

Memorandum



DATE May 19, 2011

TO Honorable Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Ann Margolin (Vice Chair), Vonciel Jones Hill, Angela Hunt, Delia D. Jasso, David A. Neumann, Ron Natinsky

SUBJECT Dallas Regional Chamber Strategic Plan FY2010-2015

The Budget, Finance & Audit Committee's May 23, 2011 agenda includes the subject briefing. Ambassador James C. Oberwetter, President and CEO of the Dallas Regional Chamber will brief the Committee. His briefing materials are attached.

Please contact me if you need additional information.



Jeanne Chipperfield
Chief Financial Officer

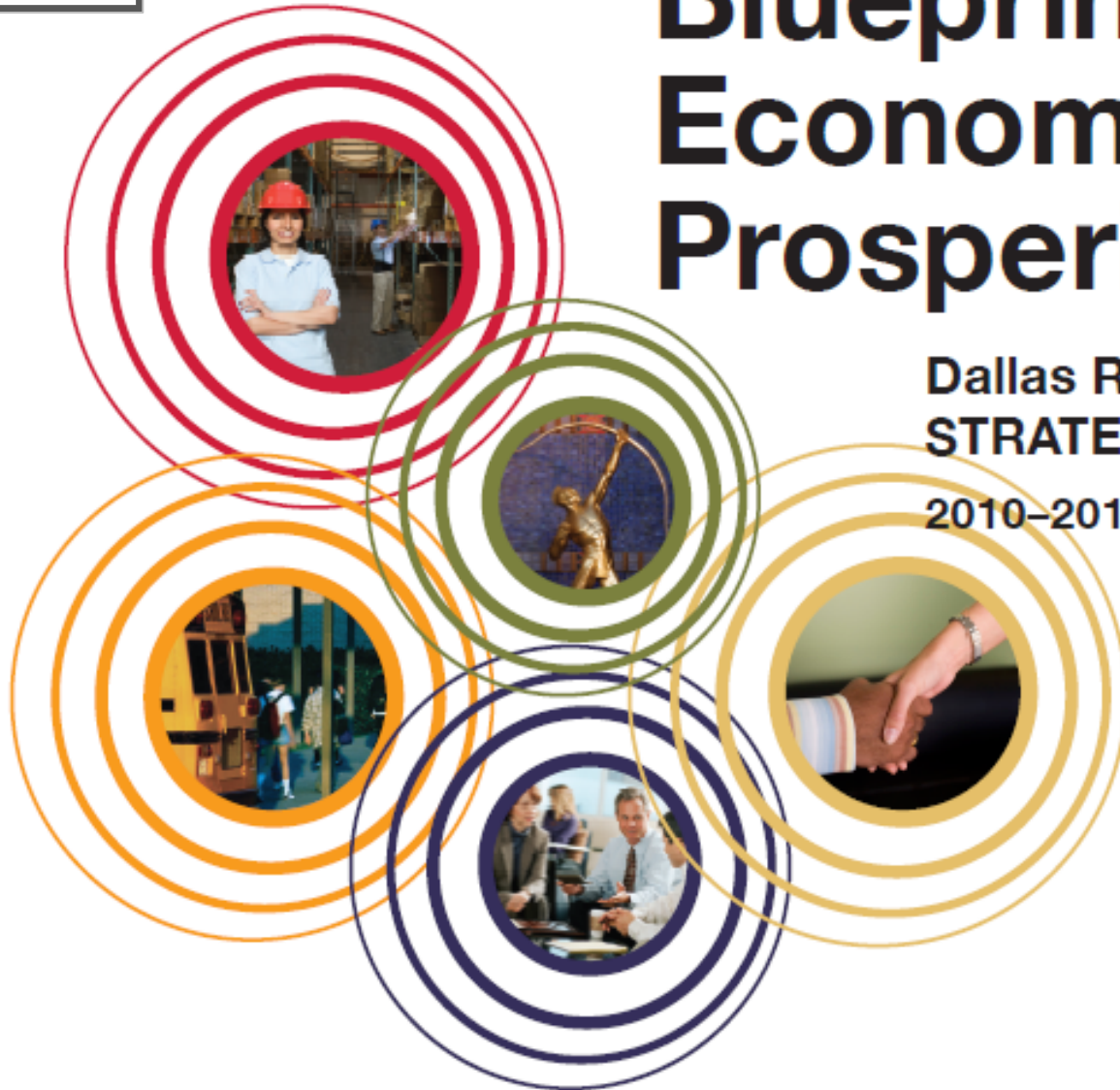
Attachment

c: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah A. Watkins, City Secretary
Thomas P. Perkins, Jr., City Attorney
Craig D. Kinton, City Auditor
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Frank Libro, Public Information Office
Helena Stevens-Thompson, Assistant to the City Manager

Blueprint for Economic Prosperity

Dallas Regional Chamber
STRATEGIC PLAN

2010-2015



The Making of the Strategic Plan

The strategic plan is based on the ideas and insights of a great number and a great variety of individuals. The DRC is indebted to those who participated in the planning process — and to those who will work with us to move forward in coming years.

The Strategic Planning Process

The DRC's strategic planning included:

IN-PERSON INTERVIEWS with	→	11 leaders of peer organizations 13 internal DRC staff leaders
IN-PERSON INTERVIEWS and/or FOCUS GROUPS with	→	22 Board members 34 Future Committee members 8 other influential citizens, public officials and contributory members
SURVEYS COMPLETED by	→	230 current members 120 prospective members
BENCHMARKING BEST PRACTICES against	→	11 DFW chambers for regional collaboration
BENCHMARKING PERFORMANCE against	→	18 chambers

The Dallas Regional Chamber is grateful to the Boston Consulting Group for its contribution of time and effort.

Targeting Efforts, Aligning Resources

Our mission is clear: *Together*, we will lead the Dallas region to become the most economically prosperous region — and the most desirable place to live and work — in the United States.

The *Blueprint for Economic Prosperity* explains how we will attain this goal. Three objectives will guide the Dallas Regional Chamber's (DRC) work: focus on economic development, define our geographic focus and align resources with priorities.

Focus on economic development

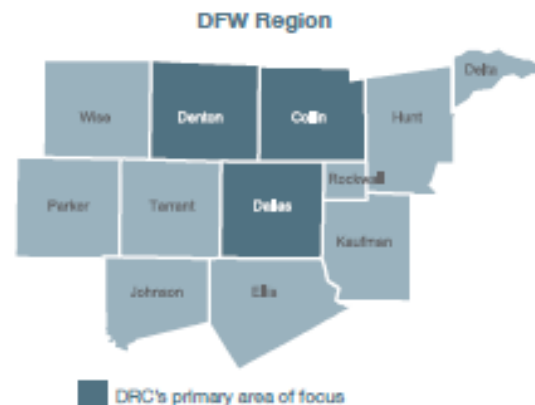
The DRC's primary role is economic development; every DRC initiative will support the Dallas region's economic growth.

Define the DRC's geographic focus

The DRC will continue to work collaboratively throughout the DFW region but will focus our efforts in the Dallas region — defined as Dallas, Collin and Denton counties.

- These three counties represent the majority of the DFW region's population — and about 96 percent of the DRC's membership.

- These three counties are a primary location consideration for economic development projects.
- A majority of regional growth occurs in these three counties.
- Seventy percent of the DFW region's gross domestic product (GDP) is in these three counties.
- Nineteen of the 24 Fortune 500 headquarters in the DFW region are located in these three counties.



Identify DRC priorities and align resources with goals

Moving forward, the DRC will more strategically allocate staff, time and money so our level of involvement is aligned with our priorities. The blue-print establishes priorities for spending, suggests the allocation of resources for approved projects, and outlines a process for determining the DRC's proper role in both ongoing and new matters.

Specifically, the DRC's role for each issue or project will fit in one of four categories: lead, drive, catalyze or advocate.

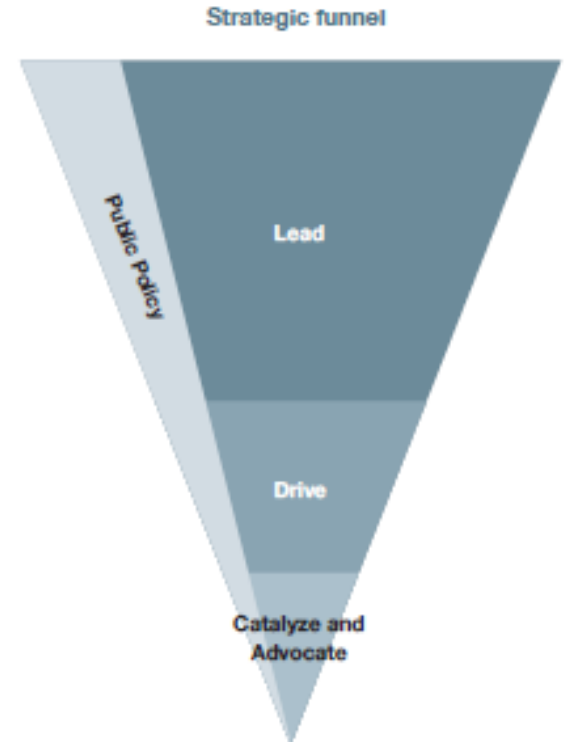
- **Lead.** The DRC will set a vision, define success, and collaborate and build support with key groups. About half of the DRC's annual resources will be devoted to *lead* projects.
- **Drive.** The DRC will be one of the primary organizations involved in moving the issue forward. About one-quarter of the DRC's resources will be committed to *drive* projects.
- **Catalyze and advocate.** The DRC will collaborate with other organizations that are leading and driving regional issues, using our expertise and status to activate, motivate and provide support (*catalyze*). The DRC also will produce studies and white papers to develop positions on issues and communicate support (*advocate*). About one-quarter of the DRC's resources will be allocated for *catalyze* and *advocate* projects.

For the next five years, strengthening and expanding economic development will be the primary *lead* priority, and improving K-12 public education will be the primary *drive* priority.

Using the strategic funnel approach, the DRC will regularly analyze which issues should receive greatest attention at a given time. Issues that may reside at one time, for example in the catalyze or advocate role, such as health care, transportation, water, air quality, higher education and safety, may, at another time, become a higher priority for the Chamber.

For each new project or issue that arises, the DRC will determine our role by putting the project or issue through the strategic funnel to assess its potential impact on economic growth; the availability of resources, including quality leaders to guide it; and the impact of the issue on member investors and the region. This process will add clarity of purpose to the DRC's role with all of our stakeholders so that each can then address the issue accordingly.

The area of public policy spans all four categories of Chamber activities. Economic development and sound public policy go hand in hand.



The Blueprint in Brief

The DRC's *Blueprint for Economic Prosperity* outlines five priorities, each with specific goals tied to economic development with measures that hold us accountable for results. The blueprint includes specific strategic and operational indicators — primarily focused on the Dallas region's GDP, job growth and quality of life — that we will use to track implementation of the strategic plan. The DRC will monitor and report on progress regularly.

The five priorities are:

1. **Lead economic development.** *Lead economic development for the three core counties through collaboration with existing economic development organizations to further economic growth.*
2. **Drive improvements in public education.** *Drive development of a strategy and initiatives to improve public education because education is critical to developing a strong regional workforce that supports economic prosperity. The initial focus will be on the Dallas Independent School District (Dallas ISD).*
3. **Influence public policy.** *Support and promote public policies that improve the business environment to help boost economic prosperity. (Projects relating to public policy cut across all categories.)*
4. **Catalyze and advocate for regional partnerships.** *Strengthen and formalize collaboration with key organizations to address regional issues.*
5. **Provide value to members.** *Offer programs and opportunities of value to members and ensure that members receive an excellent, high-quality experience. (The objective of adding value for members is included in all categories.)*

The blueprint also includes strategies to maximize efficiency in the DRC's internal operations.

PRIORITY 1: Lead Economic Development



The DRC will lead the Dallas region to become the most prosperous and dynamic economy in the United States. We will:

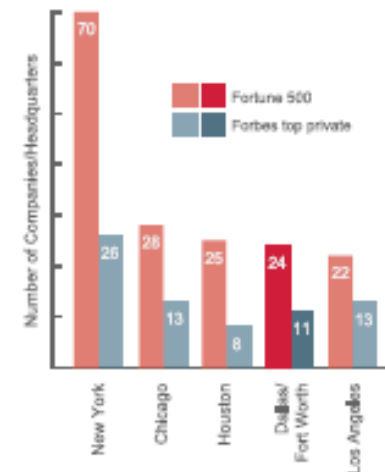
- Draw more large businesses. Expand the Dallas region's position as a top corporate location in the United States and a premier corporate location in the world.
- Focus on innovation. Support efforts to build a diverse, innovative economy.

Goal: Become a top 10 region for Fortune Global 500 headquarters and a top three region for major public and for major private U.S. headquarters by 2015.

2010 Metropolitan Areas with the Most Fortune 500 Headquarters and 2010 Forbes Top Private Companies

Goals

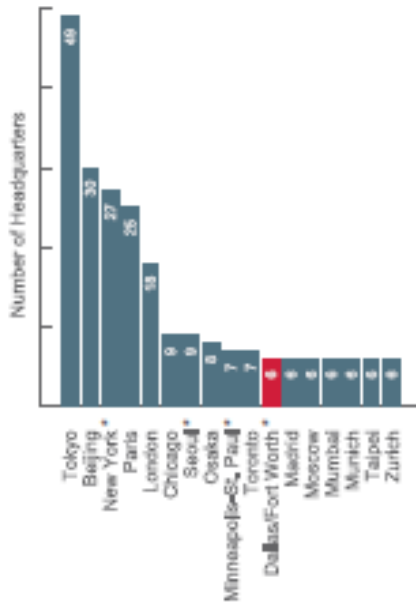
- Become a top 10 region for Fortune Global 500* headquarters and a top three region for major public and private U.S. headquarters by 2015.
- Become a top five GDP market in the United States by 2015.
- Add more total jobs than any other U.S. region from 2010 to 2015.
- Be a top five U.S. region for new technology jobs created from 2010 to 2015.
- Increase annual venture capital investment by 50 percent to become a top 10 U.S. region.



*The Fortune Global 500 is Fortune magazine's annual ranking of the world's 500 largest corporations.

Sources: Fortune magazine's 2010 Fortune 500 (an annual list of America's largest corporations) and Forbes magazine's annual Top Private Companies ranking, 2010

2010 World Cities with Most Global 500 Headquarters

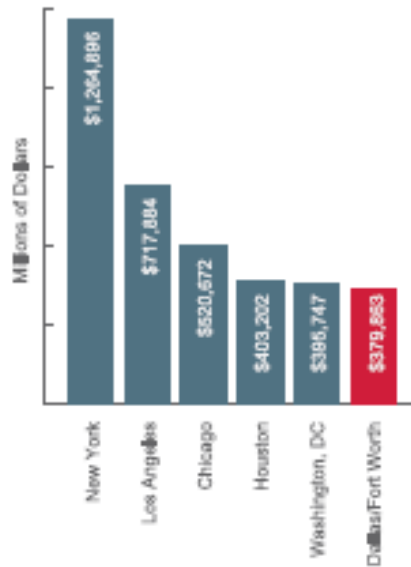


*U.S. cities represented by their metropolitan statistical area

Source: 2010 Fortune Global 500, annual ranking of the world's largest companies

Goal: Become a top five GDP market in the United States by 2015.

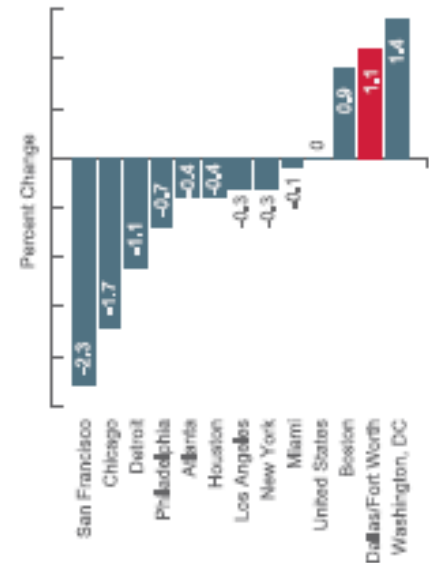
2008 GDP of Major Metropolitan Areas



Source: Bureau of Economic Analysis, U.S. Department of Commerce

Goal: Add more total jobs than any other U.S. region from 2010 to 2015.

Over-the-Year Percent Change in Employment, United States and 12 Largest Metropolitan Areas, July 2010



Source: Bureau of Labor Statistics, Current Employment Statistics (CES)

Goal: Be a top five U.S. region for new technology jobs created from 2010 to 2015.

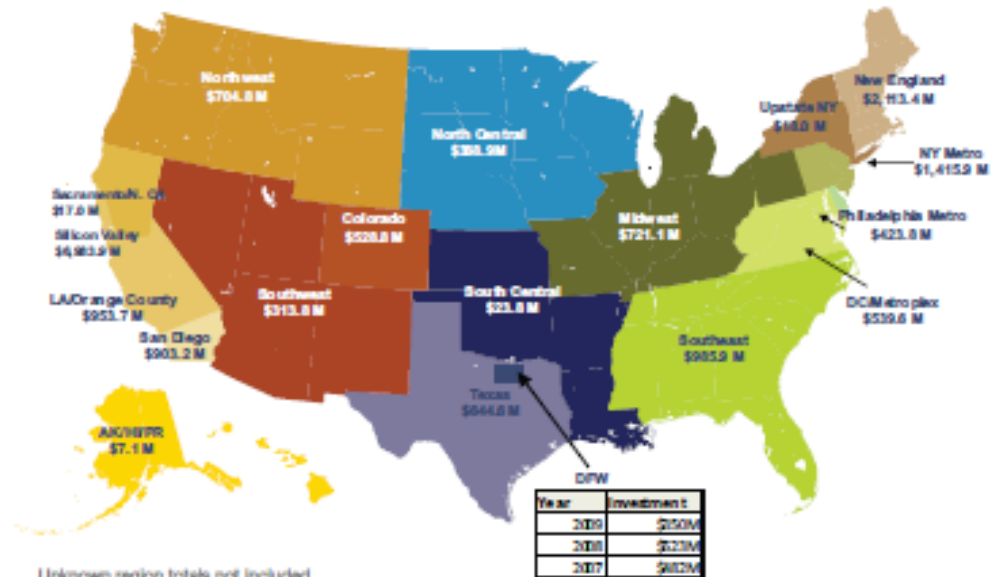
2007 Top-Performing High-Tech Metropolitan Areas

1. San Jose, CA
2. Seattle, WA
3. Cambridge, MA
4. Washington, DC
5. Los Angeles, CA
6. Dallas, TX

Source: North America's High-Tech Economy: The Geography of Knowledge-Based Industries, The Milken Institute

Goal: Increase annual venture capital investment by 50 percent to become a top 10 U.S. region.

Investments by Region: Full Year 2009



Unknown region totals not included
Data current as of January 22, 2010

Source: PricewaterhouseCoopers/National Venture Capital Association MoneyTree™ report based on data from Thomson Reuters

Actions

To reach these goals, the DRC will identify and invest in industry clusters that are the biggest economic drivers; develop strategies to attract companies within each cluster; connect companies with opportunities for international growth; and improve workforce capabilities by identifying and addressing critical skill gaps.

PRIORITY 2: Drive Improvements in Public Education



The DRC will drive economic prosperity by developing a vibrant education system that encourages all students to achieve their education and career goals — and that meets the needs of business. We will:

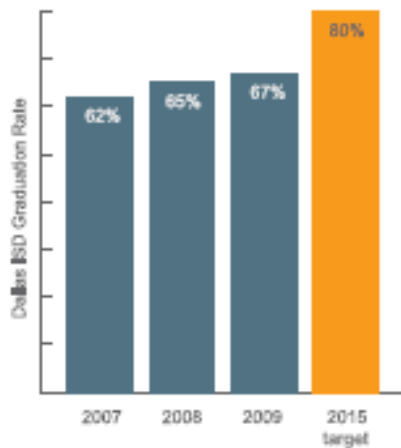
- **Increase student success.** Ensure that all students graduate prepared for college and careers.
- **Align graduates' skills with employers' needs.** Ensure that students' capabilities are well matched to business needs in the Dallas region.
- **Use resources wisely.** Convene and align organizations to focus on educational improvement and to ensure that the greatest impact is realized through resource allocation.

Goals

- Improve the Dallas ISD high school graduation rate from the current 67% to 80% by 2015.
- Increase the percentage of Dallas region residents who hold advanced degrees from the current 10% to 15% by 2015.
- Set detailed goals and targets, aligned with statewide assessment, to improve the percentage of Dallas ISD students who are college and career ready.

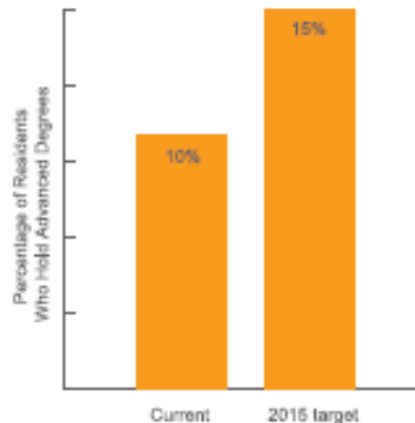
Goal: Improve the high school graduation rate from the current 67% to 80% by 2015.

More Students Will Graduate from High School



Goal: Increase the percentage of Dallas region residents who hold advanced degrees from the current 10% to 15% by 2015.

More Residents Will Earn Advanced Degrees



Goal: Set detailed goals and targets, aligned with statewide assessment, to improve the percentage of Dallas ISD students who are college and career ready.

The DRC will conduct an annual survey of Dallas region businesses to gauge their satisfaction with the capabilities of employees who graduated from local schools.

Actions

To achieve these goals, the DRC will engage appropriate partners to create a comprehensive plan to improve education; create an educational scorecard to measure progress; support education and training for the school board; build support for bond issues and elections that affect education; and build support for public policy that will improve education.

PRIORITY 3: Influence Public Policy



The DRC will be the preeminent advocate for public policies that foster and sustain economic prosperity and a strong business climate for the Dallas region. We will:

- **Advocate on the local, state and national levels.** Influence existing policies and advocate for new policies that improve the business environment and benefit the economic prosperity of the Dallas region.
- **Be strategic and vocal.** Develop and communicate a strategic public policy agenda each year. Identify the business issues that matter most to DRC members, set priorities and lead up to two economic development policy issues per year. Catalyze and advocate for other issues as needed.
- **Foster collaboration.** Build cooperation across regional organizations to resolve business-related problems facing the Dallas region.
- **Engage members.** Facilitate DRC member involvement in local, state and national political processes.
- **Inform key audiences.** Educate DRC members, legislators and the public about critical business issues.

Goals

- Be a recognized leader and dominant voice for public policy issues affecting businesses in the Dallas region, such as advocating for business-friendly laws, regulations that allow companies to grow and thrive, and a tax structure that encourages corporate relocations.
- Drive significant, measurable progress on 100 percent of the items included in the DRC's annual public policy agenda.
- Respond strategically to new issues as they arise.

Actions

To reach these goals, the DRC will research, advocate, lobby and promote policies and legislation related to critical business issues; leverage the legislative connections of DRC members; connect DRC members to appropriate legislators; engage business leaders in policy development; and align with regional groups on issues that affect other cities and counties in North Texas.

PRIORITY 4: Catalyze and Advocate for Regional Partnerships



The DRC will build and maintain the robust regional partnerships that are critical for addressing economic development and quality-of-life issues that span North Texas. We will:

- **Foster collaboration and clarify roles.** Many organizations are working for economic development across North Texas, and the DRC collaborates with more than 45 entities that are committed to the DFW region's prosperity and well-being. Because duplicating efforts wastes resources, the DRC will define our role for each issue that affects the regional business climate, communicate this role clearly and work with other groups to further the region's agenda.
- **Identify issues and set priorities.** Create a dynamic inventory of issues that affect the economic prosperity of the DFW region and set priorities among them.
- **Target problem areas.** Monitor the issue inventory to identify areas with performance gaps or a difference between current regional performance and the DRC's economic goals.
- **Benchmark for improvement.** Assess best practices across other regions to identify improvement opportunities.
- **Build consensus.** Convene regional discussion groups to drive alignment on key issues.
- **Recommend solutions.** Propose new ways to address issues with significant performance and leadership gaps.

Goals

- Identify and address existing performance gaps that have a material effect on the DFW region's economic prosperity. As each gap is uncovered, the DRC will create a plan — including detailed goals and targets — to address it.

Actions

With partners, the DRC will address issues related to transportation, water, air quality, higher education, health care and others.

QUESTIONS?

