

**Town of Whitby - Investment Inquiry Process
Lean Project Report**

Prepared by: Brayden Siersma

Fall 2023

Town of Whitby

Strategic Initiatives – Economic Development

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1. Executive Summary

The purpose of this report is to review the investment inquiry process for the Town of Whitby Economic Development Division. The project area includes how an investment inquiry is made to the municipality, the process of identifying potential sites, preparing an investment package, and ultimately sending the site options to an investor. This project was selected as it is closely aligned to municipal priorities, including the Economic Development Strategy, Council Goals, and the Community Strategic Plan. The investment inquiry process, if done effectively, helps Whitby's ability to attract non-residential investment which can lead to local job creation, increased municipal revenues, and diversifying the tax base.

This report describes the lean approach that was used to review the investment inquiry process. This includes the planning approach developed with the project team, defining goals and objectives, and mapping the current process. Based on the current state analysis, the report also identifies keys areas of improvement, measuring the ability to implement actions that address waste, and ultimately developing a future state for the investment inquiry process.

Throughout the project, some challenges were encountered including managing capacity and resources, maintaining communications with the project team, and securing support from senior leadership. In the end, as the report demonstrates, the lean tools implemented (i.e., current process flow, VSM, Gemba, Waste Walk) offer a practical approach to implementing an online intake form, connecting a CRM platform, and introducing follow-up reporting to improve the customer experience of investors. Ultimately, the review of the investment inquiry process enhances our ability to attract new investment to the community.

2. Introduction and Objectives

This section introduces the investment inquiry process by identifying the project area, rationale for selecting the area and importance to the municipality. It also identifies the objectives of the project through the improvement expectations. Additional information can be found in Appendix 1: Project Charter.

Project Area

For my project area, I selected the investment inquiry process for the Town of Whitby Economic Development Division. At a high-level, the investment inquiry process includes providing available sites and information to a prospective investor that is interested in locating a business within the Town of Whitby. When an investment inquiry is made, Economic Development Staff work to identify suitable options, confirm availability, ensure compliance with zoning by-laws, and present the opportunities within an investment package. The investor reviews the investment package and determines if any of the proposed sites or spaces match their desired needs.

Project Rationale

The investment process project area was selected for a variety of reasons, including municipal priorities, customer impact, and changes in staffing. In terms of municipal priorities, there is a newly elected Mayor and Council that have communicated the importance of economic growth and diversification of the existing tax base. From a customer impact point of view, we have experienced an increase in investor inquiries, so we need to ensure we are providing valuable and timely information for a consistent customer experience. Finally, from a staffing perspective, there has been a change in staff for the Economic Development Officer role, and an additional Economic Development Officer contract position added to the portfolio. For these reasons, a review of the investment inquiry process offers an opportunity to assess our existing process and determine areas of improvement.

Project Importance

The investment inquiry process review is important for a variety of reasons. The investment inquiries typically provide a significant economic opportunity for the municipality. If realized, these inquiries could lead to increased municipal revenues, job creation, and tax assessment growth. Having a more streamlined and efficient investment inquiry process, would allow us to better understand factors driving investment decisions. Essentially, if we can improve the customer experience process, reduce potential wastes, and identify constraints that are within our control, then there is a greater likelihood the investment will be made.

The investment inquiry process is a suitable project as it's closely aligned to the strategic direction of the organization and Council. The review of the investment inquiry process is aligned to Whitby Council Goal's which identifies the need to "deliver local jobs and prosperity through strategic planning and promotion that builds on resilience and economic diversity". The review of the investment inquiry process is also aligned to the Whitby Corporate Strategic Plan that identifies the need to "provide consistent, optimized, and positive customer service experience".

Improvement Expectations

In terms of improvements expected from the investment inquiry process review, we are looking at the following quantified factors:

- Reduce average wait-time for investor to receive available sites,
- Increase the number of investment inquiries received by the municipality,

- Increase the number of investments that result from investment inquiries,
- Improve customer satisfaction with the investment inquiry process, as measured by follow-up discussion,

In terms of qualified factors, we are expected an improvement in the following factors:

- Reduced processing time by eliminating bottlenecks in the process,
- Increased transparency and communication by implementing clear and concise protocol,
- Improved resource utilization by identifying areas of waste.

3. Approach and Initial Planning

This section of the report describes the strategy that was employed for the investment inquiry review process and including information on securing support from leadership and team members, as well as the approach to the lean project:

Secured Support

For the investment inquiry review process, I was able to gain leadership support by communicating the potential improvements of the existing process, communicating the potential value, and identifying how the project aligns to other corporate goals:

- Economic Development Strategy
- Corporate Strategic Plan
- Council Goals.

In terms of team members selected for the investment inquiry process review, the following staff were selected:

- Brayden Siersma, Economic Development Officer
- Paul Pirri, Senior Manager of Economic Development
- Madeleine Riley, Economic Development Coordinator
- John Taylor, Senior Manager of Zoning Administration
- Dan Ruby, Manager of Investment Attraction, Invest Durham

These team members were selected as they are all involved in investment inquiry process in some way. It was especially important to include Whitby Economic Development Staff as it allows us to harness individual perspectives and expertise, and the opportunity to educate team members on the lean methodology and concepts that can later be applied to other internal processes within the division.

Planning Approach

To effectively use lean methodology to achieve improvements in the investment inquiry process, the following planning approach or strategy was developed with the project team:

1. Clearly define the goals and objectives,
2. Map the current process,
3. Identify areas for improvement,
4. Implement changes,
5. Monitor progress,
6. Continuously improve.

4. Current State Analysis

This section offers an analysis of the current state of the investment inquiry process and sets the foundation for future state improvements.

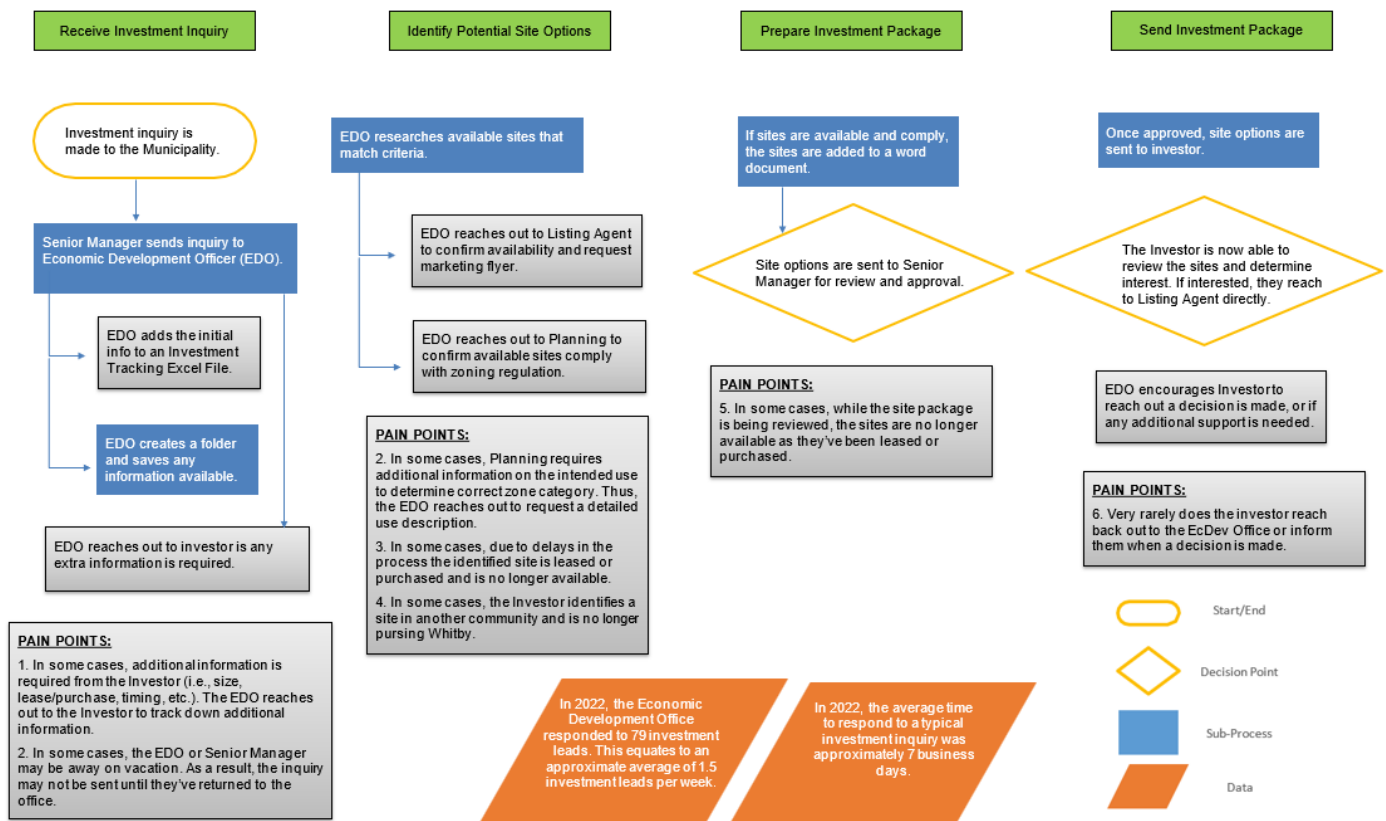
Current Performance:

In 2022, the Whitby Economic Development responded to 79 investment inquiries (avg. 1.5 per week). These inquiries were directly to the Economic Development Office, through Mayor’s Office and Invest Durham. Of the 79 investment leads, Staff are actively working with 11 investors considering the Town of Whitby, while the remaining 68 investment inquiries are considered closed.

Current State Analysis – Process Flow

A current state analysis was conducted to visual interpret the micro-flow of the process. The scope of the current state analysis was from the point an inquiry is made to the municipality to the point where site options are sent to the investor for consideration.

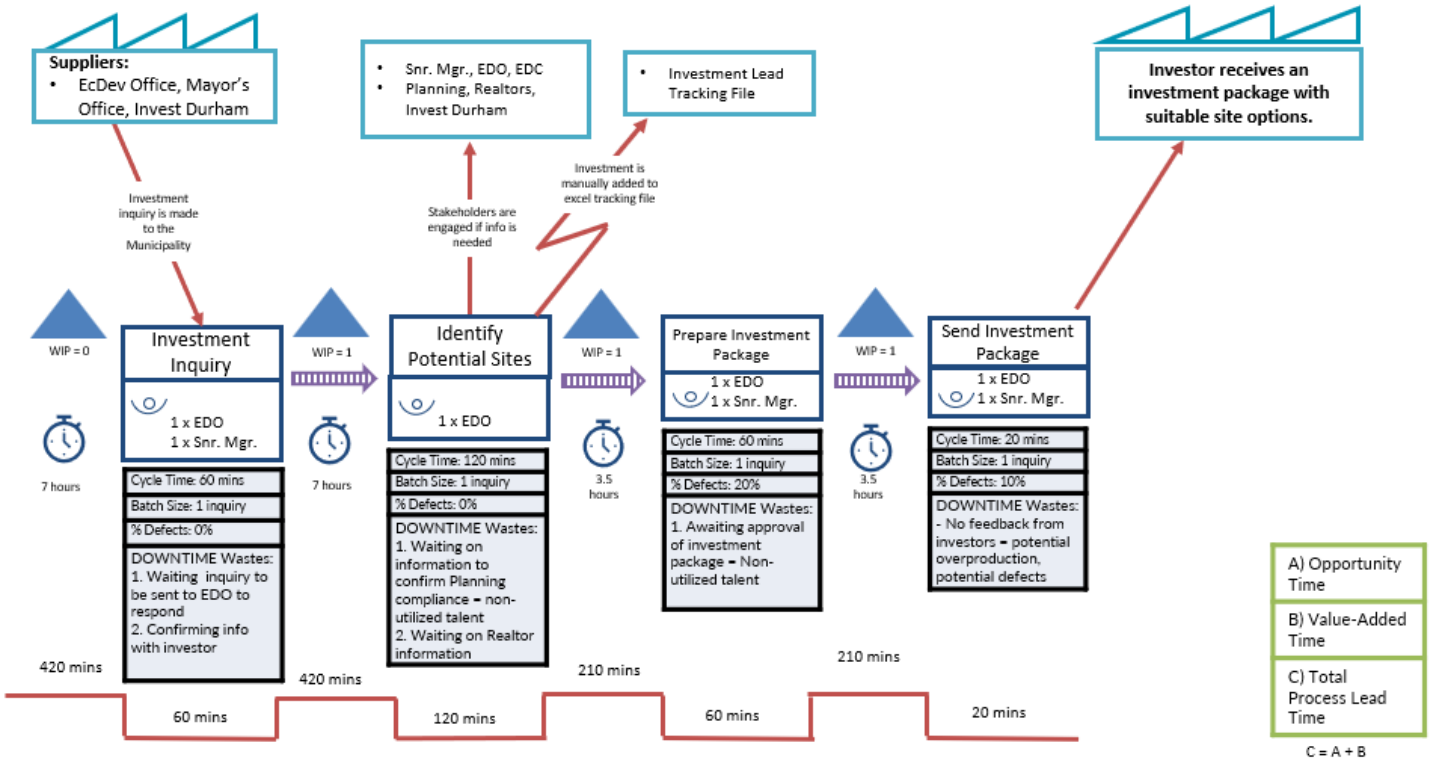
Appendix 2: Current State Process Flow:



Current State Analysis - Value Stream Mapping

We then conducted an analysis of the Current Value Stream Map (VSM). This was an effective approach to measure the specific process area, identify any service movement, and document customer value stream information flows throughout the investment inquiry process.

Appendix 3: Current State Value Stream Map (VSM) – Investment Inquiry Process



Gemba Walk/Waste Walk

Next, a Gemba Walk was conducted to observe the process, understand the value activities, and classify activities into the categories of Value-Add, Non-Value Add, and Necessary Non-Value Add activities. The result of this analysis can be demonstrated through Types of Waste chart (Appendix 4).

Appendix 4: Types of Waste:

Value Add

1. Research and Analysis - Conducting additional research on available sites and analyzing investment inquiries to identify trends and opportunities.
2. Investor Communication - Engaging with investors to understand exact needs and provide clear and transparent communication through the process.
3. Compliance Review - Ensure sites are compliance with Planning and other regulatory requirements throughout the municipal process.

Non-Value Add

1. Unnecessary Reviews - Conducting redundant reviews or approval of investment packages that do not add value to the process.
2. Waiting Time - Idle time spent waiting for information or approvals that do not add value to the investment inquiry process. Examples include confirming Planning approval or confirmation of availability through Realtors. Excess waiting can lead to sites no longer being available or investor moving onto another community.









Necessary Non-Value Add

1. Administrative Task - Performing administrative tasks such as investment lead tracking which does not directly add value to the investment inquiry process but are necessary for Council reporting.
2. Training and Development - Providing training and development opportunities for employees, which do not directly add value to the investment inquiry process but allow staff to contribute to while others are away from the office and for future development.

Waste Reporting Form

Next, the Waste Reporting Form (Appendix 5) was developed. The main areas of wastes included increased wait time confirming investor information, planning compliance, realtor information and package approval. This could lead the the Investor moving onto another community, and sites no longer being available as the commercial market moves quickly. Other areas of waste were from the manual processes of receiving the initial inquiry from the source, manual data entry, and the lack of standardization in follow-up and reporting. All the areas of waste negatively influence the process and potentially impacted the success of investment attraction efforts.

Appendix 5: Waste Recording Form:

Waste Recording Form – Investment Inquiry Process									
Where	Hybrid – Online and In-Office								
Who	Town Staff, Investors	Defects	Overproduction	Waiting	Non Utilized Talent	Transportation	Inventory	Motion	Excessive Processing
What	Investment Inquiry Process	Place an "X" in the appropriate column that best describes the waste category for each waste observed.							
1. Confirming investor inquiry details	X			X					
2. Confirming compliance with Planning				X	X				
3. Confirming availability with realtors				X					
4. Approving investment package				X	X				
5. Process of receiving investment inquiry from Snr. Mgr. to EDO					X				X
6. Manual entry of inquiry into tracking excel sheet	X								
7. Manual reporting and follow-up	X								X

5. Defining the Future and Achieving Improvements

With the current state analysis complete, we shifted our attention to analysing the areas for improvement and how we could achieve potential gains or improvements to the investment inquiry process.

Pick Chart

The project team considered ways of address the areas of improvement. As a way of sorting through the potential actions identified through the Gemba Walk and Waste Analysis, a Pick Chart Analysis was conducted (Appendix 6: Pick Chart). This provided an effective way to measure the potential payoff of actions, relative to the difficulty to implement.

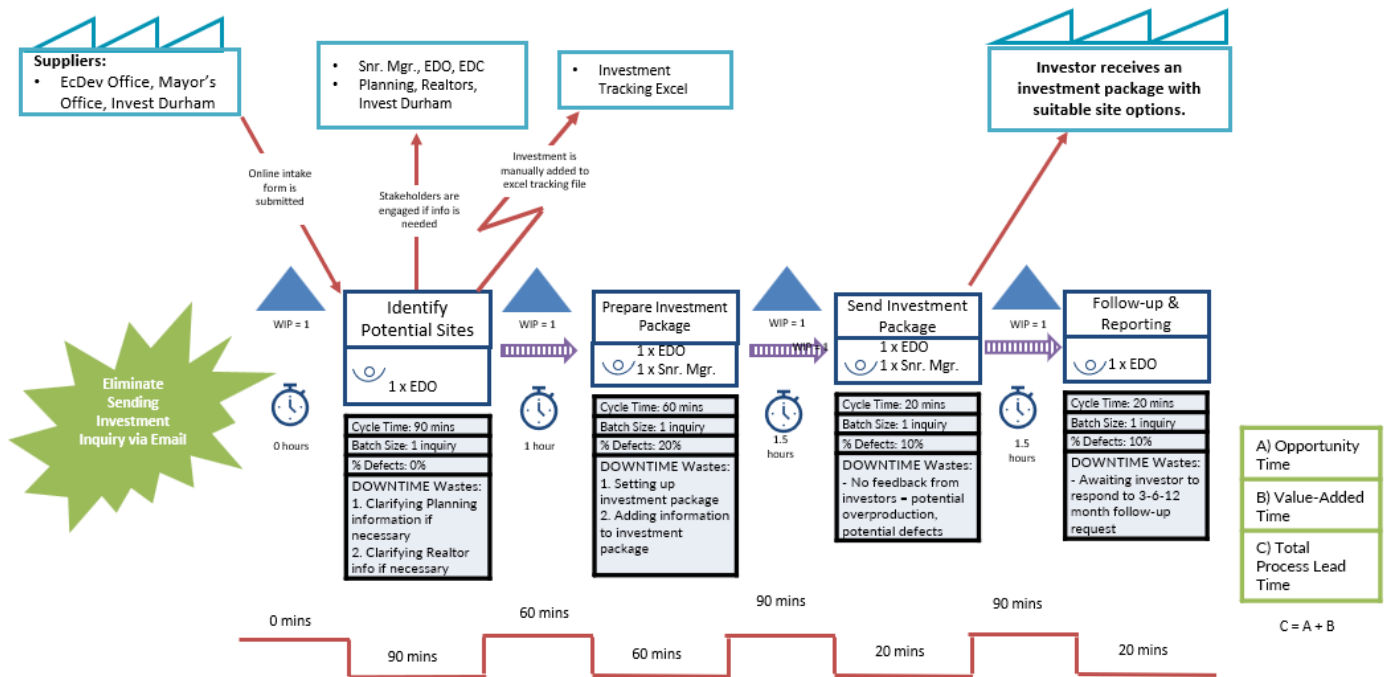
Appendix 6: Pick Chart

	BIG payoff	SMALL payoff
EASY to implement	<ol style="list-style-type: none"> 1. Implement a 3-6-12 month follow-up process for all investment inquiries, 2. Communicate investment package as possible location options, subject to availability and compliance with Planning. Helps ensure Investors are held responsible for compliance during due diligence phase of investment decision. 3. Remove approval stage of the Investment Package and allow EDO to send package directly to Investors. 	<ol style="list-style-type: none"> 1. Provide information to the Investor early in the process that defines timelines and process outcomes to help ensure clear expectations, 2. Prepare all investment packages in a consistent PowerPoint package, 3. Ensure Staff that are involved in identifying potential sites have training on Planning regulation including zoning by-laws and other policies.
HARD to implement	<ol style="list-style-type: none"> 1. Implement an online intake form for all investment inquiries. 2. Implement and connect the online intake form to the EcDev CRM platform to help track, monitor, and report on investment inquiries. 	<ol style="list-style-type: none"> 1. Assign a designated Staff in Planning Dept., to review and support investment inquiries. Difficult to implement due to Staffing constraints in Planning Dept.

Future State Analysis – Value Stream Mapping

The Pick Chart Analysis helped inform our Future State – Value Stream Map (Appendix 7: Future State Value Stream Map) which offers a visual display of the process changes that will be implemented in the investment inquiry process. The most significant outcome of the Future State Value Stream Map was one kaizen event, that led to the elimination of the manual sending investment inquiries via email from the source (i.e., Senior Manager, Invest Durham, Mayor’s Office) to the Economic Development Officer. Instead, we identified the opportunity to implement an online intake form for investment inquiries that was connected to an Economic Development CRM platform. This could help automatically track investment inquiries, manage profiles, interactive dashboard and reporting purposes. With resources unlocked with the online intake and CRM platform, an additional macro-step was added for reporting and follow-up. This created an opportunity to hear directly from the customer after the investment package was sent to understand barriers influencing the investment, considerations for the future and maintain a relationships and dialogue.

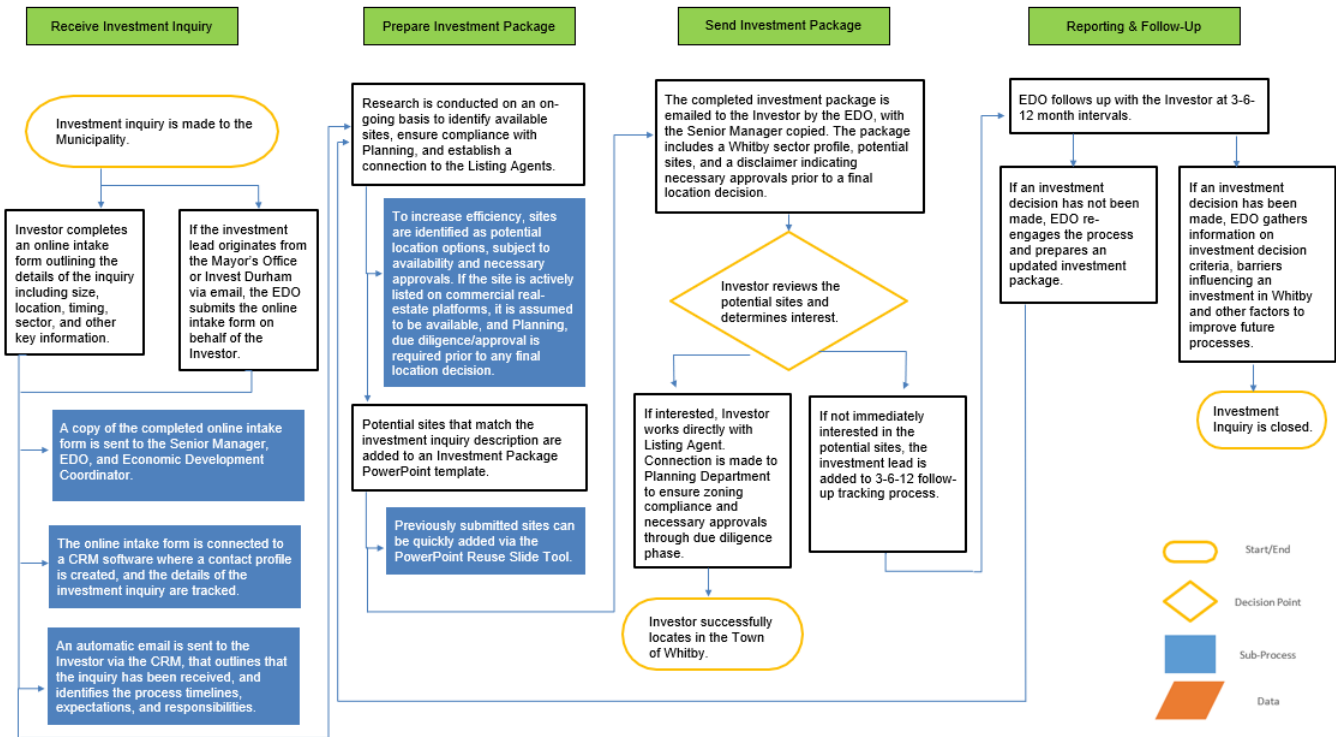
Appendix 7: Future State Value Stream Map



Future State Analysis – Process Flow

Finally, the future state micro-flow helps provide a visual representation of the enhanced process with areas of improvement implemented. This shows the new process flow and includes the micro-steps and macro-steps identified from the value stream mapping. This offers an excellent future state visual flow for the project team and future members.

Appendix 8: Future State Analysis – Investment Inquiry Process



6. Implementation Results

The review of the investment inquiry process was an effective exercise to understand our current process, identify areas of waste and sort the areas of improvement efficiently. We recognized, through the analyses, that a lot of the waste in our existing process could be improved through adopted of technology, including an online inquiry form, and a CRM platform that tracks inquiries, investor profiles and follow-up reporting. The online form is currently being developed with support from our TIS department. It's anticipated that it will be live on Whitby.ca by mid-May. The integration with the existing CRM platform is also underway but expected to be implemented by mid-June. While the CRM platform has an initial cost, it also offers a future cost savings for our Economic Development team as we can develop automatic emails, live dashboards, and quickly pull reports for Council updates and measuring KPI's. Embracing technology to improve the investment inquiry process also provides additional value to the Investor as they can submit intake requests outside of regular business hours, ensure the correct information is included and receive an automated follow-up email indicating expected timelines, expectations, and responsibilities. The CRM platform also has future benefits to the Economic Development Team by automating other aspects of process to increase future process efficiency.

The lean review of the investment inquiry process also allowed us to place more emphasis on the customer experience and ensure we are providing value. We identified that pro-actively communicating our ability and limitations in the investment inquiry process. As a result of the process review, we adapted our role to providing "potential location options, subject to municipal approval and availability". This minor change in positioning allows our process to become more agile. This also helped increase efficiency in providing timely investment location options within the to the quick nature of the commercial real-estate market, and the ability to enter a due diligence period prior to final location decision. Essentially, by undertaking a lean review of our investment inquiry process, we were able to make improvements our municipal process to match the speed and needs of the business community.

To ensure we are continuously improving our investment inquiry process, we have included mechanisms in our follow-up process with Investors to continue to understand the process from the customer point of view and ensure we are continuously adapting our process to provide value. We will also be reviewing the feedback with our project team, and continuing to future the implementation of the online intake form and CRM in a future state to ensure we embrace lean methodology moving forward.

7. Report on Key Learning Points

Reviewing the investment inquiry process provided a great opportunity to review a vital process that is closely aligned to our Economic Development Strategy, Council Goals and Community Strategic Plan. As a project team, we were able to map the customer experience and identify the areas of value and wastes within the investment inquiry process. By leveraging lean tools such as Gemba Walk and Value Stream Mapping, we were able to create a clear understanding of current process and identify areas of improvement.

This project resulted in an enhanced investment inquiry process by reducing wait time, enhancing roles and capacity of staff, and embracing technology solutions that help with tracking, reporting and follow-up. As a result, we have enhanced our ability to attract investment as a community. We have also trained our Economic Development team to embrace change, understand the value of working together and communicating as a project team and, ultimately leverage the power of Lean methodologies and tools which will help make future improvements to Economic Development processes.

8. Appendix

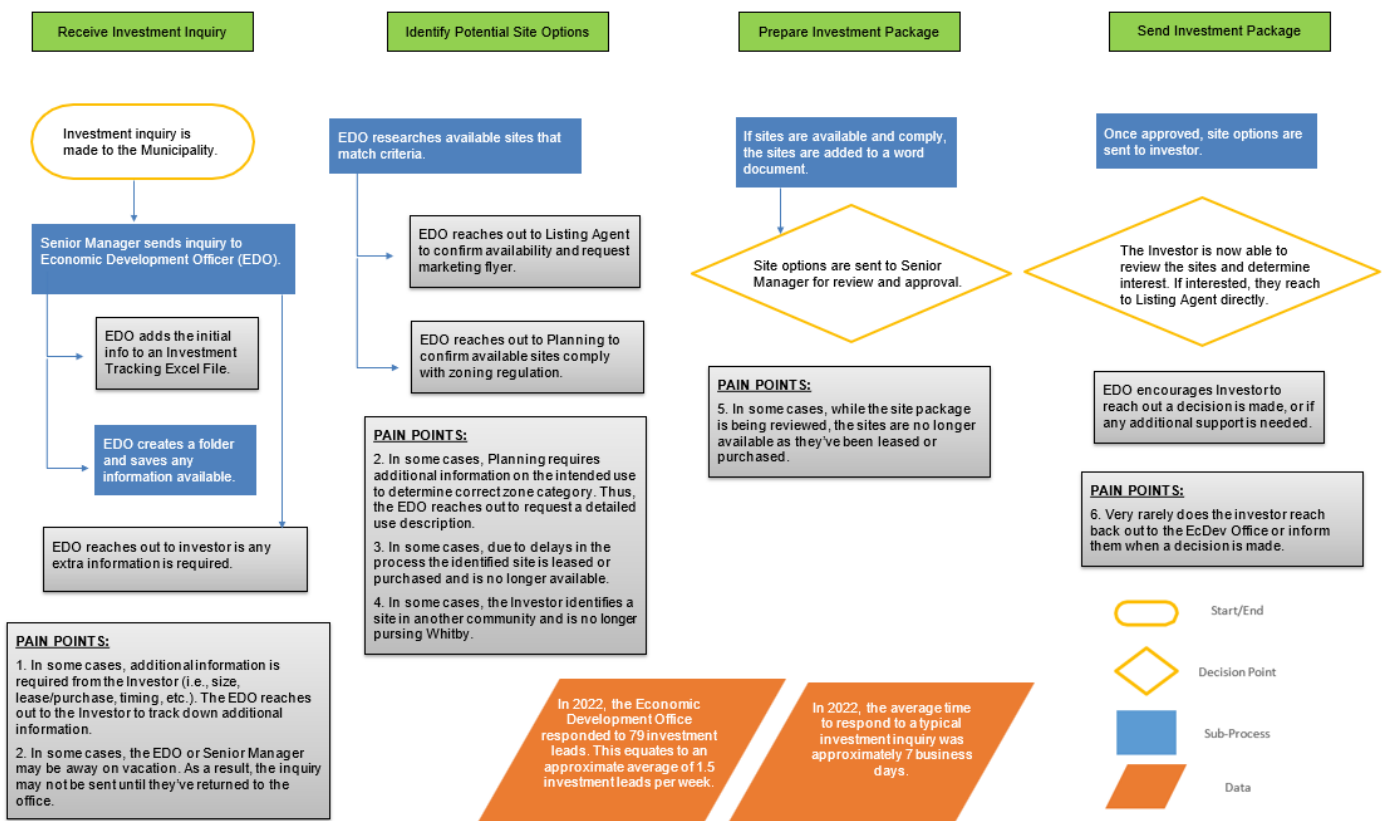
Appendix 1: Project Charter

Project Title: Investment Inquiry Process	
Belt Name: Brayden Siersma	Planned Start Date: December 01, 2022
Project Champion: Paul Pirri	Planned End Date: February 28, 2023
Business Case: <p>There are many benefits for reviewing the investment inquiry process for the Town of Whitby. By undertaking a lean project, we can potentially create a more efficient and effective investment inquiry process. This could lead to increased investment in the municipality, which in turn could generate economic growth and job creation. Additionally, a better process could help to attract high-quality businesses and investments, leading to an overall improvement in the Town of Whitby economy. Furthermore, a review of the investment inquiry process could identify potential bottlenecks or inefficiencies, allowing the municipality to address these issues and improve the process overall. These potential benefits could be used to justify the investment of resources in reviewing and improving the investment inquiry process.</p>	
Problem/Opportunity Statement: <p>A review of the investment inquiry process could help identify any dependencies on individual staff members and develop solutions to make the process more resilient to changes in staffing. This could include implementing standard operating procedures, training multiple staff members on the process, or using technology to automate certain tasks. By reviewing the process, the Town of Whitby can ensure that it is able to manage investment inquiries consistently and effectively. A review of the investment inquiry process could help to identify potential issues and develop solutions to address them, leading to a more effective and efficient process for attracting and retaining investment.</p>	
SMART Objective: <p>Some initial SMART (specific, measurable, attainable, relevant, and time-bound) objectives for a lean review of the investment inquiry process for the Town of Whitby include:</p> <ol style="list-style-type: none"> 1. Develop and implement a new investment inquiry process within 3 months that is more transparent, efficient, and user-friendly. 2. Reduce the average time to respond to investment inquiries from 5 days to 2 days within the next 3 months. 3. Increase the number of investment inquiries received by the municipality by at least 20% within the next year. 4. Increase the number of investments that result from investment inquiries by at least 10% within the next two years. 5. Improve customer satisfaction with the investment inquiry process, as measured by follow-up discussion, by at least 20% within the next six months. 	
Scope Start Process Step: <p>The scope start process involves the following steps:</p> <ol style="list-style-type: none"> 1. Identify the objective of the project, which is to improve the investment inquiry process to make it more efficient, effective, and user-friendly. 	Scope End Process Step: <p>A scope end process involves the following steps:</p> <ol style="list-style-type: none"> 1. Evaluate the project against the criteria for success that were established at the beginning of the project. This includes measuring the time to respond to

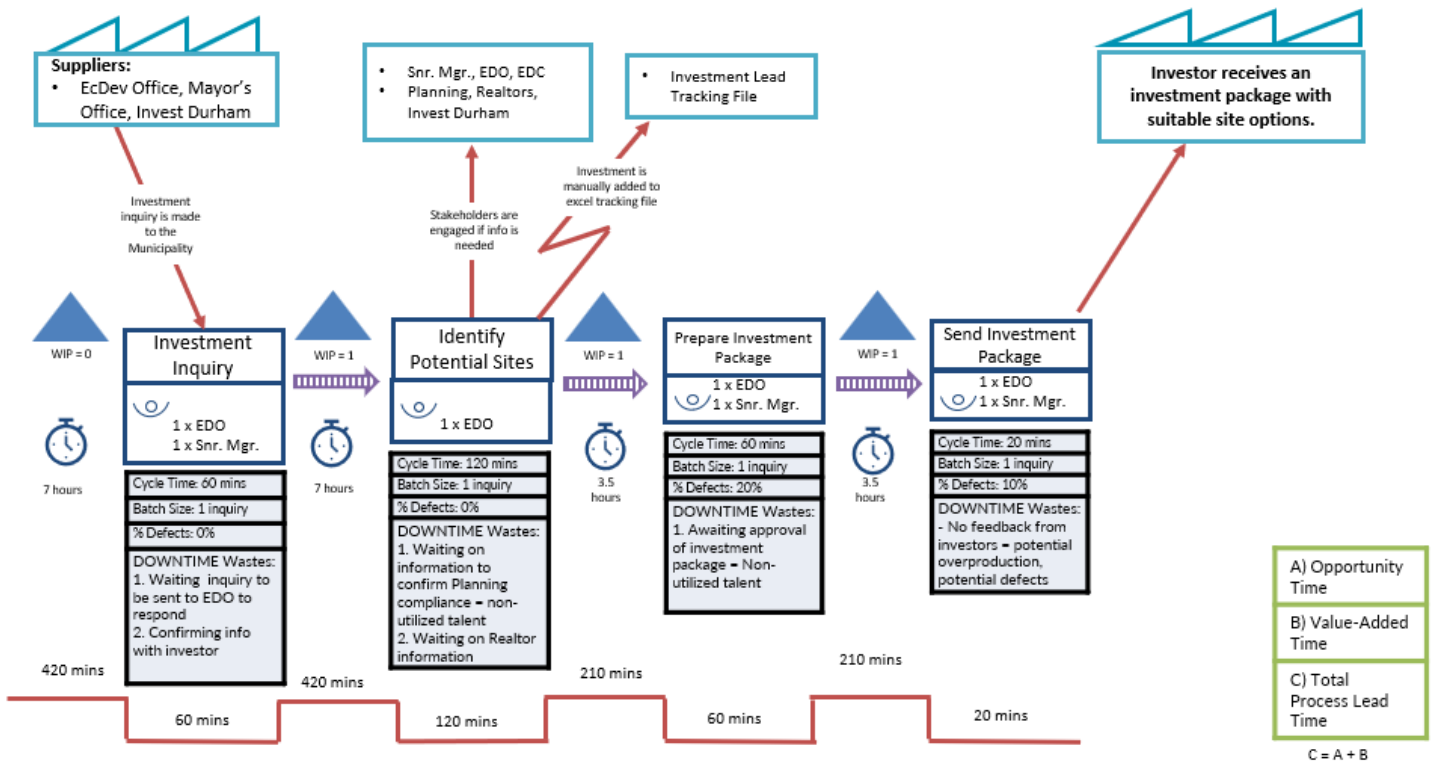
<ol style="list-style-type: none"> 2. Identify the stakeholders, which could include the municipality's economic development department, Region of Durham, and Whitby Planning Division 3. Define the scope of the project, which includes reviewing the current investment inquiry process, identifying areas for improvement, and developing and implementing a new process. 4. Define the boundaries of the project, which includes a timeline for completing the review and implementing the new process 5. Outline the criteria for success, which includes reducing the time to respond to investment inquiries, increasing the number of investment inquiries received, and improving customer satisfaction with the process. 	<p>investment inquiries, the number of investment inquiries received, and customer satisfaction with the process.</p> <ol style="list-style-type: none"> 2. Document the results of the evaluation and compare them to the original goals and expectations for the project. 3. Identify any areas where the project did not meet its goals and discuss potential reasons for this. 4. Develop recommendations for future projects based on the lessons learned from this project. 5. Communicate the results of the project and the recommendations to key stakeholders, including the municipality's economic development department, local businesses, and potential investors. 	
<p>Out of Scope:</p> <p>The items that are out of scope for reviewing the investment inquiry process for the Town of Whitby could include activities or topics that are not directly related to the investment inquiry process. For example, the scope of the project might not include reviewing or changing the municipality's overall economic development strategy or examining the processes for other types of business inquiries. Additionally, the scope might not include activities that are beyond the control of the municipality, such as changes to federal or provincial regulations that could affect the investment inquiry process</p>	<p>Project Constraints:</p> <p>Some potential project constraints include:</p> <ol style="list-style-type: none"> 1. Time: The project timeframe could affect the scope and scale of the project. 2. Stakeholder involvement: The project requires some input or approval from various stakeholders, which could impact the project timeline <p>By identifying and considering these potential constraints at the beginning of the project, our project team can develop a plan that takes them into account and helps to ensure the success of the project.</p>	
<p>Team Members:</p> <p>Brayden Siersma, Economic Development Officer, Town of Whitby</p> <p>Paul Pirri, Senior Manager of Economic Development, Town of Whitby</p>	<p>Other Resources Required (People and/or Materials):</p> <ul style="list-style-type: none"> • Information on the municipality's current process for investments inquiries • Detailed information on the potential investment opportunities • Input from relevant stakeholders, such as elected officials, staff 	<p>Key Stakeholders:</p> <p>Taran Sambhi, Economic Development Coordinator, Invest Durham</p> <p>John Taylor, Senior Manager, Zoning Administration, Town of Whitby</p>

	<p>members, and members of the community</p> <ul style="list-style-type: none"> • Comparisons to similar investments made by other municipalities, as well as relevant best practices or industry standards 	
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Appendix 2: Current State Process Flow:



Appendix 3: Current State Value Stream Map (VSM) – Investment Inquiry Process



Appendix 4: Types of Waste:

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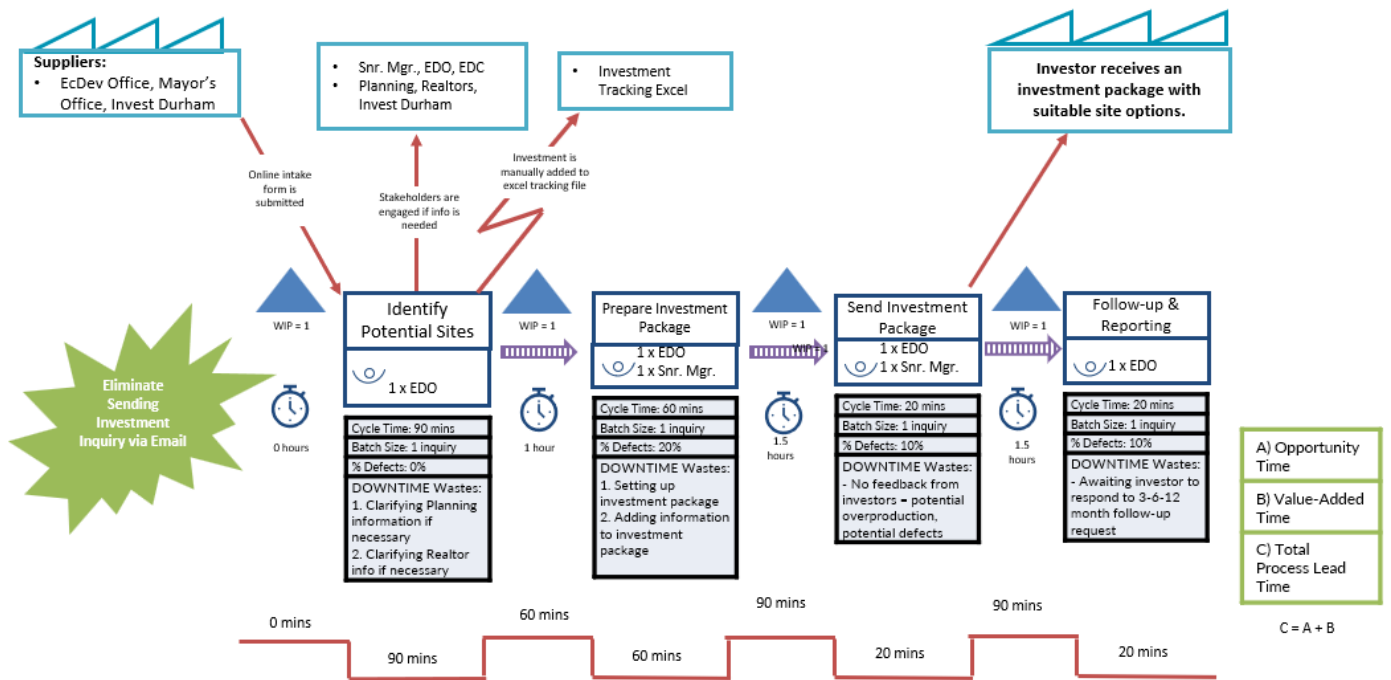
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6. Manual entry of inquiry into tracking excel sheet	X									
7. Manual reporting and follow-up	X								X	

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Appendix 7: Future State Value Stream Map



Appendix 8: Future State Analysis – Investment Inquiry Process

