

Community - Funding - Consulting -- Author: Elaura Green

How to Prepare a Community for Investment Readiness - Best Practices

Communities in northwestern Ontario are preparing for the future. By becoming investment ready, communities generate a competitive factor and prepare for potential investors to approach them with business propositions. There are several steps to becoming “investment ready” and it is vital that a community’s economic development practitioners complete the appropriate steps to prepare their entire community.

Investment Readiness Assessment & Training

Where do you stand in terms of investment readiness right now? The Go North Program of the Ministry of Northern Development, Mines and Forestry offers a free assessment tool to provide a quick assessment of your community’s investment readiness. For more information, visit:

www.mndm.gov.on.ca/northern_development/documents/go_north/investment_readiness_test_e.pdf

It is essential that all parties (municipal employees, economic developers, Mayors and council members, CAO’s, sub committees and chambers of commerce) understand the location selection and investment decision-making process in a competitive environment. It is also important to have the proper training to understand how to work in a coordinated effort with the site selectors in arriving at a conclusion that your community would represent the best choice. With the number of people involved in a prospective project, everyone must be up to date and conveying the same “on-target” message about your community and its competitive advantage.

The Basics: Data & Information Gathering

First, the community must create an Asset Inventory that includes all the data, information and assets required by potential investors to investigate and conduct due diligence on your location. Some examples would include:

- Current population
- Current year demographics
- Labour force information
- Tax and utility information
- Available business properties
- Financial services

Once completed, the bulk of this asset inventory is packaged into a Community Profile to provide easy access to all of the pertinent data and information in one document. The community profile is generally prepared in a word processing software and made available in PDF format. The community profile is a critical foundation of all economic development and should be made available on your website for download. It should be continuously updated – site selectors consider data more than one year old to be ineffective for their use. While the preparation of the asset inventory and community profile can be prepared by a summer intern, you should also be aware that there are sources of current year data, profile preparation, and database services available to do much of this repetitive research grunt work for you – and funding is available to help.

Economic Analysis

With the completion of the asset inventory and community profile, the municipality is ready to proceed to the next stage - the development of a Market Study.

The market study is generally prepared by a consultant and identifies the industrial/business sectors which represent the best opportunity for success in investment attraction by the municipality. The market study will utilize up to date data and include:

- A demographic and labour force analysis
- An economic base analysis (structure of the local economy based on employment by industry), and an employer structure analysis
- SWOT - Strengths, Weaknesses, Opportunities, Threats/constraints analysis from the economic development point of view
- The identification of 2-3 specific investment opportunities or business sectors with greatest merit considering the location requirements of the business sector in comparison to the location attributes of the municipality
- Target markets if applicable to the specific investment opportunities

The market study is a big step in becoming investment ready and is a foundation for successful investment attraction – of course funding is available to help.

The Needs/Gap Analysis is also generally prepared by a consultant to determine the local barriers to investment and to identify any disparity between where the municipality envisions itself and its current position. The needs/gap analysis will assist the community in preparing itself towards investment readiness by clearly providing an understanding of all investment barriers with the goal of developing solutions that can be pursued.

The needs/gap analysis will examine the underlying infrastructure of the local economy to identify missing or under-developed assets that need to be in place for the community to capitalize on its investment attraction/development opportunities. The needs/gap analysis will also research the location requirements of the target sectors identified in the market study to identify any gaps (real and perceived) that may act as a final barrier to investment attraction. The analysis also identifies the missing links between what the community's actual investment attraction activities are, and the expected activities as derived from the market study.

Economic Development Strategy

The Economic Development Strategy provides an action plan to stimulate growth, diversification of the local economy and should result in increasing economic sustainability. The economic development strategy incorporates:

- Meaningful community and business consultation
- A common vision to diversify the local economy
- A strategic action plan and implementation plan that will provide the municipality with a sharply focused road map for economic development, that spans a minimum 5 year horizon
- The highest priority opportunities, and makes recommendations related to business expansion, retention and attraction in identified target sectors
- Recommended solutions to identified investment barriers
- Strategic partnerships and alliances that are needed to attract investment within the defined sectors/markets

“Strategic Planning is the process that determines the future direction of any community or business. Its purpose is to help define the vision: a clear picture of where the organization is going and what the organization wants the end result to look like. A strategic plan allows you to create your future, not merely forecast, or worse react to cultural, economic and market trends. Strategic planning creates and guides the community's future. If the planning is not done, or done in an incomplete manner the community throws itself to the mercy of outside forces,” says Franco Crupi, President of Crupi Consulting Group. For more information, visit: Crupi Consulting Group at www.crupi.biz or call 807.346.7000

Marketing Plan & Materials

A Marketing Plan determines how a community will reach out to prospective investors with respect to investment attraction. The first step is the marketing analysis, which aims to discover how ready you are to market your municipality, and it usually consists of the following steps:

- Confirm marketing goals for each set of prospects
- Review current marketing materials and processes
- Review current marketing budget and resources

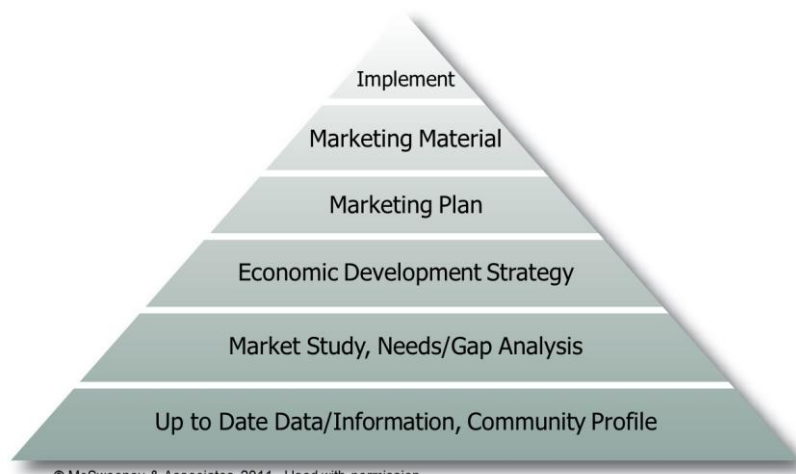
One of your aims will be to develop marketing materials that attract and retain investment effectively, so the marketing plan will consist of a number of steps as well:

- Prepare a draft strategy to reach key audiences
- Develop a marketing approach geared toward the target sectors
- Draft action steps outlining how each audience should be reached
- Identify complementary marketing materials to work cross-media: design creative concepts, prototypes, timeframes, and approaches suitable for the audiences targeted, recommend the most appropriate media
- Media materials and cost estimates may include tools such as displays, direct mail and other print collateral, web, advertising, public relations, articles in trade magazines, etc.
- Identify ideal economic development website layout and design
- Development of a visual identity guide for marketing and use of branding elements

Dine Quenneville, the Executive Director from Greenstone Economic Development Corporation (GEDC) said “Because we took the proper steps, Greenstone was very successful with completing the reports and the application process to receive funding. In 2008 GEDC participated in the LETI (Local Economies in Transition Initiative) and this exercise subjected the community to a true test of Investment Readiness. Our community learned about its true strengths and weaknesses which set the wheels in motion to take the appropriate steps in the suggested order. The NCIR program significantly assisted in guiding our next logical steps which led to the successful completion of our reports, the development of online database applications and Fam tours. Without the assistance of the NCIR program and the valued direction, Greenstone would not be at the investment ready stage it is now.” For more information, visit www.gedc.ca or call 807.854.2474.

The marketing materials will bring together messages and the means of expressing and presenting them, which needs to be persuasive, so the design and graphic elements need to be attractive. Today the single most important marketing tool of any community is a good economic development website. Funding is available from a limited number of sources.

The preceding steps to becoming investment ready are illustrated in the following graphic.



“Investment readiness is the foundation of all successful economic development. In order to attract investment to diversify the local economy and increase sustainability, a community must have the right tools in place and be prepared to provide potential investors with the information they require in a timely fashion. But it does not stop there – communities need to continuously update their information (community profile, website, etc.), understand where they stand in the changing and competitive market, develop and adjust economic strategies and implement the marketing plan to guide them on their journey. Call us - we provide complimentary assistance with your funding applications,” says Eric McSweeney, President of McSweeney & Associates, Economic Development – *Inspiring Economic Sustainability™*. For more information, visit: McSweeney & Associates, Economic Development at www.mcsweeney.ca or call 613.825.2896.

Funding Your Investment Readiness

Northern Communities Investment Readiness (NCIR)

The costs associated with investment readiness can be expensive. Fortunately, there are several different organizations that have funding available, one of which is The Ministry of Northern Development, Mines and Forestry (MNDMF). MNDMF is an organization that offers funding which is available through an application process. These applications will only be approved by the Northern Communities Investment Readiness (NCIR) Initiative on firm results for the project(s). “It [the project] must contain a link between either of the following, what will the project be doing directly for the community (in terms of attraction) and/or will the project result in the community becoming more investment ready for potential investors,” says Mike Dunlop, the NCIR Go North Advisor. Dunlop also believes in working with the community EDO’s to allow the development to proceed.

Once the application is approved, the initiative offers up to 75% of eligible project costs, up to \$10,000 and it is based on the depth and nature of the development. The applicant is required to provide 10% equity to the project. The NCIR Initiative is designed to allow communities to access funding and develop with the region. In the last 5 years, NCIR has approved approximately 270 applications and a total of approximately \$2.5 million in funding. For more information, visit The Ministry of Northern Development, Mines and Forestry at www.mndmf.gov.on.ca – Northern Communities Investment Readiness (NCIR) Initiative.

FedNor

FedNor is a regional development organization which has a contribution program called Northern Ontario Development Program (NODP) that supports economic growth, diversification, job creation, self-reliant and sustainable communities in northern Ontario. NODP assists by providing financial assistance to not-for-profit organizations and small-to-medium sized enterprises (SME’s). In order to receive funding, the applicant must be First Nations, community development organizations, research institutions, municipalities and municipal organizations. FedNor has supported almost 900 projects and approved more than \$156 million in funding. For more information, visit FedNor at www.ic.gc.ca – Northern Ontario Development Program.

Local CFDC

All regional Community Funding Development Corporation’s (CFDC) have a program called the Local Initiative Contribution (LIC) which is funded through FedNor but must meet the economic development goals set by the CFDC’s. This funding is available for not-for-profit organizations, First Nations and townships and can receive up to \$5,000 dollars for a range of projects. If a community is looking to put an event on such as a training seminar, marketing materials or upgrading the community centre etc. applications are accepted. For more information, visit the following CFDC organizations to find out about the Local Initiatives Contribution in the area.

Superior North CFDC (SNCFDC) - www.sncfdc.com - Terrace Bay

Greenstone Economic Development Corporation (GEDC) - www.gedc.ca - Geraldton

Nishnawbe Aski Development Fund (NADF) - www.nadf.org - Thunder Bay
Thunder Bay Ventures CFDC - www.thunderbayventures.com - Thunder Bay
Patricia Area Community Endeavours (PACE) - www.pace-cf.on.ca - Dryden
Lake of the Woods Business Incentive Corporation (LOWBIC) - www.lowbic.on.ca - Kenora
Atikokan Economic Development Corporation - www.atikokan.ca - Atikokan
Chukuni Communities Development Corporation - www.chukuni.com - Red Lake
Rainy River Future Development Corporation (RRFDC) - www.rrfdc.on.ca - Fort Frances

Vicki Kurz, the Economic Development Manager from Dryden Economic Development Corporation says “In 2008, I attended the EDCO Local Economies in Transition Initiative (LETI) workshop held in Thunder Bay. This workshop inspired the DDC to prepare Dryden for its future. Dryden has followed the recommended steps outlined by the NCIR program and found this strategy to be very effective and rewarding. This has been an ongoing initiative and a part of the DDC work plan for the past four years in which we have accessed funding from NCIR, FedNor and NOHFC to achieve our readiness goals with success. Dryden continues to implement its marketing strategy and foreign direct investment strategy to attract investment. Over the past two years Dryden has hosted two site selection FAM tours with funding from the NCIR program and completed its new commercial and light industrial business parks. Dryden is now investment ready and the municipal investment was and is truly worth it!” Dryden Economic Development Corporation has submitted and been approved for over fifteen grants over the last three years which has resulted in achieving their goals in various sectors. For more information, visit Dryden Economic Development Corporation at www.exploredryden.ca or call 807.223.4100.

End Results

If these actions are performed properly, it can result in trust being built between the community and the investor and differentiate one community from the next. For a community to become investment ready, it does not develop in a short period of time. This process is lengthy but if the right research, time and funding/money are added collectively, communities will begin to develop further and more opportunities will arise.

To view complete examples of investment readiness reports delivered by Greenstone Economic Development Corporation, visit Northwestern Ontario Development Network at www.nodn.com - Reports. All links displayed throughout this article will also be located on NODN’s website.