

**How Do Economic Development Organizations
Measure Their Own Performance?**

Greene County Partnership

NETWORKS Sullivan Partnership

Washington County Economic Development Council

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The First Tennessee Development District (FTDD) is a regional association of local governments of Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi and Washington Counties in Northeast Tennessee. In accordance with Tennessee Statute § 6-58-114 – Joint Economic and Community Development Board (JECDB) each of the eight counties formed boards to comply with the statute. The purpose of the boards are to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The eight FTDD boards are:

- Elizabethton/Carter County Economic Development Commission/Carter County Tomorrow
- Greene County Partnership
- Hancock County Mayor’s Office
- Hawkins County Industrial Development Board
- Johnson County Economic Development Board
- NETWORKS Sullivan Partnership
- Unicoi/ETSU Economic Development Partnership
- Washington County Economic Development Council

This report takes a closer look at three of the above boards, Greene County Partnership, NETWORKS Sullivan Partnership and Washington County Economic Development Council (which are “Outside Agencies” 501 (c) (6) non-profit organizations) comparing how they measure and report on their performance.

Who are they?

Greene County Partnership

Located in Greene County, Tennessee with a population of 68,335 (based on the 2014 U.S. Census Estimates), “The Greene County Partnership (GCP) is an umbrella organization which houses the Chamber of Commerce, Economic Development, Tourism, Keep Greene Beautiful, and Education and Workforce Development. It was formed in 1993 to promote, serve and enhance the quality of life and economic well-being of all Greene Countians by providing collective leadership and serving as a facilitator, catalyst and unifying force to achieve common community goals.”

<http://www.greenecountypartnership.com/>

The screenshot shows the homepage of the Greene County Partnership website. At the top left is the logo, a green stylized tree with the text "GREENE COUNTY PARTNERSHIP". To the right of the logo is a navigation menu with links: "Home", "Contact Us", "Search", "Chamber", "Community", "Events", "Keep Greene Beautiful", "News", and "About GCP". Below the navigation is a large banner image featuring a band performing. The text "The Band Perry" is overlaid on the image. Below the band name is a quote: "Anyone who knows us knows how much we love our hometown (Greeneville, Tenn.)" Those are the words of Neil Perry, mandolin and accordion player, drummer and background vocalist for The Band Perry. A "Learn More >" button is positioned below the quote. On the right side of the banner, there are three blue buttons: "MEMBERS", "COMMUNITY", and "RELOCATE". Below the banner is a row of four small circles, with the first one filled green. To the right of the circles are two buttons: "Economic Development >" and "Tourism >". At the bottom of the page, there is a dark red banner with the text "Welcome to Greene County, Tennessee!". Below this banner is a white box containing the text "The Greene County Partnership/Chamber of Commerce welcomes you to Greene County, Tennessee, a". To the right of this box is a section titled "Upcoming Events" with a RSS icon and the date "January 7-9, 2016".

NETWORKS Sullivan Partnership

Located in Sullivan County, Tennessee with a population of 157,047 (based on the 2014 U.S. Census Estimates), “NETWORKS Sullivan Partnership is the economic development organization for Sullivan County, Tenn., and its communities of Kingsport, Bristol and Bluff City. Our Name – NETWORKS – represents everything we do and all that our region has to offer. Northeast (NE) Tennessee (T) Works (WORKS) for existing and new business and industry. Sullivan Partnership represents a collaborative partnership among Sullivan County and its three primary communities.” NETWORKS has also contracted with Hawkins County to serve as their economic development organization.

<http://www.networkstn.com/>

NETWORKS Sullivan Partnership

My Report

HOME ABOUT US TARGETED SECTORS COMMUNITY DATA INCENTIVES EXISTING INDUSTRY BUILDINGS & SITES QUALITY OF LIFE NEWS & EVENTS

Eastman

NEWS: NETWORKS 2015 Annual Report < >

Washington County Economic Development Council

Located in Washington County, Tennessee with a population of 126,242 (based on the 2014 U.S. Census Estimates), “The Washington County Economic Development Council (WCEDC) was created in 2009 as a means to unite all of the separate economic development efforts that were going on in Washington County, Johnson City, and Jonesborough. The creation of the WCEDC brought the efforts of the Economic Development Board which focused primarily on industrial development, the Johnson City Development Authority (JCDA) which focused primarily on downtown Johnson City redevelopment, and the Public Building Authority (PBA) which focused on the development of Millennium Park, all under one roof and one set of staff. In January 2014, the WCEDC received official designation as the recognized economic development arm of the area under Tennessee’s 1101 Statue, a designation previously held by the Economic Development Board.”

<http://www.thewcedc.com/>

WASHINGTON COUNTY
Tennessee
Economic Development Council

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Doing Business For Site Selectors Living Here Data & Maps About Us

We're Building Momentum

Washington County, Tennessee provides the ideal climate for your business to thrive. Let the Washington County Economic Development Council be your one-stop shop for the resources you need to be successful.

Growth & Investment Opportunities»

Home to New Development

Washington County, Tennessee is the economic center



GCP, NETWORKS and WCEDC have all been working diligently on economic and community development projects and prospects. They have been growing their Boards, Staff and financial bases to support their projects and prospecting and they have been focusing on supporting their respective communities and delivering results for their stakeholders. Table A below illustrates the differences between the organizations and specifically the size of the Boards and Staff, Revenues and Expenses, Assets and Sources of Funding. Table B illustrates the differences between the Total Grants and Loans received from 1989-2015 for economic and community development (including infrastructure) and the total number of projects those grants and loans funded.

Table A

Board Name	#Voting	#Employees	FYE14 Revenues	FYE14 Expenses	FYE14 Net Assets or Fund Balances	Govt and Private Sector Funding
GCP	47	7	\$786,586	\$855,479	\$698,087	Yes
Networks	25	4	\$729,497	\$1,058,264	\$1,585,028	Yes
WCEDC	29	9	\$1,137,211	\$619,677	\$822,734	Yes

Table B

County	Total Grants and Loans (1989 – 2015)	Total Number of Projects
Greene	\$42,069,125	117
Sullivan	\$22,165,456	74
Washington	\$24,411,714	107

How do they (GCP, NETWORKS and WCEDC) measure up?

Outcome-Based Performance Focus and Survey

Economic development organizations throughout the United States and abroad measure their own effectiveness and return on investment based upon the criteria established by their boards of directors. GCP, NETWORKS and WCEDC all develop Strategic Plans, which are updated annually, which generally identify specific goals, objectives, activities and expected outcomes. Because these organizations have different organizational structures (GCP-umbrella versus NETWORKS and WCEDC - pure EDO) and in determining how they measure their own performance, a survey was conducted. The three survey questions below were asked of GPC, NETWORKS and WCEDC.

- 1) How does your organization measure its own effectiveness and return on investment?
- 2) What results reporting tools does your organization use to report on its accomplishments?
- 3) What are your organizations goals and objectives and are they set annually and by the Staff or Board?

Survey Responses:

GPC

- 1) “GPC measures its own effectiveness and return on investment three ways: Amount of new capital investment generated, **number of new jobs created**, and new tax revenues generated.”
- 2) “GPC uses the following reporting tools to report on its accomplishments: Annual Report and Business Plan, Monthly Board Reporting, Bi-Annual County Commission and City Council Reporting, and regular press release website updates.”

3) “GPC’s goals and objectives are outlined in its umbrella organization 2015 Business Plan (screen shot below for Economic Development umbrella sub-unit).”

ECONOMIC DEVELOPMENT 2015 BUSINESS PLAN

- Continue outreach efforts with local manufacturers to determine ways to help them grow and create new jobs
- In conjunction with the Town of Greeneville and Retail Strategies, implement a strategic plan to recruit new retail establishments to Greene County
- Participate in Regional Industrial Development Association (RIDA) and TEP events in order to meet with more site selection consultants and potential industrial prospects
- Continue to improve communications between the Partnership and strategic partners such as the Tennessee Valley Authority (TVA) and



the Tennessee Department of Economic and Community Development

- Identify additional industrial land that can be rezoned and marketed for manufacturing uses
- Coordinate Greene County’s certification as a ThreeStar Community
- Assist in hosting the Annual Industry Appreciation Reception

NETWORKS

- 1) “Internally, we set goals on the **number of new jobs created**, company expansions, company retentions, increase in average wages, and corporate investment into our community. We measure ourselves around other communities in the state of Tennessee and other communities in our region. We closely monitor the number of leads we receive and the sources of these leads; the number of projects received in 2015 more than doubled compared to the number of projects received in previous years.”
- 2) “We provide partner agencies with updates on all project leads and project statuses with Project Briefs and an Activity Report. A NETWORKS staff member attends Industrial Development Board meetings for all of our partners. Along with publishing an Annual Report each year, we provide a quarterly electronic newsletter to our partners and stakeholders. The newsletter provides updates on projects and other activities. (<http://www.networkstn.com/news-events/publications-reports>)“
- 3) “NETWORKS has a Strategic Plan that is visited annually. Staff members visit the report first, suggest any appropriate changes, and then present the Strategic Report to the Executive Committee for feedback and approval. (The screen shots below outline our Strategic Plan and its Goals and Objectives.)”

GOAL 1

Assist with the recruitment and development of quality and sustainable jobs and business investment.

Objectives:

- Recruit outside corporate investment and job creation to Sullivan County.
- When Sullivan County is not a viable option for a project, assist other communities in Northeast Tennessee.
- Establish a reputation as a standard bearer for professionalism and effectiveness in marketing and recruitment efforts.

GOAL 2

Assist in the retention of existing jobs and businesses.

Objectives:

- Updated manufacturers' directory.
- Agency promotional material outlining business support service available to existing companies.
- Reduce job loss due to companies seizing operations or downsizing Sullivan County facilities.
- Promote, assist, and foster growth/expansion of existing industry here.
- Play critical role as liaison between Sullivan County Industry and local, state, and federal governments, and business support organizations.
- Help foster an environmental culture that is business friendly.
- Provide value added services and programs to Sullivan County's industrial base.

GOAL 3

Provide a variety of sites to accommodate new and expanding businesses.

Objectives:

- Maintain inventory of available buildings and sites.
- Marketing material (Site plan brochures) for Partnership Park I, II and III.
- Initiation of engineering and infrastructure improvements for Partnership Park II.
- Certification of Partnership Parks II & III, Bristol Business Park and Aerospace Park I.
- Partner with TVA sites to list buildings and sites on website.
- Regularly discuss and promote available buildings and sites for recruiting partners.
- Work with private developers to ensure complete inventory of privately owned property.
- Encourage and assist in the development of other appropriate properties.

GOAL 4

Improve communications and build local, regional, state, national and global alliances/networks to enhance economic development.

Objectives:

- Three-Star Certification with Benchmark III designation.
- Regular meetings with partners.
- Regular meetings with sister development agencies.
- Annual Report presented at first NETWORKS Board meeting of each year.
- Quarterly e-mail newsletter.
- Presentations to community and civic groups.
- Upgrade social media activity and usage.

GOAL 5

Play an appropriate role in the constant improvement of Sullivan County as a well-rounded, environmentally friendly community with quality education, health care, recreation and cultural opportunities.

❑ Objectives:

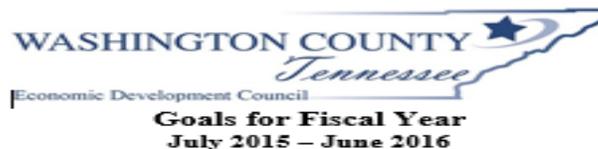
- ❑ Play appropriate role as a conduit between education and primary employment base.**
- ❑ Promote educational achievement, recognition, and training programs.**

WCEDC

- 1) “The WCEDC sets goals annually related to **job creation**, investment and improving the effectiveness of our organization. Each year I go through an annual review with my staff and our executive committee conducts an annual review on my performance based on the goals that were set and the outcomes from our work that year. Our organization is extremely focused on results and creating opportunities for growth. We present on a quarterly basis at our board meetings an update on new jobs, investment and prospect activity. Aside from goals focused on job creation & investment we also set organizational goals. This year we placed an extreme focus on regionalism. We see regionalism as a top priority and a staple for future growth.”
- 2) “As mentioned above, we report quarterly to our board as to where we are in terms of **job creation** and investment. Along with that, we publish an annual report at the end of each fiscal year. We use our annual report to not only tout our success, but market our area/organization to site selectors, companies, potential new investors, the State of Tennessee and the Tennessee Valley Authority. We also conduct an annual meeting where we invite stakeholders, elected officials, industry, TNECD/TVA Officials and members of the

community to celebrate the success for that year. At our annual meeting we recognize specific projects that took place that year and present awards to those companies. This link will take you to our press release from the annual meeting along with videos of the award recipients - <http://www.thewcedc.com/news-and-updates/2015-wcedc-annual-meeting/> “

- 3) “Our goals for Fiscal Year July 2015 – June 2016 are below and are set by our staff and approved by our board. There can and has be changes addressed by our board as it relates to our goals, but I conduct a staff planning session each year where we outline programs and set goals internally.”



Goal 1: Enhance the Organizational Effectiveness through the Recruitment of New Private Investment

Objective 1: Conduct a feasibility study to outline a strategic action plan encompassing projects and programs to be funded

Objective 2: Create marketing materials geared towards retaining & recruiting private investors

Objective 3: Restructure investor categories to become more inclusive of small and regional businesses without compromising the value of current investors

Expected Outcomes: Develop and implement an investor recruitment campaign to secure new private funding to enhance economic development opportunities

Goal 2: Retention and Expansion of Existing Businesses

Objective 1: Continue to enhance the WCEDC existing business program by working with key Partners (TNECD, TVA, JCPB, FTDD, AB&T, NE STATE, ETSU, TCAT & Others)

Objective 2: Create an industrial leaders association geared towards building relationships between area manufacturers and focusing on important industrial issues

Objective 3: Create an existing industry committee made up of WCEDC board members and support organizations to refine and improve current

programs, develop new programs, and discuss new ideas and opportunities pertaining to existing industry support

Objective 4: Continue to support existing companies through recognition events: Milestone Achievement Awards, Industrial Appreciation Day, and hosting one WCEDC Board Meeting at an offsite industrial location

Expected Outcomes: Assist in the retention and expansion of existing companies to help create over \$40 million in new investment & 400 new jobs along with creating better partnerships with economic development allies

Goal 3: Attraction of New Investment & Jobs

Objective 1: Conduct a site consultant trip to Atlanta/Greenville/Columbia with board participation

Objective 2: Share our story with Site Selection Consultants through a quarterly “Industrial Insights” postcard mailing

Objective 3: Continue to market to companies and consultants by attending conferences, trade shows and making recruitment visits to targeted industries.

Expected Outcomes: Assist in the recruitment of new companies to help create over \$10 Million in new investment & 200 new jobs

Goal 4: Focus on Site Development

Objective 1: Continue to develop the Washington County Industrial Park for better marketability and future investment

Objective 2: Continue to pursue new opportunities for potential business parks and industrial sites throughout Washington County and the Johnson City MSA with regional partners

Expected Outcomes: Work with governmental & regional partners to identify opportunities to create a new business park. Also, work with Washington County Government and the Washington County Industrial Park tenants to enhance the appearance of the park

A Common Goal – Creation of New Jobs

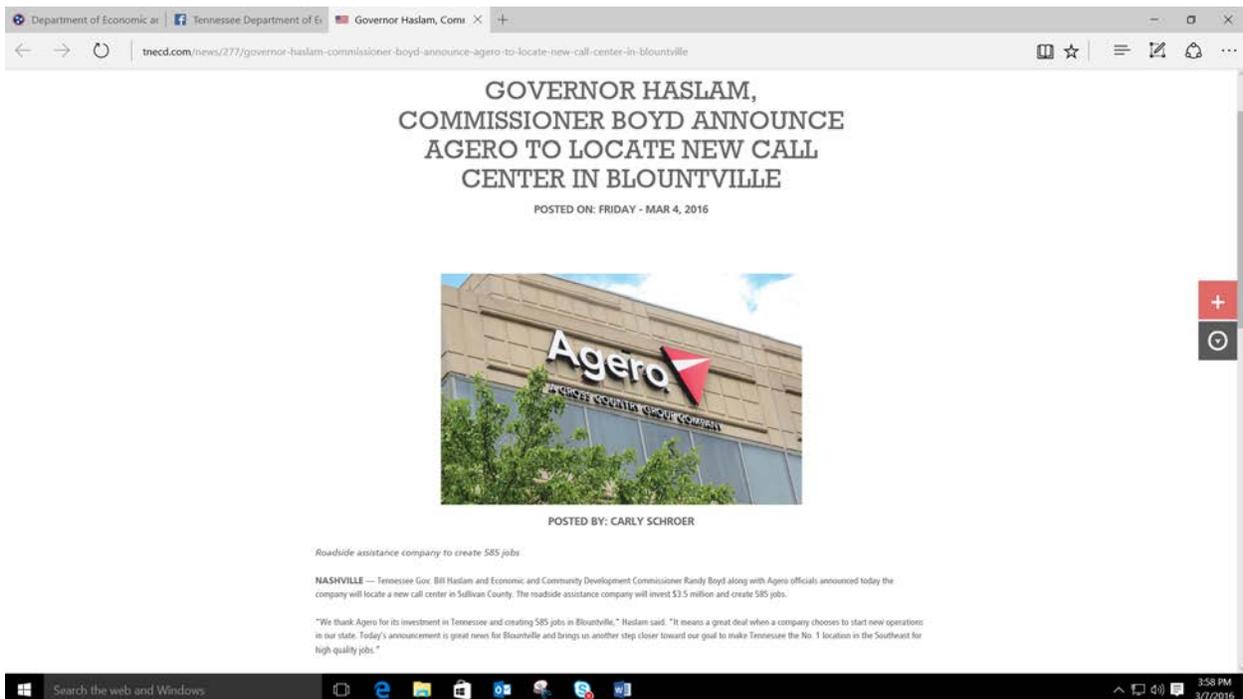
The survey responses indicate that there is a common goal that GPC, NETWORKS and WCEDC all share: “new jobs created.” Likewise, the International Economic Development Council (IEDC) and the Tennessee Department of Economic and Community Development (TNECD) share that same vision. The IEDC defines economic development as “a program, group of policies, or set of activities that seeks to improve the economic well-being and quality of life for a community by creating and/or retaining jobs that facilitate growth and provide a stable tax base.” The IEDC goes on to say that economic development efforts typically entail “Job Creation, Job Retention, and Quality of Life.” The TNECD is also focused on the creation of new jobs as its mission is “to develop strategies which help make Tennessee the No. 1 location in the Southeast for high quality jobs. To grow and strengthen Team Tennessee, the department seeks to attract

new corporate investment in Tennessee and works with Tennessee companies to facilitate expansion and economic growth.” Below is a screen shot of a press release posted on the TNECD’s website on Friday, March 4, 2016 announcing the creation of 585 new jobs in Sullivan County, helping Tennessee move closer to its goal “to make Tennessee the No. 1 location in the Southeast for high quality jobs.”

“**NASHVILLE** — Tennessee Gov. Bill Haslam and Economic and Community Development Commissioner Randy Boyd along with Agero officials announced today the company will locate a new call center in Sullivan County. The roadside assistance company will invest \$3.5 million and create 585 jobs.

“We thank Agero for its investment in Tennessee and creating 585 jobs in Blountville,” Haslam said. “It means a great deal when a company chooses to start new operations in our state. Today’s announcement is great news for Blountville and brings us another step closer toward our goal to make Tennessee the No. 1 location in the Southeast for high quality jobs.”

<http://www.tnecd.com/news/277/governor-haslam-commissioner-boyd-announce-agero-to-locate-new-call-center-in-blountville/#sthash.bTWAcLgL.dpuf> “



In rural areas such as in East Tennessee, one of the reasons that “number of new jobs created” is one of the primary goals of EDO’s is because “incentives” are requested and required more and more by companies considering moving into the area. In rural areas which are often classified as “distressed” or “at-risk,” incentives are often the only attractor to a prospect company.

According to the IEDC, **“EDO’s should ALWAYS have performance-based criteria in deciding whether or not to grant incentives to an organization...Criteria communities have used to make incentive decisions include: Number of jobs created, quality of jobs, minimum investment requirements, reporting requirements, and but-for determination.”**

While a common goal of the GCP, NETWORKS, WCEDC and vision of IEDC and TNECD is “new jobs created,” according to the IEDC, “EDOs are developing their own unique metrics of benchmarks for measuring outcomes and objectives, and thus reporting the economic value created in all aspects of the local economy due to their efforts.” The IEDC goes on to say that EDOs “need to be able to evaluate their performance. Public and private level funding sources expect to see some measure of positive performance and return on their investment. EDOs need to evaluate their performance to justify their spending.” As a result, EDOs have developed new measureable outputs with emphasis on outcomes and/or impacts. EDOs are developing their own unique and custom metrics for measuring outcomes and objectives. NETWORKS is a good example of this as was shared with the UT CED Basic Class Students in May 2015 by instructor April Eades, CEcD, Business Development Manager with Bristol TN Essential Services. Ms. Eades shared an article titled, *Keeping Score, Performance Scorecard for Economic Development Activities*. According to the article, “One of the most difficult tasks of any economic development agency is keeping score. Most organizations will report the number of new jobs created and the amount of new capital investment. This, however, shows only the

results of a lot of effort, it does not measure the effort.” The Performance Scorecard used by NETWORKS captures Program Activity for a given year including New and Existing Business: Prospects, Expansions, **Jobs Created**, Capital Investment; Land Sales; Visits to Existing Business; Communications and Marketing; and Three-Star Certification. NETWORKS Performance Scorecard also shows prior but recent years’ results, three year average, current year goal and percent to goal achievement. Ms. Eades shared with the UT CED class that all performance scorecards should be customized to meet the needs of the EDO using it.

TNECD also has a kind of Performance Scorecard that can be seen on its website at <http://www.tn.gov/transparenttn/section/jobs-economic-development> . This Performance Scorecard focuses on jobs creation as well.



As the survey responses indicated, EDOs like GPC, NETWORKS and WCEDC have different Strategic Plans, Goals and Objectives. They measure their performance and return on investment in different ways and they have different reporting tools they use. However, they all have one thing in common, they all set goals on the “number of new jobs created” which is also a top priority of Governor Haslam and TNECD and a focus of the IEDC. While there is no one best practice for what to measure and how to measure it that works for all EDOs, one thing holds true, EDOs should measure outcomes and objectives, and report the economic value created in all aspects of the local economy due to their efforts.