



NET+



MEMPHIS: A NET POSITIVE ECONOMY

This document shares a vision based on research and development, coordinated alignment of existing efforts, and best practices in building innovation for the net benefit of the Memphis region.



MEMPHIS: A NET POSITIVE ECONOMY

An Innovation Driven Economic Development Model whose economic and community creation activities must outweigh the region's destructive forces. Job and talent creation must be greater than job and talent destruction. Holding economic initiatives accountable to producing net positive results is critical to competing globally and will be the standard to creating a regional innovation movement

Regional innovation is the product of economic, social, environmental, and other place-based factors. It requires innovative companies, but also talent with education, skills, and creativity, and livable communities that provide a quality environment, one that is attractive and supportive for people and commerce. It also requires effective regional governance—the ability of public and private entities to work together across boundaries to strengthen economic, social, and environmental assets that are the key to regional vitality and quality of life.

Challenges

Memphis Historically Slow in Recoveries

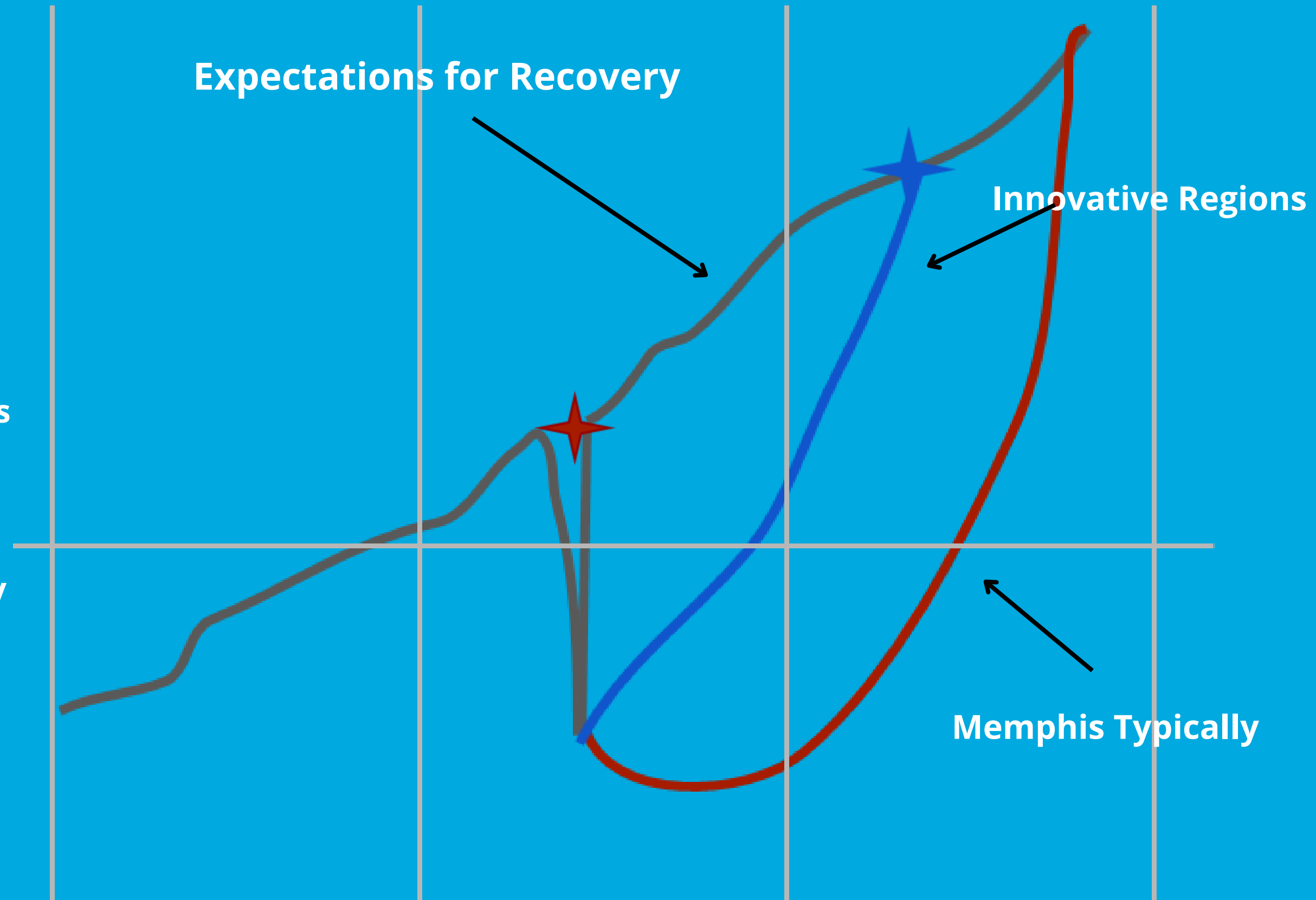
Far too often our strategies toward a recession are highly concentrated towards a recovery to the way things were.

Although highly important and deserving of the resources, this strategy can only work if time stops and the evolution of the economy stops to allow efforts to catch back up.

This scenario never happens and communities like Memphis sit at the bottom longer, taking it years to recover to the averages.

Many times this happens and Memphis is only able to enjoy a few years of gains before the next recession hits.

Must be more strategy to the types of talent needed for the growing industries for tomorrow.



10 YEARS TO RECOVER FROM GREAT RECESSION 4 YEARS LONGER THAN THE NATION

Cannot be fooled by Memphis' late economic cycle rallies

8,000 FEWER DAYTIME WORKERS IN DOWNTOWN MEMPHIS POST PANDEMIC

"32% of America's black workforce hold jobs that will be disruption by the year 2030 compared to 22% for the total workforce."

McKinsey Report:

MOST ALL NET NEW JOBS COME FROM COMPANIES 5 YEARS IN AGE OR LESS AND THOSE WHO HAVE LESS THAN 20 EMPLOYEES

**This has not been a priority for Memphis historically;
priority meaning material investment needed for success**

**Memphis lacks the incentives and environment for small firms to grow,
and most all resources are program based helping the few existing firms
who are ready. Unfortunately 90% of our firms are not ready. And we
aren't growing new innovative jobs as a result.**

UNDERINVESTMENT IN THE FUTURE NOW SHOWING

Themes of Change

What Regions Lack

Today, many regions face the threat or reality of lagging innovation because one or more of these ingredients has been underdeveloped or overlooked.

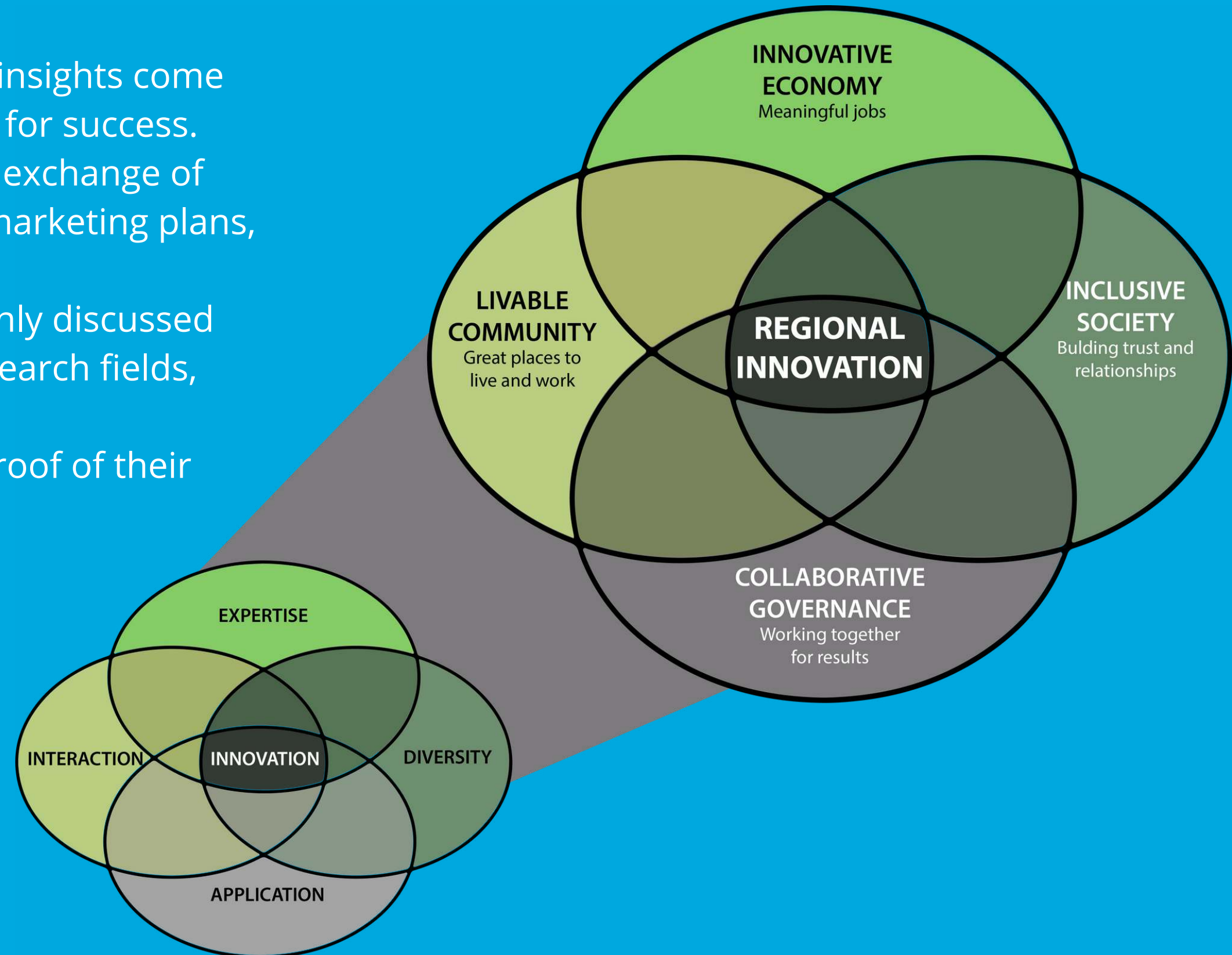
- Some regions lag in innovation and entrepreneurship because they have underdeveloped their talent base and economic infrastructure.
- Some struggle to recruit and retain increasingly mobile talent because they lack livable communities with an attractive mix of creative districts, amenities, and the natural environment.
- Some have focused primarily on smart growth challenges, but now find that the economy is lagging and that many residents are not prepared to compete.
- Some have made social equity a priority, but now find that not enough attention has been paid to expanding economic opportunity and a healthy environment.
- Some have undertaken visioning processes to identify and connect economic, social, and environmental goals, but now find that they lack the necessary mechanisms for regional implementation.

The Lens We Should Be Looking Through

Innovation happens when the following are brought together

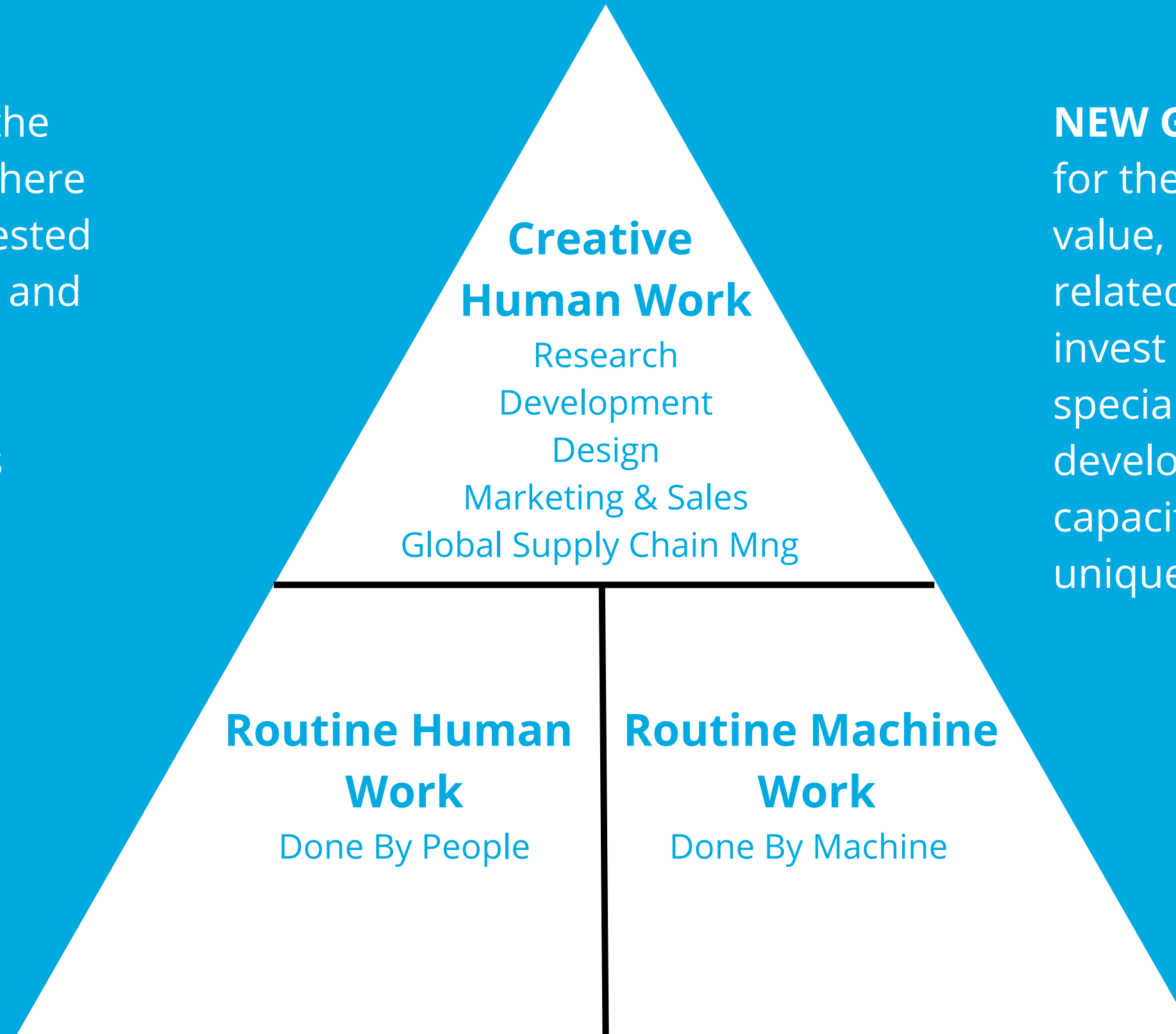
- Expertise—New discoveries, new knowledge, and new insights come from all people who are given the resources necessary for success.
- Interaction—Face-to-Face is still very important for the exchange of ideas and synergy that creates new business models, marketing plans, or products.
- Diversity—Ideas will only get better when they are openly discussed and considered by a mix of people with a variety of research fields, backgrounds, approaches, and mindsets.
- Application—Ideas are useless unless used. The true proof of their value is in commercialization.

When innovation is scaled regions build an innovative economy, shape livable communities, build inclusive societies, and develop collaborative governance igniting a regional innovation movement



The Shift to Creative Work

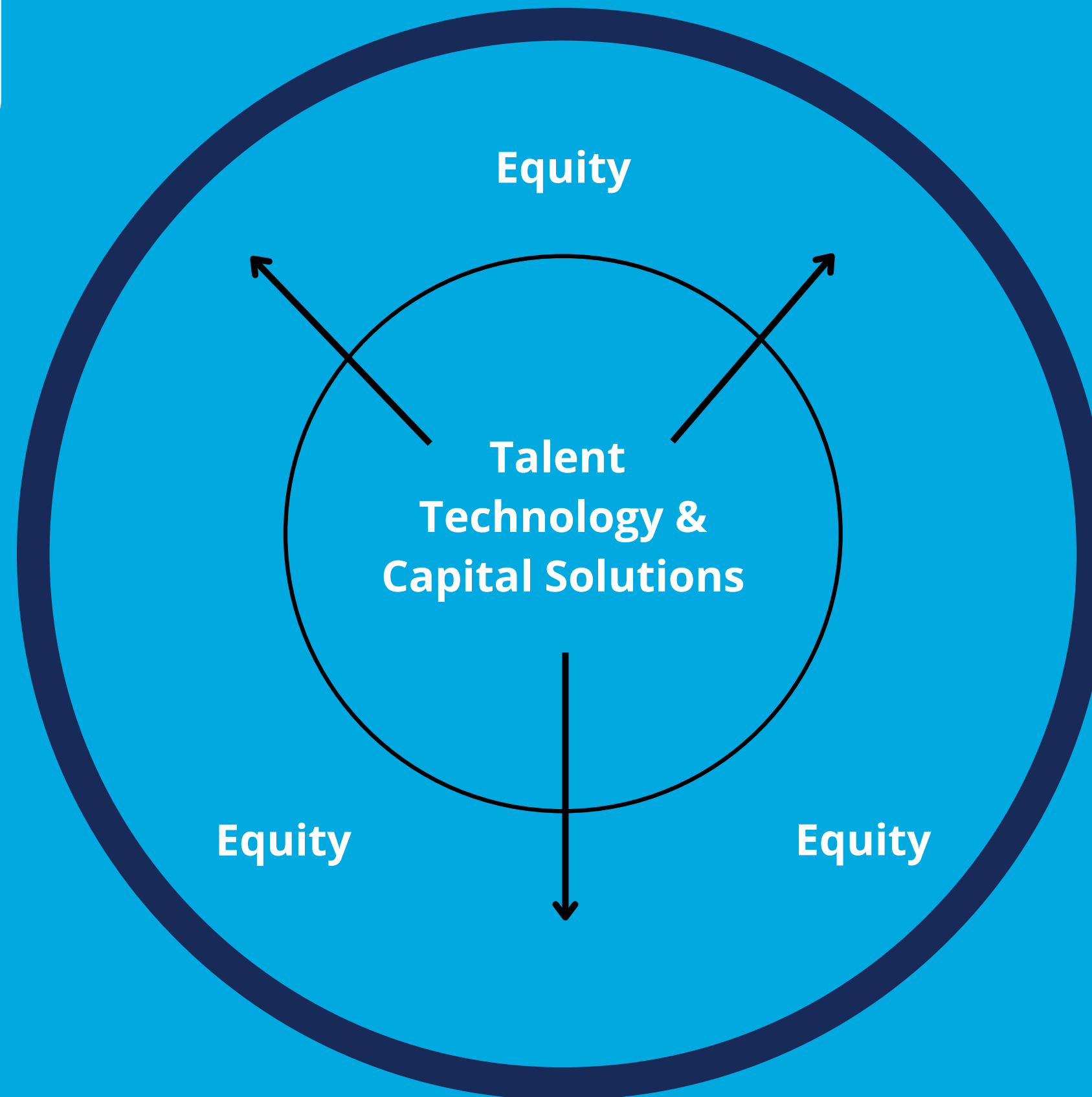
OLD GLOBALISM based on the search for low factor costs where international businesses invested in regions with low-cost land and labor to serve as export platforms to produce high-volume commodity products



NEW GLOBALISM based on the search for the best locations to host high-value, specialized, and innovation-related activities where businesses invest in regions to gain access to specialized workforces, research and development and commercialization capacity, innovation networks, and unique business infrastructure.

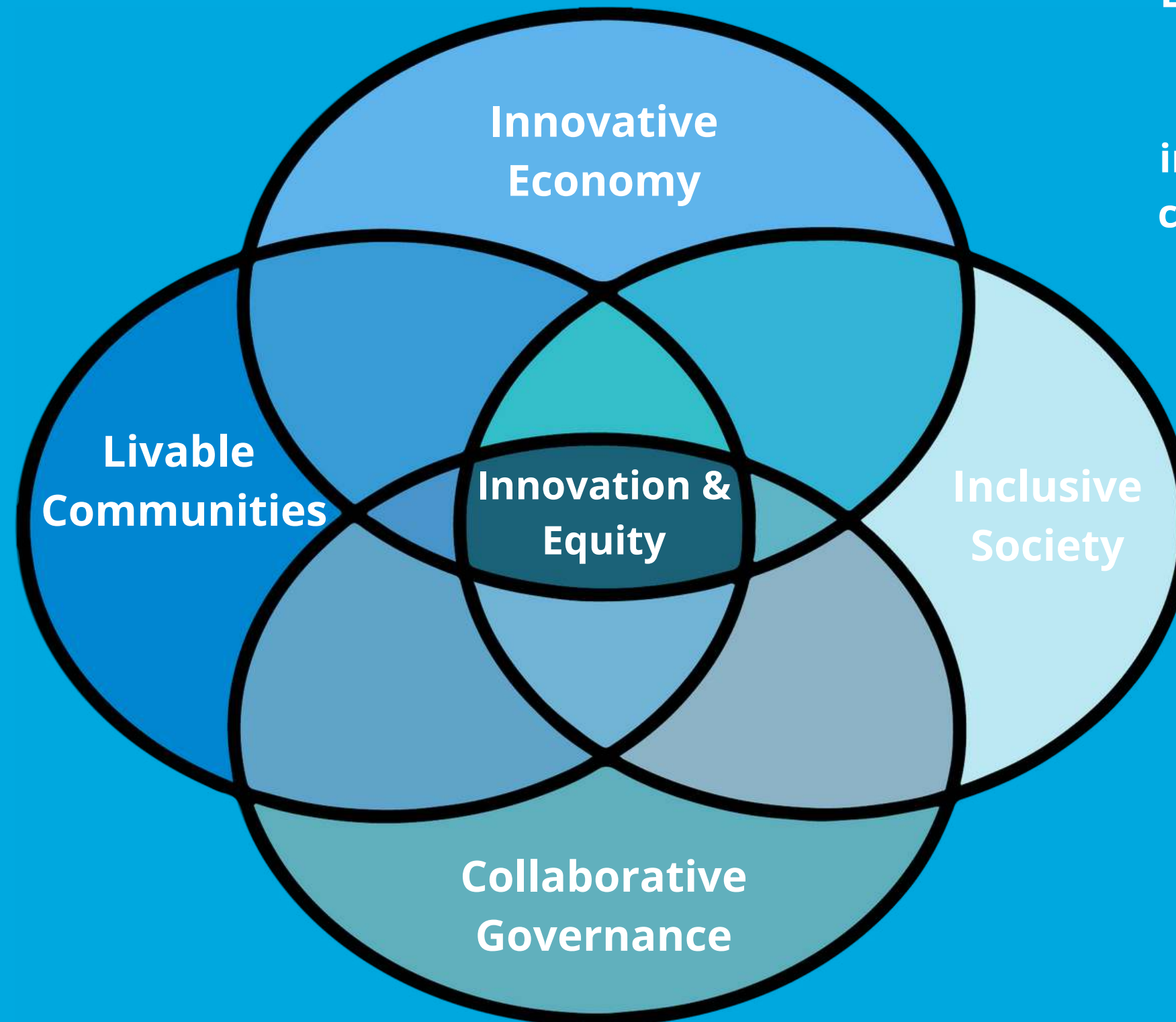
New Innovations & Solutions Must Look Through the Equity Lens

When building talent networks, investing and building new technologies that the business environment needs, and securing creative capital to fuel more economic development; there must be an evaluation and implementation for how these solutions solve for the most underserved



Innovation & Equity Together is the Recipe for Success

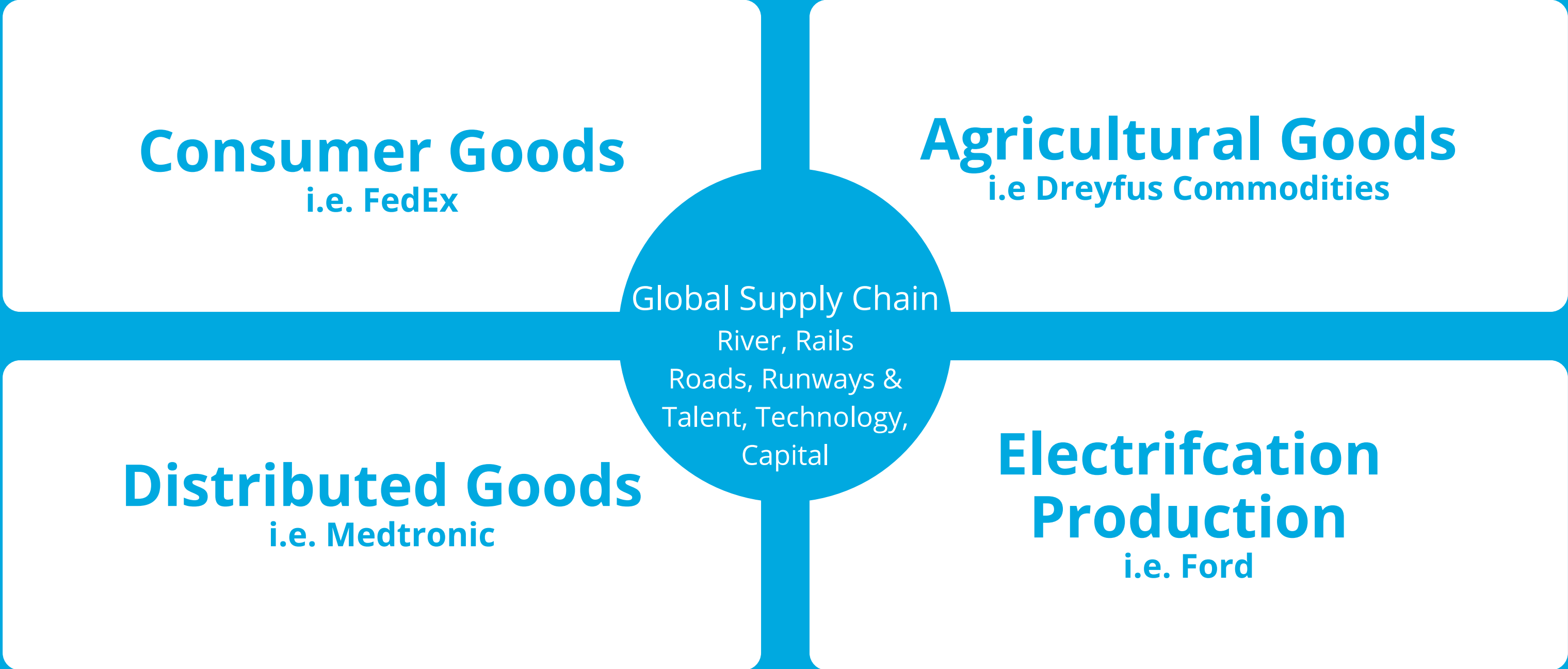
Innovation is really about ideas and recipes to realize those ideas into meaningful jobs, great environments for living and working, quality cultures for different backgrounds, mindsets, and approaches, and for how we work together for results.



Equity is really about how we level the playing field for the underserved to participate in the innovation economy. Without it, a community will never approach its potential.

Address Opportunity with Transformation

Ford Brings Electrification into Memphis' Supply Chain in a Big Way



Tech Talent

18k in Tech Talent

\$2.3B Economic Impact

10.8k Employer Job Postings for Tech in 2021

24% Black Tech Talent

1,000 Tech Business Establishments

How do we broker, grow, and activate this talent base so that it works towards an economic strategy; or do we let this talent sit idle and leave things to chance for our economy?

The Net Positive Economic Development Model

A Net POSITIVE FUTURE: Four Strategic Areas

Smart Infrastructure

**Create an Open
Innovation Systems**

**Innovation
Brokers Activated**

Policy
Creative Capital
Alignment
New Solutions

**Talent for the STEM
Economy**

**The Digital Delta:
Branding & Marketing
for the Future**

Smart Infrastructure

1. Memphis' 50 square block Innovation District
2. Fully Connected Regional EV Charging Network
3. Mobility & Climate Agendas in Transit, Logistics, Automotive, and Energy
4. Fleet Electrification Efforts
5. Smart & Mixed Use Real Estate Developments
6. Digital Inclusion & Equity

Create an Open Innovation System

Talent must have the ability to collaborate, ideate, shares best practices, mind sets, approaches, etc. in the hopes of advancing solutions to problems. This talent ranges from startups and academia to corporate innovation arms and governments to small firms and talent; all which need a marketplace and a culture for intentional and unintentional collisions.

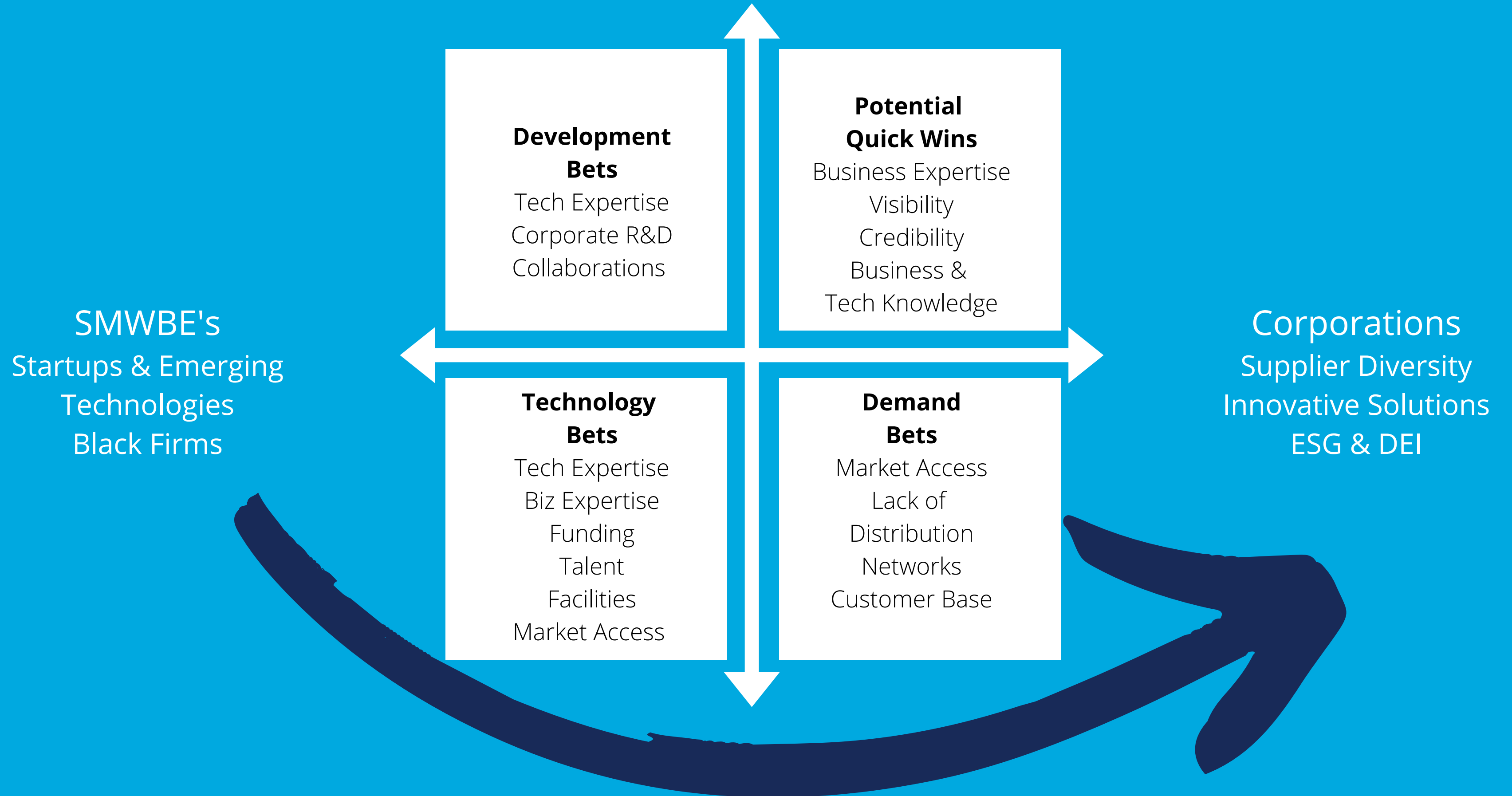
Some talent, startups, and solutions are ready for investment, employment, acquisition, contracts, etc. and they just need help up the onramp to the resource provider.

Others are not ready and need support in the form of training, business incubation, subject matter expertise, seed funding, mentors, events, experiences, etc.

There must be intentionality in stimulating all of the above and not just portions

Create an Open Innovation System

Programming, Incentives, & Recruitment to Activate Growing Companies at all 4 Stages



Talent for the Stem Economy

1. Direct STEM training
2. Evaluate both the Corporate/Government & SMWBE need
3. Talent Builds Portfolio fulfilling the needs of SMWBE's
4. This can be the landing pad pre corporate/government entry
5. Attraction & Retention strategy working with Brand/Marketing
6. Public and neighborhood amenities strategy working with Smart Cities
7. Policy changes at the state and local level
8. A Real evaluation of local and non-local international talent as an opportunity for attraction and retention

The Digital Delta: Branding and Marketing

1. Craft a brand and a story that no one else in the world can tell
2. The Most Advanced Global Supply Chain Innovations in the World
 - a. Intersecting consumer goods, agricultural goods, and distributed goods
 - b. Advancing data visualization capabilities, aginnovation & crop diversity, logistics technology, healthcare & med device advancements, electrification & battery innovation, and urban mobility and civic solutions
3. The Most talent per capita in mobility, transportation, and logistics
4. The most diverse workforce in Information Technology in the country
5. A Delta Region crossing 3 states epicentered in Memphis to the most diverse regional supply chain of rivers, rails, roads, and runways
6. With an Innovation & Equity Agenda worthy of big corporation, small company, and talent attraction and retention

The Work in the Middle: Activate Innovation Brokers

Economic development must now change because the nature of the business development in the global economy has fundamentally changed. Business development today is based on an open innovation model where firms seek innovation assets, ideas, talent, capital- from many sources, often outside the firm itself. Under this model, the role of economic development is to intervene at appropriate times to help firms achieve higher value and productivity by gaining access to appropriate innovation assets at each stage of the business development process- start up, expansion, production and marketing.

Regional Assets	Local Firms	Global Assets
<p>Talent Current Workforce Workforce advancement efforts</p>	<p>Startup Stage</p>	<p>Talent Data & Engineering Management Sales & Marketing</p>
<p>Technology Data, technical, and business expertise R&D Systems (universities, national labs, corporate)</p>	<p>Commercialization Stage</p>	<p>Technology Technology Sourcing/acquisition R&D partnerships Global industry networks</p>
<p>Capital Early stage investing Expansion Financing</p>	<p>Market Expansion Stage</p>	<p>Capital Joint venture Foreign Investment</p>

Create The Most Dynamic Business Environment in the Country

Mapping & solving the journey across the marketplace is critical; what is the right dose of resources and over what period of time is it needed.

SMWBE's

Environments

Self Learning
Peer Learning
Business & Home
Environments

**Corporations &
Governments**

Village of Support

ESO's
Investors
Mentorship
Physical & Online
Resources

Business Development Journey

Skills

Research
Development
Design
Marketing & Sales

Learning Journey

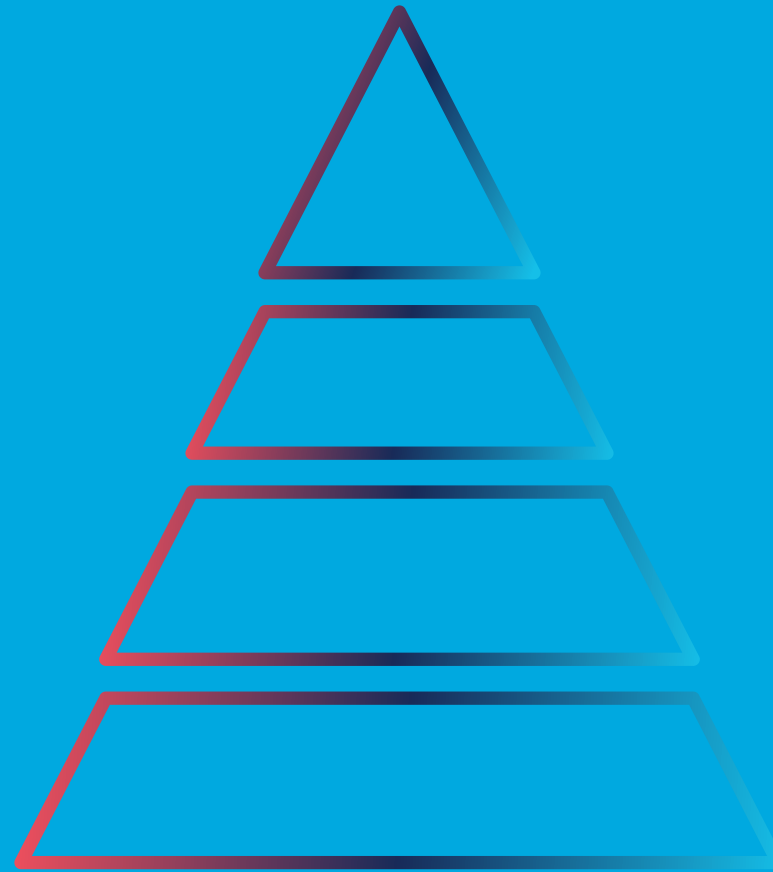
Learning Journey

Talent

Support organizations and economic leaders must constantly evaluate how resources are organized, structured, and deployed. Is the current marketplace adequate, and if not what can be done to make it so.

Typically in today's world, we don't have the luxury to just pour more money on existing efforts, so we must innovate our way out of it; new technology, new talent innovations, and creative capital products.

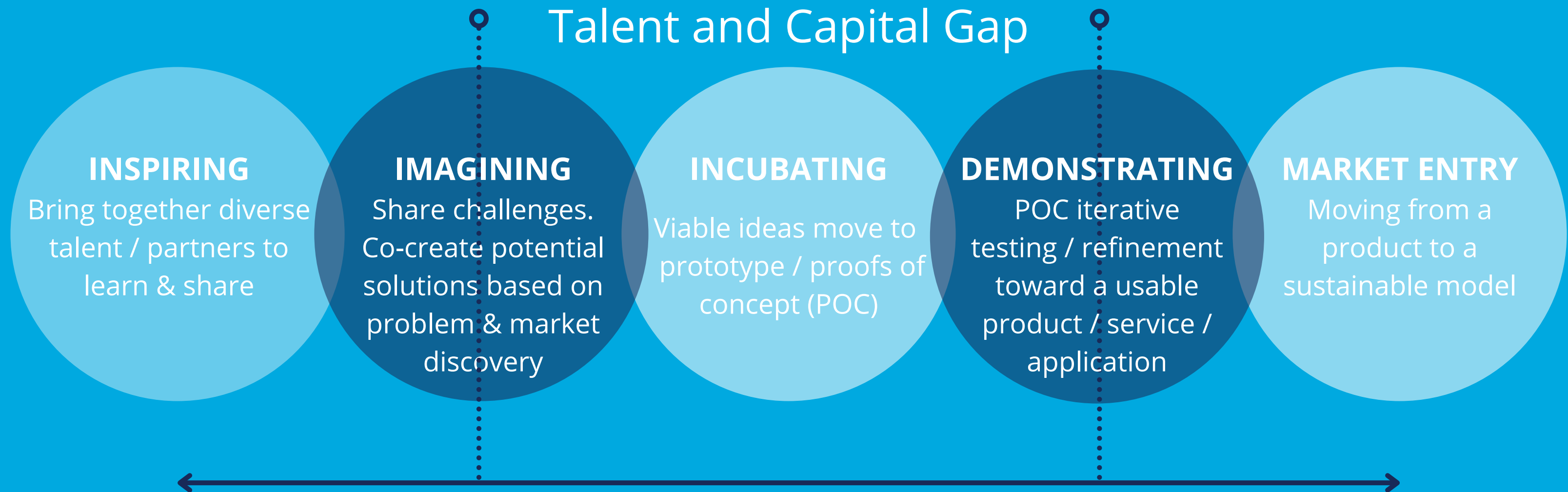
Innovation Driven EQUITY Model



Memphis Will Solve for the Underserved First

By taking a Bottom of the Pyramid approach, whereby economic development efforts will solve for the much harder path for underserved talent at the bottom of the pyramid as opposed to solving for the much easier path for the advantaged top of the pyramid. By solving the bottom, the top is also solved. Entrepreneurship will be the focus of these efforts as this form of wealth creation when focused on people of color can be true economic justice. It goes beyond just helping the continuum of SMWBEs but seeks to build a marketplace of buyers and sellers; a marketplace that is abundant and truly dependable by all parties and contributors. When Memphis realizes this marketplace, it will begin to tap its true economic potential.

MEMPHIS MUST FILL THE GAP



INNOVATION CONTINUUM

Philanthropy typically only invests up to the Imagining Phase as this can be classified as talent development, and Corporations will only invest as far back to the Demonstrating Phase so they can justify ROI

Capital investment in Four Strategic Areas

Smart Infrastructure
\$50M

**Create an Open
Innovation Systems**
\$50M

\$116.1M

10 Years

**Talent
for the STEM Economy**
\$13.6M

The Digital Delta
\$2.5M

Capital Breakdown: New vs. Existing Funds

Of the needed \$116.1M, \$60.8M can come from existing budgets if positioned correctly or aligned to fit within the overarching strategic plan

\$50M Smart Cities

- \$25M New & \$25M Existing
- New Breakdown: \$5M locally sourced & \$20M federal/nationally sourced

\$50M Open Innovation System

- \$25M New & \$25M Existing
- New Breakdown: \$15 M locally sourced & \$10M federal/nationally sourced

\$13.6M Talent for the STEM Economy

- \$2.8M New & \$10.8M Existing
- New Breakdown: \$1.4M locally sourced & \$1.4M federal/nationally sourced

\$2.5M The Digital Delta

- \$2.5M New & \$0 Existing
- New Breakdown: \$2.5M locally sourced

Of the \$55.3M in New Money Needed

\$23.9M Should Be From Local Sources

Can Memphis come up with \$2.39M/year?

While taking advantage of this once in a generation flood of federal resources and national philanthropy as a result

\$31.4M Should Be From National Sources

Infrastructure Bill
American Rescue Plan for Broadband & Small
Business Recovery
Department of Energy
Climate Bill

AND THIS IS JUST THE BEGINNING

**With an Organized and Ongoing Innovation Agenda Underway
We can Attract Even More Resources as We've Seen Already.**



11,600 direct jobs created

2,100 in STEM talent directly trained

\$1B in economic investment to the region

50 Gazelles relocated

Address a Glaring Hole for Major Recruitment

We Understand that Regions are key but...

Regions are defined by their unique industry concentrations, labor markets, and common infrastructure; however as we compete for talent, technology, and capital we must not fall into the zero sum game trap, but look to integrate with other regions on the uptick and share these economic assets for shared economic success. Regions must invite the exceptional and at the same time share the exceptional. This is what you are seeing in the global marketplace today.

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