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**Chad Chancellor:** Welcome to this week's episode of the Next Move Group We Are Jobs podcast focused on creating economic growth for small to mid-sized companies, communities, and non-profit organizations. I'm Chad Chancellor, co-founder of Next Move Group. Today, we've got a special guest with us, Rod Miller.

Rod is the CEO of Invest Puerto Rico and frankly, he's one of the best known economic developers in the country. Prior to running the Puerto Rico economic development organization, Rod served

as economic development and the CEO in both New Orleans and Detroit. Prior to that, he was economic development staff member in Phoenix in Baton Rouge.

He's been ranked the top 50 economic developer by Consultants Connect and IEDC actually awarded him as the best young economic developer in the county a few years ago. Rod's got a Master's in Public Policy from Harvard.

So, Rod, it is an honor to have a smart intelligent guest with us today. I hope I can ask questions to keep up with you, but thank you so much for joining us. I got to know you during your time in New Orleans and you are still so well thought of here for the job you did here. So, I just respect you very much and have followed your career and I'm very excited to have you with us here today on our program.

**Rod Miller:** Thank you. Thank you for having me.

**Chad Chancellor:** One of the reasons I respect you so much is you did New Orleans, then Detroit, then Flint. I know you did some work in Flint, Michigan after the water crisis. So, considering you sort of handle disaster situations and went into places that were really in trouble, what motivates you? What's your passion? Why are you drawn to doing this work?

**Rod Miller:** Well, it's two things. One is an optimism. There's an optimism that I believe that there are opportunities in these markets. Not only are there opportunities in these markets, I think, by and large, the people in these markets and the assets of these markets are largely seen as deficits when they actually should be seen as selling points.

The approach is fundamentally an approach where you go in and you say there is untapped value here and this market is underperforming because that untapped value isn't appreciated. So, I try to find ways to tap into that value and actually elevate that value and in many cases, it's elevating the value and recognizing that there are basic things because the infrastructure has been in place that can be done that can have momentous impact.

So, like having a business retention expansion program, for example. A functioning business retention expansion program is a great thing that can pick you much further. So, there are other things like that that you really want to do to really figure out how to grow the economy.

**Chad Chancellor:** So, how did you get into economic development? Did you know about this a child or just stumbled into it or?

**Rod Miller:** I totally stumbled into it, but what I knew-- When I went to college, I studied international business and I knew I wanted to work in business because I like money and I believed in capitalism and I knew I wanted to do international stuff because I like traveling and I like foreign cultures.

And then after getting out into the real world, I worked in privatization—And with consulting work doing more privatization work initially. I quickly realized that even though a lot of the entities that were focused on consulting for the public sector, they were all about making money and I really wanted to figure out how to have impact and so I stumbled into economic development in 2003.

I moved to Phoenix in 2003-2004 with no job because one of my classmates was out there and I just thought I can be something different to do and got a job in economic development and I've been doing that ever since.

**Chad Chancellor:** And when did you leave New Orleans? I can't remember now.

**Rod Miller:** I left New Orleans in 2014 and New Orleans was an amazing experience because there was so much change happening in the city at the time and just to see how it continues to grow and thrive is impressive.

**Chad Chancellor:** So, Rod left New Orleans in '14. This is where I live. So, five years later, I can promise you he's still talked about. His name is still talked about a lot. So, you obviously made a lasting impact here. Talk about your thoughts of changing-- of getting people out of poverty. I know you've got some thoughts on that.

I read an article that you wrote before we started this podcast. Talk about why you think it's so hard to do and if a community out there is listening, whether they are a small town or a big city and they only can focus on two or three things to try to lift people out of it, what would you advise them to consider?

**Rod Miller:** So, the first thing I think you mentioned a small town or a big city. The reality is that cities-- municipalities play an outsized role in actually poverty alleviation, so I think for municipalities to recognize that they actually can drive that conversation. Why? The reasons that municipalities can drive that conversation, one is because they have the bully pulpit and can convene different players.

Number two is they have a big spend. So, most of the time through their procurement processes and so that spend really dictates-- can actually add jobs to the economy and actually help local small businesses to thrive and prosper. So, if I were giving advice to some municipality or a small town around how to let people out of poverty, number one is I would say recognize that people are your greatest asset, so you've got to invest in your people.

So, workforce development is number one. Number two is entrepreneurship and number three is spend your dollars with your values. Your dollar spend should reflect your values. So, if you believe that local businesses can and should be better, spend your dollars with local businesses in your community.

**Chad Chancellor:** Take us back-- I'm sure you were in conversations in New Orleans after Katrina. So, New Orleans is now having tremendous success recruiting software development companies. That had to be a policy change. There had to be a mindset. There had to be strategy behind that. We just didn't wake up in New Orleans one day and 2,000 software jobs show up. So, what was the strategy behind that and what kind of policy did you help drive to make that happen?

**Rod Miller:** Well, the critical driver of investment decisions overall is always talent, but in particular when you're talking about software jobs, there is a very particular demographic of young designers, young engineers, those sorts of things, software programmers and so what we were able to do in New Orleans is we were able to create the buzz and the momentum to drive that population base.

So, there was a very intentional effort in concert between the New Orleans business alliance, GNOEA, 50 Forward and other agencies to drive young people idea village-- drive young people to the market that demographics. So, that was number one.

Number two was we were very aggressive in overselling it because it was kind of we were going to promise a lot on terms of our market's ability to deliver and we're going to work like hell to make sure it happens. So, for example, there was a case and I want to say-- I'm not going to say what company it was, but there was a case where there was a company who wanted to know if they could find the workers they were looking for in New Orleans.

There was a blind ad that was run. The blind ad basically described the types of jobs and where it was and described the company without saying what it was and there was I think 50 or 60 jobs. There was something like 700 or 800 different applicants that applied for that job from around the globe. So, that showed the company that we could in a very real way deliver in terms of the workforce they needed.

Another example, of course, is GE Capital's Center of Excellence in training there. That was a very strategic partnership between GE Capital, the University of New Orleans, LED and so, one of the things that we were very good about in New Orleans was getting all hands on deck between the different agencies, the city departments, the state, the universities to provide comprehensive solutions so companies could thrive.

And so that was the strategy. It was you know what-- and you know what New Orleans does better than anywhere else is throw a party. So, we could create buzz whether it was at major conferences and events around the country or whether it was at home. We could create buzz around ideas and concepts and get people to show out and that buzz, that sizzle ultimately turned into steak.

**Chad Chancellor:** Well, it's exciting to live here. Just in my block, there's two new hotels a block away mixed juice and it's just-- it's great, but you also created a buzz in Detroit. I have not been to Detroit in the last two or three years, but in the last two or three months, I've heard people say hey, have you been to Detroit lately? Downtown is coming back. People seem to be bragging about it. So, talk about-- that was probably the biggest. When you went there, I remember people were saying Detroit's days are over. How did you start that turnaround?

**Rod Miller:** So, Detroit was an interesting market, very different from New Orleans even though some of the challenges were the same, but the approach and the culture was very different. In Detroit, a lot of it was-- A lot of what makes communities that have been embedded those communities also gives them a certain flavor and so part of our job is very much marketing.

So, Detroit we were very successful at marketing this image of a city that was on its heel, but it doesn't quit. Detroit versus everybody; a very grimy gritty city that represents the best of America, that put the whole world on wheels.

So, we were able to tell that story and really try to build momentum around this idea that you know what-- what I would tell site selectors when I was talking about New Orleans is I would say you know what, you remember that old song or that old album by TLC in the '80s Crazy Sexy Cool and I say the crazy sexy cool that you find in our food, in our music, and in our art, that translates into innovation in your company.

In Detroit, what I would say is we make things. Detroit knows how to make things whether it's Shinola watches or Cadillacs and so being able to really capture the essence of the value proposition of that community was a big part of the turnaround and also really being able to accelerate small business growth. So, in Detroit, I would say I probably work with more small and medium-size businesses than anywhere I've ever worked and it's largely because of some of the economic challenges that were in that job is the market.

So, young people in Detroit were like oh, we're out here hustling. Detroit hustles harder and what we try to do is put an economic development infrastructure around those local small businesses through programs like Motor City Match, which is now becoming a national model around how to revitalize neighborhoods or our D2B program which we grew the span from 500 million to over 800 million in three years between local businesses and major companies. Those are the types of things that we did to really figure out how do we actually elevate that economy and change the narrative.

**Chad Chancellor:** Right. There are a lot of young economic developers that listen to this podcast and I think they're going to listen to you and be inspired by your career. What's your advice to somebody young maybe a junior-level project manager been in the business a year or two that wants to one day be a Rod Miller. What's your career tips?

**Rod Miller:** I've got a few. One is don't be afraid. Number one is don't be afraid. If you look at my career, I've bounced around a little bit and part of that was being-- willing to take a risk and go somewhere when it doesn't necessarily seem like the biggest opportunity or the best opportunity and this is no offense to my role in New Orleans, but that was my first CEO job.

Your first CEO job is normally a stinker. So, I went to my first CEO job. I didn't get pay raise at all. I had an organization that didn't have a budget that was secure and I said well that's why I'm going there because that's what I'm going to do and establish hopefully something that will be strong. So, don't be afraid to take risks; number one.

Number two is be a student of your craft. So, economic development is a practice. Unfortunately, it's one-- I'd say the only job that's probably less respected than economic development is teachers because everybody thinks they can do economic development and everybody thinks they can teach.

**Chad Chancellor:** That's right.

**Rod Miller:** But it is a craft. It's an art, but it's also a science. So, be a student of economic development and learn about economic development. Number three is be prepared. I always try to be the most prepared person in the room. When I open my mouth, I want to say something substantive, but in order to be able to say something substantive, you have to be a student of your craft and you have to up on current events and follow what's happening in the field around the country and around the world.

And then the last piece of advice I would say is write. One of the ways that you become an expert is actually forcing yourself to think about the work that you do and how it's different from how others may be approaching that work. So, over the years, I've written a lot on economic competitiveness. I've written a lot of poverty. I've written a lot trade and investment and if you write and you study, what it does it elevates your posture so that other people that may not be in your circle will see your work and start to recognize it in color.

**Chad Chancellor:** I know right now, you're the CEO of Invest Puerto Rico. So, why don't you sort of walk us through what you're doing right now for Puerto Rico? Give us the Puerto Rico story.

**Rod Miller:** Puerto Rico is a fascinating place and I knew a little bit about it before I came here, but I've been here on the ground in Puerto Rico not quiet six months. The organization Invest Puerto Rico was set up as a public-private partnership about two years ago specifically with the aim of being focused on driving private investment to the island.

When I started, what I quickly saw is that what they had in abundance were things that they didn't actually realize. Many of the people in Puerto Rico actually didn't realize the value of what they had. So, you're talking about a place that has got-- in San Juan in particular, you've got population density and then a few other places on the island you've got a lot of good institutions of higher learning. You've got an economy that is 48% of its manufacturing-- of that manufacturing a large portion of it is bio and car manufacturing. We actually have the highest concentration per square mile of pharma manufacturing of anywhere in the world. We also got very strong aerospace. So, on the west side of the island, you've got a lot of aerospace manufacturers.

So, that's what we've got kind of at the core of it, but what we're adding on is focused on professional services, back office software. In the last few years, in the last four-five years, what has happened is that there has been the emergence of a startup ecosystem. So, you've got a lot of startup companies moving here and so Puerto Rico at the core of its value proposition is you've got people that are largely bilingual. You've got access to all the Americas; North America and South America. You've got one of the largest islands in the Caribbean and you've got a business culture and a quality of life that is probably unparalleled.

**Chad Chancellor:** Now, I know you were hired in New Orleans after Katrina and I remember the job that you did here. So, is that part of the Puerto Rico-- I'm thinking when they went out and reached you, is that you knew how to handle a disaster situation or how did that work into it?

**Rod Miller:** I think it was a combination of things. One is I think with the Katrina situation coming after a major storm and you have to rebuild an entire community, that creates tremendous opportunity and I think that they saw that I had been in the role where I've had to figure out okay, we actually don't have things working as they should just yet. While you're rebuilding, how do you rebuild a new economy in that process? So, that's what I think New Orleans experience brought.

And then they looked at the Detroit experience going through bankruptcy and said oh, well, this guy also knows the pain of a place that's financially strapped and doesn't necessarily have all the dollars to make an investment. So, this is kind of a combination of the New Orleans and Detroit experiences I had prior to coming here.

**Chad Chancellor:** I know you've got a consulting firm too. You just do a project or two a year that you do. So, talk about Ascendant Global and the work you can do through it.



**Rod Miller:** Ascendant Global we're a boutique consulting company and if it isn't a real problem, if it isn't a really big challenge, it probably doesn't make sense to call us. We like to work on the stuff that other people say can't be done. So, we do things like we're working on right now an economic mobility plan for the city of Cleveland-- it's not the city government. It's for a group called Cleveland 2030. So, we're working on that project.

We're finishing up an engagement right now with Living Cities where we're working in five cities across the country trying to help them develop strategies to grow businesses owned by people of color. We actually have a publication that will be coming out in a couple of months which is an implementation guide for cities on how to actually elevate businesses of color and help them be sustainable.

So, those are the kinds of things that we like to work on here in Puerto Rico. Actually, right after the storm-- a few months after the storm, we came and we did some continuity planning with the manufacturing extension partnership to figure out how to help manufacturing companies stay up and running after this disaster.

So, those are the kinds of engagements that we do. We really like to focus on stuff where it's going to have impact in the near term and it's ideally going to shift systems so that the market that we're working in will actually be better over time because of our work.

**Chad Chancellor:** And Rod is really well known for his policy work. So, I know you are highly involved with IEDC. Was that something right from the start you were involved with or you worked your way in as you moved along?

**Rod Miller:** So, I've been a member of IEDC, the International Economic Development Council since 2006. I became a board member of IEDC probably about 2012 or 2013 and really, IEDC it's important because it really is shifting what the focus of economic developers are around the country.

So, I remember in 2012, 2013 something like that, a few of us board members we got up in the board meeting and we said if we don't work on issues of economic inclusion, you know what? Our country is doomed because the demographics are shifting and we know that as the demographics shifting the country that we're going to have are large numbers of people of color-- even larger

numbers of people of color and the demographics of that population are awful. So, we've got to figure out how do we actually focus on economic inclusion?

So, those are the kinds of issues that we really try to elevate. We done stuff where we've gone-- I've gone to the White House several times with IEDC to champion issues related to infrastructure investment because we see the rest of the world is investing massively in infrastructure and quite frankly, their infrastructure in many cases is a lot better. So, being able to have these platforms that allow for us to advocate on a macro-level because economic development really is at the micro-level, but institutions like IEDC really allow us to advocate on a macro-level for policies that affect everyone.

**Chad Chancellor:** As we wind down, we'll shoot back to Puerto Rico just for the last little section here of our podcast. I'm amazed you've got 48% manufacture. I had no idea it was anywhere near that high. So, if people fly there now, we have some businesses and manufacturers that hear this. Is the island recovered? Do you have good sites with infrastructure ready to go? What would the find? The media always says the bad part of a storm. So, are you ready to go?

**Rod Miller:** Let me answer that in two ways. The first way is the same thing I said about New Orleans. If they come, we'll figure out how to make sure that we're ready to go so that we can deliver what they need. We've got a team that we're putting in place that we-- that I put in place there that's keenly focused on helping business having that. So, that's the first thing that I would say.

The second thing I would say is that we are in transition and the beauty of the transition of the island is that massive investments are being made. Companies want to get into Puerto Rico now versus two years from now because right now, when all the investments are made, you can still get a deal from a real estate perspective and you can still be a fairly big fish in a small pond. So, I think that now's the time to move to Puerto Rico.

Then the last thing I would say is that Puerto Rico has the most aggressive incentives than any place I've ever seen. We don't start the conversation with incentives because we know that there is a real value proposition, but we end the conversation with incentives and the incentives conversation is 4% income tax-- federal income tax for companies that move to Puerto Rico under several of the acts we've got. For individuals that move here, that will be here at least six months

and one day per year, their income tax can go down to zero if they declare themselves residents of Puerto Rico. So, there are a lot of things from an income tax and from a property tax and other thing perspective that we can provide as well.

**Chad Chancellor:** Those are good incentives. And how do you all do training? Is it done there like it is in the States where you customize training? How do you train a workforce for a company?

**Rod Miller:** Absolutely. So, we can provide customized training support. We've got a very robust university system. We've got good workforce training partners. It doesn't really matter what the-- remember on the manufacturing front, we've got 48% of our economy is in manufacturing. We've got a lot of organizations that we work with that can provide turnkey training in a fairly short period of time.

**Chad Chancellor:** All right. Thank you so much for spending a few minutes with us today. We really appreciate it. We miss you in New Orleans and hope everything in Puerto Rico works out very successfully for you.

**Rod Miller:** Thank you, Chad. It's good talking to you.

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