

Official Newsletter of the Bluegrass Economic Advancement Movement | Issue II, February 25, 2013

Latest News

BEAM Board Recommends Doubling Number of Engineers in KY

During the last meeting of the Bluegrass Economic Advancement Movement Board of Directors, it was brought to the group's attention that many manufacturers of all sizes were having difficulties recruting engineers within Kentucky. Not only will many more engineers be needed to meet the demand as more companies bring more production and product design back to the United States, but several board members wondered whether the issue was related to capacity of current in-state engineering programs or simply not enough students pursuing an engineering degree.



Dr. Neville Pinto, Dean of the University of Louisville College of Engineering, responded that it was a little of both. He said, "There is a growing demand for engineering degrees but that the University of Louisville is currently maxed out in capacity. He said that if schools invest in expanding engineering programs, there will need to be a focus on the pipeline of future engineering students at the K-12 level to ensure demand for degrees will meet the increased capacity."

Representing the BEAM engineering committee, **Vivek Sarin**, CEO of Shelby Industries, presented the following **key points** about Kentucky:

❒ Kentucky trails behind the national average in number of engineers per capita.
❒ The supply of engineers produced within the State is not meeting industry demand.
❒ Computer engineers and computer science majors will be in most demand as the Information Technology sector continues to grow.
❒ To support the State's advanced manufacturing sector, civil, electrical, and mechanical engineers have high projected job growth opportunities.
❒ Given Kentucky's current growth in its engineering workforce, it will take 15 years for the State to approach the national average.
❒ Engineers have a higher than average rate of successful start-up firms.

The discussion then focused on the importance of math and science scores for students to be successful in engineering programs, an area where Kentucky students struggle compared to the national average. University of Louisville President **Dr. Jim Ramsey** affirmed the importance of working at the K-12 level to boost math and science ACT scores and establish a pipeline of successful engineering students.

RECOMMENDATIONS BY THE ENGINEERING COMMITTEE:

❒ Double the number of engineers within the State as soon as possible.
❒ Recruit the top-notch engineering talent from out-of-state.
❒ Increase opportunities in research and development as well as product and process improvement.
❒ The BEAM Board should endorse the need for additional state funding to double the number of engineers within the State.
❒ The BEAM region should continue to develop an intentional state industrial policy.

The BEAM Board of Directors, as well as Louisville Mayor Greg Fischer and Lexington Mayor Jim Gray, agreed that a sense of urgency was needed to support the continued growth of the state's manufacturing sector. Board members overwhelmingly endorsed the engineering committee's **recommendation to double the number of engineers within Kentucky** as soon as possible, and specific language around the motion will be developed further.

About BEAM

The Bluegrass Economic Advancement Movement (BEAM) is a partnership between Louisville, Lexington and the prestigious public-policy think tank, The Brookings Institution of Washington, D.C. Together they will develop and implement a business plan for the entire multi-county region, focused intently on advanced manufacturing – the most high-tech form of manufacturing, which is already an authentic strength of the Louisville/Lexington region. The goal is to create new, well-paying jobs, which will benefit all of Kentucky.

Group Meeting Updates

INNOVATION

Margaret Handmaker stated that the committee is looking into a recommendation from the Brookings Institution to create a center of excellence, BEAM Innovation Inc., that would support regional initiatives "by accelerating innovation from inception to deployment and helping manufacturers and technology companies achieve growth faster, cheaper, and with less risk." Such a center would provide strategic services, applied research and experimentation, and a manufacturing support network to connect public and private resources. Next steps include meeting with national centers that support product development and process improvement to determine demand for an innovation hub in the BEAM Region. Additional members have joined the innovation committee, led by **John Calabrese**, former CFO for GE Consumer & Industrial Americas, and **Steve Sedita**, former Vice President and Global CFO, GE Consumer and Industrial. The focus of the BEAM innovation committee is to support the creation of high wage, high skilled jobs through understanding the needs of small and medium sized companies to become more innovative.



Left to right: Lexington Mayor Jim Gray, Louisville Mayor Greg Fischer and Commerce Lexington Inc. President & CEO talked about BEAM at the Economic Outlook Conference in Lexington on February 5th. (Photo by Mark Turner | CLX Staff)

HUMAN CAPITAL

Scott Shapiro reiterated the need to brand the "earn and learn" program that will attract students to KCTCS and provide employers an entry point for selecting top-notch employees. Three other ideas were also presented as follows:

❒ National Association of Manufacturers' stackable credentials that would provide a formalized way to list the soft and hard skills that employers are now expecting and that potential employees can expect to get through these programs.
❒ KCTCS' Advanced Manufacturing training centers. These are highly modular facilities that can accommodate manufacturers' training needs. There are plans for two of these centers in the BEAM region and they will be exploring that further.
❒ The extent to which the KentuckianaWorks Skills and Assessment Center can be broadened and extended to Lexington and other areas of the BEAM region.

EXPORT COMMITTEE

Haley Stevens, program director of BEAM, reported that the BEAM region was one of eight cities selected to participate in the Brookings Metropolitan Export Exchange, in which the region will develop a metropolitan export initiative comprised of strategies that will catalyze export growth. A number of representatives attended a two-day session at the Brookings Institution in Washington, D.C. Ms. Stevens noted that the following efforts are currently underway: Identification of target companies; Coordinated outreach and engagement of target companies with trade partners; and development of a pipeline of trade resources to targeted companies.

METRO BUSINESS PLAN

Amy Liu from Brookings presented on the Metropolitan Business Plan (MBP). She stated that BEAM is among a group of regions across the U.S. that are working to position their economies for growth. The BEAM region, along with Memphis, Phoenix, and Syracuse are among the second round of cities that are applying the discipline of MBP. Ms. Liu explained that the MBP applies the discipline of private sector planning to a region for the purpose of economic growth and highlighted two areas as case studies. Northeast Ohio is utilizing its region's manufacturing assets for a new stage of economic growth. A key component of this strategy is to restore innovation capacity to small- and mid-sized manufacturers. Meanwhile, Chicago's strategy for regional economic growth involves leveraging private investment funds to finance public infrastructure projects.

BEAM NEXT STEPS

❒ **The Strategies of the Metropolitan Business Plan are being finalized.**
❒ **The recommendation of the engineering committee is being taken to the State.**
❒ **Human Capital Efforts: talent development, workforce training, continued to be pursued.**
❒ **The BEAM export committee presented to the Kentucky Export Initiative on progress of the program on 1/28/2013.**

BE AM

Next Board Meeting:

April 2013
TBD
Watch for details when date and location are confirmed.

Other BEAM News & Notes

BEAM Announces Trade Partner Agreement with U.S. Foreign Commercial Service



On February 19, Under Secretary of the International Trade Administration out of the U.S. Department of Commerce, **Francisco Sanchez** (pictured at right) visited Louisville to sign a trade partner agreement with the Bluegrass Economic Advancement Movement. The trade partner agreement solidifies a shared commitment between the U.S Foreign Commercial Service/International Trade Administration and Louisville/Jefferson County Metro Government via BEAM to work together to increase export awareness among the U.S. business community, particularly small and medium-sized businesses, and the general public.

The Under Secretary talked about the unprecedented collaboration of the BEAM region to grow exports and that the support of the state has contributed to a great coordination among partners at all levels.

Joining Secretary Sanchez, Louisville Mayor Greg Fischer and Congressman John Yarmuth, all stressed the importance of exports to local economic growth strategies. Sanchez pointed to the participation of Louisville and Lexington in the Metropolitan Export Initiative which his office supports. The MEI is contributing to the support of the goal Mayor Fischer and Lexington Mayor Jim Gray established to increase export successes by 50% in five years.

The memorandum which Sanchez and Fischer signed will provide better coordination of resources and services between the Department of Commerce and city entities to foster export growth. Services can include market research, one-on-one counseling and information about upcoming trade missions.

Department of Commerce released export success numbers that showed Louisville's exports rose by 9.2% between 2010 and 2011- growing from $6.2 billion to $6.8 billion, placing the city in the top 100 metros for export. Mayor Fischer stressed the importance for small business to expand into new markets. "Exporting is vital to small business expansion, growth and survival."

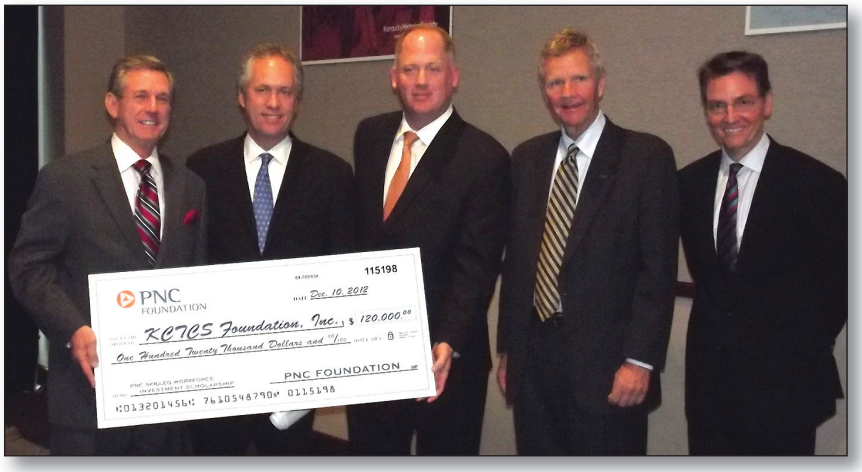
Secretary Sanchez also recognized Mayor Gray who was not able to attend the meeting, but was represented by Kevin Atkins, Chief Development Officer for the City of Lexington.

Three companies, including BFW Inc., Superior Battery Manufacturing Co., and Nauganeedles LLC all received export achievement awards. Three critical partners to the BEAM export initiative: The Kentucky Export Initiative, the Kentucky World Trade Center and the United Parcel Service all received certificate of achievement awards from the Department of Commerce.

Kentucky's top five export markets released on February 13th are: Canada, ($7.3 billion), Mexico ($1.7 billion), United Kingdom ($1.5 billion), Japan ($1.3 billion) and Brazil ($1.15 billion).

BEAM will be releasing a metropolitan export plan, targeting outreach to companies, and the cataloguing of success is ongoing.

PNC Bank, KCTCS Announce Scholarship Partnership



At the December BEAM Board Meeting, representatives of PNC Bank and Kentucky Community & Technical College System announced a partnership scholarship for KCTCS students. The scholarship builds upon the BEAM initiative and is designed to nurture and support manufacturers in the BEAM region and bring visibility and investment to the state. The $120,000 scholarship will be divided among seven KCTCS campuses located in the areas that PNC serves.