

Prepared Communities Win

Upstate SC Alliance & Oconee County Partnership Day
Oconee County Chambers

May 1, 2012
Ed McCallum

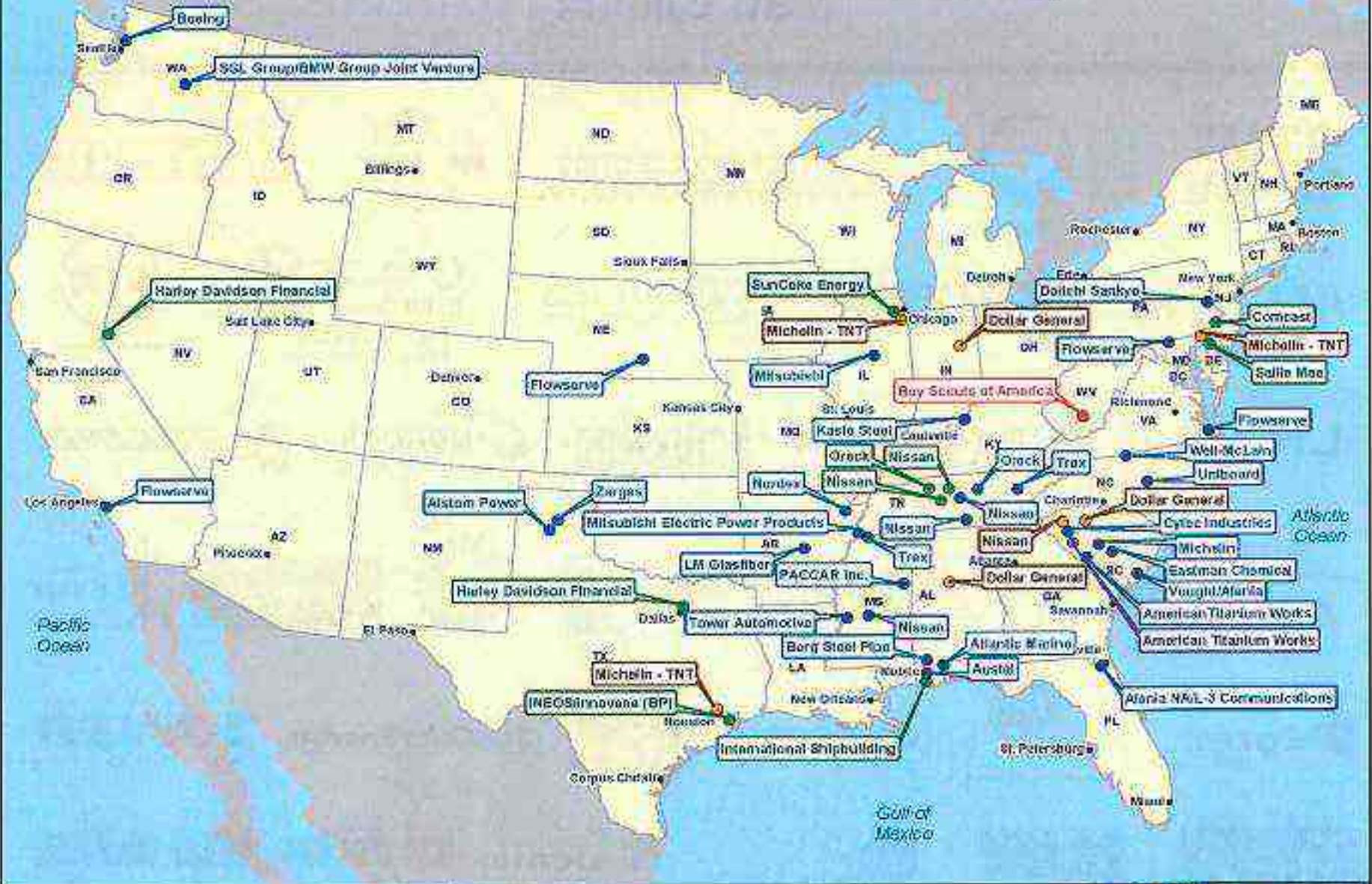


Introduction to McCallum Sweeney Consulting

MSC Clients



McCallum Sweeney Consulting Project Announcements



- Project Type**
- Office
 - Distribution
 - Manufacturing
 - Research & Development
 - Other



Source: MSC Proprietary
 Projection: Albers Equal Area Conic
 Geographic Data Source: ESRI, 2008
 Map Composition: MSC, 2010



The Main Thing

**Attracting Investment and Jobs is
More Competitive than Ever,
and ...**

**Being Prepared
Creates
Competitive Advantage**

**Being Prepared:
Understanding the Business
of Economic Development**

The Business of Economic Development

- Product / service development
 - Preparing and improving your product
- Organization
 - Achieving the mission w people & process
- Sales and marketing
 - Selling your product / service

Being Prepared - Product

- **Product Development**

- Leadership
- Sites
- Infrastructure
- Human Resources
 - Education
 - Training
- Taxes
- QOL
- Community Assets

- *Organization*

- *Vision & Strategic Plan*
- *Organizational Design*
 - *Staffing / HR*
 - *Programs*

- *Sales & Marketing*

- *Market Segmentation*
- *Sales to Entry Dev.*
- *Customer Knowledge*
- *Phase II = Price / Community?*

Being Prepared – Product Leadership

- Knowledgeable about economic development (trained!)
- Long-term vision and commitment
- Passion for your community
- Persuasive communicator
 - Internal and external
- Be prepared – identify and develop community leaders

Leadership

- Dollar General
Marion, IN
- Site and schedule driven project
- Very competitive (incentives)
- Mayor took lead
 - Site issues (state and fed agencies)
 - Legislation



Being Prepared – Product Sites

- Basic need for growing companies
- “Dirt Won’t Do”
 - “Property” does NOT equal “Site”
- Location decision demands speed
 - Site selection and facility start-up
- Be prepared – maintain a portfolio of ready, available sites

Being Prepared – Product Infrastructure

- Water and Wastewater
 - Capacities, line locations
- Energy
 - Available, reliable, cost effective
- Transportation
 - Road, rail, air, water
- Be prepared – stay ahead of needs for infrastructure

Sites and Infrastructure

- Severcorr Steel
Columbus, MS
- Rural community
- Demanding site specs
- Community proactively prepared
 - Site certification
- \$800 million
- 450 jobs



Being Prepared – Product Human Resources

- Education
 - Recognize ties that bind economic development and education together
- Training
 - Critical component (start-up and on-going)
- Be prepared – show improvement in education and continue to invest in training resources

Human Resources

- Nissan Assembly
Canton, MS
- Large complex project
- Over 4,000 jobs
- Recruit, screen and training
was critical
 - Upgrade Employ. offices
 - On-site center
 - High dollar value
 - Train for turnover



Being Prepared – Product Taxes

- Major Site-Variable Factor
 - Bottom line distinction among locations
 - Balance need for services and revenue with impact on investment decision
 - Minimize as much as possible
- Be prepared – have creative tools in place to encourage investment

Tax and Incentives

- Nissan Warehouse
Greenville, SC
- Small project, 3rd party
building investor
- Limited "Nissan" investment
 - DNQ Fee-in-Lieu
- Creative solution
 - Utilized two other
programs to create
similar value



Being Prepared – Product Community Assets

- Quality of community life is a factor in almost every project
- Critical for relocation of key personnel
- Becoming a fundamental factor with growing emphasis on knowledge-worker opportunities
- Be prepared – never stop investing in the quality of life of your community

Organization Development Regional Approach

- Support regional efforts
 - » Region has larger, more diverse set of assets
 - » Supports more effective marketing
 - » Message – greater overall mix of assets and greater presence of strengths
 - » Financial
- Better alignment with site selection decisions
 - » Many critical decision factors are considered and evaluated on a regional basis
 - » Labor markets
 - » Infrastructure

Community and Regionalism

- Trex Manufacturing
Olive Branch, MS
- Dynamic growth co.
- Concern re: south
- Comfort w "Memphis Region"
- Concern w Small Town
 - Rejected small finalist
during windshield tour



Being Prepared - Organization

- *Product Development*
 - *Leadership*
 - *Sites*
 - *Infrastructure*
 - *Human Resources*
 - *Education*
 - *Training*
 - *Taxes*
 - *Community Assets*

- **Organization**
 - **Vision & Strategic Plan**
 - **Organization Design**
 - **Staffing / HR**
 - **Programs**
- *Sales & Marketing*
 - *Market Segmentation*
 - *Sales for Econ. Dev.*
 - *Customer Knowledge*
 - *Phase II - Field / Community*

Being Prepared – Organization Vision and Strategic Plan

- Vision and plan
 - Know where you are
 - Know where you want to be
 - Know how to get there
- Links the community and the economic development team
- Be prepared – commit to visioning and strategic planning

Being Prepared – Organization Organization Design

- Commit to the regional approach
 - Aligns with decision making of investors
 - Leverages scarce resources
- Commit to staff development
 - Adequate staff / Professional development
- Align organization with strategy!
- Be prepared – design, direct and invest in your organization

Being Prepared – Sales and Marketing

- *Product Development*
 - Leadership
 - Sites
 - Infrastructure
 - Human Resources
 - Education
 - Training
 - Travel
 - Continuity of Supply
- *Organization*
 - Vision & Strategic Plan
 - Organization Design
 - Staffing / HR
 - Programs
- **Sales & Marketing**
 - Market Segmentation
 - Sales for Econ. Dev.
 - Customer Knowledge
 - Phase II – Field / Community

Being Prepared – Sales and Marketing Market Segmentation

- Market segmentation
 - Dividing total market into segments that share common properties
 - Segments will vary in attractiveness to your organization
 - Product development strategies will differ for each segment
 - Marketing and communication strategies will differ for each segment

Being Prepared – Sales and Marketing Market Segmentation

- Investment and Jobs from Outside
 - Recruitment
- Additional Investment and Jobs from Inside
 - Expansion / retention
- New Investment and Jobs from Inside
 - Entrepreneurial development
- Be prepared – position for all segments

Being Prepared – Sales and Marketing Communication

- Face to face
 - Get prospects to your place
 - You go to prospect's place
- Print media
- Web
- Social networking
 - Has a growing role in business communication
 - Streams of real time information vs discreet access to specific data items

Being Prepared – Sales and Marketing Sales for Economic Development

- Product knowledge
 - Know your community
 - Strengths and weaknesses
- Customer knowledge
 - Know your customer (industry, company)
 - Opportunities and threats
- Sales skills
 - Communication skills (listening!)

Being Prepared – Sales and Marketing

Customer Knowledge: Fundamental Characteristics

- Profit driven
 - Investment for purpose of return
- Deadline driven
 - Both the site selection and the project
- Competitive
 - Multiple location options
- Comprehensive
 - Complex decision involving most functional areas
- Risk averse

Being Prepared – Sales and Marketing

Customer Knowledge: Selection Screening Process



Being Prepared – Sales and Marketing

Customer Knowledge: Facility Siting Process

Planning Phase	Phase 1	Phase 2	Phase 3	Phase 4
<ul style="list-style-type: none"> • Conception • Feasibility • Investment Decision 	<ul style="list-style-type: none"> • Alignment/ Criteria • Regional Analysis • Areas of Interest • Request for Proposal • Candidate Communities 	<ul style="list-style-type: none"> • Community Visits • Property Evaluation • Comparative Analysis • Finalist Communities 	<ul style="list-style-type: none"> • Negotiations • Evaluation • Site Due Diligence 	<ul style="list-style-type: none"> • Prepare MOU • Public Announcement • Incentive Capture Support

Being Prepared – Sales and Marketing Phase II – Field Competition

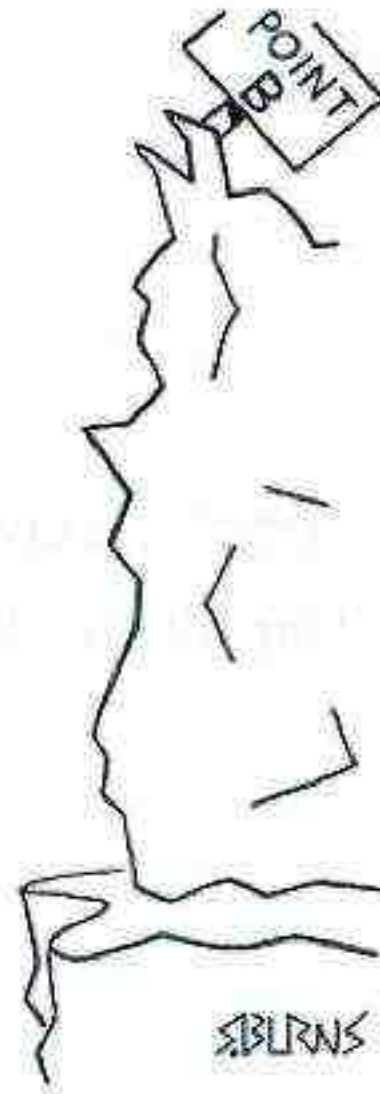
- Physical Conditions
 - Sites, infrastructure
- Operating Conditions
 - Labor, education/training, utilities, taxes
- Living Conditions (QOL)
 - Housing, medical, education, leadership
 - Appearance, congestion, culture & rec.

Being Prepared – Sales and Marketing Phase II – Community Visits

- Industry and Community Leaders
 - Existing industry and businesses
 - Private interviews
 - Most important source of information
 - Community leaders
 - Elected and private leaders
 - Represent community and government
 - Subject to “managed access” to prospect

Closing Thought:

**Successful Economic Development is Just a Matter of
Getting From Where You Are (Point A) to Where You
Want To Be (Point B)**



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Mr. Ed McCallum
McCallum Sweeney Consulting, Senior Principal



Ed McCallum, a senior principal in McCallum Sweeney Consulting, provides site selection services and economic development consulting to companies and organizations worldwide.

Mr. McCallum's 25 years of experience in the site selection industry includes a myriad of industrial, headquarters, and warehousing site selection endeavors. Before starting McCallum Sweeney Consulting, Inc. in August of 2000, Mr. McCallum was the Managing Principal of Fluor's Global

Location Strategies Group, having dedicated 14 years performing site selection and economic development consulting. Major clients included Mercedes-Benz, Navistar, Caterpillar, US Bioscience, Human Genome Science, Taiwan Semiconductor, Shell Chemical, Flowserve, Florida Power & Light, New Jersey Power & Light, and GAF Materials.

Mr. McCallum has a Masters in City and Regional Planning from Clemson University and a Bachelor of Business Administration from James Madison University. Mr. McCallum received an athletic scholarship to Indiana University and later a vice-presidential appointment to the United States Air Force Academy while serving active duty.