



Economic Development Assessment

May 2013



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Executive Summary

The City of Greenville has a new and evolving focus on economic development. The Office of Economic Development, within the Department of Community Development, was created in July 2012. One of the first questions for the new organization was: How does Greenville stack up against its competitors and, based on that assessment, where does Greenville need to focus its economic development efforts? The City engaged Creative Economic Development Consulting to answer those questions.

The Economic Development Assessment began with a review of Greenville's assets and challenges. Creative EDC met with city staff, partner agencies, and stakeholders to gather information and input. We also collaborated with North Star, a marketing firm engaged to re-brand the City. North Star gathered input and opinions from a vast array of community leaders and general citizens. This information was useful to our team's assessment.

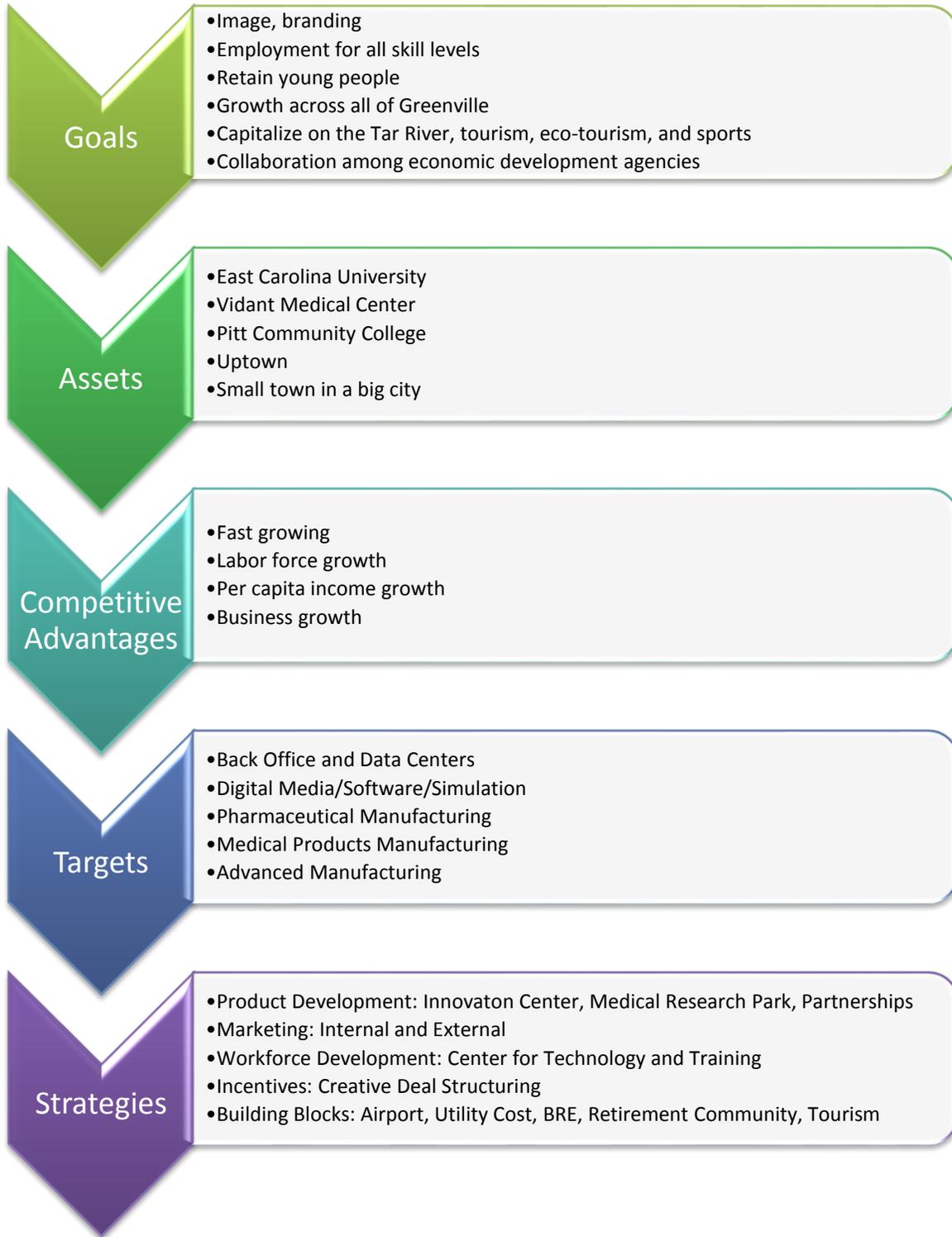
The next step in the study process was to benchmark Greenville against three competitor regions. Our team, with input from staff, selected Athens, GA; Johnson City, TN; and Lynchburg, VA. These three metropolitan statistical areas are similar to Greenville in size, location near metro areas, proximity to a major interstate, and home to a university with a medical program. Georgia, Tennessee, and Virginia are three of North Carolina's regular competitors for new and expanding business across all sectors. Each regularly ranks in the Top Ten Competitive States as ranked by *Site Selection* magazine – Virginia was number one in 2011.

Based on the results of the asset review and competitor benchmarking, Creative EDC's strategic partner Applied Marketing recommended five industry sectors that offer Greenville the best opportunities for recruitment. The purpose of target sectors is to focus the City's marketing and recruitment efforts - not to discourage other sectors from locating in the City. The marketing strategy discusses how to reach out to targets.

In order to leap frog its competitors, Greenville must be transformational. Simply trying to keep pace with the competition will never move Greenville ahead. The culmination of our research resulted in five key strategies for Greenville's economic development program: Product Development, Marketing, Workforce Development, Incentives, and Building Blocks. Creative EDC proposes transformational projects such as an Innovation Center where ECU is directly engaged with business; a medical research park where the asset of Vidant can be leveraged; and investments in product development where the City is an active partner.

The graphic on the next page summarizes the steps of this assessment process, findings, and resulting strategic recommendations. We encourage a reading of the full report to place this summary in context.

ECONOMIC DEVELOPMENT ASSESSMENT OVERVIEW



Economic Development Goals

Economic development has only recently been made a priority for Greenville. The Office of Economic Development is less than one year old. Even in its infancy, the organization has clearly defined goals from City Council and community leaders. The following are the key goals we heard from Greenville leaders.

- Greenville leadership sees the need to change the image of Greenville. The current rebranding study underway with North Star is an example. Challenges discussed at the beginning of this report include crime, remoteness, and access obstacles. Branding can help change the perception.
- Greenville's competitiveness is directly tied to talent. There is a talented pool of highly education and skilled workers. There is also a pool of low and unskilled workers. Creative EDC considered the diversity of workforce skill when recommending targets; thus, some targets are for low and semi-skilled workers such as the manufacturing of medical devices, fabricated metals, and machinery.
- One goal discussed in every conversation is the need to retain young people passing through East Carolina University. The target sectors such as pharmaceuticals, digital media, software, and simulation identified in this study will aid in that effort.
- The City is developing at a different pace in different locations. There are goals to ensure economic growth reaches all of Greenville. The West Greenville incubator project is on the drawing board and is exactly the type of project needed.
- Local leaders want to see the opportunity offered by the river and Town Common area realized. There are differing opinions on what the opportunity is and how it should be capitalized upon – but there is consensus that there is an opportunity in the City. This goal is in tandem with eco-tourism, sports development, and other amenities like greenways.
- Every person that had input into this study commented on the need for collaboration. There are many organizations involved in economic development. For the most part, roles are clear internally. However, to an outsider (customer of economic development services), the picture may not be so clear.

Creative EDC focused on the following areas to enhance competitiveness: Product Development, Marketing, Workforce Development, Incentives, and Building Blocks. The strategies align Greenville's goals with existing assets and opportunities as well as gaps that need to be filled, moving the city progressively beyond its comfort zone.

Assets & Challenges

Creative EDC met with groups of key stakeholders of Greenville’s economic development efforts. Our team interviewed city officials, staff, partner agencies, and community leaders. We also collaborated with North Star, engaged by the City to facilitate a community branding process. The assets and challenges listed below reflect the views of community leaders. When we reviewed assets and challenges through a site selector’s lens, we saw a slightly different picture.

ASSETS

The following asset list is not all encompassing. It reflects the most often cited assets related to economic development. Greenville has other assets that attract visitors, residents, and students.



East Carolina University Medical Campus

- East Carolina University (ECU)
- Vidant Medical Center
- Pitt Community College
- Uptown Greenville
- Location and access via highways
- Proximity to North Carolina beaches
- Friendly people
- Good place to retire
- Water resources
- Low cost of living
- Small town feel in a big city
- Growing arts and cultural programs
- Tar River
- Existing base of business and industry

From the perspective of this study, the key assets that offer Greenville a competitive advantage are ECU, Vidant, and Pitt Community College. Competitor communities have, or are developing, vibrant downtowns, amenities, and can match many of the assets listed above.

CHALLENGES

These challenges constrain the City's ability to recruit new business and retain existing business.

- Public education
- Remoteness of Eastern North Carolina
- Workforce skill
- Air service
- Nonprofit status of medical facilities
- Greenville needs a "break-through" moment
- Economic development product (sites and buildings)
- Low risk tolerance and change adverse
- High rate of joblessness in some areas of City and overall weak job growth
- Public transportation
- Previous development standards led to haphazard development
- Crime
- Lack of unity in the community

Of the challenges above, Creative EDC is most concerned with public education, workforce skill, lack of product, and access. All of these competitive weaknesses are addressed with strategies designed to improve the current state.

Competiveness: How Does Greenville Stack-Up?

SITE SELECTOR'S PERSPECTIVE

Creative EDC provides site selection services to companies. Through that experience, we have an understanding of how companies would view Greenville. We evaluated Greenville from the perspective of a prospective new company analyzing the area for a new location. The table on the next page summarizes our view of Greenville as a business location.

Area Development magazine publishes a survey of corporate executives on the most important site location factors. According to the most recent survey (right), the most important factors are availability of skilled labor, highway accessibility, low union profile, right-to-work state, and availability of advanced ICT (information and communications technology) services. We used this ranking, as well as our own experience, to rank Greenville.

FIGURE 29 Corporate Survey 2012*

Site selection factors	Very Important %	Important %	Minor Consideration	Of No Importance %
Labor				
Availability of skilled labor	53.9	35.5	7.1	3.5
Availability of unskilled labor	10.0	32.9	33.6	23.6
Training programs	18.0	36.7	33.1	12.2
Labor costs	42.6	48.2	5.7	3.5
Low union profile	47.1	26.4	11.4	15.0
Right-to-work state	45.8	26.8	13.4	14.1
Transportation/Telecommunications				
Highway accessibility	57.0	33.1	6.3	3.5
Railroad service	27.1	16.5	21.2	35.3
Accessibility to major airport	17.4	35.5	30.4	16.7
Waterway or oceanport accessibility	5.9	14.0	25.0	55.1
Availability of advanced ICT services	49.3	35.8	11.4	3.6
Finance				
Availability of long-term financing	31.9	31.2	20.6	16.3
Corporate tax rate	35.7	43.6	11.4	9.3
Tax exemptions	32.6	42.8	15.2	9.4
State and local incentives	33.1	38.0	21.1	7.7
Other				
Available buildings	41.7	36.7	14.4	7.2
Available land	18.7	40.3	22.3	18.7
Occupancy or construction costs	35.3	47.5	11.5	5.8
Expedited or "fast-track" permitting	29.2	38.0	22.6	10.2
Raw materials availability	19.3	30.4	25.9	24.4
Energy availability and costs	35.3	46.0	12.2	6.5
Environmental regulations	31.2	39.9	18.8	10.1
Proximity to major markets	32.1	40.1	18.2	9.5
Proximity to suppliers	15.8	39.1	30.8	14.3
Inbound/outbound shipping costs	26.7	37.0	18.5	17.8
Proximity to technical college/training	15.3	35.0	27.7	21.9
Quality-of-life factors				
Climate	18.6	36.4	37.9	7.1
Housing availability	15.8	54.0	23.0	7.2
Housing costs	19.4	47.5	25.9	7.2
Healthcare facilities	19.4	50.4	25.2	5.0
Ratings of public schools	21.6	41.7	29.5	7.2
Cultural opportunities	10.8	38.1	41.0	10.1
Recreational opportunities	11.0	41.9	38.2	8.8
Colleges and universities in area	17.4	44.2	33.3	5.1
Low crime rate	31.4	47.9	18.6	2.1

*All figures are percentages and are rounded to the nearest tenth of a percent.

GREENVILLE RANKING OF SITE SELECTION FACTORS

	Advantage	Disadvantage	Neutral
Labor	√	√	
Training	√		
Education	√		√
Taxes/Finance		√	
Access/Transportation		√	
Utilities			√
Incentives			√
Real Estate		√	
Quality of Life	√		

- Pitt County’s labor is rated as both an advantage and a disadvantage depending upon the industry sector. There is a segment of the workforce that is highly educated, skilled, and talented. There is another segment of the workforce that lacks current skills and is not engaged in skills enhancement opportunities at Pitt Community College.
- Training is excellent at Pitt Community College. There are specialized programs in biotechnology, health sciences, fabrication, industrial technology, and others. This is a standout asset for Greenville.
- Education is an advantage (ECU) and a neutral (public schools). SAT scores were middle of the pack of comparable communities and lower than the state average.
- Taxes are a disadvantage because of the high state tax burden placed on companies in North Carolina. There is an effort in the current legislative session to lower the state tax burden.
- Access is a disadvantage. Residents state that Greenville is just over an hour from Raleigh. That may be true, but it is a long hour. The desolation of US 264 makes Greenville feel much more remote than it actually is. Limited air service is also an access issue.
- Utilities are neutral because there is good capacity and excellent service, but electric utility pricing is slightly higher than investor owned utilities in other parts of the state and in other states.
- The City’s adopted capital investment incentive policy is average among local governments in North Carolina. At this time, there are no standouts to the policy that show how Greenville could or would be aggressive in the recruitment process.
- The City of Greenville is product poor. Although there are quality business parks outside the City in Pitt County, there is a severe lack of buildings and sites for new and expanding business within the City limits.

- Quality of life in Greenville is good and getting better. The City has made, and continues to make, substantial investments in amenities, especially in the uptown area.

What can Greenville do to enhance its competitive position? We address workforce development, product development, utility cost, and incentives in the recommendations section. State taxes are not controlled by Greenville and access by highway is not going to change near-term so we do not address those. The need for expanded air service is addressed later. Many points made in the summary above are expanded upon later in the report and in Appendix A, data section.

COMPARABLE COMMUNITIES

Beyond our assessment of Greenville, it is important to understand how Greenville stacks up against competing communities.

Greenville was compared to three communities with similar economic, educational, and demographic climate. The communities are near metro areas but off a major interstate highway; they are each home to a university with medical programs; and they share economic similarities. One stand-out among the economic comparisons is the unemployment rate, Greenville's 10.7% in 2011 stood well above the others ranging from 7.3% to 8.9%.

- Athens-Clarke County, GA MSA
- Johnson City, TN MSA
- Lynchburg, VA MSA

Athens, GA is home to the University of Georgia. A new medical partnership between Georgia Regents University and the University of Georgia is bolstering the Public Health program. Athens lies about 75 miles northeast of Atlanta. With a metropolitan statistical area (MSA) population of approximately 192,000, it is comparable in size to the Greenville MSA. Athens and Clarke County have a unified government system that merged city and county government.

Johnson City, TN is approximately 100 miles northeast of Knoxville off I-81. It is home to East Tennessee State University and the Quillen College of Medicine. The Johnson City MSA population is about 199,000.

The Lynchburg MSA is the largest in the comparable group at approximately 252,000. Lynchburg is 60 miles east of Roanoke, accessed via state highways. Lynchburg College offers Master of Science in Nursing, Doctor of Physical Therapy, and will launch a Master of Science Physician Assistant program 2015. Nearby Liberty University has announced a new School of Osteopathic Medicine.



ATHENS-CLARKE COUNTY, GA

The Athens-Clarke County Economic Development Foundation is the lead economic development organization for the area. It is a partnership between the unified governments of Athens and Clarke County, Athens Chamber of Commerce, Athens-Clarke Economic Development Authority, and the University of Georgia. “The foundation's sole purpose is to attract and establish new businesses that will create additional jobs and import capital investment to Clarke County, Georgia.”

www.athensbusiness.org

a Economic Development Foundation, Inc.
Athens, GA - Clarke County

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ACC EDF

A public-private agency created to work with the Athens-Clarke County Unified Government, The Athens Industrial Development Authority, Economic Development Authority, and the University of Georgia in partnership and located in the Athens-Clarke Chamber of Commerce. This partnership promotes job creation and capital investment through the attraction of new businesses and existing business expansion.

Athens-Clarke County Facts At-A-Glance

Area Profile

Demographics

Major Employers

Labor and Workforce

Logistics & Infrastructure

Sites & Buildings

Taxes & Incentives

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JOHNSON CITY, TN

Economic development in Johnson City, TN is led by the Washington County Economic Development Council. Its mission, “to enhance job growth and increase the tax base of Washington County by engaging the community and business leaders through nurturing existing businesses and actively recruiting new industries and commerce,” focuses on core elements of existing business and recruitment.

www.thewcedc.com

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Upscale apartments come to former Memorial Hospital

March 21, 2013 – It's one of Johnson City's most significant historic buildings, it gave birth to thousands of memories (and children), and it's getting a new lease on life that will bring new jobs and new residents to the downtown area. (click headline or photo for more)

[Read More ...]

Cost-effective business climate, strategic location, excellent workforce

Chicago Philadelphia
Cincinnati Washington D.C.

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Washington County Economic Development Council
Like 624

Washington County Economic Development Council
<http://youtu.be/LV5Ps59qkM>
Check out this video report on a wonderful visit local leaders hosted for FWG, a German company that will start its U.S. operations with an office at ETSU's Innovation Lab and hopes to begin its first-ever production in the U.S. here locally within a couple of years.

Community Snapshot

LYNCHBURG, VA

The Lynchburg Office of Economic Development is a city economic development department. In Virginia, cities and counties are separate jurisdictions. Common in Virginia, Lynchburg has an Economic Development Authority that serves as an extension of the city program. As described on the city’s website, “The Lynchburg Economic Development Authority, or LEDA, is a political subdivision of the Commonwealth of Virginia and serves as the incentive arm of the City of Lynchburg. But the LEDA takes a much more active role in economic development efforts than more passive, pass-through-oriented EDAs. LEDA actively pursues investment and development opportunities and elevates the economic development profile of the City.”

www.lynchburgida.com

Lynchburg Virginia

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Economic Development

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- Lynchburg wireless innovator named among top in state
- Increase in passenger traffic may help Lynchburg airport expand service
- Passenger Numbers Soaring at Lynchburg Regional

Welcome to Lynchburg!

Welcome to the City of Opportunity! Nestled in the foothills of the majestic Blue Ridge mountains, Lynchburg is a distinctive city with all the amenities and resources to live, learn, work, play...and prosper.

With over 3,900 businesses ranging from traditional mom-and-pop shops to headquarters of global corporations, Lynchburg is the commercial, cultural, entertainment, residential and retail hub of the Central Virginia region. Our broad-based economy, highly-skilled workforce and unparalleled quality of life have positioned Lynchburg among the cities leading the nation into the New Economy.

Lynchburg is rich in history and tradition, but don't let the stunning architecture, cobblestoned streets and Victorian-era neighborhoods fool you—beyond Lynchburg's historic façade are energetic, forward-thinking residents, a business community leading technological innovation and the fiber-optic bandwidth to deliver that innovation to the world. Just as happening as it is historic, Lynchburg matches the strength of its economy with spectacular offerings of arts, music and culture, all in a setting of splendid natural beauty.

Business and people prosper here. We invite you to find out why.

NOTABLE POINTS OF COMPARISON

We compared Greenville, Athens, Johnson City, and Lynchburg in a wide range of economic and demographic data. Below are some notable points of comparison between the MSAs. The full data set and research is found in Appendix A.

Greenville Stats	Greenville Relative to MSAs
24.1%	• Fastest growing MSA
20.6%	• Second fastest per capita income growth
97	• Highest cost of living
93,016	• Smallest labor force
20%	• Second fastest labor force growth
10.7%	• Highest unemployment rate
\$721	• Highest average weekly wage
1.1438	• Lowest business innovation index
17,224	• Lowest number of nonfarm businesses
25.35%	• Second fastest growth in nonfarm businesses
0.665	• Middle of the pack in entrepreneurship environment

The advantages Greenville has to offer relative to the comparable communities are growing MSA, growing labor force, workforce availability, and growth in business establishments. Drawbacks to the Greenville market include high cost of living, small labor force, high wages, and low innovation index. We note in the marketing section that Greenville should hang its marketing hat on labor given the data above.

Most site selection projects begin with a multi-state search. Several of the site selection criteria points analyzed in a search process are generated by state policy and are state business climate issues. Creative EDC compared business climate factors in North Carolina, Georgia, Tennessee, and Virginia. These are the states of the comparable communities, and, more importantly, these are states with which North Carolina regularly competes.

The raw data is found in Appendix A. Below, we show where North Carolina has advantages and deficits.

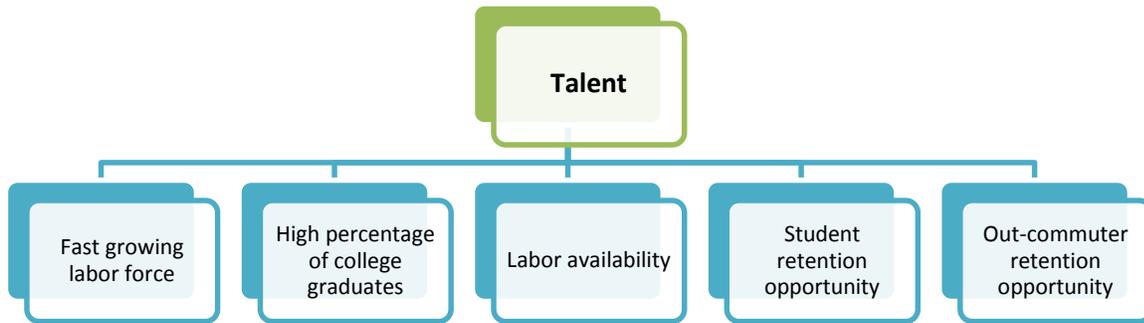
STATE COMPARISON

	NC	GA	TN	VA
Tax Environment		√		
Bond Rating	√	√	√	
Worker's Comp.				√
Unemployment Ins. Cost				√
New Business Starts		√		
Venture Capital				√
Federal R&D Funding				√
Electric Utility Cost	√			
Working Age Groups			√	
Educational Attainment		√		
Labor Force Size				√
Labor Force Availability	√			
Wages			√	
Income				√
Housing			√	

- North Carolina only has a clear advantage in lower electric utility cost and labor availability as measured by a higher unemployment rate. In Greenville specifically, the electric utility cost is likely not a clear advantage due to the relatively higher rates of public power.
- Virginia is a clear winner in business climate factors such as worker's compensation cost, unemployment insurance, venture capital, federal funding for research and development, and a higher per capita income.
- Tennessee's advantages are in a younger workforce, low wages, and affordable housing.
- Georgia has the lowest state tax burden, boasts the most business starts and has the highest educational attainment stats.

SUMMARY OF HOW GREENVILLE STACKS-UP

Greenville's key competitive advantage is talent. Transportation, access, cost of living, cost of electric utility, taxes, and other factors are either neutral or a disadvantage. Below is what we believe the marketing points of the labor force should be. Incorporate this into the marketing materials recommended later.



Target Industry Clusters

Creative EDC and strategic partner Applied Marketing Sciences assessed key target industry clusters for which Greenville has a competitive advantage. Our team used all of the data gathered in Appendix A, interviews with local business and community leaders, and national industry trends to determine those few sectors that offer the most opportunity for Greenville.

The purpose of the Target Industry Cluster Analysis is to review, identify, and validate promising industry sectors for the City of Greenville.

Based on our research and analysis, we recommend the following industries:

- Back office and data centers
- Digital media/software/simulation
- Pharmaceutical manufacturing
- Medical device manufacturing
- Advanced manufacturing

BACK OFFICE AND DATA CENTERS

Rationale for selecting this target include:

- Availability and access to labor (East Carolina University)
- Existing cluster of companies in the region
- Projected industry growth for the next five years

The Telemarketing and Call Centers industry is forecast to increase its revenue at an average annual rate of 3.6% to \$20.5 billion over the five years to 2017. The industry will benefit from a push by the Federal Communications Commission (FCC) to create telemarketing and call center jobs in the United States. Furthermore, increased demand in the retail sector, along with improving financial and insurance industries should drive greater demand for telemarketing companies' services. In 2013, revenue is expected to grow 3.6% as continued improvement in consumer spending and corporate profit boost demand for call center and telemarketing services.

In-bound call centers handle customer inquiries, technical support, and other higher value customer service. These jobs are higher paying than jobs in out-bound call centers. Outbound call centers are businesses such as telemarketers and these jobs require a lower skill level. It is our recommendation that Greenville focus on in-bound call centers due to the higher skill level and wages associated.

DIGITAL MEDIA/SOFTWARE/SIMULATION

This industry is a good fit for the city, due to the following:

- Programs and research at Eastern Carolina University in the area of simulation
- Pitt Community College offers a two-year program in Simulation and Game Development
- Strong medical community may be attractive to health-related software development

- High quality of life
- Strong industry growth expected over the near term

The overall Software Publishing industry will continue its strong financial performance in the five years to 2017, with industry revenue forecast to grow 2.2% annually on average to \$203.7 billion. Improving technology and falling hardware prices will continue making computers, cell phones, video games and ultimately software more accessible to more people. A major feature of the Obama administration's healthcare reform plan, passed in 2010, is tax incentives for health insurers and medical professionals to switch from paper- and folder-based record systems to digital records. In a wide range of industries, basic competence with software will likely become a prerequisite to employment. In 2013, industry revenue is projected to grow 3.7% to \$189.5 billion.

Revenue for the Design, Editing and Rendering Software Publishing industry (Simulation) is expected to increase at an annualized rate of 1.7% to \$10.6 billion during the five years to 2018, including revenue growth of 3.7% in 2014. This growth will be driven by the increasing importance of emerging technologies, including mass-market 3-D displays and low-cost 3-D printers, which will require more reliance on advanced design and rendering software. The emergence of low-cost 3-D printers, which are currently limited to rapid prototyping tasks at large manufacturers, will drive mass-market demand from hobbyists and small businesses for compatible CAD software.

PHARMACEUTICAL MANUFACTURING

- Existing cluster in the region
- Available and skilled labor
- Recent employment growth in the County
- Excellent education systems for training
- Strong growth expected, especially from generics sector

Pharmaceutical use varies by age and insurance status. Consequently, overall demographic shifts, notably an aging population, and healthcare reform's broadening of insurance coverage will likely expand drug sales over the five years to 2018. An estimated \$290.0 billion of pharmaceutical sales worldwide are at risk from patent expirations over the next five years, according to data from EvaluatePharma. The significant number of blockbuster drugs with expiring patents in upcoming years will hurt industry revenue; without a strong pipeline of chemical-based drugs to stimulate new product sales, companies have already begun to invest in new ways to generate revenue. Industry firms will particularly focus on specialty and biologic pharmaceuticals.

MEDICAL PRODUCTS MANUFACTURING

- Availability of labor
- Good fit for existing labor skills (low, medium, and high)
- Existing cluster base
- Strong industry growth expected over the near term

This target is recommended because it can capture low, medium, and high skilled workers. For example, a medical device manufacturer may have lower skilled assembly jobs, technical manufacturing jobs, as well as engineering jobs requiring higher skilled workers. Creative EDC learned through stakeholder engagement that employment for lower skilled workers is important and there are segments of this industry sector that serve that purpose.

Healthcare reform, increased regulation and maintaining quality will join an aging population, technological advancements and outsourcing as main factors influencing the Medical Device Manufacturing industry over the next five years. These divergent factors will lead to slightly weaker growth through the five years to 2017. Revenue is forecast to increase 5.5% in 2013 and grow by a lower average annual rate of 6.4% to \$88.2 billion during the five years to 2017.

The US population's changing demographics favor the industry though the majority of baby boomers are still a few years shy of reaching 65 years old. Still, a significant portion of this group will cross this threshold in the five years to 2017. This trend will result in average growth of nearly 3.1% per year for the demographic, which is considerably higher than the population at large and the historical average. Consequently, senior adults are projected to make up 14.9% of the population in 2017 compared with 13.2% in 2012 and about 12.4% from 1990 to 2005. Further medical innovations will expand the aging baby boomers' demographic. However, the contribution from this trend is projected to be slower than the past decade because advances are more incremental in nature and target increasingly specific ailments.

ADVANCED MANUFACTURING

- Availability of labor
- Good fit for existing labor skills (low, medium, and high)
- Proposed new training programs
- Existing cluster in the region

Beverages - This sector includes soda, bottle water, juice, and beer producers. The sectors that are projected to experience the most growth include juice producers and craft beer and microbreweries. Revenue within the juice industry is projected to grow at an average annual rate of 6.8% over the next five years. While craft beer and microbreweries make up a smaller portion of the brewery industry, we recommend that Greenville target this subsector. This is an area projected for growth and North Carolina has recently experienced growth within this subsector. Given Greenville's water support, this target could be capitalized upon today.

Fabricated Metals - Bolstered by a strong uptick in construction activity, the Structural Metal Product Manufacturing industry will continue its recovery in 2013. After years of declines and stagnant growth, revenue is expected to increase 6.1% in 2013. In the short-term, gains in residential, commercial and infrastructure-related construction will drive growth in 2013. Strong growth is forecast to continue through 2017 as the economy improves. In the five years to 2017, industry revenue is forecast to grow at an average annual rate of 3.8% to \$47.8 billion.

Industry recovery depends on demand from the residential and commercial construction industries as well as demand stemming from public infrastructure projects such as roads, bridges, tunnels and highways. Fortunately for the industry, construction activity is set to increase during the outlook period. Over the next five years, the value of residential construction is forecast to rise at an average annual rate of 12.3% while private, nonresidential construction will increase an average of 6.5% per year over the same period.

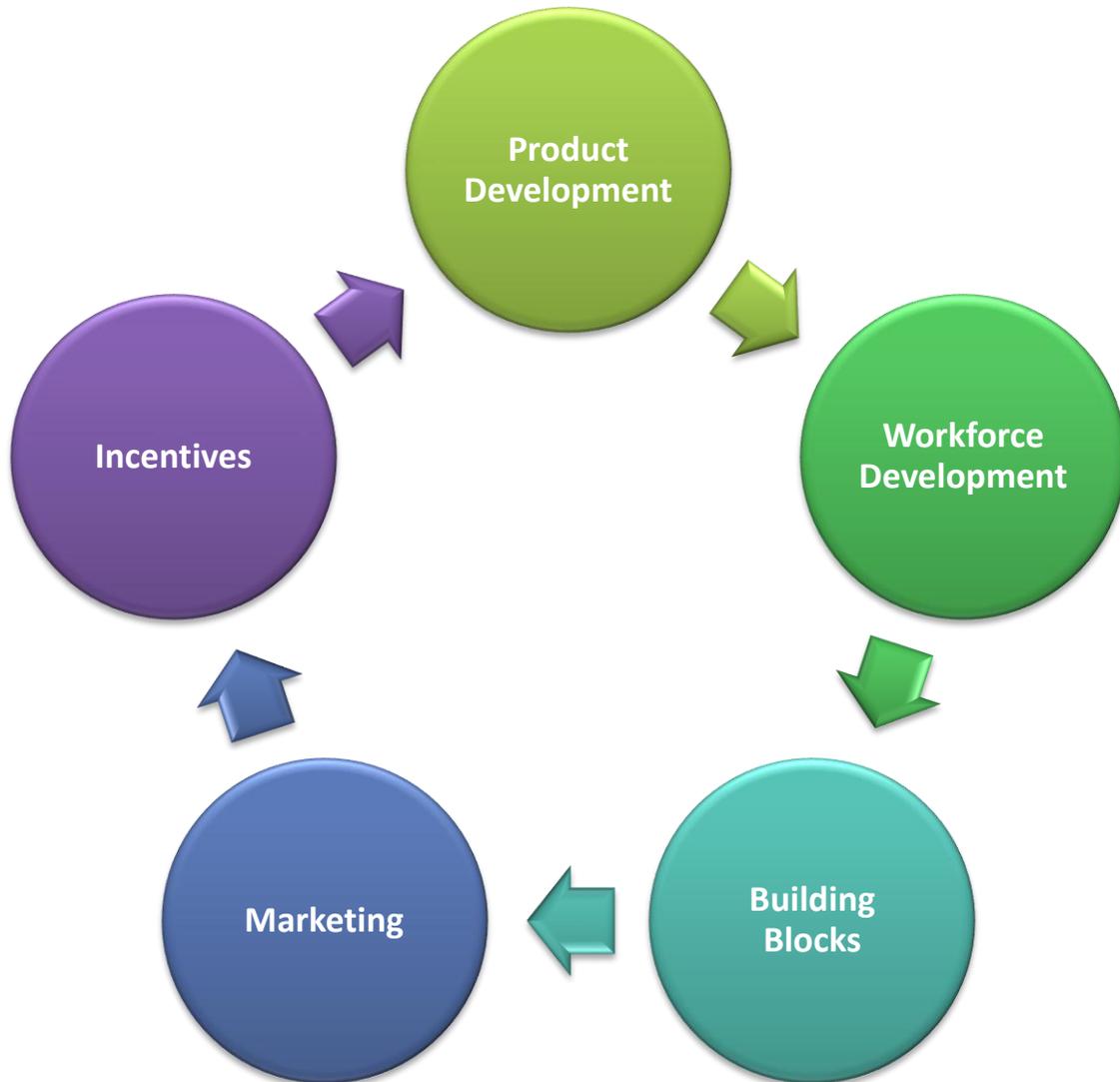
Machinery - Demand for the industry's heating, ventilation, air-conditioning and refrigeration (HVACR) products is forecast to increase during the next five years, especially as residential and nonresidential construction markets grow strongly early in the period. Concerns about climate change, energy consumption and the environment will drive the production of and stimulate demand for newer, environmentally friendly systems to replace less efficient ones. Meanwhile, stronger disposable incomes, facilitated by declines in unemployment, and growing corporate profit will further fuel replacement demand. As a result of these trends, industry revenue is projected to increase at an annualized rate of 2.1% and reach an estimated \$48.3 billion during the five years to 2018.

As with medical products manufacturing, there are segments of advance manufacturing that meet the need of low and medium skilled workers. Within both fabricated metals and machinery there could be warehousing, distribution, assembly, and other positions requiring low to medium skills. These sectors can serve a range of technical, skilled and unskilled workers.



Recommendations to Improve Greenville's Competitiveness

Strategies to Transform Greenville



Product Development

Area Development magazine's 27th Annual Survey of Corporate Executives notes the importance of quality sites and buildings. Seventy-eight percent said that available buildings were very important or important. "Moreover, when they are looking for available land for construction, 50 percent of Corporate Survey Respondents consider the existence of a shovel-ready or pre-certified site as very or somewhat important." Greenville falls short in both categories: buildings and sites.

Local to the Greenville market, Uptown Greenville relayed to the consulting team that the number one concern of business is lack of space. The need for space spans all business sectors.

BUILDINGS

Below are the buildings listed with the NC Department of Commerce as available within the City of Greenville. There are approximately 23 buildings listed with a Greenville address, but the five listed below are actually inside the City. There are likely other available buildings in Greenville; however, the Department of Commerce listing is a good snapshot.

The Flowers & Taylor Warehouse has low ceiling height of 12' at the eaves. The AccuLink and two new buildings in Woodridge Corporate Park have good ceiling height at 20'. The Hospital Professional Center is a small medical office. There is no building above 30,000 square feet available in the City.

Building Name	Sales Price	Lease Price	Square Feet	Former Use
Flowers & Taylor Warehousing #3	\$200,000	\$0.85	32,500	Plastics recycling
AccuLink	\$1,700,000	\$6.75	29,857	Office-production-warehouse
967 Woodridge Corporate Park	\$1,000,000	\$8.00	18,000	New unfinished space
975 Woodridge Corporate Park	\$850,000	\$8.00	18,000	New unfinished space
Hospital Professional Center		\$13.00	2,400	Medical office

Source: NC Department of Commerce

SITES

There are only two sites listed on the Department of Commerce website within the City of Greenville. Both are small sites (1.56 and 7.92 acres) within Woodridge Corporate Park. Asking price ranges from \$76,000/acre to approximately \$195,000/acre.

Name	City	County	Sales Price	Site Acres	Former Use
987 Woodridge Park	Greenville	Pitt	\$305,000	1.56	Farmland
Woodridge Corporate Park	Greenville	Pitt	\$600,000	7.92	Farmland

Source: NC Department of Commerce

PITT COUNTY PRODUCT

Pitt County does have quality business and industrial parks and a few quality available buildings. The recent report by Insite Consulting found that there were no viable industrial buildings in the County. The report from the Department of Commerce shows some large warehouse and manufacturing space with high ceilings.



In total, there are 28 buildings and 14 sites. There are a few large acreage sites/parks: Farmville Corporate Park (300 acres), Indigreen Corporate Park (380 acres), and LandsEast Industrial Park (788 acres). None of the sites is certified by the Department of Commerce.

PRODUCT DEVELOPMENT RECOMMENDATIONS

Innovation Center

Medical Research Park

Multi-Jurisdictional Park

Airport Development

Public-Private Partnerships

Short-Term Product Development

- Innovation Center – Greenville needs a foundational building block for entrepreneurship, university spin-out development, and business engagement. East Carolina University owns an 84,000 square-foot historic tobacco warehouse and 20 acres surrounding in the

downtown. The building offers an opportunity for collaboration between the University, Pitt Community College, health sciences, and the private sector. ECU is already doing the kind of collaboration and work that would go into an Innovation Center; it just needs a home, a hub of activity, and a place for synergy to occur. It needs space to transform the collaboration into an economic driver.

A good example of this type of Innovation Center is the Florida Innovation Hub at the University of Florida in Gainesville. From their website: “The Florida Innovation Hub was created to serve as catalyst for startup companies whose technologies emanated from laboratories at the University of Florida and throughout the state. Our mission is to provide them with the infrastructure, logistics and resources needed to get up and running effectively and efficiently. In doing so, the Innovation Hub hopes to help those companies and others bring research discoveries to the marketplace, creating additional jobs for Floridians.” In fact, the Innovation Hub is the center-piece building that will physically link the University of Florida campus and downtown Gainesville.

The ECU development could be a similar economic catalyst for Greenville. It could house prototyping of technologies developed at the University, start-up businesses, visiting professors who are working on solutions for business and industry, Pitt Community College training, and many other activities.

- Medical Research Park – There have been discussions among city, university, and healthcare leaders to develop a medical research park. Such a development would give the City much needed product for pharmaceutical manufacturing and medical products manufacturing in and near a research and healthcare environment.

The location and feasibility of a medical research park should be studied. Staff or contract consultants can focus the City’s efforts to identify and assess sites for a medical research park.

We recommend that the park be explored with public and private partners. One issue for the City is the lack of tax revenue from nonprofit healthcare facilities. There are examples of parks that house research facilities in a nonprofit facility surrounded by for-profit private investment. A nearby example is Danville, VA’s Cyber Park. It is anchored by the Institute for Advanced Learning and Research.

- Multi-Jurisdictional Parks – A multi-jurisdictional business park is just as the name implies, two or more local jurisdictions partnering in developing a business park. The jurisdictions can be composed of any unit of local government and can be funded with or without private partners. Multi-jurisdictional parks are sometimes called revenue sharing parks. These types of parks have been established between cities, counties, and private partners. The combination of partnerships is limitless. Multi-jurisdictional parks are formed as an economic development tool, which allows localities to create a marketable product in order to recruit new and retain expanding companies.

This concept is not new to Pitt County. LandsEast is an example of a revenue sharing park. It is a joint effort between Pitt and Martin Counties. Greenville could join with Pitt County and become an investor in a park outside its jurisdiction to enjoy the revenue benefits of a business park development.

A revenue sharing park would bring together the City and County efforts for product development and business recruitment.

- Airport Development – The airport owns approximately 70 acres that is currently underutilized. The airport will be updating its master plan soon. Greenville should be at the table to discuss opportunities to develop the 70 acres for business use, specifically, businesses that need air support services. Creative EDC’s recommendation is to develop a conceptual development plan, assemble due diligence, and develop a marketing position for the acreage in partnership with the airport. Boosted by air traffic demands around Charlotte, the City of Monroe has developed a model airport growth plan that should be of interest to Greenville. However, federal cost sharing for airports nationwide has declined recently and the FAA projects to continue cutbacks.
- Public-Private Partnerships – Beyond the specific projects above, Greenville should become an aggressive partner in real estate development. There are as many ways to structure a public-private partnership development as one can imagine. Just to offer a few examples:
 - Economic development nonprofits are building buildings and leasing to tenants.
 - Nonprofits and local governments are partnering with the private sector in speculative building development by carrying interest, providing low cost financing, or free land.
 - In Virginia, cities are purchasing buildings in downtown, redeveloping, and recruiting a retailer, technology company, or other tenant.

Examples of the bulleted list above include Danville’s purchase and redevelopment of buildings in the tobacco warehouse district. The second bullet could be a venture between the City, County, and a private developer to put a spec building in a new multi-jurisdictional park development. The Innovation Center project could be an example of the first bullet. The building is owned by ECU. They could lease part of the space to start-up businesses that are collaborating with the University.

- Short-Term Product Development – Most of the recommendations above are medium or long term projects. There is a deficit today that needs to be addressed. We recommend remaining flexible to capture opportunities.
 - Be open to purchasing buildings and leasing to prospects in order to close an important economic development deal.

- Have staff conduct a site and building assessment to identify needed enhancements to existing buildings or sites. For example, does a building need minor maintenance in order to show better?
- Identify under-utilized properties through the site and building assessment. Contacts with landowners may yield more available properties and/or properties that could be candidates for public-private partnerships.
- Through business retention and expansion efforts, identify lease terms of existing businesses who may not be renewing the lease. For example, an existing business may be using warehouse space and will no longer need the space once an expansion is finished. The vacated warehouse space represents an opportunity for recruitment.
- Survey existing businesses about unused space that offers potential to recruit a tenant or sub-lease. For example, an existing business may have multiple buildings on a campus and is not currently using one of the buildings.

Marketing

Greenville is probably a year or so away from launching an external marketing program. The information below provides a foundation for a targeted recruitment and external marketing program. However, before an external program is launched, it would be wise to spend some time and resources on internal marketing.

INTERNAL MARKETING

- Improve internal communication with partners by using systems like EPulse to share information about existing businesses. Pitt County Development Corporation (PCDC) has a proactive Business Retention and Expansion (BRE) program. Using the information they mine to support the City efforts, as well as the efforts of other partners, would allow for greater synergies.

Beyond the efforts of PCDC, Greenville should ramp up its BRE efforts to include companies not targeted by PCDC, gazelles within the City, and at-risk firms.

- Utilize social media to connect Greenville stakeholders and citizens to the economic development program. Social media is low cost and reaches a wide ranging audience. Greenville can make use of City resources to aid with social media.
- Improve the City's economic development website. We understand this is underway now. Insite Consulting's report has good information on what an economic development website should contain.

EXTERNAL MARKETING

When marketing to companies within the recommended industry sectors, we recommend a target marketing approach that focuses on those companies that are of size likely to indicate a significant expansion or relocation opportunity. We would further recommend focusing on companies that are likely to be in an expansion, consolidation or relocation mode based upon recently reported business events. These events include sales growth, employment growth, mergers and acquisitions, executive changes, new product announcements, etc. By focusing on these companies, Greenville can prioritize its marketing efforts to effectively target companies that are most likely to have an active project.

The table below outlines the estimated number of companies: 1) within the entire universe regardless of size; 2) within the target universe (minimum revenue and employment); and 3) within the target universe experiencing events likely to indicate a company with an expansion, relocation, or consolidation need.

Target Industry	Total Universe	Target Universe	Target Universe w/Growth and/or Events
Back Office and Call Centers	474,927	5,631	1,275
Digital Media/Software/Simulation	285,058	14,670	2,992
Pharmaceutical Manufacturing	16,989	1,145	299
Medical Device Manufacturing	31,608	853	181
Advanced Manufacturing	93,719	4,432	597
Total	902,301	26,731	5,344

We estimate that there are approximately 5,344 companies that Greenville, NC should consider for proactive targeting. We recommend a direct marketing approach that sets up meetings with decision-makers within the target universe of companies. This will give the opportunity for Greenville economic development staff to explain the benefits of a location within the region to companies that are most likely to be in an expansion mode. We recommend the following approaches:

MISSION TRIPS TO TARGET RICH REGIONS

The first approach is to develop mission trips in markets that have the greatest number of companies within the target industries. This target sector report defines geographic areas for mission trips. Staff will not be traveling blindly; rather, staff will be traveling to areas with a concentration of target sectors.

Depending on Greenville’s needs and budget, this may be four trips per year. For each trip, Greenville representatives would be meeting with around five to eight companies and/or site selectors representing projects within Greenville’s target industries.

Mission trips are often coordinated with other travel. Staff can add pre-set appointments to trade shows, state and regional marketing trips, or conferences. Extending a trip is a cost-effective way to conduct mission trips.

To give Greenville an idea of where the greatest number of prospects is clustered, we have provided two maps below.

NUMBER OF PROSPECTS BY STATE



The states with the greatest concentration of prospects are California, Virginia, Texas, New York, New Jersey, Illinois, Florida, Pennsylvania, Maryland and Massachusetts. These states should be considered when planning marketing mission trips. However, the map below further refines the geographic regions by metropolitan area, which will indicate which markets specifically have the greatest concentration of targeted prospects.

NUMBER OF PROSPECTS BY METRO



The metropolitan regions with the greatest number of prospects are Washington, DC; Boston, MA; New York, NY; Chicago, IL; Los Angeles, CA; San Jose, CA; and Atlanta, GA. We would recommend that Greenville focus marketing missions on these markets. We would also recommend focusing trips by region rather than individual market. For example, a trip to Southern California could include both San Jose and Los Angeles for the same trip. This will allow you to maximize your travel budget by meeting with as many prospects as possible.

NUMBER OF OFFICE PROSPECTS BY METRO



Because the greatest number of Greenville’s prospects is within the Back Office and Call Centers/Digital Media/Software/Simulation industries, we analyzed these prospects separately from industrial prospects. The metros with the greatest number of prospects include Washington DC, New York, NY, Chicago, IL, Boston, MA, San Jose, CA, Atlanta, GA, Los Angeles, CA and San Francisco, CA. We would recommend that Greenville, NC focus marketing missions on these markets.

NUMBER OF INDUSTRIAL PROSPECTS BY METRO



Metros with the greatest number of industrial prospects include: Boston, MA, San Diego, CA, Houston, TX, Los Angeles, CA and Chicago, IL. For industrial users, we would recommend that Greenville, NC focus marketing missions on these markets.

LEVERAGING PARTNERS

We recommend leveraging Greenville resources with activities of Pitt County, NC Department of Commerce, Eastern Region, and other regional economic development organizations. These agencies already provide external marketing support services that cover Pitt County and Greenville. Greenville should not duplicate these efforts but should, instead, utilize unique marketing opportunities not covered otherwise.

Greenville should focus on unique marketing activities such as:

- Electronic marketing through social media and other sources
- Host unique consultants and prospects in the local area
- Additional sales trips and consultant visits

- Niche trade shows not covered by other regional or state group
- Specialized marketing materials, website, and electronic marketing for the City

MARKETING MATERIALS

Along with the aforementioned branding and website development, a primary task within the next year should be to develop marketing materials. The Insite Consulting report lists ideas on marketing materials for the County. We suggest one-page front/back marketing briefs on each target sector using the information in this report to create a compelling message for Greenville. The Eastern Region has good examples of industry briefs/positioning documents that Greenville can use as templates.

In addition to target sector marketing briefs, Creative EDC recommends developing a professional document template that staff can use to drop in information to provide to prospects. A template usually includes a designed header/footer graphics. Greenville staff can tailor proposals for companies and prospects, print in-house, and deliver a professionally designed look.

Workforce Development

Pitt Community College (PCC) is a leading community college in North Carolina. Unlike in other parts of the state, where community colleges and universities may be at cross purposes, PCC has a great working relationship with the University. One good example of their partnership is Operation Re-Entry. It is a program to support veterans as they upgrade skills and re-enter the workforce. PCC leads the way helping veterans through the Career Readiness Certificate program, Six Sigma White Belt, and OSHA 10 training. The University is linked through Department of Defense funded research to develop new healthcare innovations. For example, the University has built games-based medical intervention programs serving veterans. The healthcare system is linked to the effort through the new VA clinic under construction.

Another standout in Pitt County is that the Community College is one of the first in the state to be a certified Work Ready Community. The College also has standout programs in health sciences, biotechnology, fabrication, and industrial technology.

We noted before, and reiterate here, talent should be the marketing message of Greenville.

WORKFORCE DEVELOPMENT RECOMMENDATIONS

Workforce Study

Talent Recruitment and Retention

Center for Technology and Training

- Workforce Study – Greenville’s wage information is skewed because of the University and hospital. The average weekly wage was the highest among the comparable communities. In communities where one or two companies drive up the average wage, a specific wage study is a good way to level the field. Labor is the number one concern of new and expanding companies; therefore, Greenville needs to paint a whole picture concerning workforce availability, skill, and cost. This is the key marketing point, and it needs data to back up the sales pitch. Creative EDC can refer a list of firms that do specialized workforce studies.
- Talent Recruitment and Retention – The Danville Regional Foundation started a new program that subsidizes not only the business rent of a new company in the River District but also provides a subsidy for residential rent in the District. The purpose is to encourage entrepreneurs to live and work in the City’s redeveloped downtown. Greenville should consider similar incentives to attract and retain entrepreneurs to Uptown. Programs like these encourage bright, young college students to stay in Greenville, start a business, and live in the City.

The University already has internship programs; however, the City should take an interest from an economic development perspective. Developing a web portal that matches students to local internships provides an opportunity to recruit that student to stay post-graduation. We recommend a collaborative review of ways to turn the University internship program into an economic tool for talent retention.

- Center for Technology and Training - Many communities in the Southeast are developing specialized training centers. York County, SC has the Center for Advanced Manufacturing. Danville, VA has the Regional Center for Advanced Technology and Training. Facilities like these have the ability to house specialized manufacturing equipment for training and prototyping. PCC planned to visit a similar facility in Florence, SC. Carteret County is another good example. They developed a marine trades training facility to provide skilled labor for the marine industry – a target cluster.

Creative EDC recommends that PCC focus a Center for Technology and Training on the core clusters identified here, which align with their core competencies: health sciences, medical manufacturing, advanced manufacturing, and a core competency of ECU, gaming and simulation. This venture could be coordinated with the Innovation Center concept or housed separately. Location would depend upon the space availability of the Innovation Center and overall vision for the facility. Greenville can visit facilities in

neighboring states, identify companies that could donate training equipment, and apply for grants.

Incentives

The City of Greenville adopted an incentive policy based on capital investment. The City has programs in place for façade improvement and a small business plan competition. The City has also discussed further support for small business through a small business loan pool and grants for neighborhood-serving retail establishments. We recommend the City approve additional support for small business. Below are some small business incentives offered by other cities.

The proposed Capital Investment Grant is typical among local governments in North Carolina. The incentive is a grant paid over a period of time. In Greenville’s proposed policy, the grant payment period is 3 – 5 years. That is a standard grant payment period in North Carolina. The Greenville grant would represent approximately 75% of net new tax revenue generated by the capital investment. Again, the percentage is a standard grant among local governments in North Carolina.

The proposed City policy does address catalytic projects in specified Economic Development Investment Zones. These projects may not meet general standards but are located with a geographic area of the City identified as needing catalysts to spur economic development.

INCENTIVE POLICY RECOMMENDATIONS

Incentives for Uptown

Creative Incentives

- Uptown Incentives - There has been growth in the area of non-traditional incentives in the last few years in North Carolina. By non-traditional, we are referring to incentives for non-industrial projects such as retail, small business, headquarters, and businesses that locate in downtowns and commercial districts. These types of incentives are designed to bring investment to a specific area, like Greenville’s Uptown. A few examples are:
 - Lincolnton has a Substantial Building Rehabilitation Grant to improve property and make it suitable for continued use.
 - The City of Gastonia’s downtown incentive grant is similar to traditional incentive grants for industrial development in that the grant is based on net new taxable investment. Separate from the City, Gastonia Downtown Development Corporation created a revolving loan program to spur development in downtown.
 - Hickory has a package of award-winning grants for vacant buildings, appearance, landscaping, and commercial revitalization.
 - Asheville’s Business Development Grant targets local, small business expansions and has a threshold investment level of \$250,000.

- Wilson encourages downtown investment through a Rent Incentive Grant (rent subsidy), Owner Occupied Building Incentive Grant, and a Downtown Loan Pool.
- The Danville Regional Foundation program mentioned earlier is another example of nontraditional incentives as it includes both business and residential rent subsidy in the River District.

- Creative Incentives – Site selection consultants see an incentive policy as a starting point for negotiations. Greenville should be prepared to go beyond the Capital Investment Grant for projects that meet specific economic development goals. However, we caution that more is not necessarily better. The key is to find out what is important to clients. Here are a few examples of creative incentives:
 - Some communities use product as incentive. For example, communities in Virginia buy industrial buildings and lease to companies at a below market rate.
 - Economic development nonprofits can build buildings and lease to companies at below market rate.
 - A nonprofit could borrow the full incentive grant amount, pay the company a smaller amount up front, repay the loan with the annual incentive grant payments, and withhold a small amount to cover interest.
 - Some grants can be made only to local governments, such as Golden LEAF grants. Communities in North Carolina have used grants such as these to offset an infrastructure cost which then allows the community to grant a higher amount for other project related costs.

A next step following the passage of the incentive policy is taking a look at best practices in incentives for downtown redevelopment, vacant buildings reuse, and small business development. Finally, be flexible with impactful projects and consider creative ways to use real estate in the incentive structure.

Building Blocks

The following are recommendations that will strengthen an existing asset or help bridge a gap. Creative EDC focused on foundational elements to enhance competitiveness. The items below are important to the overall economic development effort.

Utility Cost

Airport Service

Continuum of Care for Business

Certified Retirement Community

Recreation, Tourism, Sports

- Utility Cost – Pitt County Development Commission noted that one of the most often used points of elimination is utility cost. Investor-owned electric utilities have special economic development rate riders for large customers. Public power, for example, touts the ability to negotiate rates, but companies often want a rate sheet to review and will not go the extra step of negotiating. Greenville Utilities is an active partner in economic development. We recommend a review of how they can be more aggressive with electric rates and fees.

Greenville places in the middle of the pack on water and sewer costs compared to the benchmark communities. Generally, water rates are more competitive than sewer. Given Greenville's abundant supply, and a focus on water-intensive businesses, the City may want to conduct a specific study to show the cost efficiency of water and sewer. Natural gas rates are higher than other areas in North Carolina and specific research may be helpful here as well.

- Airport Service – Currently Pitt Greenville Airport has one carrier with six daily flights to Charlotte. Every leader in the community discussed the need for additional carriers and more flights. The airport has actively recruited carriers and lobbied for more flights; however, currently, economics are not on the side of Greenville. The airport has been aggressive and will continue to be.
- Continuum of Care for Business – Pitt County Development Commission has an active BRE program focused on manufacturers and large employers. There is currently no group responsible for a continuum of care for small business. There is the Chamber, Uptown, one of the incubators, and the City. We recommend defining the needs of small business and assigning responsibility to an agency that can provide continuous care as a business grows.
- Certified Retirement Community – North Carolina Department of Commerce has a Certified Retirement Community program that certifies that a location has amenities, housing, and services to support retirees. Some local leaders want to promote Greenville as a retirement location. We recommend looking into becoming a Certified Retirement Community because of the marketing exposure it could bring.
- Greenville has many opportunities related to outdoor recreation, eco-tourism, sports, Tar River, general tourism, greenways, BMX, and other activities that are all economic development. We do not want to overlook these opportunities even though this study is focused on the recruitment of a few key target clusters.

Special Note on Organization Structure

Greenville's assets of the University and Vidant Health can also be weaknesses. Collaboration among huge bureaucracies like a university, hospital, city, and county government can be challenging. Sometimes progress may be stalled because of the perceived need to have all partners at the table on every project. We suggest that sometimes progress can be made with a smaller, more nimble group. Do not partner to the point of stalling progress.

APPENDICES

Appendix A: Economic and Demographic Trends

POPULATION

	1990	2000	2010	% change 2000 to 2010
Greenville MSA	123,864	152,693	189,510	24.1%
Athens MSA	136,025	166,075	192,541	16%
Johnson City MSA	160,369	181,605	198,716	9.4%
Lynchburg MSA	206,226	228,616	252,634	10.5%

Sources: US Census 1990, 2000, and 2010 (www.census.gov) Metropolitan and Micropolitan Statistical Areas

AGE DEMOGRAPHICS

Age Groups	Greenville MSA	Athens MSA	Johnson City MSA	Lynchburg MSA
0 - 4	6.5%	6.0%	5.4%	5.2%
5 - 9	6.1%	5.6%	5.0%	5.5%
10 - 14	6.3%	5.7%	6.4%	6.5%
15 - 19	9.1%	11.2%	6.5%	8.1%
20 - 24	12.2%	14.4%	7.4%	8.4%
25 - 29	7.4%	7.7%	6.1%	5.5%
30 - 34	6.6%	6.5%	5.9%	5.1%
35 - 39	5.9%	5.9%	6.6%	6.1%
40 - 44	6.6%	5.7%	7.0%	6.4%
45 - 49	6.5%	5.9%	7.3%	7.3%
50 - 54	6.3%	5.9%	7.2%	7.4%
55 - 59	5.6%	5.2%	7.0%	6.6%
60 - 64	4.6%	4.4%	6.3%	6.2%
65 - 69	3.1%	3.3%	4.9%	4.7%
70 - 74	2.6%	2.4%	4.0%	3.8%
75 - 79	1.9%	1.8%	2.9%	2.9%
80 - 84	1.4%	1.2%	2.2%	2.0%
85+	1.2%	1.2%	1.9%	2.1%

Source: US Census 2010 (www.census.gov) American Community Survey 5 year estimates 2007-2011

EDUCATION ATTAINMENT

	Greenville MSA	Athens MSA	Johnson City MSA	Lynchburg MSA
Less than 9 th grade	6.2%	5.3%	7.2%	6.0%
9 th to 12 th grade, no diploma	10.1%	11.5%	10.6%	10.4%
High School graduate (includes equivalency)	27.0%	25.4%	32.9%	32.9%
Some college, no degree	21.7%	18.5%	20.6%	21.7%
Associates degree	9.3%	5.0%	5.9%	6.7%
Bachelor degree	16.2%	17.8%	14.3%	14.6%
Graduate or professional degree or higher	9.6%	16.5%	8.6%	7.7%

Source: U.S. Census Bureau, 2007-2011 American Community Survey 5-Year Estimates (www.census.gov)

PER CAPITA INCOME

Area	2002	2003	2004	2005	2006	2007	2008	2009	2010	Growth
Athens-Clarke County, GA	\$24,342	\$24,940	\$25,591	\$27,290	\$28,308	\$29,546	\$31,011	\$30,027	\$30,647	20.6%
Greenville, NC	\$25,294	\$25,881	\$26,947	\$28,208	\$29,261	\$30,403	\$31,884	\$30,662	\$31,337	19.3%
Johnson City, TN	\$23,710	\$24,278	\$25,885	\$26,689	\$28,111	\$29,856	\$30,973	\$30,337	\$30,977	23.5%
Lynchburg, VA	\$26,461	\$27,075	\$28,240	\$29,181	\$30,934	\$32,173	\$33,194	\$32,036	\$32,218	17.9%

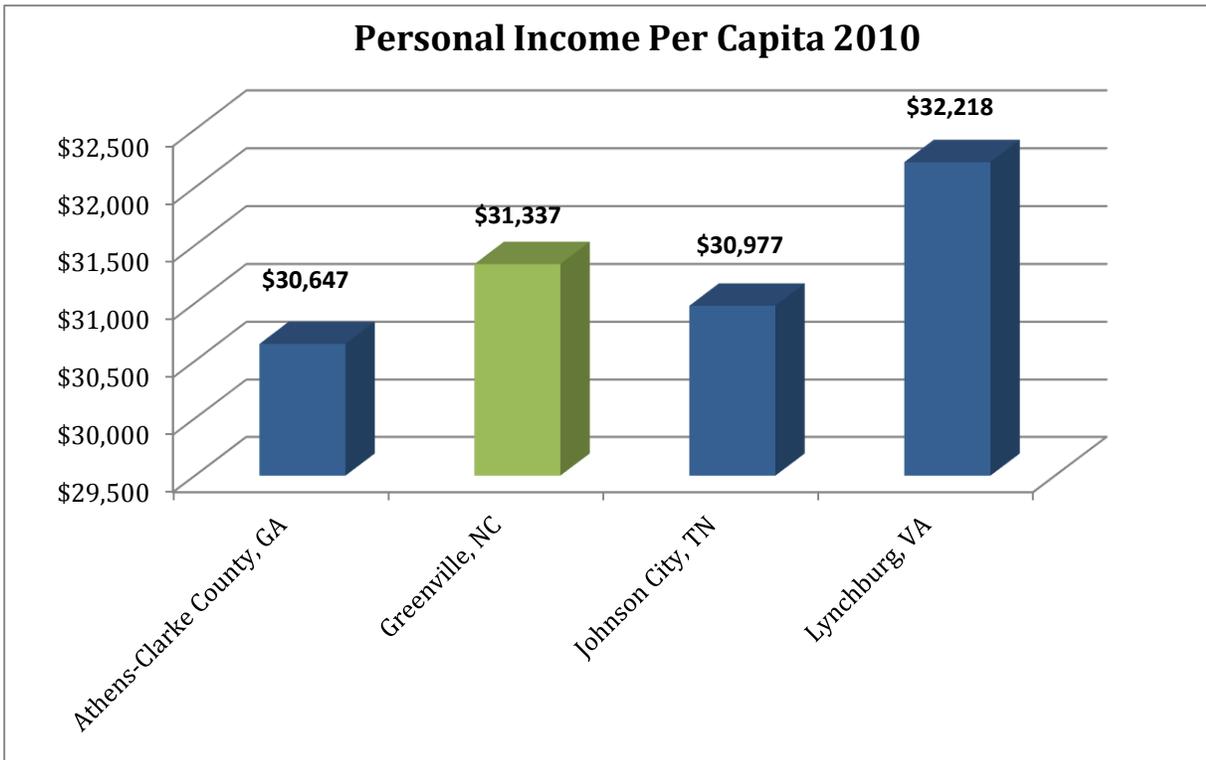
Source: Bureau of Economic Analysis, 2011 Annual (www.bea.gov) and City of Greenville Department of Research

Legend/Footnote: 2/ Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2000-2010 reflect county population estimates available as of April 2012.

Note-- Virginia combination areas consist of one or two independent cities with 1980 populations of less than 100,000 combined with an adjacent county. The county name appears first, followed by the city name(s). Separate estimates for the jurisdictions making up the combination area are not available.

All state and local area dollar estimates are in current dollars (not adjusted for inflation).

Last updated: April 25, 2012 - new estimates for 2010; revised estimates for 2000-2009.



Source: Bureau of Economic Analysis, 2011 Annual (www.bea.gov) and City of Greenville Department of Research

MEDIAN HOME VALUES

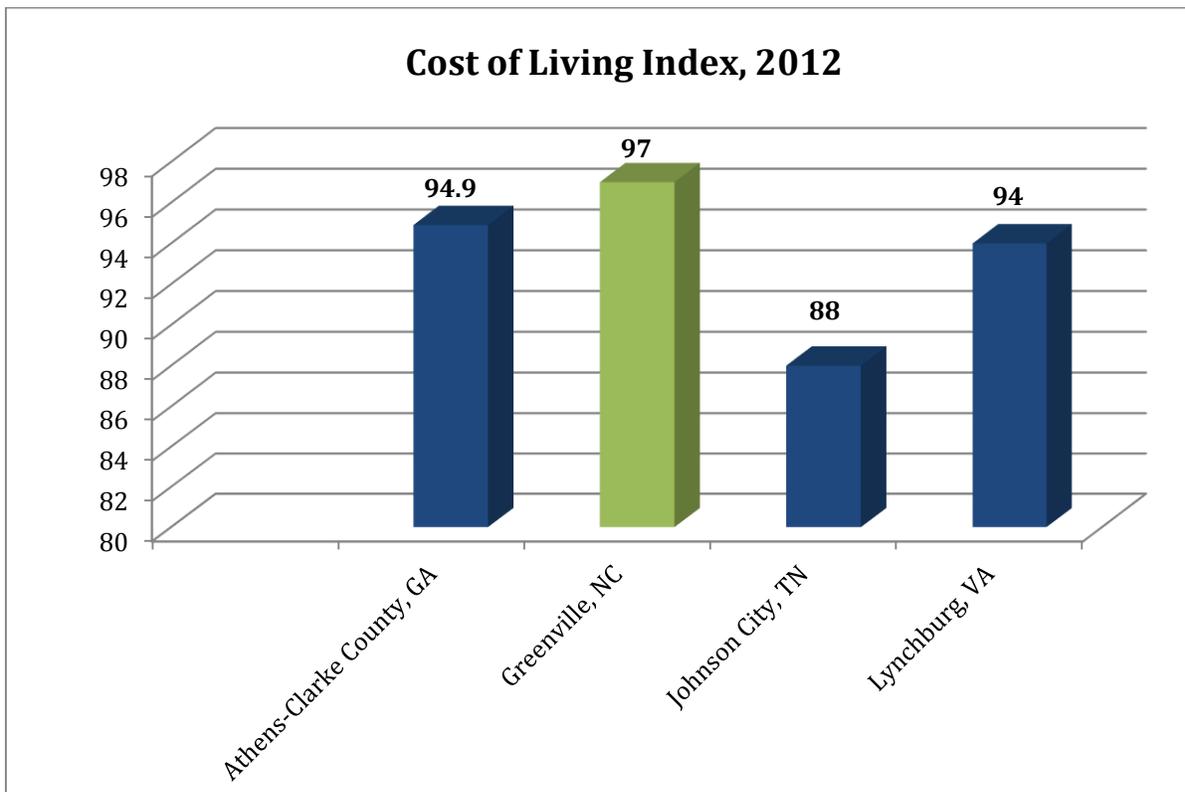
City	Median Home Value
Athens-Clarke County, GA	\$166,100
Greenville, NC	\$124,100
Johnson City, TN	\$123,700
Lynchburg, VA	\$157,300

Source: U.S. Census Bureau, 2007-2011 American Community Survey 5-Year Estimates

COST OF LIVING INDEX

City	Cost of Living Index
Athens-Clarke County, GA	94.9
Greenville, NC	97
Johnson City, TN	88
Lynchburg, VA	94

Source: Kiplinger; (http://www.kiplinger.com/tools/bestcities_sort/) and City of Greenville Department of Research



Source: Kiplinger; (http://www.kiplinger.com/tools/bestcities_sort/) and City of Greenville Department of Research

LABOR FORCE

	2000	2010	2012	% change 2000 to 2010
Greenville MSA	77,923	93,503	99,070	20%
Athens MSA	88,183	108,953	113,316	23.5%
Johnson City MSA	91,237	99,719	100,299	9.3%
Lynchburg MSA	114,074	125,868	120,835	10.3%

Source: Bureau of Labor Statistics: Civilian Laborforce and Unemployment by MSA

UNEMPLOYMENT RATE

	Greenville MSA	Athens MSA	Johnson City MSA	Lynchburg MSA
2012 Annual Average %	9.3%	6.7%	7.3%	6.7%

Source: Bureau of Labor Statistics: Civilian Laborforce and Unemployment by MSA

COMMUTING PATTERNS

Greenville/Pitt County

	In-Commuters	Out-Commuters
Beaufort	1,772	2,557
Craven	582	789
Edgecombe	826	830
Greene	439	1,978
Lenoir	1,872	1,420
Martin	472	1,619
Wilson	561	493

Source: US Census (www.census.gov) county-to-county worker flow files

EMPLOYMENT BY 2-DIGIT NAICS

	Greenville MSA	Athens MSA	Johnson City MSA	Lynchburg MSA
Ag	(D)	(D)	(D)	(D)
Mining	(D)	(D)	(D)	(D)
Utilities	(D)	(D)	(D)	(D)
Construction	4,405	4,047	5,442	(D)
Manufacturing	6,638	7,362	8,329	15,205
Wholesale Trade	,236	2,487 E	2,255 E	4,112 E
Retail Trade	10,456	10,799	12,029	15,792
Transportation and Warehousing	(D)	(D)	(D)	(D)
Information	1,072 E	903 E	2,072	1,382
Finance and Insurance	3,389	3,559	4,467	5,954
Real Estate, Rental, Leasing	3,264	4,225	3,142	5,563
Professional and Technical Services	3,056	5,001	3,429 E	7,369 E
Management of Companies and Enterprises	932	920	883 E	(D)
Administrative and Water Services	6,147	6,203	7516	(D)
Educational Services	1,514	1,975 E	(D)	(D)
Healthcare and Social Assistance	11,380	11,821 E	(D)	(D)
Arts, Entertainment and Recreation	(D)	2,101 E	1,273	(D)
Accommodation and Food Services	7,853 E	7,667 E	7,868	(D)
Other Services excluding Public Admin.	(D)	6,824	6,503	7,646
Public Admin.	26,215	28,164	18,377	15,208

Source: Bureau of Economic Analysis, 2011 Annual (www.bea.gov) and City of Greenville Department of Research
Legend / Footnotes:

Note-- The estimates for 2007-2010 are based on the 2007 NAICS. The estimates for 2011 forward are based on the 2012 NAICS.

Geographic Note-- Virginia combination areas consist of one or two independent cities with 1980 populations of less than 100,000 combined with an adjacent county. The county name appears first, followed by the city name(s). Separate estimates for the jurisdictions making up the combination area are not available.

(D) Not shown in order to avoid the disclosure of confidential information; estimates are included in higher level totals.

(E) The estimate shown here constitutes the major portion of the true estimate.

WAGES BY 2-DIGIT NAICS

	Greenville MSA	Athens MSA	Johnson City MSA	Lynchburg MSA
Ag	ND	\$759	\$595	ND
Mining	\$480	\$585	\$922	ND
Utilities	ND	ND	ND	ND
Construction	\$640	\$747	\$706	ND
Manufacturing	\$979	\$1,062	\$884	\$1,033
Wholesale Trade	\$797	ND	ND	ND
Retail Trade	\$457	\$433	\$444	\$404
Transportation and Warehousing	ND	\$729	\$739	\$740
Information	ND	\$709	\$784	\$824
Finance and Insurance	\$958	\$1,265	\$796	\$977
Real Estate, Rental, Leasing	\$510	\$528	\$535	\$587
Professional and Technical Services	\$1,001	\$839	ND	ND
Management of Companies and Enterprises	\$1,239	\$983	ND	ND
Administrative and Water Services	\$592	\$453	\$461	\$379
Educational Services	\$321	\$611	ND	\$678
Healthcare and Social Assistance	\$727	\$886	ND	\$765
Arts, Entertainment and Recreation	ND	\$439	\$504	ND
Accommodation and Food Services	ND	ND	\$253	ND
Other Services excluding Public Admin.	ND	\$491	\$436	\$473
Public Admin.	ND	ND	\$721	ND
Average Weekly Wage	\$721	\$715	\$670	\$712

Source: Bureau of Labor Statistics, Employment, Wages and Earnings, 2011 (www.bls.gov)

MAJOR EMPLOYERS

Top 25 Employers for Pitt County

Rank	Company Name	Industry	Employment Range
1	Pitt County Memorial Hospital	Education and Health Services	1,000+
2	East Carolina University	Education and Health Services	1,000+
3	Pitt County Board Of Education	Education and Health Services	1,000+
4	City Of Greenville	Public Administration	1,000+
5	Pitt County	Public Administration	500-999
6	Dsm Pharmaceuticals, Inc	Manufacturing	500-999
7	Nacco Materials Handling Group Inc	Manufacturing	500-999
8	Pitt Community College	Education and Health Services	500-999
9	The Roberts Company Field Services	Manufacturing	500-999
10	Alliance One International Inc	Manufacturing	500-999
11	University Health Systems Of	Education and Health Services	500-999
12	Wal-Mart Associates Inc	Trade, Transportation, and Utilities	500-999
13	Uhs Physicians LLC	Professional and Business Services	500-999
14	Overtons Inc	Trade, Transportation, and Utilities	500-999
15	Covergys Customer Mgmt Group	Professional and Business Services	500-999
16	Physicians East Pa	Education and Health Services	500-999
17	Dixon Foods Group Inc	Leisure and Hospitality	500-999
18	Wells Fargo Bank Na (A Corp)	Financial Activities	500-999
19	Food Lion LLC	Trade, Transportation, and Utilities	500-999
20	Asmo Greenville Of North Carolina	Manufacturing	250-499
21	Facilico	Professional and Business Services	250-499
22	Greenville Utilities Commission	Trade, Transportation, and Utilities	250-499
24	Bojangles Famous Chicken & Biscuits	Leisure and Hospitality	250-499
24	Metrics Inc	Manufacturing	250-499
25	Dsm Dyneema LLC	Manufacturing	250-499

Source: NCESC – 25 largest employers by county, 2012 Q2 data (www.ncesc.com)

BUSINESS ESTABLISHMENT DATA

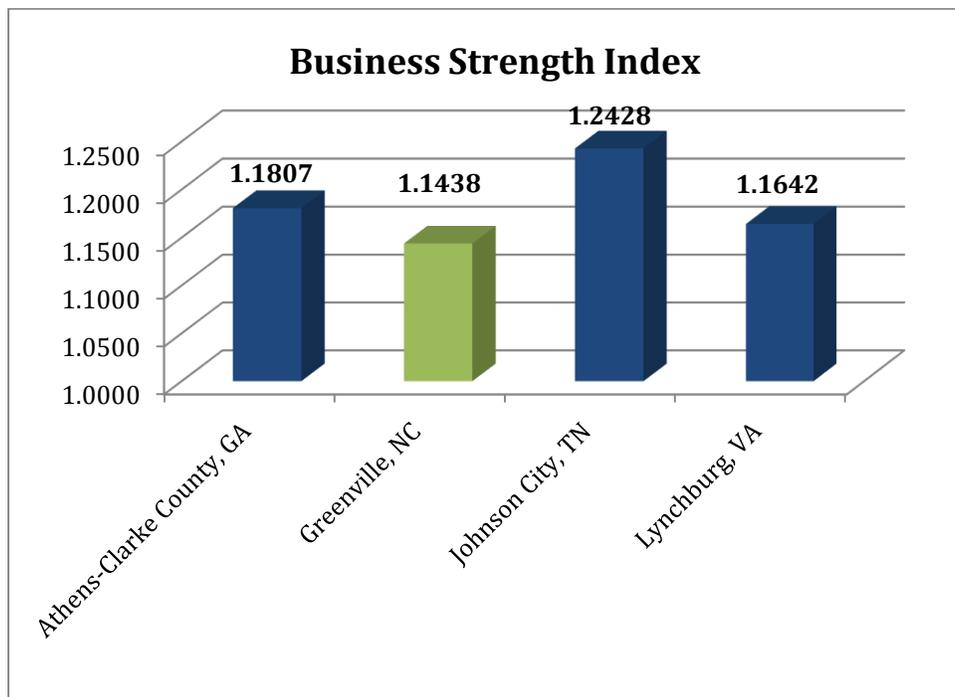
	Greenville MSA	Athens MSA	Johnson City MSA	Lynchburg MSA
Ag	11	11	4	53
Mining	4	17	4	6
Utilities	6	12	7	11
Construction	399	346	304	849
Manufacturing	98	144	172	289
Wholesale Trade	159	180	157	213
Retail Trade	658	717	694	945
Transportation and Warehousing	85	92	59	159
Information	67	64	66	90
Finance and Insurance	258	274	316	381
Real Estate, Rental, Leasing	183	270	156	283
Professional and Technical Services	341	480	284	511
Management of Companies and Enterprises	22	23	21	26
Administrative and Water Services	194	237	154	299
Educational Services	42	64	32	64
Healthcare and Social Assistance	534	550	471	544
Arts, Entertainment and Recreation	52	59	52	88
Accommodation and Food Services	355	417	381	440
Other Services excluding Public Admin.	337	429	497	749
Industries Not Classified	6	4	4	6

Source: US Census 2000 & 2010 County Business Patterns (www.censtats.census.gov)

INNOVATION INDEX RAW CALCULATIONS

	High Wage Employment	Employment per Square feet	Employment Diversity Index	Index
Athens-Clarke County, GA	0.3293	0.008957	0.842398122	1.1807
Greenville, NC	0.3075	0.008786	0.827524196	1.1438
Johnson City, TN	0.3669	0.007967	0.867885447	1.2428
Lynchburg, VA	0.3312	0.015111	0.81792089	1.1642

Sources: Bureau of Economic Analysis and the City of Greenville Department of Research



Sources: Bureau of Economic Analysis and the City of Greenville Department of Research

NUMBER OF NONFARM PROPRIETORS (NUMBER OF JOBS.)

Area	2002	2003	2004	2005	2006	2007	2008	2009	2010	Growth
Athens-Clarke County, GA	15,273	16,780	18,131	19,503	20,538	21,759	21,371	22,020	22,231	31.30%
Greenville, NC	12,857	13,481	14,417	15,539	16,163	17,282	17,010	17,123	17,224	25.35%
Johnson City, TN	15,994	16,561	17,820	18,682	19,309	20,406	19,428	19,277	19,151	16.48%
Lynchburg, VA	21,036	21,358	21,944	23,653	24,424	26,006	25,272	25,768	25,890	18.75%

Source: Bureau of Economic Analysis (www.bea.gov) and City of Greenville Department of Research

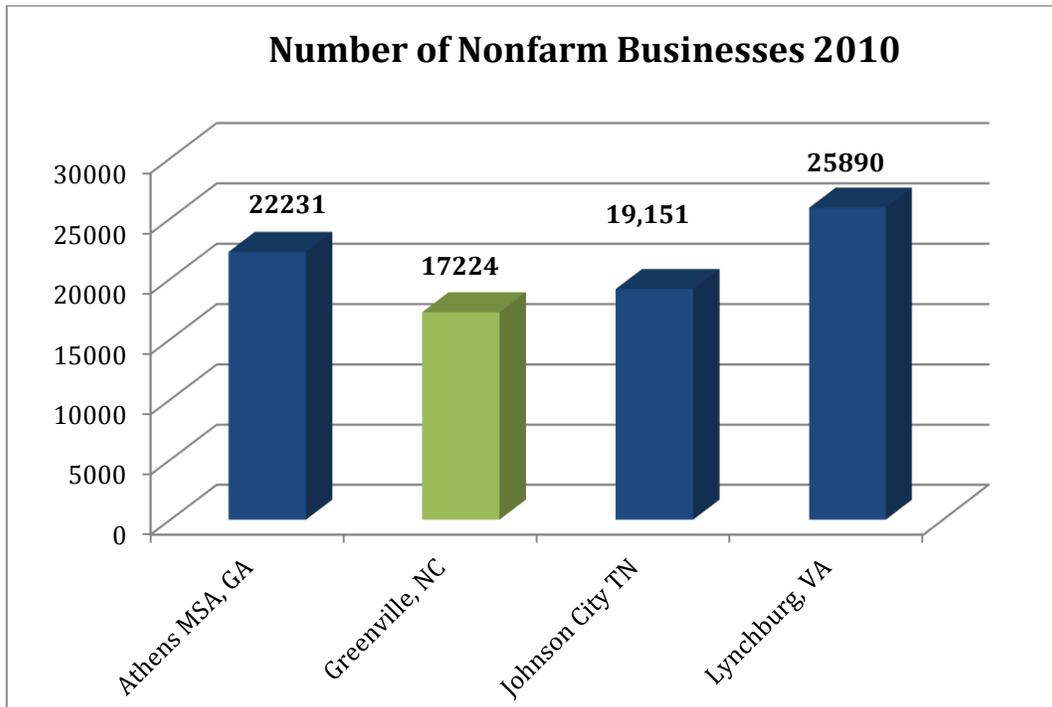
Legend / Footnotes:

5/ Excludes limited partners.

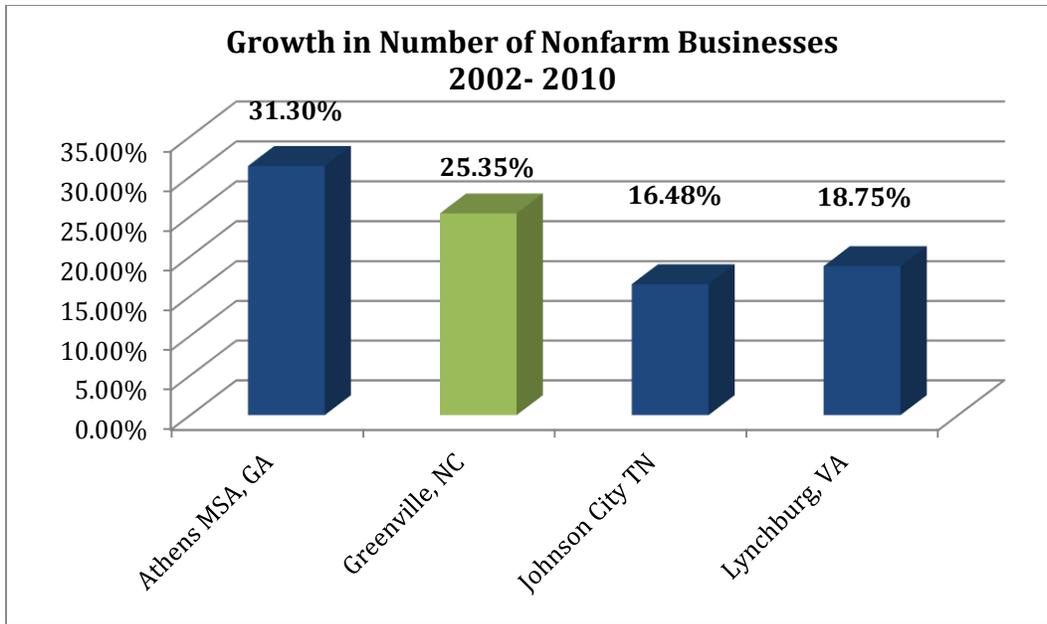
Note-- Virginia combination areas consist of one or two independent cities with 1980 populations of less than 100,000 combined with an adjacent county. The county name appears first, followed by the city name(s). Separate estimates for the jurisdictions making up the combination area are not available.

All state and local area dollar estimates are in current dollars (not adjusted for inflation).

Last updated: April 25, 2012 - new estimates for 2010; revised estimates for 2000-2009.



Source: Bureau of Economic Analysis (www.bea.gov) and City of Greenville Department of Research



Source: Bureau of Economic Analysis (www.bea.gov) and City of Greenville Department of Research

INDEX OF PROPRIETORS INCOME IN RELATION TO POPULATION

Area	2002	2003	2004	2005	2006	2007	2008	2009	2010
Athens-Clarke County, GA	65%	64%	56%	54%	63%	60%	57%	64%	61%
Greenville, NC	51%	50%	49%	47%	45%	51%	56%	60%	55%
Johnson City, TN	55%	53%	48%	46%	43%	46%	52%	57%	66%
Lynchburg, VA	52%	54%	48%	46%	46%	50%	63%	75%	129%

Source: Bureau of Economic Analysis (www.bea.gov) and City of Greenville Department of Research

**PRIVATE NONFARM EMPLOYMENT: PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES
(NUMBER OF JOBS.)**

Area	2002	2003	2004	2005	2006	2007	2008	2009	2010	Per Capita
Athens-Clarke County, GA	4,151	4,386	4,696	4,844	4,966	5,212	5,260	5,151	5,231	0.05
Greenville, NC	2,683	2,750	2,980	3,065	3,126	3,131	3,052	3,018	3,024	0.04
Johnson City, TN	3,338	3,324	3,649	D	D	D	D	D	3,179	0.04
Lynchburg, VA*	D	D	D	D	7,001	7,441	D	D	7,441	0.12

Sources: Bureau of Economic Analysis (www.bea.gov) and City of Greenville Department of Research

Legend / Footnotes:

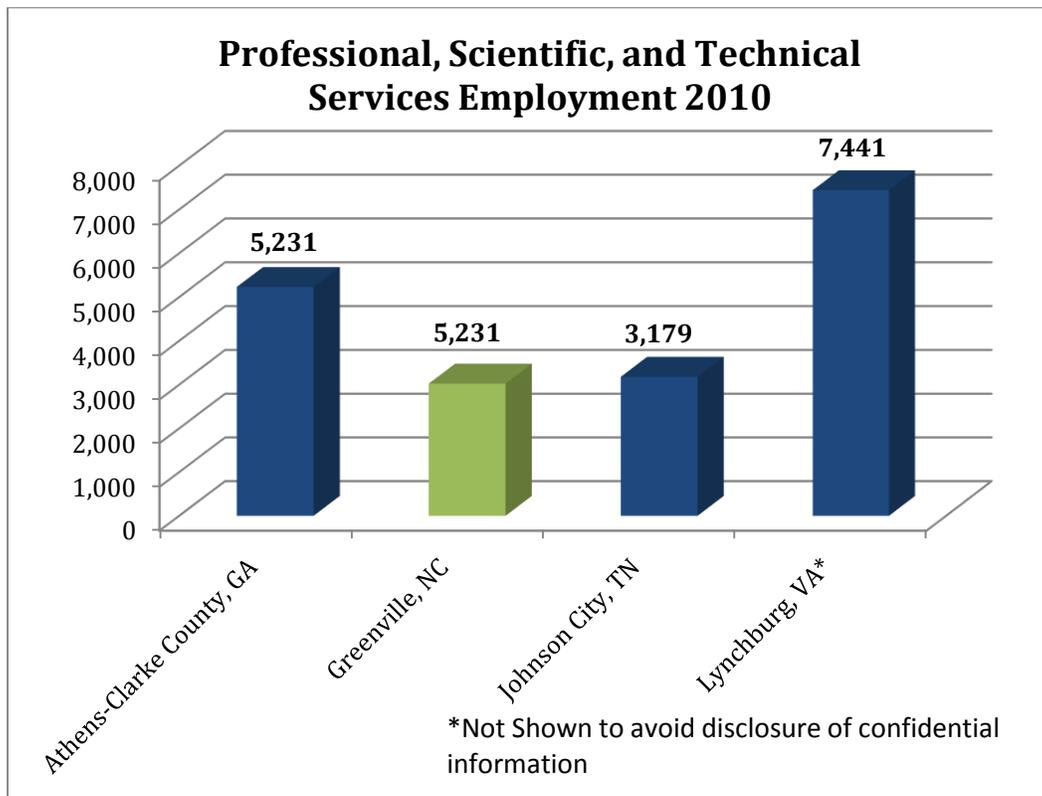
1/ The estimates of employment for 2001-2006 are based on the 2002 North American Industry Classification System (NAICS). The estimates for 2007 forward are based on the 2007 NAICS.

Geographic Note-- Virginia combination areas consist of one or two independent cities with 1980 populations of less than 100,000 combined with an adjacent county. The county name appears first, followed by the city name(s). Separate estimates for the jurisdictions making up the combination area are not available.

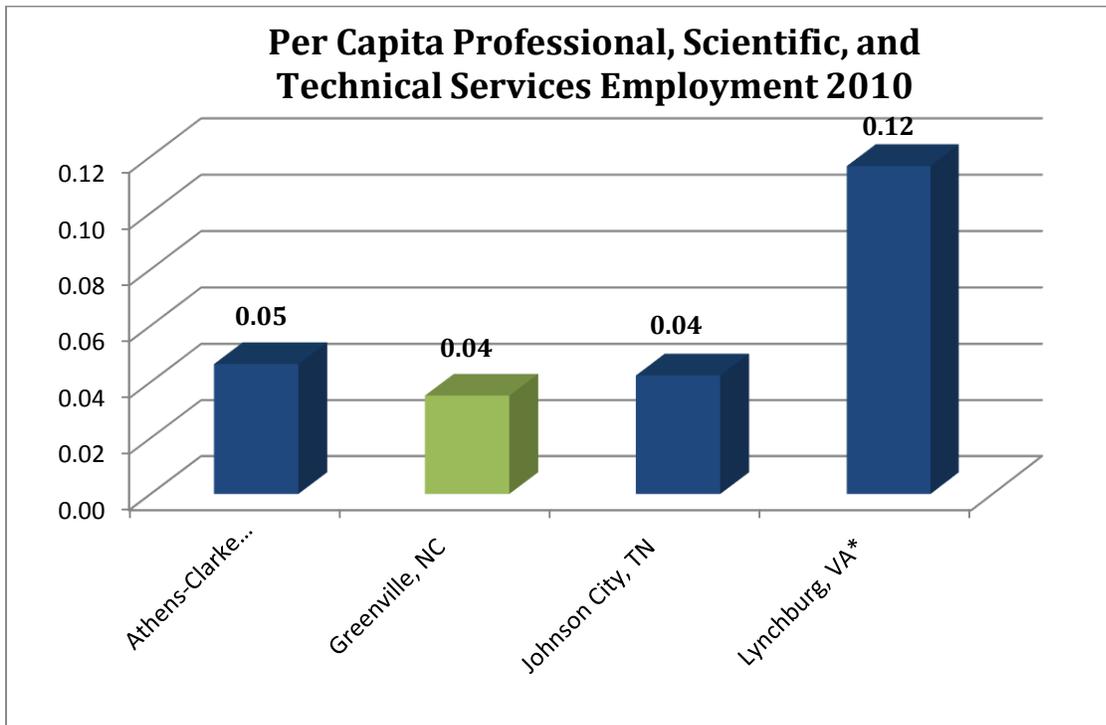
E The estimate shown here constitutes the major portion of the true estimate.

(D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.

Last updated: April 25, 2012 - new estimates for 2010; revised estimates for 2008-2009.



Sources: Bureau of Economic Analysis (www.bea.gov) and City of Greenville Department of Research



Sources: Bureau of Economic Analysis (www.bea.gov) and City of Greenville Department of Research

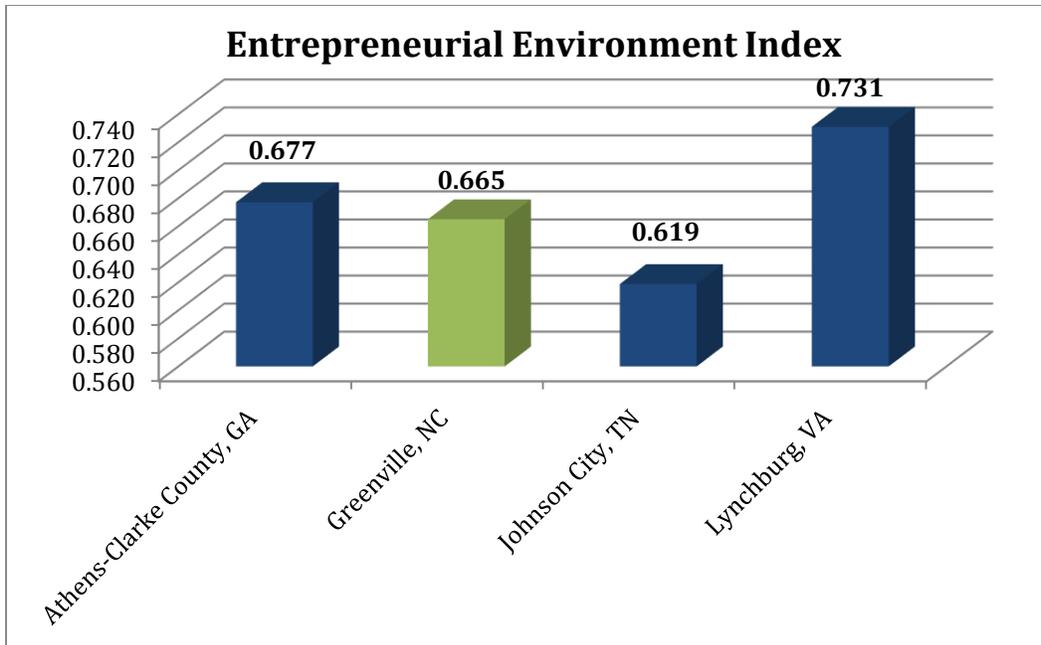
**NUMBER OF ESTABLISHMENTS WITH CORRESPONDING EMPLOYMENT CHANGE BY
EMPLOYMENT SIZE OF THE ENTERPRISE FOR EACH METROPOLITAN STATISTICAL AREA (MSA),
TOTALS: 2008-2009**

	Population	Initial Year			Establishment Births		Establishment Deaths	
		Number of Establishments	Employment	% Per Capita	Number of Establishments	Change in Employment	Number of Establishments	Change in Employment
Athens-Clarke County, GA	192,021	4,153	57,539	0.0216	369	2,673	514	-2,439
Greenville, NC	186,834	3,547	61,893	0.0190	312	3,278	373	-3,183
Johnson City, TN	197,698	3,684	68,265	0.0186	279	2,304	354	-2,700
Lynchburg, VA	251,441	5,805	99,369	0.0231	463	3,293	624	-3,076

SOURCE: 1989-2009 Business Information Tracking Series. For information on confidentiality protection, sampling error, non-sampling error, and definitions, see <http://www.census.gov/econ/sub/methodology.html>

	Weights	Athens-Clarke County, GA	Greenville, NC	Johnson City, TN	Lynchburg, VA
Births 1989-2009	X2	0.089	0.088	0.076	0.080
Number of businesses per 1,000 employees		0.022	0.019	0.019	0.023
Per capita income generated by self-employed proprietors		0.566611481	0.558017	0.524334	0.628090074
Business Entrepreneurial Index		0.677	0.665	0.619	0.731

Source: City of Greenville Department of Research



Source: City of Greenville Department of Research – calculation of Births 1989 – 2009 (weighted x2) plus number of businesses per 1,000 employees, and per capita income generated by self-employed proprietors.

PITT COUNTY LAYOFFS AND CLOSINGS

Effective Date	Company	Product	Affected	Reason	Event
01/06/2010	House of Screws, Inc.	Fasteners	4	Bankruptcy	Closing
02/01/2010	PIP Printing (Renescence)	Printing shop	7	Bankruptcy	Closing
02/18/2010	Peaden's Grill and Cafeteria	Restaurant	18	Fire	Closing
07/01/2010	Early Childhood Outreach	Special needs kids advocate	4	Economic conditions	Layoff
07/04/2010	Ham's Restaurant and Brewhouse	Restaurant	50	Economic conditions	Closing
07/14/2010	Golden Corral Grill/Buffer	Restaurant	52	Demolish/Re build	Closing
07/21/2010	Boli's on the Boulevard	Restaurant		Economic conditions	Closing
07/21/2010	Wendy's (S.W. Greenville Blvd.)	Restaurant	25	Underperformance	Closing
08/04/2010	Diviney's Bistro & Pizzeria	Restaurant	22	Bankruptcy	Closing
08/30/2010	Saena Thai House	Restaurant	5	Partnership dispute	Closing
09/17/2010	Wimpie's Steam Bar and Grill	Restaurant	17	Property redevelopment	Closing
12/31/2010	Kroger Food Stores	Grocery store	97	Not stated	Closing
01/31/2011	Woodworks Furniture	Furniture store		Owner's decision	Closing
03/15/2011	Henderix Barnhill Co	Construction		Bankruptcy	Closing
03/31/2011	Lane Bryant (Mall)	Womens apparel		Underperformance	Closing
03/31/2011	The Gap (Mall)	Clothing store		Expired lease	Closing
04/14/2011	Home Depot	Home center	96	Underperformance	Closing
05/01/2011	Saslows Inc (Mall)	Jewelry store		Expired lease	Closing
05/10/2011	Uncle Yammys Rib Shack	Restaurant		Owner's decision	Closing
07/01/2011	Old Mill Properties	Construction		Bankruptcy	Closing
07/01/2011	Sidus Financial LLC	Financial services	75	Restructuring	Layoff
07/26/2011	Door to Door of Pitt County	Transportation services		Bankruptcy	Closing
08/11/2011	Pirates Pub Inc	Restaurant		Bankruptcy	Closing
08/11/2011	Nance Properties	Car wash services		Bankruptcy	Closing
01/12/2012	Matthew Gaskill Homes	Construction		Bankruptcy	Closing
03/28/2012	Atlantic Grill	Restaurant		Owner's decision	Closing
05/14/2012	O'Charley's	Restaurant	65	Corporate decision	Closing
08/01/2012	Pro Golf Discount	Sporting goods store		Owner's decision	Closing

08/29/2012	Schlotsky's Deli	Restaurant		Owner's decision	Closing
08/31/2012	Bethel Family Medical Center	Medical clinic		Not enough funds	Closing
11/16/2012	Hostess Brands Inc	Commercial Bakery	9	Bankruptcy	Closing
12/14/2012	Anvil Knitwear Inc (Spectratex)	Clothing mfg	35	Owner's decision	

Source: North Carolina Employment Security Commission

NEW AND EXPANDING COMPANIES

Pitt County

Company	Location
One Source Communications	Greenville
Penco Storage Products	Greenville
Domtar	Pitt County
DSM	Pitt County
Cable Network Associates	Pitt County
Confidential Records Management	Pitt County
IOTO	Greenville
Pioneer Surgical	Greenville
Figure Technologies	Greenville
Game Theory Group	Pitt County
MX BioDevices	Greenville
LunaSee	Greenville

Source: City of Greenville & Pitt County Development Corporation

BUSINESS CLIMATE

Business Climate Indicators	NC	GA	TN	VA
Corporate Tax Rate (2011)	6.9	6.0	6.5	6.0
Individual Income Tax Rate (2011)	6.0 – 7.75	1.0 - 6.0	Div & Int Income	2.0 – 5.75
Per Capita State Tax (2006)	\$2,256	\$1,526	\$1,657	\$2,051
General Obligation Bond Rating - Standard/Poor's (2011)	Aaa/Stable	Aaa/Stable	Aaa/Stable	Aaa/Negative
State Mfg GDP (2010) in millions	\$72,338	\$38,452	\$35,313	\$32,406
State Service GDP (2010) in millions	\$292,225	\$307,669	\$185,614	\$332,361
Foreign Direct Investment (2010) in millions	\$24,905	\$28,950	\$25,943	\$17,163
Annual Avg. Worker's Comp Rate/\$100 (2010)	\$2.12	\$2.08	\$2.19	\$1.39
Annual Avg. Unemp. Ins. Cost/Worker (3Q2011)	\$241.18	\$219.29	\$299.06	\$205.50
Federal R&D Funding (2007) in millions	\$9,204	\$4,425	\$3,659	\$9,473
New Business Starts (2009)	41,631	52,077	15,373	39,288
Business Failures (2009)	46,609	60,326	18,651	42,483
Small Bus. Innovation Research Fund (2010) in millions	\$44,196	\$21,208	\$12,216	\$113,691
Total Venture Capital Investments (1Q2011-4Q2011) in millions	\$325,214	\$343,166	\$103,056	\$607,603
Avg. Ind. Electric Cost/KWh (2010) in cents	6.17	6.22	6.58	6.66
Avg. Ind. Nat. Gas Cost/1000cuft (2010)	\$8.12	\$6.69	\$6.22	Unknown

Source: NC Department of Commerce

LISTING OF UNIVERSITY DEGREES

East Carolina University

Thomas Harriot College of Arts and Sciences

African and African American Studies, B.A.
 Anthropology, B.A., M.A.
 Applied Atmospheric Science, B.S.
 Biology, B.S., M.S.
 Biomedical Physics, PhD
 Biomedical Sciences, M.S.
 Chemistry, B.A., B.S., M.S.
 Classical Studies (See Multidisciplinary Studies)
 Coastal Resources Management, PhD
 Economics, B.A., B.S., MS (Applied and Resource Economics)
 Foreign Languages, (See specific language.)
 French, B.A., B.S. (Secondary Education)
 Geographic Information Science and Technology, B.S.
 Geography, B.A., B.S. (Applied Geography), M.A.
 Geology, B.S., M.S.
 German, B.A., B.S. (Secondary Education)
 Hispanic Studies, B.A., B.S. (Education), M.A.T.
 History, B.A., B.S. (Public History), MA (History), M.A. (Maritime Studies)
 History Education, B.S., (Secondary Education), MAEd, M.A.T.
 Interdisciplinary Biological Sciences, PhD
 International Studies, M.A.
 Maritime Studies, M.A.
 Molecular Biology and Biotechnology, M.S.
 Multidisciplinary Studies, B.A., B.S.
 Neuroscience Studies (See Multidisciplinary Studies)
 Philosophy, B.A.
 Physics, B.A., B.S., B.S.AP (Applied Physics), MS (See Biomedical Physics)
 Political Science, B.A., B.S., MPA (Public Administration), MS (Security Studies)
 Psychology, B.A.
 Psychology, Clinical, MA (See Health Psychology)
 Psychology, General Theoretic, M.A.
 Psychology, School, MA, C.A.S.
 Psychology, Health, PhD
 Religious Studies (See Multidisciplinary Studies)
 Security Studies, M.S.
 Sociology, B.A., B.S. (Applied Sociology), M.A.
 Women's Studies, B.A.

College of Allied Health Sciences

Clinical Laboratory Science, B.S.
 Audiology, AuD

Communication Sciences and Disorders, M.S., PhD
 English, B.A., MA (See Technical and Professional Discourse)
 Environmental Health, B.S., MSEH
 Family and Community Services, B.S.
 Family and Consumer Sciences
 Education, B.S., MAEd, M.A.T.
 Health Informatics and Information Management, M.S.
 Health Information Management, B.S.
 Health Psychology, PhD
 Health Services Management, B.S.
 Occupational Safety, M.S.
 Occupational Therapy, M.S.O.T.
 Physical Therapy, D.P.T.
 Physician Assistant, M.S.
 Public Health, M.P.H.
 Public Health Studies, B.S.
 Rehabilitation and Career Counseling, M.S.
 Rehabilitation Counseling and Administration, PhD
 Rehabilitation Services, B.S.
 Speech and Hearing Sciences, B.S.
 Substance Abuse and Clinical Counseling, M.S.

College of Business

Accounting, B.S.B.A., M.S.A.
 Business Administration, B.S.B.A., MB.A.
 Business Education, B.S.BE, MAEd
 Business and Marketing Education, B.S.BE, M.A.T.
 Finance, B.S.B.A.
 Management, B.S.B.A.
 Management Information Systems, B.S.B.A.
 Marketing, B.S.B.A.
 Marketing Education, MAEd
 Public Administration, M.P.A.
 Urban and Regional Planning, B.S.

College of Education

Adult Education, MAEd
 Birth-Kindergarten (BK) Teacher Education, B.S., MAEd
 Counselor Education, M.S.
 Education, Secondary, (See academic subject.)
 Educational Administration and Supervision, EdS
 Educational Leadership, EdD
 Elementary Education (K-6), B.S., MAEd, M.A.T.
 English Education, B.S. (Secondary Education), MAEd, M.A.T.

Library Science, M.L.S.
 Mathematics, B.A., B.S., M.A.
 Mathematics, Secondary Education, B.S., MAEd
 Middle Grades Education, B.S., MAEd, M.A.T.
 Reading Education, MAEd
 School Administration, M.S.A.
 School Health Education, B.S.
 School Psychology, C.A.S.
 Science Education, B.S., M.A., MAEd, M.A.T.
 Special Education (Behavioral/Emotional Licensure Area), MAEd
 Special Education (Learning Disabilities Licensure Area), MAEd
 Special Education (Low Incidence Disabilities Licensure Area), MAEd
 Special Education Adapted Curriculum, B.S.
 Special Education, General Curriculum, B.S.
 Special Education, Intellectual Disabilities, MAEd
 Teaching-MAT (See specific teaching area.)
 Vocational Education, M.S.
 Vocational Evaluation, M.S.

College of Fine Arts and Communication

Art, B.F.A., M.F.A.
 Art Education, BFA, MAEd, M.A.T
 Art History and Appreciation, B.A.
 Communication, B.A., B.S., M.A .
 Dance Education, B.F.A.
 Dance Performance, B.F.A .
 Music Education, B.M., M.M, M.A.T.
 (Music) Performance, B.M., M.M.
 (Music) Theory-Composition, B.M., M.M.
 Music Therapy, B.M.
 Theatre Arts, B.A., B.F.A.
 Theatre Arts Education, B.F.A.

College of Health and Human Performance

Athletic Training, B.S., M.S.
 Exercise Physiology, B.S.
 Exercise and Sport Science, M.S.
 Health Education, MA, MAEd, M.A.T.
 Health Fitness Specialist, B.S.
 Physical Education, B.S., MAEd, M.A.T.
 Recreation and Park Administration, M.S.
 Recreation and Park Management, B.S.
 Recreational Therapy, B.S.
 Recreational Therapy Administration, M.S.
 Sports Studies, B.S.

College of Human Ecology

Child Development and Family Relations, M.S.
 Child Life, B.S.
 Criminal Justice, B.S., M.S.
 Design, B.S.
 Hospitality Management, B.S.
 Interior Design, B.S.
 Merchandising, B.S.
 Nutrition, M.S.
 Nutrition and Dietetics, B.S.
 Social Work, B.S.W, M.S.W.
 Sustainable Tourism, M.S.

College of nursing

Nursing, B.S.N, MSN, PhD

College of Technology and Computer Science

Computer Science, B.A., B.S., M.S.
 Construction Management, B.S., M.C.M.
 Engineering, B.S.
 Industrial Distribution and Logistics, B.S.
 Industrial Engineering Technology, B.S.
 Industrial Technology, B.S.
 Information and Computer Technology, B.S.
 Information Technologies, B.S.BE
 Instructional Technology, M..S
 Instructional Technology Education, MAEd
 Software Engineering, M.S.
 Technical and Professional Discourse, PhD
 Technology Systems, M.S.

School of Dental Medicine

Dental Medicine, D.M.D.

Brody School of Medicine

Anatomy and Cell Biology, PhD
 Biochemistry, B.S.
 Biochemistry and Molecular Biology, PhD
 Bioenergetics and Exercise Science, PhD
 Marriage and Family Therapy, M.S.
 Medical Family Therapy, PhD
 Medicine, MD (See B.S.OM catalog)
 Microbiology and Immunology, PhD
 Pathology (See Interdisciplinary Biological Sciences)
 Pharmacology and Toxicology, PhD
 Physiology, PhD

Source: East Carolina University (www.ecu.edu)

Lynchburg College

School of Business and Economics

Accounting, B.S.
 Business Administration, B.S., MS
 Economic Crime Prevention and Investigation, B.S.
 Economics, B.S.
 Management Marketing, B.S.

School Of Communication and the Arts

Art/Art Studies, B.A.
 Communication Studies, B.S.
 Music, B.A.
 Drama/Theatre, B.A.

School of Education and Human Development

Teacher Education and Professional Development, B.S.
 MEd in Counselor Education with specializations in clinical
 mental health counseling and school counseling
 MEd in Curriculum and instruction
 MEd in Educational Leadership
 MEd in Reading
 MEd in Science Education
 Med in Special Education
 Education in Leadership Studies, PhD

School of Health Sciences and Human Performance

Athletic Training, B.S.
 Exercise Physiology, B.S.
 Health and Physical Education, B.S.
 Bachelors in Health Promotion, B.S.
 Nursing (RN, ASN, B.S.N, MSN)
 Bachelors in Sport Management, B.S.
 Physical Therapy, PhD

School of Humanities and Social Sciences

Criminology, B.S.
 English, B.A., M.S.
 French , B.A.
 History, B.A., M.A.
 International Relations, B.A.
 Philosophy, B.A.
 Political Science, B.S.
 Religious Studies, B.A.
 Sociology, B.S.
 Spanish, B.A.

School of Sciences

Biology, B.S.
 Biomedical Science, B.S.
 Chemistry, B.S.
 Computer Science, B.S.
 Environmental Science, B.S.
 Environmental Studies, B.S.
 Mathematics, B.S.
 Physics, B.S.
 Psychology , B.S.
 Dual Degree Engineering Program with Old Dominion and
 University of VA
 Pre-dental
 Pre-medical
 Pre-optometry
 Pre-pharmacy
 Pre-veterinary medicine

Source: Lynchburg College and Cappex (www.lynchburg.edu and www.cappex.com)

Liberty University

Accounting

Aeronautics

Commercial/Corporate
 Military
 Missions
 Unmanned Aerial Systems

American Sign Language and Interpreting

Athletic Training

Biblical Studies

Biochemistry and Molecular Biology

Biology

Biomedical Sciences

Business Administration

Fashion Merchandising & Interiors

Fashion Merchandising
 Interior Design

General Studies

Global Studies

Government

International Relations

Politics and Policy

Western Legal Traditions

Health Promotion

Certified Health Education Specialist (CHES)

Clinical

- Communications
- Economics
- Finance
- Financial Planning
- Human Resource Management
- International Business
- Marketing
- Project Management
- Business Management Information Systems**
- Accounting
- Application
- Data Networking
- Database
- Gaming Technologies
- Global Studies
- Information Assurance
- Intelligence
- Web Development
- Church Ministries**
- Adventure Leadership & Outdoor Ministry
- Pastoral Leadership
- Worship
- Women's Ministries
- Youth Ministries
- Cell and Molecular Biology**
- Cinematic Arts**
- Communication Studies**
- Advertising/Public Relations
- Digital Media
- Journalism
- Speech Communication
- Computer Science**
- Intelligence
- Criminal Justice**
- Elementary Education Integrated Studies**
- English
- Mathematics
- Science
- Social Science
- Spanish
- Engineering: Computer**
- Engineering: Electrical Intelligence**
- Engineering: Industrial and Systems**
- English**
- Environmental Biology**
- Exercise Science**
- Fitness Specialist
- Pre-Professional
- Family and Child Development**
- Family and Consumer Sciences**
- History**
- Interdisciplinary Studies**
- International Relations**
- International Politics and Policy
- Strategic Intelligence Studies
- Kinesiology**
- Health and Physical Education
- Health and Physical Education, Non-Licensure
- Mathematics**
- Music**
- Choral
- Instrumental
- Nursing (B.S.N.)**
- Pastoral Leadership & Biblical Exposition**
- Philosophy**
- Psychology**
- Counseling, Clinical or Research
- Counseling and Human Development
- Human Services
- Religious Studies**
- Biblical Languages
- Global Studies
- Jewish Studies
- New Testament
- Old Testament
- Theology and Apologetics
- Social Sciences**
- Special Education Integrated Studies**
- Spanish**
- Sport Management**
- Teaching English as a Second Language**
- Theatre Arts**
- Performance
- Production
- Studio and Digital Arts**
- Graphic Design
- Studio Art
- Web Technology & Design**
- Worship and Music Studies**
- Biblical Studies
- Business
- Christian Music Artist and Songwriter
- Music In World Cultures
- Pastoral Leadership
- Theatre Ministries
- Women's Ministries
- Worship Leadership
- Worship Technology
- Youth Ministry
- Zoology**

Source: Liberty University (www.liberty.edu)

University of Georgia

College of Agricultural and Environmental Sciences
 Bachelor of Science in Agriculture (B.S.A.)

Bachelor of Science in Agricultural Engineering (B.S.A.E.)
 Bachelor of Science in Applied Biotechnology (B.S.A.B.)

Bachelor of Science in Biological Engineering (B.S.B.E.)
Bachelor of Science in Environmental Sciences (B.S.E.S.)

College of Arts and Sciences

Bachelor of Arts (A.B.)
Bachelor of Science (B.S.)
Bachelor of Science in Chemistry (B.S. Chem.)
Bachelor of Fine Arts (B.F.A.)
Bachelor of Music (B. Mus.)

Terry College of Business

Bachelor of Business Administration (B.B.A.)

Odum School of Ecology

Bachelor of Science in Ecology (B.S.)

College of Education

Bachelor of Science in Education (B.S.Ed.)

College of Environment and Design

Bachelor of Landscape Architecture (B.L.A.)

College of Family and Consumer Sciences

Bachelor of Science in Family and Consumer Sciences
(B.S.F.C.S.)

D. B. Warnell School of Forestry and Natural Resources

Bachelor of Science in Forest Resources (B.S.F.R.)

**Henry W. Grady College of Journalism and Mass
Communication**

Source: University of Georgia (www.uga.edu)

Bachelor of Arts in Journalism (A.B.J.)

Institute of the Faculty of Engineering

Bachelor of Science in Biochemical Engineering (B.S.Bch.E.)
Bachelor of Science in Computer Systems Engineering
(B.S.C.S.E.)
Bachelor of Science in Environmental Engineering (B.S.
Env.E.)

School of Law

Juris Doctor (J.D.)

College of Pharmacy

Doctor of Pharmacy (Pharm.D.)

College of Public Health

Bachelor of Science in Environmental Health (B.S.E.H.)
Bachelor of Science in Health Promotion (B.S.H.P.)

School of Public and International Affairs

Bachelor of Arts in Political Science (A.B.)
Bachelor of Arts in International Affairs (A.B.)

School of Social Work

Bachelor of Social Work (B.S.W.)

College of Veterinary Medicine

Doctor of Veterinary Medicine (D.V.M.).

East Tennessee State University

Clemmer College of Education

Teacher Licensure programs, B.S.
 Counselor Education/School Counseling and Guidance Services, MS
 Early Childhood Education and Teaching, B.S., M.S., PhD
 Educational Leadership and Administration, M.S., PhD
 Educational/Instructional Media Design, M.S.
 Elementary Education and Teaching, M.S.
 Reading Teacher Education, M.S.
 School Librarian/School Library Media Specialist, M.S.
 Secondary Education and Teaching, M.S.
 Special Education and Teaching, B.S., M.S.
 Teacher Education and Professional Development, Specific Levels and Methods, Other, M.S.
 Teacher Education, Multiple Levels, B.S., MS
 Teaching English as a Second or Foreign Language/ESL Language Instructor, B.S., M..S
 Health and Physical Education, B.S.
 Sport and Fitness Administration/Management, B.S.

College of Arts and Sciences

Art/Art Studies, B.A.S, M.F.A.
 Drama and Dramatics/Theatre Arts, B.A.
 Interior Design, B.S.
 Music, B.A.
 Biology/Biological Sciences, B.S., M.S.
 Biomedical Sciences, PhD
 Criminal Justice/Law Enforcement Administration, B.A., B.S., M.S.
 Forensic Science and Technology, B.S., M.S.
 Child Development, B.S.
 Family and Consumer Sciences/Human Sciences, B.S.
 Gerontology, B.S., M.S.
 Multi-/Interdisciplinary Studies, Other, B.S.
 Communication Studies/Speech Communication and Rhetoric, B.S., M.S.
 Mass Communication/Media Studies, B.A., B.S.
 English Language and Literature, B.A., M.A.
 Rhetoric and Composition, B.S.
 Foreign Languages and Literatures, General History, B.A., B.S., M.A.
 Public/Applied History and Archival Administration B.S.
 General Studies, B.S., M.S.
 Liberal Arts and Sciences/Liberal Studies, B.A., M.A.L.S.
 Mathematics, B.S., M.S.
 Philosophy, B.A., B.S.
 Chemistry, B.S., M.S.
 Geology/Earth Science, General, B.S.

Physics, B.S.
 Clinical Psychology, B.A., B.S., M.S., PhD
 Psychology, B.A., B.S., M.A., M.S., PhD
 Human Services,, B.S.
 Social Work, B.A., B.S., M.S.W.
 Anthropology, B.A.
 Economics, B.S.
 Geography, B.S.
 International Relations and Affairs, B.A.
 Political Science and Government, B.A., B.S.
 Sociology, B.A., M.A.
 Women's Studies, B.A.

College of Business and Technology

Accounting, B.S., M.Acc
 Business Administration and Management, B.S., M.S.
 Business/Managerial Economics, B.S.
 Entrepreneurship/Entrepreneurial Studies, B.S., M.S.
 Finance, B.B.A.
 Marketing/Marketing Management, B.B.A.
 Non-Profit/Public/Organizational Management, B.B.A.
 City/Urban, Community and Regional Planning, MPA
 Animation, Interactive Technology, Video Graphics and Special Effects, B.S.
 Computer and Information Sciences, B.S., M.S.
 Engineering Technology, B.S.
 Surveying Technology/Surveying, B.S.

College of Clinical and Rehabilitative Health Sciences

Audiology/Audiologist and Hearing Sciences , PhD
 Audiology/Audiologist and Speech-Language Pathology/Pathologist, M.S.
 Dental Hygiene/Hygienist, B.S.
 Health Professions and Related Clinical Sciences, B.S., M.S.
 Physical Therapy/Therapist, PhD

College of Nursing

Nursing Science (M.S., PhD)
 Nursing/Registered Nurse (RN, ASN, B.S.N, MSN, RODP)

College of Public Health

Public Health, B.S., M.P.H., PhD
 Health/Health Care Administration/Management, B.S., M.S.
 Environmental Health, B.S., M.P.H.
 Epidemiology, B.S., M.P.H., PhD
 Biostatistics, B.S., M.P.H.

Gatton College of Pharmacy
Pharmacy, PhD

Quillen College of Medicine
Medicine, M.D., M.P.H., PhD/M.S.

Source: East Tennessee State University and Cappex (www.etsu.edu and www.cppex.com)

APPENDIX B: Target Industry Cluster Methodology

ANALYSIS OF EXISTING PITT COUNTY, NC BUSINESSES:

Using US Bureau of Labor Statistics (BLS) data, we evaluated Pitt County existing businesses. Based on this analysis, the County's largest sector, aside from retail, is healthcare, social assistance (9,115 jobs), accommodation and food service (7,496 jobs) and manufacturing (6,087 jobs).

Annual Industry Distribution of Jobs and Avg. Wage in 2010 (by Major NAICS Sector)	Establishments	Jobs	Pct. Dist.	Annual Avg. Wage
Total Covered Employment and Wages	3,820	69,832	100.00%	\$38,032
Private	3,689	48,552	69.50%	\$32,989
Agri., forestry, hunting	75	D	D	D
Mining	3	D	D	D
Construction	360	2,384	3.40%	\$33,486
Manufacturing	108	6,087	8.70%	\$51,801
Wholesale trade	192	1,695	2.40%	\$42,750
Retail trade	598	8,393	12.00%	\$23,977
Transportation, warehousing	88	891	1.30%	\$38,082
Utilities	11	498	0.70%	\$53,268
Information	49	909	1.30%	\$38,513
Finance and Insurance	252	1,807	2.60%	\$50,296
Real Estate, rental, leasing	172	627	0.90%	\$26,362
Professional, technical services	359	1,518	2.20%	\$52,588
Mgmt. of companies, enterprises	23	758	1.10%	\$66,526
Administrative, waste services	213	4,098	5.90%	\$31,020
Educational services	72	499	0.70%	\$16,677
Health care, social assistance	481	9,115	13.10%	\$38,871
Arts, entertainment, recreation	57	605	0.90%	\$17,336
Accommodation and food services	332	7,496	10.70%	\$12,332
Other services, exc. public admin.	325	1,296	1.90%	\$24,073
Public administration	52	3,225	4.60%	\$43,074

Source: US Bureau of Labor Statistics(BLS) and STATS America

Note: Average wage may not match published numbers due to rounding.

COMPARISON OF PITT COUNTY TO NORTH CAROLINA AND THE US

We analyzed the distribution of business by major NAICS sectors to compare and contrast Pitt County with North Carolina and the US as a whole. Of note, Pitt County has a higher concentration of retail trade and accommodation and food service as compared with both North Carolina and the US average.

Industry Distribution of Jobs: % Distribution in 2010	United States	North Carolina	Pitt County, NC
Private	83.6%	82.3%	69.5%
Agri., forestry, hunting	0.9%	0.7%	NA
Mining	0.6%	0.1%	NA
Construction	4.4%	4.5%	3.4%
Manufacturing	9.1%	11.3%	8.7%
Wholesale trade	4.3%	4.4%	2.4%
Retail trade	11.4%	11.7%	12.0%
Transportation, warehousing	3.9%	3.3%	1.3%
Utilities	0.6%	0.3%	0.7%
Information	2.2%	1.8%	1.3%
Finance and Insurance	4.3%	3.9%	2.6%
Real Estate, rental, leasing	1.5%	1.2%	0.9%
Professional, technical services	6.0%	5.0%	2.2%
Mgmt. of companies, enterprises	1.5%	2.0%	1.1%
Administrative, waste services	6.0%	6.5%	5.9%
Educational services	9.3%	9.6%	0.7%
Health care, social assistance	14.2%	14.5%	13.1%
Arts, entertainment, recreation	1.8%	1.5%	0.9%
Accommodation and food services	8.9%	9.0%	10.7%
Other services, exc. public admin.	3.4%	2.5%	1.9%
Public Administration	5.7%	6.2%	4.6%
Private	83.6%	82.3%	69.5%

Source: US Bureau of Labor Statistics(BLS) and STATS America

Note: Average wage may not match published numbers due to rounding.

MANUFACTURING ANALYSIS

We further analyzed existing manufacturing business in the County by 3-digit NAICS code. Based on the analysis, the vast majority of Pitt County's manufacturing is found in chemical manufacturing. It should also be noted that the County has experienced losses in manufacturing employment between 2006 and 2011. However, this is certainly not unique to the County, but rather, reflective of the recession that hit the US during the timeframe represented. However, a few sectors also added jobs, including textile product mills and miscellaneous manufacturing.

3-Digit NAICS	Description	2006 Emp	2011 Emp	Emp Change	Percentage Change
311	Food mfg	NA	95	NA	NA
313	Textile mills	466	128	-338	-72.53%
314	Textile product mills	204	217	13	6.37%
323	Printing and related support activities	160	50	-110	-68.75%
325	Chemical mfg	1,186	1,578	392	33.05%
326	Plastics mfg	NA	36	NA	NA
327	Nonmetallic mineral product mfg	99	64	-35	-35.35%
332	Fabricated metals mfg	838	729	-109	-13.01%
333	Machinery mfg	NA	740	NA	NA
336	Transportation equipment mfg	762	NA	NA	NA
339	Miscellaneous mfg	165	315	150	90.91%

Source: US Bureau of Labor Statistics(BLS)

INFORMATION, FINANCE AND INSURANCE, AND PROFESSIONAL, TECHNICAL SERVICES ANALYSIS

We further analyzed existing information, finance and insurance and professional, technical services businesses by 3-digit NAICS code. Based on the analysis, the vast majority of Pitt County's employment is found in administrative and support services. However, the credit intermediation and related industry added the most jobs over this period.

3-Digit NAICS	Description	2006 Emp	2011 Emp	Emp Change	Percentage Change
512	Motion picture and sound recording	NA	116	NA	NA
515	Broadcasting, except Internet	97	94	-3	-3.09%
517	Telecommunications	606	437	-169	-27.89%
518	Data processing, hosting and related	38	17	-21	-55.26%
522	Credit intermediation and related	1,177	1,362	185	15.72%
523	Securities, commodity contracts, investments	123	153	30	24.39%
524	Insurance carriers and related	326	273	-53	-43.09%
525	Funds, trusts, and other financial vehicles	56	NA	NA	NA
531	Real estate	448	463	15	3.35%
541	Professional and technical services	1,649	1,518	-131	-7.94%
551	Management of companies and enterprises	752	758	6	0.80%
561	Administrative and support services	4,054	4,037	-17	-0.42%
562	Waste management and remediation services	99	61	-38	-38.38%

Source: US Bureau of Labor Statistics (BLS)

Appendix C: Target Industry Cluster Profiles

BACK OFFICE AND CALL CENTERS

Definition

Firms in this industry provide a variety of support through the consolidation and centralization of multiple services such as inbound customer service support, financial processing, human resources, etc.

Primary NAICS Codes

56111 Human Resources & Benefits Administration
 56142 Telemarketing & Call Centers
 51821 Data Processing, Hosting and Related Services

Secondary NAICS Codes

5241 Insurance Carriers
 5223 Activities Related to Credit Intermediation
 52211 Commercial Banking

Representative Companies

- ⊙ Convergys
- ⊙ West Corporation
- ⊙ Hewlett Packard
- ⊙ IBM

Industry Vitals

NAICS	Description	Revenue (\$bn)	Profit (\$bn)	Annual Growth 07-12 (%)	Annual Growth 12-17 (%)	Revenue per Employee (\$'000)	Wages % of Revenue	Emp. per Estab.	Average Wage (\$)
56111	Human Resources & Benefits Administration	59.2	7.3	0.6	3.6	83.70	63.14	2.91	52,847.85
56142	Telemarketing & Call Centers	17.2	.95	-1.7	3.6	36.37	62.68	29.02	22,794.22
52411a	Life Insurance & Annuities	904.4	42.5	-2.6	3.4	2,626.52	3.52	42.24	92,466.16
52411b	Health & Medical Insurance	707.4	28.3	2.8	5.1	1,780.11	4.48	98.12	79,770.10
52412	Property, Casualty and Direct Insurance	496.4	62.1	-2.4	0.4	777.36	10.36	30.45	80,551.62

52413	Reinsurance Carriers	37.6	9.2	1.7	1.1	2,100.14	5.53	27.30	116,051.45
51821	Data Processing & Hosting Services	81.3	9.8	2.4	3.1	376.55	18.71	4.09	70,454.31
52232	Credit Card Processing	46.5	5.3	0.4	4.2	381.02	16.42	27.12	62,580.47
52211	Commercial Banking	613.5	120.9	2.0	5.2	314.47	26.34	22.59	82,834.12

Key External Drivers for the Industry

- ⊙ Corporate profit
 - As corporate profits rises, clients are able to increase their spending on telemarketing services, which increasing industry revenue. Currently, corporate profits are increasing, which lead to greater demand.
- ⊙ Outsourcing
 - To save on labor, many companies within this industry outsource their contracts overseas. Outsourcing is expected to remain steady.
- ⊙ Private investment in computers and software
 - Telecommunications, IT and software companies account for a large portion of industry revenue. An increase in private investment will boost industry demand. Currently, this driver is increasing.
- ⊙ Demand from finance and insurance
 - Finance and insurance companies use call centers for inbound customer service, card service and debt collection. As a result, increasing demand in the finance and insurance sector will boost industry demand. This driver is increasing.
- ⊙ Demand from ecommerce and online auctions
 - Nearly a fifth of industry revenue comes from this sector. This driver is increasing.

Competitive Landscape/Key Success Factors

- ⊙ Ability to quickly adapt new technology
- ⊙ Ability to provide services in diverse locations
- ⊙ Provision of superior sales service
- ⊙ Access to a multi-skilled and flexible workforce
- ⊙ Having a large supply contract

Prospect Counts

NAICS Code	Industry	Total Universe.	Target Universe (500+emps or \$20m+ sales)	Target Universe w/Growth and/or Events
56111	Human Resources & Benefits Administration	246,385	1,010	196
56142	Telemarketing & Call Centers	15,924	131	35
52411	Life, Health and Medical Insurance	20,481	856	149
52412	Property, Casualty and Direct Insurance	37,289	810	122
52413	Reinsurance Carriers	242	31	5
51821	Data Processing & Hosting Service	34,228	252	57
52232	Credit Card Processing	14,524	95	23
52211	Commercial Banking	105,646	2,446	686
Total		474,719	5,631	1,275

Outlook

The Telemarketing and Call Centers industry is forecast to increase its revenue at an average annual rate of 3.6% to \$20.5 billion over the five years to 2017. The industry will benefit from a push by the Federal Communications Commission (FCC) to create telemarketing and call center jobs in the United States. Furthermore, increased demand in the retail sector, along with improving financial and insurance industries should drive greater demand for telemarketing companies' services. In 2013, revenue is expected to grow 3.6% as continued improvement in consumer spending and corporate profit boost demand for call center and telemarketing services.

Improved conditions in key downstream industries are expected to foster growth for the Telemarketing and Call Centers industry over the next five years. Operators will benefit from a continued rise in corporate profit, which is forecast to rise at an annual average rate of 4.5% in the five years to 2017 as the broader economy continues its recovery. An increase in corporate profit leads major clients such as AT&T and DIRECTV to spend on telemarketers in an effort to solicit new business. Clients' efforts to grow customer bases will be aided by rising consumer spending, forecast to rise at an annualized rate of 2.8% during the five years to 2017. As clients acquire more customers they will have a greater need for call centers to provide customer service.

Over the past five years, firms in this industry have increasingly relied on broadband technology, which allows industry employees to easily work from home. The increasing use of home-based agents is expected to continue during the five years to 2017, aided by the operations of the FCC. Furthermore, industry operators will increasingly rely on cloud-based systems that enable industry operators to host data on servers and only charge clients for what services or applications their customers use, providing cost savings that can be passed on to clients.

Sources: IBISWorld Industry Reports and Dun & Bradstreet

DIGITAL MEDIA/SOFTWARE/SIMULATION

Definition

Companies within this industry design develop and publish software for a variety industries, including video game, health and medical, financial, insurance software, etc.

51121 Software Publishers

51211 Motion Picture and Video Industries

54151 IT Consulting

Representative Companies

- ⊙ IBM
- ⊙ Hewlett Packard
- ⊙ Microsoft
- ⊙ Oracle

Industry Vitals

NAICS	Description	Revenue (\$bn)	Profit (\$bn)	Annual Growth 07-12 (%)	Annual Growth 12-17 (%)	Revenue per Employee (\$'000)	Wages % of Revenue	Emp. per Estab.	Average Wage (\$)
51121	Software Publishers	182.7	53.7	4.5	2.2	439.82	30.60	16.11	134,563.90
51211	Motion Picture & Video Industries	30.5	2.2	-1.4	1.2	365.85	19.41	13.05	71,022.18
54151	IT Consulting	327.5	24.6	3.3	3.0	189.32	41.71	3.85	78,964.53

Key External Drivers for the Industry

- ⊙ Private investment in computers and software
 - Most software is purchased in conjunction with hardware, and software licenses are often tied to the number of computers on which the software is installed. As companies invest in new equipment there is often a direct correlation to an increased software revenues. This drive is expected in increase in 2013, due to increased demand.
- ⊙ Government consumption and investment
 - Government is a major purchaser of software so increases and cutbacks in government spending will impact the industry. For 2013, government spending is likely to be cut which will lower demand for software used by government.
- ⊙ Per capita disposable income

- Software is a voluntary purchase for most consumers. Thus industry revenue is affected by changes in disposable income. For the next several months, disposable incomes are likely to increase which should have a positive impact on industry demand.
- ⊙ Demand from video games
 - Video game is a thriving subcategory of software publishing. Increased sales of video game consoles drive higher software growth. This driver is expected to on the increase in 2013.
- ⊙ Percentage of households with at least one computer
 - Most software is designed to run on personal computers (PCs). A higher rate of PC ownership translates to a larger market for software. As this percentage climbs higher, demand for software will increase. This driver is expected to increase slowly during 2013.

Competitive Landscape/Key Success Factors

- ⊙ Undertaking technical research and development
- ⊙ Protection of patents
- ⊙ Access to highly skilled workforce
- ⊙ Access to the latest available and most efficient technology and techniques
- ⊙ Effective marketing
- ⊙ Having a high profile in the market

Prospect Counts

NAICS Code	Industry	Total Universe	Target Universe (25+emps or \$10m+ sales)	Target Universe w/Growth and/or Events
51121	Software Publishers	33,478	1,738	357
51211	Motion Picture and Video Industries	59,871	877	89
54151	IT Consulting	191,709	12,055	2,546
Total		285,058	14,670	2,992

Outlook

The Software Publishing industry will continue its strong financial performance in the five years to 2017, with industry revenue forecast to grow 2.2% annually on average to \$203.7 billion. Improving technology and falling hardware prices will continue making computers, cell phones, video games and ultimately software more accessible to more people. A major feature of the Obama administration's healthcare reform plan, passed in 2010, is tax incentives for health insurers and medical professionals to switch from paper- and folder-based record systems to digital records. In a wide range of industries, basic competence with software will likely become a prerequisite to employment. In 2013, industry revenue is projected to grow 3.7% to \$189.5 billion.

While improving technology and falling hardware prices will bring the digital world to the masses, they will also change the landscape of software publishing. Software publishers and technology companies are anticipating an accelerated move toward cloud computing, in which storage and computing tasks are handled by networked machines (often servers in a data center owned by the service provider) rather than at the point of consumption. This technology will

greatly expand software capabilities on platforms that were previously limited by hardware sizes, particularly of mobile phones. Businesses and consumers alike have already embraced cloud computing services, such as Google's Gmail and Salesforce.com's customer relationship management (CRM) platform. This shift will favor the industry's major players who have the resources to make the large-scale hardware purchases necessary to run a cloud computing service. This trend is expected to drive industry consolidation, with the number of firms projected to fall 0.9% annually on average in the next five years, down to 18,885 enterprises in 2017.

The traditional software publishing business model, in which publishers periodically release new software versions for customers to purchase, is being replaced by a host of alternative models. Subscription-based business models, including software as a service (SaaS) and cloud computing, produce more stable cash flows than the traditional develop-and-release format. Furthermore, SaaS-type business models improve security by allowing the software publisher to release incremental updates that install automatically; with traditional antivirus programs, security is compromised because users have to install updates themselves, which they often fail to do.

In some software product niches, open-source software (OSS) will become the norm in the next five years. OSS is software that makes the underlying programming code available to users so that they can read it, make changes to it and build new versions. Growth in revenue from OSS will lag behind the growth in distribution of OSS because distribution of OSS is often free, resulting in an accentuated displacement of proprietary software. OSS, such as the Linux operating system, will threaten some proprietary software, such as Windows, but will also promote interoperability and new software developments. For instance, Sun Microsystems, a major developer of open-source systems, recently entered into an agreement with Microsoft that was intended to enable greater interoperability between the two companies' products. Legal requirements are forcing Microsoft to unbundle application software from its PC operating system and to offer interoperability information on its PC operating system to competitors. Increased use of OSS will help bring web and software content into the living room, where interoperability is a major concern due to variations in equipment used.

Design, Editing and Rendering Software (Simulation)

Revenue for the Design, Editing and Rendering Software Publishing industry is expected to increase at an annualized rate of 1.7% to \$10.6 billion during the five years to 2018, including revenue growth of 3.7% in 2014. This growth will be driven by the increasing importance of emerging technologies, including mass-market 3-D displays and low-cost 3-D printers, which will require more reliance on advanced design and rendering software. The emergence of low-cost 3-D printers, which are currently limited to rapid prototyping tasks at large manufacturers, will drive mass-market demand from hobbyists and small businesses for compatible CAD software. In the shorter term, the commercialization of 3-D TVs and video game systems will spark customer demand for entertainment content that takes advantage of these new features. Content producers, from video game developers to film studios, are expected to increase their software investments substantially in anticipation, driving revenue growth through 2014.

Over the next five years, 3-D printers, which combine the power of sophisticated inkjet printer technology, materials science and CAD software to rapidly produce custom objects, will increasingly become common sights in small businesses and hobbyists' garages. Automobile and aerospace manufacturers already use these devices in their product development processes, where they accelerate the turnaround time for prototype production. Cheaper 3-D printers will enable small businesses and hobbyists to create custom objects and products that would be prohibitively expensive to produce using traditional manufacturing technologies. For example, furniture designers could create a unique table or chair, even one with geometries that are impossible to replicate by traditional means. This technology will increase demand for compatible 3-D CAD software to make designs.

Sources: IBISWorld Industry Reports and Dun & Bradstreet

PHARMACEUTICAL MANUFACTURING

Definition

Firms in this industry manufacture pharmaceutical products.

32541 Pharmaceutical Mfg

32562 Cosmetic & Beauty Products Mfg

Representative Companies

- ⊙ Merck and Co., Inc.
- ⊙ Pfizer, Inc.
- ⊙ Amgen
- ⊙ Johnson & Johnson
- ⊙ Teva Pharmaceutical Industries
- ⊙ Actavis, Inc.
- ⊙ Sandoz, Ltd.
- ⊙ The Proctor & Gamble Company
- ⊙ Unilever

Industry Vitals

NAICS	Description	Revenue (\$bn)	Profit (\$bn)	Annual Growth Past 5 Years (%)	Annual Growth Next 5 Years (%)	Revenue per Employee (\$'000)	Wages % of Revenue	Emp. per Estab.	Average Wage (\$)
32541a	Brand Name Pharma Mfg	160.6	32.3	-2.3	1.9	880.8	12.7	155	111,750.10
32541b	Generic Pharma Mfg	52.8	7.8	5.4	6.3	688.7	11.5	57.7	79,483.60
32541c	Vitamin & Supplement Mfg	29.2	4.4	2.6	3.9	585.2	8.1	27.0	47,198.40
32562	Cosmetic & Beauty Prdt Mfg	56.6	6.1	1.6	3.3	1,007.0	5.6	29.2	56,434.60

Key External Drivers for the Industry

- ⊙ Federal funding for Medicare and Medicaid
 - Prescription drug coverage is offered to everyone with Medicare. Similarly, all states currently provide coverage for outpatient prescription drugs to all categorically eligible individuals and most other enrollees within their Medicaid programs. As Medicare and Medicaid funding increases, industry products become more affordable for consumers who gain prescription drug coverage. As a result, demand for brand name pharmaceuticals and medicine increases. Federal funding for Medicare

and Medicaid is expected to increase strongly in 2013, representing an opportunity for the industry.

- ⊙ Median age of the population
 - More than 90.0% of seniors and 58.0% of all adults rely on a prescription medicine on a regular basis, according to the Agency for Healthcare Research and Quality. Typically, older individuals are more likely to contract illnesses and age-related diseases. As the US population ages, more people will demand industry products for treatment. The median age of the US population is expected to increase slowly during 2013.
- ⊙ Number of people with private health insurance
 - Private health insurance can provide coverage for prescription drugs. As private health insurance increases, industry products become more affordable for consumers who gain prescription drug coverage. As a result, demand for brand-name pharmaceuticals increases. The number of people with private health insurance is expected to increase slowly during 2013.
- ⊙ Regulation for the Brand Name Pharmaceutical Manufacturing Industry
 - The industry is subject to many regulations, with numerous governmental policies influencing the manufacturing, pricing and marketing of industry products. Heightened compliance requirements place additional budgetary pressures on industry operators, reducing the average profit margin. Industry regulation is expected to increase slowly during 2013, posing a threat to the industry.
- ⊙ Research and development expenditure
 - Brand name pharmaceutical manufacturers' expenditure on research and development (R&D) correlates to the number of new drugs released. In the private sector, R&D is complemented by health-related research funded by the public sector – most of it through the National Institutes of Health (NIH). As R&D increases, the industry has more opportunities to discover products that generate revenue. R&D expenditure is expected to increase slowly during 2013.

Competitive Landscape/Key Success Factors

- ⊙ Establishment of brand names
- ⊙ Undertaking pharmaceutical and medicine R&D
- ⊙ Degree of globalization in the firm
- ⊙ Control of distribution arrangements
- ⊙ Ability to alter goods and services produced in favor of market conditions
- ⊙ Undertaking generic pharmaceutical and medicine research and development
- ⊙ Control of ingredient development

Prospect Counts

NAICS Code	Industry	Total Universe.	Target Universe (100+emps or \$10m+ sales)	Target Universe w/Growth and/or events
32541	Pharmaceutical Mfg	12,488	931	267
32562	Cosmetic & Beauty Products Mfg	4,501	214	32
Total		16,989	1,145	299

Outlook

Pharmaceutical use varies by age and insurance status. Consequently, overall demographic shifts, notably an aging population, and healthcare reform's broadening of insurance coverage will likely expand drug sales over the five years to 2018. During this period, forecasted revenue in the Brand Name Pharmaceutical Manufacturing industry will increase 1.9% per year on average to \$176.7 billion. Revenue is projected to perform well in 2014 due to expanded health insurance coverage, growing 1.1% over the year. However, employment cuts are anticipated to continue through 2018 as the industry persists with consolidation, albeit at a slowing pace, and cost-cutting efforts. During the next five years, the number of employees is projected to decrease at an average annual rate of 0.1% to 181,619, while the number of enterprises is anticipated to fall an average 0.2% per year to 906.

An estimated \$290.0 billion of pharmaceutical sales worldwide are at risk from patent expirations over the next five years, according to data from EvaluatePharma. The significant number of blockbuster drugs with expiring patents in upcoming years will hurt industry revenue; without a strong pipeline of chemical-based drugs to stimulate new product sales, companies have already begun to invest in new ways to generate revenue. Industry firms will particularly focus on specialty and biologic pharmaceuticals.

The Generic Pharmaceutical Manufacturing industry has positive prospects, with revenue forecast to grow at an average annual rate of 6.3% during the five years to 2017 to reach \$71.7 billion. This rate will outpace sales growth from 2007 to 2012, with growth in 2013 projected to be at 7.9%. The rapidly aging population and increasing pressure from insurance firms to cut healthcare costs will continue to drive the US generics market. More notably, the patent cliff will cause a host of blockbuster brand-name drugs to lose patent protection, opening the market to generic versions. Healthcare reform will largely benefit the industry, particularly in the area of biosimilars. Biosimilars is a term used to describe officially approved new versions of existing pharmaceutical products after patent expiration.

In 2012 and beyond, the generic wave will continue, but the most pronounced effects of the patent cliff will be felt in 2012 and 2013. Lipitor and Plavix lost patent protection in 2011 and a number of other blockbuster drugs will follow: drugs representing an estimated \$140.0 billion in current sales will lose patent protection over the next five years. These patent expirations will likely provide additional generic product opportunities.

Despite the 12-year exclusivity period established by the 2010 healthcare reform, the biosimilars market is too good of an opportunity to pass up for most generics companies. This market is also likely to attract specialists and large pharmaceutical companies with expertise in biologic products seeking to develop slightly differentiated generic versions. While biosimilars will be low contributors to the growth of the generics market through 2017, they will be a long-lasting investment as they continue to become part of the innovator market over time.

Sources: IBISWorld Industry Reports and Dun & Bradstreet

MEDICAL DEVICE MANUFACTURING

Definition

Firms in this industry manufacture products in the following sectors: communication equipment, semiconductors (primarily solar panel) and medical equipment.

33911 Medical Instrument & Supply Mfg

Representative Companies

- ⊙ Medtronic
- ⊙ General Electric Company
- ⊙ St. Jude Medical

Industry Vitals

NAICS	Description	Revenue (\$bn)	Profit (\$bn)	Annual Growth Past 5 Years (%)	Annual Growth Next 5 Years (%)	Revenue per Employee (\$'000)	Wages % of Revenue	Emp. per Estab.	Average Wage (\$)
33911a	Medical Instrument Mfg	106.6	9.0	5.9	4.1	344.1	18.7	16.4	64,352.70
33911b	Glasses & Contact Lens Mfg	6.2	.9	0.4	4.0	279.8	18.9	38.9	52,841.40

Key External Drivers for the Industry

- ⊙ Number of physician visits
 - Hospitals are one of the industry's major markets. As such, when more individuals visit physicians, demand for medical devices increases. This driver is expected to increase during 2012, resulting in a potential opportunity for the industry.
- ⊙ Federal funding for Medicare and Medicaid
 - Health coverage is an important determining factor when patients and doctors choose among various treatment options. Medicare coverage is particularly significant in that it directly affects how much patients have to pay for industry products and how much operators will receive in payments from Medicare. This driver is expected to decrease slowly during 2012 and is a potential threat for the industry.
- ⊙ Number of adults aged 65 and older
 - The US population is aging rapidly, and greater life expectancy has increased the incidence of age-related illnesses. An aging population means that demand for medical treatments will increase. This driver is expected to increase over the short term.
- ⊙ Total health expenditure

- Public healthcare funding increases the income available for replacing equipment and supplies, contributing to demand for industry goods. This driver is expected to increase over the short term.
- ⊙ Number of people with private health insurance
 - Private health insurance provides insured patients with a larger choice of doctors and better ability to pay for healthcare services. As the number of people with private health insurance rises, demand for medical equipment and supplies increases. This driver is expected to increase slowly over 2012.
- ⊙ Price of plastic materials and resin
 - Many medical instruments and supplies use plastic injection molding techniques, making plastic a significant input into production. As the cost of plastic rises, industry profitability will suffer if manufacturers are not able to increase the price of goods sold. This driver is expected to increase slowly over 2012, potentially threatening the industry.

Competitive Landscape/Key Success Factors

- ⊙ Access to highly skilled workforce
- ⊙ Access to the latest technology
- ⊙ Establishment of export markets
- ⊙ Economies of scale
- ⊙ Having contacts within key markets
- ⊙ Undertaking technical research and development
- ⊙ Having a good reputation

Prospect Counts

NAICS Code	Industry	Total Universe.	Target Universe (100+emps or \$10m+ sales)	Target Universe w/Growth and/or events
33911	Medical Instrument and Supply Mfg	31,608	853	181
Total		31,608	853	181

Outlook

Healthcare reform, increased regulation and maintaining quality will join an aging population, technological advancements and outsourcing as main factors influencing the Medical Device Manufacturing industry over the next five years. These divergent factors will lead to slightly weaker growth through the five years to 2017. Revenue is forecast to increase 5.5% in 2013 and grow by a lower average annual rate of 6.4% to \$88.2 billion during the five years to 2017.

The US population's changing demographics favor the industry, though the majority of baby boomers are still a few years shy of reaching 65 years old. Still, a significant portion of this group will cross this threshold in the five years to 2017. This trend will result in average growth of nearly 3.1% per year for the demographic, which is considerably higher than the population at large and the historical average. Consequently, senior adults are projected to make up 14.9% of

the population in 2017 compared with 13.2% in 2012 and about 12.4% from 1990 to 2005. Further medical innovations will expand the aging baby boomers' demographic. However, the contribution from this trend is projected to be slower than the past decade because advances are more incremental in nature and target increasingly specific ailments.

The Patient Protection and Affordable Care Act (PPACA) of 2010 has created a degree of uncertainty for medical device companies. The reform has tightened the pricing environment for these companies and may pressure pricing across the board, while the proposed tax on device companies is expected to hurt profitability. However, the act may benefit the industry, as it aims to reduce the number of uninsured people.

On the positive side, US healthcare reform seeks to expand coverage to a broader range of patients. In part, the act accomplishes this expansion through a significant loosening of the eligibility criteria for enrollment in Medicaid. As a result, more people will have access to healthcare, boosting the number of physician visits and enhancing demand for medical services and some devices.

On the negative side, the act includes new taxes that apply to medical device manufacturers and other healthcare providers. The medical device fee will take effect on January 1, 2013, and medical device manufacturers will be required to pay 2.3% of the sales price for such devices as an industry fee. The medical device fee applies to all manufacturers, regardless of size and revenue, so it is projected to significantly affect smaller players' profit margins. Overall, the industry's profit margin as a percentage of revenue is forecast to fall to 8.5% in 2017, down from 9.0% in 2012.

A final negative aspect contained within the 2010 reform includes the Physician Payment Sunshine Act. The act is expected to increase costs and possibly reduce revenue because it requires covered manufacturers that make a payment or other transfer of value to a physician, such as consulting fees, payments for clinical trial participation or charitable donations, to report such payments annually in electronic form. Some small payments and other payment types are exempt from the disclosure obligations. The increased costs of monitoring such activity and accurately reporting it is a concern for the industry.

Sources: IBISWorld Industry Reports and Dun & Bradstreet

ADVANCED MANUFACTURING

Definition

Firms in this industry manufacture products in the following sectors: fabricated metals and machinery.

31211 Beverages
 31212 Breweries
 33231 Structural Metal Mfg
 33232 Sheet Metal, Window & Door Mfg
 33271 Machine Shop Services
 33341 Heating & Air Conditioning Equipment
 33351 Metalworking Machinery Mfg
 33392 Forklift & Conveyor Mfg
 33399 Power Tools & Other General Purpose Machinery Mfg

Representative Companies

- ⊙ The Nucor Corporation
- ⊙ Johnson Controls
- ⊙ Toyota Industries Corporation

Industry Vitals

NAICS	Description	Revenue (\$bn)	Profit (\$bn)	Annual Growth Past 5 Years (%)	Annual Growth Next 5 Years (%)	Revenue per Employee (\$'000)	Wages % of Revenue	Emp. per Estab.	Average Wage (\$)
33231	Structural Metal Mfg	39.6	1.5	-4.8	3.8	256.8	18.0	28.3	46,259.70
33232	Sheet Metal, Door, etc. Mfg.	41.7	1.9	-2.7	3.9	228.7	19.2	22.2	43,957.30
33271	Machine Shop Services	35.7	2.4	-2.2	1.8	164.6	32.8	11.0	54,000.30
33341	HVAC Equipment Mfg.	43.6	9.4	-0.2	2.1	326.3	13.3	70.8	43,256.80
33351	Metalworking Machry. Mfg.	29.8	3.8	-1.2	2.1	221.5	26.7	18.9	59,197.20
33392	Forklift & Conveyor Mfg.	33.6	7.9	2.1	4.1	463.9	12.4	46.5	57,675.50
33399	Power Tools & Other Mfg.	41.8	7.5	0.6	2.4	356.0	18.0	32.9	63,937.60

Key External Drivers for the Industry (Metal Fabrication)

- ⊙ Value of private nonresidential construction

- Nonresidential construction spurs demand for metal structures and components, such as airlocks, baffles, bins, casings, chutes, covers, culverts, ducting, flumes, hoppers, liners, pipes, smokestacks and sterilizing chambers. These structures and systems are used in commercial, industrial and public construction projects. This driver is expected to increase in 2013.
- ⊙ Value of residential construction
 - Residential construction activity drives demand for structural metal components for use in building materials, particularly in large multifamily construction projects. This driver is expected to increase significantly during 2013, representing a potential opportunity for the industry. Total health expenditure
- ⊙ World price of steel
 - The domestic price of metals, a major input cost for this industry, influences the cost and availability of products manufactured. In times of high demand, higher steel prices can generally be passed down to customers in the form of higher prices. However, with demand mostly weak from the recession over the past five years, higher steel prices negatively affected profitability. While this driver is expected to increase in 2013, the price hike will coincide with a significant pick-up in demand from the construction sector. Price of plastic materials and resin
- ⊙ World price of aluminum
 - The price of aluminum, like steel, is affected by global demand and supply trends. This price influences the cost and availability of products produced. In times of high demand, rising aluminum costs can be passed down to customers in the form of higher prices. However, with weak demand from the recession over the past five years, higher aluminum prices have hurt profitability and negatively affected the industry. This driver is expected to remain stagnant during 2013.

Key External Drivers for the Industry (Machinery)

- ⊙ Value of private nonresidential construction
 - Product demand is linked to new building construction, so demand moves roughly in line with construction markets. The nonresidential building construction market relies on government expenditure and private corporate investment, so rising spending from those markets increases demand for this industry. The value of private nonresidential construction is expected to increase during 2013. Consumer spending
- ⊙ Value of residential construction
 - Residential construction is a key market for industry products because new homes are typically built with related systems. An increase in housing construction boosts demand for industry products. The value of residential construction is expected to increase during 2013 and represents a potential opportunity for the industry. Electronic power consumption
- ⊙ World price of steel

- Changes in the price and availability of metals influence the cost of manufacturing ventilation, heating and air-conditioning products, with higher input prices increasing the cost of production. Steel prices are expected to increase during 2013 and pose a potential threat to the industry.
- ⊙ Demand from transportation and warehousing
 - Conveyor systems, forklifts and hoists are used to load freight for sea, air, road and rail transportation. An increase in demand for this type of freight increases demand for this industry's equipment. Demand from transportation and warehousing is expected to increase during 2013.
- ⊙ Demand from manufacturing
 - Manufacturers use conveyor belts and forklift equipment to produce goods. As manufacturing activity increases, demand for new or replacement conveyor belts and forklift equipment also increases. Demand from manufacturing is expected to increase slowly during 2013, thus presenting a potential opportunity for the industry.

Competitive Landscape/Key Success Factors (Beverages)

- ⊙ Market research and understanding
- ⊙ Economies of scope
- ⊙ Control of distribution arrangements
- ⊙ Establishment of brand names
- ⊙ Economies of scale

Competitive Landscape/Key Success Factors (Metal Fabrication)

- ⊙ Availability of resources
- ⊙ Ability to vary services to suit different needs
- ⊙ Having a diverse range of clients
- ⊙ Economies of scale
- ⊙ Proximity to key markets

Competitive Landscape/Key Success Factors (Machinery)

- ⊙ Having a diverse range of clients
- ⊙ Availability of resources
- ⊙ Ability to vary services to suit different needs
- ⊙ Ability to accommodate environmental requirements
- ⊙ Control of distribution arrangements
- ⊙ Establishment of brand names

Prospect Counts

NAICS Code	Industry	Total Universe.	Target Universe (100+emps or \$10m+ sales) or (25+emps or \$2.5m+ sales for bev. & brews.)	Target Universe w/Growth and/or events
31211	Beverages	4,199	560	36

31212	Breweries	1,720	208	23
33231	Structural Metal Mfg	14,412	839	128
33232	Sheet Metal, Door, etc. Mfg	13,567	708	85
33271	Machine Shop Services	25,655	459	93
33341	HVAC Equipment Mfg	4,877	369	47
33351	Metalworking Machinery Mfg	10,977	333	43
33392	Forklift & Conveyor Mfg	4,984	350	43
33399	Power Tools & Other Mfg	13,328	606	99
Total		93,719	4,432	597

Outlook (Beverages)

For soda, industry revenue will decline as consumers continue to switch away from high-calorie, sugary drinks. Downstream demand from retailers is also expected to stagnate as a result. During the five years to 2018, industry revenue will decrease at a slower annual average rate of 1.0% to total \$16.7 billion. In 2014, revenue is estimated to decline 1.0% as macroeconomic conditions slowly recover but consumers stick to healthier habits. Although companies are expected to boost marketing spending to stimulate demand for soda, strong brand loyalty will also enable mainstream producers to continue significant markup practices.

Of the subsectors within beverages, the juice production industry is expected to see the greatest growth. The good news is that projected job growth will cause consumer spending to rebound, especially on pricier drinks. Of particular note to this industry, impulse purchases in convenience stores are anticipated to grow in line with rising consumer sentiment. As successful brands continue expanding their market reach, revenue is forecast to increase at an average annual rate of 6.8% to \$31.7 billion in the five years to 2018, including growth of 3.3% in 2014. At the same time, improving consumer sentiment and steady brand recognition will give a boost to profit margins. As a result, profit (earnings before interest and taxes) is forecast to expand to 6.2% of industry revenue by 2018.

On the other hand, beer is expected to attract a smaller share of the demand for alcoholic beverages over the five years to 2017 as consumers continue to switch to alternative alcoholic beverages. Competition from substitutes like spirits and wine is anticipated to slow revenue growth, despite robust demand in the craft and premium beer segments. Including initial growth of 3.3% in 2013, the Breweries industry's revenue is forecast to increase an average 1.0% per year to \$28.7 billion in the five years to 2017. Growth within the beer sector is expected to come from the craft and microbrewery subsector.

Outlook (Fabricated Metals)

Bolstered by a strong uptick in construction activity, the Structural Metal Product Manufacturing industry will continue its recovery in 2013. After years of declines and stagnant growth, revenue is expected to increase 6.1% in 2013. In the short-term, gains in residential, commercial and infrastructure-related construction will drive growth in 2013. Strong growth is forecast to continue through 2017, as the economy improves. In the five years to 2017, industry revenue is forecast to grow at an average annual rate of 3.8% to \$47.8 billion.

Industry recovery depends on demand from the residential and commercial construction industries, as well as demand stemming from public infrastructure projects, such as roads, bridges, tunnels and highways. Fortunately for the industry, construction activity is set to increase during the outlook period. Over the next five years, the value of residential construction is forecast to rise at an average annual rate of 12.3%, while private, nonresidential construction will increase an average of 6.5% per year over the same period. While looming budget cuts from federal, state and local governments will take shape in the coming years, demand from infrastructure-related construction will remain somewhat consistent. While most of the money for infrastructure projects in the American Recovery and Reinvestment Act has been spent, those investments will continue. The Moving Ahead for Progress in the 21st Century Act (MAP-21), which was signed into law in July of 2012, designates \$105.0 billion toward transportation and infrastructure projects over the next two years. MAP-21 and other similar bills will help to prevent a loss of demand for public construction projects that could occur as the result of looming budget cuts at the federal, state and local levels. The increased demand will spur new facilities and reopen previously closed plants. It is anticipated that the number of establishments will grow at an average annual rate of 2.3% to 6,109 plants over the five years to 2017. With more plants set to open, the industry will need to hire additional workers. Employment is forecast to grow an average of 2.2% per year over the outlook period to 172,020 employees.

Outlook (Machinery)

Demand for the industry's heating, ventilation, air-conditioning and refrigeration (HVACR) products is forecast to increase during the next five years, especially as residential and nonresidential construction markets grow strongly early in the period. Concerns about climate change, energy consumption and the environment will drive the production of and stimulate demand for newer, environmentally friendly systems to replace less efficient ones. Meanwhile, stronger disposable incomes, facilitated by declines in unemployment, and growing corporate profit will further fuel replacement demand. As a result of these trends, industry revenue is projected to increase at an annualized rate of 2.1% and reach an estimated \$48.3 billion during the five years to 2018.

As the economy continues to recover through 2017, the Forklift and Conveyor Manufacturing industry is also set to benefit from stronger demand in downstream freight and manufacturing markets. Toward the end of the five-year period, continued weakness in the US dollar will likely support exports, and industry manufacturers will experience moderate revenue growth. Revenue is forecast to increase at an annualized rate of 4.1% and total an estimated \$41.0 billion by 2017, including an increase of 8.8% in 2013.

Other trends in materials management include equipment that uses multiple modes of transport (e.g. truck-rail-truck), high growth in airfreight and technologies that automatically track goods throughout the supply chain. These trends will provide niche opportunities to introduce innovative material-handling systems. Additionally, the trend of outsourcing logistics to specialist transport companies is forecast to continue. The anticipated boost to capacity utilization may also reduce demand for some types of material-handling equipment.

Sources: IBISWorld Industry Reports and Dun & Bradstreet