

Greater Northwest Arkansas Development Strategy



Building on Success: The 2015 - 2017 Blueprint

January 27, 2015

NORTHWEST ARKANSAS
COUNCIL

Greater Northwest Arkansas Development Strategy

ACKNOWLEDGEMENTS & TABLE OF CONTENTS

The Northwest Arkansas Council initiated the planning process for this strategy in mid-2014. Ted Abernathy of Economic Leadership, LLC led the planning effort, and during his time in the region, he interviewed hundreds of Northwest Arkansans and integrated their feedback in to this document. This strategy belongs to the community, and that process is described in detail later in the document. Ted’s hard work, and the input from hundreds of Northwest Arkansans who gave their time, guided the development this strategy.

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Greater Northwest Arkansas Development Strategy

Building on Success: The 2015-2017 Blueprint

The five-year Greater Northwest Arkansas Development Strategy was launched in January 2011. The Strategy identified solid regional strengths to build on, and areas that needed attention in order to remain economically competitive. Dozens of foundational building blocks were proposed. Collaboration by many groups across the region was encouraged and has been part of the implementation.

The plan recommended 16 objectives and 55 (now 56) specific actions organized around four program goals:

- Invest in physical infrastructure that will enable sustainable, long-term growth and improve competitiveness.
- Develop a comprehensive, regional approach to proactive economic development in Northwest Arkansas.
- Ensure Northwest Arkansas remains a vibrant and attractive community for business, residents, families and retirees for decades to come.
- Elevate educational attainment and workforce skills so that Northwest Arkansas can more effectively compete for 21st Century jobs.

In late 2013, an assessment was completed that praised the initial plan and made observations and recommendations for moving forward. Among those recommendations was to begin a streamlined process for a new, three-year plan for 2015-2017; to purposefully build on the progress made in the first plan; to reduce the number of specific recommendations; to include leadership development as a future priority; to develop a community dashboard for monitoring results; and to include a limited number of new initiatives to maintain leadership excitement and commitment.

In June 2014, Economic Leadership LLC began to assist the Northwest Arkansas Council to develop a new Economic Development Strategic Plan and Action Agenda that "maintains the progress achieved since implementation began on the most recent plan, but also stretches the Council to work on bolder strategies for the future."

The process included: (1) Establishing a common current reality through the review of existing research and the development of relevant comparable data; (2) Determining a desired future direction through public input and work with the Council's board and staff; and (3) Recommending realistic actions needed to move the region to a more competitive position.

Establishing a Common Current Reality

Demographics & Economic Performance

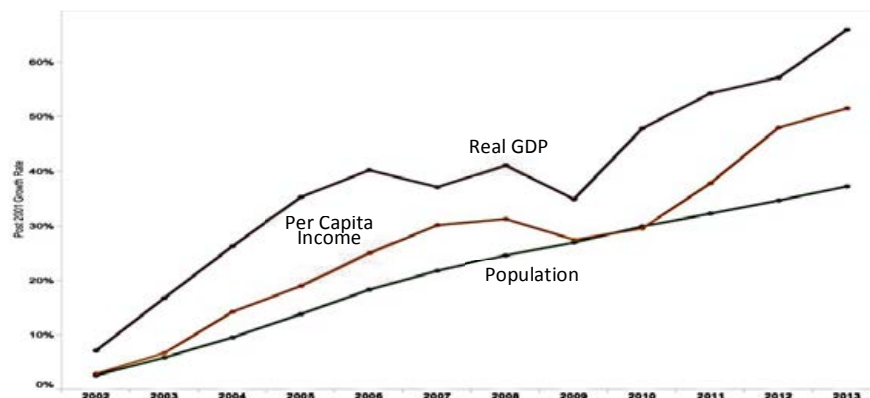
The economic conditions of the region reflect an overall recovery from the Great Recession of 2009 and the lingering impacts of global trends that disproportionately favor larger urban areas, highly educated workers, and specific business sectors. Northwest Arkansas benefits from being the home of several large corporate headquarters and numerous higher education institutions. When combined with the region's interstate access, commercial air service and a high quality of life that includes a low cost of living and a low cost of doing business, Northwest Arkansas (NWA) enjoys a competitive advantage.

However, the region is in a more remote location and has a relatively small population size at just over 500,000 residents. Additionally, the State of Arkansas' lower scores on many national business competitiveness rankings and its lack of brand recognition create challenges for recruitment of talent and new businesses.

The region continues to experience strong overall growth in population, real GDP and personal incomes. Based on information presented in the 2014 State of the Northwest Arkansas Region Report, the most recent Northwest Arkansas economic indicators show positive growth in population (+1.9%), real GDP (+5.6%), non-farm employment (+2.4%), per capita personal income (+4.1%), and average wages (+5.0%). Among the peer regions (identified by the region as Tulsa, Knoxville, Huntsville, Omaha, and Kansas City), Northwest Arkansas saw the highest employment growth in each of the last two years, but still lags in per capita personal income and has one of the highest poverty rates.

The Gross Regional Product of the four-county Fayetteville-Springdale-Rogers Metropolitan Statistical Area was approximately \$20.5 billion in 2013. The NWA economy has been able to maintain growth in wealth per capita while the population has swelled more than 30 percent since 2001. Per capita personal income growth rates in NWA over the past five years were higher than state and national levels.

Northwest Arkansas Growth Rate of Wealth and Population, 2001-2013



Source: BEA (2014)

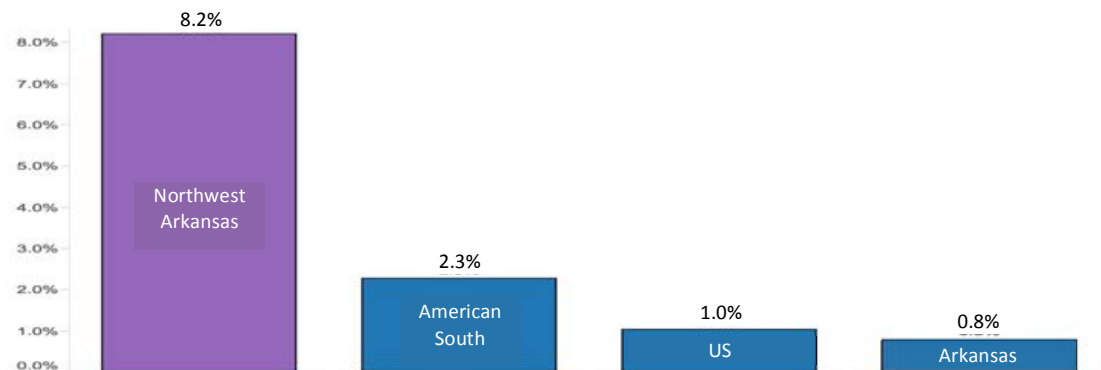
Note: Data collected for Fayetteville-Springdale-Rogers MSA

Establishing a Common Current Reality, continued Demographics & Economic Performance

The population in NWA is young. The region has higher proportions of people ages 20 to 39 and under 20 years old than the state and U.S. The region also has lower proportions of people age 60 and older than Arkansas and the U.S.

One indicator of economic success that is widely examined is a region's ability to retain and grow their populations of people ages 25 to 44. This age group is the essence of an area's workforce and innovators. In NWA, this age group grew at a rate of 8.2 percent in the past five years, which is much faster than the growth rates in other regions or U.S. The availability of jobs and the region's investments in improving the quality of life are having positive effects.

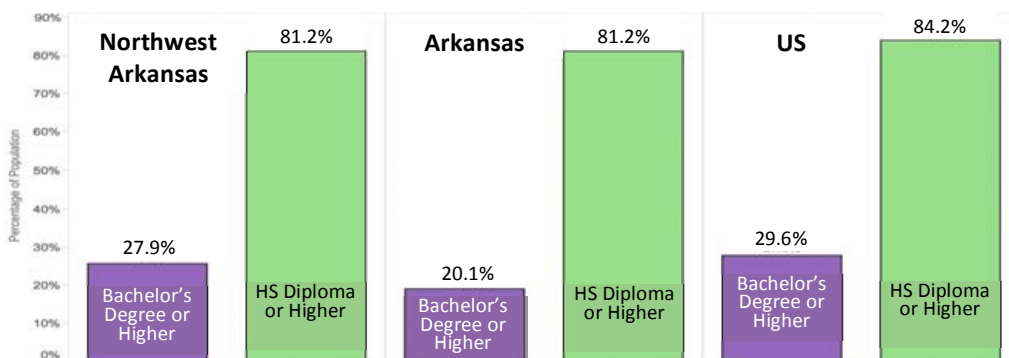
Growth in Age Group 25-44 in Selected Regions, 2008-2013



Source: EMSI (2014)

According to several studies, the availability of a quality workforce is 2014's most important factor for determining where companies will invest. The growing working population in the region is well-educated: in the most recent American Community Survey, almost 28 percent of the population age 25 or over has a bachelor's degree or higher. The Arkansas state average for higher education is about 20 percent.

Educational Attainment in Selected Regions, 2013



Source: EMSI (2014)

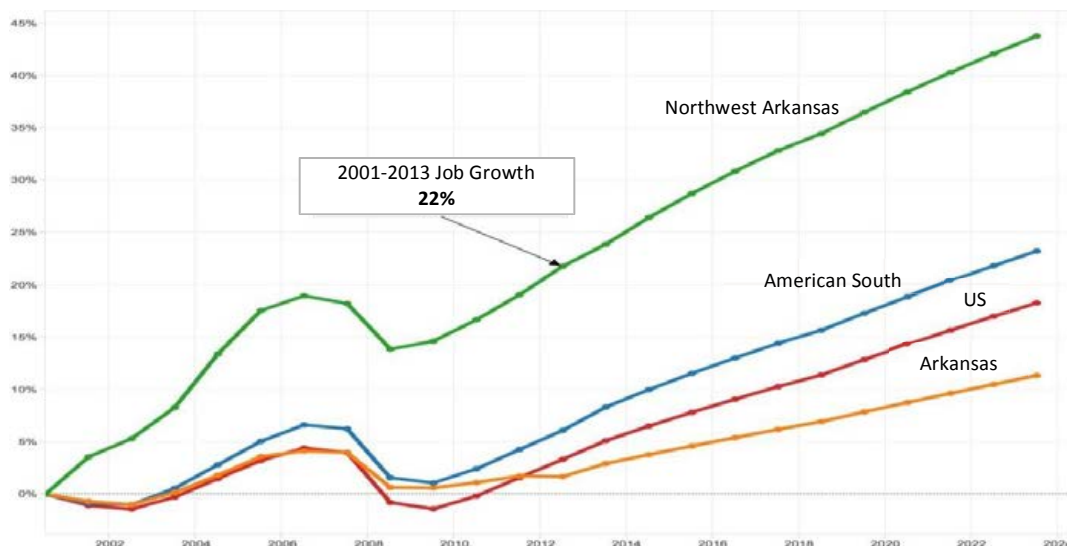
Establishing a Common Current Reality, continued Demographics & Economic Performance

The top three educational program completions in the region from 2013 were Business and Management (1,454) Health Professions (853), and Education (580). Engineering was the fifth most popular program, with 427 completions in 2013.

High educational attainment is not experienced across all groups in the region. Educational attainment varies greatly in the region when looking at minority populations, particularly the Hispanic community. Over 50 percent of the Hispanic population in NWA has not earned a high school diploma (EMSI, 2014). In NWA, the Hispanic population accounts for 15 percent of the total population and is the largest minority group.

Strong manufacturing, government, retail trade, management of companies, health care, and transportation and warehousing sectors dominate the economy of NWA. The region has high location quotients, or comparative advantages, for corporate management (6.93), transportation and warehousing (2.10), and manufacturing (1.47). During the recovery period, 2008-2013, the region saw a 3 percent growth in employment across all industries. NWA employment growth levels are much higher than for the nation or for Southern states.

Job Growth Rate Regional Comparison (Historic and Predicted), 2001-2024



Source: EMSI (2014)

As a result of consistent job growth, the unemployment rate in NWA (5.7 percent in 2013 and 3.9 percent in November 2014) is almost two percentage points lower than the Arkansas state level. Unemployment in the region never exceeded 7 percent during the recession. Ten years ago, there was more variance across the four counties in their unemployment levels; now all counties have an unemployment rates under 4.5 percent.

Establishing a Common Current Reality, continued Demographics & Economic Performance

The average earnings per worker across all industries in NWA was \$55,898 in 2013. This is 91 percent of the national average. While NWA wages are generally lower than national levels, the value of \$100 in Arkansas is actual \$114 due to purchasing power and lower costs (Tax Foundation, 2014). So a worker earning \$56,000 in Arkansas could be described as equivalent to a worker earning about \$64,000 elsewhere in the U.S. (EMSI, 2014).

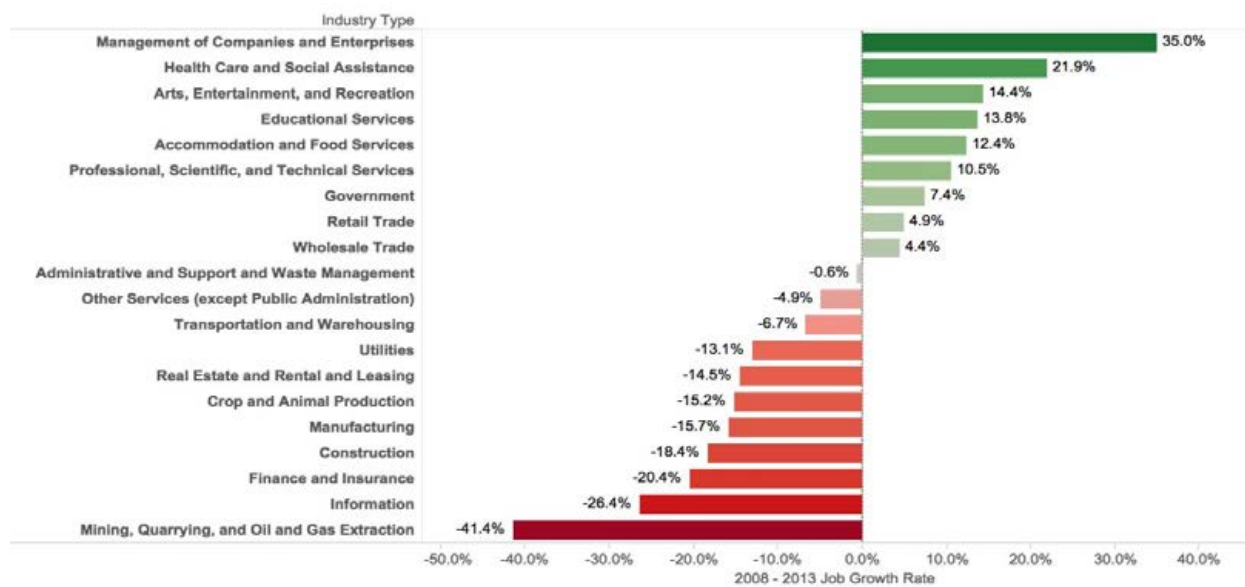
Average Earnings per Worker By Selected Industries, 2013

Regions	All Industries	Management of Companies and Enterprises	Manufacturing	Professional, Scientific, and Technical Services
NW Arkansas	\$55,898	\$132,412	\$46,875	\$64,394
Arkansas	\$48,295	\$118,802	\$54,087	\$65,482
United States	\$61,647	\$128,500	\$76,853	\$96,237

Source: EMSI (2014)

Overall job growth is uneven across sectors. Manufacturing, which employs the largest portion of workers, experienced a 15.7 percent decline in employment from 2008 to 2013. Transportation and warehousing, one of the region's highest comparative advantages and target industries, saw a decline in employment of almost 7 percent. The other target industries of the Council demonstrate strong employment growth (corporate management, health care, and professional services).

2008-2013 Employment Growth Rates in NW Arkansas



Source: EMSI (2014)

Establishing a Common Current Reality, continued

Demographics & Economic Performance

Several organizations rank metro strength and performance. Area Development, a widely cited publication in economic development and site selection, recently ranked all 379 metropolitan statistical areas for Leading Locations for 2014. Among the 379 MSAs, the Fayetteville-Springdale-Rogers MSA ranked 69th. Among peer metros and among Arkansas metros, Northwest Arkansas was a clear leader.

Area Development Rankings (of 379 metros)

Peer Metros	Overall Rank	Workforce Rank	Year to Year Growth
Northwest Arkansas	69	32	45
Tulsa, OK	183	176	233
Knoxville, TN	154	203	211
Huntsville, AL	299	261	306
Omaha, NE	130	143	263
Kansas City, KS-MO	148	174	176

Arkansas Metros	Overall Rank	Workforce Rank	Year to Year Growth
Jonesboro	180	236	158
Little Rock	241	98	303
Texarkana	341	304	358
Hot Springs	378	378	373
Pine Bluff	379	373	376
Fort Smith	374	320	217

(The chart shows ranks based on multiple factors for overall rank, which includes factors for workforce quality, gross product, wages, and job growth. Workforce rank is a composite of several workforce quality statistics and year-to-year growth is a composite of the growth in several economic categories.)

Other recent publications, such as POLICOM's 2014 Annual Economic Strength Rankings (58th of 381) and the Center for State and Local Leadership at the Manhattan Institute (69th of 355), confirmed the region's strong recent economic performance and solid foundation for future growth.

Developing a Future - Community Input

Close to 150 local leaders completed a survey to identify regional strengths and weaknesses, and to help prioritize the focus of the Northwest Arkansas Council over the next three years. The overall results show survey participants believe the region enjoyed many more strengths than weaknesses. The feedback was then given to the Council’s Strategic Leadership Committee for refinement and recommendation to the Council’s Executive Committee. The Executive Committee then made its final revision for approval by the general membership. The Council would like to thank the focus group participants and members of the Strategic Leadership Committee for their commitment to this process.

Northwest Arkansas Council Strategic Leadership Committee			
Jay Amargos	Consultant, SJC	Jason Jackson	VP-Business Integration, Sam's Club
Jay Allen	President, Jaycom Communications	Eli Jones	Dean, Walton School of Business
Jeannette Collins	Director, The ARK Challenge	Evelyn Jorgenson	President, NWACC
Susan Barrett	Former Mercy Health System of NWA CEO	Sara Lilygren	EVP-Corporate Affairs, Tyson Foods
Rod Bigelow	Director, Crystal Bridges	Wayne Mays	President, Siloam Springs Chamber
Mary Beth Brooks	President, Bank of Fayetteville	Becky Paneitz	NWACC, Retired
Raymond Burns	President, Rogers-Lowell Area Chamber	Chip Pollard	President, John Brown University
Steve Clark	President, Fayetteville Chamber	Jim Rankin	Dean - Research & ED, Univ. of Arkansas
Catherine Corley	Catalyst	Javier Reyes	Vice Chancellor, UA Global Campus
Lee Culpepper	VP - Corporate Affairs, Walmart	Jim Rollins	Superintendent, Springdale Schools
Dana Davis	President, Bentonville/Bella Vista Chamber	Adam Rutledge	President, First Security Bank
Kathy Deck	Director, UA CBER	Archie Schaffer	Consultant, Tyson Family Foundation
John Elrod	Partner, Conner & Winters	Shelly Simmons	Chair, Main Street Siloam
Ed Ericson	Chair, NWA Higher Ed Consortium & JBU	Scott Van Laningham	Executive Director, XNA
Cathy Foraker	Director – External Affairs, AT&T	Perry Webb	President, Springdale Chamber
Troy Galloway	Colonel, 142nd Fires Brigade	Tom Walton	Board Member, Walton Family Foundation
Mark Greenway	VP – Human Resources - JB Hunt Transport	Steuart Walton	Board Member, Walton Family Foundation
Scott Grigsby	NWA President, Arvest Bank	Jeremy Wilson	New Road Ventures
Dan Houston	Vice President, Simmons Foods	Ted Abernathy	Economic Leadership, LLC - Plan Facilitator

Areas identified as strengths included overall quality of life, low crime rate, the quality of public schools, the low union profile, housing costs and regional collaboration. The region's greatest weakness was the availability of skilled labor, and more than half of the respondents listing it as a weakness. Other weaknesses, although to a lesser degree, were highway accessibility, the corporate tax rate and the availability of state and local economic development incentives.

The respondents named workforce development, education systems, transportation infrastructure, and regional collaboration as the most important areas for the Northwest Arkansas Council to focus on in the coming years. Other areas that received significant support included downtown development, quality of life, recruitment, support for young professionals, entrepreneurial support, and regional branding and advertising.

Ensuring that local businesses can find a trained workforce received the greatest support. Improved and better aligned workforce development and training activities, successful talent attraction efforts, business-informed curriculum transformation, retention of young professionals and retaining more transient professionals were all priorities discussed and supported. The work of the Educational Excellence Work Group was praised and supported, but it was clear that new efforts were needed.

Developing a Future - Community Input, continued

A second theme of the discussion groups was continuing to improve regional mobility infrastructure. Improved highway accessibility was viewed as both a major area of success for the Council during recent years as well as an area needing sustained focus for the coming years. Other forms of mobility received significant support, as did planning future infrastructure — of all types — for the expected population growth was an area where the Council could and should provide leadership.

The third area of broad agreement was that regional "placemaking," improving different aspects of quality of life, needed to continue. There was consensus that these efforts greatly benefitted from regional collaboration. The collaborative capacity provided by the Council was viewed as an opportunity for new efforts as well as a vehicle to promote and improve existing efforts. During the discussions of placemaking, the groups talked extensively about two foundational issues: the need to improve regional leadership development activities, particularly for young leaders, and the need to be more inclusive of different racial and socio-economic groups. Placemaking was deemed important for the achievement of other goals as well.

Although there was broad agreement during the focus groups, one area of disconnect emerged. Many participants expressed concern about the dozens of specific activities that the Council was involved in and recommended a narrower focus. At the heart of the Greater Northwest Arkansas Development Strategy made public in 2011 were four goals, 16 objectives and 56 specific "strategic actions."

The broad nature of the recommendations encompassed building a strong programmatic foundation for economic growth and improving the region's economic competitiveness. At this point, each of the 56 strategies has been implemented with the help and oversight of a group of local leaders who serve on four work groups. Some of the strategic actions have been completed while many others continue to be worked on. Some of the objectives, such as improving educational performance, better access to infrastructure, or enhancing downtown development, will be on-going. Although very specific actions can be completed, efforts must be sustained over many years.

Counterbalancing the call for greater focus were many recommendations for new activities for the Council. Good ideas surfaced, including the development of better local food sourcing, improving early childhood education, creating a regional sports council, developing greater super-regional (AR, OK, and MO) health care capacity, increasing mass transit options, and implementing ideas to reduce poverty. Each new idea had individual and organizational champions and all would contribute to the overall goal of "making Northwest Arkansas a more competitive and prosperous region."

Focusing for Impact – and Raising the Bar

This strategy is designed to take the Council’s program of work to the next level. The consensus among Council Leaders is that Northwest Arkansas should be benchmarking its success indicators against contemporary high-performing regions. With that charge, the Council is choosing to compare itself to a new set of regions over the next three years:

Area Development Rankings (of 379 metros)

Peer Metros	Overall Rank	Workforce Rank	Year to Year Growth
Northwest Arkansas	69	32	45
Austin, TX	15	63	42
Des Moines, IA	29	29	54
Madison, WI	45	2	130
Raleigh-Durham, NC	55	43	102

Strategically, the question is whether the Council can successfully serve a coordinating capacity for many groups working on multiple activities and also maintain its focus as the primary resource to implement specific tasks. No one argues the value of a strong coordination and leadership function for the Council. In fact, in a polycentric region such as Northwest Arkansas, central collaborative capacity is imperative to effective and efficient delivery of services.

The region - its cities, counties, chambers of commerce, education, training and social service organizations - need the capacity and means to align efforts, to collaboratively think about complex issues and to lobby for solutions. This could be the responsibility of some other group, but on many issues, people look to the Council. Providing this function requires significant resources. Without dedicated funding for this collaborative capacity function, the Council risks diverting resources from its leadership and investors' highest priorities. Over time, diluting the effort will decrease effectiveness and ultimately negatively impact funding.

One way to address this issue is to dedicate a specific percentage of the Council's resources to this function and to measure and monitor the effort as a separate strategic action item. Placemaking is a priority of the Council that creates enthusiasm and engagement. Building a quality, inclusive, and engaged community is central to all the other goals.

The fourth goal originally read, "Ensure Northwest Arkansas remains a vibrant and attractive community for business, residents, families and retirees for decades to come." By rewording and expanding the goal to read, "Champion Placemaking and provide leadership, collaborative capacity, and resource alignment to ensure the region remains a vibrant, attractive, community for businesses and people for decades to come," the new strategic framework can remain consistent.

The other three goals can remain the same, with fewer objectives under each. The existing work groups will continue to provide the function of aligning the various organizations' efforts. The Council will provide specific support to their efforts.

Strategic Action Agenda



The 2015 - 2017 Blueprint

Strategic Action Agenda 2015-2017

The four goals, 15 priority objectives and strategic actions for 2015-2017 continue to build on the foundation that has been created over the past four years. The Council continues its role related to regional collaborative capacity, remains the initial point of contact for regional economic development recruitment, funds and coordinates employer retention and expansion (ERE), and pursues mobility funding.

In addition, this plan positions the Council to take the lead to expand and nurture regional leadership, lead a transition in workforce development, champion enhanced placemaking, and take a long view of regional infrastructure capacity.

The Council also strengthens its role as a regional information curator for economic data, building and site availability, employment and training opportunities, and quality-of-life activities. During the initial months after approval of the plan, the Council will work with its partners and work groups to develop specific action responsibilities and metrics of success.

WORKFORCE



Strategic Action Agenda 2015-2017

Strategic Action Agenda 2015-2017: WORKFORCE DEVELOPMENT

Goal 1: Lead the transition to a best-of-class, demand-driven workforce model to increase the supply of appropriately skilled labor.

Regionally, and statewide, a consistent request from the business community is for a greater supply of better-trained workers. Input from the region's ERE program, a 2014 Arkansas State Chamber of Commerce survey and a recently completed workforce study by the Springdale Chamber of Commerce all verify that addressing this issue effectively is critical to future job growth. Existing education and training programs are not producing workers in sufficient numbers and with sufficient in-demand skills to meet business needs.

To support the expansion needs of the region's existing businesses and to appeal to the highest priority for companies considering relocation to the region, the Northwest Arkansas Council needs to prioritize and lead a regional transition from status quo to a best-of-class, demand-driven workforce model. This effort will require significant staff resources, but it also can have the biggest competitive impact.

Some of the components of a better system are:

- Better, consistent, real-time, comprehensive information about specific employer needs, labor supply and qualifications, and capacity to improve supply.
- Information for all, including employers, workers, policymakers, parents and students.
- Development of a technological platform to support all the information demands (real-time ubiquitous, portable information).
- The resources and information to develop supply excellence (early childhood, K-16, training programs, higher education, parents, etc.).
- A stratified delivery system that recognizes differing needs and supplies what is needed.
- More informed, engaged, and enthusiastic leadership from elected officials, businesses leaders, and education and workforce development organizations.
- The establishment of a leadership group to bridge the complex and contradicting goals and to fix problems and fill gaps where possible and to lobby the state where necessary.

The region should continue to pursue improved high school and college graduation rates, and the Council should continue to support specific activities to achieve these goals. The specific actions of the Council should be to provide the administrative support, research, promotion and state lobbying for the on-going efforts of the Educational Excellence Work Group.

Strategic Action Agenda 2015-2017: WORKFORCE DEVELOPMENT

Priority Workforce Development Objectives

- 1) Develop a pipeline of available workers that aligns with the demands of regional employers.
- 2) Attract talent that meets employer needs for more immediate, specialized, or tenured positions.
- 3) Retain new / incumbent workers to reduce the employer onboarding costs.

Strategic Workforce Actions

- Support programs and policies that increase the percentage of workers with high school degrees, high school career and technical training, associate's degrees, bachelor's degrees, and specific-skill certificates with an emphasis on STEM, Health and Trades.
- Champion integration of essential workplace and life skills into the curriculum, and increase the number of work experience and work exposure opportunities for high school students.
- Produce and widely disseminate real-time skill and job information through media like a regional web portal and social-media platform, workforce, and technology related events.
- Align placemaking activities to support new talent recruitment, and support a new web/social-media portal to promote the region's culinary, music, arts and outdoor experiences.

INFRASTRUCTURE



Strategic Action Agenda 2015-2017

Strategic Action Agenda 2015-2017: INFRASTRUCTURE

Goal 2: Invest in physical infrastructure that will enable sustainable long-term growth and improve competitiveness.

The Council has had significant legislative and appropriations success addressing the road components of this goal over the past four years. State-level efforts to secure funding to complete high-priority regional road needs should be continued. Support for Northwest Arkansas Regional Airport (XNA) flight additions and carrier diversification also should remain an on-going priority, as should preserving the region's drinking water.

In the next three years, infrastructure is an area where the Council can provide needed long-term leadership. All projections show significant regional growth over coming decades. Infrastructure capacity in all areas (transportation, mass transit options, water, storm water and sewer, energy, open spaces, broadband connectivity, solid waste disposal, parking) will be strained. The Council should partner with the Northwest Arkansas Regional Planning Commission to initiate a multi-year effort to plan for future infrastructure needs. All parties at the state and local level should be engaged. An analysis of the need and financial implications of various mass transit options should be included as part of the review. The Infrastructure Work Group includes many of the organizations needed to initiate the project.

Priority Physical Infrastructure Objectives

- 4) Partner with the Northwest Arkansas Regional Planning Commission to initiate a comprehensive, 25-year, regional infrastructure capacity plan.
- 5) Attract funding for vital transportation projects.
- 6) Improve multi-modal mobility throughout Northwest Arkansas.
- 7) Support improvements in options and pricing for air service at XNA.
- 8) Preserve the quality and availability of the region's drinking water sources.

Strategic Physical Infrastructure Actions

- Complete a comprehensive 25-year infrastructure capacity study.
- Identify funding to complete high priority regional highway projects, and advance the planning for a north-south corridor west of Interstate 49.
- Advocate and support efforts to ensure water for the region's growth.
- Support growth in transit ridership and service to employment centers.
- Support flight marketing efforts of XNA, with a focus on additional low-cost carriers.

ECONOMIC DEVELOPMENT



Strategic Action Agenda 2015-2017

Strategic Action Agenda 2015-2017: ECONOMIC DEVELOPMENT

Goal 3: Enhance the proactive regional approach to economic development in Northwest Arkansas to grow and attract targeted, career ladder-job opportunities.

The Northwest Arkansas Council is viewed by most as an economic development organization. Traditionally economic development groups prioritize expanding the local tax base and jobs through a focus on entrepreneurship, existing industry expansion and new business attraction (marketing). In addition to these three standard strategies, most economic development groups are engaged in local or regional product development. By improving the local infrastructure, workforce, and business climate, and expanding the available building and sites, the odds of success increase.

The Council has partnered with groups to enhance the entrepreneurship capacity of the region and should continue to provide whatever (limited) support is needed. Additionally, the Employer Retention and Expansion (ERE) partnership with the local chambers of commerce has been successful and should be continued. It provides a strong foundation for future collaborations.

The area that received the most economic development discussion during the input sessions was the region's recruitment and branding activities. Many felt that a tight labor market and a limited available building and site inventory have acted as a throttle on expansion activities and the attraction of new businesses.

Continued work to address product shortcomings, combined with a more aggressive and focused client generation effort, was the general consensus, although some business leaders were skeptical of increasing attraction efforts unless the qualified worker pool could be expanded first.

Many businesses filter potential locations by the availability of shovel-ready (fully served by all utilities and infrastructure) sites or existing buildings that meet their needs. Without high-quality, available buildings and sites, any branding/marketing successes will be limited to talent attraction.

Additionally, Northwest Arkansas' recruitment efforts are hampered by the relatively poor ranking for the state in many recent studies. In Forbes most recent rankings for best states for business, Arkansas ranked 39th overall, 42nd for labor supply (the factor deemed most important by site selectors), and 47th for quality of life.

CNBC ranked Arkansas 30th overall, 35th for infrastructure and 45th for business friendliness. These and other rankings laud neighboring states such as Texas, Tennessee and Louisiana, further impacting the state's and region's chances of attracting the attention of potential business investment.

Strategic Action Agenda 2015-2017: ECONOMIC DEVELOPMENT

In the next three years, the Council's recruitment efforts need to be more surgical, targeted at site selection professionals and individual companies in proximate regional markets. At this time, the Council does not have the resources to recruit nationally or globally and cannot create a readily recognizable brand for the region for broad audiences. The region should also support any efforts to improve the state's business climate, rankings, and marketing and recruitment activities.

“Winning Strategies in Economic Development Marketing,” a 2014 report by Development Counsellors International (DCI), found that the most effective marketing techniques include a strong web presence, planned visits to corporate executives, media publicity, and hosting special events. The Council has a strong web page and should focus the available resources on direct client and site selector contact.

The Council also needs to support regional efforts to diversify economic activity. One specific area of opportunity is the development of greater health-care delivery capacity that could serve residents of the region and attract clients from Oklahoma and Missouri. Building on existing regional sports facilities is another option worth exploring as is increased regional tourism efforts.

Priority Economic Development Objectives

- 9) Increase the effectiveness of business attraction efforts by marketing the region to target audiences.
- 10) Improve the quantity and quality of industrial and office real estate options (sites and buildings).
- 11) Encourage the organic growth of jobs and investment with continued support of the regional Employer Retention & Expansion program and the NWA Venture Team.

Strategic Economic Development Actions

- Continue regional Employer Retention & Expansion surveys to inform an annual agenda of specific actions to improve the state and local business climate.
- Expand recruitment outreach to site selection consultants and individual companies.
- Update marketing materials to reflect new targeting.
- Conduct a supply-demand analysis to identify regional real estate gaps.
- Work with UAMS NW, area hospitals, and other health care providers to build Northwest Arkansas as a health care destination.

REGIONAL STEWARDSHIP



Strategic Action Agenda 2015-2017

Strategic Action Agenda 2015-2017: REGIONAL STEWARDSHIP

Goal 4: Champion Placemaking and provide leadership, collaborative capacity, and resource alignment to ensure the region remains a vibrant, attractive, community for businesses and people for decades to come.

Doing everything possible to build Northwest Arkansas into a more competitive, more attractive, and more vibrant region is necessary to achieve any of the economic goals. The Council has evolved over the past four years. Its place in the region is currently somewhat undefined. The role of the Council needs to be clarified to improve efficiency and to combat mission creep.

The role of the Council leadership is evolving into that of "Regional Stewards," a concept initially researched and promoted by The Alliance for Regional Stewardship around 2000. According to their work, "Regional Stewards are leaders who are committed to the well-being of places. They are integrators who cross boundaries of jurisdiction, sector, and discipline to address complex regional issues such as sprawl, equity, education, and economic development. They see the connection between economic, environmental, and social concerns and they know how to connect the dots to create opportunities for their region. Regional Stewards are leaders who combine 360 degree vision with the ability to mobilize diverse coalitions for actions."

The Council has an opportunity to grow over the next three years into a more defined, more synergistic organization that can lead specific efforts and be a thought leader for regional improvements. By defining what the Council's role is for various efforts — recruitment and branding (lead), ERE (support and funding), entrepreneurship (initiator and support), regional metrics (custodian), infrastructure (research and influence), etc. — the Council can begin to manage expectations and improve outcomes.

The Council needs to be a catalyst for better leadership development, especially among young professionals. Many of the current business leaders are reaching an age where they will want reduced involvement.

Through intentional and aggressive action over the past 20 years, Northwest Arkansas has emerged as one of the country's leading economic regions. Investments in improving the quality of life are evident everywhere. But the future is not certain, and new leadership (stewardship) will need to continue to make decisions and investments that will determine the region's success. The Council can drive a model of engagement that recruits and nurtures leaders.

Strategic Action Agenda 2015-2017: REGIONAL STEWARDSHIP

Finally, the Council should continue to closely monitor and publish economic information about the region. Through its annual State of the Northwest Arkansas Region Report and various scorecards and dashboards, the Council should continue to provide information for leaders, investors and talent to use in their decision-making.

Priority Placemaking Objectives

- 12) Develop a long-term strategy to ensure a strong succession of Northwest Arkansas Council leaders.
- 13) Cultivate the next generation of leaders in Northwest Arkansas by promoting citizen engagement on boards, elected positions, and leadership training.
- 14) Position the Council as a champion of regional placemaking.
- 15) Promote racial, cultural, and ethnic diversity in Northwest Arkansas by supporting quality-of-life enhancements that appeal to a variety of demographic groups.

Strategic Placemaking Actions

- Support and implement programs to engage next generation of public sector, private sector and non-profit leaders.
- Develop, maintain and promote a dashboard for economic results, placemaking activities and strategic action updates.
- Expand awareness, interest and usage of the Northwest Arkansas regional trail system.
- Champion efforts to diversify the local economy through sports and tourism promotion.
- Support efforts to enhance the quality of the region's downtown business centers.

Conclusion

Northwest Arkansas leaders have worked for decades to ensure that this region is a great place to live, work and raise families. The idea of Northwest Arkansas as a single, economically competitive region has taken root as the region has grown from a modest collection of small cities in to one of the most economically vibrant metro areas in the U.S.

The Northwest Arkansas Council supports successful individuals, businesses, and communities by enhancing the regional business climate. This strategy acknowledges that while a focus on physical infrastructure remains vital for economic success, our talent infrastructure will also play a critical role in determining how well we can grow as a region.

Finally, although we've informally acknowledged the importance of collaboration, it's worth noting that a large part of Northwest Arkansas' success is due to a willingness and ability to convene regional meetings, produce regional events, and create regional organizations. We like to call this Northwest Arkansas' "collaborative infrastructure," and if we hope to have continued success developing our physical and social infrastructure, we'll need to ensure that our collaborative infrastructure is in good working order as well.

Northwest Arkansas has a long track record of regional success. For more than two decades, this collaborative spirit has helped fuel one of the best economic success stories in the nation. By continuing to work together to execute the expanded development strategy, leaders in Northwest Arkansas will position the region to grow jobs and create economic opportunities for many more years to come.

Greater Northwest Arkansas Development Strategy



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