

# A New Regional Economic Competitiveness Strategy (RECS) for Northeast Ohio And update on Team NEO

April Meeting of the Medina County Economic  
Development Corporation

**April 16, 2015**

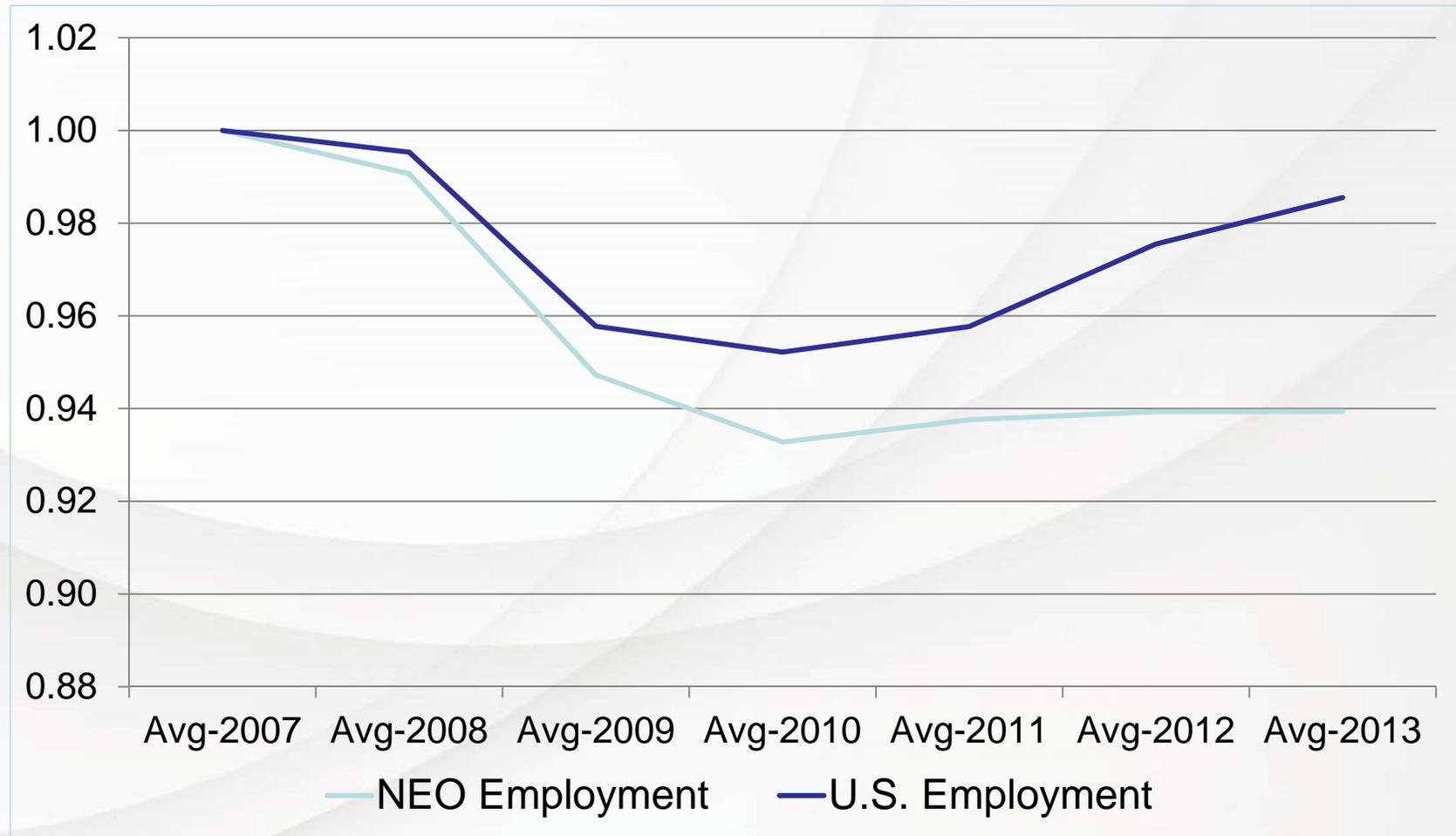
Team **neo**

JobsOhio

NETWORK  
REGIONAL PARTNER

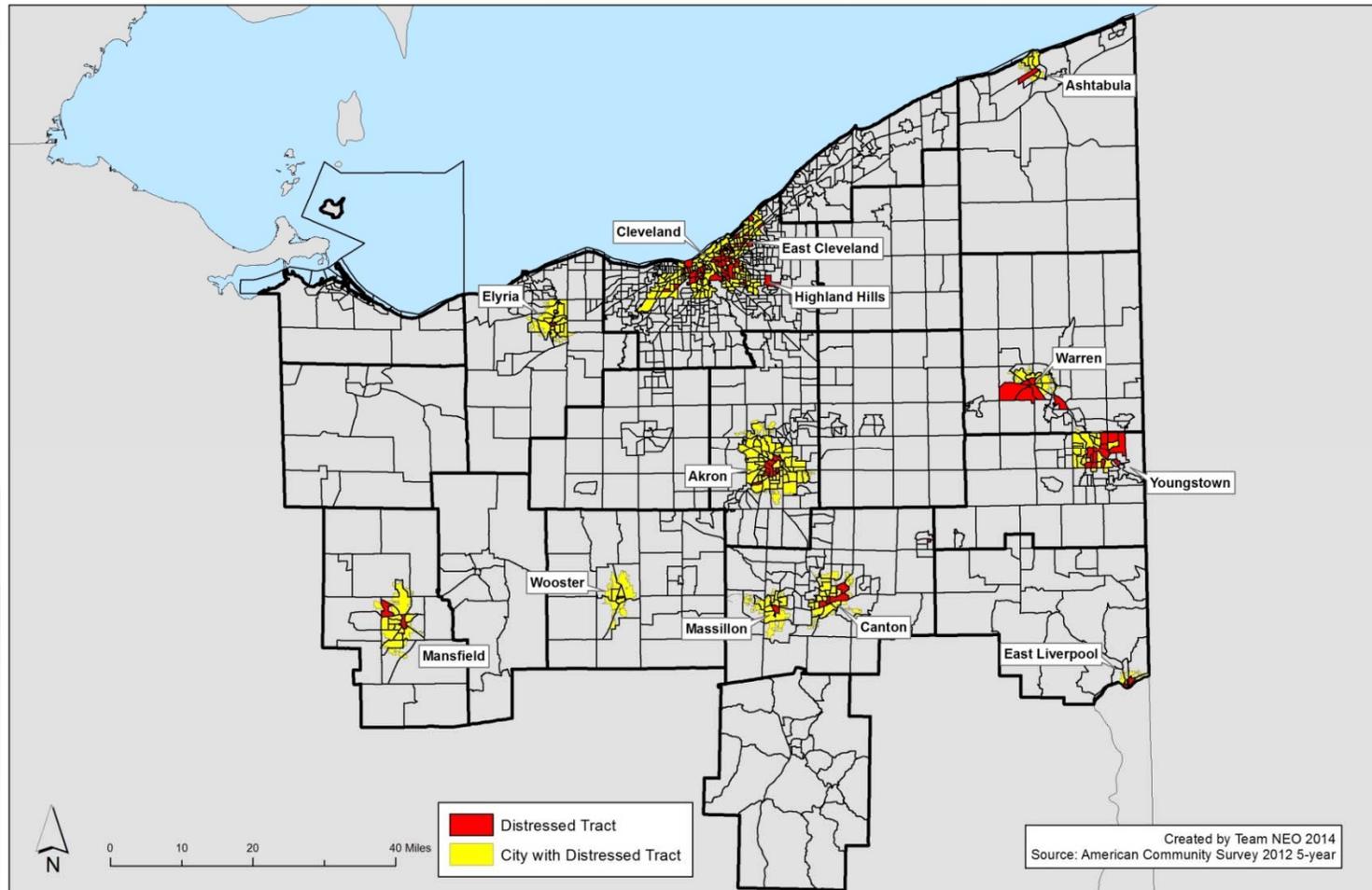
Cleveland+  
Akron+ Canton+ Youngstown

# The Problem: Post-Recession\* NEO Employment Not Keeping Pace with the U.S.



\*The Great Recession officially ended in June 2009.

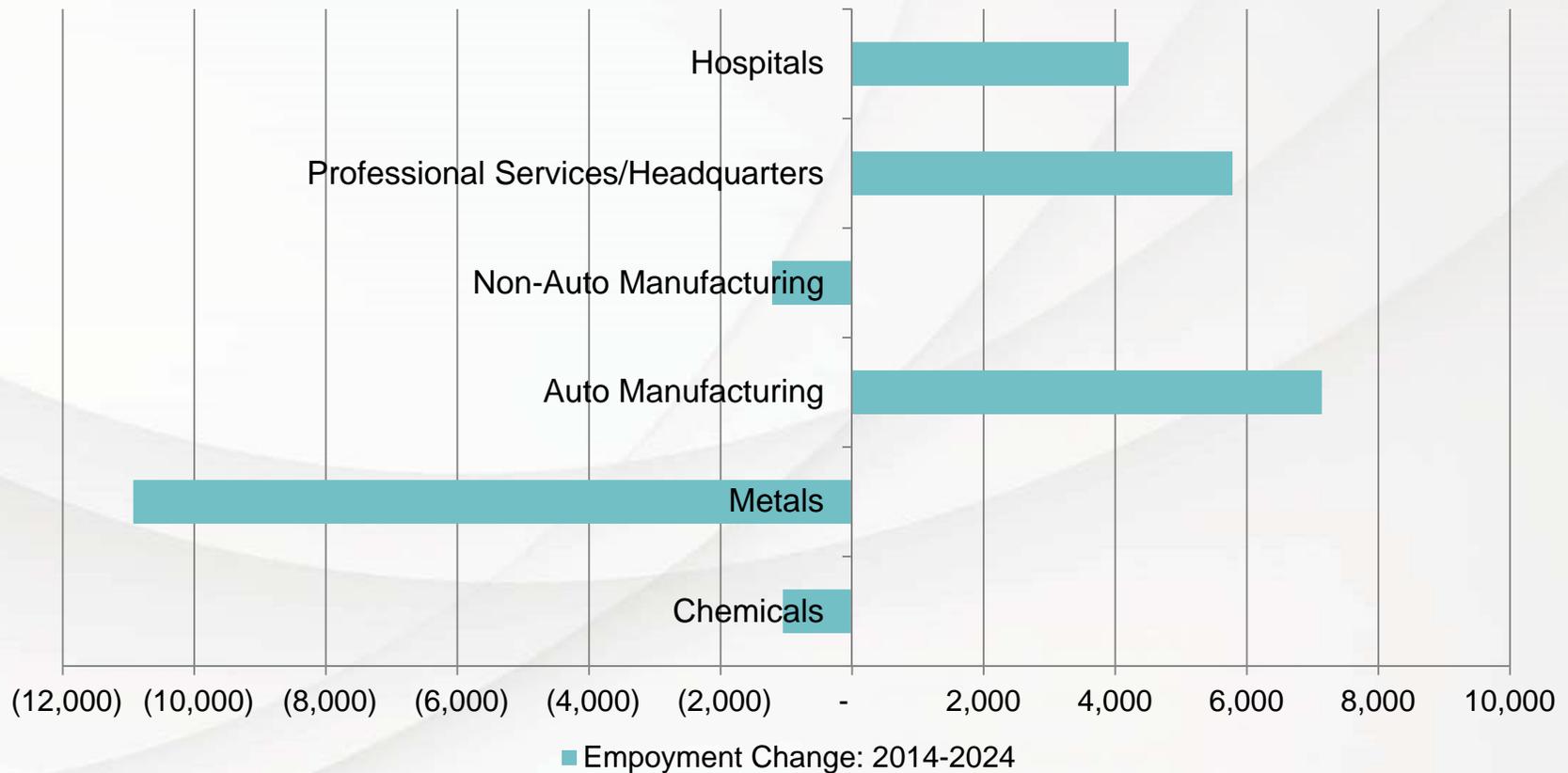
# The Problem: 200,000 People Live in Economically Distressed Neighborhoods



1 Distressed areas are defined as census tracts that both have less than 65% labor force participation among residents between 25-64 and fall in bottom quartile of median household income. In 2012, this represented about 5% of the 4.4 million residents living in Northeast Ohio.

# The Challenge: Net New Jobs Growth From Driver Industries? Only 3,930 Jobs.

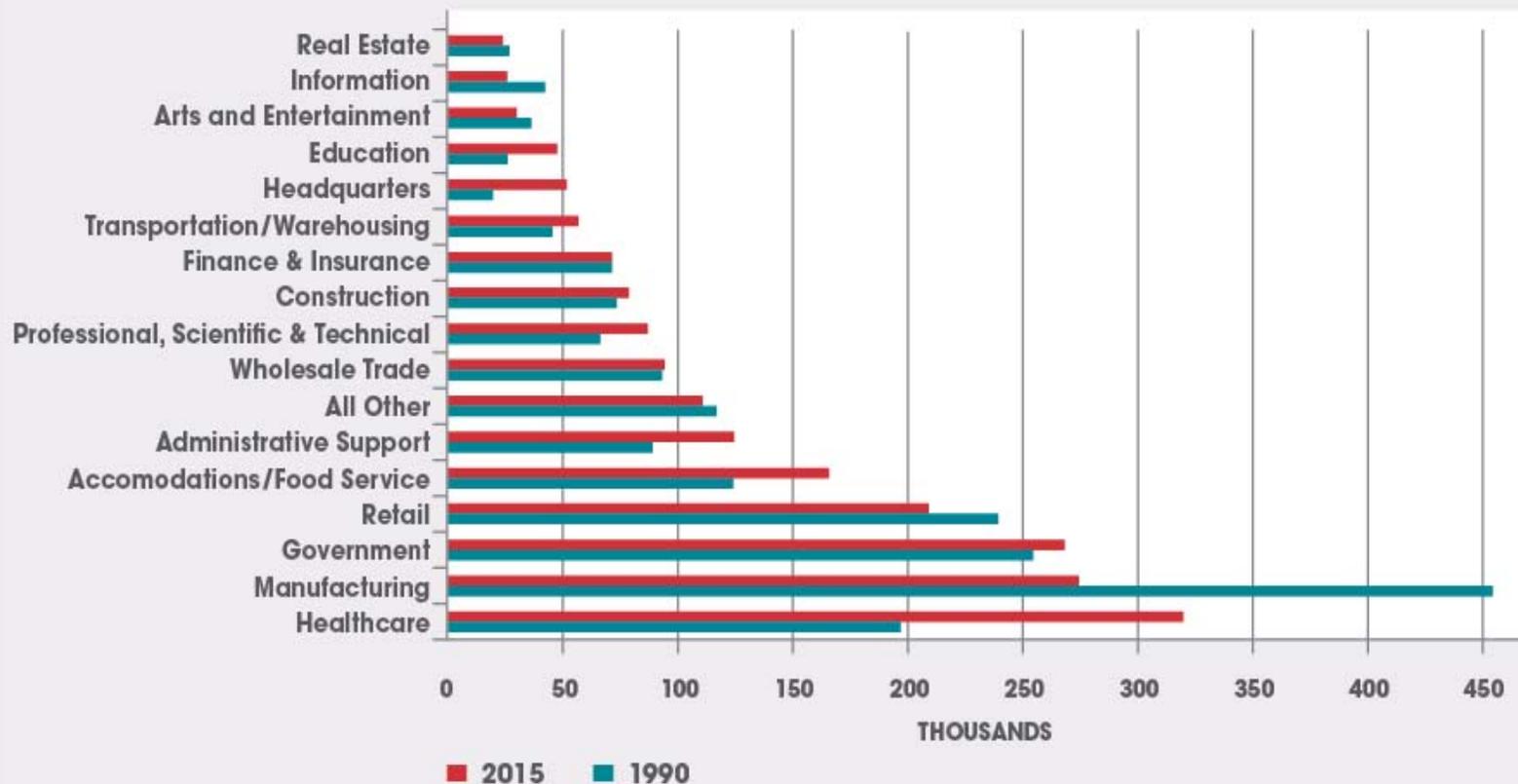
## Projected Employment Change: 2014-2024



Source: Moody's Economy.com

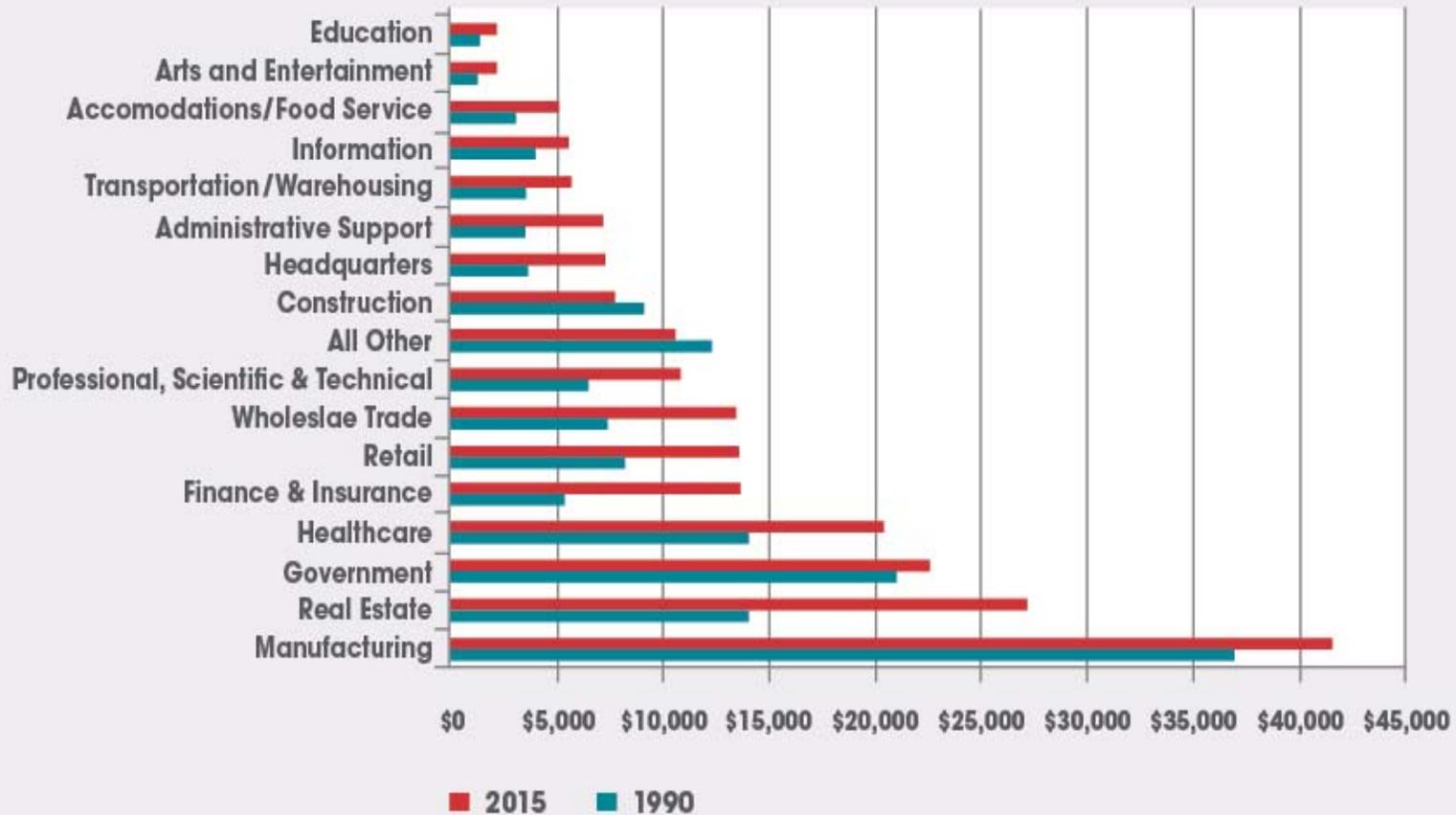
# The Opportunity: NEO Economy Diversifies

## EMPLOYMENT CHANGE FROM 1990 - 2015



# The Opportunity: NEO Output Growth

## GRP CHANGE FROM 1990 - 2015



# The Journey: How RECS Was Developed

- 2+ years of research, analysis and benchmarking
- More than 100 stakeholders:
  - Large and small businesses, philanthropy, chambers of commerce, economic development organizations (EDOs), universities and community colleges
- Major conclusions:
  - **Region has made huge strides, but needs to accelerate pace**
    - Regional intermediaries have made good progress in selected areas
    - National environment is increasingly competitive; NEO lags in key areas: job creation, gross regional product and per capita income
    - Economic polarization (i.e. growth and opportunity) a growing issue
  - **To keep pace with national averages we must increase the impact of our economic development system**
    - 400,000 more jobs today if we had kept pace over past two decades
  - **The key is to increase alignment across geographies/sectors and enhance capabilities in selected areas, esp. talent & workforce**

# The Goals: RECS Identified Long-Term Goals for the Region in Four Categories



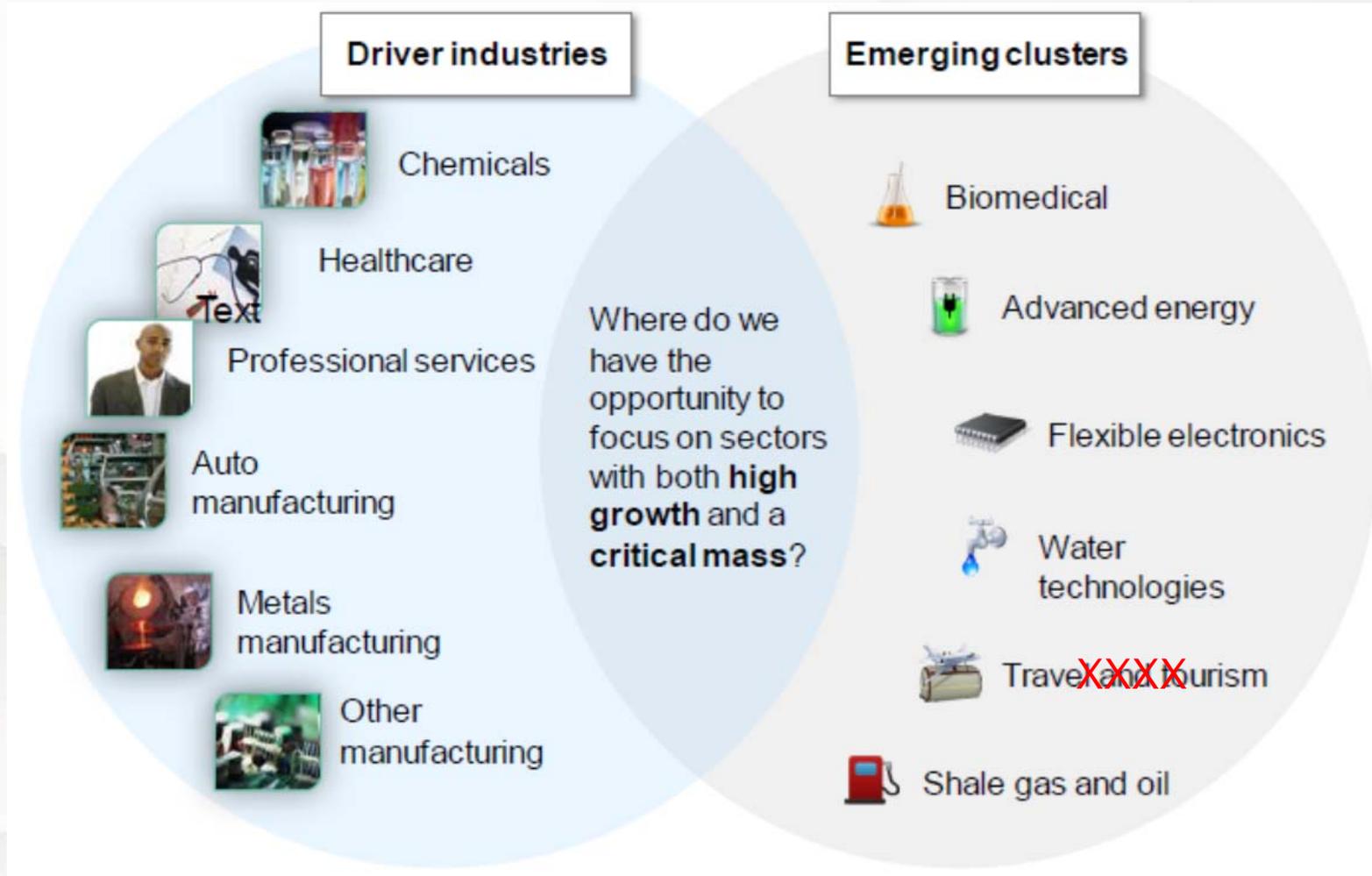
	Short Term 1-5 Years 2015-2019	Intermediate Term 5-10 Years 2020-2024	Long Term 10-20 Years 2025-2034
<b>Employment</b>	+0.5% / +10k annually	+1% / +19k annually	Exceed U.S. growth rate
<b>GRP</b>	+1.9% / \$3.8B annually	2.5% / \$5.6B annually	Exceed U.S. growth rate
<b>Per Capita Income</b>	At U.S. growth rate (.5%)		Exceed U.S. growth rate
<b>Labor Force Participation</b>	Increase labor force participation in economically distressed areas <sup>1</sup>		

<sup>1</sup> Distressed areas are defined as census tracts that both have less than 65% labor force participation among residents between 25-64 and more than 50% of households with low to moderate income (i.e. 80% of area median).

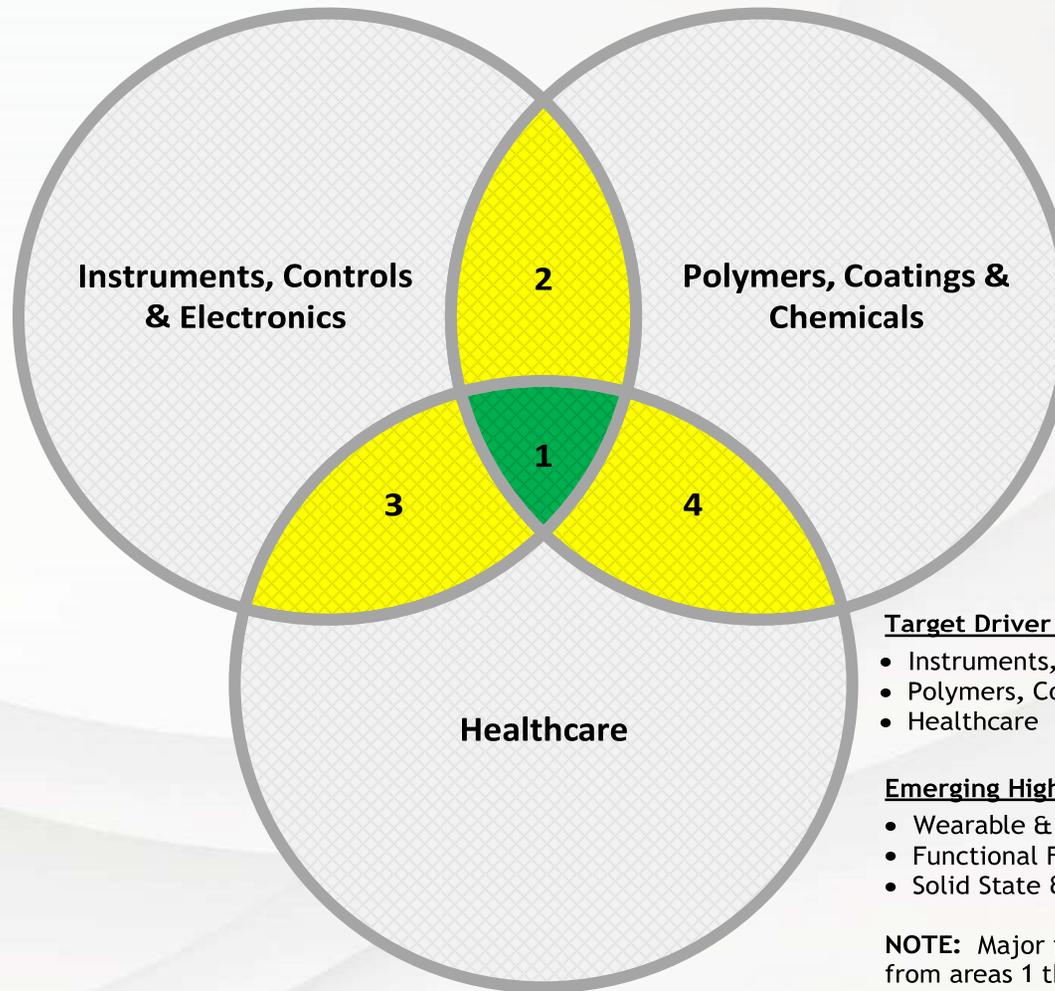
# The Strategy: The Initial Focus of RECS

1. Make larger commitments (“go big”) in fewer industry clusters – biomed and one or two others to be identified
2. Increase emphasis on business retention and expansion – making it more proactive, coordinated and growth oriented; integrate region’s innovation services and assets
3. Continue to support startups, but extend assistance to “scale ups” – provide entrepreneurship and innovation services to high-growth-potential companies
4. Address talent and workforce development – align development and connect resources to company, cluster and project specific needs

# The Strategy: NEO Driver & Emerging Industry Sectors with High Growth & Critical Mass



# High-Growth Technologies from Converging Driver Industries



### Target Driver Industries

- Instruments, Controls & Electronics
- Polymers, Coatings & Chemicals
- Healthcare

### Emerging High-Growth Technologies

- Wearable & Embedded Technologies
- Functional Films & Smart Coatings
- Solid State & Smart Lighting

**NOTE:** Major innovators/innovations will emerge from areas 1 thru 4.

### Examples

- 1 - Smart Pills by Valtronic
- 2 - Boogie Board by Kent Displays
- 3 - IP Portfolio - Cleveland Clinic & Parker Hannifin
- 4 - Lubrizol Collaboration with Cleveland Clinic

# The Players: Role of Critical RECS Enablers

- Ensure that there is a coordinating body to maintain focus and support for the integrated collective action required
- Speak with one voice on advocacy
- Be more strategic and coordinated in identifying new opportunities (e.g. next clusters, educational attainment)
- Institute a rigorous metrics and data analytics function
- Develop new funding approaches to bring work to scale and sustain it

# The Benefits of RECS Recommendations

- Unifying strategy across prioritized work streams
- More efficient use of funding
- Accountability built-in through performance metrics and data analytics
- Communications within the ED network are improved, and engagement across the region is strengthened
- Including all of NEO – people and communities – becomes fundamental to our BRE&A approach

# RECS Recommendations: **Structure**

- Combine capacity and functions of Team NEO and NorTech
- New organization adopts “Team NEO” name
  - Focuses the public narrative on what we are doing and why rather than on the organization
  - Team NEO brand is believed to be strong ex-region, particularly with site selectors; will evaluate brand value and potential name change in 2015
- Strong board; visible board chair
  - Assumes oversight of the Regional Economic Competitiveness Strategy
- Strong CEO with collaborative leadership style
  - Continues the RECS work and builds robust networks across the ED system

# Together with local, regional, and state partners – Team NEO drives business investment in NE Ohio



# Developing a statement of support: How does Team NEO support our partners?

- By marketing the region, we bring increased awareness of opportunities in NE Ohio to the nation & the world
- Business attraction efforts support the entire region
  - Contacts with site selectors, help improving attractiveness of sites
- Connect partners to state and JobsOhio incentives and programs
- Connect companies in emerging markets and technologies with supply chain members across the region through our cluster consortiums
- Coming soon:
  - Increased support for R&E; training, targeting, research
  - Increased support to connect talent and workforce
- Serving as a connector for the LEDOs and REDOs, where needed

# The Players: Who Is Doing What to Implement the Strategy?

- **Driver Industries** – MAGNET, Team NEO, EDOs
- **Emerging Industries** – BioEnterprise, Team NEO, EDOs
- **Entrepreneurship** – JumpStart, MAGNET, Team NEO
- **Workforce** – MAGNET, Team NEO, FFEF
- **Innovation** – Team NEO, MAGNET, JumpStart, BioEnterprise
- **Public Policy** – Chambers
- **Inclusion** – Everyone; especially CEI, MBDA, FFEF
- **Metrics** – Team NEO, FFEF

# The Results: What Will Success Look Like?

1. Businesses are investing in Northeast Ohio.
2. We are making excellent progress against the RECS goals and have met or exceeded U.S. average.
3. We are specifically seeing growth in our region's economically distressed communities.
4. We have improved the region's ability to connect employers with a talented workforce.
5. We have established an environment in which we collaborate to solve business development problems.
  - AND we have better data to solve problems and measure results.
6. The state views NEO as the highest ROI of economic development dollars.

# The Next Steps:

- Continue socialization with key organizations and NEO business and community leaders
  - Explain the new & continuing functions and activities of Team NEO
- Continue the evolution of business development structure
  - Clarify relationships and roles with regional and local economic development partners
  - Goal setting and performance measurement
- Identify how the region can support or coordinate talent and workforce needs

# How relevant is RECS for Medina County?

- Strategy highly relevant to Medina County:
  - Diverse portfolio of driver and emerging industries
  - Well-developed commercial infrastructure
  - Medina has a head start on addressing the workforce challenges across the region with a strong WIB and technical training

But as Medina County grows, how do we make that growth more sustainable?

- What community assets will continue to drive growth in the future? i.e. what makes us more competitive?
- What are the land use and infrastructure plans?
- Demographic trends – why will Medina be different?