

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

OPERATING PLAN

*FOR THE FISCAL YEAR ENDING
JUNE 30, 2009*



Virginia
Best State
for Business

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

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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."

VEDP is 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 2008 General Assembly, *Chapter (to be filled in)*, 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.

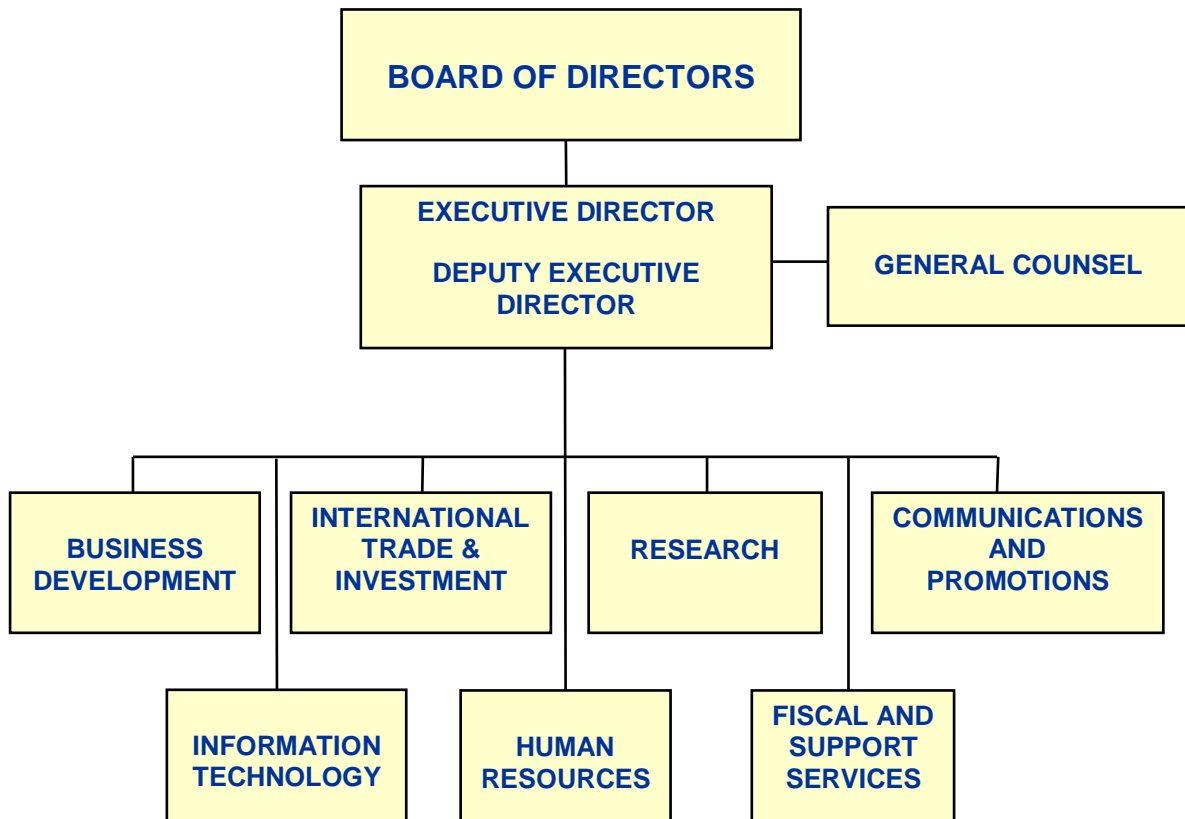
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MISSION STATEMENT

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.

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ORGANIZATION CHART



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PERFORMANCE MEASURES

Investment	\$2.2 Billion
Jobs	10,000
New Active Projects	215
Virginia Decision Rate (New)	57%
Companies Assisted or Attended a Trade Event	225
Client Impact Statement Score	80%
Virginia Leaders in Export Trade (VALET) Sales Increase	25%
Accessing International Markets (AIM) New Market Entry	15

New Virginia Decision Rate is based on the Decisions for Virginia as a percentage of total company decisions and cancellations.

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SUMMARY MARKETING PLAN

WHAT'S NEW FOR FY2009

The following are various initiatives and strategies that will be implemented in this fiscal year:

Marketing

- Continue implementing initiative strategies including global logistics, site selection consultants, distributed services, polymers/composites, energy, fabricated wood products, and modeling & simulation
- Implement the Gold Accounts business development strategy and pilot one or more companies for a “go-to-market” partnership with a University partner
- Identify, educate and leverage Virginia’s public and private stakeholders in VEDP’s target sectors
- Identify, educate and engage stakeholders on the SRI emerging sectors strategy
- Identify at least one revenue-generating strategy that aligns with the operational goals of the Business Development Division
- Internationalize the www.yesvirginia.org website to make it more user-friendly and content rich for international prospects
- Launch a Merger & Acquisition (M&A) referral network for international transactions
- Launch a Sales Office initiative to assist international companies to establish business presence in Virginia
- Redesign the Virginia Conference on World Trade to attract broader and higher level audiences
- Launch a directory of Virginia companies that export services
- VEDP will complete a major website revision to www.YesVirginia.org to maintain a state-of-the-art web presence
- VEDP will work to develop micro-sites located within www.YesVirginia.org that target our key International markets.
- VEDP will create new interactive mapping elements for www.YesVirginia.org and will incorporate a Google search feature.
- VEDP will complete a major rewrite of its VirginiaScan application, Virginia’s leading online sites & buildings database, to improve functionality and the user experience

Support

- Advocate and develop a strategy for advancing the recommendations of the Governor’s Mega Project Advisory Committee to help Virginia compete more effectively for “Mega” projects
- Participate in a legislative study of Virginia’s corporate income tax apportionment formula, specifically focused on the merits of adopting a single sales factor formula.
- Redesign the Allies Information Exchange website to improve functionality and information content for the economic development ally community.
- Participate in the DBA Study Group as directed by the Secretary of Commerce and Trade
- Upgrade the GIS imagery to the 2008 aerial survey
- Create a unified software platform for Marketing, Contact, Prospect and Project Management
- Provide fail-over capability for e-mail and PDA communication network

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- Implement a Storage Area Network (SAN) and consolidate digital storage.
- Implement a server cluster utilizing virtualization technology.
- Develop a security and awareness training program for employees
- Provide PDA access to GIS data layers
- Extend GIS capability to our economic development allies through VanillaScan
- Revamp VirginiaScan to complement the new YesVirginia.org website.

BUSINESS DEVELOPMENT

In FY2009, Business Development will continue to position Virginia in major market sectors (verticals), marketing through focused initiatives, project management, and implementation of a regional alliance strategy. Major market outreach strategies include domestic U.S. marketing missions, industry specific conferences, and special events. Through direct calls, Governor's missions, special events, and its proactive use of the Governor's "presence factor," the division will continue to position Virginia to selected companies and encourage their consideration of Virginia for new capital investment and job creation. Emphasis on target industry sectors will include Advanced Manufacturing/Materials, Transportation, Security and Services/IT, and Science, Education and Research.

The division will continue its strategic initiative focus on outreach to site selection consultants, and will continue its marketing initiatives focused on modeling and simulation, distributed services, global logistics, energy, plastics and composites, and wood products.

Project management will align the division staff's skill sets and areas of expertise, to ensure the best use of the marketing teams and talents. In addition, staff will focus on building relationships with key Virginia assets, particularly in the higher education and private sector arenas. This year will build on the successful synergy and collaboration of the division's project managers, and associate managers, with partners from other divisions. Opportunities for professional development are also embedded in the organization's operational plans. Additionally, emphasis will be placed on post-announcement implementation assistance and post-project assessments.

In a broadened regional alliance strategy, Business Development will continue its leadership role to work with Virginia's regions and localities on asset-based and target sector marketing. The regional strategy is implemented by staff liaisons who become a point of contact for local and regional developers and a voice for their regions at VEDP; who communicate the VEDP vision and strategy; who build relationships and leverage state partners in regions; who understand and facilitate strategies for collaborative marketing of assets, and for addressing gaps; and who understand and facilitate communication of marketing partnerships.

INTERNATIONAL INVESTMENT

The International Investment team within the Division of International Trade and Investment will conduct 12 marketing missions in 12 countries to recruit foreign-owned firms to Virginia. Staff will focus Virginia's marketing message around the VEDP's vertical sectors. The investment team will involve both regional economic developers and private sector service providers in its marketing initiatives. The investment team will also contribute to, and staff, investment-related components of the Virginia International Trade Alliance (VITAL).

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INTERNATIONAL TRADE

The International Trade Division's performance measures for FY2009 consist of the following: The Trade Division will generate sales for and/or provide technical assistance to 225 clients. The Trade Division will graduate 15 companies from its Virginia Leaders in Export Trade (VALET) Program, documenting obtained international sales. The Trade Division will graduate 20 companies from the Accessing International Markets (AIM) Program annually. The Trade Division will conduct 12 trade events around the world. The trade team will also contribute to, and staff, trade-related components of the Virginia International Trade Alliance (VITAL).

RESEARCH

The Research Division will provide a broad range of critical services in support of VEDP's marketing and outreach activities. Division staff will be full participants in the planning, research, and execution of outreach efforts for VEDP's established four vertical industry markets and specific marketing initiatives. An array of updated data content for the VEDP website and targeted industry collateral material will be prepared in cooperation with the Communications and Promotions Division. Industry sector and firm-level business targets will be presented to the International and Business Development Divisions for their follow-up as a means of building up the project pipeline.

Efforts will continue to improve the accuracy and completeness of VEDP's real estate database, VirginiaScan. The more rigid protocols for ensuring all verification of data have had a positive impact and will be maintained. An evaluation and upgrade to the VirginiaScan package will be undertaken as part of an overall website overhaul process. Staff will continue improvements to the visual appearance and formatting of prospect proposals to succinctly convey needed information to our clients.

Several division staff will serve as designated VEDP Regional Liaison Representatives; other staff will provide appropriate research support to the liaison program to facilitate communication of VEDP's strategies to regional allies and to evaluate the alignment of VEDP's strategies with those at the regional level. Staff will continue development of a usable, integrated database of major Virginia employers. This work will support the launch of the new ExecutivePulse system used in connection with building a more cohesive statewide existing business and industry initiative. Working with the Communications and Promotions Division, the Allies Information Exchange website will be redesigned and updated based on the results of a recent survey of the ally community. The *Economic Development Handbook for Local Elected Officials* will continue to be distributed to allies. Staff will continue to participate in local government officials' conferences, including VACo and VML, to help communicate VEDP's role in economic development. Fiscal performance information showing the positive return on investment for Virginia incentives programs will be released and packaged to support our public relations and legislative strategy.

COMMUNICATIONS AND PROMOTIONS

Electronic marketing, public relations, direct marketing, and trade show and event promotion remain primary activities of the Communications and Promotions (C&P) Division. Due to minimal available funding, advertising will be restricted to targeting vertical sectors. C&P's public relations

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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 research website best practices and make revisions as appropriate. Ally communication is enhanced with the publication of four issues of Commerce Quarterly. C&P will also organize the semi-annual 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 to traditional marketing missions; however, initiative-based, business sector direct marketing will be introduced at our Verizon-supported VEDP Call Center. C&P will manage VEDP's trade show presence, marketing events, and the Governor's foreign and domestic marketing missions. Finally, C&P will initiate comprehensive prospect follow-up and database updating to improve project flow rates.

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, mapping, 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. Providing GIS mapping capabilities on VirginiaScan directly benefits VEDP's economic development allies.

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BUDGET SUMMARY

FY09 and FY08 Revenue Sources

	<u>FY09</u> <u>Dollars</u>	<u>FY08</u> <u>Dollars</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Revenue				
COV Appropriations	\$16,392,920	\$17,688,390	\$ (1,295,470)	-7.3%
Carry Forward Funds	-	2,073,000	(2,073,000)	-100.0%
Cooperative Advertising Match	-	450,000	(450,000)	-100.0%
Participation Fees	152,000	120,000	32,000	26.7%
Interest	100,000	200,000	(100,000)	-50.0%
VNDIA Support Fee	25,000	-	25,000	-
Total Revenue	<u>\$16,669,920</u>	<u>\$20,531,390</u>	<u>\$ (3,861,470)</u>	<u>-18.8%</u>

Notes on FY09 and FY08 Revenue Sources

COV Appropriations

\$1,267,625 reduction in Operating Budget Cuts; discontinue \$300,000 in funding for EMTASC, a Modeling and Simulation pass through, add personnel and benefits funding of \$222,155, and add funding for a new pass through of \$50,000 for the Virginia Biotechnology Park.

Carry Forward Funds

\$1,000,000 decrease for the Volvo pass through that was paid to Pulaski County; \$823,000 decrease in funding for advertising; \$100,000 decrease in funding for Business Development Initiatives; \$100,000 decrease in funding for upgrading the Presentation Center; and \$50,000 decrease in the initial cost of the Executive Pulse software.

Cooperative Advertising Match

The Governor wrote letters to the CEO's of three Virginia companies who agreed to contribute \$150,000 each to do a joint advertising campaign. These funds are not available for FY09.

Interest

\$100,000 decrease in interest earnings due to falling interest rates and reduced average cash balance.

VNDIA Support Fee

The Virginia National Defense Industrial Authority pays VEDP for Fiscal and Support Services, Human Resources, and Information Technology support.

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BUDGET SUMMARY

FY09 and FY08 Budget Comparison

	FY09		FY08		\$ Change	% Change
	Dollars	Staff	Dollars	Staff		
Division Budgets						
Business Development	\$ 3,235,749	27	\$ 3,617,043	28	\$ (381,294)	-10.5%
International Investment	2,081,015	7	1,795,097	8	285,918	15.9%
International Trade	2,882,494	21	3,450,243	21	(567,749)	-16.5%
Research	2,097,574	17	2,188,753	18	(91,179)	-4.2%
Communications and Promotions	1,663,447	8	3,186,086	8	(1,522,639)	-47.8%
Information Technology	1,905,068	15	2,137,065	16	(231,997)	-10.9%
Administration	2,660,998	15	2,757,103	15	(96,105)	-3.5%
Pass Through Payments	143,575	-	1,400,000	-	(1,256,425)	-89.7%
Total Division Budgets	\$ 16,669,920	110	\$ 20,531,390	114	\$ (3,861,470)	-18.8%

Notes on FY09 and FY08 Division Budgets Comparison

All Divisions

All divisions had budget reductions and received funding for personnel costs.

Business Development

\$458,000 in budget reductions to include Motorsports Marketing, Initiatives funding, Modeling and Simulation funding, various shows and events participation, and one project manager. Add \$77,000 for state funding of personnel and benefits.

International Investment

Add \$403,000 resources shift to International Investment from Trade that includes the Director's salary and the Tokyo and Hong Kong offices. International Investment had \$132,000 in budget reductions for missions, shows, events, contracted marketing services, and one contract position in the Tokyo office. Add \$15,000 for state funding of personnel and benefits costs.

International Trade

Deduct \$403,000 resources shift from Trade to International Investment, as indicated above. International Trade had reductions of \$212,000 for shows, missions, events, and contracted marketing trade services. Add \$47,000 for state funding of personnel and benefits.

Research

\$136,000 in budget reductions for contract research, professional memberships, and one position; offset by \$45,000 in state funding for personnel and benefits.

Communications and Promotions

\$823,000 reduction in carry forward cash and \$450,000 private sector funding used to fund the CEO advertising program. \$300,000 reduction in State funding eliminating Vertical Initiative Marketing, Governor's Missions, and various other marketing shows and events. Add \$50,000 in state funding for personnel and benefits.

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Information Technology

\$150,000 reduction in carry forward cash for the Presentation Center upgrade and the ExecutivePulse software; \$115,000 reduction delaying server and computer replacements and eliminating a position. Add \$33,000 state funding for personnel and benefits.

Administration

\$195,000 reduction in the incentive bonus pools, maintenance, travel, training, supplies, and personnel cost reductions in the Fiscal and General Counsel Offices. Add \$74,000 for state funding for personnel and benefits and add \$25,000 for the VNDIA support fee.

Pass Through Payments

\$1,000,000 reduction for the Volvo Center for Excellence, \$300,000 reduction for discontinued funding for EMTASC, and \$6,425 reduction for the Virginia Commercial Space Flight Authority. Additional funding for \$50,000 for the Virginia Biotechnology Park.

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Business Development

Budgeted Expenditures

Compensation	\$ 2,747,511
Marketing and Promotion	800
Missions, Shows, and Events	24,000
Travel	156,100
Services	53,800
Supplies and Materials	9,238
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	229,900
Other Expenditures	<u>14,400</u>
Total Budget	<u><u>\$ 3,235,749</u></u>

BUSINESS DEVELOPMENT

The Business Development Division is a customer-focused professional marketing team providing solutions to business clients. The mission of the Business Development Division is to recruit new domestically-based companies to Virginia and to leverage Virginia's assets and partners to secure new payroll and capital investment in Virginia. The Business Development Division focuses on major *vertical markets* that are growing; understands, identifies, and leverages the supply chain for these sectors; and matches these with appropriate regional and local strengths and needs. Professional marketing and project management staff promote and position Virginia in an innovative outreach program that includes a variety of marketing activities and over 40 specific events which include geographic marketing missions, industry conferences, site-location consultant calls, special events, and other strategic initiatives to key business sectors. Many of these activities are carried out in partnership with local and regional allies.

Business Development Project Managers quarterback specific projects to an ultimate business decision for Virginia. Managers respond confidentially to client needs, identify public and private resources such as higher education, financial, environmental, logistic and other professional services firms to answer the client's questions, gather competitive marketplace intelligence, coordinate site visits to evaluate Virginia's product, and coordinate allies' efforts to close the deal. Through its Business Development Finance Director, division staff also develop financing alternatives and advise in structuring financing transactions to meet corporate capital goals.

Strategic initiatives are discreet, definable sectors that are undergoing transformation or have the ability to transform regions, that are growing in a sustainable manner, can be effectively targeted, and can be effectively measured. These initiatives provide opportunities for championed leadership with cross-division implementation and have a defined life cycle. Six initiatives are functioning at various life-stages.

VEDP's *regional asset strategy* is implemented by staff liaisons who become a point of contact for regional/local developers and a voice for their regions at VEDP; who communicate the VEDP vision and strategy; who build relationships and leverage state partners in regions; who understand and facilitate strategies for collaborative marketing of assets, and for addressing gaps; and who understand and facilitate communication of marketing partnerships.

Successfully implementing the Business Development goals requires integrated coordination with other VEDP divisions. This includes (a) the Communications and Promotions Division to plan and execute marketing missions, special events, media tours, and development of industry-specific collateral materials, and to leverage the C&P call center in support of BD strategies; (b) the Research Division to articulate the Virginia position; 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; (d) the International Trade and Investment Division by collaboratively serving common business clients; and (e) the Executive Team by integrating the CEO-level communications. Business Development supports the existing industry function through coordination of a systematic Governor's call program to identified companies.

GOAL #1: Aggressively position Virginia and its communities to U.S.-based prospects and consultants to generate active projects.

OBJECTIVE: Increase the number of qualified prospects that will consider Virginia as a location for growth.

STRATEGIES:

1. Target business sectors and specific companies in those sectors that exhibit forecast growth opportunities, or that are ready to expand and that best meet Virginia's diverse local and regional strengths. Major markets include Advanced Manufacturing/Materials, Transportation, Security and Services/IT, and Science, Education and Research.
2. Plan and conduct a comprehensive marketing outreach program toward site selection consultants.
3. Effectively utilize the Governor's Office at least quarterly to contact targeted companies in key business sectors.
4. Participate actively in targeted business sector professional associations to network effectively with decision-makers.
5. Implement and measure results for targeted businesses through conferences, marketing missions, and special events.
6. Leverage Virginia's higher education institutions, particularly the research and development focus areas, in outreach marketing efforts.
7. Identify and leverage private sector partners to generate prospect activity.

GOAL #2: Increase Virginia's market share of business activity in selected initiative areas.

OBJECTIVE: Maintain implementation of six marketing sectors in partnership with selected pilot communities.

STRATEGIES:

1. Identify economic impact and activity in targeted sectors of Modeling and Simulation; Distributed Services; Global Logistics; Energy; Plastics & Composites; and Wood Products.
2. Set measurable goals for results of initiative implementation.
3. Identify selected pilot communities for each initiative.
4. Identify and leverage federal, state, regional, and private sector partners to support the initiatives.

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5. Implement marketing strategy within established framework of initiative model.
6. Benchmark results and share best practices of initiative strategy.

GOAL #3: Effectively manage projects resulting from domestic and international marketing activities 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. Professionally facilitate appropriate state, federal, and private 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. Identify resources and provide financing alternatives to businesses considering locating to or expanding in Virginia.
7. Conduct analysis of successes and losses to identify key issues which can improve positioning of Virginia in the global marketplace.

GOAL #4: Implement a focused regional alliance strategy by sharing the project and industry expertise of staff with local and regional allies to assist them in effective marketing and to facilitate capacity building, and build knowledge base of regional assets.

OBJECTIVE: Increase the knowledge base of local and regional economic development professionals, and of Business Development staff, to effectively leverage the assets of the Commonwealth.

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STRATEGIES:

1. 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 and through building relationships across regional boundaries to share best practices.
2. Assign staff to serve as liaisons to identified macro-regions, to understand the assets and liabilities of the regions, and to provide a conduit for communication between the regions and VEDP.
3. Identify, build relationships with, and leverage state resources, particularly in higher education assets, in each region to assist positioning the regions into appropriate target markets.
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. Solicit constructive feedback from local and regional allies on ways to improve Business Development's process and marketing, prospect handling and related activities.

GOAL #5: Provide superior customer service with measurable results.

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. Within budget constraints, encourage Business Development staff to attend basic economic development courses and the Economic Development Institute, and obtain professional certification through accredited economic development organizations.
2. Provide the division at least four staff training opportunities on essential economic development and business practices, sales and marketing practices, negotiations, presentations, technical software, etc., needed to work effectively with prospects and allies.
3. 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.
4. Ensure that all interactions with Virginia allies, prospects, suspects, and leads are positive and constructive.
5. Establish series of forums for BD staff to remain proficient on Virginia's programs and policies.

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6. Establish a system of innovation to challenge the status quo and more effectively and efficiently produce results.
7. Empower and support staff to utilize tools and take ownership of areas of expertise in support of VEDP's goals.
8. Conduct systematic surveys of client satisfaction and analyze results for use in improving customer relations and developing new programs and policies.
9. Continue systematic tracking methods to benchmark and evaluate specific target marketing efforts.

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International Investment

Budgeted Expenditures

Compensation	\$ 1,122,224
Marketing and Promotion	247,600
Missions, Shows, and Events	116,500
Travel	235,860
Services	64,050
Supplies and Materials	31,386
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	234,095
Other Expenditures	<u>29,300</u>
Total Budget	<u><u>\$ 2,081,015</u></u>

INTERNATIONAL INVESTMENT

The mission of the International Investment program is to aggressively market Virginia to internationally-owned companies in order to secure their business facilities in Virginia, thereby generating job creation and capital investment.

Foreign investment has long been a priority for Virginia. VEDP maintains proactive investment offices in Japan, South Korea, Hong Kong and Europe. The agency's trade office in Mexico offers investment assistance as needed. VEDP maintains an aggressive marketing program to attract foreign companies to Virginia, as staff in Virginia and the overseas offices make direct calls on foreign-owned companies. Through ongoing marketing analysis, VEDP expects to continue to increase the level of foreign investment in Virginia.

The International Investment team will concentrate its time and resources on generating international investment projects for Virginia. It will quarterback each project, involving the Business Development staff in the fulfillment of project parameters to result in successful international business locations for Virginia.

GOAL: Market Virginia to internationally-owned companies in order to secure their business facilities in Virginia, thereby generating job creation and capital investment.

OBJECTIVE #1: Create an increasing flow of internationally-owned companies considering Virginia as a business location.

STRATEGIES:

1. Undertake innovative marketing outreach activities in international markets to generate ongoing investment opportunities.
2. Conduct an aggressive direct client marketing effort, by both international and Richmond-based staff, to generate prospect visits to Virginia. Conduct four marketing missions to Europe, four to Asia, and five to the Rest of the World (ROW).
3. Partner with regional economic development organizations, and appropriate international allies from Virginia's private sector, in coordinating marketing events in targeted markets.
4. Conduct international marketing initiatives along targeted VEDP vertical markets as appropriate (e.g. advanced manufacturing, R&D, etc.)
5. Secure additional foreign direct investment in Virginia by managing projects of internationally-owned companies new to Virginia and assisting existing foreign-owned Virginia companies to expand.
6. Continue the Virginia International Trade Alliance (VITAL), with specific initiatives in the following areas to increase foreign investment in Virginia: Sales Offices;

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Mergers & Acquisitions; Policy; Brand Virginia; and Foreign-owned Firms. VITAL engages Virginia's private-sector players in its work plan.

7. Conduct Governor's Trade and Investment missions as requested.

OBJECTIVE #2: Improve processes and resources internal to VEDP to make marketing efforts more effective.

STRATEGIES:

1. Collaborate with domestic investment staff and regional economic development allies to successfully work international projects to locate to or expand within Virginia.
2. Work with Communications and Promotions Division to produce marketing materials and websites in Japanese, Chinese, German, French, and Spanish.
3. Work with Research to reformat site studies to meet current demands of international prospects, producing clear, concise business proposals in a more timely manner.
4. Collaborate on "internationalization" of the www.yesvirginia.org website.

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International Trade

Budgeted Expenditures

Compensation	\$ 1,656,411
Marketing and Promotion	506,668
Missions, Shows, and Events	158,995
Travel	146,000
Services	107,003
Supplies and Materials	25,354
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	246,788
Other Expenditures	<u>35,275</u>
Total Budget	<u><u>\$ 2,882,494</u></u>

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 programs and services. From a team of international trade representatives strategically located throughout the world to a network of five statewide offices, the International Trade Division offers international marketing tools to companies large and small. Programs include:

Virginia Leaders in Export Trade (VALET) Program: The VALET program selects 15 Virginia companies annually into a two-year intensive international sales program. State resources are leveraged with private-sector contributions to take Virginia companies from being export-ready to accelerating their international sales.

Accessing International Markets (AIM) Program: The AIM Program is a one-year international sales expansion program for companies entering a new export market. The program accepts 20 companies each year and provides them with a comprehensive export education program.

International Trade Missions: Approximately a dozen trade events are conducted annually to promote Virginia products and services in global markets. Typically, over 75 companies participate in these business trips. The International Trade Division provides comprehensive matchmaking and logistical assistance with international events around the world.

Global Network: This program provides in-country market research in 25 countries around the world at little or no cost to Virginia companies. Often, this research precedes participation in a Trade Event, the VALET Program, or the AIM Program.

Consulting on Export Marketing: Experienced International Trade Managers, located in five offices throughout Virginia, and in four countries around the world, help Virginia companies obtain international sales.

The International Trade program is based on the premise that successful international sales are obtained 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 international markets, from 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) provides key information, lists programs, services, 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. Recruit 15 companies annually into the VALET Program (a two-year program in duration), thereby servicing 30 companies on an on-going basis.

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2. Recruit 20 companies annually into the AIM Program (a one-year program in duration), thereby servicing 20 companies on an ongoing basis.
3. Provide one-on-one export counseling to the Commonwealth's businesses.
4. Recruit Virginia companies to participate in 12 scheduled international trade missions and shows.
5. Support and participate in all Governor-led trade missions.
6. Provide a Global Network that assists Virginia companies with access to in-country market research in 25 international markets, which are tailored to their product or service, at little to no cost.
7. Provide matchmaking and agent/distributor search services to approximately 50 Virginia companies visiting VEDP's overseas trade offices annually.
8. Continue the Virginia International Trade Alliance (VITAL), a public-private joint initiative of VEDP's International Trade and Investment Division. Trade related initiatives include a service export directory, an emerging markets report and on-going trade policy development.
9. Publish *Beyond Virginia*, an electronic newsletter to be delivered once every two weeks.
10. Publish a *Beyond Virginia Calendar*, which is designed to showcase the diverse range of Virginia products that are found throughout the world and to serve as a marketing tool for the International Trade Division.
11. Publish, promote, and distribute international trade data and analyses on Virginia exports via the website www.ExportVirginia.org.
12. Maintain memberships and active participation in Virginia's international trade organizations.
13. Manage and produce the Virginia Chamber of Commerce, Virginia Conference on World Trade, in conjunction with the Virginia Port Authority.

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Research

Budgeted Expenditures

Compensation	\$ 1,642,570
Marketing and Promotion	1,000
Missions, Shows, and Events	6,754
Travel	39,400
Services	208,450
Supplies and Materials	26,100
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	154,300
Other Expenditures	<u>19,000</u>
Total Budget	<u><u>\$ 2,097,574</u></u>

RESEARCH

The Research Division primarily supports the efforts of the Business Development and International Divisions by preparing information for national and international business prospects to evaluate and justify a project location decision for Virginia. Key activities include maintenance of a comprehensive web-based site and building inventory, community and regional economic and demographic profile database; delivery of custom prospect proposals; and other project assistance activities designed to encourage a company expansion and investment in Virginia. The Division provides content data used for producing VEDP's various collateral and online marketing materials and annual economic development reference publications and legislatively requested reports.

The Research Division tracks global and domestic capital flows and determines major industry vertical targets that align well with Virginia's regions and array of assets to help focus VEDP's outreach marketing efforts. Specific target companies with expansion potential are also identified and validated for follow-up by our market facing divisions. 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 within Virginia. Division economists have developed a Return on Invested Capital model to illustrate the state's realized fiscal return on VEDP's projects in which discretionary incentives were used. Realized revenue returns are based on actual company hiring and capital investment performance, with results from the model updated quarterly. The Division is engaged with management in recommending VEDP fiscal year Performance Measures and in modifications and additions to those measures that better reflect VEDP's direct efforts in fulfilling its mission.

Further, the Division aspires to provide thought leadership for VEDP that assesses Virginia's competitive standing in the market, and recommends strategic and directional approaches for enhancing Virginia's economic performance. In so doing, the Division monitors key competitor states' use of incentives programs and other important program initiatives, makes suggestions for enhancing Virginia's incentives offerings, examines our overall tax and other business cost competitiveness, explores other ways to make the state more competitive for business investment, and handles other special research initiatives as needed.

GOAL#1: Provide general research and guidance to the VEDP Administration and Executive Team in support of the VEDP mission.

OBJECTIVE #1: Prepare materials and documents to support effective goal and direction setting by agency management and the VEDP Board.

STRATEGIES:

1. Provide division directors and the Executive Director's Office with information to establish vertical industry performance measures, international investment performance measures, and overall agency performance measures on a fiscal year basis.

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2. Develop fiscal impact data on a quarterly and annual basis generated by VEDP-assisted project locations within Virginia that describes the value of VEDP's activities to improve the fiscal health of Virginia.
3. Provide information on project announcements, fiscal impact, and other materials needed for quarterly VEDP Board meetings.

OBJECTIVE #2: Prepare materials and information that support effective performance monitoring and decision making by agency management.

STRATEGIES:

1. Support agency efforts to develop a clear and focused message on the value of economic development and VEDP to relevant stakeholders such as the General Assembly, local government officials, other economic development allies, and the public.
2. Develop and generate regular reports on the fiscal impact of VEDP's use of project incentives which demonstrate the return on investment associated with use of these incentives.
3. Explore options and opportunities for alternative funding sources to conduct VEDP operations, marketing activities, or other activities consistent with the organizational mission.
4. Participate in cross-divisional efforts to prepare annual reports on the operations of VEDP, the use of state incentives, and other studies and reports as required by the General Assembly.
5. Assist in tracking performance in implementing the Governor's Economic Development Strategic Plan.
6. Provide ongoing staff support for efforts to implement recommendations from the Governor's Mega Project Advisory Committee so that Virginia can be more competitive for major economic development projects requiring significant state incentives or financing support.
7. Conduct special studies, white papers, and other research as directed or necessary to enable the fulfillment of the VEDP mission and which can highlight key areas requiring state policy action to improve Virginia's competitive position.
8. Lead efforts within VEDP to better communicate major project management activities and workstreams across divisional lines; this may include "post project announcement" execution steps or active projects considering Virginia as a business location.

GOAL #2: Support efforts to increase capital investment and job creation through business recruitment and expansion.

OBJECTIVE #1: Prepare materials and data to support VEDP's efforts to secure national and international companies to locate or expand operations within Virginia with a primary emphasis on VEDP's established vertical industry markets.

STRATEGIES:

1. Provide relevant research data to produce comprehensive and incisive 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 which convey a strong value case for business investment in Virginia, and to also include information on the state's available business incentives, local taxation, and procedures for establishing a business in Virginia.
2. Prepare customized site and building location proposals, comprehensive prospect proposals, and responses to consultant-generated Requests For Information for use by Business Development and International Division staff in client discussions.
3. Continue to improve the visual appearance and formatting of our prospect proposals using more pictures, graphics, charts, and summaries to concisely convey critical business and decision-making information to our clients on the value of a Virginia location.
4. Working with other divisions, develop content and market messages for each business sector within our four vertical industry markets and for defined market initiatives to include modeling and simulation, distributed services, global logistics, energy, and wood products in FY2009, such messages to be integrated into VEDP websites and supporting collateral materials as appropriate.
5. Develop vertical market industry studies for the relevant internal teams to understand the industries within those established verticals, the driving site selection factors associated with those industries, the location advantages that Virginia offers, and the gaps that need to be addressed at the state and regional levels for Virginia to maximize its success in these markets.
6. Prepare a quarterly overview of economic and business trends in the U.S., Virginia, and major overseas markets for distribution to VEDP staff, and for posting on the Allies Information Exchange website.
7. Maintain and distribute relevant information used to compare business cost factors in Virginia with other national and selected international locations; using newly-acquired data resources, develop more comparative cost data at the sub-state regional level in support of our various regional initiatives.
8. Serve as advisors to the Business Development and International Divisions regarding site and building recommendations, community and regional

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recommendations, incentive packaging, and other project assistance materials and activities.

9. Monitor usage and operational issues associated with the Automated Product System; make adjustments as appropriate in coordination with Business Development and International Divisions.
10. Continue to regularly evaluate existing research products, processes, formats, and methods of delivery and implement improvements as needed to remain accurate, relevant, and responsive to clients' needs.

OBJECTIVE #2: Develop and maintain VEDP databases and research resources to ensure timely and complete responses 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 with online updating capability by community allies.
2. Monitor community ally usage of VirginiaScan and take steps to improve data quality and completeness in areas where shortcomings are identified; maintain rigid protocols for ally review of their data and remove those properties from the system which are not ally verified.
3. 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. Review format and content of these products to ensure they are reader-friendly and market relevant.
4. Maintain and update business databases on foreign affiliated companies operating in Virginia, headquarters operations based in Virginia, and corporate research and development operations in Virginia; involve regional and community allies in helping to ensure completeness of these databases.
5. Develop data on Virginia businesses from various private and public sources, including the VEC, and integrate such data in a manner that results in a comprehensive statewide business database that, at a minimum, includes the top major employers in every locality in Virginia, which can be used to support a Statewide Existing Industry Program. Support efforts to implement the new ExecutivePulse business retention and attraction software system on a statewide basis.
6. Review and update the Virginia labor productivity model to ensure its continued usefulness and value and integrate the relevant findings into our marketing materials and proposals.

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7. Maintain community and other appropriate economic development ally contact information and post electronically in a database accessible to VEDP staff and through the Allies Information Exchange website.
8. Maintain an ongoing database of announced and planned capital investment and employment by Virginia companies and publish an annual report of such activity on a calendar year basis, but also produce needed internal reports on a fiscal year, and Governor's Administration basis.
9. Maintain an ongoing database of announced facility closures and employment layoffs by Virginia companies.
10. Continue to improve the accessibility of data generated by and maintained within the Research Division and with other VEDP divisions, principally by incorporating more automation of various databases and developing increased website interface and intranet capability (ResearchStats intranet page); all improvements to be done in cooperation and coordination with the IT Division.
11. Maintain and effectively present current labor force data used in marketing Virginia, including quarterly estimates of underemployment by region; participate as appropriate on state initiatives (e.g. VCCS, Special Advisor on Workforce Development, Virginia Workforce Council) to improve content and accessibility of workforce data and training capabilities.
12. Secure access to logistics expertise for VEDP to help achieve project locations in Virginia, through engaging a recognized firm in the industry.
13. 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, and maximize availability of this information to VEDP staff.

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. Maintain and refine a Return on Invested Capital model to gauge the effectiveness and investment performance of Virginia's discretionary incentives over time; distribute the results and integrate the findings into an overall message to be used in VEDP promotional materials and a legislative awareness strategy.

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4. 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.
5. Review and update as appropriate VEDP's fiscal models to determine the agency's economic development impact.
6. Track the usage and magnitude of major business incentive programs by our key competitor states; integrate findings into studies to suggest relevant policy changes Virginia should consider.
7. Recommend new approaches for the use and development of business incentive and financing programs for Virginia's economic development efforts; continue advocacy for implementation of the venture capital study previously submitted.
8. Undertake research papers on a variety of topics which impact Virginia's competitive standing and recommend positions Virginia should take in order to maximize success.

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

STRATEGIES:

1. Prepare general analysis of projected growth industry sectors and companies as determined from business expansions, corporate profit, and capital investment trends; also recommend selected key target industry vertical markets for focused VEDP outreach and prepare specific in-depth studies for use by marketing staff in their attraction efforts. Integrate findings of the recent SRI International research study: *Virginia's Technology Industry Potential: Catalyzing Innovation in the Commonwealth* into the overall research effort.
2. Generate current listings of corporate prospects which, based on analysis, appear to be positioned for capital expansion projects and are worthy of follow-up by VEDP project managers; this will be a combination of a semi-annual compilation, and ongoing individual company recommendations throughout the year.
3. Explore opportunities for developing alternative outsourced data and custom company market intelligence to help improve lead generation effectiveness and overall efficiencies.
4. Continue work on developing regional economic studies, such as using industry and occupational cluster analysis, to gauge regional capacity, labor, and other attributes to help align VEDP's marketing efforts with competitive advantages of specific regions; capture current information from regional organizations on their current business targets and strategies.

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5. Provide presentations to Business Development and International Divisions as appropriate on industry trends and forecasts, and participate in established vertical industry market teams and market initiatives providing research support as required to achieve objectives for the initiatives.

OBJECTIVE #5: Coordinate VEDP efforts to increase meaningful involvement of Virginia's universities with regional and state economic development allies, VEDP's outreach marketing, and generation of corporate project leads, which result in new employment and capital investment opportunities by companies within Virginia and its regions.

STRATEGIES:

1. Develop and maintain close working relationships with Virginia universities (public and private) at various levels of interaction to facilitate effective communication concerning economic development and mutual value.
2. Develop an improved internal communication tool within VEDP to effectively capture, track, and communicate specific VEDP/university interactions and relationships; this should enable "at a glance" summaries of what involvement VEDP has at any time with a specific university.
3. Seek improvements to internal project management tools (webCRM) to more easily identify and track projects that require university involvement to achieve success.
4. Schedule and coordinate regular VEDP visits and briefings with Virginia universities to better acquaint VEDP staff with university assets, capabilities, expertise; dialogue should fully explore ways to generate and produce job and investment producing projects for Virginia.
5. Participate in appropriate joint university collaborations, including the statewide University-Based Economic Development Group (UBED), VRTAC, and other similar forums to promote enhanced economic development; explore ways these groups can work collaboratively on relevant projects and policy initiatives to create momentum for economic development.
6. Promote the findings of the SRI International research study to seek points of collaboration with and among the Virginia university community and regional economic development organizations across Virginia.
7. Develop measures by which results from working with the university community can demonstrate progress in economic development terms.

GOAL #3: Increase support for local and regional economic development efforts.

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

STRATEGIES:

1. Track prospect inquiries for stated site and building preferences/criteria through webCRM analysis and convey back to allies.
2. Garner new site and building product knowledge to position staff to provide ongoing consultative assistance to both communities and VEDP Project Managers.
3. Counsel community and regional allies and other state entities, as requested, on issues related to new site and building development.
4. Identify potential sites, buildings, and regions that best meet the various targeted industry criteria for use in developing and preparing proactive marketing materials.
5. 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. Support the VEDP Regional Liaison Program, through staff involvement as designated regional representatives, or by providing appropriate research needed to assist in providing regional services; such activities may include sharing relevant data, reviewing economic and business trends and outlook, presenting in regional forums for local and regional practitioners, and helping evaluate the alignment of VEDP's activities and strategies with regional and local economic development strategies.
2. Conduct ongoing community sites and buildings visits in all regions of Virginia in collaboration with regional assistance staff in the Business Development Division; continue to train and counsel local/regional allies on the features of VirginiaScan, with special attention to online database content updating procedures and inclusion of photos/digital images to enhance community presentation on the website.
3. Regularly review material content on the Allies Information Exchange website and make content improvements as necessary.
4. Conduct quarterly VEDP orientation programs for new local and regional economic development staff, appointed local officials, and other appropriate allies; participate

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in VEDP-sponsored ally meetings and Regional Economic Development Directors meetings to promote improved communications and strengthened ally relations.

5. Provide individual advice and technical assistance to the economic development staff and local elected officials and IDAs/EDAs throughout Virginia with special emphasis on the rural and distressed areas, as requested.
6. Participate as speakers in economic development related educational offerings, such as VEDA conferences, professional development courses, the Virginia Tech Institute for Economic Development, and the Institute for Industrial Development Authorities. Encourage staff to take a leadership role in VEDA and its various committees.
7. Strengthen awareness and knowledge by local elected officials of the basic components of the economic development process at local and regional levels 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).
8. Maintain, update as appropriate, and distribute the *Economic Development Handbook for Local Elected Officials* as a resource tool for use by VEDP and its allies in strengthening support for economic development by local elected officials.
9. Explore potential alternative state, federal, or foundation funding sources that may assist VEDP's allies in carrying out their economic development objectives in collaboration with VEDP.

Virginia Economic Development Partnership
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Communications and Promotions

Budgeted Expenditures

Compensation	\$ 821,827
Marketing and Promotion	375,470
Missions, Shows, and Events	185,950
Travel	114,150
Services	73,175
Supplies and Materials	15,900
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	71,700
Other Expenditures	<u>5,275</u>
Total Budget	<u><u>\$ 1,663,447</u></u>

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, due to fiscal constraints, VEDP's advertising program is again suspended.

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 website (YesVirginia.org) and a site specifically designed to facilitate communications with Virginia's ally community (VirginiaAllies.org). Communications and Promotions will continue to identify website best practices and apply those to YesVirginia.org. Division staff will work with IS staff to perform Search Engine Optimization practices to ensure favorable results within Google, Yahoo and MSN search engines. 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 proactive marketing missions and statewide media tours. The division also coordinates the Governor's foreign and domestic marketing missions.

GOAL #1: Provide marketing support for VEDP business sector initiatives

OBJECTIVE #1: Maximize utilization of interactive electronic marketing techniques.

STRATEGIES:

1. Refine and operate Internet website to attract business location and trade prospects and provide information on the desirability of a Virginia business location.
2. Perform Search Engine Optimization practices on YesVirginia.org, ensuring maximum results on Google, Yahoo and MSN search engines.
3. Conduct a Search Engine marketing program to drive targeted search traffic to YesVirginia.org.
4. Monitor and respond to web-generated inquiries. Identify potential leads and forward to Business Development or Trade, or to State agencies, as appropriate.
5. In collaboration with Research and IS divisions, implement a redesign of the Ally Information Exchange website, to promote ongoing communication with Virginia's allies.

OBJECTIVE #2: Develop a public relations program to target decision-makers through "free" media placements in mainstream business publications, economic

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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 a 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. Support initiatives with specific public relations programs.

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

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

STRATEGIES:

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

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

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STRATEGIES:

1. Organize eight marketing missions to targeted geographic locations using a methodology that encompasses both repeat and newly-identified primary markets.
2. Assist International Investment division with lead generation activities and existing prospect follow-up.
3. Provide telemarketing support for five selected industry trade shows in an effort to improve lead generation results.
4. Develop direct marketing strategies to assist outreach for VEDP business sector initiatives.
5. Provide telemarketing support for special events and projects to increase attendance and improve lead generation results.
6. Utilize Call Center for systematic data updating of WebCRM prospect records and drill for any project activity.

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 industry shows.
3. Coordinate sponsorships of select key industry conferences.
4. Provide telemarketing follow-up for all show and conference leads.
5. Conduct post-show mailing to generated show contacts to further introduce 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 The Homestead.
2. Organize semi-annual VEDP/Ally Meeting and regional directors' retreat.

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OBJECTIVE #5: Develop outreach marketing program designed to reinforce Virginia's brand with existing prospect database and for project identification.

STRATEGIES:

1. Identify suspects and company contacts in the prospect database.
2. Develop telemarketing campaign designed to update and maintain contact with prospect database, thereby increasing follow-up effectiveness and project identification.
3. Coordinate targeted marketing campaign for ongoing contact and brand building with existing prospect database utilizing electronic marketing and direct mail.

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.

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Information Technology

Budgeted Expenditures

Compensation	\$ 1,283,675
Marketing and Promotion	-
Missions, Shows, and Events	-
Travel	9,010
Services	83,000
Supplies and Materials	19,500
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	491,753
Other Expenditures	<u>18,130</u>
Total Budget	<u><u>\$ 1,905,068</u></u>

Note: It should be noted that Information Technology supports the Virginia Tourism Corporation as well as the Virginia Economic Development Partnership. Using the number of personnel in VTC, the equivalent value of this service is \$610,000.

INFORMATION TECHNOLOGY

The Information Technology (IT) Division provides support to the Virginia Economic Development Partnership, the Virginia Tourism Corporation and the Virginia National Defense Industrial Authority. They are responsible for the planning, security and operation of all network infrastructure components. The network is comprised of a Windows LAN/WAN, modern voice-over-IP telecommunications system, geographic information system (GIS), co-location facility and presentation and video-conferencing room. The computer network consists of 16 servers and 250 personal computers geographically dispersed over 25 facilities. Three public web sites (YesVirginia.org, VirginiaAllies.org, and VirginiaScan) and other applications critical to the economic development marketing process fall under their support.

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. 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 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, and maintenance of, VirginiaScan, a web-enabled industrial site marketing and data management tool. Currently, VirginiaScan is used as a web-enabled marketing tool by at least several regional and local economic development organizations.

GOAL #1: Align the overall technology infrastructure to support the mission of each agency.

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

STRATEGIES:

1. Continuously review the telecommunication access to VEDP/VTC's network (LAN) by the regional and overseas offices and make recommendations for improvement as technology improves.
2. Upgrade and integrate the VEDP Nortel phone network to include local and regional offices where cost effective.
3. Expand the capacity and efficiency of the VEDP/VTC LAN to meet ongoing requirements of each agency. Adhere to the Commonwealth's Enterprise Infrastructure Policies, Procedures, Standards and Guidelines during any upgrade.

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

STRATEGIES:

1. Maintain at a minimum a four-year refresh cycle for desktop and laptop hardware.
2. Upgrade software to the most recent, fully compatible version; ensure all servers operate on at least Windows 2003 - 64 bit and desktops operate on Windows XP – 64 bit or better.
3. Centralize digital storage and server hardware through the use of SAN (Storage Area Network) and server virtualization and clustering technology.
4. Continue to support, development, and maintain VEDP intranet applications and enhance access for overseas and regional VEDP/VTC staffs.
5. Analyze the various existing Contact, Marketing, and Project Management systems and make recommendations for a unified platform that would best suit VEDP.
6. Reorganize the existing network file system to better suit file access, searching, and security.

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

STRATEGIES:

1. Test and operate our disaster recovery co-location facility. Integrate this facility with our existing e-mail network to provide fail-over and redundancy of the E-Mail and Blackberry network.
2. Implement virtualization software to provide fail over capability and assist in server deployment.
3. Maintain anti-virus software and adhere to the security plan for virus protection.
4. Administer the SPAM blocking software used to monitor the agency's e-mail.
5. Maintain and monitor security systems to track computer usage and to prevent unauthorized access to VEDP/VTC data.
6. Improve data back-up using SAN disk-to-disk strategies for faster and more efficient document recovery; 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.

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8. Receive a “clean” management letter from the Auditor of Public Accounts, no deficiencies noted, with respect to systems issues.
9. Comply where relevant 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 and the VITA Continuity of Operations Project (COOP).

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

STRATEGIES:

1. Produce an Information Technology Handbook to assist with new employee orientation and information technology training.
2. Provide a comprehensive employee training and security awareness program on the various information services offered and their intended uses.
3. Provide relevant staff training on the proper use of the Presentation and Video Conferencing Facility when appropriate.
4. Continue the “train-the-trainer” IT liaison program utilizing representatives from each Division of VEDP and VTC. Have at least four training and discussion sessions per year.

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, exporting and tourism opportunities.

STRATEGIES:

1. Implement a PDA based version of VirginiaScan to provide wireless access to aerial photography and data layers.
2. Maintain catalogs of databases and geo-referenced data as required by Commonwealth policy.
3. Continue in-house maintenance and update of VEDP/VTC priority data layers (including, but not limited to, the following: industrial sites and buildings, electric transmission infrastructure, power generation facilities, schools, institutions of higher education, corrections facilities, airports, golf courses, railroads, landfills, Enterprise Zones, fire and rescue, and hospitals) and integrate these layers with VBMP data.

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4. 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).
5. Implement ARC GIS Server to provide web-based mapping capabilities to both internal staff and economic development allies.
6. Develop a centralized map repository to house commonly requested maps and images.
7. Continue the integration of VEDP/VTC data with GIS data from state, federal, regional, and local government agencies.
8. Improve the site selection tools and electronic interface between GIS data and VEDP Business Development and Research staffs.
9. Maintain GIS software at the most current version needed to support user requirements. Specifically, upgrade to version 9.3 of ARC GIS during FY2009.
10. Continue identification and acquisition of other data and imagery products, especially those layers related to telecommunications. Place into production VGIN 2009 aerial photography.

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 with enhancements and upgrades to VirginiaScan and YesVirginia.org (web-enabled site selection tool, mapping tool, and interactive data maintenance tool, respectively) by implementing changes to the searching and mapping functionality.
 2. Continue implementation of VanillaScan (web-enabled page server) to support development of site selection tools on regional and local economic development organization websites.
 3. Continue technical support and collaborate with Communications and Promotions and Research Divisions to enhance the Virginia Allies Information Exchange website.
 4. Extend a statewide GIS website to provide state, local, regional, and federal agencies access to VEDP data when necessary.
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VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2009 OPERATING PLAN

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 and ideas that are necessary to the VEDP mission. Utilize the remote web editing capability of ArcGIS Server to facilitate updating of features by staff at the local level.
2. Meet with at least one GIS organization to contrast and compare GIS best practices.
3. Continue to provide technical assistance on IT and GIS functions to state, local, and regional agencies in conjunction with the Research Division.
4. 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
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Administration

Budgeted Expenditures

Compensation	\$ 1,742,093
Marketing and Promotion	5,000
Missions, Shows, and Events	33,500
Travel	52,500
Services	120,455
Supplies and Materials	35,800
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	600,000
Other Expenditures	<u>71,650</u>
Total Budget	<u><u>\$ 2,660,998</u></u>

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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 within which 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) and the Virginia National Defense Industrial Authority (VNDIA) with administrative support in accordance with the Memoranda of Agreement.

The Executive Office provides leadership and organizational vision by ensuring consistent adherence to the VEDP mission, establishes VEDP performance measures, monitors their results, and supports a commitment to ethical values. It also communicates to community, political, and business leaders the importance of economic development and the activities in which VEDP has engaged on their behalf. The Executive Office includes the Executive Director, Deputy Director, General Counsel, and Legislative Research Analyst. The General Counsel provides guidance on policy and legislative matters, legal issues, and business incentives. VEDP's legislative program is coordinated by the Legislative Research Analyst under the direction of the Deputy Director. The Legislative Research Analyst is also responsible for producing VEDP's Annual Report, the Secretary of Commerce and Trade's Incentives Report, and other reports required by the General Assembly.

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; encourages diversity in the workplace; and prepares numerous compliance reports for the state and federal governments.

The Fiscal and Support Services Division provides the following services to VEDP: budget development in accordance with state directives; operating plan development; fiscal policies and procedures; maintenance and evaluation of a system of 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.

GENERAL COUNSEL

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

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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.

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 and after 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.

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.

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, processes 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.

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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 companies and 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 utilize or 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 Semiconductor Manufacturing Incentives, Enterprise Zones, Workforce Services, Industrial Road and Rail Access, Recycling Tax Credits, and Solar Photovoltaic Manufacturing Incentive Grants.
2. Participate in the development and operation of incentive programs administered in state agencies.

OBJECTIVE #3: Coordinate VEDP's incentive programs.

STRATEGIES:

1. Direct and administer the Virginia Investment Partnership and Virginia Economic Development Incentive Grant programs. Assist with the administration of the Governor's Opportunity Fund, including carrying out negotiations with prospects where appropriate; drafting, reviewing, and approving performance agreements; and recommending periodic changes to the VIP and GOF legislation or guidelines.
2. Form, organize, and maintain nonprofit, nonstock Virginia corporations as needed to facilitate various incentive strategies, including the Virginia Semiconductor Educational Endowment, the Virginia Shipbuilding and Carrier Integration Center, the Virginia University Research Partnership, and others that may arise. Serve as liaison to these groups.

LEGISLATION

OBJECTIVE #1: 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.

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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. Prepare and distribute annual Incentives Report on behalf of the Secretary of Commerce and Trade.
3. Develop policy, testify before the General Assembly, speak before various groups, write articles, and provide information on economic development issues.
4. Develop positive relations with General Assembly members and staff, both personally and for the Executive Director, creating opportunities for education and exchange of information and ideas.
5. Propose legislation that will better position Virginia to attract certain industries.
6. Participate in the development of every new Governor's economic development strategic plan and provide periodic updates, as appropriate.
7. Develop a program to establish relations with federal elected and appointed officials, and examine programs and marketing possibilities within the federal government.
8. Brief and advise the VEDP Board, staff, and allies on legislative issues to generate support and cooperation.

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.

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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.
2. Conduct seminars, augmenting internal instructors with external subject matter experts, as appropriate.
3. Maintain current benefits information on the Human Resources intranet site.
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.

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2. Evaluate system effectiveness to facilitate data manipulation and reporting capabilities.
3. Implement upgrades, as appropriate, to maximize system capabilities and output.

OBJECTIVE #6: Ensure that all staff is properly trained to perform their jobs successfully.

STRATEGIES:

1. Meet with Division Directors annually to assess training needs of employees.
2. Coordinate cost-effective training utilizing in-house resources when available.

FISCAL AND SUPPORT SERVICES

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

OBJECTIVE #1: Coordinate annual appropriations development strategies within required deadlines.

STRATEGIES:

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

GOAL #2: Provide 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 no later than mid-April each year.
2. Analyze historical spending patterns of the current and prior fiscal years.

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3. Provide training and assistance to directors and managers.
4. Review draft operating plan with Board of Directors' Finance and Audit Committee prior to submitting to Board for approval.

OBJECTIVE #2: Provide senior management with monthly financial management reports by the 10th 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.
3. Prepare Executive Financial Summary and Cash Report for the Executive Director's review.

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

OBJECTIVE #1: Receive "clean" management and internal control letters from the annual Auditor of Public Accounts audit.

STRATEGIES:

1. Maintain Financial Policies and Procedures Manual to ensure VEDP assets are secured and transactions are accurate and occur within specified guidelines.
2. Implement and maintain a comprehensive system of internal controls modeled on the State Comptroller's Agency Risk Management and Internal Control Standards (ARMICS).
3. 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 VEDP with appropriate treasury functions to ensure adequate operating cash and reconciled cash balances.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
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OBJECTIVE #1: 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 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.

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.

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Pass Through Payments

Budgeted Expenditures

Compensation	\$	-
Marketing and Promotion		-
Missions, Shows, and Events		-
Travel		-
Services		-
Supplies and Materials		-
Grants and Pass Through Payments		143,575
Fixed Asset Purchases and Rents		-
Other Expenditures		-
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Total Budget	\$	143,575
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