

MADISON COUNTY ECONOMIC DEVELOPMENT AUTHORITY

Competitive Economic Development Assessment Executive Summary

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VISIONFIRST ADVISORS

STRATEGY | ACTION | RESULTS

A SUBSIDIARY OF BUTLER SNOW LLP

Introduction

As one of the fastest growing counties in Mississippi, Madison County is known for low crime, strong public schools, international businesses, employment opportunities and strong workforce. The resources of the county provide a quality of place that competes with any location in not only Mississippi, but globally.

VisionFirst Advisors was challenged with the task of looking at the performance of Madison County Economic Development Authority (MCEDA), the county's lead economic development organization, and its effectiveness to compete in today's highly competitive economic market place.

Madison County Economic Development Authority (MCEDA) has reached a critical turning point. Economic development organizations

must constantly plan, implement, evaluate and adjust to market conditions to remain competitive. Unfortunately, the operation of MCEDA is no longer viewed by audiences as a highly effective, especially given all the resources afforded by its location. As one person noted, "MCEDA still operates as an old-school industrial board." This is not a criticism of the members of the board who are focused on trying to do the right thing.

The following pages summarize VisionFirst's strategic economic development assessment of MCEDA, its status as it currently exists and a suite of recommendations that positions the organization to move forward as a high-performing economic development entity. In addition, VisionFirst provided recommendation on strategic initiatives for MCEDA to aid in the development of a program of work.

It is important to note, plans and assessments are only of value if they are implemented.

Using this assessment as a catalyst, community leaders must unify themselves, to take advantage of the community's assets, overcome its challenges and work together to reinvigorate the organization's performance and success.



The Voice of the Community & Key Takeaways

VisionFirst research and discovery included more than 50 in-person interviews and a community survey to gather key stakeholder input from local leaders, community advocates, business executives and residents. Some of the key takeaways from these interviews, groups meetings and the survey were:

- MCEDA is underperforming as compared to high-performing EDOs.
- There is a lack of a shared vision for economic development efforts in the county.
- In the more than 50 interviews and conversations, there were almost as many definitions of economic development.
- It is imperative that the organization seeks to utilize the existing intellectual business and industry capital in the community to further initiatives and efforts.
- No coordination in developing a strong and sustainable talent pipeline.
- Need to unite as a county to support economic growth throughout the entire geographic area.
- There is a vacuum of sustained leadership supporting economic development creating systemic problems for the organization.
- People want to live in Madison County.



Community Interest Survey

A community survey was launched to provide a mechanism for interested members of the community to give input. The survey garnered 311 responses. Highlights include:

1. From an economic development standpoint, where do you see Madison County in five years?
 - 59.5 percent wanted a county with vibrant downtowns and neighborhoods that appeal to young business leaders and families.
 - 56.3 percent were supportive of entrepreneurialism and entrepreneurs with 46.6 percent wanting a county that can build, spin off and sustain businesses in all parts of the county.
2. What do you see as the county's greatest strengths in attracting new businesses?
 - Substantial strengths were seen as: quality of life, education, and workforce talents.
3. What barriers do you see that currently impede growth for the county?
 - Primary barriers identified were lack of shared vision, Lack of access to capital for small businesses and start-ups, and concerns about progress impacting the current quality of life.
4. What should be Madison County's top measurable goals or strategies for economic development? (What would the county like to achieve?)
 - Create new jobs, encourage the growth of existing businesses and industries and create a strong entrepreneurial climate.

The Current Organization & Structure

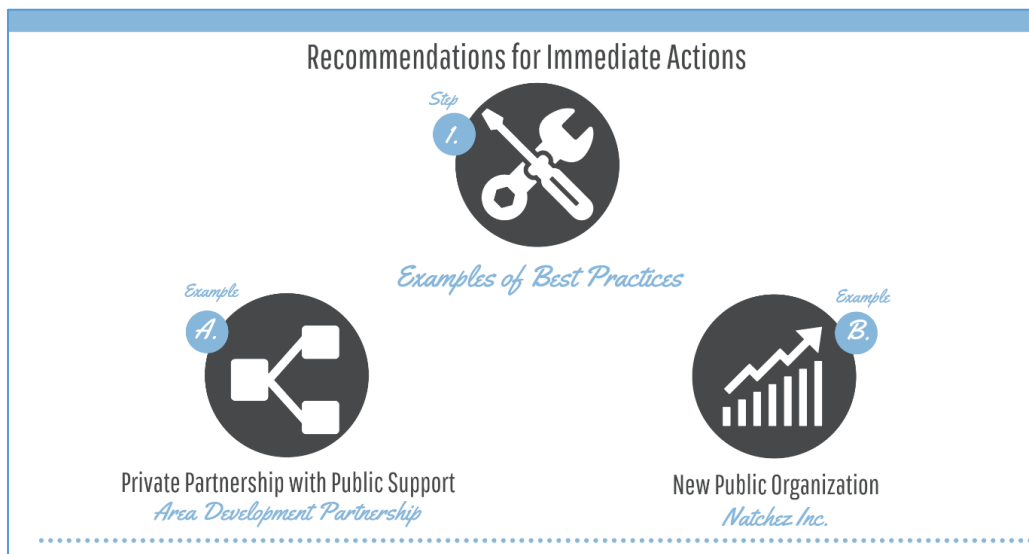
Typically, VisionFirst Advisors begins an assessment on the effectiveness of an economic development organization (EDO) with a discussion regarding the entity’s core mission and the definition of economic development. For MCEDA, this assessment begins with the immediate steps needed to improve performance followed by examples of other Mississippi economic development organizations presented as examples of best practices.

A Plan to Move Forward

Prior to considering any changes, it is important to recognize that Madison County as a business destination will grow for the foreseeable future without recruitment of competitive projects. The community’s economy will create jobs given its more than eight percent growth since 2010. However, a strategy focused solely on continued market growth does little to impact the diversification of the economy or improve prosperity for its residents. MCEDA must be seen as the county’s economic development leader to create transformational change; and the organization has that very potential.

But to propel itself into that type of organization, the board and stakeholders must make some changes to improve operations, responsiveness and engagement. Many of those interviewed suggested the desire for a new structure that may result in a more effective approach to economic development, sustained metrics and increased fiduciary accountability and transparency. Given its current position and a lack of broad-based support from the community, it is clear that keeping the status quo is not an option.

While many interviewees spoke of establishing a public/private partnership, the fact is one already exists; but it has not been formally recognized, developed and utilized to its potential. There are several steps the organization must undertake to ensure success moving forward. While examples of other models are included, without complete implementation of the recommended tactics other options will be unsuccessful.



Step 1: Recommendations for a More Effective Organization

The most successful economic development organizations are those that utilize both an engaged public and private sector. Mississippi is fortunate to have a supportive ecosystem of economic development partners and the same holds true on the local level. As part of aligning its existing resources, there are certain activities that MCEDA must begin to do to increase its outreach and engagement with those in the economic development realm surrounding the organization (as depicted in the graphic) in three broad categories: collaboration, capacity, and proactive approach.

Collaboration

STRATEGIC COLLABORATION WITH THE BUSINESS LEAGUE

Madison County’s existing structure consists of both public and private sector organizations focused on business growth. That is the good news. The challenge is to ensure that MCEDA and the Business League work in partnership toward common economic development goals. MCEDA’s current enabling legislation allows MCEDA and the Business League to further align their efforts to accomplish complementary objectives while strengthening the effectiveness of

PROS	CONS
<ul style="list-style-type: none"> Utilizes Existing Organizations Business input interjected into the process Requires little to no legal approvals outside of the organizations 	<ul style="list-style-type: none"> Built on faith and trust Bad players can disrupt the process Requires a new CEO of MCEDA to help refine the process Battle of “brands” between the two entities Tendency is to stay the same

both organizations. This can only be done by the leadership of both organizations agreeing to commit the focus, time and energy to develop a collaborative agenda and complementary program of work laying out a strategic pathway for governance, programs, management and staffing.

While reviewing the existing efforts of both organizations, it appears that eight broad categories of focus emerge:

1. Advocacy
2. Business Formation and Entrepreneurship
3. Education
4. Business, Retention and Expansion (BR&E)
5. Quality of Place
6. Business Recruitment
7. Workforce
8. Property Management

Some focus areas fall solely on the Business League and the same is true for MCEDA. To increase effectiveness and achieve better outcomes for the county the two organizations must develop a collaborative program of work.

To accomplish this level of collaboration, it is recommended that a Steering Committee be established consisting of members from the two existing boards (see diagram on the following page). This committee would include three MCEDA board members and three members of the Business League board.

While the Steering Committee has no legal authority, it can act as a catalyst for long-term alignment of efforts, initiatives and programs of work. The committee should convene with the help of an outside facilitator, to address the recommendations that may be collaboratively addressed.

Once the steering committee has developed a suggested common

program of work for the two entities to work together, it is also recommended that the same group become the search committee for MCEDA's executive search.

While it may take time to facilitate a collaborative approach to a program of work, the steering committee should not lose sight that it is imperative for the new Director of MCEDA to understand, support and espouse this new approach. In the perfect world, the structure would be defined and in place before moving forward. In this case, new leadership will complete, expound upon and implement the final program of work.

Capacity

BUILDING THE RIGHT TEAM

MCEDA is charged with myriad of duties from the recruitment of new industry to the expansion and growth of current industry. While these activities are the lifeblood of the organization there are other equally as important activities such as board and stakeholder maintenance and engagement as well as marketing and communications. Without ample resources devoted to these functions the ability to grow industry in Madison County will suffer. While our research has identified several common themes concerning the MCEDA's ability to accomplish the mission, lack of capacity is among the most concerning. An organization with an annual budget of more than \$1 million responsible for representing more than 100,000 people must be staffed appropriately. To be able to adequately represent a territory the size of the current region the following positions are proposed: Director (CEO), SVP Strategic Outreach, VP of Business Development, VP of Workforce Development and Office Manager/Receptionist.



Proactive Approach

LEADING THE STATE IN ITS COMMITMENT TO ACCOUNTABILITY & TRANSPARENCY

In economic development, one must never lose sight of the fact that the taxpayers are the ultimate beneficiaries of the work. And while currently MCEDA operates in compliance with all public records laws and practices, to further build trust with its customers MCEDA must demonstrate an ongoing commitment to accountability and transparency. VisionFirst recommends:

- On MCEDA's website, develop a page entitled "Commitment to Transparency & Accountability" that would contain enabling legislation; bylaws and any amendments; listing of board members including names, titles and company as well as the County Supervisor they were appointed by; program of work, goals and metrics, etc.
- MCEDA must also demonstrate accountability tied to a defined program of work. The program of work and subsequent metrics should be submitted to Madison County Board of Supervisors and progress should be reviewed annually.

BUSINESS LEADERSHIP & OPERATING STRUCTURE

Successful economic development organizations invariably find ways to meaningfully include business leadership in the organizational structure and in setting strategy. Simply put, MCEDA's board should function like a business board that has the ability to set policy and direction for the organization and ultimately approves its program of work. This board should integrate the best of both the private sector and the public sector strategy.

- The Board's orientation, roles and responsibilities must be clearly outlined and communicated. MCEDA should develop a robust training and board orientation for all board members. This orientation should also be offered to Supervisors as well.
- Board meetings should be focused on strategy and purpose. While the operations of the organization should be a priority it must not monopolize the majority of the meeting.

VOICE OF BUSINESS & STAKEHOLDERS IS CRITICAL

For any community to be successful in economic development it must view its businesses, residents and stakeholders as partners in the process. Currently, there is business involvement through MCEDA's board as well as the Business League. However, to operate effectively, MCEDA leadership must actively stay involved making sure the collective voices from all parts of the county are engaged, understood and their issues addressed.

DEVELOPING REGIONAL EFFORTS

The Greater Jackson Alliance is a four-county regional organization focusing on marketing, coordination and cooperation of Central Mississippi economic development efforts. MCEDA should be an active leader in this effort. Given its proximity to the state capital and its surrounding counties as well as its existing premier industry base combined with the fact that 70 percent of those working inside the county live elsewhere, Madison County is perfectly positioned to engage in meaningful regional economic development efforts. This is not a recommendation to create and staff new divisions, rather to consider that regional wins will also benefit Madison County.

Best Practices - Examples of Successful Mississippi EDOs

As mentioned previously, the organizational challenges facing MCEDA will continue to exist regardless of its model unless steps are undertaken to refocus efforts on a clear mission, integrate the voice of business leadership, collaborate with others on common objectives, and work under the direction of strong leadership. Once these activities are in process, MCEDA should look to the best practices of similar EDOs for additional strategies. Two examples are provided below.

Private Partnership with Public Support

Hattiesburg’s Area Development Partnership is a private corporation is a 501(c)(3) or 501(c)(6) not-for-profit corporation and serves as the leader in economic development. In certain instances, the funding comes directly from the county to the corporation and in others there is a contract for services. ADP is recognized as the lead economic development organization for the greater Hattiesburg area serving

PROS	CONS
<ul style="list-style-type: none"> • A business focused board drives the decision making. • Brings private funds into operations. • All private employees. • Public board focuses on managing assets, industrial park, buildings, etc. • Private organization leads process. • Disruptions in public funding can be offset by private sector. • No local or state legislation required. 	<ul style="list-style-type: none"> • Model relies on contractual relationships between private and public entities. • Public board focuses on managing its assets, i.e. industrial park, buildings, etc. • Contracts can become cumbersome. • Short-sighted agendas can disrupt the process. • Possible disruptions in funding.

Forrest, Lamar and Perry counties. All the staff are employees of the ADP and report to one board that is private sector driven with multiple public sector partners.

A Public Organization with Private Support

Natchez, Inc. was created in 2010, replacing the Natchez-Adams County Economic Development Authority (NACEDA). NACEDA struggled with functioning, often not able to do business due to the lack of a quorum, and faced plant closings, job loss and lack of new capital investment. In 2010, elected and business leadership

created Natchez, Inc., and started a private capital campaign called Natchez Now to supplement the efforts of the organization. The board of Natchez, Inc. is representatives appointed from the Adams County Board of Supervisors, City of Natchez, Business & Civic League, Chamber of Commerce and four representatives from Natchez Now.

PROS	CONS
<ul style="list-style-type: none"> • Remains a public entity with private sector benefit. • Assets of existing public entities easily transfers to new public entity. • Private sector funding through a support organization. • New legislation can strengthen the organization. 	<ul style="list-style-type: none"> • Built on faith and trust. Short-sighted agendas can disrupt the process. • Requires local/private legislation. • Creation by legislation would add sunset provisions. • Business input lessened.

Refocusing MCEDA's Mission for More Effective Outcomes

In Madison County, the lack of a consistent definition of economic development has also led to mission creep. Without an agreed-upon strategic direction and leadership from one organization, efforts are fragmented, and the county has become ineffective in delivering an economic development program with desired outcomes.

MCEDA's current mission, while serviceable, is very linear in its scope focusing on servicing existing industry and business recruitment as the only two identified strategies that the organization will pursue. It is suggested that MCEDA broaden slightly the scope of its current mission to better encompass and explain its role in leading the economic development efforts for Madison County. To refocus MCEDA's mission leading to a clearer understanding of who the organization is, what it does, why it does it, it is important to look first to who it serves.

MCEDA's mission should focus on its core purpose for existence and must resonate with MCEDA staff, the cities, county and state leadership, stakeholders and strategic partners who have a role in the economic picture of Madison County. All should be clear as to the core purpose for economic development in Madison County and see MCEDA, through its mission, as a compass to remain on course in efforts to grow the economy. The core mission not only defines the organization; it also identifies what it is not. MCEDA, with its limited staff is already pulled in so many directions that it struggles to meet all its obligations.

Based on that understanding MCEDA might consider a mission statement with these elements:


As the leader of economic development for Madison County, MCEDA's mission is to encourage the growth of the county's existing business and industry, attract new investment and higher-paying jobs, and to increase Madison County's competitiveness leading to a diverse, vibrant economy benefitting all the county's citizens.

Program of Work: Leveraging Assets for Economic Vitality

To achieve its objectives, MCEDA must have a defined program of work that is inclusive of the entire county, integrates business leadership into the efforts and is

accountable and transparent in all its activities. Although not part of VisionFirst Advisors' scope of





work, based on Madison County's strengths and challenges, demographics and industry profile, six strategic initiatives are recommended, that if implemented properly could result in increased economic vitality for the county.

COMPETITIVENESS: HARNESS INNOVATION AS A KEY DRIVER OF SUCCESS

- Commission a competitiveness assessment.
- Work with the Board of Supervisors to assess changes to current tax policies.
- Engage the business community in MCEDA's commitment to competitiveness through innovation.
- Look to capitalize where the greatest opportunities exist such as automotive and robotics.

BUSINESS FORMATION: SUPPORT YOUNG FIRMS TO INCREASE COUNTY-WIDE PROSPERITY

- Form a coalition to conduct an asset review of entrepreneurial activities in the county.
- Work with Supervisors and businesses to support the elimination of burdensome regulations.
- Create a mentor program with experienced entrepreneurs with start-ups.
- Long-term look to encourage start-up firm growth throughout the county.

BUSINESS RETENTION & EXPANSION: EXPAND ENGAGEMENT WITH EXISTING INDUSTRY

- Develop a comprehensive Business Retention and Expansion Program.
- Host an Automotive Supplier Roundtable.
- Develop and implement a Nissan Growth Strategy.
- Conduct outreach and marketing surrounding the Collaboratory.

BUSINESS DEVELOPMENT:

- Develop a comprehensive product inventory and assessment.
- Conduct robust decision-maker outreach.
- Redefine MCEDA's business development team.

EDUCATION & WORKFORCE: ALIGN TALENT & TRAINING FOR TOMORROW

- Asset map the existing workforce programs.
- Work with existing industry to identify existing skill gaps employers are facing.
- Develop materials that articulate the existing highly educated and highly trained workforce.

AUTOMOTIVE INDUSTRY:

- Leverage marketing, and advocacy resources to ensure the Nissan story is told.
- Form a joint task force to research the market potential of Nissan and its suppliers to advance the concepts of automotive incubator programs.
- MCEDA's BR&E program must have a strong focus on Nissan and its suppliers.
- MCEDA should develop product, workforce training and other proactive delivery systems attractive to suppliers of Nissan.

How is Success Measured?

The true measure of a high-performing county organization must go beyond a jobs and capital investment quota. While this will be the most common metric used to define any economic development organization, with a body such as MCEDA looking to refocus and re-energize its efforts it cannot be the sole factor that points to the health of the organization especially if it doesn't measure the county's ability to compete. There are too many factors outside the control of the individuals leading the organization that will determine the location of jobs and investment. It is important for jobs and capital investment to be one of MCEDA's measures but it shouldn't be the only factor determining success.

The challenge is to identify other measures that point to the effectiveness of the organization. Metrics could include:

- Awareness & Outreach
- Advocacy
- Business Development Impressions
- Original Lead Generation
- Marketing and Communications Effectiveness

Measuring these elements along with the creation of jobs and investment will paint a clearer picture of how well MCEDA is representing the community it serves as well as providing internal measurement for continuous improvement.

In Conclusion

There are many attributes that have propelled Madison County to become one of the fastest growing counties in the southeast. Strong workforce, a solid quality of life with an outstanding school system and ample public infrastructure ensure sustained growth long into the future. The question for Madison County residents is do they want to determine the type and volume of such growth or continue to let that growth be defined organically, subject to the downturns and uncertainty of the global economy. If the ultimate goal of this organization to be a leader in its field and be the community used to benchmark other EDOs success, then the steps we have outlined in this document must be implemented.

The good news remains that there is little keeping MCEDA or Madison County from becoming that leader befitting of the county. To do so, there must be a shared vision, comprehensive program of work and a staff with the capacity to execute. As progress is made on these recommendations, this County will begin to compete for projects globally that have always eluded them previously and discover new ways to build an economy that benefits all its citizens. In the hyper-competitive world of economic development, the time for action is now.