

Regional Strategic Assessment & Marketing Strategy



**Final
Report**

Submitted by:

Calgary
Regional
Partnership

Project :

#00030

Final Report - Regional Strategic Assessment & Marketing Strategy

Project Number and Project Start and End Dates

Project #: 00030
Start Date: March 15, 2006
End Date: March 15, 2008

Background and Context

The Regional Strategic Assessment brought together many rural partners and builds upon an existing regional partnership of communities, not for profit organizations, and the federal and provincial governments.

The Wild Rose Community Futures (WREDC), Business Development Centre West (BDCWEST), Highwood Business Development Corporation (HBDC), together with the Calgary Regional Partnership (CRP), AlbertaFirst.com Ltd., Alberta Economic Development (AED) and 31 municipalities (Acme, Bassano, Beiseker, Carbon, Chestermere, Hussar, Irricana, Linden, Rockyford, Standard, Strathmore, Three Hills, Trochu, Airdrie, Canmore, Crossfield, Carstairs, M.D. of Bighorn, M.D. of Rockyview, Cochrane, Banff, Turner Valley, Black Diamond, High River, Nanton, Vulcan, Vulcan County, M.D. of Willow Creek, M.D. of Foothills, Stavely and Carmangay) identified a gap in the current regional business information available for economic development planning purposes. In 2004 – 2005 the above named project partners united to gather regional, detailed business information. During this time, 10,091 business contacts were made and 6,792 business records were either added or updated, coded for industry classification and employment information in AlbertaFirst.com Ltd.'s Business Attraction Information System (BAIS). In addition, 25 electronic community profiles were updated to reflect data outlined in the International Economic Development Council tables. This information provided a base of knowledge on the region's business communities and was used to assist communities with business retention activities. It also provided a foundation for assessing the region's potential for new investment (i.e. through the identification of possible business clusters or sector strengths).

The funding provided through RCED built upon the information collected in the first phase of this project and identified business sector strengths that could be used to pursue foreign direct investment into the region. This multi-community collaborative effort is important to sustain and create new employment in the Calgary region. Although the strategy is complete, implementation and results will take some time to achieve. The strategy has provided the following benefits to date:

- Given the communities a better understanding of their economic base and identified where potential exists to encourage further development
- Provided a solid foundation of information for the communities/region in order to understand and analyze sector strengths
- Provided the CF region's with key information to diversify the region with long term, sustainable business development
- Created a concrete, long term strategy that will enable the communities to identify and target specific market and business opportunities
- Offered the financial resources and expertise to municipalities surrounding Calgary who, without the assistance of RCED, would be unable to conduct a thorough analysis and long term plan for business investment

- Addressed the need that small communities with smaller populations in the region have: a regionalized study on a larger geographic area that will provide meaningful results
- Allowed Calgary region communities to elevate their planning practices in order to partner more effectively with Calgary Economic Development

Most of the municipalities located in the Wild Rose, Highwood and BDC West regions lacked the expertise and/or financial resources to embark on a business investment strategy. Without a cohesive, long term strategy to attract investment into the region around Calgary, opportunities for employment retention and creation were being missed. Through participation in a regional approach, the smaller communities can now effectively participate and benefit from a regional approach. The project partners recognized that budget restrictions limit their capacity to market outside of the region. By creating a focused and targeted marketing strategy, based on analytical research, new economic prospects and long term, meaningful employment opportunities will eventually result.

Financial Information

Source of Funds:	Proposed Cash	Proposed In Kind	Proposed Total	Actual Cash	Actual In Kind	Actual Total
Calgary Regional Partnership	42,000		42,000	36,309		36,309
Industry Canada (CISP)	40,000		40,000	77,500		77,500
Alberta Economic Development	54,000		54,000	40,000	18,841	58,841
RCED	60,000		60,000	60,000		60,000
BDCWest		5,000	5,000		8,000	8,000
WREDC		5,000	5,000		0	0
HBDC		5,000	5,000		9,100	9,100
Total Expenditures:	196,000	15,000	211,000	213,809	35,941	249,750
Use of Funds:	Proposed Cash	Proposed In Kind	Proposed Total	Actual Cash	Actual In Kind	Actual Total
Structure management committee		500	500		500	500
Outline responsibilities		500	500		500	500
Deliver ec dev strategy questionnaire	5,000		5,000		6,436	6,436
Compile regional findings	2,500		2,500		2,000	2,000
Deliver investment readiness index	2,500		2,500		2,300	2,300
I.d. deficiencies	4,500		4,500			0
Define outcomes for RFP		1,000	1,000	1,000	2,675	3,675
Develop terms of reference for RFP		1,500	1,500	4,065	7,125	11,190
Establish list of qualified consultants		750	750	1,375	1,450	2,825
Circulate RFP		1,500	1,500		3,450	3,450
Award contract		250	250	1,100	1,345	2,445
Economic base analysis	30,000		30,000	25,999		25,999
Regional opportunities i.d.	20,500		20,500	24,235		24,235
Possible cluster i.d.	18,000		18,000	20,450		20,450
External factors (industry interviews)	22,500		22,500	20,000		20,000
Other factors affecting region i.d.	10,000		10,000	15,995		15,995
Marketing strategy development	45,000		45,000	49,820		49,820
Lead generation program	35,500		35,500	49,770		49,770
Community engagement - mtgs/presentations		7,000	7,000		6,215	6,215
Financial management & reporting		2,000	2,000		1,945	1,945
Total Expenditures:	196,000	15,000	211,000	213,809	35,941	249,750

Project Activities

The following table outlines the activities and the original expected dates of completion for the various components of the strategic assessment and marketing strategy.

Activity	Date
Project management committee set up	Apr-06
Survey of municipalities complete and analyzed	Jun-06
Investment readiness index delivered and analyzed	Sep-06
Consultant hired	Jun-06
Economic base analysis complete	Oct-06
Regional opportunities identified	Nov-06
Cluster identified and industry surveys complete	Dec-06
Other factors affecting region identified	Dec-06
Marketing strategy developed	Mar-07
Lead generation program developed	Jul-07
Community engagement/meetings	throughout

A project management committee was established at the inception of the program. Although committee members have changed throughout the duration of the two year project, the committee provided direction and input into the entire process. The committee members at completion of this phase consisted of the following individuals:

Diane Berreth	Project Manager - CRP Economic Development Forum
Walter Valentini	Regional Director – Alberta Employment Immigration & Industry
Patti-Jay Callaghan	General Manager - Community Futures Centre West
Monique LeBlanc	ED Coordinator - Community Futures Highwood
Melissa Scaman	Economic Development Officer – High River
Sara Chamberlain	Economic Development Officer – Airdrie
Shane Olson	Economic Development Specialist – Okotoks
Judy Martin	Economic Development Officer – Chestermere
John Leurdyke	Director, Building Products (Investment & Industry Development Branch) Alberta Employment Immigration & Industry

Prior to launching the project, the communities were surveyed with regard to their economic development aspirations and investment readiness. 88% of communities surveyed indicated their desire to attract new business investment into their community. In addition, over 80% of communities have the information necessary to respond to investment inquiries.

In response to this priority, a consortium of consultants (Ec Dev Solutions Ltd., FutureMark Strategies Inc. and JWP Strategy International Ltd.) was hired to complete an economic base analysis on the region (excluding the City of Calgary). The analysis was complete utilizing the most current Statistics Canada information and supported by the anecdotal information collected from the Regional Asset Inventory project.

Six key sectors were identified as a result of the analysis: wood building products, non wood building products (i.e. plastics and composites), transportation and logistics, professional and technical services, food manufacturing and investment in tourism

(capital projects). After careful review by the committee, and in consultation with provincial sector specialists – strategy was developed for the following three sectors: wood building products, non wood building products and transportation and logistics.

Industry consultation and interviews were undertaken to identify criteria affecting site location decisions as well as challenges to opening and operating a business within the region. Marketing strategy and action plans were also developed for the three sectors. Part of the strategy included development of ten business cases which will be useful in approaching potential investors.

Lead generation was not completed in this phase, due to the cost of the work completed thus far and the time required to meet other project requirements, such as gaining the support of stakeholder members.

The process took much longer than originally anticipated. In order to secure the best strategy possible, three requests for proposals (RFP's) were initiated rather than one, as originally anticipated. The initial RFP sought consultants who had experience in economic analysis and sector opportunity identification. The remaining two RFP's were targeted at consulting firms with specific industry experience.

In addition to securing the necessary expertise, consultation with the committee, the Forum (community representatives) and ultimately Executive Committee lengthened the process, but also ensured community buy-in to the process and ultimate strategy.

Benefits Resulting from Project

Indicator	Target	Results
# of Project Partners	6	Five project partners committed to the project and included BDC West, CF Highwood, AEII, Industry Canada and the CRP. CF Wild Rose does not have a lot of communities represented by the CRP region which is one of the reasons they were not as engaged in the strategy.
Communication with REDA (# mtgs, emails etc.)	20	Emails and meetings with the REDA surpassed 100.
# Best Practices	3	18 best practices were utilized during the project – outlined in Appendix A.
Communication with other CFDC's (# mtgs etc.)	20	Communication with CFDC's through email, phone and meetings far exceeded 75.
Communication with Communities	30	Communication with communities exceeded 100.
Participation by Communities in Data Collection	19	Data for 16 of the 18 communities was included in the formal analysis (Calgay and Tsuu T'ina were excluded). Anecdotal information on Calgary was used to support the strengths of the region. It was excluded in the formal analysis due to its size (Calgary results would overshadow the regional findings).
# Sustainability Measures Developed	5	Four measures were developed and include: 1. The distribution of businesses by Industry (NAICS), 2. The distribution of employment by Industry (NAICS) 3. Average Annual wages rates by Industry – payment of Wages above L.I.C.O. and 4. The number of commuters leaving the community, by Industry (NAICS). Very little objective data existed for environmental impact which was viewed as company specific rather than industry specific. This measure was given consideration in the strategy but not supported by measurable data.
Report - Survey of Municipalities	1	Each municipality was surveyed and identified their key economic development priorities.
Report - Economic Base Analysis	1	One economic base of the region was completed.
Report - Investment Readiness Index Analysis	1	Each municipality was assessed from an investment readiness perspective.
Report - Regional Opportunities	1	One report was created which identified regional opportunities arising from the economic base analysis.
Report - Cluster Study	1	All six clusters were assessed with recommendations on those possessing the most potential.
Plan - Marketing Strategy	1	One marketing strategy was completed for each of the targeted sectors. For the wood and non wood building products, ten businesses cases were also undertaken.
Program - Lead Generation	1	No lead generation was initiated because the lead generation will build upon the marketing strategy and insufficient resources remained to complete this component.

The Calgary region communities have a history of competition and independence, seeing themselves as unique and different, with little in common. During the two year project, the communities came together and began to view themselves as a “region” with opportunity to attract jobs and investment where there are commonalities. It is difficult in an objective manner to outline the long term benefit this attitude will bring.

In addition, the level of knowledge, understanding of investment best practices and the valuable analytical information available to provide investors has been raised. Some of the CRP member communities were viewed by larger entities such as Calgary Economic Development (CED) as unsophisticated and lacking base knowledge on sector strengths etc. This analytical process will provide a solid base of information and outline future potential for the communities. It will also raise the community's capacity to partner with CED on investment attraction. A link has been established between the CRP and AEII, who provided support beyond what was anticipated. AEII's sector specialists in Transportation and Logistics and Building Products reviewed RFP requirements, made suggestions, provided contacts for industry consultants etc. Their time and commitment proved invaluable to the process.

Links to some of the work completed can be found at the following website addresses:

Community Economic Development Survey:

<http://www.calgaryregion.ca/crp/media/4271/economic%20development%20survey.doc>

Economic Development Survey Chart Results:

<http://www.calgaryregion.ca/crp/media/4255/economic%20development%20survey%20charts.doc>

Summary of Economic Base Analysis File:

<http://www.calgaryregion.ca/crp/media/24691/final%20economic%20base%20file-sic.xls>

Final Report and Sector Overviews:

<http://www.calgaryregion.ca/crp/media/23701/crp%20investment%20attraction%20-%20final%20report.pdf>

Media Coverage

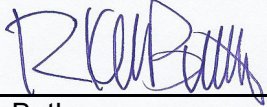
Promotion of this project was largely completed within the stakeholder community of the CRP. The following venues were used to highlight the project and give acknowledgement to Western Diversification and Community Futures Alberta.

- Two formal PowerPoint presentations at the Calgary Regional Partnership's General Assembly. This venue hosts over 200 representatives who include citizens, municipally elected officials, professional economic development staff, provincial government staff and elected officials (Ministers of Alberta Employment Immigration & Industry, Sustainable Resource Development and Municipal Affairs).
- Project presentations to 18 community councils
- Two highlights in the CRP general newsletter – which has a mailing distribution reach of 275 individuals
- Project presentations at 6 Executive Committee meetings – meetings which are made up of Mayors of the stakeholder communities

Best Practices

The best practices utilized during this project are contained in Appendix A. In addition, there were many lessons learned throughout the duration of the project. These "learnings" are documented in Appendix B.

Signature on Report

A handwritten signature in blue ink, appearing to read "Rick Butler", is positioned above a horizontal line. The signature is contained within a light gray rectangular area.

Rick Butler
Executive Director

Invoice

Attached, please find a final invoice for the remainder of the approved funds.

Appendix A – Best Practices Utilized

Management

- Use of an established Request for Proposal (RFP) process – the CRP utilized three separate RFP's during the process. Government of Alberta contract requirements were also utilized upon entering into agreement with the successful consulting firm

Planning

- Established goals with measurable outputs and outcomes - benchmarks for employment growth as a result of successful investment attraction were established using Statistics Canada employment by NAICS Codes
- Defined priorities and success factors for identified initiatives and actions to be implemented – communities were surveyed for their priorities and economic development goals and the highest ranked was utilized in identifying the project
- Completed SWOT analyses for region – consultants were mandated to consider the region's strengths and challenges in the development of the strategy. Identifying the region's business strengths was inherent in the economic base analysis (EBA)
- Competitive advantage of the region was identified – the EBA identified where the region's core investment strengths lay
- Regional asset inventory and assessment – inherent in the RFP requirements when developing the strategy
- Member consultation process – the CRP member communities approved the various facets of the strategy throughout the two years. The results were also ratified by elected officials at the Executive Committee and at the CRP General Assemblies

Marketing & Promotion

- Marketing Strategy and implementation plan – the CRP was very decisive in the requirement for an implementation plan. Consultants were required to identify “next steps” for member communities
- Network of partnerships and strategic alliances – during this process, CRP member communities had the opportunity to network with industry experts, provincial government sector specialists as well as committee members who worked on the project over its duration. Presentations by investment specialists were given at several Economic Development Forum meetings – allowing members to query and understand the process from the provincial and federal government perspective as well as from the investor's perspective

Information Management/Development

- Established and maintained regional website – although not part of this project, the CRP overhauled its website and added a component to deal with labour attraction, a requirement for any investment strategy
- Regional Economic Indicators established and tracked annually – through AEII, the CRP regional indicators are tracked on an annual basis. This provides good benchmark information for the communities and investors alike
- Formal reporting process to members and stakeholders exhibiting accountability and transparency – all information is vetted through the professional practitioners who participate in the Forum. In addition, final approval is garnered at Executive Committee meetings (meetings of the elected officials)

Investment Opportunity Identification

- Economic Diversification Strategy – the goal of the entire project was economic diversification
- Identification of target key sectors and development of industry sector opportunities based on market trends and region's competitive advantage – inherent in all of the work completed by consultants
- Cluster development strategies – this was the approach selected by the CRP. It is also the approach utilized by Calgary Economic Development, the province of Alberta, and the federal government
- Utilization of industry sector specialists – throughout the RFP process, the CRP chose to utilize specialists at the provincial level. Provincial representatives are now ex-officio members of the Opportunity Identification Committee. They have provided invaluable information on sector opportunities and investor needs. In addition, sector specialists were utilized in developing the strategy
- Investment Opportunity Profiles – although not complete in its entirety, a draft profile has been completed as part of the investment attraction strategy

Community Economic Development Capacity Building

- Economic Development training seminars for leaders and practitioners – several information/training sessions were held for the Forum members throughout the project

Appendix B – Lessons Learned

1. Assumptions

When contracting for specific components of the project (i.e. economic base analysis), some key deliverables were not formally requested and had to be re-negotiated as part of the contract. For example, the RFP did not request a “final report” assuming that all of the work would be compiled into a final report. No assumptions should be made, and every expectation should be communicated in writing.

An assumption was also made that one consultant could complete all the deliverables of the project. It quickly became evident that finding expertise in specialized areas provides a much higher quality project than using “general economic development consultants”.

2. Timelines

The Opportunity Identification Committee felt the work could and would be completed well within the timelines. Through the process it was discovered that securing buy-in from the practitioners and elected officials, articulating deliverables in a high quality RFP, hiring consultants and completing the work, takes considerably longer than anticipated. At different times throughout the project, work was stalled and it became difficult to reach agreement within the stakeholder group of eighteen communities and CF's.

3. Sustainable Development

The goal of the project was to encourage long term sustainable development. This is new thinking in the field of economic development and it was difficult to obtain objective measures to evaluate environmental impact. For example, what is an acceptable range of water and resource usage? Also, although some industries have a better “reputation” for environmental stewardship than others, most decisions are made at the company level and not by an “industry” unless an industry standard exists, which often does not.

4. Community Capacity

Without addressing capacity issues at the local level, it is difficult to embark on a regional investment attraction program. Capacity varies from community to community; in particular larger communities typically have more capacity due to staff and financial resources. Many of the smaller communities lack capacity and although some work can be done by volunteers, it is unreasonable to expect this kind of economic development work to be completely solely by volunteers. This project was very successful at raising the knowledge and understanding of economic analysis and investment potential. It also provided a venue where experts in the field, both in government and in private sector could share their knowledge with the Economic Development Forum.

5. Complexity of Regional Initiatives and Thinking

In regional economic development, strengths vary from community to community and at times it is difficult to find common ground. Upon completion of the economic base analysis, six sectors were identified. Some of the delays in the project arose as the group debated and discussed which sectors warranted additional work. Although this can be an arduous and time consuming process, it is important to ensure everyone sees where/how they fit within the strategic framework. If this doesn't occur, the strategy will become a useless document with no life.

6. Cost

One of the key lessons learned is consultants can be costly and it is difficult to know what a reasonable price is given the nature of the work. The CRP EDF utilized a formal tender process to get quotes, but this can be a challenge when seeking industry experts. There are a limited number of consultants who have expertise in a particular area, in addition to understanding the Alberta and regional economy.

7. Expertise

One of the goals of the CRP EDF was to learn from other community and regional experiences in investment attraction. Many studies throughout Alberta failed to be implemented and became irrelevant documents. The EDF realized that general economic development consultants cannot provide the same value that individuals with specific experience can. The EDF hired industry specialists who have their own network of contacts and a solid understanding of what it takes to succeed in an investment attraction program. This should alleviate the problem with a study that lacks a practical implementation plan.

8. Project Management

The EDF embarked on this project with tremendous ambition to complete all phases of an investment program. Upon reflection, the project should have been broken down into small pieces from the onset. This contributed to the fact the lead generation component was not completed.