

Chapter Lessons

CHAPTER 1: Understanding Investment

- The reasons why a community will engage in the numerous types of investment activities vary greatly. Each community is unique and will have their own reasons for actively engaging in investment tactics.
- FDI is broken down into four main categories – resource seeking, market seeking, efficiency seeking and strategic asset seeking.
- The birth and growth of technology and globalization has truly brought products and services to our finger tips from around the world. This has translated into increased competition.
- Worldwide FDI flows rose moderately to \$1.24 trillion in 2010, which is still approximately 15% below the pre-crisis average (2000 – 2007).
- More communities are looking into sister city agreements and “twinning” relationships to help build strategic alliances with foreign regions.
- Incentives can be important, but they’re not the number one factor in an investment attraction strategy.
- It is becoming more common for communities to take on regional or provincial approaches and strategies to entice investment.
- Investment will more likely come to a community that’s prepared. A community must have the essential documents with the pertinent information readily available.
- FDI can elicit technology advancements, assist in human capital development, help to create and enhance a more competitive business environment and will work to augment the current and future enterprise developments.

CHAPTER 2: Know Your Community

- The first step in understanding a community’s investment readiness is to take the Self-Assessment.
- A community profile is an essential tool for economic development.
- A community profile should include information on:
 - Community overview
 - Population
 - Labour Force
 - Education
 - Physical characteristics
 - Government
 - Taxation
 - Transportation
 - Utilities
 - Map
 - Quality of life
- Communities should consider incorporating the International Site Selection Data Standards (1,200 data points broken into 25 different categories).
- Land inventory is a crucial piece of information that is required by investors.
- Shovel ready sites are becoming more common and are considered to be a competitive advantage.
- Communities should have a separate, dedicated investment-focused website.

CHAPTER 3: Investment Strategy

- Assessing a community’s investment needs and its potential is an important aspect for every economic development organization.
- Take the time to evaluate global and regional FDI trends.
- A SWOT analysis is a breakdown of a community’s internal strengths and internal weaknesses, as well as, the evaluation of a community’s identified external opportunities and threats.
- A SWOT analysis is instrumental in strategy development and selection.

- Analysing industry sectors is an excellent method to establish and maintain effective programs based on economic opportunities, constraints and the needs of the community.
- Targeting geographic sources of investment is essential to narrowing down the areas and industries that make economic sense for a community.
- A successful investment strategy requires clear strategic direction and an effective marketing plan.
- There are many strategies for marketing a community; a marketing plan should identify only those that will work for the community.

CHAPTER 4: Investment Generation

- It is important for a community to develop a method to control and track investment.
- An effective system will help to streamline the process, provide clear historical information, eliminate errors and provide a mechanism for follow up.
- A lead generation database must be maintained and continuously updated.
- The contacts in the database should be prioritized to identify real targets.
- Investment generation targets the specific industries or companies a community has identified as potential investment opportunities.
- Measuring success is an important issue in economic development.
- Regardless of the metrics community chooses, the investment strategy should be used as a basis.

CHAPTER 5: Familiarization Tours

- The first point of contact should be the community's economic development professional.
- Communities should be prepared with the information specific for each different business case brought forward.
- The community must be fully prepared to respond to any prospect that approaches them for information.
- What the community has defined as appropriate investments will lay out the foundation for potential investment opportunities.
- The ability to provide information in the way it was requested can actually enable an EDO to make a more significant impression and have a better chance of winning the project.
- The community should be well prepared with the type of information the investor is looking for during the Familiarization Tour.
- Anything a community can do to create the "VIP" aspects within a potential investor's mind will help them to picture what it would be like to make the investment in the community.
- The purpose of a Familiarization Tour is to introduce prospective investors to the community/ region and to make the case for the investment.
- Familiarization Tours are effective in showcasing location and resources but are an invaluable opportunity to establish personal relationships with potential clients.
- Understanding what the client needs after a Familiarization Tour is important.
- Ensure every Familiarization Tour is followed up.
- Aftercare is the provision of services offered aimed at facilitating new investment along with encouraging and ideally securing incremental investments by existing investors.