

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

OPERATING PLAN

*FOR THE FISCAL YEAR ENDING
JUNE 30, 2011*



Virginia 
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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."

"The Authority shall be governed by a board of directors consisting of the Lieutenant Governor, the Secretary of Commerce and Trade, the Secretary of Finance, and the Chancellor of the Virginia Community College System, or their designees, serving as ex officio, voting members, and 18 members to be appointed as follows: (i) one from each congressional district in the Commonwealth and one citizen at large, appointed by the Governor, subject to confirmation by the General Assembly; (ii) four citizens at large appointed by the Speaker of the House; and (iii) two citizens at large appointed by the Senate Committee on Rules."

"The six citizens appointed by the General Assembly shall 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. Ex officio members of the Board shall serve terms coincident with their terms of office."

THE OPERATING PLAN

This Operating Plan has been prepared in accordance with the 2010 General Assembly, *Chapter 874* 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 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; an Organization Chart; Performance Measures; Budget Summary; Division Budgets; and Division Goals, Objectives, and Strategies.

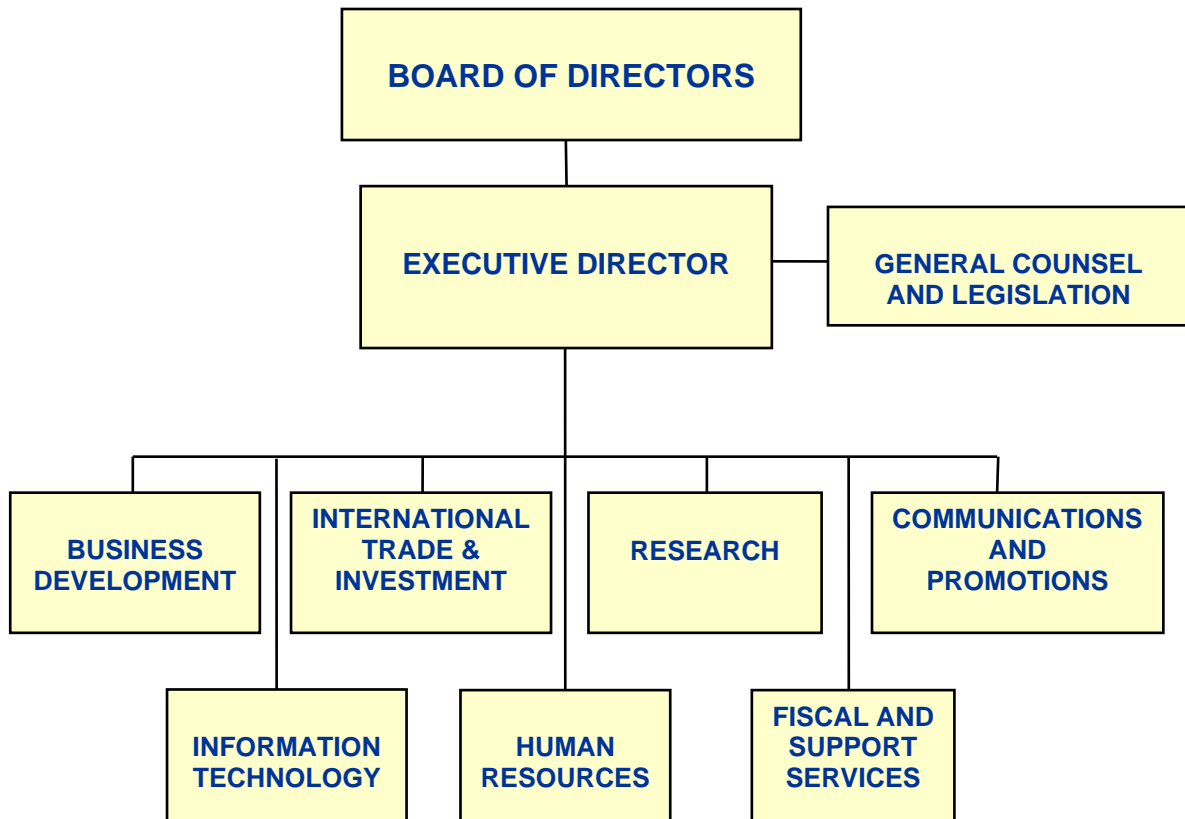
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MISSION STATEMENT

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	\$2.3 Billion
Jobs	12,500
New Active Projects	230
Virginia Decision Rate	57%
Companies Assisted or Attended a Trade Event	225
Client Impact Statement Score	80%
Virginia Leaders in Export Trade (VALET) Sales Increase	25%

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 FY2011

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

Marketing

- Lead development of a marketing strategy toward federal agencies and their private-sector partners.
- Lead development of a marketing strategy for unique properties in the Commonwealth, including mega-sites.
- Validate Virginia's position in the emerging offshore wind sector and develop a marketing strategy to leverage the Commonwealth's assets.
- Identify and execute marketing strategies with selected regional partners.
- Provide staff support to the Administration's team members in assessing and supporting Virginia's localities/regions.
- Establish an expanded international investment representation in China.
- Establish an expanded international investment representation in Europe.
- Conduct a Governor's mission to Asia, the first in 6 years.
- Conduct tours of Virginia for media representatives from Asian and European business publications.
- Expand the VALET Program from accepting 15 companies annually to accepting 25 companies annually, thereby having 50 companies in this 2-year long program.
- Develop an advertising strategy to reach corporate-decision makers both domestic and international.
- Partner with allies to develop premier marketing events to draw key business location decision makers to Virginia.
- Continue aggressive "pay-per-click" Search Engine marketing to increase YesVirginia.org web traffic.
- Implement new marketing mission strategies for VEDP Call Center with activities to conduct vertical sector-focused and virtual mission appointment-setting.
- Develop a one-day event for media to review the anatomy of an economic development deal.
- Develop Press Kit for distribution at media tours, trade shows and special events.

Support

- Develop criteria for allocating new funding for the Major Employment and Investment Projects (Mega-Projects) Site Planning Fund.
- Develop a return-on-investment template for use by localities to help them better gauge use of local incentives for economic development projects.
- Enhance materials and datasets in support of international investment outreach.
- Provide support to the work of the Governor's Commission on Economic Development and Job Creation and for the development of the Governor's Economic Development Strategic Plan.
- Transfer and unify the agency's contact management systems to the Salesforce.com platform.

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- Provide redundancy for critical services including E-Mail, database and corporate file services.
- Develop an IT Best Practices and Security and Awareness training program for new and existing employees.
- Pilot a mobile version of our site selection application.

BUSINESS DEVELOPMENT

The Business Development Division focuses on major 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. Key sectors in FY2011 will be Information Technology, Advanced Manufacturing, and Energy; with Life Sciences and Logistics also receiving emphasis. Business Development will also initiate an outreach strategy toward federal agencies and their private sector partners; it will also initiate a marketing strategy to support unique real estate assets and mega sites.

Professional marketing and project management staff promote and position Virginia in these sectors through innovative outreach that includes geographic and sector marketing missions, industry conferences, site-location consultant calls, and special events. In addition to sector marketing strategies, the Business Development Division implements a Gold Accounts strategy, which is a defined set of companies and executives within the target sectors, whose growth in Virginia is important to building sustainable business clusters. The Business Development Division will also work with selected regions to implement marketing activities to target sectors.

Business Development's Managers lead all transaction response teams that solve clients' immediate location needs. Under confidentiality, managers identify public and private resources such as higher education, financial, environmental, logistics and other professional services firms to solve the client's problems; coordinate site visits to evaluate Virginia's product; and support its local allies' efforts to close the deal. Through its Business Development Finance Director, the division also advises in structuring financing transactions to meet corporate capital goals.

INTERNATIONAL INVESTMENT

The International Investment team will establish expanded representation in China and Europe. The International Investment team will conduct two Governor's missions, one to Europe and one to Asia. The Investment team will also conduct 12 marketing missions to 10 countries to recruit internationally-owned companies to establish business facilities in Virginia. Staff will focus Virginia's marketing message around VEDP's targeted sectors of advanced manufacturing, energy and information technology. A strong aftercare program for Virginia's existing 700+ internationally-owned companies will be conducted through the Virginia International Investor's Forum, the quarterly INVEST newsletter and on-going dialogue with key international companies.

INTERNATIONAL TRADE

The International Trade team will continue its nationally-recognized export promotion programs consisting of the VALET Program, the Export 3.0 Program, the Global Network and an aggressive schedule of trade missions to over 10 countries. The VALET Program will be expanding from accepting 15 companies per year to accepting 25 companies per year, thereby serving a total of

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50 companies in this 2-year long program. This will be accomplished through dissolution of the AIM program.

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 vertical industry markets and related 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 follow-up as a means of building up the project pipeline. Materials and data to support International outreach will be enhanced.

Efforts will continue to improve the accuracy and completeness of VEDP's real estate database, VirginiaScan. The more rigid protocols for ensuring ally verification of data have had a positive impact and will be maintained. Staff will continue improvements to the visual appearance and formatting of prospect proposals to succinctly convey needed information to our clients.

Staff will provide appropriate research support to community and regional allies in concert with other VEDP divisions to include communicating VEDP's strategies to allies and to evaluate the alignment of VEDP's strategies with those at the regional and local level. Tracking of major competitor state incentives and economic development budgets and initiatives will continue. Staff will continue development of a usable, integrated database of major Virginia employers. This work will support the *ExecutivePulse* system used in connection with building a more cohesive statewide existing business and industry program. 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

As a result of increased marketing funding, Communications and Promotions (C&P) will restore its advertising program to reach corporate decision-makers both domestic and international. Public relations, direct marketing, electronic marketing and trade show and event promotions remain primary activities of C&P.

C&P will support outreach marketing initiatives by providing appointment-setting services through our Verizon-supported VEDP Call Center. In addition to traditional marketing missions, C&P will organize both business-sector based and virtual marketing missions.

Division staff also work with other VEDP divisions to maintain, update and promote VEDP's Internet presence, produce requisite marketing brochures and collateral materials, as well as develop and execute strategic marketing initiatives to support VEDP's vertical sectors.

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Ally communication is enhanced with the publication of four issues of Commerce Quarterly. C&P will continue to organize the semi-annual VEDP/Ally meetings. The division will manage VEDP's trade show presence, marketing events, and the Governor's foreign and domestic marketing missions.

INFORMATION TECHNOLOGY

The Information Technology (IT) Division operates and maintains the Partnership's information systems, including the geographic information system (GIS) and the presentation and video-conferencing facility. The presentation facilities are 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

General Fund Appropriations Summary

		<u>Dollars</u>
FY2010 General Fund Appropriations-Original Operating Plan		\$ 16,020,727
Operating Budget Reductions	(1,380,660)	
Remove FY2010 Virginia Commercial Space Flight Authority Funding	<u>(179,433)</u>	
Total Reduction		<u>(1,560,093)</u>
 FY2010 General Fund Appropriations-Final Operating Plan		 \$ 14,460,634
 FY2011 General Fund New Appropriations		
International Trade and Investment	500,000	
Marketing and Operations Funding	2,250,000	
Operating Budget Reductions	<u>(169,304)</u>	
Net Marketing and Operations Increase		2,580,696
Virginia Commercial Space Flight Authority		1,300,000
George Mason University-Prince William County Wet Lab Space		<u>1,500,000</u>
 FY2011 General Fund Appropriations-Original Operating Plan		 <u><u>\$ 19,841,330</u></u>

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BUDGET SUMMARY

Revenue Sources

	<u>FY11</u> <u>Dollars</u>	<u>FY10</u> <u>Dollars</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Revenue				
COV Appropriations	\$ 19,841,330	\$ 16,020,727	\$ 3,820,603	24%
Carry Forward Funds	174,665	18,100	156,565	865%
Sponsorship and Participation Fees	214,200	138,000	76,200	55%
Other Revenue	35,000	70,000	(35,000)	-50%
Total Revenue	<u>\$ 20,265,195</u>	<u>\$ 16,246,827</u>	<u>\$ 4,018,368</u>	<u>25%</u>

Notes on Revenue Sources

Commonwealth of Virginia Appropriations

FY2011 New Funding

Marketing and Operations	\$ 2,580,696
Virginia Commercial Space Flight Authority	1,300,000
GMU-Prince William County Wet Lab Space	1,500,000

FY2010 Budget Reductions

Printing, Personnel, Marketing, and Operations	<u>(1,560,093)</u>
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Net Commonwealth of Virginia Appropriations

\$ 3,820,603

Carry Forward Funds

\$156,565 is primarily comprised of \$80,000 to be used to fund the second year license for the new sales force management system; and \$75,000 carried forward by the Virginia International Trade Alliance (VITAL) Program.

Sponsorship and Participation Fees

Additional \$76,200 expected fees collected from companies who participate in or sponsor a marketing or trade mission.

Other Revenue

\$35,000 reduction in interest earnings due to falling interest rates and the elimination of the administration fee charged to the Virginia University Research Partnership.

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Budget Comparison

	FY11		FY10		\$	%	Staff
	Dollars	Staff	Dollars	Staff	Change	Change	Change
Division Budgets							
Business Development	\$ 3,114,859	23	\$ 3,025,709	24	\$ 89,150	3%	(1)
International Investment	2,065,939	6.5	1,713,805	6.5	352,134	21%	-
International Trade	2,938,172	19.5	2,887,296	19.5	50,876	2%	-
Research	1,869,828	14	1,930,359	15	(60,531)	-3%	(1)
Communications and Promotions	2,848,280	7	2,007,146	7	841,134	42%	-
Information Technology	1,937,838	15	1,897,793	15	40,045	2%	-
Administration	2,611,184	14	2,696,844	15	(85,660)	-3%	(1)
Total Division Budgets	\$ 17,386,100	99	\$ 16,158,952	102	\$ 1,227,148	8%	(3)
Pass Through Payments	2,879,095	-	87,875	-	2,791,220	-	-
Total VEDP Budget	\$ 20,265,195	99	\$ 16,246,827	102	\$ 4,018,368	25%	(3)

Notes on Budget Comparison

Business Development

The **\$89,150** is comprised of \$400,000 in FY2011 new funding for travel and industry show participation to deploy BD staff back into the marketplace and to purchase technical expertise for selected projects; reduced by FY2010 budget cuts of \$310,850 that eliminated the regional liaison program, travel, a project manager and reduced participation in industry events.

International

	Investment		Trade		Total
FY2011 Restored Funding	\$	352,000	\$	148,000	\$ 500,000
FY2010 Budget Reductions		(74,531)		(104,024)	(178,555)
Change in Sponsorship and Participation Fees		74,665		6,900	81,565
Total International	\$	352,134	\$	50,876	\$ 403,010

The **\$500,000** in FY2011 funding for International was allocated between Investment (\$352,000) and Trade (\$148,000). \$352,000 in restored Investment funds will be used to expand Virginia's presence in China and Europe, conduct aggressive Asia marketing program and offset currency losses. \$148,000 in restored Trade funds will be used to expand the VALET program from 15 companies to 25 and increase the grant from \$10,000 to \$15,000 each. Also, there is \$74,665 in Carry Forward funds for Virginia International Trade Alliance (VITAL) activities.

The **\$178,555** in FY2010 budget cuts eliminated numerous International Marketing Seminars and marketing in Latin America and Australia; and reduced VALET and AIM Program marketing, company training programs, and eliminated two Trade Missions. The AIM program is being phased out in FY2011.

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Research

The **\$60,531** net reduction in Research funding is the result of \$110,531 in FY2010 budget reductions that eliminated a staff position and reduced purchased research data; and \$50,000 in restored funds for purchased research data and project specific consulting.

Communications and Promotions

The net increase of **\$841,134** in additional funding is the result of \$1,418,434 million in restored funds for Governor's Missions, special events, and print and targeted media advertising. Also included is a \$51,200 increase in participation fees as a result of restoring the marketing events calendar.

C&P's budget was reduced by \$628,500 in FY2010 budget reductions that eliminated substantially all advertising, Governor's Missions and events.

Information Technology

The **\$40,045** net budget increase is the result of an \$80,000 increase in carry forward funds to pay the licensing fee for the web-based Salesforce.com customer relationship management system; and \$40,000 in FY2010 budget reductions for hardware and software purchases.

Administration

\$85,660 reduction is the result of a budget cut and a reduction in interest earnings resulting in staff and operating cost reductions.

Pass Through Payments

The **\$2,791,220** increase is the result of new funds of \$1.3 million for the Virginia Commercial Space Flight Authority (VCSFA) and \$1.5 million for the Wet Lab funding at George Mason University; reduced by the FY2010 budget reduction of \$8,780 for the VCSFA.

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Business Development

Budgeted Expenditures

Compensation	\$ 2,304,166
Marketing and Promotion	29,500
Missions, Shows, and Events	46,000
Travel	322,850
Services	145,693
Supplies and Materials	6,450
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	217,500
Other Expenditures	<u>42,700</u>
Total Budget	<u><u>\$ 3,114,859</u></u>

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BUSINESS DEVELOPMENT

The Business Development Division provides solutions to business clients through professional services including marketing and project management. Its mission is to leverage Virginia's assets and partners and position Virginia in target business sectors, resulting in increased payroll and capital investment in Virginia. The Business Development Division focuses on major 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. Key sectors in FY2011 will be Information Technology, Advanced Manufacturing, and Energy; with Life Sciences and Logistics also receiving emphasis.

Professional marketing and project management staff promote and position Virginia in these sectors through innovative outreach that includes geographic and sector marketing missions, industry conferences, site-location consultant calls, and special events. Many of these activities are carried out in partnership with local and regional allies. In addition to sector marketing strategies, the Business Development Division implements a Gold Accounts strategy, which is a defined set of companies and executives within the target sectors, whose growth in Virginia is important to building sustainable business clusters. The Business Development Division will also work with selected regions to implement marketing activities to target sectors.

When the international and domestic marketing teams are successful, Business Development's Managers lead transaction response teams that solve clients' immediate location needs. Under confidentiality, managers identify public and private resources such as higher education, financial, environmental, logistic and other professional services firms to solve the client's problems; coordinate site visits to evaluate Virginia's product; and support its local allies' efforts to close the deal. Through its Business Development Finance Director, the division also advises in structuring financing transactions to meet corporate capital goals.

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

OBJECTIVE: Increase the pipeline of qualified prospects.

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 Information Technology, Advanced Manufacturing, and Energy; supplemental markets include Life Sciences and Logistics.
2. Plan and conduct a comprehensive marketing outreach strategy toward federal agencies and their private-sector partners.
3. Plan and conduct a comprehensive marketing outreach program toward site selection consultants.

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4. Position the Virginia message to Gold Accounts, using the Governor's Office and other stakeholders to effectively communicate the Virginia message.
5. Implement a Virginia business-focused growth program to build on the Commonwealth's existing business base.
6. Plan and initiate implementation of a strategy around unique real estate assets including planned mega sites.
7. Leverage Virginia's higher education institutions, particularly the research and development focus areas, in outreach marketing efforts.
8. Identify and leverage private sector partners to validate and engage in Virginia's sector messages.
9. Measure results for targeted businesses through conferences, marketing missions, and special events.

GOAL #2: Professionally manage client relationships and transactions resulting from domestic and international marketing activities to result in decisions for Virginia.

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

STRATEGIES:

1. Lead Solutions Teams to address specific issues for business transactions.
2. Propose appropriate state incentive programs to prospects when needed and at a minimum level sufficient to close the deal.
3. Proactively collaborate with local and regional economic development allies to leverage all resources to successfully attract new jobs and investment.
4. Effectively identify and utilize federal contacts and resources to support key initiatives.
5. Identify resources and provide financing alternatives to businesses considering locating to or expanding in Virginia.
6. Conduct analysis of successes and losses to identify key issues which can improve positioning of Virginia in the global marketplace.

GOAL #3: Implement a sustained regional strategy that shares the project and industry expertise of staff with local and regional allies resulting in improved positioning of the regional/local assets.

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OBJECTIVE: Position regions of Virginia in strategic market areas.

STRATEGIES:

1. Provide leadership to Virginia's economic development professionals by sharing in-house expertise and knowledge of industry sector trends and location requirements, and best practices, through one-on-one visits and by other means to build collaborative relationships across regional boundaries.
2. 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.
3. 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.
4. Solicit constructive feedback from local and regional allies on ways to improve Business Development's process and marketing, prospect handling and related activities.

GOAL #4: 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. Provide 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.
2. 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.
3. Ensure that all interactions with Virginia allies, prospects, suspects, and leads are positive and constructive.
4. Empower and support staff to utilize tools and take ownership of areas of expertise in support of VEDP's goals.
5. Conduct systematic surveys of client satisfaction and analyze results for use in improving customer relations and developing new programs and policies.
6. Continue systematic tracking methods to benchmark and evaluate specific target marketing efforts.

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International Investment

Budgeted Expenditures

Compensation	\$ 918,482
Marketing and Promotion	442,182
Missions, Shows, and Events	76,000
Travel	242,800
Services	102,960
Supplies and Materials	28,390
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	221,130
Other Expenditures	<u>33,995</u>
Total Budget	<u><u>\$ 2,065,939</u></u>

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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. Over the past six fiscal years, international investment makes up 49% of all new capital investment for VEDP-assisted projects. VEDP maintains active investment representatives in Japan, China and Europe. 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. Despite recessionary curtailments, 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 work each project, involving the appropriate VEDP resources 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 marketing missions to Europe, Asia, and the Rest of the World (ROW).
3. Partner with regional economic development organizations and appropriate international allies from Virginia's private sector in marketing events in targeted markets.
4. Conduct international marketing initiatives along targeted VEDP sectors as appropriate (advanced manufacturing, energy and information technology.).
5. Secure additional foreign direct investment in Virginia by managing projects of internationally-owned companies new to Virginia and assisting existing internationally-owned Virginia companies to expand.
6. Establish expanded international investment representation in Asia and Europe; set foundation for representation in India in FY2012.

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7. Conduct Governor's marketing missions as requested.
8. Evaluate potential for a Virginia EB-5 visa program and establish, if approved and funding is provided.
9. Conduct familiarization tour for international media from Asia and Europe.
10. Work with Research Division to reformat site studies to meet current demands of international prospects, producing clear, concise business proposals in a more international format.
11. Work with Research Division to produce and update data pertaining to international investment in Virginia.
12. Work with Communications and Promotions Division to produce marketing materials and websites in Japanese, Chinese, German, French, and Spanish.
13. Continually enhance international section of the www.yesvirginia.org website.

OBJECTIVE #2: Provide superior aftercare to Virginia's 700+ existing internationally-owned companies.

STRATEGIES:

1. Collaborate with VEDP staff and regional economic development allies to successfully work international projects to locate to or expand within Virginia.
2. Conduct Virginia International Investor's Forum for executives of Virginia's internationally-owned companies.
3. Produce INVEST magazine, a quarterly electronic newsletter for internationally-owned companies in Virginia.
4. Maintain a current electronic "Directory of Internationally-Owned Companies in Virginia", laying foundation for future private-sector sponsorship of same.
5. Actively participate in organizations devoted to international investment (e.g. Virginia-Japan Society, German American Chamber of Commerce, etc.)
6. Conduct an on-going campaign with Virginia's internationally-owned companies to establish relationships for the purpose of uncovering investment projects.

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International Trade

Budgeted Expenditures

Compensation	\$ 1,608,619
Marketing and Promotion	630,506
Missions, Shows, and Events	103,500
Travel	173,031
Services	140,184
Supplies and Materials	24,770
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	216,700
Other Expenditures	<u>40,862</u>
Total Budget	<u><u>\$ 2,938,172</u></u>

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INTERNATIONAL TRADE

Virginia business prospers through global trade. The International Trade team generates international sales for companies across Virginia through a variety of programs and services. From a global network of international consultants strategically located in 44 countries to a network of five statewide offices, the International Trade program offers international marketing tools to companies large and small. Programs include:

Virginia Leaders in Export Trade (VALET) Program: The VALET program works 30 Virginia companies through 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. In FY2011, the VALET Program will be permanently expanded to serve 50 companies by July 2011.

International Trade Missions: Approximately a dozen trade events are conducted annually to promote Virginia products and services in global markets. Typically, over 50 companies participate in these business trips. International Trade provides comprehensive matchmaking and logistical assistance with international events around the world.

Export 3.0: This program provides a rapid response for Virginia exporters to meet with potential clients in international markets through tailored, individual business trips arranged by the VEDP Trade team.

Global Network: This program provides in-country market research in 44 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 Export 3.0 Program.

Consulting on Export Marketing: Assistance with international documentation is provided to Virginia exporters by experienced International Trade Managers located in five offices throughout Virginia. These offices help Virginia companies to obtain international sales. .

Virginia Conference on World Trade (VACWT): Virginia's annual conference on international trade, the VACWT puts VEDP's message in front of 300 attendees, via a variety of topical issues.

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 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 events that lead to market entry, expansion, and increased international sales. A website (ExportVirginia.org) lists programs, services, upcoming events, and accepts payment for international trade events.

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

STRATEGIES:

1. Recruit 25 companies annually into the VALET Program (a two-year program in duration), thereby servicing 50 companies on an ongoing basis.
2. Conduct 25 Export 3.0 projects. Export 3.0 is the new program that enables Virginia companies to sell into international markets.
3. Provide one-on-one export counseling to the Commonwealth's businesses.
4. Recruit Virginia companies to participate in ten scheduled international trade missions and shows.
5. Support and participate in Governor-led trade missions.
6. Provide a Global Network that assists Virginia companies with access to in-country market research in 44 countries, which are tailored to their product or service, at little to no cost.
7. Publish *Beyond Virginia*, a quarterly electronic newsletter containing regulatory and market updates.
8. 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.
9. Publish, promote, and distribute international trade data and analyses on Virginia exports via the website www.ExportVirginia.org.
10. Manage and produce the Virginia Conference on World Trade in conjunction with the Virginia Port Authority.
11. Conduct a series of workshops and webinars on a variety of export topics to better prepare Virginia exporters in obtaining international sales (export licensing, payment options, shipping, logistics, etc.).

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Research

Budgeted Expenditures

Compensation	\$ 1,362,298
Marketing and Promotion	1,000
Missions, Shows, and Events	6,000
Travel	22,700
Services	275,900
Supplies and Materials	36,030
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	147,800
Other Expenditures	<u>18,100</u>
Total Budget	<u><u>\$ 1,869,828</u></u>

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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 are 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 including 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 Virginia's 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 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 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, 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. 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.
4. Lead efforts to develop criteria for allocating funds made available from the Virginia Tobacco Commission for the Major Employment and Investment Projects (Mega – Projects) Site Planning Fund.
5. Coordinate the development of guidelines for the allocation of projected FY2012 funds for biosciences wet-lab facilities for consideration by the panel of entities named in the state budget.
6. Conduct special studies, white papers, and other research as directed or necessary to enable fulfillment of VEDP's mission and which can highlight key areas requiring state policy action to improve Virginia's competitive position.

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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 domestic 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 prospect proposals using more pictures, graphics, charts, and summaries to concisely convey critical business and decision-making information to clients on the value of a Virginia location.
4. Working with other divisions, develop content and market messages for each business sector within established vertical industry markets and for defined market strategies for advanced manufacturing, energy, and information technology, 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.
8. Ensure that existing materials and datasets used to support the International Investment function are regularly updated in consultation with International Division staff. This includes selected country summaries, the international "Fast Facts" series, regular analysis of international capital flows, and other data as required.

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9. Serve as advisors to the Business Development and International Divisions regarding site and building recommendations, community and regional recommendations, incentive packaging, and other project assistance materials and activities.
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 for regions, MSAs, cities, and counties with access available through the Allies Information Exchange website allowing online updates by allies. Develop mechanism to track ally updates to community profiles. Incorporate new educational datasets into profiles. Continually review format and content of these products to ensure they are user-friendly and market relevant.
4. Maintain business databases on international 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. Pursue efforts, where practical, to outsource data gathering activities as has been done with the international company database.
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. 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.

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7. 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.
8. Maintain an ongoing database of announced facility closures and employment layoffs by Virginia companies.
9. 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.
10. 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.
11. Participate in agency efforts to better mine website traffic for relevant prospect trends and lead generation.
12. 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 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's business projects, for consideration of new programs, and for special projects.
5. Review and update as appropriate VEDP's fiscal impact 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 recommend relevant policy changes Virginia should consider.
7. 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. Maintain 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.

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

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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 (Salesforce) 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), the Innovation and Entrepreneurship Investment Authority (IEIA), 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.
8. Continue participation in efforts to launch the Commonwealth Center for Advanced Manufacturing (CCAM) and ongoing work of the Commonwealth Center for Aerospace Propulsion Systems (CCAPS) in connection with the Rolls-Royce Higher Education Partnership. Also participate in legislatively directed study to review the economic development needs of the Central Shenandoah Valley and to determine feasibility of possible CCAM engagement in this area.

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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 Salesforce.com 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 community and regional allies through staff involvement and research as appropriate in concert with other VEDP staff; 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; 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. Develop a return on investment template for use by localities to help them better gauge use of local incentives for economic development projects.
5. 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 to promote improved communications and strengthened ally relations.

6. 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.
7. 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.
8. 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).
9. 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.
10. 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	\$ 634,587
Marketing and Promotion	1,433,658
Missions, Shows, and Events	422,250
Travel	171,833
Services	89,210
Supplies and Materials	15,392
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	73,000
Other Expenditures	<u>8,350</u>
Total Budget	<u><u>\$ 2,848,280</u></u>

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COMMUNICATIONS AND PROMOTIONS

VEDP's Communications and Promotions (C&P) Division is a key element in planning and executing the Partnership's overall marketing initiatives. This year, C&P will restore its advertising program to reach corporate decision-makers both domestic and international.

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.

The division will oversee VEDP's Internet presence at YesVirginia.org. Division staff will execute a comprehensive web-based marketing program to increase prospect traffic on YesVirginia.org and ensure priority rankings in major Internet search engines.

Communications and Promotions will manage a social media marketing strategy. The program will target individuals seeking information specifically related to economic development topics, thereby increasing dialogue with prospects and delivering value-driven communications.

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 trade 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: Increase awareness of Virginia as a desired business location among corporate decision makers and site selection consultants.

OBJECTIVE #1: Develop and implement an integrated advertising program to reach corporate real estate professionals, site selection consultants and corporate decision-makers both domestic and international.

STRATEGIES:

1. Consult with professional advertising agency to develop creative materials that reinforce Virginia's competitive position in the marketplace.
2. In collaboration with advertising agency develop media plan to reach target audiences. Media is expected to include print, online and targeted broadcast media.
3. Maximize the weight of advertising targeted to corporate decision-makers with aggressive media buying techniques and strategies.

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OBJECTIVE #2: Develop comprehensive web-based marketing program to increase prospect traffic on YesVirginia.org and ensure priority rankings in major Internet search engines.

STRATEGIES:

1. In collaboration with Research and IT divisions, maintain state-of-the-art website to attract business location and trade prospects and provide information on the desirability of a Virginia business location.
2. Develop and execute web-based marketing program to include contextual and online banner advertising, as well as email marketing.
3. Perform Search Engine Optimization practices on YesVirginia.org, ensuring maximum results on major search engines.
4. Conduct Search Engine marketing, pay-per-click keyword search advertising, to drive targeted traffic to YesVirginia.org.
5. Monitor and respond to web-generated inquiries. Identify potential leads and forward to Business Development or Trade, or to State agencies, as appropriate.

OBJECTIVE #3: Implement a social media marketing program to establish VEDP as a leader and trusted knowledge base for economic development content and services.

STRATEGIES:

1. Identify social media outlets and best practices and develop marketing program to target individuals seeking information specifically related to economic development topics, thereby increasing dialogue with prospects and delivering value-driven communications.
2. Manage VEDP's blog and produce content targeting prospects seeking information on Virginia's desired business location, Virginia's economic development services and VEDP. Implement RSS Feed for blog.
3. Monitor and respond to blog inquiries. Identify potential leads and forward to Business Development or Trade, or to State agencies, as appropriate.
4. Develop and maintain VEDP profiles on key social networks such as LinkedIn and Facebook.

OBJECTIVE #4: Develop a public relations program to target decision makers through "free" media placements in mainstream business publications, economic development trade magazines, and vertical industry publications, as well as television, radio and internet news outlets.

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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 issue-oriented VEDP news releases that target specific trade publications.
4. Produce *Commerce Quarterly* four times per year to communicate with the local and regional allies, statewide media, and General Assembly members.
5. Produce *Results*, an annual publication to communicate Virginia's economic development achievements to local and regional allies, statewide media, and General Assembly members.
6. Conduct a proactive media program with trade media and vertical industry publications, and promote biannual media tours of the Commonwealth for members of the working press.
7. Plan special events for Governor and Secretary of Commerce and Trade for major announcements in coordination with localities and companies.
8. Support initiatives with specific public relations programs.
9. Support International Trade and Investment with specific public relations programs and targeted news releases.
10. Develop and execute a media event to review the anatomy of an economic development deal.

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

OBJECTIVE #1: Target vertical business sectors to reach corporate decision makers.

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.
3. Develop marketing materials.
4. Provide targeted industry information on website.

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

STRATEGIES:

1. Organize four traditional marketing missions to targeted geographic locations using a methodology that encompasses both repeat and newly-identified primary markets.
2. Organize two industry-focused missions to deliver leads for a select vertical sector without geographical limitations.
3. Implement new Virtual Marketing Mission program for conference call appointment-setting to maximize outreach without incurring business travel costs. Organize two virtual missions.
4. Assist International Investment division with lead generation activities and existing prospect follow-up.
5. Provide telemarketing support for selected industry trade shows in an effort to improve lead generation results.
6. Develop direct marketing strategies to assist outreach for VEDP business sector initiatives.
7. Provide telemarketing support for special events and projects to increase attendance and improve lead generation results.
8. 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. Conduct pre-event and post-event marketing to increase traffic and generate leads.

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

STRATEGIES:

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1. Develop premier marketing events using prominent attractions and unique venues to draw key business location decision makers to Virginia. C&P will partner with economic development allies where appropriate.
2. In collaboration with Japan-Virginia Society organize the annual Virginia Nippon Classic.
3. Provide logistic support and event planning for the Virginia International Investors Forum.
4. Organize semi-annual VEDP/Ally Meeting retreat.

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	\$ 1,282,299
Marketing and Promotion	-
Missions, Shows, and Events	-
Travel	8,750
Services	325,800
Supplies and Materials	10,990
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	290,039
Other Expenditures	<u>19,960</u>
Total Budget	<u><u>\$ 1,937,838</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 \$579,000.

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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. IT is 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 rooms. The computer network consists of 16 servers and 250 personal computers geographically dispersed over 25 facilities. Three public websites (YesVirginia.org, VirginiaAllies.org, and VirginiaScan) and other applications critical to the economic development marketing process fall under its support.

The presentation facilities are 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 upgrade recommendations 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 – 32/64 bit or better. Develop plans to train users and implement a Windows 7 installation.
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, develop, and maintain VEDP intranet applications and enhance access for overseas and regional VEDP/VTC staffs.
5. Migrate existing contact management systems to Salesforce.com platform, including webCRM, Hermes and CRM platforms.
6. Implement a new 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 the disaster recovery co-location facility. Integrate this facility with the 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/GPS based version of VirginiaScan to provide wireless access to aerial photography and data layers.
2. Implement a Data Governance program to oversee the procurement and use of data within the agency.
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

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education, corrections facilities, airports, golf courses, railroads, landfills, Enterprise Zones, fire and rescue, and hospitals) and integrate these layers with VBMP data.

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. Continue the integration of VEDP/VTC data with GIS data from state, federal, regional, and local government agencies.
7. Improve the site selection tools and electronic interface between GIS data and VEDP Business Development and Research staffs.
8. Maintain GIS software at the most current version needed to support user requirements.
9. 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 with two or more localities.
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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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.

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Administration

Budgeted Expenditures

Compensation	\$ 1,593,903
Marketing and Promotion	4,700
Missions, Shows, and Events	19,500
Travel	61,800
Services	172,656
Supplies and Materials	29,018
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	640,000
Other Expenditures	<u>89,607</u>
Total Budget	<u><u>\$ 2,611,184</u></u>

Note: It should be noted that the Fiscal Office and Human Resources within Administration support the Virginia Tourism Corporation (VTC) as well as the Virginia Economic Development Partnership. Using the number of VTC personnel, the equivalent value of this service is \$318,000

Note: It should be noted that the Virginia Economic Development pays the rent for the Virginia Tourism Corporation (VTC). Using the number of VTC personnel in the Richmond Office, the equivalent value of this service is \$500,000.

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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 Human Resources and Fiscal and Support Services administrative functions also provide the Virginia Tourism Corporation (VTC), the Virginia National Defense Industrial Authority (VNDIA), and the Virginia University Research Partnership (VURP) with administrative support in accordance with Memoranda of Agreement.

The Executive Office provides leadership and organizational vision by ensuring consistent adherence to VEDP's strategy and 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 Chief Executive Officer (CEO), General Counsel, and Legislative Coordinator. The General Counsel provides guidance on policy and legislative matters, legal issues, and business incentives. VEDP's legislative program is managed by the Legislative Coordinator under the direction of the General Counsel. The Legislative Coordinator 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/VNDIA 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 VEDP's 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, Virginia Jobs Investment Program, 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 Act 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 CEO or mandated by the General Assembly and/or the Governor, within the prescribed deadlines, or as may be appropriate or proactively helpful to strategically position Virginia or a region.

STRATEGIES:

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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 CEO, 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.

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

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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 CEO by September 1 of each year.
3. Obtain final CEO approval and distribute awards by October 15 of each year.

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

STRATEGIES:

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

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

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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 request 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 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.
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.

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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, Graphs, and Cash Report for the CEO'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.
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.

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 transaction activity to ensure adequate operating cash.

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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	2,879,095
Fixed Asset Purchases and Rents	-
Other Expenditures	-
	<hr/>
Total Budget	\$ 2,879,095