

TARGET INDUSTRY ANALYSIS

Building a cohesive targeting strategy for Cary involves taking into account community values and desires; existing industry base; regional resources and assets; area economic trends; and forecasted industry trends. All of these pieces are needed to build a clear roadmap to specific opportunities that hold the greatest promise for success.

Matching the local areas of opportunity with growing and emerging technology and industries is the key to determining the industries that represent the best targets for expansion and attraction efforts. The identification of target industries will focus Cary on those areas that will hold the most return on time and marketing dollars invested in expansion and attraction efforts. Target industries will also give the Town the opportunity to gain a deeper understanding of specific target industry environments to better craft the marketing message and prepare the community to meet the needs of those industries.

As a first step in the process of choosing target industries, it is important to understand the economic profile, strengths, and weaknesses of Cary. Whittaker Associates, Inc. joined Sanford Holshouser in field work in Cary to personally assess feasibility vs. desirability of industries. Sanford Holshouser provided Whittaker with a draft SWOT assessment, an economic and demographic profile, and other information gathered during field work and research. Whittaker Associates reviewed those documents and took into account the observations and thoughts of Sanford Holshouser regarding appropriate target industries for the area.

The next step in the process was to look at active and growing industries. Whittaker Associates analyzed growing industries at national, regional, and local levels by looking at historical data and analyzing growth projections for industries and occupations from the Bureau of Labor Statistics. In addition, new and expanded facility announcements in Wake County, the Southeastern region (for this study the Southeastern region is defined as North Carolina, South Carolina, Georgia, Alabama, and Florida) and the greater United States were reviewed to determine the most active industries over the past few years.

The information and knowledge from the Cary community was then combined with research on active and growing industries to determine the target industries that represented the greatest opportunities. Our recommendations for target industries are the industries that are most feasible and desirable based upon our research and the research of Sanford Holshouser.

Industry Overviews are included later in this report for each recommended target industry including a brief industry description, an industry definition, site selection factors, current industry trends, and any specific emerging segments of emphasis within the industry.

Recommended Industry Targets

The decision to focus on a select few target industry groups or functions does not preclude improvement and possibilities in other areas. Rather, the priority targets are, or have the potential to become, drivers that take capital from outside the region and initiate activity that produces income and value for Cary and the surrounding region.

“Destiny is no matter of chance. It is a matter of choice.”

--William Jennings Bryan

Setting target priorities is important in driving strategic action. Conscious choices can proactively shape the future of the region. However, the prioritization below does not suggest that these targets are the only sectors that add value to the regional economy. For example, the food packaging industry may develop as a viable candidate as a result of targeting plastics. Over time, other important, unforeseen target areas may emerge from the market.

After analyzing the current and projected industry trends and reviewing the preliminary report prepared by The Sanford Holshouser Business Development Group, we recommend the following industry targets for the attraction and development efforts in Cary.

The recommendations for target industries and the rationale for targeting that particular industry are given on the following pages.

Medical Equipment

With the proximity to RTP, this manufacturing industry is a way to diversify the current economy while building upon the already existing industries located in RTP. There may be several niches for Cary to focus on. Some medical equipment manufacturing, especially commodity based (disposable diagnostic tools, heart stints, etc.), requires lower skilled manufacturing jobs, which may be able to draw from any lower skilled available labor in the region. Another niche for the area to target would be small companies that work with doctors to prototype new medical devices that, in turn, would be sold to major medical equipment manufacturers. There are several reasons Cary may want to focus on this later target. As the population continues to age, the demand for medical products will continue to grow at a rapid pace. The expected labor outlook for this industry is strong as well.

A traditional tactic to attract companies within this industry includes focusing on fast growing medical equipment companies within the Southeast and Northeast in an attempt to offer them a lower cost place to operate. Cary is cost competitive with other technology towns, however, it is not cost competitive with the second ring of cities out from Raleigh. A better approach for Cary would be to work with the specialist physicians and physician groups in North Carolina to provide a match-making service between their ideas and product design firms to assist the physicians in turning their ideas into useful medical devices. Less invasive surgery, cardiology, and skin replacement are some of the fastest growing medical equipment sectors. Another rapidly growing area is medical accident prevention such as the use of radio tags to prevent leaving equipment in surgical patients inadvertently. Physicians with a second home in North Carolina would also be good prospective clients.

Light Manufacturing

The current base of manufacturing companies in Cary is not as diversified as it could be across many industry sectors. Wake County has a base of assets and resources to attract light manufacturing companies such as electronics and electrical component assembly and repair, medical devices and other instruments, furniture and fixtures, and plastics. With the work taking place in RTP, and the surrounding universities and colleges, there is great potential for higher-end, value added manufacturing.

Biotechnology

The biotech industry continues to expand as the aging baby-boomer generation demands more healthcare. This industry will be closely tied to the healthcare industry and research institutions. Some other supporting rationale includes the growth of pharmaceutical industry employment both in the Southeast and nationally. Cary's close proximity to Raleigh and the Research Triangle Park will help boost the area's attractiveness to this industry. Attracting a bio-pharmaceutical facility is a long-term economic development focus that can pay large benefits in capital investment and higher wage jobs.

Design Industry

The design industry is broad and covers everything from computer services to advertising services to photography to engineering services. As the U.S. economy continues to lose manufacturing jobs overseas, the design industry will continue to grow in targeting importance. We believe that there are two ways to define the design industry, companies that design products as a primary business function and companies that design products, but their primary business function is manufacturing. For the purpose of this report, we have focused on those companies that design as a primary business function. However, we have included industry overviews and current trends for manufacturing industries that are design-intensive.

We have subdivided the design industry into six sectors (advertising, film and video, software design, engineering and architectural services, creative and performing arts, and miscellaneous design including industrial design).

Industry overviews of the recommend targets are included in the appendices. The overviews include an industry definition, industry trend analysis, and site location factors.