



## Mid-America Economic Development Council

The Bullet Report

Tuesday, December 6, 2016

**Ady Advantage**<sup>TM</sup>

STRATEGY MATTERS

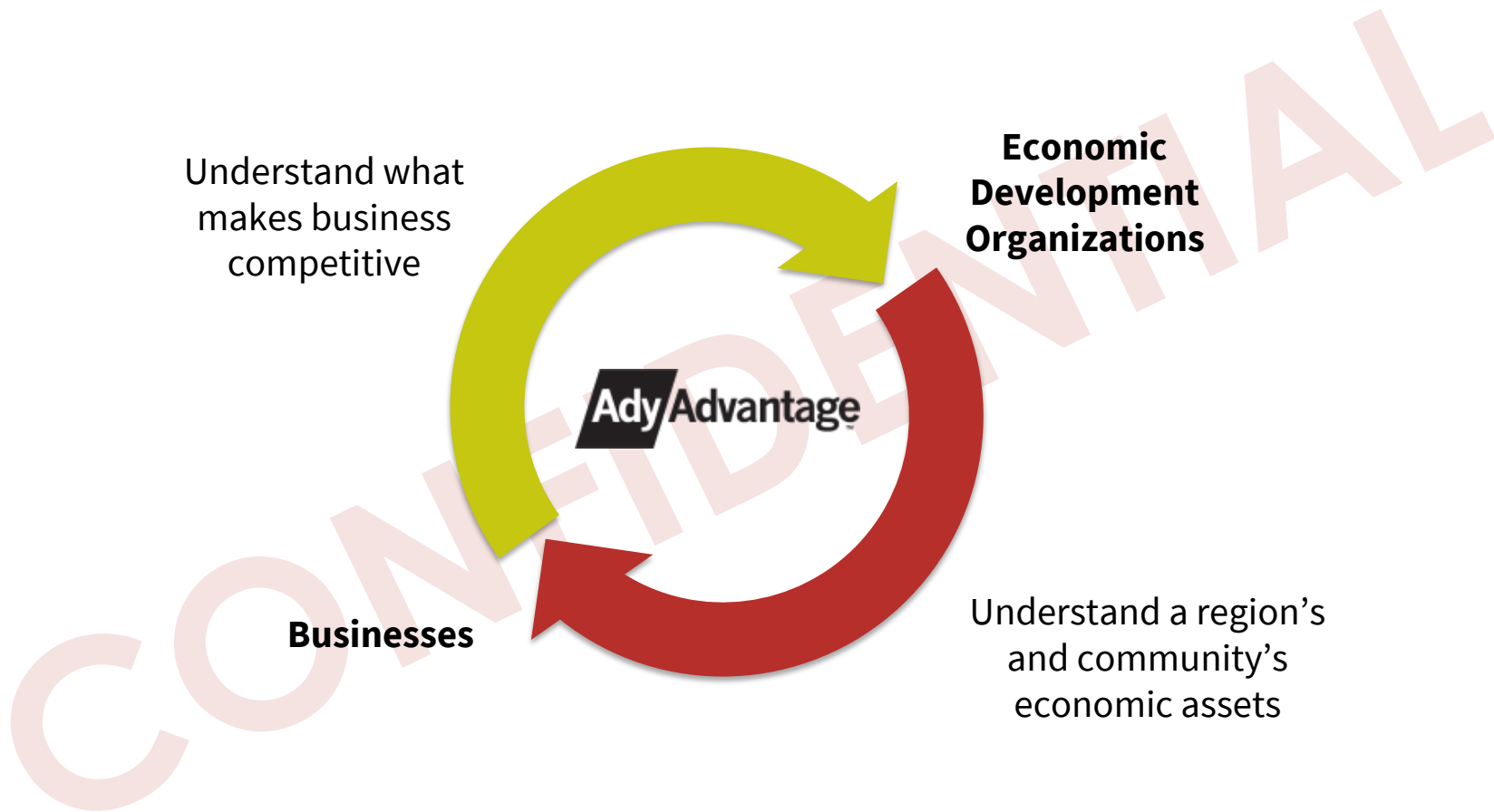
**Janet Ady**  
President and CEO



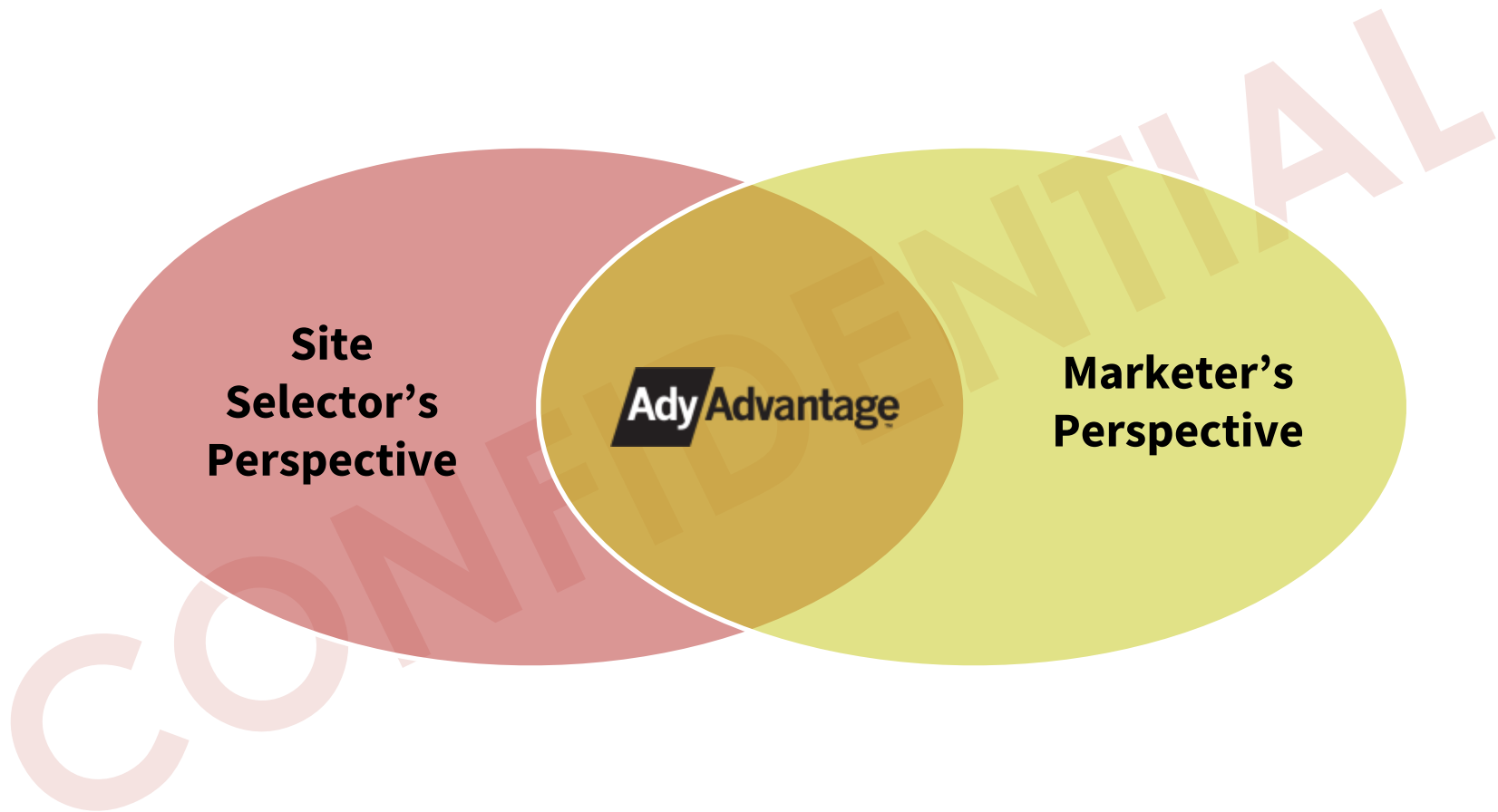
# ABOUT ADY ADVANTAGE



# The Ady Advantage Ecosystem



# Our Sweet Spot



# Ady Advantage Services for EDOs: Making It Practical



# Ady Advantage Services for EDOs: Making It Practical

## Consulting

What is the market potential for a large industrial park in our area?

How do we market an industrial property that will be vacated?

How can we zero in on the prospects that will be the best fit for our area?

## Research

How can we improve RFI success?

How can we ensure that we will have the talent we need for economic growth?

How can we improve the odds of achieving our growth goals?

## Ady Advantage Services for EDOs

## Branding

How can we communicate our competitive advantages through a compelling brand?

How can we best differentiate our area from all the others competing for investment and jobs?

How can we ensure our messaging will resonate with site selectors and others?

## Marketing Communications

What do we have to do to create a great economic development website?

How do we market ourselves to site selectors and others?

What would be the best use of our marketing resources?

# Ady Advantage Services for EDOs: Making It Practical

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# ANNUAL SITE SELECTOR SURVEY BACKGROUND

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# Survey Background

## SURVEY BACKGROUND

This study is now the fifth annual site selector survey conducted by Ady Advantage for Mid-America Economic Council and its members. This year, we:

- Continued to send a parallel survey to Mid-America EDC members to allow us to compare and contrast responses
- Increased the sample size of site selectors
- Modified the questions to better reflect members' interests
- Offered the option for Mid-America EDC member states to ask individual questions with private reporting back to them

## 2016 SURVEY OVERVIEW

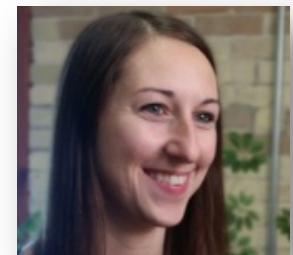
	TOTAL SAMPLE SIZE	RESPONSES	RESPONSE RATE
<b>Members</b>	<b>253</b>	<b>80</b>	<b>32%</b>
<b>Site Selectors</b>	<b>1,523</b>	<b>84</b>	<b>6%</b>

# Survey Background

## STEERING COMMITTEE



**Barb LaMue**, Current Mid-America EDC President  
Vice President, Economic and Community Development  
Wisconsin Economic Development Corporation



**Ashley Scray**, Project Manager  
Senior Research Analyst  
Ady Advantage



**Susan Reed**, Past Mid-America EDC President  
Director of Disclosure Strategies  
H.J. Umbaugh & Associates



**Mark Lofthus**, Regional/Local EDO Representative  
Economic Development Director  
Dakota Electric Association

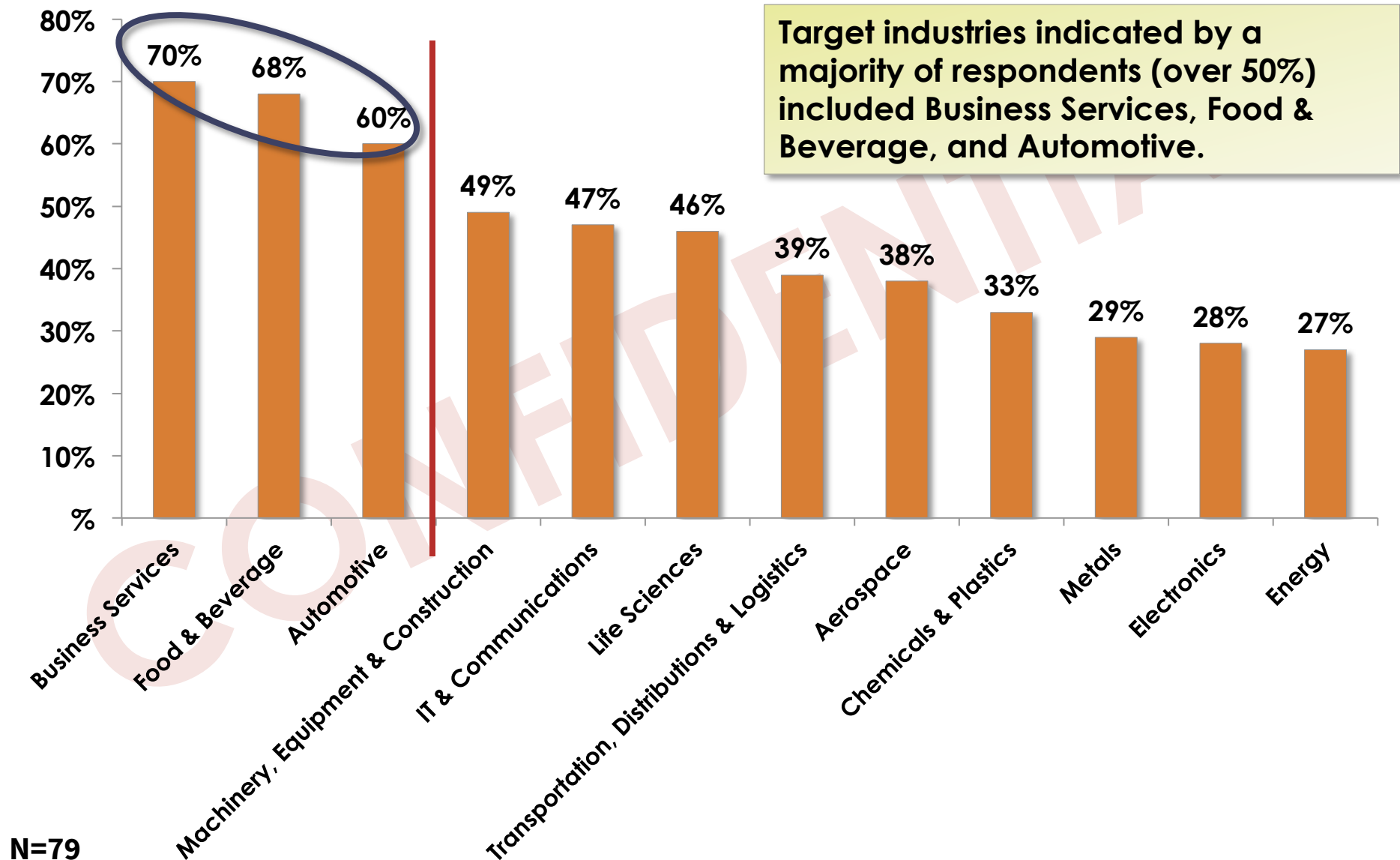


**Brandon Marshall**, State EDO Representative  
Manager, Business Recruitment and Development  
Wyoming Business Council

# 2016 SURVEY RESULTS

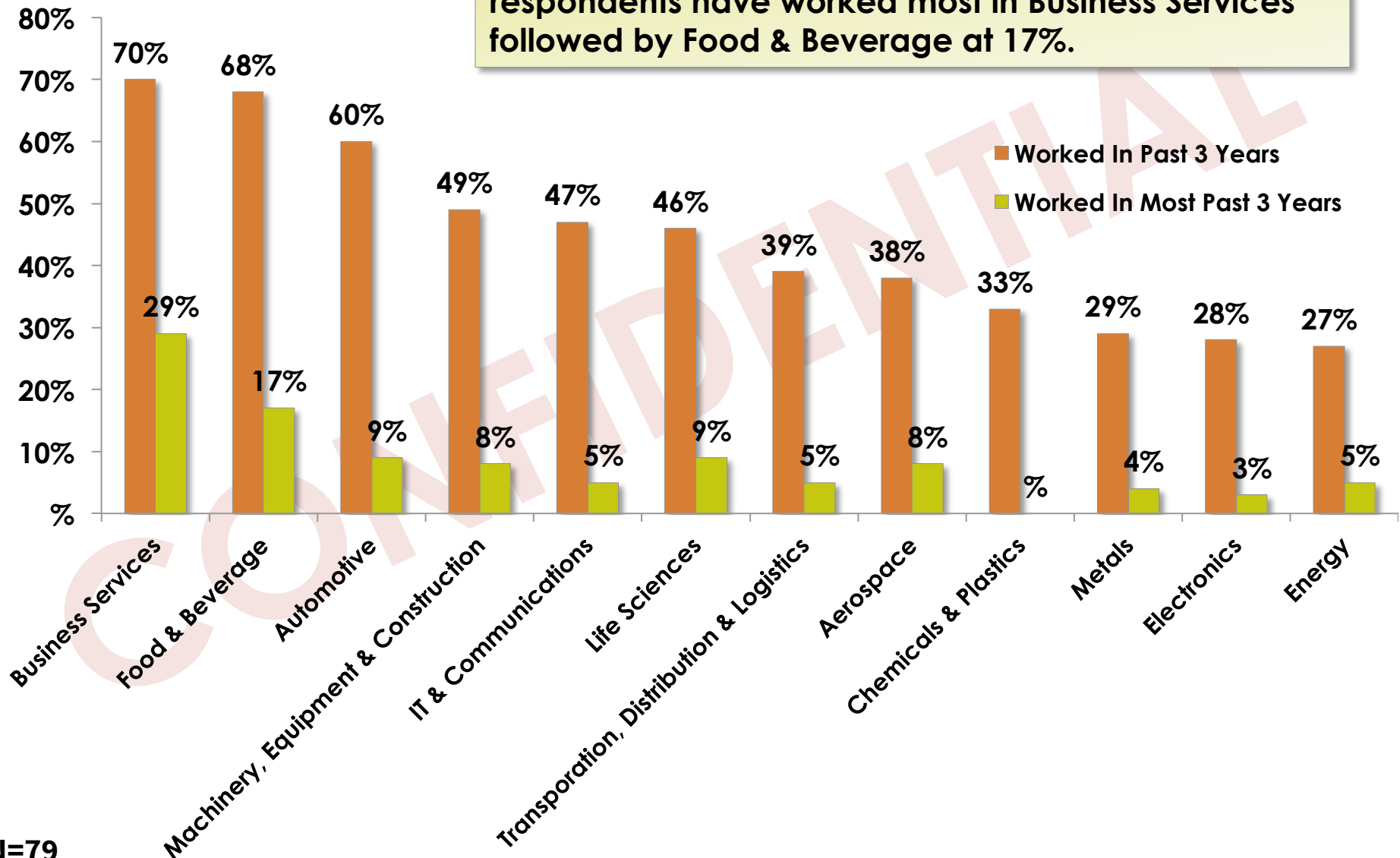
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In which industries have you worked in the past three years?  
Please check all that apply.



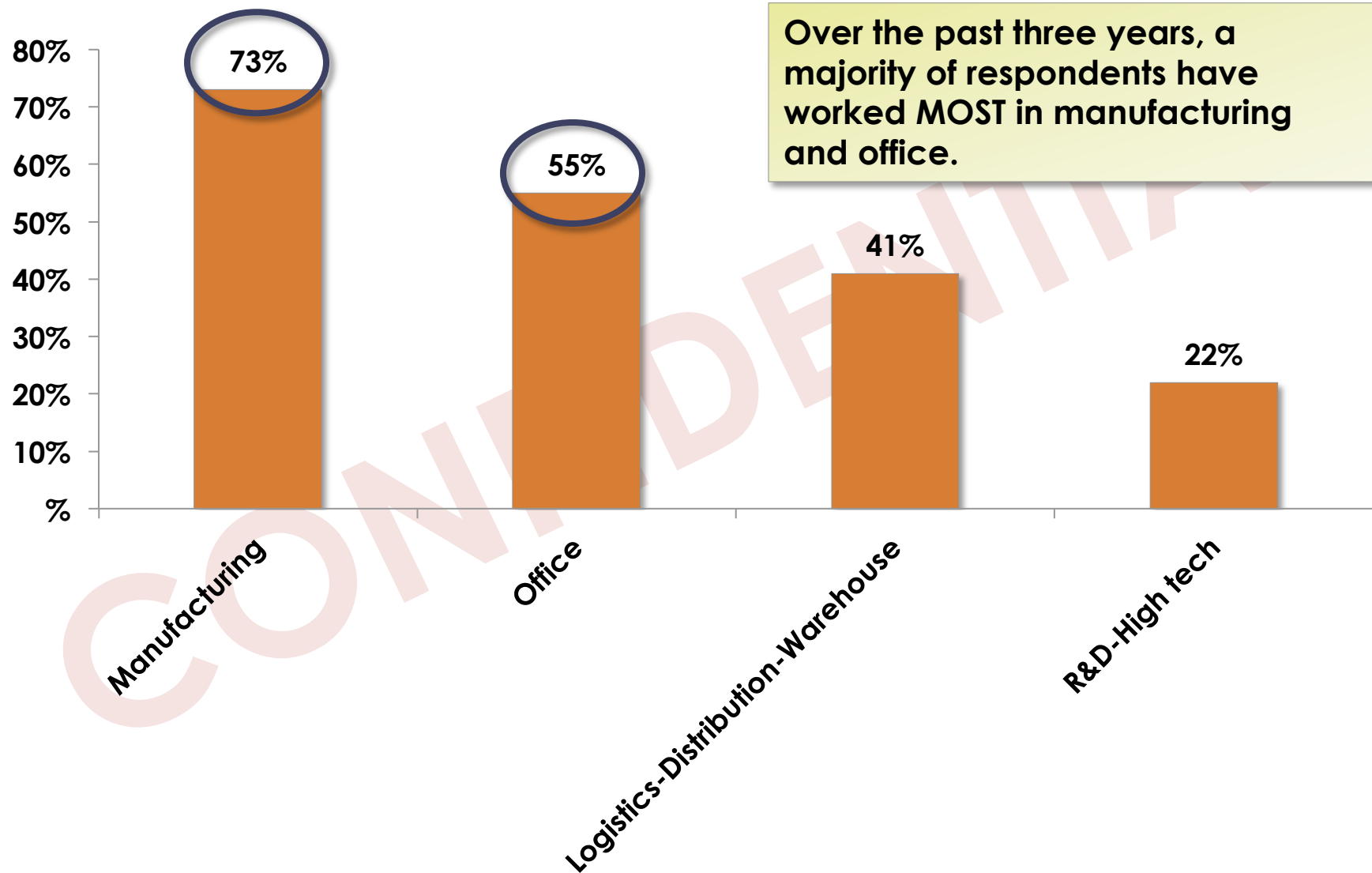
# In which one industry have you worked the MOST the past three years?

Over the past three years, nearly one-third (29%) of respondents have worked most in Business Services followed by Food & Beverage at 17%.



N=79

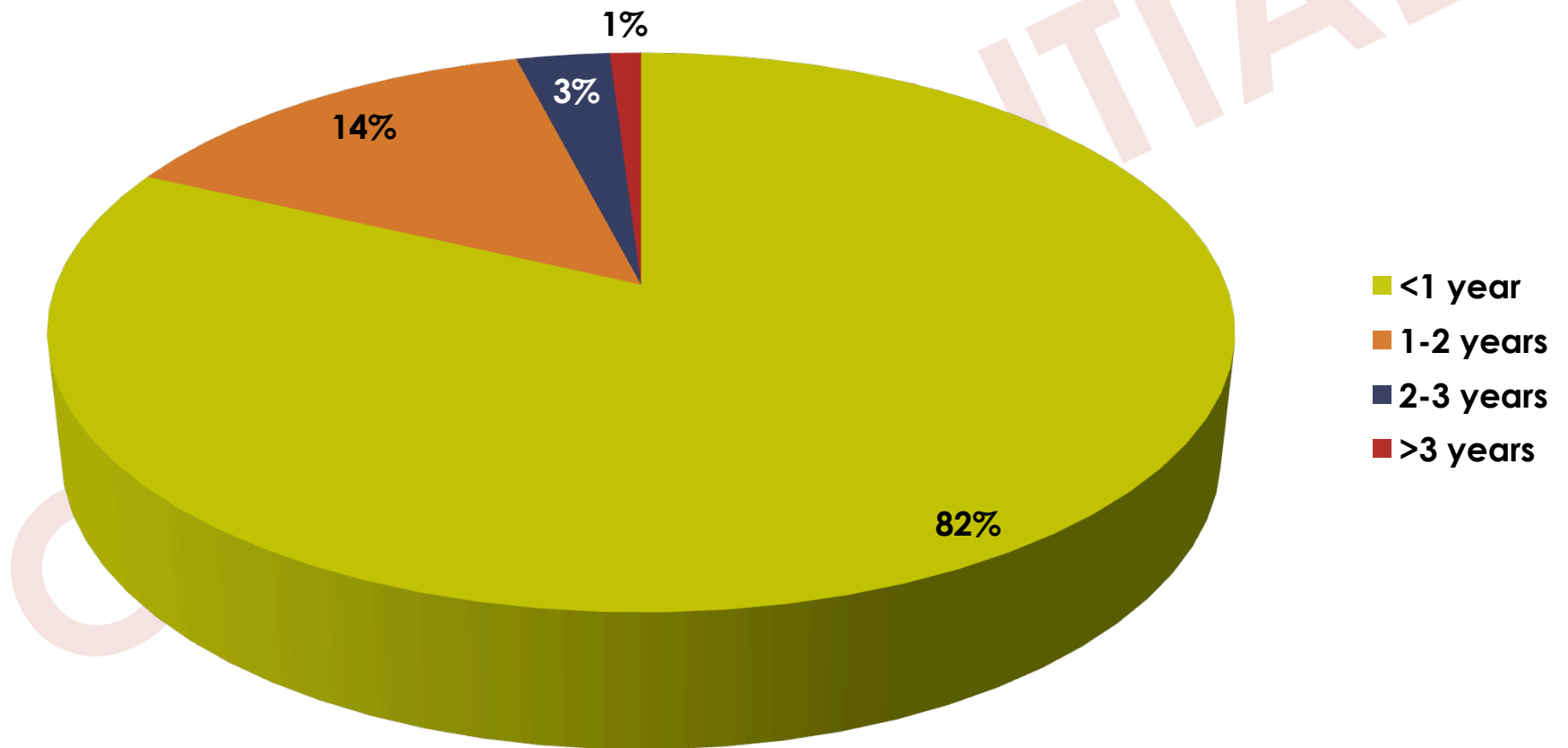
In which industry sectors have you worked MOST in the past three years?



N=78

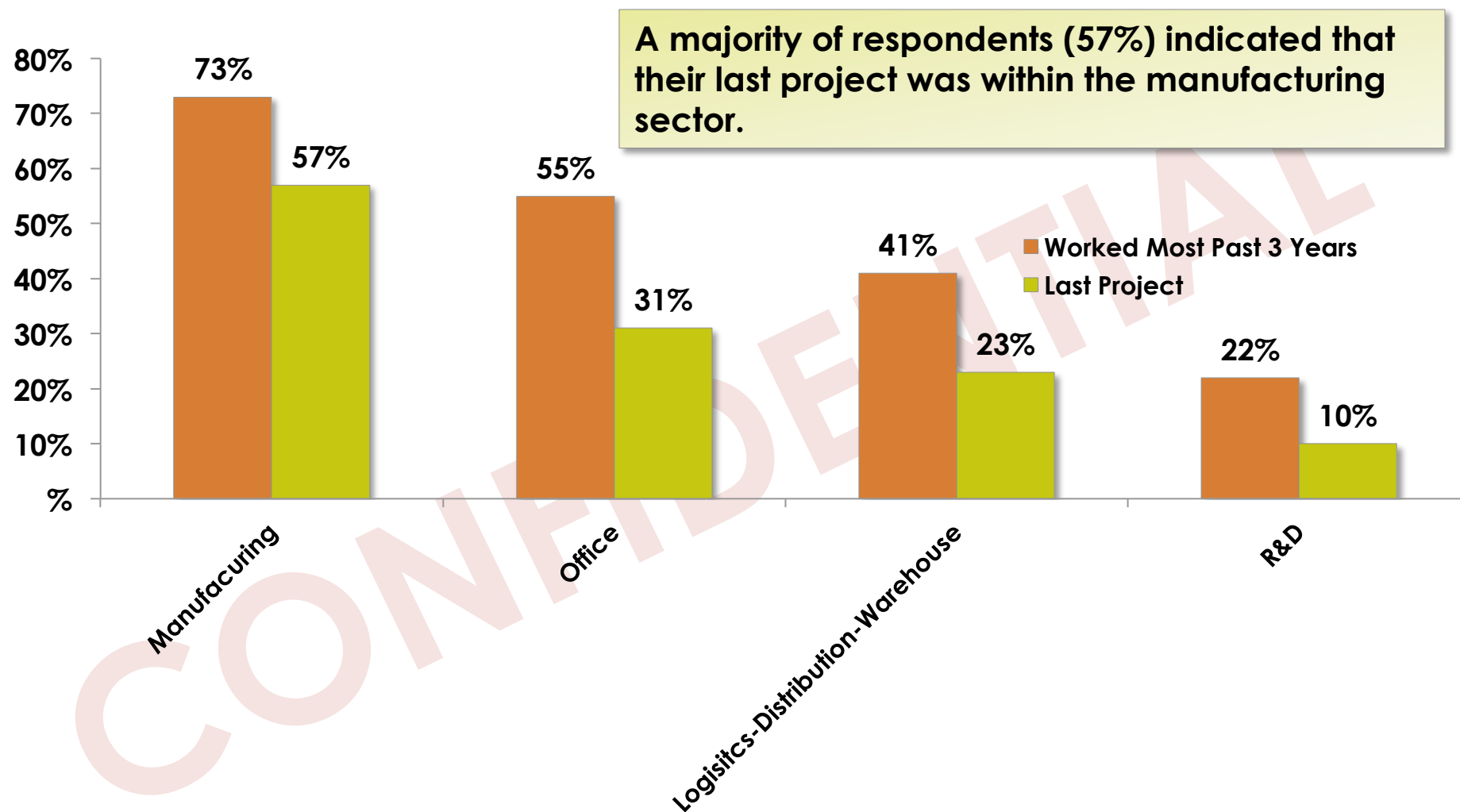
# How long ago did your LAST site selection project occur?

About 96% of respondents indicated that their last site selection project was within the past two years.



N=78

In which industry sector was your LAST project? Please check all that apply.

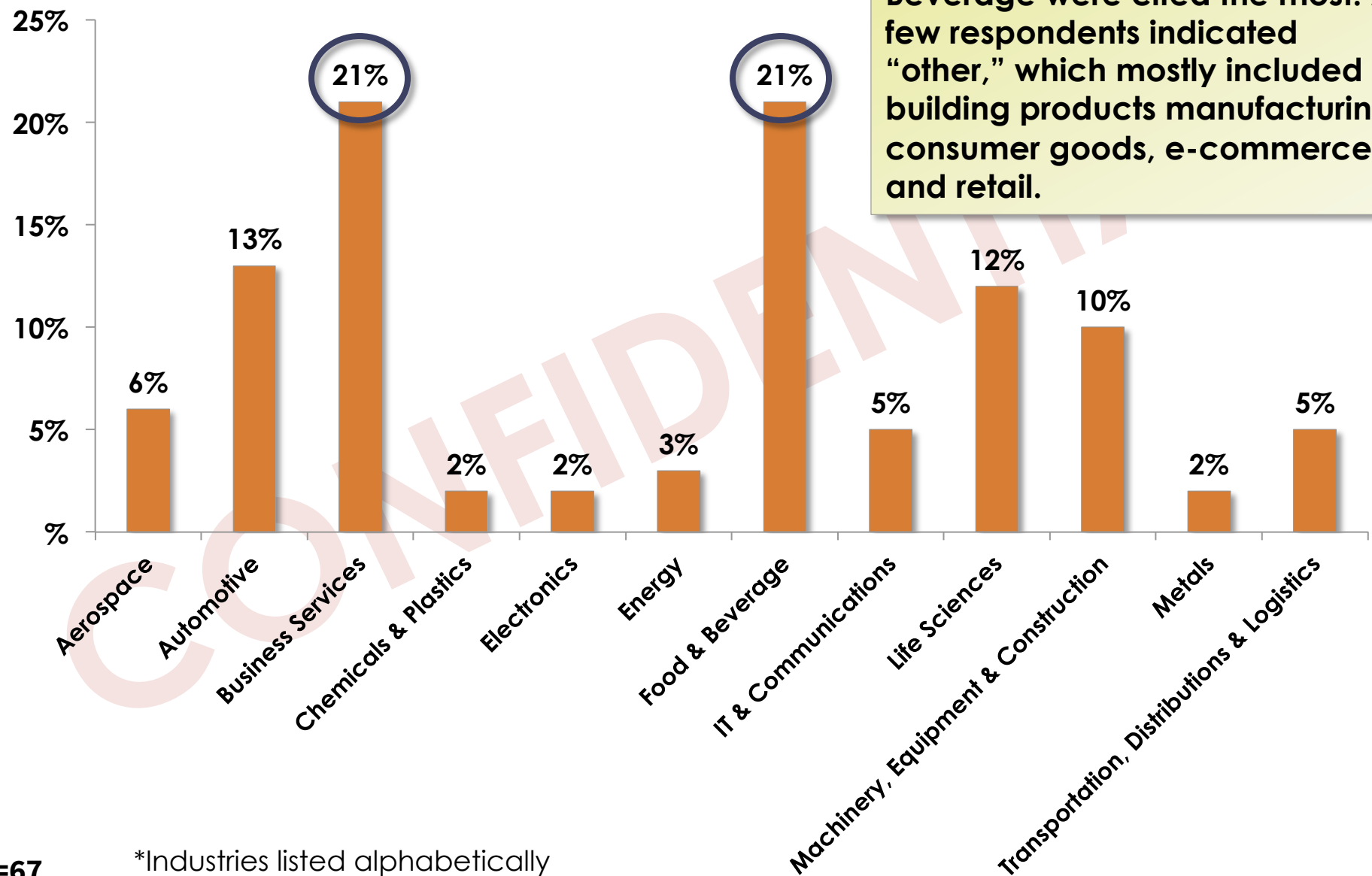


N=77



In which *industry*\* was your LAST project? Please check all that apply.

**Business Services and Food & Beverage were cited the most. A few respondents indicated “other,” which mostly included building products manufacturing, consumer goods, e-commerce, and retail.**

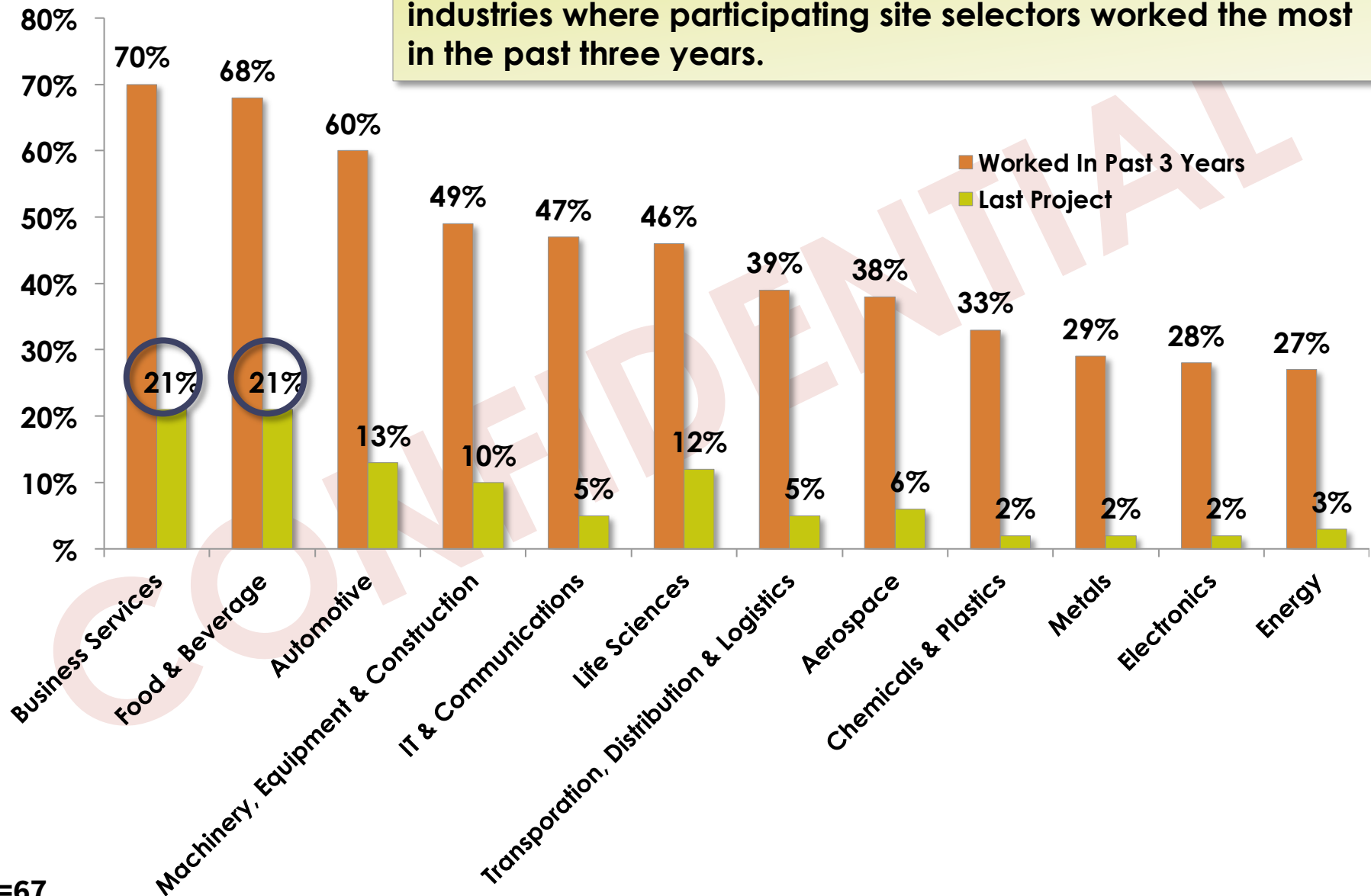


N=67

\*Industries listed alphabetically

In which industry was your LAST project? Please check all that apply.

**Business Services and Food & Beverage are also the industries where participating site selectors worked the most in the past three years.**

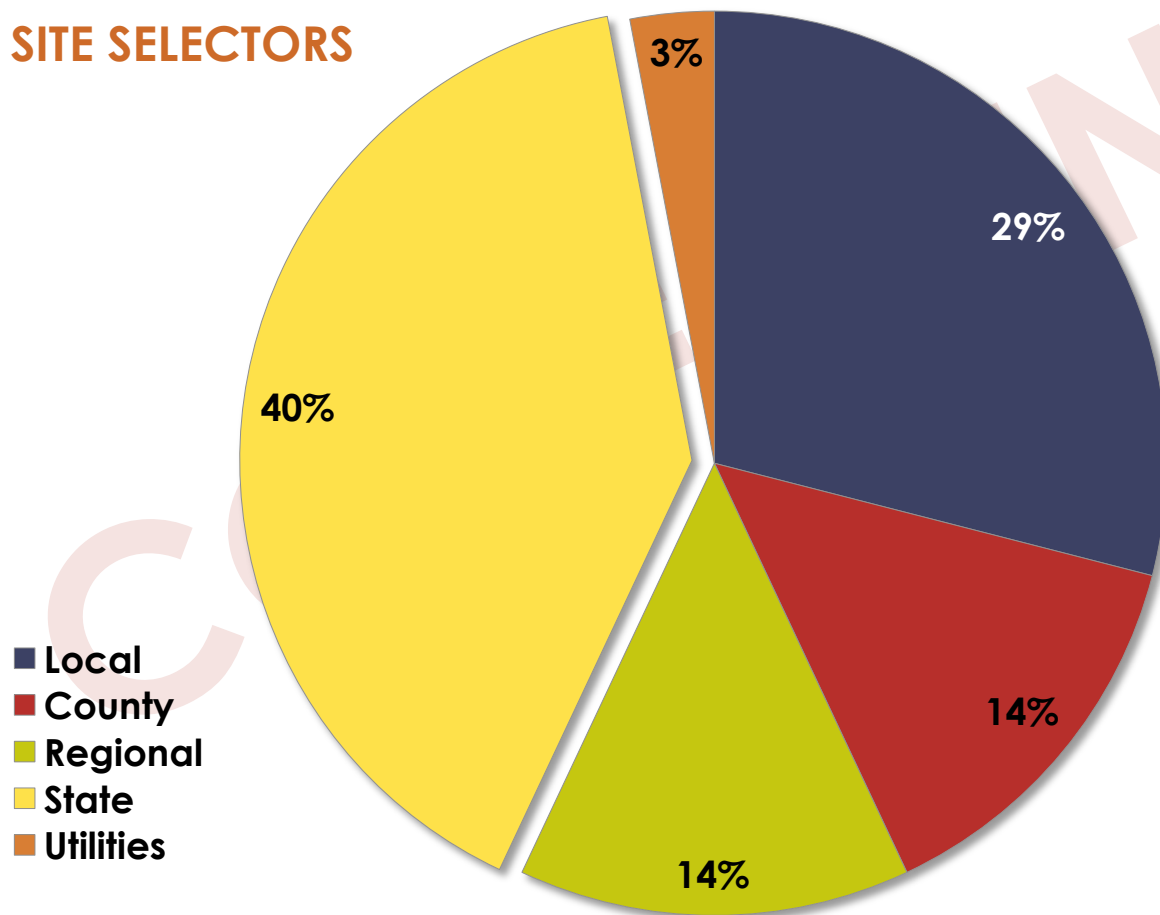


N=67

# What level of contact person did you work with MOST during your LAST site selection project?

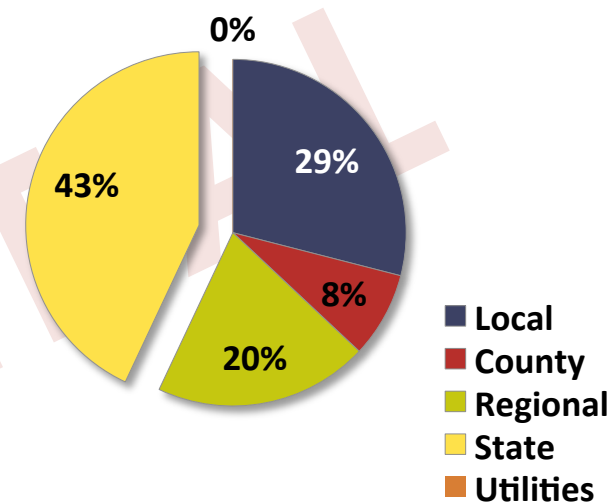
A strong correspondence was evident between what members *think* is the most typical level of contact, and site selectors reported level of contact.

## SITE SELECTORS



N=77

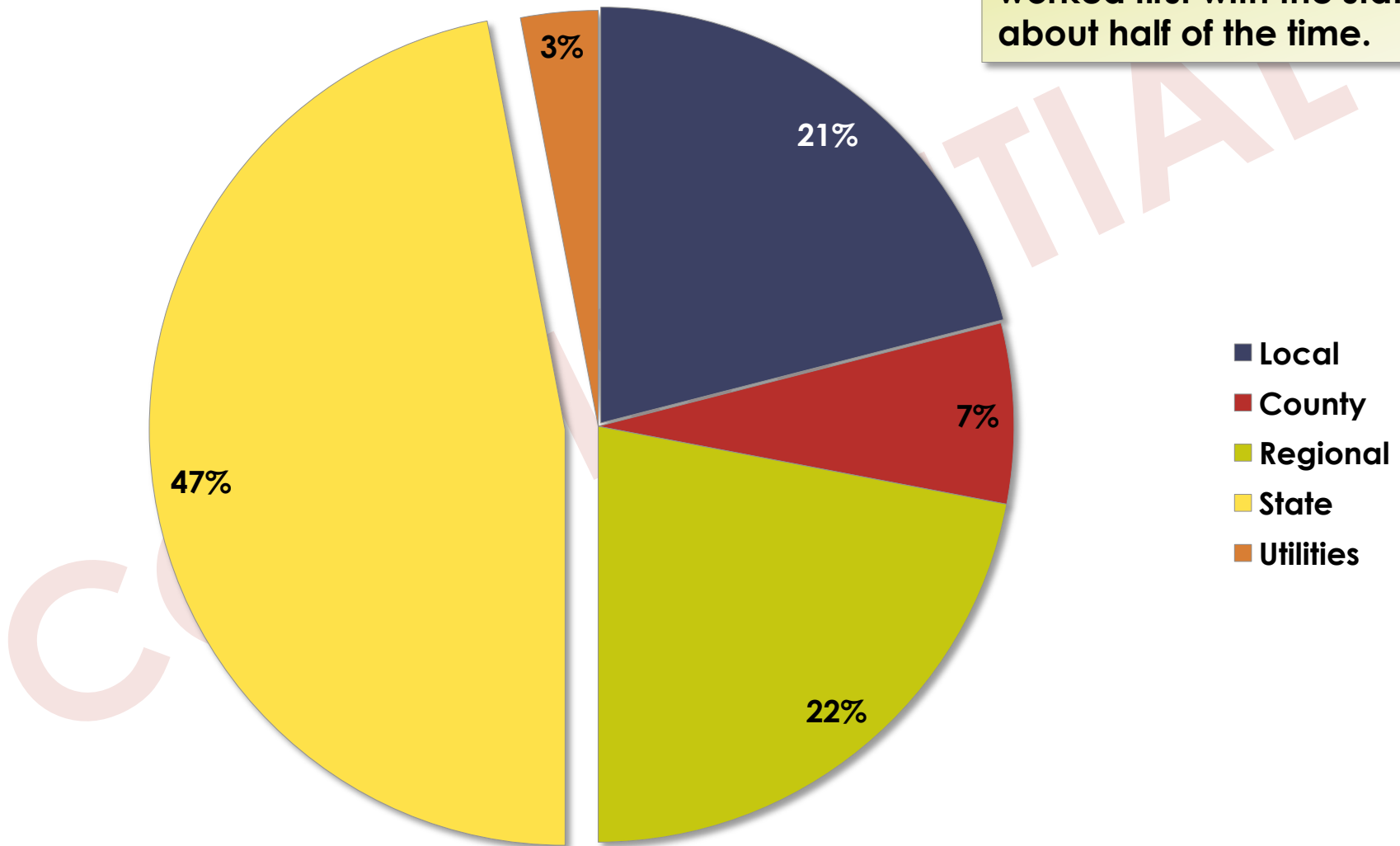
## MEMBERS



Compared with the past two survey efforts, these data are largely consistent with "state level" being most frequently mentioned.

What level of contact person did you work with FIRST during your LAST site selection project?

Likewise, site selectors worked first with the state about half of the time.

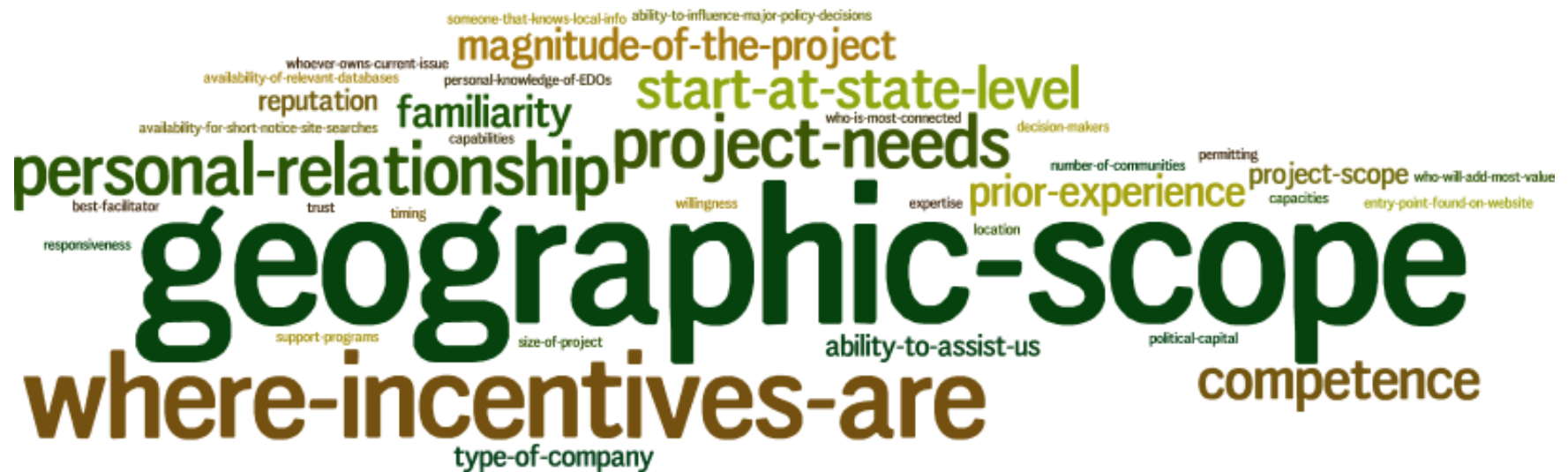


N=76

# What influences the level at which you engage?

*"It's situational. Generally, we reach out to the state first. If, however, I'm familiar with local, county or regional representatives, I may reach out to them."*

*"The site and what incentives are offered for that site on the state or local level. At some point, I always work with both state and local on every project."*

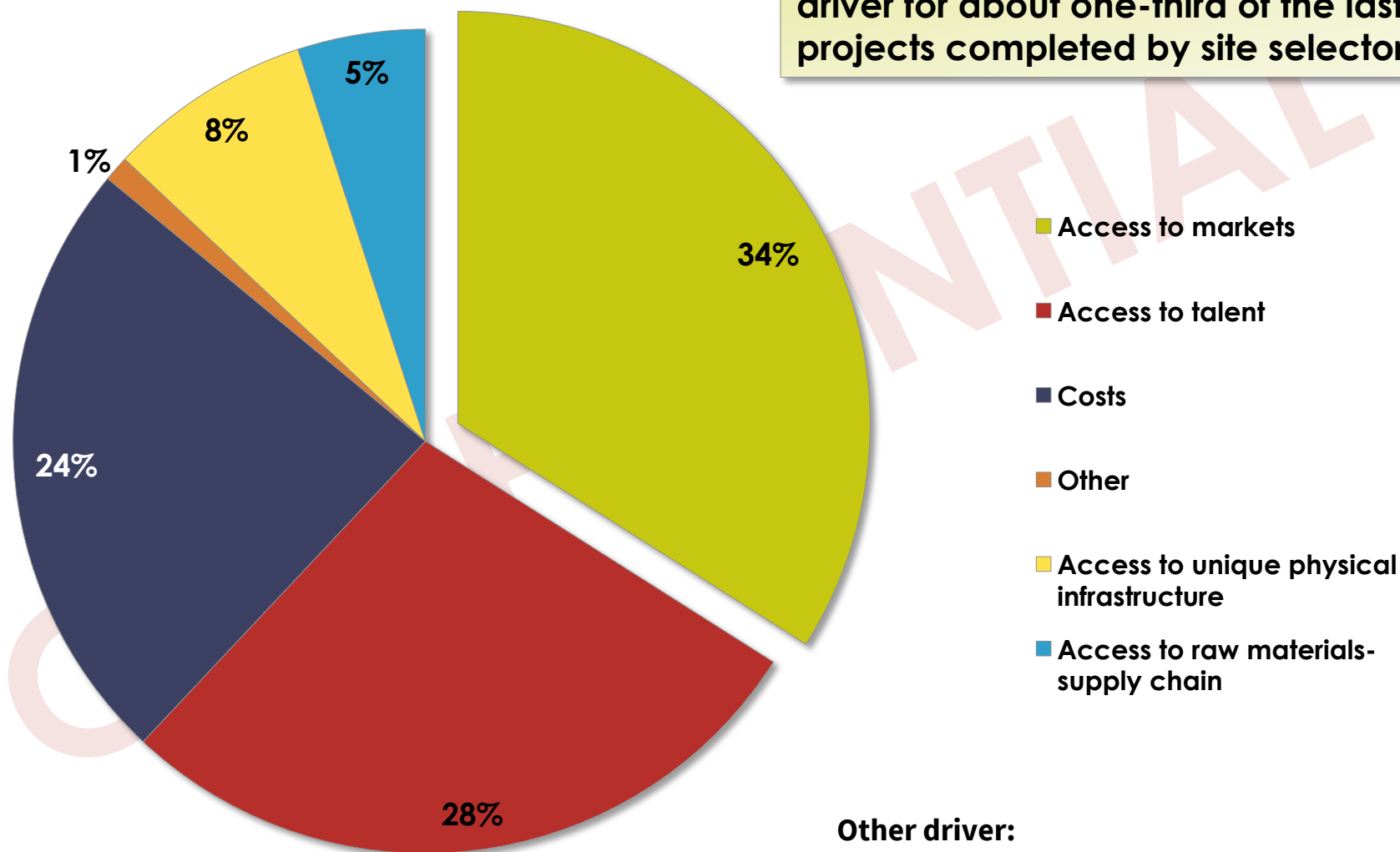


*"The magnitude of the project with the number of new jobs created and the amount of capital expenditures for the project."*

*"The convention in that particular state. Which level of organization controls most of the incentives."*

# What was the MAIN driver for the relocation or expansion of your LAST project?

**Access to markets was the main driver for about one-third of the last projects completed by site selectors.**



### Other driver:

- Available real estate/facilities

**N=76**

Please rank only your TOP THREE MOST important factors for the choice of location for your LAST project.

Rank 1=most important, 2=next-most important.

	RANK 1	RANK 2	RANK 3	RANKED 1, 2, 3
<b>Workforce training programs</b>	21	13	6	40
<b>Incentives</b>	11	11	7	29
<b>Availability of labor</b>	10	8	13	31
<b>Available buildings</b>	10	8	11	29
<b>Culture/values of the region matched client's</b>	10	4	4	18
<b>Ease of working with EDOs</b>	5	6	8	19
<b>Ease of working with elected officials</b>	4	14	11	29
<b>Good transportation infrastructure</b>	4	1	1	6
<b>Level of innovation in the region</b>	4	0	5	9
<b>Low taxes</b>	1	7	2	10
<b>Low-competitive labor costs</b>	1	4	5	10
<b>Past business attraction success</b>				
<b>Positive growth rate</b>				
<b>Quality of life</b>				
<b>Quality-productivity of labor force</b>				
<b>Right-to-work status</b>				
<b>State legislative climate</b>				
<b>Supply chain opportunities</b>	0	0	2	2

**Workforce training programs was easily the number one factor for the choice of location of participating site selectors' last project. No statistically significant variation was found for ranked choice of location relative to industries MOST worked in over the past three years.**

**N=70**

Please rank only your TOP THREE MOST important factors for the choice of location for your LAST project.

Rank 1=most important, 2=next-most important.

## **FACTORS FOR CHOOSING A LOCATION**

Ranked choice of location did vary significantly (statistically) by industry sector (Office, Manufacturing, Logistics-Distribution-Warehouse, R&D-High Tech)

### **Manufacturing**

- Manufacturing was related to low-competitive labor costs
- Manufacturing was related to quality-productivity of labor force

### **Logistics-Distribution-Warehouse**

- Logistics-distribution-warehouse was related to good transportation infrastructure



Please rank only your TOP THREE MOST important factors for the choice of location for your LAST project.

Rank 1=most important, 2=next-most important.

## FACTORS FOR CHOOSING A LOCATION (CONT'D)

### R&D-High Tech

- R&D-high tech was related to low competitive labor costs
- R&D-high tech was related to quality-productivity of labor force

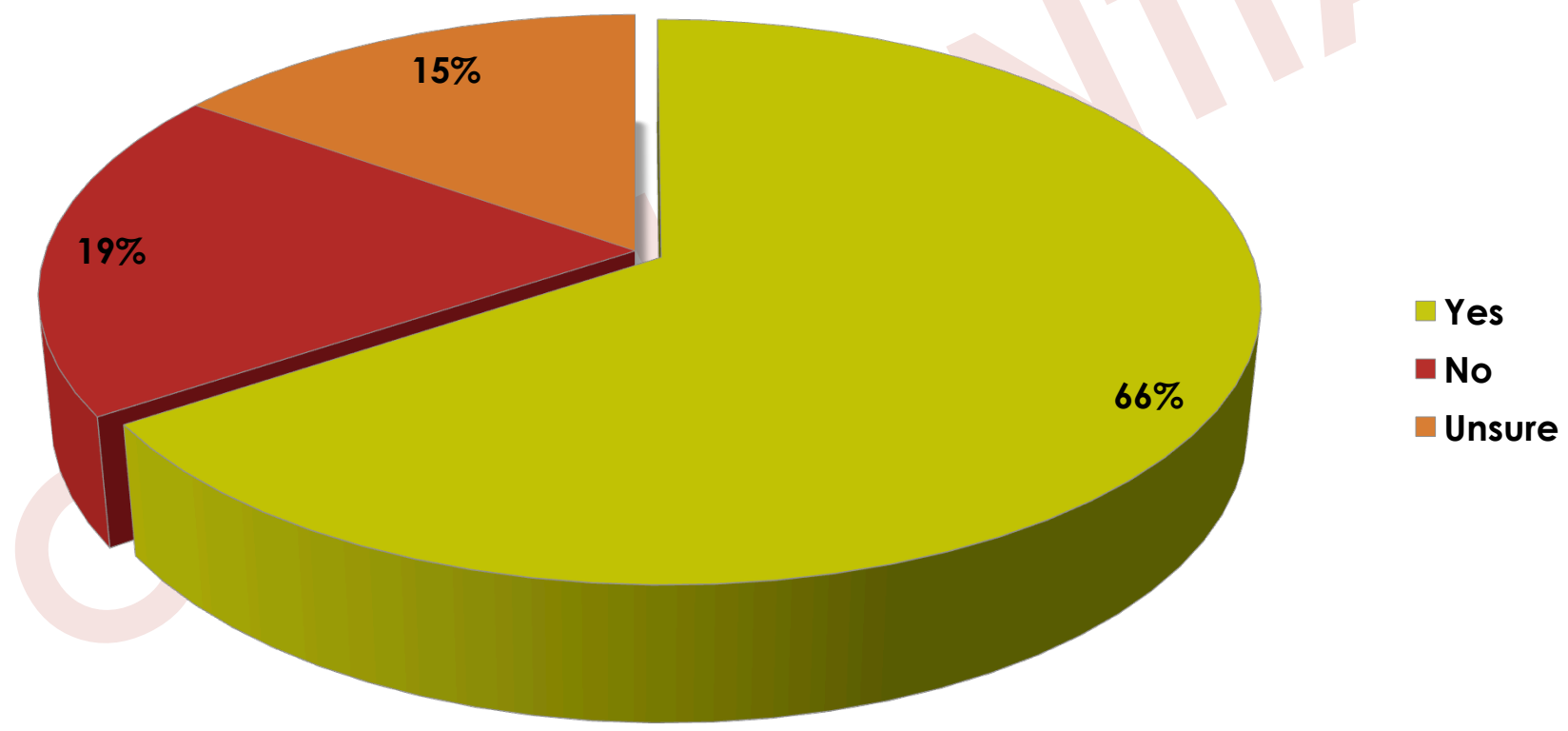
### Office

- No relationships were found for the Office sector

**Note:** An exploratory approach was taken for this particular analysis allowing p values of  $\leq .10$ ; 10% chance the results are due to chance alone.

When considering your LAST project, were there any fatal flaws that eliminated one or more locations?

Nearly two-thirds (65%) of locations under consideration exhibited a “fatal flaw” that precluded selection.



N=72

Please describe briefly the "fatal flaw."

## FATAL FLAWS

The most frequently mentioned fatal flaws included:

- **Lack of available property/building**

- Infrastructure issues
- Timing to get the site "ready"
- Site contamination

- **Workforce issues**

- Availability – especially for certain required occupations
- Quality
- Work ethic
- Substance abuse
- Turnover
- Union presence

**"Site and infrastructure issues."**

**"Lack of an available building."**

**"Significant union presence, lack of available workforce, physical limitations to site development."**

**"Non right to work (union) state, state income taxes, over regulation"**

**"Shortcomings in community conditions discovered in on-site due diligence. Concerns with human resources (quality, work ethic, cost for specific positions, substance abuse, etc.) Technical problems with sites or buildings. Failure by public agencies, utilities, or others to cooperate."**

Please describe briefly the "fatal flaw"

## FATAL FLAWS (CONT'D)

- **Costs**

- Taxes
- Labor
- Utility
- Real estate
- Capital/Borrowing

***"Poor property availability, labor situation, higher costs."***

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What are the most effective EDOs doing to win your business at the state level?

***“Providing up-to-date information on incentives and workforce programs.”***

***“Regular touch points – whether it’s a dinner, a phone call, an email newsletter.”***



***“Easy to contact and quick to respond. Willing to coordinate responses from multiple markets.”***

***“A good mix of cash and tax incentives.”***



What are the most effective EDOs doing to win your business at the local level?

*“Excellent understanding of local infrastructure, workforce and speed of project execution.”*

*“Connecting us with other employers in the area.”*

*“Flexible incentives programs.”*



*“Willingness to work in a flexible, speedy manner.”*

*“Follow up, follow up, follow up.”*

*“Partnering with regional and state officials.”*

Please identify or describe the most effective talent programs you have seen.

## GENERAL CONCEPTS THAT LEAD TO EFFECTIVE TALENT PROGRAMS

- Keeping up with technology in schools
- Good public schools
- Customized training programs for companies
- Job creation incentives and workforce training grants
- Specific training facilities for an industry (e.g., biotech, mechatronics, etc.)
- Providing access to companies for interviews and tours
- Strong integration between businesses and technical schools that lead to collaborative curriculum design and well-trained workers
- Working with high schools and community colleges to create trade internships



What are the best ways for an economic development organization to communicate with site selectors about their region? Please rank\* all seven items, where 1=“most effective” and 7=“least effective.”

## SITE SELECTORS

WAYS TO COMMUNICATE	RANK
Meeting with you at your office	2.1
Familiarization tour	2.3
Email marketing	3.4
Printed communications	4.4
Gifts	4.8
Social media marketing	5.2
Advertising	5.8

Compared with the last two survey efforts, these data are largely consistent with “advertising” being lowest ranked and “meeting at the office” being highest ranked.

**\*Ranks were statistically significant.**

**Note: When reading data, keep in mind that lower rankings = more effective.**

The personal touch proved to be the preferred way to communicate with site selectors with the two top ranks going to (i) in-office meeting and (ii) a familiarization tour.

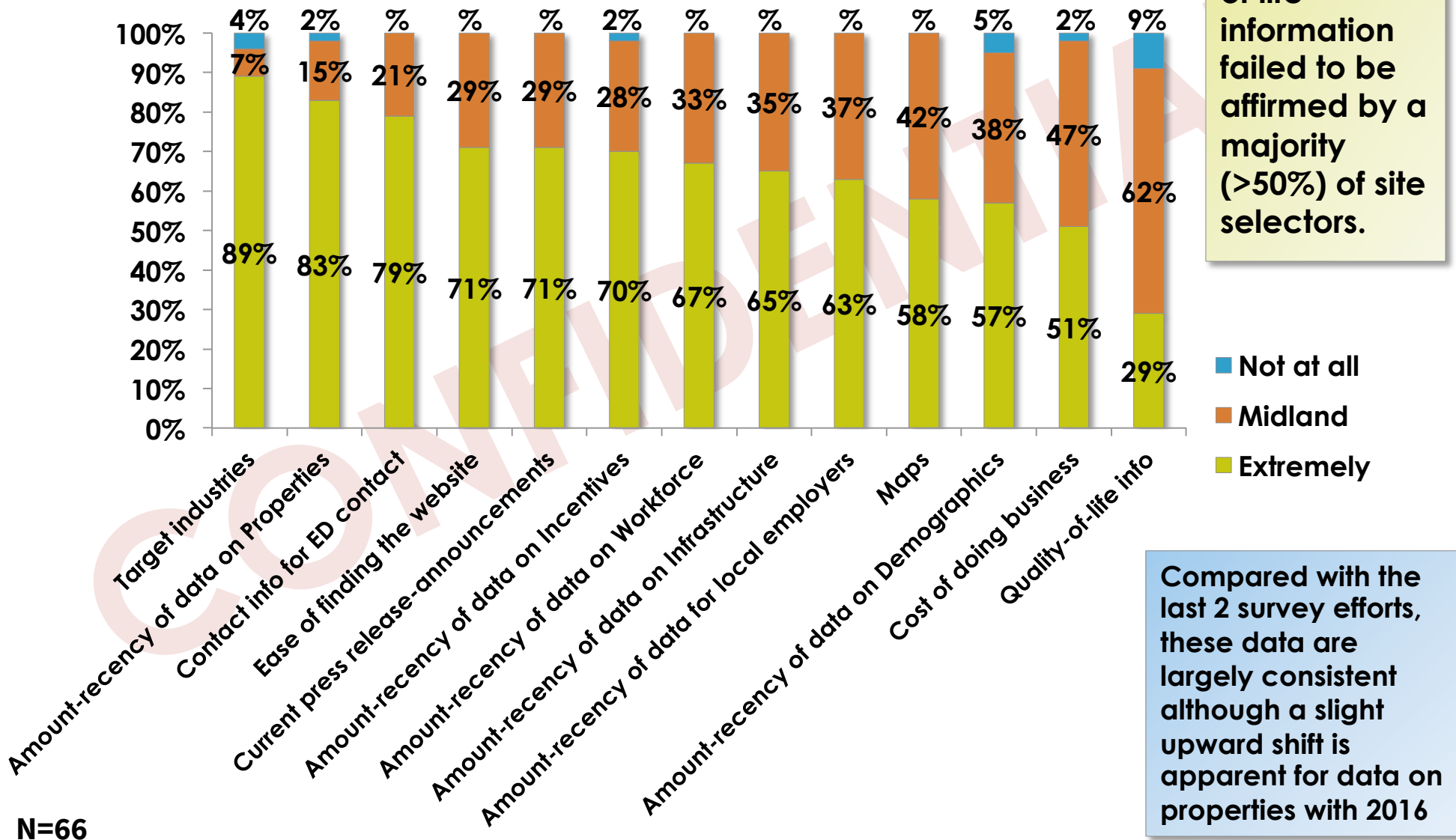
Similar to the findings for members, paid-communications such as gifts and advertising ranked among the lowest.

## MEMBERS

WAYS TO COMMUNICATE	RANK
Meeting with you at your office	1.9
Familiarization tour	2
Email marketing	3.5
Printed communications	4.3
Social media marketing	4.6
Gifts	5.6
Advertising	6

# How important are each of the following characteristics of an ED website?

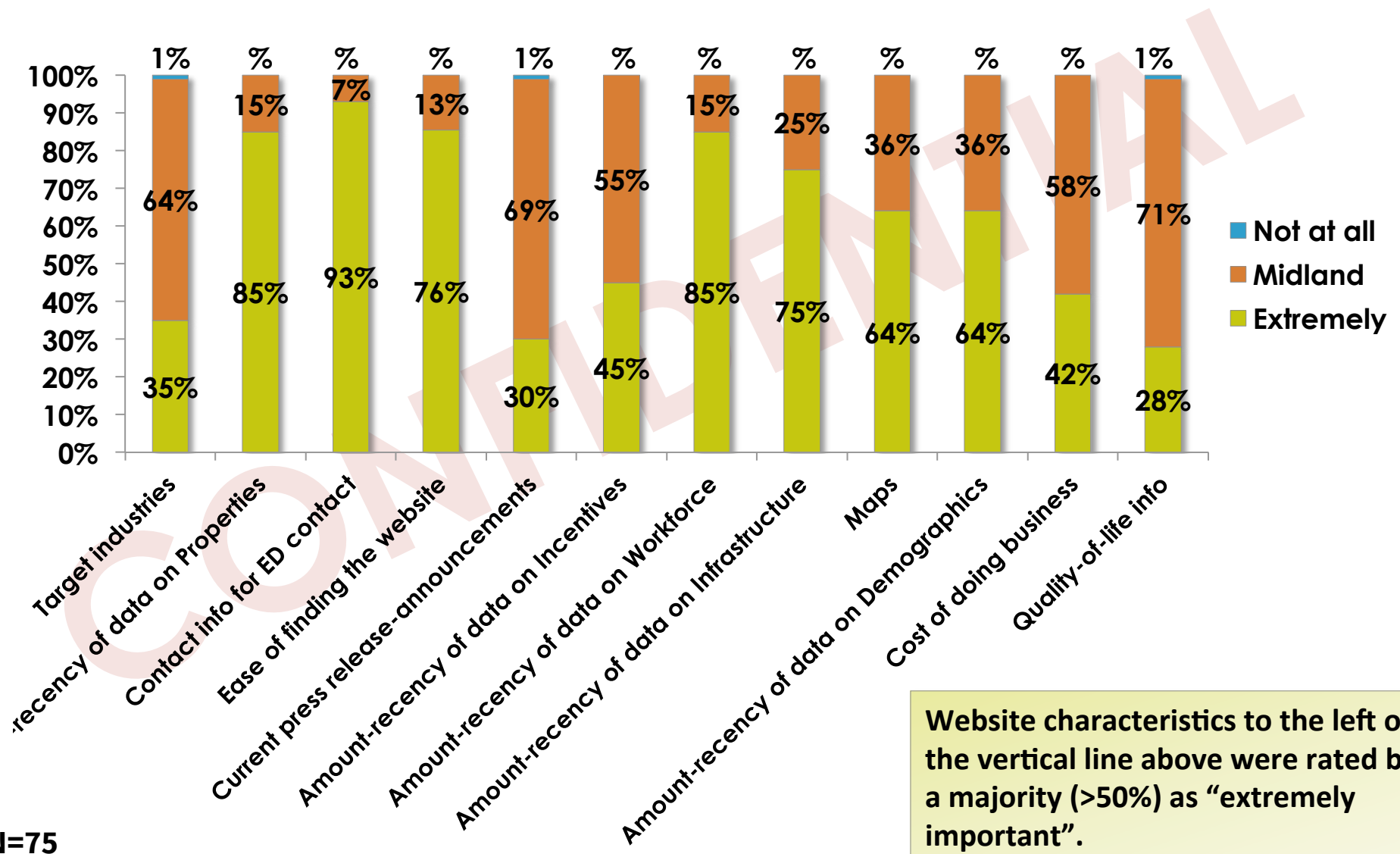
## SITE SELECTORS



N=66

Please rate how important you think each of the following characteristics are for an ED website.

## MEMBERS



N=75

If there were one piece of advice you would give to communities/regions/states trying to market to site selectors, what would that be?

***“Arm us to overcome our clients' preconceived ideas about your area.”***

***“Be prepared for quick turn around on RFP's. Try to make personal contact at conferences, and visits to site selectors.”***

***“Communicate what is most unique about your location. Compare yourself to competing locations using objective data and cost indicators.”***

***“Build relationships and target your message. Make sure you are sending us relevant information like recent announcements, new legislation, etc. but not invitations to your annual fundraising golf tournament or business expo especially if we are several hours from your community or out of state.”***

***“Find me, contact me, stay in touch but only periodically (quarterly / semi-annually), and have something interesting to say.”***

***“Attend Site Selectors Guild events.”***

***“Focus. Be clear on who you are and what types of projects would be good fits. Don't try to be all things to all people.”***

***“Good state-level coordination on available sites with local communities. You would be surprised at how little coordination we see on this very important topic.”***

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# KEY TAKEAWAYS

## Key Takeaways

1. If you are marketing to site selectors, you should be aware of how they make decisions, what their current perceptions are of the state in which you operate, and how they prefer to be communicated with, as well as trends and changes over time.
2. Consider the information presented today in light of your area's own unique assets, target industries and strategies.
3. For State ED groups, focus on getting on the radar so that communities within your state are considered.
4. For local and regional EDOs, your #1 job with site selection is being ready, aligned, and able to articulate your points of difference.
5. For local and regional EDOs, treat your State ED group and Utilities as customers: they bring you leads!
6. Talent issues take many forms; most are important and persistent. Developing and implementing a talent strategy can be your area's greatest competitive advantage.

# Bob Ady Scholarship Winners - 2016

## 2016 WINNERS

YEAR	NAME	TITLE	ORGANIZATION
2016	Abby Attoun	Director of Community Development	City of Middleton, Wisconsin
2016	Chris Castle	Economic Development Assistant	Norwalk Economic Development Corporation
2016	Mark Dobson	President & CEO	The Economic Development Corp. of Elkhart County
2016	Katie Eaton	Economic Development Manager	Economic Development Corporation Michigan City
2016	Morgan Franklin	Business Development Officer	Economic Development Corporation of Kansas City
2016	Matthew Godinez	Executive Director	Chanute Regional Development Authority
2016	Megan McGown	VP of ED and Marketing	North Platte Area Chamber & Development Corporation
2016	Sean Overeynder	Community Development Director	Twin Cities Development
2016	Erin Ruth	Director of Planning & Development	Village of Cottage Grove, Wisconsin
2016	Lauren Sheridan-Simonsen	Assistant Director of ED	City of Neligh
2016	Christina Stephenson	Economic Development Coordinator	KBJ Economic Development
2016	Michael Stewart	Managing Director	Grayslake Business Partnership, LLC

# Bob Ady Scholarship Winners – 2012-2013-2014-2015

## PAST WINNERS – 2014-2015

YEAR	NAME	TITLE	ORGANIZATION
2015	Blake Benson	Economic Development Director	City of Pittsburg
2015	Sam Blahnik	Community Development Director	Village of DeForest
2015	Bryce Davis	Director	Wright County Economic Development
2015	Nick Fosheim	Executive Director LCEDA/MCEDA	Lincoln County EDA / Minnehaha EDA
2015	Heather Smith	Director of Economic Development	City of Fort Scott, Kansas
2015	Thomas Harrigan	Economic Development Specialist	Whitewater Community Development Authority
2015	Heather Horowitz	Director	Norwalk Economic Development Corporation
2015	Rachael Parker	Director of Economic Development	City of Chillicothe
2014	Regina Emberton	President	Michiana Partnership
2014	Patricia Perry	interim Main Street Manager	Portland Main Street
2014	Travis Haggard	Executive Director	Keith County Area Development
2014	Charles Hilmes	Mayor - Economic Development	City of Breese
2014	Christine Kish	Project Manager, Attraction	Team Lorain County
2014	Ken Maule	Executive Director	Lincoln County Economic Development Corp
2014	Mary Rajek	Economic Development Associate	Redevelopment Resources, LLC
2014	Glennis McClure	Executive Director	Gage Area Growth Enterprise - NGage
2014	Brittany Abrams	Economic Development Coordinator	Village of Justice
2014	Luke Virgil	Economic Development Coordinator	City of Laurel, Nebraska



# Bob Ady Scholarship Winners – 2012-2013-2014-2015

## PAST WINNERS – 2012-2013

YEAR	NAME	TITLE	ORGANIZATION
2013	Celie Koth	Marketing Coordinator	Watertown Economic Development Organization
2013	Terrance Hall	Business Development Specialist	Rockford Area Economic Development Council
2013	Joe Sobieralski	Executive Director	Southwestern Michigan Economic Growth Alliance
2013	Monica Lueking-Crowe	Executive Director	Furnas-Harlan Partnership
2013	Wilson Bowling	Economic Development Director	City of Kimball
2013	David Connolly	Executive Director	Crawford County EDC
2013	Kelly Flynn	Director of Economic Development	City of South Sioux City
2013	Lisa Elliott	Municipal Planning Intern	WSB & Associates Inc.
2012	Nicole Sedalcek	Executive Director	Holt County Economic Development Agency
2012	Kim Uhlig	Business Development Director	Morton Economic Development Council

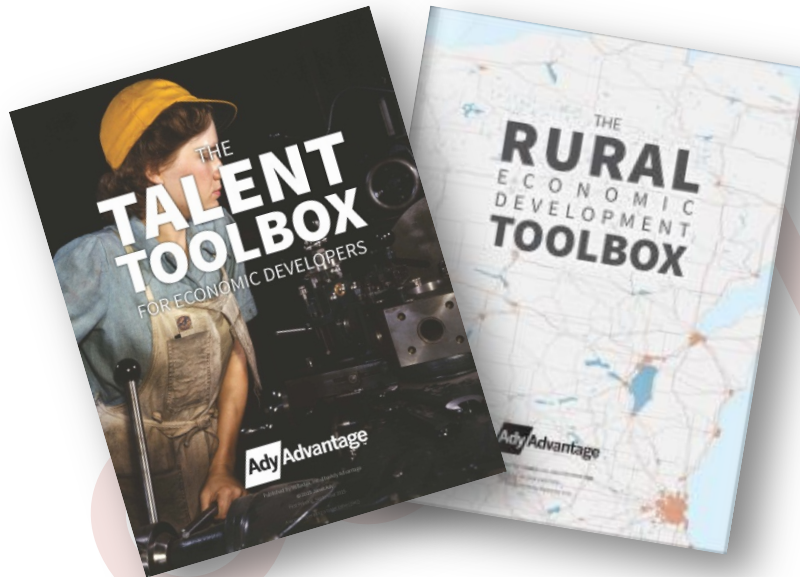
Thank You



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[www.linkedin.com/in/janetady/](http://www.linkedin.com/in/janetady/)



**Talent Toolbox for Economic Developers**  
Published February 2016

**Rural Economic Development Toolbox**  
Published September 2014



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