

Governor hones art of elevator pitch to rebuild Rhode Island

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After enticing General Electric to plant a new software engineering office in Rhode Island, Gov. Gina Raimondo is setting her sights on PayPal, SolarCity and other firms she hopes could transform the smallest state's lagging economy into a high-tech hub.

And to get Rhode Island on their corporate expansion maps, the jet-setting Democrat and former venture capitalist is taking a carefully crafted elevator pitch to C-suites in Silicon Valley and elsewhere. She's not the only governor making direct appeals to CEOs and offering their companies generous subsidies, but the zeal she has brought to the effort has caught the attention of business leaders.

"I think I may do it a little more because our state really needs it," Raimondo said in an interview. "My goal is to get Rhode Island in the room where decisions are being made."

Raimondo's strategy has also been to pounce on sudden opportunities.

With PayPal, it was the North Carolina transgender bathroom law that sparked her action.

She made a call to PayPal after the payments company announced in April it was canceling plans to open a 400-employee global operations center in Charlotte in protest of North Carolina's new law requiring people to use bathrooms that match the gender on their birth certificates. Raimondo touted Rhode Island's inclusivity and its history as the second

state to prohibit discrimination based on gender identity or expression.

She has since met with PayPal executives at their San Jose, California, headquarters, and again in New York, and said talks "remain in process." She has declined to say more.

For GE, it was a Connecticut tax dispute a year ago that led the 124-year-old giant to float the idea of relocating its headquarters.

"I read they were thinking of leaving Connecticut," she said. "I picked up the phone and called."

Rhode Island was the underdog when Raimondo traveled to suburban Fairfield, Connecticut, to persuade the company to choose Providence for its new home, and eventually lost the bid to nearby Boston.

But Raimondo was "absolutely, unequivocally relentless" in pushing for a branch office instead, GE Chief Financial Officer Jeffrey Bornstein has said, joking that the company committed "after my 75th call from the governor" to open the 100-person GE Digital office in Providence. GE is seeking about \$5.65 million in state incentives for the move.

For SolarCity, emails obtained by The Associated Press through a public records request show it was more conventional networking that led to a California meeting last month between Raimondo and CEO Lyndon Rive.

"He committed to adding jobs here," Raimondo said, in part thanks to recently passed legislation that expands credits for solar power. And her talks with Connecticut-based ESPN have led to Rhode Island becoming a finalist for the annual X Games, an extreme sports event.

It's not known what other companies Raimondo has met. Her

administration responded to an AP records request for details of her California trip by showing the cities where she held meetings but disclosing only a handful of companies she visited, including San Francisco car-shopping startup Shift.

"If companies believe their economic development discussions with Rhode Island may be discussed publicly, they may be reluctant to meet with us," wrote Andrea Iannazzi, Raimondo's special counsel and [public records](#) officer. "Employers may justifiably worry that premature publication of potential future moves or expansions could be disruptive or pose adverse consequences relative to their employees, shareholders, competitors and other stakeholders."

Iannazzi also wrote that if the talks are publicized, "other states are likely to compete—putting Rhode Island at a strategic disadvantage."

The state-by-state race to attract expanding businesses can be costly and highly competitive, as state governments arm themselves with ever-higher tax breaks and incentives to win companies over.

A policy analyst commissioned by the Raimondo administration to help craft the state's economic priorities last year said Rhode Island will need much more than company attraction efforts to rebuild a workforce hit hard by the recession and a decadeslong manufacturing decline.

"Attraction strategies can be helpful if they're targeted on the right kind of technologies that resonate with the strength of the state," said Mark Muro, a senior fellow at the Brookings Institution's Metropolitan Policy Program. "In the long run, attraction isn't going to rebuild the state economy. But a series of smart, near-term, incremental wins can be very helpful."

Muro counts the GE Digital office as a "serious win" because it pairs

Rhode Island with a cutting-edge division of GE's business, drawing on the strengths of nearby schools such as Brown University and the Rhode Island School of Design.

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