

Regional Economic Development Strategy

Framework Document

Windsor & Essex County

Presentation Objectives:

- 1. Present the Draft Strategy**
- 2. Solicit Feedback**
- 3. Discuss Next Steps**

HISTORY

- 1. Initial Focus Groups**
- 2. CAO Task Force on Structure**
- 3. Creation of a Regional Economic Development Framework**
- 4. Our Methodology**
- 5. Who We've Consulted**

The Shape of the Future

- **The World Bank projects the world economy to grow 33% between year 2000 and 2010, increasing from \$30 trillion to \$40 trillion.**
- **This will be led by a knowledge economy increasingly driven by innovation, new technologies and new ideas and concepts.**

Shape of the Future

Radical Innovation is the foundation of
China's "863" Program

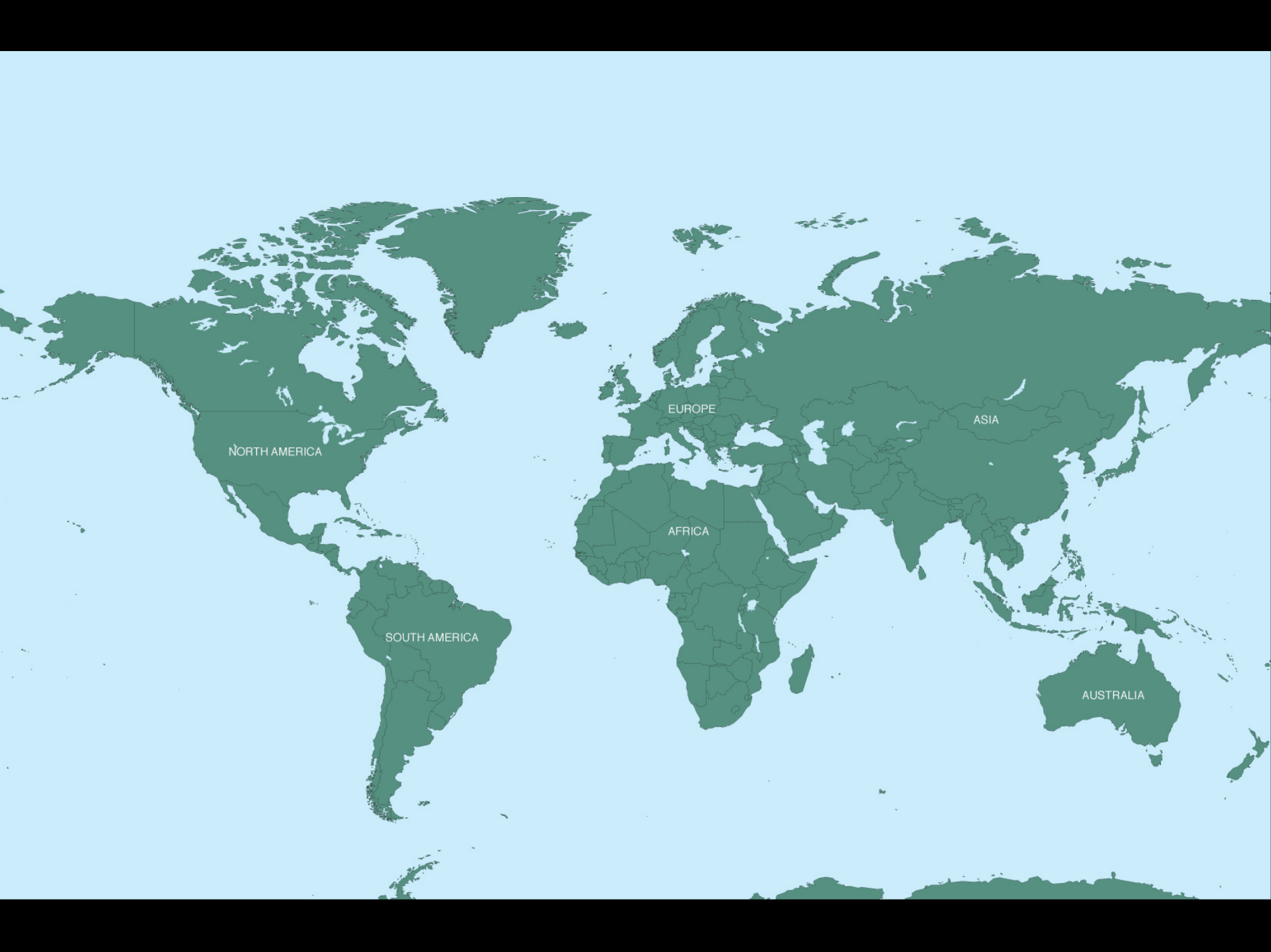
- Biotechnology
- Space
- Information
- Laser
- Automation
- Energy
- New Materials
- Marine

Shape of the Future

- An integrated global network
 - People, goods and information (global supply chains move continuously around the world)
- A new global economic geography
 - Increasing competition among the trading blocks and economic regions
- A new economic age
 - Globalization of marketplace and a knowledge economy



Where do we fit into...
the global economy?



NORTH AMERICA

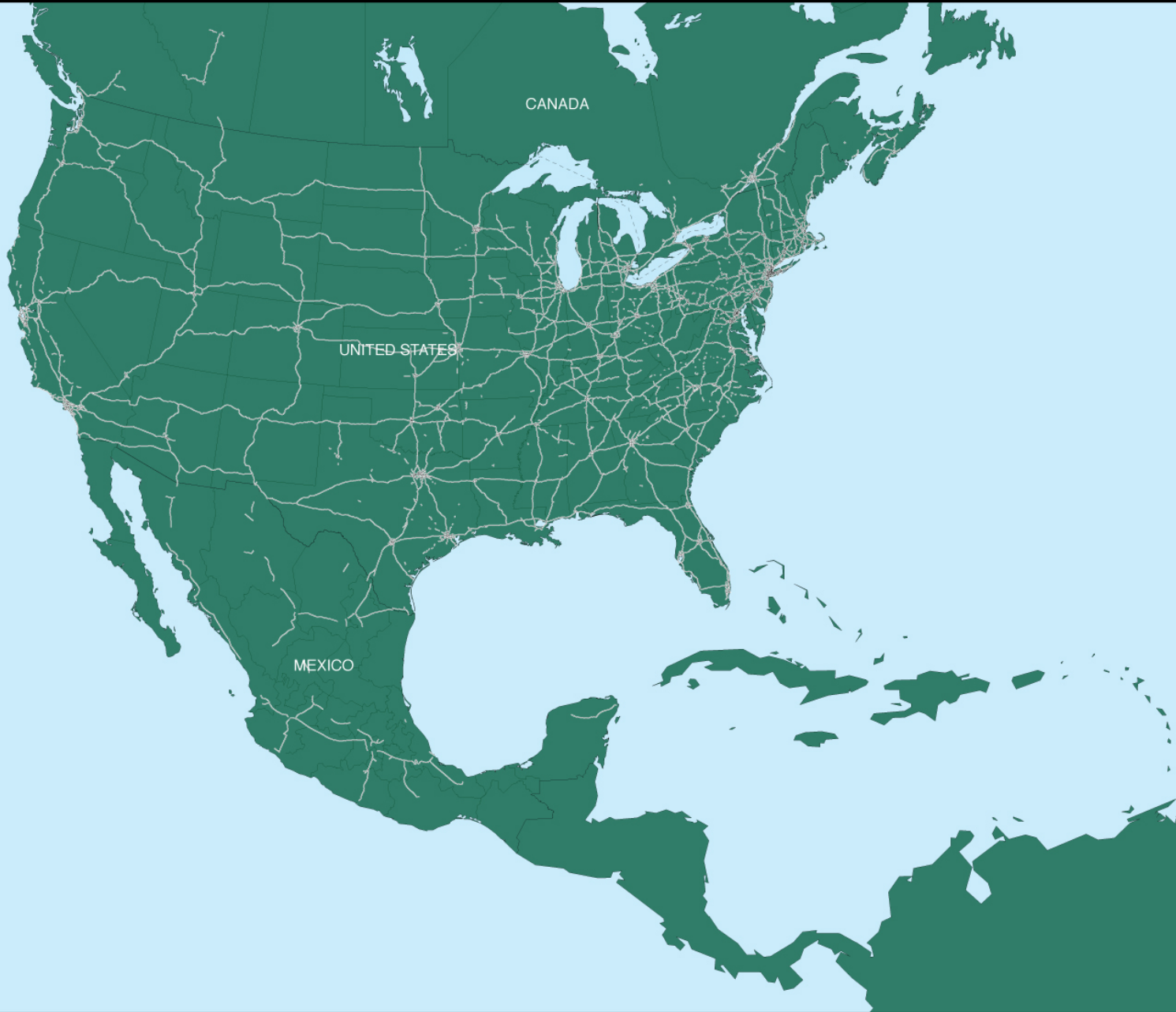
SOUTH AMERICA

EUROPE

AFRICA

ASIA

AUSTRALIA





- GLOBAL SEA HUB
- GLOBAL AIR HUB
- SURFACE HUB
- GLOBAL SEA FLOWS
- TRANSCONTINENTAL FLOWS
- TRANSCONTINENTAL ROUTES

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NORTH AMERICA

ALL WATER ASIA



UNITED STATES

CANADA

FLINT

PORT HURON

LANSING

DETROIT

ANN ARBOR

WINDSOR / ESSEX

TOLEDO

CLEVELAND





UNITED STATES

CANADA

FLINT

PORT HURON

LANSING

DETROIT

ANN ARBOR

WINDSOR / ESSEX

TOLEDO

- RESEARCH AND DEVELOPMENT CORRIDOR
- BIO-SCIENCES CORRIDORS
- OFFICE CORRIDOR
- AUTOMATION ALLEY
- MANUFACTURING CORRIDOR
- LOGISTICS CORRIDOR

ECONOMIC PATTERN



N
LEGEND

- TUNNEL [Blue and white box]
- RAIL TUNNEL [Orange and green box]
- ROAD BRIDGE [White box]

BASIC DRIVERS of the REGIONAL ECONOMY

“Basic Industries”

- Refers to exporting companies.
- e.g., Agriculture, Manufacturing, Tourism, etc.
- Revenue generated by these industries represents “new money”.

“Non-Basic Industries”

- Serve primarily local customers.
- e.g., health care providers, education, etc.
- They redistribute wealth throughout the community.

BASIC AND NON-BASIC

Table 1: Region's Economic Sectors		
<i>(Windsor CMA - 2004)</i>		
<i>Basic</i>	# of Employees	% of Total
Manufacturing	45,800	27.4%
Tourism/Gaming	22,000	13.1%
Agri Business	6,680	4.0%
	74,480	44.5%
<i>Non-Basic</i>	92,900	55.5%

Sector Analysis

Manufacturing

Adequate		Inadequate
Improving	Staying the Same	Getting Worse

Services

Adequate		Inadequate
Improving	Staying the Same	Getting Worse

Tourism

Adequate		Inadequate
Improving	Staying the Same	Getting Worse

Agri Business

Adequate		Inadequate
Improving	Staying the Same	Getting Worse

OUR CONCLUSIONS

- The traditional economy of the region is **facing a crisis**.
- The **transition** through the crisis will be very **disruptive**.
- A **long-term perspective** is required:
 - No quick fix; no silver bullet
 - Requires **visionary leadership**
 - **Businesses** will make investment decisions based upon **region's product offering**
 - Our customers are business investment decision-makers
- Need a **shared economic vision** and a **collaborative regional approach** that benefits all the citizens of the region
- Working with **economic units** **not** **political** units
- **Old way doesn't work anymore**

**How do we respond to
a changing world?**

Economic Development Framework

Growing an Innovation Culture

	Recruit	Marketing	Product Development
Existing			
Attraction			
New Start Ups			

(Adapted from the work of Michael Gallis)

Economic Development Framework

Growing an Innovation Culture

	Recruit	Marketing	Product Development
Existing	Yellow	Yellow	Red
Attraction	Yellow	Yellow	Red
New Start Ups	Red	Red	Red

(Adapted from the work of Michael Gallis)

Economic Development Framework

Growing an Innovation Culture

	Recruit	Marketing	Product Development
Existing	R / L	R / L	R / L
Attraction	R / L	R / L	R / L
New Start Ups	R	R	R / L

(Adapted from the work of Michael Gallis)

R = Regional Role

L = Local Role

The Three Pillars

1. Existing

- Retention
- Expansion
- Shifts (Conversion to tap into new opportunities)

2. Attraction

- Product Offering
- Barriers
- Targeting

3. New Start Ups

- Identify Commercial Business Opportunities
- Incubation/Support Structure
- Commercialization of Business Opportunities
- Collaborate with the University of Windsor & St. Clair College

The Approach...

- It's about building relationships
- A lot of work behind the scenes has to be done
- Results may not become apparent for awhile

Recruitment

Creating a new environment for facilitation, advocacy, co-ordination & real time intelligence, and applied to...

- **Existing**
- **Attraction**
- **New Start Ups**

Marketing

Define our Identity and Image, Communicate our Brand Strengths effectively, preparation of Materials and Messages, establish a Continuous Improvement Plan to address weaknesses, and Communications

- Internal Communication
- External Communication

Applied to...

- Existing
- Attraction
- New Start Ups

Product Development

The region is the product. It is composed of various systems that have attributes supporting existing economic activity, attracting new business, supporting new start ups and strengthening quality of life.

1. Natural Environment
2. Transportation/
Logistics
3. Infrastructure
4. Existing Economy
5. Education/Research
6. Medical/Research
7. Historic
8. Culture/Arts
9. Sports/Tourism/Convention
10. Demographics/Governance

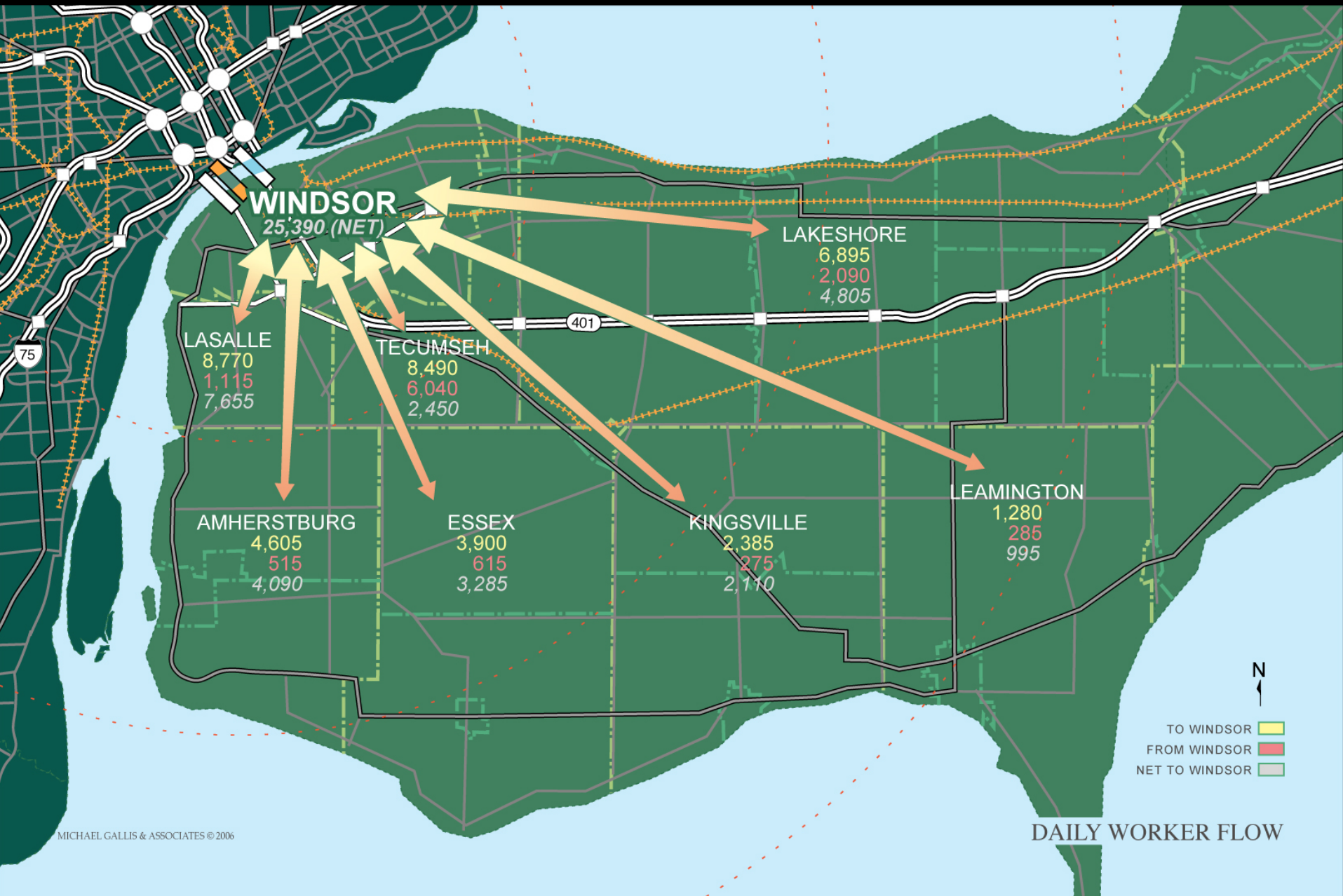
Let's Understand the Product

- The attributes of the City, the County & 7 Municipalities is the *product*
- Investors will *assess* those attributes against their *business success factors*
- Investors will *compare* the competitive attributes of this region to other *regions* in the *global economy*

**Moving to the Creation
of a new
Regional Economic
Development
Model**

Why Regional Approach?

1. Integration of global network resulting in global marketplace
2. New global economic geography –
 - Defined by economic space not political space where new trading blocks and economic regions compete (not municipalities)
3. New economic age
 - Need to aggregate resources & people to compete successfully in the world marketplace
4. Increase probability of success















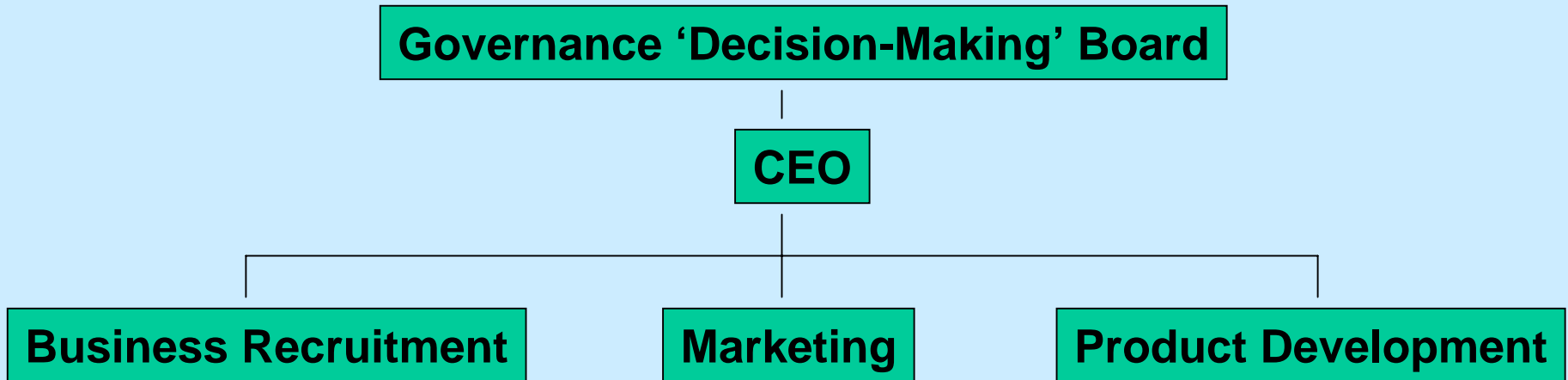
The Regional Organization's Mandate

- Acts as the primary economic development body on behalf of the Region;
 - Implements the regional strategy;
 - Works in cooperation with local municipalities and other organizations as required.
- Follows the “Listen to the Investor” approach.

“Listen to the Investor” Approach

- Provide timely research and accurate facts
- Network and maintain Confidentiality over a long period of time
- The call to involve local levels is up to the Investor
- Regional body to assist local levels, as requested, on significant opportunities when consistent with the direction of the strategy

Organizational Structure



Governance Board Mandate

- Act as Champions promoting the region's strategy and product.
- Develop critical relationships within the region and the broader economic community.
- *Makes decisions* on what activities to pursue and how resources should be allocated.
- Advocacy for business climate attractiveness.
- Oversees the implementation of the regional strategy.

Board Composition

- *Nine* individuals from:
 - Business
 - Education sector
 - Health care sector
 - CAO of the City
 - CAO of the County
- (Various Sub-Committees utilizing Community Representation as necessary)

GOVERNANCE BOARD QUALIFICATIONS

- Thinks strategically with a long term perspective; sees current reality objectively.
- Understands effects of globalization
- Has an established and significant network that spans many sectors and regions
- A commitment to growing and developing the region.

In the Interim...

Transition Board Manages...

- New Board recruitment, selection & appointment
- Corporate Structure including:
Legal & By-Law amendments

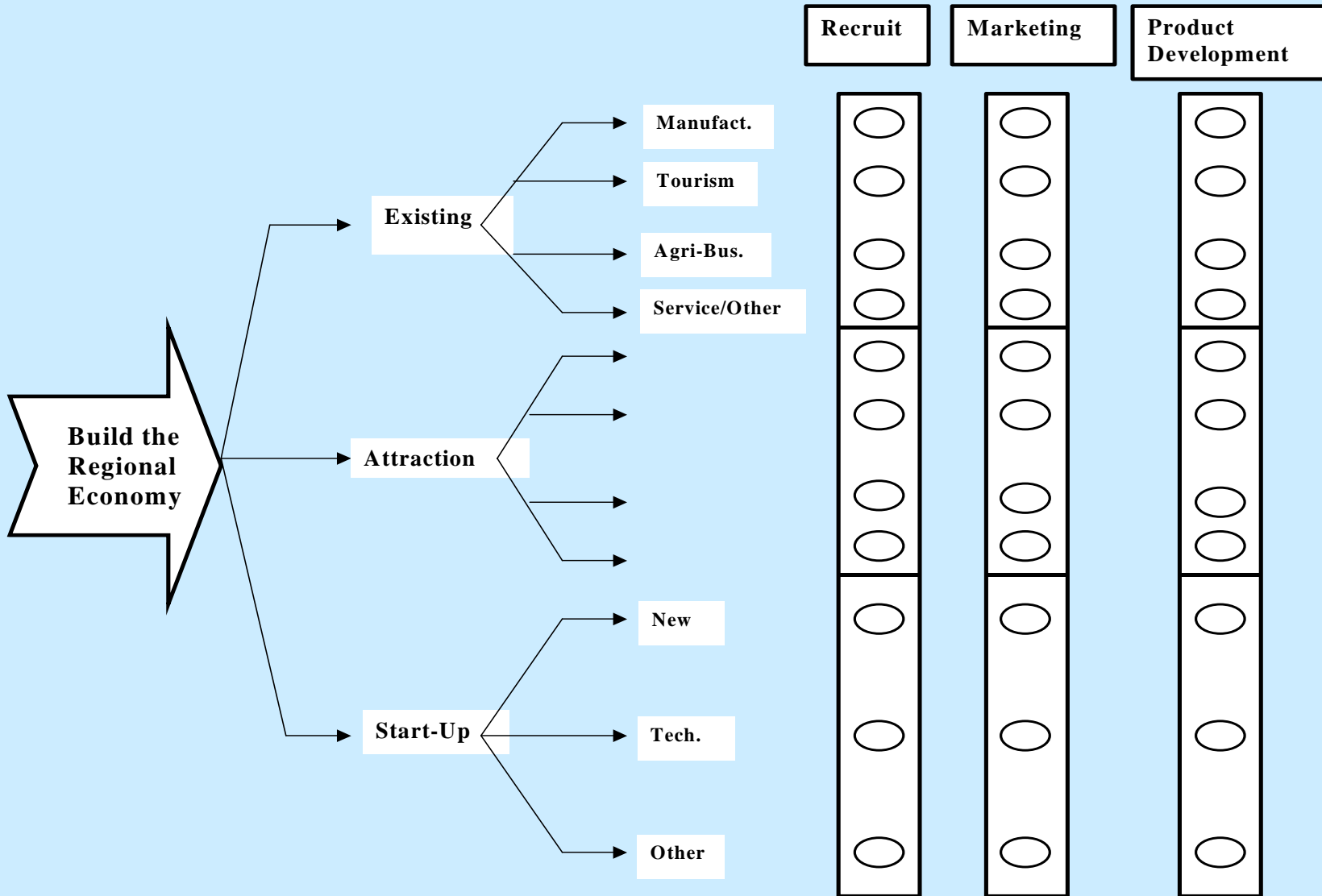
Requirement for a Business Plan

- Five year plan outlining how the strategy will be implemented:
 - Development of Action Plan consistent with the 3 Pillars of the Framework
 - Establish Specific Action Steps & Priorities within each area of the Framework
- General direction and progress reviewed annually by the Board:
 - CAO's report back to respective Councils.

Must Set Priorities

- Develop Action Steps in each area of the Framework for *Key Priorities*
- Determine the Roles of the Region and the Local Municipalities

Business Plan Development



(Adapted from the work of Michael Gallis)

Resources Required

- Minimum 5 Year Funding Commitment
- Increased Funding for a Broader Range of Economic Development Activities & Opportunities
- Establish & Maintain a Capital Leverage Fund (% of annual investment in the new model)

Funding Model

- Current Model is Publicly Funded
 - (i.e., City/County)
- Need to Expand & Diversify
 - Private/Institutional/Public
 - In-kind, Cash Funds, Contributed Resources
- Have yet to find a model in Canada with significant private sector involvement
- Look for opportunities to leverage what other funds we can obtain

Proposed 5-Year Funding Strategy

- **Year 1 @ \$3.50 per capita – *City & County***
 - Total annual funding = **\$1,347,500**
- **Year 2 @ \$4.00 per capita – *City & County***
 - Total annual funding = **\$1,540,000**
- **Year 3 @ \$4.50 per capita – *City & County***
 - Total annual funding = **\$1,732,500**
- **Year 4 @ \$5.00 per capita – *City & County***
 - Total annual funding = **\$1,925,000**
- **Year 5 @ \$5.50 per capita – *City & County***
 - Total annual funding = **\$2,117,500**

Next Steps

- Approve Strategy
- Approve Governance Structure
- Approve Funding Commitment
- Recruit Board of Directors
- Recruit CEO
- Approve New Corporate Structure / Transition
- Board/CEO Establish Business Plan
- Implement Strategy

Next Steps

	City	County	Transitional Board	New Board
Approve Strategy	✓	✓	✓	
Approve Governance Structure	✓	✓	✓	
Approve Funding	✓	✓		
Recruit Board			✓	
Recruit CEO			✓	✓
Approve New Corporate Structure / Transition Business Plan			✓	✓
Implement Strategy				✓