Megatrends of Economic Development and What They Mean for Rural Communities

Janet Ady
President & CEO

26th Annual Rural Community Economic Development Conference

Illinois Institute for Rural Affairs

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## The Economic Development Value Chain

### CORPORATE SERVICES

<table>
<thead>
<tr>
<th>Research &amp; Strategy</th>
<th>Positioning &amp; Branding</th>
<th>Marketing</th>
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<td>- Strategic/Business Plans</td>
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<td>- Market Growth Strategies</td>
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<td>- Supply Chain Analysis</td>
<td>- Marketing Plan</td>
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<td>- Target Industry Analysis</td>
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<td>- Labor Force Analysis</td>
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<td>- Competitiveness Assessment</td>
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<td>- Reverse Site Selection</td>
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<td>- Reverse Supply Chain Analysis</td>
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<td>- Business Case Development</td>
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<td>- Toolbox Development</td>
<td>- Websites</td>
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<td>- Exhibits and Multimedia</td>
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Representative Clients
The Site Selection Process

- Fatal Flaws Analysis
- Initial County/State/Metro Screening
- Finalist Communities
- Finalist Location
Four Drivers of E.D. Projects

1. Access to Talent
2. Access to Customers/Supply Chain
3. Access to Physical Infrastructure
4. Cost Savings
Five Core Operating Costs for Comparison

Region-specific:
- Labor
- Transportation
- Taxes/Incentives

Site-specific:
- Utilities
- Occupancy Costs
Three Megatrends in Economic Development

2015 Just Ahead
Megatrend #1: *Elimination of Risk*

What’s driving it:

- Avoidance of “surprises”
- Competitiveness of economic development field
Megatrend #1: Elimination of Risk

Examples of how it plays out:

• High level of interest in availability and productivity of people at various skill levels
• Certified Sites programs
• Other forms of “readiness”
• Interest in state’s fiscal position and stability of regulatory/policy platforms
• Interest in long-term cost and availability of water, electricity, and natural gas
Megatrend #2: Increasing Role of Regions

What’s driving it:

• Availability of data
• Better reflection of labor pools than either state or local jurisdictions
• Close enough to know the local operating environment, yet distant enough to have a single POC
Megatrend #2: **Increasing Role of Regions**

Examples of how it plays out:

- Some searches now start at the regional level
  - Have to wave the flag for the whole state
  - LEDOs need to treat the region **and** the state as “customers”
- Always think in terms of the pooled assets that regions afford local groups
- Work very hard to make sure stakeholders are on board – dissonance on this point can break a deal
- The locals will **always** be at the table at the end of the day
State, Regional and Local Roles in Economic Development

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Megatrend #3: Competitiveness Among EDOs

What’s driving it:

• The maturation of the economic development field
• The increased sophistication of relocating/expanding companies, especially as incentives have proliferated
• A very limited pool of relocating and expanding companies
Megatrend #3: Competitiveness Among EDOs

Examples of how it plays out:

- Increased emphasis on BRE programs
  - Your BRE program is your competitor’s business recruitment program
  - How you treat your current businesses is the best indicator of how you’ll treat my client
- Knowing your value proposition is key
- Branding to communicate your value proposition sets you apart
- Absolute synchronization among stakeholders and local, regional and state players is essential
- More high-profile, direct-by-company searches
- Community image and reputation matter
Megatrend #3: Competitiveness Among EDOs
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A Peek Into My Inbox

3,315 items and counting
Thank You

Janet Ady
Recognized business strategist who has helped over 200 EDOs and 300 businesses get business results
Madison, Wisconsin Area Management Consulting
Current: Ady Yolotedge
Previous: Pike + Company, Wisconsin Milk Marketing Board, Technomic, Inc.
Education: Northwestern University - Kellogg School of Management

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