

Economic Engines Have Many Cylinders

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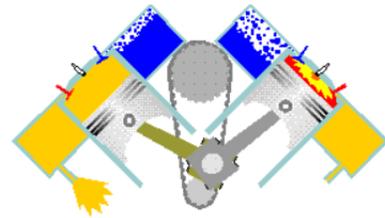
Much has been communicated on job creation and workforce development, in the country, state and region.

We hear about the job fairs, workforce development boards and all the associated activity for preparing the workforce. ALL that is necessary.

Yet there still seems to be lag in understanding what is needed from a high level, or a delay in achieving the desired results of job growth (to accept the output of workforce development).

General Theories to Explore

1. Preparing the workforce is a great idea, but unless more jobs are created, we'll have a massive funnel of qualified workers waiting for opportunities, working in jobs for which they're clearly overqualified, or leaving the region.
2. We also need to focus on creating the business environment to create jobs: Creating new companies and accelerating growth of existing companies.



I often think of mechanical analogies. In this case, I think of our economy as an economic engine that has multiple cylinders. In the best case, each cylinder is doing its thing, and working in tandem with other cylinders. If one cylinder is not firing, or running at lesser power levels than the other, the engine will not achieve peak performance and power output levels



I offer that the job creation (Business) and workforce development (Education) are two of the six cylinders in our economic engine. The other four cylinders are our Tourism Industry, the Port, the Military and Regional Cohesion (this one a work in progress).

Many believe that our economic engine requires (at least) a tune-up. With the idea in mind of tuning our engine cylinder by cylinder, let's consider the first two of Workforce Development and Job Creation. Like an engine needs fuel, compression and spark to create power, our engine needs its own basic elements to produce power (growth).

Shifting away from the engine cylinder analogy, let's look at a more common theme; Supply and Demand.

The four basic laws of supply and demand are:

1. If demand increases and supply remains unchanged, a worker shortage occurs. This is why it's necessary to focus on workforce development.
2. If demand remains unchanged and supply decreases, a worker shortage occurs. Again, workforce development is needed.
3. If demand decreases and supply remains unchanged, a worker surplus occurs. This is why we need to ensure that we have a flexible workforce that can adapt to a changing employment market as the business environment changes.

4. If demand remains unchanged and supply increases, a worker surplus occurs. Then our workforce leaves the region. This why we need to focus on both supply and demand simultaneously.

Two Goals in Balance

1. Grow business to need the jobs.
2. Develop the workforce to be ready for the jobs when they open up.

Growing Businesses

The country and region need to focus on business startups and emerging business growth. What does it take to make that happen?

1. Start-up programs like Start Norfolk and Hatch need to happen region-wide. Those business programs need to be favorable to the fledgling companies to optimize success and not at too high a cost.
2. Regional Economic Gardening programs that help accelerate the growth of emerging companies – those that have made it through their start-up phase and are now in a growth mode.

Much work needs to be done to create the environment, culture and ecosystem to optimize business growth in both these dimensions. Young companies need help: guidance, mentorship, experiential learning and more from those that have made it. Not at the cost of turning over percentages of ownership, but from those that are truly interested in both business and regional economic growth.

Who should do it? Existing businesses should consider taking on young companies under their wing. Not for financial support per se, but for all other areas of support (advice, direction, experience) to optimize the success of the young company.

Should cities opt in with financial incentives and stimulation? Well, sure, but I believe that those opportunities are limited in the economic and fiscal climate we see today.

Let's look at other more creative methods: Cooperative marketing, lead generation, shared infrastructure programs – whatever it takes to maximize profits via increased revenues and lower operational costs.

Do we have enough business smarts in our region to make this happen? We certainly do!

Examples to Drive Job Creation

1. Ensure that our economic development efforts (city by city), have a focus on emerging company business growth. Though financial incentives are hard to come by these days, what else can be done? Mentoring programs, experiential learning opportunities, introductions, marketing. Any and all ideas to help the business grow.
2. Meet with and listen to the emerging companies who we'd ask; "What are the top three things your city and region could do to help accelerate your growth?"
3. Cities should consider "Pay for Performance Programs" where incentives (tax incentives, other) are available for achieving growth in revenue and employment within a given city.
4. Cities should consider "Concierge Programs" for qualified businesses. This is the "one-stop-shop" city representation to run down any of the detail work necessary for that business to interface with the city.
5. Realize that business growth requires capital and that emerging companies need access to that capital. For businesses to succeed, they often need to borrow the funding to successfully market their company within the region, but also outside the region, nationally if not internationally. Does our region attract the investment community into the region to help fund emerging company expansion?

Workforce Readiness (Education)

There's LOTS of activity on this in our region. The question is not how much activity is taking place but how effective is it?

Talk to the technology companies who recently went zero for twelve in getting a qualified intern.

Talk to the companies who have candidates that don't follow instructions, don't dress the role, act the role, talk the role.

What is missing? The practical applications and attributes that employers are seeking.

This does not suggest that it's always like, this. There are undoubtedly success stories.

However, I'm suggesting that at least in the high tech sector, there are many opportunities to better prepare our workers. And those improvement opportunities can be applied to any business sector.

The answer is twofold: 1) An effective process of gathering employer feedback and building it into the education, training and counseling system, and 2) Measurements of those outcomes: Employer report cards by educational institution that provides feedback on the applicants from their school.

What can be done to create the workforce supply?

1. Ensure that our educational institutions create relevant, flexible, current programs (both hard and soft skills) to adapt to the changing business landscape (especially in high tech).
2. Create effective internship programs that give good candidates invaluable work experience and measure their progress.
3. Keep in tune with changing business demands – especially emerging business sectors – and make sure the workforce is prepared. Wayne Gretzky once said "A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be."

Economic growth requires job growth. Business growth is what creates job growth. Effective workforce development fills those roles and makes it easier for the businesses to grow without rehiring and retraining workers; or worse, having to recruit from outside the region for those workers; or worst of all, having to leave the region to find a region with a better prepared workforce.

The solution is a dual pronged approach: It's a matter of supply and demand.

Working together, we can build a very strong economic engine. Bigger, more powerful and firing on all cylinders.



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