



The Greater Pittsburgh Region

The Region

No city has ever epitomized Blue Collar America like Pittsburgh. The “Steel City” was built on the strength of its heavy industry. However, the long struggle to adapt to new economic realities has proven fruitful and the region is now a center of the knowledge economy. It ranks 13th in the nation in aggregated innovation capacity. The area is one of the five largest software centers in the U.S., and Pittsburgh is home to more than 170 research laboratories and has more doctoral scientists and engineers per capita than Boston, Los Angeles or San Francisco. More than 8,000 high-tech firms and 80,000 employees are involved in the Pittsburgh area’s advanced technology industries. One notable R&D center is the federally-funded Software Engineering Institute, sponsored by the Department of Defense and operated by Carnegie Mellon University.

There are 29 colleges and universities in southwestern Pennsylvania with a combined enrollment of over 100,000 students. They are a major reason many companies have invested here. Schools like Carnegie Mellon University, the University of Pittsburgh and Duquesne University provide companies with the talent and brain power they need. Major employers include Westinghouse Electric, H.J. Heinz, and USX Corporation.

Business-Led Organizations

The Southwestern Pennsylvania region has a significant amount of business-led civic organizations. The region has four major organizations that represent the interest of the business community: the Allegheny Conference on Community Development, Pennsylvania Economy League (Western Division), the Greater Pittsburgh Chamber of Commerce and the Pittsburgh Regional Alliance.

The Allegheny Conference on Community Development was founded in 1943 as a private, nonprofit organization to convene corporate, government, and community leaders to frame, discuss, and implement civic initiatives. The Conference develops strategies that are regional, inclusive, collaborative and cost-effective. The Pennsylvania Economy League (Western Division) is a nonprofit, civic organization whose mission is to provide the research and analysis for the business, civic, and governmental leadership of western Pennsylvania. The Greater Pittsburgh Chamber of Commerce is the traditional business organization in the Southwestern Pennsylvania region. The Chamber has a diverse membership base with more than 1,000 member firms ranging from entrepreneurs to small businesses to large international companies.

The Pittsburgh Regional Alliance is a nonprofit economic development organization that works with public, private and civic organizations to generate and serve business

3 RIVERS: ONE FUTURE

The Allegheny Conference, the Western Division of the Pennsylvania Economy League, the Greater Pittsburgh Chamber of Commerce and the Pittsburgh Regional Alliance have come together to carry out the 3 Rivers: One Future Plan. The Plan's goal is to bring 50,000 net new jobs and \$1 billion in private and public investment to the region by 2005.

The Plan focuses on three main areas: community, education and growth. The community piece is concentrated on reshaping the waterfront, protecting the watershed, and providing residents with a high quality of life. The education component of the Plan will look to improve student achievement, education quality and accountability, and attract, retain and train workers for 21st century jobs. Finally, the Plan calls for wide-scale investment in infrastructure, improvement of the regional business climate and efforts to aggressively market the region.

For more information, see www.3riversonefuture.org

creation, expansion and relocation. The Pittsburgh Regional Alliance also assists employers in the growth of a skilled talent pool in the region.

Regional Business-Civic Landscape

The business-led civic organizations in the Southwestern Pennsylvania region used to operate with their own agendas. As a result, there was a lot of overlap in the missions and services of these organizations. Moreover, they competed with each other for the attention of business leaders and for funding. As the former CEO of the Allegheny Conference on Community Development, Rick Stafford, stated, "Some of the corporations were writing four different checks to four different organizations. For example, Mellon Bank was splitting four checks for a total of \$200,000 to support the organizations." This became troubling for the business leadership in the region as many felt coordination and cooperation lacked among the four large organizations.

The opportunity for cooperation came when the CEO of the Pittsburgh Regional Alliance left the organization. Instead of conducting a search to hire a new CEO, business leaders within the Pittsburgh Regional Alliance and within the Southwestern Pennsylvania region decided to combine some of the overlapping organizations and their missions. Eventually the business leaders in the region turned to Rick Stafford of the Allegheny Conference to lead the mergers. Stafford mapped where the overlap was occurring and designed a new organizational structure that could benefit all parties involved. The process took two years to pull off, but Stafford and other business leaders were persistent and worked closely with each organization's Board to define the region and the roles for each organization.

The outcome of the mergers has led to a legally binding partnership among the Allegheny Conference, Pennsylvania Economy League, the Greater Pittsburgh Chamber of Commerce and the Pittsburgh Regional Alliance. Each organization maintains its own Board and

independence but the organizations share one Chief Executive and a few staff and administrative functions. The four organizations are also working cooperatively together to support the 3 Rivers: One Future Plan, a five-year plan focused on improving the economic prosperity of the region and quality of life. (See box on previous page.) Each organization has a role to play within the Plan. The Allegheny Conference is charged with representing the leadership of the private sector; the Pennsylvania Economy League is responsible for conducting the research and analysis; the Greater Pittsburgh Chamber of Commerce focuses on advocating and lobbying the government in order to better implement the plan; and the Pittsburgh Regional Alliance concentrates on marketing the region as well as attracting and retaining talent and businesses.

Business Leadership

The business leadership in the Southwestern Pennsylvania region has become more interested in regional issues compared to five years earlier. According to business leaders in the region, the level of attention and time given to regional civic issues has increased for several reasons. One major reason is that the City of Pittsburgh has experienced tough economic times over the last few decades with slow job growth and a declining population. Business leaders have felt that in order to save the city, they have to save the region.

One of the leading catalysts for change has been the Allegheny Conference. According to Steve Zylstra, President and CEO of the Pittsburgh Technology Council, “The Allegheny Conference on Community Development is perhaps the most influential business organization in the region that can bring resources and intellect to address the region’s problems. Its job is product improvement [the region is the product] — their affiliate organizations are about executing.” Currently, the business community is extremely focused on a regional agenda which includes thinking regionally, being inclusive, collaborating, and being cost-effective.

This wave of regional thinking has also dramatically increased the level of cooperation and communication among business leaders. Thanks to the merger of the “big four” business-led organizations, the level of cooperation among organizations has improved over time. For example, business leaders point out that there is now an institutional level of cooperation and a mechanism to set priorities and plan budgets cooperatively. This helps the business community focus more on identifying and implementing solutions to solve difficult regional challenges.

Despite all of this cooperation, the region is still separated by political boundaries which pose a real challenge to the business community’s agenda. In addition, business leaders say tension exists between the suburban counties and the urban core. There is not a lot of common ground and that will present a constant challenge to business and civic leaders in the region.