



Strengthening the Foundations:

The Regional Economic Development Strategy for Eastern Ontario

Supported by:

Eastern Ontario Wardens' Caucus

Eastern Ontario Mayors' Committee

Province of Ontario

Government of Canada through Eastern Ontario CFDC Network

Presented by **Kathryn Wood on behalf of Millier Dickinson Blais Inc.**

At Ontario East Municipal Conference, September 9, 2014

Purpose of Strategy

A. Identify the high priority, regional opportunities that will advance the economy of Eastern Ontario

- Cross cutting and cross sectoral in approach

B. Improve the underlying conditions for economic development throughout the region

Note: oversight of the development of the Strategy was provided by a Guiding Coalition with representation from EOWC, EOMC, EO CFDCs and OEEDC

The Strategy is now available at www.eowc.org
(under Media Releases – August 15, 2014)



Inputs to Strategy Development

- Background and literature review/document scan
- Updated regional economic analysis
- Approximately 500 participants in online business and economic development community surveys
- One-on-one/small group interviews with 120+ individuals
 - EDOs, key sectors, funders, education and training, SMEs
- Nine focus group discussions with 140+ people geared to major themes
- Small group discussions with Wardens' Caucus and Mayors' Committee



Collaboration will be Essential

- The vision is far-reaching and will take time to complete, but there are significant opportunities to create momentum for the Plan in the short term
- Effective implementation will require region-wide collaboration across business, industry, networks, institutions, associations, as well as economic development professionals – this is a team sport!
- Eastern Ontario has established precedents for moving forward collaboratively to address issues, challenges and opportunities that advance the economic growth of the region
 - EODF
 - EORN

Mapping the Terrain

The context for an economic development strategy needs to be understood



Ontario competitive position is slipping

- Province continues to lag most of its North American peers in economic output
- Lower levels of investment persist in productivity-enhancing tools, such as machinery and equipment and information and technology
- Innovation, in terms of spending by business, remains low
- Deteriorating infrastructure is hampering growth
- Education and training systems not preparing people for the modern labour market
- Businesses not taking advantage of the incentives that would promote growth

We do not know what Eastern Ontario's status is on the first three issues. We heard from stakeholders that the last three hold true for this region as well.



Eastern Ontario at a 'Fork in the Road'

- Balancing perceptions with reality of the regional economy
 - Stakeholder focus on tourism, may be unwarranted
 - Growth in agricultural operations and investment significant, but not creating employment; there is a high cost of entry (agriculture / agri-business)
 - Manufacturing will be challenged by ongoing structural shifts; historic employment levels will not return, technology deployment will be dramatic
 - Quality of life does not have the appeal we think for younger workers or other target segments; come for a few years, leave for the career progression

Jobs and increased productivity & innovation
may come from different initiatives.



Eastern Ontario at a 'Fork in the Road'

- Emerging niche markets; integration of technology across all sectors of economy; require better competitive intelligence and industry expertise
- Technology integration has significant implications for growth of economy - education, manufacturing, health care, retailing, tourism, agriculture
- Quality of infrastructure challenges investment attraction and retention
- Education system not responding fast enough to shifts in economy or needs of business; no confidence in available data on needs of business

Impact of external trends + feedback from stakeholders suggested that a regional strategy could help most by addressing cross-cutting themes.



Eastern Ontario at a ‘Fork in the Road’

- Focus of economic development efforts need to change
 - Heavy orientation toward incremental improvements rather than disruptive thinking
 - No clear sense of unique pan-regional competitive advantage; terminology confusion between market orientation, sectoral strengths and competitive advantage
 - For every 100 new jobs created in the private sector....
 - *55 jobs will be created by the expansion of existing local businesses*
 - *44 jobs will be created by new start-up companies*
 - *Only 1 new job will be created by a “greenfield” corporate relocation (EDAC: Performance Measurement in Economic Development, 2011)*

As project unfolded, there was a growing sense that a regional strategy could help to address these challenges.



Eastern Ontario at a 'Fork in the Road'

- Need better tools for financing economic development
 - Environment of no new money, especially for small, local initiatives
 - ROI/performance measurement being administered by senior levels of government and municipalities
 - More expectations for financial partnerships and regional approaches

As project unfolded, there was a growing sense that a regional strategy could help to address these challenges.



Key Considerations for Strategy

- Leadership and advocacy on key issues must go hand in hand
- Long term economic growth depends on ambitious actions by stakeholders and investment by business
- Need to close the perspective gap between business community and local government/economic development
- Need to re-interpret 'quality of life' in a broader context – one that includes workplace and career development opportunities
- Small, incremental changes won't do, need to be more disruptive in our thinking and our doing
- It will take a major effort to implement a regional strategy

Strategic Priorities

An Economic Development Strategy for Eastern Ontario



Strategic Priorities for Eastern Ontario

Priority 1

- Workforce Development + Deployment

Priority 2

- Technology Integration + Innovation

Priority 3

- Integrated + Intelligent Transportation Systems

Implementation Leadership to Accelerate the Change



Priority: Workforce Development + Deployment

■ Objectives:

- Strengthen access and quality of labour market intelligence to address the needs of business and individuals
- Create opportunities to bring together business and education to increase dialogue focused on strengthening alignment between business needs and education programming and curriculum
- Strengthen an innovative economy through diversity

“Too much of the labour market data is fragmented, not just among federal government departments but also within provincial governments and even down at the local level, leaving gaps and inconsistencies across the country.”

Don Drummond, Globe and Mail June 10, 2014



Priority: Workforce Development + Deployment

- **Short Term Actions:**

- **Strengthen local labour market intelligence through a validated local job vacancy reporting system**
- **Create an aggregated Job Posting Service for Eastern Ontario**
- **Conduct a comprehensive labour force gap analysis to validate supply and demand at the local and regional level**
- **Create an Eastern Ontario Online Training Network; a portal for suppliers of education and training services in the region**



Priority: Workforce Development + Deployment

■ Longer Term Actions:

- Build collaborative relationships between economic development and educational institutions to support experiential learning opportunities
- Create a Strategic Workforce Opportunities Team to inform strategic thinking on regional workforce issues and alignment of programming
- Educate local businesses on programs and supports to increase cultural knowledge and workplace diversity
- Explore opportunities to increase immigrant attraction and retention



Priority: Technology Integration + Innovation

■ Objectives:

- Assemble competitive intelligence that will foster incubation, research and testing, peer to peer networking and information sharing among regional businesses, organizations, and institutions
- Promote and expand the availability of traditional and non-traditional investment supports and ensure accessibility for a wide range of local businesses and organizations

“Governments will need to create an environment in which citizens can continue to prosper even as emerging technologies disrupt their lives”.

*McKinsey Global, Disruptive Technologies: Advances that will transform life, business and the global economy,
2014*



Priority: Technology Integration + Innovation

■ Short Term Actions:

- **Map and profile EO Innovation Ecosystem to better understand the breadth of innovation services, collaborative supports and local assets that can contribute to establishing a competitive advantage**
- **Host a ‘Meeting of Minds’ gathering to explore the impact and opportunities for digital fabrication and additive manufacturing in EO**
- **Obtain EO business performance data to improve understanding of how the regional economy is performing and the level of innovation and investment that is underway**
- **Encourage the coordination of a regional manufacturing innovation network**



Priority: Technology Integration + Innovation

■ Longer Term Actions:

- Develop an EO Tourism E-kit to advance the use of internet/mobile internet and cloud computing to promote and enhance the contribution of tourism
- Develop new business models that will help agriculture, forestry and other natural resource sectors add value to their sectors
 - e.g. Joint venture enterprises or public-private partnerships
 - e.g. Industrial eco-systems and business parks



Priority: Integrated + Intelligent Transportation Systems

■ Objectives:

- Build the regional transportation infrastructure that improves Eastern Ontario's access to major domestic and international markets
- Provide enhanced regional transportation services to area business and residents (moving freight and people)

“Transportation and economic development planning should be more regional to leverage resources available in recognition of increasingly global competition”.

Eastern Ontario Transportation Needs Analysis, 2013



Priority: Integrated + Intelligent Transportation Systems

■ Short Term Actions:

- Develop an integrated transportation network that supports efficient, cost effective movement of goods and people within the region and connects Eastern Ontario to key domestic and international markets
 - Allows EO to leverage the Canada EU Comprehensive Trade Agreement
- Pursue a moratorium on the decommissioning of Eastern Ontario's ports infrastructure and the removal of rail infrastructure
- Advocate for provincial and federal investment in regionally beneficial transportation infrastructure including the upgrading and maintaining of major regional road corridors , MTO downloaded roadways and the widening of Highway 401 between Cobourg and the Quebec border



Priority: Integrated + Intelligent Transportation Systems

- **Longer Term Actions:**

- Develop a strategy to create a “smart” overlay for the region’s transportation network that leverages the region’s broadband investment to ensure that travel across the region is as efficient and safe as possible
- Pursue a strategy to develop and operate ‘non-traditional’ transit systems over existing roads to support the commuting patterns of a regional workforce
- Advocate for the creation of an infrastructure investment fund to support upgrading, revitalization and expansion of regional airports including runway extensions, terminal expansion, custom services, etc.



Accelerating the Change

- Requires a governance structure that can bring stakeholders together to make informed, strategic and regional contributions to economic development
- Recommend the creation of a **LEADERSHIP COUNCIL** to oversee the implementation planning for the strategy
 - Tracking and reporting on the progress of the implementation
 - Overseeing creation and efforts of related working groups
 - Tracking and reporting on the performance of the regional economy as it relates to the priorities of the strategy
 - Undertake advocacy on key issues as necessary
 - Provide input on the approach to EODF and EODP/FedDev programming and resource allocation priorities
- Representation should include EOWC, EO CFDC Network, EOMC, MEDTE, private industry and other select stakeholders as necessary



Accelerating the Change

- **Administrative, logistical and financial support will be essential, but planning and coordinating the implementation will require a different skill set or expertise**
- **EOWC and EOMC should give immediate consideration to an employee and/or consultant to assist with prioritizing action items and preparing implementation plans**
- **As part of the implementation planning, consideration should be given to possible partnership opportunities with OEEDC, EORN, EO CFDC Network or a similar organization that can provide:**
 - **Improved competitive intelligence, sector expertise and regional supply chain knowledge**
 - **Ongoing and timely analysis of the regional economy**
 - **Project management oversight as it relates to regionally significant initiatives**
 - **Oversight for and stimulation of pathways and linkages between the region's entrepreneurs, innovators and available business support services**



Implementation

- **Requires region-wide collaboration across business, industry, institutions, associations, networks and economic development professionals**
- **Optimism is high, but more needs to be done to promote the economic opportunities and advocate for the changes and investment required**
- **Stakeholders are looking to EOWC for leadership but there will be many players that will need to be involved**
- **The implementation of the strategy should be undertaken with a sense of urgency – opportunities and stakeholders ready to move the effort forward**
- **Rollout of Strategy has begun... and will continue throughout the fall**
 - **Some stakeholders beginning to bring forward proposals that help to address identified priorities**
 - **Funders considering fit with Strategy as they evaluate applications**
 - **Planning now under way to engage stakeholders in implementation**



Questions for you to ponder...

1. What challenges in YOUR community or organization do you see this Strategy as being helpful in addressing?
2. What local priorities do YOU have that would dovetail with the strategies outlined in this presentation?
3. What strengths or areas of domain expertise does YOUR COMMUNITY OR ORGANIZATION have that would be a good fit with the implementation of any of these strategies?
4. What priority initiative would YOU say is the single most important one for the region as a whole?

Thank You

For further information on the Strategy:

www.eowc.org

To signal your interest in staying in touch re: implementation:

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