



Madison Region's Strategy for Economic Growth



PHASE 2: MARKETING REVIEW

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Thrive is the economic development partnership for the eight-county Madison Region with a vision to create a dynamic environment where people and businesses prosper. We create value with initiatives that focus on long-term, sustained results aimed at building the region's competitive advantage while preserving and enhancing quality of life. Thrive works in the spirit of collaboration to ensure resources are available to the people and organizations that do business here. We serve the Wisconsin counties of Columbia, Dane, Dodge, Green, Iowa, Jefferson, Rock, and Sauk.

LIVE WORK GROW

Market Street brings original insights and clarity to the evaluation and revitalization of the places where people live, work, and grow. Through honest and informed assessments, *Market Street* can equip you with the tools to create meaningful change. Our solutions successfully merge our experience and expertise with the economic and social realities of our clients. *Market Street's* community partners are successful at creating stronger programs, increasing operational budgets, and creating new quality jobs with competitive wages that improve the quality of life in their communities.

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ADVANCE NOW OVERVIEW

The Great Recession has significantly altered the economic landscape of the United States. While some communities are trying to “get back on track,” the **Advance Now** process is a deliberate and proactive effort to strategically position the Madison Region to take advantage of economic opportunities as they reemerge. The Madison Region enjoys tremendous assets, but has, at times, struggled to translate these strengths into economic opportunity.

Regional leaders are thinking anew about the Madison Region’s competitive advantages and the need for visionary, aggressive new initiatives to harness these opportunities. *Market Street Services* has partnered with Thrive to coordinate **Advance Now**, a formal Comprehensive Economic Development Strategy planning process that will systematically move the Madison Region’s economy forward. **Advance Now** will unite fragmented economic development efforts with a comprehensive action-oriented strategy that will enable the eight-county region to compete on a larger scale in today’s global marketplace.

Led by an engaged Strategy Committee of regional leaders from a wide representation of backgrounds, the **Advance Now** process is intended to create an actionable strategy that will not sit on the shelf. The final outcome of this four-phase process will be a detailed program of work for Thrive’s leadership, professional staff, and regional partners to leverage new opportunities that concurrently strengthen the region’s business climate, create new jobs with competitive wages, and preserve and enhance quality of life across the region.

Phase I. Competitive Assessment & Stakeholder Input: The Competitive Assessment provided a detailed look at the eight-county Madison Region’s demographic, socioeconomic, and economic trends in recent years compared to the metro areas of Austin, Texas; Des Moines, Iowa; and Lincoln, Nebraska, as well as the state of Wisconsin and the nation. The realities of the regional economy, well-being of residents, and growth and development of the community were examined. In addition to a community-wide online survey, a series of focus groups and one-on-one interviews were conducted with key stakeholders from throughout the Madison Region to complement the quantitative findings of the Competitive Assessment. This input will directly inform the recommendations of the five-year strategy.

Phase II. Target Cluster Analysis & Marketing Review: The Target Cluster Analysis draws on Phase I research and input to provide a look at the Madison Region’s

economy that goes beyond traditional measures of current and potential future economic activity. Leveraging Thrive's current targets and key stakeholder input, the end result is a well-refined list of business clusters that highlights the most important existing and the most promising emerging targets for Madison's regional leaders to pursue.

The Marketing Review component of this phase assesses the Madison Region's image among national site location professionals and identifies best practice economic development marketing programs across the country.

Phase III. Advance Now Strategy: The **Advance Now** Strategy will serve as a tool unifying Thrive and its regional partners across the eight counties behind a consensus blueprint for economic development in the region. Developed in collaboration with the Thrive staff and driven by the volunteer leadership of the Strategy Committee, the final Strategy will be a detailed and visionary game plan of goals, objectives, and actions to achieve over a five-year period. The Strategy will also position Thrive to obtain a federally approved Economic Development District designation for the eight-county Madison Region.

Phase IV. Implementation Plan: If the Madison Region's **Advance Now** Strategy determines the "what" of the eight-county Thrive region's preferred future, then the Implementation Plan answers the "how." The Implementation Plan is a playbook that will guide the launch of **Advance Now** and drives its ongoing momentum through the five years of implementation. It will provide capacity assessments, measurement tools, plans for years one through five, and other information necessary to successfully implement the **Advance Now** Strategy across Thrive's public- and private-sector partners in the eight-county region.

MARKETING REVIEW

It has often been said that perception is reality, and this is especially true in the economic development arena. Regions become and remain competitive by creating a quality business environment and marketing the advantages and amenities that will provide the needed edge over otherwise comparable communities. However, in some cases there is a disconnect between identifying the community's strengths and communicating these assets to prospective firms and decision-makers. In other cases, a region has not created a singular identifiable image for itself, and as a consequence, the multiple messages being sent are lost in the "noise."

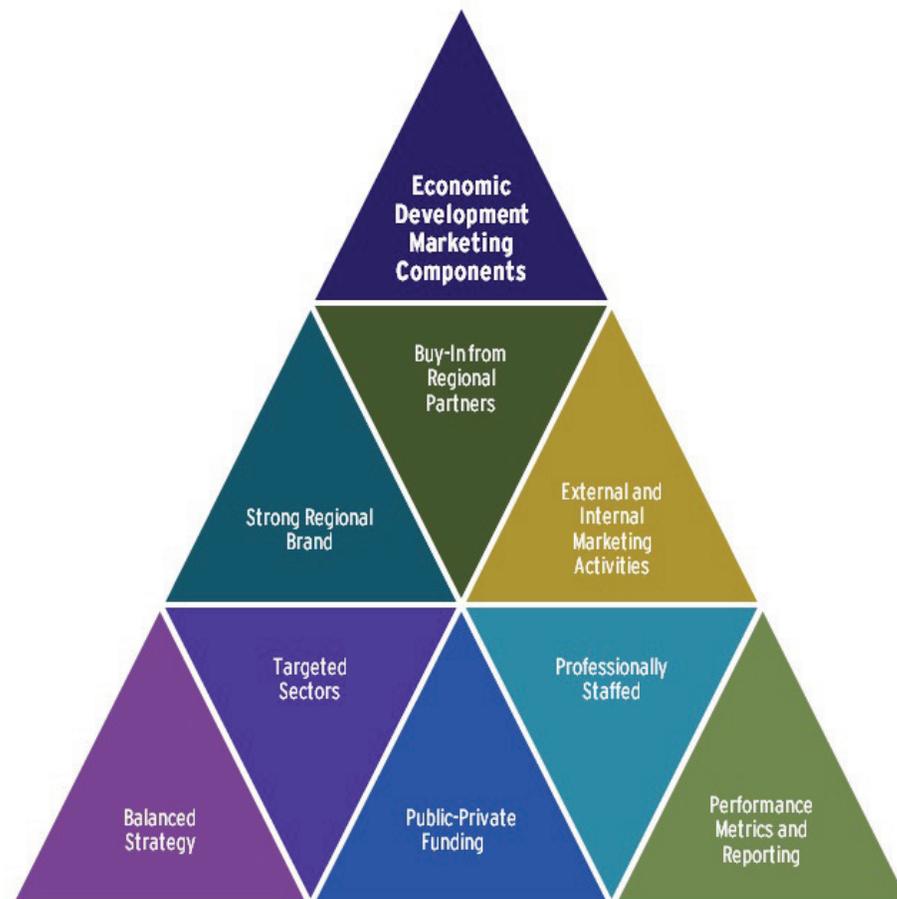
As part of the Madison Region's **Advance Now** process, Thrive is establishing its marketing message for the eight-county region it serves. A component of this process requires understanding how the Madison Region is perceived by corporate site location experts and what best practice programs can be applied to the forthcoming **Advance Now** Strategy.

This Marketing Review is composed of three parts. First, the report will outline the characteristics and components of best practice economic development marketing campaigns and programs. Next, national best practice marketing initiatives and organizations will be reviewed, elements of which may inform the objectives and actions of the **Advance Now** Strategy. The last piece in the Marketing Review is an image assessment, a summary of findings from *Market Street's* phone interviews with four nationally-respected site location professionals on their candid views of the Madison Region.

The first research phase of **Advance Now**, the Competitive Assessment, surveyed residents, workers, and business leaders in the Madison Region about their insights into and visions for the region. The second and current phase, comprised of a Target Cluster Analysis and Marketing Review, evaluates the business sectors with the greatest strategic opportunities for the Madison Region and interviews corporate location experts about their perceptions of the region as a place for business relocation and expansion. These quantitative and qualitative research efforts constitute two of the pieces that are needed to fully understand what the Madison Region's image is and what its marketing message should be, which will then inform the region in developing a unified economic development message.

Components of Economic Development Marketing

Every year, the playing field of economic development becomes increasingly aggressive and competitive, as countless U.S. regions and communities contend for a very limited number of projects. Economic development organizations (EDOs) that succeed in marketing their regions and winning these coveted relocation and expansion projects share several fundamental characteristics:



- Their activities are targeted and driven by diverse strategies, their programs are sufficiently funded by a balance of public and private regional partners, and the organization is professionally staffed.
 - The programs give balanced attention to all three “legs of the stool” of economic development strategies—existing business retention and expansion, small business and entrepreneurship development, and recruitment and attraction.

- These successful EDOs are supported by the regions they serve because these regions have a strong brand and work well as a team for holistic regional economic development.
- The EDOs ensure the localities they serve are investing in adequate road, air, and rail infrastructure, Class A office space, high-quality developable land, and utility-served, flexible buildings, physical assets that can be effectively communicated to location decision makers.
- These organizations are steered by both internal and external marketing tactics that are cutting-edge and frequently evaluated and updated.
 - External marketing is comprised of all the efforts and messages focused at communicating with outside target audiences about the region's competitive assets and advantages. An external marketing plan details the campaign's objectives, identifies target audiences, and balances necessary diverse strategies to access these audiences.
 - Internal marketing seeks to develop and foster name awareness and positive perceptions of the EDO within the region it serves. Internal strategies direct the EDO in establishing its unique brand, generating widespread understanding of its organizational role, and building trust among regional partners and stakeholders.
 - In both internal and external marketing activities, the design, branding or message, collateral, social media, and data to support and communicate the campaign are clear, high-quality, up to date, and relevant to the targeted audiences.
- Successful EDOs track and report the implementation and outcomes of their strategies through a budget, calendar, and performance metrics.

Best Practice Review

Market Street has identified the following organizations, programs, and initiatives as best practices with wide application to other communities, including the Madison Region.

Recommended strategic actions to be later detailed in the **Advance Now** Strategy will be best practice-driven, aggressive yet grounded in realities, and based on what *Market Street* heard from the Madison Region's leaders and stakeholders. *Market Street* is committed to balancing new, innovative ideas with the core programmatic elements needed to grow and sustain a high-capacity and effective marketing program for Thrive and the Madison Region through **Advance Now**.

Market Street maintains an extensive library of best practice programs, processes, organizations, and efforts for application to key competitive opportunities and challenges identified through our comprehensive research process. Marketing best practices that may later inform the **Advance Now** Strategy were selected based on their specific relevance to the Madison Region's needs, based on conversations with national site selectors and corporate relocation professionals. Ultimately, Thrive's leadership should utilize these best practices as guidelines and programmatic models for implementation of efforts that are custom-tailored to the Madison Region's final **Advance Now** Strategy.

INBOUND MARKETING—GREATER MEMPHIS CHAMBER OF COMMERCE *Memphis, Tennessee*

<http://www.memphischamber.com>

In 2011, the Greater Memphis Chamber of Commerce hosted a Red Carpet Tour for 17 site selectors who help large companies make site selection decisions for corporate headquarters, manufacturing sites, call centers, and other operations. The event focused on showcasing the region to location advisors and building relationships between these consultants and elected leadership and economic development professionals at the local and state level. The one-day event included a lunch at the Peabody, Downtown Memphis' historic luxury hotel, and a bus tour of major assets in the region.

To demonstrate the strong partnerships between the private sector and government officials at the local and state level, Tennessee Governor Bill Haslam, Memphis Mayor A.C. Warton, Jr., and Shelby County Mayor Mark Luttrell spoke to the site selectors in attendance. Other speakers included *Site Selection* magazine editor-in-chief Mark Arend and FedEx founder, chairman, and CEO Fred Smith.

The group toured the region's major logistics cluster assets: the Mississippi River and Port of Memphis, interstates, CN-CSX Intermodal Gateway, FedEx Super Hub, and Memphis International Airport. Fred Smith praised FedEx's experiences with the airport.

The tour also traveled to sites aligned with the region's biosciences target, including the Memphis Bioworks Foundation, Frank C. Pidgeon Industrial Park (which houses Electrolux Home Products' manufacturing facility), international medical device company Smith and Nephew's orthopedic reconstruction and trauma headquarters, and the rapidly-growing life science and medical device corridor in Bartlett, a community in northeast Shelby County.

In addition to the site selectors learning more about the assets of Greater Memphis, the tour gave Chamber and government leaders the opportunity to learn about emerging trends in location criteria that the consultants were experiencing firsthand with clients, and to establish personal relationships for future prospects.

Past tours have resulted in direct job creation in the region; the most notable recent example is Mitsubishi Electric, which this year began construction on a \$200 million, 350,000 square-foot transformer factory in Memphis that will bring 200 high-skill jobs to the region. Mitsubishi Electric was personally introduced to Greater Memphis through a Red Carpet Tour after the metro area was short-listed for the transformer facility.

SITE SELECTION AND DATA TOOL—INDY PARTNERSHIP

Indianapolis, Indiana

<http://www.indypartnership.com>

The Indy Partnership, the regional business development and research organization for the nine-county Indianapolis region, represents local economic development organizations and coordinates contact with and response to relocating and expanding firms.

The Indy Partnership's research department utilizes GIS mapping tool InSite which provides single-screen thematic layer data and point data for site location decisions and generation of customized reports from InSite's datasets.

Detailed property information can be mapped by preferences, including size parameters, sale or lease, ceiling height, price, zoning, contiguous space, transportation infrastructure access, and specific locations. Selected properties can then be compared side-by-side and sorted by size and price.

InSite also features mapping of companies in the ten-county region, searchable by industry (two-digit NAICS), county, firm size, and revenue. Demographic and workforce data is also available.

The customized maps and reports can be downloaded, printed, or e-mailed. While InSite is intuitive—the platform is Google Maps—the website also offers an illustrated tutorial.

Council for Community and Economic Research (C2ER) recognized Indy Partnership with the “Excellence in Research Projects Supporting Business Development” award in 2010. Due in part to the InSite tool, the Indy Partnership was awarded “Best Economic Development Website” in 2009 by the International Economic Development Council (IEDC) and has been recognized by Site Selection magazine for being “one of the best economic development websites we’ve ever seen.” Indy Partnership staff have attributed the InSite tool and quick workforce data on the website as critical elements of closing most of their recent deals.

PUBLIC RELATIONS AND EARNED MEDIA—GREATER AUSTIN CHAMBER OF COMMERCE

Austin, Texas

<http://www.austinchamber.com>

One of the key findings from *Market Street’s* 2003 Opportunity Austin strategic process was the perception in the economic development community that Greater Austin was not “in the game” of employment growth and quality recruitment. With unemployment at near-record lows and the job market flush, regional public and private leadership did not want to risk a cannibalization of skilled workers that would result from robust job-creation efforts. As a result, economic development marketing efforts were almost non-existent prior to Opportunity Austin implementation.

A key strategic recommendation to announce to the economic development world that Greater Austin was refocused on strong employment and wage growth led to recharged efforts to “get the word out” to corporations, site selection and corporate relocation professionals, and the national media that metro Austin was again “open for business.”

The result of the Greater Austin Chamber’s strong push into external marketing was a new brand and tagline (“Austin: The Human Capital”), a refreshed website, and a new, multi-channel marketing effort complete with direct mail, horizontal and vertical trade publication advertising, on-line advertising, trade-show visitation, location advisor-hosting events, public relations-coordinated media placements, target-specific marketing materials, and other tools.

As a component of Opportunity Austin implementation, the Greater Austin Chamber completely redesigned its website and created an additional site specific to the technology and innovation economy. Chamber officials have received positive feedback from prospects and site-selection professionals on the comprehensiveness of the main site's data, navigability and user-friendliness, and provision of support services information. Because of the efficacy of the website, Chamber officials said they are being called later in the game by site consultants who have short-listed Austin based on web-provided information alone.

In addition, the Greater Austin Chamber contracts with a New York/Dallas-based communications firm to handle proactive media placement, crisis communications, arrangement of out-of-market interviews, and other selected services. The firm secured Austin-centered stories in such influential publications as the *Wall Street Journal*, *New York Times*, *Economist*, *Business Week*, *Business 2.0*, and other publications.

In 2011, a survey of both site selectors and C-level executives in Austin's target sectors found that while site selectors knew about and liked Austin's "Human Capital" campaign, C-level executives had very low awareness of the slogan, although they did have strong knowledge of Austin and Texas' favorable business, talent, and quality of life rankings. The survey and phone interviews found that "C-levels" preferred peer-to-peer contact in making location decisions and shaping their impressions of regions for business-friendliness.

As a result, the Chamber has worked to ramp up its public relations efforts to target C-levels, seeing placement in targeted industry publications read by executives—for example, *Information Management*—and enhancing industry segments for national and international news story ideas. These renewed efforts also leverage Austin's business leaders as the "faces" to the metro's positive rankings and position top CEOs in the region as experts and national industry leaders.

INTERNATIONAL MARKETING WEBSITE—GREATER RICHMOND PARTNERSHIP *Richmond, Virginia*

<http://grpva.com>

The Greater Richmond Partnership (GRP) is the economic development organization for the three-county, one-city region of Greater Richmond.

The organization first launched its website in 1994 but has overhauled it several times in the past decade, earning a national award in website design from the IEDC in 2003 and an AIGA Richmond Chapter merit award for advertising design. The

website has also been deemed a “webpick of the day” by *Communication Arts* magazine.

The header of the website has a clearly-visible drop-down menu of information for site location consultants that provides high-quality, up-to-date information on business incentives, major employers in the region, the local workforce, available buildings and sites, and cost of doing business.

The website has some unique features that connect a variety of users to Greater Richmond:

- The report “U.S. Start-Up Model for International Firms” which details two models for foreign companies seeking to establish a U.S. presence and compares the start-up and operating costs of each model in Richmond and eight other major and mid-sized metros. The report also identifies the resources available in the Greater Richmond region—GRP assistance, higher education institutions, and real estate assets—for international firms looking to expand in the U.S., as well as contact information for GRP’s U.S., U.K, and German offices.
- Companion GRP website, RichmondWorldView.com, available in several languages and targeted at 14 global markets to further leverage international development opportunities.
- Calendar of upcoming national and international marketing trips where GRP and the region will be represented.
- A custom report builder that allows users to generate customized reports with detailed data and information about the region.
- Frequently-updated regional business news about announcements, expansions, relocations, business rankings, international marketing trips, and other press about Greater Richmond’s flourishing business community.
- Companion website LoveWhatYouFind.com, a relocation website that directs users to the different communities in the Greater Richmond region and guides them to an online photo tour, videos, information, and resources based on users’ interest in the region as a place to work, live, learn, or play. The site provides visitors with a “sense of place” by showcasing Greater Richmond’s neighborhoods and rich quality of life assets.

- Individual pages for each of the region’s target industries.
- Detailed staff profiles.

In FY 2010, the GRP websites received 32,200 unique visitors, up 43 percent from the previous year, with an average of 130 visits per day. New visitors to the site comprise 67 percent of its traffic. Social media tools, communications efforts, and Google Adwords drove a significant portion of the website’s traffic, with GRP’s efforts highlighted in the Mashable article “Five Ways Cities Are Using Social Media to Reverse Economic Downturn.”

An online ad campaign through Google Adwords, ESPN.com, and LinkedIn during Virginia Commonwealth University and University of Richmond’s placements in the 2011 NCAA Men’s Final Four netted 2.37 million impressions and 1,476 total click-throughs.

Through GRP’s international marketing and public relations efforts, the region has gained placement in international publications and newspapers. In 2011, a reporter from one of Israel’s most widely-read daily newspapers visited the region on an invitation from GRP. The corresponding news article promoted Greater Richmond and Virginia as places for Israeli firms to consider, especially in terms of energy technology.

TARGET SECTOR WEBSITES—KANSAS CITY AREA DEVELOPMENT COUNCIL *Kansas City, Kansas-Missouri*

<http://www.thinkkc.com>

The Kansas City Area Development Council (KCADC) represents, markets, and coordinates economic development in the two-state, 18-county Greater Kansas City region.

KCADC has created standalone portals for its four target business sectors—animal health, supply-chain management (SmartPort), energy, and technology (KCnext). Each site features regularly-updated news about the specific target, upcoming events, contact information and profiles of the KCADC sector specialists, videos, general information about and benefits of the sector in Greater Kansas City, supporting trade and development organizations at the regional and state level, as well as specialized information tailored to each target:

- **Animal Health Corridor** (<http://www.kcanimalhealth.com/>): Overview of the history of agriculture in the region, key public and private players in the KC

Animal Health Initiative, strategic priorities, annual work plan, animal health research highlights, information on major veterinary schools in the region and within a 300-mile radius, a list of animal health companies (including weblinks and brief descriptions) and supporting firms.

- **KC SmartPort** (<http://www.kcsmartport.com/>): Site location information, foreign trade zones, trade corridor maps, global export statistics, detailed information on logistics and transportation educational and workforce programs.
- **Advanced Energy** (<http://www.kcadvancedenergy.com/>): Details the four sub-targets within Advanced Energy, maps that show specific subsectors for firms, suppliers, and subcontractors in specialized energy fields; maps of non-stop jet destinations and distance to major metros; shipping routes and rail lines; information about the Advanced Energy Advisory Council.
- **KCnext, also known as the Technology Council of Greater Kansas City** (<http://www.kcnext.com/>): Resource partners from the technology sector and details on the arrival of Google Fiber in Kansas City.

KCADC's targeted marketing programs have resulted in national media coverage in 2010 and 2011 on the region and its success in specific targets in publications including *Wall Street Journal*, *Animal Pharm News*, *Bovine Veterinarian Magazine*, *Logistics Management*, *World Trade 100*, *USA Today*, *Start Up Digest*, *Fast Company*, *Forbes*, CNNMoney.com, and VentureBeat.com.

TARGET SECTOR COLLATERAL—ST. LOUIS REGIONAL CHAMBER AND GROWTH ASSOCIATION

St. Louis, Missouri

<http://www.stlrcga.org>

The St. Louis Regional Chamber and Growth Association (RCGA) serves a two-state, 16-county region as its regional chamber of commerce, lead economic development organization, and advocacy and policy voice for business growth.

RCGA has developed best practice marketing materials to support the organization's cluster development efforts. Consistently-branded profiles are available for each of the region's targeted clusters. Content includes maps of key companies and resources, descriptions of key assets and resources that support private companies, research facilities, venture capital opportunities, incubators, examples of innovative technologies, and information on supportive educational programs.

Examples of cluster-specific profiles include:

- **Plant and Medical Sciences:**
<http://www.stlrcga.org/Documents/library/PlantEmail.pdf>
- **Advanced Manufacturing:**
<http://www.stlrcga.org/documents/AdvManEmail.pdf>

The profiles were leveraged as tangible communication tools by distributing them at event-based marketing activities, such as industry trade shows and inbound visits RCGA hosted for site selection advisors, prospects, and venture capital executives. In 2009, RCGA hosted a total of 39 in-market site visits and managed 30 prospects.

SOCIAL MEDIA—ALLEGHENY CONFERENCE ON COMMUNITY DEVELOPMENT *Pittsburgh, Pennsylvania*

<http://www.alleghenyconference.org/>

ImaginePittsburghOnline.com is the new blog of the Allegheny Conference on Community Development (ACCD), a partnership of affiliates including the Pittsburgh Regional Alliance (marketing), ImaginePittsburgh (talent recruitment), the Greater Pittsburgh Chamber of Commerce (business advocacy), and the Pennsylvania Economy League of Southwestern Pennsylvania (research and analysis).

ACCD staff and partners update ImaginePittsburghOnline.com multiple times weekly with original posts about news and events related to economic development, job creation, and quality of life trends in the southwestern Pennsylvania region. Authors thoughtfully offer commentary on Pittsburgh's placement in national and international rankings, local news stories, recent economic development events and marketing trips, success stories of regional companies, location and expansion announcements, and regionally-driven innovation and entrepreneurship.

Each entry features a thumbnail photo of the post's author and a brief bio of their role at ACCD or partner organizations and initiatives. [ImaginePittsburghOnline](http://ImaginePittsburghOnline.com) also maintains YouTube, Facebook, and Twitter accounts which are linked from the blog.

[ImaginePittsburghOnline](http://ImaginePittsburghOnline.com) serves as an internal and external marketing tool, informing businesses and residents about economic development efforts and trends in and around Pittsburgh, and showcasing the positive dynamics of the region to outside visitors.

REGIONAL BUY-IN—METRO DENVER ECONOMIC DEVELOPMENT CORPORATION
Denver, Colorado

<http://www.metrodenver.org>

The Metro Denver Economic Development Corporation (EDC) is the economic development arm of the Denver Metro Chamber of Commerce. It is a strong public-private partnership of numerous local entities dedicated to promoting the full Metro Denver Region, including 70 cities, counties, and economic development organizations from nine counties.

To ensure that standards of conduct are advanced and adhered to by Metro Denver EDC's full complement of diverse economic development organizations as they seek to promote the region as a single economic entity, the groups developed a code of ethics to follow. Components of the code include the following pledges:

- “When representing the Metro Denver Economic Development Corporation (EDC), we shall endeavor to sell ‘Metro Denver First’ and our individual communities and projects second.”
- “We shall honor the confidentiality requested by both our fellow members of the Metro Denver EDC and our prospects.”
- “We are committed to the concept of competition for locations and expansions among our individual communities and projects, provided that the prospect has asked for specific proposals or has settled on a Metro Denver location.”
- “At no time shall any member of the Metro Denver EDC solicit a fellow member’s prospects.”
- “We are committed to sharing among our membership as much information as is necessary and prudent on any activity undertaken by or in the name of the Metro Denver EDC.”
- “At no time shall any economic development organization member of the Metro Denver EDC advertise or promote its respective area to companies within another member’s geographic area in a manner that is derogatory or insulting to the other geographic area.”

In addition, the Metro Denver EDC adheres to strict confidentiality guidelines regarding the handling of prospects. Whenever possible, the EDC shares specific

information within the realm its regional members and the Colorado Governor's Office of Economic Development and International Trade. When prospects are dealing directly with individual communities within the region, only Metro Denver EDC staff and the local ED representatives involved share information. In cases where a prospect requests to remain completely confidential with an individual community, the rest of the Metro Denver EDC members and staff honor that confidentiality until the prospect chooses to announce.

In terms of external marketing, when a Metro Denver EDC member establishes a prospect generated from the Metro Denver EDC's national advertising and trade shows, the member utilizes the EDC's standardized prospect tracking system in all prospect contact. Members are strongly discouraged from advertising in local media outside of their own market area.

Member municipalities and organizations have approved the code for application and the agreement has been effective in promoting and maintaining regional cooperation across a number of economic development-related issues, not solely leads management. Other regions across the U.S., such as Northeast Indiana, have adopted regional economic development codes of ethics modeled around Metro Denver EDC's agreed noncompete standards.

Image Assessment

The image assessment component of this Marketing Review is primarily focused on determining how site selection consultants from across the nation perceive the Madison Region. The primary purpose of the assessment was to evaluate perceptions of the Madison Region as a place for business.

Market Street conducted phone interviews with four nationally-known corporate location consultants to solicit candid feedback about their views of the Madison Region, based on a combination of direct experience with the region (if any) as a potential location for clients, and perceptions acquired from years of experiences in the field of site location.

This report outlines the results of the interviews, where corporate location experts' individual insights had consensus and where they diverged, providing valuable information about how the Madison Region is viewed from outside of the region and state.

- Overall, the site selection consultants seemed to know a lot about the City of Madison and Dane County, but not necessarily the full region. As a group, the corporate executives had very shallow knowledge of the complete region. This echoes Thrive's 2007 national survey of over 900 executives, firm partners, and business owners which found that 86 percent of survey participants were not familiar with the Madison area.
- Location experts felt that the region has not made the effort to effectively market itself, largely because of the history of low unemployment in the region and an aversion to self-promotion.
- Site selection consultants did strongly agree that the Madison Region has a highly educated workforce, but noted that this alone was not enough to make the region competitive.
- Respondents associated the Madison Region with the University of Wisconsin and high quality of life. In terms of business sector strengths the region is known for, most cited biotech, with some references to manufacturing in the counties around Dane.
- There were questions raised as to what Thrive's message could be when it does more aggressively engage in external marketing, given the diversity of

the Madison Region's assets and the strategies required to "sell" these very different strengths.

- The consultants were ambivalent about the business climate of the region, referencing the poor perception of the City of Madison as not business-friendly and national press coverage of worker strikes and protests from earlier in the year as harmful to the regional workforce's reputation. There is a real concern about the tension and disagreement at the state level and how that is perceived by prospects.
- Wisconsin has not been aggressive in the economic development playing field for nearly a decade. However, the new state administration is viewed as more pro-business.

The summary that follows includes examples that support these key findings. The feedback and analysis also further explains a number of other important points that should be taken into consideration as the Madison Region develops a more sophisticated marketing approach. As will be shown in the following pages, the Madison Region has numerous opportunities to dispel myths and promote its amenities and advantages.

Regional Image: The consultants strongly associate the Madison Region with its university presence. "I think of Madison as a big college town. It's always on the best places to live," remarked one consultant. "I'm familiar with the University." Another said, "It's known to have a good workforce. [The City of] Madison has an outstanding quality of life. It's attractive to businesses. The other counties in the region are unknown." The core city is seen as very different from the rest of the region: "Madison is considered to be the Berkeley of the Midwest, and yet nothing about the rest of [the region] has that image. Wisconsin in general does not."

One expert cited "state government, American Family Insurance, and the University" as the strongest associations with the Madison Region, but stated a caveat for the strength of UW-Madison's image outside of the Midwest. "Many people will not have a strong impression of that university—I'm not sure how far that travels."

Target Sectors: When asked what business sectors the consultants associate with the Madison Region or for which they would consider the region when assisting with a site location decision, the following sectors were cited:

- "Biomed and manufacturing come to mind."

- “I think more health care and biomed, and manufacturing in Rock County.”
- “I also think of it for government and law. It has a much better image than Milwaukee, which is more blue collar.”
- “For companies in food processing and agriculture, it has really good access to agriculture lobbyists. It doesn’t get much better than that, having access to state government.”
- “We’re actively looking in Rock County for back office operations. It came out pretty good.”
- “Not Madison itself” for manufacturing, but the overall Madison Region would be a good fit for that sector. Value-added projects make sense, but likely not projects depending on a regional workforce pool that can add a large number of employees. One site consultant expressed concern over the aging of the state population and shrinking workforce (not enough young workers to replace retiring ones) for prospects that require 1,000 or more available employees.

Competitor Metros: Interviewees had very divergent responses to a question about the Madison Region’s competitors.

- Minneapolis and Chicago.
- Research Triangle Park, San Diego, Atlanta, and “to some degree” Minneapolis for biotechnology locations. Milwaukee, Rockford, eastern Iowa (which includes Cedar Rapids), and northwest Indiana for advanced manufacturing.
- Des Moines, Indianapolis, and Bloomington, Illinois—“These are the areas they compete with frequently.”
- “[The Madison Region is] probably not getting on too many short lists from a national standpoint, so their competitors are other places right in that region” of the Midwest, including West Lafayette, Des Moines, and Fargo—“those with a university pull.”

“Madison is a secondary or tertiary market in the Midwest,” said one site selector. “It’s specialized; it doesn’t pop up [when discussing potential relocation sites]. They

have a great quality of life, skilled workforce, and are very educated with UW. It's a 'big small town.'" This site selector also mentioned Ann Arbor, Michigan as a region seen as similar to the Madison Region in terms of the strength of their major research universities and associated talent. "Ann Arbor and Madison always have pockets of smart people."

Business Climate: "I'm mixed on whether or not it's business friendly," said one consultant. "There are perceptions of the City of Madison as not being business-friendly."

- "Wisconsin in general is becoming more business friendly—especially related to Illinois," observed another site selector.
- "The current governor thinks a lot of the things he is doing will increase Wisconsin's business friendliness, but the turmoil isn't something that companies want on them."
- "[The Madison Region] might feel 'unfriendly' but it's just not proactive. [Business] unfriendly in the sense that they don't really care—they won't go out of their way to help you get your business there."
- "The guy off the street in Phoenix, Arizona won't know anything. Madison is not known as a business place. People may associate Milwaukee with Harley-Davidson, but won't know any companies in Madison."
- The state has long been viewed as "less than business friendly" and "disjointed" in the past. However, the new governor is seen as more pro-business by some in the site selection community.

Three of the consultants referenced assisting firms move out of the Madison Region into other markets due to business climate factors such as cost and difficulty in the City of Madison's permitting process. None of the consultants had ever sited a project in the region, although all had worked in Wisconsin and in the Milwaukee region.

In addition, overall business costs are higher than in other metros, and "the union issue is real." Wisconsin's status as a union state is not as constraining as it is sometimes perceived to be. "White collar functions" will not prioritize right-to-work states among possible location sites, said one site selector. "And on the manufacturing side, maybe it would limit the search, but there are announcements coming out of Indiana, Illinois, and Ohio."

However, “the union thing is a big concern anywhere. All the attention on Wisconsin doesn’t help from a business attraction standpoint—it looks like there is a groundswell of entitlement.”

Point of Contact: Answers differed when asked with whom the consultant makes initial contact when considering a region for a project.

- “Those [state ED project managers] we have worked with before and have relationships with. If the state is inept, then we go to utilities company or regional or county economic development organization.”
- After a desktop analysis, the consultant develops a short list of locations. “With a short list, we talk to the local EDC contact. Not the state initially. With ED teams, we found that metro areas with an aggregate EDC and single point of contact in the region are much better at getting things done. Often we’re looking at many counties. It’s a plus if people are seeing a benefit of working together.”
- “I like it to be the metro area organization. However, with really big industrial sites they like to go to the state first.”
- There must be professional assistance at the regional level. That has not been consistent in the Madison Region. There has also been poor assistance at the state level in Wisconsin for consultants and prospects that prefer state-level contact, although the consultants did feel that the new Wisconsin Economic Development Corporation would become a better partner than the previous state entity.
- One location expert shared advice for Thrive in establishing itself as the go-to economic development organization for the region: “Personalize it as much as possible—when they step out onto the stage, don’t hand it off to an appointment-setting company. They need to make friends with individuals.” The importance of personal relationships with location experts was echoed by all those interviewed.

Three of the site location experts explicitly noted that they did not know who the “go-to” person at Thrive is in terms of a Madison Region point of contact.

Information: Consultants were asked what type of information is most valuable to them, and how they like to review it (on the web, in print, etc.). They agreed the first

place they seek information about a prospective community, after reviewing the workforce and cost analysis data generated in-house, is the EDO's website.

- “The number one best information is available buildings and site information. We have access to all the demographic info in our own database—we want to know the sites and the ins and outs, what’s behind the scenes, competitor employers.”
- “On the website, show some of the big sites—go beyond the crappy photo of industrial buildings. Show me images of what it could be and the incentives packages and credits to make it happen with a good, quick process.”
- “Roster of people, what they do, phone, e-mails.”
- “A value proposition for each target cluster—tell me, ‘Here’s why.’” Examples given were quick facts such as eight times the national concentration in machinists in the region and three times more graduates from engineering programs than the national average.
- “A detailed profile of other employers in the region—the names of companies and their sizes. Communicate that there aren’t just a few big dogs and everyone else gets the crumbs from the table.”
- One site selector also mentioned there are specific EDO websites he checks in on regularly and whose e-mail newsletters he reads (rather than automatically deleting), citing their interesting programs, updates, applicable knowledge, and announcements that hold his interest even when not partnering directly with the organizations on projects.

Marketing Message: The professionals also remarked on what the region could be doing to better market itself to the national business community and differentiate the Madison Region from countless other places trying to promote themselves.

- “Madisonians are very provincial. They’re not very outward in their approach to marketing. They haven’t been that hungry—they haven’t been that damaged. Unemployment rates have historically been very low.”
- “During over 20 years in this field I never saw economic development outreach from [the Madison Region]. I don’t think they’re shaping their image in any way. The sense is they have really low unemployment, it’s a

really nice place to live. They've never had the desperate times that cause other places to push."

- "One of Thrive's challenges is to attract biotech spinoffs to Madison and attract auto parts manufacturers to Janesville. They're selling two different things."
- "They need to do a much better job at a targeted industry approach. I don't know why and how they target the industries they do. I don't know the demonstrable assets—the value proposition around each target."
- "No one knows Madison has something like 192 biotech companies—that's their biggest opportunity. Tell that to the world."
- "A lot comes up in Wisconsin about the character and nature of people to be self-deprecating and really uneasy about promotion. That's not going to fly if they're competing against Mississippi."
- "[The Madison Region has] an interesting choice to make. Wisconsin is seen to be fairly plain vanilla. The University brings [the Madison Region] the diversity that I wouldn't have them walk away from. Many companies today have very strong diversity agendas. There needs to be a marriage between university research skills and diversity and the Wisconsin hard-working ethic."
- "Often our clients do just want money. They want low labor costs. So regions need the ability to get people there—from the desktop to the actual visit."
- "Everyone says the same thing. Most marketing campaigns are generic—that they have great quality of life and a skilled workforce. If everyone's special, then no one's special. They need to think, what really is our differentiating characteristic?"

CONCLUSION

Insights gathered for this report determined there has not been a unified image for the eight-county Madison Region that communicates its advantages as a place to do business. The strong association of the region with its largest city—Madison—is both a strength and a weakness from a marketing perspective. While the region is known due to the presence of a world-class university and quality of life amenities, the perception of the City of Madison as a restrictive business climate harms the other communities in the region seeking to identify as business-friendly. In addition, the state of Wisconsin has not been viewed as a pro-business state in the past.

The Madison Region's success as a place to live, work, play, and visit is based in large part on how its image is perceived. Perception is just as important as reality and even more challenging to control. With every prospective business, visitor, or resident, the region only has one opportunity to make a good first impression. Therefore, the Madison Region must ensure that marketing efforts are being used as effectively as possible to emphasize the region's assets and amenities.

Creating good marketing messages requires understanding how the Madison Region is perceived by all of its audiences—communities within the eight-county region, regional firms and entrepreneurs, business and pleasure visitors, and the national business community, which includes corporate location consultants and the companies they serve. The results from this Marketing Review will help regional leaders better understand the Madison Region's external image from site selectors' perspectives, which will allow Thrive and its partners to more effectively sell the region and promote quality economic growth. Identifying perceptions from other targeted external audiences may be necessary to further refine the regional message.

The Great Recession and its outcomes offer the chance for metro areas and regions to overhaul and upgrade their economic development marketing programs and product development in order to be prepared to leverage gradual upticks in the national and global economies. It is essential that Thrive and its partners in the Madison Region have an array of marketing tools to compete for high-value relocation and expansion prospects. It is also important that Thrive and partners ensure that the Madison Region has competitive sites and buildings to market for opportunities in the region's targeted business sectors. Now, more than ever, is the time for the region to invest in a robust marketing campaign with a clear, effective message.

Findings about how the Madison Region is perceived will inform what it can do to better promote itself through the forthcoming **Advance Now** Strategy.

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