

# Leading Transactions and Driving Economic Growth: John Grady at PIDC

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## Introduction

PIDC is Philadelphia's public-private economic development corporation created by the City of Philadelphia and the Greater Philadelphia Chamber of Commerce in 1958 to engage both the public and private resources to energize Philadelphia's economy. Ever since its founding, PIDC is dedicated to its mission of creating jobs, revitalizing neighborhoods, and driving growth to every corner of Philadelphia. PIDC supports the growth of businesses of all kinds that create jobs in Philadelphia by providing real estate and finance services. With only about 60 employees, PIDC is able to run an operating budget of about \$ 10-11 million, engaged in about 150-200 transactions every year, and carry out \$ 500 million to \$ 1 billion worth of activities.

Mr. John Grady, the President of PIDC, identifies the organization as a "professional agent" or "intermediary" who could engage in close quarters with both the government and businesses. PIDC believes in the power of market dynamics, and that the


public sector's role is to do the minimum necessary to encourage the private market to invest and respond. In order to bridge together public and private resources, PIDC is always focused on "engaging with developers, small businesses, or investors to invest in the growth and revitalization" of Philadelphia. On a daily basis, PIDC seeks the needs of businesses that want to establish or grow in Philadelphia, develops programs for those needs, and addresses those specific needs by connecting the businesses with relevant programs, policies and resources.

## **Personal Motivation for Leading PIDC**





John Grady has been serving as the President of PIDC for over three years. He was first attracted to PIDC for its high credibility and has progressed through different roles in the past 17 years. "I really felt that PIDC is a unique place because of the government, the history, the credibility of the staff, and the longevity. To me it was an appealing place to be." The mission of PIDC strongly resonates with his cause as well. "I believe strongly in the importance of work for people, and how cities can create jobs and attract development and investment in some ways to reverse decades of decline. I love being able to help think through very difficult problems, and trying to bring resources and solutions." President Grady is also motivated by his love for his hometown and Philadelphians. "I love being in my hometown. I love



making a contribution to my hometown." 





## **Fundamental Strategies for Success**

President Grady considers the fundamental strategies for PIDC's  success as: focusing on core competency, maintaining stability and continuity, and diversifying products and services.



### ***Focusing on Core Competency***

President Grady strongly believes the importance of "sticking to what we know, and don't try to do what we don't know" . Over the course of over half a century, PIDC has established its credibility through results and experience, and has built its core competency in real estate and finance.

President Grady values partnership and thinks sticking to the core competency is essential for building a strong partnership that allow organizations to achieve greater goals." I think we have become a good partner for other people. I believe that stronger things happen out of partnership than out of a single entity working on their own. When we come to the table for partnership with something defined and meaningful, people are much more respectful and more interested in the partnership."  By focusing on building the core competency, PIDC is also able to send out the clear signal about what needs it can serve and market itself as the




"go-to" organization for people who want to grow their investment in Philadelphia. As President Grady emphasized, "For people who have small businesses in Philadelphia and have trouble getting a commercial bank loan, it's pretty clear that they come to us."





## ***Maintaining Stability and Continuity***

President Grady believes that PIDC is successful because of its ability to stay independent of political cycles and committed to its long-term mission. As a joint venture between the public and private sectors, PIDC is essentially "an implementation tool that stands beyond political turnovers", which allows the organization to achieve its stature in the city through its long-term existence and excellence in promoting economic growth in Philadelphia. Internally, the relatively infrequent leadership transition -- having only 8 leaders in the past 60 years and one chairman engaging with the organization for forty years -- also contributed to the culture of stability and continuity, allowing PIDC to stay focused on implementing its long-term goals.







## ***Diversifying Products and Services***

What allows PIDC to achieve financial sustainability is its ability to provide diverse products and services.

"Profitable product lines can subsidize unprofitable product lines." President Grady explained, "If we try to lend money to small businesses as our only mission,

we would lose money, and would require significant amount of subsidy. But we also sell tax-exempt bonds and run a regional center for EB-5 immigration, which produce positive income."  As the city faces new challenges such as shifts in industries and demographics, PIDC has also been finding ways to diversify the city's  economy such as through identifying new locations for development or discovering the next generation of economic activities. Diversification at all levels is what helps PIDC drive innovation as an organization, which ultimately requires "understanding the economy and the needs of the players in the economy";  and " developing new programs and attracting new resources" (both public and private).

## Culture of "Getting Things Done"

PIDC's  clients and stakeholders affirm the organization as the organization that " gets things done" . As President Grady himself exemplifies, " everyone here is to implement, is to transact, is to get new resources, and to get the next generation of things done."  This highly transactional culture is deemed by PIDC as the cornerstone to its success in creating the Navy Yard Master Plan, despite the fact that PIDC is not a planning organization. President Grady explained, " we come at the plan for the Navy Yard from a transactional point of view, thinking about how we can make these happen. We are aspirational, we have big

goals, we have ideas about place-making, but they are all grounded in -- if we can't find a way to make that happen, do we really want to include that in the plan?"

PIDC's relationship with its founders and board is shaped by its constant focus on transactions. President Grady identified his organization as "staff-led"; rather than "board-led", and explained how PIDC's internal governance works to focus on connecting mission to direct outcomes. "Our staff meet regularly every Monday morning, with people from finance group, real estate, business development, and operations. We talk about what our new business development activities are this week, where we are on transactions, so we keep people constantly focused on how we translate those mission objectives into engaging clients, producing transactions, and closing them." All of these efforts have helped to build PIDC's reputation of "getting things done".

## Leadership Style

President Grady believes in leading by example. Having been working hard on real estate and finance activities like anybody else in the organization, he said, "I'm not so focused on my role as a leader. I love my work, I've always kept focus on my work, and everyone knows I'm committed to the work." However, President Grady acknowledged that leaders do need additional leadership style for steering an organization.

For him, this extra critical spice is to make sure of awareness and buying into the mission. "If people understand the mission, their roles, my job is then to find the best people I can to put into those roles. I want people to go out and have a lot of independence about their jobs and their responsibilities, and feel strongly connected to their personal success and translate to organizational success." He cautioned that "culture eats strategy for lunch, so you might have the best laid plan about what you want to do as the organization, but if you don't have the culture, you are going to get killed." President Grady dedicated a significant amount of time in the last two years to the constant rebranding exercise, through which PIDC developed new graphics, new logos, and new organizational structure. Taking advantage of the organization's small size as well as its non-bureaucratic and flexible nature, President Grady was confident about "making sure people know what's expected, making sure they are connected to the mission and the culture".

## Future Impact

President Grady wants to continue to focus on the mission statement in the long run, and wants people at PIDC "every day to think about how we will continue to attract investment, create jobs, revitalize communities, and diversify the economic base for the city". Yet sticking to the mission does not mean refusing to envision the

future. PIDC takes "broadening the resources and broadening the impact" as its future goals. More specifically according to President Grady, PIDC is concerned with: What new areas should the organization move into to generate new growth? How to attract new private resources into our business lending activities? How to offer better products to customers? How can we connect the prosperity of the city to parts of the city that have not seen those kinds of prosperity?

This highly transactional organization has already started taking actions to create the next generation of impacts. PIDC has started to work on attracting new resources to solve new problems, particularly around community investment including projects like health centers, community schools, access to fresh food. At the heart of what organizes the effort for social innovations is PIDC's focus on: mission, building capacity and credibility, being stable and continuous over cycles, developing and maintaining diverse products and services within its areas of core competency -- real estate and finance, and its strong culture of "getting things done".

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