

when partnerships work

IN MARKETING A REGION

By Thomas G. Morr

“The secret is to gang up on the problem, rather than each other.” - Thomas Stallkamp

THINKING REGIONALLY INSTEAD OF LOCALLY

When Tokyo Chemical Industry recently decided to set up a distribution center in Montgomery County, Pennsylvania, it was a clear win for our entire region. Not one just for Montgomery County. Not one just for Pennsylvania. It was a victory for Greater Philadelphia.

Greater Philadelphia is an interesting destination. It's not just one county. It's not just one state. The region is comprised of Philadelphia and 10 neighboring counties in Pennsylvania, New Jersey, and Delaware. And while such a wide and diverse geographic footprint offers many advantages, it also presents many challenges.

One of the greatest challenges our region has overcome is that of thinking regionally instead of locally when it comes to economic development. And, even that has expanded to thinking globally. However, we weren't always so regionally focused. Joseph "Chip" Marshal, vice chairman, Stevens & Lee law firm in Greater Philadelphia, voiced what others in the busi-

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ness community were feeling back in the fall of 2003: "Why are we all competing to just move pieces around in the area?" There was a pervasive sense within the business community that regional and state level organizations were "poaching" companies across county and state lines.

So, the question was asked, "What if each county and each state stopped worrying about poaching within the region and began to put energy and money into marketing Greater Philadelphia as a great business location to companies outside the region? Even on a global stage?" In October 2003, 110 partners from business communities met what Marshal calls "the first big challenge to the business community to put its money where its mouth is" and formed Select Greater Philadelphia (Select). Select promotes the strengths of the region as a whole and serves as the economic development arm of the Greater Philadelphia Chamber of Commerce.

Select is a unique economic development partnership in that it spans 11 county lines, crosses three state lines, and overcomes numerous political boundaries.

And, unlike most economic development organizations, Select, a 501 (c)(6) non-profit, is funded primarily by private investors. At the inception of Select, the city of Philadelphia gave \$1 million in seed

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SUCCESS AT A LOCAL LEVEL MEANS THE ENTIRE REGION SUCCEEDS

The business leaders of Greater Philadelphia knew that the region they live and work in offers many advantages to businesses. The unique challenge was – how to market a tri-state region with 11 counties globally instead of locally? In October of 2003, Select Greater Philadelphia (Select) was created to promote the strengths of the region as a whole and serve as the economic development marketing arm of the Greater Philadelphia Chamber of Commerce. Select took a multi-pronged approach to marketing the entire region. Some of the methods that Select enlisted have been met with the success of businesses choosing to locate to the Greater Philadelphia region. The methods include cultivating partnerships with local business leaders, reaching out to local organizations with international contacts, facilitating business connections across state lines, and overcoming political boundaries

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With a gross metro product of more than \$390 billion in 2012, Greater Philadelphia is the country's 7th largest U.S. metro area. The region has a total land area of 4,507 square miles covering 11 counties in three states and boasts a prime location between New York City and Washington, D.C.

money. Corporate leaders raised an additional \$15 million. With \$16 million to fund four years of operation, Select Greater Philadelphia was launched to market the Greater Philadelphia region to companies in other parts of the United States and to the world.

Nine years later, Select has 14 employees and is in its third cycle of raising another round of funding.

PUTTING THE REGION ON THE RADAR

Greater Philadelphia sits right in the middle of the financial titans in New York City and the political powerhouses in Washington, D.C. And, it's less expensive to live and do business in Greater Philadelphia than New York or Washington, D.C.

Living and working in Greater Philadelphia seems like an obvious and smart choice. What Select found through a perception study done seven years ago was our region's reputation wasn't bad but Greater Philadelphia just wasn't on people's radar.

Taking a regional approach, Select promotes the strengths of Greater Philadelphia as a whole. Although the region is most well-known for being an "eds and meds" hub, our most obvious asset is our location in the heart of America's most powerful markets.

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OUR SECRET WEAPON

"Local business leaders are Select Greater Philadelphia's 'secret weapon' in attracting companies to locate here." - Rob Wonderling, president and CEO of the Greater Philadelphia Chamber of Commerce.

Perhaps Select Greater Philadelphia's greatest strength is cultivating partnerships with local business leaders.

After all, who better to talk with potential locates than local executives who live and work in the region?

So far, Select has helped nearly 100 companies locate to Greater Philadelphia and projects over 4,000 jobs will be created in the region by 2014 by the newly located companies. Over 6,000 additional, indirect jobs will support these companies as they set up shop; jobs in construction and technology as well as in the service industries such as legal and banking.

All the companies that located to our region were made possible because all or a combination of local business leaders; local businesses; and city, county, and state representatives came together and made it happen. Everyone worked together, across state lines, county lines, and political boundaries for the good of furthering the growth and economic well-being of Greater Philadelphia.

Here are four companies that Select, with the help of many partners, helped locate to our region. Each company represents a success for the region. Each stands as an example of opportunities that were seized and challenges that were overcome.

THE MARK GROUP

A "Behind-the-Scenes" Team Effort

Pennsylvania State University received federal grants from the Department of Energy, and from the state of Pennsylvania to create an Energy Innovation Hub, now called Energy Efficient Buildings Hub (EEB). The EEB Hub, located at Philadelphia's Navy Yard, was built to focus on developing energy-efficiency technologies for buildings.



Mark Group installs an energy efficient attic upgrade using EcoFill, a glass-fiber based insulation manufactured with over 60 percent post-consumer recycled material and 100 percent formaldehyde-free. EcoFill is GREENGUARD certified for use in schools and hospitals.

The Commonwealth of Pennsylvania, the city of Philadelphia, and regional economic development organizations made a concerted effort to promote the EEB Hub as a center for energy companies.

This joint effort paid off when Mark Group, a global leader in providing energy efficiency analysis and upgrades to residential and commercial property owners, selected the Navy Yard's Clean Energy Campus as its new U.S. headquarters in October 2010.

"A great many people have worked hard behind the scenes to make this investment possible, and we are grateful for their support," said Jeff Bartos, the president and CEO of Mark Group's North American operations.

Working "behind the scenes" together to make the case for Greater Philadelphia as a premier business destination for Mark Group were Select, the city of Philadelphia, the Pennsylvania Department of Community and Economic Development, the Philadelphia Industrial Development Corporation, and PECO's economic development department.

Site tours and business connections were arranged. Greater Philadelphia's strategic location, great highway access, and tremendous regional business support coupled with its major academic institutions and world-class airport with strong service to Europe were significant factors in the company's decision to locate to our region.

The Governor's Action Team offered Mark Group a \$3.28 million funding offer that includes a \$2 million Pennsylvania Industrial Development loan, a \$500,000 opportunity grant, a \$638,000 job creation tax credit, and \$143,550 from WEDnet, a workforce web portal that is devoted to advancing the training and education needs of workers and employers in Pennsylvania.

Mark Group has hired over 90 new employees since October 2010 and continues to grow with two new offices in New Jersey.

And, as Mark Group continues to grow and thrive in Greater Philadelphia, so does its commitment to the region. Mark Group has partnered with Drexel University, LaSalle University, the University of Pennsylvania, and Independence Blue Cross to offer home energy analyses to all employees. In addition, Mark Group has joined with Penn Home Ownership Services (PHOS) at the University of Pennsylvania to offer "Penn sustainability @ home." Through the program, university employees are granted access to home performance-focused educational workshops, free home energy assessments, and discounted rates for energy efficiency home improvements.

RENMATIX

The Local Business Community Rallies

In September of 2011, Renmatix, a leading producer of cellulosic sugars for the global renewable chemicals and fuels markets, opened its headquarters and technology center in King of Prussia, Pennsylvania.

It was truly a team effort, on the part of our region's state and local partners, throughout the entire courtship that led to Renmatix's successful expansion into our region.

Renmatix was looking for a location where they could recruit talent, be in proximity to other chemical companies, and have access to vendors serving those companies. The abundance of available hardwood was another future benefit that was not lost on the company, as it weighed competing alternatives.

When a local business partner identified the project to Select, we anticipated a competitive edge given the CEO of Renmatix's prior role with Rohm and Haas



Renmatix CEO Mike Hamilton at the company's Kennesaw, GA, demonstration facility that processes three dry tons of biomass into sugars daily.

in Greater Philadelphia. He knew how well suited the region is for chemical companies to grow and thrive here. One of our major selling points was that Renmatix recognized the depth of high-quality talent in material science already residing in the region.

Select worked with the Commonwealth of Pennsylvania's Governor's Action Team to connect Renmatix with financial resources. Local business leaders "rallied" and met with Renmatix executives. During those meetings, our business leaders emphasized the importance of their connections to the local universities. Greater Philadelphia has some of the leading colleges and universities in the world and partnerships between companies and the educational institutions are beneficial and often critical to both.

Select Greater Philadelphia also helped coordinate a large "welcome" event with the region's business community, stakeholders, and of course, the media. Select feels strongly that it's important to assist a company at the very least, until they are out of the gate – success doesn't just end with a company's decision to locate here. This approach helps their success as well as ours.

Mike Hamilton, CEO of Renmatix, spoke these words at the launch event. "The ease of working with Governor Corbett's administration, the incredible technical talent in the region, and the attractive economic climate all combined to make Pennsylvania the perfect partner for Renmatix."

PHOTOCURE

Across the River Cooperation

When Photocure looked to establish its U.S. sales and marketing offices to build its dermatology business, it was attracted to Greater Philadelphia primarily for ready access to two large airports, the Newark Liberty International Airport, Newark, New Jersey, and the Philadelphia International Airport, Philadelphia, Pennsylvania. Both airports feature direct, nonstop flights to the entire U.S. and Newark has direct flights to Oslo, Norway, home to Photocure's headquarters. The fact that Greater Philadelphia has a robust life sciences cluster certainly didn't hurt either.

Photocure was looking at both New Jersey and Pennsylvania as potential locations. Select's Business Development team coordinated meetings between Photocure and the biotech trade group representing each state. As a result, the company was able to meet with BioNJ one day. The next day, it met with PA Bio. Photocure representatives were then able to compare the assets of each state within a very short period of time and then make the best informed decision for their company.

Select also helped the company set up the first steps in its search for an office location and also local networking for service providers. Also aware of the critical components to the success of Photocure, Select facilitated conference calls to help the company identify and apply for incentives.

Photocure ultimately selected Princeton, New Jersey.

When you look at the big picture, this was a huge win for Princeton, New Jersey. In Greater Philadelphia, we all look at it as an even bigger win for our entire region.

SPECOPS SOFTWARE

An International Reach and the Help of Local Friends

Specops Software, a global innovation company based in Stockholm, Sweden, specializing in desktop management and password management software chose Greater Philadelphia as the place to open its U.S. headquarters.

Specops already had customers in the U.S. Greater Philadelphia appealed to Specops as a location for its headquarters because of the proximity to its U.S. customer base between Washington, D.C. and New York; lower cost of doing business; and our region's hub of colleges, universities, and healthcare facilities and organizations.

Business executives, the city of Philadelphia, the Commonwealth of Pennsylvania, and Select Greater Philadelphia all played a part in bringing Specops to Greater Philadelphia. What made this project special was the help we received from a local Chamber organization, the Swedish American Chamber of Commerce of Philadelphia (SACC). Working with groups like SACC allows Select to demonstrate to local groups and organizations that there are no "turf" issues when it comes to bringing new business to the region. We are here to help them with resources and business connections. For example, as with every potential locate, Select provided quite a bit of data to Specops to help them make the best decision for their company.



CEO Tobias Öien at the Specops CIO SummIT held at the Philadelphia University campus.

"We couldn't have made our expansion this fast and solid in the U.S. without all the help we got from Select Greater Philadelphia," said Tobias Öien, the CEO of Specops Software Inc. "Working with groups like Select Greater Philadelphia and SACC allows us to get connected to local groups and organizations and to enable new business to the region. They were here to help us with all resources and business connections with great success."

Specops moved from a modern, European office setting to a modern-industrial, urban office space with a European vibe in Old City, Philadelphia, which is fast becoming a tech and entrepreneurial hot-spot in the region.

A win-win all around, Specops is now a member of the Swedish American Chamber and one of SACC's former interns from Sweden is now working for Specops. The experience also forged a positive outlook for working on future trade missions between the Greater Philadelphia region and Sweden.

Specops has formed symbiotic friendships, forged business partnerships, and found success in Greater Philadelphia. They recently expanded and added another location in the region. Specops has grown significantly in North America, and they are adding another location in Philadelphia to further accelerate their growth on the East Coast and across the U.S.

NEWARK TRAIN STATION

Linking a Transportation Facility to Economic Development Potential

It is mission critical to assist companies in choosing to locate and stay in our region, but Select also realizes that as a region, we must remain an attractive place to grow and conduct business.

The CEO Council for Growth provides strategic counsel to Select Greater Philadelphia. The CEO Council is a distinct group of business, higher education, and civic leaders committed to the growth and prosperity of our 11-county region.

The CEO Council for Growth's objectives include conducting privately funded, actionable analysis to advance large scale regional projects and advocating for a multifaceted agenda focused on the federal role in innovation, regional mobility, and talent.

A great example of the support the CEO Council for Growth and Select can provide to regional initiatives is the recent U.S. Department of Transportation award of a \$10 million TIGER IV grant to the Newark Regional Transportation Center Station Improvement Project, to be located on the University of Delaware's Science, Technology and Advanced Research (STAR) Campus.

Select and the CEO Council for Growth recognized the positive impact a new regional transportation center at the site of the University of Delaware's STAR Campus would have on the entire region. The closed Chrysler Assembly Plant would be re-used. New jobs would be

created. The freight and rail capacity would be expanded. The southern-most anchor to our region would be better accessed with low-cost commuter rail. And, with a robust rail reach, the University of Delaware's research and development commercial applications would be better supported and have an even greater positive economic impact on the region.

Select and the CEO Council for Growth wrote a letter to the U.S. Secretary of Transportation urging his support for the TIGER IV grant.

The grant was awarded in June 2012. Funds will improve the Newark Train Station into a multi-modal hub, while maintaining or even expanding the operations in the adjacent freight rail yard, and will serve as a transit-oriented development catalyst for the University of Delaware's STAR Campus.



Photo Credit: Ryan Keene

TIGER Funds will improve the Newark Train Station, Delaware, by creating a multi-modal transportation hub that will include service to the University of Delaware's STAR Campus and by maintaining or even expanding the adjacent freight rail yard.

This project is part of a larger development plan being led by the University of Delaware. It will help further potential development of the STAR Campus, which will include a health sciences complex with the University of Delaware's College of Health Sciences and a Bloom Energy manufacturing facility, as well as retail and residential space.

In addition to the development potential, the completion of this project could facilitate future Amtrak and passenger train service (including to downstate areas that are not currently served) and allow expanded SEPTA/MARC commuter rail service while maintaining existing freight operations.

The Newark station was selected for funding by the U.S. Department of Transportation in a competitive evaluation process that took into account the potential for the project to improve mobility, boost economic growth, and reduce environmental impacts.

WILMAPCO, the lead sponsor of the project, requested a \$10 million grant as part of the \$26 million

project to construct the redesigned station. The project is also funded by the state of Delaware, University of Delaware, city of Newark, and New Castle County. A second phase of this project, which will further improve both freight and passenger travel, is currently proposed, and officials are working to identify public and private funding sources.

"The Newark Regional Transportation Center is an example of how public, private, and educational agencies can work together to build multi-modal transportation alternatives for riders in the region. It is our hope that this center, along with the STAR Campus, will spur greater economic benefit for Newark, New Castle County, the state of Delaware, and the Northeast region in general," said Shailen Bhatt, Delaware Transportation Secretary.

It's an exciting time in Greater Philadelphia. As we recover from the recession, we are seeing cranes in the sky again. We are focusing our efforts on branding our region as being knowledge-based with a highly skilled and diverse workforce.

WHAT'S NEXT?

Cranes in the Sky

It is in thanks to local business leaders, business partners, and county and state organizations as well as the steadfast support of Select's investors that these and many more companies now call Greater Philadelphia home.

It's an exciting time in Greater Philadelphia. As we recover from the recession, we are seeing cranes in the sky again. We are focusing our efforts on branding our region as being knowledge-based with a highly skilled and diverse workforce. Advanced manufacturing, clean economy and our entrepreneurial community are growing, garnering more recognition and with that, our attention. We are preparing to explore what Marcellus Shale development will mean for businesses in our region. We'll also continue to promote our strengths in IT & Communications, Life Sciences and Healthcare, Professional & Business Services, Clean Economy, and Retail. We will promote all of these areas of strength. And, we'll do it together because leaders in Greater Philadelphia realize that a success locally contributes to success for the entire region. ☺

WE KEEP BUILDING SO YOU CAN KEEP GROWING.

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