

Alignment of Community & Education

INDUSTRY SUMMIT

Hosted by APSU External Affairs





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AGENDA

APSU's 2019 Industry Summit - Seizing the Momentum:
Bridging Education, International Investment and Workforce
Opportunities in the Nation's Best Place to Live.*

7:30

Breakfast/registration

8:15

Welcome, APSU President Alisa White, Montgomery
County Mayor Jim Durrett and Clarksville Mayor Joe Pitts

9:00

Keynote address, former U.S. Ambassador Bill Hagerty

9:40

State of the State, Ann Thompson, director of
Workforce Development for the Tennessee
Department of Economic and Community Development

10:30

Industry climate survey results, Dr. Andrew Luna,
executive director of APSU decision support and
institutional research

10:45

Panel discussion, Dr. Rubin Cockrell, moderator

11:40

Workforce of Tomorrow, Rob Salome, Solutions 21

12:30

Closing remarks, APSU Vice President for External
Affairs Ronald Bailey, LtGen USMC (retired)



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SPEAKERS & PANELISTS

KEYNOTE

WILLIAM “BILL” HAGERTY

William “Bill” Hagerty is the former U.S. Ambassador to Japan. He previously served as former Gov. Bill Haslam’s commissioner of the Tennessee Department of Economic and Community Development, where he worked closely with major Japanese-owned companies such as Bridgestone, Calsonic Kansei and Nissan. Hagerty recently launched his campaign to be Tennessee’s next U.S. senator.

PANEL

COL. JEREMY BELL

Col. Jeremy Bell is the garrison commander of Fort Campbell, Kentucky. He previously commanded 1st Battalion, 5th Special Forces Group (Airborne) at Fort Campbell, deploying his battalion in support of Operation Inherent Resolve. He later served as the Executive Officer to the Commanding General, U.S. Army John F. Kennedy Special Warfare Center and School at Fort Bragg, North Carolina.

DR. RUBIN COCKRELL

Dr. Ruben Cockrell is CEO of Positive Images & Associates, a global firm that specializes in educational leadership, empowerment and management consulting servicing past clients in over 45 countries around the world. He served on the White House My Brother’s Keeper STEM Initiative Task Force to create opportunities for minority youth to become 21st Century Global Leaders.

MILLARD HOUSE

Millard House is the superintendent of the Clarksville-Montgomery School District in Clarksville. He previously served as an executive consultant, as well as the executive director, of New Leaders Charlotte. He was the chief operating officer of the Charlotte-Mecklenburg School System in Charlotte, North Carolina, and deputy superintendent with the Tulsa Public Schools.

DR. KAREN MEISCH

Dr. Karen Meisch is interim dean of the APSU College of Science, Technology, Engineering and Mathematics. Under her leadership, the college has added five new undergraduate programs, including the state’s only degree program in aviation science with a concentration in rotor wing, eight new undergraduate concentrations, three new master’s programs and several graduate certificates.

RALPH SCHULZ

Ralph Schulz is president and CEO of the Nashville Area Chamber of Commerce, one of Middle Tennessee’s oldest and largest business federations. During his tenure, the Chamber has played a key role in helping the region emerge from the 2007 recession to a period of unprecedented growth with a business relocation and expansion strategy known as Partnership 2020.

ANN THOMPSON

Ann Thompson joined the Tennessee Department of Economic and Community Development in 2014 and serves statewide as the director of Workforce Development. In this role, Thompson connects recruitment, expansion and retention projects to local workforce resources and develops customized strategies for specific projects. She is the primary liaison for the department regarding all education and labor initiatives.

SPEAKERS

ROB SALOME

Rob Salome, a retired U.S. Army Colonel, is director of Strategy and Leadership Development at Solutions 21. He previously served in critical roles at the highest levels of government; serving as a military aide to former Vice President Joe Biden, as the director of the Commander’s Initiatives Group in the U.S. Army Forces Command and as the city manager over 100,000 people at Fort Campbell, Kentucky.

DR. ANDREW LUNA

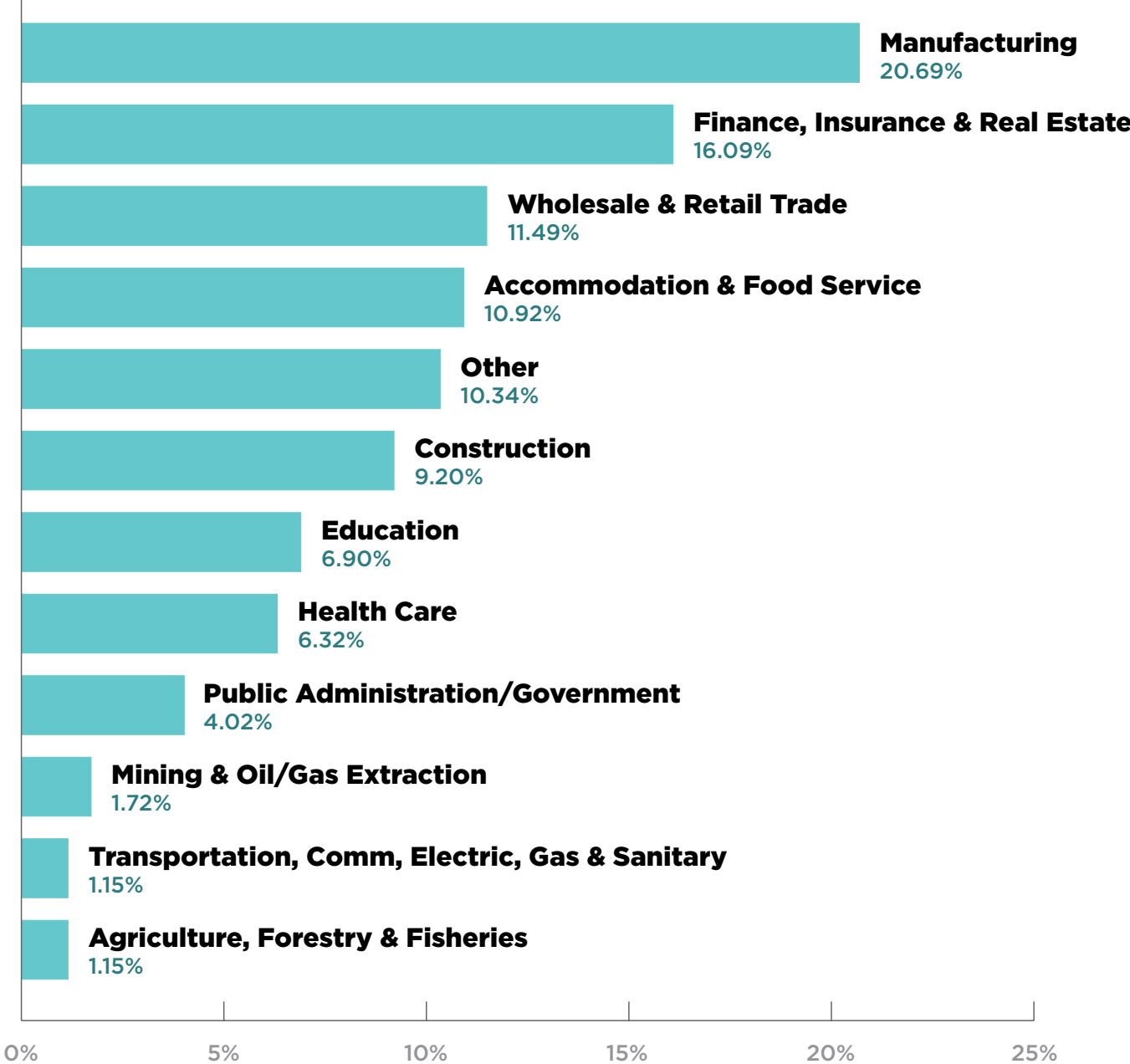
Dr. Andrew Luna, executive director of the APSU Office of Decision Support and Institutional Research, has worked in higher education research for more than 35 years. Luna created the summit survey, as well as the subsequent report of the findings. Throughout the years, he has administered similar economic studies around the Southeast.

CLARKSVILLE BUSINESS & INDUSTRY SUMMIT SURVEY

Earlier this summer, local business and industry leaders participated in Austin Peay State University's inaugural Business and Industry Summit Survey to provide a snapshot of the opportunities and challenges facing Clarksville-Montgomery County during a time of unprecedented potential. The findings detailed in this report will help drive conversations and form the basis for important strategies that result from today's event. Below are a few highlights from the report:

- 1** Finding and attracting qualified employees is a high priority for area businesses. The community also needs a younger, more skilled workforce.
- 2** In the last 18 months, a vast majority of respondents have experienced substantial growth in their business. Furthermore, more than half of respondents plan to expand their operations in the next 18 months.
- 3** Respondents said they're more likely to hire military veterans and four-year college graduates over high school, technical college or community college graduates.
- 4** Employers are looking for applicants with stronger communication, teamwork and creative thinking skills.

DEMOGRAPHICS

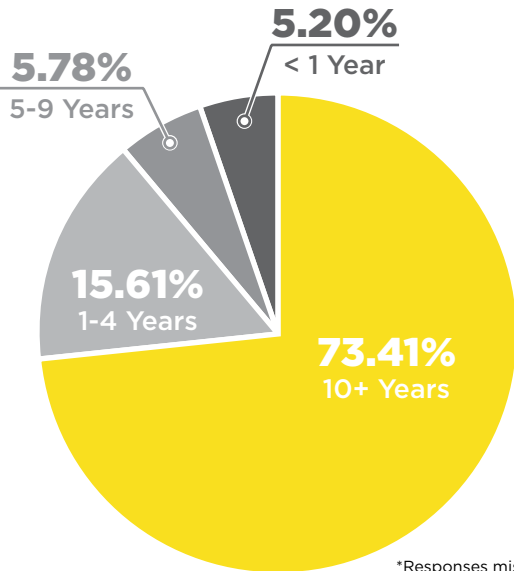


TYPE OF BUSINESS

The majority of respondents came from the manufacturing sector. This is not surprising since last year's summit was primarily focused on this area. The financial, insurance, and real estate sector composed the next largest group of respondents while both wholesale/retail trade and accommodation/food service completed the top respondent sectors. It should be noted that, even with a lower than anticipated response rate, all of the major business sectors were represented to some extent.

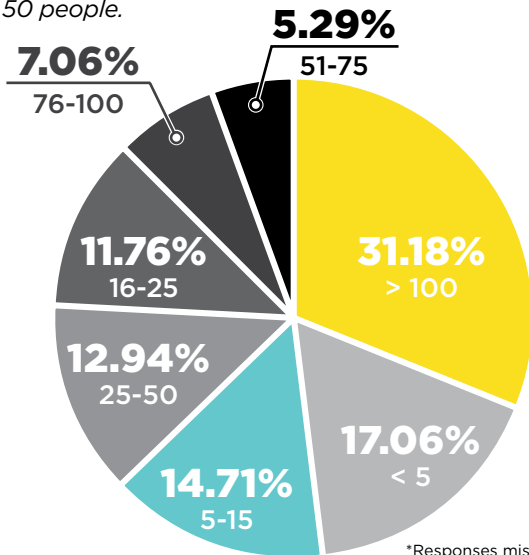
YEARS IN BUSINESS*

Out of the 171 respondents, the vast majority (73.41%) indicated that they have been in business for 10 or more years. The next largest group of respondents (15.61%) have been in business from one to four years. Since the 10 or more years group is so large, future iterations of the survey may divide this group into smaller sections.



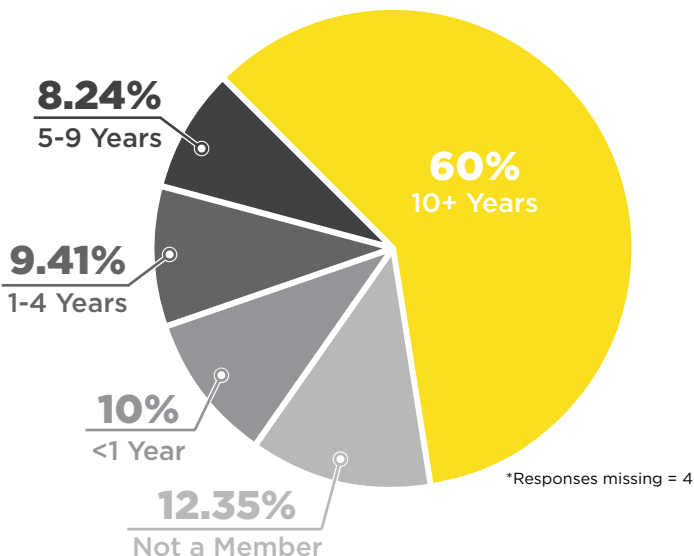
NUMBER OF EMPLOYEES*

On the question of how many people were employed within the respondent's business, a dichotomous split occurred with 31.18% employing more than 100 while 31.77% indicated that they had from less than 5 employees up to 15. Given the mix of sectors from larger manufacturing companies to smaller financial and retail business, this split was not surprising. It should be noted that 24.70% have moderate employees numbering between 16 and 50 people.



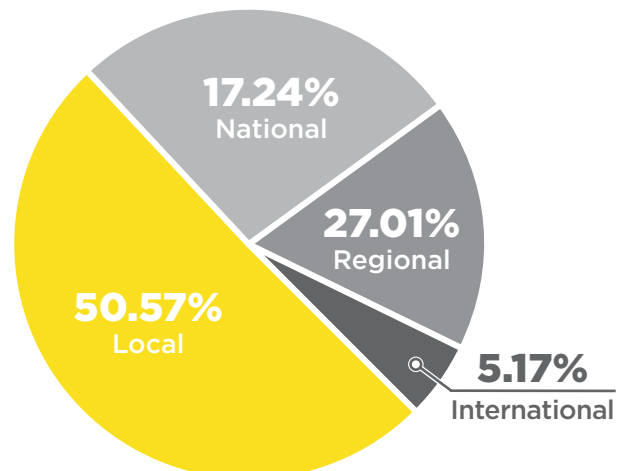
CLARKSVILLE CHAMBER OF COMMERCE MEMBERSHIP*

A strong majority of respondents indicated that they had been a member of the Clarksville Chamber of Commerce for 10 or more years, which can be related to the previous finding that over 73% of the respondents have been in business in the Clarksville area for 10 or more years. Together, 87.65% indicated they were a member of the Chamber while over 12% were not members.



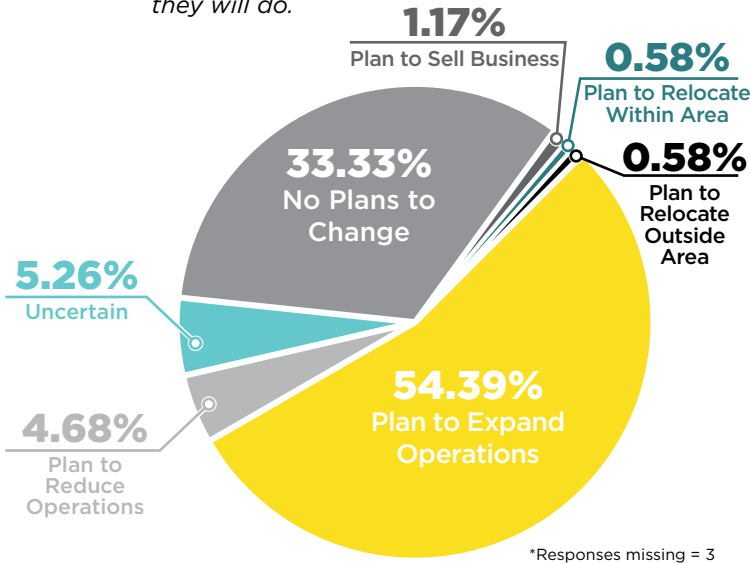
MARKET AREA

Out of the 171 respondents, almost 78% considered their market area to be either local or regional with over half of the respondents serving local markets. In contrast, 22.41% saw their business as having either a strong national or international market. In subsequent iterations of this survey, it will be of interest to observe if changes in market span stay the same, become more localized, or branch out to broader markets.



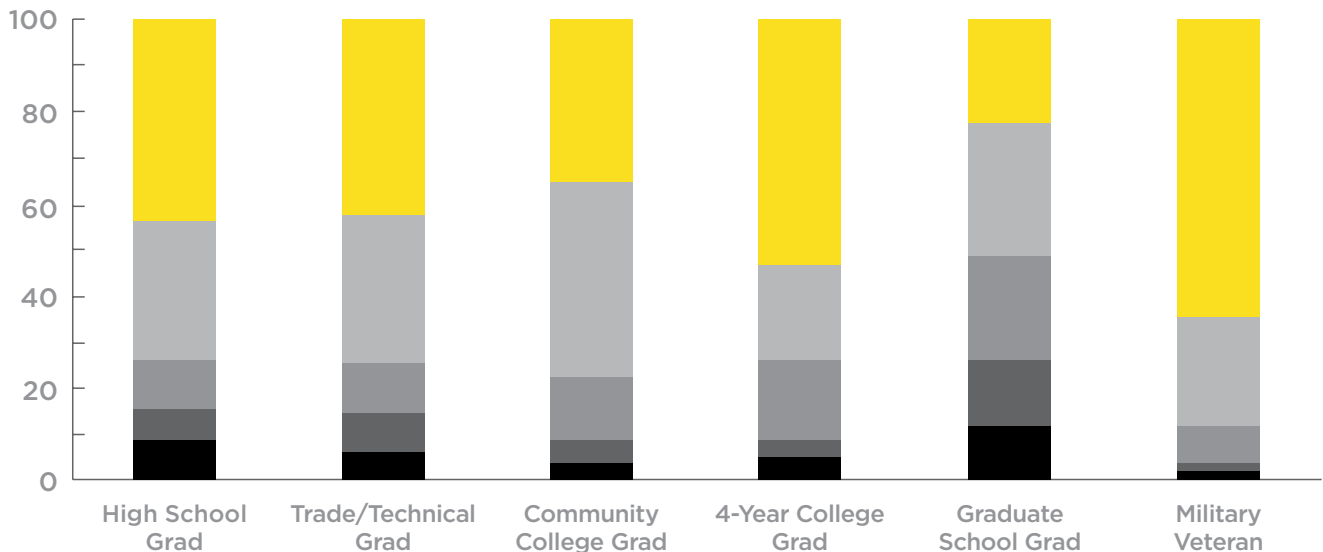
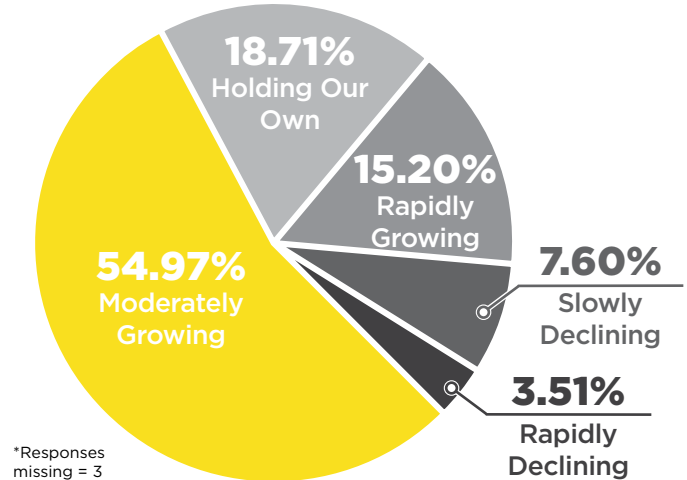
PLANNED ACTIVITY OVER NEXT 18 MONTHS*

A strong indicator for economic growth is demonstrated by almost 90% of the respondents indicating they will either stay the course or expand within the next 18 months. Out of this, almost 55% indicated they were planning to expand. Only 4.68% indicated they were planning to sell their business and a little over 5% indicated they were uncertain what they will do.



BUSINESS ACTIVITY OVER LAST 18 MONTHS*

A precursor to what local business and industry will do in the next 18 months is how they performed during the last 18 months. According to the results, almost 90% indicated they were either holding their own, moderately expanding, or rapidly expanding. Within this percentage, over 70% indicated moderate to rapid business expansion. These results seem to clearly support projected business growth during the next 18 months. As other results from the survey will indicate, however, this growth could be significantly hampered by an insufficient and inadequately trained workforce.



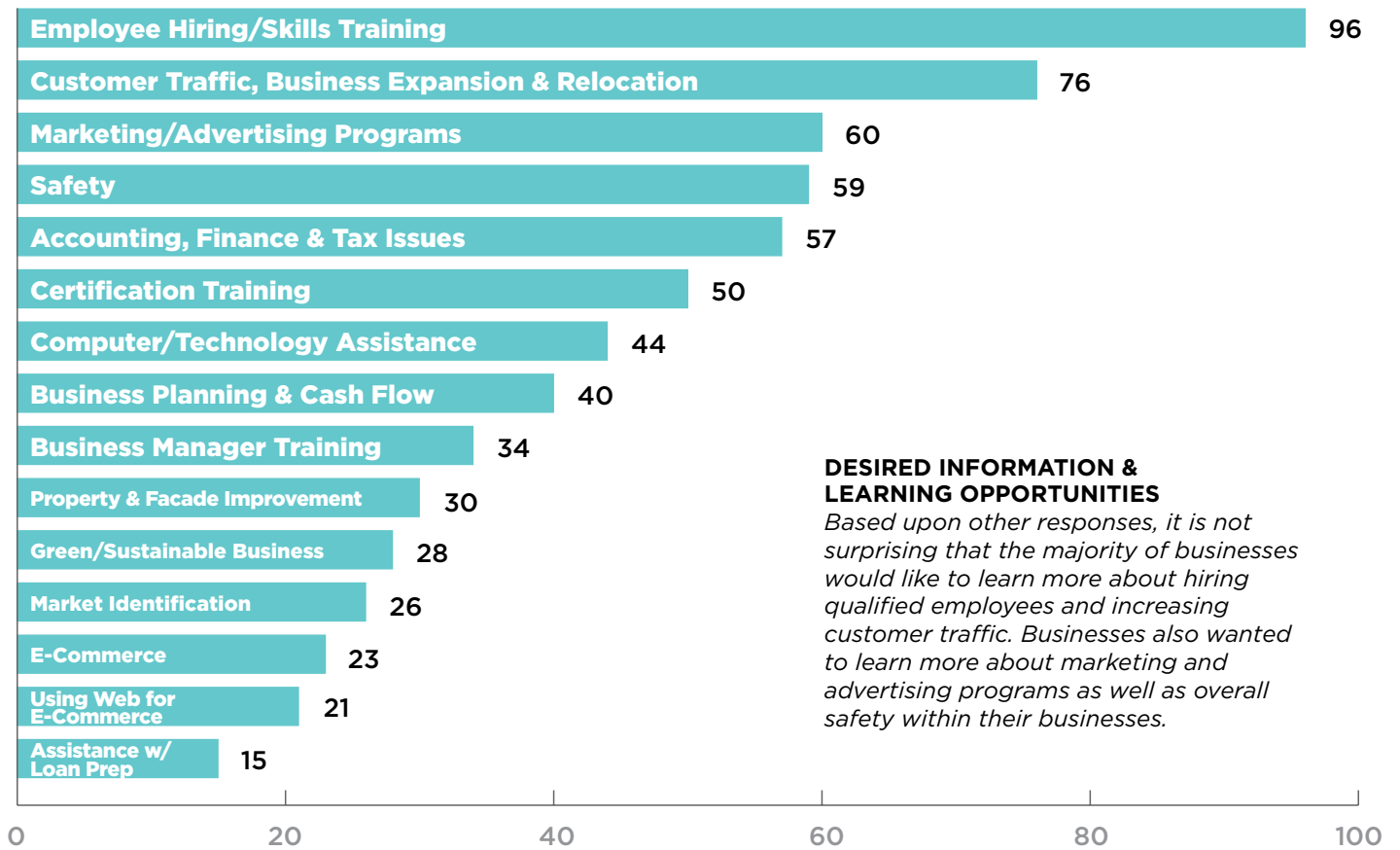
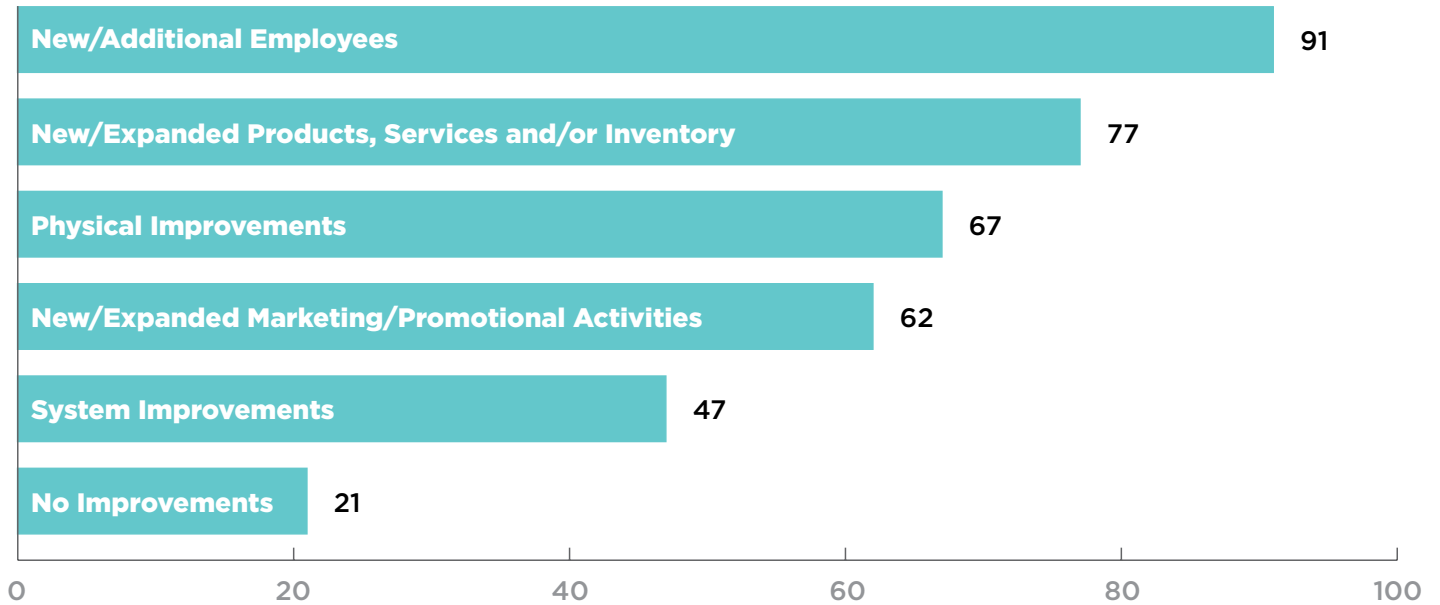
LIKELIHOOD OF HIRING

As a strong supporter of Fort Campbell and the military in general, it is no surprise that a strong majority (65%) of Clarksville area businesses indicated they were extremely likely to hire military veterans. As a close second, however, almost 53% of the respondents indicated that they were extremely likely to hire four-year college graduates. This percentage of extremely likely to hire was greater than high school graduates, technical college graduates, and community college graduates. Not surprising, however, was respondents' likelihood of hiring graduate school graduates. While the results of this survey cannot be generalized to the overall business and industry population within the Clarksville area, it is expected that the market for post-baccalaureate graduates will increase, and therefore the demand for these graduates will likely increase.



PLANNED IMPROVEMENTS OVER NEXT 18 MONTHS

When asked what specific improvements they plan to make within the next 18 months, almost 100 respondents indicated they would add new employees. This response was closely followed by over 75 respondents who wished to offer new or expanded products and services. These businesses also planned to make both physical improvements as well as increase their marketing and promotional activities.



DESIRED INFORMATION & LEARNING OPPORTUNITIES

Based upon other responses, it is not surprising that the majority of businesses would like to learn more about hiring qualified employees and increasing customer traffic. Businesses also wanted to learn more about marketing and advertising programs as well as overall safety within their businesses.

KEY ATTRIBUTES: IMPORTANCE & SATISFACTION

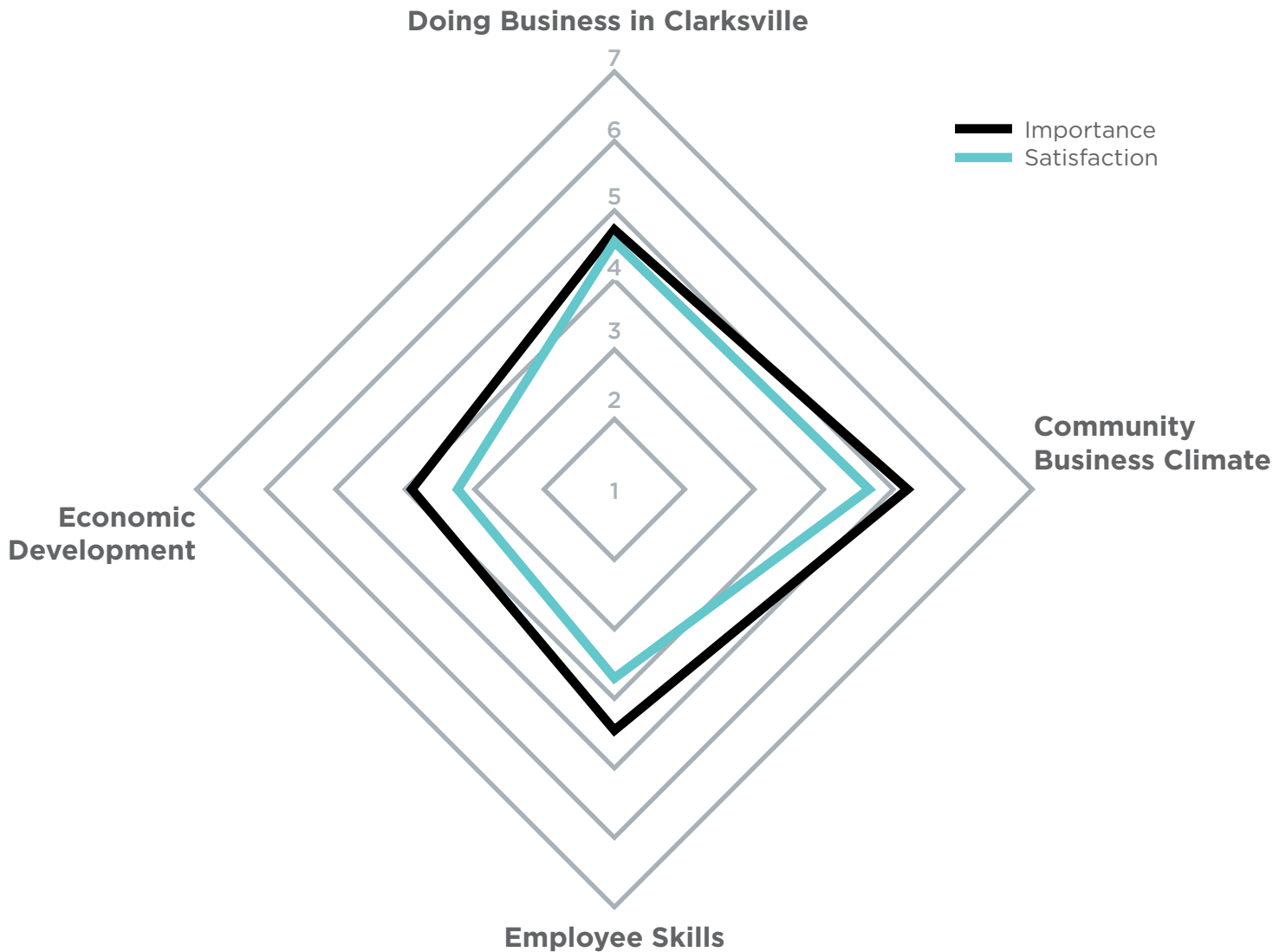
To capture more precise information, the survey contained key attributes where respondents indicated how important each attribute was as well as how satisfied they were with the attribute. The attributes were grouped into the following categories or subscales:

- 1 The support for doing business within the Clarksville area
- 2 The overall community business climate
- 3 Employee skills
- 4 Economic development

A seven-point Likert-type scale was used for both the measures. Higher numbers on the scales indicated that respondents placed a higher level of importance in or were more satisfied with a particular attribute. Average values for both scales were calculated and grouped by category. The importance measure for each attribute was then subtracted from the satisfaction to create a performance gap analysis. The design of the instrument was based, in part, on the Importance-Performance Model (Sethna, 1982; Kotler & Fox, 1985; Polcyn, 1986; Luna, 1997; and Martilla & James, 1977).

Radar graphs, as demonstrated on the following pages, are laid out in a circular fashion, rather than the more common linear arrangement, and consist of axis lines that start in the center of a circle and extend to its periphery. These graphs are mainly used to measure the relationship of two variables on a single attribute. In this case, the variables consist of the grouped averages of importance and satisfaction for each attribute within each of the categories. Each axis represents one of the four categories within the survey and are arranged to begin in the center with the lowest values and extend toward the outside with increasing value. The averages of each variable as it relates to a particular attribute are plotted on the axis of that attribute.

The black line going across each axis represents the measure of importance and the blue line represents the measure of satisfaction or performance. An environment where the black lines and blue lines are touching, or are very close to each other, indicates that respondent demand is being met. When the black average is higher than the blue average, a gap existed indicating an environment where the respondent demand is lacking. When the measures are reversed and the blue mean was greater than the black mean, another type of gap existed indicating an environment where respondent demand has been exceeded. A very large gap of this nature could signal overkill, where the attribute is performing at a higher rate than the respondent expected.

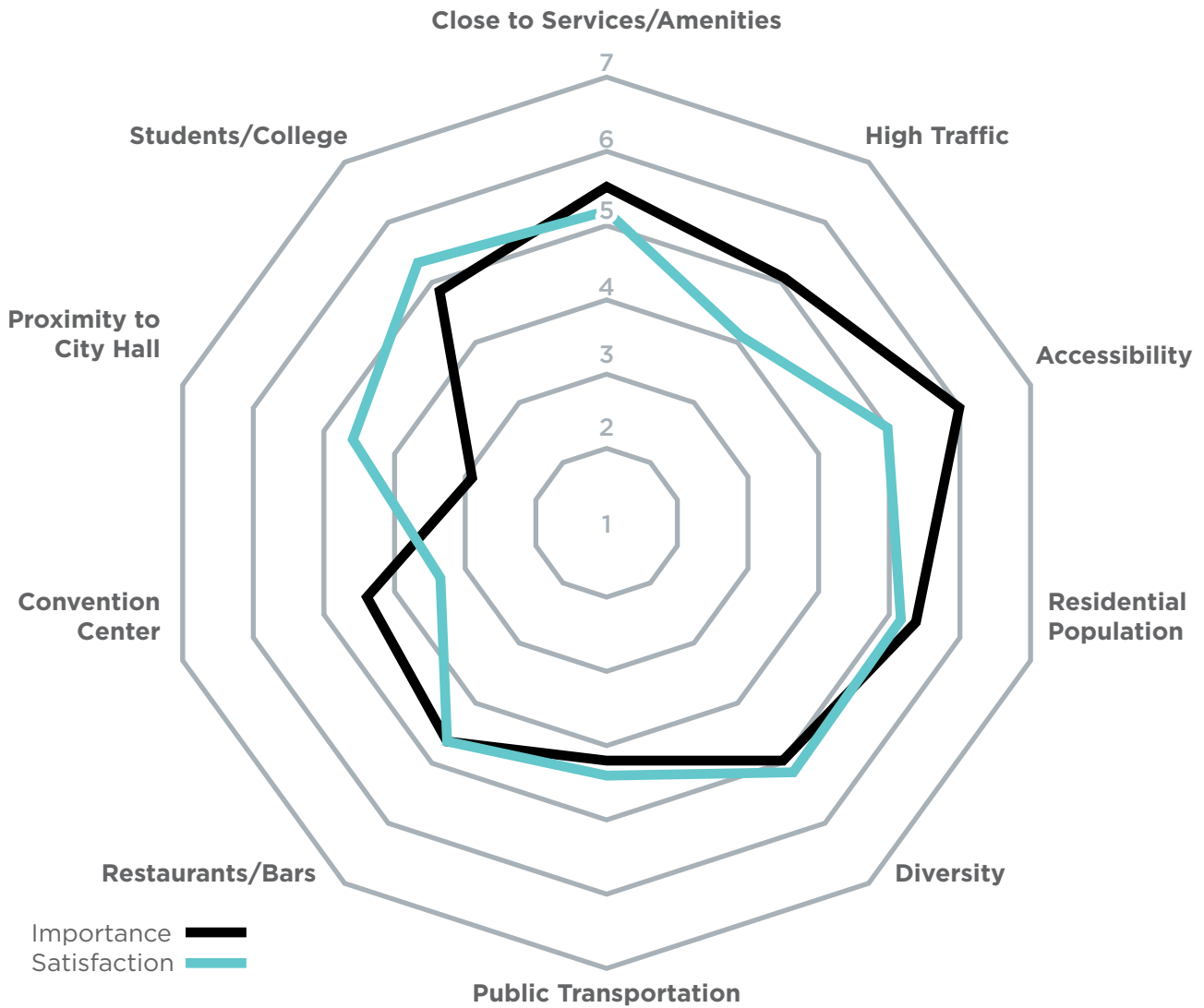


COMBINED CATEGORIES

According to both the radar graph above and the table below, the performance gaps that do exist among these categories are relatively small. Employee Skills and Economic Development have the largest performance gaps and, according to respondents, are areas where the Clarksville area should focus most of its efforts. Likewise, the category of Doing Business in Clarksville is an area where respondent demand is mainly met.

In subsequent pages, the individual questions within each of the categories are examined, the means computed for both importance and performance, and a Performance Gap was created.

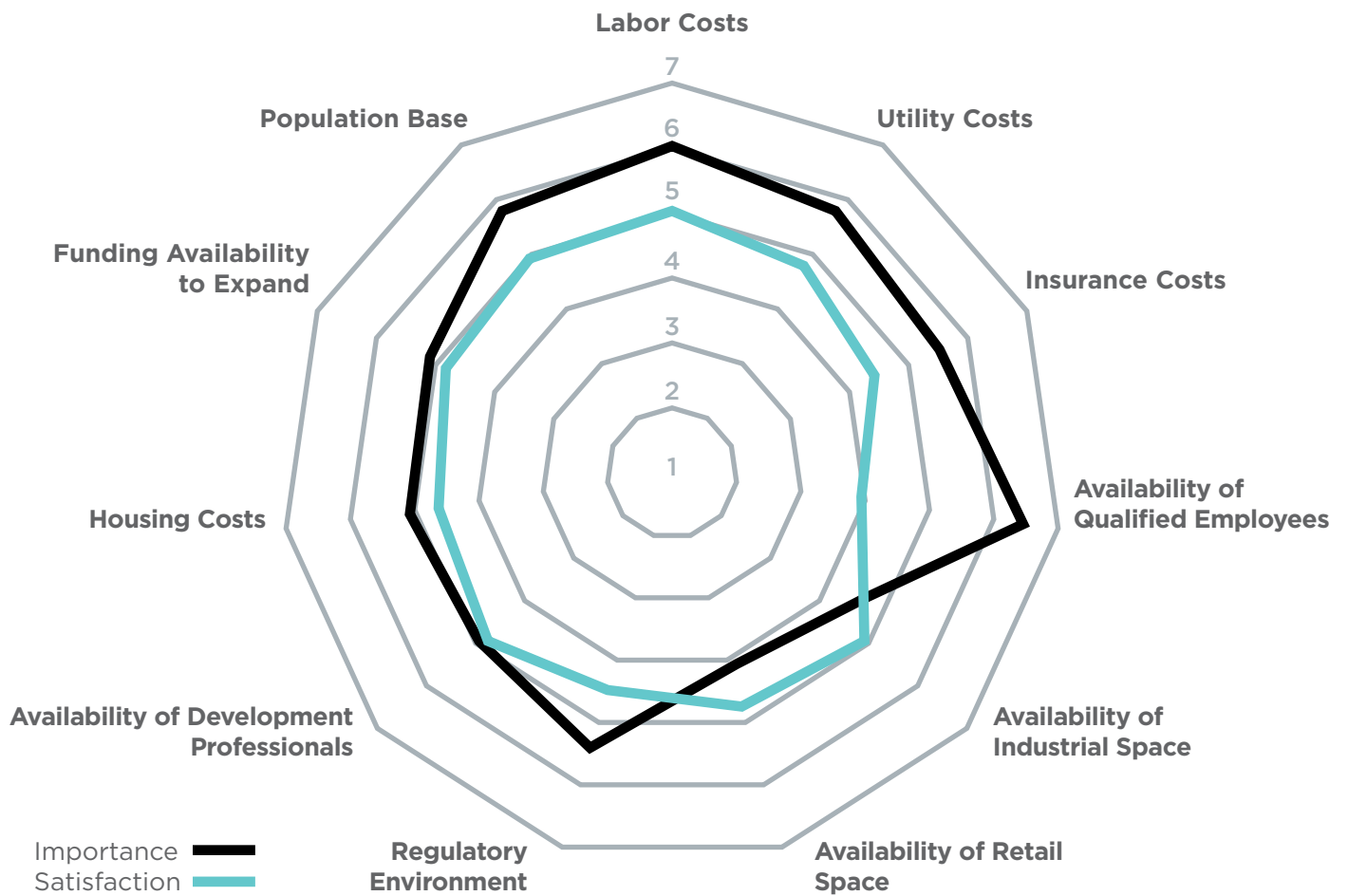
Attribute	Importance	Satisfaction	Performance Gap
Teamwork	6.61	5.2	1.41
Oral Communication	6.49	4.92	1.57
Written Communication	5.95	4.67	1.28
Leadership	6.24	4.81	1.43



DOING BUSINESS IN CLARKSVILLE AREA

While the perceived need for a convention center in the Clarksville area received moderate importance and satisfaction levels, this was the attribute within the Doing Business in Clarksville category that had the highest performance gap. Coming in at a close second were the desires for increased high-traffic areas and accessibility, which can include the physical accessibility to businesses by customers as well as electronic accessibility. This claim is later supported by respondents’ demand for greater public infrastructure and improved telecommunications. It is clear that business proximity to City Hall is not important to the respondents of this survey.

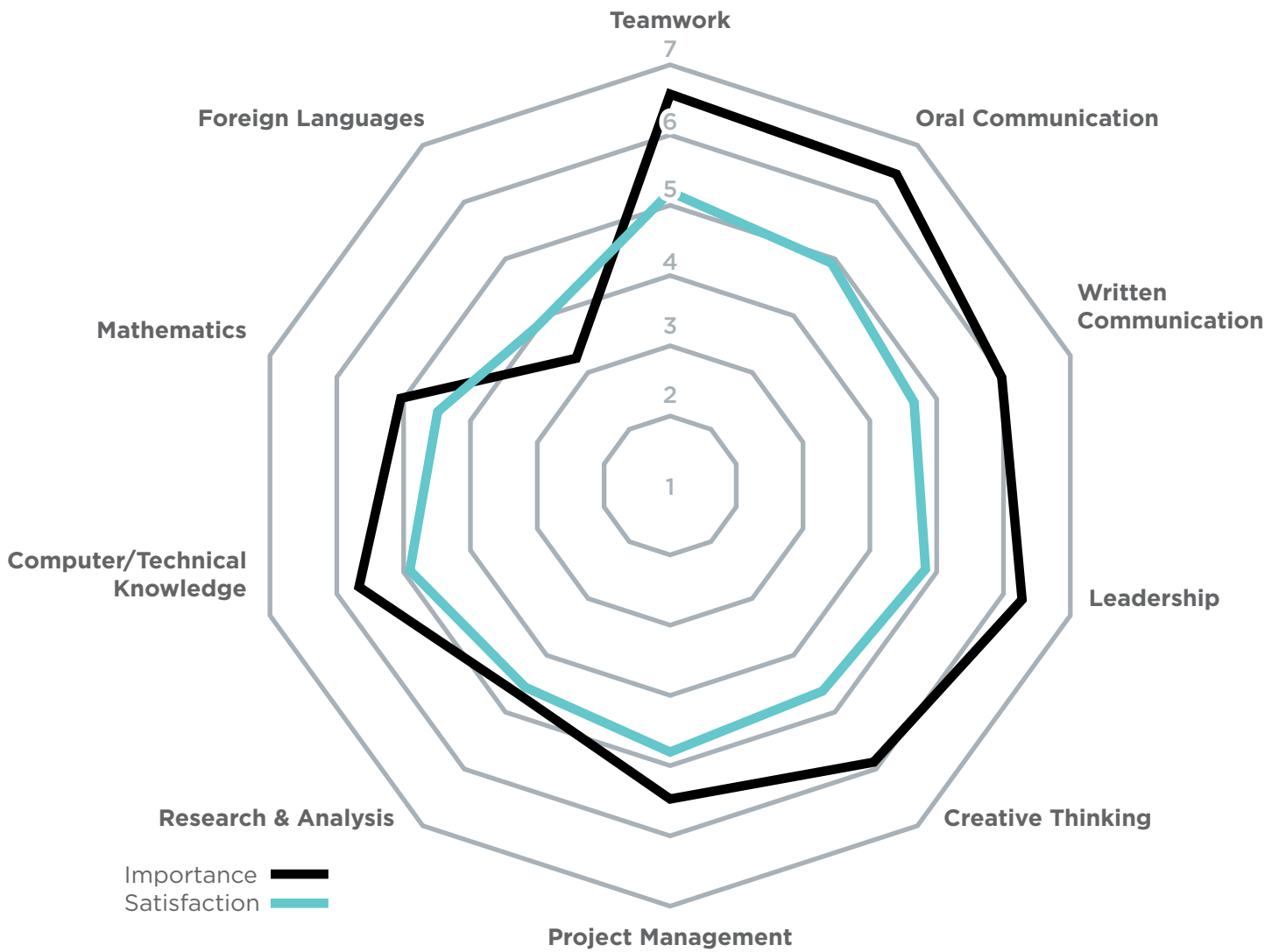
Attribute	Importance	Satisfaction	Performance Gap
Close to Services/Amenities	5.52	5.19	0.33
High Traffic	5.08	4.1	0.98
Accessibility	5.98	5.02	0.96
Residential Population	5.37	5.18	0.19
Diversity	4.97	5.21	-0.24
Public Transportation	4.2	4.42	-0.22
Restaurants/Bars	4.64	4.62	0.02
Convention Center	4.4	3.39	1.01
Proximity to City Hall	2.94	4.61	-1.67
Students/College	4.86	5.36	-0.5



COMMUNITY BUSINESS CLIMATE

While respondents are reacting negatively toward higher labor costs, insurance costs, utility costs, and the overall regulatory environment, the most significant performance gap within the Community Business Climate category is in their ability to find qualified employees. This is supported by respondents’ desire for the population base to increase as well as their desire to attract new and younger employees. In future iterations of this survey, it will be interesting to track the labor cost performance gap to the gap of finding qualified employees. In this instance the gap for labor costs may rise as employers may have to increase wages in order to attract the most qualified workforce. The lowest performance gap within this section concerns the availability to find funding for expansion. This is further supported by the number of respondents who indicated that they were planning to expand within the next 18 months due to moderate or rapid business growth.

Attribute	Importance	Satisfaction	Performance Gap
Labor Costs	6.03	5.03	1
Utility Costs	5.75	4.78	0.97
Insurance Costs	5.55	4.45	1.1
Availability of Qualified Employees	6.45	3.91	2.54
Availability of Industrial Space	4.31	4.94	-0.63
Availability of Retail Space	4.14	4.76	-0.62
Regulatory Environment	5.43	4.47	0.96
Availability of Development Professionals	4.89	4.83	0.06
Housing Costs	5.11	4.61	0.5
Funding Availability to Expand	5.1	4.82	0.28
Population Base	5.83	4.98	0.85



EMPLOYEE SKILLS

Respondents to the Employee Skills category indicate that there is a greater performance gap of new employees with soft skills than hard skills. According to the results, the major gaps occur between oral communication, teamwork, leadership, written communication, and creative thinking. In looking only at the measure of importance, respondents tended to give these soft skills higher scores than they did for the harder skills such as project management, research, technical knowledge, and mathematics. Within the Clarksville area, it is clear that little emphasis is placed on foreign language skills.

Attribute	Importance	Satisfaction	Performance Gap
Teamwork	6.61	5.2	1.41
Oral Communication	6.49	4.92	1.57
Written Communication	5.95	4.67	1.28
Leadership	6.24	4.81	1.43
Creative Thinking	5.9	4.63	1.27
Project Management	5.49	4.81	0.68
Research and Analysis	4.66	4.54	0.12
Computer/Technical Knowledge	5.68	4.91	0.77
Mathematics	5.02	4.46	0.56
Foreign Languages	3.25	4	-0.75



ECONOMIC DEVELOPMENT

Respondents have clearly indicated that improving public infrastructure and telecommunications as well as improving workforce skills are the greatest areas for improvement within Clarksville. Respondents also believe that the region needs to be marketed and promoted more. Clearly by addressing these higher performance gaps, the Clarksville area might also address the need for new and younger workers, and forming regional partnerships. As to the smaller performance gaps, respondents believe, for the most part, that industrial/business parks, schools, and tourism demands are being met.

Attribute	Importance	Satisfaction	Performance Gap
Attracting New Companies/Workers	6.1	5.34	0.76
Attracting/Retaining Younger Employees	5.78	4.86	0.92
Development for Industrial/Business Parks	5.35	5.02	0.33
Developing Manufacturing & Retail Business	5.48	4.8	0.68
Developing/Promoting Tourism	4.86	4.39	0.47
Forming Regional Partnerships	5.56	4.74	0.82
Helping Entrepreneurs	4.89	4.16	0.73
Improving Pre-School Opportunities	4.59	4.26	0.33
Improving Elementary School Opportunities	4.85	4.4	0.45
Improving Post-Secondary Opportunities	5.45	4.58	0.87
Improving Workforce Skills	6.13	4.42	1.71
Improving Public Infrastructure	6.08	3.81	2.27
Improving Telecommunications	6.08	4.29	1.79
Marketing & Promotion of the Region	5.82	4.7	1.12





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