

Local to Regional to Global: Linking Southwest Oklahoma to the World

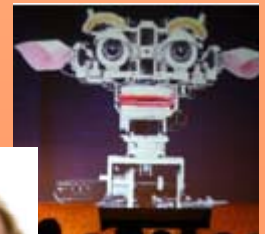
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Lone Wolf, OK
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An Outsider's Perspective

- **SOIC: 20 Counties, One Regional Vision**
 - World class workforce
 - Regional infrastructure
 - Economic information
- **Why is it So CRITICAL for SOIC to succeed in encouraging...**
 - Creativity
 - Innovation
 - Collaboration?



Key Trends to Watch in SOIC Area

- Between 2006 and 2011, the region will likely...*
- Grow more slowly than OK and US
- Lose about 5,000 young adults (aged 20-24 in 2011) to net out-migration
- Add about 8,200 people aged 60 and above
- Have a smaller workforce (by nearly 1,000) -- given current demographic projections

Source

•*SOIC Gap Analysis, July 2007

Other Trends to Watch

- Project the creation of 13,300 new jobs by 2011
- Demographic trends drive economic growth
 - 70% in “consumer- or local-serving” industries:
 - Retail,
 - Health care/social assistance, and
 - Administrative and waste services
- Add 3,600 more positions at Fort Sill due to BRAC
 - More workers available from trailing spouses and other householders?

***Comprehensive Report of Business Needs
in the Lawton/Ft. Sill Community Resulting from
2005 BRAC Legislation, Dec. 2006*



Traditional Economic Development

- Compete against your biggest rival (...your neighbor)
 - Recruit to beat your rival
 - Do whatever is necessary to WIN!
 - Root for everyone taking on your rival
 - Celebrate the winner; tease the loser
-
- There is winning and...
well, nothing else



Global Value Chains as Key Economic Competitors

- Create & design product (or service) ideas
- Prototype and test product offerings
- Receive & store inputs
- Produce product or service
- Package for markets
- Assemble components from suppliers
- Sell to customers
- Ship and distribute to customers
- After-sales customer support



If the World is “Flat,” Then Why Bother with Regionalism?

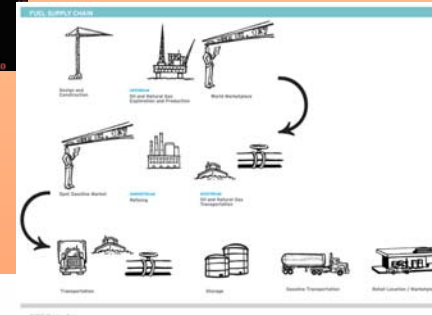
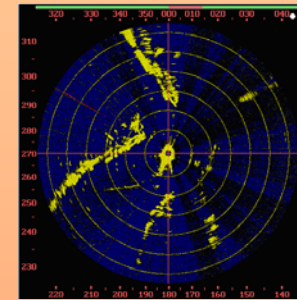
- Companies have global supply chains
- Competitive edge for inter-chain linkages based on WORLD CLASS firms
- Mobile capital and labor
- Regional economies **rely on their firms to succeed** in global value chains
- Regions can be “sticky points” in a flat world



If the World is “Flat,” Then Why Bother with Regionalism?

(continued)

- The RURAL “Problem”
 - Perception or Reality
 - Not even on the radar?
 - Inaccessible to supply chain?
 - Workforce...
 - Available?
 - Unique?
 - Creative?



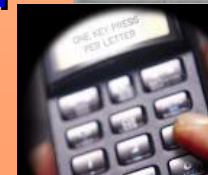
Global Branding of Rural Regions

- Lack of awareness about these areas
- Perceptions about their competitive positioning
- No brand identity or advantage



Market and Supply Chain Accessibility

- Access defined in terms of time, cost, and physical distance
 - Roadways
 - Air service
 - Telecom
- Too far? – perception vs. reality
- Too expensive? – cost of transportation and/or telecom
- Inaccessible? – esp. for high volume movement of goods and information



Key Regional Workforce Attributes

➤ Quantity

- Number of available workers
- Relative wages of workforce (potential for availability)

➤ Quality

- Soft skills and life skills
- Educational attainment
- Willingness to learn/try new things
- Inherent talent of existing workforce
- Uniqueness of worker skills

➤ Attractiveness to best & brightest talent

- Available amenities
- Relative proximity to jobs & homes



Importance of Talent as a Differentiator

- Workforce is the source of...
 - Creative idea generators
 - Problem solvers
 - Innovators and adaptors
 - Product AND process experts
 - Opportunists
- Most capable workers are greatest assets
- Labor mobility has its limits
 - People are “sticky” about PLACE



How a Flatter World Should Affect What We Do

- Understanding economic change
 - Assessing “market intelligence” is a powerful influencer of business investments
 - Anticipating industry need (clusters, sectors) matters more than responding to individual opportunities
- Shortage of quality talent is a consistent industry need
- Maintaining a competitive talent edge requires **collaboration**
- Collaboration requires trust among stakeholders (investors, partners, allies) thru transparency in...
 - Decision making
 - Implementation, and
 - Performance outcomes



Macro Trends Are Changing the Playing Field for Regional Leaders

1. Increasing **inter-community** economic linkages
2. Fewer **high profile** “sales-based” business development opportunities
3. Greater public concern about effective/**transparent** investments
4. More **stakeholders** involved in economic development decision making
5. The role of “**workforce talent**” as the competitive differentiator for many regions

In short...we (as “Change Agents”) need to take on **new ROLES** and develop **new SKILLS** to succeed...

Roles in addressing skill shortages...

- Private sector – where it all begins
 - Take calculated risks in exploiting new **global** opportunities
 - Recognize/embrace **new** business models
 - Become engaged as **civic entrepreneurs**..
 - Come together to articulate needs
 - Don't just complain about the problems...



Private Sector's most critical role...

➤ Invest in workers as corporate assets rather than balance sheet liabilities

“Employers increasingly view workers as an asset to be enhanced rather than a cost to be controlled. Understanding this trend can help EA professionals focus their knowledge of human behavior on performance and productivity...” Brenda Blair, Journal of Employee Assistance, April 2004



“Viewing workers as investors underscores an essential fact of workplace life—work is a two-way exchange of value, not a one-way exploitation of an asset ...” Thomas Davenport, Towers Perrin, Employment Relations Today, 2001

Roles in addressing skill shortages...

➤ Econ. & workforce development boards

- Remain focused on improving standard of living as primary goal
- Master how your region's economic value chains function
- Prioritize efforts to help the industries and occupations most important to regional growth
- Learn to anticipate targeted opportunities



WF and Econ Dev most critical role...

- Become highly engaged conveners, facilitators whose function is to leverage the investments of both the private and public sectors
 - HEROs – VISIBLE champions
 - WIZARDs – “Behind the curtain” leaders



P-20 Education's roles in addressing skill shortages...

- Understand the critical role of **technical** skills in life
- Explicitly focus on developing **life** skills and **soft** skills
- Help teachers, parents and students understand **real world** economic conditions and opportunities
- Encourage **entrepreneurial** behaviors in schools (among students, teachers, parents, and administrators)



P-20 Education's approaches in responding to skill shortages...

- Reward success in teaching/learning
- Measure quality of educational progress in terms of learning outcomes
- Improve transitions to reduce remediation costs



P-20 Education's most critical role in addressing skill shortages...

- Teach toward a comprehensive skill set that will help ensure economic prosperity, including
 - Intellectual and productive pursuit (“research and learning”) skills
 - Life and living skills
 - Creativity and imagination (innovation) skills
 - Civic and social roles skills (including collaboration)
 - International and multicultural skills



Importance of a Regional Focus

➤ We SHARE (across jurisdictions)...

- Similar assets and liabilities in the global competition for *elements* (e.g., companies) of different economic value chains
- A regional brand (whether we like it or not)
- Similar workforce and other economic challenges
- Outcomes from our secondary and post-secondary educational systems
- Tax revenues generated from success and tax and social burdens from failures



Challenges Facing Regions in the Knowledge Economy

➤ Private leadership's change due to...

- Loss of corporate headquarters and priorities of branch plants
- Competitive pressures from global “value-chains”
- Time constraints precluding engagement of entrepreneurial leaders
- Demographic change

➤ Fewer large economic development opportunities

- Increase the costs and stakes in the “incentives game”
- Enhance the importance of **TARGETING** public sector investments



Keys to Success: Effective Change Agents...



- Identify and motivate volunteer leaders
- Monitor and understand demographic & economic change
- Know regional resources & recognize how they can help firms and people in transition
- Understand the prospects for the region's best and brightest talent
- Facilitate/motivate other change agents, including education, econ dev, and WF stakeholders
- Share information and knowledge with other leaders to reshape expectations

We're competing
against the World now

Time to douse those Friday night lights!

Thank you!

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