



# Next Move Group

## We Are Jobs Podcast

with Special Guest: Chuck Sexton

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**Chad Chancellor:** Welcome to today's Next Move Group We Are Jobs podcast. I'm Chad Chancellor, co-founder of Next Move Group and today we have Chuck Sexton here with us; the CEO of a regional economic development organization, One East Kentucky.

This is a real joy for me. I actually hired Chuck into the profession of economic development back in 2010 I think it was in Paducah, Kentucky and now he's gone on and runs big organizations and

every time I look around he's hanging out with governors and senators and doing all this important stuff, so maybe he can teach me a thing or two today.

So, Chuck, thank you for being with us. Why don't you tell us really what drew you into economic development? What made you interested in this field?

**Charles Sexton:** Well, obviously first, I need to say thanks for having me on your podcast. I think this is great. It's a good another step for Next Move. I think you guys need to keep doing this. As far as economic development goes, I didn't know much about it until the Chamber president, Elaine Spalding, asked me to come and sit down with you. I had been in Leadership Paducah actually with Alex and he and I worked at Chuck E Cheese together back in high school. Those were the good old days.

**Chad Chancellor:** Big time connections.

**Charles Sexton:** Then I came and sat down and talked to you and you told me what economic development was and it seemed like it was what I had been groomed for through the career fields I had been in whether it was industrial sales, being in and out of tool and die shops and distribution facilities and big manufacturing facilities like Nucor and then in strategic planning after that.

Certainly, I grew up similar to you; poor as dirt in the river bottoms of western Kentucky, which is all flooded like crazy right now. I went to see my dad last Friday. It's one way in to his house and that's it.

**Chad Chancellor:** It's gotten worse since.

**Charles Sexton:** I've got cousins back there who-- you've got to get a john boat to get to the house.

**Chad Chancellor:** Yes and it's still raining.

**Charles Sexton:** Yes, and so I grew up poor. I grew up in a trailer, a rusted-out trailer. My dad couldn't find a steady job and I knew how that affected him. Obviously, it affected our family and it wasn't until a local rock quarry expanded-- sorry, we got distracted.

**Chad Chancellor:** Sorry, we got distracted at the conference, we are at the Mardi Gras Conference.

**Charles Sexton:** --a local rock quarry expanded and he got a steady job. So, we got a real house and we had vehicles and we got to get new clothes for school instead of going to the Salvation Army or something. So, to me, economic development is about helping people like the situation I was in. It's that everyday person who's in the unemployment line. They've struggled to find steady work and in my opinion, there's no greater career field, no greater calling to be in.

**Chad Chancellor:** You can hear the passion that comes out of Chuck when he talks about it and really want to hear his unique skills. It's something we look for as we do our executive searches is he understands manufacturing. He can walk in a manufacturing plant and understand what they are making, how the machinery works, what the labor skills are and that's something that we look for in many instances when we are doing our search.

So, tell these folks a little bit about One East Kentucky and I know you've got some real strengths in terms of your labor force and other things you all are doing.

**Charles Sexton:** Well, One East is the name of our REDO; Regional Economic Development Organization. It's a little unique. We get zero local funding as far as tax dollars. We are completely 100% privately funded. We are a 501(c)3.

My board of directors are CEOs from the region. We actually have investment from companies outside of eastern Kentucky because there are many, many CEOs and business owners in the Lexington to Louisville area who grew up in eastern Kentucky or have connections back there and they want to give back to that region.

So, I came into this job about three and a half, four-- almost four years ago and not knowing a lot about coal mining, but knowing obviously, there was this-- the huge downturn just took place and got recruited by my friend Brad Hall who's now with APCO over in Virginia, in West Virginia.

I knew that we needed to understand these folks who'd been laid off because what I was hearing from everyone was did-- 10,000 people just lost their jobs in the coal mining industry and I don't know--

**Chad Chancellor:** 10,000 people.

**Charles Sexton:** 10,000. That's 12,000 now and that's primary jobs in coal mining. You think of a coal mine like an auto OEM where you have the primary mine and then you have your tier one and two suppliers around them whether that's weld shops, fab shops, equipment suppliers, whatever it might be.

So, 12,000 people lose their jobs in a pretty quick period of time, a couple of years and so, I wanted to know what are the skills sets of these folks? What else can they do besides coal mining because the perception out there in the everyday Joe who-- CEO in California thinks a coal miner is that old man with a long white beard and a pick axe in his hand and a little light on his hat. That's not coal mining. Coal mining is pretty heavily automated. You've got to be sophisticated. You are in a dangerous environment. You've got to run equipment quickly, make snap decisions, and be able to do things as far as repairs-- you've got to think on the spot, so high mechanical inclination.

So, we did this work force study. Took nine months, pooled a lot of people together. Long story short, these folks can go into automotive and transportation related manufacturing especially metals related. So, we've now built out a recruiting program to try to recruit a cluster of transportation primarily aluminum-based manufacturing in the region.

**Chad Chancellor:** And I know you all have had some recent announcements with that and really I think building momentum. People are talking about One East Kentucky now and as the elections roll around and people talk more and more about the war on coal and coal miners, you'll hear even more about it. So, talk about some of your successes.

**Charles Sexton:** Well, a lot of it again has been in the transportation metal-related manufacturing sector. We do have a focus on aerospace and aviation. We did the AEROready certification with Tucson Roberts and Robert Ingram; their joint certification that they do. I think we were the first to get it. I had been seeing a lot of aviation-related projects in Paducah with you before I went over there and I thought that might be a good target.

Logan Corp was our first big win. Logan Corp was actually a company that was in the coal mining industry. They were manufacturing sleds and other equipment for coal mining and decided hey, we are having to lay off people. They were down to about 10-12 employees and said we've got to shift. We've got to make a market shift.

And just lo and behold their plant manager had been an engineer in a truck body manufacturing shop. So, they shifted into that. There are about 75 employees now. We saved the company from having to move out of state, found them a good facility there.

**Chad Chancellor:** Okay, breaking news.

**Charles Sexton:** Yes, so I would imagine that that facility would end up about 300 jobs. When it's all said and done, and then one of our most recent-- it's not 100% public. I don't know when this is going to air, so I'll be available. It's actually--

**Chad Chancellor:** It's going to be a while.

**Charles Sexton:** The state of Kentucky-- Good. Well, the state of Kentucky has already listed the company in their Canadian manufacturers guide so I guess it's okay to say we have a-- I won't say the name, but it's aluminum extrusion manufacturing. So, this is our first FDI facility. We work with our RCI to do all the lead generation and this company is going to create roughly 300 jobs and they are diversified. So, they are not solely an automotive supplier. They are doing aerospace as well.

**Chad Chancellor:** And I know on the personal and professional side, you're talking today about how economic developers can affect a business case of companies. So, we're going to have both economic developers and manufacturing companies here in this podcast. So, talk about why you are passionate about seeing economic developers being aggressive and really understand business and affect the business case for these companies so they can be successful and hire people.

**Charles Sexton:** Well, it's-- one, you're trying to affect the business case of the company when you get down to the deal, but to even get to the point where you get to a deal, you have to understand the business case of your region and I think that's something that a lot of economic developers maybe understand that that's important, but maybe they don't put it in those terms.

A lot of times when you go into a community you're thinking okay, I've got to have product. I got to understand my workforce. I got to know what the training does, but are we really diving deep into the do we know what industries we can recruit and sustain based on our business case as an economic developer in the region?

And so, one of the things I've talked a lot about to other communities is you may be-- the 80/20 rule is usually alive and well when you look at your business case for a specific industry. You have 80% of what it takes to recruit, sustain a specific type of business. How you win is how effective you are at closing the gap on that 20%. What are you doing strategically to build capacity within your region to close that gap and truly have a business case that makes it where companies are wanting to come into your region?

I think rural economic developers really need to take note of that because metropolitan areas get theirs, okay? We say that a lot. Metro areas are just going to-- their projects fall out of the sky. If you're going to have success in a rural area, you have to know your business case, so that you can have a laser focus on the type of industry you are going after.

**Chad Chancellor:** All right, now I cannot let you get out of here without talking a little Kentucky basketball. Chuck is a huge Kentucky basketball fan going back to Joe B. Hall.

**Charles Sexton:** That's right. A matter of fact, just last week, John Calipari surpassed Joe B.

**Chad Chancellor:** Oh, did he?

**Charles Sexton:** Yes, and so Calipari now holds the second-most wins in UK history behind Coach Rupp.

**Chad Chancellor:** We're recording this and full disclosure on February 28<sup>th</sup> and these things aren't going to be released until late spring early summer. So, the final four will have come and gone. So, you get to predict now we get to see where do you think the Cats end up this season when it's all said and done?

**Charles Sexton:** I think they are going to surprise a few folks. I'm not 100%-- obviously, every year I put them winning the whole thing. That's just who I am as a person. I think they can easily make the final four. I really do. They are a good enough team, they've shown that. If they continue to grow and stay together, work as a team, I think they can get there. We'll see. We'll see how that goes because you know what, these are still kids. They are kids and they are getting on a big stage in March and you know what, those nerves can-- it's all going to come down to how the nerves get them.

**Chad Chancellor:** That's right. And Chuck probably won't tell you this, so I'll tell you for. He actually has John Calipari in his deal closing team. He's literally stolen John Calipari away from a meeting and said you got to come meet with this company and tell them to come to east Kentucky.

**Charles Sexton:** He did a great job and then a week later, the company is back for a second visit, we happen to be eating dinner in Lexington at 9 o'clock at night. Guess who walks in? Coach Cal. I walk up to him; he looks at me like I'm a freaking psychopath. He's no idea who I am from Adam you know I saw him a week before.

Hey Coach, you're doing a good job helping us with that company. We're sitting over here eating some steak. If you had it within your heart to come and say hi I would appreciate it, but I wouldn't want to upset you.

So, I just figured that would be the end of it, maybe a security guard would tackle me; didn't happen. Actually, five minutes later, he comes over to our table, remembers their names, remembers the names of executives from that company who weren't even there with us at the time and sits there and chats them up and talks about why they need to invest in Kentucky east or Kentucky east specifically. He just did a great sales job. The man's a hell of a salesman.

**Chad Chancellor:** No wonder he's the best recruiter in college basketball. Well, Chuck, thanks for spending a few minutes with us today.

**Charles Sexton:** Thanks for having me.

**Chad Chancellor:** We really appreciate it.

**Charles Sexton:** Appreciate you.

**Chad Chancellor:** Thank you.

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**Chad Chancellor:** A special thank you to Younger Associates for recording, editing, and publishing this podcast for us. I encourage you to visit their website at [younger-associates.com](http://younger-associates.com).