



PROGRAM OF WORK

REPORT 4:
PREPARED FOR:

Opportunity Next: Building a Globally Competitive Economy for the Charleston Region
Charleston Regional Development Alliance



April 2011



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INTRODUCTION

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In July 2010, the Charleston Regional Development Alliance (CRDA) launched the development of an economic development strategy for the three-county Charleston region. Since then, more than 1,400 people from across the region and state of South Carolina contributed their ideas about the region's future. With this input in hand, the consulting team of Avalanche Consulting and McCallum Sweeney Consulting conducted in-depth analysis of the area's economy, selected target clusters and competencies, and developed *Cluster Management Strategies* that establish direction for advancing the region's economic development to the next level.



Opportunity Next began with a *Competitive Assessment* report, which analyzed the region's strengths and challenges from a site selector's perspective. Public input, economic analysis, and workforce research were combined with information gathered during location evaluations conducted in each county to identify the region's assets and opportunities.

During Phase 2, the consulting team conducted a thorough evaluation of the region's current target industry clusters and explored potential within other emerging sectors. The results of that evaluation are contained in a *Target Cluster Validation* report. The report contains profiles of each recommended industry cluster, identifies niche segments, and describes the cross-cutting competencies that are foundations for the growth of all targets.

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The *Cluster Management Strategies* report provides regional priorities and tactical actions for each target cluster and competency. Recommendations relate to community development (improving the region's assets), workforce development (improving the region's talent pool), and economic development (business entrepreneurship, recruitment, expansion, and retention). All recommendations are designed to increase prosperity for the region's residents by increasing the availability of higher paying jobs and deepening the area's base of businesses.

This final step of the project, the *Organizational Program of Work*, recommends a structure for implementation and cluster management, a timeline of activities, and regional performance metrics.

On April 29, 2011, the consulting team joined the CRDA and regional stakeholders in hosting a Community Launch Event in which *Opportunity Next* was presented. Approximately 400 people from the region attended the event.



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The *Cluster Management Strategies* outline an approach to economic development over the next five years that coordinates workforce development, community development, and economic development around the needs of a shared set of target clusters and competencies. It calls on the region to synchronize efforts at an unprecedented level. The underlying principles for successful implementation are as follows:

- This is a strategy **for the region** not for the CRDA alone. Implementation requires participation from a wide array of organizations and a willingness to set aside differences for the good of the region.
- *Opportunity Next* incorporates activities planned or already underway by numerous regional organizations, such as the BCDCOG, chambers, and educational institutions. The region can be confident that implementation will **reinforce rather than replace** plans that are already in place.
- The **private sector** is called on to take a leading role in economic development, spearheading the implementation advisory board and target task forces.
- To create an environment that entices target cluster investment and competency development, the CRDA's role should include acting as a convener of regional stakeholders, catalyst for improvements, and an information clearinghouse.
- Although not specifically listed in the implementation tables, the CRDA's day-to-day functions, including keeping marketing materials current, engaging investors, working with consultants and company executives, and public relations, are assumed to continue into the future.
- This is a **living strategy** that should be reviewed and updated on a regular basis to adapt for changes in the marketplace. We recommend an annual check-up be conducted to determine whether metrics are being met and adjust the plan of work accordingly.

The following pages propose a structure for implementing the priority action items and targeting specific plans described in the *Cluster Management Strategies*. These recommendations are founded on what has worked well in other communities. As the initiative escalates, the implementation structure may evolve to fit leadership styles and new opportunities.

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Implementation Alignment Board

Oversight of implementation should be assigned to an Implementation Alignment Board consisting of representatives from every organization charged with an element of the Strategy. The Alignment Board should meet on a regular basis (e.g., every other month) to update one another on progress, resource needs, and monitor regional metrics. An Alignment Board helps ensure a seamless transition between *Opportunity Next* planning and action.

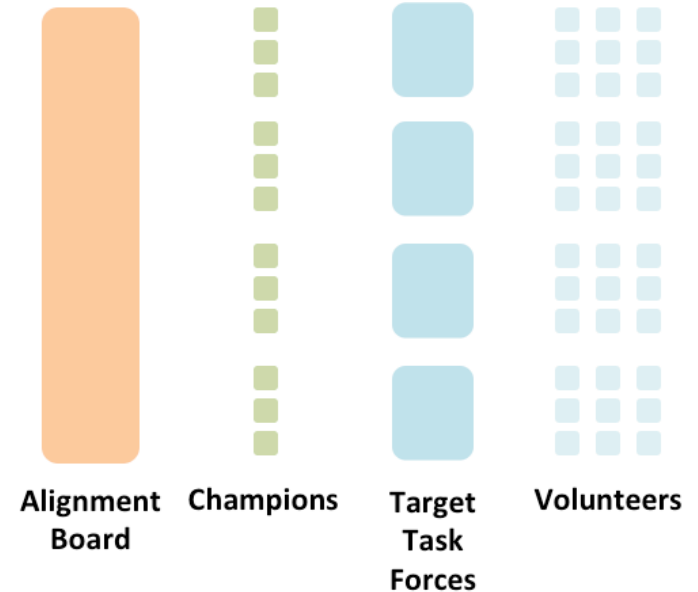
In the months following the completion of the *Opportunity Next Strategy*, ask members of both the implementation Alignment Board and the past Opportunity Next Advisory Board to share the Strategy's results with their networks. Provide them with speaking points, copies of the Community Launch PowerPoint presentation, the executive summary and one-page summary flyer. Ask for volunteers to speak about the initiative to the media and at community events. Keep the discussion active.

Champions

Champions are individuals who are ardent supporters of *Opportunity Next* and one or more of its core initiatives. They are willing to spearhead an initiative, serve as a spokesperson, and rally leadership.

Identify champions for each priority topic. They do not necessarily need to serve on the Alignment Board but they are willing to lend their enthusiasm and expertise on an as-needed basis. They are called upon when the region needs to influence a situation which hinges on successful implementation. They may choose to be visible spokespeople and cheerleaders for the initiatives in which they are involved, or they may prefer to work under the radar, influencing without formal recognition.

Once a wish list of prospective champions has been developed, meet with each individually to share the *Opportunity Next Strategy* and invite them to get involved. Members of the CRDA's Economic Leadership Council (ELC) are prospective champions, for example. Present



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Opportunity Next to them at their next meeting and ask them to define their role in implementation, either as a group or as individual members.

Target Task Forces

Task Forces should be dedicated to ensuring that each target cluster and competency plan is successfully implemented. Task Force members do not need to participate on the Alignment Board. They advise the CRDA and advocate for regional changes that improve the business climate for their industry.

The term “Task Force” is used in this report to refer to a group of private sector leaders who volunteer their time to help expand a cluster or competency in the region. The structure (and name) of each Task Force should be tailored to the specific target. As the table below indicates, **an existing group may serve the role as the Target Task Force.** For other clusters and competencies, a new volunteer team will need to be established. In either situation, provide the Task Force with a copy of the *Cluster Management Strategy* related to their topic.

Target Clusters	Task Force Organization	New/Existing	Timing	Staffing	CRDA Role
Advanced Security & IT	ASTRA / CRDA	Existing	Immediate	ASTRA board, New Carolina	Participate
Aerospace	SC Aerospace Council	New	Immediate	Volunteer Team	Convene
Biomedical	Biomedical Task Force	New	Immediate	Full-Time Staff	House, Participate
Wind Energy	Wind Energy Task Force	New	1-2 Years	Volunteer Team	Convene
Target Competencies	Task Force Organization	New/Existing	Timing	Staffing	CRDA Role
Creative Design	Parliament	Existing	Immediate	Full-Time Staff	House, Participate
Logistics	Port, Chambers, and COG	Existing	Immediate	Volunteer Team	Participate
Software	Lowcountry Software Council	New	1-2 Years	Volunteer Team	Convene
Drive Train & Power Systems	Task Force	New	2-3 Years	Volunteer Team	Convene
Advanced Materials	Advanced Materials Task Force	New	2-3 Years	Volunteer Team	Convene

The formation of Task Forces should be organic in nature. There is no ‘one size fits all’ organization that will work for all nine clusters and competencies. While the CRDA and Implementation Advisory Board may offer guidance and supportive resources to each, it will be up to the leaders of each Task Force to determine the best structure for accomplishing their objectives. Formation of each Task Force depends on

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market timing as well. Task Forces for targets that represent immediate economic development opportunities, such as Aerospace, should be formed early in implementation while others may wait.

- **Advanced Security & IT** – ASTRA, the Advanced Security Technology Research Alliance, is a natural choice for leading the Advanced Security & IT cluster plan. ASTRA brings together business leaders, academia, industry leaders and technology professionals and seeks to promote South Carolina’s existing cyber security industry and increase South Carolina’s leadership and innovation within the sector. ASTRA was formed under the guidance of New Carolina. The CRDA should work with its board and New Carolina to incorporate *Opportunity Next* goals into ASTRA activities.
- **Aerospace** – As the *Cluster Management Strategies* recommend, an Aerospace Council should be created and housed in the Charleston region. The CRDA should dedicate staff time to organizing the Council and convening meetings. Over time, the Council may warrant a full time administrator.
- **Biomedical** – The complexity of the biomedical industry means that the region needs a knowledgeable, well-connected individual spearheading the initiative. Of all of the target clusters, biomedical expertise is the most difficult for a professional economic developer to gain without significant time in the field. A new Biomedical Task Force should be assembled. Seek private sector contributions to hire a full-time staff person who works closely with the CRDA, MUSC, and regional companies to connect regional R&D activities and market the region to investors, commercialization support, and talent.
- **Wind Energy** – A new Task Force of volunteers will need to be established to support the wind energy initiative. The CRDA should dedicate staff time to organizing the Task Force and convening meetings.
- **Advanced Materials** – Like wind energy, the CRDA should dedicate staff time to help organize this new Task Force and facilitate meetings. Because this initiative has strong ties to Clemson University, seek input from the Upstate Alliance task force organization and possible partnership opportunities.
- **Creative Design** – Parliament is an energized, grassroots initiative dedicated to advancing the region’s creative design sector. New Carolina once provided staff time to the initiative but has recently reduced its support. The CRDA has filled in with assistance, but

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more is needed if Parliament is to achieve its bold vision. We recommend that Parliament raise funds to hire a dedicated staff person to help administer the program and ensure that creative design cluster strategies are implemented.

- **Drive Train and Power Systems** – As CURI’s campus is established and activities are underway, the region should form a Task Force dedicated to growing drive train and power systems research and investment. This Task Force may be a subcommittee blended from members of the aerospace and wind energy task forces, for example.
- **Logistics** – Many of Opportunity Next’s logistics-related recommendations are already underway by the Port of Charleston, chambers of commerce, elected officials, and the BCDCOG. We do not recommend forming a new Task Force, but rather ask the CRDA to share the logistics competency recommendations with those organizations and be an active advocate for improvements.
- **Software** – Establish a Lowcountry Software Council to provide a forum for technology leaders. The Council will provide events, idea exchange, networking opportunities, and talent development support to grow the region’s software competency. The Council may be developed as a non-profit membership organization.

CRDA Staffing

With the volunteer teams described above, implementation has been tailored to fit within the staff capacity of the CRDA. However, additional resources would help expedite implementation and maximize success.

To fulfill its role as the region’s primary business development organization and catalyst for *Opportunity Next* implementation, the CRDA must continue its efforts to build a team of world class professionals. Within the next six months, the **Global Business Development position** should be filled as well as vacancies in existing positions.

Implementing *Opportunity Next* means that the CRDA will need to **dedicate staff time to support the Alignment Board and Target Task Forces**. Convening a Task Force will require the following of the CRDA:

- Serving as a coordinator and administrator for the Implementation Alignment Board and Task Forces

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- Facilitating meetings for the Alignment Board and Task Forces as well as lending organizational know-how
- Updating members of the Alignment Board and Task Forces on initiatives in the region and state that impact Strategy implementation
- Initiating collaborative efforts that improve the region's business climate for the target
- Advocating for state and federal policy changes which benefit the target

Whether this approach leads to changes in the CRDA's overall organization is yet to be determined. The CRDA should either dedicate a staff person(s) to supporting all Task Forces and convening other *Opportunity Next* initiatives or divvy up those responsibilities among several people. Over time, the CRDA may determine that it needs to hire an additional full-time staff dedicated to facilitating implementation, particularly those related to community and workforce development.

The *Cluster Management Strategies* recommend the formation of a **Competitiveness Center** that will serve as the hub of regional research and intelligence, including economic and industry data, competitor benchmarking, and information about regional assets. A full-time director and support personnel will be needed to staff the Center. Although the Center may not be housed within the CRDA's offices, the **CRDA is called on to contribute funding for the Center along with area chambers of commerce and appropriate partners.**

Finally, the Cluster Management Strategies recommend the creation of a **full-time biomedical initiative leader and full-time Parliament administrator.** These positions will ideally be funded through contributions from area businesses and/or membership dues. The CRDA's role in funding and housing these individuals is yet to be determined.

Volunteers

The implementation of *Opportunity Next* offers numerous volunteer opportunities. Volunteers can support the Alignment Board and its Committees as well as the Target Task Forces. Provide volunteer names to the Alignment Board and Task Forces. Ask each group to determine the best way to utilize volunteer talent.

Every resident has an opportunity to participate in the region's progress. For example, residents may volunteer at local schools and advocate for public education. Encourage elected officials to adopt innovative policies and invest in infrastructure that anticipates future

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growth to preserve the region's high quality of life. Support actions that increase the competitiveness of the port. Be an ambassador and promoter for the region's target clusters and competencies. Find an element of the new strategy and get involved in a big way. Community pride and collaboration are the keys to *Opportunity Next's* success.



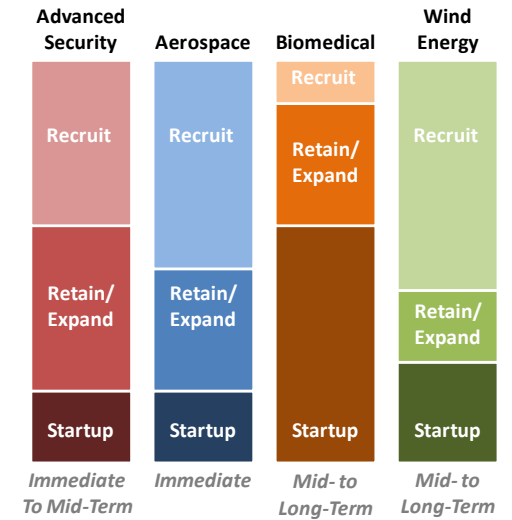
M E T R I C S

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Performance metrics provide the Implementation Alignment Board with a system for monitoring the progress of *Opportunity Next*.

The effectiveness of the region’s economic development initiative should be assessed on an annual basis from two perspectives. First, the Alignment Board should **determine whether individual tactics of the *Cluster Management Strategies* were completed as scheduled.** A spreadsheet containing every action item in the Cluster Management Strategies has been provided. A recommended start date and task assignment is included for each action item. The Alignment Board should refer to the spreadsheet on a regular basis, checking each task as it is completed and adjusting the timing and task assignments as needed. Tasks assigned to the CRDA may become part of individual staff members’ performance reviews and incentives structure.

Regional performance metrics should also be tracked. These metrics align with the benchmarks of the Annual Scorecard report – a report initiated in 2010 that will continue each year into the future. In the following pages, we provide information on those benchmarks and recommendations on other metrics that may be considered for the Scorecard going forward.



Benchmark Communities

The 2010 Scorecard compares the Charleston region’s performance against eight benchmark communities (Austin, Greenville, Lexington, Jacksonville, Knoxville, Raleigh, Richmond, and Savannah). We recommend including a U.S. average for each indicator.

Economic Performance

“Signs of our region’s economic well-being are all around us – people gaining or losing jobs, crowds or empty tables at area restaurants, a growing or declining need for community-based services. To provide us with actual measures of our region’s economic performance, and to compare our situation to other metro areas, we considered four indicators of economic activity.” – 2010 Regional Economic Scorecard

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Economic performance metrics are the vital signs of the region's economic health. They should include:

- Gross regional product
- Employment*
- Earnings per worker*
- Average per capita income
- Total value of exports

* Note: These metrics may be calculated on a per industry basis to monitor target cluster performance.

Human Capital

“Workforce preparedness is critical to the long-term economic health of a region. Educated residents with specialized skills and knowledge fuel the performance of existing firms and serve to attract new employers. The better educated the regional workforce, the more quickly an economy can take advantage of new opportunities and recover from negative shocks, such as the current economic recession.”

Opportunity Next calls for the region to align workforce development and economic development to an unprecedented level. Education and workforce metrics should include the following:

- Employment rate
- High school graduation rate
- Percentage of adult population holding a 2-year and 4-year college degree
- Total enrollment in higher education
- Percentage of workforce employed in target competency occupations (advanced materials, creative design, drive train and power systems (or engineering), logistics, and software)
- Percentage of workforce employed in target clusters (advanced security & IT, aerospace, biomedical, and wind energy)

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Innovation

“The ability to generate new ideas, products and processes is an important measure of regional competitive advantage. An environment of innovation encourages the launch of new businesses, provides growth opportunities for existing businesses, and attracts leading-edge businesses from outside the area. The result: new, higher paying jobs for area residents.”

Innovation fuels entrepreneurship and is a leading attractor of talent and high wage businesses into a region. The region should continue to encourage and monitor innovation at every level of the economy. The following metrics are good indicators of how well the region is realizing the innovative environment that it strives for:

- Federal funding for university R&D
- R&D expenditure conversion (patents & new ventures per dollar spent)

Entrepreneurship

“A key ingredient for new business creation and growth is a supportive environment for entrepreneurs. With the right support, today’s garage-based startup could be tomorrow’s Google or Dell. Just as a favorable environment encourages new companies to put down roots, an unfavorable climate can cause successful startups to seek more hospitable communities.”

Entrepreneurship is an important component of economic development and is of equal importance as business recruitment and existing business expansion. *Opportunity Next* charges the region with increasing its focus on creating an entrepreneurial business climate. Metrics that will help regional leaders monitor performance in this area include:

- Percentage of small and medium-sized businesses
- Percentage of small and medium-sized businesses in operation five years after incorporation
- Percentage of the region’s income generated by sole proprietors
- Number of companies on the Inc. 500 list

Quality of Place

“In an increasingly competitive global economy, attracting and retaining top talent has become a critical economic development issue. With a strong demand for their specialized knowledge and skills, highly educated workers have more flexibility in where they choose to live and work. As such, an area’s lifestyle attributes are more and more important to its long-term economic success.”

Quality of place is less quantifiable than the other topics presented above, but it should be monitored nonetheless. The Charleston region’s lifestyle ranks among its top attributes and gives it a competitive advantage. Measuring how well the region compares – as well as how well it preserves its lifestyle amenities – should continue to be a topic within the Regional Scorecard. Recommended metrics include:

- Average commute time
- Percentage of days with air quality ranking “good” or “moderate” by the EPA
- Number of healthcare technicians and practitioners per 100,000 population
- Percentage of employment in arts and cultural occupations
- Acres of green space as a percentage of total regional acreage
- Violent crimes per 100,000 population

With the launch of Opportunity Next, the region now has a roadmap for aligning its economic, workforce and community development activities. The Regional Economic Scorecard, introduced in 2010, will be used to measure the impact of Opportunity Next in advancing the regional economy over time. And Our Region Our Plan, the regional land use plan facilitated by the BCD COG, will provide a blueprint for future development in the region.

With these tools in place, the next step for the region is to establish a collective vision and common, measurable goals for the future. The timing is ripe to move the conversation and collaboration to a new level where all regional stakeholders share a unified view of what the long-term future will be. Diversifying the region’s economy so that business thrives, wages rise, and residents prosper is the ultimate goal that should inspire actions taken by the region’s leaders. The region should learn from successful, long-term visioning plans such as Cincinnati’s Agenda 360 or Chicago Metropolis 2020. This collective vision would ideally be put in place by 2015 to set the stage for the next phase of the region’s comprehensive strategic planning effort.