



THE UNIVERSITY OF
SOUTHERN
MISSISSIPPI®

Chad R. Miller Ph.D.
Professor of Economic
Development
College of Business &
Economic Development

Target Industry Analysis



Economic Development Program

- Founded in 1982
- 30 hrs Master of Science of Economic Development program
- Executive Hybrid Format
 - In-Person/On-Line Classes
- Data driven economic development

Mission: To be the leading graduate program in the nation for educating US-based local/regional economic development practitioners who can wisely manage public-private investment collaborations to facilitate sustainable growth in the economy



Local Economy as a Leaky Bucket



New money into the bucket

- Exports from region
- Outside investment
- Tourist

Base Sector

Money Sloshing around the bucket

- Retailers
- Local sales and services

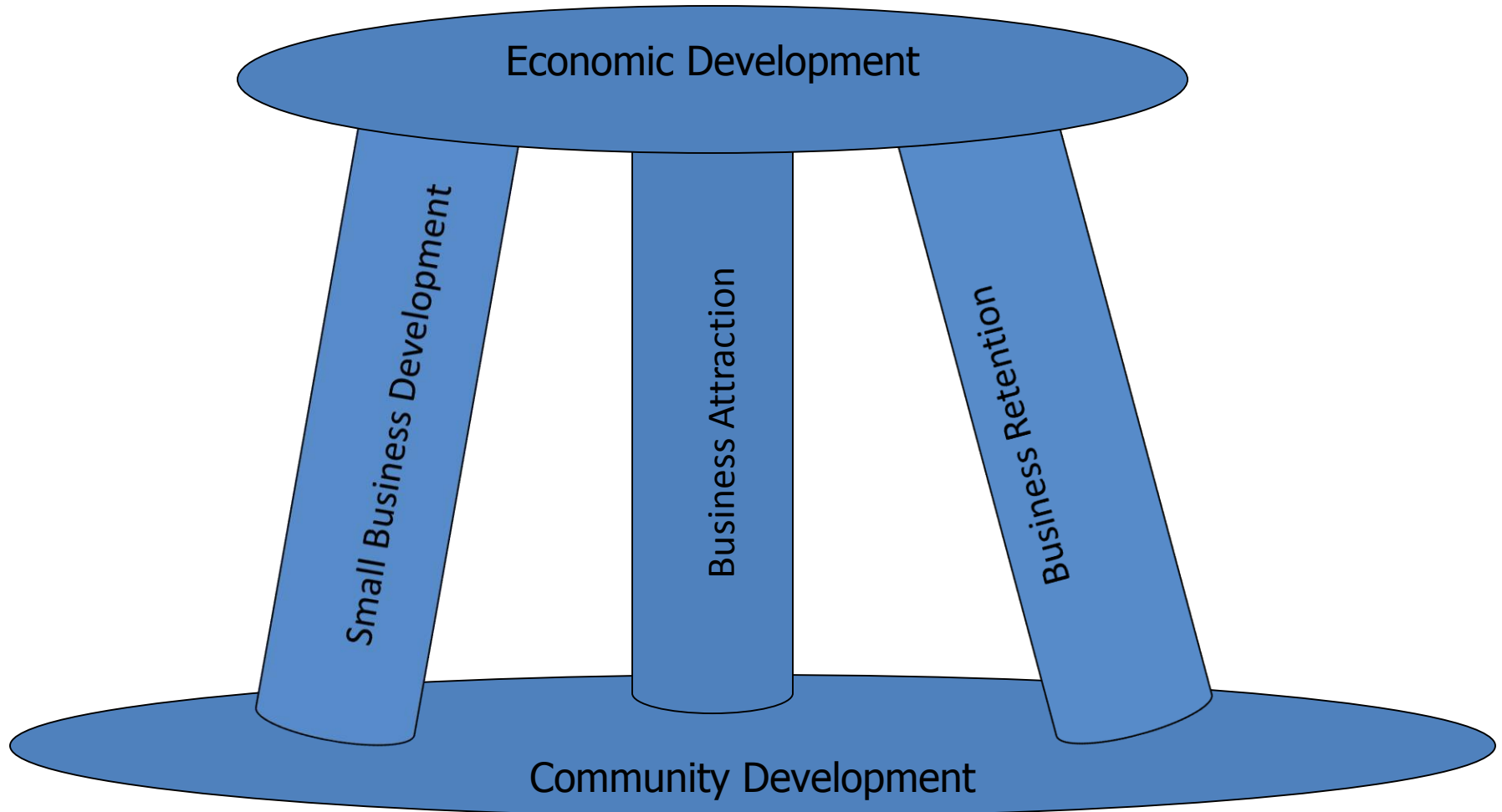
Non-Base Sector

Money Leaking out of the bucket

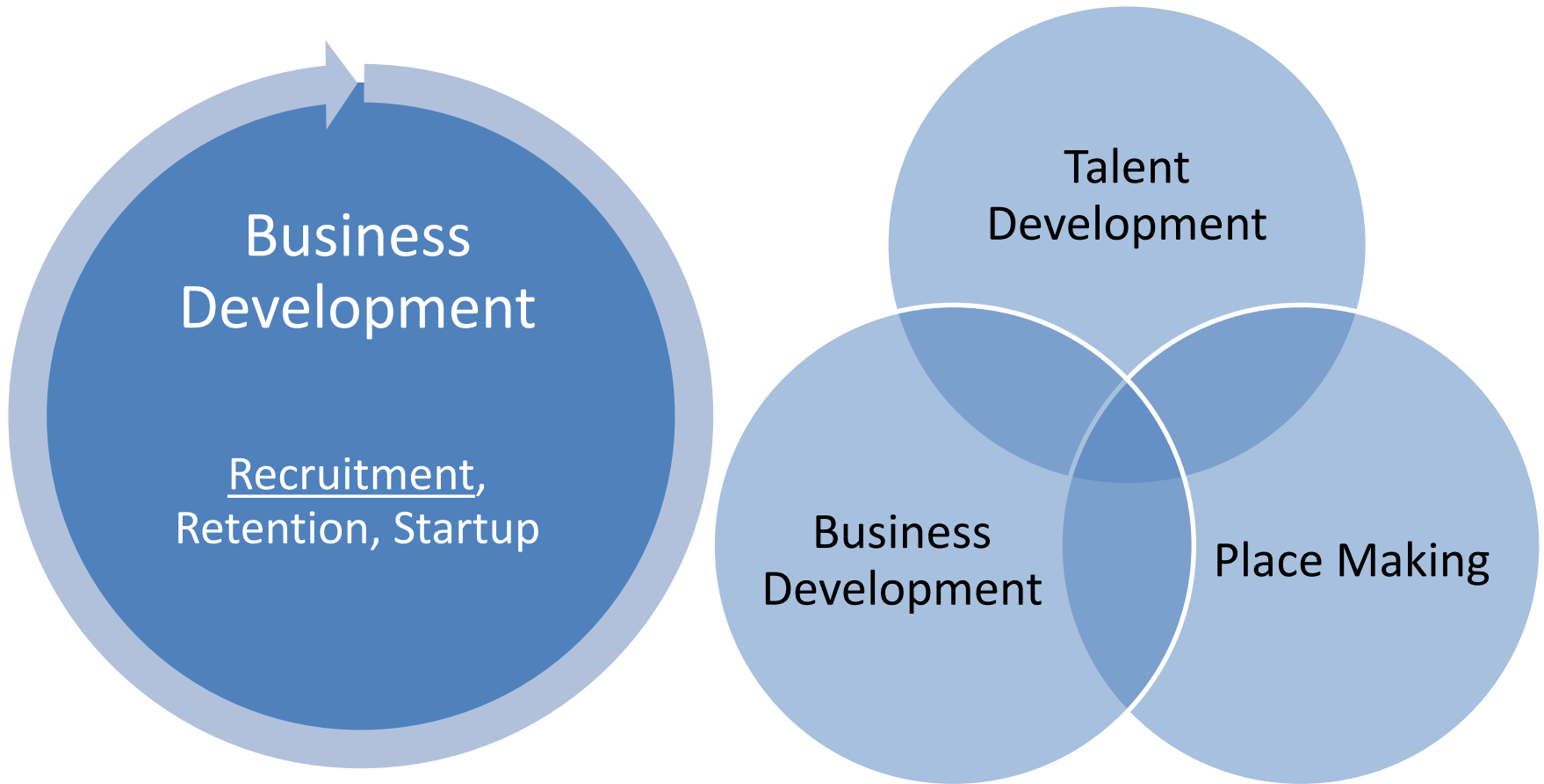
- Imports into region
- Investments outside of the region

See Fruth, William (2018). *The Flow of Money: How Local Economies Grow and Expand*.

Three-Legged Stool



Then and Now?





Targeting industries for attraction

Match a region's assets or competitive advantage

Coincide with its development goals

Having investment and growth potential that will help to diversify the economy

More effective and efficient use of limited resources

As opposed to shoot anything that flies, claim anything that falls.

Area Development's 2017 Critical Site Selection Factor

1. Availability of Skilled Labor
2. Highway Accessibility
3. Quality of Life
4. Occupancy or Construction Costs
5. Available Buildings
6. Labor Costs
7. Corporate Tax Rate
8. Proximity to Major Markets
9. State and Local Incentives
10. Energy Availability and Costs

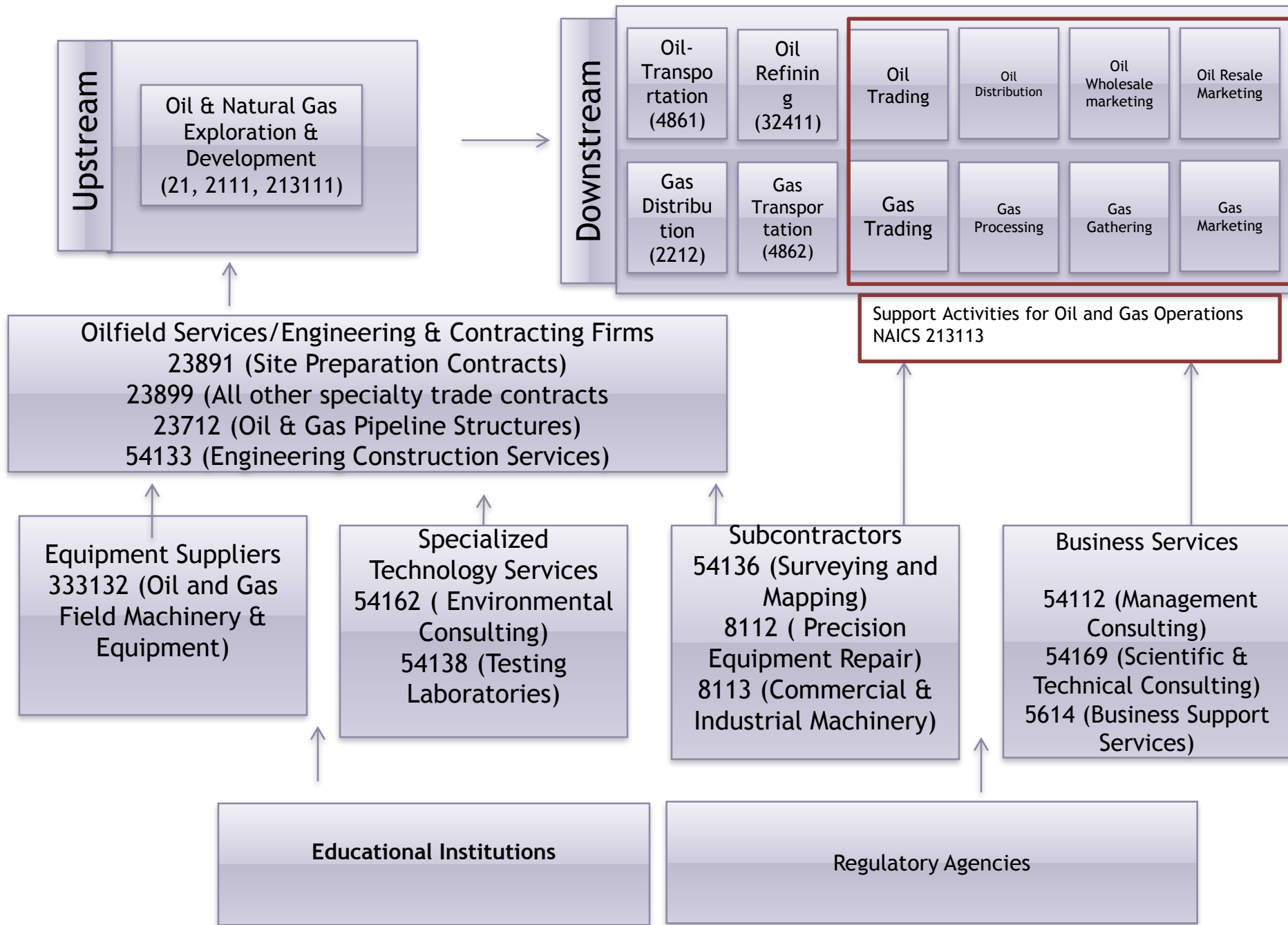
Reverse engineer
the “site
elimination”
process

Different Approaches

- AHP and Matching Models
 - What does the community want?
- Cluster Gap Analysis
- Bill of Lading Data (Datamyne/PIERS)

Goetz, Stephan J., Steven C. Deller and Thomas R. Harris (2009). *Targeting regional economic development*. London: Routledge

Hydraulic Fracturing Cluster



Datamyne Target Industry Approach

1. Query historical Bill of Lading records of imported goods to Region.
2. Rank buyers by product volume.
3. For these top buyers, examine the product type and international suppliers.
4. For each supplier, shipping cost was estimated based on the TEUs, unit shipping price, port of origin and arrival.
5. For each supplier, compare the shipping cost and product value of its historical exports.
6. Identify those suppliers whose shipping cost take high percentage (>50%) of the product value. These are the target companies who would have saved high shipping cost if they moved to Region.

Tippah County Buyer list ranked by TEUs quantity

Buyers	Full Address	Teus Quantity	Total calculated value (US\$)	Percentage of TEUs	Percentage of Total calculated values
SYNERGY HOME FURNISHINGS LLC (MS)	576 E Walnut St, Ripley, MS 38663-2272, USA	2800	33799840	96.96%	89.67%
ALUMA FORM INC (MS)	141 PULLIAM ROAD/101 ALUMFORM WAYWALNUT, MISSISSIPPI, 38683, US	33	1236354	1.15%	3.28%
SPARKLE FIREWORKS INC (MS)	10590 Highway 15 S, Ripley, MS 38663-2923, USA	22	520842	0.76%	1.38%

Top Sellers to Tippah County

NO.	Seller name	CEO/Contact Address TEL NO.	Product	Port of origin	TEUs Quant ity	Freight Cost	Total calculated value	Product value per TEU	Freight cost per TEUs
1	HAINING HOME POINT FURNITURE (CN)	GUANWU CHANG 01 Wei Zone, Jianshanwei Reclamation Zone, Huangwan Town, Haining, Zhejiang 314415, China 57387234691	FURNITURE AND FIXTURES, NEC, NSK	Shanghai, China	1929	\$6,239,884 - \$10,354,857	\$23339693.45	\$12096	\$3,233-\$5,365
2	SUZHOU BAODALI LEATHER CO LTD (CN)	Pan Min No. 9 Zhujiawan Road, Zhoushi Town, Kunshan, Suzhou, Jiangsu, China 512-57060660	Fabric Sofa, Leather Sofa	Shanghai, China	326	\$1,057,385 - \$1,754,762	\$3503712.77	\$10731	\$3,234-\$5,366



The Modified REDRL steps

1. Determine study area
 1. Labor shed (US Census)/EMSI
2. Initial screening criteria (4 digit NAICS)
 1. EMSI
3. Value chain analysis
 1. EMSI
4. Ranking the industries
 1. EMSI
5. Analyze industry trend and geography
 1. IBISWorld/Google search
6. Identify target regions (5-6 digit NAICS)
 1. EMSI
7. Top industries company identification within target regions
 1. Nexus-Uni
8. Screen Companies
 1. Gazelle AI

Goetz, Stephan J., Steven C. Deller and Thomas R. Harris (2009). *Targeting regional economic development*. London: Routledge discusses Clemson's Regional Economic Development Research Laboratory (REDRL) industry targeting approach.

Panola County, Mississippi

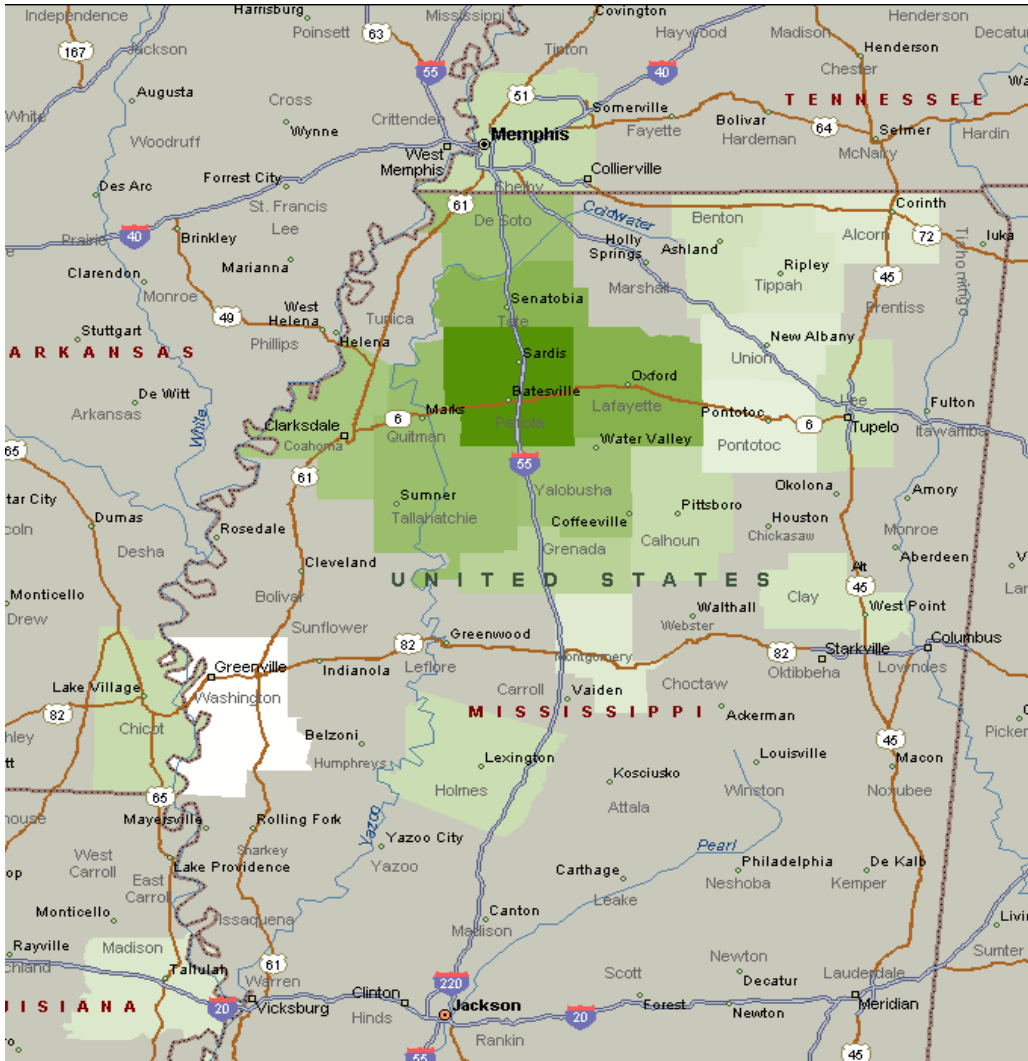


Step 1: Determine the Study Area

Counties

1. Panola
2. Tate
3. Desoto
4. Lafayette
5. Quitman
6. Tallahatchie
7. Yalobusha

Create Region Group



Source: U.S. Census Table 2. Residence County to Workplace County Flows for the United States and Puerto Rico Sorted by Workplace Geography: 2006-2010

Step 1: Initial screening criteria (4 digit NAICS level)

1. Five or more establishments in the region
2. Region industry employment greater than 0.5% of region employment
3. Industry employment increased in the last 5 yrs
4. LQ exceeds 1.00
5. Shift share regional competitiveness (last 5 yrs) positive
6. Base sector firms

EMSI: Industry >Research Full Table of all Industries in the region -
>Custom Data Selection including 1) Payrolled Business Locations 2)
Jobs End Year 3) % job change 4) Location Quotient End Year 5) Shift
Share Competitive Effect

Panola Region has 122,196 jobs (0.5% equals 610 jobs)

Panola Region

NAICS	Description	2017 Payrolled Business Locations	2017 Jobs	2012 - 2017 % Change	2017 Location Quotient	Competit ive Effect
		5,873	122,196	(18%)		8,746
4841	General Freight Trucking	89	1,641	23%	1.32	95
4931	Warehouse and Storage	83	6,056	72%	7.79	748
1110	Crop Production	68	709	(4%)	1.13	(34)
7139	Other Amusement & Recreational	65	1,089	34%	1.02	(74)
5419	Other Professional, Scientific, and Technical Services	49	619	27	0.93	46
3323	Structural Metal Manufacturing	13	1,034	18%	3.60	411
6221	General Medical Hospitals	6	3,755	(3%)	1.06	(337)

Select top 3 to 5 for further analysis

Step 2 Value Chain

- Input-Output>Supply Chain Analysis ->Industry Purchases in one hour drive time

Industry in One Hour Drive Time	In-Region Purchases	% In-region Purchases
General Freight Trucking	\$103,712,963	70%
Warehouse and Storage	\$62,686,253	78%
Professional, Scientific, and Technical Services	\$46,787,069	64%
Structural Metal Manufacturing	\$15,689,118	58%

Step 3: Ranking Industries

- EMSI: Industry>Research Full Table of all Industries in the region, but limit by industry ->Custom Data Selection including 1) Shift share Industry growth effect in % terms 2) Avg earnings per job 3) Earnings multipliers (6 digit)

		Industry Growth Effect	2016 Earnings multiple	Avg Earnings
4841	General Freight Trucking	-19 (-1%)	1.36	\$50,641
4931	Warehouse and Storage	1,490 (42%)	1.28	\$46,863
5419	Professional, Scientific, Services	41 (9%)	1.24	\$25,109
3323	Structural Metal Manufacturing	7 (1%)	1.34	\$51,500
	Avg Earnings Per Job			\$40,800

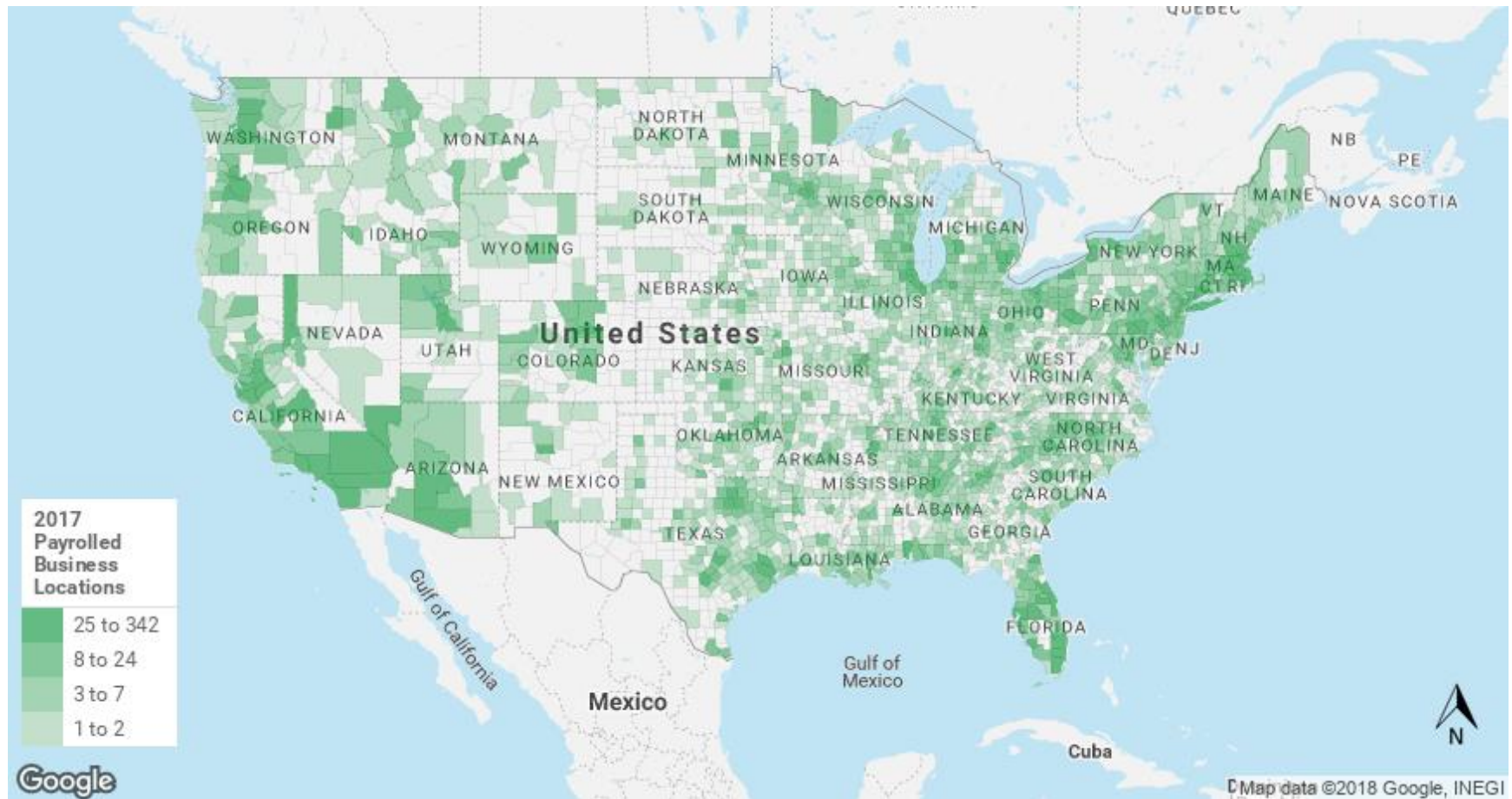
Calculate % Industry growth = Change in jobs/start year jobs

Step 4a: Analyze Industry Trends

- **IBISWorld Industry Report: Structural Metal Product Manufacturing in the US**
 - Strong structure: Accelerating construction activity will drive industry revenue growth
- **IBISWorld Industry Report: Storage & Warehouse in the US**
 - Storing up: The industry will continue to reap the benefits of an improving economy

Determine 6 digit NAICS with best potential

Step 4b: Analyze Industry Geography



EMSI Industry Map Architectural and Structural Metals Manufacturing

Step 5: Identify Target Regions

- EMSI-Industry>Business Recruitment

Top Target Region

Chicago-Naperville-Elgin, IL-IN-WI

398

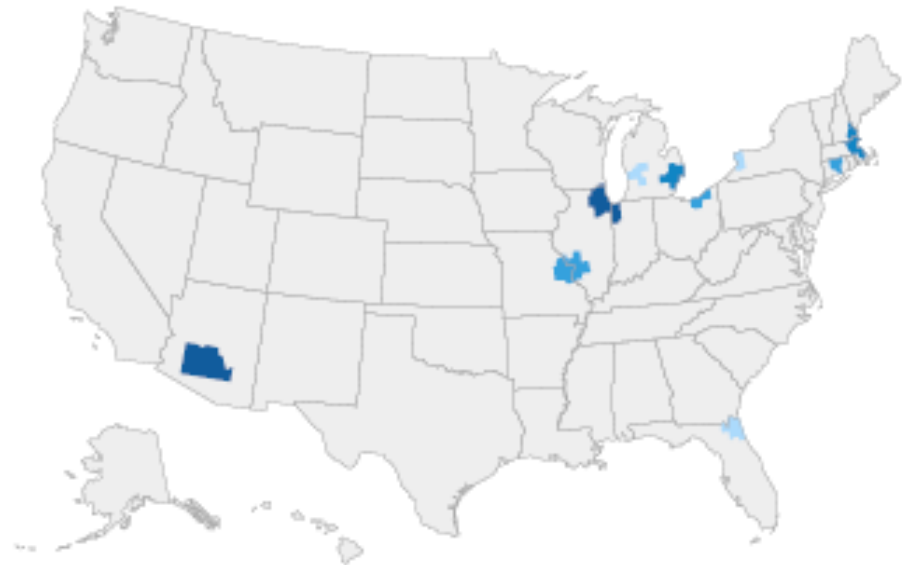
Payrolled Business Locations (2017)

This region lost 21 payrolled business locations in the industry from 2012-2017. High payrolled business location loss signals that businesses are **willing to relocate**.

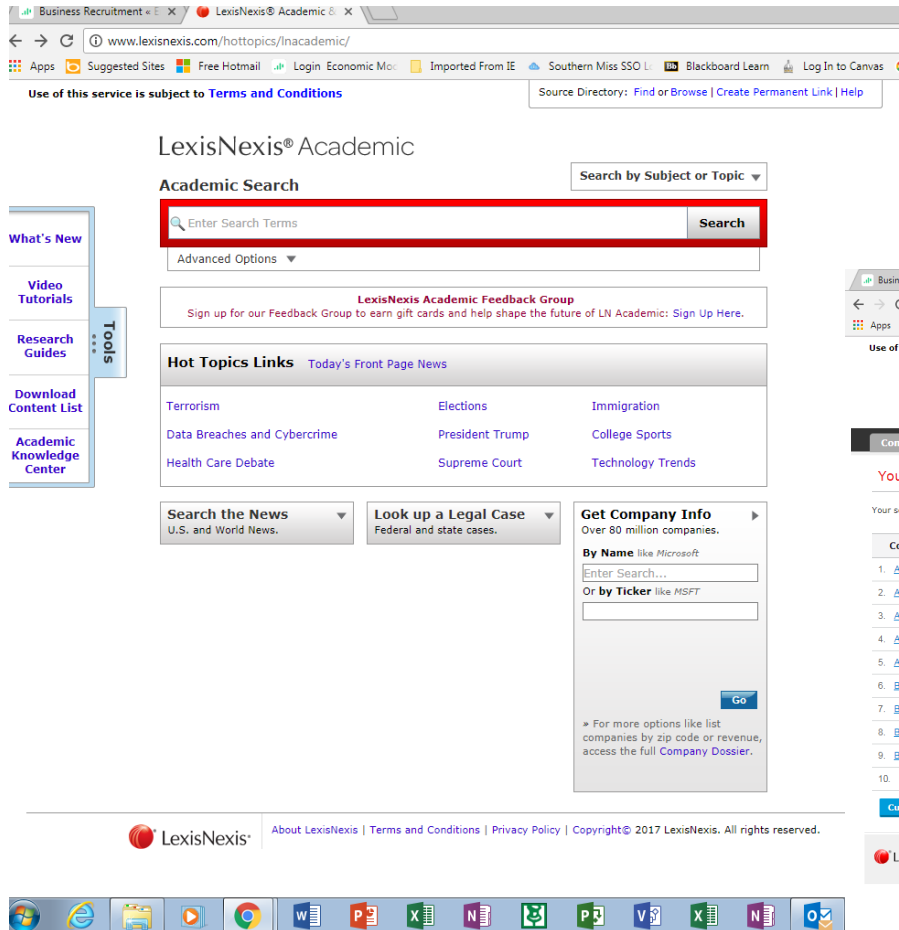
\$70,011

Avg. Earnings Per Job (2017)

This region's industry earnings are above your region's industry earnings of \$51,650. Your region's cheaper average labor cost may make it **easier to attract** businesses.

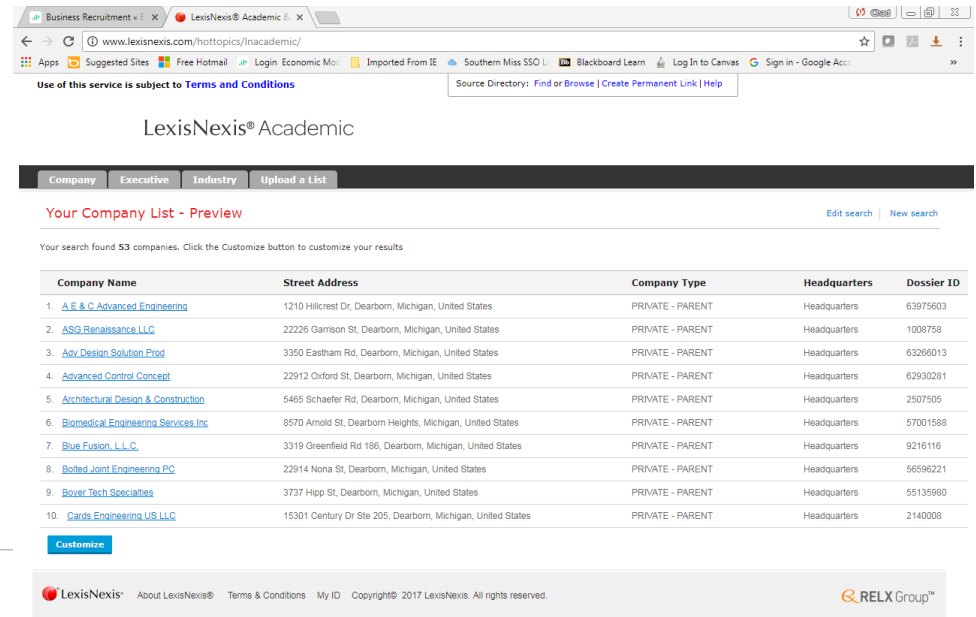


Step 6: Identify Specific Target Companies



The screenshot shows the LexisNexis Academic search interface. The browser address bar displays www.lexisnexis.com/hottopics/lnacademic/. The page header includes navigation links like 'Business Recruitment', 'LexisNexis Academic', and 'Source Directory: Find or Browse | Create Permanent Link | Help'. The main content area is titled 'LexisNexis® Academic' and features a search bar with the placeholder 'Enter Search Terms' and a 'Search' button. Below the search bar, there are links for 'Advanced Options' and a 'Sign up for our Feedback Group' button. The 'Hot Topics Links' section lists various topics such as Terrorism, Elections, Immigration, Data Breaches and Cybercrime, President Trump, College Sports, Health Care Debate, Supreme Court, and Technology Trends. The 'Search the News' and 'Look up a Legal Case' sections are also visible. The 'Get Company Info' section provides options to search by name (like Microsoft) or by ticker (like MSFT), with a 'Go' button and a link to 'Company Dossier'.

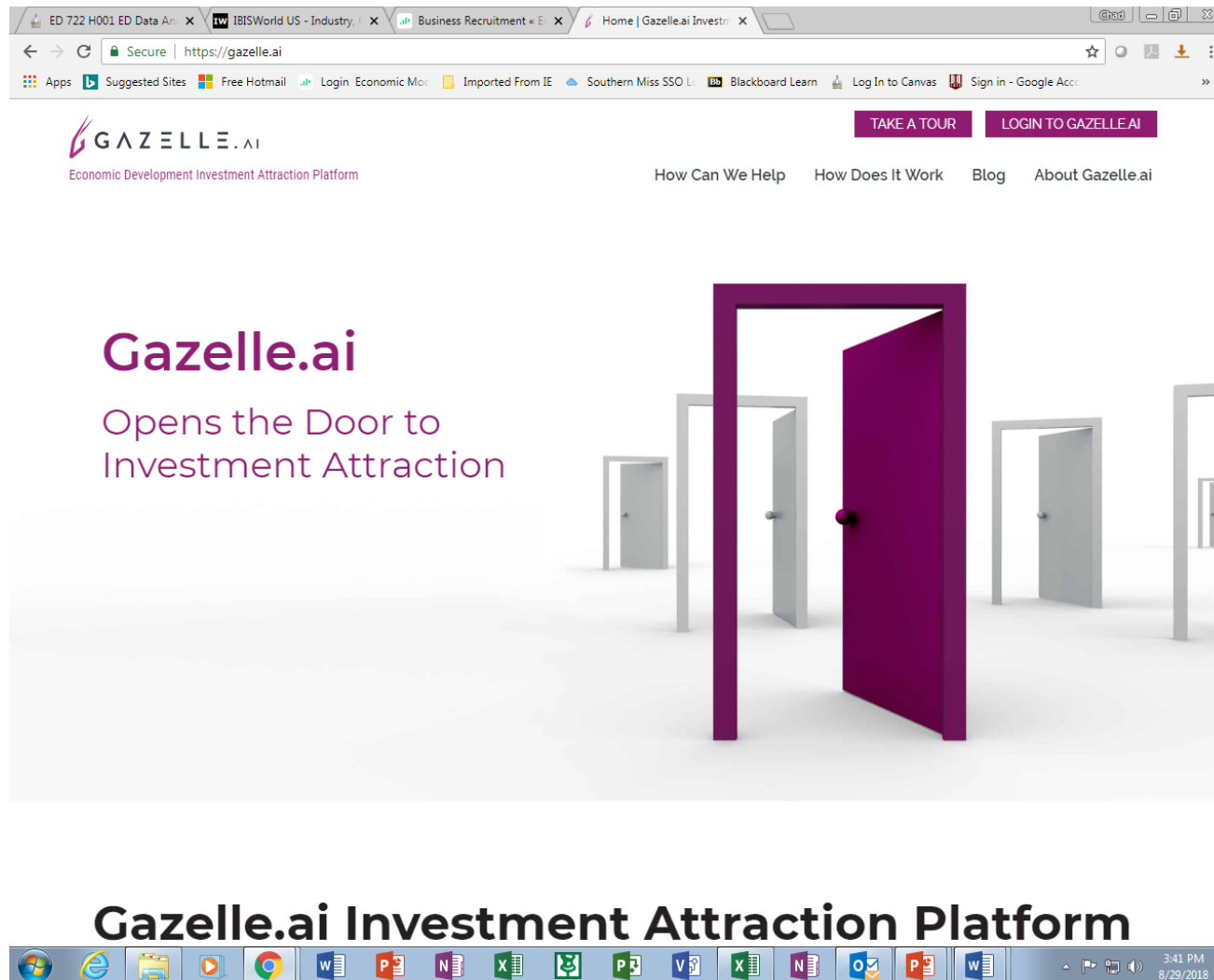
LexisNexis->Get Company Info ->Create Company List



The screenshot shows the 'Your Company List - Preview' page in LexisNexis Academic. The page displays a table of 53 companies, with the first 10 listed. The table has columns for Company Name, Street Address, Company Type, Headquarters, and Dossier ID. A 'Customize' button is located below the table. The footer includes the LexisNexis logo, navigation links, and the RELX Group logo.

Company Name	Street Address	Company Type	Headquarters	Dossier ID
1. A E & C Advanced Engineering	1210 Hillcrest Dr, Dearborn, Michigan, United States	PRIVATE - PARENT	Headquarters	63975603
2. ASG Renaissance LLC	22226 Garrison St, Dearborn, Michigan, United States	PRIVATE - PARENT	Headquarters	1008758
3. Adv Design Solution Prod	3350 Eastham Rd, Dearborn, Michigan, United States	PRIVATE - PARENT	Headquarters	63268013
4. Advanced Control Concept	22912 Oxford St, Dearborn, Michigan, United States	PRIVATE - PARENT	Headquarters	62930281
5. Architectural Design & Construction	5465 Schaefer Rd, Dearborn, Michigan, United States	PRIVATE - PARENT	Headquarters	2507505
6. Biomedical Engineering Services Inc	8570 Arnold St, Dearborn Heights, Michigan, United States	PRIVATE - PARENT	Headquarters	57001588
7. Blue Fusion L.L.C.	3319 Greenfield Rd 186, Dearborn, Michigan, United States	PRIVATE - PARENT	Headquarters	9216116
8. Bolted Joint Engineering PC	22914 Nona St, Dearborn, Michigan, United States	PRIVATE - PARENT	Headquarters	56596221
9. Boyer Tech Specialties	3737 Hipp St, Dearborn, Michigan, United States	PRIVATE - PARENT	Headquarters	55135980
10. Cards Engineering US LLC	15301 Century Dr Ste 205, Dearborn, Michigan, United States	PRIVATE - PARENT	Headquarters	2140008

Step 7: Screen Individual Companies



Step 8: Screen Individual Companies

- Prepare a professional technical report
 - An executive summary is a concise description of what the report contains. Pull important points from the body of the report and put them into the executive summary. Include the major findings, analysis and conclusions., a good executive summary allows the reader to understand the basic content of the report without reading the report
 - Introduction –Get the reader interested in your research and let them know what is coming
 - The purpose of tables and figures in documents is to enhance your readers' understanding of the information in the document. Because tables and figures supplement the text, refer in the text to all tables and figures used and explain what the reader should look for when using the table or figure. Focus only on the important point the reader should draw from them, and leave the details for the reader to examine on her own.
 - Aristotelian "trptych"
 - "Tell them what you are going to tell them, tell them, then tell them what you told them."