• Overview

• Strategy #1: Prioritizing Key Clusters and Existing Businesses

• Strategy #2: Establishing Regional “Jobs Base Camps”

• Strategy #3: Reducing Business Regulation

• Strategy #4: Investing in Innovation
Governor Haslam asked ECD to undertake a 45 day top-to-bottom review to develop a Jobs4TN plan.

- **62** Interviews with stakeholders
- **297** Roundtable participants
- **42** Interviews with ECD staff
- **878** ECD investments analyzed
- **16** Pro bono consultants & advisors
- **12** Interviews with national experts
The Governor’s Jobs4TN plan contains four key strategies for making Tennessee No. 1 in the SE for high-quality jobs.

**Ultimate Goal**
Tennessee Becomes No. 1 in the Southeast for High-Quality Jobs

1. **Strategy #1**
   Prioritizing Key Clusters & Existing Businesses

2. **Strategy #2**
   Establishing Regional “Jobs Base Camps”

3. **Strategy #3**
   Reducing Business Regulation

4. **Strategy #4**
   Investing in Innovation
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ECD used Michael Porter’s clustering methodology to identify clusters in which Tennessee has a competitive advantage.

**Definition of a Cluster**
Clusters are a geographically proximate group of interconnected companies and associated institutions in a particular industry, including product producers, service providers, suppliers, universities, and trade associations.

**Traded Clusters**
- Include those industries that compete across regions and which tend to concentrate in particular locations
- Are engines of regional economic competitiveness
- Account for only about a third of employment, yet they achieve the highest wages and productivity levels and drive demand for localized businesses

**Local Clusters**
- Involve activities serving almost exclusively the local market
- Located in every region in roughly the same proportions
- Employ the majority of people in any regional economy, so their efficiency is critical for competitiveness in traded clusters

**Key Questions**

| How can Tennessee gain a **competitive advantage** when compared to other states? |
| How can Tennessee ensure jobs are **high-quality**? |
| How has each industry **performed in recent years**? |
| What is the **likelihood** of the industry **fostering significant job growth**? |

**Metrics**

| 2. Percent difference between Tennessee average wage and U.S. average wage in each cluster (2008) |
| 3. Average Tennessee wage in each cluster (2008) |
| 4. Change in Tennessee’s share of employment in each cluster (1998-2008) |
| 5. Percent of venture capital deals in each cluster (2005-2010) |

**Source:** Michael Porter’s Report on Tennessee’s Competitiveness from the NGA Winter Meeting, 2011
ECD is now focusing its business development efforts on eight key clusters in which the state has a competitive advantage.

**Automotive**
- Motor Vehicles
- Automotive Parts
- Automotive Components
- Forgings & Stampings
- Flat Glass
- Production Equipment
- Small Vehicles & Trailers
- Tires & Inner Tubes

**Chemical Products & Plastics**
- Intermediate Chemicals & Gases
- Packaged Chemical Products
- Other Processed Chemicals
  - Refractories
  - Ammunition
- Plastic Materials, Resins & Products
- Paints & Allied Products
- Synthetic Rubber
- Carbon Fiber & Advanced Composite

**Transportation, Logistics, & Distribution Services**
- Air & Land Transport
- Transportation Arrangement & Warehousing
- Merchandise, Apparel, Accessories, Food Products, Farm Material & Supplies Wholesaling
- Catalog & Mail-order
- Airports & Bus Terminals
- Trucking Terminals

**Business Services**
- Headquarters
- Data and Call Centers
- Financial Services
- Online Information Services
- Computer Services & Programming
- Facilities Support Services

**Healthcare**
- Surgical Instruments & Supplies
- Dental Instruments & Supplies
- Medical Devices & Equipment
  - Diagnostic Substances
  - Healthcare Services
  - Healthcare IT
- Biological and Biotechnology Products
- Health Insurance Products

**Advanced Manufacturing**
- Motors, Generators & Batteries
- Refrigeration & Heating Equipment
- Appliances

**Energy Technologies**
- Lighting Fixtures & Electrical Parts
- Turbines & Turbine Generators
- Clean Energy Products
  - Electric Services
- U.S. Department of Energy Multiprogram Science and Technology Laboratory

**Entertainment**
- Artist Management
- Record Companies & Music Publishing
- Film Distribution
- Film & Television Production
- Music Video/Commercial Production
- Audio Post Production
- Music Studios
- Theatrical Arts

Source: Only a subset of existing Tennessee companies in each cluster are listed above.
ECD’s review found that a vast majority of new jobs in Tennessee are created by existing businesses.

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Nine “jobs base camps” have been established across the state, each of which is led by a Regional Director.
### Each “jobs base camp” will focus on six key activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Details</th>
<th>Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Plan</td>
<td>• Develop and/or revise a regional economic development plan</td>
<td>• ECD, local partners</td>
</tr>
<tr>
<td>Business</td>
<td>• Identify “shovel-ready” sites in each region and create a regional</td>
<td>• ECD, local partners</td>
</tr>
<tr>
<td>Recruitment</td>
<td>plan for investing in near “shovel-ready” sites</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Load all potential sites into ECD-maintained database</td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>• Develop a plan for reaching out to all existing businesses to see</td>
<td>• ECD, local partners</td>
</tr>
<tr>
<td>Expansion</td>
<td>what, if anything, can be done to help them reinvest and expand</td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>• Create or reinvest in an entrepreneurial accelerator in each region</td>
<td>• ECD, local partners</td>
</tr>
<tr>
<td>Workforce</td>
<td>• Enhance coordination between workforce investment boards and</td>
<td>• ECD, Labor, local partners</td>
</tr>
<tr>
<td>Development</td>
<td>regional “jobs base camps” through regular meetings</td>
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</tr>
<tr>
<td></td>
<td>• Use data to ensure that workforce investment funds are aligned</td>
<td></td>
</tr>
<tr>
<td></td>
<td>with training needs of existing employers</td>
<td></td>
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</tbody>
</table>
## Recommendations on how to reduce regulations on business

<table>
<thead>
<tr>
<th>Identification</th>
<th>Analysis</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• ECD will partner with third party groups to <strong>survey businesses</strong> about burdensome regulations</td>
<td>• ECD will work with pro bono outside law firms to conduct a <strong>cost-benefit analysis</strong> of each burdensome regulation identified</td>
<td>• ECD will present a <strong>report to the Governor</strong> on regulations that should be eliminated or modified</td>
</tr>
<tr>
<td>• ECD will hold <strong>one-on-one meetings</strong> with key business leaders and third party groups to identify burdensome regulations</td>
<td>• ECD will examine the steps for <strong>starting a small business</strong> in Tennessee and see which, if any, regulations can be eliminated or simplified</td>
<td>• Click <a href="#">here</a> to read the report.</td>
</tr>
<tr>
<td>• The Governor will request that each <strong>department</strong> provide ECD with a list of their regulations affecting business that could be eliminated or simplified</td>
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<tr>
<td>• ECD will create a <strong>public email address</strong> to collect suggestions of burdensome business regulations</td>
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Governor Haslam has launched a $50 million INCITE Initiative to enhance innovation efforts across the state

<table>
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<tbody>
<tr>
<td>INCITE</td>
<td>• Annual Governor’s Innovation Conference</td>
</tr>
<tr>
<td></td>
<td>• Annual Governor’s Innovation Annual Report</td>
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<td></td>
<td>• Quarterly INCITE Partners Meeting</td>
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<tr>
<td>Commercialization</td>
<td>• TTDC Activities Commercialization Fund</td>
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<td></td>
<td>• Memphis Research Consortium</td>
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<td>Entrepreneurship</td>
<td>• Nine Regional Accelerators</td>
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<td></td>
<td>• StartUp Tennessee</td>
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<tr>
<td>Investment</td>
<td>• INCITE Co-Investment Fund</td>
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<td></td>
<td>• TNInvestco</td>
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<td></td>
<td>• Small Opportunity and Rural Opportunity Loan Funds</td>
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