

BUILDING PARTNERSHIPS FOR SOCIAL, ECONOMIC AND EMPLOYMENT DEVELOPMENT

Fred Morley*

The presentation merges theoretical notions with Canadian experience in building a successful partnership: "Greater Halifax Partnership". The study deals with the social context, with the reason for which the partnership should be supported, with the means by which the partnership is being materialized and also with its way of functioning.

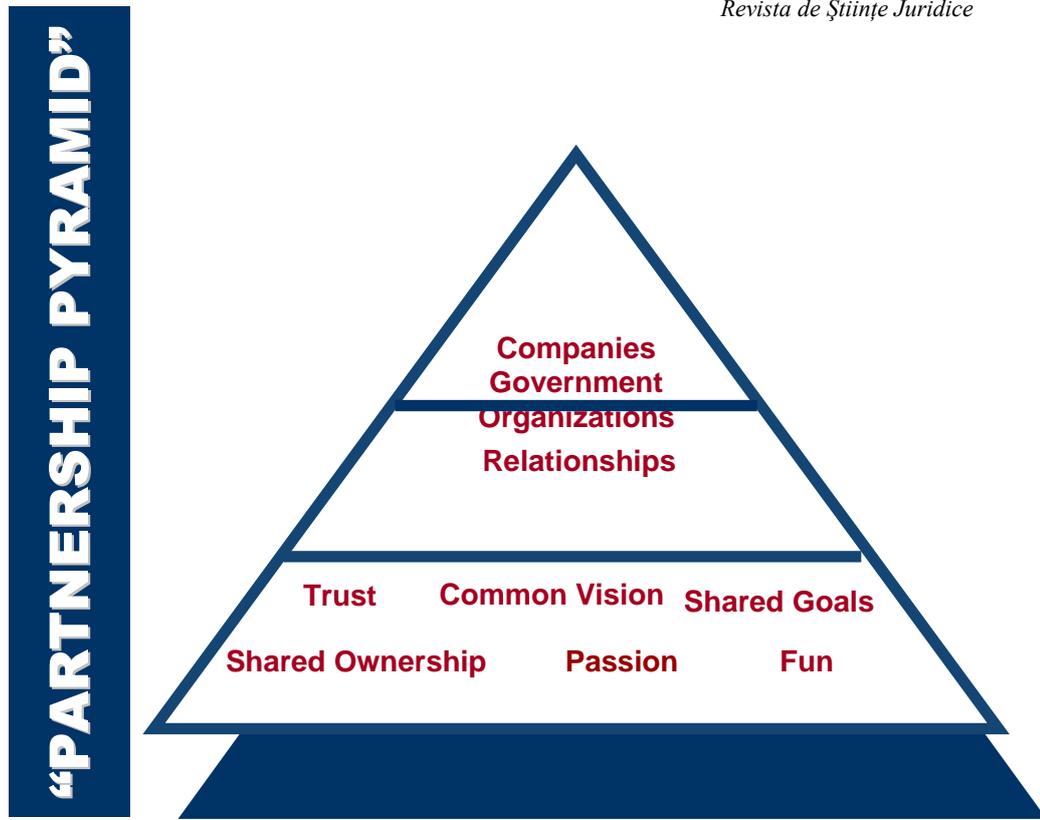
Good afternoon ladies and gentlemen. I am here to talk about partnerships. I will talk about the structure of our partnership, but I also want to talk about the passion we have for partnership and how that passion drives success. First, let me tell you about my organization, the Greater Halifax Partnership. We are a true public-private partnership. We have almost 140 business partners, which we call Investors. We also partner with regional, provincial and federal governments and have exclusive responsibility for economic development in Halifax, Nova Scotia, Canada. Our partnership with the private sector is incredibly important to us. Not only do our investors provide almost 40 percent of our funding, they give us our direction and business approach. All our business investors believe that growing our community requires their personal and corporate commitment.

Through our investor relations group, many of our partners work with us in specific ways. University and community colleges work with us on the training needs identified by businesses. Our chamber of commerce works with us to help communicate the results of our corporate surveys. In addition to our commitment, our business-dominated board is proof that we are client focused.

With 18 full-time employees, we are small enough to be responsive and innovative. We focus our activities in typical areas: Marketing, Business Retention and Expansion and Investment Attraction. We also spend a lot of time on Research and Development, which is about innovation. It is about discovering how we need to change in order to get better. This approach has worked for our community. Halifax is growing. Over the last ten years, Halifax has become one of Canada's great places to live and work. More importantly, we have become a place where young people, our new generation, our kids, my kids want to live and work. There is a reason for this. That reason is partnership. So, let me ask you: What is the most important partnership you have? How many of you here are married? How many of you did not think of that partnership first? The marriage partnership is a relationship built on trust and common goals, sharing and don't forget fun. If you have all of this in the most important partnership in your life, you're lucky.

You know how a real partnership works; it works the same way in economic development. Think of it as a pyramid, "the partnership pyramid".

* Speaking Notes, OECD Conference, Building Partnerships for Social, Economic and Employment Development, Bucharest, Romania, November 8, 2006. Fred Morley este coordonatorul parteneriatului public-privat Greater Halifax Partnership din Canada. În calitate de expert cheie la seminarului organizat de Organizația pentru Cooperare și Dezvoltare Economică (OECD) la București, în noiembrie 2006, d-l. Morley a prezentat experiența canadiană în construirea și funcționarea parteneriatelor. Răspunzând invitației d-rei. lector Voican, d-l. Morley a formulat în scris prezentarea în vederea publicării în Revista de Științe Juridice a Facultății de Drept și Științe Administrative.



At the top, the Partners themselves, the companies, the governments and the organizations that get together and draw up the partnership, on paper and in the middle of the pyramid are the relationships. Relationships are what drive partnership, the glue that holds things together in tough times. These business relationships, like a marriage, are built on a solid foundation of trust, of common vision and shared goals, on shared ownership, having a lot of passion and at least a little bit of fun. Some times people come together naturally and sometimes there is a forced union.

Let me tell you about the Greater Halifax Partnership. We had a forced union a so-called shotgun wedding. All the economic development organizations in our region came together, but it was not their idea and at first, they did not like it much. It all started ten years ago.

Ten years ago Halifax was in a serious state of decline. In 1996, our economic outlook was bleak. While most of North America was coming out of economic downturn, we were still in recession. Our key industries were in a decline, for example, there were deep government budget cuts. In total, over 8,000 public sector jobs were eliminated from the system, which included 300-million dollars in annual payroll. Young people were leaving in large numbers. The city lost more jobs and people, and we lost our pride and our confidence. The city’s business confidence was the lowest in the country, however, these bleak numbers and bad attitude, do not tell the whole story – it gets worse.

We had completely lost our sense of purpose. Separate economic development organizations, Business and Government, did not trust each other. We competed against each other.

INNOVATION

- A few leaders stepped forward... volunteered
- A public-private model, led by the private sector
- Business and government would share the:
 - Responsibility
 - Accountability, and
 - Cost
- ... Of economic development for Halifax

A group of key business and government leaders got together to talk about how we could start getting ourselves out of this mess. Our first step was a series of community meetings. As we began to understand our problem, as we reviewed best practices in other areas, we came up with a plan. Led by the Halifax Chamber of Commerce, we formed the Greater Halifax Partnership, which brought together all the economic development organizations in our region. In theory, these newly merged organizations would work with business, government, universities, chamber and other partners, to help Halifax grow. But it was not that easy.

So, we got married, we were partners, we were living together, but, we did not have the relationships. We were not committed yet to this new structure. The next step was getting rid of the distrust between economic development organizations and between business and government. There's a 6-year-old book on leadership by the Arbinger Institute. It's called Leadership and Self Deception: Getting Out of the Box. Read it. Basically its premise is that if you are blaming someone or you're blaming other organizations for all your problems, you are in the box. Getting out of the box is easy.

All you have to do is recognize you're in it. The hard part is staying out and not falling back on the blame game. So how did we deal with our community's bad attitude? We had to recognize that our problems weren't the fault of Government cutting jobs. It was not the media saying negative things. It was not that all the new investments were being steered to other places by government. It was not other cities with better programs. The problem was us. The problem was our attitude. We had to get out of the box before we could make progress. We had to change our attitude. It's funny, as soon as we stopped blaming each other for our problems, relationships started to build. People stopped blaming the other guy and started making things happen. As our relationships with our partners deepened, as we all understood our common objectives, as we began to trust, community confidence started to rise.

That's when the fun started. Let me give you one example; let me tell you how our partners and we turned around Business attitude in Halifax.



First step, we built a working partnership with our local media. We did this and then we changed the focus of all our advertising. We changed from an external focus, ads in national magazines, trade shows, to an internal focus. We looked at our major assets, like the highest educated labour force in Canada with more universities per capita than any place in North America and we started calling Halifax, Canada's Smart City. We sold the smart city to ourselves. We worked with media partners who shared a common goal with us. That goal was growth.

Media partners contributed the ad space, we created the ads, we took out TV ads, we took Radio spots, we got editorials, we got ads in every regional magazine, we got billboards, we painted buses with our message, we took out supplements in newspapers. Every dollar we spent was leveraged 5 times through committed local media partners.

We took a \$200,000 marketing budget and turned it into a million dollar campaign. We painted a timely, accurate and relevant picture. We reflected the real assets of our community. And yes, attitudes began to move. When the campaign started, our business attitudes in Halifax were among the most negative in Canada. Today, Halifax businesses are among the most optimistic in the country. Today, Halifax ranks 3rd in business confidence among Canada's largest cities. Today, 92 per cent of business people in Halifax feel positive about their future. So, we changed our attitudes and we are still changing our attitudes. This year we received the top marketing award for an immigration print campaign from the International Economic Development Council In Washington.

This partnership between the largest newspaper in our Region and the largest bank in our country focused on a common objective – attracting immigrants. The media partnerships worked. They are still working. We built the relationships we needed to make this work. It happened because we all recognized we were in this together and we all had a role to play to make Halifax a confident community. When the confidence started to build, we noticed something; we noticed that a confident community, or a confident business, seeks out opportunities. It looks more attractive to investors. It enters into international relationships more easily and confident communities and confident businesses just grow faster. Good partnerships and good relationships helped our marketing. It also helped with our

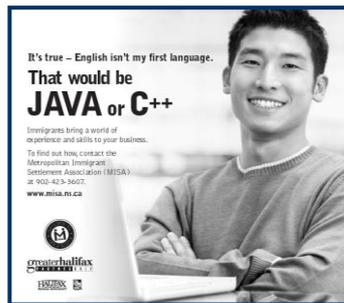
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business retention and expansion effort. Our existing businesses were telling us that we needed to spend more time with them, face to face, solving business problems, one business at a time, one problem at a time

But how do you do this? We started by spending a year identifying best practices in Business Retention and Expansion. We got involved with Business Retention and Expansion International, an association of economic professionals specializing in this field. We partnered with them, we developed a solid approach, then we approached major corporations and government organizations to fund our initiative and we partnered with them.

Then we hired four account executives to interview CEOs and identify problems. Then we asked 26 service organizations in the Financial/ Regulatory trade, to work with us in solving those problems. We found 26 new and willing partners and we partnered with them. We accomplished more with these 26 partners than we could ever do with four account executives trying to do everything.

The innovation here was simple, talk to business, find the problem that's slowing their growth and by linking that business to a service provider, fix the problem. The results have been great.



information on
This year, the
award for Best Economic
Association of Canada

Over the last 2 years, over
1,100 businesses have been visited;
2,300 jobs created and retained, with
over 600 problems solved and an
unprecedented level of quality
the issues facing businesses in Halifax.
Partnership received Canada's top
from the Economic Developers

It's nice to be recognized by your peers, but the best recognition comes from your companies. Let me give you an example, a little while ago, we paid a visit to Xerox in Halifax. During our interview, they told us about security problems related to a park across the street from their offices. The park seemed to attract strange people at night. So we went away, contacted one of our partners, the regional government about the problem. Three days later I got a call from Xerox. The Director said, "I can't believe it, there's six trucks out here, they are cutting brush, putting up lights and they are going crazy to make sure this park is safer. Thanks". Now this guy is happy, his staff are happy and he told this story

across North America and Xerox is happy and growing in Halifax. In the model, no problem is too big or too small. Problems solved range from getting a public garbage can in front of a business, to preserving 1,500 jobs at a firm about to close.



I have already mentioned, for us, partnership, real partnerships, changed everything for us. It changed the way we think, the way we talk and you know what, it even changed the way we do economic development and the development of our Economic Strategy. Let me tell you about that...

About a year ago, the Chief Administrative Officer of Halifax called me up, he said, "Fred, Halifax has never had an economic strategy, I want you to write it". Our first step was to build a Strategy Partnership. To build this Strategy Partnership we first struck an advisory committee. We reached out to the senior leadership of companies, universities, government and regional agencies, who would be involved in implementing the strategy. Once it was done, once these leaders had established the vision, and goals, I knew they would support it strongly. I knew once they had signed off on the strategies and actions, their organizations would work with us to implement. I also reached out to the managers, Economists, policy analysts and university officials; again, in the organizations we would need for implementation. I asked them to take research and writing responsibilities for sections of the strategy. So the people that would be implementing the strategy were the same people writing the strategy. This was not the first time these people had been asked for opinions, consultants do it all the time, but it was the first time they were offered ownership, a stake in the future of our city. The relationships were there, the trust was there, the passion was there and they responded. The two groups, working and advisory, worked through the summer. Some key people did not even take vacations and we got the strategy done in record time and on budget. So now we have Halifax's first economic strategy. It was written and approved by implementing partners, with every one of their best ideas and every one a best practice. Now as we drive this Strategy forward, the passion and excitement are built in.

Those that had the ideas are leading change. So the next ten years are looking pretty good to us right now. Thanks to the power of partnership in Halifax.

I could go on, but my time up here is almost up. Let me leave you with a few thoughts; let us go back to the partnership pyramid. A successful economic development partnership is more than structure; it is more than putting all your partners in the same room or even housing them in the same office space. A successful partnership is about people,

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people that have strong working relationships. Those relationships have to build on Common Goals and Values, like we have with our media partners. Finding the Win – Win like we did with our 26 partners in Business Retention and Expansion, building trust and tapping passion like we did with our economic strategy. Today things are still not perfect in Halifax, but we have come a long way in ten years. One of the things that we are very proud of is the turn around in youth migration. Halifax now has the best record for youth retention of any mid-size city in Canada.

Good things are happening to us. But it didn't happen over night. Some bad attitudes still have not gone away. And very strangely, sometimes-great success attracts criticism. At home in Nova Scotia we tell a story about a tourist visiting a fishing village. There are two boxes of live lobsters on the wharf. The first one has a cover weighed down with a heavy brick. The lobsters are bumping against it trying to get out. They are even moving the block a bit. The second box has no cover, but the lobsters are staying put. None of them are making a move to get out. So the tourist says to the Fishermen. "What gives with the two boxes of lobster?" The fishermen say. "Well you see the lobster in the first box are not from around here and if you don't cover the box they all get out and jump back in the ocean. The lobster in the second box are all from Nova Scotia and when one climbs up and is just about to get out of the box, the others just pull him back in. "So you see", says the fishermen, "We don't need a cover. They keep themselves in the box."

They keep themselves in the box. So sometimes we have to fight against our nature to stay out of the box, to stop blaming others for our problems, to build the relationships we need to grow. Let me give you one last observation on the nature of true partnership. Often we get asked: Who is responsible for the success, for the deals, for the growth, for the success in Halifax? Well let me answer this way. If at the end of each year, you sat with your husband, or your wife, or your partner and decided who was responsible for every success that happened in your partnership over the last year, do you think that would be a good thing or a bad thing for the relationship? A true partnership is not about whom gets credit; it is about reaching those common goals. All of us in Halifax are passionate about partnerships. Partnership changed our attitudes and changed how others view us and Partnerships are growing Halifax. Yes we have had success, more importantly; we have had a lot of fun. It has been fun sharing this with you.