

Economic Development for Central Oregon

EDCO

**SISTERS 2018-20  
STRATEGIC PLAN**

**MOVE START GROW**

## TABLE OF CONTENTS

<i>Pages</i>	
<b>3</b>	Economic Development Strategic Plan (Overview) <ul style="list-style-type: none"><li>• EDCO Vision</li><li>• EDCO Mission</li><li>• Guiding Principles for Sisters</li><li>• Key Goals for Sisters</li></ul>
<b>4</b>	EDCO Core Values
<b>5-8</b>	Local Program Goals & Objectives
<b>9</b>	Specific Initiatives
<b>10</b>	Strategic Plan Process
<b>11-12</b>	Appendix A: Assumptions Underlying the 2018-20 Strategic Plan
<b>13</b>	Appendix B: Methodology Behind Industry Targets

**EDCO’s Vision**

**Prosperous communities and quality jobs for Central Oregonians.**

**EDCO’s Mission**

**Move, start and grow traded-sector businesses (companies that export a good or service to customers outside the region) to purposefully create a thriving and diverse economy.**

**Sisters Guiding Principles for Economic Development**

**This is how we go about doing this work in our community:**

1. Encourage multi-generational participation, collaboration;
2. Advocate for the next generation (will our children have the opportunity to live here and find gainful employment?);
3. Act as the reference point for everyone in the community regarding jobs, business and industry development;
4. Economic diversification is at the center of all we do;
5. Respect the quality of life that makes this place special; and
6. Manage growth so it is consistent with the character and values of the community.

**GOALS for Sisters Economic Development 2018-2020**

<b>1</b>	<b>Move</b> 10 new companies to the Sisters area that will create 100 new, well-paying jobs and invest \$8 million in new capital investment by the end of 2020. Target marketing and recruitment efforts geographically and by industry for greatest effectiveness.
<b>2</b>	Facilitate the <b>Start</b> of 8 local, scaleable, early-stage companies as the next generation of employers and jobs. Create entrepreneurial ecosystem to generate at least 50 jobs from those startups, and help them raise \$4 million in growth capital by the end of 2020.
<b>3</b>	Help <b>Grow</b> 10 local traded-sector employers with a robust Business Retention & Expansion (BRE) Program that catalyzes \$8 million in new capital investment and 100 new, well-paying jobs by the end of 2020.
<b>4</b>	Work with the private and public partners to catalyze development of at least 30,000 sf of new light industrial space in Sisters to help both new and existing companies.

On pages 5-8 of this plan, 15 objectives are outlined under the four goals that are the “tip of the spear,” so to speak, of EDCO Sisters’ execution strategies. While detailed and specific, nearly all objectives have yet another level of detailed actions and efforts required to successfully achieve both the objectives and goals.

**Values**

EDCO has developed its own internal culture that helps team members clearly understand what is important not only in the work we do, but how we go about doing it. Condensed, our core values are:

EDCO'S CORE VALUES		
<p>We're a non-profit run like a <b>BUSINESS</b></p>	<p>We pride ourselves on being <b>RESPONSIVE</b></p>	<p>This is what drives us <b>A UNIQUE TEAM</b></p>
<p><b>ACCOUNTABLE</b> To our board, client companies, and communities</p> <p><b>EFFICIENT</b> We manage limited resources like our own</p> <p><b>ENTREPRENEURIAL</b> We look for opportunities and take calculated risks</p>	<p><b>BIAS FOR ACTION</b> Economists study the economy, we improve it</p> <p><b>FACTUAL</b> Trusted, objective resource</p> <p><b>INITIATIVE</b> Self-motivated individuals</p> <p><b>TAKE THE HIGH ROAD</b> Our work demands the highest ethics and professionalism</p>	<p><b>EMPOWERED</b> We own our work and are nimble, creative and resourceful</p> <p><b>ALL HANDS ON DECK</b> Teamwork trumps job descriptions</p> <p><b>ACCOMMODATING</b> Ridiculously. We constantly look to add value.</p> <p><b>FUN!</b> Goofy people, serious work</p>

To be clear, these are not necessarily a set of formalized policies and procedures but rather “the way we do things” as a team and individually.

## Goals & Objectives

**GOAL 1: Move 10 new companies to the region that will create 100 new, well-paying jobs and invest \$8 million in new capital investment by the end of 2020. Target marketing and recruitment efforts geographically and by industry for greatest effectiveness.**

### Objective 1.1

Target specific companies and individuals within industry sectors or sub-sectors that are a good fit for the Sisters area, while remaining opportunistic. Industries for Sisters include, but are not limited to (*alphabetical, not prioritized*):

- Advanced Manufacturing
- Beverage Manufacturing (craft beer, cider, distilled spirits)
- Bioscience (pharma/medical device)
- High Technology (software/hardware/alternative energy)
- Musical instrument design and manufacturing
- Outdoor Apparel & Gear
- Specialty Food Products

*(see Appendix B for research behind why these industries were selected)*

### Objective 1.2

Generate at least 40 leads annually for new recruitment prospects via diverse sources.

- Attend industry tradeshows in targeted sectors.
- Research companies in targeted sectors (periodicals, trade & business journals, internet, and web-publications).
- Track and support, as appropriate industry, development initiatives.
- Follow up on referrals by partner organizations (cities, counties, chambers, local companies, individuals, etc.)
- Encourage and/or facilitate target industry committees.
- Publicize the work of EDCO and success of Sisters companies via earned media (press releases and media relations) and advertising (funding permitting).

### Objective 1.3

Collaborate with the City of Sisters, Deschutes County and Business Oregon to develop competitive and compelling proposals for recruitment prospects.

### Objective 1.4

Capitalize on Sisters' established brand, image and reputation as a "community of choice" for lifestyle, quality schools, the arts, and scenic beauty.

- Bring together local and regional visitor organizations willing to partner with their existing marketing and advertising strategies for business development.
- Create and implement marketing strategies around Sisters' signature annual events, including: The Sisters Rodeo, Folk Music Festival and Quilt Show.

### Objective 1.5

Investigate other local barriers or challenges to recruiting companies to Sisters

- Work to improve the capacity, speed, and reliability of telecom services in Sisters.

**GOAL 2: Facilitate the **Start** of at least 8 local, scaleable (high growth potential), early-stage companies to establish the next generation of employers and jobs. Create an entrepreneurial ecosystem to generate at least 50 jobs from those startups, and help them raise \$4 million in launch or growth capital by 2020.**

**Objective 2.1**

Connect Sisters early-stage companies with existing local, regional and statewide entrepreneurial assets.

- Encourage Sisters startups to attend and present at monthly Central Oregon PubTalks series and annual Bend Venture Conference (BVC).
- Bring at least one Central Oregon PubTalk event to Sisters by 2020.
- Connect promising startups with the Oregon Angel Fund (OAF), Portland Seed Fund, and other statewide or regional equity capital investment groups.
- Support regional business accelerators (Bend Outdoor Worx, E-Space Labs, etc.) by connecting Sisters companies to these resources.
- Support co-working spaces in Sisters .
- Refer startups to support organizations and resources (EDCO's Venture Catalyst and/or Stable of Experts, SBDC, SCORE, Opportunity Knocks, Business Oregon, etc.)

**Objective 2.2**

Provide advisory and mentor support to local early-stage companies.

- Capitalize on opportunities to meet with all scalable start-ups and early-stage companies in Sisters.
- Connect at least 10 early-stage companies per year to mentors through EDCO's Stable of Experts.
- Encourage local experts to join EDCO's Stable of Experts for mentoring and advising opportunities.
- Coach, with help from the EDCO Venture Catalyst, at least 10 scaleable startups annually .

**Objective 2.3**

Evaluate and develop additional, capital resources to support early-stage companies.

- Tap the Sisters area's ability to attract high net worth individuals by encouraging them to invest in local startups directly or through managed funds such as Cascade Angels, Seven Peaks Venture, etc.

**GOAL 3: Help **Grow** 10 local traded-sector employers with a robust Business Retention & Expansion (BRE) Program that catalyzes \$8 million in new capital investment and 100 new, well-paying jobs; by the end of 2020.**

**Objective 3.1**

Meet with all local traded-sector companies in Sisters annually to identify opportunities and challenges.

- Actively maintain target list with Executive Pulse CRM for calls and meetings.
- Focus all calls and meetings on action and EDCO adding value (not just gathering information) directly or through referrals.
- Survey companies during interviews and meetings to determine systematic roadblocks and opportunities to catalyze growth and expansion.
- Provide rapid and comprehensive follow up to all company meetings to resolve issues and capitalize on opportunities.
- Catalyze and support local workforce development initiatives (internships program, higher education, cross training)

**Objective 3.2**

Successfully manage the Sisters enterprise zone, e-commerce zone and renewable energy projects within the Deschutes County renewable energy development zone.

- Develop & maintain project management tools and send reminders for critical filing deadlines.
- Host periodic meetings, training for assessors and taxing districts.
- Expand zone as required to capitalize on opportunities for job creation and diversification.
- Renew the zones as required and encourage local sponsors to offer additional incentives.

**Objective 3.3**

Assist cities and counties with implementation of local incentives.

- Assist Sisters companies that qualify and are a good fit for the Deschutes County Economic Development Fund.
- Assist the City of Sisters and/or Deschutes County with local fast-track permitting programs.
- Help the City of Sisters improve System Development Charges (SDCs) methodologies and implement deferral or financing options for companies.

**Objective 3.4**

Host and/or refer companies to periodic events that support local traded-sector companies.

- Produce one “Made in Sisters” tour/event annually that features local businesses (included: annual luncheon and local program fund-raising/EDCO membership drive).
- Partner with other local, regional and statewide organizations to deliver best practices workshops locally (export strategies, OMEP events, industry associations, etc.).
- Support key industry events.
- Support companies in continuous improvement and Lean implementation through Grow 3 Degrees, the Oregon Manufacturers Extension Partnership (OMEP) and private contractors.
- Connect Sisters businesses to existing industry associations including the Technology Association of Oregon (TAO), Oregon Bioscience Association (Oregon Bio), Oregon Outdoor Alliance (OOA), Central Oregon Brewer’s Guild, and other consortia that can add value.

**GOAL 4: Work with the private and public partners to catalyze development of at least 30,000 sf of new light industrial space in Sisters to help both new and existing companies**

**Objective 4.1**

Develop inventory of most promising lots for new, light industrial buildings.

**Objective 4.2**

Recruit developer(s) interested in constructing and owning new light industrial space in Sisters.

**Objective 4.3**

Identify and mitigate roadblocks to new development.

- Find private and/or public capital for construction.
- Introduce developer(s) to new or existing companies needing light industrial space.

## **Local Program Initiatives 2018-2020**

- Improve EDCO and local program communication to partners, stakeholders, and community
- Raise \$5,000 in private sector donations to local program
- Hold Annual Business Luncheon & Tour event
- Assist with local internship program coordination
- Encourage use of Sisters Country brand on Sisters-made products

## SISTERS STRATEGIC PLANNING PROCESS OVERVIEW

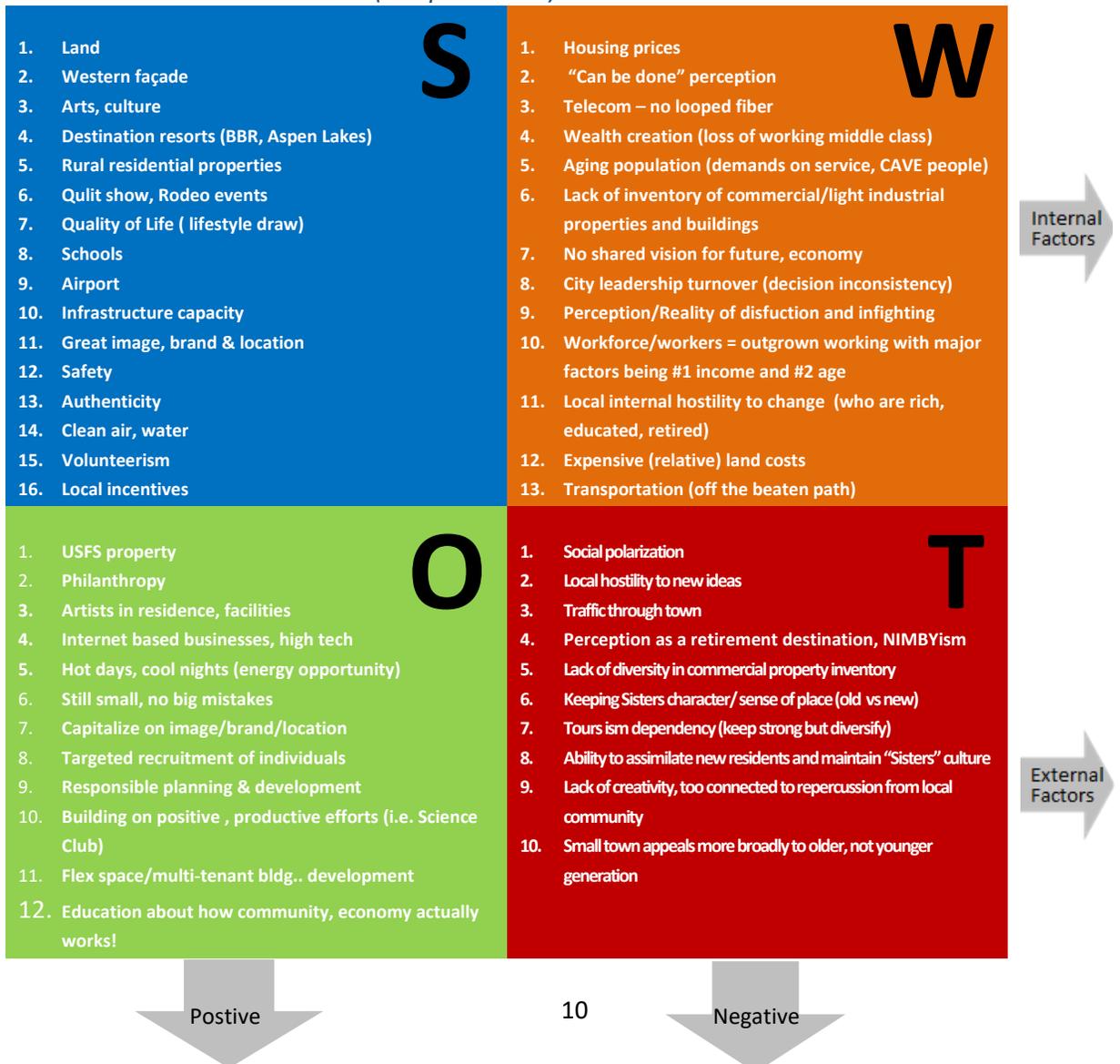
### Background

On April 19th 2015, the Sisters Economic Development Advisory Board and the Sisters Managing Director participated in a planning session facilitated by EDCO’s CEO. Several themes emerged from the session including:

- Recognition that Sisters has for some years struggled with general disunity with regards to development, growth, and its vision for the future.
- There is a faction or factions within the community that is/are eager to fight on a broad range of issues, including using their personal wealth, education, influence and legal avenues.
- Sisters already has an incredibly positive image and reputation that extends beyond the Pacific Northwest.

Considerable time in the meeting was dedicated to SWOT exercise which is summarized below.

### Results of the SWOT Exercise *(not prioritized)*



## APPENDIX A: ASSUMPTIONS UNDERLYING THE 2018-20 STRATEGIC PLAN

### Focus on traded-sector is key

Focusing on the traded-sector (companies that export a good or service to customers outside the region) is our greatest leverage of time and resources. There is a reason that most economic development organizations across the country concentrate on growing traded-sector employers: they form the foundation for all other jobs.

Most employment in a given community or region is in non-traded sector areas – government, retail, commercial, health care, K-12 education – that serve needs within that community or region. Growing traded-sector employment both makes the “economic pie” larger as well as increases average household incomes. More disposable income enables growth of the non-traded-sector through the purchase of homes, cars, entertainment, food and beverage, etc. However, the reverse is not always true; growth of the non-traded-sector does not necessarily lead to more traded-sector jobs. Focus on growing traded-sector employment is the most efficient and effective way to help the entire economy prosper.

Historically, traded-sector companies were manufacturers, but the lines have been blurred with changes in technology. Today, many services can also be traded-sector, everything from engineering to accounting to administrative and call centers.

### We facilitate job creation, but businesses create jobs

Job creation is one of, if not the most important, metrics for most economic development organizations across the country. This holds true for EDCO Sisters as well. The organization tracks new employment added by the companies (recruitment, retention/expansion or early stage) it helps – whether with incentives, logistics, relocation, recruitment, site location, local entitlements, finding talent, capital financing, or a host of other issues.

As with other professional consultants a company may hire, our assistance is typically on the margin, meaning that each company is principally responsible for their success and growth. However, our assistance must add real value or the organization doesn't include it in its metrics. In the case of recruitment projects, more often than not, a relocating business would not have known about or picked a Central Oregon community without our effort and assistance. But while we track employment, capital investment and payroll of its client companies, the organization acknowledges that businesses, not economic development, actually generate new employment.

***In order to be effective in “moving the needle” for this big vision with a small staff and budget, it is imperative that EDCO play the role of catalyzing projects, initiatives, programs, and other infrastructure that is critical for success.***

### Big mission + a small staff make it imperative for us to catalyze, leverage

EDCO is a small organization with a very large and important charge: measurably improving and diversifying the regional economy. In the face of recent challenges posed by the economy, economic development is a front-and-center policy issue for public and private sectors alike. Despite the renewed interest in jobs and diversification, funding has not been commensurate with its apparent priority. In order to be effective in “moving the needle” for this big vision with a small staff and

budget, it is imperative that we play the role of catalyzing projects, initiatives, programs, and other infrastructure that is critical for success. Consequently, we must continually look for partners – individuals, companies and other organizations – willing to carry forward initiatives or share the responsibility as a team.

EDCO must hold onto lightly even things that originated in the organization - “owning” only those that have the highest return and which no other entity or group of volunteers can or is willing to see to fruition. Successful examples of such partnerships include the region’s first business accelerator (Founder’s Pad), the UAV/UAS initiative, the Central Oregon Brewer’s Guild, the High Desert Enterprise Consortium, the Oregon Outdoor Alliance, the Tech Alliance of Central Oregon, and the Central Oregon Biosciences Association – all of which were started in part or entirely by EDCO and now have a life of their own.

Similarly, EDCO must look for opportunities with the greatest leverage of its limited time and resources to bring about good things for the economy. The organization’s vision and mission is to be primarily a business development organization; however, maintaining and improving Central Oregon’s business climate “sets the table” for successful business development. At the same time, EDCO does not have the resources or time to become even a part-time lobbying organization. The same example applies for improving education and expanding meaningful work opportunities for our emerging workforce. EDCO must be artful in its ability to add value without being consumed by a particular issue or facet of the economy or region.

### Size does not matter

EDCO is often characterized as an organization that is only focused on larger, headline-grabbing companies. While it has worked to recruit, retain and grow some of the largest private employers in the region, EDCO actively helps companies of all sizes (even one-person businesses) at all stages of maturity. Some of the region’s fastest growing firms were established here by a single founder or small group of co-founders. EDCO hones in not on the size of the company, but the strength of the team, viability of the business model and ability to scale within a broader marketplace.

### Increasingly, Traded-Sector Employers are NOT Manufacturers

More and more, professional services, IT, software, and other technology companies are by their revenues and customer base, traded-sector. Some local engineering, architecture, accounting, and legal firms have a majority of their services exported outside Central Oregon’s borders. Data centers, now increasingly known as IT computing centers, export data via telecommunications – yet employ hundreds of full-time employees at wages averaging well over triple for most other industries. Clearly, these next generation businesses are, together, contributing an ever-larger share of our GDP and in some cases eclipsing capital investment of all other industries combined. As such, EDCO’s business development efforts must continue to evolve to capitalize on opportunities outside the traditional manufacturing model.

#### WHO SAYS STARTUPS CAN’T HAVE A PROFOUND IMPACT ON THE ECONOMY?

Here’s a sampling of six companies, each in different industries that were founded here as startups that now collectively employ 1,150 Central Oregonians.



Hydro Flask



## APPENDIX B: METHODOLOGY BEHIND INDUSTRY TARGETS

### Targeting Industries, Subsectors within Industries

There are many schools of thought when it comes to industry development and economic diversification. Some experts argue that the highest value efforts are concentrated on attracting individuals (i.e. professionals, highly educated, entrepreneurs, lone eagles, retirees) rather than focusing on specific industries. Others maintain that the stage of business is more important (i.e. start up, growth stage, established). Yet another field of thought is that economic development and local government should simply concentrate on creating a place where individuals and companies want to locate (i.e. amenities, support organizations, universities and research institutions, quality of life factors) as a driver for more employment and diversity.

There are probably merits to all these arguments; however each have inherent issues for a small organization like EDCO to either execute or marshal others to execute. Reinventing or dramatically improving local amenities, adding higher education capacity and other quality of life investments are a full-scale community effort – far beyond EDCO’s (or any other economic development organization on the West Coast) small budget and staff.

Targeting individuals is also very difficult and historically, expensive. With technology improvements (new Internet marketing resources, social media, etc.), that situation may be changing in that huge investment may no longer be required to impact a particular geographic market or demographic. Perhaps the very best example in the Central Oregon region of targeting individuals is the tourism industry that uses traditional advertising (media, periodicals, online) to communicate their messages to individuals to visit and stay in the region. In order to “move the needle” in gaining awareness and sales, minimum investment in advertising is in the six figure range and for some markets, the entry level is seven figures – more than EDCO’s entire budget.

EDCO’s strategy, like those employed by many other organizations across the country and in other parts of the world, seeks to build on natural assets, existing strengths, and the “critical mass” that may already exist within a community or region. Sometimes that critical mass represents itself as a particular skill base or a cluster of companies doing similar things that can feed off each other.

### Capitalizing on Opportunities Outside of Industry Targets

This is not to say that EDCO does not help or pursue companies outside its top targets; many are agnostic to industry targeting because these companies are already here and operating. Particularly for recruitment and entrepreneurship, we must be responsive and opportunistic in meeting the needs of companies outside industry targets. Any quality employer with well-paying jobs is welcomed, without bias because of the sector in which they operate.

### Success in Sisters

Sisters is successfully creating a more diverse economy with the relocation, expansion, retention, and development of traded sector companies representing the industries listed under Objective 1.1. There continue to be large capital investments in building construction and production equipment. With the continued support of a local EDCO program, Sisters is making an investment in a stronger and more sustainable economic future.