

# GOVERNOR'S CONFERENCE ON ECONOMIC DEVELOPMENT

BEST IN MIDWEST



TALENT FOR TOMORROW

***Missourians deserve to have the  
best economic development  
agency in the Midwest.***

8

out of 14  
for wage growth



**9** out of 14  
for job growth





**10,668**  
**jobs is not enough**



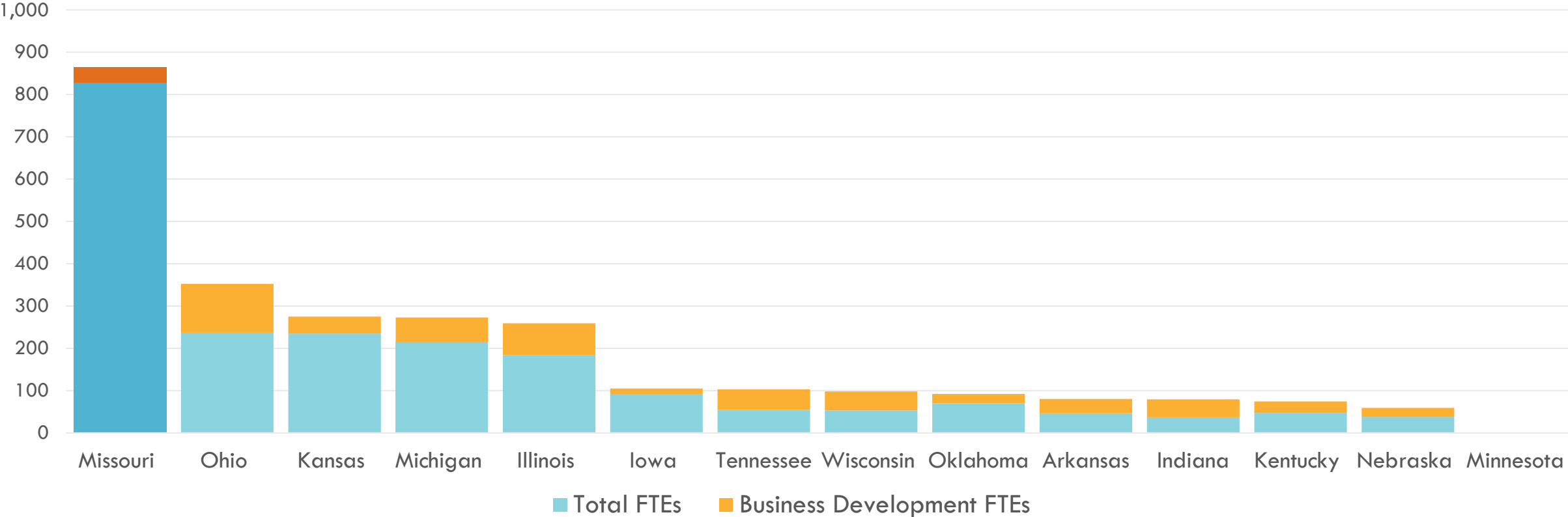
especially when first place is

26,397



# *Missouri has the largest economic development agency in the Midwest.*

FTEs Allocated to Business Development by Agency

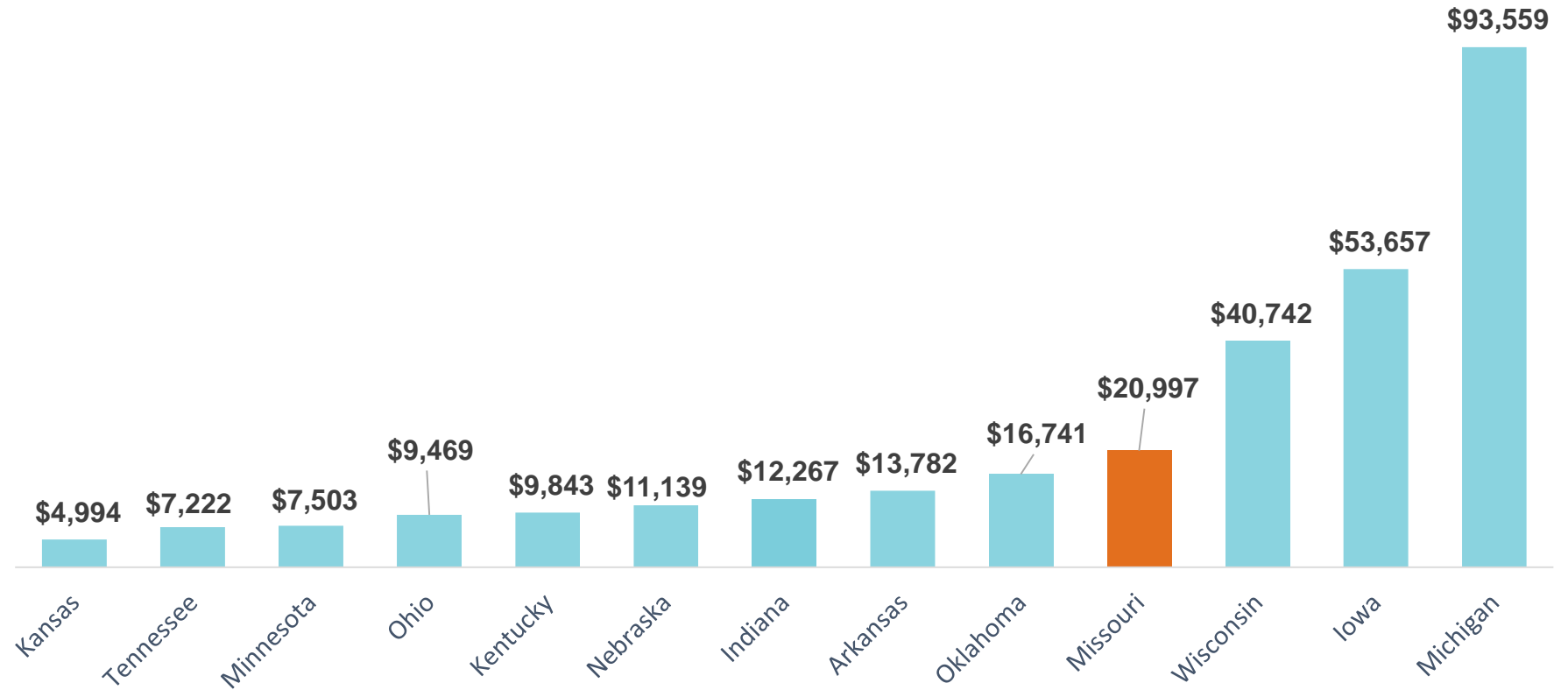




# Missouri spends more per job than all but three peer states.

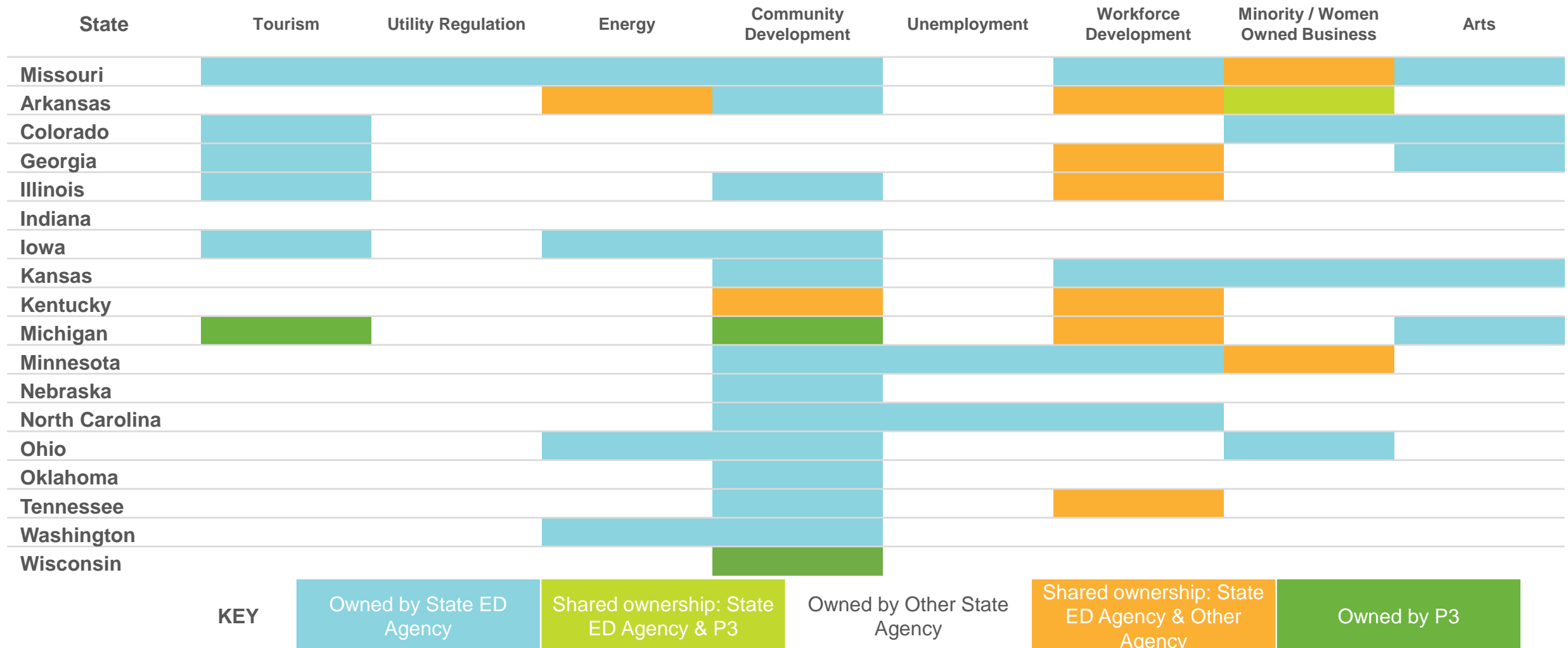
State	ED Agency Incentive Spend (\$)
Nebraska	\$40,000,000
Kansas	\$47,000,000
Minnesota	\$59,000,000
Arkansas	\$70,000,000
Oklahoma	\$109,000,000
Iowa	\$146,000,000
Tennessee	\$165,000,000
Kentucky	\$171,000,000
Ohio	\$207,000,000
<b>Missouri</b>	<b>\$224,000,000</b>
Indiana	\$315,000,000
Wisconsin	\$1,107,000,000
Michigan	\$3,495,000,000

## Incentive Spend per Job (\$)

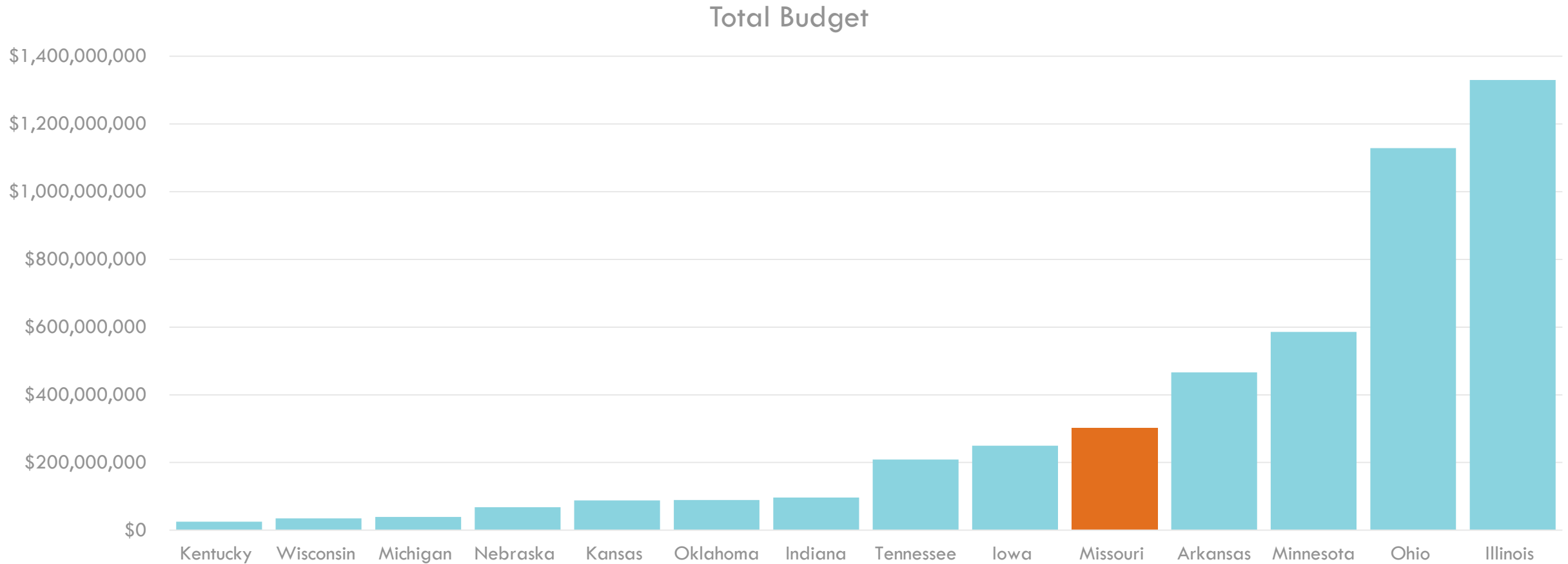


Incentive spend data from IncentivesMonitor database on state economic development expenditures (2015-2017 average)

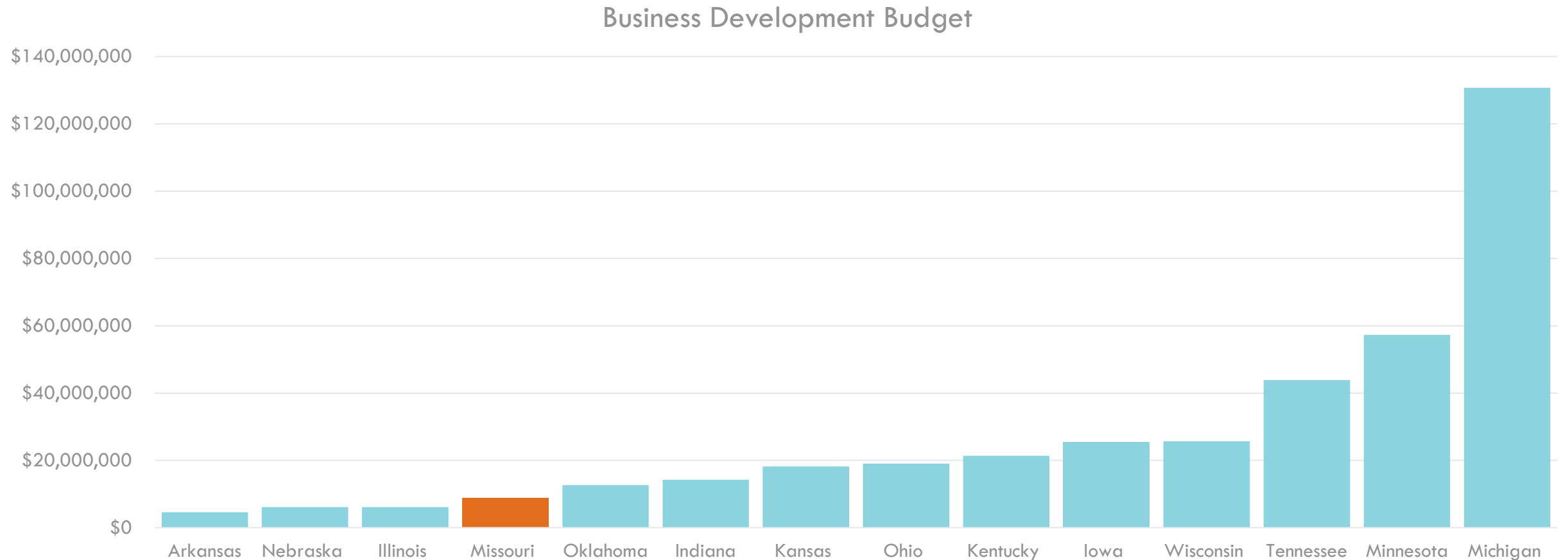
# *But, we also house more functions than other peer agencies.*



# *DED's budget is in the ballpark of peers, but split among many functions*

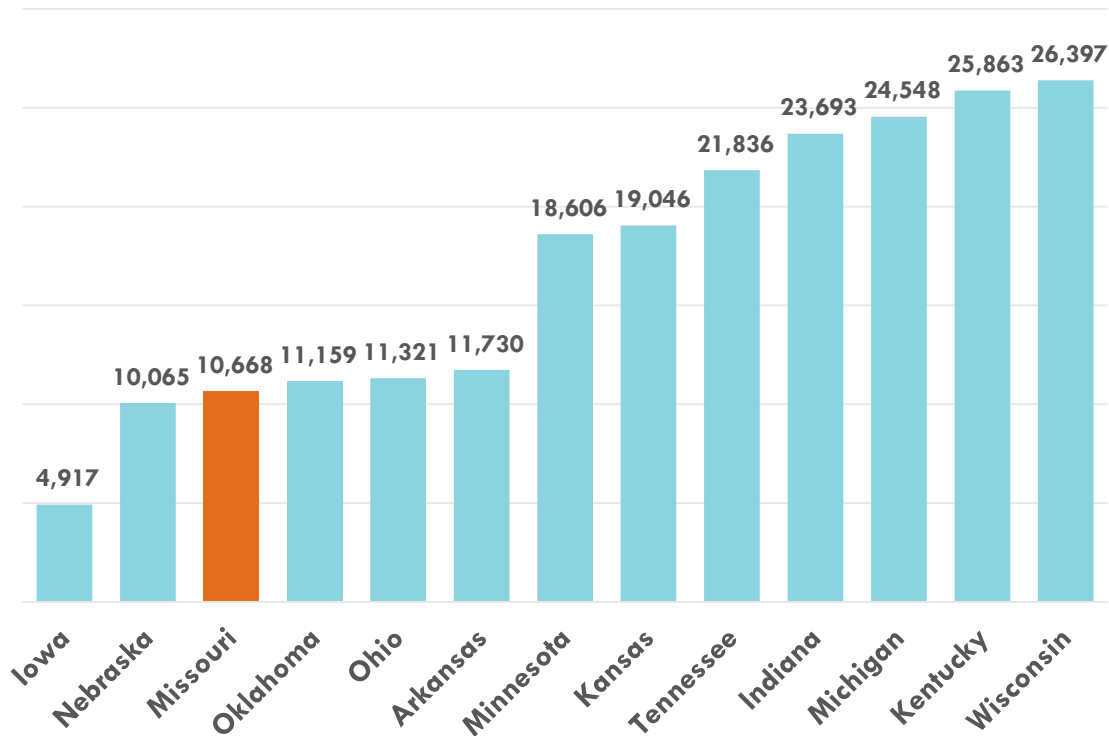


# *DED's business development budget is below most Midwestern peers*



# A focus on business development clearly matters

**Jobs Facilitated from ED Agency Activity**  
(#, weighted by workforce size only)



	Total FTEs	Bus. Dev. FTEs*	Percent Bus. Dev.
Indiana	79	42	53%
Tennessee	103	49	48%
Wisconsin	98	45	46%
Arkansas	80	34	43%
Kentucky	74	27	36%
Nebraska	59	21	36%
Ohio	352	115	33%
Illinois	259	75	29%
Oklahoma	92	22	24%
Michigan	273	59	22%
Kansas	275	40	15%
Iowa	105	13	12%
Missouri	865	36	4%

# Business Development Staff

Midwest

31%

Missouri

4%

# Business Development Budget

Midwest

20%

Missouri

3%

# Total FTEs

Midwest

208

Missouri

865



# Total FTEs

**Midwest**  
without Missouri

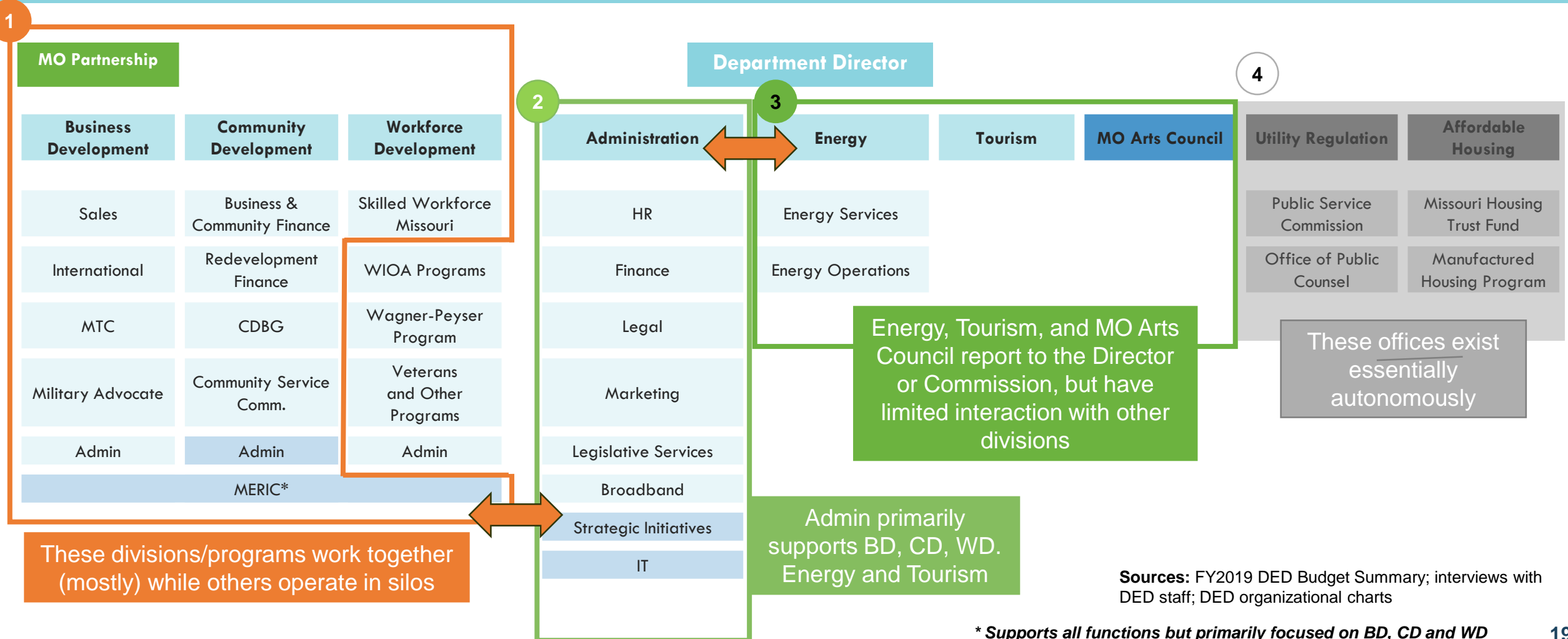
**154**

**Missouri**

**865**

***There's no way to make these next charts look pretty.***

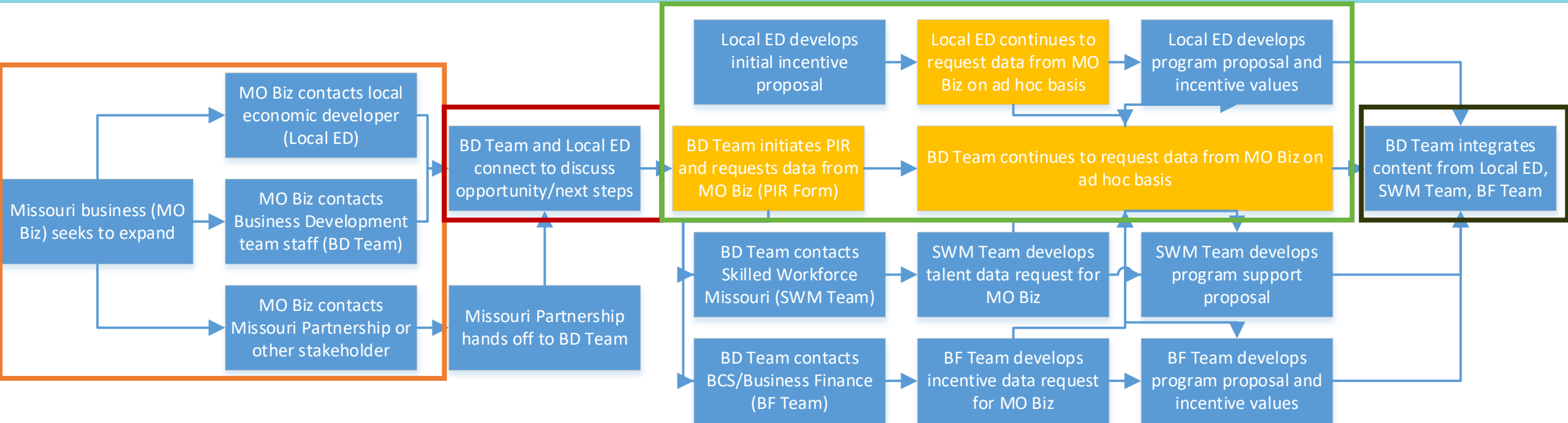
# This is our current structure.



Sources: FY2019 DED Budget Summary; interviews with DED staff; DED organizational charts

\* Supports all functions but primarily focused on BD, CD and WD

# *This is our current process for a business expansion.*



## Potential challenges

Unclear initial point of contact and customer handoffs

No initial meeting of all applicable team members

Multiple data requests sent to customer; forms not customer-friendly; duplicative information sometimes requested; requested information may not be necessary

Poor deadline coordination

Source: Interviews with DED staff

***That's the process for just ONE of our customers.***



***Let me be clear.***

***We have a passionate, hard working team.***



***We've had 7 different leaders in the last 10 years.***

# *We don't have the tools that we need to be successful.*

<b>Technology type</b>	<b>Third Party Assessment</b>
<b>Customer relationship management tools</b>	<i>Outdated and underperforming</i>
<b>Data analysis tools</b>	<i>Outdated and underperforming</i>
<b>Data transparency and visualization tools</b>	<i>Outdated and underperforming</i>
<b>Databases and data management tools</b>	<i>Room for improvement</i>
<b>Web-based client information forms</b>	<i>Mostly unavailable</i>

# *We haven't given them clear direction.*

Key component	Guidehouse Assessment
Mission and vision	<ul style="list-style-type: none"><li>• Statement of purpose exists, but doesn't guide the organization</li></ul>
Annual strategic planning process	<ul style="list-style-type: none"><li>• No formal annual strategic planning process</li><li>• Some Divisions set annual strategy, but process is ad hoc</li><li>• Divisions do not coordinate on planning</li></ul>
Department-level goals	<ul style="list-style-type: none"><li>• No cross-DED performance goals</li></ul>
Division-level targets	<ul style="list-style-type: none"><li>• Divisions set targets ad hoc</li><li>• Some may not set annual targets</li></ul>
Individual performance targets	<ul style="list-style-type: none"><li>• Some Divisions set individual performance targets, but not required</li><li>• Employees held accountable to few or no metrics</li><li>• Monthly check-ins on professional development</li></ul>
Performance management system	<ul style="list-style-type: none"><li>• No benchmarking</li><li>• No formal process to evaluate progress toward organizational goals</li><li>• Little to no changes in operations to adjust performance mid-stream</li></ul>
Public dashboards	<ul style="list-style-type: none"><li>• No public dashboards of core DED metrics</li><li>• Public gets most information through website and mandatory reporting</li></ul>

***It's time to change, and we're finalizing plans to do just that right now.***

**The New DED**

**will be**

**Regionally  
Targeted**

**Customer  
Centric**

**Data  
Driven**



and

**Laser Focused**

# *Next Steps – Finalized in Next Month*

- Administrative – Implementation beginning shortly
- Executive – Working with the Governor's Office and Cabinet now
- Legislative – Will bring recommendations as needed before the General Assembly

# *Compete to Win Panelists*

- Tim Arbeiter, Director of Broadband, Missouri Department of Economic Development and President, Missouri Economic Development Council
- Jessica Craig, Executive Director, Sedalia-Pettis County Economic Development
- Jonas Arjes, Executive Director, Taney County Partnership
- Scott Sattler, Executive Director, Perry County Economic Development Authority
- Lori Becklenberg, Vice President of Economic Development, St. Louis Regional Chamber