

# *VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP*

## *OPERATING PLAN*

*FOR THE FISCAL YEAR ENDING  
JUNE 30, 2006*



***VIRGINIA***  
**Is For Business**

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

### **INTRODUCTION**

The Virginia Economic Development Partnership (VEDP) was established by the General Assembly in 1995 as "...a body corporate and political subdivision..." known as an authority and was given broad powers "...to encourage, stimulate, and support the development and expansion of the economy of the Commonwealth."

Beginning on July 1, 2005, VEDP will be guided by a Board of Directors consisting of the Secretary of Commerce and Trade, the Secretary of Finance, and 19 members appointed as follows: one from each congressional district of the Commonwealth and two citizens at large appointed by the Governor, subject to confirmation by the General Assembly; four citizens at large appointed by the Speaker of the House; and two citizens at large appointed by the Senate Committee on Rules.

The six citizens appointed by the General Assembly reside in regions of the Commonwealth that have a higher unemployment rate than that of the statewide average unemployment rate as reported by the Virginia Employment Commission for the preceding four years from the date of appointment.

### **THE OPERATING PLAN**

This Operating Plan has been prepared in accordance with the 2005 General Assembly, *Chapter 951, Item 128.B.*, which, in part, states the following:

Prior to July 1 of each fiscal year, the Virginia Economic Development Partnership shall provide to the Chairmen of the House Appropriations and Senate Finance Committees and the Director of the Department of Planning and Budget a report of its operating plan.

This document provides the reader with information essential for understanding what the VEDP will accomplish, how it will achieve its objectives, and the resources committed to those efforts. The document includes a Summary Marketing Plan designed to provide an overview of the efforts of the various divisions to implement VEDP's strategies. Other sections include a mission statement; performance measures; an organization chart; budget summary; division budgets; and division goals, objectives, and strategies.

---

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

***MISSION STATEMENT***

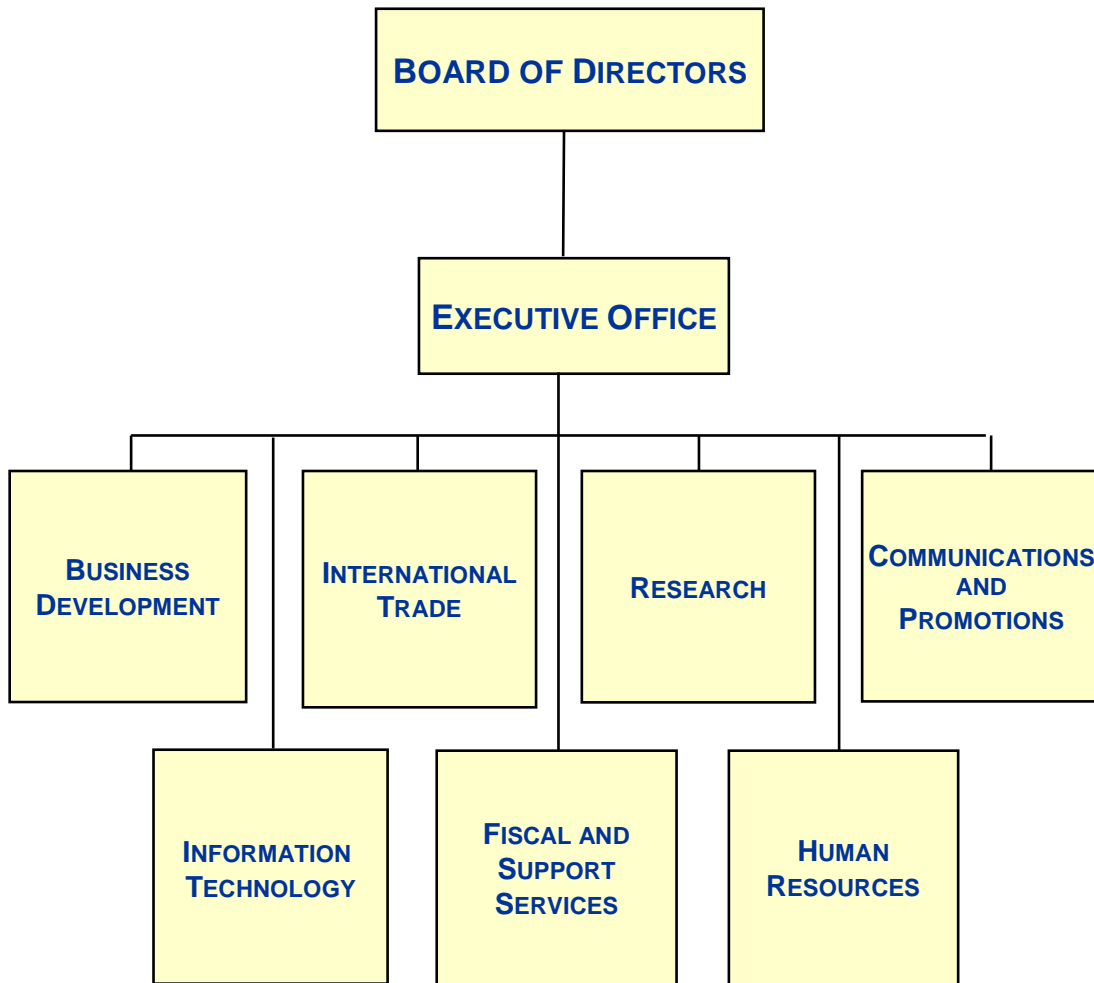
To enhance the quality of life and raise the standard of living for all Virginians, in collaboration with Virginia communities, through aggressive business recruitment, expansion assistance, and trade development, thereby building the tax base and creating higher income employment opportunities.

---

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
FY2006 OPERATING PLAN**

---

**ORGANIZATION CHART**



**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**PERFORMANCE MEASURES**

\$2.75 Billion Investment by New and Existing Companies.

28,000 Jobs Created by New and Existing Companies.

250 Companies Actively Counseled or that have Participated in a Trade Event.

30 Companies participating in the Virginia Leaders in Export Trade (VALET) Program. 10 Companies participating in the Virginia International Sales Access (VISA) Program.

---

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

### ***SUMMARY MARKETING PLAN***

#### **BUSINESS DEVELOPMENT**

In Fiscal Year 06, Business Development will build on Virginia's brand "Virginia is for Business" through the marketing, organization, and innovation platforms. Business Development will continue to work with Virginia's regions and localities on asset-based and target sector marketing. Strategies include domestic and international marketing missions, trade shows, industry specific conferences, special events, and electronic activities. Through direct calls, Governor's missions, special events, and its proactive use of the Governor's "bully pulpit," the division will continue to personally contact selected companies and encourage their consideration of Virginia. Emphasis on target industry sectors will include finance, insurance and corporate headquarters, homeland security and defense contractors, automotive and motorsports companies, companies that are engaged in modeling and simulation, plastics, metalworking, and logistics companies. The division will implement the Key Virginia program, designed as a systematic call campaign on key Virginia companies, and will continue the division's focus on outreach to site selection consultants. This includes the new Consultant Advisory Committee, a product of Virtual Virginia, which will meet twice annually.

Organization of the division's staff ensures the best use of the marketing team's skills and talents. The recent addition of three marketing managers that are charged solely with project generation is expected to generate additional output. This year will build on the synergy and collaboration of marketing managers, project managers, and associate managers, each of which has a unique sector focus as well as unique functions in the organization. Building on the agency's historic foundation of international outreach, and in recognition of the acceleration of the global business impact on Virginia's economy, international efforts will be expanded from three offices (Frankfurt, Germany, covering Europe; Tokyo, Japan; and Seoul, Korea) to include marketing staff in China. In addition, Business Development will explore markets in India and Israel. Opportunities for professional development are also embedded in the organization's operational plans.

Innovation is the third platform that impacts the division's success. Virtual Virginia, an internal cross-functional team charged with keeping VEDP on the cutting edge, will continue to examine how we can utilize technology, customer service, and new ideas to improve our results. Business Development will continue to focus on using technology to market Virginia and manage the growing number of companies and contacts with which we interface. VEDP's unique technology includes the award-winning Virginia Scan, which now includes searchable databases on workforce and business information, an outcome of the Virtual Virginia initiative. Through the Virginia's Opportunity Regions initiative, the division will continue to use innovation and technology to develop an understanding of and assist with marketing the advantages of locations in distressed and rural communities as well as providing technical assistance to support their economic development efforts.

#### **INTERNATIONAL TRADE**

The International Trade Division will maintain its core performance measures level for FY06. Participants in trade events will total 250 and companies participating in the Virginia Leaders in Export Trade (VALET) Program will be 30. A new Pre-VALET initiative called the Virginia

---

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

International Sales Access (VISA) Program will begin in FY06 with a target of 10 companies. Building on the restructured Global Market Research (GMR) Program, 25 projects will be completed via our private-sector provider. All other marketing programs will be continued, with the Trade Division conducting 21 trade events around the world. Seven (7) of these events are planned in new markets.

### **RESEARCH**

The Research Division will provide a broad range of critical services in support of VEDP's marketing initiatives. New marketing activities for the year will include conducting a second round of competition for the "Virtual Buildings" Matching Grant Program aimed at expanding the inventory of virtual buildings and enhancing the marketability of prepared sites in Virginia. New "virtual buildings" projects completed through this program will be highlighted through our VirginiaScan search tool on the VEDP website. Our allies will be provided the ability to make online edits to their actual community/regional profile documents through VirginiaScan. Presently, they can make only selected data revisions to these documents through a menu-driven approach. Implementation of the profile adjustments and other web content modifications were an outgrowth of the internal "Virtual Virginia" analysis. Special efforts will continue to support local distressed area economic development activities, especially through the Community Resources staff based in Richmond and Southwestern Virginia. Implementation of content and formatting changes will continue for the division's custom proposal products, allowing for quicker responses and more salient marketing points to be conveyed to prospects. Online comparative economic and business cost data for competing locations will be reviewed and expanded as appropriate. Industry sector and firm-level business targets will be regularly presented to the Business Development Division. The economists will distribute industry cluster studies for regions throughout the state for use by our allies to support their regional marketing and business retention efforts. Data for counties adjoining Virginia will be developed in more depth to assist in better marketing Virginia regions, especially for rural Southside and Southwest regions. An array of updated targeted industry brochures and data content for the new VEDP website will be prepared in cooperation with the Communications and Promotions Division. Content for the Allies Information Exchange will be regularly evaluated and updated and new features and information regularly communicated via email to our allies.

### **COMMUNICATIONS AND PROMOTIONS**

Presenting leading edge electronic media to the marketplace remains a principal goal of the Communications and Promotions Division (C&P) in addition to public relations and direct marketing. Once the most significant function of the division, traditional advertising campaigns have been reduced to a very modest presence in automotive trade media due to budget constraints. C&P's public relations effort has been fully funded, allowing successful proactive programs such as media tours to continue. C&P will continue to oversee VEDP's web presence at YesVirginia.org. In conjunction with the other VEDP divisions, C&P will continue to research web site best practices so that through the Virtual Virginia initiative continuous improvements can be made to VirginiaScan. Additionally, C&P will continue oversight of the innovative Ally Information Exchange web site designed as a fundamental communications vehicle between VEDP and the Virginia ally community. Ally communications will be further enhanced with the publication of four issues of *Commerce Quarterly*. C&P will also organize the semi-annual

---

## ***VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN***

---

VEDP/Ally meetings as well as contact events for regional economic development marketing organization directors. C&P will support outreach marketing by providing appointment-setting services for project manager call trips and at select trade shows in addition to traditional marketing missions. C&P will manage VEDP's trade show presence, marketing events, and the Governor's foreign and domestic marketing missions.

### **INFORMATION TECHNOLOGY**

The Information Technology (IT) Division operates and maintains the Partnership's information systems, including the geographic information system (GIS) and the presentation and video-conferencing facility. The state-of-the-art presentation facility is supported by GIS data layers developed in-house or obtained from local, state, federal and commercial sources. Rapid access to these data and their presentation in an appealing and understandable format is essential to Virginia's superior position in the marketing of sites, buildings, and other information products. In addition, the division operates and maintains VirginiaScan, a shared, web-enabled site selection, workforce and data management tool. This tool is shared with regional and local economic development allies, many of whom are utilizing VirginiaScan as their primary web based marketing tool for industrial sites and buildings. The division will continue to play a vital role in our Virtual Virginia initiative by programming changes and improvements.



**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**BUDGET SUMMARY**

**Amendments to Original FY05 Operating Plan Revenue Sources**

	<u>Original FY05 Dollars</u>	<u>Amended FY05 Dollars</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Revenue</b>				
COV Appropriations	\$ 15,933,880	\$ 16,183,880	\$ 250,000	
Carry Forward Funds	1,033,860	1,358,860	325,000	
Participation Fees	147,000	147,000	-	
Mission Reimbursements	35,000	35,000	-	
Interest	30,000	50,000	20,000	
<b>Total Revenue</b>	<u><u>\$ 17,179,740</u></u>	<u><u>\$ 17,774,740</u></u>	<u><u>\$ 595,000</u></u>	<u><u>3.5%</u></u>

**Notes to Changes in Original and Amended FY05 Operating Plan**

**COV Appropriations**

State appropriation increase of \$250,000 for motorsports marketing funds added to the VEDP budget after the FY05 Operating Plan was approved by the Board. This same amount was approved for FY06 and is included in Business Development's budget for the coming year.

**Carry Forward Funds**

Additional Carry Forward Funds were budgeted to increase Communications and Promotions print advertising budget. This was a one-time increase to the advertising budget.

**Interest**

Interest revenue has increased due to rising interest rates.

---

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
FY2006 OPERATING PLAN**

---

**BUDGET SUMMARY**

**FY05 and FY06 Revenue Sources**

	Amended		FY06	\$	%	
	FY05	Staff				Dollars
	Dollars	Staff	Dollars	Staff	Change	Change
<b>Revenue</b>						
COV Appropriations	\$ 16,183,880		\$ 16,248,939		\$ 65,059	
Carry Forward Funds	1,358,860		685,000		(673,860)	
Participation Fees	147,000		194,750		47,750	
Mission Reimbursements	35,000		-		(35,000)	
Interest	50,000		50,000		-	
<b>Total Revenue</b>	<b>\$ 17,774,740</b>		<b>\$ 17,178,689</b>		<b>\$ (596,051)</b>	<b>-3.4%</b>

**Notes on FY05 to FY06 Revenue Sources**

**Revenue**

**COV Appropriations**

Increase in funds from VISA Program Funding, \$215,000 and estimated State raises funding, \$382,000. Decrease in funds from the Shell Building Program, (\$131,000), and a reduction in VCOMB funding (\$401,000).

**Carry Forward Funds**

\$500,000 reduction in C&P one-time print advertising campaign and a net reduction in programs. See division budget explanations below.

**Participation Fees and Mission Reimbursements**

Participation Fees will increase due to an increase in price charged to participants. There are no Governor's Missions scheduled in FY06.

---

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**BUDGET SUMMARY**

**FY05 and FY06 Budget Comparison**

	FY05		FY06		\$ Change	% Change
	Dollars	Staff	Dollars	Staff		
<b>Division Budgets</b>						
Business Development	\$ 5,145,800	38	\$ 4,987,518	40	\$ (158,282)	-3.1%
International Trade	2,966,928	22	3,235,040	23	268,112	9.0%
Research	1,673,179	17	1,895,990	18	222,811	13.3%
Communications and Promotions	2,441,366	7	1,932,635	7	(508,731)	-20.8%
Information Technology	1,744,372	16	1,790,966	16	46,594	2.7%
Administration	2,999,095	16	2,933,540	16	(65,555)	-2.2%
Pass Through Payments	804,000	-	403,000	-	(401,000)	-49.9%
<b>Total Division Budgets</b>	<b>\$ 17,774,740</b>	<b>116</b>	<b>\$ 17,178,689</b>	<b>120</b>	<b>\$ (596,051)</b>	<b>-3.4%</b>

**Notes on FY05 to FY06 Division Budgets Comparison**

**Business Development**

Changes in BD's budget include added payroll costs of \$188,000, including two new Marketing Managers, payroll currency fluctuation and a \$12,000 spot bonus pool. There were also increased costs of \$22,500 for non-personnel currency fluctuation. The BD budget went down for savings in Frankfurt rent, (\$30,000), BD's program reductions (\$263,000), and transfers to other divisions for VOR and China representation in the Hong Kong Office (\$70,000).

**International Trade**

Increases to Trade's budget include funding for the new VISA program, \$215,000, which includes a new position, a net change in payroll of \$12,500, which includes a \$10,000 bonus pool. Trade's total payroll only went up a small amount since it's Europe representation left the Frankfurt office. New funding of \$78,000 was added to obtain contract services for its European operations; Trade added \$51,000 to its Participation Fees revenue, was funded for the Hong Kong office, \$72,000, and currency losses of \$5,900 were funded. Trade's budget also went down due to program reductions (\$165,000).

**Research**

Research budget Increased due to increased personnel costs of \$188,000, \$5,000 of which is for its spot bonus pool; and also received funding from BD of \$35,000 to help fund its new Economist position, who will work on Virginia Opportunity Regions (VOR).

**Communications and Promotions**

C&P's budget will increase this year due to payroll funding of \$27,000, \$5,000 of which is for a spot bonus pool. C&P had reductions of (\$325,000) for its print advertising, program reductions of (\$174,000), and reduced Participation Fees and Mission Reimbursements of (\$37,000).

**Information Technology**

The net increase in Information Technologies budget consists of payroll increases of \$109,500, which includes a \$5,000 bonus pool, and IT's program reductions of (\$63,000).

**Administration**

The Administration budget had a net budget reduction due to increases in the Administration payroll of \$108,000; an increase in costs due to budgeted rent, net of program efficiencies, \$111,000; and a decrease due to moving the payroll raises and bonuses pool from a central Administration pool out to the individual divisions, as noted above (\$285,000).

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

---

**BUSINESS DEVELOPMENT**

**Budgeted Expenditures**

Salaries, Benefits, and Taxes	\$ 3,076,158
Wages & International Compensation	428,546
Marketing and Promotion	340,809
Delivery Services	24,050
Travel	341,067
Printing	3,350
Telecommunications	64,100
Personnel Development	46,800
Professional Services	128,428
Repairs and Maintenance	14,760
Information Systems Services	9,910
Other Contract Services	7,750
Supplies and Materials	33,750
Grant Payments	150,000
Insurance	6,290
Lease & Installment Payments	308,550
Fixed Asset Payments	<u>3,200</u>
<b>Total Budget</b>	<b><u><u>\$ 4,987,518</u></u></b>

---

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

### ***BUSINESS DEVELOPMENT***

The Business Development Division is a customer-focused professional marketing team serving Virginians. The mission of the Business Development Division is to improve Virginia one locality at a time by attracting new payroll and capital investment to Virginia. The Business Development Division's operations are built on 1) effective organization; 2) focused marketing; and 3) innovation. The principal function of the Business Development Division is to market and package the assets of Virginia and the services of its agencies to encourage businesses to expand and grow in the Commonwealth. The Division markets Virginia to companies domestically and internationally through targeted business sector marketing. This approach focuses on sectors that are growing, understands and identifies the supply chain for these sectors, and matches these with appropriate regional and local strengths and needs, with special emphasis on distressed areas. Through the Virginia's Opportunity Regions initiative, the division will continue to use innovation and technology to develop an understanding of and assist with marketing the advantages of locations in distressed and rural communities as well as providing technical assistance to support their economic development efforts. VEDP's unique technology includes the award-winning Virginia Scan, which now includes searchable databases on workforce and business information, an outcome of the Virtual Virginia initiative.

The Business Development Division utilizes professional marketing and project management staff to promote Virginia in an aggressive outreach program that includes a variety of marketing activities and over 90 specific events. Managers lead geographic marketing missions, participate in industry conferences and trade shows, market to site-location consultants and venture capital firms, conduct direct mail and electronic marketing campaigns, participate in selected special events such as in-state prospect hosting, and carry out other strategic initiatives focused on key crosscutting sectors. Many of these activities are carried out in partnership with local and regional allies. The marketing strategy also provides direct client contact in Europe and Asia via overseas offices in Frankfurt, Germany; Tokyo, Japan; and Seoul, Korea.

Successfully implementing the Business Development Marketing Plan requires integrated coordination with other VEDP divisions, from planning to implementation of strategies. This includes (a) the Communications and Promotions to plan and execute marketing missions, trade shows, special events, media tours, and development of industry-specific collateral materials; (b) the Research Division to prepare customized location proposals and business presentations; develop policies and new programs to support economic development activities in particular regions; and provide economic development expertise as requested to assist allies, particularly in rural communities; (c) the Information Technology Division, to design and create project support in the form of GIS data and use of a sophisticated client presentation center; and (d) the International Trade Division by identifying opportunities to collaboratively serve common business clients.

Business Development Project Managers also quarterback specific projects to an ultimate business decision for Virginia. Managers respond confidentially to client needs, identify public and private resources to answer the client's questions, gather competitive marketplace intelligence, conduct site visits to evaluate Virginia's "product" and coordinate allies' efforts to "close the deal." Through its Business Development Finance Manager, the division's staff can also develop financing alternatives for projects and work directly with companies in structuring financing transactions to meet corporate capital goals.

---

# ***VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN***

---

**GOAL #1: Aggressively and comprehensively market Virginia and its communities to prospects and consultants to generate active projects.**

**OBJECTIVE:** Assist new companies to locate in Virginia and existing Virginia companies to expand in Virginia.

**STRATEGIES:**

1. Target business sectors that are ready to expand and that best meet Virginia's diverse local and regional strengths. Specific emphasis includes the finance and insurance sectors, corporate headquarters and Research & Development functions, the motorsports sector, and the homeland security and defense industries.
  2. Provide consultative assistance to companies considering new locations or expansions to attract new capital investment and jobs to the Commonwealth.
  3. Implement a strategic corporate call program to 120 selected Virginia-based companies (the Key Virginia Companies program).
  4. Plan and conduct a comprehensive marketing outreach program toward site selection consultants, including executing two annual meetings of the Consultant Advisory Committee.
  5. Effectively utilize the Governor's Office at least quarterly to contact targeted companies in key business sectors.
  6. Participate actively in targeted business sector professional associations to network effectively with decision-makers.
  7. Plan and conduct 76 targeted business trade show and conference marketing efforts.
  8. Plan and conduct 50 group and individual marketing missions to targeted business sectors and domestic and international geographic regions.
  9. Utilize electronic media as a marketing strategy in at least two of the key sectors.
  10. Identify resources and provide financing alternatives to businesses considering locating to or expanding in Virginia.
  11. Assist localities in the qualification of businesses from a financial perspective.
  12. Evaluate and organize the resources of the VEDP international offices to effectively market Virginia to international companies and identify additional country-specific markets that may be outside the international office territories.
-

## **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN**

---

13. Initiate stronger communication with Virginia's higher education institutions through participation in the University-Based Economic Development Officers team, in order to effectively use their Research & Development strengths in working with business clients.

### **GOAL #2: Effectively manage projects by strategically utilizing necessary resources.**

**OBJECTIVE:** Make the best use of all resources available including VEDP staff, state agencies, local resources, VirginiaScan, and various state and federal programs to attract new and expanding businesses to Virginia.

#### **STRATEGIES:**

1. Serve as the facilitator to bring appropriate state resources to the table at the appropriate time.
2. Propose appropriate state incentive programs to prospects when needed and at a minimum level sufficient to close the deal.
3. Involve and collaborate with other VEDP divisions or state agencies as appropriate to address specific questions or issues with prospects, and/or to assist in preparation of responses to questionnaires, preparation of proposals, etc.
4. Proactively collaborate with local and regional economic development allies to utilize all resources at the local level to successfully attract new jobs and investment.
5. Effectively identify and utilize federal contacts and resources to support key initiatives.
6. Participate in the Virtual Virginia effort to continue to examine how to better use technology, like VirginiaScan, to improve results.

### **GOAL #3: Send a clear, consistent marketing message to business prospects and economic development allies.**

**OBJECTIVE:** Continue to brand Virginia with the phrase and logo "Virginia is for Business."

#### **STRATEGIES:**

1. Incorporate the brand into all marketing materials including brochures, CD's, site and building studies, proposals, etc.
-

## **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN**

---

2. In conjunction with other divisions, create a standard VEDP PowerPoint template to incorporate the brand into all presentations prepared by Business Development staff.
3. Incorporate the tag line "Virginia is for Business" into correspondence as appropriate.
4. Utilize the electronic branding in email correspondence as appropriate, via the LetterMark system (uses VEDP logo and links to website).

### **GOAL #4: Share the project and industry expertise of staff with local and regional allies to assist them in effective marketing.**

**OBJECTIVE:** Increase the knowledge base of local and regional economic development professionals to help them successfully position their communities to attract new capital investment and jobs.

#### **STRATEGIES:**

1. Participate in programs for training and technical assistance, in conjunction with Research's Community Assistance staff, to address the unique needs of Virginia communities.
2. Provide leadership to Virginia's economic development professionals by sharing in-house expertise and knowledge of industry sector trends and location requirements through one-on-one visits or creating business-sector task groups using the model of the Distribution Task Force.
3. Review and critique new and proposed site and building initiatives for localities in order to provide product with features that are in demand for targeted industries.
4. 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.
5. Provide systematic reports on aggregate prospect activity and results from the customer satisfaction survey to communities and regional allies.
6. Solicit constructive feedback from local and regional allies on ways to improve Business Development's process and marketing, prospect handling and related activities.
7. Meet with each regional economic development organization at least annually to share information about state programs.

### **GOAL #5: Provide superior customer service.**

---



# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

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

**STRATEGIES:**

1. Encourage Business Development staff to attend basic economic development courses and the Economic Development Institute.
2. Encourage Business Development Project Managers to obtain a professional certification through an accredited economic development organization.
3. Provide Business Development at least four staff training opportunities on essential economic development practices and programs, sales and marketing practices, negotiations, presentations, technical software, etc., needed to work effectively with prospects and allies.
4. Encourage Business Development 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.
5. Ensure that all interactions with Virginia allies, prospects, suspects, and leads are positive and constructive.
6. Empower and support staff to provide exceptional customer service to allies and prospects.
7. Conduct systematic surveys of client satisfaction and analyze results for use in improving customer relations and developing new programs and policies.
8. Develop systematic tracking methods to benchmark and evaluate specific target marketing efforts.

**GOAL #6: Increase announced jobs and investment in Virginia's distressed communities.**

**OBJECTIVE:** Through the Virginia Opportunities Regions (VOR) initiative, actively market Virginia's distressed areas and communities to prospects and consultants to generate active projects.

**STRATEGIES:**

1. Implement a focused marketing campaign for Virginia's distressed areas utilizing the new VOR marketing manager.
  2. Identify the most likely prospects (targets) for distressed areas, including identification of barriers both real and perceived to successful recruiting.
-

## ***VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN***

---

3. Implement an outreach marketing campaign to the identified target business sectors.
4. Support regionally-based marketing activities by providing grant money to distressed areas via the VOR grant program.
5. Support local and regional economic development contacts with key companies at the local and corporate level.

### **GOAL #7: Market Virginia in new international markets.**

**OBJECTIVE:** Establish Business Development marketing efforts in China, and investigate marketing opportunities in Israel, Brazil and India to identify and contact appropriate companies to market Virginia's assets and attract new jobs and capital investment.

**STRATEGIES:**

1. Engage part-time contract representatives in China and other markets as identified to assist with marketing activities.
  2. Identify Chinese and Israeli companies that have U.S. market share and position Virginia as the ideal location for those businesses to locate operations.
  3. In cooperation with invited professional representatives, conduct two "Invest in Virginia" seminars in China, and one "Invest in Virginia" seminar in Israel (or for Israeli companies) to present factual information about Virginia and identify new leads.
  4. Investigate the Brazilian and Indian markets to determine whether sufficient potential exists to conduct limited marketing activities in selected cities.
-

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**INTERNATIONAL TRADE**

**Budgeted Expenditures**

Salaries, Benefits, and Taxes	\$ 1,468,558
Wages & International Compensation	484,438
Marketing and Promotion	264,050
Delivery Services	18,709
Travel	233,853
Printing	10,700
Telecommunications	71,438
Personnel Development	26,406
Professional Services	180,030
VALET Incentive Payments	285,876
Repairs and Maintenance	1,700
Other Contract Services	9,000
Supplies and Materials	58,582
Lease and Installment Payments	109,700
Fixed Asset Payments	<u>12,000</u>
<b>Total Budget</b>	<b><u>\$ 3,235,040</u></b>

# VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

## FY2006 OPERATING PLAN

---

### **INTERNATIONAL TRADE**

Virginia business prospers through global trade. The International Trade Division supports companies across Virginia in their international sales activities with a variety of comprehensive programs and services. From a team of international trade representatives strategically located throughout the world to a network of six statewide offices, the International Trade Division offers international marketing tools to companies large and small. Programs include:

Consulting on Export Marketing: Experienced International Trade Managers, located in six (6) offices throughout Virginia, and in six (6) offices around the world, help Virginia companies obtain international sales.

International Trade Missions and Trade Shows: Over 20 trade events are conducted annually to promote Virginia products and services in global markets. Typically, over 80 companies participate in these business trips. Also provided are comprehensive matchmaking and logistical assistance with international trade shows around the world.

Virginia Leaders in Export Trade (VALET) Program: The VALET program selects 15 Virginia companies annually into a two-year intensive export training program. State resources are leveraged with private-sector contributions to take Virginia companies from being export-ready to active international sales. In FY06 International Trade will initiate the Virginia International Sales Access (VISA) Program. VISA will be modeled after the successful VALET program and 10 companies will be selected to participate in the one-year program.

Global Market Research (GMR) Program: This innovative program provides in-country market research in over 30 countries around the world. Marketing plans are prepared for Virginia companies in a fee-based, private-sector model. Often, this research precedes participation in a Trade Event or the VALET Program.

The International Trade program is based on the premise that successful international sales can be accomplished by working with individual companies, one-on-one. To achieve this, the program has three components: 1) increase awareness among the Virginia business community on the importance and benefits of exporting; 2) provide all necessary tools for selling into foreign markets, from international market research to assistance with completing documentation; and 3) enable these companies to participate in trade activities and events that lead to market entry, expansion, and increased international sales. A website ([ExportVirginia.org](http://ExportVirginia.org)) lists all programs and services and upcoming events and accepts payment for international trade events.

**GOAL: Increase the volume of exports of manufactured goods and services and the number of Virginia companies exporting.**

**STRATEGIES:**

1. Provide one-on-one export counseling to the Commonwealth's businesses.
-

## **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

### **FY2006 OPERATING PLAN**

---

2. Recruit 15 companies annually into the VALET Program (a two-year program in duration), thereby servicing 30 companies on an on-going basis. Start a new VISA program for 10 smaller companies that do not meet the VALET Program requirements.
  3. Provide the following services:
    - Provide business services to Virginia companies visiting our six (6) overseas offices
    - Assist in “matchmaking” and “agent distributor search” programs between foreign and Virginia firms
    - Facilitate Virginia companies’ participation in trade shows and trade missions
    - Provide international research information to Virginia companies
  4. Recruit Virginia companies to participate in 21 scheduled international trade shows, trade missions and inward trade missions.
  5. Support and participate in all Governor-led trade missions.
  6. Provide Global Market Research (GMR) projects to Virginia companies via private-sector international research firms, completing 25 projects in FY06.
  7. Organize and/or lead at least eight (8) Trade Missions (outbound) to selected markets.
  8. Actively counsel 50 Virginia companies to result in increased international sales.
  9. Publish, *Beyond Virginia*, an electronic newsletter to be delivered once every two weeks.
  10. Partner with public and private sector organizations in seminars across Virginia which address both the “benefits of” and “how-to’s” of exporting.
  11. Maintain memberships and active participation in the five (5) Virginia world trade clubs and organizations.
  12. Publish, promote, and distribute international trade data and analyses on Virginia exports via the website [www.ExportVirginia.org](http://www.ExportVirginia.org).
  13. Actively support and participate in the Virginia Conference on World Trade.
-

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**RESEARCH**

**Budgeted Expenditures**

Salaries, Benefits, and Taxes	\$ 1,463,340
Wages	19,377
Marketing and Promotion	12,800
Delivery Services	2,600
Travel	36,300
Printing	2,000
Telecommunications	15,100
Personnel Development	16,000
Professional Services	145,500
Repairs and Maintenance	24,200
Information Systems Services	5,000
Other Contract Services	1,200
Supplies and Materials	38,273
Grant Payments	75,000
Fixed Asset Payments	16,300
Shell Building Program	23,000
	<hr/>
<b>Total Budget</b>	<b>\$ 1,895,990</b>

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

### **RESEARCH**

The Research Division primarily supports the efforts of the Business Development Division and VEDP's Administration by preparing information for domestic and international prospects to evaluate and to encourage a location decision for Virginia. Key activities include maintenance of a comprehensive web-based site and building inventory and community profile database; delivery of custom prospect site location proposals; and other project assistance activities. Many of the content and process changes flow from the internal "Virtual Virginia" assessment process and were incorporated into VirginiaScan.

The Research Division determines prospective target business sectors and companies that appear to be appropriate matches for the various regions throughout Virginia. VEDP economists are responsible for conducting fiscal impact analyses related to potential state incentives considered for use in business development activities, assembling general comparable business information on other states, and tracking announced capital investment and employment activity in Virginia. VEDP's Research Division provides content data used for producing various collateral and online marketing materials and annual economic development reference publications.

Community Resources & Strategic Initiatives section personnel within the division maintain strong relationships with statewide economic development allies, and provide a range of ongoing technical assistance to communities on a requested basis related to development of new sites and building inventory, infrastructure, and economic development planning. Further, this section monitors key competitor states' use of incentives programs, makes suggestions for new approaches to Virginia's incentives offerings, other new ideas for making the state more competitive, and handles special research initiatives as needed.

### **GOAL #1: Support efforts to increase capital investment and job creation through business recruitment and expansion.**

**OBJECTIVE #1:** Prepare materials and data to support the Business Development Division's efforts to have national and international companies locate to or expand within Virginia.

### **STRATEGIES:**

1. Provide relevant research data to produce comprehensive marketing materials in cooperation with the Communications and Promotions Division, such data to be used in web content, development of new general collateral and industry-specific materials for use by companies, VEDP employees, and allies, and to include information on business incentives, local taxation, and procedures for establishing a business in Virginia.
-

## **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN**

---

2. Prepare customized site location proposals, comprehensive prospect proposals, and responses to consultant-generated Requests For Information (RFI's) for use by Business Development staff in client discussions.
3. Develop CD-ROMS and multi-media presentations for both individual projects and to support targeted industry sectors as agreed upon with the Business Development Division.
4. Prepare a monthly overview of economic and business trends in the U.S., Virginia, and major overseas markets.
5. Maintain and distribute relevant information used to compare business cost factors in Virginia with other domestic and selected international locations.
6. Serve as advisors to the Business Development Division staff regarding site and building recommendations, community and regional recommendations, incentive packaging and other project assistance activities and materials.
7. Continue to regularly evaluate existing research products, processes, formats, and methods of delivery and implement improvements as needed to remain thorough and responsive to clients' needs, a key element in addressing the client-based focus gleaned from the "Virtual Virginia" process.

**OBJECTIVE #2:** Develop and maintain VEDP databases and resource centers to ensure timely response to new and expanding companies.

**STRATEGIES:**

1. Maintain a statewide web-enabled searchable database of available sites and buildings (VirginiaScan) for recommendation to business prospects, in coordination with the Information Technology Division and community allies.
  2. Maintain a community profile database and other economic and demographic data for the state, regions, MSAs, cities, and counties, with access available through the Allies Information Exchange website for online updating by allies.
  3. Maintain business databases on foreign affiliated companies operating in Virginia and headquarters operations based in Virginia.
  4. Compile data on Virginia businesses from various private and public sources, including the VEC, and integrate such data in a manner that could ultimately result in a comprehensive statewide business database.
  5. Maintain community and other appropriate economic development contact information and post electronically in a database accessible to VEDP staff and through the Allies Information Exchange website.
-



## **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN**

---

6. Maintain an ongoing database of announced and planned capital investment and employment by Virginia companies and publish an annual report of such activity.
7. Maintain an ongoing database of announced facility closures and employment layoffs by Virginia companies and provide quarterly reports of such activity for the Executive Director.
8. Improve the accessibility of data generated by and maintained within the Research Division and with other VEDP divisions, principally by developing increased website interface and intranet capability.
9. Maintain and present current labor force data used in marketing Virginia, including quarterly estimates of underemployment by region, and participate as appropriate on state initiatives to improve content and accessibility of workforce data and training capabilities.
10. Maintain a comprehensive resource center including key periodicals, reference materials and databases necessary to support the business attraction and general economic development activities of VEDP.

**OBJECTIVE #3:** Develop and maintain economic data and related models to support decisions on use of business incentives, and monitor the incentives programs and usage by our key competitor states.

**STRATEGIES:**

1. Acquire and maintain appropriate data necessary to run fiscal impact models used in project analysis, project tracking, and benchmarking of historical project activity.
2. Review and update VEDP's fiscal impact models as necessary to ensure the best achievable modeling for making effective decisions on project incentives.
3. Conduct project fiscal impact analyses as needed to support decision making on use of incentives for VEDP and Tobacco Commission business projects, for consideration of new programs, and for special projects.
4. Review and update VEDP's fiscal models on determining the agency's economic development impact.
5. Track the usage and magnitude of major business incentive programs by our key competitor states.
6. Recommend new approaches for the use and development of business incentives programs for Virginia's economic development efforts. This effort supports the ongoing incentives analysis work embraced by the "Virtual Virginia" process.

**OBJECTIVE #4:** Identify growth industry sectors and companies that are an appropriate match for Virginia and its regions.

---

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

### **STRATEGIES:**

1. Prepare general analysis of projected growth industry sectors and companies as determined from expansion, corporate profit, and capital investment trends, and specific in-depth studies on selected key industries as determined through collaboration with the Business Development Division.
2. Identify target sectors for Virginia's regions using cluster analysis and other methodologies that match industries with the competitive advantages (key location criteria) of a particular region.
3. Provide regular presentations to Business Development Division on industry trends and forecasts, and participate in internal industry teams providing research support as appropriate.
4. Conduct research focused on Virginia's rural and distressed regions with a view towards replacement of former basic employment industries with alternative industry opportunities; provide ongoing research support to the Virginia's Opportunity Regions (VOR) Marketing Initiative.
5. Identify potential sites, buildings, and regions that best meet the various targeted industry criteria for use in developing and preparing proactive marketing materials.

### **GOAL #2: Increase support for local and regional economic development efforts.**

**OBJECTIVE #1:** Assist communities in developing marketable real estate product.

### **STRATEGIES:**

1. Introduce and administer the "Right Now Sites" Program to Virginia economic development allies to assist communities in marketing their site inventory and demonstrating site readiness for selected types of business uses.
  2. Introduce and administer the "Virtual Buildings" Program to Virginia economic development allies to provide additional marketing assistance for qualified sites for which specific building plans and permits have been developed.
  3. Conduct a second round of Virtual Buildings Grants competition to award up to five (5) new grants to communities for planning and implementation of new "virtual buildings" for deserving locations.
  4. Administer the Virginia Shell Building Initiative including maintaining financial records, providing appropriate marketing assistance to localities in the program.
-

## **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN**

---

5. Track prospect inquiries for stated site and building preferences/criteria and convey back periodically to allies.
6. Garner new site and building product knowledge to position staff to provide ongoing consultative assistance to both communities and VEDP Project Managers.
7. Counsel community and regional allies and other state entities, as requested, on issues related to new site and building development.
8. Develop materials and content on available sites and buildings in distressed Virginia communities to be featured on the VEDP website.

**OBJECTIVE #2:** Strengthen local/regional economic development organizations through ongoing community outreach efforts in coordination with other VEDP divisions.

**STRATEGIES:**

1. Regularly review Research Division products and activities with local/regional practitioners to include proposal response issues, formatting, incentive treatment, VirginiaScan features and training, etc.; conduct regular workshops on a regional basis for these purposes.
  2. Conduct ongoing community sites and buildings visits in all regions of Virginia; continue to train and counsel local/regional allies on the features of VirginiaScan, with special attention on online database content updating procedures and inclusion of photos/digital images to enhance community presentation on the website.
  3. Review material content on the Allies Information Exchange website and make recommendations concerning changes to its content.
  4. Conduct regular VEDP orientation programs for new local and regional economic development staff, appointed local officials, and other appropriate allies.
  5. Provide individual advice and technical assistance to the economic development staff throughout Virginia with special emphasis on the rural and distressed areas as requested.
  6. Strengthen awareness and knowledge by local elected officials of the basic components of the economic development process at local and regional level through interaction at the annual meetings of the Virginia Municipal League (VML), the Virginia Association of Counties (VACO), and the Local Government Officials Conference (LGOC).
  7. Update and distribute a revised version of "Economic Development: A Blueprint for Elected Officials" as a resource tool for use by VEDP and our allies in strengthening support for economic development by local elected officials.
-

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**COMMUNICATIONS AND PROMOTIONS**

**Budgeted Expenditures**

Salaries, Benefits, and Taxes	\$ 495,334
Wages	101,000
Marketing and Promotion	800,187
Delivery Services	61,550
Travel	81,053
Printing	2,500
Telecommunications	27,950
Personnel Development	8,400
Professional Services	311,406
Repairs and Maintenance	28,530
Other Contract Services	500
Supplies and Materials	<u>14,225</u>
<b>Total Budget</b>	<b><u><u>\$ 1,932,635</u></u></b>

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

### **COMMUNICATIONS AND PROMOTIONS**

VEDP's Communications and Promotions Division is a key element in planning and executing the Partnership's overall marketing initiatives. Traditionally, this has included a major national advertising program targeting senior corporate management. However, availability of advertising funds has limited the program to vertical industry publications. Communications and Promotions will implement a public relations plan to ensure placement of favorable articles in major business and trade publications, and coordination of economic development announcements.

Division staff work with other VEDP divisions to maintain, update, and promote VEDP's Internet presence. This includes both an interactive marketing web site (YesVirginia.org) and a site specifically designed to facilitate communications with Virginia's ally community (VirginiaAllies.org). C&P will continue to identify web site best practices and apply those to VirginiaScan, as was done with the Virtual Virginia initiative. Communications and Promotions also produces requisite marketing brochures and collateral materials, develops and executes strategic marketing initiatives toward targeted industry sectors, and manages marketing special events and industry show participation. In addition, Communications and Promotions organizes domestic and international proactive marketing missions. The division also coordinates the Governor's foreign and domestic marketing missions.

**GOAL #1: Increase awareness of Virginia as a desired business location among corporate decision-makers and targeted industries worldwide by implementing an aggressive and intensive business recruitment advertising and communications program.**

**OBJECTIVE #1:** Develop an annual brand-driven advertising plan to reach corporate decision-makers, corporate real estate staff, consultants, and domestic and international prospects.

**STRATEGIES:**

1. Due to budget limitations, brand-building advertising targeted against senior corporate management is essentially suspended.
2. Advertising will be restricted to vertical industry publications and economic development trades.

**OBJECTIVE #2:** Maximize utilization of interactive electronic marketing techniques.

**STRATEGIES:**

1. Refine and operate Internet web site to attract business location and trade prospects and provide information on the desirability of a Virginia business location.
-

## **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN**

---

2. Monitor and respond to web-generated inquiries. Identify potential leads and forward to Business Development or Trade or to state agencies, as appropriate.
3. Promote Virginia's publicly-owned shell buildings with a dedicated web page.
4. Promote economically-stressed communities through the "Featured Locations" page.
5. In conjunction with the Virtual Virginia Team, maintain and improve the new VirginiaScan interactive demographic, site and building database on YesVirginia.org.
6. Promote communication with Virginia's allies through the Ally Information Exchange website.
7. Implement post-announcement contact system for Governor communication with new and expanding companies.

**OBJECTIVE #3:** Develop a public relations program to target decision-makers through "free" media placements in mainstream business publications, economic development trade magazines, and vertical industry publications, as well as television, radio and internet news outlets.

**STRATEGIES:**

1. Develop and execute an annual public relations plan.
2. Produce news releases for statewide, national, and international distribution on project announcements and trade developments in coordination with the Governor's Office.
3. Produce *Commerce Quarterly* four times per year to communicate with the local and regional allies, statewide media, and General Assembly members.
4. Conduct proactive media program with trade media and vertical industry publications, and promote media tours of the Commonwealth for members of the working press.
5. Plan special events for Governor and Secretary of Commerce and Trade for major announcements in coordination with localities and companies.
6. Produce system for Governor contact with new and expanding companies.

**GOAL #2: Produce ongoing prospect flow with proactive marketing outreach initiatives.**

**OBJECTIVE #1:** Develop targeted marketing initiatives to reach decision-makers in selected industry sectors.

---

# ***VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP***

## ***FY2006 OPERATING PLAN***

---

### **STRATEGIES:**

1. Identify industries with strong growth potential in coordination with Research and Business Development divisions.
2. Develop targeted marketing plans with Business Development.
3. Market to selected targeted industries using direct marketing techniques to reach key decision-makers while developing new techniques for future marketing initiatives.
4. Develop industry-specific marketing materials.
5. Provide targeted industry information on web site.

**OBJECTIVE #2:** Generate appointments with decision-makers and provide an avenue for ongoing contact with VEDP's existing prospect database.

### **STRATEGIES:**

1. Organize 12 marketing missions to targeted domestic and international geographic locations using a methodology that encompasses both repeat and newly-identified primary markets.
2. Arrange 11 individual project manager call trips in targeted secondary markets.
3. Provide telemarketing support for ten (10) selected domestic industry trade shows in an effort to improve lead generation results.
4. Develop telemarketing campaign designed to update and maintain contact with existing prospect database to increase follow-up effectiveness and project identification.
5. Develop outreach campaign for ongoing contact with existing prospect database utilizing electronic marketing and direct mail.
6. Provide telemarketing support for special events and projects to increase attendance and improve lead generation results.

**OBJECTIVE #3:** Produce prospect-generating industry show presence.

### **STRATEGIES:**

1. Maintain exhibits that are consistent with Virginia's brand and other marketing communications.
  2. Exhibit at qualified domestic and international industry shows.
-

## ***VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN***

---

3. Develop pre-show and on-site show promotions to generate traffic in the exhibit.
4. Conduct post-show mailing to generated show contacts to further introduce Virginia.
5. Submit bid proposals to targeted industry shows to host in Virginia.

**OBJECTIVE #4:** Utilize event marketing to attract prospects and build relationships conducive to a project decision for Virginia.

**STRATEGIES:**

1. Organize hospitality events for prospects utilizing Virginia marquee resort locations such as Colonial Williamsburg.
2. Coordinate hospitality events for prospects in conjunction with Virginia's top sporting events such as LPGA Michelob Ultra Open, Presidents Cup, and NASCAR.
3. Organize semi-annual VEDP/Ally Meeting and regional directors' retreat.

**GOAL #3: Work in close concert with the Governor's Office and the Office of the Secretary of Commerce and Trade to promote continued economic development success.**

**OBJECTIVE #1:** Employ the power of the Governor's Office for building relationships with prospects.

**STRATEGIES:**

1. Coordinate the Governor's presence at prospect events with the Secretary of Commerce and Trade's office.
  2. Arrange for all logistics, accommodations, and travel for the Governor's foreign and domestic marketing missions.
  3. Provide mission advance for the Governor's foreign and domestic marketing missions.
-



**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**INFORMATION TECHNOLOGY**

**Budgeted Expenditures**

Salaries, Benefits, and Taxes	\$ 1,312,096
Delivery Services	250
Travel	20,400
Telecommunications	79,280
Personnel Development	25,300
Repairs and Maintenance	3,200
Information Systems Services	197,400
Other Contract Services	250
Supplies and Materials	36,000
Fixed Asset Payments	<u>116,790</u>
<b>Total Budget</b>	<b><u>\$ 1,790,966</u></b>

# ***VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN***

---

## ***INFORMATION TECHNOLOGY***

The Information Technology (IT) Division provides integrated information systems support to both the Virginia Economic Development Partnership and the Virginia Tourism Corporation. IT operates and maintains all network and telecommunications infrastructure, a geographic information system (GIS), and presentation and video-conferencing facilities. The 250 node personal computer network and telecommunications infrastructure supports 25 facilities (six of these are overseas offices), four web services (YesVirginia.org, ExportVirginia.org, VirginiaAllies.org, and VirginiaScan) and all VEDP applications, databases, and programs critical to the economic development marketing process.

The state-of-the-art presentation facility is supported by GIS data layers developed in-house or obtained from local, state, federal, and commercial sources. Rapid access to these data and their presentation in an appealing and understandable format is essential to Virginia's superior position in the marketing of location sites and its products and services for export.

In addition, the IT division provides technical and marketing support to the regional and local economic development organizations through development, enhancement, and maintenance of VirginiaScan, a web-enabled marketing (industrial site/building selection/workforce) and data management tool. The new business workforce and quality-of-life data was the product of the Virtual Virginia initiative. Currently, VirginiaScan is used as a web-enabled marketing tool by at least nine (9) regional and ten (10) local economic development organizations.

### **GOAL #1: Develop and maintain the technological infrastructure to fulfill the VEDP/VTC missions.**

**OBJECTIVE #1:** Enhance and maintain communications systems to increase productivity through electronic exchange of data, documents, voice, images, and ideas.

#### **STRATEGIES:**

1. Enhance remote access to VEDP/VTC's local area network (LAN) from the regional and overseas offices by reviewing existing telecommunications infrastructure and making recommendations for upgrades as technology improves (particularly in the rural areas).
  2. Enhance reliable data exchange through a wide area network (WAN) and/or web-enabled applications, in concert with state, federal, regional, and local government agencies.
  3. Implement the planned upgrade of the VEDP/VTC telephone system.
  4. Expand the capacity and efficiency of the VEDP/VTC LAN to meet ongoing requirements of the staff. Adhere to the Commonwealth's Enterprise Infrastructure Policies, Procedures, Standards and Guidelines during any upgrade.
-

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

**OBJECTIVE #2:** Provide hardware and software tools to the VEDP/VTC staffs to maximize their effectiveness.

**STRATEGIES:**

1. Maintain a three to four year update cycle on desktop and laptop hardware.
2. Maintain software at the most recent version.
3. Maintain state-of-the-art presentation and video conferencing capabilities.
4. Continue support, development, and maintenance of VEDP intranet applications and enhance access for overseas and regional VEDP/VTC staffs.

**OBJECTIVE #3:** Protect the technology investment within VEDP/VTC.

**STRATEGIES:**

1. Procure and operate a co-location facility that will be utilized in disaster recovery situations. The facility should be integrated with the VEDP network.
  2. Maintain anti-virus software and adhere to security plan for virus protection.
  3. Maintain SPAM blocking software for agency e-mail usage.
  4. Maintain and monitor security systems to track computer usage and to prevent unauthorized access to VEDP/VTC data.
  5. Provide an annual employee training program on data protection by June 30 of each year.
  6. Maintain, adhere to, and document data back-up and disaster recovery plans.
  7. Update all VEDP/VTC risk assessment, disaster recovery, and contingency planning to include terrorism consequence management plans.
  8. Receive a "clean" management letter from the Auditor of Public Accounts, no deficiencies noted, with respect to systems issues.
  9. Comply with all VITA policies, procedures, and standards for assessing security risks, determining appropriate security measures, and performing security audits of government databases and data communications.
  10. Actively participate in any VITA-mandated IT security audits.
  11. Actively participate in the VITA Continuity of Operations Project (COOP).
-

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

**OBJECTIVE #4:** Train VEDP/VTC staffs in the use of hardware and software applications that are specific to the VEDP/VTC missions.

**STRATEGIES:**

1. Continue to work with Human Resources staff to enhance and update the IT module for the new employee orientation training.
2. Provide semi-annual staff training on remote access.
3. Provide staff training on the use of GIS analytical tools and custom applications.
4. Provide staff training on the use of the Presentation and Video Conferencing Facility.
5. Continue “train-the-trainer” in the IT liaison program – utilizing representatives from each Division of VEDP and VTC.

**GOAL #2: Support the VEDP/VTC missions through the development and maintenance of geographically-referenced data, analytical tools, and presentation tools.**

**OBJECTIVE #1:** Provide geographic information and analytical tools to support business attraction and expansion, and exporting and tourism opportunities.

**STRATEGIES:**

1. Maintain catalogs of databases and geo-referenced data as required by Commonwealth policy.
  2. Continue in-house maintenance and update of VEDP/VTC priority data layers (including, but not limited to, the following: industrial sites and buildings, sewer/water infrastructure, electric transmission infrastructure, power generation facilities, schools, institutions of higher education, corrections facilities, airports, hospitals, golf courses, railroads, landfills, Enterprise Zones, corrections facilities, fire and rescue, and hospitals) and integrate these layers with VBMP data.
  3. Continue to work with state and local agencies to maintain data layers (landfills, airports, Enterprise Zones, schools, institutions of higher education, corrections facilities, fire and rescue, hospitals, golf courses, wineries, sewer/water facilities, industrial sites/buildings, and power generation facilities).
  4. Continue the integration of VEDP/VTC data with GIS data from state, federal, regional, and local government agencies.
-

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

5. Formulate and continuously improve a workforce GIS data layer in conjunction with the Research department. Participate in new initiatives, like Virtual Virginia, that produce value-added data sets.
6. Improve the site selection tools and electronic interface between GIS data and VEDP Business Development and Research staffs.
7. Maintain GIS software at the most current version needed to support user requirements.
8. Continue identification and acquisition of other data and imagery products.
9. Update maps for websites, brochures, and publications as requested.

### **GOAL #3: Support the VEDP mission through the development and nurturing of relationships with economic development allies.**

**OBJECTIVE #1:** Enhance and maintain the relationships with economic development allies to ensure data validity and consistency.

#### **STRATEGIES:**

1. Continue enhancement and upgrades to VirginiaScan Phases 1, 2, and 3 (web-enabled site selection tool, mapping tool, and interactive data maintenance tool, respectively).
2. Continue implementation of VanillaScan (web-enabled page server) to support development of site selection tools on regional and local economic development organization web sites.
3. Continue technical support and work with Communications and Promotions and Research Divisions to enhance the Virginia Allies Information Exchange web site.
4. Implement a state-wide Extranet to provide state, local, regional and federal agencies access to VEDP data when necessary.
5. Continue implementation of XML application to allow data sharing between regional and state databases.

**OBJECTIVE #2:** Enhance and maintain relationships with economic development allies through technical assistance.

#### **STRATEGIES:**

1. Work with state, local, regional, and federal agencies to share and exchange data necessary to the VEDP mission.
-

***VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
FY2006 OPERATING PLAN***

---

2. Continue to provide technical assistance on IT and GIS functions to state, local, and regional agencies in conjunction with the Research Division.
3. Continue to provide “standard” and occasional “custom” graphics products to state, local, and regional agencies in conjunction with the Research Division.

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**ADMINISTRATION**

**Budgeted Expenditures**

Salaries, Benefits, and Taxes	\$ 1,546,999
Marketing and Promotion	20,100
Delivery Services	7,914
Travel	26,831
Printing	1,400
Telecommunications	18,600
Personnel Development	24,600
Professional Services	44,620
Repairs and Maintenance	60,800
Other Contract Services	10,400
Supplies and Materials	32,776
Insurance	62,000
Lease & Installment Payments	1,060,000
Fixed Asset Payments	<u>16,500</u>
<b>Total Budget</b>	<b><u><u>\$ 2,933,540</u></u></b>

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

### **ADMINISTRATION**

The Administration Division consists of the Executive Office, Human Resources, and Fiscal and Support Services. Its primary function is to provide leadership and an organizational framework to ensure the marketing and marketing support functions work to fulfill the Virginia Economic Development Partnership (VEDP) mission. The administrative functions of Human Resources and Fiscal and Support Services also provide the Virginia Tourism Corporation (VTC) with administrative support in accordance with a Memorandum of Agreement.

The Executive Office provides leadership and organizational vision by ensuring consistent adherence to the VEDP mission and establishes VEDP performance measures and monitors their results. It also communicates to community, political, and business leaders of the importance of economic development and the activities in which the VEDP has engaged on their behalf. The Executive Office includes the Executive Director, Deputy Director, General Counsel, and a Sr. Policy Analyst. The General Counsel provides guidance on policy matters, legal issues, and business incentives. The Sr. Policy Analyst coordinates VEDP's legislative program and produces VEDP's annual and Incentives reports under the direction of the Executive and Deputy Directors.

The Human Resources (HR) Division recruits quality, high-caliber employees to enhance VEDP's workforce to ensure that the VEDP mission is carried out and the goals and objectives met. HR maintains up-to-date HR policies and procedures; provides guidance on benefit packages available to VEDP/VTC employees; manages an automated human resources system providing reports with which to analyze employment trends; ensures appropriate market driven, internally equitable compensation levels for VEDP employees; and prepares numerous compliance reports for the state and federal governments. Additionally, the HR division provides services to the VTC.

The Fiscal and Support Services Division provides the following services to the VEDP: budget development in accordance with state directives; operating plan development; fiscal policies and procedures to ensure internal controls; financial operations to ensure that all VEDP obligations are met both to outside vendors and to VEDP employees; accurate and timely financial reports to management for decision making; procurement services; facilities and fleet management; and other administrative functions to support the VEDP mission. In addition, Fiscal and Support Services provides financial operations services to the VTC.

### **GENERAL COUNSEL AND LEGISLATION**

**GOAL #1: Develop and direct VEDP's legal issues, legislative initiatives, and economic development policies to position Virginia as an advantageous and continuously improving business location.**

**OBJECTIVE #1:** Ensure that VEDP is legally protected and complies with all relevant laws and regulations to successfully carry out the Partnership's marketing mission.

---



# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

### **STRATEGIES:**

1. Meet periodically with division directors and staff to review legal and policy issues and projects.
2. Respond in a timely fashion to significant legal and policy issues presented by VEDP staff.
3. Brief and prepare VEDP Board members on legal and policy issues, render informal advice, and review agendas, minutes, resolutions, and other documents before meetings.
4. Participate when appropriate in projects with VEDP staff, prospects, allies, and local or regional economic developers.
5. Review contracts, leases, agreements, policies and procedures, and human resources and fiscal practices for compliance and protection, and coordinate with the Attorney General's office as necessary.

**OBJECTIVE #2:** Develop legislation, written economic development policies, and studies as requested by the Executive Director or mandated by the General Assembly and/or the Governor, within the prescribed deadlines, or as may be appropriate or proactively helpful to strategically position Virginia or a region.

### **STRATEGIES:**

1. Draft, review, and/or revise legislation and guidelines affecting VEDP or Virginia's state, local, or regional economic development efforts.
2. Author and coordinate or contribute to the production of studies mandated by the General Assembly or the Governor on economic development and related issues, or other studies as needed. Participate on study commissions as requested or as appropriate.
3. Develop policy, testify before the General Assembly, speak before various groups, write articles and provide information on economic development issues.
4. Propose legislation that will better position Virginia to attract certain industries.

**GOAL #2: Coordinate Virginia's business incentives to ensure a sensible, consistent, competitive approach that brings a healthy return on investment to Virginia and its communities.**

---

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

**OBJECTIVE #1:** Advise VEDP staff and local/regional economic developers and government officials, as well as the private sector, on the development and use of incentives in accordance with applicable law and policy, ensuring effective protection of public investments.

**STRATEGIES:**

1. Draft and/or review and revise performance agreements or memoranda of understanding.
2. Study and analyze incentives offered by Virginia and other states and localities within or without Virginia.
3. Participate in negotiations with prospects, local developers, and counsel as appropriate.
4. Direct the proactive development of new incentive programs and policies to target specific industries (*e.g.*, aerospace), assets (*e.g.*, sites with infrastructure or workforce training), or regions (*e.g.*, rural, distressed).
5. Proactively monitor locality and company compliance with incentive agreement terms and ensure the recapture of funds where performance has not been met.
6. Engage in public speaking and publish articles (and other forms of education) regarding Virginia's policies on the use of incentives.

**OBJECTIVE #2:** Work with state agencies (*e.g.*, Department of Housing and Community Development (DHCD), Department of Business Assistance (DBA), Virginia Department of Transportation (VDOT), and Department of Mines, Minerals and Energy (DMME)) that administer incentive programs to ensure complete communication and coordination and, thereby, the effective use of these programs.

**STRATEGIES:**

1. Serve as a point of contact between state agencies and localities and/or companies to discuss, negotiate, and coordinate use of incentive programs including Enterprise Zones, Workforce Services, Industrial Road and Rail Access, Recycling Tax Credits, and Solarphotovoltaic Manufacturing Incentive Grants.
2. Participate in the development and operation of incentive programs administered in state agencies.
3. Prepare and distribute annual Incentives Report on behalf of the Secretary of Commerce and Trade.

**OBJECTIVE #3:** Coordinate VEDP's incentive programs.

---

# **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**

## **FY2006 OPERATING PLAN**

---

### **STRATEGIES:**

1. Direct and administer the Virginia Investment Partnership Program. Assist with the administration of the Governor's Opportunity Fund, including carrying out negotiations with prospects where appropriate; concluding, reviewing, and approving performance agreements; and recommending periodic changes to the VIP and GOF legislation or guidelines.

## **HUMAN RESOURCES**

**GOAL #1: Ensure that VEDP is staffed with the highest caliber employees to successfully support its mission and meet its goals and objectives.**

**OBJECTIVE #1:** Enhance recruitment methodology.

### **STRATEGIES:**

1. Identify and target qualified applicant pools.
2. Maximize utilization of identified external as well as internal on-line recruitment resources to increase exposure and minimize advertising costs.
3. Explore non-traditional workforce resources.
4. Maintain EEO/Affirmative Action Plan, achieve plan goals, and eliminate identified problem areas.

**OBJECTIVE #2:** Ensure that staffing position descriptions and employees' performance expectations support the VEDP operating plan.

### **STRATEGIES:**

1. Meet with division directors annually to review work plans and determine optimum staffing patterns.
2. Ensure that employee expectations support the divisions' performance measures.

**OBJECTIVE #3:** Ensure that VEDP's benefits package provides a competitive edge in recruitment and retention of employees.

### **STRATEGIES:**

1. Conduct a comprehensive orientation program providing an overview of benefit programs.
-

## **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2006 OPERATING PLAN**

---

2. Conduct seminars, augmenting internal instructors with external subject matter experts, as appropriate.
3. Maintain current benefits information on Human Resources intranet.
4. Maximize utilization of interactive web forms to provide employees with direct access to pertinent records and data.

**OBJECTIVE #4:** Administer a performance-based incentive reward system for eligible employees.

**STRATEGIES:**

1. Ensure that employees are evaluated on established performance measures and that incentive reward recommendations are fully documented by August 1 of each year.
2. Convene formal review committee to ensure VEDP internal equity as well as budgetary compliance and make final recommendations to the Executive Director by September 1 of each year.
3. Obtain final approval of Executive Director and distribute awards by October 15 of each year.

**OBJECTIVE #5:** Administer a fully-integrated Human Resources information system.

**STRATEGIES:**

1. Provide senior management with monthly staffing and position control reports.
2. Evaluate system effectiveness to facilitate data manipulation and reporting capabilities.
3. Implement upgrades, as appropriate, to maximize system capabilities and output.

### **FISCAL AND SUPPORT SERVICES**

**GOAL #1: Provide the VEDP with annual budget development management.**

**OBJECTIVE #1:** Execute annual appropriations development instructions within required deadlines.

---

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**STRATEGIES:**

1. Coordinate annual budget development process.
2. Assist VEDP management in identifying financial priorities for developing the VEDP's request for additional funds.
3. Monitor annual budget actions through the administrative and legislative process.
4. Prepare appropriate budget schedules and presentations in accordance with administration and legislative requests.

**GOAL #2: Provide the VEDP with a comprehensive financial management process for decision making.**

**OBJECTIVE #1:** Provide directors and managers with instructions and historical financial data to assist them in producing an annual operating plan prior to the beginning of each fiscal year.

**STRATEGIES:**

1. Publish VEDP operating plan development instructions by mid-April of each year.
2. Analyze historical spending patterns of the current and prior fiscal years.
3. Provide training and assistance to directors and managers.

**OBJECTIVE #2:** Provide senior management with monthly financial management reports by the 15th of each month.

**STRATEGIES:**

1. Monitor a monthly financial reporting cycle that ensures the VEDP transaction recording process is closed, reconciled, and reported timely.
2. Perform periodic transaction reviews to ensure transactions are recorded properly before the month-end close.

**GOAL #3: Provide the VEDP with a comprehensive system of internal controls.**

**OBJECTIVE #1:** Receive a "clean" management letter from the annual Auditor of Public Accounts audit.

---

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**STRATEGIES:**

1. Maintain Financial Policies and Procedures Manual to ensure VEDP assets are secured and transactions are accurate and occur within specified guidelines.
2. Conduct VEDP staff training.

**OBJECTIVE #2:** Perform annual Fiscal Policies and Procedures Manual updates.

**STRATEGIES:**

1. Review policies and procedures and audit reports to compare to existing policies and procedures annually.
2. Distribute selected procedures to fiscal and program staff for review and evaluation annually.

**GOAL #4: Provide the VEDP with appropriate treasury functions to ensure adequate operating cash and reconciled cash balances.**

**OBJECTIVE:** Invest available cash balances within reasonable risk factors appropriate to public funds' cash management practices.

**STRATEGIES:**

1. Monitor Local Government Investment Pool (LGIP) account for excess operating cash balances.
2. Review weekly balance activity to ensure adequate operating cash.

**GOAL #5: Provide the VEDP with procurement, facilities and fleet management, and other administrative services in support of VEDP's mission.**

**OBJECTIVE #1:** Maintain policies and procedures and monitor internal controls with respect to the procurement of all VEDP goods and services.

**STRATEGIES:**

1. Review policies and procedures annually to ensure they provide an adequate purchasing structure.
  2. Participate in State-sponsored procurement initiatives, such as eVA and Small Women and Minority (SWAM) owned businesses when advantageous to VEDP procurement objectives.
-

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**OBJECTIVE #2:** Provide facility and fleet services to ensure a safe working environment and to fulfill VEDP transportation needs.

**STRATEGIES:**

1. Coordinate the cleaning services with the landlord to ensure VEDP employees have a clean working environment.
2. Coordinate building security with the landlord to ensure VEDP employees have a safe working environment.
3. Ensure transportation assets are maintained and are adequate to fulfill demands of a marketing organization.

**OBJECTIVE #3:** Prepare and maintain a Continuity of Operations Plan (COOP) to ensure VEDP's continued ability to fulfill its mission after an incident.

**STRATEGIES:**

1. Direct the preparation and maintenance of the VEDP COOP to ensure mission critical functions continue in the event of an incident.
  2. Coordinate the recovery of mission critical functions in the event of an incident.
-

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**  
**FY2006 OPERATING PLAN**

---

**PASS THROUGH PAYMENTS**

**Budgeted Expenditures**

Virginia Space Flight Authority	\$ 100,000
Virginia Commission on Military Bases	<u>303,000</u>
<b>Total Budget</b>	<b><u><u>\$ 403,000</u></u></b>

