

## NORTH CAROLINA MILITARY BUSINESS & RESOURCE GAP ANALYSIS

This study, the **North Carolina Military Business & Resource Gap Analysis**, was conducted by the consulting team of AngelouEconomics and Jane's Information Group to support the mission of the North Carolina Military Business Center:

**To leverage military business opportunities to promote economic development and quality of life in North Carolina.**

The consulting team examined the future of the defense industry and the resources available in North Carolina for defense companies. Specific sectors within defense were identified as North Carolina's best expansion and recruitment targets, and recommendations were developed to help the State pursue these opportunities.

### Assessment

Today, North Carolina has the 4th largest number of military personnel in the nation, but ranks only 23rd in defense industry sales. Changes within the military offer new opportunities to bridge this gap: the restructuring of the military into a more mobile force, base reconfiguration, future technology weapons development, and overall growth. Over the next ten years, the defense budget of the U.S. is expected to grow much faster than the overall economy. North Carolina's existing businesses have done moderately well in selling to the DoD in a limited number of production areas such as: textiles, apparel, and electrical components. However, the state's strengths in manufacturing, key technology sectors, higher education, and research indicate a greater potential for procurement and jobs in new defense industries.

### Recommendations

AngelouEconomics recommends that North Carolina pursue the following target industries: **Defense Technologies** (manufacturing, research, and services), **Defense Consumables** (Textiles, Food, Printing, and Distribution), **Base Construction**, and **Base Support Services**. AngelouEconomics will provide specific companies to target within each industry. To bolster the state's attractiveness and success in developing these targets, AngelouEconomics also presented 23 recommendations in 5 key areas:

1. **Information.** The State should provide more information to North Carolina companies on defense contracting by developing an information portal on DoD, creating a defense enterprise team, establishing an annual defense contracting conference, and maintaining a state defense asset inventory.
2. **Marketing.** The State should expand external marketing campaigns through an improved defense-oriented website, attending national defense conferences, visiting with the state's existing defense contractors, and organizing missions to defense regions and companies.
3. **Entrepreneurship & Research.** The State should expand startup and research activities in the state by launching an annual statewide SBIR conference, creating research matching funds for entrepreneurs and universities, and creating a commercialization fellowship program.
4. **Infrastructure.** The State should continue to support its unique physical assets for defense companies, including the Army Research Office, Centennial Campus, and Global Transpark.
5. **Organization.** The State should focus its organizations on defense opportunities by designating "Defense" as a target industry, establishing a defense industry specialist, coordinating with local economic development efforts, creating targeted industry incentives for defense companies, expanding marketing funds for defense, and expanding federal lobbying efforts.

We encourage North Carolina businesses, citizens, and leaders to participate in the Military Business Center's initiatives. The North Carolina Military Business Center is a component of the North Carolina Community College System and more information can be found at [www.ncmbc.us](http://www.ncmbc.us). We look forward to your continued participation in the state's economic development efforts.