

Volume 1

The Great Reset eBook

REBOOTING YOUR BUSINESS ATTRACTION EFFORTS

Communities have been hit hard in recent months. We might put on a brave face and maintain a flow of positive stories, but the unprecedented disruption and subsequent recession puts economic development teams in the front-line of the recovery.

It's in the DNA of economic developers to be positive and upbeat in the face of adversity and now is no exception. In the midst of adversity there is opportunity, and although companies, industries, and markets have been seriously impacted, economic developers are stepping up to the plate and driving the recovery.

This is not simply a case of swapping the pause button to press play. In all walks of life and business, things will return in a different way. This 'new normal' landscape can be confusing, so to help you kick-start your recovery activities, we've produced this "Reboot Guide" with some thoughts on what you might consider.

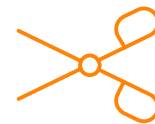


A Quick Look at the Numbers

The global impact of COVID -19 is complex and the landscape varies dramatically from one market to the next, and can change in a matter of days.

Across North America, some states seem to be over the worst, while others are in the eye of the storm. Markets, like China, Germany and Australia where the virus seemed to have been contained, are now worried about a second wave. Emerging markets like India, Brazil and Mexico are very much in the front-line of the battle.

Many governments have started to relax lock-down measures and people are returning to factories and offices. International travel is still constrained by restrictions and quarantines. **Some key indicators:**



Loss to global GDP
could amount to
\$9 trillion



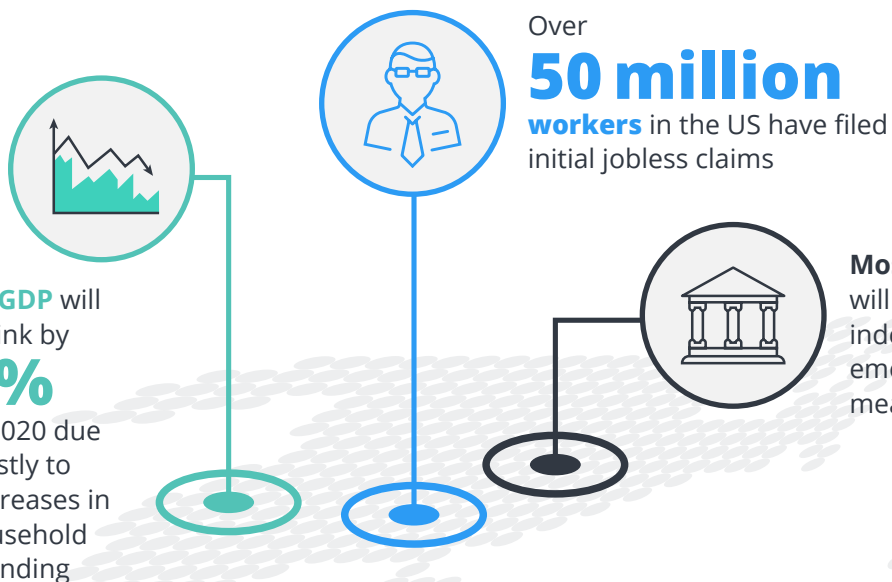
Worldwide trade
will contract by
11%
this year



The global
economy will
**shrink
by 4.9%**
this year



FDI will contract by
30-40%
during the
2020-2021 period



In Europe, government subsidies cover the salaries of a third of the workforce in Germany, France, Britain, Italy and Spain

The Basic Reality for Economic Development Professionals

The bottom-line is that most companies are investment wary. That's not to say that there are no corporate expansions taking place...there are. We are seeing announcements every day. However, companies are operating differently, and this calls for a re-exploration of business attraction strategies taking into account the following:

- » International trade and FDI are down significantly
- » Cross border M&A is down significantly
- » Supply chains have been impacted and location strategies will change
- » Governments will strongly encourage re-shoring initiatives in strategic industries
- » Near-shoring may become a compromise strategy to re-shoring
- » Companies may adopt a China +1 strategy, others will decouple
- » Market size and natural resources means China will still play key role
- » Supply chains are too complex to simply "re-shore" in the short-term
- » There will need to be massive corporate investment in employee safety measures
- » Companies will renew their focus on greater digitization and automation in every sector
- » 'Work from Home' is here to stay and will be a part of the new normal
- » Remote and virtual working models will proliferate
- » The retail, commercial and office real estate markets have been changed forever
- » Sales and support offices may no longer be the "first toe" in a new market
- » Consumer demand changes will impact different sectors and industries
- » New government and community priorities will continue to emerge
- » There will need to be massive investment in skills upgrading to manufacturing 4.0 standards

There are already positive signs of recovery and economic growth will return, but economic developers cannot afford to wait. Now is exactly the right time to be proactive and reboot!

1.

REBOOT YOUR PEOPLE



**We have
put together
a checklist**

that covers People, Research and Strategy elements and provides practical tips, hacks and links to help you to get back on track.

Check in with Your Colleagues

Your community's greatest asset is your people. And your economic development team's most important resources are your colleagues and partners. As we begin to return to offices from our home bubbles, take time to check in on colleagues and partners. The last few months have impacted us all in very different ways. For some it will have been physically challenging, for others mental health will have taken a hit, and sadly, some will have lost loved ones. Invest time and resources in showing understanding and compassion. An approach based on empathy and support will also help to engage in a better way with your prospects and opportunities too.

With so many colleagues and partners working remotely, this is a great time to make more of social media.

- » Ensure that you are connected on LinkedIn with all of your co-workers and regional contacts
- » Like, share and comment positively on posts from your areas
- » Build networks with peers in other places (tip: search #econdev on LinkedIn and Twitter)
- » Send a friendly direct message to those you haven't spoken to in a while

Check in with Your Businesses

All economies have taken a big hit. The vast majority of your local businesses haven't been affected, and your Business Retention and Expansion (BRE) strategy might look more like a Business Emergency and Survival one for the rest of 2020. Make sure that you use the opportunity to re-engage with key employers as well as the most affected parts of your economy, small and disadvantaged businesses. Reach out to new contacts - especially those that are part of global supply-chains or foreign-owned businesses.

Build an understanding of how the pandemic has impacted all of your strategic businesses and how it has changed their future strategy and plans. Many places have already carried out surveys to discover the extent of the damage and to inform new support programs.

2.

REBOOT YOUR RESEARCH



Now would be a good time to revisit your economic development and business attraction strategy. Does it stand the test of time in the post-COVID-19 world?

How will your numbers have been affected - especially those relating to unemployment, growth, Main Street and Downtown plans? Companies around the world are rethinking their strategies with major implications for global supply-chains, workplace safety, office space and new ways of conducting business. If your target businesses are thinking in a different way, you should too and your economic development strategies and plans should reflect this. While some have already had plans to deal with the retailpocalypse, this is now a threat to all cities and finding creative ways of supporting local businesses and restructuring retail space has to be on the agenda. A recent report from Swiss bank and money manager UBS estimated

the U.S. retail sector stands to lose 11% to 17% of its total store count by 2025, with 100,000 to 150,000 retail stores closing over the next five years.

Understand your Industries and Identify Opportunities

Some industries are facing serious global challenges, in particular aerospace, automotive, tourism, retail and leisure; while others such as technology, healthcare, logistics and certain food sectors, for example, appear less impacted. There will be nuances within each sector, so you need to dig deep and look for niche opportunities. Be agile and flexible as you approach potential targets by doing your homework, using your knowledge of your local businesses, to help diversify your economy.

Opportunities



Medtech



Pharma/Biotech



Online/Retail



Software/AI/IT



Online platforms



Telecom services



Automation

Potential



Transportation & Logistics



High-tech



Machinery & Equipment



Consumer Electronics



Construction



Plastics



Wood



Aerospace



Defense

Risk



Airlines



Leisure/tourism



Automotive



Offline retail



Energy & chemicals



Apparel

Source: ROI

ROI has been helping our clients identify new opportunities that have arisen as a direct result of the pandemic. By reviewing regional assets and workforce, illustrating the latest national growth trends and re-shoring opportunities, look to pinpoint the overlap between regional assets and national growth trends to uncover these new opportunities.



Check Your Target Markets for Business Attraction

Every corner of the world has been impacted by COVID-19 although the extent of the spread, as well as the timing of the rise and fall in case numbers, has created a lumpy global landscape. While parts of Asia are well on the road to recovery, much of Europe is still under lockdown and Latin America is now in the eye of the storm. Many US states are seeing a significant spike in transmission. In the coming months, each market will have its own peculiarities and individual nuances which vary on a local basis. Italy, UK, France, Spain, and Belgium have had high proportionate death rates compared to their neighbors in Denmark, Ireland, Poland, and Germany.

On June 10, the OECD provided rather gloomy growth forecasts that showed the UK, France and Italy posting a 10% decline in GDP for 2020. However, there are positive signs that if a second wave can be avoided, many of these markets will bounce back in 2021, with the UK forecast to see 9% growth. Some countries are more resilient than others and these could be interesting places to watch.

Upgrade Your Research

One of the biggest changes economic developers can do to kick-start their local economies is to divert budgets away from international travel and trade shows and invest in smarter research. Successful targeting in the future will require a pin-point accuracy that only data and intelligence can provide. The broad-brush approaches of advertising and banner-waving have been further blunted by the last few months, and teams will need to deploy smarter research solutions to spot new opportunities. There are an increasingly powerful range of smart tools that leverage artificial intelligence and real-time data analytics, such as our own [Gazelle.ai](#).



Global supply chain data
and company listings for

**over 900
industries**

We know how hard EDOs are working to support their region, while planning for future recovery, so we've offered our platform with global supply chain data and company listings for over 900 industries free of charge for as long as we can process demand.


**Start your
free Gazelle.ai
trial today!**



Don't Forget Non-COVID Factors

The coronavirus is just one of many issues that are causing economic developers to reflect on the impacts on corporate expansion strategies and global FDI flows. The fallout from Brexit casts an uncertain cloud over the UK and Europe; a US-China trade war is simmering; Black Lives Matter protests have spread around the world, and the US election this year is likely to create further uncertainties. And let's not forget about climate change. You might think that some of these issues feel rather remote from your community, but they are very much in the minds of the businesses and investors that you will want to attract.

There are many things to do in your inbox. Hopefully this checklist gives you a few pointers on the positive steps to re-engage with prospects in new ways that will put you at the forefront of economic recovery.





3.

REBOOT YOUR STRATEGY

Turbocharge Your Virtual Marketing

Does your location's narrative and messaging work in the post-COVID-19 world? It is the perfect opportunity to tweak your content and think about the marketing channels you are using. Does your messaging reflect the changing wants and needs of corporate decision-makers? You need to project a positive and confident message that acknowledges the changing world. Getting the right live-work balance is more critical than ever, and promoting safe, spacious, healthy and responsible places will help to mitigate risk and give reassurance to potential movers.

Global trade shows and international conferences might not be dead (yet), but they have taken a very big hit from which they are unlikely to bounce-back any time soon. Webinars; virtual site tours, augmented reality integrations and mapping; video conferencing are all tools that savvy places have been leveraging for a few years, but they are now must-haves for all economic development teams. But, "webinar fatigue" is also starting to set in. Webinars need to be targeted and relevant, not just a pitch about your region. Get in strong guest speakers, investors who can promote the region for you, as opposed to a sales slide deck. Your place marketing toolbox probably needs updating to align it more with how your partners and targets are doing business.

Some other elements to consider for you marketing mix include:



Web Site Traffic

Website traffic has been one of the strongest-performing marketing metrics over the last three months. EDOs with an established digital presence have reaped the rewards. Global site traffic increased by 16% during Q2 compared to Q1 of this year.



Customer-Initiated Chat

Since the business world has suddenly shifted to a remote setting, chat volume has soared. Chat volume has steadily risen week-over-week since the beginning of March. Total chat volume in Q2 outpaced Q1 by a notable 31%



Email Marketing

Marketers sent 21% more emails during Q2 than Q1. This elevated volume is the basis for a most surprising finding — open rates have not only remained steady relative to the increased send volume, they have actually gone up.



Call Prospecting

Outreach through call prospecting is excellent, given all the control you have over your conversation with a lead. One study showed that telephone outreach out-converted emails by a significant margin – 8.21% vs 0.03%, while 78% of decision makers polled have taken an appointment or attended an event that came from a cold call.

Smarter Outreach to Prospects

Successful investor attraction takes time and lead generation is not a tap that can be turned on and off to suit. Getting ahead of the competition means that you should be ramping up your targeting activities right now. Getting your research right, preparing prospect lists, undertaking virtual outreach and ensuring that your pipeline funnel is topped up based on the sectors and markets that are likely to show growth in the next couple of years.

One of the best pieces of advice has always been to 'follow the money'. This was the case before COVID-19 and it will be even more important in the coming months. Following the money requires a real-time focus on venture capital flows and the daily deals which will turbocharge company expansion. According to Breeze Strategy (our UK-based FDI partner), there have been 2,167 global companies that have received more than \$10 million in new investment in the first five months of 2020. While this figure represents a 25% decline in the same period in 2019, it demonstrates that there are still many businesses that have the ambition, and more crucially the means, to expand.

Around half of these deals involved US companies, with China, UK, India and Canada all having a good number of expanding firms. A highly targeted plan to identify and engage these companies should be considered if you are keen to attract the 'next big thing' to your location.



2,167 Global companies have received more than
\$10 million
 in new investment in the first five months of 2020.

Jan-Jun 2020 \$10m+ Deals



1,093
U.S.A



217
China



133
U.K



113
India



78
Canada

Source: Breeze Strategy analysis of Crunchbase data (10/June/2020)

Quick hint:

Gazelle.ai has all of these lists (and more) posted in one convenient business intelligence platform



Another important consideration in your targeting is fast growth companies. Known as “Gazelles,” these companies usually have a compound annual growth rate (CAGR) of at least 20% per year over a 5-year period. These companies are responsible for the lion’s share of job creation, R&D expense, as well as capital expenditures.

Some of our favorite lists for fast growth companies include:

- » [Crunchbase](#) news on latest corporate funding deals
- » [FT fastest growing 100 companies](#) in America
- » [FT fastest growing 1000 companies](#) in Europe
- » [Red Herring North America Top 100](#)
- » [Red Herring Europe Top 100](#)
- » [Deloitte](#) Technology fast 500 North America
- » [Profit 500](#) (Canada’s fastest Growing Companies)
- » [Fast Company 50](#)
- » [Inc 5000 fastest growing companies](#)

Re-imagine Your Conversations with Investment Leads

Once you've decided on the industries, geographic targets and companies that you're ready to reach out to, give careful consideration to the questions and conversations your going to lead. The site selection model has shifted dramatically since the onset of COVID. Some questions you may want to consider include:

- » Have you pivoted to create new opportunities / revenue streams for your business because of COVID-19?
 - » Has COVID-19 impacted your 3 to 5-year business plan?
 - » Does COVID-19 change your view of major urban areas versus smaller cities or rural areas as business locations?
 - » How will employee safety and social distancing impact your space requirements?
 - » Does more flexible practices and home/remote working impact your hiring and talent strategy?
 - » Do you outsource any of your business operations (call center, IT, accounting, distribution, manufacturing, etc) and are you considering consolidating those operations?
 - » Do you outsource manufacturing overseas that you're considering to re-shore or near-shore? What would be the barriers and triggers for this?
 - » What percentage of your workforce is working from home/remotely?
 - » How important is it to have all your employees in the same location(s)?
- » Are you planning on incorporating remote work permanently as an option for your employees?
 - » Are you seeking new supply chain partners regionally?
 - » Do supply chain partners need to be within a certain distance?
 - » Is proximity to medical infrastructure and a regional COVID strategy a consideration?
 - » Will you be making major investments in digitization?



De-risk and Enhance Soft-Landings

One of the likely impacts of the current crisis is an even increased aversion to risk among corporate decision-makers. Expect to see the chips spread more evenly across the world, with less reliance on single source supply-chains. Making your location a less risky bet can take many forms, but explore the development of soft-landing programs with partners. Think about how your location can be more agile and flexible both for companies and people. In uncertain times, people need more reassurance and support, so try and turn this into a positive strength for your area. You can't build a new highway, science park or airport overnight, but you can build the world's most helpful and responsive economic development service - whatever your size or resources.



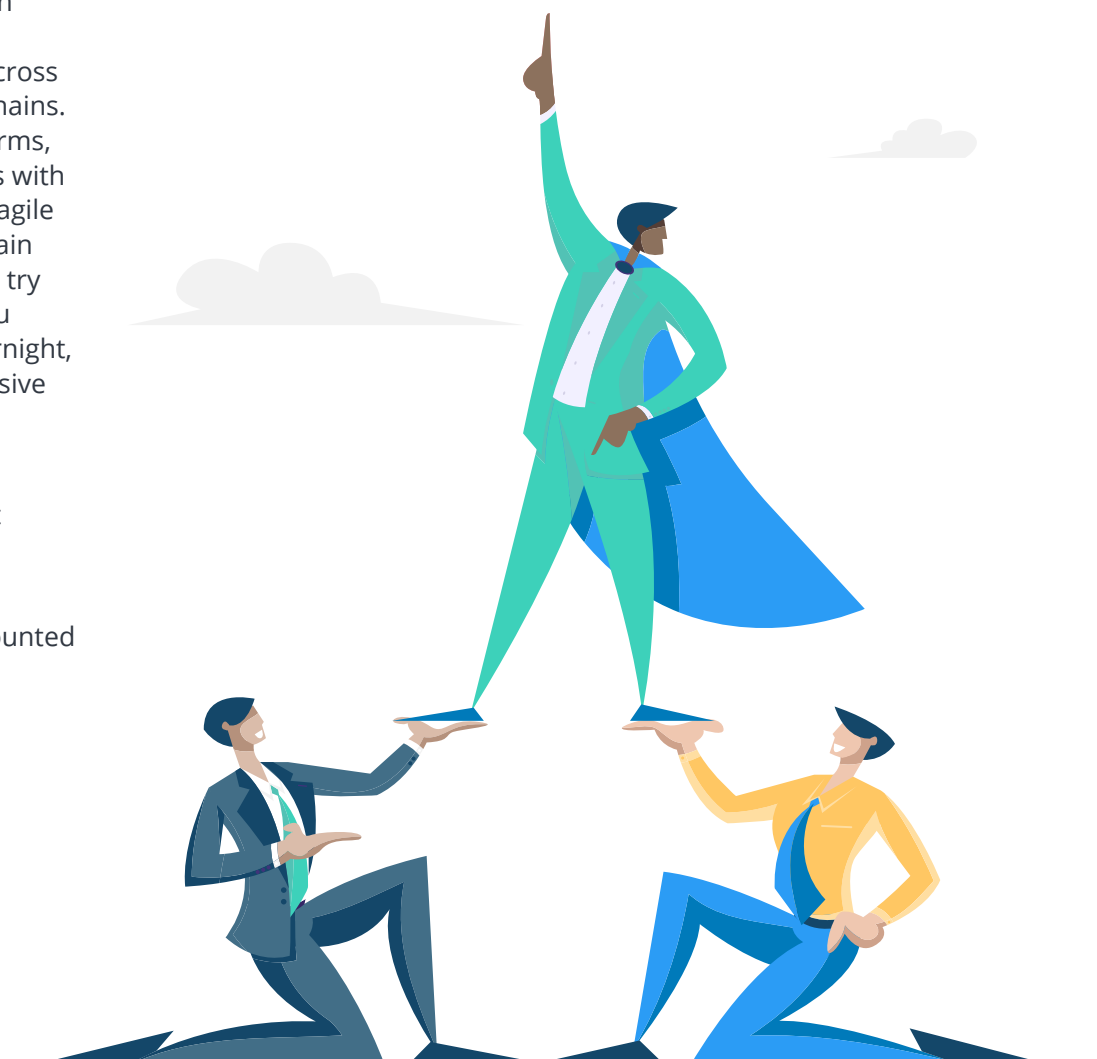
Identify local advisors willing to meet prospects



Speak to office providers about discounted offers for your future clients



Review and collate all post-COVID-19 support resources in your area



Build Bridges

With international travel likely to be difficult in the short-term and with people feeling a little more circumspect about jumping on a plane, it is important to build your global bridges. Identify cities and regions in target markets with similar sectors and industries to you.

Reach out to economic development peers with responsibilities for trade and investment as their support to internationalize their companies can open some interesting doors. Use webinars to introduce and broker networking opportunities for your key companies, your universities, and your business advisors.

Whether you are a global city like New York, London or Shanghai; an automotive cluster like Michigan, Bavaria or the British Midlands; or a rural community focused on agtech and telemedicine, there are people around the world facing exactly the same challenges. Reach out, engage and start building bridges.



Introduce yourself to peers in other locations with similar industries



Map existing global linkages of your universities and existing major companies

Act Now!

There is a huge amount of disruption and contradictory messages, but now is not the time to sit back. There are less active projects, but also less competition in the short-term. Being a proactive early-mover in the economic recovery will help you to build an active sales funnel. Now is the time to double down on business development efforts...and remember:



« **In the middle
of every
difficulty lies
opportunity.** »

Albert Einstein



4.

RESOURCES

Some useful go-to research sources include:

- » [BR|E COVID-19 Response Network](#)
- » [Boston Consulting Group](#)
- » [Thomas](#)
- » [Oxford Economics](#)
- » [Industrial Info resources](#)
- » [Industry Week](#)
- » [Fast Company](#)
- » [The Economist Intelligence Unit](#)
- » [Economic Development Preparedness as it Relates to COVID-19](#) - IEDC Survey
- » [Leadership in Times of Crisis: A Toolkit for Economic Recovery and Resiliency](#)
- » [Managing EDOs During a Crisis](#)
- » [Coronavirus disease 2019 \(COVID-19\) Situation Report](#)
- » www.who.int/emergencies/diseases/novel-coronavirus-2019
- » www.thomsonreuters.com/en/resources/covid-19.html
- » www.gartner.com/en/insights/coronavirus
- » www.coronavirus.jhu.edu/map.html
- » www.ourworldindata.org/coronavirus
- » [Kaiser Family Foundation](#) deep-dive on how US states are being impacted by COVID-19
- » [Oxford University](#) tracker of global response and lockdowns update
- » [OECD](#) economic impacts and market outlooks
- » [World Bank](#) research, data and forecasts
- » [Financial Times](#) free content has been made available
- » [The Brookings Institution](#)
- » [Kaufman Indicators of Entrepreneurship](#)



STAY SAFE. BE POSITIVE. RESET BETTER.

ROI Research On Investment is an award-winning global authority on investment attraction, cluster growth analysis, benchmark assessments and lead generation for economic development organizations. The team is comprised of economic development experts including certified Research Associates, International In-market Representatives, Data Scientists and Economists dedicated to building economic prosperity for our clients.

[Click here to contact us today!](#)

+1(866) 625-5136 | researchoninvestment.com | contact@researchoninvestment.com
416 Boulevard de Maisonneuve O #1000, Montréal, QC H3A 1L2

