

# BUSINESS OREGON



# Why strategic planning?

- We didn't have one. Agency needs clear articulation of what our role is, what we do, where can we have most impact.
- Limited resource environment, must show focus and efficiency.
- Changing economic environment, new challenges and opportunities.
- Silos existed within agency; opportunity to create shared vision and address cultural issues.

## Phase 1: Clarity



### Insights

What economic trends do we need to consider, and what stakeholder perceptions about Oregon and the agency exist?



### Vision

What is the ideal future state we are trying to create?



### Mission

What is our purpose? What are we here to make happen?



### Values

What is our internal vision and the fundamental beliefs that shape how we work together and serve our mission?

## Phase 2: Focus & Action



### Priorities

What must be accomplished over the planning horizon?



### Strategies and Actions

What collective actions do we need to take to deliver on our Imperatives?



### Metrics

How will we measure success?

- 70 stakeholder interviews
- 6 stakeholder focus groups (8-12 in each)
- 281 stakeholders took survey
- 3 Advisory Committee meetings
- 2 staff surveys
- 4 staff town hall meetings
- 2 staff values workshops

## **VISION:**

Prosperity for all Oregonians

## **MISSION:**

Invest in Oregon businesses, communities,  
and people to promote a globally competitive, diverse,  
and inclusive economy

# Values

- **Agile**

We adapt, affect change, and move at the speed of business.

- **Accountable**

We are dependable experts in our field who act with integrity, and seek opportunities for continued learning.

- **Collaborative**

We solve problems through partnerships and seek opportunities to build effective coalitions.

- **Respectful**

We are attentive and courteous, and we value our customers and partners.

- **Pioneers**

We take on challenges with initiative, persistence, and the will to forge ahead toward a prosperous future.

# Qualitative Insights: Perceptions

- Statewide Issues
  - Oregon Has Tremendous Economic Potential
  - Oregon Government/Policy is Unfriendly to Business
  - Rural Inequity Persists
- Organizational
  - Agency Lacks Focus and Consistent Leadership
  - Internal Silos are an Impediment to Smooth Operations and a Common Culture
  - Business Oregon is a Capable Financial Steward, Reliable Program Manager & Relatively Nimble Agency
- External Services
  - Muddled Brand and Uncoordinated Service Offerings
  - Business Oregon has a Respected, Passionate Staff
  - Agency could Provide More Leadership on Statewide Economic Issues

# Quantitative Insights: Data/Trends

- High-value innovative industries are concentrated, and not in rural areas.
- Small and “middle market” firms create most job growth.
  - 72% of jobs from come from fast-growing small to medium-sized businesses.
- Nationally, -21% decrease in manufacturing jobs, while 21% increase in output.
  - Automation, trade, policies (i.e. Timber).
- Startup births slowing and not scaling as well past.
- People of color driving population growth, but employment and wages lag.

# The Plan

- **Phase II - “Focus and Action”** based on the insights of **Phase I**.
  - **Priorities**
  - **Strategies and Action**
  - **Metrics** to measure success

# Priority: Innovate Oregon's Economy

## Why it's important:

Innovation drives long-term economic competitiveness

- **Attracts talent**, creates high-wage jobs
- Creates **new companies** and **industries**
- Ultimately **drives growth**

## Oregon's 2016 Innovation Scorecard

Indicator	10-yr Trend	Relative to U.S. Average (latest yr)	Latest National Ranking
Patents	↑	↑	6
R&D Investments	↑	↑	10
Venture Capital Investments	↓	↓	18
New Company Creation	↔	↑	17
Manufacturing GDP	↑	↑	2
High Tech Employment	↓	↑	15
Educational Attainment	↑	↔	17
STEM Workforce	↑	↑	15
Migration of Knowledge Workers	↑ <sup>1</sup>	↔	24

# Priority: Innovate Oregon's Economy

## Strategies:

- Expand Oregon's research and development capacity.
- Increase access to capital for high-growth startups.

## Action examples:

- Elevate *Oregon Innovation Plan* to guide state funding/policy proposals
- Shared R&D facilities (expand on OMIC and Food Innovation models)
- Targeted Oregon InC and Oregon Growth Board investments

# Priority: Grow Oregon's Businesses & Industries

## Why it's important:

72% of jobs from come from fast-growing small to medium-sized businesses.

- Oregon is concentrated in these firms, and they're growing faster.
- Inherent advantages exist in Oregon.  
(global location, quality products, competitive industries)

Agency tools and programs uniquely suited to impact small and medium businesses.

# Priority: Grow Oregon's Business & Industries

## Strategies:

- Scale middle-market companies by increasing access to new sales markets.
- Enhance the competitiveness of middle-market manufacturing companies.
- Attract business and foreign direct investment to grow target industries.
- Align infrastructure investments to better promote business growth.

## Action examples:

- Export “valet” services.
- FDI to bring new technologies or merger/acquisition opps. (ex: St. Cousair)

# Priority: Rural Economic Stability

## Why it's important:

Employment and population decline or stagnation:

- Rural empl. -1.4% over 10 years (2.4% growth nationally).

High poverty rates, decline of manufacturing and forestry/wood products

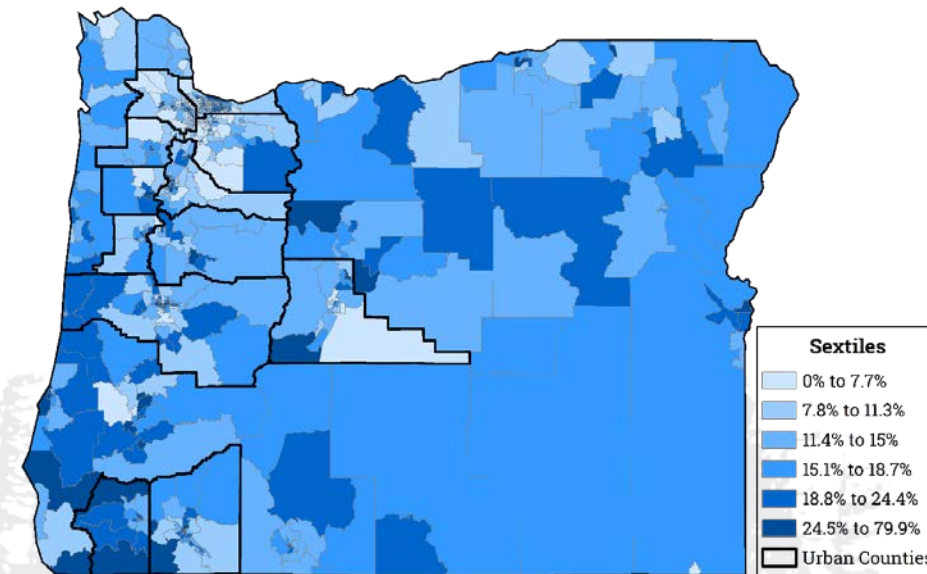
- Wood products and forestry lost 4,300 jobs past 10 yrs.

Modern industry increasingly urban:

Advanced technologies and services, infrastructure, skilled workers.

Perception of an agency focus on urban instead of rural.

Percent of Population in Poverty, 2015



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates.

# Priority: Rural Economic Stability

## Strategies:

- Enhance local economic development capacity (research, strat plan, biz marketing).
- Promote entrepreneurship and small business growth.
- Expand business development to include non-traded sector.
- Connect rural communities to urban markets through infrastructure investments.

## Action examples:

- Scale main street businesses into traded-sector (new products; more markets).
- Expand InventOR program; increase student entrepreneur capacity at local CCs.
- Invest in arts/culture to promote tourism and create vibrant local communities.

# Priority: Economic Opportunity for Underrepresented People

## Why it's important:

People of color driving population growth.

In Oregon, people of color earn significantly less than the average industry wage in most sectors. **Black Oregonians earn 78%, Hispanic 70% of total average wage.**

Minority-owned companies in the U.S. are **22% less likely to receive venture capital.**

Oregon lags behind the nation in minority firm ownership.

# Priority: Economic Opportunity for Underrepresented People

## Strategies:

- Connect people of color, immigrant populations, and native/tribal communities to quality jobs.
- Foster wealth creation for underrepresented populations.

## Action examples:

- Seek public benefits through use of agency business loans, grants, and incentives agreements.
- Oregon Growth Fund (impact investing model).
- COBID → increase in pub contracting, not just certification.

# Priority: Ensure an Inclusive, Transparent, and Fiscally Healthy Agency

## Why it's important:

Stakeholder feedback from phase 1:

- Audit findings and stakeholder perceptions show we should increase transparency of investments.
- Siloed teams and muddled brand.

82% of internal staff felt we can do better relative to diversity, equity, and inclusion.

# Priority: Ensure an Inclusive, Transparent, and Fiscally Healthy Agency

## Strategies:

- Be transparent, accountable and a good steward of public resources.
- Be a sustainable and cohesive agency where all employees feel valued and understand how they contribute to our mission.
- Be a welcoming agency that empowers employees and is inclusive of Oregon's cultural diversity.

## Action examples:

- Conduct routine internal audits and reviews of key programs
- Create and implement DEI plan; launch internal DEI council
- Pop-Up offices throughout state

# Shift in Agency Priorities

- Elevate state investments in innovation.
- Scale small- and medium-sized companies.
- Build local capacity in distressed rural communities.
- Commit to equitable economic outcomes for people of color, immigrants, native/tribal populations.
- Align infrastructure to support economic growth, particularly in rural Oregon.

# Shifts in Agency Approach

- **Commit agency to better meet regional needs.** Oregon not a single economy, but a collection of unique economic regions.
- **Adopt a partnership approach** to service delivery. Establish new, lasting networks and partnerships.
- **Measure success by the quality of our outcomes** rather than just the quantity (ex., quality jobs created vs. total jobs created).
- **Research/analysis** to drive agency strategy, inform policymakers, or expand local capacity.

# Metrics and Indicators

- **Indirect macroeconomic indicators** to understand the context of our work
- **Outcome-based metrics** to assess the direct result of efforts
- **Output-based metrics** to track how we deploy our resources
- The agency also has a set of **Key Performance Measures** we are required to report to the legislature annually, some of which are included as metrics of this strategic plan.
- Some metrics are new and corresponding methodologies and baselines will be established for future tracking.

# Metrics and Indicators

- The type of data we'll be looking at:
  - Jobs and wages
  - Business revenue
  - Additional investment leveraged
  - Number of businesses and communities served, and funding \$\$\$
    - Broken out by rural, minorities, etc.

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