

**Annual Meeting Speech**  
**7:30 a.m., October 27, 2011**  
**Café 4**

**I. Welcome**

I'm here this morning to report on the 2010-11 fiscal year of the Knoxville Chamber. This is a year in which the Chamber launched new products and services such as a one of a kind business health risk assessment and a cutting edge online membership directory, aggressively advocated for pro-business policies, pursued new businesses and helped existing businesses grow, and focused on mentoring small women-owned, and minority companies. The Chamber also continued to advocate for high educational achievement both locally and across the state and country.

No other chamber of commerce in the country is as innovative as the Knoxville Chamber. And now we have the award to prove it! Good morning. I'm Mitch Steenrod, chairman of the board of directors of the Knoxville Chamber, the 2011 Chamber of the Year.

In 2009, the board of directors cast a vision for transforming the organization into one that aggressively delivers member benefits and vigorously represents the business community. We have not achieved the 5-year goal of making Knoxville America's Best Business Address, but we are actively pursuing it and the American Chamber of Commerce Executives recognized our efforts by naming the Knoxville Chamber the 2011 Chamber of the Year.

One of the Chamber's core values is to be a national leader. A part of the employee culture is to constantly improve, to challenge the "normal" way of doing business, and to develop cutting-edge products and services. This award is recognition of our ability to innovate. However, this isn't an end. Winning the Chamber of the Year award validates the work we have done and will inspire this fantastic staff to push harder.

The Knoxville Chamber is also Chamber of the Year because of its outstanding members. Companies from across the region – both large and small – are committed to making Knoxville a thriving business community and are committed to supporting this organization. I want to thank the Chamber members with us this morning; your presence is representative of your support.

In addition, the Knoxville Chamber works with outstanding partners. Those include the organizations that share office space with us – the Central Business Improvement District, Leadership Knoxville, The Tennessee Small Business Development Center, The Development Corporation, and the Department of Commerce Export Assistance Center. It also includes the Innovation Valley partners, and perhaps most importantly, the City of Knoxville and Knox County.

I want to recognize the city of Knoxville and Knox county elected officials with us this morning. Will all those here please stand. *[Applause]* Thank you for your service.

The Chamber works under contract with both the city of Knoxville and Knox County to perform economic development services. This relationship – a true partnership – has been valuable for both the governments and the business community. Together the city, county, and Chamber work to expand our industrial base, help existing businesses, and plan for our economic future. These efforts help to broaden the tax base while keeping taxes low and allow for the support of schools and neighborhood services making this a great place to live and work.

## **II. Call to Order**

I'd now like to call this meeting of the board of directors to order.

The members of the board are seated on the stage. They characterize the varied and diverse economy with which the Knoxville region is blessed. Consisting of small and large businesses, service and manufacturing companies, and minority- and women-owned firms, the directors represent the Chamber's multifaceted membership well.

They commit a substantial amount of time to the Chamber. They lead its committees and work to maintain the organization's strengths and identify avenues for improvement. Thank you for your service and leadership.

We have a lot to be proud of this fiscal year – a year in which we ended with net income from continuing operations before depreciation expense of \$ 30,839 and a total membership of 2,090.

## **III. Accomplishments**

2010-11 was the first year of implementing a comprehensive, 5-year strategic plan. The plan is a roadmap that will lead the Chamber toward its goal of making Knoxville America's Best Business Address. The plan includes a series of objectives and strategies along with specific tactics that guide the staff's daily activities. Above all, the strategic plan is a tool that allows the board, and the entire membership, to measure progress and understand the return on investment.

A report card is presented to the board each quarter and the first-year annual report card will be available online after this meeting. We are making great progress and I'm happy to highlight some of the organization's many accomplishments.

Last November the Chamber received a Four-Star Accreditation from the U.S. Chamber of Commerce. The high grade is a testament to the effort of the staff, board, and volunteers. This was the first time we applied for accreditation and it required a

serious review of the Chamber's operations and procedures, finances, and membership benefits and programs.

Speaking of member benefits, the Chamber introduced several new programs this fiscal year.

Chamber Member MD and Chamber Member Rx were launched to member and nonmember businesses throughout the region in March. Much like a personal health risk assessment, the business analysis tool helps to identify a company's strengths and weaknesses, and provides an individualized plan for making a business stronger. No other chamber of commerce in the country has a similar product or service. The program has received national attention, and chambers from across the nation are beginning to inquire about licensing it.

In October, we introduced iKnowKnoxville.com. The interactive, online business directory allows Chamber members to have detailed listings, post coupons, and use the available multimedia functions. Visits from area businesspeople, residents, and visitors have increased steadily throughout the year.

The Knoxville Chamber nominated eleven companies for the U.S. Chamber DREAM BIG Small Business Awards. Nominees for this prestigious national award were all past Pinnacle Award winners. Prestige Cleaners was one of seven national finalists for the Small Business of the Year Award, and several other Knoxville businesses were recognized as Blue Ribbon Awards and Free Enterprise Honorees.

Speaking of awards, in addition to the Chamber of the Year Award, one Knoxville Chamber staff member was recognized by the American Chamber of Commerce Executives as the ninth ranked sales executives in the country. Ashleigh Adkins received the Gold Circle of Champions Lifetime Achievement Award for helping 1,000 members join during her eight years with the Knoxville Chamber.

The Chamber continued to produce many outstanding events in 2010-11, including the Pinnacle Business Awards and the tremendously popular Schmoozapoloza. We also increased the number of legislative- and government-related events including a breakfast with Governor Haslam and Commissioner Huffman and lunch with Senator Corker.

The organization amplified the voice of the business community on many policy issues. The Chamber led the effort to delay and reconsider the Metropolitan Planning Commission proposed Hillside & Ridgetop Protection Plan, which I'll talk about more in a bit. The Chamber influenced legislation being considered in Nashville and continues to be one of the leading business voices on education. In fact, Mike Edwards has been appointed to the Tennessee Board of Education and is regularly called on to speak about the importance of business's active engagement in education.

In 2011, the Chamber directed the Educators in the Workplace Program, which allowed 102 teachers from across the region to visit area businesses and experience how classroom skills are applied in the workplace. In addition, the Chamber increased its efforts to raise awareness of the importance of STEM – science, technology, engineering, and mathematics – in our region’s workforce and in our students’ education.

The Chamber is nearing the completion and deployment of the Education Management Information System it has been developing with Knox County Schools. This software program transforms the massive amount of data the school district routinely collects into actionable knowledge. With this new knowledge educators are better equipped to manage to the student outcomes that the school system adopted in its 5-year plan. The resource allows teachers to track the progress of each student and administrators the ability to create accurate budgets. Gary Spencer has been the key person developing this system for the Chamber. His expertise in budgeting, administration, and management systems has made this project possible and resulted in the development of a system that will be a national model. I’d like to ask Gary to stand and let us thank him for his excellent work.

*[Applause]*

In this sluggish economy the Knoxville Chamber has been working hard to help existing businesses survive and grow. The Chamber is the lead agency in the regional economic development program, Innovation Valley, and it has been aggressively marketing the Knoxville-Oak Ridge area. That has included twenty-three outbound missions or face-to-face interactions with site selection consultants and corporate real estate executives.

Existing businesses were supported through 242 on-site meetings as a part of the Chamber’s Technology Mining & Matching and Business Retention & Expansion efforts. Chamber employees and partners meet with companies to identify barriers to growth and discuss incentives, grants, and training programs.

The Chamber’s PROPEL Program, which supports small, woman-, veteran-, and minority-owned business development, had another tremendous year. It continued to facilitate mentor and protégé relationships that lead to new contracts and better business practices by the participating small businesses. In addition, 172 companies took part in business visioning sessions, which provide valuable information about locating and securing customers, developing partnerships, and government contracting. In July, The U.S. Small Business Administration presented the Tennessee Minority Small Business Champion of the Year award to Doug Minter for his hard work on the PROPEL program.

The 2010-2011 fiscal year was a good year for the Knoxville Chamber. There are many more accomplishments listed in the annual report, which you can download from the Chamber’s website [www.knoxvillechamber.com](http://www.knoxvillechamber.com). It details the Chamber’s

many accomplishments – accomplishments like new members and member benefits, economic development activities, and advocacy efforts. You will also find the year-one report card that demonstrates the progress we've made in implementing the strategic plan.

#### **IV. Challenges and Opportunities**

I am looking forward to continuing the work on that strategic plan and the exciting journey toward making Knoxville America's Best Business Address. However, there are some challenges and opportunities that lie ahead; I want to briefly discuss some of those.

Census Bureau numbers released in September that showed a 2.3 percent decline in median income in 2009. Household income across the nation fell to its lowest level in more than ten years in 2010 and poverty was at a 17-year high. Unemployment in Knox County has hovered around 7½ percent for more than a year and nationally at just over 9 percent for three years. Many have been unemployed for years and the frustration with the slow economic recovery has resulted in demonstrations in cities across America. However, that energy should not be channeled towards holding corporations back, but instead to set entrepreneurs free to create new products and services and to produce the jobs we all want and need.

While the Knoxville region fared better than most during the Great Recession, we are currently stuck in the same economic doldrums as the rest of the country.

We all need a kick-start to get the economy humming again, and our national leaders must lead. They need to be courageous enough to disregard the polls and look past the next election. They must deal with the national debt and the national economy. "Compromise" has become a dirty word among politicians instead of a principle built into the American system by the Founding Fathers. We call on all our elected leaders to find solutions instead of seeking political leverage. Do what is right instead of what is advantageous. And work for the good of the electorate instead of pandering to the voters.

Another national issue we must address is legal immigration. The Knoxville Chamber recently joined the Partnership for a New American Economy. Richard Bloomberg formed this group of business leaders and mayors from both parties to seek ways to address America's failed immigration policies because it makes economic sense.

Let's be clear here, we believe that America must secure its borders and prevent illegal immigration through tougher enforcement and we must hold businesses accountable for purposefully hiring illegal immigrants. But, we must also increase opportunities for highly skilled workers and entrepreneurs to enter and foreign students to stay in the United States.

An immigrant or children of immigrants founded 41 percent of Fortune 500 companies. People from across the world want to come to the United States to start a business because it is a land of opportunity. The companies those immigrants create employ Americans of all backgrounds – millions of Americans. And it's not just the work of the entrepreneurial immigrants that result in new jobs. One study demonstrates that for every H-1B visa provided to an immigrant working at a U.S. technology company, employment increases at that business by five workers.

Currently, 85 percent of visas the United States issues are for families seeking reunification or refuge from harm. We are a nation with a big heart and we should provide those visas, but that means that only 15 percent are given for economic reasons. We must change that ratio.

We must also provide a path for foreign students earning advanced degrees in technical fields from U.S. universities to work here permanently.

Two-thirds of those earning a computer science or engineering Ph.D. from U.S. institutions are foreign students. These are the talented people that develop new products, make technology breakthroughs, drive businesses, and create jobs. They are already on American soil, and it is an economic imperative that we work to keep them here. The U.S. is a nation of immigrants and we must fix our immigration system.

Let me focus on some local issues.

Economic development in Knoxville area has been slow. While the Chamber's economic development team has helped some local businesses expand – companies like Republic Plastics, Green Mountain Coffee, Scripps Networks Interactive, Melaleuca, TeamHealth, and Canberra – we have not seen the amount of job creation and new business announcements we'd hoped for.

Bill Baxter, CEO of Holston Gasses recently called the announcement that his company was expanding to the I-275 corridor, investing more than \$10 million, and creating 30 new jobs a "solid single." To carry out the metaphor, most job production comes from existing businesses "manufacturing runs" with singles, doubles, and steals – that's the way it should be and the Chamber is aggressively working with Knoxville area companies every day to help make that happen. We are also working very hard at hitting a few homeruns. The number of companies looking at the Knoxville region is sizeable, and the Innovation Valley partners are working collaboratively on many of those. As the economy improves these companies will begin to make location decisions and we must be unyielding in our efforts to encourage them to choose the Knoxville region.

The Knoxville Chamber's economic development efforts are embodied in the Innovation Valley program. This powerful regional economic development program has made this region a known entity to site selection consultants and corporate real

estate professionals across the country and the world. Gov. Bill Haslam has used Innovation Valley as the model for his regionally focused, statewide economic development program. He understands that each location must identify its business advantages and capitalize on those when recruiting businesses or helping existing companies grow.

Because of our efforts, business leaders understand the intellectual and research assets we have. The recently established Carbon Fiber Consortium at the Oak Ridge National Laboratory, which Innovation Valley is administering, will expose our business advantages to more of the world's leading corporations. We must have the ability to capitalize on those.

In this, the fourth year of the successful Innovation Valley program it is critical that we maintain its momentum and funding. Both private investors and local governments must continue to support the program because it is important for our long-term economic health, we must add new investors, and we need you to become engaged and involved. The local business community can become a major recruiting asset if we are all sharing the benefits of this region with our friends and business associates.

Education and workforce development are other key economic development initiatives the Chamber is supporting. The organization became an advocate for education reform because it makes economic sense. In the future, the communities that have the best-educated workforces will attract the best, highest paying jobs. We obviously want Knoxville to win that competition.

Tennessee has made significant steps to improve K-12 academic standards and identify the best classroom teachers. Tenure reform and an empirically based teacher evaluation system are important reforms championed by Gov. Haslam and passed by the General Assembly in 2011.

Multiple studies by Dr. William Sanders, the father of value-added educational research, have shown that teachers are the most important factor in a child's education. A great teacher can have tremendous influence of students' ability to learn, and an unskilled teacher can be something a student never recovers from.

A vocal minority of teachers and principals across the state are beginning to criticize the teacher evaluation system. They need to understand that the system is not a punitive measure but rather one designed to help teachers and principals get better at their profession. While evaluations are common practice in the private workplace today, Tennessee's teacher evaluation system is new and it will improve as it is used, weaknesses are identified, and corrections are made.

It's important that the business community and members of the Tennessee General Assembly understand that educators are professionals and that objective evaluations should be part of their professional development. Together we must

stand against any effort to weaken these evaluations and all of Tennessee's recent K-12 and higher education reforms.

Over the past eight months the Knoxville Chamber has been involved as the Knox County Commission and Knoxville City Council consider MPC's proposed Hillside & Ridgetop Protection Plan. I believe that we are close to a resolution.

MPC has acknowledged that its original plan was flawed, and has proposed some fairly extensive revisions to the original plan including the addition of a whole new implementation section. Many of the revisions are intended to address the issues raised by the Chamber and they incorporate the core concepts from Plan B, the Chamber's alternative slope and ridgetop plan. Perhaps most importantly, the revisions make it clear that the plan is advisory only and confirms that Council and Commission have final say on development proposals, regardless of what the hillside plan says. That is exactly what Plan B was intended to accomplish.

The Chamber became involved in this process because land use decisions are critical to our community's ability to grow economically. We must have the flexibility to attract jobs, allow existing businesses to expand facilities when necessary, and provide affordable and attractive housing for new employees. We must also have development codes that are easy to understand and that do not present a barrier to business.

Let me be clear, we strongly believe in the protection of our unique and important scenic viewscapes – in fact, the Chamber called for more protection of the ridgetops than MPC. But we also know that no one can see the future and Knoxville and Knox County need to have the ability to attract jobs as national and international markets change.

The Chamber will continue to be involved in local policy decisions and it needs the active participation of its members to ensure that the Knoxville region remains a business friendly place.

## **V. Questions & Answers**

Thank you for your time and attention this morning. I invite and encourage you to take full advantage of your Chamber membership. Please use its resources and get involved.

I will now take any questions you might have.

## **VI. Adjourn**

Thank you for attending the Chamber's annual meeting.

Do I hear a motion from the board to adjourn? A second? All those in favor say "aye," any opposed?

Have a great day. We are adjourned.