

"Organizations in Economic Development"

Southern Industrial Development Council (SIDC) Approaches Golden Anniversary

J. Michael Eades, CED

The Southern Industrial Development Council focuses on meeting the special needs of economic developers in a seventeen state region. It does this through an annual conference, "How To" publications, monographs, volunteer recognition, and legislative activities.

The Southern Industrial Development Council (SIDC) is the oldest and largest regional economic development association on the North American continent. SIDC traces its roots to the fall of 1946 when a group of twenty-four practitioners from around the South gathered in Memphis, Tennessee to discuss mutual concerns facing the post-war economies of their respective states. In succeeding years, this core group of leaders expanded their ranks and continued to gather on an informal basis until 1951 when a charter and by-laws were adopted.

Today, SIDC counts more than 1,600 members on its roster. The Council is organized for the purpose of advancing, through educational and professional efforts, the economic/industrial development of the following states: Alabama, Arkansas, Florida, Georgia, Kansas, Kentucky, Louisiana, Maryland/D.C., Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia. While most of the Council's members hail from this seventeen state

region, SIDC also makes memberships available to out-of-territory practitioners. Three-percent of the current SIDC membership fall into the out-of-territory category.

SIDC is a private, not-for-profit membership corporation under Section 501(c)(6) of the United States Internal Revenue Code. The Council exists solely to benefit its members and is non-partisan and non-sectarian in all its activities. SIDC is governed by a twenty-six member Board of Directors consisting of seventeen State Directors elected by each State's SIDC membership at the SIDC Annual Conference, a six member Executive Committee elected annually by the Board of Directors and three Directors-at-Large appointed by the President. The SIDC Board meets on four occasions during each calendar year.

SIDC functions principally through a series of Committees and Task Forces made up of Board members and volunteers from the general membership. During 1994, it is estimated that more than 25% of the Council's membership is involved in one or

more Committee or Task force assignments. SIDC's operational and administrative functions are housed in the Council's Central Office located in Atlanta, Georgia, and are managed by an Executive Director who serves at the pleasure of the Board.

PROMOTING PROFESSIONALISM

Throughout SIDC's 48+ years of service, the mandate to educate its members has been at the forefront of the Council's activities. It was SIDC who founded the Industrial Development Institute at the University of Oklahoma, now called the Economic Development Institute. SIDC continues to support the Institute, with many members serving as faculty and through annual scholarships to deserving students from the territory. SIDC is also a major supporter and contributor to the *Economic Development Review*.

SIDC delivers and/or co-promotes seminars and other training programs on cutting-edge topics impacting the economic and industrial development in the territory. As an example, at the most recent Annual Conference in New Orleans, Louisiana, the Council's seminar on *Effective Lobbying Techniques* was hailed by participants as one of the best hands-on, how-to educational programs they had attended. In addition to seminars, the Council participates in, supports and/or causes to be developed "Occasional Papers" on special topics of interest to practitioners in the territory and beyond. The most recent of these, and one of the most sought after in the Council's history, is entitled *Leadership: An Essential Dynamic for Economic Development*. Written for SIDC by Dr. David Kolzow, this monograph stresses the professional economic developer's understanding of the importance of local leadership as a key ingredient to effective programs.

SIDC's "How To" publications are widely recognized sources of real world economic development approaches. "How To's" were conceived and designed not as research papers but as step-by-step guides to implementing effective economic/industrial development programs. Among the more popular "How To's" are... *Develop a Speculative Building Program*,... *Create a Marketing Team* and... *Automate the Economic Development Office*.

SIDC strongly believes that, by definition, the very phrase "professional economic development" carries with it certain responsibilities and ethical standards. The Council was among the first, if not the first, economic development organization to adopt a formal Code of Ethics.



LEGISLATIVE AFFAIRS

Tracking proposed legislation in the nation's capitol potentially impacting the further economic development of the South and Southeast is a long-standing *SIDC* commitment. Through its membership network, *SIDC* has proven to be a strong voice in Washington in recent years on issues such as wetlands legislation and tax-exempt small issue industrial revenue bonds. Taken together, the seventeen member states of the Council account for thirty-six percent (36%) of combined Senate and House representation in the 103rd Congress, or 195 of the 535 total members. While by no means an overwhelming percentage, it is important to note that the distribution among political parties in *SIDC* states matches almost precisely that of the 103rd Congress as a whole, essentially a 60/40 Democrat/Republican split. This means that *SIDC* can normally count on consistent support from both sides of the aisle in both houses on important economic

SIDC CODE OF ETHICS

As a member of the Southern Industrial Development Council, I pledge to adhere to the following principles:

- To maintain personal integrity in all relationships with my professional associates and the corporate and private citizens which I serve, and to conduct myself in such a way as to inspire the confidence of those I serve.
- To elevate the standards of my profession by maintaining high levels of service and conduct, striving continuously to enhance the professional image of the industrial/economic development field.
- To continue to acquire and to share my knowledge of industrial/economic development with others, supporting efforts to further proficiency in this field.
- To keep my objectives and activities in full accord with the principles of free enterprise and the enhancement of industrial/economic development as a profession.

(Adopted by the Board of Directors at Lexington, Kentucky, October 16, 1983)

FACTS TO KNOW ABOUT THE *SIDC* TERRITORY

Although only slightly more than one-third (37.3%) of the U.S. population is housed in an *SIDC* territory state, almost one of every two (48.5%) non-farm jobs created in the U.S. between 1980-1992 accrued to the *SIDC* territory:

NON-FARM EMPLOYMENT GAINS 1980-1992 (000's)

UNITED STATES	+18,031
<i>SIDC</i> STATES	+8,748
<i>SIDC</i> PERCENT U.S.	48.5%
<i>SIDC</i> PERCENT U.S. POPULATION 1992:	37.3%

Source: U.S. Statistical Abstract, 1993.

development issues. Of added advantage is that, generally speaking, one can not get elected to public office at any level in the seventeen state *SIDC* territory without an economic development platform.

SIDC's legislative actions operate through a vast network of members and other practitioners throughout the seventeen state territory, expanding well-beyond the Council's membership base. While a volunteer Legislative Affairs Committee of the Board spearheads the effort, close coordination is maintained with the American Economic Development Council, the various state economic development associations in the territory and other interest groups throughout the nation. Rather than actively lobbying as an organization, *SIDC* believes that the most effective communications with Congressional leaders emanate from the local level. *SIDC's* approach is to alert members to impending legislation and to encourage direct communications from the local level, and this has proven to be a most successful avenue over the last several decades.

LOCAL FLAVOR PROMOTES ANNUAL CONFERENCE ATTENDANCE

Held in the fall of each year, *SIDC's* Annual Conference is consistently one of the most well-attended economic development programs in the nation. In recent years, Annual Conference attendance has averaged over 700, with more than 800 participants being recorded on one occasion.

SIDC members hold high expectations for each Annual Conference, leading to consistent levels of excellence from year to year in speakers and programs.

The achievement of consistent quality over the years is surprising to some given that the *SIDC* Annual Conference is, in essence and in fact, a locally generated product. Beyond the scope of general guidance and Central Office assistance, the *SIDC* Board of Directors takes a "hands-off" approach to the Annual Conference in favor of the Local Arrangements Committee. Unlike many organizations, the *SIDC* Annual Conference is competitively bid among several potential locations each year. The Board's role in this process is simply to certify, based upon well-defined criteria, that a community is qualified to bid.

One of the highlights of each Annual Conference is the presentation of the bid package from each community to the membership-at-large in attendance. Each member subsequently votes in state caucuses as to their location preference. The result of *SIDC's* approach is the maintenance of strong "local flavor" at each Annual Conference. Host communities and states take great pride in "showing off" their business, cultural and recreational assets to their peers from other states.

SIDC's next Annual Conference is scheduled for October 29 - November 1, 1994 in Louisville, Kentucky under the theme "Triple Crown: Our Economy, Education and Environment." Programs

FACTS TO KNOW ABOUT THE *SIDC* TERRITORY

More than one-half of all Certified Economic Developers® practice in the seventeen state *SIDC* territory.

LOCATION OF CERTIFIED ECONOMIC DEVELOPERS® 1993

TOTAL NUMBER OF CED'S®:	606
NUMBER LOCATED IN <i>SIDC</i> TERRITORY:	339
PERCENT IN <i>SIDC</i> TERRITORY:	55.9%

Source: Calculated from American Economic Development Council 1993/94 *Membership Directory*. Certified Economic Developer and CED are registered trademarks of the American Economic Development Council.

FACTS TO KNOW ABOUT THE *SIDC* TERRITORY

During the recession year 1992, Business Failure Rates in *SIDC* territory states averaged 18.5% less than those of non-*SIDC* states and 11% less than the nation as a whole:

BUSINESS FAILURE RATES PER 10,000 CONCERNS 1992

U.S. AVERAGE	110
<i>SIDC</i> STATES AVERAGE	97.9
NON- <i>SIDC</i> STATES AVERAGE	120.2

Source: U.S. Statistical Abstract 1993 from Dun and Bradstreet Corporation.

will investigate the changing elements of the regional, national and worldwide economy likely to impact the profession in the years ahead; the quality and content of the educational product needed in the future; and, how environmental stability will be a key ingredient in determining the future global economy.

RECOGNIZING VOLUNTEERISM

SIDC has long been the leader among economic/industrial development organizations in recognizing the important role of volunteer leaders in statewide and local economic development. An important part of each *SIDC* Annual Conference is a formal recognition program for each of the seventeen state's Volunteers of the Year as selected by the individual state economic development associations. During the recognition program, each state's honoree is presented to the membership and their accomplishments outlined in detail. As recently as 1992, *SIDC* annually selected one from among the seventeen state honorees as *SIDC* Volunteer of the Year. In 1993, the Council did away with selection of a single winner in favor of giving proper recognition to all seventeen recipients for their contributions.

CHANGING TO MEET THE TIMES

In late 1992, *SIDC* entered into a major transition phase with the retirement, after twenty-five years of service, of Robert B. Cassell, CED, FM, HLM as Executive Director. "Mr. *SIDC*" to economic developers everywhere, Cassell brought the Council from a fledgling organization with few member services, minimal educational

programs and less than 600 members to the modern day level of 1,600 members and a broad array of programs. Among the programs instituted under Cassell's leadership were the "How-To" series, the *SIDC Code of Ethics*, *Positions Open* and *Job Referral* services, numerous *Occasional Papers* and an endless list of additional contributions to the profession.

Approaching the mid-1990's, *SIDC* continues to analyze all phases of its programs and adapt its service delivery mechanisms to ensure the delivery of high quality member services. Among the many items being addressed by the 1994 Board of Directors are the following issues:

Development and adoption of a formal Mission Statement for the Council. The Board is expected to receive a formal recommendation in the Summer of 1994 from the task force assigned to this responsibility.

Revisions to the "*SIDC* Policies and Procedures Manual," which guides the day-to-day operations of the Council, outlines its personnel policies and sets forth clear lines responsibilities among the Officers, Board of Directors, Committee and Task Force members and Central Office staff. This manual is scheduled for complete revision by Summer, 1994.

Further defining the relationships between the Central Office/Board of Directors and the Local Arrangements Committee insofar as the Annual Conference. This includes such items as how Conference financial returns are distributed, the possible transfer of certain program responsibilities to the Central Office (e.g. Volunteer of the Year, Literature and Promotion Awards competition, Conference Registration, etc.).

The positioning of the Council as the purveyor of educational programs and services. The 1994 Education Subcommittee is investigating *SIDC's* role as a direct purveyor, sponsor, co-sponsor, and supporter of seminars and other educational deliveries to the membership. Formal recommendations and actions are expected in the Summer of 1994.

Development of long-range financial plans for the Council.

Closer coordination of *SIDC* programs with state economic development associations in the territory and those of other cross-membership organizations.

Updates, revisions and additions to *SIDC's* published products, to include "How-To's," *Occasional Papers* and other publications. In addition, the Council is re-

fining its policies and procedures in regards to its relationships with outside vendors and publishers who request *SIDC's* endorsement of their products/services.

CONCLUDING COMMENTS

Economic/industrial development in the seventeen state *SIDC* region is a high profile business. Development practitioners in the region, regardless of deserving or desiring the attention, are often looked upon as modern day Pied Pipers coming forth to save the day in their community/region. Short of being miracle workers, or simply lucky, today's professional must be armed with a broad spectrum of skills and knowledge in order to produce the results expected of them.

For almost 50 years, *SIDC* has provided educational programs and networking opportunities that have led its members into leadership roles in economic development throughout the territory and beyond. While *SIDC* may not have always been successful in knowledge transfer (which accounts for the popularity of the Council's *Position's Open* and *Job Referral* programs) we have benefitted from great volunteer and professional leadership which has allowed for quick response to changing conditions and demands for services. With 48 years under the belt, *SIDC* looks forward to the coming years with great anticipation for enhanced services to the membership and the economic development community at large.

J. Michael Eades, CED

Mr. Eades is the 1994 President of the Southern Industrial Development Council, his term of office extending through November 1, 1994. A 1981 EDI Graduate, he is the Director of Business Development for the Municipal Electric Authority of Georgia, a joint action agency providing wholesale electricity, economic development and other services to 48 Georgia municipalities. Eades has previously served as the CEO of the Central Carolina Economic Development Alliance, a four county public/private partnership serving the Columbia, SC area, with the South Carolina Department of Commerce as Associate Director -- National Business Development and with South Carolina Electric and Gas Company. In addition to serving as an officer with *SIDC* for the last several years, Eades is currently a member of the Editorial Board for the *Economic Development Review* and has prior extensive service on the AEDC Certification Board. He can be contacted at 404/302-8300.