



Strengthening Rural-Urban Connections to Support Competitive Regions


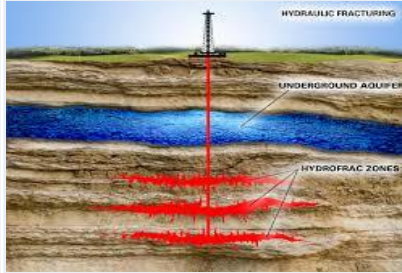

Omaha, Nebraska ~ May 15-16, 2014

Brian Dabson
May 15, 2014


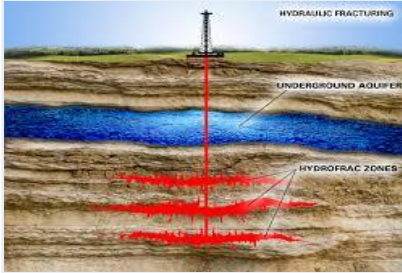

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NADO Rural-Urban Connections
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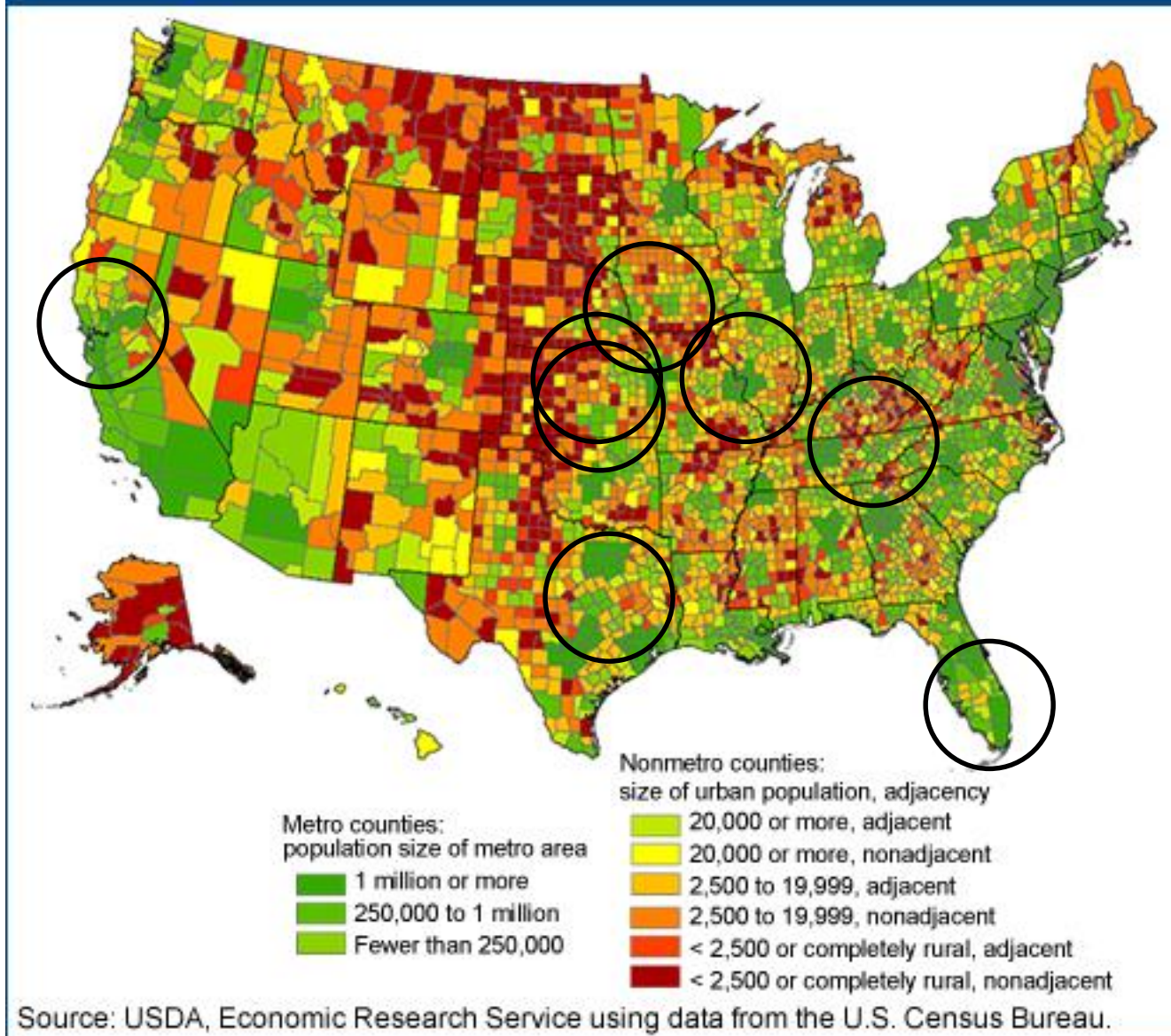
Increasing Complexity...

	SIMPLE	COMPLICATED	COMPLEX
Agreed problem statement	YES	NOT AT START	NO
Agreed solution	YES	NOT AT START	NO
Knowledge & experience to act	YES	SOME	NO
Known variables	YES	MOSTLY	NO
Predictable outcomes	YES	MOSTLY	NO
			

Demands collaboration+

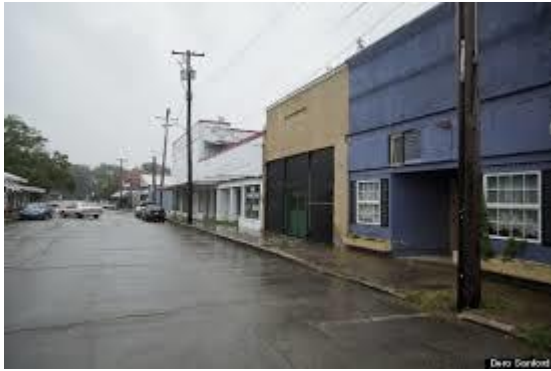
	SIMPLE	COMPLICATED	COMPLEX
Structure	Predetermined and fixed	Adapted	Organic and variable
Stakeholder engagement	Limited	Extensive but managed	Volatile
Boundary crossing	Predetermined	Extended	Multiple and continuous
Timeline	Predetermined and fixed	Extended	As long as it takes
			

2013 Rural-Urban Continuum Codes





If a region's ability to create wealth is dependent upon generating a trade surplus with the outside economy and attracting investors, then *the economic competitiveness of the urban core* is the key.



However, if the rural periphery is experiencing substantial trade deficits, this will have a substantial negative impact on the whole region including the urban core.

Shared Purpose...

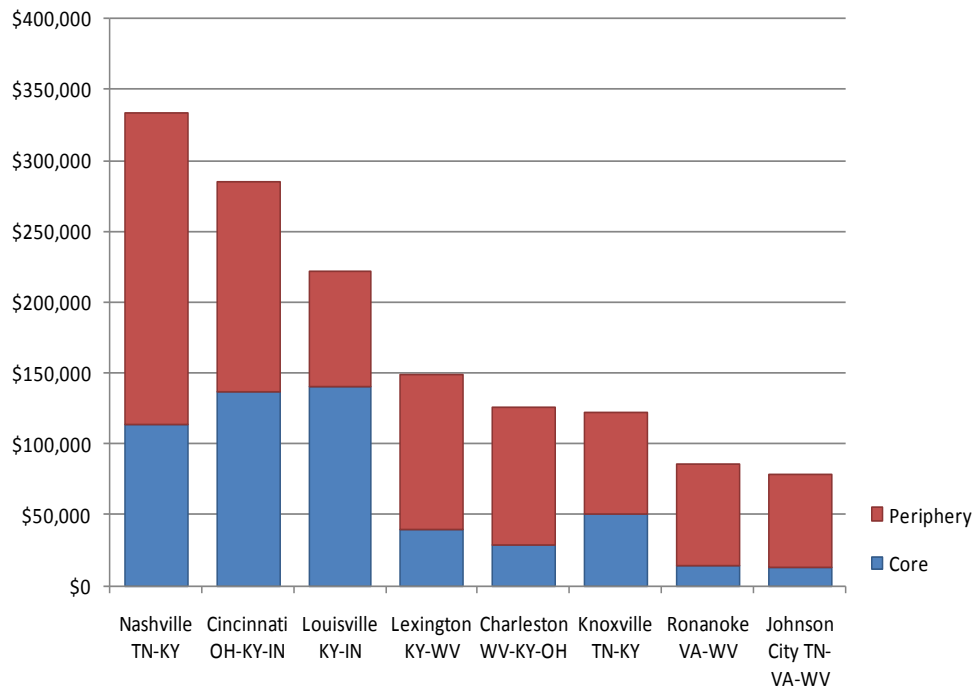
- If metropolitan America is to drive national prosperity, metropolitan areas will need a **healthy and sustainable rural economy and culture**
- If rural America is to flourish, it will depend upon **vibrant, well-functioning cities and suburbs**



The Regional Economy

Size of Regional Economies in Central Appalachia

Total Value of Production (\$million)



- Income created by rural peripheries does not stick and flows to urban core or outside region
- Benefits from investments in urban core not likely to spill over to periphery

A simple rural-urban distinction is meaningless...



It's All About Linkages



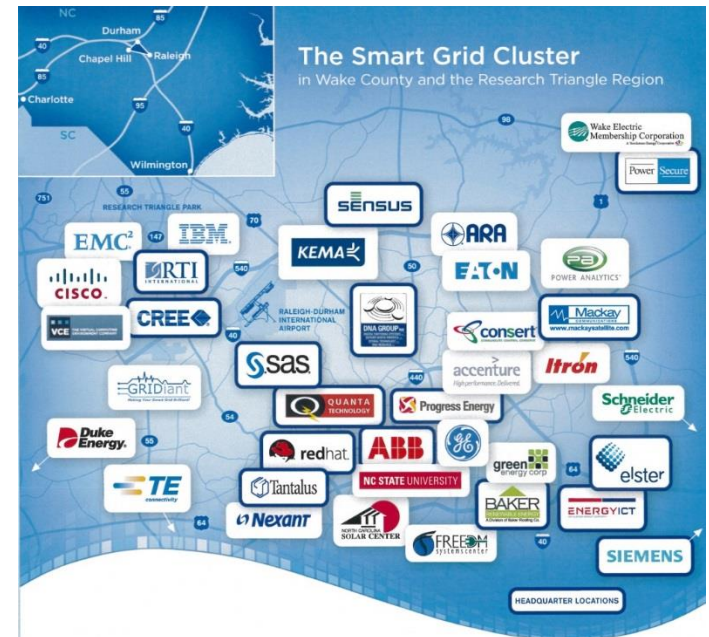
Policy and development decisions are best taken within a regional framework to embrace rural-urban interdependence

Two economic analytical approaches with traction:

- **Clusters** – geographic concentrations of interconnected companies and support institutions
- **Supply/value chains** – flow through a development process regardless of location of participating companies

Connecting to clusters

- Rural businesses located within or close to metropolitan centers plug directly into clusters as suppliers and sub-contactors
- Those located further away build upon their regional and community assets, creating entrepreneurial opportunities through broadband, and developing networks to perform cluster-type functions
- Those that need space rather than proximity link into regional, national and global supply chains as “non-proximate” clusters



Connecting to Supply Chains

- **Face-to-face interactions** – consumers buy directly from producer or processor (farm shops, farmers markets, roadside sales, etc.)
- **Proximate relations** – strong regional or place-based associations and identities (regional hallmarks, consumer cooperatives, tourism themes, specialty retailers, local restaurant and institutional purchasing)
- **Extended relations** – products sold outside region to customers with no personal experience of the area, connections made to culture, practices through branding, certification, reputation – values, provenance, quality

Influencing Supply/Value Chains

Transactions

Improving the efficiency of supply chain transaction – price stabilization, matching suppliers and buyers, holding inventory, reserving capacity, aggregating supply and /or demand

Information

Reducing costs associated with incomplete information, brokering between participants, mediating disputes, collecting and disseminating data and analysis

Policy

Ensuring social and environmental impacts are considered alongside profitability, monitoring government policies and regulations



- **Regional markets** – creating demand in urban areas (outlets, partnerships, distribution systems)
- **Regional branding** – bringing together multiple product lines into an umbrella brand
- **Product positioning** – selling lifestyle not individual products
- **Forging connections** – step-up services for businesses
- **Scaling-up** – helping businesses enhance productivity
- **Creating buzz** – generate enthusiasm among media, leaders, consumers



- **Intermediary role** – aggregating and distributing products, training, brokering, connecting, technical assistance
- **Consumer awareness** – helping urban customers appreciate value of regional products
- **Enterprise hub** – retail marketing incubator in urban center – connecting, aggregating, branding

1. Expand intermediation

- **Expand upon existing intermediation experience** recognizing social, cultural, culinary, and resource differences
- **Reduce business transaction costs and improve efficiency** within supply chains – matching, aggregation
- **Improve information flows** between businesses in supply chains – use data and analysis as a value-adding tool
- **Safeguard triple-bottom-line values** within the chain

RDO could focus on intermediation roles and how best to support supply chains in the region

2. Capture regional markets

RDOs should
engage regional
business schools
to conduct
market
development
research

- **Explore main urban centers** as potential markets for regional products
- **Build infrastructure** – build retail and supply chain connections, distribution systems, and umbrella branding for multiple products

3. Connect to urban procurers

- **Connect with procurement** offices in urban-based businesses and institutions
- **Work with rural-based businesses** to engage with existing supply chains

RDO could work with urban-based economic development advisory, TA, and financing agencies to broker connections and support

4. Broaden regional branding efforts

RDO could
support fledgling
supply chain
efforts with TA
and small grants

- **Convene regional business-to-business gatherings** to explore:
 - How regional brands might play in regional markets
 - Where branding efforts need to be upgraded
 - How brand development might be broadened among multiple stakeholders

5. Focus on exports and import substitution

- **Convene business-to-business gatherings by sector** (e.g. health, energy, food, etc.) to identify market and supply chain opportunities for replacing imports or for accessing export markets

RDO could work with businesses to inventory supply chain opportunities to which rural firms can respond

6. Capitalize on provenance and quality

RDO could partner with public and private economic developers, financing intermediaries to identify candidates for short supply chain development

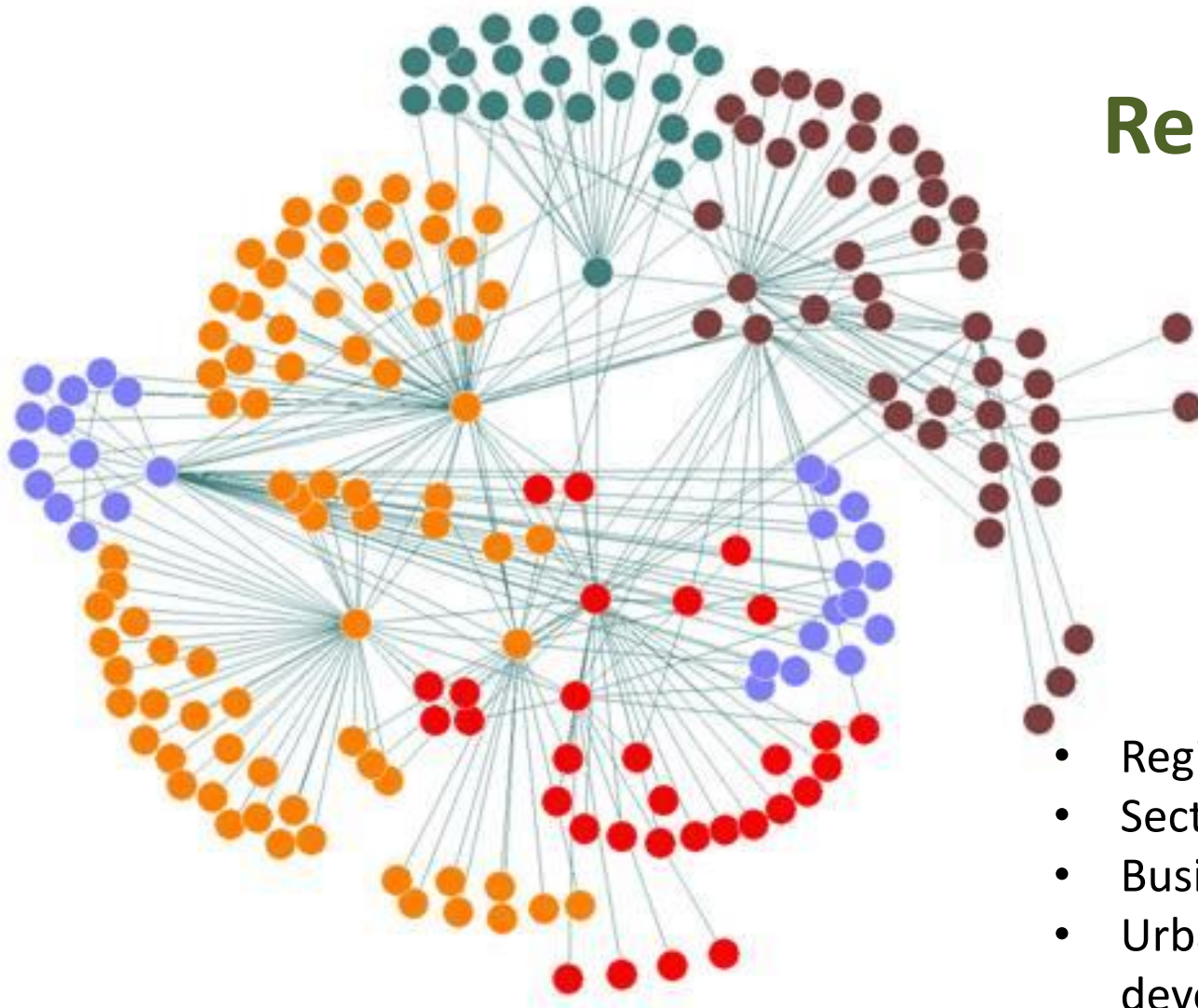
- Explore short supply chain opportunities based on provenance and quality

7. Track impact and tell the story

- **Identify and apply metrics** to track development and impacts of sustainable supply chains
- **Use metrics and stories to forge connections** across the rural-urban continuum

RDO could work with supply chain participants to create and apply meaningful measures

Reaching Out



- Regional businesses
- Sector businesses
- Business schools
- Urban-based economic developers
- ED/financing intermediaries
- Procurers
- Consumers



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