



Ashland Area Council for Economic Development

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2009/2010 Action Plan

February 3, 2009

Dear Ashland County Citizens, Business Leaders, and Prospective Businesses Interested in Investing in Our Economy,

It is our pleasure to present you with our Two-Year Action Plan, a roadmap for our organization's goals, strategies, and projects throughout 2009 and 2010. Crafting bold economic development strategies in the midst of our current national recession is a daunting task. However, we believe that our circumstances, and this plan, get at the heart of a local economic development initiative—continuously taking the pulse of regional, state, national, and global economic trends and then working with the local community to compete within this macro-economic environment. While all forecasts tell us it is a difficult time to grow sales, start new businesses, and hire new employees, we firmly believe that Ashland County can *and must* thrive in the important months and years ahead. Our local economy has changed and will continue to change. But you will find in the following pages a constant theme of building upon Ashland County's historic strengths and entrepreneurial spirit to develop new processes, new industries, and new business leaders over the next two years. We exist to serve the community in accomplishing this bold transition, and below is a snapshot of how we believe we can best serve:

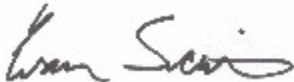
1. Engage a variety of community leaders in ongoing discussions on the creation of homegrown Ashland County businesses.
See inside the New Business Development Committee concept for aggressive growth and entrepreneurship.

2. Continue our tradition of responding to the needs and opportunities of the companies that make up the "economic base" of our economy.
See our discussion of 2009-2010 "Retention & Expansion" strategies, including efforts to connect our firms with various emerging markets.

3. Implement a proactive marketing strategy throughout 2009, focused on raising Ashland County to top-of-mind awareness in the minds of State and National leaders.
See the discussion of our primary strategy of inviting Statewide agencies to county tours throughout 2009. These agencies have developed in-house experts in growing industries such as advanced energy, and they are engaged in worldwide marketing of Ohio's assets for new business investment. We will strive to showcase Ashland County's assets in 2009.

Please carefully review these and other ideas on the following pages and consider becoming an active partner with us on this journey. Simply put, we believe now is the time for an aggressive sales/growth strategy to improve many sectors of Ashland County's economy. Many of you reading this are already our important partners in various projects and strategies. It is our honor to work with you, and we especially look forward to your reaction to these pages. This is a living document that will be molded and refined through your ideas and market conditions. What will *never* change is our commitment to growing and shaping this economy for the benefit of all citizens, businesses, and those around the world that can benefit from an investment in Ashland County, Ohio. We wish you continued prosperity throughout 2009 and 2010!

Sincerely,

A handwritten signature in black ink, appearing to read "Evan Scurti". The signature is fluid and cursive, with the first name "Evan" and last name "Scurti" clearly distinguishable.

Evan Scurti, Director

Retention & Expansion (R&E)

AACED operates under the philosophy that a core mission of an economic development agency is to serve the existing members of the economic base—the manufacturers and other exporters of products and services beyond Ashland County's borders. While we stand ready to assist *all* businesses, including retailers selling in the local trade area, we believe our greatest service is retaining and expanding "export-oriented" companies that can generate new wealth and jobs. This activity benefits all other sectors—local retailers, non-profits, local government, etc. 2009-2010 R&E work can be categorized into 3 areas:

1. Continue our bi-annual survey

AACED has established the practice of surveying the economic base every two years, with a **survey scheduled for 3rd Quarter 2009**. We will request assistance from Board members and Investors in order to reach approximately 100 companies. In years past, this practice has been an invaluable tool to gain the business sector's perspective regarding how the area can become more business-friendly. The second objective is to identify firms' needs and opportunities, to which AACED and its many partner agencies can respond. Examples of these "Retention & Expansion Projects" that resulted from our 2007 survey include assisting Mansfield Plumbing Products in their ongoing training and plant modernization effort, as well as helping American Augers secure State incentives that have leveraged their impressive expansion. We look forward to identifying other growth projects to focus on in late 2009 and throughout 2010.

2. A Focus on Workforce Development

In 2008 Ashland County utilized approximately \$60,000 of a \$500,000 grant that was made available to the 9-county North Central Ohio region of the Ohio Department of Development (ODOD). 7 manufacturers trained over 100 employees by paying only 25% of costs for manufacturing-related skills development. Similar incentive programs are being created at the State level, as political leaders recognize the importance of talent to advance our economy, and AACED must focus on communicating the availability of all incentives.

Additionally, ODOD has recently hired 12 Regional Training Coordinators to serve their respective areas of the State. These are individuals with business or human resource backgrounds that are tasked with helping businesses develop training plans, as well as streamline the use of State resources. Our region is served by Mr. Erv Howard. Erv has already met with many Ashland businesses, but involving him in the 2009 survey and other activities will be a priority for AACED. Erv is becoming a vital part of an Ashland County team approach to continuously move our economic base toward high-growth, high-wage jobs. For example,

North Central State College, the Ashland County-West Holmes Career Center, and Ashland County's Dept. of Job and Family Services all have successful track records of assistance to Ashland County firms in 2007-2008. AACED will strive to leverage this success into more success stories in 2009 and beyond.

3. Become a Critical Link in Local Businesses' Pursuit of Emerging Markets

We believe that the convergence of potential State and Federal incentives with many recent advances in the Advanced Energy and BioScience sectors holds great opportunities for Ashland County manufacturers and agriculture firms to expand their products or services. Throughout this Action Plan is an emphasis on aligning Ashland County with the emerging wind and solar power markets, bio-based products, etc. In all areas of our work, we believe a core strategy in 2009-2010 is to work closely with regional statewide agencies trying to advance these sectors. Examples include:

- PolymerOhio (www.polymerohio.org)
- The Ohio BioProducts Innovation Center (www.bioproducts.osu.edu)
- The BioScience Consortium of Northeast Ohio (www.biosciencetechneohio.org)
- BioOhio (www.bioohio.com)

Throughout 2009-2010 we will work with all of our partner agencies to raise Ashland County to "top-of-mind awareness" for these Statewide agencies and their business clients. We also hope our business leaders will gain beneficial knowledge of opportunities to collaborate with these agencies. Through visitations, seminars, and ongoing communication from our office, we hope to show Ashland County's already strong sectors, including plastics, metals, farming, etc., that there is real potential for our county to become a leader in these emerging fields.

Marketing and Business Attraction

Marketing for new business attraction is an extremely competitive process. According to Jack Schultz of The Boomtown Institute, 30,000 ED agencies across the nation compete each year for about 300 relocation projects. We also compete for expansion projects (i.e. encourage a company to expand into our market with a satellite facility, while retaining their home operations).

While this is a very competitive process, Ashland County's strategic location, available resources, and excellent business climate are assets that must be marketed to the world in order to generate new investment "leads". Local economic development agencies receive many of these leads from their State agency partner, as large relocation or expansion projects often start their location study at a state or regional level. Largely due to the economic

downturn, leads coming through the Ohio Department of Development have dropped approximately 10% from their 2007 level of 50 active leads (the majority of which did not result in actual investment in Ohio; many projects were delayed, cancelled, or won by another state). We believe this is the right time (2009-2010) to engage in other types of creative marketing for new investment; "waiting for leads" is not enough. Key 2-year strategies will be:

1. Engage in relationship development with Statewide agencies that are advancing our emerging markets. These agencies (PolymerOhio, BioOhio, The BioProducts Innovation Center, etc.) are described in this plan's R&E section, as all of them can offer excellent services to our existing companies. However, the second part of their mission is to generate new investment opportunities for Ohio via new business start-ups and/or relocations and expansions of firms from around the world. Each agency is developing relationships with individuals and companies working on emerging technologies. They also practice regular, aggressive marketing of Ohio's locational attributes at a variety of industry trade shows.

These agencies have gained great awareness of our region recently, especially through their respective memberships in The Bioscience Consortium of Northeast Ohio (www.biosciencetechneohio.org). AACED will strive, particularly in 2009, to strengthen their particular awareness of Ashland County's physical infrastructure and human talent, which make us ripe for new investment. The primary 2009 project will be coordination of **VIP Tours** for members of these agencies and interested elected officials. By physically seeing our available land and building development sites, meeting educational and political leaders, and engaging in discussions with our dynamic business leaders, the agencies will gain a clear understanding that we offer great advantages for their global clients.

2. Publish Industry "White Papers" in 2009-2010. Investment prospects are often interested in understanding the presence of their industry in an area they are considering for new investment. AACED will publish marketing materials that describe some of our major industries, including agriculture, plastics, metals, and printing/publishing. Our published research will include: number of firms in Ashland County and surrounding area, overview of each industry's supplier and customers networks, and an overview of the area's training resources that support each industry.

3. Focus on rail-related business development. It appears the nation will continue to struggle through a recession for at least part of 2009. Our experience in 2008 with some of our local firms confirms the fact that manufacturers are focused on cutting freight costs whenever possible. One of Ashland County's greatest assets is Ashland Railway's service through the county, with key development sites available, such as the Ashland Business Park

and the former BookMasters facility on US42. Additionally, the Village of Loudonville's land option on 56 acres along State Route 3 and the CSX rail line presents additional business attraction opportunities. In early 2009 AACED will market these assets as expansion opportunities for rail-oriented industries like plastics.

4. Marketing campaign to Ashland natives and Ashland University alumni. Simply put, many recent accomplishments (creation of the BioScience Consortium of Northeast Ohio, Lance, Inc's investment, and establishment of Novatex North America's Headquarters in Ashland) should be communicated to individuals with personal ties to Ashland County. Ashland County will be positioned as a premiere opportunity to "invest in your hometown/college-town". Goal: mass mailings in March 2009.

5. Prepare a thorough "Community Overview" marketing piece. This idea was generated as a result of AACED receiving excellent consulting services in 2008 from Michelle Comerford of The Austin Company. As a site consultant that helps corporations through the site selection process, Michelle emphasized the need for a 20-30 minute overview to share with potential investors. Video and photography will be utilized in this project, slated for March 2009.

Entrepreneurship / New Business Formation

Throughout our work over the past several years, AACED has quickly realized that Ashland is the home of many innovative products, ideas, and leaders. In fact, much of our recent success in terms of job creation and new companies locating in Ashland County is rooted in the great ingenuity of Ashland County leaders. Our history validates the research of Dr. David Birch, cited in the Fall edition of the International Economic Development Council's *Economic Development Journal*: 55% of job creation comes from business expansion, 45% comes from business start ups and only 1% comes from relocations. Consider the following examples of Ashlanders' driving their own economic growth:

1. The continued success of Ashland Precision Tooling, a company founded in 2002, is rooted in the foundation of highly-skilled individuals that worked for the plant's former owner—Timken. Former Timken employees and local banks came together to purchase Timken assets and build this strong Ashland firm.
2. Novatex North America. This was a great success story involving our economic development council, the Community Improvement Corp., City

- leaders, and many others collaborating to bring a German-based company to Ashland. Novatex is currently developing an array of plastics and rubber-based products for the baby product industry. However, it was the established supply chain of Hospira, Inc. that led Novatex to purchase Hospira assets and re-establish customer relationships. Many of these products are traced back to inventions and polymer processing innovations of Ashland entrepreneurs in the early 20th century.
3. Chandler Systems, Inc. (CSI). CSI, under the leadership of Bill Chandler has recently expanded and operates two divisions—CSI Controls and CSI Water Treatment Systems. The success is rooted in Ashland native Bill Chandler’s many patents and innovations in the water treatment industry.

These are only a few examples of the many benefits of creating a local culture where new ideas are welcomed. We believe that one of the primary goals of AACED must be to serve as a catalyst that continues this tradition. Thus, we believe the time is right to engage in the following **“Core Strategy” for 2009-2010**:

Create a “New Business Development Committee”

The global environment for commerce continues to grow in complexity. Thus, it is imperative that an economic development framework guide the community toward new ideas and company formation. Throughout 2009 and 2010 we will build this framework by convening AACED’s investors and various Ashland leaders that share a passion for the local economy. This **“New Business Development Committee”** will not serve as a business-counseling agency (our area is already well-served in this regard). Rather, the committee will be asked to take a broader view of Ashland County’s economy and identify areas for new growth. For example, by analyzing the supply chains that support Ashland County industries and by reflecting on their own business networks, the committee will brainstorm opportunities for new company formation. During the 1st Quarter of 2009, the committee will establish specific goals and objectives for the 2-year period. Some ideas discussed thus far:

1. Set specific goals for company formation by aligning with “new markets”—advanced energy, bioproducts, etc.
2. Increase opportunities for Ashland University students to start local businesses.
3. Assess the need/opportunity to create additional pools of capital, such as local “angel investor” funds.

AACED is excited about beginning this work with the following committee members:

- Ashland University School of Business & Economics, Dean James Maxwell
- Ashland University Director of Entrepreneurial Studies, Read Wakefield

- Ashland Area Chamber of Commerce—Marla Akridge, President
- Ingmand Insurance—Scott Young
- Spire Advertising—Jeremy Harrison, President
- Rain-Drop Products—Jim Cox, CEO

*This is not an exhaustive list of participants; it is simply a list of individuals that have discussed this concept with us. Please contact us if you are interested in participating.

Other AACED Entrepreneurship Strategies

1. Prepare marketing literature (web and print) covering Ashland County's many opportunities for entrepreneurship within agriculture. AACED will add to the "PR" of Ashland County's strong support system for value-added farming, "local foods" businesses, bio-agriculture, etc. The Ohio State University Extension Office, the Ohio Farm Bureau, the Ohio Agricultural Research & Development Center, and many others have helped Ashland County and the surrounding area become an Ag Leader for Ohio. AACED will market the entire support system.
2. Consistent PR regarding the benefits of entrepreneurship.
 - a. "Business start-up" stories in each bi-monthly AACED newsletter.
 - b. Communicate the potential for new business formation in emerging energy and bioscience markets.
 - c. Publish articles through various media regarding the benefits of focused entrepreneurial development strategies.
 - d. Add section to the AACED website that defines entrepreneurship and clearly communicates the success of all stakeholders in making Ashland County a progressive environment that welcomes new business formation.
3. Pursue the redevelopment/rehab of buildings and landmarks suited for "next generation" businesses. AACED will work closely with the Community Improvement Corporation, often a critical agency for redevelopment (such as the 2008 Hospira site redevelopment work on East 4th St., Ashland), to strategically approach building/site owners.