

2018 IEDC Leadership Summit

Operating a Regional FDI Organization Best Practices

CASE HISTORY: TORONTO GLOBAL

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29 January 2017

Regional FDI Organizations – Best Practices

Case History: Toronto Global

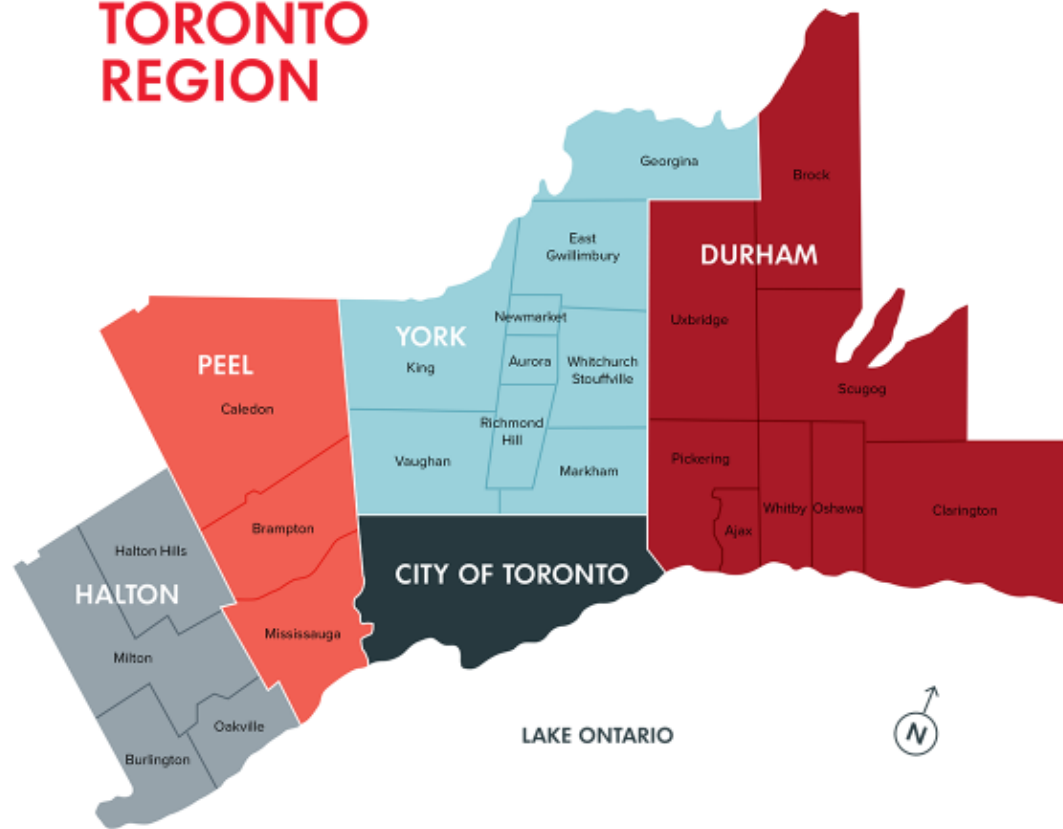
Outline for Today

- Toronto Region Profile
- Making the Case for a New Toronto Region FDI Attraction Organization
- Exploring Best Practices
- Developing the Governance Model
- The Challenges of Regionalism



Credit: Elijah-Lovkoff

TORONTO REGION



City of Toronto + 4 Regional Municipalities

24 Lower Tier Municipalities

7 Funding Municipalities

- City of Toronto
- Durham, Halton & York Regions
- Cities of Mississauga & Brampton & Town of Caledon (Peel Region)



- Toronto is 4th Largest City in North America
- Greater Toronto Area (GTA) = 6.4 Million People
- World's Most Multicultural Workforce
- North America's Most Diverse Economy (100K New Immigrants/Year)
- 18.5% of Canada's GDP (\$C 332 Billion Economy)
- 40% of Canada's Business Headquarters
- 3rd Largest Tech Sector in North America
- 2nd Largest Financial Centre in North America
- 2nd Largest Food & Beverage Industry in North America
- Two Airports Serving 200 Global Destinations in 55 Countries



Greater Toronto Marketing Alliance

Roadmap to Revitalization

Summer 2013

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Content of the Study: Making the Case For Federal & Ontario Funding

- Why Regional Coordination is Important
- Potential, Current Performance & Unrealized Opportunity
- Benchmarking Comparisons with;
 - London & Partners
 - The Beacon Council (Miami)
 - Charlotte Regional Partners
 - Montreal International
- What Drives Successful FDI Attraction Organizations
- Under-Funding by Canadian & Ontario Governments for Economic Development in the Greater Toronto Area

Toronto Global Funding Model

- Municipalities – Per Capita \$C 2.0 Million
- Ontario Government \$C 2.5 Million
- Canadian Government \$C 2.5 Million
- Other \$C 0.5 Million
- **Total** + / - **\$C 7.5 Million**



Toronto Global Mandate

- Attract New FDI to the Toronto Region (Primary)
- In-Market Lead Generation & Client Servicing through to Deal Closing
- Advertising, Marketing & Business Promotion
- Strategy Development
- Research
- Maximize the Role of Industry Clusters in Developing Strategies & Tactics for In-Market Efforts
- Streamline Relations with the Federal & Ontario Governments
- Business Retention & Expansion (Secondary)



Consulting Team's Role with Toronto Global

Strategic advisory services to:

- Assist in developing core elements of corporate structure, mandate, and high-level strategy
- Finalize an operating model with the funding municipalities, as well as with the Federal & Ontario governments

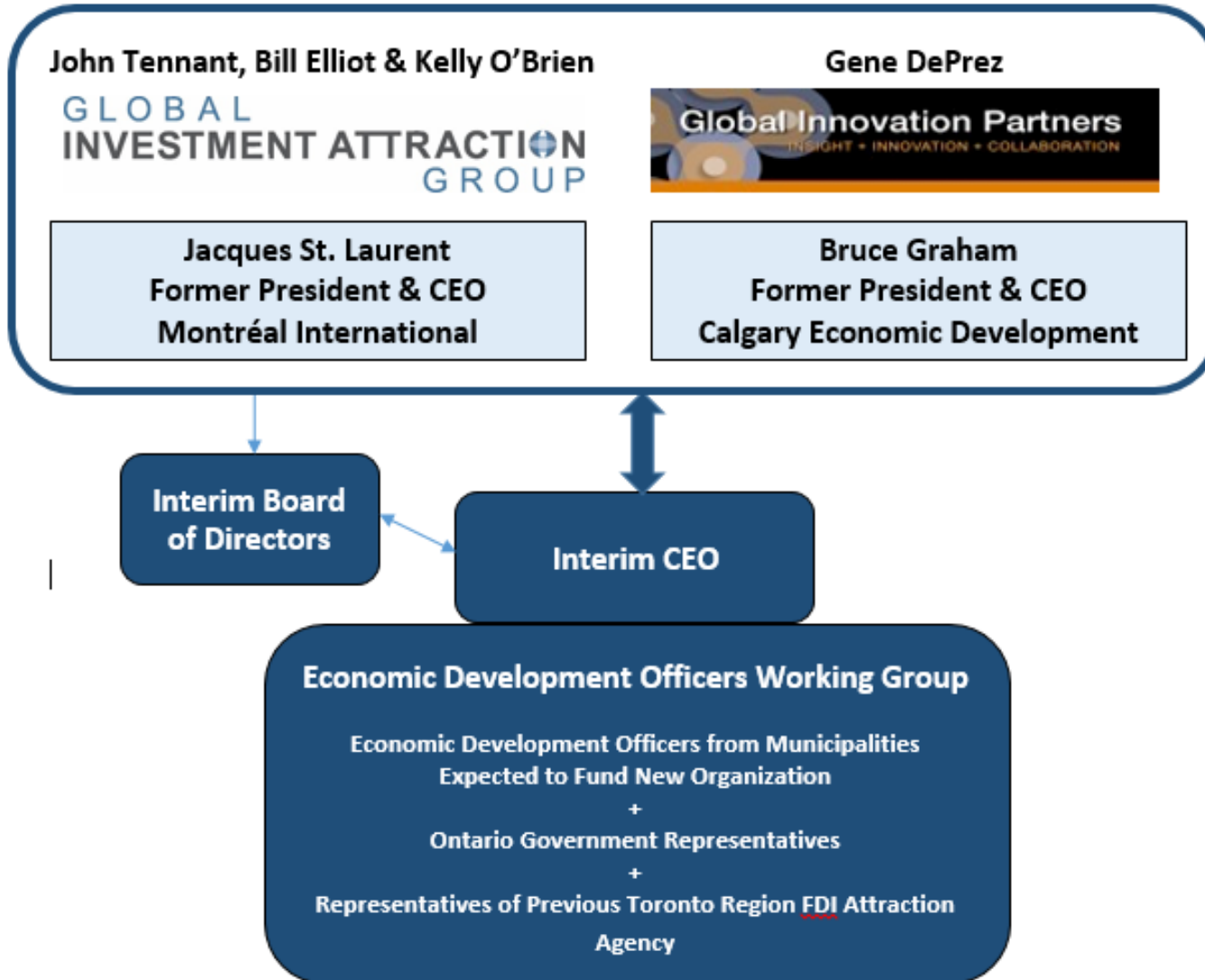
GLOBAL
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Toronto Global

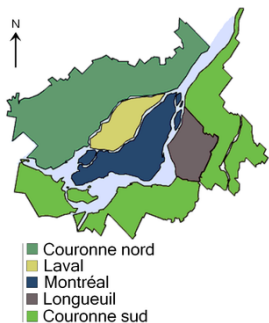
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Montréal International

- Provincial Legislation in 2000 gave the Montréal Metropolitan Community (CMM) (82 Municipalities/4 Million people) the responsibility for Economic Development
- CMM contracts with Montréal International, a stand-alone corporation with majority private sector board
- \$C10 Million budget funded by CMM, Québec & Federal Governments, plus \$C1 million private sector
- Montréal International interacts with CMM supported cluster groups



Calgary Economic Development

- Stand-Alone Corporation with Majority Private Sector Board
- City of Calgary and Private Sector are Core Funders of +/- \$7.5 Million Budget
- “Action Calgary” Corporate Partnership Program
- Provincial & Federal Funding Oriented to Individual Projects

calgary economic
development
be part of the energy™

Canadian/Ontario Considerations

- Municipal powers are granted by the Provinces
 - Municipal taxing powers largely limited to property tax
 - Ontario Municipalities not allowed to “bonus” (offer incentives)
 - Some targeted programs allowed: e.g. business parks, TIF, Targeted Community Improvement Plans
- Chamber of Commerce/Board of Trade Led Models Rare
- Majority of Economic Development Funding comes from Governments
 - Stand-alone organizations, with majority private sector boards or advisory committees common



VS



Other Canadian Regional Models for Metros

- Edmonton Global
- Invest Ottawa
- Economic Development Winnipeg
- Québec International
- Waterloo EDC
- London Economic Development Corporation
- Halifax Partnership
- WindsorEssex Economic Development Corporation
- Saskatoon Regional Economic Development Authority
- Economic Development Regina
- Kingston Economic Development Corporation

Prime Issues & Topics

- The Power of Regional Collaboration – What It Can Deliver
- Team Play: Roles & Responsibilities
- Goals, Objectives & Actions – Defining the Relative Priorities
- How Sector & Foreign Market Priorities Will Be Set
- Lead Generation & Client Management: Concierge Service
- Foreign Investment Retention & Expansion
- Defining a Relationship with Private Sector
- Success Metrics



Collaborative FDI Attraction Models

Necessary Ingredients

- Trust
- Respect
- Transparency Among Partners
- Professionalism
- Results



Value Propositions for Funding Partners

- Access to Significant Net-New Funding (Federal & Ontario)
- Leverages an Internationally Recognized Brand
- Greatly Enhances & Sustains International Awareness
- Collective – Rather Than Solo – Action Opens More Doors
- Generates Healthy Sales Funnel of Qualified Investment Leads
- Marshalls Information, Relationships & Resources to Provide Prospects with Concierge Service

Best Practices of High Performance Regional FDI Attraction Agencies

- Professional, Responsive, Knowledgeable & Disciplined
- Universal Acceptance that “Wins” Benefit All Partners
- Simple Unified Brand
- Client-Centered, driven by Decision Makers’ Needs
- Evident Collaboration in Client Management
- Objective In-Depth Research, Application of Business Intelligence & Competitive Benchmarking
- Engagement of Private Sector Partners
- Adequate & Assured Funding
- Common Performance Metrics & Reporting for Funders

Getting Regionalism Right is Crucial to Success

The creation and operation of regional FDI attraction agency

- an unprecedented exercise in regional collaboration for which there are usually few precedents
- a leap of faith taken by funding municipalities – born of the assumption that a benefit for one part of the Region is a benefit for all – that will fail unless the leap of faith is rewarded
- the measure of success will be that each partner sees that it and its interests are fundamentally part of the structure, governance, planning, staffing, brand, culture and language of the organization.

Private Sector Engagement & Funding

- Right Thing To Do
- Corporate Brand Enhanced Through Association & Exposure
- B2B Networking Opportunities
- Community Advocacy
- Talent Attraction Programs
- Access to Research
- New Investors Who Originally Benefited From Services
- Ensuring Continuity of Entity and Effort Through Changes in Governments

Private Sector Engagement & Funding

What It Takes

- Track Record & Reputation
- Concerted, High Level Effort (Including Board)
- Cash Over In-Kind
- Preferred Access?



Toronto Global Governance

- Private Sector Board
- Funding Largely from Government
- Working Level Interaction





Board of Directors
Recommend Strategy, Business Plan & Budget
Select & Evaluate CEO
On-Going Operations

Mayors & Chairs Strategy Council
Approve Strategy & Business Plans
Operating Budget

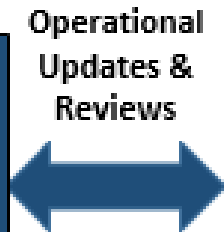


CEO & Staff
Toronto Global

Direct relationship with their own Mayor or Chair



Economic Development Officers Working Group
Advise Toronto Global Management



Operational Updates & Reviews
Dialogue on Priorities for Toronto Global Strategy & Plans



Toronto Global – Notable Aspects

- Collaboration & Funding Involving Three – Actually Four – Levels of Government
- Started with a Blank Sheet of Paper – a Fresh Look at Best Practices
- Governance Model
 - Funders Have Say
 - Private Sector Board Oversees (Selected On Skills Matrix)

Biggest Challenges

- Making an Irrefutable Case that All Partners Benefit from a “Win”
- Two-Way Partnerships Are Necessary – Give to Get – Exchange of Value
- Convincing Municipal Partners that Staff of New Entity Will Possess Knowledge and Empathy of the Entire Region
- Providing Opportunity for Politicians to Provide Strategic Guidance Without Meddling

The whole is more than the sum of the parts.

- Traditional saying, probably deriving from Aristotle

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