Technical Deep Dive: Competitive Cities

Mayors Toolkit
Part 1: Analytical tools
The Vision
The Tools
How do you choose what to do?
Plan for the next 10-15 minutes

Conceptual approach to city competitiveness analysis

Examples of analytical techniques

How to go about organizing your analytical work
CONCEPTUAL APPROACH TO DIAGNOSTICS
What are we diagnosing?

A “COMPETITIVE CITY” facilitates firms and industries to grow jobs, productivity and incomes over time
Overall framework

△ Firm growth;
△ Investor attraction;
△ New start-ups.

Institutions & Regulations

Skills & Innovation

Infrastructure & Land

Enterprise Support & Finance

City wedge
First step: is to understand how you are doing?
Step 2: Go deep to understand what shapes performance.

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<th>Competitiveness factors</th>
<th>Sectors (e.g.)</th>
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<td>Other endowments</td>
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Michael Bloomberg

Why did you decide to bring a school to NYC to focus on incubating new technology and tech companies?
I think the government’s job is to, among other things, help the economy so that you’ll have a tax base and people will have employment. I think that we saw an opportunity to get a graduate engineering school so that people coming out would start companies here rather than what you see in Silicon Valley. Most [tech] companies came out of Stanford. New start-ups in New York City won’t just come

Is there a particular challenge in launching start-ups in New York City, given the cost?
No, I don’t think costs really matter. Young people will go to work for almost nothing if they think they have enormous opportunities. And what we tried to do in New York City was—for the 12 years I was in office—to make available facilities that were underused, including the Brooklyn Army Terminal and the Brooklyn Navy Yard. There are lots of old buildings that were able to be repurposed, and provide opportunities for people to do things that they couldn’t do elsewhere.
EXAMPLES OF TECHNIQUES
Understanding your economy: Kutaisi (Georgia)
Benchmarking: Johor Bahru – Choosing comparators
Benchmarking: Industrial structure of Johor Bahru

Employment structure by Industrial sector 2012

- Public Services
- Finance and business services
- Transport, storage, Information & communication
- Consumer Services
- Industry
- Agriculture
Identifying drivers and constraints
Focusing on a specific constraint

Example: Economy-Wide Constraints (Philippines)

Source: The World Bank
Focusing on an Industry: (Tourism in Mombasa, Kenya)

Value Chain for Safari - Beach Package (Full-Board): Kenya

- Destination/Activities: 1.9%
- Local Tour Operator: 6.2%
- Arrival: 2.8%
- Chartered Flight from Europe: €450
- Wholesale 60% Retail 40%

- Out-of-Pocket Expenses: 15.6%
- Admin: 7.3%

- Airline: 31.5%
- Foreign Tour Operator: 17.5%
- Hotel/Food Beverage: 21.0%

- Room/Overhead: 66.2%
- Food/Beverage: 29.5%
- Laundry: 1.4%
- Misc: 2.9%
- Taxes/Levy: 28.0%
Using qualitative methods
How to organize analytical work
What is the CitiStat Approach?

“CitiStat is a leadership strategy that a mayor can employ to mobilize city agencies to produce specific results.”

-Robert Behn, Harvard’s Kennedy School of Government
What are the key elements?

Meeting on a biweekly or monthly basis, the CitiStat approach relies on:

- Operations Research
- Mutually Agreed Performance Indicators
- Relationships between City Hall and Line Agencies

Together, these can shape a powerful discussion for performance management, based on:

- Accurate and timely intelligence shared by all
- Rapid deployment of resources
- Effective tactics and strategies
- Relentless follow-up and assessment
How do Stakeholders Contribute to CitiStat?

**CitiStat Team**
- Director
- Analysts
- GIS / Mapping

**City Line**
- Director / Head
- Division
- Managers
- Agency Finance / Budget
- Agency HR
- Agency Analysts

**CitiStat Template**
Performance Indicators

**Follow-up Responses**
from previous meeting

**Ongoing relationships**
with line agency staff (e.g., communication, “ride-along”)

**CitiStat Memos**, based on performance data, operations analysis, and fieldwork
- Special Projects
- Mayoral Priorities

**CitiStat Meetings** provide direction, review, and guidance for City agencies
- Provide regular opportunities to address and solve problems

**CitiStat Panel (City Hall and Central)**
- Mayor’s Office
- Law
- Labor
- HR
- Finance
- Info.
- Technology
TO CONCLUDE
Several questions for you

• How often do you need to analyze your economy?
  ALL THE TIME

• What are the essential components of any analysis?
  COLLECT DATA, PROCESS DATA, INTERPRET DATA

• What are the technical tools that you should use?
  THERE IS A LOT TO FIT ANY BUDGET AND TECHNICAL CAPACITY

• How can you improve you analytical capabilities?
  GRADUALLY BUILD TEAMS AND INVEST IN THEIR CAPACITY
THANK YOU