

Accelerating Growth

Plan in Place for State's Economic Development

By Tom Schuman

Are you an entrepreneur, someone who started his or her own company and has seen it mature and succeed? If so, one of the important early and lasting documents in the development and growth has undoubtedly been your business plan.

Did you join an existing company or organization? If so, the early business plan has certainly been augmented by an overall mission statement, with annual goals and objectives in place to help achieve that vision.

The point is that you need a plan to know where you're going and how to get there. The philosophy applies to individuals, companies, organizations, agencies – even states. In recent years, Indiana's business attraction and expansion efforts have been handicapped by the lack of a true economic development blueprint that was acted upon. That's not to say that there has been a failure to develop plans. The difference is whether the plan is left to gather dust on the shelf or is actually used to guide policy and program development.

Gov. Mitch Daniels admitted as much in releasing the Indiana Economic Development Corporation's (IEDC) *Accelerating Growth* plan when he said, "Any plan is only as good as its execution, but it reflects the best thinking of the best business minds in the state, and we'll use it to provide a framework to revive economic vitality."

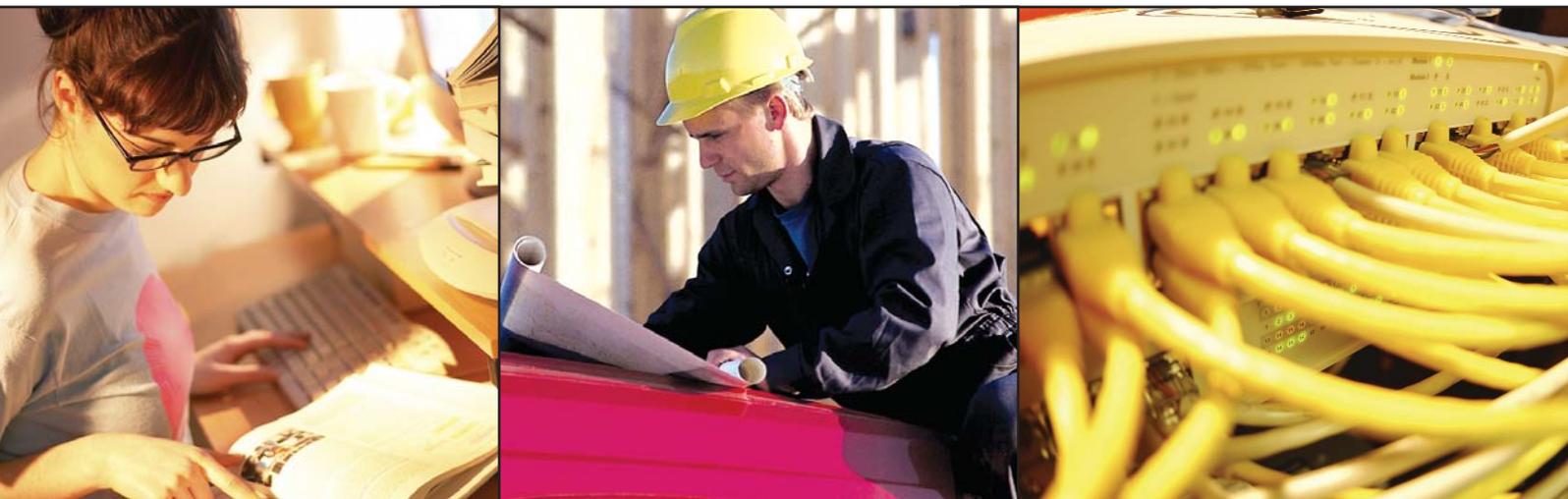
Member of the Indiana Chamber board of directors, Chamber President Kevin Brinegar and other staff members were among the stakeholders who provided input into the strategic plan. While the implementation will be a long-term venture and subject to future revisions based on changing economic factors, Brinegar sees *Accelerating Growth* as the latest sign that the state is on the right track.

"The list of accomplishments – both by the IEDC and in the legislative arena – over the last two years is impressive and continues to grow. This plan not only gives all of us a vision for growing Hoosier incomes, but it provides a short-term framework for the 2007 legislative session. With the next two-year state budget to be determined, work can begin now on formulating and financing some of the concepts outlined in *Accelerating Growth*."

Making improvements

The *Accelerating Growth* vision is to "meet the national average in per-capita income and average annual wages by 2020." While that may seem modest, it is an important goal. Indiana's per-capita income (106.4% of the national average in 1953) has declined to 91.4% of that average. In other words, Hoosiers make approximately 91 cents for every \$1 the average American earns. Indiana's economy will need to grow significantly faster than the nation's economy as a whole to

Accelerating Growth focuses on Indiana being in the best in innovation, talent and investment.



Accelerating Growth *(selected targets)*

Innovation

- Increase the growth of federal research dollars received by Indiana's universities, other qualifying nonprofit institutions (such as centers of excellence and federal labs) and private industry by a sustained annual average of at least 10%
- Double the number of SBIR (Small Business Innovation Research)/STTR (Small Business Technology Transfer) awards to Indiana businesses by 2008
- No good deal goes unfunded (and leaves our state or dies on the vine)

Talent

- Eliminate functional illiteracy in the workforce, training Hoosier adults to reach 21st century basic skill levels
- Double the number of adult part-time learners by 2010, achieving a national ranking in the top half of states. Increase the competitiveness of existing and future Hoosier employers and their skilled workers
- Attract top global talent to Indiana companies and educational institutions to support economic development and business growth

Investment

- Improve the business climate in Indiana through tax and regulatory reform that promotes investment
- Seek ways to reduce the number of Hoosiers without health insurance and to reduce the costs of health care for Indiana businesses and workers
- Make significant improvements/enhancements to the state's physical and "intangible" infrastructures in order to ensure that they are able to support the future requirements of a growing and evolving Indiana economy

reach the average.

The three key imperatives identified in the plan at which Indiana must excel to reach that vision are:

- **Innovation** – leverage Hoosier talent and skills, as well as the state's public and private universities, to drive research, development and investment in high-growth areas
- **Talent** – invest in current and future Hoosier workers to provide them with the globally competitive skills, knowledge and aspirations to generate the innovations
- **Investment** – build a better "sandbox" in Indiana to attract new investment and encourage growth by companies already operating in the state

Each imperative includes specific initiatives, goals and targets, allowing for a clear measurement of progress and ultimate success. Some of those targets are listed in the box on this page and complete details are available in the full plan.

Two important factors are emphasized in *Accelerating Growth*. First, it must span over the course of several gubernatorial administrations. To do so, "requires that the plan be kept relevant and robust in the years to come as economic conditions change. The IEDC, working with the other state agencies, must carry out the plan and institutionalize the systems, processes and practices necessary to track progress and make inevitable mid-course corrections."

Second, while the plan advocates a statewide vision, today's reality is that "Indiana is not a single economy. It is a collection of regional economies with unique combinations of public and

private sector economic development assets and liabilities. There are regional components to many of the initiatives that must be identified and addressed. Such components will be successful only if they are supported by a network of regional stakeholders who share a collective vision of accelerating growth."

Chamber input

The formation of the IEDC, a public-private partnership to guide the state's economic development efforts, was among the first acts of the Daniels administration in 2005. The organization's board of directors includes five business leaders who are also current Indiana Chamber board members. They are Robert Koch II, Evansville; Cathy Langham, Indianapolis; James Marcuccilli, Fort Wayne; Mac McCormick, Vincennes; and John Mutz, Indianapolis.

Accelerating Growth is the result of more than a year of information-gathering, study and analysis. Not only did Chamber staff and board members participate in that process, but the organization's *Economic Vision 2010* and the annual *Economic Vision 2010 Report Card* were key components both in the formation of the plan and in the actual document itself.

Economic Vision 2010, first released in June 2000, states: "Indiana will be one of the best business start-up and growth economies in the world, focusing on the creation of high-skill, high-wage jobs and outstanding productivity." The Report Card uses

101 metrics to evaluate progress.

The Chamber has achieved success in implementing many of *Economic Vision 2010*'s public policy initiatives, but has seen little movement in Indiana's ranking compared to other states. Some of the yet-to-be-accomplished proposals, as well as other Chamber priorities, are prominently included in *Accelerating Growth*.

"It's encouraging to see the long-term work of Chamber board members and staff on *Economic Vision 2010* be recognized by the administration in its planning process and in the final goals and objectives," Brinegar states. "In addition, the collaborative approach is a most positive sign moving forward. No state agency, no private sector group, no chamber of commerce can do this alone. It will take a sustained, coordinated effort to lift the wages and standard of living of Hoosier workers and the economic performance of the state as a whole.

"Some of the underlying objectives in *Accelerating Growth* have been achieved through policies and programs put into place the last two legislative sessions," he continues. "Progress and optimism are at deservedly high levels. Now, the state has a blueprint to carry out the mission."

INFORMATION LINK

Resources: *Accelerating Growth* at www.in.gov/iedc/pdfs/Strategic_Plan.pdf

Indiana Chamber's Economic Vision 2010 and Economic Vision 2010 Report Card at www.indianachamber.com/ev2010.asp