



LIVE WORK GROW

Lenoir–Caldwell County Project Kick-off

Date: February 14, 2008

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Kick-off Steering Committee Meeting

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Presented By

- **J. Mac Holladay**, CEO
- **William Teasley**, Project Manager

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Today's meeting

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- Today's economic realities
- Market Street Services
- Overview of strategy-creation process
- Next steps

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Today's Economic Realities

“Change is debilitating when done to us, but exhilarating when done by us.”

Rosabeth Moss Kanter
World Class

Economic Development Today

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- Economic development involves creating an environment in which communities and their citizens prosper and improve their quality of life
- Economic development means many things to many people; in our history, it has meant only “industrial recruitment”
- Today’s definition is about multiple strategies
 - Recruitment, small business development, tourism, existing business and industry, downtown development, sports, minority business, partnerships, etc.
- It’s about building better communities

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The Changing Structure of the Economy

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- Fundamental changes in the U.S. economy are ongoing
- Until mid-2001, the U.S. experienced the strongest growth and development in history – record lows in unemployment and record growth in per capita income
- Fortune 500 companies made up 26% of nonagricultural workforce 30 years ago, and those firms have lost over 12 million jobs
- In the 1990s, medium and small companies accounted for all of the net job growth across the country

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1982 Fortune 500: Top 25

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1. Exxon
2. Mobil
3. General Motors
4. Texaco
5. Chevron
6. Ford Motor
7. Amoco
8. IBM
9. Gulf Oil
10. Atlantic Richfield
11. General Electric
12. DuPont
13. Shell Oil
14. ITT Industries
15. ConocoPhillips
16. Tenneco Automotive
17. Sunoco
18. Occidental Petroleum
19. U.S. Steel
20. United Technologies
21. BP America
22. AT&T Technologies
23. Getty Oil
24. Dow Chemical
25. Procter & Gamble

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2007 Fortune 500: Top 25

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1. Wal-Mart Stores
2. Exxon Mobil
3. General Motors
4. Chevron
5. ConocoPhillips
6. General Electric
7. Ford Motor
8. Citigroup
9. Bank of America Corp.
10. American International Group
11. J.P. Morgan Chase & Co.
12. Berkshire Hathaway
13. Verizon Communications
14. Hewlett-Packard
15. IBM
16. Valero Energy
17. Home Depot
18. McKesson
19. Cardinal Health
20. Morgan Stanley
21. UnitedHealth
22. Merrill Lynch
23. Altria Group
24. Goldman Sachs
25. Proctor & Gamble

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Fortune 500: Top 25 by Sector

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1982

Manufacturing	11
Energy	13
Communications	1

2007

Finance/Insurance	10
Manufacturing	5
Energy	4
Retail	2
Health	2
Communications	1
Technology services	1

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“Creative Destruction”

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“A market economy will incessantly revitalize itself from within by scrapping old and failing businesses and then reallocating resources to newer more productive ones.”

Alan Greenspan
The Age of Turbulence
October 2007

Commenting on Harvard Economist Joseph Schumpeter’s term “Creative Destruction” (1942).

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Paradigm shift

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- “New Economy” has changed the dynamics of employment growth
 - Over 80% of local job growth now generated by existing businesses
 - Most everyone agrees that there are three key components of any serious economic development program:
 - › Existing business retention and expansion
 - › Entrepreneurship and small business development
 - › Recruitment
 - Fewer and fewer “big fish” to lure via recruitment
 - › And more and more competition for top projects – ratio of 10,000 communities for every 1 announced relocation

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What Kinds of Jobs Are Coming?

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- **Demand for skilled workers will only intensify**
 - 42% of U.S. jobs in 2012 will require technical or academic degrees, up from 29% in 2000
- **All but one of the top 10 business sectors that have the fastest employment growth are service sectors**
 - 7 in Healthcare
 - 3 in Computer science
- **A potentially untapped workforce**
 - According to BLS, in addition to “officially” unemployed Americans, more than 7.6 million working-age adults are not participating in the workforce
 - Another 4.1 million are “part-timers” potentially interested in working increased hours

Source: Bureau of Labor Statistics

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Top 10 Fastest Growing Occupations 2006 - 2016

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Business Groupings/Sectors	Education and Training Required	% Increase
1. Network systems and data communications analysts	Bachelor's degree	53%
2. Personal and home care aides	Short-term on-the-job training	51%
3. Home health aides	Short-term on-the-job training	49%
4. Computer software engineers, applications	Bachelor's degree	45%
5. Veterinary technologists and technicians	Associate degree	41%
6. Personal financial advisors	Bachelor's degree	41%
7. Makeup artists, theatrical and performance	Postsecondary vocational award	40%
8. Medical assistants	Moderate-term on-the-job training	35%
9. Veterinarians	First professional degree	35%
10. Substance abuse and behavioral disorder counselors	Bachelor's degree	34%

Source: Bureau of Labor Statistics

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The McGraw-Hill Companies

BusinessWeek

SEPTEMBER 21, 2008

www.businessweek.com

What's Really Propping Up the Economy



Health care
has added
1.7 million
jobs since
2001. The
rest of the
private
sector?
None.

BY MICHAEL
MANDEL
(P. 54)

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“The United States now has to compete for every job going forward. That has not been on the table before. It has been assumed we had a lock on white-collar jobs and high-tech jobs. That is no longer the case.”

Craig Barrett,
former CEO Intel



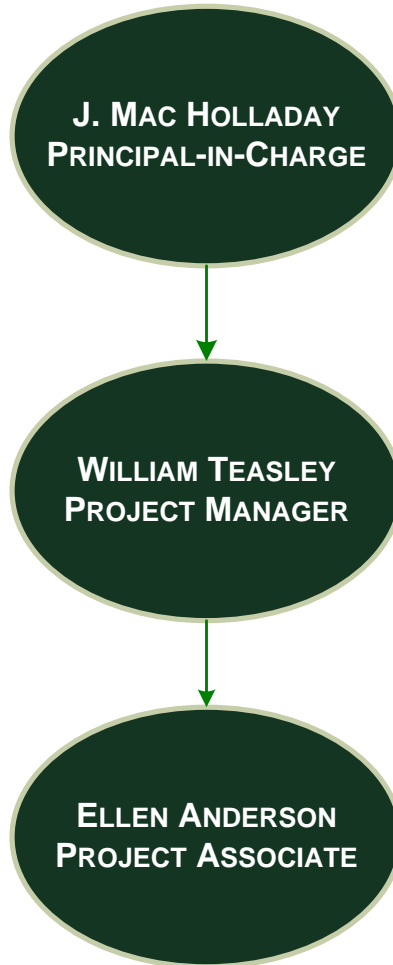
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Market Street Services

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Lenoir-Caldwell County Project Team

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Background on *Market Street*

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- Founded in 1997 as an alternative to traditional economic development firms
- Located in Atlanta, *Market Street* maintains a staff of professionals that excel in economic analysis and helping communities create long-term strategies for change
- Our commitment is to a definition of economic development that, at its core, is about ***personal wealth creation for all citizens*** and ***building better communities***

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Market Street Current Projects

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- **Strategies:**

- ✓ Austin, Texas
- ✓ Cabarrus & Rowan Counties, North Carolina
- ✓ Albany, Georgia
- ✓ Carroll County, Georgia
- ✓ Columbus, Georgia (Regional Growth Plan)



- **Implementation Assistance:**

- ✓ Coastal Workforce Services - Savannah, Georgia
- ✓ Jefferson City, Missouri
- ✓ Waco, Texas



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Strategy Creation Process for Lenoir-Caldwell County

Lenoir Caldwell County – Moving Forward

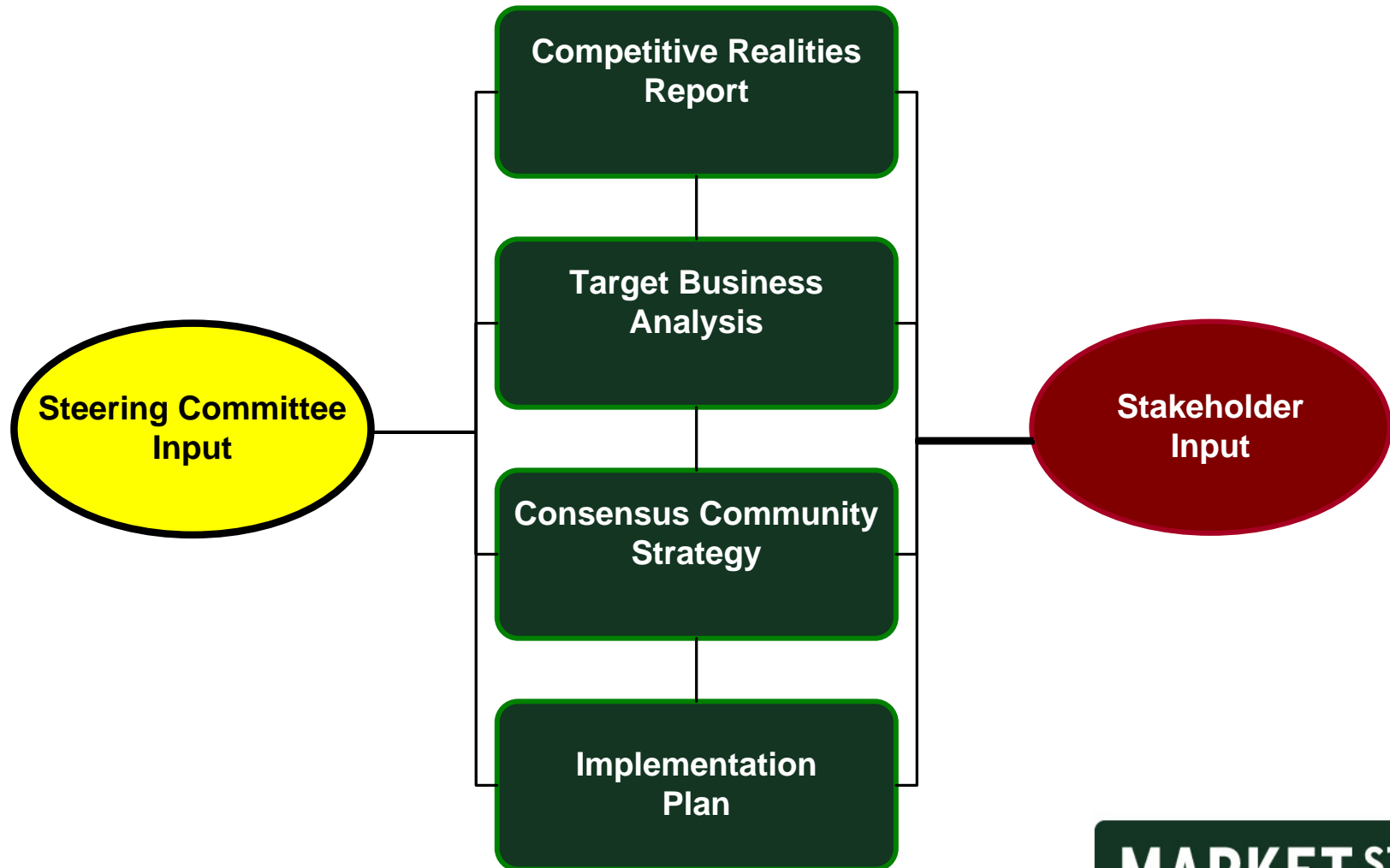
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- This strategic process begins with a “blank slate”
- Do current priorities reflect past challenges?
 - What needs to be done to address continuing concerns?
 - What “new” challenges have arisen in the recent past?
- How can this strategic process take the community to the “next level”?

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Scope of Work

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Steering Committee

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- **Your commitment:**

- Attend and actively participate in meetings
- Review draft reports and provide feedback
- Make decisions about the community’s “preferred future”
- Be an active proponent of the strategy development and implementation process
- Build consensus in the community
- Share knowledge of the community’s strengths and challenges with *Market Street*

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Competitive Realities

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Demographic and Economic Profile

- Analyzes demographic and economic trends and assesses their impact on community capacity
- Provides information on:
 - Growth patterns – population, migration, employment
 - Community make-up - age and race
 - Community well-being – poverty, per capita income
 - Labor force capacity – participation rates, unemployment rates
 - Economic structure – business sectors
- Compares Lenoir-Caldwell County data to North Carolina and U.S. averages to gain perspective on local trends

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Competitive Realities (cont'd)

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Competitive Position Analysis

- Competitiveness is far more holistic than just traditional infrastructure and business costs
- Key factors:
 - Education and workforce development
 - Infrastructure
 - Business costs
 - Innovation and entrepreneurship
 - Quality of life
- Assessment also includes:
 - Three comparison regions to provide an understanding of Lenoir-Caldwell County's competitive position
 - › Martinsville-Henry County, NC; Paducah-McCracken County, KY; and Tupelo-Lee County, MS

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Stakeholder Input Process

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- Qualitative information gathering
- Builds consensus and momentum
- Share information through project website:
www.lenoircaldwellstrategy.com

- Two community leadership meetings
- 10-15 interviews with local community and economic development leaders
- 5 focus groups (15-20 participants each)
- Online survey (link at www.lenoircaldwellstrategy.com)

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Target Business Analysis

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- Reviews business location and expansion decision factors
 - Begins with an overview of the decision making process of relocating and expanding businesses
- Confirms existing – and analyzes emerging – targets
 - Review 2007 strategic priorities
 - Assess future prospects
- Recommends key business targets on which Lenoir-Caldwell County's organizations and agencies should concentrate economic development marketing resources
 - Based on the County's strengths, national industry trends, workforce capacity, and ability to raise per capita income

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Community Consensus Strategy

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- Identify a ‘shared vision’ and define the key goals and action steps needed to produce a roadmap for a “positive future” for the Lenoir-Caldwell County community.
- It includes:
 - Analysis of existing plans, strategies, and surveys
 - Review key findings from previous deliverables
 - Draft strategy
 - Final strategy
 - Two (2) community meetings
 - Benchmarks and measures

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Implementation Plan

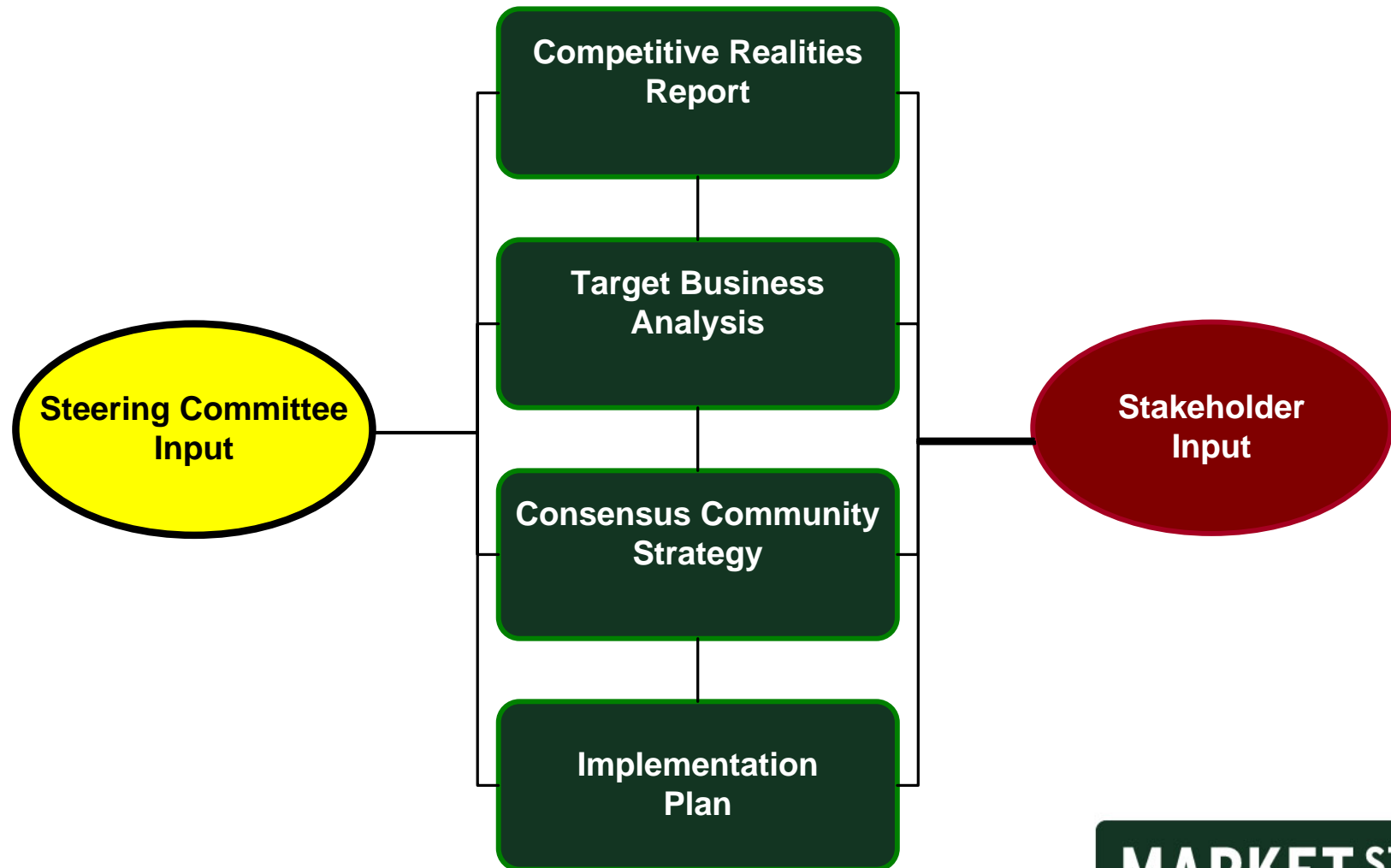
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- Critical to the success of the Strategy
- Key components:
 - Designation of lead community organizations
 - Program assessments and recommended enhancements
 - Funding allocation recommendations
 - Timetable for short, medium, and long-term actions
 - › Priority actions identified to provide “early victories”
 - Benchmarks and performance measures will keep implementation “on track;” Strategy is a *living* document

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Scope of Work

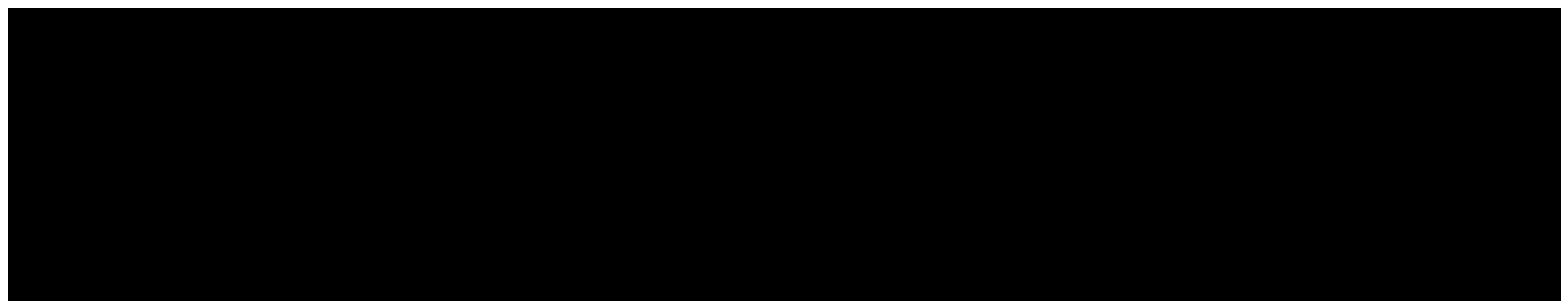
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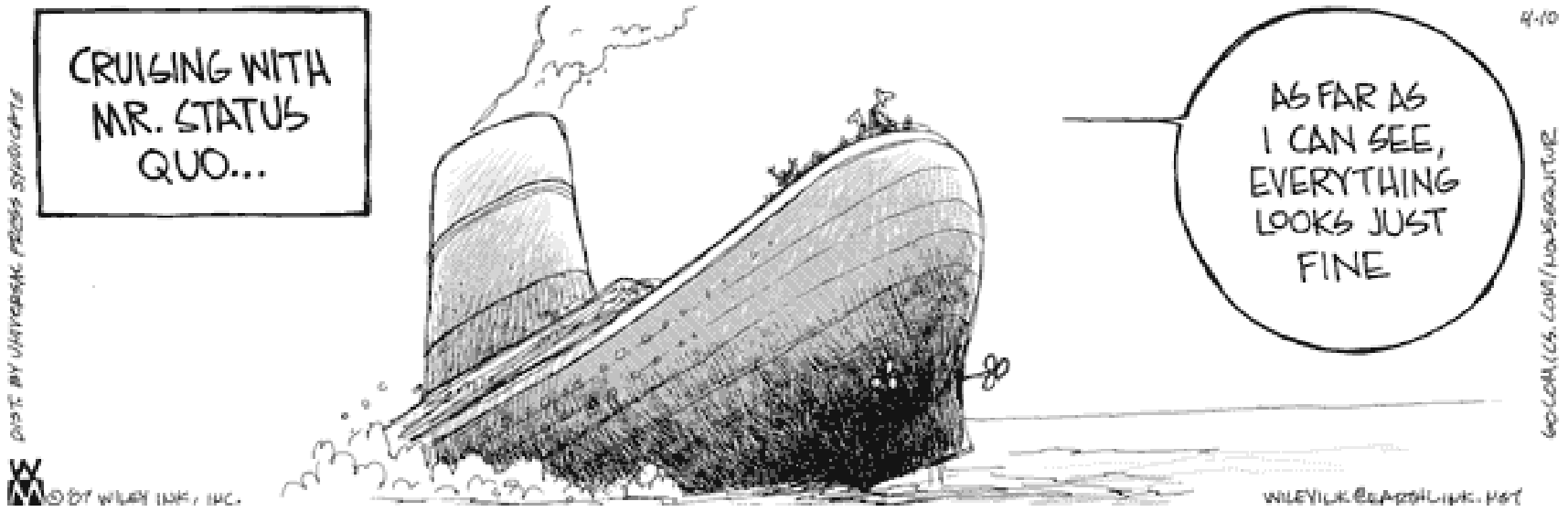
Project Timeline

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Description	Dates and Times
Stakeholder Input <ul style="list-style-type: none"> Online survey & website goes live. <i>Market Street</i> in Lenoir-Caldwell County to conduct focus groups and interviews. 	Friday, February 21, 2008 Week of March 3, 2008
Steering Committee Meeting: Competitive Realities <ul style="list-style-type: none"> <i>Market Street</i> presents <i>Competitive Realities</i> report to Steering Committee. 	Wednesday, March 19, 2008 9:00am – 11:00am
Community Leadership Meeting #1 <ul style="list-style-type: none"> <i>Market Street</i> introduces project and process. <i>Market Street</i> presents <i>Competitive Realities</i> key findings to Community Leaders. 	Wednesday, March 19, 2008 12:00pm – 1:30pm
Steering Committee Meeting: Target Business Analysis <ul style="list-style-type: none"> <i>Market Street</i> presents deliverable to Steering Committee. 	Wednesday, April 16, 2008 9:00am – 11:00am
Steering Committee Meeting: Draft Consensus Community Strategy <ul style="list-style-type: none"> <i>Market Street</i> presents deliverable to Steering Committee. 	Wednesday, May 14, 2008 9:00am – 11:00am
Steering Committee Meeting: Final Consensus Community Strategy <ul style="list-style-type: none"> <i>Market Street</i> presents deliverable to Steering Committee. Steering Committee begins discussion about implementation. 	Wednesday, June 11, 2008 9:00am – 11:00am
Community Leadership Meeting #2 <ul style="list-style-type: none"> <i>Market Street</i> presents Target Industries and final Consensus Community Strategy to Community Leaders. 	Wednesday, June 11, 2008 12:00pm – 1:30pm
Steering Committee Meeting: Implementation Plan <ul style="list-style-type: none"> <i>Market Street</i> presents deliverable to Steering Committee. 	Wednesday, July 9, 2008 9:00am – 11:00am
Final Steering Committee Meeting <ul style="list-style-type: none"> <i>Market Street</i> wraps up strategic process with a follow-up meeting on implementation. Any “loose ends” in the process are resolved, and final issues are addressed. 	Wednesday, August 6, 2008 9:00am – 11:00am

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Does this sound familiar?....



Confront the Brutal Facts

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“If it ain’t broke, don’t fix it’ is the slogan of the complacent, the arrogant, or the scared. It’s an excuse for inaction, a call to non-arms. It’s a mindset that assumes (or hopes) that today’s realities will continue tomorrow in a tidy, linear, and predictable fashion. Pure fantasy.”

*Colin Powell, Former Secretary of State
Excerpt from Leadership*

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Thank you.

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