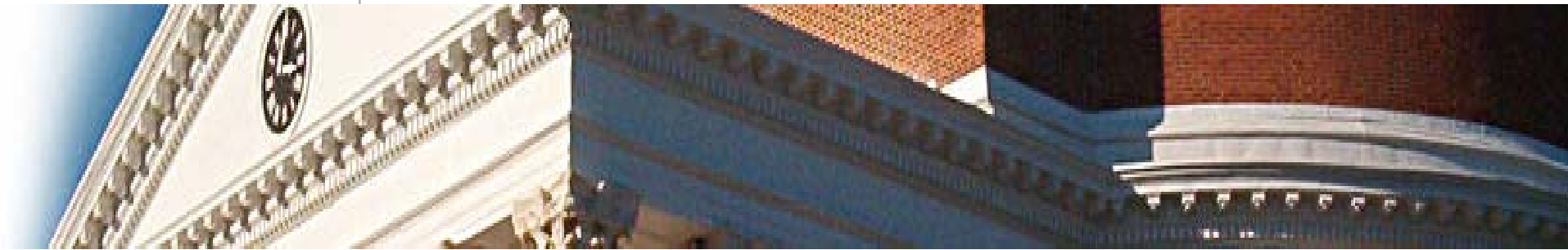


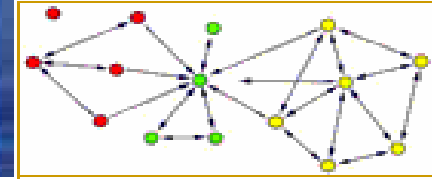
Ohio Business Development Coalition Case Study: The Power to Connect and Develop the Capability of Ohio's Regions

March 2006



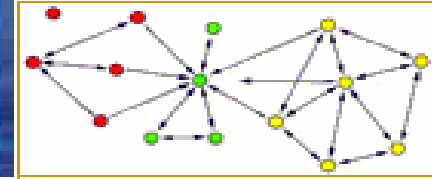
The **NETWORK ROUNDTABLE** *at the* **UNIVERSITY OF VIRGINIA**

Agenda

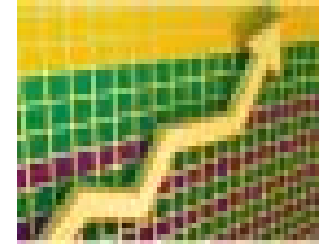


- About the Ohio Business Development Coalition (OBDC)
- How Network Analysis is Helping Build a More Effective Business Development Capability in Ohio
- Approach to Applying Organizational Network Analysis
- Key Findings and Recommendations
- Critical Success Factors and Lessons Learned
- Appendix
 - How to Interpret a Network Diagram

The OBDC's Mission is to Create a Globally Competitive Ohio Brand

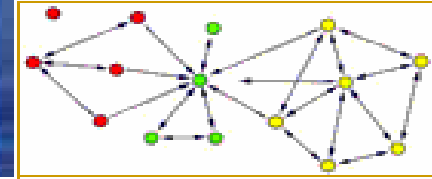


- The OBDC is a nonprofit, public and private partnership formed in late 2004 to develop and execute a targeted, proactive marketing and sales strategy to position Ohio to aggressively compete for business investment and expansion opportunities.
- The primary objective of the OBDC is to provide the Department of Development and economic regional development organizations with qualified leads and effective tools to both retain and expand Ohio companies, and to attract new companies to Ohio.
- The broad coalition includes representation from the business community, corporate marketing, communications professionals, and regional and local economic development professionals.
- The goal of the OBDC is to brand Ohio with C-level executives in target industries



**For more information on doing
business in Ohio and the OBDC:
<http://www.ohiomeansbusiness.com/>**

OBDC is Applying Network Analysis to Better Integrate People, Resources and Practices



Challenge

Unlike many other states, particularly those in the midwest, Ohio is defined by several metro areas. Integrating all areas is critical to developing a unified marketing message and brand.

Contributing to this challenge is Ohio's leadership position. Ohio has consistently ranked at the top in Site Selection's Governor's Cup award for business expansion activity (Ohio is currently ranked #2 nationally and #1 in the midwest). It's tough to convince a system that is working that it can work even better.

However, if the state could more effectively "connect and develop" deals across regions, Ohio would be considered for more opportunities and be better positioned for #1 nationally.

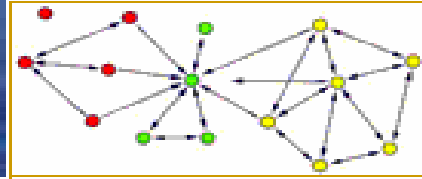


The Role of Network Analysis

Network Analysis is helping to:

- Connect and develop across regions to create a stronger value proposition when pursuing opportunities.
- Transfer knowledge of best practices (for example, how to interpret and promote new tax laws).
- Derive maximize benefit of development dollars through consistent marketing and branding, and leveraging common systems and practices.

The Network Analysis Project Ran for Seven Weeks, and Resulted in Specific Recommendations



Plan

- create network survey
- define community members
- obtain senior sponsor

Run

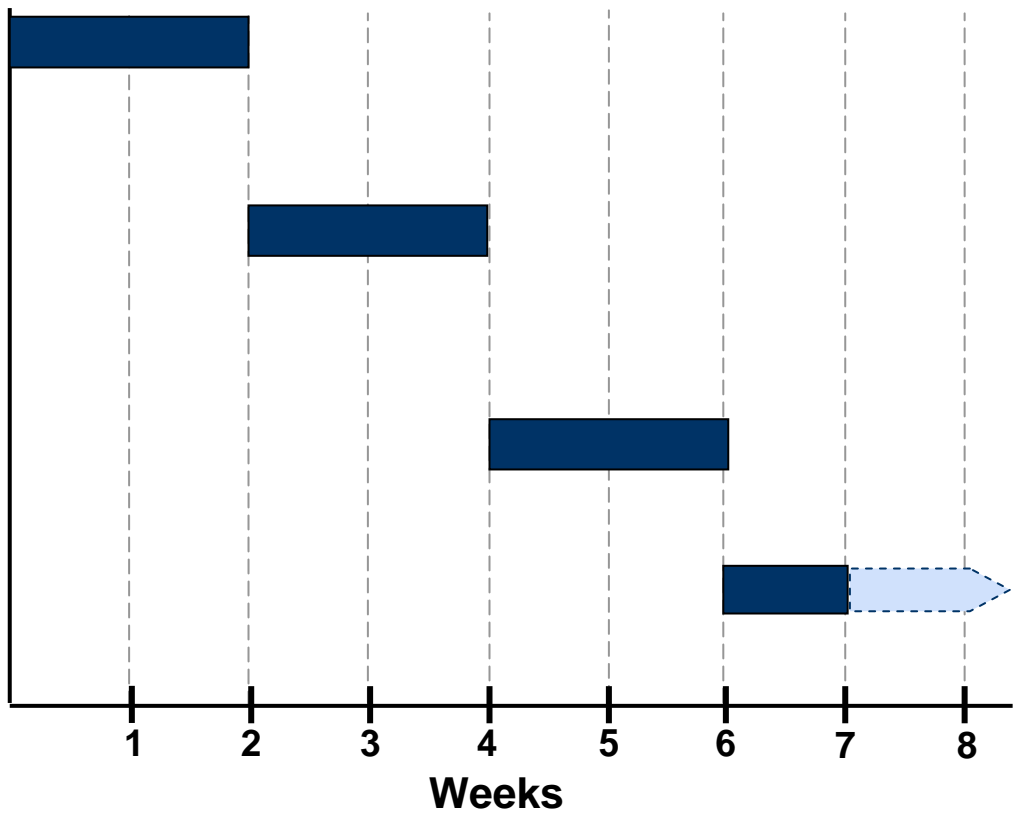
- test diagnostic with small sub-group
- administer Web-based diagnostic
- send system-generated e-mails to obtain responses

Assess

- create recommendation report
- provide personalized Web sites

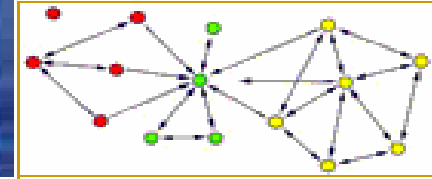
Apply

- develop and implement project plan
- take action on personal network results



In less than two months, network analysis provided important insights and identified actions that would enable the community to collaborate more productively.

Network Analysis Provided Insight into Potentially Important Performance Gaps

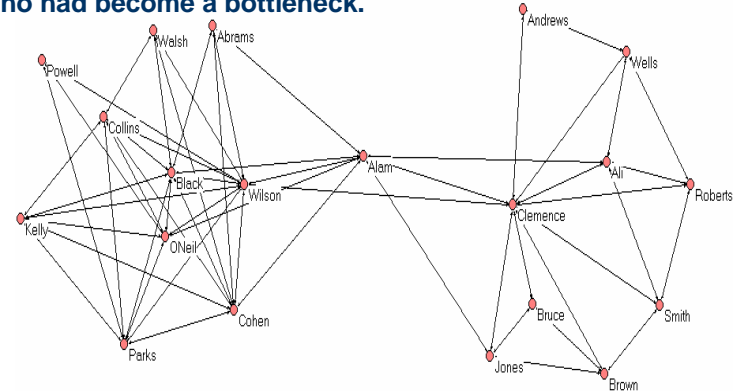


• Network Analysis Helps Identify the State of the Network

- Understand the current state
- Establish a baseline of measurement
- Produce and act on a handful of meaningful action items
- Identify resources for revitalizing a network

Initial analysis in an illustrative network:

initial analysis revealed that these two groups were divided. Expertise was not being tapped across silos and the central person (Alam) was an overloaded manager who had become a bottleneck.

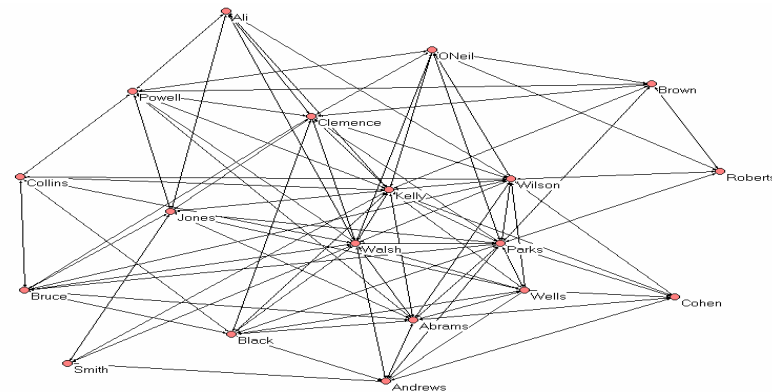


• Network Analysis Can Help Track Progress and Target Future Efforts

- Survey community members at future date
- Analyze impact of productivity interventions
- Validate investment and expand scope as warranted

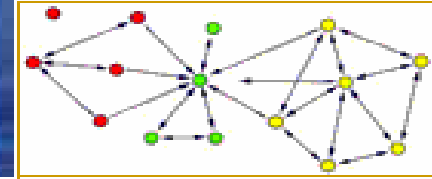
After interventions in an illustrative network:

Nine months later, after interventions, the groups operated much more fluidly. Projects were staffed with members from each group, new incentives were introduced, and the overloaded manager was transferred.



By taking a before and after snapshot of collaboration in the community, a leader can both improve effectiveness of their interventions as well as track progress over time.

OBDC Top Findings and Recommendations

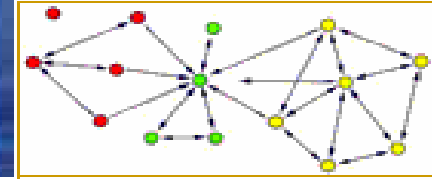


Findings

Recommendations

<p>There is a clear opportunity to connect and develop across regions.</p>	<ul style="list-style-type: none"> • Within Regions, sharing is reasonably strong. However, sharing across Regions should be stronger, particularly in regions not adjacent to each other. • Help people to become more aware of each other's expertise.
<p>The use of communication technology can improve sharing of current best approaches.</p>	<ul style="list-style-type: none"> • Telephone and face-to-face meetings are the preferred primary methods for communicating within the Ohio network, reflective of a personal sales culture. Prioritizing low- and high-touch means would increase efficiency. • New technologies could help make information exchange more timely—such as creating a Community of Practice to share best practices, respond to questions, and conduct tele-lectures.
<p>There are highly-connected people not central to the community.</p>	<ul style="list-style-type: none"> • Identify emerging pockets of excellence (highly connected organizations) and connect these people with resources to accelerate their success. • Tap into these people to leverage their knowledge and convert leads into deals.
<p>People respect and desire to adopt practices of people outside their own region.</p>	<ul style="list-style-type: none"> • People want to connect and develop between regions. Find ways to share that are consistent with the current work flow.

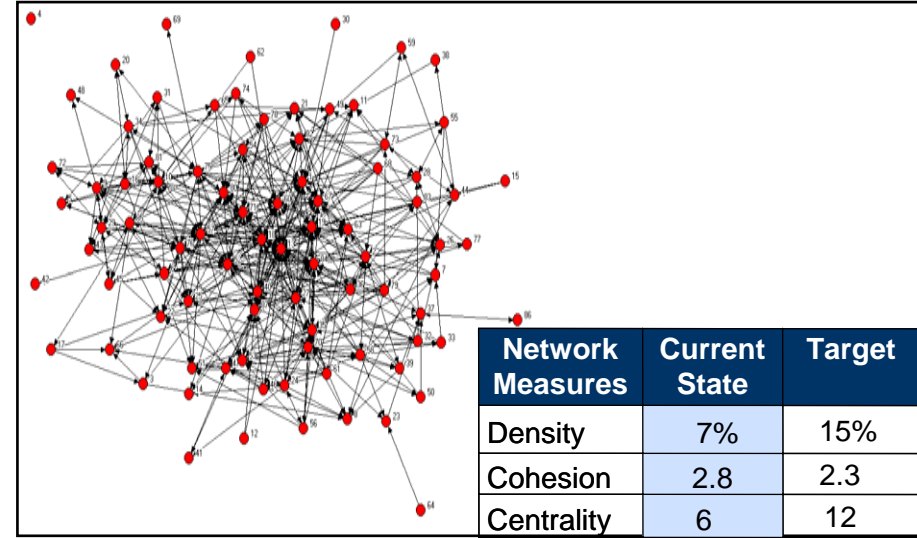
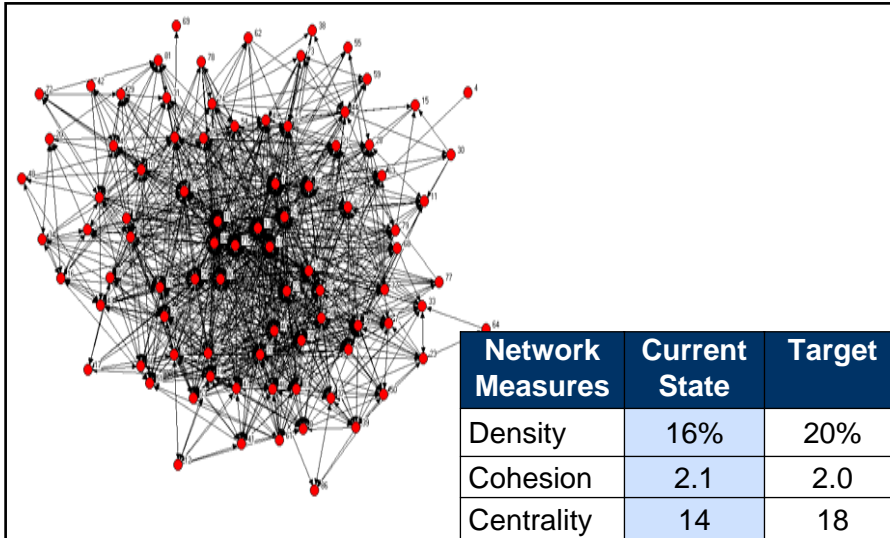
There is a Good Level of Information Sharing Quarterly, But Sharing Monthly Drops Considerably



“Please indicate the extent to which the people listed below provide you with information that helps you to accomplish your work.”

Response of sometimes (quarterly) or more often

Response of frequently (monthly) or more often

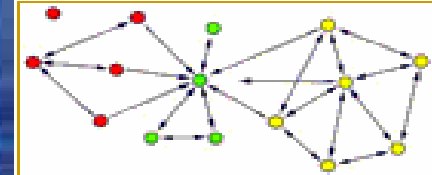


Note: Targets were determined by The Network Roundtable high performer benchmark database.

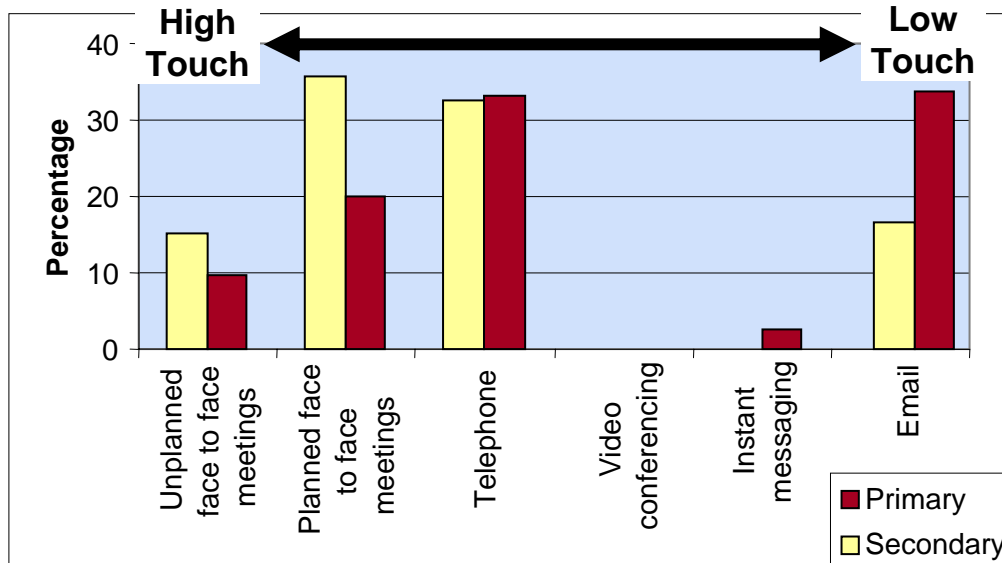
There are three key network measures worth evaluating:

- **Density** identifies how many connections exist in a network. More connections means quicker and more accurate information flow. In groups under ten or so, the density might be 100%. However, density typically decreases as the number of people in a group increases. Density in this group should be closer to 20% on a quarterly basis and 15% on a monthly basis.
- **Cohesion** shows the average number of people you must work through to get to all other people. Shorter distances mean faster and more accurate transmission/ sharing. People are much more likely to reach out to two other people (a friend of a friend) but the likelihood of reaching out and the likelihood of obtaining a response drops drastically above two people away.
- **Centrality**: measures the number of direct connections that individuals have with others in the group. Because this number is an average of all individuals, it is most useful to evaluate the connections on an individual basis. Those with no/few connections may need to improve connectivity and those with an extreme number may need to offload work.

Prioritizing the Use of High- and Low-Touch Communications Will Improve Efficiency

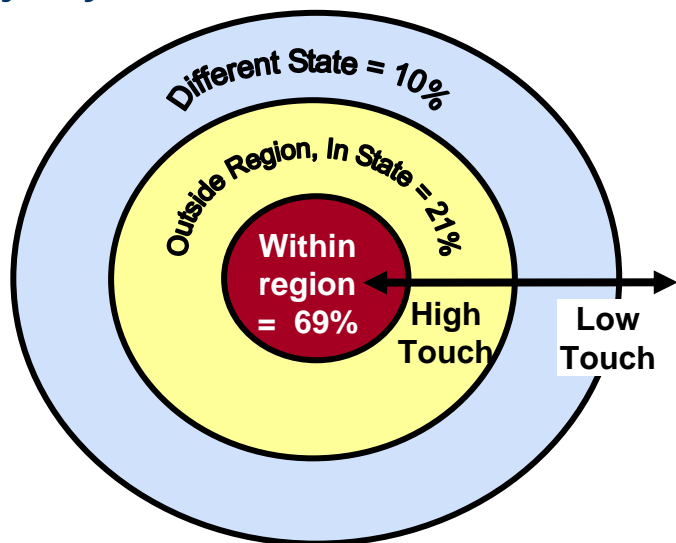


People Interact Primarily Through High-Touch



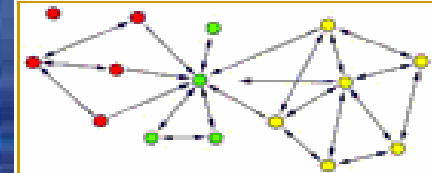
There are many times when high-touch, face-to-face interactions are appropriate, particularly for back-and-forth exchanges and for emotional information. However, when sharing factual, straightforward information across a broader group, low-touch is more efficient.

The Majority of Interactions are Within Region



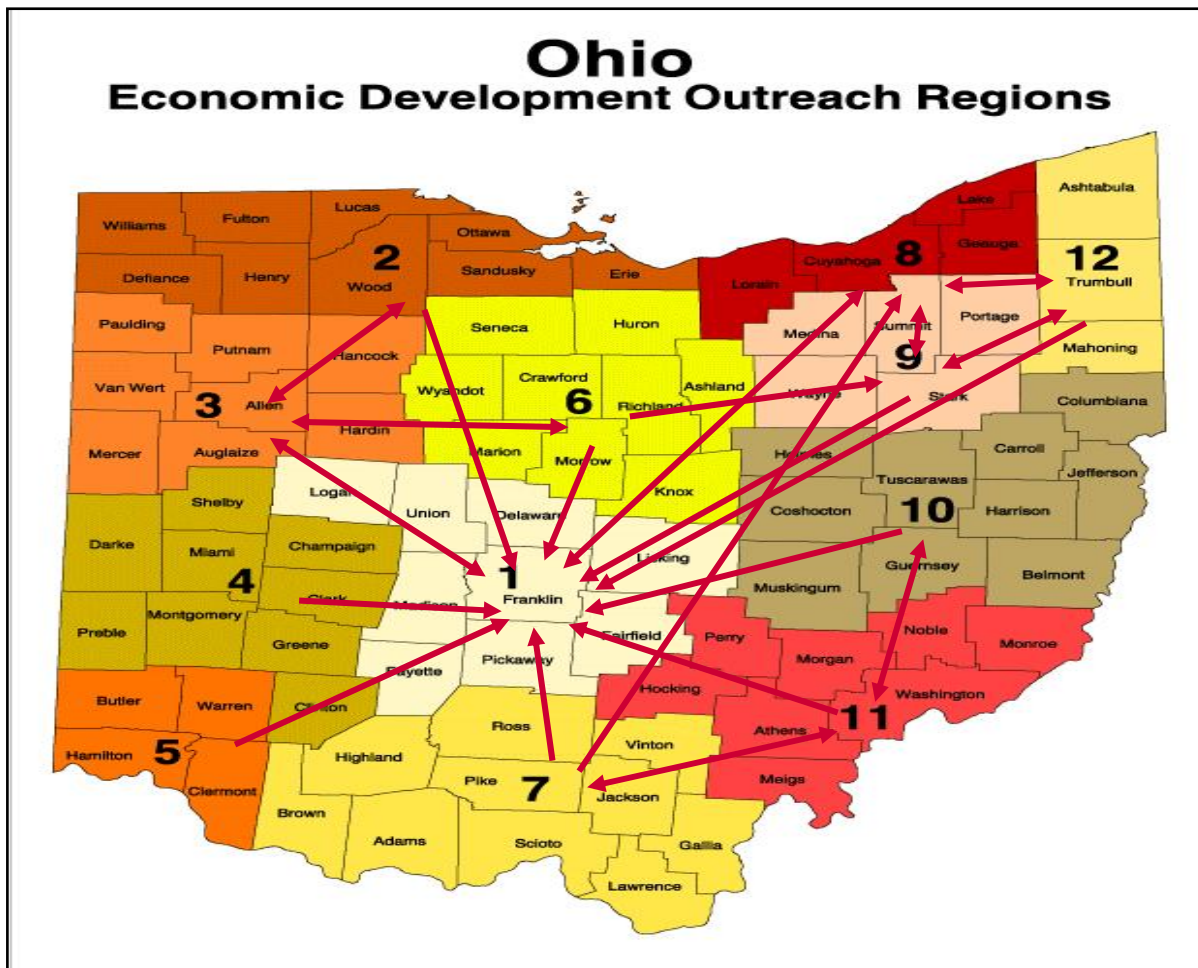
By making collaborative technologies available and prioritizing when to use high-touch and low-touch methods, Ohio's regional business development activity will be more effective.

Ohio has 12 Economic Development Outreach Regions



“Please indicate the extent to which the people listed below provide you with information that helps you to accomplish your work.”

Response of quarterly or more often

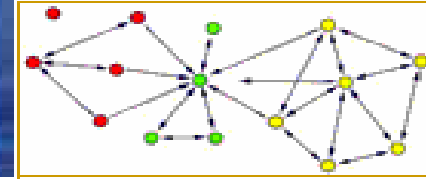


Region One is clearly at the center of the network. There are two reasons for this: the state capital, Columbus, is located there, as is Ohio's Department of Development, which is involved in all state investments.

There is a clear opportunity to improve interactions, particularly between regions that are not next to each other. One example of how this could benefit the state is if a company is considering investing dollars in medical services, both The Cleveland Clinic and Cincinnati Children's Hospital Medical Center could provide resources to describe their success.

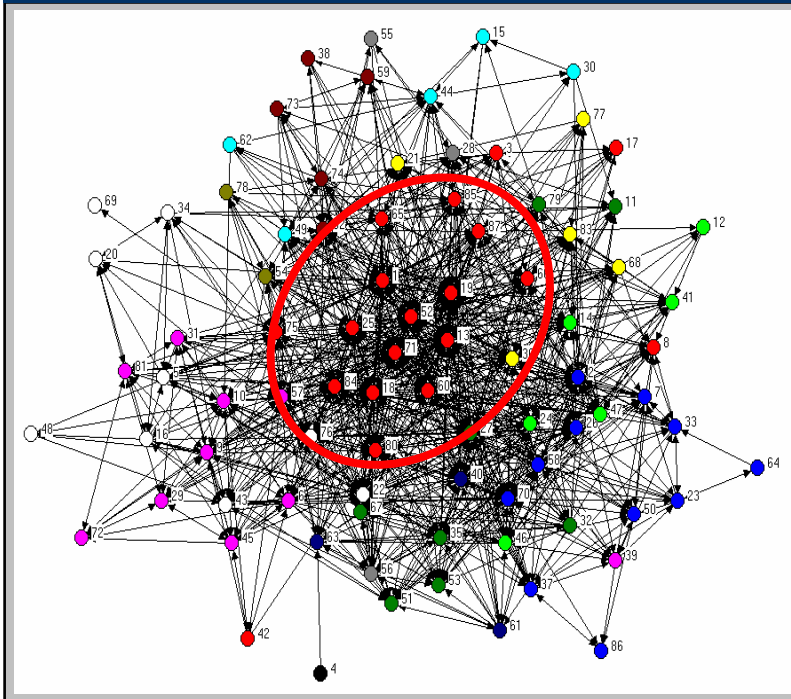
* An arrow (tie) is present where there is a somewhat adequate or greater amount of information sharing between the people in each region.

The Network Tends to Cluster by Region; People in Region One Are Very Central to the Network

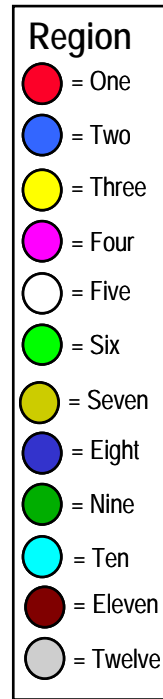
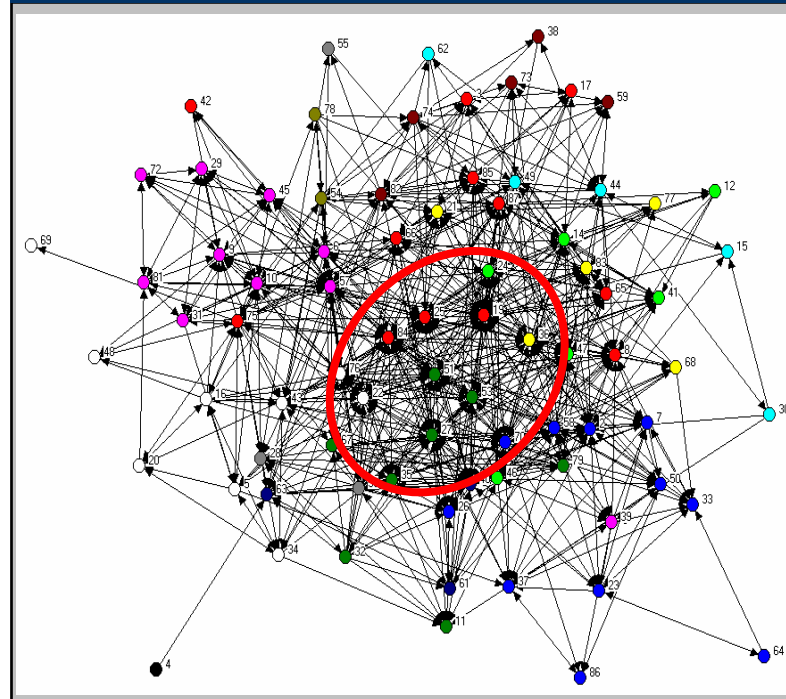


“Please indicate the extent to which the people listed below provide you with information that helps you to accomplish your work.” **Response of quarterly or more often**

Network with All Groups Included



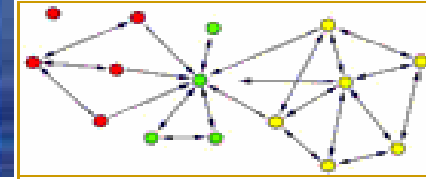
Network with the Ohio Department of Development People Removed



When the Ohio Department of Development (ODOD) people in Region One are removed, there is a 14% reduction in the number of connections. The three most central people shift from the ODOD to others within Region One.

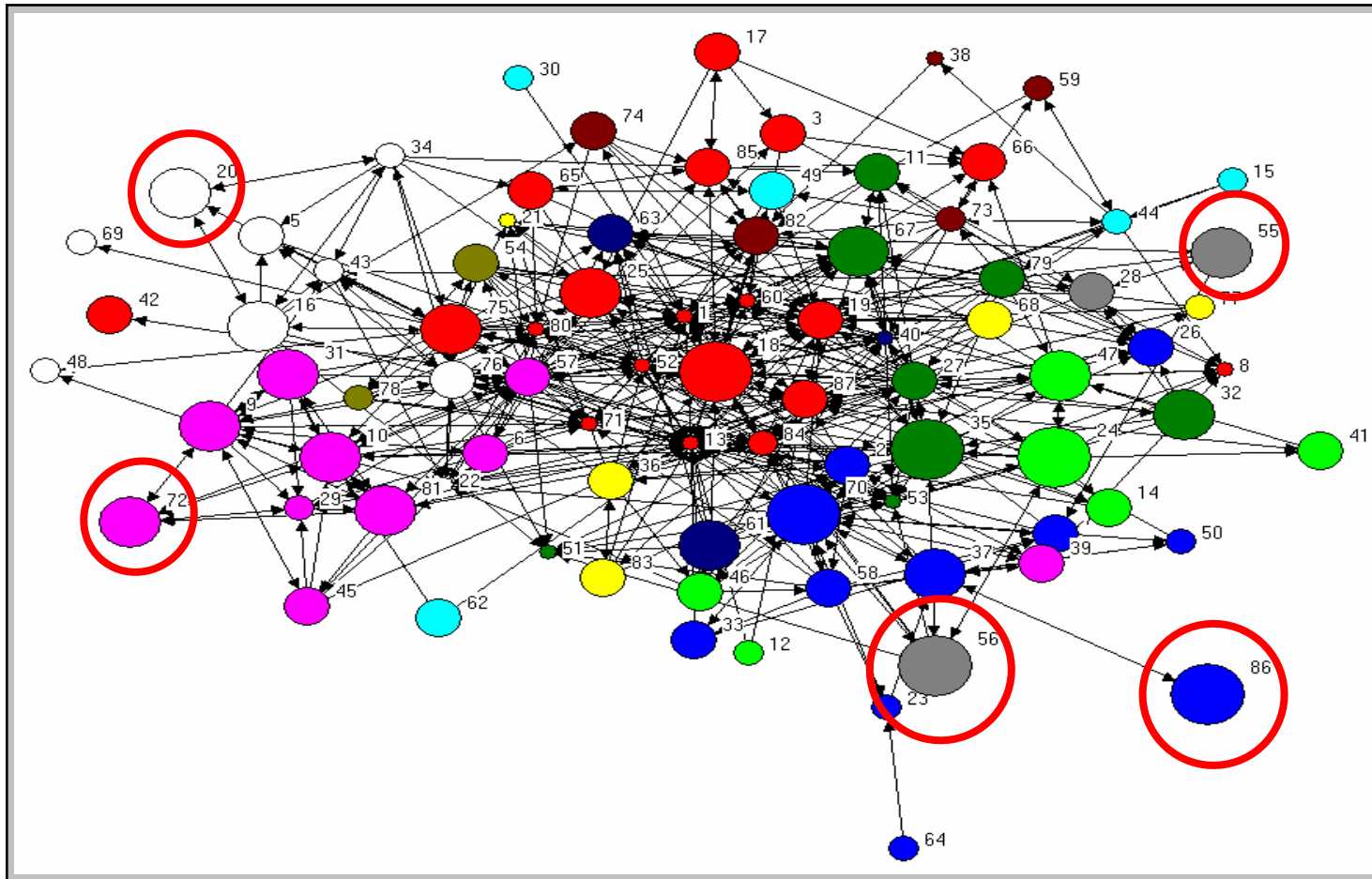
Network Measures	ODOD Included	ODOD Removed
Density	16%	14%
Cohesion	2.1	2.2
Centrality	14	8

There is an Opportunity to Leverage Peripheral People Whose Organizations Have a High Number of Leads



“Please indicate the extent to which the people listed below provide you with information that helps you to accomplish your work.”

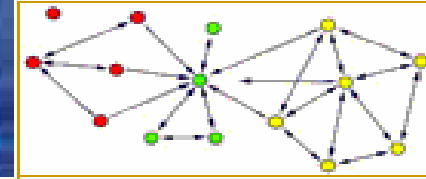
Response of quarterly or more often



Region			
Red circle	= One	Yellow circle	= Seven
Blue circle	= Two	Dark blue circle	= Eight
Light yellow circle	= Three	Green circle	= Nine
Pink circle	= Four	Cyan circle	= Ten
White circle	= Five	Dark red circle	= Eleven
Light green circle	= Six	Grey circle	= Twelve

Small grey circle	= Not applicable
Medium grey circle	= 1-10 leads/year
Large grey circle	= 11-50 leads/year
Very large grey circle	= 51-100 leads/year
Extremely large grey circle	= 100+ leads/year

Density Levels Allow Us to Understand Where Skill Sets Could Be Better Integrated



Percent of Information Interactions (quarterly or more)

		Information Providers							
		1-Neg	2-Mktg/Pro	3-Planning	4-Financing	5-Outreach	6-Leads	7-Att/Ret/Exp	8-Other
Information Seekers	1 Negotiating/Deal Closing (7)	●	●	●	●	●	●	●	●
	2 Marketing/Promotion (10)	●	●	●	●	●	●	●	●
	3 City and Regional Planning (2)	●	●	●	●	●	●	●	●
	4 Econ Dev Financing & Struct Incentives(9)	●	●	●	●	●	●	●	●
	5 Outreach to Site Selectors (1)	●	●	●	●	N/A	●	●	●
	6 Lead Generation (3)	●	●	●	●	●	●	●	●
	7 Bus Attraction & Retention/Expansion (37)	●	●	●	●	●	●	●	●
	8 Other (18)	●	●	●	●	●	●	●	●

Above Density Table: density levels on the diagonal represent collaboration within skill sets, such as sharing of best practices. Density levels off the diagonal represent collaboration across skill sets. The table is read from row to column when understanding who goes to whom for information.

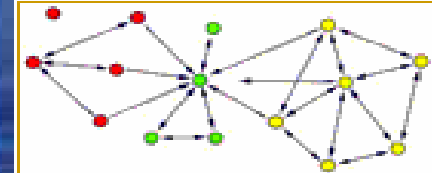
Density Level

High	>= 30%	●
Med	20-29%	●
Low	10-19%	●
V Low	<10%	●

This chart reveals interesting findings worth exploring:

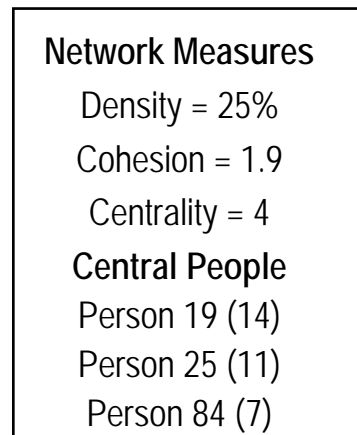
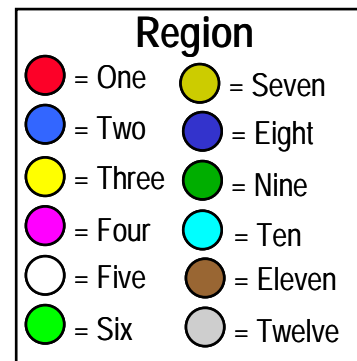
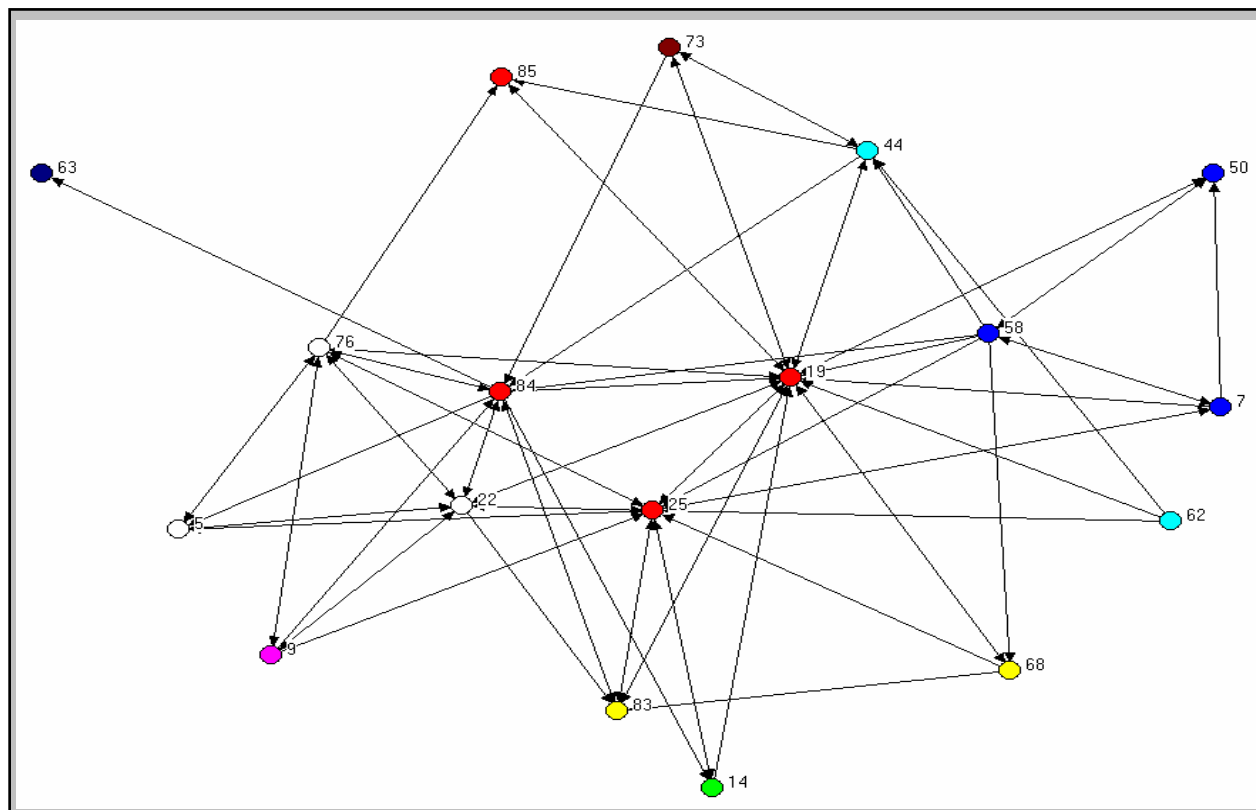
- People with City and Regional Planning skills are isolated; they interact very infrequently with others and people don't reach out to them.
- The level of interaction between Market/Promotion and Business Attraction, Retention and Expansion is low in both to/from each other. By leveraging these skill sets, more business may be attracted. There is a similar set of few interactions between Negotiating/Deal Closing and Financing & Structuring Incentives.

Each Skill Network Can be Mined for Improvement Opportunities



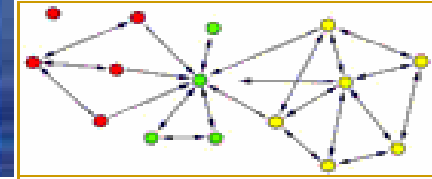
“Please indicate the extent to which the people listed below provide you with information that helps you to accomplish your work.”

Response of quarterly or more often for the skill of “Business Attraction”

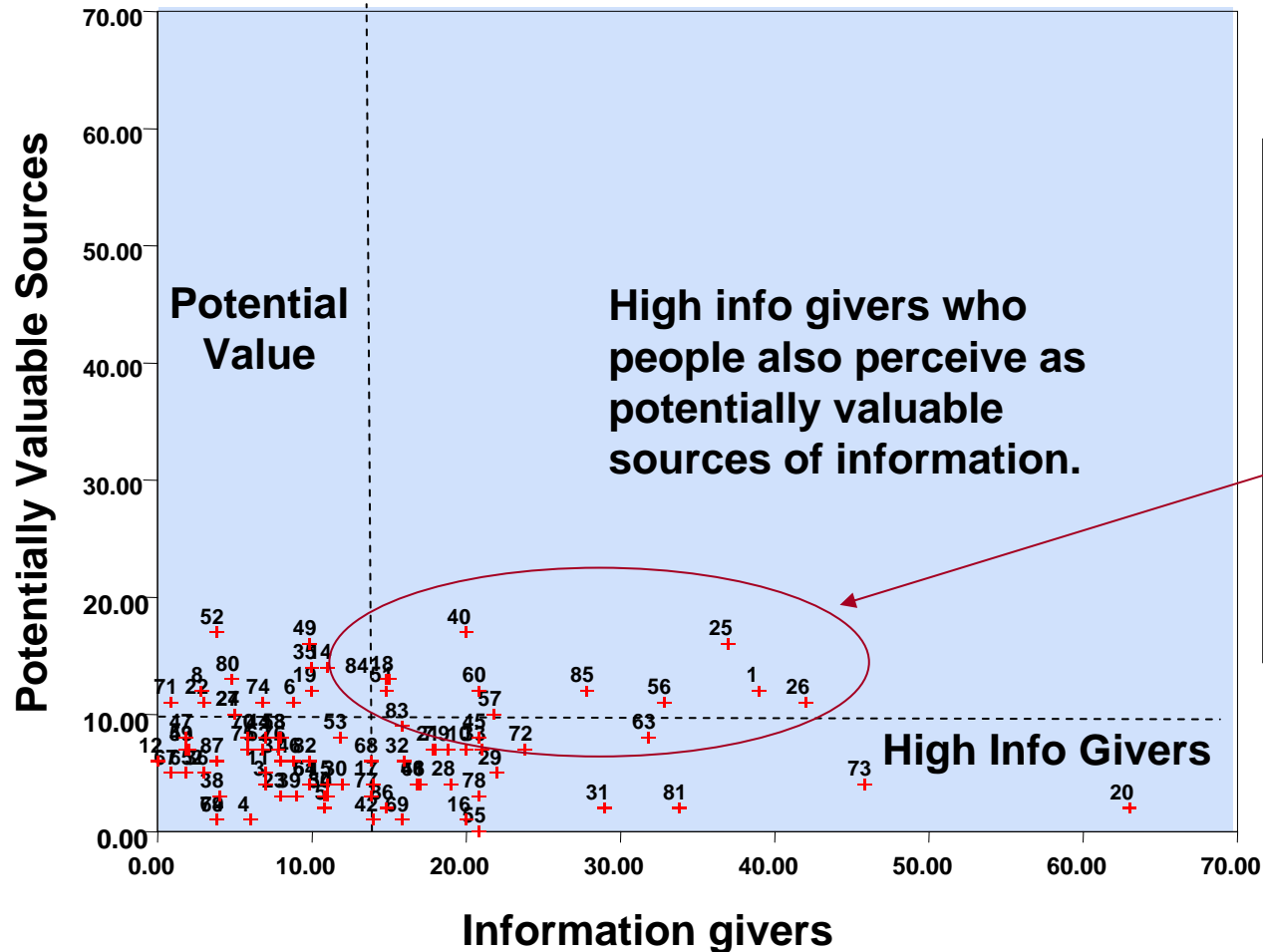


By sharing “business attraction” best practices across regions and going to market together as practicable, the potential for Ohio to attract more business increases.

The Analysis Revealed a High Degree of Respect and Desire to Adopt Other's Practices

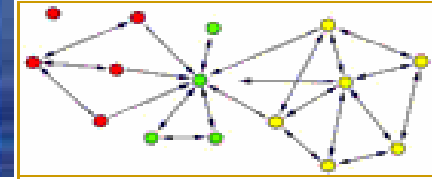


People Who Provide Information Quarterly or More and Who are Also Perceived as Valuable Sources



Many of those who already give information are seen as potential sources of valuable information by others. These people represent a good place to begin leveraging best practices and could make good community leaders.

Network Analysis Produced Detailed Individual Analyses, In Addition to Group-level Feedback



George's Personal Network

Location:	
Same city	= 7
Different city, same county	= 0
Different county, same region	= 0
Different region, same state	= 8
Different state	= 0

Time Known:	
Less than 1 year	= 0
1-3 years	= 1
4-6 years	= 0
7-10 years	= 2
10+ years	= 12

Role:	
Negotiating/ Deal Closing	= 0
Marketing/Promotion	= 0
City and Region Planning	= 0
Grant Writing	= 0
Economic Dev. Financing	= 1
Structuring Incentives	= 1
Fundraising	= 0
Outreach to Site Selectors	= 0
Lead Generation	= 1
Business Attraction	= 3
Retention/Expansion	= 0
Other	= 9

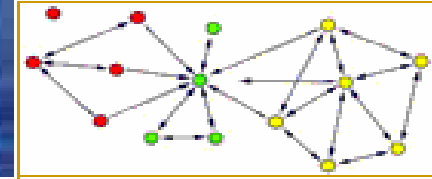
Method of Interaction:	
Unplanned f-f	= 3
Planned f-f	= 4
Telephone	= 8
Email	= 0
Instant Messaging	= 0
Video Conferencing	= 0



George, a very central person with the OBDC, identified 15 people that were important to him in terms of providing information and helping him to think about complex problems. Here is a sample of what George learned from his personal network:

- his most important relationships aren't spread out geographically, but concentrated in the same city and a nearby region. Perhaps George should look to people in other areas.
- George's relationships tend to be with people he has known for over 10 years! He should develop new relationships as well.
- George would be more successful if he could connect with people who have more diverse skill sets.
- George uses the telephone and meets with people face-to-face. Using low-touch means of communications would help him to be more efficient and effective.

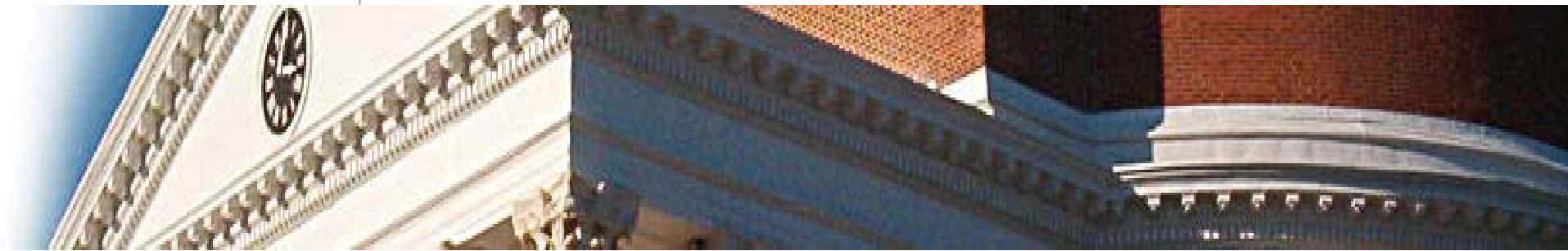
In the Short Time Since Completing the Network Analysis, Progress Has Already Been Made



- Creating a pilot Community of Practice with the marketing community to improve information flow, particularly for sharing of best practices (with the byproduct of encouraging codification of processes).
- Instituting a matching grant program which provides business developers with funding based on their private matching dollars.
 - Identified seven coordinators, who were key influencers in the network, to help manage the matching grant program. Coordinators are responsible for ensuring project compliance with the program requirements. Importantly, monthly coordinator meetings are an opportunity to share project proposals and build upon the ideas to create a bigger impact concept.
 - This incentive systems should help to build trust and encourage collaboration across the network; a key step in unifying the regions.
- Deploying an advertising campaign which is designed to be deployed at the state level, with templates easily adaptable for local regional use.

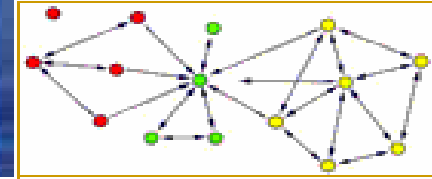
“The network analysis has provided the quantitative data to convince the community that new work practices need to be adopted in order to improve overall effectiveness. It has helped us overcome the communities' natural inertia with respect to meaningful change.” —Edward Burghard

Appendix



The **NETWORK ROUNDTABLE** *at the* **UNIVERSITY OF VIRGINIA**

Why We Should Focus Our Attention on Organizational Networks



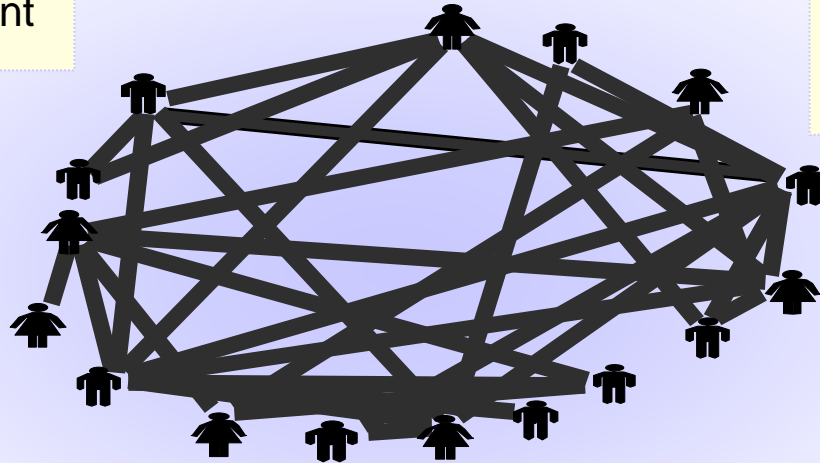
Key Reasons Why Organizational Networks Are Important

Where Work Happens

- Lack of boundaries
- Informal networks increasingly important

Where People Engage

- Join and commit to people
- Trust accrues in networks of relations



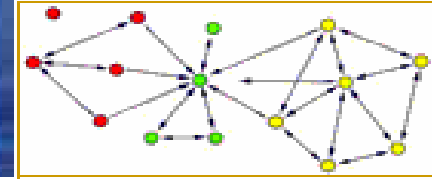
Where Knowledge Lives

- Rely on people for information
- People can provide more than databases

BUT...

- Invisible
- Complements formal structure

How to Interpret a Network Diagram



- **Central People**

- Are an important source of expertise
- May become bottlenecks

- **Peripheral People**

- Are underutilized resources
- Feel isolated from the network
- Have a higher likelihood of leaving

- **External Connectivity**

- Provides balanced and appropriate sources of learning
- Holds relevant influence with key stakeholders

- **Brokers**

- Are critical connectors between diverse information sources and specific kinds of expertise. High leverage points.

- **Fragmentation Points**

- Affect information flow across boundaries (e.g., cross functional, hierarchical, geographical, or expertise)
- Provide targeted opportunities

- **Personal Connectivity**

- Improves community leader effectiveness
- Enables grass roots network development efforts

