

# Investment Attraction Cluster Targeting Strategy



August 2019

## 1.0 Scope of Work

### 1.1 Purpose

Burlington Economic Development Corporation (BEDC) has initiated a Request for Proposal (RFP) process to identify a consultant qualified to (in)validate past internal findings and draft an investment attraction cluster targeting strategy. The project should identify industry clusters that exhibit strong potential for future growth and creation of high value employment. Factors such as existing supply chains in Burlington, the talent pool within the city and its commuter base, and unique assets that promote cluster growth should be incorporated. The project should also include a draft cluster targeting strategy based upon Burlington's existing strengths, assets, and international ownership of the existing business base.

### 1.2 Background & Overview

Examining local economies through the lens of industry clusters allows economic developers to retain and attract companies in an efficient manner. Cluster-based economic development strategies can enhance local business clusters by enabling collective problem solving while increasing the attractiveness of the area for potential employers.

Burlington Economic Development Corporation (BEDC) has conducted a review of the city's industry clusters. Initially, a total of 23 clusters were identified by 4-digit NAICS codes, as defined by a joint project between Economic Modeling LLC (Emsi) and the Center for Regional Development at Purdue University. A scoring framework was created, and 10-year data across 9 categories was used to determine the clusters that demonstrate the highest economic importance, provincial competitiveness, and value.

The top overall industry clusters in Burlington were identified as:

1. Chemicals & Chemical Based Products
2. Biomedical/Biotechnical (Life Sciences)
3. Manufacturing Supercluster
4. Glass & Ceramics
5. Information Technology & Telecommunications
6. Computer & Electronic Product Manufacturing
7. Business & Financial Services
8. Education & Knowledge Creation
9. Machinery Manufacturing
10. Forest & Wood Products

Following this, a deeper analysis was done on key sectors, with an eye towards strengthening Burlington's investment attraction position. The following sectors were prioritized for their high growth potential and linkages to existing Burlington companies and assets:

1. CleanTech- focus on Water Technologies and Waste Management
2. Creative industries and Film
3. Biomedical and Life Sciences- focus on Research & Development and Cannabis
4. Information Technology- focus on Smart Tech, Property Tech, and Sensors
5. Advanced Manufacturing- focus on Composites, Aerospace, Robotics & Process Engineering, and Additive Manufacturing
6. Business and Professional Services- focus on Regional Headquarters

### 1.3 Requirements

The project should (in)validate past internal findings and draft an investment attraction cluster targeting strategy focusing on high potential, future-focused industry clusters. The strategy should be implementable and incorporate research on future industry trends and their relation to Burlington's specific assets and employee base.

The project can be broadly grouped into the following deliverables:

- i. (In)validate past internal findings on priority clusters currently existing in Burlington
- ii. Determine value propositions for top clusters, incorporating:
  - a. a SWOT analysis for each cluster identifying opportunities to strengthen the cluster and key assets that can be leveraged or developed
  - b. Industry supply chains, inclusive of analysis on demand met in the city, region, and province
  - c. Talent pool within both the city and current commuter base
  - d. Unique assets that promote cluster growth (such as industry associations, research institutions with industry partnerships, accelerator programs, accessible spaces)
- iii. Examine international concentrations of the identified top clusters, with an eye on supporting FDI efforts
- iv. Analyze the existing business base in Burlington for international ownership, with the aim of drafting an attraction strategy leveraging overseas ownership

The final investment attraction cluster targeting strategy should incorporate each of these components and enable Burlington to focus on industry sectors that exhibit the potential for near-term high growth. The industry clusters should be defined in specific enough detail so as to incorporate specific company targets and existing assets.

The work should allow Burlington Economic Development Corporation to fully implement an investment attraction cluster targeting strategy.

## 1.4 Existing Resources

BEDC can provide the following resources:

- Past externally commissioned studies on industry trends in relation to the City of Burlington
  - Future Trends of Industrial Development in Burlington & the West GTA, Deloitte, May 2019
  - Mobility Hubs- Office and Retail Market Analysis Study, Deloitte, January 2019
  - Burlington & GTA Suburban Office Market Analysis, Deloitte, 2016
  - Burlington Key Sectors Analysis, Millier Dickinson Blais, 2015
- Past externally commissioned studies on forecasted growth and demographics in the City of Burlington
  - Burlington Mobility Hubs Employment Targets Study, Watson & Associates Economists Ltd., May 2019
  - City of Burlington Growth Analysis Study, Dillon Consulting, February 2019
- Burlington Economic Development Corporation past work on industry clusters in the city
  - Cluster Report, Overall and Targeted, August 2019
  - 10-year cluster data including jobs, job growth, companies, company growth, average wages, location quotients, export value, and sales
  - Targeted cluster data, company specific groupings by niche cluster
- Burlington employment and sector trends (both by NAICS codes and individual site data)
- Burlington demographic and growth statistics
- Burlington industrial and commercial development statistics
- Burlington Competitive Analysis

## 2.0 Vendor Application

### 2.1 Vendor Background & Information

Vendors must submit the following information to be considered:

- **Corporate Overview:** legal name; year of incorporation; number of employees; income statement if available
- **Products & Services:** description of all products & services supplied.
- **Markets Served:** description of geographic/industry markets that have been served by your company.

- **Project Team:** identify who will be involved on your project team, including their relevant experience and credentials.
- **Past Work:** listing of existing clients references

## 2.2 Project Outline

All vendors must provide a breakdown of costs related to their services. Costs include, but are not limited to, fixed pricing & deliverables, billable hours, etc. Vendors must agree to keep the quoted pricing in their proposals for a minimum of 90 days after proposal submission.

All proposals must include project schedule & work breakdown structure, which identifies timelines, key milestones, project phases, or other project details.

## 2.3 Evaluation Criteria

All proposals will be evaluated systematically, based on the following key criterion. The purpose of this section is to identify suppliers with interest, capabilities, and financial stability to supply Consulting Services.

Following is a prioritized list of our key evaluation criteria:

1. Experience, Skill-Set & Approach
2. Pricing, Deployment & Training
3. Referrals

Please submit your proposal to [mark@techplace.ca](mailto:mark@techplace.ca) by no later than Friday, September 6, 2019.