

## Strategy One: Strategic Planning for Economic Development



### **The Basics:**

- Convene community leaders for planning
- Engage broader set of stakeholders in issue identification; look at data as well as opinions
- Process inputs; convene additional meetings to determine which strategies enjoy support
- Develop action plans around priority strategies

### **Steps along the Way**

- Organization and sponsorship
- Scanning the horizon
- Identifying key issues
- Developing goals and strategies
- Formulating action plans
- Implementing action plans
- Monitoring results

### **Advantages and Disadvantages:**

- Can complement other strategies or help identify which strategy fits community best
- Low cost
- A way to achieve consensus in the community
- Product may “sit on shelf” if buy-in is not real and follow-up is not fostered.

### **Potential Roles for Extension**

- Convene
- Education and training
- Broker resources
- Facilitate/moderate
- Data gathering and analysis
- Plan development
- Ensuring accountability and follow-through

### **Resources**

- Know Your Region <http://knowyourregion.wcu.edu/>
- EDA Strategic Planning for Economic Development [http://www.eda.gov/PDF/1g3\\_8\\_cfed.pdf](http://www.eda.gov/PDF/1g3_8_cfed.pdf)
- Strategic Planning for Economic Development in Rural Area (Oklahoma Coop. Extension) <http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-1630/F-859web.pdf>

## Strategy Two: Attracting Manufacturing



### **The Basics**

- Attracting manufacturing seems to be the only strategy that many communities pursue
- Attracting manufacturing is popular because it seems to offer “quick fix”
- In reality, attracting manufacturing is a multi-year process with real potential pitfalls

### **When to Use:**

- When a major facility is idled through plant closure or military base shut down
- When you are going to grow anyway...good to manage the process
- As a complement to other strategies
- Consider “gap” or import substitution analysis; identify opportunities for local entrepreneurs

### **Steps Along the Way**

- Identify land for development
- Make site improvements
- Develop recruitment “packages”
- Identify possible industries: the targeting effort
- Attend trade shows and make other contacts with target industries
- Consulting reports vs. process
- Community Business Matching and Analytical Hierarchy Processes

### **Potential Roles for Extension**

- Teach people about possible pitfalls of the strategy
- Teach people about long-term nature of a strong attraction program
- Help the community use attraction as a way to gauge strengths and weaknesses of the community. If a prospect looks and does not come, why not?
- Serve as the local EDA attraction “point person” (in none exists). Problems with this role:
  - Moves you from educator to “doer”
  - May make you unpopular as park sits empty
- Teach grant writing and related workshops
- Board development

### **Resources**

- Site Selection magazine is a trade publication that lists major relocations by state. <http://www.siteselection.com/portal/>
- Your state development agency will have a comprehensive list of incentive programs and where they’ve been used (and for which companies)
- New Economy Index [http://www.itif.org/files/2008\\_State\\_New\\_Economy\\_Index.pdf](http://www.itif.org/files/2008_State_New_Economy_Index.pdf)
- Targeting Regional Economic Development (2009, Routledge Publ.) <http://nercrd.psu.edu/TRED/index.html>

## Strategy Three: Business Retention & Expansion



### **The Basics**

- Two Types:
  - Lone Ranger: Visits business and fixes the problem. Not recommended for Extension professionals.
  - Volunteer Visitor: Survey of businesses, committee reviews the survey, may fix problem but also looks for broader, community-wide issues and processes.
- Most frequently applied to the manufacturing sector, but also has been applied to retail and agriculture as well as businesses in general
- Volunteer visitor program allows many roles: overall leader, task force member, visitor
- Challenge is to prioritize individual and community-wide issues and sustain momentum to address them

### **Advantages**

- If done well, BRE is typically the most efficient local economic development strategy in terms of jobs created or saved per dollar invested.
- BR&E can help pull the community's leadership together on issues.
- BR&E can be well received by businesses who feel that new firms are favored over the "old reliable" firms.
- Can be good opportunity to address business succession planning.

### **Caveats**

- BRE may not be the place to start if you are new in the community. The leader must have very strong social networks to keep Task Force moving.
- BRE may not help if the community needs to move from one industry to another. Can't reverse economic fundamentals.
- If community has local economic developer, need that person's buy-in.
- Sometimes a challenge to "mix" business types. May be best to focus on manufacturing, retail or agriculture
- Important not to create false expectations that program will fix all problems; important to get leadership buy-in before launch

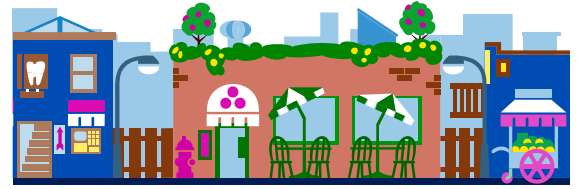
### **Potential Roles for Extension**

- Task Force leader (seasoned people only)
- Task Force member
- Facilitator for strategic planning sessions
- Connector to outside resources for follow-up on survey issues
- Visitor (all Task Force members should also visit.)

### **Resources**

- Business Retention and Expansion International Training Course <http://www.brei.org/>
- American Business Disk (for business lists...most small communities underestimate the number of local businesses) <http://www.infousagov.com/abd.asp>
- State Development Office (may assist on visits to largest businesses; can help inventory programs available for follow up)

## Strategy Four: Downtown Development



### **The Basics**

- Physical enhancements to downtown area
- Preservation of historic (or just interesting looking) buildings
- Marketing of the downtown through advertising and events
- Coordination among downtown merchants
- Develop “brand” for town:
  - Towns with brands: Branson, Las Vegas, Orlando
  - Many smaller towns have regional brands: Traverse City, Michigan (Cherries) & International Falls, MN (Coldest place)

### **Advantages**

- Can turn an eyesore into a source of community pride
- Good for the environment. Re-uses existing infrastructure—tendency to build outside of town otherwise.
- Creates a sense of community identity
- Double benefit: can attract newcomers but can also make the place more pleasant for residents

### **Cautions**

- Build it and they don't come
  - Tendency to put physical improvements ahead of marketing and creativity, e.g., brick road in Albion
  - Can't offset wholesale population loss from a broad geographic region (but can help make sure your town declines less than the next town over)
- Creating a sense of “sameness” instead of a sense of place.
- May gentrify place, with newcomers outnumbering the long term residents.
  - Hardware store replaced by souvenir shop
  - Extreme seasonality, with souvenir shop closed in off season
- Tastes and Preferences Change
  - Forty years ago, downtowns were covering up old facades to look more modern.
  - Twenty years ago, Antique malls
  - Now: Internet shopping, Electronics, Gen X & Y not as interested in history?

### **When to Use It**

- Basic Infrastructure is Sound
- Proximity to Potential Markets: Data: State sales tax; Caveat: Big box data
- Uniqueness of Place

### **Potential Roles for Extension**

- Charette
- Facilitation: Identification of assets and planning
- Historic preservation workshops
- Grant-writing workshops for infrastructure
- Formation or revitalization of downtown association
- MainStreet Program
- Possible role for Master Gardeners
- First Impressions program

## Strategy Five: Tourism & Recreation Development



### **The Basics**

- Tourism versus Recreation
- Tourism: generally coming from somewhere else
- Recreation: generally from the area (parks, walking trails, non-professional sports)
- Tourism and Recreation are synergistic:
- Recreational facilities can be used by tourists. (Golf)
- Inventory current visitor activities: This is usually surprising as there are typically more visitors than people imagine.
- Important to distinguish between business visits and leisure visits.
- Recognize that business visits can lead to leisure visits
- Inventory current tourist assets (including under-utilized assets). What do the locals like to do in the area? There a good chance tourists would like it, too! Examples: county fair, local trail system
- Develop Marketing plans, esp. State Tourist Office web sites, brochures at visitor centers (these are very low cost)
- Assist Individual Businesses with Marketing Plans
- Conduct hospitality training for workforce
- First Impressions program if the main tourist asset is a downtown

### **Tourism Advantages**

- Tourism sector has been growing in recent years
- Tourism sector may grown even more quickly now due to state of the US dollar
  - Reduced US travel to foreign areas
  - Increased Foreigner travel to US (Canada already huge and response to drop in the US dollar has be rapid.)
- Tourism can keep a town livable if restaurants are declining due to population shifts
- Tourism can bolster support for local amenities such as parks and golf courses
- Tourism development can help attract manufacturing firms!
- Tourism development can attract retirees or other “lifestyle” immigrants
- Increasing opportunities exist around agri- and eco-tourism

### **Tourism Caveats**

- Requires shift in “mind set” for more traditionally oriented economic developers
  - Myth: All tourism jobs are low wage
  - Myth: Tourism doesn’t bring in dollars
  - Myth: There’s nothing here to attract visitors
- Reality: Like downtown development, can lead to extreme seasonality, but planning & creativity can help offset this.
- Rural Tourism can be very fragmented...leads to difficulty in coordinating efforts
- Local tourism businesses may see each other as competitors and find it difficult to cooperate
- “Mom and Pop” businesses have limited ability to pay for promotional efforts and staff development activities such as hospitality training

### **Tourism: When to Use It**

- When the community has undiscovered assets
- When infrastructure is under-utilized
- When tourism efforts are fragmented
- Assets/Partners in Tourism Development
  - MainStreet program
  - Convention and Visitors Bureau
  - State Travel and Tourism Agency (for promotional efforts, but also may have data)
  - Tourism/Recreation faculty at local universities

### **Recreation Development Basics**

- Focus on parks, trails, sports facilities, libraries
- Identify gaps
- What is market able to pay?
- What is public willing to support?
- Most public recreation now supported with combination of taxes and user fees.
- Recreation Development

### **Recreation Development Advantages**

- Great benefits to the community
- May reduce out-migration (if this is a problem)
- May help industrial recruitment efforts
- May help tourism development efforts

### **Recreation Development Caveats**

- May be tough to “sell” to the community in current anti-tax environment
- Large property owners may mount campaigns against it
- User fees may be difficult to enforce for some types of facilities
- Requires careful assessment of costs and use; expert help is recommended

### **Potential Roles for Extension**

- Facilitate public discussion, priority setting and analysis
- Connect to university resources for analysis/business planning for new activities/facilities
- Help form new associations to lead recreation development efforts

### **Recreation & Tourism Resources**

- National Extension Tourism (NET) Information Clearinghouse  
<http://extensiontourism.net>
- NIFA – database of natural resources based recreation and tourism projects  
[http://www.csrees.usda.gov/nea/nre/in\\_focus/ere\\_if\\_recreation.html](http://www.csrees.usda.gov/nea/nre/in_focus/ere_if_recreation.html)
- Tourism and Community Development UWEX, m
- USDA Rural Information Center – Promoting Tourism in Rural America  
<http://urpl.wisc.edu/people/marcouiller/projects/clearinghouse/Tourism%20Resources.htm>
- USDA ERS – Amber Waves “Rural Areas Benefit from Recreation and Tourism Development” Richard Reeder,  
<http://www.ers.usda.gov/AmberWaves/September05/Features/RuralAreasBenefit.htm>

## Strategy Six: Entrepreneurial Communities



### **The Basics**

- Establish “community systems” to create and grow entrepreneurs
- No one-size-fits-all recipe; systems will vary by community
- A difference between this and BRE is focus on owners of small-to-medium sized businesses with growth desire and potential.
- Common approaches
  - Business advocate or coaching
  - Youth entrepreneurship
  - Peer-to-peer networking/problem solving
  - Business incubators
  - Focus on entrepreneurs rather than businesses

### **Advantages**

- Strategy requires no special location advantages; if a region has people, it is possible to work on improving entrepreneurial systems.
- Location may not be optimal for a particular business, but a business that succeeds in a less-than-optimal location will probably stay in the community.
- Not hard to convince people that more entrepreneurship is a good idea...in principle.

### **Disadvantages**

- Because it is both newer and somewhat fluid, the strategy may be viewed as duplicative of existing services such as:
  - Business visitation programs
  - Small business development center services
- In fact, it is complementary.
- While everyone will agree it is good, funding is sparse.
- Strategy has a long gestation period before payoff; community support may dwindle when results are not immediate. Some businesses may not even realize they've benefitted.
- Some aspects require “culture change” that may not be easy. For example, getting schools to re-orient basic skills training towards entrepreneurship under current “teach-to-the-test” policy regime

### **When to Use It**

- When need to transition local economy from its traditional strengths.
- In Michigan, for example, the strategy is most critically needed in areas that traditionally focused on manufacturing. These areas lack a “culture” of entrepreneurship because, since the 1920s, it has been possible to get an excellent manufacturing job with a high school diploma. So family and community systems for entrepreneurial development atrophied.

### Potential Roles for Extension

- Conduct community assessments
- Develop incubator
- Connect community to SBDC and Land Grant Value-Added center
- Help form and foster peer networks
- Serve in “coaching” role
- Introduce youth entrepreneurship program via 4-H
- Develop community recognition systems, eg., “Companies to Watch”

### Resources

- A basic indicator - percent of workforce employed by businesses in the 1-4 employee size range. If less than 20% of workforce is employed by small business, community may be ripe for this strategy. (Census Bureau’s County Business Patterns <http://www.census.gov/econ/cbp/index.html>)
- eXtension Entrepreneurial Communities <http://www.extension.org/entrepreneurship>
- Loveridge (2007) developed a list of 41 questions to ask to assess community entrepreneurship systems. (Walzer, N. ed., *Entrepreneurship and Local Economic Development Systems*. Lexington.)

### Additional Reading

- Ayres, J., R. Cole, C. Hein, S. Huntington, W. Kobberdahl, W. Leonard, and D. Zetocha. 1990. *Take Charge: Economic Development in Small Communities*. (RRD153). Ames, IA: North Central Regional Center for Rural Development.
- Loveridge, Scott, and George W. Morse, *Implementing Local Business Retention and Expansion Visitation Programs*, [Northeast Regional Center for Rural Development](#), Pennsylvania State University, University Park, Pennsylvania. 1997.
- Shaffer P., and Loveridge S. (eds.) 2000. *Small Town and Rural Economic Development: A Case Studies Approach*. Praeger.
- Walzer, N. (ed). 2007. *Entrepreneurship and Local Economic Development*. Lexington Books.
- *Targeting Regional Economic Development* (2009, Routledge Publ.) <http://nercrd.psu.edu/TRED/index.html>

### Additional Data Sources

- ***Using Employment Data to Better Understand Your Local Economy***, Martin Shields, [http://cecd.aers.psu.edu/pubs/using\\_employment\\_data\\_to\\_better.htm](http://cecd.aers.psu.edu/pubs/using_employment_data_to_better.htm)
- ***www.econdata.net***
- ***SETA Office of Social and Economic Trend Analysis***, Iowa State, <http://www.seta.iastate.edu/>
- ***American FactFinder***, U.S.Census, [http://factfinder.census.gov/home/saff/main.html?\\_lang=en](http://factfinder.census.gov/home/saff/main.html?_lang=en)