



2010 Action Plan

Introduction

The Springfield Business Development Corporation is the economic development subsidiary of the Springfield Area Chamber of Commerce. Its mission is to provide a continued revenue source for the Chamber's economic development program, assisting existing business and industry and attracting new business and industry to the Springfield area.

The organization is blessed to have the financial support of nearly 100 business and professional organizations in the Springfield region and will enter the 3rd year of a 5-year strategic economic development initiative --- Partnership for Prosperity II --- in 2010. The SBDC also receives tremendous financial support from City Utilities of Springfield, in the form of an Annual Contract for Services.

The Partnership for Prosperity II initiative promises to build on the momentum and strength of our 10-county regional economic development program; enhance the region's talent development program and create strategies to address the workforce needs of regional employers; harness the strengths and resources of our region's colleges and universities and health care systems; aggressively lead the business retention, expansion and attraction efforts in the region; and expand the marketing of the Springfield area.

During the period 2008 to 2012, we intend to directly aid in a minimum of \$225 million in new capital investment in the 10-county region. We expect job retention and creation to exceed state projections of job growth in manufacturing, business and professional services, construction, health care and financial sectors. Additionally, we intend to grow the Springfield metro area's workforce by at least 9,000 net new jobs and the 10-county region's workforce by at least 14,000 during this 5-year period. And finally, it's our plan to continue to strive to increase the metro area's rate of per capita income growth to a level exceeding a list of 15 peer cities, as well as the State of Missouri's rate of income growth during this period.

Executive Summary

October 14, 2009 — J. Mac Holladay, CEO of Market Street Services, presents the findings of a Competitive Assessment of the Springfield region. To accurately assess metro Springfield in terms of people, prosperity and place, comparison communities of Knoxville, TN; Colorado Springs, CO; and Kalamazoo, MI were chosen.

In exploring the Springfield region's population dynamics, Market Street Services found that although metro Springfield is experiencing population growth associated with net migration from surrounding smaller counties and low cost of living, there are challenges related to employee recruitment, low wages and education attainment.

Some key strengths related to People:

- Strong population growth and increasing diversity
- Engaged, committed private-sector leadership
- Strong organization among the region's emerging leaders and young professionals
- High confidence in the region's workforce
- Strong support for – and confidence in – metro Springfield's higher education institutions

Some key weaknesses related to People:

- A reported "culture of poverty" throughout the region, especially related to youth poverty
- A limited number of entry-level jobs offering competitive wages (brain drain)
- Low percentage of adults with Bachelor's, Master's and professional degrees
- Weak state-level leadership and financial support for higher education
- Difficulty attracting and retaining workers due to negative, outdated, and false perceptions about the region; sticker shock of Springfield's comparatively low salaries; the lack of diversity within the region, and the lack of high-wage jobs

Over the last five years, the Springfield region has outperformed the state, nation and comparison cities in terms of job growth. While the low average annual wage is a selling point for businesses, it can be a hurdle in retaining existing talent and attracting new residents to the area.

According to the Market Street report, much of the community feels that stronger state-level advocacy is needed and a greater willingness to offer incentives to new and expanding businesses that make significant investments in metro Springfield.

Some key strengths related to Prosperity:

- Comparatively high rates of regional job growth, with nearly 65 percent of new job growth occurring in sectors that pay above the region's average annual wage
- An increasingly diversified economy that exports service and product employment outside the region
- Potential to cultivate international contacts in China for economic development
- Strong potential for further growth and investment in innovation at Jordan Valley Innovation Center and IDEA Commons
- Potential to improve the business climate through the competitiveness of local and state incentives, the availability of venture capital and support and retention services for existing businesses

Some key weaknesses related to Prosperity:

- Significantly lower comparative wages that adversely affect wealth creation and worker retention/attraction
- Poor organization and advocacy among potential supporters of economic development
- A reportedly non-business-friendly development process that hinders investment

The Market Street Services assessment of the Springfield region also analyzed the quality of life and key infrastructure factors in the region. Overall, the community is satisfied with infrastructure investments and capacity within the Springfield region. Numerous components of the Springfield area's quality of life are said to be great strengths of the region and its communities.

Some key strengths related to Place:

- A dynamic, very competitive quality of life inclusive of numerous cultural and recreational amenities
- Robust health care capacity, which continues to grow and generate jobs
- Momentum in downtown Springfield redevelopment
- Strong philanthropic community and a culture of giving
- Presence of a national airport with cargo capabilities, Class I rail, Interstate highway system and highly competitive utility rates

Some key weaknesses related to Place:

- A perceived lack of community and public leadership, vision and support for change
- High incidence of property crime, drug use and production and over-extended law enforcement agencies
- A local daily newspaper that has lost credibility and objectivity and is said to incite conflict and community opposition to progressive change

Conclusion

Community and business leaders have made it clear—through the Market Street Services assessment—that the traditional approach to economic development in Springfield and the surrounding area will no longer work. It's time to turn up the energy and set our sights on being a more relevant player in the new economy.

2010 Action Item #1—Strategic Action Plan

Q1 – Q3 2010

Primary: Greg Williams, Senior Vice President

In order to truly take the Springfield region to the next level and effectively expand, attract and launch high-value companies, the Springfield Business Development Corporation board of directors, in partnership with the board of directors of the Springfield Area Chamber of Commerce, should consider continuing the momentum of the Competitive Assessment into a Complete Strategic Development Process, proposed to be performed by Market Street Services, Inc.

PHASE 1: Target Cluster Review

An assessment of metro Springfield's existing targets (data centers, distribution and logistics, call centers and back office, material science and nanotechnology, medical devices, medical research and development, power intensive manufacturing and corporate office) based on quantitative and qualitative information in order to confirm the continued viability of these targets. Market Street Services will base target business confirmations, revisions and recommendations on national economic trends, regional assets and competitive advantages that are attractive to businesses within the targets.

PHASE 2: Strategic Action Plan

Identify the most current strategies and best practices to address future challenges and maximize opportunities facing the Springfield region. The strategy will serve as a tool unifying the Springfield Business Development Corporation, the Springfield Area Chamber of Commerce and its public-sector partners behind a consensus blueprint for economic development. It will prioritize development and provide goals and action steps needed to optimize local/regional competitiveness and conditions to achieve success. Best practices from other communities will be reviewed and a timeline for implementation will be included, along with budget requirements and organizational recommendations.

2010 Action Item #2—Peer Review Program

Q2 – Q4 2010

Primary: Greg Williams, Senior Vice President

Objective: The opportunity presents itself for the SBDC and Chamber economic development program to be reviewed by nationally-recognized professionals who will perform a comprehensive peer review process that measures Springfield's program to commonly held standards in the profession. The two-phase process is proposed to consist of a documentation review and an on-site visit. Each phase is designed to evaluate information about the structure, organization, funding, programs, local leadership and staff.

2010 Action Item #3—Conduct Consultants Familiarization Tours

Q3 2010

Primary: Ryan Mooney, Vice President of Business Development

Objective: Attract 2-3 site location advisors to visit and become familiar with the Springfield area as a potential location for future projects. The proposed emphasis will be consultants who represent clients in key target categories: Data Centers, Back Office and Medical Devices or Research. Proposed to be a well structured, yet informal 2-day program to introduce opportunities and develop relationships with the location advisors.

2010 Action Item #4— Build on Opportunities in Entrepreneurship & Health Care

Q1 – Q4 2010

Primary: Kristen Westerman, Manager of Workforce Development

(KANSAS CITY, Mo.) November 5, 2009 --- The Ewing Marion Kauffman Foundation today released a study showing that newly created and young companies are the primary drivers of job creation in the United States. Kauffman's data shows that companies less than five years old created nearly two-thirds of net new jobs in 2008. "Job creation is the number one issue facing families and policymakers during this economic recession, and this study shows that new businesses and entrepreneurs are the key factor in adding new jobs," said Carl Schramm, president and CEO of the Kauffman Foundation. "If the U.S. economy is going to have a sustained recovery, it will be up to entrepreneurs to lead the way." The study sends an important message to policymakers that young firms need extra support in the early years of formation so they can grow into viable job creators. "Sometimes a single barrier, such as limited access to capital for business growth, can mean the difference between survival and failure," said Robert Litan, vice president of Research and Policy at the Kauffman Foundation. "We must create an environment that aids firm formation and growth if we are going to turn employment around."

Objective: Expand the participation level of the Springfield Angel Investor Network through various, aggressive recruitment measures. Target high net-worth individuals in the Springfield region utilizing strong relationships with presidents and executive officers of major lending institutions.

Objective: Through a variety of measures, continue to generate quality deal flow for the Springfield Angel Investor Network. Expand marketing efforts to regional entrepreneurs. Strengthen and nurture existing relationships with tenants of the Roy Blunt Jordan Valley Innovation Center, regional health care institutions and clinics and allied health research entities. In conjunction with the Springfield Area Chamber of Commerce, offer Entrepreneurship seminars provided by the Ewing Marion Kauffman Foundation related to start-up support and educational programs targeted to the accredited Angel Investor.

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Objective: Build an entrepreneurial culture and heighten entrepreneurial spirit. In conjunction with the Roy Blunt Jordan Valley Innovation Center and the Edward Jones Center for Entrepreneurship at Drury University, lead the formation of a I & E Club (Innovators and Entrepreneurs) -- an environment where people in the region feel comfortable exploring innovative ideas and can be assisted in moving them from concept to reality. Through such a club, entrepreneurs can come together to develop ideas, weigh the risks and meet other would-be entrepreneurs.

Objective: Strongly encourage Springfield's colleges and universities to establish curriculum focusing on Entrepreneurship as a major of study. Such curriculum can a) help students identify new market opportunities by providing innovative and improved products and services; b) develop a foundation which can be used to start, run and develop a business; and c) promote the realization that entrepreneurship is not an isolated topic, but applicable in many areas of endeavor.

2010 Action Item #5— Continue to Raise Awareness of the Springfield Region as a Destination for Job Creation & New Investment

Q1 – Q4

Primary: Ryan Mooney, Vice President of Business Development

Proposed 2010 Marketing Initiatives

- Marketing to Site Selectors: out-of-market visits by staff and key volunteer leaders
- Corporate Visitations: out-of-market visits by staff and key volunteer leaders
- Familiarization Tour: targeted industry consultant visits to the Springfield region
- Conferences / Trade Shows: targeted industries, advanced marketing
- Internet: offer the right demographic data, professional presentation of opportunities
- Email / Newsletters: periodic updates to consultants, new projects or opportunities

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Proposed 2010 Marketing Travel & Trade Shows

ICSC Heartland Deal Making	January	Kansas City
Impact Trip	February	Chicago
Impact Trip	April	Dallas
Area Development Forum	June	San Francisco
Impact Trip	July	St. Louis
Impact Trip	September	Kansas City
IEDC Annual Conference	October	Columbus
7x24 Exchange / Impact Trip	November	Phoenix

Potential 2010 Corporate Visitation

John Deere Co.	March	Moline
Kraft Foods	May	Chicago
NorthStar Battery	June	Stockholm
3M / United HealthGroup	July	Minneapolis

2010 Action Item #6—Expand International Business Development Program

Q1 – Q4 2010

Primary: Brad Bodenhausen, Executive Vice President

Objective: Continue active partnerships with three Chinese chambers of commerce, nurture the relationships established recently with high net-worth businessmen and government officials in key Chinese provinces and begin expanding relationships with business and industry officials in Brazil and Mexico.

Objective: As part of the SBDC Corporate Visitation program, travel to Stockholm, Sweden in May/June 2010 (at the invitation of NorthStar Battery private equity ownership group based there) to identify other business development opportunities that may benefit the Springfield region.

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Objective: Research the potential of establishing an EB-5 Regional Center Investment Program to encourage foreign investment in Springfield. A regional center is a private enterprise or corporation with a targeted investment program within a defined geographic region. The Center allocates 3,000 green cards each year for people who invest in designated regional centers.

Objective: Continue to enhance global trade information and resources, assisting local businesses to identify potential export markets and international partners. At the same time, enhance existing partnerships with local colleges and universities on international student internships, graduate assistantships, executive level training and development and language translation and instruction. Better promote the benefits of Springfield's Foreign Trade Zone.

2010 Action Item #7—Maintain the Right Amount of “Touch” in Investor Relations Program

Q1 – Q4 2010

Primary: Jen Johnson, Economic Development Coordinator

- Investor / Member Visitation – execute no fewer than 50 personal visits in 2010
- SBDC Annual Report – produced prior to 2010 Annual Meeting
- SBDC Annual Meeting – March 11, 2010 at Highland Springs Country Club
- 7th Annual Economic Outlook Conference – TBD in Q3 2010
- Investor Brief – monthly electronic communication to investor members and other targets
- Investor Briefings – timely economic development-related topic of interest to investor members
- Social media – explore opportunities to market/promote events and provide updates to members