

GO GLOBAL KC

KANSAS CITY METRO EXPORT PLAN





KANSAS CITY METRO EXPORT PLAN

KC-MEP (n.):

Kansas City Metro Export Plan

A comprehensive and strategic plan to position businesses in the Greater Kansas City Region to enter into or grow existing business in the global marketplace. The Regional Export Plan applies market intelligence to develop targeted, integrated export-related services and strategies to connect our region’s companies to customers across the world.

GoGlobalKC (v.):

To relentlessly implement the KC-MEP

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INTRODUCTION

FROM RENAISSANCE TO REVOLUTION: OUR PARTNERSHIP IN GLOBAL GROWTH

Greater Kansas City has benefitted immensely from both public and private investments in transportation, technology, telecommunications, infrastructure, manufacturing, entrepreneurship, sports and the arts — earning a much-deserved spot on dozens of Top 10 lists. Our Renaissance has been built on a legacy created by visionaries such as Ewing Kauffman, Henry Bloch, Barnett Helzberg, Jim Stowers, and Joyce Hall. The companies they founded remain a vital and vibrant part of the fabric of our city and indeed, our society.

Companies like Garmin—a world leader in navigation systems; Ford Kansas City Assembly Plant—one of the largest auto manufacturers in the U.S.; and Black & Veatch—a top-ranked engineering and construction firm—have built on that legacy to help advance Greater Kansas City's economy to the global stage.

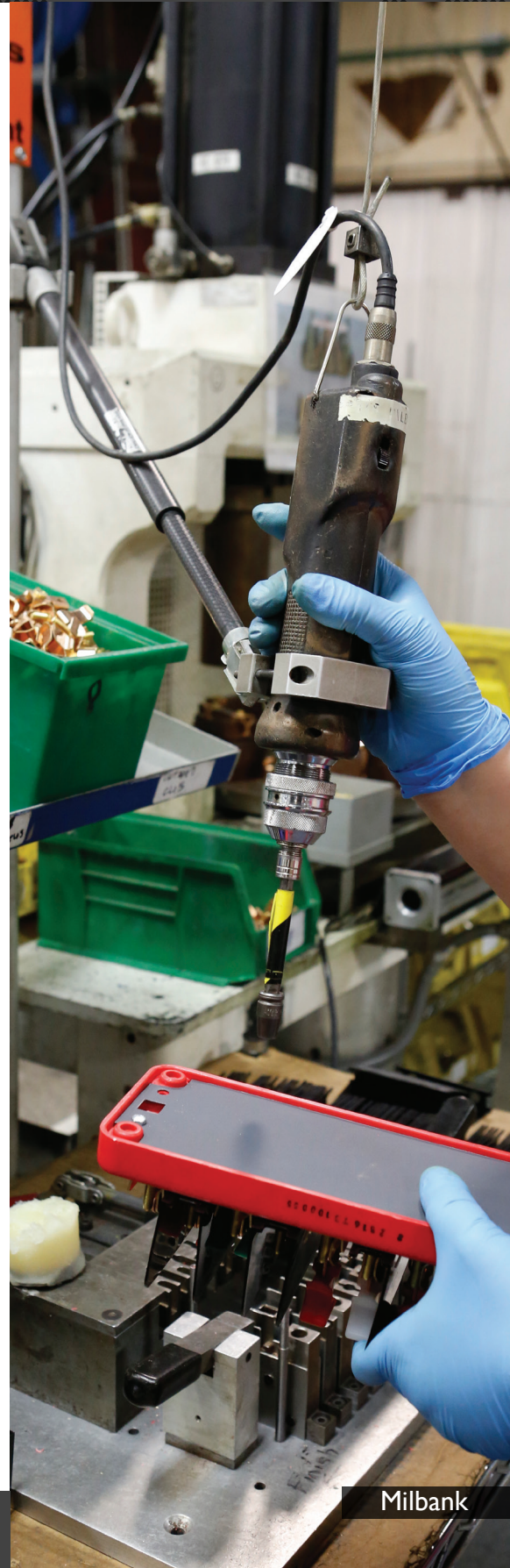
Our progress thus far has been tremendous, but work remains to ensure our regional economy is resilient and favorably positioned for future growth and prosperity—growth that will come from active and deliberate engagement with global markets. According to the Brookings Institution, the Kansas City region's export economy comprises a smaller share of total local goods and services than in peer metropolitan areas. With the knowledge that some 95 percent of the world's consumers live outside the U.S., and more than 80 percent of global gross domestic product (GDP) growth is expected to occur outside the U.S., the Kansas City Metro Export Plan (KC-MEP) seeks to position the region to take advantage of these vital global growth opportunities.

Together with Brookings, JPMorgan Chase and the Kansas City Global Cities Initiative, we invite you to join us on our journey to Go Global to ensure our region remains world class.

Paul Weida, Co-Chair

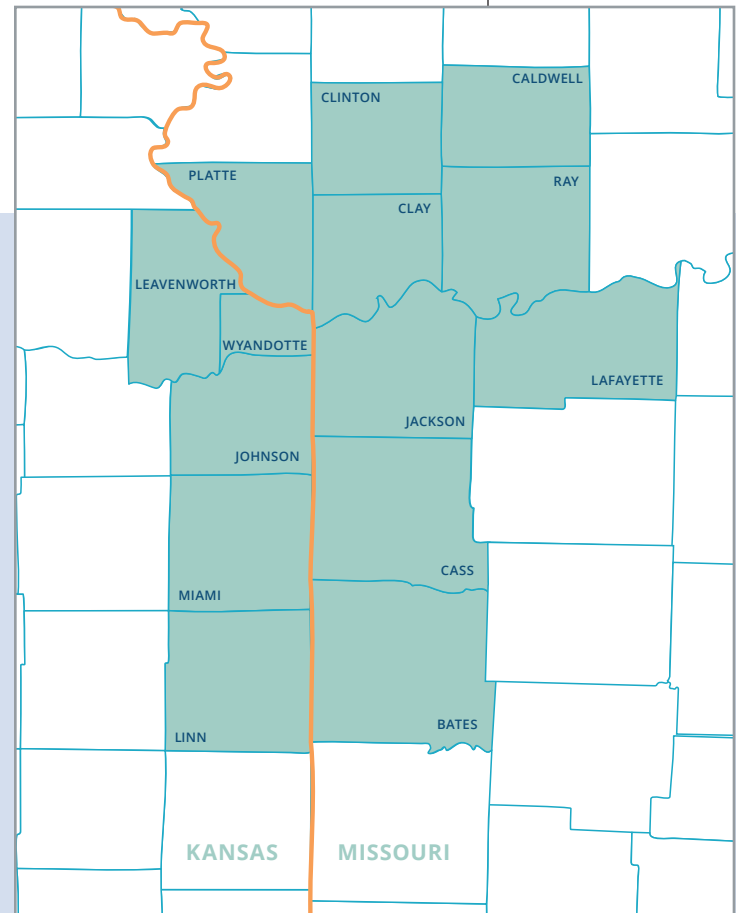


Chris Gutierrez, Co-Chair



WHY AN EXPORT PLAN?

Metro Kansas City County Lines



In June 2014, Mid-America Regional Council commissioned a report, *Prosperity at a Crossroads: Targeting Drivers of Economic Growth for Greater Kansas City*¹ to better position the region for economic prosperity. Among the key findings: the region’s economy is comprised of traded sectors that are characterized as thin² and challenged by the rapid evolution of technologies that disrupt established industries and create new markets. As a result, the region has become less competitive, created fewer jobs and experienced declining output compared to peer cities³ identified in the Kansas City Global Cities Initiative (KC GCI) Market Assessment. This can lead to a perception—justified or not—that the region is unattractive to younger and higher educated workers, who are a key driver of economic development.

The region has taken quick action to respond to the challenges identified in the *Crossroads* report. Regional business and civic leaders have united to launch the KC Rising Initiative⁴—a comprehensive strategy to foster the region’s sustainable economic growth. Acknowledging the strength of a globally engaged community, the World Trade Center Kansas City together with KC Rising leadership, joined the GCI to develop and implement a comprehensive plan to elevate the region’s global trade. The first step is to create a strategic export plan to help local companies recognize the value of global trade, understand the associated opportunities and gain access to a network of export assistance providers that can facilitate those companies’ efforts to identify attractive markets, negotiate shipping and payment terms, and manage the accordant risks.

1 www.marc.org/Data-Economy/pdf/Prosperity-at-a-Crossroads.aspx; Published by the Mid-America Regional Council and the Brookings Metropolitan Policy Program with funding support from the Ewing Marion Kauffman Foundation and the William T. Kemper Foundation.

2 The region’s trade surplus may be declining as a share of its economy in part because of the “thinness” of its traded sectors and clusters. This research has revealed that, despite the size and role of the region’s traded sectors in local employment and output trends, the sectors themselves are characterized by a relatively sparse number of large firms. SOURCE: www.marc.org/Data-Economy/pdf/Prosperity-at-a-Crossroads.aspx Prosperity at a Crossroads: Targeting Drivers of Economic Growth in Greater Kansas City Report

3 Peer cities (MSAs), identified by the Kansas City Global Cities Initiative Steering Committee, were identified based on population and include the 15 MSAs immediately larger than Kansas City — Seattle, Minneapolis, San Diego, Tampa, St. Louis, Baltimore, Denver, Pittsburgh, Charlotte, NC, Portland, OR, San Antonio, Orlando, Sacramento, Cincinnati and Cleveland; and the 15 MSAs immediately smaller than Kansas City — Las Vegas, Columbus, OH, Indianapolis, San Jose, Austin, Nashville, Virginia Beach, Providence, Milwaukee, Jacksonville, Memphis, Oklahoma City, Louisville, Richmond and New Orleans.

4 kcrising.com/about/

5 Stone & Associates, “On the Threshold: Refocusing U.S. Export Assistance Strategy for Manufacturers.” 2013

6 Stone & Associates, “On the Threshold: Refocusing U.S. Export Assistance Strategy for Manufacturers.” 2013

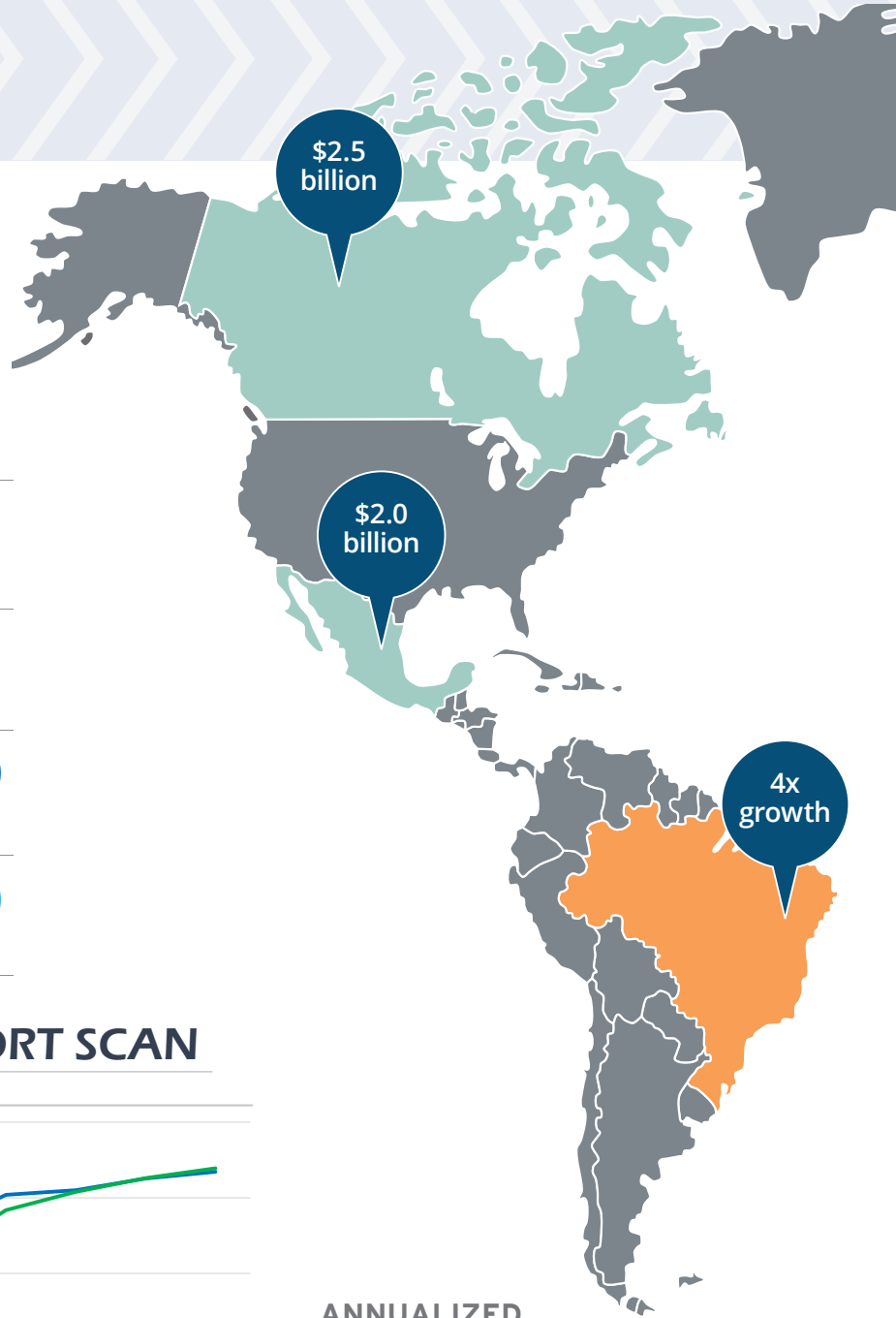
Kansas City Metro's Established and Emerging Markets,
by dollar value of exports and growth rate

Source: International Trade Administration

Kansas City Metro's Export Scan

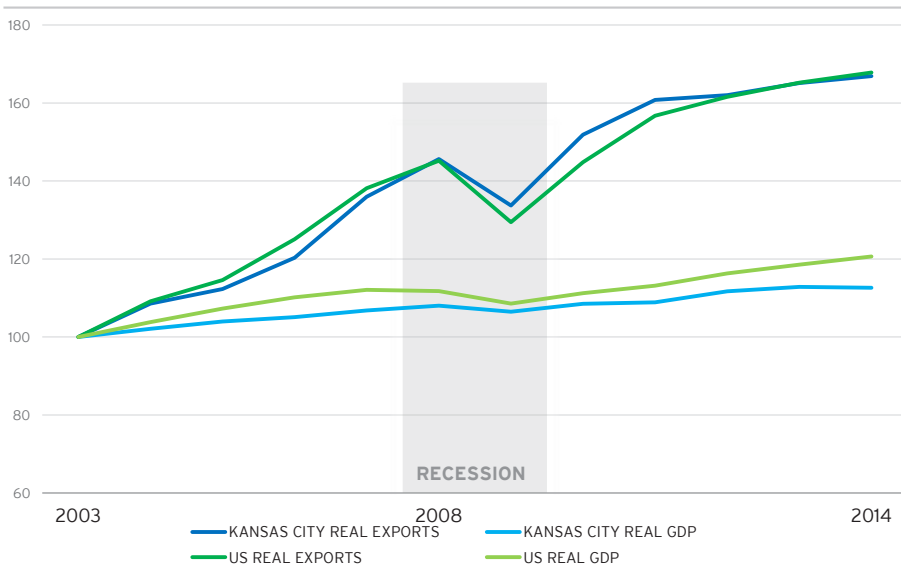
Source: Brookings Institute Export Nation 2014

	2014	2003
REAL EXPORTS (BN)	10.2 RANK: 34	6.1 RANK: 34
EXPORT SHARE OF GDP (PCT)	9.6% RANK: 55	6.2% RANK: 65
DIRECT EXPORT - SUPPORTED JOBS	30,640 RANK: 36	21,980 RANK: 36
TOTAL EXPORT - SUPPORTED JOBS	64,590 RANK: 36	46,350 RANK: 35



Kansas City, MO-KS

EXPORT SCAN

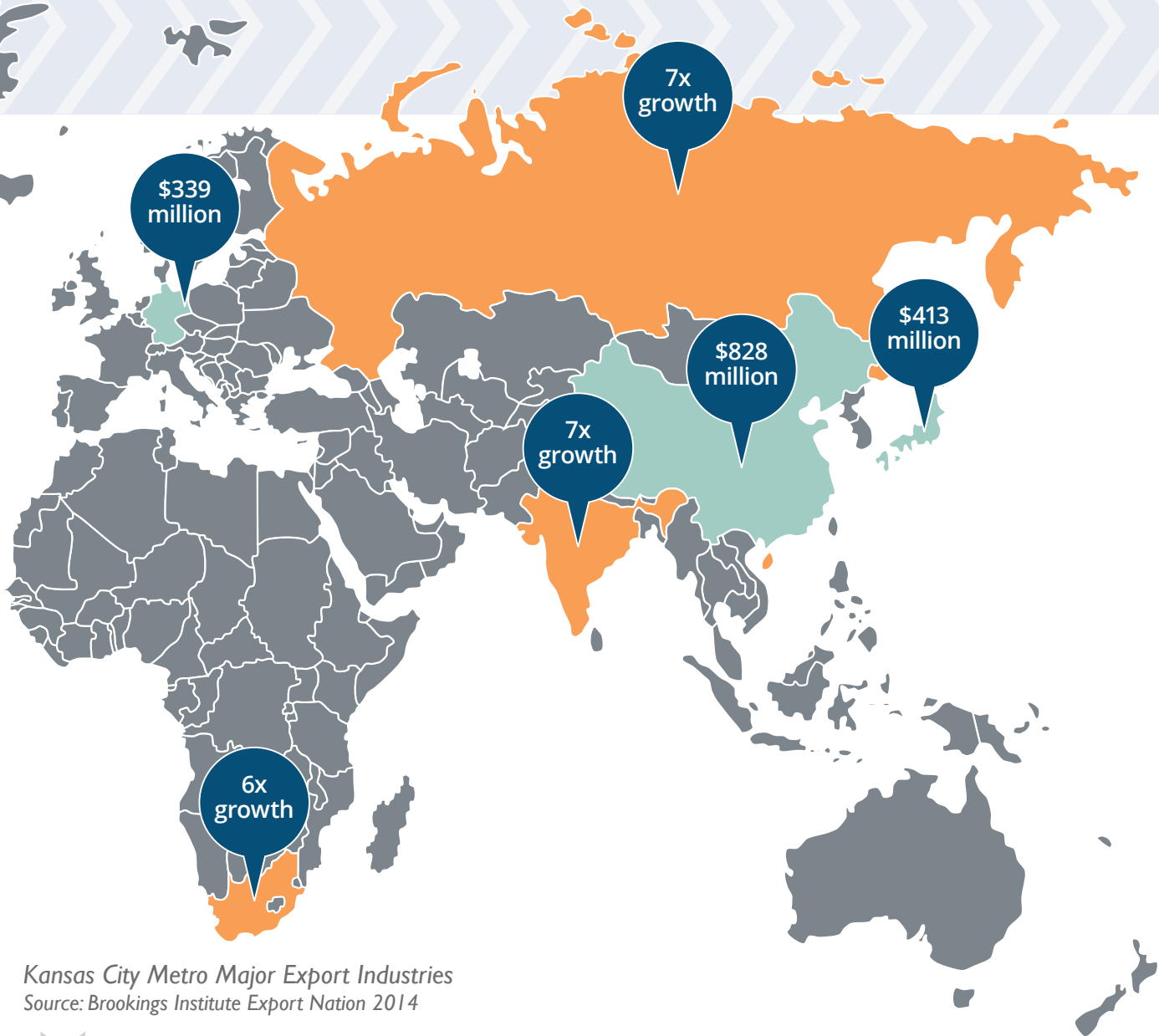


ANNUALIZED GROWTH RATES 2008-2014

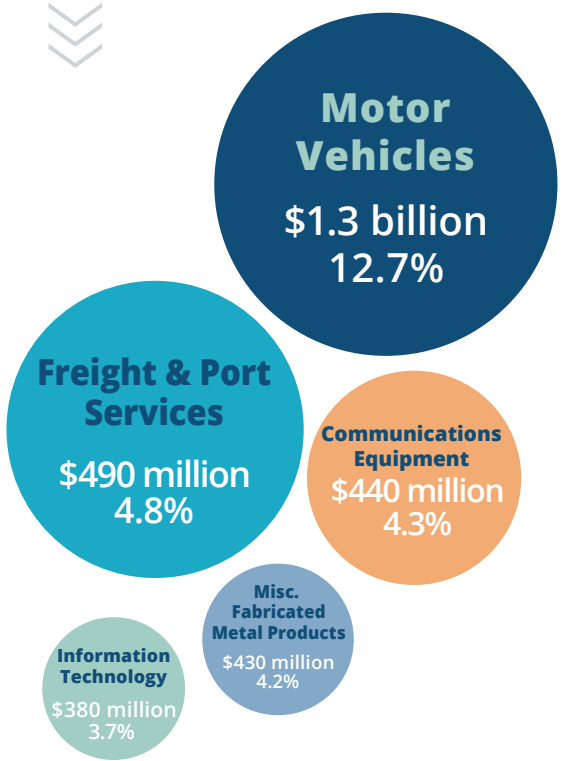
REAL EXPORTS
2.3%
RANK: 36

REAL GDP
0.7%
RANK: 62

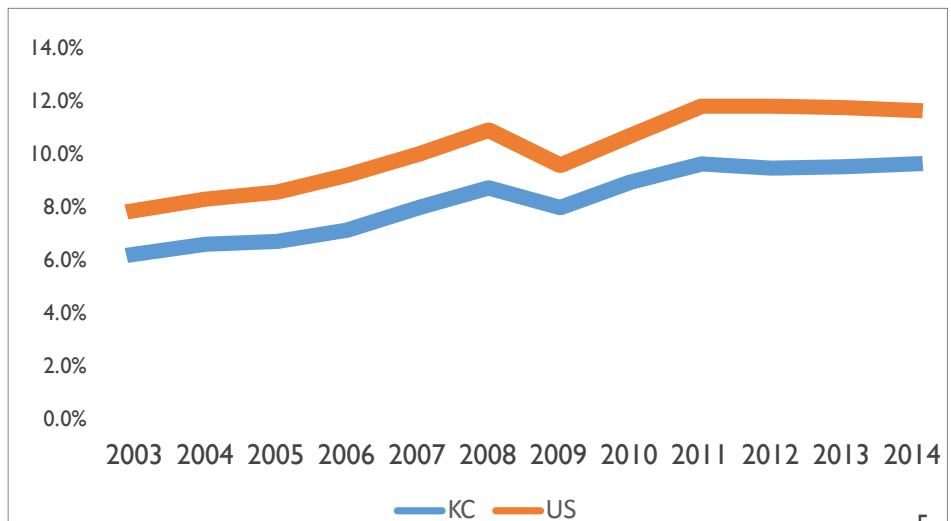
MARKET ASSESSMENT



Kansas City Metro Major Export Industries
 Source: Brookings Institute Export Nation 2014



Kansas City vs U.S. in Export Shares of GDP
 Source: Brookings Institute Export Nation 2014



MARKET ASSESSMENT



Ford Motor Company

KEY FINDINGS >>>>

THE KANSAS CITY GLOBAL CITIES INITIATIVE (GCI) TEAM CONDUCTED A MARKET ASSESSMENT to capture direct input from the regional business community about export activity. Local companies (active exporters and non-exporters) and export assistance providers participated in interviews, surveys and focus groups to explore in depth the issues identified in the GCI Market Assessment. The assessment revealed seven key findings, which in turn guided the development of the Kansas City Metro Export Plan (KC-MEP).



KC SmartPort

1 ROBUST TRANSPORTATION INFRASTRUCTURE AND LOGISTICS PROVIDE AN ADVANTAGE

Due to the region's central location, it serves as a national crossroad and boasts the professional expertise and physical infrastructure necessary to expertly adapt to and adopt innovation in the technology of logistics and transportation.

What are the main reasons that your company sells to customers in these countries?

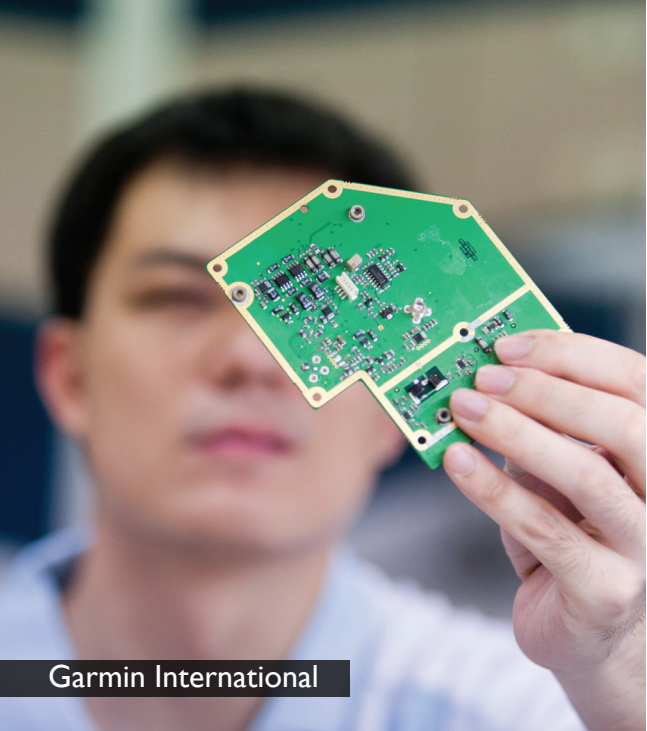


2 THE MAJORITY OF BUSINESSES SURVEYED DO NOT EXPORT

Consistent with other GCI metropolitan areas, 53 percent of survey respondents do not currently export, and most non-exporters express little interest in exporting in the future.

3 EXPORTS ARE NOT A PRIORITY

Most companies that export are doing so reactively, responding to a potential customer's inquiry rather than independently pursuing international business development, and many exporting companies sell into only one or two countries.

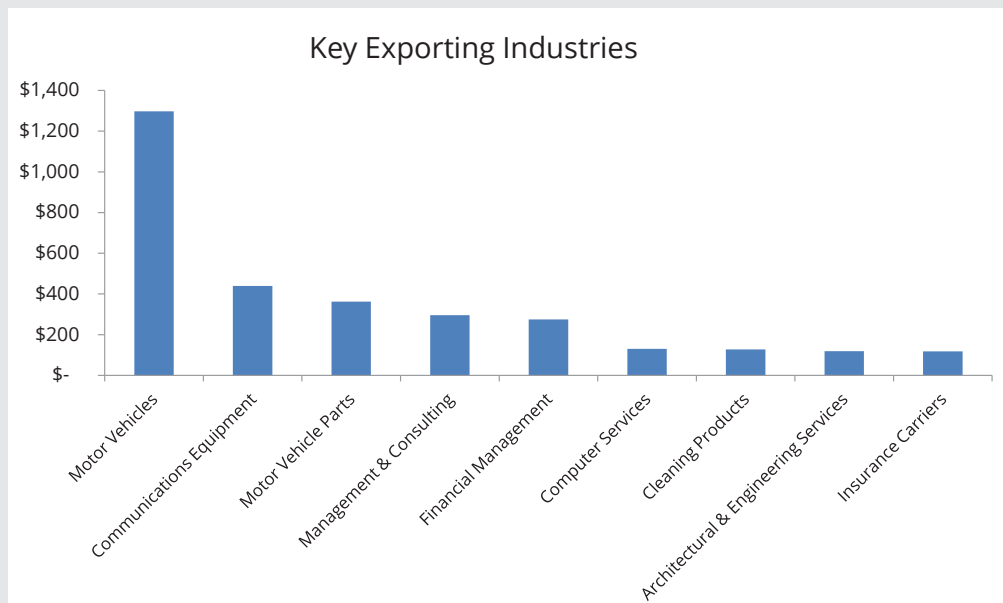


Garmin International



4 BUSINESSES ARE UNAWARE OF EXPORT SERVICES

A significant majority (75 percent) of companies surveyed were unaware of or did not take advantage of available export assistance services. There are nearly 20 export-related assistance providers in Kansas City that offer a variety of highly rated services.

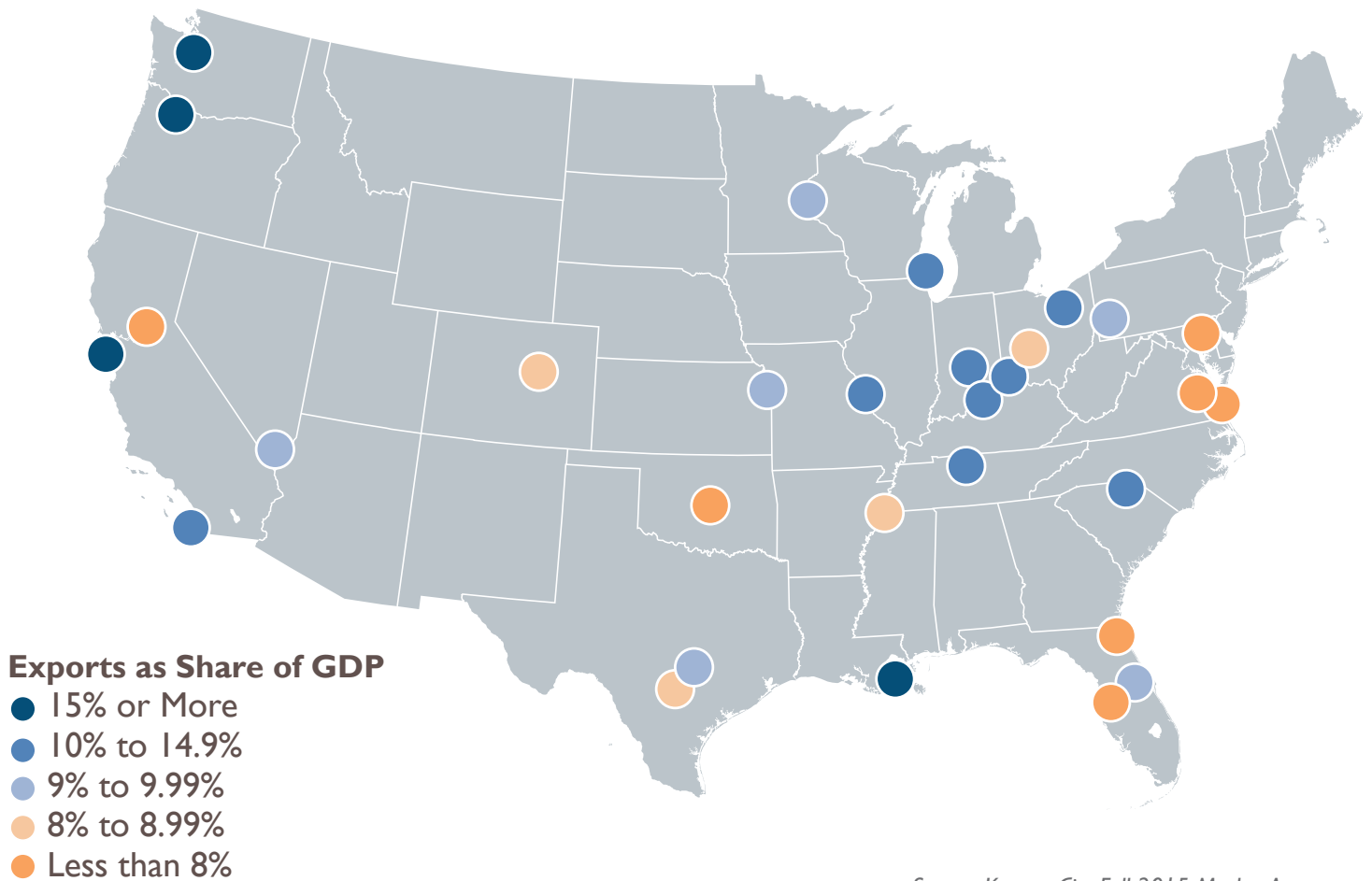


Kansas City exported more than \$1.2 billion in motor vehicles in 2014 (12.7% of our regional total). Other, diverse industries were also key exporters with more than \$100 million in exports.

5 SMALL AND MID-SIZED ENTERPRISES (SMEs) ARE RIPE FOR EXPORT EXPANSION

SMEs present the best opportunity to benefit from a full-scale Regional Export Plan. Specifically, medium-sized enterprises present untapped potential as the region reorients itself in the global marketplace. Mid-sized companies have a differentiated product, are capable and ready to commit resources, and thus possess a high threshold for expansion⁵. While targeting mid-sized firms, additional strategies can alert and guide the smaller, high-export-potential businesses to take advantage of these programs as well, resulting in expanded export markets for all SMEs.

Exports can play a larger role in KC's economy



Source: Kansas City Fall 2015 Market Assessment

6 ECONOMIC DEVELOPMENT AGENCIES (EDAs) ARE GREAT POTENTIAL PARTNERS

The region's EDAs provide a local perspective and opportunity for a cooperative approach to growing exports. These agencies have expressed interest in participating in the implementation of the KC-MEP. EDAs typically have a specific mission and expectations around recruitment of businesses and employment growth. A focus on exports, where and when appropriate, would align with these objectives and provide a meaningful push to job and income growth at the regional level.

7 EXPORTS ARE GROWING NATIONALLY, WHICH PRESENTS GREAT OPPORTUNITY LOCALLY

Kansas City's economy has recovered more slowly from the Great Recession than the economies of its peer cities and the nation, when measured in terms of the region's gross domestic product (GDP). The GCI Steering Committee identified peer cities for the purpose of benchmarking and establishing performance metrics. Evidence suggests that an enhanced and growing export base can make significant economic contributions to the overall economic well-being of a region.

GOALS & OBJECTIVES



Hallmark

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GOAL

Foster a competitive and robust regional economy by encouraging SMEs to think and act globally through direct local economic development efforts collaborating with an enhanced bi-state export assistance ecosystem.

OBJECTIVES

1. Enhance the export capacity of KC's mid-sized firms and connect 20 companies to export assistance providers annually for 5 years
2. Enhance the coordination of the KC regional Export Assistance ecosystem
3. Improve Kansas City's export intensity to match, or exceed the U.S. export intensity average in 5 years



STRATEGIES & TACTICS



Kansas City Southern



Kansas City Aviation Department



Bayer



KC Royals

THE KANSAS CITY METRO EXPORT PLAN (KC-MEP) embraces four actionable and measurable strategies to address Market Assessment findings. The success of the KC-MEP can be quantitatively tracked and will make progress readily observable. The GCI Steering Committee is charged with monitoring outcomes and reporting results to stakeholders.

Strategy 1

ESTABLISH AN EFFICIENT, COORDINATED & COMPREHENSIVE PATH TO EXPORT ASSISTANCE SERVICES

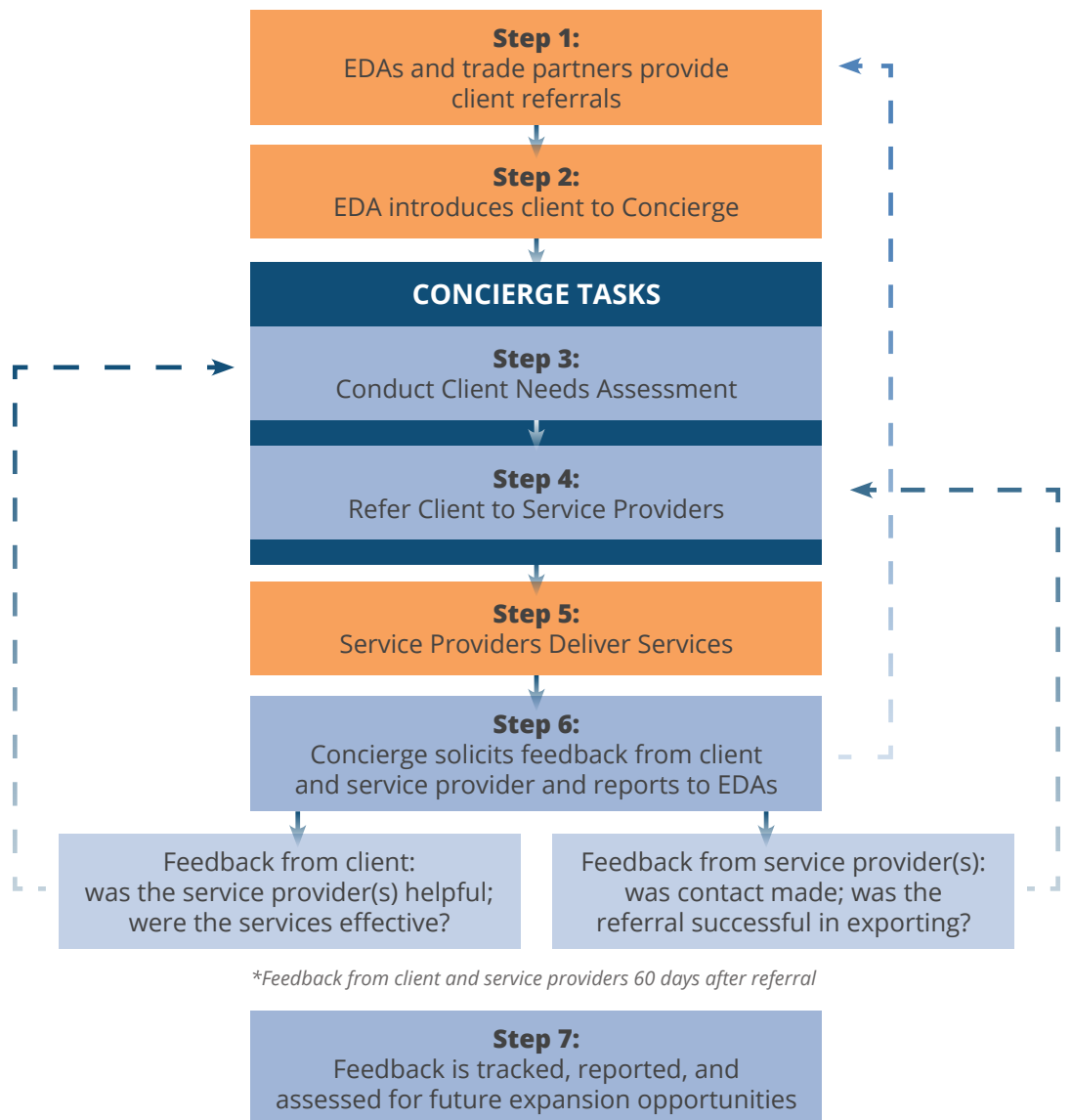
While survey results showed those who had used available export assistance services were highly satisfied with outcomes, most businesses were unaware such services existed. To acquaint and engage area businesses with export assistance services, the KC GCI team developed the Export Concierge program, which serves as the nexus of the KC-MEP. The Export Concierge will provide personal, one-to-one guidance to current and prospective exporters, helping them navigate—from entry to export—the complex process of entry into foreign markets. The Export Concierge will facilitate business counseling, develop educational tools, and cultivate essential connections to export assistance providers to ensure the client’s goals are met.

TACTICS

1. Develop a road map for export services, identifying any gaps and leading to a coordinated and unified education, awareness and outreach plan among export assistance providers

2. Implement and promote the Export Concierge
3. Conduct ongoing measurement of outcomes through participant surveys, capturing quantitative data including the number of new exporters, total export dollars, identification of current and future export markets, and overall satisfaction with export assistance providers and the export concierge

GREATER KANSAS CITY'S EXPORT CONCIERGE MODEL



Strategy 2

COLLABORATE WITH REGIONAL ECONOMIC DEVELOPMENT AGENCIES (EDAs)

Regional EDAs will provide a meaningful connection to prospective exporters. As such, these organizations will become a primary referral source for the Export Concierge.

The GCI Steering Committee discussed ideas for overcoming regional businesses' general lack of awareness of available export assistance services and the potential to grow their business through export activity. Through ongoing conversations with regional economic development leaders, a plan emerged to engage these organizations in the export outreach effort. Local EDAs have multiple opportunities to initiate the export discussion and introduce the Export Concierge services.

The Market Assessment illustrated that EDAs across the region are interested in partnering with export assistance providers to ensure companies gain access to the expertise they need to pursue global markets. The KC-MEP provides EDAs with tools they can present to their constituents. The Export Concierge provides a single point of contact for the EDA and its constituents and is accountable for the quality of service providers' aggregate performance.

TACTICS

1. Identify a group of EDAs to participate in a pilot referral program
2. Determine training and tools necessary to prepare EDA professionals to add export components to their respective programs as well as their preferences for services offered by an Export Concierge
3. Evaluate the effectiveness and impact of the pilot and make necessary revisions to the Export Concierge program and expand region-wide



KC Street Car Authority



Harley Davidson

Strategy 3

INCREASE EXPORTS AMONG SMALL AND MID-SIZED BUSINESSES (SMEs)

The Market Assessment revealed a number of opportunities to have substantial and immediate impacts on the export of goods and services through coordinated and targeted outreach to companies with high export potential. The Kansas City region has nearly 500 small and mid-sized companies ripe for export expansion⁶; with minimal education and assistance these companies could become part of the region's global economy.

Two candidate groups emerged for these opportunities:

- Current reactive exporters — companies whose export transactions occurred as a result of unsolicited inquiries from international customers seeking their products or services, or whose export sales were the result of a previous connection or relationship
- Non-exporting businesses — companies interested in exporting but unsure where or how to begin

Kansas City has a substantial number of businesses with no interest in expanding into international markets. As a result of limited resources, export assistance providers have historically been reactive rather than proactive in attracting clients. As exporting becomes more ingrained in the DNA of the region's businesses, service demands will likely increase, necessitating a unified, collaborative and comprehensive regional export system.

The most efficient way to increase interest in and awareness of exports as a high-growth opportunity is to ensure a clear, accountable and manageable support system is in place.

TACTICS

1. Strengthen the coordination of export assistance providers consistent with the Export Concierge service. Strategic partnerships will be necessary to encourage reactive exporters to expand their global market reach and to assist those seeking to export for the first time
2. Create a cohesive ecosystem of export assistance providers to ensure a consistent message is delivered and that educational efforts and dignitary visits are seen as part of a coordinated effort
3. Develop consistent, high-quality marketing tools targeted to the business community for use by local governments, trade associations and area chambers to help position the region as a legitimate competitor in the global economy
4. Strategically and systematically design programs and pursue funding to support regional activities associated with exports e.g., trade show expenses, foreign trade missions, market research
5. Host export-related events to generate excitement and showcase impacts and outcomes, e.g., celebrate accomplishments, publicize results



Strategy 4 ENTREPRENEURS GO GLOBAL

Lauded as one of America's Most Entrepreneurial cities, Greater Kansas City has a rich and vibrant entrepreneurial ecosystem that includes entities such as KC SourceLink, KC Rising, KCNext, ChuteKC, I Million Cups, WeCreateKC, Creative Crossroads, Digital Sandbox, Sprint Accelerator, LaunchKC, Small Business and Technology Development Center, Ewing Marion Kauffman Foundation, Kansas City Coworking Alliance, KC Startup Village, Google Fiber, Smart Cities, Startup Grind, OneKC for Women, Johnson County Small Business Development Center, the Small Business Administration, and many others. Kansas City Area Development Council (KCADC), the Economic Development Corporation of Kansas City (EDCKC), the Greater Kansas City Chamber of Commerce (KC Chamber), and dozens of other area chambers provide complementary support to area startups.

Businesses that launch with a global vision are likely to be more inclined to cultivate tactics that include an export focus. Entrepreneurs, although inclined toward risk, are typically faced with significant resource constraints. The KC-MEP may alleviate many of these resource concerns by providing a single point of contact to access the network of export assistance providers.

Experienced entrepreneurs note that when a business does not proactively enter global markets, it may find itself fending off international competitors. The best time to incorporate an export strategy is at the outset of launching a business. In essence, we aim to ensure that Greater Kansas City startups are born global.

TACTICS

1. Work with the KC Rising Innovation & Entrepreneurship Work Group to develop the Entrepreneurs Going Global plan
2. Convene an export-focused summit to connect startups with export assistance providers
3. Assess outcomes from the Export Concierge program and the KC Rising Innovation & Entrepreneurship Work Group Plan to ensure engagement of Kansas City's entrepreneurs



POLICY PROGRAM FOR METRO EXPORT PLAN

THE GREATER KANSAS CITY CHAMBER OF COMMERCE will lead all federal, state and local public policy advocacy agenda items. The World Trade Center will liaise between all GCI partners and the Greater Kansas City Chamber of Commerce by maintaining consistent communication on key policy issues identified as essential for the success of the KC-MEP. Public policy agenda items will be updated on an annual basis, but maybe amended as key issues or policy needs arise.

All GCI partners will seek the support of federal, state and local governments to assist in increasing export sales in the Kansas City region. The following policies will foster export growth:

- Adoption of free trade agreements to reduce or eliminate barriers to entry in new international markets
- Continue infrastructure improvements to allow for efficient flow of products and services into international markets
- Continued funding for KC SmartPort and the Trade Data Exchange
- Enhanced federal, state, and local government support for export services
- Immigration reform allowing area businesses to attract and retain talent
- Modernization of U.S. export controls to enhance national security and competitiveness



IMPLEMENTATION

THE WORLD TRADE CENTER KANSAS CITY will lead the implementation of the Greater Kansas City Metro Export Plan in partnership with regional stakeholders.

IMPLEMENTATION PARTNERS

Greater Kansas City Foreign Trade Zone, Inc.
International Relations Council
International Trade Council of Greater Kansas City
Kansas Department of Agriculture
Kansas Department of Commerce
Kansas Small Business Development Center
KC SmartPort
KCSOURCELINK
Mid-America Manufacturing Technology Center
Mid-America Trade Adjustment Assistance Center
Missouri Department of Agriculture
Missouri Department of Economic Development
Missouri Enterprise
Missouri Small Business & Technology Development Center
U.S. Commercial Service

EXPORT PLAN DEVELOPMENT TEAM

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Chris Gutierrez, KC SmartPort
David Warm, Mid-America Regional Council
Ivry Karamitros, World Trade Center Kansas City, GCI Project Manager
Jeff Pinkerton, Mid-America Regional Council
Jerry Lonergan, The Civic Council of Greater Kansas City
Jewel Scott, The Civic Council of Greater Kansas City
Kristi Smith Wyatt, Greater Kansas City Chamber of Commerce
Patricia O'Connor, World Trade Center Kansas City



ECONOMIC DEVELOPMENT AGENCIES

Blue Springs Economic Development Corporation
Cass County Corporation for Economic Development
City of Belton Economic Development
City of Raymore Economic Development Department
City of Riverside Office of Economic Development
Clay County Economic Development Council
DeSoto Economic Development Council
Economic Development Corporation of Kansas City
Gladstone Area Chamber of Commerce
Grandview Area Economic Development Council
Independence Economic Development Council
Kearney Area Development Council
Leavenworth County Development Corporation

Leawood Chamber of Commerce
Lee's Summit Economic Development Council
Lenexa Economic Development Council
Liberty Economic Development Corporation
Miami County, Kansas
Olathe Chamber of Commerce
Overland Park Chamber of Commerce
Parkville Economic Development Council
Platte County Economic Development Council
Shawnee Economic Development Council
Southwest Johnson County Economic Development Corporation
Wyandotte Economic Development Council

GLOBAL CITIES INITIATIVE STEERING COMMITTEE

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Paul Weida, Black & Veatch, Co-Chair

Aaron Mann, Husch Blackwell

Amy Sue Bliss, First National Bank

Anthony Hancox, Garmin International

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Kevin Ekstrand, Scarbrough International

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Pam Besheer, Milbank Manufacturing

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Perry Brandt, Bryan Cave

Rick Held, Held & Associates

Robert Rebori, Bio-Microbics

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Consultant

Paul Weida, Black & Veatch

Stephanie Landis, Kansas Small Business Development Center





Power Plant Project in Thailand

Black & Veatch



Cerner



UPS Freight

This report was developed by the World Trade Center Kansas City, Greater Kansas City Chamber of Commerce, Civic Council of Greater Kansas City, Kansas City Area Development Council, and Mid-America Regional Council through the collaboration of political, business and civic leaders within the Kansas City region. The conclusions and recommendations of this report are solely those of its authors and do not reflect the views of the Brookings Institution or JPMorgan Chase. The Brookings Institution is a private, non-profit organization. Its mission is to conduct high-quality, independent research and, based on that research, to provide innovative, practical recommendations for policymakers and the public. Brookings recognizes that the value it provides is in its absolute commitment to quality, independence and impact, and makes all final determinations of its own scholarly activities in the Global Cities Initiative, including the research agenda and products.

ABOUT GCI

The Global Cities Initiative (GCI) is a joint project of the Brookings Institution and JPMorgan Chase to help business and civic leaders grow their metropolitan economies by strengthening international connections and competitiveness. GCI activities include producing data and research to guide decisions, fostering practice and policy innovations, and facilitating a peer learning network. For more information, please visit www.brookings.edu/projects/global-cities or www.jpmorganchase.com/globalcities.



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KANSAS CITY**



RISING

OUR SHARED VISION
FOR REGIONAL PROSPERITY



SMARTPORT



**AREA
DEVELOPMENT
COUNCIL**

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