



Department of Commerce

Innovation is in our nature.

COMMERCE CONNECTIONS – STAKEHOLDER INVOLVEMENT PLAN

PURPOSE

"In the new economy, conversations are the most important form of work."

Alan Webber, Harvard Business Review

To reach out to a diverse group of opinion leaders across the state to develop strategies that will help pull Washington out of this national recession and shape the future of a new Department of Commerce.

Context: These are small group conversations about our future. Events will lead up to the agency's development of a new business plan to be presented to the Governor and Legislature this November.

Framework: We need to frame our conversations to maximize input and value. The following concepts will provide boundaries for our thinking:

VISION

The Department of Commerce is the widely recognized business champion in state government and a respected leader and partner with the private sector in growing our state's economy for the benefit of all of our citizens.

MISSION

Retain the jobs we have in Washington today and attract new ones.

PRINCIPLES

1. **Government doesn't create most jobs – businesses do.** Over 80% of our state's economy comes from private sector activity. Businesses contribute over half of the revenue the state collects each year. We must have a tight connection to the private sector to be successful.
2. **Government does play a key role in shaping the state's business climate.** The policy created in Olympia has a major impact on almost every aspect of the state's business climate from the tax rates for business to the level of education and training in the workforce.

3. **Strong economies require strong communities.** Companies will not grow and thrive in communities where adequate social services don't exist, where people lack food and housing, where there is not sufficient transportation infrastructure or where there is not an appropriately trained workforce.
4. **A strong, vibrant business community benefits us all.** Where do our governments get the money to build and maintain these strong communities? They get it from taxes paid by citizens and businesses. And those taxes are based on income generated by employment and commerce. The more successful businesses are in our state, the more employment and commerce there will be and the more money there will be to invest in our communities.
5. **Government should not pick winners and losers.** In general, government should avoid policy that backs specific companies or even specific technologies when designing economic policy. The more specific policy gets, the more likely the state is to pick wrong and do more harm than good.
6. **Retaining our state's current businesses and promoting their growth should be our first priority.** In a business, it is almost always easier and cheaper to drive growth from existing customers than it is to attract new ones. As a state, we should be sure that we are taking care of our existing companies and driving loyalty in them in addition to the work we undertake to attract companies.
7. **Always be opportunistic.** Planning is important and it's always good to have a plan. But it's also important to realize that the world is changing rapidly and not to "fall in love" with your plan and miss an opportunity.
8. **Focus on the function** and form will follow.

Significant Themes/Ideas to Explore: These are important topics that need to be addressed in the plan we develop.

1. **Innovation:** The Economic Development Commission's recent report highlights innovation as the single most important concept in keeping our state competitive as we move forward. Our state branding is around the phrase "Innovation is in our nature" and it is clear that this is more than a buzzword for us. There are very clear examples of the innovation that has come out of this region for decades. So the key question here is how do we continue to foster innovation in our state and stay out in front of other parts of the world in this critical dimension?
2. **Diverse Industry Needs:** Just as a large corporation is a collection of businesses, each in a different stage of growth and profitability, so our state is a collection of industry sectors that each are in different stages of their life cycle and that each have different priorities and needs when it comes to state support. So any state commerce plan needs to recognize this fact and include a portfolio approach to supporting our overall state economy.
3. **Recovery Act:** We are still in the first stages of a massive economic investment in the country by the Federal Government. Our plan needs to recognize this unique opportunity and ensure that we are taking maximum advantage of this giant pool of capital, particularly in areas like "energy" where there is a great deal of money being allocated based on competitive proposals.

4. **Recession:** The big question here is what opportunities does this dramatic downturn present to re-shape or re-structure the way we do business both as a state government and as a state as a whole?

QUESTIONS TO ANSWER

The questions below should be answered with a view to the group's particular issue area (i.e., housing, economic development, community services, international trade, etc.) and the state's role or potential role in that issue area.

1. What significant opportunities does the state have right now and how do those opportunities relate to retaining and creating jobs in the state?
2. What do our customers and stakeholders think about how we're doing?
3. How do we benchmark as a state against other states and other parts of the world in your area?
4. What should government do to take advantage of our strengths and mitigate our weaknesses?
5. What gaps and overlaps do we need to address to ensure that our programs are delivered well, particularly as we consider federal, state, regional and local resources?
6. What activities can we stop doing to create the capacity to do new things or more of a specific activity?

WHAT THE CONVERSATION IS NOT ABOUT

The purpose of our conversations is NOT to determine the optimal organizational chart for the Department of Commerce. The first objective is to figure out our plan. Then we will figure out how best to organize to pursue that plan.

The process will use six critical information paths:

1. RESEARCH AND ANALYSIS (Cyndee Baugh, Performance Manager)

This path will answer questions important to the director, such as: What performance data do we need? How do we compare to other states? What explains the differences? What are other states doing that we should consider? The goal is to build a substantial information base to inform our goals and direction.

2. TECHNOLOGICAL CONVERSATIONS (Wendy Pugnetti, Communications Director)

This path will provide global access to anyone who wants to participate in or follow our process. It will include developing an online survey to gather input on structured questions, similar to those that will be probed at regional and statewide conversations. It may include the use of public social networking sites can be used to bring people together who are interested in small or large facets of our work. This could include setting up a LinkedIn group, a Facebook group, a Ning community, and/or a blog. This

will allow the agency to modernize its communication model, and our social networking can be featured at each of our live conversations. A “theme videoconference” might be held to review the themes we have identified in our pre-planning conversations.

3. REGIONAL CONVERSATIONS (Larry Williams, Assistant Director, International Trade & Economic Development)

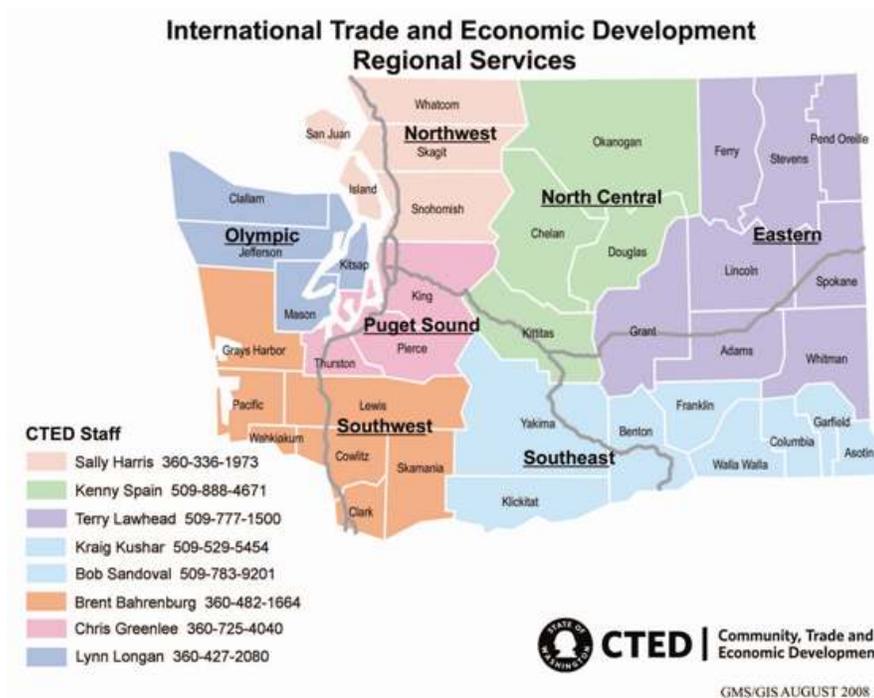
This path will convene a series of REGIONAL conversations with diverse customers and stakeholders including (list and order subject to change):

1. Small private business
2. Large private business
3. Associate Development Organizations, ports, economic development focused local organizations, Innovation Partnership Zones, Chambers
4. Cities, counties, courts and law enforcement
5. Community action agencies, housing organizations, higher education institutions
6. May depend on the region (TBD)
7. Legislators from the region

The conversations will occur in the seven regions identified by the International Trade and Economic Development Division. Each regional conversation is a two-day event designed to quickly gather input from numerous local constituent groups. We will hold one conversation in each region as a pre-planning event and another conversation in each region to gather feedback on the initial (draft) plan.

The regional focus group agenda might look something like this:

Time	Activity
DAY ONE	
8:00 am	Set-up
9:00 am	Focus Group
11:00 am	Break
11:30 am	Focus Group (working lunch)
1:30 pm	Break
2:00 pm	Focus Group
4:00 pm	Break
4:30 pm	Legislative Meetings
6:00 pm	Management Team Debrief
DAY TWO	
8:00 am	Set-up
8:30 am	Focus Group
10:30 am	Break
11:00 am	Focus Group (working lunch)
1:00 pm	Break
1:30 pm	Focus Group
3:30 pm	Management Team Debrief/Assignments



4. STATEWIDE CONVERSATIONS (Marie Sullivan, Government Relations Director)

This path will convene a series of conversations with critical stakeholders who represent STATEWIDE interests including, but not limited to, many of the following:

1. Association of Washington Business
2. Economic Development Commission
3. Puget Sound Partnership
4. Prosperity Partnership
5. Washington Public Ports Association
6. Association of Washington Cities
7. Washington State Association of Counties
8. Washington Economic Development Association
9. International Business and Trade Organizations
10. Environmental Organizations
11. Community Action Association
12. Low Income Housing Alliance, Washington State Coalition for the Homeless
13. Energy Organizations
14. Labor
15. Private and public utility companies
16. State Chamber Association, Main Street Association, other business entities
17. Washington Roundtable
18. Washington Public Utility District Association
19. Washington Water and Sewer District Association
20. Planning associations

To the extent possible, statewide conversations should be planned around each organization's published meeting/conference calendar. We should make every effort to have one conversation with each critical statewide group as a pre-planning event and another conversation with each critical statewide group to gather feedback on the initial (draft) plan.

In addition, this track will include conversations with legislators as part of the regional focus group and individually.

5. INTERNAL CONVERSATIONS (Jan Marie Ferrell, Deputy Director)

This path will convene a series of conversations with INTERNAL (state government) stakeholders including:

1. CTED staff
2. Management and Leadership Teams
3. Washington Federation of State Employees
4. Public Works Board
5. Community Economic Revitalization Board
6. Family Policy Council
7. Governor's Office of Indian Affairs
8. Other state departments and offices
9. Other CTED boards, commissions, and councils

To the extent possible, internal conversations should be planned around regular meetings and groups. We should make every effort to have one conversation with each internal stakeholder group as a pre-planning event and another conversation with each internal stakeholder group to gather feedback on the initial (draft) plan. Employee communications will need to be more frequent and should follow a communications plan drafted by the sponsor and approved by management team.

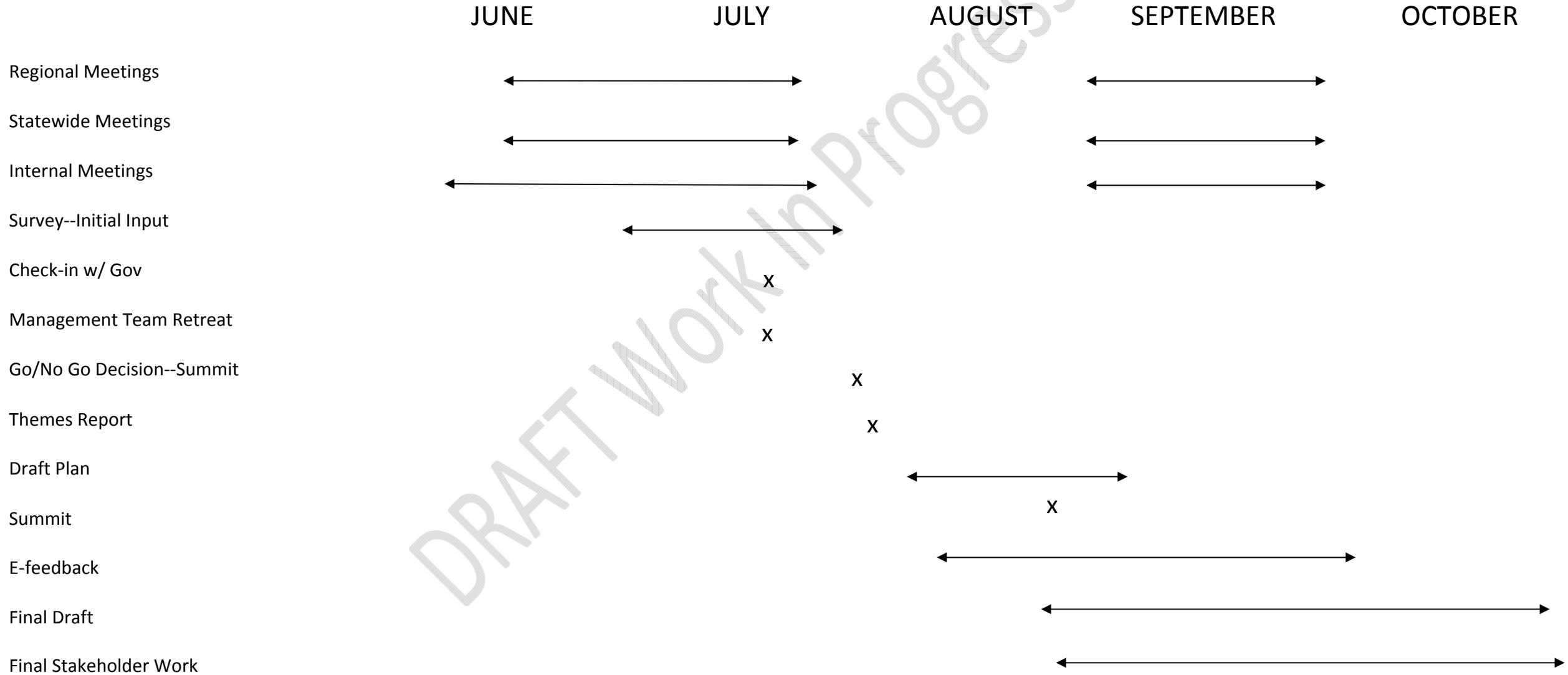
Internal groups should answer the following questions:

1. In what sense do you feel your group's work does and does not align with the mission and vision outlined above? What are the pros and cons of being located in an agency with this overall direction?
2. What opportunities do you see for improving the overall approach of your group to its goals?
3. What are the options for where your group might be organized outside the Department of Commerce? What are the pros and cons of different possible scenarios?
4. Who are the constituents that should be consulted in any changes to your group's work or organization?

**6. GOVERNOR'S SUMMIT ON THE FUTURE OF COMMERCE IN WASHINGTON STATE
(Cheryl Smith, Senior Policy Advisor)**

This path will convene interested stakeholders and legislative leaders at one mid/late-process event. Experts and futurists can inform and react to our tentative plan, encourage systems thinking about the change, help to dispel known reservations. *Still under discussion and development.*

DRAFT Work In Progress



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