

# ***Accelerating Forward Momentum***

**Eastern Ontario's 'Refreshed' Regional  
Economic Development Strategy**

June 2019



Eastern Ontario's  
**Leadership  
Council** Economic  
Development

[www.eolc.info](http://www.eolc.info)

## The Economic Development Vision for Eastern Ontario

*Eastern Ontario promotes **business growth** as the backbone of a **sustainable regional economy**. Our municipalities and counties use **best practices** to support this growth, and our region has earned a reputation as being **progressive and innovative** in our **collaborations** with the business community.*

*We have built a culture of **partnerships** with business, institutions and organizations to support the growth and development of our **workforce, business communities and entrepreneurs**.*

*Eastern Ontario will be known for its **highly skilled workforce** and **strong work ethic** combined with a strong and **diverse** regional economy. People of **all ages** will have economic **opportunity** and **choices** for exciting work and lifelong learning. The region's economy is fuelled by its world-class **educational institutions** and diverse and **innovative** business community, an **integrated and intelligent transportation system** that enables the effective and efficient **movement of goods, people and ideas** across the region, and a **fibre-optic broadband and cellular network** prepared for the changing landscape of technology, business and people needs in a **constantly changing** world.*

*Eastern Ontario will be a **dynamic** and **prosperous** place to live, work and play in harmony with the **natural environment**. The region's vibrant rural and urban **communities**, steeped in tradition and rich in history, will continue to attract people and visitors seeking a high **quality of place experience**. Growth of the region's communities will respect and incorporate the area's natural assets, ensuring a **positive legacy** for future generations.*

The Eastern Ontario Leadership Council wishes to thank the Ontario Ministry of Economic Development, Job Creation and Trade for their financial support for this strategy 'refresh' project. The EOLC also thanks the many community and business leaders that took part in the 'refresh' consultations, and Working Group members for their ongoing contributions to regional economic development.

The EOLC also wishes to thank MDB Insight for their work on refreshing the regional profile, facilitating in-region consultations, organizing both online and telephone business surveys, and shaping the strategy document.

## Executive Summary

Eastern Ontario has a long and productive history of multi-stakeholder collaboration on the economic development front. Over the last decade, this collaborative spirit has resulted in the convergence of five regionally-minded organizations into the [Eastern Ontario Leadership Council \(EOLC\)](#). The role of the EOLC is to lead the implementation of economic development initiatives that are more efficiently and effectively pursued on a pan-regional basis, and provide a platform for local action by businesses, local governments, economic development officials, post-secondary education institutions, and other organizations.

To update and build on the original (2014) regional economic development strategy, the EOLC partnered with the Ontario Ministry of Economic Development, Job Creation and Trade to take stock of strategy implementation progress, update knowledge and perceptions held by the region's businesses and other stakeholders, and identify which strategies should remain part of the go-forward plan and which might need revision in light of changing economic factors and trends, new information and developments. This report summarizes the results of that work.

### Major Themes of 2014 Are Still the Regional Priorities for 2019 and Beyond

Based on extensive research and stakeholder input, the 2014 Eastern Ontario Economic Development Strategy identified three priorities, then laid out strategic objectives, recommended actions and potential partners to move each forward. These three strategic priorities reflect the EOLC's desire to pursue opportunities and address challenges in a cross-sectoral, region-wide way, providing ample opportunity for organizations to become involved in projects to which they could make a particular contribution or in which they had a particular interest or organizational mandate. These actions represented a step-by-step approach to achieving the strategic objectives and were classified as either short term (12-24) or medium term (36-60 months) opportunities.

Following formal approval of the 2014 Eastern Ontario Regional Economic Development Strategy, regional stakeholders went to work to constitute the EOLC as a regional partnership, find resources to kickstart implementation work, and structure three Working Groups (aligned to each theme) As their names imply, the Working Groups provide a mechanism for more in-depth discussion of the issues and opportunities within each Strategic Priority.



***Two conclusions have emerged from the efforts to 'refresh' the Strategy in 2018-2019. First, the data, formal consultations and anecdotal evidence have confirmed that the three priorities identified in 2014 should remain the centrepieces of the regional strategy. Secondly, these same sources of feedback indicate that a fourth 'foundational' priority --- digital infrastructure --- should be added to the mix.***

## Early Progress on Strategy Implementation Positions Region for Future Success

By structuring itself as a forum through which stakeholders can be galvanized to tackle regional actions, Eastern Ontario has seen:

- Formation of the EOLC itself and securing operational funding for the first five years; creation of three working groups (with formal Terms of Reference), and a website at [www.eolc.info](http://www.eolc.info).
- Creation of an [Eastern Ontario Task Force](#) focused on harnessing the region's post-secondary education assets in the service of regional economic development.
- The region's municipalities becoming an integral part of [ONWARD](#) (a province-wide municipal workforce initiative).
- Completion of an innovation ecosystem 'mapping' project that is now stimulating closer working relationships among the services available in the region. An eBusiness toolkit has also been created.
- Ongoing work by [EORN Inc.](#) to enhance regional broadband services and build the business case for a project to address gaps in mobile broadband/cellular services.
- Completion of the first project (Long Combination Vehicle Information Sheet) in a series of initiatives designed to better integrate and share region-wide transportation-related information and data.
- The launch of a multi-year initiative (through the [Ontario East Economic Development Commission](#)) to address workforce issues in the manufacturing sector.
- Development of regular information exchanges between the EOLC and provincial ministerial counterparts, to capitalize on shared priorities at a regional level.
- Continued advocacy by the [Eastern Ontario Wardens' Caucus](#) and the [Eastern Ontario Mayors' Caucus](#) on the need for significant infrastructure investment to support business and economic development as well as implementation of the regional Strategy.

As in other regions, the economy of Eastern Ontario continues to be reshaped by a combination of long-term trends (e.g. demographic shifts, a tightening labour market, pervasive digitalization) and the near-term effects of major decisions by other authorities (e.g. trade negotiations, VIA Rail's plans to introduce high-frequency passenger service through the northern part of the region, new approaches to stimulating business innovation and growth).

***While the EOLC has made substantial progress, much remains to be done. The speed with which economic change is taking place suggests that it is more important than ever to retain a collaborative regional forum and governance like the EOLC.***



## Refresh Began with Update of Region's Current State and Its Aspirations

The 'refresh' of the regional economic development strategy included a statistical update to the region's economic profile, an online survey of the region's business community, targeted telephone interviews with businesses with potential for significant growth, and a range of consultation meetings with stakeholder groups, including First Nations communities.

Along with consultants retained for specific portions of the 'refresh' project, the EOLC itself has been deeply involved in reviewing results, interpreting their meaning, and translating the learning into refined Aspirational Objectives and associated Actions. This report consolidates all of this information and suggests a road map that the EOLC and its partners might follow to achieve the vision for Eastern Ontario, first articulated in 2014 (*see inside cover*).

## Research and Consultation Generates Key Takeaways

While the following sections of this report --- and its appendices --- provide much more detailed information on the outcomes of the strategy refresh process, they are derived from the key takeaways from the research and consultation phase:

- The *three overarching priorities* that underpin the Strategy – Workforce Development and Deployment, Technology Integration and Innovation, and Integrated, Intelligent Transportation Systems --- should remain the focus of the EOLC's work in regional economic development.
- *Digital connectivity (high-speed internet and cellular/mobile broadband) is even more important now* than in 2014 and should be added to the Strategy as foundational infrastructure. Success in implementing initiatives for any of the strategic priorities depends on this infrastructure being in place. For the region to be competitive in attracting, growing and retaining businesses, continued improvements to broadband and cellular services are essential.
- Businesses are *generally optimistic about the future of the region and their own business prospects*, and consider Eastern Ontario as a 'good to excellent' place to grow a business. Three-quarters (75%) of online survey respondents are 'somewhat' or 'very' optimistic that their own businesses will be stronger in the next 3 to 5 years than today. Nearly as high a proportion (71%) are 'somewhat' or 'very' optimistic that the regional economy will be stronger in the next 3 to 5 years (53% and 18% respectively). The overall evaluation of the region's performance in advocating for improvements in Eastern Ontario appears to have improved since 2014.
- Businesses suggest the *top three issues* that, if addressed, could improve business performance in the region are:
  - Broadband (including cell service) and high-speed internet (57% of online survey respondents)
  - Improving workforce skills and education (34% of respondents)
  - Better access to capital/financing (28% of respondents)

- Both the hard data and anecdotal feedback from employers indicate that *workforce issues are an acute concern across the region*. Slow growth in the region's labour force, increasing competition for talent, automation and the need for a better match between available (or augmented) skill sets and the needs of contemporary workplaces suggest that, in the years ahead, Eastern Ontario will need a significantly greater emphasis on attracting, retaining and re-skilling workers.
- There is a *core group of businesses in the region that are investing in/integrating technology without displacing people*. These companies expect to make continued investments in technology and in hiring people. Supporting these businesses (and encouraging others to follow suit) could stimulate private sector growth and productivity, and expand the region's talent pool. In its workforce development and deployment strategies, the EOLC will have to address the impacts of large numbers of retirements, a labour force participation rate that is below provincial and national averages (even as unemployment is down), and the challenges of connecting employers with workers that 'fit' --- all as the workforce is distributed across a 50,000-square kilometre area.
- The need for *timely, accurate, labour market intelligence and data* remain priority action items for the EOLC. Addressing this issue is a key part of a broader set of initiatives to respond to changing employer and workforce needs, emerging skill requirements and future labour supply issues.
- The *regional economy represents at least \$82.5 billion in annual production and provision of services*. Seventy (70) per cent of the region's production remains within the region. Opportunities exist to grow the region's export-based industries (given recent trade deals especially CETA) to shift the region's balance of trade (imports vs. exports) and make the case for investments in supportive physical infrastructure.
- Eastern Ontario is *still a region dominated by small businesses*, with a higher than average proportion of entrepreneurs. There are more than 85,000 self-employed individuals in the region across a wide range of sectors; their proactivity could be harnessed to 'grow our own' within the region
- Access to *capital/financing and business development support programs* are essential to help businesses start and expand in the region, and especially to help export-oriented businesses increase their presence --- and sales --- in out-of-region markets.
- Eastern Ontario's *innovation assets need to be more effectively networked and leveraged* to connect businesses and organizations, improve service offerings, and enhance the competitiveness of firms seeking to start or grow ('scale') in Eastern Ontario. Recent efforts to leverage the post-secondary education sector and other innovation services should be accelerated.
- *Ongoing attention must be paid to the region's transportation systems (all modes)* to ensure that every opportunity to move people and goods as safely and cost-effectively as possible is pursued. In particular, region-specific data and technology must be deployed to deliver seamless service to manufacturing, agriculture and food processing, and other natural resource businesses. The EOLC must identify gaps in service (or unmet needs), and position the region as a 'test bed' for technologies that will reshape the transportation sector in the years ahead (e.g. autonomous vehicles, technologies embedded in physical/fixed infrastructure).

## Key Learnings Translated into Aspirational Outcomes and Recommended Actions

The EOLC's review of statistical data and the input from in-region consultation suggests that the 'refreshed' Eastern Ontario Regional Economic Development Strategy should still be built around the three strategic priorities identified in 2014, with an additional priority (given the 'working title' of Digital Infrastructure) incorporated into the Strategy. For each strategic priority, the EOLC has identified several (longer-term) 'Aspirational Outcomes' --- goals that the region would strive to achieve to fulfill the Vision for 2024 (see page 54).

While this report contains many recommended initiatives that could be undertaken to 'move the needle' on these Aspirational Outcomes, the first action by the EOLC upon receipt of this report will be to create a more detailed implementation plan to set priorities, bring stakeholders (partners) together to shape project plans, designate Lead Organizations for the projects, and assemble the necessary resources needed to move forward. The EOLC anticipates that strategy implementation will not be a 'clean', linear or sequential process; decisions by others may trigger rethinking or reorientation of plans, acceleration of attention to particular projects, or other adjustments to implementation plans. As a result, the EOLC expects that the regional economic development strategy will remain a 'living' document.

The Aspirational Outcomes and examples of potential actions to move toward them are as follows, with additional detail being presented in a subsequent section of this report.

### ▪ **Strategic Priority: Workforce Development and Deployment**

- *Aspirational Outcome:* Eastern Ontario is recognized as having the capacity to identify and respond quickly to changing labour market conditions.
  - Examples of Actions: Work with the region's employers and intermediary services to help businesses identify, recruit and retain workers; design and develop ways to connect more employers and workers sooner --- through internships, co-op programs, mentoring or other similar initiatives; develop a workforce (re-) attraction program, particularly through the region's colleges and universities
- *Aspirational Outcome:* Pan-regional data, analytical capability, and collaborative relationships are in place to accelerate match-making between employers and workforce talent.
  - Examples of Actions: Invest in --- and share --- third party data to improve labour market intelligence; encourage greater use of 'matching' platforms that target key sectors

### • **Strategic Priority: Technology Integration and Innovation**

- *Aspirational Outcome:* Increased numbers of businesses are starting, growing and moving into the region
  - Examples of Actions: work with upper levels of government, business and industry associations, specialized and conventional financing authorities and others to identify any/all sources of capital or other business development services; ensure that businesses can easily identify those that match their stage of development or needs

- *Aspirational Outcome:* Eastern Ontario is recognized as having a truly collaborative, client-centred innovation ecosystem
  - Examples of Actions: 'Sponsor' mechanisms that bring innovation ecosystem partners together to address specific challenges commonly faced by start-ups, early-stage companies or innovators; create a public sector-focused innovation certification program that innovators can access to find 'first customers'
- *Aspirational Outcome:* Productivity-enhancing technologies and other innovations are being introduced into existing businesses, thereby increasing their competitiveness, and enabling pursuit of larger markets
  - Examples of Actions: Design and launch a series of webinar briefings for business on advancing technologies and how they can be deployed; carry out --- and share results from --- regular aggregated business surveys to understand current and intended innovation practices and highest priority technology introductions
- **Strategic Priority: Integrated, Intelligent Transportation Systems**
  - *Aspirational Outcome:* Eastern Ontario's transportation systems are moving goods and people safely and efficiently, within the region and beyond.
    - Examples of Actions: Evaluate the region's transportation systems to identify gaps or cost-effective ways to increase the efficiency of goods movement; participate in the development of a commutershed-based strategy to improve mobility of people to/from work or vital appointments; continue to monitor (and support) VIA Rail's plans for high-frequency passenger service
  - *Aspirational Outcome:* Eastern Ontario's transportation systems are at the forefront of understanding and incorporating major technology and innovation developments and related opportunities into transportation modes and infrastructure
    - *Examples of Actions:* Participate in provincial and national initiatives to test autonomous vehicles and other ICT technologies; encourage communities across the region to undertake different types of pilot projects and case studies on deployment of emerging transportation-related technologies including those embedded in physical infrastructure
- **Strategic Priority: Digital Infrastructure**
  - *Aspirational Outcome:* Eastern Ontario's Cell Gap project is being implemented and opportunities to further improved broadband are also being pursued.
    - Examples of Actions: Continue to express support for improved digital infrastructure across the region, particularly improved cellular services and high-priority deployments such as Public Safety Networks; gather and share aggregated data on potential business applications of these technologies and the consequences of falling behind on access to them



- *Aspirational Outcome:* Eastern Ontario is recognized as being a highly 'connected' region, able to leverage technology to stimulate economic development across the region.
  - Examples of Actions: Working Groups stimulate the introduction of communications technologies that help businesses and residents interact across municipal boundaries (e.g. region-wide 511, on-demand transportation services, virtual or augmented reality experiences); test combinations of technologies to achieve connectivity less expensively or more comprehensively (e.g. autonomous vehicles).

## Significant Effort, Coordination and Resourcing Required for Implementation

The level of effort, coordination and resourcing required to successfully implement the Eastern Ontario Economic Development Strategy remains significant. To marshal the commitments, human capital, financial resources and perseverance required for success will require that the Eastern Ontario Leadership Council ---and its partner organizations --- be seen by the stakeholder community as **thought-leaders** for regional economic development, as effective **advocates** for the region, as **champions** for collaborative approaches to advancing the region's economic prosperity, and as **an effective mechanism** through which the refreshed Regional Economic Development Strategy can be implemented.

For the EOLC to play an effective regional role, some 'soft' infrastructure is required including:

- Access to 'dynamic data' specific to the three themes and the overall performance of the regional economy
- Analytical capacity to tabulate, visualize and offer insights on data and other information that comes before the EOLC
- Collaborative software, through which the EOLC and its Working Groups can engage stakeholders from across the region and add value to their understanding of the linkages between local and regional priorities. One part of this software may be an Open Data Repository.
- The EOLC's ability to develop and utilize mechanisms for assessing its own performance against benchmarks and/or selected longitudinal performance indicators (these may be quantitative or qualitative or a mix of the two), and
- The EOLC's ability to finetune its organizational structure and processes to better deliver on its mandate as the regional economy changes in the years ahead.

The EOLC must continue to serve as a forum in which the initiatives of individual partners, the Working Groups, and other stakeholders (many of which may have a broader mandate than just the Eastern Ontario region) can come together to assess whether the EOLC has 'moved the needle' in relation to achieving the long-term vision as well as the theme-related outcomes. This assessment will be made over the next three to five years; few of the initiatives described in the Strategy would be expected to bear significant fruit in just a few months. As the refreshed Regional Profile shows however, the ongoing evolution of the regional economy will show discernible changes over a multi-year period.