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?
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

• 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

- 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)
- Northeast Ohio: Project Jumpstart (www.jumpstartinc.org)
- Southeast Michigan: New Economy Initiative (http://neweconomyinitiative.cfsem.org/)
- Georgia: Georgia Research Alliance (www.gra.org)
- San Diego: CONNECT (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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