
VEDP ORGANIZATION & OPERATIONS STUDY



presented to:



presented by:



The Virginia Economic Development Partnership

September 10, 2012

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FOREWORD

The Virginia Economic Development Partnership has spent the last several months collaborating with Greyhill Advisors on a study of the organization, with the goal of maximizing VEDP's effectiveness as the economic development leader in the Commonwealth and in the southeast region of the U.S. The states that border Virginia are among the most economically competitive in the U.S., and while there are good opportunities to compete, success is not guaranteed.

The study's recommendations are designed to optimize the organization, by building on its existing strengths. It is not a wholesale shift in direction; rather, it creates a structure that positions VEDP's staff so their talents can be used effectively. This organization already has succeeded on many levels, and with the changes recommended by the study, has the opportunity to build on those earlier achievements and become even more successful in the future.

The research and analysis portion of the study depended on a very inclusive process. The authors met with and interviewed more than 100 individuals; many internal VEDP staff members were met with 3-5 times. The input received was honest and staff displayed a real and passionate desire to impact positive improvements in the organization. Many of the areas of recommendation and key findings in the study had been identified by staff as important issues. The study provides guidance on tactical activities and process improvements and a short term roadmap for implementation. Additional operational details will need to be defined by the organization over time.

The plan positions VEDP for success and also provides a framework for continuous improvement. This will only be realized with ongoing incorporation of staff feedback; with their ideas, suggestions and experiences providing refinement to the recommendations made in this study. This measured approach to change—ensuring budgetary support and staff buy-in prior to implementation—means that this study marks just the beginning. It is envisioned that this will jumpstart a continual process of improvement in the organization.

We are confident that by embracing the changes recommended in the study, VEDP's management team, staff and Board of Directors, will ensure a more promising future for VEDP and powerful results for Virginia's economy.



I. Executive Summary

EXECUTIVE SUMMARY

The Virginia Economic Development Partnership embarked on this Organization and Operations Study in order to gain a clearer insight into its internal operations and to ensure that it continues to meet its mission of driving increased jobs and investment for the Commonwealth of Virginia. Key questions to be answered included:

1. Is VEDP optimally structured to deliver superior long-term economic development results for Virginia?
2. Does VEDP employ proper project management processes to produce positive results?
3. Does VEDP have the right mix of resources (human resources, technological) and is it performing the correct activities?
4. Is VEDP leveraging all of the resources available throughout the Commonwealth and maximizing relationships with its Allies and Partners?

PROCESS

The Consultant discovery process has been intensive and multifaceted to thoroughly understand the inner workings of the organization and to analyze the state of its relationships with external partners.

- In person interviews were conducted with a majority of VEDP staff, including intensive interviews and a management assessment of VEDP's leadership team.
- In person interviews were conducted with external stakeholders in each geographic region of the Commonwealth, including regional economic development allies and partner institutions.

In total, the Consultant team held individual interviews with over 100 participants. External stakeholders included Allies, Legislators, University partners, the Virginia Port Authority, Cabinet Secretaries in the Governor's office and other constituent groups.

Throughout the process, the Consultant worked with the VEDP leadership team to develop, test and hone the findings and recommendations contained herein. In addition to one-on-one sessions with each division director, two full day offsite retreats were conducted to ensure alignment of the plan and to gain valuable insight from VEDP's skilled and knowledgeable directors. The method and approach used to create this plan was designed and executed to give ownership of the recommended actions to the team at VEDP that will be responsible for ongoing implementation. Much of the resulting elements of this strategy were developed in conjunction with and under the guidance of, VEDP's senior leadership team.

MAJOR RECOMMENDATION: REALIGNMENT OF VEDP ORGANIZATIONAL STRUCTURE TO IMPROVE EFFICIENCIES AND ENHANCE CLIENT RESPONSIVENESS.

A new proposed organizational structure realigns the organization to create a reinvigorated focus on its primary mission of jobs and investment attraction while ensuring that external Allies' needs are met and VEDP's internal operations are managed efficiently. The proposed realignment was crafted with a clear eye on VEDP's most important constituents – Virginia-based clients (Allies and Virginia businesses), external targets that will bring new growth into Virginia, and VEDP's employees that will provide unmatched service to these groups.

Key takeaways of the proposed structural realignment:

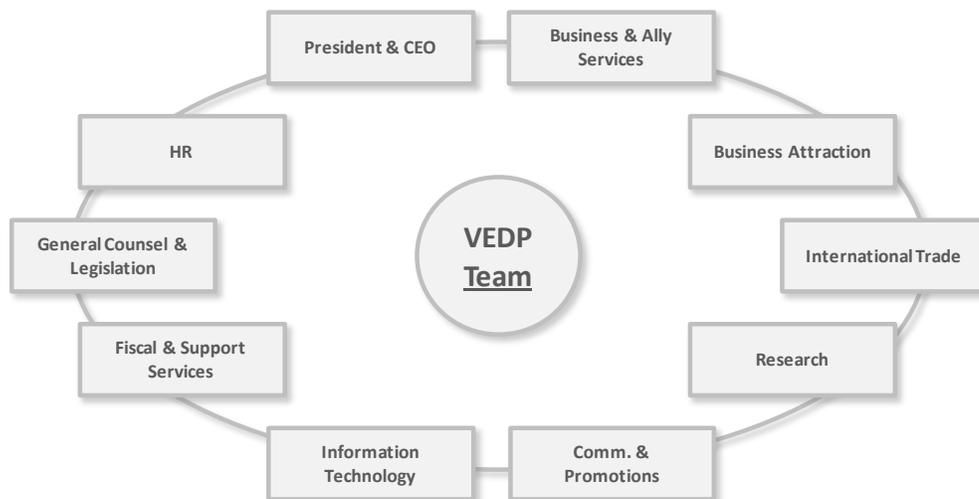
- ✓ **The realignment results in one new position to be filled in Fiscal Year 2013 representing a 2% increase in VEDP's Fiscal Year 2012 salary baseline.**
- ✓ **The realignment creates three client focused departments aligned specifically towards VEDP's key Clients – New business targets, Virginia Businesses looking to expand operations and/or grow International trade exports, and Virginia Allies.**
- ✓ **The realignment establishes three full time dedicated Directors, one for each client facing department.**

Realignment recommendations are summarized in the following areas:

- I. A Business Attraction department to refocus on selling Virginia to national and international audiences: (1) Companies and (2) Site Consultants in targeted geographies.
 - a. This department will integrate both domestic and international sales/marketing efforts into a single department to provide a clear external recruitment focus, thus elevating the capabilities of both groups.
 - b. The department will be staffed with fifteen (15) individuals: ten (10) managers, two (2) associate managers, two (2) administrative personnel (all realigned from either the former Business Development or International Investment divisions) and a new department director (1).
 - c. The department will be led by a new director (position to be hired and filled by an internal or external candidate in a competitive selection process).
- II. A Business and Ally Services department to focus on internal Virginia clients: (1) existing businesses and (2) Allies / Partners.
 - a. This department will focus primarily on leading the Virginia existing business strategy and managing existing business expansion projects as well as managing Ally/Partner relationships with a formalized support program.
 - b. The department will be staffed with sixteen (16) individuals: twelve (12) managers, one (1) deputy manager, two (2) administrative personnel (realigned largely from the former Business Development division with two managers shifting from the Research division) and one (1) director.
 - c. The department will be under the leadership of the Director of the former Business Development division.
- III. The Geographic Information Systems (GIS) unit (5 employees), previously housed in the Information Technology (IT) division, will be realigned under the Research department to improve efficiency and create a closer tie with research activities.
- IV. The International Trade department will remain largely unchanged; however, it will now be served by its own dedicated director which previously was a shared resource between International Trade and International Investment. International Trade's program will be augmented to respond to new opportunities and will become more interconnected with departments throughout VEDP.

- V. The Communications and Promotions department will remain structurally unchanged; however, will perform a more strategic role in guiding and overseeing marketing plan development for the organization.
- VI. The Research and IT departments will be impacted by the realignment of the GIS unit, but will otherwise remain structurally unchanged; they both, however, will be tasked with enhanced functions that impact client facing departments.
- VII. Support departments: HR, General Counsel & Legislative, and Fiscal & Support Services will remain structurally unchanged.
- VIII. The eventual addition of a Chief Operating Officer position to: (1) manage day to day operations, (2) to keep VEDP on mission and to execute tasks in keeping with its strategic direction, (3) to enforce accountability throughout the organization, and (4) to oversee support operations.

KEY THEMES



Going Forward:

- ✓ VEDP is a team that will continue to act with trust and cooperation.
- ✓ An unwavering commitment to the success of the organization and positive results for the Commonwealth of Virginia will dictate the organization's actions.
- ✓ VEDP will adopt a structure that puts it in the best position to leverage its people's talent.

II. Introduction and Project Overview

INTRODUCTION

This plan represents the culmination of several months of work to understand the organization charged with leading the economic development direction for the Commonwealth of Virginia. Throughout the planning process it has been clear that the Virginia Economic Development Partnership (VEDP) represents a strategic economic development asset for the Commonwealth of Virginia. The directive of this initiative was to gain a deep understanding of the structure and processes of the organization's internal operations as well as to develop a context for VEDP's interactions with its external stakeholders. The process was highly inclusive, relying on direct input from a majority of VEDP's staff and leadership team as well as its external partners and Allies throughout the Commonwealth.



It is evident that the organization is led by strong leadership and a professional, proficient and dedicated staff. Numerous individual interviews were conducted within VEDP and with outside constituents and all parties involved demonstrated an impassioned desire to contribute to making VEDP a best in class state economic development organization.

This plan recognizes that the organization is not embarking on this effort from a position of weakness. On the contrary, VEDP has achieved commendable results over the years through the determined effort of its own people.



The process has also revealed that, to reach its full potential, certain improvements can be spearheaded in order for VEDP to continue to deliver unmatched results and prosperity for the Commonwealth. The Virginia Economic Development Partnership, guided by a strong leadership team, has begun to address the challenges and uncover the full potential of the organization by launching this planning process. Good is not good enough and VEDP's leadership understands that a close inspection of its current structure, operations and activities is necessary in order for VEDP to be positioned as the leading state economic development organization in the country.

This strategy outlines an approach that VEDP can take to continue to seize the economic opportunities available to Virginia, to unlock the potential of its smart and talented staff and to build an unmatched economic development delivery system through healthy partnerships throughout the Commonwealth.

ENGAGEMENT CONTEXT

The Virginia Economic Development Partnership embarked on this Organization and Operations Study in order to gain a clearer insight into its internal operations and to ensure that it was continuing to meet its mission of driving increased jobs and investment for the Commonwealth of Virginia.

THE ASSESSMENT AIMS TO ANSWER KEY QUESTIONS:

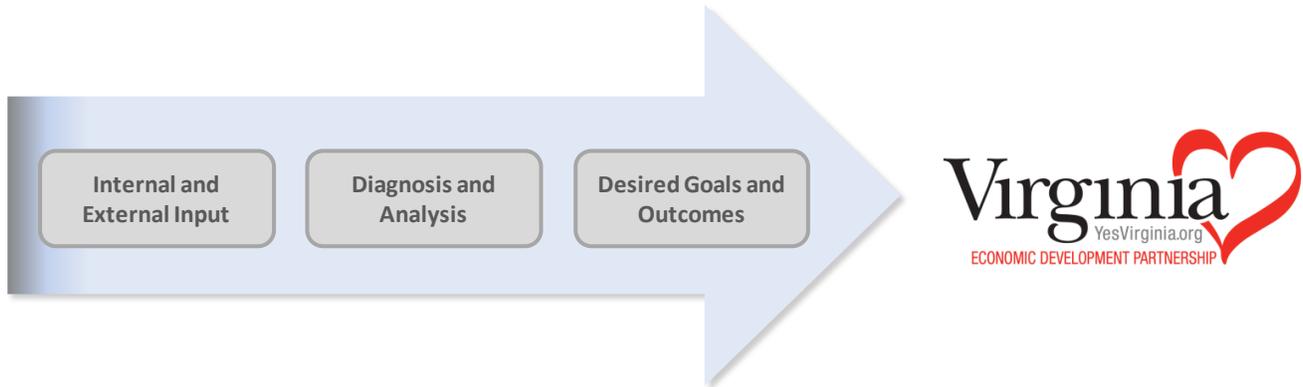
1. Is VEDP optimally structured to deliver superior long-term economic development results for Virginia?
2. Does VEDP employ proper project management processes to produce positive results?
3. Does VEDP have the right mix of resources (human resources, technological) and is it performing the correct activities?
4. Is VEDP leveraging all of the resources available throughout the Commonwealth and maximizing relationships with its Allies and Partners?

The Consultant discovery process has been intensive and multifaceted to thoroughly understand the inner workings of the organization and to analyze the state of its relationships with external partners.

- In person interviews were conducted with a majority of VEDP staff, including intensive interviews and a management assessment of VEDP's leadership team.
- In person interviews were conducted with external stakeholders in each geographic region of the Commonwealth, including regional economic development allies and partner institutions.

In total, the Consultant team held individual interviews with over 100 participants. External stakeholders included Allies, Legislators, University partners, the Virginia Port Authority, Cabinet Secretaries in the Governor's office and other constituent groups.

Throughout the process, the Consultant worked with the VEDP leadership team to develop, test and hone the findings and recommendations contained herein. In addition to one-on-one sessions with each division director, two full day offsite retreats were conducted to ensure alignment of the plan and to gain valuable insight from VEDP's skilled and knowledgeable directors. The method and approach used to create this plan was designed and executed to give ownership of the recommended actions to the team at VEDP that will be responsible for ongoing implementation. Much of the resulting elements of this strategy were developed in conjunction with and under the guidance of, VEDP's senior leadership team.



INTERNAL AND EXTERNAL INPUT:

Comprehensive input gathered from internal staff and external stakeholders to determine what changes, if any, were necessary to enhance the organization.

DIAGNOSIS AND ANALYSIS:

Internal performance review, organization structural analysis, identification of common themes and issues, review of internal operations and management practices.

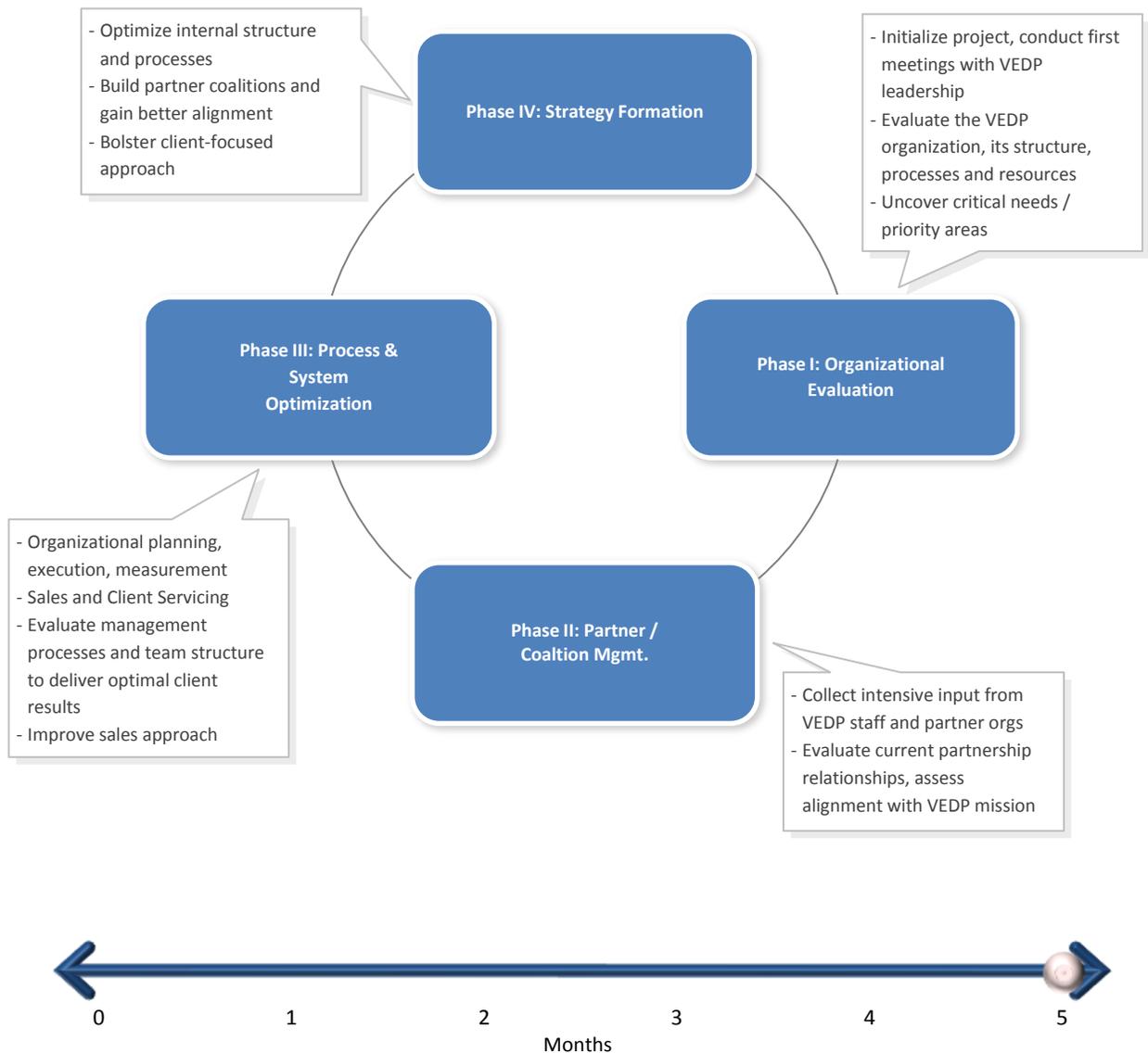
DESIRED GOALS AND OUTCOMES:

Guiding principles to define organizational change, provide a rationale for change, identify strategic objectives and determine tactical strategies.

The proposed structural realignment and related recommendations contained in this plan are the result of a measured, comprehensive and purposeful statewide process that was ultimately guided by the principles most important to VEDP's ongoing success – to aggressively attract new and existing business growth in the Commonwealth and to provide the highest level of service and partnership to its Allies and Partners. The resulting findings aim to reposition the organization to more effectively meet these goals while ensuring unmatched levels of client satisfaction and the most efficient use and leverage of available resources.

PROJECT PHASES

This planning process has progressed according to a comprehensive, step-by-step approach. The timeline below provides an overview of the process utilized by the consultant team:



STRUCTURE OF THIS REPORT

The findings and recommendations summarized in this report were developed through extensive discussion with key stakeholders throughout the Commonwealth as well as intensive input from VEDP's leadership team and staff. The insight from this broad spectrum of participants has guided the consultant team's findings and ultimate recommendations.

This report begins with a summary of the discovery phase and provides an assessment and diagnosis of the current state of VEDP, its strengths and challenges. The goal of this phase was to be comprehensive and thorough in the review of the organization.

The next sections of the plan offer strategic recommendations and tactical activities to begin to move VEDP in a more positive and proactive direction. Recommended findings begin with proposed structural realignment and a detailed description of new departmental and individual roles, responsibilities and activities. The report continues with a discussion of broader themes identified during the planning process with prescribed recommendations for improvement. The plan concludes with a framework for implementation including a flexible performance management system and several tactical process improvement activities that VEDP can catalyze to jumpstart near term activity.

The 4-Phase process detailed in the planning process is captured in this report and outlined as follows:

- I. Assessment and Diagnosis**
- II. Structural Realignment Recommendations**
- III. Strategic Program and Marketing Recommendations**
- IV. Implementation and near term tactical activities**

III. Assessment and Diagnosis

I. ORGANIZATIONAL MISSION

The Commonwealth of Virginia is widely viewed as one of the most competitive states in the country, with a wide range of recent honors, including being ranked:

- **# 1: The Most Competitive State in the United States – Site Selection Magazine (2011)**
- **# 1: Best States for Business – CNBC (2011)**
- **# 2: Best States for Business – Forbes (2011)**
- **# 3 Most Promising State Economy – ALEC-Laffer State Economic Outlook Rankings (2012)**

VEDP’s Mission:

*“To enhance the quality of life and raise the standard of living for all Virginians, in collaboration with Virginia communities, through aggressive **business recruitment, expansion assistance, and trade development**, thereby expanding the tax base and creating higher-income employment opportunities.”*

Virginia is clearly “getting it right” in terms of fostering broad-based competitiveness, much of this is driven by the strong product and assets that Virginia has to offer. It is also clear that the Virginia Economic Development Partnership is playing a leading role in this success. VEDP’s success is a testament to the quality of its people – talented, professional, and dedicated staff that work diligently to improve prosperity for all Virginians.

Real and significant opportunities exist, however, to further optimize VEDP in support of its overarching mission, raising the bar even higher for those states looking to keep pace with Virginia.

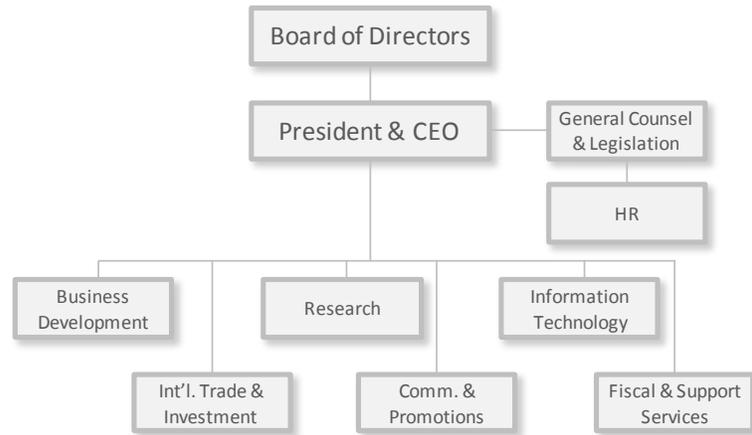
Positive Findings
<ul style="list-style-type: none"> + Virginia clearly viewed as one of the leading states in the U.S. for economic growth + Strong Virginia product has helped the Commonwealth consistently lead the US + Effectively managed economic development offices throughout the state

Areas of Potential Concern
<ul style="list-style-type: none"> - Strong statewide economic development results driven by positive forces outside of VEDP’s control could mask true performance of the organization - It is critical for VEDP to continue to stay committed to its mission and focus on key tasks that drive job and investment growth from outside the Commonwealth

II. CURRENT ORGANIZATIONAL STRUCTURE

While current organizational structure is clearly defined and easy to understand, it has some material disadvantages, including:

- Hierarchical / functional structure has led to the development of departmental “silos” that challenge cross-functional collaboration, resource allocation, communication and general employee morale.
- The separation between the domestic Business Development and International Investment groups has instilled marketing, project management, and reporting inconsistencies across sales and external marketing efforts.
- All seven functional departments reporting directly to the President / CEO may be sub-optimal given the range of focuses, opportunities, and challenges facing the various groups coupled with the external demands placed on the CEO.
- Client focus has, at times, been secondary to organizational assignment of responsibility.
- The GIS group reporting to the Information Technology division should be altered given the clear linkages with GIS and research activities.



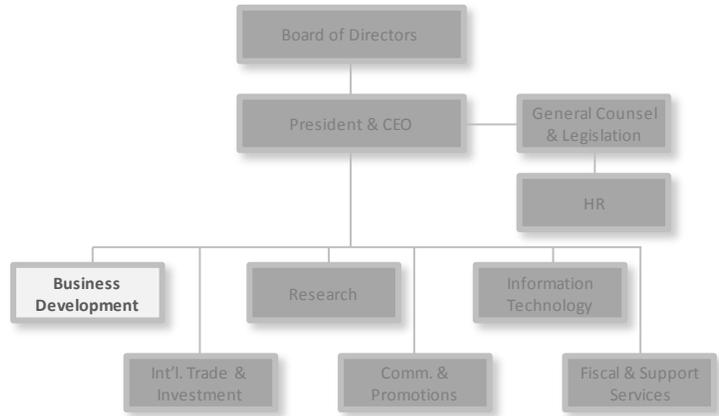
Positive Findings
+ Organization structure simple and easy to understand
+ Across VEDP, staff generally have clear understanding of their defined role and duties
+ Individual departments and staff execute well within the confines of their functional roles and responsibilities

Areas of Potential Concern
- There is an opportunity to encourage more cross-functional behavior
- Inconsistent approaches between domestic and international business development
- Opportunity to better leverage the organization’s full resources
- Opportunity to streamline the functions reporting directly to President & CEO

III. KEY FINDINGS – BUSINESS DEVELOPMENT

Though achieving commendable results in absolute terms, the (domestic) Business Development group has opportunities for improvement in the following areas:

- The majority of VEDP’s current project activity involves the expansion of existing Virginia businesses; this understandably drives staff emphasis, however, business attraction and marketing efforts could be systemically strengthened.
- The group has strong project management and execution capabilities, and effectively builds and maintains existing client relationships.
- There is a potential to develop a stronger sales orientation with renewed prioritization of prospect and lead management.
- The group would benefit from defining and sharing of best practices, particularly in the areas of prospecting and coalition building.
- Staff should be encouraged to take on “white space” stretch opportunities that will push their talents and to take more of a leading role in marketing strategy development.

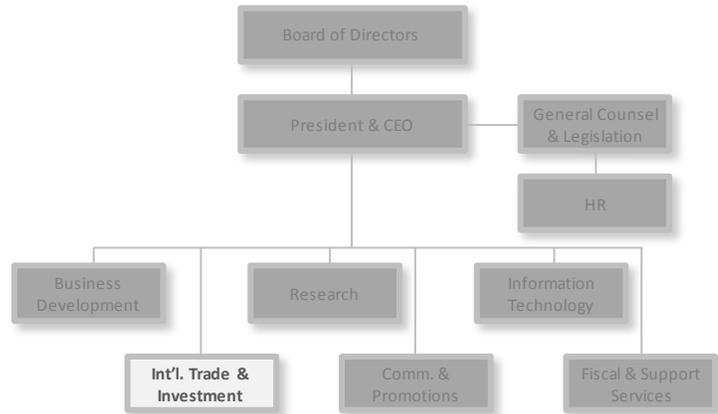


Positive Findings
<ul style="list-style-type: none"> + Group quite successful facilitating business expansion efforts of VA-based firms + Strong project management capabilities + Good base of professionally skilled staff with diverse skill sets

Areas of Potential Concern
<ul style="list-style-type: none"> - Focus on business expansion within VA rather than external business attraction - Managers have a Project mgmt. vs. sales orientation due to project workload - Improvements are possible in best practice definition and sharing, and peer-to-peer coaching, particularly regarding sales tactics

IV. KEY FINDINGS – INTERNATIONAL TRADE & INVESTMENT

The International Trade & Investment group is a high performing team, but has potential for improvement in the following areas:



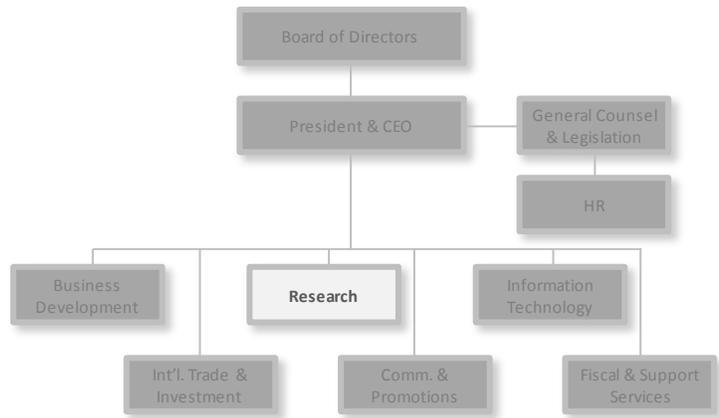
- In contrast to the domestic Business Development group, the International Investment group appears to be sales and marketing oriented, with proactive outreach in key international geographies, but lack some foundational project management skill sets.
- The group as a whole is somewhat insular, which can be attributed to a variety of factors. Both the Trade and Investment group, at times, operate independently of the organization and independently of each other.
- There are opportunities to systematically enhance the linkages between the International Trade & Investment Group and the rest of the organization.
- The group’s strong beliefs in their program approaches, at times, seem to limit opportunities for better interaction and synergies with other groups in the organization.

Positive Findings	
+	Strong team in general with a correct emphasis on sales and marketing
+	Managers granted appropriate level of autonomy
+	Positive best practices should be leveraged across all of VEDP E.g. Trade’s Research “Process Training Manual” and Investment manager’s marketing plan development

Areas of Potential Concern	
-	Improved project management capabilities are needed among Investment managers
-	At times, independent from rest of VEDP limiting synergies that could be developed
-	The opportunity exists to better align programs and spread best practices from Int’l
-	Better communication is needed between managers across departments

V. KEY FINDINGS – RESEARCH

The Research division is well regarded in and outside of the organization, and viewed as responsive, flexible, and highly collaborative. Opportunities for improvement do exist, however, in the following areas:



- The division has the potential to provide more customized support for the client facing functions in domestic and international business development – a number of lower value-added activities could be eliminated to free up capacity for customized research efforts.
- Specific knowledge and processes (e.g. sites and buildings, ROI analysis) are held by individual staff and not always captured by the organization.
- While group functions well, there are opportunities to improve process definitions, work flow management, and staff resource tracking.
- Non client facing work required to be conducted by VEDP is large and much of it falls to Research to support.

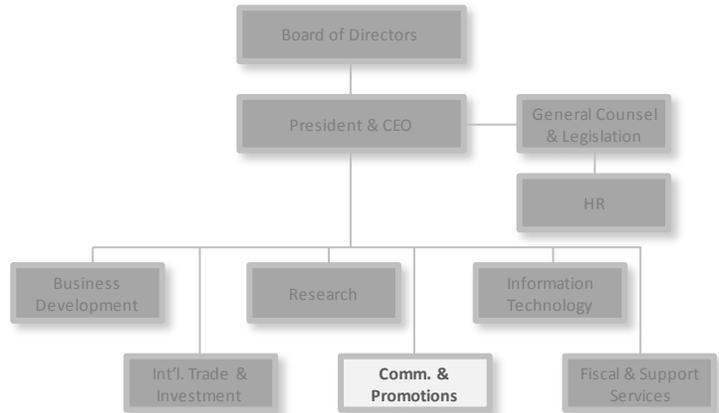
Positive Findings
<ul style="list-style-type: none"> + High performing group with skilled professionals + Well respected, liked, and utilized by nearly all divisions in the organization + Highly collaborative with other VEDP teams + Has been able to maintain and build good relationships with Ally community

Areas of Potential Concern
<ul style="list-style-type: none"> - Growing volume of non client facing work limits the group’s ability to produce higher value, customized research for Client facing divisions that contribute to VEDP’s mission - Limited processes for organization knowledge capture and dissemination - Strong individual knowledge base in a variety of areas that are not being institutionalized

VI. KEY FINDINGS – COMMUNICATIONS & PROMOTIONS

While the Communications & Promotions division effectively manages the execution of a wide range of promotional activities, including promotion campaigns, marketing missions, call center operations and organization communications, the group has opportunities for improvement in the following ways:

- The group’s focus has been on fulfillment of marketing activities rather than guiding marketing strategy for the organization as a whole.
- Because C&P has not been given clear agency-wide authority to oversee organizational marketing strategy, the group’s emphasis tends to be on tracking tactical metrics such as campaigns executed rather than strategic metrics such as how marketing activities produce qualified leads, company visits, and company investment decisions for Virginia.
- To fulfill the important role of marketing strategists for the VEDP, the group will need to more closely connect their strong analytical marketing skill sets with the specific goals and activities of client facing departments.
- Continued improvement of coordination is needed between the C&P and all client facing groups in terms of both organization-wide marketing strategy development as well as tactical activities such as prospect / lead follow-up.

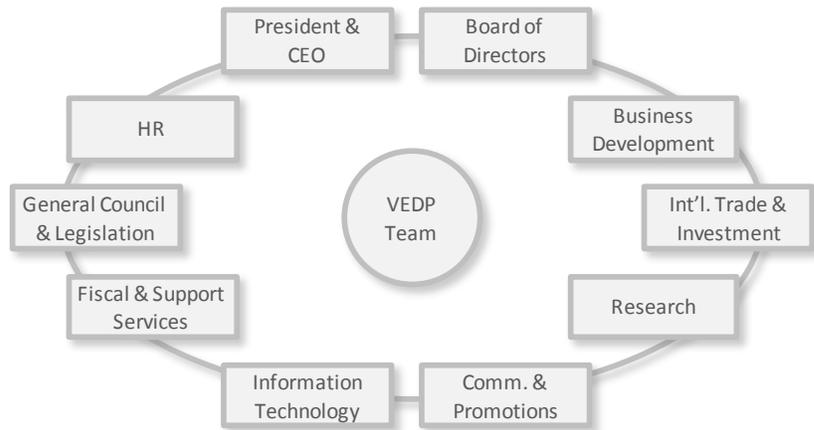


Positive Findings	
+	Externally well regarded for execution of specific marketing campaigns and events (Governor’s missions)
+	Capable, creative minded staff with energetic leader
+	Staff given proper management oversight , while still empowered to act individually

Areas of Potential Concern	
-	An opportunity to connect more closely with client facing divisions for more strategic and analytical marketing approach
-	Need to identify and track metrics that drive the <u>organization’s</u> marketing success – C&P measured based on tactical execution not on outcomes from its marketing activities

VII. CROSS FUNCTIONAL EXECUTION

While the organization’s functional departments tend to execute within their respective areas of responsibility, opportunities exist to improve cross-functional execution as follows:



- At times, autonomous behavior of individual departments has impacted the organization’s effectiveness and not always puts an otherwise strong team in a position to excel.
- There are significant opportunities for the capture and dissemination of institutional knowledge, best practices, data sources and technology tools.
- Marketing initiatives can be better coordinated and/or jointly conceived to enable more efficient execution, coordinated qualification of leads and timely follow-up, and a thorough review of outcomes.
- Newly introduced capture teams have effectively spurred cross-department communication and collaboration.
- Ad hoc teams that form at the staff level work well and produce results.

Positive Findings
<ul style="list-style-type: none"> + Capture teams have provided a structure for cross-collaboration and knowledge sharing + Less formal teaming occurs in pockets throughout the organization and works well when it occurs

Areas of Potential Concern
<ul style="list-style-type: none"> - Knowledge management capture and dissemination can be improved including human intelligence, data management, and technology - Proactive marketing activities could be strengthened to better optimize results for VEDP

VIII. MANAGEMENT, COMMUNICATION AND STRATEGIC PLANNING PROCESSES

While VEDP has supported consistent results for the Commonwealth, opportunities exist to improve communication and consistency of management oversight, organization wide strategic planning and execution capabilities moving forward, including:

- Stronger management principles can be instilled across the organization – from leadership to the staff level:
 - Project management tactics for organizational initiatives can be improved with more definition given to resources needed (and secured) to execute the project, disciplined timelines for completing the project and clearly outlined expected outcomes.
 - The need for oversight of the day to day operations of the organization was reiterated in one-on-one interviews by internal staff and external Allies.

- Better communication and more active best practice sharing can be instilled both across and within functional departments.
 - Key messages are not always consistently delivered throughout the organization.

- Annual budgeting and strategic planning should be undertaken in a “bottoms up” manner, in which all budget allocations and proposed initiatives are reviewed and assessed on an annual basis for fit with evolving market and client needs.
 - Currently each division determines its annual program of work and budget independently from other divisions.

- There is an opportunity to develop a discretionary budget reserve for “special strategic opportunities” that emerge throughout the year.

- Marketing and promotion efforts are currently executed tactically well, but could be more strategic and coordinated to proactively pursue new opportunities and systematically build the Virginia brand.

- Strategy alignment should include Allies throughout the state, improving coordination and bringing to bear all of the Commonwealth’s resources.

Positive Findings	
+	Activities are professionally conceptualized and tactically executed
+	By and large, staff and individual divisions demonstrate a willingness to embrace an increase in joint, cross department initiatives

Areas of Potential Concern	
-	Important messages do not flow consistently to all parts of the organization
-	Staff have good individual skills but could improve team based skills
-	Joint strategy setting can be improved across divisions– this applies to marketing activities, budgeting and other initiatives
-	Improved alignment of strategy with the efforts of Allies

IX. HUMAN RESOURCE MANAGEMENT

With a team of nearly 100 members, and support provided to the Virginia’s Tourism office, effective human resource management can be a real challenge and plays a large role in influencing the overall effectiveness of the organization. VEDP possesses elements of best practices in terms of resource management, but currently has a number of gaps, including:



- **Training and cross-training:** There is an opportunity to institute an organization-wide new hire orientation process that clearly outlines the expectations of the individual, the roles of each group, identifies and clearly communicates organizational resources and provides staff with vital early training, development, and organizational familiarity.
- **Performance Evaluation and Development:** There are opportunities to improve the performance evaluation system, clarify position descriptions where appropriate, and to institute a formalized career planning and progression program for all VEDP employees, coupled with a review and alterations to the compensation system.
- **Organizational Policies:** Need for consistent implementation of human resource policies across functional groups were identified during the assessment process, with some variance introduced by division leaders.

Positive Findings
+ Above average base of skills and ability present in current staff
+ By and large, employees given the freedom and authority to act independently in the best interest of the organization

Areas of Potential Concern
- Improved performance evaluations and increased staff accountability are needed
- An enhanced compensation system with better guidance for performance based comp
- Improvements are needed in new hire orientation and in house staff development
- Institutionalize cross training and career development

X. ALLY AND PARTNER RELATIONSHIPS

A diverse group of Allies throughout the Commonwealth look to VEDP for support. Conversely, VEDP should view Allies as a leverage source to improve delivery of the Virginia message to key audiences. Findings indicate that these relationships should be systematically strengthened.

- Allies in non metro communities often feel they have no place to turn to at VEDP for assistance.
 - There is no single group or entity at VEDP set-up to serve these communities.
 - Allies report that they generally can get assistance, but only in an individualized manner – e.g. through a previously established relationship with an individual at VEDP.

- Allies desire more transparency in the project management process and in reporting project updates and results.
 - Better information flow is needed regarding proposal responses to RFIs, project announcements and providing insight into decision factors.
 - Allies spend time and effort responding to project RFIs and feel they are not always kept up to date and informed on project decisions (positive or negative).

- Allies desire more coordination in marketing efforts with VEDP leading this effort:
 - VEDP should include Allies in setting the marketing agenda.
 - VEDP should coordinate with Allies to develop a larger Virginia presence at key events.
 - VEDP should provide a clearinghouse for marketing activities performed throughout the state.
 - VEDP strategy should be aligned and include partners throughout the state, bringing to bear all of the state’s resources and ensuring a commonality in approach.

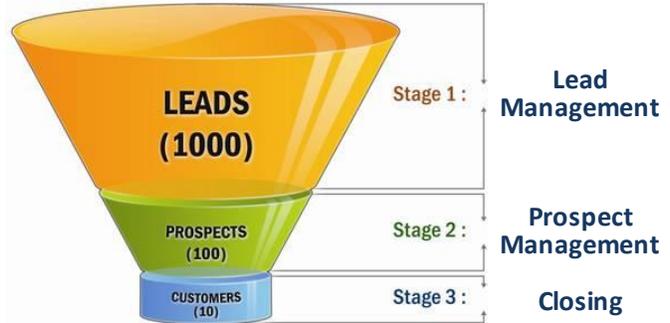
- VEDP is in a defensive mode in regard to its Ally relationships, taking it off its primary economic development mission to spur job growth and investment creation.
 - A first-hand accounting of current relationships with the general Ally community reveals that VEDP is forced to spend more time than is optimal repairing and reinforcing Ally relationships, which takes resources away from lead generation and other mission critical tasks.

Positive Findings	
+	Despite at times strained organizational relationships, Allies report good relationships with specific VEDP staff members
+	Allies have expressed interest in working more closely with VEDP
+	Allies generally do not view VEDP as a competitive threat to their activities

Areas of Potential Concern	
-	VEDP is in a position in which smaller, rural Ally communities feel they get overlooked and are insignificant to VEDP
-	Larger metro regions have sophisticated ED programs and do not always look to VEDP as a source of assistance
-	A concerted effort to reinforce Ally relationships is needed to provide higher service to Allies and refocus VEDP

XI. SALES AND MARKETING PERFORMANCE

While VEDP is very effective at responding to opportunities that are presented to them, there is significant opportunity for improvement in the way that it proactively identifies high-potential prospects, including:



- Prospecting should be a primary performance objective for the client-facing, sales functions within VEDP; resources and direction should be provided to marketing managers to ensure this important task is conducted.
- A consistently applied measurement system should be developed for marketing managers based on lead development and prospecting activities to encourage managers to call on companies / decision makers, to follow up with leads in an aggressive and timely manner and to build new relationships.
- Project results indicate that VEDP can bolster its efforts in attracting new businesses to locate to the Commonwealth; a large proportion of Virginia’s jobs/investment activity occurs from expansions of businesses with a current presence in the Commonwealth.
- VEDP’s project managers are, however, highly effective in managing prospects and maintaining industry relationships with clients once they have entered the system. For the most part, managers are proficient in project management and are an asset in helping to close a deal for Virginia.
- Additional enhancements are needed in communication with Allies regarding specific prospect activity and follow up regarding decision outcomes. In some cases, Allies reported not being provided with clear information regarding the status of projects that they had responded to.

Positive Findings
<ul style="list-style-type: none"> + Effective prospect management once a project enters into the system + Good project management skills and assistance in closing deals

Areas of Potential Concern
<ul style="list-style-type: none"> - There is an opportunity for VEDP to support a renewed emphasis on external marketing and prospect development - A formalized structure with proper tools needs to be developed to support prospect management (client call lists, etc) - Improved communication is needed with Allies regarding specific prospect activity to better leverage the Virginia message

SUMMARY OF ASSESSMENT AND DIAGNOSIS FINDINGS

The Virginia Economic Development Partnership has a vast and diverse set of stakeholders to serve – local and regional economic development Allies, the Governor’s office, the Legislature, statewide institutions, universities, and many others. This operating environment is not unique to VEDP and generally comes with the territory for a state’s economic development organization. It is not expected to change materially going forward. The reality is that fostering economic development relies on a multifaceted approach and requires the organization to be flexible and closely tied to a number of statewide constituents.

That said, the mounting demands placed on the organization have pushed and pulled it in a variety of directions with the ultimate effect of taking VEDP off its primary mission. Structurally, VEDP is not currently aligned to both meet these external demands and aggressively pursue its primary charge of attracting jobs and investment to the Commonwealth. VEDP should be the face for economic development in Virginia, while also maintaining a visible and proactive presence in the external marketplace.

Currently, no single group or entity within VEDP is set up to primarily focus on external sales and marketing; no single group is tasked with serving the Ally community; nor is any group specifically focused on existing Virginia businesses. On the contrary, these activities are conducted by various groups and/or individuals throughout the organization. The current situation has created a reactive organization which has led to inefficiencies, duplication of efforts and has limited the development of a long-term strategic approach. Ultimately, the current structure is holding VEDP back from truly excelling in meeting its core mission.

The following summarizes the key challenges uncovered during the assessment and diagnosis phase. In many ways, there is a need for the organization to return to the principles for which it was created – to be the primary sales and lead generator to recruit new investment to the Commonwealth, to support existing business growth, and to provide unparalleled service to its Allies and partners:

- **VEDP WAS SET UP TO BE VIRGINIA’S RECRUITMENT ARM; NON RECRUITMENT ACTIVITIES CURRENTLY ARE PREDOMINATE THROUGHOUT THE ORGANIZATION.**

- **VEDP IS NOT AS OPTIMALLY DEPLOYED IN THE EXTERNAL MARKETPLACE AND IS NOT AS CLOSELY CONNECTED AS IT COULD BE TO ITS STATEWIDE ALLIES AND PARTNERS.**

- **VEDP’S CURRENT ORGANIZATIONAL STRUCTURE DOES NOT PUT ITS TALENTED STAFF IN A POSITION TO EXCEL AND IS A PRIMARY CONTRIBUTOR TO THE CHALLENGES VEDP IS FACING.**

IV. Structural Realignment Recommendations

FRAMEWORK FOR ORGANIZATIONAL CHANGE

The discovery phase revealed that while VEDP has a strong resource base, there are key challenges precluding the organization from reaching a higher level of performance. Three overarching goals and themes were identified early in this process and were reinforced consistently throughout the assessment.



- ✓ **Maximize VEDP’s internal effectiveness through identification of an organizational structure that improves management processes, accentuates team structure, communication, work flow, and information quality control.**



- ✓ **Maximize VEDP’s alignment and management of Ally relationships to build stronger coalitions – improve flow of information with external partners, understand and find alignment between Allies organizational goals and VEDP’s mission to better serve the Commonwealth.**



- ✓ **Maximize VEDP’s business development process and service delivery to prospective clients – improve lead generation and prospect handling, client relationship building efforts and improve deal closing to attract new business investment into the Commonwealth.**

The resulting recommended reforms to the Virginia Economic Development Partnership were driven by these overarching goals. The recommendations aim to realign the organization with a structure that continues to meet its critical demands yet ensures that the organization redoubles its focus on its mission as the Commonwealth’s primary lead generator and recruiter of new jobs and investment.

In this section, the current organizational structure is presented and assessed followed by recommendations and rationale for a proposed realignment to better optimize VEDP’s operating environment.

CURRENT ORGANIZATIONAL STRUCTURE



CRITIQUE OF THE CURRENT ORGANIZATIONAL STRUCTURE

Limited organizational cohesiveness: VEDP’s current organizational structure has fostered an environment in which individual divisions tend to operate autonomously, each with its own operating agenda, activities and goals. This situation has developed over time, likely in response to a variety of demands that needed to be met in the best interest of the organization. A certain amount of independence between departments is positive and promotes a healthy competitive environment. However, the current structure has created a wider disconnect between departments than is optimal. As outlined in the Assessment & Diagnosis; resource, best practice sharing and communication between divisions, teams and individuals can be enhanced. Additional improvements can be made to cross-departmental strategy development throughout the organization.

A specific gap between the International Investment unit and the Business Development division was uncovered during the planning process. These units have historically been structured as separate entities due to the unique geographic markets that they serve. While it is accepted that there are variations between domestic and international marketing and sales approaches, it is not efficient for two entities (in effect, performing the same tasks with simply different target geographies) to be housed in separate departments with different leaders, protocols, metrics and little cross-pollination of ideas between managers.

Limited sales and marketing due to variable demands placed on client facing divisions: The Business

Development division has been a workhorse for VEDP, supporting a majority of the investment and job creation activity taking place in the Commonwealth. The division, however, has become a catch-all for a number of diverse activities and tasks, which have had the effect of pulling managers away from their nameplate duty – business development. In addition, expansion activity dominates the workload for most Business Development managers and handling these projects creates capacity constraints that diminish the ability to focus on other tasks, namely external outreach. A reality has been established in which Business Development managers are forced to push marketing and sales activities to the bottom of the list of priorities. This is understandable given the current structure – the demand to meet clients’ needs for current projects as well as to answer requests from external partners and allies are immediate and will often take precedence over proactive market outreach. The end result is that sales and marketing is not the primary responsibility of any group within VEDP – an obvious deficiency in the current structure given the fact that VEDP is viewed as the sales and marketing leader for the Commonwealth.

An additional issue was identified in the management of work flow within the Business Development division at the individual level. Business Development managers are tasked with a variety of dissimilar tasks at any given time including project management, responding to Ally requests, assistance with Governor’s events, and sales/marketing. These non-marketing tasks consume a majority of Business Development managers’ time and require strong project management skills, a disciplined attention to detail, and the need to be responsive and reactive. Conversely, the nature of sales/marketing related tasks requires an aggressive, proactive, flexible and creative approach. The discovery phase revealed that it was sometimes difficult for managers to effectively transition from one set of tasks to another, and invariably, sales/marketing related activities were most often neglected.

Current expansion activity has been strong in Virginia; however, recent Salesforce data show that Virginia is falling behind in its attraction of new investment from outside the state. This is a potentially dangerous leading indicator as new investment from outside Virginia’s borders establishes the foundation for future expansion activity to occur.

This underscores the need for VEDP to redouble its external sales and marketing efforts. Virginia must ensure that it is sufficiently recognized in the marketplace and that relationships with decision makers have had time to develop and flourish. While site selection timelines have continued to shrink, the industry is still driven by long held perceptions of a potential location and established relationships. Virginia needs to act sooner rather than later to redeploy itself in the marketplace and to reengage with key targets.

Limited engagement with the Ally community: Similar to the circumstances leading to limited sales and marketing activity occurring within VEDP, relationships with the Ally community have not been given the attention and importance they require. Again, this can largely be traced back to the fact that maintaining strong and stable relationships with Allies is not the primary charge of any unit within VEDP.

Instead, Ally interactions tend to be in an ad hoc, individual level with many Allies commenting that there is not a single group or entity within VEDP that they can consistently turn to for assistance. Because there is not a focal point at VEDP, the organization risks having Allies become increasingly disengaged. This is an undesirable situation that needs to be reversed. States with strong economic results generally have a cohesive and comprehensive economic development delivery system in which local, regional and state entities can work closely together. States

operate in an increasingly competitive, global market. Virginia must be able to marshal all resources at its disposal, including Allies, partners, and educational assets in order to effectively compete and win.

Too many department heads report directly to the President & CEO putting a strain on capacity demand and creating a void in day to day management of operations. Throughout the consultant discovery process, it was clear from feedback received that the internal and external demands of the organization require the addition of an executive level position to serve as a Deputy or Chief Operating Officer (COO). This issue was raised often in interviews with internal staff as well as external VEDP partners and Allies.

The complexity of the Chief Executive Officer's (CEO) role and the vital importance for the CEO to maintain an external presence and to serve as the "public face" of VEDP to external stakeholders requires additional leadership to actively manage operations within the organization. The eventual addition of a COO will ensure that the organization's needs are met, while enabling the CEO to continue the positive work underway to build a constituent base in the Commonwealth that is aligned with and supportive of VEDP's efforts.

However, the study reflects that at the present time, it has been determined that budget support does not exist to immediately fill this position. A budget review will be conducted prior to Fiscal Year 2014 to determine if resources can be made available at that time. Recommendations are nonetheless provided to outline this position and guide the organization when it is able to execute.

RECOMMENDATION: REALIGNMENT OF VEDP ORGANIZATIONAL STRUCTURE TO IMPROVE EFFICIENCIES AND ENHANCE CLIENT RESPONSIVENESS.

A new proposed organizational structure realigns the organization to create a reinvigorated focus on its primary mission of jobs and investment attraction while ensuring that external Allies' needs are met and VEDP's internal operations are managed efficiently. The proposed realignment was crafted with a clear eye on VEDP's most important constituents – Virginia-based clients (Allies and Virginia businesses), external targets that will bring new growth into Virginia, and VEDP's employees that will provide unmatched service to these groups.

PROPOSED ORGANIZATIONAL STRUCTURE REALIGNMENT:



Key takeaways of the proposed structural realignment:

- ✓ The realignment results in one new position to be filled in Fiscal Year 2013 representing a 2% increase in VEDP’s Fiscal Year 2012 salary baseline.
- ✓ The realignment creates three client focused departments aligned specifically towards VEDP’s key Clients – New business targets, Virginia Businesses looking to expand operations and/or grow International trade exports, and Virginia Allies.
- ✓ The realignment establishes three full time dedicated Directors, one for each client facing department.

Realignment recommendations are summarized in the following areas:

- I. A Business Attraction department to refocus on selling Virginia to national and international audiences:
 - (1) Companies and (2) Site Consultants in targeted geographies.
 - a. This department will integrate both domestic and international sales/marketing efforts into a single department to provide a clear external recruitment focus, thus elevating the capabilities of both groups.
 - b. The department will be staffed with fifteen (15) individuals: ten (10) managers, two (2) associate managers, two (2) administrative personnel (all realigned from either the former Business Development or International Investment divisions) and a new department director (1).

- c. The department will be led by a new director (position to be hired and filled by an internal or external candidate in a competitive selection process).
- II. A Business and Ally Services department to focus on internal Virginia clients: (1) existing businesses and (2) Allies / Partners.
 - d. This department will focus primarily on leading the Virginia existing business strategy and managing existing business expansion projects as well as managing Ally/Partner relationships with a formalized support program.
 - e. The department will be staffed with sixteen (16) individuals: twelve (12) managers, one (1) deputy manager, two (2) administrative personnel (realigned largely from the former Business Development division with two managers shifting from the Research division) and one (1) director.
 - f. The department will be under the leadership of the Director of the former Business Development division.
- III. The Geographic Information Systems (GIS) unit (5 employees), previously housed in the Information Technology (IT) division, will be realigned under the Research department to improve efficiency and create a closer tie with research activities.
- IV. The International Trade department will remain largely unchanged; however, it will now be served by its own dedicated director which previously was a shared resource between International Trade and International Investment. International Trade's program will be augmented to respond to new opportunities and will become more interconnected with departments throughout VEDP.
- V. The Communications and Promotions department will remain structurally unchanged; however, will perform a more strategic role in guiding and overseeing marketing plan development for the organization.
- VI. The Research and IT departments will be impacted by the realignment of the GIS unit, but will otherwise remain structurally unchanged; they both, however, will be tasked with enhanced functions that impact client facing departments.
- VII. Support departments: HR, General Counsel & Legislative, and Fiscal & Support Services will remain structurally unchanged.
- VIII. The eventual addition of a Chief Operating Officer position to: (1) manage day to day operations, (2) to keep VEDP on mission and to execute tasks in keeping with its strategic direction, (3) to enforce accountability throughout the organization, and (4) to oversee support operations.

In the following pages, important aspects of the proposed realignment are described in greater detail. This includes the structure, roles and responsibilities of the departments most impacted by the realignment.

BUSINESS ATTRACTION RECOMMENDED ACTIVITIES

RECOMMENDATION: ALIGN ALL EXTERNAL SALES AND RECRUITMENT ACTIVITIES INTO A SINGLE BUSINESS ATTRACTION DEPARTMENT.



A primary goal of the proposed restructuring is to create a more mobile, dynamic sales/marketing team that is able to be proactive in aggressively targeting near term opportunities with the capability to also shift quickly to respond to changing market needs. All external sales activities with the primary objective of recruiting “new to Virginia investment” should be housed together under the guidance of a single leader to foster collaboration among peers, promote a common Virginia approach to external marketing and significantly increase lead generation activities.

BUSINESS ATTRACTION GOAL #1: ESTABLISH A SINGLE GLOBAL SALES AND MARKETING UNIT TO IMPROVE EFFICIENCIES AND BOLSTER RECRUITMENT RESULTS.

The proposed realignment integrates domestic and international recruitment to avoid duplication and enhance client service while maximizing opportunities for improved project results in both geographic areas of focus. The Business Attraction (BA) unit will be the primary sales department with a strong team of sales/marketing skilled managers, guided by an annual marketing strategy with defined outcomes and performance metrics. This structure decouples internal process driven activities associated with existing business expansions (a majority of VEDP’s project workload) from external marketing/sales and provides a devoted effort to new business recruitment. Business Attraction managers will be able to focus their time and effort primarily on outbound sales and marketing, providing a visible presence for Virginia in key target markets.

The goal is to achieve a noticeable uptick in new investment activity from outside of Virginia. The Business Attraction team of sales managers will begin proactive lead generation and relationship building with key target audiences to begin to fill the pipeline of prospect companies considering the Commonwealth.

It is anticipated that there will be a 6-12 month ramp up period as the sales team builds a familiarity with its target markets. That said, the unit has set the following project result goal for its first full fiscal year.

OBJECTIVE: Achieve the following project result goal in the Business Attraction department for its first full fiscal year:

- ✓ **To maintain an active project pipeline of leads that will drive the following: 40 “new to Virginia” projects closed; 4,000 net new jobs; and \$500 million in new investment.**

These targets apply to those projects that VEDP Business Attraction managers will actively work and support. It is expected that additional new investment activity will take place in Virginia without VEDP active support (as is currently the case).

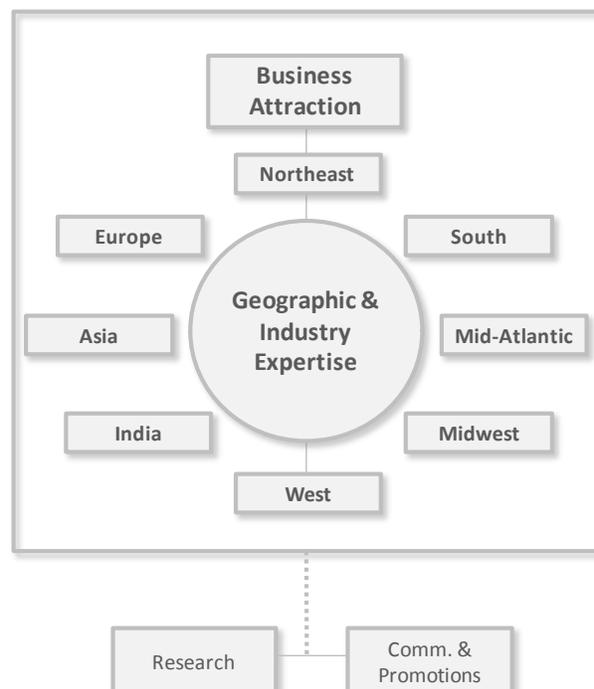
KEY ACTIVITIES:

1. Integrate domestic and international efforts into one client facing operating unit focused on external business attraction (complete).
2. Clearly articulate and adjust staff assignments in Business Attraction to ensure that project management and marketing tasks are aligned per sector and person and activities are measured and rewarded (underway, to be completed in conjunction with plan rollout).
3. Hire or Promote a Director for the Business Attraction Department (underway).

BUSINESS ATTRACTION GOAL #2: ADOPT A GEOGRAPHY FOCUSED ORIENTATION TO SUPPORT GLOBAL TARGETING EFFORTS.

The BA Department will support a geographically based alignment for outreach marketing as opposed to the target industry focus that was utilized by the former Business Development Division. To support the identified need for VEDP to be more deployed in the marketplace, a geographic approach was deemed to be optimal. This has been a strategy employed effectively by VEDP’s International Investment group. It allows managers to build a strong familiarity with a geographic place, to establish relationships, to proactively anticipate and respond to market dynamics and to craft a sales message for Virginia that responds to the needs of companies in their target geography.

To give VEDP a more visible presence in the marketplace, regular meetings and company calls will take place in key geographic markets. Once in



these locations, managers will call on a range of companies that preliminary targeting demonstrates would be receptive to the Virginia message, not just those in a single industry.

Among site consultants / corporate executives, there is a clear expectation that economic development managers are experts in the place that they are marketing – this is their product. A prospect client will expect the manager to be highly proficient regarding the advantages of Virginia and how those compare to other potential locations. It is not necessarily expected that they be deep experts in the client’s industry. In fact, a economic development marketing manager considered to have even a high level of industry knowledge will generally have just a fraction of the expertise of a seasoned career professional in that industry.

While BA managers will be assigned to a specific geographic region in order to build relationships and establish a presence in the market, it is expected that there will continue to be industry targeting efforts to pursue the opportunities that the Business Attraction team sees as the best fit for Virginia. Thus, while a strict industry sector focus will not be the primary alignment for BA managers, it is anticipated that this expertise will be retained through targeting efforts directed toward industries and companies that can benefit most from Virginia’s assets (i.e. the product being marketed).

BA managers will build familiarity with their geographic markets and the key companies and industries that are clustered there, understanding that Virginia has source markets and direct competitors. If target analysis suggests a match with a particular sector then effective geographic implementation should align Virginia’s selling points with the needs of that industry. Few industries seek out all 50 states so it is likely that any state has certain features that make them more or less attractive to growing industries. The purpose of targeting is to narrow the universe and build a sharper Virginia story.

OBJECTIVE: Mobilize domestic and international sales team and begin targeted outreach in key geographic regions.

KEY ACTIVITY:

1. Expand budget flexibility in business attraction for near term highly targeted marketing options focused on direct prospect engagement and outreach within assigned geographies to begin to build familiarity with the market and establish relationships with key decision makers.
2. Assign managers to domestic geographic markets and task with the creation of a market outreach plan (through the development of marketing strategy, discussed in subsequent sections).
 - International Investment managers will maintain their current geographic areas of focus.
3. Consider assigning a senior manager a coordination role to oversee the development of marketing strategies, to track implementation throughout the year and to advise on complicated project management issues that may arise for the first 6-12 month of implementation.

BUSINESS ATTRACTION GOAL #3: LEVERAGE CROSS-DEPARTMENTAL TEAM BASED MARKETING CAMPAIGNS TO INFILTRATE KEY TARGET MARKETS.

As noted in the Assessment, the recently employed use of cross-departmental teams to support short-term “blitzes” into key target markets has been effective in enhancing collaboration and tapping into the full weight of VEDP’s resources. These “capture teams” were comprised of individuals from Business Development, International, Research, C&P, and IT, and empowered frontline staff to develop and execute an outreach marketing campaign.

This initiative should continue with refinements under the proposed structure. While individual BA managers will be assigned to particular geographies and responsible for individual performance metrics, the ability to leverage a team based approach to bolster targeting in certain markets at critical times should be supported.

OBJECTIVE: Develop an integrated marketing strategy that utilizes a team-based in select markets.

KEY ACTIVITIES:

1. Continue capture team structure (with certain refinements) to support cross-functional collaboration.
 - Newly formed Pursuit Teams will be formed in response to near-term market opportunities identified by the BA department and will comprise a BA Manager (to serve in lead role), and one representative from Research, C&P, BAS and IT as needed.
 - Ensure target industry expertise and effective marketing tactics are maintained and supported with the inclusion of Research, C&P, BAS, IT, etc.
 - Include individuals on the team with demonstrated expertise in certain functional areas and give them enhanced authority to lead in their area of focus – for example, C&P staff with specific marketing expertise should be given the authority to lead the identification and execution of optimal marketing tactics (in a cooperative manner with other members of the team).
2. Team composition as well as target areas (Geographic and/or industry targets) should be fluid and determined annually.
 - Not all geographic target markets with BA manager representation will be supported by a Pursuit Team in any given year, key target markets will be determined annually as part of the marketing strategic planning process (both domestically and internationally).
 - BA managers will be instrumental in determining and vetting geographies that require Team support.
 - In some cases, Teams may continue to support specific geographic markets over a multiple year period, determined by market activity.
 - This approach gives VEDP the flexibility to shift resources to changing market needs – for example, VEDP can bolster international efforts in a given year to support an increase in market activity.
3. Modify team composition periodically to enhance knowledge management, and to encourage communication and best practice sharing.
 - The same individuals should not perpetually serve on the same teams – varying team representation will encourage cross-pollination of ideas and will build stronger employee relationships.
4. Integrate marketing sector plans and Pursuit Team strategies and refocus marketing committee and individual project/sector strategies to reflect those plans.

- Pursuit Teams should be given authority (budgetary / resources) to set strategy and determine goals and metrics to measure performance (vetted by the Director and CEO).
 - Not all marketing should be identical in approach, but determined based on the intricacies of the market.
 - Individual performance metrics and enhanced compensation opportunities should be partially tied to performance of teams.
 - Teams should be held accountable and rewarded for performance in meeting objectives that were established at the onset of formation.
5. Continue to populate teams with Communications & Promotions, Research and IT personnel, as appropriate.
- This connects support departments to client facing efforts and provides opportunities for cross-department interactions.
 - This approach aligns the whole organization under VEDP's primary mission – to attract jobs and investment to the Commonwealth of Virginia.
 - This builds a closer link between support departments and client facing departments and further educates support staff in a first-hand manner regarding client's requirements and allows these groups to customize the services they provide.

BUSINESS ATTRACTION GOAL #4: EMPLOY A METRICS BASED APPROACH TO ASSESS AND OPTIMIZE MARKETING TACTICS AND ADJUST BASED ON THE RETURN DOLLARS SPENT AND RESOURCES CONSUMED.

VEDP has the technological tools in place to collect performance related data. While the organization, by and large, collects this data it does not employ a thorough and systematic approach to measuring performance and analyzing the results of its activities. This was found to be an area for improvement throughout the organization.

A critical first step toward optimizing results is to employ a disciplined approach to tracking, measuring and analyzing all activities performed. The Business Attraction department must develop a robust performance management system to use as a feedback mechanism to determine which marketing tactics produce results and which do not.

Client facing departments at VEDP have historically been measured simply on new leads, jobs and investment totals. While these metrics will continue to play a large role in determining ultimate performance, it is recommended that a broader range of more specific variables be determined that are more within the control of individuals and teams. Measuring individual performance based solely on aggregate jobs/investment targets can be skewed by the profile of projects (which is largely outside a manager's control) and provides little insight into the success or failure of key activities or the amount of effort committed by a manager.

Rather, performance should in part reflect activities that managers can directly impact such as: (1) responding to inquiries in a 24-hr period, (2) carrying out a certain number of marketing missions, (3) the number of companies

called on (phone and in person) and preparing call briefs, (4) the number of meetings with C-level executives or site consultants, (5) preparing and execution of a marketing strategy, and others.

Going forward, measurement priorities should be set around prospect identification and moving those along the decision continuum towards serious and final consideration of Virginia as a location. The process would include validation of Virginia as a place of interest, quantification of Virginia benefits, adjustment of an incentives offering, vetting of location options, and closing the opportunity.

It is anticipated that there will be some variation among BA managers in the quantity of leads/active projects that must be maintained in their pipeline in order reach positive outcomes, but ideally managers would maintain a portfolio of 10-15 active projects a year, translating to 3-4 wins for Virginia. There should be flexibility built into the system to let project managers set appropriate parameters in conjunction with department leadership and to allow managers to adjust their activities throughout the year should conditions merit such action..

OBJECTIVE: Institute a metrics based approach to track activities and optimize the sales and marketing approach.

KEY ACTIVITIES:

1. Identification and definition of key sales “pipeline” related metrics:
 - Prospect visits / calls
 - Total leads generated
 - Qualified leads
 - Conversion rate (leads to suspects)
 - New announcements (suspects to “wins”) measured in total jobs and investment
2. Determine marketing strategy and execution related metrics on an ongoing basis:
 - Individual metrics are determined by each team in support of the team’s marketing strategy:
 - These will vary from team to team and year to year.
 - Metrics will be set each year as part of the annual marketing planning process – and they will be vetted by Department Director / CEO.
 - Return on Investment
 - Measure the number of Leads / Prospects / Wins generated per marketing dollars spent.
 - Strategy execution
 - Assess the ability of the team execute to its marketing strategy.
 - Measure the team’s ability to accomplish all milestones on time and on budget.
3. Determine competitive benchmark related metrics to measure Virginia versus key peer states:
 - Annually track Virginia’s performance versus select peer states:
 - Suggested benchmarks include: FL, GA, MD, NC, and SC – exact benchmark states to be determined by BA department in conjunction with Research.
 - Research department will perform annual benchmark analysis using data compiled by BA and BAS departments.
 - Metrics to be tracked and measured annually:

- The number of “new to Virginia” project announcements versus state competitors (SC, NC, FL, GA, MD).
 - The number and amount of “new to Virginia” jobs and investment supported versus state competitors.
4. Salesforce will be utilized to track and record all pertinent metrics discussed above.
- The use of Salesforce system will be mandatory and expected of all BA managers.
 - All activities – project management related as well as outreach marketing will be recorded in Salesforce.
 - Customized reports and a Salesforce Dashboard application will need to be developed to track interim progress against objectives throughout the year and for end of year reporting.
 - Salesforce optimization to be implemented by IT department and guided by each department, details provided in Process Improvement Recommendations below.

Some of these areas will have an individual and team component to comprise an employee’s performance evaluation each year. This will help to ensure that managers are working in conjunction with peers while maintaining individual accountability. In addition, these metrics will be tracked at the departmental level and reported on a continuous basis to the VEDP CEO to determine overall performance versus desired goals and outcomes.

BUSINESS ATTRACTION GOAL #5: PROVIDE SUPERIOR CUSTOMER SERVICE WITH MEASURABLE RESULTS.

OBJECTIVE: Improve the capabilities of all Business Attraction staff by providing opportunities for skills improvements through training classes, mentoring opportunities, self-study, and service to the profession.

KEY ACTIVITIES:

1. Provide staff training opportunities on essential economic development and business practices, sales and marketing practices, negotiations, presentations, technical software, etc., needed to work effectively with prospects and allies.
2. Encourage Business Attraction staff to volunteer service to the profession through committee membership of the Virginia Economic Developers Association, the Southern Economic Development Council, and other professional associations.
3. Ensure that all interactions with Virginia allies, prospects, suspects, and leads are positive and constructive.
4. Empower and support staff to utilize tools and take ownership of areas of expertise in support of VEDP’s goals.

5. Conduct systematic surveys of client satisfaction and analyze results for use in improving customer relations and developing new programs and policies.
6. Conduct systematic surveys of marketing partner satisfaction and analyze results for use in improving partner relationships and creating more effective outreach marketing.
7. Continue systematic tracking methods to benchmark and evaluate specific marketing efforts.

BUSINESS & ALLY SERVICES RECOMMENDED ACTIVITIES

RECOMMENDATION: ALIGN SERVICE OF EXISTING VIRGINIA BUSINESS EXPANSIONS AND ALLY/PARTNER SUPPORT INTO A SINGLE BUSINESS & ALLY SERVICES DEPARTMENT.



A clear need identified during the planning process was to maintain continuity in serving VEDP's existing clients and Virginia's large base of expanding companies. The organization has proved itself to be proficient in project management; diligently meeting the needs of client's undergoing expansions in Virginia. Effective project management is process driven and reaction oriented – i.e. responding to and meeting the needs of client requests. The same set of requirements applies to effectively servicing VEDP's many local/regional economic development Allies and other partner institutions throughout the state.

Previously, no single entity within VEDP was specifically tasked with serving these two audiences. Consequently, the Commonwealth does not have a formalized existing business growth program and relies heavily on local and regional economic development Allies, creating an inconsistent approach to the existing business client base. However, it is important to note, that in some but not all cases, these Allies have very strong and effective existing business programs. Despite this, there is still an important role for VEDP to play in this area – as the designer and facilitator of the Virginia existing business growth strategy, as a coordinator, as a problem solver, and as a safety net to ensure that areas without an active program are not neglected.

The Ally community also needs a focal point within VEDP that they can turn to for assistance and leadership. This structure will not only benefit the Ally community but the Commonwealth as a whole. VEDP is not strategically connected to its Ally community and, thus, Virginia is not able to bring its full resources to bear consistently in a formalized manner. The Allies visited and included in this planning process run strong and effective programs, in many ways employing tactics and taking an approach that could positively inform VEDP. Short of this, it is clear that more coordination needs to occur across the entire Commonwealth. VEDP, as the state's central economic development organization has a duty to lead in this regard.

**BUSINESS & ALLY SERVICES GOAL #1: ESTABLISH A SINGLE EXISTING BUSINESS AND ALLY SUPPORT UNIT TO
IMPROVE SERVICE DELIVERY TO EXISTING VIRGINIA BUSINESSES AND BUILD
STRONGER RELATIONSHIPS WITH ALLIES AND PARTNERS.**

The proposed realignment creates a department solely responsive to internal Virginia constituents, (1) existing businesses and (2) Allies and partners. It is anticipated that this department will continue be a large contributor to VEDP's overall performance, representing 75-80% of investment and job activity and playing an important role in strengthening VEDP's relationships throughout the Commonwealth.

The department will be staffed with current managers from the former Business Development and Research divisions that have equipped themselves well in client relations, project management and in building external relations with the Ally community. In total, the department will be comprised of sixteen (16) staff, including 12 project managers and support staff under the leadership of the Director of the former Business Development division.

Ally Services managers will be assigned to specific geographic regions within Virginia to serve as a single point of contact for Allies and related partners in their assigned territory. Additionally, these managers will work expansion projects in these geographic areas. Business Service managers will not be geographically assigned but will have a heavier proactive relationship management and project management workload in addition to relationship building and support efforts with statewide partners/institutions. Integration of both functions will occur with selected managers.

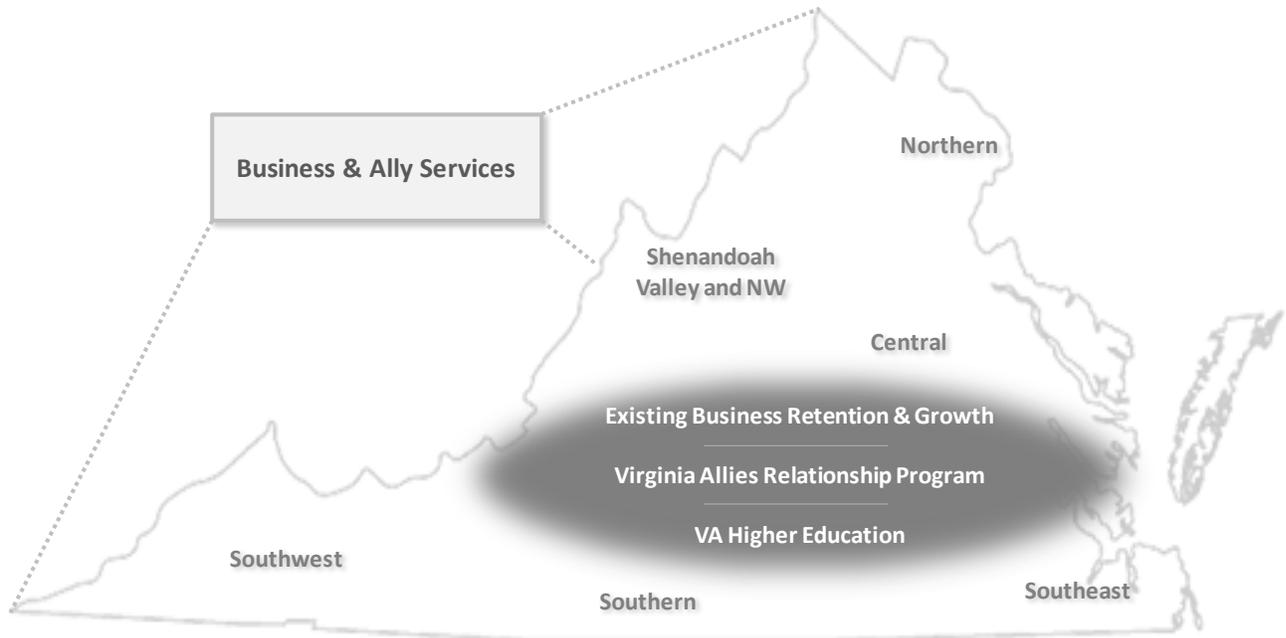
In addition to building stronger Virginia based relationships, an overarching goal is to support and promote increased investment activity from companies located within Virginia. By proactively identifying and working with existing businesses, strategically leveraging both VEDP and ally relationships, Business & Ally services managers will ensure Virginia is well-positioned to identify and capture expansions from companies with a presence in Virginia.

OBJECTIVE: Achieve the following project result goal in the Business & Ally Services department for its first full fiscal year:

- ✓ **Secure at least 170 new active projects that support decisions for Virginia that result in \$2 billion in capital investment and 10,000 new jobs announcements.**

KEY ACTIVITIES:

1. Lead the design and lead the implementation of a strategic and collaborative Existing Business Retention and Growth strategy that results in increasing new leads and ultimately positive decisions for Virginia from companies with a presence in Virginia.
2. Design and implement a program that actively leverages Virginia's higher education assets, in support of the Higher Education/VEDP Memorandum of Understanding signed in early FY 2013.
3. Design and implement a cohesive Virginia Allies Relationship Program that increases the competitiveness of Virginia's localities to successfully grow and recruit business expansions.



* For Illustrative purposes only; each existing Regional Marketing Organization will have a primary point of contact within BAS, as will those localities that are not in a RMO.

BUSINESS & ALLY SERVICES GOAL #2: **AGGRESSIVELY POSITION VIRGINIA AND ITS ASSETS TO COMPANIES WHICH HAVE A PRESENCE IN VIRGINIA, TO GENERATE ACTIVE PROJECTS.**

OBJECTIVE: Increase the pipeline of qualified prospects.

KEY ACTIVITIES:

1. Proactively target specific companies that exhibit forecast growth opportunities, or that are ready to expand and that best meet Virginia's diverse local and regional strengths, or that have a significant existing impact to a locality or region. Primary sectors include Information Technology, Advanced Manufacturing (including aerospace, automotive, food & beverage), Energy, Global Logistics, and Life Sciences; an emphasis is also placed on Federal agencies and contractors.
2. Position the Virginia message to strategic accounts, using internal resources as well as the Governor's Office and other stakeholders to effectively communicate the Virginia message.
3. Support the expansion of Virginia businesses in partnership with Virginia's ally community and capture expansion opportunities that exist within corporate structures.
4. Identify and leverage private sector partners to validate and engage in Virginia's sector messages.

5. Be a lead generation source for the Business Attraction department by identifying target companies that are suppliers to or customers of existing Virginia businesses.
6. Measure results for outcomes of outreach activities toward targeted businesses via conferences, call programs, and special events.
7. Ensure the Virginia Business Retention and Growth Strategy is designed and implemented utilizing the input of local and regional economic development allies, and other state partners as appropriate, and that honors, respects and leverages existing company relationships.
8. Develop and implement at least one highly visible Existing Business event that engages corporate partners, local and regional allies, other stakeholders, and results in creating visibility for the program and new pipeline opportunities for Virginia.

**BUSINESS & ALLY SERVICES GOAL #3: PROFESSIONALLY MANAGE CLIENT RELATIONSHIPS AND TRANSACTIONS
RESULTING FROM EXISTING BUSINESS OUTREACH ACTIVITIES TO RESULT IN
DECISIONS FOR VIRGINIA.**

OBJECTIVE: Make the best use of all resources available, including VEDP staff, state agencies, local resources, technology, and state and federal programs to secure expansion of businesses in Virginia.

KEY ACTIVITIES:

1. Lead project solutions teams to address specific issues for business transactions.
2. Propose appropriate state incentive programs to prospects when needed and at a minimum level sufficient to close the deal.
3. Proactively collaborate with local and regional economic development allies to leverage all resources to successfully attract new jobs and investment.
4. Utilize the standard technology infrastructure (SalesForce) to ensure systematic tracking of marketing and project-related activities.
5. Effectively identify and utilize federal contacts and resources to support key initiatives.
6. Identify resources and provide financing alternatives to businesses considering locating to or expanding in Virginia.
7. Conduct analysis of successes and losses to identify key issues which can improve positioning of Virginia for existing business expansions.

BUSINESS & ALLY SERVICES GOAL #4: **LEAD AND IMPLEMENT A VIRGINIA ALLIES RELATIONSHIP STRATEGY THAT SHARES THE PROJECT AND INDUSTRY EXPERTISE OF STAFF WITH LOCAL AND REGIONAL ALLIES RESULTING IN IMPROVED POSITIONING OF THE REGIONAL/LOCAL ASSETS.**

OBJECTIVE: Serve as a first-point-of-contact for allies and create a value-added service to Virginia’s local and regional allies.

KEY ACTIVITIES:

1. Provide leadership to Virginia’s economic development professionals by sharing in-house expertise and knowledge of industry sector and geographic trends and location requirements, and best practices, through one-on-one visits and by other means, to build collaborative relationships across local boundaries.
2. Identify, build relationships with, and leverage state resources in each region, particularly the VEDP partners in International Trade and the partners in higher education, to assist positioning the regions into appropriate target markets.
3. Provide consistent and timely feedback to local and regional allies regarding their competitive standing on specific projects, offering explanations for any change in their competitive standing.
4. Create an Allies Advisory Team to identify services that VEDP can provide which add value to local and regional professionals.
5. Plan and initiate implementation of a strategy around unique real estate assets that differentiate Virginia in the marketplace (mega sites, spaceports, etc.).
6. Create an Allies communication system that includes electronic and social media, topical webinars, and regular locality visits. Incorporate the use of appropriate print media.

BUSINESS & ALLY SERVICES GOAL #5: **LEAD THE HIGHER EDUCATION PARTNERSHIP STRATEGY.**

OBJECTIVE: Better leverage Virginia’s higher education assets for economic development outcomes.

KEY ACTIVITIES:

1. Serve as VEDP’s primary point of contact for Virginia’s higher education partners.
2. In collaboration with the University-Based Economic Development Group, finalize the Operational Plan for the Higher Education MOU.
3. Identify opportunities for linking higher education partners with local and regional allies in support of the context of a Virginia Team and to support existing Virginia business growth.

4. Identify opportunities for leveraging higher education alumni in External Marketing strategies and in existing business outreach marketing efforts.
5. Finalize and implement the Virginia BioScience Health Research Corporation.
6. Utilize higher education partners in development of a Virginia innovation and entrepreneurship strategy.

BUSINESS & ALLY SERVICES GOAL #6: PROVIDE SUPERIOR CUSTOMER SERVICE WITH MEASURABLE RESULTS.

OBJECTIVE: Improve the capabilities of all Business & Ally Services staff by providing opportunities for skills improvements through training classes, mentoring opportunities, self-study, and service to the profession.

KEY ACTIVITIES:

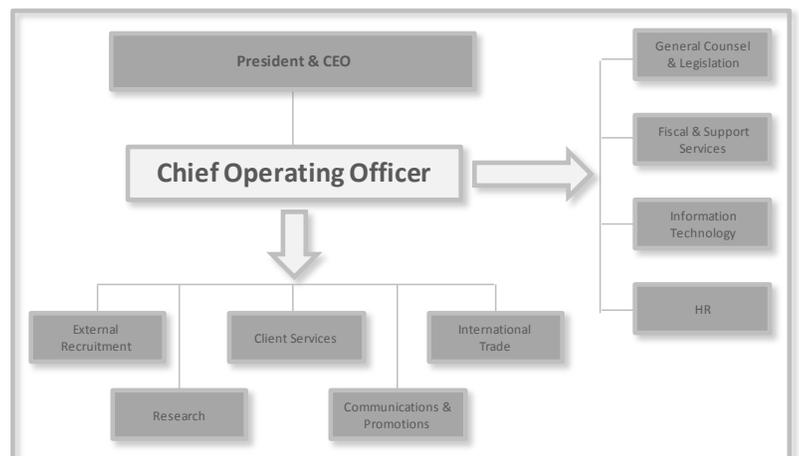
1. Provide staff training opportunities on essential economic development and business practices, sales and marketing practices, negotiations, presentations, technical software, etc., needed to work effectively with prospects and allies.
2. Encourage Business & Ally Services staff to volunteer service to the profession through committee membership of the Virginia Economic Developers Association, the Southern Economic Development Council, and other professional associations.
3. Ensure that all interactions with Virginia allies, prospects, suspects, and leads are positive and constructive.
4. Empower and support staff to utilize tools and take ownership of areas of expertise in support of VEDP's goals.
5. Conduct systematic surveys of client satisfaction and analyze results for use in improving customer relations and developing new programs and policies.
6. Conduct systematic surveys of marketing partner satisfaction and analyze results for use in improving partner relationships and creating more effective outreach marketing.
7. Continue systematic tracking methods to benchmark and evaluate specific marketing efforts.

EXECUTIVE MANAGEMENT RECOMMENDED ACTIVITIES

EXECUTIVE MANAGEMENT RECOMMENDATION #1: CONSIDER THE ADDITION OF A CHIEF OPERATING OFFICER (COO).

The complexity of the Chief Executive Officer's (CEO) role at VEDP and the increased time demand to meet internal organizational needs as well as effectively build relationships with external partners requires the addition of a strong senior manager to complement the CEO.

This imperative is not unique to the Commonwealth of Virginia, in most states (in fact, in all states reviewed for this initiative), the economic development agency is served by a chief operating officer (COO)—which, depending on the state, is also referred to as the deputy director, chief of staff, director of operations, and by other titles.



Important Consideration: The addition of a COO to the organization, while considered vital to the ongoing health and operations of the organization, is dependent on internal budgeting and planning to ensure that stability is maintained and additional costs are supported with no adverse effects to the organization. During the transition period in which the realignments identified in this plan are institutionalized, the consultant recommends the creation of a Senior Coordinating Director position to serve as a cross-departmental coordinator to implement key activities in the near to mid-term. This position will be filled by an existing senior level manager within VEDP whose activities can be augmented to handle the increased workload. Efforts have already begun in identifying an internal candidate and outlining this role, which is expected to span a 6-12 month period, as determined by the CEO.

The section to follow describes the ultimate duties, role and responsibilities for the recommended COO position, which will guide the organization eventual efforts to fill this position pending budgetary considerations.

Following the description of the COO position, the section below highlights the duties, role and responsibilities for the recommended Senior Coordinating Director to facilitate cross-departmental coordination and key elements of this plan.

RATIONALE FOR COO: The resulting recommended action to create a Chief Operating Officer position was determined based on a confluence of factors:

1. The need for this position was consistently mentioned during the input process by both internal staff and external stakeholders – this includes Commonwealth of Virginia cabinet Secretaries, VEDP Directors, managers and frontline staff, and leaders in Ally communities.
 - Interview participants generally identified and volunteered this as a critical need for the organization with no prompting – in the few cases when prompted, the suggestion to add a COO position to the organization received overwhelming support.
2. The addition of a COO would follow the generally accepted best practices employed by other state economic development agencies:
 - Among the states in the eastern and southeastern U.S. that Virginia competes with regularly, a quick review reveals that all are served with a senior executive to complement the Chief Executive officer, referred to by a variety of titles, including Deputy / Chief Operating Officer / Chief of Staff, Senior Vice President, and others.
 - State’s reviewed include: Alabama, Delaware, Florida, Georgia, Maryland, Mississippi, North Carolina, New Jersey, Ohio, Pennsylvania, South Carolina, Tennessee, West Virginia, and New York – all are staffed with a COO or equivalent position.
3. A COO will meet a critical operational need within the organization while allowing the CEO to continue to be the external face of the organization:
 - The COO will maintain a consistent presence in the organization to handle administrative tasks, manage day to day operations, respond to needs of Directors and staff, ensure VEDP is executing tasks in keeping with its strategic direction and enforce accountability.
 - This will allow the CEO to continue to be the face of VEDP, representing VEDP to external audiences with a focused involvement on recruitment and a continuance of efforts to establish and strengthen Ally/Partner relationships throughout the Commonwealth.

ROLE AND KEY RESPONSIBILITIES OF THE CHIEF OPERATING OFFICER:

- I. Administrative and day to day operations (40% weight)
- II. Program support to the CEO and VEDP Directors (30%)
- III. Policy Development / Coordination (15%)
- IV. External face for the Organization in lieu of CEO (15%)

The chief operating officer will report to the chief executive officer and serve as a peer to VEDP’s Department Directors. In this role, the COO will be responsible for the enhancement of organization processes and the oversight and implementation of annual programmatic strategic initiatives that enhance and drive fulfillment of the VEDP mission.

In coordination with the CEO and Department Directors, the COO will oversee the development and manage the operational aspects of the annual budget. In addition, the COO will coordinate and guide the development of VEDP policy positions and in partnership with the CEO serve as a liaison for policy matters with the Governor’s office. Finally, the COO will serve in the CEO’s absence as the face of VEDP and will cultivate relationships with key stakeholders (Allies / Partners) throughout the Commonwealth.

- I. Administrative and day to day operations (40% weight)**

- Provide for a strong day-to-day leadership presence maintaining an open-door policy among all staff and actively represent and spread the values and mission of VEDP throughout the organization.
 - Provide effective leadership by being involved and fully abreast of all programs and department services, developing a broad and deep knowledge of VEDP's activities.
- Identify ways for VEDP to leverage internal resources and encourage cross-department efforts to take advantage of new opportunities and/or to mitigate organizational challenges.
- Lead, advise, identify development opportunities, and retain VEDP's skilled senior management group with an emphasis on continuing to developing capacity in strategic planning and intra-department coordination.
- Develop and implement training programs and retreats to expand the capacity of all staff.
- Oversee and guide the preparation of VEDP's annual operational budget, monitor departmental performance within this budget throughout the year, report any challenges and/or necessary changes to the budget that may arise in an accurate and timely manner to the CEO.

II. Program support to the CEO and VEDP Directors (30%)

- Annual strategic plan coordination and oversight.
 - Provide programmatic leadership and input for all annual strategic plan implementation processes in coordination with the CEO and Department Directors.
 - Maintain oversight and communication with Directors as they implement the annual program of work and ensure alignment of efforts between Departments and goals of the organization.
- Manage the development and implementation of a system for tracking and reporting on the progress of each Departmental plan's implementation.
 - Lead the development of performance management system that measures and evaluates progress against the goals and outcomes outlined in the annual strategic plan for the organization.
 - Contribute to the development of a Salesforce.com "Dashboard Application" to be used by all Executive leadership to track organization metrics on a regular basis – enforce accountability and utilization of this system by all in the organization.
- Working with the HR department, develop and maintain an enhanced process for human resource development, which includes instilling a culture of teamwork, knowledge sharing and staff development throughout VEDP.
 - Support and oversee an upgrade of human resources capacity including: staff training and development (including new staff orientation), compensation and benefits system, employee relations, performance evaluation and recruiting.

III. Policy Development / Coordination (15%)

- Serve in a management and coordination role for VEDP policy matters.
 - Work closely with VEDP's Manager of Legislation and Policy to develop a strategy for VEDP to keep a proactive, forward looking approach to policy development.
 - Maintain regular communication with Department Directors regarding policy matters and garner their feedback and suggestions to guide new policy development.
- With the CEO and Manager of Legislation and Policy, ensure that VEDP is maintaining a strong connection to key stakeholders (Legislative, Governor, Secretariats) and consistently delivering VEDP's message.

IV. External relationship development and the external face for the Organization in lieu of CEO (15%)

- In the CEO's absence the COO will serve as the public face of VEDP.
 - Publicly represent VEDP with the media and external constituency groups including community Allies, governmental stakeholders, and private organizations.
 - Assist the CEO when necessary to stand in and represent VEDP at important public events and gatherings.
 - Continue to accurately and aggressively communicate VEDP's mission and current activities to external constituents to build support for VEDP.
- Establish and cultivate relationships with key VEDP partners.
 - Maintain a visible presence in the Ally community, participating in statewide economic development events and associations.
 - At the CEO's behest, share responsibilities in building new relationships with constituents throughout the Commonwealth.

EXECUTIVE MANAGEMENT RECOMMENDATION #2: CREATE AN INTERIM SENIOR COORDINATING DIRECTOR POSITION TO BE FILLED FROM EXISTING VEDP MANAGEMENT TO FILL AN INTERIM COORDINATION AND IMPLEMENTATION ROLE FOR THE ORGANIZATION.

It is recommended that an interim position be created to continue the coordination activities spurred by this planning process as well as to guide early implementation efforts, especially those that are cross-departmental. It is expected that this role will be utilized for a 6-12 month period. The following describes the key roles and responsibilities of the position:

I. Special Projects:

This position will assist in implementation of VEDP wide special projects designed to assist the CEO and the senior management team in the design and administration of cross cutting issues. Issues will be assigned on a rotating basis and may include support in design and implementation of agency metrics, cross training of market facing staff across departments, integration of client facing teams requiring resources from multiple areas of the VEDP organization. Participate in agency and departmental outreach efforts to communities/regions as needed and assigned, including presenting at training and professional development events. Develop plans, review legislative or regulatory proposals or other activities which may impact program objectives, business climate or general economic development issues affecting the organization's activities.

II. Marketing Materials Research and Coordination

Support staff assignments within various departments for preparation of content used in marketing materials for specific industries, website content, and fulfillment of various surveys from industry and trade publications. Work with C&P and other departments on coordination and review of broad and specific industry and state-wide messaging to help ensure coordination and integration of timely data into overall material and brand messaging.

III. Performance Management

Work with appropriate departments and Human Resources to ensure that new VEDP employees have accurate position descriptions. In conjunction with appropriate VEDP departments and HR ensure that a professional training and development plan for each member of staff is developed and implemented on an annual basis. Institute a more formalized new hire orientation and training program to provide vital early staff training and familiarization with the organization's people, practices, and protocols.

Coordinate the implementation of the performance management system framework outlined in this plan including development of a career progression roadmap and professional development plan for VEDP employees. Implement enhancements to the employee performance review process to provide enhanced mentoring/coaching from supervising manager to staff as well as cross departmental employee reviews.

The position will have a primary focus on cross-departmental efforts to ensure alignment and coordination with the following authority and assignments:

- Ability and authority to pull in the internal and external resources necessary to bring value to the client and to ensure that Virginia is putting its most competitive offering on the table to help close a deal and satisfy the client's needs.
- Coordination of marketing goals of Business Attraction and Business & Ally Service departments to ensure alignment with C&P marketing campaigns and support from Research. To ensure that VEDP has a systematic approach to target marketing, is delivering a consistent message and is bringing to bear the full resources of the organization.
- Assist in the coordination of VEDP's annual marketing plan to ensure internal alignment as well as connection with the outreach efforts of Allies. Establish a closer working relationship to better leverage external marketing being conducted by a variety of entities (Allies, Universities, etc.) throughout the Commonwealth to ensure the highest return on investment for Virginia's marketing efforts.
- Ensure proper alignment and coordination between the externally facing Business Attraction department and the Virginia focused Business & Ally Services department. Each department offers a complement to the activities of the other and has specific responsibilities to serve the needs of the other. This will include identifying and helping to resolve any disputes that may arise between the BA and BAS departments.
- Coordinate with BAS Department to determine clients' key workforce needs and reach out to appropriate partners within the Commonwealth to define the framework and VEDP's involvement in a workforce development system for Virginia that is responsive to existing business needs.

STRUCTURAL REALIGNMENT CONSIDERATIONS

Implementation of the organizational realignment recommendations contained in this plan will make VEDP a better organization, however, it is to be expected that there will be challenges along the way. The process has been designed to share the findings presented in this plan to senior management and staff prior to finalization. The goal was to receive feedback, critique, concerns and suggestions and to reserve the ability to adjust and/or augment the plan, where appropriate, in order to give ownership of this plan to the organization. It is expected that this process will continue, with additional refinements to operational aspects of the plan.

In this section, common themes and additional considerations for special circumstances are presented and discussed.

CLIENT ASSIGNMENT PROTOCOLS.

What entity, Business Attraction or Business & Ally Services handles competitive versus non-competitive expansion projects?

VEDP will marshal all resources in order to keep an existing company that is in the process of a competitive site search (i.e. those projects that are looking at new locations outside the state). For competitive expansions, it may often be the case that VEDP needs to leverage both external market knowledge held by a BA manager and detailed Virginia locality expertise brought by the BAS manager. In these cases, it may be beneficial for two project managers to jointly work a project if it is determined to be in the best interest of the client and will have a positive outcome for Virginia.

Under this scenario, the project should be staffed with a designated “Lead Project Manager” to serve as the single point of contact with the second project manager serving in a support role. This designated lead will be determined based on prior client relationships and what is in the best interest of the client, per joint discretion of the heads of the BA and BAS departments. In such cases, the project’s jobs/investment numbers will be split between the participating project managers. As a starting point, a 65%/35% split between Lead PM / Support PM can be considered, however, the exact determination should be made based on the intricacies of the project, and the time and resources allocated by each of the managers involved. This will be agreed upon at the discretion of the heads of each department (BA and BAS) at the onset of the project and adjusted (if needed) at the conclusion of the project to account for unforeseen variables.

External attraction projects with unique circumstances:

The same teaming approach should be used for external recruitment projects in special cases. For example, in the case of an International company with a location in a domestic U.S. region, if the situation merits, the BA manager representing the U.S. region should leverage the in house BA manager with specific international expertise in this area in order to ensure that VEDP is utilizing all of its available resources in the sales process. Again, as in the case of competitive versus non-competitive expansion projects, there will be a single “Lead Project Manager” designated to act as the primary point of contact and each BA manager would split the jobs/investment numbers that apply to individual performance metrics.

The example used here is illustrative only, it is not expected that all international companies with a U.S. presence would require additional in-house assigned project management. However, for example, in a case in which

meetings are required on foreign soil, it will likely be beneficial and thus recommended that a domestic BA manager include the international BA manager with familiarity in that region.

CONNECTING BUSINESS ATTRACTION AND BUSINESS & ALLY SERVICES UNITS.

There is a potential concern that this structure could potentially create a divide between the Business Attraction and Business & Ally Services units similar to the divide that existed in the previous Business Development and International Investment units.

This concern is mitigated somewhat by the fact that staff in the two units will not be competing for the same projects. That is, BA managers will be measured and rewarded for new-to-Virginia projects that are attracted into the state while BAS managers will be measured and rewarded for identifying and positioning Virginia to existing Virginia businesses that expand in the state.

However, it is in the interest of VEDP and of both groups to maintain a close connection and keep strong lines of communication.

- Collaborative teaming (similar to the example regarding competitive expansion projects) should occur regularly between BA and BAS managers.
- BAS will identify strategic corporate accounts with a presence in Virginia, map VEDP and local/regional ally relationships with those accounts, and with BA and local/regional partners, collaboratively design and implement an outreach strategy to those accounts that results in stronger positioning of Virginia to capture corporate expansion opportunities.
- BAS managers should view BA managers as one of their clients and feed information to them regarding existing business activities, potential supply chain opportunities, and other opportunities in Virginia that can be leveraged for external audiences.
 - Lead generation activity by BAS managers should be tracked and rewarded, influencing performance reviews and incentive (bonus) compensation for leads that result in a VA decision.
- BA managers should view BAS managers as one of their clients and feed information to them regarding business growth opportunities for companies that have a presence in Virginia, which are identified during Business Attraction outreach.
 - Expansion identification and referrals by BA managers should be tracked and rewarded, influencing performance reviews and incentive (bonus) compensation for leads that results in a Virginia expansion decision.
- BA managers and BAS managers should periodically make joint calls on existing businesses to garner strategic intelligence.
- Quarterly (at a minimum) briefing meetings should be established in which BAS managers provide Virginia-based intelligence to BA managers outlining new activity and developments taking place in their region – in similar sessions, BA managers will feed external market intelligence they are gathering to BAS managers.

CONNECTING ALLIES WITH EXTERNAL BUSINESS ATTRACTION AND GAINING SIGNIFICANT BUY-IN FROM THE ALLY COMMUNITY.

There is a potential issue in that Allies will have a clear line of sight into VEDP through an assigned representative in the BAS department; however, there might be a feeling that they are disconnected from external marketing activities driven by the Business Attraction unit. In addition, it should be recognized that there may be misgivings among some of the Ally community to embrace a more collaborative VEDP in general.

This new approach provides significant value to the Ally community, in fact, much of the realignment has at its base the need to be more responsive and dedicated to Ally needs.

- Allies should be involved more directly in marketing strategy setting, which will occur as part of VEDP's annual marketing strategy development process. This will allow VEDP to effectively serve as a coordinator of marketing activities for the Commonwealth (a common desire voiced by Allies).
- Allies will have a both a defined department at VEDP as well as an individual assigned directly to meet their needs, and regular surveys will be conducted to ensure Ally satisfaction. With the restructuring, a single unit and individuals will be held accountable, which should improve service delivery.
- As part of an ongoing Ally outreach campaign, Business Attraction managers will be expected to provide periodic (quarterly) updates to Allies. This will include description of trends/opportunities they are seeing in their assigned market, updates on any potential or pending projects, and debriefings of any past projects.

MANAGING PROJECT MANAGEMENT WORKLOAD WHILE MAINTAINING SUFFICIENT SALES AND MARKETING OUTREACH FOR BUSINESS ATTRACTION MANAGERS.

A recognized issue under the previous organizational structure was the difficulty of conducting significant sales/marketing due to the project management burden on project managers. In the proposed realignment, BA managers will still be expected to handle project management responsibilities for their clients. In order to maintain continuity with a prospective client, it will be important for the primary point of contact (a BA Manager in the case of a new external project) to continue in this role from beginning to end through the project management process.

It is recognized that project management responsibility may strain individual resource capacity; however, the proposed increased emphasis on teaming will help ensure that marketing outreach activities are maintained when managers find themselves more heavily involved in project management. In addition, it is not envisioned that BA Managers will have an overly large project management burden at any given time. The review of past VEDP results shows that the vast majority of new projects are expansions and not "new" company attractions to Virginia. In fact, over the past two years, new project activity would equate to roughly two (2) closed projects per year managed by a BA Manager under the proposed scenario. Under the new proposed structure with an emphasis on external outreach, it is expected that this number will increase.

GEOGRAPHIC ORIENTATION VERSUS INDUSTRY ORIENTATION AND "OWNERSHIP" OF SPECIFIC AREAS IN TARGETING.

While BA managers will be assigned to a specific geographic region in order to establish relationships and a presence in the marketplace, it is expected that there will be a balance between geographic and industry targeting in an effort to pursue the opportunities that the Business Attraction team sees as a fit for Virginia. Thus, while a strict industry sector focus will not be the primary alignment for BA managers, it is anticipated that this expertise

will be retained through targeting efforts directed toward industries that are a fit with Virginia's assets (i.e. the product being marketed). In addition, strong industry relationships may provide opportunities for BA managers to pursue targets outside of their assigned territory. In these cases, the opportunity should be pursued by the BA manager uncovering the lead; however, it is recommended that this is coordinated within the BA unit and with the BA manager assigned to that territory (to ensure no overlap or duplication of efforts). BAS managers will also be available to provide intelligence in specific sectors as it relates to Virginia's assets for that sector.

It is important to note, however, that under this structure no single individual has complete jurisdiction over any single geography. Rather, it is envisioned that a more adaptive scenario will occur in which VEDP can boost its presence and assign a team of Business Attraction Managers to aggressively target a specific geography, either domestically or globally, in response to changing market conditions and if economic conditions should merit.

V. Strategic Marketing and Program
Recommendations

**MARKETING RECOMMENDATION #1: ADOPT AN IMPROVED MARKETING STRATEGY DEVELOPMENT PROCESS
ACROSS THE ENTIRE ORGANIZATION TO SPUR CREATIVITY, ENSURE
FLEXIBILITY AND EMPOWER STAFF.**

An assessment of VEDP’s marketing activities reveals that a void exists in the organization as it pertains to proactive marketing strategy development. The organization determines marketing activities largely based on the marketing calendar of previous years, conducting similar activities year over year with limited scrutiny of past activities, limited individual input and ownership of marketing strategy, minimal coordination of activities between internal groups (divisions generally determine their marketing activities independently), and little coordination of marketing outreach activities with the Ally community. This is an issue in obvious need of rectification if VEDP is to fulfill its primary role – the Commonwealth’s lead economic development marketing organization.

This issue has not necessarily been the failing of any individual department at VEDP, rather a function of a structural gap in VEDP’s strategic planning and budgeting process. This study revealed an opportunity for VEDP to take a much more proactive and decentralized approach to marketing, in which the frontline managers and teams that are most closely connected with their markets and opportunities drive VEDP’s marketing agenda. The goal is to empower, invigorate and leverage the creativity and insights of VEDP’s talented staff. It is expected that this approach will bring fresh ideas and build a more entrepreneurial and adaptive organization.

This recommendation is largely crafted through the lens of the Business Attraction unit, however, the same principles of marketing strategy development can and should be adopted by all client facing departments (Business Attraction, Business & Ally Services and International Trade).

OBJECTIVE: Employ a systematic “bottom up” approach to marketing strategy development that utilizes and authorizes VEDP’s skilled staff.

KEY ACTIVITIES:

1. On an annual basis, prior to VEDP’s budget planning cycle, the organization will conduct a marketing planning process. The process is outlined as follows:
 - a. Each manager creates a brief marketing plan addressing his/her specific upcoming program of work in driving results in assigned market. **Expected to take place over a 1 week period and should address:**
 - i. Determine key activities to be performed – conferences, events, missions, individual sales trips, etc.
 1. This should be done in close connection with C&P to hone the individual plan.
 2. Each manager should vet their preliminary individual plan with an appropriate C&P representative to determine the best tactics, gain insight into the cost of certain activities, allow C&P to recommend which activities have had the best past results, and weigh the pros and cons of a specific approach.

- ii. Determine internal and external resource requirements, examples include – C&P assistance with event/mission planning, collateral development, formation of a pursuit team to aid in target penetration (discretionary based on market demands), and research assistance in corporate intelligence gathering.
 - iii. Include a proposed budget request – each plan will contain a specific budget request tied to the activities/needs outlined in the plan.
 - iv. Determine input and outcome metrics – appropriate target metrics will be developed and vetted for each element of the plan, i.e. number of company/decision maker meetings, leads/qualified leads generated, prospect visits, others to be determined.
 - v. International Attraction managers have demonstrated an ability to successfully create annual marketing plans and should be used as a training resource for other BA managers.
- b. Each plan is then presented by the manager to his/her peers and the Department Director in a working group session to vet the plan, receive feedback/critique and ensure alignment (non duplication) of each manager’s plan. **Expected to take place during a one day offsite retreat.**
 - c. The Manager incorporates feedback from offsite session, finalizes plan and submits to Department head. **Expected to take place over a one week period.**
 - d. The Department head (with team leaders, as appropriate) consolidates the plans, makes any necessary alterations/eliminations/additions and drafts a department strategy including budget requirements. **Expected to take place over a one week period.**
 - e. The plan is presented to other Department Directors, the Senior Coordinating Director, COO (when/if position is filled) and the CEO for brainstorming and developing alterations. **Expected to take place during a one day offsite retreat.**
 - f. The organization’s marketing strategy is aggregated and finalized by the C&P marketing coordination team in conjunction with head of C&P and the Senior Coordinating Director. **Expected to take place over a one week period.**
 - g. The plan is then presented to the Ally community for alignment and feedback. Allies are able to offer their critique/suggestions and will be encouraged to share their own annual marketing plans in order for VEDP to better coordinate marketing activities throughout the Commonwealth. **Expected to take place in a half-day meeting at VEDP offices.**
2. The plan is finalized and serves as VEDP’s single annual marketing plan to be shared internally and with external stakeholders (Allies, universities, partner institutions, the Virginia Port Authority, etc.) to ensure alignment of efforts.

3. Also recommended is the creation of a marketing coordination team within C&P to monitor implementation of the plan, track major timelines, communicate periodically with external stakeholders, and coordinate any necessary mid-year changes in the plan.
4. At year end, each individual will be responsible for collecting individual success metrics, which will be aggregated by the C&P coordination team in a “Marketing Results” report to be developed in conjunction with the Research department.
 - a. This will serve as a feedback mechanism to impact performance reviews (both individual, team and departmental) as well as to guide development of the subsequent year’s marketing strategy.

MARKETING RECOMMENDATION #2: ENHANCE THE USE OF THE COMMUNICATIONS & PROMOTIONS DEPARTMENT TO OVERSEE AND GUIDE THE DEVELOPMENT OF ANNUAL MARKETING STRATEGY.

The discovery phase indicated that the C&P group’s focus tends to be on fulfillment of marketing activities rather than driving marketing strategy for the organization as a whole. This has largely been due to the fact that C&P has not been tasked with the authority to guide organization wide marketing strategy. Rather, the group has focused on fulfillment of tactical marketing activities such as marketing campaign implementation, marketing mission planning and execution, trade show / conference planning, collateral/materials development, etc. As noted earlier, the group has executed these tasks well and its performance has been strong.

However, because C&P has generally been tabbed as a marketing fulfillment center, no single entity serves in an oversight and guidance role for marketing strategy. In short, the organization does not have a clear, consistent plan for how marketing strategy is developed, how results are measured and how actions can be optimized to return the best possible results for Virginia.

The need for a coordinating entity is even more important given the adoption of a new approach to an annual marketing strategy development as outlined in this study. Going forward, it is recommended that the C&P unit play a more active role in coordinating marketing strategy for VEDP.

OBJECTIVE: Coordinate and oversee an enhanced strategic approach to marketing strategy development at VEDP.

KEY ACTIVITIES:

1. C&P in conjunction with the Senior Coordinating Director will act in a coordination and oversight role for marketing strategy development and execution.
 - a. As outlined in this study, it is not expected (or preferred) that C&P be the primary developer of a marketing plan for VEDP – it is proposed that this be conducted by those frontline staff with the closest connection to markets and clients.

- b. With a decentralized approach to marketing strategy development, however, it will be increasingly necessary for C&P to serve in a coordination role to ensure alignment of marketing strategy across teams and departments, efficient resource allocation and oversight of execution and results.
 - c. It is recommended that a 2-3 person marketing coordination team be designated that tracks the plan, communicates timelines to staff and external stakeholders and is able to respond midyear to unforeseen changes or to coordinate a shift to new opportunities that may arise mid-year.
 - d. On an annual basis, C&P will assimilate departmental marketing plans from client facing units into a single “Annual Organizational Marketing Plan” that will be used for communication internally and with external stakeholders (Governor’s office, Legislators, Allies, etc.).
 - e. In addition to internal communication, the marketing coordination team will be responsible for aligning and coordinating execution of the plan with the Ally community throughout the year.
 - i. This will include requesting and aggregating Ally planned marketing activities for the year to ensure alignment, where possible, with VEDP efforts.
 - ii. Proactively identifying potential conflicts, duplication of efforts and raising these issues in a timely manner to senior management.
 - iii. Periodic communication with Allies via electronic messaging throughout the year (at least quarterly) to inform them of upcoming events / activities.
2. Assist with developing tracking metrics and serve in a reporting function to collect and aggregate results from marketing outreach activities performed throughout the organization.
- a. Working in conjunction with the Research Department, C&P will develop an annual “Marketing Results” report to outline activities performed in the past year, dollars/resources spent, tactical execution effectiveness, results generated (lead generation, prospect visits, qualified leads, project results, etc.), and calculate a return on investment for marketing dollars.
 - b. This report is to be developed 2-4 weeks prior to the annual marketing strategic development process in order to utilize as a feedback mechanism to guide the following year’s marketing activities.

**PROGRAM RECOMMENDATION #1: AUGMENT THE INTERNATIONAL TRADE DEPARTMENT TO SUPPORT
ADDITIONAL PROGRAM AREAS AND PURSUE AN ACTIVE ORGANIZATIONAL
EFFORT TO ELEVATE TRADE’S PROFILE INSIDE AND OUTSIDE OF VEDP.**

The International Trade department is a nationally recognized, best in class program and an asset to both the Commonwealth of Virginia and to VEDP. However, this asset is underutilized by VEDP both in its connection with and leverage by other departments. In addition, external communication efforts to champion the Trade program as a tool to help build the VEDP brand with external constituencies have been limited. Too often, a frequent comment from other departments was that there was limited knowledge of what Trade does, who it serves and what services the group can provide. There is room for improvement to enhance interactions between the Trade department and other VEDP departments.

In the proposed structural recommendations, International Trade remains largely unchanged largely due to the fact that it has proven to be a strong performer with achieving programs. There is one exception, which is that Trade will now benefit from the reinstatement of a single leader (the former director of both the International Trade and International Investment divisions), dedicated solely to the expansion and promotion of Trade.

There is an identified opportunity to augment the Trade program by adding additional targeting of Virginia service export businesses and those affected by defense sequestration coupled with a reinvigorated push to raise the awareness of the program throughout the economic development community.

OBJECTIVE: Enhance International Trade’s program and build stronger connections within the organization and with external constituents.

KEY ACTIVITIES:

1. Improved connection between the International Trade department and rest of VEDP will allow natural synergies and the full use of organizational resources to take place.
 - a. Managers in non-Trade departments should actively explain and/or promote Trade services to their clients. Conversely, International Trade should continue to look for opportunities to provide leads for business expansion or attraction efforts.
 - b. Trade has traditionally undertaken its own marketing communication and promotion activities and there is an opportunity to leverage in-house resources through the C&P department in the future.
 - c. As the Trade program has expanded, Trade’s research unit has been tasked with a significantly growing amount of work (and has effectively met the challenge) – going forward, the ability to further leverage VEDP’s Research department to provide assistance in identifying Virginia companies that are potential new Trade clients will benefit both the Trade department and the organization.

2. Opportunities exist to explore linkages between Trade and Business & Ally Services to communicate the valuable services Trade can provide to existing Virginia businesses and to leverage the interactions that BAS will build in its existing business program.

- a. The reorganized BAS department will assign managers to a geographic area within Virginia. These assignments overlap with the geographic representation of International Trade managers.
 - b. Managers from these two groups will be expected to have a close working relationship, making joint company calls in some cases and actively promoting the services of the other (to be reflected in performance evaluations).
 - c. BAS Managers will be expected to leverage trade services to prospect companies and expanding companies, which should be standard with every engagement. Trade Managers should also continue to refer company expansion plans to the BAS department.
 - d. Consideration should be given to tying individual bonus compensation to these lead generation activities.
3. Expand and promote the Trade program with additional growth opportunities to be supported in:
- a. Defense initiatives: a budget request will be made to the Legislature as a sequestration mitigation strategy to lessen the potential impacts to Virginia businesses. Activities to be to gain enhanced support include:
 - i. Foreign Military Sales (FMS) program
 - ii. Trade missions to defense conferences
 - iii. Export compliance for the defense industry
 - iv. Host foreign military delegations
 - v. Networking events for defense companies
 - b. Virginia businesses involved in service exports.
4. Raise awareness of Trade throughout the economic development and business communities with promotion and outreach assistance provided by C&P department. Public relations initiatives to include:
- a. Providing a focused message to and increased communication with allies:
 - i. Chambers of Commerce
 - ii. Trade Associations
 - iii. Economic developers
 - b. Increasing public presence by hosting more frequent educational and networking events throughout the Commonwealth and seeking out speaking opportunities for Trade managers.

PROGRAM RECOMMENDATION #2: ENHANCE THE RESEARCH DEPARTMENT EFFORTS TOWARD MORE SUPPORT OF CLIENT FACING DEPARTMENTS WITH TARGETED INTELLIGENCE GATHERING TO DRIVE THE SALES PROCESS.

Throughout the planning process, VEDP’s Research Department received high marks from individuals both internal and external to the organization. The research staff is talented and versatile and is often the “catch-all” for many tasks that fall to the organization from external parties. It is not reasonable to assume that all superfluous external demands can be eliminated; however, it is recommended that existing tasks be reviewed and streamlined in order for the department to focus on higher value client facing research support.

By providing more customized support for the client facing functions in domestic and international business development, the research team will address a central need of the organization. Today’s digital environment (and 3rd party data providers) allows very specific targeting and trend analysis (both internal and external to Virginia) to be conducted on industries and companies to collect critical intelligence useful to the sales process.

This competitive intelligence activity should be viewed as one of two primary functions of the Research department. The other vital function of the Research department is project support, which captures a variety of activities from sites/buildings data, project result tracking, proposal response, etc.

Delineating these two key functions provides a useful filter for streamlining and eliminating activities that do not fall into either group. This is simply a guide; some activities may not fall into these two categories but may be deemed critical. This suggested filter underscores a mindset that should be adopted: research resources should be spent in activities that (1) assist in identifying likely targets and demonstrate VA’s assets to help generate prospect interest, and (2) provide superior project support to help Virginia close the deal.

OBJECTIVE: Develop a Corporate Intelligence unit within Research department to provide customized targeting support for client facing functions.

KEY ACTIVITIES:

1. Assign a team within Research the task of creating an inventory of all tasks/activities/ products developed within the Research department in an effort to streamline existing research demands.
 - a. Empower Research staff to evaluate the inventory of current tasks and submit recommendations on activities to be eliminated (ultimate approval by the head of the Research department).
 - b. The Research Director will present recommendations to the CEO for approval and to discuss strategy/approach to minimize future external demands placed on the Research department.
2. Identify key Research staff to serve as part of a Corporate Intelligence unit to provide more customized support for client facing functions:
 - a. Research staff that are serving or will serve on market pursuit teams are likely candidates.
 - i. GIS should be integrated into the Research Department and be represented in this Corporate Intelligence Unit.

- b. The structure, duties, responsibilities and timing of meetings should be determined by the staff comprising the unit, but the unit should have a rotating leader to serve in a coordinating capacity.
- c. To begin, the unit should communicate its capabilities with other client-facing units in small working sessions. This accomplishes two goals:
 - i. Allows the unit to define and communicate protocols in utilizing its services.
 - ii. Gains feedback and buy-in from other departments and ensures that it will perform activities that are truly valued by client facing functions.
- d. Examples of activities to be considered include:
 - i. Perform company specific research for current prospects and for future targeting efforts in both geographic markets and industry sectors. Utilize existing databases, etc. to build and maintain a list of 100 high value targets; perform company specific research on these targets in conjunction with sales calls by Attraction managers and by Business Assistance Managers.
 - ii. Perform market based intelligence on key geographic markets being targeted by the BA department.
 - iii. Perform customized research to support targeted marketing initiatives conducted by C&P and other client facing departments.
 - iv. Targeted sales support: Identify 5-6 properties in the state that are ideally suited for a particular target industry (e.g. food processing) and send these to a list of consultants that focus specifically on this sector.

VI. Implementation and Near-term Tactical
Activities

NEAR TERM IMPLEMENTATION ACTIVITIES

In an effort to jumpstart the realignment and organizational recommendations presented in this plan, a number of near term, tactical improvements were identified during the interview process. These prescribed activities are in response to specific issues uncovered through internal input from management and staff and fall into the general categories of **(1) Marketing activities**, and **(2) Internal process improvements** to better utilize existing resources. Many of these represent discrete tasks that can be implemented at the Department level. Once prioritized, most activities detailed below can be completed at low cost with existing agency resources. All complement broader strategic goals outlined earlier in this report.

I. MARKETING ACTIVITIES

Guidance on development of marketing strategy, procedures and process is contained in the structural recommendations of this plan. In this section, guidance is given on near term marketing activities for VEDP to employ to better drive results. Many of these activities are already being conducted and are endorsed by the consultant.

MARKETING TASK #1: IDENTIFY AND SUPPORT POSITIVE MARKETING ACTIVITIES THAT WILL HAVE AN ENHANCED IMPACT AND RETURN ON INVESTMENT (ROI).

KEY ACTIVITIES:

1. In support of the revamped marketing plan development framework outlined in this plan, the following external marketing outreach activities are recommended:
 - a. Continue to host Media Tours - these generate positive PR, assist in building the Virginia brand and have a high ROI.
 - b. Become more selective in industry events/conferences attended, but commit more resources and establish a larger Virginia presence in the events that VEDP participates in.
 - i. Identify 3-5 select industry conferences/trade shows and maintain a large, coordinated state presence (for example, CORENET).
 - ii. Selection of events should be driven by BA and BAS managers, but coordinated by C&P.
 - iii. Continue to enhance a strategic approach to conference participation to include:
 1. VEDP hosted events at the conference, pre-development of key meeting targets, appointment setting, coordination of which VA personnel will meet with certain targets, tactics for reaching unresponsive targets, intelligence gathering on meeting targets and delivery to appropriate VA representatives.
 - a. Develop a single-page “meeting brief” for all meetings to be held that contains: key information regarding the individual, his/her company, intelligence on near-term opportunities, synopsis of the

- Virginia message to deliver, and 3-5 desired outcomes from the meeting.
 - b. This “meeting brief” should be developed with assistance from the Research department and should be disseminated at least one week prior to personnel taking part in the meeting (VEDP managers, Ally representatives).
 - 2. Develop clear pre-set outcome objectives for the conference in terms of meetings set, contacts made, relationship enhancements, etc.
 - 3. Continue the practice of conducting an immediate follow up review of the conference – outcome measures, logistics measures (timelines, execution), and satisfaction (collect satisfaction measures of not just the Ally community but also of VEDP managers involved).
 - 4. Annual review of the event to determine leads generated, prospect visits, and project results generated.
 - 5. Assess and modify VEDP’s continued participation in marketing activities on an annual basis based on results.
 - c. Continue to conduct Geographic missions:
 - i. One on one meetings (with site consultants, companies) – these should be determined and populated by actual BA managers and/or BAS managers.
 - ii. Continue to host small group seminars in select markets and with select industries – leverage a prominent speaker (CEO) from Virginia to speak with peers in the target market and deliver a compelling Virginia message.
 - iii. Host events in the target city (sporting event suites, etc) with key audiences to develop new relationships and to enhance existing relationships.
2. In addition to activities outlined in the Business & Ally services section, the following Virginia based marketing event is recommended in support of both VEDP’s Allies and VA existing businesses (based on budget and discussion with Allies):
- a. Institute an annual VEDP / Ally event that recognizes Virginia based industry in which Allies can select one guest to host for an enjoyable, high-end weekend in a desirable Virginia location.
 - i. Ally guests (1 individual and spouse) to be selected from major employers in their region.
 - ii. Allies to pay for travel, VEDP subsidizes additional costs (TBD, based on budget and discussions with Allies). Allies pay for any additional guests above two (2).
 - b. VEDP coordinates the event and secures a high profile guest (Governor, or other dignitary) to address the group.
 - c. Explore utilizing private sector funding to sponsor and subsidize the event.

MARKETING TASK #2: CONTINUE PROCESS TO STANDARDIZE GRAPHICS DESIGN AND COLLATERAL MATERIAL DEVELOPMENT, AND ENFORCE DESIGN STANDARDS.

KEY ACTIVITIES:

1. The standardization of VEDP's materials used in sales, marketing and external communications was raised as an issue, however, this has been proactively identified by the C&P department and there is currently an effort underway to revamp VEDP's approach. Insights are offered here to guide these efforts:
 - a. Develop new consistent, common design and design guidelines for all VEDP promotional materials, proposals, newsletters, presentations, website, electronic applications, etc. **(this is underway and nearly completed by C&P).**
 - i. Upgrade and standardize content materials (Presentations, brochures, proposals, newsletters, etc.)
 1. Finished materials should be developed based on the primary needs of the end users and should be able to be customized for end user needs.
 - ii. All materials will be housed in a centralized repository available to staff which is managed by an individual appointed by the C&P Department.
 - iii. Institute a process and timeline for updating material with new data and content to take place on an annual basis (at a minimum).
 1. Employ assistance from Research in updating materials
 - iv. Develop protocols and timelines for the customization of materials in response to BA and BAS managers needs throughout the year.
 1. Clearly communicate the protocol and expected timeframes to managers.
 2. Assign an individual within C&P to coordinate execution of material development requests.
 3. Consider automating the request process and enhancing transparency: this could be accomplished with a simple spreadsheet that all VEDP staff can access. Allows managers to:
 - a. View the types of projects C&P has currently underway or completed (to inform and adjust their own requests).
 - b. Gain insight into C&P's current backlog and to better prioritize their requests based on knowledge of C&P's current production schedule.
 - b. Enforce design guidelines and ensure all materials that leave VEDP meet visual specifications:
 - i. Not every piece of material needs to be vetted by the C&P Department as this would be onerous, but there should be clear communication and training regarding design guidelines to all VEDP staff.
 - ii. All staff will be expected to understand guidelines and self enforce (and will be held accountable).

- c. Increased costs should be offset by eliminating expenditures on outside vendors (where possible) that are currently used for collateral development.
 - i. All design work across the organization will flow through C&P.
 - ii. Use of outside vendors (when needed) is determined by C&P.

II. PROCESS IMPROVEMENT ACTIVITIES

Additional issues were identified during the assessment process through in person interviews with staff and management. These are identified below with recommended actions to enhance project work flow, management and use of organizational resources.

PROCESS IMPROVEMENT TASK #1: IMPROVE DATA MANAGEMENT AND ACCESS TO INSTITUTIONAL KNOWLEDGE.

KEY ACTIVITIES:

1. Issue: Data management was identified as a challenge across the organization
 - a. No single department or entity is responsible for organization wide data management, policy and oversight.
 - b. Each department develops internal databases and subscribes to data sets and/or data from 3rd party data providers with duplication of effort and resources.
2. There is inefficient use of a central repository to house critical information, materials, etc.
 - a. Staff reported limited use of VEDP's corporate shared drive, many report housing documents/presentations on their own computer systems.
 - b. No single accepted set of sales and marketing materials.
3. It is recommended that VEDP appoint an organizational Data Manager to handle cross-departmental data management.
 - a. Individual to be housed in IT or Research department.
 - b. Tasked with maintaining single clearinghouse for data – internally housed databases, external subscription data, etc.
 - i. This will require a methodical approach to collect input and receive guidance from each department.
 - c. Will also be tasked with instituting a VEDP-wide document management system.
 - d. Will work in conjunction with C&P to standardize template reports, PowerPoint decks, and implement a regular update schedule to all materials.
 - e. Charged with finding and eliminate duplicative efforts, and finding cost savings.

PROCESS IMPROVEMENT TASK #2: REDESIGN THE CURRENT GOF APPROVAL PROCESS TO BE MORE RESPONSIVE TO ALLY / CLIENT NEEDS AND LESS ADMINISTRATIVELY CUMBERSOME TO EXECUTE.

KEY ACTIVITIES:

1. Issue: the current GOF approval process was an issue that was noted on numerous occasions by a majority of staff in client facing departments.
 - a. The process is overly administrative, and requires multiple inputs and sign-offs.

- b. A primary issue is the rigid timeline and cut-off dates that do not always meet with project demands or client requirements.
2. In an effort to improve client responsiveness and gain efficiency, there is an opportunity to improve the process while ensuring that Virginia maintain rigorous scrutiny and approval of projects requesting GOF allocations.
 - a. Current efforts are underway (led by staff in the BD division). Their findings, in conjunction with recommendations made here, can be a starting point for this initiative.
3. It is recommended that a web-based system be designed with secure access to VEDP managers, Ally communities and authorized individuals (Directors/CEO/Governor's office).
 - a. Design standard, web-based template forms for Allies and VEDP managers to complete with the proper training and instruction provided by VEDP.
 - b. System will be designed to generate a report with all pertinent information in bullet form (company, project, investment parameters, incentives requested, etc.) – all authorized personnel can log in and generate a summary report on the project at any time.
 - c. Authorized personnel can log in and remotely provide appropriate approval (with a digital signature).
 - d. System can be designed to provide automatic alert for needed action/approval to the appropriate party.
 - e. Implementation of web-based system to be led by the IT department.
4. Reduce the number of authorizations required in the process within VEDP and consider giving authority for final VEDP sign off to multiple parties (CEO or COO or Director)
 - a. This will mitigate timing challenges that arise to due internal scheduling/logistics.

PROCESS IMPROVEMENT TASK #3: ENHANCE AND STANDARDIZE THE USE OF VEDP'S SALESFORCE PROJECT MANAGEMENT SYSTEM.

KEY ACTIVITIES:

1. Issue: Findings indicate that this is an underutilized tool with a significant licensing cost to the organization.
 - a. Salesforce is generally used as a project management tracking tool and not a sales tool, which is where it can have the greatest impact on driving results for the organization.
 - b. Managers are generally not comfortable entering company information, extracting information, and using it to conduct regular outreach to leads/prospects.
2. Ensure that the system is used diligently, organization wide in order to be effective an effective tracking and monitoring tool.
 - a. Institute enhanced Salesforce training of staff to include utilizing outside trainers, and/or economic developers in the Ally community skilled in the use of Salesforce.

- b. Enforce accountability by including Salesforce use in staff position descriptions (for appropriate staff) and reflecting usage in performance evaluations.
3. Create a clear Dashboard application with Salesforce data for Directors/COO/CEO
 - a. A Dashboard application will be a customized, easy to use snapshot for senior managers to keep up to date on their department (and the overall organization) performance.
 - b. Adjust Salesforce metrics to better understand results by disaggregating summary info based on Director/CEO desires.
 - c. Development of the Dashboard application to be led by IT Department in conjunction with appropriate department leaders and CEO.

PROCESS IMPROVEMENT TASK #4: REVIEW AND STREAMLINE VEDP'S NON-MISSION ACTIVITY TO ELIMINATE AND PRIORITIZE PROJECTS DEEMED STRATEGICALLY IMPORTANT TO ENHANCE OUTCOMES.

KEY ACTIVITIES:

1. Issue: Findings indicate that VEDP is involved in a number of projects that do not tie directly to the organization's mission of growing jobs/investment in Virginia and the organization does not effectively track and account for these activities.
 - a. Inventorying every non-mission activity that the organization is involved with would provide a higher level of clarity.
 - b. VEDP is involved in many activities in an ad hoc, individual based manner with little definition to VEDP's involvement or prioritization given to activities that are strategically important (given limited resources and staff time).
 - c. Many of these initiatives - both internal organization activities and external Ally initiatives - are not given defined goals, metrics, timelines, and expected outcomes.
 - d. This non-mission work is a heavy resource drain and is exacerbated by the fact that because VEDP's involvement tends to be ill-defined, underreported and in a secondary role; the organization does not earn credit or build much goodwill with external stakeholders for the effort it puts forth.
 - e. Additionally, without first taking an honest inventory, it's very difficult to prioritize and eliminate certain tasks while boosting VEDP's involvement in areas that are deemed strategically important.
2. Recommendation: inventory all current work to streamline the number of initiatives VEDP is managing at any given time and ensure that when VEDP is involved, it is in a visible leadership role:
 - a. This will require a clear definition of VEDPs involvement, goals for the activity, expected outcomes and a timeline for VEDP's involvement.
 - b. Prioritize involvement and select areas that are of strategic importance in which VEDP can add the most value, for these activities VEDP must:
 - i. Take a visible leadership role,

- ii. Ensure ample resources are committed to the project (assign multiple managers if necessary),
 - iii. Establish defined goals, metrics, timelines, and expected outcomes,
 - iv. Promote its involvement vigorously, and
 - v. Make sure that positive outcomes are achieved.
- c. Various individuals from VEDP should be assigned to lead these efforts (not just Directors or senior management):
- i. This provides a tool to identify likely leaders in the organization, empower them and to provide them with a professional development opportunity.

PROCESS IMPROVEMENT TASK #5: INSTITUTE MORE EFFECTIVE STAFF-LEVEL MEETINGS TO USE AS AN OPPORTUNITY TO DISCUSS HOW TO BETTER ACCOMPLISH OBJECTIVES AND IMPROVE RESULTS.

KEY ACTIVITIES:

1. Issue: Findings indicate that current staff meetings can be improved to be a more efficient use of time and add better value to employees.
 - a. Staff generally appreciates the importance of periodic staff meetings, but request improvements in how they are structured.
 - b. Often, staff meetings are utilized to simply communicate updates which can be better delivered in less time consuming methods (e.g. electronic updates, etc.)
2. There is an opportunity to utilize staff meetings as an opportunity to discuss what current staff is involved with and to brainstorm how to better accomplish objectives and get better results:
 - a. Streamline department staff meetings to no more than one per month
 - b. Discuss meeting goals and agendas (rather than just to bestow information)
 - c. Each employee present should be prepared to present or report on something they have been tasked with (this can be a rolling assignment, with employees determined and informed in advance of the staff meeting)
3. Recommendation: add quarterly meetings to perform a deeper review of progress toward goals, brainstorming best practices, and cross-departmental updates on their goals/priorities.
4. Recommendation: Institute quarterly all-staff meetings to be led by the CEO and department directors to provide key communication and important organizational updates to staff.

PROCESS IMPROVEMENT TASK #6: BUILD A BETTER CAREER PATHWAY FOR EMPLOYEES THROUGH THE DEVELOPMENT OF A BROADER BASE OF ASSOCIATE LEVEL MANAGERS IN CLIENT FACING DEPARTMENTS.

KEY ACTIVITIES:

1. Findings indicate an opportunity to build a broader base of associates in the client facing (Business Attraction, Business & Ally Services, and International Trade) units.
2. This will assist VEDP in developing more of a career pathway for younger individuals to enter the organization and/or current staff to transition from non-client facing to client-facing departments.
3. This position can provide vital fulfillment of current resource heavy tasks such as: inquiry screenings and follow up, assistance with development of marketing plans, execution of key marketing elements, handling process and administrative functions such as GOF approval process, etc.
4. Addition of a broader base of Associates will help to soften the impacts of turnover and keep institutional knowledge within the organization.

PROCESS IMPROVEMENT TASK #7: EVALUATE THE CURRENT ALTERNATIVE WORK AND TELECOMMUTING POLICY TO DETERMINE ITS EFFICACY, VALUE TO STAFF AND ADJUST POLICY TO ENSURE PROPER OVERSIGHT AND EQUAL APPLICATION.

KEY ACTIVITIES:

1. Issue: VEDP currently supports Telework and alternative work options for employees in a limited number of departments (Business Development and IT).
2. The decision to continue the telecommuting policy should be made at the discretion of the CEO with consultation from department Directors.
3. If it is determined that telecommuting is to continue, it is imperative that the rules and protocols that have been clearly developed in the “VEDP Alternative Work Schedule Guidelines” document be applied throughout the organization:
 - a. Telecommuting should be a work option that is equally and fairly applied across the organization for the positions in which it is deemed acceptable.
 - b. All staff that are able to participate in the Alternative Work Schedule program will be provided with the clear policy guidelines and will be expected to understand and follow those guidelines.
 - c. Violation of the organization’s rules and regulations should result in immediate removal of the Remote / Flex work option for violating employee.

PERFORMANCE MANAGEMENT SYSTEM

In the following section, a framework for measuring performance throughout the organization is presented. The system allows flexibility in defining goals and activities at the departmental, team and individual level. However, it provides a standard framework that can be used by all departments in the organization.

During the input phase, staff noted that performance measures are not always standardized across the organization, individuals are not always held accountable and clear targets are not defined for exceptional performance. To address these, the organization needs to adopt a more formalized approach to setting, measuring and rewarding performance. The system provided will allow VEDP to begin this process.

It will also aid in staff development and career progression as management can utilize this system to identify high performers and provide targeted skills development where needed. This can be used to jumpstart **improvements to the employee performance process in conjunction with the proposed realigned structure to provide:**

- A career progression roadmap at VEDP for each employee.
- A professional development plan for each employee including cross-training in different disciplines or across functions.
- Aggressive goal setting for employees including tasking staff with leading new initiatives.

HIGH-LEVEL CONTEXT

“Learning Organizations” understand that performance management systems create a planning framework in which:

1. The organization’s operational vision is clearly articulated, optimized, and able to evolve over time.
2. Annual goals are clearly defined, measurable, and aligned with the organization’s plan.
3. Relative priorities are explicitly established among the various goals and objectives.
4. Team members are empowered to execute against their objectives and individual accountabilities are clear.
5. High performance is identified and rewarded, and sub-optimal performance can be proactively addressed.



FOR VEDP: VISION, EXECUTION, AND ENGAGEMENT...

The following performance management model has been developed to enable the VEDP team to:

- ✓ Realize and integrate it’s strategic vision within all activities across the organization.
- ✓ Consistently execute against its key performance objectives.
- ✓ Sustain an environment in which team members are engaged, focused, and empowered to deliver results across the full range of the Commonwealth’s strategic objectives.



HIGH LEVEL VEDP STRATEGIC OBJECTIVES:

Attracting New Business Investment to Virginia

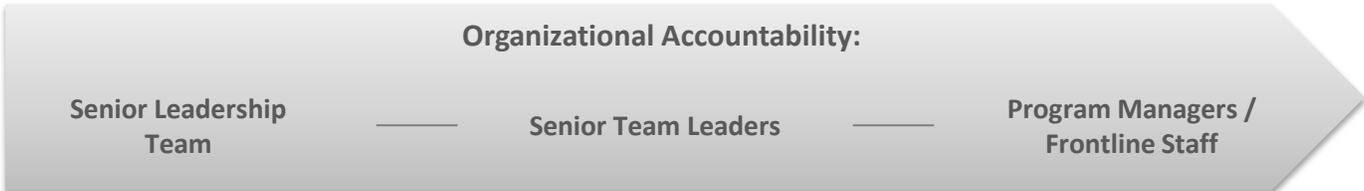
Enabling Additional Business Investment within Virginia

Supporting Development Efforts of Allies

Supporting Export Trade Growth from Virginia Businesses

A THREE-TIERED FRAMEWORK: STRATEGY, TEAM GOALS, AND EXECUTION OBJECTIVES

At a high-level, the proposed performance management framework is structured in three tiers:



TIER 1 – DEFINING THE VEDP’S ANNUAL OPERATIONAL STRATEGY

1.1) Core Strategic Objectives

- Attracting new business to the state
- Assisting business expansion efforts within Virginia
- Enabling Virginia-based international trade
- Promoting the Commonwealth’s brand and spreading the Virginia message
- Performing mission-critical research activities to support sales and project closings.



1.2) Measuring Success

- New business investment and job creation
- Existing business investment and job creation
- International trade growth statistics
- Measuring brand awareness and reputation
- Improved targeting, prospect identification and conversion to qualified prospects



1.3) Responsible Groups

- Which groups are responsible for driving results against each core strategic objective



1.4) Stretch Goals

- Aspirational objectives
- KPI’s for objectives

1.5) Mapping the VEDP’s Strategic Goals to it’s Long-Term Strategic Vision

- Overview of ways in which the selected strategic goals support the organization’s overarching strategic vision.

TIER 2 – DEFINING TEAM / INDIVIDUAL GOALS AND METRICS

2.1) Critical Objectives

- Attracting new business to the state, and / or
- Assisting business expansion efforts within Virginia, and / or
- Enabling Virginia-based international trade, and / or
- Building enhanced Ally relationships, and / or
- Enhanced company research to drive sales process.
- Promoting the Commonwealth’s brand and external reputation.



2.2) Measuring Success

- Quantifiable performance indicators per team objective, e.g.:
 - Net new investments
 - New jobs created
 - Existing business growth (jobs/investment)
 - Ally satisfaction
 - Incremental export volume
 - Brand awareness measures



2.3) Relative Priorities

- Relative weighting per goal per team, e.g.:
 - Prospecting vs.
 - Proposals vs.
 - Deals won



2.4) Stretch Team Goals

- Aspirational team objectives
- KPI’s for team objectives

2.5) Mapping Team Goals to the VEDP’s Annual Strategy

- Overview of ways in which the selected team and individual goals support the organization’s annual strategic goals and objectives

TIER 3 – DEFINING KEY ACTIVITIES AND METRICS

3.1) Key Activities

- Goal specific activities required to achieve individual or functional team’s objectives, e.g.:
- **Marketing:** Market Research, Campaign Planning, Campaign Execution, etc.
- **Recruitment** Prospecting, Client Visits, Proposals, etc.
- **Ally / Business Services** Business/Ally visits, needs assessment, opportunity pursuit, client satisfaction
- **Research:** Target / Company specific research, Project support, Proposal response, Competitive benchmarking



3.2) Measuring Success

- Quantifiable performance indicators per team or individual objective, e.g.:
- Net new investments
- New jobs created
- Incremental export volume
- Brand awareness measures



3.3) Relative Priorities

- Relative weighting per activity per team or individual, e.g.:
- Prospecting vs.
- Client Visits vs.
- Deals won



3.4) Resource Allocations

- Resource allocations per activity
- Expected % time per resource per activity
- Review of resource allocation versus weighting of activity to ensure alignment

3.5) Mapping Key Activities and Metrics Individual performance and professional development.

- Overview of ways in which the selected activities and metrics support the evaluation of Individual performance and guide future professional development needs.

**Putting it All Together:
The Integrated Three-Tier Model**

TIER 1: VISUALIZING THE VEDP'S ANNUAL ORGANIZATIONAL STRATEGY



	Strategic Objective	Description	KPI's	Individual/Team
Core Goals	Attract new Business Investment	TBD	<ul style="list-style-type: none"> TBD TBD TBD 	<ul style="list-style-type: none"> TBD TBD TBD
	Enable Business Expansion	TBD	<ul style="list-style-type: none"> TBD TBD TBD 	<ul style="list-style-type: none"> TBD TBD TBD
	Enhance Ally Relations	TBD	<ul style="list-style-type: none"> TBD TBD TBD 	<ul style="list-style-type: none"> TBD TBD TBD
	Increase Export Volume	TBD	<ul style="list-style-type: none"> TBD TBD TBD 	<ul style="list-style-type: none"> TBD TBD TBD
	Increase Brand Awareness	TBD	<ul style="list-style-type: none"> TBD TBD TBD 	<ul style="list-style-type: none"> TBD TBD TBD
	Stretch Goals	Stretch Goal 2	TBD	<ul style="list-style-type: none"> TBD TBD TBD

Sample Framework

Representative Example:

Strategic Objective	Description	KPI's	Accountable Individual/Teams
TBD	TBD	<ul style="list-style-type: none"> KPI's KPI's KPI's 	<ul style="list-style-type: none"> TBD TBD TBD

TIER 2: VISUALIZING DEPARTMENT GOALS AND METRICS – BA AND BAS DEPARTMENT EXAMPLES

Team	Goals	Goal Weight (%)	Goal KPI's
Domestic (U.S.) Business Attraction	<ul style="list-style-type: none"> ▪ TBD 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD
	<ul style="list-style-type: none"> ▪ TBD 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD
	<ul style="list-style-type: none"> ▪ Stretch Goal 1 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD
International Business Attraction	<ul style="list-style-type: none"> ▪ TBD 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD
	<ul style="list-style-type: none"> ▪ TBD 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD
	<ul style="list-style-type: none"> ▪ Stretch Goal 1 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD
Business & Ally Services Business Services Unit	<ul style="list-style-type: none"> ▪ TBD 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD
	<ul style="list-style-type: none"> ▪ TBD 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD
	<ul style="list-style-type: none"> ▪ Stretch Goal 1 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD
Business & Ally Services Ally Services Unit	<ul style="list-style-type: none"> ▪ TBD 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD
	<ul style="list-style-type: none"> ▪ TBD 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD
	<ul style="list-style-type: none"> ▪ Stretch Goal 1 	<p style="text-align: center;">TBD</p>	<ul style="list-style-type: none"> ▪ TBD ▪ TBD ▪ TBD

TIER 3: VISUALIZING KEY ACTIVITIES AND METRICS (PER TEAM OR INDIVIDUAL)

Team	Goals	Goal Weight (%)	Goal KPI's	Key Activities	Activity KPI's	Team Members
Team A or Individual	▪ TBD	TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD
				▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD
				▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD
				▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD
	▪ TBD	TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD
				▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD
				▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD
				▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD
	▪ TBD	TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD
				▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD
				▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD
				▪ TBD	▪ TBD ▪ TBD ▪ TBD	▪ TBD ▪ TBD ▪ TBD

**Measuring Performance:
“Making the Grade”...**

QUANTIFYING PERFORMANCE – THE PROPOSED SCALE



- A broad range of scales can be utilized for a performance management system of this type.
- The proposed 1 – 4 scale provides a reasonable distribution to reflect relative performance, and is described below:

Rating	1	2	3	4
Performance Parameters	Improvement needed across performance objectives. Additional coaching / mentorship required.	Meeting expectations with areas of future growth.	High performer, with minor areas of potential improvement	Exceeding expectations – with nearly flawless execution
Expected % of Team	< 10%	< 20%	~50%	~20%

QUANTIFYING INDIVIDUAL TEAM MEMBER PERFORMANCE

- Quantifying a team member’s annual performance becomes fairly straightforward within the proposed model and is illustrated below.

Team Member:



Goals	Goal Weight (%)	Key Activities	Activity KPI's	Activity Weight (%)	Score	Aggregate Score
Goals	60%	TBD	TBD	TBD	TBD	Aggregate Score
		TBD	TBD	TBD	TBD	
		TBD	TBD	TBD	TBD	
Goals	30%	TBD	TBD	TBD	TBD	
		TBD	TBD	TBD	TBD	
		TBD	TBD	TBD	TBD	
Goals	10%	TBD	TBD	TBD	TBD	
		TBD	TBD	TBD	TBD	
		TBD	TBD	TBD	TBD	

Sample Framework