



Growing Battle River

Private Sector Development Brief

Battle River Economic Opportunities Committee

September 2019

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PREFACE

The following brief has been prepared as a logical and necessary step within BREOC's broader goal of transition.

Strategic planning for Private Sector Development is an essential response to the increased sophistication of such endeavours and the need to ensure that the end product is what is wanted and desired.

BREOC's success in PSD is about being pro-active and developing an effective "*game-plan*" to ensure: (1) BREOC's ability to adapt to future eventualities is increased; (2) PSD goals and objectives are crystallized; (3) unnecessary pressures of immediacy are reduced; (4) PSD mistakes and oversights are eliminated; (5) a more productive use of scarce financial, physical, and human resources is ensured; (6) control is made easier; and, (7) efficiency and effectiveness is maximized.

ACKNOWLEDGEMENTS

This strategy was prepared on behalf of and for the Battle River Economic Opportunities Committee (BREOC). It is premised on discussions and input of all BREOC members. It reflects the substantive contributions of local municipal councils; numerous entrepreneurs and private enterprises from within the region; local/regional service providers; and other stakeholders. Importantly it is also premised on the financial and technical support from the Government of Alberta and Western Economic Diversification Canada.

Lochaven Consulting

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Time for change

INTRODUCTION

The following effort builds on the recognition that the health and vitality of the private sector is key to sustainable economic prosperity and social well-being within the Battle River Region. The following is also an acknowledgement that BREOC, amongst a multiple of partners and stakeholders not the least of which includes representatives of the private sector, has a definitive role to play in facilitating and fostering a climate conducive to enhancing private sector health and vitality. This doesn't happen by accident, but rather by conscious design and committed, focussed effort.

The following narrative, within the broader context of transition, speaks to the steps and tasks as they apply specifically to private sector development within the region. The document is presented as a foundation piece to stimulate discussion. The intention here is to provide thoughts on what is; what is desired; what needs to be; and what direction is best suited for success in PSD within the region. This includes an exploration of thoughts and actions extending over the next five years, but not specific actions and activities beyond year one as the process by design and intent is necessarily iterative and must be revisited annually at the least to adjust for contextual changes.

The objectives of what follows includes the following:

- ▶ A delineation of key principles as they apply to PSD and the interplay between PSD and transition for BREOC;
- ▶ An articulation of key external and firm level influencers with a critical eye to how these characteristics impact on the health and vitality of the private sector within the region today and into the future;
- ▶ An overview of essential needs for sustainable PSD including an identification of key gaps in regional services/programs; and,
- ▶ Suggestions in respect to strategic priorities for 5-years and suggested actions for 1-year

As such the following strategy has been developed with careful consideration of the context in which it is proposed – taking into account both external and firm level influencers. It falls out of consideration for the broader transition effort and reflects what is needed, what is relevant, and what is possible. Most importantly, the following strategy is an iterative effort requiring continual assessment, monitoring and adjustment to remain focussed and relevant.

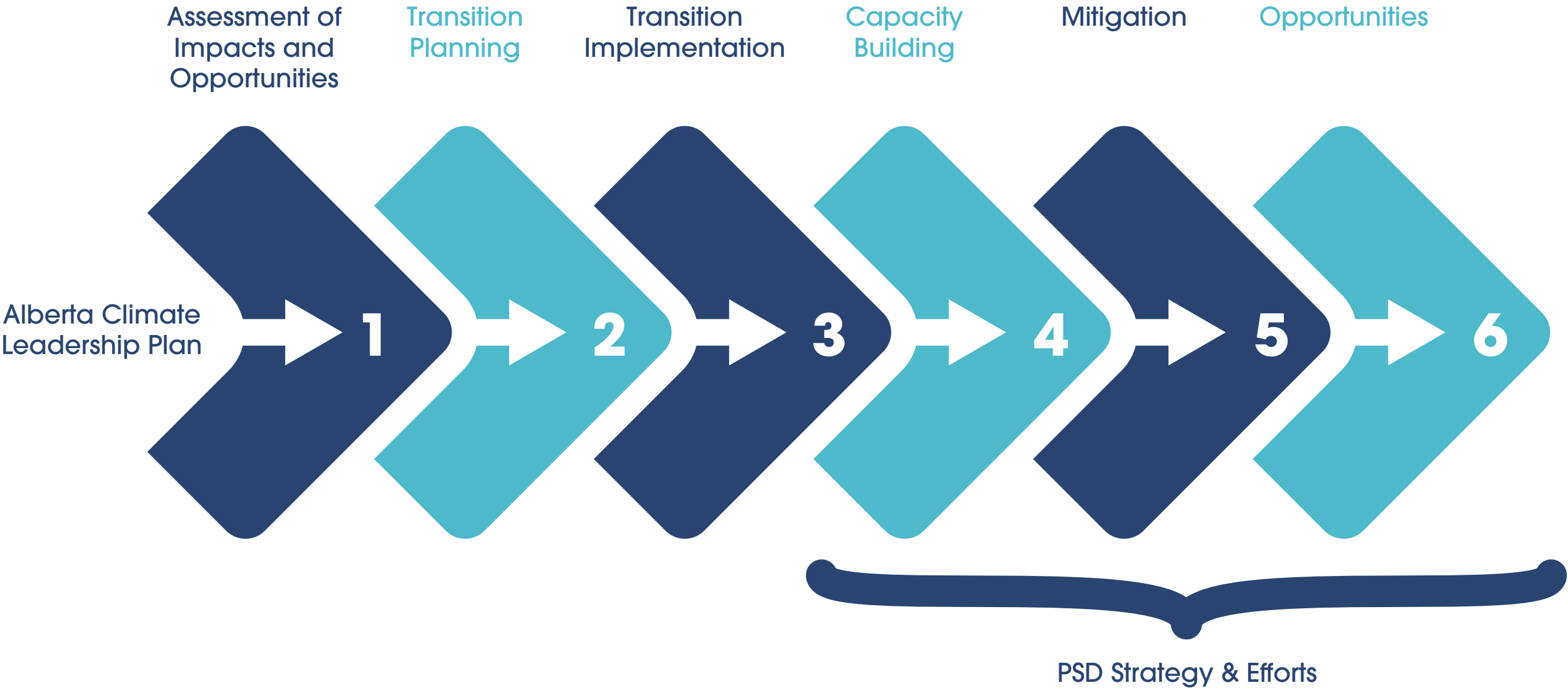


“The BREOC journey began with the Government of Alberta’s initial announcement regarding eliminating coal produced energy in the province. Since the announcement, a number of efforts were undertaken by BREOC that ultimately resulted in their Transition Path Forward. These efforts included, but were not limited to: a combination of strategic interventions such as staffing, technology/ innovation; knowledge management; technical, and financial assistance; leveraging; and coaching/consulting.

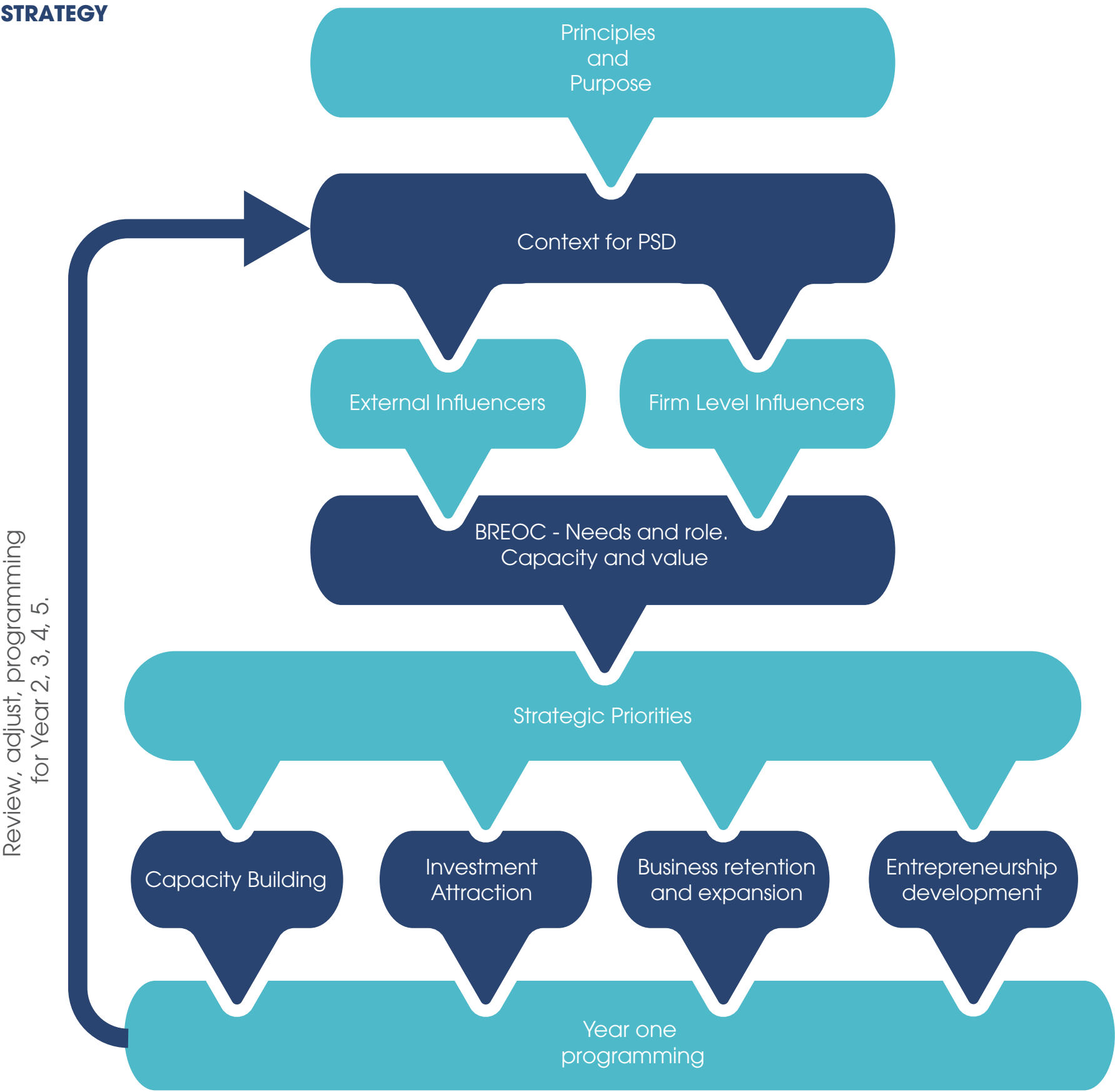
These efforts or interventions are broadly categorized into three elements: Capacity Building; Impact Mitigation; and Development Opportunity Realization. It is from these elements that Private Sector Development activities build from.

Private Sector Development does not occur in the absence of the broader transition vision, goals and objectives. Rather, properly presented it serves to compliment, build on and enhance the broader transition plan.

BREOC’S TRANSITION JOURNEY



PRIVATE SECTOR DEVELOPMENT STRATEGY



FRAMEWORK OF TRANSITION AND PSD

TRANSITION

Transition is a socio-economic development process of renewal/revitalization, typically extending over many years. It is unlike the typical economic or community development process, in that when properly undertaken it necessarily encompasses a multiplicity of actions as a response to broad and irreversible structural changes. Success demands an effort that is holistic, taking care not only to emphasize economic renewal, but as importantly, facilitate

positive social change and adjustment. As designed, transition is intentionally process driven and guided by local stakeholders using strategies to effect transition by promoting local ownership and consensus for reform through capacity building of local institutions and civil society. The approach to transition must be intentionally strategic and realistic in light of the capacities of the Region in which the efforts are focused.

PRIVATE SECTOR DEVELOPMENT (PSD)

Private Sector Development is about facilitating, promoting, and maximizing the contributions of the private sector towards sustainable development results. As a subset of the broader transition effort, PSD emphasizes:

1. Private Sector as a Key Player –

The Private Sector is the key stakeholder within the process and often the primary driver of change;

2. The Importance of MSME's in

Diversity – Recognition of the value and importance of MSME's in creating a diverse and sustainable economy;

3. Programs are Needs Based –

Interventions should be needs based and demand driven;

4. Multi Sector Approach –

A focus across multiple sectors;

5. Strong Leadership –

Leadership, inclusive and coordinated processes, and the maximization of capacities at local levels to positively

impact the long-term sustainability and effectiveness of private sector engagement;

6. No One-Size Fits All – A recognition of the diversity of needs and interests of private sector actors and other stakeholders impacted by the process;

7. Broad-Based Business

Participation – Efforts that maximise participation by local businesses including acknowledging that some actions are best driven exclusively by private enterprises;

8. Partnerships with the Private

Sector – Support for partnerships with the private sector in ways that make them more impactful (implying openness, trust, mutual respect and learning given the different and complementary roles of all actors); and

9. Sustainable & Impact Focused –

Assurances that a private sector solution is the most appropriate way to achieve maximum lasting impacts and fosters maximal transition success.

HOW LOCAL GOVERNMENTS AFFECT PRIVATE SECTOR DEVELOPMENT

Local governments are one of many players that affect Battle Rivers economic competitiveness and opportunity. Local governments can affect Private Sector Development in eight (8) main ways:

1. Shape the Qualities that make the Battle River Region attractive to talented people and world-class companies.
2. Provide Assistance and Support to Business to enable job creation, new business formation, private investment, and industry evolution.
3. Determine How Land is Used & Facilities are Developed to ensure balanced, quality community development.
4. Support Development of a Local Workforce that is skilled, productive, and able to learn lifelong.
5. Communicate the Regions Assets, Comparative Advantages, and Aspirations to send a clear, consistent, compelling message to decision-makers and influencers.
6. Establish Policies to Align Business and Regional Goals to advance values and aspirations without undermining competitiveness.
7. Invest in Capital Projects & Service Delivery, stimulating economic activity, employment of people, and maintenance of investments.
8. Provide Leadership for Long-Term Economic Success, working with public and private partners in the community and region to advance shared goals.

CONTEXT – EXTERNAL INFLUENCERS

Considering on the one hand context (spatial/locational economics) in terms of the broader perspective of development and on the other hand firm level context (stages of business evolution within the MSME ecosystem) are essential pre-requisites to understanding not only “*what is*” in terms of private sector development but more importantly “*what can be*”.

External Influencers refer to those broader determinants or influences that in one form or other impact or dictate sectoral growth and change (importantly it is the contextual application or analysis of these factors that is critical). As such, the following shows some of the key findings in relation to these external influencers that allow us to understand the directional strategy required for private sector development in the noted environment.

EXTERNAL INFLUENCERS THAT AFFECT BATTLE RIVER'S STRATEGY

Land & Building Infrastructure

Global, National & Regional



- Intense competition with HWY 2 corridor and Industrial Heartland.
- Misalignment of supply/demand for industrial/business properties.
- Regulatory issues impact land supply and exacerbate misalignment between needs of business and municipal supply.
- Municipalities increasing taxes on business (disproportionate) to pay for services.

Legal Aspects

Global, National & Regional



- Increasing complexity with legal structures, CRA etc.
- Increased burden on firms for taxation.

Social Trends

Global, National & Regional



- Social licensing taking on a more significant role in PSD.
- Climate change, environmental consciousness, thinking "green"
- Urbanization
- Multiculturalism.
- Increased need for belonging. ...importance of social inclusion and social networking.
- Absence of diversity.

Psychographic Trends

Global, National & Regional



- Sense of entitlement.
- Defeatism or survivor mentality.
- Small town/rural remote mentality.
- Independent/self reliant offset by over dependence on government.

BATTLE RIVER PRIVATE SECTOR DEVELOPMENT - EXTERNAL INFLUENCERS

Political Environment

Global, National & Regional



- Provincial/Federal environment unknown (election, limiting budgets, misalignment to local needs)
- Increasing "pro-business" environment within Provincial government.
- No PST. Tax friendly business environment within Province.
- GOA and GOC supportive of transition.
- Commitment but limited PSD capacity levels of local government to promote, facilitate and effect change.
- Inconsistent approach to regional projects/partnerships – especially noting differing service providers with differing jurisdictions and mandates.
- Improvements in Regional political relationships.
- Low municipal tax rates for business/commercial/industrial development.
- Changes in Municipal Act are opening up additional opportunities for municipalities to support PSD (e.g. incentives)
- Amalgamation is creating greater efficiencies in municipal service delivery.

Technological/Structural Trends

Global, National & Regional



- Increased applications of AI in private enterprise operations. (internet of things, financing/decision making)
- Limited opportunities for specialization/niche production.
- Connectivity.
- Automation.
- Changing market structures as a consequence of changing consumer behavior.
- Increased specialization/efficiencies as a consequence of clustering and agglomeration.

Foundational Elements (Agencies/Capacities)

Global, National & Regional



- New programming and services in support of PSD (investment attraction, export development, commercialization of technology, research, entrepreneurial immigration).
- Lack of presence and awareness of programming and services in support of PSD.

Demographic Trends

Global, National & Regional



- Smaller families and older populations
- Population decline.

Economic Circumstance and Outlook

Global, National & Regional



- BREOC economic circumstance and outlook does not exist in isolation of global, national socio-economic events/trends.
- Global/economic uncertainty – trade, commodity prices, private sector debt. Global Recession is on the horizon
- National/Provincial outlook fragile – weak Cdn dollar, pipeline uncertainty
- (oil and gas), struggling manufacturing sector, trade woes (all sectors).
- Most sectors (agriculture, oil and gas, retail/service trade are struggling though some positive recent developments.
- Near term outlook not positive across all key sectors.



CONTEXT – FIRM LEVEL INFLUENCERS

Firm level influencers refer to those characteristics or determinants of firm level behaviours. Understanding the scope and relative importance of these determinants highlights firm level capacities to effect positive change as part of the broader PSD effort.

The ecosystem includes nine (9) elements:

1. Entrepreneurial culture
2. Experienced mentors
3. Regulatory environment
4. Collaborative culture
5. Visible successes
6. Risk tolerance
7. Availability of capital
8. Culture of Innovation
9. Human capacities

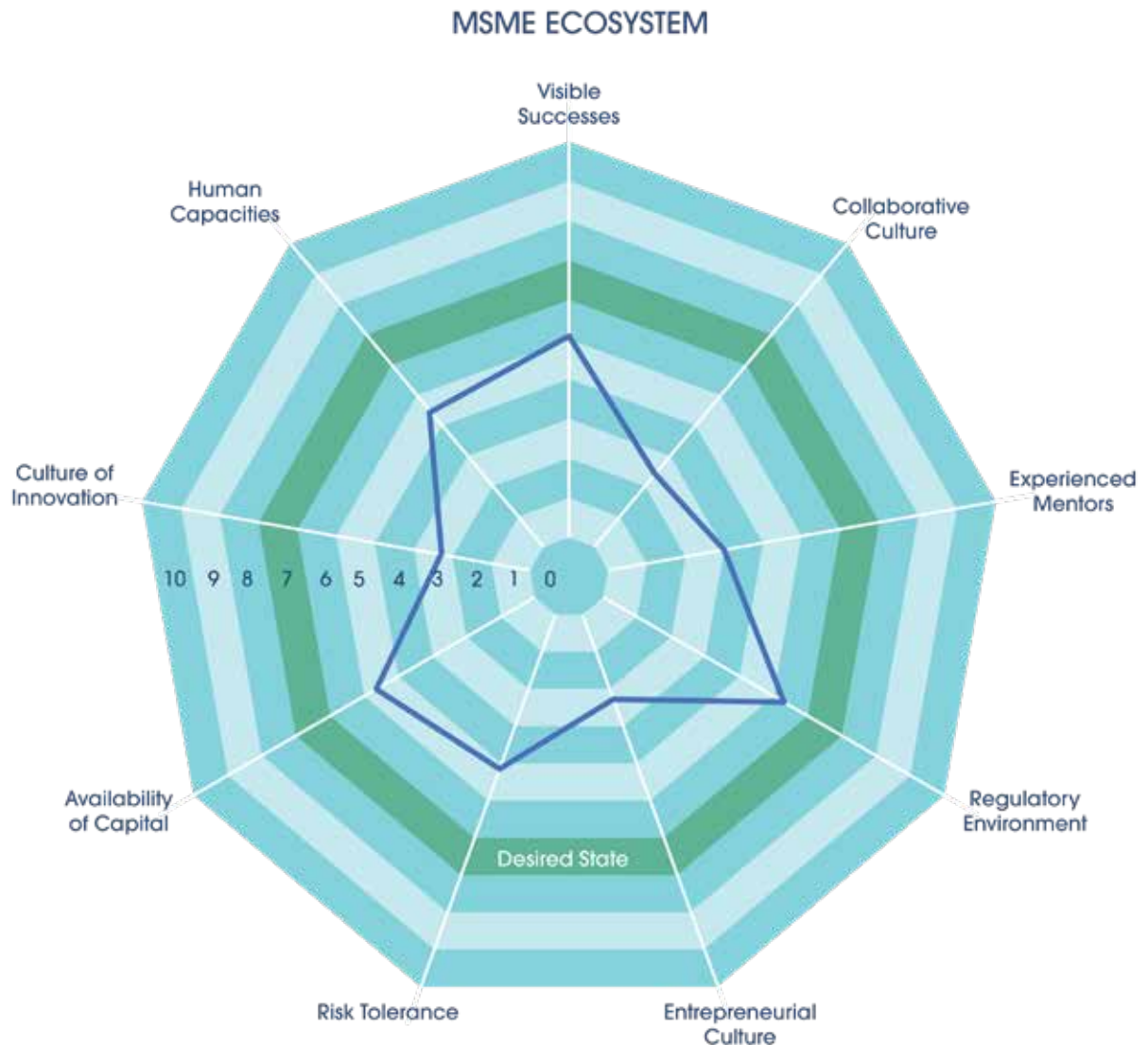


THE NINE ELEMENTS OF THE MSME ECOSYSTEM

Influencer	Description
Entrepreneurial Culture	The unique combination of socio-economic, political, and cultural aspects that contribute to an environment for individuals to be more willing and supported in taking on entrepreneurial efforts.
Regulatory Environment	The level of regulation that supports or deters from the ability of entrepreneurs to start, grow, and ultimately be successful. This includes taxes and laws, as well as the speed and the process itself an entrepreneur must go through to be compliant.
Visible Successes	Awareness of successful entrepreneurs within the region. As people are a product of their environments, if there are no visible successes to motivate others towards entrepreneurship there is a lower likelihood to convert individuals into entrepreneurs.
Availability of Capital	Availability of capital goes beyond having banks and financing institutions; instead it necessarily encompasses the authentic level of accessibility. There needs to be accessible avenues for entrepreneurs to find relevant start-up financing, growth financing, and exit financing.
Human Capacities	The wide range of both intangible and tangible skills and experiences an individual brings to entrepreneurship. Also, a recognition of but not limited to entrepreneurial intuition, propensity for innovating activities, capacities for setting up an efficient organizational structure.
Experienced Mentors	Experienced mentors can assist in motivating individuals to start a business and have been proven to be instrumental in entrepreneurial success for both start-ups and ongoing businesses. Benefits include connections, timely advice, reassurances, guidance, and more.
Collaborative Culture	A collaborative culture can be fostered through a trusting and risk-tolerant environment that allows entrepreneurs, their staff, and the community players at large, to work in unity and not in competition with each other.
Risk Tolerance	For an entrepreneurial ecosystem to thrive, risk tolerance is an important determinant. However, there is context to this, as entrepreneurs learn how to handle risk as part of running a business. People who are not necessarily comfortable with risk, can learn and train themselves through the entrepreneurial process to become reasonably comfortable with it.
Culture of Innovation	To start and survive in business today you must continue to innovate. Innovation can come in a variety of forms and being able to recognize, manage, and create value for a sustainable competitive advantage is important for long-term success.

The graphic presented below illustrates a compilation of these core 9 elements contrasted with an analytical weighting for the BREOC region. The elements have been assessed based on the context and innate understanding of the business ecosystem

in the Battle River Region on a rating scale of 0 – 10, where 10 would be the best; this is portrayed in the radar graph below. Naturally, there are elements that need to be bolstered but there are others that are conducive to a facilitative ecosystem.



BUSINESS LIFECYCLE

The business life cycle is a tool that illustrates the various stages a business goes through. In doing so it portrays the unique needs of business within those various stages as well, by implication, sets out the role of service providers that are playing a role to support business in those stages. The stages allow for the distinction between the nuances of the common challenges and the common needs between stages, which leads to a further appreciation of the ebbs and flows of business needs. Regardless of the position of a business in the lifecycle, there needs to be sufficient support mechanisms in place to service entrepreneurs effectively.

The following graphic shows the 8 stages of the business life cycle. The notable difference compared to other schematics of the typical business lifecycle is the first four (4) pre-launch stages. These stages are all too often forgotten, neglected,

or mistakenly blended with the market entrance phase at stage 5. This common oversight leads to a misalignment in programming and servicing that supports the needs of those in the preliminary stages.

Therefore, business lifecycle image as presented below speaks to not only the stages, but the needs at each stage at a high-level. Furthermore, below the stages there are various key mechanisms listed that are then drawn out to illustrate how at each stage the needs and the mechanisms change. The right modality of support therefore depends on the stage in the business life cycle, the type of business, and the specific need. For example, it is evident that the financial support needed at the pre-launch stages of a business are much different than the type of financial support required at the growth and expansion stage or the succession stage.



THE EIGHT STAGES OF THE BUSINESS LIFECYCLE

Stage	Description
Stage 1: Opportunity Recognition	Entrepreneurs by their very nature recognize opportunities all around them. This stage represents that catalytic moment of the entrepreneur when they start to think about becoming self-reliant and offering their product/service solution commercially.
Stage 2: Pre-Entrepreneurship	As an entrepreneur needs to be largely self-reliant, it is critical that they are ready for the journey - laying strong foundations within the person who wishes to explore entrepreneurship.
Stage 3: Opportunity Focusing	Early distillation of the idea and further refining their offering. In these early stages, a narrow focus is vital. There is always the possibility to build in future growth plans and extend business reach further down the path. .
Stage 4: Resourcing	Thinking through the proposed business through its entirety, with all those thoughts culminating into the development of a business plan.
Stage 5: Market Entrance	There is an incredible difference between screening an opportunity and researching and writing a business plan. Writing an effective business plan requires a new level of understanding and commitment. .
Stage 6: Full Launch and Growth	The committed entrepreneur has started a very simple organization, the resources were correctly allocated according to the business plan, and the first sales were made. This is what defines success in the very early stages. Often there is the need to refine the business either through what it offers or how it offers it services/products. This will assist with ensuring the business model is being profitable and the venture is on track for attaining true economic health. .
Stage 7: Maturity and Expansion	The entrepreneur chooses a particular sustainability strategy amongst a variety of alternatives, e.g. to remain a small business because there is not enough room in the market for growth, their production and management systems are not scalable, or they will not scale because the pace is too great of a challenge to the management.
Stage 8: Business Exit	TThis stage comes in many different forms from bankruptcy, or simply closing the doors, to succession through selling the business. The entrepreneur is focused on capturing the value created in the previous stages through a business exit.



NEEDS BASED ON STAGE OF LIFECYCLE



It is important to research and understand the dimensions of the opportunity, the concept itself, and determine how to decide whether it is attractive or unattractive.

Assistance is required to look internally and see if they are truly ready for entrepreneurship. The vast majority of people, including almost all inventors, never move off of this stage and remain just “considering” entrepreneurship.

Entrepreneurs often struggle to be objective and unbiased about their idea. It is important to include objective and outside viewpoints, to investigate the same opportunity with a different perspective. The entrepreneur may need assistance in conducting market research and testing and refining the idea, as this is essential for market acceptance.

Many entrepreneurs require help with how to think through their business in its entirety and be able to predict the ripples and consequences of decisions. Have them create a sustainable business model with appropriate strategies for Human Resourcing, Operations, Marketing, and Financing; to put into a Business Plan.

Typically there is a tremendous amount of support for entrepreneurs to get in to business, there are few services that actually assist the entrepreneur while in business and the application of the business plan. Entrepreneurs require help with how to adjust their models and tactics to the realities of the market place.

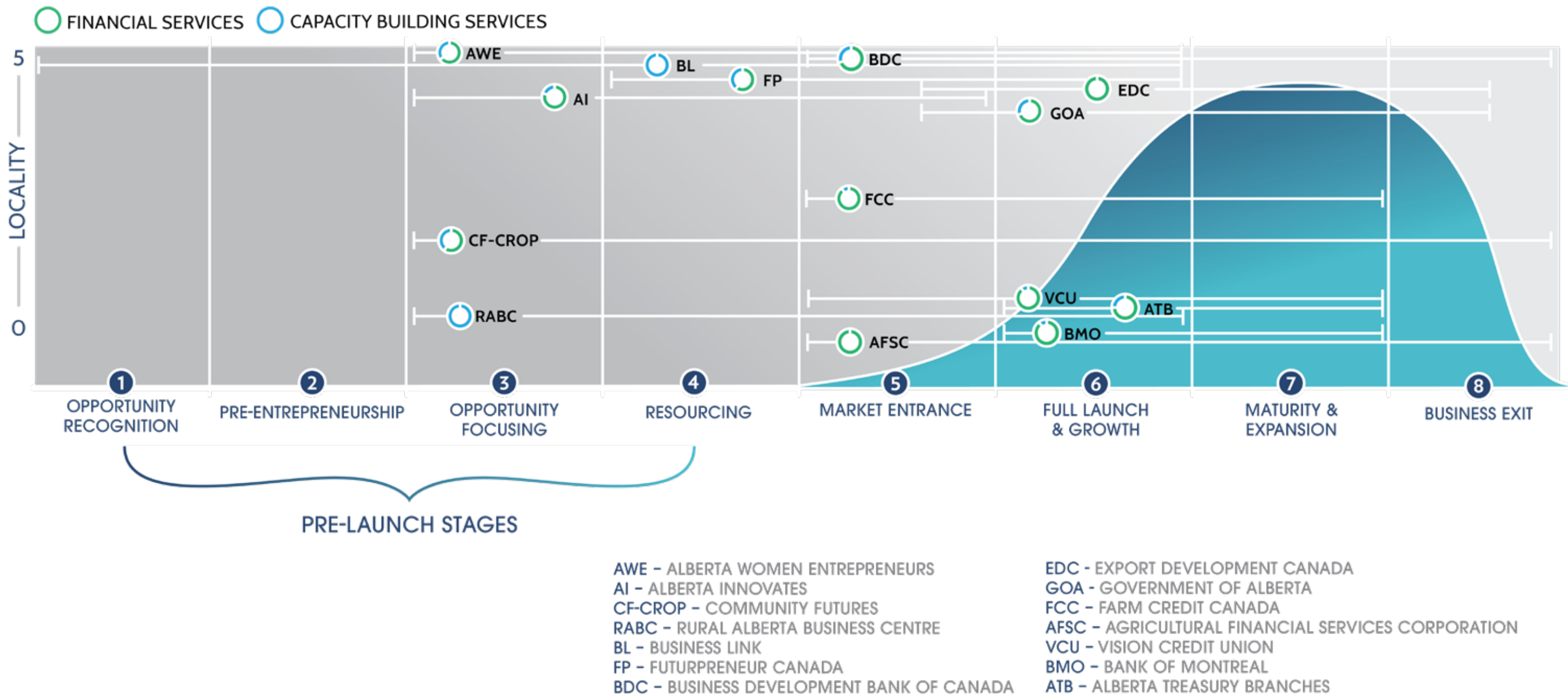
The entrepreneur can benefit from support either through peers (other entrepreneurs) or other external supporters to counsel them through adjusting their entrepreneurial vision to best fit their personal vision.

The speed in which the business climate moves and changes today has never been experienced before. Recently, there have been an alarming number of businesses failing during their maturity stage. With this in mind entrepreneurs need support to help rethink and when needed, reinvent their business.

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Source of Funding	Founders Savings & Debt Financing / Angel Investors / Early Seed Money		Investor Network / Peer-to-Peer / VC's		Traditional Funding Sources			
Investment Objective	Business Model Exploration / Development		Start-up/Seed Funding		Development / Expansion / Adapting (S-Strategies) Funding		Succession Funding	
Modalities of Capacity Building/Support	Coaching / Counseling					Technical / Functional Expert Consulting		Professional Business Valuation
Business Risks	Business Idea Profitability / Market Acceptance		Managing Cash Flow / Managing Sales Expectations / Market Penetration & Awareness. Adjusting plan to realities		Managing Growth / Market Competition / Adapting & Finding New Markets / Expanding Services & Products		Executing Exit Strategy	

SUPPLY LANDSCAPE BASED ON LIFECYCLE



The business lifecycle image shown below illustrates the supply side of the equation - from the service providers and which stages they are able to support businesses in. Efforts were put towards mapping out 5 key spheres of influence from access to (1) financing, (2) capacity building, (3) strategy & planning, (4) business (research & development), and (5) advocacy. However, for the purpose of this imagery demonstration to-date, evaluations were focused on the service providers through a binary lens of:

1. Access to Finance; and,
2. Capacity building.

As the business lifecycle image suggests, those higher up on the map, indicates their "locality". This is a distinctive variable as it relates to the authentic level of accessibility for a business to utilize said services on the ground and therefore indicating the level of localized context

that is incorporated into services. The circular icons for each service provider articulate the level of capacity building provided by the service provider, indicated by how much blue is within their circle and secondly if the service provider offers any financing, this is indicated by how much green is within their circle. Finally, the lines attached to each service provider outlines which stages the service provider operates within along the business lifecycle.

We must recognize that each service provider has their own perception of the level of service and the accessibility of their services, as well as each service provider inevitably shares their bias in terms of the level of support and which stages they support businesses in. Therefore, efforts were based on the understanding of the services and then assessing those services with the true realities of best practices for successful private sector development.

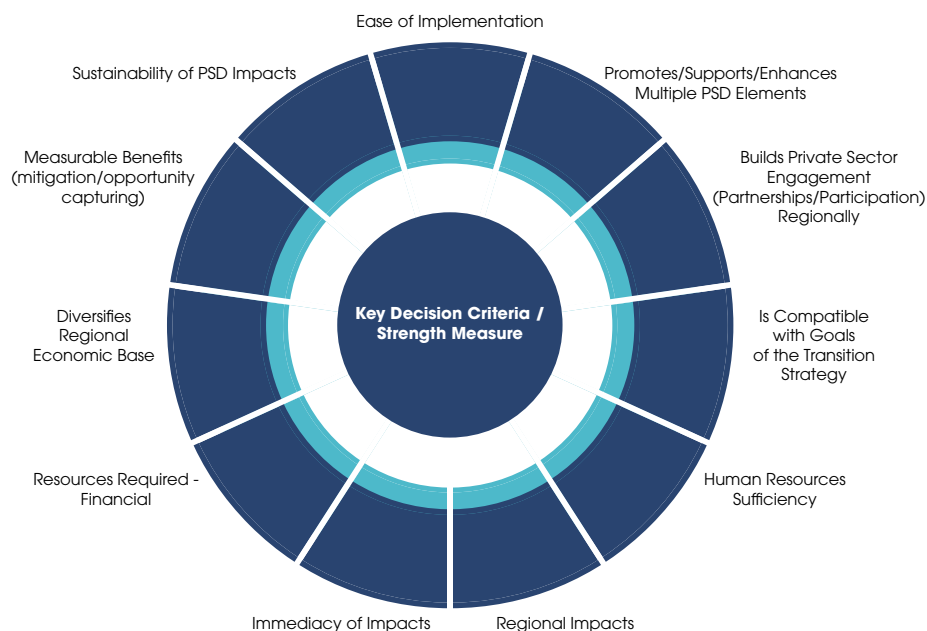
PRIVATE SECTOR DEVELOPMENT'S ROLE WITHIN BREOC

BREOC's broader transition effort is premised on a multidisciplinary, broadly inclusive, and collaborative effort embracing the integration of a number of important municipal/regional aspects, notably: building a foundation for successful transition (capacity building); introducing and pursuing key mitigation measures; and, capitalizing on key development opportunities. In practice private sector development needs to be a process of multiple interventions spread across multiple sectors and interests.

Respecting the prioritizing criteria, success at private sector development, as a subset of the transition effort, isn't about doing something, but doing the "right" thing. Choosing how to prioritize actions/activities is especially critical to ensure scarce resources are used wisely; actions are appropriate and impactful; alternative delivery modalities explored and assessed; and resident capacities are sufficient to effectively undertake, facilitate and/or foster recommended actions.

With these thoughts in mind, eleven (11) prioritizing filters/criteria were developed and each potential action was filtered accordingly to determine which tactics should be prioritized in year 1. Higher ranking efforts were rounded out and scheduled as year one actions.

It is important to note there was ample consideration of proper change management principles, to ensure that the community was considered in these filtering criteria aspects and the tactics that were a result of the filtering process. That is, it is important for the community to recognize and experience the visible and more tangible successes and outputs of the process. Henceforth, some tactics are focussed around this change management guideline to expedite some visual successes. The decision-making criteria applied are as follows:



STRATEGY AND STRATEGIC DIRECTIONS

Strategic Priority One: Capacity Building –

Undertake, promote, and/or foster efforts to improve BREOC’s ability to positively effect PSD development (skills, knowledge, and tools) effectively now, and in the future.

Description: Encompasses efforts to increase the effectiveness of private sector development within the BREOC region through enhanced education, training and development of those responsible for promoting and supporting private sector development. Includes the principles of knowledge management and best practices application.

Year One Programs:

1. Entrepreneurship a priority for local governments (Capacity Building)
2. Development of DFI Tools/ Mechanisms
3. MSME Service Provider Network & Programs
4. Sustainability of the Innovation Centres
5. Grow Battle River – IPO

Strategic Priority Two: Business Retention and Expansion –

Undertake, promote and/or foster efforts to: (1) help local enterprises grow and become more competitive; and/or (2) help local enterprises who are at risk to overcome difficulties.

Description: BRE efforts necessarily build from an understanding of context, needs and gaps in existing services as they pertain to business survival, sustainability, and growth. They build from a recognition that while in some cases there may be commonality of certain needs in other instances there is not a single one size fits all. This is confirmed by such considerations as the varying importance of selected firm level influencers.

Year One Programs:

1. Establish Regional Business Advocacy Team
2. Business Seminar Series for Existing businesses
3. Regional business Triage Team
4. Community Support for Business Retention (Impact)
5. Procurement Facilitation
6. Access to financing
7. Succession readiness support/ promotion/matching

Strategic Priority Three: Investment Attraction - Facilitate, promote and/or foster new business investment within the region for the purpose of building local private sector strength and diversity.

Description: Investment attraction requires a systematic approach to analyzing and articulating a location's strengths, evaluating, finding and attracting investors, and monitoring progress against quantitative goals. It also demands the creativity and imagination to assemble an operation, communicate a compelling promotional message, adapt to market dynamics, manage within limited budgets, engage support among multiple constituencies and deliver a development outcome

Year One Programs:

1. Undertake investment readiness review identifying key mitigation/enhancement strategies (Mitigate/Enhance Investment Readiness)
2. Investment Prospectuses
3. Asset Mapping and Investor Analysis
4. Regional Inbound Investment Promotional Profile
5. BREOC Regional Partnership Marketing and Branding
6. Sector Profiles for Investment & Promotional material
7. Commercialization of technology

Strategic Priority Four: Entrepreneurial Development - Undertake, promote and/or foster efforts to build and expand entrepreneurial development (in numbers and diversity) within the BREOC region.

Description: Includes an emphasis on supporting those who want to explore the world of entrepreneurship no matter their passion, interest, or previous entrepreneurial experiences. Includes specialized experiential learning opportunities to stimulate new ways of thinking and support such as interactive workshops, networking and social events, educational and inspirational programs, and start-up competitions all focussed to help develop, grow, and test business ideas or processes.

Year One Programs:

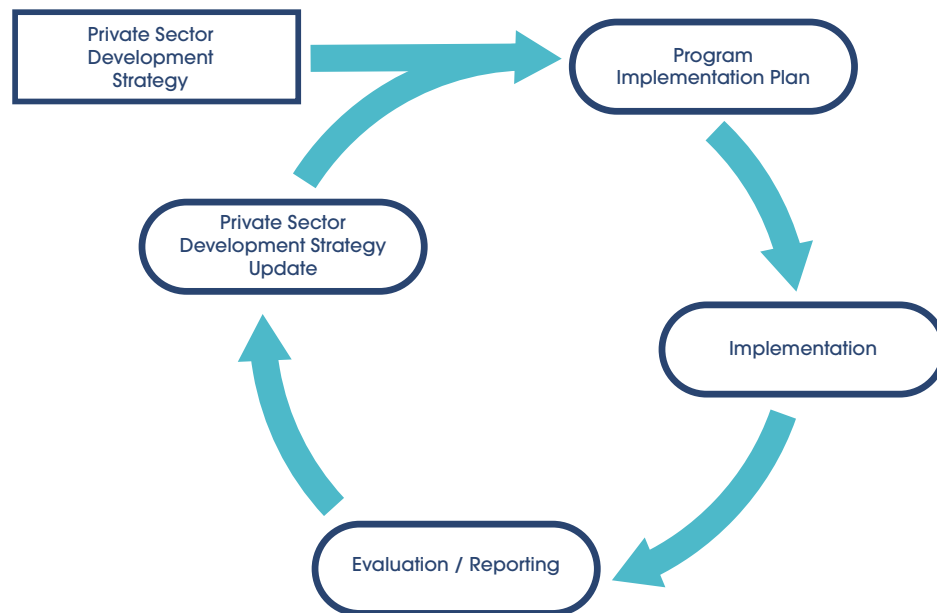
1. Entrepreneurship Workshops / seminars, virtual and one-on-one (General, women, youth)
2. Entrepreneurship days
3. Matching making for financing
4. Seminars into Schools
5. Concierge of Programming
6. Celebrate the Success of MSME (communications and CBA)

CONCLUSIONS – THE PATH FORWARD

There are many benefits that can accrue from a healthy, thriving private sector. We know, by way of example, that the private sector plays an important role as an engine of economic growth and job creation. It provides goods and services, generates tax revenues to finance what is essential for social and

economic infrastructure, develops new and innovative solutions that help tackle development challenges, and it is a central actor in addressing transition.

As such, the private sector has become an important strategic partner for BREOC in achieving its vision.



The pursuit of successful private sector development within the BREOC region is presented as a subset and integral part of the broader BREOC transition effort, stemming from the 22 action items and is reflected within BREOC's Results-Based Management (RBM). Like transition, it isn't about panacea's, quick fixes or one size fits all. With a long term focus it is nonetheless uniquely tailored to the immediate context in which it is proposed recognizing that context is dynamic, and direction and efforts must be iterative for maximum impact. Further, it reflects the needs and

capacities inherent within the region and sets a path that is not only relevant but reasonable.

This is a starting point in the journey. As suggested, this process must continue to be iterative and reflect the changes in the context and the environment of which PSD is operating within.