

FORWARD CHARLESTON



Targeted Economic Development & Marketing Strategy

Executive Summary

April 13, 2005





- One of the largest independent economic development consulting firms in the country
- Full in-house team of researchers, economists, strategic marketers (15 on staff)
- Innovative approach, combining strong secondary research with community engagement
- Strong track record, including work for Orlando, Little Rock, Santa Fe, New Orleans, State of New Mexico, State of New York, State of Texas and others



6-Month Process

Phase 1: **Public Input**

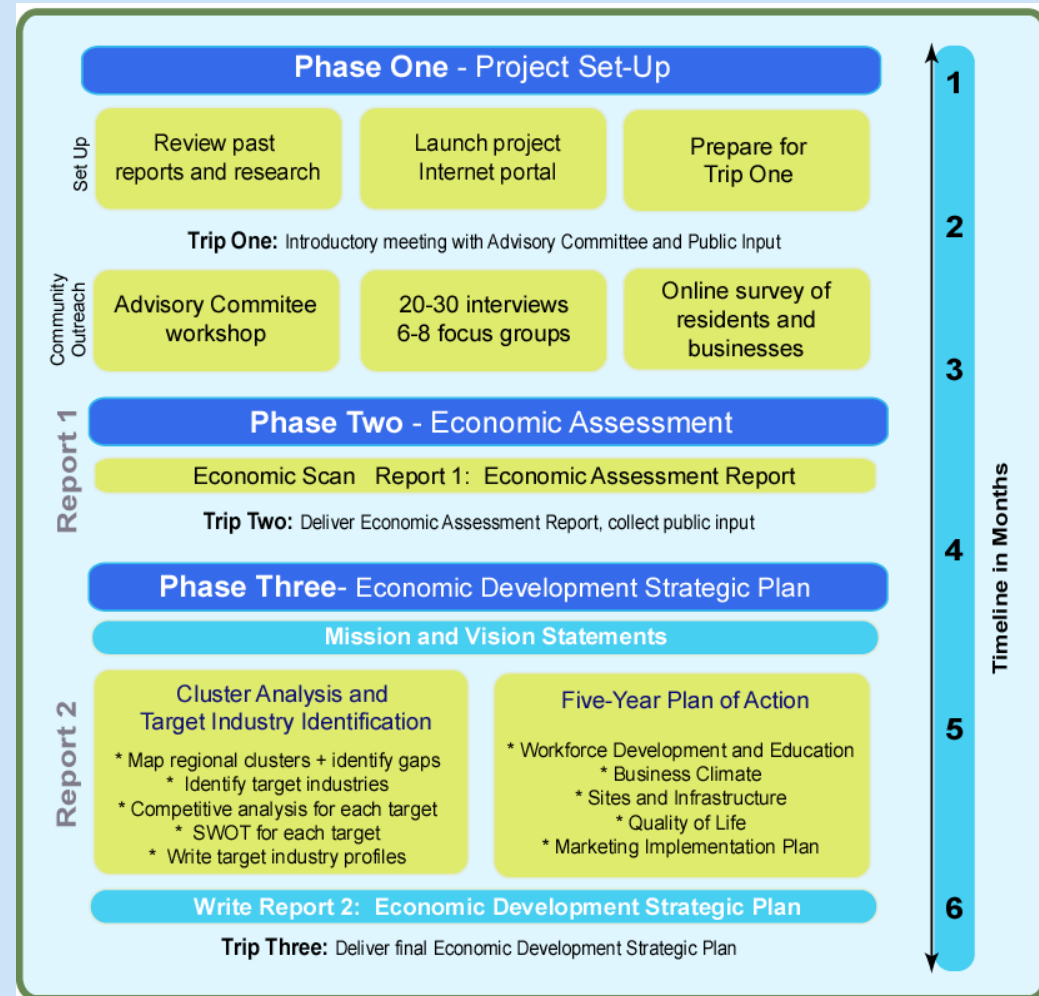
- ✓ 750 + participants in public input

Phase 2: **Research**

- ✓ Economic Scan, Report 1
- ✓ Target industry focus groups

Phase 3: **Recommendations**

- ✓ Draft Target Industry Report
- ✓ Draft Recommendations
- ✓ Client feedback
- ✓ Finalize Strategy
- ✓ Roll out event: April 13th



Extensive Public Input

- 40-member project advisory committee
- Talked to 250+ people in interviews and focus groups
- Focus groups with 5 major industry clusters
- 546 people completed online survey
- 100+ people involved in reviewing draft plan



Some of the organizations represented in the public input process:

Public Sector

- City and County E.D. officials
- Elected officials
- Chambers of Commerce
- BCD Council of Governments
- Local colleges and universities, and K-12 educators
- Federal research labs, and SPAWAR
- Convention & Visitors Bureau

Private Sector

- Real estate and land developers
- Manufacturing and industrial companies
- Local media
- Software and high-tech companies
- Maritime-related and the Port of Charleston
- Healthcare services

Community

- Arts and culture organizations
- Non-profit / philanthropic organizations
- Religious leaders
- Coastal conservation
- Sports and recreation representatives
- Young professionals

SWOT Highlights (based on quantitative data & local input)

Strengths

- Population growth
- Young population
- Large, growing labor force
- Low unemployment
- Diverse industry mix
- Low business costs
- Port of Charleston
- Telecom infrastructure
- Utilities
- Natural environment
- Amenities, arts, culture

Weaknesses

- Income levels
- K-12 education
- Wages
- Public safety

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Opportunities

- Colleges & universities
- Entrepreneurial climate
- Taxes & incentives
- Research & development

Threats

- K-12 education
- Taxes & incentives
- Transportation system
- Cost of living / housing
- Minimal entrepreneurial resources
- Land / real estate development

What is an industry cluster?

- Groups of related business activities located near each other
- Businesses in a cluster benefit from proximity:
 - Shared resources, workforce, knowledge, R&D
- Deep clusters result in:
 - Higher average wages
 - Marketing draw
 - Brand identity

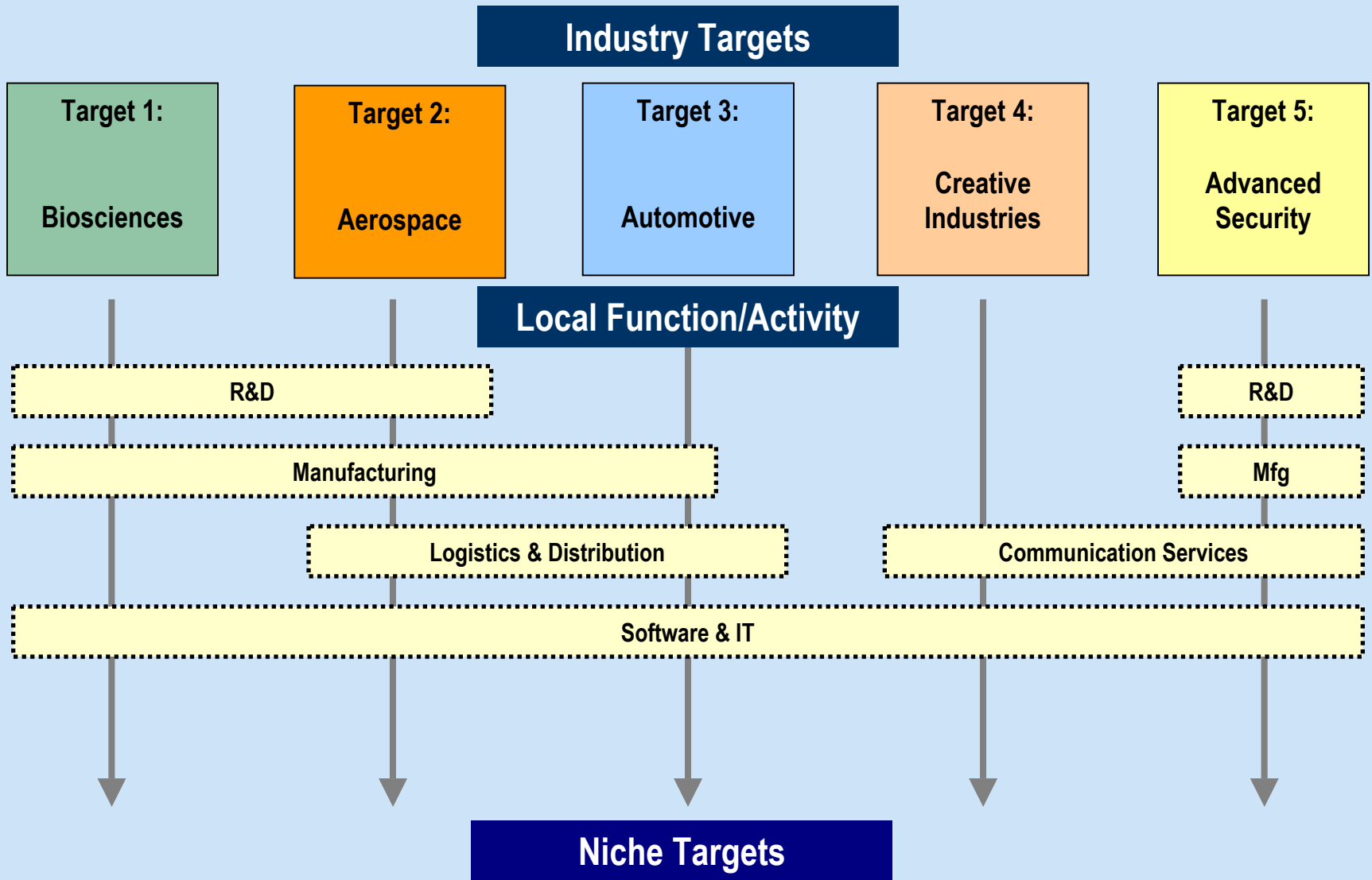


What are economic development targets?

- “Targets” are audiences for ED activities
 - Recruitment, retention or new start-up
- The best “targets” are:
 - Clusters that pay higher wages
 - Clusters that are predicted to grow in the future
 - Clusters that already have a presence in the region



Report 2, Chapter 1: Target Industry Analysis





Biosciences

Target Niches

1. Contract research organizations
2. Clinical testing organizations
3. Contract biopharmaceutical manufacturing
4. Agribusiness, nutraceuticals
5. Aquaculture, marine biomedicine
6. Bioinformatics

Recommendations

1. Build a wet lab incubator and bioscience research park
2. Amend and promote state life sciences act
3. Establish a regional bioscience initiative led by MUSC

Region's Assets

- Good R&D
- Strong higher education
- Small, but growing cluster
- New statewide emphasis

Region's Constraints

- Venture capital
- Wet lab space
- Targeted incentives
- Industry leadership



Aerospace

Target Niches

1. Suppliers to Vought/Alenia
2. Civilian / personal light jet OEM manufacturer
3. Precision industrial machinery to support aircraft manufacturing
4. Advanced composite materials

Recommendations

1. Support current legislation to make the Port competitive
2. Recruit Clemson's material science program to LCGC
3. Push for the State to adopt targeted aviation incentives

Region's Assets

- Vought / Alenia
- Good tech training, CATT
- The Port of Charleston
- Low cost for manufacturing
- Clemson's composites program

Region's Constraints

- Not a current cluster
- Limited college engineering programs



Automotive

Target Niches

1. International (European) OEM with no U.S. presence
2. Automotive OEM to manufacture clean diesel or hybrid autos
3. Mid-tier automotive parts suppliers:
 - Precision machine shops
 - Fabricated metal parts suppliers
 - Component manufacturers

Recommendations

1. Support current legislation to make the Port competitive
2. Target European automakers without U.S. presence
 - for example, Audi, Volkswagen, Volvo

Region's Assets

- The Port of Charleston
- Established equipment cluster
- Proximity to BMW
- Low cost for manufacturing
- Technical training, CATT

Region's Constraints

- Need more young, tech skilled workers
- Must want automotive



Advanced Security

Target Niches

1. Port-related container tracking and surveillance technology
2. Security and intelligence software
3. Computer and network security
4. Biometrics
5. Optical monitoring devices
6. Advanced sensor technologies

Recommendations

1. Expand degree offerings at the Lowcountry Graduate Center
2. Seek funding for a Center for Research & Education in Advanced Security
3. Make last year's national homeland security conference an annual event

Region's Assets

- SPAWAR
- Defense cluster engineers
- The Port, Coast Guard
- Growing services and IT clusters
- New regional emphasis

Region's Constraints

- Limited college engineering programs



Creative Industries

Target Niches

Community Planning & Urban Design

1. Historic preservation technologies
2. Architecture & Building design
3. Architecture/Urban Design Software

Digital Design & Film

1. Graphic Arts Design & Multi-media
2. Film and Visual Media production
3. Digital media content creation

Recommendations

1. Treat creative industries as a target: retain AND recruit
2. Involve arts councils and CVB in economic development efforts
3. Promote the region as the nation's hub for historic preservation

Region's Assets

- Rich culture, history
- Strong liberal arts programs
- American College of the Building Arts & Clemson Architecture Center
- Model urban design here
- Community embraces historical preservation

Region's Constraints

- Rising cost of living

Economic development marketing is both selling and improving a community.

Regional Marketing Goals

- Build **national perception** as a target industry location
- Recruit, retain, start-up companies to **deepen target clusters**
- Make **local improvements** that will appeal to target clusters
- Be **proactive** and creative in promoting the region
- **Rally entire region** behind initiative and single image

Priority Product Improvement Recommendations

- **Improve K-12 education**
- **Expand roadway infrastructure** to accommodate growth
- Support legislation to **keep Port competitive**
- Build stronger **entrepreneurial and capital networks**
- **Develop wet lab incubator** and bioscience park



Alliance-Specific Recommendations

- **Organize CRDA staff around 5 target industry teams** (include chambers, counties & utilities, with local industry and academia serving as advisors)
- Lead effort to develop **unified regional image** / messaging
- Continue to enhance and **improve the CRDA website**
- Initiate a **strong national public relations** campaign
- Focus on **direct selling and relationship development** activities
- Reach out to **business and recreational visitors** to the region
- Strongly **advocate for issues** directly impacting the region's ability to nurture and grow the five target clusters



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