

Positioning Upstate New York as a World-Class Technology Corridor

Introduction

Since 1990, the combined population of the four largest metro areas in Upstate New York (Albany, Syracuse, Rochester, and Buffalo) has not experienced any growth (see Appendix 1). Yet during this same timeframe, the population in numerous other metro areas in the U.S. has increased at a moderate rate. As a result, the ranking of Upstate New York's largest metro areas has declined against the largest MSAs in the United States, according to the U.S. Census Bureau. Buffalo, Rochester, Albany, and Syracuse were ranked among the top 37 to 64 metro cities in the U.S. in 1990 (refer to Table 1). By 2008, they had fallen to the top 47 to 80 metro cities in the U.S. If this trend continues, Upstate New York is approaching the day where it will no longer have a city that is among the top 50 MSAs in the United States.

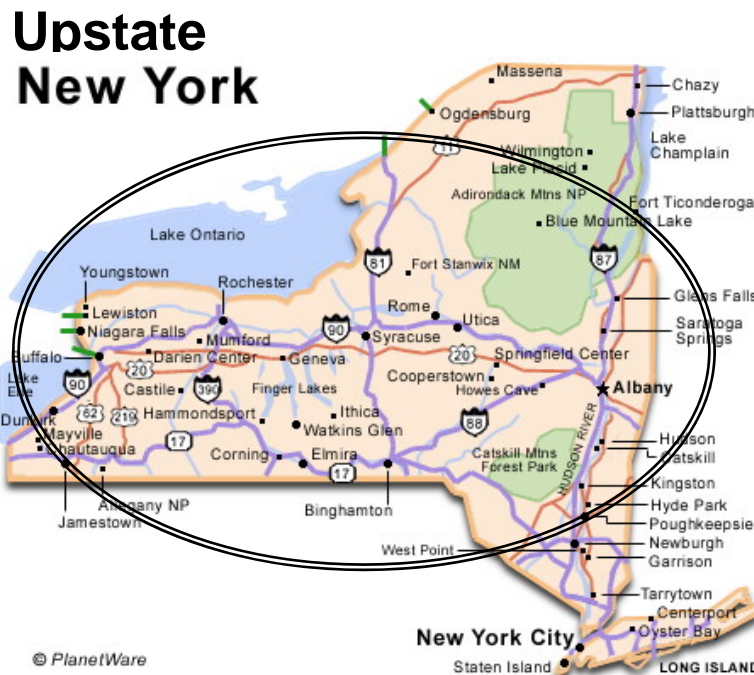


TABLE 1. Metropolitan Statistical Areas (MSA) Rankings in the United States

| <u>Largest Upstate NY Metro Areas</u> | <u>2008 Rank</u> | <u>2000 Rank</u> | <u>1990 Rank</u> |
|---------------------------------------|------------------|------------------|------------------|
| ▣ Albany | 57 | 56 | 52 |
| ▣ Utica-Rome | 155 | 148 | 132 |
| ▣ Syracuse | 80 | 72 | 64 |
| ▣ Rochester | 51 | 49 | 43 |
| ▣ Buffalo | 47 | 42 | 37 |

Source: U.S Census Bureau, Population Division, 2000 Census and 1990 Census

The stagnant growth of Upstate New York’s metro areas, and continuing decline in rankings among all MSAs, has created new challenges for companies located there. Prospective employees not familiar with Upstate New York may be inclined to ignore the pursuit of job opportunities in regions where the lack of employment growth is viewed unfavorably by those seeking career development opportunities. This adds a measure of difficulty to companies seeking to recruit specialized skills in key fields that are in demand elsewhere. Procurement and sourcing specialists searching for key suppliers or technology partners may not think to look for them in Upstate New York, but rather, in regions such as Austin, Research Triangle Park, and Silicon Valley where they perceive an ample supply of technically advanced companies to be found. These are just two examples of challenges and hurdles that arise when a geographic region is not perceived to be growing and/or as large as other places in the U.S.

The Top Technology Regions in the U.S.

Those who are familiar with Upstate New York consistently state that the region’s technology and manufacturing strengths will be the driving forces needed to maintain the economic environment, lifestyle , and vibrancy to compete effectively in the highly competitive global marketplace. Engineering and manufacturing skills, technical expertise, and related know-how will be prime selling points in companies’ ability to attract new business and attain sustainable growth. While Upstate New York enjoyed a well earned reputation as a technology and manufacturing hotbed until the mid 70s, it is safe to say that emerging generation x, y, and z business leaders working in growing industry sectors do not comprehend it. Their tech hotbeds are those identified in Table 2, which have experienced considerable growth and garnered lots of attention throughout the last 15 to 20 years.

It must be recognized that each of the Upstate New York metro areas and the companies located therein are now competing with tech regions that are much larger in size. With an average population of 3.1 million people in 2008, the top tech regions listed in Table 2 are approximately 3.4 times larger than the average population of 914,000 for the four largest Upstate New York metro areas. The top regions have that many more feet and voices on the street promoting their capabilities and assets, and they have a distinct marketing and business development advantage over Upstate New York’s four largest metro areas.

TABLE 2.

| <u>Top Tech Regions in the U.S.</u> | <u>2008 Population</u> |
|-------------------------------------|------------------------|
| ▣ Austin, Texas | 1,652,000 |
| ▣ Boston, Mass. | 4,522,000 |
| ▣ Minneapolis-St. Paul, Minn. | 3,229,000 |
| ▣ Raleigh-Durham, N.C. | 1,088,000 |
| ▣ San Diego, Calif. | 3,001,000 |
| ▣ San Francisco, Calif. | 4,274,000 |
| ▣ San Jose, Calif. | 1,819,000 |
| ▣ Seattle-Tacoma, Wash. | 3,344,000 |
| ▣ Wash D.C., Northern Virginia | 5,358,000 |
| Average | 3,143,000 |
| Mean | 3,229,000 |

| <u>Largest Upstate NY Metro Areas</u> | <u>2008 Population</u> |
|---------------------------------------|-------------------------|
| ▣ Albany, New York | 853,000 |
| ▣ Syracuse, New York | 645,000 |
| ▣ Rochester, New York | 1,034,000 |
| ▣ Buffalo, New York | <u>1,124,000</u> |
| Total | <u>3,656,000</u> |

Source: U.S Census Bureau, Population Division, 2000 Census

Ways to Enhance Upstate New York's Tech Image

In nature, small animals form packs as a way to counteract their physical limitations, and to survive in a hostile environment that contains larger competitors. They leverage their strength in numbers and the opportunities that they create to meet foes head-on, and provide nourishment and safety for their own. The same strategy is deployed by small companies, where alliances and partnerships are formed to align the capabilities of several small to mid size companies when competing against much larger firms. These tactics should also be used by small to mid size metro areas or geographic regions, particularly when their close proximity to one another represents a much larger and interconnected business and technology corridor.

New thinking and new marketing tactics are needed to help companies throughout Upstate New York gain greater attention and recognition to succeed in the global marketplace. Each metro area across Upstate New York needs to assess the changing geographic landscape among tech regions, and its ability to deliver adequate marketing impact on its own. It should evaluate whether it will be better served going it alone, or forming a collaborative pack among the major Upstate New York metro communities to gain comparable scale and resources to the top tech regions. The private sector, as represented by a grass-roots network of Upstate New York industry and technology associations (referred to as the Technology Council of Upstate New York) has expressed a strong preference for working collaboratively to promote Upstate New York as a world-class technology corridor. They recognize that strength in numbers will help rebuild and enhance the image of Upstate New York in key industries and business sectors.

We need your help, and invite you to be a part of this Upstate New York marketing initiative. Working together, we can embrace the opportunity to reposition and promote Upstate New York as a world-class technology corridor, and one of the leading tech regions in the U.S. Let's promote the capabilities and assets that are represented in a corridor of 4 – 5 million people, with a workforce of 2 – 3 million people. Every organization and entity can contribute in this effort, and every company in our Upstate New York region will benefit. Our goals are to:

- Promote the capabilities and assets across the Upstate New York region to garner greater consideration when companies outside New York State are looking for suppliers and technology development partners;
- Strengthen the image of Upstate New York as a world-class technology corridor, and
- Stimulate more business leads and new business opportunities for technology and manufacturing companies located throughout Upstate New York.

Deploying a Multi-Tiered Regional Branding Strategy

Multi-tiered branding has been commonly used in the private and public sectors. Here are some examples:

In the Private Sector

- GE GE Capital (company; major business unit)
- IBM IBM Global Services (company; major business unit)
- University of Pennsylvania The Wharton School (university; business school)

In the Public Sector

- Central Florida Orlando, Tampa, Sarasota (geographic region; cities)
- Northern Virginia Alexandria and Fairfax (geographic region; cities)
- Research Triangle Park Raleigh – Durham (geographic region; cities)

The use of multiple brands aims to position one of the brands as the enterprise or umbrella brand, and the other brand(s) as a key component of the enterprise brand. Ideally, the enterprise or umbrella brand is one that has the size and aggregate resources needed to compete effectively in a target market. It is the “fighting brand” which can attract the attention of companies and business leaders located throughout the world. Orlando and Tampa, for example, are elements of Central Florida where that is desirable and beneficial, such as when promoting selected industries and clusters. Yet, they are their own distinctive brands where the use of the Central Florida brand is not required to garner the marketing clout that is needed. This level of multi-tiered branding has been serving the interest of these geographic areas very well. Communities throughout Central Florida, along with those in Northern Virginia have benefitted greatly from their collaborative efforts to promote these regional brands.

The use of Upstate New York as a regional marketing brand offers the potential to promote a much larger and stronger base of assets than any one metro region can do on its own. Here are some facts to illustrate Upstate New York’s assets, which deliver a much stronger and compelling story when promoting our industries and related technologies. We will be able to tout that Upstate New York has a:

- Life sciences and medical device industry sector with more than 100 companies
- Strong homeland security and defense sector that includes BAE Systems, Goodrich, Harris Corp., L3 Communications, Lockheed Martin, Northrop Grumman, and Sensis
- One of the largest imaging and photonics sectors globally
- More than 350,000 students and faculty at 80 – 100 colleges and universities
- More than \$2 billion in research conducted annually at renowned colleges and universities

The Upstate New York brand can co-exist with metro area brands in much the same way that Central Florida and Northern Virginia co-exist in other states. We simply need to clarify how to promote Upstate New York in a way that it draws more attention and consideration to Albany, Syracuse, Rochester, Buffalo, and other metro areas. Such attention will create more opportunities for each metro area and companies located in them to promote all that they can do.

How You Can Help

- **Accept a New Way to Define Who We Are**
Regional technology corridors are the new way to promote the top tech regions globally. We encourage you to accept **Upstate New York** as an identity. It does not replace your city identity, but strengthens it. No longer is your metro area one of the top 47 to 80 MSAs in the U.S., but rather, a large part of one of the top tech corridors in the U.S.
- **Advocate**
We need Upstate New York to mean something to people in our state before it can be promoted to people outside our state. The support of the private sector and the public sector at all levels (state, county, local) is needed to re-build the image of Upstate New York.
- **Act**
We need to make Upstate New York real. So reach out! Reach outside your city/metro area and connect with resources, companies and individuals across the region. Look for employees, business partners and customers. A more interconnected regional technology corridor will lead to more vibrant technology and manufacturing sectors throughout Upstate New York.

Will you join us in this regional marketing endeavor?

APPENDIX 1.

| <u>Top Tech Regions in the U.S.</u> | <u>2008 Population</u> | <u>1990 Population</u> |
|--|------------------------|------------------------|
| ▣ Austin, Texas | 1,652,000 | 846,000 |
| ▣ Boston, Mass. | 4,522,000 | 4,133,000 |
| ▣ Minneapolis-St. Paul, Minn. | 3,229,000 | 2,538,000 |
| ▣ Raleigh-Durham, N.C. | 1,088,000 | 541,000 |
| ▣ San Diego, Calif. | 3,001,000 | 2,498,000 |
| ▣ San Francisco, Calif. | 4,274,000 | 3,686,000 |
| ▣ San Jose, Calif. | 1,819,000 | 1,534,000 |
| ▣ Seattle-Tacoma, Wash. | 3,344,000 | 2,559,000 |
| ▣ Wash D.C., Northern Virginia | 5,358,000 | 4,122,000 |
| Average | 3,143,000 | 2,495,000 |
| % Change | + 26% | |
| Mean | 3,229,000 | 2,538,000 |
| | | |
| <u>Largest Upstate NY Metro Areas</u> | <u>2008 Population</u> | <u>1990 Population</u> |
| ▣ Albany, New York | 853,000 | 809,000 |
| ▣ Syracuse, New York | 645,000 | 659,000 |
| ▣ Rochester, New York | 1,034,000 | 1,002,000 |
| ▣ Buffalo, New York | <u>1,124,000</u> | <u>1,189,000</u> |
| Average | 914,000 | 915,000 |
| % Change | 0% | |
| Top Tech Regions average : NY average | 3.4 : 1 | 2.7 : 1 |
| Total | 3,656,000 | 3,659,000 |

Source: U.S Census Bureau, Population Division, 2000 Census and 1990 Census