

GCI Steering Committee - Speaker Outline/Agenda
September 22nd, 2015

Welcome with Derek Miller:

- Mission statement of WTC Utah
 - Educate and motivate - seminars and regional forums
 - Business-to-business Coaching
 - Build Utah's network with trade missions and diplomatic events

Rationale for GCI with Mayor McAdams:

- Introduction of council members - thank you for their support and their commitment
- Stuart Clason - new regional economic development director at Salt Lake County
- Thanks for their help: Kendall Brannen and Sam Sedivec
- What is the GCI?
 - five year joint project of the Brookings Institution
 - GCI - become more globally fluent by data driven strategy
 - Help our metro area = broader SL area
 - Trade and lead the business growth together
 - Opportunities for us to better connect our metro area for better global opportunities
 - SL County was one of 8 metro areas that were accepted to be part of this year's cohort.
- WHY do we care about exports?
 - Brookings found that after the great recession, it was the metro areas that lead the recovery from the recession.
 - International trade also helped with the recovery from the recession
 - \$2.7 trillion of value added = advanced industries
 - 1/10 jobs are supported by advanced industries.
 - Business that export generally pay a lot higher than those businesses that don't export
 - SL county has the best of interest in improving our global competitiveness
 - Already 204 countries buy Utah made products
 - HK, China, Canada are our main markets
 - There is a lot of room for us to grow, SL County accounts for ~ 50% Utah's exports.
 - We know that the highest numbers come from metals, and so we need to diversify
 - One super-sector in employment, aerospace, software, and
 - We need to injection, medical technology, etc.
- We are asking you as business and government leaders to help us create a metro export plan and strategy
- Many small businesses don't know where to go for help as far as exports go
- SL county is already having that discussion with WTC Utah
- Thank you for being here: continuing prosperity is important for our growth.

Export Data Research Team (Dian Meppen, Anna Bergevin, Clark Cahoon, Kendall Brannen):

Kendall:

- Key Findings:
 - Building an Export Plan
 - Key Findings:
 - The market assessment:
 - Online/Phone Surveys
 - Face-to-face interviews
 - Market Research

Clark Cahoon:

Summary of face-to-face interview findings:

- Most businesses were happy about the access they have to the legislature and other leaders of the state
- Most large companies didn't have problems exporting, but small to medium had a difficult time and the economic development resources felt a little fragmented

Diane:

Online survey:

- We already know that there were businesses that saw the word exporting and decided to eliminate themselves.
- 196 high quality responses: that actually finished the survey.
- We actually had over 300 start the survey but didn't complete it.
- Over 50% of the companies that participated in the survey were small companies that had less than 10 employees.
- The emails went out during July which was difficult to get responses but we were able to get enough responses because of all the reminders we sent out.

Demographics:

- 59.9% does not export
- 44.7% plans not to export in the future (next 4 years)

Kendall:

Key Findings:

- We have a large manufacturing industry
- When we remove primary metal manufacturing, then we can see that we have a good distribution of exports, but PMM is still the main contributor to our exports.
- 31% of Salt Lake County's exports is attributed to PMM
- We have 15 sector industries that are considered to have specialized by the workforce that we have.

Key Finding 2:

- A diverse set of export industries collectively drive the regional trade economy.

Anna:

- Foreign government regulations and policies 29.3% said they have problems... Significant challenges
- Global sales contracts, contract negotiation 27.1%
- Lack of export knowledge 24.9%

- Language and cultural barriers 20.4%
- Difficulty in obtaining US entrance visas for visitors foreign government support programs often is an uneven playing field for a lot companies trying to get into other countries

Diane:

What are the main reasons you export to these main countries?

- Company or contact in foreign country selected my company
- Direct sales opportunities
- Prior relationship or previous experience with companies or contacts in these countries.

Clark

Key Finding #3

- Generally, most businesses that aren't looking into abroad are content with local market.

Kendall:

advanced industries are defined as:

- Spend at least \$450 per worker per year on R&D and 2) employ at least 20 percent of their workforce in STEM-intensive occupations
- These are the industries that helped us out of the recession, and as a super-sector to note....we are doing well as a metro area in these sectors. See slides focusing on these industries is one way we could drive wages up
- Salt Lake Regional Economy ranks #15th among top 100 metros across the US for the highest advanced industry share of total employment.
- AI job growth rate is well above the US average at 3.5% compared to 2.7% US Avg.

Clark

Key finding #5

- Regional export support system is fragmented
- Business confused with what services are provided
- Often support overlaps from agency to agency
- Businesses lack knowledge about opportunities exporting will bring and how to actually export.

Kendall

Key finding #6:

- Middle Market growth opportunities for under-exporters
- middle market is defined as \$20-\$500 million in annual revenue
- Help grow the middle market under-exporters as compared to industry averages.

Q&A Workings Session with Committee and Mayor McAdams:

- Mayor: What is everyone's reaction to these findings we had?
- Mayor: connecting our businesses to state level services that will help them export.
- Lew Cramer: we do like to work together in Utah:
 - thank you for convening this
 - those who know what WTC and USCS does, need to help to get the word out

- Goods vs services: services are really important as well because it's often very difficult to capture the exports of services
- Mayor: what are the segments that we need to focus on? Our expertise?
- Jenny Wilson:
 - It's a great start with data
 - Approach companies that are in the industries, and help them find out why they should be exporting
- Doug Fogg:
 - Understand the experience and help companies that are inexperienced want to meet with companies that have the experience
- Clark:
 - Very true what Doug Fogg said
- David Utrila:
 - The focus should be in the promotion of these services
- Theresa Foxley:
 - Did the data reveal how the foreign partners identify Utah companies
- Consetta Norris:
 - Finding customers and venues that are already in foreign markets
 - Business-to-business knowledge and understanding of supporting Utah exports and companies
- Katie Stevens (Ebay):
 - How can we facilitate trade by online/e-commerce facilitators
- Steve Price:
 - Air - revenue 60% passengers 40% freight
 - We have 3 of the 4 modalities for trade
 - Take advantage of the competitive advantages that we have
- Josh Brown (Kennecott)
 - Divide up the globe, which companies knows that country?
 - create country expert hubs
- Aimme W. Newton
 - supporting dual immersion programs that will allow these children to grow up with cultures and languages
- Mayor:
 - Homelessness: what does this have to do with exports?
 - We're doing amazing things with homelessness, but the problem seems to be getting worse.
 - There are a lot providers who are fighting in a war zone...
 - We're having individual success, but collectively falling short
 - A system that recognizes different types of homelessness and individual remedies that are different for each
 - Kids in homeless situation have access to education
 - What are the strengths and focuses
- Jenny Wilson:
 - Identify what the gaps are, advancing of industries that can export
 - Also identify b2b opportunities
 - What resources we can provide
- Rich
 - Play to our strengths

- Traveling tourism: metro market
 - These people come and leave their dollars here
 - Become accidental exporters because of the internet
- Josh Brown:
 - Must start with a foundation
 - That foundation is high level baseline of this is where we can start, what can we tackle first
- Mayor:
 - What you will see from us in the next few months is those metrics and the baselines that will get us started
 - Please let us know and give us your critical candid opinion

Closing Remarks with Derek Miller