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EDC UPDATE – 19 NOVEMBER 2015

To: BOARD OF DIRECTORS

“There are only two ways to create and sustain superior performance over the long haul. First, take exceptional care of your customers via superior service and superior quality. Second, constantly innovate. That’s it. There are no alternatives in achieving long-term superior performance, or sustaining strategic competitive advantage.”

- Tom Peters & Nancy Austin
A PASSION FOR EXCELLENCE

A WORD OF THANKS – MEMBERSHIP UPDATE

Much has occurred since our 17 September board meeting. First, and we are very happy to report this, corporate membership in the EDC has increased roughly 50 percent since the first of the year. In the process, PRIVATE SECTOR financial support has increased from \$14,750 at the end of 2014 to \$51,950 today – an increase of 352 percent. These results are very important. You all recall that our Clallam County Commissioners charged us with the mission to substantially increase support from county businesses. Traditional supporters like our cities are facing budget issues and their support is no longer a certainty. We believe that private sector support will continue to grow as long as our team does its job. So we open with great thanks to all who have stepped up for economic development.

BUSINESS RETENTION

John le Carre once wrote that “in every operation there is an above the line and a below the line. Above the line is what you do by the book. Below the line is how you do your job.” We were asked to deliver some measurements of progress at the beginning of this year by a few of our public partners. Most we have achieved. Some we have not. Many were “make work” projects to give our tiny team something to do. What these dictates have not begun to measure is the passion for excellence in our own staff and our board of directors. Our Executive Committee meets regularly. Randy Johnson, Doug Sellon, and Ryan Malane are successful and exacting individuals. They properly hold us accountable and they don’t believe that going to “meetings” and attending “trade shows” or checking boxes on a work plan are measures of success. Rather, they have seen that the increases in EDC membership have occurred because our local business leaders and owners are coming to understand that the EDC has a tremendous value proposition.

We operate as a business and not a bureaucracy. Our customers are the businesses of the county. They are motivated to increase employment and they pay the taxes that allow our governments to function. Our focus is on business expansion and recruitment. And, as this board understands, we have a wide array of tools in our kit-bag



that can help almost any business. We have met with between 70 and 80 businesses this year and we have helped many in ways described to you in earlier reports. Once a business owner sees what our non-profit can do for them or for others, they want to give back by supporting economic development in Clallam County and by joining the EDC.

NEAR TERM PLANS

In late January of this coming year we hope these new members will feel amply rewarded. We plan to run a highly informative special insert in both the PDN and the Gazette. Its sole purpose is to tell the tales of our superb member companies and institutions. We will do so through a series of well-crafted histories that we call "Profiles in Excellence." These are intended to inform and educate our community about our rich and varied business resources; of the real leaders in our midst.

In December and January, we will be running at least three major advertisements in the PDN and the Gazette which carry the logos and names of all EDC supporters. The ads are titled "Reputation is a Product of Performance" and they will salute those who create new jobs and who make their best effort every day to develop our local economy.

Finally, at our Annual Member Dinner in late January, we will be giving tangible recognition to at least eight companies, institutions, and individuals who have gone the extra mile for Clallam County in the year just passed. They will receive our "Awards of Excellence". It will be a sensational evening and we hope all members can attend.

RECRUITMENT

As most of you know, we have recruited heavily this year but have little to show in terms of results. Since our last meeting, however, direct-to-SeaTac air service has been announced. Having direct flights – and passing the Sequim school levy – will be game changers for our county. Lack of air service and poor school infrastructure have been the major objections by most companies wanting to set up shop here.

Now, with the substantial growth in EDC membership, we have developed a formidable marketing weapon. Collectively, our members today are the most powerful force for economic development in the county. Aside, perhaps, from our three County Commissioners, no other body is close! In the coming months we hope to harness the wisdom and power of our membership to recruit major job creators who will better balance our economy and make it flourish. We see members of the EDC as "Ambassadors" for our county who will help to sell any corporate CEO on the merits of coming here. We have plenty of targets. Many have been described in earlier reports.

OTHER ACTIVITIES

Last night, in conjunction with Global Entrepreneurship Week, we put on a program at Peninsula College called "Tools For Entrepreneurs." The presentation was delivered by our own Mike McCarty. Although theoretically aimed at business students, many EDC leaders attended. We hope you enjoyed it.



A week ago, SeaPort Air officials met with Port and City officials, Laurel Black, and with Jerry Nichols representing the EDC. Our team prepared a brief marketing plan for SeaPort which revolves around encouraging all EDC member companies to fly. We expect to be working with Laurel and Claire James of SeaPort on a more detailed marketing effort.

We have regularly reported on the exciting tax incentives offered by the state to manufacturers who move here or expand here. Fortunately, they are now being applied for and used, especially by companies in the marine trades and the composites industries. Each user will expand his bottom line substantially. However, we have been frustrated because the incentives are not available to companies in the service industries. We can find no one who understands why service providers should be excluded. Expanding service providers should have every right to those incentives. Thanks to Port Commissioner Colleen McAleer, we are working with PLAN WASHINGTON to try to bring fairness to this issue. (Description attached.) We also hope to shortly get the endorsement of Steve Tharinger along with his shoulder to the wheel.

THE GREAT IMBALANCE – REVISITED

We have a board committee led by Charlie Brandt that is seeking ways to improve workforce training. The timing is crucial. Since 2007, our broad list of construction contractors has shrunk dramatically. We are up against a problem right now that Woody Allen described about New York in the Sixties: “Not only is there no God, but try finding a plumber on Sunday.” Our younger generation seems less than interested in entering what is and will be very high-paying jobs in a broad list of essential trades. Today, in the city of Forks, there is no plumber at all.

Lakeside Industries of Port Angeles is led by George Peabody, one of the wise and quiet leaders in our community. He introduced us to young John Hurd of Lakeside who has developed striking data about the future workforce in Washington State. Working with Boeing, he has concluded that in five to fifteen years Boeing and others will be facing a critical shortage of people to fill workforce jobs. John is seeking solutions through an organization called Lakeside Industries Educational Partnerships. We will get the data on this vital issue to Charlie and Luke Robins ASAP.

We have always felt that we were in the midst of a very long game. But the great members of the EDC provide plenty of heart. And the good news of today combined with the concerns ahead remind us of the famous lines by James Lee Burke: “... old compatriots in butternut brown wending their way in and out of history – gallant, Arthurian, their canister-ripped colors unfurled in the rolling smoke, the fatal light in their faces a reminder that the contest is never quite over, the field never quite ours.”

HAPPY THANKSGIVING!

A handwritten signature in black ink, appearing to read "Bill Greenwood".

Bill Greenwood

A handwritten signature in black ink, appearing to read "Jennifer Linde".

Jennifer Linde

A handwritten signature in black ink, appearing to read "Amy McDonald".

Amy McDonald