

# Cross Agency Priority Goal

## Quarterly Progress Update

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### Job Creating Investment

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FY2014 Quarter 4

## Goal Statement

- Improve federal investment tools and resources, while also increasing interagency coordination, to encourage foreign direct investment, spurring job growth.

## Background

- Competitor nations have mature robust inward investment promotion programs at the national-level
- Misperceptions regarding the attractiveness of the United States as an investment destination
- Ensuring that federal agencies maintain a focus and allocate adequate resources towards increasing FDI into the U.S.
- Perceived or real barriers to investment in the U.S. by investors
- Being able to identify and take full advantage of investment leads, projects and opportunities in a timely manner
- Creating a whole-of-government approach and moving towards a one-stop-shop approach to assisting investors
- Changing cultures within federal agencies to actively promote investment and to collaborate more closely to assist investment clients
- No shared client relationship management system or IT tools that link inter-agency activities and client assistance efforts

# Progress Update (1)

## **Status Updates**

- 2015 Investment Summit: website and registration launched in November 2014; recruitment has begun.
- Leveraged more than 200 major events (e.g., industry trade shows, road shows, trade missions, media events) in 38 countries around the world (including in key focus markets such as the United Kingdom, Germany, Italy, Canada, Mexico, Brazil, China, Singapore, Israel, India and Australia ) to promote the United States to approximately 60,000 potential investors.
- In collaboration with SelectUSA, U.S. Ambassadors in select focus markets including United Kingdom, Japan, Germany, France, Mexico, Belgium, and Italy, began to promote and recruit investors for the 2015 Investment Summit.
- Full time staffing headcount increased 30% in FY14. SelectUSA is on a path to increase its headcount to 24 in headquarters and five Locally Engaged Staff overseas by FY15 Q2.

## **Risks/Challenges**

- Ensuring adequate staffing for the March 2015 Summit
- Operational challenges related to the rapid growth and development of SelectUSA
- Undefined roles and responsibilities across ITA, DOC and federal partner agencies

## **Key Upcoming Milestones in Progress Over the Next 6 months**

- Identify Interagency Investment Working Group (IIWG) priorities, objectives, and strategic federal investment barriers to optimize client assistance
- Establish an Investment Advisory Committee comprised of investors and Economic Development Organizations
- Identify key U.S. strengths and benefits to develop a multi-channel marketing strategy that will leverage the IIWG and other private/public partners
- Continue to enhance operational efficiencies through improved business processes

# Progress Update (continued)

## **Major Accomplishments: FY14**

- SelectUSA exceeded its FY14 clients assisted target of 900 by 15% (1,038 assisted in FY14)
- Concluded several Memoranda of Intent (MOI) with foreign entities including:
  - India Export-Import Bank, which will provide assistance to Indian firms interested in investing in the United States
  - ProMéxico, the Mexican investment promotion agency which will enhance cooperation and activities that foster investment into the United States, and serves as a key deliverable for the U.S.-Mexico High Level Economic Dialogue (HLED)
  - Apex-Brazil, the Brazilian Trade and Investment Promotion Agency which will improve actions taken to increase foreign direct investment initiatives, and cooperation with new investment flows into the United States
- FY 14 investments that SelectUSA helped facilitate include:
  - Lufthansa Technik, a German Aerospace company that invested \$60 million to build a new aviation maintenance, repair, and overhaul facility. The facility will service short-haul and medium-haul aircraft in the Commonwealth of Puerto Rico and is estimated to create approximately 400 jobs.
  - Richelieu Legwear, a Canadian textile company that invested \$16 million in a state-of-the-art manufacturing facility in North Carolina and is estimated to create 205 jobs over the next five years.
  - Andrew Alliance, a Swiss robotics company that expanded its operations through a subsidiary in Massachusetts and closed on a capital deal with Omega Funds, a Boston-based leading global healthcare fund specializing in life science investments for an undisclosed amount.
  - Maqdoom Brothers Designers Private limited, an Indian consumer and retail company opened an office in Chicago to invest in a new manufacturing unit and distribution center for an undisclosed amount.
  - Yuhuang Chemical, a Chinese chemical company that invested \$1.85 billion for a methanol production investment in Louisiana that is estimated to create 400 new jobs.
  - Haifa Chemicals, an Israeli chemical company that invested \$12 million in Georgia for the construction of a controlled release fertilizer manufacturing plant that is estimated to create approximately 20 jobs.

# Action Plan Summary (1)

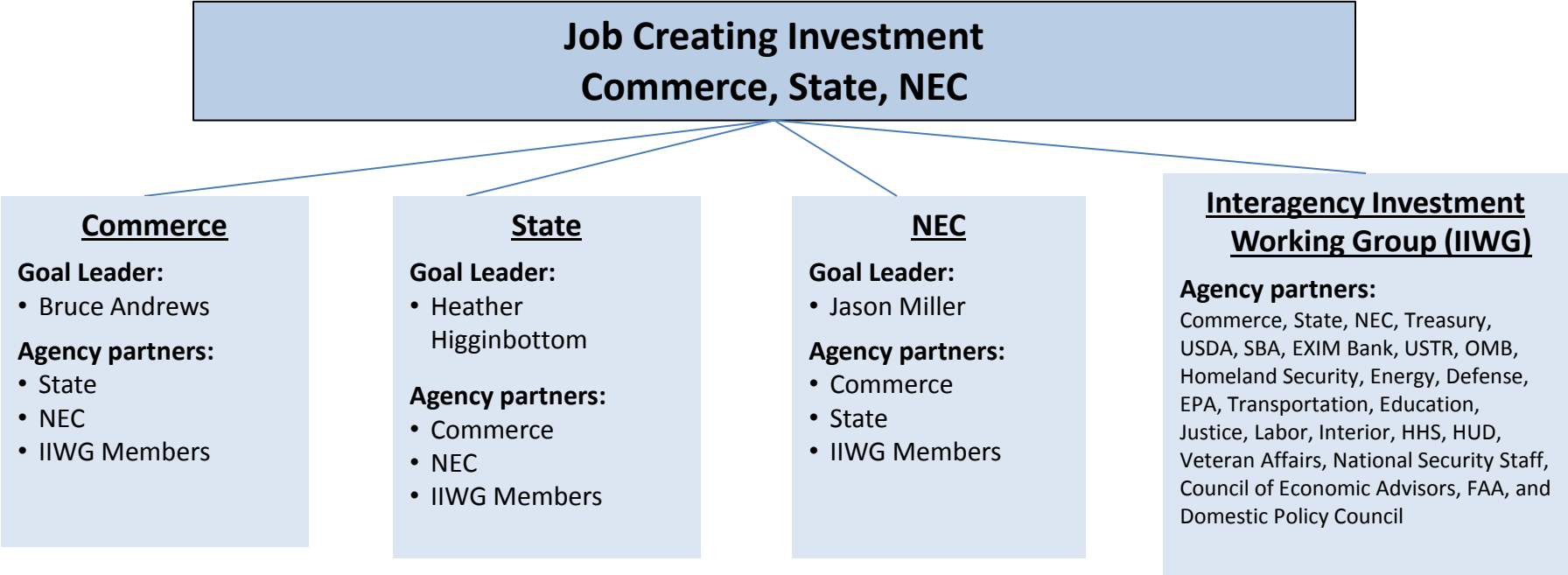
Sub-goal	Major Actions to Achieve Impact
Promote and market the U.S. as the premier investment destination	<ul style="list-style-type: none"> <li>A. Strategically market key strengths and benefits for investing in the U.S. through multiple channels utilizing the IIWG and other strategic partners (e.g., commercial, economic, public affairs, USDA sections at posts, trade associations and multipliers, etc.)</li> <li>B. Conduct coordinated marketing, outreach and education to increase awareness of investment services, resources, and tools</li> <li>C. Execute key outreach events (e.g., Investment Summit, Investment road shows, Economic Development Forum, etc.)</li> <li>D. Develop a broad range of tools, to include internet based platforms, to promote the United States as the premier investment destination; address misconceptions about the U.S. business climate; and provide actionable information to clients</li> <li>E. Establish formal agreements with key public/private partners to enhance and leverage promotional efforts</li> <li>F. Establish a Federal Advisory Committee comprised of global CEOs to provide guidance and feedback</li> </ul>
Improve federal services, tools and resources that facilitate inward investment	<ul style="list-style-type: none"> <li>G. Conduct regular client needs assessment/focus groups to refine the suite of services and tools offered</li> <li>H. Enhance ombudsman, advocacy, counseling and other services for clients</li> <li>I. Facilitate access and improve quality of information on “how to invest in the United States” on a state-by-state basis</li> <li>J. Augment existing cluster mapping tools</li> <li>K. Provide databases on investment opportunities (e.g., projects, incentives, sites, etc.)</li> <li>L. Develop FDI attraction plan tools for U.S. EDOs as part of counseling services to facilitate their investment attraction efforts and share best practices.</li> </ul>

# Action Plan Summary (2)

Sub-goal	Major Actions to Achieve Impact
<p>Improve and execute federal business processes that assist potential investors and economic development initiatives to attract, retain, expand, and reshore investment</p>	<ul style="list-style-type: none"> <li>M. Develop and implement clear and consistent client identification, intake, management, and referral tools across agencies</li> <li>N. Develop and affect best practice standards for customer service throughout the investment lifecycle</li> <li>O. Implement a new platform for client management to support and streamline work flow and reporting</li> <li>P. Create a process for integrating program evaluation data, performance metrics, and investment policy into strategic program decisions</li> <li>Q. Optimize IIWG capability and leverage interagency teams to improve responsiveness to client needs</li> </ul>
<p>Create a more attractive investment environment by identifying and initiating processes with appropriate agencies to address barriers and disincentives</p>	<ul style="list-style-type: none"> <li>R. Establish client “feedback loops” that identify the most significant barriers/issues/trends/opportunities that can be addressed through federal action</li> <li>S. Establish/employ processes that leverage data-driven analysis to address barriers/issues/opportunities impacting the U.S. investment environment</li> </ul>

# Action Plan Summary (3)

Sub-goal	Key Performance Indicators
<ul style="list-style-type: none"> <li>Promote and market the U.S. as the premier investment destination</li> <li>Improve federal services, tools and resources that facilitate inward investment</li> <li>Improve and execute federal business processes that assist potential investors and economic development initiatives to attract, retain, expand, and reshore investment</li> <li>Create a more attractive investment environment by identifying and initiating processes with appropriate agencies to address barriers and disincentives</li> </ul>	<p><b><u>Key Indicators</u></b></p> <ul style="list-style-type: none"> <li><i>Number of investment clients assisted</i></li> <li><i>Number of EDOs counseled</i></li> </ul> <p><b><u>Future Indicators</u></b></p> <ul style="list-style-type: none"> <li><i>Number of Investment Successes*</i></li> <li><i>Announced dollar value of investment success which SelectUSA helped facilitate*</i></li> <li><i>Number of U.S. jobs supported as a result of inward investment which SelectUSA helped facilitate*</i></li> <li><i>Percentage of clients that achieved their investment objectives**</i></li> <li><i>Improvement in investor perception of the United States as a premier investment destination**</i></li> <li><i>Impact of investment promotion activities**</i></li> <li><i>Response times or timeliness of USG response to client needs**</i></li> <li><i>Overall customer satisfaction (both quality and efficacy) with services provided**</i></li> <li><i>Number of top strategic barriers/issues/trends/opportunities identified impacting investment**</i></li> </ul> <p>*For these indicators SelectUSA is currently tracking and developing baseline data and trends in fiscal years 2014-2015.</p> <p>**For these indicators, methodologies for tracking and measuring will be developed and implemented over the course of fiscal years 2015-2017.</p>



**Governance**

The Goal Team will convene monthly to discuss progress of sub-goals and relevant milestones. Team members will meet as needed. SelectUSA will leverage IIWG members and associated meetings to encourage further progress of these goals. The Goal Team will report quarterly in alignment with CAP Goal reporting requirements and in conjunction with existing program reporting process so as to not duplicate efforts.



# Work plan 1: Promote and Market the United States as the premier investment destination

## **Purpose**

- Increase inward investment by improving investment promotion and collaboration at the national level to drive economic growth and job creation in the United States
- Actively promote the United States to increase overall awareness and competitiveness of the U.S. as an investment destination
- Develop opportunities for enhanced collaboration and integration at the national level to drive economic growth

## **Barriers/Challenges**

- Ensuring investment promotion remains a priority for federal partners
- Implementing and ensuring consistent messaging to stakeholders across federal agencies and partners
- Institutionalize operational structures across federal agencies that are equipped with adequate resources and skills required to effectively execute the objectives of investment promotion and marketing
- Addressing foreign perspectives and misperceptions regarding the extent to which the U.S. is open, supportive and receptive to foreign investors

## **Milestone Summary**

<b>Key Milestones</b>	<b>Major Action(s) Supported (slides 5-6)</b>	<b>Milestone Due Date</b>	<b>Milestone status</b>	<b>Owner</b>
Develop a multi-channel marketing strategy that will leverage the IIWG and other private/public partners	<b>A, B</b>	FY15 Q1	On Track	Commerce/ITA/SelectUSA
Engage overseas offices/Posts quarterly in key focus markets to assess progress	<b>B, C, D</b>	Ongoing Quarterly	On Track	SelectUSA
Develop a digital, online web presence and social media strategy that includes a range of tools and resources	<b>A, D</b>	FY15 Q3	On Track	ITA/SelectUSA/State
Establish an Investment Federal Advisory Committee	<b>F</b>	FY15 Q4	On Track	ITA/SelectUSA

# Work plan 2: Improve federal services, tools, and resources that facilitate inward investment

## **Purpose**

- Through collaboration with federal partners, streamline and improve the efficiency of resources and effectiveness of federal services provided by leveraging individual agency strengths to maximize the impact of assistance while avoiding duplication of efforts
- Encourage the collective knowledge, resources and skills of federal agencies to optimize the assistance provided to potential inward investors
- Promote and foster innovation and business process improvement to continually provide improved and value-added services, tools, and resources that meet the current needs of clients

## **Barriers/Challenges**

- Gaining buy-in and affect change on EDOs to implement and support newly established tools and services targeting investment attraction
- Ability to meet threshold requirements for addressing issues regarding the legal requirements necessary to collect and share client information across federal agencies
- Ensuring collaboration at the state and local levels to address a range of interests and objectives that vary state-by-state while maintaining geographic neutrality

## **Milestone Summary**

<b>Key Milestones</b>	<b>Major Action(s) Supported (slides 5-6)</b>	<b>Milestone Due Date</b>	<b>Milestone status</b>	<b>Owner</b>
Finalize methodology and approach for client needs assessment/focus groups for services, tools, and resources development/improvement	<b>G</b>	FY15 Q4	On Track	ITA/SelectUSA
Identify best practices of EDO investment promotion efforts	<b>L</b>	FY15 Q4	On Track	ITA/SelectUSA/EDA
Engage EDOs to provide state-by-state information and investment opportunities	<b>I, K</b>	FY15 Q2	On Track	SelectUSA/EDA

# Work plan 3: Improve and execute federal business processes

## **Purpose**

- Implement processes across federal partner agencies to ensure consistency, while also improving efficiency through improved processes in order to maximize the federal impact towards increasing inward investment

## **Barriers/Challenges**

- Ability to meet the differing needs of federal partners in a timely manner to enable streamlined workflow and timely reporting of activities and results
- Ensuring the standardization of processes across agencies to ensure timely responses and consistent delivery to clients
- Defining, communicating and reporting investment success consistently across federal agencies and partners

## **Milestone Summary**

Key Milestones	Major Action(s) Supported (slides 5-6)	Milestone Due Date	Milestone status	Owner
Implement a Commerce CRM platform through the International Trade Administration (ITA) that can allow participation by other federal agencies	N, O	FY15 Q4	On Track	Commerce/ ITA/SelectUSA
Develop an evaluation methodology and system to streamline and integrate program and client data capture to improve analysis capabilities	P	FY15 Q4	On Track	ITA/SelectUSA
Identify IIWG priorities, objectives, capabilities, and strategic federal investment barriers to optimize client assistance	Q	FY15 Q2*	On Track	Commerce/ SelectUSA/NEC
Evaluate effectiveness and impact of the Ombudsman and Advocacy processes towards meeting client objectives	M, N, P, Q	FY15 Q2**	On Track	SelectUSA

\*This milestone was moved from FY14 Q4 to allow for the scheduling of an IIWG meeting to discuss priorities and objectives

\*\*This milestone was moved from FY14 Q4 to allow for the close out of FY14 annual data. Compilation of data will take place in FY15<sup>11</sup> Q1 and the evaluation and analysis will be completed by the end of FY15 Q2.

# Work plan 4: Create a more attractive investment environment

## **Purpose**

- Identify and address barriers and disincentives that inhibit inward investment

## **Barriers/Challenges**

- Ability to effectively address barriers may be limited due to lack of authority held by federal agencies (i.e., not within their control to affect)
- Barriers and disincentives may serve legitimate policy objectives, including protecting national security, and may have established domestic constituencies opposing reform

## **Milestone Summary**

<b>Key Milestones</b>	<b>Major Action(s) Supported (slides 5-6)</b>	<b>Milestone Due Date</b>	<b>Milestone status</b>	<b>Owner</b>
Establish a process and framework by which to systematically gather and analyze ongoing client feedback to inform programmatic and strategic decision-making	<b>R</b>	FY15 Q4	On Track	Commerce/ ITA/SelectUSA/ State
Identify the most significant barriers for investors and the necessary actions to address them	<b>R, S</b>	FY15 Q4	On Track	Commerce/ ITA/SelectUSA/ State

# Key indicators

## Key Implementation Data

Key Indicators	Latest Data (FY14)	FY14 Annual Target	% of Target Achieved	FY15 Annual Target	Frequency
<i>Number of investment clients assisted</i>	1,038	900	115%	1,600	Monthly
<i>Number of EDOs counseled</i>	107	N/A	N/A	N/A	Monthly

## Macroeconomic Data:

- There is renewed confidence in the United States for two key reasons: First, the comparative costs of manufacturing have decreased, in part as a result of new energy technologies and sources. Second, there have been groundbreaking steps toward increasing the U.S. advantage in advanced manufacturing processes. These factors and the high-profile commitment to attracting FDI through the SelectUSA program confirm that the United States is open for business.
- The United States is both the largest recipient of FDI and the world's largest source of direct investment. In 2013, the stock of direct investment into the United States was valued at nearly \$2.8 trillion, equivalent to nearly 16.6 percent of U.S. gross domestic product.\*
- In 2013, U.S. subsidiaries of foreign firm invested \$236 billion in the U.S. economy, a 35 percent increase from 2012.\*

\*(Source: Bureau of Economic Analysis)

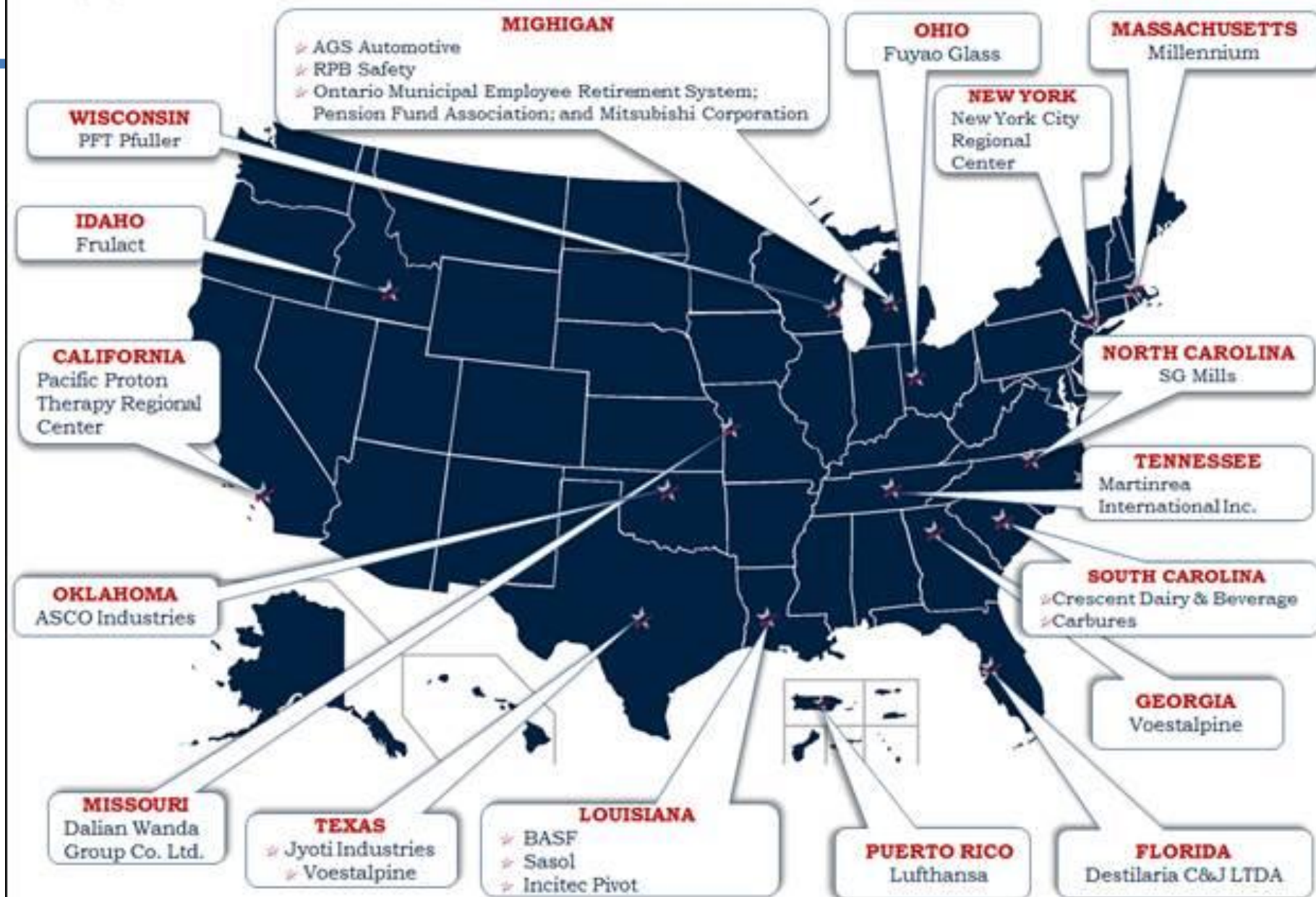
## Future Indicators in Development:

- *Number of Investment Successes\**
- *Announced dollar value of investment success which SelectUSA helped facilitate\**
- *Number of U.S. jobs supported as a result of inward investment which SelectUSA helped facilitate\**
- *Percentage of clients that achieved their investment objectives\*\**
- *Improvement in investor perception of the United States as a premier investment destination\*\**
- *Impact of investment promotion activities\*\**
- *Response times or timeliness of USG response to client needs\*\**
- *Overall customer satisfaction (both quality and efficacy) with services provided\*\**
- *Number of top strategic barriers/issues/trends/opportunities identified impacting investment \*\**

\*For these indicators, SelectUSA is currently tracking and developing baseline data and trends in fiscal years 2014-2015.

\*\*For these indicators, methodologies for tracking and measuring will be developed and implemented over the course of fiscal years 2015-2017.

# SELECTUSA INVESTMENT SUCCESS



# Contributing Programs

## **U.S. Department of Commerce**

- International Trade Administration – SelectUSA, Global Markets
- International Trade Administration – Industry and Analysis (I&A)
- Economic Development Administration (EDA)
- Economic Statistical Administration (ESA)
- National Institute for Standards and Technology – Manufacturing Extension Partnership (NIST – MEP)

## **U.S. Department of State**

- Bureau of Economic and Business Affairs
- Bureau of Consular Affairs
- Bureau of Political and Military Affairs