

A Path to Increased Collaboration and Competitiveness

Economic Leadership, a consultancy based in North Carolina, was engaged by the Hatch Foundation to support a local stakeholder engagement process, and ultimately to help develop ideas for enhanced regional collaboration and leadership in the broader Springfield Missouri Region. A group of regional leaders, from several organizations, after an intercity visit to neighboring Northwest Arkansas, had begun to discuss the possibility of creating a new organizational vehicle to better engage more private sector investors and employers in regional problem solving.



Economic Leadership has worked with several CEO-led regional groups including the Northwest Arkansas Council, the Civic Council of Greater Kansas City, the Piedmont Triad Partnership of Greensboro and Winston Salem North Carolina, Fifty for the Future of Little Rock, Arkansas, Fueling Our Future in Fargo, North Dakota, and the Research Triangle Regional Partnership in Raleigh and Durham North Carolina.

Most of these groups have been around for decades, but the concept of a private sector, CEO-led group of a region's most influential people has been gaining popularity in recent years. Many regions have found the structure helpful as they struggle to compete for new jobs and investment and to address emerging regional issues.

The project scope was to work with a designated regional group, and subsequent smaller workgroup, to explore the issues critical to developing more structured regional collaboration by considering eight questions.

- Should a new organization, a newly defined effort, be developed to meet the goal of more regional collaborative leadership?
- What would/could/should the organization's role be within the existing ecosystem of local and regional groups?
- What would be the focus of an organization as one is developed?
- What geography would be served?
- What is the best form of organizational governance?
- Who would be the leaders or members of a new organization?
- How could the organization be funded? Where would resources come from and what amount is reasonable as startup capital?
- What other advice or suggestions would Economic Leadership have for the stakeholders considering this?

Based on our prior experience, and after a meeting with the full regional group and multiple meetings with the small work group, Economic Leadership has reached the following observations and recommendations.

Observations

Observation 1 This region is economically successful but faces challenges that are increasingly complex and require greater collaboration.

The Springfield MSA, and broader regional economy, is strong and has the potential for sustained growth. Recently released population data shows that from July 2020 to July 2022 all ten counties in the Southwest Missouri Council of Government planning district experienced population growth with the ten-county region growing by a healthy two percent. Current estimates are for continued growth at about five percent over the next five years. The labor force has been growing and regional labor force participation is about average. Job growth has been greater than the national average and projections are for continued success. By most traditional measures the region is an economic development success story.

Despite the strong economy, low unemployment and job growth, stakeholder feedback, and the recently released Community Focus Report (Interim update October 26, 2023, for Springfield and Greene County) raised several areas of concern. Complex issues such as sufficient workforce availability, poverty, housing, crime, and childcare are areas requiring attention.

These concerns are not unique to the region. Nationally several trends have converged over the past 15 years to create new community policy conundrums. The housing crisis that precipitated the 2007-2009 great recession ultimately created a lack of housing starts over the next decade. Several factors contributed to today's national housing shortage which is estimated at over six million units. That shortage, and the increase in mortgage rates from the Federal Reserve, has made both for-purchase and rental housing increasingly unaffordable for many, and unavailable in many parts of the country. Homelessness has been steadily rising since 2017. Despite the relative affordability of Missouri and the Springfield region, housing market supply-demand-price relationships are not balanced.

Consistent low birth rates have resulted in broad-based worker shortages. Technological advances have raised the demand, and the salaries, of highly skilled workers, and when combined with public policy decisions, have widened wage gaps. The COVID pandemic accelerated many trends and played a role in increased crime rates and rising childcare unaffordability.

Issues critical to business growth and profitability have expanded. In recent years the Missouri State Chamber of Commerce legislative agenda has prioritized workforce, public safety, and this year, childcare. These new issues have not replaced taxes, tort reform or transportation as critical to business success, but rather have been added as additional factors needed to remain competitive. Other state business groups across the country have begun to champion causes, that until recently, would not be expected, housing in Colorado, immigration in Nebraska, sustainable farming in Hawaii.

Faced with new competitive realities, regions like Springfield and southwestern Missouri are forced to address issues that require greater cooperation



between groups engaged in economic, community and workforce development. Solutions require sustained collaboration between the public, private, philanthropic and the non-profit sectors. Finally, because these issues cross political boundaries, solutions also require coordination between city, county, regional, and state players, including elected officials. Housing is a regional issue. Workers commute to their jobs, often creating work sheds that cross many counties. Crime does not recognize a line on a map. Everyone's quality of life is influenced by amenities and opportunities beyond their home city or county. The brand or image of a place is an amalgamation of images, stories and experiences.

A common discussion among practitioners is that there has never been a time where economic development, community development, and workforce development organizations were more codependent for success!

Each issue has increasing complexity. By way of example, Economic Leadership is often asked to develop strategies to improve a place's workforce skills and the number of available workers. When you try to define the skills needed, the complexity of the problem quickly becomes clear. Naming and framing the problem is essential to problem-solving.

The following breakdown, created by Economic Leadership, helps to explain the complexity of the "skills gap", and the skills that residents anywhere will need to successfully compete for better jobs in the future. Each tier builds on the previous set of skills. By identifying specific skill deficiencies, specific actions can be created to address the concerns.

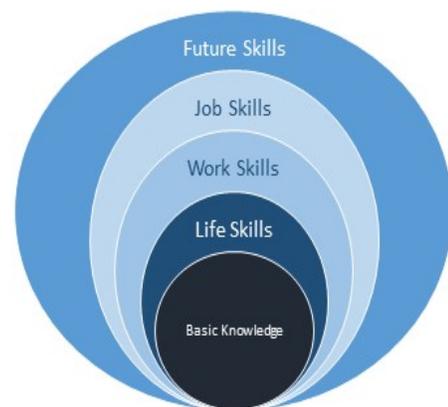
Basic Knowledge is the set of core academic competencies being taught by elementary, middle, and high schools. Missouri, along with the local districts in the region, make choices about investment levels, curriculum, instructional strategies, materials, and textbooks. Many social, economic, and family factors heavily impact academic achievement. From an employers' perspective, an effective course of study would result in proficiency in reading comprehension, writing and, increasingly important, applied mathematics. Almost every job today, and in the future, will require these skills, and that the skill-level be quantified by new assessment methods.

Life Skills are made up of those personal attributes that are sometimes described as "soft skills." They include motivation (initiative), responsibility, honesty, punctuality, personal accountability, flexibility/adaptability, and conflict resolution. Often barriers to employment such as failing a drug test or having a criminal record are included in this category.

According to the International Economic Development Council, **Economic development** promotes economic well-being and quality of life for communities by creating, retaining, and expanding jobs that facilitate growth, enhance wealth, and provide a stable tax base.

The United Nations defines **community development** as "a process where community members come together to take collective action and generate solutions to common problems."

Work Force Development is sometimes defined as a range of activities, policies and programs employed by places to make and keep viable labor to support the current and future needs of business.



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Work Skills are sometimes considered “soft skills” since many are viewed as personal traits. These skills are increasingly more important to employers, and they are also generally transferable between jobs. Employees with strong work skills have greater opportunities in a dynamic employment market. Today, most jobs demand that successful employees have teamwork, problem solving, flexibility, perseverance, and communication skills. Increasingly innovation, creativity, leadership, selling, and negotiation abilities are valued.

Job Skills are specific to an individual job. A nurse, carpenter, or pastry chef must receive specific training for the task. Higher education institutions, and individual employers, will be the primary provider of this training, but increased exposure to sector skills can and should begin earlier, including during Career & Technical Education (CTE) classes in high school. Whether it is a degree or certificate, many employers are demanding more skills than the basic knowledge conferred by a high school diploma. While only about a third of the jobs in the next decade will require a four-year bachelor’s degree, an equal number will require post high school training, a certificate, stackable credentials, or an associate degree.

Finally, **Future Skills** are emerging as abilities that can add worth to the employee, especially in these rapidly changing economic times. Once, being able to use a computer was new. Today, the ability to use and interface with many types of technology, manage multiple simultaneous priorities, comfortably absorb, and apply data, and successfully interact with colleagues and customers of different backgrounds, are all highly valued. Accelerated automation is dramatically changing the jobs that are available, and the skills needed for success. These future skills should be gained during school years and augmented by ongoing education and practice.

Workforce was a common discussion among the Springfield regional project’s stakeholders. Addressing the need for better skills is just part of the workforce issue, but it demonstrates the coordination needed by dozens of groups to make improvements. Similarly, the other part of the workforce challenge, retaining and attracting enough workers, is equally complex and solutions would require many groups to align.

Observation 2 There are examples of regional groups that are addressing these complex issues.

Across the country there are many examples of regional business-led groups that work to align resources, address challenges, and improve their communities. Some are in more traditional forms such as Chambers of Commerce, committees of 100, or Community Foundations. Others have been created to address specific issues like the Northwest Arkansas Council’s original priority to develop an airport, Fifty for the Future’s (Little Rock) economic growth mission, or the Research Triangle Regional Partnership’s narrow branding goals when it was formed.

There is no “best” organizational structure but there are many lessons that can be learned from successful groups. Three groups provide examples of successful partnerships.

The **Civic Council of Greater Kansas City** was established in 1964 by 15 local CEOs. According to their web site, “The Civic Council of Greater Kansas City is a nonprofit organization composed of the leadership of the largest, private employers in the Kansas City area. Our vision is to achieve a dynamic, globally-competitive region that benefits all its citizens. The Civic Council exists to accelerate growth in the region’s prosperity and quality of life by strategically deploying the personal and corporate resources, influence and expertise of our members.”



“Founded in 1964 by a group of business CEOs, the Civic Council brings together the personal and corporate resources of its members to address difficult, complex community challenges. A hallmark of the Civic Council is its focus on long-term issues that are strategic and informed by research.”

Council Web Site

The Civic Council of Greater Kansas City’s statement of values has been borrowed by other civic leadership groups over the years. The non-profit organization’s key values are:

1. Collaboration
2. Leadership – “when no other organization has the capacity or will to do so”
3. Focus – on the most critical priorities
4. Broad Constituency
5. Economic Opportunity – “across race, gender, ethnic, and geographic boundaries”
6. Humility – sharing ownership of ideas and credit
7. Transparency and Accountability – “research-based decisions to reach measurable outcomes”

A few years back the Council helped launch the **KC Rising** initiative to combat a growing gap between the performance of Kansas City compared with peer cities.

KC Rising is a regional, long-term initiative to build collaborative scale, create system alignment, promote public-private partnerships, and leverage existing initiatives in support of realizing Kansas City’s potential.

To accomplish this, KC Rising relies on a distributed implementation model, allowing for a multitude of leaders and teams to work independently of each other on a variety of initiatives. Guided by a steering committee composed of business and education leaders, as well as regional elected officials, KC Rising concentrates its efforts on three economic drivers: Trade, Ideas and People. The work of these economic drivers takes into account the economic enablers of Place, Policy and Inclusion. These efforts are directed by three KC Rising Leadership Teams: Globally Competitive Sectors, Innovation & Entrepreneurship, and Human Capital.

The Civic Council of Greater Kansas City currently operates with a staff of 9.

KC Rising is resourced through the work of more than a hundred volunteers. In addition, staffing and financial resources for KC Rising are provided by the Civic Council of Greater Kansas City, KC Area Development Council, Mid-America Regional Council (MARC) and the Greater KC Chamber of Commerce.

Council Web Site

Northwest Arkansas Council

Established by Sam Walton, Don Tyson, J.B. Hunt and other business leaders, the Northwest Arkansas Council is a private, nonprofit organization whose stated mission is to “advance job opportunities, talent recruitment, physical infrastructure, health care and quality of life” in the region. The Council has more than 100 company members including all the largest employers.



Originally the focus of the organization was on regional infrastructure assets and economic development. In time, through research and new strategic plans, their role has broadened. Economic Leadership worked with the Council several times over the past decade. A new strategy unveiled by the Northwest Arkansas Council in 2018 prioritized diversifying the economy through new commitments to research, supporting entrepreneurs and startups, training and attracting tech talent, and improving the region’s physical and social infrastructure.



Today the scope of the Council’s work includes Arts and Culture, DEI, Health Care, Housing, Recycling, Talent Attraction and Workforce Development.

The Council operates with between 15 and 20 staff and a substantial budget.

Piedmont Triad Partnership (Greensboro NC)

Founded 33 years ago, the Piedmont Triad Partnership (PTP) is a leadership organization that brings together the business community in the Triad region to promote prosperity and growth. The Triad includes the cities of Greensboro, Winston Salem, High Point, and dozens of towns spread across 13 counties. In previous years branding, workforce development and increasing air service have been the focus. Currently a priority is the development of megasites.



The Piedmont Triad Partnership is a private leadership organization connecting and leveraging the region’s leaders and assets to drive increased economic growth and jobs.

The PTP has some similarities to a potential organization in the Springfield region. Its board engages both the leading private employers and investors as well as the Presidents of the major educational institutions. Operating revenues are based on member dues or contributions, plus periodic grants or fundraising to address a defined need. The focus is determined by annual strategic discussions of the board, and the budget and staff are modest. The staff is usually about five people, some part-time. The budget is between \$1 and \$1 million annually.

Conclusions and Recommendation

1. Should a new organization, a newly defined effort, be developed to meet the goal of more regional collaborative leadership?

Yes. Although the region is blessed with many well-regarded groups, none are currently constituted to be the collaborative capacity needed to engage leaders across sectors and geographies. Throughout this process stakeholders bemoaned the lack of a vehicle to bring leaders, public and private, from multiple jurisdictions, and with differing priorities together to address a priority issue. The work group voted unanimously to continue the process to create a new “organization”.

At Economic Leadership, our experience has taught us that some of the characteristics of a competitive, successful community are:

- Strong leadership with high social capital among the leaders
- Nimbleness, an ability to react and act quickly on issues of importance
- Works well with others and values partnerships and collaboration
- Has an ability and prioritizes learning from the best practices of others
- Has a standing structure to collaborate

We feel that the establishment of a new organization will strengthen the region in each of these areas. We do caution that the ultimate success of starting a new organization will likely hinge on engaging more of the region’s private sector, most resource-rich leaders.

2. What would/could/should the organization’s role be within the existing ecosystem of local and regional groups?

The top function should be that of a **convener and facilitator** of the many stakeholders. Hard wiring collaboration, breaking down regional barriers, and engaging those that are not currently engaged in finding solutions to the biggest issues. An additional initial role would be as an influencer to help convince outliers to engage on priority issues, and to help gather the resources and resolve to address those issues. Ultimately the work group felt that this organization could be a funder of good ideas, helping to pull together resources for the most important regional products.

Although this did not receive much support from the work group, Economic Leadership would also suggest that in years two and beyond the organization add thought leadership and regional scorekeeper to its portfolio of activities. We feel that publications like the *Community Focus*, completed for the region, and a regular assessment of progress is important. Leaders, especially leaders who would be investing company or personal funds, require measurement, specifically the impact of their investments, to continue to participate.

3. What would be the focus of an organization as one were developed?

The deliberations of the work group resulted in three clear focus priorities: workforce attraction and expansion, regional branding, and quality of life improvements. Economic Leadership agrees that these are three areas worth prioritizing. We also feel that this new organization could provide the facilitation

for existing groups to work together on childcare, housing, homelessness, persistent poverty, and crime. It will be critical to balance resources against expectations, especially in year one.

4. What geography would be served?

This discussion proved to be one of the hardest to reach consensus on. In the end, the workgroup recognized that some subjects will be more important to differing geographies, but decided to recommend that the 10-county planning district was the best initial geography. In our work, Economic Leadership has found that geography must have some flexibility. Being too small will always eliminate a key company, investor, or asset. The danger of too large a geography is that some areas of focus will be of less interest to some members.

In the end, the form (membership) of those engaged in anything tends to follow its function. Lobbying for transportation in southwest Missouri might result in Joplin as a partner. Alignment on tourism or air service will likely interest Branson. For the city of Springfield homelessness could be a priority, while several more rural counties might prioritize collaborating on a mega-site for economic development. Today, groups like the Springfield Regional Economic Partnership, the Southwest Missouri Council of Governments, or the Community Foundation of the Ozarks fill some of these needs by bringing groups together.

The ultimate geography will also be a product of those willing to engage, and we expect interest and engagement will be determined by the activities and priorities that are ultimately decided upon.

5. What is the best form of organizational governance?

Economic Leadership does not believe that there is a “best” form of organizational governance. We have worked with all forms of multi-member governance and have found the form is not usually the determining factor for success. With that said, we do believe in some simple guidelines. We believe that successful organizations:

- Have the strongest, most engaged leaders possible
- Have a clear strategic plan with a detailed program of work that is updated annually
- Have staff and volunteer resources that are sufficient to achieve the organization’s goals
- Have resources that match expectations
- Measure everything
- Are transparent to all members and investors
- Are forward focused and always anticipating what is next

With those beliefs, Economic Leadership is recommending that a new stand-alone 501(c)(3) be established. We are further recommending that the effort be housed in an existing foundation until the new organization can be incorporated and organized. We believe that initial donations will be needed and support from an existing group can improve the odds of success.

6. Who would be the leaders or members of a new organization?

This is another question that generated significant discussion within the work group. Generally, most believed that a public-private partnership was the best way to achieve results. Many of the issues discussed require public sector engagement (crime, housing, poverty, workforce), yet there are many elected officials in the 10-county region and the COG already provides a forum for collaboration.

Ultimately, having everyone that is needed, public and private, in the governance structure of a new organization is impossible. What is missing now, and has been deemed a critical need, is engaging the regional private sector CEOs in discussions of workforce, QOL, and branding.

There are many opportunities for stakeholders to engage and make significant contributions in the region. To attract the missing leaders and to attract new resources to the critical issues, Economic Leadership is recommending an initial pay-to-play model for private sector CEOs and owners/founders. After discussions at the full meeting on January 11th we will make a specific recommendation on the annual contribution amount, but it would be a minimum of \$25,000 annually. Once the group has been formed, they will have the ability to expand their group to include whatever additional public, education, or non-profit member they can agree to. We recommend that a minimum of eight members in year one is needed to ensure viability. The exact composition needs input from potential members prior to any final decision. A target list of potential members and initial meetings to determine interest is step one.

7. How could the organization be funded? Where would resources come from and what amount is reasonable as startup capital?

We believe that the minimum amount to move forward with this idea is \$250,000-\$300,000 annually, guaranteed for years one through three. Funding needs to be generated from the initial membership, with an ask for an additional capitalization donation, and contributions from local foundations to support the specific work in workforce, and quality of life. If there is not sufficient interest in self-funding, then we would recommend considering a facilitation/collaboration function in a local foundation to create a future base for a stand-alone organization.

Within the first couple of years the organization must deliver results and that will likely require additional funding of \$1-\$2 million. We gave an earlier example of the complexity of skills improvement. An area deemed a priority is regional branding to attract (and retain) talent. Competition for talent in recent years has grown dramatically.

Talent Attraction, encouraging more working age people to move into any region, is often combined with placemaking strategies to make the community more attractive, Stickiness Programs to reduce the number of workers moving away, especially younger adults, and engagement programs that encourage existing adults that are currently not in the labor force to join. These can include retired workers, stay-at-home parents, disenfranchised youth, transitioning ex-offenders. Many states and regions are engaged in these efforts with budgets that are often in the millions of dollars. Studies suggest that raising the awareness of a specific region cannot be achieved without substantial investments and a high-quality campaign.

8. What other advice or suggestions would Economic Leadership have for the stakeholders considering this?

- First, input and agreement from the broader group is needed before proceeding.
- Second, development of a target list of 10-20 potential members needs to be created and each person on the list individually contacted to discuss the idea and the areas of focus to gauge interest.
- A few champion investors are needed early to achieve broader success. You need initial commitments as soon as possible to begin to build momentum.
- Third, having Dean as a resource gives the process a step forward.

- Fourth, there are other models of CEO leadership groups around the country. They each have strengths and weaknesses. The best way forward for your region is not to try to copy someone else's model. Develop your own and be the model for others.
- This effort needs to align with other efforts underway to improve the region's, and specific parts of the region's, quality-of-life and quality-of-place.
- Because this is recommended to be private sector initiated, public officials, including education leaders, need to be engaged in the conversations. The transparency of the effort is important.
- Move as fast as possible to gauge initial investment and engagement interest and set a schedule to determine either success or failure.

Summary: Move forward with planning for the creation of a new 501(c)(3) focused initially on workforce attraction and growth, improving regional quality of life, and regional branding for the 10-county region. Use a pay-to-play model to attract significant private sector leadership and investment. Allow those investing to determine governance and any additional future representation. For the first year, house the effort in an existing foundation. Step one is to develop a list of potential members and hold one-on-one meetings to gauge interest and secure commitments.

Ted Abernathy, December 2023