Global Competition is Oblivious to Boundaries

Global talent and labor markets are attracting firms to all continents.
Global Competition is Oblivious to Boundaries

Today, business expansion and location decisions are as much about casting affirmative votes on a nation’s competitiveness as much as they are about business growth strategy.

Over the past 30 years, we have witnessed a dramatic change in how and where both established firms and new enterprises decide to locate their operations.

Just how does the U.S. fare in the competition for business expansions and locations?

Sources: IBM Institute of Business Value December 2012; FDI Intelligence March 2013.
In 2012, Dr. Michael Porter and Jan Rivkin surveyed 10,000 Harvard Business School alumni about their experiences in location decisions involving the U.S. Of the respondents, nearly 1,800 had been directly engaged in a business location decision involving the U.S. as an option during the prior year.

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Major findings:

• **57 percent**
  decision entailed whether to move existing operations outside of the U.S.

• **34 percent**
  decision entailed whether to locate new operations in the U.S. or elsewhere

• **9 percent**
  decision entailed whether to locate off-shored operations back into the U.S.

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32%

How often was the U.S. selected as a location?

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New reality for the 21st century economy: the U.S. is less competitive for many of the business retention/expansion projects and new location projects that are fundamental to innovation, job generation and competitiveness.
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The mandate for American communities is clear:

Understanding the new global context in which businesses make location and job-creating decisions is mission critical to sustainable, successful economic development.
Megatrends Impacting Business Locations and Job Creation

- The rise of the world’s middle class
- Ubiquity of technology and the hyperconnectivity of the world
- Highly educated global talent pool
Today, we are on the threshold of what many experts believe to be the most defining megatrend of our age, and that is the world’s rapidly growing middle class.

Over the past 20 years, the world’s consuming class has more than doubled to 2.4 billion people today.

By 2025, that number is expected to nearly double again - to 4.2 billion consumers out of a projected global population of 7.9 billion, and the annual consumption in emerging markets is projected to reach $30 trillion dollars by 2025.

As an additional 1.8 billion people enter the global consuming class over the next 12 years, total global consumption will reach $64 trillion, doubling the amount of goods and services consumed today.

The ubiquity of technology and global hyperconnectivity have created new opportunities for people and business by redefining the way business is done, generating new products and services, and accelerating innovation and time-to-market.

The most powerful force driving these changes is information technology. In the past few years, the world has experienced an order-of-magnitude change in the volume of data and computing capacity that is needed to process it. Several major “disruptive” technologies have emerged as a result:

• Cloud computing
• Virtualization
• Analytics
• Big Data
• Digitized business processes, including additive manufacturing
• Datacenters

Nations on all continents are ramping up their investments to produce the most educated and job-ready talent.

While working-age populations in developed economies such as the U.S. will decrease, many emerging economies are producing just as many, if not more, college-educated workers than in established markets.

By 2020, the world could have 40 million fewer college-educated workers than what will be required, while developing nations may encounter a shortage of 45 million workers with secondary-school educations and vocational training.

In the U.S. alone, experts anticipate 5 million fewer college-educated workers than what the domestic economy will require by 2020.

Sources: Organization for Economic Cooperation and Development January 2010; PriceWaterhouseCoopers December 2012; McKinsey Global Institute November 2012; Georgetown University Center on Education and the Workforce June 2013.
All of these megatrends have converged and have dramatically changed business and economic growth as we know it.

New models for economic development in the 21st century are emerging:

- Multi-regional partnerships - globally and domestically
- Multi-national partnerships
- Multi-state partnerships - globally and domestically
- Business/government/academia on a global, national and local scale
- EDO competitors working together in mutually beneficial “coopetition” relationships

Traditional 20th century economic development models are either adapting and becoming more sophisticated, or are quickly becoming obsolete.

In today’s session, Transforming Economies: Economic Development 21.0, our expert panelists will address how globalization and technology have created a new, borderless economy, and how they have adapted their business models to be at the vanguard of the new and rapidly-changing global realities that drive economic development today.

Implications for Economic Development
Began her economic development career in Canada, and has more than 20 years of economic development leadership and experience in Arizona.

Assumed the helm of the Arizona Commerce Authority in 2012; helped to engineer its creation.

Serves on the National State Science and Technology Institute Board.

Recognized and honored as one of the “50 Most Influential Women in Arizona (2013); “Top 25 Women in Business” (2012).

Two-time recipient of the Arizona Technology Council Chairman’s Award - 2004 and 2010.
TRANSFORMING ECONOMIES: ECONOMIC DEVELOPMENT 21.0

Thought Leaders

Stuart Rogel, President and CEO
Tampa Bay Partnership

• Has served as President/CEO of the Tampa Bay Partnership since its inception nearly 20 years ago.

• Formerly the Regional Director for the Florida office of New Boston Fund Properties; Assistant City Manager, and Economic/Community Development Director for the City of Miami Beach.

• Serves/served as a Trustee of the Florida Chamber Foundation; on the boards of the United Way Tampa Bay; Urban Land Institute’s Transit-Oriented Development Council; Enterprise Florida.

• Past Chair of ULI’s Tampa Bay District Council and Past President of the Florida Economic Development Council.
TRANSFORMING ECONOMIES: ECONOMIC DEVELOPMENT 21.0

Thought Leaders

Nitin Dahad, CEO
The Next Silicon Valley Media, Ltd.

- Over 28 years of experience in the global high-tech knowledge-based economy, working with fast-growing technology innovation companies around the world, as well as helping shape economic development and higher education agendas.
- CEO of The Next Silicon Valley Media Ltd, which is focused on technology-based innovation regions around the world.
- Founder of global communications and business development consultancy TechSpark Ltd.
- Serves/served on boards of director of the Council of the University of Essex (UK); East of England Development Agency and the University of Hertfordshire.
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