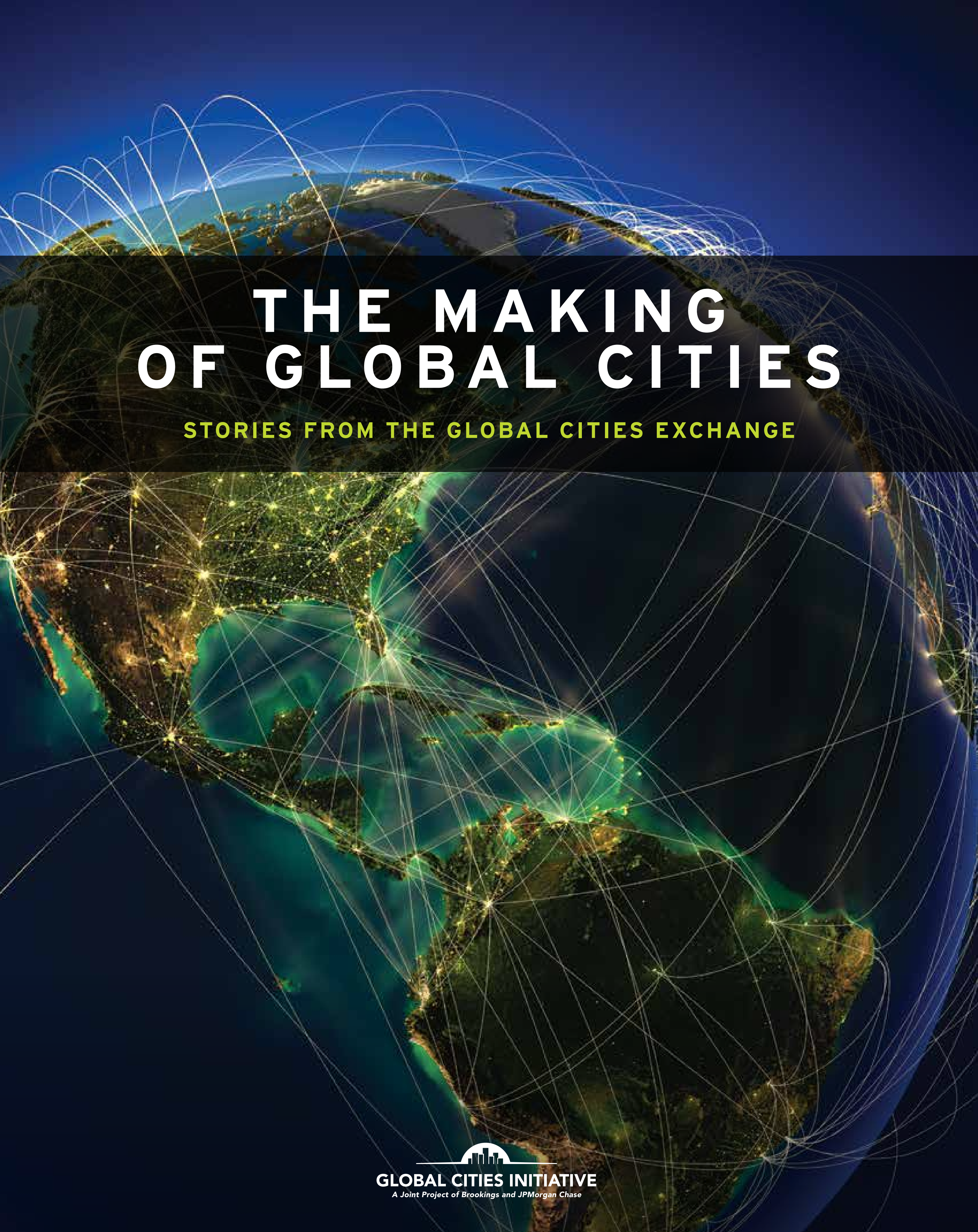

THE MAKING OF GLOBAL CITIES

STORIES FROM THE GLOBAL CITIES EXCHANGE

GLOBAL CITIES INITIATIVE
A Joint Project of Brookings and JPMorgan Chase

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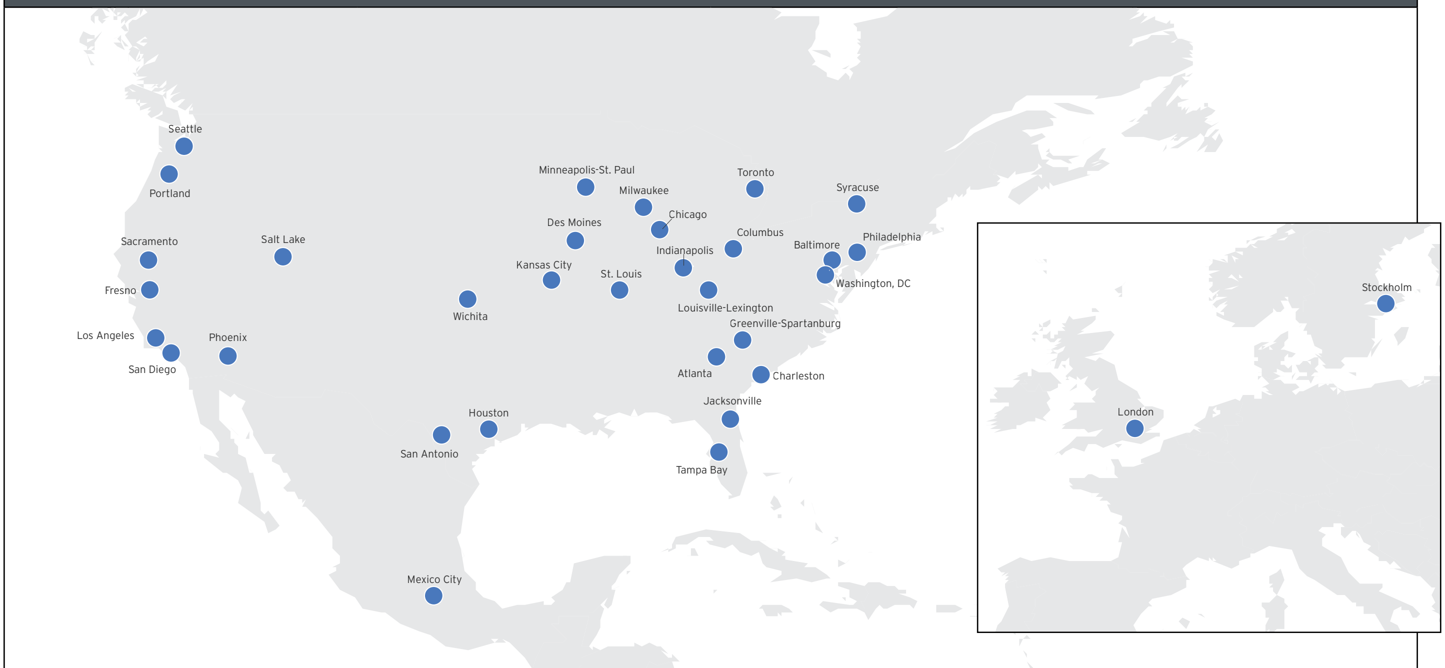
RACHEL BARKER, AMY LIU, AND MAREK GOOTMAN

THE BROOKINGS INSTITUTION | METROPOLITAN POLICY PROGRAM | 2016

INTRODUCTION

Over the last two years, enterprising software engineers and coders representing a dozen startups hailing from as far as Ireland, Brazil, and Germany have arrived in Des Moines, Iowa, for a 100-day sprint to take their innovations to market. Organized by the region's Global Insurance Accelerator, these entrepreneurs are equipped with $40,000 in seed capital and trained in sales, business development, marketing, and other business essentials. Insurance carriers, who each invested $100,000 in the accelerator, serve as mentors and experts, providing real-world insights while also getting a first look at emerging startups and innovations. Participants conclude the program by pitching their ideas to the hundreds of industry leaders from around the world that attend Des Moines' annual Global Insurance Symposium.

METRO AREAS PARTICIPATING IN THE GLOBAL CITIES EXCHANGE



Atlanta	Jacksonville, FL	Phoenix	Syracuse, NY
Baltimore	Kansas City	Portland, OR	Tampa Bay, FL
Charleston, SC	London	Sacramento, CA	Toronto
Chicago	Los Angeles	Salt Lake	Upstate, SC
Columbus, OH	Louisville-Lexington, KY	San Antonio	(Greenville-Spartanburg)
Des Moines, IA	Mexico City	San Diego	Washington, DC
Fresno, CA	Milwaukee	Seattle	Wichita, KS
Houston	Minneapolis-Saint Paul	Stockholm	
Indianapolis	Philadelphia	St. Louis	

The accelerator and the symposium are two prongs of an effort by regional leaders to position Des Moines as a global center of insurance innovation, reinventing the industry by developing the new technologies and services increasingly expected by digital-savvy consumers.

They follow a bold strategy to build on what makes Des Moines, home to 81 insurance headquarters, economically distinctive in an increasingly competitive global marketplace.

Des Moines, best known for its agricultural roots and role at the center of American presidential politics, doesn't fit the conventional image of a global city. But by smartly identifying and investing in core products and services that can compete and be sold globally, Des Moines and a growing number of U.S. cities and metro areas are showing that they have a role to play in the world economy. These cities join the ranks of New York, London, and Tokyo—the three megacities that have come to symbolize global cities since Saskia Sassen defined the concept 25 years ago.

Over the last five years, Des Moines and dozens of other metropolitan areas have redefined what it means to be a global city. These metros are now more globally aware and globally engaged thanks to their participation in the Global Cities Exchange, a research and planning process that used data and peer learning to guide metro areas in the development of export and foreign direct investment plans to boost their global competitiveness.

ABOUT THE GLOBAL CITIES EXCHANGE

Brookings and JPMorgan Chase launched the Global Cities Exchange in 2013 to apply the research developed through the Global Cities Initiative and the Brookings-Rockefeller Project on State and Metropolitan Innovation to help dozens of U.S. and several international cities and metro areas boost their global competitiveness. Guided by Brookings, metro areas developed export and foreign direct investment strategies through a cohort-based peer learning process to help their economies build high-quality, sustainable growth in the aftermath of the Great Recession. To support the process, lead organizations convened working groups and steering committees of public, private, and civic leaders in their metro areas to inform planning and contribute to implementation.

To design export and foreign direct investment plans, economic development leaders were required to develop a fine-grained market assessment using market data and qualitative information from firm surveys and interviews. These insights informed the development of strategies and initiatives to seize market opportunities, address market failures, and fill program gaps. In many cases, the data, research, and peer-learning opportunities provided by the Exchange have challenged traditional thinking about the sources of economic growth in metro areas and prompted new approaches to economic development.

The Exchange resulted in the creation of new, publicly available resources to help any city and metro area develop trade and investment plans if desired. These include several practitioner guides, including "Ten Steps to Delivering a Successful Export Plan" and "FDI planning guide: A blueprint for metro teams pursuing global economic engagement," planning tools, and sample implementation plans.

EXPORT PLANNING GOES GLOBAL

The importance of increasing global connections and competitiveness is not limited to U.S. cities and metro areas. Several international cities have also stepped up to adopt export strategies, following guidance from Brookings and advice from Exchange participants. In **London**, a coalition of public and private leaders spearheaded development of the Mayor's International Business Programme, which includes export services and mentoring to small- and medium-sized firms in priority sectors of technology, life sciences, and urban infrastructure. London also has explored trade partnerships with metro areas like San Diego, Chicago, and Jacksonville, Florida, demonstrating a proactive approach to global engagement which may prove increasingly significant post-Brexit. In **Toronto**, the Toronto Region Board of Trade identified similar challenges for small and midsize firms through its market assessment, responding with a new Trade Accelerator Program that provides tailored export-assistance services. Several other Canadian metro areas, including Montreal and Vancouver, are now considering replicating the model. And after a Brookings global competitiveness analysis found that the **Stockholm** region was under-exporting, the Stockholm Chamber of Commerce worked with business and government leaders to create an "internationalization" strategy. The Stockholm agenda involves tactics to engage small and mid-size firms in exporting and reach beyond traditional Nordic and German trading partners, but also to improve international transport connections, attract global talent, prioritize support for high-potential traded clusters, and coordinate efforts and policy at the metropolitan level.

THE WHY AND THE HOW

Five years ago, the imperative for global engagement was clear. As the U.S. economy constricted during the Great Recession and metro areas shed jobs, overseas markets represented a growth opportunity in the face of weak domestic demand. Furthermore, evidence showed that exporting firms and those that attract foreign investment better weather changes in the global economy, offer good jobs with a wage premium, and support other jobs locally and in the supply chain.[1] Concentrating the bulk of the nation's innovative assets and economic drivers, cities and metro areas were the natural leaders of a movement to be more global, fulfilling a role Jane Jacobs outlined fifty years ago when she wrote, "The economic foundation of cities is trade."[2]

Yet as cities and metro areas consider their place in the global economy, they face headwinds. Slowing global demand and turmoil in emerging markets have complicated global business deals and prompted rethinking of strategies. Rising concerns about stagnant wages and inequality have prompted new attention to the costs of trade, particularly the decline of manufacturing jobs in the United States over the preceding decades.

These challenges only reinforce the importance for cities and metro areas to constantly adapt their strategies so they are more often benefiting from, versus hurt by, global forces.[3]

A strategic approach to global competitiveness goes beyond simply exporting goods and services or attracting foreign investment. A global city today must equip its workers with the skills that are in demand by growing sectors, including creating the pathways to such jobs. A global city should deepen its capabilities in existing traded sectors that make the region stand out in the global marketplace. By "growing from within," rather than solely chasing firms from the outside, metro areas can make strategic investments and forge collaborations in applied research, innovation, skills development, and modern infrastructure that together create the inputs for long-term success.[4]

For many cities and metro areas, this has required a shift from the short-term bets and headline-generating deals associated with traditional economic development to longer-term, more strategic efforts to improve the productivity of industries and workers. It means forging stronger relationships with firms, universities, and other actors in key clusters so that strategies create a strong and "sticky" local ecosystem for the development of new products and solutions.[5] It also means evolving the missions and capacities of existing civic institutions so that new efforts have staying power. And all of this has required new collaborations, creative thinking, and innovative problem-solving among public, private, and civic leaders.

"A strategic approach to global competitiveness goes beyond simply exporting goods and services or attracting foreign investment"

This process hasn't been easy. Within economic development organizations, global efforts have had to compete for resources and attention with business attraction and other traditional practices that benefit from more straightforward and easily understood measures of success.[6] And—as with any experiment or pilot—some approaches have evolved or simply haven't worked.

Facing these challenges, even the most successful efforts have required course correction and surfaced robust lessons. Cities and metro areas have learned the importance of prioritizing a few globally competitive specializations, focusing on middle-market firms that are sophisticated enough to enter global markets and can be bolstered by regional economic development efforts, and ultimately, identifying new metrics for regional economic competitiveness than simply job creation.[7] Doubling exports, a goal set at the national level in 2010 by the federal government and adopted by many metro areas, has largely been abandoned in favor of a more long-term, holistic view of sustainable growth and competitiveness.

For cities and metro areas, these challenges and lessons have clarified the imperative and the process for global engagement. Sophisticated cities and metro areas are not just developing an export initiative or attracting more foreign investment. They are deepening their competitiveness in a way that sets their region on a higher growth trajectory for the future.

THE MAKING OF GLOBAL CITIES

The purpose of this paper is to capture the results of these ambitious, energetic city and regional problem-solvers who are building more competitive, resilient economies through the Global Cities Exchange.

No city or metro area has followed a single formula—nor is there one solution for building a more globally competitive economy. Indeed, as one leader said when releasing a foreign direct investment strategy this year, no single strategy can alter the course of a regional economy. Instead, in the global economy, every region must continuously learn and innovate.

Across the Exchange, economic development leaders—and their public and private partners—are piloting approaches and customizing interventions to their specific markets. This includes:

1. **Making a global perspective integral to economic development:** establishing new organizational priorities and capacities within economic development organizations, developing programs and services to engage firms and connect them to global markets
2. **Organizing the right partners:** working across regions—and with state partners—to unite behind the common goal of advancing global competitiveness
3. **Prioritizing unique industry strengths:** identifying—and organizing behind—the core industries that are truly unique on the global stage
4. **Strengthening traded-sector assets:** nurturing the regional ecosystem of innovation, skills, and infrastructure that supports the growth of specialized goods and services
5. **Targeting foreign markets:** experimenting with new models for identifying and engaging specific foreign markets and clusters

The stories described here are in progress. Some experiments have faltered. Others have evolved into new approaches. And some—having succeeded—are inspiring similar efforts in other places. But collectively they are helping the metropolitan areas participating in the Exchange—over 30 percent of the U.S. economy—build more sustainable long-term growth.

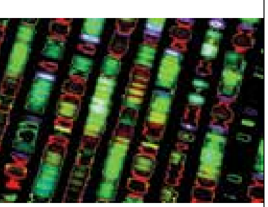
1 MAKING A GLOBAL PERSPECTIVE INTEGRAL TO ECONOMIC DEVELOPMENT

For many economic development organizations, boosting global competitiveness starts with developing new initiatives and programs that help firms overcome market failures to exporting and better understand the potential of foreign direct investment. This includes efforts to improve executives' understanding of trade's risks and opportunities and making available services more coordinated and transparent. These new efforts have become core pillars of economic development.

CHANGING CULTURE

THE BIG IDEA

*The best global trade and investment strategies become deeply embedded in everyday economic development practice, rather than treated as separate initiatives. To start, many metro areas, including **Portland**, Oregon, and **Columbus**, Ohio, have implemented programs to train economic development professionals to engage firms around exports and foreign direct investment opportunities. In other instances, global strategies have catalyzed broader culture change in regional economic development itself.*



➤ SAN DIEGO

When the human genome was first mapped in 2003 by an international team of researchers, it promised to reshape entire fields of science, paving the way for new research and medical opportunities around cancer care and other customized medicine. Promise, however, soon collided with reality. Many medical applications, scientists and doctors realized, would be limited without personalized sequencing, which was prohibitively expensive. The race for a cheaper alternative—what became known as the "$1,000 human genome"—was on.[8]

That it ended 11 years later in San Diego shouldn't be a surprise.[9] For decades, San Diego has cultivated an "innovation economy," exemplified by world-class firms like Illumina (which cracked the $1,000 genome), research institutions like the University of California-San Diego and Salk Institute, and civic and business collaborations like CONNECT and Biocom, many of which are clustered on or near the Torrey Pines Mesa, a science park overlooking the Pacific Ocean.[10]

Yet even as San Diego spent decades building and sustaining its strengths in life sciences, it was known globally as a sunny vacation spot with a popular zoo and signature fish tacos. Despite being situated on an international border, the federal government and research institutions kept San Diego largely focused on the domestic market. And it showed: among U.S. metros, San Diego rated 61st in export intensity and 49th in the percentage of employees working for foreign-owned enterprises, even though it was the 17th largest U.S. metropolitan economy.[11]

As San Diego launched its exports initiative, the region was already engaged in soul searching around the focus of regional economic development. Prompted by the twin crises of the recession and several political transitions, the San Diego Regional Economic Development Corporation (EDC), the San Diego Regional Chamber of Commerce, and CONNECT convened business and civic leaders under the banner of the Chairman's Competitiveness Council.[12] One of the most significant outcomes of this process was a

stronger focus on the region's clusters, including its life sciences innovation assets, and a new commitment to supporting the retention and expansion of existing businesses.

The export and foreign direct investment planning processes added further fuel to this shift. The EDC received 400 enthusiastic replies when it engaged businesses early in the export-planning phase, which leaders say was a "wake-up call" to the unrealized potential for global engagement in the region. In the years since, close engagement with firms has become established practice—as have the simple steps of routinizing collaborations with industry cluster organizations and strategically planning trade missions and delegation meetings, along with more ambitious efforts to strengthen the region's innovation assets and position them globally.

"This is not a stand-alone initiative," says Sean Barr, the senior vice president of economic development at the EDC, "This is part and parcel to a workforce strategy. This is a critical component to our cluster development strategies and our approach to supporting and growing key clusters here in San Diego."

To boost awareness and generate enthusiasm around exports among firms, the region launched a competitive grant program, MetroConnect.[13] In its first year, it awarded $10,000 grants to 15 small- and medium-sized companies, along with an additional $50,000 prize to one especially promising company. This year, the program expanded to include additional services, including workshops, translation services, and staff support from World Trade Center San Diego.

"One thing that was really key for this region was the idea of innovation as an export and that some of the biggest high-tech, high-growth industries in this region and the innovation advantage that this region has is something that is exportable," says Nikia Clarke, the executive director of World Trade Center San Diego.

Reflecting the crucial role mergers and acquisitions plays in the region's life sciences industries, San Diego has also strengthened its outreach to firms around foreign direct investment. The EDC is developing an "aftercare" program to steward foreign-owned firms and ensure they stay in the region, stemming concerns identified through the foreign direct investment planning process that parent companies often considered moving San Diego operations to other U.S. locations.[14] To galvanize further steps to strengthen research assets prioritized by foreign firms, the EDC also conducted an economic impact study of the San Diego's research institutions.[15]

Executing on these activities has involved reworking institutional structures and strengthening regional collaborations. World Trade Center San Diego became an affiliate of the EDC, allowing for closer coordination on exports and foreign-investment services. The EDC has also engaged counterparts in Tijuana to dually position San Diego's global advantage as an innovation center, 15 miles away from Tijuana's advanced manufacturing hub.

More than just developing an export plan or executing a foreign direct investment project, San Diego has mainstreamed global efforts in economic development, reworking institutional priorities and developing new programs and capacities to help its innovation assets reach new global markets. No longer just home to "sun and Shamu," it is ensuring that prospective investors and business partners around the world understand the full scope of innovation underway across the region—and the global business opportunities that it represents.

BUILDING INSTITUTIONAL CAPACITY

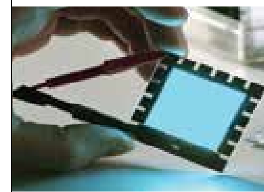
THE BIG IDEA

For the initiatives outlined in their plans to succeed, organizations are investing in the internal capacity to design, implement, and troubleshoot programs and services. In most cases, dedicated staff are proving essential to keeping programs on track and responsive to firm needs and market trends.

➤ SYRACUSE, NEW YORK

Five years ago, leaders at CenterState CEO, a combined chamber of commerce and economic development organization spanning twelve counties stretching from Ithaca, New York, to the Canadian border, had reason to be worried when they looked at the region's economic performance.[16] Growth in economic output, employment, and output per worker all tracked lower than the U.S. average over much of the preceding decade. And perhaps most concerning: household income fell short of the average across the rest of the country by nearly 20 percent. Losing factories that built air conditioners for Carrier and radio equipment and electronics for General Electric had left the region needing to establish a "new center of gravity" for its economy—in other words, a major economic driver of growth in jobs, output, and income.[17]

Cutting across industry clusters, leaders worked with Brookings to weave together regional assets in information technology, defense applications, electronics, and other fields into a new applied-technology cluster, dubbed "data to decisions."



They also realized that their existing manufacturers needed to go global, taking advantage of robust global demand. But here they faced a barrier: the region's export planning process confirmed that local businesses tended to be insular and focused largely on domestic growth opportunities. They didn't know how to navigate the complicated web of regulations, laws, and requirements involved in exporting. And the pathways to get advice or help on these topics were too disparate, requiring calls and visits to a web of different offices and officials.

To fill the gap, leaders redesigned an existing service provider, the Central New York International Business Alliance, to serve as a more intentional hub for export services and assistance. They embedded CNYIBA in CenterState CEO to ensure alignment with broader regional efforts. Instead of following breadcrumbs to two or three organizations or sifting through multiple websites, businesses can now turn to one source for educational seminars, mentoring programs, and other services. The CNYIBA partners with the local Manufacturing Extension Partnership, the CNY TDO, to run the state's "Export NY" training program and is developing a new initiative to parachute a specialist into companies for two or three months and teach prospective exporters "how to fish."[18]

But making the effort a success required more than just relaunching an organization. To run the CNYIBA, Syracuse recruited a seasoned British international sales and marketing executive, Steven King, who has become an advisor and confidant for firms. As a dedicated staff lead for global efforts, King adds crucial capacity, meeting with 120 companies a year, spanning first-time exporters to companies with $300-400 million in international business, and creating accountability around the implementation of the region's global agenda.

If businesses have a question or a problem, they call King, who applies the practical experience gained from decades of "wearing out thousands of plane seats and hotel rooms around the planet" to connecting them to banks, attorneys, translation services, and other resources.

When a maple syrup producer wanted to go to China, King advised them to consider easier-to-enter European markets instead. Realizing that a shoe manufacturer hadn't taken advantage of a lucrative tax incentive for exporters, King informed them it could translate to significant savings. And when European sales began lagging for a paper-products company because of the strong dollar, King counseled executives on how to hedge prices.

"I see manufacturers around here focused inwardly into the U.S. domestic business and (that) haven't thought about or haven't really tried very much to conquer the rest of the planet," King says, "There are companies we're waking up to see the opportunities and the growth that they can get into."

KANSAS CITY

While developing their export plan, leaders in Greater Kansas City encountered similar concerns from businesses about their lack of awareness of fragmented export assistance services. To address this issue, the Kansas City export plan included creation of an export concierge service, coordinated by the World Trade Center within the chamber of commerce. Local economic development organization partners proactively identify and refer firms with export potential, and the concierge team determines the firm's needs, provides advice, and connects to specialist support providers. The concierge also routinely collects feedback and monitor outcomes from providers and firms to enable real-time course correction and ensure program effectiveness.[19]

REINVENTING RELATIONSHIPS WITH EXISTING FIRMS

THE BIG IDEA

Because existing firms are the source of most new regional jobs, exports, and FDI expansion, they are crucial to global trade and investment efforts. To target firms and connect them to global opportunities, organizations are investing in the development of fine-grained market intelligence and research capacity to understand their local market.[20]

➤ COLUMBUS

A representative from Columbus 2020, the Ohio capital region's economic development organization, pulls up to a corporate headquarters somewhere in the eleven-county territory that forms a bullseye in the center of the state. It might be in Columbus' downtown, a vibrant district anchored by Ohio's Greek Revival statehouse and an array of colleges and cultural institutions. Or it might be in a suburban office park in Westerville, or northwest towards Marysville and the Honda plant that put the region on the map for foreign direct investment. But the mission is the same: meeting with businesses to discuss their needs and wants and the potential in staying and growing in the region.

Business retention and expansion, or BRE, is a cornerstone of economic development and generally consists of conversations with existing firms designed to surface areas where economic development organizations can offer assistance or gain intelligence.

But in Columbus, the Exchange process prompted the region to elevate the ambitions and design of the familiar model to serve as a pillar of its global trade and investment efforts. It's an indication of how sophisticated economic development organizations are developing the capacity to not only attract new businesses, but serve existing ones. And it's a signal of how simple changes in normal practices can deliver real results: in this case, how strategic, carefully designed routine conversations and contacts can help develop the fine-grained, actionable market intelligence that foster connections and turn into global leads and deals.

The sophistication of Columbus 2020's approach rests both with how it targets firms and how outreach is integrated with other services. Significant internal research capacity has enabled Columbus 2020 to deeply understand the market and identify current exporters and candidates for exporting within its network of firms. From there, outreach is prioritized and organized around specific topics and clusters, such as workforce or information technology. Business retention and expansion also exists within a broader suite of activities: for instance, Columbus 2020 has used intelligence gleaned from BRE and other research to develop a portfolio of regional investment opportunities it takes on overseas trips, and has forged partnerships with law firms and other service providers to identify firms that are candidates for mergers and acquisitions.

A Columbus 2020 global BRE visit focuses on the company's health, challenges, current export markets, and services available from Columbus 2020 and other partners, alongside more traditional topics like potential growth and hiring challenges.

"It's more of a holistic conversation," explains Deb Scherer, Columbus 2020's managing director for global trade and investment, "as opposed to a traditional BRE visit where you go in and you say 'How is your stop sign working out front?' 'Do you have any problems with the city that we need to know about?' It's much more of a global conversation."

One visit surfaced that a local fast food company was interested in expanding its presence in Southeast Asia. Because of this conversation, the company was later invited to participate in a visit from the Consul General of Indonesia. In another case, Columbus 2020 learned that a private-label food manufacturer was preparing to launch its own brand aimed at the U.S. and Canada, and were able to offer guidance, advice, and introduction to export assistance resources. Columbus 2020 has also integrated exports into conversations with foreign-owned enterprises located in region, exploring whether firms might use their Columbus-area location as a springboard for exporting to Canada and Mexico.

Columbus 2020's approach to business retention and expansion isn't a multi-million dollar initiative that required writing countless grant applications, or reorganizing vast resources and institutions within the region. Instead it's a sign of how routine practices—if approached strategically—can deliver real impact. By understanding and building on the potential of its existing firms, Columbus 2020 is laying the groundwork for the region's global future.

STARTING SMALL TO BUILD MOMENTUM

THE BIG IDEA

After the rush to complete and release a regional export or foreign direct investment plan, organizations face the challenge of maintaining commitments from partners and interest from firms. In ***Atlanta****;* ***San Diego****;* ***Chicago****;* ***Indianapolis****;* ***Wichita****, Kansas; and other Exchange metro areas, challenge grant programs have helped deliver "quick wins" on the path to long-term change.*

➤ LOUISVILLE-LEXINGTON, KENTUCKY

Before Jeanine Duncliffe began leading international economic development in Louisville, she worked with partners and firms across Kentucky through the state's export initiative. Even in the manufacturing-intensive Louisville-Lexington region, exports and global markets were a hard sell for many of the small and midsized businesses that make up the regional ecosystem, particularly after the recession made some cautious firms even more risk averse.

At the time, one of the tools in Duncliffe's toolbox was a grant, funded by the federal government and matched with state resources, designed to lower some of the barriers to export growth. Resources from the State Trade and Export Promotion program could support participation in a trade show or access to services that could help a firm dip its toes into global opportunities.

"It was clear in that process that there were a lot of small and midsized companies for whom a relatively small amount of money would make a surprisingly significant difference," Duncliffe says.

Several years later, Louisville and Lexington jointly developed their export plan as part of the Bluegrass Economic Advancement Movement, an economic partnership between the two metro areas. As the problems Duncliffe had seen from her state post persisted, the BEAM region launched a customized version of the STEP program, the BEAM Kentucky Export Promotion Program.[21]

The program targeted companies with less than $40 million in revenue that had already demonstrated some inclination toward global engagement, seemed positioned to make measurable progress in 20 to 30 months, and were healthy enough—with sufficient staff and resources—to make a real bid for global opportunities. Most companies received a $4,500 grant to enable trade-show participation, identify distributors or buyers, or support website improvements, consultant services, and other activities. Early successes include a $350,000 order received by a small manufacturer of microwave heating equipment after participating in a California trade show and a $200,000 deal sealed by a dental-equipment firm after traveling to Dubai for a training meeting.

BUILDING AN EXPORT PIPELINE

THE BIG IDEA

Firms often report that they don't know where to start to begin exporting. By consolidating services, organizations are providing a clearer path for export-ready firms to begin strategically approaching global markets.

➤ CHARLESTON, SOUTH CAROLINA

As Charleston leaders conducted the market assessment for their export plan, they heard a soon-familiar refrain. Companies hadn't thought about exporting. Or it seemed too hard, with too many hurdles, from exchange rates to foreign languages. The value, some small and midsized firms said, just didn't seem clear.

Export-assistance services were already available to firms, as were a range of half-day or one-day courses on specific topics. But there wasn't one central place for firms to start and to learn—in a comprehensive way—how to go global.

"We felt more was needed to really get them over the hump, make them comfortable, and have them hit the ground running with exporting," says Pennie Bingham, the executive director of World Trade Center Charleston, which is under the umbrella of the Charleston Metro Chamber of Commerce and led the region's exports initiative.

Bingham and her colleagues launched a comprehensive training program for companies, now called "Export Charleston," as part of the region's export initiative. Over four days stretched across three months, firms receive a crash course in topics ranging from export compliance and regulations to international marketing and banking. Experts from the U.S. Commercial Service, Small Business Administration, and other groups visit the class and are matched with firms as coaches. Between classes, participants complete detailed homework and work with their coach and a student intern from the College of Charleston on a customized export plan they present to a panel of evaluators in the final session. Coaches and mentors remain available after the program as firms begin implementing their plans. By the end of the program, Bingham says, companies are "armed with so much information and backup and connections that they didn't know existed."

Over five cohorts, 25 companies in industries ranging from engineering services to food have completed the program, working in small groups of up to eight that have often ended up doing business together. Many of the firms are first-time exporters, some of whom, Bingham says, have registered their first international sales following the course.

The program continues to evolve in response to new lessons and opportunities. Bingham and her colleagues have added new topics. They've learned it's important to target firms that have been in business for several years and are sophisticated and strong enough to begin pursuing international business opportunities. They now require that a senior executive participate in the course to maximize buy-in within the firm. And as next steps, they're planning follow-up training on specific topics, a formal alumni network, and organized trips to trade shows.

2 ORGANIZING THE RIGHT PARTNERS

Cities and suburbs frequently compete for businesses, a tactic that creates few new competitive advantages for a region and significant distrust between jurisdictions. Global initiatives, on the other hand, can bring leaders together to focus on the growth needs of existing businesses and position their regions to global partners who may not understand distinctions between cities, suburbs, and counties. Collaborating to compete globally is the new mantra across the Exchange metros, as leaders tap the assets and the partnerships that span public and private institutions—and municipal borders.

WORKING REGIONALLY

THE BIG IDEA

Successful global trade and investment efforts require regionwide collaboration, typically led by or strongly supported by a regional organization. In some metro areas, planning and implementation have been a source of new, productive relationships and collaborations. In others, efforts have faltered precisely because they have become siloed in one city or organization and have been unable to gain traction.

➤ ATLANTA

Nick Masino, an economic development leader from Gwinnett County, Georgia, a large suburban county to the northeast of Atlanta's 285 beltway, was meeting with officials in Beijing several years ago when he heard a familiar name: representatives from Atlanta had been in the same offices as part of a delegation from the state of Georgia, meeting with the same people six weeks earlier. Nearly 12,000 miles from home, Atlanta officials were delivering two separate stories about the region to China, rather than working together to advance its common future.

Unfortunately, this lack of coordination wasn't unusual for Masino and his neighbors. In metro Atlanta, a rapidly growing 29-county area the size of Massachusetts, coordinating—let alone collaborating—with regional partners wasn't common practice. Instead, communities and jurisdictions worked independently on economic development strategies, unwittingly pursuing the same companies and opportunities, if not outright competing from their individual territories.

"In a way I think we saw each other as competitors, which is so silly especially if you start looking at the vantage point of a partner globally or even a prospect," Masino said. "I mean how can these different entities in the same region be competing?"

However, collaborating on the region's global trade and investment effort—a large project with significant deliverables and external validation—gave leaders common purpose to work together, making coordination routine on everything from sharing intelligence about upcoming meetings to collaborating for international trips.

"We're on the same team." Masino said, describing the new thinking. "A win for one of us is a win for all of us. A win for my neighbors in the counties around me is a win for us because we're all metro Atlanta. I don't think I would have even said that three years ago, and if I would, I would have thought I'd get struck by lightning."

After learning during the export planning process that EDOs and firms across the region struggled to determine a starting point with exports, the Metro Atlanta Chamber and its regional partners also developed a series of "road shows" to engage practitioners in outlying counties. Crossing the region's major arteries, the partners have provided a crash course on exports, emphasizing the potential of service exports, challenging traditional assumptions about exports just being containers shipped out of the Port of Savannah, bringing along state representatives and service providers to emphasize the landscape of available resources, and helping position exports as part of regular business retention and expansion conversations. This summer, the "road shows" expanded to target firms directly.

"I think the end result is that we have really elevated a common trust around the region to what we are doing," says Jorge Fernandez, vice president of global commerce at the Metro Atlanta Chamber. Now, according to Fernandez, when the Chamber takes a meeting in Masino's territory in Gwinnett County, it's seen as an extension and added capacity of the county's work, not a different and competing effort.

TAMPA BAY, FLORIDA

From their respective sides of the Tampa Bay, Pinellas and Hillsborough counties have long competed against each other for businesses and deals. But recognizing that the region would have to work together to position itself globally, the Tampa Hillsborough Economic Development Corporation and Pinellas County Economic Development launched the Tampa Bay Export Alliance in 2014. Operating as a partnership between the two counties, the alliance's mission includes launching new joint trade missions to Chile, Toronto, and other international locations that have resulted in millions of dollars in sales, attracting foreign direct investment, supporting trade show participation, and marketing. The alliance has also served as a catalyst for regional collaboration on broader issues, such as securing new international flights. "The days of us marketing our respective cities at the expense of someone else are over—over," Tampa Mayor Bob Buckhorn said last year at an alliance-hosted international town hall, the *Tampa Tribune* reported.[22]

COLLABORATING WITH STATE PARTNERS

THE BIG IDEA

States often have resources and strategies dedicated to exports and trade, including some with their own overseas offices. There are enormous opportunities to align state and regional efforts in ways that can deepen impact. In some states, this means providing financial support for metro strategies. In others, it means routine collaboration and a division of responsibilities based on the unique roles and value provided by both sides.

➤ MINNEAPOLIS-SAINT PAUL

When Minneapolis-Saint Paul launched its export plan four years ago with strong global assets and high-level buy-in from then-Minneapolis Mayor R.T. Rybak and then-St. Paul Mayor Chris Coleman, it appeared primed for success.

But execution proved more difficult than planning. The Minnesota Trade Office and the City of Minneapolis, which led the exports effort, both brought crucial perspectives and resources to the table. The trade office had 30 years of experience engaging with foreign markets on export promotion. Minneapolis had a fine-grained understanding of business and economic trends in the city. But—in a Goldilocks problem—neither quite matched with the connections and skills needed to execute on a regional, firm-driven effort.

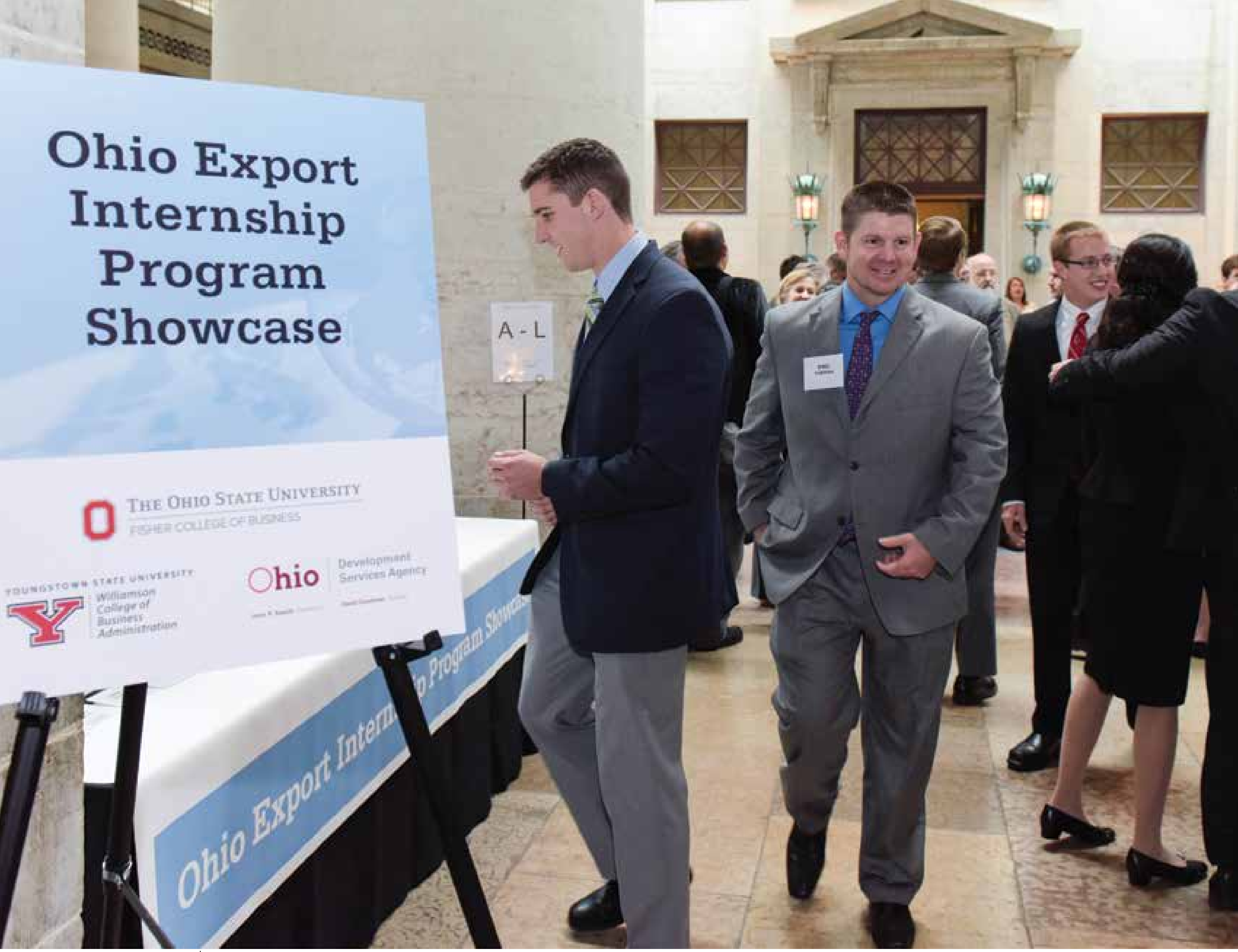
The region's foreign direct investment planning process surfaced a different model, which has since been extended to all of the region's global activities: a partnership between Greater MSP, the region's economic development organization, and the state trade office.

The model leverages the complementary strengths of both organizations. With the state seal and relationships built over decades of trips and outreach, the trade office can open doors for Minneapolis-Saint Paul around the world and with federal partners in Washington. But when it comes to understanding the needs of a specific medical technology firm or responding more quickly or flexibly to an opportunity, Greater MSP often has an upper hand.

"Whatever we're trying to do, we're trying to be value additive to each other," explained Laurence Reszetar, the state trade office's director of foreign investment.

Reszetar and his counterpart at Greater MSP, David Griggs, share intelligence and coordinate on opportunities daily. Reflecting its new role on exports, Greater MSP has also hired an export-development manager who formerly worked at the trade office. When dealing with high-level business executives, they've found, the region and the state need to deliver one, unified story.

"If we're successful it's going to take close coordination between the state and region," Reszetar says, adding, "We'll worry about credit on the back end."



CREATIVE COMMONS: STATE OF OHIO

PARTNERING WITH UNIVERSITIES

THE BIG IDEA

Universities are key partners in global efforts and economic development more broadly. As conveners and sources of data and research expertise, they bring stakeholders together and aid analysis and planning. By virtue of the foreign students they attract to a region and the connections they build to foreign markets through research collaborations and student recruitment, they serve as gateways to global opportunities. And through the Exchange and earlier efforts, universities in a growing number of metro areas, including ***Los Angeles, Syracuse****, and* ***Columbus****, have worked with state and metro economic development officials to train students to help firms export.*

➤ COLUMBUS

Lynn Rich is an international sales application engineer in Dublin, Ohio. She negotiates contracts and delivery term specifications, designs product presentations, and translates foreign documents to English at Sutphen Corporation, a family-owned fire-truck manufacturer in the Columbus region.

In many ways, it's a perfect fit for Rich, a Chinese native and a graduate of Ohio State University with a dual degree in Spanish and marketing. But applying those skills and interests to the opportunity to sell emergency equipment to global markets wouldn't have occurred to Rich without an unconventional summer experience four years ago: parachuting into the company as an "export intern" to help executives sell to global markets.

The opportunity emerged from the Ohio Export Internship Program, a partnership between Ohio State University's Max M. Fisher College of Business and the state's Development Services Agency that connects smart, ambitious university students like Rich with small- and medium-sized firms looking to expand their sales globally. Since 2012, it has placed over a hundred students from Ohio State and fourteen other Ohio universities with 83 companies, contributing to $19 million in "predicted export sales," according to the university. The program has also expanded to Youngstown State, connecting students with firms in Northeast Ohio.

Launched to help firms overcome barriers to exporting, the program provides valuable international business experience for students, while giving firms access to skilled workers to seize global opportunities.

"The idea was the companies weren't always thinking a global market was something they should consider and they were being reactive when they would be approached about a potential sale as opposed to being proactive," says Joyce Steffan, who directs the internship program at Ohio State's Fisher College of Business.

Students complete an intensive course covering global entrepreneurship, export compliance documentation, cultural nuances, and other exporting topics, and meet with service providers and other experts before they are carefully matched with a local firm.

Sutphen, where Rich was placed, was looking for an intern with Spanish-language skills to help expand into additional global markets. It also faced capacity issues: despite its global ambitions, Sutphen only had one international sales manager carrying out the day-to-day work of exporting.

Rich helped fill this gap, evaluating potential markets, and helping the company obtain a $15,000 trade show reimbursement through a grant program covered in the Ohio State course. A fluent Chinese speaker, she also helped Sutphen apply to sell a new type of truck in China. After returning to Sutphen part time after the formal internship ended, Rich was offered a full-time position at the end of her senior year.

"Attending the program and having the opportunity to intern at Sutphen helped me realize for myself something I wanted to do for the rest of my life," Rich says.

The Ohio Export Internship Program has received hundreds of applications in recent years, far exceeding the slots available. Steffan hopes the promising momentum translates to the program's expansion to more universities across Ohio—and its contribution to export growth and company successes in the state.

"We want to ensure that companies that need that skill set," Steffan says, referring to the global skills the program teaches, "have easy access to that talent."

"Universities are key partners in global efforts and economic development more broadly."

3 PRIORITIZING UNIQUE INDUSTRY STRENGTHS

Cities and metro areas serve as the nodes of the global economy because of the distinct specializations, products, and services that emerge from their clusters and ecosystems. For economic development organizations, identifying, investing in, and elevating these unique industry strengths to the global stage is a major component of successful global trade and investment efforts.

IDENTIFYING A SPECIALIZATION

THE BIG IDEA

Economic development organizations often try to elevate multiple clusters through global trade and investment efforts. However, identifying and organizing behind a small number of particularly strong specializations has allowed metro areas to maximize resources and investment and project a clear message to the world.[23]

➤ MILWAUKEE

From its perch on the Western shore of Lake Michigan, Milwaukee rose in the mid-1800s as an industrial and port town with a particular specialty associated with German entrepreneurs with names like Pabst, Miller, and Schlitz. The railroads brought wheat and grain from rural Wisconsin into the burgeoning city. In exchange, it sent kegs and barrels of lager to fill the taps at neighborhood taverns across the Midwest. But one of the most important ingredients didn't have to be imported: water, without which Milwaukee's beer revolution wouldn't have been possible.

Milwaukee's economy has undergone several transformations since the beer barons ruled. Many of its breweries, as well as other factories, have been shuttered. Slowed job growth and fallen incomes reflect a postindustrial economy still in the throes of reinvention.[24]

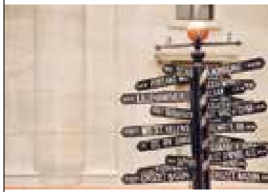
These challenges were in the minds of business and economic development leaders about a decade ago when they sat down to think about the next opportunity for the region. Leaders within regional economic development partnership Milwaukee 7 and the CEOs of water technology companies A.O. Smith Corporation and Badger Meter had both become attuned to a potential growth and expansion opportunity with deep roots in the region's history: water technology.

Joining forces, they started with data, tasking a team of students from the University of Wisconsin's Milwaukee campus to examine synergies between industries, digging into and beyond the traditional industry codes listed in the North American Industry Classification System, a complex catalog of business establishments that provides a North Star for economic research.

As leaders puzzled over the results and other research, their initial lead was confirmed: the region had more than 160 companies involved in developing water-technology solutions, along with a significant water-research institute and engineering programs at the University of Wisconsin-Milwaukee. The breweries left, but their component parts remained: sophisticated water-filtration mechanisms, pumps, and meters that could fuel both next-generation faucets and urinals and technologies, as well as solutions to address water crises in the developing world.

"It was an a-ha moment because of the fact that there is no NAICS code or SIC code for water technology," says Dean Amhaus, who at the time led a nonprofit organization designed to market the region.

To organize the new cluster, the region's water-technology companies, universities, and nonprofit and public leaders launched the Water Council in 2010. The council, which Amhaus now leads, is more than a traditional industry organization. It operates a 98,000-square-foot Global Water Center in a restored warehouse near the intersection of the Kinnickinnic and Menomonee rivers in downtown Milwaukee, with plans to expand to another nearby warehouse later this year. Its seven stories include research labs, where university scientists are experimenting with new approaches to wastewater treatment and developing potable water.[25] A business accelerator, BREW, offers a year-long program for six entrepreneurs, with a $50,000 seed investment, business training, and office space. And by design, the center serves as a hub of the region's water community, with a coffee shop and communal spaces designed to spur innovation.



"WE BUILD GREEN CITIES"

Through its export planning process, Portland discovered an untapped market opportunity in leveraging its international image as a green, sustainable city with its unique cluster of regional firms providing sustainability products and services. From architecture and engineering to energy efficiency technology and water management, Portland proactively organized firms under the "We Build Green Cities" initiative to identify and target markets dealing with urbanization and climate change. A resulting focus on post-tsunami Japan yielded a multi-million-dollar pipeline of projects to Portland companies. The Portland Development Commission, which manages the program, also credits "We Build Green Cities" with generating reciprocal foreign direct investment interest, including a major Japanese investment in the city's Pearl District.

In a few short years, the region's ambition to become a global water hub has begun to bear out. Last year, representatives from nearly 50 countries and several hundred companies visited the Global Water Center. Foreign governments have contacted the council in search of solutions. This year's annual Water Summit included attendees from around the world. But, through the export and foreign direct investment-planning processes, the region refined a larger vision: a 17-acre urban water technology district, water "SWAT teams" deploying to address major problems around the globe, and a World Water Innovation Summit.

Implicit in all of this is a clear-eyed view of what makes Milwaukee special. Milwaukee, the data and history suggest and practice is beginning to show, can sell water solutions. And it can sell them to the world.

"Milwaukee, the data and history suggest and practice is beginning to show, can sell water solutions. And it can sell them to the world."

PRIORITIZING KEY CLUSTERS FOR TRADE

Across the Exchange, cities and metro areas are using export and foreign direct investment strategies to deepen and grow unique clusters and industries. Greater **Phoenix**'s global efforts target aerospace, electronics, and other advanced industries clusters for outreach and services, advancing a larger regional effort launched after the region lost 300,000 jobs in the recession to shift the locus of economic growth from housing and consumption to advanced industries and innovation.[26] **Atlanta**'s foreign direct investment plan outlines a strategy to deepen the region's specialization in information technology by attracting foreign IT startups with incubator/accelerator space and a suite of services, deepening engagement with Georgia Tech and other colleges and universities on corporate research, and boosting participation at relevant trade shows.[27] And **Minneapolis-Saint Paul**'s foreign direct investment effort elevates the region's medical-technology cluster, including informing a recently announced partnership of over twenty industry and economic development leads that calls for investments in workforce, supplier relationships, and infrastructure to support the cluster.[28]

4 INVESTING IN TRADED SECTOR ASSETS

Focusing solely on industry specializations is not sufficient to ensure long-term success in global markets. Leaders in cities and metro areas are recognizing that their traded sectors thrive in environments that offer world-class innovation, a pipeline of skilled workers, and modern infrastructure. Within their global trade and investment plans, leaders are working to cultivate and evolve these assets to help their industries and specializations adapt to shifts in the global economy.

CULTIVATING AN INNOVATION ECOSYSTEM

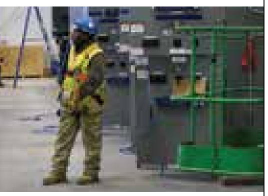
THE BIG IDEA

In order to develop and maintain globally competitive specializations, metro areas are making long-term investments in innovation assets. These big bets are best enabled by deep, continuous collaboration between public, private, and civic leaders.

➤ UPSTATE, SOUTH CAROLINA (GREENVILLE-SPARTANBURG)

Seventy years ago, the United States was on the brink of a fundamental change in economic activity: the shift of manufacturing production away from large Northern industrial centers in favor of an emerging row of sprawling Sunbelt metropolises. But Southern and Western cities weren't entirely accidental beneficiaries of this new order. While Northern cities imposed stringent union regulations and high

CREATIVE COMMONS: PHOTO BY RYAN JOHNSON



taxes, Southern cities offered a simpler proposition: a cheaper, right-to-work business climate, with plenty of land and a growing array of cultural amenities.[29]

This is the context in which a formerly poor agrarian and textile economy in the northwest corner of the South Carolina Upstate became a premiere site for global advanced manufacturing. In the late 1950s and early 1960s, state leaders made a concerted push to make the Upstate—stretching from Greenville to Spartanburg—part of the "New South." They started with attracting foreign companies already involved in textile engineering, before adopting the playbook of many of their neighbors: incubating a low-cost business climate, characterized by strong collaboration between public and private leaders and universities. At the behest of foreign firms, they also made weighty investments in worker skills with a new state technical education system.[30]

Thanks to these concerted efforts, today the Upstate is home to manufacturing facilities for BMW, Fujifilm, Michelin, and other large multinational firms. Innovative university and industry partnerships, such as Clemson University's International Center for Automotive Research, have developed as the region has kept an eye on its Research Triangle neighbors. And multinational corporations have proven to be good community partners. They pushed state workforce officials to launch a German-style apprenticeship system that now counts over 10,000 graduates, and they have helped shape a STEM elementary school in Greenville, among other community investments.[31]

But no bet pays off forever.

Through the exports and foreign direct investment planning processes, regional leaders became attuned to a confluence of global trends with potentially serious implications for the Upstate: The large greenfield investments that fueled the region's growth have become less common—and more expensive to attract. And increasingly sophisticated global value chains and rising wage costs have complicated the region's historic manufacturing advantage.

So today the "land of public-private partnerships" is leveraging its legacy of collaboration and making big bets to advance a second economic transformation: moving up the value chain from a production site to an innovation center. The region's foreign direct investment strategy outlines an innovation play around advanced materials, a subset of plastics, metals, and other materials used across advanced manufacturing. Given their application across industries, regional leaders believe materials connect the region's strengths across its other clusters in automotive production, aerospace, biosciences, and energy.

This could mean matching regional universities and researchers to colleagues around the world, with the potential for innovative ideas to be commercialized and spun out into new companies (Clemson receives significant federal research funding for advanced materials). It could also mean using advanced materials as a platform for attracting FDI and venture capital and for building new global region-to-region relationships in particular industries.

"Materials is our opportunity for doing things better than they're being done in other places, solving problems and coming up with innovative solutions that can really move an industry forward," says Elizabeth Feather, the director of research at the Upstate SC Alliance.

The Upstate's first economic transformation half a century ago relied on strong collaboration between public and private leaders to define a big bet around advanced manufacturing. Now—as innovations like autonomous cars boost demand for interdisciplinary R&D approaches—the region is strengthening and applying that connectedness between industry and universities, government and workforce, to establishing the region as an innovation hub.

"My goal," Feather says, looking out over the next ten to twenty years, "is for the Upstate to be known as a place where if you want to collaborate, this is where you want to go because collaboration is easy here, it's natural, it's the way we do business."

CREATIVE COMMONS: PHOTO BY RYAN JOHNSON

BUILDING AND SUSTAINING A SKILLED WORKFORCE

THE BIG IDEA

A skilled regional workforce is crucial to maintaining global competitiveness. To ensure training programs are targeted to industry needs, regions are collaborating with employers to develop demand-driven interventions.

➤ WICHITA

Aviation leaders in Wichita—long known as the "Air Capital of the World"—watched their assembly lines and plant floors several years ago with concern. Like other cities with manufacturing-intensive industries, they predicted the impending retirement of Baby Boomer workers signaled a shortage of skilled workers to build the sophisticated parts that allow airplanes to defy gravity. And that, in turn, worried regional leaders, who thought it could jeopardize Wichita's hold on an industry that counted Kansans Clyde Cessna and Walter Beech as pioneers alongside the Wright Brothers.

As the clock counted down, senior executives from five local aviation giants—Boeing, Spirit, Learjet, Hawker-Beechcraft, and Cessna—sat down together. They discussed the problem and sketched out a vision for what it would take to close the gap. They then took their idea to county officials, who agreed to back it with a bond issue, and the city, which pitched in 25 acres of land. The result was a $54-million National Center for Aviation Training, opened in 2010.

NCAT, which is the main campus of Wichita Area Technical College, is truly demand-driven. "With one eye in the microscope and one eye in the telescope," as Sheree Utash, WATC's president, tells it, aviation business leaders identified the skills the industry needed then and in the next five or ten years. They weighed in on the facility's design, programs, curriculum, learning outcomes, and vision, emphasizing specific areas—like robotics, industrial automation, aerospace assembly, and composite fabrication and repair—that were high priorities.

"They would take their corporate coats and hats off," Utash says, "and go into a conference room and talk about the common good that could be accomplished for their industry to remain globally competitive."

On NCAT's three-building campus, students study for an associate's degree or technical certificate in fields like aerospace manufacturing, composite technology, aviation maintenance, and aerospace coatings and paint technology. The program emphasizes hands-on training, with students learning to design, build, assemble, and repair airplane parts, and electronically model and design solutions.

Employers are customers at NCAT and they remain highly engaged, serving on the board, meeting with deans and faculty twice yearly to review the center's curriculum, talking to students, and providing real-time feedback and intelligence on the center's programs and hiring.

To help more young Wichita residents access the industry—while addressing an oft-aired employer concern about the need for "soft skills"—NCAT launched an initiative this year combining paid scholarships in priority areas with close mentoring and coaching. The program, Wichita Promise, provides a pathway to training credentials and work-readiness certification that can open doors to potential jobs, personal career coaching, and a guaranteed job interview for participants who complete the program.

NCAT has already begun to make a dent in the skills gap: since 2012, over 1,800 students have received at least one degree or certificate, and 92 percent of them have found a job or advanced to further education or military service. Over 4,000 students have completed a course for credit.

But its ambition is also greater. By developing industry wide credentials, NCAT is positioning itself as a "trainer of trainers." An industrywide talent supply exchange is also in the works, which would allow employers from across the country to source talent from multiple metro areas by centralizing data on job openings and pools of workers.

However even as NCAT has begun to address the aviation skills gap, the industry in Wichita has faced broader challenges.[33] Many of the 30,000 jobs Wichita lost in the recession were based in the aviation industry. In 2012, Boeing closed its plant in the region. And the region is facing uncertainty created by global industry shifts, which have already manifested in a pivot in regional employment from general aviation—the smaller, private planes Wichita has traditionally manufactured—to larger commercial aircraft.

The export and foreign direct investment planning processes provided Wichita with an opportunity to begin thinking through a broader vision for the future: how assets and fundamentals that have made them an aviation capital could translate to other opportunities and a more diverse industry base.

Karyn Page, the leader of Kansas Global Trade Services, talks about a "redefinition of what we really bring to the table." Not only does the region have a world-class aviation cluster and a high concentration of skilled workers, but it has a specialty in building highly sophisticated, highly precise products that can withstand air flight several times a day for decades. And although NCAT is focused on aviation, its advanced manufacturing training is applicable to other industries, as are the offerings of the broader Wichita Area Technical College.

"Is it really that we can build aircraft? Yeah, I think it is," Page said, describing the discussions underway in the region, "but as we look to the future, maybe it's not that we build aircraft. Maybe it's that we're advanced-manufacturing concentrated and then really start to quantify and define what that means."

FILLING MIDDLE-SKILL JOBS BY SECTOR

As in many metro areas, firms in Greater Houston struggle to find sufficient skilled workers to fill openings. Identifying qualified applicants for middle-skill jobs, which involve some post-high-school education but not a completed bachelor's degree, is a particular concern: they account for 4 in 10 jobs in the region and leaders anticipate over 70,000 openings per year through next year.[34] UpSkill Houston is an initiative developed two years ago by a taskforce of business, government, education, and social service leaders led by the Greater Houston Partnership.[35] It employs a coordinated approach to filling these openings across seven core traded and non-traded sectors, (oil and gas, petrochemicals, advanced manufacturing, healthcare, construction, ports and maritime, and utilities). It establishes sector councils to shape training programs and curricula highly targeted to industry needs. Other strategies focus on boosting awareness of middle-skill jobs, defining and connecting workers to soft and basic skills, ensuring better coordination between regional stakeholders, developing capacity to track regional data on skills supply and demand, and building a network of workforce intermediaries to enable better scaling of promising approaches.

CONNECTING INFRASTRUCTURE TO TRADE

THE BIG IDEA

To remain competitive in the global economy, metro areas are investing in the infrastructure assets that allow their firms to move goods and component parts to other locations around the world and boost their connectivity to other global markets. This includes investments and new strategies to leverage freight corridors, ports, airports, and other points of connection.

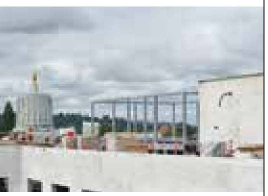
➤ PORTLAND

The distance from Intel's suburban Hillsboro campus to Portland International Airport measures approximately 30 miles, crossing U.S. Route 26 around the heart of downtown Portland or forging north along rural Cornelius Pass Road to another major highway. It should be a 45-minute trip, but with traffic and accidents, it can extend longer—a headache for commuters and an even bigger problem for trucks carrying semiconductor parts to meet a precisely timed flight or freight shipment to the next stop in the global supply chain.

Anchored by large firms like Intel, TriQuint and Tektronix, Portland's computer and electronics industry is an economic powerhouse, representing nearly 70 percent of regional exports and earning the region the moniker "Silicon Forest."[36] But a freight and logistics study conducted as a result of the region's export plan reinforced that for the industry to stay competitive in the era of just-in-time supply chains, where global firms maximize profit by intensely coordinating global shipments and assembly of product components, it needs to prevent freight from backing up on its freeways and roads.[37]

"If Intel experiences delays or missed shipments," the analysis warned, "it can shut down a production line as far away as Costa Rica or Malaysia, creating a worldwide ripple effect on production and testing operations."[38]

To reduce the risk of those delays—and the danger they pose for the region's competitiveness—Portland is investing in intelligent transportation systems, data-driven technologies that improve the efficiency and reliability of transportation networks by monitoring traffic conditions and preventing queuing of traffic and delays. With a $10.1-million federal grant, the



Oregon Department of Transportation and suburban Washington County will begin installing the system, which has already been successfully utilized on a nearby highway, on sections of U.S. 26 and smaller arterial roadways this fall.[39] The project is part of a larger collaboration to improve regional freight and transportation infrastructure that also includes the Port of Portland and other regional stakeholders.

The approach rests on the premise that data can be harnessed to inform better decisions and prevent or reduce the likelihood of obstacles arising in the first place, a perspective ODOT planner Jon Makler calls "the equivalent of taking blood thinners to prevent clogs in your arteries."

If drivers have advance warning of a traffic backup from an electronic roadway sign or other tools, the thinking goes, they may delay travel or choose an alternative route. This, in turn, helps traffic disperse faster, reduces the risk of crashes on packed highways, and helps save fuel for vehicles that would be idling in gridlock. Data also informs the optimization of sections of roadway with variable advisory speed limits to prevent or reduce queuing of traffic, further reducing stop-and-go congestion and the accidents that often follow.

Intelligent transportation systems can harvest data from a variety of sources, including in-road sensors and roadway cameras. The Portland system will rely primarily on travel-time readers, drawing on roadside devices equipped to register signals from phones and other Bluetooth-enabled technologies. The anonymized data is fed back to a central system, which can determine and respond if drivers are taking longer than usual to reach the next waypoint on the road.

With this system in place, leaders hope they will have forged a clearer path for Silicon Forest to get its products and components to the airport or its nearby freight-consolidation facility, keeping the production and assembly lines in Costa Rica and Malaysia moving, and Portland's place in the supply chain secure.

INTERNATIONAL CONNECTIVITY

As the world's busiest airport by number of passengers, millions of people from across the world travel through Atlanta's Hartsfield-Jackson International Airport each year. But regional leaders recognized that merely linking international travelers to another destination did not maximize local economic benefits. Through the Exchange, the Metro Atlanta Chamber and partners are exploring how to use this infrastructure connectivity to position the region as an easily accessible hub for global services and innovation. To that end, a new international arbitration center at Georgia State University leverages easy aviation access with the region's particularly strong legal services sector, enabling Atlanta to compete as the arena for resolution of international legal disputes.[40]

CREATIVE COMMONS: OREGON DEPARTMENT OF TRANSPORTATION

5 TARGETING FOREIGN MARKETS

Global trade and investment inherently involves developing partners. Through the Exchange, a growing number of cities and metro areas are experimenting with identifying and formalizing relationships with specific markets and clusters, betting that close, strategic ties can deliver a more efficient track for deals and opportunities.

FORGING METRO-TO-METRO TRADE PARTNERSHIPS

THE BIG IDEA

Because economic development organizations and firms both have limited time and resources to pursue global opportunities, strategically determining which markets to target and forming partnerships offers the potential to make global engagement more effective.

➤ MINNEAPOLIS-SAINT PAUL

Minnesota's connections to the Nordic countries extend back centuries when Danes, Norwegians, and Swedes immigrating to America settled in the cold, flat, lake-filled prairie of the Upper Midwest, spawning generations of immigration, tourism, and cultural ties. But, as the region learned through the export and foreign direct investment planning processes, economic ties were weak: data revealed that the region received nearly zero investment from Norway, Sweden, Finland, and Iceland.

In addition to shoring up its economic relationship with Canada (which the analysis revealed was its top global partner), leaders at Greater MSP, the region's public-private economic development organization, responded by reaching out to several Nordic regions. One of the most enthusiastic responses came from Gothenburg, Sweden, a coastal port city with manufacturing bones that are increasingly shifting to technology and other high-skilled fields.

Initial conversations unveiled some shared economic and industry interests, leading to a partnership between Greater MSP and Business Region Gothenburg, a quasi-public organization in the Swedish city-region, and a part-time Minneapolis-Saint Paul office in the Swedish city. The eighteen-month-old partnership rests on carefully nurtured personal relationships. On the Minnesota side, a paid consultant from the Swedish-American Chamber adds crucial capacity. This allows the region to remain in close touch with counterparts in Gothenburg, focus on the partnership's long-term goals and drill down on activities that may not deliver an immediate pay-off, and—by virtue of relationships to Sweden—receive fine-grained honest feedback and intelligence on potential opportunities.

The play appears to be paying off. After several meetings, Gothenburg officials matched their Minnesota counterparts with executives from Astra-Zeneca, leading to a development deal with a Minneapolis-Saint Paul medical-technology firm around e-medicine—an emerging field of tools and technologies that would enable the real-time tracking and monitoring of drug regimens.

With the Gothenburg collaboration established and successful, Greater MSP is also pursuing other relationships across the Nordics. In Tampere, a Southern Finland city-region where Microsoft and Nokia recently closed facilities, they've strategized about potential opportunities to connect Minnesota firms with Tampere's skilled, out-of-work tech workers. This summer, several Minneapolis-Saint Paul tech companies followed the Minnesota Orchestra to Tampere to explore potential connections.

David Griggs, the vice president of business investment and research at Greater MSP, calls these exchanges "bilateral" relationships, emphasizing the importance of the partnership and benefits for both sides. If—as the region hopes—four or five Minneapolis-Saint Paul firms set up operations in Tampere it will both help re-employ that region's tech workers and solve a problem for Minnesota companies: with unemployment below the national average, Minneapolis-Saint Paul companies say they can't fill openings for highly skilled tech workers, and regional officials worry about losing these firms.

Minneapolis-Saint Paul has been strategic about determining goals and outcomes from its metro-to-metro relationships, whether focusing on medical technology or other strengths. But successful partnerships, Griggs says, are also dependent on a willing partner in a location that makes sense for both sides.

"We can go to London, we can go to Paris, we can go to Rome, and they don't know where the hell Minnesota is." Griggs says. "But in the Nordics they know exactly where we are, they know exactly who we are."

TRADE COLLABORATIONS: DIFFERENT MODELS, MIXED RESULTS

This month, construction crews in **Chicago** broke ground on the city's third tallest skyscraper: a sleek, modern hotel and residences financed by Dalian Wanda Group, a major Chinese investor. Chicago hopes the luxury riverfront tower is less of a novelty and more of a stake in the ground in attracting Chinese investors that have already saturated major coastal markets. To that end, several years ago it signed an agreement with Beijing, Shanghai, Tianjin, and five other major Chinese cities designating Chicago as a gateway to entry for Chinese investment.

Chicago, which also signed a wide-ranging metro-to-metro agreement with **Mexico City** in 2013 as part of the Global Cities Exchange, is one of a growing number of cities and metro areas experimenting with trade collaborations. Building on strong economic ties, **San Antonio** also signed a memorandum of understanding with Mexico City's Secretaría de Desarrollo Económico in 2015, focusing on core San Antonio industries, including aerospace, biomedicine, cybersecurity—and perhaps most lucratively given Mexico's pending energy reforms—renewable and solar energy. **Wichita's** world-class aviation industry inspired several agreements with Chinese cities in recent years. **Portland, San Diego, London, Jacksonville**, and **Phoenix** are among the other cities and metro areas that have piloted similar efforts.

However, this process is not easy or straightforward. No single model has emerged for these partnerships. Some build on a foundation of cultural ties or existing economic links, while others are based on similar population size, industries and sectors, academic institutions, and other commonalities. In some cities and metro areas, regional economic development organizations have taken the lead; in others, city agencies or other groups have driven efforts. Goals, activities, and results often vary across collaborations.

Still one early lesson is apparent: Capacity on both sides of the partnership has proven a key determinant of early success. Organizations have found that successfully managing a trade partnership requires significant staff investment and commitment from local firms. It also requires a counterpart who is willing and able to similarly invest resources and is positioned to deliver high-value engagement from their region. Where these factors have been missing, results have been slow to manifest.

MARKET PRIORITIZATION

Over the last year, the Portland Development Commission and Greater Portland Inc have worked together to develop a quantitative model for identifying the best markets for Portland to target for outreach across its exports and foreign direct investment portfolio.

"We wanted to have something objective that we could point to when a new person says, 'Why don't we go here?'" explains Michael Gurton, an international business development officer at PDC. "We can say, 'Well the data really supports us being most engaged with these markets.'"

Although partners continue to tweak the model, Gurton says the results have been "eye-opening." The model both reconfirmed the significance of the region's economic ties to Japan and showed trading partners closer to home—Canada and Mexico—were an unrealized opportunity, a finding PDC has already translated into action. PDC has increased its focus on potential Canadian investors, rather than sovereign wealth funds and private equity, for several large redevelopment projects in the city's central business district. It is also looking closer at Mexico as market for its "We Build Green Cities" program.

"No single model has emerged for these partnerships. Some build on a foundation of cultural ties or existing economic links, while others are based on similar population size, industries and sectors, academic institutions, and other commonalities. In some cities and metro areas, regional economic development organizations have taken the lead; in others, city agencies or other groups have driven efforts. Goals, activities, and results often vary across collaborations."

CONCLUSION

Over the last five years, one of the primary goals of the Global Cities Initiative has been to help cities and metropolitan areas achieve a higher degree of "global fluency," increasing "the level of global understanding, competence, practice, and reach that a metro area exhibits in an increasingly interconnected world economy."[42]

As with any culture change, this evolution has not always been easy. But the cities and metro areas profiled in this paper have answered the call to think and act globally. They are embedding global trade and investment in the practice of economic development, strengthening collaborations with regional and state partners, identifying and building on their unique industries, strengthening the fundamentals and drivers of their traded sectors, and developing more sophisticated approaches to targeting global partners.

However, that experimentation and problem-solving can't end here. As our colleagues Brad McDearman, Greg Clark, and Joseph Parilla noted when defining the ten traits of global fluency, strengthening global competitiveness is a continuous process, requiring ongoing investment and adaptation to evolving trends and forces. On the path to global fluency, cities and metro areas must first become "globally aware" and "globally oriented," increasingly refocusing their attention on the global economy. To succeed, leaders will need to continue to be strategic and nimble, solidifying their core assets, adapting to changing trends, and proactively seeking opportunities.

Looking ahead, metropolitan America will undoubtedly face challenges deepening engagement with global markets. The Brexit and recent backlash against the Trans-Pacific Partnership point to increasing skepticism of trade and more open markets. And within metro areas and organizations themselves, leaders face the challenge of continuing to shift the dial, building and maintaining capacity and buy-in for new approaches to growth and economic development.

Yet this is also a time to remain ambitious. The global economy will remain highly integrated, and the economic fortunes of cities and metro areas will be tied to how well they navigate the complexity and competition in the global marketplace. The cities profiled here are demonstrating what it takes to thrive and adapt as modern global cities. ■

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ABOUT THE GLOBAL CITIES INITIATIVE

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The Global Cities Initiative equips city and metropolitan area leaders with the practical knowledge, policy ideas, and connections they need to become more globally connected and competitive.

Combining Brookings' deep expertise in fact-based, metropolitan-focused research and JPMorgan Chase's market expertise and longstanding commitment to investing in cities, this initiative:

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- Provides metropolitan area leaders with proven, actionable ideas for how to expand the global reach of their economies, building on best practices and policy innovations from across the nation and around the world.

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The Global Cities Initiative is directed by Amy Liu, vice president and director of the Brookings Metropolitan Policy Program.

Launched in 2012, the Global Cities Initiative will catalyze a shift in economic development priorities and practices resulting in more globally connected metropolitan areas and more sustainable economic growth.

Core activities include:

INDEPENDENT RESEARCH: Through research, the Global Cities Initiative will make the case that cities and metropolitan areas are the centers of global trade and commerce. Brookings will provide each of the largest 100 U.S. metropolitan areas with baseline data on its current global economic position so that metropolitan leaders can develop and implement more targeted strategies for global engagement and economic development.

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GLOBAL ENGAGEMENT STRATEGIES: In order to convert knowledge into concrete action, Brookings and JPMorgan Chase launched the Global Cities Exchange in 2013. Through a competitive application process, economic development practitioners in both U.S. and international cities are selected to receive hands-on guidance on the development and implementation of actionable strategies to enhance global trade and commerce and strengthen regional economies.

GLOBAL CITIES INITIATIVE

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