



CONWAY

FIRST CONTACT

Keys to success in the corporate investment project cycle

Session Overview



1. Background
2. Corporate Approach
3. Amazon HQ2 Factor
4. Staying in the Game
5. Key Take Aways
6. Q&A



1 | Background

1990's Investment Promotion

- Word processing/CRM
- Fax/Telephone
- CorpTech Directories
- Meetings took weeks
- No email
- Info exchange via fax
- No Cut and paste



1990's Investment Promotion

- Europe - exotic market
- Not many agencies
- No GPS – Paper maps
- Hand written meeting notes
- Response time measured in months
- Hurry up & wait



Investment Promotion Today

**More than
6,000
IPAs in the
world**

- **More knowledgeable**
- **More information**
- **Points of differentiation**
- **Competition**
- **Pace**
- **Increased Transparency**
- **Site Selection Consultants**



Data!



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2 | Corporate Project Approach

Motives For Business Expansion

Resource-Seeking



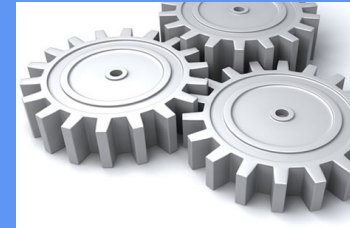
Market-Seeking



Asset-Seeking



Efficiency-Seeking



Network-Seeking





A P P N O V A T I O N
T E C H N O L O G I E S

European Data Center Location and Incentives Optimization

Background:

Appnovation Technologies requested ICA's services to assist with implementing its location strategy for its European data centers (to be located in France and Germany). A labor costs assessment, real estate evaluation and availability of incentives were main drivers of the site selection procedure. ICA assessed the various incentive regimes applicable for the business case of Appnovation Technologies' data centers and selected relevant incentive programs. Through its network of European IPAs, ICA was able to reach out to local and regional officials to negotiate the incentive package and ensure Appnovation Technologies to fully comply with the requirements as stipulated by the incentive programs (both pre-incentive eligibility criteria as well as post-incentive monitoring and evaluation criteria).

Activities:

- Evaluation of labor costs, real estate and incentives
- Selection of incentive programs relevant to the business cases and its parameters
- Completing the process of incentive application and communicating requested project information to ensure full requirement compliance to so obtain the agreed incentive rate
- Organizing and preparing meetings with officials and Appnovation Technologies to guarantee full project engagement
- Translation of application into local language
- Submission of incentive applications to local and regional officials

Deliverables:

- Benchmark report on the labor costs, real estate availability and incentive programs
- Completed and submitted incentive applications in the local language

Market-Seeking & Efficiency Seeking



Location Strategy Automotive European CDC



Background:

The project entails a Centralized Distribution Center (CDC) with significant capital investments in warehouse operations, human resources, value added logistics as well as globally integrated IT systems. The project directly contributes to regional economic development as well as indirect multiplier effects (i.e. security, facility management, utilities, etc.).

Activities:

- Evaluated feasibility of CDC locations across Europe
- Established connections with local Investment Promotion Agencies to explore incentive possibilities
- Developed methodology to systematically evaluate incentive regimes
- Financial modeling to calculate range of potential incentives

Deliverables:

- Incentive regime analysis
- Cost analysis based on relevant incentives
- Recommendation to board

Confidential



Greenfield Plan Global Location Strategy

Background:

Corbion Purac requested location advisory service from ICA to support the company in its growth ambitions through international greenfield expansions and optimize its international value chain. To accommodate its future growth, Corbion Purac was exploring for additional greenfield investment opportunities in emerging markets. Project objective was to reduce a long-list based on an integrated regional assessment of incentives as well as operational costs.

Activities:

- Evaluated feasibility of multiple locations across the globe: Canada (2), Brazil, South Africa (2), Germany, France, Indonesia, Vietnam, China (2) and Australia
- Established connections with local Investment Promotion Agencies and local utility providers
- Developed assessment templates for incentives and operational costs
- Summarized all relevant incentive schemes per region
- Utility assessment per region

Deliverables:

- Recommendation to board
- Incentive assessment including summary of incentive regimes, qualitative and quantitative analyses
- Operational costs analysis including costs of human resources, electricity and gas

Key Information Requirements



- Overview of location
- EDA support services
- Geographical position
- Transport/logistics connections
- Reals Estate
- Population/demographics
- Labor
- Education/training
- Utilities
- Taxes
- Supply Chain
- Regulatory
- Financing
- Government support
- Incentives
- Local residential infrastructure
- Recreational/Quality of Life
- Climate
- Fit

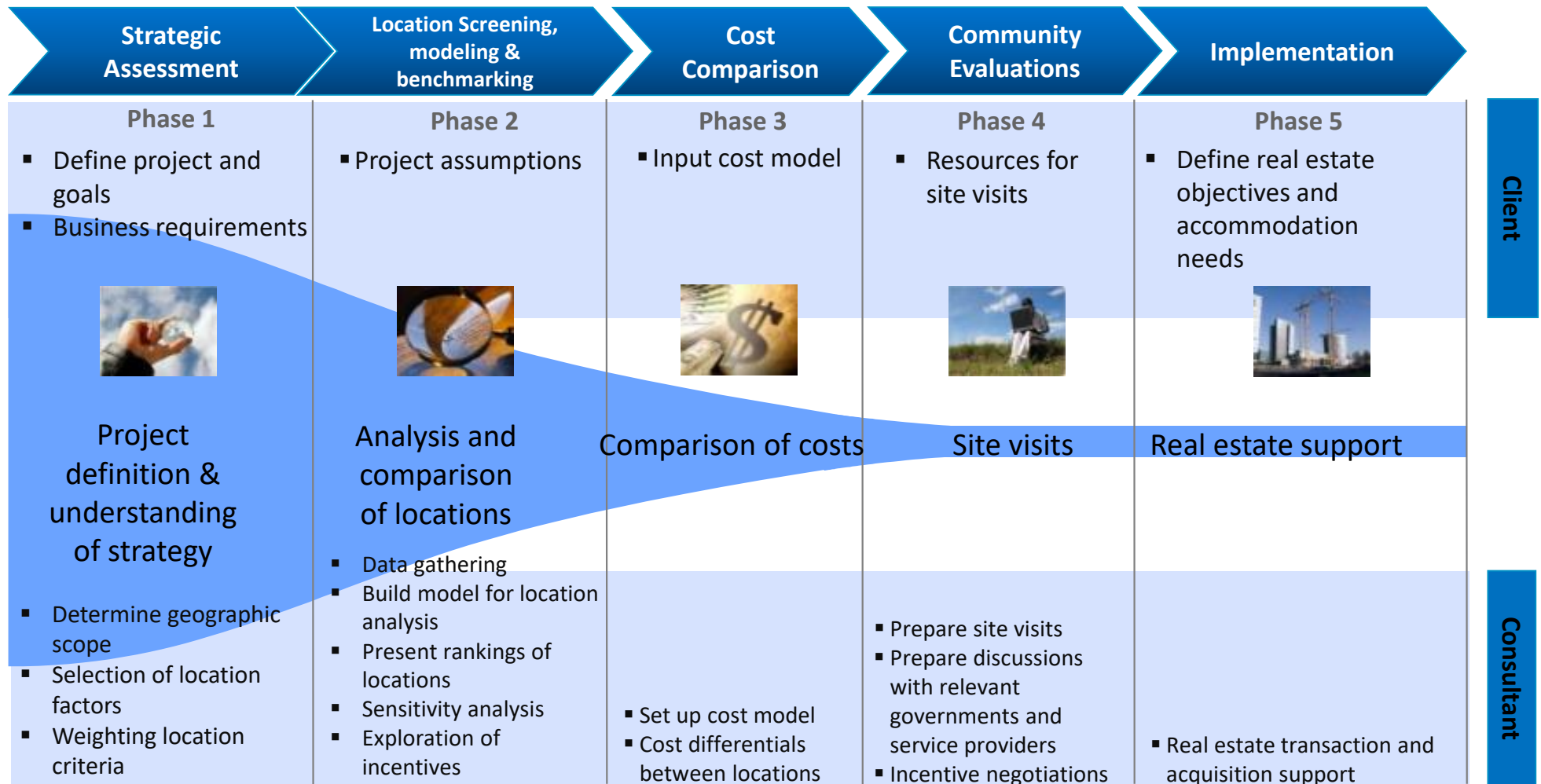


Different Approaches

- **Company**
 - Size
 - Sector
 - Activity
 - Project
- **Project Managers**
 - Sales
 - Divisional
 - Manufacturing
 - Research & Development
 - Logistics
- **Corporate Real Estate**
- **Site Selection Consultants**



Corporate Investment Process





3 | Amazon HQ2 Factor

The Amazon Factor



- 8 pages
- 5.5 weeks to respond
- 50,000 jobs – avg total comp >\$100,000
- 8 million square feet
- \$5 billion in CapEx

Amazon Seattle HQ					
Direct ¹	Number of buildings	33	Indirect ²	Additional jobs created in the city as a result of Amazon's direct investments	53,000
	Square feet	8.1 million		Additional investments in the local economy as a result of Amazon's direct investments	\$38 billion
	Local retail within Amazon headquarters	24 restaurants/cafes + 8 other services		Increase in personal income by non-Amazon employees as a result of Amazon's direct investments	\$17 billion
	Amazon Employees	40,000+	Other	Increase in Fortune 500 companies with engineering/R&D centers in Seattle	From 7 in 2010 to 31 in 2017
	Capital investment (buildings & infrastructure)	\$3.7 billion			
	Operational expenditures (utilities & maintenance)	\$1.4 billion			
	Compensation to employees	\$25.7 billion			
	Number of annual hotel nights by visiting Amazonians and guests	233,000 (2016)			
	Amount paid into the city's public transportation system as employees' transportation benefit	\$43 million			

¹From 2010 (when Amazon moved its headquarters to downtown Seattle) to June 2017.

²From 2010-2016. Calculated using Input-Output methodology and multipliers developed by the U.S. Bureau of Economic Analysis.

Boston- Amazon HQ2 Response



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REVO

be a part of the

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amazon HQ2

TION

Massachusetts

Boston – Amazon HQ2 Proposal Outline

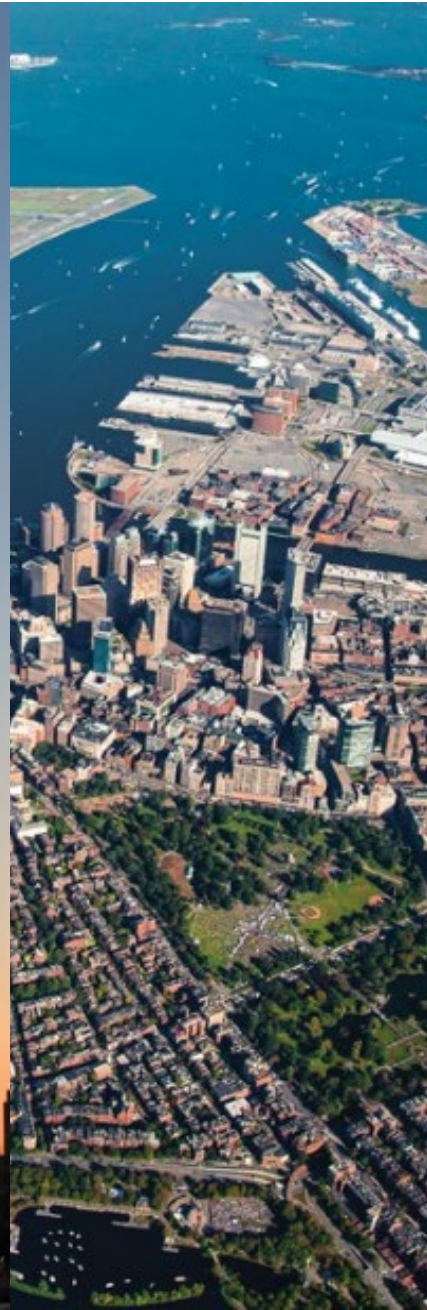


City of Boston
Mayor Martin J. Walsh

Amazon HQ2

Request for Proposal Response

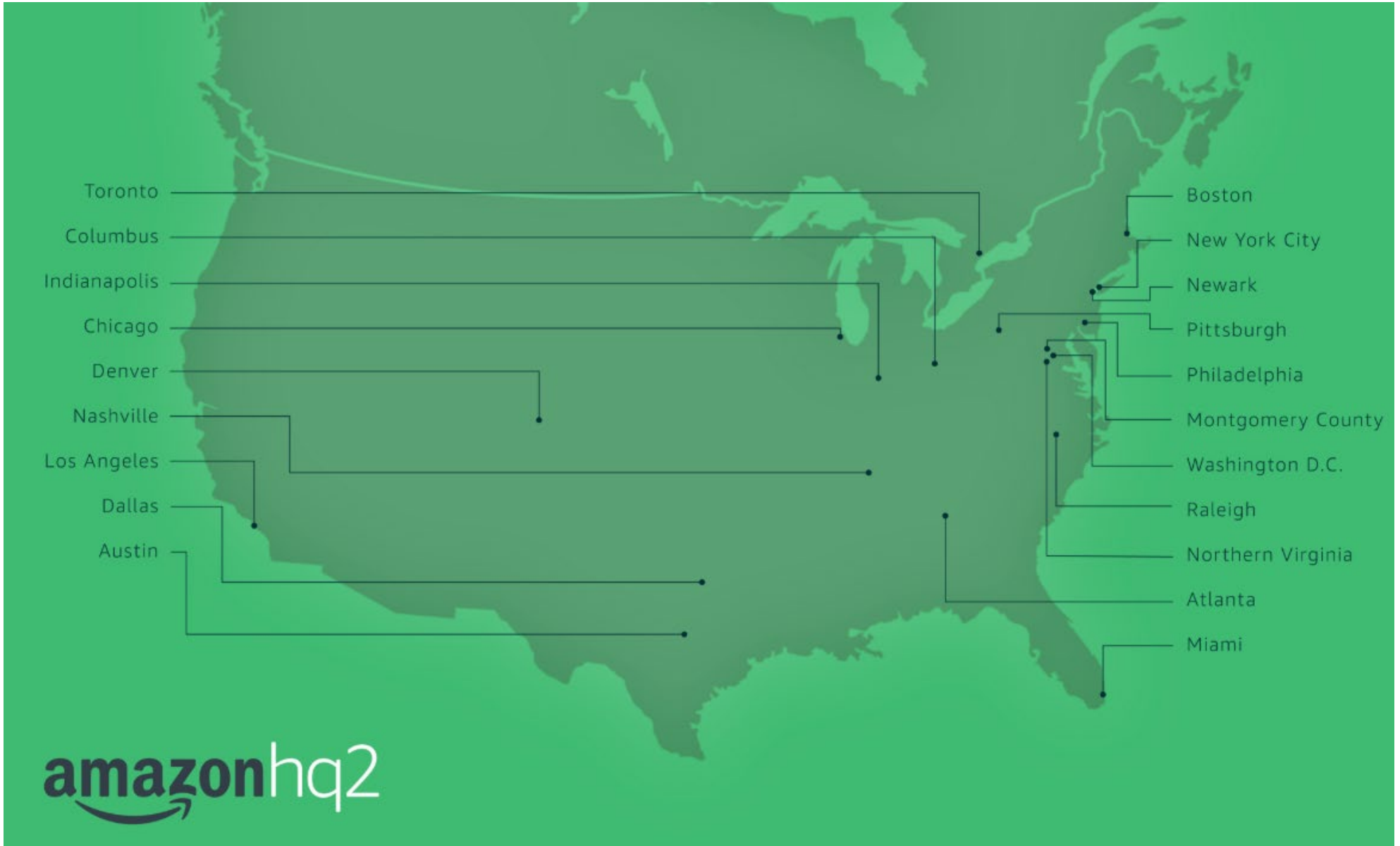
October 2017



Boston. Yes.

1	Your Perfect Match	8
	A Thriving MSA. Yes.	10
	Cultural Fit. Yes.	12
	Quality of Life. Yes.	22
	Connectivity. Yes.	28
	Sustainability. Yes.	34
	Housing. Yes.	36
	Liveable City. Yes.	38
	Committed to Public Safety. Yes.	40
2	Your Hub of Skilled Talent	42
	Labor Force. Yes.	44
	Higher Education. Yes.	50
	K-12 Computer Science. Yes.	58
3	Boston, Your Home	60
	Logistics. Yes.	62
	Community. Yes.	66
	Site. Yes.	74
	Building. Yes.	90
	Additional Sites. Yes.	94
4	Boston, Your Community Partner	108
	Investments, Incentives, and Initiatives. Yes.	110
5	There's More	118
	RFP Response Directory: Information Requested	120
	Testimonial from Elected Officials	166
	Testimonials from Higher Education Institutions	168
	Testimonials from Boston-based Businesses	192
	References	214

HQ2 Final 20 out of 238



amazonhq2

HQ2 Final – East Coast



And then there were two!



amazonhq2



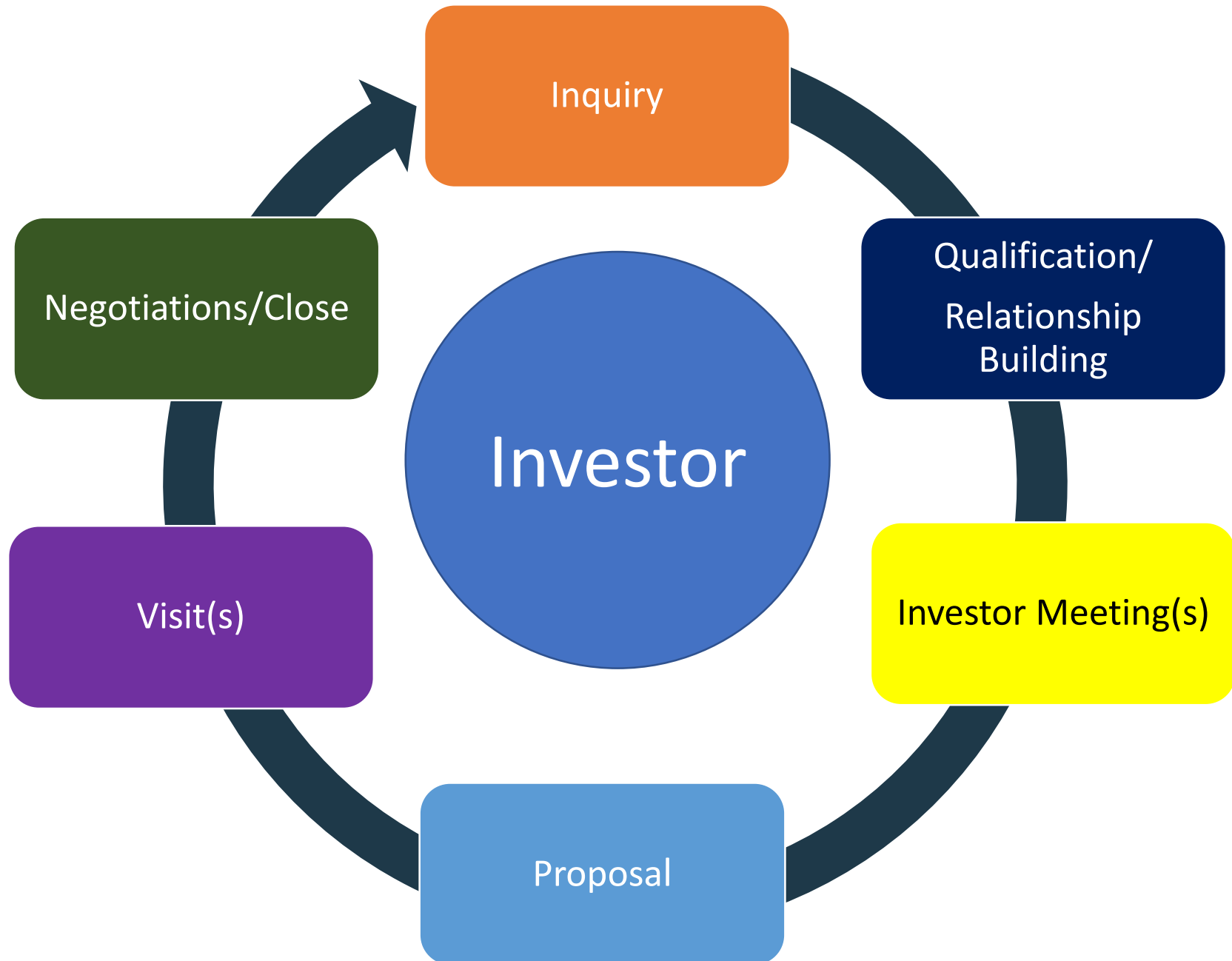
4 | Staying in the Game

Are you ready?

- Have a complete and up to date location analysis
- Understand your strengths and weaknesses
- Developed an investment promotion strategy – key sectors & markets
- Organized around the key sectors
- Mapped the ecosystem
- Recruited/engaged key stakeholders/experts
- Are the politicians on board?
- Identified, gathered and organized data
- Created materials to communicate benefits
- Identified project leaders



Project Management Cycle



Initial Inquiry

- Who is making the inquiry – Company, Site Selector?
- How did the inquiry come in?
- How detailed is the requirement?
- Is it in your target sectors? Qualified?
- Questions? – engage to clarify
- Analyze - What is the EDA response?
- How does the information get collected and shared?
- Assign the right people and produce a response
- Address the client need
- Response should be personalized
- Do not send standard marketing brochures alone
- Use data to answer questions – graphics & pictures!
- Leverage existing investor cases
- Tell & Show
- High quality materials in a form acceptable to the client
- Response within 5 days
- Follow-up one week later to field questions and begin the dialogue



Qualification/Relationship Building



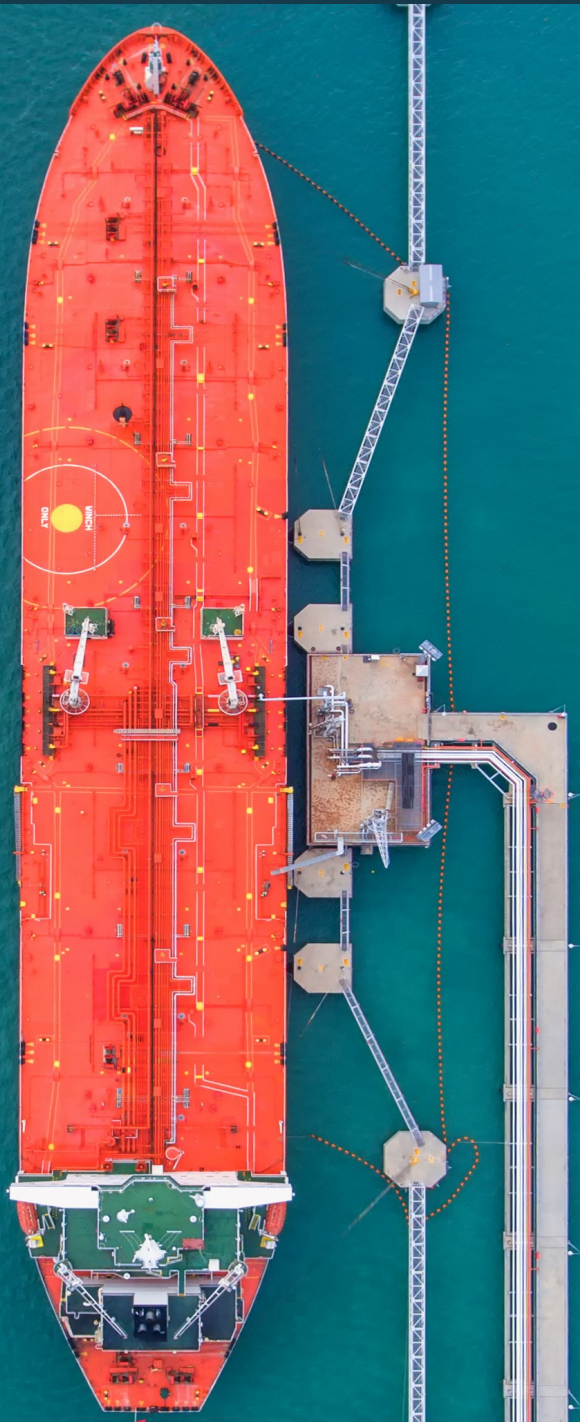
- Follow-up and continue to qualify the project
- Collect additional information about the project
- Deliver additional personalized information
- Begin to scope size and timing of project
- Study the business and new project plans
- Identify key drivers to the projects
 - Market
 - Skills
 - Taxes/Incentives
 - Supply chain
 - Logistics
 - Costs
- Assess fit in local community
- Identify critical contributing assets and resources
 - Strengths
 - Weaknesses
- Identify competition/ comparative assessment
- Get to know the key executives and influencers
- Leverage network to gather additional intelligence/influence
- **Push for a meeting at the company**



Investor Meeting(s)



- You are on the right track!
- Opportunity to build the relationship
- Understand who will attend from their side
- What are their agenda items
- Select the right attendees
- Identify the leader
- Plan and develop your agenda
- Prepare the right materials
- Gifts – yes/no
- Cultural implications – local twists
- Dress
- Ensure your questions are answered
- Listen to what and how they are saying
- **Secure an opportunity to send a proposal and follow-up with the site visit**
- **Summarize and follow-up immediately**



Making Progress!

- Decide the most appropriate format
- Demonstrate your understanding of the company & the project requirements
- Restate the client project objectives
- Customized business case as to why your location is the best
- Outline project support from EDA and ecosystem
- Clear information about **support for this project** - maximize graphics!
- Site existing investors in the sector and supply chain
- Provide **relevant** supporting data, maps, site and regulatory information
- **Clear/simple communications – no jargon**
- **Speak to the company – use their language**

Site Visit

- Most critical component
- Serious commitment by the investor
- Customize the visit
- Get investor to approval on itinerary
- Investors need to see what you are selling
- Now is the time to involve **your best resources**: government, companies etc. – be strategic!
- Add other investors and supply chain
- Complete visit plan 8AM – 5 PM or 11PM each day
- Meals – include strategic partners
- All aspects business, residential, quality of life
 - Sites
 - Infrastructure
 - Educational aspects
 - Housing
 - Retail – restaurants, shopping
 - Cultural
 - Health Club, Golf, tennis skiing, boating etc.
- All visit logistics must be covered
- Handhold the investor from A-Z
- Hold a debriefing meeting at the end
- Follow-up and respond to questions from the visit



Negotiations/Close



- Final company information requirements?
- Complete financial/incentive package
- One stop point of service
- Be an advocate for the project
- Don't stop until the deal is done
- Close the deal!





5 | Key Take Aways

Key Take Aways



- **Know your offering** and focus on this
- Organize around your offer
- **Understand what your targets** are seeking
- **Build a robust information center** with a mix of hard data and compelling marketing pieces
- **Articulate your solution** in a clear manner
- **Data, Data, Data, Data** to support the solution
- **Leverage technology** to develop and present your pitch
- **Build a network locally and globally** to support your focus
- Do not chase non-core projects

Key Take Aways



- **Study the project** and company inside & out
- **Do you have the assets** to compete?
- **Build a team of experts** to address - ecosystem
- **Build a relationship** with the company directly and indirectly
- **Be equipped to deliver at every phase** of the project
- **Understand weaknesses** and be prepared to address with client
- Location decisions are business decisions
- **People run businesses**
- Be flexible
- Win projects and learn from the losses



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5 | Questions



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