



Markham's Economic Alliance Program

New Directions in City to City Partnerships

by Mario Belvedere, M.C.I.P.,

Introduction

The success of local economic programs depends on the understanding of community needs and aspirations and the development of a sound and business-like relationship between the development office and the business community. Pat Choate, an American economist, author, and public policy specialist, stated in a speech to the American Economic Development Council (AEDC) at its Annual Conference in Nashville,

"You must find ways to engage community business leaders into the local political and policy setting process", and he stated that it is important to,

"Create an excitement in the local program to entice the business leaders in the community to want to become involved!"

Markham's international strategy has aimed to accomplish these objectives by involving local business people in becoming active partners in a community-based international effort.

Background

In 1989 the Economic Development Office of the Town of Markham undertook the preparation of the Town's first Economic Development Strategic Plan. The process involved political and business leaders in the community who helped to define the Town's economic strengths, weaknesses, market trends, opportunities, and directions for the future.

Markham represents a unique municipal situation which has experienced dramatic population and business growth in the past decade. The Town has grown from a population of 30,000 in the 1970s to the present day 150,000. The business sector now employs over 75,000 people

and has 5,000 business establishments. Markham is fortunate to be one of Canada's high-tech centres with over 400 companies involved in the computer and electronics sectors. Markham also boasts Canadian headquarters of many international companies such as IBM, BULL, American Express, Toshiba, A.C. Nielson, Allstate Insurance and Ford Electronics.



In January of 1990 Town Council approved the Economic Development Strategy 1990-1993. This plan set out 7 strategic objectives, one of which addressed the need for the Town to promote its business sector in the international marketplace. There was a strong agreement that in order to maintain Markham's strong economic position, it must actively promote itself internationally and assist its businesses in capitalizing on global trade and investment opportunities.

With the signing of the Free Trade Agreement with the United States and the formation of the European Common Market in 1992, Markham businesses must be prepared to compete in a severely different global environment.

Establishing Local Partnerships

To address these global changes the Economic Development Strategy identified the need for an international program. To reflect this need, the Mayor and Council appointed a committee, made up of Markham Board of Trade and York Technology Association members, along with the Town's Corporate and Industrial Promotions Committee and business leaders from the financial and computer sectors to develop and implement a plan of action.

The Markham Board of Trade is the business organization with 700 members

Mario Belvedere has been the Director of Economic Development for the Town of Markham since 1988. He worked as a planner in various capacities with the City of Edmonton and the Province of Alberta prior to his position as an administrative assistant to Edmonton's City Manager. He graduated from the University of Waterloo in 1979 with an Honours degree in Environmental Studies.

representing a cross-section of Markham's business community. One of its key objectives is to represent the interests of its members to government on issues affecting business. It provides a variety of services to its members including business training, export documentation, business information, monthly newsletters, and numerous networking opportunities. It is the voice of business in the community.

The York Technology Association is a Markham based organization committed to promoting the high-technology industry. Its membership comes from a wide range of firms across York Region and northern Metropolitan Toronto. Close to 40% of its members are from the Town of

Markham and include IBM, International Semi-Tech, Apple, Bull, STM, TKM and Security Card Systems. The Association meets on a regular basis to provide educational seminars, develop policy recommendations to governments and provide opportunities for networking.

**International Program
Policy Directions**

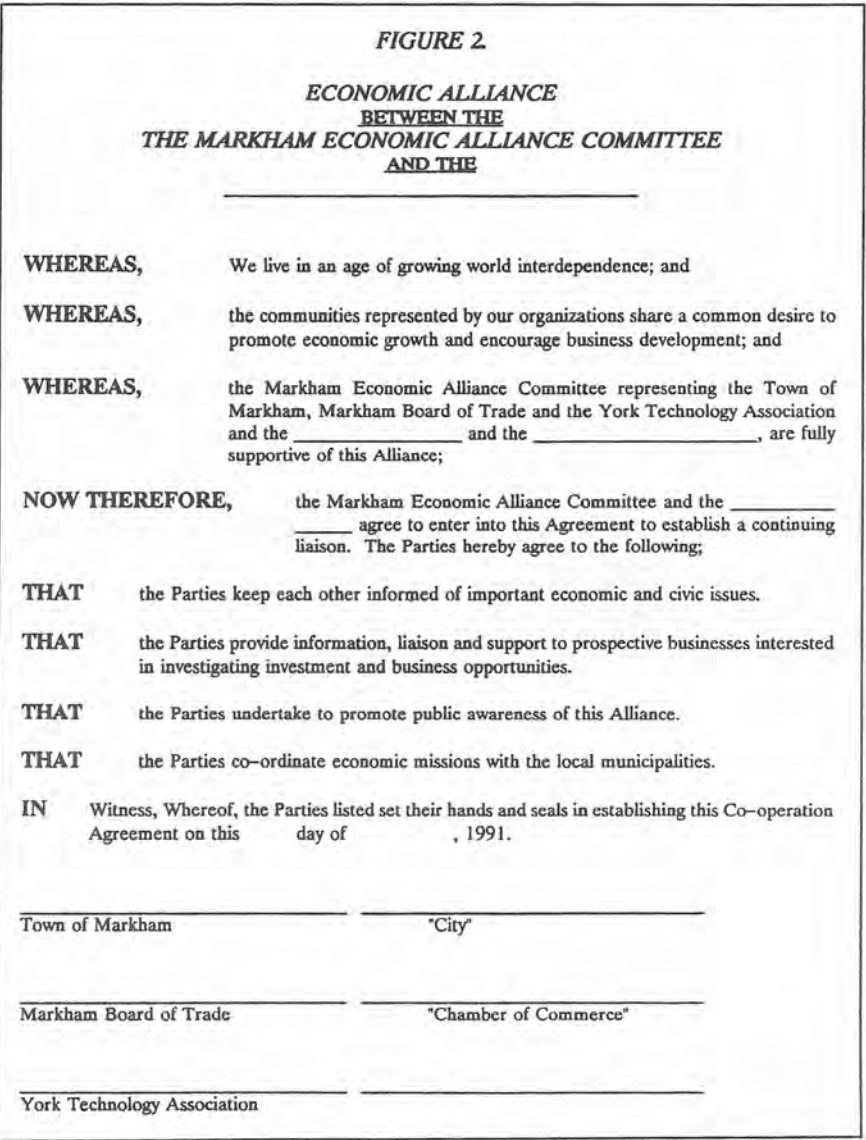
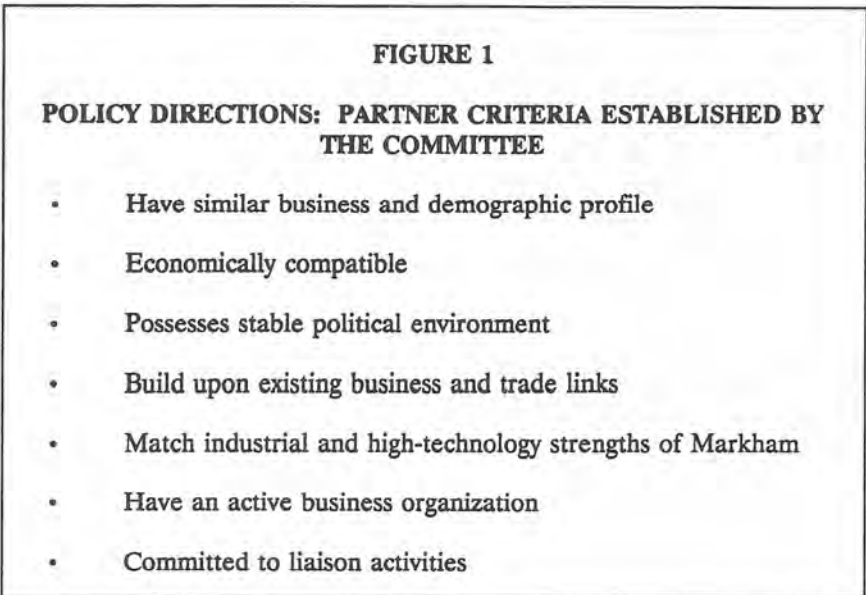
A committee composed of these two groups and selected business leaders met on numerous occasions to develop terms of reference and a focus for the Town's international efforts. The committee established the following as its key objectives:

THE ECONOMIC ALLIANCE PROGRAM'S KEY OBJECTIVES ARE TO CREATE A GLOBAL NETWORK OF BUSINESS RELATIONSHIPS WITH COMMUNITIES AND BUSINESS GROUPS IN STRATEGIC INTERNATIONAL LOCATIONS AND TO CREATE AN INTERNATIONAL AWARENESS OF MARKHAM'S BUSINESS ASSETS AND LOCATIONAL BENEFITS.

Council approved a set of criteria developed by the group for identifying potential partner communities, as shown on Figure 1. The criteria requires partner communities to have similarities to Markham's economic and community profile and a strong local business organization.

To ensure a committed economic focus the committee coined the phrase and concept of the "Economic Alliance". An "Economic Alliance" is defined as "an association between municipalities and business groups of two regions with the purpose of establishing networks to develop business relations and opportunities."

An Economic Alliance Agreement, would form the basis of a liaison and partnership between communities. The partnership agreement between communities would provide for municipal cooperation, information exchange, and business networking with co-operate trade and business exchanges and promotion through public awareness of the partnership. Figure 2, illustrates an agreement which formed the basis of negotiation



with prospective partners. The committee felt the co-signature of business groups was important to the implementation of the agreement.

Economic Alliances established on this basis were designed to produce the following benefits:

- Provide a source of contact for businesses wishing to expand export opportunities

- Assist business to jointly participate in trade exploratory missions with a guarantee of meeting the right business and government contacts.

- Low cost promotion and public awareness in partnership community

- Provide to host community a guarantee of key influential business and political leaders visits

- Provide opportunity to create NEW business investment in Markham and abroad

- Provide an opportunity to learn and collect data on the competitive global marketplace

Economic Alliance Program Model

Markham's Economic Alliance Strategy has a three-phase implementation program with a five-year plan.

Phase 1 - Program Start-Up (1990)

1. Define target community

- use criteria established by committee
- statistical analysis

2. Exploratory Visit

- confirm statistical analysis
- meet key actors in potential community
- involve business groups in visit

3. Establish Liaison

- with political players
- with economic development/municipal player
- with business community

Phase 2 - Establishing Alliances (1990-1992)

1. Sign Economic Alliance Agreements three formats of the Economic Alliance Agreement have been used,

a. Business group to Business group,

- or,
b. Municipality to Municipality, or,
c. Joint Business Municipal Agreement.

Phase 3 - Business Development (1991-1994)

Phase 1 and most of Phase 2 have been completed. Phase 3 has already been initiated.

1. Host an International Business Symposium in Markham

- create awareness of Program to Markham companies
- invite international companies to Markham

2. International Program Questionnaire

- identify Markham companies interested in international trade and development opportunities and business missions

3. Trade Mission Exchange

- partnership community to host visits and seminars as a means of providing opportunities for business and information exchanges

4. Develop Data Base

- data base of Markham businesses interested in networking in the international marketplace.

5. Identify Other Marketing Opportunities and Activities

- includes publication of a news magazine as the communication link between alliance partners (first edition, January 1992)

Results To Date In Markham

To date, Markham has developed a strong international presence even though this program is in its infant stages. In this period, the Town has signed six Economic Alliance Agreements with the following places:

- Dallas (Metrocrest), Texas (September, 1990)
- Duren, Germany (October, 1990)
- Raleigh, North Carolina (December, 1990)

- Basingstoke, England (May, 1991)
- Huntsville, Alabama (June, 1991)
- Presov, Czechoslovakia (June, 1991)

The model agreement has formed the basis of each partnership, however, each alliance has required flexibility of the wording and signatures to reflect specific local requirements. The concept of an economic partnership has proven to be very popular.

In May 1991, Markham hosted a major International Trade and Business Symposium which included representatives from the alliance partners and Markham's business community. This Symposium served as a focus for the international program and create an exciting and useful economic event which had an appeal well beyond the local community.

A list of influential speakers spoke on international trade and business topics. Workshops were hosted by the Province, the Canadian Exporters' Association and the Canadian Standards Association, which aimed at educating businesses about international programs. Meetings were set up between businesses from alliance partners and Markham companies.

Close to 200 people attended the Symposium and 300 attended the first formal dinner celebrating the "International Business Program". The head table for the dinner included 20 of Markham's leading CEOs and the evening provided many opportunities for business networking.

Those in attendance heard the message of the day that "national borders have little to do with the flow of economic activity today." The challenge is to understand this new reality and learn to do business in the international marketplace.

Some benefits to date from the program for Markham include:

- Our local businesses have become more aware of the global marketplace.

- At a time of slow economic growth we were able to create action, hope and support in the minds of local businesses. This was particularly evident in the success of the Symposium.

- We have established a network of contacts and referrals in the partner communities.

- We anticipate that over time, the Economic Alliance Program will facilitate business ventures between the alliance

partners. At the present time, several agreements are pending between Markham and foreign businesses including:

-A Markham-based computer firm will shortly establish its U.S. headquarters in the Dallas Metrocrest area.

-The establishment of an European office by a Markham aerospace company has been facilitated by the program.

-A number of distribution agreements for both Markham and U.S. companies are pending.

·Most significantly, we have engaged the active participation of business, community representatives and political leaders in a local development program where they have participated in establishing a local business agenda.

The Future

In 1992, the Town will launch a news magazine which will be used as the key communication tool to exchange information and to promote business opportunities. We also anticipate seminar and trade mission exchanges initiated by the alliance partners. In March of 1992 the Dallas Metrocrest will be hosting a business mission/workshop for Markham-based companies.

The true success of this whole initiative can only be assessed in time, as the program responds to the needs and requirements of the local business community and the alliance partners.