



Perth County Foreign Direct Investment Strategy 2016

Final Report

October 12th, 2016



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1 Approach

The purpose of this project was to support Perth County in the following pursuit:

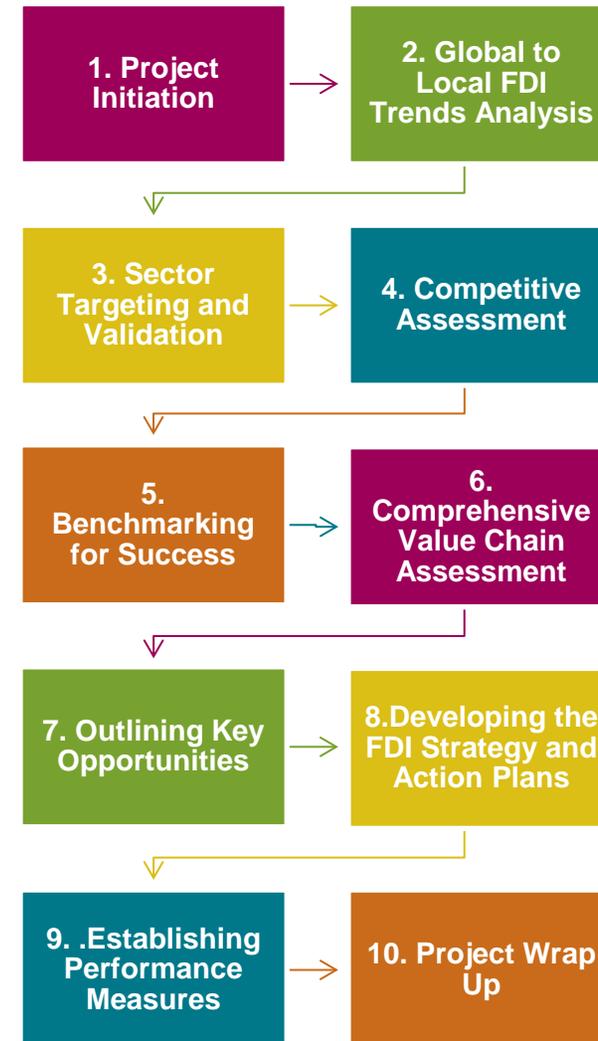
“...to ensure that the County [of Perth] is positioned with a strong foundation for foreign direct investment. The goal is to improve capacity to attract foreign investment and improve capacity to respond to foreign investor opportunities in Perth County.”

In order to support the twin objectives of improving capacity to attract investment, as well as to respond to investor opportunities, MDB Insight and Strategic Locations have provided Perth County with a comprehensive analysis of strategic opportunities that can be leveraged by Perth County Economic Development staff and Partner Organizations to stimulate increased investment potential in the area.

Figure 1 outlines the various steps the project team undertook to accomplish these goals. An important starting point was to better understand the local and regional economy in Perth County. An overview of foreign direct investment trends at a global and domestic level was conducted, and competitive analysis completed for the local area.

Starting with the sectors provided by Perth County (Automotive, Food processing, Machinery & equipment, Environmental technologies, Renewable-energy technologies, and Chemicals and plastics), the team worked to refine them into a focused approach. Stakeholder consultation was conducted with community and business leaders. This included professionals that work in the investment attraction field from the public and private sectors. The findings from the engagement process helped to validate the data analysis.

FIGURE 1: STEPS IN THE PROJECT APPROACH





A comprehensive value chain analysis was undertaken to better understand where potential gaps and opportunities existed that could be leveraged from an investment attraction perspective. This provided the means to connect the local strengths and assets to the target industries under examination. It also allowed different opportunities to be identified, and for the team to better understand the challenges in the area. These understandings informed key target industry opportunities prioritized by the greatest level of potential. The project team identified where SOMA programming can be leveraged based on local sector strengths. Areas of focus were also identified that Perth County can pursue by developing additional partnerships and directing their efforts towards activities that can further stimulate potential investment opportunity.

Three core strategic directions were outlined with action plans to support pursuit of these opportunities and assist in further developing an investment ready environment to pursue proactive, and respond to reactive investment opportunities. This includes the formalization of economic development partnerships, the creation of a regional business retention and expansion program, which in turn can be leveraged to provide after care supports.

The action plans were created with specific attention to partners and priority levels, and required resources were included to assist Perth County in understanding whether existing funding mechanisms are suitable to sustain dedicated investment attraction programming at a regional level. An implementation plan is included in a Gantt chart format to illustrate where initiatives overlap and the timing of priorities at a glance. Performance measures are provided under each action plan to assist in tracking and monitoring results over the life of the plan.

2 National and Regional Trends in FDI

Global foreign direct investment (FDI) flows totalled over US\$1.7 trillion in 2015, with an increase of 36% over 2014.¹ While the memory of the global economic recession is still close in mind, global investment have clearly made a strong come back; most heavily driven by cross-border mergers and acquisitions. In 2015, Canada ranked ninth in FDI flows, at US\$45 Billion.

With all this activity occurring globally, it is challenging to identify the ideas and trends that are salient to Perth County. Playing to Perth County's existing economic strengths and areas of potential is essential to forming a narrative around FDI that is appropriate for its opportunities and economic reality. So where is Perth County performing well and showing potential?

¹ UNCTAD. 2016. "FDI Recovery is Unexpectedly Strong, But Lacks Productive Impact," Global Investment Trends Monitor. NO. 22. Jan 20.



In Perth County, simple analysis of existing enterprises reveals that the strongest sector by far is Agriculture, forestry, fishing and hunting. More specifically, all activity is concentrated in either farming or support for farming. Other pillars of economic strength include manufacturing and construction sectors. While construction activity is most often attributed to economic activity occurring in other sectors, manufacturers in Perth County is a sector that can be considered local economic drivers, because of the additional services that are encouraged as a result of their existence.

Within manufacturing, there are several areas where Perth County has some strong connections to resonating global trends. These areas include food processing and farming-related manufacturing and technology. Broadly, these areas can be understood simply as agrifood and agricultural technology businesses, all of which play to Perth County's dominance in the agricultural sector and the existing and potential capacity to further build off this strong cluster of excellence. With these in mind, it becomes simpler to understand the dominant trends occurring at other levels, be they globally, nationally or provincially.

2.1 The Global Context Defined

As noted McKinsey & Company in Pursuing the Global Opportunity in Food and Agribusiness², the food and agribusiness industries have a massive economic, social, and environmental footprint. It is a \$5 trillion industry representing 10 percent of global consumer spending, 40% of employment, and 30% of greenhouse-gas emissions.

Canada was the fifth largest exporter and sixth largest importer of agriculture and agri-food goods in the world in 2014 (on a per-capita basis, Canada is the largest global trader).³ Agriculture and agri-food processing generated \$106 billion in sales in Canada in 2013, representing 6.7% of Canada's GDP.⁴

Set to shape the world over the next few decades, profound global macroeconomic forces, or 'megatrends,' are driving food and agribusiness. These trends are set against in an increasingly turbulent economic, social, and political environment. While fuel prices have declined, recent years have also witnessed volatility in price swings for commodity crops due to unstable weather patterns and financial speculation. Added to which, there have been a slew of natural disasters, political and social unrest, an increasing interest in trade protectionism, with an ongoing conflict between biofuels and food in the use of crops.

Price Waterhouse Coopers (PwC) has identified several key megatrends which will have effects on global food, which include:⁵

² Pursuing the Global Opportunity in Food and Agribusiness, McKinsey & Company, July 2015

³ Farm Credit Canada, "FCC Ag Economic: A 2014 Look at Global Trade," Farm Credit Canada, 2014, pp.2.

⁴ Agriculture and Agri-Food, "An Overview of the Canadian Agriculture and Agri-Food System 2015," last modified 2015-04-03: <http://www.agr.gc.ca/eng/about-us/publications/economic-publications/alphabetical-listing/an-overview-of-the-canadian-agriculture-and-agri-food-system-2014/?id=1396889920372>



- **Demographic Shifts:** A growing global population coupled with a forecast increase in food demand of 70% by 2050 indicate growing demand which will place a need increase production output at double current rates by 2030.
- **Global Economic Power Shifts:** The emergence of “E7” (emerging 7 economies, including China, India, Brazil, Mexico, Russia, Indonesia, and Turkey) will have growing influence on global trade, as well as growth among F7 countries (Colombia, Peru, Bangladesh, Vietnam, Philippines, Morocco, Nigeria).
- **Food security:** An increasing concern and priority for many countries that do not produce sufficient quantities of food for their populations. As a result these countries will pursue investments in food-producing nations to better control the food value chain and secure food for their citizens.
- **Resource Scarcity:** Closely associated with demographic shifts and notions of food security is the notion of resource scarcity, as agricultural production will place demand on different resources such as water supplies. Productivity gains have declined compared to surges in the 1960s and 1970s.
- **Evolving Technology:** Resource scarcity will require improved crop technology and innovative farming methods. Precision agriculture and other technologies are improving crop and livestock yields and food output. Better yields are being achieved with genetically modified (GM) seeds and precision agriculture; however, governments and consumer concerns have limited acceptance and adoption in many countries. Efficiency gains have also been achieved through integration of value chain components (strategic alliances and acquisitions).

Filling the global gap between supply and demand will require more technical, human, and financial resources. The continued pressure on water, land, energy, and labour will drive innovation to enhance agriculture productivity with existing producers focussing on smarter, better, more efficient growing in order to meet demand.

2.1.1 Technology – Getting More Out of Less

Technology trends have illustrated opportunities for growth in communities that are proactive. There are various dimensions to advancements in agriculture and food processing technology. These include areas such as:

- **Precision Agriculture:** Remote-sensing technologies, scientific analysis, automated piloting and other systems’ analytical capabilities of key data sets such as weather, soil, and market prices have enabled farmers to reduce production costs, increase yields, and optimize resources.

⁵ Five Global Megatrends, PwC, www.pwc.com/gx/en/issues/megatrends.html



- **Big Data:** The efforts to manage and derive value from critical data points and capture value from data at scale have created a dynamic industry with strategic partnerships and acquisitions.
- **Crop Science:** Advances in irrigation and biotech-driven seed and crop protection will continue to have critical role in the improvement of crop and livestock yield through many different applications

2.1.2 Industry Structure

Global agribusiness is undergoing a major transformation, driven by long-term demographic trends and the projected escalation of food demand. Consolidation is now an underlying theme in both farming and agribusiness. Historically, most activity has been in larger, long established companies to the point that only a handful of companies dominate the industry. Over the past several years, rising awareness of growth throughout the agribusiness value chain has triggered increased investment in agricultural biotech, farm mechanization, irrigation and other farm yield enhancement tools. While consolidation of firms across the agribusiness value chain is set to continue, technology and innovation trends are also seeing the emergence of smaller niche players. As noted by Forbes⁶, recent trends suggest that farming is also experiencing increased investment activity.

Investment in agribusiness has grown significantly over the past decade, as demonstrated by the considerable rise in the number of agribusiness-focused investment funds, the number of deals, and their investment value. Since 2004, global investments in the food-and-agribusiness sector have grown threefold, to more than \$100 billion in 2013, according to McKinsey analysis. Mergers and acquisition (M&A) activity in agribusiness has grown rapidly, increasing at 18% per year between 2002 and 2012, with double-digit growth in almost every sub-sector.

⁶ Agriculture: The Next M&A Growth Sector? Forbes, March 2016



3 Sector Targeting

Most rural and local municipal economic development departments have limited resources. Because of this, every effort should be made to focus their investment attraction activities. MDB Insight's Industry Targeting Decision Tree model (see Figure 2) was used to help Perth County narrow its approach.

The model began by taking stock of the local industries and filtering them by their local specialization and assessing their growth potential. Local assets that support business growth were then evaluated for their level of benefit. Following this, local stakeholder intelligence (gained through the engagement process) was applied to ground truth the cumulative findings. Outcomes were then assessed to establish the sector or industry's potential for the County to leverage for stimulating increased investment attraction.

When examining the outcomes, it became clear that the one sector underpinned the majority of the opportunities for investment attraction – the agricultural sector. In addition, the research findings showed that areas of sector overlap existed for food processing, agrifood, and agritechnology.

FIGURE 2: INDUSTRY TARGETING DECISION TREE

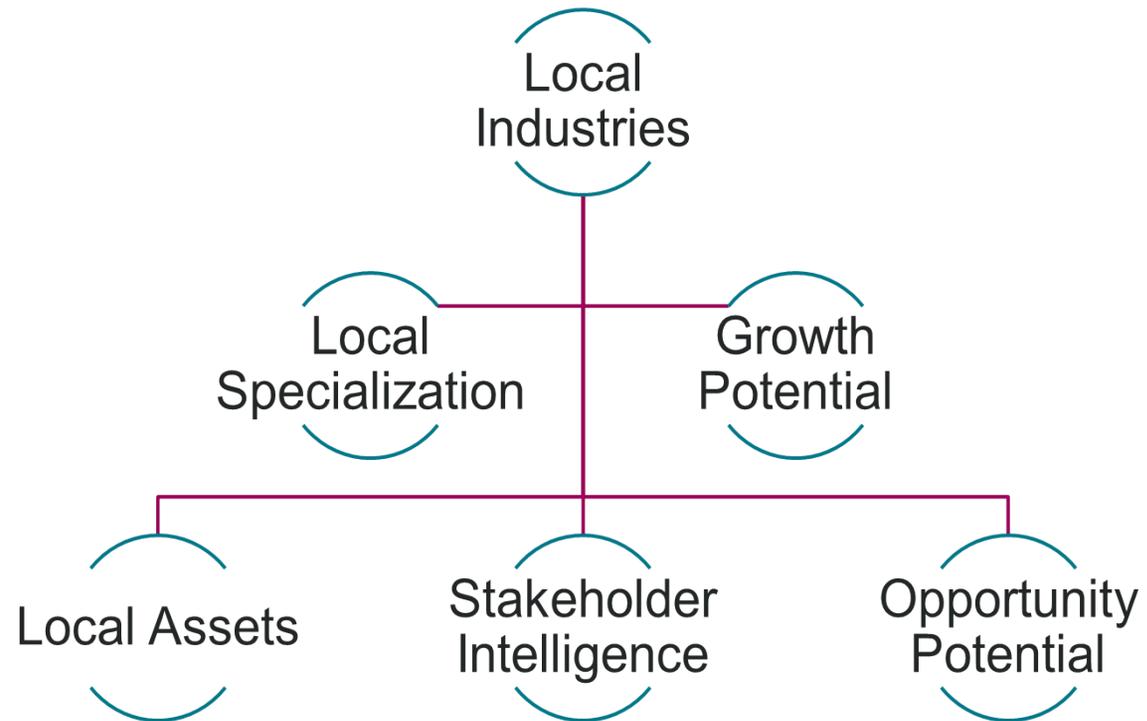
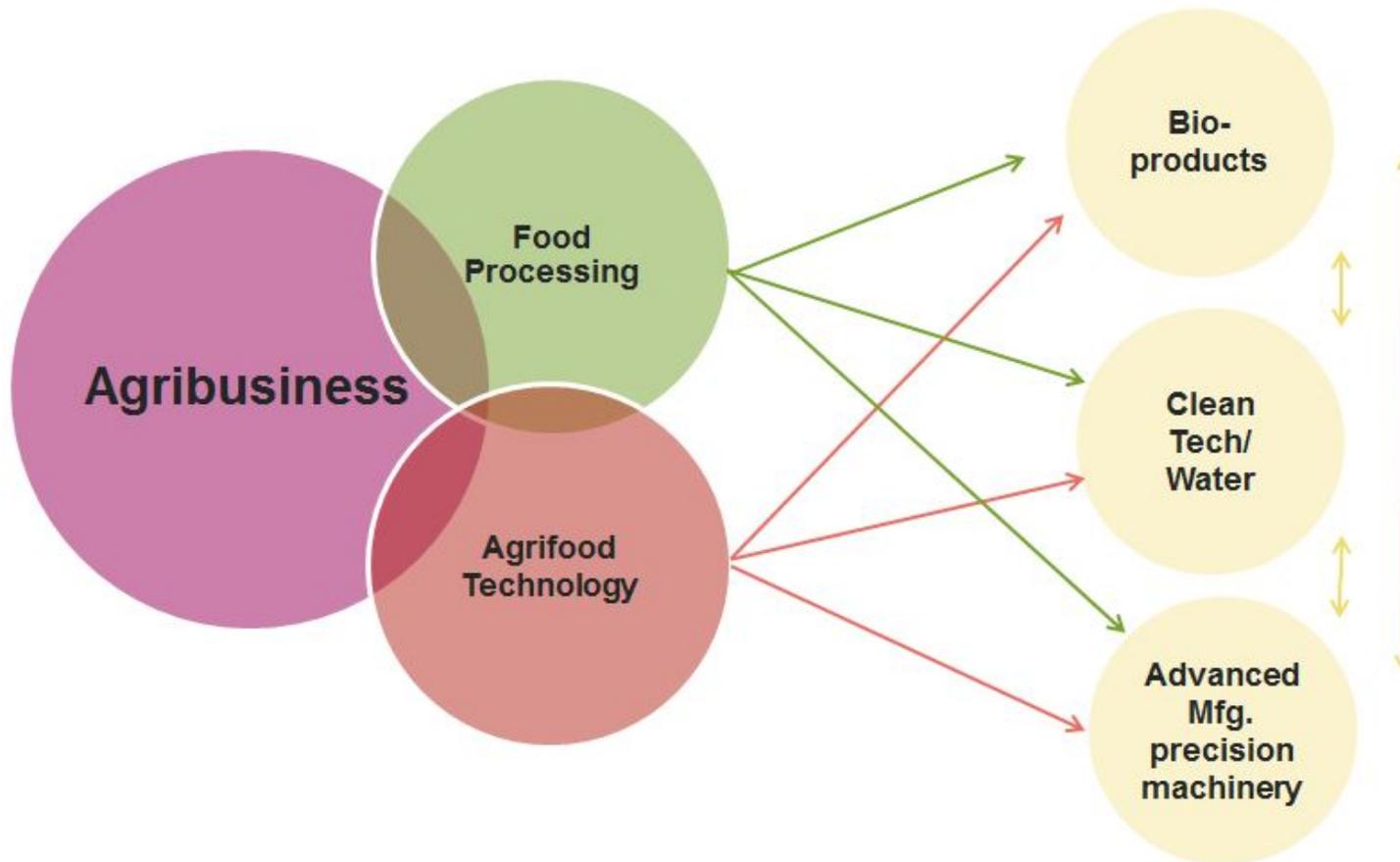




Figure 3 below provides a visual representation of these findings. The theory of sector convergence was applied to uncover opportunity areas. The theory states that competitive advantages exist at the point where concentrations in local industry sectors converge. An easier way to explain this is by studying the diagram in Figure 3.

FIGURE 3: SECTOR CONVERGENCE DIAGRAM





As mentioned above, the agricultural sector contains the greatest opportunity potential in Perth County. As it is mature, it is titled Agribusiness, and is the largest circle in the diagram below as it represents the greatest area of local strength.

Where two circles overlap, the community has an area of competitive advantage at a regional or national level. If three circles overlap, the advantage is significant enough to position the community as a leading destination for investment from an external source.

In this case, the following subsectors have a competitive advantage because of their convergence with agriculture:

- Agribusiness
- Food Processing
- Agrifood Technology

Although they do not converge, that is to say, there is not as much of a direct competitive advantage, on their own, advanced manufacturing and precision machinery, clean and water technologies, and bio-products are still in the diagram. This is because they still represent opportunities in their own right. However, the arrows on the diagram show that these local sectors feed into the agribusiness sector and the other convergence sectors. In the context of investment attraction targeting, this tells us that the most logical approach is one where investment attraction resources are used to focus on targets and opportunities associated with the agricultural sector first. It also indicates that the subsectors of food processing, and agrifood technologies should also be pursued – but, in relation to how they converge with agribusiness and the increased value proposition that the local agricultural sector lends to this.

Finally, when pursuing opportunities associated with agribusiness and the convergence subsectors, it is also important not to discount how advanced manufacturing in precision machinery, clean and water technologies, and bio-products feed into these sectors. There are opportunities that can be explored, for example, innovative machinery and equipment that improve productivity and outputs, or technologies that improve processes, product yields, increase safety or present new ways of accessing markets.

The purpose of this section has been to focus Perth County's approach to targeting sectors based on the Industry Targeting Decision Tree. It represents the outcomes of detailed and comprehensive research into the local economy that was undertaken in order to determine strengths and weaknesses. Building on this, the following section aligns the global trends in value added agriculture with Perth County's economic position.



3.1 Global Trends in Value Added Agriculture – Fit with Perth County

There is considerable alignment between Perth County's attributes and global trends in value added agriculture. These are:

■ **Precision Agriculture:**

- Including possible potential in sensors and LED lighting for aeroponics applications. Software development is a longer term proposition, requiring the attraction activities leveraging the agricultural base, freelance professionals, and lifestyle marketing (<http://opportunityliveshere.ca/>)

■ **Farm Automation and Machinery:**

- Including technology integration through aftermarket modifications where there is evidence of value chain support and, farm robotics in the longer term

■ **Agricultural Science:**

- This area is worth further investigation due to the presence of Pesticide, fertilizer and other agricultural chemical manufacturing along with a large local market

■ **Food Processing:**

- Synergies with SOMA's food processing machinery focus, but also opportunities associated with expanding beyond mainstays such as animal food manufacturing, grain and oilseed milling, dairy product manufacturing, and meat product manufacturing into specialty food processing

■ **Sector Convergence:**

The following sectors provide support for the agribusiness value chain

- Packaging has alignment with aspects of SOMA strategy in bio-plastics, and is growing rapidly
- Energy has potential on the basis of possible farm based production and machinery
- Water technologies could have potential through navigational, measuring, medical and control instruments manufacturing companies
- Agribusiness supply chain logistics has significant components in transportation, and storage that require further investigation



4 Key Consultation Themes

In July 2016, 21 businesses and Perth County government staff interviews were conducted about Perth County's business climate, competitiveness, industries and opportunities to learn from other communities or enhance partnerships. Below is a synopsis of key themes emergent from these interviews.

Business Climate

Overall, interviewees felt that the business climate was friendly and strong, pointing to the growth of businesses and the mixture of mature enterprises and new start-ups. Interviewees discussed some success in attracting workers locally, but it was also noted by others that businesses are challenged at obtaining skilled labour, often relying on people from outside the county to fill roles. Interviewees also felt the county was too focused on traditional industries (e.g. cash-crop farming, basic manufacturing). The bureaucracy was blamed by some respondents, while others pointed to political interference as a key barrier to better business growth and development.

One interviewee pointed to the record number of building permits issued through the county as a sign of positive investment attraction. Interviewees also highlighted North Perth as having experienced the most business growth and as having the strongest ability to capture both residential and non-residential development.

Interviewees also felt that while businesses are able to attract their clientele to the county, many people outside of the county are not aware of its strengths. As such, more promotion and marketing that communicates Perth County's strengths is needed for attracting investment.

Industry

Interviewees discussed the importance of the agriculture sector in Perth County, supported by value-added agriculture production and the food processing industry. The industry is diverse with farms ranging in size, produce, and ownership (i.e. family owned or internationally owned).

Interviewees also spoke of how some dairy farmers are expanding into the cheese market and felt that these success stories should be better communicated. One interviewee raised the issue that while on-farm cheese processing facility has been approved for sale throughout the province, these facilities lack the capacity for international sale because their output is not large enough. Connecting farmers with processing space for scaling up may therefore be a solution. Another interviewee



discussed the potential of biogases and fuels, highlighting Energrow as a business which was inspired by businesses in Europe to convert soybean stock to fuel.

A couple of interviewees discussed the importance of advanced manufacturing businesses in the County, primarily supporting the automotive industry in Southern Ontario, but also as related to farming equipment.

Interviewees discussed how businesses have been successful in accessing supplies and resources locally, and it was indicated by some that more should be done to enhance these supply chains. Overall, local supply access viewed is an asset for business development as a whole. Other initiatives included capitalizing on innovative agri-business industry and leveraging existing multi-nationals and successful businesses were suggested as means of reaching new investment opportunities for different sectors.

Location and Infrastructure

Almost all interviewees commented on the location of the County; however there was both positive and negative feedback. Negative aspects related to the lack of urban centers in the County and the lack of access to Highway 401. Positive aspects include:

- Access to the 402/403, active rail lines, and the port in Goderich
- Access to regional, provincial and international (border U.S. States) markets
- Close to Stratford, Kitchener-Waterloo, London (access to labour pool)
- Lower cost of doing business (DCs, taxes)

In terms of infrastructure, interviewees discussed the need for better broadband and natural gas access. While the County is currently trying to expand broadband access, interviewees felt that they were not doing enough, particularly mentioning the lack of support for the SWIFT Network, which is a group of municipalities working to expand internet connectivity with fiber-optic technology.

Other issues include the lack of affordable housing and starter homes, which limits attraction of labour to Perth County. Also noted was the need for more shovel-ready land. Out-migration of youth was also a concern noted by respondents, but it was also acknowledged by some that many people return in their 30s after completing education to “put down roots” and raise families. Finally, the lack of public transit was also seen as a barrier to business development, again restricting access to potential labour pools.



Collaboration and Partnership

Collaborations and partnerships were a key theme of the consultation process. A number of local partnerships were discussed including the need to collaborate with Stratford and St. Mary's for land development and housing needs. Interviewees also discussed the need to leverage the recognition and success of these two municipalities as models of success in investment attraction and that stronger affiliations may also benefit Perth County in its investment attraction. Other key opportunities include:

- Building relationships with Ontario Ministry of Agriculture, Food, and Rural Affairs and the Ministry of Economic Development and Growth, as well as the Canadian Food Inspection Agency to help businesses within the County to better understand how to scale-up their businesses
- Leveraging existing successful exporting businesses and foreign-owned companies to develop more know-how throughout the County
- Continuing Perth County's partnership with SOMA, to facilitate cluster development in the agri-food sector and other areas of manufacturing strength which may grow exposure toward the region
- Working with post-secondary institutions to develop a satellite campus in the County, or Stratford, and to increase awareness of job opportunities in Perth County to students at post-secondary institutions in areas such as London, Kitchener-Waterloo, and Guelph

Top Competitors and Best Practices

In terms of top competitors, interviewees agreed that municipalities with serviced land, urban centers, and access to the 401 are top competitors for the County. Guelph was discussed as being the top agriculture industry competitor, while Stratford was highlighted as having a greater ability to attract more investment compared to the rest of Perth County.

A number of best practices were discussed, including:

- Thunder Bay has been successful in getting investments from the U.S. Public-Private Partnerships was also pointed to as an opportunity for Perth County to grow.
- Stratford has been successful at working long-term to establish successful relationships with suppliers and multinationals, particularly Japanese automakers. It has also leveraged its cultural assets to promote a specific quality of life



5 Aligning Our Strengths

As identified in the sections above, once the target sectors were identified and validated based on the economic research and environmental scan, and the assessment of key sector strengths associated with Perth County, a comprehensive value chain assessment was undertaken. As was the case with the sector convergence approach to prioritizing target sectors, the value chain was conducted on the local Agribusiness sector and the various up and down stream links in the chain.

In order to increase value and suitability for the project's objective (identifying opportunities for investment attraction purposes), the value chain assessment focused on uncovering and aligning key local strengths and identifying gaps that could present opportunity potential.

5.1 Value Chain Analysis

The illustration below (Figure 4) highlights the various industries in the value chain by major sectoral category selected for the purposes of this project: Farming Inputs, Farming, and Food processing.

FIGURE 4: PERTH COUNTY VALUE CHAIN SUMMARY CHART

FARMING INPUTS	FARMING			FOOD PROCESSING		
Crop Science	Crops	Poultry	Cattle	Pork	Fresh Produce	Food Processing/Manufacturing
Vertically Integrated Farms		Birds	Produce		Bakeries	
Crop inputs		Eggs	Specialty products		Confectionery	
Farm Machinery/Supplies		Specialty produce			Meat Packing (Federally Inspected)	
Ag-Co Products	Certified Organic/Sustainable Product/Market Development				Poultry Processing	
Precision Agriculture Services					Other meat packers/processors	
Animal Feeds & Nutrition	Global Market Outreach	Marketing Support	Strategic Consulting		Abattoirs	
Genetics	Farming Operational Support				Meat Packing (Provincially Inspected)	
Livestock Nutritional Services	Drainage Services				Dairy	
	Auctions				Processed Fruits and Vegetables	
	Farm Animal Veterinary Clinic				Food Service/Institutional Distribution/wholesale	
					Agribusiness transport	
					Temperature controlled storage	
					General logistics/trucking	
Agriculture and Manufacturing Support and Areas of Convergence						
Industry Associations						
Education, Training and Human Resource Support						
Research and development						



Note, this chain does not include end users or others along typical value chains as they are not pertinent to the lens of investment attraction for this projects purpose. The links in the chain have been chosen based on the target sectors and subsectors identified in the sections above. The chain does, however, illustrate the various convergence sectors that feed into and support the prioritized sectors of:

- Agribusiness
- Food Processing
- Agrifood Technology

Further, key supporting elements of the value chain, such as industry associations, education, training, and human resource supports, and research and development assets have also been identified and taken into consideration when evaluating Perth County's opportunity and gap positioning. This includes supporting industries to the agricultural sector and business services.

A detailed Value Chain Analysis accompanies this report in a Microsoft Excel format and has been provided as a supplementary tool. Figure 5 represents an example of one component of the value chain where the County's companies that fall within specific industry subsets are identified and catalogued. This process is followed with all aspects of the summary chart provided above in Figure 4.

The assets are then carefully examined for potential gaps in the value chain as well as areas that could potentially be capitalized on as growth areas based on level of concentration and presence of supporting industries and growth enablers (e.g., specialized educational and training facilities, R&D supports etc.).

In order to effectively operationalize the value chain analysis outcomes into a useable format for Perth County, the opportunities have been developed into a series of tables that ground the opportunity in the key sector drivers for growth and investment attraction. These are aligned with the identified assets from eth analysis itself and validate the opportunity. Further, they are categorized into three priority areas to guide implementation. This process is explained in further detail below.

FIGURE 5: EXAMPLE VALUE CHAIN LINKAGE INVENTORY

Farming Inputs	Number of Firms	Firm Names
Crop Science	6	Cropquest; Good Crop Services; Perth Ag Partners; Hoegy Farm Supply; Dow Agrosiences Canada; Stratford Agri Analysis
Vertically Integrated Farms	2	Hensall District Co-operative - Grain Elevator; Yantzi's Feed & Seed
Crop Inputs	1	Quality Fertilizers
Farm Machinery/Supplies	6	Bach-Run Farms Ltd.; Stoneage Farm & Industrial Equipment; Gethke Quality Livestock Systems; Donkers Agri; AWS Advanced Wind Reel Systems; FDI Cage Systems (Ford Dickison 2000)
Precision Ag Services	1	Connect Equipment
Ag-Co Products	3	Stratford Farm Equipment; Delta Power Equipment; NA Geomatics Stratford
Animal Feeds	3	Listowel Farm Supply ; Sebringville Feed Mill; Leis Feed and Supply
BSC Animal Nutrition	6	Mitchell Feed Mill; Wallenstein Feed & Supply; Shur-Gain – Stratford; Masterfeeds – Stratford; Hensall District Co-operative – Feed; Yantzi's Feed & Seed
Genetics	1	Foundation Genetics-now Cogent Canada
Livestock Nutritional Services	3	Bio Agri Mix; Farmix (Alltech); Stratford Agri Analysis (Daco Animal Nutrition)



6 Overview of Opportunities

This section sets out the key opportunities identified through the research, analysis, and value chain assessment.

The opportunities below are organized into the following categories:

- Capitalizing on existing strengths – immediate opportunities
- Sector development – medium term opportunities
- Long term opportunities

Each table contains a column that identifies the key factors or market drivers for the local sector or industry that can be leveraged or capitalized on. These are then grounded in terms of Perth County’s position in relation to the value chain assessment outcomes. Finally, in the last column, the nature of FDI or investment attraction opportunity is articulated.

This process allows Perth County economic development staff and their partner organizations to better understand the value chain activities and assets in their own area, and how they are aligned to broader trends and what opportunities they present. This in turn, can be used to engaged in more informed discussions with target companies, and act as a starting point for detailed target market research to be conducted on prospective leads prior to outreach and interaction.

6.1 Capitalize on Existing Strengths – Immediate Opportunities

6.1.1 Agriculture Inputs

Key Drivers	Perth County Value Chain	Opportunity
Agriculture Showcase		
<ul style="list-style-type: none"> ■ One of Canada's most agriculturally productive regions. ■ 2,250 census farms and 500,000 acres (205,000 ha) of farmland ■ Over 90% of land classified as prime agricultural 	<ul style="list-style-type: none"> ■ Vertically-integrated farms :Hensall District Co-operative, Yantzi's Feed & Seed ■ Technology integration by farms ■ Willowgrove Hill recipient of Premier's Award for Agri-Food Innovation 	<ul style="list-style-type: none"> ■ Showcase Perth County's farms at the leading edge in agricultural enterprises ■ Big data integration applications that tackle the whole value chain ■ Use robust economic base to diversify into emerging farming areas -



Key Drivers	Perth County Value Chain	Opportunity
<ul style="list-style-type: none"> ■ Robust agriculture value chain ■ Vertically-integrated agricultural enterprises to leverage value chain 	<ul style="list-style-type: none"> ■ Leading education institutions at Guelph - Ontario College of Agriculture, Ontario Veterinary College ■ Substantial research capacity – 22 institutions in agribusiness areas ■ Just over 200 programs related to agribusiness available at post-secondary institutions in proximity to Perth County ■ Specialist agribusiness programming ■ 7,649 students enrolled in Agriculture & Biological Science programs ■ 1,705 Agriculture & Biological Science graduates 	<p>technologies/processes, advanced greenhouse technology, hydroponics, aeroponics</p> <ul style="list-style-type: none"> ■ New crops: hops growing, medical marijuana production
Precision Agriculture		
<ul style="list-style-type: none"> ■ Generational transition from baby boomer owners to millennials: more adoption of new technologies ■ Focus on smarter, better, more efficient growing to meet escalating global demand ■ Data driven applications reshaping farming practices ■ Need for better data integration across the agribusiness value chain (big data) to extract maximum value ■ Farmers facing increasing pressure from consumers and government to track the origin of all commodities and products ■ Rise in number of agribusiness-focused 	<ul style="list-style-type: none"> ■ Perth County targeting freelance professionals opportunityliveshere.ca ■ Significant capabilities but all through equipment suppliers (Ag-Co Products, Connect Equipment) or crop consulting services (e.g. Stratford Agri Analysis) ■ No pure play software developers ■ GIS programming at education institutions ■ Cryospheric Remote Sensing Research Facility (CRSRF) University of Waterloo 	<ul style="list-style-type: none"> ■ Attract new technology providers to showcase agriculture applications at Perth County's farms e.g. ■ Sensors improving, becoming cheaper ■ Agricultural drones /multispectral cameras (flying over farms) ■ Software and app developers ■ 'Lone Eagles' entrepreneurs: high potential emerging and growth agri-businesses



Key Drivers	Perth County Value Chain	Opportunity
investment funds		
Farm Automation and Machinery		
<ul style="list-style-type: none"> ■ Agricultural machinery manufacturers such as John Deere with FarmSight and New Holland with PLM systems, have integrated precision agriculture technologies ■ Machinery after-market adaptation has been strong in Ontario ■ Automated, factory-like farm is on the horizon with new developments in robotics (hardware) ■ The Rise of Urban Farming: technologies/processes, advanced greenhouse technology, hydroponics or aeroponics 	<ul style="list-style-type: none"> ■ Significant presence of machinery providers: Ag-Co Products (MNE), Delta ■ Specialist providers: AWS Advanced Wind Reel Systems, FDI Cage Systems ■ Farm machinery providers are technology integrators: Ag-Co Products, Connect Equipment ■ Supported by manufacturing capacity in sector 	<ul style="list-style-type: none"> ■ Increase technology integration capacity ■ Augment sector with new generation of farm robotics ■ Equipment for growing and emerging areas such as hops growing, medical marijuana production ■ Equipment for technologies/processes: advanced greenhouse technology, hydroponics, aeroponics
Agricultural Science – Crops		
<ul style="list-style-type: none"> ■ Focus on smarter, better, more efficient growing to increase productivity to meet escalating demand ■ Conflicting demand food vs. fuel ■ Advances in irrigation and biotech-driven seed and crop protection ■ New developments in irrigation 	<ul style="list-style-type: none"> ■ Crop farms in Perth County ■ Specialist companies in agronomy and crop science e.g. Good Crop Services, Cropquest ■ Suppliers provide high value added services such as agronomy, crop data etc. e.g. Hoegy Farm Supplies, Perth Ag Partners ■ Global leader Dow Agrosiences ■ Vertically integrated farms operating in this space: Hensall District Co-operative (branch), Yantzi's Feed & Seed 	<ul style="list-style-type: none"> ■ Identify and target emerging and growing companies in this area ■ Agricultural biotechnology e.g. Microbes acting as natural fertilizer (Microbial fertilizer) – key opportunity area ■ GMO - “genome editing” – potentially more acceptable to consumers ■ Key investment target - in a strong position to attract leading edge companies ■ MNE company efforts also relevant (see



Key Drivers	Perth County Value Chain	Opportunity
	<ul style="list-style-type: none"> ■ Specialist farm drainage companies ■ Substantial R&D capacity: Agriculture and Food Laboratory, ■ 127 biological science/chemistry education programs ■ High number of residents with architecture, engineering and technical skills 	<p>applicable section below)</p>
Agricultural Science – Animal Health		
<ul style="list-style-type: none"> ■ Production efficiency and welfare pressures ■ Consumer concerns over animal welfare ■ Technology potential to improve animal welfare ■ Use of ‘wearable technology’ e.g. sensors embedded to detect health issues, fertility detection ■ GMO - “genome editing” – potentially more acceptable to consumers 	<ul style="list-style-type: none"> ■ Leading edge companies providing animal nutrition services e.g. Bio-Agri Mix ■ Global company Alltech subsidiaries – Masterfeeds, Farnix ■ 7 local feed providers ■ Veterinary practices serving livestock ■ Ontario Veterinary College –leading school in Canada, 4th globally ■ Six animal health research institutes at the University of Guelph ■ 10 specialist Veterinary/animal health programs (Guelph/Waterloo) ■ High number of residents with architecture, engineering and technical skills 	<ul style="list-style-type: none"> ■ Identify and target emerging and growing animal health companies e.g. sensors, GMO ‘editing etc. ■ Key investment target - in a strong position to attract leading edge companies ■ MNE company efforts also relevant (see applicable section below)



Key Drivers	Perth County Value Chain	Opportunity
Large Company Attraction		
<ul style="list-style-type: none"> ■ Continued growth of largest agribusiness companies ■ Consolidation is an underlying theme in both farming and agribusiness ■ Increased investment activity in Food and agribusiness companies ■ Agribusiness shows higher returns than other sectors – average 17% increase 2004-2013 compared to 10% for Information Technology 	<ul style="list-style-type: none"> ■ MNE presence in key sub-sectors: ■ Ag-Co Products: farm equipment ■ Alltech: animal nutrition ■ Dow Agrosiences: crop science ■ Maple Leaf Foods (poultry slaughter) ■ Sofina: food processing ■ Parmalat, Arla Foods: dairy products 	<ul style="list-style-type: none"> ■ Highlights importance of retention and expansion activities ■ Leverage strengths in agribusiness base to bid for large FDI projects ■ Poultry and livestock slaughtering for larger companies, etc. ■ Larger companies with no presence in North America/Canada; particular opportunity for target markets such as Brazil



6.1.2 Food Processing

Key Drivers	Perth County	Opportunity
Fresh Food		
<ul style="list-style-type: none"> ■ Increased interest in local food, farm-to-table ■ Increasing demand for fresh and organic produce ■ New and growing companies in frozen vegetables sector oriented towards healthy eating ■ Growth in freshly prepared convenience foods ■ Local food movement: - more products being introduced into market with local origin labels; increase in number of farmer's markets 	<ul style="list-style-type: none"> ■ Extensive primary producer activities ■ Prevalence of farmers' markets ■ Rural character of the region ■ Successful local gastro-marketing efforts ■ Integral part of Perth County's identity ■ Home to six farmer's markets ■ Significant compliment of fresh produce vendors (14 identified in value chain) 	<ul style="list-style-type: none"> ■ Freshly prepared convenience foods ■ Leverage fresh fruit & vegetables for frozen produce supply
Organic Foods		
<ul style="list-style-type: none"> ■ Niche product aggregation in organics, distributors: SunOpta, Tree of Life ■ More 'convenience organic' foods ■ Artisan, organic, and gluten free produce is a growing segment ■ Key product category among mainstream grocers ■ Germany has one of the largest organic sectors globally ■ Canada is a major importer of organic foods (4% global share) ■ Organic sales in Canada predicted to grow at a faster rate than United States, (9.1% f2009 – 2014) compared to 6.7% for the U.S 	<ul style="list-style-type: none"> ■ Prevalence of organics throughout value chain ■ Backed by certified organic farms e.g. Camperdown Farms, Willowgrove Hill ■ Willowgrove Hill recipient of Premier's Award for Agri-Food Innovation ■ German heritage ■ Locally branded sustainable produce e.g. Soiled Reputation ■ Laurier Centre for Sustainable Food Systems ■ Sustainable local food program at Conestoga College 	<ul style="list-style-type: none"> ■ Major aggregator distributors – SunOpta, Tree of Life (KeHE Distributors) or smaller equivalents ■ Use organic category to increase the region's food processing capacity ■ Target German, French and Italian organic food producers ■ Dairy substitutes – products based on Soy milk, rice, almonds etc. compliment to dairy sector ■ Snack foods and breakfast cereals ■ Specialist Importer, wholesale, and brokerage companies



Key Drivers	Perth County	Opportunity
Specialty/Niche Food		
<ul style="list-style-type: none"> ■ Rise of niche producers ■ Consumer interest in “foodie fare”, gastro-tourism, celebrity chefs ■ Emerging companies in non-alcoholic beverages – water, tea, energy drinks, etc. 	<ul style="list-style-type: none"> ■ Stratford at the county’s culinary heart ■ Perth County offers authentic culinary experience of the region with world-class chefs ■ Specialty cheese products: Specialty cheese producers: Shepherd Gourmet Dairy, Festival City Dairy (St. Mary’s) ■ Specialty meats: water buffalo, , ■ Market gaps: Non-alcoholic beverage categories – specialty tea, water etc. ■ 28 culinary programs available at Fanshawe College and Conestoga College 	<ul style="list-style-type: none"> ■ Use specialty category to build awareness and increase the region’s food processing capacity ■ SME specialist food distributors
Meat Products		
<ul style="list-style-type: none"> ■ Importance in the supply chain with many finished products derived from meats ■ Supply-managed commodities/import controls means partnership or setting up a facility is the only way to market entry ■ Growing markets in pet food 	<ul style="list-style-type: none"> ■ A substantial primary producer base ■ Four Corners Poultry major supplier to Cargills and MacDonalds ■ Specialty producers: bison, elk ■ Two federally certified plants ■ Cold storage facility: Listowel Cold Storage ■ Market leaders Maple Leaf Foods ■ Regional companies – Erle Meat Products, Sofina Foods 	<ul style="list-style-type: none"> ■ Augment sector through freshly prepared foods, finished products – sausages, etc. ■ Fill market gaps: food service, co-manufacturing, private label ■ Foreign meat producers seeking market entry ■ Pet foods has synergies with primary producer base ■ Leverage Listowel Cold Storage



Key Drivers	Perth County	Opportunity
Dairy Produce		
<ul style="list-style-type: none"> ■ Growth in dairy substitutes, specialty etc. ■ Major FDI investments in North America – Muller, Chobani etc. 	<ul style="list-style-type: none"> ■ A substantial primary producer base ■ Specialty producers: water buffalo, goat ■ Major anchor MNE companies, Arla Foods, Parmalat ■ Specialty cheese producers: Shepherd Gourmet Dairy, Stonetown Art Cheese, C'est Bon cheese ■ Distributor: Festival City Dairy (St. Mary's) 	<ul style="list-style-type: none"> ■ Build dairy sector through targeting growth product categories: Dairy substitutes – products based on Soy milk, rice, almonds etc. ■ Leverage specialty food/organic strengths
Food Processing Value Chain Development		
<ul style="list-style-type: none"> ■ Access to primary producer supplies ■ Agribusiness logistics focus on areas close to supply chain (both inputs and markets) ■ Supply chain – just in time ■ Emergence of joint distribution, packing, production other JVs between domestic and international food companies ■ Increasing globalization of food sector ■ Low-cost/low-risk market entry as alternative to large-scale foreign direct investment ■ 	<ul style="list-style-type: none"> ■ Supply chain: primary producers ■ Sole company representation in a number of key product categories: ■ Processed Fruits and Vegetables: Richardson Foods Division of Canada (Heinz) ■ Confectionery: Solis Foods ■ Specialty Bakery: Guenther's Bakery, Fresh Start bakery ■ Food service: Stonetown Supply Services, Sofina serves this market ■ Market gaps: ■ Co-manufacturing/packing, private label manufacturing ■ Ingredients ■ Health foods, supplements: Nutrition programs/research/graduates ■ Other market gaps represented in specialty, organic 	<ul style="list-style-type: none"> ■ Ingredients: expertise in crop science, grain mills presence (corn based products) ■ Co-manufacturing/packing, private label, food service: proximity to inputs ■ Health foods, supplements: leverage organics sector ■ Focus on attracting businesses that are complementary existing operations, to strengthen the local food sector value chain ■ Target companies - mission critical to be in proximity to inputs, storage and distribution ■ Promote Perth County's supply chain strengths (primary producers, fresh/organic produce)



Key Drivers	Perth County	Opportunity
	<ul style="list-style-type: none">■ The Food Institute at the University of Guelph■ Conestoga College - The Craig Richardson Institute of Food Processing Technology■ Operational aspects such as quality assurance, hygiene, safety, production management at Conestoga College University of Guelph and Brescia University College■ Advantage in skills and capabilities to support multiple phases of the food value chain – from production (e.g. dairy, grain) to processing to distribution	



6.2 Further Sector Development – Medium Term Opportunities

Key Drivers	Perth County	Opportunity
Food Science: Testing/Safety Services		
<ul style="list-style-type: none"> ■ Support services for consistent, transparent, and science-based frameworks for regulating food safety, reliable processes ■ Consumers concerned about where food comes from, how its production has impacted environment, how close final product is to its raw ingredients, how its purchase affects the income of the producers down the product development chain 	<ul style="list-style-type: none"> ■ Synergies with crop science and animal health company base ■ Extensive regional research capacity: Canadian Research Institute in Food Safety (CRIFS), The Food Institute at the University of Guelph Agriculture and Food Laboratory ■ 127 biological science/chemistry education programs ■ Food science programs at all academic levels – certificate to Doctorate - at The University of Guelph ■ Food safety/Quality Assurance programs at University of Guelph ■ High number of residents with architecture, engineering and technical skills 	<ul style="list-style-type: none"> ■ Extend science base in the region: crop science, animal health, R&D capacity, labour pool, to develop this sector



Key Drivers	Perth County	Opportunity
Agribusiness Machinery Manufacturing		
<ul style="list-style-type: none"> ■ Increasing demand for food and biofuels, driving machinery and equipment sales ■ Rise in automation and technology in food production ■ Automated, factory-like farm is on the horizon with new developments in robotics (hardware) ■ EU by far largest manufacturer of food processing equipment. Germany dominates production, followed by Italy, France and the Netherlands 	<ul style="list-style-type: none"> ■ Farming activity in Perth County ■ Agricultural machinery manufacturers: specialists e.g. Mitchell Mill Systems, Nuhn Industries ■ Food processing machinery – Linde Canada (MNE – Stratford) ■ Automation capabilities through INNO-TECH – Stratford ■ German heritage in region ■ Nearly 150 engineering and trades programs provided by post-secondary institutions, including 26 graduate programs ■ Conestoga College recently received \$540,000 award for automation in food processing ■ Programming in automation and robotics at Conestoga College ■ 2,536 graduates in subject areas related to manufacturing ■ The Robotics Institute of Guelph ■ 12 advanced manufacturing R&D institutes 	<ul style="list-style-type: none"> ■ SOMA strategy sees food processing machinery as an opportunity area ■ Mature markets – focus on emerging areas such as robotics ■ Synergize with agricultural machinery distribution/vendors ■ Possible alignment in food processing with Conestoga College award
Agribusiness Supply Chain Logistics		
<ul style="list-style-type: none"> ■ Movement of commodities helps capture more value from agribusiness ■ Shifts in consumer eating habits, need for transparency, changes in where and how consumers want food to be available ■ Smaller, closer-to-market and more 	<ul style="list-style-type: none"> ■ Five specialist livestock haulage companies ■ Parks Livestock is a leading company in North America ■ JNB Heavy Haul moves very large agricultural machinery ■ Listowel Cold Storage provides 	<ul style="list-style-type: none"> ■ Leverage Listowel Cold Storage ■ Investigate potential of attracting temperature controlled services



<p>responsive distribution and consumption sites</p> <ul style="list-style-type: none"> ■ More facilities due to the need to be closer to customers. ■ Disruptive transportation modes are emerging: Uber Fresh Food delivery service, drones, and driverless trucks ■ Technology facilitating efficiencies in value chain - distribution management systems, mobile applications, and advanced analytics. ■ Sustainable Logistics gaining in importance 	<p>temperature controlled storage – key value add - capture more value from agribusiness</p> <ul style="list-style-type: none"> ■ Small number of local dry goods logistics companies ■ Lack of temperature controlled services ■ No representation in logistics apps/software ■ Possible synergies with neighbouring auto cluster for driverless vehicles 	
Bioproducts		
<ul style="list-style-type: none"> ■ New technology innovations are driving growth ■ Importance of sustainable packaging to consumers: preferences shifting towards eco-friendly packaging ■ Eco-packaging/bio-based and renewable raw materials are key growth areas ■ Growing prominence of bioplastics ■ Adoption of green procurement policies ■ Intelligent packaging technologies are emerging. Enormous potential in agrifood industry to improve safety, quality, and traceability of food products, and convenience for consumers ■ Ontario Greener Diesel Regulation. Mandate for biomass-based diesel blends increased from 2% in 2014/15 to 3% in 2016 and 4% in 2017 	<ul style="list-style-type: none"> ■ Abundant and low-cost feedstock – high concentration in farming activity ■ Surface Green Solutions, Norampac St. Mary's (Cascades) and recyclables leaders ■ Links to Agribusiness through waste to energy (hog production) and biofuels ■ Biomass producers: Gildale Farms, Athlone Bio Power (Stratford) ■ Centre for Advanced Materials and Biomaterials Research (CAMBR) University of Waterloo ■ Centre for Agricultural Renewable Energy and Sustainability (CARES) University of Guelph ■ Materials science programs at all levels 	<ul style="list-style-type: none"> ■ Capitalize on growing market segments through company presence, local inputs and research expertise ■ Bioplastics identified as having 'good' potential in SOMA strategy ■ Alignment with SOMA strategy



6.3 Long Term Opportunities

Key Drivers	Perth County	Opportunity
Water Technologies (Environmental)		
<ul style="list-style-type: none"> ■ Intersection of the Global Food, Energy & Water Crises ■ Agribusiness – major user of water. ■ Mounting global pressures on water supply driving radical change and creating opportunities for technology development 	<ul style="list-style-type: none"> ■ Specialist farm drainage companies ■ No other representation in water technology expertise ■ Considerable water research capacity in the region: Six R&D centres including the Water Institute (Waterloo), Ontario Rural Wastewater Centre (Guelph) ■ Multiple combined degree programs in water at The University of Waterloo 	<ul style="list-style-type: none"> ■ Wastewater to energy solutions from food processing activities ■ Irrigation technologies
Energy		
<ul style="list-style-type: none"> ■ Agribusiness based renewable energy – additional revenue stream for farmers, FIT program ■ Conflict between food supply and energy ■ Energy storage identified as having 'good' potential in SOMA strategy but no rationale provided in terms of the Region 	<ul style="list-style-type: none"> ■ Limited renewable energy company representation: handful of small companies providing geothermal, solar, biomass ■ Tradewinds Energy is the sole energy efficiency provider ■ No expertise in energy storage identified but farms may be deploying this technology ■ Perth Environmental provides specialist waste management services to the food industry 	<ul style="list-style-type: none"> ■ Renewable Energy Technology has the potential to cross-cut other manufacturing sectors, such as those in Machinery and Equipment ■ Links to Agribusiness through waste to energy (hog production) and biofuels ■ Possibly underserved in energy efficiency solutions



7 An Action Plan for Perth County

Based on the evidence presented above, this strategy recommends three key strategic directions for Perth County Economic Development to undertake in the next five years. These directions will underpin how economic development activities are structured and include different actions that can increase the areas investment readiness, and its ability to support reactive and proactive approaches to investment attraction.

Three Strategic Directions		
Establish Formal Collaborative Working Relationships	Create Dedicated Investment Attraction Programming	Develop an Ongoing After Care Support Framework

Each strategic direction has an action plan with specific activities (recommended initiative). The priority, partners, and resources for each recommended initiative are identified, along with a high level assessment of potential resources required. Lastly, the final columns identify whether the current resources will support the recommended initiatives, or where the adoption of additional resources may be required.

The level of priority is based upon:

- Sense of urgency and level of immediacy indicated by the consultations and research
- Level of economic development potential and gain for Perth County and its partner Municipalities
- Feasibility and suitability based on local assets and SWOT analyses
- Resources required and value for output
- Logical sequence of actions



Priority levels are as follows:

- Ongoing = Current Action or Once Established
- Highest = Immediate
- High = Within One Year
- Moderate = Within 3 Years
- Long Term = Between 3-5 Years

Given fiscal restraint, limited funding resources, and competing priorities for core service delivery, these priority levels recommend a starting point, and may not indicate completion. It is recognized that some of the recommended initiatives may take 1-3 years to complete or may even span the life of the current strategy and be carried over into the next planning period.

Following this section is an Implementation Plan. This section provides an at-a-glance overview of the recommended initiatives below and maps them along a timeline in a Gantt chart format. This allows Perth County to identify areas of overlap in priorities and potential pinch points from a timing perspective. It also includes staff and financial resources to supporting budget planning.

7.1 Strategic Direction #1: Establish Formal Collaborative Working Relationships

Recommended Initiative	Partners and Priority	Resources Required (Currently Sufficient?)
<p>Formalize the Perth County Regional Economic Development Ecosystem</p> <ul style="list-style-type: none"> ■ Memorandum of Understanding 	<p>Local Municipalities</p> <p>Highest</p>	<ul style="list-style-type: none"> ■ In-kind administrative contributions from partners
<p>Commit to a Two Year Membership With SOMA</p> <ul style="list-style-type: none"> ■ look for opportunities to take on leadership roles and assist in driving the strategic agenda toward Perth County Target Sectors (underpinned by Agribusiness, Agriculture, and Food Processing) ■ Evaluate return on investment annually 	<p>SOMA</p> <p>Highest</p>	<ul style="list-style-type: none"> ■ Staff time of Economic Development Officer ■ Budget of \$30,000/ year ■ Budget of approx. \$5,000 for travel and per diem



7.2 Strategic Direction #2: Create Dedicated Investment Attraction Programming

Recommended Initiative	Partners and Priority	Resources Required (Currently Sufficient?)
<p>Create and Implement and Investment Attraction Business Plan</p> <ul style="list-style-type: none"> ■ Using the Opportunities Section of this report build a workplan that operationalizes opportunity areas with specific activities and approaches ■ A section on target audiences and markets should be included with a marketing plan outlining how audiences will be reached and by what means ■ The financial plan should further articulate how resource requirements outlined in this Strategy can be achieved along with identifying budget that can be secured from external sources ■ A proactive activities plan should be developed that identifies events and prospect touch-points to attend and who in the lead generation network will be used to facilitate (this component should draw on the detailed sector activities section below) ■ When examining which trade shows or sector activities to participate in, consider non-exhibiting options (e.g. walking shows and attending / organizing pre-set meetings) 	<p>Local Municipalities , SOMA</p> <p>Highest</p>	<ul style="list-style-type: none"> ■ Staff time of Economic Development Officer ■ In-kind administrative contributions from partners
<p>Identify Lead Generation Services and In-Market Consultants</p> <ul style="list-style-type: none"> ■ Investigate hiring of Lead Generation Consultants to source and vet leads and generate prospect investors 	<p>SOMA</p> <p>Moderate</p>	<ul style="list-style-type: none"> ■ Staff time of Economic Development Officer ■ In-kind administrative contributions from partners



Recommended Initiative	Partners and Priority	Resources Required (Currently Sufficient?)
<p>Source and Implement a Client Relationship Management System</p> <ul style="list-style-type: none"> ■ Investigate if any partners have Client Relationship Management (CRM) systems and opportunities to leverage or buy-in to these ■ Explore off-the-shelf solutions for suitability, such as Synchronist, Salesforce, Maximizer, Sage, Netsuite, etc. 	High	<ul style="list-style-type: none"> ■ Staff time of Economic Development Officer ■ In-kind administrative contributions from partners ■ Budget of \$10,000 which can include CRM licencing for one user ■ One time fees may be associated with buying in to CRM systems or purchasing new licencing
<p>Continue to Develop Lead Generation Network Connections for Perth County</p> <ul style="list-style-type: none"> ■ Build and maintain relationships with SOMA ■ Establish and grow relationships with contacts in OMAFRA, MEDEI, and MCST who have portfolios that reflect Perth's target sectors ■ Establish and grow relationships with contacts in the Canadian Trade Commissioner Service with portfolios that reflect Perth's target sectors ■ Develop relationships with influencers in commercial/industrial real estate and site selection ■ Develop relationships with industry association executives in target sectors ■ Identify and develop collaborative working relationships with other economic development organizations (e.g. Ontario Clean Tech Alliance, Ontario Food Cluster, etc.) ■ Establish connections with the investment and business finance community to leverage knowledge and opportunities 	Highest	<ul style="list-style-type: none"> ■ Staff time of Economic Development Officer ■ Budget of \$5,000/ year for travel and networking expenses (this can include minor domestic event registrations – e.g., Board of Trade or Chamber of Commerce activities, Industry Association networking events etc.) ■ Buy-in costs to regional initiatives – Budget of \$20,000 to \$100,000 depending on number of groups joined and ability to leverage matching funds through grants)



Recommended Initiative	Partners and Priority	Resources Required (Currently Sufficient?)
<p>Coordinate Strategic Familiarization Tours</p> <ul style="list-style-type: none"> Coordinate local tours for influencers and decision makers Including those in the lead generation network, business leaders in target sectors, industrial/commercial real estate agents, site selectors, entrepreneurs and innovators Investigate opportunities to leverage provincial and federal tours and participate in similar activities at regional scales 	Moderate	<ul style="list-style-type: none"> Budget of \$10,000 - \$25,000 depending on frequency of tours, level of travel and accommodation covered, and location of target audiences Staff time of Economic Development Officer In-kind contributions by partners
<p>Coordinate Trade/Investment Missions with Local Companies</p> <ul style="list-style-type: none"> Coordinate a group of local companies that are interested in market expansion/international trade and facilitate participation in mission activities along target sector lines Investigate programs to offset the cost of business participation 	Long Term	<ul style="list-style-type: none"> Budget \$20,000 to \$100,000 depending on number of external events and funds can be leveraged through joint initiatives Leverage ICCI and other grants to match funds
<p>Improve Online Presence</p> <ul style="list-style-type: none"> Increase the functionality and versatility of the website (look to locations such as Invest Medicine Hat, Quinte Region, City of Brampton, City of Hamilton, and Niagara Region) “Content is King” – it drives traffic to websites – an contracted copywriting specialist or internal capabilities are critical 	Moderate	<ul style="list-style-type: none"> Budget of \$15,000 for the investment attraction website plus \$4,000 for annual improvements Budget of \$15,000 per year for copywriting specialist Staff time of Economic Development Officer
<p>Conduct Local Industry Visits and Corporate Calling Initiative</p> <ul style="list-style-type: none"> Leverage connection with municipal partners and stakeholders to facilitate site visits to local companies in target sectors Ensure information and knowledge is captured through Business Retention and Expansion (BR&E) program (see next chart) 	High	<ul style="list-style-type: none"> Staff time of Economic Development Officer Budget for in-County travel



7.3 Strategic Direction #3: Develop Ongoing After Care Support Framework

Recommended Initiative	Partners and Priority	Resources Required (Currently Sufficient?)
<p>Establish a Formal Business Retention and Expansion (BR&E) Program</p> <ul style="list-style-type: none"> ■ Identify what municipal partners have formal BR&E programs in place ■ Investigate if any partners have CRM systems or opportunities to buy-in to these (See section action plan items above regarding CRM) ■ Identify all local businesses that operate within the target sectors and catalogue these through CRM ■ Leverage local knowledge and research to identify growth companies and important contacts ■ Establish an annual corporate calling initiative that gathers intelligence and identifies company needs and challenges ■ Coordinate local regulators to be prepared to respond proactively to expansion and location requirements 	<p>Local Municipalities</p> <p>Highest</p>	<ul style="list-style-type: none"> ■ In-kind administrative contributions from partners ■ Budget of \$10,000 which can include CRM licencing for one use (as per action plan above) ■ One time fees may be associated with buying in to CRM systems or purchasing new licencing (as per action plan above)
<p>Develop After Care Program</p> <ul style="list-style-type: none"> ■ Coordinate local business, immigration, and workforce development services to provide timely integration and a soft landing platform ■ Create a local welcoming program that includes local politicians and dignitaries, community champions, and corporate ambassadors ■ Assemble a group of various business services including accounting, taxation, finance, and legal professionals that can support business establishment in Canada ■ During international events make a point of visiting with head offices of locally established companies ■ Streamline new companies into the BR&E program for ongoing support and plan opening celebrations if desired (including local media exposure) 	<p>Local Municipalities</p> <p>High</p>	<ul style="list-style-type: none"> ■ Staff time of Economic Development Officer ■ In-kind contribution of partner resources ■ Minor local travel expenses (Budget estimated at \$1,500/year) ■ Potential minor marketing and promotional costs (Budget estimated at \$5,000/year)



8 Implementation Plan

This section provides an at-a-glance overview of the recommended initiatives above and maps them along a timeline in a Gantt chart format. This allows Perth County to identify areas of overlap in priorities and potential pinch points from a timing perspective. It also includes approximations of staff time and financial resources to supporting budget planning and coordination of activities.

8.1 Schedule and Required Resources

Action	Required Resources		Priority				
			Highest	High	Moderate	Low	Ongoing
			Immediately	Within One Year	Within 3 Years	Between 3-5 Years	Current Action or Once Established
* Resources are approximations	Financial*	Human*					
Establish Formal Collaborative Working Relationships							
Formalize the Perth County Regional Economic Development Ecosystem	Local travel	375 staff hours					
Commit to a Two Year Membership With SOMA	\$60k/2 years + \$5k travel and per diem	950 staff hours/year					
Create Dedicated Investment Attraction Programming							
Create and Implement and Investment Attraction Business Plan	n/a	750 staff hours					
Identify Lead Generation Services and In-Market Consultants	n/a	200 staff hours					
Source and Implement a Client Relationship Management System	\$10k + \$3k/year	100 staff hours					
Continue to Develop Lead Generation Network Connections for Perth County	\$5k/year + \$20-100/year	600 staff hours					
Coordinate Strategic Familiarization Tours	\$10-25k/year	200 staff hours					



Action	Required Resources		Priority				
			Highest	High	Moderate	Low	Ongoing
	Financial*	Human*	Immediately	Within One Year	Within 3 Years	Between 3-5 Years	Current Action or Once Established
* Resources are approximations							
Coordinate Trade/Investment Missions with Local Companies	\$20-100k/year	300 staff hours					
Improve Online Presence	\$15k + \$19k/year	100 staff hours					
Conduct Local Industry Visits and Corporate Calling Initiative	Local travel	400 staff hours					
Develop Ongoing After Care Support Framework							
Establish a Formal Business Retention and Expansion (BR&E) Program	\$10k/year plus local travel	750 staff hours					
Develop After Care Program	\$5k/year plus local travel	100 staff hours					

9 Performance Measures

The charts on the following pages outline performance measures under the following classification:

- **Output** – providing services or completing activities
- **Quality** – how well services are delivered and the extent to which clients are satisfied
- **Outcome** – results of a program activity compared to its intended purpose
- **Concordance** – effectiveness of organizational operations in terms of their specific contributions to program objectives

Each of the three strategic directions outlined for Perth County in the sections above are assigned their own set of measures according to the classifications outlined above. These are not meant to be finite, or exhaustive, as it is understood that Perth County staff will use this report as a living document, and updating and monitoring measures and results over time, and revising where appropriate.



9.1 Establish Formal Collaborative Working Relationships

Output	Quality	Outcome	Concordance
<ul style="list-style-type: none">■ Establish a Memorandum of Understanding (MOU) between Perth County Partners including Terms of Reference and Service Level Agreements that outline roles and responsibilities of member organizations■ Commit to a Two Year Membership With SOMA	<ul style="list-style-type: none">■ Positive reception by local business and community leaders■ Increase in coordinated multi-municipal and regional investment attraction activities■ Perth County taking an active leadership role in SOMA■ Investment Attraction and Lead Generation and Handling Protocol (MOU) successfully operated with partner organizations	<ul style="list-style-type: none">■ Clear understanding of how investment attraction marketing will be undertaken in Perth County■ Agreement amongst business and community leaders on the rationale behind the benefits of a regional approach and on the investment priorities identified in the Perth County FDI Strategy■ SOMA activities consistently align with Perth County FDI objectives■ Increase in bone fide investment interest in Perth County from external companies	<ul style="list-style-type: none">■ Consistency with local municipal objectives for increased investment■ Successful leveraging of local budget through senior levels of government



9.2 Create Dedicated Investment Attraction Programming

Output	Quality	Outcome	Concordance
<ul style="list-style-type: none"> ■ Create and Implement an Investment Attraction Business Plan ■ Identify Lead Generation Services and In-Market Consultants ■ Source and Implement a Client Relationship Management System ■ Continue to Develop Lead Generation Network Connections for Perth County ■ Coordinate Strategic Familiarization Tours ■ Coordinate Trade/Investment Missions with Local Companies ■ Improve Online Presence ■ Conduct Local Industry Visits and Corporate Calling Initiative 	<ul style="list-style-type: none"> ■ Investment Attraction Business Plan is approved through Council and being implemented ■ Municipal partner buy-in on key directions and objectives ■ Local businesses and industry partners see value in Perth County coordinated trade and investment missions ■ High quality and productive relationships with lead generators resulting in improved network positioning for Perth County ■ Stakeholders and local industry supportive of familiarization tours ■ Local businesses and industry partners see value in Corporate Calling Program ■ Increased willingness of business leaders to participate in County activities and act as industry ambassadors and local champions 	<ul style="list-style-type: none"> ■ New high quality Lead Generation Services have been incorporated into planning activities in target markets ■ Increased participation in trade and investment missions by local businesses in target industries ■ Higher volumes of qualified investment leads generated through the lead generation network ■ Improved awareness of the Perth County value proposition, industry strengths, and local assets by target investors and lead generation network actors through successful annual familiarization tours ■ Increased traffic and investment inquires driven through improved online presence ■ Increased bone fide investment opportunities being considered in Perth County ■ Improved Win/Loss Ratio 	<ul style="list-style-type: none"> ■ Partner organizations are adopting supporting roles in implementing business plan ■ Successful leveraging of local budget through senior levels of government ■ Successful leveraging of inter-regional partnerships (e.g., SOMA) to achieve investment attraction targets ■ Dedicated annual budget funding to adequately support strategic objectives ■ CRM has been adopted and implemented in Perth County with operational budget allowance ■ Increased coordination of local business intelligence and support internally through inter-municipal and inter-departmental cooperation



9.3 Develop Ongoing After Care Support Framework

Output	Quality	Outcome	Concordance
<ul style="list-style-type: none">■ Industry analysis and engagement process completed identifying best opportunities for encouraging growth and key business leaders for supporting initiatives and investments	<ul style="list-style-type: none">■ Local business leaders are satisfied with business retention and expansion efforts and service provided■ Local business leaders turned into Champions and Ambassadors that supports investment attraction and increased awareness of Perth County as an ideal business location	<ul style="list-style-type: none">■ Established formal Business Retention and Expansion Program that gathers intelligence and identifies company needs and challenges■ Database of all local businesses that operate within the target sectors■ Coordinated initiative where local business, immigration, and workforce development services are providing timely integration and a soft landing platform	<ul style="list-style-type: none">■ Increased involvement with local business community and successful coordination with local regulators and municipalities on business expansion and investment readiness