



Business Plan

Minister of the
Department of Business

2008-2011

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Paper

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Message from the Honourable Paul Oram Minister of Business

I am pleased to provide this business plan for the Department of Business and I am excited about the goals and objectives set out for the next three years.

In accordance with the Accountability and Transparency Act, the Department has been classified as a Category 2 entity and is expected to plan and report on outputs. The Department of Business has the dual role of providing government-wide leadership and policy generation in its mandated areas, as well as specific responsibility for business attraction and marketing. Over the three year planning period the Department will focus its resources and capabilities toward strategic execution of its stated goals.

In the development of this plan careful consideration was given to the Provincial Government's strategic direction for an improved business environment (*refer Appendix A*). This direction represents the desired economic outcomes for our province's business base that require action or involvement of the Department for which I am responsible. It forms the foundation of this plan and has been communicated to my team of Departmental officials for consideration and integration into the development of their individual plans.

This business plan is focused on the three fiscal years of 2008-09 to 2010-11. It provides an overview of the Department and identifies the goals and objectives to be accomplished during this period. As the Minister for the Department of Business I am accountable for the preparation of this plan and for the achievement of the specific goals and objectives contained herein.

A handwritten signature in black ink, appearing to be 'P. Oram', written in a cursive style.

PAUL ORAM,
Minister of Business

1.0 PLAN AT A GLANCE

VISION

The vision of the Department of Business is of a vibrant, sustainable economy that is supported by a business friendly environment and proactive and strategic economic growth.

MISSION

“By 2011 the Department of Business will have facilitated the attraction of major business across the province and across sectors.”

GOALS AND OBJECTIVES

Goal 1	By 2011, the Department of Business will have implemented a responsive and proactive business attraction model.
	Objectives: 1.1: By March 31, 2009, the Department will have increased penetration in selected sectors and identified geographical areas. 1.2: By March 31, 2010, the Department of Business will have developed customized value propositions for key prospects as a result of an increased business attraction effort. 1.3: By March 31, 2011, the Department of Business will have implemented a responsive and proactive business attraction model.
Goal 2	By 2011, the Department of Business will have coordinated the implementation of the Provincial Investment Attraction Strategy (PIAS).
	Objectives: 2.1: By March 31, 2009, the Department of Business will have initiated implementation of the Provincial Investment Attraction Strategy. 2.2: By March 31, 2010, the Department of Business will have supported and monitored the implementation of the Provincial Investment Attraction Strategy. 2.3: By March 31, 2011, the Department of Business will have coordinated the implementation of the Provincial Investment Attraction Strategy.
Goal 3	By 2011, the Department of Business will have led the continued improvement of the regulatory environment across government.
	Objectives: 3.1: By March 31, 2009, the Department of Business will have facilitated the three year Red Tape Reduction initiative and advanced regulatory reform. 3.2: By March 31, 2010, the Department of Business will have reported on Red Tape Reduction outcomes and implemented a continuous improvement approach for regulatory reform. 3.3: By March 31, 2011, the Department of Business will have led the continued improvement of the regulatory environment across government.

2.0 OVERVIEW

Business Description

Newfoundland and Labrador is located on the edge of the North American continent and poised on the verge of enormous economic growth. Huge offshore oil reserves, exciting mineral plays and potential near term, multi-billion dollar industrial projects are just some of what we have to offer. The Department of Business is leading the charge to bring new investment into the Province.

Created in 2004, the Department of Business is a young department with the exciting mandate of providing leadership for business attraction and growth in Newfoundland and Labrador. To excel in this role, the Department is keenly focused on the three areas of Business Attraction, the Provincial Investment Attraction Strategy and Regulatory Reform.

As the residents and businesses in Newfoundland and Labrador realize more of the benefits derived from natural resources, it is important that the economy is expanded through direct inward investment. The Department is now positioned to lead this critical task by strategically leveraging its network of in-market consultants and departmental experts.

Utilizing a proactive, responsive business attraction model, the Department will continue to promote our Province as a viable option for new or expanding businesses. The Department will aggressively market and leverage the Province's many benefits which include an available skilled work force, competitive operating costs and an abundance of natural resources.

The Provincial Investment Attraction Strategy is set for initial roll out in 2008 and will include an assessment of the business environment and lay out a formal strategy that will define government's goals and objectives for business development. This strategy will highlight investment potential in individual industry sectors.

To increase economic efficiencies when dealing with government policies, regulation and legislation, the Department provides leadership on government's ongoing review of the regulatory environment and administers the Red Tape Reduction (RTR) initiative. This work supports government's overall move toward a Specific, Measurable, Accountable, Results-based and Transparent (SMART) regulatory environment. Building on the three year RTR initiative, which ends in March 2009, the Department's focus will shift to ensuring previous accomplishments are maintained and that further improvements in regulatory efficiencies are realized.

Although faced with an increasingly competitive global landscape for business attraction, Newfoundland and Labrador's economy is well positioned for future growth in securing direct investment. With a solid record of debt repayment, country-leading GDP growth, projected surpluses and an abundance of natural resources, Newfoundland and Labrador's future is bright. Added to this is the potential for several multi-million dollar developments such as the Lower Churchill Hydro project and the Hebron Ben-Nevis Offshore Oil project.

Operations

The Department of Business is located on the sixth floor of the Confederation Building (East Block). The gross operating budget of the Department for the 2008-09 fiscal year is \$6.55 million. Furthermore, the Department manages the Business Attraction Fund, valued at \$28 million, and the Oil & Gas Manufacturing and Services Export Development Fund, valued at \$2 million.

The majority of the responsibilities of the Department revolve around servicing businesses and the departments, agencies, boards and commissions of the Government of Newfoundland and Labrador. In addition to these primary clients, the Department serves all citizens by focusing on the reduction of unnecessary regulatory requirements and through the establishment of the provincial brand.

The Department is an equal opportunity employer with an balanced number of male and female employees.

3.0 MANDATE

The mandate of the Department of Business is to provide leadership for business development and growth in Newfoundland and Labrador.

4.0 LINES OF BUSINESS

The Department of Business is responsible for four lines of business relevant to its mandate.

- Business attraction
- Marketing
- Advisory responsibility related to business support
- Regulatory environment reform

BUSINESS ATTRACTION

Business attraction encompasses the business and investment attraction functions of the department. The Department of Business proactively promotes the competitive and comparative advantages of the province in target markets for the purpose of attracting provincial, other jurisdictional, and foreign direct investment. This work includes the generation of data and information packages in support of business cases for sector and region specific investment. The Department aggressively pursues new investment opportunities and responds to those initiated by clients.

To assist with the attraction and growth of business, the Department manages the Business Attraction Fund and the Oil & Gas Manufacturing and Services Export Development Fund (OGEDF).

The OGEDF is designed to support strategic investments in new business opportunities for large-scale, export-based petroleum fabrication, manufacturing and service provision.

The Business Attraction Fund provides for strategic, large-scale, investments in business ventures and infrastructure for the purpose of attracting business to Newfoundland and Labrador. Through this fund, the Department of Business will be able to provide loans and equity investments to companies interested in establishing operations and conducting business in the province.

MARKETING

In this line of business the Department leads the Government of Newfoundland and Labrador in the development of a strong, memorable brand identity, along with the execution of its brand strategy. In addition, the Department develops and ensures implementation of a marketing strategy for the purposes of business attraction and generation of increased business investment in the province.

ADVISORY RESPONSIBILITY RELATED TO BUSINESS SUPPORT

This line of business encompasses an oversight role in the implementation of the Provincial Investment Attraction Strategy. The functions include leadership and advice on priorities to optimize long term business growth and investment. Other functions include the identification of gaps in such things as industry supply chains and infrastructure.

REGULATORY ENVIRONMENT REFORM

The Department provides project management for government's regulatory environment review and is the lead administrator for the RTR initiative. The functions in this line of business include the coordination of the assessment of the regulatory regime to ensure that it is efficient, flexible and transparent. Maintaining high regulatory standards and monitoring and recommending measures to enhance the regulatory environment are key elements of this reform.

5.0 VALUES

The Department of Business is a new organization with an emerging culture founded on excellence. The culture is one of high quality service to its clients and employees. Operating in a team environment, the Department's focus is on leadership and success. Its value system is based on ensuring high standards of business conduct based on a guiding principle of compliance with all laws and regulations and adherence to the highest professional and ethical standards.

The employees of the Department of Business will focus their efforts during this planning cycle on the following values:

Each person ...	
Collaboration	<ul style="list-style-type: none"> identifies opportunities to involve others, and invites and considers their input
Accountability	<ul style="list-style-type: none"> accepts responsibility for their own actions as well as that of the team for maintaining competencies required for their role follows through on requests and commitments
Respect	<ul style="list-style-type: none"> considers the differences of opinions, values, beliefs, culture and religion of others expresses verbal and non-verbal behavior in a socially acceptable manner
Creativity	<ul style="list-style-type: none"> shows initiative to find new ways to improve service and its delivery
Dedication	<ul style="list-style-type: none"> works diligently and conscientiously to maximize efforts to achieve success willingly supports others to fulfill their role works to promote the overriding interest of the organization and adapts to the changing priorities

6.0 PRIMARY CLIENTS

The primary clients of the Department of Business include indigenous and external businesses as well as the departments, agencies, boards and commissions of the Government of Newfoundland and Labrador.

7.0 VISION

The vision of the Department of Business is of
a vibrant, sustainable economy
that is supported by a business friendly environment
and proactive and strategic economic growth.

8.0 MISSION

“By 2011 the Department of Business will have facilitated the attraction of major business across the province and across sectors.”

The mission statement identifies the priority focus area of the Minister over the next planning cycle. It represents the key long-term result that the Minister and the Department will be working towards as they move forward on the strategic directions of Government. The statement also identifies the measure(s) and indicator(s) that will assist both the entity and the public in monitoring and evaluating success.

The Department’s mission statement speaks to the bigger picture of enabling a business climate conducive to investment growth. It will involve putting in place the Provincial Investment Attraction Strategy that is based on the province’s competitive and comparative advantages. This strategy will establish a blueprint to facilitate the growth of our diversified economy in a proactive manner.

Priorities for business attraction will include a focused effort on the attraction of investment into industries within the province where gaps exist. This work will have the effect of creating an environment where potential industry clusters can develop around core industry groups.

MEASURE AND INDICATORS OF SUCCESS

The measure of success for the Department of Business will be that it
has

Indicators relevant to the achievement of the Department's Mission are:

- development, and implementation oversight, of the Provincial Investment Attraction Strategy
- identification of competitive and comparative advantages for business attraction
- development of measures to fill identified gaps and address barriers for business attraction
- facilitation of policy development to advance business and economic growth
- development and implementation of an integrated marketing and communications plan
- development, management and implementation of government's brand strategy including mechanisms for monitoring and evaluation
- development and implementation of best practices for business attraction
- targeted market research and analysis for business attraction
- development of customized value propositions
- the number of businesses attracted
- direction and coordination of government's Red Tape Reduction initiative to review the existing regulatory environment
- 25% target regulatory reduction over three years ending March 31, 2009
- 0% net increase in new regulations thereafter
- promotion of SMART regulatory environment government-wide
- implementation of the regulatory impact analysis

9.0 ISSUES

In consideration of Government's strategic direction and the mandate and financial resources of the Department, the following areas have been identified as the key priorities of the Minister of Business for the next three years. The goals identified for each issue reflect the results expected in the three year time frame while the objectives provide an annual focus. Measures and indicators are provided for both the goal and the first year's objective to assist both the Department and the public in monitoring and evaluating success.

During the 2008-2009 fiscal year, the Department of Business will be dealing with three main issues:

- business attraction
- the Provincial Investment Attraction Strategy
- regulatory environment

ISSUE 1: BUSINESS ATTRACTION

The business of attracting new, value-added investment to a jurisdiction has become increasingly competitive for many reasons. One of the main reasons is that the emerging economies of Brazil, Russia, India and China (BRIC) now influence world trade in ways never before seen. These once low-cost producers are now becoming world leaders in many areas typically dominated by more developed economies.

To excel in this new environment, Newfoundland and Labrador must not only compete successfully against its geographic neighbours but must grow potential in new areas that it historically has not focused on. This work requires a business attraction model that integrates the long term strength derived from a proactive approach with the short term responsiveness demanded by business.

To assist with forwarding the attraction of top quality business in this global arena, the Department has set the following business attraction goal: *"By 2011, the Department of Business will have implemented a responsive and proactive business attraction model."* To further define this goal, five indicators have been determined and committed to.

The first two indicators form a foundation for all targeted attraction initiatives. The first involves monitoring the successful implementation of a marketing strategy for business attraction. The second indicator focuses on monitoring the investments made in strategic/priority areas to support business attraction.

The other three indicators all quantify the actual business attraction successes attained over the three year period and include the monitoring of increases achieved in business growth, increases in prospecting activity for business attraction/investment, and the generation of investment opportunities.

By targeting these specific indicators, customizing value propositions for prospective clients, benchmarking progress and aggressively marketing our many advantages, the Department has positioned itself to support and encourage business attraction throughout Newfoundland and Labrador.

<p>Goal 1: By 2011, the Department of Business will have implemented a responsive and proactive business attraction model.</p> <p>Measure: Proactive and responsive business attraction framework implemented.</p>	<p>Indicators</p> <ul style="list-style-type: none"> • Successfully implemented a marketing strategy for business attraction • Investments made in strategic/priority areas to support business attraction • Increased business activity attributed to attraction efforts • Increased prospecting activity for business attraction and investment • Generation of investment opportunities
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Objective 1.1:	By March 31, 2009, the Department will have increased penetration in selected sectors and identified geographical areas.
Measure: Increased penetration in selected sectors and identified geographical areas	
<p>Indicators:</p> <ul style="list-style-type: none"> • Increased interest (qualified inquiries) from the various target audiences • Increased marketing activities in target markets/sectors • Effective integration of the Brand into marketing activities • Increased number of leads in priority sectors • Identified infrastructure gaps in relation to opportunities being pursued • Continued exploration efforts for customized value propositions • Enhanced inventory of in-market expertise relevant to the priority sectors in identified niche market/geographic areas 	

Objective 1.2:

By March 31, 2010, the Department of Business will have developed customized value propositions for key prospects as determined through increased penetration efforts.

Objective 1.3:

By March 31, 2011, the Department of Business will have implemented a responsive and proactive business attraction model.

ISSUE 2: THE PROVINCIAL INVESTMENT ATTRACTION STRATEGY

Initial implementation of the Provincial Investment Attraction Strategy in 2008 will form the basis of an integrated investment attraction approach across departments. The Department will take the lead role in coordinating the strategy rollout across government departments. There will be a government-wide emphasis on business attraction in which decision making will be informed by the strategy. The Department has set the following goal to ensure that implementation of the strategy is completed successfully: *“By 2011, the Dept of Business will have coordinated the implementation of the Provincial Investment Attraction Strategy.”*

To meet the described goal, the Department has set the following four indicators. First, the Department will have developed the implementation framework. Once this is complete the Department will facilitate the implementation efforts of other government departments through a leadership role. This stage is captured in indicator two. The third indicator will monitor the implementation of priorities within the Department of Business itself to ensure maximization of synergies with other departments. Subsequent to, and in conjunction with, other stages in the rollout of the Provincial Investment Attraction Strategy, the Department will build on the industry involvement it has fostered to date and coordinate further engagement of industry sectors. Industry involvement is seen as the most important component of successful implementation of the strategy.

The Department sees meeting these four indicators as critical to achieving its overall mandate of providing leadership for the development and growth of business in Newfoundland and Labrador.

<p>Goal 2: By 2011, the Department of Business will have coordinated the implementation of the Provincial Investment Attraction Strategy.</p> <p>Measure: Coordinated implementation.</p>	<p>Indicators:</p> <ul style="list-style-type: none"> Developed implementation framework Facilitated the implementation efforts of other government departments Initiated implementation of Department of Business specific priority recommendations identified in the strategy Coordinated engagement of industry sectors
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Objective 2.1:	By March 31, 2009, the Department of Business will have initiated implementation of the Provincial Investment Attraction Strategy (PIAS).
Measure: Coordinated initial implementation	
Indicators: <ul style="list-style-type: none"> • Communicated the Provincial Investment Attraction Strategy to key stakeholders • Developed and communicated the implementation framework • Established monitoring and evaluation framework • Developed Department of Business specific implementation plan • Facilitated action of priority recommendations 	

Objective 2.2:

By March 31, 2010, the Department of Business will have supported and monitored the implementation of PIAS.

Objective 2.3:

By March 31, 2011, the Department of Business will have coordinated the implementation of PIAS.

ISSUE 3: REGULATORY ENVIRONMENT

To ensure that the success of the three year Red Tape Reduction (RTR) initiative is fully leveraged and that accomplishments continue to emerge, the Department has set the following goal: *“By 2011, the Dept of Business will have led the continued improvement of the regulatory environment across government.”*

To meet this goal, the following three indicators will be used to monitor success. First, a thorough analysis of the outcomes of the RTR initiative will be completed. This will allow the department to maximize information learned and distribute this knowledge across all departments. The second indicator will monitor the development of a plan implemented to further regulatory enhancement for business. This will build on knowledge gained from the RTR review. Finally, the third indicator ensures continuous improvement approaches are engaged for all work related to regulatory changes.

Regulatory reform allows government to function more productively and allows private stakeholders to interact with government in a more efficient manner. This goal and associated indicators will ensure that the Department strives towards an ever improving regulatory environment.

<p>Goal 3: By 2011, the Department of Business will have led the continued improvement of the regulatory environment across government.</p> <p>Measure: Continued improvement.</p>	<p>Indicators:</p> <ul style="list-style-type: none"> • RTR outcomes assessed • Plan developed and implemented for further regulatory enhancement for business • Continuous improvement approach implemented
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Objective 3.1:	By March 31, 2009, the Department of Business will have facilitated the three year RTR initiative and advanced regulatory reform.
Measure:	Facilitated RTR initiative and advanced regulatory reform
Indicators: <ul style="list-style-type: none"> • Supported the 25% reduction target • Reported on improved client services • Plan developed for further regulatory enhancement 	

Objective 3.2:

By March 31, 2010, the Department of Business will have reported on Red Tape Reduction outcomes and implemented a continuous improvement approach for regulatory reform.

Objective 3.3:

By March 31, 2011, the Department of Business will have led the continued improvement of the regulatory environment across government.

Appendix A: MINISTER’S STRATEGIC DIRECTIONS

Strategic directions are the articulation of desired physical, social or economic outcomes and normally require action by more than one government entity. These directions are generally communicated by Government through platform documents, Throne and Budget Speeches, policy documents, and other communiqués. The Transparency and Accountability Act requires departments and public bodies to take into account these strategic directions in the preparation of their performance-based plans. This action will facilitate the integration of planning practices across Government and will ensure that all entities are moving forward on key commitments.

The direction related to Department of Business is provided below. The strategic direction is comprised of three components, or focus areas, which are addressed in this business plan as well as in other various planning processes of the Department. The outcome supports government’s commitment to make Newfoundland and Labrador a more business friendly location and works to ensure continued growth and investment in our province.

Title: Business environment

Outcome: Improved business environment

Source: This outcome supports the policy direction of Government as outlined in the *Blue Book 2007*, and requires systematic intervention in the following areas:

Components of Strategic Direction	This direction is addressed in the Business Plan
1. Business attraction	X
2. Business support	X
3. Regulatory environment reform	X

Appendix B: BUSINESS ADVISORY BOARD

The Business Advisory Board (the Board) provides advice to Government on matters of economic development and business in the province. Board members are typically leaders in the business community. Through their combined expertise, supplemented by consultation with key stakeholders and government departments, the Board positions itself to make recommendations on policies that support Government's strategic direction toward an improved business environment.

The mandate of the Business Advisory Board is derived from government direction. It is established to provide advice to Government on matters of economic development and business in the province.

In delivering on its mandate the Business Advisory Board provides the following line of business:

Business advice to government

In this line of business the Board identifies trends in the economy, the direction of global markets, challenges, opportunities and provincial direction for business attraction, growth and economic development of Newfoundland and Labrador.

The Board:

- provides advice on ways in which the Government of Newfoundland and Labrador can attract new or incremental industrial and commercial activities that will result in a significant enhancement in the provincial economy;
- provides advice on business policy and development and the links between business and economic policy with social policy including education and training and sustainable development;
- provides advice on the Provincial Development Plan and the audit of economic support programs of the Government of Newfoundland and Labrador; and
- undertakes such tasks with respect to economic policy and development as may be referred to it from time to time by the government.

The primary client of the Business Advisory Board is the Government of Newfoundland and Labrador.

The Board does not have its own financial resources and is funded by the Department of Business. At this time the Board is in transition and, upon approval of appointees, it will again follow the planning and reporting requirements of the Transparency and Accountability Legislation.