



City of
Peterborough

TO: **Members of the Joint Services Steering Committee**

From: **Tom Sayer, Board Chair, Greater Peterborough Area Economic Development Corporation**

MEETING DATE: **March 28, 2013**

SUBJECT: **Report GPAEDCJSSC13-001
GPA EDC Performance Metrics**

PURPOSE

A report to recommend the Joint Services Steering Committee endorse the Performance Metrics proposed by the GPA EDC to fulfill a requirement of the Agreement between the GPA EDC and the Corporation of the City of Peterborough and the Corporation of the County of Peterborough dated December 2012.

RECOMMENDATION

That the Joint Services Steering Committee endorse the recommendation as outlined in Report GPAEDCJSSC13-001 dated March 28, 2013 of the Board Chair of the GPA EDC, as follows:

That the proposed metrics be endorsed for presentation to the respective Councils of the City and the County as per Section 4.02 c) of the Agreement dated December 2012.

BUDGET AND FINANCIAL IMPLICATIONS

There are no direct budget or financial implications arising from this report. The activities and measurement system required are part of the GPA EDC operating budget.

BACKGROUND

The Greater Peterborough Area Economic Development Corporation acts as the primary economic development organization of the region of Peterborough. The GPA EDC has the responsibility for the provision of economic development and tourism activities within the City and County of Peterborough. The terms and conditions of the delivery of these services are contained in an agreement between the three parties which comes up for renewal every four years.

Prior to the development of December 2012 agreement, the Board of Directors of the GPA EDC instructed the Executive Committee to ensure that the new agreement improves the understanding of the GPA EDC's activities and outcomes amongst the GPA EDC's primary stakeholders and the residents of the Peterborough Region. The Executive proposed a modified format that moved description of the core activities into an appendix of the agreement (Appendix A) that would be reviewed annually to ensure the activities are aligned with the strategic direction of the County and City of Peterborough. In addition, it was proposed that two additional appendices be created:

- i) Appendix B containing metrics to demonstrate the progress of the Corporation (GPA EDC) in achieving its strategic plan and also to demonstrate the impact of the Corporation's actions and programmes on key measures of Economic Development in the City and County of Peterborough.
- ii) Appendix C containing additional services provided by the GPA EDC to the City, the County or both that are funded outside of the base funding provided by the Agreement.

The December 2012 agreement indicated that in the first quarter of 2013 the Board would present to the Joint Services Steering Committee and to each Council a set of metrics that will be used to monitor and guide the GPA EDC's actions in the upcoming year. The proposed metrics for Appendix B are the subject of this report.

Performance measurement is not a simple task for Economic Development. Metrics such as reduced unemployment or increased average wages can be measured but determining the impact of a specific set of activities can often be difficult due to the number of uncontrollable factors at play. Historically, measures of inputs (dollars spent, human resources applied) and outputs (events held, calls made, trade shows attended) have been used to demonstrate the effort being expended because outcomes (impact) were too difficult to measure. More recently, stakeholders in all sectors have become insistent on accountability and demonstrating impact. Performance Measurement Systems focused on outcomes are currently encouraged by international (IEDC), national (EDAC) and provincial (EDCO) economic development organizations.

The 14 metrics which are being proposed for Appendix B of the agreement are fully integrated into the operation of the GPA EDC. In 2012 the GPA EDC developed a Performance Measurement System based on the Balanced Scorecard model. The full organization, with the facilitation of a consultant, was engaged in the development of the System and the individual scorecards upon which it is based. It was decided that the Key Performance Indicators (KPI) in the scorecards would emphasize outcome measures rather than activity measures. Each staff score card has 13 objectives, the top 3 being weighted to generate fifty percent of the total score. The KPI's are measured on a monthly, quarterly or annual basis depending on the nature of the objective. This generates a total of 234 objectives which flow into the 13 organizational performance indicators that make-up the President and CEO's Score Card which is reviewed quarterly by the Board of Directors. These thirteen metrics plus Director level metrics make up the KPI's which are being recommended as Appendix B of this report. (There is no Appendix A, Appendix B is used to maintain consistency with the Agreement.)

Despite the effort expended to date, it must be borne in mind that the Performance Measurement System is still a work in progress. The metrics are intended to be demanding but achievable. For some of the KPI's, obtaining valid data will be a challenge. The GPA EDC is implementing a Customer Relationship Management (CRM) database which will be used to manage much of the economic development activity including client interactions. Ultimately however, the quality of the data for some of the outcomes will rely on the willingness of clients/participants to provide what may be considered sensitive information.

If the Joint Services Steering Committee endorses the annual metrics, they will be presented to both Councils for approval.

Submitted by,

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Attachments: Appendix B: - GPA EDC 2013 Annual Performance Metrics

APPENDIX B

GPA EDC 2013 ANNUAL PERFORMANCE METRICS

Corporate Mission

Business Retention and Expansion

- 1.1. **Achieve 60** business start-ups, relocations or expansions by GPA EDC clients
Data: tracked directly in CRM
- 1.2. GPA EDC client announcements of job retention or additions which will over the course of one year result in the **net addition/retention of 100 jobs**
Data: survey/interview clients
- 1.3. Facilitate the process for GPA EDC clients in getting **over \$1,000,000** in Federal, Provincial or other external agency grants.
Data: track activity successes of GPA EDC & GPIC

Key Economic Development priority achievement

- 2.1. Build, maintain and support a Key Relationship file with a **minimum of five (5) clients** considering new business investments in the next two years; each representing an investment of over **\$5 million**¹
Data: tracked in CRM
- 2.2. Build, maintain and support a Key Relationship file of over **5 clients** considering new investments at the Airport or in the Aviation segment
Data: tracked in CRM
- 2.3. Achieve a minimum of **2.5% growth** in tourism revenues in the region
Data: develop survey of regional businesses, use RTO data as a benchmark
- 2.4. Jointly with GPIC, build, maintain and support a Key Relationship file which includes a minimum of **5 clients** in process of launching innovative technology companies in the region.
Data: track within CRM

Quality of Life – regional income level increase

- 3.1. New jobs created will have a average wage rate that is **2.5% higher** than the previous year's average wage for the region
Data: survey clients in the CRM, develop benchmarking from external sources.

¹ Does not include the Airport and Aviation or Innovative Technology Key Relationship Files – separate Key Relationship Files are maintained in the Scorecards for these area

Financial

Financial Responsibility

- 4.1. Manage a **balanced budget**

Data: audited financial statements

Financial value added leverage to the City and County investment in the GPA EDC

- 5.1. Leverage a **minimum of \$250,000 of additional investment** for economic development activities in the region from sources external to the City and County

Data: measured outcome. Note: matching dollar requirements a hurdle

Stakeholder Awareness and Satisfaction

Service Satisfaction

- 6.1. Achieve a **minimum 90% satisfaction rate** from business stakeholders in the service and value of their interaction with the GPA EDC

Data: survey clients in CRM, part of follow-up

- 6.2. Achieve a **minimum 90% satisfaction rate** from visitors interfacing with GPA EDC Tourism operations

Data: survey process in place at VIC

- 6.3. Achieve a **minimum 90% satisfaction rate** from City/County politicians and senior administration on the GPA EDC management of City and County priorities

Data: develop a survey, quarterly feedback.

Awareness of GPA EDC role

- 7.1. Achieve a **20%** increase in awareness level by the community of the organization's role

Data: develop a survey process for organizations and individuals – will require outside expertise. Obtain benchmark data as soon as possible.