

Kentucky Institute for Economic Development Course

Budget, Finance & Economic Development Committee
September 25, 2018



LEXINGTON



The Course

- Presented by Kentucky Association of Economic Development
 - In conjunction with:
 - UK Gatton College of Business and Economics
 - Don & Cathy Jacobs Executive Education Center
- 4 days: August 20-23, 2018



The Course Consisted of:

- Technology
- **Marketing**
- Building of an economic development organization
- **Business retention & expansion**
- Strategic planning
- **Workforce development**
- Ethics
- **Entrepreneurship and small business creation**
- Community development
- Real estate
- **Financing**
- Simulation exercise



30,000 ft.

- Successful economic development depends on...
talent place diversity regionalism, prosperity
- Focus on:
 1. Workforce
 2. Quality of place
 3. Jobs/existing businesses
- Education is IMPORTANT
- Economic development is sales



Data & Technology

- IED identified 1,200 data points that are useful for communities
- Access to data
- Digital engagement
 - How is Lexington projected in the digital world?
- 90% of data collection is completed before a site selector picks up the phone – INFORMATION NEEDS TO BE ACCESSIBLE
 - Is information businesses need from the city accessible and on our website?



Marketing

- Marketing is an organized effort to project who you are TO a defined audience TO foster an advantage AT the time and place of an investment decision (source: Blane, Canada Ltd.)
- 15% of jobs/capital investment drivers focus on business attraction (source: Blane, Canada Ltd.)
- Site selection is 25% consultant led, 75% company led (source: Conway Data Scorecard)
- Site selection: short window towards the end of research, when the site visit takes place to ensure your community gets on the short list
- Competitive environment: notionally there is high demand for existing buildings, with low supply; the supply for greenfield projects and business parks are higher with a much lower demand (source: Blane, Canada Ltd.)

What's Lexington's story?

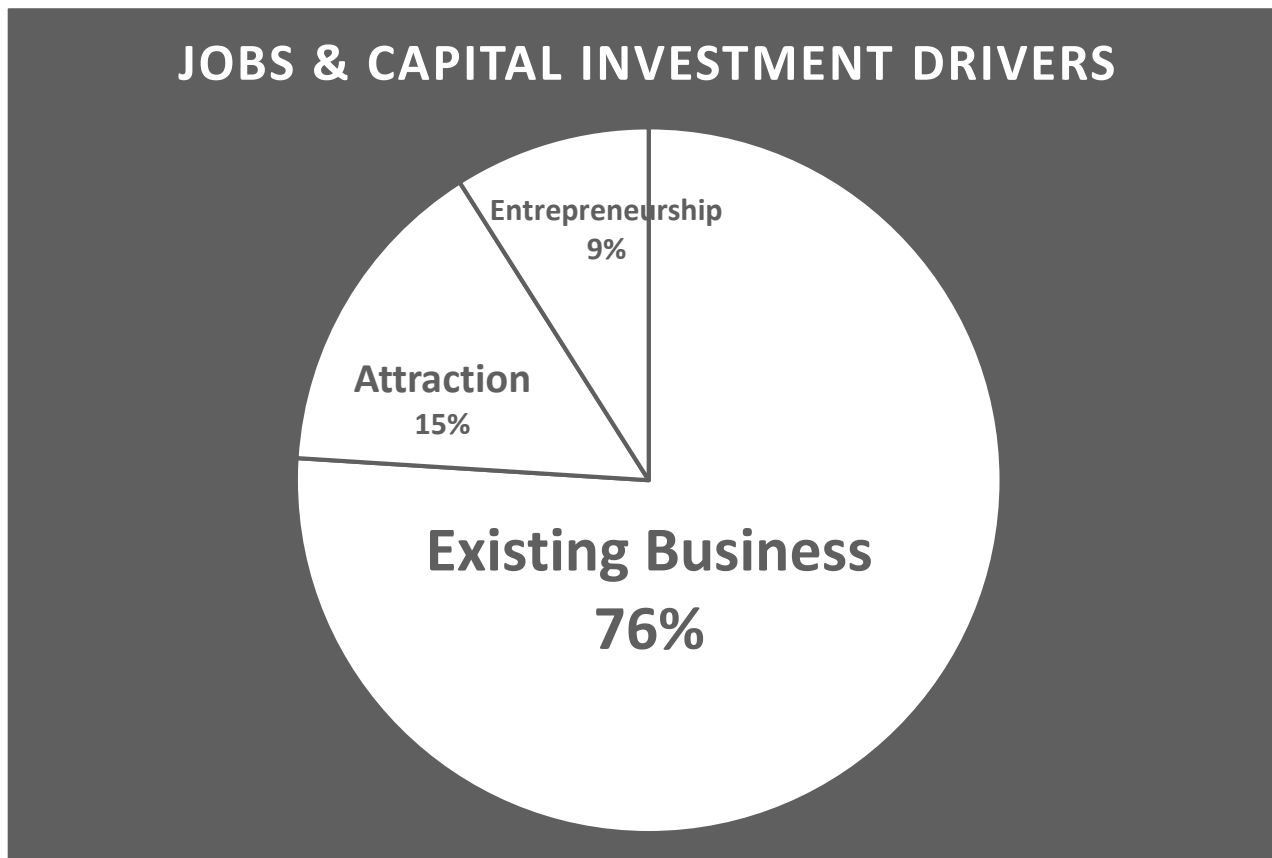


The Economic Development Organization

- EDOs need to convince people the importance of their work
 - That includes educating the local community
- Who an EDO serves:
 - Customers – the businesses
 - Stakeholders – the investors
 - Community – Lexington
- 2 Outcomes an EDO should work towards (source: Team Kolzow):
 - Demonstrate the region's economy and quality of life are improving
 - Demonstrate its actions are leading to improvement in the regions economy and quality of life



Business Retention & Expansion



(source: Blane, Canada Ltd.)



Workforce – Food for Thought

- 87% of people, globally, are unengaged in work (70% in the US) (source: Gallop)
- 24.5% of community fill out 1099 tax form (people do work in communities they don't live in) – expected to grow to 40% (source: Bureau of Labor Statistics)
- Freelancers, a hidden community
- The biggest occupation for each state – now: truck driver sweeps the nations, in 1970 it was secretary
- *How Uber's autonomous cars will destroy 10 million jobs and reshape the economy by 2025 – Zack Kanter (blog post)*



Children; our future workforce.

- 65% of children entering primary school today will ultimately end up working completely new job types that don't exist today (source: World Economic Forum)
- "GPAs are worthless as a criteria for hiring" - Laszlo Bock, Google
- "Don't ask kids what they want to be when they grow up but what problems they want to solve." Jamie Casap, Google Global Education
 - ... the entrepreneurial mindset



Children Most Likely To Succeed

Youth will need these to get jobs:

Knowledge

Skills

Motivation

- Tony Wagner, Expert in Residences at the Harvard Innovation Lab, author of *Most Likely to Succeed: Preparing Our Kids for The Innovation Era*

WATCH VIDEO: <https://www.youtube.com/watch?v=AYwCkCecwNY>



Entrepreneurial Development

- 77% of employers report that soft skills, such as communication, problem solving, teamwork and self-motivation, ARE AS IMPORTANT as technical skills (source: CareerBuilder National Survey)
- A test of creative/entrepreneurial skills
 - NASA employees: 3-5% tested well
 - 5 year-olds: 95% tested well

... ASK WHAT PROBLEMS THEY WANT TO SOLVE
- Entrepreneurs aren't born, they're built



Entrepreneurial Mindset

- Ewing Marion Kauffman Foundation, Ice House Entrepreneurial Program
- Book: *Who Owns the Ice House?*
- Gary Schoeniger, Founder, Entrepreneurial Learning Initiative

WATCH VIDEO: <https://www.youtube.com/watch?v=8NBnoVrLFPU>

Entrepreneurial Ecosystem

- The essence of an entrepreneurial ecosystem is its people and the culture of trust and collaboration that allows them to interact successfully (source: J. Roso).
 - Incubators, Makers Spaces, Hacker Spaces, Coworking Spaces, Artists spaces – new 10 years ago, red flag if you're not doing this

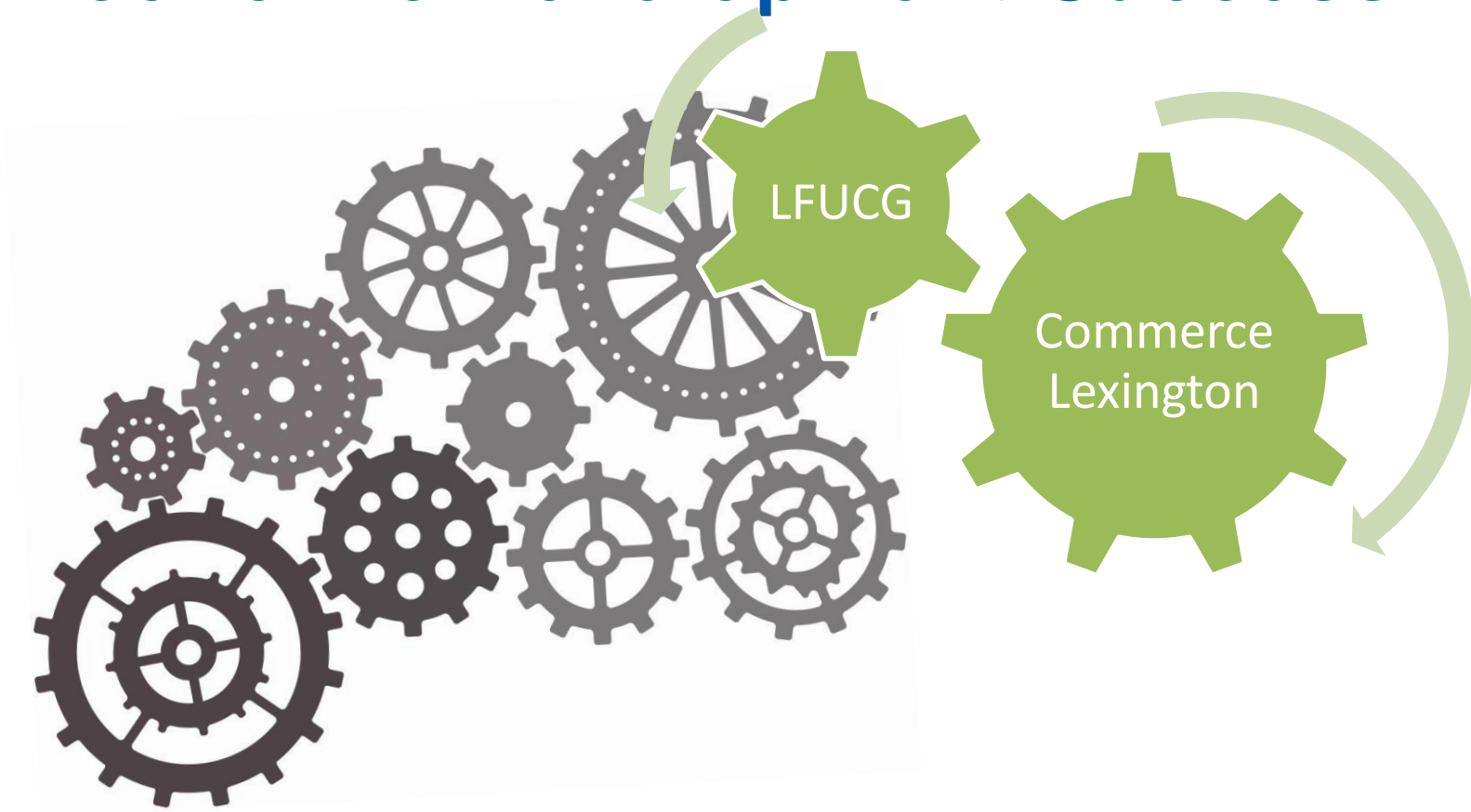


Community Development & Real Estate

- Infill and redevelopment and the Urban Services Boundary
 - These challenges are wide spread, solutions or examples of success stories are uncommon
 - Look at renaissance cities – Tupelo, Pittsburgh, Cleveland Flats District
- The City's wish list versus Commerce Lexington's wish list



Partners & Relationships for Economic Development Success





Tips!

Put tough problems at the top of your to do list.

Go to know, not know to go.

“Don’t fall in love with your solutions, fall in love with their problems.” – Gary Schoeniger

Never stop experimenting.



QUESTIONS?

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