



The Way We Prosper **The City of Edmonton's Economic Development Plan Best Practice Review**

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1 BEST PRACTICE REVIEW

Economic Development is practiced in a variety of forms at the municipal, provincial, regional and national level around the globe. This offers a tremendous opportunity for any city or region to learn from the efforts or best practices of other jurisdictions. While the list of best practices in economic development is long, this paper profiles a select number of best practice efforts considered relevant to the City of Edmonton and the development of The Way We Prosper economic development plan.

In providing a guideline to conducting best practice, the State University of New York, Albany suggests that many organizations do not conduct best practice reviews for the following perceptions¹:

- There is no other similar agency;
- No one else faces a similar problem;
- There is only one way to deal with a problem; or
- No one else understands the problem as well.

While Edmonton is indeed a unique community, that does not mean others are not tackling similar problems or dealing with different problems in innovative ways that can be applied to the challenges facing the City.

In conducting this best practice review consideration has been given to Edmonton's size, scope and geographic position. Based on this, case studies have been selected that illustrate the efforts of other mid-sized cities across North America. However, the focus has been to find examples of cities that are developing innovative solutions to issues and challenges faced by the City of Edmonton.

In preparing the Way We Prosper, the consulting team identified seven (7) themes that warranted a best practice review:

- Marketing;
- Regional Collaboration;
- Business Retention and Expansion;
- Foreign Direct Investment;
- Cluster Approach to Business Development;
- Workforce Development and Attraction; and
- Small and Medium Enterprise Development

The review that follows introduces each of the themes, provides a case study as an example of best practice approach in this area, provides suggested take aways for the

¹ Conducting best and current practices research: A starter kit extracted from http://www.ctg.albany.edu/publications/guides/conducting_best/conducting_best.pdf



City of Edmonton and identifies several other sources for examples of additional best practice.

1.1 Marketing

Promotion of Edmonton's Assets

There was no single issue that was raised more often by business and community stakeholders than the need for effective marketing and promotion of the City of Edmonton. Many agreed that Edmonton, as a City and as a region must make stronger efforts to 'get on people's radar screen'. As the City continues to grow and diversify, marketing efforts are seen as an increasingly important role in attracting inbound investment, talent and visitors to the city and region. In this regard, marketing efforts should be broad based to reach the largest possible audience, but also targeted to attract the attention of business and communicate the value proposition needed to put Edmonton 'top of mind' as a place to do business, live and visit.

At the same time, the competition facing Edmonton is fierce. In the world of marketing there is a considerable amount of 'noise' to cut through to reach the target audience. Without doubt, the most important marketing vehicle in use today is the internet. Be it through websites, on line search tools, social media or discussion forums; more people are using the internet to facilitate their location decisions. Before ever contacting an economic development office, site selectors and investors will use the internet to seek crucial information related to land supply and cost, supply chains, transportation linkages and workforce readiness. Similarly, employees will also use the internet to research places to evaluate quality of place factors before making work placement decisions.

The starting point for effective marketing is a dynamic, informative and effective website. Marketing firms and global business ranking agencies such as the Organization for Economic Cooperation and Development and World Bank provide criteria for effective websites. Effective websites have high scores in:

- Structure, appearance and ease of navigation;
- Use of graphics and reading ease;
- Clarity of purpose, information provision including sector information, current events and report availability; and
- Web optimization (results from internet search), contact information and effectiveness in selling the location to businesses.

The case study presented below was selected as the Best General Purpose Website in 2011 by the International Economic Developers Council.



Case Study: East Tennessee Economic Development Agency



Centred on the City of Knoxville and covering 15 counties in Eastern Tennessee, East Tennessee is located in close proximity to the United States' major population centres on the eastern seaboard. The region has capitalized on the presence of the main campus of the University of Tennessee and a talented workforce to build an economy based on trade, transportation and utilities, government services, education, health services and professional, scientific and technical services.

The new website (<http://www.eteda.org>) was designed to more effectively share information with consultants, relocating companies, economic developers, commercial realtors and site selectors. Navigation was improved to provide easy access to information in categories including: regional profile, relocation and expansion information, business sectors and buildings and site selection. With just a few 'clicks' the user can find major companies and sub sector details for each of their primary sectors including the region's value proposition, supply chain and labour force considerations. In addition the website provides an interactive map and property availability on a county and municipal basis. Finally, the site provides quick and ready quality of life information including cost of living, climate, culture, healthcare, recreation and housing.

East Tennessee	
Population	1,123,113 (2010)
Population Growth (2000-2010)	n/a
GDP (millions current dollars)	n/a
Talent (Persons 25 Years or Older, 2010, BA >)	22.7%



View the East Tennessee Economic Development website at www.eteda.org

Additional Best Practice Regions

- **Metro Orlando Economic Development Commission** - www.orlandoedc.com

Print material can also form an effective addition to the City of Edmonton's marketing efforts. Organizations recognized for their effective and innovative print media include:

- Greater Richmond and the City of Richmond
 - http://www.grpva.com/publications/Just_The_Facts.pdf
 - http://www.grpva.com/publications/2011_YearinReview.pdf

Market Insights for Edmonton

- Creating an innovative and effective website requires resources. To commit in excess of \$100,000 to a website is not uncommon as leading sites are incorporating social media, mapping tools, and dashboards to enhance the level of online service.
- The development of a world class website requires an internal web development team that works with a designer to review best practice, share ideas and generate content for the new website. The team and designer should have a 'winning checklist' to ensure the website incorporates all of the criteria leading to a successful and effective website.

1.2 Regional Collaboration

Importance of Regional Collaboration

Innovation, skills, entrepreneurship and social cohesion (social capital) are key drivers of growth in today's economy. The way in which these inputs are fostered individually and combined together is relevant to the competitiveness of nations, regions, cities and neighborhoods.

While the global competition is typically described nationally, the United States vs. China or Canada vs. Mexico, the reality is that competitiveness hinges on where companies, skilled workers, researchers, universities, entrepreneurs all come together and that is in regions. For example the investment decision of firms does not depend on political boundaries but rather on the assets found in the entire region.

Unfortunately in Canada and the United States, political boundaries of cities do not typically correspond to economic regions. As a result cities and regions often do not

Thinking and acting regionally strikes many economists, policy analysts and civic activists as just straightforward logic. The rules of engagement for international competition compel regional responses. Nations, states and cities matter, of course, but the region is the decisive, strategic platform for economic success and quality of life.

Source: Curtis Johnson and Neil Peirce. *Regionalism Today: Risks, Rewards and Unresolved Questions* (John D. and Catherine T. MacArthur Foundation, 2004).



work together to address shared problems and instead collectively undertake actions that make each worse off. The problems between cities and regions include:

- **Free riding** - where the region uses but does not pay for services provided by one city;
- **Negative tax policies** – a race to the bottom scenario, whereby cities compete against each other through lower taxes; and
- **Administrative boundaries**- adhere to service delivery models which result in inefficiencies and lack of accountability.

To overcome these issues, policy makers must adopt a regional lens to advance innovation, skills, entrepreneurship and social cohesion across political (municipal) boundaries. A regional lens requires a long term view of economic development that puts strategy and global competitiveness at the forefront. Regions have evolved different governance models to deal with issues of coordination between governments, business and civil society in the region. The table below shows the range of coordinating activities for various regional economic development functions.

Level of Coordination		
Communicating	Planning and Cooperating	Implementing
<ul style="list-style-type: none"> ■ Awareness ■ Keeping track of what other players are doing in the same field 	<ul style="list-style-type: none"> ■ Tacit cooperation ■ Informal understanding between players about roles and functions 	<ul style="list-style-type: none"> ■ Common resources ■ Players apply economies of scale
<ul style="list-style-type: none"> ■ Intermittent communications ■ Some direct communications between players on an ad hoc basis 	<ul style="list-style-type: none"> ■ Formal cooperation ■ Joint planning, but each player undertakes own activities 	<ul style="list-style-type: none"> ■ Common activities ■ Players collaborate regularly on specific events
<ul style="list-style-type: none"> ■ Formal communication ■ Regular meetings to exchange information 	<ul style="list-style-type: none"> ■ Joint projects ■ Distinct activities, but players also enter into joint projects from time to time 	<ul style="list-style-type: none"> ■ Consortium ■ Players combine in a new entity to advance a particular goal

The need for increased regional collaboration was raised throughout The Way We Prosper consultation process. While municipalities collaborate through shared investment leads and examples of increased collaboration such as Alberta’s Industrial Heartland Association exist, higher levels of communication, planning and marketing are needed. Alberta’s Industrial Heartland is an excellent model that sees municipalities’ pool development costs, allocate a portion of earned revenue to further development and share surplus revenues. The Pittsburgh region, profiled below has



been selected as a model for communication and collaboration in achieving success for all member municipalities.

Case Study: Allegheny Conference on Community Development

The Pittsburgh region is composed of ten counties and includes the City of Pittsburgh.

The combined population of the region is 2,356,285 people. Since, 2000, the Allegheny Conference on Community Development (ACCD) has taken the lead across the region in coordinating the activities of: the Pittsburgh Regional Alliance (PRA), the Greater Pittsburgh Chamber of Commerce and the Pennsylvania Economy League of Greater Pittsburgh. Together these four organizations:

- Market the Pittsburgh region to attract business investment;
- Market the region for talent attraction;
- Conduct research and analysis to improve regional competitiveness; and
- Advocate for business improvements and quality-of-life improvements.

Pittsburgh, PA	
Population	2,356,285
Population Growth (2000-2010)	-0.15%
GDP (millions current dollars)	115,752
Talent (Persons 25 Years or Older, 2010, BA >)	35.2%

Steering the efforts of the organizations is the Regional Investors Council (RIC). The council is composed of more than 300 regional employers who are tasked with providing leadership and resources to advance the strategic goals.

Every three years the ACCD and RIC review the progress made and set the priorities for the next three years in a detailed agenda. The purpose of the agenda is to align the vision for the region with the current state. It also acts as a business plan for ACCD to approach board members, the community and RIC members for financial support. To develop the “2012-2014 Agenda: A Renewed Call to Action”², ACCD received input from 766 participants; conducted 26 group discussion sessions around the region and held an “Emerging Leaders” summit.

To learn more about regional collaboration efforts in Pittsburgh go to <http://www.alleghenyconference.org/>.

Additional Best Practice Regions

- **Montreal International** - <http://www.montrealinternational.com/partners/>
- **Joint Venture Silicon Valley** - <http://www.jointventure.org/>
- **Cleveland Plus Marketing Alliance**- <http://www.clevelandplus.com/about/campaign-and-brand.aspx>
- **Puget Sound Regional Council** - <http://psrc.org/econdev/res>

² <http://www.alleghenyconference.org/EnergizingEconomy.asp>



Regional Collaboration Insights for Edmonton

- Effective regional collaboration can help the Edmonton region provide economic development services more efficiently.
- Regional collaboration requires strong leadership and a commitment to stakeholder involvement.
- Process should be inclusive of the needs of emerging leaders who will shape the future of Edmonton.

1.3 Existing Business Initiative

Supporting Local Businesses

Building relationships with current employers can result in significant economic impact on a community. It is now commonly accepted that growth in the existing business base generates more employment than the attraction of new businesses. Strong relationships between municipal staff and local business owners can assist in the understanding of business needs and concerns and allow a municipality to create policies and programs that address these needs and contribute to the overall economic health of the community. The process employed to build business relationships is frequently referred to as Business Retention and Expansion or an Existing Business Initiative.

The State of Iowa invests in communities through support of existing business initiatives. These initiatives are centred on relationship building and are considered to provide a number of benefits to a community including³:

- Input and direction for economic development priorities;
- Improved productivity and competitiveness;
- Identification of business needs and concerns;
- Unrealized supply chain opportunities and a reduction of community imports;
- Testimonials for marketing materials;
- Increased knowledge of the local economy and the contributions of local business; and
- Access to corporate management that might be located elsewhere.

For many, building strong relationships with the local business community is the most important activity of an economic development office. Taking the time to meet with

³ Retrieved from <http://www.iowaeconomicdevelopment.com/toolbox/downloads/eBIToolkit.pdf>



employers will provide an understanding of business owners' perceptions of the community and their outlook for the future. Participation in the stakeholder process for The Way We Prosper was high. Businesses contacted were very eager to participate and have their voices heard by the City of Edmonton. Many felt that the City can do more to listen to the needs of business and move to improve application and review processes to be more business friendly. The goal of being more responsive to the needs of business is reinforced through the Council approved outcomes for The Way We Prosper and the creation of the Business Advisory Committee to inform the economic development strategy.

The Greater Richmond Partnership, presented below was the winner of the Business Retention and Expansion award at the International Economic Development Council awards in 2011 and provides an excellent example of the role of business and volunteers in a successful business retention and expansion program.

Case Study: Greater Richmond Partnership

The Greater Richmond Partnership is public-private economic development partnership representing 3 counties and the City of Richmond, Virginia. The organization supports regional marketing and business attraction efforts, coordinates talent development programs, provides new and small business support and coordinates a comprehensive Business Retention and Expansion program.

Business First, the Business Retention and Expansion program is a collaborative effort of the Greater Richmond Partnership (GRP), local economic development officers, other municipal agents, private companies and volunteers from the region. Since 2006, the program has conducted interviews with more than 2,600 business leaders.

Utilizing a web-based project/contact management software allows the GRP to track potential expansion projects, estimated growth in employment and real estate needs. This allows the partnership to proactively adapt workforce development and attraction programs to meet employers' needs, identify potential land or buildings for business expansions and assist in the development process to expedite the issuance of building/development permits.

Information regarding the Greater Richmond Partnership and the Business First Initiative can be found at <http://www.grpva.com/business-in-richmond/business-expansion-retention/>

Greater Richmond, VA	
Population	1,258,251
Population Growth (2000-2010)	14.7%
GDP (millions current dollars)	57,284
Talent (Persons 25 Years or Older, 2010, BA >)	32%

Additional Best Practice Regions

- **Greater Cleveland Partnership, OH** <http://www.gcpartnership.com/Economic-Development/Business-Development.aspx>
- **Tulsa Metro Chamber, OK** <http://www.growmetrotulsa.com/general/342/existing-business>

BR&E Insights for Edmonton



- A business retention and expansion program can assist the city in developing key market insight and serve to support other initiatives such as a workforce development strategy. Such a program can be a collaborative effort of City departments, agencies and businesses who can play an important role in conducting visitations and expand the reach of City and economic development staff.

1.4 Foreign Direct Investment (FDI)

Investment Attraction Functions of City Regions

Foreign Direct Investment involves an internationally-headquartered company setting up a new project or expansion that involves capital investment and the direct creation of new jobs. Although there are advantages and disadvantages to targeting FDI, the economic value of this investment is often seen as greater than that of domestic investments. Proponents of FDI attraction, typically site the following as potential benefits:

- **Increased Domestic Investment** - It is estimated \$1 of FDI leads to \$1 in additional domestic investment. Microsoft Europe estimates its ratio to be 1:10.
- **Export Market Access** - FDI is generally more export intensive than domestic investment and this can lead to supply chain opportunities for local companies.
- **Technology** - Multinational corporations are often considered to be more R&D intensive.
- **Job Creation** - FDI creates direct and indirect jobs. Anecdotal evidence suggests one manufacturing FDI job creates three indirect jobs. Again, Microsoft Europe estimates its ratio to be 1:30.
- **Regional Dispersion of Benefits** - Foreign investment can act as a catalyst for growth in regions – as long as they have adequate absorption capacity and connectivity.
- **Innovation** - FDI can intensify local market competition, creating the stimulus for innovation. This competitive pressure can lead to the creation of a cluster, increased sharing of ideas, and a more agile economy.
- **Higher Productivity** - Productivity in FDI is generally higher than domestic firms, often by up to 40%.⁴
- **Wage Premium** - Foreign owned companies pay higher wages; the estimated average wage premium in the US is 30% - often high wages are a goal of investment attraction activities⁵.

Of the 27 cities ranked as the top global destinations for foreign direct investment in IBM's Global Location Trends: 2011 Annual Report, only one did not have a body or agency responsible for the management of city-wide development efforts.

⁴ For more information, see "The Benefits of Foreign Direct Investment: How Investment in Both Directions Drives Our Economy", The Conference Board of Canada, March 2006

⁵ For more information, see "The Importance of Foreign Direct Investment on Wages and Working Conditions", OECD, 2008



Increasingly cities around the world are mobilizing resources to attract investment. Many cities such as London, Berlin, Toronto, and Ottawa have established agencies with a mandate to attract FDI.

Case Study: Austin Chamber of Commerce

Cities around the world have expressed an interest in what has made the economy of Austin, TX so successful. From 2000-2010, the population of Austin increased by 37.3%, reaching 1.72 million people, making it one of the fastest growing regions in the United States. The region's growth has led major publications and media outlets such as Forbes, Time Magazine, Reuters and the BBC to do feature stories on the business community.

The Austin Chamber of Commerce has played an important role in the growth of the region. A private, non-profit organization, the organization is made up of over 2,400 business enterprises, civic organizations, educational institutions and individuals. It has a broad scope of work that includes programs for economic development, talent development, BR&E and business attraction.

Austin, TX	
Population	1,716,289
Population Growth (2000-2010)	37.3%
GDP (millions current dollars)	\$86,029
Talent (Persons 25 Years or Older, 2010, BA >)	39.4%

In 2011, fDi Intelligence ranked Austin in the top 5 of major cities in North America for its FDI strategy⁶. In 2011, the Chamber attracted 35 new companies to Austin that are expected to create 4,096 jobs. Furthermore, 51 businesses already in the Austin area chose to expand their offices, production and workforce.

Despite Austin's success, the Chamber's strategy emphasizes continued diversification of the regional economy which is overly dependent on technology growth. To increase business investment, the Austin Chamber of Commerce strategy identifies a number of key goals for the organization. The actions related to those goals which focuses on FDI include Executive Networks, Targets, International Development and Cost Competitiveness.

- Executive Networks** - The creation of a CEO Council to assist with business recruitment. By leveraging regional leaders the Chamber hopes to expand its network of contacts to generate new leads and identify success stories and ambassadors.
- Targets** – Adopt target-specific marketing strategies to reach corporate decision makers within key sectors. To do so the Chamber is developing new target-specific materials for Health Care and Life Sciences, Corporate and Professional Headquarters, Creative Media and Green Industries and identifying key media outlets.

2011 Relocations by Industry

- Clean Tech – 3
- Data Center- 2
- Digital Media – 6
- HQ/Regional Office – 1
- Medical Device
- Bioscience – 1
- Semiconductor – 1
- Software – 6
- Wireless 7
- Other IT – 3
- Other – 5

⁶ fDi Intelligence, 2012 - <http://www.fdiintelligence.com/Locations/Americas/American-Cities-of-the-Future-2011-12>



- **Internationally Focused Development Programs** – the Austin Chamber of Commerce is working to fully utilize partnerships with universities, consuls general, trade representatives and sister cities for recruitment development opportunities.

To learn more about how the Austin Chamber of Commerce is attracting new business to the region visit <http://www.austinchamber.com/the-chamber/opportunity-austin/>.

Additional Best Practice Regions

- **Houston, TX** - <http://www.houston.org/index.html>
- **Pittsburgh, PA** - <http://www.pittsburgh-region.org/>
- **Mississauga** - http://www.mississauga.ca/file/COM/International_Marketing_Strategy.pdf
- **Metro Denver** - <http://www.metrodenvergis.org/>

FDI Insights for Edmonton

- FDI efforts require significant buy-in and support from the business community;
- Winning new investment requires a focus on target sectors. Collateral materials and marketing should reach decision makers within the selected target sectors;
- The attraction of strategic companies can assist Edmonton in realizing supply chain opportunities and help attract talent to the City;
- FDI efforts can serve to diversify the local economy; and
- Business leaders themselves can play an important role in the City's FDI strategy.

1.5 Cluster Based Industry Strategies

Developing Regional Clusters

Regional economies are characterized by the clustering of similar businesses. When businesses choose to locate in close proximity to each other they benefit from being part of a network of suppliers, related services, supporting institutions and customers. These clusters are more than the co-location of similar firms in a geographic area. Clusters represent a dynamic and synergistic relationship between multitudes of stakeholders. Examples of clusters include financial services in Toronto, aerospace in Montreal and medical devices around Boston.

Clusters can be sub-divided into what Michael Porter calls trade and local clusters. Traded clusters, involve industries that rely more heavily on innovation, products or services that can be exported, and where upgrading is more likely happen. These clusters have been found to have higher levels of productivity and wages. Local industries, on the other hand are limited to a specific region.

As a result governments have focused more and more attention on developing the linkages between businesses, people and knowledge within trade clusters (see

“A cluster is a geographically proximate group of companies and associated institutions in a particular field, linked by commonalities and complementarities.”
Michael F. Porter, On Competition, 1998



definition above). By organizing economic policy around the development of trade clusters, policy makers have been able to develop programs and strategies to support the common needs of businesses. These strategies are able to cut across economic development functions such as B R&E, workforce development, and investment attraction allowing government agencies to coordinate activities more effectively. In Portland, OR the in-depth knowledge of particular sectors that comes from a cluster focus at a regional level has resulted in innovative initiatives that move business development efforts beyond traditional assistance.

Case Study: Communauté Métropolitaine de Montréal

As of the 2011 Census, Montreal had a population of 3,824,221 second only to Toronto in Canada. The regional GDP is estimated to be \$126 billion. Since, 2001 the Communauté Métropolitaine de Montréal (CMM) has acted as a planning and funding body for the 82 municipalities that make up the region. As part of its mandate the CMM is responsible for economic development

In 2005, the CMM adopted its first economic development plan, which emphasized industrial clusters. Today Montreal has seven cluster initiatives to mobilize industry players, initiate projects and promote the visibility and international competitiveness of the cluster. The seven clusters are:

- **Aerospace** - <http://www.aeromontreal.ca/homepage/>
- **Clean Technology** - http://www.ecotechquebec.com/index_en.php
- **Film & Television** - <http://www.qftc.ca/>
- **Financial Services** - <http://www.grappefinancemontreal.com/en/index.html>
- **Information and Communication Technology** - <http://www.en.technomontreal.com/>
- **Life Science** - <http://www.montreal-invivo.com/en/home.php>
- **Logistics and Transportation** – Pending

The metropolitan cluster strategy developed by the CMM is “bottom-up” insofar as each of the clusters listed above was established by the community and is actively supported by local business in the sector.

To fund cluster development the CMM has established a Competitiveness Fund that involves four different partners (the private sector and three levels of government). Despite the fact that monies were granted separately by each party in accordance with its specific rules rather than being deposited into one single fund, the sums from the CMM and its public partners made it possible to fund those clusters (secretariat operations) and enable firms to rally around a common vision. The main role of the secretariats is to head up the partners, maintain a common development vision and ensure that projects described in their business plans are carried out.

Montreal, QC	
Population	3,824,221
Population Growth (2001-2011)	10.8%
GDP (Millions,2010) in 2002 Dollars	126,337
Talent (Persons 25 Years or Older, 2006, BA >)	23.6%



The first round of funding for Montreal's cluster initiatives (2005-2007) was aimed primarily at ensuring start-ups, making secretariats operational, mobilizing cluster stakeholders and carrying out business plan projects. All objectives associated with this activation phase were attained. In 2008, the clusters had access to a second round of funding (2008-2010); the initial practical outcomes (again, in keeping with business plans) have now begun to appear. To receive this funding each cluster must prepare a business plan that is submitted to each of the 4 funding partners listed above. Each partner has an opportunity to review the plan and approve future funding

To learn more about Montreal's cluster strategy visit

<http://grappesmontreal.ca/metropolitan-clusters/montreals-metropolitan-clusters/?L=1>.

Additional Best Practice Regions

- **Portland, OR** - <http://pdxeconomicdevelopment.com/industries.html>
- **Houston, TX** - http://www.h-gac.com/community/community/publications/regional_industry_cluster_analysis.pdf
- **San Diego, CA** - http://www.compete.org/images/uploads/File/PDF%20Files/CoC_sandiego_cluster.pdf
- **Greater Philadelphia, PA** - <http://www.dvrpc.org/reports/09008.pdf>

Cluster Strategy Insights for Edmonton

- Cluster strategies are a useful tool enabling Edmonton to link all of its various economic development functions together
- The implementation of a cluster approach should be a bottom-up process that depends on the support and input of the business community
- Funding of clusters should be done in a manner that hold staff accountable to clear performance measures.

1.6 Workforce Development & Attraction

Educating and Attracting Talent

The Strengths, Weaknesses, Opportunities and Threats (SWOT) report developed in the process of creating *The Way We Prosper* highlighted the drive for talent as one of the primary issues facing cities and city regions around the world. Cities with high levels of educational attainment exhibit higher productivity, growth and incomes. Compounding the global competition for talent is the demographic shift currently taking place across the developed world. As the working population ages, there are increasingly fewer youth available to fill the rising number of jobs opening from those entering retirement. Some have come to refer to this demographic shift as the demographic time bomb indicating that the day will come where the economy will actually begin to contract for lack of workers. In Alberta's case, a strong provincial



economy driven by a thriving resource sector has generated a short term imbalance between the demand and supply of labour.

Provincial/state, regional and municipal governments have been turning their attention to workforce attraction and development for some time. Many jurisdictions have developed innovative short term and long term work force strategies. Case studies are diverse from work experience and internship programs to immigrant attraction and settlement programs. As the competition to develop and attract talent is global, Edmonton has the opportunity to learn from cities and regions around the world to understand workforce concepts and practices.

The City of Calgary, facing similar challenges to Edmonton, has put in place short term and long term strategies to attract and develop a talented and skilled workforce to meet the needs of its growing business base.

Case Study: Calgary Economic Development

Economic Development Activities in Calgary are coordinated by Calgary Economic Development (CED), an independent organization funded by the City of Calgary, private industry and other levels of government. With the goal of growing and developing the city’s business community, CED assists businesses in the areas of:

- Business retention and expansion;
- Business investment and attraction;
- Trade development;
- Research; and
- Workforce development.

Calgary Region, AB	
Population	1,365,200
Population Growth (2001-2011)	27.7%
GDP (millions current dollars)	65,791
Talent (Persons 25 Years or Older, 2010, BA >)	24.7%

In assisting businesses meet their long term and short term labour supply needs; CED assists businesses in making connections to meet their workforce needs, coordinating labour force attraction activities in the city, providing businesses with best practice research on workforce retention and attraction and researching key labour market information.

A key component to CED’s workforce strategy is the development of global demand and supply research reports for Calgary’s high demand occupations. These research reports provide current and projected employment to assist businesses in labour force planning. In addition, CED researches those areas within Canada, the United States, the United Kingdom and Ireland with the highest concentration of Calgary’s high demand occupations and provides an out-migration probability index allowing companies to focus their current labour force attraction efforts. This research is supplemented with Calgary’s ‘Be Part of the Energy’ marketing campaign encouraging workers and employers to move to Calgary. The campaign makes the case for Calgary as a place full of cultural, social and entrepreneurial energy.

To learn more about Calgary Economic Development’s Workforce Management programs visit <http://www.calgaryeconomicdevelopment.com/workforce-management>



Additional Best Practice Regions

- **Pittsburgh's Innovation Works** - <http://www.innovationworks.org/OurPrograms/InternshipProgram/tabid/116/Default.aspx>
- **Ann Arbor Spark's MichAGAIN**- <http://www.annarborusa.org/talent/MichAGAIN>

Workforce Development & Attraction Insights for Edmonton

- Workforce development and attraction might be the most important issue facing Edmonton today.
- There is value in working with educational institutions to track graduates and encourage them to return to Edmonton.
- Edmonton itself is targeted by others as a source of skilled labour.
- The City can play a valuable role in research including understanding supply and demand relationships for specific occupations and discovering optimal locations for talent recruitment efforts.
- The City can convene disparate partnerships to develop programs that address specific populations, occupations or industry groups.

1.7 Small & Medium Enterprise (SME) Development

Firm Growth & Expansion

According to the Organization for Economic Cooperation and Development (OECD), small and medium enterprises (SMEs) are responsible for 60-70% of all jobs in member countries⁷. More importantly SMEs are responsible for the majority of new job creation in developing countries. According to Ernst and Young, two thirds of the world's leading entrepreneurs are planning to recruit, even during these economic uncertain times. Entrepreneurs in the Americas increased their workforce by 18% in 2011. Moreover, the new jobs created require high levels of experience and education⁸. And yet, a study by the University of Maryland shows that new firms are declining in number. While entrepreneurs are hiring, many of these new firms are not

⁷ Retrieved from <http://www.oecd.org/dataoecd/10/59/2090740.pdf>

⁸ Extracted from <http://www.cnn.com/id/47713632>



surviving and face numerous hurdles to become successful⁹. Very few new business start-ups survive to become high growth job creating firms.

Challenges faced by new businesses include:

- Access to financing: small businesses find difficulties in accessing financing and often pay higher interest rates than large, established firms;
- Regulatory burdens: small businesses lack the resources to understand and meet regulatory requirements;
- Management and human resource capabilities: entrepreneurs might be stronger innovators than business managers and lack the funds and acumen to recruit and retain qualified staff and skilled workers. Labour competition is strong and larger firms have greater financial and marketing capability to attract and retain talented workers; and
- Access to markets: small firms have little capacity to conduct adequate market research to develop new markets for their products.

There are number of programs offered at the national, provincial, regional and municipal level to support SMEs. According to the OECD most of these programs are delivered at the local level and a high degree of coordination between grant and service delivery programs is needed at the local level to maximize the benefit provided to new and small firms. The case study below presents an example of a municipal agency providing access to financing to assist new and small firms access the financing they need to become successful, growing, employment generating firms.

Case Study: Tulsa Economic Development Corporation

The Tulsa Economic Development Corporation (TEDC), responsible for business development in the Tulsa region shifted its focus, and name, to providing capital to small business. Realizing that small business in the region was struggling to obtain financing, TEDC Creative Capital formed a strategic partnership with the City of Tulsa, the Small Business Administration and other US Government agencies as well as private enterprise to provide business loans and business counseling to small businesses in the region. In the 2010 fiscal year, TEDC Creative Capital issued a total of 49 loans with \$19,199,046.00 bringing their outstanding loan portfolio to 165 loans worth \$34,409,676.00. It is estimated these loan activities have directly contributed to the creation or retention of 662 jobs and sustained over 100 small businesses in the region.

TEDC Creative Capitals partners include:

Tulsa, OK	
Population	391,906
Population Growth (2000-2010)	-0.3%
GDP (millions current dollars)	40,700
Talent (Persons 25 Years or Older, 2010, BA >)	30.3%

⁹ Haltiwanger, J. (2012) Where have all the young firms gone? Retrieved from http://www.kauffman.org/uploadedfiles/bds_2012.pdf



- City of Tulsa's Community Development Block Grant program funded by the Department of Housing and Urban Development; and
- Small Business Administration which provides funding and guarantees for private commercial loans to small business.

To learn more about TEDC Creative Capital <http://www.tedcnet.com/index.html>

Additional Best Practice Regions

- **Pittsburgh's Innovation Works** - <http://www.innovationworks.org/OurPrograms/SeedFund/tabid/99/Default.aspx>
- **Quebec International** - <http://www.quebecinternational.ca/press-releases/2012/05/sme-passport-the-business-community-joins-forces-to-launch-quebec-businesses-onto-international-markets/>

SME Insights for Edmonton

- Cities play an important role in coordinating small business support activities at the local level.
- Lack of access to financing is a leading reason for new business failure and cities can both contribute and gain access to grants and other sources of capital to assist these new firms.
- Cities can coordinate and inform new and small business in the delivery of management and human resource training.

