

Performance Measurement for Economic Development Superheroes

Economic Developers Association of Canada
September 2018



Economic Developers are like superheroes





Economic Development Goal



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'To put a region on a path to higher growth by improving the productivity of firms and people in ways that leads to better incomes and living standards for all' - Brookings Institution

Sometimes superheroes can feel like they are under attack



Performance Measures





Today's mission

- Defining performance measurement
- The case for performance measures
- Choosing the appropriate measures
- Reporting methods
- Best practices



Performance Measurement Defined



The process of collecting, analyzing and reporting information regarding the performance of an individual, or organization

The Case for Performance Measures



Why Measure Performance?



“Managing knowledge means managing oneself”





Performance Measurement Goal



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Performance measures should assess movement towards the region's goals

Why Measure Performance?



“If you don’t measure results, you can’t **tell success from failure.**

If you can’t see success, you can’t **reward it.**

If you can’t reward success, you’re probably **rewarding failure.**

If you can’t see success, you can’t **learn from it.**

If you can’t recognize failure, you can’t **correct it.**

If you can demonstrate results, you can win **public support.**”

Tom Peters



Why People Don't Measure



- Takes time, resources and commitment
- Difficult to measure
- Difficult to attribute outcomes
- Significant outside influences
- Reluctance to share results



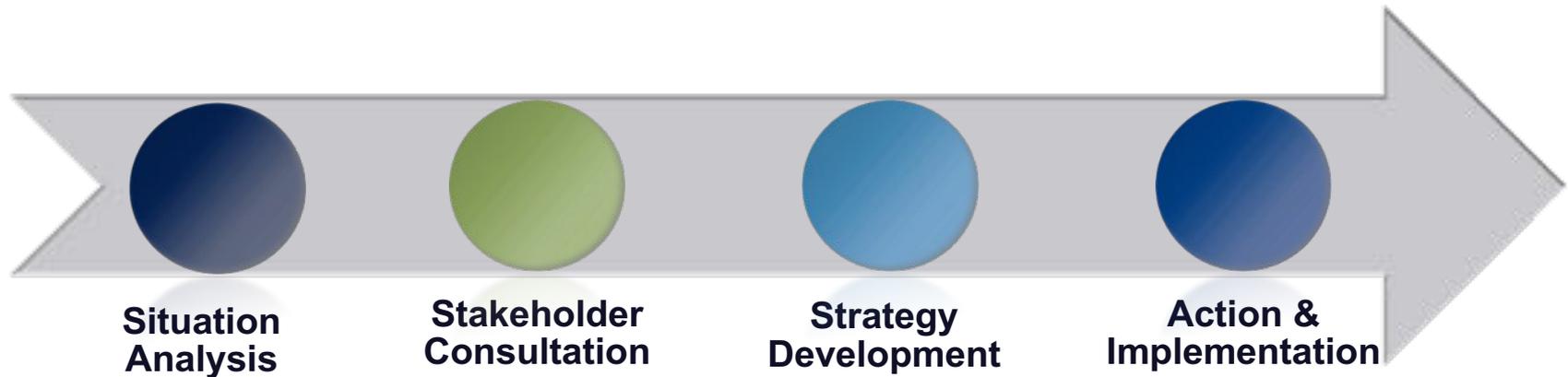
ED Performance Measurement Challenges



- **Many intangibles**
- **Misunderstanding** of economic development function
- **Inconsistency** of data and definitions
- **Conflicting** goals and priorities
- **Disagreement** on appropriate measures



The Strategic Planning Process



The Strategic Planning Process



Part of the strategic planning process



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- Improve capability to achieve organization vision
- Monitor strategy execution
- Supports evidence-based decision making
- Build common understanding of the processes, terminologies and expectations of ED strategy



Part of the strategic planning process



- Assess the effectiveness of your organization previous years/ other regions
- Ensure accountability and transparency for community, Council
- Buy in from stakeholders community, government, funding programs, sponsors
- Support for budget, human resource requests





Choosing the appropriate measures





4 areas to measure



- **Internal**
Ex. Staff size, budget



- **Relationship Management**
Ex. Website visits, client files



- **ED outcomes**
Ex. Jobs created, investment announced



- **Community**
Ex. Population, education level,
household income

Types of Measures



- **Quantitative**

Percent change, dollar amount or other value

% satisfaction; % completed; # attended; # of new developments, # business visits



- **Qualitative**

Subjective evidence, anecdotes from local businesses, testimonials, comments from surveys interviews, focus groups, case studies

Types of Measures



- **Primary**

collected by economic development office
(BR&E & others)



- **Secondary**

Provided by a third party
(Stats Can & others)



Measuring what matters



Resources

What we invest

Human, financial, organizational & community assets

What we do

Specific actions to achieve the economic development goals

What we provide

Results of the actions,

What objectives we achieve

Impacts on economy & local population



Measuring what matters



Money	Tourism Promotion	Inquiries	Job Growth
Staff/ volunteers	Business Recruitment	Project Files Opened	Capital Investment
Facilities	Retention & Expansion	Corporate Calls	Assessment
Equipment/ supplies	Small Business Services	Clients Served	Business Start-ups



OMAFRA's 4 Steps to effective performance measurement



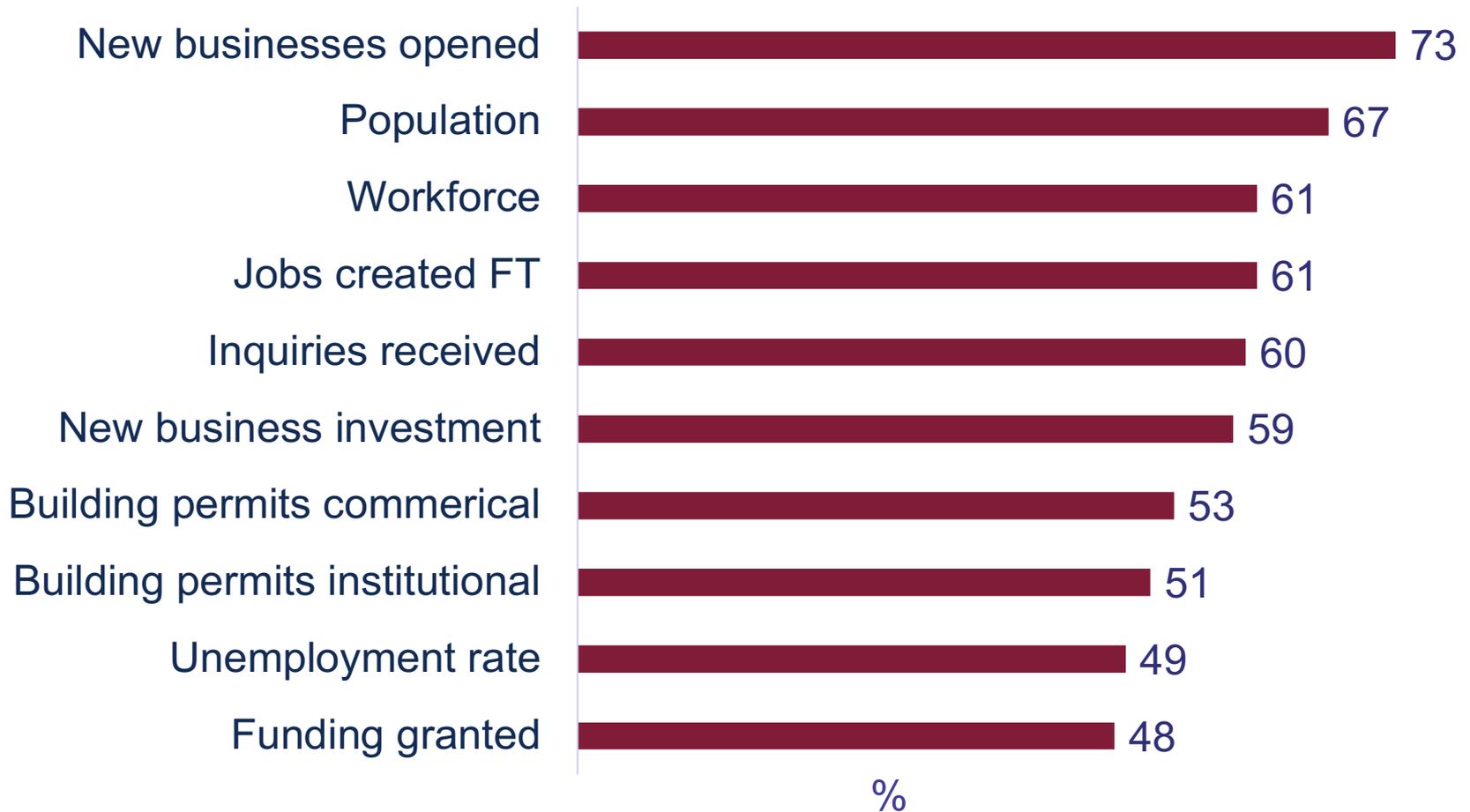
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- A** **Assess** Establish/ revisit economic development strategy
- B** **Build** consensus
- C** **Create** Link inputs, actions, outputs & outcomes
- D** **Develop** performance measurement framework

210 Measures

- General business
- Business attraction, creation, retention
- Demographics
- Development/ investment
- Engagement/ relationships
- Housing/ real estate
- Labour market
- Outputs
- Quality of Life
- Plan Implementation
- Taxes
- Technology & Innovation
- Tourism
- Transportation

Commonly used measures





Downtown Performance Measures

- Vacancies
- Time to fill vacancies
- Façade improvements
- Jobs created
- # of events, attendance
- Member participation
- Media coverage
- Downtown property values



Tourism Performance Measures



- Visitors (length of stay, spend per visit)
- # of FAM tours, ROI
- # of Trade shows, ROI
- Hotel room nights, occupancy, revenue per available room
- # of client events, attendance, ROI
- Attendance at sponsored events, ROI
- Visitor Information Centre measures
- Active members, participation
- Advertising
 - Co-op participants, advertising generated
 - Impressions, reach, frequency and cost per
 - Website visits, traffic, referrals, etc.
 - Social media reach, engagement
 - Media coverage
 - ROI

Unintended Consequences



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- Measure drives the activity
- Exaggeration of EDO responsibility
- Favours short-term programs



5 traps of performance measurement - HBR



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- Measuring against yourself
- Looking backward
- Putting your faith in numbers
- Gaming the metrics
- Sticking to the numbers too long



Measuring vs. performing



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“The biggest problem over the past decade has been the **disproportionate focus on measuring performance, rather than on performing.**



By focusing the efforts of public services on their adherence to **complex bureaucratic measurement systems, valuable resources were diverted away from the actual provision of services.**”

Marc D. Berson, American Society for Quality - Government Division

Assessing your performance measures



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- Direct evidence of your goal
- Deliberately defined: how calculated, how interpreted
- Consistently implemented
- Allow for ‘natural variability’
- Correlate with other evidence



Selecting Your Performance Measures



Work to measure, monitor & report



Reporting Methods





Reporting Methods



- Narrative
 - hard & soft evidence
- Case Studies
- Scorecards
- Efficiency
 - investment per output/
outcome

Examples: Kingston Economic Development



Trending on strategic initiatives

95% of key strategic initiatives are trending in the desired direction

Smart economy key initiative trends

9 of 11 strategic initiatives are trending in the desired direction

- A leader in innovation
- Foster an open-for-business culture
- Post-secondary downtown campus
- Artistic and cultural activities
- Implement tourism strategy
- Implement youth employment strategy
- Increase assessment growth
- Increase city-wide broadband / WiFi
- Increase fibre access
- Force and in-migration strategy
- Speed rail

Infrastructure key initiative trends

8 of 8 strategic initiatives are trending in the desired direction

- Third Crossing: shovel ready
- Housing: create affordable, sustainable and mixed housing
- Expand the airport
- Complete John Counter Boulevard
- Maintain and improve roadways and sidewalks
- Wellington Street extension alternatives
- Continue to support current Infrastructure Plan
- Advance an integrated multi-modal and active transportation system

Open government key initiative trends

2 of 2 strategic initiatives are trending in the desired direction

- Foster culture of customer service excellence
- Enhance transparency and encourage citizen engagement

Legend

- Trending in desired direction
- Under development

8 Annual Report | 2017

Liveable city key initiative trends

9 of 9 strategic initiatives are trending in the desired direction

- Revitalize brownfield properties
- Expand and improve public transit
- Inform community planning through citizen engagement
- Protect heritage
- Revitalize north end
- Intensify key areas of the city (downtown and other)
- Pursue implementation of the Sustainable Kingston Plan
- Continue to implement the Kingston Culture Plan
- Respond proactively to homelessness & food security needs in Kingston

- Connect spaces
- Beautifying neighbourhoods
- Protect agricultural lands
- Complete the K&P Trail
- Enhance waste management
- Enhance the tree canopy





Examples: Halifax



Growth in Personal Income Per Capita and the Consumer Price Index, 2016, CIBC, Percentage



Halifax where the population is older on average than the rest of the country.

Construction activity decreased in the non-residential sector compared to 2016, due to the completion of several major projects. Investment in industrial and commercial real estate declined by 20%, reflecting the near completion of the Nova Centre and the Big L.I.F. These are mostly non-residential projects under construction in 2017 that include retail, residential and a boutique hotel, MGA, and Casino's.

CONSTRUCTION

The construction sector in Halifax saw a decline in activity in 2017 compared to 2016, but performed above the 10-year average. Annual major project spending in the city as measured by the Halifax Planning Commission Council's Major Projects Inventory, reached a record high of \$2 billion in 2016. This figure is projected to decrease slightly to \$1.8 billion in 2017.

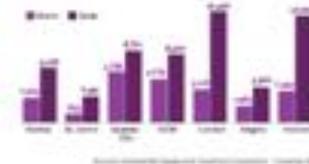
For the residential sector, housing construction declined from 2,600 to 2,200 total starts, although the volume above the 10-year average. Commercial starts numbers, multi-unit developments decreased by approximately 45% and single-detached units increased by 10% in spite of the decline in single-unit starts in 2016, it is still well below the 10-year average. Conversely, multi-unit starts remain above the 10-year average. The major market for single-detached housing saw an increase of about 100 cases from 2016 to 2017.

Multi-unit starts continue to grow, aligning with the Centre Plan as most of these units are being built in the city centre. Interestingly, from 2011 to 2016, the number of households in the regional centre grew 10% faster than the population. One of the reasons for this may be that students, young professionals and seniors are moving into established units in the city centre.

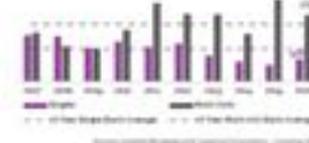
One of the main reasons for the shift in construction from single-unit dwellings to multi-unit developments is demographic. Many baby boomers, with children no longer at home, are looking to downsize. Selling their house also allows them to help finance their retirement. This trend can be seen across the country, but it is more pronounced in

total office space in the Halifax Regional Municipality either increased by 17% in 2016, with 107,250 square feet of new inventory entering the market. Office vacancy increased by 0.7 percentage points to 17.0% in downtown Halifax, while inventory remained unchanged. This reflects companies leaving the downtown core for business and industrial parks in Dartmouth and Westport. Currently, there are 300,000 square feet of office space under construction in downtown Halifax, the majority of which is in the Nova Centre. From a buyer's perspective, businesses tend to prefer locations of 1,200 to 1,500 sq. ft. especially in downtown Halifax, which has a 17.0% vacancy rate as of 2016.

Housing Starts and Density, 2016, CIBC



Single-Detached and Multi-Unit Housing Starts, Halifax

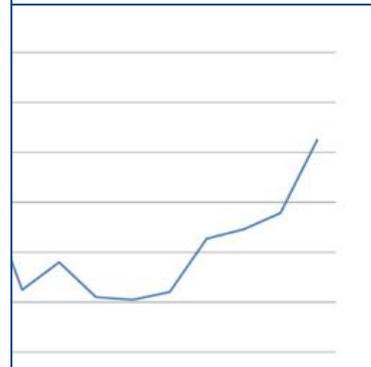




Examples: Vernon, BC



City of Vernon
2018 Q1 Economic Update



Residential Building Permits

BEST HIRING EVENT

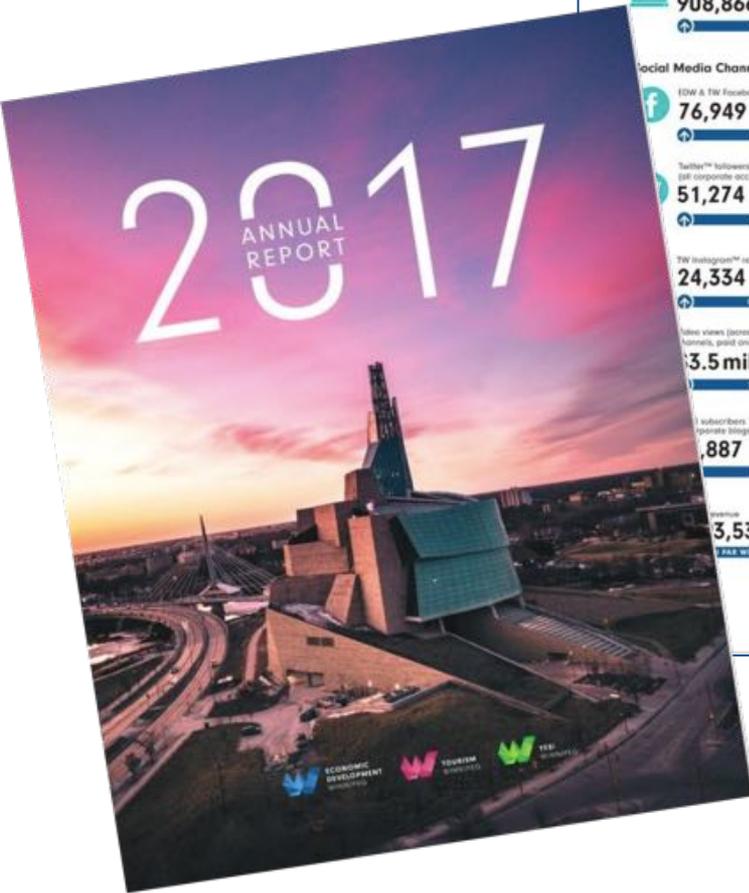


- April 10, 2018
- 40 Employers
- Over 600 Job Seekers
- Vernonjobfair.ca

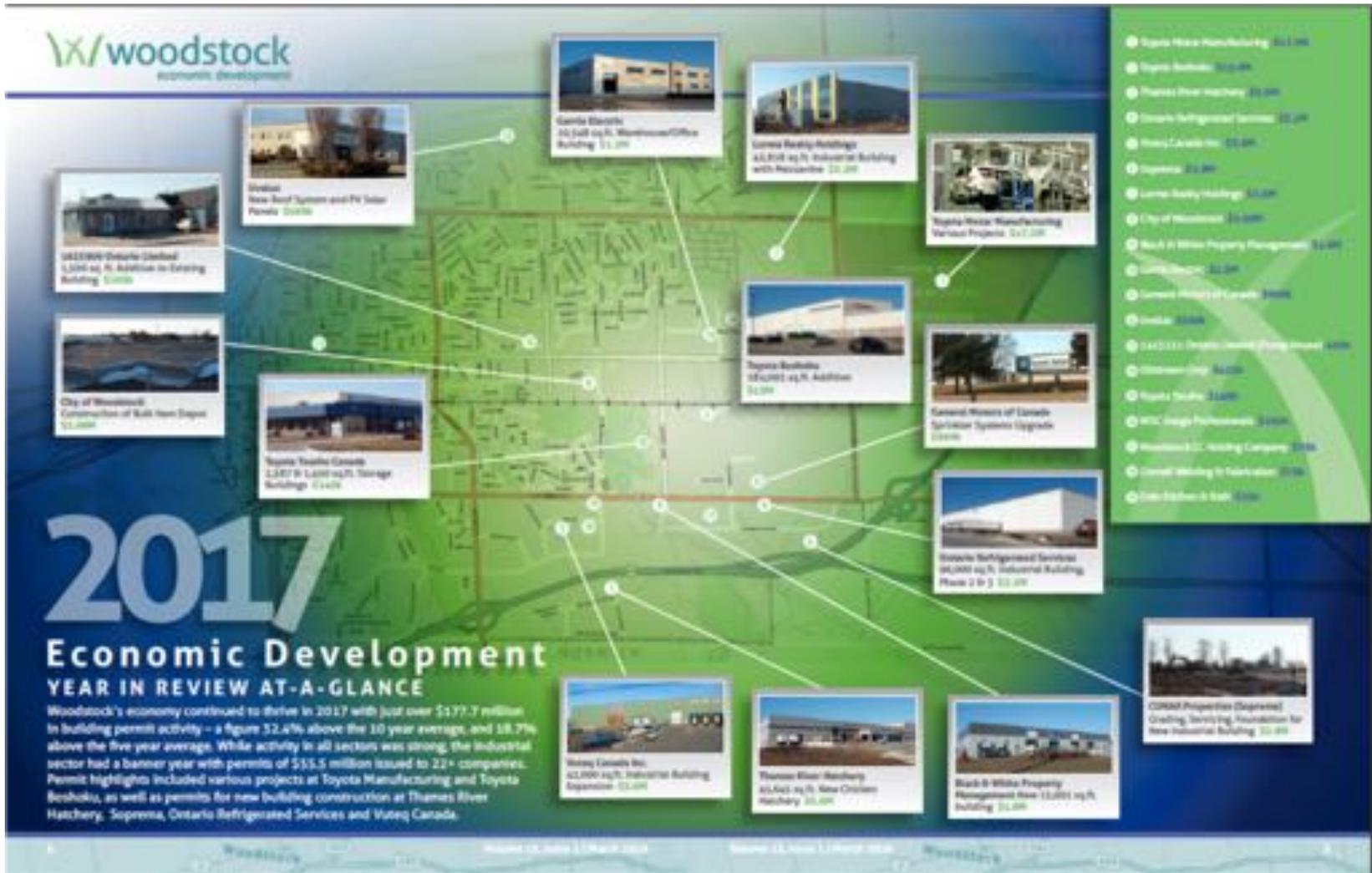


2018 Vernon Job Fair

Examples: Winnipeg, MB



Examples: Woodstock, ON





Examples: Calgary, AB

calgary economic development
be part of the energy

DOWNLOAD THE FULL ANNUAL REPORT

We're creating jobs.

We helped attract, expand and retain 67 companies. This means 5,700 new jobs and \$520 million to Calgary's GDP.

WHY CALGARY IS THE PLACE TO BE.

WHOA, THAT'S BIG. WHAT ELSE HAVE YOU BEEN UP TO?

2017 ANNUAL REPORT



Examples: Halton Region, ON

halton.ca

Halton REGION

ECONOMIC DEVELOPMENT

Q1 2018

Economic and Development Activity Report

The Halton Economic and Development Activity Report highlights key economic indicators and building permit activity during the first quarter of 2018 and describes their percentage (%) or percentage point (pp) change from the same period last year.

Labour Force & Business

The unemployment rate in Halton averaged 4.2% over the first quarter, representing a 1.1 percentage point (pp) increase over the previous quarter and a 0.2 pp decline when compared to the first quarter of 2017. The region's Q1 unemployment rate was significantly lower than the national (5.9%), provincial (5.4%) and overall Greater Toronto and Hamilton areas (GTHA) (5.3%) figures. Halton's participation rate decreased by 3.3 pp year over year, and at 66.3%, the figure remains notably higher than the national (64.9%), Ontario (63.9%) and GTHA (65.7%) rates.

	Q1 2018	vs. Q1 2017
Unemployment rate	4.2%	▼ 0.2 pp
Participation rate	66.3%	▼ 3.3 pp
Employment rate	63.5%	▼ 3.0 pp
	2017	vs. 2016
Number of jobs in Halton	231,576	▲ 3.2%
Number of Halton businesses	13,413	▲ 0.9%

Sources: Statistics Canada, Labour Force Survey, 3 month average (unadjusted) for Halton, Halton Region Employment Survey

Halton Business News

Province investing \$90 million to create new campus in Milton

The Wilfrid Laurier University/Conestoga College partnership campus will focus on science, technology, engineering, arts and mathematics (STEAM) programming. [Learn more](#)

Province partners with Burloak Technologies to build state-of-the-art facility in Oakville

Ontario is partnering with Burloak Technologies, a division of Samuel, Son & Co., to build a new world-leading 3D printing centre in Oakville creating 65 new jobs and retaining 16 positions. [Learn more](#)

Oakville's Laker Energy Products to receive \$144 million contract from Bruce Power

Laker Energy Products will provide end fittings, liners and flow elements for Bruce Power's MCR project. The \$144 million contract is expected to generate a number of spinoff jobs in Oakville. [Learn more](#)

Ontario's largest lavender farm announces major expansion

Terre Bleu, Milton attracts visitors from across the province and was awarded the 'Canada 150 Garden Experience' designation in 2017. The expansion will create an additional 25-50 new jobs. [Learn more](#)

INDUSTRIAL ACTIVITY

	Q1 2018	vs. Q1 2017
Inventory	57.3M sq. ft.	unchanged
Availability rate	6.0%	▼ 2.2pp
Absorption	95,117 sq. ft.	▲ 586262 sq.ft.
Asking net rental rate (per sq. ft.)	\$6.72	▲ 17.9%
Asking sale price (per sq. ft.)	\$133.82	▲ 14.8%
Total value of industrial construction	\$11.9M	▼ 23.8%

Sources: CBRE, Industrial MarketView (Burlington, Milton and Oakville average), Statistics Canada, Monthly Building Permit Statistics.



Examples: Adelaide, South Australia

KNOWLEDGE IS OUR FUTURE

CUMULATIVE INDUSTRY FUNDING TO UNIVERSITIES AND PUBLIC RESEARCH SECTOR

Year	Funding (Millions)
2010	~1000
2011	~1800
2012	~2800
2013	~3800
2014	~4500
2015	~5500
2016	~6500
2017 (Target)	~7500

Source: Department of Education HRDC, Department of State Development

OUR 2017 OBJECTIVES

- Ensure our businesses lead the nation in bringing new products and services to market that result from collaboration with our publicly funded research sector.
- Increase cumulative industry funding to our publicly funded research sector from \$270 million in 2012 to \$570 million by 2017.
- Increase the number of international students studying in South Australia from 28,300 in 2013 (baseline) to 35,500 in 2017.
- Increase the number of science, technology, engineering and maths (STEM) students commencing undergraduate and postgraduate studies each year from 11,200 in 2013 (baseline) to 13,300 by 2017.
- Establish an accommodation offer guarantee to new international students studying at our public universities.

Legend: ▲ achieved ▲ new ▲ to change

SMART CITIES

An agreement with Cisco has seen Adelaide named as the company's first Australian 'Lighthouse City'. This gives Adelaide-based start-ups and entrepreneurs great opportunities to capitalise on the 'Internet of Things' initiative - in which they can develop new products and applications that have a practical use for the cities of the future.

ECONOMIC PRIORITIES LGA 6/16/17

KNOWLEDGE is our future

2015 OBJECTIVES

4 (achieved) 5 (in track)

2017 OBJECTIVES

2 (achieved) 2 (in track) 1 (challenging)

Legend: ■ achieved ■ in track ■ program made ■ challenging ■ not achieved

South Australia continues to grow its reputation as a leader in research and an attractive location for international students. In the past 12 months, international student numbers have grown significantly, to 29,439 in the year to September, a 4.8 per cent increase on the previous year.

Collaboration between business and our world-class universities is growing, with cumulative industry funding to our universities and publicly funded research institutes increasing by \$269 million.

A number of reforms are being pursued to address the 2 per cent decline in STEM enrolments over the past year, and ensure students are ready to take on jobs in new and emerging industries.

COLLABORATION BETWEEN BUSINESS AND OUR WORLD-CLASS UNIVERSITIES IS GROWING

Examples: Southwest Ontario Tourism Corporation RTO #1



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Examples: Southwest Ontario Tourism Corporation RTO #1



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Best Practices



Avoid these traps



- **Metrics beyond EDO control**
- **Missing local operational differences**
- **Too many metrics, limited resources**
- **what's easy vs. what's important**
- **Metrics peripheral to desired results**



Avoid these traps



- Culture pressures employees to **skew results**
- Metrics that are not **SMART**
(Specific, Measurable, Achievable, Relevant and Time-bound)
- **Blame** vs finding ways to improve
- **Failing to make changes**
- **Failing to measure the impact of the metrics**



10 Best Practice Tips



1. Align performance measures with strategic plan
2. Define performance measure
3. Get agreement on measures
4. Establish data source and frequency of measurement
5. Be consistent – measure & report over time



10 Best Practice Tips



6. Start small
7. Assign performance measurement task
8. Determine communication method
9. Tell your story
10. Revisit measures to confirm their usefulness



Performance Measures



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The Economic Development Superhero's Super Power

Resources



- **Performance Measurement Toolkit for Local Economic Development**
Province of British Columbia
www2.gov.bc.ca
- **Measuring Up!**
Ontario Ministry of Agriculture Food and Rural Affairs
www.omafra.gov.on.ca
- **Making it Count: Metrics for High Performing EDOs**
International Economic Developers Council
www.iedconline.org
- **Development of Performance Measurement Systems for Local and Regional Economic Development Organizations**
Economic Developers Association of Canada
www.edac.ca
- **Standard DMO Performance Reporting A Handbook for Destination Marketing Organizations (DMOs)**
Destination Marketing Association International
<https://destinationsinternational.org>
- **Ontario BIA Handbook**
www.mah.gov.on.ca



Thank you

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