



Be Legendary.™

STRATEGIC PLAN: 2017 – 2025

October 16, 2018

This plan was developed by the North Dakota Economic Development Foundation, a private sector advisory group charged by the Legislature to advise the Governor and the Department of Commerce on strategies to improve the state's competitiveness and increase economic growth. This plan is an update but also provides some new elements from the 2010-2020 North Dakota Economic Development Foundation Strategic Plan.

The North Dakota Economic Development Foundation selected Integrity Partners to lead a strategic planning session on June 20, 2017. The effort considered stakeholder feedback as well as topics and measures collected during a Governor's Cabinet planning session in June.

The Economic Development Foundation Strategic Plan seeks to create continuity on economic development initiatives during transitions between governors and other key state leaders and facilitate collaboration that improves the business climate and quality of life for North Dakota people. It helps to guide state and local economic development efforts by providing common direction and priorities for strategies and investments.

This plan advocates continuing the current economic development strategy focused on five targeted industries:

- Advanced Manufacturing
- Emerging Technology
- Value-Added Agriculture
- Tourism
- Energy

It establishes three broad goal areas:

- Workforce
- Business Climate and Quality of Place
- Entrepreneurship and Innovation

The strategies and performance measures identified provide a means to evaluate progress to achieving overall goals.

Five Key Functions – North Dakota Economic Development Strategic Plan

1. Provide an assessment of North Dakota's current economic landscape and target industries.
2. Identify key areas of opportunity.
3. Establish aggressive, yet realistic goals and benchmarks directly impacted by the Department of Commerce for the state's future economic development.
4. Facilitate collaboration among state legislators and economic development partners, both public and private.

5. Provide continuity on economic development initiatives during transitions between governors and other key state leaders.

NORTH DAKOTA'S FUTURE

SIX ESSENTIAL STRATEGIES FOR CONTINUED GROWTH

1. **Business Climate.** Maintain a positive business climate that supports private sector investment, growth and job creation.
 2. **Research.** Continue investing in university-based research and development conducted with the private sector that engages North Dakota in emerging technologies and work to fast-track commercialization.
 3. **Entrepreneurship.** Embrace entrepreneurship and foster a culture of entrepreneurship where innovative, vibrant companies can thrive.
 4. **Workforce Development.** Continue investing in statewide talent strategies that address education, training recruitment and retention to provide a 21st Century workforce to fuel long-term business growth.
 5. **Trade.** Promote export trade by helping North Dakota businesses be competitive in the global marketplace.
 6. **Community Development.** Support communities in building healthy, financially sustainable, vibrant spaces that attract business and workforce.
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SUPPORTING STRATEGY - WORKFORCE DEVELOPMENT

GOAL 1

Develop, attract and retain the 21st Century workforce needed to support the success and growth of North Dakota's businesses and targeted industries.

OBJECTIVES

1. **Support enhanced workforce strategy driven by the Workforce Development Council, Department of Commerce, Job Service ND and the Labor Department that focus on resolving our near- and long-term workforce challenges.**
 - *Adopt a collaborative approach to delivery of workforce tactic that reduces duplication of efforts and support cross-team metrics.*
2. **Drive the retention and recruitment of workforce through Department of Commerce marketing (image and awareness).**
 - *Connect students at an early age to ensure they embrace the value of North Dakota as a retention strategy.*
 - *Attract expatriates to return and seek opportunity in North Dakota.*
 - *Attract new workforce to North Dakota.*
 - *Work with higher education to foster alumni marketing across schools and programs.*
 - *Build a national network of ambassadors with the information needed to aid in recruitment of resources to North Dakota.*
3. **Coordination of resources across the state teams to grow North Dakota's future**

- *Recruit and support growth of businesses that bring new wealth to the state, especially in targeted industries.*
- 2. Develop and recruit industries that complement supply chains for target industries and encourage entrepreneurial growth.**
 - *Continue to support business start-up, expansion and attraction.*
 - 3. Support and grow a successful public/private international trade model.**
 - *Support export trade growth to expand North Dakota's global competitiveness.*

BENCHMARKS

2-1. Number of business start-ups

2010: 150 2017: 129 2025 Target: 151

Source: Small Business Development Center

2010: 10,284 2017: 12,585 2025 Target: 13,844

Source: North Dakota Secretary of State's Office

2-2. Number of total clients served

2010: 1,183 2019: 953 2025 Target: 1,117

Source: Small Business Development Center

2-3. Number of companies working with North Dakota Trade Office.

2018: 60 2025 Target: 90

Source: North Dakota Trade Office

2-4. Total companies utilizing North Dakota Development Fund. – *Since Inception*

2016: 576 companies* 2025 Target: 750 companies

*Companies are only counted once, even if they come back for multiple investments.

Source: North Dakota Department of Commerce, North Dakota Development Fund

2-5. Aggregate use of Seed Capital Tax Credits and Angel Fund Tax Credits - *Budget contingent*

2016: \$9,278,038 2017: \$4,717,477 2025 Target: \$10.0M

Source: ND Tax Department

2-6. Total Bank of North Dakota investment through Bank of North Dakota FLEX programs.

2016: \$32.4M 2017: \$28.4M 2018: \$21.0M

Source: Bank of North Dakota

2-7. Total dollars allocated to the Bank of North Dakota's beginning entrepreneur Program. - *Budget contingent*

2016: \$1.955M 2017: \$3.256M 2018 through Oct: \$1.766 2025 target: \$3.256M

Source: Bank of North Dakota

GOAL 3

Establish North Dakota as an accelerator for social entrepreneurship and innovation.

OBJECTIVES

- 1. Build a state-wide entrepreneurial ecosystem.**

- Continue to support efforts that foster innovative ideas and creative businesses that start and stay in North Dakota. Be an accelerator of innovation.
- Support and encourage privately funded seed and early venture capital funds.

2. Enhance and build a value-added agriculture industry

BENCHMARKS

3-1. Number of businesses that complete Innovate ND program. - *Budget contingent*

2010: 100 2012: 135 2025 Target: 200

Source: North Dakota Department of Commerce, Innovate ND Program

3-2. Increase in the number of communities with entrepreneurial ecosystem.

2018: 5 2025 Target: 25

Source: North Dakota Department of Commerce, CRM tracking

3-3. Increase number of private sector businesses.

2010: 25,741 2016: 32,413 2025 Target: 38,000

Source: Bureau of Labor Statistics

3-4. Number of Research North Dakota projects in process. – *Budget contingent*

2014: 18 2015: 22 2016: 33 2017: 15 2018: 3 2025 Target: 38

Source: North Dakota Department of Commerce, CRM tracking

3-5. Increased use of ND Development Fund new venture capital program.

2013-2015 biennium: 15 projects \$3.5M

2015 – 2017 biennium: 15 projects \$2.49M

2017-2019 biennium: 11 projects \$1.38M 2025 Target: 25 projects \$4.0M

Source: North Dakota Development Fund

3-6. Number of active Angel Funds offered in North Dakota.

2010: 9 2017: 15 2025 Target: 18

Source: North Dakota Tax Department & North Dakota Department of Commerce, CRM tracking

3-7. Number of APUC projects funded.

2015-2017 biennium: 45 projects \$2.66M

2017-2019 biennium: 23 projects \$920K* 2025 Target: 54 projects \$2.18M**

*biennium has three more funding periods to complete

**Subject to biennial appropriation awarded and 10% increase

Source: North Dakota Department of Commerce

SUPPORTING STRATEGY – COMMUNITY DEVELOPMENT

GOAL 4 Position North Dakota’s image as a key attractor.

OBJECTIVES

1. Recognize perceptions of North Dakota’s image impact our attractiveness for visitors, businesses and residents.
 - Continue to support national marketing and media relations efforts to support North Dakota’s image.

- *Work with partners to continue to grow awareness of North Dakota's tourism and business opportunities.*

2. Position North Dakota as the home of vibrant businesses, communities and people.

3. Support activities to help our communities build healthy, financially sustainable, vibrant spaces that attract business, workforce and travelers.

BENCHMARKS

4-1. Number of trips due to paid advertising. - *Budget contingent*

2016 (media spent \$3.2M): 354,000 trips 2025 Target: 400,000 trips

Source: North Dakota Department of Commerce, Tourism Division Research – SMARI study

4.2 Number of national earned media placements tracked due to commerce activity.

2010: 21 2017: 260 2025 Target: 350

Source: North Dakota Department of Commerce, Tourism Division Research.

4.3 Global media's advertising equivalency for North Dakota stories due to commerce activity.

2014: \$1.04M 2017: \$3.9M 2025 Target: \$5.0M

Source: North Dakota Department of Commerce, Tourism Division Research

4.4 Number of Renaissance Zones in the state.

2009: 46 zones, 103 projects approved and 37 completed projects.

2011: 55 zones, 131 projects approved and 63 completed projects.

2018: 58 zones, 79 projects approved, 46 completed projects.

2025 Target: 61 zones, 91 projects, 53 completed projects.

Source: North Dakota Department of Commerce - CRM

4.5 Number of engaged Main Street communities

2018: 59 - representing 87% of state's population engaged

2025 Target: 90% of state's population engaged

Source: North Dakota Department of Commerce - CRM