

10/22/09 - Little Hoover Commission Submission

TeamCalifornia

Mary Ingersoll, Executive Director

Good morning distinguished members of the Commission. My name is Mary Ingersoll and I am the Executive Director of TeamCalifornia. Speaking on behalf of our economic development colleagues throughout the State of California, we thank you for the opportunity to share our mission and be part of the discussion regarding the state's role in the business of economic development.

I'm honored to be before you today to discuss economic development; however, before I address the specific questions poised by the Commission, I would like to provide you with some background about TeamCalifornia. During these difficult economic times, as unemployment rates rise and welfare lines increase, retaining businesses, keeping jobs in California and attracting new business here is our priority. When the State disbanded the Trade & Commerce Agency, the business marketing arm of the State of California was also disbanded. TeamCalifornia reignited that effort, working closely with the Governor's staff, Lt. Governor, Business Transportation & Housing (BT&H), Labor & Workforce Development Agency (L&WD) and CalBIS to create opportunities for marketing and promoting California, which is codified through a Memorandum of Understand (MOU) between the State and TeamCalifornia. We are a private, non-profit membership-based corporation that brings together cities, counties, economic development organizations, and private industry from across the state to market their communities for business investment and job creation. The TeamCalifornia Economic Development Corporation is governed by a board of directors consisting of 33 representatives from each of the State's ten economic development regions, state government agencies, utilities, local workforce investment boards, colleges and universities. We are the lead marketing organization working cooperatively to market California's unique assets to key industry markets. Our goal is to create venues and conduits for TeamCalifornia members to reach decision makers and we drive decision

makers and leads to TeamCalifornia's professional network –state, economic development organizations, resources and communities.

Answers to questions poised by the Little Hoover Commission regarding the TeamCalifornia Economic Development Corporation:

- ✓ *What role is TeamCalifornia filling that is not being coordinated by the state?*

TeamCalifornia is filling an unmet need in our economic development industry. Once done by the Trade & Commerce Agency, this work is being performed in competing states by similar agencies – the marketing and promotion to existing and new businesses. TeamCalifornia provides opportunities for its members to leverage resources and showcase California as the place to do business. In this role, TeamCalifornia works with our members and the State to fill the role of an active promotional vehicle that is not currently being met. Basically TeamCalifornia has filled the need that is missing through lack of resources, and our efforts are working as our membership continually increases. We promote the state's strengths at industry-specific conferences, through key tradeshow, events and public relations. We network with the industries that are poised to grow in California and that help sustain California's growing economy. These tradeshow and events are typically attended by site selector firms, key real estate industry representatives and companies, each of whom are involved with business location related decisions and decisions about what to do with their investments already in California.

TeamCalifornia members are important advocates and resources for business development in California; they know how to expedite projects and are invaluable sources of information for site location assistance anywhere in the state. By joining TeamCalifornia, members leverage limited resources and partner together for a stronger presence and voice with industry and venture capital. TeamCalifornia is able to participate quickly and seize opportunities

to present the California business case and then partner with the State and our membership base.

- ✓ *How is TeamCalifornia used? Are the services used by a few or widely known?*

Economic Development at the state and local level has limited funding sources and TeamCalifornia is filling the need that exists. We do this in concert with the State.

TeamCalifornia is utilized as the State’s marketing arm and, in conjunction with Labor & Workforce Development Agency through CalBIS and the Economic Development Partnership, work to retain and attract businesses to California. In 2008, BT&H announced the signing of a landmark “Memorandum of Understanding” between BT&H and TeamCalifornia formally committing to joint partnership to market and promote California. Again, this commitment further leverages limited resources with BT&H as part of the California Economic Development Partnership – a founding member of TeamCalifornia’s services are utilized by all ten regions in California and all agencies involved in the business of economic development. TeamCalifornia provides a turn-key marketing strategy: selecting the shows and events in conjunction with our member’s requests, setting all perimeters and marketing activities at the shows, handling all the set up and tear down and all of the exhibit creation, storage and handling. TeamCalifornia can react quickly to opportunities as a non-profit that the State is unable to do. We also operate in concert with private industry to network and supply opportunities to our members.

- ✓ *How does TeamCalifornia measure success?*

TeamCalifornia’s goal and mission is to drive business inquires and leads to the State or local economic development professionals to assist business to locate, stay or expand in California.

TeamCalifornia measures its success through the accomplishment of a growing list of deliverables designed in collaboration with State agencies and our

members. Our success is driven by the growing involvement and participation of communities, agencies and private-sector businesses throughout California with a shared purpose to promote business development in California. We have outlined a work plan that is carried out on a fiscal year basis to span the industries and companies California wants to encourage to stay and grow in California. Simply put, the renewal of memberships and the fact that TeamCalifornia is filling a need that our membership has outlined has contributed to our success. TeamCalifornia has been highly successful, collaborating with BIO-associations, communities and life science businesses, corporate site locators, business development organizations for worldwide chambers of commerce acting as a mini office of foreign investment – a location for industry to turn to for information. TeamCalifornia cannot measure itself by jobs created as marketing and relationship building can take years to come to fruition; however, we have identified the missing link that our members requested we fill in the area of marketing attraction and retention. We continue to attract new members to the effort, and as budgets tighten the opportunities for leveraging resources increase.

Value can be measured by the successful launch of the new *California Business Brand – “Find Inspiration Here”* and its incorporation in all of our activities to provide consistent messaging to prospects. In conjunction with BT&H, L&WD, and Tourism – pooling advertising budgets for greater impact, we have been able to incorporate a successful alteration of Tourism’s theme into business development. Our website promotes the brand, our tradeshow displays utilize the brand and we communicate the message to all our prospects. Our success is further seen on our website www.teamca.org which features the California Business Brand and averages 14,000 views per month with an average of 7.4 minutes. Our members get prominent exposure on the website and regional marketing. Businesses get linked directly to the Governor’s website and the local economic development offices throughout the state for immediate assistance. TeamCalifornia’s three-year marketing plan,

which includes Emerging Industries, Corporate Real Estate Executive Associations, Life Science & Medical Devices, Green Energy & Industrial BIO, Food & Beverage, and International Trade, provide measurable deliverables for our members – and participation is very strong among members including the State agencies. TeamCalifornia has participated in missions to China twice in the last three (3) years with the San Diego World Trade Center, CeBIT – a German Technology Show with the Honorable Governor Arnold Schwarzenegger and KOTRA, the Korean Trade Organization. We have utilized our dollars well by linking with opportunities and involving our members – in this way we have kept our staff small and our deliverables high. We have a very active Board of Directors and we are indebted to them for their volunteer leadership. We are successful due in part to our ability to handle all the details and provide our members with a turnkey experience for marketing opportunities saving those involved staff time and money. We are an extra marketing staff person for members to further leverage dollars. Our marketing efforts, media missions, and consultant conferences all drive more leads to CalBIS and the locals.

- ✓ *How does the state provide support for TeamCalifornia? Are organizational changes necessary for the state's economic development strategy?*

The Labor & Workforce Development Agency was a founding member of TeamCalifornia and we are grateful to be linked with the excellent stewardship this agency has provided. L&WD was the first Gold Sponsor, and now with the connection to BT&H, together they are Gold Sponsors of the organization and assist us daily on the main point our members believe “in economic development we need to cooperatively market California – that brand belongs to us.” The state provides support through participation on the Executive Committee and Board of Directors, as well as continued direction and participation in TeamCalifornia events. In addition, TeamCalifornia works closely with the California Employment Training Panel, community colleges

and workforce investment boards which are represented in the TeamCalifornia membership. TeamCalifornia works closely with the office of CalBIS. CalBIS is the State of California's primary business contact group. TeamCalifornia's lead and follow-up services are closely coordinated with CalBIS staff.

At this time we see no organizational changes needed, as long as CalBIS has the resources and manpower with the state partnerships to assist businesses and economic development organizations at the local in assisting businesses to stay, expand and locate in California.

- ✓ *What are the structural barriers limiting coordination to improve future outcomes?*
As the unemployment rate increases and revenues decline at the local level, the biggest barrier is funding for job creation at the local level and key messaging to business that resources are available to help them keep jobs in California or locate in California. ARRA monies have flowed to job training; however, job creation is at an all-time low. We believe the discrepancy lies in California's inability to compete with other states, business programs and incentives, (i.e., manufacturing tax credits, tax credit pools) particularly for key industry sectors important to California. Moreover, California is unable to compete with other states that have tax credits, financing vehicles, business assistance, technology funds, etc. Other states are taking advantage of California's weakness in this area.

Here are some suggestions:

- **A consistent California Message Platform, which establishes common talking points that all economic development professionals in California can use. Our Executive Board is meeting today, October 22, 2009, to outline these messages in conjunction with representatives from L&WD, BTH and CalBIS.**

- **Commitment by those in economic development to attract new jobs— not by rearranging them around the state—but by building jobs from existing businesses and searching out the types of investments that best fit their part of California. Poaching from one area of California to another does not help sustain the long-term economy and often results in less job creation than promised to the new area because of transfers from the existing California location.**
- **A continued coordinated statewide effort pooling resources and leveraging dollars. We believe California needs to lead the economic recovery by putting more resources into economic development – the effect of long-term unemployment –currently there are six times as many people looking for work as there are jobs available – could be devastating to our strength as a State. We must be proactive for our State’s future. We must look to incentives to be competitive for business.**

Is California better served by a single voice for promoting economic development?

We believe there is room for many players in this business of job creation. While this may not be best accomplished by one single voice for economic development, gaining support from all stakeholders on a set of economic development strategies and messages is crucial.

The state should have a pro-business climate complete with resources and incentives that are competitive to keep businesses here. We need to advance short- and long-term strategies to stimulate economic recovery and to serve as the basis for keeping jobs in California; thereby creating high paying and better jobs for our communities. Collaboration will give credence to a common set of factors for why businesses need to stay in California to prosper and why they need to locate or expand to California to ensure their success.

Thank you for the opportunity to touch the surface on one of the critical issues facing California and the TeamCalifornia Economic Development Corporation's role in that effort.

I look forward to assisting in any way I can. TeamCalifornia stands ready to accept the challenge of continued economic prosperity.