ARKANSAS

INC

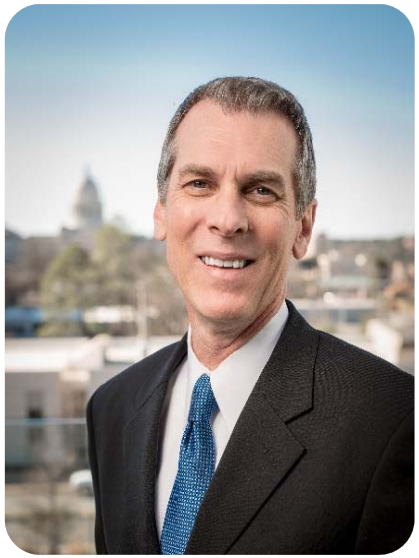
ARKANSAS ECONOMIC

DEVELOPMENT COMMISSION

Mike Preston
Executive Director

Danny Games
Executive Vice President,
Global Business

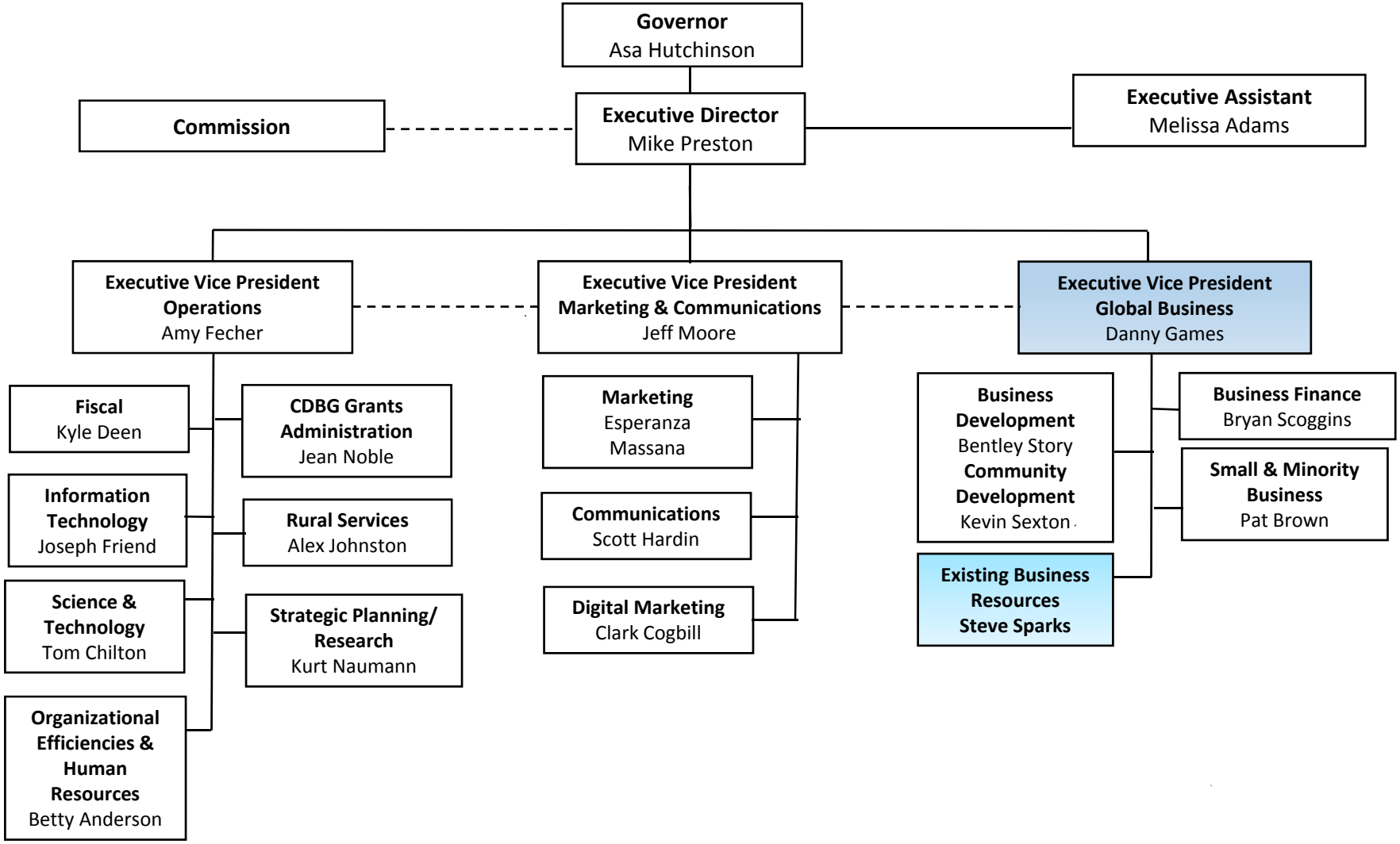
Amy Fecher
Executive Vice President,
Operations



Jeff Moore
Executive Vice President,
Marketing &
Communications

Executive Team

Arkansas Economic Development Commission
Organizational Chart



May 26, 2017

Global Business Division

Executive Vice President
Global Business
Danny Games

Executive Assistant
Dorothy Gamble

Merged
06/2015

Existing Business Resources
Steve Sparks, Director
Shirley Vanderslice

Sector Management
Becky Rheinhardt, Sr. Mgr.
Randy Brinkley
LaJuana Delph
Rory Gulick
Eddie Majeste
Justin Majors
Robin Pelton
Zane Chenault

Military Affairs
Gary Holland, Director

Manufacturing Solutions
Dan Curtis, Sr. Mgr.
Andy Capel
Audrey Carroll
Keith Gammill (ASU)
Julianne Gonzalez
Bill Kraus (ASU)
Bob Kucheravy
Dan Mickelson
Rudy Ortiz
Phil Plyler
Mickey Yeager

Business Development
Bentley Story, Director
Lori Jordan
Vacant Sr. Mgr.
Mark Hamer, Sr. Mgr.
Katherine Holmstrom, Sr. Mgr.
Katherine Gentry
Steve Jones
Steven Lamm
Drew Williams
Vacant

Community Development
Kevin Sexton, Sr. Mgr.
Cody Slater
Matt Twyford
Vacant

Film Commissioner
Christopher Crane

Business Finance
Bryan Scoggins, Director
Jennifer Emerson
Trica Frazier
Hunter Hauk
David Nevala
Greg Wolfe

Small & Minority Business
Pat Brown, Director
Anthony Armstrong
Karen Castle
Quionnesha Levarity ½

EBRD Division Focus

Integrate and deliver resources to emerging and existing Arkansas Companies to improve competitiveness, growth and retention

Plan of Work

- Growth and Expansion
- Retention of Existing Companies
- Assistance

Existing Business Resource Division

- Approximately 20 staff members

- Key Responsibilities
  - Identify opportunities for growth & expansion
  - Retain existing companies
  - Assist existing companies

- Business Managers
  Company Visits to develop market intelligence

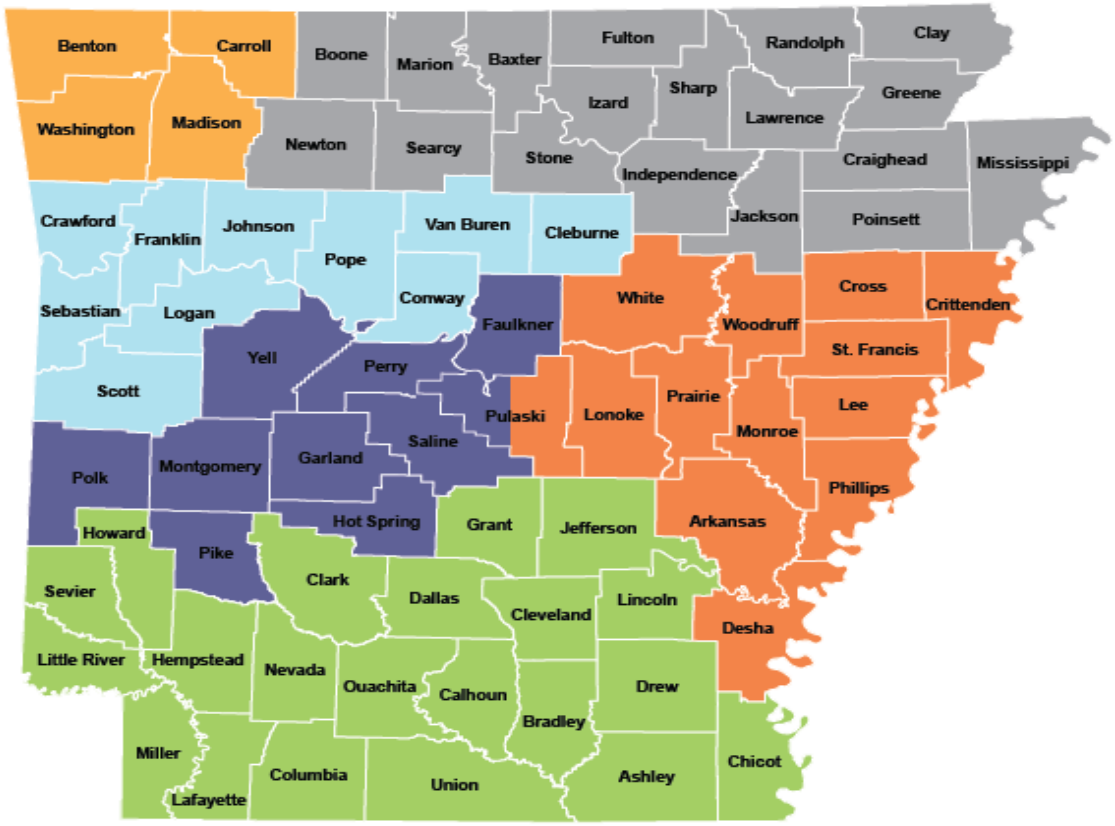
- Client Service Managers
  Offer Business Solutions that assist in growth

ARKANSAS

Arkansas Economic Development Commission

1.800.ARKANSAS ArkansasEDC.com 900 W. Capitol Avenue, Suite 400, Little Rock, AR 72201

EBRD Business Manager Work Areas



Northwest Arkansas
479.313.9066
Zane Chenault
zchenault@arkansasedc.com

Northeast Arkansas
870.215.3486
Randy Brinkley *Automotive Sector*
rbrinkley@arkansasedc.com

West Arkansas
501.682.7396
Justin Majors
jmajors@arkansasedc.com

Central Arkansas
501.682.7334
Robin Pelton *Aerospace Sector*
rpelton@arkansasedc.com

East Arkansas
501.682.7386
Eddie Majeste
emajeste@arkansasedc.com

South Arkansas
870.814.3179
Rory Gulick *Forestry Sector*
rgulick@arkansasedc.com

Becky Rheinhardt
Senior Manager, Existing Business Resource Division (EBRD)
501.682.1172
brheinhardt@arkansasedc.com

Shirley Vanderslice
Administrative Assistant
501.682.1179
svanderslice@arkansasedc.com

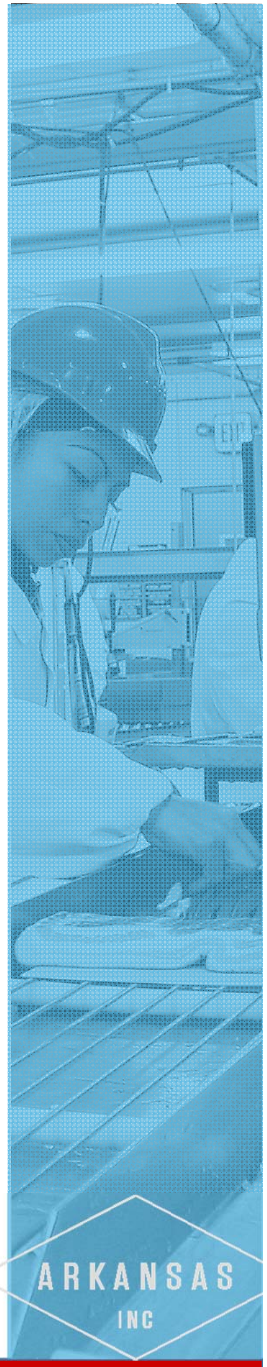
Company Visits to develop market intelligence

- All doing company visits
- All doing company visits differently

- All gathering information
- All gathering information differently

- All recording information
- All recording information differently

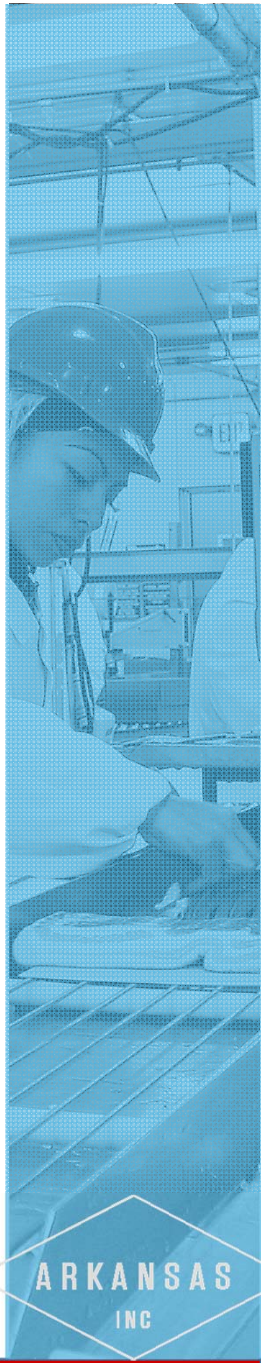
- Inconsistency in all three areas
- All working independently



Situation

- Everyone was working hard
- Everyone thought their way was the right way
- Progress was slow
- Many were discouraged at progress

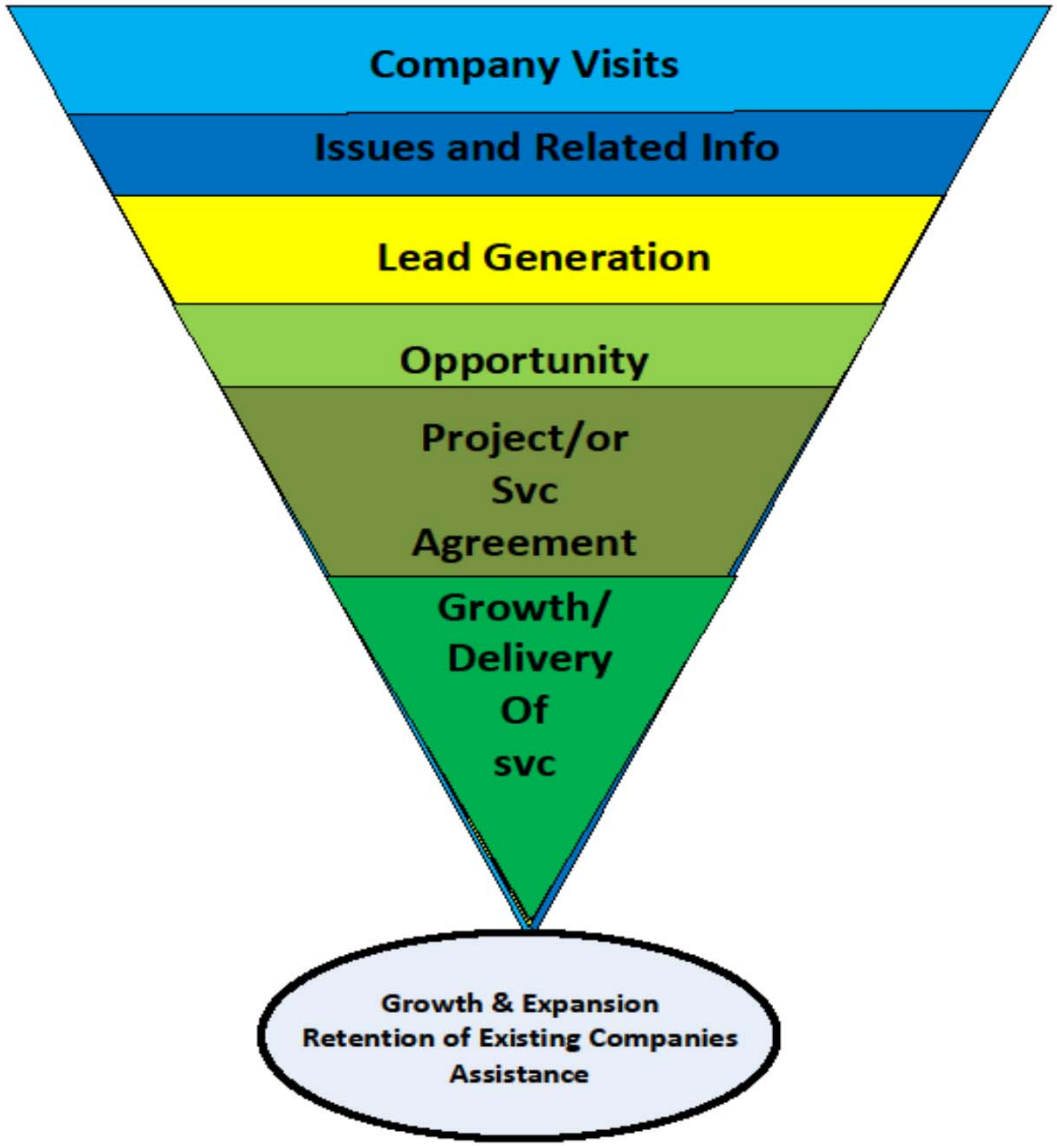
Everyone was frustrated



Introduction to KATA

- We needed a way to improve what we were doing
  - Needed to engage everyone
  - Needed to capture best practices
  - Needed a way to resolve issues
  - Needed a way to reduce inconsistencies

EBRD Strategy & Work Flow



Existing Business Resource Division

Improvement Kata Challenge Statement

By September 30, 2017, we will have:

- Conducted 720 Company Visits
- Developed 48 Referrals
- Achieved an MEP Score of 80

Needed Standardized Processes

Standard Process Flows

- Discovery Visits
- Data Collection & entry
  - Key data
  - Referrals
  - Leads
  - Follow up
- Conversion to Projects & Service Agreements
- Results & Survey Information for MEP

Client Visit Process Map

Client Visits Process

Purpose

To

1. Communicate to Arkansas businesses that AEDC is here and what we do
2. Find manufacturers that want to engage to transform their businesses
3. Spend time with clients to learn their pain points and opportunities and help provide solutions
4. Update or client databases.

Scope of Process

From the time the client is identified
To the client referral is made (if applicable)

Inputs

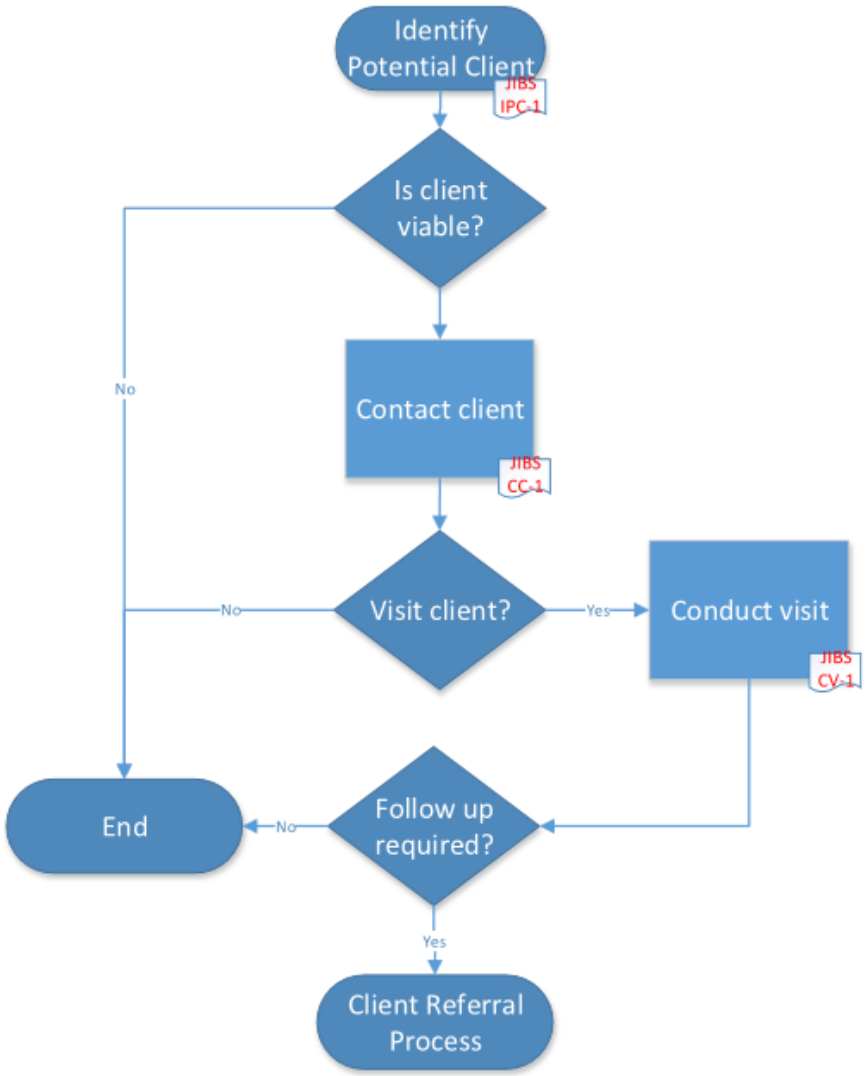
- Questionnaire Form
- Salesforce/Quickbase data
- Client contact list
- Vetting criteria

Outputs

- Updated client contact list and databases
- Client pain points and opportunities identified
- Appropriate referrals made based on information from visit

Measures

- Client visits by region
- Client visits by agent
- Number of referrals



JIBS IPC-1

JOB INSTRUCTION BREAKDOWN SHEET

DEPARTMENT	EBRD TRANSFORMATION	JIBS #	IPC-1

OPERATION	IDENTIFY POTENTIAL CLIENT TO VISIT		
PARTS	N/A		
TOOLS / MATERIALS	SALESFORCE, D&B, 2016 ARKANSAS BUSINESS MANUFACTURING DIRECTORY, COC MEMBER DIRECTORIES, INTERNET, QUICKBASE, SECRETARY OF STATE WEBSITE		
CREATED BY	BILL KRAUS	DATE	12 09 16

IMPORTANT STEPS (WHAT)	KEY POINTS (HOW)	REASONS (WHY)
A logical segment of the operation when something happens to advance the work	**Anything in a step that might:** **1. Make or break the job** **2. Injure the worker** **3. Make it easier to do (e.g., knack, trick, special timing, bit of special information, etc.)**	**Reason for the Key Points**
1. Verify client still in business	• Per SalesForce, D&B, Phone, Internet research	• Required for next steps
2. Verify client eligibility	• Per SalesForce, D&B, Phone, Internet research • Must be potentially >10 employees	• Our targeted grouping of clients to visit • Our targeted size of client to visit
3. Verify if client has been contacted within last 2 years and by whom	• From data entered in SalesForce	• Our targeted type of client to visit
4.	•	•
5.	•	•
6.	•	•
7.	•	•

JIBS CC-1

JOB INSTRUCTION BREAKDOWN SHEET

DEPARTMENT	EBRD TRANSFORMATION	JIBS #	CC-1

OPERATION	CONTACT CLIENT		
PARTS	N/A		
TOOLS / MATERIALS	SALESFORCE, D&B, 2016 ARKANSAS BUSINESS MANUFACTURING DIRECTORY, COC MEMBER DIRECTORIES, INTERNET, QUICKBASE, SECRETARY OF STATE WEBSITE		
CREATED BY	JUSTIN MAJORS / RANDY BRINKLEY	DATE	12 08 16

IMPORTANT STEPS (WHAT)	KEY POINTS (HOW)	REASONS (WHY)
A logical segment of the operation when something happens to advance the work	**Anything in a step that might:** **1. Make or break the job** **2. Injure the worker** **3. Make it easier to do (e.g., knack, trick, special timing, bit of special information, etc.)**	**Reason for the Key Points**
1. Identify the appropriate company rep to contact	• Via SalesForce, business publications, internet search, local referrals, e.g. economic developers, Chamber of Commerce, elected officials, previous contact/delivery, etc.	• Helps ensure local decision maker will be engaged in discussions
2. Make contact	• Based on company rep, determine best method (e.g., cold call, email, phone, etc.)	• To secure appointment
3. Set appointment	• By utilizing scripted or planned conversation (i.e., key points, desired outcome, etc.)	• Set expectations for visit and establish AEDC legitimacy
4. Update Salesforce	• Enter appointment information	• To maintain database integrity, manage calendars and provide dashboard metrics
5.	•	•
6.	•	•
7.	•	•

JIBS CV-1

JOB INSTRUCTION BREAKDOWN SHEET

DEPARTMENT	**EBRD TRANSFORMATION**	JIBS #	**CV-1**

OPERATION	**CONDUCT VISIT**		
PARTS	**N/A**		
TOOLS / MATERIALS	**SALESFORCE, D&B, CURRENT YEAR ARKANSAS BUSINESS MANUFACTURING DIRECTORY, COC MEMBER DIRECTORIES, INTERNET, SECRETARY OF STATE WEBSITE**		
CREATED BY	**JUSTIN MAJORS / RANDY BRINKLEY**	DATE	**01 12 17 DC**

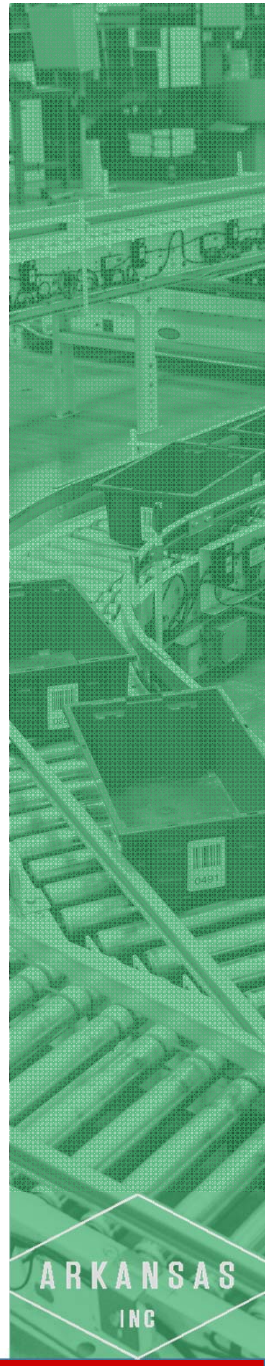
IMPORTANT STEPS (WHAT)	KEY POINTS (HOW)	REASONS (WHY)
A logical segment of the operation when something happens to advance the work	**Anything in a step that might:** **1. Make or break the job** **2. Injure the worker** **3. Make it easier to do (e.g., knack, trick, special timing, bit of special information, etc.)**	**Reason for the Key Points**
1. Schedule appointment and be on time	• 5 to 15 minutes early	• Respect for client, establish credibility and key success factor for visit
2. Clarify the reason for the visit	• Tie to initial conversation • "Break the ice" via "small talk"	• Establish focus • Establish trust
3. Refer CV-2 (How to have the Business Pain Discovery Discussion)	• Collect business pains to identify opportunities and solutions to customer obstacles to future success	• Identify resource provider and solutions
4. Collect relevant information	• Fill in missing information	• Identify further issues
5. Develop follow-up plan, as needed	• Reiterate agreed upon activities and timing	• Confirm agreement and review plan details
6. Update Salesforce	• Enter appointment information, Discovery data, New Issues and Related Info and Create Lead (as appropriate)	• To maintain database integrity, manage calendars and provide dashboard metrics

Obstacles – identified & overcome using PDCA cycle

AD PDCA CYCLES RECORD				
LEARNER:		Bob		
COACH:		Steve		
OWNER:		STEP #9- Phil, Steve		
OBSTACLE:		#4: MEP Referrals are not being converted into projects		
NO.	**STEP**	**EXPECT**	**HAPPENED**	**LEARNED**
1	Set up an MEP Referral review team (Phil, Julianne & Robin) to look into the number and quality of past referrals.	Team will obtain information and statistics for analysis, including typical conversion time frame and number of referrals to outside agencies and partners.	The team identified at least five separate objects that have been used for the company visit lead/referral.	The process of entering this data had changed over time resulting in multiple records and/or duplicates. The Referral team will require additional time to adequately identify, organize and analyze this data.
2	The Referral review team will continue to track, organize and analyze the referral data.	The team will be able to draw some conclusions regarding how referrals were converted to projects and how many referrals were sent to outside partners.	Due to the large scope of the project, Andy was added to the Referral review team.	The new team determined they would limit their focus to evaluating a list of referrals from September 2016 to the present.
3	Andy will work up two reports, one with a list of referrals converted into opportunities, and a second list with those that did not convert.	The MS staff will review the lists and evaluate them to determine the current status.	Reports were completed identified Referrals converted into opportunities and those not converted.	Both sets of reports were to be sent to MS field staff on 3/10/17.
4	MS field staff would review and analyze both sets of reports for Referrals assisgned to them.	They will verify the status of non-converted referrals and identify potential trends or differences between Referrals converted and those not converted.	The scope of the review was changed to include only those referrals from January 2017 to the present.	The referral review will ttrack the extent MS details are being collected and identified on the Discovery Page and in the Referral.

PDCA Cycle – obstacles cont.

NO.	STEP	EXPECT	HAPPENED	LEARNED
5	Phil will look at the value and quality of referrals, and meet indvidually with the BM to discover barriers related to identifying and referring prospects for MS deliverables.	EBRD will identify opportunities to improve our collection of information allowing us to better understand business and market issues while turning referrals into projects.	Retention calls and referrals after January 2017 were reviewed confirming a large percentage included detailed and quality notes identifying potential company issues.	Growth & Innovation along with Operational Excellence were most often identified, however, few of the sub category boxes were checked compared to the number of potential issues identified. It is apparent that some companies have potential issues and don't want a follow-up MS visit, while some companies are being referred to MS for follow-up and don't expect or want a follow-up visit.
6	Phil will have a conversation with the BM's to review his findings, collect other ideas improvement to the Questionnaire and answer questions about the major category and sub-category boxes.	The Discovery Page and Questionnaire will be reviewed over time with feedback solicited from EBRD staff. This will allow us to better track company issues, market trends and to identify those companies requesting referrals, follow-up visits or declining to further engage with AEDC.	Phil has starting going over the referrals and retention calls with the BM's.	He has been unable to meet with all the BM's, and is now coordinating with Steve, who is starting up a new KATA Challenge while also soliciting feedback on the Questionnaire and data being collected during company visits.



PDCA Cycle – obstacles cont.

NO.	STEP	EXPECT	HAPPENED	LEARNED
7	Phil will continue meeting with the BM's and working with Steve to review the feedback received about questions and information solicited during company visits.	After reviewing the major category and sub-category boxes with the BM's, and after analyzing the feedback received about the Questionnaire, we will be in a position to consider revising the Questionnaire to help us better collect key data points documenting market trends and tracking company issues directly related to referrals.	Phil met with all BM's to discuss Retention Calls, Referrals and the Questionnaire, and then provided Steve with some feedback which included issues and questions associated with the Questionnaire.	BM's have limited time and opportunities during the Company Visit to control the direction of the Retention Call and obtain information about potential issues and opportunities. Overall there are too many questions; some include too many "options," some are redundant and others address solutions rather than pains.
8	Phil will work with Steve to share information relating to the Questionnaire, Referral and Retention Call processes.	The Questionnaire will be reviewed and revised over time streamlining the Discovery process and allowing us to collect relevant information about both issues companies are facing and emerging market trends. Referrals to AMS will be checked only when a company is in clear agreement to accept a follow-up MS visit.	Phil and Steve discussed the results of the review of the Questionnaire, Referral, and Retention Call processes. Revisions to the scope and content of the Questionnaire will be assessed and implemented under the new "Future Trends/Data Outcomes KATA."	Revisions to the Questionnaire will be evaluated on an ongoing basis to ensure it continues to provide value as a tool to refer companies to MS and to gather market information and identify business trends in Arkansas manufacturing.

ARKANSAS INC

Existing Business Kata
Current Status – June 2017

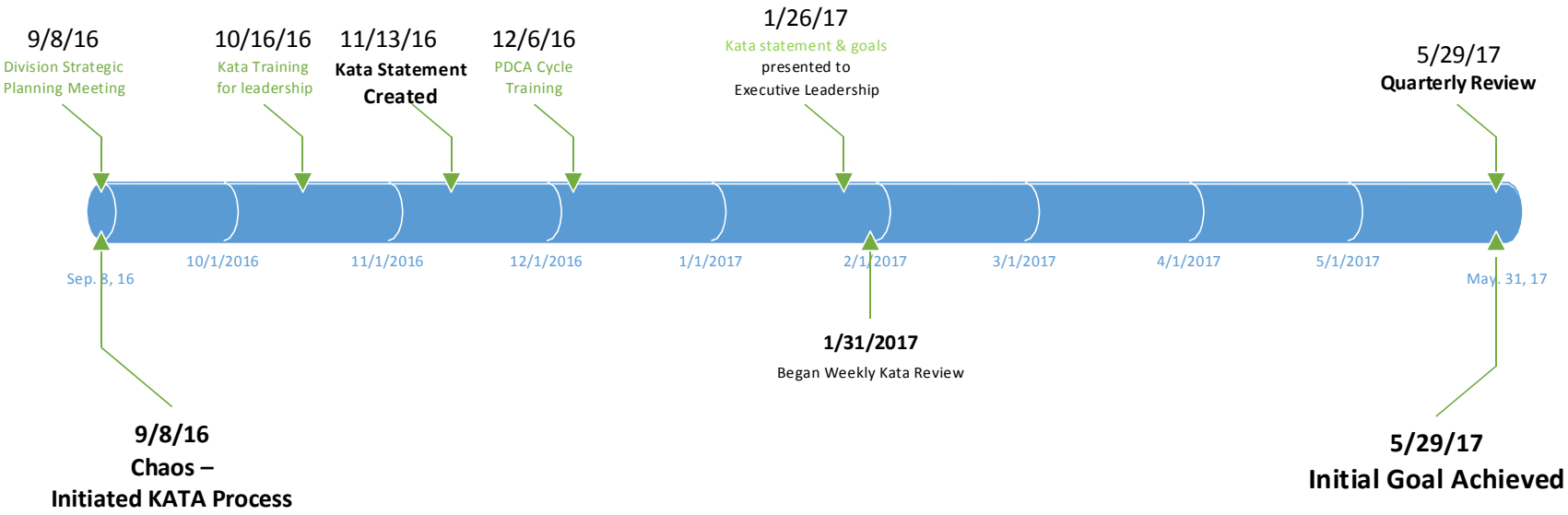
	CURRENT CONDITION AS OF:	10/31/16	11/30/16	12/31/16	01/31/17	2/28/2017	3/31/2017	4/30/2017	5/31/2017	5/31/2017	06/06/17	6/30/17
NO.	MEASURE OF SUCCESS	METRIC	METRIC	METRIC	METRIC	METRIC	METRIC	METRIC	METRIC	[TARGET]	METRIC	[TARGET]
1	Company Visits	54	27	20	60	66	80	95	104	70	4	70
2	MEP New Client Visits	47	21	19	52	58	68	74	89	36	4	36
3	Follow-up Visits	3	2	0	2	3	0	1	1	12	0	12
4	MEP Referrals	4	3	1	12	18	24	31	38	4	1	4
5	MEP Referrals Converted to Projects	0	1	1	2	2	3	0	0	4	0	4
6	MS SA Surveyable Clients	1	3	1	0	1	3	3	0	2	0	2
7	MEP Service Agreements	1	3	1	0	1	3	3	0	6	0	6
8	TTAG Surveyable Clients	3	12	8	11	8	7	2	0	0	0	0

MEP Scorecard

MEP 2017 Quarterly Results (Current Condition)		MEP Rolling 12-Month Q3 (12/31/16)	MEP Rolling 12-Month Q4 (3/31/17)	MEP Rolling 12-Month Q1 (6/30/17)	MEP Rolling 12-Month Q2 (9/30/17)	MEP Rolling 12-Month Q2 (Corresponds to 9/30/17 Target)
NO.	MEASURE OF SUCCESS	METRIC	METRIC	METRIC	METRIC	METRIC
9	Client Counts	48	55	66		73
10	New Clients	20	31	44		29
11	Net Promoter Score	97%	98%	93%		75%
12	Survey Response Rate	77%	80%	81%		70%
13	New Sales	$10.5M	$4M	$82M		$15M
14	Retained Sales	$38M	$114M	$206M		$35M
15	New Investment	$85.8M	$11.4M	$15M		$15M
16	Cost Savings	$3.9M	$3.8M	$56M		$7M
17	Jobs (new & retained)	1,236	799	1,007		500
18	Yes to an impact question	78%	81%	81%		80%
19	MEP Score	50	60	90		80
	*Information Pending					
	Score is below Target!					

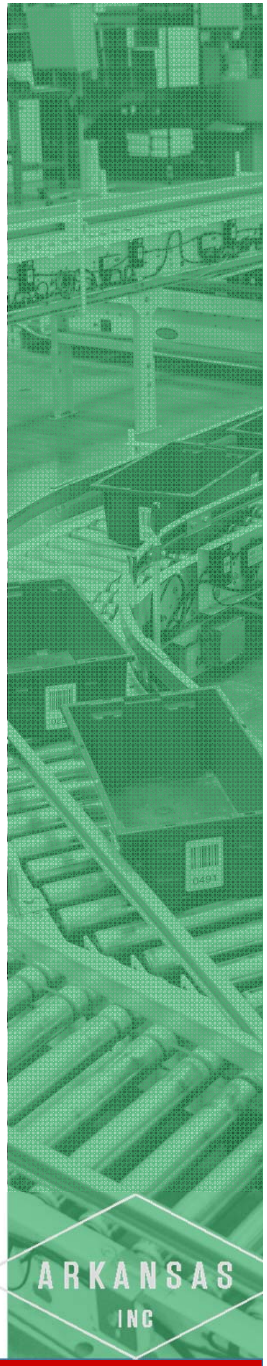
AEDC – Existing Business Resource Division

Improvement KATA Timeline



Results

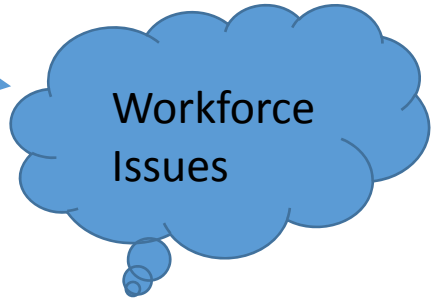
- Improved tracking of company visits
- Reduced time for data entry
- Reduced duplication of records
- More consistent and complete data
- Beginning to plot trends using data compiled
- Increased ability to track MEP metrics
- Improved communications within team
- Created a ‘system’



Next Steps?

Top 10 criteria for growth and expansion:

1. Availability of Skilled Labor
2. Highway Accessibility
3. Quality of Life
4. Occupancy or Construction Costs
5. Available Buildings
6. Labor Cost
7. Corporate Tax Rate
8. Proximity to Major Markets
9. State and Local Incentives
10. Energy Availability and Costs



Source: Area Development's Annual Study of Site Selection Consultants, 2016

Market Intelligence Improvement
KATA

- ***'By August 31, 2017 we will have a process in place that generates accurate market intelligence and representative dashboards to represent "Key data" for "Workforce" and "Company Growth" discovered during our company visits.'***

ARKANSAS INC

Emerging Workforce

ARKANSAS INC

2014
High School Graduates
30,823

Institutions
4 yr – 61.9%
2 yr – 32.3%
Private – 5.8%

15,467

College Going Rate 50.1%

Non-completers 56.6%

Non-College Going Rate 49.9%

15,356

HS Dropouts

8,027

Home School

2,804

GED

561

Graduates -- Field of Study
Health – 21.4%
Business & Mktg – 11.9%
Eng./Mech/Comp.Science – 11.9%
All other – 54.8%

Non-completers
8,754

2014
College Degrees Awarded

C.P. – 5,080
T.C. – 5,392
Assoc – 8,685
B.S. – 15,277
M.S. – 4,796
PhD – 1,229

Total College Degrees
40,459

21.3%

Jobs projected (
Existing Industry)
Next 12-18 mo.
6,100 – 7,200

Workforce Ready Status

35,502

Unknown?

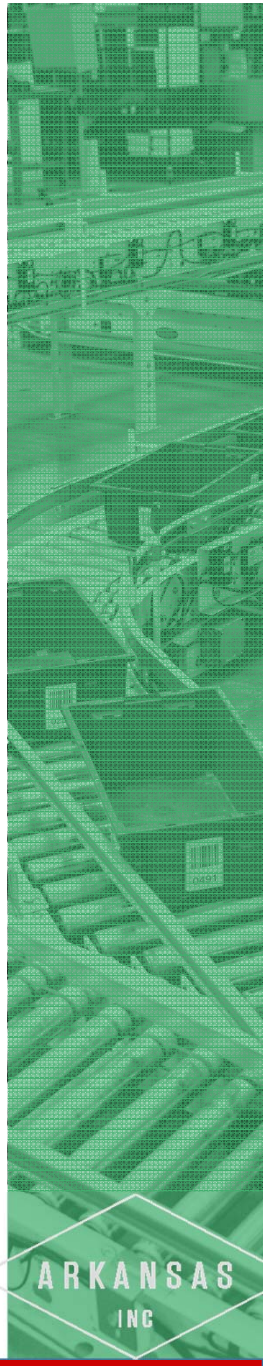
78.7%

Education required
Post Secondary 21.3%
H.S. Diploma 52.5%
No formal Ed. 26.2%

Accomplishments and Learning

- Created a common language
- We now have a process to identify and resolve issues
- Our processes are now becoming standardized
- Creating a culture of empowerment to improve
- We are now able to focus on processes rather than people
- Able to more easily identify priorities
  - Right thing – right time – right reason
- Generated buy-in from team members
- Created a digital "Storyboard" to keep everyone focused
- Created various Job Instruction Breakdown Sheets (JIBS)
- We are now beginning to "think" in alignment with the KATA Process

ARKANSAS INC


ARKANSAS
INC


Questions?

Contact Information

Steve Sparks
AEDC
501-682-1350
ssparks@arkansasedc.com

ARKANSAS

INC

ARKANSAS ECONOMIC DEVELOPMENT COMMISSION

900 West Capitol Avenue, Suite 400
Little Rock, AR 72201
www.ArkansasEDC.com
501-682-1121