

# How Do Economic Developers See the World? Some Thoughts for Planners

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# Today's Talk

- The Theory of Economic Development
- The Practice of Economic Development
- What's Hot Today?
- How Can You Better Engage with Local Economic Developers?

# The Big Picture: Key Questions for Economic Developers

- What are my region's current economic priorities?
- What will our region's children or grandchildren do to earn their living when they grow up?
- Will they be able to, and want to, stay in the region?
- What is the region's current and future demographic, economic and social mix?

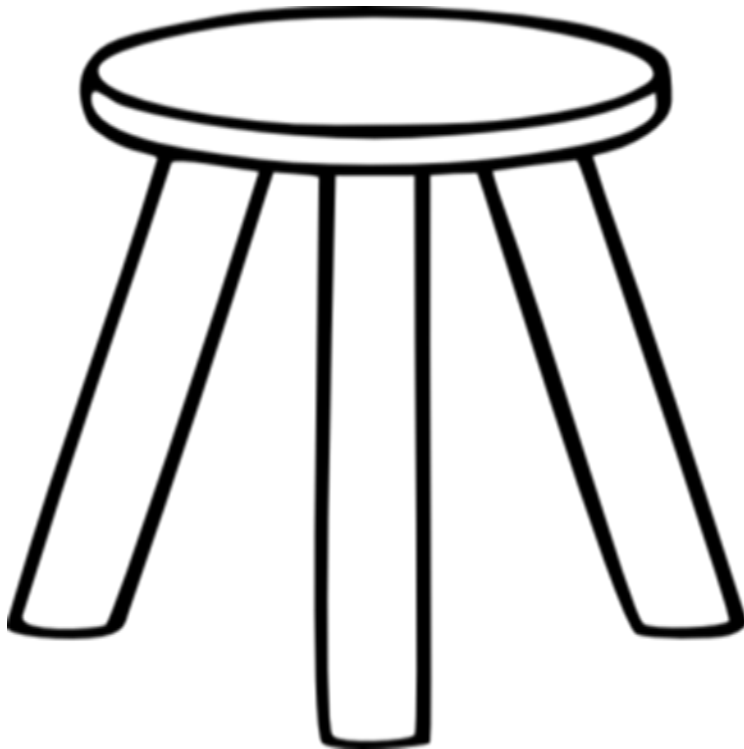
# What is Economic Development?

- A process designed to create local prosperity that . . .
  - Accomplishes sometimes contradictory goals...
    - Create jobs
    - Create wealth
  - Implements often conflicting approaches that...
    - Exploit existing economic strengths
    - Create new economic strengths
  - Engages stakeholders to create change...
    - The corporate, government, and academic leaders
    - Grassroots citizens and community organizations

# How Do We Measure Success?

- Jobs
- Private investment
- Tax base
- New businesses
- Income

# ED's Three-Legged Stool



- Business Attraction (“The Buffalo Hunt”)
  - Traditional ED Role
- Business Retention
  - Traditional Main St Role
- Bus. Development (“Economic Gardening”)
  - Who’s in Charge?

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# From Hunting to Gardening: What Does it Mean?



# The Economic Development Pitch

## Yesterday:

- Strong Work Ethic
- Low Costs
- Good Location
- Strong Business Leadership



## Today

- Talented Workforce/  
Entrepreneurs
- Quality of Life
- Good Location
- Strong Civic Leadership





# Regionalism

- Cities and Counties Can No Longer Go it Alone
  - They Must Act at the Regional Level
- Why?
  - To Build Critical Mass
  - To Succeed in Global Markets
  - More Ideas = Better Ideas

# The New Private Sector Leadership

- The End of the Smoke-Filled Room
- The Rise of New Anchor Institutions
  - “Eds and Meds” etc.
- New Leadership Groups are More Open and Transparent
  - More Messy, Too!!!
- Managing Network-Based Leadership and Implementation Groups is #1 Challenge

# Workforce

- Regions Need a Talented and Agile Workforce
  - Talent: Skills aligned with local clusters
  - Agile: Workers can adapt to multiple sectors and career paths
- Project-Oriented Work More Prevalent
  - “The Gig Economy,” “Free Agent Nation”
  - Growing Importance of Work Transitions

# Collaboration Across Sectors

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- The End of Stovepipes?
  - Cross-Sector and Cross-Region Collaborations Grow in Importance
- Broadening of Traditional Economic Development Mission
  - No longer just job creation
  - Building a Good Place to Live, Work, and Play
- Emergence of New Issues
  - E.G., Affordable Housing, Attractive Amenities

# Innovation/Creativity/ Entrepreneurship

- Talent Development and Attraction as Key Missions
- Entrepreneurs as Key Wealth Creators
- Openness and Diversity as Key Local Assets
- Key ED Objective: Building and Nurturing Entrepreneurial Ecosystems

# From the “Buffalo Hunt” to “Economic Gardening”

- New economic development strategies promote “grow from within” models
- Many potential “flavors,” including:
  - Cluster Development
  - Tourism/”Regional Flavors”
  - Research Centers of Excellence/University-focused Research Strategies
  - Creative Class/Cool Cities
  - Entrepreneurship Development
  - Economic Gardening

# Some Shared Traits

- Place the entrepreneur at the center of the strategy
- See talent development as a primary ED function
- Use a regional—as opposed to local—lens
- Seek to build off “new” anchor institutions like research universities and research centers
- Are built on private-public partnerships
- Seek to change local business culture
- Are not solely focused on job creation

# Common Success Factors

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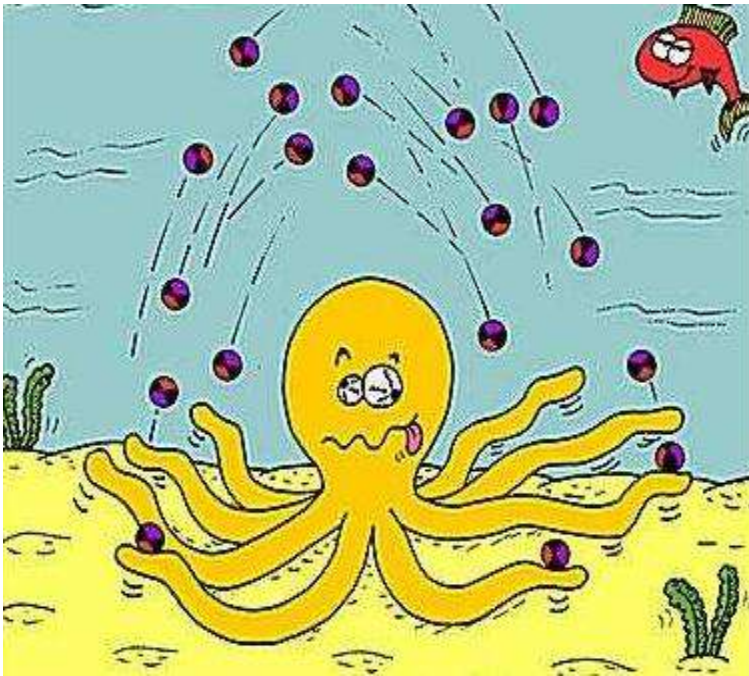
- Efforts engage multiple stakeholders
  - Not just traditional economic development players
- Strategy aligns with regional assets
- Strategy targets high-growth entrepreneurs
- Strategy uses a “full playbook”
  - Seeks early successes
  - But, recognizes that culture change and economic transformation take time
- Patience!!!!



# Leading US Examples

- Oklahoma: I2E ([www.i2e.org](http://www.i2e.org))
- Northeast Ohio: Project Jumpstart ([www.jumpstartinc.org](http://www.jumpstartinc.org))
- Southeast Michigan: New Economy Initiative (<http://neweconomyinitiative.cfsem.org/>)
- Georgia: Georgia Research Alliance ([www.gra.org](http://www.gra.org))
- San Diego: CONNECT ([www.connect.org](http://www.connect.org))

# What Does It Really Mean?



- Local EDOs lack resources & capacity to meet new missions
  - Avg. Budget: \$235K
  - Avg. Staff: 2.8 FTE
- The Reality?
  - It's Tough to Hunt and Garden at Same Time

# Opportunity #1: Building Centers on the Local Economy

- ED leaders lack resources to map and understand the local economy
  - Moving beyond top employers and “usual suspects”
- Growing power of data
  - For Policy Makers
  - For Local Businesses

# Opportunity #2: Targeted Asset Strategies

- Focus on Unique Regional Amenities
  - Downtown Development (Florence United-AL)
  - Scenic/Natural Assets (Roanoke Outside-VA)
  - Local Food Systems (Blue Ridge Food Ventures-NC)
  - Cultural/Heritage Assets (Paducah Renaissance Alliance-KY)
  - Rural Entrepreneurship/Youth Entrepreneurship (Hometown Communities-NE)

# So, Now What?

- Make Everyone an Innovator
- Build Networks for Innovators
  - Focused at home, outside the region, and around the globe
- Invest in the Basics
  - Old Infrastructure and New Infrastructure

# Questions?

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