TRAINING NEEDS ANALYSIS

Project Result 1

BAS Project

Developing digital business attraction skills in the local public sector

THE PROJECT IN SHORT

ACRONYM **BAS**

TITLE Developing digital business attraction skills through continuing VET at work in the local public sector

FUNDING PROGRAMME ERASMUS+

LENGTH 2022-2024

GENERAL OBJECTIVE The general objective of the BAS project is to raise the business attractiveness of the European cities through an up-skilling of staff of local authorities.

SPECIFIC OBJECTIVES The specific objectives are:
1. To equip managers and civil servants from Municipalities with digital competencies in the field of business attraction
2. To exchange and identify innovative experiences on business attraction strategies among municipalities in Europe
3. To develop an online training module to help managers and civil servants.

TANGIBLE RESULTS
1. Training needs mapping and analysis: a collection and analysis of the training needs of the target group.
2. Toolbox on Business Attraction Management: the toolbox will focus on how to organize and manage the Business Attraction capabilities
3. E-course on Digital Business Attraction Skill: online training path for civil servants

OTHER PARTNERS Municipality of Orust (SE)

Municipality of Imola(IT), Sweden Emilia Romagna Network – SERN (IT), CARDET (CY), Municipality of Pforzheim (DE), Tendensor (SE), Dubrovnik Development Agency DURA (HR).

WEBSITE
FACEBOOK PAGE https://basproject.eu/
https://www.facebook.com/bas.erasmusproject

AIM OF THE TRAINING NEEDS ANALYSIS

The training needs analysis has been conducted within the framework of the Erasmus + BAS project, *Developing Digital Business attraction skills through continuing Vocational Education and Training (VET) at work in the local public sector* aimed at providing a range of modern approaches to online branding and marketing helping staff of local authorities to build competitive place value propositions, accessible to a global audience.

The first tangible product of the BAS project consists in a collection and analysis of the training needs of the target groups. The Training needs analysis defines the state of art on the theme of the Business Attraction, in terms of existing practices in the 5 countries involved in the project. The main need to which this analysis responds is related to getting a deeper understanding of what the target groups are lacking both in terms of digital competencies and in business attraction and what do they expect from the online training module and the toolbox which will be developed later on.

METHODOLOGY

The Training Needs Analysis was conducted on the basis of data collected through direct interviews and few online questionnaires in the 5 countries of the project partners. All the 7 partners contributed to the collection of qualitative and data to their analysis.

In order to cover all possible aspects of business attraction/inward investment activities in the questionnaire and in the following BAS analysis, the partners used as a prototype, the Business Attraction Management Model - BAS (Nordic Place Academy, Tendensor 2015).
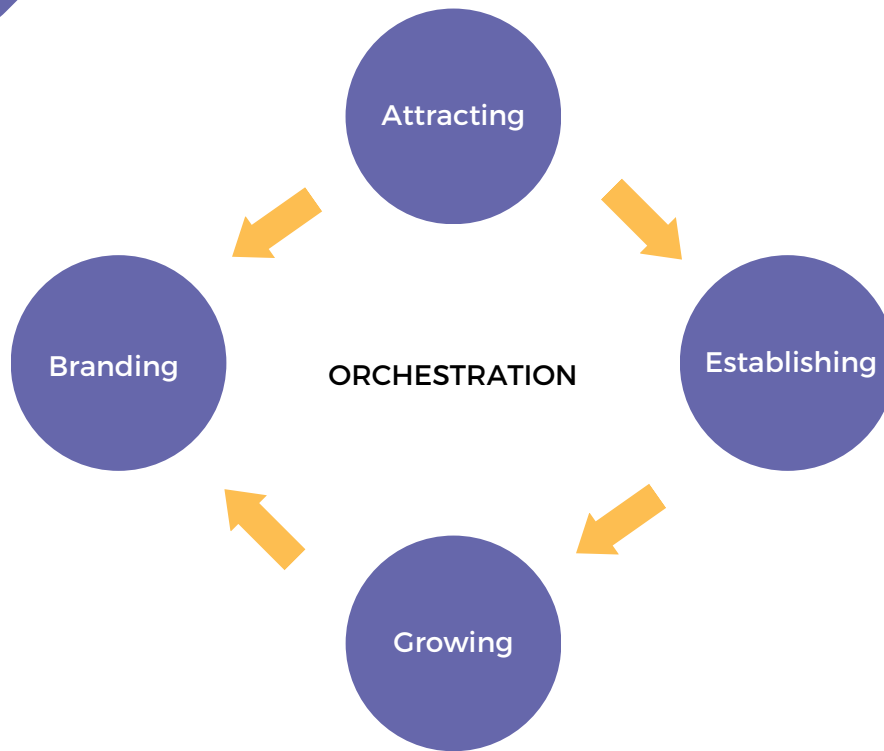
The Bam Model is a holistic approach to the management of strategic approaches, processes and activities aiming at attracting inward investment activity.

The BAM model includes four main categories of activities:

BRANDING: processes and activities aimed at branding the location and identifying packaging and communicating the value proposition to the investors;

ATTRACTING: activities focusing on attracting and connecting the investing business to the location and facilitating and hosting visits;

ESTABLISHING: activities aimed at providing a good reception and soft landingsoft-landing support for investors that have made the decision to invest;

GROWING: making sure that investing business can grow and innovate in the location. A successful establishment process, with conditions conducive to growth, and investing firms growing and innovating will contribute to building the brand and value proposition of the location.

The interviewees expressed their views on each of the four categories or phases of the business attraction, allowing them to understand strengths, weaknesses, digital tools used and skills to be developed or improved. On the basis of the answers obtained we have produced the analysis contained herein, divided into 4 categories (Branding, Attracting, Establishing and Growing) also including orchestrating related to the whole business attraction process and not to a specific phase and considered as the team effort to cooperate with different actors and engage different entities and competencies to convince an investor.

Specific attention was paid to the use of digital tools, a key topic of the project.

INTERVIEW RESULTS

BRANDING AND CREATING THE RIGHT CONDITIONS

Branding cities and regions, in general, is about clarifying and communicating unique and attractive values, for people and for businesses. But first a city needs to create the right conditions for businesses. To create the right conditions, it´s important to drive further development of local conditions for business, to develop specific strengths and synergies and to create attractive investment opportunities.

Based on the interviews that photograph an interesting slice of the reality of each country involved we can draw some general conclusions and highlight similarities, differences. It can be mentioned that a good number of respondents from Germany, Sweden and Italy have a similar opinion on the fact that the success rate depends on the availability and supply of land. The interviewees said almost unanimous that the regulatory restrictions, such as planning law, is seen predominantly negative and limiting. For planning processes, the municipalities need a reduction of bureaucracy, simpler decision-making channels, and more decisions in processes and more transparency.

The main needs that emerged from the interviews are:

- **Clear identification of target markets:** is the primary need that cannot be ignored; the success in business attraction is seen in the identification of target markets, specific potential investors and improvement for that territory (a Municipality or more frequently a bigger area, including several Municipalities). The first step for the cities is the understanding of the kind of markets. Most of the interviewees mention that this goes through a better understanding of businesses among all people involved, politicians and civil servants. In addition, particular emphasis should be placed on understanding what investments can bring in terms of job creation and other positive effects on local society as how an investment will contribute to a sustainable development of a place (considering the economic and social impact of an investment. A necessary condition for good identifying the target markets and planning is the open dialogue with all the main players in the area, as well as trying to meet the population interest.

- **Visibility/Communication:** among the majority of the interviewees, it was recognized a lack of skills and expertise to promote and make a city more visible, (through digital tools) so that it can attract investors and talents. From a general analysis it seems that in Sweden larger municipalities and regions seem to have invested in a general place branding concepts for citizens, talents, businesses and visitors. What instead emerges more in countries like Italy, Croatia for example is the very good work to attract visitors and promote tourism (in the cities of greatest interest) but much less capability of enhancing business attraction through the same channels.

- **Local brand message** as far as the brand of a territory is concerned, a lot of work is done at a national and regional level, but the same care must be taken in creating a local brand,

6

necessary for competition inside the region. Also, attention is to be given to well branded cities.

- **Creating Place Value Propositions**: for those who work on the visibility and promotion of a local brand, is it important to create a specific brand message, enough distinctive to match business needs and aspirations (Place Value Proposition). The competitive edge of the place must be formulated and efficiently communicated.

- **Readiness for investments**: the need to plan for the right preparation to welcome and manage investments and investors is generally recognised. Readiness for business at the local level is measured through many aspects, one of having a dedicated team, hiring a manager to deal with investment development, from the from the interviewees especially in Sweden, Italy and Germany it is understood this desire to work on the readiness.

ATTRACTING (MARKETING) AND CONNECTING (ONE TO ONE)

There is often no or little organized proactive marketing towards potential groups of investors at local level as evidenced mainly by the interviews in Sweden. Where existing, the proactive marketing is well covered mainly by regional and national agency. All the interviewees on local level points out the lack of proactive selling.

The main needs emerging from the interviews are:

- **Attracting external investments:** Municipalities must be more proactive in seeking investments, (selling and marketing) and must also try to get in touch with investors outside of those already in the area.This does not always start at the level of economic development agencies but often happens during the first contact with local authorities. This initial contact should be positive, because it can be decisive for investment.

- **Cross-functional team**: it is essential to work in a cross-cultural team, involving who deal with marketing and who deal with planning, sharing information about all the process of the business attraction. Many soft skills are requested to be a successful team: sociability / openness, negotiation skills, diligence, courage, adaptability, flexibility.

- **Understanding of investors perspective (time)**: one of the major difficulties encountered at the level of public body is to understand the business world with its different times and methods. It is essential to understand the point of view of the investor and his need to obtain answers quickly, otherwise there is a risk that an agreement could vanish. The management of such teams is crucial and must involve people who have a good understanding of business development issues on the one hand, and a neutral process-supporting all-round view on the other.

- **Tailor-made propositions:** Tailored implementation support is an invaluable advantage in competing for investment. Here, too, a basic knowledge of economic-spatial relationships and socioeconomic dynamics is important.

ESTABLISHING

In a successful establishing phase, the Municipality facilitates a smooth business establishment with good support (administrative and strategic) and connects the new businesses with the right local competence and the local business community. When investors have made the decision to establish – the municipalities have more power and mandate to mobilize resources.

This is the phase that most traditionally belongs directly to the municipality, but even if it is something for which they generally have responsibility, it is necessary that it is done in the best way to be able to benefit from it.

The following needs emerged from the interviews:

- **Make the process run smoothly:** giving strategic and administrative support to the investing company in order to reduce time and costs for all actors involved. It emerges from the interviewees above all in Italy, in Germany that the biggest challenge in this case is the legal framework that surrounds the municipalities that sets many limits. Bureaucracy and the involvement of many people lengthen the times, but they can be the guarantee that the decision is taken by several people and therefore the result of a shared process. However, an adequate level of preparation is necessary to overcome obstacles and speed up the process where possible.

- **Flexibility in planning:** Personnel with planning and technical skills are not always as eager as people involved in the earlier, more marketing-oriented phases. Moreover, external investors or corporate expansions are not always given a priority treatment when compared with ordinary company errands.

- **Communication flow – strong connection between all the actors involved**: Communication is a key factor, within the municipality all the actors involved (those who work in marketing and those who work in planning and the political level) must be aware of the investor's interest and do their best to be supportive.

- **Supportive environment and connection with local business community:** it is important to create the conditions to maintain a correct internal communication flow, between the various departments of the Municipality, but also an excellent communication flow with other stakeholders such as the local business community.

- **Considering the talents attraction**: The interviewees underlined the importance of talent attraction, with regards to the companies need for local key personnel. This is something that should be coordinated with the education system or with recruitment firms. This necessarily involves networking both to support the smooth process of establishment of a company and then the growth of investments. This also requires cooperative work with local and regional educational institutions ranging from technical colleges to universities.

- **Involvement of the local population and approval on the investment**: investment success stories play a vital role for branding and marketing places for talents and further investments. There are good reasons to make sure that the investment is covered by media and actively communicated to target markets. It is also important that during the establishment process the population is informed and involved in the decision-making process and that it fully understands the structural changes of the territory in case of large investments. Here, too, the cross-functional teams are important for the the communication processes during settlement discussions or approval processes in order to identify all problems as far as

possible in advance and not to have to deal with delays only in the subsequent approval process.

GROWING

"Growing" stand for supporting the company in further development and innovation, maintaining regular contact to monitor satisfaction as well as identify problems at an early stage and identifying opportunities for business expansion.

The main needs identified in this phase:

- **Establish a dialogue with local ecosystem** both businesses and dialogue also with research institutes, universities. It is essential as a public body, to be part of events, activities that can promote the sector and bring together the different actors by creating the favorable climate for future investments. In addition to dialogue, it is also imperative that business development be brought into the local ecosystem strategy process to ensure the broadest possible access that benefits as many partners as possible.

- **Following up the investments** need to have a method to monitor the satisfaction of investors on the territory. The monitoring ensures an early identification of problems but also can be a way to find new opportunities for further investments

- **Sharing examples and good practices to improve the ability of supporting** investor successful stories should be shared to feed reputation of a territory (branding), but also as an example for other companies of how it is possible to settle in a territory. In addiction good practices can be of great use to other cities or countries that can draw inspiration. The internal marketing of best-practice examples also promotes the acceptance of a cooperative settlement and approval culture among the specialist departments, thus facilitating future processes.

ORCHESTRATION

The orchestration is the ability to coordinate the business attraction process in all the steps. The orchestration is considered crucial for success by the interviewees. Among the interviews, even if things are getting better, there is a need for a stronger mandate to bring people and resources together into a coordinated teamwork, involving all relevant departments and competences.

Needs:

- **Develop and grow the vertical (nation-region-municipality) and horizontal integration (regional)** from what emerges from the interviews, business attraction is managed more at a national level (as a strategy) and at a regional level in almost all the countries. The local level has only recently increased its awareness (especially in Sweden) of the importance of having its own brand, and proactively working on attracting investors competing with other municipalities in the same region. if local authorities are also more active in business attraction, however, they need coordination and communication with other neighbouring municipalities (horizontal integration) or with the region and at national level (vertical integration).

- **Cross-functional teams:** there is still a recognized lack of personnel capacity to answer all the enquires promptly and efficiently. Frequently too many people are involved, coming from different departments that communicate little between them. In some Municipalities (among the interview we can count the smaller municipalities in Italy and in Croatia and Cyprus), there is no dedicated team, at a local level, for managing the business attraction. In Sweden, there is a need to strengthening the link between municipality departments working with business development and other relevant parts of the administration, according to the interviewees.

A German approach is the so-called Unternehmerservice, a central contact point that acts as an authority pilot and intervenes in the settlement or approval process whenever necessary. In the interviews in Italy, it also emerges that too much still depends on the soft skills of the one contact person of the Municipality to determine the success of the business attraction while it should more be the result of a team effort. From the interviews emerged the need in the team of soft skills such as Coordination, communication, commitment and team spirit.

- **Understanding business culture:** In the attracting phase we mentioned the importance of understanding that the private sector has faster times than the public body and that these differences must always be taken into consideration. In orchestrating the entire business attraction process, these differences must always be taken into consideration, but above all the investor's point of view must be understood and listened to. In addition, cultural differences must also be taken into account when the investor comes from another country. a trained team must necessarily be flexible in understanding needs and adapting to cultural differences.

USE OF DIGITAL TOOLS

Although during the interviews many focused more on the management needs of the business attraction and on the organization of the team, it is clear that digital tools are essential.

Regarding digital tools it can be said that all those interviewed understood how fundamental it is to use them today, but not everyone is aware of what the right use is. In particular there is a need for learning how to use digital tools for branding and marketing the place and its value propositions, make a place and its sites searchable in inward investment databases, reach the target markets, use more media channels to transfer successful stories, to connect stakeholders and promote a territory, to communicate investments to the population.

CONCLUSIONS

The analysis conducted by the different BAS project partners has certainly highlighted different needs and gaps that the Municipalities have regardless of their country, context and size.

The need to share and work together with all the actors involved in the business ecosystem, inside and outside the administration of the Municipality certainly clearly emerges, as well as the need to coordinate the efforts and offer a rapid response to investors.

In order to be able to guarantee the recruitment, settlement and approval processes as well as the subsequent long-term support of investors and companies, a number of aspects should be emphasized in particular:

1. Awareness and knowledge of the local and regional strengths and weaknesses and the development and maintenance of an economic development concept;
2. Cooperation between local and regional actors;
3. Process- and solution-orientated interpretation of legal framework requirements;
4. Permanent and positive communication within a coordinated communication plan;
5. Creation of a common working mode in cross-departmental and cross-structural teams.

BAS

DEVELOPING DIGITAL BUSINESS ATTRACTION SKILLS IN THE LOCAL PUBLIC SECTOR

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