

# Ohio, Home of Innovation & Opportunity



## A Strategic Plan for the Ohio Department of Development

- Share the Ohio Story
- Strengthen our Strengths
- Cultivate Top Talent
- Invest in our Regional Assets
- Focus on our Customers

Ohio

Department of  
Development

Ted Strickland, Governor

Lee Fisher, Lt. Governor  
Director, Ohio Department of Development





Ohio Statehouse – Columbus, Ohio

# Ohio, Home of Innovation & Opportunity

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Department of Development



*"We can give our  
economy a boost by  
seeing what we have and  
remembering what we're  
capable of. It's time to  
look up again."*

Ted Strickland  
Governor of Ohio

# Letter from the Governor and Lt. Governor



It is with great enthusiasm and a shared sense of optimism for our future that we present to the people of Ohio our economic development strategic plan. **Ohio, Home of Innovation and Opportunity** is a bold, practical, and forward-thinking plan to change the trajectory of Ohio's economy by purposefully redesigning our business climate to increase the global competitiveness of Ohio's employers.

To accomplish this we must:

- 1. Grow the income of Ohioans**
- 2. Create and retain jobs for Ohioans**
- 3. Expand productivity through innovation**

Our goals are nothing less than opportunity and prosperity for all Ohioans.

Extraordinary opportunities lie just on the other side of our current economic challenges. Getting there requires real collaboration, strategic investment, and a state government characterized by innovation, speed, and agility.

Literally thousands of Ohioans were involved in developing our plan through our seven regional outreach meetings, our small forums and focus groups, and multiple presentations and discussions with state, regional, and local economic development partners. Throughout the planning process, we worked closely with our expert Strategic Plan Advisory Team to explore and evaluate the ideas that ultimately became our plan. To all who participated in the planning process, we express our deepest appreciation and thanks.

We are moving boldly to lay the foundation for Ohio's future economic prosperity both with the release of this plan and through our exciting achievements of the past year. On June 12, 2008 Ohio enacted a \$1.57 billion economic stimulus plan to create thousands of new, good-paying jobs for Ohioans in growing industries of the future. Our jobs stimulus plan also invests in Ohio's communities giving them the tools they need to compete for economic development. Our economic stimulus plan will work in concert with other important recent achievements, including the realignment of our workforce delivery system and Ohio's new advanced energy plan, to pave the way toward a dynamic, more prosperous future.

Ohio has a remarkable legacy of opportunity, innovation, and excellence. Today, we have the responsibility and opportunity to build upon this legacy to bring about a bright economic future for everyone fortunate enough to call Ohio home. We invite everyone to join us in putting our plan to work for the benefit of all Ohio. To download a copy of the strategic plan for the Ohio Department of Development please visit [www.development.ohio.gov](http://www.development.ohio.gov). We look forward to your continued partnership in making this vision a reality.

Sincerely,

Governor Ted Strickland

Lieutenant Governor Lee Fisher  
Director, Ohio Department of Development





Columbus, Ohio



**“Ohio is a state rich with talent that combines a Midwestern set of values and work ethic, without any ego. Exactly what a fast growing company needs to succeed.”**

Nancy Kramer, Founder and CEO, Resource Interactive

## **Executive Summary**

*Our vision is that Ohio is **The State of Perfect Balance** – a place where every individual can achieve a balance between growing economic prosperity and a fulfilling quality of life.*



Department of  
Development

# Executive Summary



*The Strategic Plan for the Ohio Department of Development is a relentlessly optimistic and confident plan* for Ohio's transformational economic development and growth.

We must believe in ourselves. Extraordinary opportunities lie just on the other side of our current economic challenges. Our plan invests in our ability and capacity to create a future that sets Ohio apart and moves us to the head of the global class. To accomplish this we must:

- 1. Grow the income of Ohioans**
- 2. Create and retain jobs for Ohioans**
- 3. Expand productivity through innovation**

None of us is as effective as all of us working together; no state department can do this alone. That is why our plan requires an unprecedented public, private, and nonprofit sector partnership at all levels. We will take the responsibility of helping to accelerate, foster, and support the teamwork and collaborations that are absolutely necessary to achieve success.

The all-important day-to-day work of the Department of Development never pauses. Even in the midst of a challenging national economic downturn, the volume and pace of our economic development projects and transactions are unprecedented; so is the rate and volume of our successes. But we also understand that our daily work must be done in the context of a larger strategic framework that ensures we are focusing and targeting our scarce resources in a way that changes the trajectory of Ohio's economy.



We know that even after the launch of our plan, our strategic planning process will never end. Products change, technologies change, and currencies change in value. Competition constantly changes, and Ohio must either lead that change or be a victim of that change. We are prepared to adapt, and we are prepared to lead.

The realities imposed by a smaller, faster, global economy mean that what Ohio's Department of Development does is more important than ever. Our Department must be even more deliberate and thoughtful in the actions we take.

Our Department's activities are a blend of:

- **Marketing** – telling the world the benefits of living, visiting, and investing in Ohio;
- **Deal-making** – getting the daily business retention, expansion, and attraction work done at the speed of business;
- **Innovating** – helping to transform ideas and technologies into products and services;
- **Investing** – making investments in our human and physical capital assets; and
- **Collaborating** – building and supporting functioning regional partnerships that provide global economic advantage.

There is hard work to be done, difficult choices to be made, a future to be built. Resources are scarce, the economy is faster, the world is smaller, and expectations are higher.

That is why our Department must do what is being asked of all Ohioans: be optimistic while being realistic; retain and build upon what has worked in the past and still works today; invest in ourselves; reinvigorate what is authentic about Ohio; work smarter and faster. In short, be globally competitive locally.

That is why we have written this comprehensive strategic plan for Ohio's Department of Development with unprecedented outreach and collaboration among our stakeholders and partners.

That is why we already are at work implementing and executing our plan and earning our future.

In a sense, our plan is **The Ohio Story** that will be told years from now to our children and grandchildren. A story of how Ohio moved from rubber to polymers, from gliders to turbine engines and lunar rockets, from bicycles to biomaterials, from glass to solar panels, from petroleum-based products and power to bioproducts, fuel cells, hybrid vehicles, and wind turbines. A story of how we changed the trajectory of Ohio's economy by purposely redesigning our business climate and retooling our economic engine. A story of how Ohio built a global home of innovation and opportunity by focusing on the best of who we are and what we can be.

# Executive Summary



Mansfield, Ohio

# Ohio

The State of Perfect Balance

**Our Vision** is that Ohio is *The State of Perfect Balance* – a place where every individual can achieve a balance between growing economic prosperity and a fulfilling quality of life.

**Our Mission** is to change the trajectory of Ohio's economy by purposefully redesigning the business climate to increase the global competitiveness of Ohio's businesses, resulting in prosperity for all Ohioans.

**Our Economic Development Promise** is to transform the culture of the Department of Development by focusing on speed, agility, transparency, collaboration, and accountability.

We will use three lead measures of economic outcomes as a way of establishing overall progress in the growth rate of Ohio's economy as compared to the surrounding states of Indiana, Illinois, Kentucky, Michigan, Pennsylvania, and West Virginia. These three measures are accompanied by **15 Performance Targets**, three for each goal, that are designed to track progress in changing specific attributes of Ohio's economy – attributes that are expected outcomes from the activities undertaken to meet each of our five goals. All 18 measures will be tracked on our Ohio Economic Growth Scorecard. Our progress will be tracked annually and an updated scorecard will be published.

**Our Three Lead Measures** are:

1. Grow the income of Ohioans by increasing the per capita income growth rate.
2. Create and retain jobs for Ohioans by increasing the job growth rate.
3. Expand productivity through innovation by increasing the Gross State Product per job growth rate.

Doing the right things is only half the battle. We must also do those things right. To ensure we carry out our plan in the right way, we will follow these **Five Guiding Principles**:

1. Be the change maker, instead of simply reacting to change.
2. Work in seamless collaboration with public, non-profit, and private sector parties, locally, regionally, and statewide.
3. Invest in what matters most.
4. Innovate with new, more effective solutions and create a positive customer experience.
5. Execute, organize, and align to achieve our goals.

We identified **Five Strategic Outcomes** during the planning process. Each outcome is associated with a unique set of goals, strategies, initiatives, and metrics, yet they are interrelated and mutually supporting. Considered together, these five outcomes will lead to a more stable and prosperous future for Ohio. **Our outcomes are:**

1. **Agility** – striving to operate at the speed of business.
2. **Sustainability** – designing and building an economy that lasts.
3. **Innovation** – fostering new connections, collaborations, and commercialization.
4. **Opportunity** – leaving no community, region, business, or Ohioan behind.
5. **Prosperity** – improving the quality of life of every Ohioan.

Our **Five Strategic Goals and Fifteen Strategies** lead to a number of **Major New Initiatives** and tested **Ideas That Are Working**. **Our Five Goals** are:

- **Share the Ohio Story**  
Excite the world about Ohio.
- **Strengthen our Strengths**  
Link and leverage our inventive past with our innovative future.
- **Cultivate Top Talent**  
Retain, advance, and attract the best workforce and talent in the world.
- **Invest in our Regional Assets**  
Invigorate our cities and regions as centers of commerce and community.
- **Focus on our Customers**  
Operate government at the speed of business.



The Cleveland Arcade – Cleveland, Ohio

# Executive Summary



This plan is a living document which establishes our priorities and guides our decisions. Ohio deserves nothing less. We have promised Ohioans an economic development plan that will transform our economy, revitalize our regions, and provide greater opportunities for all. Implementation has already started with several key organizational changes to ensure there is adequate leadership and operating capacity to launch key initiatives.

Our success is premised on the notion that meaningful partnerships will lead to better results. Everyone has a role



to play in building a more prosperous Ohio. Pooling our intellectual, administrative, and industrial knowledge base is the first order of business in creating Ohio's economic future and the next chapter in the Ohio Story.

**Connecting to Ohioans.** Guided by the fulfillment of our strategic plan's vision, mission, promise, guiding principles, goals, strategies, and lead measures, Governor Strickland and Lieutenant Governor Fisher will convene:

- **Statewide and Regional Governor's Business Advisory Councils** to advise, guide, and support the implementation of our economic development strategic plan and our economic development decision making process.
- We will also hold an **Annual Economic Growth Summit**, beginning in 2009, designed to bring together Ohio business, industry, community, academic, and economic development leaders throughout Ohio to share ideas, strategies, tactics, and best practices for Ohio's continued economic growth and development.

## Our implementation and execution will be guided by three principles:

- 1. Doing our work at the speed of business;** speed, agility, transparency, accountability, and collaboration serve as the compass for our culture and guide our customer focus. Performance targets and measurable milestones will light our path and ensure that we keep our economic development promise.
- 2. Every department of state government is our partner.** We will actively pursue further organizational alignments and partnerships among and between state agencies to advance our goals.
- 3. Every region, industry, and business is our customer.** We will actively reach out to our regional and industry stakeholders to develop stronger, higher impact programs and partnerships.

## We will implement three execution strategies:

- **Create a Strategic Implementation Leadership Team** and establish five Goal Teams to guide implementation on all levels across the short, intermediate, and long term. The Lieutenant Governor/Director of Development, the Chief Economic Development Officer/Assistant Director of Development, and the Chief Strategic Officer will lead our Implementation Team with support from other key department team members. The Strategic Implementation Team will lead, manage, and be accountable for the implementation process. The Implementation Team is also responsible for communicating our plan to our internal and external stakeholders.
- **Develop an Engagement/Partnership Strategy** to ensure implementation is guided by effective outreach and collaboration and a process for continued consultation, support, and advice by stakeholders and partners.
- **Utilize the Plan to Help Leverage Resources** where the state budget is not sufficient or appropriate to carry out major initiatives, seeking outside support from federal, private, and philanthropic sources.

# Goal 1: Share the Ohio Story

*Excite the world about Ohio.*



Our development strategy must begin by sharing Ohio's story with the world. Perception shapes risk, risk drives investment, and investment determines our economic future. The people who make investment decisions, including Ohioans, must understand what our state has to offer – a diverse state with different regional economies and assets, a broad portfolio of technologies and globally-competitive products and services, and a redesigned business climate that enables companies to win globally. If we allow misperceptions to prevail, investors will view Ohio as a risk, driving down investment and diminishing our future.

## Key Strategies and Major Initiatives to Share the Ohio Story:

**Promote Ohio for New Capital Investment.** Position Ohio as an ideal location for capital investment in the minds of company executives and site selection consultants.

- The **Ohio Sales Strategy** is a comprehensive, coordinated, and targeted state-level sales plan designed to refine the statewide lead management process and improve the quality and delivery of information to site selection consultants and corporate location executives.
- Our **Targeted Global Markets Strategy** will develop country specific strategies focusing on key opportunities in our targeted industries.
- The **Ohio Ambassador Initiative** will encourage all Ohioans to more fully understand the benefits of living and working in Ohio and to share the Ohio Story with others.



2007 Governor's Cup, Site Selection

- We will continue to invest in the **Ohio Business Development Coalition Branding and Marketing Campaign** to continue to build a more positive impression of Ohio among executives and site selection consultants.
- **Ohio Brand Extension Throughout State Government** will extend the use of our visual identity to other state agencies and departments and as a result reinforce the Ohio brand.

**Promote Ohio's Regions.** Strengthen Ohio's overall image by supporting regional branding and marketing initiatives that are aligned with the state's brand promise.

- **Enterprise Appalachia** will help stimulate economic activity in our Appalachian region by initiating a small business attraction and creation campaign built on the success of entrepreneurship in the region.



- Our **Regional Marketing Program** will continue to leverage matching dollars around the state to support regional marketing initiatives in support of the Ohio brand.

**Promote Ohio as a Tourism and Residential Destination.** Leverage the Ohio brand and promote Ohio as an ideal destination where people of all ages want to build their lives and raise their families, and somewhere people from around the globe want to visit.

- **Ohio Means Home** is an integrated marketing and communications campaign targeting former Ohioans to reintroduce the professional and personal opportunities in our state.
- **Ohio's Tourism Campaign** will continue to leverage the State of Perfect Balance brand to help improve the perception of Ohio.
- **Ohio's Film Office** has been reestablished to grow and strengthen the film, video, and media production industry throughout the state.

A nighttime photograph of Columbus, Ohio, featuring the Ohio Statehouse in the foreground and several skyscrapers in the background. A large firework is exploding in the sky, casting a red and white glow. A red circular graphic is overlaid on the image, containing text.

*"We must believe in ourselves and share the Ohio Story – the story that will be told years from now about how Ohio linked its inventive past with its innovative future, and moved to the head of the global class."*

Lee Fisher  
Lt. Governor of Ohio  
Director, Ohio Department  
of Development

## Goal 2: Strengthen our Strengths

*Link and leverage our inventive past with our innovative future.*



Ohio has a rich history of innovation, new product development and research, invention, and reinvention. The greatest opportunities for economic growth in Ohio lie where the strongholds of our inventive and industrial past intersect with the innovative promises of our economic future. It's where our business and industry strengths intersect with human talent, innovation, and discovery.

We will invest and focus to build upon our state's and our regions' historic strengths: the products, companies, and technologies that have withstood the test of global markets, many of which have demonstrated the ability to export outside of our state's borders.

### Key Strategies and Major Initiatives to Strengthen our Strengths:

**Establish a Targeted Industry Approach to Economic Development.** Target resources to industries identified as best suited to Ohio's core strengths, building from our manufacturing, agricultural, technology, research, and entrepreneurship strengths.

- We will **Modernize our Economic Development Incentives.** We will make our programs more responsive to business needs, more transparent to Ohio citizens, more cost effective to administer, and more competitive with other states and nations.
- Our new **Targeted Industry Development Teams** will develop specific retention, expansion, and attraction strategies for each target industry.

### Ohio's Statewide Targeted Industries

- Advanced Energy and Environmental Technologies
- Aerospace and Aviation
- Agriculture and Food Processing
- Bioscience and Bioproducts
- Corporate and Professional Services
- Distribution and Logistics
- Instruments, Controls, and Electronics
- Motor Vehicle and Parts Manufacturing
- Polymers and Advanced Materials

In addition, each region has its own targeted industries, some of which are unique to the region. Embedded within each target industry and identified as particular strengths in Ohio are three cross cutting core functions necessary for success in the new economy: **research and development, advanced manufacturing, and information technology.**

**Invest in Technological Innovation and Commercialization.** Leverage our state's ongoing investment in research, product development, and technology to accelerate the pace of innovation and new product development in the areas of our state where industry and innovation intersect.

- We will **Integrate our Technology-Based Economic Development Programs** to align, enhance, and restructure our existing technology-based programs, as well as develop new programs to ensure we provide the right resources at every stage of the technology commercialization process.
- We are firmly committed to the renewal and improvement of the **Next Generation of the Ohio Third Frontier**, which has become a national example of a rigorous, disciplined approach to encouraging technology-based development and innovation.

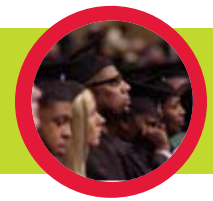
**Grow and Support Minority- and Women-owned Enterprises and Small Businesses.** Strengthen and increase financial and technical assistance at every stage of the business development continuum to support the growth and expansion of minority- and women-owned enterprises and small businesses in Ohio.



- The **Check Ohio First** initiative will be a business-to-business service designed to promote and encourage companies operating in Ohio and those attracted to our state to maximize the use of Ohio businesses when making purchases, taking the 'buy-local' effort statewide.
- **Ohio's Urban Entrepreneur Partnership** initiative will provide a comprehensive business assistance model designed to enhance the growth, scale, and infrastructure of minority-owned and operated businesses.
- The voluntary **Ohio Lender Participation Program** will work with Ohio's banks, credit unions, and insurance companies to achieve greater usage of our state's financial assistance programs, increase participation in these programs by minority enterprises and small businesses, and track the efforts and success in increasing access to capital and other resources critical to the long-term growth and survival of our small businesses.
- The **Minority Business Initiative** will renew our commitment to minority-owned and women-owned businesses in Ohio by working to increase participation in the state's EDGE (Encouraging Diversity, Growth and Equity) program and by breathing new life into our minority programs that have experienced unacceptably low levels of activity for many years.

# Goal 3: Cultivate Top Talent

*Retain, advance, and attract the best workforce and talent in the world.*



Our ability to retain, advance, and attract top talent in Ohio is a key driver in our ability to grow Ohio's economy. Our Department will work with business and industry to develop the nation's best demand-driven workforce and talent development system. We will work to ensure that Ohio businesses and industries have reliable access to a highly skilled, highly competitive 21<sup>st</sup> century workforce. We will continue to work closely with the University System of Ohio to develop, attract, and retain talent, and we will strengthen our partnership with the Ohio Department of Job and Family Services to provide opportunities for all Ohioans.

## Key Strategies and Major Initiatives to Attract and Cultivate Top Talent:

**Retain and Attract Top Talent.** Increase Ohio's competitiveness with innovative programs and policies designed to attract and retain top talent in industries where the likelihood of job growth and job creation is highest.

- **Ohio Means Home** will reintroduce the benefits of living and working in Ohio to former residents and students, encouraging them to return to Ohio to advance their careers or start a new business while also enjoying the balance of personal fulfillment found in Ohio's diverse and dynamic regions.
- **Ohio Young Talent Network** will bring together Ohio's brightest young talent to create and implement programs to attract and keep young professionals in our state.
- **The Ohio Center for Workforce Excellence** will serve as both a laboratory and a knowledge repository for identifying, promoting, and teaching best practices in workforce training and development.
- We will form a **Task Force on Population, Growth, Diversity, and Talent Attraction** to develop strategies and tactics for increasing Ohio's population, with a special focus on attracting new talent to Ohio from around the world.

## Provide Customized Training Solutions to Ohio Companies.

Develop processes to deliver customized training solutions to Ohio's employers to align Ohio's workforce skills and knowledge with employer needs in targeted industries.

- We are delivering the **Ohio Workforce Guarantee** by consolidating various new and existing workforce development programs into a seamless, demand-driven, customized training system that meets the demands of Ohio's businesses and industries. We will guarantee Ohio employers a flexible, responsive source of employee training, ensuring a partner in workforce investment.

- We are launching the **Ohio ASAP (Available Skills Alert Postings program)** to connect businesses seeking skilled workers with available talented people across Ohio who have been displaced or are at risk of displacement.
- We are opening **Regional Workforce Development Offices** with Workforce Directors in each of Ohio's 12 Economic Development Regions to reach out and respond locally to businesses' short- and long-term workforce needs.

## Create a Demand-driven Workforce and Talent System.

Create a world-class, demand-driven workforce and talent development system that is agile and responsive, increasing the effectiveness and efficiency of our state's business development, attraction, and recruiting services.

- **Expanded Cooperative Education and Internships** will be created by the University System of Ohio in partnership with our Department to build connections between businesses and students of all ages to gain work experience and begin to build their careers in Ohio.
- We will strengthen our **Workforce Development Partnerships and Realign our Service Delivery** to ensure we are moving rapidly toward a system that meets the current and future demands of Ohio's employers. We will continue to build successful partnerships with the Ohio Board of Regents and the Ohio Department of Job and Family Services on projects like the **Ohio Skills Bank**, and we will establish stronger partnerships between local workforce investment boards and the **Governor's Workforce Policy Advisory Board**.





Portsmouth, Ohio

## Goal 4: Invest in our Regional Assets

*Invigorate our cities and regions as centers for commerce and community.*



Ohio enjoys a portfolio of diverse regional economies each with its own unique strengths and assets. We will reinvigorate our cities and regions as centers of commerce and community.

There are no better or wiser strategic investments than those made at the places where our strongest physical and human capital assets intersect. Both place and knowledge matter, and focusing our resources on where they converge will generate the best returns on our investments.

Economic development blends products, talent, knowledge, and management within the context of a regional economy. A regional economy is the geography where people live and work, encompassing both labor and housing markets. Our regions also encompass pools of knowledge that become the seeds for new products and services.

We will lift up our historic communities by drawing upon best practices to increase economic opportunity and improve the quality of life in each of our regions.

### Key Strategies and Major Initiatives for our Regional Assets:

**Create Ohio Hubs of Innovation and Opportunity (OHIO Hubs).** Leverage our regional strengths to create targeted geographical intersections of our physical and human capital assets.

- Our **Ohio Hubs of Innovation and Opportunity** program will leverage our regional strengths to facilitate and catalyze the creation of at least 12 regionally designated places where knowledge and place-based assets intersect; places where innovation will flourish and places where opportunity will be generated. We will offer targeted resources to renew physical space and foster new business investment in each **OHIO Hub**.

**Revitalize our Physical Assets.** Renew our statewide and regional physical assets to improve the quality of life for all Ohioans and to attract and retain a diverse base of business and industry.

- The **Ohio Neighborhood Recovery** program is a new initiative to be developed in collaboration with local and regional partner governments and organizations to tackle the negative aftereffects of foreclosure or long-term tax delinquency. At its heart, Ohio Neighborhood Recovery will be a flexible land bank program, positioned to take a long-term view of recovery.



Cleveland, Ohio

- **Ohio Green Places** will promote and develop programs and policies that will advance the goal of making Ohio the leading state for sustainable green development. This will include building an advanced energy business sector with a robust supply chain and a green building industry.



### Clean Ohio Fund

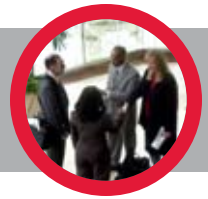
- We will continue to strengthen and improve our **Development Ready Sites** programs by continuing to prepare property for redevelopment and reuse with the **Clean Ohio Revitalization Fund**, the **Job Ready Sites Program**, the **Industrial Site Improvement Fund**, and the **Ohio Historic Preservation Tax Credit Program**.

**Support and Catalyze Regional Collaboration.** Support regional collaboration to further statewide and regional economic development goals.

- We will work with each economic development region to establish **Regional Economic Development Teams** that will enhance the competitiveness of existing businesses in Ohio. We will create a seamless retention and expansion network, enabling information to be shared between the state and our regions to better deploy resources, moving over time to a more shared decision-making model for state and local assistance to businesses.
- Our **Local Government Services and Regional Collaboration Grants** provide funding so that collaborating groups of local governments can plan and invest in strengthening regional economies, lowering operating costs, and providing high quality services.

## Goal 5: Focus on our Customers

*Operate government at the speed of business.*



The nuts and bolts of governing and managing lies in the way our Department executes our mission and delivers on our promise. It lies in the way we identify and treat our customers, and how we invest in our own culture and operations. If Ohio is to effectively compete for new business investment in today's highly competitive economic development market, our Department's ability to rapidly respond to the needs of our customers is paramount. Speed, agility, transparency, collaboration, and accountability must be ingrained in our Department's culture and operations.

### Key Customer Service Strategies and Major Initiatives:

**Create a More Customer-focused Organization.** Improve the customer experience by making our Department a more customer-responsive organization that operates at the speed of business.

- We will launch a **Customer Experience Initiative** to identify opportunities for improving the experience of our customers. An annual survey will be developed and used to determine how close the realized customer experience is to the desired customer experience, and to document what aspects of the experience are most important.
- We will invite current and retired senior level executives and entrepreneurs to participate in our **Executive-in-Residence** and **Entrepreneur-in-Residence** programs and work side-by-side with the Lt. Governor and his leadership team to observe, evaluate, and advise on improving key areas of our Department.
- We will create **ODOD University**, a virtual learning organization in our Department, that emphasizes individualized and team training programs encompassing both leadership and professional development.
- Working with other state agencies, we will lead the creation of a **Customer Response Line** for businesses seeking information or assistance, with a goal of providing a response within one business day.
- We remain committed to executing Governor Strickland's **Common Sense Business Regulation** Executive Order to ease regulatory burdens faced by our customers and improve our internal processes to provide fast, consistent services to businesses.

**Strengthen Collaboration with our Partners.** Increased collaboration among our partners and other state agencies and departments will help us achieve the goals and strategies set forth in our plan. Working collaboratively will inform and support decision-making, improve our efficiencies, decrease redundancies or impediments, and increase accountability at all levels of state government and with our local partners.

- The **Ohio Economic Growth Cabinet** will serve as a sounding board to define and frame challenges, establish strategies, and implement solutions and ensure that all state government partners work together to advance and promote Ohio's economic growth.

### Members of the Ohio Economic Growth Cabinet:

- Administrative Services
- Agriculture
- Air Quality Development Authority
- Commerce
- Development
- Education
- Environmental Protection
- Governor's Office
- Health
- Insurance
- Job & Family Services
- Natural Resources
- Public Utilities Commission of Ohio
- Public Works Commission
- Taxation
- Transportation
- University System of Ohio
- Water Development Authority
- Workers' Compensation

– Chaired by Lt. Governor Lee Fisher

- **Interagency Work Teams** were created at the start of our administration to solve time-sensitive problems and will remain a key tactic for addressing the needs of our customers.

**Improve the Transparency and Accountability of Economic Development Investments.** Lay the groundwork for a Unified Economic Development Budget to provide a comprehensive picture of where, how, and with what level of success Ohio is making economic development investments.

- We have developed an **Ohio Economic Growth Scorecard** with measures and performance targets to assess our ongoing progress against our strategic goals. We will continue to measure our progress and work to meet our targets.
- A **Unified Economic Development Budget** will be created to improve the transparency of state investments across state agencies and departments, starting first with the Ohio Department of Development.
- We will invest in rebuilding our Department's information technology system through our **BUILD-IT** initiative. Rebuilding our information system is critical to our ability to effectively manage our data, measure our progress, and improve our speed, agility, transparency, and accountability.

# Ohio, Home of Innovation & Opportunity



Department of  
Development

Ted Strickland, Governor

Lee Fisher, Lt. Governor  
Director, Ohio Department of Development

Goal	Measure	Baseline	Target 2020
<b>Lead Measures</b>  3-year average growth rate compared to six state region	<b>Grow the income of Ohioans.</b> Per Capita Income Growth Rate	91%	125%
	<b>Create and retain jobs for Ohioans.</b> Job Growth Rate	80%	125%
	<b>Expand productivity through innovation.</b> Gross State Product Per Job Growth Rate	88%	125%
<b>Share the Ohio Story</b>	<b>Improve the perception of Ohio.</b>		
	1. Announced major private investment projects	1 rank	1 rank
	2. Perception of Ohio among Ohio executives	6.5 / 10	8.0 / 10
	3. Perception of Ohio among non-Ohio executives and site selection consultants	6.1 / 10	7.0 / 10
<b>Strengthen our Strengths</b>	<b>Build a more globally competitive economy.</b>		
	1. Export growth	74%	10.0%
	2. Targeted industries, percent of Gross State Product	TBD	TBD
	3. Venture capital investment, percent of Midwest	14%	20%
<b>Cultivate Top Talent</b>	<b>Grow and attract a highly educated workforce with an entrepreneurial mindset.</b>		
	1. New Business Formation Index	9.6%	14.0%
	2. Population growth rate of 25-64 age group	0.50%	1.00%
	3. Educational attainment, Associates Degree or greater, percent of 25-64 population	33.41%	USO
<b>Invest in our Regional Assets</b>	<b>Build sustainable, connected, vibrant communities.</b>		
	1. Ohio Connectivity Survey	TBD	TBD
	2. Electricity by advanced energy	10%	25%
	3. Development Ready Sites supported by public investment	3,774 acres	15,000 acres
<b>Focus on our Customers</b>	<b>Develop a more agile and transparent development culture.</b>		
	1. Customer Experience Survey of Ohio Department of Development clients	TBD	TBD
	2. Speed of customer responses	Identify Industry Standard	Continuous Improvement
	3. Professional Certifications by ODOD University	TBD	TBD

TBD – To be developed as measures are calibrated

USO – Monitored in partnership with the University System of Ohio

ODOD – Ohio Department of Development


# Ohio, Home of Innovation & Opportunity



Department of  
Development

Ted Strickland, Governor

Lee Fisher, Lt. Governor  
Director, Ohio Department of Development

5 Goals	15 Strategies	Performance Targets 
<p><b>Share the Ohio Story</b></p> <p>Excite the world about Ohio.</p>	<ol style="list-style-type: none"> <li>Promote Ohio for new capital investment.</li> <li>Promote Ohio's regions.</li> <li>Promote Ohio as a tourism and residential destination.</li> </ol>	<p><b>Improve the perception of Ohio.</b></p> <ol style="list-style-type: none"> <li>Announced major private investment projects</li> <li>Perception of Ohio among Ohio executives</li> <li>Perception of Ohio among non-Ohio executives and site selection consultants</li> </ol>
<p><b>Strengthen our Strengths</b></p> <p>Link and leverage our inventive past with our innovative future.</p>	<ol style="list-style-type: none"> <li>Establish a targeted industry approach to economic development.</li> <li>Invest in technological innovation and commercialization.</li> <li>Grow and support minority- and women-owned enterprises and small businesses.</li> </ol>	<p><b>Build a more globally competitive economy.</b></p> <ol style="list-style-type: none"> <li>Export growth</li> <li>Targeted industries, percent of Gross State Product</li> <li>Venture capital investment, percent of Midwest</li> </ol>
<p><b>Cultivate Top Talent</b></p> <p>Retain, advance, and attract the best workforce and talent in the world.</p>	<ol style="list-style-type: none"> <li>Retain and attract top talent.</li> <li>Provide customized training solutions to Ohio's companies.</li> <li>Create a demand-driven workforce and talent system.</li> </ol>	<p><b>Grow and attract a highly educated workforce with an entrepreneurial mindset.</b></p> <ol style="list-style-type: none"> <li>New Business Formation Index</li> <li>Population growth rate of 25-64 age group</li> <li>Educational attainment, Associates Degree or greater, percent of 25-64 population</li> </ol>
<p><b>Invest in our Regional Assets</b></p> <p>Invigorate our cities and regions as centers for commerce and community.</p>	<ol style="list-style-type: none"> <li>Create <b>O</b>hio <b>H</b>ubs of <b>I</b>nnovation and <b>O</b>pportunity.</li> <li>Revitalize our physical assets.</li> <li>Support and catalyze regional collaboration.</li> </ol>	<p><b>Build sustainable, connected, vibrant communities.</b></p> <ol style="list-style-type: none"> <li>Ohio Connectivity Survey</li> <li>Electricity by advanced energy</li> <li>Development Ready Sites supported by public investment</li> </ol>
<p><b>Focus on our Customers</b></p> <p>Operate government at the speed of business.</p>	<ol style="list-style-type: none"> <li>Create a more customer focused organization.</li> <li>Strengthen collaboration with our partners.</li> <li>Improve the transparency and accountability of economic development investments.</li> </ol>	<p><b>Develop a more agile and transparent development culture.</b></p> <ol style="list-style-type: none"> <li>Customer Experience Survey of Ohio Department of Development clients</li> <li>Speed of customer responses</li> <li>Professional Certifications by ODOD University</li> </ol>

**Five Desired Outcomes:**

**Agility • Sustainability • Innovation • Opportunity • Prosperity**


# Ohio, Home of Innovation & Opportunity



Department of  
Development

Ted Strickland, Governor

Lee Fisher, Lt. Governor  
Director, Ohio Department of Development

5 Goals	Major New Initiatives 	Ideas That Are Working 
<p><b>Share the Ohio Story</b></p> <p>Excite the world about Ohio.</p>	<ul style="list-style-type: none"> <li>Ohio Sales Strategy</li> <li>Targeted Global Markets Strategy</li> <li>Ohio Ambassador Initiative</li> <li>Enterprise Appalachia</li> <li>Ohio Means Home</li> </ul>	<ul style="list-style-type: none"> <li>Ohio Business Development Coalition Branding and Marketing Campaign</li> <li>Ohio Brand Extension Throughout State Government</li> <li>Regional Marketing Program</li> <li>Ohio Tourism Campaign</li> <li>Ohio Film Office</li> <li>Multi-cultural Tourism Initiative</li> </ul>
<p><b>Strengthen our Strengths</b></p> <p>Link and leverage our inventive past with our innovative future.</p>	<ul style="list-style-type: none"> <li>Economic Development Incentives Modernization</li> <li>Targeted Industry Development Teams</li> <li>Integration of Technology-Based Economic Development Programs</li> <li>Next Generation of the Ohio Third Frontier</li> <li>Check Ohio First</li> <li>Ohio Lender Participation Program</li> <li>Minority Business Initiative</li> <li>Ohio Urban Entrepreneurship Program</li> </ul>	<ul style="list-style-type: none"> <li>\$1.57B Job Stimulus Plan</li> <li>Advanced Energy Portfolio Standard</li> <li>Ohio Third Frontier</li> <li>Ohio Research Scholars Initiative</li> <li>Technology Investment Tax Credit Program</li> <li>The Ohio Capital Fund</li> <li>New Entrepreneurship and Small Business Division</li> <li>Annual Global Summit</li> <li>Business Investment Trade Missions</li> <li>Edison Centers</li> <li>Global Offices</li> </ul>
<p><b>Cultivate Top Talent</b></p> <p>Retain, advance, and attract the best workforce and talent in the world.</p>	<ul style="list-style-type: none"> <li>Ohio Means Home</li> <li>Ohio Young Talent Network</li> <li>Ohio Workforce Guarantee</li> <li>Ohio ASAP</li> <li>Ohio Center for Workforce Excellence</li> <li>Expanded Cooperative Education and Internships</li> <li>Workforce Development Partnerships</li> <li>Task Force on Population, Growth, Diversity, and Talent Attraction</li> </ul>	<ul style="list-style-type: none"> <li>New Workforce and Talent Division</li> <li>Regional Workforce Development Offices</li> <li>Realignment of Service Delivery</li> <li>Governor's Workforce Policy Advisory Board</li> <li>Ohio Skills Bank</li> </ul>
<p><b>Invest in our Regional Assets</b></p> <p>Invigorate our cities and regions as centers for commerce and community.</p>	<ul style="list-style-type: none"> <li>Ohio Hubs of Innovation and Opportunity</li> <li>Ohio Neighborhood Recovery</li> <li>Regional Economic Development Teams</li> <li>Green Places</li> </ul>	<ul style="list-style-type: none"> <li>Development Ready Site Programs: Clean Ohio Revitalization Fund, Job Ready Sites Program, Industrial Site Improvement Fund, and the Ohio Historic Preservation Tax Credit Program</li> <li>Local Government Services and Regional Collaboration Grants</li> <li>New Partnerships with Living Cities and the Brookings Institution</li> </ul>
<p><b>Focus on our Customers</b></p> <p>Operate government at the speed of business.</p>	<ul style="list-style-type: none"> <li>Customer Experience Initiative</li> <li>Ohio Economic Growth Cabinet</li> <li>Executive and Entrepreneur in Residence (EIR) Programs</li> <li>ODOD University</li> <li>Customer Response Line</li> <li>Economic Growth Scorecard</li> <li>Unified Budget for Economic Development</li> <li>BUILD-IT</li> </ul>	<ul style="list-style-type: none"> <li>Common Sense Business Regulation Initiative</li> <li>Interagency Work Teams</li> <li>Rapid Outreach and Response (ROR) Initiative</li> </ul>

**Five Desired Outcomes:**

**Agility • Sustainability • Innovation • Opportunity • Prosperity**



Cedar Point Amusement Park – Sandusky, Ohio



**“In L.A., you live to work. In Ohio,  
you work... and still have time to live.”**

Linda Abraham-Silver, Ed.D., President and Executive Director, Great Lakes Science Center

## **Attitude will Determine our Altitude**

- *Why Now?*
- *Creating our Vision and Sharing our Story*



Department of  
Development

# Attitude will Determine our Altitude



## Why Now?

The economic development work of our administration began before our inauguration day in January 2007. Literally hours after the November 2006 election, and throughout the transition process between administrations, we dove into the all-important transactional work of economic development. That work has never paused; in fact, even in the midst of a particularly challenging national economic downturn, the volume and pace of projects and transactions in the Ohio Department of Development in 2007 and 2008 are unprecedented. So are the rate and volume of our successes.

Much of our work in economic development is day-to-day blocking and tackling. Businesses looking to make investments have multiple choices and require fast answers and customized solutions that cannot wait for the results of a strategic planning process. We have been paving and driving on the road to economic prosperity at the same time.

However, we also understand that our daily work must be done in the context of a larger strategic framework that ensures we are focusing and targeting our scarce resources in the most effective and impactful way. That's why we have launched a number of new tactical and

strategic initiatives that we call "Ideas that are Working" and why we launched and reinforced a strategic planning process in the fall of 2007. We also know that even after the launch of this plan, our strategic planning process will never end. Ohio's economy is never truly "fixed." Products change, technologies change, and currencies change in value; in sum, competition constantly changes, and Ohio must either lead that change or become a victim of that change. We are prepared to continually adapt to the rapidly changing, dynamic global economy in which we compete.

*"The best way to predict the future is to create it."*

Peter Drucker  
Author and Management Consultant

Amylin Pharmaceuticals – West Chester, Ohio



Everything that we now do in the Ohio Department of Development is premised on the notion that meaningful partnerships will lead to better results. That's why we regularly reach out to all levels of government and to the private and non-profit sectors for advice, guidance, support, resources, and partnerships. Outreach to our partners and stakeholders has defined our strategic planning process.

Some would have preferred that we launch our strategic plan earlier. It would have been easy to hire a consultant to do another analysis of Ohio's economy, call it our plan, and move on. That would have been simple but wrong. Very good work has been done by consultants over the years who have analyzed and dissected Ohio's economy, but we have searched Ohio's archives and have been unable to find a real state economic development strategic plan that ever has been implemented, executed, and measured. We also have been unable to identify any prior plan that was the result of an extensive outreach process to citizens, leaders, and experts throughout Ohio. We decided it was important to take the time to write an inclusive and executable plan.



# Attitude will Determine our Altitude



## Creating our Vision and Sharing our Story

Our only limits are those of vision. Our collective attitude will determine the altitude of our economic success. We must believe in and invest in our ability and capacity to create a future that sets Ohio apart and moves us to the head of the global class. And we must believe in ourselves and courageously refute the naysayers who rely on inaccurate statistics, superficial observations, and outdated stereotypes.

Despite our current national economic challenges and continuing intense global economic competition, the counties, states, and regions that will not only survive, but thrive, will be those that have the ability to paint a compelling picture of their future based on fact and performance that is widely embraced and shared. Easier said than done. But beginning with the end in mind is fundamental to the success of our strategic plan.

Now is the time to share the Ohio story. It is a story of how we are changing the trajectory of Ohio's economy, purposefully redesigning our business climate and retooling our economic engine to increase Ohio's global competitiveness. We are making Ohio the ideal location for companies that aspire to be successful in the 21st century. Ours is a story of how public and private leadership is collaborating to chart a course to ensure that our children and grandchildren be educated to succeed in a global economy and reach their full potential right here in Ohio. It is a story of thoughtful and principle-based change that builds on the best of who we are and what we can be.

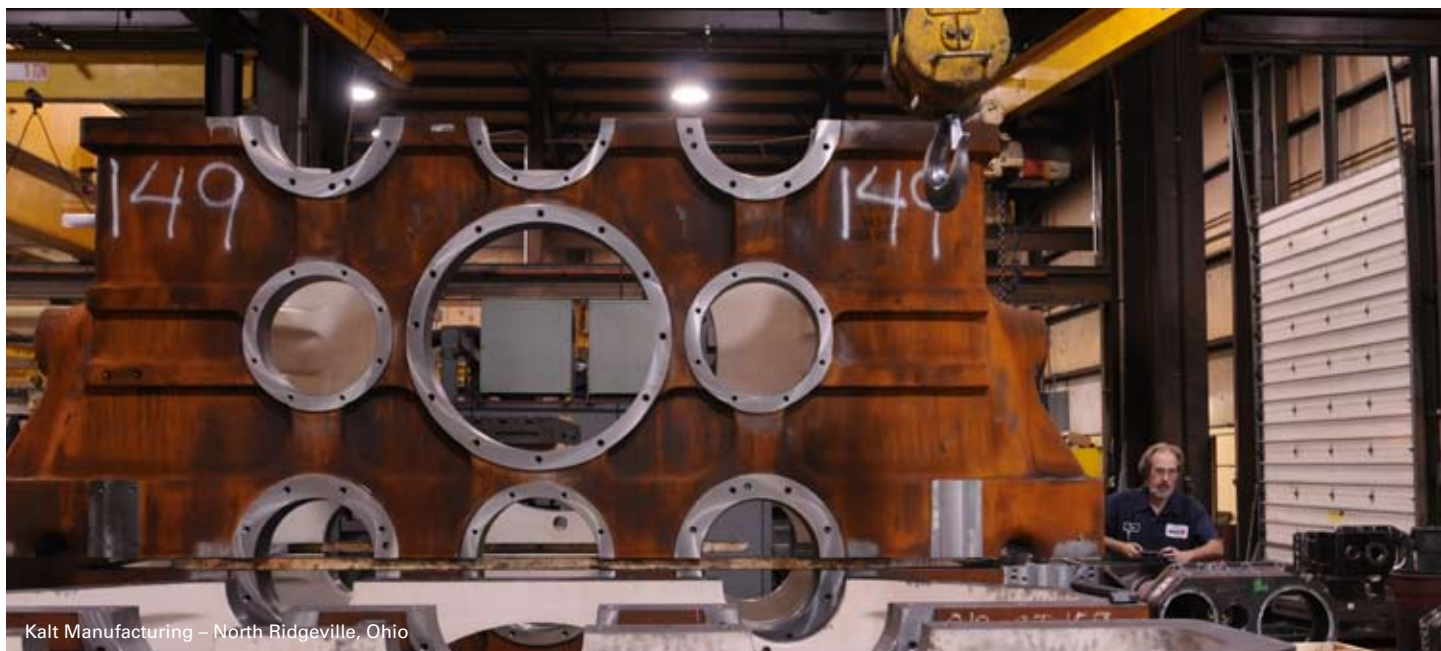
Ohio has important lessons to offer through our purposeful approach to redesigning our economy to achieve global competitiveness. Change isn't painless, easily embraced, or easy to understand. But rest assured, positive and exciting change is underway in Ohio.

An example is Ohio's manufacturing sector which has seen declines in employment over the past years while seeing increased manufacturing output between 2001 and 2006.

What does this mean in dollars and cents? During this period, an Ohio manufacturing worker increased the value they added by more than \$22,000, from \$76,800 in 2001 to \$110,000 in 2006. This was possible because Ohio is successfully increasing productivity by applying advanced manufacturing processes and increasing the value of what is made. By smartly using technology and efficient distribution methods, Ohio companies are making the total cost of production globally competitive.

Our advanced manufacturing strength also means that in 2007 Ohio exports totaled more than \$42 billion, up 12 percent from 2006, making Ohio the only state in which exports have increased each year since 1998.

Ohio's employment, like the nation's, has experienced a dramatic shift in the last decade. Manufacturing experienced a loss of 254,000 jobs between 1997 and 2007, but there were employment gains in the professional, health, and education sectors of 262,700 jobs. Ohio today has 5.4 million people working for firms, and another 490,000 are self-employed.



Kalt Manufacturing – North Ridgeville, Ohio



Department of  
Development

# Attitude will Determine our Altitude



The Ohio State University Medical Center – Columbus, Ohio

Another example of the shifting employment trends can be seen in one of Ohio's multiple academic medical centers. The Ohio State University Medical Center created 3,742 new jobs between 2001 and 2007 by targeting research grants related to cancer studies. Industry models show that each \$100 in research expenditures creates a total impact of \$222 on the local economy.

Research-generated jobs require different skills than many in our historic manufacturing workforce have to offer. In Ohio, we are targeting investments made at the intersections of economic development and higher education to provide the best opportunity for accelerating economic growth and prosperity across our state.

That's why we have combined our higher education and economic development funds to create a \$150 million Ohio Research Scholars program to bring 26 world-class scholars to Ohio's campuses. These scholars' research specialties align with our economic development priorities. These investments build on our \$1.6 billion Ohio Third Frontier program's successes in technology, advanced materials, bioscience, advanced energy, and aerospace; \$250 million in a higher education internship program; new funding that enabled us to freeze tuition for two years for undergraduates; and a \$100 million scholarship program for students pursuing majors in science, technology, engineering, and math.

Ohio recently passed a bipartisan \$1.57 billion jobs stimulus package to invest strategically in our infrastructure, future workforce, and targeted industries

of growth. These industries include alternative energy, bioproducts, logistics and distribution, and biosciences. Our new Advanced Energy Portfolio Standard requires that at least 25 percent of electricity sold in Ohio be generated from advanced energy technology by 2025, generating substantial opportunities for green energy business within our state.

But perhaps our biggest shift in the business climate involves Ohio's taxes. Ohio business leaders told us our tax structure was outdated and uncompetitive, making it increasingly difficult to compete in a new global economy. In a bipartisan manner, Ohio responded with a dramatic restructuring of our tax laws to lower the burden for business and provide a competitive advantage for global companies.

By 2010, Ohio will be one of only two states in the nation without a general tax on corporation profits or a property tax on business machinery, equipment, and inventories. This year is the last for Ohio's business property tax; next year is the last for the corporation profits tax. Personal income tax rates are also being cut; next year, Ohio's income tax rates will be 21 percent lower than they were just four years ago.

Early evidence suggests that these reforms are lowering the tax burden for Ohioans. Between 2005 and 2007, Ohio's per capita state tax burden fell from 27th to 38th in the nation, according to the Federation for Tax Administrators. When these tax cuts are fully phased in, Ohio's business taxes will be the lowest in the Midwest.



Governor Ted Strickland speaking at the 2008 NAACP National Convention – Cincinnati, Ohio

**“If you want to understand this country  
just come to Ohio.  
The people, the places,  
the life of Ohio offer  
a bit of almost everything  
you’ll find in America.  
And I think that’s one of the  
greatest things about living here.**

**But a big, diverse American state like Ohio must face the challenges of the American economy.**

**In a time of shifting consumer demand, we’ve seen the doors shuttered on Ohio plants that for generations built products of the highest quality. In a time of corporate consolidations, we’ve seen Ohio jobs shipped away and chipped away.**

**It’s tempting to look for a quick fix to help the Ohio economy out of this national slump. But this isn’t the time to stick some chewing gum in the crack and hope it holds.”**

**– Governor Ted Strickland**

# Attitude will Determine our Altitude



Companies are responding to Ohio's commitment to a business-friendly environment, so much so that Ohio has ranked number one in both 2006 and 2007 in major new and existing business facilities expansion, according to state rankings generated by a national trade journal, *Site Selection Magazine*.

We believe the greatest opportunities for economic growth in Ohio are where the foundations of our industrial past intersect with the innovations of our economic future. Our sense of urgency is great. Our need for agility, innovation, and productivity is critical. Our opportunity before us is exciting and real. Our vision is clear. Our attitude is positive. Our story is compelling.

Governor Strickland has said it best: *"It's time to celebrate our strengths and tell our story. There's an old movie called 'The Misfits,' starring Clark Gable – a native of Harrison County.*

*In the final scene, the characters played by Marilyn Monroe and Gable are in despair, not sure what will come next for them. Monroe turns to Gable and asks: "How do you find your way back home?" And he responds: "Just head for that big star, straight on ... It'll take us right home."*

*Ohio's constellation is large – but we have to look up to see it. We have an economy the size of a major country's – an economy that has always provided for our people.*

*But we can give our economy a boost by recognizing more than our difficulties; we can give our economy a boost by seeing what we have and remembering what we're capable of. Because it's time to look up again."*

## Imagine ... The year is 2020:

- Ohioans are relentlessly proud of their state, boasting about our physical beauty, great colleges and universities, cutting-edge technology and innovation, expansive portfolio of strong businesses and industries, and most of all, our quality of life.
- **O**hio's **H**ubs of **I**nnovation and **O**ppportunity is the national model for linking regional human and physical capital assets.
- Ohio's workforce system receives a national award for its ease of access and responsiveness to business needs.
- Ohio is ranked as the fastest growing state in the Midwest; Ohio's per capita income growth rate, job growth rate, and productivity growth rate all exceed the national average by 25%.
- Ohio leads the nation in private investments, federal research dollars awarded, and industry-sponsored research.
- Ohio attracts the most venture capital investments of any state in the Midwest.
- Ohio's higher education and research institutions are global innovators, leading the national market in the advancement and commercialization of alternative energies, electric and hybrid vehicles, advanced battery technology, and advanced manufacturing.
- Ohio is a global market leader in wind turbine manufacturing, solar thin film flat panel manufacturing, and fuel cell manufacturing.
- Ohio leads the nation in biofuels and bioproduct development, using both biochemistry and biomimicry, advancing the world's perception of the meaning of biotech.
- Ohio is a leading global provider of aerospace products, materials and services, including private aviation, and manned space travel.
- The Cleveland Clinic, Battelle, Case Western Reserve University, The Ohio State University, and the University of Cincinnati partner to receive the largest NIH grant in US history for biomedical research.

*All this and much more are possible if we have the right attitude, the right vision, the right plan, and the right people to execute the plan.*





Cincinnati Museum Center at Union Terminal – Cincinnati, Ohio



**“Ohio enables you to become a whole person,  
without sacrificing a life you love for career success.”**

Cynthia Booth, President and CEO, COBCO Enterprises

## **Planning for Prosperity**

- *Our Vision, Mission, Promise, Principles, and Outcomes*
- *Understanding our Global Context*
- *Confronting our Current Economic Challenges*
- *Recognizing and Valuing our Strengths*
- *Strengthening our Strengths and Seizing our Opportunities*
- *Setting our Data-driven Priorities*
- *Engaging our Stakeholders*



Department of  
Development



# Our Vision:

**Ohio** is *The State of Perfect Balance*

– a place where every individual can achieve a balance between growing economic prosperity and a fulfilling quality of life.



# Our Mission:

Change the trajectory of Ohio's economy by purposefully **redesigning the business climate** to increase the global competitiveness of Ohio's businesses, resulting in prosperity for all Ohioans.

# Our Economic Development Promise:

We will transform the culture of the Development Department by focusing on **speed, agility, transparency, collaboration, and accountability.**



## Our Guiding Principles

- 1 Be the change maker, instead of simply reacting to change.
- 2 Work in seamless collaboration with public, non-profit, and private sector parties, locally, regionally, and statewide.
- 3 Invest in what matters most.
- 4 Innovate with new, more effective solutions and create a positive customer experience.
- 5 Execute, organize, and align to achieve our goals.



## 5

# Five Strategic Outcomes

• Agility • Sustainability • Innovation • Opportunity • Prosperity

Our core planning team established five strategic outcomes that were informed by the data and research studies, consultations with key stakeholders across the state, and in our priorities regarding the economic prosperity of Ohio. Each outcome is associated with a unique set of goals, strategies, initiatives, and metrics, yet they are interrelated and mutually supporting. Considered together, these five outcomes will generate a more stable and prosperous future for Ohio.



Montgomery County Courthouse – Dayton, Ohio

## Agility

We must strive to operate at the speed of business. If Ohio is to realize its full potential as a globally-competitive center of industry and commerce, state government must become more flexible and responsive to our business customers who seek to grow and expand their business in our state. We are committed to continue streamlining the procedures and regulations that govern how business is conducted in Ohio. We are creating a customer-centered approach to service delivery that meets the needs and expectations of business for speed, agility, and reliability.

## Sustainability

We must design and build an economy that lasts. In an era of rising gas and oil prices, increasingly volatile markets for our products, and the breakneck speed of innovation,

Ohio must create a livable state for future generations. We must be able to reload our economic base with competitive products to sustain incomes. Investments in infrastructure efficiencies, “green” business practices, and sustainable development will ensure that the progress made today provides even greater opportunities tomorrow.

## Innovation

Economic competitiveness and success is not just about cost; it is about creating value with the portfolio of products and services produced in our state. Value is added to products by pulling technology into the product, being entrepreneurial in finding new uses and markets, or in inventing new delivery vehicles. Value is created and opportunities discovered by fostering new connections, collaborations, and commercialization. Innovation and economic development does not take place in silos. Innovations and economic development are products of an environment that Procter and Gamble’s leader, A.G. Lafley, calls a “courageous and connected culture.” Taking risks and finding opportunities by crossing boundaries. When this results in a new product, economic innovation is on display.

## Opportunity

We must leave no community, no region, no business, and no Ohioan behind. Our development outcomes must be inclusive and embrace Ohio’s diversity. It must lift all of us. Opportunity means higher wages, higher quality jobs, more career opportunities, increased growth and profits for Ohio businesses, and increased economic and community development for Ohio’s regions.

## Prosperity

We must improve the quality of life of every Ohioan. Increasing the prosperity of all Ohioans is the ultimate desired outcome of our plan. Ultimately, this is about changing the trajectory of Ohio’s economy to create a globally-competitive home of innovation and opportunity; a place where every Ohioan can achieve a balance between growing prosperity and a fulfilling quality of life.

# Planning for Prosperity



## Understanding Our Global Context

Globalization is the new reality, and the needs of business are changing rapidly. Old rules of winning in the market are being rewritten, and the new rules for market success are being defined. The only certainty is that the world will never be the same.

The world is shrinking and economic change is coming at us at lightning speed. More students in China will take the SAT in English than will in the United States this year. The world's tallest buildings are in Taipei and Dubai. The largest publicly traded company is in Beijing. The largest passenger airplane is built in Europe.

Is this reason for despair? Of course not.

Is this reason to work and engage with the world and to better understand the globally-competitive markets in which we now operate? Absolutely.

The Procter and Gamble Company has 14,000 employees working in Ohio, and two out of five depend upon its international business.

The future belongs to the fit and nimble. In the past 20 years, the nation's net job growth resulted from firms less than five years old, and 75 percent of the 1980 Fortune 100 list has been replaced by newer and younger companies. Twenty years ago, Ford and General Motors were Ohio's top employers. Today, despite their importance, neither ranks in the top. Now, three of Ohio's top 10 employers are healthcare institutions, none of which were ranked twenty years ago.

The top 10 jobs that will likely be in demand in 2010 didn't exist in 2004 and most are likely to be in healthcare and information technologies. We are currently preparing students for jobs that don't yet exist, getting them ready to use technologies that haven't yet been invented, and educating them to solve problems we don't even yet know are problems.

## Confronting Our Current Economic Challenges

Despite our relentless optimism, it is important that we directly acknowledge and address our current realities. There's no question we face serious, structural economic challenges in Ohio today. Everything we're trying to accomplish must be done in the midst of a national economy that has hit Ohioans squarely in the pocketbook.

Last year the nation endured the sharpest rise in inflation in 17 years. The struggle to make ends meet intensifies for every one of us. Wages are losing the race against inflation – with "real" wages having declined for American workers every month since October 2007.

Of course the burden falls hardest on those who have lost jobs, and this national economic downturn has spared few families.

This isn't just a state problem or a regional problem. The nation as a whole actually lost jobs in January of 2008. Then lost more jobs in February, and in March, and in April, and in May, and in June. May's jump in unemployment was the largest in 22 years.

Across the country in 2007, foreclosures were 75 percent above the already high levels of the year before. Take a walk down the average street, anywhere in America today – by the time you've gone halfway down the block, odds are you've passed multiple houses with past-due mortgages.

When 2007 began, a barrel of oil was \$50. Before the year was out, it was \$100. As this plan is being written in the summer of 2008, it is bouncing between \$130 and \$140. As the third-largest energy consumer in the country, Ohio is especially susceptible to skyrocketing energy costs. The one-two punch of rising oil prices and weakening consumer confidence make it increasingly difficult for Ohio's leading industries to do business. Shifts in the types of automobiles purchased and lower demand for building materials are creating a ripple effect in many of our state's already vulnerable local economies.

**It's time we plan for our future by inventorying, valuing, and strategically investing in our assets.**



Washington Courthouse, Ohio

# Planning for Prosperity



## Recognizing and Valuing Our Strengths

Despite the hurdles we must clear, Ohio holds great promise. After all, if your products are sought after across the world, then you will thrive in the long run. Just look at some of our remarkable assets:

There is one state – only one state – in the country whose exports have grown every year for the last 10 years. *That's Ohio.*



Schneider – Marion, Ohio

A low cost of high-quality living means a more economically sustainable life for people. It means being able to provide for yourself and your family. It means lower costs for businesses trying to attract a talented workforce. It means perfect balance.

The cost of living in our state is the second lowest in the Midwest, and the second lowest among large states. *That's Ohio.*

If there's anything the modern economy has shown us, it's that everyday it gets easier and easier for any company to locate anywhere. We are in competition with states and nations for almost all new development we are seeking.

So, we have to make Ohio attractive to businesses. And when our tax reforms that are in place become fully implemented, Ohio will be one of only two states in the nation without a general tax on corporate profits and without a general tax on tangible personal property. *That's Ohio.*

Seven of our metro areas are ranked in the top 100 Best Art and Cultural Amenities according to the Places Rated Almanac. *That's Ohio.*

Ohio is the 25th largest economy in the world and among the nation's leaders in corporate headquarters with 28 Fortune 500 companies housed here. Ohio's civilian labor force of 5.9 million people is greater than the total populations of 33 other states. There are at least 600 foreign-based corporations from 28 countries operating in Ohio with more than 1,000 facilities employing between 180,000 to 200,000 people. *That's Ohio.*

Ohio's transportation infrastructure is strong. We are 4th in the nation for the number of airports and 6th in interstate highway miles. More freight traffic comes through water ports on Lake Erie and the Ohio River than goes through the Panama Canal. *That's Ohio.*

Ohio has a strong and growing high-tech sector which created 2,800 new, high wage jobs in 2006, more than doubling the 1,200 created in 2005. The average tech-industry employee in Ohio earns \$63,500 annually, 67 percent more than the average private-sector salary. *That's Ohio.*

*"It's tempting to look for a quick fix to help the Ohio economy. But this isn't the time to stick some chewing gum in the crack and hope it holds."*

Ted Strickland  
Governor of Ohio

Ohio ranked 6th in the U.S. in 2006 in the number of new university-generated start-up companies, many of which took advantage of opportunities made possible by the Ohio Third Frontier program. In turn, Ohio now leads the Midwest in the growth of venture capital investments in the biosciences. *That's Ohio.*



Goodyear Corporate Headquarters – Akron, Ohio

Ohio is a recognized leader in the areas of plastics, rubber, automotive industry suppliers, frozen specialty food, electrical equipment and supplies, and value-added metalworking equipment. *That's Ohio.*

**Ohio's world-class polymer industry produces more than \$5 billion worth of plastic and rubber products, and 33 companies on the U.S. Fortune 1000 list have polymer industry operations in Ohio. Seven of those operations are world headquarters. *That's Ohio.***

Ohio has the largest fuel cell supply chain in the country, and since 2002 Ohio has invested more than \$70 million in fuel cell projects. *That's Ohio.*

## **Strengthening our Strengths and Seizing our Opportunities**

We have a wonderful opportunity now in Ohio to build from these strengths, and we will.

Our jobs stimulus plan invests in four of our most promising industry sectors. We've targeted these areas for state investment because these are all areas in which Ohio is a national leader, and where there is a window of opportunity for us to advance development and lay claim to being an international leader.

We are investing in bioscience. With our incomparable universities, hospitals, and health science companies, Ohioans have developed the Kidney Dialysis Machine, the MRI, the first antihistamine, and countless other extraordinary medical advances. Ohio leads the nation in the growth of venture capital investments in the biosciences and is host to one in every five clinical trials in the U.S.

The quality of our medical facilities in Ohio is simply incomparable. In the *U.S. News and World Report* rankings, Ohio leads the nation with four of the country's top 15 children's hospitals.

# Planning for Prosperity



We are investing in advanced and renewable energy. Experts have concluded that with our manufacturing base, our location, and our university research teams, Ohio is among the top two states for potential new jobs in renewable energy. Demand for advanced energy worldwide is soaring.

Consider wind energy, the world's fastest-growing energy resource. Wind turbine installations have doubled in the last three years. Ohio is well positioned to capitalize on this rapidly growing industry, leveraging our existing strengths and assets to fill the void in an industry that already has a two-year wait list for component parts. Our skills in automotive and component parts manufacturing are ideal for the wind industry, with more than 100 Ohio companies currently providing essential parts to major corporations like **GE Energy**, **Gamesa**, and **Clipper**.

Wind is just one example of Ohio's great capacity and potential for being a leader in advanced and renewable energy, which includes: solar, biofuels, and clean coal. Advanced automobile, aviation, and aerospace power and propulsion technologies each have a strong presence in Ohio. One study has estimated that more than 2,000 Ohio companies make component parts that could be utilized in advanced energy. **Parker Hannifin**, an Ohio headquartered company and world leader in hydraulic systems and motion controls is a major supplier of components to the wind turbine industry. **Velocys**, Inc. has a revolutionary microchannel enabled process for synthetic biofuels and chemicals. And **IBC Solar**, one of the leading solar manufacturers in Germany, has committed to establishing its U.S. headquarters in Cleveland.

We are investing in distribution and logistics. Ohio's geographic advantage is enormous. Within 600 miles of Ohio is the majority of the U.S. population, the majority of U.S. manufacturing facilities, and the vast majority of U.S. corporate headquarters. Because of our central location, there is no state better suited than Ohio for logistics and distribution centers and the jobs they bring.

And we're investing in bio-based products. Ohio is first in the country in the advanced polymer industry. By accelerating the shift from petroleum-based plastic to corn, soy, and other bio-based plastics, we will create jobs and strengthen the market for Ohio's agricultural products.

We are linking and leveraging our inventive past with our innovative future. Ohio has a rich history of innovation, of new product development and research, and of invention and reinvention. The best way to prevent our state's economy from being adversely affected by external forces, like rising energy costs, disruptive technologies, and increasingly volatile markets, is to leverage the strengths

Lake Erie – Cleveland, Ohio



past to create a more prosperous future. The greatest opportunities for Ohio's economic future exist in the areas of our state where business and industry intersect with centers of innovation and discovery.

The Ohio Story is one of change. From rubber to polymers, from gliders to turbine engines and lunar rockets, from bicycles to biomaterials, time and again Ohio's economy proves resilient in times of change. Ohio is not standing still during this current economic storm. Ohio's welders, machinists, electricians, iron and steel workers, civil engineers, chemists, truck drivers, computer software engineers, and others are retooling to retrofit buildings, building mass transit, installing wind and solar power, and manufacturing energy-efficient automobiles. Look under Ohio's hood, and you will see an economic engine that is being redesigned and retooled. We are building Ohio to become a global home of innovation and opportunity.

# Planning for Prosperity



## Setting our Data-driven Priorities

We convened a core group consisting of senior Development Department staff and Ohio stakeholders with expertise in the areas of strategic planning and economic development.

The charge was straightforward:

**Develop a plan with the power to propel Ohio's economy forward and enable every Ohioan to achieve personal and professional success in the State of Perfect Balance.**

Our core planning team spent considerable time collecting, evaluating, and analyzing data relevant to the current and projected state of Ohio's economy. Our data-driven approach provided our team with an objective view of the internal and external conditions affecting Ohio's economic future and led to the design of a strategic framework for identifying the state's top economic development priorities. This framework drove the identification and assessment of issues, trends, and influences relevant to Ohio's future.

Earlier studies of Ohio's economy were examined for ideas that should be incorporated into our plan. Primary among them were the 2005 Industry Study by Deloitte Consulting and Cleveland State University and the 2002 and 2006 Technology Studies issued by Battelle Memorial Institute in Columbus. Recommendations and ideas submitted in the 2006 Ohio Department of Development Transition Report were also considered in development of our plan.

In addition to the assessment of existing documents, a benchmark analysis comparing Ohio to eleven states was completed early in the planning process. Comparisons of Ohio to our five border states (Indiana, Kentucky, Michigan, Pennsylvania and West Virginia) provided a review of the economic development challenges and opportunities that exist regionally. Comparison with six non-border states known for their economic prowess, particularly with regard to innovation, new business creation, and wealth creation (California, Florida, Massachusetts, North Carolina, New York, and Virginia) provided a broader perspective on where Ohio's economy currently stands. The analysis examined thirty comparative metrics including per capita personal income growth; employment growth; gross state product growth; small business starts; and business capital expenditures.

Our core planning team also examined successful economic development strategies implemented in other states and considered how the development path of these states was related to the strategies they adopted. Several of these successful programs were identified as candidates for replication in Ohio given similarities in the other states' industry strengths, geographies, workforce composition, capital resources, and incentive structures.

Finally, an analysis of Ohio's leading industry clusters, using the Harvard Cluster Mapping project's database, aided in identifying groups of industries likely to be successful and provide growth opportunities for Ohio. These data points were compared to the Deloitte/Cleveland State University study.

## Engaging our Stakeholders

An engagement and outreach strategy was developed with key economic stakeholders using our framework to structure dialogue and generate ideas.



During our planning process, our core planning team conducted seven outreach sessions attended by more than 1,200 Ohio citizens, held three working sessions with our Statewide Strategic Plan Advisory Team, and led multiple informational forums, briefings, and interviews seeking input on the strategic plan. Common issues discussed at our public forums across the state included:

- Education, workforce, and talent
- Economic climate of the state
- Existing business and industry competitiveness
- Entrepreneurship and small business development
- Infrastructure efficiency
- Minority- and women-owned business programs
- Modernization of incentives
- Regionalism and local governance
- State and regional marketing and branding
- Technological innovation
- Advanced and renewable energy
- Urban redevelopment

## Strategic Plan Advisory Team Members

David T. Abbott, Executive Director, The George Gund Foundation  
Jan Allen, Cabinet Secretary, Office of the Governor  
Harry Andrist, Vice Chancellor of Research and Graduate Programs, Ohio Board of Regents  
Dorothy C. Baunach, President & CEO, NorTech  
Jim Beasley, Director, Ohio Department of Transportation  
Otto Beatty, Jr., Attorney at Law, Otto Beatty Jr. & Associates  
Dan Berglund, President & CEO, State Science and Technology Institute  
Robert Boggs, Director, Ohio Department of Agriculture  
Lavea Brachman, Co-Director, Greater Ohio & Non-Resident Senior Fellow, Brookings Institution  
Tim Burga, Chief of Staff, Ohio AFL-CIO  
Ed Burghard, Executive Director, Ohio Business Development Coalition  
Eric Burkland, President, Ohio Manufacturers' Association  
Kacey Campbell, Project Coordinator, Capital Crossroads Special Improvement District  
Mark Collar, Venture Partner, Triathlon Medical Ventures  
Gary Conley, President, TechSolve  
Karen Craddock, Project Manager, Duke Energy Corporation  
Andrew Doehrel, President & CEO, Ohio Chamber of Commerce  
Jim Douth, former Executive Director, Medina County Economic Development Corp.  
Jack Dustin, Director, Center for Urban and Public Affairs, Wright State University  
Ken Fightmaster, Director of Economic Development, Cincinnati Regional Chamber  
Eric Fingerhut, Chancellor, Ohio Board of Regents  
John C. (Jack) Fisher, Executive Vice President, Ohio Farm Bureau Federation  
Terry Foegler, President, Campus Partners  
Ted Ford, President & CEO, TechColumbus  
Patrick Gammons, Senior Vice President, Deloitte & Touche  
Jay Gardner, former Director, Bellaire-Puritas Development Corporation  
John Garland, President, Central State University  
Terri Gehr, Senior Vice President & CFO, Columbus State Community College  
Roger Geiger, Vice President & Ohio Executive Director, National Federation of Independent Business  
Lynn Gellerman, President, Adena Ventures  
Walter M. Good, Director, Economic Development Action Team, Youngstown/Warren Regional Chamber  
Joe Hamrock, President and Chief Operating Officer, AEP Ohio  
Edward W. (Ned) Hill, Vice President for Economic Development, Interim Dean of the Maxine Goodman Levin College of Urban Affairs, Cleveland State University  
Carole Hoover, President & Chief Executive Officer, Hoover Milstein  
Mary Jo Hudson, Director, Ohio Department of Insurance  
Don Iannone, President & CEO, Donald T. Iannone & Associates  
Chris Korleski, Director, Ohio Environmental Protection Agency  
Nancy Kramer, Founder & CEO, Resource Interactive  
Gene Krebs, Co-Director, Greater Ohio  
Robert R. Lane, President, Key Bank of Central Ohio  
Ray Leach, CEO, JumpStart

Richard A. Levin, Tax Commissioner, Ohio Department of Taxation  
Joe Logan, President, Ohio Farmers Union  
Sean Logan, Director, Ohio Department of Natural Resources  
Susan Luria, Principal, Roxboro Management Group Inc.  
John Mahaney, President & CEO, Ohio Retail Merchants Association  
Ty Marsh, President & CEO, Columbus Chamber of Commerce  
Robert McGrath, Senior Vice President of Research, The Ohio State University  
Robert H. Milbourne, President & CEO, Columbus Partnership  
David Milenthal, CEO, The Milenthal Group  
Jolene Molitoris, Assistant Director, Ohio Department of Transportation  
Hunter Morrison, Director of Campus Planning and Community Partnerships, Youngstown State University  
JP Nauseef, former President & CEO, Dayton Development Coalition  
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David R. Scholl, Ph.D., President & CEO, Diagnostic HYBRIDS  
Baiju R. Shah, President & CEO, BioEnterprise  
Mark R. Shanahan, Ph.D., Governor's Energy Advisor  
Jennifer Simon, President, Athens County Economic Development Council  
Dwight Smith, Founder & CEO, Sophisticated Systems  
Sharon Sobol Jordan, President & CEO, Center for Families and Children  
Martijn Steger, Director & Chair, International Law and Business, Kegler, Brown, Hill & Ritter Co., L.P.A.  
Richard Stoff, President, Ohio Business Roundtable  
Mary Ann Stropkay, President, ShoreBank Enterprise Group  
Jennifer Thornton, Interim President, South Central Ohio Minority Business Council, Inc.  
Donald Van Meter, President, VMC Consulting Group, Inc.  
Guhan Venkatu, Economic Analyst, Federal Reserve Bank of Cleveland  
Thomas Waltermire, CEO, Team Northeast Ohio  
Steve Weathers, President & CEO, Toledo Regional Growth Partnership  
Mark L. Weinberg, Professor, and Director, Voinovich School of Leadership and Public Affairs, Ohio University  
Bradley Whitehead, President, Fund for Our Economic Future  
Bruce Wyngaard, Operations Director, OCSEA  
Kimberly Zurz, Director, Ohio Department of Commerce



**Willkommen to Oktoberfest!**

HUMAN VILLAGE SOCIETY

RE/



**“Hands down, Ohio offers the best balance of business climate and quality of life for an entrepreneur building a successful company.”**

Ravi Kunduru, Founder and CEO, Ventech Solutions, Inc.

## **Excellence in Execution**

- *Implementation*
- *Measuring our Success*



Department of  
Development



## Implementation

This plan is a living document which establishes our priorities and guides our decisions. Ohio deserves nothing less. We have promised Ohioans an economic development plan that will transform our economy, revitalize our regions, and provide greater opportunities for all. Implementation has already started with several key organizational changes to ensure there is adequate leadership and operating capacity to launch key initiatives.

Our success is premised on the notion that meaningful partnerships will lead to better results. Everyone has a role to play in building a more prosperous Ohio. Pooling our intellectual, administrative, and industrial knowledge base is the first order of business in creating Ohio's economic future and the next chapter in the Ohio Story.

**Connecting to Ohioans.** Guided by the fulfillment of our strategic plan's vision, mission, promise, guiding principles, goals, strategies, and lead measures, Governor Strickland and Lieutenant Governor Fisher will convene:

- **Statewide and Regional Governor's Business Advisory Councils** to advise, guide, and support the implementation of our economic development strategic plan and our economic development decision making process.
- We will also hold an **Annual Economic Growth Summit**, beginning in 2009, designed to bring together Ohio business, industry, community, academic, and economic development leaders throughout Ohio to share ideas, strategies, tactics, and best practices for Ohio's continued economic growth and development.

Our implementation and execution will be guided by **three principles**:

1. Doing our work at the speed of business; speed, agility, transparency, accountability, and collaboration serve as the compass for our culture and guide our customer focus. Performance targets and measurable milestones will light our path and ensure that we keep our economic development promise.
2. Every department of state government is our partner. We will actively pursue further organizational alignments and partnerships among and between state agencies to advance our goals.
3. Every region, industry, and business is our customer. We will actively reach out to our regional and industry stakeholders to develop stronger, higher impact programs and partnerships.

SpineMatrix – Akron, Ohio



We will implement **three execution strategies**:

1. Create a Strategic Implementation Leadership Team and establish five Goal Teams to guide implementation on all levels across the short, intermediate, and long term. The Lieutenant Governor/Director of Development, the Chief Economic Development Officer/Assistant Director of Development, and the Chief Strategic Officer will lead our Implementation Team with support from other key department team members. The Strategic Implementation Team will lead, manage, and be accountable for the implementation process. The Implementation Team is also responsible for communicating our plan to our internal and external stakeholders.
2. Develop an Engagement/Partnership Strategy to ensure implementation is guided by effective outreach and collaboration and a process for continued consultation, support, and advice by stakeholders and partners.
3. Utilize the Plan to Help Leverage Resources where the state budget is not sufficient or appropriate to carry out major initiatives, seeking outside support from federal, private, and philanthropic sources.



# Excellence in Execution



## Measuring our Success

*We will use three lead measures of economic outcomes as a way of measuring overall progress made in turning around Ohio's economy and more importantly, as a way of holding ourselves accountable for our economic development strategy and activities. These three measures are related.*

The first measure is the growth rate in per capita income. This statistic is a well-accepted measure of the average increase in income of each resident of the state, and increasing incomes is the clearest measure of economic progress we have. Growth in per capita income is partially based on growth in the number of jobs and on growth in gross state product that is associated with the average job in Ohio.

The second measure of economic progress is the employment growth rate.

The third measure is growth in gross state product per job. Gross state product is analogous to value added, and the growth in gross state product per job is the closest we can come to measuring increases in productivity. It is the foundation of economic progress because incomes can only be increased with increases in productivity. There are two paths to increased productivity – either by having Ohio firms produce higher valued products or by having Ohio's residents work smarter, faster, and harder.

Each of these statistics is converted into an index where Ohio's three-year average growth rate is compared to a weighted average of the rate in Ohio's five border states (Pennsylvania, West Virginia, Kentucky, Indiana, and Michigan), as well as Illinois.

These three measures track the sum total of the state's economic progress. They are accompanied by a battery of other measurements that are designed to track our progress in changing specific attributes of Ohio's economy – attributes that are expected outcomes from the activities undertaken to meet each of our five goals. The key initiatives that are undertaken in our Department's five goals – **O**hio **H**ubs of **I**nnovation and **O**ppportunity, Ohio Means Home, Ohio Workforce Guarantee, Regional Economic Deal Team, our Customer Experience Initiative, Modernizing our Economic Development Incentives, and our other initiatives – will change the trajectory of Ohio's economy.

### Lead Measures

Measure	Baseline	Target
<b>Increase Economic Prosperity</b> Per Capita Income Growth Rate	91 %	<b>125 %</b>
<b>Create Employment Opportunities</b> Job Growth Rate	80 %	<b>125 %</b>
<b>Expand Productivity Through Innovation</b> Gross State Product Per Job Growth Rate	88 %	<b>125 %</b>

### Index of Relative Per Capita Income Growth:

At the end of the day an improving economy has to result in increased real income for Ohioans if we are to be successful. It is just that simple and just that hard. The summative measure of our success in changing the trajectory of Ohio's economy rests in changing the growth rate in per capita income. This is calculated relative to the average growth rate in per capita incomes in surrounding states. This is done as a way of controlling for differences in regional cost-of-living and as a way of benchmarking ourselves against our immediate competition. A three-year moving average is calculated so that one-time events, such as a drought or one-time economic events do not influence the interpretation of the measure. The Ohio Department of Development is charged with changing the performance of Ohio's economy over the long-haul, and the benchmark measurements reflect this reality.

The index is calculated in a multi-step process. Per capita income is calculated by dividing the state's total personal income by estimated population. Change in value from one year to the next is calculated for three years (for examples from 2003 to 2004, 2004 to 2005, and then from 2005 to 2006) and then is averaged over the three-year period. Ohio's three-year average growth rate is then compared to a regional benchmark rate. The benchmark is the average rate in per capita income for our region. The calculation of the regional rate begins with generating the three-year growth rate in per capita income for each of Ohio's surrounding states (Pennsylvania, West Virginia, Kentucky, Indiana, and Michigan) as well as Illinois. The weighted average growth rate for these six states is then calculated using state personal income as the weight. Ohio's three-year average growth rate in per capita income is then divided by the regional weighted average rate and then multiplied by 100 to produce an index value. If the index is equal to 100, then Ohio's growth rate in per capita income is the same as that of the average of our regional competitors, if less than 100, it is below the regional

# Excellence in Execution



benchmark growth rate, and if above 100 it is higher than the regional benchmark growth rate. Currently the index is 91, showing that Ohio's growth rate is 9 index points below the regional benchmark.

*Target:* Ohio's rate of change will improve and increase over the region during the next decade. By 2020 the index should rise to 125. The data are obtained from the U.S. Bureau of Economic Analysis

**Index of Relative Employment Growth:** Incomes cannot be earned if people do not have work. Residents are not retained, and people are not attracted to live in a state that has low job growth rates. Economic vitality is associated with a vital job market. Calculating the index of relative job growth is similar to the method used to build the index of growth in per capita income. It is a three-year moving average of job growth rates, where Ohio's average rate is compared to the weighted average of job growth rates in the five surrounding states.

The three-year average annual growth rate in jobs is calculated as the average change in the total state employment from one year to the next (for example from 2003-2004, 2004-2005, and then from 2005-2006), then averaged over the whole three-year period. The three-year average growth rate for the six surrounding states also is calculated and the weighted average across the six states is calculated using each state's share of three-year total employment as the weight. Ohio's three-year employment growth rate is then compared to the weighted average regional rate. The current index value is 80.

*Target:* Ohio's rate of job growth will increase over the regional average rate over the next decade. By 2020 the index for Ohio should rise to 125. The data are obtained from the U.S. Bureau of Economic Analysis.

**Index of Relative Growth in Gross State Product per Job:** Productivity growth is key to increasing wealth. Productivity is defined as value added per hour worked. Unfortunately, at the state-level, these data are not available. Therefore, a proximate measure of productivity, gross state product per job, is used in its place. Our Department is working with Ohio's employers and workers to improve all facets of productivity. A wide variety of programs, from the Ohio Third Frontier to the state's international marketing offices, help business owners and managers increase the value of their products and the global scope of their markets, all with the intent of growing the top line of the income statements of Ohio's companies. The other facet of improving productivity lies

in cost-minimization by focusing on the middle lines of an establishment's income statement. This is sometimes narrowly cast as having a workforce that is working harder, faster, and smarter. The emphasis has to go on to being a master – a well trained workforce that is coupled with management that can effectively use 21st century management techniques.

The third goal of the Department's strategic plan is dedicated to improving the skills of the state's incumbent workforce. Ohio's Workforce Guarantee focuses on incumbent workforce training. The state's investment in the Manufacturing Extension Partnership members, TechSolve in the southern portion of the state and MAGNET in the north, is linked to the Workforce Guarantee and also has the capacity to provide skill-building in the areas of production efficiency and can coach product innovation. The state's traditional economic development loan programs are aimed at improving the cost-efficiency of expanding or locating in Ohio.

*“Execution is a systematic process of rigorously discussing hows and whats, tenaciously following through, and ensuring accountability.”*

Larry Bossidy & Ram Charan  
*Execution: The Discipline of Getting Things Done*

**The calculation of the Index of Relative Productivity Growth** is similar to that of the previous two indexes. The calculation begins by dividing Ohio's Gross State Product by total employment for each year. The annual changes in these values then are averaged over the three-year period of time and compared to the six regional benchmark states. The total three-year change in Gross Product per job in each of the six regional benchmark states is calculated, and then each states' growth rate is weighted by the states' share of total change in Gross Product per job. The current three-year index value is 88.

*Target:* The Average Growth Rate of Ohio's Gross State Product per job will increase over the next decade. By 2020 the index for Ohio will rise to 125. Source: U.S. Bureau of Economic Analysis.

A.G. Lafley writes in *The Game Changer*, “If you don't execute, the consumer doesn't care what the strategy was. Execution is the only strategy that consumers see.”

Our plan is a working document that will frame and guide the allocation, alignment, and leveraging of our resources, talents, and effort. We have cataloged our initiatives into three categories that determine the time to full implementation: short (0-24 months), intermediate (2-4 years), and long-term (5 or more years). Our target metrics are to be reached by the year 2020.

Several key organizational changes already have been made within the Department of Development to ensure that we have the leadership and capacity to launch key initiatives and continue to implement the ideas that are working.



PGA Memorial Tournament – Dublin, Ohio



**“Ohio makes sense for me. It's helped me succeed in my career without sacrificing the home life I enjoy.”**

Bobby Rahal, Co-owner Rahal Letterman Racing

## **Redesigning and Retooling**

- *Goal 1: Share the Ohio Story*
- *Goal 2: Strengthen our Strengths*
- *Goal 3: Cultivate Top Talent*
- *Goal 4: Invest in our Regional Assets*
- *Goal 5: Focus on our Customers*



Department of  
Development

- 1 Share the Ohio Story**
- 2 Strengthen our Strengths**
- 3 Cultivate Top Talent**
- 4 Invest in our Regional Assets**
- 5 Focus on our Customers**

# Goal 1: Share the Ohio Story

*Excite the world about Ohio.*



*Ohio has an unprecedented opportunity to unite and show how we can create real change, both in how we are seen by the world, and in how we see ourselves.*

Let's be clear. While the substance of Ohio's economic development strategy is most important, it must be framed with a positive attitude and a compelling image. A brand-oriented approach to economic development is not just a desirable strategy. It is imperative for any state hoping to attract meaningful business growth in the face of broad competition. The Ohio branding initiative helps to create a positive impression of Ohio both for the people who live here and for those businesses we want to attract and retain. To achieve this goal, Ohio's economic development leadership will do the following:

## Key Strategies to Share the Ohio Story

- 1. Promote Ohio for New Capital Investment.** Position Ohio as an ideal location for capital investment in the minds of company executives and site selection consultants.
- 2. Promote Ohio's Regions.** Strengthen Ohio's overall image by supporting regional branding and marketing initiatives that are aligned with our state's brand promise.
- 3. Promote Ohio as a Tourism and Residential Destination.** Leverage the Ohio brand and promote Ohio as an ideal destination where people of all ages want to build their lives and raise their families, and somewhere people from around the globe want to visit.

## Background of the Ohio Story

Ohio is a place where you can build your business and love your life; where a rewarding career and a fulfilling lifestyle are equally and readily attainable.

Ohio offers everything businesses need to thrive and grow – a central location supported by a world-class logistics infrastructure, easy access to markets and supply chains, and a large and productive labor pool. Ohio's public/private sector leadership is committed to business and policy innovation across diverse economic sectors, and the state offers a unique business tax structure that encourages exports, investment, and profit.

Yet in Ohio, business success is balanced in the broader context of a fulfilling life. Ohio is a place where this balance allows people to achieve at a higher level and thus realize individual aspirations— at home, at work, and in the community.

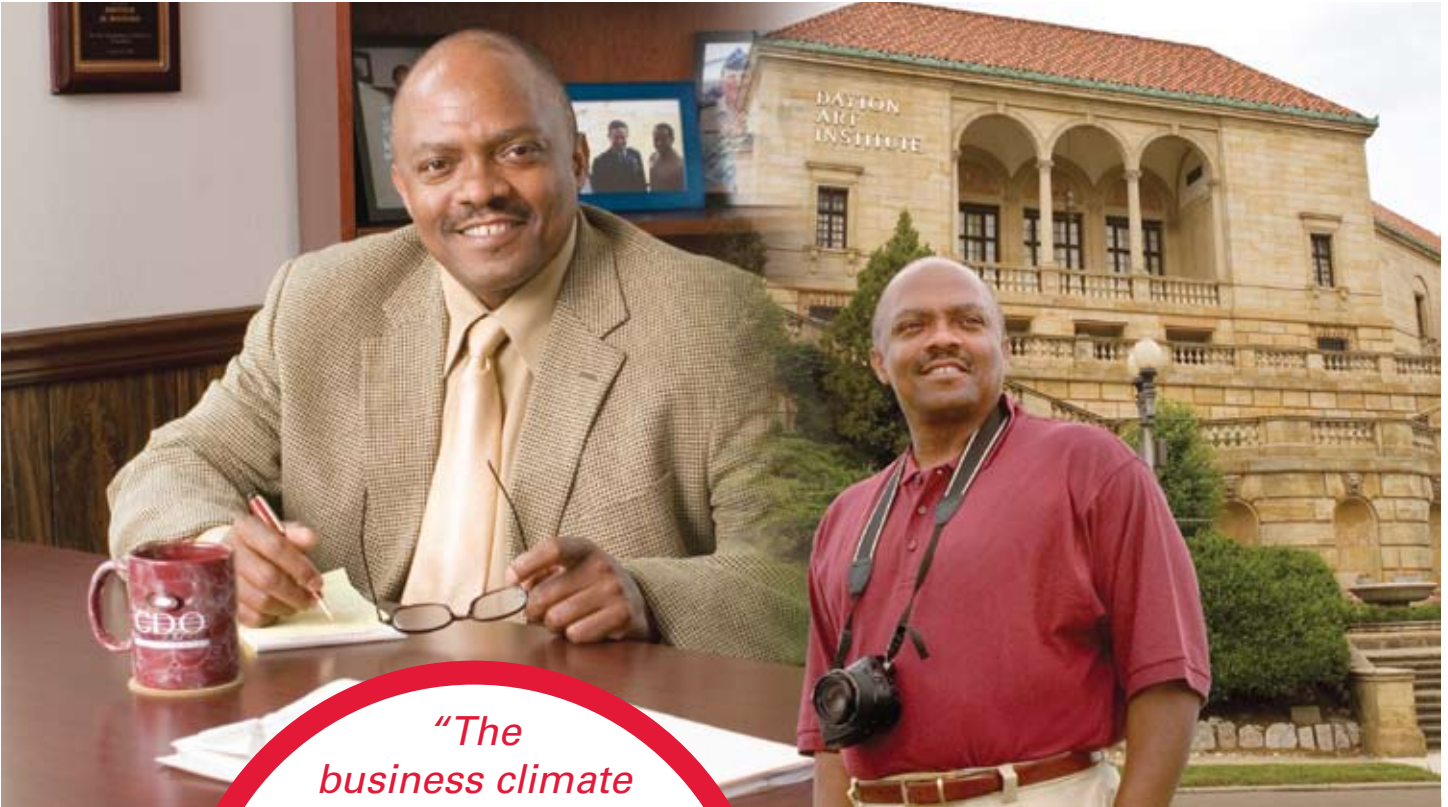
Ohio's promise creates a compelling story for capital investors and makes an emotional connection that generates pride and excitement with Ohio residents. For Ohio employers, it increases company loyalty, translating into higher job retention and capital expansion. For prospective employers, it demonstrates the benefits that

*"It is time for us to proudly share our story, a story that speaks to both what has made us great, and what will make us even greater in the future."*

Lee Fisher  
Lt. Governor of Ohio  
Director, Ohio Department  
of Development



balance brings to productivity within their operation. For our regional promotion efforts, it provides a single message allowing us to sing from the same sheet of music. And for the State of Ohio, it tells the story of our proud history and generates inspirational expectations for our dynamic future.



*“The business climate and the quality of life are excellent in Ohio. Personally and professionally, I can find everything I want right here.”*

Al Wofford, President and CEO,  
CDO Technologies, Inc.





### Our Economic Development Opportunity

Economic development begins with having the right attitude. As Ohioans we must possess pride about the state where we live; the companies and talent we want to recruit and grow in Ohio must also have a positive perception of our state. Without a positive perception, the companies and talent we seek to attract will eliminate Ohio from their list, leaving us without the opportunity to compete.

In the economic development arena, competition for new capital investment is increasing worldwide. According to the International Economic Development Council, there are 15,000 regions and communities around the world wrestling for a competitive pool of relocation and expansion projects. It is no longer sufficient to have a shovel ready site or speculative development building; multiple locations can meet the requirements. Locations must demonstrate value beyond what has commonly been considered traditional site selection factors. This differentiating value is what helps win investment projects in today's competitive arena, and it tends to be more emotional than rational. For example, how engaging one community is over another or how impressive their list of community business leaders might be. This change in corporate investment has prompted the need for a shift in strategy for business retention and attraction.

Ohio has multiple differentiating strengths that appeal to the rational and economic decision making process: a robust pool of talent; a unique metro and metropolitan structure balanced by rural countrysides; a highly competitive business tax structure; a unique location with a world-class logistics infrastructure; and a strong structure of support sparking successful research, innovation, and commercialization. While these unique differentiators help increase the likelihood of getting into the game to compete, they are not enough to win. We must establish an emotional connection with investment decision makers and influencers if we expect to win more deals and stimulate more investment.

Our continued investment in marketing the State of Ohio will translate to an improved perception of Ohio at each of the critical three Moments of Truth. The result will be more opportunities for Ohio regions to compete for projects, which means more businesses locating, expanding, growing, and flourishing in Ohio. This will improve the overall economy of our state and create a better place for Ohio's citizens to live and work.

### When looking at the capital investment decision making process, it boils down to winning three specific 'Moments of Truth':

**Moment 1**  
Winning the opportunity to compete

The first moment is about getting into the game; being invited to compete for a new investment opportunity. We must ensure Ohio has the opportunity to compete by eliminating misperceptions and creating a strong Ohio brand.

**Moment 2**  
Winning the competition

Earning a spot on the short list requires a strong regional brand with a unique set of business assets and life experiences, combined with a competitive incentive package. A strong Ohio brand can provide the emotional advantage that makes Ohio the winning choice.

**Moment 3**  
Winning the reinvestment

Creating a positive experience for company executives, their employees, and their families will help ensure repeat investments through retention and expansion of our existing companies. We need to deliver beyond expectations and eliminate any reason to consider other locations for future investments.



## Major Initiatives to Share the Ohio Story

### New Initiatives:

- Ohio Sales Strategy
- Targeted Global Markets Strategy
- Ohio Ambassador Initiative
- Enterprise Appalachia
- Ohio Means Home

### Ideas that are Working:

- Ohio Business Development Coalition Branding and Marketing Campaign
- Ohio Brand Extension Throughout State Government
- Regional Marketing Program
- Ohio Tourism Campaign
- Ohio Film Office



Lt. Governor Lee Fisher – Japan

## Strategy #1:

*Promote Ohio for New Capital Investment. Position Ohio as an ideal location for capital investment in the minds of company executives and site selection consultants.*

### Major Initiatives to Promote Ohio for New Capital Investment:

#### • Ohio Sales Strategy

Our Department, in partnership with the Ohio Business Development Coalition and Team Ohio, is creating a proactive Ohio Sales Strategy to help further strengthen the linkage between Ohio’s marketing program and sales effort. Housed in the Ohio Business Development Coalition, objectives of the Ohio Sales Strategy include: Securing lead management partnerships with statewide and regional organizations to refine the statewide lead management process and protocol; improving the quality and delivery of information to site selection consultants and end users by improving OhioSites.com and other on-line information resources, and; creating a comprehensive and targeted state-level sales plan.

#### • Targeted Global Markets Strategy

Working with Ohio’s Global Markets and Investment Offices, our Department will develop country specific strategies focusing on key opportunities in our targeted industries. Through our partnership with the Ohio Business Development Coalition, customized web pages will be developed for each country or trading block where there’s an Ohio presence or reach, using the existing platform and resources of OhioMeansBusiness.com.

#### • Ohio Ambassador Initiative

The Ohio Ambassador Initiative will identify current and former citizens of Ohio in a positive campaign focused on the benefits of living and working in the State of Perfect Balance. By request, these individuals will be recognized as an Ohio Ambassador. They will receive an Ohio lapel pin and a handbook on positive ways to share the Ohio Story and how to excite others in their sphere of influence.

Ohioans can be the most persuasive advocates if given the tools and knowledge to promote our state to friends, colleagues, and acquaintances. Providing Ambassadors in Ohio and around the world with knowledge about key Ohio benefits extends the reach of our brand message, increasing positive buzz about Ohio and moves people from a glass half empty to a glass half full perspective.



• **Ohio Business Development Coalition** ✓  
**Branding and Marketing Campaign**

We will continue to invest in the branding and marketing initiatives led by the Ohio Business Development Coalition, supporting their work to continue building a more positive impression of Ohio among executives and site selection consultants. Building a strong Ohio brand is a critical investment to win the opportunity to compete for new capital investment projects. Companies look for any reason possible to eliminate locations at the early stages of a capital investment project, often relying on perceptions to determine if a state is kept in the final consideration set. A strong Ohio brand helps us minimize misperceptions about Ohio as a location to build a business and ensures Ohio is on the short list to be considered for new investment projects.



• **Ohio Brand Extension Throughout** ✓  
**State Government**

Extending the use of the Ohio brand helps to leverage existing investments, increasing the use of our state’s visual identity and as a result, reinforces the Ohio brand. Implementation of the brand to other state agencies and departments already has begun and will continue. In addition to extending the brand to other state agencies and departments, we will reach out to other state officeholders and the General Assembly to seek engagement in incorporating the Ohio brand.

**Strategy #2:**

*Promote Ohio’s Regions. Strengthen Ohio’s overall image by supporting regional branding and marketing initiatives co-branded with the state and aligned with communicating the state’s brand promise.*

**Major Initiatives to Promote Ohio’s Regions:**

• **Enterprise Appalachia** 🗺️

As part of the Regional Marketing Program, Ohio will help to stimulate economic activity in our Appalachian region by initiating a small business attraction and creation campaign for the region called Enterprise Appalachia, building on the success of entrepreneurship in the region and the Regional Entrepreneurship Initiative at Ohio University’s Voinovich Center. The campaign will communicate and advance the region’s ability to deliver the perfect balance between low overhead costs and access to critical supply chains, as well as academic networks.

• **Regional Marketing Program** ✓

The Regional Marketing Program managed by the Ohio Business Development Coalition leverages matching dollars around our state to support regional marketing initiatives in support of the Ohio brand. The Regional Marketing Campaign helps to provide disciplined and consistent communication of the Ohio Promise to site selection consultants and business executives, regardless of the source of promotion.

The Ohio Promise is reinforced by marketing actions that consistently convey the meaning of the brand in terms of what it stands for, what needs it satisfies, the benefits it provides, and what makes it a superior choice. Our challenge is to ensure we support the promise when promoting our state to executives and site selection consultants, regardless if the promotion is coming from the state or regional level.



Marietta, Ohio





**Strategy #3:**

*Promote Ohio as a Tourism and Residential Destination. Leverage the Ohio brand and promote Ohio as an ideal tourism destination and as a place where people of all ages want to build their lives and raise their families.*

**Major Initiatives to Promote Ohio for Tourism and Residential Growth:**

• **Ohio Means Home**

Ohio Means Home is an integrated marketing and communications campaign targeting former Ohio residents and graduates currently living elsewhere. Through the initiatives of Ohio Means Home, we will bring back these individuals to help grow our economy and communities. (See Goal #3, "Cultivate Top Talent," for a full description of this initiative.)

• **Ohio Tourism Campaign**

Ohio has unveiled a new tourism campaign, "Too Much Fun for Just One Day" encouraging travelers from surrounding states to experience Ohio for an extended stay, and find out why we call Ohio the State of Perfect Balance. Leveraging the Ohio brand in our state's tourism campaign helps to improve the perception of Ohio, ultimately improving our ability to attract executives, entrepreneurs, visitors, and top talent to our state.

• **Ohio Film Office**

We have reestablished the Ohio Film Office to grow and strengthen the film and video production industry throughout our state. Housed within our Department, the Ohio Film Office is aggressively recruiting outside production activity to our state and helping to retain and grow existing Ohio production and related businesses with the assistance and collaboration of our industry partners.

**Our Metrics and Targets**

**Improve the Perception of Ohio**

	Baseline	Target 2020
Announced Major Private Investment Projects	1 rank	<b>1 rank</b>
Perception of Ohio Among Ohio Executives	6.5/10	<b>8.0/10</b>
Perception of Ohio Among Non-Ohio Executives and Site Selection Consultants	6.1/10	<b>7.0/10</b>

**Announced Major Private Investment Projects:** Investment lies at the root of economic development, and increased investment is critical to changing the trajectory of our state's economy. Without investment our economy declines; with it our economy grows. Therefore, we will use Conway Data's state ranking of announced major private investments in plant and equipment as an activity measure as it appears in *Site Selection* magazine. The rank is determined by the number of new facility investments associated with plant and office expansion or attraction announced in each state. Ohio ranked first in the nation for announced projects in 2006 and 2007.

**Target:** In 2020 Ohio should remain first in the country on a rolling three year average. Source: *Site Selection Magazine's Governor's Cup* will be the data source which is compiled by Conway Data.

**Perception of Ohio Among Ohio Executives:** A truism in economic development is that external investment tends to follow internal investment. Therefore a leading indicator of our state's investment climate is the attitude of Ohio's executives toward investing in our state. The goal of the Ohio Business Development Coalition is to enhance the perception of Ohio as the preferred location for Ohio executives to grow their businesses. To track these perceptions the Coalition conducts a survey of business executives and site selection consultants both within





the state and outside of the state, called the Ohio Equity Monitor. Currently the survey score for decision makers who work within the State of Ohio is 6.5 out of 10.

*Target:* The target score is 8.0 by 2020. The score is the average score across twenty-one surveyed attributes, with one being poor and ten being the best.

**Perception Among Non-Ohio Executives and Site Selection**

**Consultants:** The perceptions of site-location decision makers and influencers, both executives and site location consultants, from outside of Ohio are also measured in the Ohio Equity Monitor. The perceptions of this group are important for two reasons. First, investment perception shapes reality and often becomes reality. Second, external

investors are constantly balancing investment across a number of different locations – both domestically and internationally. This set of perceptions is a measure of the sharpness of Ohio’s competitive edge. Our goal is to improve the perception of Ohio as a globally-competitive location to invest and grow businesses. Ohio’s current score is 6.1 out of a possible 10.

*Target:* By 2020 the target score will rise to 7.0. The score is the average score across twenty-one surveyed attributes, with one being low and ten being the best. This measure is also based on the Ohio Equity Monitor, using a baseline from the first report conducted in 2006.



Hoover Reservoir – Delaware and Franklin Counties, Ohio



## Implementation Timeline

# Goal 1: Share the Ohio Story

Excite the world about Ohio.

Name of Initiative	Time to Implementation		
	Short 0-24 mo's.	Intermediate 2-4 Years	Long 5+ Years.
Ohio Sales Strategy	○	➔	➔
Targeted Global Markets Strategy		○	➔
Ohio Ambassador Initiative		○	➔
Ohio Business Development Coalition Branding and Marketing Campaign	➔	➔	➔
Ohio Brand Extension Throughout State Government	➔	➔	➔
Regional Marketing Program	➔	➔	➔
Enterprise Appalachia	○	➔	➔
Ohio Means Home	○	➔	➔
Ohio Tourism Campaign	➔	➔	➔
Ohio Film Office	➔	➔	➔

**Key:**

- Launch initiative
- ➔ Ongoing initiative

- 1 Share the Ohio Story**
- 2 Strengthen our Strengths**
- 3 Cultivate Top Talent**
- 4 Invest in our Regional Assets**
- 5 Focus on our Customers**

## Goal 2: Strengthen our Strengths

*Link and leverage our inventive past with our innovative future.*



*The greatest opportunities for economic growth in Ohio lie where our historic economic strengths intersect with the innovative promises of our economic future.*

We must strengthen and expand Ohio's economy by building a more competitive business environment by supporting entrepreneurship, innovation, and technological advancement at every stage of the commercialization process. We will build this capacity with the following key strategies:

### Key Strategies to Strengthen our Strengths

#### 1. Establish a Targeted Industry Approach to Economic Development.

Target resources to statewide and regional industries identified as best suited to Ohio's core strengths, building from our manufacturing, agricultural, technology, research, and entrepreneurship strengths.

#### 2. Invest in Technological Innovation and Commercialization.

Leverage our state's ongoing investment in research, product development, and technology to accelerate the pace of innovation and new product development in the areas of our state where industry and innovation intersect.

#### 3. Grow and Support Minority- and Women-owned Enterprises and Small Businesses.

Strengthen and increase financial and technical assistance at every stage of the business development continuum to support the growth and expansion of minority- and women-owned enterprises and small businesses in Ohio.

### Background on Ohio's Strengths

The greatest opportunities for economic growth in Ohio lie where the industrial treasures of our economic past intersect with the innovative promises of our economic future. Where industry meets innovation, new products and new opportunities emerge. New technologies and processes lead to new products, open new markets, and launch new industries. These are the principal forces at work in the global economy and are drivers of Ohio's economic future.

Ohio's economic history is rooted in technology-based industries. Our state is a long-standing leader in automotive manufacturing, aerospace, polymers and composite materials, steel and metal, frozen specialty foods, as well as bioscience, insurance, and professional services. Ohio is renowned for the quality of our manufacturing facilities and our workforce and for the strength of our product innovation pipeline.

World-class research and development facilities, top-rated hospitals, universities, and industry-specific centers of excellence pepper the state. In 2007 more than \$170 million was invested in Ohio by venture capital firms focused on technology. *Forbes* magazine in 2008 recognized the Central Ohio region as the nation's top metropolitan area for future technology innovation and commercialization success.

Still, Ohio lags in several key indicators of economic prosperity in the 21st century: per capita personal income, educational attainment, and high value job creation. Increasing prosperity for all Ohioans means building on the strengths of the core industries that made Ohio strong, while creating a business climate favorable to investment in new and emerging industries that are becoming the cornerstones of a globally-competitive economic future.

*"High achievement always takes place in the framework of high expectation."*

Charles Kettering  
(1876 – 1958)  
American Inventor  
Born in Loudonville, Ohio



Harry London Quality Chocolates – Akron, Ohio

Entrepreneurship and small business development have been dynamic and strong parts of the growth of Ohio's economy throughout our state's history. These two forces must play an even stronger role in sparking Ohio economic growth in the future. While a longer term path to economic development, entrepreneurship is essential to capitalize on changes in well-established industries and product innovation using new business concepts. This will give birth to new businesses and industries.

Ohio's economy is shaped by small business, which continues to account for the majority of our state's job growth. Small business is a major source of wealth creation for Ohio citizens. According to County Business Pattern data for Ohio from 2005, almost 94 percent of Ohio business establishments have 50 or fewer employees. The U.S. Small Business Administration reported in its *2006 Ohio Small Business Profile*, that Ohio firms owned by women increased 12 percent between 1997 and 2002, representing 28.1 percent of the state's total businesses in 2002, the most recent reporting period. The Profile also showed that Asian-owned firms totaled 13,740 and generated \$5.1 billion in receipts; black-owned firms numbered 35,658 and generated \$3.6 billion in receipts; and Hispanic-owned businesses totaled 7,109 and created \$1.3 billion in receipts. Together, minority-owned businesses make up 7.3 percent of Ohio businesses.

These numbers and observations demonstrate the importance of small businesses to Ohio's economy.

Our Department looks to encourage greater investment in entrepreneurship and small business growth by all Ohioans with a particular emphasis on minority- and women-owned enterprises.

### **Our Economic Development Opportunity**

Because Ohio is a portfolio economy made up of several distinct regional economies each with different products and talents, as well as technological and geographical assets, our state requires an economic development plan that is nimble, regionally-responsive, and strategically-focused. This will ensure that Ohio's economic development efforts serve all Ohioans. The regional diversity in products, technologies, and talent means that Ohio's key economic growth opportunities are represented by an equally diverse portfolio of target industries with statewide and regional significance. Some businesses hail directly from Ohio's industrial and agricultural heritage; others from our emerging strengths in advanced energy, biosciences, and advanced materials.



Our plan enables Ohio's mature industries to harness the power of technology to rejuvenate existing products and create new products, gaining competitive ground in their field. We will continue to supply sufficient resources to accelerate the commercialization of new products and innovations emanating from the research, entrepreneurship, and industrial innovation activities going on throughout our state in the private and public realms.

In establishing priorities for future economic development investments, our Department consulted two studies: The Deloitte/Cleveland State University Driver Industry Study (2005) and The Battelle Technology Platform Studies (2002; 2006). The Deloitte/CSU study identified the driver industries most important to the economic growth of our state and our state's regions along with emerging industries most likely to shape our economic future. The Battelle Technology Platform Studies (2002; 2006) addressed the need to cultivate the specific technologies of greatest importance to those existing and emerging industries.

**Ohio's portfolio of targeted industries encompasses the spectrum of industries which are the foundation of the 21st economy: energy, food, health, and materials.**



The J.M. Smucker Company – Orrville, Ohio

Our nine statewide targeted industries are based on a number of factors identified in the Deloitte Driver Industry Study including specialization in Ohio, value added in manufacturing and services, productivity, and the growth potential in the global marketplace. These industries are also recognized by our regional partners as drivers in their local economies over the next decade.



Cardinal Health – Dublin, Ohio

For any investment portfolio the key to long-term growth is diversity. This portfolio has a blend of customer and supplier industries. Supplier industries produce goods and services used as inputs by the customer industries. Each of our nine targeted industries builds on the technological, physical, and human resource bases of these interconnected industry groups. By broadening and deepening the Ohio network for a targeted industry, we build a stronger, more competitive regional and state economy. We have the opportunity to contribute to the development of new platforms in the energy, food, polymer, bioscience, and other industries by drawing on the rich physical and human resources of Ohio.

### Ohio's Statewide Targeted Industries

- Advanced Energy and Environmental Technologies
- Aerospace and Aviation
- Agriculture and Food Processing
- Bioscience and Bioproducts
- Corporate and Professional Services
- Distribution and Logistics
- Instruments, Controls, and Electronics
- Motor Vehicle and Parts Manufacturing
- Polymers and Advanced Materials

Embedded within each target industry and identified as particular strengths in Ohio are three cross cutting core functions necessary for success in the new economy

- Research and Development
- Advanced Manufacturing
- Information Technology

In addition, each region has its own targeted industries, some of which are unique to the region.



**Deloitte/Cleveland State University Driver Industry Study I With Specialization in Ohio**

Strategic Technology Platforms												
	Advanced Materials	Electronics	Engineered Components & Industrial Machinery	Engines, Turbines, & Power Generation Equipment	Vehicle Systems & Components	Optics, Photonics, & Imaging Systems	Polymers	Information Technology	Experimental Therapeutics & Diagnostics	Implantable Devices & Implantation Technologies	Regenerative Medicine	Agbioscience
State/Regional Drivers (Deloitte/CSU 2005)												
Automotive and Related	✓	✓	✓	✓	✓		✓	✓				
Aerospace	✓	✓	✓	✓	✓		✓	✓				
Bio-Medical	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	
Building Products	✓		✓	✓			✓					✓
Chemicals	✓			✓	✓		✓		✓	✓	✓	✓
Energy Production & Transportation		✓	✓	✓			✓					✓
Environmental Remediation Technology	✓		✓				✓					✓
Metals & Metal Working (Non-Auto)	✓		✓		✓					✓		
Machinery			✓				✓					
Food Manufacturing		✓	✓				✓					✓
Logistics/Distribution Centers					✓			✓				
Other Manufacturing	✓	✓	✓			✓		✓				
Professional Services/Value Added Services						✓		✓				
Other Services								✓				

Prepared by the Technology Partnership Practice at the Batelle Memorial Institute



**Deloitte/Cleveland State University Driver Industry Study | With Specialization in Ohio**

Strategic Technology Platforms												
	Advanced Materials	Electronics	Engineered Components & Industrial Machinery	Engines, Turbines, & Power Generation Equipment	Vehicle Systems & Components	Optics, Photonics, & Imaging Systems	Polymers	Information Technology	Experimental Therapeutics & Diagnostics	Implantable Devices & Implantation Technologies	Regenerative Medicine	Agbioscience
<b>State/Regional Drivers (Deloitte/CSU 2005)</b>												
Polymers: Biocompatible							✓		✓	✓	✓	✓
Polymers: Photonic			✓		✓		✓					
Polymers: Electronic		✓	✓	✓	✓		✓	✓				
Polymers: Conductive		✓	✓	✓	✓		✓	✓		✓		
Liquid Crystal Displays	✓	✓	✓		✓	✓	✓	✓				
Medical Equipment & Research	✓		✓			✓	✓	✓	✓	✓	✓	
Fuel Cells: HVAC	✓	✓	✓	✓			✓					
Fuel Cells: Automotive	✓	✓	✓		✓		✓					
Fuel Cells: Electric Power Generation	✓	✓	✓	✓			✓			✓		
Nanotechnology: Polymers/ Materials	✓		✓		✓		✓					
Nanotechnology: Sensing	✓		✓	✓	✓	✓	✓			✓		✓
Nanotechnology: Biological			✓			✓			✓	✓	✓	✓
Nanotechnology: Chemical	✓		✓	✓	✓					✓		
IT: Medical Industry		✓	✓			✓		✓	✓	✓		
IT: Financial Services Industry		✓	✓			✓		✓				
MEMS: Machines	✓		✓									
MEMS: Automotive Applications	✓		✓	✓	✓			✓				



Ohio's diverse industry portfolio includes more than 1,000 well-established international companies. Our state ranks 8th in the nation in exports with \$42.4 billion in goods to 204 countries annually. In fact, Ohio is the only state that has experienced export growth every year for the last 10 years, and we are well positioned to continue this incline. The conditions of today's current global marketplace present a unique opportunity for us to further accelerate export activity among Ohio companies. We will continue to work hard to ensure that all Ohio companies with international market potential have access to our Global Markets services to build their export sales.

As part of our economic development plan to transform Ohio's economy and prepare all Ohioans to compete in the 21st century, concerted efforts are and will continue to be made to promote and accelerate the growth and expansion of current and emerging driver industries.

**New Initiatives:** 

- Economic Development Incentives Modernization
- Targeted Industry Development Teams
- Integration of Technology-Based Economic Development Programs
- Next Generation of Ohio Third Frontier
- Check Ohio First
- Ohio 's Urban Entrepreneur Partnership
- Ohio Lender Participation Program
- Minority Business Initiative

**Major Initiatives to Strengthen our Strengths**

**Strategy #1:**

*Establish a Targeted Industry Approach to Economic Development. Target resources to statewide and regional industries identified as best suited to Ohio's core strengths, building the economy from our manufacturing, technology, research, and entrepreneurship strengths.*

**Major Initiatives for our Targeted Industry Approach:**

- Economic Development Incentives Modernization 

With changes to our economic development environment, including full implementation of Ohio's tax reform, it is imperative that Ohio update and modernize our economic development incentives. As part of the 2008-2009 biennial budget, our Department undertook an extensive study of Ohio's incentive programs looking for ways to make them more responsive to business needs, more transparent to Ohio citizens, more cost effective to administer, and more competitive with other states. Examples of needed improvements include simplifying and consolidating Ohio's property tax abatement programs and streamlining the process of administering programs to make them more efficient and less costly for both the state and the client.



Honda of American Manufacturing – Marysville, Ohio



Campbell Soup Company – Napoleon, Ohio

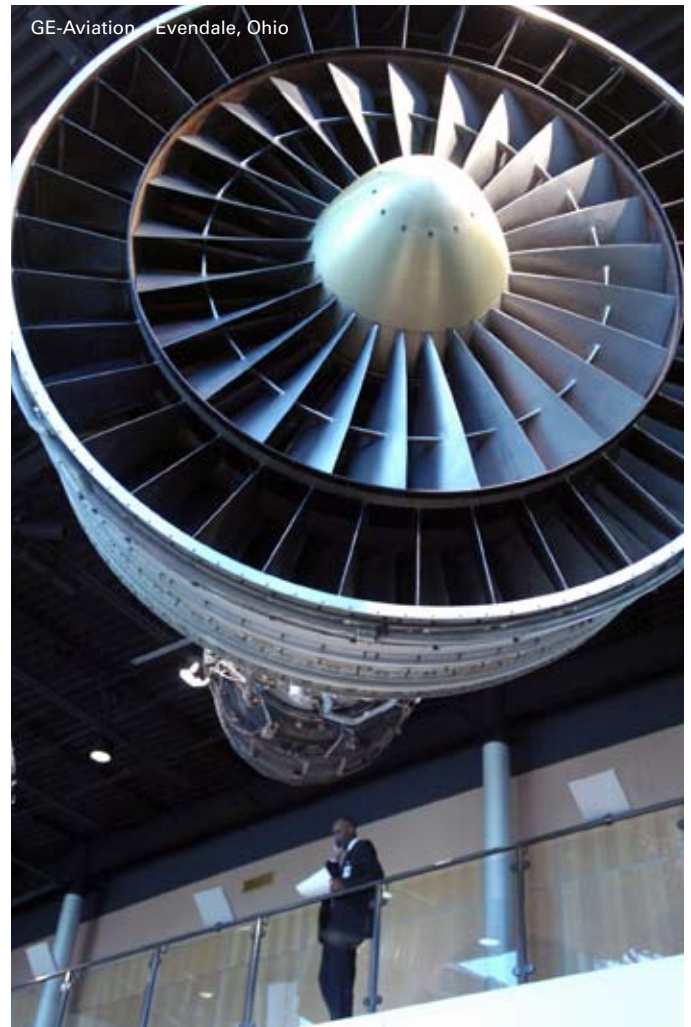
### Modernizing Ohio's Economic Development Incentives

#### Key Incentive Study Recommendations:

- Simplify Ohio's property tax abatement system by consolidating all Ohio tax abatement and tax increment financing statutory authority into a single integrated program.
- Refocus Ohio's property tax abatement system by establishing a tiered system that targets benefits to distressed areas, discourages urban sprawl, and provides for controlled and sustainable greenfield development.
- Reduce the potential for adverse impacts on the funding of education while encouraging greater intergovernmental collaboration between school districts and units of local government.
- Refocus the Job Creation Tax Credit program to emphasize payroll growth in addition to job creation. This change will allow increased business flexibility, reflect the policy focus to grow both income and jobs, and simplify reporting requirements.
- Harmonize and strengthen notification requirements when a company is seeking incentives for a project that will relocate jobs from one Ohio community to another.

The Targeted Industry Development Teams will work to ensure Ohio's regions are equipped with the necessary workforce skill and talent and the appropriate facilities to retain and expand existing businesses as well as to attract new businesses to Ohio.

Most importantly, these teams will become industry experts who can identify business opportunities across our state and connect companies that may become customers, suppliers, or partners.



GE-Aviation – Evendale, Ohio

#### • Targeted Industry Development Teams

Our Department will create Targeted Industry Development Teams to develop specific retention, expansion, and attraction strategies for each target industry. The Targeted Industry Teams will include a diverse mix of regional and statewide stakeholders and feature expertise from industry, regional economic and workforce development organizations, centers of technology and innovation, and academic institutions.



**Strategy #2:**

**Invest in Technological Innovation and Commercialization.**

Leverage our state’s ongoing investment in research, product development, and technology to accelerate the pace of innovation and new product development in the areas of Ohio where industry and innovation intersect.

**Major Initiatives for Technological Innovation and Commercialization:**

• **Integration of Technology-Based Economic Development Programs**

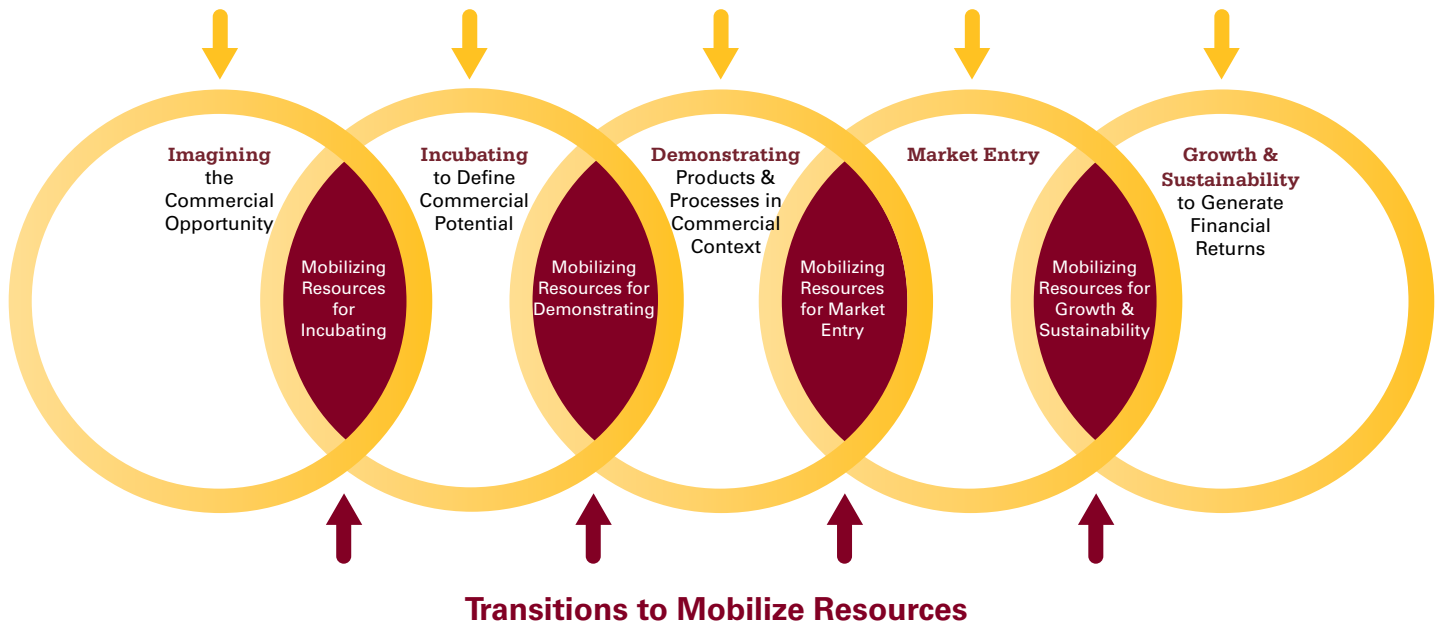
We will align, enhance, and restructure existing technology-based economic development programs, as well as develop new programs to meet identified needs to ensure we provide the right resources within every stage of the technology commercialization process – from the earliest stage when the product or service is first imagined by the entrepreneur to more mature phases of the product’s life cycle. With the end goal of providing needed assistance along the entire comprehensive commercialization continuum, we will:

- Integrate programs currently offered through the Ohio Third Frontier program, the Thomas Edison Program, and the Ohio Venture Capital Authority;
- Leverage other state programs that can impact technology-based economic development; and
- Identify gaps in service delivery and develop new programs and initiatives that will stimulate economic growth and prosperity through the development, infusion, and maturation of technology within Ohio’s economy.

The state of Ohio’s technology development programs improves the chances of a technology finding its niche in the commercial marketplace. Technology-based development moves an idea from technology to product. Critical to Ohio’s strategy of encouraging technology-based developments is flexibility, allowing the state’s entrepreneurs and inventors to respond to new technologically-based market opportunities.

## Technology Commercialization Framework

### Phases of Development to Create Proof





Ohio's Third Frontier program moves companies through the Valley of Death – defined as the gap between technology development and commercialization – and into the marketplace. The Edison Program incubates the companies and assists them through market entry, growth, and sustainability cycles. Finally, the Ohio Venture Capital Authority helps to ensure that financial risk capital is available for our most promising high-growth companies. Through the integration of these and other programs, new technological opportunities will be supported at every stage by:

- Building the research capacity needed to support innovation;
- Supporting product development around platforms that focus on technologies strategically important to Ohio's economy;
- Supporting entrepreneurs and their new businesses who will translate technologies into viable business enterprises;
- Providing capital to support the financial needs of emerging and existing companies;
- Supporting the use of technology by Ohio companies to gain product and productivity advantages; and
- Attracting new companies to Ohio because of the technological support assets in our state.

The newly defined system of services will be comprehensive and cohesive with a simple interface. This continuum of programmatic activities will drive new technologies and products through the commercialization process in a simpler, more streamlined manner, making it easier for researchers, entrepreneurs, and technology companies at every stage to know what programs and services are available to help propel them to the next level. And finally, we will communicate our successes globally with a broad based campaign inviting inventors, researchers, and entrepreneurs to find out how they can accelerate their growth and increase their chances of success by innovating in Ohio.

• **Next Generation of Ohio Third Frontier** 

We are firmly committed to renewal and improvement of the Ohio Third Frontier Program, currently funded through 2012, with a continued focus on supporting the five stages of commercialization. Flexibility will be built into the next generation of the program to allow for adjustments in the market, making us more nimble and responsive to the needs of existing and emerging industries. We also will expand Ohio's Edison Program

to reach all parts of our state, seek to reauthorize the Technology Investment Tax Credit Program, and enhance the leverage of the Ohio Venture Capital Authority.



The Ohio Third Frontier program is an idea that is working. Launched in 2002, Ohio Third Frontier promotes economic growth by investing in world recognized excellence and capacity in selected research areas; expands the availability of investment capital needed to form new companies; supports product innovation in established companies; facilitates the commercialization of new products; funds collaborative projects between private companies and Ohio's colleges and universities; and nurtures and finances Ohio's increasingly experienced pool of entrepreneurial management. To date, our program has attracted \$2.4 billion in private and federal funding to Ohio, directly assisted more than 380 early stage technology companies, and retained or created 5,640 direct jobs with an average salary of nearly \$67,000 per year, as well as 8,460 indirect jobs.

Our Department will continue our strong strategic alliance with the Ohio Board of Regents to offer programs to jointly promote Centers of Excellence at Ohio universities that build upon the Wright Centers of Innovation and the Ohio Research Scholars Program. We will strengthen our relationship with the Ohio Department of Agriculture and the agricultural community to promote bioproducts. We will work with private industry and all state agencies involved with advanced and alternative energy to position Ohio to take full advantage of new technologies evolving in these areas. We will work with the many experts in our state that are building our future in the biosciences.



**Strategy #3:**

**Grow and Support Minority- and Women-owned Enterprises and Small Businesses.** *Strengthen and increase financial and technical assistance at every stage of the business development continuum to support the growth and expansion of minority- and women-owned enterprises and small businesses in Ohio.*

**Major Initiatives for Minority- and Women-owned Enterprises and Small Businesses:**

- **Check Ohio First** 

We will promote and encourage companies operating in Ohio and those attracted to our state to maximize the use of Ohio businesses when making purchases. Our Department will create an on-line directory of Ohio businesses enabling purchasing and sourcing agents to identify potential vendors and offering Ohio small businesses the opportunity



to be considered for a wider variety of business solutions. We will engage our regional partners in this effort and undertake direct outreach to women- and minority-owned enterprises to ensure our directory is representative of the breadth of Ohio's businesses.

- **Ohio's Urban Entrepreneur Partnership** 

We will support an Urban Entrepreneur Partnership Initiative for Ohio providing a comprehensive business assistance model designed to enhance the growth, scale, and infrastructure of minority-owned and operated businesses. The initiative will have a special emphasis on high impact minority firms referred to as "Gazelles", which are businesses that demonstrate the ability to disproportionately impact key economic indicators such as job creation, revenue growth, and capital attraction; minority companies considered startup and small will also be serviced. In addition to growing minority-owned companies spurring economic development and job growth, the Urban Entrepreneur Partnership also will seek to foster entrepreneurship and capture critical data needed to impact public policy.



• Ohio Lender Participation Program

We will implement the Ohio Lender Participation Program to bring financial institutions and our Department together to assist small business growth. Our voluntary Ohio Lender Participation Program will work with Ohio’s banks, credit unions, and insurance companies to achieve greater usage of the state’s financial assistance programs, increase participation in these programs by minority enterprises and small businesses, and track the efforts and success in increasing access to capital and other resources critical to small business’ long-term growth and survival.

There currently exists a market gap for many small businesses, minority-owned enterprises, and entrepreneurs needing to obtain working capital to grow their businesses. Working in partnership with the private and non-profit sectors, our Department will work to close this market gap by pioneering new lending models designed to increase access to growth and working capital, advance the development of community-based incubators and micro-lending to promote business start-ups, and expand access to critical technical assistance.

• Minority Business Initiative

We are committed to executing and assisting other state agencies to take the actions outlined in Executive Order 2008-12S: Enhancing the State’s Procurement Process through the Establishment of “Think Ohio First” and other Procurement Best Practices. Our Department will strive to increase participation in the Encouraging Diversity, Growth and Equity (EDGE) and Minority Business Enterprise programs to prepare more businesses to have greater access to procurement opportunities awarded by the State of Ohio. Governor Strickland put forward the Executive Order to reinforce our state’s commitment to minority-owned and disadvantaged businesses. The order will help ensure all businesses have equal access to compete for and enter into state contracts.

We also will revitalize our programs for minority business – the Minority Business Loan Program and the Capital Access Program – by significantly increasing outreach to our state’s business and lending communities, streamlining the program’s operations, and increasing the flexibility of the program to support minority business, all with the same goal of invigorating programs that have experienced unacceptably low levels of activity for many years. We will revive and enhance the programs to improve their reach and value to minority-owned enterprises.

**Our Metrics and Targets**

**Build a More Globally-Competitive Economy**

	Baseline	Target 2020
Export Growth	7.4%	10.0%
Targeted Industries, Percent of Gross State Product	TBD	TBD
Venture Capital Investment Percent of Midwest	14%	20%

TBD – To be developed as measures are calibrated

**Percentage Export Growth:** Exports are critical to our state’s economic future. Exports fuel incomes in the state by exchanging goods and services for income. Presently, Ohio’s companies ship \$42.4 billion of goods annually to 205 countries. Ohio is the only state to experience export growth each year over the past decade and ranks eighth in the nation for the total value of goods and services exported. Over the past five years the average export



Stanley Electric Company – London, Ohio

growth rate was 7.4 percent. The growth rate will be calculated as a five-year moving average. The year-to-year growth rate is calculated, and that rate will be averaged over a five year period.

*Target:* During the next decade, Ohio’s five-year average annual growth rate will increase by ten percent. The data are obtained from the U.S. Department of Commerce.

**Percentage of Total Gross State Product Generated for the State’s Targeted Industries:** Focusing our investments and efforts is another key element of our economic development strategy. We have identified nine targeted groups of related industries that have the potential to propel Ohio’s economic growth forward. Measuring the contribution of these industry clusters as a group, as well as each of its components, is important to ensure our state is focusing its scarce resources on our real economic drivers. This variable is an accountability measure, where some of the others are performance measures. This variable gauges the contribution of each of the targeted industries to Gross State Product. The targeted industries are each linked to specific North American Standard Industrial Classification Codes (NAICS), and Gross State Product is reported by these same NAICS codes.

*Target:* Our Department will monitor and improve the performance of the nine statewide targeted industries over the next twelve years. Source: U.S. Bureau of Economic Analysis and Economy.com.

**Venture Capital Investment as Percentage of Midwest Venture Capital Investment:** Our economy can only grow if the top lines of the income statements of our state’s companies also grow. Key to top line growth are new products and processes, and a critical source of new products is new firms that have growth as their dominant corporate objective. This means that the ability of Ohio’s start-up companies to attract institutional venture capital is an early indicator of future economic success. Currently, investment by the venture capital industry is disproportionately concentrated in California and Massachusetts, reflecting the recent history of both the industry and of those two states. The Midwest is a small market for venture capitalists, but it is growing and institutional venture capital firms are rapidly expanding in the region. Therefore, our share of regional market activity is a good measure of our state’s competitiveness in this growing market.

*Target:* Ohio currently comprises fourteen percent of the venture capital dollars invested in the Midwest. As the market grows and evolves with Ohio generating both opportunities for financing and new growth companies, it is expected that Ohio’s share of the Midwest market will increase to twenty-five percent. Source: PriceWaterhouseCoopers annual Moneytree Report.



## Implementation Timeline

# Goal 2: Build on our Strengths

Link and leverage our inventive past with our innovative future.

Name of Initiative	Time to Implementation		
	Short 0-24 mo's.	Intermediate 2-4 Years	Long 5+ Years.
Economic Development Incentives Modernization	○	➔	➔
Targeted Industry Development Teams	○	➔	➔
Integration of Technology-Based Economic Development Programs		○	➔
Next Generation of Ohio Third Frontier		○	➔
Check Ohio First	○	➔	➔
Ohio Lender Participation Program	○	➔	➔
The Minority Business Initiative	○	➔	➔

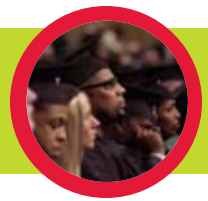
**Key:**

- Launch Initiative
- ➔ Ongoing initiative

- 1** Share the Ohio Story
- 2** Strengthen our Strengths
- 3** Cultivate Top Talent
- 4** Invest in our Regional Assets
- 5** Focus on our Customers

# Goal 3: Cultivate Top Talent

*Retain, advance, and attract the best workforce and talent in the world.*



*Working in tandem with business and industry, we will create a demand-driven workforce system to ensure ready and reliable access to a highly-skilled, highly-competitive 21st century workforce.*

We recognize that significant attention must be given to retaining and attracting top talent to meet the needs of Ohio businesses and to grow the businesses and industries of the future. This will lead to continued growth and economic prosperity. We will attract this pool of talent with the following strategies:

## Key Strategies to Attract and Cultivate Top Talent

### 1. Retain and Attract Top Talent.

Increase Ohio's competitiveness with innovative programs and policies designed to retain and attract top talent in industries where the likelihood of job growth and job creation is highest.

### 2. Provide Customized Training Solutions to Ohio's Companies.

Develop processes to deliver customized training solutions to Ohio's employers to align Ohio's workforce skills and knowledge with employer needs in targeted industries.

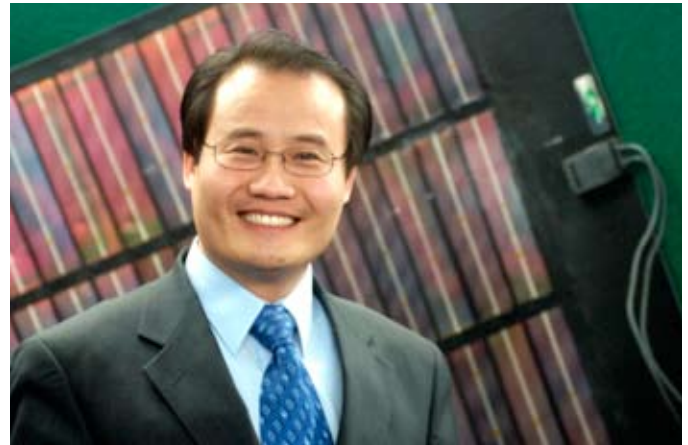
### 3. Create a Demand-driven Workforce and Talent System.

Create a world-class, demand-driven workforce and talent development system that is agile and responsive, increasing the effectiveness and efficiency of Ohio's business development, attraction, and recruiting services.

## Background on Ohio's Workforce

Workforce and talent are the game changers in economic development today. In a knowledge-based economy, a skilled, educated, flexible workforce is an indispensable ingredient for economic success.

Ohio has a wealth of human resources. At nearly six million strong, Ohio boasts the 7th largest workforce in the nation. It is also among the nation's most productive. Ohio is the 3rd largest manufacturing state, the 4th largest



*"Best place to make a future FORBES 400 fortune? Start with this proposition: The most valuable natural resource in the 21st century is brains. Smart people tend to be mobile. Watch where they go! Because where they go, robust economic activity will follow."*

Rick Karlgaard,  
Publisher, Forbes

producer of durable goods, and the 7th largest producer of bio-resources in the country.

Workforce talent is a major factor in economic development, tied intrinsically to other indicators of economic strength including business growth, job creation, capital expenditure, and physical assets. Ensuring that Ohio's workforce maintains its competitive advantage is a top priority for our state and a pillar of our economic development plan.

In the same way Ohio's regional economies represent a portfolio of industries, Ohio's workforce represents a portfolio of skills and talent. Ohio's industrial base in automotive and parts manufacturing and steel support a wide variety of quality jobs ranging from high-paying technical positions to necessary support and supplier work. Additionally, as our economy evolves, new sectors with a greater reliance on knowledge will present diverse opportunities for work.

As technological innovation continues to set the pace and direction of economic growth worldwide, Ohio employers are constantly in need of an ever-broadening pool of talent and technical skill. Today's challenge for both business and government is to provide an appropriately-skilled workforce able to add value to products and services fueling productivity and innovation so that even as competition intensifies, Ohio's economy continues to grow and expand.



We have undertaken actions that will lead to measurable gains to create a world-class workforce development system bringing economic prosperity throughout our state. As a crucial first step, we are working to streamline the process by which industries, employers, and individuals can access state programs and resources dedicated to ongoing economic development, new business creation, and job growth. One element of streamlining the process will be to enhance workforce support services which allow individuals to take advantage of the full range of training and opportunities. For example, we will develop transportation linkages enabling individuals to travel to their jobs and desired educational resources. When complete, Ohio's economic development programs, workforce development systems, and training and employment services, will be coordinated through a partnership between the Ohio Department of Development, the Department of Job and Family Services, and the Ohio Board of Regents.



University of Cincinnati – Cincinnati, Ohio

### **Our Economic Development Opportunity**

The future of workforce development in Ohio begins by addressing the persistent, market-based shortages of talent and skill that have characterized our state's job market in recent years. Working in tandem with business and industry to create a demand-driven, needs-based workforce development system, our Department will ensure Ohio employers have ready and reliable access to the skills and talent they need to be competitive.

Developed in partnership between the Department of Development, Ohio Board of Regents, and the Department of Job and Family Services, the Ohio Skills Bank supports both business growth and new job creation in two ways. First, the state uses "just in time" solutions in the all-important effort to link Ohio employers with Ohio workers

in response to critical shortages in key industries around our state. Secondly, Ohio Skills Bank helps identify current and future skills gaps in Ohio's workforce and responds to those shortages with specialized training and certification programs. Our Department's regional offices are implementing the Skills Bank to fill job vacancies and put into practice mechanisms to satisfy employer demands for skilled talent. As we rollout this new initiative, the focus will be on Ohio's driver and emerging industries.

Skills and talent will change and evolve over time to meet marketplace demand. Our efforts to grow talent and improve skills enables Ohio's incumbent workforce to adapt to the ebb and flow of the global economy. By providing greater access to knowledge, training, and skills, we help Ohio workers and firms succeed in the next generation industries taking root across our state.

We are partnering with businesses, community colleges, and universities to attract new talent to ensure a robust and stable workforce for today and tomorrow. It is equally important to the overall economic well being of our state that we cultivate and retain the talent that already exists within our borders through increased training and educational opportunities.





**New Initiatives:** 

- Ohio Means Home
- Ohio Young Talent Network
- Ohio Center for Workforce Excellence
- Task Force on Population, Growth, Diversity, and Talent Attraction
- Ohio Workforce Guarantee
- Ohio ASAP (Available Skills Alert Posting)
- Expanded Cooperative Education and Internships
- Workforce Development Partnerships

**Ideas that are Working:** 

- Regional Workforce Development Offices
- Realign Service Delivery

**Major Initiatives to Cultivate Top Talent**

**Strategy #1:**

**Retain and Attract Top Talent.** Increase Ohio's competitiveness with innovative programs and policies designed to attract and retain top talent in industries where the likelihood of job growth and job creation is highest.

Talent retention and attraction are critical to economic growth in Ohio. Every year Ohio invests millions of dollars in post secondary education and job training across our state. To ensure Ohio's competitiveness, measures must be taken to stem the tide of young people leaving our state and to increase the attractiveness of Ohio as a destination for those seeking professional or entrepreneurial opportunities in the high value industries of the future.

**Major Initiatives to Retain and Attract Top Talent:**

- Ohio Means Home 

Ohio Means Home is a new integrated marketing and communications campaign targeting former Ohio residents and graduates currently living elsewhere. Through the Ohio Means Home campaign, we will bring back former Ohioans



to help grow our economy and communities. Ohio Means Home will rely on innovative, targeted recruiting, attraction, and retention tactics promoting the diversity and strength of the opportunities that await those who return to the Buckeye State to advance their careers or create a new business through a come back home to Ohio campaign.





**Goal 3: Cultivate Top Talent** | Retain, advance, and attract the best workforce and talent in the world.

The OhioMeansHome.com website will serve as the centerpiece for the campaign and will include relevant information for former Ohioans interested in “Coming Home to Ohio,” including:

**Ohio Means Jobs** – the ability to search for jobs and to explore featured Ohio companies recruiting in our state.

**Ohio Means Business** – the ability to explore business start up information, industry strengths, trends, and statistics on Ohio’s economy, and the benefits of Ohio’s work:life balance.

**Ohio Means Neighborhoods** – the ability to explore housing information by connecting to the Ohio Real Estate Agents Association, the Ohio Housing Finance Agency, various regional and community links, educational information, and cultural resources.

**Ohio Means Fun** – the ability to connect to tourism opportunities in Ohio.

**O-zone** – the ability to connect to other Ohioans, current and former residents, or people who have some other connection to our state, creating an Ohio focused on-line community.

• **Ohio Young Talent Network**

Our Department will organize a statewide Young Talent Advisory Board, including, among others, representatives from local young professional organizations throughout our state. The purpose of this Advisory Board will be to inform public policy decisions related to workforce development and to assist in the planning and implementation of talent attraction and retention programs targeting young or early career professionals.

• **Ohio Center for Workforce Excellence**

The Ohio Center for Workforce Excellence will serve both as a laboratory and a knowledge repository for identifying, promoting, and teaching best practices in workforce development. Our Center will drive workforce development innovations with research and development in support of long-term economic policies. A task force of the Governor’s Workforce Policy Advisory Board will be charged with leading the creation of this center, including issuing proposals on the scope, implementation, and funding.



• **Task Force on Population, Growth, Diversity, and Talent Attraction**

We will form a Task Force on Population, Growth, Diversity, and Talent Attraction to develop strategies for increasing Ohio’s population, with a special focus on attracting new, diverse, and young talent to Ohio from around the world. The Task Force will be established as part of the Governor’s Workforce Policy Advisory Board.





**Strategy #2:**

*Provide Customized Training Solutions to Ohio Companies. Develop processes to deliver customized training solutions to Ohio's employers to align Ohio's workforce skills and knowledge with employer needs in targeted industries.*

**Major Initiatives to Customize Training Solutions:**

- **Ohio Workforce Guarantee** 

We will guarantee Ohio employers a flexible, responsive source of employee training, ensuring a partner in workforce investment. We will do this by creating a seamless and transparent delivery system to provide customized training solutions to Ohio's employers. This initiative represents a commitment from the state to act as a partner, rather than just a facilitator, in cultivating the skills and talents needed to meet the workforce needs of Ohio's industries today and into the future. The Ohio Workforce Guarantee includes the consolidation of programs previously housed in disparate agencies throughout state government under a single umbrella.

**Under the Ohio Workforce Guarantee, the state, in partnership with Ohio's employers, will develop a high quality, highly skilled pool of labor and talent armed with the technical and communication skills needed to succeed in the 21st century economy.**

The program features expanded regional workforce development offices with the capacity to assess the needs of companies and their current and future employees to provide seamless delivery of customized training and talent attraction programs.



- **Ohio ASAP (Available Skills Alert Postings)** 

Working with the Ohio Department of Job and Family Services, we will initiate Ohio ASAP. This program will connect businesses seeking skilled workers with available talented people across Ohio who have been displaced or are at risk of displacement or unemployment due to business closure, downsizing, or consolidation. Ohio ASAP will assist workers with the changes that shifting markets, innovation, and consolidation can bring to industry and assist companies in need of a skilled workforce. Part skills bank, part employment assistance program, Ohio ASAP will keep our state's skilled workforce employed and productive, stemming the loss of Ohio's skilled workers to surrounding states.

- **Regional Workforce Development Offices** 

Our Department will create Regional Workforce Development Offices to reach out and respond to businesses to address their short- and long-term workforce needs. Regional Workforce Development Directors will support economic growth at the local level with resources, programs, and policies specific to the needs of businesses and workers in Ohio's very distinct economic regions. This effort brings new resources to meet the regional needs of business in a demand-driven workforce system.



**Strategy #3:**

**Create a Demand-driven Workforce and Talent System.**  
*Create a world-class, demand-driven workforce and talent development system that is agile and responsive, increasing the effectiveness and efficiency of our state's business development, attraction, and recruiting services.*

**Major Initiatives to Create a Demand-driven Workforce System:**

• **Expanded Cooperative Education and Internships**

The University System of Ohio, in partnership with our Department and Ohio's vibrant private colleges will work together to build connections between businesses and students of all ages to allow students to gain meaningful work experience. Students successfully completing a co-op or internship are more likely to choose to settle in Ohio and become part of Ohio's success in the 21st century. A total of \$250 million has been designated in the jobs stimulus plan for this important initiative.



• **Workforce Development Partnerships**

We will establish working partnerships between local workforce investment boards and the Governor's Workforce Policy Advisory Board. These partnerships will develop policies in support of a demand-driven workforce development system consistent with the current and future demands of employers in targeted, high-growth industries and to assist with regional and sector-specific talent attraction and retention initiatives.



Another example of a workforce development partnership that currently is working well is the **Ohio Skills Bank** partnership between the Department of Development, the Ohio Board of Regents, and the Department of Job and Family Services. This partnership is working to help fill critical job vacancies, especially those in Ohio's targeted industries, and assessing high demand skills and talent in response to market opportunities.

• **Realigned Service Delivery**

We have undertaken actions that will lead to measurable gains to create a world-class workforce development system bringing economic prosperity throughout our state. As a crucial first step, efforts are underway to streamline the process by which industries, employers, and individuals can access state programs and resources dedicated to ongoing economic development, new business creation, and job growth. When complete, Ohio's economic development programs, workforce development systems, and training and employment services will be coordinated through a partnership between the Department of Development, the Department of Job and Family Services, and the Ohio Board of Regents.





### Key Metrics and Targets for Cultivating Top Talent

#### Grow and Attract a Highly Educated Workforce with an Entrepreneurial Mindset

	Baseline	Target 2020
New Business Formation Index	9.6%	14.0%
Population Growth Rate of the 25-64 Age Group	0.50%	1.00%
Educational Attainment, Associates Degree or Greater, Percent of 25-64 Population	33.41	USO

USO – Monitored in partnership with the University System of Ohio

**New Business Formation Index:** Entrepreneurs are the engines of change in the world of business and have an especially valued set of skills. Without entrepreneurs, ideas and technologies will not evolve into products and the companies that sell those products. The measure of entrepreneurship used is the number of new businesses expressed as a percentage of the total businesses in Ohio. Currently, Ohio new businesses comprise 9.6 percent of the total.

*Target:* Given the swings in the economy and the change in business structures, our goal is to grow Ohio’s new business formation to fourteen percent of the total business count. Source: The U.S. Small Business Administration.

**Population Growth Rate of the 25-64 Age Group:** If our state is to increase our talent pool, we need to increase our working age population. If we are to grow the value of our own market area, we need to grow our total population. In sum, if our state is to retain and attract business and grow the value of our real estate, we need to increase our labor pool. We are committed to increasing our state’s working age population as a goal in-and-of-itself. Currently, the prime workforce population (aged 25 to 64 years) is experiencing a half percent annual growth.

*Target:* By 2020, Ohio’s annual growth rate in the population aged 25 to 64 will be one percent. Source: U.S. Bureau of the Census.

**Educational Attainment, Percentage of the 25-64 Age Group with at least an Associates Degree.** Higher levels of educational attainment are closely tied to higher income levels. In cooperation with the University System of Ohio, we will work to encourage greater participation and achievement by Ohioans in their pursuit of education. Today, 33.4 percent of our state’s prime age working population has at least an associates degree.

*Target:* Continuous improvement will be monitored in partnership with the University System of Ohio through its Educational Attainment Dashboard. Source: U.S. Bureau of the Census.





## Implementation Timeline

# Goal 3: Cultivate Top Talent

Retain, advance, and attract the best workforce and talent in the world.

Name of Initiative	Time to Implementation		
	Short 0-24 mo.	Intermediate 2-4 Years	Long 5+ Yrs.
Ohio Means Home	○	➔	➔
Ohio Young Talent Network	○	➔	➔
Ohio Workforce Guarantee	○	➔	➔
Ohio ASAP (Available Skills Alert Postings)	○	➔	➔
Ohio Center for Workforce Excellence		○	➔
Task Force on Population, Growth, Diversity, and Talent Attraction	○	➔	➔
Expanded Cooperative Education and Internships	○	➔	➔
Workforce Development Partnerships	➔	➔	➔
Regional Workforce Development Offices	➔	➔	➔
Realign Service Delivery	➔	➔	➔

**Key:**

- Launch initiative
- ➔ Ongoing initiative

- ① **Share the Ohio Story**
- ② **Strengthen our Strengths**
- ③ **Cultivate Top Talent**
- ④ **Invest in our Regional Assets**
- ⑤ **Focus on our Customers**

# Goal 4: Invest in our Regional Assets

*Invigorate our cities and regions as centers for commerce and community.*



*Implement programs, policies, and partnerships to revitalize Ohio's communities, drawing upon best practices from around our state, the country, and the globe to increase economic opportunity and to improve our quality of life.*

There are no better or wiser strategic investments than those made at the places where our strongest physical and human capital assets intersect. Ohio's historic communities are key assets which many of our businesses rely upon for services and the high quality of life necessary to attract a talented workforce. Ohio's communities must be the magnets that retain and attract economic opportunity in places of choice. In seeking to invigorate economic activity in Ohio's urban centers and rural areas we will:

## Key Strategies for our Regional Assets

- 1. Create Ohio Hubs of Innovation and Opportunity.** Leverage our regional strengths to create targeted geographical intersections of our physical and human capital assets.
- 2. Revitalize our Physical Assets.** Renew our statewide and regional physical assets to improve the quality of life for all Ohioans and to attract and retain a diverse base of business and industry.
- 3. Support and Catalyze Regional Collaboration.** Support both regional collaboration and state-region collaboration to further statewide and regional economic development goals.

## Background on our Regional Assets

Ohio enjoys a portfolio of diverse regional economies each with its own unique strengths and assets. They are anchored by historic communities of varying sizes. Healthy cities and vibrant communities serve as the foundation for strong regions. It is imperative that we work together to identify and invest in strategies to reinvigorate our centers of commerce where Ohioans live, work, and enjoy life.

The sixteen largest metropolitan areas in Ohio are home to 81 percent of our state's population and generate more than 85 percent of our state's economic output; much of our economic identity nationally and globally is linked to these urban centers. Ohio's metropolitan cities are balanced by smaller micropolitan cities and rural communities, together offering a tapestry of cultural, recreational, and education opportunities.

Ohio's rural areas provide a wealth of rich natural resources leading to our strengths in the agricultural supply chain. As an industry sector, agriculture accounts for more than 1 million direct or indirect jobs. Collectively, Ohio's regions hold the key to our future sustainability as they are both large population centers and home to abundant natural resources, particularly our water sheds and agriculture.

Historically, Ohio has taken steps to invest in infrastructure with successful programs like Ohio Public Works and Clean Ohio. Ohio has many successful examples across the state. Despite these successes, however, Ohio's historic communities face challenges today. Issues such as population loss, an aging population, and poverty as well as barriers related to workforce development, housing, and education know no regional or municipal boundaries. Ohio's economic performance is directly related to the way in which we invest in our historic assets.

*"Our partnership with Ohio gives us a competitive edge in developing and commercializing new products. We are excited about bringing our company's technology, global business, and financial leadership together in Ohio."*

Craig Shular  
CEO and President  
GrafTech International Ltd



Steubenville, Ohio



Our older communities have an insufficient number of clean, development ready sites, which inhibits their ability to attract and retain investment. We must do a better job of both working to recover land lost to pollution and contamination and of promoting green business practices to preserve our state's resources for future generations. Success in bringing unproductive property back into use across the state will enhance Ohio's ability to attract and retain people and economic development projects. These investments will change Ohio's current economic trajectory.

Despite our current economic challenges, reflecting to a large degree the performance of the national economy, Ohio's long-term economic development outlook is bright. Why? Because Ohio's strong emerging industry sectors, our continuing growth in entrepreneurial enterprises, our significant number of corporate headquarters, our strength in the professional services, distribution and logistics, insurance, and information technology sectors, and our international reputation for excellence in research and development all serve Ohio well moving forward. The key to changing the trajectory of Ohio's economy is to work collaboratively to revitalize our physical assets and find new and better ways to leverage our intersections of strength.

### **Our Economic Development Opportunity**

We are a state of distinct regions, comprised of urban, rural, and suburban communities. The economic development needs of urban, rural, and suburban communities are different, but the processes of revitalization and redevelopment are universal. Our strategy to promote economic prosperity through community development can be summarized in three words: ***converge, collaborate, and connect.***

***Convergence*** of our resources will encourage others to invest in our physical assets, placing a priority on investing and reinvesting in infrastructure in our historic communities. Key components of our convergence strategy include the implementation of best practices to maximize the return on public investments, a reinvestment policy to protect past investments in physical assets and land use, and increasing the value and improving the performance of existing places. Embedded in our strategic choices is the recognition that to prosper we need to revitalize our existing assets – especially land – through infrastructure investments, brownfield cleanup, land assembly, preparations of development ready sites, and technical assistance.



Toledo Marina – Toledo, Ohio



Another key component of our plan is to converge our resources around **Ohio's Hubs of Innovation and Opportunity**. Through this initiative we will identify targeted geographic intersections in each region and build a physical and virtual hub of knowledge to accelerate talent attraction and investment opportunities. These Ohio hubs will serve as knowledge intersections where our targeted industries and core research and technology competencies feed off each other and where our physical resources and human talent are brought together to create a whole that is much greater than the sum of the individual parts.

**Collaboration** among and between Ohio's diverse economic regions is crucial to building a more prosperous Ohio. If we were an independent country, Ohio would be the 25th largest economy in the world, larger than Saudi Arabia, Colombia, and the Philippines. Ohio's regional assets are our strengths, and our collective assets make us strong. Moving forward, we are working collaboratively to foster regional partnerships targeting growth in key industries and sectors, while optimizing the use of state resources to further development efforts with the widest possible impact and the greatest likelihood of success. We are connecting and serving as a convener where necessary to bring regions together and provide them with resources to develop and implement strategies that help invigorate their historic communities and increase the competitiveness of their regions for new business investment.

**Connectivity** rests on Internet connections that are fast and reliable. This is an essential part of business infrastructure and a highly desirable, if not critical, requisite for Ohioans at home and at work. Digital connectivity is a major



contribution that state government makes to the process of developing a state's economy. Ensuring Ohio competes in the new economy means ensuring Ohio's cities and communities have access to the digital information, tools, and technical assistance they need to be competitive in terms of both opportunities afforded and amenities provided for those living or seeking to do business in Ohio.

Collaboration, convergence, and connectivity also are found in our partnership with the Ohio Department of Transportation. The Transportation Department's 2008-2009 Business Plan describes important new priorities that give consideration to transportation's contributions to economic development, multi-modal freight integration, and urban revitalization. Their initiatives will bring additional resources to reinvest in our historic communities with an emphasis on the system helping to "encourage smart growth and development while increasing energy independence." In looking to the future, we recognize that Ohio's historic communities are the stewards upon which many of our businesses rely for services and the quality of life attractive to a talented workforce.

Our success in partnering with others will be seen in our promotion of economic growth and job creation statewide through targeted investments in our physical assets and development projects to address short and long-term regional needs and in support of regional assets and capacities.

*"Geographical concentration remains a prerequisite for cutting-edge innovation. Innovation, economic growth, and prosperity continue to occur in places that attract a critical mass of top creative talent."*

Richard Florida  
notes in  
"Who's Your City"



**New Initiatives** 

- Ohio Hubs of Innovation and Opportunity
- Ohio Neighborhood Recovery Initiative
- Ohio Green Places
- Regional Economic Development Teams

**Ideas that are Working** 

- Development Ready Sites: Clean Ohio Revitalization Fund, Job Ready Sites Program, Industrial Site Improvement Fund, and the Ohio Historic Preservation Tax Credit Program
- Local Government Services and Regional Collaboration Grants

**Major Initiatives to Invest in our Regional Assets**

**Strategy #1:**

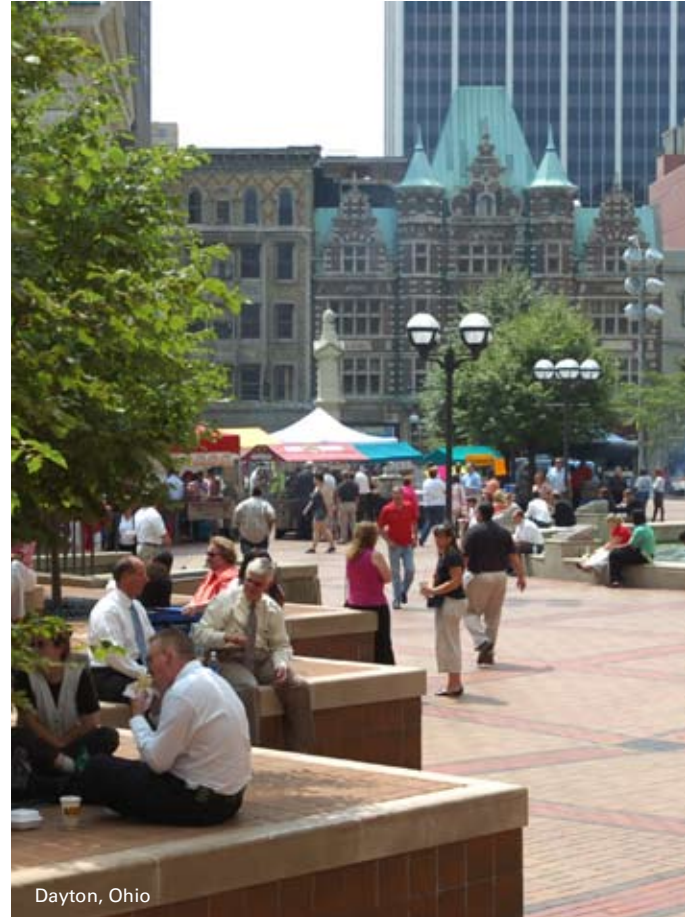
Create **Ohio Hubs of Innovation and Opportunity (OHIO Hubs)**. Leverage our regional strengths to create targeted geographical intersections of our physical and human capital assets.

**Major Initiative to Build OHIO Hubs:**

- **Ohio Hubs of Innovation and Opportunity (OHIO Hubs)** 

The **OHIO Hubs** Initiative will facilitate and catalyze the creation of at least twelve regionally designated knowledge intersections where targeted and emerging industries can grow and flourish. These **OHIO Hubs** will be designed to support and catalyze business growth and formation through the resulting synergies of proximity to a geographical concentration of knowledge resources. These resources will include such regional knowledge centers as universities, community colleges, adult technical schools, research and development centers, entrepreneurial resources, creative cultural institutions, Edison Centers, and Small Business Development Centers.

Our Department will collaborate with each region to identify and designate the optimum **OHIO Hub** location, building on a region’s physical, knowledge, industry, research, and technological strengths. We will work with regional leaders to develop strategies to assemble resources and build on existing assets.



Dayton, Ohio

Within the **OHIO Hubs** we will offer targeted resources to renew physical space and foster new business investment, including entrepreneurial and productivity assistance, appropriate capital access, and technology development. Ohio Third Frontier programs including The Wright Centers of Excellence, Edison Centers, Edison Incubators, and the Entrepreneurial Signature programs, along with housing investments through the Ohio Housing Finance Agency and our Department’s Community Development programs, will all consider **OHIO Hubs** an investment priority.

A key measurable factor in the success of the **OHIO Hubs** will be the ability of a region to leverage resources in order to create a sustainable and growing geographically-concentrated critical mass of creative talent and innovation. Regions will be encouraged to invest resources to strengthen economic and civic activity in the **OHIO Hub** through business, housing, recreation, and other quality of life investments to retain and attract workers and residents.



**Strategy #2:**

**Revitalize our Physical Assets.** Renew our statewide and regional physical assets to improve the quality of life for all Ohioans and to attract and retain a diverse base of business and industry.

**Major Initiatives to Revitalize our Physical Assets:**

• **Ohio Neighborhood Recovery Initiative** 

Ohio Neighborhood Recovery is a new initiative which will simplify the process of assembling property and operating land banks to facilitate future development activities. This new initiative will be developed in collaboration with regional leaders with the goal of mitigating the negative effects exerted on surrounding properties by foreclosure or long-term tax delinquency. The initiative will review the current framework of land banks and allow for the creation of County Land Banks. The program will target vacant, abandoned, tax-foreclosed, or other real properties.

**An active land bank program will be a long-term benefit to neighborhood stabilization and planned economic development activities in our historic communities.**

• **Ohio Green Places** 

Through this new initiative, we will promote and develop programs and policies that will advance the goal of making Ohio the leading state for green development. We will begin by promoting opportunities in Ohio to develop an advanced energy business sector and supply chain. A first step will be supporting the emerging advanced energy sector through the 2008 job stimulus program and building on the goals set out in Senate Bill 221 that 25 percent of kilowatt-hours be produced through advanced energy with 50 percent of this new stream of energy coming from renewable energy resources. Together, these resources and goals will help build a market for the generation and distribution of advanced energy. Our steps will lower our use of high-carbon producing energy sources and our production of greenhouse gases.

We will foster the growth of a green building industry in Ohio. The green building products market is expanding and is projected to be \$30-40 billion annually by 2010 according to the Green Building Alliance. Today, it is possible to construct a house with all Ohio-made products. Our goal is to ensure that in the future, more building takes place with all Ohio-made green building products. We will collaborate with Ohio's businesses and developers to design building products that are green and incorporate marketable technologies. We will provide incentives and market access that will encourage Ohio's building product companies to develop products and processes for homes, offices, warehouses, or industrial facilities to be built with all Ohio-made green products that are in conformity with Leadership in Energy and Environmental Design (LEED) standards. We will work with Ohio's communities to attract the best in the global green building products supply chain.

Our commitment to sustainable development and sustainable business practices will become part of our guiding principles of economic development to support emerging technologies and innovative processes. We will support emerging and innovative green building technologies at the state, regional, and community level.





• **Development Ready Sites** 

Through five transformative initiatives our Department will assist and support our regions and historic communities to prepare property for redevelopment and reuse. Four of these initiatives are ideas that are already working for Ohioans: the **Clean Ohio Revitalization Fund**, the **Job Ready Sites Program**, the **Industrial Site Improvement Fund**, and the **Ohio Historic Preservation Tax Credit Program**. We will continue to invest in these highly successful programs, promote them to communities that can benefit from the resources that they bring, and explore additional ways to increase flexibility. These changes will increase both participation and benefits.



## CleanOhioFund

Our Department will bring greater flexibility to the **Clean Ohio Revitalization Fund** which will increase the pace and amount of brownfield redevelopment in Ohio. These steps will help propel the **Clean Ohio Revitalization Fund** to greater impact, solidifying Ohio's position as a national leader in brownfield redevelopment. In the first four rounds of this program, the leverage rate was

ten dollars in other funds for every one dollar in Clean Ohio investment. We believe the additional resources will ensure continued cleanup of brownfield properties and long-term benefits to our historic communities.

The **Job Ready Sites Program** and the **Industrial Site Improvement Fund** will be simplified and expanded. We also will modify our state's site certification system to encourage communities to certify all of their sites that are ready for development, even those that were not directly assisted with state funds through the **Job Ready Sites Program**. These actions will expand the state and regional inventory of sites able to meet market demands in a timely manner. A larger number of development ready sites will enable Ohio to better respond to business investment inquiries.

We will promote and support the continuation and implementation of the **Ohio Historic Preservation Tax Credits**. The tax credits are an incentive for the preservation and reuse, rather than demolition, of properties determined to have historic preservation value. We believe our state's program, in combination with the federal historic preservation tax credit program, will become a fixture in the financing of historic redevelopments across Ohio. The tax credits will help protect unique physical assets and attract other investments leading to improvements in our downtowns and neighborhoods.



Southgate Farm – Summit County, Ohio



Cincinnati, Ohio

### Strategy #3:

**Support and Catalyze Regional Collaboration:**  
*Support regional collaboration to further statewide and regional economic development goals.*

### Major Initiatives to Support and Catalyze Regional Collaboration:

- **Regional Economic Development Teams** 

Our Department will collaborate with regional groups to create a system of regional teams to advance targeted and emerging industries in the region. A parallel process will be used to coordinate business retention and expansion efforts and establish cross organizational “deal teams” to pursue specific investment opportunities. Integrated regional retention and expansion efforts will form a seamless state-wide economic development effort.

We will support this system by providing research, data, and staff through our Regional Economic Development and Workforce Development Directors and other key state personnel, links to broader retention and expansion efforts, and by targeting incentives for investment attraction in regional targeted industries. As this system progresses and is institutionalized, we will empower regional organizations with the ability to provide preliminary commitments of state incentives.

The creation of a seamless retention and expansion network will draw from the wealth of Ohio’s regional development expertise to respond to demands of Ohio’s business community. We will move over time to a more shared decision making model, with state and regional plans guiding requests for state and local assistance. We will partner with other state cabinet departments, such as the Ohio Department of Transportation, the Ohio Environmental Protection Agency, and the University System of Ohio, to ensure state investments and actions are connected to regional economic development priorities.

- **Local Government Services and Regional Collaboration Grants** 

Rising costs and a decline in local fiscal resources are likely to stimulate intergovernmental collaborations. The Local Government Services and Regional Collaboration Grants program is a response to this reality and is a relatively new idea that already is working. These grants will provide funding so that collaborating groups of local governments can plan and invest to strengthen their economies, lower their operating costs, or provide higher quality services. Regional collaboration will be developed through pragmatic initiatives that solve common problems and build trust as a welcome by-product. There are two sets of benefits from this program. Those that win the grant competition will be able to implement their collaborative regional vision. However, even those that are not awarded grants will have built trust through working together and by having identified practical areas of collaboration that can benefit Ohio taxpayers.



### Key Metrics and Targets

	Baseline	Target 2020
<b>Ohio Connectivity Survey</b>	TBD	<b>TBD</b>
<b>Electricity by Advanced Energy</b>	10%	<b>25%</b>
<b>Development Ready Sites Having Public Investment</b>	3,774 acres	<b>15,000 acres</b>

**Ohio Connectivity Survey:** The availability and speed of internet access for Ohio businesses and citizens is vital to Ohio's participation in the global economy. Our Department will develop an annual survey of Ohio's citizens and businesses related to the availability, speed, and quality of internet connections. In addition, two annual surveys of connectivity will be monitored; a High Speed Services for Internet Access measure of subscribership to high-speed internet services; and a Speed Matters analysis of the speed of internet connections.

*Target:* An annual survey of Ohio consumers and businesses will measure availability, cost, and speed of broadband across our state. A base year standard will be measured, and a goal will be determined.



Toledo Museum of Art – Toledo, Ohio

**Electricity by Advanced Energy Sources:** Increasing the production of electricity through both advanced and renewable energy resources is a key goal of the Advanced Energy Portfolio Standard. The development and deployment of advanced and renewable energy resources throughout Ohio will create new economic opportunities in Ohio and an improved environment. Currently, only one percent of Ohio's electricity is generated by hydroelectric and renewable resources. Nuclear power generation contributes another nine percent. This means that advanced electricity generation currently accounts for 10 percent of Ohio's generating capacity.

*Target:* The State of Ohio's new Advanced Energy Portfolio Standard requires that 25 percent of kilowatt-hours sold in Ohio by 2025 be produced through advanced energy resources with 50 percent of this new stream of energy coming from renewable energy resources. Half of this renewable portion must come from generating facilities located in Ohio. Source: Public Utilities Commission of Ohio.

**Development Ready Sites Supported by Public Investment:** Our Department works closely with local communities to develop land that is ready to accommodate economic development activities. Prominent programs used to prepare land for economic development include the Clean Ohio Revitalization Fund, the Job Ready Sites Program, and the Industrial Site Improvement Fund. These investments, along with regional and local efforts, are well positioned to revitalize lands for development and investment. Our Department has assisted local government and developers in preparing 3,774 acres for development.

*Target:* With the approval of additional Clean Ohio Funds and continued funding of the Job Ready Sites Program and Industrial Site Improvement Fund, our Department has set a goal of making 15,000 acres ready for development. In addition, the performance of the Ohio Historic Preservation Tax Credit Program will be monitored using the number of square feet of building space that has been improved and made ready for occupancy by developers. Source: Program data from the Ohio Department of Development.



## Implementation Timeline

# Goal 4: Invest in our Regional Assets

Invigorate our cities and regions as centers for commerce and community.

Name of Initiative	Time to Implementation		
	Short 0-24 mo.	Intermediate 2-4 Years	Long 5+ Yrs.
Ohio Hubs of Innovation and Opportunity (OHIO Hubs)		○	➔
Ohio Neighborhood Recovery Initiative	○	➔	➔
Ohio Green Places	○	➔	➔
Regional Economic Development Teams	○	➔	➔
Development Ready Sites	➔	➔	➔
Local Government Services and Regional Collaboration Grants	➔	➔	➔

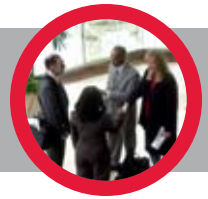
**Key:**

- Launch initiative
- ➔ Ongoing initiative

- 1** Share the Ohio Story
- 2** Strengthen our Strengths
- 3** Cultivate Top Talent
- 4** Invest in our Regional Assets
- 5** Focus on our Customers

# Goal 5: Focus on our Customers

*Operate government at the speed of business.*



*Government at the speed of business. That is the promise of Ohio's new economic development strategy.*

State government must respond with a sense of urgency to effectively create a competitive business environment. To affect this change, we will:

## Key Customer Service Strategies

### 1. Create a More Customer Focused Organization.

Improve the customer experience by making our Department more responsive, accurate, and characterized by speed and agility. A key component of enhancing the customer experience includes improving internal efficiencies and a renewed focus on training and professional development.

### 2. Strengthen Collaboration with our Partners.

Increase collaboration among our partners and other state agencies and departments to achieve the goals and strategies set forth in our plan. Working collaboratively will inform and support decision-making, improve our efficiencies, decrease redundancies or impediments, and increase accountability.

### 3. Improve the Transparency and Accountability of Economic Development Investments.

Lay the groundwork for a Unified Economic Development Budget to provide a comprehensive picture of where, how, and with what levels of success Ohio is making economic development investments. We will create an open and ongoing dialogue among the public, private, and nonprofit sectors to ensure the implementation of best practices and to elevate the voice of the economic development "customer" in state government.

## Background on our Customer Service

State government plays an important part in accelerating economic growth and job creation. Aligning government services with private sector expectations for speed, accuracy, agility, and responsiveness will set Ohio apart and open the doors to increased expansion and attraction opportunities, ultimately increasing job opportunities for Ohioans.

Ohio is currently viewed as a collaborative partner by its business customers. The Department's team uses the tools available to them to address the financial gaps and physical needs of companies that are willing to expand or locate new projects in the state. Streamlining the policies and processes associated with providing business development assistance will make it easier and more attractive for companies to choose Ohio as a place to locate and expand.

Ohio must also continue to build on its historic success of collaborative partnerships with the private and non-profit sectors, both statewide and within each region, working to continually improve our state's business climate and standard of living for all citizens. Creating an open and ongoing dialogue among the private, public, and nonprofit sectors will help to ensure the priorities and concerns of our customers are heard and acted upon. Together, solutions can be identified that improve our business climate, allowing Ohio to be more competitive in today's global economy.

*"Although businesses always prefer the "fast yes," many businesses would prefer a "fast no" to a "slow yes."*

Lee Fisher  
Lt. Governor of Ohio  
Director, Ohio Department  
of Development





The pace of global competition dictates that we make speed, agility, and accuracy hallmarks of our service delivery. Competitive pressure and the complexity of development also makes effective collaboration between the Department and other agencies of state government a requisite of success. Finally, the complexity and size of Ohio’s economy dictates that our Department and regional economic development organizations throughout the state deliver services in seamless partnership. Implementing customer-focused business practices, coordinating existing resources of both the state and its regions, and operating at the speed of business will result in improved economic performance statewide. Our Department will take best practices, apply them broadly, and improve the quality of customer service.

### **Our Economic Development Opportunity**

We are committed to creating a world-class customer service organization, transforming how business gets done, and encouraging a culture of continuous improvement. Using objective measures of response times, outcomes, and impact, accompanied by rigorous analysis of the structure and appropriateness of incentives, workforce training, and other forms of business assistance are keys to sustaining this transformation.

Changing the trajectory of Ohio’s economy necessitates looking at every aspect of the economic development process and identifying where we are meeting the needs of our customers and where we need to improve. In the end, Ohio’s economic development culture will be characterized by an exceptionally high level of customer service and

agile, responsive programs and policies in sync with the needs of both the emerging and the critical core industries that comprise our economic landscape. It requires smart planning, regionally and statewide, and the rigorous pursuit of meaningful collaborations with local partners in and across the distinct regions of our state.

#### **New Initiatives**

- Customer Experience Initiative
- Executive- and Entrepreneur-in-Residence (EIR) Programs
- ODOD University
- Customer Response Line
- Economic Growth Cabinet
- Economic Growth Scorecard
- Unified Budget for Economic Development
- BUILD-IT

#### **Ideas that are Working**

- Common Sense Business Regulation
- Interagency Work Teams



**Major Initiatives to Improve our Customer Service**

**Strategy #1:**

*Create a More Customer Focused Organization. Improve the customer experience by making our Department a more responsive organization characterized by speed and agility.*

**Major Initiatives to Create a More Customer Focused Organization:**

- Customer Experience Initiative 

In order to understand and improve the current customer experience we will conduct an **Annual Customer Experience Survey** to measure and monitor our Department's performance and to guide changes in our practices. The purpose of the survey is to determine how close the realized customer experience is to the desired customer experience, and to identify the components of the Department's performance that are considered to be most important to its customers. The Department will design and implement changes in its practices based on the survey findings.

Our Department plays a key role in helping establish the perception of Ohio's "business friendliness" with our program offerings and through daily interactions with business executives. The more productive and professional the interaction, the stronger Ohio will be perceived as a business friendly state. In turn, the more Ohio is seen as a business friendly state, the more competitive it is for business attraction, retention, and expansion. The net impact is more rapid job growth and strengthened economic vitality.

- Executive- and Entrepreneur-in-Residence (EIR) Programs 

To move at the speed of business, our Department must think and act more like a private business. To help guide this change in operating perspective, senior-level executives and entrepreneurs will be invited to work side-by-side with Lieutenant Governor Lee Fisher and his leadership team. The executives in residence will work in areas where they feel they can best impact the Department's internal operating practices, the economic performance of the state, or business development

- ODOD University 

Our Department will create ODOD University, a virtual learning organization that emphasizes individualized and team training programs encompassing both leadership and professional development. The University will encourage professional certifications appropriate to team member's responsibilities, such as Ohio's Certified Public Manager Program and the International Economic Development Council's Economic Development Professional certification, and other existing or customized course work. Personal training programs will be developed and employee performance goals will be established in alignment with the strategic plan. Ongoing education and talent development is critical to become a high-performance, outcome based organization.

***"If you don't execute, the consumer doesn't care what the strategy was. Execution is the only strategy that consumers see."***

**AG Lafley, Chairman of the Board,  
President and CEO of  
The Procter and Gamble Company**





• **Customer Response Line** 

Working with other state agencies, we will lead the creation of a new toll free response line for businesses seeking general information or assistance regarding technical, financial, or regulatory support. The Customer Response Line will customize and enhance the information currently provided on the Ohio Business Gateway ([business.ohio.gov](http://business.ohio.gov)).

**Every business inquiry to the state will be answered centrally at a single point of contact and a response provided to the business within one business day.**

• **Common Sense Business Regulation** 

Our Department is committed to executing the initiatives laid out in Governor Strickland's Executive Order 2008-4S, Common Sense Business Regulation, and will work closely with other agencies to ensure the most onerous of rules and regulations are identified and changed as quickly as possible.

A critical component of a state's business climate includes the ease by which a company can navigate through the rules and regulations. Recognizing this importance, Governor Strickland initiated Common Sense Business Regulation, a comprehensive review of Ohio's rules and regulations impacting the business customer in Ohio. Executive Order 2008-04S requires agencies to review existing rules and processes; to treat those affected by their rules and regulatory processes as customers, and treat them consistently across regions, offices, and departments; and to consolidate regulatory rules and processes. After a review, state agencies must amend or rescind rules that are unnecessary, that unnecessarily impede economic growth, or that have had unintended negative consequences.





**Strategy #2:**

***Strengthen Collaboration with our Partners.** Increased collaboration among our partners and other state agencies and departments will help us achieve the goals and strategies set forth in our plan. Working collaboratively will inform and support decision-making, provide operating efficiencies, decrease redundancies or impediments, and increase accountability at all levels of state government and with local partners.*

**Major Initiatives to Strengthen Collaboration with our Partners:**

• **The Ohio Economic Growth Cabinet** 

The Governor and Lieutenant Governor will create the Economic Growth Cabinet, which will serve as a sounding board to define and frame challenges, establish strategies, and implement solutions. Priority issues for the Economic Growth Cabinet will include creation of a cross agency unified budget report, ongoing improvements to the Ohio Business Gateway, and other multi-agency priorities as identified by members of the cabinet.

• **Interagency Work Teams** 

Our Department initiated the creation of interagency work teams with the Departments of Transportation, Taxation, Agriculture, Environmental Protection, and the Bureau of Workers Compensation. These and other departments and agencies have critical roles in advancing the state’s economic development efforts. These teams, comprised of top-level members of management, have been able to successfully address critical economic development issues and solve problems for Ohio’s businesses. The teams, which meet bi-weekly, will continue to focus on ways to better collaborate on issues of significance to Ohio’s business community.



**Members of the Ohio Economic Growth Cabinet:**

- Administrative Services
- Agriculture
- Air Quality Development Authority
- Commerce
- Development
- Education
- Environmental Protection
- Governor’s Office
- Health
- Insurance
- Job & Family Services
- Natural Resources
- Public Utilities Commission of Ohio
- Public Works Commission
- Taxation
- Transportation
- University System of Ohio
- Water Development Authority
- Workers’ Compensation

– Chaired by Lt. Governor Lee Fisher





**Strategy #3:**

*Improve the Transparency and Accountability of Economic Development Investments. Lay the groundwork for a Unified Economic Development Budget to provide a comprehensive picture of where, how, and with what levels of success Ohio is making economic development investments.*

**Initiatives to Improve Transparency and Accountability:**

• **Ohio Economic Growth Scorecard** 

Our Department has developed a scorecard to measure progress against the goals identified in the strategic plan. The measures and progress made toward meeting the targets will be shared with the Governor’s Business Council. We will work with each region around the state to add regional measures of accountability and provide flexibility in adding measures that reflect regional specializations and aspirations.



• **Unified Economic Development Budget** 

A Unified Economic Development Budget will be created to improve transparency and accountability of the state’s economic development activities, beginning with the investments made in our Department. Once we have established a uniform data collection and reporting format, the budget will be expanded to include the relevant activities of agencies and departments participating in the Economic Growth Cabinet.

Creation of a Unified Economic Development Budget will provide improved transparency of state investments across agencies and departments. As a result, our customers, the Ohio Legislature, and the public will be able to easily review and evaluate investments for their effectiveness. The ideal unified budget will use standard terms and definitions and have the capacity to be sorted by agency, function, geographic location, or company.

• **BUILD-IT** 

In order to effectively follow through on the initiatives laid out in this plan, we must invest in rebuilding our information technology system and the processes for collecting and managing data. Rebuilding and uniting the data management systems used in economic development is a prerequisite to the creation of a Unified Economic Development Budget, effective and efficient collaborations with our partners, and it is the only way to improve the speed and transparency of the organization. It is also the only way we can increase our response times and become a more agile and responsive organization that operates at the speed of business. Project BUILD-IT is key to helping us build a functional, practical, and regionally-coordinated partnership for the retention and expansion of Ohio companies.

Project BUILD-IT is a multi-year investment with the goal of overhauling the current reporting systems, leaving in its place one that generates accurate and timely data reports with standardized definitions and reporting periods. Progress has been made with our Department’s new Pipeline Report, and BUILD-IT will continue this work. Program definitions will be consistent, processes for the collection and input of data will be standardized, and training will be provided to reduce the likelihood of errors. After current systems are rebuilt, resources will be provided to allow for ongoing training, maintenance, and continuous improvement.



**Metrics and Targets**

**Develop a More Agile and Transparent Development Culture**

	Baseline	Target 2020
Customer Experience Survey of Ohio Department of Development Clients	TBD*	TBD*
Speed of customer responses	Identify Industry Standard	Continuous Improvement
Professional Certifications by ODOD University	TBD	TBD

*\*To be developed as measures are calibrated*

**Economic Development Customer Experience Survey:**

Responding to the needs of our customers is a top priority and critical to our Department’s effectiveness. We will establish criteria key to success and conduct an annual survey of customer satisfaction to measure, monitor, and guide continuous improvement within our Department. The purpose of the study is to determine how close the realized customer experience is to the desired customer experience. The data will be analyzed to identify opportunities for improving the overall customer experience and increasing the overall effectiveness of the Department in its interactions with its business customers, those who want to invest in Ohio’s future.

*Target:* We will generate a customer experience survey that will generate a benchmark level of service. The survey will be conducted annually with the goal of reducing processing time and improving satisfaction levels.

**Speed of Customer Responses:** Companies and site location consultants have shortened their timeline for making capital investment decisions. Therefore, our Department also must accelerate its response time. We will reduce turn-around time for commitments on standard capital investment projects to three days, with an eventual goal of establishing a 24 hour response time for documents that are delivered electronically. The target response time for responding to requests for proposals for major investment projects will be reduced to five days or less. Legal contracts will be awarded in half the current time it takes to respond to a client, with an eventual goal of a 75 percent improvement, and loans will be closed in half the amount of time it currently takes. At the same time, the accuracy and quality of the responses will be benchmarked.

*Target:* We will identify key timeline and quality measures and commit to reducing all by at least 50 percent over the next two years. Source: Ohio Department of Development Project files.

**Professional Certifications by ODOD University:** Service is critical to the development process and the business client; knowledge and training are the basis of quality service delivery. We are developing a comprehensive set of training options for staff and economic development professionals that will support portable credentials and professional certification.

*Target:* We will establish, coordinate, and support programs to educate, train, and certify our economic development professionals and technical support team members.





## Implementation Timeline

# Goal 5: Focus on our Customers

Operate Government at the Speed of Business.

Name of Initiative	Time to Implementation		
	Short 0-24 mo.	Intermediate 2-4 Years	Long 5+ Yrs.
Customer Experience Initiative	○	➔	➔
Executive- and Entrepreneur-in-Residence (ERI) Programs	○	➔	➔
ODOD University	○	➔	➔
Customer Response Line	○	➔	➔
Common Sense Business Regulation	➔	➔	➔
Ohio Economic Growth Cabinet	○	➔	➔
Interagency Work Teams	➔	➔	➔
Ohio Economic Growth Scorecard	○	➔	➔
Unified Economic Development Budget		○	➔
BUILD-IT		○	➔

**Key:**

- Launch initiative
- ➔ Ongoing initiative



**“Now is both Ohio’s time and Ohio State’s time. Together, we are implementing an innovative, forward-thinking strategy which assures that our students, our businesses, and our state are globally competitive.”**

E. Gordon Gee, J.D., Ed.D., President, The Ohio State University

## Appendix

- *Reference Documents*



## Reference Documents

**State New Economy Index.** The Index is a continuation of the Index of the states begun in 2002 reviewing 26 indicators divided into 5 categories: knowledge jobs, globalization, economic dynamism, transformation to a digital economy, and technological innovation capacity. Kauffman Foundation (2007)

**Ohio Cluster Analysis.** A study of Ohio's clusters based on the Harvard Mapping Project database looking at three types of clusters: traded sector clusters, local clusters, and natural resource endowments. Donald T. Iannone and Associates (2008)

**Strategic Plan for Higher Education.** A plan to raise the educational attainment of Ohio by accomplishing three things: graduate more students, keep more of our graduates in Ohio, and attract more degree holders from out of state. Ohio Board of Regents (2008)

**Turn Around Ohio.** The Strickland/Fisher administration's vision for Ohio's new direction to meet the economic challenges of the 21st century by living within our means and investing in what matters. (2006)

**Positioning the State of Ohio for Economic Growth: Appendices.** An overview of the state's technology capacity with an emphasis on the characteristics of the state's higher education institutions. Battelle Memorial Institute (2006)

**Industry-Based Competitive Strategies.** The plan identifies industries that are important to Ohio's competitive advantage to determine growth opportunities and emerging technologies that hold potential for significant economic benefit to the state and its regions. Deloitte and Cleveland State University (2005)

**Ohio's Economic Competitiveness.** A comprehensive benchmarking of Ohio's economic foundations and performance providing an assessment of the state's economic assets and liabilities. Ohio Chamber/SRI (2005)

**World-Class Ohio: A Prospectus of Achieving Success in the Third Frontier.** An analysis of the opportunities for Ohio to advance its economy through investments in its technology strengths leading to high-wage jobs and growth. Ohio Business Roundtable (2003)

**An Ohio Technology-Based Economic Development Strategy.** A strategic analysis of Ohio's technology sector including advanced manufacturing. Battelle Memorial Institute (2002)

Visit [www.development.ohio.gov](http://www.development.ohio.gov) to view the reference documents.



To download a copy of the strategic plan for the  
Ohio Department of Development please visit  
[www.development.ohio.gov](http://www.development.ohio.gov)



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