

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

OPERATING PLAN

*FOR THE FISCAL YEAR ENDING
JUNE 30, 2015*



VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
FY2015 OPERATING PLAN

TABLE OF CONTENTS

INTRODUCTION.....	1
MISSION STATEMENT	2
ORGANIZATION CHART	3
PERFORMANCE MEASURES.....	4
SUMMARY MARKETING PLAN	5-11
BUDGET SUMMARY	
GENERAL FUND APPROPRIATIONS SUMMARY	12
REVENUE SOURCES.....	13
BUDGET COMPARISON	14-15
BUSINESS EXPANSION	
BUDGETED EXPENDITURES	16
NARRATIVE.....	17-21
BUSINESS ATTRACTION	
BUDGETED EXPENDITURES	22
NARRATIVE.....	23-24
INTERNATIONAL TRADE	
BUDGETED EXPENDITURES	25
NARRATIVE.....	26-27
RESEARCH	
BUDGETED EXPENDITURES	28
NARRATIVE.....	29-38
COMMUNICATIONS AND PROMOTIONS	
BUDGETED EXPENDITURES	39
NARRATIVE.....	40-46
INFORMATION TECHNOLOGY	
BUDGETED EXPENDITURES	47
NARRATIVE.....	48-52
ADMINISTRATION	
BUDGETED EXPENDITURES	53
NARRATIVE.....	54-62
PASS THROUGH'S AND PROJECTS	
BUDGETED EXPENDITURES	63

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

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 Agriculture and Forestry, the Secretary of Commerce and Trade, the Secretary of Finance, the Secretary of Technology, 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 2013 General Assembly, *Chapter 806* (no Act passed at the time of this writing) 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.

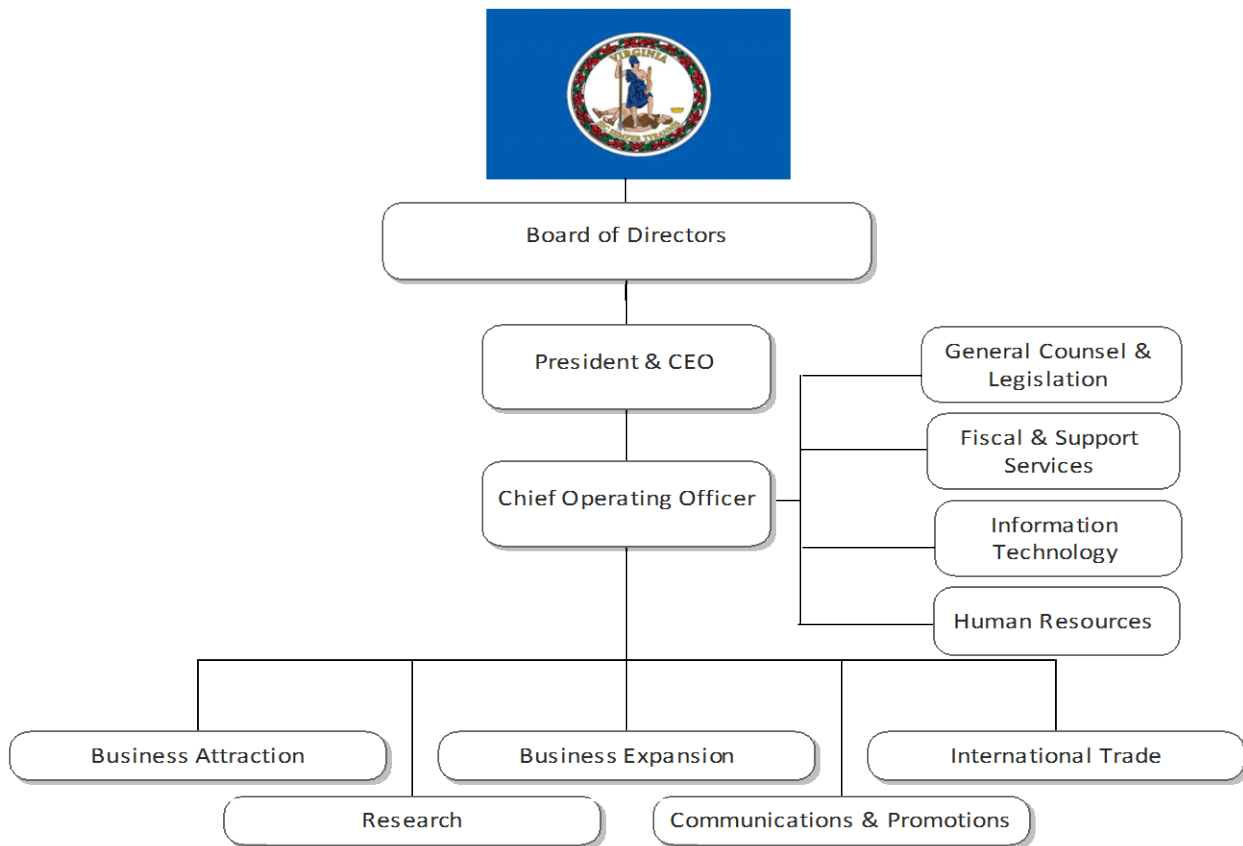
VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
FY2015 OPERATING PLAN

MISSION STATEMENT

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

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

ORGANIZATION CHART



VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
FY2015 OPERATING PLAN

PERFORMANCE MEASURES

	<u>FY2015</u>	<u>FY2014</u>	<u>FY2013</u>
Investment	\$3.0 Billion	\$2.7 Billion	\$2.5 Billion
Jobs	13,000	11,500	14,000
New Active Projects	375	450	230
Companies Assisted or Attending a Trade Event	240	250	250
Client Impact Statement Score	80%	80%	80%
Virginia Leaders in Export Trade (VALET) Sales Increase	25%	25%	25%

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

SUMMARY MARKETING PLAN

WHAT'S HAPPENING IN FY2015

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

Marketing

Business Expansion

- Continue the pro-active Gold Accounts Expansion Program that ensures short- and long-term project activity in the pipeline, leading to increased decisions for Virginia from existing businesses, with an emphasis on the strategic sectors of advanced manufacturing, cyber/IT, aerospace, energy, life sciences, modeling & simulation, and federal government contractors.
- Build and leverage relationships with companies, localities, higher education partners and industry associations in strategic sectors that will complement the sector analytics produced by the Research Department and will provide industry linkages to Virginia's capabilities that support the Business Attraction's outreach strategy.
- Fully integrate the Virginia Jobs Investment Program into VEDP in support of Business Expansion and Business Attraction efforts, with limited service interruption to current clients.
- Develop and implement a strategy to ensure retention and expansion of high-growth (Second Stage) companies, focusing on the strategic sectors identified above.
- Deliver qualified clients for the Administration's Business Outreach Program.
- Expand the Business Expansion platform of marketing activities to support Virginia's existing businesses through a strategic corporate headquarters call program.
- Cultivate relationships with companies, higher education partners, industry associations and other stakeholders in the target sectors that are relevant to Virginia's economy and particularly relevant to Gold Accounts and the strategic sectors identified above.
- Provide staff and fiscal support to Regional/Local retention, expansion and recruitment efforts.
- Improve the Third Wednesday Webinar series with more diverse public and private content, marketing, and podcast availability.
- Expand usage of Executive Pulse by Virginia allies and higher education partners to result in assessment of trends impacting Virginia's businesses.
- More actively implement a communications strategy to local elected officials, in partnership with Virginia Municipal League and Virginia Association of Counties.
- Make recommendations to renew the Higher Education Marketing Partnership MOU, and improve the Operational Plan of Action that supports it, in collaboration with the University-Based Economic Development Team and selected leadership in higher education institutions.
- Sustain the initial launch and deployment of the Virginia Bio-Sciences Health Research Corporation and effectively leverage it to the life science community.

Business Attraction

- Execute call trips; attend conferences and trade shows; and host events with Virginia allies to maximize lead generation in each geographic focus area.
- Use Virginia's unique sector-based value propositions as a guiding influence for appointment setting and conference selections.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

- Consistently follow-up and share relevant sector-based information to solidify and leverage consultant and client relationships that generate new projects and prospect visits to Virginia.
- Arrange phone conversations between the Governor and CEO's of companies actively considering a Virginia location for new business facilities.
- Solicit Virginia universities' faculty and alumni organizations for introductions to domestic and International clients with expansion potential.
- Co-sponsor Virginia university alumni events in targeted geographic territories.
- Participate in Governor's marketing missions as scheduled.
- Co-host dinners and receptions at conferences and trade shows with Virginia allies.
- Jointly plan and execute call trips with shared appointment setting by Virginia allies in metropolitan areas of common interest.
- Co-host professional sports event attendance in Virginia and geographic marketing territories with Virginia allies.
- Co-sponsor an annual Port of Virginia familiarization event for site selection consultants with Virginia Port Authority and Virginia allies.
- Whenever possible, embed Business Attraction managers in call trips and events arranged by regional marketing organizations.
- Use metrics to assess effectiveness of marketing tactics and re-direct resources in response to changing market conditions.

International Trade

- With continued funding via federal grant monies, International Trade will implement the second year of the popular "Going Global Defense Initiative." This is a sector-specific strategy designed to find alternative revenue streams for Virginia-based defense companies.
- International Trade will recruit Virginia companies to participate in 15+ international trade missions/trade shows across the globe.
- The Virginia Leaders in Export Trade (VALET) Program will enter its 14th year, working with 25 new companies to accelerate their international sales.
- Over 300 international market research projects will be delivered to Virginia exporting companies that identify new business opportunities from international markets.

Communications and Promotions

- Oversee and manage five Governor-led marketing missions.
- Conduct a lead generation program through VEDP Call Center.
- Develop and execute brand building advertising campaign targeting c-suite decision makers in select domestic and international markets (*advertising funding reduced due to budget cuts*).
- Produce major Virginia advertorial feature in Forbes Magazine.
- Produce requisite targeted industry sector collateral materials
- Develop Market to selected vertical targeted industry sectors using direct marketing techniques to reach key decision makers.
- Conduct two media tours targeting leading international media from China and Europe.
- Oversee VEDP trade show exhibition and special event marketing program.
- Implement aggressive social media marketing program.
- Produce electronic marketing campaigns using e-mail, YesVirginia.org and the YesVA mobile app. VEDP to release a 2.0 version of the mobile app.
- Enhance ally communication through production of Commerce Quarterly newsletter.
- Implement internal communications strategy to better inform staff.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

Support

Research

- Repurpose existing staff in support of the lead generation campaign.
- Provide enhanced, actionable business intelligence gathering in support of Business Attraction and Business Expansion.
- Work with other departments to develop content and market messages within established target sector markets and in support of VEDP's defined market strategies.
- Strengthen relationships with Virginia universities leading to more economic development project leads, ultimately resulting in job creation and capital investment outcomes.
- Develop and implement an internal communications strategy to improve information sharing across all divisions and increase awareness about VEDP's strategies, programs, goals and outcomes.
- Monitor performance and manage current grants with recipients of the Major Employment and Investment Projects (Mega-Projects) Site Planning Fund.
- Provide program monitoring and grant management for recipients, in tandem with DEQ and Virginia Resources Authority for the remaining period of the Virginia Brownfields Assistance Fund (VBAF) Program.
- Provide Salesforce.com marketing, reporting and productivity training and support.
- Pursue enhancement packages for Salesforce to enable more effective tracking, monitoring, predictive analysis and marketing resource allocation decisions.

Information Technology

- Integrate the VJIP business processes and their associated projects with Business Attraction, Business Expansion and Research on the Salesforce.com platform so all departments are unified on a common platform.
- Continue the push of Cloud based technology into the organization and reach a goal of 50% of IT resources provided by and protected in cloud based providers.
- Release an upgraded version of the mobile version of YesVirginia.org to include new data sets and content.
- Update the MOU with the Virginia Lottery for VEDP's collocated Disaster Recovery site at their new data center. Review security standards and test the disaster recovery site at the new site.

BUSINESS EXPANSION

The Business Expansion team works with existing Virginia companies, local and regional economic development partners, the public colleges and universities and other state agencies and partners to increase leads and decisions from companies with a presence in the Commonwealth, which will result in increased capital investment, quality jobs and payrolls. The Business Expansion team takes a proactive approach using professional consultative sales strategies and services to ensure the Commonwealth is ready when its companies identify growth needs, matching the business' expansion plans with state, regional and local assets.

The Business Expansion team uses a three-prong strategy to increase leads and ensure Virginia companies expand within the state. These strategies include: 1) identifying and building strong

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

relationships with Virginia's key employers, including those in strategic sectors, through the proactive Gold Account and Second Stage Company Acceleration programs and through the Virginia Jobs Investment Program 2) working closely with Virginia's regional and local allies, positioning them to be ready when companies need to expand; and 3) understanding, marketing and leveraging the assets of Virginia's public colleges and universities. The two main objectives of these strategies are to ensure a unified Virginia message is strategically, collaboratively and consistently delivered to the appropriate corporate decision-makers, so that these executives always consider Virginia as a place for growth and expansion; and to ensure professional and collaborative management of projects coming from companies with a presence in Virginia.

Business Expansion Managers are responsible for both corporate outreach and ally communications, and each manager has two portfolios: Gold Accounts (30-35 companies of significance, generally in a strategic sector); and Virginia Regions (1 or 2 Regional Marketing Organizations). Managers proactively communicate with both portfolios, through innovative outreach that includes direct calls, trade organization partnerships, strategic industry sector conferences, familiarization tours, and venue-driven special events. The short-term goal of these activities is to create a pipeline of projects that ultimately make decisions for VA. The long-term goal is consistent outreach that ensures that strategic corporations (Gold Accounts) continue to invest in Virginia. The Business Expansion team also supports selected marketing initiatives led by Regional Marketing Organizations.

Through its Ally Communication Strategy, the Business Expansion team seeks to ensure comprehensive knowledge of Virginia's localities and regions that helps VEDP better position the regions for business growth; and the team establishes systematic communication channels with Allies to share knowledge and best practices of the profession.

The Business Expansion team also leads the design and initial implementation of an operational plan that supports the Higher Education Marketing Partnership, which was memorialized in an MOU in 2012. The collaboration should result in increased leads to VEDP as well as more opportunities for corporate support of the higher education partners.

Through team members' personal outreach to allies and higher education partners, relationships are developed and expanded with influencers in Virginia's strategic sectors, including advanced manufacturing, cyber & IT, aerospace, life sciences, modeling & simulation, federal government contractors, and energy. These relationships complement the analytics performed by VEDP's Research Department and provide linkages for the Business Attraction team's outreach.

BUSINESS ATTRACTION

The Business Attraction team positions Virginia in both domestic and international markets, focusing on companies and site selection consultants in major geographic markets that represent opportunities for investment and job creation for new business facilities in Virginia. Key geographic markets include major metropolitan areas in the Mid-Atlantic, Northeast, South, Midwest and Far West regions of the United States. The international focus includes proactive marketing efforts in Canada, Japan, China, India, United Kingdom and Germany.

Virginia's unique sector-based value propositions are used as a guiding influence for call trip appointment setting and conference selections. VEDP's internal industry sector expertise is

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

utilized to provide appropriate value propositions to specific client interests in targeted geographic regions.

VEDP-led activities are carried out in partnership with state agencies such as Virginia Port Authority and Virginia Department of Agriculture and Consumer Services, local and regional allies, private-sector service providers and higher education partners. Whenever possible, Business Attraction will also partner with allies on regionally-led marketing initiatives.

INTERNATIONAL TRADE

Virginia business prospers through global trade. The International Trade team obtains international sales for companies across Virginia through a variety of programs and services. From a global network of international consultants strategically located in 50+ countries to a network of five statewide offices, the International Trade team offers international sales tools to companies large and small. 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, and upcoming events and provides a plethora of market research reports. 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 accelerate Virginia companies' international sales.

Trade Missions: Approximately a dozen trade missions are conducted annually to promote Virginia products and services in global markets. The International Trade team provides comprehensive matchmaking and logistical assistance with trade missions around the world. In addition, companies may travel independently to take advantage of these customized business trips.

Global Network: This program provides in-country market research in 50+ countries around the world at little or no cost to Virginia companies. Often, this research leads to participation in a Trade Mission or the VALET Program.

Consulting on Export Marketing: Experienced International Trade Managers, located in five offices throughout Virginia, will help Virginia companies obtain international sales. Consultation spans selection of best channels for market entry to completing export documentation.

Virginia Conference on World Trade (VACWT): Virginia's annual conference on international trade, the VACWT puts VEDP's message in front of 250 attendees, via a variety of topical issues.

Defense Sector Strategy: Faced with DOD budget reductions, the pursuit of international markets is a proven diversification strategy for defense firms. The Going Global Defense Initiative was launched in FY14 with a federal grant. It is anticipated that a second year federal grant will allow

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

this program to continue. Components of the program will include international market research, export compliance, digital marketing, trade shows, export training, etc.

COMMUNICATIONS AND PROMOTIONS

Communications and Promotions (C&P) executes an advertising program to reach corporate decision-makers in select domestic and international markets. Due to budget reductions, C&P has had to eliminate its Business Expansion advertising program. Public relations, direct marketing, electronic marketing, social media, trade show marketing and event promotions remain primary activities of C&P.

The team will continue its successful lead generation program through its call center operations. The lead generation program will support the Business Attraction team through an ongoing call campaign targeting corporate prospects identified through in-house and purchased data.

Team staff will work with VEDP divisions to maintain, update and promote VEDP's electronic marketing presence at YesVirginia.org and the YesVA Mobile Application, produce requisite marketing brochures and targeted industry sector collateral materials, as well as develop and execute strategic marketing initiatives to support VEDP's geographic markets.

C&P will implement an internal communication strategy to improve information sharing across all divisions and increase awareness about VEDP's strategies, programs, goals and outcomes. All communication will be enhanced with the publication of four issues of Commerce Quarterly.

The team will manage VEDP's targeted industry sector trade show presence, marketing events, and the Governor's foreign and domestic marketing missions.

RESEARCH

Research will provide a broad range of critical services in support of VEDP's outreach marketing. Staff will be full participants in the planning, research, and execution of outreach efforts for VEDP's established industry markets and related marketing initiatives. This includes substantially increasing the lead generation function across all marketing territories. We have repurposed existing staff resources behind building our prospect pipeline. Industry sector and firm-level business targets will be presented to the VEDP Call Center and Business Attraction for follow-up as a means of building up the project pipeline. An array of updated data content for the VEDP websites and targeted industry collateral material will be prepared in cooperation with Communications and Promotions. Materials and data to support international outreach will be refreshed. Staff will continue development, in tandem with Business Expansion, of a usable, integrated database of major Virginia employers in support of a more cohesive statewide existing business and industry program. A mainstay function of delivering custom prospect proposals to VEDP business clients will continue.

Staff will continue improvements to the visual appearance and formatting of prospect proposals to succinctly convey needed information to our clients. Our GIS team is actively pushing new technologies and info-graphic capabilities, vastly improving the visual quality of our deliverables.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

Working with IT, the team will deploy the new VirginiaScan and iVS web applications, 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, and ultimately our business clients seeking solutions.

Staff will, in concert with other VEDP departments, provide appropriate research support to community and regional allies to include communicating VEDP's strategies to allies and to evaluate the alignment of VEDP's strategies with those at the regional and local level. Tracking of major competitor state incentives and economic development budgets and initiatives will continue. The *Economic Development Guidebook for Local Elected Officials* will continue to be updated and distributed to allies. Staff will continue to participate in local government officials' conferences 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.

INFORMATION TECHNOLOGY

The Information Technology (IT) team operates the Partnership's information systems, including the geographic information system (GIS) and the presentation facilities.

This year the IT staff will continue to push the cloud based strategy by storing file and document information, email, and software development platform onto cloud providers. As value propositions become more attractive and service offerings more proven, other IT system will be migrated or integrated into cloud based technology.

Salesforce.com will continue to be extended to meet the growing marketing and sales needs and executive reporting. The VJIP program will be modeled in the Salesforce.com environment. A mobile versions of YesVirginia.org will be enhanced and several other marketing and economic applications will be overhauled.

The team will further integrate the agency's computing environment with the fully capable fail-over site located at the Virginia Lottery. However, with the Virginia Lottery changing the location of their datacenter we will migrate our center in tandem with theirs.

Virginia Economic Development Partnership
FY2015 Operating Plan

BUDGET SUMMARY

General Fund Appropriations Summary

	<u>Amount</u>
FY2014 General Fund Appropriations-Original Operating Plan	\$ 18,766,124
FY13-14 Personnel and Benefits Funding Addition	5,370
Remove Center for Manufacturing, Shenandoah Valley Funding	(195,000)
FY14 Governor's Reductions	(190,011)
Net Change	(379,641)
FY2014 General Fund Appropriations-Final Operating Plan	\$ 18,386,483
FY2015 General Fund Appropriations Changes	
Virginia Jobs Investment Program Administration Funds	564,166
Add Back FY14 Governor's Reductions	190,011
Balance of FY12-14 Personnel and Benefits Funding	47,045
FY15 Governor's Budget Reductions	(297,532)
Remove Rolls-Royce Funding	(300,000)
Net Marketing and Operations Change	(360,476)
Center for Advanced Manufacturing Workforce Initiative	1,300,000
FY2014 General Fund Appropriations-Original Operating Plan	\$ 19,890,173

Virginia Economic Development Partnership FY2015 Operating Plan

BUDGET SUMMARY

Revenue Sources

	<u>FY15 Dollars</u>	<u>FY14 Dollars</u>	<u>\$ Change</u>	<u>% Change</u>
Revenue				
COV Appropriations	\$ 19,890,173	\$ 18,386,483	\$ 1,503,690	8%
Carry Forward Funds	680,077	2,104,789	(1,424,712)	-68%
Participation and Mission Fees	175,000	169,520	5,480	3%
Federal Grant Funds	1,500,000	1,714,570	(214,570)	-13%
Other Revenue	113,000	122,500	(9,500)	-8%
Total Revenue	<u>\$ 22,358,250</u>	<u>\$ 22,497,862</u>	<u>\$ (139,612)</u>	<u>-1%</u>

Notes on Revenue Sources

Commonwealth of Virginia Appropriations

The Commonwealth of Virginia Appropriations increase was primarily due to the addition of \$1,300,000 for the Center for Advanced Manufacturing Workforce Initiative; \$564,166 in funding for the Administration of the Virginia Jobs Investment Program (VJIP); adding back the \$190,011 FY14 one-time Governor's Budget reduction; and \$47,045 for the balance of the FY14-15 personnel and benefits funding. These amounts were reduced by eliminating \$300,000 in funding for the Rolls-Royce management function and an additional budget reduction of \$297,532 in the Governor's Introduced Budget for FY15 and FY16.

Carry Forward Funds

FY14 Carry Forward budgeted amounts include: \$284,000 in Marketing Support; \$496,000 to temporarily offset Governor's Budget reductions; \$521,000 to complete space reconfiguration; \$450,000 for an advertising and marketing supplement; \$119,000 for a comprehensive Human Resources study on positions, salaries, and bonus policy; and \$81,000 for lease cost increases.

FY15 Carry Forward budgeted amounts include \$250,000 for a new phone system; \$123,000 to supplement the VJIP program administration; \$120,000 Marketing Support; \$91,000 for lease cost increases; and \$57,000 to upgrade video conferencing and the enterprise backup system.

Federal Grant Funds

Both FY14 and FY15 have budgeted \$1.5 million for the Office of Economic Adjustment (OEA) Grant, which has expanded VEDP's trade program into Virginia's defense industry. FY14 included two now closed grants: \$183,500 for the State Trade and Export Promotion (STEP) Grant; and the \$31,437 for the Appalachian Regional Commission (ARC) Grant.

Virginia Economic Development Partnership

FY2015 Operating Plan

BUDGET SUMMARY

Budget Comparison

	FY15		FY14		\$ Change	% Change	Staff Change
	Dollars	Staff	Dollars	Staff			
Division Budgets							
Business Expansion	\$ 2,767,018	20	\$ 2,525,724	16	241,294	10%	4
Business Attraction	3,299,622	14	3,574,887	15	(275,265)	-8%	(1)
International Trade	5,545,142	21	5,881,711	21	(336,569)	-6%	-
Research	2,246,557	18	2,313,812	18	(67,255)	-3%	-
Communications and Promotions	2,512,659	7	3,310,287	7	(797,628)	-24%	-
Information Technology	1,508,642	11	1,484,581	11	24,061	2%	-
Administration	2,928,610	15	2,683,860	14	244,750	9%	1
Total Division Budgets	\$ 20,808,250	106	\$ 21,774,862	102	(966,612)	-4%	4
Pass Throughs and Projects	1,550,000	-	723,000	-	827,000	114%	-
Total VEDP Budget	\$ 22,358,250	106	\$ 22,497,862	102	(139,612)	-1%	4

Notes on Budget Comparison

VEDP

VEDP's Marketing and Operations budget has had its General Fund funding cut by \$822,000 in the last three years. For FY13 and FY14 VEDP mitigated the impact to the marketing programs of those reductions by funding with Carry Forward funds. For FY15, it was prudent to apply all three year's reductions back to the General Fund budget. The impact of those reductions is evident in the division

Business Expansion

Business Expansion's budget increased by \$687,500 and 6 positions for the Virginia Jobs Investment Program and was reduced by \$228,000 and 1 position for Rolls-Royce Project Management funding and \$218,000 for marketing funding due to Governor's Budget reductions in FY13, FY14 and FY15. One position was transferred from Business Expansion to Business Attraction.

Business Attraction

Business Attraction's budget was reduced a net of \$275,000 in marketing funding due to the Governor's Budget Reductions in FY13, FY14 and FY15. Business Attraction's personnel count was reduced by a net of one position. The Germany office representative was replaced by a contractor covering Europe.

International Trade

International Trade's budget was reduced by \$215,000 for federal grant funding for the STEP and ARC grants and a net of \$122,000 in marketing and operations funding due to the Governor's Budget Reductions. A federal Office of Economic Adjustment grant of \$1.5 million is in both FY14 and FY15.

Research

Research's budget was reduced by \$59,000 due to Governor's Budget Reductions.

Virginia Economic Development Partnership

FY2015 Operating Plan

BUDGET SUMMARY

Communications and Promotions

Communications and Promotions' budget was reduced from FY14 to FY15 primarily due to providing \$650,000 in Carry Forward funding in FY14 used for an advertising supplement, the YesVA mobile application update, an exhibit booth refresh, and marketing events. The additional reduction of \$148,000 was due to the Governor's Budget Reductions.

Administration

Administration's budget was increased to fund the Chief Operating Officer compensation and support costs and provide wage funding for the General Counsel and Legislation office.

Pass Throughs and Projects

The FY14 Pass Throughs and Projects funding included \$521,000 to complete the construction and furniture upgrades to the 18th floor, \$119,000 for the Human Resources policy study, \$38,000 for a new color copier, and \$45,000 for the balance of the Collaborative Communities program.

The FY15 Pass Throughs and Projects funding includes \$1,300,000 for the Center for Advanced Manufacturing Workforce Initiative and \$250,000 for a new phone system.

Virginia Economic Development Partnership
FY2015 Operating Plan

Business Expansion

Budgeted Expenditures

Compensation	\$ 2,113,865
Marketing and Promotion	170,910
Missions, Shows, and Events	112,884
Travel	93,179
Services	63,180
Supplies and Materials	8,600
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	193,300
Other Expenditures	<u>11,100</u>
Total Budget	<u><u>\$ 2,767,018</u></u>

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

BUSINESS EXPANSION

The Business Expansion team works with existing Virginia companies, local and regional economic development partners, the public colleges and universities and other state agencies and partners to increase leads and decisions from companies with a presence in the Commonwealth, which will result in increased capital investment, quality jobs and payrolls. The Business Expansion team takes a proactive approach using professional consultative sales strategies and services to ensure the Commonwealth is ready when its companies identify growth needs, matching the companies' expansion plans with state, regional and local assets.

The Business Expansion team uses a three-prong strategy to increase leads and ensure Virginia companies expand within the Commonwealth. These strategies include: 1) identifying and building strong relationships with Virginia's key employers, including those in strategic sectors, through the proactive Gold Account and Second-Stage Company Acceleration programs and through the Virginia Jobs Investment Program 2) working closely with Virginia's regional and local allies, positioning them to be ready when companies need to expand; and 3) understanding, marketing and leveraging the assets of Virginia's public colleges and universities. The two main objectives of these strategies are to ensure a unified Virginia message is strategically, collaboratively and consistently delivered to the appropriate corporate decision-makers, so that Virginia is considered as a place for growth and expansion; and to ensure professional and collaborative management of projects coming from companies with a presence in Virginia.

Business Expansion Managers are responsible for both corporate outreach and ally communications, and each manager has two portfolios: Gold Accounts (30-35 companies of significance, generally in a strategic sector); and Virginia Regions (1 or 2 Regional Marketing Organizations). Managers proactively communicate with both portfolios, through innovative outreach that includes direct calls, trade organization partnerships, strategic sector industry conferences, familiarization tours, and venue-driven special events. The short-term goal of these activities is to create a pipeline of projects that ultimately make decisions for Virginia. The long-term goal is consistent outreach that ensures that strategic corporations (Gold Accounts) continue to invest in Virginia. The Business Expansion team also supports selected marketing initiatives led by Regional Marketing Organizations.

Through its Ally Communication Strategy, the Business Expansion team seeks to ensure comprehensive knowledge of Virginia's localities and regions that helps VEDP better position the regions for business growth; and the team establishes systematic communication channels with Allies to share knowledge and best practices of the profession.

The Business Expansion team also leads the design and initial implementation of an operational plan that supports the Higher Education Marketing Partnership, which was memorialized in an MOU in 2012 and will result in increased leads to VEDP.

Through team members' personal outreach to allies and higher education partners, relationships are developed and expanded with influencers in Virginia's strategic sectors, including advanced manufacturing, cyber & IT, aerospace, life sciences, modeling & simulation, federal government contractors, and energy. These relationships complement the analytics performed by VEDP's Research Department and provide linkages for the Business Attraction team's outreach.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

GOAL #1: Lead and ensure implementation of a coordinated Virginia Business Retention & Expansion Strategy

OBJECTIVE: Increase the pipeline of qualified prospects.

STRATEGIES:

1. Identify and vet key Virginia companies through the Gold Account program with an emphasis on companies in strategic sectors.
2. Identify specific strategies, tactics, venues and activities in strategic sectors in which BX involvement will result in new business relationships and opportunities for expansions of Virginia companies.
3. Implement a Second-Stage Company Acceleration Program.
4. Implement customized value-added business cases for existing businesses.
5. Continue to build sector-based knowledge of Virginia's human, business, research and educational assets to deliver quality knowledge to existing companies.
6. Implement an outreach plan for Gold Accounts that engages and leverages state, regional and local stakeholders.
7. Establish next steps and follow-up from meetings, including introductions to other partners that may bring value to the company.
8. Generate referrals to the International Trade team and the Business Attraction team.
9. Implement and measure outcomes.

GOAL #2: Professionally manage client relationships and transactions resulting from domestic 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 support business expansion in Virginia.

STRATEGIES:

1. Lead project 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.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

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 and lead a sustained Virginia Allies Communication strategy that shares expertise of staff with local and regional allies resulting in improved positioning of the regional/local assets.

OBJECTIVE: Improve the competitive position of Virginia's localities and regions in the market through knowledge transfer.

STRATEGIES:

1. Provide leadership to Virginia's economic development professionals by sharing in-house expertise and knowledge 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 and toward strategic sectors.
3. Leverage the Business Expansion team as a "go-to" point of contact for Virginia's Regional Marketing Organizations and local economic development organizations.
4. Create a web-based communication strategy that delivers content of value to local and regional economic developers, thus enhancing their competitive position, particularly as it relates to strategic sectors.
5. Utilize the platforms of The Virginia Municipal League and The Virginia Association of Counties to reach local elected officials to share knowledge about economic development trends.
6. 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.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

7. Solicit constructive feedback from local and regional allies on ways to improve Business Expansion's process and marketing, prospect handling and related activities.

GOAL #4: Lead and ensure implementation of the Higher Education Partnership Strategy.

OBJECTIVE: Leverage the business and academic networks of higher education partners to expand the visibility of Virginia's business climate message, thus increasing leads and opportunities.

STRATEGIES:

1. Assess and effectively link higher education resources through a focused effort utilizing the University Based Economic Development network and other partners.
2. Execute the Higher Education Operational Plan of Action that enables measurable results from the Higher Education Marketing Partnership MOU.
3. Utilize underleveraged business networks at the universities to be accelerators for lead generation.
4. Identify opportunities for public higher education collaboration with new and expanding businesses in Virginia, particularly with Gold Accounts and companies in strategic sectors.
5. Through a variety of forums, including receptions, campus events, alumni events and higher education electronic communications, disseminate Virginia's pro-business message.
6. Create an annual forum for VEDP, selected regional ED organizations, and members of the university faculty team to meet, explore each other's goals and strengths, and build a bridge of communication that encourages sharing of resources for economic development outcomes.
7. Support the development of research-based assets that are focused on solving problems of the business community with an emphasis on Gold Accounts and companies in strategic sectors.

GOAL #6: Successfully integrate the Virginia Jobs Investment Program into the Business Expansion team to support both Business Expansion and Business Attraction teams and companies.

OBJECTIVE: Ensure that VJIP staff members are supported during the transition into VEDP by providing necessary resources, internal training, and communication with all departments of VEDP.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

STRATEGIES:

1. Provide necessary physical and operational resources for smooth integration of team members with limited interruption to customer service.
2. Ensure appropriate onboarding orientation for VJIP team members with the VEDP organization.
3. Leverage capabilities of VJIP team to support organizational improvements within VEDP.
4. Identify changes to, and make policy recommendations about, the VJIP program that would improve outcomes for businesses, large and small.

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

OBJECTIVE: Improve the capabilities of all Business Expansion 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 Expansion staff to volunteer service to the profession through committee membership of the Virginia Economic Developers Association, the Southern Economic Development Council, and other professional associations.
3. Ensure that all interactions with Virginia allies, prospects, suspects, and leads are positive and constructive.
4. Empower and support staff to utilize tools and take ownership of areas of expertise in support of VEDP's goals.
5. Conduct systematic surveys of client satisfaction and analyze results for use in improving customer relations and developing new programs and policies.
6. Conduct systematic surveys of marketing partner satisfaction and analyze results for use in improving partner relationships and creating more effective outreach marketing.
7. Continue systematic tracking methods to benchmark and evaluate specific target marketing efforts.

Virginia Economic Development Partnership
FY2015 Operating Plan

Business Attraction

Budgeted Expenditures

Compensation	\$ 1,524,922
Marketing and Promotion	756,200
Missions, Shows, and Events	112,600
Travel	455,300
Services	147,400
Supplies and Materials	15,600
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	269,200
Other Expenditures	<u>18,400</u>
Total Budget	<u><u>\$ 3,299,622</u></u>

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

BUSINESS ATTRACTION

The mission of the Business Attraction team is to aggressively market Virginia to domestic and international companies in order to secure investment and job creation for new business facilities in Virginia.

Both domestic and international outreach is conducted with a geographic marketing focus. Primary domestic targets include major metropolitan areas in the Mid-Atlantic, Northeast, South, Midwest and Far West regions of the United States. The international focus includes proactive marketing efforts in Canada, Japan, China, India, UK and Germany by Virginia-based staff as well as representatives based in overseas offices.

Virginia's unique sector-based value propositions are used as a guiding influence for call trip appointment setting and conference selections. VEDP's internal industry sector expertise is utilized to provide appropriate value propositions to specific client interests in targeted geographic regions.

The Business Attraction team will concentrate its time and resources on generating new projects for Virginia. Managers will identify new opportunities, qualify leads and work each project to completion, involving all appropriate internal and external resources to achieve successful outcomes for Virginia and its localities.

GOAL: Market Virginia to domestic and international companies in order to secure investment and job creation for new business facilities in Virginia.

OBJECTIVE #1: Consistently execute a geographically-focused outreach effort to build relationships and establish domestic and international market presence.

STRATEGIES:

1. Execute call trips; attend conferences and trade shows; and host events with Virginia allies to maximize lead generation in each geographic focus area.
2. Use Virginia's unique sector-based value propositions as a guiding influence for appointment setting and conference selections.
3. Consistently follow-up and share relevant sector-based information to solidify and leverage consultant and client relationships that generate new projects and prospect visits to Virginia.
4. Arrange phone conversations between the Governor and CEOs of companies actively considering a Virginia location for new business facilities.
5. Solicit Virginia universities' faculty and alumni organizations for introductions to domestic and International clients with expansion potential.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

6. Co-sponsor Virginia university alumni events in targeted geographic territories.
7. Conduct Governor's marketing missions as scheduled.

OBJECTIVE #2: Leverage Virginia allies' resources for team-based marketing events that maximize messaging capability.

STRATEGIES:

1. Co-host dinners and receptions at conferences and trade shows.
2. Jointly plan and execute call trips with shared appointment setting in metropolitan areas of common interest.
3. Co-host professional sports event attendance in Virginia and geographic marketing territories.
4. Co-sponsor an annual Port of Virginia familiarization event for site selection consultants.
5. Whenever possible, embed Business Attraction managers in call trips and events arranged by Virginia's regional marketing organizations.

OBJECTIVE #3: Use metrics to assess effectiveness of marketing tactics and re-direct resources in response to changing market conditions.

STRATEGIES:

1. Track specific results from marketing activities using timely database input of new leads, client touches (new and existing), new projects and related prospect visits.
2. Utilize ROI justification for preferred events and related costs.
3. Discontinue unproductive marketing efforts and quickly capitalize on unforeseen marketing opportunities.

Virginia Economic Development Partnership
FY2015 Operating Plan

International Trade

Budgeted Expenditures

Compensation	\$ 2,062,662
Marketing and Promotion	2,473,097
Missions, Shows, and Events	163,500
Travel	333,434
Services	162,865
Supplies and Materials	21,717
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	215,350
Other Expenditures	<u>112,517</u>
Total Budget	<u><u>\$ 5,545,142</u></u>

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

INTERNATIONAL TRADE

Virginia business prospers through global trade. The International Trade team facilitates international sales for companies across Virginia through a variety of programs and services. From a global network of international consultants strategically located in 50+ countries to a network of five statewide offices, the International Trade team offers international sales tools to companies large and small. 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, and upcoming events and provides a plethora of market research reports. 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 accelerate Virginia companies' international sales.

Trade Missions: Approximately a dozen trade missions are conducted annually to promote Virginia products and services in global markets. The International Trade team provides comprehensive matchmaking and logistical assistance with trade missions around the world. In addition, companies may travel independently to take advantage of these customized business trips.

Global Network: This program provides in-country market research in 50+ countries around the world at little or no cost to Virginia companies. Often, this research leads to participation in a Trade Mission or the VALET Program.

Consulting on Export Marketing: Experienced International Trade Managers, located in five offices throughout Virginia, will help Virginia companies obtain international sales. Consultation spans selection of best channels for market entry to completing export documentation.

Virginia Conference on World Trade (VACWT): Virginia's annual conference on international trade, the VACWT puts VEDP's message in front of 250 attendees, via a variety of topical issues.

Defense Sector Strategy: Faced with Department of Defense budget reductions, the pursuit of international markets is a proven diversification strategy for defense firms. The Going Global Defense Initiative was launched in FY14 with a federal grant. It is anticipated that a second year federal grant will allow this program to continue. Components of the program include international market research, export compliance, digital marketing, trade shows, export training, etc.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

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 second year of the defense sector strategy, “Going Global Defense Initiative”, contingent upon receipt of federal grant funding.
3. Provide one-on-one export counseling to the Commonwealth’s businesses.
4. Recruit 70+ Virginia companies to participate in 12+ scheduled international trade missions and shows.
5. Provide a Global Network that assists Virginia companies with access to in-country market research in 50+ international markets, which are tailored to their product or service, at little to no cost.
6. Present the Virginia Conference on World Trade.
7. Conduct quarterly webinars focusing on export trade matters.
8. Publish *Beyond Virginia*, an electronic newsletter to be delivered once every quarter.
9. 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 team.
10. Publish, promote, and distribute international trade data and analyses on Virginia exports via the website www.ExportVirginia.org.

Virginia Economic Development Partnership
FY2015 Operating Plan

Research

Budgeted Expenditures

Compensation	\$ 1,681,366
Marketing and Promotion	400
Missions, Shows, and Events	0
Travel	32,741
Services	244,300
Supplies and Materials	24,650
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	232,800
Other Expenditures	<u>30,300</u>
Total Budget	<u><u>\$ 2,246,557</u></u>

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

RESEARCH

The Research team primarily supports the efforts of Business Attraction and Business Expansion 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. Research houses the GIS capabilities for VEDP built on a foundation of integrated spatial data developed in-house or obtained from local, state, federal and commercial sources. The team 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 team tracks global and domestic capital flows and determines major industry 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. Research economists have developed a Return on Invested Capital model to illustrate the Commonwealth'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 bi-annually. The Research team is engaged with management in recommending VEDP fiscal year Performance Measures which reflect VEDP's direct efforts in fulfilling its mission.

Further, the team 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 team 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 Commonwealth 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 to support effective goal and direction setting by VEDP management and the VEDP Board of Directors.

STRATEGIES:

1. Provide the President & CEO and Vice Presidents with information to establish overall VEDP performance measures on a fiscal year basis.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

2. Develop new and enhanced analytics and metrics that enable improved existing workflow, allow critical resource allocation analysis, and provide for targeted marketing in anticipated growth sectors to optimize VEDP goals and objectives.
3. Develop fiscal impact data on an 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 (Agency ROI Model.)
4. 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 VEDP management.

STRATEGIES:

1. Support VEDP 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 (ROIC Analysis).
3. Participate in cross-departmental 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. 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 and effectiveness of existing programs.

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

OBJECTIVE #1: 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 markets for focused VEDP outreach and prepare background data and materials for use by marketing staff in their attraction efforts.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

2. Generate current listings of corporate prospects which, based on analysis, appear to be positioned for capital expansion projects and are worthy of outreach by VEDP project managers; this will be a combination of a semi-annual compilation, and ongoing individual company recommendations throughout the year. Continue new emphasis on generating substantially increased volume of company leads to support the enhanced outreach program across all marketing territories, and supporting work of the call center in this process.
3. Explore opportunities for developing alternative outsourced data and custom company market intelligence to help improve lead generation effectiveness and overall efficiencies.
4. Develop and refresh 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 #2: 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 industry (sector) markets.

STRATEGIES:

1. Provide relevant research data to produce comprehensive and incisive marketing materials in cooperation with the Communications and Promotions team, such data to be used in web content, development of new general collateral and sector-specific materials which convey a strong value case for business investment in Virginia. Also produce reference materials on the Commonwealth'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 Attraction and Business Expansion staff in client discussions.
3. Continue improvements to the visual appearance and formatting of prospect proposals using pictures, info-graphics, mapping, 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 departments, develop content and market messages within established target sector markets and in support of VEDP's defined market strategies, such messages to be integrated into VEDP websites and supporting collateral materials, as appropriate. Identified industry markets include manufacturing (e.g. transportation equipment, aerospace, food and beverage, chemicals, energy); information technology (e.g. cyber security, data processing, systems integration); business, technical and professional services (e.g. consulting, research &

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

development, testing laboratories), corporate headquarters, biotechnology/life sciences, logistics, and federal operations.

5. 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.
6. Maintain and distribute relevant information used to compare business cost factors in Virginia with other national and selected international locations (Compare Virginia website feature); also maintain and display comparative cost data at the sub-state regional level.
7. Ensure that existing materials and datasets used to support the international investment function are regularly updated. This includes selected country summaries, the international "Fast Facts" series, regular analysis of international capital flows, and other data as required.
8. Serve as advisors to Business Attraction and Business Expansion regarding site and building recommendations, community and regional recommendations, incentive packaging, and other project assistance materials and activities.
9. Continually 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 and project management events to witness firsthand the feedback from clients on the materials and data provided by VEDP and incorporate these observations to improve our products.

OBJECTIVE #3: 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 with online updating capability by community allies.
2. Ensure that in-house training is provided to appropriate VEDP staff for VirginiaScan, iVS, and general GIS resources and procedures for efficiently using internally and informing allies in use of these tools.
3. Monitor community 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, removing properties from the system which are not ally-verified.
4. Maintain a community profile database for regions, MSAs, cities, and counties allowing online updates by allies through the Allies Information Exchange website.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

Track ally updates to community profiles. Continually review format and content of these products to ensure they are user-friendly and market relevant.

5. 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.
6. Develop database on Virginia businesses from various private and public sources, which, at a minimum, includes the major employers in every locality in Virginia, which can be used to support existing businesses and industry programming by Business Expansion and the ally community. Post relevant information in Salesforce for shared use.
7. Maintain contact information for community and other appropriate economic development allies and post electronically in a database accessible to VEDP staff and through the Allies Information Exchange website.
8. 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.
9. Maintain an ongoing online database of announced facility closures and employment layoffs by Virginia companies.
10. Improve the accessibility within VEDP to data and information generated by and maintained within Research and other teams, principally through intranet and website interfaces developed in conjunction with the IT team. Utilize a VEDP-wide data resource committee to coordinate these efforts.
11. Maintain and effectively present current labor force data used in marketing Virginia, including quarterly estimates of underemployment by region; participate as appropriate on state initiatives to improve content and accessibility of workforce data and training capabilities.
12. Maintain a comprehensive resource center including key periodicals, reference materials, and databases necessary to support the business attraction, expansion, and general economic development activities of VEDP, and maximize availability of this information to VEDP staff.

OBJECTIVE #4: Support the VEDP mission through the development and maintenance of geographically-referenced data, analytical tools, and presentation tools.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

STRATEGIES:

1. Maintain and update VEDP's priority data layers (including but not limited to, the following: industrial and office sites and buildings, highways, port facilities, electric transmission infrastructure, power generation facilities, sewer/water, telecommunications, wineries, schools, institutions of higher education, corrections facilities, airports, golf courses, railroads, landfills, Enterprise Zones, Technology Zones, fire and rescue, and hospitals) and integrate these layers with Virginia Base Mapping Project data.
2. Work with state, local, regional, and federal agencies to share and exchange data and ideas that can advance the VEDP mission. Utilize the remote web editing capability of ArcGIS Server to facilitate updating of features by local community staff.
3. Continue to identify and acquire other data, imagery products, and presentation tools that enhance VEDP's capability to optimally message to clients. Expand data layers which relate to broadband and health care capacity. Place into production VGIN 2014 aerial photography.

OBJECTIVE #5: Develop and maintain economic data and related models to support decisions on use of business incentives, and monitor the incentives programs and usage by key competitor states.

STRATEGIES:

1. Acquire and maintain appropriate data necessary to run fiscal impact models used in project analysis, project tracking, and benchmarking of historical project activity.
2. Review and update VEDP's fiscal impact models as necessary to ensure the best achievable modeling for making effective decisions on project incentives.
3. Conduct project fiscal impact analyses as needed to support decision making on use of incentives for VEDP's business projects, for consideration of new programs, and for special projects.
4. Maintain and refine a Return on Invested Capital (ROIC) 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.
5. Review and update as appropriate VEDP's agency fiscal impact model (Agency ROI Model).

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

6. Track the usage and magnitude of major business incentive programs by key competitor states; integrate findings into studies to recommend relevant policy changes Virginia should consider.
7. Lead Virginia's involvement with the Business Incentives Initiative sponsored by the Pew Charitable Trusts and the Council for Regional Economic Competitiveness dealing with best practices for incentives tracking, analysis, and accountability.

OBJECTIVE #6: Support 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, resulting in new employment and capital investment opportunities by companies within Virginia.

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. This will build on work underway to operationalize the Memoranda of Understanding between VEDP and Virginia universities.
2. Use Salesforce 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. Develop and implement tracking and performance measures by which results from working with the university community can demonstrate progress in economic development terms.
4. Participate in regular VEDP visits and briefings with Virginia universities to better acquaint VEDP staff with university assets, capabilities, and expertise; dialogue should fully explore ways to generate and produce job and investment producing projects for Virginia.
5. Participate in appropriate joint university collaborations, including the statewide University-Based Economic Development Group (UBED), the State Council of Higher Education (SCHEV), Center for Innovative Technology (CIT) and other similar forums to enhance economic development; explore ways these groups can work collaboratively on relevant projects and policy initiatives to create momentum for economic development.
6. Seek points of collaboration with and among the Virginia university community, regional economic development organizations, and the business community across Virginia.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
FY2015 OPERATING PLAN

7. 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.

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 analysis and convey back to allies. Report recommendations made by VEDP to the ally community to improve understanding of actual exposure to clients.
2. Continue to garner new site and building product knowledge to position staff to provide ongoing consultative and technical 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. Evaluate the merits of establishing a more formal Site/Property Certification Program within Virginia. Ensure that certifications by third-parties (e.g. utilities, railroads, consultants, etc.) on Virginia properties are captured in VirginiaScan.
5. Provide ongoing monitoring and grant management for recipients of the Major Employment and Investment Project (Mega-Project) Site Planning Grants.
6. Provide program monitoring and grant management for recipients, along with DEQ and Virginia Resources Authority, for the remaining period of the Virginia Brownfields Assistance Fund (VBAF) Program.
7. Expand the marketing reach of VirginiaScan in collaboration with other allied service providers and entities like DEQ, DHCD, the Virginia Port Authority, public utilities, and economic development associations. Develop new opportunities to share VirginiaScan property information with agencies and appropriate commercial marketing firms to increase exposure of Virginia's Sites and Buildings.

OBJECTIVE #2: Strengthen local/regional economic development organizations through ongoing community outreach efforts in coordination with other VEDP teams and related economic development allies like utilities, the Virginia Port Authority and other service providers.

STRATEGIES:

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

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 property and demographic profile visits in all regions of Virginia; continue to train and counsel local/regional allies on the features of VirginiaScan and iVS with special attention to online database updating procedures and inclusion of photos/digital images to enhance community presentation on the website.
3. Continue efforts to provide technical assistance on data availability and GIS functions to state, local, and regional agencies in collaboration with other elements of the Research team. Continue to provide "standard" and occasional "custom" graphics products to state, local, and regional agencies as appropriate.
4. Regularly review content material on the Allies Information Exchange website and make improvements as necessary.
5. Assist communities in training and proper use of the 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.
6. Conduct periodic VEDP orientation programs for new local and regional economic development staff, appointed local officials, and other appropriate allies to improve communications and strengthen ally relations.
7. Provide individual advice and technical assistance to the economic development staff, local elected officials and IDAs/EDAs throughout Virginia as requested.
8. Participate as speakers in economic development related educational offerings, such as VEDA conferences, professional development courses, and the Virginia Institute for Industrial Development Authorities. Encourage staff to take a leadership role in VEDA and its various committees.
9. 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).
10. Maintain, update and distribute the *Economic Development Guidebook 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.

***VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
FY2015 OPERATING PLAN***

11. Investigate state, federal, or foundation funding sources that may assist VEDP or its allies in carrying out their respective economic development objectives.
12. Participate as appropriate in competitive review panels for various state programs like DHCD's Enterprise Zone Program and the Building Collaborative Communities Program, CIT's Commonwealth Research Commercialization Program and others.

Virginia Economic Development Partnership
FY2015 Operating Plan

Communications and Promotions

Budgeted Expenditures

Compensation	\$ 734,758
Marketing and Promotion	1,006,296
Missions, Shows, and Events	564,000
Travel	59,779
Services	63,250
Supplies and Materials	3,000
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	75,600
Other Expenditures	<u>5,976</u>
Total Budget	<u><u>\$ 2,512,659</u></u>

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

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 implement an integrated marketing program built around a major brand building advertising program, targeting domestic and international corporate decision-makers.

C&P will continue its successful lead generation initiative through its call center operations to support VEDP's geographic-based and targeted industry (sector) marketing outreach. The lead generation outreach program will support the Business Attraction team through an ongoing call campaign targeting corporate prospects identified through in-house and purchased data.

C&P will manage VEDP's Governor-led marketing mission program. This year's program will include two domestic and three foreign trips, including the Farnborough Air Show, Asia and the Paris Air Show.

C&P will develop a public relations plan to ensure placement of favorable articles in major business and targeted industry trade publications, as well as coordinate all economic development press announcements.

The division produces requisite marketing brochures, general & targeted sector collateral materials, develops and executes strategic marketing campaigns that support the Partnership's strategic marketing initiatives, as well as manages special marketing events and industry trade show participation.

The division will oversee VEDP's electronic marketing presence at YesVirginia.org and the YesVA mobile application. 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.

C&P 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.

C&P will develop and implement an internal communication strategy to improve information sharing across all divisions thereby increasing awareness about VEDP's objectives and strategies.

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 select domestic and international markets.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

FY2015 OPERATING PLAN

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 digital placements only.
3. Maximize the effectiveness 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.

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 search engine 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 Attraction, Business Expansion 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. Develop a 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

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

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 corporate decision makers through “free” media placements in mainstream business publications, economic development trade magazines, and vertical industry publications, as well as television, radio and internet news outlets.

STRATEGIES:

1. Develop and execute an annual public relations plan.
2. Produce news releases for statewide, national, and international distribution on project announcements and trade developments in coordination with the Governor’s Office.
3. Produce 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 targeted industry sector 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 International Trade and Investment with specific public relations programs and targeted news releases.

OBJECTIVE #5: Execute a mobile application strategy to reach corporate real estate professionals, site selection consultants and corporate decision-makers.

STRATEGIES:

1. Consult with professional interactive agency to develop and maintain an innovative mobile application that promotes Virginia’s site and buildings, as well as provides

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

detailed information on Virginia's prime business location and communities.

2. Promote mobile application in Apple's App Store and Google's Play Store to drive traffic and downloads.
3. Use direct marketing techniques to promote application usage.

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

OBJECTIVE #1: Implement prospect appointments setting program for VEDP's business attraction managers with corporate decision makers and provide an avenue for ongoing contact with VEDP's existing prospect database.

STRATEGIES:

1. Implement an ongoing lead generation program through VEDP's call center operations to support the geographic-based and targeted industry sector marketing outreach, maximizing outreach without incurring business travel costs.
2. Assist Business Attraction and Research divisions with the development of targeted prospect lists utilizing in-house and purchased data.
3. Provide telemarketing support for targeted industry trade shows in an effort to improve lead generation results.
4. Develop direct marketing strategies to assist outreach for VEDP geographic and business sector initiatives.
5. Provide telemarketing support for special events and projects to increase attendance and improve lead generation results.
6. Utilize Call Center for systematic data updating of Salesforce.com prospect records and drill for any project activity.

OBJECTIVE #2: 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 targeted industry sector trade shows, conferences and conventions, such as Farnborough Air Show, BIO Annual Convention, RILA, International Woodworking Fair, and National Plastics Expo.
3. Coordinate sponsorships of select targeted industry conferences.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
FY2015 OPERATING PLAN

4. Where feasible, conduct pre-event and post-event marketing to increase traffic and generate leads.

OBJECTIVE #3: Utilize event marketing to attract prospects and build relationships conducive to a project decision for Virginia.

STRATEGIES:

1. As requested by client facing teams, develop premier marketing events using prominent attractions and unique venues to draw key business location decision makers to Virginia. C&P will partner with economic development allies where appropriate.
2. In collaboration with Japan-Virginia Society, organize the annual Virginia Nippon Classic.
3. Organize semi-annual VEDP/Ally Meeting retreat.

OBJECTIVE #4: 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 VEDP's 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.

OBJECTIVE #5: Utilize email-based marketing techniques to further build Virginia's brand awareness.

STRATEGIES:

1. Maintain and build database for html marketing campaigns.
2. Produce YesVirginia Insider a minimum of four times per year to communicate Virginia's pro-business message with target audience.
3. Develop and implement html marketing campaigns to support VEDP's strategic marketing initiatives.

OBJECTIVE #6: Target vertical business sectors to reach corporate decision makers.

STRATEGIES:

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

1. Identify vertical industries with strong growth potential in coordination with Research, Business Attraction and Business Expansion divisions.
2. Market to selected vertical targeted industries using direct marketing techniques to reach key decision makers.
3. Develop targeted marketing materials.
4. Provide targeted industry information on website.

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. Oversee Governor-led marketing mission program and 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.
4. Plan special events for Governor and Secretary of Commerce and Trade for major economic development announcements in coordination with localities and companies.
5. Produce news releases for statewide, national, and international distribution on project announcements and trade developments in coordination with the Governor's Office.

GOAL #4: Increase awareness among Virginia media of the role that the Virginia Economic Development Partnership plays in creating jobs and capital investment in Virginia.

OBJECTIVE #1: Develop a public relations program targeting Virginia newspapers, business publications, and local television, radio and internet news outlets.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

STRATEGIES:

1. Pursue regular, pro-active contact with Virginia media outlets to keep them abreast of VEDP activities and updates, and provide a better understanding of what VEDP does.
2. Actively pitch and coordinate media interviews with VEDP senior management.
3. Raise awareness of VEDP and its role at Governor and Administration-led economic development events.
4. Develop and distribute quarterly electronic-newsletter to media outlets.
5. Develop and distribute press releases promoting major marketing event collaborations with VEDP's economic development allies.
6. Coordinate VEDP orientation program for Virginia media.
7. Utilize social media networks to promote marquis events and announcements.

GOAL #5: Increase staff awareness about VEDP's strategies, programs, goals and outcomes.

OBJECTIVE #1: Develop and implement an internal communication strategy to improve information sharing across all divisions and increases awareness about the Partnership's strategies and the role each team plays to support the strategies.

STRATEGIES:

1. Establish formal communication channel for staff to receive systematic announcements.
2. Provide ongoing communication to raise awareness of VEDP's key programs and new/future initiatives.
3. Engage division leaders and designated staff from each division to highlight strategies, objectives and outcomes.
4. Provide venue for staff to request additional information and understanding of VEDP strategies, programs and initiatives.

Virginia Economic Development Partnership
FY2015 Operating Plan

Information Technology

Budgeted Expenditures

Compensation	\$ 1,082,577
Marketing and Promotion	-
Missions, Shows, and Events	-
Travel	5,200
Services	195,000
Supplies and Materials	15,000
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	205,560
Other Expenditures	<u>5,305</u>
Total Budget	<u><u>\$ 1,508,642</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 salaried personnel in VTC, the equivalent value of this service is \$606,000.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

INFORMATION TECHNOLOGY

The Information Technology (IT) team provides strategic planning and support for the Virginia Economic Development Partnership and the Virginia Tourism Corporation. IT is comprised of two teams that are responsible for the development, operation, and training on all network resources and development of software applications on the organization's enterprise-wide contact management system called Salesforce.com and other marketing and economic development applications. Network Services manages a system comprised of 250 computers and 100 mobile devices communicating with 25+ servers that provide quick access to corporate information. Integrated into the network are 5 remote locations and field offices spread across Virginia and 12 tourism welcome centers. Key components of this system include a centralized network storage system, virtualized server farm, modern IP phone system, and various conference and presentation rooms.

Software applications that are deemed critical to the economic and marketing process are developed in-house by the Application Development team. Examples of applications supported by them include three public facing websites (YesVirginia.org, VirginiaAllies.org, and VirginiaScan) and SalesForce.com. In addition, the team provides technical and marketing support to regional and local economic development organizations through, and maintenance of VirginiaScan and iVS, which are both web-enabled industrial site marketing and data management tools.

These technology resources are protected by an off-premise failover and disaster recovery site located at the Virginia Lottery. Information is continuously synchronized to this site and provides a complete copy off all critical data, servers and applications. In the event of a disaster, the organization will continue to operate in an effective manner from this site to meet the needs of prospects and allies.

GOAL #1: Foster the creation of jobs, capital investment, international trade and tourism by positioning the technology infrastructure to support the strategies of each team.

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

STRATEGIES:

1. Review the telecommunication providers and their associated contracts that provide service to VEDP/VTC's regional offices and welcome centers. Implement improvements that provide better value or quality of service as offerings change and technology improves.
2. Review the new digital phone system and extend its services into other areas that can use its services.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

3. Implement a cloud based video conferencing platform into conference rooms, staff offices and mobile devices.
4. Review mobile providers and associated contracts to determine the best course of action for the organization. Adhere to an 18-month refresh cycle for new devices.

OBJECTIVE #2: Promote productivity among VEDP/VTC employees, by providing technology resources and software applications that maximize staff effectiveness.

STRATEGIES:

1. Adhere to a minimum of a four-year refresh cycle for desktop and laptop hardware and eighteen months for mobile devices.
2. Manage the portfolio of applications and IT services used by the organization to ensure proper planning and to maximize utilization.
3. Review the network diagram and craft strategies for upgrades. Recommend a strategy to get to greater than 50% of services hosted in the cloud.
4. Plan and upgrade the base operating system software to the most recent, fully compatible version; ensure all servers operate on at least Windows 2012 - 64 bit and desktops operate on Windows 7 – 32/64 bit or better.
5. Set up a cloud based online document management system. This could either in part or in whole, be integrated with the online K: and X: disk storage system.
6. Set up an email archival system capable of instant retrieval, system-wide email searches, and de-duplication for efficient use of storage. Tie into VEDP's Exchange server for an eventual migration path away from Public Folders.
7. Implement the Records Retention policy for the aforementioned systems including email, electronic documents, database records, and physical backup media.
8. Adhere to the Commonwealth's Enterprise Infrastructure Policies, Procedures, Standards and Guidelines during any upgrade process.

OBJECTIVE #3: Educate and train VEDP/VTC staff in the use of associated hardware and software.

STRATEGIES:

1. Update the Information Technology Handbook to assist with new employee orientation and information technology training.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

2. Provide a comprehensive employee security awareness and privacy program on the various best practices of information services.
3. Demonstrate proper use of the Presentation and Video Conferencing Facility.
4. Provide timely staff training on the best practices and reporting capabilities of Salesforce.com marketing platform.

GOAL #2: Facilitate marketing and lead generation through the development of software applications, effective data management, and informative dashboards and analytical tools.

OBJECTIVE #1: Provide software and web applications to support Business Attraction and Business Expansion, International Trade, Research and Tourism opportunities.

STRATEGIES:

1. Implement the projects requested from each division during the annual compilation of the portfolio of applications.
2. Modernize the software delivery process by implementing new standards to facilitate the release of applications and promote greater development capacity.
3. Upgrade the YesVirginia.org mobile application to reflect changes in design and requests for new data and content.
4. Implement Salesforce.com program changes to facilitate marketing, site recommendations and fulfillment processes.
5. Design efficient reporting and progress analysis in Salesforce.com to support continuous lead generation, pipeline reporting and marketing-related activities.

OBJECTIVE #2: Provide data and analytical tools to support the mission needs of the marketing, trade, and research teams.

STRATEGIES:

1. Continue to hold Salesforce.com continuous improvement committees to oversee the procurement and use of data within VEDP and integration with Salesforce.com.
2. Design efficient reporting and progress analysis in Salesforce.com to support executive and departmental reporting and other marketing related activities.
3. Organize the various data repositories spread across the organization and plan for consolidation of data, servers, and services.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2015 OPERATING PLAN

GOAL #3: Protect the mission of VEDP by ensuring its information and resources are adequately protected from jeopardy.

OBJECTIVE #1: Protect the technology assets and corporate information within the VEDP/VTC network.

STRATEGIES:

1. Maintain organization-wide virus protection and security software and adhere to a security plan for data protection.
2. Revamp the enterprise backup strategy to incorporate efficiencies and enhancements of the recovery site, storage area network and backup server and media.
3. Monitor security logs that track computer usage to prevent unauthorized access to VEDP/VTC resources. Setup measures that protect these resources.
4. 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.

OBJECTIVE #2: Ensure the continuity of operations by enhancing the organization's disaster recovery site located at the Virginia Lottery.

STRATEGIES:

1. Integrate the recovery site to provide both Storage Area Network and virtualization technology capability.
2. Complete and test the reliability and security of the VEDP/VTC network by testing the failover and redundancy incorporated with the Virginia Lottery Disaster Recovery site.
3. Craft a new MOU with the Virginia Lottery to address the change in location of their new data center.

OBJECTIVE #3: Implement proper technology security measures, policies and procedures that adhere to Commonwealth of Virginia Information Technology Standards.

STRATEGIES:

1. Update all VEDP/VTC risk assessment, disaster recovery, and contingency planning to include terrorism consequence management plans.
2. Receive a "clean" management letter from the Auditor of Public Accounts, no deficiencies noted, with respect to IT Security and Governance.

***VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
FY2015 OPERATING PLAN***

3. 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.
4. Actively participate in any VITA-mandated IT security audits and the VITA Continuity of Operations Plan (COOP).
5. Develop a strategic operation plan for offsite continuation of operations (COOP) at a disaster recovery site based upon identified strategies as specified in VEDP's Contingency Plan.

Virginia Economic Development Partnership
FY2015 Operating Plan

Administration

Budgeted Expenditures

Compensation	\$ 1,900,897
Marketing and Promotion	4,500
Missions, Shows, and Events	22,507
Travel	69,300
Services	108,062
Supplies and Materials	33,250
Grants and Pass Through Payments	-
Fixed Asset Purchases and Rents	701,000
Other Expenditures	<u>89,094</u>
Total Budget	<u><u>\$ 2,928,610</u></u>

Note: It should be noted that Human Resources and Fiscal Services support the Virginia Tourism Corporation as well as the Virginia Economic Development Partnership. Using the number of salaried personnel in VTC, the equivalent value of this service is \$371,200.

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 \$476,000.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2014 OPERATING PLAN

ADMINISTRATION

The Administration team 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) 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 President and Chief Executive Officer (CEO), Chief Operating Officer, 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 of VEDP by the General Assembly.

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

The Fiscal and Support Services team provides budget development; operating plan development and monitoring; 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. The Controller also directs the preparation of VEDP's State required strategic plan.

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.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2014 OPERATING PLAN

OBJECTIVE: 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 team directors and staff to review legal and policy issues and projects.
2. Anticipate emerging legal issues and challenges and develop appropriate responses.
3. Respond in a timely fashion to significant legal and policy issues presented by VEDP staff.
4. 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.
5. Participate when appropriate in projects with VEDP staff, prospects, allies, and local or regional economic developers.
6. 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. Revise guidelines and form performance agreements periodically to reflect changes in law or practice.
3. Study and analyze incentives offered by Virginia and other states and localities within or without Virginia.
4. Participate in negotiations with prospects, local developers, and counsel as appropriate.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2014 OPERATING PLAN

5. 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).
6. Proactively monitor locality and company compliance with incentive agreement terms and ensure the recapture of funds where performance has not been met.
7. 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 Small Business and Supplier Diversity (DSBSD), Virginia Department of Transportation (VDOT), Department of Environmental Quality, Virginia Port Authority, Virginia Department of Agriculture and Consumer Services, 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, Agriculture and Forestry Industries Development Fund, Port of Virginia Economic and Infrastructure Development-Grant Program, Industrial Road and Rail Access and Brownfields Restoration Grants.
2. If invited to do so, 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 Grants (VIP, MEE and VEDIG) 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, MEE, VEDIG, GOF and CEMIG legislation or guidelines.
2. Work with the Virginia Jobs Investment Program (VJIP) staff to assist with the full integration of VJIP with VEDP's other incentive offerings.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2014 OPERATING PLAN

3. 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

GOAL: Provide VEDP with the ability to respond to legislation submitted by the Governor or legislature and propose legislation related to economic development matters. Prepare studies to create economic development policies as required by legislative mandate.

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

STRATEGIES:

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 relationships with General Assembly members and staff, both personally and for the CEO, creating opportunities for education and exchange of information and ideas.
5. Develop positive relationships with ally organizations and other external relations representatives to collaborate, when appropriate, to advance economic development goals.
6. Propose legislation that will better position Virginia to attract certain industries.
7. Participate in the development of every new Governor's economic development strategic plan and provide periodic updates, as appropriate.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
FY2014 OPERATING PLAN

8. Develop a program to establish relations with federal elected and appointed officials, and examine programs and marketing possibilities within the federal government.
9. 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.

STRATEGIES:

1. Meet with team leadership 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.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2014 OPERATING PLAN

4. Maximize utilization of interactive web forms to provide employees with direct access to pertinent records and data.

OBJECTIVE #4: 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 #5: Ensure that all staff are properly trained to perform their jobs successfully.

STRATEGIES:

1. Meet with team leadership 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: 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.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP FY2014 OPERATING PLAN

OBJECTIVE #1: Provide team leadership and staff 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 team leadership and staff.
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 working day of each month.

STRATEGIES:

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

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
FY2014 OPERATING PLAN**

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

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

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

STRATEGIES:

1. Monitor Local Government Investment Pool (LGIP).
2. Review weekly transaction activity to ensure adequate operating cash.

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

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

STRATEGIES:

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

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

STRATEGIES:

1. Coordinate the cleaning services with the landlord to ensure VEDP employees have a clean working environment.
2. Coordinate building security with the landlord to ensure VEDP employees have a safe working environment.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP
FY2014 OPERATING PLAN

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
FY2015 Operating Plan

Pass Through's and Projects

Budgeted Expenditures

Compensation	\$ -
Marketing and Promotion	-
Missions, Shows, and Events	-
Travel	-
Services	-
Supplies and Materials	-
Grants and Pass Through Payments	1,300,000
Fixed Asset Purchases and Rents	250,000
Other Expenditures	-
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Total Budget	\$ 1,550,000