



Quality of service provision to the investor in the Małopolska Region

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At the turn of August and September 2009 selected municipal and commune offices of the Małopolska Region were subject to "Mystery Client" research aimed at assessment of standard of service provision to the investor in communes from the Małopolska Region.

Communes covered by audit

More than 20 communes have been subject to complete audit proceedings. Investment in motor industry was offered to be located in 14 of them and touristic investment in another 6. Mystery Clients performed their research in a few stages:

1. Analysis of communes' websites
2. E-mail contact
3. Correspondence with a commune office which covered analysis of forms received by e-mail and containing information required for particular project
4. Arrangement of meeting on the phone and visit in the commune

During the visit the following aspect have been assessed:

- welcoming of auditors,
- form and completeness of commune presentation,
- attitude of commune office representatives to investor's needs (did they attempt to get know details of the planned investment?),
- form and completeness of *greenfield* offer presentation,
- form and quality of materials submitted to auditors,
- information about deductions and support offered by the commune,
- representative of the office himself (communicativeness, activity, politeness, substantial knowledge etc.),
- how fast did the office sent materials requested for during the meeting and how complete they were.

Main conclusions from the research

The first conclusion we came to after analysis of audit results is lack of procedures related to investors servicing in the commune offices. Some part of the communes worked out their own standards, most of them, however, work in a little chaotic manner. Audits reveal shortcomings at all stages of the process. The first thing to consider shall be improving quality of e-mail communication, especially in case of the first request messages addressed to the

general address of the office. On the other hand, further phone talks with representatives, their politeness, engagement and flexibility in arrangement of terms were assessed as good.

However, another element requiring improvement of existing standards shall be the way in which the commune is displayed - especially in case of people who are not natural erudites such verbal presentation without prior preparation is not really impressive and, as a consequence, many of features that investor might find attractive is never mentioned. This particular issue must be strongly emphasized as prior elaboration of such presentation is not much effort but it can make the whole meeting more up to the point. Another problem related to presentation is lack of promotion materials concerning the commune and its advantages which often becomes reason for awkward situations, e.g. when the mayor or his deputy goes through the cupboards and drawers in searching for any brochures, if asked for materials.

Lack of business cards, and in some cases uncomfortable place of the meeting, are another issues to solve. The last of the main problems is, unfortunately, unreliability - a few offices failed to send promised materials, although - to emphasize - auditors always requested for data which are easy to prepare. This includes the question of a form which only a few of audited commune offices managed to prepare in English.

Trainings for clerks responsible for contacts with investors must emphasize that process of searching for optimum area for the investment may, in fact, cover a range of stages, including the "soft" ones such as those referred to herein, which may have significant influence on final decision concerning location of the investment. To be specific, each of these stages can be the final one for the commune.

Placing developed investment offer on commune's website seems to be a necessary stage of investor acquisition. Such offer should be easily accessible (the best solution is to place appropriate fold on the home page). Apart from information concerning investment areas it is advisable to include information about the commune itself, about provided deductions and forms of encouragement for beginning companies. What is absolutely necessary, is contact data of person responsible for provision of services to investors, however, most of the communes seem to be unaware of such necessity. It is also a must to spread knowledge about significant role of commune's investment offer promotion on the Internet, especially among tourism-oriented communes (most of such communes failed to place information concerning investment areas on the Internet).

It comes to our minds that in some part of communes e-mail communication is not as popular form of contact - many e-mail messages sent by the commune offices were far from professional standards, another common problem was tardiness in responding to e-mail

requests. Training of people responsible for provision of services to investors should put emphasize on how important the first contact with potential investor is.

Initial e-mail and telephone contacts revealed lack of uniform proceedings related to use of electronic mail and provision of services to potential investors. In general, such proceedings seem to differ from commune to commune. Auditors came across a few elements related to e-mail contact which could be discouraging for potential investor, e.g. failure to confirm receipt of e-mail message, no response within the fixed term, no response at all (even after reminder), no name of responding person, no telephone number of responding person, absence of message addressee, failure to check the e-mail box at all, no response of other employees in case of addressee's absence, prolonged flow of information within the office. In case of telephone contacts we noted single occurrences of the following: in case of no e-mail response it is difficult to specify the person in charge, delayed response due to the overwhelming duties ("lack of time"), referring to the mayor/head of the commune without offering help in arrangement of meeting, referring to supervisor, putting off the meeting on the grounds of holiday season and no opportunity of meeting with other persons, paying little attention to potential investment within the commune and considering investment request only as request concerning land purchase.

Unfortunately, we have to point that at least three situations occurred (one of them resulted in failure to complete the audit) where communication with the clerk responsible for initial contact (these are not representatives of authorities) allowed to conclude that his or her aim is to discourage any potential investor from visiting commune or undertake any actions within its territory. In real, such proceedings will definitely result in withdrawal of the investor from making any investments in this commune.

The audit showed that communes which possess an economic zone are better prepared for providing services to the investors. E-mail responses from such offices were quicker and form of contact was more professional. Also websites of such communes contain more information which can be useful for potential investor and are more investor-friendly in general. They also received better marks for quality of telephone contact, presented better form in response to auditor's request and provided promised information in time.

Below we specified positive elements of initial contacts which were found encouraging for potential investor planning to make an investment within the territory of commune.

E-mail contacts: quick response, phone call preceding e-mail response, personal number of representative of highest authorities, complete response along with contact data,

invitation for visiting commune, declaration of support in purchase of lands which do not belong to the commune.

Telephone contacts: personal engagement of highest authorities, short display of investment opportunities within the commune in a form of encouragement and invitation, engagement of contact person, arrangement of meeting by the contact person, adjustment to terms suggested by the investor, requesting for expectations concerning information and number of visitors on behalf of the investor.

The audit showed that most of tourism-oriented communes is not prepared to respond to upcoming investment requests. None of the communes under research sent materials concerning communal lands suitable for the planned investment, although in course of visits it turned out that some of them possess plots which meet investor's requirements. Attention of these communes must be paid to the need of spreading own investment offer and elaboration of materials which could be provided to companies interested in making investment in the commune.

The most appropriate place for meeting the investor shall be the room of highest authorities of a town/commune. If such meeting is attended by representative of highest authorities, it may take place in a conference hall as well. Receiving representatives of the investor in office rooms where other clerks run their regular work shall be perceived as bad practice. Unfortunately, auditors came across such situations for a few times.

Offering hot and cold drinks shall be considered as a must arising from normal politeness.

Presence of representative of commune's authorities or senior clerk during the meeting with investors is recommended. If the meeting is conducted by a junior clerk, it is reasonable for representative of authorities to welcome visitors. It can be assessed as positive if representatives of the investor are informed that person who conducts meeting consulted presented offer with highest authorities.

Another significant element which makes the whole meeting more fruitful is presence of experts or opportunity to take advantage of their competences during the talk with an investor or his representatives. If the commune is represented by highest authorities and key expert(s), it creates impression of interest in the offer submitted by the investor.

Appointment of particular person for service provision to the investor is a good practice. It is also advisable to establish habit of presenting the investor with business cards of a person responsible for providing him with information.

General presentation of a town/commune is necessary element of meetings with investor or his representatives. It seems that such presentation should open any meetings of this sort. We also advise to make use of multiple accessories during presentation to make displayed advantages of local areas more accessible to receivers (projector, maps, folders etc.).

Another significant elements of presentation shall be definition of commune's profile and companies operating on the local market. Presentation of previous positive experiences from cooperation of authorities with employers and investors running their businesses within the commune shall be considered as especially significant for creation of investor-friendly image of the commune. We must also emphasize the need to include the presentation with information about companies and related institutions whose services could be interesting for the investor (most of the communes covered by audit failed to provide such information).

Lack of even draft land development plans is a major disturbance in communication between the office and investor or his representatives. During the first meeting investor shall be submitted with materials concerning investment areas at disposal within the territory of commune. It is inadvisable to send representatives of the investor to various department for basic information concerning offered lands - such information should be prepared and provided to representative of the commune who conducts the meeting before it starts.

Each commune shall have a database of investment lands available within its territory. It is important to arrange this database in such manner that the investor could be quickly delivered with basic information concerning plot he is interested in. In this term, communes which possess completed forms including issues which are most interesting for the investor (location, distance from the main communication routes and closest airport, accessibility of plot, availability of power lines, water pipes and sewer, surrounding, development conditions etc.), can serve as an example of good practice. Tourism-oriented communes shall be especially sensitive to this issue as preparation of such forms seems to be an unknown practice there.

Because communes present various strategies of acquiring investors and because their financial position is varied, it is difficult to provide any suggestions concerning scope of support for investors. However, it must be told that any declarations of support expressed by representatives of authorities contribute to creation of commune's image as investor-friendly place.

Each meeting with representatives of the investor shall include an offer of joint visit to investment areas within the commune. Visit on the site constitutes a wonderful opportunity to

present local attractions, strengths of the area and to highlight advantages of offered lands. People responsible for meetings with investors shall be instructed in this issue.

Representatives of the commune play a major role in creating its positive image. In most cases their attitude towards consulting company representing the investor and its offer was positive. It is worth emphasizing that in particular communes the auditors came across deep engagement, politeness and declarations of support. Such attitudes make the auditors sure that they are dealing with an investor-friendly commune.