

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

OPERATING PLAN

*FOR THE FISCAL YEAR ENDING
JUNE 30, 2012*



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VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

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INTRODUCTION

The Virginia Economic Development Partnership Authority (VEDP) was established by the General Assembly in 1995 in § 2.2-2234 as "...a body corporate and political subdivision..." 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 2011 General Assembly, *Chapter 890* 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.

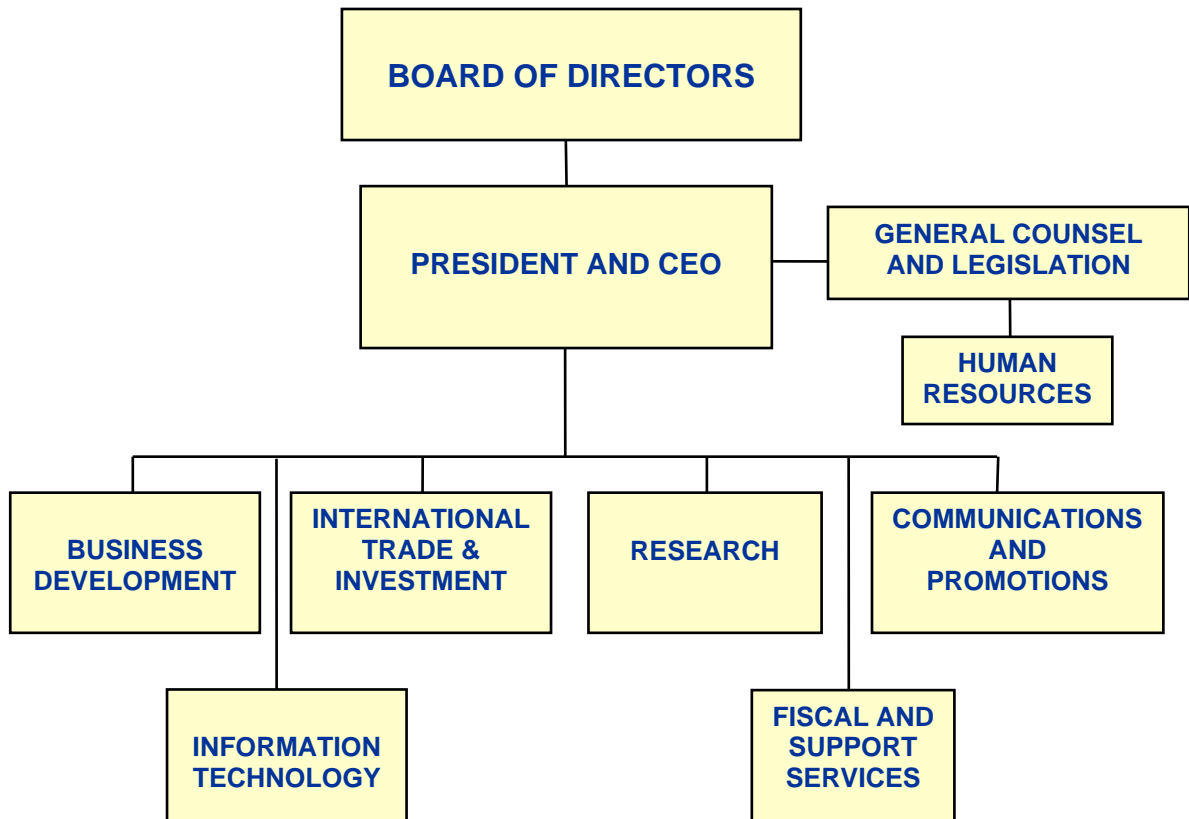
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MISSION STATEMENT

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

	<u>FY2012</u>	<u>FY2011</u>
Investment	\$2.1 Billion	\$2.3 Billion
Jobs	14,000	12,500
New Active Projects	230	230
Virginia Decision Rate	57%	57%
Companies Assisted or Attended a Trade Event	225	225
Client Impact Statement Score	80%	80%
Virginia Leaders in Export Trade (VALET) Sales Increase	25%	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 FY2012

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 strategic properties in the Commonwealth, including mega-sites.
- Execute the Virginia Offshore Wind marketing strategy.
- Finalize and implement the Life Sciences marketing strategy.
- Identify and execute marketing strategies with selected regional partners, including the regional economic development tour of Southwest Virginia.
- Provide staff support to the VEDP Board's Rural and Urban Committees in assessing and supporting Virginia's localities and regions.
- Aggressively work an expanded international investment representation in Europe.
- Establish international investment representation in India.
- Fully implement expansion of the VALET Program from 15 companies annually to 25 companies annually, thereby having 50 companies in this 2-year long program.
- Expand VEDP's advertising program to include print media targeting domestic and international corporate-decision makers.
- Implement new electronic marketing strategy targeting corporate decision makers.
- Develop and implement direct marketing initiative designed to update and maintain contact with prospect database.
- Conduct familiarization tour of Virginia with media contacts developed during 2011 Asia Marketing Mission.

Support

- Monitor performance and manage current grants with recipients of the Major Employment and Investment Projects (Mega-Projects) Site Planning Fund.
- Enhance materials and datasets in support of strengthened International investment outreach.
- Develop a web-based cost comparison tool for regions, similar to the state-level "How Virginia Compares" feature.
- Support the VEDP Rural Development Committee's Regional Initiative piloted in Southwest Virginia; evaluate efforts and determine next region for focused, cross-divisional attention.
- Support the Administration's new regional collaborative initiative, Building Collaborative Communities, as part of a multi-agency team, to assist economically distressed regions.
- Develop and implement the new Clean Energy Manufacturing Incentive Grant program and, together with the Department of Environmental Quality and the Virginia Resources Authority, the Brownfields Restoration Grant program.
- Revamp the site selection websites of VirginiaScan and VanillaScan.
- Implement a fully capable disaster recovery site.

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- Procure a modern Human Resource Management, Payroll and Employee management software package.

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 FY2012 will be Information Technology, Advanced Manufacturing, Energy and Life Sciences, with Logistics receiving emphasis. Business Development will also continue the outreach strategy toward federal agencies and their private sector partners; and the 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, virtual and sector marketing missions, industry conferences, site-location consultant calls, and special events. The Business Development Division implements the Governor's Business Outreach Program and the 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. Under the leadership of the VEDP Board's Rural and Urban Committees, the Business Development Division works 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 new representation in India. The International Investment team will also conduct aggressive marketing schedules in China and the U.K.; the first full year of representation in these two markets. In addition, the Investment team will conduct 12 marketing missions by Richmond-based staff to targeted markets. The International Investment team will conduct two Governor's missions, one to Israel/India and one to Europe. 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 programs consisting of the VALET Program, the Global Network, and an aggressive schedule of trade missions to over 10 countries. Continued outreach will be implemented via the "*Beyond Virginia*" newsletter, quarterly webinars, and a comprehensive insert to "Virginia Business" magazine. The Trade team will host the Virginia Conference on World Trade solo for the first time. It will also pursue several federal grants whose purpose is export promotion in support of the National Export Initiative.

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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 websites 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 further enhanced. A mainstay function of delivering custom prospect proposals to VEDP business clients will continue.

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. The Rural Development Regional Initiative will receive special attention and evaluation. 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

Communications and Promotions (C&P) will develop an 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 will 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.

Ally communication will be 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

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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 facilities. The staff will continue to prepare data for presentation and proposal use in an appealing and understandable format that is essential to Virginia's superior position in the marketing of sites, buildings, and other information products. In addition, the division will upgrade and revamp the VirginiaScan web application, 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 these capabilities on VirginiaScan directly benefits VEDP's economic development allies. The department will also protect the agency's computing environment by integrating a fully capable fail-over site to provide services in the event of a disaster.

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BUDGET SUMMARY

General Fund Appropriations Summary

		<u>Dollars</u>
FY2011 General Fund Appropriations-Original Operating Plan		\$ 19,841,330
Remove GMU Wet Lab Funding	(1,500,000)	
Personnel and VITA Adjustment Funding	123,959	
Total Reduction		<u>(1,376,041)</u>
FY2011 General Fund Appropriations-Final Operating Plan		\$ 18,465,289
FY2012 General Fund Appropriations Changes		
International Trade and Investment	500,000	
Base and Operating Budget Reductions	<u>(173,560)</u>	
Net Marketing and Operations Increase		326,440
Virginia-Israel Advisory Board Pass Through Payment		43,279
Regional Economic Development Collaboration		200,000
Move Virginia Commercial Space Flight Authority to Transportation		(1,379,095)
Brownfields Restoration Pass Through Payment		<u>1,000,000</u>
FY2012 General Fund Appropriations-Original Operating Plan		<u>\$ 18,655,913</u>

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BUDGET SUMMARY

Revenue Sources

	<u>FY12</u> <u>Dollars</u>	<u>FY11</u> <u>Dollars</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Revenue				
COV Appropriations	\$ 18,655,913	\$ 19,841,330	\$ (1,185,417)	-6%
Carry Forward Funds	94,665	174,665	(80,000)	-46%
Participation and Mission Fees	190,500	214,200	(23,700)	-11%
Other Revenue	55,000	35,000	20,000	57%
Total Revenue	<u><u>\$ 18,996,078</u></u>	<u><u>\$ 20,265,195</u></u>	<u><u>\$ (1,269,117)</u></u>	<u><u>-6%</u></u>

Notes on Revenue Sources

Commonwealth of Virginia Appropriations

The COV Appropriations reduction of \$1,185,417 is the net impact of removing the GMU Wet Lab Funding (-\$1,500,000); moving Virginia Commercial Space Flight Authority funding to Transportation (-\$1,379,095); adding funding for International Trade and Investment (+\$500,000); adding funding for Regional Economic Development (+\$200,000); adding funding for Brownfields Restoration (+\$1,000,000); and the net impact of various budget reductions and additions for Base and Operating budget reductions and Personnel funding.

Carry Forward Funds

\$80,000 reduction is the cost of the first year Salesforce.com contact management software. The ongoing cost will be borne by the divisions for FY12 and future years.

Participation and Mission Fees

Small reduction in fees to be collected in FY12

Other Revenue

Small increase in Other Revenue

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BUDGET SUMMARY

Budget Comparison

	FY12		FY11		\$	%	Staff
	Dollars	Staff	Dollars	Staff	Change	Change	Change
Division Budgets							
Business Development	\$ 3,160,665	23	\$ 3,114,859	23	\$ 45,806	1%	-
International Investment	2,353,338	6	2,065,939	5	287,399	14%	1
International Trade	3,018,769	17	2,938,172	17	80,597	3%	-
Research	1,880,815	14	1,869,828	14	10,987	1%	-
Communications and Promotions	2,903,792	7	2,848,280	7	55,512	2%	-
Information Technology	1,868,912	15	1,937,838	15	(68,926)	-4%	-
Administration	2,566,508	14	2,611,184	14	(44,676)	-2%	-
Total Division Budgets	\$ 17,752,799	96	\$ 17,386,100	95	\$ 366,699	2%	1
Pass Through Payments	1,243,279	-	2,879,095	-	(1,635,816)	-57%	-
Total VEDP Budget	\$ 18,996,078	96	\$ 20,265,195	95	\$ (1,269,117)	-6%	1

Notes on Budget Comparison

General

There are only minor budget changes in operations this year except in International, which received a net increase of approximately \$368,000. Budget reductions came from removing the FY11 3% bonus funding in FY12, Base Budget Reductions, and transferring operating funds to Pass Through Payments.

International

The additional FY12 funding for International was allocated between Investment and Trade to continue expansion to China and United Kingdom and to open the India Office in International Investment; and expand Trade through full implementation of the VALET Program and the expansion of the Export 3.0 Program that arranges tailored international marketing trips for potential clients. Also, \$43,279 was transferred to Pass Through Payments for the Virginia-Israel Advisory Board payment.

Pass Through Payments

The \$1,635,816 funding reduction for Pass Through Payments resulted from removing the GMU Wet Lab Funding (-\$1,500,000); moving Virginia Commercial Space Flight Authority funding to Transportation (-\$1,379,095); adding funding for Regional Economic Development (+\$200,000); adding funding for Brownfields Restoration (+\$1,000,000); and the transfer of \$43,279 in funding from International for the Virginia-Israel Advisory Board.

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Business Development

Budgeted Expenditures

Compensation	\$ 2,342,139
Marketing and Promotion	33,500
Missions, Shows, and Events	39,000
Travel	306,666
Services	155,560
Supplies and Materials	8,800
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	232,500
Other Expenditures	<u>42,500</u>
Total Budget	<u><u>\$ 3,160,665</u></u>

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BUSINESS DEVELOPMENT

The Business Development Division positions Virginia in the domestic market and provides solutions to business clients through professional consultative sales services. 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 regional and local assets that match the needs of the clients. Key sectors in FY2012 will be Information Technology, Advanced Manufacturing, and Energy and Life Sciences with Logistics also receiving emphasis. The Division also leads and partners in asset-building for strategic sectors and regions.

Professional marketing and project management staff promote and position Virginia in these sectors through innovative outreach that includes geographic, virtual 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 supports the Governor's Business Outreach Program and also implements the 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 also works with selected regions to implement regional marketing initiatives 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, Energy, and Life Sciences; supplemental market is 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 local 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. Facilitate and provide key staff leadership to the VEDP Board's Rural and Urban Committees' programs of work.
4. Provide consistent and timely feedback to local and regional allies regarding their competitive standing on specific projects, offering explanations for any change in their competitive standing.
5. Solicit constructive feedback from local and regional allies on ways to improve Business Development's process and marketing, prospect handling and related activities.

GOAL #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.

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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	\$ 1,099,319
Marketing and Promotion	406,965
Missions, Shows, and Events	101,045
Travel	327,573
Services	84,900
Supplies and Materials	21,740
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	271,596
Other Expenditures	<u>40,200</u>
Total Budget	<u><u>\$ 2,353,338</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. VEDP operates proactive investment offices in Japan, China and Europe. VEDP maintains an aggressive marketing program to attract international companies to Virginia, with staff in Virginia and the overseas offices making direct calls on internationally-owned companies.

The International Investment team will concentrate its time and resources on generating international investment projects for Virginia. It works 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 establishing Virginia as a business location.

STRATEGIES:

1. Undertake innovative marketing outreach activities in international markets to generate ongoing investment opportunities.
2. Conduct an aggressive direct client marketing effort, by both international and Richmond-based staff, to generate prospect visits to Virginia. Conduct four marketing missions to Europe, four to Asia, and four to 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 VEDP target markets as appropriate (information technology, advanced manufacturing and energy).
5. Secure additional international investment in Virginia by managing projects of internationally-owned companies new to Virginia and assisting existing internationally-owned Virginia companies to expand.
6. Develop and implement aggressive marketing schedule for newly-opened international investment office in the U.K.
7. Hire, train and initiate marketing activities for international investment office to be opened in India.

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8. Conduct Governor's marketing missions as scheduled.

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

STRATEGIES:

1. Collaborate with VEDP staff and regional economic development allies to successfully work international projects to locate to or expand within Virginia.
2. Work with Communications and Promotions Division to maintain current marketing materials and websites in Japanese, Chinese, German, French and Spanish.
3. Work with Communications and Promotions Division to produce annual "Virginia International Investors Forum".
4. Continually enhance international section of the www.yesvirginia.org website.
5. Publish continually updated "Directory of Internationally-Owned Companies in Virginia".

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International Trade

Budgeted Expenditures

Compensation	\$ 1,602,569
Marketing and Promotion	753,356
Missions, Shows, and Events	56,237
Travel	197,670
Services	120,225
Supplies and Materials	18,916
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	230,500
Other Expenditures	<u>39,296</u>
Total Budget	<u><u>\$ 3,018,769</u></u>

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INTERNATIONAL TRADE

Virginia business prospers through global trade. The International Trade Division supports companies across Virginia in their international sales activities with a variety of programs and services. From a global network of international consultants strategically located in 45 countries to a network of five statewide offices, the International Trade Division offers international marketing tools to companies large and small. Programs include:

Virginia Leaders in Export Trade (VALET) Program: The VALET program works with 50 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.

International Market Visits: 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. The International Trade Division provides comprehensive matchmaking and logistical assistance with international events around the world.

Global Network: This program provides in-country market research in 45 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: Experienced International Trade Managers, located in five offices throughout Virginia, help Virginia companies 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 400 attendees, via a variety of topical issues.

The International Trade program is based on the premise that successful international sales are obtained by working pro-actively with individual companies, one-on-one. To achieve this, the program has three components: 1) increase awareness among the Virginia business community on the importance and benefits of exporting; 2) provide all necessary tools for selling into international markets, from market research to assistance with completing documentation; and 3) enable these companies to participate in trade 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. Continue Export 3.0, a new program designed to stimulate Virginia companies to sell into international markets as a means of off-setting recessionary market losses.
3. Provide one-on-one export counseling to the Commonwealth's businesses.
4. Recruit Virginia companies to participate in 10-12 scheduled international trade missions and shows.
5. Support and participate in all Governor-led trade missions.
6. Provide a Global Network that assists Virginia companies with access to in-country market research in 45 international markets, which are tailored to their product or service, at little to no cost.
7. Publish *Beyond Virginia*, an electronic newsletter to be delivered once every quarter.
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 comprehensive export services insert in the "Virginia Business" magazine for statewide distribution.
10. Publish, promote, and distribute international trade data and analyses on Virginia exports via the website www.ExportVirginia.org.
11. Manage and produce the Virginia Conference on World Trade.
12. Conduct quarterly webinars on topic export trade matters.

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Research

Budgeted Expenditures

Compensation	\$ 1,354,977
Marketing and Promotion	100
Missions, Shows, and Events	6,000
Travel	43,600
Services	278,660
Supplies and Materials	30,678
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	148,700
Other Expenditures	<u>18,100</u>
Total Budget	<u><u>\$ 1,880,815</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 capital investment in Virginia. The Division provides content data used to produce VEDP's various collateral and online marketing materials, 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 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 of Directors.

STRATEGIES:

1. Provide division directors and the President & CEO with information to establish overall agency performance measures on a fiscal year basis.
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.

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3. Provide information on project announcements, fiscal impact, and other materials needed for quarterly VEDP Board of Directors 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. Coordinate with JLARC staff and provide information as required in connection with the current study of tax preferences and a planned evaluation of the effectiveness of Virginia's incentive programs.
5. 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.

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.

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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, life sciences 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.
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. Staff will participate directly in some VEDP outreach marketing missions and events to witness firsthand the feedback from clients on the materials and data provided by VEDP and incorporate these observations to improve our products.

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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. 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 more fully 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.
7. Maintain an ongoing online 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. Provide weekly updates on project activity to the Administration.
8. Maintain an ongoing online database of announced facility closures and employment layoffs by Virginia companies.

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9. Continue to improve the accessibility of other VEDP divisions to data generated by and maintained within the Research Division, principally through intranet and website interfaces developed in conjunction 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) to improve content and accessibility of workforce data and training capabilities.
11. 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.
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.

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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 and targeting 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 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. Seek modification of our SalesForce.com tool 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.com) to more easily identify and track projects that require university involvement to achieve success.

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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), Life Sciences Strategy Work Group, 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 and implement tracking measures by which results from working with the university community can demonstrate progress in economic development terms.
8. Continue participation in efforts to support 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. Continue to increase CCAM engagement with manufacturers in the Shenandoah Valley. Also, support the workforce study and training initiative in the Shenandoah Valley in collaboration with the Workforce Investment Board and Blue Ridge Community College.

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. Support the Strategic Properties Initiative with staff and other resources as required.

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5. Develop materials and content on available sites and buildings in distressed Virginia communities to be featured on the VEDP website.
6. Provide ongoing monitoring and grant management for recipients of the Major Employment and Investment Project (Mega-Project) Site Planning Grants.
7. Participate, along with DEQ and Virginia Resources Authority, in development of program guidelines and grant application review teams for the new Brownfields Grant Program.

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. Assist communities in training and proper use of the new Local Return on Investment Model to help them better gauge use of local incentives for economic development projects; take feedback received and incorporate model improvements as appropriate.
5. Conduct regular VEDP orientation programs for new local and regional economic development staff, appointed local officials, and other appropriate allies; participate in VEDP-sponsored ally meetings to improve communications and strengthen 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 Virginia Institute for Industrial Development

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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. Continue support for the proposed Department of Labor grant for advanced manufacturing workforce development in southern and western Virginia (led by Virginia Tech and various community colleges.)
11. Provide staff and research support to the new Regional Collaboration Initiative, "Building Collaborative Communities", (i.e, including the Southern Virginia Coalition and elsewhere.) Participate as part of the Administration's multi-agency planning team to award grant funds in FY12.
12. Support with staff, research, and resources the new VEDP Board's Rural Development Committee Initiative being piloted in Southwest Virginia. Evaluate results and experiences and determine follow-up regions to benefit from this focused, cross-divisional effort.

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Communications and Promotions

Budgeted Expenditures

Compensation	\$ 670,840
Marketing and Promotion	1,157,500
Missions, Shows, and Events	761,218
Travel	123,400
Services	102,370
Supplies and Materials	6,000
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	73,389
Other Expenditures	<u>9,075</u>
Total Budget	<u><u>\$ 2,903,792</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 continue 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 and digital placements.
3. Maximize the weight of advertising targeted to corporate decision-makers with aggressive media buying techniques and strategies.

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

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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: Manage 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.

STRATEGIES:

1. Develop and execute an annual public relations plan.

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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.

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

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STRATEGIES:

1. Organize traditional marketing missions to targeted geographic locations using a methodology that encompasses both repeat and newly-identified primary markets.
2. Organize industry-focused missions to deliver leads for a select vertical sector without geographical limitations.
3. Implement Virtual Marketing Mission program for conference call appointment-setting to maximize outreach without incurring business travel costs.
4. Provide telemarketing support for selected industry trade shows in an effort to improve lead generation results.
5. Develop direct marketing strategies to assist outreach for VEDP business sector initiatives.
6. Provide telemarketing support for special events and projects to increase attendance and improve lead generation results.
7. 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:

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.

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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	\$ 1,308,635
Marketing and Promotion	-
Missions, Shows, and Events	-
Travel	8,800
Services	250,800
Supplies and Materials	10,990
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	269,727
Other Expenditures	<u>19,960</u>
Total Budget	<u><u>\$ 1,868,912</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 \$565,000.

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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 are critical to the economic development marketing process and 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. Review various IP phone technologies from multiple providers and develop an upgrade strategy for the Nortel IP phone network.
3. Expand the capacity and efficiency of the VEDP/VTC LAN by engineering failover and redundancy capability through a the Peak 10 datacenter contract.
4. 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.
3. Implement a new Storage Area Network device at the Peak 10 datacenter to provide immediate failover.
4. Continue to support, develop, and maintain VEDP intranet applications and enhance access for overseas and regional VEDP/VTC staffs.
5. Implement a new network file system to better suit file access, searching, and security by using cloud based file services.
6. Outsource current Payroll, Human Resource, and Employee Leave tracking software applications, if appropriate.

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

STRATEGIES:

1. Test and operate the Peak 10 co-location facility. Upgrade this location from a cold-site to a hot site by installing a Storage Area Network and virtualization technology.
 2. Implement virtualization software to provide failover capability and assist in server deployment.
 3. Maintain anti-virus software and adhere to the security plan for virus protection.
 4. Review cloud-based services for SPAM and E-mail. Develop a strategy for conversion, if beneficial for the agency.
 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 education, corrections facilities, airports, golf courses, railroads, landfills, Enterprise Zones, fire and rescue, and hospitals) and integrate these layers with VBMP data.

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4. Continue to work with state and local agencies to maintain data layers (landfills, airports, Enterprise Zones, schools, institutions of higher education, corrections facilities, fire and rescue, hospitals, golf courses, wineries, sewer/water facilities, industrial sites/buildings, and power generation facilities).
5. Implement ARC GIS Server to provide web-based mapping capabilities to both internal staff and economic development allies.
6. Continue the integration of VEDP/VTC data with GIS data from state, federal, regional, and local government agencies.
7. Redesign the VirginiaScan website site and building search engine to provider easier search capability and comparative reporting.
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 2011 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. Determine a strategic direction for VanillaScan of either continued internal design or partnering with a GIS company for enhancements.
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.

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

STRATEGIES:

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1. Work with state, local, regional, and federal agencies to share and exchange data and ideas that are necessary to the VEDP mission. Utilize the remote web editing capability of ArcGIS Server to facilitate updating of features by staff at the local level.
2. Meet with at least one GIS organization to contrast and compare GIS best practices.
3. Continue to provide technical assistance on IT and GIS functions to state, local, and regional agencies in conjunction with the Research Division.
4. Continue to provide “standard” and occasional “custom” graphics products to state, local, and regional agencies in conjunction with the Research Division.

Virginia Economic Development Partnership
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Administration

Budgeted Expenditures

Compensation	\$ 1,666,621
Marketing and Promotion	3,700
Missions, Shows, and Events	13,500
Travel	55,434
Services	123,007
Supplies and Materials	29,618
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	583,000
Other Expenditures	<u>91,628</u>
Total Budget	<u><u>\$ 2,566,508</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 \$343,000.

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 \$456,000.

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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), the Rolls-Royce Project Manager, General Counsel, and the Manager of Legislation and Policy. The General Counsel provides guidance on policy and legislative matters, legal issues, and business incentives. VEDP's legislative program is managed by the Manager of Legislation and Policy under the direction of the General Counsel. The Manager of Legislation and Policy 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; 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), Department of Environmental Quality, Virginia Resources Authority 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 Brownfields Restoration 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 (VIP) and Clean Energy Manufacturing Incentive Grant (CEMIG) programs. Assist with the administration of the Governor's Opportunity Fund (GOF), including carrying out negotiations with prospects where appropriate; drafting, reviewing, and approving performance agreements; and recommending periodic changes to the VIP, GOF and CEMIG legislation or guidelines.
2. Form, organize, and maintain nonprofit, nonstock Virginia corporations as needed to facilitate various incentive strategies, including 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.

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STRATEGIES:

1. Draft, review, and/or revise legislation and guidelines affecting VEDP or Virginia's state, local, or regional economic development efforts.
2. Author and coordinate or contribute to the production of studies mandated by the General Assembly or the Governor on economic development and related issues, or other studies as needed. Participate on study commissions as requested or as appropriate. Prepare and distribute annual Incentives Report on behalf of the Secretary of Commerce and Trade.
3. Develop policy, testify before the General Assembly, speak before various groups, write articles, and provide information on economic development issues.
4. Develop positive relations with General Assembly members and staff, both personally and for the 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.

Virginia Economic Development Partnership
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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	1,243,279
Fixed Asset Purchases and Rents	-
Other Expenditures	-
	<hr/>
Total Budget	\$ 1,243,279