



# Case Fact Pack



SPECIAL THANKS TO CHRIS RICKETT,  
JOHN ALDERDICE AND TEAM AT THE  
CITY OF TORONTO FOR COLLABORATING  
ON THIS CASE

August 2020

# COMPASS

**Rotman**



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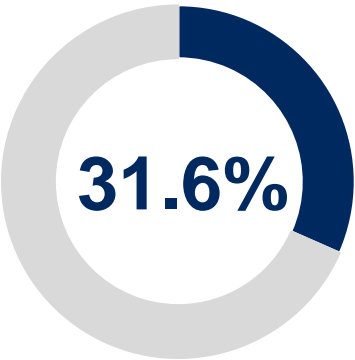


## **Background Info**

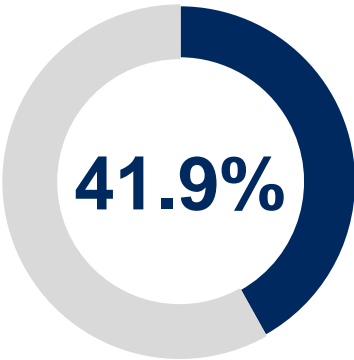
Problem statement and example framework

Additional information

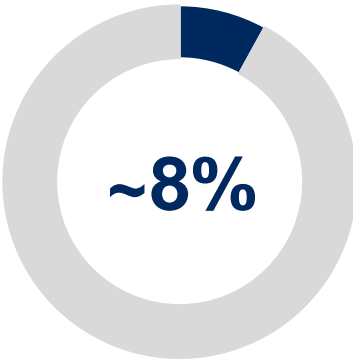
Exports contribute significantly to the Canadian economy, provide better quality jobs and help support small and medium enterprises



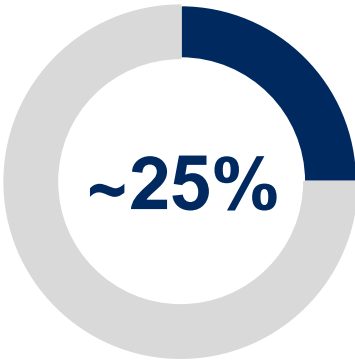
contribution of exports to Canada's GDP



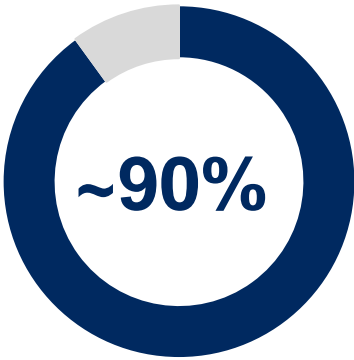
share of exports generated by SMEs<sup>1</sup>



of all employment in Canada is export-dependent



higher weekly wages in export-dependent jobs



of export-dependent roles are full-time

<sup>1</sup> Small and Medium Enterprises

Canadian businesses face several challenges related to trade that prevent them from being stronger contributors to the economy

Trade related challenges for SMEs



Protecting intellectual property



Administrative and border issues inside and outside Canada



Logistics



Market knowledge



Financing and insurance

Exporting firm characteristics



Larger, more productive and innovative



Higher growth and revenues



More resilient to market shocks



Hire more workers, pay higher wages and invest more in employee training



Invest more in R&D, machinery and equipment

# The Economic Development & Culture Division of the City of Toronto strives to make Toronto a place where business and culture thrive



## Objectives

Advance Toronto’s prosperity, opportunity and liveability by:

- 1 Fostering employment and investment opportunities
- 2 Encouraging Toronto’s cultural vibrancy through more and enhanced cultural experiences
- 3 Engaging partners in the planning and development of the City’s economic and cultural resources

## Business Units



Arts and Culture Services



Business Growth Services



Film and Entertainment Services



Museum and Heritage Services




Program Support



The International Alliance Program administered by the EDC is a key lever in developing export capabilities in Toronto SMEs and is organized around three goals




**Economic Development**

Build economic links, expand business contacts, relationships and communications by creating and executing programs

Increase Toronto’s profile on the world stage and help Toronto businesses increase the exposure of products and services

Attract business and investment creating high quality jobs and new sources of revenue for Toronto

Generate export development leads and build market intelligence


**Cultural Development**

Promote Toronto as the Creative City of the future with robust cultural and creative industries

Invigorate and promote Toronto’s cultural tourist attractions

Facilitate interaction and collaboration amongst cultural institutions in Toronto and relationship cities

Enhance the potential for Toronto’s flagship arts organizations to act as cultural ambassadors in relationship cities

**Community Development**

Capitalize on the ethnic, cultural, linguistic, and religious diversity of our city

Market Toronto as home to virtually all of the world’s culture groups and where more than 100 languages are spoken

Background Info

**Problem statement and example framework**

Additional information

# The EDC Business Retention and Expansion team is keen to hear your ideas on how to support international trade during and post COVID-19

## Context

- Establishing and maintaining strong international ties fosters export and trade opportunities for SMEs and boosts job creation and economic growth
- This approach will leverage and enhance Toronto's trade performance and international presence
- With the onset of COVID-19 and international trade and travel being limited, it is imperative to explore new and innovative ways of supporting international trade and creating opportunities for Toronto based businesses

## Problem Statement

- How can the City of Toronto support International Trade development during and post COVID-19?
- The focus should be to reimagine and explore tactics that will enable international trade development without travel and to suggest how the international trade program should evolve during COVID-19






## Additional information

- Please do not contact the City of Toronto or Economic Development and Culture Division





You may want to explore one or more of the following areas for your research and presentation

				
Markets	Virtual interactions	Partnerships	Priority alignment	Trade agreements
Which markets and sectors should be prioritized for trade development?	Can certain trade development activities be performed virtually and if so, which ones?	Should new partnerships be explored to enable trade development and if so, with which bodies?	Is there an opportunity to better align priorities with federal and provincial partners?	Is there an opportunity to more fully leverage Canada's current Free Trade Agreements?
Examples: <ul style="list-style-type: none"><li>Which sectors are particularly in need of support at present?</li><li>Which markets have untapped potential that can be realized?</li></ul>	Examples: <ul style="list-style-type: none"><li>Are virtual city to city meetings, country/ market presentations trade missions, conferences and trade shows possible?</li><li>What can be done to increase the effectiveness of these?</li></ul>	Examples: <ul style="list-style-type: none"><li>Is there an opportunity to explore partnerships with EDC, BDC, WTC, Team Toronto and others?</li><li>How should these be structured to provide maximum benefit?</li></ul>	Examples: <ul style="list-style-type: none"><li>Is there room for better alignment with federal and provincial partners?</li><li>What is the benefit/ expected outcome of better alignment?</li></ul>	Examples: <ul style="list-style-type: none"><li>Can Canada's current Free Trade Agreements be better leveraged to the benefit of local Toronto businesses?</li><li>What role should the city play to enable this?</li></ul>

You can (and should!) modify these suggestions as your team sees fit!

# Leaders of the EDC - Business Retention and Expansion Team will be the audience for your presentation



## **John Alderdice**

Manager, Business Retention and Expansion  
City of Toronto, Economic Development and Culture Division

For the last 23 years John has worked his way through progressively challenging positions in the economic development profession, as an Economic Development Officer, Senior Business Development Officer and for the last 6 years as the Manager of Business Retention & Expansion. He supports business retention and expansion activities across the city as well as the burgeoning International Alliance Program which supports 10 relationship cities and 17 MOU's globally as well as inbound and outbound mission activities.



## **Susana Vaz**

Economic Development Officer (Lead – Asia)  
City of Toronto, Economic Development and Culture Division

Susana is an international trade professional and a proud public servant with strengths in economic development, technology and the political economy. For the past 25 years over the span of her career she has worked with local and international businesses to help them grow and expand and has assisted in retaining large industrial, commercial and institutional businesses within the City of Toronto. Her work in the international arena has been focused on rapid growth markets i.e. China, India, Middle East and ASEAN countries.

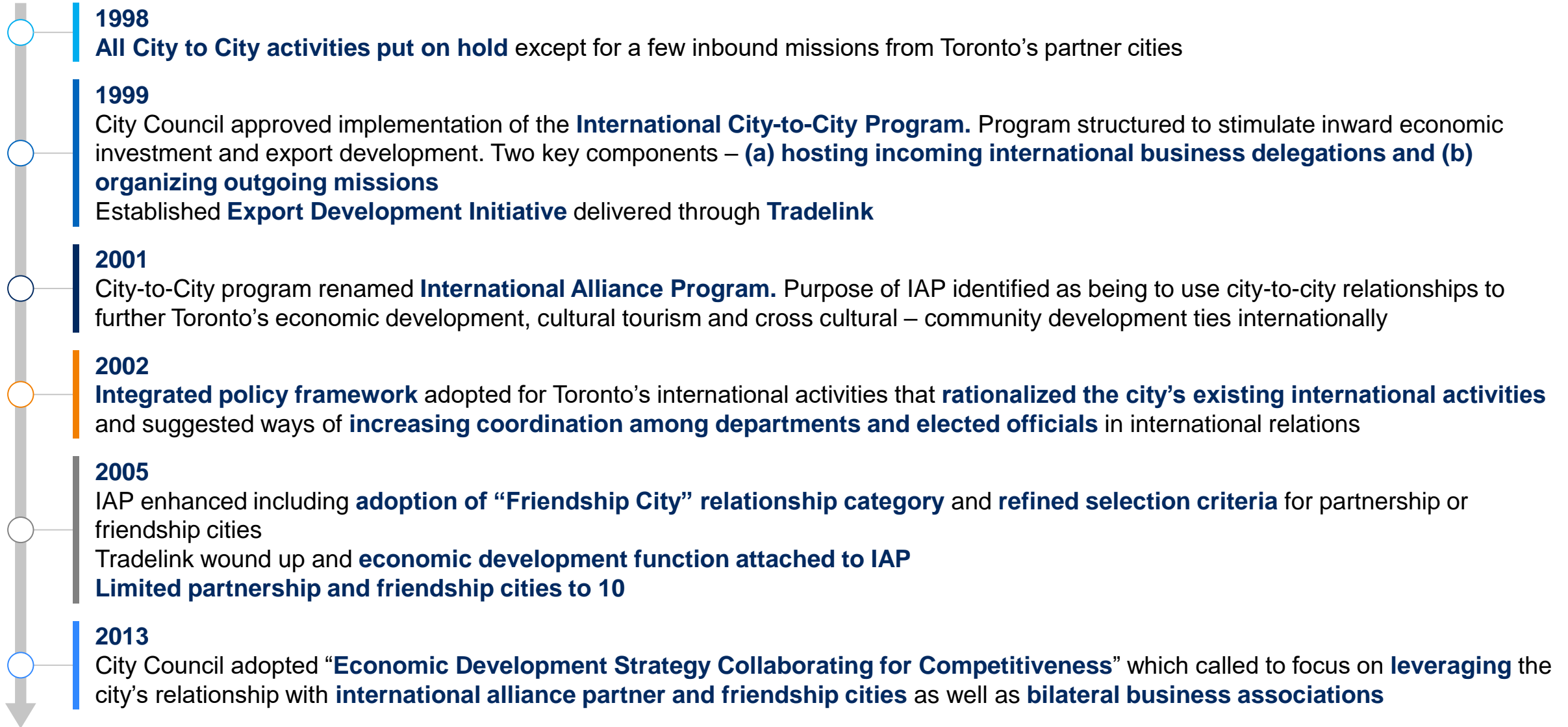
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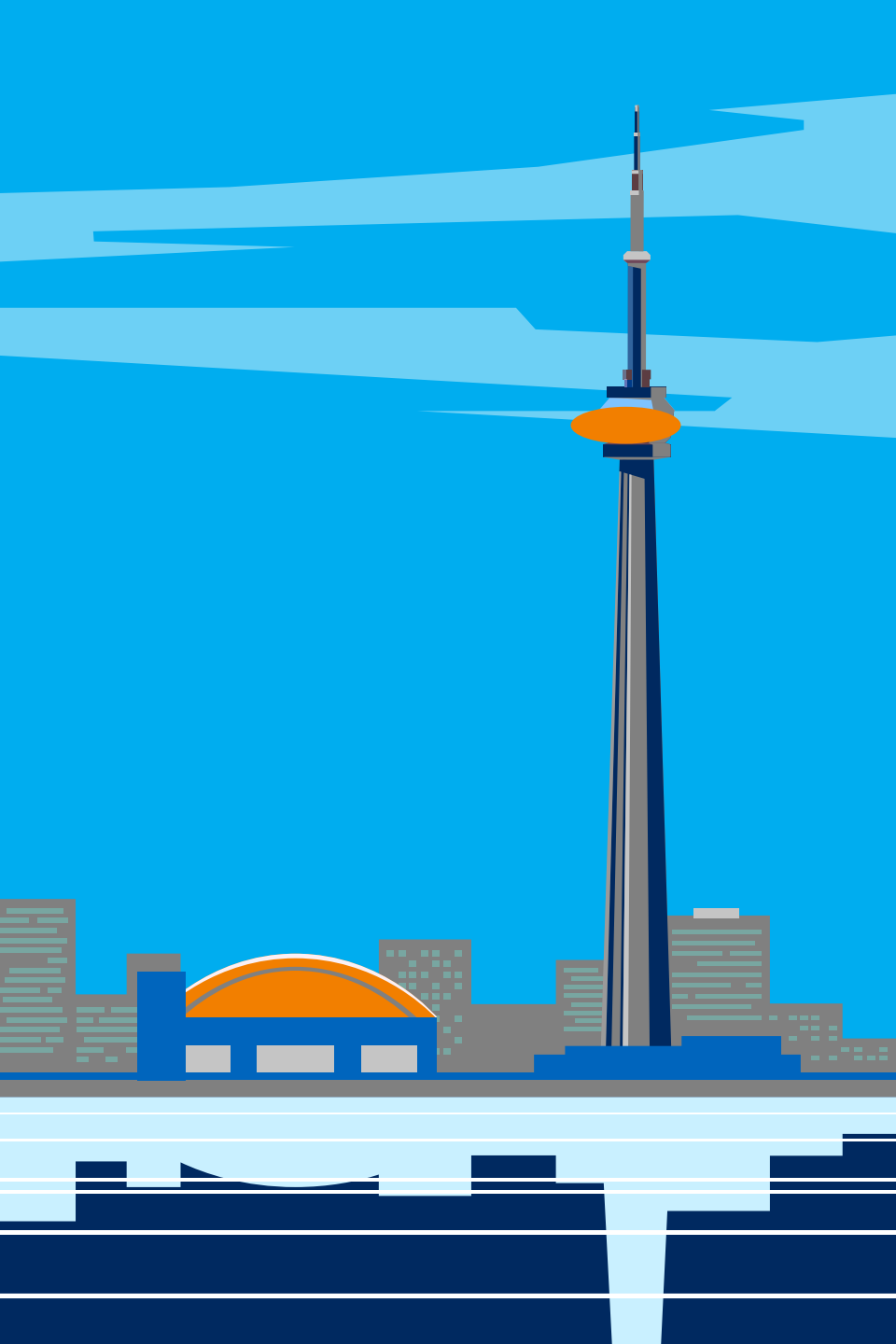
Problem statement and example framework

**Additional information**



The City of Toronto's emphasis on trade development through city-to-city partnerships was formalized through the International Alliance Program that has evolved over time





Canada has significant global trade engagement which is reinforced by the International Alliance Program



14

Free Trade Agreements

51

countries which FTAs provide access to

4

Partnership agreements

6

Friendship agreements

16+

MOU agreements

~\$1M

International Alliance Program budget

SOURCE: Partnerships that produce (World Trade Centre, Toronto Region Board of Trade, JPMorgan Chase); City of Toronto

# Relationship cities are classified as either Partnership or Friendship cities and are a key plank of the International Alliance Program

## Partnership Cities

Partner city activities are undertaken by city staff and focus heavily on economic development goals such as building business links, increasing Toronto's profile, cultural exchanges, and promoting trade



**Chicago, USA**  
(1991)



**Chongqing, China**  
(1986)



**Frankfurt, Germany**  
(1989)



**Milan, Italy**  
(2003)

## Friendship Cities

Friendship City activities are driven by the community with endorsement from the City through a Council representative. Official activities include preparing official letters of greeting and flag-raising ceremonies on dates of significance to the Friendship City



**Ho Chi Minh City, Vietnam**  
(2006)



**Kyiv, Ukraine**  
(1992)



**Quito, Ecuador**  
(2006)



**Rio de Janeiro, Brazil**  
(2015)



**Sagamihara, Japan**  
(1991)



**Warsaw, Poland**  
(1990)



# The “Partnerships That Produce” report recommended ten ways Toronto can build better partnerships (1/2)



1

## Adjust the City’s role from agreement implementer to catalyst

The City should encourage and assist local alternative partners to pursue their own partnerships with international counterparts or cities.

2

## Enhance the City’s decision-making criteria

International Alliance Program decision criteria should be updated to reflect the City’s priority industries and target international markets. It should also include a defined path forward to forming new partnerships and using that when adding or choosing not to add new cities.

3

## Reclassify the City’s MOUs

Eliminate the MOU classification, and reclassify those agreements as either Partnership or Friendship. Friendship agreements can be used to prioritize the City’s historic and cultural connections, whereas the Partnership agreements should prioritize economic outcomes.

4

## Review the City’s Agreements

The City should once again assess the value of its 26+ City agreements and sunset or re-classify those that do not meet the enhanced decision-making criteria and the City’s objectives. It should prioritize two to three partnerships per year.

5

## Begin working with alternative partners

Toronto should expand its use of alternative partners, both at home and abroad, and leverage their networks, expertise and resources to maximize the impact of agreements. Partners can include academic institutions, economic development and industry organizations, intermediary networks or gateways, among others.

# The “Partnerships That Produce” report recommended ten ways Toronto can build better partnerships (2/2)



6

## Establish meaningful and measurable objectives.

For Partnership Cities, Toronto should ensure specific and measurable outcomes are negotiated into agreements by incorporating the SMART objectives methodology during the process of negotiating each agreement.

7

## Establish time-bound agreements.

Without stated durations, agreements can go on for decades, dormant, and offer little incentive for international partners to hold up their end of the bargain. Many contemporary agreements use a timeframe of three to five years with guidelines for termination or renewal.

8

## Base agreements on specific projects

Toronto should adopt the practice of forming project-based agreements. Those projects can include the organization of inbound and outbound missions, finalizing new or expanded business agreements, attracting an event, or an information exchange in a particular field.

9

## Publish the City’s agreements and report on their activities and outcomes

Toronto should adhere to the International Alliance Program requirement of producing annual activity goals and summaries, as well as achievements and new investments. All agreements and outcomes should be made public on the Program webpage.

10

## Properly resource the City’s partnership projects.

Toronto should fund its international partnerships based on the outcomes it seeks to achieve. The City must assess whether it needs to increase funding to its International Alliance Program budget, reduce the number of agreements it maintains, or both.



### Partnerships that produce report

Best practices for international metropolitan partnerships


[Partnerships that produce](#)



### City of Toronto – International Alliance Program

City of Toronto webpage on the International Alliance Program


[City of Toronto – IAP webpage](#)



### EDC Divisional Strategy (2018-22)

Strategy of the Economic Development and Culture Division of the City of Toronto


[EDC Divisional Strategy](#)



### China Mission Report (2019)

Staff report on China Outbound Mission in 2019

[China Mission 2019](#)



### Fall Europe Missions Report (2019)

Staff report on Europe Outbound Missions in Fall 2019

[Europe Missions Report Fall 2019](#)



### Israel and West Bank Mission (2016)

Staff report on the Israel and West Bank Innovation Mission in 2016

[Israel and West Bank Innovation Mission 2016](#)



### Toronto International Trade Funding Report

International Trade Funding Report adopted in February, 2017


[International trade funding report](#)



### International policy framework for Toronto

Integrated policy framework for international activities adopted in May, 2002

[International policy framework](#)



### IAP review and enhancement

Review of the IAP by City Council in 2005 and steps to enhance the program

[IAP enhancement](#)