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## Economic Forum Report

# ***NEXT STEPS...***





# DESTINY Sault Ste. Marie

## *Economic Forum Report Next Steps*

### Introduction

DESTINY Sault Ste. Marie hosted an **Economic Forum** on April 14, 2004 in Sault Ste. Marie, Ontario that included a speaker panel of 12 top professionals from various industry and economic sectors.

Insightful and knowledgeable key speakers from **Export Development Canada, FedNor/Industry Canada, Human Resources and Skills Development Canada, Ontario Ministry of Northern Development and Mines, Ontario Ministry of Natural Resources, City of Sault Ste. Marie, ASCU Community Credit Union, Algoma Steel, Scotia Economics, and Economic Professors from Laurentian University and Algoma University College** addressed the audience. \* (See appendix 'A' list of participating panellists)

*Each panellist gave their respective viewpoint on the effectiveness of the DESTINY Sault Ste. Marie Economic Diversification Strategy, the current local and global economic factors affecting the Strategy, and recommendations to carry the DESTINY Strategy forward.*

This Economic Forum Report is designed to capture the focus, priorities and recommendations identified by the panellists. This information will be used to help develop and refine a **NEXT STEPS** Strategy for DESTINY Sault Ste. Marie that identifies:

- Strengths and Challenges effecting the Strategy
- Key Messages delivered at the Economic Forum
- Assets of Sault Ste. Marie for development of Marketing Strategies

## Background

**DESTINY Sault Ste. Marie** was approved by City Council in March 2003 as a tool within a strategic framework to identify *“an approach to developing, facilitating, implementing and managing a specific set of targeted growth and diversification initiatives and projects that will create employment to support a growing population base in Sault Ste. Marie and the Region.”*

DESTINY Sault Ste. Marie is a partnership involving the private sector and all levels of government and key community stakeholders.

Implementation has been scheduled to occur over two years from the City Council approval date, May 6, 2002, with strategic results occurring for the next decade.

Funding from all three levels of government, including \$10.8 million from the municipality and nearly \$52 million from the private sector, along with developmental organizations and post-secondary institutions, contributes to the \$102 million investment associated with completing 19 of the original 31 DESTINY Sault Ste. Marie projects identified. As a result of changing opportunities, these priorities have experienced some revision, but the overall objectives and projects are still appropriate.

An Implementation Team of three staff are responsible for ensuring the Strategy is developed, implemented, and reviewed regularly, while a Steering Committee made up of representatives from the Sault Ste. Marie Economic Development Corporation (SSMEDC), the Community Development Corporation (CDC), the Chamber of Commerce (COC), and the City of Sault Ste. Marie, with assistance from the Federal and the Provincial Government advisors, provides general direction, monitoring, assistance and coordination of the projects and initiatives. A community Advisory Committee provides general guidance and advice.

Six key **Growth Engines** identified as the heart of the DESTINY Sault Ste. Marie strategy include:

1. Traditional and New Industry Development
2. Tourism Development
3. Knowledge-based Development
4. Health, Social and Public Sector Development
5. Small Business Development
6. Trade and Export Development

The key outputs of DESTINY Sault Ste. Marie will be new jobs, population recovery and a varied economy, capable of growth.

- DESTINY SSM is a three year program with it's immediate objective to create 1,500 direct jobs and 1,500 spin-off jobs in the community by 2005. Associated construction would create further employment in the community.
- DESTINY'S long-term goal is to generate 8,000 jobs over the next 10 years.

DESTINY Sault Ste. Marie is a living strategy with built in mechanisms for continual assessment, refinement and evaluation as it strives towards economic prosperity in a diversified, growing and vibrant community.

***DESTINY SSM VISION:** “Together, the private and public sectors and the community will work to make and maintain Sault Ste. Marie a leader in creating sustainable employment in a healthy, growing and diversified economy.”*

## **Sault Ste. Marie Economic Baseline**

Dr. Jong You of the *Northern Ontario Research, Development and Innovation Centre (NORDIC)* provided a “birds eye view” of the current information on Sault Ste. Marie’s industrial structure as well as its historical trend for the last three decades. His presentation highlighted employment trends in the basic and non-basic industries, and provided a Northern Ontario context for this information.

## **Strengths**

DESTINY Sault Ste. Marie strengths identified at the Economic Forum include the following:

- We have a plan
- It is a ‘Community Plan’ that has involved considerable community and stakeholder input in it’s development and management
- The six key Growth Engines identified are in line with the Fed/Nor priorities of programs to support
- Eco tourism is an area of focus for Fed/Nor in marketing Northern Ontario as a world class destination
- DESTINY SSM is a realistic plan, moving ahead with the right philosophy as a first step towards medium and long term economic diversification
- DESTINY SSM’s Strategy is streaks ahead of other communities

## **Challenges**

Challenges identified that impact the DESTINY SSM Strategy are:

- Out migration of youth and tracking of them once they leave
- Existing and anticipated shortages of skilled labour
- Trade restrictions are negatively affecting growth
- Global Competition - from China as a high skill, low cost producer, Mexico and India as a low wage producer, and Russia as it comes on stream in the next few years will be a huge competitor with their forest resources

## Key Messages

Key messages delivered at the Forum that need to be considered are:

- The Global Economy is taking off, Canada should also be looking outside of the US for opportunities
- Gradual recovery in tourism, but need to do better at marketing
- Focus on assets with many business models, rather than initiatives, and market assets face-to-face
- How can we tell youth where jobs will be if we don't know what we need?
- Immigration can be a huge growth source in small communities
- Aboriginal - fastest growing community in the North with an underutilized labour source
- Focus on Secondary Manufacturing, but not at expense of Primary Manufacturing
- Foreign Investment is the Driver to Integrative Trade
- Need to find Niche to become *Price Maker* instead of *Price Taker*
- Concentrate as a region to include all of Northern Ontario
- Focus on fundamentals – people, capital & technology
- Must include Risk – understanding & mitigating in Global Plan
- Develop and maintain a culture of entrepreneurship and support of small business
- SSM is geographically well positioned to capitalize on import/export opportunities that should be aggressively pursued
- The North is in decline while the South is growing, we must deal with this trend, but not compare Northern Ontario with Southern Ontario

## Recommendations

Recommendations to DESTINY SSM from the Forum Panellists:

1. Identify priorities and reduce projects to a handful (5-6) *asset* projects
2. Separate infrastructure (core minimums) outside of DESTINY SSM strategy and focus on value-added infrastructure
3. Find highly skilled, results-oriented, passionate *Champions* to promote, support and implement initiatives
4. Monitor & set benchmarks for projects
5. Develop a tracking program of out migrating and returning youth that includes occupational & education background
6. Develop survey of skill sets and skilled trades needed for immediate & future employment in all industry sectors, and develop customized training to attract investment
7. Work with school systems to support, develop & mentor entrepreneurship to develop future business leaders. Involve youth in community initiatives
8. Develop group of business leaders to support & mentor small businesses
9. Develop marketing strategy for Aboriginal culture & heritage to Europeans
10. Tap into Aboriginal community and immigration as growth and labour source
11. Link small & medium businesses to primary manufacturers. Complement primary manufacturing with expertise of secondary manufacturing to focus on value-added future growth industries to grow domestic market e.g. ANTHONY DOMTAR Power Joists, and pre-fab homes (Opportunities in Finland - doubled their domestic wood market)
12. Develop and use *Investment Survey Questionnaire* to understand how to market to businesses and use as awareness task to attract businesses
13. Build on existing strengths and develop *Marketing & Branding Strategies* for eco tourism, broadband & high-speed communication systems, bio-technology, natural resources, border crossing, Gateway, and Multi-modal. Promote our Educated, Motivated Bilingual Workforce and Educational assets
14. Look to future, new economy, know customers needs, and emerging markets in bio-energy, bio-oils, pharmaceuticals, etc. for value-added opportunities with higher margins
15. Develop a *Human Resource Strategy* that focuses on local people
16. Develop people-orientated, premier community model, with better life goals, to promote SSM as place to raise, educate and launch kids really well. Include education/jobs/entertainment community quality initiative testing.
17. Find niche market(s) to become *Price Maker* instead of *Price Taker*
18. Identify call centres winning business model in marketing strategy
19. Concentrate marketing efforts as a region to include all of Northern Ontario
20. Develop *Global Marketing Plan* to include, understand, identify, and mitigate risk e.g. Multi-modal asset is big potential to Asia but number of years in the making
21. Develop DESTINY SSM Marketing Strategy and execute plan relentlessly, sponsoring trade missions to maximize face-to-face contact

## Conclusion

The DESTINY Sault Ste. Marie Economic Diversification Strategy has provided a framework and wealth of information, directives, initiatives, projects, and drivers to enhance our community by sustaining and building employment opportunities, a spirit of community, and business investment in Sault Ste. Marie.

As a result of the Economic Forum it hosted, the valuable information, insight and recommendations presented by the various industry and economic sector professionals present, will enable DESTINY Sault Ste. Marie to further develop and refine an effective **NEXT STEPS Diversification Strategy** to enable our economy to grow and prosper well into the 21<sup>st</sup> Century.

**DESTINY Sault Ste. Marie would like to thank all of the industry and economic sector professional panellists, DESTINY SSM Staff, and the audience participants, for taking part in the DESTINY SSM Economic Forum.**

## Appendix List:

Supporting Info	Appendix
Participating Panellists	A