

Texas Economic Development Council

Strategic Plan 2014-2019

Purpose of Plan and Planning Process

The purpose of this strategic plan is to provide a five-year roadmap for the TEDC Board of Directors and staff. The plan is the culmination of several activities, including a November 2012 board retreat discussion, an online membership survey conducted in January 2013 and in-depth interviews held in the summer of 2013 with seventeen key TEDC leaders.

Background

The TEDC is the nation's largest and most influential statewide economic development association. The TEDC has more than 800 members (including nearly 600 active professionals) and celebrated its 50th anniversary in 2011 with a year-long celebration that included several special events and a commemorative video (now posted on the TEDC web site). In 2012, the organization hosted its first-ever *Women in Economic Development Conference*, which attracted more than 100 participants. And, for the past five years, the TEDC has co-sponsored the *Texas Rural Challenge*, a conference dedicated to rural economic development issues in our state.

Despite the Great Recession, the TEDC has remained financially strong since the last strategic plan was published in 2009. The number of TEDC staff has remained the same with three full-time professionals and a part-time administrative assistant. As a result of the last strategic plan, the TEDC now hosts three, rather than four conferences per year, and webinars and peer group roundtables have become a staple in the organization's education portfolio. To attract and support new, younger professionals, the TEDC has also successfully implemented a mentoring program. To make it easier for new members to meet and develop relationships with seasoned TEDC members, the TEDC now organizes "Supper Clubs" at the conferences.

On the political front, the TEDC has performed exceedingly well despite a challenging 2013 legislative session and a growing anti-incentives sentiment among certain Texas policymakers. TEDC has maintained an excellent lobby team and is now clearly the "go to" organization on the economic development sales tax, business incentives and other economic development issues. The

TEDC Political Action Committee (PAC) has a healthy fund-balance and TEDC’s President and CEO, Carlton Schwab, was appointed by Governor Perry in 2012 to serve on a prestigious statewide economic development panel (the Select Committee on Economic Development) where he served as the Chair of a task force focused on economic development incentives.

On the communications front, the TEDC continues to upgrade its web site—adding new interactive features and posting new information online, including an expanded resource library for practitioners. The organization now has a presence on Twitter, Facebook and LinkedIn and continues to disseminate an electronic newsletter (another recommendation from the last strategic plan). The organization’s offices at 1011 San Jacinto were recently remodeled to accommodate an extra office.

Organization of Document

This strategic plan begins with a Strength, Weakness, Opportunity, Threat (SWOT) analysis and moves to a discussion of key goals and strategies that the organization should pursue over the next five years. The final component of the plan is the implementation and action timeline.

SWOT Analysis

The SWOT analysis is derived from feedback gathered through the 2013 TEDC membership survey, as well as the interviews conducted as part of the strategic planning process.

<i>Strengths</i>	<i>Weaknesses</i>
Membership (knowledge, experience, diversity)	Perception and reality of cliques
Experienced staff and leadership	Attracting/involving new and younger members
Legislative influence/positive reputation	Overlap of functions between Texas One and Team Texas
Networking opportunities	Issue coordination/relationship with Texas Municipal League
Quality of education programs	
Quality of conferences/professional development opportunities (need to maintain relevance and freshness and stay aware of costs)	

<i>Opportunities</i>	<i>Threats</i>
Promoting the economic development profession	Retirement/aging of active TEDC members
Strengthening Team Texas	Rising anti-incentives sentiment in Texas legislature
Building TEDC's statewide visibility and legislative influence	Raiding of ED sales tax dollars
Educating elected officials and policymakers about economic development	Undereducated/unprepared workforce
Embracing new technologies such as Skype and teleconferencing	Changing attitudes about the role of government in Economic Development
Building the TEDC Educational Foundation	Change/turnover in statewide political leadership
Expanding membership and participation in TEDC PAC	Lack of fresh ideas and loss of member interest

Key Goals and Strategies

Goal 1: Strengthen and support the economic development profession

The mission of the TEDC is to strengthen and support the economic development profession. To achieve this mission, the TEDC provides economic development practitioners with a forum to network, exchange ideas, learn and stay informed about legislative activities. The TEDC Annual Conference, the two statewide conferences and professional development sessions (including in-person workshops, seminars and webinars) are at the heart of the organization.

Just as with any other organization, a top challenge facing the TEDC is staying “fresh” and relevant. With member expectations high, it is a constant challenge for TEDC staff to raise the bar in terms of conference speakers, education programs, resources and events. The general consensus among members was that going from four to three conferences was an excellent change. Unlike during the last strategic plan, members did not express a strong desire for increasing the number of professional development sessions. Rather, the desire was to maintain and even strengthen the quality of existing education programs. In addition, board members recommended that TEDC develop new information products, including an inventory of certified sites, which is currently under development.

Several key strategies can be implemented to further strengthen the economic development profession in Texas and maintain the value of TEDC membership. These include:

Strategy #1.1: Continue Successful Webinar Program

The 2009-2013 plan recommended that TEDC offer webinars on a pilot basis. Since that time, the organization has hosted a dozen successful webinars on topics ranging from “Economic Development Strategic Planning” to “Deal Structuring for a Major Facility.” Clearly, webinars are a popular way for TEDC members to continue to update their job knowledge and skill set. As such, TEDC should continue to offer 4-6 webinars per year, while ensuring that topics remain relevant and fresh. Pricing should remain affordable and TEDC members should continue to be encouraged to suggest topics for future webinars. One possible new topic could be board member training since several members suggested that TEDC create a board development program. Other frequently mentioned topics include regional economic development, social media, incentives and rural economic development strategies.

Strategy #1.2: Host Two Peer Group Roundtables per Conference

Peer Group Roundtables have emerged as a favorite among TEDC members. These informal roundtable discussions, which are facilitated by TEDC members, are engaging and a major draw for economic development practitioners looking for real-world insight and ideas. Each conference should include at least two peer group roundtables and the TEDC should continue to use its membership survey as a means to collecting ideas on topics. The 2013 membership survey identified the following most desired peer group roundtable topics:

- Marketing programs/best practices
- Use of Chapters 380/381
- Business retention/expansion
- Economic development best practices
- Economic development web sites/best practices
- State funding programs
- Using new technology in economic development
- Entrepreneurship and business incubators
- Making presentations and proposals
- Economic development strategic planning and implementation

Strategy 1.3: Grow and Promote the TEDC Educational Foundation

The TEDC Educational Foundation was established several years ago to raise funds to provide scholarships for economic developers seeking to further their education. The Foundation is a 501c(3) and has a small balance, but has largely remained dormant. The TEDC should explore ways to generate additional funding for the educational foundation and establish a target goal of \$20,000 over the next five years. Memorial gifts are one possible approach to raising revenue, as is an optional “check-off” donation for TEDC professional development courses. The Foundation should be under the purview of the TEDC Education Committee and develop a vision and mission statement and set of guiding principles.

Strategy 1.4: Sponsor Two Regional Lunches Per Year

One of the top reasons why economic developers join and retain their TEDC membership is for networking opportunities. The TEDC should plan two regional luncheons per year that feature a speaker (e.g, site selection consultant, policymaker) that would attract regional community leaders while providing a forum for TEDC members to network with their fellow peers. The luncheons could provide an additional revenue source for the TEDC, especially if it is successful in seeking local sponsors to offset costs.

Strategy #1.5: Study Feasibility of Creating a TEDC Blog

The TEDC added an electronic newsletter as a member benefit as a result of the 2009-2013 strategic planning process. In the 2013 membership survey, 82% of respondents rated the electronic newsletter as either “excellent” or “good.” Moving forward, some TEDC board members suggested that the TEDC change to a blog type format that can be updated as needed with TEDC events, legislative updates during the session and links to media coverage of key economic development stories or project announcements.

Goal 2: Promote a healthy business climate

The TEDC has become the *de facto* voice of the economic development profession at the Texas State Capitol. The TEDC's lobby team, which is led by Carlton Schwab and legislative consultant, Sabrina Brown, is well-respected by legislators and their staff and regularly involved in key bill negotiations. The TEDC Legislative Committee plays a critical role in developing the organization's Legislative Agenda. TEDC members do an outstanding job testifying at legislative hearings and can be relied on to contact their local representatives when grassroots advocacy is needed. TEDC members strongly appreciate the quality and accessibility of information available to them regarding pending legislation and interim committee activities. TEDC members have access to weekly bill status updates, grassroots alerts and a comprehensive post-session report that summarizes all the key legislative action, including bills that were filed, but failed to pass.

The goal of the TEDC legislative program is to support programs and policies that keep the Texas business climate competitive and healthy. The TEDC has been successful, in large part, because it has focused its lobbying efforts on core economic development issues, such as incentives and the economic development sales tax. However, TEDC members also recognize and understand the importance of issues such as workforce, education, transportation and water and have become more vocal and involved in these issues as well, albeit not in a leadership role.

On the political front, the TEDC PAC has worked hard to raise nearly \$40,000, an amount larger than many much larger organizations. The TEDC PAC has about 100 members who make personal donations. Prior to the 2013 legislative session, the TEDC PAC distributed more than 30 individual campaign donations for a total of \$22,500. Looking ahead, the challenge for TEDC is to broaden participation in the PAC and tap into the existing relationships that many of our members enjoy with local leaders.

Another challenge that was raised during the 2009-2013 strategic planning process and still exists today is improving coordination with key organizations like the Texas Municipal League. TEDC and TML often share overlapping issues, such as eminent domain and the economic development sales tax. TEDC staff members enjoy strong working relationships with TML's executive staff and lobby team.

Strategy #2.1: Maintain Focused Legislative Strategy

Over the years, the TEDC has adopted a strategic, disciplined approach to its legislative advocacy efforts. Rather than focus on more general business climate issues, the TEDC has focused its attention and resources on the issues that matter most to economic development practitioners: the economic development sales tax, job training funds and incentives. Leadership interviewed for this strategic plan believe that the TEDC should continue with this strategy, but at the same time, become more engaged in workforce, education, water and transportation issues since they are so critical to the future economic development of the state.

Strategy #2.2: Broaden participation in the TEDC PAC

During the 2009-2013 Strategic Planning Process, it was recommended that “the TEDC work towards the long-term goal of maintaining an annual PAC balance of \$30,000-\$40,000.” With the support of our dedicated PAC members and leaders, TEDC has achieved that goal. The challenge for the TEDC PAC is not necessarily to raise additional funds, but to broaden participation so that more TEDC members are involved in the political process. The first “TEDC PAC Day” at the Texas Capitol (held in April 2013) had a strong showing and is a tangible way to reach out to new, potential members. Another way is to send out a letter to all TEDC members educating them about the PAC and its impact, while encouraging them to join the TEDC PAC before the start of the legislative session. Another possible strategy is to survey TEDC members to inquire about their level of interest in joining the PAC, barriers to participation and existing relationships with lawmakers and other influential individuals.

Strategy #2.3: Strengthen and Support Team Texas

Currently, Texas has two different entities that market the state externally (*Team Texas* and *Texas One*, which is closely associated with Governor Perry’s office and may face an uncertain future). Several TEDC Board members raised concerns about the overlap between the two organizations and the need for a stronger statewide marketing effort. Leaders of *Team Texas* followed the recommendation of the last strategic plan and have expanded the effort of *Team Texas* and further maximized its potential.

Team Texas will carry out its Vision – “to be the premier, state-wide, member-driven collaborative marketing organization in Texas, growing jobs and investments in Texas” – through its newly

adopted Mission – “to provide opportunities and create platforms for *Team Texas* members to make contacts and build relationships with targets and to identify and provide opportunity to access projects that will grow jobs and investment in member communities”.

Team Texas will continue to be a committee of the TEDC, but will eventually have a dedicated staff person that will guide a statewide marketing effort. To expand the reach of *Team Texas*, a proposal is under development to raise the membership dues and remove the cap on the number of members.

Strategy #2.4: Increase External Marketing and Communication Efforts to Promote TEDC Brand

TEDC members indicated a strong desire to expand efforts to educate lawmakers, the media and the general public about economic development in general and the TEDC in particular. This strategy is especially important given the current political climate and the high turnover among Texas lawmakers. There are several ways to promote the TEDC brand including publishing policy white papers, writing and submitting opinion editorials to the local media on key economic development issues, issuing press releases and media advisories to promote TEDC events, key policy positions and news and co-sponsoring statewide public policy events such as the Texas Tribune Festival. These activities should fall under the purview of the recently established Communications Committee.

Goal 3: Maintain strong leadership and financial stability for the TEDC

Surveys and interviews conducted as part of the strategic planning process reveal a high level of satisfaction with the TEDC professional staff and legislative consultants. Although TEDC has successfully weathered the economic storm that has put pressure on local economic developers during the past few years, it is important for the organization to remain vigilant and offer its members excellent value.

The key challenge raised is retaining the high quality staff that exists today. Another challenge raised during stakeholder interviews was the economic slowdown and the possible trickle-down effect on organizations like the TEDC, which rely on membership dues and event registration fees as the major sources of revenue.

Strategy #3.1: Continue to Grow and Promote the TEDC Mentorship Program

The TEDC created a mentoring program in 2012 to provide new economic development professionals with support and guidance from a seasoned veteran. Currently, twelve new professional developers are matched with a mentor. The mentorship program should be positioned as TEDC's key strategy to engage younger professionals, involve them in the organization and groom them for future leadership roles.

Strategy #3.2: Explore New Membership Discount Options

As discussed earlier, one of the overarching themes of the membership survey and board interviews was the need for the TEDC to embrace younger professionals and grow new leaders since many seasoned professionals will be retiring in the next few years. Since many organizations only allow one TEDC membership, "junior" level professionals often miss the opportunity to attend TEDC events and get involved in the organization. To address this concern, the TEDC should explore the idea of giving the second (or third) person within the same organization a substantial discount on their annual TEDC membership dues.

Strategy #3.3: Explore Availability of Grant Funding

In 2013, it is projected that member dues and event revenues will cover approximately 70 percent of TEDC's \$850,000 annual budget. To provide an addition cushion of revenue, the TEDC should consider seeking grant funding for special projects. In 2010 and 2011, the TEDC received grant funding from the Mitchell Foundation to conduct member outreach and education on clean energy and natural gas issues. In 2012, the TEDC received a grant to help support the Texas Energy Summit. Similar opportunities should be research and explored.

Strategy #3.4: Create a New Platinum Level Corporate Sponsorship

Currently, corporate support provides about 6 percent of TEDC's annual revenue. Current sponsorship levels (\$5,000-bronze, \$7,500 silver and \$10,000-gold) have remained the same for the past 15 years. To boost revenues, while keeping existing sponsorship levels accessible, the TEDC should create a new \$15,000 platinum level corporate sponsorship with special benefits.

Strategy #3.5: Benchmark TEDC Conference registration fees against similar organizations

Although 67 percent of respondents who participated in the 2013 membership survey said that the registration fees were “just right,” nearly 1 in 5 respondents (22 percent) stated that they were too high. At least once every other year, the TEDC should conduct research to benchmark the cost of its Annual Conference and other events with similar organizations.

Strategy #3.6: Conduct Exit Survey of Cancelled TEDC Memberships

Although TEDC has a high retention rate, it is still important for staff to gather information from individuals who choose not to renew their membership, especially those who cancel after just one year. A brief telephone call or electronic survey is a simple way to gather information on why a membership was not renewed.

Summary of TEDC Strategic Plan Goals & Strategies
Goal 1: Strengthen the economic development profession
Strategy 1.1: <i>Continue Successful Webinar Program</i>
Strategy 1.2: <i>Host Two Peer Group Roundtables per Conference</i>
Strategy 1.3: <i>Grow and Promote the TEDC Education Foundation</i>
Strategy 1.4: <i>Sponsor Two Regional Luncheons Per Year</i>
Strategy 1.5: <i>Study Feasibility of Creating a TEDC Blog</i>
Goal 2: Promote a healthy business climate
Strategy 2.1: <i>Maintain Focused Legislative Strategy</i>
Strategy 2.2: <i>Broaden Participation in the TEDC PAC</i>
Strategy 2.3: <i>Strengthen and Support Team Texas</i>
Strategy 2.4: <i>Increase External Marketing and Communication Efforts to Promote TEDC Brand</i>
Goal 3: Maintain strong leadership and financial stability for the TEDC
Strategy 3.1: <i>Continue to Grow and Promote the TEDC Mentorship Program</i>
Strategy 3.2: <i>Explore New Membership Discount Options</i>
Strategy 3.3: <i>Explore Availability of Grant Funding</i>
Strategy 3.4: <i>Create a New Platinum Level Corporate Sponsorship</i>
Strategy 3.5: <i>Benchmark TEDC Conference registration fees against similar organizations</i>
Strategy 3.6: <i>Conduct Exit Survey of Cancelled TEDC Memberships</i>

TEDC Strategic Plan Implementation Matrix		
Goal 1: Strengthen the economic development profession		
Strategy	Committee Jurisdiction	Status
1.1: Continue Successful Webinar Program	Education	
1.2: Host Two Peer Group Roundtables Per Conference	Education	
1.3: Grow and Promote TEDC Education Foundation	Education	
1.4: Sponsor Two Regional Luncheons Per Year	Forward Planning	
1.5: Study Feasibility of Creating a TEDC Blog	Communications/Staff	
Goal 2: Promote a healthy business climate		
Strategy	Committee Jurisdiction	Status
2.1: Maintain Focused Legislative Strategy	Legislative	
2.2: Broaden participation in the TEDC PAC	PAC	
2.3: Strengthen and Support Team Texas	Team Texas	
2.4: Increase External Marketing and Communication Efforts to Promote TEDC Brand	Communications	

TEDC Strategic Plan Implementation Matrix		
Goal 3: Maintain strong leadership and financial stability for the TEDC		
Strategy	Committee Jurisdiction	Status
3.1: Continue to Grow and Promote the TEDC Mentorship Program	Membership/Staff	
3.2: Explore New Membership Discount Options	Membership	
3.3: Explore Availability of Grant Funding	Staff	
3.4: Create a New Platinum Level Corporate Sponsorship	Staff	
3.5: Benchmark TEDC Conference registration fees against similar organizations	Staff	
3.6: Conduct Exit Survey of Cancelled TEDC Memberships	Membership/Staff	