

SWOT ANALYSIS

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A Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis is a strategic tool used to ensure that there is a clear objective informed by a comprehensive understanding of a region’s capabilities and capacity. A SWOT analysis identifies a region’s competitive advantages as well as internal or external factors that can keep a region from realizing its potential. SWOT analysis elements are commonly defined as:



- **Strengths** are a region’s relative competitive advantages and are often internal in nature
- **Weaknesses** are a region’s relative competitive disadvantages, also often internal in nature
- **Opportunities** are chances or occasions for regional improvement or progress and are often external in nature
- **Threats** are chances or occasions for negative impacts on the region or regional decline, also often external in nature

In October 2020, M7 and SEWRPC held a virtual stakeholder meeting, during which an interactive SWOT exercise was conducted. An online SWOT survey was also made available to those unable to attend the virtual stakeholder meeting. Participants were first asked to review the SWOTs provided in the 2015-2020 CEDS and indicate whether they agreed that they are still SWOTs. Participants were then asked to provide additional SWOTs they feel apply to the Region. A total of 74 stakeholders participated in the SWOT exercise

or SWOT survey. The responses received through the SWOT exercise and SWOT survey, combined with input from M7, the REP, and SEWRPC, were used to inform the SWOT analysis.

This section provides a summary of the Region's SWOT analysis which, along with the Summary Background information, was used to develop the strategic direction of the CEDS. A full list of the comments suggesting additional SWOTs that were received through the virtual meeting and online survey is provided in Appendix B.

STRENGTHS

- Strong university and technical college systems
- Good regional and international airport access within 2-hour radius of Region (Milwaukee Mitchell and O'Hare)
- Strong clusters in energy, power, and controls; water technology; food and beverage manufacturing; electronics manufacturing; tourism and hospitality; financial and insurance services; headquarters and business services; medical technology, bioscience, health services, and pharmaceuticals; and aerospace and aeronautics
- Leading manufacturing region in the U.S. with robust university research and engineering programs, technological advantages, and a high concentration of manufacturing employees across various skill levels
- Availability of utilities at a moderate cost (electricity, natural gas, and water)
- Numerous major corporate headquarters across several industries
- Lower-cost industrial real estate than many other U.S. regions
- Access to natural and cultural resources that improve quality of life
- Abundance of tourist attractions
- Lower cost of living compared to larger regions
- Access to Lake Michigan for water supply, recreation, and transportation (Port Milwaukee)
- Absence of serious natural disaster risks such as hurricanes, wildfires, and earthquakes
- Strong manufacturing sector supply chain network and value chain
- Strong K-12 education in many parts of the Region
- High concentration of talent employed in technology-dependent occupations

WEAKNESSES

- Racial disparities in areas such as employment, income, educational attainment, transportation options, affordable housing options, and affordable access to broadband internet
- High levels of racial/ethnic and economic segregation in the Region
- Educational attainment, while relatively high overall, remains highly variable throughout the Region
- The Region performs near or below average on many indicators of innovation and entrepreneurship
- Higher taxes, and limited economic incentives, compared with many U.S. regions
- Limited availability of large, shovel-ready industrial sites
- Ability to exploit operating cost advantages compared to other U.S. regions
- Policy differences that limit cooperation among the various communities in the Region
- Lack of political will or support to invest in a regional transportation system
- Over-dependence on property tax to fund local and state government
- Inability to attract and retain skilled workers
- Decrease in nonstop destinations served by Milwaukee Mitchell International Airport
- Lack of affordable/workforce housing
- Lack of dedicated funding to invest in aging public infrastructure

OPPORTUNITIES

- Enhance the capacity of small- and medium-sized manufacturers to adapt to ongoing rapid technological transformations
- Continue cluster development in the energy, power, and controls; water technology; food and beverage manufacturing; electronics manufacturing; tourism and hospitality; financial and insurance services; headquarters and business services; medical technology, bioscience, health services, and pharmaceuticals; and aerospace and aeronautics sectors
- Collaborate with inter-regional, regional, and state economic development organizations to more effectively promote the Region and align resources
- Recruit Illinois companies based on the Region's competitive value proposition and Illinois' increased corporate/personal tax rates and fiscal challenges
- Improve entrepreneurial climate through the continued growth of startup support organizations, programs, and resources
- Grow venture capital programs for startup and early-stage companies
- Increase foreign direct investment attraction efforts in Canada, Europe, Asia, and around the world

- Expand Foreign Trade Zone (FTZ) and EB-5 Foreign Investment Zone programs
- Capitalize on an increasingly widespread recognition of, and willingness to address, racial and ethnic disparities
- Increase investment in programs fighting racial and economic disparities
- Engage businesses in inclusion and equity issues
- Increase investment in renewable and sustainable (Green) economy
- Expand workforce by reducing discrimination, improving education, and retraining older workers
- Pursue policies and government or corporate incentives to retain, attract, and train the workforce
- Expand programs for upskilling, credentialing, and certifications for the current workforce
- Expand career path exploration and skill development in high schools
- Implement a regional transportation system
- Invest in public infrastructure including parks, public transit, and broadband to make the Region more attractive to talent
- Enhance medical research programs between universities, technical colleges, and high schools
- Build on collaboration that occurred during the pandemic between public and private organizations
- Strengthen regional collaboration with the Chicago and Madison areas
- Redevelop underutilized or vacant retail (big box)
- Leverage Port Milwaukee and improve intermodal transportation to access global markets
- Support workforce housing developments across the Region
- Re-shore industries whose production and supply chains were impacted by the COVID-19 pandemic

THREATS

- Impact of technological transformation on small- and medium-sized manufacturers
- Aging population and workforce
- Impact of the COVID-19 pandemic on the Region's economy
- Disproportionate impact of COVID-19 on the workforce, particularly on women, people of color, and low-income populations
- Manufacturing dependence
- Talent shortage and misaligned workforce without the skills to meet the needs of employers, especially in the manufacturing sector
- Brain drain of local college graduates
- Other states and regions with stronger economic incentives and lower taxes
- Excessive partisanship/division statewide

- Inability to fund new long-term initiatives
- Declining state and public funding for education and services
- Substantial county and municipal budget deficits
- Identity as a racially unfriendly region
- Negative impacts of climate change on the economy and people
- Reductions in federal protections and the weakening of the Clean Water Act