

# TORONTO GLOBAL BUSINESS PLAN

October 1, 2020 – March 31, 2021

FINAL





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## INTRODUCTION

### Setting a Course for the Future

As the global pandemic continues to create strong economic headwinds, Foreign Direct Investment (FDI) will become an increasingly important tool in the rebuilding and recovery of our economy. FDI brings new jobs and investment – fueling economic growth and working to build prosperity across the Toronto Region.

As the region's leading investment attraction agency, we see our role as championing that rebuilding and recovery effort - and doing it in a big way. By leveraging the Toronto Region's competitive advantages and strengths, and working closely with our partners, we will focus our efforts on attracting large scale companies and projects that have the greatest economic impact across the Toronto Region, as well as prioritizing our target markets for maximum impact. Noting the importance of our partners in achieving our long-term goals, we will create a team focused on building and maintaining these important relationships.

As we enter the second half of 2020, the impact of the global pandemic on Canada's economy is becoming clearer. Second quarter figures released by Statistics Canada in August show an annualized decline in GDP of 38.7 percent. Similarly, Global FDI flows are predicted to drop in the magnitude of 30 to 40 percent.

As the business and financial capital of Canada, the country will look to the Toronto Region to help lead the way in our domestic recovery. We believe Toronto Global is uniquely positioned, alongside our partners, to be at the forefront of these recovery efforts.

In the face of the global pandemic, our Business Plan for 2020-21 is set to meet the challenges of COVID-19 head-on; and while the nature of our business has changed, we will remain flexible and adaptable in our approach to attracting FDI with a clear long-term vision in mind: to ensure that the Toronto Region is viewed as a top destination for FDI globally, and position Toronto Global as one of the top FDI organizations in North America.



## **Approach to Business Planning in 2020-21**

Since the global pandemic was declared in March 2020, Toronto Global has taken a flexible approach to its business planning and budgeting process for the year, while conservatively managing operating and capital expenditures. Using a two-pronged approach to our planning and budgeting cycles, we tabled an interim business plan for the first six months of 2020 that ran from April 1, 2020 to September 30, 2020. For the remaining half of the fiscal year, we are tabling a recovery Business Plan covering the period from October 1, 2020 to March 31, 2021.

While we had hoped that the external environment would have stabilized for the second half of the fiscal year, we believe both the external environment and the global economy are still in recovery with limited growth at this juncture. A review of the current global economic environment is included in the following business plan to set the context for our approach to business for the remaining six months of this fiscal year.

It is important to note that this next six-month plan reflects a substantive change in the way we do business. We have moved almost completely online. While our investment inquiries continue unabated, the way we work has gone digital. This reflects a trend right across the investment attraction landscape. In a recent survey of 145 investment promotion professionals by Wavteq, an international investment advisory firm, the number of Investment Promotion Agencies and Economic Development Organizations implementing more digital services, to minimize the need for investors to make site visits, has more than tripled since the beginning of the pandemic. In that survey, 56.6 percent of respondents confirmed their shift towards digital services from a pre-crisis level of 20.7 percent.

This plan also sets forth metrics for the organization for the fiscal year. While at this stage we are still in uncharted waters, we have laid out performance ranges and targets that reflect the current volatile economic environment. All Toronto Global staff are guided by performance metrics and targets set by the Board, and while it is impossible to predict outcomes in the current context, we have done a thorough review of our pipeline and prospects to establish a range of potential outcomes over the course of the next six months. We will be closely evaluating the reopening of our domestic and the global economy and will bring regular updates to the Board and our funding partners.

Finally, we have recently onboarded a new CEO. With a new CEO at the helm, we will look toward implementing this business plan for the second half of the year and developing a five-year strategic plan for the organization in 2021.

## **CURRENT GLOBAL MARKET ENVIRONMENT**

### **Global FDI Flows**

As we enter the second half of 2020, it is clear that a full domestic and global economic recovery has yet to take place. Current projections across leading organizations from Global Affairs Canada, the IMF, World Bank and the Bank of Canada point to a continuing decline in global economic trade and investment flows:

- + Global FDI flows are predicted to drop in the magnitude of 30 to 40 percent.
- + Global supply chains have been severely disrupted as economies were placed in lockdown, borders were closed, and companies and governments looked for options to rationalize and retool existing operations and processes to meet new demands.
- + Companies are rethinking expansion and growth decisions and have placed projects on hold as they focus on business continuity and cost containment.
- + International travel restrictions and quarantines are still in place, limiting business travel by as much as 70 percent.

Given that greenfield FDI flows are projected to decline by 30 to 40 percent by March 2021 worldwide, we know this situation could worsen depending on the length of the pandemic. Not only is the number of potential FDI projects lower, but the size of those projects, both in terms of net new jobs and invested capital (capex) is also expected to be smaller. As a result of the border closures and other restrictions, combined with the decline in inbound FDI flows, domestic investment projects are projected to account for over 90 percent of all investment projects by the end of 2020.

### **The Domestic Landscape**

The COVID-19 pandemic is having a profound impact on the Toronto Region's economy. For Toronto Global's funding partners, the economic downturn has had an immediate effect, with firms experiencing significant revenue shortfalls, large reductions to the workforce, and mandated closures. Our municipal funding partners are further impacted by the immediate needs of local businesses and residents during the crisis, with resources being reallocated to respond to frontline service delivery and assistance efforts. Accordingly, Canada is tracking along the same lines, with Q2 FDI flows into Canada dropping by 46.9 percent compared to the same period last year.



## **The Impact on Our Business**

Similarly, the COVID-19 pandemic has had a pronounced impact on the organization's business model. Not only is the global pool of potential FDI projects smaller and competition higher, but the organization's ability to successfully close these transactions has been impaired.

While pipeline levels have remained healthy, Toronto Global's ability to achieve successful close-wins under the current definition is facing roadblocks that include travel restrictions, which prevent final project due diligence from being completed; site inspections and transfer of foreign workers; and COVID-19 lockdown measures that inhibit recruiting, site-related decisions, and a general ability to conduct business. In addition, recent changes to the labour market, including an increasing trend in remote working, and real estate markets, where the demand for physical office space has declined, present longer-term challenges to quantifying jobs and capital investment associated with a project.

## **RESULTS-TO-DATE**

Despite the current global context, our team was able to deliver results for the region in the first half of this fiscal. As of August 26, 2020, our results against KPIs are:

- + Investments: 10
- + Jobs (over three years): 490
- + CAPEX (over three years): \$105 million

Investment Attraction performed as follows against its committed initiatives in the interim business plan.

## KEY PERFORMANCE INDICATORS

Recognizing the impact to our business, we are revising our 2020-21 Key Performance Indicators (KPIs) to reflect the pandemic’s impact to our business. In-line with current projections in FDI flows, and analysis of our existing pipeline and forward-looking economic indicators, we are revising our KPIs, and developing a target range of new investments, jobs and capex that reflects the current level of uncertainty. These form our core KPIs for the entire 2020-21 fiscal year.

	<b>Core KPIs</b> (Greenfield FDI)
<b>Investments</b>	20 - 25
<b>Jobs</b>	1,000 – 1,200
<b>Capital Expenditure</b> (\$ million)	150.0 – 190.0



Additionally, we are tracking a supplementary range outside of our core KPIs, reflecting other types of investment projects where Toronto Global may be able to facilitate additional economic growth outside of traditional greenfield FDI, including mergers, acquisitions, remote work operations and domestically sourced projects. As an initial step, we have estimated this range as noted below. It is important to note that this supplementary range is not part of our performance metrics, but is included as an aspirational target.

	<b>Supplementary Range (Other Projects)</b>
<b>Projects</b>	5 - 15
<b>Jobs</b>	250 – 700
<b>Capital Expenditure (\$ million)</b>	40.0 - 120.0





## INVESTMENT ATTRACTION

The Investment Attraction team is the front line of our organization and represents the core of Toronto Global's work, with the organization's KPIs aligning directly with the team's activities. While the first six months of 2020-21 were focused on protecting our pipeline of leads and ensuring the Toronto Region remained top of mind for potential investors and key partners, the second half of the fiscal year introduces a number of new investment attraction initiatives that meet the challenges of the global economic downturn head-on. In doing so, the team will focus on moving our prospecting and outreach efforts fully online – continuing to engage industries and markets that signal the need for expansion and continuing to target larger projects with higher economic multipliers. Our efforts will remain adaptable and flexible in driving economic growth, as we seek additional opportunities outside of traditional greenfield FDI to add jobs and build economic growth across the Toronto Region, thus doing our part to enhance the region's recovery.

Our tactics will continue to be heavily proactive in nature, recognizing the increase in competition globally for a shrinking stock of FDI projects. We will aim to focus those efforts on recruiting large, high-impact and globally recognized firms (i.e. Fortune 500), and prioritize projects that yield 500 plus jobs, which will continue to grow and solidify our place as one of the premier business and financial centres in North America. In doing so, we will be re-evaluating how we recognize and incentivize our team to win these "impact deals" for the Toronto Region. As part of this push, Toronto Global will seek to build out a team dedicated to sourcing these strategically important projects as well as capitalizing on our number one advantage: talent.

Finally, in light of the repositioning of global supply chains, we are working to bring onshoring or reshoring activity to the Toronto Region.

### Capitalizing on our Talent Advantage

Recognizing the central role talent plays in today's knowledge economy, and its factoring in firms' relocation and expansion decisions, Toronto Global will build capacity within the Investment Attraction team that specifically captures the strengths of our talent advantage across the region and uses this knowledge centre as a tool in recruiting firms to the Toronto Region as well as advancing opportunities through our pipeline.

### Proactively Targeting Key Sectors and Markets

Toronto Global's pipeline of opportunities represents the organization's collective efforts in investment attraction, and is our strongest asset. The investment attraction team will continue to proactively target markets and sectors that have the highest

potential for FDI. In doing so, we will re-evaluate our priority markets to focus on those with the greatest return during the global pandemic. In addition, while travelling to market will not be possible for some time, the Investment Attraction team will continue to pivot toward new methods of engaging with clients remotely. Initiatives include:

- + Continuing to build on the use of digital outreach techniques with clients and partners, with the goal of remaining a leader when it comes to client service and engagement with in-market partners.
- + Engaging firms and industries that show signs of growth or have an active need to undertake expansion projects during the current economic situation. In particular, technology-related opportunities across all sectors will remain a major focus as digitally driven businesses continue to show growth.
- + Continuing to focus on supply chain-related opportunities. Toronto Global has developed a targeted program called SCORE (Supply Chain Onshoring, Resilience and Expansion) to actively target foreign firms as they re-evaluate their supply chains and attract these operations to the Toronto Region. As part of this, we have applied to FedDev Ontario, our federal funding partner, for incremental funding for this project. Funding would be used to form a distinct project team to manage the program.
- + Monitoring growth signals across other sectors and verticals and positioning the team to take advantage of opportunities immediately, ensuring the Toronto Region is 'top of mind' for investment.
- + Adding additional resources to markets where we are seeing the strongest activity as well as enhancing our ability to undertake a tactical and strategic approach to attracting large scale investments. In doing so, we are repurposing funds initially allocated for travel to areas of the department that continue to generate leads and opportunities.

### **Exploring Additional Opportunities to Generate Economic Growth**

Recognizing the role FDI plays in economic recovery, and the severe impact the pandemic has had on our funding partners, Toronto Global will focus supporting recovery efforts on generating economic growth outside of traditional FDI. In doing so, we are following best practices used by our domestic counterparts and Invest in Canada and moving to take advantage of quickly emerging trends in both the domestic and global economy, including an increasing focus from multinational firms on mergers and acquisitions, and a movement toward remote working models. Similarly, with the decline foreign investment flows, domestic projects have risen in prevalence. Recently released figures from Statistics Canada and Wavteq support this analysis.



In working with our clients and prospective investors, we are receiving strong signals that, during this time of heightened risk and uncertainty, there is increasing interest in these types of transactions. The Investment Attraction team is well positioned to help facilitate these transactions and ensure that economic value is captured.

In all cases, we will work directly with our funding partners to ensure there is no duplication, overlap or infringement upon prior relationships.

- + Opportunities involving mergers and acquisitions or joint ventures, provided there is tangible economic value derived from the project. We will focus on projects where there is a clear mandate to add additional jobs as part of the transaction.
- + Facilitating investment projects that are using a remote work model, provided the majority of the remote workforce is located in the Toronto Region. Recognizing the impact to the region's commercial real estate market, we will work to convert these projects to physical office locations when the market permits.
- + Sourcing domestic investment projects, located outside of the Province of Ontario, provided these are expansions of existing business and not relocations. Where possible, this will be conducted in partnership with our local economic development counterparts across the country.

### **A Continued Focus on Regional Opportunities**

The Investment Attraction team continues to prospect for projects with an expressed interest or need to locate within the 905 and works to present the full range of attributes across the entire region to potential investors. We will maintain our focus on working toward a more equitable distribution of investments throughout the entire region, moving toward a notional target of a 75/25 split in investments for the 416/905 areas over the course of five years.

To this end, we are tracking toward strong regional results in 2020-21. Of the 10 investments completed to date, two have located within the 905. We expect this number to increase over the final six months of the fiscal year, in-line with our focus on pipeline diversification, targeted prospecting initiatives, and most importantly, working closely with our municipal funding partners. We are also taking advantage of investors' immediate need for purpose-built facilities (for example, warehousing, manufacturing) found outside the downtown core. We are stepping up our regional initiatives, including:



- + Working with our municipal partners to capture core areas of investment readiness for each municipality and build a plan that identifies the key success factors to attract long term employment opportunities and investment growth. Inspired by Opportunity Zones, this would incorporate municipal development plans, key sites, cost advantages, and long-term objectives for each municipal funding partner and work to spread prosperity across the region.
- + Launching Targeted Regional Campaigns where we will work directly with EDO partners to run targeted prospecting initiatives based on local assets and regional strengths. Led by the investment attraction team, these projects will leverage the assets of the entire organization, including targeted prospecting, digital awareness campaigns, and development of business cases and information packages. The goal of these campaigns will be to recruit more companies that will locate within the 905 and build stronger partnerships with our EDO partners.
- + Targeting investment opportunities in sectors with higher economic multipliers to maximize the impact of FDI within the 905, particularly advanced manufacturing verticals and sub-sectors.
- + Working closely with municipal funding partners to identify gaps and opportunities in local supply chains and target international firms that can meet these challenges. We are prioritizing the areas of automotive, food and beverage, energy, medical devices and pharmaceuticals.
- + Ensuring regular updates on projects expected to locate in the 905 are communicated to our EDO funding partners and continuing to understand the evolving needs of our EDO partners and to determine where our teams can add the most value.

### **Strengthening Partnerships**

Partnerships will continue to be an increasingly important aspect of investment attraction. The inability to travel has increased our need to work closely with in-market partners, like the Trade Commissioner Service, provincial SEOs, and local chambers of commerce. Domestically, organizations like Invest in Canada, the Province of Ontario (including the upcoming Invest Ontario organization) and regional economic development offices will also continue to be important partners as we work toward recovery.

In particular, we are working alongside the Toronto Region Board of Trade in the development of the Reimaging and Recovery Framework (RRF), which will be vital to the region's rebuilding efforts. We are also working to support the municipalities of the GTA as part of the Greater Toronto Area Economic Development Alliance, a group



dedicated to sharing best practices, programs and insights on how to support recovery efforts through economic development. Finally, local industry groups and innovation centres, like universities and colleges, will continue to strengthen the organization's network. Partnership initiatives include:

- + Ensuring the region continues to be showcased as a premier destination for investment, and that Toronto Global remains top of mind and a partner of choice with partners, multipliers and other interlocutors.
- + Gathering additional intelligence from key markets and sectors on the impact of the COVID-19 pandemic and where foreign firms can play a role in recovery through FDI.
- + Working closely with sector experts in both industry and at the EDO level to enhance our sector knowledge and move opportunities through the sales funnel.
- + Growing our partnerships with research institutions, universities and colleges where the relationship between firms pursuing projects and knowledge-based investment projects remains strong, even during this economic downturn.

## MARKETING & COMMUNICATIONS

As the global pandemic progresses, it has become clear that international travel will not be possible for the Investment Attraction team in the coming months, which puts an enhanced focus on using digital means to complement the Investment Attraction team's efforts to prospect and follow up with clients. Working closely with the Investment Attraction and Research and Insights teams, the Marketing and Communications team is designing several initiatives to continue to engage our audience and will embark on new tactics to generate high quality leads for follow up by the Investment Attraction team. Over the first six months of this fiscal year, the team has generated content in the form of news releases, Op-eds, success stories, blogs and newsletters that showcase the work our organization is doing to rebuild the regional economy through the attraction of businesses that will contribute to the regional GDP, address gaps in the supply chain, and create high value jobs. Building on this groundwork, we will continue to position the Toronto Region globally as the prime location to invest and generate new economic opportunities and invite international investors to engage with our team to explore expansion into a market that has shown resilience, strength and collaboration through difficult times.

### SEO Strategy

The Marketing and Communications team will continue to execute the SEO Strategy working alongside our SEO Consultant, Search Engine People. This work includes ongoing on-page recommendations and Authority Building link implementation, and monitoring/optimizing the "Always-in-Market" Search/Display PPC (Pay Per Click) Campaigns.

### Digital Campaigns

In addition, working with the Investment Attraction and Research and Insights teams, we will design and launch a series of targeted campaigns focused on enhancing awareness of key sectors and subsectors of focus for our team, and generating leads that will assist with the distribution of investments across the entire Toronto Region.

- + Tech Dashboard: In June 2020, in tandem with the Collision at Home virtual conference, the Marketing & Communications team launched the regional Tech Dashboards on our technology page. We drove traffic to the new pages using organic posts across our social media channels that leveraged the hashtags and conversations online surrounding the conference and the strengths of the regional tech industry. Leveraging the creative assets from the Tech Dashboards, the team will create ads and allocate ad dollars to drive international traffic to our newly launched Tech Dashboards to test how this new asset performs as a lead generation tool.



- + **Regional Campaigns:** Working with the Investment Attraction team, we will leverage our digital assets for the Targeted Regional Campaigns noted earlier. These campaigns build on and highlight specific regional assets through digital marketing. Initiatives could include targeted awareness campaigns, social media campaigns and Display campaigns that leverage advanced keyword and targeting techniques in order to enhance awareness of these assets in key markets and generate additional leads.

## **Website**

To optimize user experience on torontoglobal.ca, the Marketing and Communications team will review and select a Chatbot tool to implement across our website. The goal of the Chatbot is to use artificial intelligence to engage visitors to the website, direct them to relevant information on the site, respond to initial questions they may have, and connect them with the appropriate advisor on our team. The benefit of the Chatbot is that it is working around the clock, capturing leads from across the world in different time zones.

## **Stakeholder Communications**

The first edition of the *Toronto Global Connections* Newsletter was issued on July 15, 2020. The new initiative was a success, with a 50 percent open rate and 75 percent read rate. To continue to engage our stakeholders and keep them informed of our activities during the pandemic and beyond, we will issue the next edition of the *Toronto Global Connections* Newsletter this fall.

## **Asset Maps**

Working with the Investment Attraction and Research and Insights teams, we will engage our graphic design team to conceptualize and design industry asset maps to showcase the depth of our ecosystems across the entire Toronto Region. These maps will serve as discussion pieces with clients that can be included in business cases, presentations and collateral materials. Demonstrating where clusters are located in the region not only gives clients an idea of the major players in the region and identifies opportunities for collaboration, but it also shows the strengths of each region across various industry verticals, highlighting the diversity, size and strength of the regional economy.

## **Name-Style Evolution**

In February 2020, the Toronto Global Board of Directors approved an evolutionary change to the Toronto Global name-style that better reflects our partnerships across the entire Toronto Region. With the onset of the global pandemic, the presentation of this recommended approach to the regional Mayors and Chairs has been



delayed. A meeting of the Mayors and Chairs has been scheduled for October 15, 2020, at which point the name-style evolution will be presented for approval. Implementation of the name-style will be rolled out over the course of the year.



## RESEARCH & INSIGHTS

Working alongside the Investment Attraction and Marketing and Communications teams, the Research and Insights team will be providing critical knowledge and intelligence that will allow us to ensure we are driving and prospecting the type of FDI opportunities that are aligned with, and have a positive impact on regional economic development and the recovery going forward.

We will be targeting our efforts through the following initiatives.

### Building Sector Expertise

As part of our ongoing efforts to hone in on industries and sectors of strength that will aid in the Toronto Region's economic recovery effort, the balance of the year will see the Research and Insights team:

- + Continue to expand our knowledge base in areas such as advanced manufacturing and life sciences, leveraging our partnerships and the results of our strategic projects completed to date.
- + Seek out areas of opportunity that can help rebuild and retool the Toronto Region economy as we recover post-COVID-19. These areas will include looking for global investors that are community builders and can leverage the diversity and assets across the region.
- + Continue to engage our network of sector experts and municipal partners to identify areas where Toronto Global can play a role in attracting and supporting companies.
- + Expand our partnerships and knowledge base by engaging with groups such as Invest in Canada, the Toronto Region Board of Trade and the Economic Blueprint Institute through their recovery work. Toronto Global has established a reputation for delivering high-quality information to our clients and partners. We will continue to uphold this standard and work to gather insights from relevant experts and industry groups.

### Modify Investor Pitch Material

Toronto Global's client engagement materials and tools will continue to require modification to reflect changes in the Toronto Region value proposition in this recovery period. The Research and Insights team will:



- + Work closely with the Investment Attraction team and partners to ensure our business cases reflect the needs of clients and our regional partners. We will be focusing on expanding our content in growth sectors and verticals identified by our partners and the Investment Attraction team.
- + Supplement the development of our sector knowledge by continuing to create targeted business case material for our Investment Attraction team for key sectors, markets, and clients, including emerging sectors such as E-mobility, batteries, charging stations, blockchain and cybersecurity.
- + Leverage insights and knowledge from our clients to understand global changes to labour, supply chains, and other sectors. Understanding their value add and impact at the local level will be an important component in guiding our work.

### **Expand and Enhance Regional Content**

To support our efforts to drive a greater share of investments to the 905, the Research and Insights team will:

- + Continue to build upon high-level value propositions and business case content highlighting the 905, while developing a larger roster of regional expertise.
- + Develop asset maps for the region that highlight our strengths in critical sectors such as AI, advanced manufacturing, life sciences and financial services.
- + Support economic development officers in our partner municipalities with data and content as a critical part of addressing the need for enhanced regional engagement and input into our work in rebuilding our economy and leveraging new opportunities across the region in this new economic environment.



## **HUMAN RESOURCES & BUSINESS OPERATIONS**

We continue to be extremely proud of our employees and thankful for the way they have conducted themselves and remained committed to their respective mandates during these very uncertain times. The level of engagement and initiative they have all demonstrated is a testament to their enthusiasm, work ethic, professionalism and commitment to Toronto Global.

### **Return to Premises**

Through the dedicated work of a Return to Premises Task Force led by Human Resources and made up of eight committed employees we have prepared the office for a safe and comfortable re-entry after Labour Day. This has been achieved following all social distancing guidelines and requirements.

### **Onboarding of a New CEO**

Human Resources has supported the Human Resources & Governance Committee of the Board of Directors in their quest to source a dynamic, talented and resourceful new CEO for the organization. Thanks to the Committee's dedication and hard work, we onboarded a new CEO, Stephen Lund, in September 2020.

Human Resources has partnered with the new CEO, the Executive team and our Board of Directors in building out a "first 90 days on-boarding schedule" that is inclusive of a fulsome review of current state, internal and external opportunities and areas of focus.

### **Diversity & Inclusion**

Toronto Global strongly believes this is an opportune and necessary time to complete a thorough review of all aspects of our HR and Business Operations practices through a Diversity and Inclusion lens. To achieve this Human Resources is leading a recently developed Diversity & Inclusion Task Force made up of dedicated staff members. This important work and thorough review will be completed by the end of 2020.

### **Health & Wellness Initiatives**

Our staff's health and safety, both mentally and physically, has been and continues to be our primary concern during these unique and challenging times. We are excited to welcome our staff back to our offices in a socially distanced and responsible manner. With the return to the office premises, we believe this will provide many staff the human interaction and collaboration with their peers that they have been lacking since March.



### **Information Technology**

Paramount in what we accomplished while working remotely was a key IT initiative of addressing an aging server that was causing issues for our staff as they worked remotely. We were able to successfully migrate to MS 365 Cloud based technology over the course of a six-week project plan in April and May, with very few issues thereby providing the staff a much more enjoyable and effective IT experience. Staff are now able to work much more effectively with this cloud-based technology.

### **Business Operations**

Business Operations goal is to ensure we provide all necessary support and tools to all Toronto Global staff on a proactive basis to ensure they are able to work at their most productive levels. We have put processes in place to ensure no disruption to staff or our vendors, as we continue to “keep the lights on” while working remotely, ensuring all bills are paid and commitments are met thereby ensuring our staff have all the tools and support they need to achieve their goals, even during a pandemic.



## GOVERNANCE

Toronto Global's Board of Directors is responsible for the governance, stewardship and strategic direction of the organization. The Board is supported in its endeavours by the efforts of two Board Committees: the Audit and Finance Committee and the Human Resources and Governance Committee.

The Board will continue to focus on the following for the balance of 2020/2021:

- + Successful on-boarding of the new CEO;
- + Successful build out of a five-year strategic plan with the input of the new CEO and the Executive team;
- + Recruitment of new Board Members who reflect a broad and diverse background, as well as ensuring they complement existing Board competencies and thereby ensuring no skills gaps around the Board table.

## BUDGET & REVENUE

The full year budget for fiscal year 2020/21 is approximately \$7 million [comprised of \$6,520,588 from our funding partners and \$478,000 from the CanExport Community Investments (CECI) Program]. We are tracking well against the interim six-month budget covering the period from April 1 to September 30, 2020. We have prepared a full year view of the 2020/2021 fiscal year budget incorporating the first four months of actual expenditures from April to July, a reforecast for August and September, and a second half six-month budget from October to March 31, 2021.

We have been working closely with our funding partners to ensure the regular inflow of revenue in order to fund continued operations and key initiatives. At the end of August, Toronto Global's financial reserves included cash of \$1.2 million and a revolving line of credit of \$538,000.

This second half six-month budget has been prepared with the following key assumptions:

- + Toronto Global onboarded a new CEO in September 2020. Projected labour and staff costs of \$2.7 million reflect the inclusion of the new CEO.
- + The Toronto Global office will be reopened in September 2020 and employees will be gradually returning to work and meeting with clients in compliance with government guidelines.
- + The SCORE Program will be a separate-funded initiative and is estimated to cost approximately \$3 million for two years.
- + Toronto Global expects reduced travel in the second half of the year and has budgeted \$357,000 for lead generation services with a combination of third-party lead generation contracts and independent contractors.
- + Marketing and Communications will support the investment attraction activities with a digital marketing initiatives including SEO and Social Media Campaigns (\$85,000) and smaller initiatives such as a Chatbot (\$10,000) and Asset Maps (\$5,000).

For the projected six-month period from October 1 to March 31, Toronto Global estimates approximately \$4.1 million in spending including a contingency amount of \$123,000. For the full fiscal year, Toronto Global expects to spend \$7 million consistent with the anticipated revenues.



**2020/2021 Budget - Full Year View**

	Full Year			
	Apr to July	Aug to Sept	Oct to Mar	Total
<b>Labour and staff costs</b>	1,206,665	552,590	2,728,100	4,487,355
<b>Professional Services</b>				
Lead Generation Services	19,379	55,621	357,000	432,000
Accounting & Audit Fees	33,058	16,500	50,000	99,558
Legal Fees	(275)	1,000	2,500	3,225
Industry/Sector Research & Benchmarking Tools	114,400	53,600	112,000	280,000
Investment Attraction Tools	25,483	6,371	25,000	56,854
Creative Design Marketing Services	14,206	28,794	55,000	98,000
Research & Marketing Data	50,097	20,000	40,000	110,097
Digital and Social Media Strategy	-	85,000	85,000	170,000
Website Design and Maintenance	40,442	11,200	55,300	106,942
Corporate Collateral Materials	-	-	53,200	53,200
Other Miscellaneous Services	4,099	-	12,500	16,599
Total Professional Services Costs	300,891	278,086	847,500	1,426,477
<b>Office Expenses</b>	157,123	25,000	177,500	359,623
<b>Rent &amp; Occupancy Costs</b>	133,549	67,000	207,000	407,549
<b>Travel (Airfare/ Hotel/ Conventions/ Misc. Travel)</b>	(1,926)	-	40,000	38,074
<b>Capital Costs</b>				
Facilities Improvements	-	90,000	10,000	100,000
IT Capital Expenditures	10,734	10,000	3,000	23,734
Furniture and Fixtures	-	-	6,500	6,500
Total Capital Costs	10,734	100,000	19,500	130,234
<b>Contingency Fund - unallocated</b>	-	-	123,200	123,200
<b>Total Expense Budget</b>	<b>1,807,036</b>	<b>1,022,676</b>	<b>4,142,800</b>	<b>6,972,513</b>

## CONCLUSION

This six-month business plan reflects an extraordinary time for our region. A crisis of this magnitude has challenged all our operating assumptions and ingenuity. Yet, there exists great confidence in our ability to rebuild and become stronger, as we help redesign an increasingly resilient economy for the future. At the heart of this plan is our steadfast commitment to stand alongside our partners in our recovery efforts. It identifies and incorporates concrete goals for Toronto Global and offers a continued work plan that outlines key initiatives and activities for the organization to undertake in pursuit of these objectives. Obtaining continued feedback from our funders and stakeholders is critical to our business planning process to ensure widespread coordination and collaboration as we move forward.

Toronto Global plays an essential role in promoting the widespread attributes that make the Toronto Region a competitive jurisdiction for global investors. We represent a formidable economic region that is attractive to international business across all sectors. Interest from international investors in our pipeline remains strong. Our clients envision the recovery to come in different phases, which will be reflective of the performance of individual business sectors and the timing in which various international markets recover and open. The future state of the Toronto Region's economy will be shaped, in part, by our collective response to the crisis. We stand ready with our partners to help build and implement that important roadmap for recovery.