

Accelerate to 2060

***Harrison and Stone counties,
Mississippi***

Report 4: Site Selector and CEO Survey

Prepared for:



Prepared by:



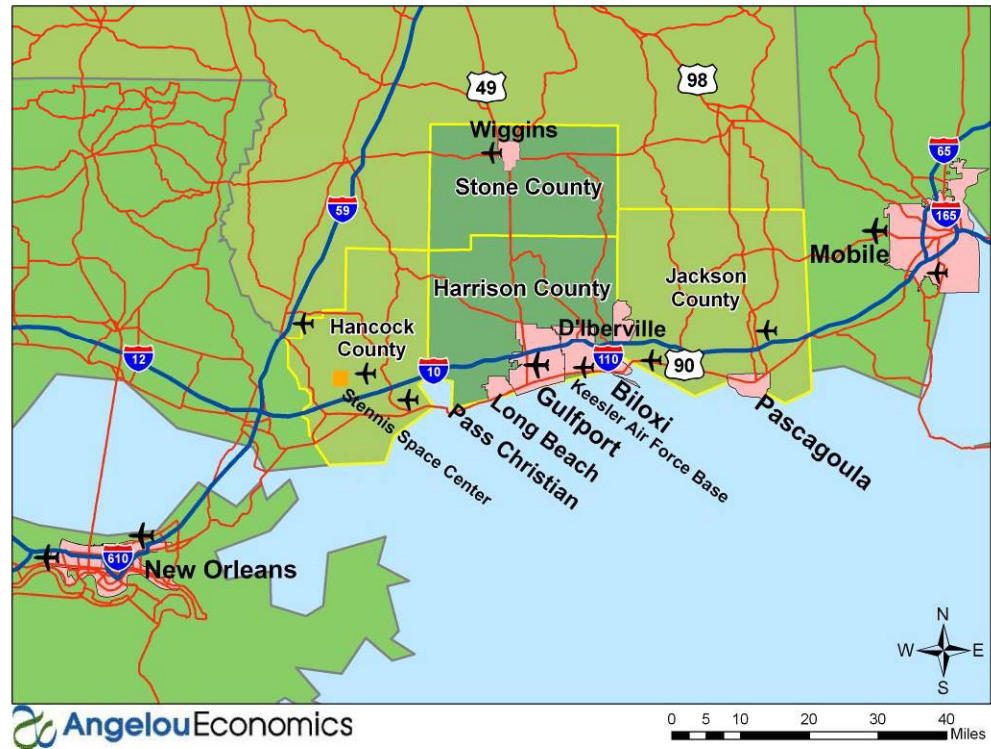
This report was prepared for the Harrison County Development Commission and the Stone County Economic Development Partnership under award 04-69-06179 from the Economic Development Administration, U.S. Department of Commerce. The statements, findings, conclusions, and recommendations are those of the authors and do not necessarily reflect the views of the Economic Development Administration or the U.S. Department of Commerce.





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Introduction

As part of the Accelerate to 2060 Economic Development Strategy for Harrison and Stone Counties in Mississippi, a Market Assessment, Target Industry and Transportation and Utility report were completed. This report focuses on the perception of site selectors and business leaders of Harrison and Stone counties as a place to do business.

A qualitative survey was created to identify the status of the business climate based on executive level perceptions for the Mississippi Gulf Coast region and Harrison and Stone counties. The study analyzed the following:

- Awareness and perceptions of business conditions in Mississippi and how they relate to the perceptions of surrounding states and the nation;
- Mississippi's competitive advantages and weaknesses;
- Feedback on positioning statements to steer marketing campaigns for the region;
- Awareness and perceptions of the Mississippi Development Authority and Mississippi Gulf Coast Alliance; and
- Ranking of site selection criteria of Mississippi Gulf Coast.



Stone County Economic Development Partnership

Project Objectives

Through a regional partnership and visionary planning, the Harrison County Development Commission (HCDC), the Harrison County Board of Supervisors, the Stone County Economic Development Partnership (SCEDP), and the Stone County Board of Supervisors are developing a long range economic development plan. The two counties have entered into an inter-local government agreement to collaboratively:

- Identify the needs of the region
- Pinpoint growth opportunities
- Provide long term strategic direction
- Commit the time and resources necessary to achieve success

HCDC and SCEDP selected a multi-disciplinary team, including Broaddus & Associates, AngelouEconomics, Pegasus Planning, the LPA Group, and David Parker, to guide this planning effort.

Executive Summary

The decision for a business to expand or relocate is based mostly on traditional factors that have not changed significantly over the last ten years. Low labor costs, reliable and low cost utilities, low land and building costs, strong work ethic, labor skills, transportation and logistics infrastructure and educational attainment levels are all very important in the minds of CEOs and site selectors. The Mississippi Gulf Coast is known for its low cost to do business and strong work ethic, yet the low educational attainment and lack of research and development will hold the region back from achieving higher value economic development success.

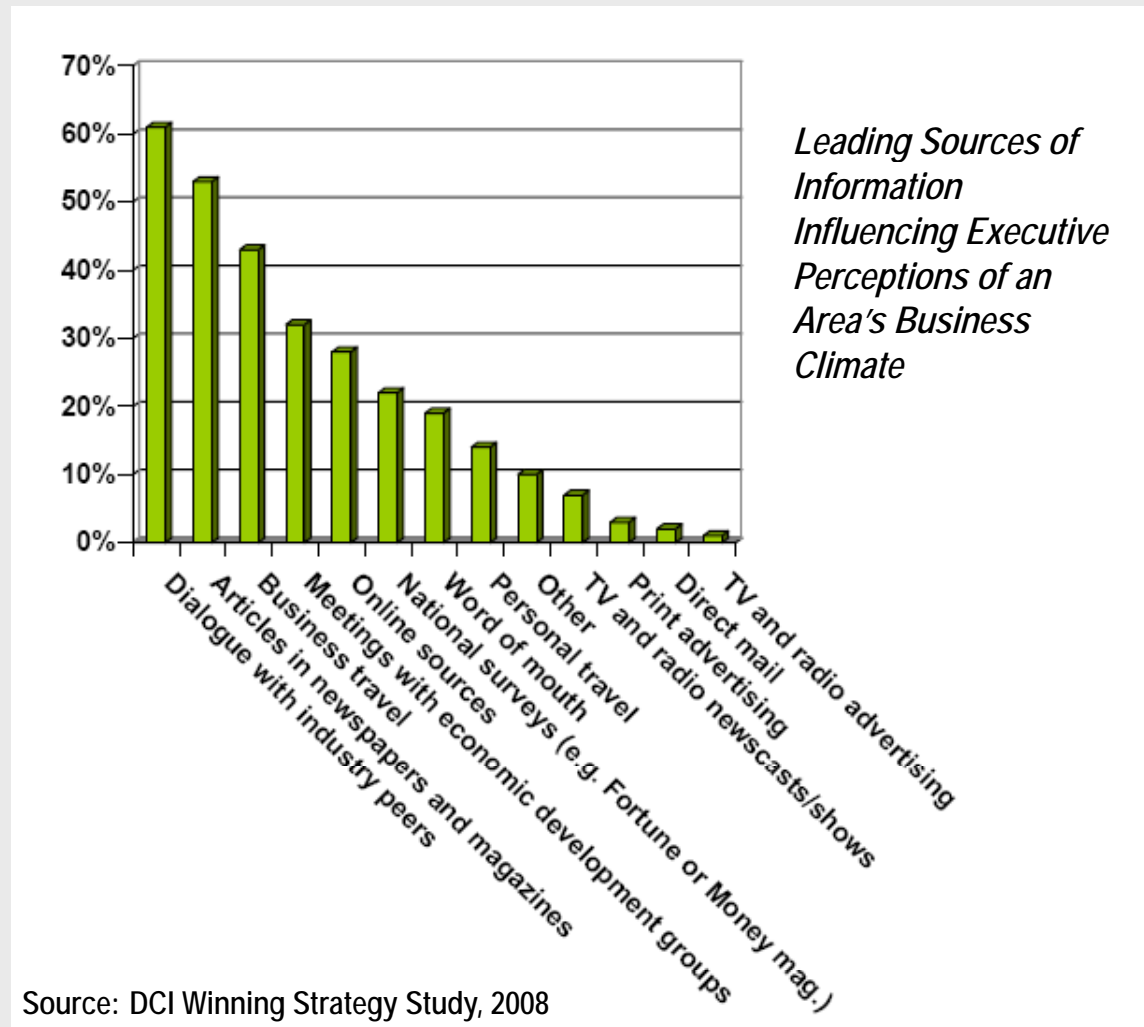
Pegasus Planning performed a telephone interview of 12 business leaders and 32 site selectors to ascertain the perceptions of Mississippi and the Mississippi Gulf Coast as a place to do business. Every individual interviewed was from outside of MS, but most were from Dallas Ft Worth, Chicago and New York. The industries they represent include: ship building and repair, geospatial research and development, aerospace, and US logistics and distribution. The survey included 25 questions and lasted approximately 20 minutes per interview. All responses were collected in confidence yet recorded for data tabulation and analysis. The following are highlights:

- Overall perception of the business climate in Mississippi and the Gulf Coast is good.
- Both the state and Gulf Coast are seen as a low cost alternative and the state is seen as very aggressive with closing deals with incentives.
- Most were not aware of the significant port and intermodal transportation improvements being made and would like to know more when the improvements are all nearly complete.
- The perceptions of Mississippi are paralleled with that of the national business climate in that it is still a tough environment for growth but things are improving.
- A low cost of doing business and access to a skilled workforce are priorities, yet Mississippi's reputation is still tarnished by perceptions of poor educational attainment, internally focused politics, and lack of access.
- Respondents want additional information about Mississippi and the Gulf Coast, and want to see a more aggressive and targeted approach to marketing the assets to attract investment and eradicate some of the associated negativity.
- The Governor is seen as the best spokesperson for the State and no business leaders based in Mississippi could be named. Several suggested a message about work ethic from local CEOs would resonate well with them.

Bottom line – Businesses and Site Selectors are excited about Mississippi's progress but educational and labor force reform is needed to enhance perception.

THE NUMBER ONE INFLUENCER OF BUSINESS CLIMATE PERCEPTION IS PEER TO PEER DIALOGUE

According to a 2008 study by DCI, more than 60% of business executives surveyed say that hearing from a peer (another business executive) is more influential than any other marketing message and medium.

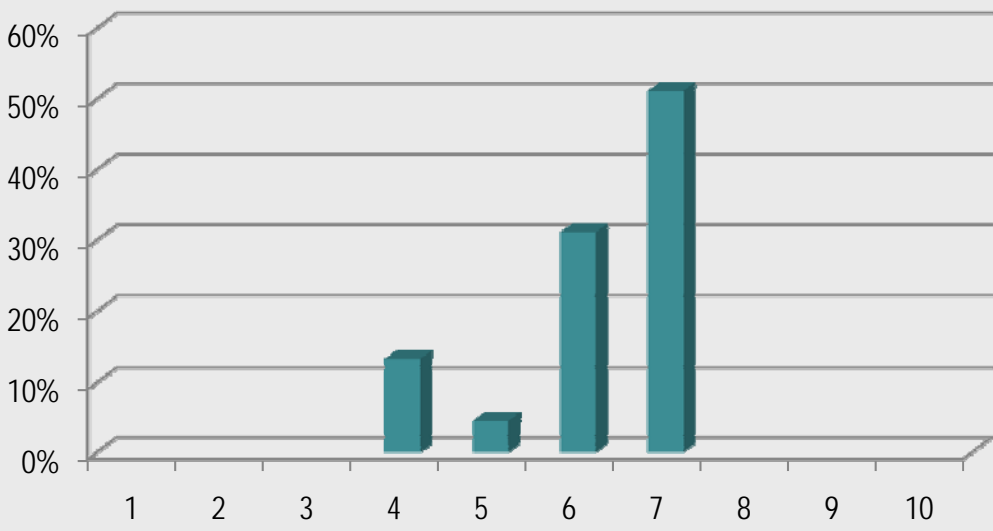


Question:

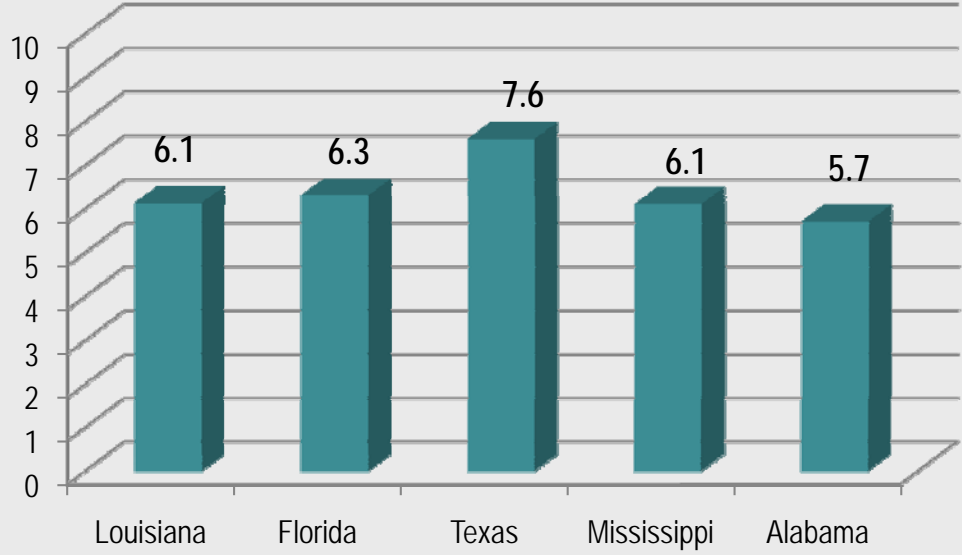
*How would you rate the national business climate on a scale of 1 to 10 where 1 is very poor and 10 is excellent?
Using the same scale, how would you rate business climate in: Louisiana, Florida, Texas, Mississippi, and Alabama?*

Businesses have an above average and hopeful perception of the national climate as well as Mississippi's position in its regional climate. Respondents believe the Texas (7.6) business climate is substantially better than the US (6.2) and the other states in this survey. Florida (6.3) was ranked slightly ahead of Louisiana (6.1) and Mississippi (6.1). Alabama (5.7) was ranked last.

National Business Climate Rankings



Regional Business Climate Rankings



Question:

What new things have you heard about Mississippi's economy in the last year? Where did you hear them?

Respondents were generally aware of the post hurricane efforts that are still underway in the state as well as business attraction initiatives and Governor Barbour's efforts. Respondents stressed the importance of sending announcements via email that are direct, few words, and targeted to specific industries.

- *"positive projects and response to Katrina."*
- *"doing better than expected with Katrina and automobile plants"*
- *"altering incentive programs to focus on white collar [jobs]"*
- *"new projects"*
- *"governor running for president"*
- *"solar, Gray Swoope's interview with Bloomberg"*

Common sources for receiving announcements include:

- MDA communications and newsletter
- Wall Street
- Individuals
- Emails
- Fox
- CNN

Question:

What one word would you use to describe your perception of business conditions in Mississippi right now?

Respondents were excited about Mississippi's business conditions and future; yet they were cautious about the education system and how that may hold the state back from moving into a new economy.

- Opportunity
- Competitive
- Incentive
- Getting stronger
- Challenging
- Improving
- Hard working
- Low cost
- Upturn
- Eager
- Average
- Aggressive
- Positive
- Strong

Question:

What do you perceive as the strengths of Mississippi's business climate?

Low Cost, Strong Work Ethic and State incentives were cited most often as the strengths of the Mississippi Business Climate.

- Low cost environment
- Pro business leadership
- Tax and incentive programs
- Haley Barbour
- Dependable and reliable workforce
- Aggressive deal making
- Regulation and tax environment that is fair to business
- Labor force and work ethic
- Work ethic
- Low cost to do business; port access and transportation and aggressive incentives

Question:

What do you perceive as the weaknesses of Mississippi's business climate?

The main weaknesses cited in Mississippi's business climate is poor education system and lack of urban centers.

- Education system (repeated 14 times)
- Public relations (repeated 4 times)
- Education and skill levels, commercial service, humid summers, dealing with new FEMA flood zone designations
- Impacts of weather (hurricanes)
- Rural character (outside Jackson)
- Quality pre-K education programs
- Lack of higher education and R&D
- Access to population markets, education
- Educated work force, availability of white collars, and attractive to white collar
- Lack of tier 1 airport, as well as tier 1 headquarter cities where you might find high concentration executive talent/MBA

Question:

What does Mississippi have that the newest generation of business people might find attractive?

Respondents recognize that Mississippi does not have a young and educated workforce, so they still believe that the state and region's best current asset for new business startups is low cost and reliable workforce.

- Urban centers, tax and incentive environment, strong flagship universities
- Auto - labor & low costs
- Unemployed labor needing work
- Enhancing and improving post-secondary education, and R&D
- Abundant labor force and cost competitive
- Low operating costs and outstanding WF, and pro biz climate irrespective of political
- Younger enthusiastic technical workforce
- Lower cost (4 responses)
- Hard working labor force
- Available labor and its work ethic, captive, people not leaving
- Relaxed quality of life
- Available low cost labor
- A state that is eager to make deals

Question:

What advice would you give those who are responsible for growing the economic base in Mississippi?

Improving education, focusing on existing business expansion and direct marketing campaigns were main advice given to economic developers.

- Focus on education (repeated 7 times)
- Improve bad public relations (repeated 3 times)
- Change the public relations on bad education, if that is real or perceived
- Continue with site prep efforts, continue to invest in training resources, marketing...get the message out
- Create and implement a stronger marketing message
- Stronger marketing campaign, better local preparedness
- Keep being aggressive, improve marketing outreach and gear incentives towards educated workforce
- Frontal assault on workforce preparedness, including high school, adult and pre-K education reform
- Start small with scalability - 50-100 person operations (white collar)
- Pick top three industries and work on the message to those industry needs
- Focus on seaport proximity
- Keep current business is more important than attraction; focus on value chain of existing business

Question:

Can you name any CEOs or other business leaders who are based in Mississippi? If yes, please name them.

The majority of respondents could not name a single business leader or CEO in Mississippi. The only names that were mentioned included:

- Governor Barbour (mentioned 5 times), and
- Gray Swoope (mentioned three times)

Question:

What would you have to see or heard in order to become really excited about Mississippi's business climate?

Respondents want to hear about your success, major improvements to transportation infrastructure and major changes in education.

- Economic Development Project Awards and “Wins”
- Vacated center that is available for call center with workstations in place and incentive package ready
- Education levels increasing, evidence of progress, study showing work ethic
- Broader base of preparedness
- Research & Development and Commercialization
- Announcements of headquarters operation
- Clearly articulated strengths with clear strategy for economic vision
- Major changes in education
- Announcements of new projects or significant improvements in education
- Third party studies such as rankings in Area Development, Forbes or Money's list for “best places”

Question:

Who would you need to hear it from?

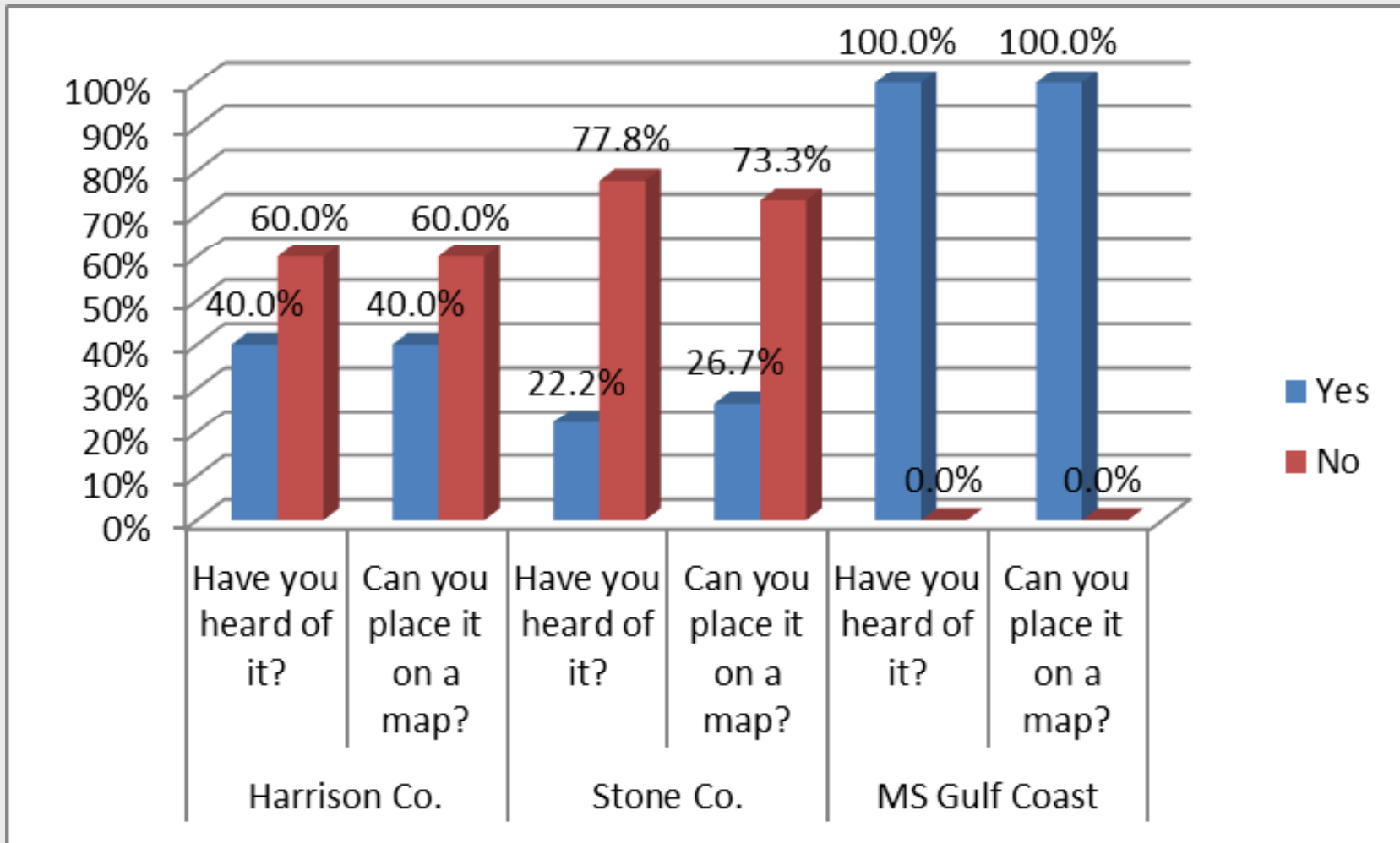
Respondents want to hear news about projects and improvements from your state economic developer, the Governor, and existing business executives.

- Mississippi Development Authority (mentioned four times)
- Governor Barbour (mentioned three times)
- Current employers
- Small Business owners
- Key research officials at universities in partnership with companies
- Public/private messaging
- National business magazines

Question:

Have you heard of Harrison County, MS? Stone County, MS? Mississippi Gulf Coast? Could you place either on a map?

All respondents were familiar with the MS Gulf Coast - 100% were able to identify it geographically and having some knowledge of the region. There was a general understanding of Harrison County as 40% of the surveyed parties were able to identify it on a map and had some knowledge of it. There was a general lack of knowledge about Stone County, MS as 77.8% of those surveyed were unable to identify it and 73.3% could not place it on a map.



Question:

What one word comes to mind when you think of the Mississippi Gulf Coast culture?

The Gulf Coast culture seemed to be a unique culture on the coast – like New Orleans but more focused on business and less partying, very laid back, yet strong work ethic.

- Laid back, serene
- Isolated
- Biloxi (rarely was Gulfport mentioned)
- Good people / Southern hospitality
- Casinos
- MS Gulf Coast = tourism, 2nd to Katrina;
- Increased poverty levels, education challenges, nice
- Moderate South; best of both worlds of locals and blend of cultures
- Mobile to Nola, with Biloxi in middle
- New Orleans with less party element
- Loyal and hardworking
- Casinos

Question:

What one word comes to mind when you think of its business climate?

The words below were repeated often among respondents. They believe you have struggled, but your strong work ethic, dedication to making improvements in transportation infrastructure, and your low cost alternative will serve the region well as it now focuses its business development efforts.

- Good
- Struggling
- Port
- Tourism
- Cheap
- Loyal
- Hardworking
- Stable

Question:

Can you think of any industries that the Mississippi Gulf Coast is at the very top of?

Casinos and shipbuilding were mentioned more often than any other industry. Most were surprised to hear about the significant Department of Defense contractors in the region.

- Casinos
- Defense/NASA
- Tourism
- Shipbuilding
- Fishing
- Food processing
- Industrial chemicals
- Alternative energy
- Aerospace

Question:

For each of the following, please tell me if you believe that the Mississippi Gulf Coast is one of the strongest in each category, about average, or one of the weakest compared to other regions in the US:

The perceptions of which site selection criteria the region is strongest, average or weakest in is relatively accurate.

Site Selection Criteria	Strongest	About Average	Weakest
Forestry and timber products	√		
Low labor costs	√		
Sufficient water and other natural resources	√		
Aerospace	√		
Logistics infrastructure, including roads, intermodals, trains and airports	√		
Broad range of economic development incentives	√		
Unique local culture	√		
Overall cost of living	√		
Seaports and waterways	√		
Casinos	√	√	
Nature tourism		√	
Business-friendly government regulations		√	
Overall cost of doing business		√	
Support services for small businesses, start-ups and entrepreneurs			√
Energy infrastructure including crude oil production and natural gas production			√
Multimedia including film, music and video games			√
Access to international investment funding			√
DoD contractor presence			√

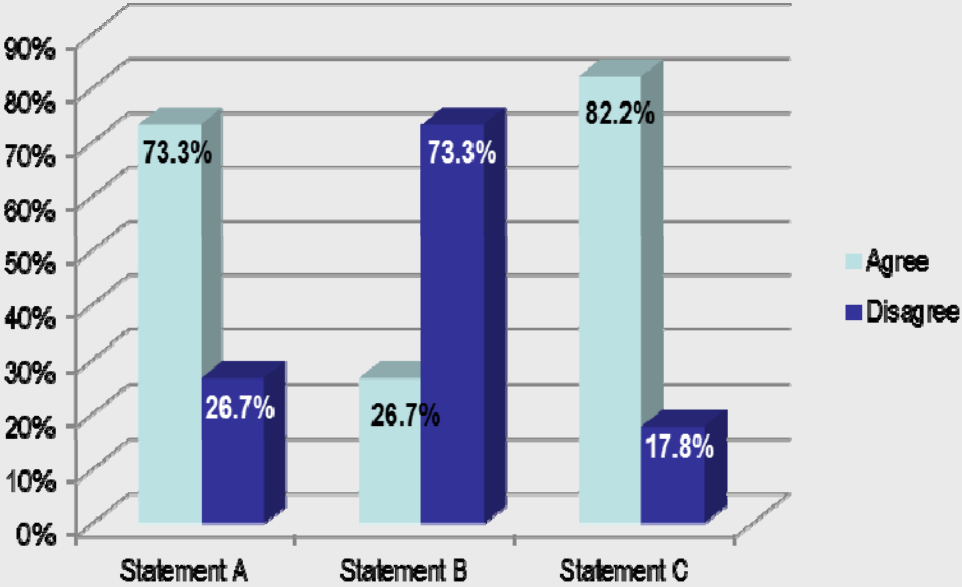
Question:

For each potential marketing message below I'd like you to tell me whether or not you agree with each. Would any of the above three statements work well as a marketing framework to talk about the Mississippi Gulf Coast nationally? Which one?

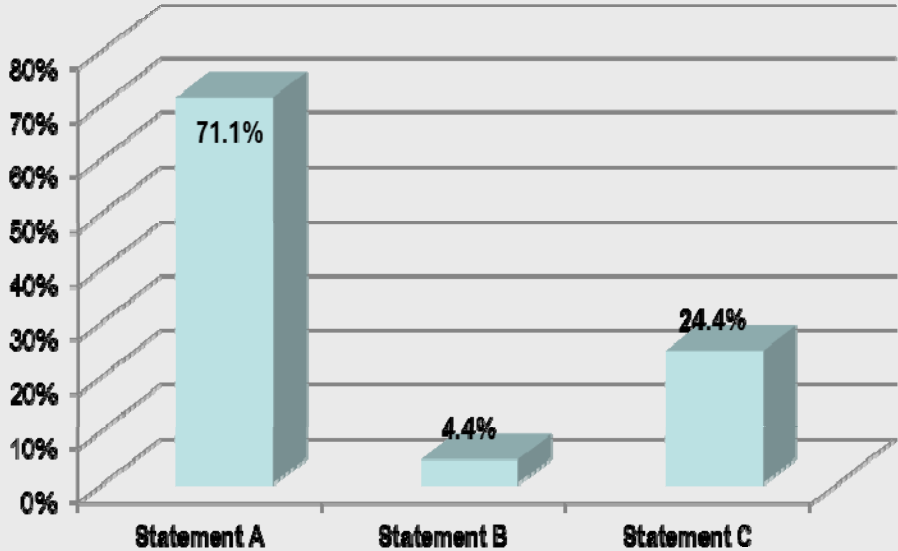
Statement A: The Mississippi Gulf Coast's unique location on the Gulf Coast, equidistant between Mobile and New Orleans, its billion dollar port investment in Gulfport and inland intermodal facility near Hattiesburg means that it will have one of the largest ports in the world and access to most interior states. Access to more markets and more natural resources means that businesses in the Mississippi Gulf Coast can be more productive.

Statement B: The Mississippi Gulf Coast has a rich and diverse culture that helps it attract talented people who work in order to live, not live to work. It also helps the businesses find more creative solutions to business challenges and opportunities. As a result of its unique culture, Mississippi business people can prosper personally and professionally.

Statement C: Mississippi businesses are stronger and more resilient because of the solid community college network, aggressive economic incentives and a low cost of doing business make it easier and less risky to start and grow a business.



Most respondents agreed with Statements A and C and in strong disagreement with Statement B.



71% of respondents felt that Statement A was the most favorable and best suited for a national marketing campaign because of its powerful message and approach to incentivizing investment.

Question:

Are there any other phrases you would use to describe the Mississippi Gulf Coast's economic development assets and opportunities?

There is an opportunity to tell a great story about how the Gulf Coast has rebounded, what specific improvements have and are being made, and how this will impact specific target industries.

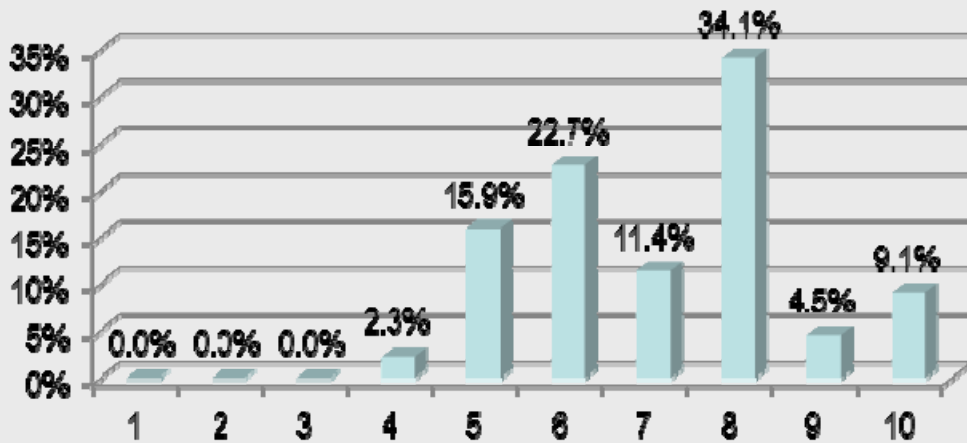
- Opportunity
- Business friendly
- Resilient
- Responsive
- Culture
- Value
- High quality assets at low cost
- Communicate what you have to offer
- Port and intermodal
- Expand tourism from just casinos

Question:

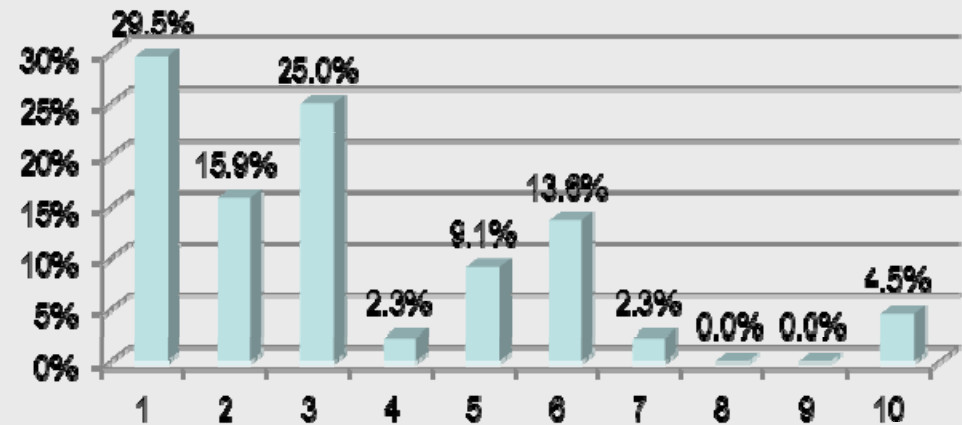
On a scale of one to ten, where one is not at all familiar and ten is very familiar, how familiar are you with the Mississippi Development Authority, the MS Gulf Coast Alliance?

On a scale of 1-10, with 1 being unfamiliar and 10 being very familiar, there was a strong familiarity with the MSDA, as the average response was a 7.0. There was a not a strong familiarity with the MS Gulf Coast Alliance, as the average response was 3.3.

Familiarity with MS Development Authority



Familiarity with MS Gulf Coast Alliance



Question:

Are there any site specific criteria for your industry (or, in the case of site selectors for those industries we are targeting and you represent), that you would like to share, and that you find is often deficient in your site selection searches?

The consistent message from respondents is to truly understand site criteria for your target industries and market specific sites to specific industries.

- Develop relationships thru consultants.
- Market actual costs and access to talent (tier 1 talent at tier 2 pricing)
- Work ethic hits on productivity
- Consider Utah who sends out “tombstones” with project announcements, but they stop short of messaging
- If you respond to an RFPs, help the site selectors, don't just give general information or sites that don't meet criteria in RFP
- If you improve your accessibility via air (especially for corporate executives) then your chances of getting executives there will increase.
- Get on national “best of” lists
- Market the industrial and business parks with specific sites and specific industries in mind