

GSPED

Governor's Strategic Partnership for Economic Development

Helping Arizona Businesses Grow

by Cynthia Scanlon illustration by Greg Myers



In 1988, in an effort to assess Arizona businesses' strengths and weaknesses, the Enterprise Network brought together the Department of Commerce, Arizona Economic Council, Greater Phoenix Economic Council, and Greater Tucson Economic Council.

The group committed \$190,000 in a project known as Arizona Strategic Planning for Economic Development or ASPED. During Phase I, ASPED contracted with SRI International to evaluate how regional economies create quality jobs. SRI summarized its findings in a Strategic Assessment, which became the starting point for ASPED's

planning process.

At the beginning of the process, an additional \$200,000 was provided by ASPED sponsors to design an economic plan for Arizona's manufacturing community. Out of that plan, 10 clusters of industries, seven foundations, and a number of action groups were formed.

In 1992, the design phase was completed, and the actual process of implementing the plan began. This final phase of the program became known as the Governor's Strategic Partnership for Economic Development or GSPED. ►

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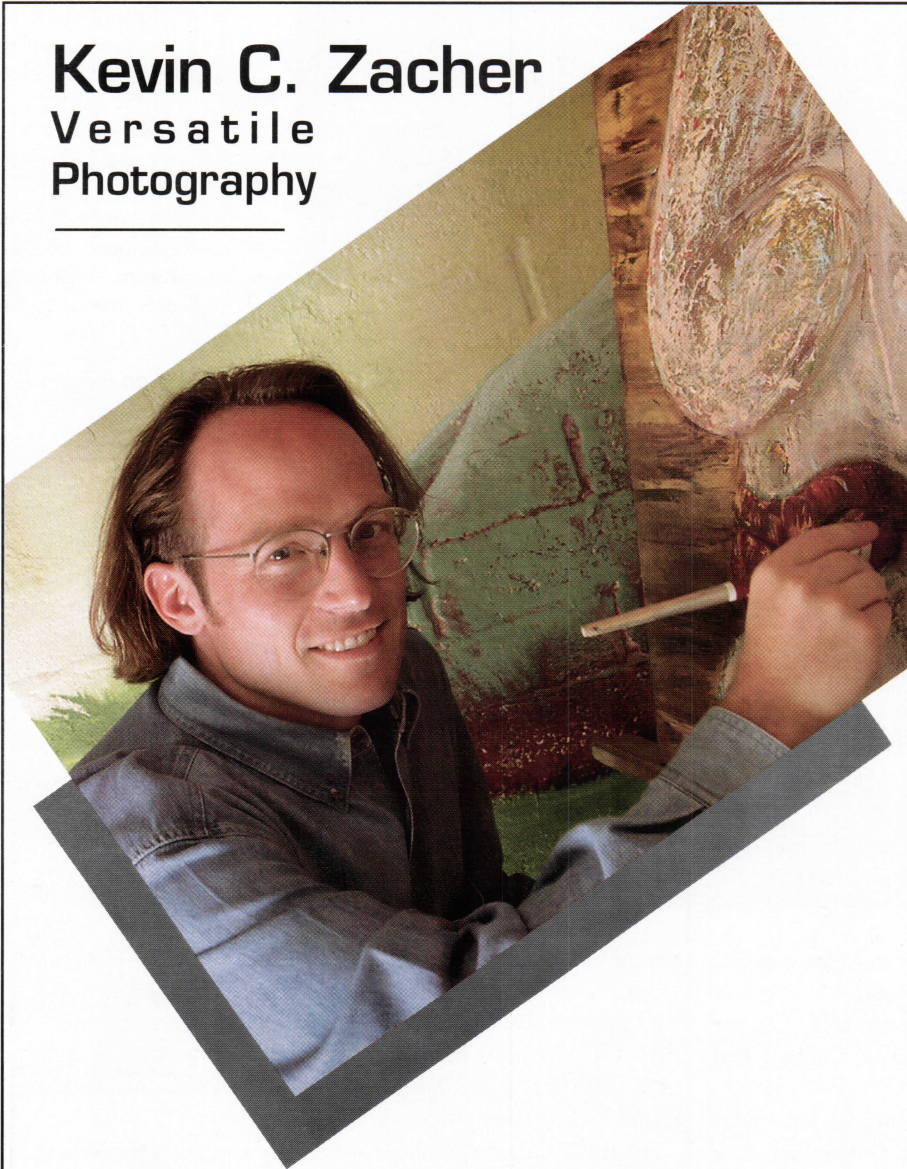


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According to Frank Plencner, executive director of GSPED and director of strategic planning for the Department of Commerce, although there are many economic development organizations around the state right now, their main objective is to lure businesses away from other states to Arizona.

"GSPED's main function, and it is usually something that is overlooked, is to help the businesses already in Arizona grow and prosper and become more competitive," he says.

Kent Mueller, president of Mastersoft, Inc. in Scottsdale, is part of the National Institute of Standards and Technology or NIST, which is a group sponsored by the Arizona Department of Commerce to determine the needs of Arizona's manufacturing community. Their results will be turned over to GSPED.

"Our charter is to develop a mailing list and questionnaire to send to selected manufacturers and then compile the results to see if we can identify some common thread needs that the manufacturing community has in the state of Arizona," he says.

Mueller says NIST is working closely with GSPED in developing the questionnaire. One of the most important questions that has been asked and will continue to be asked is, "What do you need to be more competitive?" says Bill Tompkin, manager of Technology Programs for the Arizona Department of Commerce. Tompkin says some companies know the answer to that question right away. Other companies don't know where to begin, and so other participating companies sit down with them and help in finding the answer.

"We know this is a tough question," says Tompkin. "This is why we call all of the companies in this program planning partners."

Tompkin estimates that there are currently 2,500 to 3,000 companies participating in GSPED. "Most of these are manufacturing firms," he says. "We locate them by searching various databases. Then we send them the questionnaire we have right now and try to get them to answer it."

Tompkin added, "We want to find companies and get them to determine what technology will make them more competitive in a world market. We are also identifying technology resources available whether they are inside or outside the state. GSPED's companies are all within the state, but the technology can come from other companies or national laboratories outside the state."

Once those companies are identified, they are grouped together according to common industry to become clusters. GSPED has identified 10 of these clusters, which are geographic concentrations of competitive firms in related industries that do business with each other. They include: bioindustry, business services, environmental technology, food fiber and natural products, high tech

industry, mining and minerals, optics, software, tourism and transportation.

According to GSPED, clusters become a powerful magnet for companies locating to an area, and they also provide a spawning ground for start-up companies. Clusters also create diverse pools of experienced workers, attract suppliers and "foster a competitive spirit that stimulates growth and innovative strategic alliances."

GSPED also created foundations to provide support in helping clusters become more competitive. The seven foundations include: human resources, capital resources, quality of life, technology, tax and regulation, information and communication infrastructure, and physical infrastructure.

And finally, GSPED's special action groups address issues of particular importance to specific constituencies. For instance, these groups may be involved with companies focusing on a specific project or be involved in a long-term process.

In addition to the 10 regular clusters, Plencner says there are other groups participating in GSPED as well. "We have special interest groups like minority and small business and the Native American coalition that don't really fit into a particular cluster, but are still a vital part of our organization."

Other current special action groups include: Arizona/Mexico (NAFTA), defense restructuring, libraries, benchmarking, labor, and university consortium.

"NAFTA is important to our software association," says Mark Dixon, vice president of government and industry relations for the Arizona Software Association and one of GSPED's planning partners. "In November we sponsored an event focused specifically on NAFTA. We looked at how to develop software for the international marketplace. We also had a panel discussion addressing the business and marketing issues. Representatives from the Department of Commerce and companies that have been involved in export to Latin America shared how to take advantage of these expanding markets."

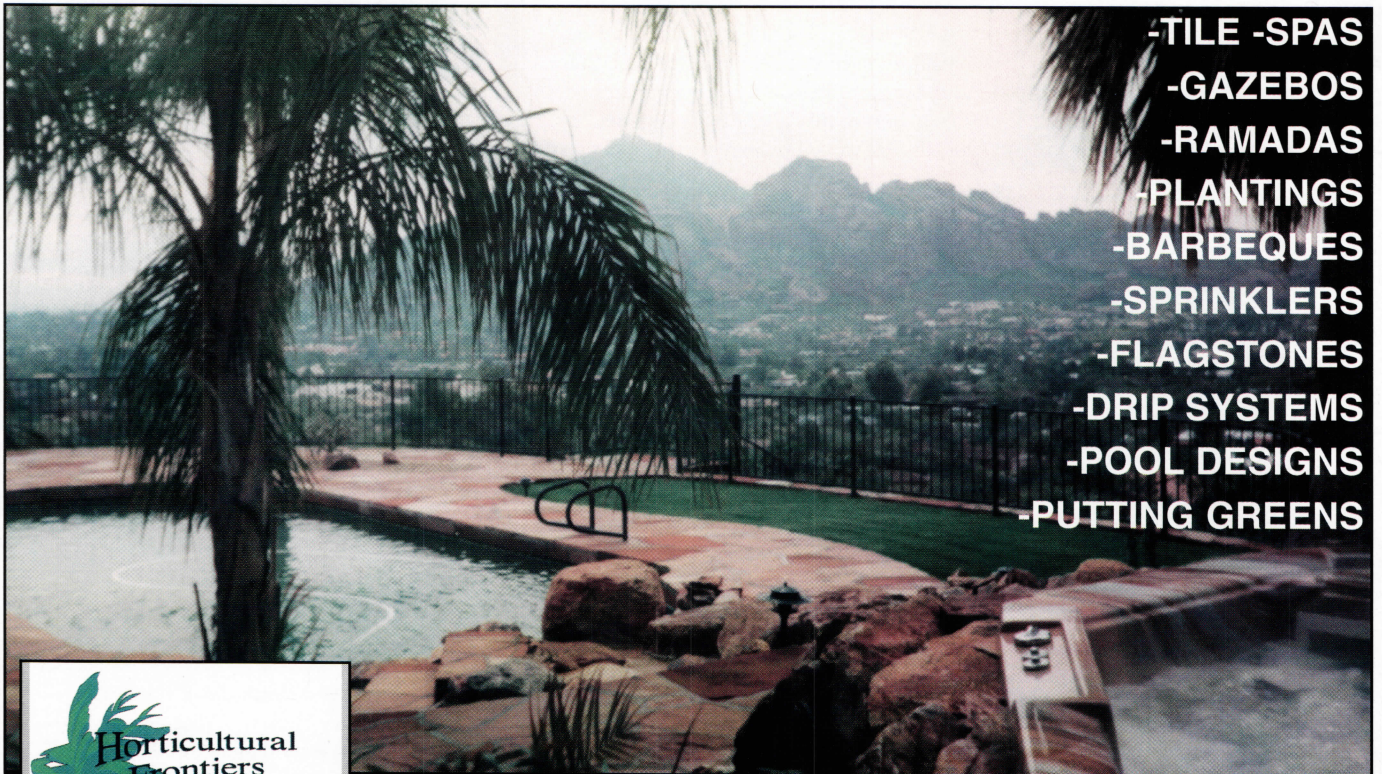
GSPED also sponsors a Technology Exchange Mission program that introduces Arizona companies to the research and development resources at government high technology laboratories. The first Technology Exchange Mission was in November 1993. Fifteen representatives visited Sandia National Laboratory and

Los Alamos Laboratory in New Mexico. Fourteen of the companies entered into further relationships with the laboratories. Subsequent visits have been made to Lawrence Berkeley Laboratory and Lawrence Livermore Laboratory in California.

The benefits of these partnerships with national laboratories include entering into cooperative research and development agreements, obtaining licenses for government-owned patents and software, consulting opportunities with laboratory scientists and engineers worth up to \$5,000, and the use of laboratory facilities.

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"These are examples of going outside the state to hook into resources that can benefit companies within the state of Arizona," says Dixon. "While GSPED is an Arizona-centered program, the Technology Exchange Mission is an example of the program reaching out to capitalize on resources outside the state that would benefit Arizona companies."

A few areas GSPED is concentrating on are the partnership between Arizona and Mexico and exportation to Latin America. In addition to these countries, Plencner says other states and countries are interested in Arizona's GSPED program as well.

"There isn't a week that goes by that I don't get a phone call requesting information

Arizona is taking a leading role in implementing a cluster-based economic development program like GSPED.

from other states throughout the country and from Canada," he says. "Because of that, we're going to host a North American cluster conference in March. We're going to bring in people who have copied our pattern of setting up clusters and foundations and brainstorm with each other."

"Arizona is taking a leading role in implementing this type of program," added Dixon.

GSPED also sponsors dinner events and educational seminars where industry members can get together with industry leaders to network and exchange information.

"These seminars help owners and their employees become better equipped to be more competitive in their companies," says Dixon. "We have special interest groups that focus on things like marketing and international marketing. We also show companies how they can connect with federal agencies or participate in grant programs."

AB

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