

STRATEGY FOR THE GREATER CHARLOTTE
REGION GLOBAL INITIATIVE
2016 – 2018

**Seizing the Opportunity for a
Prosperous Economic Future**

PREPARED BY THE
GREATER CHARLOTTE REGION GLOBAL VISION LEADERS GROUP
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I. EXECUTIVE SUMMARY

A. VISION OF SUCCESS

This is a pivotal time for Charlotte regional leaders to seize the opportunity to build competitive assets for global competitiveness.

Many metropolitan regions in the United States and the world have adopted strategies to ensure that they are globally competitive for economic prosperity, now and in the future. A large number of industry leaders and economic development professionals agree that regions need to be anchored by hubs of collaborative efforts to ensure global competitiveness.

The vision created by the Global Vision Leaders Group (GVLG) is that the Charlotte region becomes **a global hub of commerce - a great inland port city leveraging its resources to world prominence**. The GVLG further honed this vision to focus on asset identification, asset development and asset marketing.

Recent research by Bruce Katz of the Brookings Institution defines assets as:

- Economic Assets
- Networking Assets
- Physical Assets

This focus clarifies that it is not the purpose of the global initiative to generate leads, recruit companies or handle new business prospects.

B. GLOBAL VISION LEADERS GROUP

Leaders in the greater Charlotte region are ready to seize the opportunity. The GVLG has grown as an ad hoc leadership group with the purpose of building the greater Charlotte region's global identity and global assets. The vision of the group has been to build the Charlotte region as a global hub of commerce, resulting in sustained growth in high quality jobs.

The GVLG committed to the leadership criteria stated by Bruce Katz and Jennifer Bradley of the Brookings Institution:

Metro leaders understand that cities are networks rather than governments, so they find the right institutions to organize these networks. These networks then address the big challenges that face cities and metros and, at their best, develop the game-changing ideas that will make the most of each place's unique assets and bring shared benefits of growth.

The GVLG commissioned the Brookings Institution's Metropolitan Policy Group to conduct an assessment of the Charlotte region's global assets. The Brookings Institution examined:

- overall economic performance
- trade and investment
- innovation
- talent
- infrastructure

C. STRATEGIC PRIORITIES

The Brookings Institution identified trade and investment as the strongest existing asset in the Charlotte region. Details about the strengths and weaknesses of assets identified by the Brookings Institution are presented later in this paper.

Based on this assessment, key strategic priorities were identified by the GVLG. These priorities include:

1. Sustained leadership,
2. The need for a regional export strategy,
3. Innovation through entrepreneurship and
4. Reducing the skills gap through talent development.



II. BACKGROUND

Four years ago, with a vision of the Charlotte region becoming a hub of global competitiveness, Dr. Tony Zeiss, the president of Central Piedmont Community College, and a few other local leaders, including Chase Saunders, Michael Gallis, John Galles and Mary Vickers-Koch, began an awareness campaign to rally regional leaders to identify assets the Charlotte region needed to be more globally competitive. That vision has resulted in a collaborative, non-political, grass roots leadership group known as the Global Vision Leaders Group (GVLG). The GVLG is a conduit to businesses, government and the media to promote the globally competitive assets of the 29-county region. The GVLG is comprised of 185 Key Leaders from 29 North Carolina and South Carolina counties.

Throughout the past five years, the GVLG emphasized global entrepreneurship, advanced manufacturing and global logistics. Committees were formed to identify ways to enhance these areas (the “Create It,” “Make It,” “Move It” and “Market It” committees). The committees have invested substantial thought in recommending actions needed and moving ahead in implementing specific actions. The initial strategy can be found at cpcc.edu/global/vision. Many of the achievements are described in EXHIBIT “A.”

III. BROOKINGS INSTITUTION BENCHMARKING REPORT

The GVLG commissioned the Brookings Institution’s Metropolitan Policy Group to conduct an assessment of the Charlotte region’s global assets. The benchmarking analysis, conducted by the Metropolitan Policy Program of the Brookings Institution finds the greater Charlotte region has significant assets on which it can further build its global competitiveness. At the same time, the Charlotte region trails other metropolitan areas in some key economic development characteristics, which could impact growth.

JPMorgan Chase funded the in-depth analysis, which was presented on March 23, 2016, at the Global Competitiveness Summit V, hosted by Central Piedmont Community College (CPCC) and the GVLG.

The study, titled: “Greater Charlotte in the Global Economy – Benchmarking the Region’s Global Competitiveness Assets,” looked at the greater Charlotte region’s competitive position through five factors—overall economic performance, trade and investment, innovation, talent and infrastructure—compared to 19 other city-regions in the U.S. and abroad that most closely resemble the Charlotte region’s size, wealth, productivity, industrial structure and competitiveness factors. (The 19 comparison regions used in the Brookings analysis included Austin, Atlanta, Indianapolis and Denver in the U.S. and Copenhagen, Frankfurt, Montreal, Munich and Stockholm outside the U.S.) The report stated that “Charlotte is incredibly integrated into the global economy.”

“Today’s city and regional leaders can either seize the opportunities afforded by the global dynamics or risk falling victim to the downsides of globalization,” explained Joseph Parilla, senior research associate, Metropolitan Policy Program of the Brookings Institution. “In its efforts, the greater Charlotte region has significant assets on which to build globally-engaged companies in key advanced industries, a highly-educated workforce and an internationally-connected airport.”

“But that same global perspective yields other areas that warrant improvement: upgrading the Charlotte region’s system for innovation and entrepreneurship, addressing employer difficulties in finding STEM workers, bridging disparities in broadband access and ensuring the fruits of growth are shared broadly,” Parilla said. “By taking purposeful action now, Charlotte’s public, private and civic institutions can enhance and sustain the region’s global competitiveness for generations to come.”

The Brookings analysis and report characterizes the greater Charlotte region's current competitive position as follows.

Economic performance: Overall economic growth has been robust over the past decade, but on the metrics of inclusion, the greater Charlotte region has lagged.

Trade and Investment: The greater Charlotte region is globally-oriented. Exports and foreign-direct investment account for a disproportionate share of the regional economy, led by tradable anchors like machinery, transportation equipment and financial services.

However, the region is at risk of losing ground to other peer metropolitan economies unless it further develops a number of key competitive drivers:

Innovation: Build up low levels of research and development, technology commercialization and venture capital investment in the region;

Talent: Help employers overcome challenges in filling job vacancies, especially occupations that require STEM skills; and

Infrastructure: Address lagging broadband speeds and disparities in broadband access by income.

The complete Brookings report can be found at: cpcc.edu/global/news/brookings-report-short

IV. FRAMEWORK FOR ACTION

The Brookings Institution recommended a framework to guide priorities and action on the global opportunities they identified. The primary criterion to weigh strategies is "will it increase regional competitiveness?"

Key Lessons from Global Trade and Investment Plans

1. A benchmarking study can be overwhelming: Move incrementally. Be clear. Execute quickly.
2. Interview businesses for their response. The role of business is crucial. A balanced coalition is important.
3. The foundation is business retention and expansion. The bulk of global activity takes place in existing firms.
4. The middle market is the "sweet spot." Most high potential under-exporters and foreign-owned firms are mid-sized.
5. Lead with specializations with global reach – focus on one or two clusters, assets or market connections that are truly globally relevant. For example, in Portland, Oregon, the Chamber of Commerce identified existing relationships around trade and put companies together to find and leverage partnerships.
6. Look for gaps and redundancies in export and Foreign Direct Investment (FDI) strategies.
7. Global engagement must be a demonstrated priority – global efforts must be structured as long-term, well-resourced initiatives.
8. Industry sector targeting and collaboration is key.
9. Metro to metro trade partnerships yield results.
10. CEO partners can help sustain global identity.



V. STRATEGIES AND ACTIONS

Based on the Brookings Institution report and the Regional Workforce Development Study, key strategic priorities and actions were identified by the GLVG Steering Committee. The three original committees, Create It, Make It and Move It, will remain active, and three new committees will be formed: the Export Committee, the Foreign Direct Investment (FDI) Committee, and the Communications and PR Committee.

STRATEGIES	ACTIONS	RESPONSIBLE
<p>1. Ensure that global strategies are addressed in a strategic, unified and impactful manner.</p> <p>Focus on:</p> <ul style="list-style-type: none"> • Economic assets • Networking Assets • Physical Assets 	<p>Source funding to establish a Center for Global Engagement at CPCC that will:</p> <ul style="list-style-type: none"> • Provide management and coordination resources for the existing GVLG and the community college partnership entitled the <i>Charlotte Regional Collaborative for a Global Economy</i>. See EXHIBIT “B” for an illustration of these bodies and their relationships. • Conduct focus group interviews and roundtables with the current committees of the GVLG and other affected parties in the region to build consensus for action. • Closely collaborate with the three regional economic partnerships that are part of the GVLG to coordinate on strategy, particularly as it relates to foreign direct investment. • Work with the leadership of the GVLG to establish committees to address specific actions to implement the Charlotte region global initiative strategy. • Develop a plan to communicate the strategy to others in the community, including the newly formed CEO group and the media. • Provide policy proposals related to the Charlotte Region Global Initiative strategy, as agreed to by the GVLG. • Provide educational resources for businesses, government and media regarding the actions needed with the global assets identified in the Brookings Institution report, including <ul style="list-style-type: none"> o Conferences o Website o Forums o Evaluation of effectiveness • Gather and interpret data from labor analytics software on global workforce development and training needs. • Promote global workforce development at the 15 colleges in the <i>Charlotte Regional Collaborative for a Global Economy</i>, including international work based opportunities. • Issue periodic reports to the region. 	<ul style="list-style-type: none"> • GVLG • CPCC • Collaborative of regional community colleges

STRATEGIES	ACTIONS	RESPONSIBLE
<p>2. Encourage cluster organizations to spur innovation and FDI.</p>	<ul style="list-style-type: none"> • Focus on advanced manufacturing and transportation and logistics as the two focused “cluster industries” (cluster industry targeting suggested by the Brookings Institution). • Develop a competitive logistics template for cost effective and efficient freight mobility. 	<ul style="list-style-type: none"> • Make It Committee • Move It Committee • Centralina Council of Governments
<p>3. Enhance Entrepreneurial Innovation.</p>	<ul style="list-style-type: none"> • The Brookings Institution report, as well as the Charlotte Region Entrepreneurial Report, indicated a lack of innovation and patents. Spur innovations for existing companies by organizing an annual competition. In place of expensive R&D, consider “crowdsourcing” ideas for companies in which individuals or teams of students would receive entrepreneurial coaching and support in the development of their idea. Companies as big as Netflix have used this methodology with success. • Establish a joint public and private early stage – venture investment vehicle. • Expand the Small Business Incubator and Accelerator Exposition throughout the metropolitan region. 	<ul style="list-style-type: none"> • Create It Committee
<p>4. Develop an Export Strategy.</p>	<ul style="list-style-type: none"> • Work with the U.S. Export Assistance Center to incorporate the “five features of successful metro area export efforts” suggested by the Brookings Institution: <ol style="list-style-type: none"> 1. Regional in scope 2. Focus on small- and mid-sized threshold firms 3. Anchored in globally relevant industry clusters 4. Customize with innovative programs and interventions 5. Linked to broader regional economic development • Explore ways to educate businesses on the benefits of our Foreign Trade Zone - within the Charlotte airport as a local point – to increase global trade. • Charlotte Mayor Jennifer Roberts has agreed to be involved with the export committee. 	<ul style="list-style-type: none"> • Export Committee
<p>5. Develop a regional network of trade and investment strategies.</p>	<ul style="list-style-type: none"> • Coordinate with three economic development partnerships and the Charlotte Chamber to ensure that there is a coordinated metro region FDI strategy to ensure the best reach to international markets in attracting relevant firms and capital. • Includes targeted economic development marketing. 	<ul style="list-style-type: none"> • Foreign Direct Investment (FDI) Committee



V. STRATEGIES AND ACTIONS *continued*

STRATEGIES	ACTIONS	RESPONSIBLE
6. Ensure that the regional talent pipeline provides talent for industry demand.	<ul style="list-style-type: none"> • Share the results of the 29-county workforce development study, conducted by CPCC with funding from JPMorgan Chase, with all 15 of the region's community college presidents. • Develop an integrated, unified response to industry's training needs through the Charlotte Regional Collaborative for a Global Economy. 	<ul style="list-style-type: none"> • Charlotte Regional Collaborative for a Global Economy (community colleges)
7. Enlist the support of the Charlotte Executive Leadership Council.	The GVLG Steering Committee will decide which priorities to raise to the CEO Council. Examples include private company research, including the feasibility of a medical school.	<ul style="list-style-type: none"> • GVLG Steering Committee
8. Establish a vigorous communication campaign to publicize the outcomes of the strategies listed above.	Develop a plan for routine announcements of progress to the GVLG and to the broader community.	<ul style="list-style-type: none"> • Communications and PR Committee

VI. CALL TO ACTION/ACKNOWLEDGEMENTS

Many regional economic development groups have been an integral part of the GVLG and have agreed that a global emphasis is key to the prosperity of our community. Of special note is the support of the Charlotte Regional Partnership, the Charlotte Chamber, the Centralina Council of Governments and the community colleges as part of the Charlotte Region Collaborative for a Global Economy.

Other economic development groups include the South Carolina Upstate Alliance, the I-77 Alliance and the Gaston Development Corporation.

Special emphasis needs to continue to be given to ensuring healthy dialogue and planning among all of these groups. One of the new committees of the GVLG will be the FDI committee headed by Ronnie Bryant and comprised of the three regional partnerships in the greater Charlotte region.

The Steering Committee of the Global Vision Leaders Group is indebted to the support provided by JPMorgan Chase in funding the research and networking events that were critical to the development of this Strategy for the *Greater Charlotte Region Global Initiative*.

EXHIBIT "A"

Accomplishments from 2013 - 2016

Workforce development is a key part of ensuring the strategic focus areas of global entrepreneurship, advanced manufacturing and global logistics. Dr. Zeiss reached out to regional community college presidents to enlist their support in developing or enhancing programs in these areas. The new partnership was named the Charlotte Regional Collaborative for a Global Economy. Over time, more community college presidents asked to join, bringing the total participants to 15 community colleges in 29 counties.

For five years CPCC has been the convener of a Global Competitiveness Summit with global speakers to help the region understand the global competitiveness strengths of the region. Key speakers include:

- Bruce Katz, Vice President and Director, Brookings Metropolitan Policy Program and Co-author, "The Metropolitan Revolution"
- Eric Spiegel, President of Siemens USA
- John Skvarla, Secretary of the North Carolina Department of Commerce
- Dan DiMicco, Chairman Emeritus, Nucor Corp
- Pat McCrory, Governor of North Carolina
- Ludwig Willisch, President, BMW of North America
- H.E. Björn Lyrvall, Ambassador, Embassy of Sweden to the United States
- Damien Levie, Head of Trade Section, EU Delegation to the U.S. (tbc)
- Dr. Peter Kulitz, CEO, ESTA Apparatebau GmbH & Co. KG and President, Baden-Wuerttemberg Chambers of Industry and Commerce
- Dr. Daniel Hamilton, Director, SAIS Center For Transatlantic Relations
- Chris Israel, Partner, ACG Analytics
- Michelle Wein, Trade Policy Analyst, The Information Technology & Innovation Foundation (ITIF)

The GVLG recommended that a new position of Director of Economic Development be established at the Charlotte Regional Airport. This position was established and hired.

After discovering that the Charlotte region lagged behind other similar regions, the GVLG promoted the establishment of additional honorary counsels. Five new honorary consuls were recruited in a three-year period. A full list of the regional honorary consuls is in EXHIBIT "C."

A website to help capture the rich accomplishments and educational resources was established at cpcc.edu/global.

Increased partnerships with port authorities of Wilmington, Charleston and Savannah were developed in order to grow jobs in trade and commerce.

Collaborated with the U.S. Export Assistance Center in Charlotte – helping to develop an export strategy.

Conduit of information to the media. The Charlotte Observer, the Charlotte Business Journal and Greater Charlotte Biz were invited to join the GVLG and as a result have written thoughtful articles and reviews about global competitiveness in the region. Created a two-year program of "Going Global" series of vignettes with WBT Radio with a different leader every week.



EXHIBIT "A" continued

There are other broader accomplishments, not directly related to the work of the GVLG, that contribute to the Charlotte region's global competitiveness in the areas of global entrepreneurship, advanced manufacturing and global logistics.

1. Charlotte was named No. 1 U.S. city for start-up businesses by INC Magazine, September 10, 2015
2. Charlotte's average growth in small businesses ranks 2nd and 7th best city to start a business, WalletHub, Harvard Study, 2016
3. 6th busiest airport in the world
4. 1st U.S. center for energy
5. 2nd U.S. center for finance
6. Charlotte ranks #31 of 100 global cities, Site Selection magazine, 2013
7. The Charlotte region had the largest percentage growth in exports in the country from 2012-2013 (U.S. Department of Commerce)
8. 7th largest foreign investment region in U.S. says Site Selection magazine, 2014
9. Charlotte ranks 15th in nation for economic preparedness for the future, Dell Report 2015, Harvard Strategic Innovation Summit
10. Charlotte growth in GDP 18th in top metros 2004 – 2014
11. 45% of all regional economic development projects are international
12. Centralina Council of Governments Freight Plan Research, 2016

EXHIBIT "B" Center for Global Engagement

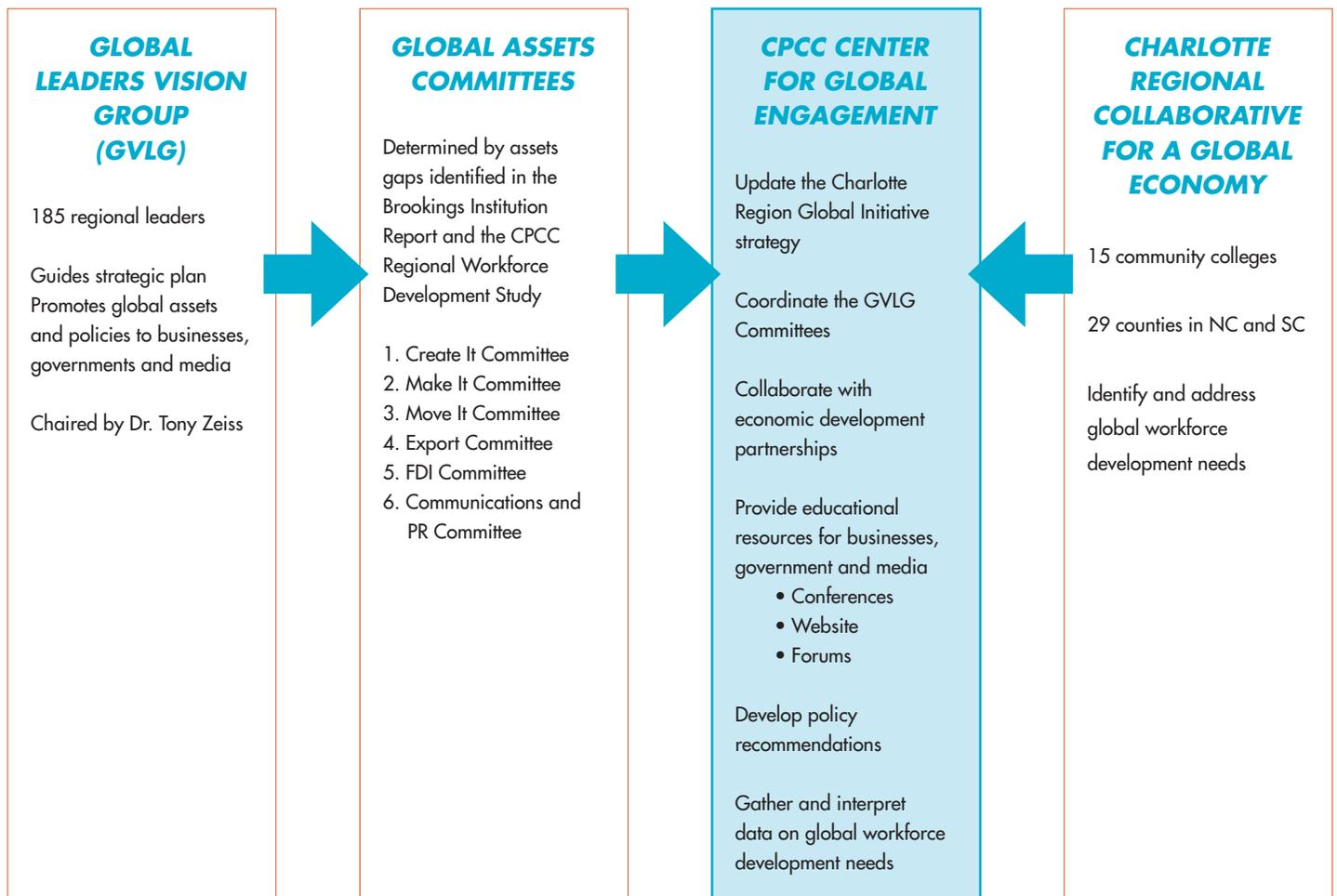


EXHIBIT "C"

Consuls in North Carolina

COUNTRY REPRESENTATIONS

Honorary Consulate of Belize

in Wilmington, North Carolina, The United States
Head of mission: Honorary Consul Edward Paul

Honorary Consulate of Canada

in Raleigh, North Carolina, The United States
Head of mission: Honorary Consul Scott Cutler

Honorary Consulate of Cyprus

in Jacksonville, North Carolina, The United States
Head of mission: Honorary Consul Takey Crist

Honorary Consulate of The Czech Republic

in Charlotte, North Carolina, The United States
Head of mission: Honorary Consul Petr Vasicko

Honorary Consulate of France

in Raleigh, North Carolina, The United States
Head of mission: Honorary Consul Marie Ribeill

Honorary Consulate of France

in Charlotte, North Carolina, The United States
Head of mission: Honorary Consul Laura Wellman

Honorary Consulate of Germany

in Charlotte, North Carolina, The United States
Head of mission: Honorary Consul Klaus Becker

Honorary Consulate of Germany

in Raleigh, North Carolina, The United States
Head of mission: Honorary Consul Margaret Rosenfeld

Honorary Consulate of Great Britain

in Charlotte, North Carolina, The United States
Head of mission: Honorary Consul Michael Teden Esq., OBE

Honorary Consulate of Guatemala

in Charlotte, North Carolina, The United States
Head of mission: Honorary Consul Steven Kropp

Honorary Consulate of Hungary

in Charlotte, North Carolina, The United States
Head of mission: Honorary Consul Chris Domeny

Honorary Consulate of Ireland

in Charlotte, North Carolina, The United States
Head of mission: Honorary Consul John Young

Honorary Consulate of Italy

in Charlotte, North Carolina, The United States
Head of mission: Honorary Consul Claudio Carpano

Honorary Consulate of Japan

in Raleigh, North Carolina, The United States
Head of mission: Honorary Consul David Robinson

Honorary Consulate of Lebanon

in Raleigh, North Carolina, The United States
Head of mission: Honorary Consul Ghassan Eldiri

Consulate General of Mexico

in Raleigh, North Carolina, The United States
Head of mission: Consul General F. Javier Díaz De León

Honorary Consulate of Mexico

in Charlotte, North Carolina, The United States
Head of mission: Honorary Consul Wayne Cooper

Honorary Consulate of Moldova

in Hickory, North Carolina, The United States
Head of mission: Honorary Consul Florin Blaj

Honorary Consulate of The Netherlands

in Raleigh, North Carolina, The United States
Head of mission: Honorary Consul Gerard Ter Wee

Honorary Consulate of Nicaragua

in Charlotte, North Carolina, The United States
Head of mission: Honorary Consul Gilberto Bergman

Honorary Consulate of Poland

in Cary, North Carolina, The United States
Head of mission: Honorary Consul Alvin Fountain II

Honorary Consulate of Spain

in Charlotte, North Carolina, The United States
Head of mission: Honorary Vice Consul Luisa Garcia Pardo

Honorary Consulate of Sweden

in Cary, North Carolina, The United States
Head of mission: Honorary Consul Magnus Natt Och Dag

Honorary Consulate of Switzerland

in Charlotte, North Carolina, The United States
Head of mission: Honorary Consul Heinz Roth



cpcc.edu/global