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Recruiter to cast for big fish for Tampa

TRIGAUX

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Published January 17, 2005

Just 12 days into a promising year, the unpleasant news last week that JPMorgan Chase & Co. will cut 1,900 local jobs and shutter its credit card call center in Tampa has area economic developers scrambling to reread the tea leaves for 2005.

Isn't this supposed to be a year of rising economic confidence and bullish expansion?

The lost job numbers are nasty. By sheer volume, JPMorgan Chase's 1,900 job cuts tower above the biggest loss of 2004: the 1,400 jobs lost at Eckerd Corp. headquarters in Largo. Worse, JPMorgan Chase's closing its credit card call center follows by just seven months the decision by Capital One to shut its Tampa credit card call center at the cost of 1,100 area jobs.

The double whammy of 3,000 cuts in one industry in one city raises questions about the long-simmering strategy by the Tampa Bay area - now embraced by all of Florida - to pitch the state as a burgeoning mecca for the financial services industry. The movement even has a name (the Financial Services Cluster Initiative) and Web site. And this month, the initiative should receive the blessing and statewide backing of the board of this state's economic development organization, Enterprise Florida.

How do you lure more financial service work to the Sunshine State when thousands of those jobs in Florida are shifting to lower-cost, overseas sites or more efficient locations elsewhere in the United States? And, more to the point, why?

Nobody enjoys hearing about mass local layoffs by major corporations. But there's a lot more going on here than some unfortunate statistics suggest.

First, while financial service jobs remain important to this area, business leaders are embracing a plan to recruit a more diverse mix of companies. To make that happen, the Greater Tampa Chamber of Commerce recently hired Myron Hughes as vice president of its business recruitment arm, the Committee of One Hundred.

Hughes, 41, has extensive economic development experience in Cincinnati, St. Louis and, most recently, Memphis. His task here is to broaden, belatedly, and intensify the chamber's business recruiting efforts to bioscience, advanced

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manufacturing and regional distribution industries. Soon, he will unveil a business retention plan to help keep more local companies right here.

"Remember what happened to Houston in the 1980s when it relied solely on cultivating the energy industry?" Hughes asked. Better diversification of businesses would have protected Houston. And it will help Tampa and the metro area weather the inevitable cyclical cuts in any industry. Including financial services.

JPMorgan Chase is shutting its Tampa credit card center this year because the giant financial institution - so big we're now talking more than $1-trillion in assets - recently completed its merger with Chicago's Bank One. A credit card heavyweight, Bank One had bigger or better credit card call centers, so JP Morgan Chase is simply squeezing out extra costs by closing its Tampa shop.

Executive politics also are at work. Hard-charging Bank One CEO Jamie Dimon, slated to become CEO at JP Morgan Chase in 2006, is infamous for cost-cutting and clearly wants to tighten his ship before becoming captain.

This, say economic developers, is just the latest Darwinian example of Tampa Bay's evolving economy. Call centers once worked here when the area was smaller and cheaper. Not now.

"The loss of Capital One's facility is indicative of the overall trend in domestic financial services and the need to focus more on the higher value-added occupations," says Guy Hagen of Innovation Insight, a Wesley Chapel research firm. Hagen has analyzed the growing vulnerability of entry-level jobs to cheaper competitors and the benefit of building regional economies based on higher-level, better-paying - and harder to outsource - jobs.

Easy to recommend. Tough to accomplish.

Hagen points to JPMorgan Chase's more sophisticated treasury and securities processing operations in Tampa that were not affected by last week's announced layoffs. He also cites the recent relocation to Tampa of some higher-end, back-office work by New York's Depository Trust & Clearing Corp. as the kinds of jobs that will strengthen and enrich the Tampa Bay economy, but prove more resistant to the pressures of offshore competition.

"It was never our goal to be called the call center capital of the world," says Chris Steinocher, marketing chief of the Tampa Bay Partnership, the area's regional economic development umbrella. The recent loss of some major area credit card call centers, while unfortunate, is not surprising.

If JPMorgan Chase had never tested the Tampa market in the 1980s with a basic call center, expanding it significantly in the 1990s, then the New York behemoth never would have had the confidence later to bring its treasury operations here. For that, call centers deserve a moment of regional thanks.

At the Tampa chamber, newcomer Hughes has arrived with an open mind and fresh ideas about recruiting businesses to the area. He's all for pitching mid-sized corporations on moving their headquarters, but why not also shoot for a few Fortune 500 headquarters?

Hughes can be excused if Tampa Bay locals are skeptical. We've grown accustomed to relocations on the more modest scale of companies like

SAXoTECH, which this month said it will bring 30 tech jobs and move its North American headquarters from Rockville, Md., to Tampa. On Friday, Certegy Inc. said it will move its executive office from Atlanta to St. Petersburg. The move will involve only a handful of people.

Hughes worked extensively in Cincinnati, a city peppered with Fortune 500 headquarters and dominated by giant Procter & Gamble. He sees the clout, stability and can-do culture that cities flush with headquarter corporations enjoy.

If we've grown used to saying "no way," Hughes is here to say, "Why not?"

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[Last modified January 15, 2005, 00:24:59]

Past 14 Days Go

Times columns today
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Robert Trigaux: Recruiter to cast for big fish for Tampa

BACK TO TOP

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