

Building on Alberta's Strengths

Alberta's Economic Development Framework

Introduction

“ We can encourage innovation and an entrepreneurial spirit to ensure our province’s abundance will leave lasting prosperity and opportunity. ”

The Alberta Economic Development framework aims to unite all those whose work impacts economic development, inspiring us to work together as one team, with one vision.

It is not a prescriptive list of what to do, but rather the start of a discussion on how we operate together. It guides us towards a shared vision and affiliation for economic development.

Our economic pursuits must be calibrated with our social and

environmental pursuits. All three together are needed for sustainable growth.

Guided by this vision, we can encourage innovation and an entrepreneurial spirit to ensure our province’s abundance will leave lasting prosperity and opportunity. This is the hope of all Albertans.

We have strengths we can build from, including our vast natural resources, thriving tourism, a vibrant cultural community, a competitive business environment, a world class academic, research

and innovation system, growing value and supply chains, a hardworking, entrepreneurial culture and a commitment to responsible development. Put them together, and it’s clear we are starting from a position of abundance.

But how can we ensure this abundance leaves lasting prosperity? It is a difficult challenge. There are many uncertainties. We have to decide our path forward, together.

In this Framework we’ve worked to identify our economic development

priorities, shared responsibilities and desired outcomes. Moving forward, we’ll monitor our progress towards these common outcomes, adjusting tactics and actions as needed.

As a community, we need to coalesce our individual efforts with a collective one that pledges to move in the same direction, with a common focus and strategic intent. We use this as a beacon to light our best path forward for the Alberta of tomorrow. We start here, with this framework.



Decisions we make today will guide the Alberta of tomorrow

Economic Development Priorities

In developing this framework, the Government of Alberta asked our partners — external and internal — some important questions.

- What have we not achieved in the past, and how can we learn from it?
- How can we get the most from our abundance?
- How can we make Alberta's economy even stronger?
- What's next?



Together, we identified four strategic priorities. Action on all four is needed for continued prosperity.

- 1. Expand Alberta's presence and role in the global marketplace**
- 2. Solidify Alberta as a world centre for resource-based and resource-related industries**
- 3. Foster clusters that offer high growth potential to broaden Alberta's economic base**
- 4. Inspire entrepreneurs to innovate, commercialize and expand businesses across the province**

**... innovate,
commercialize
and expand**



1. **Expand Alberta's presence and role in the global marketplace**

Our national and international presence and reputation is crucial to our success, and we need to focus on growing and improving both. Strong international relationships will enable us to attract both visitors and immigrants, encourage investment and export goods.

Every sector in Alberta needs to be connected to the global economy. All our exports, including Alberta's rising oil production, agricultural products, and manufactured goods, need access to a diversity of markets to realize their full value. Our international image can also be expanded through more cultural, artistic, student and alumni exchanges.

We can showcase our province through tourism and cultural attractions. We also need to tell and show the world how we're responsibly developing our resources, developing effective transportation and infrastructure systems, and supporting businesses as they export to all their markets.

Kobe Classic Beef Opens New Markets

Camrose, Alberta

Pat and Kim McCarthy have taken Alberta-grown beef to a whole new level. Kobe Classic Beef is the amazing result of careful cross-breeding between the McCarthy's Japanese Wagyu bull and their well-established Angus herds. The couple follows a traditional Japanese-style feeding program, using no hormones. Their unique program has enabled them to develop a niche market for their high quality beef, which is sought after by chefs, high-end restaurants and grill enthusiasts across Canada and around the world.

The Government of Alberta supports this priority in many ways, including:

- implementing *Alberta's International Strategy*, which includes region-specific strategies, the creation of an Alberta International Development Office and a new export council for small- and medium-sized enterprises
- moving forward with the *Alberta Tourism Framework: Pathway to Growth*
- implementing Alberta Abroad, an international work experience program for talented young Alberta graduates
- coordinating our advanced learning system's international efforts with Campus Alberta partners, Alberta Innovates, and business to increase global recognition of Alberta's education system
- developing and implementing a *Transportation Strategy for Alberta* to achieve an integrated, cost-efficient, multi-modal transportation system that is safe, affordable and accessible.

2. ***Solidify Alberta as a world centre for resource-based and resource related industries***

Vieworx Geophoto Inc. Adds Value For Resource Companies

Grande Prairie, Alberta

Mike Head has expertise in manipulating, compiling and presenting geo-referenced data. Vieworx Geophoto can fly over assets or drive through job sites while capturing high density data with fully referenced 3D images and lidar. Mike's clients use this data for pre-planning, tracking current asset inventories and corporate communications. Vieworx Geophoto's customer base includes oil and gas companies, forestry companies, electrical companies and municipalities.

Natural resources are the bedrock of our economy and will continue to be for the foreseeable future. We will continue to support responsible development consistent with our sustainable environment, social and economic goals. We will work collaboratively, using human ingenuity and applying technological advancements to achieve progress in each of our key sectors - energy, agriculture, and forestry.

We must also build on these traditional strengths by focusing on diversification that complements and adds value to our resource base. This includes everything from wood products and agri-foods to petrochemicals to energy-based financial services.

The Government of Alberta supports this priority in many ways, including:

- working with other provinces to lead the development of a Canadian energy strategy
- implementing *Growing Forward 2*, a federal-provincial agreement to support the agriculture and agri-food sectors
- implementing the *Alberta Forest Products Roadmap*
- responding to natural resource sector productivity and competitiveness challenges through focused research and innovation initiatives
- developing and encouraging initiatives that provide greater benefit from the natural resource value chain
- using *Alberta's Integrated Resource Management System* to support responsible development.

3. **Foster clusters that offer high growth potential to broaden Alberta's economic base**

A broader, more diverse economy can help lessen the impact from global commodity price swings. A wider range of economic opportunities will also make Alberta a more enviable place to live and invest.

Under this strategic priority we focus on opportunities outside our traditional resource sectors. We recognize and support the economic contributions from Alberta's creative and cultural industry. We focus on our research and innovation systems and the linkages needed to commercialize new products and services. We look for cross-over opportunities and for new emerging industries.

An example: As energy companies reduce their carbon footprint, how can government and all Albertans work together to help entrepreneurs who invent and sell new environmental products and services?

Partek IT Solutions Takes New Approach To IT Support

Medicine Hat, Alberta

Traditionally IT services are called in to support businesses when there is a problem to solve. James Parsons has taken a different approach and through Partek IT Solutions he partners with clients to become their "IT department". As a result, businesses have more reliable, efficient and effective IT services. With approximately 300 clients across Alberta, Partek offers IT support, website development, online marketing, consulting and other managed services to clients in many industries, including manufacturing, health and retail.

The Government of Alberta supports this priority in many ways, including:

- bringing increased focus to applied research and commercialization, and seeking collaboration opportunities among Alberta's post-secondary education, research, innovation and technology commercialization systems
- further developing new economic clusters building from our natural resource strengths by encouraging research in platform technologies such as bio-energy, information and communications technology, nanotechnology and genomics
- supporting the creative and cultural industry in Alberta through the Alberta Media Fund.

“The Framework is an important rallying point for working together; it will allow us to better optimize our resources in the economic development community to ensure less duplication of effort and help us achieve a brighter future for Alberta.”

- Brad Ferguson

Edmonton Economic Development Corporation

4. ***Inspire entrepreneurs to innovate, commercialize and expand businesses across the province***

If we achieve this, we'll have success under all our economic development priorities. The business idea or market prospects are rarely the determinant of a successful business. Instead, the entrepreneur's ability and resilience is often much more important.

Entrepreneurs are the engine that drive our economic growth because they create enormous value through their innovation, creativity, and hard work. These entrepreneurs can be business owners; they can also be employees. All those that take initiative, probe for opportunity, pursue new ventures, whether for their own company or as part of a larger organization, are entrepreneurs.

How can we inspire more entrepreneurial activity?

How can we help start more scalable, high growth potential ventures?

We have to ensure we have a competitive established business environment, including a credible and connected start-up and scale-up community. We have to develop that culture by encouraging Albertans to be self-reliant and financially literate, to take informed risks. It may be one of the most important things we can do.

The Government of Alberta supports this priority in many ways, including:

- engaging on an *Alberta Small Business Strategy* that works to improve policies, services, supports, and legislation, and that fosters a culture where businesses and entrepreneurs have an active voice in informing the decisions that impact their success
- continuing to build an education system that fosters student entrepreneurial spirit and supports research, innovation and commercialization of new ideas
- renew Alberta's labour market strategy to better anticipate and meet the needs of employers and workers
- encouraging entrepreneurship in Aboriginal people and communities through capacity development and relationship building
- collaborating on a *Rural Economic Development Action Plan* to build rural sustainability and economic success
- connecting entrepreneurs with talent, capital and the resources they need to succeed
- moving to the next phase of venture capital industry development, building on the success of the Alberta Enterprise Corporation.

Economic Development – Shared Responsibilities

Both public and private organizations across Alberta will have specific actions and tactics that help achieve these four broad priorities along with the goals of their specific community or sector. Each can check if their actions are aligned with the overall framework, by asking questions with the following agreed-upon shared responsibilities in mind.



“By using the economic development framework to align our efforts with those of other economic developers across Alberta, we can help broaden our economic base and ensure that the province’s economy grows in size and resiliency.”

- **Bruce Graham**
Calgary Economic Development

- **Ensure long term stewardship** — Can we sustain our efforts over time? Will they result in positive economic, social and environmental outcomes?
- **Grow value and supply chains** — Are we building and supporting Alberta’s value and supply chains?
- **Leverage competitive and comparative advantages** — Are our decisions based on a sound business case? Do they build on current strengths and knowledge?
- **Optimize talent** — Are we actively attracting, developing and retaining great people? Are we creating high quality local jobs?
- **Be outcomes-focused** — Are we focused on helping organizations make good decisions about how to best invest their limited time and money? Do we accept accountability for our role in their success?
- **Collaborate** - Are we eliciting collective wisdom by proactively sharing information and plans, coordinating our strategic communications, building partnerships, and strengthening our ability to work as one effective team?
- **Think globally** — Are we thinking about our international opportunities, and maintaining and building strong relationships outside our borders?
- **Maintain a competitive economy** — Are we maintaining and improving our world-class business environment by supporting sound regulatory, fiscal, education and infrastructure investments?
- **Create new solutions** — Are we seeking new approaches to our challenges? Are we surfacing and suspending assumptions, judgements and positions in favour of innovative responses?

Ongoing dialogue is necessary to ensure we have a full understanding of these shared responsibilities, agreement to use these questions as a decision support tool, and a commitment to move towards one cohesive economic development system.

Moving Forward

As we move to implement this shared vision for economic development in Alberta, a fundamental assertion is that we need to work in a more united way than we have in the past. While different communities have different business cultures, challenges and strengths, by coming together more frequently and sharing our experiences we may learn and grow from these differences. For example, we can learn how to make this real for an economic development group working on the ground in rural Alberta.

This new way of working together is starting already. In November 2013, leaders of Alberta's small business service providers and post-secondary entrepreneurship programs gathered to get a better understanding of each other's perspectives, strengthen their relationships and determine how to collectively improve outcomes. The overall goal is to shift from individual

programming towards an integrated system of service delivery.

Likewise, government is working with post-secondary institutions to ensure more collaboration. For example, institution leaders recently signed letters agreeing to common outcomes they will work towards together, such as enhancing student access, supporting a competitive and sustainable economy, and leading within their communities.

As we move towards a more integrated and intentional economic development system, we can expect some bumps on the road. We operate in a dynamic environment and true communications can be difficult. However, by holding steady to our intent, thinking of our shared responsibilities and common outcomes, we can build our collective understanding and trust.

Alberta demonstrated our capacity to pull together in our collective response to the devastating flooding experienced in the summer of 2013. Many Albertans went above and beyond to help neighbours, friends and strangers. The Government of Alberta worked with municipalities to implement assistance programs including the Hand-Up Plan for eligible small businesses. As well, an economic development focused program is underway for heavily impacted communities geared to helping with long-term economic development planning.

These are just some of the many examples of collaborative work that is building Alberta. Moving forward we need to continue to ask ourselves how we can pull together as team players, using the unique strengths and expertise that exist across

Alberta's economic development organizations, First Nation and Metis communities, post-secondary institutions, government and industry.

The messages in this framework are meant to inspire and better unite our province-wide community. It's a guide we can all use to check our tactics and strategies. It is a catalyst for starting conversations on how we, as a community, want to bring this vision to life. It's our starting point.



Monitoring Success

Our ultimate outcome is: “Albertans benefit from a prosperous provincial economy.” We measure all our successes against this. Our aim is to have median after-tax family income grow faster than inflation, while still operating within our environmental capacity to support healthy eco-systems and community well-being.

To achieve our overall prosperity goal, we have to keep more specific outcomes in mind: expanding market access and capturing better prices for our goods and services, establishing Alberta as a globally competitive business choice, and growing a resilient and stable economy that offers opportunity to all Albertans.

There will be challenges. While we strive towards these economic goals we recognize that global forces outside our control may impact our results. However, our best defense is to become aware of these challenges as early as possible, and then together chart our path forward, looking to turn challenges into new opportunities.



Specific economic indicators will help us determine if we are making suitable progress. They include:

- **Growth in productivity** - as efficiency of production is a key determinant of per capita income over the long term
Goal - A compound annual growth rate of 1.3% between 2012 and 2019 in the real GDP per hour worked in the business sector.
- **Business investment in Alberta** - as strong capital expenditures reflect confidence in Alberta's economy and build future capacity
Goal - In 2019, real business investment will be 25% higher than the 2012 level.
- **Value of Alberta exports to non-US markets** - as an increase in the volume of goods from Alberta going to markets outside the US represents expanded market reach
Goal - Increase the value of Alberta merchandise exports to non-US markets from \$11.9 B in 2013 to \$21 B in 2019.
- **Unemployment rate** - looking for a generally balanced labour market, with employment opportunities but without inflationary wage pressures.
Goal - Alberta's annual average unemployment rate is between 4.0% and 5.0%.

Monitoring Success (continued)

- **Percentage of high growth firms in Alberta** - as firms with an average annualized growth greater than 20% per annum over a 3 year period have a greater impact on our economy and society.

Goal - Increase high growth firms from 5.8% of all firms in 2011 to 9.0% of all firms in 2019.

- **Index of economic well-being** - as this Index, from the Centre for the Study of Living Standards, compares Alberta to others on economic, environmental and social measures.

Goal - Alberta remains ranked #1 among all provinces.

- **Growth in Alberta knowledge-intensive companies** - as companies that rely more heavily on technology-oriented workers such as scientists, engineers and technicians and expend more on research and development are associated with new products and processes, leading to high quality jobs, innovation and economic diversification.

Goal - Employment in knowledge-intensive companies grows at a compounded annual growth rate of 2.0% between 2012 and 2019.


“The Economic Development Framework is unique in that it articulates a common vision for economic development in Alberta. Driven by this vision and common outcomes, we can work even more effectively to make Alberta a great province to live and do business.”

- Ken Kobly

Alberta Chambers of Commerce

These indicators will be monitored by the Government of Alberta. They are also complemented by additional measures identified through specific strategies and in business plans. Results will help us determine what further focus is needed to sustain our prosperity in the years ahead.

While these are among the best indicators currently available, we'll continue to improve our ability to measure our performance by filling in data gaps and building on the current body of knowledge.



■ ■ ■
the beginning
of an exciting
journey,
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will travel
together.

Conclusion

While our specific tactics and actions will evolve, the core message remains constant.

Work as one team with one vision, building on our strengths, focusing on our four strategic priorities and using our list of shared responsibilities as a guide in decision making.

By doing this we can make economic development decisions that leverage the strengths of today to ensure a prosperous Alberta in the future. This document reflects the beginning of an exciting journey, one that we will travel together.

As such, this framework was developed in collaboration with the Government of Alberta, a team of economic development agencies, and other partners across the province.



One Team
One Vision



A pair of hands is shown from the bottom, cupping a mound of dark brown soil. A clear, unlit incandescent lightbulb is placed on top of the soil. The background is a soft-focus green, suggesting an outdoor setting with foliage.

Alberta

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