

Prepared for: Director Bernice Whaley

Good afternoon. I am Bernice Whaley, director of the Delaware Economic Development Office. Before I begin, I would like to thank the members of the Joint Finance Committee for the opportunity to discuss DEDO's operating budget today. Your continued support allows us to carry out our mission of business attraction, retention and expansion; develop programs and initiatives for entrepreneurs and small-, minority-, and veteran-owned businesses; and promote Delaware as a desirable tourist destination.

With a complement of only 42 full-time staff, down from 51 in FY09, DEDO is considered a small agency; yet, we deliver substantial results. We continually seek new projects, develop innovative programs and administer collaborative agency initiatives. We carry out our mission in a variety of ways and we continue to see positive outcomes.

During the past eight fiscal years, DEDO and the Delaware Economic Development Authority approved incentives to 518 businesses, amounting to over \$479 million dollars — creating and retaining nearly 60,000 jobs and leveraging millions in private investment in Delaware. The state's portfolio of businesses currently receiving Strategic Fund grants exceeded job creation requirements, reporting more than 32,800 full-time employment opportunities; over 8,200 more than promised.

Although DEDO is comprised of three sections in the budget, as you can see from this slide, to most efficiently meet our mission, DEDO is structured into four units under the Office of the Director:

First, the **Administration unit** oversees fiscal operations, human resources, and back office support.

Second, the **Business unit** includes two areas: Development and Services. Business Development focuses on a number of areas: business attraction, retention and expansion, and entrepreneurial support. It also includes Downtown Delaware which develops innovative training programs designed to reduce vacancy rates and promote business growth in Delaware's downtowns and administers the State's Neighborhood Building Blocks Fund. From FY 13 through FY16 Business Development Leaders visited over 600 businesses/sites, consulted more than 1,800 businesses, entrepreneurs and startups; and attended over 720 community and business events.

Business Services provides assistance in the following ways:

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The Capital Resources team - who is actively administering 102 grants, 300 loans and 35 bonds - manages the agency's bonding authority, the state's federal research matching grant program, and DEDO's primary source for financial assistance, the Delaware Strategic Fund. The fund supports multiple programs including the Delaware Rural Irrigation Program and Delaware Technical Innovation Program. The team also manages the fund-supported private-public match Delaware Capital Access Program which, during the past administration, positively impacted 178 businesses — over 50% of which are minority-owned. Additionally, Capital Resources administers the federally-funded State Small Business Credit Initiative program. Combined, these programs assisted over 230 small businesses and 56 family farmers during the last administration.

To support our business attraction and expansion efforts, the Industry Research & Analysis team conducts studies and creates reports such as cost of living indexes, property tax reports, and the Delaware Databook.

The Inter-Governmental Relations Director works with federal, state, and local governments to reduce permitting, planning, and land use issues. The Director also administers the state's New Jobs Infrastructure Fund and the Foreign Trade Zone program.

The Workforce Development team collaborates with businesses to identify training needs and provides customized training grants to ensure a skilled labor force for new and existing Delaware businesses. Over 10,400 Delaware workers received training through this program during the last administration.

Third, the **Strategic Communications unit** supports the Office of the Director and the Business and Administration Units through public and media relations, advertising, and marketing. The team integrates DEDO's economic development efforts by providing support for business attraction, retention, and expansion, as well as, promoting new and existing funding programs.

And finally, the **Tourism unit** works to increase the economic impact of tourism in the state by marketing and promoting Delaware as a desirable tourist destination. In 2008, tourism was a \$1.9 billion dollar industry with 6.9 million travelers visiting Delaware that year. By 2015, as a result of the renewed focus on tourism, it grew to a \$3.1 billion dollar industry with 8.5 million visitors.

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These units are comprised of hard-working, talented people committed to improving Delaware's economic vitality. They are proud of the state in which they live and work. It is that pride which fuels their drive to work hard, to grow tourism revenue, attract companies to Delaware, assist entrepreneurs, and to keep businesses already in Delaware growing strong.

To ensure our agency meets its goals, we measure our performance in a variety of ways. Our customer relationship management systems allow us to make the most of every opportunity available to us by seamlessly tracking and managing: business leads, portfolio management, inquiries, business visits, group tours, travel, and sporting event bookings. Additionally, the CRM offers analytics that give us the ability to target our efforts to specific audiences.

DEDO also utilizes a comprehensive media monitoring service which enhances our external communications by providing access to over 1.6 million media contacts and tracking our earned media. Using this service we can distribute news releases to target audiences and share stories across multiple platforms, including social media.

In addition to these tools, we also analyze our project pipeline and set a goal for the number of jobs to be created and retained in the next fiscal year.

To continue to improve the quality of the services DEDO offers we will build on our use of technology in the following ways:

DEDO will expand its use of its video conferencing and SMART board equipment. This technology helps us to minimize expenses by reducing travel costs, collaborate more effectively, increase productivity, and improve communications.

The Delaware Tourism Office has a smartphone app in the pipeline. *Delaware on Tap*, a companion to DTO's very popular Beer, Wine & Spirits Trail, will be launched this spring.

Within the past year, DTO began working with a service that monitors if a viewer of our online ads actually visits the state. If additional funds were available, DTO would contract with a company that tracks spending in hotels once a user is exposed to the digital advertising. Using this data, DTO could precisely allocate advertising funds to leverage taxpayer dollars more effectively.

DEDO will continue to utilize Salesforce as our primary customer relationship management tool. This technology increases productivity by improving informational organization, enhancing communication – both internally and externally – improving our efficiency in serving clients, and producing improved real-time data and reports.

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To fully maximize the benefits of Salesforce, DEDO also plans to equip the Business Development unit with tablets. This will allow staff to remotely capture data, access databases, utilize mapping services, and provide improved customer service experiences to business prospects.

Finally, DEDO has not identified any issues at this time may result in cost drivers over the next five years.

Thank you for your time this afternoon. I'd be glad to answer any questions you may have . . .