

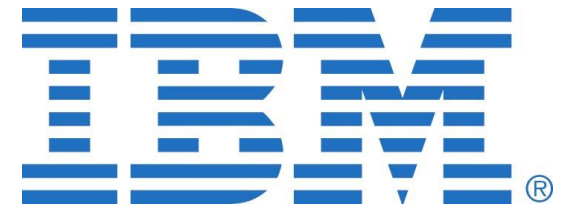


CONWAY



## FDI Case Study : IBM in Louisiana

# FDI CASE STUDY



# FDI CASE STUDY



In 2013, IBM began its location search for a new Client Innovation Center to be located in the Southeastern United States.

Louisiana Economic Development caught wind of the project and convinced the IBM team to come to Baton Rouge for a site tour.

During their discussions, it became clear that IBM's largest obstacle was talent.

Louisiana Economic Development has a workforce training and development division called FastStart.

The FastStart team came up with an idea to solve IBM's talent dilemma.



IBM's operation was slated to be a Client Innovation Center for the company.

Employees at the Center were dominated by the following job functions:

- Application Development Specialists
- Information Technology Specialists



Access to talent became Louisiana's pitch to IBM.

The talent issue silenced all traditional location factors.



The project was synthesized into two major components:

- Access to Talent
- Building to house the business unit



## FDI CASE STUDY

Louisiana addressed the facility topic with an offer that included:

- \$30.5 million performance-based grant consisting of state, local and federal funding to build an eight-floor office building as part of a new, mixed-use urban development on Baton Rouge's riverfront.
- Class A office space and 600 dedicated parking spaces.

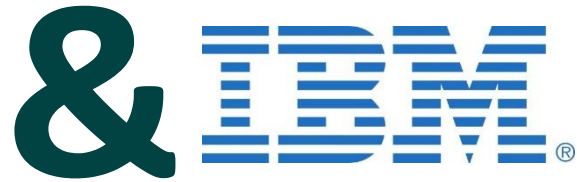


## FDI CASE STUDY

- Leveraging resources of the Baton Rouge Area Foundation, Louisiana secured BRAF's commitment to build and manage the \$55 million total project through its affiliates, the Wilbur Marvin Foundation and Commercial Properties Realty Trust.
- The Wilbur Marvin Foundation will own the building and collect no rent for at least 15 years, only a fee from the state and IBM to cover operating costs.



# FDI CASE STUDY





## FDI CASE STUDY

Louisiana addressed the talent issue with the following solution:

- \$14m state grant over 10 years to expand the number of LSU's computer science graduates.
- 65 percent of these funds will be provided for expansion of the Computer Science Division of the School of Electrical Engineering and Computer Science at LSU.



## FDI CASE STUDY

- The state provided funding to double the number of faculty in LSU's Computer Science Department.
- The number of students graduating with degrees in Computer Science tripled.
- IBM was able, and continues to, feed in to the curriculum to ensure that the graduates will have the skills and education required to work specifically at the IBM operation in Baton Rouge.



2013

The deal is structured and underway.



2014

The LSU portion of the IBM talent solution is implemented and operational.



2015

The IBM building in Baton Rouge opened and 200 employees start work.



2018

600 of the 800 jobs have been realized in Baton Rouge.



## FDI CASE STUDY

The IBM investment in Baton Rouge was ground breaking because:

- It leveraged LSU as an asset to secure the project.
- The state invested in its young people and doubled the number of computer science graduates from LSU – talent that can be leveraged for other companies.



# FDI CASE STUDY



- It was a true partnership between the state, educational institutions, city and local officials and other stakeholders across the state. - All partners were aligned to support IBM's investment.
- Louisiana developed an achievable strategy that won the project. -IBM would not have located in Baton Rouge without the LSU component of the project.

# FDI CASE STUDY



- IBM is the “anchor” which has transformed the Baton Rouge Technology Ecosystem.
- Baton Rouge is becoming a “Tech Town”.

# FDI CASE STUDY



*“There were a couple of factors in why we chose Baton Rouge. First is, we have some history with...LSU, we’ve hired a number of graduates from the university so we’ve had some experience in terms of the quality of the skill and the capability that’s here,” said Christine Alford, COO IBM Global Consulting Services. “And the second factor is...the very strong partnership that we’ve developed with IBM, the state and the academic institutions, which is just tremendous.”*

# FDI CASE STUDY



“Our innovative collaboration with Louisiana is providing us with the talent and support to deliver world-class solutions for our clients.”



**Christine Alford**  
*General Manager*  
*IBM Services Centers: North America*

# FDI CASE STUDY

IBM adopted the model and implemented it in other locations in Louisiana, the Netherlands, and other parts of the world.

## IBM Announces IBM Services Center in the Dutch Province of Groningen

Creating up to 350 new tech roles for local market



# FDI CASE STUDY



The second Louisiana location was in Monroe, with a 400-job Application Development and Innovation Center.

They leveraged the same model used in Baton Rouge.

## IBM brings 400 jobs to Monroe

Greg Hilburn, Gannett Louisiana

Published 4:41 p.m. CT Feb. 16, 2015



(Photo: MARGARET CROFT/Gannett Louisiana)



MONROE – IBM executive Colleen Arnold said the company’s decision to build a Monroe applications center and create 400 new jobs is a “magic” combination of its strategic partnership with CenturyLink, the state and Louisiana’s universities.

Allen, Gov. Bobby Jindal, who was dressed in what he called an IBM blue shirt, CenturyLink President Glen Post and Monroe Mayor Jamie Mayo said the IBM service center will be a global touch point for “Big Blue,” the nickname for IBM.

The official announcement was made at CenturyLink’s headquarters on U.S. 165 North.

“The skills we will have in this center (analytics, security, social media) will be for companies here and around the world,” Arnold said. “This is a global delivery network that makes us competitive on the world stage, and we’re doing it with trusted partners



# FDI CASE STUDY





# FDI CASE STUDY





# FDI CASE STUDY







CONWAY

**ADAM JONES-KELLEY**  
**adamjk@conway.com**  
**+1 770 325 3432**

**THANK YOU !**