

THURSDAY, APRIL 14, 2005 12:00 AM

Area urged to be more economically aggressive

Consultants lay out strategy for promoting development

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As if on cue, a laugh broke out in the audience Wednesday after the woman from Texas addressed something locals already know: Change comes more slowly in buttoned-down Charleston compared to most places.

In response, the speaker, Amy Holloway, smiled from the podium at the Charleston Area Convention Center, where about 200 business executives, community leaders, educators and government officials gathered to hear her presentation.

"You're laughing," Holloway acknowledged.

But her astute observation about Charleston's cautious ways underscored a serious economic reality, she said. The resistance to change will likely hold the region back in the fast-paced pursuit of higher-paying, higher-skilled jobs, said Holloway, a principal with Austin-based AngelouEconomics.

She said many communities that the consulting firm has worked with have been quicker to adjust to changing times and shifting markets. Charleston, by contrast, seems bogged down by what Holloway described as "inertia."

"We'd like to see Charleston get a little more aggressive," she said.

Holloway's comment about change stemmed from a nine-month study her company just completed for the Charleston Regional Development Alliance, which promotes Berkeley, Charleston and Dorchester counties as a business destination. The alliance is looking to adopt many of Angelou's recommendations as part of a new five-year action plan that it unveiled Wednesday.

For instance, the report suggested that "creative industries" are a potentially juicy target. That grabbed the attention of Robert Prioleau, director of strategy at Charleston-based Web site developer Blue Ion. He said the region's small but growing technology community already is quietly attracting talent from other cities.

"They're coming from Atlanta and from the Northeast," Prioleau said. "They're coming from as far away as the West Coast."

The alliance commissioned the Angelou report to reset its planning priorities, as it does every five years. As part of the process, the group also asked the firm to help identify specific businesses it should target as part of a new statewide goal of creating more "clusters," which are groups of collaborative companies in the same industry that locate near each other.

"These businesses then become interdependent on each other ... and ultimately become more competitive on the global landscape," Holloway said. "They are then more profitable, grow faster, and pay higher wages."

Charleston has started cultivating a few clusters of its own, but most of them are still too "shallow" and too "thin" to make much of an impact on income levels, Holloway said.

"That's a huge challenge here in Charleston," she said.

David T. Ginn, the alliance's chief executive officer, agreed, saying the report "indicates our economy is showing signs of danger, mainly because we have no deep clusters ... to help increase wages."

The combination of low incomes and escalating living expenses is forcing more and more young, educated residents to move to other cities, Ginn said.

To counter that trend, Angelou recommended that the alliance focus its recruiting and retention efforts on five industries: biosciences, aviation, automotive, high-tech security and the so-called creative industries, which encompasses such businesses as architectural software development, urban planning and digital film production.

Furthermore, Holloway said, the emphasis should be on "primary businesses," or companies that bring new money into the region by selling their goods and services elsewhere.

Angelou also recommended ways to help attract those kind of businesses, such as developing a bioscience research park, adding new lab space and tailoring industry-specific incentives.

Ed Bates, who owns a digital video production business in Charleston, wasn't sure whether he liked the idea of luring more direct competition to what he said is a small market, echoing a common concern about the clustering concept.

But he's all for bringing in other creative firms to the region. Web-page designers, for instance, are increasingly calling on his IVS Video to shoot digital film clips for their projects.

The Angelou study earned a favorable review from Charleston industrialist Jerry Zucker, who was critical of a previous report on clustering by a different firm. Zucker, chief executive of the InterTech Group Inc., said he read the new 166-page document "cover to cover" and endorsed most of the recommendations.

"More than anything, it gives us a great action plan," he said.

Charleston Southern University economist Al Parish said he also liked the specifics of the report. He said there should be no reason for it to gather dust. "We don't need to study this," he said.

One of the report's recommendations is to set up individual task forces of 10 or so executives from each of the five targeted cluster industries. They, in turn, would meet regularly with the alliance to keep its staff on top of changes and trends within those businesses.

With the right executives on board, that could be one way to snap the cycle of community inertia that Angelou found could hold Charleston back, Parish said. "You've heard about people stepping on toes?" he asked. "We need people on those task forces who break legs."

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