

The background features a large, abstract illustration of a brain. The brain's structure is formed by thick, flowing lines in shades of blue, orange, and grey. Scattered throughout this network are numerous small, colorful icons representing various aspects of business and technology, such as gears, dollar signs, percentage symbols, lightbulbs, and documents. The overall aesthetic is modern and tech-oriented.

Independent Performance Assessment of JobsOhio

June 2018

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McKinsey&Company

June 1, 2018
JobsOhio
Board of Directors

We are pleased to deliver the JobsOhio (“JO”) Performance Assessment report (the “Assessment”). The report reflects work performed in collaboration with the JO team over the last 8 weeks, including an extensive, objective and data-driven review and analysis of: a) JO’s outcomes related to deal wins, jobs created, capital investments and payroll; and b) JO’s internal processes, organizational structure, health and talent. A comparative assessment of the foregoing was done in context with JO’s peer economic development entities and overall condition of the Ohio economy. The assessment focused primarily on 2013 through 2017.

To inform the work, JO provided much of the underlying data critical to the analysis. In addition, data was gathered through numerous interviews and from a variety of independent third-party data sources. In analyzing the data, we were also informed by our prior experiences and expertise working with other economic development entities as well as conducting broad-based performance assessments.

As you know, the Assessment provides many details for each of the observations and findings. With respect to outcomes, it is apparent from the data that JO is a high-performing economic development organization with top-tier performance outcomes in support of its mission. JO has achieved these outcomes in a relatively challenging overall economic environment in Ohio and throughout the Midwest.

When compared to both regional peers and states with whom JO regularly competes (the set of 17 states referred to as “All Peers” throughout the Assessment), JO performed at or near the top 5 of All Peers across core performance indicators. We also reviewed internal capabilities, processes and customer feedback.

In addition, we have included a number of questions and suggestions to be considered to improve JO’s performance even more.

We recognize and appreciate the indispensable commitment and availability of JO leadership, staff and information to this effort. Without this support, completion of this review on an accelerated timeline would not have been possible.

Sincerely,



Brendan Buescher

Senior Partner, McKinsey & Company



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Table of Contents

About this Report.....	4
Summary of Findings	6
1 Ohio's Economic Environment	10
2 JobsOhio's Performance.....	15
a. Outcomes: deals, jobs, capex, payroll.....	16
b. Inputs: incentives, people, programs.....	27
3 JobsOhio's Operating Model.....	34
a. Org health, structure, talent.....	34
b. Processes.....	36
c. Engagement.....	40
4 Key Questions for JobsOhio to Consider	46
Appendix	47

About this Report

This report provides an independent, third-party assessment of JobsOhio across a variety of areas that focus on two dimensions, **performance** (the “what”) and the **operating model** (the “how”). The primary purpose of the report is to provide a performance assessment, however potential improvement areas which JobsOhio may consider exploring are highlighted. If areas require further analysis or if data limitations were present, these are explicitly highlighted in the report.

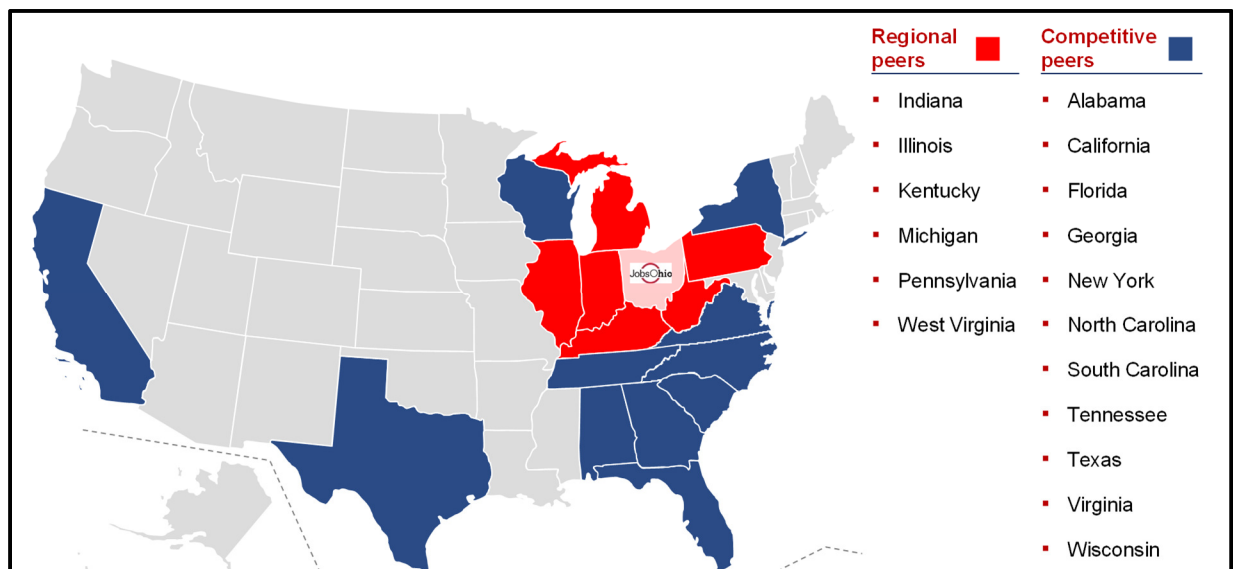
Chapter 1, which covers Ohio’s broader economic environment, provides context for the performance assessment. Chapter 2 examines core outcomes (e.g., wins, jobs, capex, payroll), and assesses the relative efficiency of how inputs (e.g., incentives, staff, and programs) are deployed. The operating model assessment in Chapter 3 reviews the dimensions associated with organizational success that are tailored to the Economic Development Organization (EDO) context. It also examines JobsOhio’s organizational structure, talent, and health; process efficiency; and how JobsOhio engages customers and other stakeholders. The report concludes by considering the next horizon of questions for JobsOhio to consider as it works toward fulfilling its mission (Chapter 4).

METHODOLOGY

The assessment leveraged qualitative and quantitative insights, built from a mix of databases, targeted interviews (e.g., JobsOhio Network (JON), site selectors, peer EDOs, subject-matter experts), internal sources (e.g., customer relationship management (CRM) database), external surveys (e.g., customers, site selectors, peer EDOS), publicly available data (e.g., Bureau of Economic Analysis), benchmarks (e.g., IncentiveMonitor, Conway data), and proprietary expertise.

Peer Economic Development Organizations considered in this analysis include organizations from six regional states that are proximate and economically similar to Ohio (“Regional Peers”) as well as 11 competitive peers which JobsOhio regularly competes against for deals (“Competitive Peers”) (See Exhibit 1).

Exhibit 1: List of JobsOhio's Regional and Competitive Peers used throughout the report



Rankings of JobsOhio relative to peers noted throughout the report refer to the combined peer set (“All Peers”), unless otherwise noted. This peer set, particularly JobsOhio’s Competitive Peers, includes some of the top performing EDOs in the country in terms of economic development outcomes. A leading ranking among this group of peers, therefore, can be considered nationally leading performance. In addition, when applicable, this report compares JobsOhio’s performance to functional best practice from the public or private sector, whichever is most appropriate. For example, deal pipeline management is compared to best practice approaches from the private sector; and the talent acquisition program is benchmarked against best-in-class analogs.

Most of the benchmarking and comparative analysis is considered at the EDO, or JobsOhio level. There are also select state level analyses, primarily in the macroeconomic chapter (Chapter 1). Unlike the JobsOhio evaluation that focuses on peer EDOs, the Ohio analysis is compared to overall US trends to accurately depict the context in which JobsOhio is operating.

While both the performance and operating model focus areas have elements of quantitative and qualitative analysis, the operating model review depends more heavily on qualitative sources of insight (e.g., interviews, surveys). This is particularly true of the process and engagement dimensions, where the precise nature of internal processes and customer engagement models for other EDOs can be proprietary and are not typically publicly available. This does not, however, affect the overall assessment of JobsOhio’s performance, as the dimensions mostly directly related to positive economic outcomes are the ones for which the most data is available. For a detailed view of methodology, by dimension, see Exhibit 2 below.

Exhibit 2: Overview of Methodology for JobsOhio’s Independent Performance Assessment

		What assessed: indicators and approach	Why assessed: rationale for dimension	How assessed: sources of insight
Macro Context		<ul style="list-style-type: none"> OH benchmarked against US in core macro indicators JobsOhio target industries performance relative to US and Peer states 	<ul style="list-style-type: none"> Provide data to understand the context within which JobsOhio is operating as performance is assessed 	<ul style="list-style-type: none"> Macroeconomic analysis using leading indicators and data sources (e.g., BLS, BEA, Moody’s)
Performance	Outcomes: wins, jobs, capex, payroll	<ul style="list-style-type: none"> JO benchmarked against Regional and Competitive Peers on indicators most commonly reported and used to measure EDO performance 	<ul style="list-style-type: none"> Widely recognized as key performance indicators for EDOs that align with mission and mandates 	<ul style="list-style-type: none"> Third party performance databases that track outcomes Macroeconomic analysis EDO deal and performance reporting (where available)
	Inputs: incentives, resources, programs	<ul style="list-style-type: none"> JobsOhio benchmarked against Regional and Competitive Peers on “input efficiency”, or outcome per input Where applicable, benchmark against best-in-class programs 	<ul style="list-style-type: none"> Determine how efficiently EDOs deploy their resources across financial and human resources Programmatic excellence is key enabler for medium-long term economic performance 	<ul style="list-style-type: none"> Third party databases Internal document review Peer EDO interviews/surveys Expert interviews and publications
Operating model	Organizational health, structure, talent	<ul style="list-style-type: none"> Benchmarked performance on operating model components of the organization against set Regional and Competitive Peers 	<ul style="list-style-type: none"> An organization’s performance and health are essential components of measuring capability of sustaining long-term success 	<ul style="list-style-type: none"> Internal document review Peer EDO interviews/surveys Internal JON interviews Expert interviews and publications
	Processes	<ul style="list-style-type: none"> Benchmarked against Regional and Competitive Peers and private sector best practices on operational efficiency 	<ul style="list-style-type: none"> Process inefficiencies can manifest into undesirable outcomes, both performance and operating (e.g., customer or partner satisfaction) 	<ul style="list-style-type: none"> Internal document review Peer EDO interviews/surveys Internal JON interviews Expert interviews and publications
	Engagement	<ul style="list-style-type: none"> Determining core drivers of experience of customers and partners and assessing performance in these areas relative to All Peers 	<ul style="list-style-type: none"> Engaging with customers and stakeholders are crucial to any organizations ongoing viability 	<ul style="list-style-type: none"> Internal document review Customer interviews/surveys Internal JON interviews Expert interviews and publications

Summary of Findings

JobsOhio is a high-performing organization that has achieved top-tier performance outcomes in support of its mission over the time period evaluated. Within the context of the Ohio economy's positive albeit below US average performance, JobsOhio consistently performed at or near the top five of All Peers across the core performance indicators of number of wins, jobs, capex investment, and payroll.

JobsOhio's unique legal construct as a private entity provides important operating advantages relative to EDOs in other states. Those advantages include: funding stability; operating flexibility (hiring, procurement, etc.); overall governance; and the ability to set and keep strategic priorities.

The unique legal construct of JobsOhio has been an important element in how the organization functions and performs. While other legal constructs can also achieve high levels of performance, JobsOhio's current operating model is inextricably linked to its legal structure. The report also takes no view on the public policy merits or tradeoffs of the JobsOhio legal construct.

1. Ohio's Economic Environment

The assessment considered JobsOhio's (and its network) performance in the context of Ohio's overall economy. From 2011 to 2017, Ohio's economy grew, rebounding from job loss experienced from 2000 to 2010. Although the state outperformed its Regional Peers in core macroeconomic indicators, it lags US averages and Competitive Peers. Several "competitive headwinds" explain in part the relative lagging performance. Notable ones include Ohio's limited population growth (0.2% annual growth since 2011, ranked 40th in the US), challenged labor supply (46th ranked labor supply in 2017), and selected infrastructure limitations (i.e., available certified industrial sites, passenger air travel capacity, and digital connectivity challenges).¹

Although the performance of the sectors in Ohio's economy varies, the JobsOhio target industries experienced greater growth than the other sectors. The transformation of performance in the target industries is evident in Ohio's relative job growth ranking in these target industries, which went from 49th in the US from 2005-2011 to 23rd from 2011-2017.

2. JobOhio's Performance

Outcomes: wins, jobs, capex, and payroll

JobsOhio's outcomes rank highly relative to All Peer EDOs across most economic outcomes, ranking in the top five in deals (#5 from 2013-2017²), and in the top three in jobs (#3 from 2013-2017³). While overall job creation ranks in the top three across multiple data sources, there is significant difference when comparing new versus safeguarded jobs.⁴ JobsOhio ranks second in the US on safeguarded jobs retained from 2013-2017, and eighth for new jobs. JobsOhio also outperforms Regional Peer averages in total payroll in all sectors aligned with JobsOhio's target industries. On capital investments, JobsOhio

¹ Assessment of digital infrastructure driven by overall broadband availability and speed; includes both residential and commercial broadband in urban and rural areas. External market analysis suggests that Ohio's five major cities (Cleveland, Columbus, Cincinnati, Toledo, and Dayton) have broadband coverage competitive with nearby cities and cities, nationally.

² Based on IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com)

³ Based on IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com)

⁴ Safeguarded jobs are defined as jobs for which a company would have terminated its employees had the incentive not been provided. This definition is based on the IncentivesMonitor or other third party vendor (where applicable) internal analysis of deal announcements. This definition is consistent throughout this report.

lags peers, ranking eleventh among All Peers in investments from 2013-2017. This is partly explained by data limitations that do not capture several large infrastructure and energy investments without incentives that have taken place in Ohio.

JobsOhio also provides a high degree of performance transparency relative to peers. JobsOhio consistently reports core performance metrics (quarterly or annually), which makes it an exception among All Peers in reporting on projects across the deal pipeline. In addition, JobsOhio is one of very few peer EDOs that report consistently on actual results versus commitments. A sample based independent verification further showed actuals exceeded commitments in jobs, capex and payroll. JobsOhio has further been recognized for leading transparency practices by other independent third parties (e.g., top quartile of state EDOs for the transparency of its economic development projects and incentives from Tennessee's Department of Economic & Community Development, and GuideStar's 2018 Platinum Seal of Transparency for overall transparency of information as a private nonprofit corporation).

Inputs: incentives, people, and programs

JobsOhio achieves a high return on investment with its use of incentives, ranking third in incentive spend per job created/safeguarded for 2013-2017, fourth in incentive spend per capex dollar created, and fourth in incentive spend per payroll dollar created for the same period. JobsOhio also deploys its people resources efficiently by EDO standards, with the third highest deal per front office staff ratio and the second highest jobs per front office staff ratio among peers,⁵ suggesting a relatively lean staffing model.

JobsOhio has invested in a variety of strategic initiatives (most adapted from other recognized programs in the U.S.) to support key economic enablers (e.g., Talent Acquisition Service for the workforce, SiteOhio for site selection). While relatively new, these strategic initiatives are showing positive progress (e.g., Ohio has the 11th ranked certified sites program⁶ after its launch two years ago). There is significant room for growth, however, given the current scale of impact is relatively small compared to best-in-class outcomes and given the challenges in economic competitiveness areas.

3. JobsOhio's Operating model

Org health, structure, talent, and governance

JobsOhio's organizational performance was assessed across its structure, talent, and health. In terms of organizational structure, JobsOhio is unique in its sector alignment at the department level (only one other All Peer state has designated sector expert teams that report to the CEO). Stakeholders recognize it for its sector knowledge. JobsOhio's staff are talented, with nearly 93 % of staff holding a bachelor's degree or higher, placing JobsOhio second behind only Illinois in the educational attainment of its EDO staff. JobsOhio also exhibited positive organizational health with staff providing a positive rating on JobsOhio's culture, strategy, people, and adherence to its core values. Key opportunity areas for organizational improvement include better defined career pathways for junior staff and the freeing up of leadership capacity to focus on shaping longer-term strategic direction.

⁵ Based on comparison of 10 states for which reliable data was available (KY, NC, OH, VA, FL, AL, WI, MI, TX, SC)

⁶ Area Development 2017 ranking based on site selector survey

The unique legal construct of JobsOhio is also seen in the overall governance model where JobsOhio's structures more closely resemble private industry than traditional EDO structures. JobsOhio's board of director's members are representatives of private industry (in contrast to other EDOs), and the committee structure of the Board closely resembles what is typically seen in the private sector. JobsOhio's Board is smaller (9 people) than typical public or social sector counterparts (an average of 18 people). The Board's focus is on strategy and major decisions as opposed to stakeholder engagement or fundraising.

Processes

JobsOhio's organizational performance review highlighted several strengths in operations. It has strengths in several core processes, including deal-making, where processes have clearly mapped roles and responsibilities for due diligence and pre-populated customer application forms. The utilization of an integrated software platform is also a process strength, although some data will need to be cleaned up and updated manually to avoid potential disruption in the future. The reimbursement process is undergoing significant ongoing improvements, with instructional videos and comprehensive FAQs that are meant to alleviate prior-surfaced concerns about communication of the reimbursement process at initial stages of deal process. One material improvement opportunity is JobsOhio's hiring processes. Time to hire can take up to five months. Although this timeframe is better than many traditional government-owned EDOs, it is slower than many private sector organizations. On the IT procurement process, there appears to be little duplication of software tools, and average time to procure is in line with private industry standards.

Engagement

JobsOhio has a positive reported customer satisfaction. Approximately 80% of JobsOhio customers were "satisfied" or "very satisfied" in their dealing with JobsOhio. Furthermore, external surveys of site selectors rank JobsOhio as the third best state EDO in the country.⁷ Its overall performance has been directly supported by its six regional network partners⁸ and local partners. While the capabilities and magnitude of each regional network partner varies, all play a role in ensuring JobsOhio delivers on its outcomes.

⁷ Development Counselors International, 2017

⁸ Regional network partners include Regional Growth Partnership [RGP], Team NEO, Dayton Development Coalition, Regional Economic Development Initiative [REDI] Cincinnati, Columbus 2020, and Appalachian Partnership for Economic Growth [APEG]

Exhibit 3: Summary of assessment findings across Performance and Operating Model measures

Overview of assessment		● Area of strength ● Area of improvement
Performance	Outcomes: wins, jobs, capex, payroll	<ul style="list-style-type: none"> ● Strong deal pipeline, ranking in top 5 among peers in total deals and jobs ● Actual impact from JobsOhio's deals more closely aligns with promised impact relative to peers. Leader in transparency including recognition from third party sources (e.g., GuideStar) ● JO target industries improved from 49th in employment growth in 2005-2011 to 23rd in 2011-2017 ● Mixed performance in attracting capital investment, ranking below peers in total capital investment (11th) and capital investment relative to GDP (14th)
	Inputs: incentives, resources, programs	<ul style="list-style-type: none"> ● Top 5 in efficiency, ranking 3rd in incentive spend per job and 4th in incentive per payroll dollar ● Top 3 among peers in deals and jobs per front office staff resource ● Investments in SiteOhio and Talent Acquisition Services have achieved early successes ● JobsOhio is among top peers in digital branding efforts ● Strategic initiatives, while 'young' sub-scale outcomes relative to peers and need
Operating model	Organizational health, structure, talent	<ul style="list-style-type: none"> ● Highly-talented organization, 2nd highest share of staff with bachelor's degrees relative to peers ● Relatively young staff with less work experience than peer organizations ● Opportunity to support more defined career pathways for staff
	Processes	<ul style="list-style-type: none"> ● Strong use of integrated software systems, delineated process steps, and reporting structures ● Significant improvements made in reimbursement processes given customer feedback ● Opportunity to further improve accountability during lead generation and speed of hiring process
	Engagement	<ul style="list-style-type: none"> ● Top 5 in overall customer satisfaction and likelihood to be recommended relative to peers ● 80% of JobsOhio customers report being satisfied or very satisfied in working with JobsOhio ● Strong coordination and oversight through regional structure ● Opportunity for greater process flexibility and continued expansion of JobsOhio's offerings ● Potential to expand decision ownership for regional stakeholders and better communicate priorities

4. Future questions for JobsOhio to consider

Based on the performance assessment and a review of the themes across the data and interview-based insights, several key questions emerged for JobsOhio to consider as it guides critical design choices for the organization's next horizon:

- How could JobsOhio further streamline and empower decision-making across its operations, while ensuring its strategy remains elevated at the leadership level and deal operations are executed by project staff?
- Are there larger investments or strategies that could be adopted to offset some of the headwinds facing Ohio's economy?
- How might JobsOhio use its flexible and well-resourced platform to creatively attract more innovative companies to Ohio based on stated priorities?

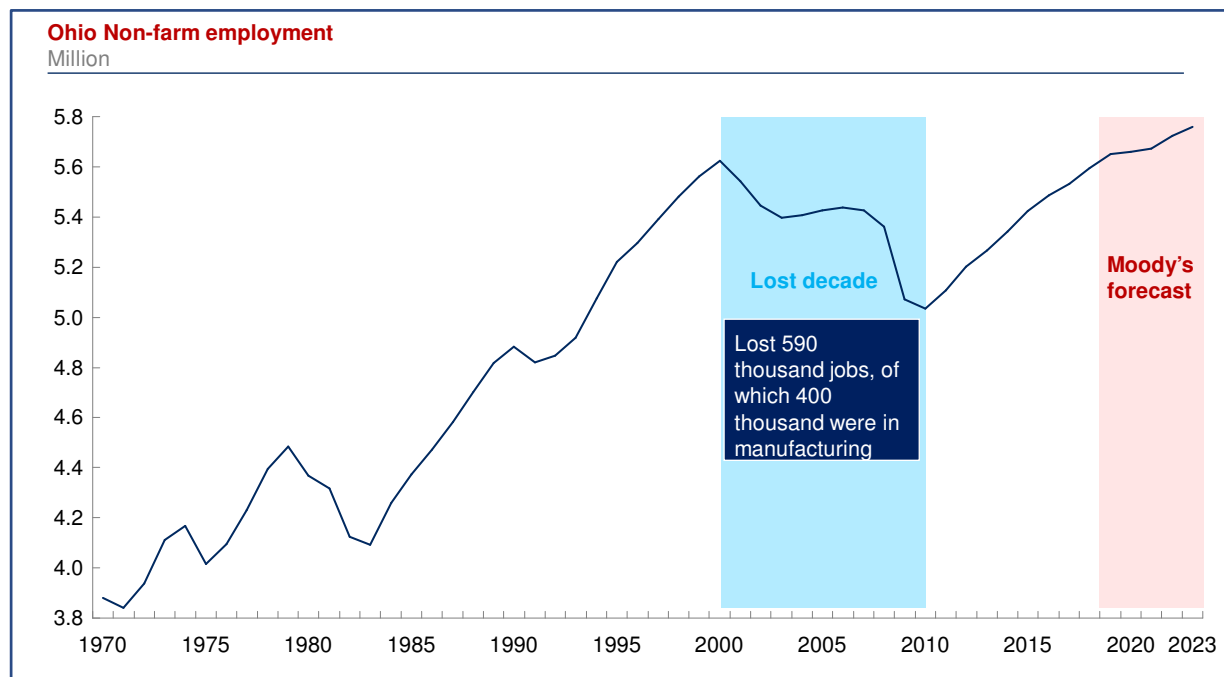
1 1 | Ohio's Economic Environment

JobsOhio's ability to attract, retain, and support the expansion of businesses is impacted by Ohio's overall macroeconomic context. A review of this macroeconomic context, including both the performance of the overall economy, as well as JobsOhio's nine target industries, is provided to highlight the environment in which JobsOhio operates.

A. MACROECONOMIC ENVIRONMENT

Ohio recently experienced a period of sustained growth, from 2011 until today. This growth follows the "lost decade," where Ohio lost nearly 600,000 jobs, two-thirds of which were in manufacturing, a sector that experienced a steady decline across the US since 2000. Over the next five years, positive growth and recovery is projected to continue (See Exhibit 4).

Exhibit 4: Ohio has rebounded since the "lost decade" in the early 2000s⁹



SOURCE: Bureau of Labor Statistics

Ohio's economy showed signs of strength during the recovery as a regional leader across many macroeconomic indicators. From January 2011 to December 2017, there were 496,000 private jobs created in Ohio.¹⁰ This growth contrasts with flat level of employment in the government sector, which over the same period lost 3,000 jobs. The state outperformed Regional Peers on several core indicators, including:

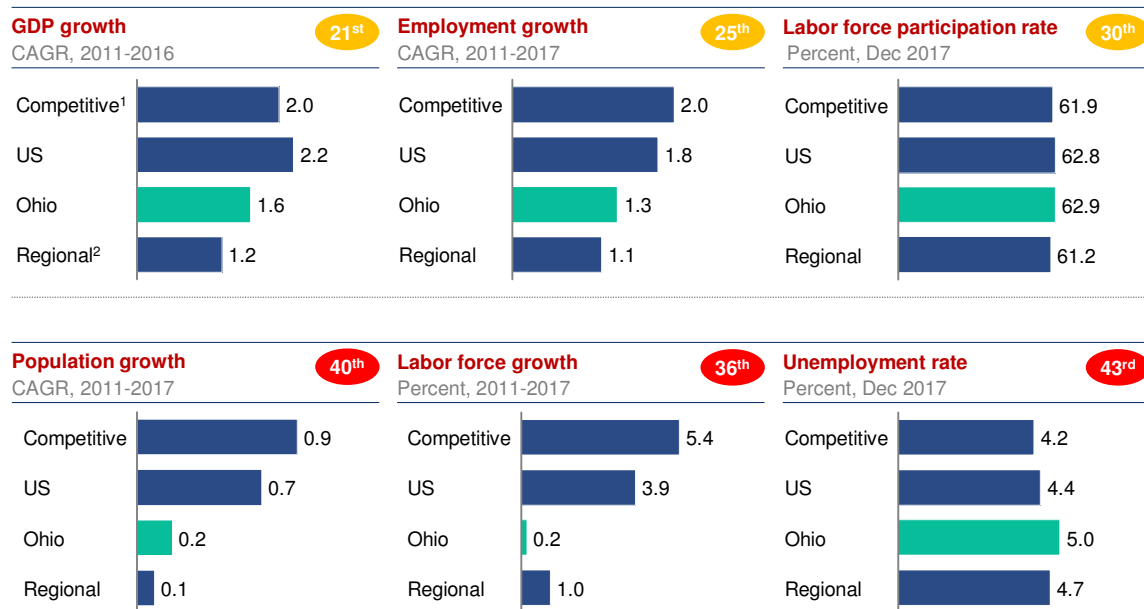
⁹ Data include private and public sector employment

¹⁰ Bureau of labor statistics

- **Employment growth:** 1.3% per year for Ohio compared to 1.1% for Regional Peers since 2011¹¹
- **GDP growth:** 1.6% per year for Ohio compared to 1.2% for regional peers since 2011^{9,12}
- **Quality of life:** Ohio ranked second in the US in quality of life in 2017¹³

However, despite this regional strength, Ohio has lagged the nation and its Competitive Peers across key economic indicators (Exhibit 5).

Exhibit 5: Ohio outpaced Regional Peers, but lags Competitive Peers and US average



¹ Alabama, Florida, Georgia, New York, North Carolina, South Carolina, Tennessee, Texas, Virginia, and Wisconsin
² Indiana, Illinois, Kentucky, Michigan, Pennsylvania, and West Virginia

SOURCE: Bureau of Economic Analysis, Bureau of Labor Statistics, US Census

B. COMPETITIVENESS FACTORS

Ohio's competitiveness factors affect JobsOhio's ability to deliver on its mission. The state's economic enablers - its improved business ranking, limited labor supply, infrastructure challenges – can represent strengths or serve as significant headwinds that make it more difficult to achieve economic and other goals. JobsOhio's performance is partially a result of Ohio's competitiveness across these factors:

- **Improved business climate:** Ohio experienced the largest increase in the Forbes Best States for business ranking from 2011 to 2017, from 38th to 14th. The Forbes ranking is the most widely used by site selectors, according to a survey by Development Counsellors International. The category that saw the largest increase was economic climate,¹⁴ from 47th to 12th. Ohio ranks favorably in its regulatory environment¹⁵ and business costs.¹⁶

¹¹ Macroeconomic data is generally referenced as year-end (i.e., 2011 = December 2011)

¹² Data from 2011-2016

¹³ Quality of life includes state poverty rates, crime rates, cost of living, school test performance, health, culture and recreation, temperature, and college rankings

¹⁴ Economic climate includes job, income, and GDP growth; unemployment rate; and company HQs

¹⁵ Regulatory environment includes tax incentives, tort liability, regulations, bond ratings, and right to work

¹⁶ Business cost includes unit labor costs, energy prices, and tax burden

- **Limited labor availability:** Ohio ranked 46th in Labor Supply in 2017,¹⁷ with the 43rd highest level of unemployment in 2017. It also experienced the 40th slowest population growth between 2011-2017. In addition, Ohio is not a Right to Work (“RTW”) state, which is increasingly important to industrial companies when they are determining which states they want to locate into (e.g., RTW states saw four times more new investment than non-RTW states in 2017¹⁸). Given the large share of Ohio’s economy in labor-intensive industries (e.g., manufacturing comprised 20% of Ohio’s GDP in 2016), labor supply is disproportionately important in Ohio. Forecasts suggest that labor supply will continue to be a challenge for Ohio into the near and medium-term future. Finally, the public education system also affects labor availability, and Ohio is ranked 36th nationally for Pre-K through 12th grade education, and 41st nationally for higher education quality.¹⁹
- **Challenges in infrastructure quality:** While Ohio’s central location provides a geographic advantage for logistics and distribution, the state is lagging in its passenger air service quality, readily available physical sites, utility infrastructure that has available capacity, and digital infrastructure. Ohio lacks a major international passenger airport which limits business attraction and retention. For example, in the last 12-months ending February 2018, regional peer airports provided access to 10 top-foreign direct investment countries²⁰ while Ohio provided access to just two (i.e., Paris and Toronto). The state’s lack of large-scale, development-ready sites is also cited as a key challenge, reported by companies as the most frequent explanation for why JobsOhio loses deals. Additionally, Ohio’s digital infrastructure presents challenges outside of the state’s major cities. External market analysis suggests that Ohio’s five major cities (Cleveland, Columbus, Cincinnati, Toledo, and Dayton) have broadband coverage competitive with nearby cities and cities, nationally. However, a high-quality broadband infrastructure that provides both residential and commercial broadband coverage in urban and rural areas is increasingly necessary to attract IT-related businesses. Ohio ranked 42nd in the percent of population with access to broadband and 44th in average connection speed.²¹
- **Successful scale-ups, but constrained entrepreneurship pipeline:** Ohio’s entrepreneurship engine, supported by the Ohio Third Frontier, results in a high share of scale-ups²² (ranked 11th), high growth company density²³ (ranked 10th), and business survival rates (ranked 11th). Despite the success in the later stages of the innovation and entrepreneurship pipeline, the low rate of new entrepreneurs (ranked 39th) and low share of new employer businesses as a share of total businesses (48th) may create long-term constraints in the state’s innovation ecosystem.

¹⁷ Labor Supply, as defined by Forbes Best States for Business, includes a states’ level of educational attainment, migration, projected population growth, and level of unionization.

¹⁸ Investment amounts adjusted to account for state GDP size

¹⁹ US News & World Report Best States Index

²⁰ Top 10 foreign direct investment countries include Austria, Canada, China, France, Germany, Japan, Netherlands, Switzerland, United Arab Emirates, United Kingdom

²¹ Akami State of the Internet Report, 2017

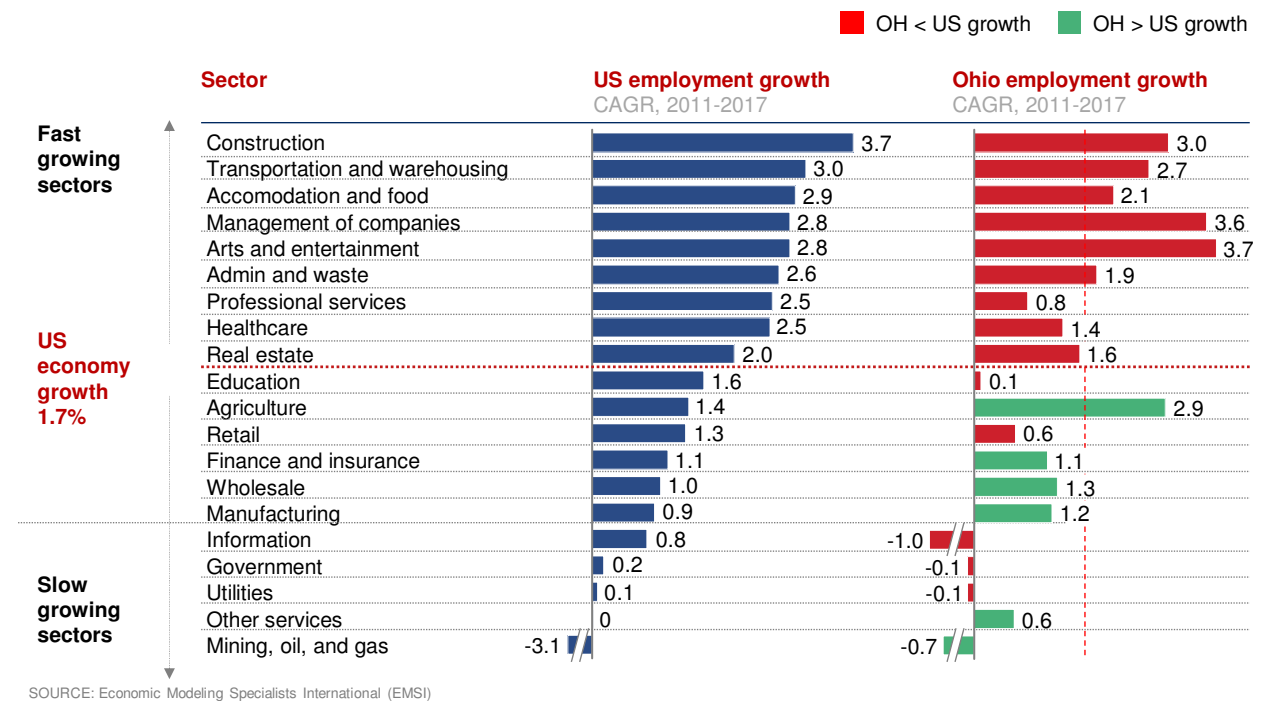
²² Defined as share of businesses that started small but employ 50+ by their tenth year of operation (see Kauffman Foundation Index for more information)

²³ Defined as the share of companies with 20%+ annualized growth over three years and at least \$2 million in annual revenues (see Kauffman Foundation Index for more information)

C. SECTOR PERFORMANCE AND TARGET INDUSTRIES

Across the 20 sectors of the economy, Ohio has an above average influence in healthcare and manufacturing. From 2011 to 2017, 16 of 20 of Ohio's sectors experienced positive growth, however less than half grew at a rate that exceeded the US average (see Exhibit 6).

Exhibit 6: Employment growth from 2011-2017 by sector in Ohio relative to US average



JobsOhio prioritized a subset of nine target industries and focused on these to diversify and grow Ohio's economy: Advanced Manufacturing, Aerospace and Aviation, Automotive, Biohealth, Energy and Chemicals, Financial Services, Food and Agribusiness, Information Technology (IT), and Logistics and Distribution. Overall, the targeted industries have created jobs and positively impacted the state economy, adding nearly 85,000 jobs from the end of 2011 to 2017.

From 2005 to 2011, before JobsOhio was created, Ohio lost 125,000 jobs across these nine target industries, ranking 49th in employment growth in these nine industries.²⁴ From 2011 to 2017, with JobsOhio in place, Ohio's employment grew 1.5% annually in these nine industries, ranking 23rd in the US, and employment in five of the nine targeted industries grew faster than the overall state economy.

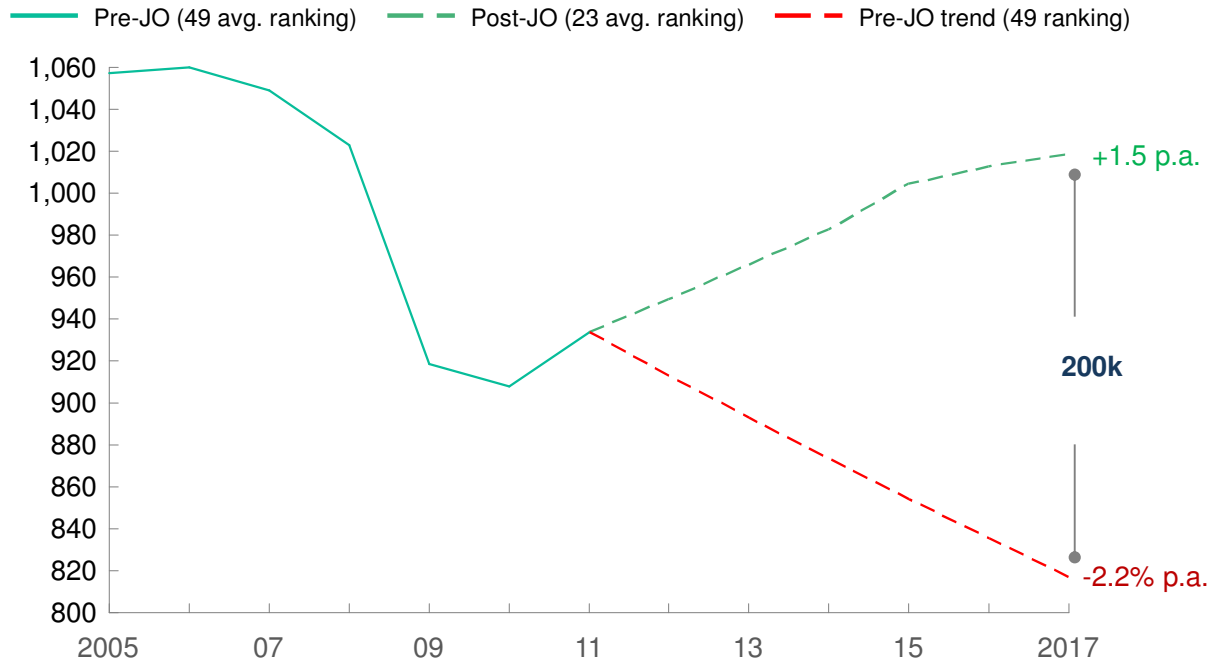
The change in performance of target industries from 49th to 23rd resulted in dramatically different trajectory of employment growth. Instead of negative 2.2% per year growth rate, these industries experienced positive 1.5% annual growth in employment. The higher growth in target industries resulted in 200,000 more jobs than would have been created if those industries maintained their position as 49th out of 50 states (Exhibit 7).

²⁴ This period includes the "Great Recession" of 2007-2008

Exhibit 7: JobsOhio target industry performance resulted in 200,000 additional jobs

JO industries experienced a turnaround, adding 200k jobs relative to pre-JO trend

Employment in target industries, thousand



SOURCE: Economic Modeling Specialists International (EMSI)

2 | JobsOhio's Performance

The previous chapter focused on Ohio's macroeconomic environment which provides context in understanding the headwinds and tailwinds JobsOhio faces. Shifting from the state's macro context to the outcomes directly impacted by JobsOhio, this chapter considered JobsOhio's performance as an organization and assess how JobsOhio has delivered against its mission and goals.

To benchmark JobsOhio's performance relative to peer EDOs, third-party data has been leveraged to ensure comparability and objectivity across EDOs. This third-party data may not directly mirror the information reported by EDOs through their annual reports (including that of JobsOhio). The data reflect commitments made from deals as opposed to actual economic data as provided in the prior chapter. Use of best practice third-party data is essential to ensure a robust, objective comparison across EDOs.

JobsOhio's mission, as defined in its articles of incorporation, is to "drive job creation and new capital investment in Ohio through business attraction, retention and expansion efforts." While other peer EDOs may couple typical economic development goals (e.g., job creation, capital investment growth) with broader state aims (e.g., driving tourism, enhancing quality of life), JobsOhio's current remit focuses squarely on key performance measures, (e.g., jobs, capital investment, and payroll).

JobsOhio's performance is assessed on two sub-dimensions with various indicators:

- A. Performance Outcomes:** Impact on indicators that are most consistently cited as measures of effectiveness across EDOs, aligned with JobsOhio's mission:
 - I. Deals²⁵
 - II. Jobs (committed)
 - III. Capital Expenditure (committed)
 - IV. Payroll (committed)
 - V. Actuals vs commitments
 - VI. Reporting and transparency
- B. Inputs:** Review of resource efficiency in several of the largest areas of spending:
 - I. Incentives
 - II. Staff
 - III. Programs (e.g., strategic initiatives)

A summary across performance outcomes and return on inputs is captured in Exhibit 8 below, highlighting relative strengths and opportunities for improvement in each category. A detailed analysis of each indicator follows.

²⁵ Deals is defined as number of competitive projects that resulted in a positive impact in jobs, capital investment, or payroll. This nomenclature differs across EDOs and is sometimes called "wins" rather than deals, to create distinction for what is competed for versus what results in positive impact.

Exhibit 8: Summary of performance against core indicators

		Summary	Area of strength	Area of improvement
Performance outcomes	Total deals	<ul style="list-style-type: none"> JobsOhio maintained a strong deal pipeline and has ranked 5th in deal activity relative to all U.S. states from 2013-2017 JobsOhio outperformed regional and competitive peer averages of total deals 		
	Total jobs (created and safeguarded)	<ul style="list-style-type: none"> JobsOhio ranked 3rd in total announced jobs relative to all U.S. states 2013-2017 JobsOhio ranked top five every year from 2013-2017 across leading third party sources From 2013-2017, JobsOhio ranked #1 or #2 in safeguarded jobs, and top 10 in new jobs JobsOhio had a higher share of safeguarded jobs relative to peers from 2013-2017 		
	Capital investment	<ul style="list-style-type: none"> JobsOhio lags peers in total capital investments (ranked 11th against all U.S. states for the 2013-2017 period) JobsOhio's capital investments as a percent of GDP ranked 14th relative to peers in 2016 		
	Payroll added	<ul style="list-style-type: none"> JobsOhio has consistently added payroll across target industries Ohio has outperformed regional peer state averages in all sectors aligned with JobsOhio target industries during the 2013-2017 period 		
Inputs	Incentives	<ul style="list-style-type: none"> JobsOhio outperforms peers in incentive efficiency, ranking 3rd against regional and competitive peers in incentive spend per job created or safeguarded during the 2013-17 period 4th against peers in payroll per dollar incentive during the same period 		
	People	<ul style="list-style-type: none"> JobsOhio sits below average in total staff size (94 staff positions with 85 positions filled compared to 143 peer average) JobsOhio leads peers in efficiency in terms of output and capacity covered (ranks 5th in leanness when adjusted for state size, 3rd in incentive deals per front office staff position) 		
	Programs	<ul style="list-style-type: none"> JobsOhio ranks in the top-5 among peers for real estate projects, but its sites are smaller on average, with ~48% under 50,000 square feet SiteOhio is the 11th ranked site certification program, but lags best-in-class peers in terms of number of site and size (JO has no sites >500 acres) Talent Acquisition Service is a positive step to address this issue and is modelled after best-in-class workforce programs, but has opportunity to expand its impact JobsOhio's \$100M R&D Center Program has positive early outcomes; other states have explored larger-scale initiatives to support innovation growth, more broadly. 		

A. PERFORMANCE OUTCOMES

JobsOhio's performance outcomes are assessed against All Peers across six core areas. These areas represent the four most commonly reported metrics among peer EDOs (e.g., deals, jobs, capex, and payroll) and the fulfillment of these commitments (e.g., actual vs. committed). Finally, an additional review of reporting coverage and transparency is considered across All Peers and associated outcome measures (see Exhibit 9 for an overview of frequency of peer EDOs reporting core metrics).

Exhibit 9: Performance outcome reporting across Peers

	Metric	OH reports	Share of peers that report on metric		
			Regional	Competitive	All Peers
Performance outcomes	Total deals	✓	6 of 6 peers	11 of 11 peers	17 of 17 peers
	New jobs	✓	5 of 6 peers	11 of 11 peers	16 of 17 peers
	Retained jobs	✓	4 of 6 peers	7 of 11 peers	11 of 17 peers
	Capital investment	✓	6 of 6 peers	11 of 11 peers	17 of 17 peers
	Payroll added	✓	3 of 6 peers	9 of 11 peers	12 of 17 peers
	Committed vs. actual	✓	2 of 6 peers	2 of 11 peers	4 of 17 peers

SOURCE: EDO websites

JobsOhio's absolute and relative performance is considered across each metric. To enable greater comparability, we adjusted the outcome measures for the relevant size of the state's population or economy. For example, the total jobs created in West Virginia compared to New York suggest different relative performance given the size of the population, workforce, and economy; these need to be adjusted when considering the relative performance of each EDO.

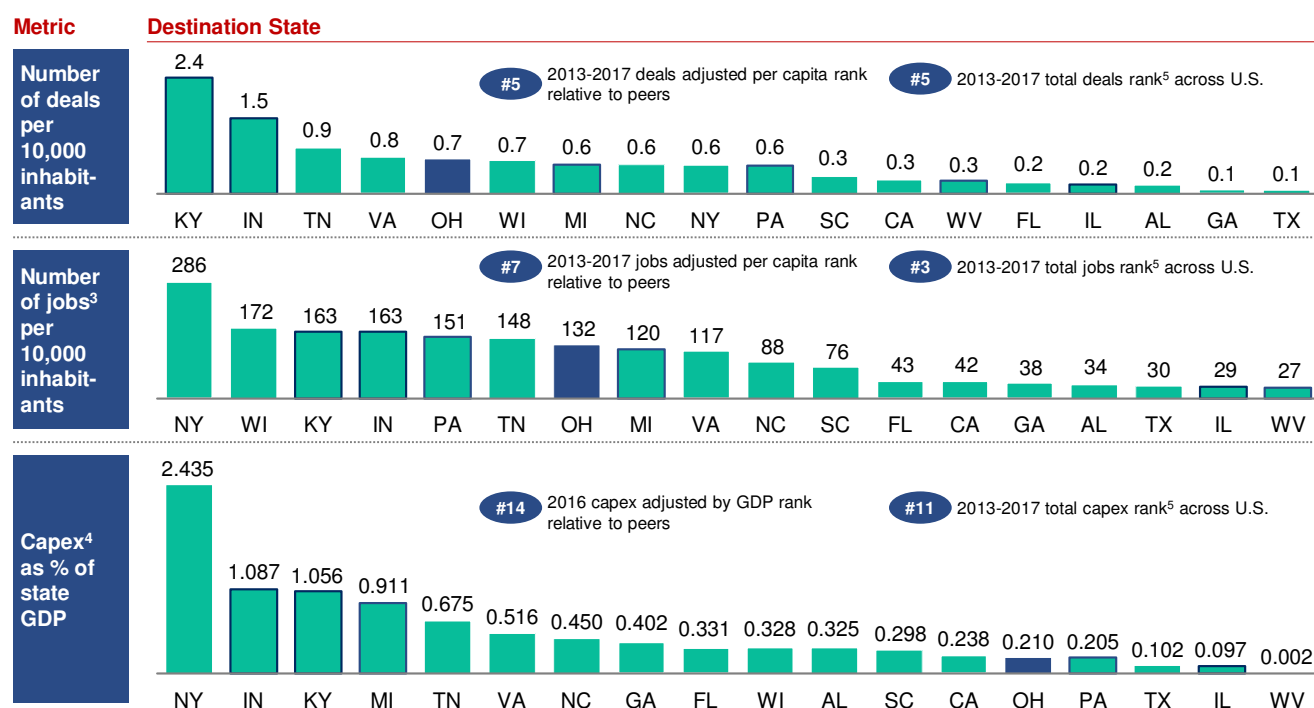
While JobsOhio's official incorporation occurred in 2011, the focus of the performance period is 2013 to 2017 given the initial years represented lower staff and activity for JobsOhio as the organization was formed. Moreover, sustainable funding sources were not secured until February 2013.

A summary of performance across deals, jobs, and capex is provided in Exhibit 10 below, highlighting All Peers performance for relative and absolute performance.

Exhibit 10: Performance outcomes on deals, jobs, and capex, absolute and adjusted, 2013 to 2017

Private deals closed¹, 2013-2017 – Selected states²

 Regional peer states



¹ Includes private deals closed per destination state, including retention, new project and expansion deals; Data for OH and all peer states except AL and TN pulled February 14, 2018; data for AL and TN pulled March 5, 2018; ² Considers Ohio, regional peers, and competitive peer states; ³ Considers new and safeguarded jobs promised by each deal at the moment of the deal announcement; ⁴ Considers capital investments promised by each deal at the moment of the deal announcement, 2016 capex and 2016 real GDP (chained 2009 USD); ⁵ IncentivesMonitor data provided April 10, 2018

SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com), Moody's

I. DEALS

Absolute and adjusted performance

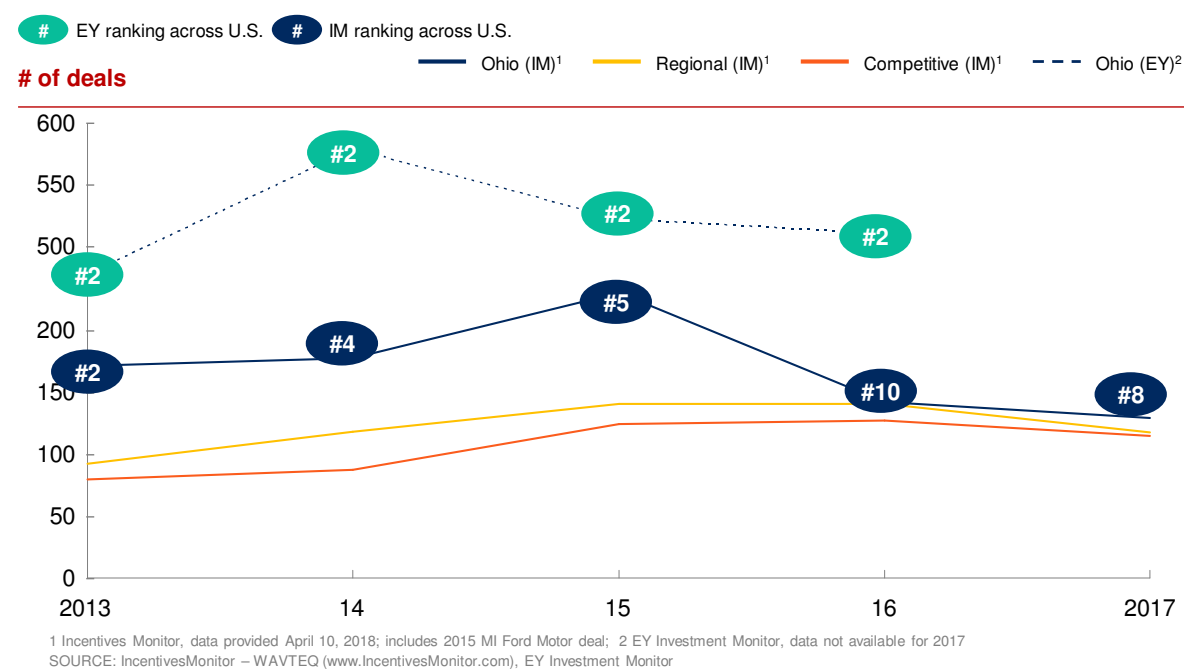
From 2013 to 2017 JobsOhio ranked fifth in total deals relative to All Peers and second relative to Regional Peers. As shown in Exhibit 10, when adjusted for population size, JobsOhio ranks fifth among All Peers and only trails its Regional Peers Kentucky and Indiana in deals when adjusted for population.

Performance over time

Since 2013, JobsOhio's performance has consistently ranked among the leaders in the US in total deals. Based on multiple data sources,²⁶ JobsOhio has outperformed the Regional Peer and Competitive Peer averages every year from 2013 to 2017. Data sources include WAVETEQ's IncentivesMonitor, Conway, and Ernst and Young's Investment Monitor. Each source leverages its own, proprietary methodology (e.g., IncentivesMonitor tracks incentive deals reported via public media announcements, while Ernst and Young's Investment Monitor and Conway captures all announced corporate real estate deals), which result in some variation in rankings and outcomes reported, however JobsOhio's consistent outcomes across data sources reinforces its performance.

JobsOhio ranked second in total deals according to Ernst and Young (EY)'s Investment Monitor, and ranked top 10 in the US according to IncentivesMonitor, though performance has dropped from top five or better from 2013 to 2015 to #10 and #8 respectively in 2016 and 2017. JobsOhio is one of five states to be ranked in the top 10 every year from 2013-2017 across these data sources (See Exhibit 11 for year-by-year performance).

Exhibit 11: JobsOhio deals relative to peers, 2013-2017



Deals by project type

The distribution of project type for JobsOhio from 2013 to 2017 is aligned with Regional Peers, and highlights a greater share of Expansion Projects relative to Competitive Peers. JobsOhio deal distribution is 65% Expansion and Retention Projects and 35% New Projects, within 1 percentage point of the share of Regional Peers. Competitive Peers have a greater share of New Projects, which represent 44% of their total. Part of this difference may be driven by Ohio's relatively high share of large, established

²⁶ See Appendix for additional details on methodological approaches for core data sources including IncentivesMonitor, Conway and Ernst and Young's Investment Monitor for further details on differences in approach

companies headquartered in the state. For example, in 2016, Ohio was one of only 5 states with at least 50 Fortune 1000 companies headquartered in its state (CA has 108, TX has 100, NY has 95, IL has 64, and Ohio has 55).²⁷

II. JOBS

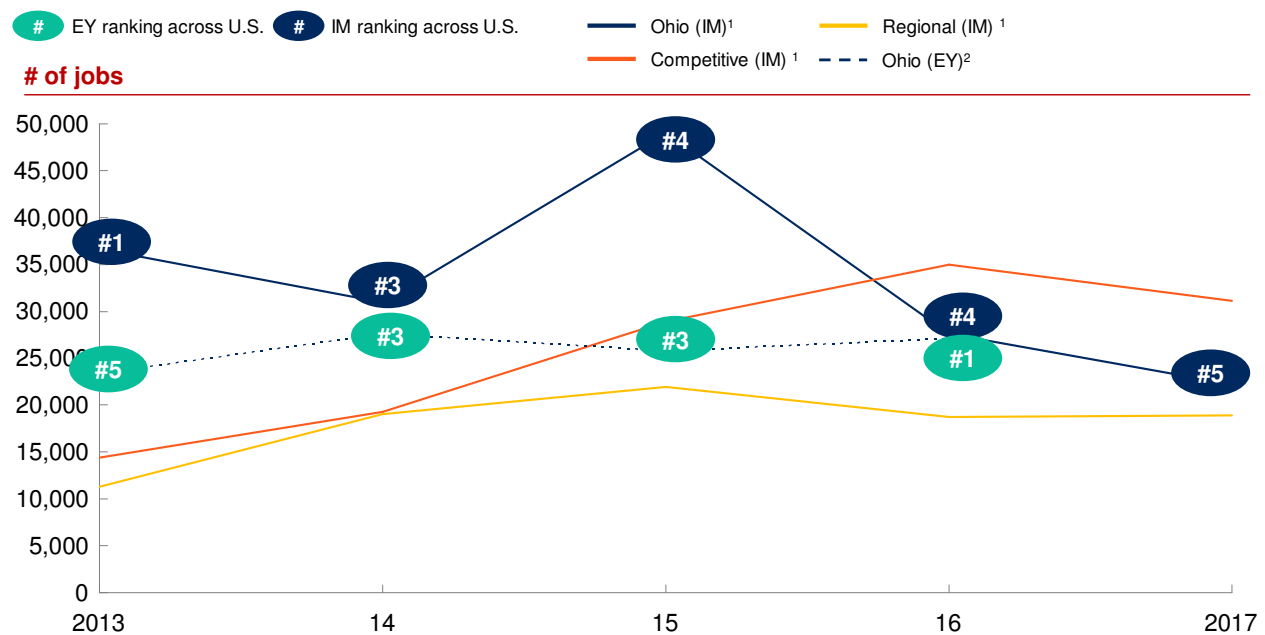
Absolute and adjusted performance

From 2013 to 2017, JobsOhio has ranked third in the US in total jobs announced from deals and is the top performer among its Regional Peers. JobsOhio ranks seventh among All Peers when adjusted for population.

Performance over time

JobsOhio ranked in the top five in the US in each year from 2013 to 2017 across leading third-party data sources. In each year, JobsOhio performed above average compared to its Regional Peers, and performed above Competitive Peers except in 2016 and 2017. JobsOhio is one of only four state EDOs to be ranked in the top 10 every year from 2013-2017 across data sources. According to IncentivesMonitor, Ohio ranked in the top five among All Peers for total jobs across 10 of IncentiveMonitor's 14 sectors from 2013-2017.

Exhibit 12: JobsOhio (total jobs) jobs performance relative to peers, 2013-2017



¹ Incentives Monitor, data provided April 10, 2018; includes 2015 MI Ford Motor deal; ² EY Investment Monitor, data not available for 2017

SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com), EY Investment Monitor

Jobs by type: New jobs versus Safeguarded Job

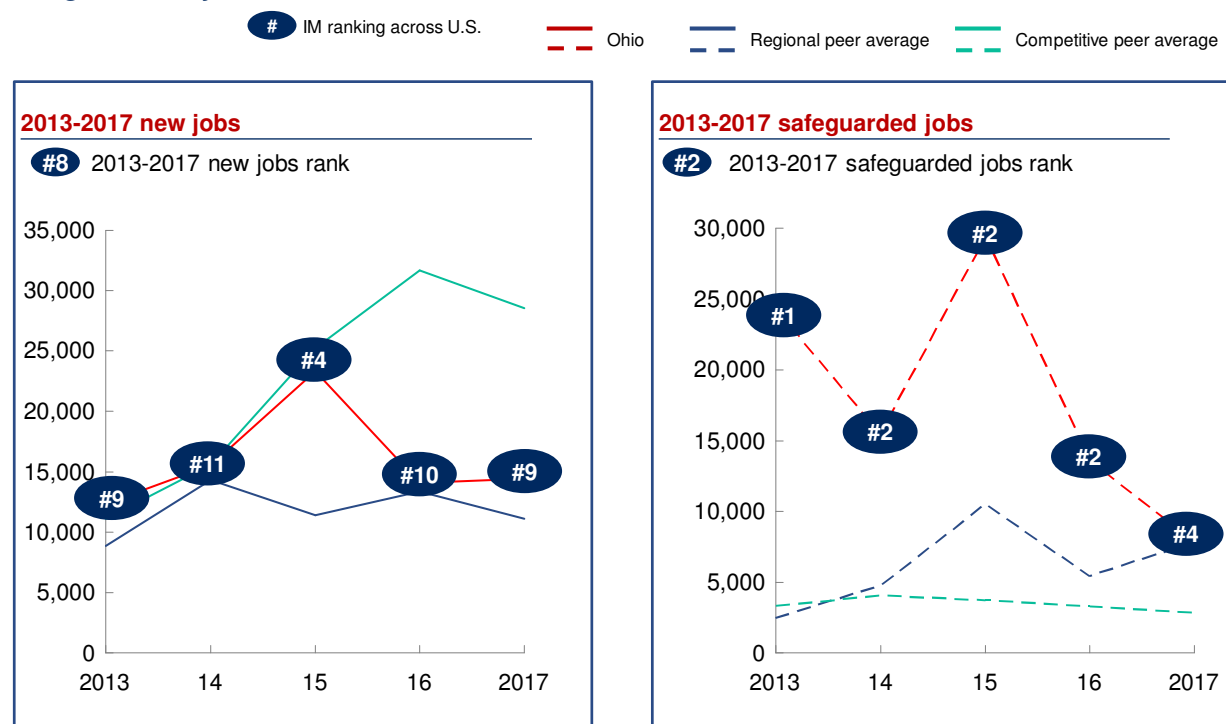
Relative to Regional and Competitive Peer averages, a higher share of Ohio's jobs is from Expansion and Retention projects: 65% for JobsOhio versus 59% for Regional Peers and 33% for Competitive Peers.

²⁷ GeoLounge, Fortune 1000 2016

JobsOhio also has a higher share of safeguarded jobs, with 51% of total jobs from 2013 to 2017 from safeguarded ones compared to 49% from new jobs, compared to 29% and 12% from safeguarded jobs for Regional Peer and Competitive Peer Averages respectively.

As shown in Exhibit 13, JobsOhio ranked between fourth and eleventh in new jobs from 2013 to 2017, leading the Regional Peer average each year. In safeguarded jobs, JobsOhio's relative performance was stronger as it ranked first or second in the US from 2013 to 2016, dropping to fourth in 2017, and exceeding both Regional Peer and Competitive Peer averages each year.

Exhibit 13: JobsOhio performance relative to peers for new and safeguarded jobs, 2013 to 2017



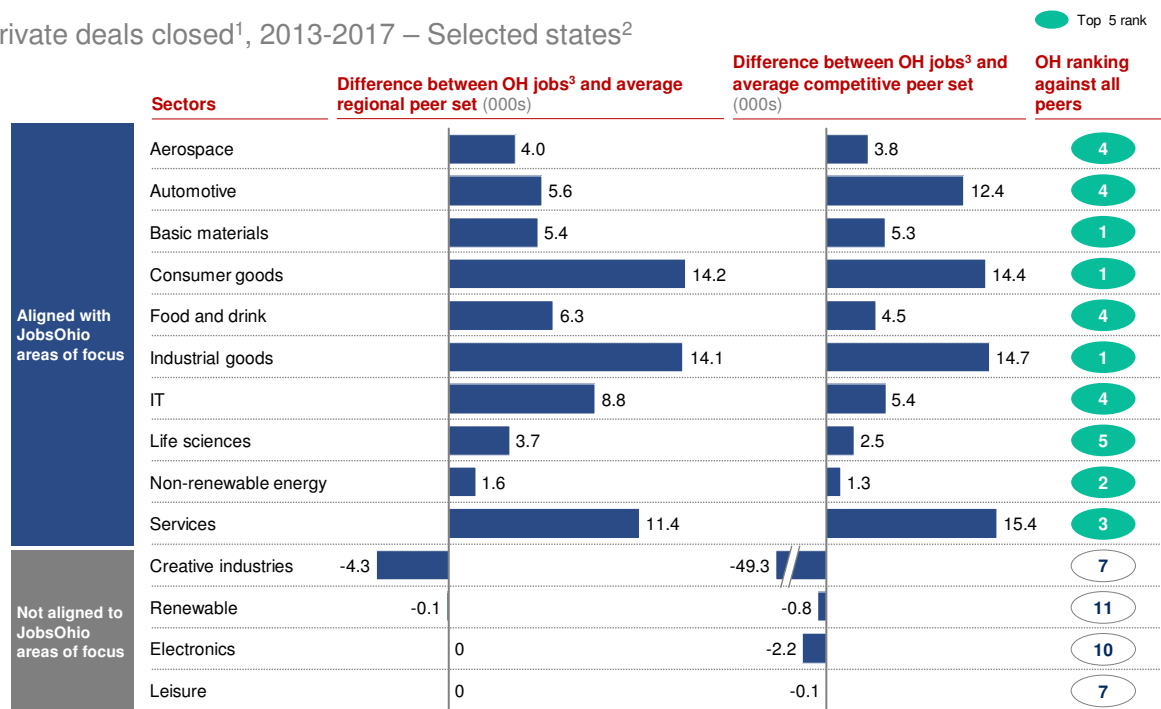
1 Incentives Monitor, data provided April 10, 2018; includes 2015 MI Ford Motor deal
SOURCE: IncentivesMonitor

Sector performance on job creation

From 2013 to 2017, JobsOhio's generated more total committed jobs relative to All Peer averages in 10 of 14 sectors of the economy captured by third-party vendor data, including all sectors most closely aligned with JobsOhio's target industries (Exhibit 14). The strongest performing sectors include basic materials, consumer goods, industrial goods, and non-renewable energy where JobsOhio has the first or second highest jobs created among All Peers. While these target industries do not map perfectly to JobsOhio's current nine target industries, JobsOhio's performance in its focus areas ranks top 5 relative to All Peers. It lags its Regional Peers and Competitive Peers in those industries it does not target.

Exhibit 14: Sector job growth of JobsOhio relative to Peers

Private deals closed¹, 2013-2017 – Selected states²



1 Includes private deals closed per destination state, including retention, new project and expansion deals; Data for OH and all peer states except AL and TN pulled February 14, 2018; data for AL and TN pulled March 5, 2018; excludes 2015 Michigan Ford Motor deal; 2 Considers Ohio, regional peers, and competitive peer states; 3 Considers new jobs and safeguarded jobs promised by each deal at the moment of the deal announcement
SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com)

Questions for further analysis

There are several factors which may drive differences across sectors or target industries and job types, which are both exogenous to JobsOhio (e.g., state macroeconomic performance, company-specific needs, industry mix factors, and the size of the existing corporate base) or endogenous organizational decisions. The causal explanation for JobsOhio's differential performance, however, is beyond the scope of this report and is suggested as an additional research question that could be further pursued.

III. CAPITAL INVESTMENT

Absolute and adjusted performance

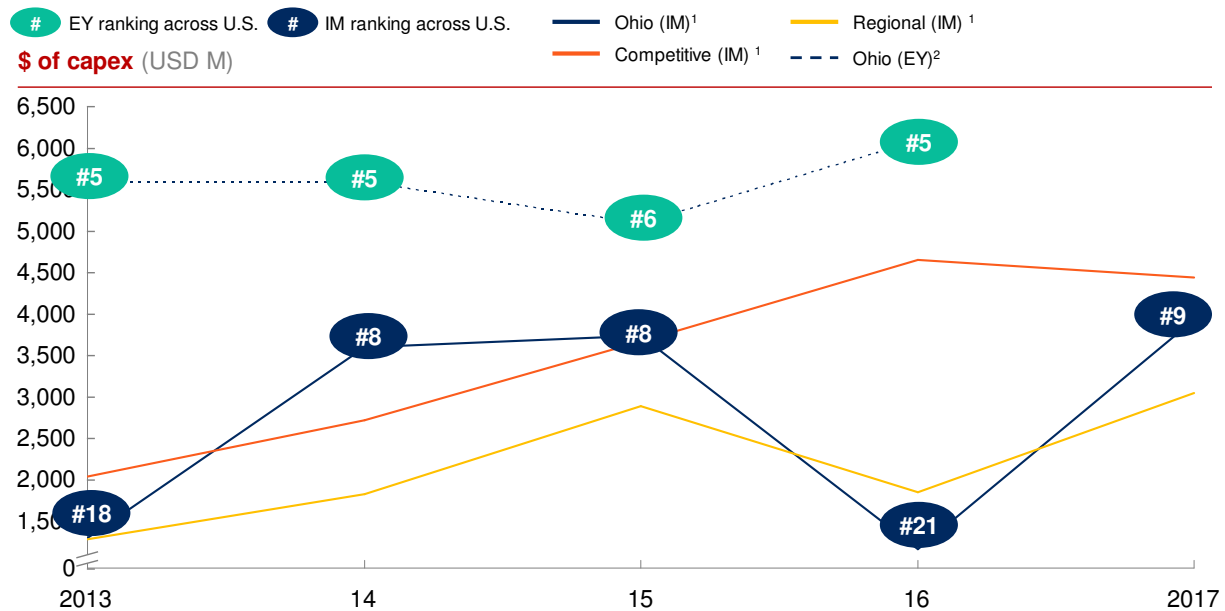
From 2013 to 2017 JobsOhio ranked 11th in the US in total capital investment and ninth relative to All Peers.²⁸ However, when adjusted for the size of Ohio's economy, JobsOhio's performance is 14th among its 18 peers, a significantly lower relative performance than it has on Deals and Jobs. One item to consider is that the data do not fully capture all energy-related infrastructure investment (e.g., interstate pipeline and power projects), and may underreport the total investment level for JobsOhio given the large natural-gas energy investments (e.g., the \$64 billion Utica shale investment).

²⁸ Source: IncentiveMonitor

Performance over time

JobsOhio's year-by-year performance on cap-ex shows significant variation in performance, particularly when compared to Jobs or Deal performance outcomes. JobsOhio ranks between #5 and #21 nationally from 2013 to 2017 in capital investment across core data sources (Exhibit 15). On average, JobsOhio outperforms Regional Peers but trails Competitive Peers. Peer deals include several large-scale projects that may lift the peer group, including the 2017 Foxconn announcement (\$10 billion in capex investment), the 2017 Related Companies deal in New York (\$3.9 billion), and the 2015 Tesla deal in CA (\$2.4 billion), further highlighting the annual variation in this metric.

Exhibit 15: JobsOhio performance in capital expenditure investment relative to peers, 2013 to 2017



¹ Incentives Monitor, data provided April 10, 2018; includes 2015 MI Ford Motor deal

² EY Investment Monitor, data not available for 2017

SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com), EY Investment Monitor

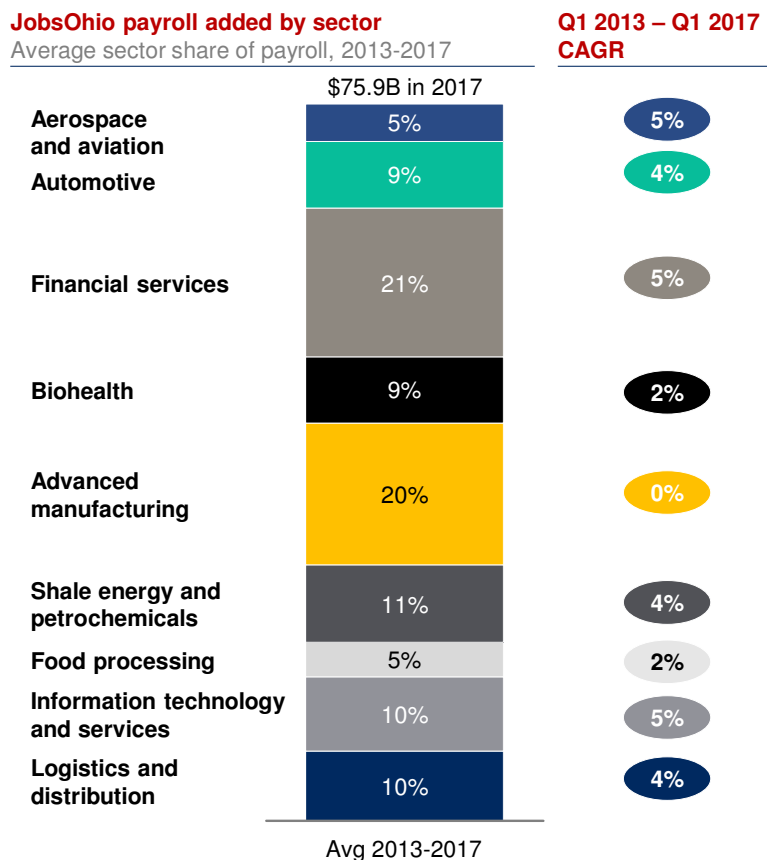
Questions for further analysis

There may be explanations for JobsOhio's lower ranked performance in capital expenditures relative to Deals and Jobs. Like jobs performance, these may include factors exogenous to JobsOhio (e.g., Ohio's infrastructure, sector composition with a greater share of service industries) or endogenous to JobsOhio's decision-making. While this is a worthwhile future research effort, an in-depth analysis on this topic is beyond the scope of this assessment.

IV. PAYROLL ADDED

JobsOhio has experienced positive payroll growth across all target industries it focuses on except Advanced Manufacturing. The top performing target industries for JobsOhio include IT, Financial Services, and Aerospace and Aviation, each of which realized 5% compounded annual growth from 2013 to 2017 (Exhibit 16). The relative share of payroll added across these target industries has been consistent, with only Advanced Manufacturing showing a decline in the percentage of total payroll added given the relative low growth.

Exhibit 16: JobsOhio payroll added by target industries, 2013 to 2017



SOURCE: Cleveland State University, Center for Economic Development

V. COMMITMENTS VS ACTUALS

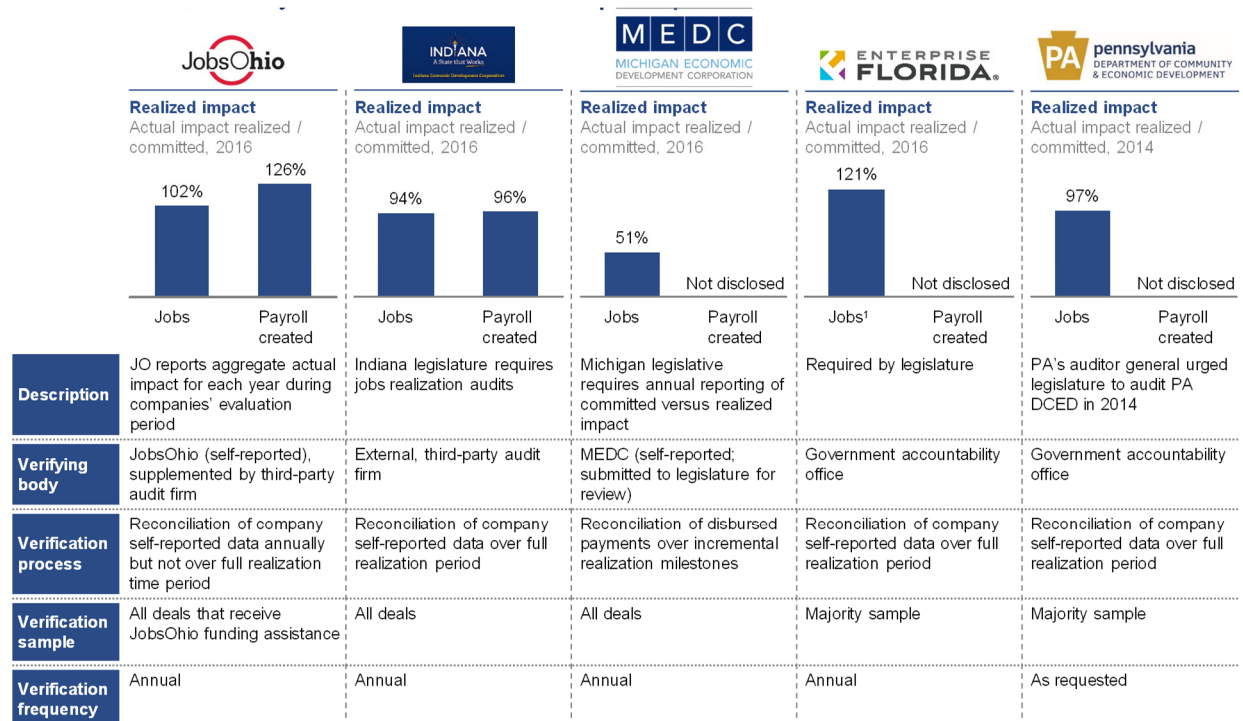
JobsOhio evaluates deals annually and self-reports the aggregate actual versus committed impact for companies to whom it provides incentives. In a scan of Regional and Competitive Peers, similar information was not readily and publicly available for most peer states. While some peers may disclose actual versus committed metrics directly to their legislature, JobsOhio's publicly available, easy-to-find "Commitments vs Actuals" impact reporting (displayed in JobsOhio's annual report) proved to be an exception, rather than the rule, among peer EDOs. Among the 17 peers considered, four other EDOs were found to accessibly report actual relative to committed jobs created, and just one other EDO (Indiana) reported actual payroll created relative to company commitments. Moreover, JobsOhio is unique in its decision to report actual impact based on an internal management and Board of Directors decision, rather than a legislative requirement.

Peer states reporting on actual versus committed impact, and required to do so, include:

- **Indiana:** Legislature requires job realization audits and reporting of actual Jobs and Payroll created relative to commitments; audits typically done through third-party audit firm
- **Michigan:** Legislature requires reporting of committed versus realized jobs, annually
- **Florida:** Legislature requires reporting of actual versus committed jobs, annually
- **Pennsylvania:** Auditor General urged legislature to audit PA DCED in 2014 (last provided data)

JobsOhio's actual impact relative to its commitments was compared to these four peer EDOs which provided actual impact data within the last five years. Examining the most recent available reporting year, JobsOhio's projects exceeded its commitments on jobs created and payroll, realizing 102% of committed jobs and 126% of payroll committed in 2016. JobsOhio's actual impact realized relative to committed outperformed all the other peer states that verified impact except for Florida, which has a realized committed jobs impact of 121%.

Exhibit 17: Actual impact versus committed across the 4 of 17 Peer EDOs that report on this metric



¹ Actual realization based on the actual versus committed proportion of completed and inactive projects; active projects not included
 SOURCE: JobsOhio Annual Report ; IEDC Annual Report; MEDC Annual Report ; Florida Economic Development Program Evaluations; DCED Performance Audit

Additionally, relative to these same peers, JobsOhio's verification process has a high degree of rigor because it examines all deals (as opposed to a sample-based analysis) and reports on its actual impact annually (as opposed to as requested). JobsOhio is the only EDO to require companies to hold to their commitments for a typical three-year Metric Evaluation Date and obligates companies to sustain their committed impact for two years after that initial three-year date. Of peers that verify impact, none were found to have contractual obligations for companies after an initial post-verification period.

Variation also exists in the which body verifies the impact. Although JobsOhio self-reports its performance, the Auditor of the State of Ohio and Deloitte also engage in an annual compliance and control review that verifies certain actuals. Indiana uses external third-party firms, and Florida and Michigan verify impact through government accountability offices. A further validation to assess JobsOhio's reported levels relative to actuals is considered below.

Independent validation

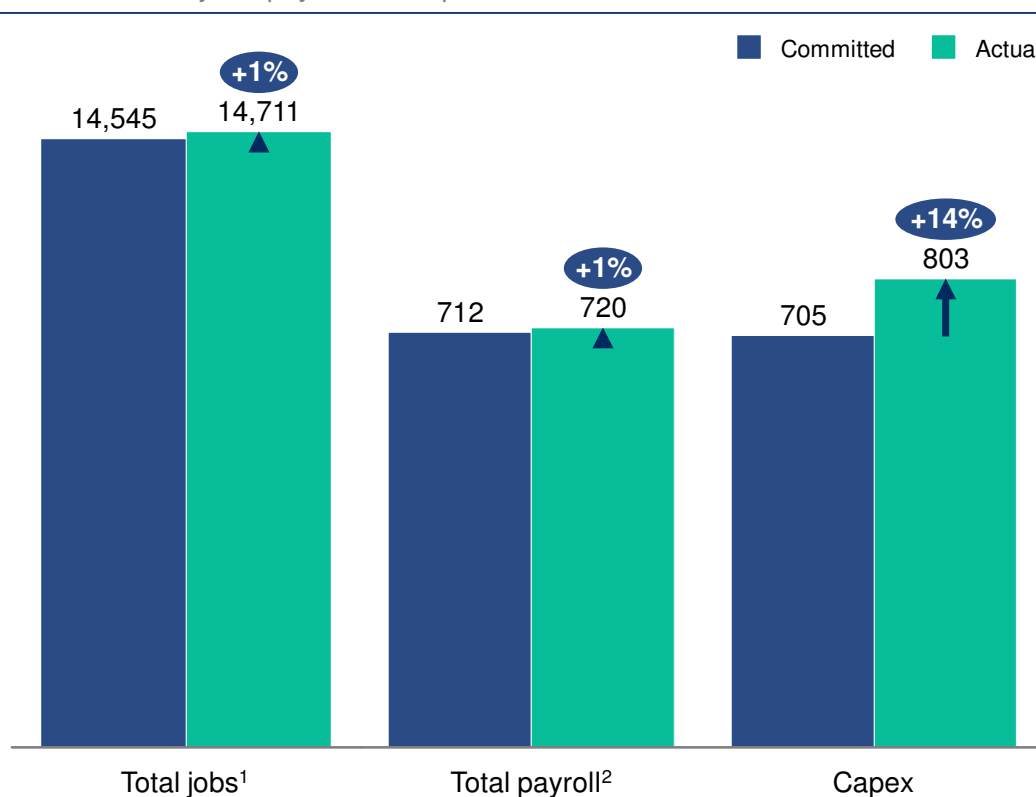
As part of this report, a validation of JobsOhio deals was performed to assess JobsOhio's self-reported actual impact. The assessment reviewed more than 50 deals and included all deals which had a Metric

Evaluation Date of either December 31, 2015 or December 31, 2016. The assessment reviewed total jobs, total payroll, and total capital expenditures reported by companies to assess how closely their actual reported impact matched their initial commitments. The assessment reviewed the same data that companies provide to JobsOhio and which are used for JobsOhio's own self-reporting. The results of the assessment confirmed that JobsOhio outperform its actual versus committed jobs, payroll, and capex (see Exhibit 18). This finding is consistent with interview insights, where customers that work with JobsOhio report that actuals frequently exceed commitments due to conservative approaches to making commitments because of the level of rigor in performance tracking by JobsOhio.²⁹

Exhibit 18: Results of review of actual versus committed impact for JobsOhio deals which includes all deals with Metric Evaluation Date of December 31, 2015 and December 31, 2016

Committed versus actual impact

Total number of jobs; payroll and capex in \$ millions, 2015-2016³



¹ Includes new and retained jobs; ² Includes new and retained payroll; ³ Includes 55 deals that were handled by JobsOhio reached their metric evaluation date in 2015 and 2016 (excludes 629 roadwork funds)

SOURCE: Annual reporting data submitted by companies to JobsOhio

VI. REPORTING AND TRANSPARENCY

Across the performance measures under JobsOhio's current remit, JobsOhio is a leader in data transparency and information availability. JobsOhio consistently reports across the above core performance metrics (quarterly or annually). It is an exception among All Peers in reporting on projects

²⁹ Based on customer interviews with companies and site selectors

across the deal ‘pipeline,’ e.g., reporting on total projects touched, offers, and wins. No other state EDO among All Peers reported on each of these metrics.

According to independent research by Tennessee’s Department of Economic & Community Development, Ohio places in the top quartile of state EDOs for the transparency of its economic development projects and incentives. More practically, through assessing the reporting outputs across JobsOhio and peer EDOs, JobsOhio provides more accessible, user-friendly reporting relative to peers (e.g., housing all metrics in one place on the website, a summarized annual report, quarterly metric reporting – see Exhibit 19). With respect to overall transparency of information as a private nonprofit corporation, JobsOhio has been recognized with GuideStar’s Platinum Seal of Transparency for 2018, the highest level recognized by GuideStar.

JobsOhio’s approach to transparency (see Exhibit 19) highlights the relative ease and availability of data and information compared to peers, including:

- JobsOhio ranks in the top quartile in overall transparency of economic development efforts
- JobsOhio approach to data transparency and availability exceeds peers given it provides:
 - **Monthly executed grant and loans reports** which identify all companies who receive monetary assistance, including deals, jobs, payroll added, and capital investments by project including industry, location, and type of funding used
 - **Quarterly metrics reports** which showcase KPIs by quarter and key sector
 - **Annual reports** which showcase JobsOhio’s annual KPIs, regional EDO performance, progress against key initiatives, and actual and commitments on KPIs

Exhibit 19: JobsOhio’s approach to data transparency and availability relative to Peer EDO

JobsOhio

Below is a list of JobsOhio-funded projects with fully executed agreements during January 2018.

Project Information				Company Commitments				JobsOhio Program Type and Value					
Company	Industry	Region	County	Jobs Created	Jobs Created Payroll	Jobs Retained	Fixed Asset Investment	Growth Fund Loan	Workforce Grant	Economic Dev. Grant	Revitalization Loan	Revitalization Grant	Revitalization Grant Phase II
Amazon.com, Inc.	Logistics and Distribution	Northeast	Cuyahoga	2,000	\$55,400,000	0	\$100,000,000					\$5,000,000	
Amazon.com, Inc.	Logistics and Distribution	Northeast	Cuyahoga	1,000	\$27,700,000	0	\$60,000,000					\$3,500,000	
Amazon.com, Inc.	Logistics and Distribution	Southwest	Warren	1,000	\$26,700,000	0	\$30,000,000						
Amazon.com, Inc.	Logistics and Distribution	Multi-Regional						\$1,850,000	\$5,555,555				
Detroit Manufacturing Systems Tools and Non-Automotive, LLC	Automotive	Northwest	Lucas	120	\$5,922,392	12	\$8,800,000		\$100,000				
Esuro Medical, Inc.	Biotech	Northeast	Erie	52	\$5,504,000	199	\$20,000,000		\$300,000				
Koro Koro Associates, LLC	Information Services and Software	Central	Franklin	36	\$1,044,420	0	\$0		\$40,000				

Attributes

- Summarized data in easily accessible PDF with access to detail
- Separate “Results” page on website where data is housed in one place
- Year-over-year trends
- Provides regional EDO data

Example Peer: Pennsylvania Department of Community & Economic Development

Applicant/Company	Program	Multi Program Funded	County	Total Jobs		Program Amount	Multi FY Funded
				Existing	Pledged		
Applicant: Jackson Township (DA Community, Always Bagels, Inc.)	Infrastructure & Facilities Improvement Program	Yes	Lebanon	0	78	\$496,000.00	Yes
Applicant: Exeter Township (Community, Township of Exeter)	Local Share Account - Luzerne Co		Luzerne	0	0	\$100,000.00	
Applicant: K.W. Crumb Productions, LLC	Film Tax Credit		Delaware	5	626	\$2,592,674.00	
Applicant: Cook MyLife Incorporated	Pennsylvania First - Grant		Allegheny	75	64	\$100,000.00	
Applicant: Philadelphia Authority for Industrial Development	ISRP - Growing Greener II		Philadelphia	0	25	\$1,000,000.00	Yes
Applicant: Philadelphia Authority for Industrial Development (Community, Philadelphia Industrial Development Corporation)	Infrastructure & Facilities Improvement Program		Philadelphia	0	150	\$2,400,000.00	Yes
Applicant: Cam Real Estate Partners, LP	NAP_EZP		Bucks	12	5	\$127,008.00	
Applicant: City of Easton	Multimodal Transportation Fund		Northampton	0	0	\$128,697.00	

- Investment tracker by project with no summary and maximum of 200 search results per page
- Housed on separate “PA State of Innovation” website
- Data must be individually collected, transported to Excel, and summarized

SOURCE: Center for Economic Research in Tennessee; US PIRG, 2016; EDO websites

B. RETURN ON INPUTS

Efficient use of resources was analyzed looking at three core areas: (1) Incentive efficiency (e.g., outcomes per incentive dollar); (2) Staff efficiency (e.g., outcomes per FTE or staff expenditures); and (3) Program, or strategic initiative, outcomes (e.g., returns to specific investments in non-deal activities).

I. INCENTIVE EFFICIENCY³⁰

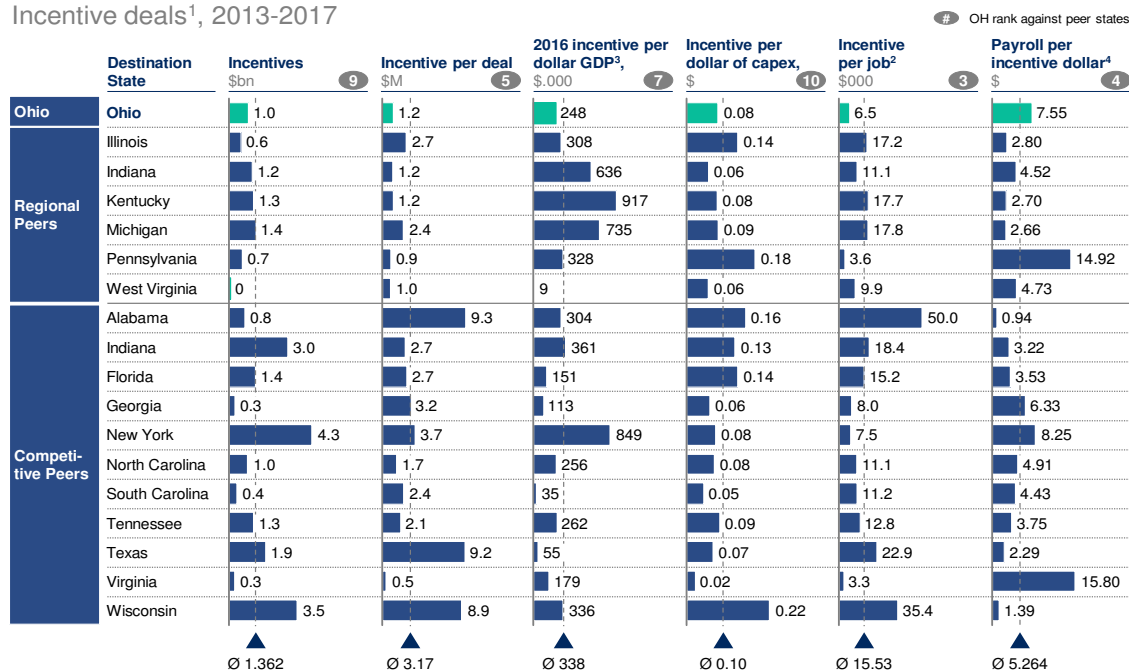
Outcomes per dollar

The below analysis highlights relative “efficiency” of JobsOhio’s incentive dollars with above average outcomes per dollar relative to peers. Frequently among the top three to five of All Peers, JobsOhio spent the third fewest incentives dollars per job created from 2013-2017, with \$6,500 on average per job compared to more than \$15,000 on average per job among All Peers. JobsOhio ranks above average tier among All Peers in incentive dollar per capex, with \$0.08 of incentive per capex dollar mobilized, 20% more efficient than the All Peer average and highlighting higher outcome per dollar invested.

JobsOhio ranked fourth in payroll per incentive dollar, with \$7.55 in payroll per incentive dollar, trailing only Virginia (\$15.80/incentive dollar), Pennsylvania (\$14.92/incentive dollar), and New York (\$8.25/incentive dollar). In each year from 2013 to 2017, JobsOhio outperformed the peer average in incentive provided per job (Exhibit 20).

Exhibit 20: JobsOhio incentives per outcome across jobs, capex and payroll

Incentive deals¹, 2013-2017



1 Examples of incentive deals include tax discounts, loans, grant, subsidies; Data for OH and all peer states except AL and TN pulled February 14, 2018; data for AL and TN pulled March 5, 2018; excludes 2015 Michigan Ford Motor deal

2 Includes new jobs and safeguarded jobs promised by each deal at time of announcement

3 2016 incentive spend as percent of 2016 state GDP

4 Average payroll by industry multiplied by total new and safeguarded jobs promised by each deal at time of announcement

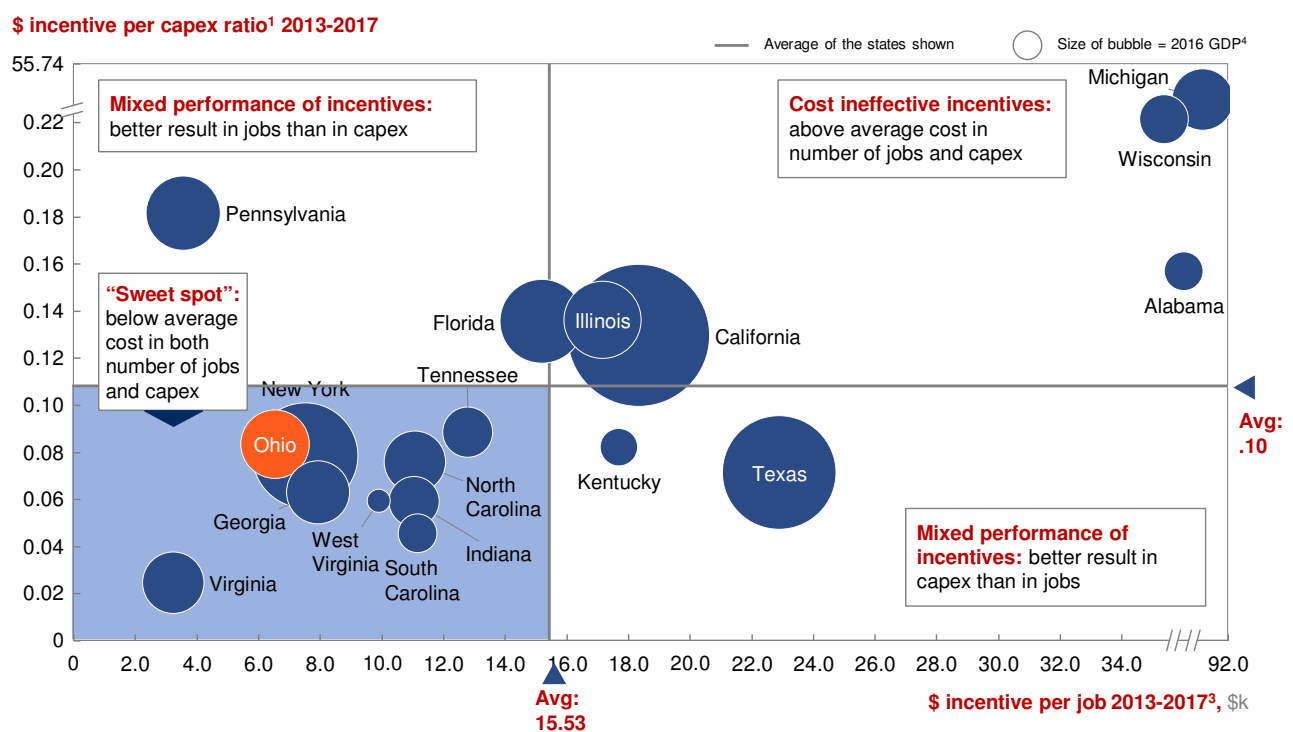
SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com), Moody's

³⁰ For comparable performance across states and EDOs, incentive efficiency considers all incentive dollars in each deal, not just those for JobsOhio, e.g., DSA incentives if provided alongside JobsOhio will be included in total deal incentives. To ensure the following analysis can highlight relative performance, “JobsOhio” performance is based on total state of Ohio incentive dollars, as would be the case in most, if not all, peer EDOs.

Efficiency across different outcome measures

JobsOhio ranks well among All Peers across jobs, capex and payroll per incentive dollars. As highlighted in Exhibit 21 (where the lower left square has the top performers), JobsOhio is among a tier of All Peers that are more efficient and near peer leaders in incentive efficiency on both jobs and capex. It compares to other All Peer leaders such as Georgia and New York in its ability to generate strong returns in capital expenditures and jobs per incentive, and trails only Virginia who leads All Peers in both outcome measures. This ability to balance performance measures extends to payroll per incentive dollar, where JobsOhio ranked fourth. These rankings suggest JobsOhio can be considered a good steward of incentive resources as it generates leading outcomes per incentive dollars among All Peers across the various outcomes.

Exhibit 21: Incentive per job and capex spend among All Peers, 2013 to 2017



1 Considers total incentives divided by sum of capex promised by each deal at the time of deal announcement; 2 Considers OH, regional peers, and competitive peers; Data for OH and all peer states except AL and TN pulled February 14, 2018; data for AL and TN pulled March 5, 2018; 3 Considers total incentives divided by the sum of jobs (created and safeguarded) promised by each deal at the time of deal announcement; 4 2016 real GDP (chained to 2009 USD), M
SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com), Moody's

II. STAFF EFFICIENCY

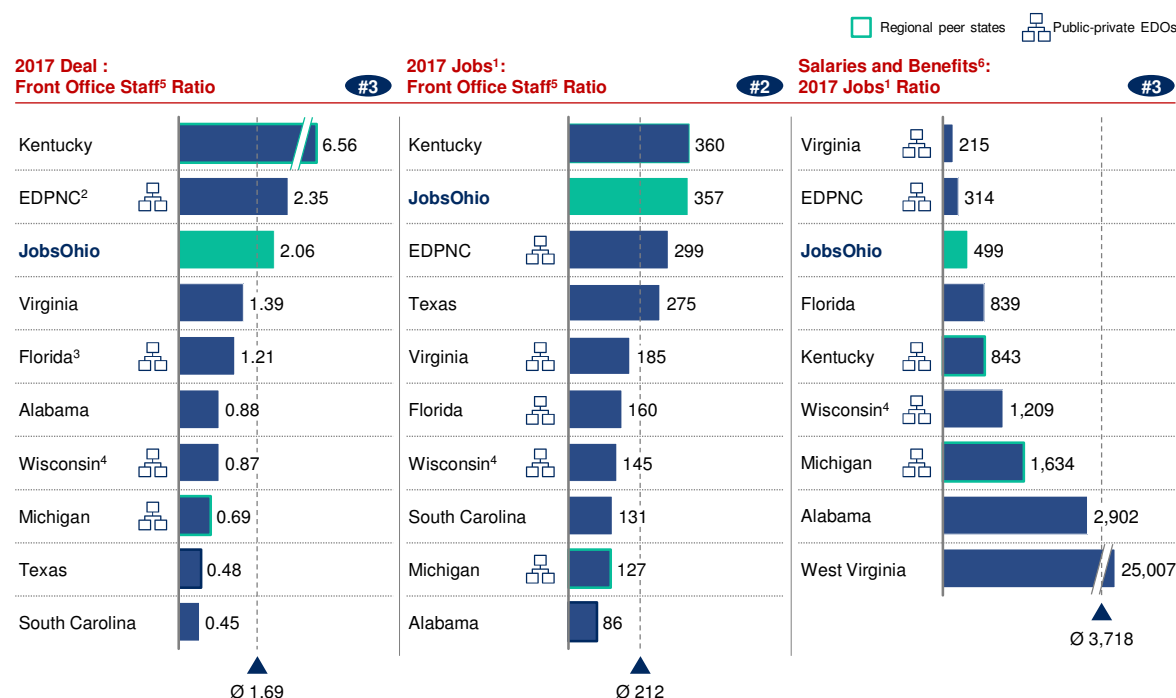
JobsOhio was further assessed on its staff efficiency, or the size of portfolio and outcomes per FTE and staff expenditures. JobsOhio's 94 staff positions³¹ are used as the total base, although its staffing levels are at 85 currently, and since its inception staff positions have never been completely filled. Its total number of staff positions is below the average among All Peers; it is the tenth largest EDO among the 17 EDO peer group, and the second smallest among Regional Peers (just larger than Kentucky). Adjusting for the size of the economy, JobsOhio has the fifth lowest number of staff positions, with only California,

³¹ JobsOhio and Peer EDO staff positions based on all positions (filled and open) to ensure comparability across EDOs

Texas, Florida, and North Carolina having lower staff levels per \$GDP.³² JobsOhio leads the Regional Peers with the “leanest” staffing levels as measured by GDP per staff employee.

JobsOhio performs in the top three among All Peers in core measures of outcomes per staff and salaries, which are the measures used as proxies for staff productivity. In 2017, JobsOhio has the third highest ratio of deals per front office staff, second highest jobs per front office staff, and third best level of salaries and benefits per jobs created (Exhibit 22).

Exhibit 22: Staff and salaries productivity measures across peer EDOs, 2017



1 Includes new and safeguarded jobs; 2 Economic Development Partnership of North Carolina; 3 Enterprise Florida; 4 excludes 2017 Foxconn deal in Wisconsin; 5 May include vacant staff positions; 6 Based on available payroll data in EDO financial statements and budgets
SOURCE: State transparency portals, EDO financial statements, JobsOhio

III. KEY STRATEGIC INITIATIVES

Like peer EDOs, JobsOhio has developed several key strategic initiatives to support its economic outcomes. Strategic initiatives tend to target key underlying enablers that support economic growth, but are not necessarily driven by incentives. In addition to target industry strategies, JobsOhio has cross-cutting strategic initiatives in three key areas:

1. Sites
2. Talent
3. Research and Development (R&D)

The genesis of these strategic initiatives varies from state-to-state depending on resources, political prioritization, and other external factors. Many of JobsOhio’s strategic initiatives have been launched more recently than those of peer EDOs (e.g., in the last one to three years). To ensure a robust performance assessment, JobsOhio’s strategic initiatives are compared to peers and best-in-class

³² Based on EDO organization websites, annual reports, state transparency reports, JobsOhio data, and Moody’s

models below. For most of JobsOhio's strategic initiatives, while there are early successes, their relative newness means their overall scale, funding, and prioritization have yet to catch up to those of the best-in-class peers.

1. Sites:

Motivation for strategic initiative: The availability and readiness of certified sites plays a significant role in a company's decision to locate in a state. While Ohio ranks top-5 nationally for number of corporate real estate deals, its sites are smaller on average compared to regional and competitive peers, with Ohio announcing 50% of its corporate real estate deals under 50,000 square feet compared to 37% of deals under 50,000 square feet for its peers. Moreover, Sites are the leading factor noted for why JobsOhio loses deals according to interactions JobsOhio has had in unsuccessful efforts.

Description of program: JobsOhio has launched three initiatives under its Sites program to support Ohio's site portfolio: ZoomProspector online database; SiteOhio; and the Revitalization program. ZoomProspector is an online site portfolio which site selectors and companies rely on in their initial assessment of a state's sites portfolio. SiteOhio is JobsOhio's site certification program, launched in 2016, which provides comprehensive review and analysis of sites and indicates which are ready for immediate development. JobsOhio's Revitalization program, launched in 2014 after the phasing out of CleanOhio, has invested approximately \$170 million³³ in the redevelopment of underutilized or contaminated existing properties to further support Ohio's site portfolio.

Assessment of program:

- **ZoomProspector:** JobOhio's online site portfolio database was upgraded to ZoomProspector in 2017. After Ohio's #34 national ranking for its site database in 2014, the new platform has begun to garner positive feedback. Ohio now ranks 5 of 12 in terms of number of sites and buildings on the platform across peers sharing the platform.
- **SiteOhio:** The SiteOhio portfolio currently includes 10 certified sites – which is fewer than top peers (e.g., Georgia has 60+ sites). The strategic quality of site programs (e.g., where certified sites are in relation to talent pools) and the rigor of the certification programs (e.g., which specific attributes must be met for certification) varies by state and makes objective state-to-state comparison challenging. Despite its youth, Ohio had the 11th ranked certified site program in the country in 2017 according to Area Development Magazine, which assesses site certification programs based on the real-life experiences of site selectors working across states.
- **Revitalization program:** Relative to peer programs, JobsOhio's capex return on investment is middle of the pack relative to peers. JobsOhio's revitalization program has seen 12:1 returns on capex compared to 8:1 returns for Michigan's Brownfield Redevelopment program and 27:1 returns for Wisconsin's Idle Sites Redevelopment program. In addition to its revitalization program, JobsOhio has launched a Site Redevelopment Pilot, in partnership with local and regional partners, to invest in speculative site development (e.g., JobsOhio committed over \$26 million in 2016). The long-term aim of this program is to increase Ohio's portfolio of available development sites.

³³ Total investment since 2014 program inception

While JobsOhio's current Sites programs have generated positive outcomes based on the initial one to three years of implementation, current efforts and associated outcomes have not yet reached the same scale as leading peers or what is needed to fully address the challenges. JobsOhio has 1/6 the number of current certified sites compared to Georgia (often touted by site selectors as best-in-class for its sites) and has no mega sites (500+ acres) in its portfolio. Based on this analysis, one opportunity area of further investigation is to create mechanisms to promote larger sites in the portfolio to increase competitiveness in larger deals and the sectors that require larger sites.

2. Talent

Motivation for strategic initiative: Talent is the top factor companies consider when choosing a state for their location. Ohio's talent pool lags its peers and faces significant challenges given macro factors. For example, Ohio's labor supply is ranked 46th and the state's Pre-K through 12 and higher education systems are ranked 36th and 41st, respectively. Given these challenges, JobsOhio launched its own talent initiative in 2016 and deployed projects in 2017.

Description of program: Influenced by best-in-class, proven workforce development programs like Louisiana Economic Development's (LED's) FastStart and Georgia Quick Start, JobsOhio's Talent Acquisition Service provides customized talent solutions for companies that are considering expanding into or relocating to Ohio. JobsOhio's Talent Acquisition Service works directly with companies and serves as an extension of their HR departments. It helps companies with several activities, including writing job descriptions, marketing and posting jobs, and providing training programs for potential employees.

Assessment of program: Because the program only began to deploy projects in 2017, its impact has been limited to date. Key opportunity areas that may allow JobsOhio to scale Talent Acquisition Service's impact may occur as JobsOhio closes the gap between the newer program and other well-established, best-in-class talent programs:

- *Size of team:* JobsOhio has 11 staff across the state dedicated to its Talent offering. Top performing programs have significantly more human resources dedicated to their talent solutions (e.g., Approximately 55, 80, and 140 staff, for LED FastStart, GA Quick Start, and Alabama AIDT, respectively).
- *Marketing of program:* Best-in-class programs invest heavily in marketing and advertising their program, leveraging customer testimonials, videos, and case studies to validate their efficacy. Partially driven by its new offering, JobsOhio's Talent Acquisition Service has not yet aggregated the content needed to produce similar materials.
- *Ownership and autonomy of budget:* Given JobsOhio's commitment to financial stewardship, funding used by JobsOhio's Talent Acquisition Service undergoes stringent inspection in how it is allocated. The aforementioned peer programs, however, reported greater autonomy to test and iterate on solutions in their earlier phases, while remaining accountable for the outcomes.
- *Scale of investments:* Best-in-class workforce programs have made strategic investments in signature company-specific and / or broad-based training facilities (e.g., LED FastStart created a \$22 million training facility for Benteler Steel; AIDT's Maritime Training Center provides free certification programs for all residents). While the JobsOhio Talent Acquisition Service's focus

may be narrower today, its ability to place a few large-scale strategic investments (in programs, infrastructure, etc.) may further unlock its impact.

Given the lagging performance for the state of Ohio and its importance for company decisions, there is an opportunity to scale the ambition of the initiative or associated efforts. While beyond the scope of the assessment, additional analysis may consider opportunities such as supporting broader workforce strategy, and greater activation of education providers in alignment with labor market needs, considering these efforts in the context of JobsOhio's remit.

3. R&D / Innovation

Motivation for strategic initiative: Ohio ranks 47th in its share of companies less than five years old, the primary drivers of net job creation in Ohio and across the US.³⁴ Despite strengths in idea generation and startup survival rates (e.g., Ohio ranked fifth nationally in inventions disclosed by institutions and 11th in five-year startup survival rates), Ohio lacks the funding and institutional supports needed to grow nascent companies.

The key challenges for Ohio include:

- *Funding:* Ohio is 29th in the US in per capita seed funding and 37th in IPO funding.³⁵
- *Institutional support:* Ohio ranks 34th in the number of angel and seed funds per capita and 21st in per capita corporate venture capital investment.³⁶
- *Culture:* Ohio ranks 25th in small business friendliness.³⁷
- *Talent attraction:* Low levels of population growth reinforce the limited in-migration of talent

Description of program: In 2016, JobsOhio developed and introduced a Research & Development Center Grant program with \$50 million of initial funding (which has since been expanded to \$100 million). The funding, which supports establishment of new R&D centers in the state, aims to increase commercialization in Ohio, provide middle-market companies with access to funding for R&D Centers, position Ohio more favorably to win production facilities (post R&D) and increase the availability of high-tech talent in Ohio.

Assessment of program: JobsOhio's Research & Development Center Grant program and its \$100 million of funding has helped to support innovation in Ohio. The early outcomes of the program include generating 100+ targeted conversation, 20+ offers, and 8 wins. The wins highlight the program's support for R&D efforts of emerging industries, include autonomous transportation and 3-D printing, intended to position Ohio for leadership in high growth industries. A comparative assessment of the JobsOhio R&D Center program against its peers is difficult. Other states leverage R&D tax credit programs and a few have similar sized funds (e.g., NY's \$45 million Innovate NY Fund), but comparison on an EDO level is challenging. While beyond the scope of the assessment, additional analysis should be considered around collaboration with other entities focused on promoting greater R&D or innovation (e.g., Third Frontier) and prioritization and mobilization of funding aligned with strategic priorities.

³⁴ US Census Business Dynamics Statistics; Business Employment Dynamics; based on most recent decade of data from 2004-14

³⁵ Pitchbook, 2014-2017

³⁶ Pitchbook, 2014-2017

³⁷ Small Business Friendliness Survey, 2017

IV. ADDITIONAL ACTIVITIES

Marketing and Brand Awareness

Motivation for initiative: The brand of a state plays a role in several key areas that underlie economic performance. From influencing talents' decision to move, to informing the opinions of executives who are considering relocation, the salient story / brand of a state matters in driving positive economic development outcomes. Ohio's brand remains largely undefined with limited agreement within the state or outside of the state on Ohio's unique story.

Description of program: To overcome these challenges, JobsOhio has invested in marketing and advertising the state of Ohio. While JobsOhio's efforts are separate from tourism, JobsOhio invests approximately \$10 million in 2017 in campaigns and events to reshape the perceptions of the state and further improve the business attractiveness of Ohio.

Assessment of program: The measurement and ranking of brand across peer states is challenging given the inherent perceived nature of state image. That said, this performance assessment examined the areas and focus of JobsOhio's marketing spend. Assessment of JobsOhio's marketing efforts highlighted that JobsOhio is among the top third in its use of digital media, among the fastest growing, most effective avenues in shaping corporate executive decision-making. As an example, on LinkedIn, the social media platform most used by corporate executives, JobsOhio has the fourth highest number of followers among peers. Additional opportunity areas to consider to deepend the impact of marketing efforts including, but are not limited to:

- Measuring image and brand perception relative to peers
- Defining the value proposition clearly and promoting messaging accordingly
- Developing customer segmentation to tailor approaches
- Omni-channel approach, learning from consumer company best practices
- Partner with leaders in consumer/retail brand in Ohio to create and execute a state brand effort

3 | JobsOhio's Operating model

A. ORGANIZATIONAL STRUCTURE, TALENT, AND HEALTH

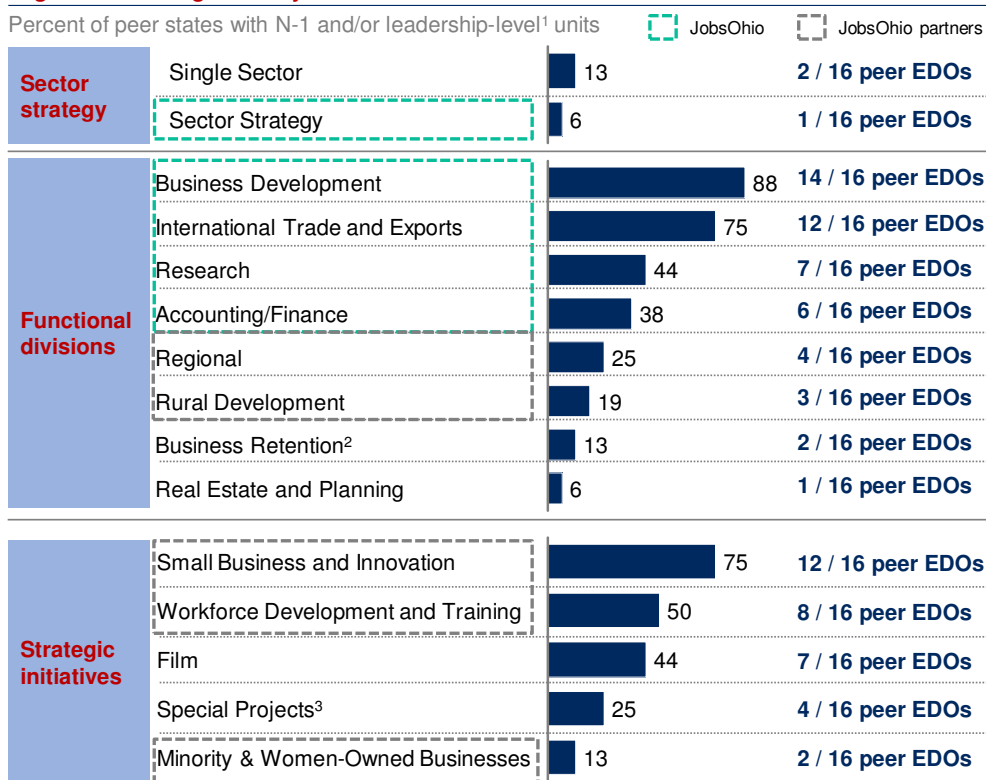
As a private non-profit corporation, JobsOhio is a leader amongst peer EDOs across organizational measures including staff efficiency, talent level, and distinct sector-based organization alignment.

ORGANIZATIONAL STRUCTURE

JobsOhio's organizational structure is most clearly distinguished from peer EDOs for its sector alignment, one of only two organizations among peers (Wisconsin being the other) with designated sector expert teams that report directly to the CEO. This alignment elevates JobsOhio's nine target industries and their sector strategies, alongside the more traditional functional divisions of business development, finance, and research. Interviews further highlighted the reported benefit of this expertise. In the words of one JobsOhio partner, "We tap into the sector Managing Directors all the time...They are a great asset that I don't know if many other states have."³⁸

Exhibit 23: Organizational structure alignment across peer EDOs

Organizational alignment by state



¹JobsOhio not included in percentages. Divisions may not be led by N-1 level staff but are referenced at leadership or department level on website; North Carolina represents Economic Development Partnership of North Carolina; Florida reflects Enterprise Florida. May not be exhaustive of all departments. Indiana not included.

²Distinct from business attraction and development division and uniquely focused on the retention function

³Special projects include Planet M in Michigan, zero emissions vehicle infrastructure in California, etc.

⁴Single sector strategies include automotive in Michigan, sports in Florida vs. multiple sector leadership-level teams in Wisconsin and Ohio. Tourism not included.

SOURCE: EDO websites

³⁸ Interviews conducted as part of the analysis

Comparing JobsOhio’s organizational alignment relative to peers highlights its relative areas of emphasis compared to peers (Exhibit 23).³⁹ JobsOhio has CEO direct reports for core functional divisions such as Business Development, Accounting, much like many peer EDOS. However, JobsOhio differs from approximately 75% of peer EDOs in that it does not have “CEO direct reports,” or “N-1 level” roles, for strategic initiative directors (e.g., Talent). Many of these roles exist within the JobsOhio organization, however not at the N-1 level. Many key functions are also found in JobsOhio partner ecosystem.

JobsOhio ranks fifth in leanness among peer EDOs when adjusting for state size, with 94 total staff positions⁴⁰ compared to the peer average of 143. Its staff are highly productive, ranking third in incentive deals per front office staff and second in total jobs per front office staff.

JobsOhio has a high leadership to line staff ratio, and an average managerial span of four, which falls within the optimal management range for the economic development player/coach archetype. After adjusting for JobsOhio’s staff levels to focus on economic development positions, the organization’s structure has slightly more back office functions⁴¹ relative to best-in-class peers. JobsOhio has 27% of staff in back office support roles, compared to 25%, 13%, and 9% in Florida, North Carolina, and Texas, respectively.

ORGANIZATIONAL TALENT

JobsOhio staff talent level is highlighted as a strength among its peers and by customers. Partial evidence for this is the fact that approximately 85% of JobsOhio staff hold a Bachelor’s degree or higher (second among peers). Interview insights also support this view, as one JobsOhio stakeholder said, “the quality of the people at JobsOhio across the board are much better than traditional departments of development.”

JobsOhio’s leadership team have above average levels of experience, with 21 average years of work experience compared to the peer average of 19 years. JobsOhio is a relatively new organization; its average tenure is lower than all but one peer EDO, with 86% of staff having been at the organization less than five years. JobsOhio staff are also less experienced on average, with approximately 38% of staff having less than 10 years of overall work experience.

JobsOhio is considered to have a lean, productive staff that generates meaningful return on investment (ROI) for their wages. The organization generates the third most jobs among select peers⁴² for the salaries and benefits it pays employees.

ORGANIZATIONAL HEALTH

An internal organizational survey conducted for three consecutive years highlights internal alignment in the areas of culture, strategy, people, and adhering to its core values. Based on prior year results, performance on “strategy” realized the highest improvement from 2015 to 2017, with improvements in the views that ‘front-line staff receive effective training in how to sell’ and ‘JobsOhio does a good job of

³⁹ Across EDOs, units have different naming conventions and at times combine or separate distinct functions. The most common naming of units is provided in the exhibit, recognizing that JobsOhio’s units have different naming conventions (e.g., “International Business Development” versus “International Trade and Exports”)

⁴⁰ JobsOhio and Peer EDO staff positions based on all positions (filled and open) to ensure comparability across EDOs

⁴¹ Defined as administrative functions such as accounting, human resources, or IT, as opposed to “customer” or “deal” facing functions such as project managers

⁴² Salary and benefit information available for 9 state EDOs including VA, NC, OH, FL, KY, WI, MI, AL, WV

getting feedback from clients.’ Other areas of strength include statements related to: immediate supervisors (e.g. ‘my immediate supervisor behaves in a way consistent with JobsOhio’s core values’); personal ownership (e.g. ‘I recognize that my behavior has a significant impact on the performance of my company and the people around me’); and client service (e.g. ‘employees at JobsOhio work hard to provide exceptional service to clients’). The survey identified two primary improvement areas in 2017, including internal processes and structure, and providing more defined career progression opportunities. Many peer EDOs share these challenges.

GOVERNANCE

An assessment of JobsOhio’s governance structures – the size, profile and role of its board of directors – highlights professionalization more closely resembling private industry than traditional EDO structures. EDOs predominantly have board of director member profiles tied to the public sector (e.g., Georgia’s EDO has 14 district congressional representatives on its 25-member board). JobsOhio’s board of director’s members, by contrast, represent private industry. Private sector boards, on average, are smaller than public or social sector counterparts, focused on decision making rather than engagement or fundraising responsibilities. JobsOhio’s board more closely compares to the private sector, with a 9-person board as compared to 18-person average size for peers. JobsOhio’s board’s roles are delineated by the by-laws at the inception of the organization. Such governance mechanisms have allowed the board to remain focused on a narrow scope (e.g., oversight, strategic guidance) without micromanaging and impeding the speed or progress of deals.

B. JOBSOHIO’S OPERATIONS

To assess JobsOhio’s operational performance, this report examined four core processes. For each process, it identified JobsOhio’s strengths and areas of opportunity relative to lean best practices, leading private sector benchmarks, and customer feedback, where applicable. Because limited visibility is available into the internal processes of peer EDOs, this chapter contains limited comparison to peer EDOs.

JobsOhio features many best-in-class attributes in its operations, with strengths in its deal-making and reimbursement processes. It uses an integrated software system across its economic development ecosystem, has clearly delineated its process steps, and employs leading reporting tools. Areas of improvement exist, particularly around shortening the time it takes JobsOhio to hire candidates.

I. DEAL-MAKING

The operational analysis of JobsOhio’s deal-making process identified six unique steps: lead generation; project due diligence (DD); deal structuring; application process; approval process; and deal closing. Lean operations best practices were used to assess JobsOhio’s processes along the eight most-common sources of inefficiency.⁴³

⁴³ Lean management best practices, as cited in Lean Six Sigma or found in Process Excellence Network, considers 8 sources of inefficiency: (a) **Intellect** (failure to utilize the time and talents of people), (b) **Overproduction** (producing too much or producing too soon), (c) **Transportation** (any nonessential handling), (d) **Inventory** (any more than the minimum to get the job done), (e) **Waiting** (waiting on information paperwork or decision making), (f) **Over-processing** (unnecessary additional processing), (g) **Rework** (correction of an error or an incomplete activity), (h) **Motion** (any motion that does not add value)

Exhibit 24: Strengths and challenges in JobsOhio's core processes

		★★★★★	★★★★	★★★	★★	★	
		Highest performing	Above average	Average	Below average	Emerging	
	Rating	Performance					● Core Strength ● Improvement needed
Deal making	★★★★	●	Clearly mapped roles and responsibilities for deal diligence				
		●	Efficient software integration (Salesforce)				
		●	Potential to improve accountability in lead phase				
Reimbursement	★★★	●	Instruction videos to aid customers				
		●	Random sampling of documentation for workforce grants				
		●	>3 months average time to disburse funds from initial request				
		●	Potential to improve coordination of customer requests				
Hiring	★★	●	Key roles being filled				
		●	Average time to hire 5 months versus 1 month for best-in-class				
		●	Infrequent updates during process lends poor perception to top talent candidates				
IT procurement	★★★	●	Little duplication of software tools (less than 5% to 10%)				
		●	Staff mostly have needed tools				
		●	Average time to procure software ~2 months, in line with peers				
		●	Siloed groups unaware of potentially useful software used elsewhere in organization				

JobsOhio's strengths along the deal-making process include:

- Due Diligence has mapped out clear roles and responsibilities, and utilizes project managers and project coordinators extensively
- The Application process, which uses pre-populated forms to leverage CRM data, is in-line with best-practices

Identified areas of opportunity include:

- The Lead generation step, where internal staff said they were unclear about roles and responsibilities
- The Deal structuring step, where the use of loans could be expanded and improved

Exhibit 25: Strengths and challenges in the deal making process

		Efficiency ● Low ● Ok ● Good	
Stage	Strengths	Challenges	Inefficiency
● Lead	<ul style="list-style-type: none"> Use of integrated software for tracking throughout process Ability to assure clients confidentiality 	A Unclear roles/responsibilities during Lead phase	Waiting
● Project DD	<ul style="list-style-type: none"> Roles and responsibilities mapped PM's and PC's highly utilized 	N/A	
● Deal Structuring	<ul style="list-style-type: none"> Subject matter experts leveraged PC's ensure complete Salesforce records <10 mins per project at Project Review Mtg Exec Dir Ops pre-filters before JO/DSA Early pre-vetting to prevent surplus work Incentives disbursed for job creation "pull" 	B Constraints on MDs availability delay process C Sub-optimal process with financing program D Companies request amendments late E Need for Talent services incorporated late F Project Review Meeting includes projects with incomplete data G Perception of key approvers bottlenecks	Waiting Intellect Rework Rework Motion Waiting
● Application	<ul style="list-style-type: none"> Application pre-populated for customer using Salesforce data from prior phases 	N/A	
● Approval	<ul style="list-style-type: none"> Regular cadence of approval body meetings Independence of legislature (~30% of peers) 	H Large deals/incentives require board and management team approval	Waiting
● Closing	<ul style="list-style-type: none"> N/A 	I Talent services with limited offering flexibility J Modifications require exec approval	Intellect Over-processing

JobsOhio's deal-making process was also assessed against best practices in business development, lead generation, deal due diligence, pipeline management, and deal structuring. Many strengths emerged, including the existence of: (1) defined stages of the deal-making process (from lead to preliminary due diligence to definite due diligence to negotiation to closing); (2) a sector/industry specialization structure; (3) clear criteria that are consistently applied to eligibility screening; (4) rigorous enforcement of investment discipline (e.g., clear standards for investment); and (5) quantitative evaluation of opportunity (e.g., ROI and NPV calculation). JobsOhio could consider adopting other best practices, including greater coordination in lead development, and increased leadership debate on deals (e.g., best-in-class private investment firms dedicate one of two partners on each deal to serve as a devil's advocate on the investment committee).

Customers experience working with JobsOhio positively, despite potential areas of improvement and internal pain points. In fact, JobsOhio ranked third nationally among site selectors and its own customers report 80% satisfaction in dealing with it.

Exhibit 26: Customer perception of deal-making and process efficiency performance across EDOs

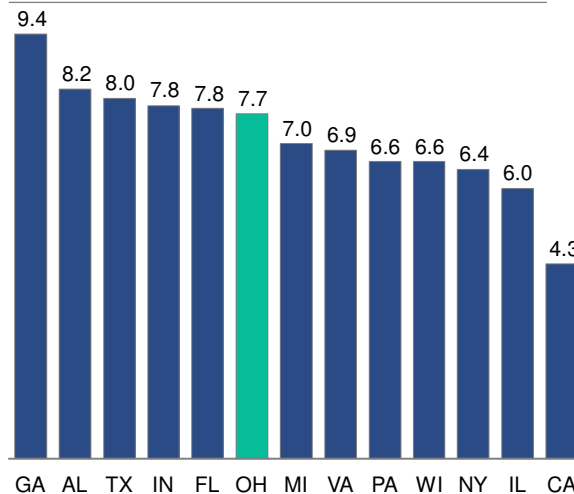
Peer EDO responses to survey question¹ on deal-making process time in months

Number of months

EDO State	Reported Time
Texas	3 to 6
South Carolina	3 to 6
Wisconsin	3 to 6
Ohio	6 to 9 ²
Indiana	6 to 9
Nevada	9 to 12
North Carolina	9 to 12
Virginia	9 to 12
West Virginia	12 to 18
Michigan	12 to 18

Customer responses to survey question³ on process efficiency for various EDOs

Average rating (Scale of 1 to 10)



¹ "How many months does it take from the point of engaging a state or local EDO to finalizing incentive agreements?"

² Based on Salesforce data analysis

³ "On a scale of 1 to 10 (1 being the quickest and most efficient deal process you've ever had with a state or local EDO), how would you rate the speed and efficiency of the EDO?"; Includes 13 states; excludes states rated by 4 or fewer respondents: South Carolina, West Virginia, Tennessee, North Carolina, and Kentucky

SOURCE: Customer and Peer EDO surveys, Salesforce Analysis

II. REIMBURSEMENT

Overall, JobsOhio's reimbursement process has several layers of oversight to ensure responsible financial stewardship. It does have an opportunity to provide more education to customers on the front-end and empower internal staff to make decisions more autonomously on the back-end.

Customers experience JobsOhio's reimbursement processes positively, with several internal interviews revealing post-deal reimbursement as a particularly easy part of the process.

JobsOhio's strengths within the reimbursement process include:

- Use of instructional videos to educate customers
- Proactive calling of customers to encourage compliance
- Quick turnaround time for fund disbursement (e.g., JobsOhio disburses funds in less than six days after approval more than 80% of the time)

Identified areas of opportunity include:

- Clearer, earlier communication of compliance metrics (and their definitions) to project managers and coordinators.
- Need for greater project performance team ownership when making judgement calls on reimbursable expenses
- Potential over-processing in the reimbursement approval process

III. HIRING

The speed of JobsOhio's hiring process was identified as one of the greatest operational improvement opportunities. Compared to best-in-class organizations, JobsOhio's time to hire (up to five months) lags top performers and private sector examples, where hiring times can be less than one month.⁴⁴

JobsOhio's strengths within the hiring process include:

- Use of online recruiting tools
- Effective use of third-party recruiting services, when appropriate
- Quick turnaround time when candidates are in competitive negotiations with other firms

Identified areas of opportunity include:

- Faster turnaround time on candidate decisions
- More streamlined internal candidate feedback process (e.g., group debriefing sessions)
- More regular communications with candidates between rounds of interview process

IV. IT PROCUREMENT

JobsOhio's IT procurement processes were assessed to develop a perspective on broader procurement practices for the organization. JobsOhio leverages multiple IT vendors to mitigate long-term consolidation risk, and the procurement of new IT software undergoes levels of review before purchase. Relative to best-in-class programs, its IT procurement performance is considered average.

JobsOhio's strengths within the IT procurement process include:

- The use of integrated software systems across its network (e.g., Salesforce)

Identified areas of opportunity include:

- Educating staff on the availability of IT tools available at JobsOhio
- Potentially empowering IT managers to make more autonomous procurement decisions

C. CUSTOMER AND STAKEHOLDER ENGAGEMENT

CUSTOMER ENGAGEMENT

What matters to customers?

For the benefits of the citizens of the state and to achieve the performance outcomes mentioned earlier, EDOs serve two core "customers": (1) companies; and (2) groups working on behalf of companies (e.g., site selectors). These customers value attributes related to a state's overall macro context (e.g., talent) and the EDO's performance (e.g., process, service). Talent is cited as the most important factor in the state's macro context, while the most important attributes when working with EDOs are the variety / type of incentives offered and process timeliness.⁴⁵

Overall performance

⁴⁴ Expert interviews and non-industry-specific, including private sector, benchmarks

⁴⁵ Customer survey

Customer engagement was assessed through three methods: dialogues with over 40 JobsOhio customers on their experience in working in Ohio; an external customer survey of more than 15 site selectors and C-suite executives with over 200 years of experience across peer states; and detailed interviews with current and former JobsOhio customers. The result of the internal customer surveys in 2017 was that 80% of customers reported being satisfied or very satisfied with their experience working with JobsOhio.⁴⁶

An external expert survey ranked JobsOhio second among peer EDOs in overall customer satisfaction and its likelihood to be recommended for additional work (see Exhibit 27).⁴⁷ Development Counselors International ranked JobsOhio as the third best state EDO in the country in 2017. These results are consistent with the ones listed above.

Exhibit 27: Customer survey feedback across All Peer EDOs



¹ Includes 13 states; excludes states rated by 4 or fewer respondents: South Carolina, West Virginia, Tennessee, North Carolina, and Kentucky
SOURCE: Customer survey

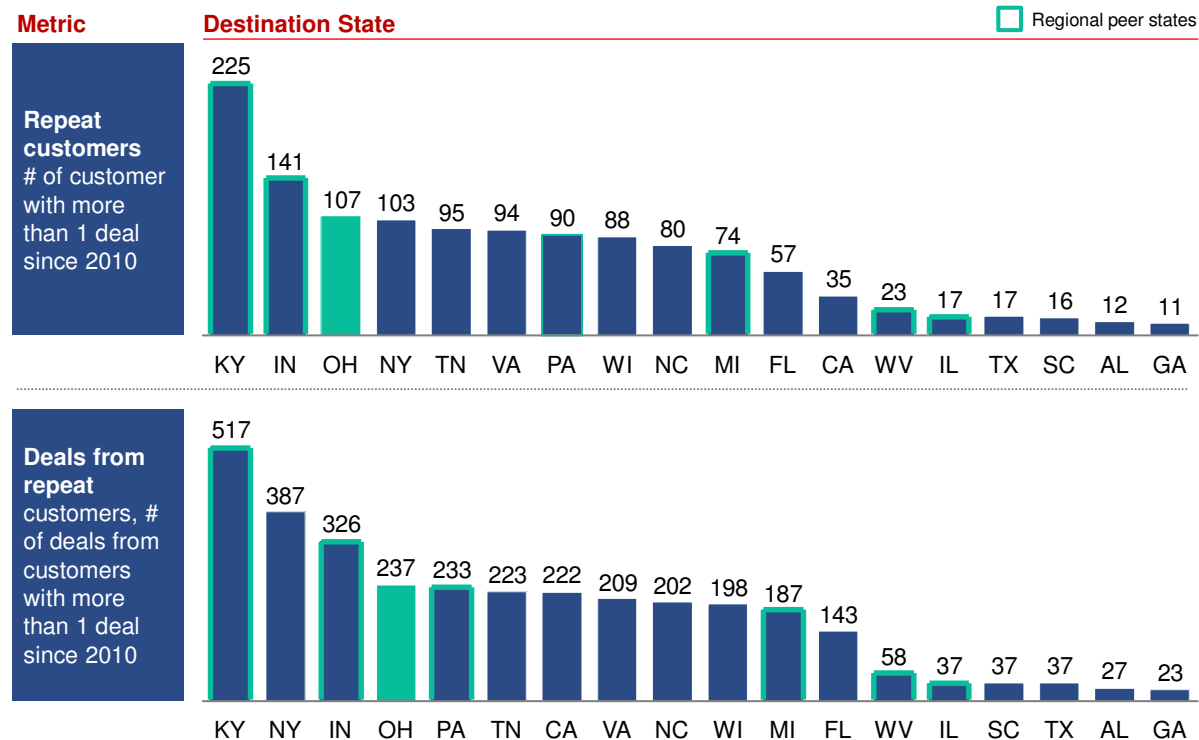
Finally, JobsOhio has the third highest number of repeat customers⁴⁸ among All Peers since 2010, which could also suggest strong customer satisfaction (see Exhibit 28). Over the same period, it had the fourth highest number of deals from repeat customers among All Peers – 237 deals, representing 29% of all deals over the past five years, were generated from JobsOhio’s repeat customers.

⁴⁶ Based on 2017 internal customer survey administered by JobsOhio

⁴⁷ Independently administered customer survey includes 13 states as it excludes states rated by 4 or fewer respondents: South Carolina, West Virginia, Tennessee, North Carolina, and Kentucky

⁴⁸ Incentives monitor

Exhibit 28: Repeat customer deal volume across All Peer EDOs



Performance against Customer priorities

Survey data and customer interviews highlight four dimensions that drive customer experience: (1) process execution (e.g., timeliness); (2) process experience; (3) product offerings; and (4) service. Survey and interview data from site selectors and C-suite executives highlighted the importance of the dimension to JobsOhio's performance ranking among peers (mid-to-top tier):

- **Process execution (Six out of 13 peers):**⁴⁹ Survey respondents consistently noted that the timeliness of the incentives process was among the top reasons for a positive experience in working with state EDOs. Internal JobsOhio customer data suggests that while JobsOhio is responsive in the incentives process, other states have faster times to finalize a deal. Given its middle of the pack ranking on process execution, timeliness is a likely improvement area for JobsOhio.
- **Process experience (Five out of 13 peers):** Project management and coordination of process are among the skills most valued by customers and most important to survey respondents when working with EDOs. Customer feedback indicated that JobsOhio's performance strengths include a clear point of contact, close communication, and facilitation of connections, as well as deal expertise and a 'sense of urgency.' Overall, interviews suggest customers seem to experience JobsOhio's incentive process positively. The Internal processes improvement areas (identified in Section 3B) may help explain a lack of leading performance here.

⁴⁹ Peer states excluded due to limited expert exposure: South Carolina, West Virginia, Tennessee, North Carolina, and Kentucky

- **Product and policies (Three out of 13 peers):** Strengths highlighted in customer surveys include flexibility to adjust grants and “value-add” incentive programs. Survey respondents noted that the top reasons for negative experiences in working with EDOs centered around complex and inflexible policies. JobsOhio seems well equipped to listen to customer concerns and deliver tailored solutions to fit their needs.
- **Service (Four out of 13 states):** Staff responsiveness was consistently noted as one of the top reasons for a positive experience in working with state EDOs. Internal customer perspectives underscore that this is a competitive advantage for JobsOhio; many customers laud the professionalism and skill of JobsOhio’s staff. Customers cited staff who would do “whatever it took to overcome obstacles” and “service that exceeded expectations.”

Opportunities for improvement

There were several common themes from customers for ways to improve the experience in working with JobsOhio and the regional network. Potential areas for improvement include:

- **Clarifying points of contact:** Emphasize JobsOhio’s role in supporting regional network partners and make the relationship between JobsOhio’s and the region’s work clearer
- **Broaden engagement:** Enhance regional network partnerships by engaging additional partners in appropriate activities (e.g., engage Chambers of Commerce and educational partners)
- **Anticipate customer challenges and hold a proactive dialogue:** Communicate steps for customers as they move through process and explain how their engagement with JobsOhio and regional network partners will work. Employ this communication to better anticipate customer needs.

STAKEHOLDER ENGAGEMENT:

JobsOhio’s EDO network is state-led, with JobsOhio setting state goals and its six network EDOs delivering on those objectives regionally. There is overall alignment between the state EDO and the network members (e.g., sector alignment exists among target industries, and each network area has different coverage of the sectors). In the JobsOhio-regional partner relationship, JobsOhio provides the partner with significant performance and financial support. The regional partners provide leads and deal support, report performance, and budget for annual expenses. The balance of activities JobsOhio provides to Regional Partners appears to outweigh those provided to JobsOhio (see Exhibit 29).

JobsOhio also maintains key mechanisms for collaboration among the regional EDOs:

- **Management:** Sets KPI targets and subjective criteria; requests regular financial and KPI reports
- **Feedback:** Undertakes semi-annual evaluations against KPI metrics and subjective criteria
- **Regular Communication:** Maintains a regular cadence for meetings of leadership, Talent Acquisition Services, project reviews, and other functional meetings (e.g., marketing)
- **Resources:** Provides sector expertise and funding for partners
- **Board of Directors role:** Across most regional partners, members of the JobsOhio team maintain active membership on boards creating opportunities for greater alignment in strategy and implementation

Exhibit 29: Overview of activities and collaboration between JobsOhio and Regional Partners



SOURCE: Internal interviews; Non-program agreements

Regional stakeholders expressed positive feedback about working with JobsOhio. Several of the strengths that they highlighted in their interviews include:

- **Valuable sector expertise:** Sector experts and project managers were cited as real assets in the deal-making process (e.g., speaking company language, understanding the overall process)
- **Partnership with staff at all levels:** Strong staff relationships at lower levels (e.g., Project Managers and business development), where JobsOhio staff are considered sharp, responsive, and generally easy to work with
- **Stronger level of collaboration relative to precedent** (the former Department of Development): JobsOhio has facilitated stronger relationships across the state with a noticeable improvement over the Department of Development. It was recognized as improving the process of bringing regional EDOs to the decision-making table.
- **Leadership in addressing cross-sector challenges:** Regional partners see talent, sites, and innovation programs as critical to Ohio's competitiveness. They praise JobsOhio for making investments in these areas and believe there is room for even more to be done.

Regional partners also identified several areas where JobsOhio can improve, notably:

- **Communicate decisions and priorities:** Regional partners see opportunity for more frequent, two-way communications of JobsOhio’s decisions, priorities, objectives, and the rationale for decisions.
- **Empower decision-making:** Partners see an opportunity to take greater leadership roles in select deals and processes and to have greater decision-making autonomy. JobsOhio’s oversight is sometimes perceived as a lack of trust in its partners.
- **Engage partners in developing a bold direction for “Ohio”:** Partners want JobsOhio to have a visionary aspiration of where the state of Ohio is headed, and to set bold goals to create shared buy-in among the regional partners. They see an opportunity to leverage JobsOhio’s distinct independence and funding to be more aggressive in programs and long-term investments while engaging regional partners more in strategic planning process. Furthermore, there is an opportunity to engage partners to leverage sector expertise at the regional level, particularly private sector leaders across regions, in support of cluster development and sector prioritization at the regional level. This would include identifying cross-regional clusters where there would be greater value of collaboration where more than one region has strengths and assets.

Along with the regional partners, Local EDOs (LEDOs) also play a central role in achieving economic development performance objectives. The partnership between JobsOhio, regional EDOs, and LEDOs was noted as an area of strength by some interview participants. However, a detailed review of LEDO engagement was not considered in this analysis; it could be part of a further review of JobsOhio’s operating model.

Beyond the regional EDO network, JobsOhio may have opportunities to further leverage other state stakeholders (e.g., CEO councils, Chambers of Commerce, educational partners) in attracting companies to and retaining them in Ohio. Currently, JobsOhio has chosen a more ad-hoc approach when engaging these stakeholders. Interviews with them suggest that they would be open to a more regular, formalized level of engagement with JobsOhio.

4 | Questions for JobsOhio to Consider

JobsOhio is a high-performing organization that achieved top-tier performance outcomes in support of its mission. In engaging internal and external stakeholders as part of the assessment of the organization's performance, a series of near- and long-term questions emerged. JobsOhio might consider these as it drives the organization's performance toward the next horizon.

In the near-term, there are a series of questions that JobsOhio might consider for the next trajectory of growth and impact:

- What investments can elevate the priority of the major strategic initiatives (i.e., Sites, Talent, R&D) and accelerate their pathway to becoming best-in-class programs that meet critical customer needs and mitigate broader economic headwinds the state is facing?
 - How to further grow the sites portfolio in a way that matches the needs of target industries and unlocks greater investment? Can creative sources of capital be mobilized and deployed efficiently in service of this objective (e.g., PPPs)?
 - How can the talent and population challenges be address before those headwinds create even greater pressure on the ability to win deals? In what ways can JobsOhio enhance broader workforce strategy and greater activation of education providers to align with labor market needs, while staying within its remit?
 - Where collaboration opportunities can promote greater R&D and innovation investment and mobilize funding aligned with strategic priorities?
- What process improvements could enhance operations (e.g., lead generation in the deal-making process, hiring) and ensure best-in-class processes for customers, partners, and staff?
- What organizational changes could help expand business development opportunities and further increase JobsOhio's ability to attract and win deals?
- What development opportunities can advance and grow the careers of JobsOhio's highly-talented, professional staff and ensure the organization's talent is a continued source of distinctiveness?
- How could the local expertise of regional partners and other stakeholders be better leveraged to allow JobsOhio to have even larger impact across the state?

In the long-term, responding to broader questions is required to ensure sustainable impact and continued leading performance, particularly considering the recent economic headwinds faced by the state of Ohio. As JobsOhio seeks to meet the needs of customers in the economy of the future, and to increase its impact on jobs, capital investment, and payroll growth across the state, these questions should guide critical design choices for the organization's next horizon:

- What larger investments can offset some of the headwinds facing Ohio's economy?
- How can JobsOhio further streamline and empower decision-making across its operations, ensuring strategy remains elevated at the leadership level and deal operations are executed by project staff and regional partners?
- How can JobsOhio use its flexible and well-resourced platform to creatively attract more innovative companies to Ohio aligned with strategic priorities?

APPENDIX | ADDITIONAL ANALYSES

Ohio experienced a marked improvement in the Forbes Best States for Business ranking, but labor supply is still a challenge



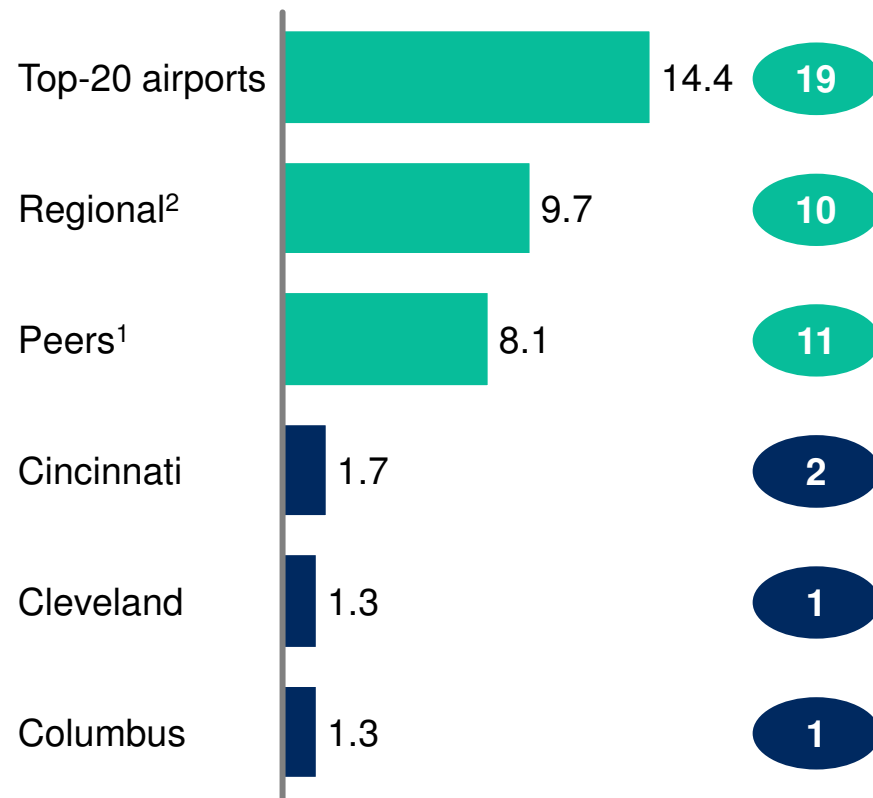
	2011	2017	Change
<i>Forbes Best States for Business</i>	38	14	+24
A. Business cost Labor, energy, taxes	30	14	+16
B. Labor supply Educational attainment, migration, projected population growth, unionization	47	46	+1
C. Regulatory environment Tax incentives, tort liability, regulations, bond ratings, right to work	10	12	-2
D. Economic climate Job, income, and GDP growth; unemployment rate, company HQs	47	12	+35
E. Growth prospects Job, income, and GDP growth forecasts; business opening/closing, VC funding	34	24	+10
F. Quality of life Poverty rates, crime rates, cost of living, school test performance, health, culture and recreation, temperature, college ranking	13	2	+11

The lack of a major international airport is an obstacle to private investment attraction in Ohio

 # destination cities

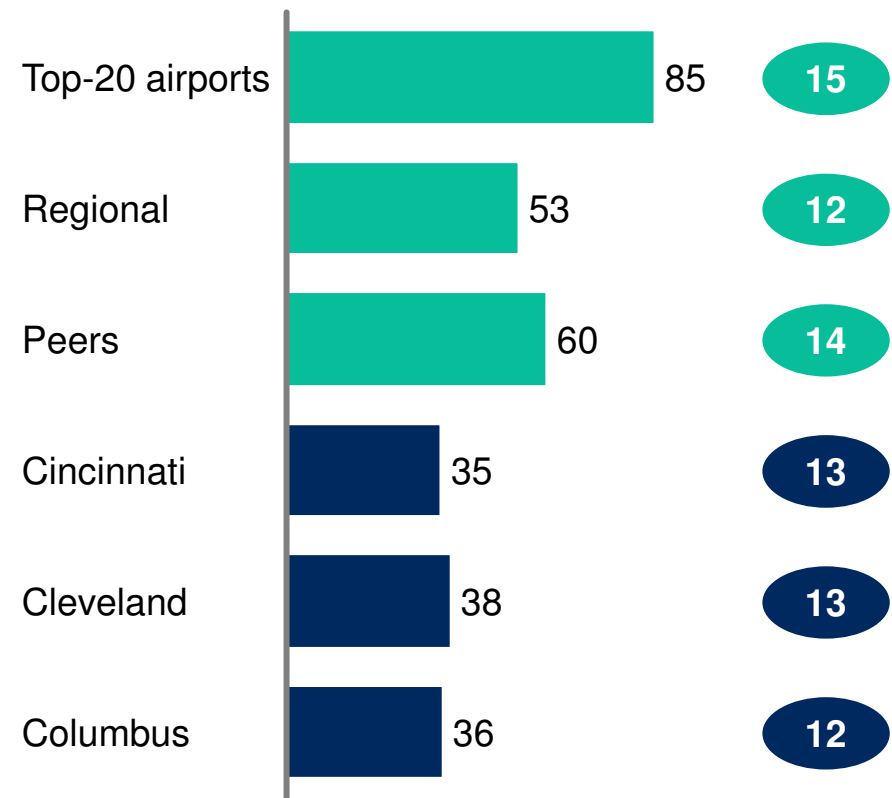
Number of passenger flights to top-10 FDI countries³

Thousand, Feb 2017-18



Number of passenger flights to top-15 US metropolitan areas⁴

Thousand, Feb 2017-18



¹ Alabama, Florida, Georgia, New York, North Carolina, South Carolina, Tennessee, Texas, Virginia, and Wisconsin

² Indiana, Illinois, Kentucky, Michigan, Pennsylvania, and West Virginia

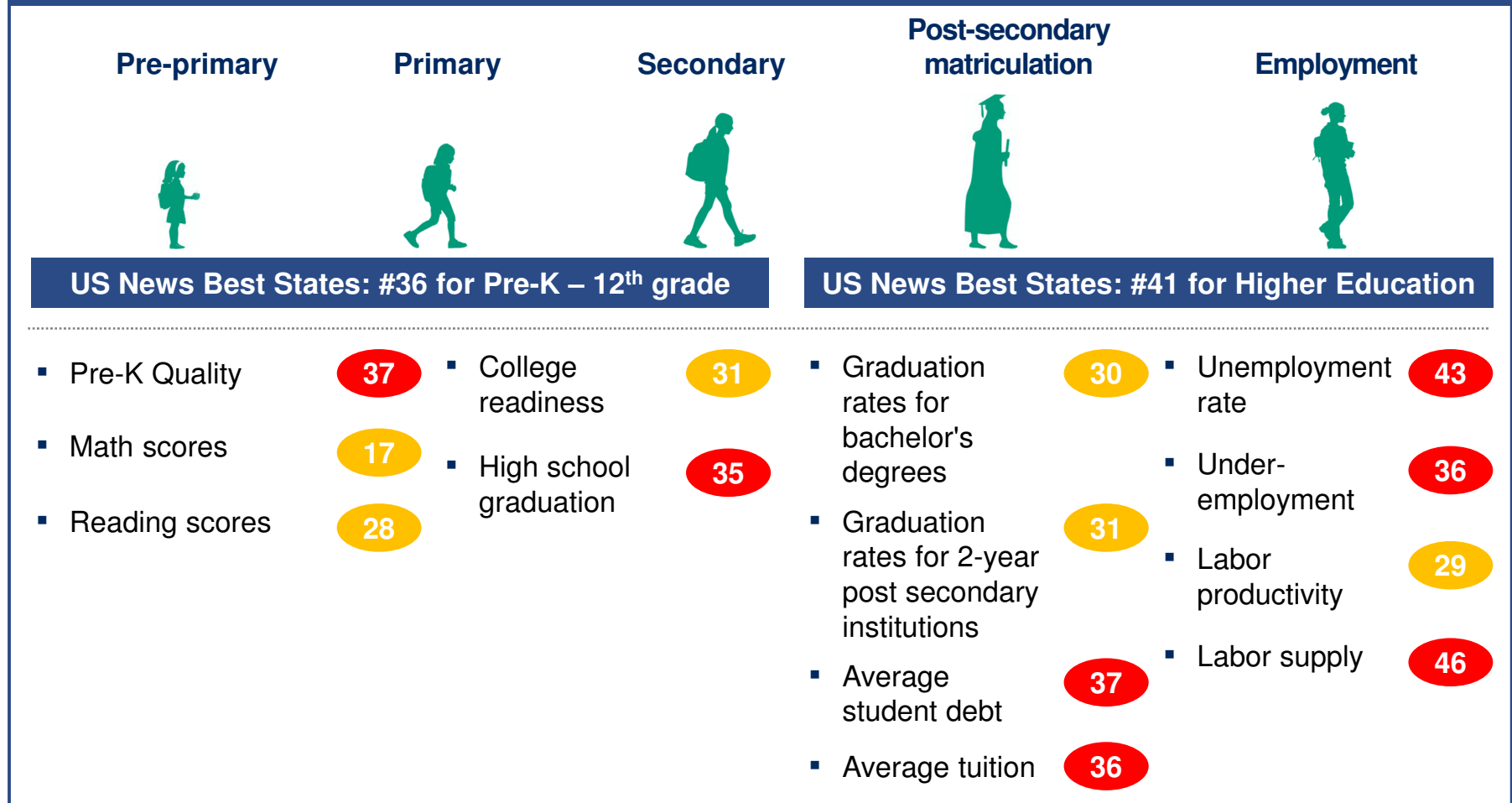
³ Austria, Canada, China, France, Germany, Japan, Netherlands, Switzerland, United Arab Emirates, United Kingdom

⁴ Atlanta, Boston, Chicago, Dallas, DC, Detroit, Houston, Los Angeles, Miami, Minneapolis, NYC, Philadelphia, San Jose, Seattle, San Francisco

There are challenges across Ohio's human capital pipeline

Ohio rank in US	
#	Top 15
#	Middle 20
#	Bottom 15

Ohio's performance compared to other states across pipeline

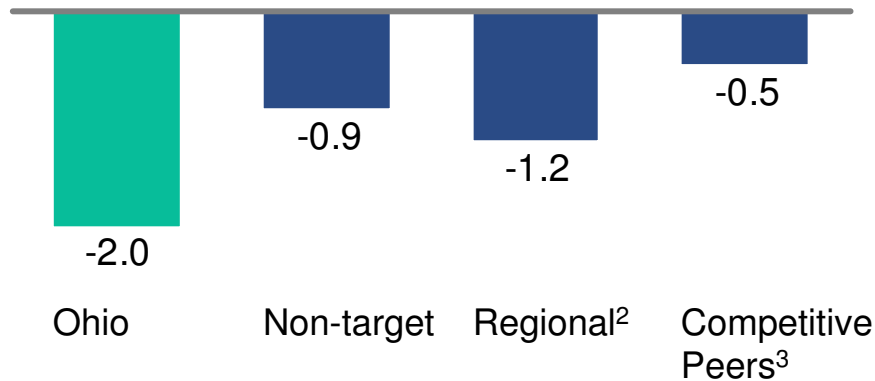


Industries targeted by JobsOhio experienced a turnaround in employment growth relative to peers and non-target industries

From losing 125 thousand jobs

Employment growth in target industries¹
CAGR, 2005-2011

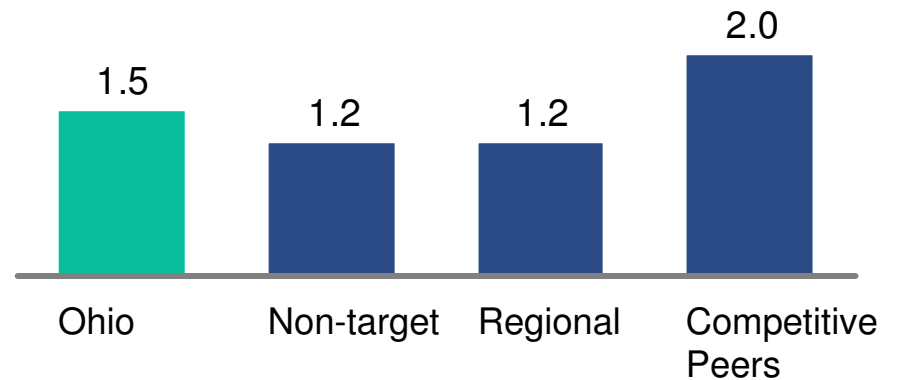
49th



To gaining 85 thousand jobs

Employment growth in target industries
CAGR, 2011-2017⁴

23rd



¹ Aerospace & Aviation, Automotive, Financial Services, Bio-health, Advanced Manufacturing, Shale Energy & Petrochemicals, Food Processing, Information Technology & Services, Logistics & Distribution; ² Indiana, Illinois, Kentucky, Michigan, Pennsylvania, and West Virginia; ³ Alabama, California, Florida, Georgia, New York, North Carolina, South Carolina, Tennessee, Texas, Virginia, and Wisconsin; ⁴ All dates consider year end, e.g., 2011-December 2011

Based on industry competitiveness, Ohio captured varying shares of new jobs across target industries

Change in share relative to 2011 Ohio share

■ Lost share

■ Maintained share

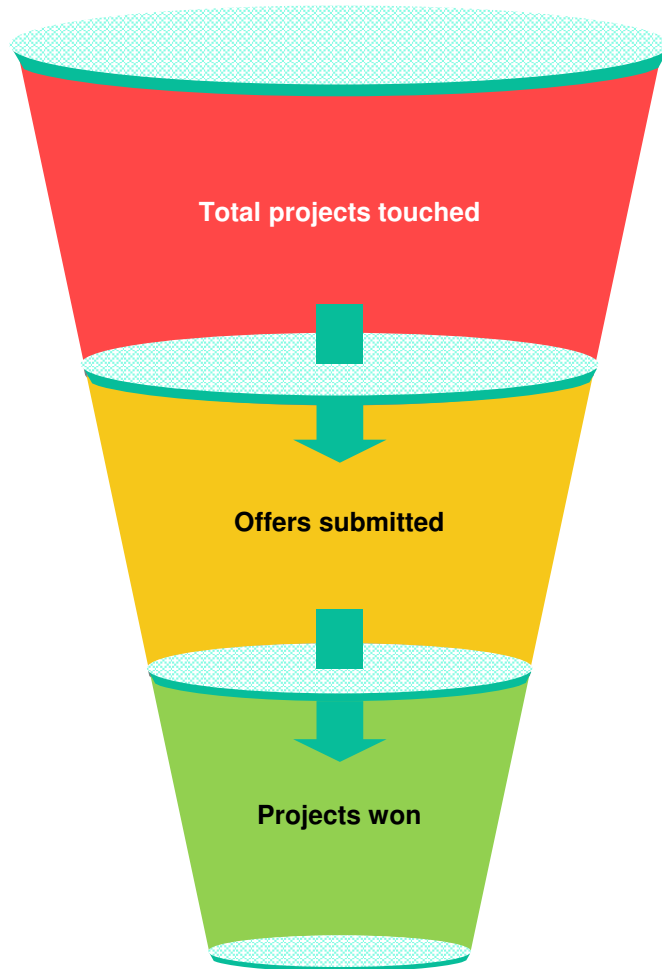
■ Gained share

JO target Industry	OH employment change Thousand, 2011-2017	US employment change Thousand, 2011-2017	OH share of change Percent	OH 2011 share Percent
IT & Services	6.3	725.0	0.9	2.9
Logistics & Distribution	25.2	701.4	3.6	4.5
Automotive	22.3	228.7	10	10.5
Food Processing	8.1	188.3	4.3	3.8
BioHealth	6.4	160.4	4.0	3.2
Financial Services	2.3	93.8	2.4	3.7
Shale & Petrochemicals	5.1	65.8	7.8	4.7
Advanced Manufacturing	6.6	43.9	15	7.5
Aerospace & Aviation	2.5	4.2	59	2.8
Total target	84.9	2,211.5	3.8	4.5

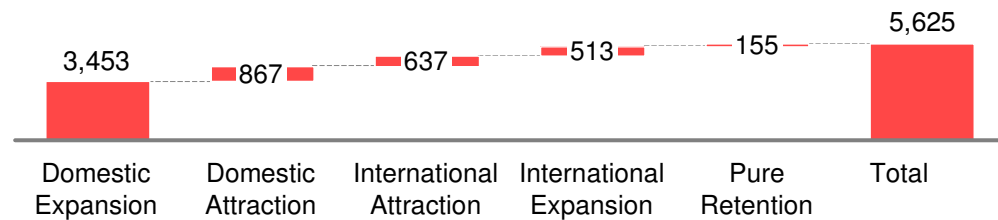
JobsOhio has done well to close deals, winning ~65% of all projects for which it submits an offer

JobsOhio projects, 2011-2017

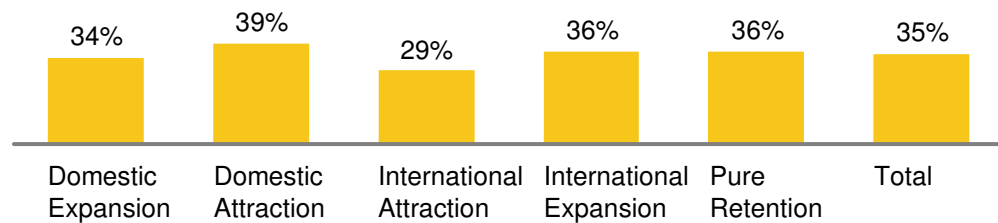
■ Projects won ■ Projects lost



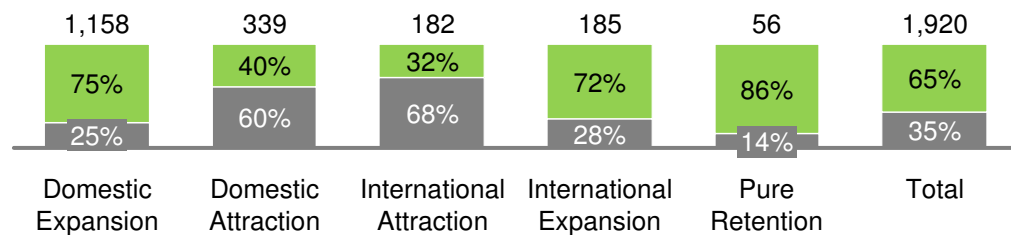
JO has touched¹ over 5,600 projects since 2011



JO provided incentive offers² to approximately 35% of touched projects



Of submitted offers, JO wins³ ~65% of those projects



¹ Defined as all projects worked on by JO and had a result - closed, lost, cancelled, on hold.

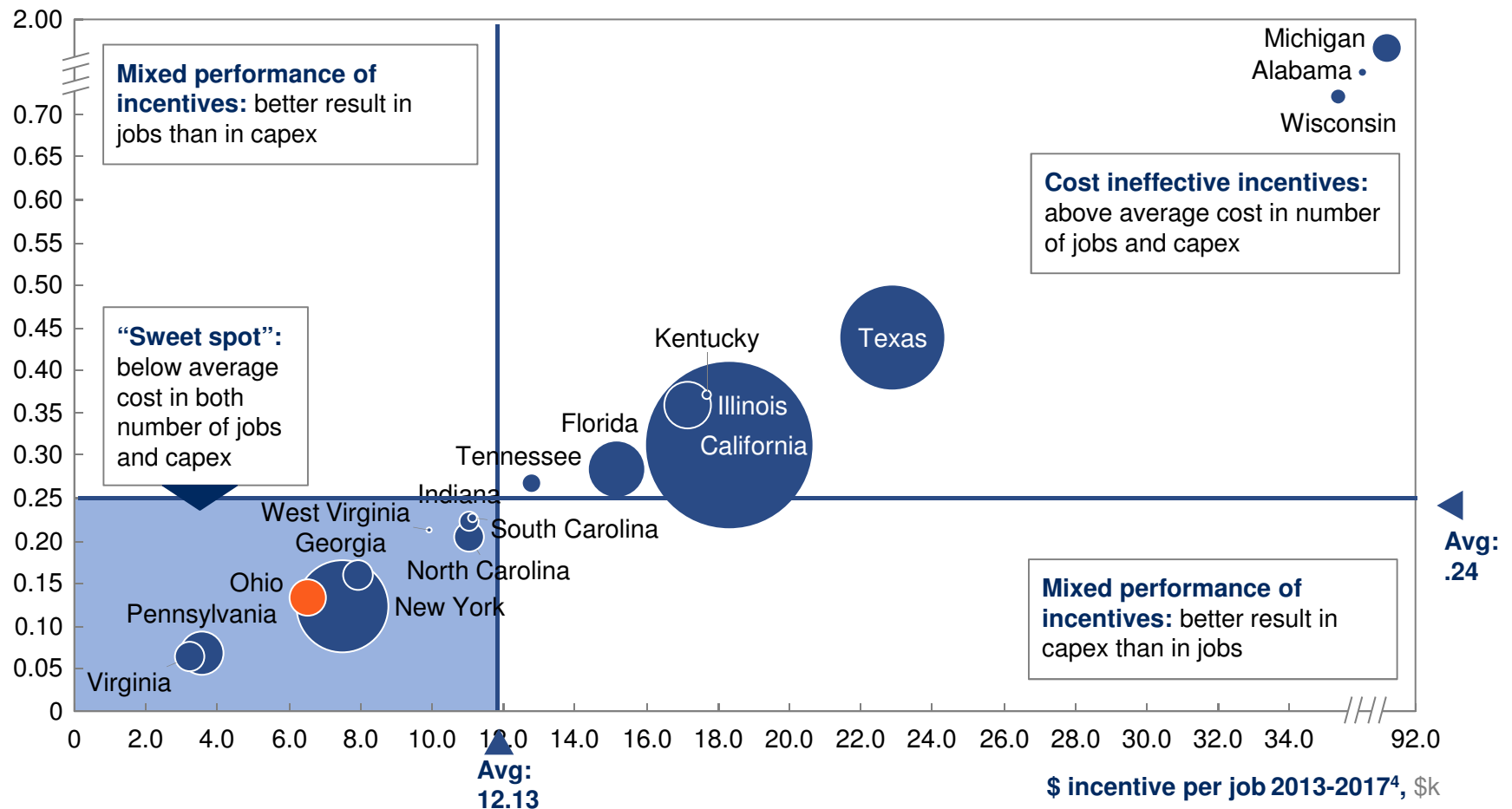
² Projects JO worked on, sent an offer to, and had a result - closed, lost, cancelled, on hold.

³ Closed projects among all the projects JO sent an incentives offer.

Ohio has demonstrated strong returns in both jobs and payroll compared to peers since 2013

Incentive deals¹, 2013-2017 – Selected states²

\$ incentive per \$ payroll³ 2013-2017

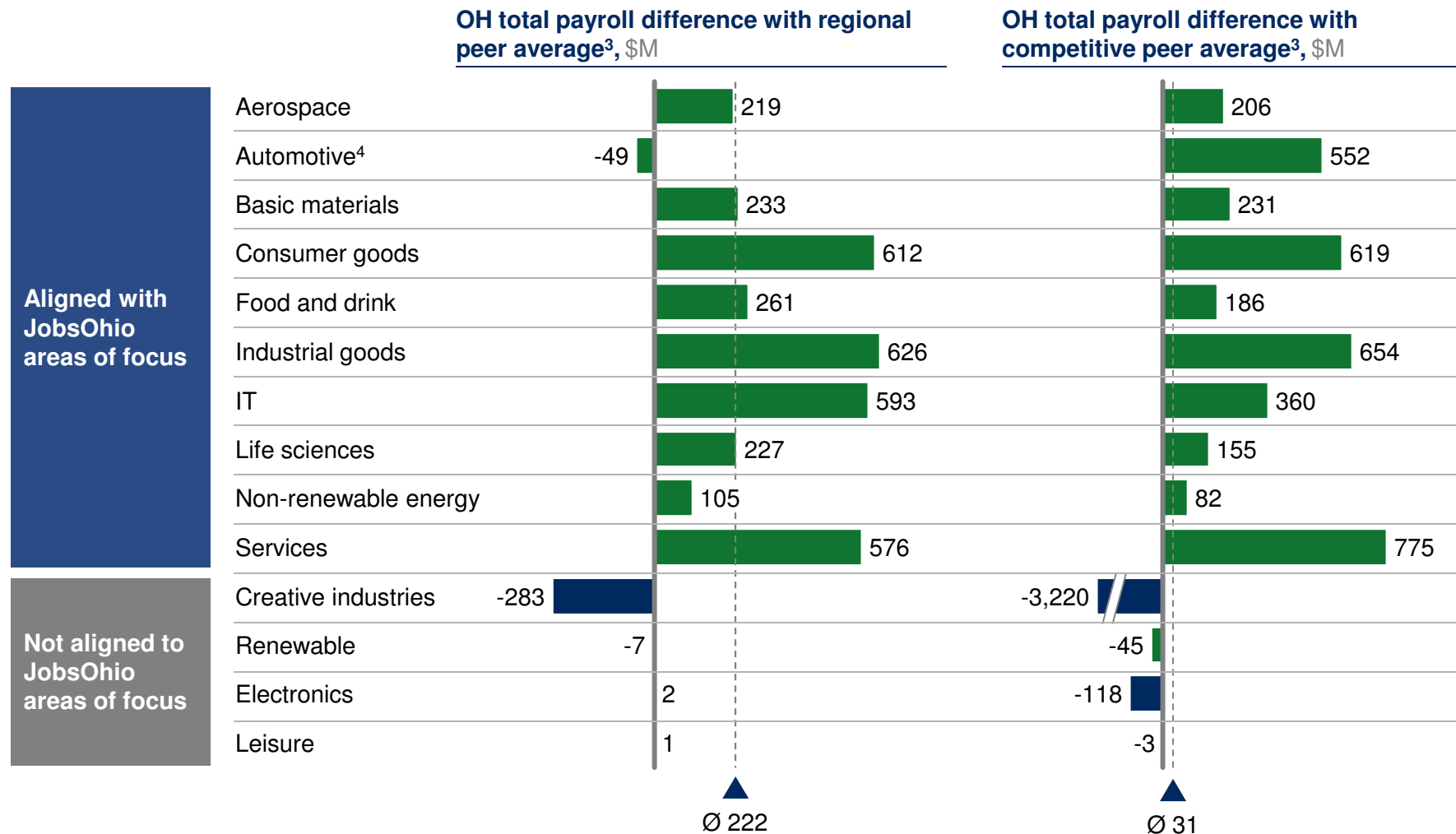


1 Includes private deals closed per destination state, including retention, new project and expansion deals; Data for OH and all peer states except AL and TN pulled February 14, 2018; data for AL and TN pulled March 5, 2018; excludes 2015 Michigan Ford Motor deal 2 Considers Ohio, regional peers, and competitive peer states 3 Considers average payroll by industry for all 18 peer states multiplied by new jobs and safeguarded jobs promised by each deal at the moment of the deal announcement by industry in state, divided by total state incentives by industry 4 Considers incentives by industry divided by new and safeguarded jobs promised at time of announcement 5 Average does not include Wisconsin and Alabama 6 2016 real GDP (chained to 2009, USD M)

SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com), Moody's

Relative to peers, Ohio is a leader in payroll added across most sectors

Incentive deals¹, 2013-2017 – Selected states²



¹ Includes private deals closed per destination state, including retention, new project and expansion deals; Data for OH and all peer states except AL and TN pulled February 14, 2018; data for AL and TN pulled March 5, 2018; ² Considers Ohio, regional peers, and competitive peer states; ³ Considers average payroll across all 18 peer states by industry multiplied by new jobs and safeguarded jobs promised by each deal at the moment of the deal announcement in that industry; ⁴ Includes 2015 MI Ford deal. Excluding that deal, Ohio would have \$249M more total payroll than regional peer average

Within the areas JobsOhio has chosen to play, it has several programs aimed at improving Ohio's site portfolio

Type of state involvement	Program	Description	Benefits	Challenges
Online information portal	Zoom-Prospector	<ul style="list-style-type: none"> Moved to new platform in 2017 Platform currently includes nearly 4,000 sites and buildings 	<i>"The tool allows us and regional partners to share a single platform."</i>	<i>"Local EDOs collect information at different levels of quality; JO must rely on them for information."</i>
Site certification program	SiteOhio	<ul style="list-style-type: none"> Launched in 2016, SiteOhio highlights authenticated, site-ready developments in Ohio Currently consists of 10 sites, and currently in "Wave II" of program 	<i>"The program highlights the exact type of information that we need to give customers full confidence in our sites."</i>	<i>"Too early to tell how effective the program has been. Site selection is a long process."</i> <i>"Certified these sites aren't always included in RFI submission; not sure why that happens."</i>
Co-invest in site preparation	Revitalization and redevelopment program	<ul style="list-style-type: none"> Launched in 2014, program redevelops underutilized or contaminated existing properties Program includes speculative development through Redevelopment Pilot 	<i>"These sites are driven with an end use in mind."</i>	<i>"It's taken time to get the program going and money out the door. The lead time for redevelopment is at least 2 years."</i>

JobsOhio Talent Acquisition Services have begun to add value to Ohio customers, but faces a set of challenges

Benefits

- Able to provide clients with customized, ad-hoc support to meet their individual needs
- Team has rich private sector and workforce development experience, providing clients with rich insights from private and public sector
- Directly addresses client need and helps support challenge that regional partners struggle to fulfill themselves



Challenges

Customization requires significant time and human capital resources

Limited ROI and impact given small deal sample size, age of program, and limited reach

Limited flexibility in delivering “real-time” services given existing process

Limited autonomy and independent decision-making (e.g., budget approval for all Talent purchases)

What others are doing...

- Focusing scope of services on most value-add to customers
 - Deliberately defining core customer
-
- Proactively branding and raising awareness for talent program
 - Embedding talent services into deal team and business development process
-
- Leveraging customized/flexible internal oversight processes that align with unique nature of talent offerings
-
- Empowering decision-making by enabling ownership of operating budget
 - Elevating talent services by providing more direct top leadership involvement and strategic input

Best-in-class, customized programs share several common attributes with varying level of alignment with current JO offering

Included in program

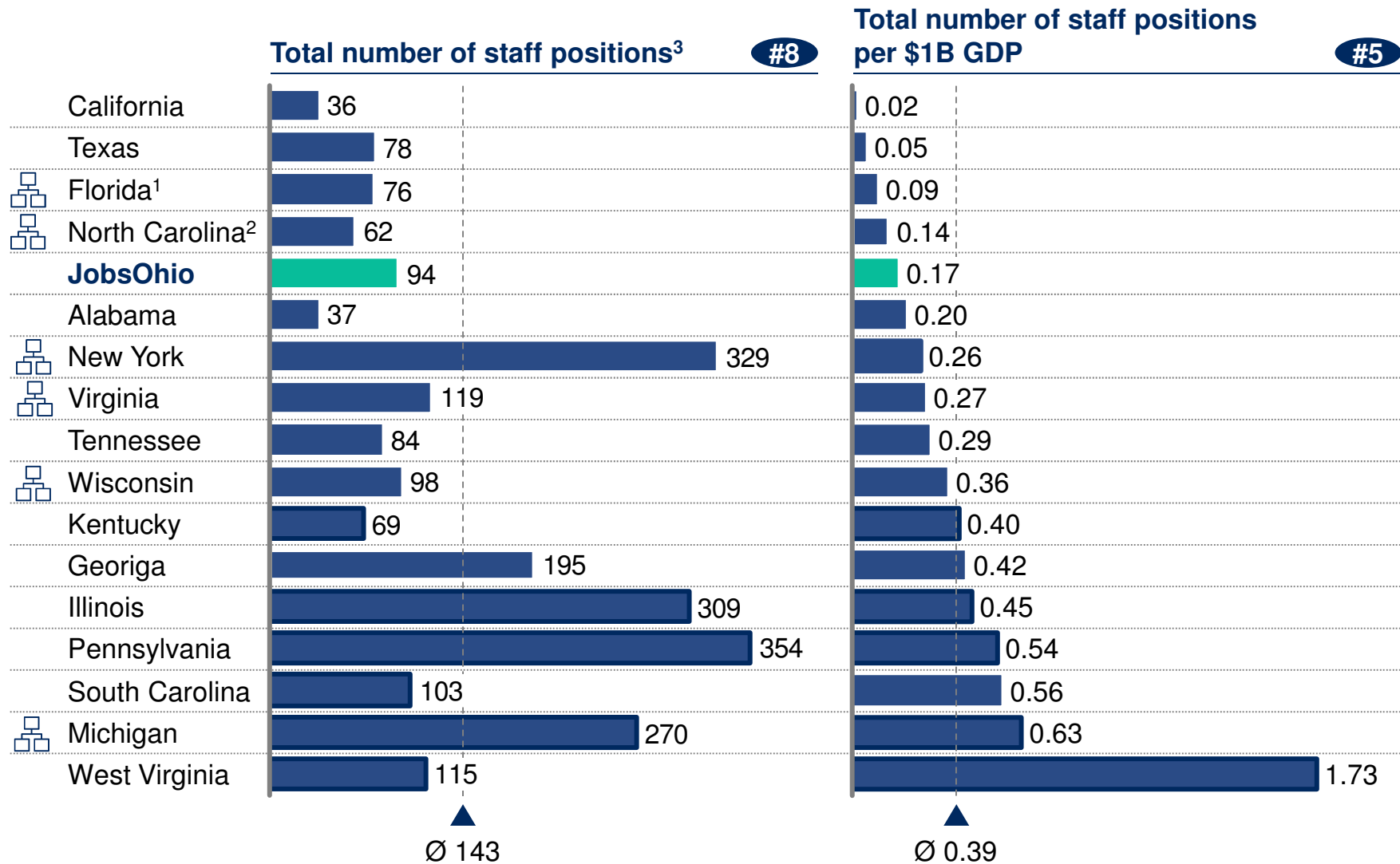
- ✓ Core feature
- Partial feature
- ✗ Not included

Key attributes		JobsOhio	LED FastStart <small>Louisiana's Custom Workforce Solution</small>	QUICKSTART <small>TECHNICAL COLLEGE SYSTEM OF GEORGIA</small>	AIDT
Design	Large, dedicated team	✗	✓	✓	✓
	Autonomous organizational structure (e.g., separate entity, full decision-making ability)	Partial feature	✓	✓	Partial feature
Marketing	Deeply embedded in business development efforts	Partial feature	✓	✓	✓
	High-quality marketing materials (e.g., videos, website)	✗	✓	✓	✓
	Reliance on customer testimonials / case studies	Partial feature	✓	✓	✓
Offering and execution	Alignment of efforts with broader marketing and attraction	✓	✓	✓	✓
	Highly customized program	✓	✓	✓	✓
	Provide front-end recruitment services (e.g., talent acquisition)	✓	✓	✗	✓
	Provide direct training services	✓	✓	✓	✓
	Partner closely with local educational institutions	Partial feature	✓	Partial feature	✓
	Strong focus on customer service and satisfaction	✓	✓	✓	✓
	Targeted training in specific industries	✗	✓	✓	Partial feature
Funding	Ownership and autonomy over budget	✗	✓	✓	✓
	Willingness for EDO to make large-scale investments (e.g., company-specific training facilities)	✗	✓	✓	✓

SOURCE: Expert interview, program websites

Adjusted for state size, Ohio is a leader relative to peers in the leanness of its economic development organization

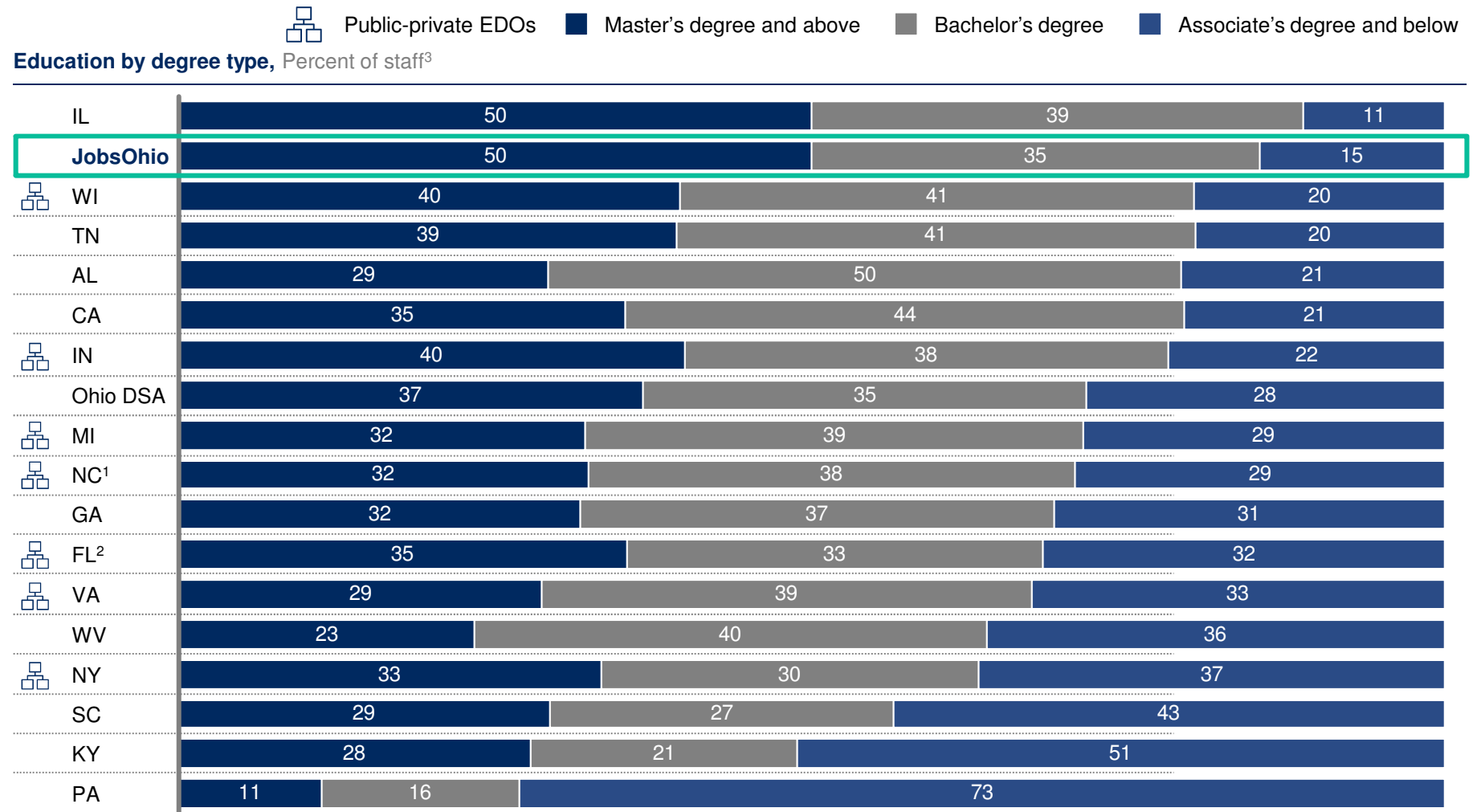
□ Regional peer states □ Public-private EDOs



1 Enterprise Florida; 2 Economic Development Partnership of North Carolina; 3 May include vacant positions

SOURCE: Organization website, annual reports, state transparency portals, JobsOhio

With the exception of Illinois, Ohio leads peers in its share of highly educated talent



1 Economic Development Partnership of North Carolina; 2 Enterprise Florida; 3 Based on available profiles of EDO staff

SOURCE: LinkedIn, interviews

Note: more current updated internal JobsOhio data reports 92% of staff with Bachelor's degrees or above, however LinkedIn data used for comparability

External expert benchmarking reiterate many of the learnings from JO's internal customer survey

Dimensions of customer experience	What matters to customers	Ohio ranking relative to peers ¹
Process execution	<ul style="list-style-type: none"> Process timeliness is a leading factor for customers' positive experiences working with EDOs 	6th for speed and efficiency
Process experience	<ul style="list-style-type: none"> Customers identify knowledge and expertise, ease of process, and coordination and project management as important attributes of EDOs Reiterating these attributes, customers identify project management, coordination, and incentive program knowledge as the most important skillsets for EDOs to have 	5th in overall process ratings
Products and policies	<ul style="list-style-type: none"> Incentive programs and policies are the most important attribute of an EDO according to customers Customers identify flexibility, efficiency, and speed as reasons for positive experiences with EDO incentive programs 	3rd for overall incentive policies
Service	<ul style="list-style-type: none"> Customers identify responsiveness, creativity, and friendly staff as top reasons for positive customer experiences with high-rated states 	4th in overall service rating

¹ Includes 13 states, excluding states rated by 4 or fewer respondents: South Carolina, West Virginia, Tennessee, North Carolina, and Kentucky

APPENDIX | EXHIBITS

Exhibit 1: List of JobsOhio's Regional and Competitive Peers used throughout the report

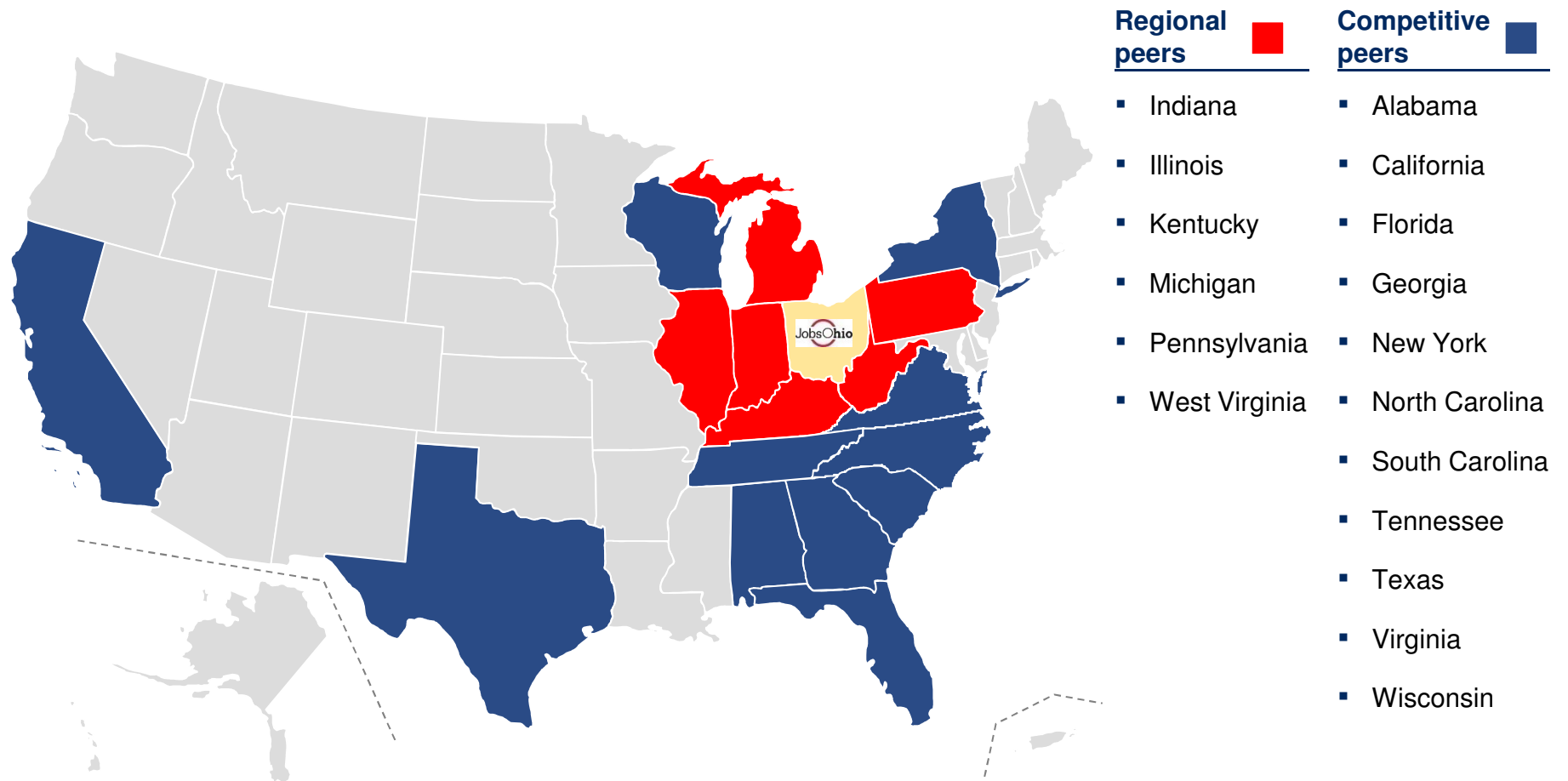


Exhibit 2: Overview of Methodology for JobsOhio's Independent Performance Assessment

		What assessed: indicators and approach	Why assessed: rationale for dimension	How assessed: sources of insight
Macro Context		<ul style="list-style-type: none"> OH benchmarked against US in core macro indicators JobsOhio target industries performance relative to US and Peer states 	<ul style="list-style-type: none"> Provide data to understand the context within which JobsOhio is operating as performance is assessed 	<ul style="list-style-type: none"> Macroeconomic analysis using leading indicators and data sources (e.g., BLS, BEA, Moody's)
Performance	Outcomes: wins, jobs, capex, payroll	<ul style="list-style-type: none"> JO benchmarked against Regional and Competitive Peers on indicators most commonly reported and used to measure EDO performance 	<ul style="list-style-type: none"> Widely recognized as key performance indicators for EDOs that align with mission and mandates 	<ul style="list-style-type: none"> Third party performance databases that track outcomes Macroeconomic analysis EDO deal and performance reporting (where available)
	Inputs: incentives, resources, programs	<ul style="list-style-type: none"> JobsOhio benchmarked against Regional and Competitive Peers on "input efficiency", or outcome per input Where applicable, benchmark against best-in-class programs 	<ul style="list-style-type: none"> Determine how efficiently EDOs deploy their resources across financial and human resources Programmatic excellence is key enabler for medium-long term economic performance 	<ul style="list-style-type: none"> Third party databases Internal document review Peer EDO interviews/surveys Expert interviews and publications
Operating model	Organizational health, structure, talent	<ul style="list-style-type: none"> Benchmarked performance on operating model components of the organization against set Regional and Competitive Peers 	<ul style="list-style-type: none"> An organization's performance and health are essential components of measuring capability of sustaining long-term success 	<ul style="list-style-type: none"> Internal document review Peer EDO interviews/surveys Internal JON interviews Expert interviews and publications
	Processes	<ul style="list-style-type: none"> Benchmarked against Regional and Competitive Peers and private sector best practices on operational efficiency 	<ul style="list-style-type: none"> Process inefficiencies can manifest into undesirable outcomes, both performance and operating (e.g., customer or partner satisfaction) 	<ul style="list-style-type: none"> Internal document review Peer EDO interviews/surveys Internal JON interviews Expert interviews and publications
	Engagement	<ul style="list-style-type: none"> Determining core drivers of experience of customers and partners and assessing performance in these areas relative to All Peers 	<ul style="list-style-type: none"> Engaging with customers and stakeholders are crucial to any organizations ongoing viability 	<ul style="list-style-type: none"> Internal document review Customer interviews/surveys Internal JON interviews Expert interviews and publications

Exhibit 3: Summary of assessment findings across Performance and Operating Model measures



Overview of assessment		 Area of strength  Area of improvement
Performance	Outcomes: wins, jobs, capex, payroll	<ul style="list-style-type: none"> Strong deal pipeline, ranking in top 5 among peers in total deals and jobs Actual impact from JobsOhio's deals more closely aligns with promised impact relative to peers. Leader in transparency including recognition from third party sources (e.g., GuideStar) JO target industries improved from 49th in employment growth in 2005-2011 to 23rd in 2011-2017 Mixed performance in attracting capital investment, ranking below peers in total capital investment (11th) and capital investment relative to GDP (14th)
	Inputs: incentives, resources, programs	<ul style="list-style-type: none"> Top 5 in efficiency, ranking 3rd in incentive spend per job and 4th in incentive per payroll dollar Top 3 among peers in deals and jobs per front office staff resource Investments in SiteOhio and Talent Acquisition Services have achieved early successes JobsOhio is among top peers in digital branding efforts Strategic initiatives, while 'young' sub-scale outcomes relative to peers and need
Operating model	Organizational health, structure, talent	<ul style="list-style-type: none"> Highly-talented organization, 2nd highest share of staff with bachelor's degrees relative to peers Relatively young staff with less work experience than peer organizations Opportunity to support more defined career pathways for staff
	Processes	<ul style="list-style-type: none"> Strong use of integrated software systems, delineated process steps, and reporting structures Significant improvements made in reimbursement processes given customer feedback Opportunity to further improve accountability during lead generation and speed of hiring process
	Engagement	<ul style="list-style-type: none"> Top 5 in overall customer satisfaction and likelihood to be recommended relative to peers 80% of JobsOhio customers report being satisfied or very satisfied in working with JobsOhio Strong coordination and oversight through regional structure Opportunity for greater process flexibility and continued expansion of JobsOhio's offerings Potential to expand decision ownership for regional stakeholders and better communicate priorities

Exhibit 4: Ohio has rebounded since the “lost decade” in the early 2000s

Data include private and public sector employment

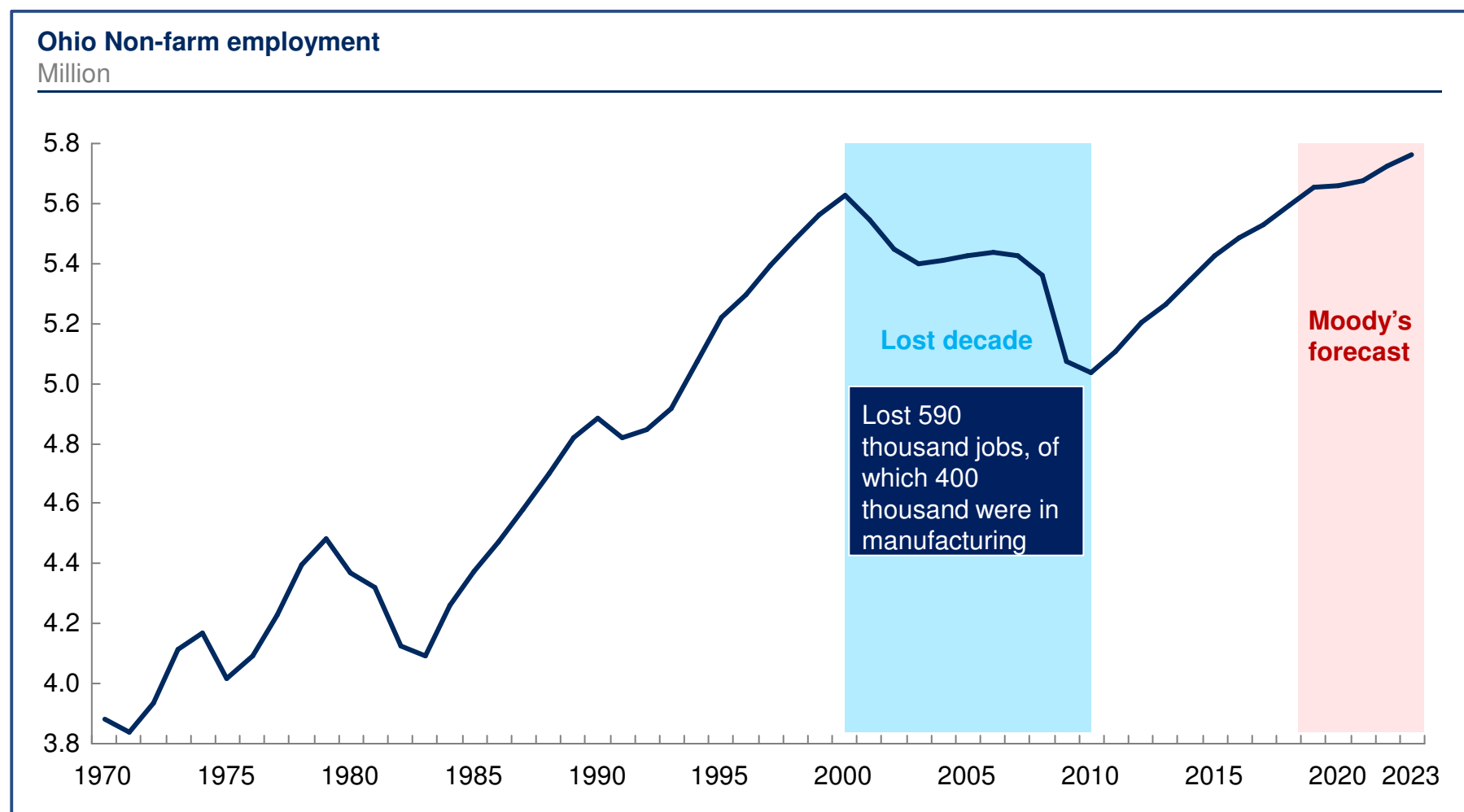
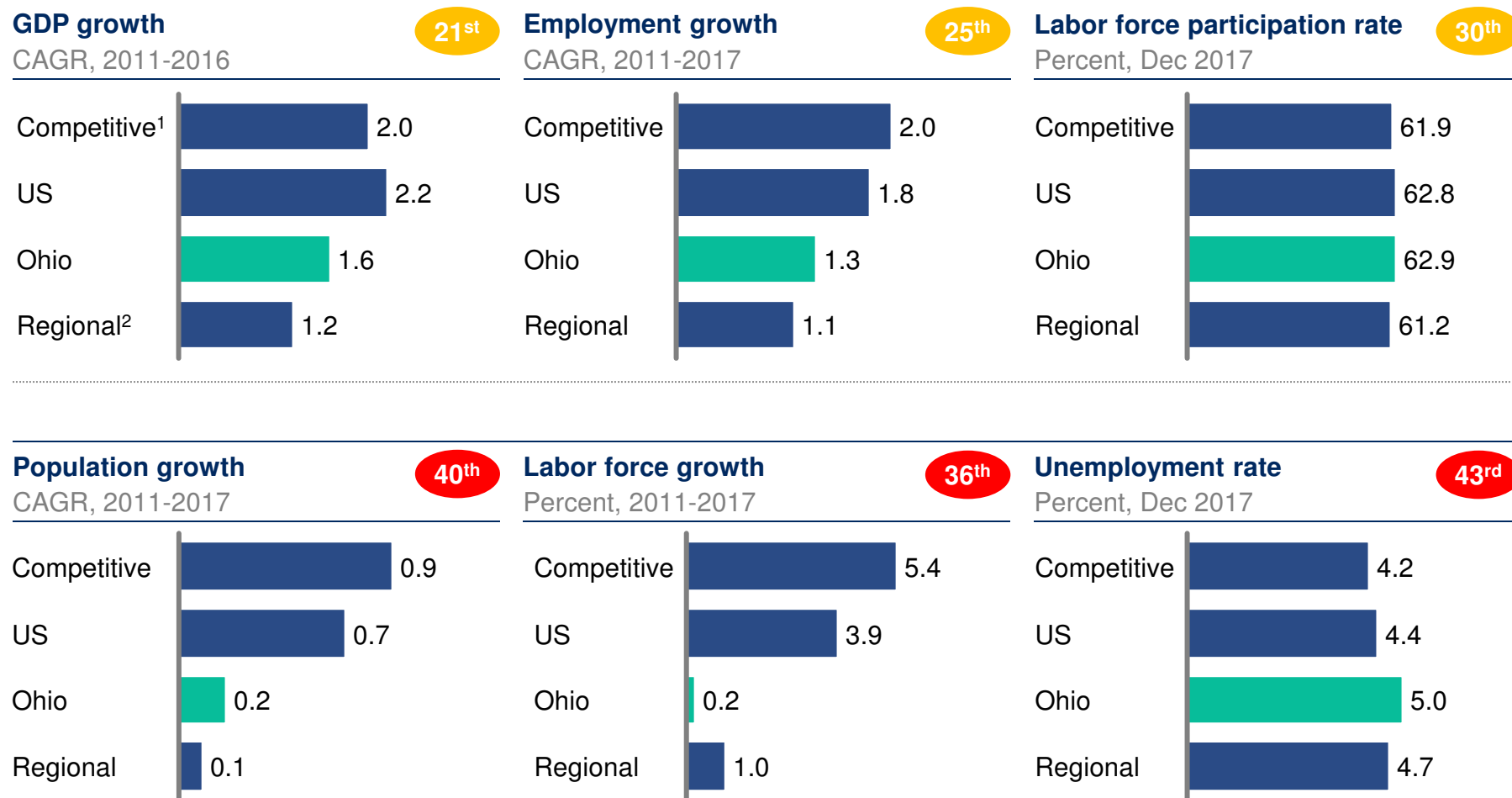


Exhibit 5: Ohio outpaced Regional Peers, but lags Competitive Peers and US average



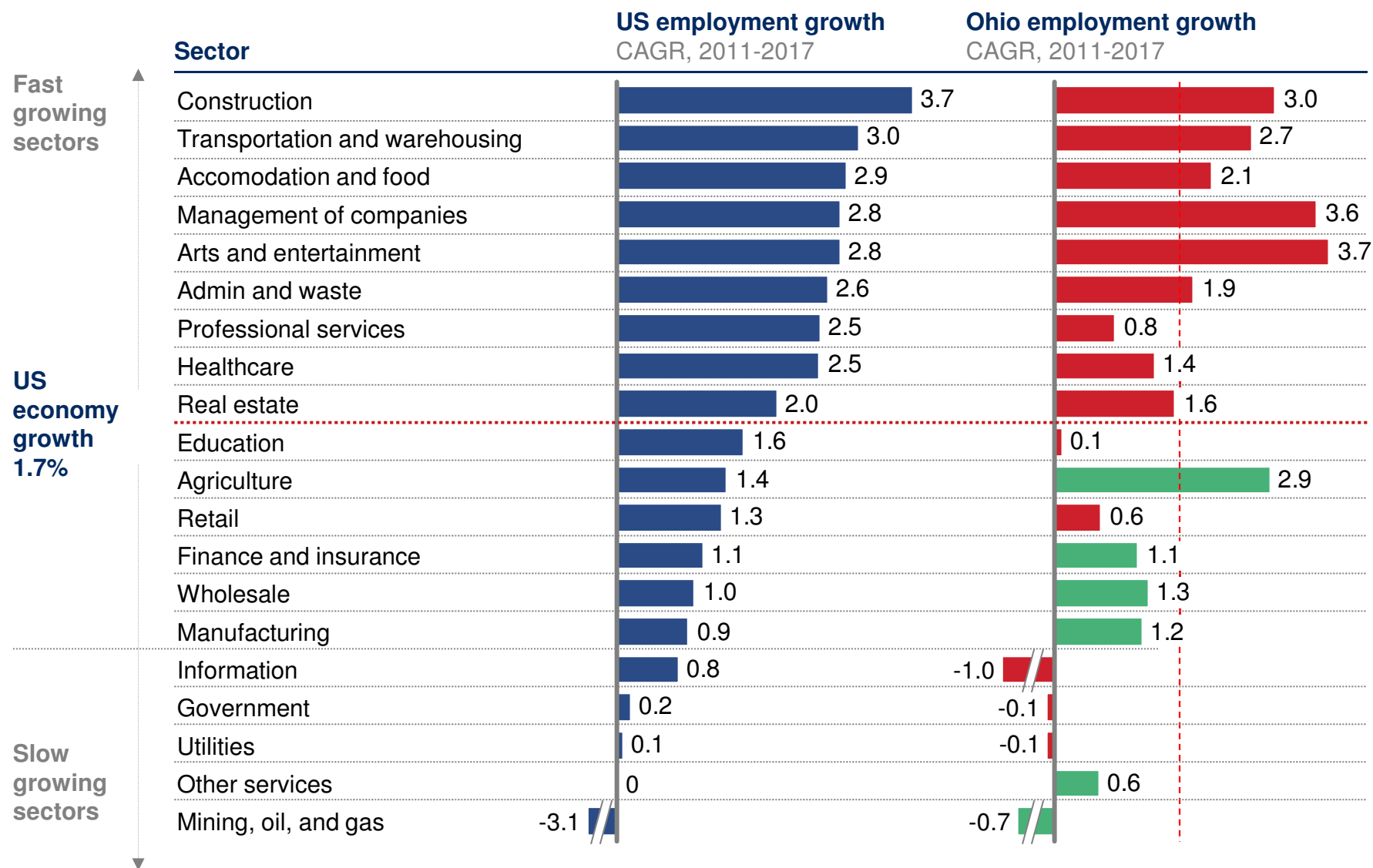
¹ Alabama, Florida, Georgia, New York, North Carolina, South Carolina, Tennessee, Texas, Virginia, and Wisconsin

² Indiana, Illinois, Kentucky, Michigan, Pennsylvania, and West Virginia

SOURCE: Bureau of Economic Analysis, Bureau of Labor Statistics, US Census

Exhibit 6: Employment growth from 2011-2017 by sector in Ohio relative to US average

■ OH < US growth ■ OH > US growth



SOURCE: Economic Modeling Specialists International (EMSI)

Exhibit 7: JobsOhio target industry performance resulted in 200,000 additional jobs

JO industries experienced a turnaround, adding 200k jobs relative to pre-JO trend

Employment in target industries, thousand



Exhibit 8: Summary of performance against core indicators

		Summary	● Area of strength ● Area of improvement
Performance outcomes	Total deals	<ul style="list-style-type: none"> ● JobsOhio maintained a strong deal pipeline and has ranked 5th in deal activity relative to all U.S. states from 2013-2017 ● JobsOhio outperformed regional and competitive peer averages of total deals 	
	Total jobs (created and safeguarded)	<ul style="list-style-type: none"> ● JobsOhio ranked 3rd in total announced jobs relative to all U.S. states 2013-2017 ● JobsOhio ranked top five every year from 2013-2017 across leading third party sources ● From 2013-2017, JobsOhio ranked #1 or #2 in safeguarded jobs, and top 10 in new jobs ● JobsOhio had a higher share of safeguarded jobs relative to peers from 2013-2017 	
	Capital investment	<ul style="list-style-type: none"> ● JobsOhio lags peers in total capital investments (ranked 11th against all U.S. states for the 2013-2017 period) ● JobsOhio's capital investments as a percent of GDP ranked 14th relative to peers in 2016 	
	Payroll added	<ul style="list-style-type: none"> ● JobsOhio has consistently added payroll across target industries ● Ohio has outperformed regional peer state averages in all sectors aligned with JobsOhio target industries during the 2013-2017 period 	
Inputs	Incentives	<ul style="list-style-type: none"> ● JobsOhio outperforms peers in incentive efficiency, ranking 3rd against regional and competitive peers in incentive spend per job created or safeguarded during the 2013-17 period ● 4th against peers in payroll per dollar incentive during the same period 	
	People	<ul style="list-style-type: none"> ● JobsOhio sits below average in total staff size (94 staff positions with 85 positions filled compared to 143 peer average) ● JobsOhio leads peers in efficiency in terms of output and capacity covered (ranks 5th in leanness when adjusted for state size, 3rd in incentive deals per front office staff position) 	
	Programs	<ul style="list-style-type: none"> ● JobsOhio ranks in the top-5 among peers for real estate projects, but its sites are smaller on average, with ~48% under 50,000 square feet ● SiteOhio is the 11th ranked site certification program, but lags best-in-class peers in terms of number of site and size (JO has no sites >500 acres) ● Talent Acquisition Service is a positive step to address this issue and is modelled after best-in-class workforce programs, but has opportunity to expand its impact ● JobsOhio's \$100M R&D Center Program has positive early outcomes; other states have explored larger-scale initiatives to support innovation growth, more broadly. 	

Exhibit 9: Performance outcome reporting across Peers

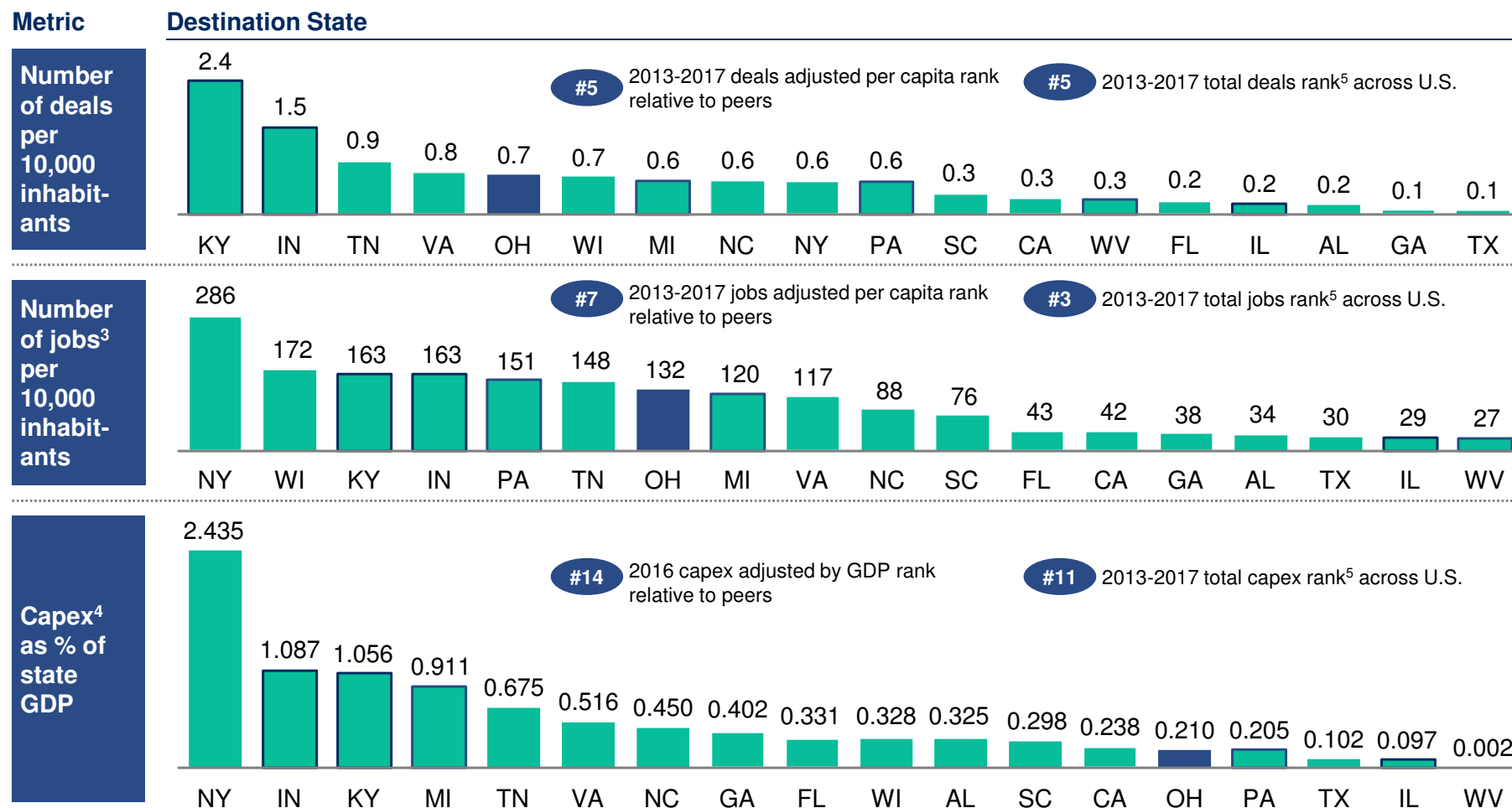
	Metric	OH reports	Share of peers that report on metric		
			Regional	Competitive	All Peers
Performance outcomes	Total deals	✓	6 of 6 peers	11 of 11 peers	17 of 17 peers
	New jobs	✓	5 of 6 peers	11 of 11 peers	16 of 17 peers
	Retained jobs	✓	4 of 6 peers	7 of 11 peers	11 of 17 peers
	Capital investment	✓	6 of 6 peers	11 of 11 peers	17 of 17 peers
	Payroll added	✓	3 of 6 peers	9 of 11 peers	12 of 17 peers
	Committed vs. actual	✓	2 of 6 peers	2 of 11 peers	4 of 17 peers

SOURCE: EDO websites

Exhibit 10: Performance outcomes on deals, jobs, and capex, absolute and adjusted, 2013 to 2017

Private deals closed¹, 2013-2017 – Selected states²

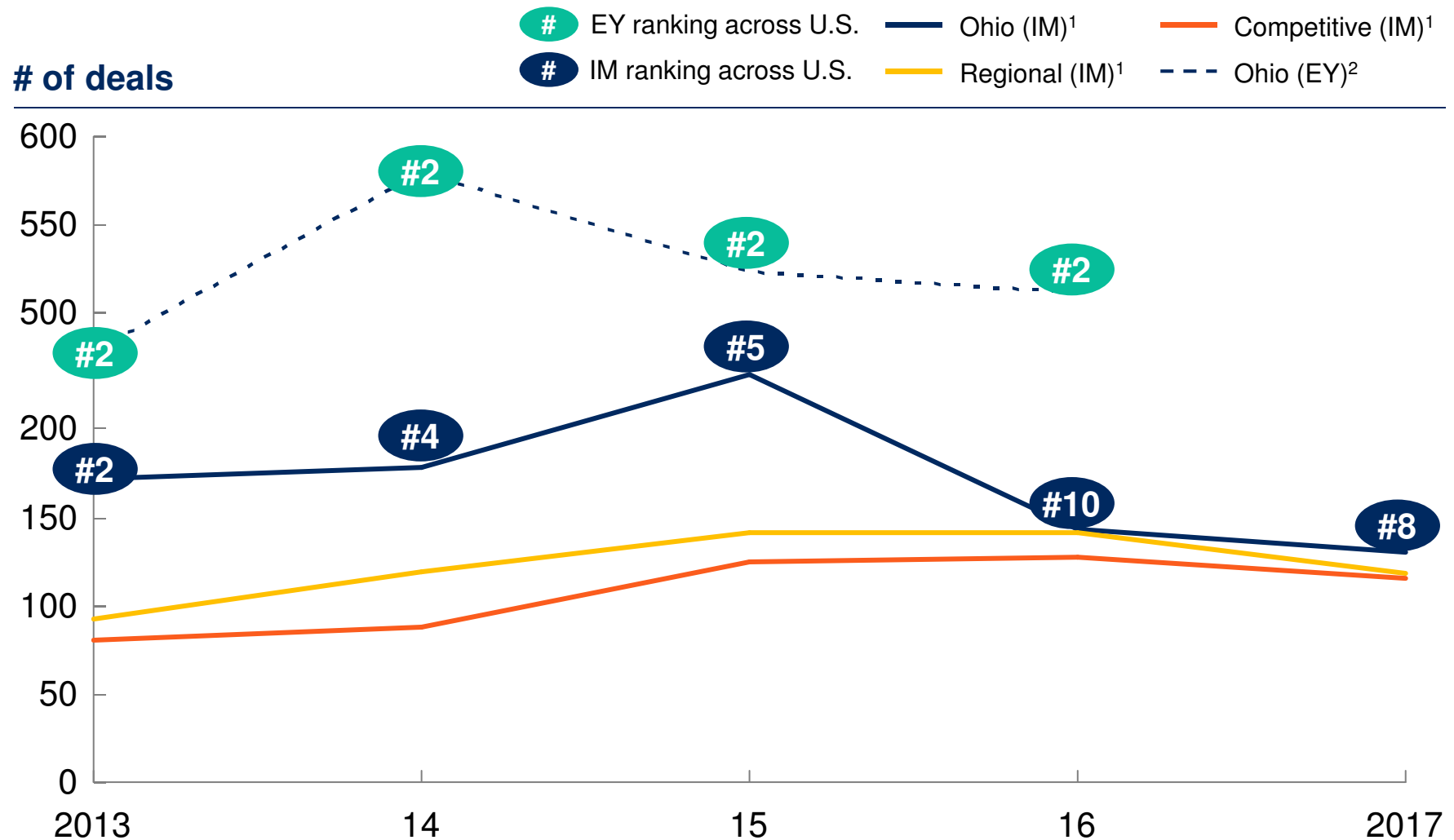
Regional peer states



1 Includes private deals closed per destination state, including retention, new project and expansion deals; Data for OH and all peer states except AL and TN pulled February 14, 2018; data for AL and TN pulled March 5, 2018; 2 Considers Ohio, regional peers, and competitive peer states; 3 Considers new and safeguarded jobs promised by each deal at the moment of the deal announcement; 4 Considers capital investments promised by each deal at the moment of the deal announcement, 2016 capex and 2016 real GDP (chained 2009 USD); 5 IncentivesMonitor data provided April 10, 2018

SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com), Moody's

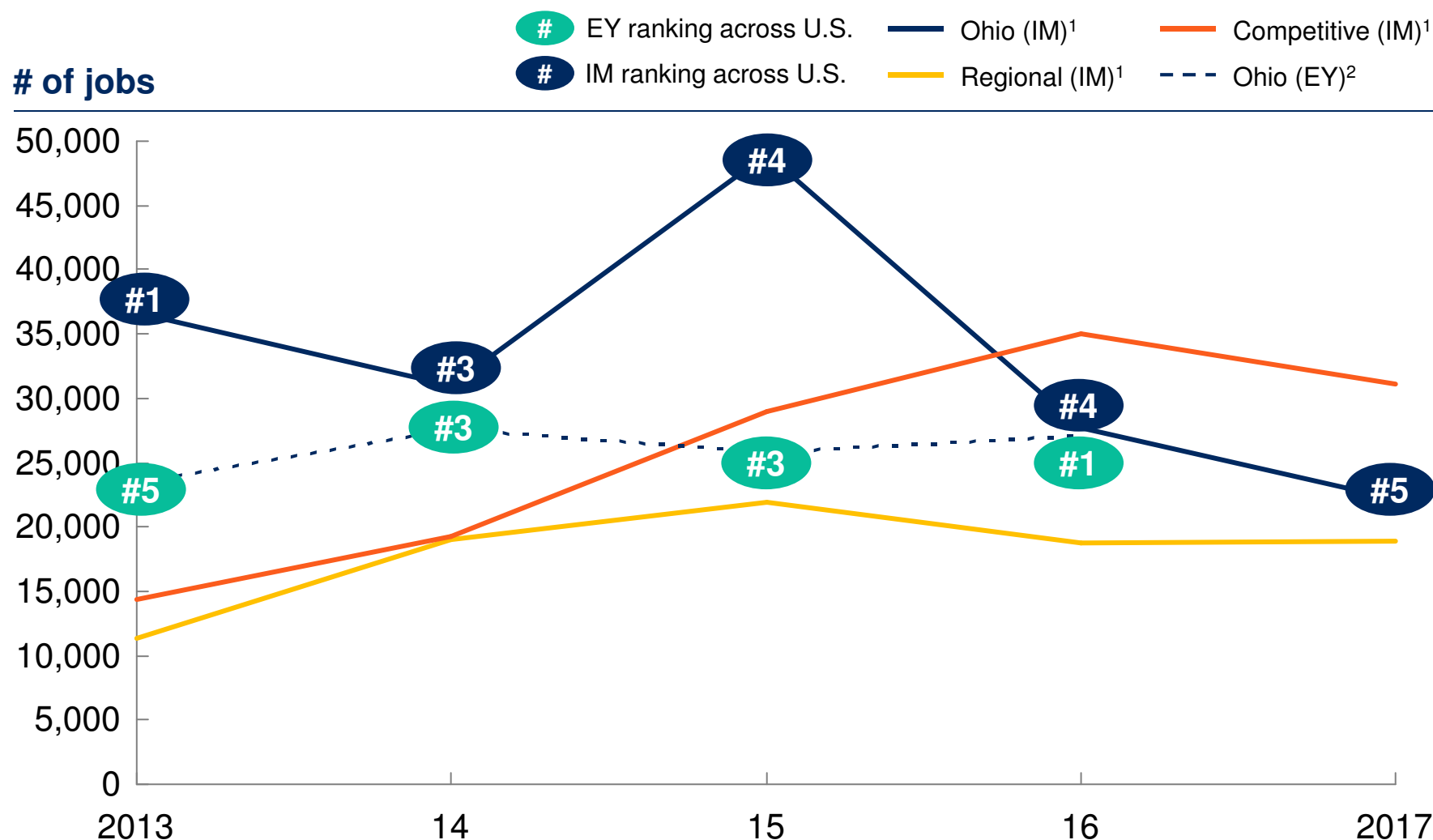
Exhibit 11: JobsOhio deals relative to peers, 2013-2017



¹ Incentives Monitor, data provided April 10, 2018; includes 2015 MI Ford Motor deal; ² EY Investment Monitor, data not available for 2017

SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com), EY Investment Monitor

Exhibit 12: JobsOhio (total jobs) jobs performance relative to peers, 2013-2017

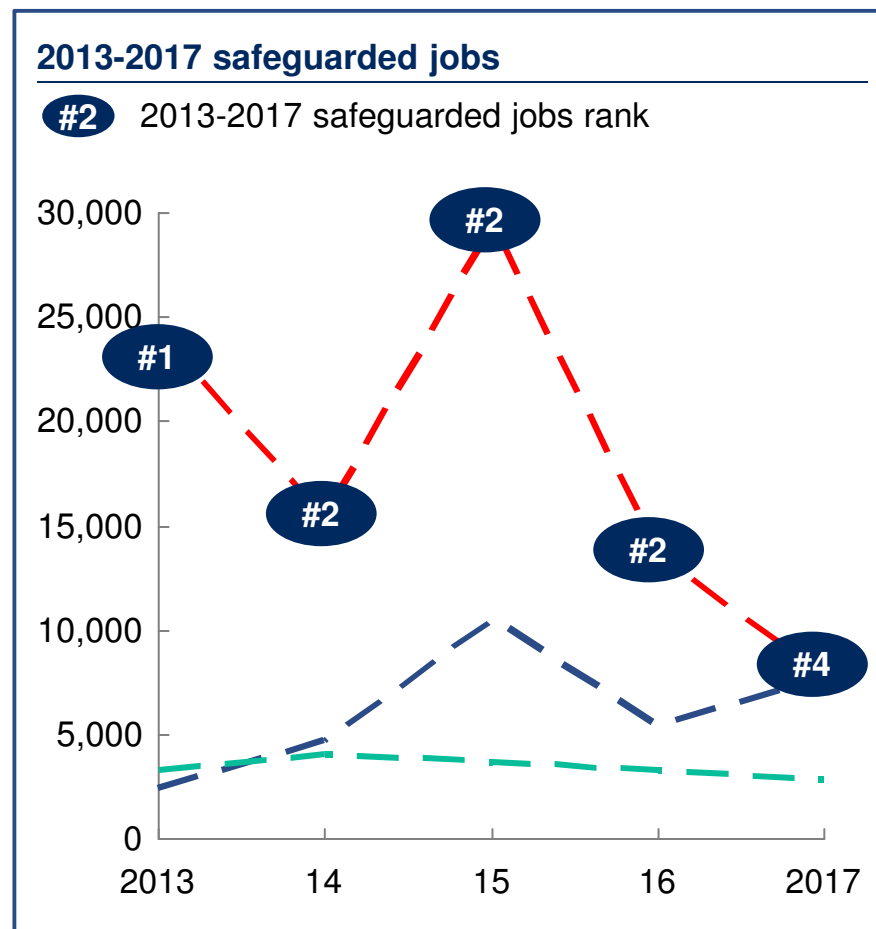
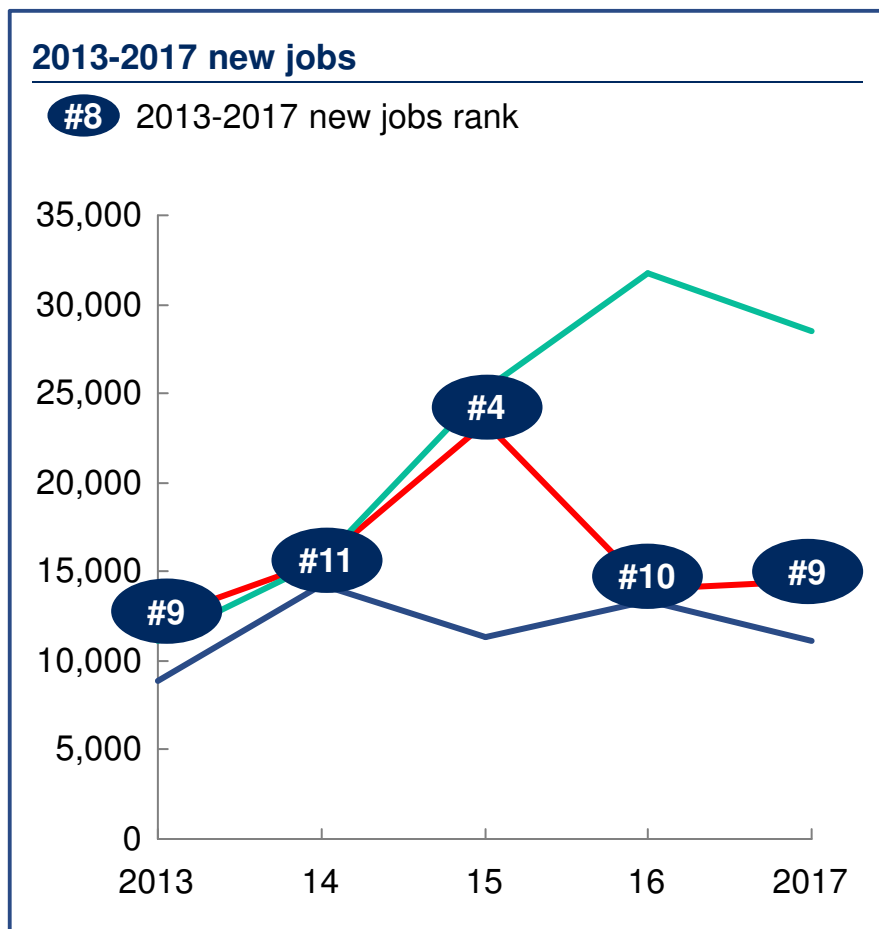


¹ Incentives Monitor, data provided April 10, 2018; includes 2015 MI Ford Motor deal; ² EY Investment Monitor, data not available for 2017

SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com), EY Investment Monitor

Exhibit 13: JobsOhio performance relative to peers for new and safeguarded jobs, 2013 to 2017

IM ranking across U.S. — Ohio — Regional peer average — Competitive peer average

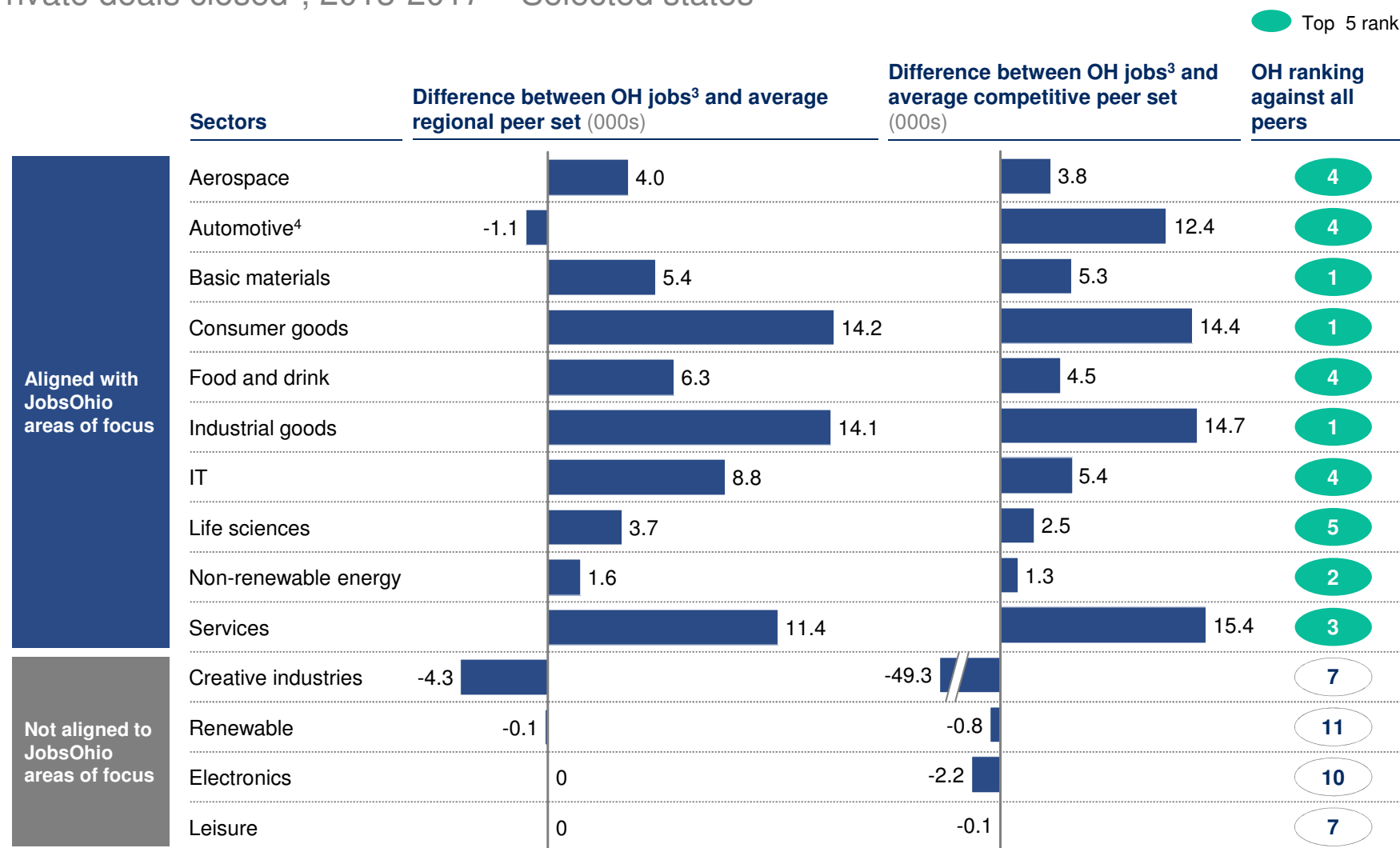


1 Incentives Monitor, data provided April 10, 2018; includes 2015 MI Ford Motor deal

SOURCE: IncentivesMonitor

Exhibit 14: Sector job growth of JobsOhio relative to Peers

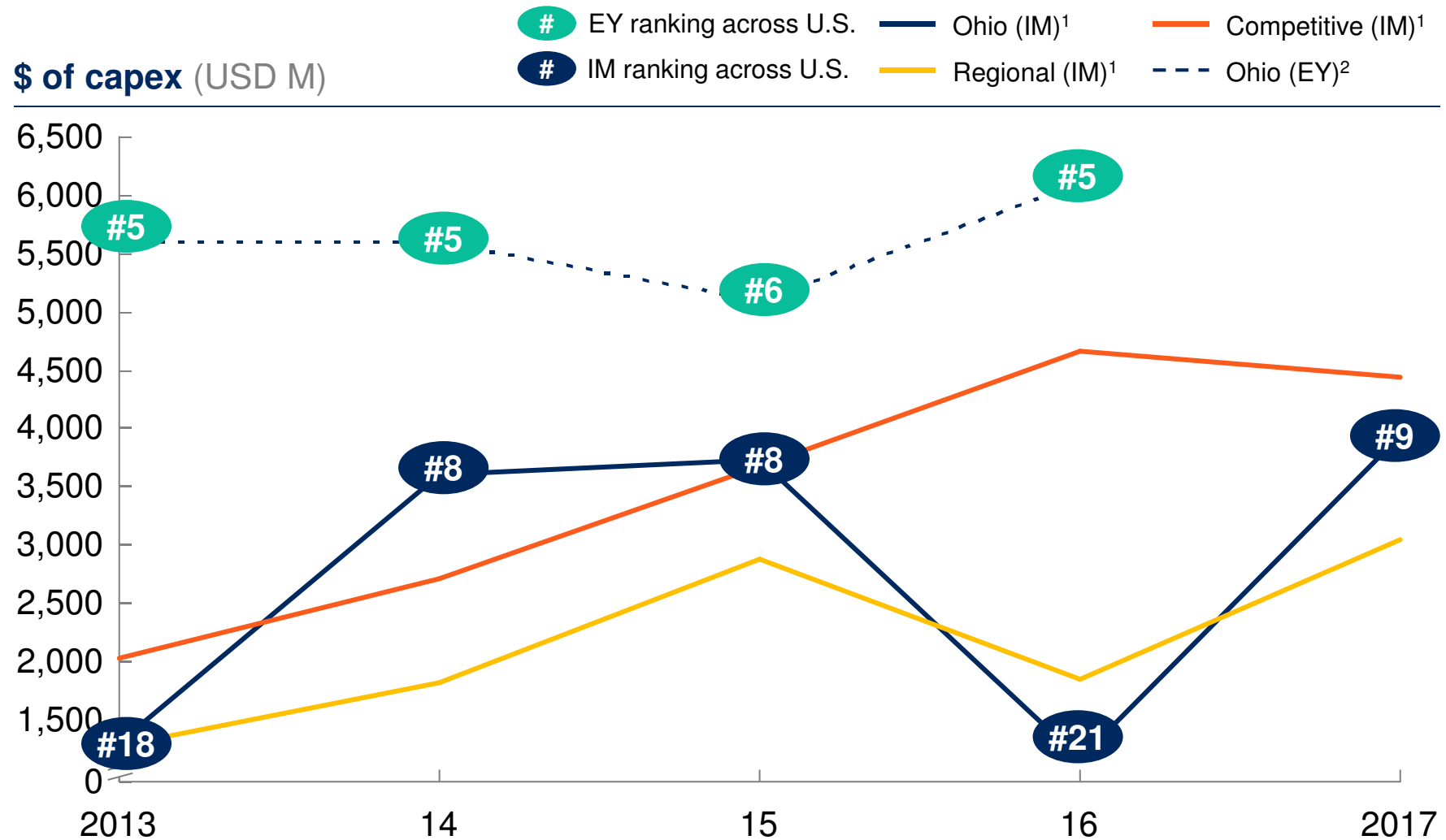
Private deals closed¹, 2013-2017 – Selected states²



1 Includes private deals closed per destination state, including retention, new project and expansion deals; Data for OH and all peer states except AL and TN pulled February 14, 2018; data for AL and TN pulled March 5, 2018;; 2 Considers Ohio, regional peers, and competitive peer states; 3 Considers new jobs and safeguarded jobs promised by each deal at the moment of the deal announcement; 4 Includes 2015 Michigan Ford Motor deal, without which Ohio would have created 5,600 jobs more than average regional peers

SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com)

Exhibit 15: JobsOhio performance in capital expenditure investment relative to peers, 2013 to 2017



¹ Incentives Monitor, data provided April 10, 2018; includes 2015 MI Ford Motor deal; ² EY Investment Monitor, data not available for 2017

SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com), EY Investment Monitor

Exhibit 16: JobsOhio payroll added by target industries, 2013 to 2017

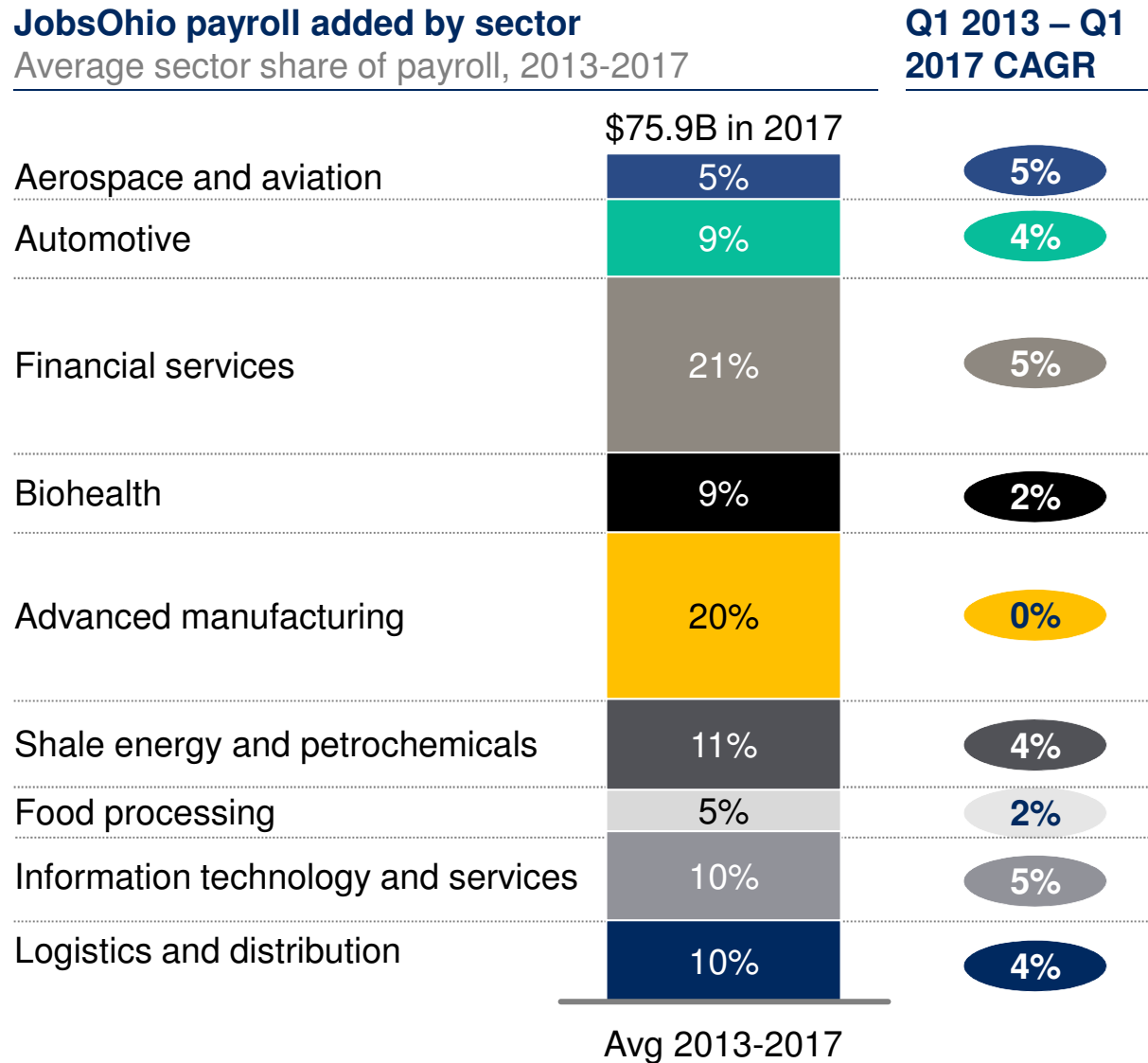
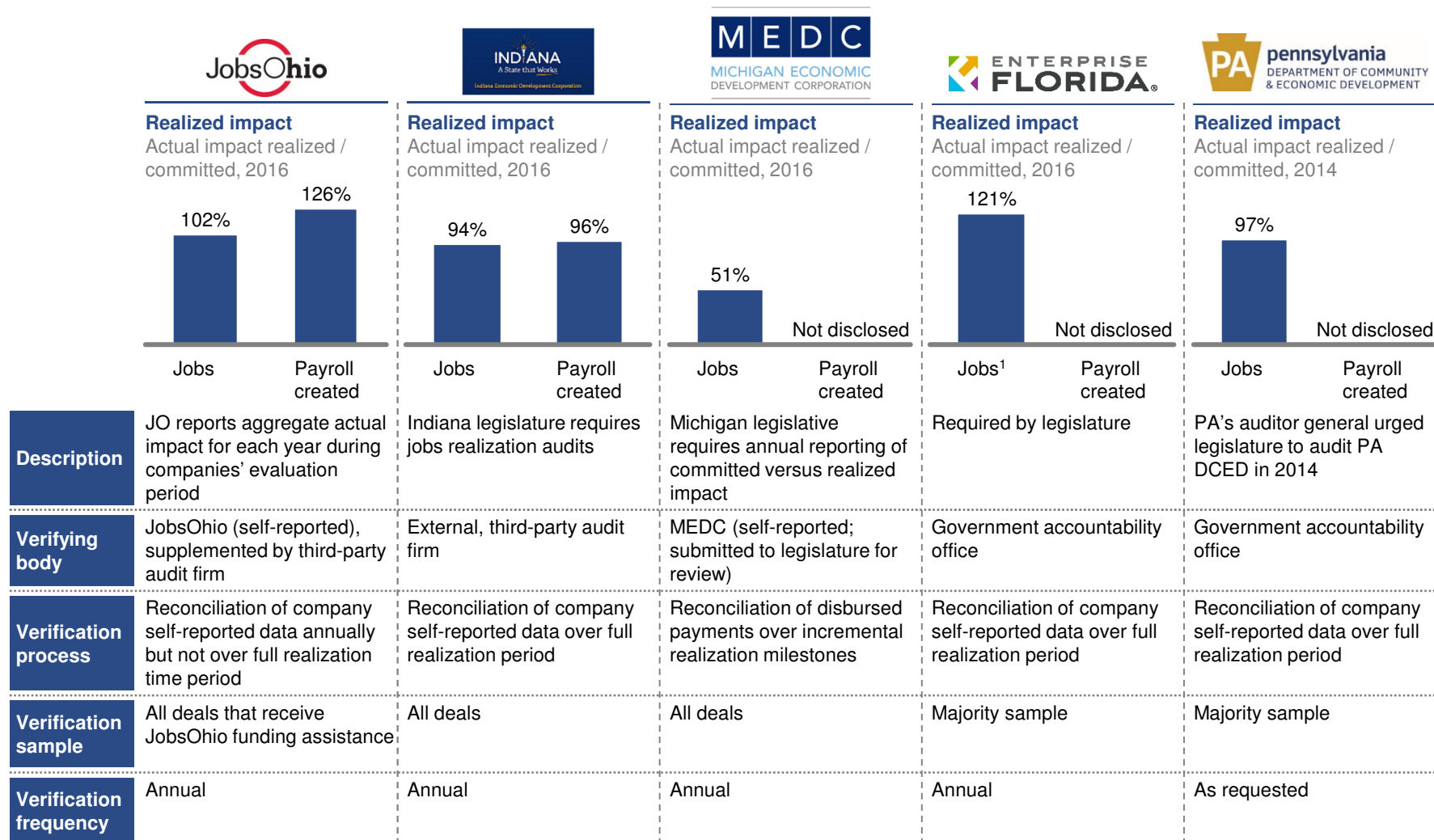


Exhibit 17: Actual impact versus committed across the 4 of 17 Peer EDOs that report on this metric



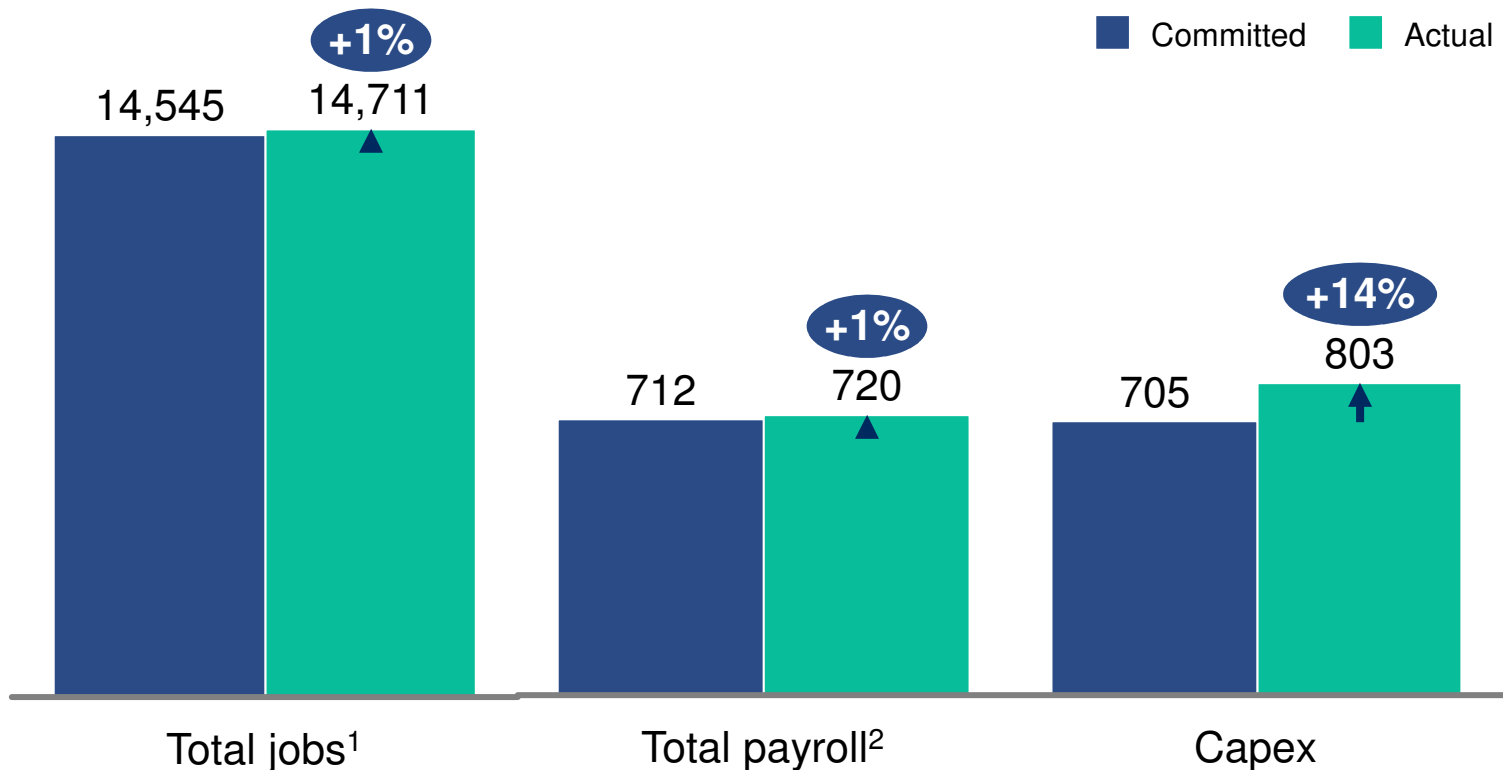
1 Actual realization based on the actual versus committed proportion of completed and inactive projects; active projects not included

SOURCE: JobsOhio Annual Report ; IEDC Annual Report;; MEDC Annual Report ; Florida Economic Development Program Evaluations; DCED Performance Audit

Exhibit 18: Results of review of actual versus committed impact for JobsOhio deals which includes all deals with Metric Evaluation Date of December 31, 2015 and December 31, 2016

Committed versus actual impact

Total number of jobs; payroll and capex in \$ millions, 2015-2016³



¹ Includes new and retained jobs; ² Includes new and retained payroll; ³ Includes 55 deals that were handled by JobsOhio each their metric evaluation date in 2015 and 2016 (excludes 629 roadwork funds)

SOURCE: Annual reporting data submitted by companies to JobsOhio

Exhibit 19: JobsOhio's approach to data transparency and availability relative to Peer EDO

JobsOhio

Below is a list of JobsOhio-funded projects with fully executed agreements during January 2018.

Project Information				Company Commitments				JobsOhio Program Type and Value					
Company	Industry	Region	County	Jobs Created	Jobs Created Payroll	Jobs Retained	Fixed Asset Investment	Growth Fund Loan	Workforce Grant	Economic Dev. Grant	Revitalization Loan	Revitalization Grant	Revitalization Grant Phase II
Amazon.com, LLC	Logistics and Distribution	Northeast	Cuyahoga	2,000	\$55,400,000	0	\$100,000,000					\$5,000,000	
Amazon.com, LLC	Logistics and Distribution	Northeast	Cuyahoga	1,000	\$27,700,000	0	\$60,000,000					\$3,500,000	
Amazon.com, LLC	Logistics and Distribution	Southwest	Warren	1,000	\$26,700,000	0	\$30,000,000						
Amazon.com, LLC	Logistics and Distribution	Multi-Regional							\$1,850,000	\$5,555,555			
Detroit Manufacturing Systems Toledo and Non-Automotive, LLC	Automotive	Northwest	Lucas	120	\$5,932,992	12	\$8,800,000		\$100,000				
Exsurco Medical, Inc.	Biohealth	Northeast	Erie	52	\$5,504,000	199	\$20,006,000		\$300,000				
Keno Kozie Associates, LTD	Information Services and Software	Central	Franklin	36	\$1,044,420	0	\$0		\$40,000				

Attributes

- Summarized data in easily accessible PDF with access to detail
- Separate “Results” page on website where data is housed in one place
- Year-over-year trends
- Provides regional EDO data

Example Peer: Pennsylvania Department of Community & Economic Development

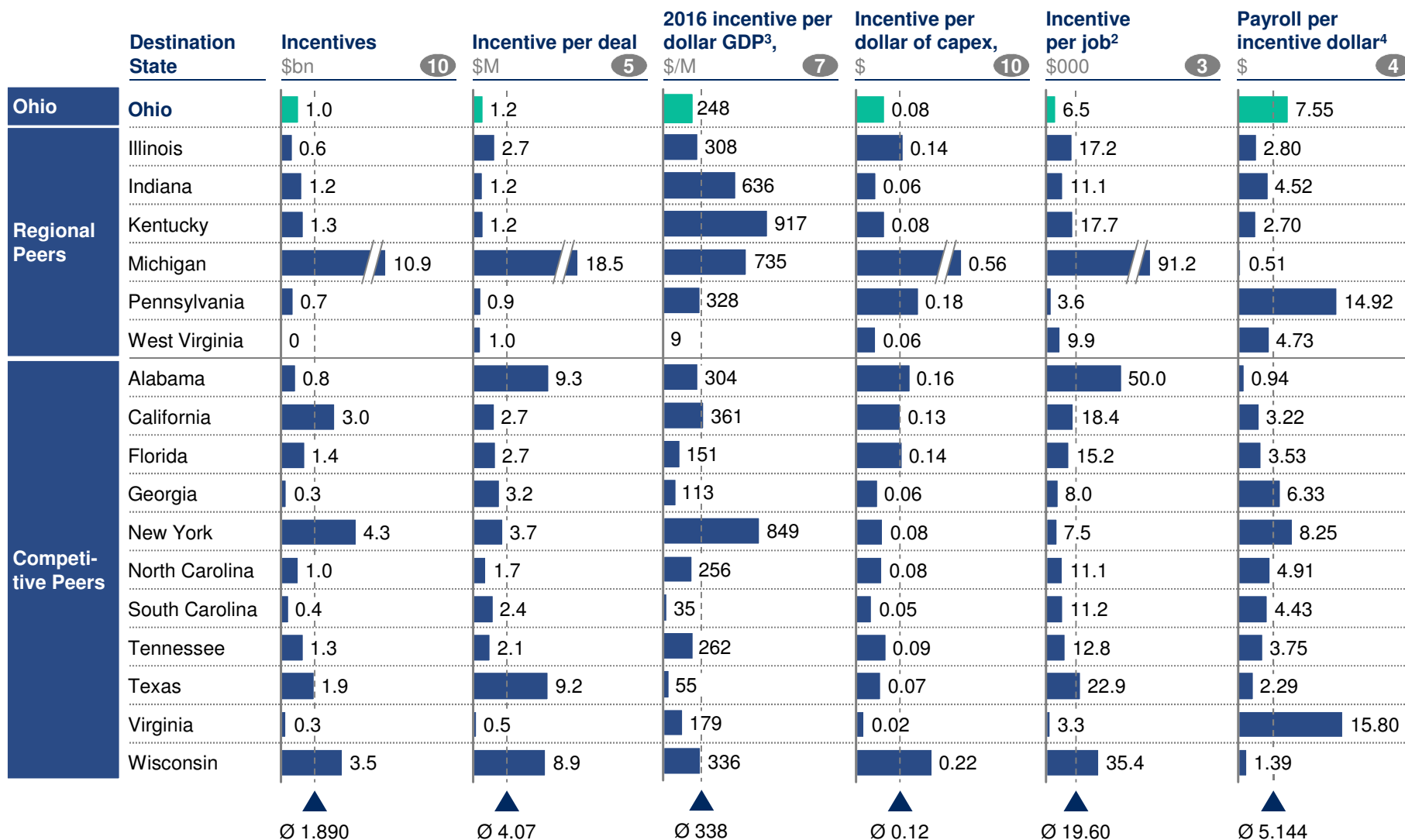
Applicant/Company	Program	Multi Program Funded	County	Total Jobs		Program Amount	Multi FY Funded
				Existing	Pledged		
Applicant: Jackson Township IDA Company: Always Bagels, Inc.	Infrastructure & Facilities Improvement Program	Yes	Lebanon	0	78	\$496,000.00	Yes
Applicant: Exeter Township Company: Township of Exeter	Local Share Account - Luzerne Co		Luzerne	0	0	\$100,000.00	
Applicant: K.W. Crumb Productions, LLC	Film Tax Credit		Delaware	5	626	\$2,592,674.00	
Applicant: Cook MyoSite Incorporated	Pennsylvania First - Grant		Allegheny	75	64	\$100,000.00	
Applicant: Philadelphia Authority for Industrial Development	ISRP - Growing Greener II		Philadelphia	0	25	\$1,000,000.00	Yes
Applicant: Philadelphia Authority for Industrial Development Company: Philadelphia Industrial Development Corporation	Infrastructure & Facilities Improvement Program		Philadelphia	0	150	\$2,400,000.00	Yes
Applicant: Cam Real Estate Partners, LP	NAP_EZP		Bucks	12	5	\$127,008.00	
Applicant: City of Easton	Multimodal Transportation Fund		Northampton	0	0	\$128,697.00	

- Investment tracker by project with no summary and maximum of 200 search results per page
- Housed on separate “PA State of Innovation” website
- Data must be individually collected, transported to Excel, and summarized

Exhibit 20: JobsOhio incentives per outcome across jobs, capex and payroll

Incentive deals¹, 2013-2017

OH rank against peer states

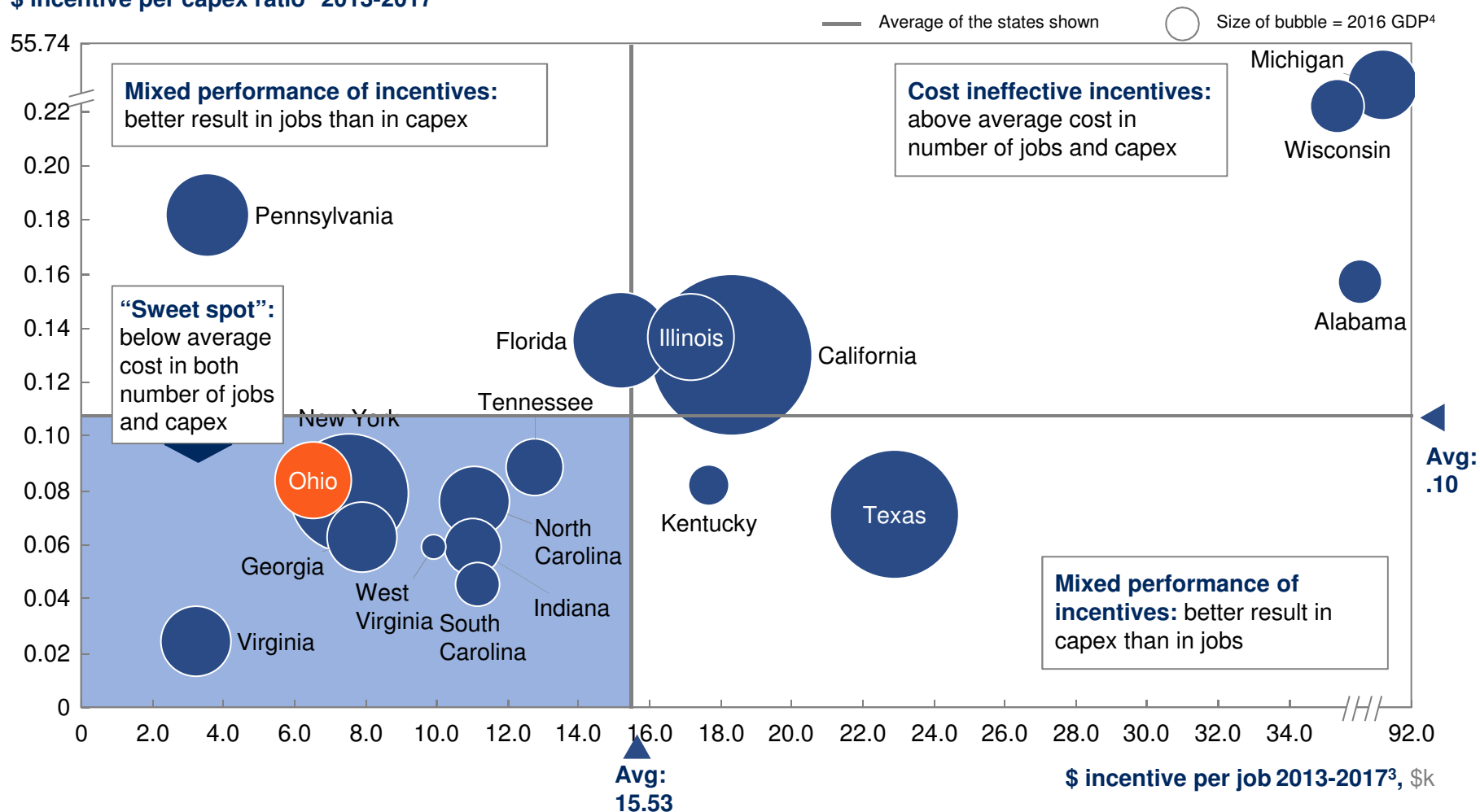


¹ Examples of incentive deals include tax discounts, loans, grant, subsidies; Data for OH and all peer states except AL and TN pulled February 14, 2018; data for AL and TN pulled March 5, 2018; ² Includes new jobs and safeguarded jobs promised by each deal at time of announcement; ³ 2016 incentive spend as percent of 2016 state GDP; ⁴ Average payroll by industry multiplied by total new and safeguarded jobs promised by each deal at time of announcement

SOURCE: IncentivesMonitor – WAVTEQ (www.IncentivesMonitor.com), Moody's

Exhibit 21: Incentive per job and capex spend among All Peers, 2013 to 2017

\$ incentive per capex ratio¹ 2013-2017



1 Considers total incentives divided by sum of capex promised by each deal at the time of deal announcement; 2 Considers OH, regional peers, and competitive peers; Data for OH and all peer states except AL and TN pulled February 14, 2018; data for AL and TN pulled March 5, 2018; 3 Considers total incentives divided by the sum of jobs (created and safeguarded) promised by each deal at the time of deal announcement; 4 2016 real GDP (chained to 2009 USD), M

Exhibit 22: Staff and salaries productivity measures across peer EDOs, 2017

Regional peer states Public-private EDOs

2017 Deal :
Front Office Staff⁵ Ratio

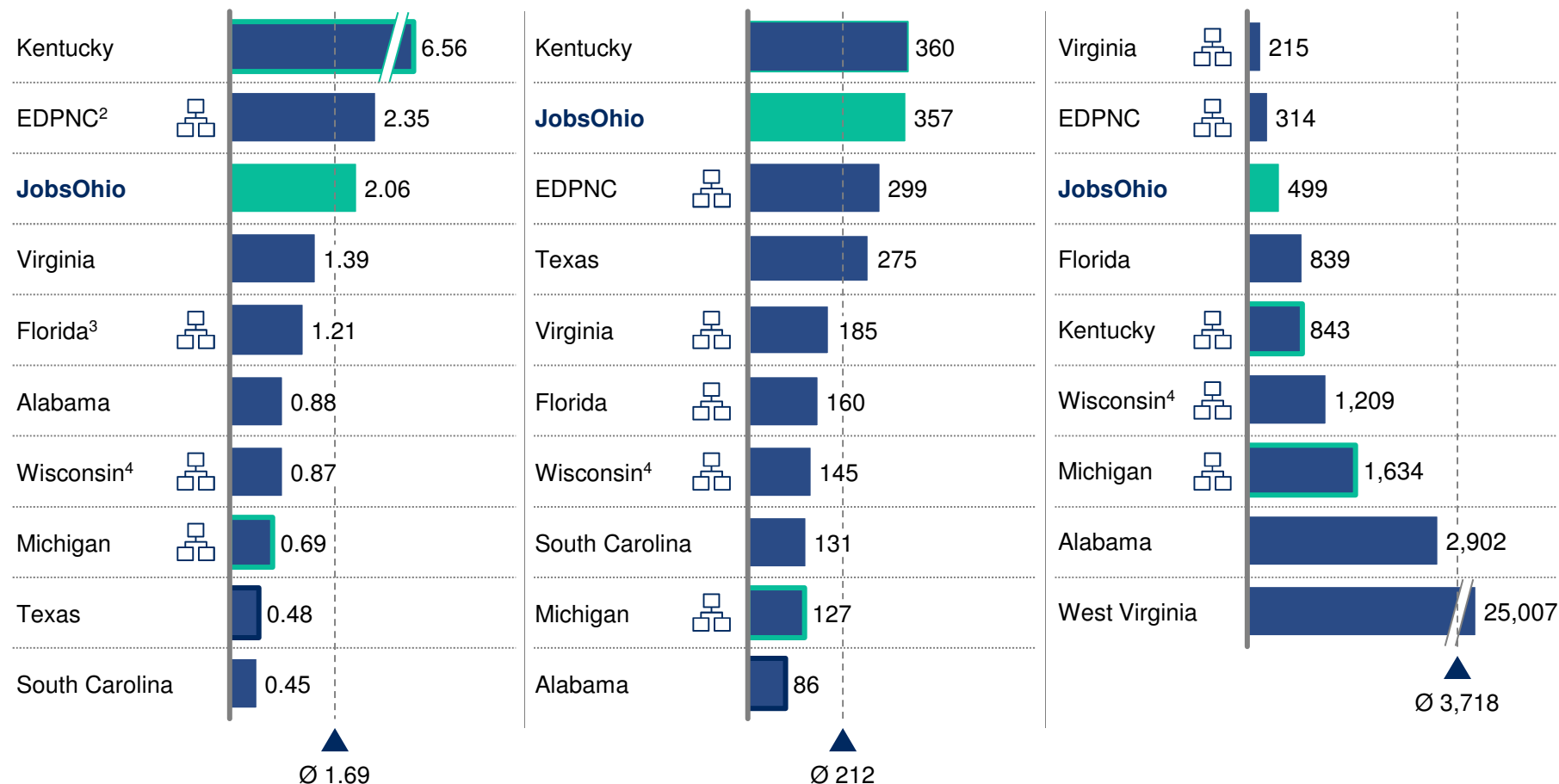
#3

2017 Jobs¹:
Front Office Staff⁵ Ratio

#2

Salaries and Benefits⁶:
2017 Jobs¹ Ratio

#3



1 Includes new and safeguarded jobs; 2 Economic Development Partnership of North Carolina; 3 Enterprise Florida; 4 excludes 2017 Foxconn deal in Wisconsin; 5 May include vacant staff positions; 6 Based on available payroll data in EDO financial statements and budgets

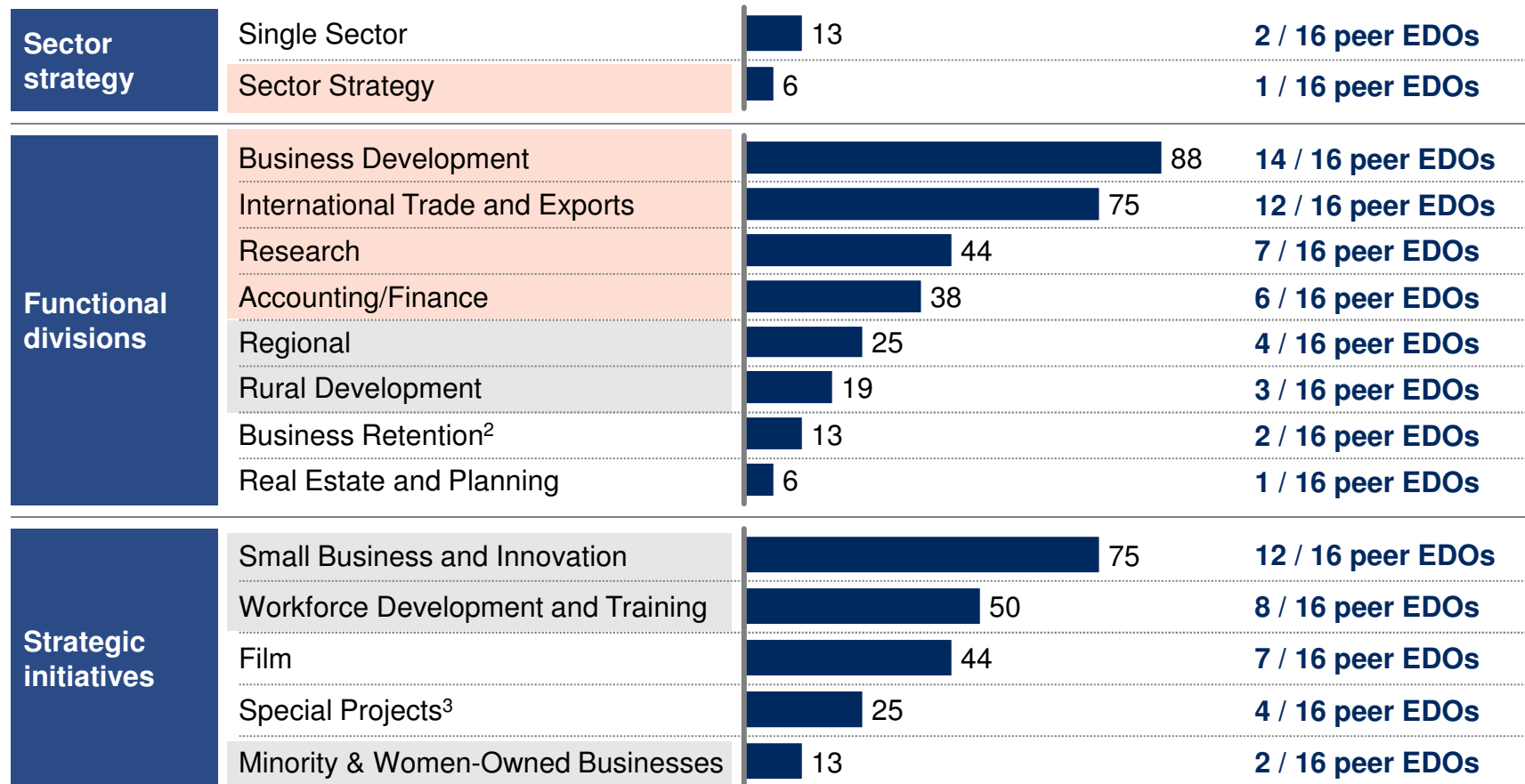
SOURCE: State transparency portals, EDO financial statements, JobsOhio

Exhibit 23: Organizational structure alignment across peer EDOs

Organizational alignment by state

JobsOhio JobsOhio partners

Percent of peer states with N-1 and/or leadership-level¹ units



¹JobsOhio not included in percentages. Divisions may not be led by N-1 level staff but are referenced at leadership or department level on website; North Carolina represents Economic Development Partnership of North Carolina; Florida reflects Enterprise Florida. May not be exhaustive of all departments. Indiana not included.

² Distinct from business attraction and development division and uniquely focused on the retention function

³ Special projects include Planet M in Michigan, zero emissions vehicle infrastructure in California, etc.

⁴ Single sector strategies include automotive in Michigan, sports in Florida vs. multiple sector leadership-level teams in Wisconsin and Ohio. Tourism not included.

SOURCE: EDO websites

Exhibit 24: Strengths and challenges in JobsOhio's core processes

		★★★★★	★★★★	★★★	★★	★	
		Highest performing	Above average	Average	Below average	Emerging	
	Rating	Performance					● Core Strength ● Improvement needed
Deal making	★★★★★	●	Clearly mapped roles and responsibilities for dual diligence				
		●	Efficient software integration (Salesforce)				
		●	Potential to improve accountability in lead phase				
Reimbursement	★★★★	●	Instruction videos to aid customers				
		●	Random sampling of documentation for workforce grants				
		●	>3 months average time to disburse funds from initial request				
		●	Potential to improve coordination of customer requests				
Hiring	★★★	●	Key roles being filled				
		●	Average time to hire 5 months versus 1 month for best-in-class				
		●	Infrequent updates during process lends poor perception to top talent candidates				
IT procurement	★★★★	●	Little duplication of software tools (less than 5% to 10%)				
		●	Staff mostly have needed tools				
		●	Average time to procure software ~2 months, in line with peers				
		●	Siloed groups unaware of potentially useful software used elsewhere in organization				

Exhibit 25: Strengths and challenges in the deal making process










		Efficiency  Low  Ok  Good	
Stage	Strengths	Challenges	Inefficiency
 Lead	<ul style="list-style-type: none"> Use of integrated software for tracking throughout process Ability to assure clients confidentiality 	A Unclear roles/responsibilities during Lead phase	Waiting
 Project DD	<ul style="list-style-type: none"> Roles and responsibilities mapped PM's and PC's highly utilized 	N/A	
 Deal Structuring	<ul style="list-style-type: none"> Subject matter experts leveraged PC's ensure complete Salesforce records <10 mins per project at Project Review Mtg Exec Dir Ops pre-filters before JO/DSA Early pre-vetting to prevent surplus work Incentives disbursed for job creation "pull" 	B Constraints on MDs availability delay process C Sub-optimal process with financing program D Companies request amendments late E Need for Talent services incorporated late F Project Review Meeting includes projects with incomplete data G Perception of key approvers bottlenecks	Waiting Intellect Rework Rework Motion Waiting
 Application	<ul style="list-style-type: none"> Application pre-populated for customer using Salesforce data from prior phases 	N/A	
 Approval	<ul style="list-style-type: none"> Regular cadence of approval body meetings Independence of legislature (~30% of peers) 	H Large deals/incentives require board and management team approval	Waiting
 Closing	<ul style="list-style-type: none"> N/A 	I Talent services with limited offering flexibility J Modifications require exec approval	Intellect Over-processing

Exhibit 26: Customer perception of deal-making and process efficiency performance across EDOs

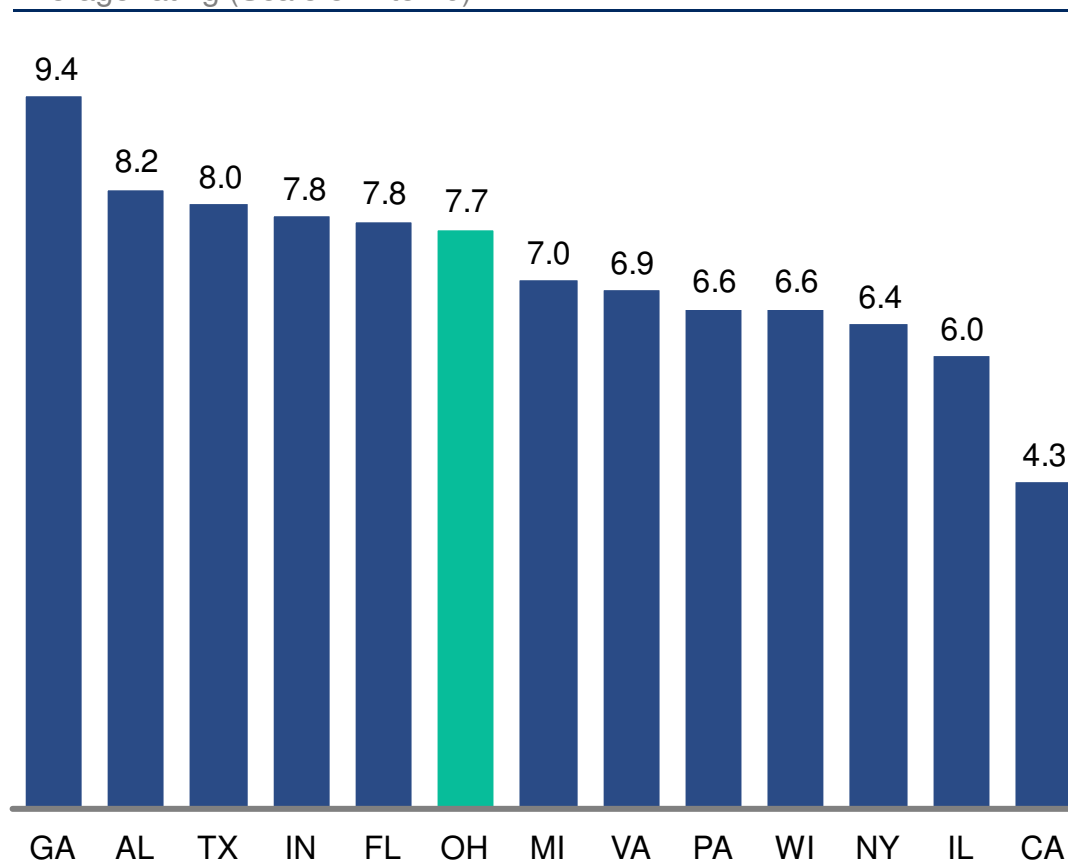
Peer EDO responses to survey question¹
on deal-making process time in months

Number of months

EDO State	Reported Time
Texas	3 to 6
South Carolina	3 to 6
Wisconsin	3 to 6
Ohio	6 to 9 ²
Indiana	6 to 9
Nevada	9 to 12
North Carolina	9 to 12
Virginia	9 to 12
West Virginia	12 to 18
Michigan	12 to 18

Customer responses to survey question³ on process efficiency for
various EDOs

Average rating (Scale of 1 to 10)



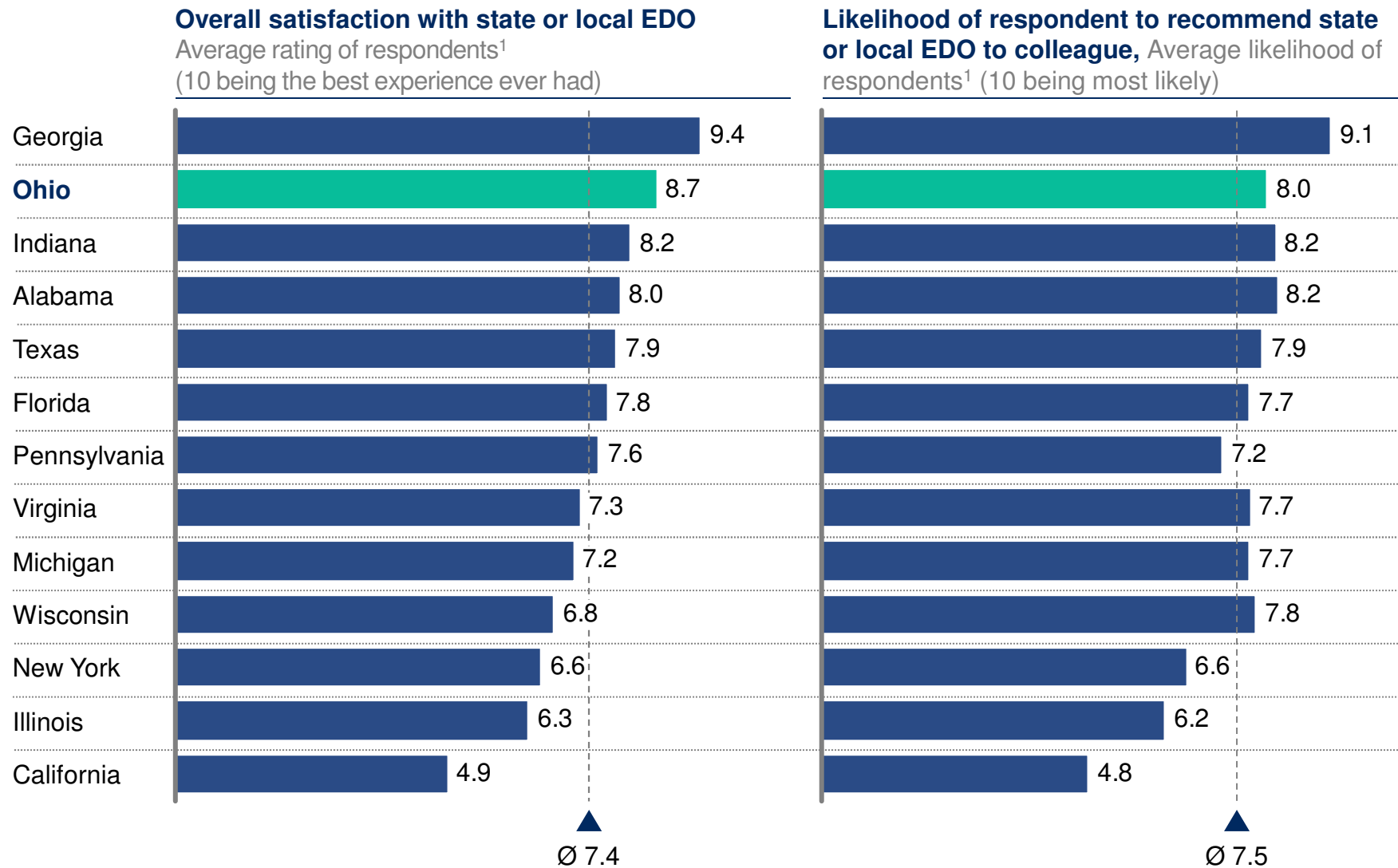
¹ "How many months does it take from the point of engaging a state or local EDO to finalizing incentive agreements?"

² Based on Salesforce data analysis

³ "On a scale of 1 to 10 (1 being the quickest and most efficient deal process you've ever had with a state or local EDO), how would you rate the speed and efficiency of the EDO?"; Includes 13 states; excludes states rated by 4 or fewer respondents: South Carolina, West Virginia, Tennessee, North Carolina, and Kentucky

SOURCE: Customer and Peer EDO surveys, Salesforce Analysis

Exhibit 27: Customer survey feedback across All Peer EDOs



¹ Includes 13 states; excludes states rated by 4 or fewer respondents: South Carolina, West Virginia, Tennessee, North Carolina, and Kentucky

SOURCE: Customer survey

Exhibit 28: Repeat customer deal volume across All Peer EDOs

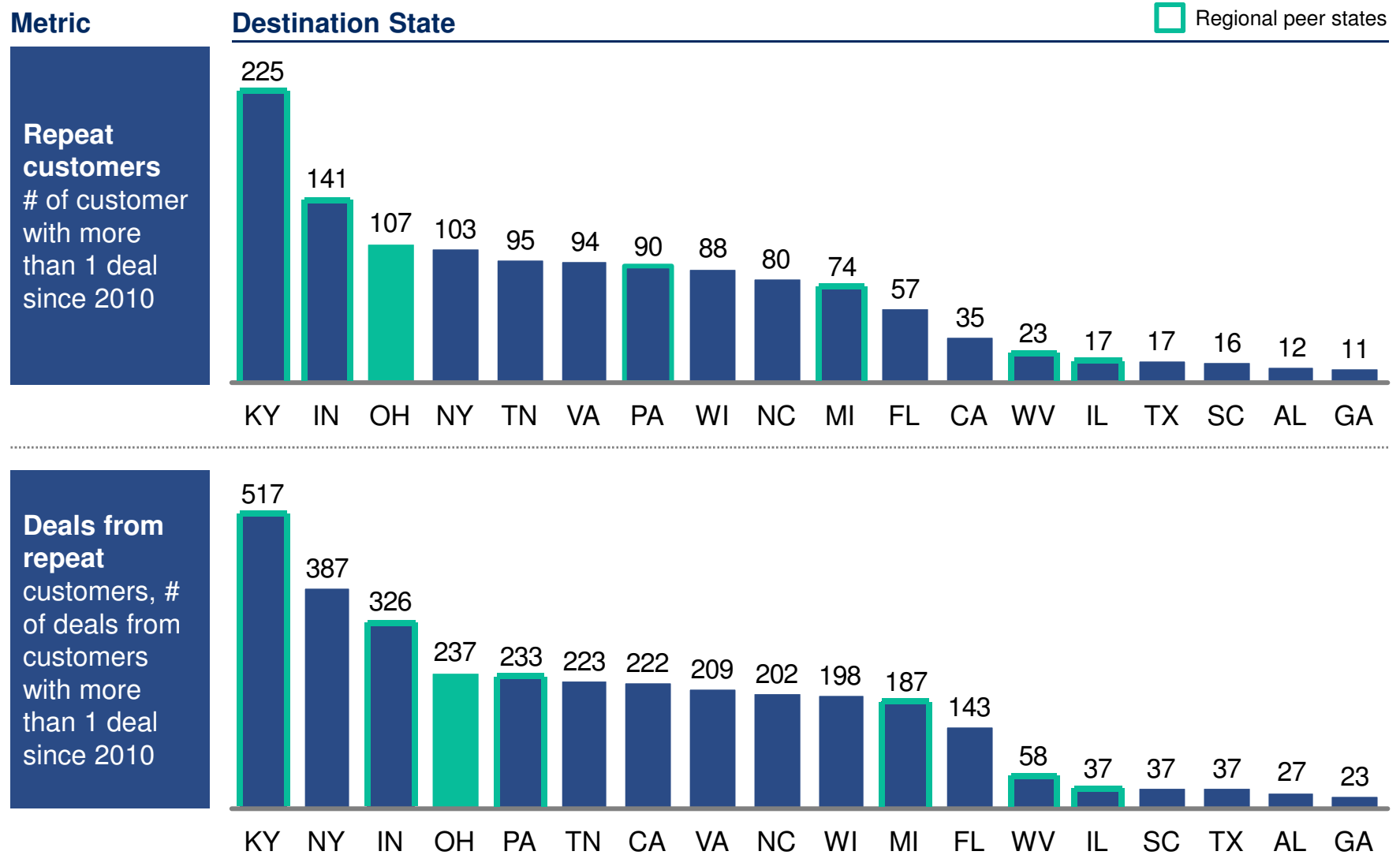
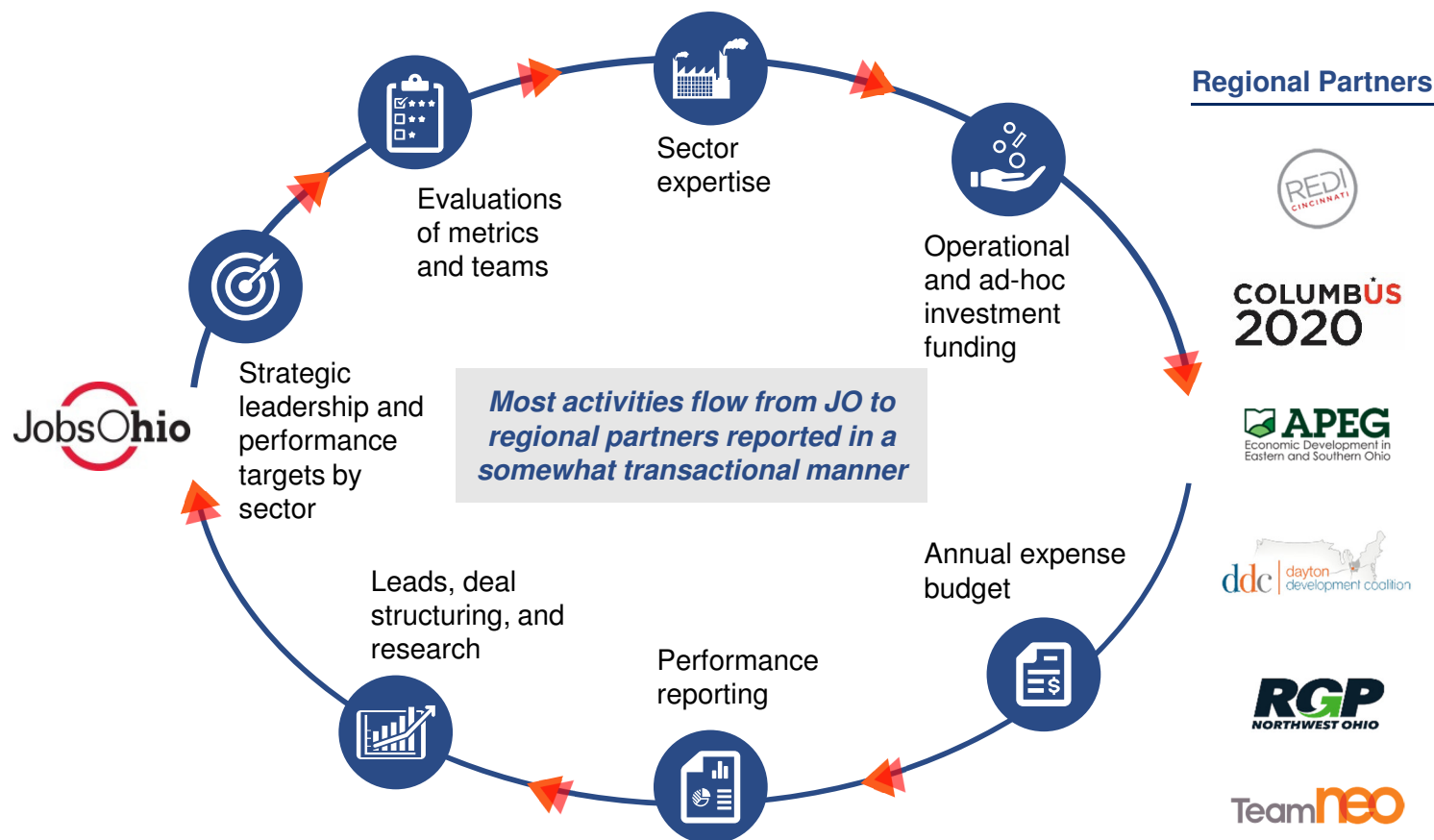


Exhibit 29: Overview of activities and collaboration between JobsOhio and Regional Partners



Regular meetings

- Leadership meetings: 6 annually
- Review meeting of services rendered by regions: Quarterly
- Talent acquisition group & RTM's: Weekly phone calls
- Project review meeting: Three times per week