

## Executive Summary:

## Increasing Competitiveness through Strengthening Regional Economic Clusters in Middle Tennessee Marketing Region (MTM)

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Strategically located between Nashville (MSA), TN, and Huntsville (MSA), AL, the Middle Tennessee Marketing Region (MTM), which consists of 14 counties (Bedford, Coffee, Franklin, Giles, Hickman, Lawrence, Lewis, Lincoln, Marshall, Maury, Moore, Perry, Warren, and Wayne), presents tremendous business opportunities with its diverse economic structure and strong industrial base, according to a study conducted by the Business and Economic Research Center (BERC) at the Jennings A. Jones College of Business at Middle Tennessee State University. The study's findings highlight the necessity of regional level leadership in leveraging existing regional assets to create a cluster-based competitive regional economy through

- regional-level marketing,
- increasing synergies between industries in target clusters and their suppliers and customers,
- strengthening the cluster supply-chain by diversifying target clusters, and
- investing in human resources.

The BERC study was commissioned by Middle Tennessee Industrial Development Association in Nashville. After reviewing the broader socioeconomic dynamics and workforce issues in the MTM region, this study identifies regional industrial clusters and provides a detailed assessment of target industry clusters to present a detailed roadmap for the competitive regional economic development initiatives.

Major highlights from the study:

- The MTM region is strategically located within a one-day driving distance of nearly half of the states in the U.S. Furthermore, there are nearly 2.5 million people living within a 70-mile radius of the region, a market size creating significant opportunities for existing and prospective businesses.
- The MTM region's socioeconomic trends are healthier than those of the U.S. and Tennessee, but its current economic indicators lag behind the nation and the state.
- The MTM region's model-driven underemployment rate suggests that nearly one-fifth of the region's workforce is available for new opportunities.
- The location of the MTM region is seen as a major asset by area businesses.

- Area businesses and secondary data suggest that workforce education requires immediate attention to leverage regional economic potential to the fullest extent possible.
- The MTM region's economy is very diverse compared to the economy of individual counties. At the regional level, counties complement each other. A further diversification of the region's economy through target clusters is likely to make the regional economy more vibrant and resilient to economic downturns.
- The MTM region has strong entrepreneurial activities, as the region has a relatively large share of small businesses.

Major recommendations of the study:

- Target the following four (4) major clusters and their subclusters to promote inter-industry linkages, strengthen the cluster supply-chain, and address needs of cluster occupations:
  - Motor Vehicle and Associated Products (Motor Vehicle, Rubber Products, and Plastics Products),
  - Advanced Metal Manufacturing (Machine Tools, Nondurable Industry Machinery, and Metalworking and Fabricated Metal products),
  - Information Technology and Precision Instrument Manufacturing (Optical Equipment and Instruments, Computer and Electronic Equipment, and Information Services), and
  - Agribusiness (Breweries and Distilleries and Packaged Goods Products);
- Explore the following emerging/potential clusters and create synergies among the components of these potential clusters across and beyond the region:
  - Aerospace and Defense/ Alternative Energy/ High Tech and
  - Tourism/ Agribusiness;
- Develop a regional-level marketing campaign;
- Provide leadership for a regional-level workforce analysis;
- Conduct an in-depth target cluster needs assessment; and
- Critically assess the issues and concerns raised by small businesses at the regional level;