region’s overall competitiveness.
- **Community Improvement:** Ensure the Nashville region remains a quality place to live and work by supporting forward-thinking government policies and programs in workforce development, transportation, and education.³⁰

Budget: Programs and staff needed to meet the outlined goals helped drive fundraising efforts. The Chamber raised over \$12 million from the public and private sectors to champion the 2002-2006 strategy. The greatest proportions of this funding were allocated to workforce development, government services improvement, communications and marketing. A small portion of the program’s budget was set aside in an “opportunity fund.” These monies were used to underwrite special or unexpected economic development opportunities that arose in-house or from a partner organization.

Partnership 2010: 4-year Budget (2002-2006)

	Amount	Percent of Total
Business attraction	\$1,797,400	20%
Communications and marketing	\$2,812,700	31%
Existing business and retention	\$1,173,700	13%
Workforce development and improving government services	\$2,829,100	31%
Opportunity funding	\$600,000	7%
Total 4-year Budget	\$9,212,900	100%

Source: Nashville Partnership 2010 Annual Reports

²⁹ Partnership 2010 Strategy overview. Accessed online at: <http://www.winnipeg-chamber.com/PDF/Wire/Selling%20Wpg.pdf>

³⁰ Nashville Partnership 2010 Annual Reports. Accessed online at: <http://www.nashvilleareainfo.com/Default.aspx?Page=MediaKit>

Key Marketing Techniques: The Nashville Area Chamber of Commerce dedicated approximately \$2.8 million in marketing and communications between 2002 and 2006. Some of the Chamber’s key marketing techniques include:

- A direct mail campaign to site selectors thanking them for Nashville’s#1 ranking in *Expansion Management’s* annual “America’s 50 Hottest Cities” pole.
- Holding a luncheon for 200 New York-based business executives with the Chamber’s board members and key investors.
- Facilitating positive national media coverage in *USA Today*, *The New York Times*, *The Wall Street Journal*, *Business 2.0* magazine, *Fortune*, and other national publications.
- Publicly lobbying for the region’s commuter rail line, which successfully opened in September 2006.
- Launching a completely redesigned website that has a central focus on providing quality, up-to-date information about the Nashville region.³¹

Impacts: Continuing the momentum begun in 1990, the fourth round of the *Partnership* strategic cycles has helped to proactively shape the future of Nashville’s regional economy. To date, all measurable objectives for 2002-2006 have been exceeded, as shown in the following chart. Additionally, the region has successfully relocated nine corporate headquarters of companies with more than \$100 million in annual revenues.

Partnership 2010: Progress and Impacts (2002-2006)

Objectives	2002-2006 Goal	2002-2006 Actual
Employment growth of 12,500 new jobs per year	50,000	53,500
Population growth of 20,000 per year	80,000	125,811
Personal income growth of \$1,300 PCI per year	\$5,200	\$5,240
Recruit new, private sector employers		
Prospect visits	440	550
Actual relocations	120	132
Assistance to entrepreneurs and existing businesses	1,000	1,442

Source: Nashville Partnership 2010 Annual Reports

The Partnership’s efforts have been credited with the “transformation of the Nashville region from a minor league Southern to a major league national city.”³²

³¹ Ibid

Nashville has climbed to the top of virtually every business competitiveness ranking, including *Expansion Management's* annual "America's 50 Hottest Cities" review in both 2005 and 2006³³

In 2006, the Chamber launched its fifth round of the *Partnership* campaign, running through 2011. In its most recent annual report the Chamber notes:

"We didn't get here by accident. In July 2002, *Partnership 2010* embarked on a bold, new economic development strategy for the 10-county region that was every bit as ambitious as those that had come before. We turned up the energy. We aggressively pursued corporate headquarter relocations and set our sights on being number one....

So, where will the Nashville region be when the Partnership's current campaign concludes in 2011? Thanks to the visionary leadership of *Partnership 2010* investors who helped develop and fund our new strategy the answer is quite simply – in a very, very good place."³⁴

GREATER RICHMOND PARTNERSHIP

Imagine...A Greater Richmond

History: The fact that cities are not located in counties in Virginia makes regional cooperation particularly difficult. In 1994, business leaders in the Richmond area tried to overcome this by approaching the Greater Richmond Chamber of Commerce to form a regional public-private partnership devoted to economic development.

The Greater Richmond Partnership is a public-private entity representing Chesterfield, Hanover, and Henrico Counties and the City of Richmond. The Partnership has over 300 business investors that make up half of the total funding for the organization. The other half is split evenly among the four governments – a rarity in the field of economic development. The Partnership's mission is to create jobs, increase the tax base through investments, and encourage regional cooperation.

To launch its efforts, the organization began a 5-year capital campaign (1994-1999) to raise money for marketing and economic development efforts. This was followed by another 5-year capital campaign in 2000 and a third campaign in 2004. Now in its

³² Best practices in economic development. <http://www.winnipeg-chamber.com/PDF/Wire/Selling%20Wpg.pdf>

³³ Nashville Partnership 2010 Annual Reports. Accessed online at: <http://www.nashvilleareainfo.com/Default.aspx?Page=MediaKit>

³⁴ Ibid

third cycle *Imagine...A Greater Richmond* has proven to be a best-practice in effective public-private economic development initiatives.

Goals: The Partnership renews its aggressive efforts with ambitious 5-year goals related to job creation, business expansion and retention, marketing, and small business assistance. These include:

- Leveraging public-private cooperation to enhance Greater Richmond’s competitive advantage.
- Marketing the Greater Richmond region worldwide using the latest technology.
- Improving the quality of life through economic transformation.
- Promoting business diversity, small business development, innovation, and entrepreneurship within the Greater Richmond region.
- Striving to create a knowledge generation workforce.³⁵

Approach: While marketing efforts remain a central focus of the Partnership’s strategy, this cycle of *Imagine...A Greater Richmond* places more emphasis on business retention, expansion, entrepreneurship, talent development, and education than in previous years. This cycle reflects “new thinking for a new century,” and attempts to approach economic development from multiple avenues.

Budget: Between 1994 and 2004, the Partnership had a 10-year cumulative budget of \$26 million for its first two campaign cycles. Its current 5-year campaign (2004-2009) launched with an aggressive fundraising schedule to raise \$7 million from the private sector to match \$7 million in pledges from the public sector. These fundraising goals were exceeded by more than 10 percent, representing a strong and continued vote of confidence from Richmond’s business community.

Imagine...a Greater Richmond: 5-year Budget (2004-2009)

	Amount	Percent of Total
Enhance the Greater Richmond Region	\$4,000,000	29%
Market the Greater Richmond Region worldwide	\$5,500,000	39%
Improve the quality of life through economic transformation	\$2,500,000	18%
Promote small business development and entrepreneurship	\$1,000,000	7%
Create a knowledge generation workforce	\$1,000,000	7%
Total 5-year Budget	\$14,000,000	100%

Source: Greater Richmond Partnership, Case Statement

³⁵ Greater Richmond Partnership. Case Statement.

Key Marketing Approaches: Marketing has been a key component of the Greater Richmond Partnership’s economic development program since it began in the mid-1990s. In the 2003-04 year, the Partnership retooled its marketing efforts, ramping up electronic communications and international efforts.

- **Seminars:** Held a series of “Invest in America” seminars in England, Korea, and China to help foreign prospects learn about doing business in the United States, and specifically Richmond. The organization also co-sponsored an American Life Sciences seminar for more than 75 German companies.
- **Electronic communications:** Launched new email newsletters aimed at target audiences in life sciences, microelectronics, and advanced materials. The organization also overhauled its website, earning it a national award from IEDC.
- **Marketing missions:** Leaders within the Partnership traveled to New York, California, Northern Virginia, Germany, Italy, and China on marketing missions. Focus was placed on building the Partnership’s contact list and effectively networking with key business leaders.
- **Retooling:** Developed new marketing strategies based on feedback solicited in interviews and focus groups to make the Partnership’s efforts more effective. Public relations and publicity promotion operations were moved in-house and a greater emphasis was placed on achieving national recognition and media exposure.³⁶

Impacts: The Partnership’s first two campaign cycles spanning from 1994 to 2004 effectively put Richmond “on the map.” In 2004, Richmond was ranked in over 50 national and international “best place” rankings and listings. Over the course of a decade, the Partnership assisted over 290 companies, facilitated \$5 billion in private investments in the region, created over 80,000 net new jobs, and spent over \$20 million marketing Richmond worldwide. It is estimated that every \$1 investment generated \$185 in returns.³⁷

The Partnership is in the middle of its third cycle campaign (spanning from 2004 to 2009), which has placed an increase focus on business retention and expansion, entrepreneurship, and education. Their performance thus far reflects heightened efforts in these areas. However, the Partnership continues its commitment to aggressive marketing to maintain its competitive advantage.³⁸

³⁶ Greater Richmond Partnership Annual Reports. Accessed online at: http://www.grpva.com/New_pages/pub_ar.asp

³⁷ Winfield, Greg. (June 26, 2004). Cooperation Brings Economic Benefits. *Report to GRP Investors*. http://intranet.grpva.com/intranet/WEB2002/Archive_post.asp?story=92

³⁸ Greater Richmond Partnership. 2003-2004 Annual Report. Accessed online at: http://www.grpva.com/New_pages/pub_ar.asp

Imagine...a Greater Richmond: Progress and Impacts: 2004-2006

	Achieved 2004-2006	Percent of Five-Year Goals
10,000 new jobs	2,896	29%
\$1.5 billion in capital investments	420,220,802	22%
25 new foreign-affiliated companies	4	16%
125 new domestic companies	30	24%
Place 50 media messages	30	60%
500 existing companies provided with expansion assistance	264	53%
Counsel 2,500 small businesses	1,060	42%
Training for 10,000 business owners	6,398	64%
Information for 25,000 business owners	10,111	40%
Retain 1,500 jobs	732	49%
Create 1,250 jobs thru expansions	398	32%

Source: Greater Richmond Partnership, 2006 Annual Report

GREATER OKLAHOMA CITY CHAMBER

Forward Oklahoma City

History: In the early 1991, Oklahoma City tried to recruit a \$1 billion dollar United Airlines maintenance facility to the region. Although the city was a central location with competitive taxes and a qualified workforce, the bid went to Minneapolis. United executives explained that they did not think their employees would want to live in Oklahoma City. This provided a wake-up call to the region.

The first response was the development of Metropolitan Area Projects (MAPs). MAPs use a portion of sales tax revenues to fund construction of cultural and entertainment amenities, including a downtown trolley system, revitalization of the city’s warehouse district, a mile-long river walk development, and a minor league baseball park.³⁹

With plans in motion to improve Oklahoma City’s quality of life, community leaders realized the need for a regional approach to marketing and economic development.⁴⁰ This provided the springboard for *Forward Oklahoma City: The New Agenda* (or Forward OKC I) in 1995, a five- year economic development initiative of the Greater Oklahoma City Chamber, which has been followed by two additional campaigns. In

³⁹ Greater Oklahoma City Chamber. (April 24, 2003). Oklahoma City's loss in 1991 has proven to be a gain in 2003. Accessed online at: <http://www.okcchamber.com/page.asp?atomid=402>

⁴⁰ Alliance for Regional Stewardship Roundtable. Accessed online at: http://www.regionalstewardship.org/ARS_enews/July2004/ForumNotes.pdf

2002, economic development efforts were assumed by a new regional organization called the Greater Oklahoma City Partnership, overseen by the Chamber. Today, the Partnership is a coalition of more than 30 economic development organizations in the 10-county Oklahoma region.

Goals: This third phase of *Forward Oklahoma City* (Forward OKC III) is based on four goals. Together, these goals will help Greater Oklahoma City's leaders build a competitive business environment, enhance its image, and grow its regional economy with high quality jobs.

- **Position** - Maximize Opportunity for Economic Growth and Job Creation.
 - Targeted business recruitment
 - Aggressive public relations and image enhancement campaign
 - Focus on business expansion and retention

- **Place** - Create a Globally Competitive Environment.
 - Support, promote and pass progressive reforms, issues and measures that will propel OKC forward
 - Create new opportunities in business development, housing, entertainment, and retail downtown OKC

- **People** - Develop, Retain and Recruit Tomorrow's Talent.
 - Create, implement and manage activities to assure that central Oklahoma will have the highest quality educated and skilled workforce possible

- **Projects**- Advance Creative, Innovative Initiatives.
 - Work with elected leaders and staff of City of Oklahoma to explore and potentially develop a funding source for large economic development projects
 - Assist with community campaigns and other special issues that benefit economic development and our business climate⁴¹

Approach: In its third campaign, *Forward Oklahoma City* efforts will continue to focus on target business development, quality of life enhancement, and aggressive marketing and imaging on the national and international levels. With a solid reputation established, the region is now pursuing hosting special sporting and cultural events. Talent recruitment and retention is also a central focus of economic development efforts in the coming years.

Budget: Over the past 12 years, the Greater Oklahoma City Chamber has greatly expanded economic development operations largely due to increased support from the public and private sectors. Funding *Forward OKC* has grown by over \$2 million

⁴¹ Greater Oklahoma City Chamber. (August 2005) Chamber Announces Kick-Off of Forward Oklahoma City III Campaign. Accessed online at: <http://www.okcchamber.com/page.asp?atomid=1342>

in each cycle. Additionally, the Chamber's annual fundraiser to support general operations has increased from \$374,628 in 1994 to \$2,032,007 in 2006.

- 1995-1999: Forward Oklahoma City - The New Agenda, \$10 million
- 2000-2004: Forward Oklahoma City II, \$12.8 million
- 2006: Forward Oklahoma City III, \$15.3 million⁴²

Key Marketing Approaches: In the initiative's second cycle, *Forward OKC II*, a regional approach to marketing began to take shape – largely due to the founding of the 10-county Greater Oklahoma City Partnership. During *Forward OKC II*, the Partnership:

- Developed an attractive, target-specific marketing materials and programs to support recruitment efforts in aviation, bioscience, technology and semiconductors.
- Launched four high-quality websites to provide better communication to existing and perspective business and residents. These websites include:
 - www.okcchamber.com: Chamber website with links to monthly newsletters, news stories, talent development resources, legislative agendas, moving and relocation resources, and member resources. The website also links to the region's economic development partnership.
 - www.greateroklahomacity.com: Greater Oklahoma City Partnership website provides information to companies looking at Oklahoma City as a location for expansion or relocation.
 - www.okbio.org: Launched by the Chamber, this website markets the community's bioscience assets.
 - www.growinokc.com: This website was launched by the Partnership to provide entrepreneurs and growing businesses with one-stop-shop assistance. The website compliments small business services provided by the Partnership.⁴³
- Conducted trade missions to China, Europe and South America.

⁴² Greater Oklahoma City Chamber. *2006 Annual Report*. Additional information from Chamber's website at: <http://www.okcchamber.com/page.asp?atomid=1722>

⁴³ The Urban Horizon. September 2005. Greater Oklahoma City Partnership Newsletter. Accessed online at: <http://www.greateroklahomacity.com/media/pdfs/GreaterOKCPartnershipSeptember2005.pdf>

- Work closely with Downtown OKC in marketing and developing Central Oklahoma City and its new Empowerment Zone.
- Promoted Oklahoma City's renaissance and the success of Oklahoma City companies in regional and national media outlets. It is estimated that these efforts generated \$800,799 in direct advertisement equivalency.
- Launched the “Capital of the New Century” local image campaign, to promote the state’s centennial in 2007 and the renaissance of Oklahoma City.⁴⁴

Impacts: Below are some of the key “wins” from the region’s last economic development campaign, *Forward Oklahoma City II*. During this time, the Chamber and the Partnership:

- Assisted 93 companies for a total impact of 23,942 jobs.
 - Attracted Quad Graphics, the world's largest privately-held printing company.
 - Attracted Dell, Inc., the world's largest computer producer, to build their newest sales center campus in Oklahoma City.
- Worked to retain 33,050 jobs, which includes the recent announcement that Tinker Air Force Base is not on the BRAC closure list, which accounts for 24,000 of this estimate.
- Led the effort to pass Right-to-Work legislation in Oklahoma.
- Hired a full time Director of Education and Workforce Development at the Chamber.
- Hired a Manager of Biosciences Public Relations and Image Development at the Chamber to institute an aggressive public relations effort, both locally and nationally, to promote Oklahoma City’s bioscience sector.
- Assisted numerous companies by increasing the importing and exporting activity.
- Hosted trade delegations from more than 17 countries and conducted several trade missions in China, South America, and Europe.
- Developed a web-based information system (OKC EDIS at www.okcedis.com) that overlays databases of city services, building information, demographic and other data.

⁴⁴ Forward OKC Accomplishments. Accessed online at: <http://www.okcchamber.com/page.asp?atomid=1331>

- Worked with airport officials on the expansion of non-stop air service to Detroit, Minneapolis and Newark, New Jersey.⁴⁵

In its first year of implementation, *Forward OKC III* has continued the economic momentum of the first two Chamber campaigns by helping to bring investment and high-wage jobs to the Oklahoma City region.

Forward OKC III: Progress and Impacts, 2006

	2006	Five-year Targets	Percent Met
New jobs resulting from chamber-assisted projects	4,242	30,000	14%
New projects located in the region	33	120	28%
Payroll creation	\$236,535,456	\$900,000,000	26%
Average salary of new jobs (20% above OKC MSA average)	\$54,476	\$40,906	133%
New investments in land, building, and equipment	\$326,085,000	\$1,300,000,000	25%
New annual sales and property tax revenue generated	\$16,550,494	\$17,500,000	95%

Source: Greater Oklahoma City Chamber, 2006 Annual Report

⁴⁵ Forward OKC Accomplishments. Accessed online at: <http://www.okcchamber.com/page.asp?atomid=1331>

Communities That Cut Back On Economic Development

This section profiles three communities with inconsistent or delayed economic development efforts. Metro Denver and metro Austin's programs were in part catalyzed by the 2001 dot-com bubble burst and the resulting jobs losses. Both regions had enjoyed growing economies in the 1990s. Metro Memphis launched a 10-year economic development campaign in 1996. After experiencing positive results, public and private sector investments plummeted impacting the Chamber's service delivery and the campaign's long-term goals. In each region, complacency played a role in the economic development challenges each faced.

DENVER METRO CHAMBER OF COMMERCE

Background: In reaction to downturns in the agriculture, semiconductor, and energy industries, the Chamber founded the Greater Denver Corporation (GDC) in 1987. GDC launched an aggressive \$8 million, four-year economic development campaign which set, and achieved, the following goals:

- Create 200,000 new jobs in metro Denver;
- Secure a major league baseball franchise; and
- Fund and construct a new convention center.⁴⁶

After enjoying great success in its first campaign, the Greater Denver Corporation launched a second four-year campaign in 1991. This initiative went on to create an additional 200,000 new jobs in the metro area and helped facilitate the construction of Denver's international airport.

What went wrong: At the conclusion of the second fund raising cycle in 1995, GDC disbanded because "they thought their job was done."⁴⁷ The Greater Denver Corporation "rolled up its programs and went away."⁴⁸

A regional economic development program called the Metro Denver Network (MDN) succeeded GDC, but it primarily focused on marketing the region. The budget for the MDN (which was housed in the Chamber) was about \$400,000 per year, compared to \$2 million per year at the GDC.⁴⁹

⁴⁶ Metro Denver Economic Development Corporation. "Metro Denver EDC- History" Accessed online at: <http://www.metrodenver.org/MDEDCCenter/AboutMetroDenverEDC/History.icm>

⁴⁷ Proctor, Cathy. (November 7, 2003). Chamber Unveils New Economic Development Arm. *Denver Business Journal*. Accessed online at: <http://www.bizjournals.com/denver/stories/2003/11/10/story3.html?t=printable>

⁴⁸ Clark, Tom. (August 1, 2006). Regional Cooperation. Denver Metro Chamber of Commerce.

⁴⁹ Ibid

The dot-com bubble burst in 2001 and the region had no organization or program in place to mobilize and respond to the economic downturn. As the region shed jobs, the economic boom of the 1990's came to a crashing halt. To make matters worse, when prospects would come to Denver during the early 2000s, Denver could never make it past the short list of prospects. An executive at the Denver Metro Chamber said, "We almost always [made] the final four choices of relocation but we [had] a terrible time closing the deal."⁵⁰ There was clearly a disconnect between the region's economic development operations and the needs of local and prospective businesses.

Response: In 2003, the Chamber launched the Metro Denver Economic Corporation (Metro Denver EDC), a nine-county, public-private partnership that operates alongside the Chamber. Its first campaign, *Break Through! Denver*, raised \$13.3 million for a 5-year aggressive, regional economic development campaign.⁵¹ Metro Denver EDC now serves a variety of roles, including:

- Target business development.
- Assistance to existing businesses.
 - Key focus area for the organization
- National and international marketing.
 - Launched the "Energetic Bodies, Energetic Minds" national advertising campaign/brand in 2005
 - Traveled for several international trade missions
- Political and financial support for electoral initiatives that grow or threaten metro Denver's business climate.
 - Support for transit initiatives and mobility enhancements
 - Helped to facilitate construction of a bioscience incubator
 - Expanding the role of Denver's international airport
 - Advocating for tax reform to make Denver and Colorado more business friendly⁵²

Since 2003, the Metro Denver Economic Development Corporation has helped create more than 70,000 jobs within the region.⁵³

MEMPHIS REGIONAL CHAMBER

Background: To transform the perception of Memphis as second-tier community to a competitor in the global economy, the Memphis Regional Chamber spearheaded a

⁵⁰ Proctor, Cathy. (November 7, 2003). Chamber Unveils New Economic Development Arm. *Denver Business Journal*. Accessed online at:

<http://www.bizjournals.com/denver/stories/2003/11/10/story3.html?t=printable>

⁵¹ Ibid

⁵² Metro Denver EDC. 2005 Annual Report. Accessed online at:

<http://www.metrodenver.org/NewsCenter/AnnualReportPrinto6.icm>

⁵³ Clark, Tom. (August 1, 2006). Regional Cooperation. Denver Metro Chamber of Commerce.

public-private 10-year economic development initiative called “Memphis 2005.” Launched in 1996, it aimed to:

- Diversify and stabilize the economy;
- Increase local per capita income levels;
- Create 12,000 net new jobs annually;
- Improve minority and woman-owned business development programs and entrepreneurship rates; and
- Lower Memphis’ crime rates.

Private sector investments totaled \$7.6 million between 1996 and 2001. Such investments resulted in 719 major business expansions and relocations, generating 51,000 new jobs and \$8.7 billion in capital investments. Furthermore, the region’s poverty rates fell 2 ½ times faster than the national average and local per capita income surpassed the national average – for the first time.⁵⁴

What went wrong: Mismanagement at the Chamber caused public and private sector investors to dramatically scale back economic development contributions. As staff cuts were made, issues related to capacity, funding, management, and trust greatly compromised the effectiveness of the Chamber and the “Memphis 2005” campaign.⁵⁵

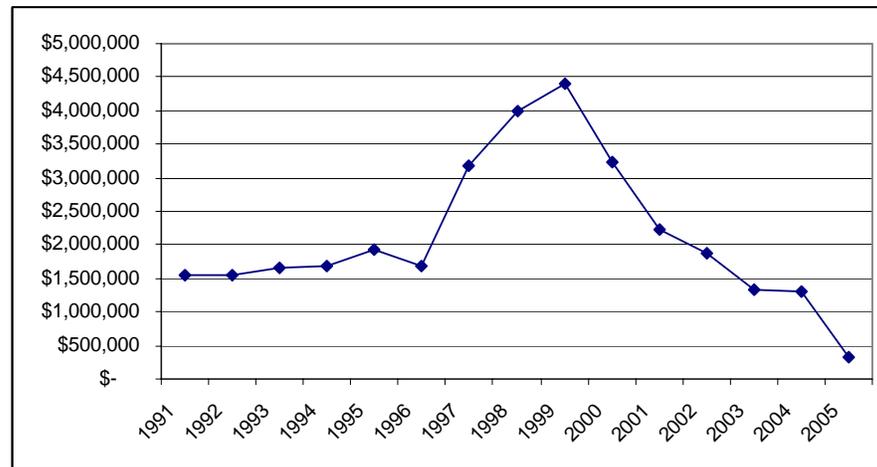
At the conclusion of “Memphis 2005,” the Chamber launched a new fund raising campaign called “Think Memphis.” To make annual public sector contributions more predictable, the Chamber developed a “fees-for-services” agreement with the city and county. Additionally, Chamber executives worked closely with the business community to ramp up existing private-sector contributions of about \$1.1 million per year.⁵⁶ However, with lingering budget and staff issues, the Chamber was forced to shelve expensive components of “Think Memphis” indefinitely, including an important workforce development plan that would have cost \$500,000.

⁵⁴ Memphis Regional Chamber. Think Memphis. Accessed online at: <http://www.memphischamber.com/PartnershipForProsperity.pdf>

⁵⁵ Morton, Kate Miller (June 13, 2003). Budget Woes Force Change at Chamber. *Memphis Business Journal*. Accessed online at:

<http://www.bizjournals.com/memphis/stories/2003/06/16/story6.html?t=printable>

⁵⁶ Ibid

Memphis Regional Chamber: Economic Development Expenditures, 1991-2005


Source: Memphis Regional Chamber

Response: While the Chamber worked to salvage “Think Memphis,” the region’s chief executive officers founded Memphis Tomorrow as a new vehicle for private-sector involvement in economic development. Many saw the entity’s formation as a sign of the regional CEOs’ lack of faith in the Chamber. However, fences have been mended and trust in the Chamber has been growing under its new management. Currently, Memphis Tomorrow and regional stakeholders including the Memphis Regional Chamber are gearing up to launch *Memphis Fast Forward*, a 5-year multi-million-dollar growth plan. The plan’s economic development component aims to create quality jobs and raise per capita incomes of all residents of Memphis-Shelby County. The basic goals of *Memphis Fast Forward*’s economic development component include:

- **Develop a Culture of Innovation and Entrepreneurship:** Fully capitalize on the capacity of local entrepreneurs and small business people to start, sustain and grow their companies.
- **Market Memphis-Shelby County:** Develop a program to effectively leverage Memphis-Shelby County’s assets and strengths through targeted outreach campaigns, build-up of positive word-of-mouth, and reawakening of Memphians’ pride-of-place and hope for the future.
- **Pursue Key Targets:** Grow the economy of Memphis-Shelby County through development of businesses that offer the most promise for steady, long-term increases in total employment and local wealth.
- **Grow Existing Firms:** Provide incumbent businesses with the support and tools necessary to achieve maximum short-term growth and long-term prosperity.

- **Take Memphis From Good to Great:** Work to develop a community climate and quality of life in Memphis-Shelby County that will support and advance the area's economic ambitions.

GREATER AUSTIN CHAMBER OF COMMERCE

Background: Austin's long history in proactive economic development goes back to the early 80's when the community first worked to recruit "high technology" companies. Their first success was an IBM typewriter plant. The unique combination of the University of Texas, Governor Mark White, the City, and the Chamber led to the tremendous landing of Microelectronics and Computer Technology Corporation (MCC) in 1983. Led by the Chamber, Austin brought a \$20 million incentive package to the table effectively beating out 57 other communities for the project. While the state played a lesser role in economic development, the City, the University, and the Chamber worked collaboratively to grow Austin's knowledge economy. In 1984, the Chamber commissioned a 10-year economic development strategy, *Creating an Economic Opportunity*, which placed focus on leveraging innovation and technology for economic growth. The region's profile as a technology and high-end manufacturing center grew in subsequent years, attracting and growing high profile companies, including the now famous start-up Dell Computer.⁵⁷

What went wrong: While the Chamber had a special fund for economic development, it began to lose its way in the early 1990's. Funds designated for economic development were shifted away and the focus began to slip away. After the dismissal of the CEO and a failed hire of another executive, the Chamber had almost no program left and lost its position as the economic development leader. The deep recession in 2001 sparked a renewed interest in a serious economic development effort. The community's PCI actually fell \$1,800 per person and 26,000 jobs averaging \$80,000 a job were lost. The Chamber's economic development staff was down to 1 1/2 positions and the City and University (given their severe budget limitations) could not fill the void.

Response: Led by Gary Farmer, the volunteer leadership decided to rebuild the Chamber and get back in the economic development game. An experienced Chamber executive with a powerful economic development record was brought in to reorganize and rejuvenate the Chamber. As that process began *Market Street Services* was brought in to assist in the creation of a holistic economic development strategy for the region. The result was the birth of *Opportunity Austin*, the largest and most successful economic development fund raising effort ever undertaken in Austin. The strategy's aim was to add 72,000 new jobs and increase the region's aggregate payroll

⁵⁷ Miller, Jonathan. (June 15, 2002). "Austin, Texas or 'How to Create a Knowledge Economy.'" European Commission Delegation - Washington, DC. Case Study. Accessed online at: http://www.ic2.org/main.php?dyn=news_show.php&sid=46&a=4&s=0

by \$2.9 billion over five years. *Opportunity Austin* set a course of action for the Greater Austin Chamber, guided by the following goals:

- **Recruit:** Aggressively pursue businesses in target industry sectors.
- **Capitalize:** Invest in business retention and expansion.
- **Stimulate:** Spur economic growth through research and development.
- **Market:** Promote the region as a competitive place to live, work, and play.
- **Improve:** Enhance Greater Austin’s competitiveness by improving education, the workforce, and quality of life.

Plan implementation was estimated to cost \$11 million for new staff, programs, and marketing materials. A separate *Opportunity Austin* board was established, along with a fund specific to the strategy’s implementation. With this structure in place, leaders at the Chamber on the *Opportunity Austin* board began approaching regional businesses for donations. *Opportunity Austin* was a smashing success as the original goal of \$11 million was surpassed and nearly \$14 million was raised to fund the five-year strategy.

The Greater Austin Chamber has made solid progress in implementation, often exceeding performance goals as shown in the following chart. The Chamber is currently developing its next 5-year strategy, *Opportunity Austin II*, and is again working with *Market Street Services* to do so.

Opportunity Austin: Progress and Impacts, 2006

	2006	2004-2006	5-Year Goal
New jobs	33,100	80,900	72,000
Payroll increase	\$1.4 billion	\$3.5 billion	\$2.9 billion
Corporate relocation announcements	36	93	100
Out of region visits to Central Texas	124	432	500
Prospect visits to Central Texas	133	275	250
Serious relocation inquiries	979	2,763	5,000
Regional retention visits	141	316	475

Source: Opportunity Austin 2006 Annual Report

CONCLUSIONS AND STRATEGIC “TAKEAWAYS”

This *Economic Development Marketing Assessment* examined a number of components of the Greater Austin Chamber’s operational and marketing-related dynamics relative to Opportunity Austin implementation. The review encompassed both domestic and international efforts. In addition, the report detailed best-practice outreach efforts from around the country, and profiled three regions that have experienced sustained success, and three that have suffered from a decline in economic development investment.

Greater Austin’s competitive concerns, opportunities, and challenges identified in this report will be addressed in the “*Taking It To the Next Level*” Opportunity Austin II Strategy. What follows are the key conclusions and strategic “takeaways” emerging from this report’s analysis:

Greater Austin Marketing and Operations

➤ Website Review

- The AustinChamber.com and AustinHumanCapital.com websites are effective tools for marketing Greater Austin to site-selection consultants and corporate relocation professionals, in addition to communities and workers seeking information about the Austin Region.
- Even so, the websites would benefit from a more dynamic interface with users and a stronger focus on the international market. Better integration of the data resources of both sites would also be helpful to improve users’ ability to easily access information.
 - There is also a real question as to whether the Human Capital site should continue in its current form, be integrated into the main Chamber site, or be retooled into a broader talent recruitment/retention tool.
- It will also be important to determine the optimal medium to drive more users to the Greater Austin economic development websites.

➤ Opportunity Austin Operations

- Personnel and programmatic operations oriented around Opportunity Austin implementation have been very successful in successfully activating the strategy.
- **Business recruitment operations** are sufficiently staffed and budgeted, but warrant a re-examination of priority outreach methods and a more focused approach on Greater Austin’s targeted industries.
- **Business retention and expansion operations** have made great progress since the program’s inception in response to Opportunity

Austin recommendations. However, it is still a “start-up” in the sense that optimal retention/expansion dynamics are being fine-tuned, and the best means for sourcing and acting on leads generated from existing businesses are being examined. The program is also short on staff capacity considering the full breadth of required preparation, interaction and follow-up needed to effectively assist existing companies with growth needs and “mine” them for quality employment leads.

- **Education and workforce operations** have gone from an extremely limited program to an effort that is fast becoming a national best-practice. By focusing investments of time, money and effort on key program areas that dovetail with the Chamber’s focus on the needs of regional businesses, the department has been able to affect positive change in Austin’s school districts; additional regional districts are gradually coming online with the Chamber’s programs. The department may also require additional staff capacity, especially during months when the state legislature is in session.

➔ **Opportunity Austin Marketing Program**

- There is no doubt that the Chamber needs to better utilize its strategic partners in lead generation and working with prospects. Due to the nature of current prospecting efforts, about 50 percent of leads come from site selectors and real estate firms.
- In order to bring this ratio below 40 percent, refocused and newly developed marketing and outreach programs and processes will be needed. Processes should be more focused on “drilling-down” to target-specific audiences through more focused marketing pieces and the potential hiring of an in-house marketing professional.
- Particular effort in the future should be placed on marketing within the identified diversification target business sectors.⁵⁸ Greater Austin has established a reputation for itself in technology-related business sectors, but its strengths may not be known within the diversification target business communities.
- Programs would benefit from a redirection of marketing dollars from trade magazines to publications and venues that more effectively reach corporate decision-makers. Trade show visitation should only be focused on priority shows that have the real prospect of generating quality leads for Greater Austin. Out-of-market visitation should continue to target key opportunity regions, but would be better served by more comprehensive “mining” of regional corporations and

⁵⁸ In the *Target Business Review*, *Market Street* identified five target business sectors for the Greater Austin region. “**Base targets**” are business sectors that represent existing strengths of the Austin region. Base targets include Convergence Technologies and Creative Media. “**Diversification targets**” are business sectors that represent opportunities for further economic diversification in Greater Austin. Diversification targets include Green Industries, Corporate and Professional Operations; and Health Care and Life Sciences.

executives for recruitment leads. Top corporate leadership should also be better leveraged for prospect interactions, hosting site consultants, and advocacy.

- Greater Austin's public relations efforts as coordinated by a top New York firm have been very successful and warrant further expansion to continue the positive effect of Austin-focused articles and "damage control" processes after potentially negative press and/or announcements.

➤ **International Marketing**

- Currently, Greater Austin's international marketing efforts are primarily limited to "sister city" efforts (city level), international business associations and import/export assistance (regional), comparatively weak state-level recruitment/marketing programs, and overseas visits to priority clients (i.e., Chamber's Samsung visit). With the globalization of commerce, communities that do not have expansive international marketing efforts do so at their own peril. International marketing and attraction in the Austin region suffers from a lack of coordination between agencies engaged in international outreach, and the lack of active participation from Greater Austin's top corporate, governmental and university leadership.
- In order to maximize Greater Austin's competitive position and prospects internationally, the Chamber must leverage a number of key "opportunity areas."
 - Top leadership, corporate networks and overseas influence of Dell and Samsung are tremendous potential catalysts to increase Greater Austin's presence and prospects overseas.
 - There must also be a regional executive that "steps up" into the volunteer role of international marketing chairperson, and "connects the dots" between disparate efforts in addition to overseeing the development of a team of local CEOs to respond to prospect visits and outreach missions.
 - Austin's "sister city" program, diplomatic corps in Dallas and Houston, and the international-outreach dynamics of regional universities also hold promise for enhancing Greater Austin's capacity in international marketing and recruitment.
- International marketing must be a business- and Chamber-led effort; only through the development of a coordinated, best-practice international strategy that utilizes effective communication to leverage regional leadership for overseas efforts will Greater Austin achieve optimal international results.

Lessons from Other U.S. Regions

➤ Literature Review

- A comprehensive look at best-practice websites, direct mail campaigns, international marketing, special events, and branding/advertising campaigns provides insight and ideas for Greater Austin’s marketing efforts. These programs are most beneficial when they are visually compelling; communicate key concepts and competitive advantages effectively; leverage local target-industry focus areas and competitive strengths to appeal to priority prospects; and actively engage key local leadership in outreach and marketing efforts.

➤ Best-Practice Communities and Communities That Cut Back On Economic Development

- This profile of six U.S. regions paints a vivid picture of the need to maintain a sustained, focused, and ever-increasing investment in local economic development.
- Those communities that have proceeded through multiple cycles of economic development fundraising and strategic development/implementation have achieved corresponding levels of successful employment and income growth.
- Those areas that grew complacent and cut back on economic development investments in personnel, programs, and strategic planning suffered sobering economic setbacks that jarred them back on the track of competitive-capacity development. However, these communities are then forced to play “catch up” to regions with sustained programs and funding cycles; they therefore suffer the consequences of failing to acknowledge that economic development is a “marathon, not a sprint.”

At its core, taking Greater Austin – and the Chamber’s operations – to the “next level” is what Opportunity Austin II is all about. While the Greater Austin Chamber of Commerce’s marketing program has come a long way since the development of the Opportunity Austin strategy in 2003, efforts must be refocused and broadened to effectively meet new challenges and fully leverage new opportunities.

A particular focus should be placed on enhancing the visibility of Greater Austin within the industries and markets (both foreign and domestic) targeted for diversification of Austin’s regional economy. At the same time, Chamber leaders must continue to leverage the region’s strong networks and relationships in its base target areas.⁵⁹ Building the local talent base will be a critical component of target sector development. “Talent” issues identified in the *Competitive Realities* report - including underemployment, potential labor shortages, and skill-mismatch issues in

⁵⁹ See previous footnote for list of base and diversification targets.

certain occupational areas – will require that future marketing efforts address regional talent recruitment/ retention in addition to a focus on businesses.

The Opportunity Austin II strategy – *“Taking It to the Next Level”* – will include specific recommendations related to target-industry development, talent recruitment and retention, and marketing. Many of these strategies will likely constitute a departure from more traditional means of target development; however, today’s hyper-competitive climate for economic and community development demands “outside-the-box” thinking and new types of efforts to ensure sustainable success.