Regional Innovation Initiative

Engage.

A Practitioner's Guide for Effective Engagement
of Business Leaders in Regional Development

Compete.
Council on
Competitiveness

A Practitioner's Guide for Effective Engagement of Business Leaders in Regional Development

Effective engagement of business leaders is crucial for the success of any regional workforce or economic development initiative. This guidebook is designed to help regional developers recognize the importance of business leaders for regional development initiatives, understand the value of regional development for business leaders, and effectively recruit and retain business leadership in regional initiatives.

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Prepared for the U.S. Department of Labor, Employment and Training Administration

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Letter from the President

Dear Colleagues:

Competitiveness in today's global economy requires innovation. But as always, innovation is a contact sport that relies on the interaction of individuals and institutions. In recent years, it has become clear that regions—not states or localities—are the right geographic unit to support the creation of strong innovation ecosystems. Throughout the country, efforts have been launched to promote regional collaboration, and in some cases, to create new regional institutions. The Council on Competitiveness is proud to have catalyzed and advised many regional initiatives during the past decade.

In our work, we have found that one of the biggest challenges in implementing regional efforts is recruiting business leaders who lend their insight, influence and financial resources to the projects. We believe that having actively engaged business executives is critical to almost any regional effort— be it focused on talent development, transportation, energy sustainability or comprehensive efforts to build regional innovation hotspots.

Engage. A Practitioner's Guide for Effective Engagement of Business Leaders in Regional Development is designed to support the creation of cross-sector collaborations to address economic opportunities and challenges. Developed with the support of the Employment and Training Administration (ETA) of the U.S. Department of Labor, this guide lays out a series

of recommendations aimed at helping regions to recruit, develop and sustain the involvement of business leaders.

As we have come to understand at the Council, our national prosperity depends upon regional innovation. To drive U.S. competitiveness, productivity and leadership in world markets, our regions must be supported by engaged business leadership. We hope that this guide contributes to the efforts of practitioners and private sector leaders who are addressing the regional innovation imperative in communities across our country.

Sincerely,
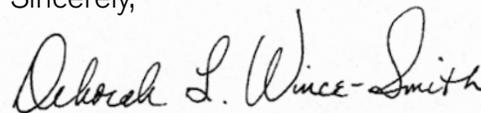
Deborah L. Wince-Smith

President

Chapter I

Introduction

The global economic environment is changing dramatically. The rapid entry of emerging markets into the global economy, the restructuring of multinational corporations to leverage global markets, and the growing value of services and intangibles have transformed the competitive environment for American businesses and American workers.

The Council on Competitiveness (the Council) has found that continuous innovation in the face of growing global competition is the only sustainable advantage for U.S. firms. In order to compete successfully in the new global marketplace, firms must have access to the assets—human, financial, institutional and physical—that support innovation. Although national and state policies create a platform for innovation, the locus of innovative activities is at the regional level where workers, companies, universities and government interface most directly. Supporting dynamic firms requires that regions provide access to skilled labor, a solid transportation and communications infrastructure, and a business culture that supports entrepreneurship and risk-taking.

During the past decade, there has been an escalation of regional development activity to support innovation and increase prosperity.[i] At the grassroots level, communities of all shapes and sizes have launched regional development organizations to coordinate a range of activities. And in recent years, federal and state programs have begun to recognize that regions can be highly effective units for promoting innovation. With leadership from the U.S. Department of Labor

Who is a Business Leader?

The Council defines a business leader as any senior executive who understands the long-term strategy and needs of their firm. Specifically, business leaders offer:

1. Their high-level, strategic perspective on their business, and on their industry; and

2. An ability to look beyond the walls of their firms to see how they impact and will be impacted by circumstances in the region.

In this document, we use the terms "business leader", "business executive" and "corporate leader" interchangeably.

and the Department of Commerce, regional innovation has now been adopted as the framework for economic development and workforce training efforts across the nation.

This guide has been developed through a partnership between the Department of Labor's Employment and Training Administration's Workforce Innovation in Regional Economic Development (WIRED) Initiative and the Council on Competitiveness. One of the hallmarks of WIRED has been the endeavor to promote partnerships among key regional stakeholders, including businesses, the K-12 educational system, community and technical colleges, universities, and local and regional economic and workforce development organizations. Through work with many

of the WIRED regions and other regions around the country, the Council has consistently observed that a region's ability to catalyze these partnerships is one of the most crucial factors in the overall success of regional development initiatives.

Evidence from high-performing regions like San Diego, the Research Triangle and Greater Austin indicates that the ability to foster regional collaboration is decisive in accelerating a region's economy.[1] Less successful regions do not usually lack sufficient innovation assets, but rather the ability to link them by thinking, planning and acting regionally.

Engaging the business community has been one of the most significant challenges in creating regional leadership in WIRED initiatives. Experience has shown that business leaders are usually most active in those development efforts which they themselves have initiated. In regional initiatives like WIRED though, business leaders are typically not the originators, nor can they act independently. Instead, they must collaborate with public, non-profit and educational entities that operate very differently. Distinct motivations and expectations, as well as differences in organizational culture, often result in difficulty recruiting and retaining business leaders in regional development initiatives.

However, business engagement is crucial for the success of any regional development effort. Of all stakeholders, business leaders are arguably the most important participants because of their unique knowledge of the needs of industry. In demand-driven efforts, it is important to look beyond aggregate numbers and analyses to hear directly from the sources of the demand.[ii] Regional business leaders can also positively influence operational efficiency and long-term viability of regional development initiatives.

WIRED is occurring at a dynamic time in the evolution of the role of business in society. Principles of corporate social responsibility are being integrated in businesses throughout the country. Many business leaders are starting to consider environmental, social and economic issues, including regional economic and workforce development, as strategic factors in the long-term success of their firms. As the link between business strategy and social issues becomes more accepted, firms are incorporating plans to address social needs into their core operations. Accordingly, appeals to corporate social responsibility offer an increasingly viable way to attract business participation.

This guide is designed to assist practitioners to effectively engage business leaders. The guide begins by exploring why business leaders are important for the success of regional development initiatives, and why they, in turn, should focus on regional development. It then offers principles for applying this knowledge to recruiting and retaining regional business executives and suggests the approaches that can be most appropriate for different types of business leaders. Highlighted throughout the guide are case studies and examples of regions that have successfully engaged business leaders in development efforts.

Workforce Innovation in Regional Economic Development (WIRED)

The Workforce Innovation in Regional Economic Development (WIRED) Initiative, launched in November 2005, stresses the critical role that talent development plays in creating effective regional economic development strategies. WIRED goes beyond traditional strategies for worker preparation by bringing together state, local and federal entities; academic institutions; investment groups; foundations; and business and industry to address the challenges associated with building a globally competitive and prepared workforce.

WIRED is based on the recognition that an economy is no longer defined by the political boundaries of city, county or state lines. Instead, economies are defined regionally by a diverse group of industries, supported by factors such as infrastructure, investment and an availability of local talent.

America's competitiveness ultimately depends on the ability of regions to create the conditions that enable and encourage innovation. Those regions that are successful demonstrate the ability to network innovation assets—people, institutions, capital and infrastructure—to generate growth and prosperity in the region's economy. These regions are successful precisely because they have connected three key elements:

- Workforce skills and lifelong learning strategies;
- Investment and entrepreneurship; and
- Regional infrastructure and economic development strategies.

Under the WIRED initiative, the Department of Labor's Employment and Training Administration has invested more than $300 million in 39 U.S. regions that have committed to implementing strategies that embrace the regional, innovation-based model.

For more information, visit http://www.doleta.gov/wired/about.

The Importance of Regional Business Leadership for Regional Development

The first step in recruiting and engaging regional business leaders is to understand their importance to regional development initiatives. By becoming familiar with the unique qualities and contributions of business leaders, regional developers can better define their expectations and target their recruitment strategies.

Business leaders have substantial insights, capabilities and networks to contribute to regional development initiatives, and can also provide valuable credibility to regional initiatives just by agreeing to participate. This chapter outlines the most important potential contributions of regional business leaders to regional efforts:

- Knowledge
- Planning and Operational Expertise
- Relationships and Credibility
- Access to Resources
- Organizational Culture

Knowledge

Business leaders offer two general types of knowledge that can benefit regional development initiatives: industry-specific insights and regional policy expertise.

Industry-Specific Insights

Business leaders offer comprehensive, on-the-ground knowledge of what is happening in their industries regionally, nationally and globally. By sharing views on their industry's requirements for key areas like workforce, transportation, research and development infrastructure, and communications, regional executives can ensure that development efforts are aimed at the most salient issues.

Industry information provided by local business leaders is often more nuanced and complete than data contained in general industry reports. Access to this knowledge will help regional developers design the most regionally-tailored workforce and economic development projects.

In the Metro Denver WIRED region, a panel of business leaders for each of the four target industries was convened to assess the workforce needs of their industries and to conduct industry-specific gap analyses. By comprehensively engaging business leaders, the WIRED management team gained a deep, first-hand account of the business perspective and was able to craft strong recommendations to address gaps in workforce services and programs.

Regional Policy Expertise

Business leaders may also be experts on key policy areas like venture capital development, entrepreneurship and skills training. For example, many business leaders have start-up experience and are able to assess the efficacy of potential entrepreneurship programs. As businesses often undertake significant in-house training programs, they may have useful contributions to make in the design of new regional training efforts and specific curriculum for workforce training and educational institutions.

George Vradenburg III, formerly senior vice president for global and strategic policy for America Online, brought invaluable expertise in media, entertainment and Internet to the board of directors of Potomac KnowledgeWay, a non-profit leadership organization focused on preparing and educating the Greater Washington region to be competitive in the advanced telecommunications, Internet and content industries. Vrandenburg's leadership position at America Online, as well as his previous experience at Fox and CBS, made him a key source of knowledge for Potomac KnowledgeWay's work to heighten awareness about the technological forces reshaping the economy and to identify new ways to attract and retain a world-class employee base.[2]

Planning and Operational Expertise
Business leaders often have substantial operational experience that can be helpful in designing and executing a regional development initiative. Running a business provides managers with experience in strategic planning, organizational development and marketing that can be highly valuable to implementing regional efforts. Leveraging business leaders' expertise often allows regional initiatives to save resources that would typically be allocated to outside consultants.[3]

Mike Harreld, who at the time was regional president at PNC Bank, served as chairman of Greater Louisville Inc. (GLI) in 2002. GLI was faced with significant transitions: it had reached its five-year anniversary, and the City of Louisville and Jefferson County were undergoing a merger. Harreld brought his experience in strategic planning and visioning to re-evaluate the GLI's priorities and assess how GLI could best collaborate with the new metro government.

Relationships and Credibility
Business leaders generally have extensive networks that can be leveraged to spread information about initiatives and to recruit other participants. Top executives have ties to suppliers and vendors, and they may also have connections with regional entrepreneurs, business associations, media outlets or cluster organizations. Leaders of large or well-established firms often have strong relationships with leaders of educational institutions and foundations in the region. Rick Stafford, former executive director of the Allegheny Conference, a regional business organization in Pittsburgh, argues that private sector leadership is perhaps the single most important influence on obtaining the support of elected public officials for regional development efforts.[4]

David Darbyshire, the president of DASI Solutions, LLC, has been a strong advocate of the WIRED initiative in Mid-Michigan. To support the initiative's efforts to reach more engineering firms, Darbyshire has volunteered to gather 30 to 40 of his top clients to introduce them to WIRED and get them involved in engineering workforce and related projects.[5]

Regional business leaders serve as an important source of credibility for regional development initiatives. Their participation can increase the visibility and validate the authority of regional efforts and frequently functions as a magnet for attracting other regional stakeholders to the effort.[6]

In Austin, Advanced Micro Devices (AMD) executive Gary Heerseen, who was instrumental in creating workforce development programs to support the region's semiconductor industry, leveraged his position and firm to attract other industry and education executives to participate in the initiative. Without AMD and Heerseen's leadership, it is unlikely that other industry players would have participated.[7]

Access to Resources

Regional business leaders provide useful labor and financial resources to development initiatives. In addition to their own time, they are often able to offer the time of their employees and access to their facilities to support specific projects. Many firms also donate services or products to programs. Some regional business leaders have financial resources from their firms, corporate foundations and personal assets that they can leverage to support projects.

Each of these resources can be useful for ensuring the sustainability of regional development initiatives. Unlike government grants such as the WIRED Initiative, business resources usually do not have a specific time limit attached and have fewer restrictions on their use.

The St. Louis Regional Chamber and Growth Association (RCGA) has benefited tremendously from the financial support of regional business leaders. In order to support the region's capacity to finance emerging innovations, the St. Louis RCGA facilitated the creation of an angel fund called the St. Louis Arch Angels. The Arch Angels is an independent, non-profit angel fund established to stimulate the regional economy through the growth of high potential regional companies while earning a competitive rate of return for members of the network. The fund is currently chaired by Gilbert Bickel, senior vice president at Morgan Stanley and a member of the St. Louis RCGA board of directors, and its members include entrepreneurs, CEO's, venture capitalists and business leaders from around the region. As of 2007, the Arch Angels had invested more than $14 million in 12 businesses in just two years.[8]

Organizational Culture

Business leaders add an important perspective and organizational culture to regional initiatives. Accustomed to the fast pace of the corporate world, leaders frequently push for action and can help groups overcome "analysis paralysis." They tend to embrace evaluation using measurable indicators and help keep focus on the ultimate desired outcomes, not input or process metrics.

Because they come from a background not directly related to workforce and economic development, they are able to offer non-traditional approaches to development issues. Similarly, business leaders are often comfortable with taking risks and are willing to experiment with new strategies as long as an evaluation plan is in place.

In Northeast Ohio, Robert "Yank" Heisler, the former chairman of KeyBank and a member of the board of directors of FirstEnergy Corp., helped bring structure and direction to regional efforts. As chair of Team NEO, a business-led regional economic development organization, Heisler guided the organization to define the unmet needs of the region and identify what niche the group could best fill. Accordingly, Team NEO redefined and focused its mission on attracting investment from businesses that are not currently operating in the region. As a result of its new concentrated direction, Team NEO identified 95 new investment leads in 2007 alone.[9]

Table I: The Importance of Regional Business Leadership to Regional Development

Potential Contribution	Value to Regional Development Initiatives
Knowledge	• Insights on business demand • Knowledge of issue areas like workforce training, entrepreneurship, cluster development, etc.
Planning and Operational Expertise	• Application of business methods for planning, financial and project management, organizational development, marketing, etc.
Relationships and Credibility	• Entrées to other leaders in the region, including other business leaders, entrepreneurs, educational leaders, and state and local officials • Involvement of major regional players demonstrates the validity and authority of regional initiatives
Access to Resources	• Time, financial investment, and use of products and facilities to support initiatives
Organizational Culture	• Action-driven, results-oriented approach • Innovative, creative problem solving

The Importance of Regional Development to Business Leaders

In addition to understanding why regional business leaders are important contributors to regional development efforts, regional developers must consider why business leaders should and do care about the success of regional development.

Fundamentally, a company's ability to compete depends on the regional business environment where it operates. Operating in this environment, business leaders confront many of the same issues as workforce and economic development professionals. Some of these issues, and their relationship to regional development initiatives, are fairly well understood, including the importance of a skilled regional workforce, access to capital, physical infrastructure and the regional quality of life.

Additionally, some business issues that have conventionally been considered unrelated to regional development are increasingly being considered by regional business leaders as potential benefits of engagement. As competitiveness experts Michael Porter and Mark Kramer have argued, current trends in business, including the burgeoning importance of corporate social responsibility, mean that participation in regional development activities can help business leaders drive profits through increased employee loyalty, market insight and enhanced corporate reputation.[10]

C-suite level commitment is necessary to reap the full business value of engagement, particularly for regional issues related to corporate reputation.

A recent Council on Foundations study showed that a favorable impression of a company's corporate philanthropy[iii] is directly linked to a favorable impression of the firm's leaders' philanthropic actions.[11] In other words, in order for companies' reputations to benefit fully from their corporate philanthropy activities, senior executives must be active participants. This chapter lays out how businesses can benefit from successful regional development initiatives.

Access to Skilled Workforce

The ability of firms to compete in the global marketplace depends on the talent of the regional workforce. In nearly all site location studies, labor constitutes one of the top three—if not the most important—criterion identified by location specialists.[12] McKinsey published a survey in 2007 showing that 50 percent of CEOs surveyed believed that educational systems and talent constraints will be the most critical issues to address for the future success of their businesses.[13] To fulfill their most immediate workforce needs, business leaders look to the region's workforce system and educational institutions to connect them to trained workers with the right credentials. Internship and co-op programs can be useful mechanisms to accelerate the training and assessment of potential new employees.

Advanced Micro Devices (AMD) faced intense competition for skilled labor when they expanded their manufacturing to Austin, Texas in the 1990s. In order to fill positions, AMD had to recruit and

relocate more than 70 percent of its technicians from outside of the Austin area. The cost to hire these employees averaged approximately $5,000, ten times the cost of hiring locally. In order to boost the skills of the regional labor force and cut its hiring costs, AMD partnered with SEMATECH (a technology development consortium of semiconductor manufacturers) and Austin Community College to create curricula for a new semiconductor technician degree program. The success of the curriculum development partnership spurred AMD to initiate and participate in other regional high-tech workforce development programs.[14]

Over the long term, business leaders are concerned with the entire educational pipeline due to the many benefits that come with greater education. An educated populace is the lifeblood of the future regional workforce and a source of general social benefits, including reduced crime and health care costs. Increasingly, business leaders are collaborating with local colleges and universities to design programs to train those just entering the workforce in skills relevant to regional jobs. Corporate executives are also challenging secondary schools to offer more opportunities for applied learning and learning experiences that put a premium on creativity and innovation.

Leaders of Lockheed Martin have long been concerned about the pending retirement of a large portion of their engineering workforce. To help address this challenge and strengthen the pipeline in Central Florida, the site of its Cape Canaveral operations, Lockheed Martin has partnered with the University of Central Florida and four local school districts to create two master's degree programs in science, technology, engineering and math (STEM) education. Lockheed Martin will benefit from the growth in the pipeline of students trained in STEM disciplines and eventually access to a more skilled workforce. The region benefits from better trained teachers and improved education in STEM disciplines.[15]

Regional Quality of Life
Traditionally, firms have been focused on physical infrastructure—including transportation, utility and telecom systems—because of their direct influence on business operations. Today, with the intensifying competition for talent, firms are embracing a broader view of infrastructure that also considers its impact on quality of life for employees.

In making location decisions, most firms consider how the regional cost of living, educational systems, commuting times and housing availability affect the "livability" of the region for their employees. Other factors, such as climate and the physical beauty of the region, access to cultural and recreational amenities, and social equity issues, can also impact employee recruitment and retention. As a result, many firms are recognizing the benefit of participating in regional development initiatives aimed at these areas.

Dallas-based Texas Instruments (TI) cites regional quality of life as one impetus behind its creation of a minority and women-owned business development program. According to TI, racial tensions and a lack of economic parity for the minority community in the region were jeopardizing the community infrastructure and quality of life. TI was concerned that negative media attention focused on these issues would threaten its ability to retain and attract a skilled workforce and supplier base in the region. By supporting minority and women-owned businesses in the region, TI strengthened the region's business infrastructure, kept the dollars being paid to suppliers in the region, and helped to increase the attractiveness of the region for current and potential employees.[16]

Employee Loyalty

A growing number of businesses are leveraging their contributions to regional development efforts to boost employee loyalty. As a 2007 survey by Cone, Inc., a leading firm in cause branding, revealed, 89 percent of employees who are familiar with their companies' cause programs feel a strong sense of loyalty to their employers.[17] Conversely, companies with poor reputations for social engagement can suffer in recruitment and retention. For example, when a major oil company suffered damage to its reputation on environmental and social grounds, the CEO declared repeatedly that the most negative impact—

and the one that made him fear for the future of his company—was the fact that highly skilled graduates were no longer attracted to the company.[18]

Fred Keller, the chairman and CEO of Cascade Engineering, Inc. and co-chair of the WIRED West Michigan Policy Council, has developed a reputation as an employer of choice through his commitment to regional development in West Michigan. Cascade has collaborated with local workforce boards to create an initiative called Welfare-to-Career to facilitate the transition of welfare recipients into the workforce. Not only are the individuals who gain jobs through this initiative loyal employees at Cascade, boasting an impressive 97.5 percent retention rate, but the company's leadership has created a positive and supportive atmosphere and earned the firm a place on the list of the 25 Best Small to Medium Companies to Work for in America.[19]

Access to Business and Academic Partners

Relationships with other businesses and research institutions in the region are important factors in a firm's innovation process. Business leaders rely on their relationships to generate new product ideas, as well as to better understand and expand their markets. Proximity to other firms can improve productivity and accelerate innovation.

Yet, developing strong relationships between businesses often relies on face-to-face communication and close interaction between individuals and insti-

tutions.[20] By supporting regional development activities like cluster development projects, regional business leaders can help ensure that the region continues to attract and retain other firms and suppliers in their industries. Regional business leaders who participate in entrepreneurship initiatives have the ability to support and direct the growth of new suppliers in the region.[21]

Relationships with regional higher education institutions can be critical to the success of regional businesses. Universities and colleges are a principal source of high value-added human and intellectual capital. They can facilitate the research and development process, provide access to specialized facilities and equipment, and disseminate critical knowledge and technology.[22]

Deere & Co. recognizes that a sustainable business relies on strong, competent suppliers and a supply base that mirrors the diversity of its customers worldwide. To that end, Deere maintains programs to find, qualify and help develop capable small and diverse suppliers. Through a partnership with the State of Illinois Office of the Governor, the Illinois Department of Commerce and Economic Opportunity, and the Northwest Illinois Training Consortium, Deere has administered training to bolster skills of workers across its supplier chain, totaling more than 50 small- and medium-sized companies in the region. Courses in principles of efficient business production and management have been taught at Deere locations and at its supply chain manufacturers across northwestern Illinois. According to Donald DeDobbelaere, manager, global learning & development at Deere: "As John Deere drives to the attainment of a high performance workforce, our supply base also needs to develop a highly competent workforce." Through this partnership, Deere has taken steps to build relationships with regional suppliers in order to ensure the ongoing strength and diversity of its supply chain and simultaneously strengthen the regional economy.[23]

Access to Investors

Business leaders who participate in regional development initiatives can also gain access to new capital investment. The interaction with initiative participants from regional financial institutions, including banks and venture capital firms, can help business leaders form relationships that lead to investment in their firms.

Through regional development initiatives that are focused on intensifying regional entrepreneurship, regional business leaders can also support efforts to engage individual investors and launch angel funds, which may, in turn, build new funding networks.

By actively promoting their support of regional development efforts, engaged business leaders have the opportunity to enhance their image with socially responsible investors. A study by the Social Invest-

ment Forum found that from 2005 to 2007, social investing had increased more than 18 percent while investment in the broader universe of professionally managed assets increased less than 3 percent.[24]

Approximately one-third of shareholders surveyed agreed with the statements that "corporate generosity" (1) affects the bottom line, (2) has positive effects on stock performance, and (3) affects decisions on where to invest.[25]

Market Access and Insight
Participation in regional development initiatives can facilitate access to markets in a number of ways. First, participation can provide regional business leaders opportunities to build relationships with local and state government officials who can offer insights into local regulations and public sector market demand.

Regional engagement appeals to the growing segment of socially conscious consumers. According to a 2007 survey by Cone, Inc., 87 percent of American adults surveyed said that they are likely to switch from one product to another (price and quality being equal) if the other product is associated with a good cause.[26] Business leaders who are active in regional development initiatives can leverage their participation to improve their corporate brand and break into this segment of the market.[27]

Engagement in regional development efforts can also help businesses gain insight into the demands of potential customers and the operating environ-

ments of untapped markets.[28] In particular, there has been a recent trend for firms to focus on inner-city customers. To assist in understanding the particular needs of inner-city markets, a growing number of firm leaders have joined urban development efforts.

Chevron has focused on creating job training and educational opportunities for low-income populations in the region around its San Francisco headquarters to solve business problems such as how to reduce crime at inner-city gas stations and increase sales through better public safety. Through a strategic collaboration with the non-profit, Oakland-based Freedom Fund, Chevron trained regional residents in marketing, merchandising, maintaining inventory and providing customer service at gas stations. The new operators were then assigned to a marginal, crime-plagued gas station in the region. During the first year of operation, occurrences of crime were dramatically reduced and gasoline sales rose more than 30 percent, while store sales increased almost 100 percent. Local residents view the station as a community institution, and Chevron has since expanded its collaboration with the Freedom Fund to fund other training sites. Through this partnership, Chevron has expanded its ability to operate in marginalized markets while improving workforce opportunities in the San Francisco region.[29]

Table II: The Importance of Regional Development to Business Leaders

Potential Contribution	Value to Business Leaders
Access to Skilled Workforce	• Ability to connect with skilled workers and fulfill immediate needs • Prevent workforce shortages by steering and supporting training and pipeline strategies
Regional Quality of Life	• Attract and retain employees by ensuring that the region is a good place to live as well as work
Employee Loyalty	• Build loyalty to the firm by developing a reputation for caring about the region
Access to Business and Academic Partners	• Support innovation by developing relationships with other regional firms, including suppliers, and regional colleges and universities
Access to Investors	• Develop relationships with regional banks and venture capital firms • Attract social investors by developing a reputation for corporate citizenship
Market Access and Insight	• Build relationships with local and state public officials to gain insight about market demands and regulations • Attract socially conscious consumers by creating a reputation for engaging in social issues • Learn about demands and operating environments of untapped markets in the region

Principles and Practices for Engaging Regional Business Leaders

The most effective formula for successful business engagement considers both the benefit to the regional effort from business leader engagement and the benefit that the regional business leader realizes through his participation. In other words, the most successful business engagement will focus on creating a "win-win" for the leader and for the region.

However, the burden rests on regional developers to maximize the impact of business leader involvement. Optimizing the benefits of business participation requires significant effort on the part of the regional developer to meet the needs of the business leaders and overcome cultural barriers that may exist between private, public and non-profit sector participants in the initiative.

While business engagement is an ongoing and dynamic process, there are some general stages that developers will face in launching and executing regional efforts that rely on business leadership: Preparation, Recruitment and Retention. The following recommendations are organized to reflect these stages.

PREPARATION

Preparatory research into the specific interests and networks of potential business participants allows regional developers to craft customized recruitment strategies that are more likely to succeed than a general approach. It also provides the opportunity for regional developers to consider the best way to

cast the roles in the initiative that need to be filled.[30] Even when initiatives are underway, this research will assist regional developers in retaining existing leaders and finding new business participants. The Council recommends that regional developers implement the following steps to make certain that they are pursuing the right business leaders with the right recruitment strategies.

Map Out Leadership Needs
As an initial step in engaging business leaders, regional developers should map the present regional leadership landscape. It is important to understand which individuals are considered to be current and emerging business leaders in the region and consider their potential participation in the context of the initiative goals.

Individual participants may be *required* or *desired*. Required participants must be pursued either because their position (such as the chair of the anchor city's chamber of commerce) warrants inclusion or because of their ability to derail progress if they are not involved. Desired participants have a strong capacity and willingness to play a productive role in the effort, irrespective of their title.

Business leaders who fall into both groups should be identified, and appropriate recruitment strategies developed. In order to select *desired* leaders, it is important for the regional developers to identify the specific skills, knowledge or relationships that will be valuable to the development effort. Based on that assessment, a prioritized recruitment list can be created.

Creating an actual mapping document is helpful as it can be shared with business leader recruits to help make the case for their particular involvement. Additionally, it can be used by other participants to help them identify business leaders in their networks who should be approached. Greater Louisville Inc., the metro chamber of commerce and economic development agency for the Louisville, Ky.-Southern Indiana region, uses a matrix designed by one of its members to plot its needs in terms of representation by geography, industry sector, size of business, special skills and diversity (see Appendix A).

Consider Coordination As Well As Collaboration
In crafting the programs to support the overall initiative, regional developers should identify existing efforts focused on the same challenge or opportunity. Firms sometimes already have their own related programs or philanthropic funding streams established. By identifying these programs, regional developers can not only avoid duplication, but also pinpoint business leaders who are already interested in regional development issues.

When businesses are already active, it may be easier for their leaders to continue these programs (and to continue to justify them internally) than to start over from scratch as a partner in a regional development initiative. By seeking to align the regional initiative with these programs, rather than trying to launch a new competing effort, regional developers can build trusting relationships with business leaders that may lead to further engagement.

The Finger Lakes New York WIRED Region has a significant focus on energizing the region's entrepreneurial economy. Trillium Group, a private equity firm managing early stage capital funds, has been based in the region for more than a decade. Because part of Trillium's work is focused on supporting entrepreneurs and technology transfer, alignment with the WIRED initiative was vital for the success of the WIRED entrepreneurship programs but would never dictate business decisions. The WIRED team, recognizing the value of working with Trillium, invited Jose Coronas, a general partner in the firm, to join the governing board. Coronas' engagement ensured that Trillium played an active role in the regional business plan contest conceived in the initial implementation plan.[31]

Develop a Background Briefing
Before initiating recruitment, it is important to develop background briefing materials that clearly lay out the regional effort and its goals. While business leaders may be generally interested in supporting regional initiatives, they often hesitate to join because they lack detailed knowledge of the issues. In a survey of CEOs conducted by McKinsey, 50 percent of those who take a leadership role in addressing public issues say that having a comprehensive set of facts about, and understanding of, public issues is an enabler of engagement.[32]

Regional developers who offer detailed yet concise insight into regional issues will increase leaders' comfort with participation. Because business executives typically have little time or interest in reading long reports or academic papers, it is particularly important that presentations succinctly describe regional challenges and initiative goals and strategies.

Most WIRED regions have created a menu of presentations as well as a one page document that can be used to introduce the initiative. Some regions have also created a tailored brochure to describe the specific role that they hope business leaders will play.

From an ongoing perspective, it is also a good strategy to keep business leaders informed of key economic and workforce development issues in the region. If leaders already have the background knowledge about the challenge or opportunity, they will generally be easier to recruit.

> To educate potential leaders, the Denver Metro Chamber of Commerce offers a two-day program called Access Denver to new and existing business leaders in the region. The program covers regional political, economic, transportation, water and education issues and introduces participants to the collaborative culture of the region. It also serves as an opportunity for networking between business leaders and for regional developers to begin building relationships with business leaders.[33]

Identify Their Interests

Many business leaders may not have considered the connection between their personal interests, firm needs and regional development initiatives. In many cases, regional developers will need to help business leaders recognize these opportunities and understand how their involvement can create personal or business value. Identifying potential interests and building a recruitment strategy around the relationship of those interests to the initiative will facilitate leader recruitment.

Learning about the potential interests of business leaders during the recruitment stage can be challenging. The easiest way, of course, is to query potential participants directly about their interests. This may not always be possible or appropriate. Often though, colleagues and business intelligence can provide information on the leader's firm and illuminate potential motivations. Data on key business issues facing the firm such as labor or skill shortages, existing relationships with other regional institutions, and the corporate culture as it relates to external relationships, philanthropy/volunteerism and community involvement can reveal potential business interests. Identifying the recruit's personal charitable giving and their close friends who are already involved in the regional effort can also be quite helpful. This information can be used to develop background profiles on each potential participant to guide the recruitment strategy.

Identifying a Business Leader to Chair the Piedmont Triad Leadership Group

Serving a multi-centric region with three anchor cities and eight rural counties, the WIRED manager for the Piedmont Triad North Carolina region determined early on that one of the most important goals of the WIRED initiative would be to develop regional leadership that could bring historically contentious communities together.

The first step to building the Piedmont Triad Leadership Group was to identify a chairperson. For this position, it was necessary to find someone who fit very specific needs:

- In order to lead other leaders in the region, the chairperson needed to be perceived as neutral in all three major areas in the region;

- S/he also had to have enough stature and senior standing in the region to attract other leaders; and

- Ideally, the chairperson would be able to act as a unifier to bring people together despite the traditional rivalries and cultural boundaries that existed in the region.

The Piedmont Triad WIRED team gave a lot of thought to who would be the right person and spoke with a number of local leaders to test their ideas. Based on this deliberation, Don Kirkman, the president and CEO of the Piedmont Triad Partnership, approached Kelly King about the position. King is the chief operating officer at BB&T Corporation, a large national bank headquartered in Winston-Salem, N.C. King had been active in workforce and economic development issues at the state level and in other parts of North Carolina during his career with BB&T. He was not, however, ingrained in the local level leadership of Winston-Salem. He was therefore perceived to have the credibility and authority to run the effort without any deep-seated ties to any part of the region.

When Kirkman approached King, he was very interested in the opportunity. Unbeknownst to Kirkman, King actually had a long-standing personal interest in leadership development. He had participated in a number of leadership development programs and had in fact created the internal BB&T leadership model. He was also very supportive of the regional approach to economic development. King's willingness to participate highlights the importance of mapping out the needs of the initiative and matching the interests of business leaders to the leadership needs of regional development initiatives.

RECRUITMENT

Successful recruitment depends on being able to clearly articulate why an individual business leader's participation is vital to the success of the regional development initiative. Business leaders, more than any other type of leader, want to know exactly:

• What they are being asked to do;

• Why it is necessary that *they* do it (as opposed to any other leader in the region); and

• What the regional developer expects to achieve as a result of his/her participation.

There are a number of steps that developers can take to improve the likelihood of success in recruiting leaders.

Offer Before Asking

Recruitment will often be more successful if initial conversations focus as much on the benefits of participation for each business leader as on his/her expected contribution to the effort. If the initiative is already underway, regional developers would ideally be able to demonstrate how other leaders and their businesses have already benefited from participation. In any case, regional developers should describe all of the potential gains from initiative involvement.

In his early attempts to collaborate with manufacturers, Marv Pichla, the executive director of Thumb Area MichiganWorks! in Mid-Michigan, kept getting the response "show me", as in "show me how this could really help me". Pichla started offering training in areas where small-to-midsize manufacturers said they needed the most help, such as Computer Numerically Controlled (CNC) machining, safety and hazardous energy tutorials, and tools familiarization. By the announcement of the Mid-Michigan WIRED grant, Pichla had already reached nearly 3,000 employees. It was this early success in proving the value that he could provide that led to the successful launch of his next-phase initiative, industrial diversification coaching, through WIRED. This initiative has already engaged 60 employers, 40 more than expected.[34]

Define Expectations

Asking business leaders "to be involved" or "to sit on a board" is not enough. Regional developers should try to explain exactly what that means: Is the business leader being asked to attend meetings monthly? Quarterly? Is s/he expected to help recruit new members through his/her network? To do any other kind of outreach on behalf of the initiative? Will the leader be asked to commit any other kind of resources?

Since there is a legitimate concern that putting too many requests on the table early on can scare leaders off, developers should prioritize the potential roles each leader will be asked to play. The agreed upon roles and responsibilities should be explicit so that business leaders do not feel like they are being trapped or duped into doing more than they realized.

In the Northeast Pennsylvania WIRED region, each organizational body within the WIRED initiative had written expectations for time commitment, responsibilities and goals to be achieved that were accepted by leaders joining the effort (see Appendix B).

Meet One-on-One

Regional developers sometimes assume that business leaders are either too busy to meet with them, or they invite multiple leaders to regional meetings with the expectation that the opportunity to interact with peers will be a draw. However, a face-to-face meeting is typically the best strategy. These personal visits allow regional developers to speak directly to the "expectation" questions above and explain to the leaders why their particular participation is necessary for the initiative, which would be difficult to accomplish in a group setting. One-on-one meetings generally create a greater comfort level and the ability to establish a personal rapport, which can be critical to recruitment.

It is important to note that in some cases it will be more effective to send a close friend or colleague of the target, rather than a regional developer. For many business leaders, the most effective recruiters will be people with whom s/he has a well-established relationship. Peer-to-peer conversations can also be helpful as means to "close" on membership recruitment efforts initiated by the regional developer.

In the Piedmont Triad WIRED region, the leaders of the WIRED Project team identified the top business leaders throughout the region and scheduled individual meetings between the WIRED director and each leader to introduce the WIRED project and explain the importance of their engagement to the success of the initiative. In cases where the WIRED project director did not already know the leaders, colleagues who did helped set up the meetings.[35]

Customize the Pitch

Each recruitment target should be approached with a distinct and customized recruitment strategy. Regional developers often make the mistake of asking business leaders either to participate in all of the activities of the initiative or only to sit on the highest level governing body. The former is usually difficult for business leaders because of time constraints, and the latter is often not appropriate given their interests.

The key is to recruit with a specific request in mind. Ideally, it will be possible to identify the likely motivations of each individual leader and tailor the recruitment pitch to their interests. That said, in the end, it is important to ask potential participants directly about their interests, as they may actually be more interested in a different role. Chapter V presents a classification of business leaders based on their interests and suggests the arguments that are likely to appeal to different leadership types.

Engaging Business Leaders in the Establishment of Lifelong Learning Accounts

The demands of the global economy require constant updating of skills and knowledge, but financing continuing education is a complex issue for employers and employees. Lifelong Learning Accounts (LiLAs) are a solution to this problem where funds saved by the employee and matched by the employer are used for tuition and related course expenses.

In order to create a successful and sustainable LiLA program, the OneKC WIRED team knew that it would be critical to get the input of regional businesses. To build a board of business leaders that would provide the needed expertise and take ownership of the program, Suzy Makalous, the director of Lifelong Learning in OneKC, mapped out the ideal characteristics and backgrounds of board members. She also outlined the required criteria that each member:

- Possess an interest in and passion about workforce development;
- Be committed and dependable;
- Have the time and the influence to open doors at a high level;
- Believe in OneKC itself;
- Be a good, creative thinker and problem solver; and
- Have the desire and interest to make a difference.

Makalous then began holding meetings with business leaders in the region to build enthusiasm for the project. She focused on sharing the ideas of the program and asking for recommendations for board members. This technique allowed both parties to assess whether or not the potential member would be able to make a strong contribution and to ensure both the project's and leader's needs were met.

The first meeting was crucial to the success of the board. Participants shared their motivations for joining the board, which fueled the excitement and helped to create a shared vision of what the program and their participation would accomplish. The new board members also established expectations for the meetings—namely that each meeting would result in specific outcomes. By creating a shared vision and expectations for the board and the program, members built trust and defined clear goals.

So far, the board has not lost any members from loss of interest. Members continue to meet every Tuesday morning at 7:30 and accomplish an impressive quantity of work outside of meetings, including writing grant proposals and requests for proposals. Some members have even taken time off of work to travel with OneKC WIRED to promote the program. The success of the advisory board highlights the importance of knowing the types and skills of business leaders that are needed and establishing expectations of success and progress.

RETENTION

Recruiting is just the initial stage of business engagement; the ultimate goal is to garner the sustained effort and interest of these leaders. To maintain the involvement of business leaders, it helps to develop a structure and plan that reflects the "business" culture. This means providing as much organizational transparency as possible and configuring activities to drive toward measurable action. The following recommendations highlight some of the promising practices in sustaining highly productive business engagement.

Move Beyond the "Time" Concern

The issue of business leaders' time, or lack thereof, is probably one of the most recognized impediments to effective engagement. CEOs confirm this issue themselves: When asked what barriers prevent them from playing a larger role in addressing public issues, lack of time is the No. 1 barrier given.[36] Often, business leaders involved in regional development efforts are eager to participate—they get the issues, they understand the impact of the issues on themselves and their businesses, and they want to be as involved as possible.[38] However, there is a tendency for these leaders to "oversubscribe", which often leads to difficulty in meeting their commitments. Regional developers can best assist these "serial volunteers" by helping them choose the most valuable projects for themselves and the region.

That said, it is sometimes not the actual number of hours that matters—but how those hours are spent. In fact, concerns about time often preclude addressing the real issues that prevent active engagement. Many of the recommendations listed here aim to unveil the obstacles that often masquerade as time concerns.

Provide Structure and Process Clarity

For the most part, business leaders are used to operating in structured and hierarchical environments. With the exception of start-ups and small businesses where everyone usually pitches in on everything, most businesses have a clear and trans-

parent chain of command. However, in regional development initiatives, there is usually no one clear authority—if anyone is in charge, it is the people with the grant funding.

But, as WIRED and other regional development programs have demonstrated, it is not enough to have the grant. Successful regional development requires that individuals and institutions collaborate across geographies, sectors and industries. As a result, regional development initiatives generally have no implicit or obvious structure or decision-making processes. This can be a particularly confusing and frustrating setting for business leaders. Many WIRED regions have overcome this challenge by creating and communicating unambiguous structures for roles and associated responsibilities and decision-making authorities. In general, it is a good idea to hold a board orientation session and develop a board manual for all new members of regional committees.

In the Tennessee Valley, the Valley Innovation Alliance created an organizational chart that showed each role in the regional leadership team and described the responsibilities, decision making powers and expected time commitments for each role (see Appendix C).

In the same vein, OneKC included an explanation of the process for consensus decision making in its implementation plan, as well as an explanation of how decisions will be made if consensus can not be reached (see Appendix D).

Establish Principles of Collaboration

A number of WIRED regions have used some form of principles of collaboration to get commitment from partners and express how they should interact. These documents can be particularly helpful for keeping business partners engaged. In some cases, they can help ease tensions that arise from the lack of structure above by describing the role of the business leader. They can also be used to prevent defensive reactions to new information, which occurs

often in groups that are not accustomed to interacting, and particularly when business leaders try to explain their demands on other sectors.

Maine's North Star Alliance's Partnership Principles establish that the WIRED initiative is industry-driven and industry-led. The principles also stipulate that partners participate by "bringing forth pertinent and creative thought while demonstrating a 'universal' and open approach to new information" (see Appendix E).

Speak a Common Language
Every industry and sector has its own language, including acronyms and specific interpretations of certain words. The acronyms are somewhat easily managed. Regional developers can create or provide an existing reference guide for business and other leaders who are less familiar with the fields of workforce and economic development.[38]

Different meanings and interpretations can be more difficult to overcome. Although it may feel bureaucratic, the best method seems to be using memorandums of understanding and other documents to get things down in writing. This method has been useful for setting goals and principles for collaboration, establishing expectations and defining structures.

Florida's Great Northwest has used a set of operational procedures which describes, among other issues, the terms and term limits of governance council members. It also outlines how resignations, absences and terminations from the governance council will be handled. As a result,

there is limited confusion and misperception regarding the expectations for participation (see Appendix F).

Configure for Action
Phil Rios, the West Michigan WIRED project manager, explains the mindset of business leaders using the following quote: "Didn't we solve poverty last quarter?"[39] Business leaders are accustomed to identifying problems, choosing and implementing solutions, tracking progress, and then moving on, all in a relatively short timeframe. They are often not used to dealing with ongoing, intractable issues like poverty that could take generations to address.

Many business leaders view iterative conversations as a sign that progress is not being made, and sometimes consequently that their participation is not worthwhile. West Michigan WIRED manages this cultural idiosyncrasy by designing policy council meetings to bring closure on specific issues, so that they need not be addressed at future meetings. As Rios advises, "Don't dwell."

Business leaders also do not want to just be used as props—they show they are serious by doing work and accomplishing goals. As James Quigley, CEO of Deloitte, explains, "When board members are called on to provide intellectual capital, they will become more deeply engaged and more fully committed than if they are only asked to write checks."[41] A simple strategy is to ask business leaders to lead meetings and report on their projects. While regional developers may need to help leaders prepare for meetings,

this kind of participation can bring greater account-ability, enthusiasm and commitment to producing results.[42]

In Piedmont Triad North Carolina, the region has traditionally operated as three subregions, and tensions and distrust have run high histori-cally. To solidify the partnerships between the three areas, the PTP WIRED project formed the Piedmont Triad Leadership Group, which is composed of 30 leaders representing each of the three subregions. In addition to providing guidance on strengthening overall regional col-laboration, the group decided early on to pursue two special projects on its own to encourage confidence and interdependence in the group.[43]

Make Sure Their Actions Match Your Words
Once business leaders are participating, it can be easy to forget about why *they* think they are at the table. When this happens, business leaders often start sending delegates in their place or not attend-ing meetings at all. Like any manager, the regional developer needs to step back occasionally to make sure that business leaders' participation aligns with what s/he was asked to do.

In other words, do the business leader's activities in the initiative match his/her agreed upon job description, and is his/her participation being opti-mized? By ensuring their work matches the recruit-ment pitch, business leaders will continue to feel that they are making necessary, unique contributions to the regional development effort and will continue to be actively involved.

Measure and Communicate Progress
Metrics and evaluations are important aspects of any regional development initiative and should be com-municated regularly to all stakeholders. Business leaders, though, are highly outcome oriented and may insist on more frequent progress assessments. Big picture metrics (of economic growth, increased innovation, etc.) take years to demonstrate prog-ress. But by creating benchmarks and setting short-term as well as long-term goals, regional developers can demonstrate that progress is being achieved. Regional developers can also ask busi-ness leaders to define success for themselves.

At OneKC, business leaders on the LiLA advisory board decided that they would define success in part as making decisions every time that they met.[44]

Sometimes, for those serving on high-level steer-ing and decision-making bodies in particular, exactly what is being done is not obvious. Techniques such as mapping progress in meetings against implemen-tation plans or using decision memos to demonstrate progress can help show that these bodies are getting things done. Frequent communication between gov-erning and implementing bodies can also help show business leaders how decisions that they make are taking effect and helping the initiative reach its goals.

Celebrate and Promote
Regular, consistent recognition and rewards are important to business leaders. In the meritocratic and structured environments in which business leaders often work, they are used to having their

contributions regularly reviewed and celebrated. While monetary rewards like raises and bonuses are clearly not appropriate in regional initiatives, there are ways that business leaders can be recognized for their contributions.

Awards are easy to create and sustain, and when widely advertised and celebrated, can help business leaders see the value that they are creating and know that others recognize it as well.

In the Metro Denver region, the Metro Denver Economic Development Corporation (EDC) has created a Metropolitan Cooperation Award to celebrate regional leaders who successfully unite leaders from across the region to support the work of the EDC.[45]

A promotion within the regional initiative can also be a useful method to recognize and reward success. The promotion can consist of moving from one committee to another or taking on more responsibility, but the critical aspect is that it is seen by business leaders as a sign of appreciation and a reward for their contributions.

In Greater Louisville, business leaders often become involved in regional development efforts by joining a committee in one of the local chambers of commerce. As they demonstrate their commitment and understanding of regionalism, they are often asked to join the board of the chamber and then to join one of the regional organizations like Greater Louisville Inc. or the Regional Leadership Coalition.[46]

Table III: The Stages of Business Leader Engagement

Stages	Recommendations
Preparation	1. Map out leadership needs 2. Consider coordination as well as collaboration 3. Develop a background briefing 4. Identify their interests
Recruitment	5. Offer before asking 6. Define expectations 7. Meet one-on-one 8. Customize the pitch
Retention	9. Move beyond the time concern 10. Provide structure and process clarity 11. Establish principles of collaboration 12. Speak a common language 13. Configure for action 14. Make sure their actions match your words 15. Measure and communicate progress 16. Celebrate and promote

Learning From Business Leaders About Needed Skills in the Engineering Workforce

The Mid-Michigan WIRED region is in the midst of a major economic transition from focusing on the automotive sector to expanding their manufacturing and engineering expertise to support a wide diversity of industries. Part of this transition requires building a highly skilled workforce, particularly skilled engineers and technicians, to support these new industries.

In order to provide businesses with employees who are computationally adept, the Mid-Michigan Innovation Team (MMIT) needed to hear firsthand about the initial technological proficiency of new hires and the kinds of training firms have had to provide. With leveraged funding from the National Science Foundation, MMIT created a program called CPACE—the Collaborative Process to Align Computing Education.

MMIT initiated CPACE by creating an advisory board that included business leaders from a range of small to large firms. As in OneKC, a list of criteria for recruitment was created which included that board members:

- Be experts in a relevant field of engineering;
- Be committed to the future of their industry and the workforce; and
- Be willing to leverage their networks to support the initiative.

The last point was crucial. Since a major aspect of the project is to survey regional engineering firms and their employees, advisory board members had to be willing to reach out to their networks to encourage participation in the data-gathering stage. In order to ensure that board members would not be surprised by this survey request, MMIT made this expectation very clear in the initial recruiting conversations. Enticements to join included the caliber of other members and the great networking and business development opportunities that would arise from participation.

After establishing the advisory board, MMIT had to reach out to other regional business leaders to implement the data-gathering piece of the project. In addition to leveraging the networks of the advisory board members, they also distributed a recruitment brochure to potential participants. The brochure describes the project and its impetus, and lays out the three most important pieces of information for business leaders:

1. "How CPACE Will Help You"
2. "Benefits to Participating"
3. "How You Can Help"

Although this project is still underway, the clear communication of expectations, process for participation and benefits to businesses will likely help MMIT attract a number of business leaders to participate. The clear criteria and expectations for the advisory board have certainly helped recruit significant regional business leaders, including representatives from Hemlock Semiconductor Corporation, Kellogg and General Motors, and will serve the board well moving forward.

Appealing to Different Types of Regional Business Leaders

With limited time and resources, regional developers should focus their energy on recruiting those individuals who are most likely to make significant contributions to the initiative. In addition to understanding the general reasons why regional development is important to business leaders, regional developers should ascertain the specific motivations of individual business leaders.

The Council's experience has shown that regional business leaders choose whether to become involved in regional development efforts based on their personal and professional interests in seeing the region flourish, not because of the type of firm for which they work. This chapter explores these interests and suggests recruitment strategies for business leaders based on their particular motivation for participation.

It Isn't About Where They Work

The conventional wisdom in regional development holds that leaders of certain types of firms are more likely to be active participants in regional development initiatives than others. However, active regional business leaders come from a wide variety of firms and organizations.

For example, many regional developers believe that because of the expansion of large, global firms into international markets and locations, the leaders of these businesses are less likely to support regional development initiatives. In fact, leaders of these firms do actively engage in regional development initiatives.

Charles O. Holliday, Jr. is the CEO of DuPont, a large global firm headquartered in Delaware. Holliday helped found an organization called First State Innovation in Wilmington, Del., which focuses on increasing the state's entrepreneurial capacity by growing, attracting, retaining and connecting high growth technology-based businesses and supporting infrastructure.

At the same time, leaders of small and start-up firms also commonly act as effective regional development leaders.

In the Louisville region, Kerry Stemler, president and CEO of KM Stemler Co. Inc., a local logistics firm, has been one of the most vocal and compelling advocates for collaboration between Southern Indiana and the Louisville metro area.[47]

Conventional wisdom also suggests that leaders of headquarter operations are more likely to be engaged in their regions than their branch office counterparts. It may be true that leaders of firms based in the region are more likely to feel a strong personal attachment to the area, as in the DuPont example.

However, as the rest of this chapter will describe, this is only one of the reasons business leaders may become involved in regional development efforts. Due to the increasing decentralization of operations in large global firms, there is a strong trend emerging among these companies to give branch offices

the authority to engage in the community.[48] Often, branches of the same firm are competing for funds internally, and many are finding that being a part of a regional collaboration can help bring community resources to strengthen their effort. In the California Innovation Corridor WIRED region for example, senior executives from Boeing, Lockheed Martin and Northrop Grumman all serve on the board of the initiative because of their significant operations in the region, even though none of the companies are headquartered there.

Not only are leaders of different types of firms similarly likely to participate in regional develop-ment efforts, there seems to be little distinction in the value that they provide. Today's pace of business means both multinational executives and leaders of small local firms share similar time constraints. Leaders in corporate headquarters may be more senior and able to make decisions without oversight, but leaders of branches are increasingly being given the flexibility, and sometimes even their own budget, to support initiatives in their regions.[49]

> Deloitte LLP has created a national grant pro-gram called the Problem Solvers Fund to give Deloitte employees access to the resources needed to support initiatives at offices around the country.[50]

Therefore, regional developers should be highly inclusive in their recruitment of business leaders and focus more on the interests of individuals than their firm affiliation.

It's About Where Their Interests Lie

Rather than differentiating between business leaders based on where they work, it is much more useful for regional developers to characterize business leaders in terms of their specific interests in regional devel-opment. Regional developers who learn about the motives and interests of regional business leaders will be more successful in attracting participants, as well as ensuring that their expectations are met so that leaders stay engaged over the long-term.

Business leaders who engage in regional initiatives can be broadly grouped into four categories:

- Individual Philanthropist
- Individual Strategist
- Corporate Philanthropist
- Corporate Strategist

Each type has comparative advantages and disad-vantages related to their likely long-term commitment, time availability, ability to leverage other resources and independence. While leaders may fit more than one category or evolve over time, the following taxonomy should help regional developers craft effective recruitment and retention strategies.

Individual Philanthropist

Individual Philanthropists are business leaders who become engaged in regional initiatives "because it is the right thing to do". They may have a personal attachment to the region, such as hometown connections, or they may volunteer as a favor to a friend or colleague. In their view, their participation is mostly disconnected from their business. They may leverage their corporate position to help regional efforts, but they do not expect any direct benefit to their career or company to arise from their participation.

Instead, Individual Philanthropists seek personal gratification from seeing their region thrive. They are often concerned with the overall quality of life in the region and with the quality of education. They may also be motivated to ensure that the regional economy remains strong enough for their children to find jobs in the area in the future.

Advantages

Personal attachments can be stronger than business attachments, and therefore the Individual Philanthropist may stay more committed longer.

Individual Philanthropists are not constrained by the interest of their businesses. Consequently, they can participate in and support initiatives that they care about even if they have no logical ties to their firm.

Disadvantages

Individual Philanthropists may not be able to spend as much time or contribute as many resources as they would like since they act independently of their firm. If, for example, the business suffers a bad year of sales, the leader may have to refocus his/her energy internally and suspend participation.

When Individual Philanthropists leave the region or retire, the next leader of the business may not choose to become engaged.

Recruitment Tip

Highlight the value of the long-term initiative impact to their children.

Individual Business Strategist

These business leaders engage in development efforts primarily because they see a benefit for themselves and their careers. For example, an Individual Business Strategist may seek to develop business relationships or to gain valuable leadership experience. However, their participation is not linked to the overall strategy of the business—the leader's personal interest is the motivation, not the firm's interest.

Business Strategists seek opportunities to network with other business leaders in their industry, especially potential suppliers and customers, as well as university representatives and local elected officials. They may also desire opportunities to develop new skills and knowledge.

Advantages

Like Individual Philanthropists, Individual Business Strategists are not constrained by the interests of their firms and can participate in initiatives that offer the personal development opportunities they seek.

The motives of personal development and benefit can inspire strong commitment and a high level of involvement.

Disadvantages

Individual Business Strategists often seek direct and immediate payoffs and benefits from their participation. This can require more effort from other leaders to ensure that the Individual Business Strategist's needs are being met.

Because participation is based on the individual, there may not be a clear strategy to keep the business engaged if the leader leaves his/her position. Like Individual Philanthropists, Individual Business Strategists are typically unable to leverage the resources of their firms.

Recruitment Tip

Explore the business networking opportunities the initiative will provide.

Corporate Philanthropist

Business leaders who engage in regional initiatives because their participation is part of their firm's philanthropy are similar to Individual Philanthropists. In this case though, the business more directly supports his/her participation because it is undertaken on behalf of the firm. Participation is not, however, directly tied to strategic business goals.

The Corporate Philanthropist participates in regional initiatives because s/he seeks intangible business benefits, such as community goodwill and a good regional quality of life for the firm's employees. The business leader may also participate in order to increase employee loyalty, to strengthen the company's reputation and brand, and to build healthy relationships with other institutions.[51]

Advantages
Because Corporate Philanthropists are involved as representatives of their firms, they are often able to draw upon some company resources.

As long as the business' values continue to support engagement, continuity in participation is more secure if the leader leaves his/her position.

Disadvantages
The types of benefits sought by Corporate Philanthropists are generally intangible, which means that they are harder to measure, generally disconnected from the daily operations of businesses, and therefore more difficult to justify to other leaders in the business such as the firm's board.[52] Ongoing engagement may be vulnerable to downturns in the business, which usually result in cutting any activities that are not demonstrably generating revenue.

Recruitment Tip
Stress opportunities for the corporation support to be acknowledged in initiative literature and at initiative events.

Corporate Strategist

Corporate Strategists are those executives who regard the competitiveness of their business as directly linked to the growth and prosperity of the region in which they operate.[53] They participate in order to address specific business needs and strategies. Their participation is often supported throughout the business, and the leaders may draw upon other employees and the firm's resources.

In addition to the intangible benefits described above, business leaders who are motivated by corporate strategy may seek access to tangible assets such as a skilled workforce to address current or forecasted talent shortages. They may also need access to new suppliers or access to or expansion of regional markets. Corporate Strategists often aspire to improve the regional environment for innovation by strengthening company ties to universities and entrepreneurs and to improve the business environment by addressing tax, transportation and utilities issues.[54]

Advantages
The Corporate Strategist is often able to draw upon the resources of his/her business, including other staff, to support regional development initiatives. Often work to support the initiatives will become part of staff members' "day jobs".

Because participation is perceived as being linked to the success of the business, maintaining engagement is often relatively straightforward, even if the leader should leave or retire.

Disadvantages
If the leader participates only because it is in the interest of the company and not because s/he is personally committed, the leader may be a less active and passionate participant.

Recruitment Tip
Focus on the measurable impact of the initiative, both for the company and the community.

Table IV: Potential Recruitment Pitch Points Based on Business Leaders' Interests

Type of Business Leader	Potential Pitch Points
Individual Philanthropist	• Improve the overall regional economy and quality of life • Increase educational opportunities and the availability of jobs in the region • Ensure that your children and grandchildren have opportunities to remain in the region
Individual Strategist	• Develop pertinent career skills such as communication, negotiation, etc. • Network with potential suppliers, customers and others important to your business • Grow and develop your career by providing benefit to your firm and the region
Corporate Philanthropist	• Enhance your firm's reputation by demonstrating commitment to the community • Increase employee recruitment and retention by improving the regional quality of life and employee loyalty • Improve relationships with other regional institutions • Ensure that your firm has the support of the region and the supportive business environment to continue operating in the region
Corporate Strategist	• Improve the quality of the regional workforce • Increase employee and customer loyalty • Gain access to suppliers, customers and other regional institutions to support innovation • Increase access to markets and capital • Ensure that your firm has the support of the region and the supportive business environment to continue operating in the region

Chapter VI

Conclusion

The success of regional economic and workforce development efforts depends on the effective engagement of regional business leaders. In addition to contributing unique knowledge, skills, resources and cultural attributes to regional development initiatives, regional business leaders can be essential to recruiting other regional leaders, driving action and ensuring sustainability.

Historically, many business leaders have been willing to lend their name and position to development efforts to ensure the ongoing livability of their regions. Certain types of businesses, such as banks and utilities that would benefit directly from business recruitment and retention, have been willing to intensively collaborate with regional developers. However, the changing perceptions of the role of business in society are expanding the opportunity and need for business engagement in regional development.

The value of business engagement on regional socioeconomic issues continues to increase—to the regions, the firms and the individual business leaders. A wide array of businesses are recognizing the importance of regional prosperity for their competitiveness, and many business leaders are also discovering how engagement in regional development initiatives offers opportunities for career development and personal satisfaction. The challenge for regional developers is to discover the intersection between regional development needs and the interests of regional business leaders.

As emerging types of regional business leaders like *Corporate Strategists* become more prevalent, successful collaboration will require a heightened emphasis on understanding and accommodating their interests and organizational cultural differences. In general, the newer to development initiatives that business leaders are, and the more they seek to fulfill corporate interests, the more they will approach their engagement with corporate mindsets.

Many WIRED regions are setting leading examples for creating mutually beneficial engagement with business leaders. Policy makers, regional developers and regional business leaders should leverage these insights to promote regional public-private collaborations. Strong regional development efforts, led by business leaders, are essential to the long-term prosperity of America's regions, businesses and families.

The Greater Louisville Inc. Matrix ("The Buddeke Matrix")

This matrix, designed by Greater Louisville Inc. member and former CEO Charles Buddeke, is used to plot existing and needed private sector leaders in preparation for recruitment activities.

Organization Individual	Org. 1 Ind. 1	Org. 2 Ind. 2	Org. 3 Ind. 3	Org. (…) Ind. (…)	Org. 25 Ind. 25	Total Members	Percentage of Members
Special Skills							
Accounting/Finance						3	5%
Legal						1	2%
Marketing/PR						7	13%
Technology					1	3	5%
Fundraising	1	1				7	13%
Strategic Planning	1	1	1			19	34%
Networking & Politics	1	1	1			16	29%
Diversity							
Woman						3	12%
Minority							4%
Under 40						1	15%
Geographic							
Inner City	1					5	20%
Jefferson County					1	13	52%
Other Kentucky Counties						2	8%
Southern Indiana		1	1			5	20%
Size							
Small (1-50)					1	7	28%
Medium (51-500)						7	28%
Large (500+)	1	1	1			11	44%
Industries							
Automotive	1	1	1		1	15	19%
Construction Products	1	1	1			5	6%
Consumer Products	1	1	1		1	17	22%
Food, Farm & Beverage	1	1	1			3	4%
Health, Medical & Pharma	1	1				3	4%
Material Handling Equip.	1	1	1			5	6%
Military	1					4	5%
Mixed Freight	1	1	1			10	13%
Petroleum, Chemicals & Minerals	1	1	1			3	4%
Education						1	1%
Third Party Logistics						2	3%
Transportation Infrastructure	1	1	1			4	5%

WIRED Northeast Pennsylvania Committees

The following committee descriptions are from the WIRED Northeast Pennsylvania implementation plan. Each organizational body within the WIRED initiative, called Wall Street West, has defined expectations for time commitments, responsibilities, etc.

The **Leadership Advisory Group** is responsible for providing information and making recommendations to guide the decisions of the Executive Committee. Group members are obliged to participate on appropriate sub-committees to help drive the strategies identified in the implementation plan. Members are expected to:

- Attend three or four group meetings per year;

- Provide input within his/her field of expertise;

- Actively participate on subcommittees; and,

- Promote the goals, objectives and strategies of Wall Street West with local constituencies.

The **Industry and Community Engagement** committee is responsible for gathering information on all aspects that will impact Wall Street West/WIRED objectives and for disseminating that information via the proper vehicles (e.g. media releases, public events, or one-on-one meetings). The committee will also:

- Gather target sector information for firms identified for and/or considering relocation to Northeastern PA;

- Develop a business lead process addressing how this information will by handled and by whom;

- Establish a Business Attraction Team with region-alism being the guiding principle;

- Develop a system that will:
  - Transform how communications are handled throughout the WIRED region;
  - Demonstrate the integration of workforce development and education at all levels; and,
  - Highlight the economic development partnerships leading the region's transformation.

- Develop a clear message that everyone understands via talking points for diverse audiences and a set of frequently asked questions (FAQs);

- Significantly increase Wall Street West/WIRED visibility;

- Create a Web site and printed materials to support outreach and client recruitment;

- Provide input and advice on the allocation of resources within the program; and,

- Support the Legislative Affairs committee on various issues.

The **Legislative Affairs** committee is responsible for creating and coordinating the Initiative's overall legislative message and for developing awareness among the legislative arms of the federal, state and local government by providing information about the Wall Street West/WIRED objectives. The committee must identify how WIRED objectives fit the issues that the legislator cares about and his/her individual aspirations. The committee members should also leverage relationships with influential representatives at key times and be ready to speak on behalf of Wall Street West/WIRED.

The **Human Capital** committee is responsible for the development of a regional human capital gap analysis and the implementation of workforce programs (i.e. training and education initiatives to meet the needs of the target sector). The committee will have to:

- Prioritize the region's human capital needs;

- Identify potential resources to fill those needs;

- Spread awareness across the partnership and the region; and,

- Develop an integrated and sustainable regional workforce development system.

Valley Innovation Alliance WIRED Regional Governance Leadership Structure

As part of the Valley Innovation Alliance (VIA) WIRED implementation plan, descriptions and responsibilities were included for each role in the Governance structure.

The Leadership Structure consists of the following components:

1. The **Regional Leadership Team** consists of regional leaders who "champion" the growth and development of our targeted industries. They may represent political, educational or business interests and provide high-level guidance and support to the effort. This group will determine the metrics for measuring progress, engage in building regional identity, provide feedback to the Action Committee and identify opportunities for sustainability. In addition, members of the Regional Leadership Team may be recruited by the Action Committee to serve as reviewers for project proposals. At quarterly meetings, the Regional Leadership Team will be briefed on the status of the region and given the opportunity to voice comments, suggestions and concerns regarding the projects and progress. The Regional Leadership Team represents the universe from among which the members of the Action Committee are recruited. The Executive Director will identify the Regional Leadership Team with input from the Implementation Team.

2. The **Action Committee** serves as the organizing and decision-making body for the WIRED region. Its membership will be drawn from the Regional Leadership Team and shall have representation from the targeted industry clusters, secondary and post-secondary educational systems and economic development and workforce leaders. This group will meet monthly, in person or by conference call, to provide guidance on strategic direction, status of Innovation Team projects and measures of progress. The committee will take a lead role in resource allocation by establishing proposal review teams and, based upon the advice of those teams, will determine which projects receive funding. The Executive Director will select the Action Committee with input from the Implementation Team.

3. An **Executive Director** will oversee the implementation of the region's goals and strategies and serve as the focal point for collaboration and organization across the region. This position will have lead responsibility for general administrative oversight; reporting on project progress against the Implementation Plan and ensuring that performance metrics are met; engaging and supporting the regional leadership team, advisory council, data team and action council; and being the public spokesperson for the WIRED initiative across the region and leading the advocacy, media and public relations efforts related to WIRED.

4. An **External Advisory Council**, drawn from members outside the VIA region, will meet every six months to evaluate the region's efforts and make appropriate recommendation regarding structure, governance, and progress towards achieving regional goals. NOTE: This group may include representatives from other WIRED regions and Federal agencies, where appropriate.

5. The **Data Team** will use the DOL-provided WITS or similar web-based software solutions that combine core and enhanced datasets with GIS mapping capabilities in the day-to-day data collection and analysis, focusing on performance trends and metrics to aid economic development and workforce-related decisions across the region, as identified by the Regional Leadership Team.

6. **Innovation Teams** will be tasked with the implementation of specific goals and projects supported by WIRED funding. Each innovation team will be focused around a specific initiative or funded proposal. These working groups represent the actual on-the-ground activities of the WIRED VIA initiative and are linked to a designated member of the Action Committee for guidance and progress reporting. Innovation Teams will function based on the scope and timeframe of a project. It is anticipated that several may form and dissolve across the WIRED funding cycle. Other, long-term projects may exist for several years as the work continues.

7. **Fiscal Agents**: VIA funds will flow from the US Department of Labor to the Alabama Department of Economic and Community Affairs (ADECA), who will provide technical assistance, monitor implementation of the initiative, conduct oversight and monitoring of grant activities, coordinate with the USDOL/ETA on grant issues, provide financial and programmatic reports to the USDOL/ETA, etc. as required for grant administration. ADECA will contract with Calhoun Community College as the local fiscal agent for the grant. Calhoun will ensure proper accounting procedures and serve as local point of contact with the state on financial and grant management issues.

Table VI: Valley Innovation Alliance WIRED Leadership Structure

Regional Leadership Team
(drawn from all partner groups across the region; responsible for determining metrics, sustainability and building a regional identity)

Action Committee
(day-to-day operations)

External Advisors
(evaluation)

Local Fiscal Agent
(Calhoun Comm. College)

Data Team
(gathers assets & metrics)

Executive Director
(project manager)

administrative
assistant

Innovation Teams
(composed of the members who are responsible for a funded project; teams form and dissolve as needed based on project scope and timeframe; each team reports to a member of the action committee)

Project 1 (e.g. STEM skills pipeline)	Project 2 (e.g. technology transfer initiative)	Project 3 (e.g. entrepreneurial activities)
Project 4	Project 5	Project 6
Project 7	Project 8	Etc.

OneKC WIRED Decision Making Process

The OneKC WIRED implementation plan included an explanation of the process for making decisions in the initiative in order to provide process clarity:

> While decision making by consensus is preferred, it may not always be possible. In such cases, it will be the role of the Executive Committee to carefully evaluate specific issues (e.g., problems, opportunities, progress, etc.) and to prepare "position statements" or recommendations for consideration by the Steering Committee. While the Executive Committee likely will share views and positions similar to those of the Project Director, it also is possible the Executive Committee could advocate alternative positions and make recommendations contrary to the Project Director's position.

Maine's North Star Alliance WIRED Initiative Partnership Principles

Maine's North Star Alliance WIRED Initiative included partnership principles in its implementation plan to set the standard for how participants should interact in the initiative:

Maine's North Star Alliance Initiative is industry driven, industry led.

Maine's North Star Alliance Initiative's partners all have an equal voice.

Maine's North Star Alliance Initiative's partners will be treated respectfully and professionally and be shown due courtesy.

Maine's North Star Alliance Initiative's partners will make every attempt to resolve conflicts where they occur and accordingly be responsible for their actions.

Maine's North Star Alliance Initiative's partners will be encouraged to actively participate in all Initiative activities by bringing forth pertinent and creative thought while demonstrating a "universal" and open approach to new information, and by demonstrating positive support for the Initiative, both within the partnership structure and to the State of Maine as a whole.

Florida's Great Northwest WIRED Initiative Operating Procedures

The operating procedures of the WIRED Northwest Florida Initiative help overcome differences in meaning in language by putting expectations and procedures on paper.

Article I—Name, Purpose

Section 1
The name of the WIRED Northwest Florida Initiative oversight group shall be the WIRED Northwest Florida Initiative Governance Council.

Section 2
The WIRED Northwest Florida Initiative Governance Council is organized exclusively to oversee the WIRED Northwest Florida Initiative grant implementation for Florida's Great Northwest, Inc. (FGNW)

Article II—Governance Council

Section 1: Council Role, Size, Compensation
The Governance Council is responsible for overall policy and direction of the WIRED Northwest Florida Initiative, and delegates responsibility for day-to-day operations to the WIRED Northwest Florida Initiative Director, subcouncils and committees. The Governance Council is accountable to the FGNW Board of Directors. The Governance Council shall have at least 25 and no more than 35 members. A majority of the Governance Council members will represent private business employers. The Council members receive no compensation other than reasonable expenses.

Section 2: Meetings
The Governance Council shall meet as needed, at an agreed upon time and place, to fulfill the responsibilities of the WIRED Northwest Florida Initiative. All meetings shall be publicly announced and open to the public.

Section 3: Council Chairmanship
The Chairman of the Governance Council shall be appointed by the FGNW Chairman and shall serve a term of one year. The Chairman of the Governance Council may be reappointed for subsequent terms.

Section 4: Terms
All Governance Council members shall serve three year terms and are eligible for reappointment. Initial term duration may be shorter to facilitate a rotational appointment schedule.

Section 5: Quorum
Fifty percent of Governance Council member participation at any meeting shall be designated as a quorum and must be achieved before business can be transacted.

Section 6: Notice
An official Governance Council meeting requires that each Governance Council member have written notice ten days in advance. Electronic communications are an acceptable form of written notice.

Section 7: Resignation, Termination and Absences

Resignation from the Governance Council must be in writing and received by the Governance Council Chairman or the Director, WIRED Northwest Florida Initiative. A Governance Council member shall be dropped for excess absences from the Governance Council if s/he has three unexcused absences from Governance Council meetings in a year. A Governance Council member may be removed for other reasons by a three-fourths vote of the remaining Governance Council members or by affirmative vote of the FGNW Executive Committee.

Section 8: Special Meetings

Special meetings of the Governance Council shall be called upon the request of the Chairman or one-third of the Governance Council. Notices of special meetings shall be sent to each Governance Council member no less than 3 days in advance of such special meeting.

Article III—Subcouncils, Committees

Section 1

Advisory Councils for each of the identified targeted industries in the WIRED Northwest Florida Initiative shall be formed. The Governance Council may create subcouncils and committees as needed with approval of the FGNW Executive Committee. The FGNW Chairman appoints all council and committee chairmen.

Article IV—Conflict of Interest

Section 1

All Governance Council members shall be notified of FGNW's Conflict of Interest Policy and shall agree to abide by said Policy.

Article V—Amendments

Section 1

These Operational Procedures may be amended when necessary by a two-thirds majority of the Governance Council, subject to final approval by the FGNW Board of Directors. Proposed amendments must be submitted to the Director, WIRED Northwest Florida Initiative to be sent out with regular Governance Council announcements.

These Operational Procedures were approved at a meeting of the Governance Council on May 18, 2006.

Terms and Notes

i   The term "regional development" is used here to describe any activity or organiza-
      tion related to economic, workforce or community development. The term "regional
      developers" refers to any professional involved in economic, workforce or community
      development.

ii   The term "demand-driven" refers to workforce development systems that link skill de-
      velopment efforts to the short- and long-term needs of the economy. Demand-driven
      development is flexible and able to adapt quickly to changing economic conditions. It
      is characterized by on-going communication and alignment with economic develop-
      ment organizations, employers, workers, educators and government.

iii   The Council on Foundations defines corporate philanthropy as "those activities that
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About the Council on Competitiveness

WHO WE ARE

The Council's mission is to set an action agenda to drive U.S. competitiveness, productivity and leadership in world markets to raise the standard of living of all Americans.

The Council on Competitiveness is the only group of corporate CEOs, university presidents and labor leaders committed to ensuring the future prosperity of all Americans and enhanced U.S. competitiveness in the global economy through the creation of high-value economic activity in the United States.

Council on Competitiveness

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HOW WE OPERATE

The key to U.S. prosperity in a global economy is to develop the most innovative workforce, educational system and businesses that will maintain the United States' position as the global economic leader.

The Council achieves its mission by:

*   Identifying and understanding emerging challenges to competitiveness
*   Generating new policy ideas and concepts to shape the competitiveness debate
*   Forging public and private partnerships to drive consensus
*   Galvanizing stakeholders to translate policy into action and change

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