2017

ELEVATE GREATER AKRON

REGIONAL ECONOMIC DEVELOPMENT PLAN

INTRODUCTION:

This is a time of burgeoning optimism about cities like Akron. A 2018 Brookings report on “older industrial cities”, for instance, notes that:

> *"Amid great uncertainty on the country’s economic horizon, past need not be prologue. Relentless technological innovation and demographic changes are shifting what businesses and individuals’ value in ways that may re-position our older communities."*

It goes on to argue that many of these cities are experiencing early signs of returning dynamism and that their abundant assets – “innovative companies, knowledgeable workers, valuable infrastructure, and civic commitment” – represent potential sources of long-term transformation. This justifiable optimism, however, is tempered by concerns about the ability of these cities to rebound from decades of stalled progress. Akron, like its peers, faces the challenging prospect of trying to grow an innovative and inclusive economy with limited resources and in the face of accelerating economic, technological, and demographic headwinds.

To succeed in this environment, Akron needs a strategy that embraces what truly matters to economic development and enables a range of organizations to collaborate, use available resources as efficiently as possible, and realize the region's latent potential.

This is that strategy. It is the product of a first-ever collaboration between four entities – the City of Akron, County of Summit, Greater Akron Chamber of Commerce, and GAR Foundation – that came together in 2017 with the goal of creating a transformative, high functioning, and collaborative economic development system for Akron. Each entity recognizes the need to change the way it operates both individually and as part of a new, integrated system.

Given the need to both establish a solid foundation for a long-term partnership and demonstrate their ability to collaborate, the partners have agreed that they must begin with a clearly defined and manageable focus on the City of Akron. Each entity, however, will also be able to apply and adapt the strategies and tactics in this plan to their work with other communities at the county and regional levels.

KEY FINDINGS

The following market assessment is the basis for the strategies in this plan. It is the product of extensive literature review, interviews with Akron and Northeast Ohio leaders, and consultant insights from prior projects and emerging practices in other regions across the U.S.

Note: all references to Akron, unless otherwise noted, are to the Akron metro area. This is the most relevant unit of analysis for understanding market conditions that impact the city.

FINDING 1

The Akron regional economy is neither distressed nor dynamic

In a Midwest region defined by persistent economic distress, Akron's economy over the past decade is best described as being in stasis.

Akron's economy is certainly not performing well enough, but it is not as deeply distressed as might be assumed given the trajectory of other manufacturing-intensive cities in the Midwest. According to the Brookings analysis of 70 "older industrial cities", Akron is among a group of 14 that are "stabilizing", meaning that it is in the bottom third of all metro areas on measures of growth, prosperity, and inclusion – but as of 2016 still "within shouting distance" of 2000 levels of jobs, income, and employment rates. One local interviewee described Akron as "coasting".

One reason that Akron does not seem deeply distressed is that much of its decline occurred before the Great Recession – in recent years, Akron has rebounded more strongly from the recession than peer metro areas. This dynamic is evident in Akron's advanced industries – the innovative, export-oriented firms that drive the regional economy. Akron's advanced industries declined substantially over the past several decades (in terms of jobs overall and output relative to other metros), but there are still a core set of strong firms that have kept the region from sliding too far backwards. From 2013 to 2015, Akron ranked among the top quarter of large metros for growth in advanced industries.

There are also broader indications of a relatively stable post-recession economy: recent job growth has been steady, wage growth has kept pace with the U.S. overall, and the region has more or less maintained its population in part due to international in-migration, and college attainment rates remain higher than peer metro areas.

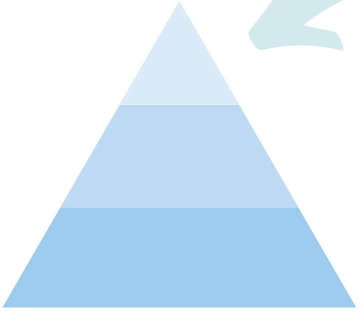
As a result, deep economic distress is not widespread. According to an index created by the Economic Innovation Group, Portage County is in the top fifth of counties nationwide, with no residents living in distressed zip codes, and Summit County is within the top third of counties, with 28% of residents in distressed neighborhoods.

Akron's relative stability has, however, enabled it to avoid reckoning with a deeper problem: the regional economy is threatened by a lack of dynamism. It is not clear where Akron might find a catalyst to shift its economic trajectory. The region's startup rates are far lower than the U.S. average, and compared to peer metro areas it has fewer potential sources of innovation such as graduate students and research funding.

A few major firms in the region – primarily in the polymers industry – keep the region ahead of many peers in terms of patent rates, but this innovative activity is not supporting many advanced industries jobs overall or leading to the creation of new firms or industries.

There are, in theory, opportunities for Akron to pull itself out of its current state of economic stasis. McKinsey has identified a set of 12 disruptive technologies in which "there is an opening for new players to upset the established order." Akron and the rest of Northeast Ohio have some niche in at least four of these, but advanced materials in particular stands out as a potential opportunity given Akron's legacy strengths in polymers. However, neither Akron nor other regional organizations have fully and consistently invested in the cluster, and Akron is only beginning to make concerted investments in its startup and innovation ecosystem.

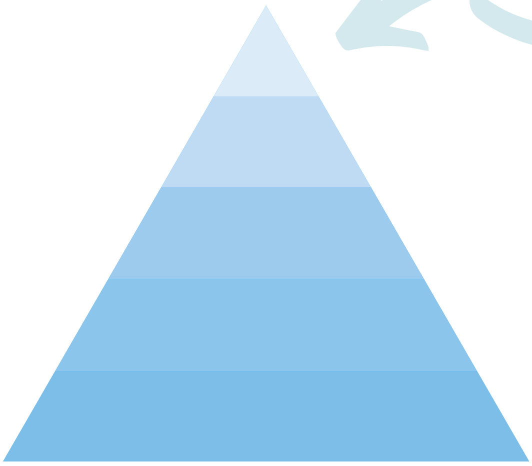
NEITHER DISTRESSED



SUMMIT COUNTY

top third of all U.S. counties

28% live in a distressed area



PORTAGE COUNTY

top fifth of all U.S. counties

0% live in a distressed area

NOR DYNAMIC

Akron is not intentionally developing a foothold in the "next economy"

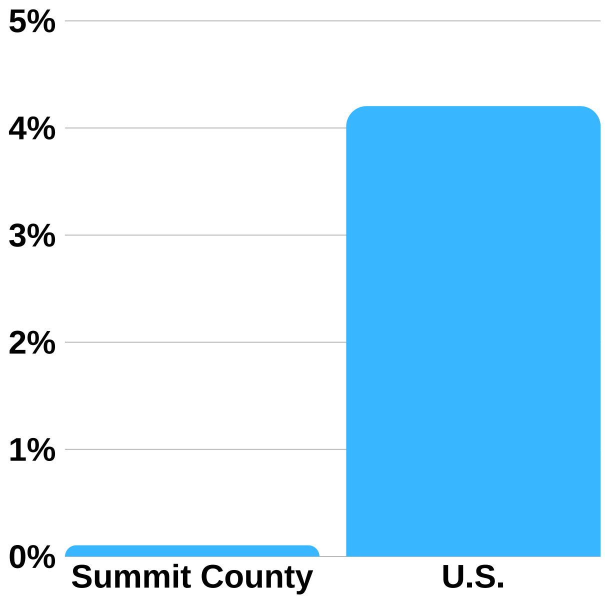
- Genomics
- Cloud technology
- Advanced robotics
- Autonomous vehicles
- Internet of things
- Energy storage
- 3-D printing
- Advanced Materials

WINDOWS OF OPPORTUNITY EXIST

McKinsey: "an opening for new players to upset the established order."

BUT LITTLE STARTUP ACTIVITY

Change in business establishments, 2011-2015



FINDING 2

But it faces strong headwinds that threaten its steady position

The structure of the economy is changing in ways that put Akron and other small metro areas at an increasing disadvantage.

Growing market headwinds are threatening the assets that have allowed Akron's economy to "coast" in recent years, making it more difficult to grow new firms and industries. Globalization and technological change means that the best firms are able to exploit minor advantages over rivals and gain control of entire markets, including by acquiring smaller firms. Two-thirds of U.S. industries, as a result, became more concentrated (dominated by fewer companies) between 1997 and 2012. The economy is also becoming more geographically concentrated, since these elite firms predominantly exist in a few metro areas that offer an abundance of highly educated and specialized talent. Several key barriers threaten the ability of other metro areas, like Akron, to catch up.

Entrepreneurship is on a decades-long decline. Fewer new firms are being created, and even those with high growth potential are failing to scale to significant size. This dynamic decreases the chance that smaller regions will be the home to new firms that grow and rejuvenate the economy.

Manufacturing intensive regions are further disadvantaged. Recent studies have found that, while manufacturing overall has kept pace with GDP growth, the sector's performance was driven almost entirely by the computer and electronics industry. Others have barely held steady since before the recession.

Automation has not yet had a major effect on employment, but it threatens to be more disruptive in the near future. Whether or not fears about major net job losses are borne out, it is almost certain that the number of middle-skill, middle-wage jobs will shrink. Adapting positively to this shift will be more difficult given the fact that the workforce will be increasingly comprised of minority populations, whose educational outcomes are far below the regional average.

FINDING 3

Traditional economic development approaches are proving incapable of effectively confronting these headwinds

The traditional model of economic development does not align with what matters in today's economy and is being challenged in many regions.

Economic development organizations are responding to these challenges in two basic ways. Some are "doubling down" on outdated approaches. This means engaging in sales-oriented, incentives-driven, and increasingly expensive attempts to attract businesses. This has always been a questionable strategy, given the fact that business relocations and expansions are only responsible for 14 percent of state job creation and most of the gains in tax receipts only cover additional infrastructure to serve the in-migrants who take those jobs (research by Tim Bartik suggests that approximately 85% of net new jobs in a region go to in-migrants rather than local residents who are unemployed). Regardless of whatever merits business attraction may have once had, it is becoming a less effective strategy given that the number of large relocation and expansion projects (over $1 million in investment or 50 jobs) has declined by 50 percent in recent years.

Other EDOs are recognizing the flaws of this model and trying to adapt to a more balanced approach that is more focused on real drivers of growth and development, such as skills, entrepreneurship, and innovation. But this approach brings its own challenges: EDOs are often still judged by short-term job creation numbers even as they branch into new areas, and often lack experience or strong partnerships on these topics.

Their forays into areas like entrepreneurship are therefore often weak and disconnected from their other efforts (like BRE). Longstanding partnerships and structures for regional collaboration are being strained in many places as different economic development entities choose different responses and compete for limited resources.

FINDING 4

The Akron region's economic development system is outdated and fragmented

Akron's approach has been characterized by disconnected efforts to attract outside investment at the expense of local potential.

By and large, the Akron region's economic development approach has been characterized by a focus on the types of outdated approaches described above. For the past several decades, the city's economic development efforts have been overwhelmingly focused on business attraction, especially via attempts to attract greenfield foreign direct investment by attending global trade shows. Like many regions, Akron attempted – and failed – to build a biomedical cluster from scratch (a failure that cost upwards of $40 million). Meanwhile, its engagement with local firms (with the exception of a few large corporate retention efforts) has revolved around superficial and reactive "call" programs, rather than development of a robust suite of services that address the stated needs of firms.

Overall, the system has been hampered by parochialism and lack of collaboration both within Greater Akron and in the broader Northeast Ohio (NEO) region. Within the Akron region, local EDOs recognize that they have not worked together in an aligned, productive way under a common narrative. At the broader regional level, Akron has remained largely disconnected from NEO-based organizations, which offer a set of well-funded (and in some cases, nationally recognized) programs that are designed to address a variety of needs – regional economic development (TeamNEO), innovation and entrepreneurship (Jumpstart), and productivity (MAGNET), among others.

Akron officials place some blame for the disconnect on NEO-based groups for lacking proper understanding of Akron and how to engage with it, however, they also place increasing blame squarely on the Akron region itself for making little effort to integrate these vital programs and resources into its economic development efforts.

In short, the Akron region does not have a strong foundation of economic development fundamentals. Its EDOs do not know local firms and industries the way that high-performing EDOs do, they are not widely recognized as thought leaders, they do not regularly facilitate high-value collaboration, and they are not consistently and proactively preparing the Akron economy to adapt to change.

FINDING 5

There are several potentially transformative, but overlooked, economic development opportunities in Akron

The region has not made smart, concerted, and sustained investments in several areas that could propel the regional economy onto a new trajectory.

Though Akron's economic development approach has generally not focused on developing a foundation of innovation and entrepreneurship, it has a variety of assets that could form the basis of a strategy for doing so going forward.

Young, high-growth, high-tech firms: These are key drivers of growth, innovation, and net job creation in any region. These make up just 0.3% of all firms nationwide but create jobs at double the rate of all startups and pay double the wages on average. Assuming that Akron's economy mirrors the national economy, it should have approximately 35 of these firms. Indeed, over the past five years, the Akron region has had 42 firms make the Inc. 5000 list (which tracks the revenue growth of privately-owned firms over a three-year period), placing it among the top 40 percent of mid-sized metro areas for the number of entries per capita.

Middle market: These firms are overlooked sources of job creation. (Middle market is defined on an industry-by-industry basis, but for the purposes of this plan, it comprises firms with between $10 million and $100 million in revenue, or approximately 30 and 300 employees.) Nationwide from 2009 to 2014, just 1 percent of all firms accounted for 72 percent of net job creation. On average, these firms grew from about 10 to 30 employees over that time period, often adding just a few jobs at a time for several years in a row. Yet traditional economic development systems often fail to meet these firms' needs, because they are too large to be considered startups but too small to produce major job announcement opportunities. There are likely significant opportunities to help Akron's existing pool of small- to mid-sized firms achieve their growth potential, including through programs related to exports and productivity.

Polymer cluster: Akron's historical strengths in polymers remain significant today. The region's patents and exports are driven by the industry, which is also backed by an array of state programs, federal research funding, and well-established university programs. Further "advanced materials" technologies (which includes some polymer-related applications) were identified by the McKinsey Global Institute as one of twelve "disruptive technologies" likely to have a major impact by 2025. And this is a truly distinct strength for Akron – only a few other metro areas, like Greenville, SC and Grand Rapids have similar industry concentrations. In short, Akron's polymer industry has makings of a potentially successful and unique cluster effort that could give the region a toehold in a new set of growing, adjacent markets. But the region has never truly explored or acted upon this potential.

FINDING 6

The Akron region lacks the workforce skills to fulfill demand for good jobs in increasingly digitized and mid-tech occupations

Akron has experienced an extraordinarily rapid shift to a more digital economy and its workforce has not yet adapted.

The demand for digital skills has skyrocketed in Akron. The level of digital skills – knowledge of, and interaction with, computers – required for the average job in Akron grew by 18 percent between 2002 and 2016.[1] Only five other large U.S. metro areas matched that increase. This reflects an accelerated version of a broader national trend in which workforce in nearly every sector – not just outwardly "tech" oriented firms – is becoming more "digitized". Even in "basic manufacturing" industries, for instance, the number of jobs requiring digital skills has more than doubled since 2002. Healthcare also increasingly depends on such skills.

Unsurprisingly, Akron's regional education and workforce development system has struggled to keep pace with this change. In 2013, it took firms just 17 days on average to fill a job that required some college and no STEM skills, but 41 days to fill a job that required some college and STEM skills. A 2015 study by Conxus confirmed this situation, finding that in Northeast Ohio, depending on the specific occupation, there were between three and ten entry-level IT job openings for every local graduate with relevant skills. This situation gives rise to two potential opportunities for Akron.

One is horizontal – developing capacity in digital skills used broadly, across industries. Beyond benefitting firms from healthcare to manufacturing to professional services, ensuring that the workforce has adequate digital skills would also play a crucial role in advancing economic inclusion in Akron. Digital skills are one of the few remaining pathways to well-paid jobs without a four-year degree. Nationwide, nearly 80 percent of middle-skill jobs (those that don't necessarily require a bachelor's degree and have a median wage over $15) now require basic computer skills, such as Microsoft Excel. According to Burning Glass, middle-skill occupations that use at least one advanced digital skill (e.g., customer relationship management software) pay nearly 40 percent more than other middle-skill occupations. These digitally intensive, sub-bachelors jobs are especially important for increasing economic opportunity among disadvantaged populations, given that less than one in five black adults in Akron has a college degree.

The other opportunity is vertical – establishing a foothold in the tech industry specifically by offering cost advantages (relative to elite coastal tech hubs) and an abundance of skills required for "mid-tech" jobs. These are occupations in the tech sector in which at least 20% of workers do not have a bachelor's degree (such as computer programmers and network support specialists). These occupations are less involved in the creation of novel technologies (in which elite tech hubs still have a major advantage despite high costs) and more to the installation and application of existing technologies in new firms and markets. As established tech centers like the San Francisco Bay Area and Seattle are becoming prohibitively expensive, cities in the Midwest are beginning to carve out a niche in the digital economy by becoming viable locations for tech firm expansions. In many of Akron's peer metros – including Greenville, Syracuse, Columbus, Cincinnati, and Indianapolis – mid tech jobs grew by 5 to 8 percent from 2012 to 2016. Akron, however, is failing to take advantage of this opportunity – the number of these critical jobs shrank by 2 percent in the region over the same period.

There are few proven examples of regions making concerted, intentional efforts to build their tech economies in this way. Attraction strategies are nascent, because major tech firms are only beginning to explore the possibility of locating operations in the Midwest. Salesforce's acquisition of Indianapolis firm Exact Target (and subsequent expansion) is one example. Akron and its peers will need to innovate and move forward without the benefit of "best practices".

FINDING 7

Much of Akron, particularly its black population, is excluded from economic opportunity – which represents a major threat to growth and competitiveness

Akron cannot succeed if its black population, which represents nearly a third of the city's residents, continue to be deprived of opportunities to contribute to, and benefit from, the economy.

Nationwide, traditional pathways to middle-class lifestyle are being broken down by the structural economic shifts described throughout this market assessment. The labor market is becoming increasingly polarized, with nearly all net job growth occurring in the bottom fifth and top fifth of the wage distribution. Wages are declining for workers without college degrees and are stagnant even for those with bachelor's degrees or more. Overall, Akron mirrors these nationwide trends. Middle-wage manufacturing jobs have declined, poverty has become increasingly suburbanized and increasingly concentrated, and the region's employment growth has occurred in areas far away from these neighborhoods (making it difficult for people to work in jobs for which they are qualified). As a result, as of 2015, nearly one in three people in the Akron metro area were in families that struggle to make ends meet. The region's poor population grew by 54 percent from 2000 to 2012. This is an alarming jump, but does not distinguish Akron from national trends, as nearly 40 of the largest 100 metros experienced greater jumps in poverty over the same period.

The City of Akron's black population is experiencing particularly troubling economic outcomes. Nearly six in ten black families in the metro area struggle to make ends meet, more than double the overall average and triple the share of white families. In an Urban Institute study, the city of Akron ranked at the 52nd percentile for economic inclusion overall, but the 73rd percentile for racial inclusion. Of the top 100 metro areas from 2005 to 2015, Akron ranks among the 10 worst for the decline in the black employment rate, and in the bottom 5 for the decline in black earnings.

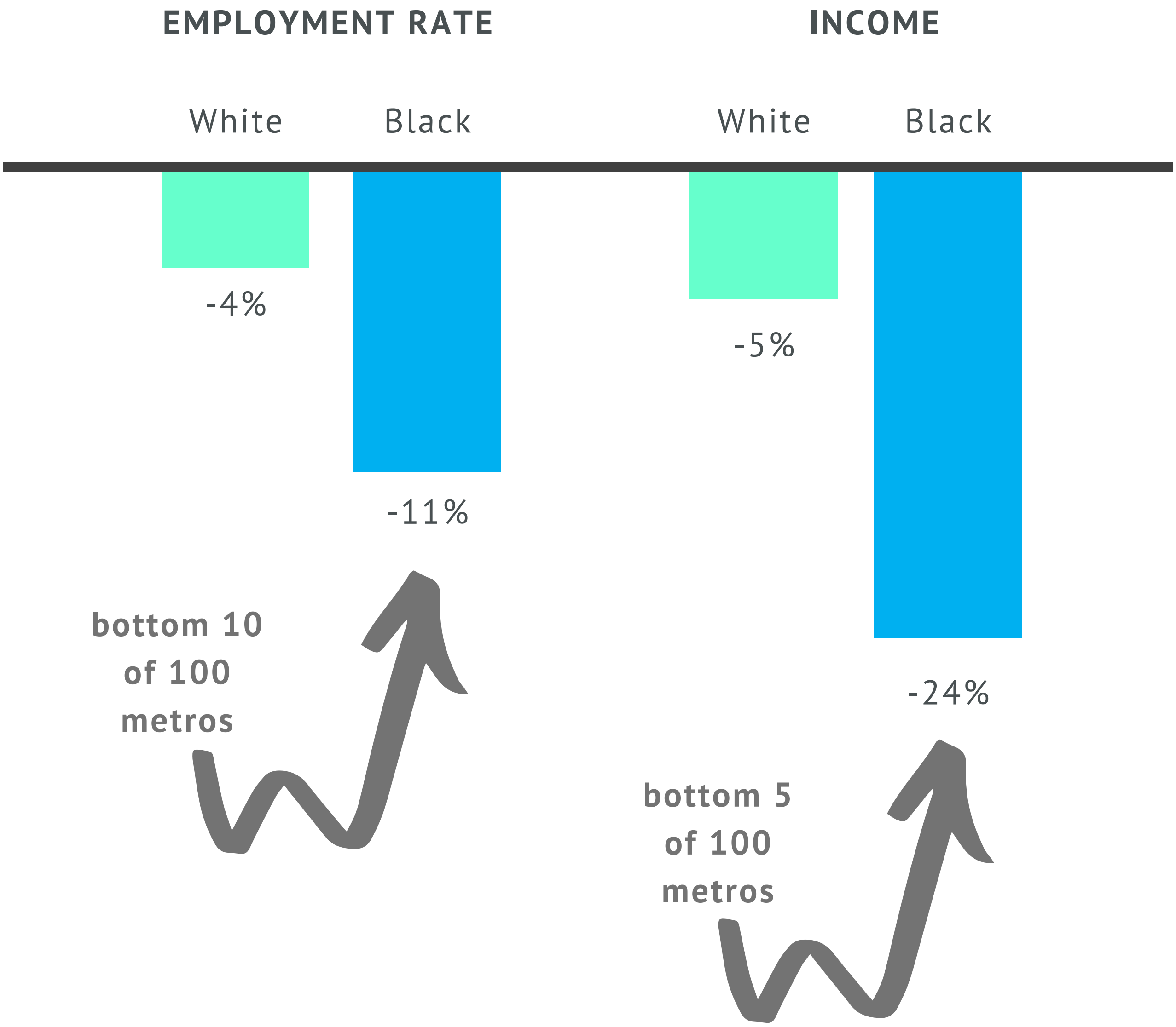
The reasons for this are complex. There are historical, political, cultural, and geographic dimensions, implying that solutions will need to involve systemic change in a number of areas. There are, however, two broad reasons that inclusion is an economic development imperative.

The first is that the causes stem in part from Akron's economic structure. Nearly three-quarters of all struggling working-age adults in the region have at least a high-school degree (and more than a third have at least an associate degree). Nearly six in 10 are either working or looking for work. While the black population has lower educational attainment than the population overall, these figures imply that there is a significant number of black residents with the right preparation and desire to work in good jobs. The problem is that too few of these jobs exist.

The second is that lack of inclusion severely limits the region's future economic potential. Nearly one in three residents of the city of Akron are black (as are more than one in ten residents of the metro area); the city and its firms cannot succeed if they are not succeeding. Left unaddressed, this lack of inclusion will severely hinder innovation and startup activity, and result in a workforce incapable of participating in the knowledge-based economy. Social services for these excluded populations will consume an increasingly large portion of already-strained government expenditures. The costs of addressing economic exclusion now are almost certainly less than the costs of rectifying the impacts later.

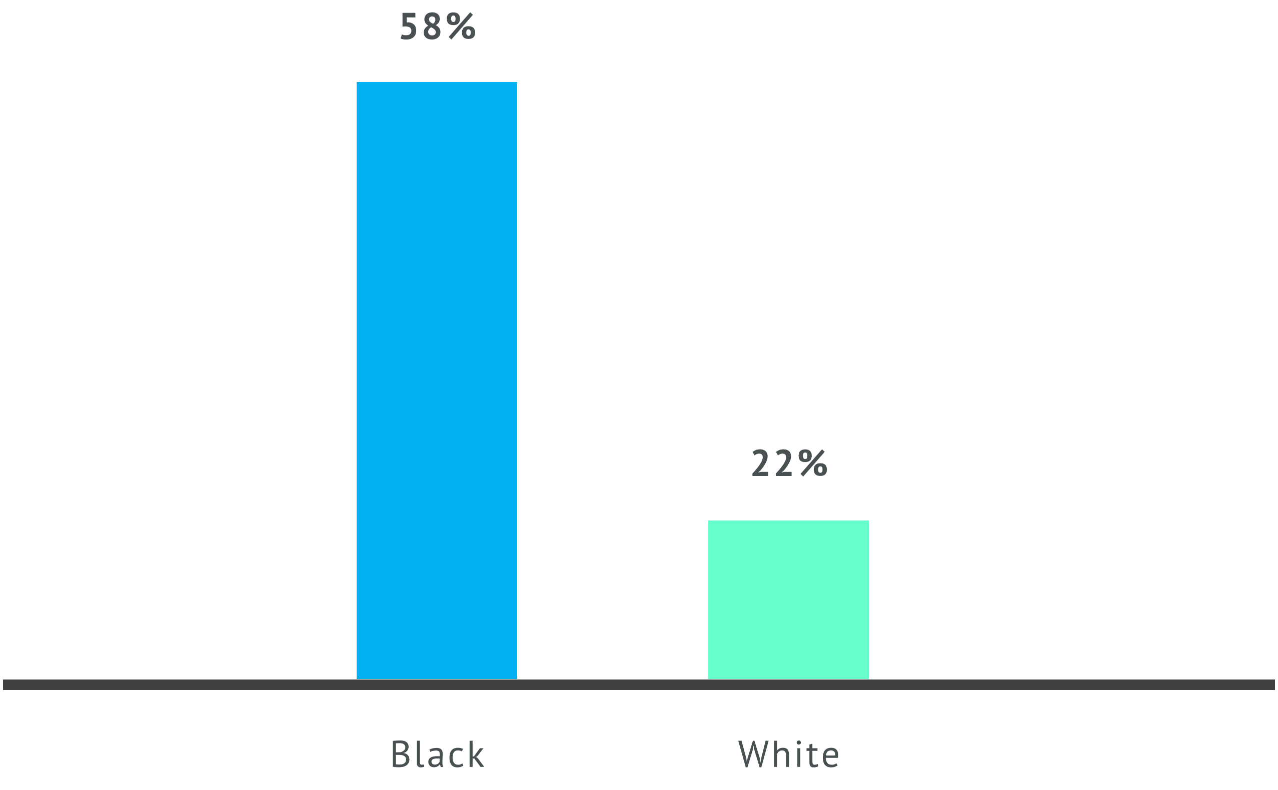
DECLINING JOBS AND EARNINGS

change in employment and income by race
Akron MSA 2005-2015



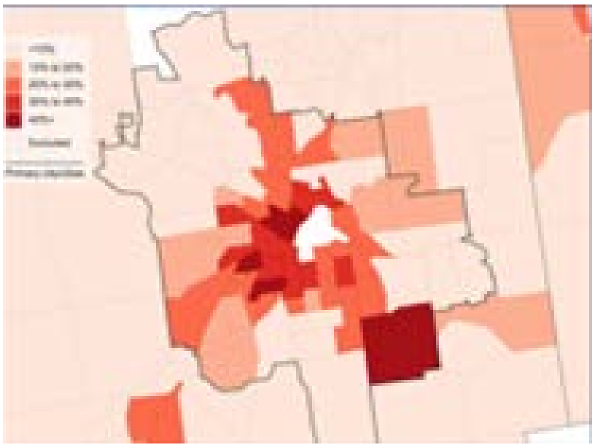
STRUGGLING FAMILIES

share of population that is not economically self-sufficient, by race

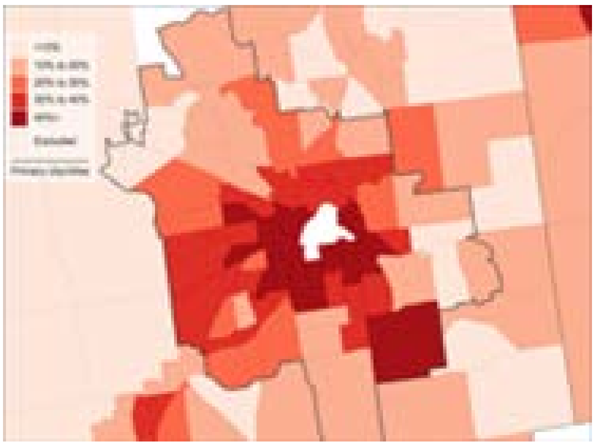


MAJOR INCREASE IN CONCENTRATED URBAN POVERTY

Akron Neighborhood Poverty Rates, 2000



Akron Neighborhood Poverty Rates, 2014



FINDING 8

Anemic growth in Akron's downtown and other job hubs hinders the economic development potential of the entire region

The recently released downtown master plan has stoked optimism, but this momentum could be quickly stifled by lack of development capacity.

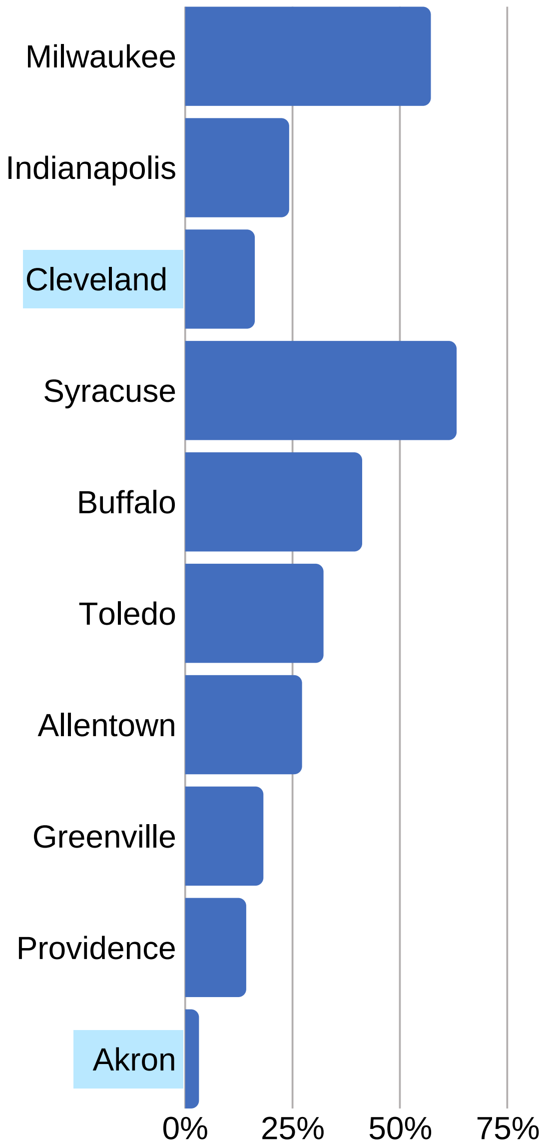
Over the past several decades, but especially during the recovery from the great recession, the economy has become more urban in several important ways. Talented workers have increasingly moved near downtown's, and job creation and income has followed. It is hard to establish causality in terms of whether jobs follow people or vice versa, but recent studies have shown that demand for urban amenities among young college graduates has been a key driver in this trend. This trend also has implications for economic development goals beyond talent retention and attraction. Innovation is one of those areas. While most innovation overall (as measured by patent rates) occurs in relatively suburban areas such as San Jose or Austin, dense urban environments help facilitate the unconventional "breakthrough" innovations that can shift the economic trajectory of an industry or region.

While Akron's downtown has momentum – including a master plan, several civic efforts, some federal and state funding, and a pipeline of new market-rate housing for the first time in decades – progress remains exceedingly slow. Compared to its peers, Akron had relatively low construction activity in 2017. The difference is most notable in terms of multi-unit development (condos and apartments). Just three percent of Akron permits in 2017 were for multi-unit construction, compared to rates of between 14% and 63% in peer markets. Akron faces serious challenges in sustaining its momentum on downtown development and making the master plan a reality. One key reason is that it lacks an experienced organization to drive the plan, secure resources, and gain stronger corporate involvement.

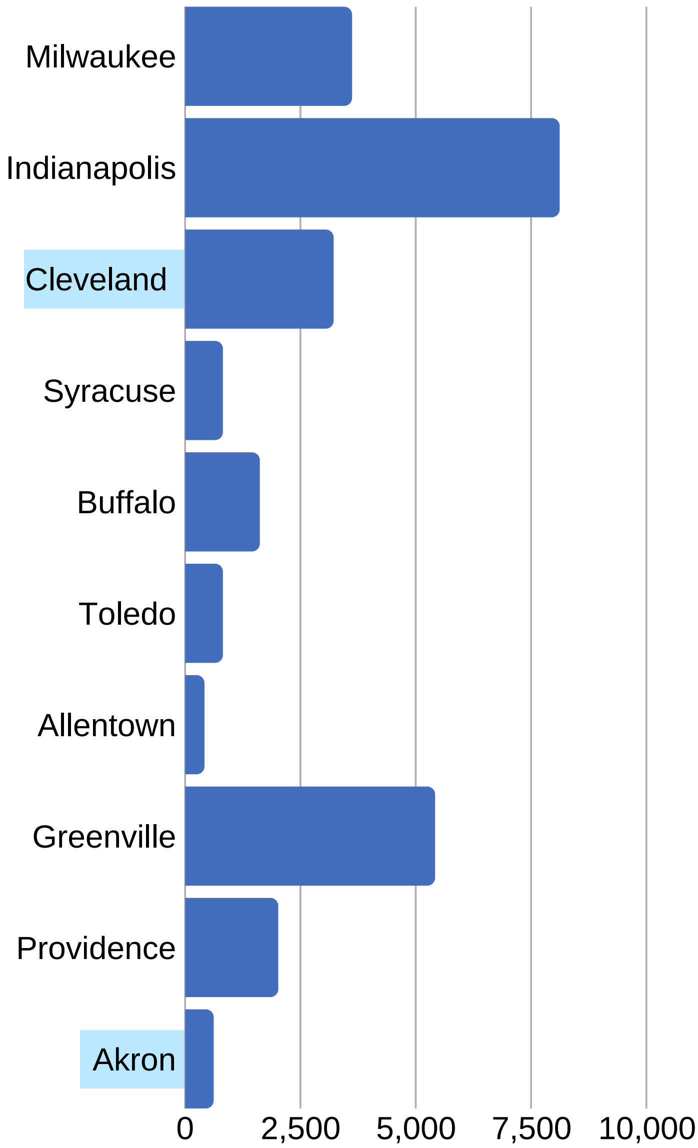
The lack of progress in downtown relates to a broader pattern of suburbanization and sprawling development in the region. According to the Fund for Our Economic Future's research on "job hubs", 13 of the region's 20 largest job hubs lost traded sector jobs from 2002 to 2015, even as overall jobs in the region remained stable. One result is that jobs have moved further from where workers live. Brookings found that the number of jobs reachable within an average commute distance in the Akron region fell by 14 percent from 2000 to 2012 (and by 16 percent for city residents).

AKRON DEVELOPMENT FAR LESS DENSE, TRAILING PEERS SLIGHTLY OVERALL

MULTI-UNIT SHARE OF 2017 PERMITS



TOTAL 2017 PERMITS



SIDEBAR

a model for economic development

Economic growth is often conflated with economic development. But growth is only part of economic development. True economic development requires growth that 1) is driven by innovation that enables the region to continuously evolve into emerging industries before existing industries mature and decline, and 2) results in rising incomes across the skill spectrum. It is possible to achieve growth without development, as evidenced by Las Vegas, where rapid growth has not resulted in higher living standards. (And vice versa, as evidenced by Pittsburgh, which has seen considerable innovation and income growth but not population growth.) Economic development, therefore, is not just about a region producing more of the same thing. Rather, it is about a region continually learning to do new and different things. This is a dynamic, evolutionary process.

The places in which this process has worked effectively have several things in common, illustrated in the below graphic. They continually bring new firms and ideas to the market, through startups, commercialization, and business attraction. They have the capacity to help firms innovate (including through venture capital and connections with universities), become more productive (including through workforce development), export, and ultimately grow. They know their firms and industries well and are able to support spin-offs and facilitate cluster dynamics. And crucially, they enable this process with public- and private-sector investments in skills and infrastructure and support it with forward-looking institutions that create a collaborative culture, inclusive ethos, and long-term vision. This strategic plan aims to create such a system in the Akron region.

2017

THE NEW FUNDAMENTALS

As a whole, the market assessment underscores the need for Akron to transform its economy. For Akron, achieving true economic development in the coming years will require building a system that provides a comprehensive set of services for firms. This system must be designed to respond to the digital revolution that's reshaping the economy and giving rise to new industries in which there is a window of opportunity for new centers to emerge. The need to achieve this transformation is especially urgent if, in the long-term, Akron is going to achieve its goal of not only meeting the needs of its current firms and residents, but also growing its population and increasing incomes at the same time.

How should Akron go about pursuing this transformation? One thing is clear: Akron will have to do so with limited resources (as compared to other peer regions). It cannot try a little bit of everything and see what sticks; rather, it must make difficult decisions about which few things really matter and make significant, consistent investments in those things. Given that, there are two very different pathways that, in theory, Akron could follow.

One is to make a “big bet”. This model essentially represents an enlightened version of Akron's current model. This would involve choosing a single cluster or initiative in which to make a major investment, or competing to attract a major headquarters operation. This approach could be justified on the basis that Akron's economy may need an outside catalyst if it is to truly transform after years of stagnation.

And this approach has succeeded in a few places: Upstate, South Carolina, for instance, attracted BMW's North American headquarters with a major incentives deal in 1992, and has since built an R&D-oriented automotive cluster around it. This has transformed the region, bringing growth and development (over the past decade, according to Brookings, the Greenville metro area ranks in the top third of the top 100 metros for growth and just outside the top 10 for inclusion).

BUT IT IS HIGHLY UNLIKELY THAT THIS IS A VIABLE MODEL FOR AKRON IN 2018, FOR SEVERAL REASONS.

One reason is that business attraction is an increasingly difficult and expensive approach. With the decline in large business expansion and relocation projects, cities have resorted to offering “megadeals” to the projects that remain. The types of incentives that used to be reserved for a truly transformative project like BMW in Greenville are now routinely used to incentivize far more modest investments and even to secure job retention guarantees (with no net new jobs). Major projects, like Tesla’s “gigafactory” or Amazon’s HQ2, now demand incentives in excess of a billion dollars.

Another reason to question the “big bet” approach is that successful examples often rely on major investments by foreign firms. But contrary to popular perception, most foreign direct investment is in the form of mergers and acquisitions (M&A) rather than new greenfield investments, and this M&A activity tends to involve relatively small firms of around 40 employees on average. Akron’s foreign investment attraction efforts over the past several decades yielded something on the order of 25 net new jobs per year.

A final reason that a “big bet” approach may not be right for Akron is that successful cluster-building efforts are much more rare than is commonly understood. Nearly every region, for example, tries to claim that it has a biomedical cluster, but that industry remains overwhelmingly concentrated in a few metro areas. The places that have gained a foothold in high-value clusters, like Pittsburgh with robotics or the Research Triangle with biotechnology, did so through collaborative, resource-intensive, and multi-decade efforts.

Due to these and other factors, Akron’s attempts over the past several decades to go for “home runs” in terms of business attraction and cluster-building have not borne fruit. This is evidenced by the failure of the biotech cluster to take hold (despite the $40 million investment in the Austen Bioinnovation Institute) and the fact that as of 2011, only one in five jobs in foreign-owned firms was from a greenfield investment made in the previous 20 years.

This strategy, therefore, embraces a different approach, which is to instead invest in the “fundamentals”. This approach is based on the premise that the seeds of the city’s economic transformation already largely exist in the region. To be clear, focusing on the “fundamentals” does not imply a return to outdated traditional economic development practices. Quite the opposite: it means designing a new economic development system that meets the needs of Akron’s existing firms and its current residents in a rapidly changing economy.

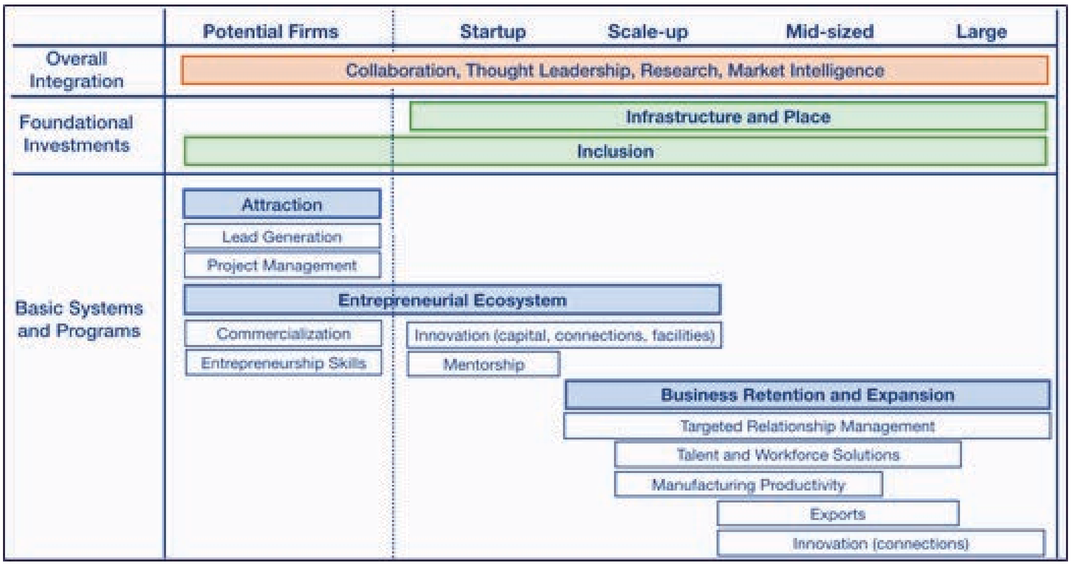
It will also require a long-term view and a great deal of patience, as the strategy entails building the capacity for supporting the incremental growth of local firms and development of innovative capacity in lieu of major, flashy announcements.

The overarching theme of this strategy, therefore, is “the new fundamentals”. This is defined as an integrated, collaborative system that supports the competiveness and incremental growth of local firms by facilitating entrepreneurship; helping existing firms innovate, become more productive, and collaborate; equipping the entire workforce with skills needed for good jobs; engaging in limited, strategic attraction of outside firms and investment; and cultivating forward-looking leadership and institutions.

SIDEBAR

defining the new fundamentals

The basic functions that comprise the “new fundamentals” are illustrated in the below chart.



In practice, creating this system in Akron does not require a dramatic departure from current practice or the creation of entirely new organizations, but rather an intentional pivot towards high-value services that matter to existing firms, as illustrated below.

	Old Practices	New Fundamentals
Culture	Taking credit, competing	Collaboration, alignment
Approach	Sales, promotion, home runs	Building from within, singles and doubles
Entrepreneurship	Stale, real estate play	Dynamic, true ecosystem with real services
Innovation	Independent, "left on the shelf"	Connected, commercialized
Attraction	Reactive, broad	Strategic, highly targeted
Global	Greenfield FDI, foreign trade shows	FOE's, M&A, export development
BRE	Routine call program, scattered services	Relationship mgmt., services for groups of firms
Workforce	Talent attraction	Talent development
Infrastructure	Limited capacity, resources spread thin	Resources focused on stated priorities
Inclusion	No economic development role	Infused across all of economic development

Why embrace a strategy premised on the incremental growth of existing firms, given the pressing need for economic transformation that can pull Akron out of its stasis and provide opportunity to the one in three Akron residents that aren't making ends meet? First, most economic growth comes from existing, young, high-tech, scale-up firms – and Akron actually has a lot of innovation potential and a respectable base of such firms. The potential of these is largely untapped – they have been largely overlooked as Akron has pursued "big bets."

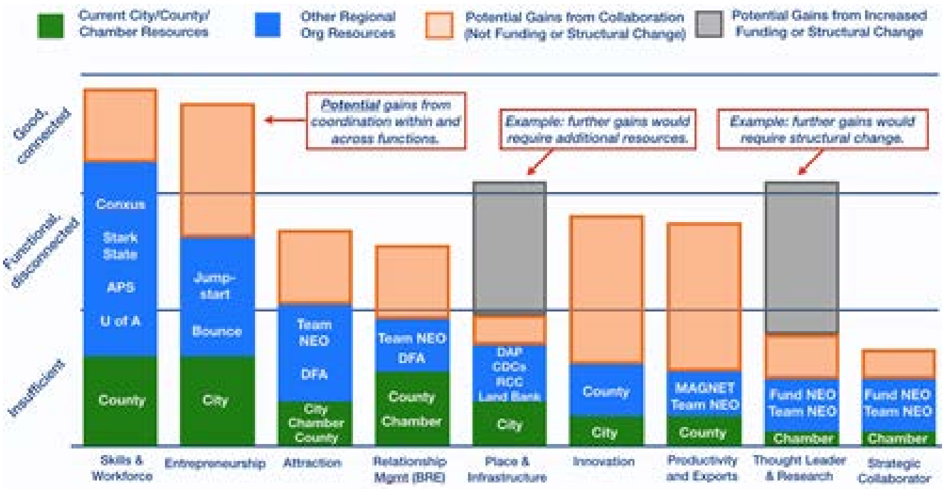
Second, to embrace the fundamentals is not to reject the possibility of transformative change – rather, it is to accept that the fundamentals are a necessary foundation for successfully making transformative investments. Successful cluster efforts and business attraction need to be based on a sophisticated understanding of existing firms and industry dynamics. So, while these represent fundamentally different paths in the near term, over the long term the "new fundamentals" are actually a more surefire way to realize desired transformation than efforts that seem "transformative" in the near-term.

SIDEBAR

Akron's starting point

The following strategies were created based on the reality of Akron’s starting point and ongoing resource constraints. The region’s status in a number of key functional areas is illustrated in the below chart. This assessment is based on a qualitative self-evaluation by the Akron Partners.

Each column reflects four types of resources. First, in green, is current spending and staffing from the City, County, and Chamber. Second, in blue, is the current contribution of various other Akron region and NEO-based organizations. Third, in orange, is the potential intangible value that could come from better coordination and collaboration between organizations. (In other words, the orange bars represent levels of performance that are attainable in the future without instituting new programs, making new investments, or dramatically changing the structure or role of organizations). Fourth, in gray, are potential levels of performance attainable with new programs, investments, and organizational structures/roles. (The height of the bars reflects the fact that, over the next five years, Akron likely will not experience a huge influx of resources that would be required to dramatically improve efforts in complex, expensive areas like downtown development and innovation.)



FIVE STRATEGIES

The five strategies outlined represent the targeted approach Akron is taking based on its goals and in direct response to the key findings.

STRATEGY 1

SPARK AKRON

Unleash and stoke Akron's latent innovation and startup potential

Why this strategy: Entrepreneurship is one of the greatest economic opportunities in Akron, which could serve to spur momentum and push the region onto a new economic trajectory. The Akron region has produced a healthy stream of innovative young firms, including 42 in the Inc. 5000 list over the past five years. However, it has not been as aggressive as many of its peer metro areas in making a robust innovation ecosystem a top priority, leaving most of its promising startups to go unnoticed. The region's efforts are hampered by a lack of connections between universities and local economic development initiatives, in addition to budgetary considerations that threaten the ability of universities to meaningfully participate in these initiatives (especially at University of Akron). This strategy is focused on being highly intentional in changing this dynamic. The early progress and enthusiasm around Bounce and the burgeoning partnership with Jumpstart and other startup initiatives are poised to reposition the city and region. Akron must continue to commit to these efforts – and expand them in the form of funding, networking, and changing the culture of universities and major firms – if it is to offset the nationwide trend of declining entrepreneurship and the increasing failure of even high-potential startups to scale.

A. Realize the potential of Bounce

- **Make Bounce the region's clear center for startups and new innovations.**
  - Physical space: Firms benefit from density of ideas and informal networking; support this dynamic by making Bounce the single clear center of gravity for innovative startups (including for firms that are not tenants)
  - Strong programs: stress the importance of Bounce not just being physical space; engage with Jumpstart to ensure actual programs and funding delivered to firms
- **Consistently make financial investments (including for necessary facilities) in Bounce, and act as a dot-connector and vocal champion of its importance**
  - The city must act as a key backbone for Bounce, even though Bounce is driven and operated independently and with private-sector direction for key programs
  - Ensure that city always has an "innovation and entrepreneurship advocate" on staff to act as proactive dot-connector both within and beyond Bounce
- **Make Bounce a place not only for startups, but an environment in which universities and large firms can interact with, mentor, and partner with smaller firms**
  - Connect (or co-locate) university programs at Bounce to facilitate joint learning among academic researchers and startups
  - Connect large firms to local startup and scaleup firms through contests and challenges that enable innovations "on the shelf" to be commercialized
  - Co-locate a presence for major business and economic development organizations (such as the Chamber, JumpStart, and corporate innovation teams) to facilitate daily interaction with startup and scale up firms, ensure greater awareness of activities, and nurture a more vibrant business community

B. "Fuse Chicken"

Why this tactic: Fuse Chicken is the fastest growing Akron-based firm on the 2017 Inc. 5000 list. Launched in 2012 through a Kickstarter campaign, the firm specializes in indestructible metal charging cables and accessories for mobile devices. However, when it was brought up during a planning session for this strategic plan, none of the participants had ever heard of it. This tactic is designed to make sure this does not happen again, and that promising young firms are known and connected to a robust suite of services and networks to support their early stage growth.

- **Stay on top of the top 25 emerging, innovative Akron region firms**
    - Update list periodically based on regular consultation with leaders of startup-focused organizations/ foundations and data (Inc. 5000, venture capital)
- **Consistently engage with each firm to ensure that key economic development organizations know that firm and its needs**
    - Ensure that each is connected to Bounce, related programs, and the broader entrepreneurial ecosystem to give it the best possible foundation for success
    - Engage with Jumpstart as a regional partner, ensuring high potential firms have access to Jumpstart's programs and Ohio Third Frontier funding
- **Share stories and generate awareness of innovative local firms across the region**
    - Use consistent storytelling efforts to build momentum for the startup community and the city's overall economic development efforts

C. Reinvigorate connections between firms and research universities

- **Re-engage with universities through programs that connect firms with research strengths**
  - First focus on “advanced materials” strengths (polymers at University of Akron and liquid crystals at Kent State) to support commercialization and spinoffs and make connections between researchers and firms to support new innovation
  - Then engage with Kent State (beyond liquid crystals as described above) and the Northeast Ohio Medical University to fully integrate into the region’s broader innovation and entrepreneurship efforts
  - Subsequently, strengthen connections with other regional centers of excellence and connect firms to relevant technical expertise
    - These include: SMART Commercialization Center for Microsystems at Lorain County Community College, Case Western Reserve University and Cleveland State University’s partnership on Internet of Things, America Makes National Additive Manufacturing Innovation Institute, the Fuel Cell Prototyping Center at Stark State, and NEOMED.
- **Champion change at the University of Akron**
  - Ensure that current and incoming leadership of the university and key programs recognize concrete opportunities for engaging in economic development
  - Pursue distinct projects that support both the University and the economic development effort in achieving their objectives, such as exploration of a potential polymers/materials cluster or positioning the business school as a source of important local economic information
  - Stress the vital role the university plays in innovation, commercialization, and talent development to fuel local firms and industry clusters

STRATEGY 2
NEW BRE

Take a fresh approach to BRE, with a focus on increasing the competitiveness of targeted scale-up and middle market firms

Why this strategy: Existing local scale up (10 to 30 employees) and middle market ($10 million to $100 million in revenue or 30 to 300 employees) firms represent the bulk of new job growth in a given region and the space where EDOs have the greatest potential for impact. Taking a fresh approach to BRE (business retention and expansion) implies this strategy does not just represent a traditional call program or a checklist of questions to see if a firm is generally satisfied. In keeping with the theme of “new fundamentals”, “new BRE” rather, must be robust, targeted, and characterized by a strong emphasis on relationship management and business intelligence. New BRE is about the needs and competitiveness of existing businesses, with outreach organized around targeted, high potential groups of firms. This requires dedicated BRE resources to facilitate professional follow-up and alignment of a strong network of economic development actors and services. It is particularly important that the BRE system connects firms with services such as customized workforce training and manufacturing productivity programs. These are among the most effective economic development interventions in terms of job creation or per dollar spent, but typically reach only a fraction of the firms that could benefit.

A. Conduct proactive, targeted relationship management

- **Invest in staff capacity, resources, and methods for collaborative outreach to ensure that BRE results in meaningful market intelligence and connections o Create high-quality interview guides and train staff to ensure they can engage in sophisticated discussions with firms about their needs**
  - Ensure that BRE staff have deep, and constantly updated, understanding of the services available in NEO and statewide (including those delivered by the private sector, like DriveIT) to connect firms with relevant programs and resources
- **Focus on consistent problem-solving for, and relationship management with, a limited set of target scale up and middle market firms o Target 120 firms per year (assuming overlap among the following categories):**
  - 60 high growth middle market firms
    - 25 mid-tech firms (or firms with a high number of mid-tech positions)
    - 25 scale up firms (covered in “Fuse Chicken” tactic above)
    - 25 firms in the polymer/materials cluster (covered in strategy 5, tactic D)
    - 20 foreign-owned firms (covered in tactic C below)
- **Invest in strong relationship and account management capacity**
  - Dedicate full-time staff as relationship managers to serve as economic development advocates for targeted firms and as vital sources of business intelligence for the regional economy
  - Commit to using SalesForce as a tool across organizations to document business intelligence and support management of ongoing client relationships
  - Schedule up to 10 meetings each year for the Mayor and/or County Executive to meet with targeted firms (in addition to the 20 largest firms, covered in tactic D)
- **Develop a system to respond to high-priority one-off requests and opportunities**
  - Develop a protocol for responding to firms that are not in targeted groups, but which represent an important new opportunity
  - Develop a referral and response system for basic, everyday requests from non-targeted firms to ensure BRE resources do not become bogged down

B. Integrate and improve core business development programs

- **Enlist the expertise and engagement of regional organizations that deliver key services**
    - Hold regular (monthly or quarterly) meetings including the above organizations to ensure that programs are in alignment and key firms are moving through the system successfully and seamlessly (i.e., clean handoffs between programs)
- **Inform and strengthen the services delivered by these organizations**
    - Workforce: support Conxus in taking the lead on ensuring that the needs of firms are met (by APS, Stark State, OhioMeansJobs Summit County, the Workforce Development Board, the University of Akron and other entities), which will likely require additional resources and/or funding for Conxus
        - Specific emphasis should be placed on providing digital skills that are increasingly demanded across industries, in partnership with RITE
        - Potential examples: South Carolina's workforce system engages directly with firms to create customized training programs via its ReadySC program; Tulsa's WorkAdvance program (similar to NEO Towards Employment effort) takes a sector-focused approach to job seeker screening, career readiness and technical training, placement, and extensive retention and advancement support post-placement
    - Firm competitiveness: MAGNET should deliver programs specific to the needs of local firms, related to exports, process innovation, and quality improvement
        - Potential examples: Wisconsin MEP delivers export-related services, the Grand Rapids MEP is embedded within regional chamber (and has a strong sector focus), Team NEO facilitates a program in which firms can work with NASA on product/process innovation

C. Make FDI efforts an integral part of BRE

Why this tactic: The majority of FDI job growth comes from existing foreign-owned firms, while the vast majority of new FDI comes in the form of M&A (acquisition of an existing local firm), as opposed to a greenfield (new operation). Given these dynamics, FDI efforts should be repurposed from a sales function (focused on overseas trips) to a core BRE function.

- **Get to know the 20 largest foreign-owned enterprises (FOEs) in the region**
  - Understand their local operations, why they are in Akron, other US and global locations, and the trends in their respective industries
  - Connect FOEs to local business networks and economic development services
  - Build relationships with the overseas parent to ensure they understand the benefits of the Akron region and feel appreciated
- **Focus overseas trade show activity on the polymer/materials industry only**
  - Limit overseas trips to only those shows that demonstrably benefit local firms and that firms want to attend (likely one or two shows per year)
  - Focus overseas trade show activity on the polymer/materials industry only o Limit overseas trips to only those shows that demonstrably benefit local firms and that firms want to attend (likely one or two shows per year)
- **Consider M&A opportunities and threats on each BRE call**
  - Create a regularly-updated database of local middle market firms that are ripe for M&A
  - Create a "menu" of investment opportunities to bring to trade shows and international trips
  - Following any M&A transaction in a traded sector firm, schedule a meeting for the Mayor and/or County
  - Executive (or other high level official) to visit the acquired firm to welcome the new parent firm to the region

D. Conduct tailored outreach to the top twenty firms

Why this tactic: Regular engagement with CEOs and local market presidents of leading local firms is vital to understanding the dynamics in their industries and the issues they face. These large firms are well resourced and face unique issues; therefore they do not typically need, or benefit, from BRE services that are designed around the needs of the other 120 firms in tactic A.

- **Organize annual meetings with high-level officials and commit to rapid follow-up**
    - Assign a top economic development official from either the Chamber, county, or city to serve as the lead contact and liaison for each of the 20 firms
    - At least one meeting per year between each of the 20 firms and high-level officials (Chamber CEO, Mayor and/or County Executive)
    - Ensure firms are aware of major state and local policy changes, economic trends, and initiatives relevant to their stated needs and concerns
    - Commit to rapid follow-up on issues and opportunities raised in company visits

STRATEGY 3

REFOCUS ON URBAN CENTERS

Take a fresh approach to BRE, with a focus on increasing the competitiveness of targeted scale-up and middle market firms

Why this strategy: Young talent and companies in U.S. metro areas are demonstrating a desire to locate in, or have ready access to, vibrant urban places that offer appealing live-work-play options and more walkable communities. At the same time, the city of Akron has existing and historic urban centers that are underutilized, its downtown lags its peers in like-sized U.S. metro areas, and the region struggles around the issues of location efficiency and job sprawl. The opportunity for integration of placemaking and economic development is now heightened in the City through its new Office of Integrated Development, however there are concerns that there is not enough current development capacity to make significant progress on key initiatives. This strategy is about prioritizing those key urban centers that already have infrastructure assets to support firms, and making smart decisions to align economic development to reduce job sprawl.

A. Make the downtown plan a reality

Why this tactic: The recently released Downtown Akron Vision and Redevelopment Plan provides a blueprint for what a 21st century urban core should be. It positions downtown Akron as an important anchor and brand for the entire region. However, it is an expensive, long-term proposition that requires intentional focus and significant resources. The next step is to make sure the plan gains early momentum so that it actually comes to fruition in the coming decade. Officials have determined that other organizations (such as DFA, DAP, the City, County, and private developers) cannot achieve implementation of such a significant plan unless the region establishes dedicated expertise and capacity to facilitate downtown development.

- **Establish development capacity to coordinate and drive implementation of the downtown plan**
  - Evaluate existing capacity and determine concrete steps to fill gaps, including potentially creating a new, dedicated entity
- **Strengthen relationships with developers and economic development organizations by ensuring that the city is an accessible and transparent partner**
  - Dedicate a point of contact in the city to focus on and support downtown initiatives, projects, and daily interactions with investors and partners
  - Ensure that the city has a clear menu of incentives and a transparent, efficient approach to delivering them
  - Respond quickly, and in alignment with DAP and other entities, to developer interest
- **Gain early momentum by securing and supporting investments in priority projects**
  - Focus on two near-term, catalytic projects to demonstrate progress: Bowery project and Canal Place/Bounce

STRATEGY 4

OPPORTUNITY AKRON

Be highly intentional in ensuring the black population is positioned to engage in, and share in the benefits of, regional growth and prosperity

Why this strategy: Akron is among the worst metro areas in the U.S. in terms of the economic status of the black population. Declines in a number of economic indicators for the black population – which accounts for almost a third of the city's population – stand out even in a region that suffers from a lack of economic inclusion overall (it ranks 83rd among the 100 largest metro areas in terms of economic inclusion over the past decade, according to Brookings). To some extent, the other strategies in this plan address this issue by catalyzing overall growth: according to one study, a 10 percent increase in the employment rate in a region raises average income per person by 4 percent, with black, low-income, and less-educated workers seeing even larger gains. But while growth is clearly a necessary component of inclusive growth, growth alone is insufficient. Addressing racial disparities will require a set of dedicated tactics that are managed separately from, but in alignment with, the others in this plan. Investments in this strategy should be motivated by not only the moral imperative to reduce disparities in opportunity, but also a business and growth imperative: to succeed, firms need a skilled workforce that can easily access jobs, and regions need to maximize the entrepreneurial and productive potential of their entire population.

A. Focus on digital skills training and internships

Why this tactic: A small and shrinking number of middle-wage jobs are available to those without a bachelor's degree. The vast majority of these jobs fall into two broad categories: computer-intensive occupations and healthcare occupations (which themselves increasingly require high levels of digital skills). Therefore, equipping Akron's black population – from high school students to adults without college degrees – with digital skills and connecting them to relevant occupations is a crucial element of a broader inclusion strategy.

- **Equip students and professionals with the technical skills required to access good jobs o High school: APS College and Career Academies are a proven approach to increasing wages and employment; emphasis should be given to digital skills curricula to prepare students for IT-related industries**
    - College-aged: create digital skills program for adults between 18 and 25, particularly by leveraging the new opportunities presented by Stark State College
    - Mid-career: ensure that Stark State (and other institutions) have relevant programs to enable adult workers to transition into tech-oriented careers, and consider partnering with private and non-profit entities to deliver subsidized or free training to targeted populations
    - Develop internship programs to connect people with mid-tech jobs
        - High school: create paid internship program for high-achieving students
        - College-aged: drive participation in Ohio Third Frontier Diversity and Inclusion Internship program, and potentially expand the program
    - Work with anchor institutions to build pathways for mid-tech jobs outside of IT fields
        - Healthcare is another growth area with a skills misalignment, presenting an opportunity to tap into the resources of Cleveland Clinic, Summa,
        - Children's Hospital and NEOMED (and other anchors)

B. Add staff capacity to integrate inclusion into all economic development work

- **Create dedicated staff position focused on applying inclusion lens across all practices**
  - New position should have strong initial focus on partnering closely with Chamber to develop a narrative (strategy 5, tactic A), and ultimately help guide the development of a comprehensive inclusion strategy

C. Develop a comprehensive inclusion strategy

Why this tactic: While the first tactic in this strategy responds to an immediate, obvious need with programs based on proven interventions, it does not address all of the drivers of exclusion, nor the entire population. Doing so will require careful study – first the development of a narrative, then research into effective practices that relate to the specific populations and drivers surfaced in the narrative.

- **The creation of this more comprehensive inclusion strategy should follow the creation of the narrative and business case described in Strategy 5, and should address four broad areas in which firms and EDOs can intervene**
  - Skills (aligning education and training with high-wage, high-growth jobs)
  - Access (ensuring that all populations have physical access to good jobs)
  - Dynamism (working to grow segments of the economy and support firms that offer opportunity) Norms (shifting the mindset of firms and other institutions to motivate action)

STRATEGY 5

ELEVATE AKRON

Firmly establish a unified,forward-looking culture of economic development in the Akron region

Why this strategy: The key findings describe the Akron region's economy as neither distressed nor dynamic but facing strong headwinds from the rapidly changing global economy. It also confirms that the region has been operating with a fragmented, tactical approach to economic development that has not positioned Akron to move beyond this stasis. If the region is to not only persevere in the face of coming economic challenges, but also thrive, it will need to perform the new fundamentals of economic development well, while also exploring and pursuing new ways to put the local economy on a new trajectory. This strategy calls for a shift in economic development culture and practice that is characterized by intense collaboration, strong business intelligence, self-awareness, and constant exploration. Being strategic and smart also requires infusing the local dialog with new ideas and concepts from outside the market, such as the latest research and peer learning. This requires thought leaders who are dedicated to keeping Akron forward thinking and aligned in purpose.

A. Unify, connect, and coordinate

- **Unify the Akron region around a shared economic narrative**
  - Constantly reinforce what matters to long-term economic development and emphasize the justification for the five strategies by sharing a compelling narrative with business, corporate, philanthropic, and non-profit actors
    - Strategic plan: *share the* rationale for creating a true culture of economic development in the region, anchored in key elements of the plan
    - Entrepreneurship and innovation: share the importance of the creation and scale-up of local firms and the role of innovation, including from large firms and universities, to the Akron region's economic future
    - New BRE: stress the role of existing small to mid-size firms to growth and competitiveness, and the need for new approaches to support them
    - Downtown: Develop a narrative on the importance of place to the region's economic vibrancy, including downtown and "job hubs"
    - Inclusion: develop the business case for inclusive growth (see box below)
- **Commit to prioritizing the location and expansion of firms in the city's job hubs**
  - Focus on the city's five job hubs: Downtown Akron, Firestone Park, East Akron/Airport, Chapel Hill, and Gilchrist Road.
  - Work with the Fund For Our Economic Future to create "marketing profiles" for job hubs and ensure that Team NEO is fully educated about these sites and has them listed on their website
  - Focus site development investments, including brownfield remediation and other infrastructure investments, on job hubs
  - Develop a system to ensure that targeted, flexible incentives options are set aside for relocation and expansion projects that will occur within job hubs
  - Work with planning and transit agencies to ensure that they prioritize transit-related investments around job hubs; partner with the Fund for our Economic Future on mobility pilots to explore innovative ways to connect workers with jobs

SIDEBAR

business case for inclusive growth

The creation of a compelling business case for economic inclusion deserves more emphasis than the other “narrative” subjects above, given the complexity of the issue and the fact that it will require more research and broader local outreach. It must bridge philanthropic, non-profit, and corporate interests, and ensure that business leaders are as committed and informed as socially minded community advocates. Whereas Strategy 4 focuses on inclusion of the black population in particular, this business case should focus more broadly on the need to reshape Akron’s economy to provide more upward mobility and middle-wage jobs overall (i.e., dispelling the notion that “any job is a good job”). The process of developing this narrative should be structured around answering the following four questions through research and interviews:

1.Which specific populations are excluded? By race, age, occupation, education status, geography?

2. Why are each of these populations excluded? Structural change in the economy, job sprawl (“distance discrimination”), structural racism and discrimination?

3. What are the threats to the city and its firms if this is not addressed? How is exclusion threatening growth and competitiveness in terms of lack of skilled workforce, diminished startups, increased strain on social services, etc.?

4. What is already being done, and what gaps can EDOs and firms best address? Where can EDOs and firms contribute to ongoing efforts given their specific tools and resources?

- **Connect firms and other organizations around common purpose and interests**
  - Entrepreneurship and innovation: ensure that major firms are actively involved in Bounce, and connected to one another to jointly solve shared problems
  - New BRE: create and staff flexible, short-term "industry councils" built around discussing and addressing shared needs (modelled after the approach used by The Right Place in Grand Rapids)
  - Inclusion: drive corporate and anchor institution response to inclusive growth "business case", including providing meaningful paid internships to targeted populations and shaping APS Career and College Academy curricula (described in Strategy 4)
- **Inclusion: drive corporate and anchor institution response to inclusive growth "business case", including providing meaningful paid internships to targeted populations and shaping APS Career and College Academy curricula (described in Strategy 4)**
  - Vertical coordination: within each "functional area" (see sidebar on page 13), ensure that relevant organizations are aligned and coordinated (e.g., within skills and workforce, ensure that county, Conxus, and Stark State are aligned)
  - Horizontal coordination: ensure that "handoffs" happen between different strategies (e.g., firms graduating from Bounce receive productivity services from MAGNET or workforce services from Conxus)
  - Clarify responsibilities among all players through quarterly meetings focused on sharing information on regional economic dynamics, identifying potential areas for partnership, and minimizing duplicative interactions with firms

B. Invest in research capacity to support smart marketing and strategic investments

Why this tactic: Strong research and business intelligence serves as the foundation for sound economic development practice, marketing, and strategic decision-making. This is critical to supporting primary functions, such as business attraction, business retention and expansion, target industry initiatives, and all other aspects of economic development.

- **Reshape business attraction to be more focused and strategic**
    - Focus business attraction efforts around supply chain gaps (surfaced through BRE) and targeted opportunities where market conditions are supportive (such as mid-tech-oriented firms or the advanced materials cluster)
    - Shift trade show focus to industry-relevant events held within the U.S., such as NPE
    - Develop a logical, data-driven, and transparent policy to guide resource allocation and incentives
        - Prioritize projects that can demonstrably make progress on agreed-upon priorities: inclusion (accessible middle-wage jobs), setting Akron on a new economic trajectory (gaining a foothold in innovative, high-growth industries), and strengthening job hubs (located in accessible areas)
- **Anchor regional efforts in strong research**
    - Maintain a robust database of pertinent regional research and information
    - Produce compelling, in-depth reports on key industries and relevant topics, using firm interviews, data, and national research as inputs. Use these to increase awareness of the regional economy, support attraction efforts and strategic decision-making, and inform BRE outreach to targeted groups of firms.
    - Produce weekly email newsletters to share pertinent new research, regional economic successes, and local firm stories with key stakeholders
        - Example: San Diego Regional EDC weekly newsletter focused on company success stories (rather than branding and attraction) and quarterly economic dashboard tracking key performance indicators

C. Create a seamless system connecting BRE, lead attraction, and project management

- **Clarify how Team NEO can best support Akron's strategy**
  - Ensure that Team NEO understands Akron's priorities and knows how it can align its lead generation and research functions with those priorities
  - Commit to following guidelines for handing off firms and leads to project managers
  - Create a system that allows BRE relationship management and lead attraction staff to transition their "clients" to project managers
  - Follow a formalized and regular system for exchanging information between City, County, and Chamber staff about BRE activity, leads, and projects

D. Explore and catalyze transformative, cross-cutting investments and initiatives

Why this tactic: there are many untapped opportunities for helping Akron's current mix of industries innovate and grow, but to set itself on a new economic trajectory, the region must continuously explore emerging opportunities and consider making significant investments to become a legitimate "first mover".

- **Conduct in-depth evaluation of high potential industry clusters and disruptive technologies for more intense economic development intervention, starting with polymers (and advanced materials more broadly)**
  - Examine potential areas of productive overlap with Team NEO clusters, national initiatives and organizations
- **Position Akron as a mid-tech center by aligning skills development, BRE, and marketing around the mid-tech theme**
  - The individual sub-components of this tactic are covered in other strategies and tactics. However, to ensure that this opportunity is acted upon in a concerted and coordinated way, the region must dedicate capacity to elevating and aligning work in three areas:
    - Skills development, ranging from high school to current professionals, including but extending beyond the Opportunity Akron strategy
    - BRE outreach and service delivery, via a strong "relationship management" effort with tech-oriented firms
    - Strategic marketing and attraction, including building a case for why existing and prospective tech firms benefit from an Akron location

2017

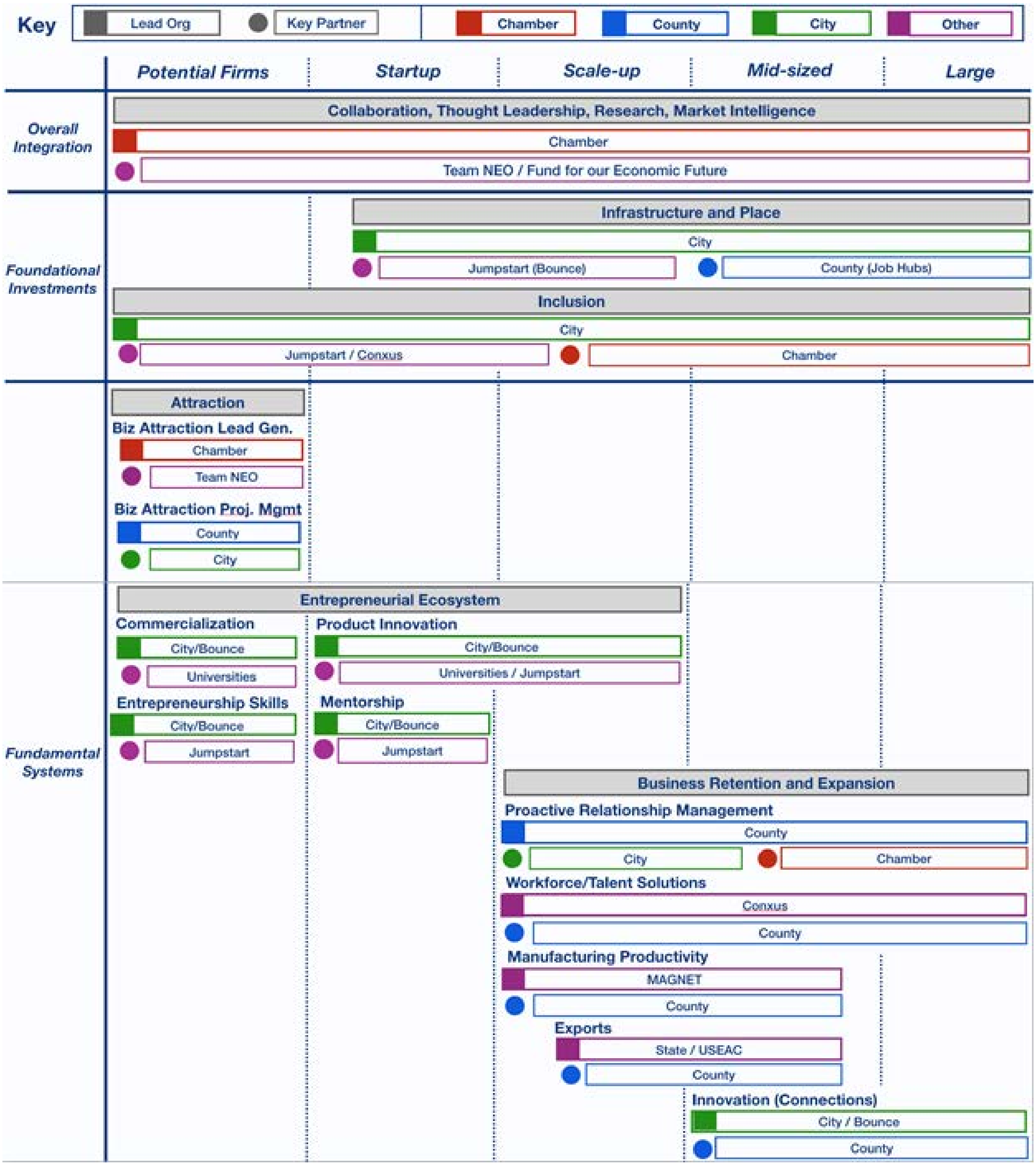
ROLES & RESPONSIBILITIES

In any region, three basic roles are required to ensure that the economic development system addresses each element of the economic development model described on page 17.

- One role relates to "dynamism" or creating an environment and set of services that support startups, commercialization from universities and firms, innovation, and spinoffs from major firms. For Akron, most of those responsibilities will fall to the city.
- The second role relates to firm competitiveness or making sure that existing (primarily scale-up to middle-market) firms are productive, able to access national and global markets, connected to sources of outside investment, and integrated with other local customers in their supply chains. In Akron, the county will be the lead on most of these roles, primarily through its leadership on BRE.
- The third role is the "collaborator general", which involves aligning all regional economic development programs around established priorities, providing research to enable strategic investments and smart marketing efforts, and bringing the "voice of business" to programmatic and policy decisions. In Akron, the Chamber will be primarily responsible for these functions.

While each partner in this strategy will lead in specific areas, no partner has sole responsibility over any one function. Successfully implementing this strategy will require an ongoing, transparent collaboration among the partners with a willingness to engage, iterate, and solve for the needs of the region. The City, County and Chamber recognize that an open dialogue and mutually reinforcing partnership is the only way to create the kind of success that will sustain the region.

This strategic plan will be supported by a more detailed implementation plan. That plan will need to outline specifically how these organizations will work together (and with other critical regional partners mentioned throughout this document) to create a seamless system. It will place strong emphasis on the first year of activities and organization to ensure the entire new initiative has a strong start and establishes a firm foundation for the future. The below chart summarizes the overall structure of this collaborative effort, identifying the lead actor and one or two key partners for each strategy.


Key
Lead Org
Key Partner
Chamber
County
City
Other
Potential Firms
Startup
Scale-up
Mid-sized
Large
Overall Integration
Collaboration, Thought Leadership, Research, Market Intelligence
Chamber
Team NEO / Fund for our Economic Future
Foundational Investments
Infrastructure and Place
City
Jumpstart (Bounce)
County (Job Hubs)
Inclusion
City
Jumpstart / Conxus
Chamber
Attraction
Biz Attraction Lead Gen.
Chamber
Team NEO
Biz Attraction Proj. Mgmt
County
City
Fundamental Systems
Entrepreneurial Ecosystem
Commercialization
City/Bounce
Universities
Product Innovation
City/Bounce
Universities / Jumpstart
Entrepreneurship Skills
City/Bounce
Jumpstart
Mentorship
City/Bounce
Jumpstart
Business Retention and Expansion
Proactive Relationship Management
County
City
Chamber
Workforce/Talent Solutions
Conxus
County
Manufacturing Productivity
MAGNET
County
Exports
State / USEAC
County
Innovation (Connections)
City / Bounce
County

ELEVATE GREATER AKRON