

The Skinny on Consultant Relationships

A Presentation to the
Missouri Economic Development Council
June 28, 2012

Why SEDCC?

A Presentation to the
Missouri Economic Development Council
June 21, 2012



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SEDC Connects you to...

- ▶ Top **Economic Development Professionals** in the Country
- ▶ **Affordable Professional Development Programs**
 - Annual conference for 2012 will be held in Myrtle Beach, SC at the Marriott Resort. Program partner will be the southeast regional office of the EDA.
 - Meet the Consultants- May 15-16, 2012
- ▶ **Site Location Consultants**
 - 2012- Atlanta, GA
 - Annual Conference, August 2012, Myrtle Beach, SC

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The Skinny on Consultant Relationships

Gene A. Stinson, CAE, PCED, CEcD
President

Rationale

- ▶ Communities and regions spend an extraordinary amount of time and money trying to garner positive attention of site selection consultants
- ▶ SEDC asked, point blank, what was working, what wasn't, and who was doing it the best
- ▶ Why is it important to establish these relationships?
 - Increases your reputation
 - Can bring repeat business
 - Brings you viable and vetted projects
 - Offers you sophisticated eye and feedback

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Methodology

- ▶ State and SEDC leaders contributed to a list of the "top" site selection consultants
- ▶ Kristin R. Williams of KRW Strategies retained to:
 - Conduct personal phone interviews with 20 of the highest scored "top" consultants
 - Create and deploy on-line survey, based on phone survey results, which was received by 476 consultants resulting in a 15% response rate
 - Prepare the presentation

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Today's Presentation

- ▶ When you see an answer reported as a percentage – those came from the broader electronic survey
- ▶ In-depth comments were collected in the phone surveys
- ▶ Communities/regions listed on “Best practices slides” were mentioned multiple times unless otherwise noted. Many communities were cited only once.

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Phone Interviewees

Site Location Consultants <i>(in alphabetical order)</i>	
Angelos Angelou	Ed McCallum
Del Boyette	Mike Mullis
Darin Buelow	Brent Pollina
Buzz Canup	John Rhodes
Dennis Donovan	Jonathan Sangster
Jay Garner	Don Schjeldahl
Jeanette Goldsmith	Dick Sheey
Bob Hess	Frank Spano
Derith Jarvis	Mark Sweeney
Bob Leak	Jerry Szatan

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What are the Best Ways to Get Your (Consultant's) Attention? (from top 20)

- ▶ Developing a personal relationship
- ▶ Having all parts of your marketing effort coordinated
- ▶ Sending occasional, relevant, SHORT, emails with good subject lines from someone the consultant knows
- ▶ Following-up after meeting, touching base
- ▶ Conducting QUALITY FAM tours

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What are the Best Ways to Get Your Attention?

%	Response <i>(more than one choice possible)</i>
62%	Conduct a quality FAM Tour
55%	Schedule appointment or meal at a conference we both attend
47%	Schedule a meeting in my office
44%	Host a meal for consultants in my area
39%	Participate in a "Meet the Consultants" event
39%	Send <i>QUARTERLY</i> newsletter or email
33%	Send <i>MONTHLY</i> newsletter or email
31%	Hire me for community speaking engagement
31%	Schedule phone call to introduce yourself
31%	Share clever gifts that relate to one's community
27%	Send postcards with relevant information
13%	Send marketing materials

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What are the WORST Ways to Get Your Attention?

- ▶ “Worst is print advertising and blast emails with no content.”
- ▶ “Don’t send me information in the mail unless I ask for it.”
- ▶ “Unless it is an invoice or a check, I toss it.”
- ▶ “I have never looked at a promotional CD or DVD I’ve received.”
- ▶ “Not having an existing relationship – don’t get some name off of a list and start blasting emails.”

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FAM Tours

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FAM Tours

- ▶ How many FAM Tours do you have time for in a given year?

%	Number per Year
31%	2
21%	3
17%	1
13%	4
8%	0
4%	5
0%	6 or more

- ▶ Most of the “top 20” reported being able to attend 1-2 a year out of 25-30 invitations

***FAM Tours need to have a
GREAT Venue, something to
stand out. Otherwise it's
just another golf event in
another city.***

FAM Tours

- ▶ Showcase what makes your area **UNIQUE**
- ▶ Invite spouses/guest
- ▶ No more than two days
- ▶ Must be “first class the way”
- ▶ Make sure there is some fun; not all work.
- ▶ Vet your guest list: *“many take advantage of these and are not the right consultants to have.”*
- ▶ Know the consultants’ areas of expertise

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FAM Tours

- ▶ “Best part of a recent FAM Tour was visits from CEOs who took time to meet with the consultants and answer questions.” Not a “panel” but interaction.
- ▶ If not a “FAM Tour” think about inviting a small group of consultants to a popular event. Doesn’t have to be in your state, even. Make time for relationship building before/after.
- ▶ Try a regional tour with 6-10 locals and one (1) consultant at dinner.

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FAM Tours

- ▶ Name one community or region that puts on a great FAM Tour.
 - Boise, ID
 - Florida's Great Northwest
 - Nashville ED Partnership
 - Upstate Alliance (SC)

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Marketing

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Marketing

- What differentiates a great marketing program?
 - “Tenacity beyond the norm”
 - “Cover all your bases”
 - “Consistency of contact and quality of the information”
 - “Define a strategy and stick to it”
 - “Consistent theme”
 - “Play upon assets and reinforce with marketing to share what is unique and distinctive”

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What Local Area Marketing has Knocked Your Socks Off Lately?

- Asked of the Top 20 – most referenced
 - Charlotte Regional Partnership
 - Cleveland Plus/Team NEO
 - St. Louis Region
 - Hampton Roads, VA
 - Florida's Great NW

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What local area strategy has knocked your socks off lately?

- “Almost Nashville, KY”
- Bowling Green, KY
- Colorado Springs, CO
- Danville, VA
- Duke Power
- El Paso, TX
- Greenville, SC
- Jacksonville, FL
- Knoxville-Oak Ridge
- NE Indiana
- Oklahoma City, OK
- Orlando, FL
- Paducah, KY
- Piedmont Triad, NC
- Richmond, VA
- South Central, KY
- TVA
- Upstate Alliance, SC
- Power folks in SE, in general

Others mentioned by the “top 20”
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What do Communities Waste Money on?

- ▶ “Trade magazines coerce them.” “Zero effectiveness and frivolous waste.”
- ▶ “Print advertising. Banner ads websites are probably wiser investments.”
- ▶ “Bad websites.”
- ▶ “Without a doubt, mailing glossy brochures or annual reports to site consultants.”
- ▶ “Untargeted advertising. Touting a Quality of Life.”
- ▶ “Travel – feels like EDs don’t make business decisions about trips but instead choose where they want to go.”

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Marketing is terribly hard. Have a good website and incredible word of mouth. The human network is more powerful than the electronic network.

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What do Local Communities UNDER Spend on, Annually?

▶ GETTING OUT THERE

- "Face-to-face marketing"
- "I think there is a bigger bang for your buck in establishing relationships."
- "This is a relationship business. Get face-to-face with clients and consultants."

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Name One Community or Region that Consistently Sustains an Impressive MARKETING STRATEGY

- ▶ Bowling Green, KY
- ▶ Charlotte, NC
- ▶ Cleveland, OH/Team NEO
- ▶ Hampton Roads, VA
- ▶ Kansas City, MO
- ▶ Nashville, TN

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Target Markets

***TAKE A DEEP DIVE INTO YOUR
TARGET INDUSTRIES.
Understand the nomenclature,
bring in a PhD, be an expert
witness.***

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Name One Community or Region that Makes a Great Case for their TARGET INDUSTRIES

- ▶ Charlotte, NC
- ▶ Florida's Great NW
- ▶ Kansas City
- ▶ Oklahoma City, OK
- ▶ Pittsburgh Regional Alliance

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Target Markets

- ▶ "Truly quantify your target industries. Publish very precise reasons and rationale for why your targets should be successful in your community."
- ▶ "Make sure your marketing is aligned with your targets. Those communities that are not strategic are really missing the boat."

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Websites

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***WEBSITES ARE DEPLORABLE.
Would give 75% of ED websites
a “C” or lower grade. No
information, not easy to use.
SO FRUSTRATING.***

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Websites

What frustrates you the most about community or regional economic development organization's WEBSITES?

57%	NOT PROVIDING RELEVANT, CURRENT INFORMATION
16%	Finding contact information
11%	Ease of navigation
3%	Determining the area's location – No state ID, county name vs. city name, etc.
3%	Not being able to download PDFs or information files

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Websites – The Good

- ▶ “TN and KY give me a web access point on their site where I can keep all the information downloaded from the site. Not a canned project response but a tailored way for me to keep what I need, a back door. Very helpful!”
- ▶ “I like Duke Power’s and Indiana’s websites because it has a phone number and picture of everyone I need to talk to. Makes it easy to follow-up.”

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Websites – the ugly

- ▶ “Communities under-spend on websites. Drives me crazy. On 8/10 ED websites I have to search for the contact name and phone number. Drives me crazy.”



Websites - Advice

- ▶ “Would prefer downloads on websites to be in Excel rather than PDFs.”
- ▶ “Don’t make me fill out a form to get information.”
- ▶ “Don’t use 2000 Census information on your website.”
- ▶ “Easy to navigate, easy to get back to pages”
- ▶ “Don’t put Walmart down as a major employer on your website.”
- ▶ “I hate pull-downs.”



Name One Community or Region that has an Outstanding WEBSITE

- ▶ Metro Atlanta
- ▶ Charlotte Regional Partnership
- ▶ Kansas City Area Development Council
- ▶ Longview, TX
- ▶ Nashville, TN
- ▶ Pittsburg Regional Alliance
- ▶ Team NEO/Cleveland Plus
- ▶ TVA

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Emails

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Emails

- ▶ Approximately how many emails do you receive a day from ED organizations not related to ongoing projects?

%	Number of Emails
41%	0 – 5
39%	6 – 10
8%	16 – 20
7%	11 – 15
3%	21 – 30
1%	41 or more

- ▶ Top 20 reported 25+ daily

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Emails – Desired Content

- ▶ Newsworthy announcements
- ▶ New company locations
- ▶ Company closures
- ▶ Important legislation
- ▶ New incentives
- ▶ Leadership changes
- ▶ Business-oriented stories
 - Demonstrate how your community can carry a project through to completion –why a company chose you.
 - “Balance your message of success with what’s left for the next company.”

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Emails – UNdesired Content

- ▶ Unemployment rates or any other statistic that changes frequently. *Not important until a consultant starts evaluating your community*
- ▶ Annual reports
- ▶ Long stories
- ▶ “Blast emails with no content”
- ▶ Attachments = big no-no

Emails – Desired Format

- ▶ 30-second scan. Short!
- ▶ “If you are going to send me an email, make sure it is from the ED person I know and not the technical person assigned to blast emails.”
- ▶ NO attachments
- ▶ **ATTENTION GRABBING SUBJECT LINES**
- ▶ Bullet points or headlines with hyperlinks to more information or longer stories
- ▶ Consider customizing email “notes” rather than blast e-newsletters; tailor for specific consultants

Emails - Frequency

- ▶ “Once a month **AT THE MOST**. Some places send daily.”
- ▶ “These people are hounding me on a weekly basis. I get something from them every 14 minutes. Don’t blow me away with quantity of communication.”
- ▶ “Monthly or quarterly; but only when you have something important to say.”
- ▶ “I hate emails.” (*know your consultants’ preferences*)

Gifts

Where do you Come Down on Gifts?

- ▶ MUST RELATE TO THE COMMUNITY IN SOME WAY TO HAVE THE DESIRED IMPACT
 - “Ones that tie back to the community brand image.”
“I like music or food best.”
 - “Gifts are OK if you learn something in the process.”
 - “After all the years, only seven gifts sit on my desk because they are inordinately cool and speak to the location.”
 - “I don’t need anymore USB flash drives!” (heard repeatedly)

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Where do you Come Down on Gifts?

- ▶ “Gifts are a total waste of money.”
- ▶ “Stop with the gimmicks! Received a huge box of fake golf clubs lately. Stop.”
- ▶ “Right now I’m looking at a viewfinder...on my floor. It’s nostalgic, but...kind of like zip drives, they clutter up my office.”
- ▶ “Gifts are OK as long as appropriate and not too expensive. No hard and set rules. Consultants are people, too, and like the effort, but gifts need to be relevant.”

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Doing Deals

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What is Most Frustrating in Working with Local EDs?

- ▶ “People who don’t listen, don’t respond. Don’t answer questions. Not surprised anymore but I am dismayed by the number of communities that don’t answer RFPs fully and on time. By the time I call for information, your community is in the top 10-15. YOU ARE A SEMI-FINALIST. TAKE IT SERIOUSLY
- ▶ “Top 20” overwhelmingly cited lack of responsiveness as what is most frustrating.

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Community Responsiveness

- ▶ How frequently do you receive responses to RFPs from communities/regions by the date requested?

%	Response
4%	100% of the time
41%	90% of the time
30%	80% of the time
11%	70% of the time
3%	60% of the time
4%	50% of the time
2%	Less than 50% of the time

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Community Responsiveness

- ▶ How frequently do you receive responses to RFPs from communities/regions completed with all of the information requested?

%	Response
0%	100% of the time
27%	90% of the time
20%	80% of the time
13%	70% of the time
14%	60% of the time
6%	50% of the time
18%	Less than 50% of the time

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RFPs

- ▶ Name one community or region that is outstanding in completing and submitting RFPs.
 - Albuquerque, NM
 - Atlanta, GA
 - Bowling Green, KY
 - Charlotte, NC
 - Columbus, GA
 - El Paso, TX

What do you Wish Local EDs Understood about LOCAL INCENTIVES?

- ▶ “Write and publish criteria for local incentives.”
- ▶ “Include flexibility in your programs.”
- ▶ “Have to relate to the balance sheet. Take the CFO’s point of view.”
- ▶ “Be up front about everything related to incentives – application mechanism, funding cycles, approval process, etc.”
- ▶ “Tie to your business targets.”

***Don't go into negotiations with
'once we make the first cut we'll
get more serious'. The FIRST
field investigation IS SERIOUS.
Put your best foot forward on
the FIRST visit.***

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Incentives

- What is the ONE attribute you wish you would find more often in LOCAL incentive programs?

%	Response
35%	Flexibility in incentives provided
19%	Local incentive above and beyond state offerings
18%	Incentive criteria published on website
9%	Community cost/benefit analysis of incentives
7%	Written incentive criteria and application process
6%	Locals more up front about incentives provided
4%	Incentives targeted to specific industries

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Very first perceptions of clients is critical – the person who represents the community, the car, what you say, how you make them feel, how well organized the visits are. Present the 'I am your business partner front.' Don't sell. You already have a shot.

What are the Ways Communities Mess Up?

- ▶ “If the site and package aren't exactly right, address the topics. If your public school isn't up to par, acknowledge and talk about the ways you are working to improve.”
- ▶ “Clients from larger areas are generally nervous about small communities...Be especially attune to stereotypes that could be reinforced – diversity, education, etc. Clients want to see ‘*Norman Rockwell*’ and when they don't, it reinforces suspicions.”

What are the Ways Communities Mess Up?

- ▶ “How well you are organized speaks volumes.”
- ▶ The worst is when community people are introducing themselves to each other at our meeting. No pre-meeting meeting, no setting the stage, no proper coordination.”
- ▶ “I am very anal about the itinerary – don’t spring new sites on me.”
- ▶ *Humming Gilligan’s island 3-hour tour theme* – “A tour that goes on forever, or if the tour guide is a buffoon, goes the wrong way.”

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What are the Ways Communities Mess Up?

- ▶ Well-prepped, effective volunteers are crucial
 - “Communities that only have staff speaking for them. No volunteer involvement. Clients are thinking, “which COMMUNITY can take care of me.”
 - “Having the wrong kinds of people involved. Politicians in the fray will dominate the conversation with stupid B.S. and scare a project away.”
 - “Hate to walk into a meeting and hear ‘*tell me about your project.*’ Educate everyone before the meeting on what you know. Don’t waste time re-telling the deal.”

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What are the Ways Communities Mess Up?

- ▶ “Starting and stopping on time, with the right people, everyone saying the same thing, consistency. Aligned, conviction, been there and done that. Show how they can get company into production sooner. Impressions of competency of the community come through.”
- ▶ “Leadership at the community level differentiates. Closes the deal. Make a personal connection, business strategy connection, and credibility connection. Seen real deals close sitting at the conference table with more communities to visit because of chemistry.”

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What are the Ways Communities Mess Up?

- ▶ “If we don’t close in your community, don’t get defensive or put head in sand. Find out what didn’t work. Richmond, VA and Kansas City have effective programs to get feedback on deals. Maybe 5% ask for feedback. Get it and improve! Tremendous amount of mediocrity out there.”
- ▶ “Impression that “they don’t have it together.” Didn’t like the style or personalities. I’ve been kept waiting an hour with a client. Venues for sales pitches not quiet, not glamorous.”

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What are the Ways Communities Mess Up?

- ▶ “Nuclear bombs dropped when folks say the wrong thing.”
- ▶ “Listen to what the company and client hope to accomplish and help them accomplish it. Don’t pretend your community is without warts – address what you are doing to get rid of warts. Remember that it is a business trip and there are objectives to be accomplished. “

A regional group lost it recently on a trip when they booked us at a hotel an hour away from the dinner venue. We didn’t get back to the hotel until 11:30. The clients were very angry at the inconsiderateness of the schedule. We went from four finalist communities to three that night.

Summary

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General recommendations

- There is no “Cookie Cutter” approach to marketing to consultants; it’s relationships
- “Consistency is what brings economic development groups to the forefront”
- Economic developers are hiding behind technology
- Messages are not getting through or, worse, irritating your target audience
- Communities MUST figure out how to differentiate to rise to the top of the pile

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Summary

- ▶ It's a relationship business. Get to know the consultants. Be attuned to providing consultants information they want, how they want it.
 - Differentiate by getting all the information in before the RFP deadline.
- ▶ Focus on a consistent marketing theme and become experts in your targets. Don't waste money on frivolous items or trips.
- ▶ Volunteers – you need to be coachable. Be on the same page, take the lead from your ED. **You can make or break the deal.**

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THANK YOU

- ▶ For more information contact:
Gene Stinson, President
SEDG
404-523-3030 or gene@sedc.org
Or
Kristin R. Williams, Principal
KRW Strategies
270-748-6348 or krw@krwstrategies.com

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