



STATE OF NEW HAMPSHIRE BUSINESS RECRUITMENT AND EXPANSION STRATEGY

Executive Report

Following the economic disruption of 2020, the State of New Hampshire Department of Business and Economic Affairs (BEA) was eager for a fresh perspective to guide its business and investment attraction efforts.

The Department has had great success in promoting the quality of life and tourism assets that are critical to talent attraction for New Hampshire businesses. Moving to the next level of their work, BEA recognized the need for an approach that focused on the business environment and ability to attract jobs and investment.

The Department wanted an approach that considered the state's most competitive sectors for attraction, refined and clarified the messaging and channels for marketing, and provided guidance on how to present the state's opportunities to the right audience.

In coordination with efforts related to understanding the New Hampshire Life Sciences sector and the state's workforce opportunities, BEA initiated a business recruitment and expansion strategy to guide the BEA and their partners' efforts in the immediate- and mid-term.

The effort included significant research and data collection around the state's target industries, a state perception survey of non-New Hampshire based businesses, stakeholder interviews with industry and statewide leaders, best practice review, and strategic thinking around resource allocation.

The resulting strategy establishes protocols, programs, tactics, and approaches to attract private investment to New Hampshire.

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New Hampshire Department of
**BUSINESS AND
ECONOMIC AFFAIRS**



FINDINGS

Research and data analysis indicate that the sectors with the greatest potential attraction opportunities for New Hampshire are **Life Sciences** and **Advanced Manufacturing**. Subsectors of these two larger clusters are listed below with details about why they are important opportunities for the state.

PHARMACEUTICAL & MEDICINE MANUFACTURING

- This subsector presents a strong health-related opportunity for business attraction with **high wages, diverse occupation and skill requirements, and high out-of-state export potential** due to the proximity to Ivy League institutions.
- The industry added over **500 jobs** in New Hampshire between 2016 and 2021, representing a **growth rate of nearly 40%**, adding to the existing life sciences hub.

MEDICAL DEVICE MANUFACTURING

- New Hampshire has a high concentration of Medical Equipment and Supplies Manufacturing with **steady employment growth of 8%**, creating a strong supply chain to attract larger biotech firms.
- A **growing Life Sciences network** and **proximity to Boston, high wages, and a high degree of out-of-state exports** make it a strong fit for industry attraction.

COMPUTER AND ELECTRONICS MANUFACTURING

- Continued **growth in electric vehicles (EV), solar power, household electronics, and onshoring of semiconductor manufacturing** increases market share opportunities for New Hampshire to grow this subsector.
- New Hampshire has the **skilled workforce, supply chain, and site availability** to attract computer and electronic manufacturers.

AEROSPACE AND DEFENSE

- New Hampshire has an **above-average number of residents working in engineering occupations**, making it a competitive location for manufacturers of advanced textiles, adhesives, plastics, rubbers, fabricated metal products, and industrial machinery, many of which also produce components for this subsector.
- It is a stable industry with a projected **growth rate of 3.42%**, and New Hampshire has the supply chain, land availability, and coastal/airport access companies are looking for.

INFORMATION TECHNOLOGY

- This is the smallest, yet fastest-growing subsector and offers average **earnings per job well above \$150,000**. Collectively, this sector added **over 5,000 jobs** to New Hampshire's economy between 2016 and 2021. New Hampshire has a **strong supply chain** for computer and electronic components, a **high concentration of engineers, and proximity to Boston**.
- There is a high rate of out-commuting in this occupation group, with over 2,200 resident workers (nearly 10%) working outside their state. The proximity to Massachusetts, higher education institutions, and the possibility to **retain the out-commuting residents** give New Hampshire the workforce advantage to recruit technology companies.

During the fall of 2022, Camoin Associates conducted a series of 45- to 60-minute phone interviews with several industry leaders and economic development professionals from around New Hampshire.

These interviews were designed to learn about key challenges and opportunities for current businesses in the state, and how that could be translated into a business attraction strategy. The following is a summary of the key findings of these interviews, which will be integrated into the final strategy to inform tactics and messaging.



Challenges

Housing Affordability and Stock

There is a significant housing crisis including affordability and housing stock.

Labor

Employers are finding it hard to connect with skilled workforce across industries (particularly in less populated areas of the state).

Resources

Start-up resources for entrepreneurs are scarce including investment opportunities, networking, and collaboration across sectors.

Energy

High energy costs impact business expansion and attraction.

Infrastructure

Limited infrastructure at commercial development sites, including access to broadband, water, sewer, and roads impacts site development potential and talent attraction.

Childcare

Access to affordable childcare or diverse childcare options (especially in low-density areas).



Needs

Focused BRE Brand

Define and promote the New Hampshire brand: Personality, voice, and identity.

Place-Based Collaboration

There is an opportunity for more collaborative workspaces for remote workers, tech companies, and entrepreneurs.

Site Readiness

Improve and expand site development and site readiness across the state to attract businesses (i.e., water/sewer hookups, transportation access, broadband).

Leadership

State and regional leadership to align broad economic development goals, initiatives, and long-term plans to connect localities to each other and the State. Need to strengthen economic infrastructure to survive changing political environments.

New Hampshire's Business Attraction Value Proposition



Tax-free

- No sales tax and no income tax
- Major tool for workforce recruitment and retention



Friendly Business Environment

- We are glad that you are here” attitude
- State and local permitting is fast and predictable



Location

- New Hampshire is central to Boston, New York, and Canada for accessing supply chains and recruiting talent and businesses
- New Hampshire is central to major cities which increases access to transportation (Manchester-Boston Regional Airport, Logan International Airport; Highways [I-91, I-93, and I-89]; and Amtrak/Rail)
- Access to the most highly educated multi-state workforce in the country.
- Alignment with the University of New Hampshire, an R1 research institution



Quality of Life

- Outdoor recreation
- Low crime rates
- Strong public school system
- Affordable real estate if compared to Connecticut, Massachusetts, and New York markets

Best Locations for Investment and Business Attraction (either relocation or expansion)

New Hampshire's location, workforce, and existing industry clusters are ideal for business attraction from geographies that may have higher land costs and more difficult business regulations but that are in need to access to top talent.



PRIORITIES

The New Hampshire Business Recruitment and Expansion Strategy is organized into four groups:



Organizational Structure

Modification of the current organizational structure to support implementation and modern economic development practices.



Value Proposition & Messaging

Continue to build off successful statewide marketing efforts highlighting the state's advantages.



Website, Digital Marketing Tools & Site Selection Information

Modernization of current digital marketing infrastructure to remain relevant and increase efficiency in outreach.



Marketing Campaign Tactics By Subsector & Industry

Focused strategies and tactics for the sectors with the most competitive advantage.

Implementation of the strategy will ensure that the State of New Hampshire is able to **capitalize on opportunities to attract and retain private sector investments and jobs.**

The plan has been designed to be useful to not only the State, but also the Collaborative Economic Development Regions (CEDRs), who were established to create stronger regional collaboration system and will be able to use certain tactics to support business attraction efforts.

Each of these groups is followed by a series of strategies, tactics, and programs to improve the State's business recruitment efforts. All strategies are important to the future of New Hampshire's ability to attract jobs and investment, but the following are priorities for focus and resources allocation in the near future:

Build on the state's successful tourism and economic development marketing efforts. Continue to demonstrate the state's value proposition for business attraction. Focus on issues critical to businesses right now, including business friendliness, low regulations, low taxes, and skilled labor availability. Showcase how New Hampshire will address these issues in a welcoming, accommodating, and mutually beneficial way.

Modify and enhance the State's website and digital marketing approach. Improve the website to include the information site selectors gather during preliminary location searches, monitor and incorporate the latest Search Engine Optimization tools, and maximize results from digital outreach. Establish a coordinated outreach and relationship nurturing effort that includes using a customer relations management tool, LinkedIn outreach technology, ProspectEngage™ website tracking and follow up, direct email, and newsletter marketing.

Evaluate the current organizational structure of BEA to ensure parity with current best practices in economic development organization management, including assessment of the functions performed, areas of expertise, and resources allocated. Consider opportunities to enhance the state's capacity for business-focused marketing, data analytics, and target industry sector focus.

Focus efforts around key opportunity sectors of Life Sciences and Advanced Manufacturing to maximize potential success and leverage existing state advantages. Allocate resources to increase the State's capacity to understand and track trends in these sectors and pursue digital and in-person marketing efforts in key geographies.