

Landing the Big One: A Case Study of Business Attraction Do's and Don'ts

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Though business attraction has taken a back seat to other economic development strategies in recent years, there are few accomplishments in an economic developer's career that will provide greater satisfaction than landing the "big one." There also are very few activities that can have such significant, immediate impact on a community's economic landscape.

In previous work as a business attraction project manager at a state economic development agency, I worked on many business attraction projects and gained valuable insight on the process from various site selectors. Below are some lessons for economic developers gleaned from one particularly large and significant project.

Before going into the actual details of the project, there's one important point from which everything else flows: Preparation for landing an attraction project starts well before the local economic developer ever receives the inquiry. Once the inquiry comes in, the window of time to respond is often small. This makes it essential that economic developers keep up-to-date records of available sites, as well as relevant community information, assets, and local stakeholders.¹

- *Local economic developers who aren't aware of available sites or are unable to respond quickly often lose out on opportunities before they even arise.*

Now, let's move on to the actual project.

Communities spanning three states received an inquiry from a site selection consultant. An international advanced manufacturing company (that wished to remain anonymous for the initial phase of the project) was looking for a 100-acre greenfield site near an interstate highway. The project was estimated to create, at minimum, 300 high-paying jobs and lead to \$750 million in private investment.

Over 100 communities submitted sites for the project. The site selector reviewed all of the submissions and narrowed the list to 13. The finalists then were asked to complete a lengthy questionnaire in less than 72 hours. Most of the communities that I was in contact with expressed their displeasure with the limited notice; one even dropped out because it couldn't meet the deadline. The communities that could had two things in common: the economic

developers had done their homework by inventorying local assets, and knew who to call to get the answers they didn't already have.

- *It is essential that local economic developers know their workforce and demographic information as well as other local assets. They also should be prepared to pick up the phone to ask for assistance when needed, and know whom to call.*

The site selector eliminated four communities through the questionnaire process, leaving nine communities in three states vying for the project.

Nine communities were notified that they had advanced to the next round. Now it was time to meet the site selector and review technical details outlined in each community's submission. The site selector requested that each local economic developer meet him at the site with representatives from the electrical utility, the municipal sewer and water utility, and the railroad adjacent to the site.

As the state project manager, I accompanied the site selector to all four of the sites in my state and then dropped him off at a hotel near the state border so he could go through the process with my counterpart the following day. While the site selector referred to the visit as a technical feasibility visit, it would also prove to be a listening test that some communities would fail.

One local economic developer opted to bring an elected official in place of the representatives requested by the site selector. During the visit, the elected official made his political beliefs known but provided very little information about the actual site. The community didn't make it to the next round.

- *Listen to site selectors' requests and give them what they ask for. Politicians and technical or feasibility visits often do not go together. There will be a time when the site selector or company decision-makers will want to meet elected officials. Let officials know that they will get their time, and bring them in when it is appropriate.*

Another economic developer decided to send his administrative assistant in his place (he later explained that he didn't think the project was worth his time). His absence led to the site selector's concern that the community wasn't fully committed to seeing the project come to fruition, and the site was removed from consideration. (The site selector later indicated that the site had ranked at the top based on the community's initial response, but he couldn't recommend it to his client because of the community's perceived lack of motivation.)

- *An economic developer must be engaged with clients and show the ability to meet their needs. A company that is about to make a significant investment wants to be sure that it is wanted by the community and in capable hands when moving through the development process.*

The first round of visits were completed and one community received notice that it was still under consideration – with the caveat that privately held land, directly across the interstate from the original proposed site, be made available in its place.

Some might have given up at this point, but instead, the local economic developer rallied her board of directors and local partners to help identify the multiple owners of the new, 300-acre tract and convince them to sell. That also meant re-addressing many site-specific questions that had been answered during the original submission process. Within a week's time, the site had completely changed and the community moved on to become one of three finalists.

- *Economic developers must be prepared for the unexpected. Board members and other economic development stakeholders should be kept up-to-date and be prepared to respond quickly as well.*

The site selector announced that the list had been narrowed down to three sites – one in each of three neighboring states. There would be one more site visit that would include company officials.

On the final visit, the site selection consultant brought a group of company officials to experience the community firsthand. Local business and civic leaders presented to site selection team, who in turn went over the details of the project, including the timeline of the decision-making process. At the end of visit, the site selection consultant divulged the name of the company to a handful of state and local stakeholders and asked us to keep it confidential until after the company made a decision and made it public.

This same scenario played out in each of the three communities. Then an elected official from one of the rival sites casually mentioned the project in an interview with the local paper. That community's economic developer received a phone call within 48 hours of the reporter's story hitting the press. On the other end was the consultant, saying that the community was no longer in the running for the project due to a breach of confidentiality.

- *If confidentiality is requested, it must be honored. Economic developers should educate community leaders on the importance of client confidentiality.*

And the winner is....

The final two communities were asked to bring a delegation to the company's headquarters. This was one last chance to go over questions about the project and allow each community to give its final sales pitch and incentive proposal.

After the meetings, the community I was assisting noticed a lag in correspondence from the company and the site selector. Rumors persisted that the project was moving forward at the other site. A few weeks passed before we received word that the site selector would like to update our delegation on the project; we then were informed that the company had chosen our location. (We later discovered that the company initially chose the other site before discovering environmental contamination that abruptly halted the project.)

- *Economic development professionals must be patient yet persistent. They should be careful not to burn bridges or be overly pushy, but not afraid to ask a site selector or company official for updates. The site selection process takes time.*

The project described in this article highlights the odds stacked against the economic developer when fighting for business attraction projects: Over 100 sites were submitted, and just 13 made the first cut. Ironically, the winning site wasn't even a site until relatively late in the game. This also shows the importance of the local economic developer's role.

This project proved to be a special one, announced with great fanfare. The company's CEO spoke, as well as the governor, and many other dignitaries were on hand. The company sponsored a day-long festival to coincide with the announcement. Since the company started operations at the site, it has expanded three times, leading to over \$ 1 billion in private investment and the creation of hundreds of jobs. It also kick-started the revitalization of crumbling Rust Belt community.

Business attraction isn't easy. But for economic developers who do their homework and are responsive to and respectful of their clients' needs, the payoff can be big.

¹ IEDC's website provides a wealth of information on how to do this, including data standards worksheets that walk you through the process. This information can be found at http://www.iedconline.org/index.php?p=Data_Standards.