



With open data initiatives and **accounting rules** for reporting economic development **incentives**, the opportunity is now for better planning, budgeting, measuring, and reporting of **economic impacts**.

Governance and Performance Management

Governance is typically the work of directors and managers who are responsible for financial and operational oversight and strategic guidance for an organization. For economic development, governance involves multi-criteria planning for life cycle impacts that result from investments, incentives, and abatements; impact budgeting to create pro forma targets to manage and measure actual results against; and auditing of these results. This governance process provides not only public accountability, but performance management and improvement within your economic development agency.

Multi-criteria planning

Multi-criteria planning recognizes that the economy is a system of connections, all with associated effects, some private and some public. Planners project the impacts, and then select alternatives based on criteria and their relative importance. For economic developers, planning is a comprehensive exercise that involves not only their economic domain, but coordination with urban planning professionals and their multi-dimensional, location-based plans. As the profession shifts toward sustaining places, the ability to project and meld benefits into a sustainable planning framework is critical.

Economic **multipliers** are an **outcome** to be managed.

Impact budgeting

Impact budgeting provides pro forma values for performance metrics. Explicit to the budgeting process is the idea of managing to achieve performance targets. Impact budgets include setting a target for local connections based on an upper limit of local expansion capacities or a less aggressive local supply assumption. You choose, then challenge yourself to hit these performance targets.

We bring regional **economic impact** modeling into the **performance management process**, supporting planning, measurement, and reporting functions. **Accountability**, made simple.

Managing to the budget

The budgeting process points to a path – a series of important industry-to-industry connections – to manage to achieve the budgeted outcomes. Impact budgets trace production in a round-by-round manner back through the supply chain and forward through the spending of income, so you get an understanding of where connections weaken between supply and demand in your local economy, and which connections merit management, measurement and auditing. With this process, actual connections and multipliers are an outcome of the economic development process.

Measuring and auditing

Following Government Accounting Standards Board guidance, governments must now develop policies for reporting lost tax revenues due to economic development incentives and abatements. Balancing these lost revenues are life cycle impacts. By measuring and auditing these impacts and comparing with pro forma estimates, citizens can get a balanced accounting of economic development value and effectiveness.

GASB opens the door for **balanced accounting** of economic development **value and effectiveness**.

Economic accounting

Economic accountants collect and present data to improve economic performance. We designed our new breed of apps specifically for this purpose – supporting processes, improving performance.

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