

Winston-Salem Chamber of Commerce, Winston-Salem Business Inc. to merge and create unified recruitment group

By Richard Craver Winston-Salem Journal - Oct 24, 2019

The two leading civic business groups in Winston-Salem— the Chamber of Commerce and Winston-Salem Business Inc. — said Thursday that they plan to merge their operations in 2020.

The boards of directors of both groups have approved the merger, which will feature new branding, logo and market strategy. They will continue to operate separately in the interim.

The chairmen of the groups said a joint transition committee will determine the leadership and governance structure with the goal of submitting a proposal by mid-April.



Leak

Bob Leak Jr. has served as the president Winston-Salem Business since its foundation in October 1989 when it spun off from the chamber. Mark Owens has been the chamber's president and chief executive since December 2017.

Both Leak and Owens said they support the initiative, with Leak saying he has no plans to retire and “remains in it for the long haul.”

“It’s a good time to redefine economic development,” Leak said. “Every community needs to reassess itself, and this one is going through some changes.”

Those changes include the planned move of BB&T Corp.’s headquarters from Winston-Salem to Charlotte as part of acquiring SunTrust Banks Inc.

The chamber traditionally has handled economic-development efforts for established businesses in the community, while Winston-Salem Business has been charged with recruitment efforts.

The chairmen said they believe the consolidation “will shape the future of economic development and job growth in the county through a unified vision and coordinated efforts that will give companies and site selectors considering a relocation or expansion a clear path and a single point of contact.”

The chamber began a new branding initiative in January that included a flaglike logo, revamped website, an abstract collage of shapes and a tagline. Their common theme is “Together.”

Mayor Allen Joines said that “these two organizations have been together in the past and separated for various reasons.”



“I do believe that having a single voice for recruitment and retention will be helpful,” Joines said. “Both organizations are doing a very good job, and I think coming together they can even be greater.”

Cantey Alexander, the chairman of Winston-Salem Business and BB&T’s Triad regional president, said “one group is not taking over the other.”

Alexander said the merger represents “a bold, yet pragmatic, move that we believe will drive economic success for Forsyth County for years to come.”

“We want to take emotion and politics out of (economic development) and devise the best strategies for job creation and retention for the community,” he said.

Owens

Winston-Salem Business has three employees, the chamber

14. Alexander said no job cuts are planned.

“The combined budget will be larger, but we don’t know how much larger,” he said.

Winston-Salem Business is dependent on funding from 50 investors, while the chamber receives dues and contributions from about 1,100 members, including the city of Winston-Salem and Forsyth County.

County commissioners allocated \$50,000 to each group in the 2019-20 budget. The city gave Winston-Salem Business \$85,000.

Jeff Lindsay, the chamber’s chairman for 2019 and the chief operating officer of Novant Health Inc., said part of the merger initiative is to identify additional revenue sources over what could be a five-year period.

The combined group will “assume all activities and put together a financial sustainable model,” Lindsay said.

“We believe this combined group will generate tons of enthusiasm and support for our expanded efforts, which will lead to higher levels of funding,” Lindsay said.

“We are confident that this is the right strategic direction for Winston-Salem and that we can build on our mutual strengths and successes as one team,” he said.

John H. Boyd, with national site-selection firm the Boyd Co. of Princeton, N.J., said “combining the two organizations will permit a pooling of resources, enabling the marshaling together the kind of budget that successful economic development organizations need to operate and successfully compete in today’s dog-eat-dog world of business attraction.”

Zagros Madjd-Sadjadi, an economics professor at Winston-Salem State University, said the most important aspect of the merger is that “it will allow greater small local-business input on what types of companies this region should attract.”

“This could lead us to see greater agglomeration and network effects that reduce costs across the region by strengthening supply chains and attract businesses that can enhance our current capabilities in a collaborative manner with existing firms, as opposed to simply bringing competitors to the region,” Madjd-Sadjadi said.

Combining the chamber and Winston-Salem Business is similar to the economic route Greensboro and High Point officials took in recent years.

In 2015, Guilford County, Greensboro and High Point formed the Guilford County Economic Development Alliance. The Greensboro Chamber of Commerce and High Point Economic Development Corp. serve as staff to the alliance.

The chamber and Winston-Salem Business have hired international marketing consultants DCI, which worked with the Greensboro groups on their combination.

Alexander said DCI was chosen in large part because of its familiarity with the Triad and having “a lot of regional economic knowledge.”

Alexander said the plan is to collaborate with the Winston-Salem Alliance, a business-development nonprofit that wants to make Winston-Salem a center for entrepreneurial development, and the Whitaker Park Development Authority.

Joines is the president of the alliance.

“They won’t be pulled in because they have different economic roles, but we want to pull together in a common direction,” Alexander said.