

GO GLOBAL KC

KANSAS CITY METRO EXPORT PLAN





KANSAS CITY METRO EXPORT PLAN

KC-MEP (n.):

Kansas City Metro Export Plan

A comprehensive and strategic plan to position businesses in the Greater Kansas City Region to enter into or grow existing business in the global marketplace. The Regional Export Plan applies market intelligence to develop targeted, integrated export-related services strategies to connect our region's companies to customers across the world.

GoGlobalKC (v.):

To relentlessly implement the KC-MEP

Introduction	2
Key Findings.....	6
Goals and Objectives	10
Strategies and Tactics.....	12
Policy Program.....	17

INTRODUCTION

OUR PARTNERSHIP IN GLOBAL GROWTH:

OUR PARTNERSHIP IN GLOBAL GROWTH

The Greater Kansas City region has come a long way from covered wagons and a coal-covered industrial downtown. With public and private investments in transportation, technology, telecommunications, infrastructure, manufacturing, entrepreneurship, sports, and the arts, Kansas City has transformed into a vibrant, thriving city- the capital of the New Midwest.

Kansas City lies in the heart of what is often dubbed “flyover country,” the last city anyone would expect to be competitive on a global scale. But this region has always been excellent at exceeding expectations. Companies like Garmin- a world leader in navigation systems; Ford Kansas City Assembly Plant-one of the largest auto manufacturers in the U.S.; and Black & Veatch- a top-ranked engineering and construction firm- have built on that legacy to help advance Greater Kansas City’s economy to the global stage.

Our progress thus far has been tremendous, and the last five years had seen challenges that no one could have predicted when we published the original Metro Export Plan for the region. Updating this export plan gives us a chance to reflect on our progress and determine the work that remains to achieve even higher goals to ensure our regional economy is resilient and favorably positioned for future growth and prosperity.

Due to the successful implementation of the Metro Export Plan, the GCI steering committee has disbanded. The World Trade Center - Kansas City (WTC-KC) will continue to be the lead organization for implementing the MEP

Melissa Miller

Director, World Trade Center - Kansas City

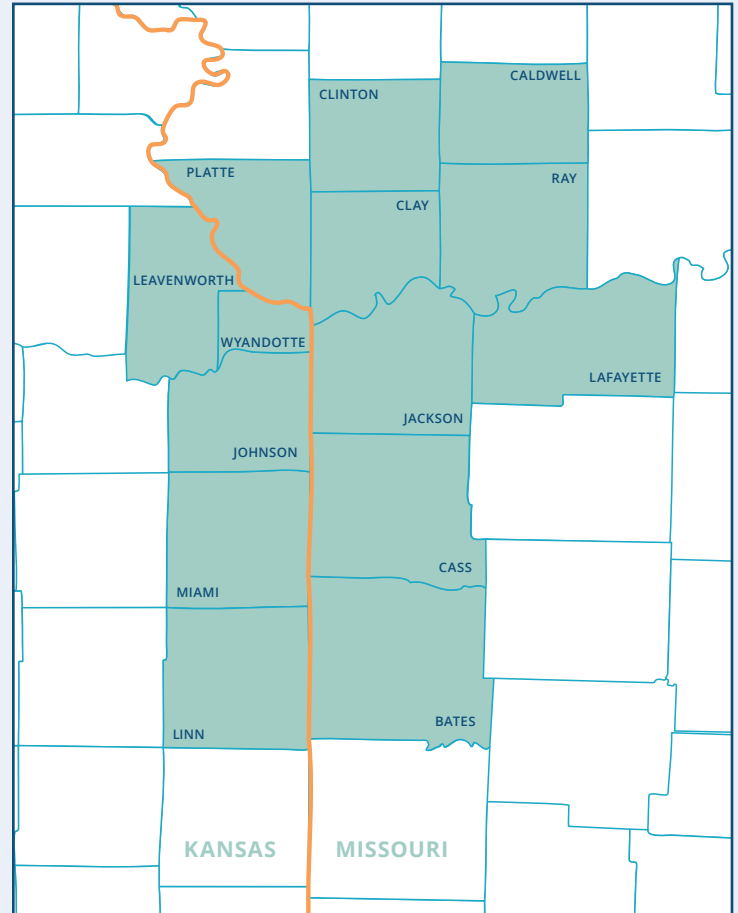


WHY AN EXPORT PLAN?

In 2016, the original Metro Export Plan (MEP) was created, with an implementation period of five years, expiring in 2021. At the expiration of this initial plan, the World Trade Center - Kansas City audited the project. It determined that an updated MEP aligned with the KC Chamber's strategic plan and would benefit the region.

With an imperative to connect Kansas City businesses to the world, a Metro Export Plan defines clear goals for the region with strategies that both service providers and businesses can utilize. After the initial Global Cities Initiative Market Assessment in 2014, the committee determined that the first step to elevating the region's global trade was to create a strategic export plan to help local companies recognize the value of international trade. Since the plan's inception, the plan has been implemented and progress made.

However, with an increasingly globalized society and an unprecedented pandemic, there is always more to strive for. This second iteration of the MEP sets the bar higher and pushes Kansas City to capitalize on the success of the last five years to achieve even more.



Metro Kansas City County Lines

1 www.marc.org/Data-Economy/pdf/Prosperity-at-a-Crossroads.aspx; Published by the Mid-America Regional Council and the Brookings Metropolitan Policy Program with funding support from the Ewing Marion Kauffman Foundation and the William T. Kemper Foundation.

2 The region's trade surplus may be declining as a share of its economy in part because of the "thinness" of its traded sectors and clusters. This research has revealed that, despite the size and role of the region's traded sectors in local employment and output trends, the sectors themselves are characterized by a relatively sparse number of large firms. SOURCE: www.marc.org/Data-Economy/pdf/Prosperity-at-a-Crossroads.aspx Prosperity at a Crossroads: Targeting Drivers of Economic Growth in Greater Kansas City Report

3 Peer cities (MSAs), identified by the Kansas City Global Cities Initiative Steering Committee, were identified based on population and include the 15 MSAs immediately larger than Kansas City — Seattle, Minneapolis, San Diego, Tampa, St. Louis, Baltimore, Denver, Pittsburgh, Charlotte, NC, Portland, OR, San Antonio, Orlando, Sacramento, Cincinnati and Cleveland; and the 15 MSAs immediately smaller than Kansas City — Las Vegas, Columbus, OH, Indianapolis, San Jose, Austin, Nashville, Virginia Beach, Providence, Milwaukee, Jacksonville, Memphis, Oklahoma City, Louisville, Richmond and New Orleans.

4 kcrising.com/about/

5 Stone & Associates, "On the Threshold: Refocusing U.S. Export Assistance Strategy for Manufacturers." 2013

6 Stone & Associates, "On the Threshold: Refocusing U.S. Export Assistance Strategy for Manufacturers." 2013

Kansas City Metro's Export Scan

KC

US

Export Intensity

6%

8%

Export Share of GDP

8.6%

Rank: 55

9.6%

Rank: 55

Direct Export Supported Jobs

29,960

Rank: 38

30,640

Rank: 36

Total Export Supported Jobs

65,290

Rank: 37

64,590

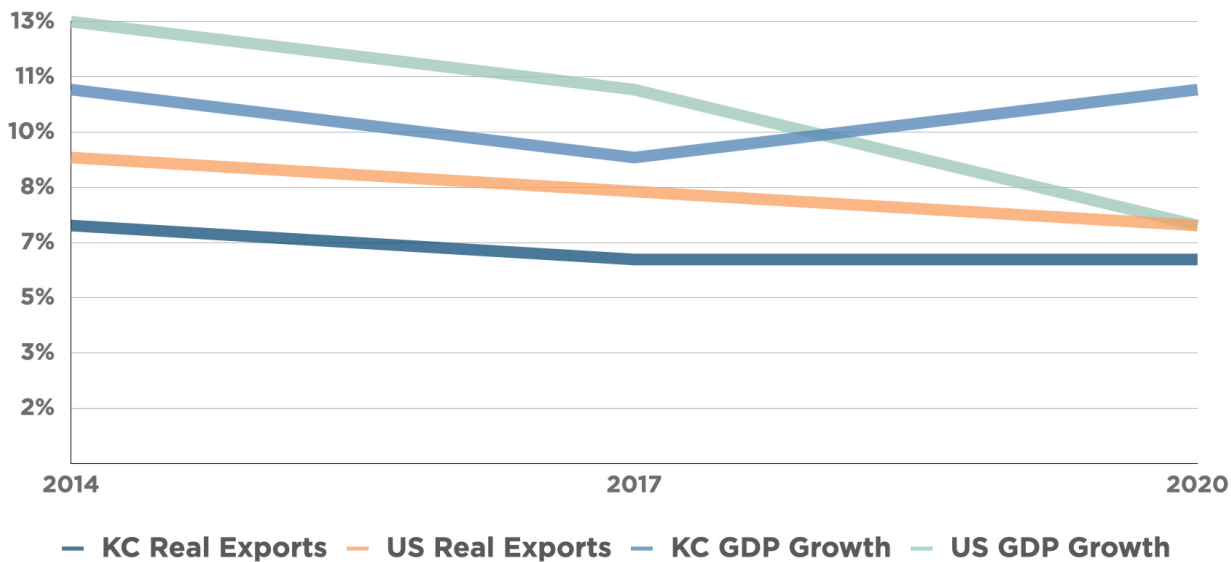
Rank: 36

Source: Federal Reserve, International Trade Administration, World Bank

CANADA
\$2.5 billion

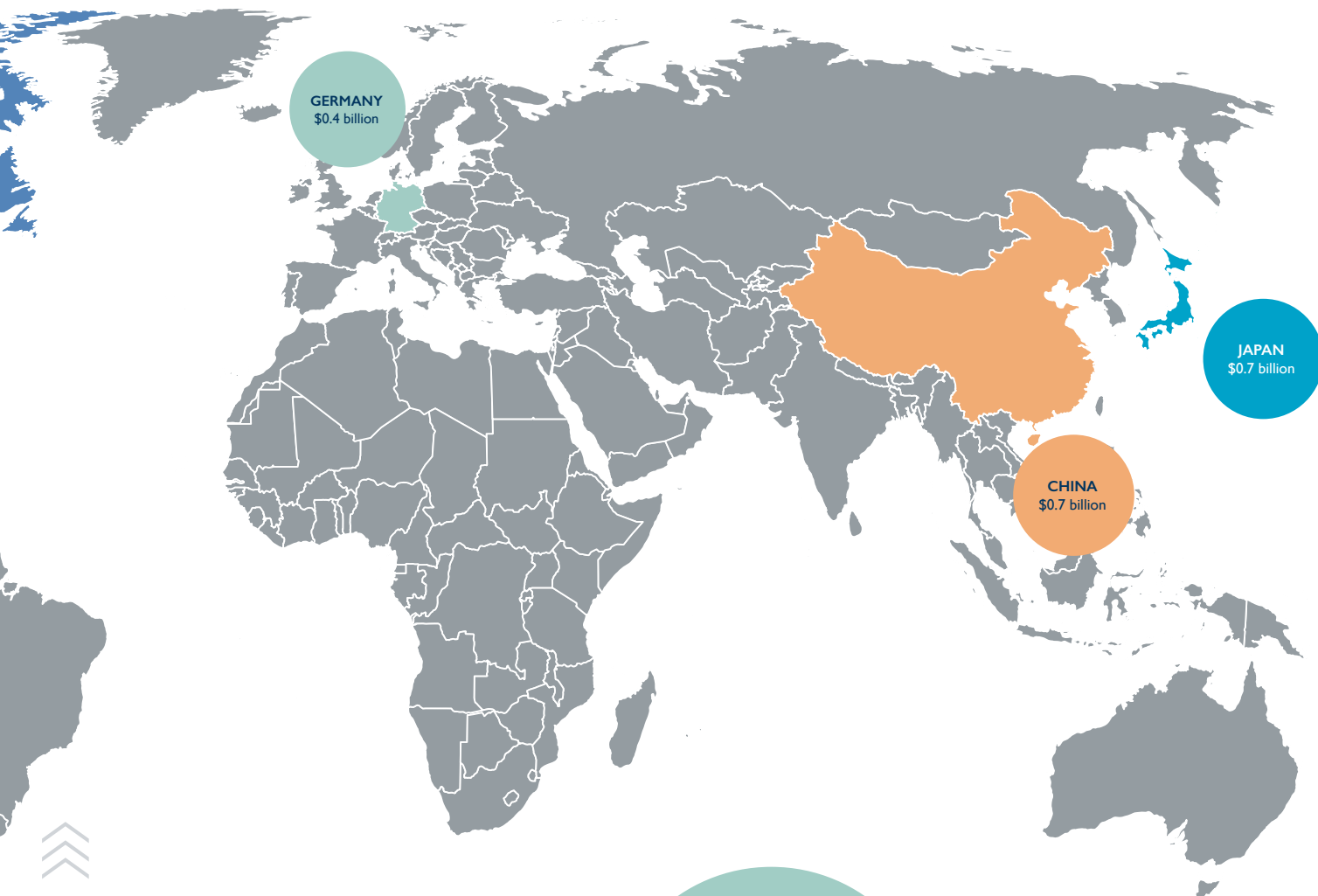
MEXICO
\$1.2 billion

Export Intensity



Sources: International Trade Administration, Federal Reserve Bank of Kansas City, World Bank

MARKET ASSESSMENT

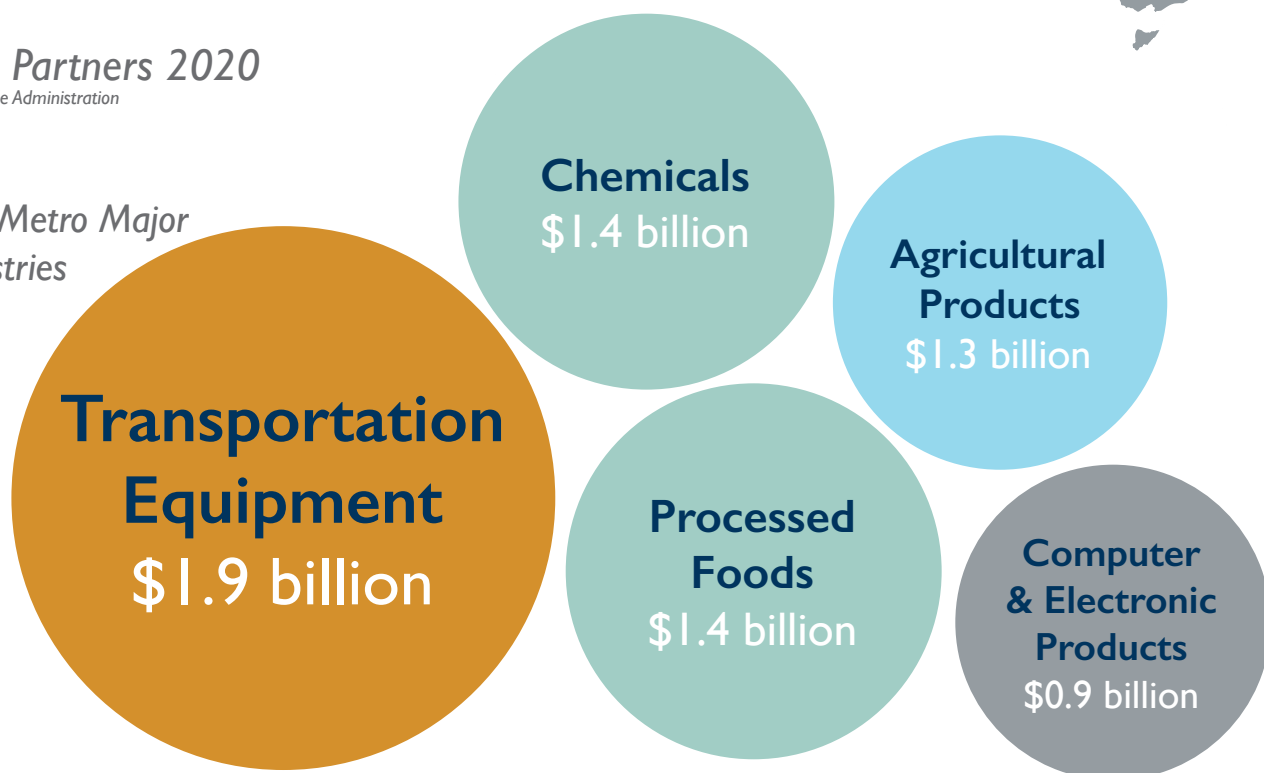


Top Export Partners 2020

Source: International Trade Administration

Kansas City Metro Major Export Industries

Source: International Trade Administration



MARKET ASSESSMENT



KEY FINDINGS

THE KANSAS CITY GLOBAL CITIES INITIATIVE (GCI) TEAM CONDUCTED A MARKET ASSESSMENT to capture direct input from the regional business community about export activity. Local companies (active exporters and non-exporters) and export assistance providers participated in interviews, surveys and focus groups to explore in depth the issues identified in the GCI Market Assessment. The assessment revealed seven key findings, which in turn guided the development of the Kansas City Metro Export Plan (KC-MEP).

1

ROBUST TRANSPORTATION INFRASTRUCTURE AND LOGISTICS PROVIDE AN ADVANTAGE

Due to the region's central location, it serves as a national crossroads. It boasts the professional expertise and physical infrastructure necessary to expertly adapt to and adopt innovation in logistics and transportation technology. The region continues to invest in transportation infrastructure, with a new airport terminal opening in 2023 and the Missouri River Terminal developing.

2

THE MAJORITY OF BUSINESSES SURVEYED DO NOT EXPORT

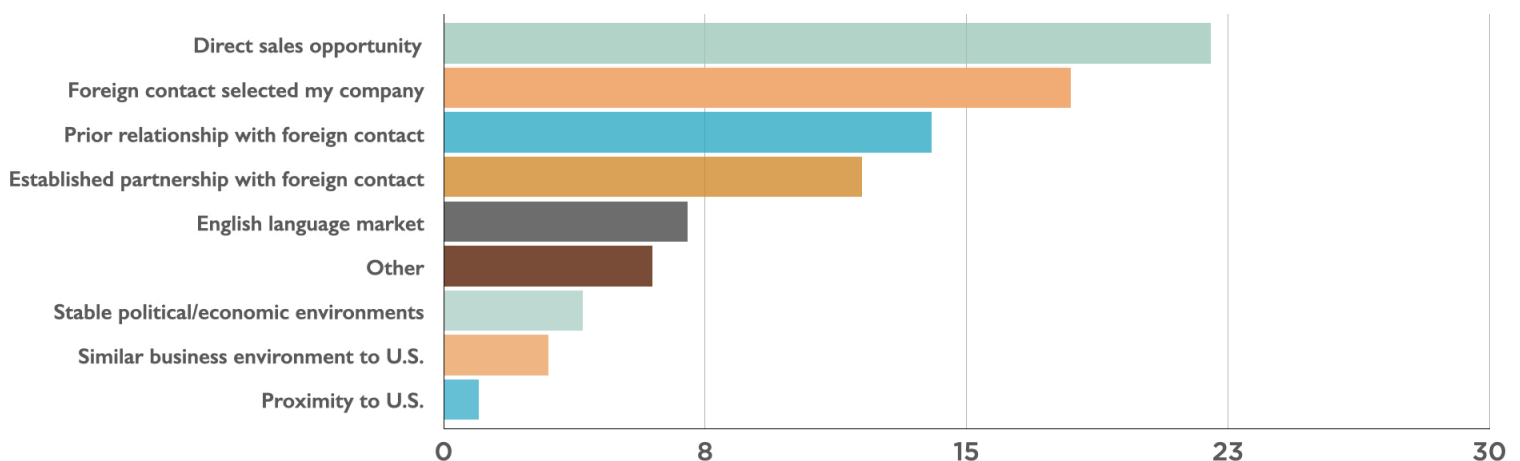
At the inception of the Global Cities Initiative (GCI) Metro Export Plan, most businesses surveyed in our regional trade assessment did not export. In our 2021 assessment, five years into this initiative, most companies surveyed do export. However, there is still room for growth, with 42 percent of respondents still not exporting.

3

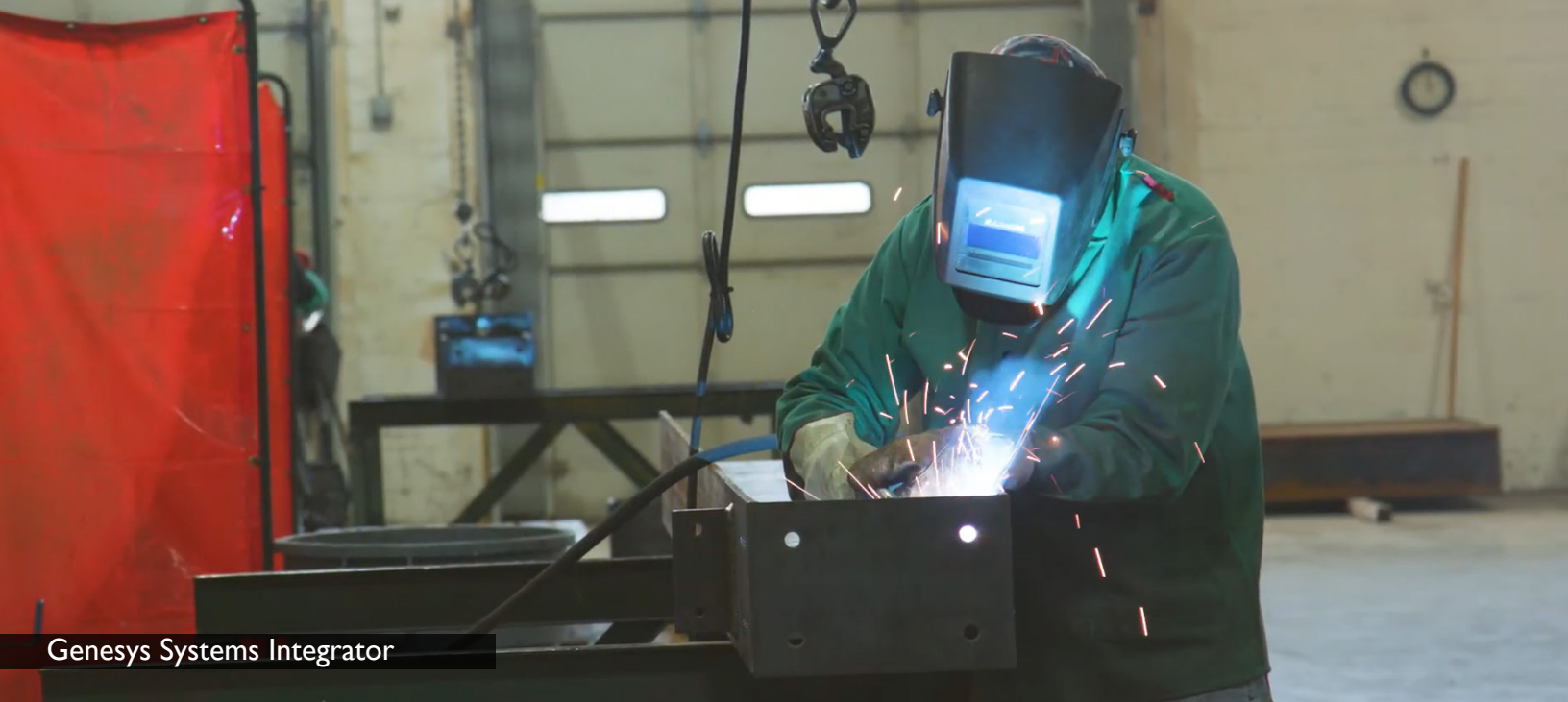
EXPORTS ARE NOT A PRIORITY

Respondents noted that the program is working well and is highly effective, highlighting its hands-on approach. The program could be refined to create a more straightforward path for businesses entering the program. The program has assisted 211 in total, with 85 currently active. Of those clients, 43 are new to export, and 38 are new to the market. Top industries include manufacturing, services, and wholesale trade.

Main Reasons for Exporting to Top Markets



Source: 2021 Regional Trade Assessment



Genesys Systems Integrator

SUCCESS STORY

Local business, Genesys Systems Integrator, designs, builds, and installs production and assembly equipment for large manufacturers. Known for implementing creative solutions to solve significant production challenges, they take pride in creating better, faster, and safer production lines.

With no standard line of products, as everything is custom-made for the client, Genesys knew they couldn't take the traditional route when they decided exporting was the next step in their business plan.

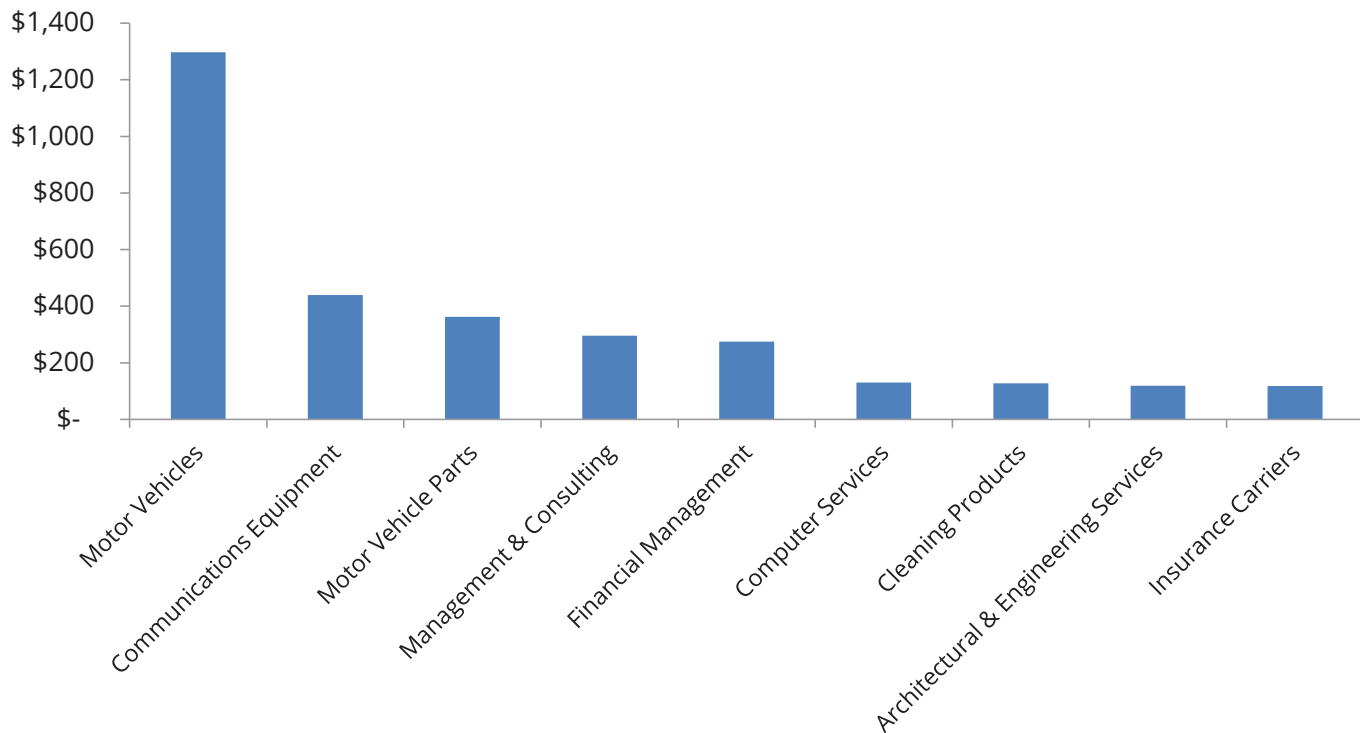
The company praised the Export Concierge program as “a great portal to start...initiatives or help expand exporting out of the Kansas City market.” Genesys does business in multiple countries worldwide and recommends that others reach out to the WTC-KC to start their exporting journey.

4

BUSINESSES ARE UNAWARE OF EXPORT SERVICES

A significant majority (85 percent) of companies surveyed were unaware of or did not take advantage of available export services. Nearly 20 export-related assistance providers in Kansas City offer various highly rated services.

Key Exporting Industries



5

SMALL AND MID-SIZED ENTERPRISES (SMEs) ARE RIPE FOR EXPORT EXPANSION

The KC international trade ecosystem lacks the group between start-ups and large, experienced exporters. The original MEP identified these mid-sized companies as ripe for export expansion. Additionally, respondents noted that there needs to be more awareness in the entrepreneurship community around the MEP. To engage these medium enterprises and entrepreneurs, we should meet them where they are and integrate them with existing services for these groups.

6

ECONOMIC DEVELOPMENT AGENCIES (EDAs) ARE GREAT POTENTIAL PARTNERS

Many different organizations provide resources for companies exporting. Local groups like Economic Development Agencies (EDAs) can play a significant role in connecting organizations with businesses that need their help.

7

EXPORTS ARE GROWING NATIONALLY, WHICH PRESENTS GREAT OPPORTUNITY LOCALLY

With chronic supply chain disruptions over the last two years, companies and exporters are developing contingency plans and are considering reconfiguring their supply chains.

GOALS & OBJECTIVES



Hallmark

© 2016 Hallmark Cards, Inc.

GOAL

Foster a competitive and robust regional economy by encouraging SMEs to think and act globally through direct local economic development efforts collaborating with an enhanced bi-state export assistance ecosystem.

OBJECTIVES

1. Enhance the coordination of the KC regional Export Assistance ecosystem to make companies aware of existing resources.
2. Enhance the export capacity of KC's mid-sized firms and connect 30 companies to export assistance providers annually for five years.
3. Improve Kansas City's export intensity to match or exceed the U.S. export intensity average in five years.



STRATEGIES & TACTICS



Kansas City Southern



Kansas City Aviation Department



Bayer



KC Royals

THE KANSAS CITY METRO EXPORT PLAN (KC-MEP) embraces four actionable and measurable strategies to address Market Assessment findings. The success of the KC-MEP can be quantitatively tracked and will make progress readily observable. The World Trade Center – Kansas City is charged with monitoring outcomes and reporting results to stakeholders.

Strategy 1

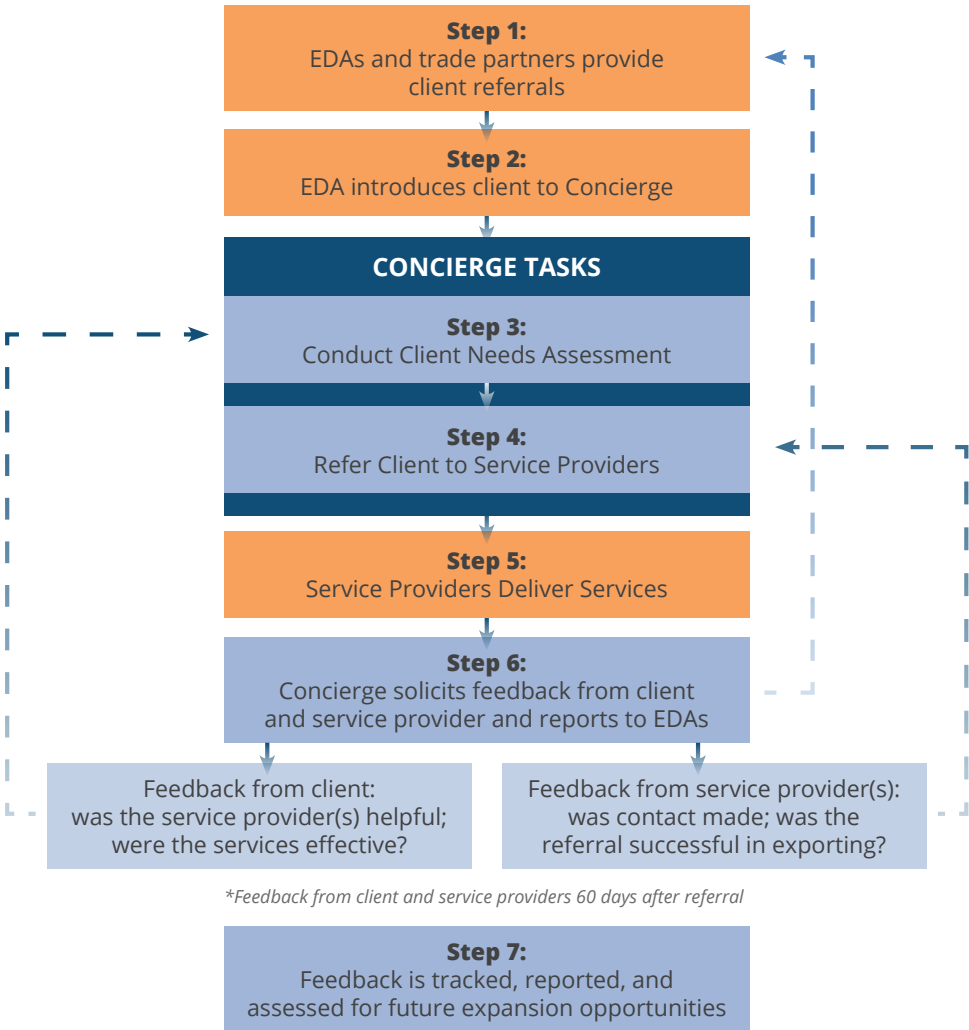
ESTABLISH AN EFFICIENT, COORDINATED & COMPREHENSIVE PATH TO EXPORT ASSISTANCE SERVICES

Consistent with the original regional trade assessment survey, the 2021 results showed that those who had used available export assistance services were highly satisfied with the outcomes. Still, most businesses did not take advantage of public services. The Export Concierge program has provided personal, one-to-one guidance to current and prospective exporters, helping them navigate-from entry to export-the complete process of entry into foreign markets. The program has been highly influential over the last five years. To continue growing, this chapter of the MEP will focus on recruiting and retaining engaged businesses and creating a clear pathway for companies entering this program.

TACTICS

1. Adjust current roadmap for existing export services.
2. Integrate services into business spaces.
3. Continue identifying, measuring, and reporting functional and pragmatic metrics for trade success.
4. Intentionally engage with minority and historically underserved groups/organizations to ensure their membership is aware and has access to available trade resources and services.

GREATER KANSAS CITY'S EXPORT CONCIERGE MODEL



Strategy 2

COLLABORATE WITH REGIONAL ECONOMIC DEVELOPMENT AGENCIES (EDAs)

Regional EDAs are local entities with the best connections to businesses at the right stage to begin or scale exports. As such, these organizations were one of the primary targets for referral sources for the Export Concierge program at the inception of the MEP plan. However, in practice, the GCI steering committee has faced obstacles in connecting with these agencies in a meaningful way. The consensus remains that regional EDAs are crucial in connecting business with the KC international ecosystem.

TACTICS

1. Assemble a work group focused on engaging EDAs.
2. Ensure an ongoing, consistent partnership is created that EDAs benefit from as well.
3. Develop a seamless referral system for EDAs to utilize.



KC Street Car Authority



Harley Davidson

Strategy 3

INCREASE EXPORTS AMONG SMALL AND MID-SIZED BUSINESSES (SMEs)

The original MEP focused on increasing exports in SMEs. However, the audit revealed that while the plan successfully grew exports in small businesses and engaged large companies, the program is missing mid-sized enterprises. Candidate groups stay the same: reactive exporters and non-exporting companies.

- Current reactive exporters – companies whose export transactions occurred as a result of unsolicited inquiries from international customers seeking their products or services or whose export sales were the result of a previous connection or relationship.
- Non-exporting businesses – companies interested in exporting but unsure where or how to begin.

TACTICS

1. Utilize working relationships with regional stakeholders (Chambers, EDAs, business associations, minority organizations, etc.) to engage businesses in the export assistance ecosystem.
2. Continue to host export-related events to highlight available trade opportunities and create programming targeted toward mid-sized enterprises.
3. Maintain a cohesive ecosystem of export assistance providers to ensure a consistent message is delivered that educational efforts and dignitary visits are part of a coordinated effort.
4. Add focused, strategic trade missions.



Strategy 4

HEARTLAND EXPORT ACCELERATOR

The World Trade Center – KC has received a federal grant to create an export accelerator program for the region. The program prepares businesses to compete and grow successfully in the global marketplace. Companies will have the opportunity to learn from and engage with international trade experts and graduate from the program with a customized, vetted, strategic export plan .

The educational programming covers critical sectors in an export plan, including finance, logistics, marketing, legal, and more. The program will conclude with mentoring sessions to aid companies in developing a personalized export plan. This program is a continuation of the pipeline for businesses participating in the Export Concierge program.

TACTICS

1. Work with regional stakeholders and partners to develop and launch the Heartland Export Accelerator.
2. Conduct ongoing measurement of outcomes through participant surveys, capturing export data, program satisfaction, and potential improvements to the accelerator.
3. Engage program graduates in the export assistance pipeline (trade shows, trade missions, other ecosystem opportunities).



KC TechWeek

POLICY PROGRAM FOR METRO EXPORT PLAN

The Greater Kansas City Chamber of Commerce will lead all federal, state, and local public policy advocacy agenda items. The WTC-KC will liaise between all GCI partners and the Greater Kansas City Chamber of Commerce by maintaining consistent communication on crucial policy issues that are essential for the KC-MEP's success. Public policy agenda items will be updated annually but may be amended as critical issues or policy needs arise.

All GCI partners will seek the support of federal, state, and local governments to increase export sales in the Kansas City region. The following policies will foster export growth:

- Adoption of free trade agreements to reduce or eliminate barriers to entry in new international markets
- Continue infrastructure improvements to allow for an efficient flow of products and services into global markets
- Continued funding for KC SmartPort, EXIM Bank, and the Trade Data Exchange
- Enhanced federal, state, and local government support of export services
- Immigration reform allows area businesses to attract and retain talent
- Modernization of U.S. export controls to enhance national security and competitiveness



This report was developed by the World Trade Center Kansas City, Greater Kansas City Chamber of Commerce, and Mid-America District Export Council through the collaboration of political, business and civic leaders within the Kansas City region. The conclusions and recommendations of this report are solely those of its authors and do not reflect the views of the Brookings Institution or JPMorgan Chase. The Brookings Institution is a private, non-profit organization. Its mission is to conduct high-quality, independent research and, based on that research, to provide innovative, practical recommendations for policymakers and the public. Brookings recognizes that the value it provides is in its absolute commitment to quality, independence and impact, and makes all final determinations of its own scholarly activities in the Global Cities Initiative, including the research agenda and products.

ABOUT GCI

The Global Cities Initiative (GCI) is a joint project of the Brookings Institution and JPMorgan Chase to help business and civic leaders grow their metropolitan economies by strengthening international connections and competitiveness. GCI activities include producing data and research to guide decisions, fostering practice and policy innovations, and facilitating a peer learning network. For more information, please visit www.brookings.edu/projects/global-cities or www.jpmorganchase.com/globalcities.



www.wtc-kc.com

