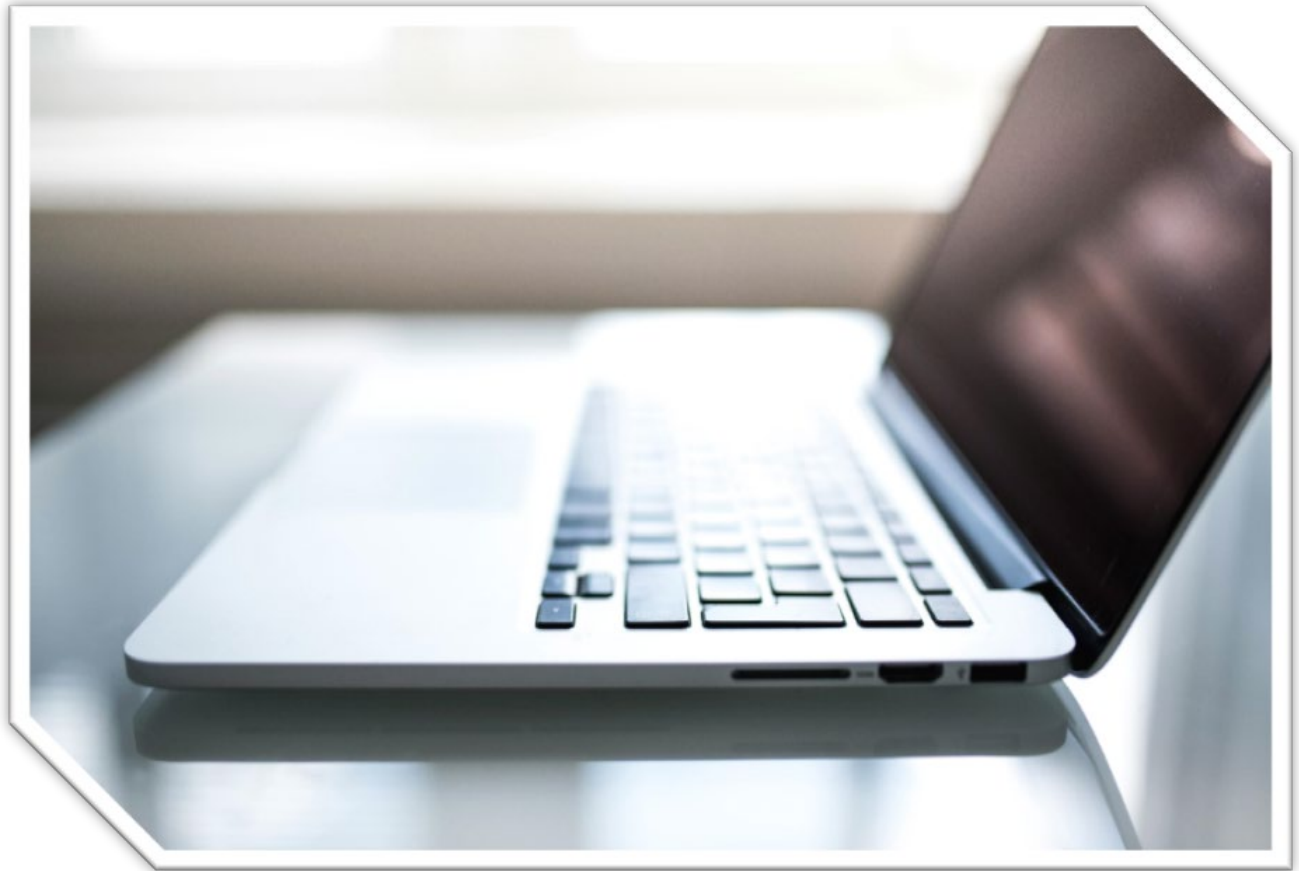


Atlantic Canada Advantage

Site Selector Information RFP

July 2024



**REQUEST FOR PROPOSAL -
Notice to Prospective Consultants**

July 25th, 2024

You are invited to review and respond to this Request for Proposal (RFP), entitled **Site Selector Information - Atlantic Canada Advantage**. In submitting your proposal, you must comply with these instructions.

Please note that no verbal information given will be binding unless such information is issued in writing as an official addendum.

In the opinion of the Atlantic Association of Community Business Development Corporations, this RFP is complete and without the need for explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

Joe Brennan
Atlantic Association of Community Business Development Corporations
902-500-4336 (Office)
902-631-2397 (Cell)
joe.brennan@cbdc.ca

Please note we require all responses to this RFP to be based on fixed-priced quotes, no estimated quotes will be considered.



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1.0 Introduction

The Atlantic Association of Community Business Development Corporations (AACBDC) invites interested consultants to respond to this Request for Proposal (RFP) to create and compile a set of data containing comprehensive information and key attributes that site selectors need to make well-informed recommendations to investors. Once the dataset is defined and the information is compiled, the information will need to be integrated into the Atlantic4.ca website.

2.0 Contracting Agency

For this contract, the AACBDC will be the contracting agency.

The AACBDC is engaged in community-based business development through a network of autonomous, not-for-profit organizations that work with all levels of government and the private sector to meet the needs of small and medium enterprises.

In Atlantic Canada, there are 41 corporations dedicated to assisting small and medium enterprises including start-up, expansion, modernization, and maintenance of business entities in all sectors of the economy.

The AACBDC administers, on behalf of its 41 member CBDCs, several programs and initiatives. AACBDC is governed by a volunteer Board of Directors that is selected by each of the Atlantic provinces to provide oversight and governance of the affairs of the organization.

3.0 Background

3.1 Atlantic Growth Strategy

The Government of Canada and the four Atlantic Provinces recognize that trade and investment is a key economic driver in the Atlantic region.

Through an all-inclusive, pan-Atlantic, whole-of-government approach - the Atlantic Growth Strategy (AGS) (<http://www.acoa-apec.gc.ca/ags-sca/Eng/atlantic-growth.html>) undertakes cooperative actions aimed at stimulating economic growth in the region.

3.2 Atlantic Trade and Investment Growth Strategy (ATIGS)

One pillar of the AGS is the Atlantic Trade and Investment Growth Strategy (ATIGS) which was first launched in 2017. ATIGS was renewed in 2022. The new strategy builds on successes and lessons learned and aims to strengthen the implementation of firm-focused, growth-oriented trade and investment activities in a coordinated manner.

Under the new ATIGS, the core federal and provincial partners will work to achieve the following three main objectives:

- Increase the number of Atlantic firms engaging in international business activity.
- Increase the capacity of Atlantic firms to strategically enter new international markets or sustain or increase their international trade.
- Strengthen the region's capacity to attract foreign direct investment (FDI).

In support of the updated ATIGS, the federal and provincial partners have renewed their commitment

to trade and investment in Atlantic Canada by signing a joint Atlantic Trade and Investment Growth Agreement (ATIGA). Under the ATIGA the cohorts will invest close to \$20 million over six years to implement firm-focused, strategic market development plans to expand Atlantic Canada's international business activities.

The ATIGS Management Committee (MC) has created an FDI team that has been given the mandate to collaborate on projects which will focus on increasing FDI in Atlantic Canada. FDI is defined as investment transactions with individuals/entities outside of Canada.

The FDI team aims to strategically market the region by displaying the best it has to offer to:

- Attract new global investments.
- Ensure regional investment stakeholders have the information and training required to respond to incoming foreign interests.
- Encourage the coordination and leveraging of federal and provincial resources to close more foreign investment deals in Atlantic Canada.

3.3 Atlantic Canada Advantage Project Overview – Atlantic4

In today's global economy, countries, provinces, and cities around the world are looking at ways to drive the economy forward. This is not an easy task, and it is very difficult to stand out globally, however, Atlantic Canada has a long history of hardworking and innovative people. All that said, incredible infrastructure was developed delivering people and products from the ocean to central and western North America. Governments had to be nimble to meet the growing demands and ever-changing influx of people and commerce. This is a strength to this day and the foundation pieces that have allowed billion-dollar companies to call Atlantic Canada their home. These companies have stayed and continue to grow around the world, i.e., McCain's, Irving, Cavendish, Cooke Aquaculture, CHC Helicopters, Empire Companies, Provincial Aerospace Limited, Nasdaq Verafin, and the list goes on. Why do they stay and grow? It is the people, innovation, infrastructure, and agile economies.

Atlantic Canada is not a big region when compared to other Foreign Direct Investment (FDI – "incoming" investment into Canada) competitors. However, the four provinces combined are very well positioned, when working together, to enhance the regions' strengths and competitiveness on the global stage. It is well known that while the individual FDI value propositions for the four provinces can be very similar in many ways, each province also has its unique strengths that can be complimented by one or more of the other Atlantic provinces, thus providing an opportunity to create overarching Atlantic Canada value propositions that present stronger cases for FDI in the region.

It is for the reasons noted above that in 2021 the group embarked on an initiative to create an overarching FDI value proposition for Atlantic Canada with additional deeper dives into value proposition development for the Oceans, Aerospace & Defence, and Cybersecurity sectors as these are the sectors in which each Atlantic Province has the capacity and can add value to the creation of a stronger value proposition for potential investors.

In 2023, the FDI team added Energy Innovation as a new sector to the Atlantic4 Program.

The Atlantic Canada value propositions highlight the strengths of the region, some of which include but are not limited to:

- A population of over 2 million for investors to draw from for a workforce.

- A diversified supply chain.
- A variety of world-class universities and colleges that provide different training, research, and development opportunities.
- Multi-faceted and interconnected world-class infrastructure with ports, roads, rail, air, and data networks.
- Support of governments who have clear strategies focused on growth sectors that will drive the economy of the future.

The value propositions and the strategic work plan will be used to tell the story of Atlantic Canada as a premier destination of choice for FDI and can be used:

- To provide a stronger rationale for FDI in the region as the overarching value propositions for the Atlantic region as a whole present a stronger case for FDI than each province individually.
- To compliment the information already existing in the Invest in Canada platform.
- In investment-attracting activities that are undertaken collectively by all Atlantic Canada partners or individually by provinces.
- To educate Global Affairs Investment Officers around the world on the investment opportunities Atlantic Canada can offer foreign firms.
- To compliment the sites certified through the Atlantic Canada Site Certification Program.

During the first phase of the Atlantic Canada Advantage project, the FDI team retained a consultant who gathered information from partners, and stakeholders and engaged with sector-experienced consultants that provided a deeper insight into the value proposition development for the Oceans, Aerospace & Defence, and Cybersecurity sectors. The research was used to assist the consultant in developing overarching value propositions and a strategic work plan. For a summary of the key findings from the first phase of the project please refer to Appendix B attached to this RFP.

In the second phase of the project, the FDI team retained a consultant to develop a suite of assets for the Oceans, Aerospace & Defence, and Cybersecurity sectors. For a sample of the creatives that were developed as part of phase 2 please refer to Appendix C of this RFP.

A follow-up project in the fall of 2022 and winter of 2023 saw enhancements to the Atlantic4.ca website and an in-market media buy to begin promotion of the Atlantic4 sectors to targeted audiences around the globe. For details on the results of the campaign please reference Appendix D of this RFP.

In 2023, with the continuation of the Atlantic4 Program, the team added Energy Innovation as a sector of focus. With the addition of Energy Innovation sector, a suite of marketing assets was developed for that sector that included a sector video, digital ads, print ads, sector sheets, and pitch book, along with information added to the Atlantic4.ca website.

Currently, we are developing our newest addition to the Atlantic4 Program, the Health Innovation Sector, to broaden and strengthen the impact of the Atlantic region. We have retained a consultant to develop a suite of assets for this sector that includes: a sector video, digital ads, print ads, sector sheets, and pitch book, along with information added to the Atlantic4.ca website, expected completion by January 2025.

Now, we are looking to improve the Atlantic4 website by adding information for site selectors and potential investors to our region. The Atlantic4 website would house content focusing on relevant information and key attributes that site selectors require before presenting well informed recommendations to investors.

Site selectors rely on data to make informed decisions. Accurate and comprehensive data allow them to evaluate various factors such as demographics, economic conditions, labor market characteristics, infrastructure quality, and business environment.

Jurisdictions that have data readily available for site selectors position themselves as attractive, transparent, and reliable investment destinations. This readiness not only facilitates the decision-making process but also enhances the jurisdiction's appeal by showcasing its strengths, stability, and commitment to supporting business investments.

3.4 Engagement Overview

The AACBDC has identified the need for a consultant to create and compile relevant data containing comprehensive information and key attributes that site selectors need to make well-informed recommendations to investors. Once the data is defined and the information is compiled, it will need to be integrated into the Atlantic4.ca website.

The first order of business for the consultant would be to do a jurisdictional scan of what regions do this well, identifying what information and key attributes should be included. This could also include getting the opinions of site selectors themselves.

Once completed, the information would be required to be presented on the Atlantic4 website in both official languages.

3.5 Engagement Oversight

The AACBDC has appointed Joe Brennan as Program Manager to liaise with the consultant for ongoing information and project management requirements. For the length of this engagement, the Consultant will report to the Program Manager.

Additional oversight may be provided by the FDI team, which is comprised of:

- Two representatives from the Atlantic Canada Opportunities Agency (ACOA)
- One representative from Invest in Canada (IIC)
- One representative from each of the four Atlantic provinces (provincial Economic Development Organization (EDO))
- One representative from the AACBDC

4.0 Project Scope

The project scope will include the following three objectives.

4.1 Project Kick-Off

The first requirement of the project is a project kickoff meeting that focuses on reviewing the team's strategic work plan and understanding project goals, deliverables, and timelines. It is expected that this meeting will include the consultant, the Project Manager, and the FDI team.

After this meeting, the consultant will undertake a review of the relevant FDI program and background material that has been developed to date.

4.2 Site Selector/Investor Information

The consultant will be tasked with creating and compiling relevant data, including comprehensive

information and key attributes needed by site selectors to make well-informed recommendations to investors. Please refer to Appendix A attached to this RFP for a detailed list of data points identified by the team for inclusion.

In addition, this will also involve a jurisdictional scan and research conducted by the consultant to identify regions that excel in this area. They will determine what information and key attributes should be included, gathering insights from site selectors and consultants about the information they seek when collaborating with EDOs.

Once the list of data points has been approved by the team, the consultant will be responsible for providing this information on both an Atlantic (regional) and provincial basis.

4.3 Incorporation/Integration on the Atlantic4 Website

Once the detailed list of key attributes and information has been identified and approved by the FDI team, the consultant will be responsible for compiling the information from various data sources and integrating this information on the Atlantic4 website in both official languages.

The integration into the Atlantic4.ca website will also need to include a feature that allows users to filter the information by province or view data for the entire Atlantic region.

The consultant will also be responsible to include a plan on how to keep the content current and up to date.

5.0 Deliverables and Milestones

The following chart provides a breakdown of the key project milestones throughout the engagement.

5.1 Project Kick-Off and Discovery	August 2024
Engagement of Consultant	August 2024
Kick-off Meeting	August 2024
Development of key attributes and information	September 2024

5.2 Site Selector Information	September – October 2024
Information Collection	September - October 2024

5.3 Integration Into Atlantic4.ca	October – December 2024
Integration of information on Atlantic4.ca	October – December 2024
Strategy/plan on how to keep the information current	December 2024

5.4 Final Report	January 2025
Completion of the project final report and presentation	January 2025

6.0 Proposal Structure

Introduction	This section should introduce and briefly describe the firm, its capabilities, and its experience in handling an assignment of this nature.
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Understanding of the Issue	<p>This section should explain the consultant's understanding and interpretation of the objectives and requirements of this project. The successful consultant will have demonstrated a good understanding of the work to be undertaken.</p>
Work Plan and Methodology	<p>The section should include:</p> <ul style="list-style-type: none"> • A description of the Consultant's process and approach to the project objectives: <ul style="list-style-type: none"> • Development of key attributes and information • Information collection • Integration of information on Atlantic4.ca • Strategy/plan on how to keep the information current • Final reporting and presentation. • A project schedule including deliverables and milestones (the consultant will be required to make regular oral and written reports to the AACBDC & the FDI team on the progress of the work). <p>Summary of any necessary travel required to complete the project (if applicable). Video/teleconference meetings with the AACBDC & the FDI team will be held as required.</p>
Summary of Qualifications and Experience	<p>This section must include:</p> <ul style="list-style-type: none"> • A brief résumé of the qualifications and experience of the consultant as they relate to this RFP. A description of experience working on economic development-related projects in Atlantic Canada. • Years in business, number of employees, civic address, ability to develop materials in both official languages. • A list of key project personnel to be used in the project outlining their roles, responsibilities, and their relevant experience. • A list of any subcontractors (individual or organizational) that the consultant intends to use when providing services under this RFP. • Corporate profiles and short-form résumés of key project personnel, as well as references for related work to be included as an appendix. Provide two reference projects where the company has undertaken work of similar scope and scale.

<p>Pricing</p>	<p>Pricing is to be detailed in a table and should include:</p> <ul style="list-style-type: none"> • All professional fees. • Travel costs (if applicable) for face-to-face meetings. • Other costs. <p>This section must provide the total cost for the engagement and be divided into the following categories:</p> <ul style="list-style-type: none"> • Project kickoff • Development of key attributes and information • Information Collection • Integration of information on Atlantic4.ca • Plan on how to keep the information current • Final reporting and presentation <p>Travel costs will only be reimbursed for actual travel incurred and will follow federal guidelines (https://www.njc-cnm.gc.ca/s3/en). Travel costs are to be considered and included in the price outlined.</p> <p>Prices quoted shall include Harmonized Sales Tax (HST 15%), must be in Canadian currency, and shall be firm until the contract has expired. It is the intent that these prices remain fixed until completion and that no contract containing price escalations will be accepted before the anticipated completion date outlined in this RFP.</p>
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7.0 Project Schedule

The project schedule should assume an approximate starting date the week of September 2nd, 2024. The deliverables and activities outlined in the project scope (section 4.0) must be completed by January 31, 2025.

8.0 Submission of Proposal and Vendor Information

Proposals must be received by the AACBDC contact no later than 4:00 p.m. on August 16, 2024.

- Proposals should not exceed twenty (20) pages, excluding appendices. Appendices are acceptable as outlined in the summary of qualification and experience in section 6.0.
- A digital copy is required.
- The successful proponent will be contacted within 14 business days of the RFP closing.

Please submit an electronic version of the proposal in Word and Adobe Portable Document Format (PDF) to the following email address: joe.brennan@cbdc.ca.

9.0 RFP Response Evaluation

The AACBDCs will evaluate the proposals. The lowest-priced proposal may not necessarily be accepted. The AACBDC reserves the right to recommend rejection of all proposals and either cancel or re-issue the RFP if necessary.

The qualifications, commitment, related experience, and knowledge of the project personnel will be key

evaluation factors. The experience of the consulting team in undertaking assignments of this nature and magnitude will be a significant factor in proposal selection. The evaluation framework outlined in the following table will be used in the selection with special attention given to the methodology, the project management, and the delivery plan.

The Evaluation criteria used to evaluate proposals fall into the following categories as referenced in Section 6:

Table 2: Selection Criteria		
	Factor	Scoring
1.	Consultant experience demonstrates the ability to provide requested services	15
2.	Consultant demonstrates an understanding of the project, its objectives, and metrics for evaluation	25
3.	Completeness and suitability of approach (proposed methodology)	20
4.	Capacity (identification of resources to undertake the project as well as relevant skills and experience by the individual)	15
5.	Pricing	25
	Total	100

Please note: we may choose to interview a shortlist of consultants as part of the evaluation process.

10.0 Awarding of Contract

The resulting contract will contain such reasonable terms as the AACBDC may require. Negotiation sessions may be held to work out contract details and other expectations of the parties applicable to the services/work, based on the RFP and the proposal(s) submitted.

The award of the contract will be made by the AACBDC, based upon the results of the evaluation of submitted proposals. The AACBDC will notify the successful consultant in writing via electronic means. Those who are not successful will receive written notification via electronic correspondence as soon as possible once the award of the contract has been accepted and the negotiations have been concluded with the successful consultant.

11.0 Contact

All inquiries and requests for clarification must be submitted via email. Requests for clarification should be directed to joe.brennan@cbdc.ca.

The Atlantic Association of CBDCs will administer the contract for this project. Contact for this RFP is:

Name: Joe Brennan
Organization: Atlantic Association of CBDCs
Address: 459 Murray Street, Mulgrave, NS B0E 2G0
Email: joe.brennan@cbdc.ca
Telephone: (902) 500-4336 (Office) or (902) 631-2397 (Cell)

12.0 General Conditions

Verbal information or representations shall not be binding on the AACBDC. Only changes, alterations, modifications, or clarifications approved in writing will be binding. In order to be valid all such changes, alterations, modifications, or clarifications shall be issued in the form of addenda and all such addenda shall become a part of this RFP.

The proposal of the successful consultant will form part of any resultant contract agreement by attachment and incorporation by reference. Claims made in the proposal will constitute contractual commitments. Any provision in the proposal may be included in the resultant contract as a direct provision thereof. The successful consultant, as a condition of submitting its proposal, accepts a customized contract that will be negotiated.

Any resultant contract from this RFP will be governed by the by-laws of the AACBDC and shall be issued in the name of the successful consultant exactly as that successful consultant's personal or corporate name is stated in the RFP response document. Funds payable for materials delivered under any resultant contract shall be paid only to the Consultant who is so listed as a party to any resultant contract. Only legally registered names of proponents are acceptable.

The proposal will contain the signature, name and title of the person authorized to sign on behalf of the consultant on the proposal submitted in response to this RFP.

The responsibility rests with the consultant submitting a complete proposal, with proper and adequate detail to substantiate all aspects of its proposal. Incomplete proposals shall be deemed to be non-compliant. A complete proposal should include but not be limited to:

- Legal name and status: The proposal shall state the correct legal name and legal status of the proposing entity and the correct mailing address.
- Consultant contact: The name, title, telephone and fax numbers, E-mail address and civic address of a representative who may be contacted for clarification or other matters relating to the proposal shall be provided.
- Content: The proposal will be clear, and concise, and must include sufficient detail for effective evaluation and for substantiating the validity of stated claims. The proposal shall not simply rephrase or restate the requirements but rather shall provide a convincing rationale to demonstrate how the consultant intends to meet these requirements.

The successful consultant must be licensed to conduct business in its own jurisdiction and may be required to produce a certificate of good standing for that jurisdiction.

All terms and conditions will apply to all subcontractors and the consultant will be responsible for subcontractors' compliance. The consultant will be responsible for all work done by the subcontractors. The consultant will be responsible for all damage and will complete any work unfinished by the subcontractors.

Release of Funds

The following constitutes the release of payment by the AACBDC to the prospective consultant:

1. 10% released upon signing of the contract.
2. 40% released upon completion of the development of the dataset and relevant key attributes.
3. 50% released upon completion of the integration of the information and key attributes on the Atlantic4.ca website and project final report.

13.0 Intellectual Property and Disclosure

All proposals and any intellectual property that is developed as a result of this project, including all data, specifications, concept plans, designs, rationales, presentation materials, economic and technical reports, and related information produced by the consultant in completing this work submitted shall become the property of the AACBDC. By submitting a proposal, the consultant hereby grants the AACBDC a license to distribute, copy, print, or translate the proposal for the purposes of the invitation and completion of the project, including to the members and representatives of ATIGS.

All documents submitted by partner agencies shall remain the property of the issuing organization. All information is proprietary and as such should be treated as confidential. Information obtained by the consultant as a result of participation in this project is confidential and must not be disclosed without written authorization.

Appendix B

The following is a set of minimum data points the FDI team would like included as part of this project. As part of the consultant's research, this list can be expanded upon (based on the FDI team's approval).

- **Economic Factors:**
 - **Market Size and Growth Potential:** Data on population size, demographic trends, and economic growth indicators.
 - **Industry Clusters:** Presence of relevant industry clusters and ecosystems that support the investor's business.
 - **Economic Stability:** Indicators such as GDP growth, inflation rate, and economic diversification.
- **Labor Force:**
 - **Availability of Skilled Labor:** Workforce size, education levels, and specific skill sets relevant to the industry.
 - **Labor Costs:** Average wages, benefits costs, and labor union presence.
 - **Labor Market Conditions:** Employment rates, labor turnover, and workforce productivity.
- **Immigration:** Ease of immigration, available resources and programming (AIP for example) etc.
- **Infrastructure:**
 - **Transportation:** Proximity to major highways, railroads, airports, and ports.
 - **Utilities:** Availability and reliability of electricity, water, gas, and telecommunications.
 - **Real Estate:** Availability and cost of land, buildings, and office space.
- **Business Environment:**
 - **Regulatory Framework:** Ease of doing business, regulatory environment, and compliance requirements.
 - **Tax Structure:** Corporate tax rates, tax incentives, and overall tax burden.
 - **Incentives and Grants:** Availability of government incentives, grants, and subsidies for businesses.
- **Quality of Life:**
 - **Cost of Living:** Housing costs, cost of goods and services, and overall affordability.
 - **Healthcare and Education:** Quality and availability of healthcare services and educational institutions.
 - **Lifestyle and Amenities:** Recreational facilities, cultural amenities, and overall quality of life.
- **Innovation and Technology:**
 - **R&D Facilities:** Availability of research and development centers and innovation hubs.
 - **Technology Infrastructure:** Broadband and telecommunication infrastructure, presence of tech companies, and innovation support.
- **Risk Factors:**
 - **Political Stability:** Stability of the local government and political climate.

- Environmental Risks: Natural disaster risks, environmental regulations, and sustainability initiatives.
 - Security: Crime rates and overall safety of the area.
- Financial Considerations:
 - Capital Availability: Access to venture capital, private equity, and other financing options.
 - Operational Costs: Comparative costs of operations, including utilities, rent, and maintenance.
- Case Studies and Success Stories:
 - Existing Businesses: Presence of successful businesses in the area and case studies of companies that have thrived post-expansion.
- Testimonials: Feedback from other businesses and testimonials from industry leaders.
- Post-secondary: Post-secondary enrollment and graduates (College, University, apprenticeships) - by field of study, level of credential, location
- Bilingual Workforce
- Business Competitors: (either by sector or specific industry)
- First Nations Partnerships

Atlantic Canada Advantage

Value Proposition and Strategic Work Plan Development

23 July 2021

[REVISED 27 SEPT 2021]

Prepared for:

AACBDC

Prepared by:



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EXECUTIVE SUMMARY

The Atlantic Canada provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island and their federal partners, the Atlantic Canada Opportunities Agency and Invest in Canada have been seeking ways of working collaboratively to attract, nurture, and retain foreign direct investment (FDI) in the region. The four provinces have a common interest in growth, and many of their assets and economic networks span across provincial borders.

The federal and provincial governments of Atlantic Canada have been working together to establish the Atlantic Canada Advantage Initiative to better coordinate their efforts. The team of FDI professionals, assembled because of these efforts, will strategically market the region by:

- ▶ attracting new global investments;
- ▶ ensuring regional investment stakeholders have the information and training required to respond to incoming foreign interest;
- ▶ encouraging the coordination and leveraging of federal and provincial resources to close more foreign investment deals in Atlantic Canada.

The current document covers the work performed as well as the derived value propositions and strategic action plan for the three key major sectors of **Aerospace and Defense**, **Cybersecurity**, and **Oceans**, as well as developing an initial overall value proposition for Atlantic Canada.

The work performed included intensive data analysis of the existing economic networks, competitive advantages, and foreign direct investment trends for the three major sectors. The project team also conducted interviews with both representatives of government in the provinces and at the federal level, as well as with private sector representatives who could better provide insight into the dynamics of each sector within the Atlantic Canada region.

From this, the team has developed a comprehensive strategic action plan and a series of value propositions. The action plan lays out a series of initiatives that the Atlantic Canada advantage team and its stakeholders may implement over the near term to continue to build coordination and marketing infrastructure amongst the federal and provincial partners, to market the Atlantic Canada region overall and to the three major sectors, and to perform direct outreach globally.

The overarching value propositions for the region identify its legacy and key assets. The propositions also leverage the region's ability to move quickly due to the ability to easily reach and engage key decision makers:

- ▶ Atlantic Canada is big enough to have all the capabilities and people you need, but small enough that we can make things happen fast;
- ▶ Long known for its strengths and innovation in defense, information technology, and shipbuilding, Atlantic Canada is driving the front edge of advancement in ocean technology, cybersecurity, and aerospace;
- ▶ The Atlantic Canada workforce is hard-working and technically savvy. This along with Canada's transparent and aggressive immigration policy make it easier to build a world-beating team of talent here than anywhere else.

- ▶ Our ports, universities, and business institutions were built by and to serve the needs of our core businesses. Our communities were founded on being at the front of exploration – come join us and excel.

The action plan works from the value propositions and known strengths of the region (and its team to bring this image into the marketplace. Major activities are as shown below:

TABLE 1 - STRATEGIC ACTION PLAN ACTION ITEMS

ACTION AREA	ACTION ITEM
COMMUNICATIONS AND COORDINATION	<ul style="list-style-type: none"> ▶ Intra-partnership communications protocols ▶ Communications protocols ▶ Participation protocols ▶ Lead sharing procedures ▶ Lead handling procedures
INVESTMENT READINESS AND DATA MAINTENANCE	<ul style="list-style-type: none"> ▶ Address data gaps related to stakeholder investment readiness ▶ Work with local economic development partners to meet with and engage current multinational companies ▶ Strategic positioning document
BRANDING AND CREATIVE	<ul style="list-style-type: none"> ▶ Brand positioning statement ▶ Brand slogan ▶ Brand messaging
MARKETING MATERIALS DEVELOPMENT	<ul style="list-style-type: none"> ▶ Brochures in editable format ▶ Pitch Book Development ▶ Advertising materials and content (multi-media)
ONLINE PRESENCE	<ul style="list-style-type: none"> ▶ Virtual tours ▶ Individual website ▶ E-Newsletter ▶ LinkedIn Usage ▶ Google Ads
DIRECT OUTREACH	<ul style="list-style-type: none"> ▶ Consultant list development ▶ Industry decision maker research ▶ Conference research and planning
EVALUATION AND ADJUSTMENT	<ul style="list-style-type: none"> ▶ Dealflow Analysis ▶ Capital Investment (FDI Analysis) ▶ Annual Review and Adjustment

In addition to the strategic action plan, several overall initiatives and values will help to cement the Atlantic Canada Advantage that will enhance the chances that the Atlantic Canada Advantage initiative's chances for in attracting, nurturing and, retaining new investment in the region:

- ▶ **Plan and Act Regionally** – The Atlantic Canada Advantage Initiative is an important first step in more direct regional collaboration amongst the federal government, the provinces, and their economic development agencies. The current efforts to promote the region will provide a test foundation for developing better protocols and increased trust amongst the actors. A commitment to communication and collaboration will provide mutual benefit for all.
- ▶ **Continue to Look for Crossovers** – The current sectors of Oceans, Aerospace and Defense, and Cybersecurity are somewhat limited, but also tend to overlap with other major sectors like information technology and advanced manufacturing. While the current efforts will focus on these sectors, other opportunities for collaboration will naturally arise. We strongly recommend that the partners embrace those with the same enthusiasm as the current initiative.
- ▶ **Enhance Readiness** – The Atlantic Canada Advantage partners approach the current initiative with different levels of experience and readiness in soliciting and handling foreign direct investment requests. Ideally, partners will work together to share best practices, infrastructure, and even capacity going forward to ensure that the region as a whole enhances its reputation as being “ready to play.”
- ▶ **Embrace Access and Connectivity** – Given the region's original heritage in maritime and port activities, it's connections to the United States, Europe, and the rest of Canada are an important strategic strength. Particular efforts should be made to both promote the road, rail, and ocean connectivity and also to enhance air connectivity.
- ▶ **Sustained Commitment** – All the tasks will require a multi-year commitment in order to truly show success. The Atlantic Canada advantage and the stakeholder partners should be prepared to continue to invest and participate over the long run to fully reap the benefits of the initiative.



INTRODUCTION AND PROJECT OVERVIEW

This report summarizes the work performed to help the Atlantic Association of Community Business Development Corporations (AACBDC) develop value propositions for the region and key identified sub-sectors. Also included is a strategic work plan that details the objectives and tactics needed to promote Atlantic Canada as a premier destination of choice for foreign direct investment (FDI).

The team analyzed and developed an overarching value proposition by using the strengths and unique competitive assets of the four provinces' (New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island), existing FDI programs and background material, and current and new data. In terms of the value proposition development relating to the Oceans, Aerospace and Defense and Cybersecurity sectors, a similar methodology will be used in the development of these value propositions including using the feedback from experienced consultants.

This has provided the FDI team, the CBDC partners, and associated stakeholders with the tools needed to strategically promote and market the region. The value propositions and the resulting strategic work plan will be used to tell the story of Atlantic Canada as a premier destination of choice for FDI and can be used:

- ▶ to provide a stronger rationale for FDI in the region, as the overarching value proposition for the four provinces together is stronger than the provinces separately and present critical mass of effort and opportunity;
- ▶ to complement and supplement the information already in the Invest in Canada platforms;
- ▶ by all Atlantic Canada partners either in concert or individually as they pursue investment attraction activities;
- ▶ to provide trade commissioners with the information they need on the investment opportunities that Atlantic Canada can provide foreign firms; and
- ▶ to act on the information that bolsters and provides context for the sites certified through the Atlantic Canada Site Certification Program.

Ultimately, the FDI team assembled because these efforts aims to strategically market the region by communicating the region's advantages and:

- ▶ attract new global investments;
- ▶ ensure regional investment stakeholders have the information and training required to respond to incoming foreign interest; and
- ▶ encourage the coordination and leveraging of federal and provincial resources to close more foreign investment deals in Atlantic Canada.

The current document covers the work performed as well as the derived value propositions and strategic action plan. This includes:

- ▶ **Location Quotient and Shift Share Analysis** – a review of the current economic makeup of the region
- ▶ **Reverse Site Selection Analysis** – an examination of the competitive advantages of the region
- ▶ **Interview Summary** – a synopsis of the findings from our discussions with agencies and with private sector representatives
- ▶ **Foreign Direct Investment Analysis** – an examination of foreign direct investment trends and what these may mean in terms of opportunity for the region
- ▶ **Opportunity Profiles** – a detailed examination of the specific target types appropriate for the Atlantic Canada region
- ▶ **Value Propositions**
- ▶ **Key Recommendations**
- ▶ **Strategic Action Plan**

LOCATION QUOTIENT AND SHIFT SHARE ANALYSIS

Location Quotient

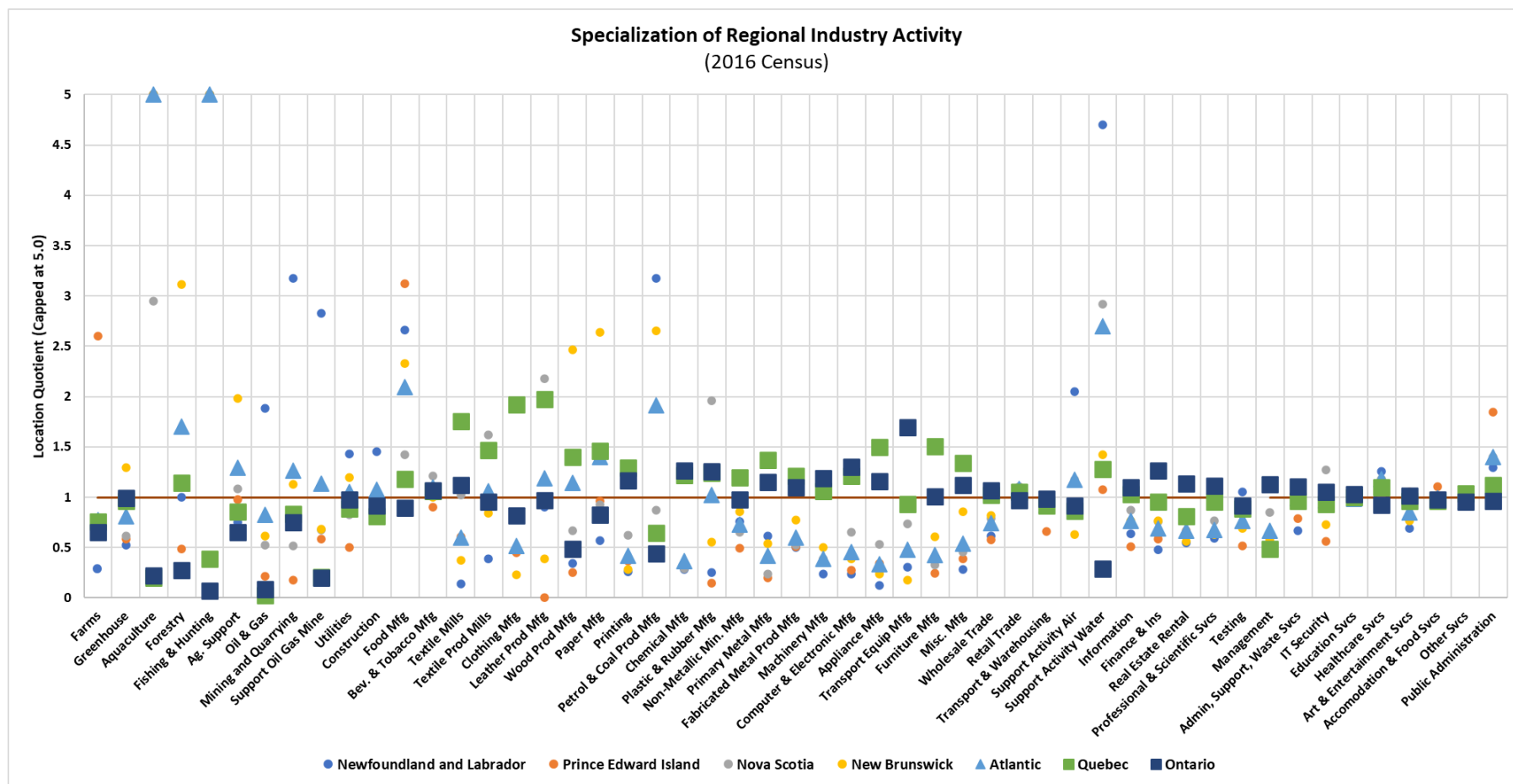
A location quotient (LQ) is a simple indication of industry cluster concentration within a certain area relative to a larger base. It demonstrates the economic base of an area as it compares to the national (or in some cases provincial) average. The location quotient is calculated by dividing the share of employment of an industry sector in a local or regional area against the national average. An LQ that is greater than 1 indicates that the area has an above average amount of employment in that sector, and it therefore can be considered an economic base. If less than one, the share of employment falls below the national average indicating that the sector is not an economic engine of the area in question.

The following diagram depicts the relevant location quotients for the Atlantic provinces (province and region combined), as well as comparison points for Quebec and Ontario. The 2016 census data on labor force by industry allows for a detailed sectoral depiction of where the provinces are most concentrated (relative to Canada) to get a picture about what makes the Atlantic region unique.

The data indicates that the region's economy is primarily built around the extraction and processing of raw materials: from lumber to fishing as well as oil/LNG extraction. The individual provinces all share a high regional emphasis on harvesting seafood (both traditional fishing as well as aquaculture) with Prince Edward Island showing the highest workforce concentration around the maritime sector. Supporting the primary material extraction are industry clusters geared towards processing of the raw materials (fish) into food products or lumber into wood products. Inclusive to this are supporting industries (marine maintenance and repair) which provide operating services.



CHART 1. SPECIALIZATION OF REGIONAL INDUSTRY ACTIVITY



Sources: Statistics Canada Census 2016, EBP Analysis 2021.

Please note that the chart above caps the location quotient at 5.0 (5 times higher concentration than the national average) for purposes of legibility due to axis scaling.

It is important to note that while some sectors, such as IT security, may show a lower location quotient that does not preclude them from being strategically important to the Atlantic region. These types of sectors are complementary to the Aerospace and Defense, as well as Oceans sectors. Great care must also be taken in the interpretation of these statistics for development purposes. Sectors can be spatially clustered within a specific city and masked by surrounding broader regional employment.

Aquaculture and fishing/hunting sectors are heavily concentrated within the Atlantic region - with Prince Edward Island showing the highest concentration in employment at 18.9 times as concentrated in aquaculture, and 23.4 times as concentrated in fishing. While this shows an obvious regional concentration and strength, it can also indicate a potential risk to the region if anything should adversely affect the sector. The diagram and accompanying table below show the changes in concentration between 2016 and 2020.

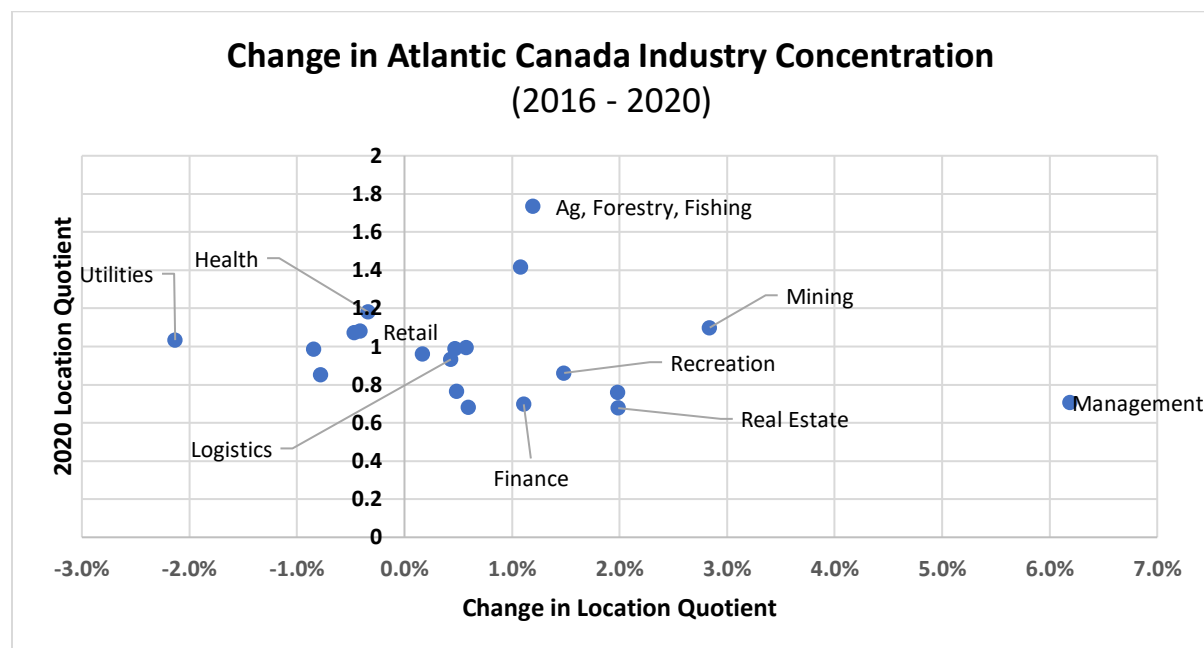
Please note that due to COVID-19 occurring within the analysis horizon, we elected to choose a measure of industry activity which focused on the labour force (as opposed to industry employment). Measures of the labour force are inclusive of not just industry employment but also of those who worked in the industry who are currently unemployed and looking for work. By pivoting to this measure of industry activity, we attempt to mitigate the muddling effect of the global pandemic.

The horizontal axis indicates percentage growth in the location quotient over the 5-year period, while the vertical axis shows the 2020 location quotient. Typically, small changes in industry concentration +/- 1% are viewed as stable, and industries falling in the upper right quadrant of the figure are viewed as notable (higher concentration of regional employment and changing faster) sectors for further study.

Please also note that changes in location quotients between years can be due to industry-specific effects but may just as easily be due to background effects in the region causing other industries to grow or shifts in national trends. Shift share analysis is therefore used as a second level of analysis to deconstruct changes, focusing on specific sectors of interest noted in location quotient analysis.



CHART 2. CHANGE IN INDUSTRY CONCENTRATION



Sources: Statistics Canada Census 2016, EBP Analysis 2021.

TABLE 2. INDUSTRY CONCENTRATION MEASURES

NAICS Industry	2016LQ	2020LQ	Change	% Change
11 Agriculture, Forestry, Fishing and Hunting	1.72	1.74	0.02	1.2%
21 Mining, Quarrying, and Oil and Gas Extraction	1.07	1.10	0.03	2.8%
22 Utilities	1.06	1.03	(0.02)	-2.1%
23 Construction	1.08	1.07	(0.01)	-0.5%
31-33 Manufacturing	0.86	0.85	(0.01)	-0.8%
41 Wholesale Trade	0.75	0.76	0.01	2.0%
44-45 Retail Trade	1.09	1.08	(0.00)	-0.4%
48-49 Transportation and Warehousing	0.93	0.93	0.00	0.4%
51 Information and Cultural Industries	0.76	0.77	0.00	0.5%
52 Finance and Insurance	0.69	0.70	0.01	1.1%
53 Real Estate and Rental and Leasing	0.66	0.68	0.01	2.0%
54 Professional, Scientific and Technical Services	0.68	0.68	0.00	0.6%
55 Management of Companies and Enterprises	0.67	0.71	0.04	6.2%
56 Admin and Support, Waste Mgmt and Remediation	0.99	1.00	0.01	0.6%
61 Educational Services	0.98	0.99	0.00	0.5%
62 Health Care and Social Assistance	1.18	1.18	(0.00)	-0.3%
71 Arts, Entertainment and Recreation	0.85	0.86	0.01	1.5%
72 Accommodation and Food Services	0.99	0.98	(0.01)	-0.8%
81 Other Services (Except Public Administration)	0.96	0.96	0.00	0.2%
91 Public Administration	1.40	1.42	0.02	1.1%

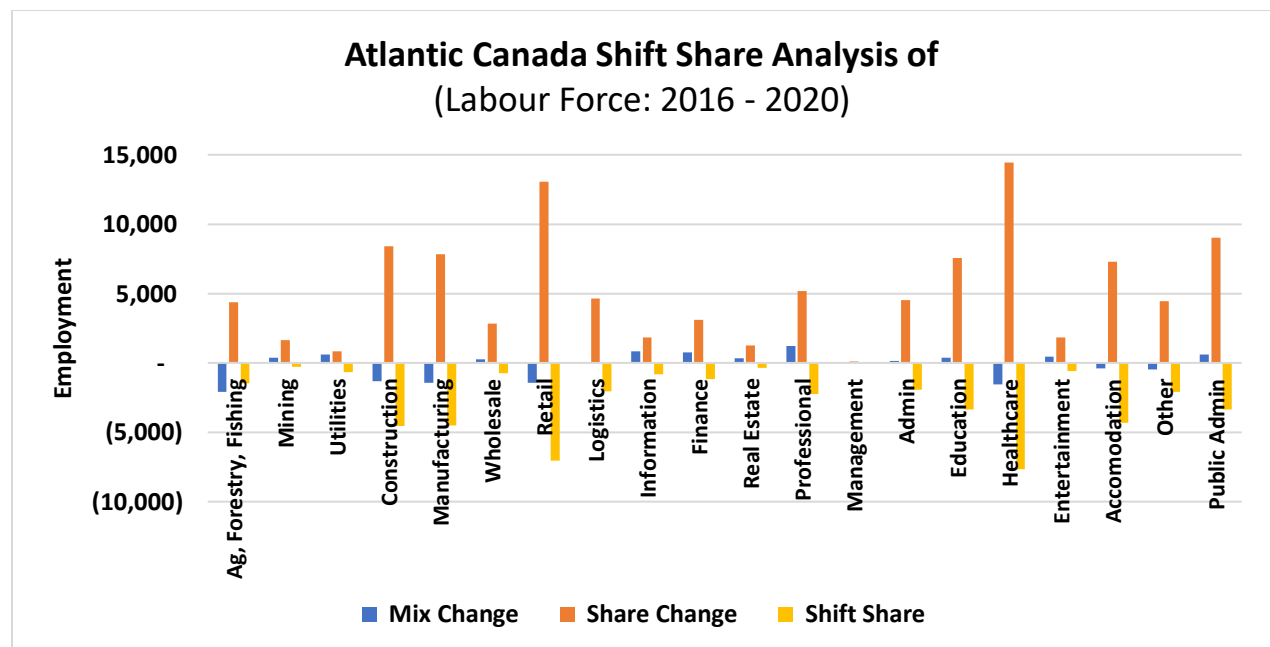
Sources: Statistics Canada Census 2016, EBP Analysis 2021.

Shift Share Analysis

A “shift share analysis” was also performed based on labour information between the years 2016 and 2020, breaking regional changes to the labour force into three driving forces for change. Shift share analysis examine a region's total employment and employment by industry to that of a larger geography, usually the country. Through this it can determine:

- ▶ **Share Change/Reference Area Growth Effect:** changes that are happening in the broader national economy but span across all industries.
- ▶ **Mix Change/Industrial Mix Effect:** Changes that are happening nationally, but within a particular industry.
- ▶ **Shift Share/Differential Shift:** Changes that are both specific to an industry, and to a region. This is the change that points to specific risks or opportunities for the Atlantic Region.

CHART 3. SHIFT SHARE ANALYSIS



Sources: Statistics Canada Census 2016, EBP Analysis 2021.

A picture of an evolving economy is revealed from the Mix Change within the analysis. Overall, there was a decline in industry share at a national level for sectors such as Agriculture and Fishing, Construction, Manufacturing, and Healthcare, in favor of positive national gains in sectoral employment in IT, Finance, Real Estate, and Professional Services sectors (as indicated in the figure by the negative and positive bars for Mix Change). Note that while the figure shows a ‘decline’, it is not because the industries themselves are declining at a national level – instead, it is because the growth in labor force is being outpaced in other sectors.

When we combine Mix Change with Share Change (capturing overall growth trends based on total economic performance), we get a net national ‘expected’ change in employment based on background factors. The difference between this and the actual change is equal to the shift share. This shift share

represents the specialization of the industry, and its unique growth that cannot be explained by external national effects.

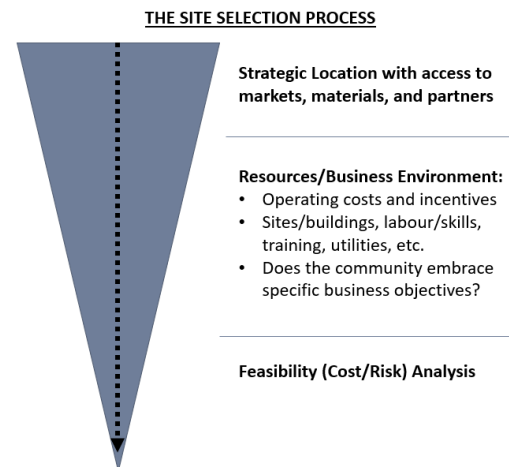
Negative Shift Share is seen across the sectors – indicating an underperformance in growth of the labour force relative to national trends. This is a strong indicator that the labour force is not growing fast enough to meet background demands, even though the industry activity is becoming more concentrated within the area (location quotient analysis).

Note that if we were to redo this analysis using the more traditional Employment count from the Labour Force statistics as opposed to the Census Population series, for a period stopping before COVID-19 took hold (2019), we can see the pre-covid growth patterns that the Atlantic region was moving towards (though we lose detail on industry activity).

REVERSE SITE SELECTION ANALYSIS

A Reverse Site Selection Analysis was conducted to understand how Atlantic Canada matches up against peers and other models in a competitive context. The reverse site selection model includes a weighting and ranking analysis using actual corporate location decision factors. Factors compared in the model include:

- ▶ Population size and population change;
- ▶ Labour force size and unemployment rates;
- ▶ Tax environment assessment;
- ▶ Occupation and industry employment strengths;
- ▶ Housing market statistics;
- ▶ Access to transportation and to market;
- ▶ Education attainment;
- ▶ Access to an educated workforce;
- ▶ Crime, climate, and natural hazards; and
- ▶ Average hourly wages.



Methodology

Companies making expansion or relocation decisions typically undergo a multi-phase process of selecting the location that best fits its needs. This site selection analysis first uses a data-driven approach to weight and rank locations based on a variety of categories, such as labour markets, access to markets, infrastructure, tax environment, and incentives, to name a few. The process continues to narrow down the list of options until a short list of options are selected to begin field confirmation of the business environment and contextual themes that data alone cannot reveal.

The reverse site selection analysis assesses the community from a corporate project perspective. By reversing this analysis, a community can identify its own strengths and weaknesses as compared to its competitors, thereby helping it strategize how to capture opportunities by addressing threats and positioning for future growth.

This methodology was applied to evaluate the Atlantic Canada Region as a whole and of representative individual metropolitan areas in the region. The region was evaluated against a mix of US and Canadian regions that were identified by the committee based on their proximity, regional importance, and desirability as a benchmark relative to where the Atlantic provinces want to be ranked amongst peers. The following table identifies the points of comparison:

TABLE 3. COMPARATOR REGIONS

Comparator Regions
Seattle, Washington (US)
San Francisco, California (US)
Hampton Roads, Virginia (US)
New Orleans, Louisiana (US)
San Diego, California (US)
Mobile, Alabama (US)
Houston, Texas (US)
Boston, Massachusetts (US)
Atlanta, Georgia (US)
Ottawa, Ontario
Montreal, Québec
Waterloo, Ontario

General Results

The first analysis was conducted using a standard weighting system that does not approach the benchmarking from a particular industry sector or activity's point of view, but instead generalizes the importance of the various assessment categories. Using this weighting system, the communities were then ranked on competitiveness, with 1st being highest and 13th being lowest.

The following table displays the regional scoring of the measures. It is important to note that these measures were standardized as possible between the two countries – so measures such as accessibility to an airport were standardized to km or estimates of income were converted from \$USD to equivalent \$CAD using a factor of 1.23 based on the currency exchange rate at the time. Even with this standardization taking place, some measures were not readily comparable between countries: this was most evident when looking at crime statistics between the two countries. Even when comparing violent crime, it became evident that the basis of reporting types of violations was far

more stringent in Canada, causing more moderate infractions to be recorded in with statistics that made the interpretation a wash for that measure.

TABLE 4. SCREENING OUTCOMES

Weight	Categories	United States									Canada			
		Seattle	San Francisco	Hampton Roads	New Orleans	San Diego	Mobile	Houston	Boston	Atlanta	Montreal	Waterloo	Ottawa	Atlantic
2%	Crime and Quality of Life	5	2	2	9	1	4	12	5	7	11	7	10	13
5%	Tax Regime	2	11	9	2	9	1	11	6	2	2	6	6	11
10%	Wages	9	9	6	2	9	1	2	9	9	2	6	8	2
10%	Household Statistics	2	7	10	12	5	12	10	5	2	8	4	1	9
10%	Occupation-Specific Employment	6	9	1	5	8	1	4	3	7	13	12	11	10
12%	Labor Force Availability	7	7	3	13	6	12	3	10	11	1	9	1	3
10%	Industry-Specific Employment	10	11	9	3	8	2	1	13	6	5	4	12	7
11%	Educational Attainment	1	6	3	10	4	8	13	9	6	5	11	2	12
15%	Population and Demographics	4	10	9	10	7	12	1	6	2	3	8	5	12
15%	Transportation and Market Access	6	7	10	9	3	12	4	2	1	8	11	5	13
100%	Overall Rank	5	12	8	13	6	10	1	7	4	2	9	3	11

Sources: Statistics Canada Census 2016, EBP Analysis 2021.

The following looks at the advantages and disadvantages of the region and places them within an investor or site selection perspective.

Overall Findings

ADVANTAGE	DISADVANTAGE
Population and Demographics SUMMARY: 12th	
<ul style="list-style-type: none"> Large population base to draw from within the 4 provinces 	<ul style="list-style-type: none"> Slower population growth than majority of comparators Relatively older population based on median age in the 40's
Household/Housing Statistics SUMMARY: 9th	
<ul style="list-style-type: none"> Higher amount of owned rather than leased houses Higher growth in per capita income over US Regions makes it more attractive for workers, though it lags places such as Ottawa and Waterloo 	<ul style="list-style-type: none"> Lower level of per capita income and household income over other regions Lags both US and Canadian comparators
Labour Force Availability SUMMARY: 3rd	
<ul style="list-style-type: none"> Labor force more resilient than US counterparts for COVID Lower unemployment rate 	<ul style="list-style-type: none"> Slower growth than other provinces
Educational Attainment SUMMARY: 12th	
<ul style="list-style-type: none"> Higher level of emphasis on apprenticeships and trade certificates 	<ul style="list-style-type: none"> Lower percentage of higher education population as compared to both US and Canadian counterparts Relatively high percentage of population with no certificate (> 10%)
Industry-Specific Employment SUMMARY: 7th	
<ul style="list-style-type: none"> Higher proportion of employment in healthcare, tourism, logistics, and primary goods sectors (Agriculture, Fishing, Forestry, Mining/Oil and Gas), Construction 	<ul style="list-style-type: none"> Lower concentration of white-collar jobs tied to Information, Finance and Insurance, Professional and Scientific

ADVANTAGE	DISADVANTAGE
Occupation-Specific Employment SUMMARY: 10th	
<ul style="list-style-type: none"> Higher percentage of occupations related to natural resource production and manufacturing, as well as recreation and logistics which make it an important supply chain partner 	<ul style="list-style-type: none"> Smaller proportion of occupational workforce geared towards white collar occupations that drive economic growth
Transportation and Market Access SUMMARY: 13th	
<ul style="list-style-type: none"> Decent access to regional airports that allow connection to hubs 	<ul style="list-style-type: none"> No immediate access to major air hubs Smaller accessible consumer and labor market within an hour time Lower household income of consumer market relative to other regions implies less of a regional market
Crime and Quality of Life SUMMARY: 5th	
<ul style="list-style-type: none"> Lower number of rainy days Closeness to wilderness and natural attractions Fewer excessively hot days (over 32) mean more pleasant weather 	<ul style="list-style-type: none"> Colder weather is an acquired taste Average amount of crime
Wages SUMMARY: 2nd	
<ul style="list-style-type: none"> Relatively lower wages mean a more attractive option for businesses 	
Tax Regime SUMMARY: 11th	
	<ul style="list-style-type: none"> Relatively high property tax rates compared to US benchmark and Canadian counterparts (such as Ottawa)

It is difficult to draw a comparison with major US cities due to the difference in scale between their markets, growth, and the way they interact with other regions. Looking at aviation as a gateway for foreign direct investment (FDI) and trade and tourism, there are extreme differences in the layout of the systems. Canada utilizes a traditional hub and spoke layout which distinctly places them at a disadvantage to US benchmark cities which offer better connectivity thanks typically to having a major airport on their doorstep.

In matters such as workforce education, Atlantic Canada promotes a higher level of apprenticeships and certifications and does not suffer from educational inflation by training a more capable base workforce. The challenge with this relative to US cities is that it places it in a box where it specializes in trade craft and primary and secondary manufacturing, while we are seeing global trends towards more developed service economies with white collar workers driving the economic expansion.

The region remains a more moderate climate to reside in, with a higher rate of home ownership, and a more affordable workforce. The question remains of how to promote and develop the broader workforce to transition from raw and primary manufacturing-oriented markets (fishing, forestry, and oil) towards more high-tech industry through an intermediate step that services the Atlantic provinces and builds up a local white-collar base to promote regional development.

INTERVIEW SUMMARY

Overview

Our team conducted over 15 interviews with stakeholders, industry groups, and other private sector representatives to get a better understanding of the ecosystems, opportunities, and constraints within the selected sectors. In addition to this, we spoke to economic development professionals in each of the four provinces as well as representatives from Invest in Canada and ACOA.

The conversations with provinces and government agencies revolved around what each organization in each province would need to get out of the project to call it a success. Somewhat unsurprisingly, there was some variation in the answers to that question. However, there was general agreement that the initiative needs to increase the number of opportunities that the region sees; that it needs to help to build the strategic sectors of Aerospace and Defense, Oceans, and Cyber technology; and that it needs to provide a foundation for further collaboration.

There was also a consensus that each of the provinces has its own identity, but there is a distinct need to develop an overall Atlantic Canada perspective. None of the provinces has a critical mass on its own, and the reality is that the provinces do operate together as a region, and the boundaries between the provinces are artificial as far as businesses are concerned.

Likewise, there is a recognition that there is some awkwardness with regard to coordination at the current time. The provinces have had varying success at foreign direct investment initiatives on their own, and there is some limited perception of competition between and amongst the provinces. Investment readiness and organizational depth are not as great in some provinces as it is in others. However, there is significant confidence that the provinces and organizations working together will be able to develop readiness quickly, and moreover respond directly to the needs of businesses as inquiries arise.

The interviewees acknowledged that there were still considerable areas of knowledge that they were lacking. Some of this had to do with understanding their own ecosystems, but much more revolves around the knowledge of how foreign direct investment markets work. The region is small when compared to other foreign direct investment peers, so the stakeholders want to ensure that they are best able to position the region given their limited resources and focused opportunities.

Even given above, there was acknowledgment that the concept of “Atlantic Canada” is truly a federal government construct. As a result, the areas of focus - Oceans, Cyber technology, and Aerospace and Defense - are themselves products of coordination and compromise amongst the four provinces as they look to find common ground. Each of these focus sectors will have different meanings as we speak about different provinces.



Importantly, several of those interviewed also noted that any form of foreign direct investment activity needs to be balanced with encouraging the growth of local businesses and local ecosystems. In other words, the two workstreams need to complement each other rather than compete.

With the exception of Newfoundland and Labrador, most of the economic development organizations of each of the provinces is a Crown corporation. As a result, each has the flexibility to operate nimbly with the private sector. Each also ends up being a coordinating agency between and amongst government, industry, and education with respect to business attraction and entrepreneurial support.

Key Sectors

Oceans

The Oceans sector is the most diverse amongst those that have been identified by the Atlantic Canada working group and includes areas such as offshore oil and gas services, shipbuilding, aquaculture, naval defense, and advanced ocean technology. The Oceans sector is also the least regional in that the industries and associations tend to have a more provincial focus than one that spans the entire Atlantic Canada region.

Interviewees noted that there will be different value propositions - and different target regions and competitors - for the different areas.

For example, Nova Scotia has particular strengths in manufacturing, shipbuilding, and even in the defense aspects of the Oceans sector. Newfoundland and Labrador has sensors and surveillance as a key cluster as well as oil and gas support functions.

The specific competition and potential source geographies for foreign direct investment for this sector vary as well. With regards to sensors, oil, gas, and similar activities, the interviewees noted Norway, Scotland, and similar countries as potential investors and competitors. The West Coast of the United States, particularly San Francisco and San Diego, also have companies in this part of the sector.

However, when one thinks of aquaculture, the competitive space changes considerably. Here again, New Brunswick and Nova Scotia are particularly active amongst the four provinces, and both the competition and sources of investment come from the eastern United States, western United States, and Europe.

The federal government has established an ocean supercluster fund, but it is not seen to be well defined at the present time. It has only really been discussed very recently, and in fact, the first draft is still in the works.

It is worth noting that there is significant alignment between the Nordic countries and Atlantic Canada: cold water, harsh weather, and Arctic conditions are all environments in which Atlantic Canada has expertise. Interviewees noted that there is both an opportunity to collaborate with and in fact to compete with this region to make the most of the available opportunities.

The region has a series of specific strengths, particularly its ability to develop highly qualified personnel. However, the global competition for talent has reached the point where the local labor pool is being poached on a global basis. There is also a risk that the talent pool may not be refreshed



as quickly since fewer young people are being drawn to the sector. There is outreach being made to the high schools to develop ocean career immersion programs, particularly in Newfoundland and Labrador, to provide mentorship and internship opportunities to create awareness of career opportunities.

Aerospace and Defense

Somewhat similar to the Oceans sector, the Aerospace and Defense sector covers broad ground and may include different opportunities for different provinces. In particular, the major sector includes several sub-sectors, such as land-based systems, aerospace maintenance repair and operations, naval systems, Coast Guard search and rescue, sensors, simulations, and security. Each province has its own area of expertise and there is a regional focus, particularly as follows:

Industry Strengths:

- ▶ **New Brunswick:** Land-based systems and cybersecurity (most growth)
- ▶ **Prince Edward Island:** MRO Aerospace (3rd largest industry in the province)
- ▶ **Nova Scotia:** Navy, shipbuilding (Irving), civil aviation
- ▶ **Newfoundland and Labrador:** offshore applications, civil and military commands, mission systems design and integration, aircraft modifications, surveillance operations

The region has already some known advantages and global branding due to consistent messaging based on Canada's reputation for reliability. Several of the individuals interviewed noted that Canadian providers are seen as high quality, dependable, and very good partners within this space. One potential asset is also the presence of historically important military installations, such as Gagetown in New Brunswick and Goose Bay and Gander in Newfoundland and Labrador. Not only do these bases have known assets and infrastructure, but they also benefit from a degree of international awareness, particularly in the US, due to their prior functions. Likewise, interviewees noted that there has been prior very successful work with the European Space Agency and that this relationship could produce future results if properly maintained and nurtured.

It is also worth noting that there is a significant crossover between the cyber technology and aerospace and defense sectors. Growth in the aerospace and defense sector may be pushed more by information technology opportunities than by major manufacturing projects. In this regard, it is worth noting that the region benefits from the strong and high-quality personnel for both sectors. However, the smaller population base also means that it is somewhat difficult to land large manufacturing projects due to lower numbers of manufacturing tradespeople.

Regional assets include a very highly skilled IT workforce that is significantly more cost-effective than that in Toronto and other major urban centers. However, it is worth noting that salary trends for IT professionals are becoming more globalized as these workers are more mobile and are taking their salary expectations to wherever they work. There is also an issue with regards to the talent pool for trade people as this pool can become monopolized by a single large procurement project. Promoting trades in high schools is seen as a big part of this solution, as is the ability for the region to bring back expatriates to Atlantic Canada from oil industry projects in Western Canada.

Cyber Technology

The Cyber Technology sector covers a variety of areas, and some interviewees wondered why the conversation was being limited to only Cyber Technology, and not also other areas of information, communications, and technology. It is also important to note that Cyber Technology opportunities range across the other sectors as well. It can be thought of as an overlay for any sector, including anything in Oceans and Aerospace and Defense.

There is a very strong history of cyber technology in the region due to the legacy of IBM. This activity was then capitalized through the establishment of key supporting agencies and networks that have allowed it to be tied into other centers in universities across Canada. The sector is strongly international in focus both in terms of the company served and talent attraction. Key areas of focus include financial systems, key infrastructure, and health care.

The Cyber Technology and information technology sectors are evolving very quickly. The institutions that are involved are doing what they can to stay ahead of these changes and also to ensure that the workforce, institutions, and networks in place remain nimble so that they can respond to and in fact perhaps foster innovation as it occurs.

Several interviewees noted that there is a need for even greater collaboration across the provinces than already exists. The perspective is that if the Internet of Things and industry are going to be the environment of tomorrow, then the Atlantic Canada region and its Cyber Technology ecosystem need to take a holistic approach to protect strategic assets and nurture competitive advantage.

Labour and Workforce

The current disruptions caused by the COVID-19 pandemic may be providing both an opportunity and a potential risk for the labour and workforce outlook for the region. First, the ability to work remotely that has been displayed so strongly during the pandemic has created a growing emphasis on the ability for technology and other remote workers to live and work anywhere. This has resulted in workers coming to Atlantic Canada because of the superior quality of life and cost of living. This is a huge opportunity for the region and has begun to reverse some stagnant population demographics in selected regions.

However, the same dynamic is resulting in technology and other remote workers coming into Atlantic Canada and bringing with them the salary scales of higher-paying metropolitan areas. The logic is that the skill that is being provided is within a global marketplace, regardless of any consideration of the cost of living. This has two potential implications for the Atlantic Canada labor market. The first is that local companies must now compete with multinationals for hiring local talent. These same multinational companies can recruit existing Atlantic Canada talent without having to establish a location in the region. The second implication is that the global wage scale that is being paid to remote and technology workers may result in upward pressure on costs of living - and particularly for housing - in the region.

Some interviewees also noted that several of the metropolitan areas in the region have either lost population or have a significantly aging population demographic. This will need to be refreshed, and tactics will need to be put in place to make sure that younger workers are retained in the region. An additional risk posed by the aging workforce is the potential loss of institutional knowledge in several key sectors. For example, interviewees in the electrical infrastructure area noted that the upcoming retirement of a generation of line and similar workers is likely to result in the loss of key operational knowledge.



Immigration has been and will continue to be a significant source for labor market growth in the region. Atlantic Canada has benefited greatly from government visa programs. Many companies have noted that workforce shortages cannot nor should not be completely resolved through local workforce development, and immigration becomes an excellent source of trained and skilled labor. Canada is perceived as having a very immigrant-friendly outlook, one that understands the needs of business and for attracting skilled labor, and programs are in place where a company can realistically help a skilled guest worker enter the country within 2-3 weeks.

There are some local concerns that while Atlantic Canada is seen as friendly, it may not be as fully welcoming as might be desired, and these immigrants may then choose to move again to larger metropolitan areas in Canada where they see a more diverse population that already has their cultural supports in place.

Similarly, immigration cannot be the full solution for all of the key sectors. For example, a fast track for immigration is not necessarily an ideal solution for the Aerospace and Defense and Cyber Technology sectors as quite a bit of the incoming migration to the local universities comes from nations where there are perceived real security risks.

Interviewees noted some challenges regarding producing an effective workforce pipeline within the region. Several organizations have done considerable work around understanding the problem. Several interviewees pointed towards competition between and amongst universities and colleges as being a potential source of some of the difficulty. Particularly with regards to nimbly developing new curricula or training programs, interviewees noted that there are agreements in place that require all parties to agree to any sort of change in curriculum and certification. As a result, and in addition to being a heavy bureaucratic burden, there is a possibility that any suggested change may be vetoed by any institution wishing to perceive a current advantage.

Workforce Training

On that note, several interviewees noted both a need and a potential move from having more traditional four to six-year educational programs to programs that are more specifically tailored to training for addressing specific industry needs. Companies are increasingly seeking intensive 6 months to 1-year programs on extensive skills to mold employees to fit. There seems to be a willingness to move away from masters and doctorate degrees when instead an extra year of specialized education or training might better suit potential employers and provide better career paths.

There is some skepticism regarding how universities will be able to fill these needs. Traditional universities have their hands tied in terms of their ability to quickly put programs together. While these institutions are excellent for developing masters and Ph.D. graduates, they may not be as fast track and nimble to be able to address the needs of, for example, cyber trades. It may be a better strategy to develop programs to establish basic skills and then work with the industry to shape the rest of the process.

Institutional Assets

Interviewees were encouraged to speak about individual institutional assets or organizations that they had worked with in the region and that were able to provide real value to either growing business or attracting new investment into the region.

Several pointed to institutions that may be found around the region, particularly the Genesis Center and the Marine Institute. The assets, mentorship, and networking that each provides were seen as

greatly benefiting the populations they have been established to serve in the marine, technology, and innovation sectors.

One such institution that was directly interviewed and which provided an excellent example of the possibility was the New Brunswick Innovation Foundation (NBIF). The organization was formed 15 years ago and is made up of members across all of the public universities in the region. The open question was how to build capacity and commercialize upon the research that was happening in the region and through the university systems. This question and the resulting work then resulted in the establishment of Springboard Atlantic, which has become the conduit to push technology opportunities out of the institutions. The initiative has become more focused on industry partnerships, working with faculty, and bringing students into the marketplace.

The organization also has a broader value proposition regarding the value of the relationships in Atlantic Canada. The region is either home to or is exposed to senior people who are moving through academia, government, or industry. As a result, Springboard actively works to break down silos that prevent things from getting done in other areas. This very visible collaboration and ease of coordination can often make decisions that much easier.

FDI Activities

Several of the interviewees focused on the nature of current foreign direct investment attraction activities, the kinds of coordination amongst the different organizations and the four provinces themselves, and the opportunities and hurdles that currently exist. It was noted that each of the four provinces has different levels of readiness, resources, and knowledge of the FDI marketplace. As a result, each is starting from a very different point. Nova Scotia has a long history of interacting in the FDI marketplace with great success. New Brunswick similarly also has been successful in what they do, although they may not have as deep a resource pool as Nova Scotia. Prince Edward Island has excellent sector expertise in its target areas but is working with a smaller resource pool. Newfoundland and Labrador is highly motivated and has assets to bring to the table, but has very limited resources.

It is worth noting that amongst the private sector individuals who were interviewed there was some skepticism on the concept of broader collaboration across the region. It was observed that the collaboration currently feels tactical but that broader strategic activities have not yet become the standard operating practice. This is less so in the areas of Aerospace and Defense and Cyber Technology, but the broader perception remains.

In terms of areas where the region has been successful in efforts to obtain FDI, it is worth noting first that foreign direct investment may also include investment that comes from elsewhere in Canada. In particular, the Toronto and Montreal areas were seen as fantastic locations from which to capture companies that are growing but are looking at a lower cost of operation or lower cost of living locations.

Within the United States, the East Coast, New England, California, and even areas of the Midwest were seen as both competitors and source location for some foreign direct investment, depending upon the sectors involved. For example, both American coasts are seen as foreign direct investment opportunities for Oceans and similar areas. Boston and Silicon Valley are seen as both competitors and source jurisdictions for information technology. Within the Oceans sector, the aquaculture sector



seemed somewhat more limited and tended to focus most of its efforts just in the northeastern United States when considering American markets.

Norway, Scotland, and the Nordic region of Europe are seen as competitors and as sources for foreign direct investment in oil and gas support, aquaculture, and other oceans technology. The remainder of Europe and the United Kingdom are seen as excellent sending locations for Aerospace and Defense. Across the sectors, there is some interest in India and China, primarily in New Brunswick, but so far there has been very little success and the partners suggested that these nations are not yet a high priority.

Incentives and Supports

Incentives and other supports were also explored as areas of concordance amongst the provinces, and areas where the private sector was asked about the relevance and effectiveness of programs.

The first observation was that there is not yet agreement of areas of focus across the provinces and therefore the programs available are not harmonized. Each province has its own tax structure and incentive programs, and most programs, to the extent that they are available, are based upon workforce/job creation requirements. ACOA itself was seen as one unifying factor across the provinces, given the tools that it can bring to bear. For those programs that have been seen as effective, there are tools available on the information technology side that may amount to five to 10% of gross labor costs for five years depending on the province. There are also research and development tax credits both at the federal and some provincial levels.

It is also worth noting that incentives are viewed with some skepticism, and sometimes with outright negativity. However, the province of Quebec was seen as highly successful in its efforts to use incentives to attract and then grow its computer gaming ecosystem and economy. As a result, the provinces are now trying to determine what can be done to both create an environment that attracts investment and to create a foundation such that startup companies may operate more profitably, quicker.



TARGETING AND OPPORTUNITY IDENTIFICATION

This section includes an analysis of foreign direct investment trends in four sectors in Canada. This analysis can guide Atlantic Canada in targeting the right sectors in its investment attraction strategies. This section also includes opportunity profiles and value propositions for thirteen sub-sectors that present investment opportunities in Atlantic Canada.

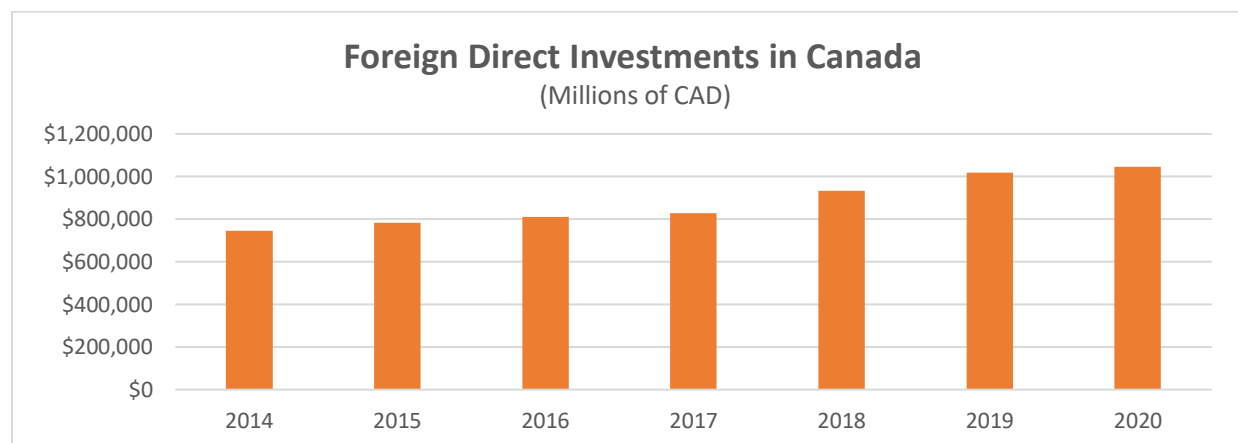
Foreign Direct Investment Analysis

EBP and CAI examined foreign direct investment trends in four sectors among the ten provinces in Canada, particularly the four provinces in Atlantic Canada. This analysis is based on data retrieved from Statistics Canada and FDI Markets.

FDI in Canada

Between 2014 and 2020, Canada experienced a 40 percent increase in the value of foreign direct investments, as seen in the chart below. This increase in the value of foreign direct investments indicates investor confidence in Canada. This increase also endured the COVID-19 Pandemic, as Canada nevertheless experienced a 3 percent increase in the value of foreign direct investments between 2019 and 2020.

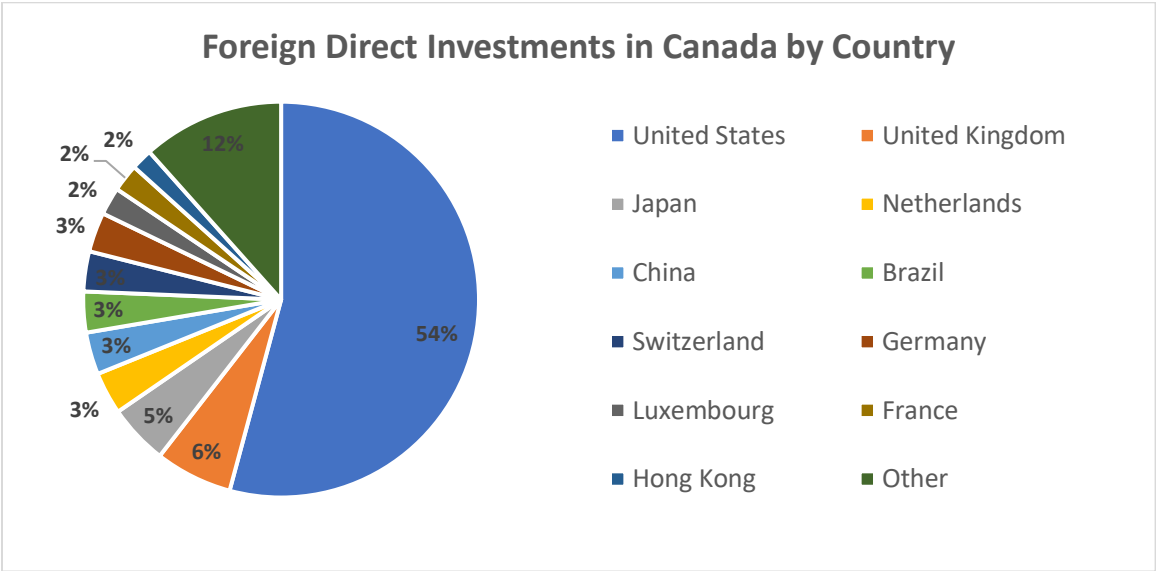
CHART 4. FDI IN CANADA



Sources: Trading Economics, EBP Analysis 2021.

The United States and the United Kingdom made up 60 percent of the funds associated with foreign direct investments in Canada, as seen in the chart below. The rest of the top countries include G20 counterparts, such as Japan and Brazil. Nonetheless, the distribution of foreign direct investments in Canada are dominated by North America and Europe. It should be noted that foreign direct investments between the ten provinces remains significant but excluded from this analysis.

CHART 5. FDI IN CANADA BY COUNTRY

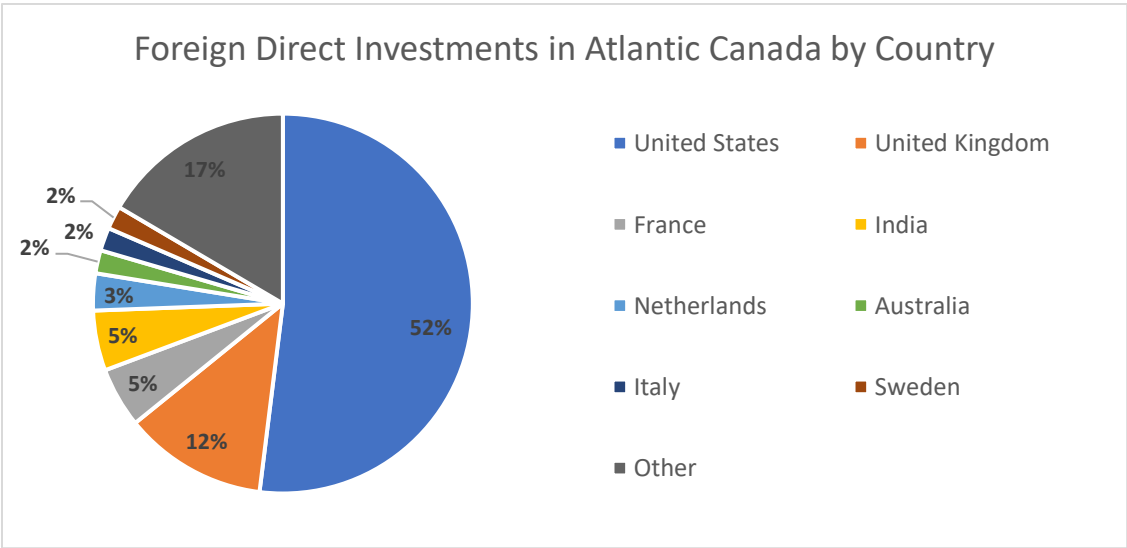


Sources: FDI Markets, EBP Analysis 2021.

FDI in Atlantic Canada

Since 2003, 75 percent of foreign direct investments in Atlantic Canada has been concentrated in Nova Scotia and New Brunswick. These foreign direct investments nonetheless come from a variety of countries, from the United States to Sweden, as seen in the chart on the following page.

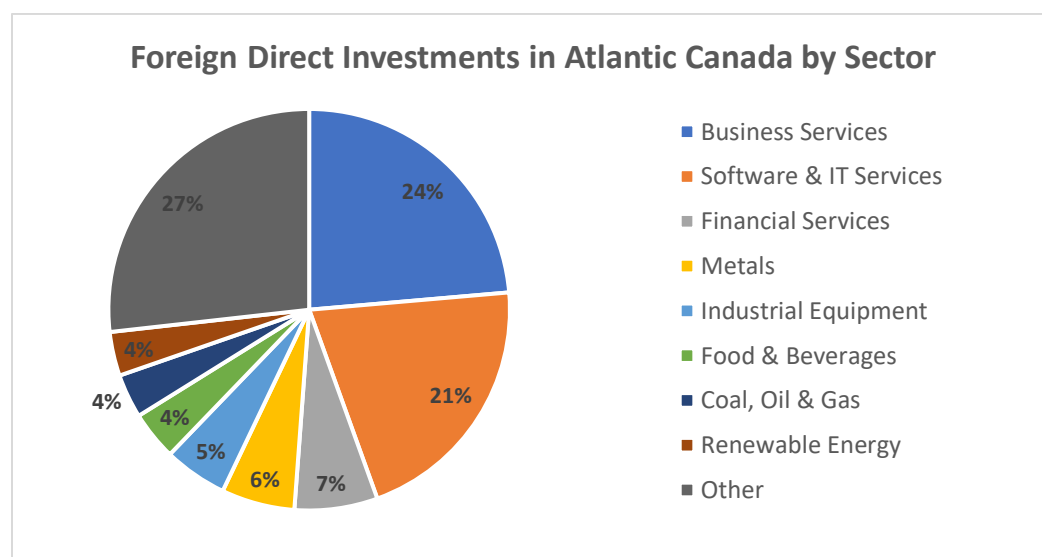
CHART 6. FDI IN ATLANTIC CANADA BY COUNTRY



Sources: FDI Markets, EBP Analysis 2021.

These foreign direct investments also go to numerous sectors, from business services to renewable energy, as seen in the chart below.

CHART 7. FDI IN ATLANTIC CANADA BY SECTOR



Sources: FDI Markets, EBP Analysis 2021.

This analysis also considers foreign direct investment trends in the sectors. (Please note that for the following table Aerospace and Defense has been broken out into the two components due to the nature of the data.) The table below demonstrates these trends in these sectors, highlighting those in the four provinces in Atlantic Canada.

TABLE 5. FOREIGN DIRECT INVESTMENTS IN CANADA BY SELECTED SECTOR

State	Cyber	Aerospace	Defense	Oceans
Alberta	6%	1%	0%	19%**
British Columbia	15%	6%	12%	23%
Manitoba	0%	9%	0%	0%
New Brunswick	4%	0%	6%	4%
Newfoundland and Labrador	0%	0%	0%	8%
Nova Scotia	4%	0%	6%	6%
Ontario	55%	7%	65%	21%
Prince Edward Island	0%	3%	0%	4%
Quebec	16%	74%	12%	15%
Saskatchewan	0%	0%	0%	0%

Sources: FDI Markets, EBP Analysis 2021.

Since 2009, the four provinces in Atlantic Canada have received 12 percent of foreign direct investments in these sectors. Atlantic Canada has a significant presence in foreign direct investments in Defense and Oceans, 12 percent and 22 percent, respectively. Foreign direct investments in Cyber and Defense are also distributed across Nova Scotia and New Brunswick in similar fashions, 4 percent and 6 percent, respectively.

Please note that Alberta is an anomaly in the Oceans sector. While it may seem odd to include a landlocked province in an analysis of this major sector, oil and gas is included as a subsector within the oceans cluster, and therefore has significant activity to include in the analysis.

Since 2009, Atlantic Canada has also experienced a 54 percent increase in foreign direct investments in these four sectors. Furthermore, foreign direct investments in Cyber have tripled in Atlantic Canada, indicating increasing investor confidence in the sector.

OPPORTUNITY PROFILES

The Atlantic Canada region needs to work collaboratively to both expand upon existing strengths and address weaknesses in order to diversify and add strength to the regional economy and spur growth in the selected sectors.

The team and stakeholders have worked to identify the following industry subsector targets based on both data analysis and contextual familiarization of the area. It is important to note that while specific subsectors have been given, the stakeholders should also look for other companies who exhibit needs and value chains that are similar as well. The list is intended to provide a starting point, as well as a list of analogues that may spur further development over time.

Please note also that there are some functional and subsector overlaps between major sectors as some industries and activities cross sector lines. We have either grouped these activities or kept them separate as appropriate through the report.

The major industry subsectors are as follows:



TABLE 6. SUBSECTOR MATRIX FOR REGIONAL FIT

SCREENED SECTORS	GROWING SECTOR?	GREENFIELD FDI EXAMPLES?	SUFFICIENT COMPANIES?	DEFINABLE TARGET GROUP?	REGION A GOOD FIT?
Aerospace and Defense					
MRO	➤	➤	✓	✓	➤
Information Security (Defense Context)	✓	✓	✓	✓	✓
Ground Vehicle Testing	➤	➤	✗	➤	➤
Naval Sensors and Simulations	✓	✓	✓	✓	✓
Cold Weather Testing	➤	✗	✗	➤	✗
Cybersecurity and Related Technology					
Information Security	✓	✓	✓	✓	✓
Financial Technology	✓	✓	✓	✓	✓
Critical Infrastructure Security	✓	✓	✓	✓	✓
Oceans					
Aquaculture	✓	✓	✓	✓	✓
Offshore Wind (Renewable Energy)	✓	✓	✓	✓	✓

SCREENED SECTORS	GROWING SECTOR?	GREENFIELD FDI EXAMPLES?	SUFFICIENT COMPANIES?	DEFINABLE TARGET GROUP?	REGION A GOOD FIT?
Oil and Gas Servicing	➤	✓	➤	✓	➤
Boat and Shipbuilding	✗	✗	✗	✓	✗
Ocean Technology and Navigation Instruments	➤	➤	➤	✓	➤

Symbol Key	
✓	High-Priority
➤	Opportunistic
✗	Low-Priority

Aerospace and Defense

GROUND VEHICLE TESTING	
Specific Description	<ul style="list-style-type: none"> ▶ This industry comprises establishments primarily engaged in providing proving and testing grounds for land-based vehicles.
Current Industry Outlook	<ul style="list-style-type: none"> ▶ Demand for testing services (all sectors) is expected to increase by 6.3% in 2021 as corporate profit, research and development expenditure, consumer spending, construction activity and other key external drivers return to growth (IBISWorld). ▶ Technological innovations such as the development of advanced batteries and inexpensive fuel cells along with government policies will propel the growth of electric vehicles. Consequently, manufacturers will rely on testing facilities to perform trials and ensure that electronic products meet fire hazard and other safety standards. However, the impact of electric vehicle growth on land-based defense systems will be minimal. ▶ Growth in the armored vehicle market (US & Canadian defense), a major upstream purchaser of testing services, is expected to be moderate (2% in US) following a long cycle (for the US) of investment in MRAPs linked to Afghan and Iraqi campaigns (early 2000's).
Example Companies	<ul style="list-style-type: none"> ▶ Humanetics, Intertek, Transportation Research Center
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ Specific weather conditions (harsh conditions testing). ▶ Local technical expertise of the industry (ground vehicles). ▶ Access to vehicle manufacturers.
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ Grow role as hub for ground vehicle testing for Canadian Armed Forces. ▶ Pressure DND to link all vehicle procurement to testing in region. ▶ Creation of a specific ground vehicle technical institute - in order to ensure continued presence of technical knowledge in region. ▶ Possibility of exploring attraction of testing services for civilian tracked vehicles.
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ Presence of CFB Gagetown: primary training facility for CDN ground forces. ▶ Presence of small cluster in Bathurst (FFG Flensburg and Industrial Rubber Company Ltd.).
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ Upstream market concentration: very few ground vehicle manufacturers in North America (32 total in US according to IBISWorld). ▶ Main focus for region is linked locally to CFB Gagetown - value proposition is not as strong outside that area. ▶ Vehicle testing linked to automotive industry expertise: region is outside North American cluster.



MAINTENANCE REPAIR AND OVERHAUL

Specific Description	<ul style="list-style-type: none"> Includes companies primarily engaged in providing specialized services to the air transport industry. Some important activities are servicing aircraft, repairing and maintaining aircraft (except on a factory basis), and inspecting and testing aircraft.
Current Industry Outlook	<ul style="list-style-type: none"> The success of this industry is linked with air traffic patterns and COVID has plummeted consumer confidence in the airline industry in 2020. As a result, industry revenue decreased at an annualized rate of 4.7% to \$6.6 billion over the 5 years to 2020, with an expected 20.5% decline in 2020 alone in Canada (IBISWorld). After COVID, a rising number of tourists will arrive as things get back to normal mainly in Vancouver, Toronto and Montreal airports. It's projected that industry revenue will increase at an annualized rate of 5.7% to \$8 billion over the 5 years to 2025 (IBISWorld). The Aircraft MRO industry in Canada has a low level of market share concentration, with the industry's top four largest players expected to account for less than 20% of industry revenue in 2020.
Example Companies	<ul style="list-style-type: none"> Aviation Technical Services, Boeing Company, Bombardier, General Electric, Marshall Aerospace and Defense Group, Pemco, PAL Aerospace
Key Requirements or Value Chain	<ul style="list-style-type: none"> Proximity to key markets including airports and major aerospace centers to win contracts while cutting logistics costs. Industry operators require proper licenses to work on aircraft and rotorcraft. Ability to quickly adopt new technology to adapt to sophisticated aircraft and avionics systems. Requires highly skilled and technically proficient workforce.
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> Be ready to aggressively position region in coming months in order to capture/re-capture MRO business as aviation industry recovers quickly. Position region as specialist MRO for cold weather conditions (in particular thanks to expertise in turboprop aircraft)
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> Resilience and adaptability of the industry throughout the pandemic Competitive labour costs in jobs that will continue to be "in-person"
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> Lack of major international airport in the region. Lack of major aerospace manufacturing hub. MRO is very specific to a specific province in region (PEI).

INFORMATION SECURITY (DEFENSE CONTEXT)	
Specific Description	<ul style="list-style-type: none"> ▶ The use of technology to protect classified defense information and networks against attacks. ▶ This industry develops and distributes antivirus, anti-keylogger, spyware removal, encryption, and firewall software. Operators may also provide consulting and technical support related to this type of software. Major services include data protection, threat protection, security management and analysis.
Current Industry Outlook	<ul style="list-style-type: none"> ▶ Upstream businesses in particular increased demand for industry software in 2020 during the pandemic. Revenue growth for this industry is estimated to rise to 21.4% in 2020 in the US (IBISWorld). ▶ New opportunities offering software for mobile services will continue to stimulate revenue growth as consumers use portable computers and smartphones more freely. As a result, revenue of US companies in this sector is expected to grow at an annualized rate of 13.2% to \$76.8 billion over the five years to 2026 (IBISWorld). ▶ As computing technology evolves, the occurrence and complexity of cyber-attacks will likely grow. This will cause private investment in the industry to rise which is expected to grow at an annualized rate of 3.4% over the next five years in the US alone. ▶ The global military information security market was valued at 15.85 billion USD in 2020. The market is expected to grow at a CAGR of 4 percent.
Example Companies	<ul style="list-style-type: none"> ▶ IBM, CGI, Booz Allen Hamilton, Lockheed Martin, Northrop Grumman, Raytheon, Thales Group
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ Ability to undertake technical research and development which leads to more innovative products, resulting in increased market share. ▶ Access to highly skilled software developers that possess a very specific skill set and a capacity for creativity: through access to technical institutes, universities and other companies in ecosystem/cluster. ▶ Access to high-skilled talent base. ▶ Access to post-secondary institutions. ▶ Access to research and development facilities. ▶ Proximity to military bases and personnel.
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ The "other" tech cluster in Canada: Reliable. Focused on security. Strong ties with NATO-compatible industry. ▶ Renewed emphasis on critical infrastructure information security following successful attacks in the past year. ▶ Foster partnerships with research and development facilities at post-secondary institutions.



INFORMATION SECURITY (DEFENSE CONTEXT)	
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ Cost of living compared to tech hubs elsewhere. ▶ University spinoff network. ▶ Clustering effect in some key cities (Fredericton, Halifax). ▶ Regional presence of critical infrastructure with "mission critical status": ports, refineries, pipelines, hydro-electric. ▶ High-skilled and bilingual talent base. ▶ Research and development facilities as post-secondary institutions. ▶ Military bases and personnel throughout the region.
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ Labour costs: salaries competitiveness is disappearing as all global/regional/national averages become the standard. ▶ Clustering effects in the tech sector: growth in a geographic area can lead to increased attraction and growth in ecosystem. ▶ Institutional / government sector in region is limited compared to other regions (Ottawa, N. Virginia, Toronto, etc.). ▶ Vague business incentives and value propositions. ▶ Limited marketplace further limited with lower industry concentration and market access in the region.

NAVAL SENSORS AND SIMULATIONS	
Specific Description	<ul style="list-style-type: none"> ▶ This industry group is comprised of developers and/or providers of sensors and other sensitive equipment for maritime forces and developers and/or providers of simulations for all defense sectors.
Current Industry Outlook	<ul style="list-style-type: none"> ▶ Global market for military simulation and training was estimated to be worth 10.3 billion USD in 2016 with a projected growth of 4.2% for 5 years (Markets & Markets). In Canada, simulations accounted for 3.6% of all defense industry sales in 2016 or 363 million CAD. ▶ Global naval sensors represented a 5 billion USD market in 2020 (BusinessWire) pushed by technological adoption. Naval competition in the South China Sea was a factor for growth and is expected to continue to push technological adoption. ▶ Pandemic pushing further investment in virtual training both for cost reasons and because of growing acceptance of virtual systems. ▶ Stop-start nature of defense procurement (particularly in Canada) is a minor hinderance for industry growth, especially among with high number of SMBs active in the field. ▶ Inherent link between training and simulations: simulations will follow training needs and funding. ▶ Adoption of new defense technologies and systems push the need for spending on simulations. ▶ Simulation system suppliers must be able to integrate in OEM supplier networks as Tier 2 and Tier 3 suppliers. Defense OEMs will sometimes "package" training will sales of equipment ▶ Canada, and target region, is home to a world leader in simulations: CAE.



NAVAL SENSORS AND SIMULATIONS	
Example Companies	<ul style="list-style-type: none"> ▶ CAE, Bluedrop, Modest Tree
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ Access to highly skilled software developers that possess a very specific skill set and a capacity for creativity: through access to technical institutes, universities, and other companies in ecosystem/cluster. ▶ Ability to undertake technical research and development which leads to more innovative products.
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ Pursue approach with Federal government regarding procurement - ensure Canadian content for defense contracts. ▶ Position region as all-in-one hub for simulations (land based and maritime systems) and sensors (maritime forces). ▶ Possibility of land and maritime equivalents to air force's FACt procurement.
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ Major regional presence of both land and maritime forces with near constant need for training and simulations. ▶ As maritime forces attempt to do more with less resources, they will rely on increasingly on the development of long-range sensors and being able to survey their critical jurisdiction remotely: only Atlantic Canada is well positioned to benefit from need for Atlantic and Arctic maritime surveillance.
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ Far from defense procurement decision-making in Ottawa. ▶ SMBs in region are vulnerable to unclear priorities and cyclical nature of defense procurement.

COLD WEATHER TESTING	
Specific Description	<ul style="list-style-type: none"> ▶ Industry comprised of companies and organizations that perform testing of equipment in extreme cold weather conditions. Testing applies typically to sensitive equipment that must function in difficult conditions (military applications, automotive platforms, natural resource extraction, etc.).
Current Industry Outlook	<ul style="list-style-type: none"> ▶ No estimates exist as to the size of the industry, although scientific testing services are expected to increase across all sectors in the next 5 years according to IBIS World. ▶ There are a limited number of investments in this sector at any one time. ▶ Industry outlook will likely follow overall investments in military systems, natural resource extraction and automotive equipment. The outlook for these industries is moderate to strong over the course of the next 5 years.
Example Companies	

COLD WEATHER TESTING	
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ Access to extreme temperatures or simulators capable of reproducing climate effects. ▶ For defense applications, access to military bases and installations. ▶ Access to highly technical experts that possess specific skills.
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ Cold ocean weather research focus would be the most likely avenue for specialization - Memorial University simulator facility should be promoted as such (if possible).
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ Long experience in working cold weather environment of North Atlantic. ▶ Expertise in cold ocean technology at Memorial University. ▶ 5 Wing Goose Bay in Newfoundland and Labrador supports training for the Canadian Armed Forces, the Allies, and the North American Aerospace Defence Command.
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ Cold weather in Atlantic Canada is not as extreme as other parts of Canada, Europe, and the US (Alaska). ▶ Cold weather tests for ground vehicles are already undertaken by the Canadian military in Ontario - no opportunity for CFB Gagetown.

Cybersecurity and Related Technology

INFORMATION SECURITY	
Specific Description	<ul style="list-style-type: none"> ▶ This industry develops and distributes antivirus, anti-keylogger, spyware removal, encryption and firewall software. Operators may also provide consulting and technical support related to this type of software. Major services include data protection, threat protection, security management and analysis.
Current Industry Outlook	<ul style="list-style-type: none"> ▶ Upstream businesses in particular increased demand for industry software in 2020 during the pandemic. Revenue growth for this industry is estimated to rise to 21.4% in 2020 in the US (IBISWorld). ▶ New opportunities offering software for mobile services will continue to stimulate revenue growth as consumers use portable computers and smartphones more freely. As a result, revenue of US companies in this sector is expected to grow at an annualized rate of 13.2% to \$76.8 billion over the five years to 2026 (IBISWorld). ▶ As computing technology evolves, the occurrence and complexity of cyber-attacks will likely grow. This will cause private investment in the industry to rise which is expected to grow at an annualized rate of 3.4% over the next five years in the US alone.
Example Companies	<ul style="list-style-type: none"> ▶ Booz Allen Hamilton, Lockheed Martin, Northrop Grumman, Raytheon, Thales Group, Verafin



INFORMATION SECURITY	
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ Ability to undertake technical research and development which leads to more innovative products, resulting in increased market share. ▶ Access to highly skilled software developers that possess a very specific skill set and a capacity for creativity: through access to technical institutes, universities and other companies in ecosystem/cluster. ▶ Protection of software through patents to maintain competitive advantage on key products.
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ The "other" tech cluster in Canada: Reliable. Focused on security. Strong ties with NATO-compatible industry. ▶ Renewed emphasis on critical infrastructure information security following successful attacks in the past year.
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ Cost of living compared to tech hubs elsewhere. ▶ University spinoff network. ▶ Clustering effect in some key cities (Fredericton, Halifax). ▶ Eastern Health (EH), with the support of two levels of government, HealthcareCAN, and others is in the process of establishing a Centre of Excellence in Healthcare Cybersecurity in St. John's. ▶ Regional presence of critical infrastructure with "mission critical status": ports, refineries, pipelines, hydroelectric. ▶ Nasdaq recently acquired Verafin in Newfoundland and Labrador, signaling a significant opportunity for investment in the region for the future.
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ Labour costs: salaries competitiveness is disappearing as all global/regional/national averages become the standard. ▶ Clustering effects in the tech sector: growth in a geographic area can lead to increased attraction and growth in ecosystem. ▶ Institutional / government sector in region is limited compared to other regions (Ottawa, N. Virginia, Toronto, etc.).

FINANCIAL TECHNOLOGY	
Specific Description	<ul style="list-style-type: none"> ▶ The use of technology for the delivery of financial services, such as banking, investing, and trading.
Current Industry Outlook	<ul style="list-style-type: none"> ▶ The global financial technology market was valued at 5504.13 billion USD in 2019. The market is expected to grow at a CAGR of 23.58 percent. ▶ Although fewer start-ups have been funded in Canada, more funds have been dedicated to financial technology start-ups, from 133 million USD in 2018 to 241 million USD in 2019.
Example Companies	<ul style="list-style-type: none"> ▶ Chime, Klarna, Kraken, Plaid, Stripe

FINANCIAL TECHNOLOGY	
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ Access to high-skilled talent base. ▶ Access to post-secondary institutions. ▶ Access to research and development facilities. ▶ International connectivity.
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ Home to branches or headquarters of existing financial technology companies. ▶ Home to start-ups seeking funds.
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ High-skilled and bilingual talent base. ▶ Graduates from post-secondary institutions, such as the University of New Brunswick and Dalhousie University. ▶ Established business incentives and value propositions.
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ Lack of existing financial technology companies. ▶ Difficulties with graduate retention, especially in fields like business and computer science. ▶ Lower bachelor's and master's degree attainment. ▶ Lower industry concentration and market access.

CRITICAL INFRASTRUCTURE SECURITY	
Specific Description	<ul style="list-style-type: none"> ▶ The use of technology to protect infrastructure critical to society against attacks, from transportation to law enforcement.
Current Industry Outlook	<ul style="list-style-type: none"> ▶ Largely limited marketplace. ▶ The global critical infrastructure security market was valued at 79.49 billion USD in 2020. The market is expected to grow at a CAGR of 6.49 percent.
Example Companies	<ul style="list-style-type: none"> ▶ Honeywell, Lockheed Martin, Northrop Grumman, Raytheon, Thales Group.
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ Access to high-skilled talent base. ▶ Access to post-secondary institutions. ▶ Access to research and development facilities. ▶ Proximity to critical infrastructure.
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ Foster partnerships with research and development facilities at post-secondary institutions. ▶ Attract potential companies.
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ High-skilled and bilingual talent base. ▶ Research and development facilities at post-secondary institutions. ▶ Existing research and development facilities, including Canada's Security Operations Center (CI-SOC) in New Brunswick. ▶ Developing business incentives and value propositions associated with CI-SOC.



CRITICAL INFRASTRUCTURE SECURITY	
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ Lack of existing critical infrastructure security companies. ▶ Lower bachelor's and master's degree attainment. ▶ Limited marketplace further limited with lower industry concentration and market access in the region.

Oceans

AQUACULTURE	
Specific Description	<ul style="list-style-type: none"> ▶ Farming of finfish or shellfish as cultivated through freshwater or saltwater populations under controlled conditions. Distinct from more traditional commercial fishing, has 4 phases: hatchery, farming, feed mills, processing/ packaging/ distribution. ▶ Supported by federal program 'National Aquaculture Strategic Action Plan Initiative'.
Current Industry Outlook	<ul style="list-style-type: none"> ▶ Expected to grow 3.1% per year to 6 billion in 2025. ▶ COVID has affected disposable income, which is a driving factor of fish consumption, causing a downturn in consumption affecting both commercial and aquaculture, more expensive ocean creatures (lobster/ crab) hit harder. ▶ Complementary areas such as genetic modification (disease immunity, harvest yield), and GIS technology (plan, develop based on features, proximity, temp, quality, rainfall, soil types). ▶ Genetic modification also creates perception of danger. ▶ Aquaculture gradually taking over traditional commercial fishing due to sustainability, consistency (31.2% of fishing). ▶ Export and import market strong ties to US (50.5/44.4% respectively) in 2020. ▶ China growing consumer (34% of exports), rising disposable income fueling expansion. ▶ 1/3 aquaculture businesses located in British Columbia, 1/7th located in Prince Edward Island.
Example Companies	<ul style="list-style-type: none"> ▶ Cooke (New Brunswick), Mowi (Newfoundland and Labrador).
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ Limited raw product differentiation causes competition on price. ▶ Competition with alternative sources of protein (poultry, red meat, plant-based proteins) for consumers. ▶ Vertical Integration of business into value add of wholesaling, retailing, processing gives more control over industry. ▶ Requires skilled and technically proficient workforce over traditional fishing -> awareness of biology, fish behavior, nutrition, water quality. ▶ Large portion of cost structure tied to feed cost (including soy meal, wheat gluten) -> puts in conflict with livestock and poultry farmers over access to feed. ▶ Regulation imposes barriers to entrance due to potential harmful effects to environment. ▶ Complementary areas: Genetic modification.



AQUACULTURE	
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ Fin- and shellfish farming. ▶ Seafood processing. ▶ Seafood logistics.
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ Concentration of programs to support workforce needs: in Newfoundland and Labrador, PEI (Canadian Aquaculture Institute). ▶ Access to seaport for international distribution. ▶ Regional training programs and funding sources available (such as Aquaculture Research and Development Funding Program).
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ Resistance from commercial fishing, which is dominant sector in Atlantic.

OFFSHORE WIND (RENEWABLE ENERGY)	
Specific Description	<ul style="list-style-type: none"> ▶ Generation and operation of offshore wind farms.
Current Industry Outlook	<ul style="list-style-type: none"> ▶ Expected to grow 1.2% to \$36.7 billion in 2025, matching growth trends in domestic economy (this is all renewables). ▶ Operates in a niche but growing space of renewables (90% is hydro, 7% is wind) but has no active offshore wind sites (all still in planning phase). ▶ 31 projects totaling 3.6 GW are planned. ▶ Competing against price of oil/ gas/ steam coal. ▶ High barriers to entry in form of government permitting and regulation (Construction, damage to water supply/environment, provincial energy agency price regulation). ▶ Large up front capital cost – roughly double the on shore cost ▶ Synergy with offshore drilling: Newfoundland and Labrador greenlit offshore drilling using wind to power (Saitec, Waterford Energy Systems).
Example Companies	<ul style="list-style-type: none"> ▶ Northland Power Inc, Enbridge, Saitec, Waterford Energy Systems.
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ Requires highly skilled labor (civil/electrical engineers and technicians). ▶ Limited competition due to regional emphasis of service. ▶ Cost of nuclear power could be viewed as disruptive. ▶ Experiences demand from US because transmission systems linked.
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ Beothuk Energy has proposed several offshore wind projects on the east coast, including Prince Edward Island (200 MW), New Brunswick (500+ MW), St. Ann's Bay (500 MW), Yarmouth (1000+ MW), and Burgeo Banks (1000 MW).



OFFSHORE WIND (RENEWABLE ENERGY)	
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ Good offshore wind potential. ▶ Repair services of vessels from maritime sector to support.
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ US plans for generating large scale offshore wind and other renewables on east coast could lead to a glut of power, potentially feeding back into Canadian grid. ▶ Large projects creating energy in excess of regional population demand would have to be exported, causing problems. ▶ Typical case for offshore wind more justifiable in areas where there is a space constraint.

OIL AND GAS	
Specific Description	<ul style="list-style-type: none"> ▶ Includes exploration, development drilling, support services.
Current Industry Outlook	<ul style="list-style-type: none"> ▶ Suffering from highly volatile crude oil and natural gas prices plus concerns over climate change. ▶ Expected to grow 4.2% per year to \$30.8 Billion in 2026. ▶ World price of increasing natural gas expected to increase demand for services.
Example Companies	<ul style="list-style-type: none"> ▶ Schlumberger, Chevron Canada, Equinor Canada, BHP Petroleum
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ High barrier to entry due to environmental requirements. ▶ Compliance requirements from federal and provincial laws on land use protection (Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act, Canada-Newfoundland Atlantic Accord Implementation Act). ▶ Exploration licenses have a max of 9 years, no possibility for renewal or extensions. ▶ Technology reliant as a means of preserving bottom line in competition (rigs, specialized computing). ▶ High purchase intensity – requiring chemical compounds to boost output of drilled oil and gas wells. ▶ Higher worker skill cost due to specialized nature. ▶ Vertical integrated companies sought after for convenience.
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ Engineering, provisioning, logistics, and other services related to ensuring the ongoing smooth operations of offshore oil and gas production facilities.
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ Already greenlit in projects in Newfoundland and Labrador. ▶ Maritimes and Northeast Pipeline (for natural gas).



OIL AND GAS	
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ Atlantic Canada largely does not have any direct oil infrastructure, but rather natural gas pipelines (maritime and northeast pipelines). ▶ Market dominated by Alberta, British Columbia onshore production

BOAT AND SHIPBUILDING	
Specific Description	<ul style="list-style-type: none"> ▶ Includes build, repair, conversion and alteration of ships in shipyards ▶ Inclusive of cargo ships, barges, fishing boats, dredges, ferry, fire, naval and offshore platforms (no pleasure craft).
Current Industry Outlook	<ul style="list-style-type: none"> ▶ Industry revenue expected to grow an annualized 3.4% to \$2.8 Billion in 2026. ▶ Business stemming from effort to revive Canada's navy, clash with decline in demand for offshore oil production related vessels (due to commodity price) and trends of moving from commercial fishing towards aquaculture. ▶ 43.5 million in 2021 for Export markets USA (50.2%, France 16.1%, Spain 12.6%). ▶ 1.1 billion in 2021 for imports: 81.9% of which come from Spain, (less specialized vessels). ▶ Competitiveness of air cargo increasing, eating into market slightly due to more fuel and cargo efficient planes. ▶ Supported by consistent work from national shipbuilding procurement strategy (NSPS) – where bulk of funds go towards 2 shipyards working on large vessels. Focuses on 3 pillars. ▶ Large shipyards (Seaspan in Vancouver British Columbia, focusing on noncombat vessels for coast guard, scientific research vessels, fishery vessels and support vessels for RCN). Irving shipbuilding in Halifax – historically focusing on combat vessels. ▶ Smaller vessel construction, and vessel repair refit and maintenance are more competitive.
Example Companies	<ul style="list-style-type: none"> ▶ Seaspan, Irving Shipbuilding
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ Profitability tied to government protection and intervention in market, not particularly competitive against low cost providers. ▶ Highly sensitive to price of steel. ▶ Proximity to key markets important, effort to reduce transportation costs, though access to infrastructure still important. ▶ Skilled workforce requirements. ▶ Research and development in design important to accommodate customer demand and be competitive.
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ Continued service of commercial fishing, ocean research, support vessels for offshore wind and drilling projects.
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ Strong maritime economy means consistent business for maintenance and repair, odd vessels. ▶ Push for offshore drilling and wind place demand for new vessels as well as maintenance.
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ Bulk of federal money goes towards large shipyards, which are fixed location making not ideal for regional cooperation (case of vested interest).

OCEAN TECHNOLOGY AND NAVIGATIONAL INSTRUMENTS

Specific Description	<ul style="list-style-type: none"> ▶ Radar apparatus (35.4% 2020 rev). ▶ Air traffic control systems, marine equipment (sonobuoys, fish finders, fathometers, aerospace instrumentation devices (wildlife detection sensors and radar detectors). ▶ Radio Apparatus (29.8). ▶ Very high frequency omni-directional range (VOR) stations, satellite nav, GPS systems. ▶ Aeronautical navigation and guidance systems. ▶ Typically, defense and commercial. ▶ Parts and accessories (typically aviation slanted).
Current Industry Outlook	<ul style="list-style-type: none"> ▶ Expected to grow annualized 3.4% to 2 Billion by 2025. ▶ Import penetration from foreign companies (US China) with favorable trade policy and lower wage cost interrupting domestic market. ▶ Currency strength plays a strong factor (high price sensitivity). ▶ US DOD is large purchaser of products. ▶ Marine component of sector is approx. 20% of revenue. ▶ Sonar, fishfinders, gyrocompasses and sextants, radar detectors, underwater navigational systems and naval warfare transmitters and displays Just over half of that is estimated to be commercial use due to maritime economy. ▶ Industry dominated by global players which consistently win large contracts.
Example Companies	<ul style="list-style-type: none"> ▶ Raytheon, L3Harris Technologies Inc, TransDigm, Ultra Electronics Holdings PLC, Accipiter Radar Technologies.
Key Requirements or Value Chain	<ul style="list-style-type: none"> ▶ Driven by high skill labor. ▶ Costly input components (circuit boards, semiconductors, fabricated metal products).
Specific Role/Opportunity for Atlantic Canada	<ul style="list-style-type: none"> ▶ Higher concentration of industry present in Atlantic.
Atlantic Canada Competitive Advantages and Assets	<ul style="list-style-type: none"> ▶ Region includes large shipyard, and smaller contracts for vessels that help sustain demand (so long as defense funding supports).
Atlantic Canada Possible Liabilities	<ul style="list-style-type: none"> ▶ Larger number of associated establishments in Ontario, Quebec, Alberta, BC. ▶ Emphasis on switching from commercial fishing (slowly) to more sustainable aquaculture reduce demand.



VALUE PROPOSITIONS

Value propositions are critical to attracting companies and organizations to a jurisdiction as they demonstrate the unique characteristics of a jurisdiction from three perspectives: sector trends and growth outlook, regional strengths and assets, and specific project drivers. Value propositions alleviate the value chain gap and present the investment opportunity to target markets.

Our team developed specific value propositions for each of the identified subsectors. However, below are also a series of unique selling points that apply for Atlantic Canada across the region:

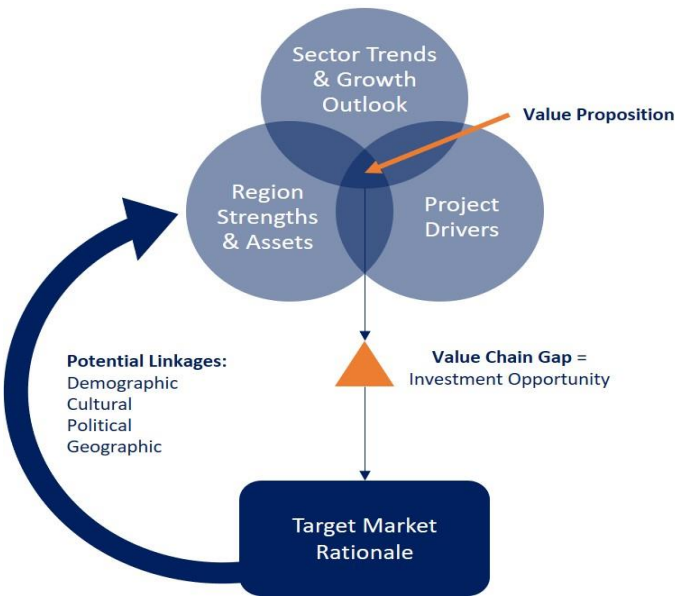


TABLE 7. OVERALL VALUE PROPOSITIONS

OVERALL
<ul style="list-style-type: none"> ▶ Atlantic Canada is big enough to have all the capabilities and people you need, but small enough that we can make things happen fast. ▶ Long known for its strengths and innovation in defense, information technology, and shipbuilding, Atlantic Canada is driving the front edge of advancement in ocean technology, cybersecurity, and aerospace. ▶ The Atlantic Canada workforce is hard-working and technically savvy. This along with Canada’s transparent and aggressive immigration policy make it easier to build a world-beating team of talent here than anywhere else. ▶ Our ports, universities, and business institutions were built by and to serve the needs of our core businesses. Our communities were founded on being at the front of exploration – come join us and excel.

TABLE 8. AEROSPACE AND DEFENSE VALUE PROPOSITIONS

AEROSPACE AND DEFENSE
<ul style="list-style-type: none"> ▶ Atlantic Canada's best asset remains its reputational advantage with US and European military manufacturers: Companies in the region are seen as reliable partners by their foreign counterparts, both in terms of security and of capabilities. ▶ Thanks to the region's strong historical support for Canadian armed forces, and the important military presences at CFB Gagetown and CFB Halifax, there is an important knowledge base for both ground and maritime systems among the available workforces. ▶ The region's highly specialized cluster of military simulation providers fit perfectly with the regional ecosystem's training requirements for existing military personnel and allows crossover with the strong cyber security and IT presence. ▶ MRO operations in the region benefit from one of the most low-cost environments in North America. ▶ Five Wing Goose Bay, which supports military training for the Canadian Armed Forces, the Allies and NORA, provides effective training facilities and adaptable infrastructures.

TABLE 9. CYBERSECURITY VALUE PROPOSITIONS

CYBERSECURITY
<p>Financial Technology</p> <ul style="list-style-type: none"> ▶ Atlantic Canada already hosts 500 companies in finance, and 100 start-ups in financial technology. Many of these start-ups receive expertise from Atlantic FinTech, an initiative dedicated to supporting such companies in Atlantic Canada. ¹ ▶ Atlantic Canada is located along the fastest information route between North America and Europe, with Hibernia Atlantic Cable System Bases in Halifax and Moncton. Given this bandwidth, Atlantic Canada is a hub for the global trading market. ² ▶ Atlantic Canada has been recognized as one of the most cost-competitive regions in North America, providing employers and employees with affordability and flexibility. ▶ The University of New Brunswick, Dalhousie University, and Memorial University have competitive business and computer science programs, supported by research centers, such as the Douglas C. Mackay Finance Lab. This generates a large talent base for employers in the industry. ³ <p>Information Security</p> <ul style="list-style-type: none"> ▶ New Brunswick supports the Cyber Center at Knowledge Park, an environment dedicated to supporting innovation in critical infrastructure security. This hub is located at the Fredericton Innovation District, among 75 start-ups in the industry. ⁴

¹ <https://atlanticfintech.ca/>

² <https://www.novascotiabusiness.com/articles/leveling-fintech-playing-field>

³ <https://www.dal.ca/faculty/management/rsb/research/centres-and-labs.html>

⁴ <https://knowledgepark.ca/cyber-centre>

CYBERSECURITY

- ▶ The Canadian Strategic Innovation Fund can be leveraged to support innovation in critical infrastructure security.
- ▶ Eastern Health (EH), with the support of two levels of government, HealthcareCAN, and others is in the process of establishing a Centre of Excellence (COE) in Healthcare Cybersecurity in St. John's. The COE will provide sophisticated data monitoring and analytical systems and will also provide a training ground on advanced capabilities in digital technologies.
- ▶ The University of New Brunswick supports the Canadian Institute for Cybersecurity, the largest in Canada. Through the Institute, companies can collaborate with academics on innovation in the industry.
- ▶ Companies can participate in Atlantic Canada Aerospace and Defense to collaborate with other companies in the industry.

TABLE 10. OCEANS VALUE PROPOSITIONS

OCEANS

Aquaculture

- ▶ Atlantic Canada produces 40 percent of aquaculture in Canada, particularly fish and seafood. Given the industry share, there are plenty of opportunities for innovation in the region. ⁵
- ▶ Atlantic Canada hosts over 40 thousand kilometers of coastline, between two of the largest markets in North America and Europe. The region is clearly an emerging hub for the industry. ⁶
- ▶ Several associations support innovations in the industry, such as the Aquaculture Association of Nova Scotia and the Atlantic Canada Fish Farmers Association.
- ▶ Several universities also support research centers for collaboration on such innovations, including the Center for Aquaculture and Seafood Development at Memorial University and the Center for Aquatic Health Sciences at Atlantic Veterinary College.

Offshore Energy (Wind, Oil & Gas)

- ▶ Along with its large talent base, Atlantic Canada has the second largest concentration of workers in renewable energy among the six regions. Since many workers are already in the industry, the region has a more significant talent base for companies interested in investing in the region. ⁷
- ▶ Offshore oil production in Atlantic Canada is an expanding industry. The Hebron Project and the West White Rose Project are expected to produce a combined 225 thousand barrels per day, contributing to the greater industry in Canada. ⁸
- ▶ Newfoundland and Labrador accounts for all of Canada's offshore oil production, with one of the lowest GHG emitting fields, globally.

⁵ <https://www.dfo-mpo.gc.ca/aquaculture/lib-bib/nasapi-inpasa/Report-eng.htm>

⁶ <https://www.canada.ca/en/atlastic-canada-opportunities/services/aquaculture-in-atlantic-canada.html>

⁷ <https://www.canada.ca/en/atlastic-canada-opportunities/services/clean-energy-and-related-industries-of-atlantic-canada.html>

⁸ <https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2017/market-snapshot-25-years-atlantic-canada-offshore-oil-natural-gas-production.html>

OCEANS

- ▶ Atlantic Canada exports largely to partners beyond North America, from 8 percent of exports in 2010 to 21 percent of exports in 2016. Atlantic Canada is a promising region for companies interested in investing in the industry.⁹
- ▶ Several associations support innovations in the industry, such as the Atlantica Center for Energy and Canada's Ocean Supercluster. These associations provide opportunities for collaboration between companies.
- ▶ The Atlantic Energy Gateway Initiative is a collaboration between the private sector and public sector for innovations in renewable energy. This initiative largely promotes business opportunities in renewable energy, providing support for companies interested in investing in the region.¹⁰
- ▶ Several universities in the region have programs related to the environmental sciences, along with research centers dedicated to innovations in renewable energy, such as the Center for Applied Sciences and Technology at Holland College.

Boatbuilding, Shipbuilding, and Ocean Technology

- ▶ Atlantic Canada is home to several research centers dedicated to innovations in marine technologies, such as the Marine Institute in Newfoundland and Labrador. The region is a promising hub for such innovations.
- ▶ The Marine Institute in Newfoundland and Labrador is Canada's most comprehensive center for education, training, research and development, and support for ocean technology. The Marine Institute also has Canada's only ROV Operator Program.
- ▶ Memorial University has the only co-op program in Ocean and Naval Architectural Engineering in the world. Furthermore, 40% of research at Memorial University is related to ocean technology. Since 2010, over \$800 million has been invested in research and infrastructure related to cold-ocean and Arctic science, technology, social sciences, and humanities.
- ▶ Atlantic Canada is also home to the Center for Ocean Ventures and Entrepreneurship, which supports collaboration between institutions and businesses in marine technologies. Businesses interested in investing in the region can leverage such support in expanding their reach in Canada and beyond.¹¹
- ▶ The Halifax Shipyard currently hosts one of the largest ship-building projects in North America, constructing both patrol ships and combatant ships for the Canadian Military. These projects have brought the Halifax Shipyard to the forefront of the industry in Canada.¹²
- ▶ Nova Scotia has implemented programs to expand the ship-building workforce, such as the Pathways to Ship-Building Program with Nova Scotia Community College. These programs prepare graduates for careers in the industry and beyond.¹³
- ▶ Newfoundland and Labrador is home to the world's largest flume tank and the world's longest ice tank, as well as home to two of only five full-motion ships bridge simulators in the world.

⁹ <https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2017/market-snapshot-25-years-atlantic-canada-offshore-oil-natural-gas-production.html>

¹⁰ <https://www.prnewswire.com/news-releases/atlantic-energy-gateway-enhances-regional-cooperation-towards-clean-energy-future-510716111.html>

¹¹ <https://coveocean.com/about>

¹² <https://siteselection.com/issues/2016/jul/canada-shipbuilding-aerospace-projects-boost-atlantic-regions-economy.cfm>

¹³ <https://atlantic.ctvnews.ca/we-all-stand-on-the-same-ground-nova-scotia-shipbuilding-program-seeks-to-draw-marginalized-groups-into-industry-1.5317910>

OCEANS

Newfoundland and Labrador is internationally recognized as an innovator in harsh and cold environments.

KEY RECOMMENDATIONS

In addition to the following strategic action plan, several overall initiatives and values will help to cement the Atlantic Canada Advantage that will enhance the chances that the Atlantic Canada Advantage initiative's chances for in attracting, nurturing and, retaining new investment in the region:

- ▶ **Plan and Act Regionally** – The Atlantic Canada Advantage initiative is an important first step in more direct regional collaboration amongst the federal partners, the provinces, and their economic development agencies. The current efforts to promote the three sectors will provide a test foundation for developing better protocols and increased trust amongst the actors. A commitment to communication and collaboration will provide mutual benefit for all.
- ▶ **Continue to Look for Crossovers** – The current sectors of Ocean, Aerospace and Defense, and cybersecurity are somewhat limited, but also tend to overlap with other major sectors like information technology and advanced manufacturing. While the current efforts will focus on these sectors, other opportunities for collaboration will naturally arise. We strongly recommend that the partners embrace those with the same enthusiasm as the current initiative.
- ▶ **Enhance Readiness** – The Atlantic Canada advantage partners approach the current initiative with different levels of experience and readiness in soliciting and handling foreign direct investment requests. Ideally, the four partners will work together to share best practices, infrastructure, perform joint trade and investment missions, and even share capacity going forward to ensure that the region as a whole enhances its reputation as being “ready to play.”
- ▶ **Embrace Access and Connectivity** - Given the region's original heritage in maritime and port activities, the region's connections to the United States, Europe, and the rest of Canada are an important strategic strength. Efforts should be made in particular to both promote the road, rail, and ocean connectivity and also to enhance air connectivity.
- ▶ **Sustained Commitment** - All the items below will require a multiyear commitment in order to truly show success. The Atlantic Canada advantage and the stakeholder partners should be prepared to continue to invest and participate over the long run to fully reap the benefits of the initiative.

Each of the prior items provides insight both into the unique and relevant assets of the Atlantic Canada region and also insight into the parties that might be receptive to the message. What remains is to develop and then implement a roadmap that helps the Atlantic Canada shareholders find and effectively engage with potential investors.

Strategic Action Plan

TABLE 11. STRATEGIC ACTION PLAN ACTION ITEMS

ACTION AREA	ACTION ITEM
Communications and Coordination	<ul style="list-style-type: none"> ▶ Intra-partnership communications protocols ▶ Communications protocols ▶ Participation protocols ▶ Lead sharing procedures ▶ Lead handling procedures
Investment Readiness and Data Maintenance	<ul style="list-style-type: none"> ▶ Address data gaps related to stakeholder investment readiness ▶ Work with local economic development partners to meet with and engage current multinational companies. ▶ Strategic positioning document
Branding and Creative	<ul style="list-style-type: none"> ▶ Brand positioning Statement ▶ Brand slogan ▶ Brand messaging
Marketing Materials Development	<ul style="list-style-type: none"> ▶ Brochures in editable format ▶ Pitch Book Development ▶ Advertising materials and content (multi-media)
Online Presence	<ul style="list-style-type: none"> ▶ Virtual tours ▶ Individual website ▶ E-Newsletter ▶ LinkedIn Usage ▶ Google Ads
Direct Outreach	<ul style="list-style-type: none"> ▶ Consultant list development ▶ Industry Decision maker research ▶ Conference research and planning
Evaluation and Adjustment	<ul style="list-style-type: none"> ▶ Dealflow Analysis ▶ Capital Investment (FDI Analysis) ▶ Annual Review and Adjustment



Communication and Coordination

The full capabilities of the Atlantic Canada Region can best be brought to market when the provincial partners, federal supports, and other key stakeholders are appropriately informed and engaged on opportunities, activities, developments, and results. Likewise, clear and transparent communications will build a working level of trust among all partners.

TABLE 12. COMMUNICATION AND COORDINATION ACTION ITEMS

COMMUNICATION AND COORDINATION	
ACTION: Develop and implement intra-partnership communications protocols.	Description: Identify or develop the team who will have coordinating responsibility among the provincial and other stakeholders. Work with the Atlantic Canada Advantage stakeholders to compete and adopt communications plans and protocols between and among stakeholders.
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Identify coordinating entity. ▶ Develop communications protocols.
	Description: Regular information sharing must be complete and transparent but must also be manageable. Regular communications allow for keeping all in the know, for disseminating critical information and for soliciting input on key matters.
ACTION: Confirm Regular Communications Schedule, Including both in-person and online.	Sub-Tasks: <ul style="list-style-type: none"> ▶ Establish schedule of monthly stakeholder network meetings. ▶ Establish timeline and metrics for regular progress reporting (see metrics section).
	Description: Working in concert, Atlantic Canada Advantage and its shareholders will be able to cover more industry and trade events than anyone will be able to on their own. Means will need to be established to ensure that information is shared both in preparation for and after the fact to make the most of these opportunities.
ACTION: Confirm Participation Protocols for Trade Missions, FDI Events and Conferences.	Sub-Tasks: <ul style="list-style-type: none"> ▶ Establish coordinated calendar of industry and trade events, including planned attendance. ▶ Establish means for information, lead and relationship sharing at completion of each show for interested parties.
	Description:



COMMUNICATION AND COORDINATION	
ACTION: Establish Lead Sharing Protocols.	Whether a project opportunity arises from the central Atlantic Canada Advantage coordinating entity or from a stakeholder, the network will need a coherent, transparent policy for addressing the company's needs.
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Protocol for leads originated by the coordinating entity. ▶ Protocol for leads originated by other regional partners.
ACTION: Establish Lead Handling	Description: <p>When opportunities do arise, the stakeholder partners will need to develop a version of the lead handling and then aftercare procedures similar to that described in the aftercare section of this report. All will need to work together to understand roles and responsibilities and then to execute crisply and responsively to company needs.</p>
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Review and adapt appropriate processes for lead handling. ▶ Ensure roles are filled through the handling process.

Investment Readiness and Data Maintenance

While the Atlantic Canada provinces have important assets and advantages to bring to the market, both singly and as a group, the regions will need to ensure that they have the necessary information and processes in place to crisply and responsively respond to investor inquiries as they arise. By having necessary information and processes in place beforehand, the provinces can reduce or eliminate potential risks and unknowns for the investor companies and gain competitive advantage.

TABLE 13. INVESTMENT READINESS AND DATA READINESS ACTION ITEMS

Investment Readiness and Data Readiness	
ACTION: Address data gaps related to stakeholder investment readiness.	Description:
	Stakeholder Provinces need adequate data to inform them about their business environments, which hinders stakeholder investment readiness.
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Review the kinds of data typically required by investor companies (labour, real estate, infrastructure, costs, etc.) and determine sources for each. ▶ Establish system of regular data collection. ▶ Create schedule of data collection from municipalities – encourage shareholders to update

Investment Readiness and Data Readiness	
	<p>Atlantic Canada Advantage with notable changes in business environments, data analysis, etc.</p> <ul style="list-style-type: none"> ▶ Establish protocols for sharing data subscriptions such as FDI markets that may be used across the member provinces.
ACTION: Work with local economic development partners to meet with and engage current multinational companies.	Description:
	<p>International companies are a critical asset in understanding why and how investment decisions are made, developing relationships beyond the Atlantic provinces and Canada, and in developing a critical base of ambassadors and private sector advocates.</p>
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Develop census of multinational and exporting companies located in each municipality. ▶ Develop a prioritized schedule for visits.

Branding and Creative

Branding and creative provide the initial means for establishing the identity for the Atlantic Canada region and the benefits it provides to potential investors. It will be important to note that this branding identity rides along with each of the provinces' already-established brands and not to supplant them. The goal is to provide an additional platform which establishes and strengthens the impression of the provinces and region as a whole.

TABLE 14. BRANDING AND CREATION ACTION ITEMS

BRANDING AND CREATIVE	
ACTION: Brand positioning statement	Description:
	<p>A brand positioning statement outlines exactly what the region is and the benefits it provides, for whom, and what makes you different. The idea behind it is to create a unique niche for your brand in the minds of consumers within your category.</p>
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Review strategic plan and competitive information to develop overall internal brand positioning statement.
ACTION: Brand slogan	Description:
	<p>A brand slogan is the advertising tagline that conveys the brand's spirit in the shortest way possible. In just a few words the slogan attempts to convey the spirit and advantage of the region</p>
	Sub-Tasks:

BRANDING AND CREATIVE	
	<ul style="list-style-type: none"> ▶ Hone the overall value proposition developed in Phase I to hone this into an effective brand slogan.
ACTION: Brand messaging	Description:
	Brand messaging refers to the underlying value proposition conveyed, and language used in further content. The messaging makes buyers relate to the brand by inspiring them, persuading them, motivating them, and ultimately creating investment interest in the region.
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Continue to work with the value propositions developed in Phase I to hone these into concise brand positioning.
ACTION: Strategic positioning document	Description:
	The strategic positioning document takes the items above and lays out the initial campaign identifying the target customer group, the list of offerings (location benefits), matches these to customer needs, and then refines the channels and messages of outreach to specifically match message to target.
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Customer segmentation review. ▶ Identification of specific channels for each customer. ▶ Review of value propositions to match appropriateness to channel and customer type. ▶ Convert strategic plan to market positioning plan.

Marketing Materials Development

In order to increase recognition of the Atlantic Canada Region and of its key assets, the Atlantic Canada Advantage must institute a marketing campaign that delivers the right messaging into the right hands. The materials produced must be visually impactful and carry relevant and memorable messages into the minds of decision makers and influencers across the target sectors. Note that each of the following items will address the Atlantic Canada value proposition overall, in addition to the sector-specific material.

TABLE 15. MARKETING AND MATERIALS DEVELOPMENT ACTION ITEMS

Marketing Materials Development	
ACTION: Brochures in editable format	Description:
	Develop general brochures on Atlantic Canada and its assets. Note that these will need to be editable so that they may be updated and used in any of the stakeholder provinces' brand formats.
	Sub-Tasks:
	<ul style="list-style-type: none"> ▶ Develop general brochure in editable format.
ACTION: Sector pitch books	Description:
	The provinces will benefit from having individual pitch books that carry information on each of the targeted sectors and the specific data and selling points for Atlantic Canada relevant to that sector. These 10-15-page documents provide specific selling points that can raise interest in the region.
	Sub-Tasks:
	<ul style="list-style-type: none"> ▶ Assemble data supporting the value propositions for each of the major sectors. ▶ Collect written testimonials from example companies from each of the major sectors. ▶ Develop editable sector pitch books for Aero/Defense, Oceans, and Cybersecurity.
ACTION: Advertising materials and content	Description:
	To engage and resonate with site selectors and companies, Atlantic Canada Advantage must produce relevant and informative content over a period of the initial launch.
	Sub-Tasks:
	<ul style="list-style-type: none"> ▶ 3 Full Page Ad designs (one per sector). ▶ 12 digital ads (4 digital ads across 3 sectors). ▶ 3 Industry one-sheets.



Online Presence

Even before the COVID pandemic, online tools were the preferred first means of education and marketing about a location. Quite simply, it is the easiest and most efficient means for examining site around the globe quickly. Accordingly, having an online presence and robust tools for being found has become the baseline price for entry in the FDI marketplace.

TABLE 16. ONLINE PRESENCE ACTION ITEMS

Online Presence	
ACTION: Regional website (with referrals)	Description:
	Develop a website for the Atlantic Canada Advantage initiative that supplements the individual provincial economic development websites. The website will provide marketing information and data on the region but will forward specific.
	Sub-Tasks: <ul style="list-style-type: none"> • Develop a “wireframe” for the website and collect appropriate information and data (workforce, real estate, infrastructure, major companies, costs...). • Collect written testimonials from example companies from each of the major sectors. • Develop website, test in beta, and launch • Ensure means for updating website on a regular basis.
ACTION: Virtual tours	Description:
	Video virtual tours become an initial proxy for in-person visits when this is not possible due to time, expense, or other limitations. They provide an initial means for projecting the “look and feel” of a region. If at all possible, these should also include real-world testimonials from companies operating in the region.
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Develop overall virtual tour/video for the Atlantic Canada region. ▶ Develop individual virtual tours/videos for each major sector for the Atlantic Canada region.
ACTION: e-Newsletter	Description:
	Depending on the role that the member provinces wish the coordinating Atlantic Canada Advantage entity to play, it may be both appropriate and advantageous for the entity to send out a regular newsletter to leads and consultants regarding news and developments in the region.
	Sub-Tasks:



Online Presence	
	<ul style="list-style-type: none"> ▶ Develop outline for a monthly e-newsletter. ▶ Develop design for monthly newsletter that allows for easy updates. ▶ Determine responsible parties for assembly and issuance of the regular newsletter. ▶ Assemble mailing list of consultants and target companies for distribution.
ACTION: LinkedIn Usage	Description:
	<p>LinkedIn is the premier and most recognized professional networking online resource. Identifying and engaging with target market leads via LinkedIn is an incredible tool that is able to connect you with prospects in an engaging and personalized way, immediately differentiating your IPA from competing locations.</p>
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Develop and maintain an Atlantic Canada Advantage LinkedIn account. ▶ Cross-link with the member provincial EDO organizations. ▶ Train staff on most effective use of LinkedIn for high impact posts and for multiplying the effects of posts made by member province EDOs. ▶ Consider enhanced membership to allow for examination of views and for target identification.
ACTION: Google and other search engine optimization	Description:
	<p>Since most internet users begin a session by searching for something, working google AdWords is a critical way to ensure that the Atlantic Canada region comes up within the initial search. There are multiple tactics that Atlantic Canada advantage must follow to ensure that it shows up at the top of a Google Search.</p>
	Sub-Tasks: <ul style="list-style-type: none"> ▶ SEO optimization. ▶ Google adword targeted purchases.

Direct Outreach

The development of messaging should be accompanied by direct action to outreach to potential investors and their consultants to begin to generate interest and identify potential lead opportunities.

TABLE 17. DIRECT OUTREACH ACTION ITEMS

Direct Outreach	
ACTION: Consultant list development.	Description:
	Identify and validate a list of consultants who operate in the target sectors and who may consider Atlantic Canada for future projects.
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Construct initial list of site selection and associated consultants with expertise in the selected sectors. ▶ Perform initial direct outreach and engage in dialogue, in cooperation with sector specialists and relevant industry associations.
ACTION: Industry decision maker research.	Description:
	Begin lead generation and relationship building activity within the target sectors.
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Review FDI markets information to identify key sector players and companies. ▶ Perform addition research to identify similar companies and other value chain participants. ▶ Research decision makers within key companies. ▶ Perform and track initial outreach and engage in dialogue.
ACTION: Conference research and planning	Description:
	Identify and prioritize events where it may be possible both to elevate awareness of Atlantic Canada and also to build relationships with companies and consultants.
	Sub-Tasks: <ul style="list-style-type: none"> ▶ Identify initial list of conferences and industry events relevant to the target sectors. ▶ Prioritize the above based on presence of key decision makers and influencers as well as practicality for attendance. ▶ Determine which events are appropriate for sponsorship (and at what level) in addition to attendance. <p>Develop a plan for attendance, including a review of participation by the stakeholder province EDOs.</p>



Evaluation and Adjustment

Any marketing and positioning strategy must be coupled with measurement to determine what is working and what needs to be adjusted. The following is a recommended straightforward process to collect relevant data and for modifying future action based on lessons learned.

TABLE 18. EVALUATION AND ADJUSTMENT ACTION ITEMS

EVALUATION AND ADJUSTMENT	
ACTION: Dealflow analysis	Description:
	Examine the levels of inquiry or lead generation to identify effective sources of activity.
	Sub-Tasks:
	<ul style="list-style-type: none"> ▶ Collect and aggregate contact information from each of the provincial and other stakeholders. ▶ Consolidate this into a database and examine trends.
ACTION: Capital Investment (FDI Review)	Description:
	Use FDI Markets or similar tools to review global FDI trends to both examine Atlantic Canada's performance and also identify any new developing trends.
	Sub-Tasks:
	<ul style="list-style-type: none"> ▶ Collect and analyze FDI market trends
ACTION: Periodic review and adjustment	Description:
	Review the items and above and meet with the provincial EDO partners to discuss and adjust course and tactics as necessary.
	Sub-Tasks:
	<ul style="list-style-type: none"> ▶ Determine appropriate timescale for review and adjustment among the partners. Annual is suggested at a minimum, with semi-annual as a likely ideal practice. ▶ Distribute the dealflow and capital investment reports beforehand. ▶ Examine tactics and results and adjust accordingly.

Accessing Industry Groups and Events

Conferences and other similar events provide excellent opportunities to personally meet many companies from a target sector and to obtain a better understanding of the industry through the products and services exhibited there.

Although most staff represented at companies' exhibition stands are usually from sales and marketing departments, the large and leading trade shows in each industry are also attended by company's senior management, including decision-makers for international expansion.

In addition, the Atlantic Canada Advantage partners would have the opportunity to achieve greater visibility at trade shows by participating as an exhibitor, which in some cases may include some form of initial investment. This type of investment may only be justified at selected trades shows.

Success Factors

Specific conferences and industry shows will be recommended by the implementation team in phase two, and the specific format and attendance of shows and conferences is likely to be in flux during the COVID recovery time. However, a few factors commonly determine the effectiveness of any trade show attendance, including:

- ▶ Selecting trade shows that offer the highest chance of meeting decision-makers of companies from Atlantic Canada's target sectors.
- ▶ Identifying targets among participating companies likely to have an interest in meeting with Atlantic Canada Advantage.
- ▶ Contacting companies effectively to schedule meetings with senior representatives at the trade show.
- ▶ Clearly articulating the objectives of the meetings and the topics to be discussed in advance to avoid unproductive meetings.

Based on our experience, a favorable success rate as a result of attending an industry show is one identified investment project for every 8-10 meetings held that have been scheduled in advance.

Budgeting Considerations and Tradeoffs

Below is an initial estimate of year one activities to support some of the items above. These do not include additional staff time or other considerations. Staff time in particular may be a factor either of adding new staff or of seconding staff from the stakeholder organizations.

Budgets

The following are rough estimates of first-year budgets that may be required for individual items mentioned in the action plan above. It should be noted that these are estimates only, and individual service providers will have their own experience. Likewise, the budgets shown will depend upon the scope and reach of the programs assembled.

Site Selector and Investor Perception

- ▶ **Budget** –\$15-25,000

Website Optimization

- ▶ **Budget** –\$35-50,000

Brand Identity Platform (Brand Narrative)

- ▶ **Budget** –\$50-70,000

Branding and Messaging

- ▶ Identity Enhancements - Design for marketing assets
- ▶ Marketing Collateral - Full page ads, digital ads, industry one sheets
- ▶ Brand Engagement Rollout Plan
- ▶ Multimedia & Marketing Communication Plan
- ▶ **Budget** – Approximately \$60-90,000

Strategic Considerations

The recommendations contained in the strategic action plan may be modified based on circumstances and budgets. In particular, it is important to note that the current pandemic restrictions due to COVID are hampering the ability to do items such as in person visits, conference attendance, and familiarization tours.

It is possible to trade off in person activities such as events, familiarization tours, and visits two other locations in favor of virtual events. The disadvantage of such an approach is that it is harder to create a resilient relationship with the potential investor, and it is also more difficult to get the same level of details on need, process, and context.

However, there has been a long-term trend towards using such virtual tools more widely. Not only do they provide a resilient means for meeting in times of disruption, but they also allow for a more efficient use of time and travel budget. The ideal mix of in person and virtual tools will need to be developed over time and will be a moving target.

We have also recommended a mix of both print and online advertising. Both are effective within their own spheres, and appeal to slightly different audiences. It is worthwhile to note that much of the material that is used for print advertising can also be used within other branding materials such as brochures, pitch books, and similar items. Online materials tend to be more bespoke to the online context and may not translate as well. However online tools are likely to be seen by many more eyes over the span of their campaign.

Data

As noted in the report, both the availability and the comparability of data for labour, skills, cost, utilities, quality of life, and real estate is a significant challenge for any Canadian location. Data from

StatsCan can be incomplete and is often using a different statistical measure than that which might be used in an American or a European context.

As a result of this, we strongly recommend working directly with Invest in Canada to advocate with StatsCan for a customized data product that utilizes existing StatsCan data but modifies it to standards that would be recognizable to American and European site selectors and investors.

Foreign direct investment trend data will also be important for the Atlantic Canada advantage project. FDI Markets provides an excellent database of such information. The database includes not only aggregate data on industry, source country and region, and destination country and region, but also includes specific deal by deal data that allows for a minute analysis. Such information is of course important in determining the performance of the Atlantic Canada advantage initiative over time but is also critically important to industry and even company targeting. The database allows for a much better investigation of company motives and needs, allowing for a much richer outreach and dialogue to potential investors.

FDI Markets is typically priced through a negotiation with the software vendor. However, annual fees of between \$20-30,000 are not unusual depending upon the number of users.

INVESTOR SERVICING AND AFTERCARE STRATEGY

Each of the items above will be critical in showcasing the advantages of locating in Atlantic Canada for the selected sectors. However, additional initiatives will be required to ensure that companies are able to effectively and efficiently set up operations in the region. The experience that companies have once they arrive in a region will influence their ongoing commitment to the region, their willingness to participate in efforts to bring additional investment, and even their willingness to expand further.

Introduction

Investor servicing and aftercare strategy is aimed at maximising the contribution of foreign companies to local development. Aftercare strategies differ depending on the objectives of the economic development organisation but generally, aftercare comprises all potential services offered at the company level by governments and their agencies, designed to facilitate both the successful start-up and the continuing development of a foreign affiliate in a host country or region with a view towards maximizing its contribution to the local economic development.¹⁴ An effective aftercare strategy will not only ensure that foreign investors stay in a location, but also that they expand their operations or increase their value-added contributions to the local economy.

Investor servicing and aftercare is a pertinent use of the resources of the provincial EDOs and of any agency tasked with the responsibility of coordinating efforts for the Atlantic Canada region. It is less costly than marketing a location to new ones abroad as it focuses on the established investors that are already situated within a location. In addition, aftercare services may ensure the realisation of inward FDI benefits such as local supply chain development and further job creation. Most of all, a

¹⁴ Young and Hood



successfully executed aftercare strategy will result in satisfied foreign companies. This is one of the most effective promoters of a host location.

Key Elements in Operating an Aftercare Strategy

- ▶ Develop objectives and identify partners
- ▶ Assess organizational capacities
- ▶ Design targeted aftercare program based on landed foreign investments
- ▶ Deliver services, monitor and evaluate results
 - Availability and contractability
 - Responsiveness and handling
 - Response quality
 - Ongoing customer care

Develop objectives and identify partners

In order to develop a strategic investor servicing and aftercare plan, the EDO should consider feedback from established investors and the major economic development aims of the region, to identify synergies and mismatches. It is important to determine the extent to which other regional and relevant economic development organisations will be included in setting aims and objectives of the aftercare programme. It is very likely that the EDO will need to seek support from several other economic development organisations in the region to ensure the delivery of an effective aftercare programme.

Following consultation with relevant economic development organisations, objectives of the aftercare programme can be agreed upon to include, for example:

1. Increase reinvestment in the area through either expansion of existing facilities or new greenfield locations;
2. Increase in employment and value-added activities of a targeted set of companies already established in the region;
3. More collaborative projects with local universities or other R&D organisations; and
4. Identification and removal of key barriers to increased reinvestment by foreign companies.

Once objectives have been identified, targets can be set for specific aftercare programmes, for example:

1. Number of successful projects realised
2. Number of new jobs created
3. Number of visits per year to established companies in region
4. Number of follow-up or repeat visits
5. Change in stage of value change of successful projects
6. Number of aftercare jobs (new or safeguarded) for which responsibility is claimed

The process of developing objectives for aftercare activities may reveal the importance of working closely with other stakeholders in the region, for example chambers of commerce, outsourced consulting agencies specialised in recruitment and immigration processes, overseas diplomatic and



consular organisations. It is therefore necessary to develop explicit, clear working protocols with such organisations.

Assess organizational capacities

The required resources can be defined once objectives and targets are made clear. If resources are not available, aims and objectives must be modified, or the EDO must seek resources externally from partner organisations. EDOs have adopted several strategies when handling their accounts. Below are a few approaches worth noting:

The Project-Based Approach: The aim of this approach is to focus resources and service delivery on very specific areas such as increasing university collaborations or development of companies in supply chain. This approach is relevant when EDOs are not well-staffed and have a key development area they would like to focus on. A disadvantage of this approach is that it may neglect foreign companies that have concerns not in line with the development aims of the organisation.

The Aftercare Team Approach: This is where a relatively wide service offering is delivered, but it is not particularly well structured in terms of subnational or national economic priorities. With many agencies dealing with considerable resource constraints, this model is increasingly scarce. In addition, this approach will only prove effective if a clear aftercare structure and process exists and is implemented within the Aftercare Team.

The Integrated Approach: This is the most ambitious type of aftercare service aimed at integrating foreign affiliates into the local economy. This approach works in a highly structured, well-resourced manner to deliver specific goals that are aligned with regional or national economic development objectives.

Design targeted aftercare programme based on landed foreign investments

Aftercare services are generally divided into three categories.

- ▶ **Administrative services** that facilitate the operations of foreign firms. These may include obtaining business licenses and work permits, finding housing for expatriates, schools for their children and integration-related services like language classes;
- ▶ **Operational services** that support the operation of foreign firms. They include support in identifying local suppliers and developing clusters that improve the competitiveness of existing operations; and
- ▶ **Strategic services** that influence the future development path of the firm in the host region. The aim of these services is to ensure the foreign firm stays and continues expansion within the region.

Foreign firms may then be grouped into how well they support local economic development objectives or their abilities to promote rather than constrain local host competition, support high value-added functions and high levels of innovation. From this, it can be agreed upon what level of intensity and which resources should be allocated for the aftercare of each foreign firm.

- ▶ Established foreign firms of importance should be assigned to the most senior managers in the EDO; and

- ▶ Smaller foreign firms, where the host region may not have much to offer, may be included in general events or mailing lists and left to themselves. They should, however, know that the EDO is ready to support them when they need it.

Deliver investors services, monitor and evaluate results

The effectiveness of aftercare programs will also be influenced by the delivery mode selected:

Availability and Contactability

Potential investors and site selectors first look for contacts on the website, so make sure these are up to-date, accurate, complete, and specific. If the appropriate economic development staff member cannot take the call, another (trained) city staff member should ask some basic questions to try to determine the nature of the inquiry (e.g. company name, inquiry, deadline) and then assign a specific, responsible single point of contact. It is important to never ask the caller to call back later. Instead, staff should return the call at the earliest opportunity — certainly within one business day. Responding within the investor's specified time frame is highly desirable but remain realistic and always stay in touch. It should be noted that webforms are rarely the preferred method of contact used by potential investors and site selectors. These individuals need to know the person they are reaching, their title, and if their inquiry has reached the desired party. Considering this point, always confirm to the potential investor that their inquiry has been received, make clear the appropriate point of contact, and ensure a complete response to the inquiry within the specified timeframe.

Responsiveness and Handling

Responsiveness and handling refer to the way staff engage with potential investors over the telephone and by e-mail. Best practices that should be incorporated with respect to responsiveness and inquiry handling are:

- ▶ Rapidly providing accurate information;
- ▶ Always ensure confidentiality of the investor's project and strategy;
- ▶ Limit the number of people involved and even sign a confidentiality agreement or non-disclosure agreement if requested; and
- ▶ Gently encourage a delegation to plan a site visit.

Response Quality

It is best practice to answer all the investor's questions and to organize the response in such a way that the investor can readily locate the answers to questions posed. There are techniques to improve the quality of the response. This includes being concise and to the point and formulating a concise answer (as opposed to sending a full investor guide). The stakeholder partners should also consider using comparative data, case studies and investor testimonials to support its promotion message and support its image. Furthermore, endeavour to respond to the RFI in the format requested by the investor (whether it be table formats, units of value, etc). Investors are often assessing multiple locations simultaneously and require a standard format for evaluation. Paying attention to these subtleties will be noted and appreciated by the investor.



Ongoing Customer Care

Customer care is an important method to stay in contact with potential investors, yet it is neglected by many organizations. Only few of such organizations make ongoing efforts to actively promote their location by providing reasons for the project to go forward. It is important to check and ensure that responses have been received and to clarify any pending items. Best practice is to ask for the investor's reaction and to inquire about the progress of the project through follow-up communication.

Other Best Practices

More complex qualitative measures also exist, for example, a survey every year or two to determine the impact of the strategy on a variety of matters, which can help in signaling problems and new trends. Information collected through these surveys could be used to evaluate and modify the EDOs modus operandi, if required.

CLOSING

EBP and CAI will remain in contact after project completion for appropriate follow-on care. We feel our job is not over until the client has implemented the plan, and there are always places where our advice and guidance are needed. AACBDC, the provinces, and the other stakeholders will learn from efforts as they execute the Action Plan, and we will be honored to help guide future actions as needed.

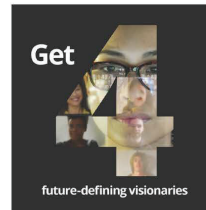


Atlantic Advantage Project

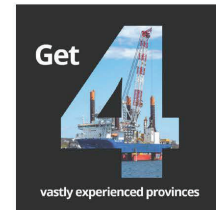
Digital Ads (English/French)



Aerospace



Cyber-Security

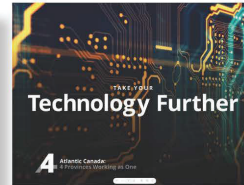


Oceans

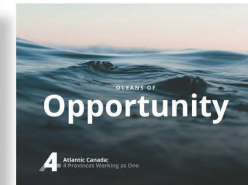
Brochure (24 pages)



Aerospace



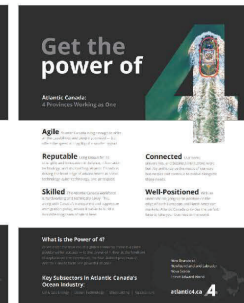
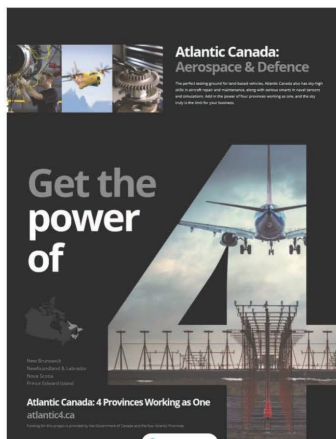
Cyber-Security



Oceans

Pitchbooks

Print Ads (English/French)



Sector Sheets

Videos



General | Aerospace | Cyber-Security | Oceans

Revision date: May 2020

FDI Marketing Project

Atlantic4 Campaign Results

April 25, 2023



N|A|T|I|O|N|A|L time:space

KEY OBJECTIVES

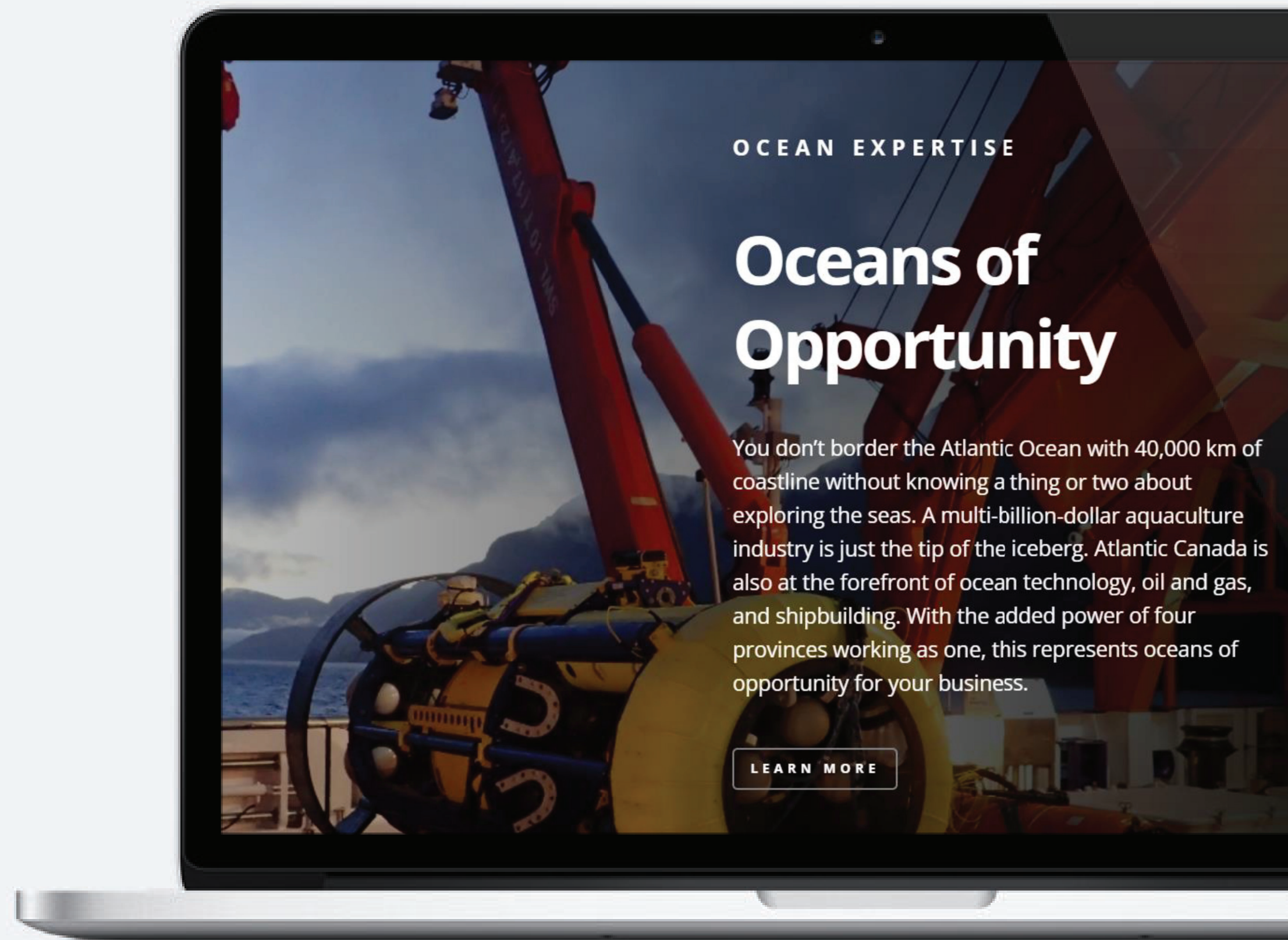
Generate awareness of Atlantic Canada as a premier FDI destination of choice, with investors of sector-based industries.

Generate awareness of Atlantic Canada and its potential with North American site selectors specializing in sector based FDI location recommendations.

Transition awareness to engagement, by filling out the form field on the Atlantic4 website to find out more.

MEDIA STRATEGY

- Find and speak to target audiences
- Storytelling to build familiarity and recognition – frequency and retargeting is important
- Industry segmentation
- Maximize budget efficiency



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CONTENT

CAMPAIGN OVERVIEW

RESULTS

INSIGHTS & RECOMMENDATIONS



CAMPAIGN OVERVIEW

CAMPAIGN DETAILS

OBJECTIVES: Create awareness of Atlantic Canada as premier FDI destination of choice with investors of sector-based industries, and site selectors.

TOTAL MEDIA BUDGET: \$32,500



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CAMPAIGN TIMING

[illegible]

TARGETING





CAMPAIGN TARGETING

Companies specializing in sector industries from countries that have had a high conversion of FDI in Atlantic Canada. Sector industries include:

- Aerospace & Defence
- Cyber Technology
- Ocean Expertise

Investors - Geotargeting within the USA (Vermont, New Hampshire, Massachusetts and Maine), the UK and France.

Site Selectors – Who specialize in reviewing and selecting potential FDI for sector-based companies.

- WavTeq list, which included site selectors located in a variety of countries.

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RESULTS



LINKEDIN INVESTORS

The LinkedIn investors campaign was in-market from February 9 to March 21, targeting C-suite executives in Cyber Technology , Aerospace & Defence, and Oceans based industries.

Overall, the campaign performed well and drove a high engagement with a **CTR of 0.69%**, which is almost **2X the industry average**.

Of all the industries, investors from **cybertech** companies were the most engaged with a **CTR of 0.92%**.

The campaign also saw a high engagement from companies located in the **United States**, who were responsible for **over 70% of total traffic volume** and a **CTR of 1.03%**. Companies like **BAE systems, US Air Force, Total Energies, and Capgemini** were the most engaged, receiving the highest number of impressions.

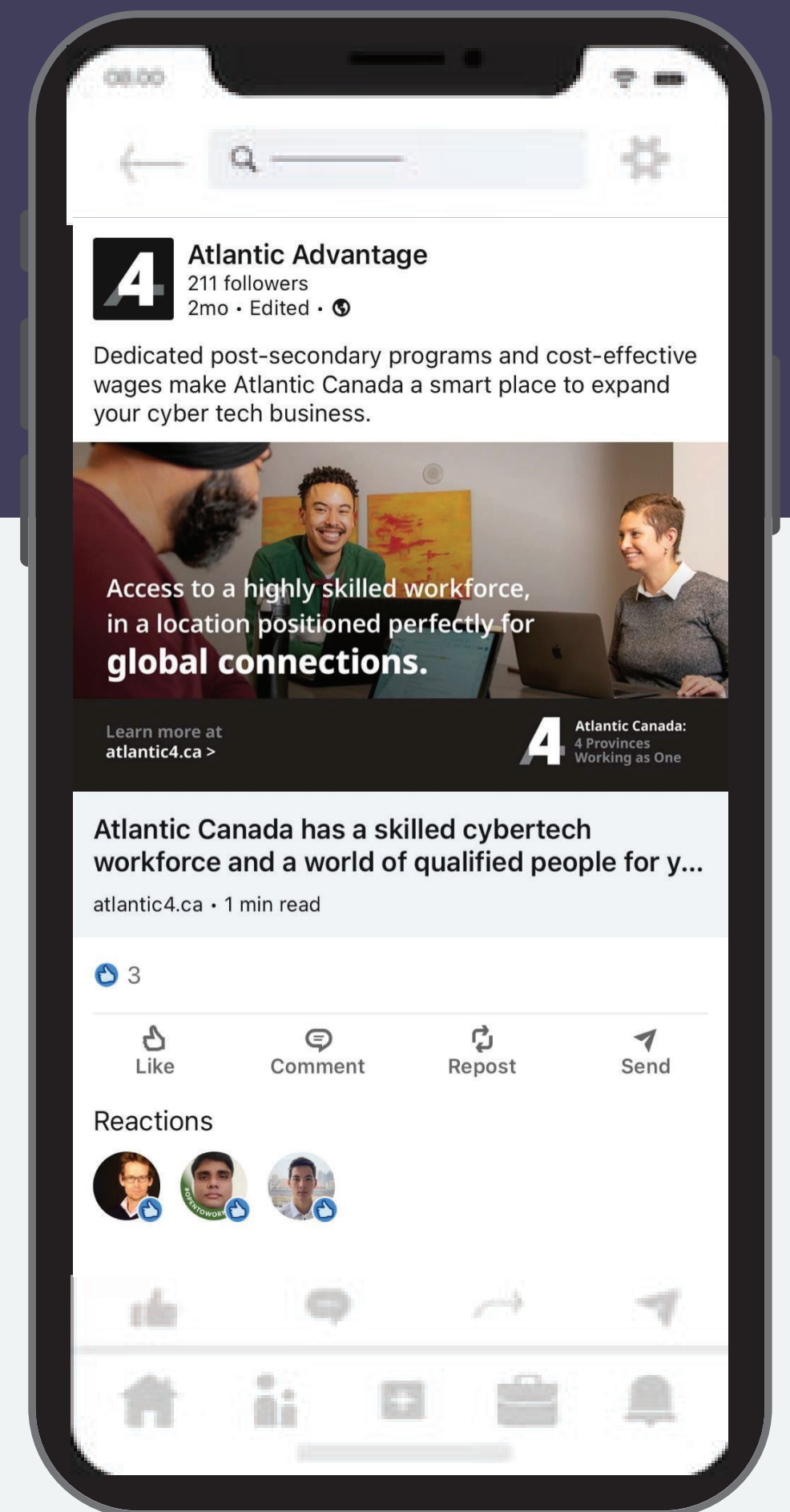
Benchmark: CTR 0.40% - 0.50%

1M
Impressions

0.69%
CTR

17
conversions

7K
Link Clicks



LINKEDIN SITE SELECTORS

The site selectors campaign targeted individuals in the site selection profession, located in the US, Canada and Europe, based on the list provided by WavTeq.

This portion of the campaign was successful in reaching the right audience with right messaging but fell slightly short on the **engagement which was 0.35%.**

This could be due to a couple of factors, such as visuals being more high-level in their messaging vs. being direct, or this was a very small audience size which prevented the ads from scaling and reaching more engaged/unique users (audience size only 800).

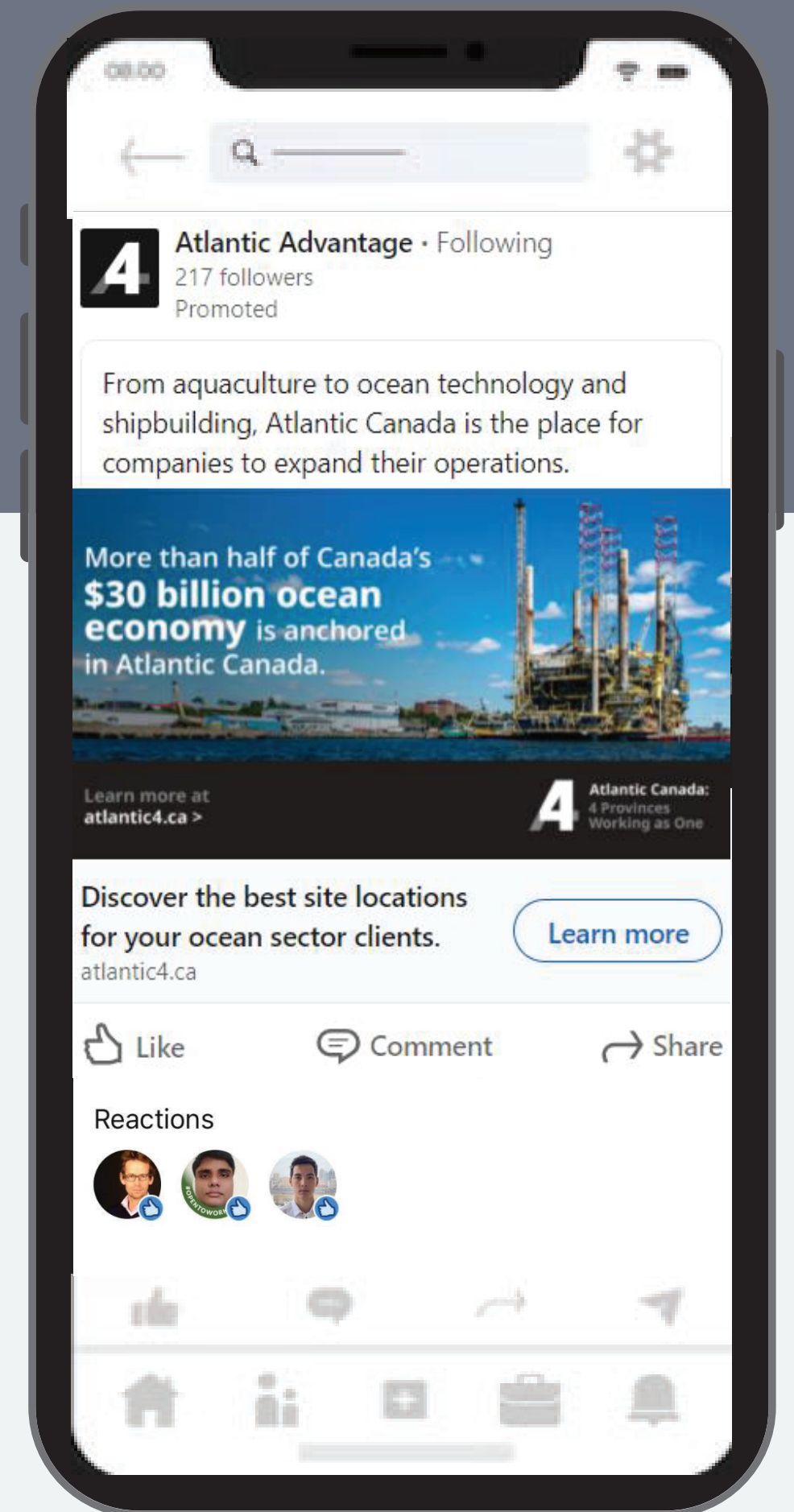
Majority of impressions were served to individuals who work with - **JLL, CBRE, Parker Poe Consulting, EY, Cresa, CBRE Canada, Deloitte, Site Selection Group LLC etc.**

Benchmark: CTR 0.40% - 0.50%

4.6K
Impressions

0.35%
CTR

16
Link Clicks



LINKEDIN CONVERSATION SITE SELECTORS

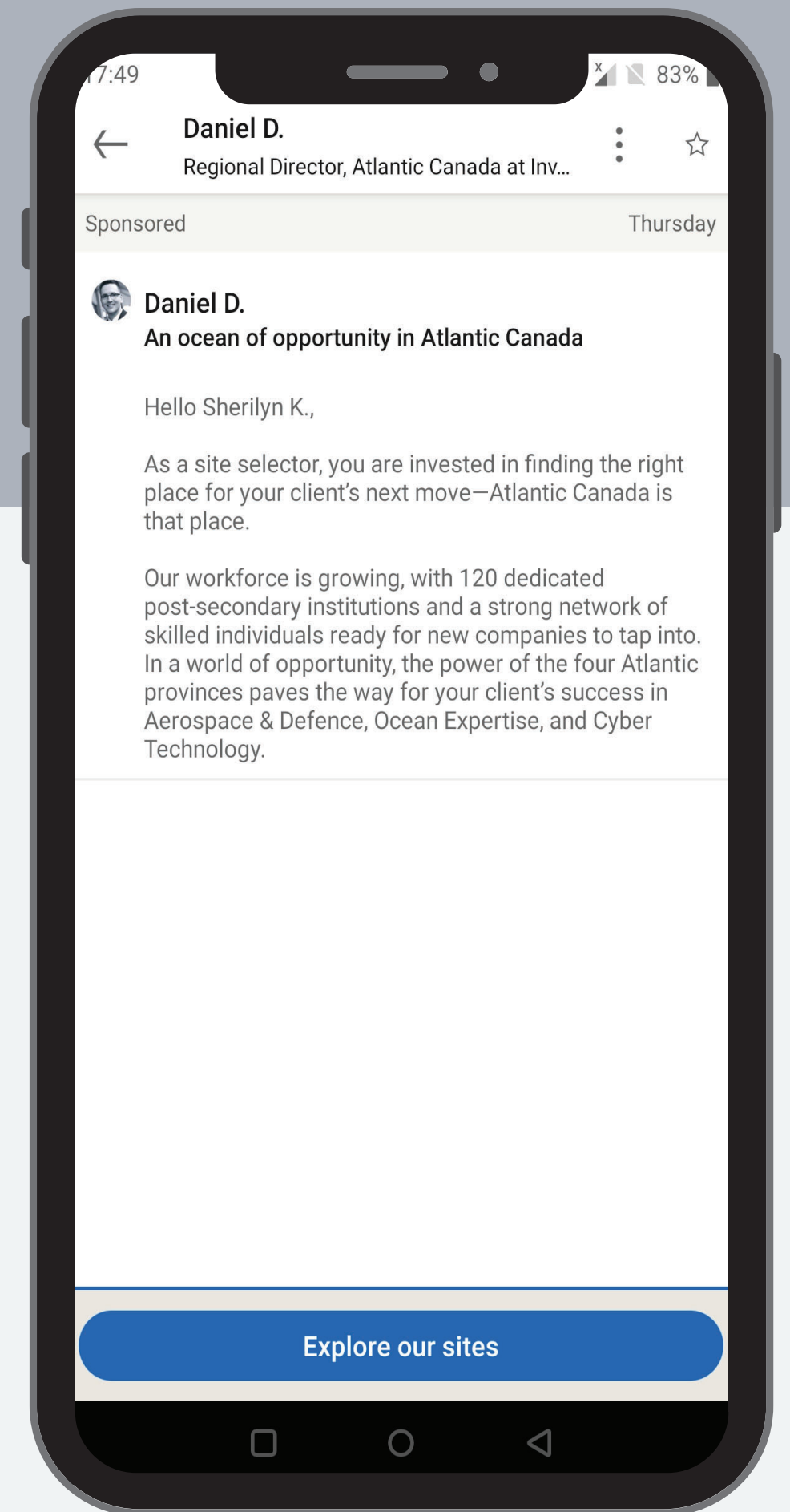
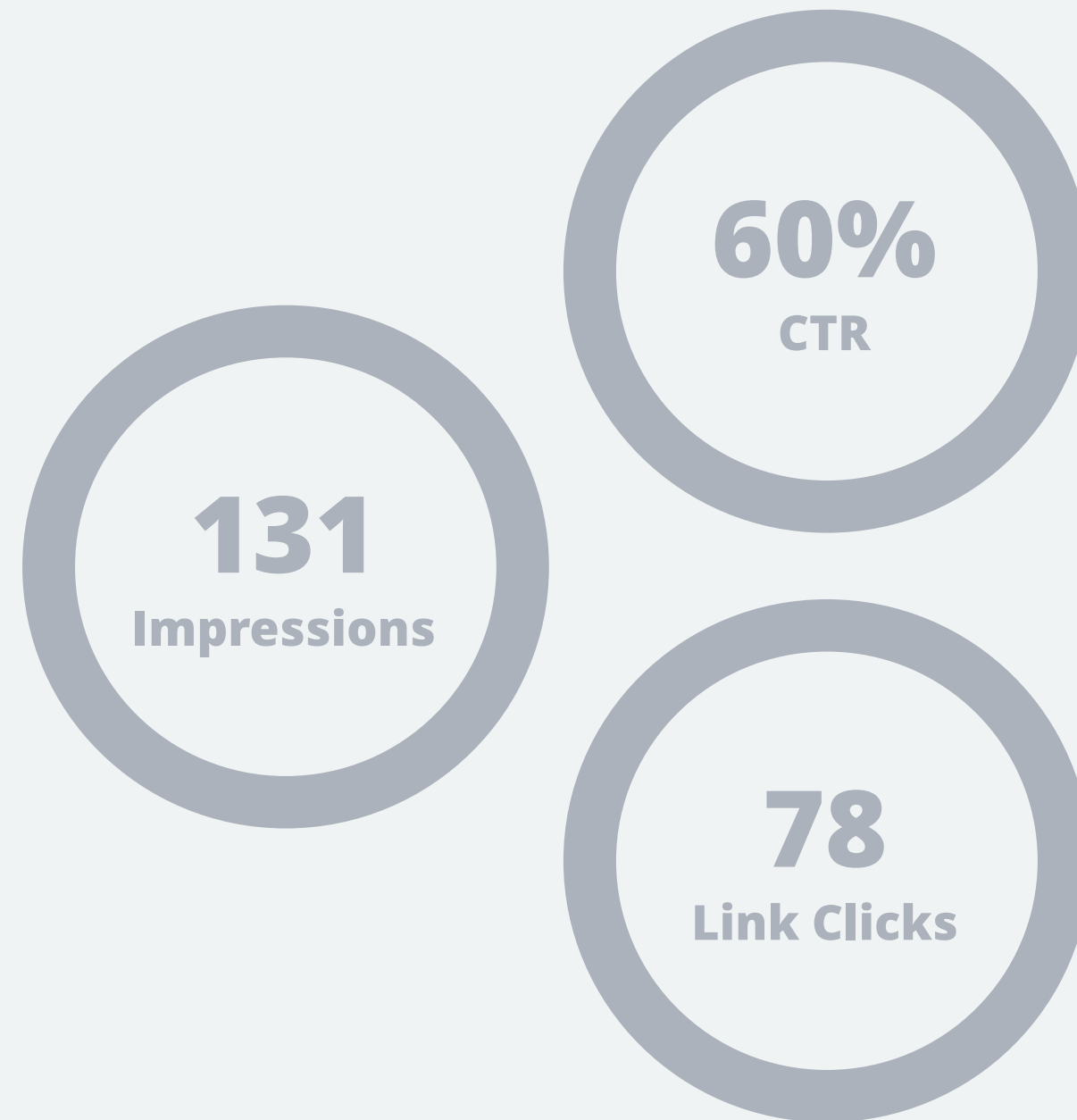
The site selectors conversation campaign targeted specific site selectors in the US, Canada, and the UK. The message was delivered to their LinkedIn inboxes when they were online between **March 24 to March 31**.

The campaign **reached about 130 users** from the site selectors list and the members of the “**site selectors guild**” community.

Overall, it exceeded the engagement benchmarks and achieved a **very high CTR of 60%**.

Most of the impressions were delivered to users in the **US (78%)**, followed by **Canada (14%)** - with majority of users working in **real estate and business consulting**.

Benchmark: CTR/Open Rate 55%



PROGRAMMATIC DISPLAY

The display campaign was in market from February 9 to March 21. The audience targeting was based on user geo-location, interests, and online behaviours, by incorporating contextual targeting. Static ads were served with aligned content to drive awareness and familiarity of Atlantic4.

The campaign delivered in full, **exceeding** the **benchmark** for awareness KPIs, with a CTR of **0.22%** for the EN portion of the campaign and **0.26%** for the FR.

The **generic Atlantic Canada creative** drove the highest number of clicks to the website (**589, CTR at 0.23%**), with **version 3** (see right) delivering the highest number of **clicks (211) and CTR (0.25%)** out of all three creative. An average CTR of 0.23% was achieved with all the display creative.

Benchmark: CTR 0.15%

854K
Impressions

0.23%
CTR

1.9K
Link Clicks

Masters of the **ocean**.
A finger on the pulse of
cyber technology.
A force in **aerospace**
and **defence**.

Learn more at
atlantic4.ca >

4 Atlantic Canada:
4 Provinces
Working as One

SEARCH

The Search campaign was in market from February 9 to March 21, targeting strategic keywords.

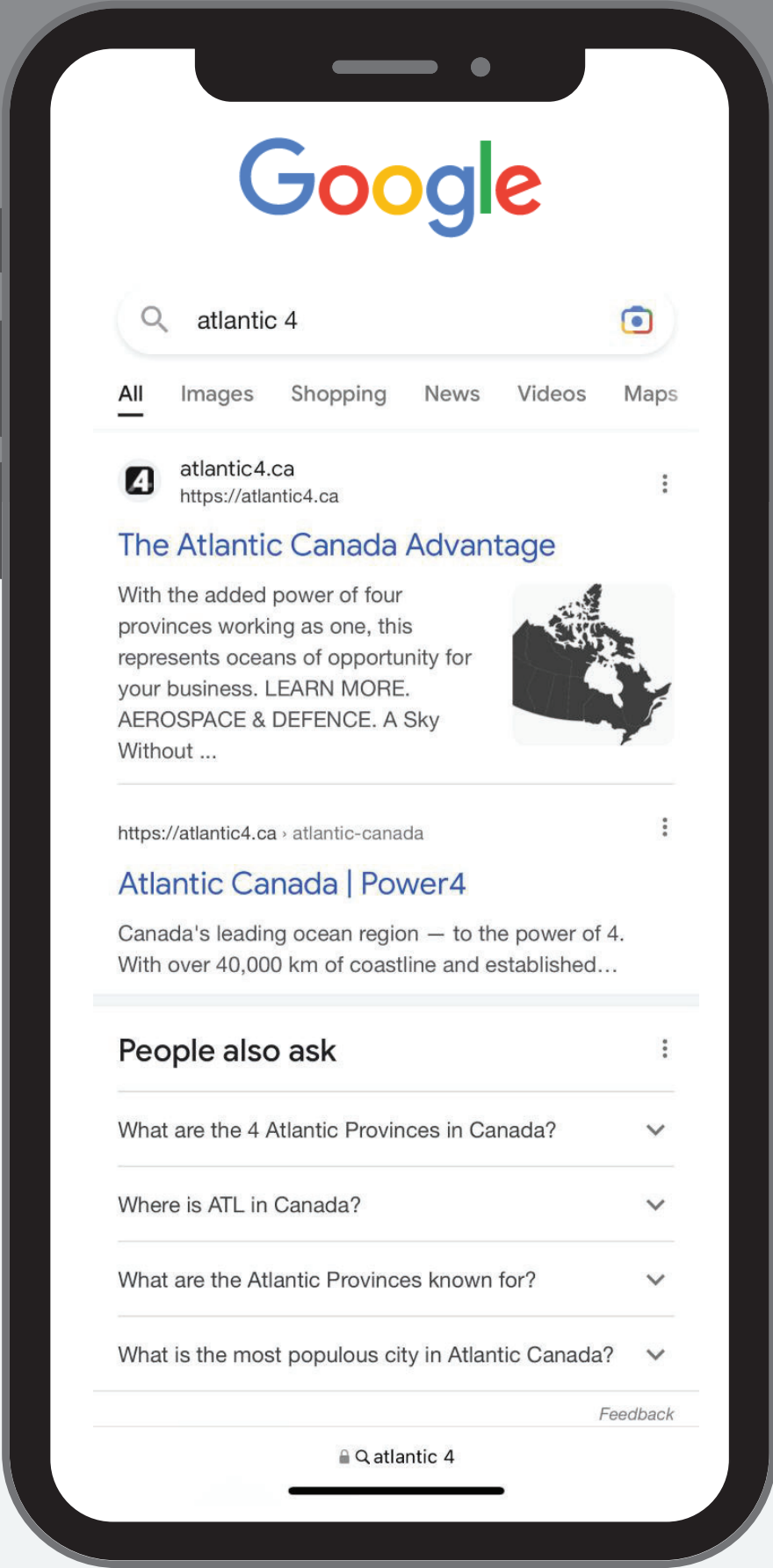
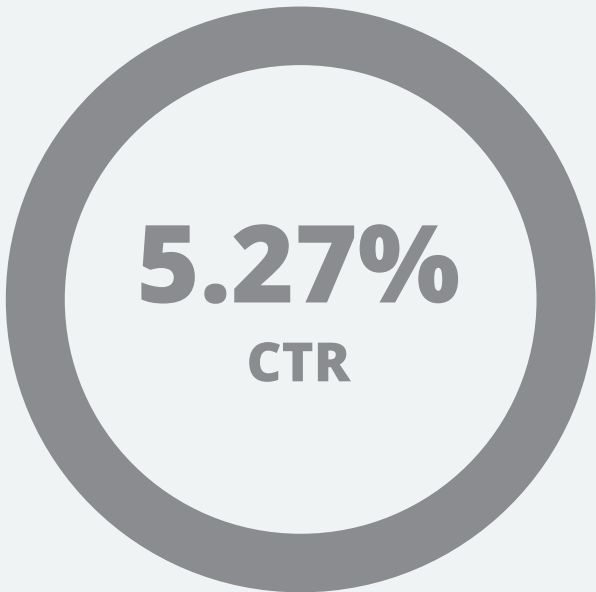
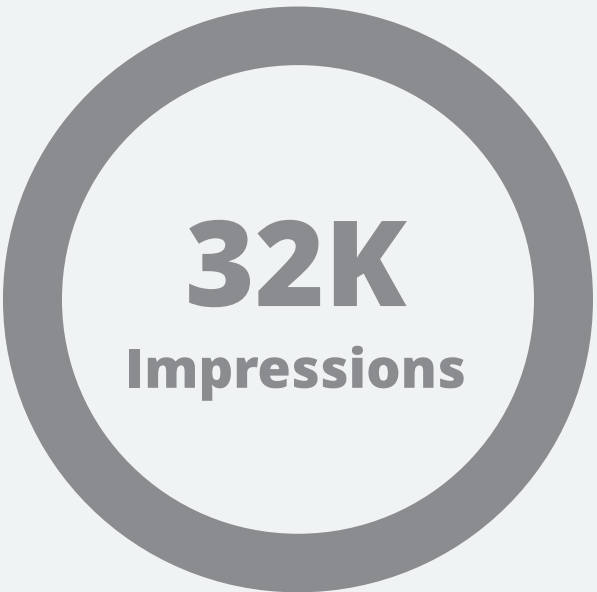
The campaign delivered over **32K impressions** with a click through rate of **5.27%**, more than **2X the benchmark**.

Overall, **1.3K conversions** were reported, the majority of which were from the **cybertech** ads. **Close to 60%** of the total conversions were reported from **Canada outside of Atlantic**.

Of all the industries, the highest engagement was through the **cybertech** ads with a **6.11% CTR**.

Canada led in terms of the number of clicks and impressions, but **Massachusetts** reported the highest engagement **with 11.28% CTR**, which was **5X the benchmark**.

Benchmark: CTR 2.4%



CHANNEL PERFORMANCE AND BUDGET RECAP

Channel	Impressions	Clicks	CTR	Benchmark	Budget	Spend
LinkedIn Investors	1,010,619	7,002	0.69%	0.40%-0.50%	\$20,500	\$20,500
LinkedIn Site Selectors	4,611	16	0.35%	0.40%-0.50%	\$1,000	\$1,000
LinkedIn – Conversation	131	78	59.54%	0.55%	\$500	\$50
Display	854,002	1,934	0.23%	0.15%	\$8,500	\$8,500
SEM	32,104	1,693	5.27%	2.4%	\$2000	\$2,600*

*Received \$600 added value from Google Search



CAMPAIGN INSIGHTS AND RECOMMENDATIONS

MEDIA INSIGHTS AND LEARNINGS

- Overall, the campaign performed extremely well, driving traffic and engagement to the new website. All media channels exceeded industry benchmarks, with LinkedIn having the highest CTR.
- Performance was strong across all creative versions, suggesting that each asset was effective at engaging the audience and driving traffic to the website.
- Due to LinkedIn's setting, the WavTeq site selector list could not be properly used as the names/emails did not match LinkedIn profiles and due to privacy laws, the LinkedIn profile links that were included, could not be used. There was close to a 1/3 of site selectors on the list who were located outside the targeted regions, which prevented them from being included due to privacy laws. Because of this, a number of alternative lists and audiences were pulled to reach a proper sample size of site selectors.
- The conversation piece on LinkedIn was delayed going into market and although successful, required more time in-market due to the audience needing to be online when the ad was being served.

WEB INSIGHTS AND LEARNINGS

- While ads performed well and clicks to website were high, conversion was low:
 - No legitimate leads through contact form (a handful of job seekers)
 - 6 newsletter sign-ups
- Average engagement rate was low:
 - Overall average was 10 seconds
 - Homepage when landing was 7 seconds
- Average engagement by source:
 - Display – under 5 secs
 - Social – under 5 secs
 - Paid search - 30 secs
- Devices are an equal split of desktop and mobile users

ADDITIONAL CONSIDERATIONS

- This campaign should be considered an 'awareness' campaign vs 'conversion'
- Future activity can focus on optimization and conversion goals
- Paid search is best performing paid medium based on engagement rate (this makes sense based on user intent)
- Greater alignment between display ads and website content
 - Consider A-B testing in future
- Website may have too much 'friction' to conversion of form fill
 - Consider a landing page with focused CTA
 - Consider a different conversion goal (i.e., download information sheet)
 - Look at ways to elevate CTA throughout
 - Content review and editing to optimize for site selector experience
- If possible, gather feedback on website from site selectors and WavTeq

IN CONCLUSION

- Overall, this was a very strong media campaign from an awareness point of view, which was our primary goal.
 - Lots of clicks to the Atlantic4 site, in almost all categories the campaign exceeded benchmarks
- However, conversions were low, which was our tertiary goal. This could be due to a variety of factors:
 - Broad targeting – We did see several job-seekers submit inquiries, indicating that we may have attracted a larger job-seeking audience rather than investors and site selectors.
 - Long-tailed decision-making process – We do know that this isn't a quick decision-making process; this is not an impulsive decision that results in an immediate conversion.
 - Creative appeal – While much of the creative was quite specific to each sector and audience, there is an opportunity to be even more direct to ensure it's clear.

IN CONCLUSION

- As we think about optimizing for the future:
 - Tightening audiences and search terms and being more direct with creative messaging to avoid confusion for job-seekers and students.
 - Optimizing website to make a clear path for investors and site selectors and offering more points of conversion for those not ready to reach out (i.e., download an information sheet).

An aerial photograph of a coastline. On the left is a body of water with a sandy beach. A road runs along the shore, curving through a landscape of rolling hills covered in dense forest with vibrant autumn foliage in shades of yellow, orange, and red. The sky is clear and bright.

Thank You

N|A|T|I|O|N|A|L
time^{space}