

Chris Chung – Succeeding as a Public-Private Partnership

I think for us as an organization, the EDPNC is coming up on 8 years old. Our doors opened in October of 2014. I joined as CEO in January of 2015. So really, I had the privilege of helping guide this organization through those very formative first couple years as a brand new entity for a lot of states

I think, there's probably 20 states now that have made some departure from the normal state agency approach to economic development. I think at one point all 50 states had a state agency that was a Commerce Department or a Department of Economic Development, and I've been fortunate in my career to head up two different versions that depart from that traditional state agency model.

I spent seven years at the helm of a group called the Missouri Partnership, which was that state's effort to privatize and spin off its business recruitment and marketing functions out of state government and into a public-private nonprofit. And for the past almost 7 1/2 years now, here in North Carolina, I have had the chance to do something similar where North Carolina took its state agency model and converted it to this public-private partnership approach that handles a number of traditional state economic development responsibilities.

I think for us at the EDPNC and for me personally, I think that the success itself is that we are still standing here eight years after spinning off. And I say that because it's a fairly dramatic change for states to undertake if the incumbent model is a public agency or a state government entity and one day that changes and you've got this brand-new organization that's maybe got a different culture, got a different set of people, different way of doing things and frankly just a different model.

That's a change that takes people a while to get acclimated to and that's no different whether I was doing this in Missouri or in North Carolina. Change is fundamentally challenging for certain people. And so that's one of the big things that a new organization, especially one that's got these fairly significant responsibilities like economic development, that's a fairly important dynamic to try to navigate, especially in those early years where you are trying to do multiple things simultaneously.

You are trying to help stakeholders and when I say stakeholders, that means clients. So, the types of companies we might work with, It may mean site selection consultants, which is a very important client audience for economic development groups. It of course means in-state economic development professionals, especially at the local level.

Other stakeholders could be the state legislature, which is still of course very involved in supporting economic development from a financial appropriations basis. You got all these different stakeholders that were used to one way of doing things within this state. And all of a sudden with the flip of a switch you've got this brand-new organization that comes about and that becomes the new, the new approach, the new model. And helping people understand what that model is going to do, what it will look like, how its approach will be different than in years past. That's all part of what has to be very deliberately and very consistently done in those first few months and first few years, frankly, of a new organization. And as I said, my experience in both Missouri with a brand new public-private partnership, my experience in North Carolina with the same, that all bears that out.

As I said, those first couple of formative years, you're doing a lot of things just over and over and over again, beginning with explaining all those stakeholders what this new organization is, what is it exactly responsible for doing, and why does it exist in the first place. So, what was the rationale for even having this wholesale change to the way that North Carolina did economic development? How does it differ from the past approach? Hopefully it's an improvement on that, but you need to explain to the stakeholders functionally how this is going to look different than the status quo that it

displaced. And then of course, to the extent you can help stakeholders understand, what are the guiding vision and principles and culture and approach of this new entity? Those are all things that are designed to really help people understand, and hopefully embrace, this new approach to doing economic development in North Carolina.

It's not that this approach itself is always better. There are plenty of examples of states that have had tremendous success with the purely public sector agency approach. And there are plenty of states that have done very well to shift things into more of a public-private partnership model such as what Missouri has and North Carolina has and about a dozen and a half states utilize today.

Success of any state economic development group, of course, will depend on a lot of different factors beyond just the structure of the organization. But if states are going to make that commitment to restructuring the model they use to tackle economic development, then I think right out of the gate a very strong, very deliberate, very consistently applied messaging effort to explain those things that I talked about: what do we do? How is this different than the past model? How are we going to approach this role differently? Those are all things that have to be done to give that new organization any chance of long-term success and buy-in from the different stakeholders that it depends on.

Add to that the fact that we are, as a nonprofit, we also depend not just on public funding, but on private sector financial support, that's yet another stakeholder group that we have to make the case to for why this approach is worth these different companies financially investing in and supporting our work. And so, I think the fact that we are still here 8 years, almost eight years, after the doors opened, the EPNC, was never anything that anyone should have taken for granted. Because unlike a state agency a public-private nonprofit doesn't have some indefinite charter to exist. It's very unusual to dissolve a state government agency. Nonprofits, of course, go away all the time or dissolve or are unsustainable over time. So, in many ways, we have to keep at it in terms of making sure people understand what our organization does and how we do it. Effectively, we have to, of course, deliver results.

But in those early days of the EDPNC, so much of that work was just getting out there and reassuring all these different stakeholders that, yes, we made a big change in North Carolina. But we firmly believe this change is going to put us on better footing to serve the needs of all these different stakeholder groups that we interact with. And that's why I think 8 years after we opened our doors, the fact that we are still here, but also thriving as an organization, that's nothing we take for granted and something that I think all of us who've been part of EDPNC for the past eight years are all very, very proud of.