Economic Development – A Crash Course

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Our Agenda

- Introductions
- Introduction to Economic Development
- E.D. Professionals & Organizations
- Sites & the Site Selection Process
- E.D. Financing & Incentives
- The E.D. Strategic Planning Process
- E.D. Marketing
- Questions and Wrap-up
Introduction to Economic Development

A Look at Its Past, Present and Future
A Little Historical Perspective

- The case of the purloined smithy
- Ben Franklin (or was it Alexander Hamilton?)
- Abraham Lincoln
- Railroads and electric companies
- The Chamber of Commerce movement
Definitions, Concepts and Relationships

- The 4 Ds
  - I.D.
  - E.D.
  - C.D.
  - S.D.
I.D.

- What does it mean?

- Why was that important?
E.D.

- The formal definition: “The process of creating wealth through the mobilization of human, financial, capital, physical and natural resources to generate marketable goods and services.”

- The common definition:
E.D.

The role of the economic developer: “To influence the process for the benefit of the community through expanding job opportunities and the tax base.”

Process vs. Practice
Important Changes Over Time

- In primary activities
  - ACRE
  - REACT

- In targets

- In primary responsibilities
Primary Responsibilities –
The Decades of Economic Development

- 1970’s and before – Marketing Management
- 1980s – Growth Management
- 1990s – Environmental Management
- 2000s – Relationship Management
C.D.

- What is a community?
- What is development?
- A simple definition of community development:
What is a community?

What is development?

A simple definition of community development: “Any change impacting the people who live somewhere.”

You are agents of change
...to meet the needs of the present without compromising the ability of future generations to meet their own needs.”

The Brundtland Commission, 1987
Interrelationships

- The Old Model (the Ballentine 3 ring sign)
- The Current Model
- The community is both the seller and the product being sold
Interrelationships

- The Old Model (the Ballentine 3 ring sign)
- The Current Model
- The community is both the seller and the product being sold
  - Communities are commodities
What Economic Developers Need to Know to Do Their Jobs

❖ About the Economic Development Profession:
  ❖ Interdisciplinary
  ❖ Rapidly Changing
    ➢ Tools
    ➢ Terms
  ❖ Multi-hatted
  ❖ The Need for Continuing Education
What Economic Developers Need to Know to Do Their Jobs

- About their Communities:
  - The Community *is* the Product
  - Community Evaluation/Analysis Topics
  - Trade-offs - the costs and benefits of development
Community Analysis Topics

- Market Access
- Transportation
- Utilities
- Labor Force
- Education
- Community facilities & services
- Taxes
- Business climate
- Quality of life
- Availability of parts, supplies & services
- Available sites & buildings
- Available financing & incentives
## Community Fit Matrix

<table>
<thead>
<tr>
<th>TYPE OF BUSINESS (See Use Code Below)</th>
<th>1</th>
<th>2</th>
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<th>4</th>
<th>5</th>
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<td>Available Capital and Incentives</td>
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<td>4</td>
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<td>Community Services and Facilities</td>
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<td>Public Acceptability</td>
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### USE CODE

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<td>2</td>
<td>Basic Manufacturing – Small</td>
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<tr>
<td>3</td>
<td>Technology Manufacturing</td>
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<td>6</td>
<td>R&amp;D</td>
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<tr>
<td>7</td>
<td>Tourism</td>
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<td>Retail</td>
</tr>
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<td>9</td>
<td>Services – Personal</td>
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<td>10</td>
<td>Services – Business</td>
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<td>12</td>
<td>Educational Services</td>
</tr>
<tr>
<td>13</td>
<td>Cottage Industry</td>
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<tr>
<td>14</td>
<td>Other Types as Appropriate</td>
</tr>
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</table>

### KEY FOR POINT SCORES

10 = Very Strong Match
0 = Business Type Incompatible with Community Characteristic
NA = Community Characteristic Not Applicable to Business Type
Trade-offs

- Good things
  - More jobs
  - Better jobs
  - Improved standard of living
  - Tax revenues
  - More tourists
  - Better availability of goods & services

- Bad things
  - Stress on services
  - Environmental impacts
  - Traffic
    - Safety
    - Congestion
  - Sprawl
  - Population influx
  - Loss of open space
  - CHANGE
Functions of the Full-Service EDO

- Research & information
- Marketing & promotions
- Financing & incentives
- Training & H.R.
- Site location assistance
- Market development

- Ombudsman & community organization
- Technical assistance
- Strategic & long-range planning
- Catalyst & convener
What Economic Developers Really Do Today

- Floccinaucinihilipilification

- Your Mission - Should You Choose to Accept It
Your Mission – Should You Choose to Accept It

Building Better Communities
Economic Development Organizations & Professionals
Types of E.D. Organizations

- Public Sector
  - Federal
  - States
  - Multi-state region
  - Counties
  - Municipalities
  - Regions
  - COGs/CEOs/ADDs

- Private Sector
  - Chamber of Commerce
  - Not-for-profit Corporations
  - Utilities
  - Railroads
  - Colleges/Universities
  - Banks
  - Consultants
How E.D. Professionals are Trained

- Primary Routes for “General Practitioners”
  - NEDA (or other regional associations)
  - OU/EDI
  - IEDC

- Training for Specialists
  - NDC (Finance)
  - ACCRA (Research)
  - CDI (Community Development)
  - NBIA (Incubators)
Personal & Organizational Accreditation

- The Certified Economic Developer® Designation
- The Accredited Economic Development Organization Program
Ongoing Changes in Organizational Structuring

- The impact of Regionalism
- Privitization
Sites & the Site Location Process
Some Competitive Realities

- Extremely competitive arena
  - 11,000 – 20,000 EDOs
  - 5,000/10,000 Business Parks (US/Worldwide)

- Facility Announcements
  - 2000 – 11,602
  - 2001 – 9,679
  - 2002 – 6,645
  - 2003 – 5,427

- 2,200 – 2,400 Major Facility Announcements
Some Competitive Realities

- Active Marketplace – But Sluggish Right Now

  + 5% in 1999; 0 to + 5% in 2000

  - 40-50% in 2003-2004 but will eventually rebound
Some Competitive Realities

- Global Jobs Auction

- It is a Buyer’s Market
  - You are both the Seller and the Commodity
  - It is a “Just-in-time” market
Competitive Realities-continued

➢ Speed is of the essence
   ▶ Timeframe for selection process is half that allowed 10 years ago.
     ▸ 6-8 weeks to select finalist community
     ▸ 6-8 weeks to get site or building under control

➢ Selection process emphasizes elimination
   ▶ Phase 1 – Process of elimination
   ▶ Phase 2 – Process of comparison
Competitive Realities - continued

- Current keys to competitiveness are:
  - Labor availability (supply, skills, costs)
  - Rapidly available buildings and sites
  - Customizable, regional information & data
  - Ability & willingness to play “let’s make a deal”
Finding a Home - Quickly

➢ It is essential to have a reasonable choice of buildings & sites available NOW.

★ In most states, 60% to 75% of prospect companies begin the site search process by looking for an existing building.

★ 50% of projects end up in an existing building.

★ Therefore, to be competitive, you must have an adequate inventory of both sites and buildings.
Finding a Home - Quickly

➤ If construction is necessary, so is fast track permitting.
  ❖ Local permits within 14 days (7 ideal).
  ❖ State permits within 45 days (30 ideal).
  ❖ Communities are giving staff more permit and approval authority to expedite the process.
  ❖ Pre-permitted sites with all infrastructure in place are a necessity.
The Land Spectrum

- Raw Land
  - Serviced Land
    - Partially
    - Fully
  - Industrial Land
    - Site
    - District
    - Park
Weaknesses of Old Industrial Districts

- Lack of site planning.
- Lack of environmental sensitivity.
- Lack of human scale.
- Little attention to aesthetics.
- Gravity production flow now obsolete.
- Inadequate overall planning.
The Key to Successful Land Development

- Planning
- Planning
- Planning
- Planning
Historical Perspective

First Noteworthy Industrial Parks

- Trafford Park Estates, Manchester England, 1896
- Central Manufacturing District, Chicago, IL 1902 - 1910
- New England Manufacturing District, Needham, MA 1949
What is an Industrial Park?

The assembly of land, under one continuing control, to provide facilities for business and industry consistent with a master plan and restrictions resulting in the creation of a physical environment achieving the following objectives:
What is an Industrial Park?

- Consistency with community goals.
- Efficient business and industrial operations
- Human scale and values
- Compatibility with the natural environment
- Achieving and sustaining highest land values

Source: National Association of Industrial and Office Properties
How Do You Do It?
The Development Business Plan

- The Major Elements of an Industrial Park Master Plan
  - Priority Goals and Philosophies
  - Market Analysis
  - Planning & Engineering Analysis
  - Financial Analysis
  - Implementation Plan
Goals and Philosophies

- What kind of development will this be?
  - Single or mixed use?
  - Park or district?
- How long are we willing to be involved?
- How much are we willing to invest--and what return do we want?
- Jobs or taxes?
- Quick or quality?
The Planning & Development Process

- Deciding to do the project
- Market Analysis
  - Do we have a project at all?
  - If so, what does it look like?
  - What does the competition look like?
- Comparative site analysis:
  - Which of several sites is better? -or-
  - Can our site provide the characteristics the market is looking for?
The Planning & Development Process

- Conceptual site design(s)
- Gain control of site
- Complete master plan
- Prepare financial analysis
- Arrange financing
- Obtain permits and approvals
- Prepare bid specifications
The Planning & Development Process

- Select contractors
- Ground breaking ceremony
- Begin marketing
- Construct infrastructure
- Ribbon cutting ceremony
- Manage project during build-out
- Retire to St. Croix
Property Control Methods

- Outright purchase
- Option
- Partnership with land owner
- Partnership with investor
- Preferred developer status
Key Acquisition Elements

- It’s not just the price!
- What is your primary market looking for?
- Location
  - Accessibility
    - Company markets
    - Labor
  - Utility availability & adequacy
  - Neighborhood compatibility
Key Acquisition Elements

- Zoning
  - Current
  - Possible

- Site size, configuration and “yield”
  - How much is enough?
    - Patience vs. ROI
    - Aim high
  - Think about at least 2 phases

- Price/value
Market Analysis Elements

- Market strength--how much in what period?
- Shaping forces
  - Labor characteristics
  - Locational variables related to:
    - Markets
    - Labor supply
    - Cost competitiveness
  - Permit & approval process
  - Community attitude
Market Analysis
End Products

- Primary uses and mix
- Annual construction level
- Annual land absorption
- Pricing structure
- Necessary special features
- Revenue projections
- Maybe:
  - New taxes generated
  - Jobs created
The Major Planning Elements

- Environmental Assessment
- Boundary Survey
- Topography
- Wetlands & watercourses
- Soils and subsurface geology
- Vegetation
The Major Planning Elements

- Property crossings
- Protected or restricted areas
  - Endangered/protected flora/fauna
  - Historical/archeological importance
- Traffic
- Views
Planning Process
End Products

- Conceptual Development Plan
  -or-
- Plat (Subdivision) Plan

- Road & Utility Layout
- Stormwater Management Plan
- Phasing Plan
- Necessary Zoning Changes
- Cost Estimates
Financial Analysis

- Costs and Revenues (Duh)
- Sources and Uses of Funds Table
- Pro forma cash flow analysis
- ROI calculation
  - Private sector: Cash-on-cash
  - Public sector: $ + jobs + taxes + ???
- Does the deal make sense?
Implementation Elements

- Permits & approvals
- Bidding & contract documents
- Legal filings & related elements
  - Land purchase
  - Title insurance
  - Covenants (CC&Rs)
  - Park Association
Implementation Elements

- Infrastructure development
  - Regular field inspection
  - As-Built drawings
- Project Management
- Project Marketing
- Project Maintenance
The 4 Project Phases

1. Planning & Design
2. Start-up
3. Absorption
4. Close-out
You Can Use This Process For

- Greenfield Development
- Brownfield Redevelopment
- Building Adaptive Reuse
- Spec Building Development
- Most any other kind of development
Why Businesses Look for New Locations

❖ Need more space (sometimes suddenly)
❖ Need less space
❖ Need different space
  ❖ Because of operating considerations
  ❖ Because of changing market territory
    ▪ Branch plant
    ▪ Total relocation
  ❖ Currently lease, want to own (or vice versa)
Why Businesses Look for New Locations

- Need different labor force (# or skills)
- Fleeing union
- Looking to reduce operating costs
  - Must look at all costs
- Result of merger or acquisition
- Poor business climate
- Quality of life motivation
In Closing-

- You must have product to be competitive.
- The world of industrial parks is increasingly competitive:
  - More parks
    - More “pocket parks”
    - Larger parks are mixed use neighborhoods
  - Selling amenities
  - More sophisticated telecommunications
In Closing-

- Never do a speculative development without adequate market data to justify it.

- The bottom line--

  Land is a resource that almost never gets an economical second chance to be developed--do it right the first time.
Resources


- National Association of Industrial and Office Properties (NAIOP), Herndon, VA 703-904-7100, www.naiop.org
Economic Development
Financing & Incentives
Financing & Incentives

- Typical financing tools and sources
- Organizational funding
- Business plans & ratio analysis
- Changes in the venture capital market
- Incentives
Financing & Incentives

- Typical financing tools and sources
  - Debt vs. Equity
  - Public Sector vs. Private Sector Sources

<table>
<thead>
<tr>
<th>Public Sector</th>
<th>Private Sector</th>
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<tbody>
<tr>
<td>Bonds</td>
<td>Equity</td>
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<td>Grants</td>
<td>Loans</td>
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<td>Annual Budget</td>
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<tr>
<td>Incentives</td>
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</tr>
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</table>
Financing & Incentives

- Uses of Funds
  - Project Funding vs. Organizational Funding
    - You are given something
    - You sell something
  - How money gets spent
    - Fixed Assets
    - Inventory
    - Working Capital
    - Start-up Funding
    - Gap Financing
    - Bridge Funding
Financing & Incentives

- Primary Federal Government Sources
  - EDA
  - HUD
  - SBA
  - RDA

- Impacts of the Strengthening America’s Communities Initiative

(See [www.doc.gov/SACI](http://www.doc.gov/SACI))
Financing & Incentives

- Business plans & ratio analysis
  - Market & Competitive Analysis
  - Organizational & Management Plan
  - Operations & Marketing Plan
  - Financial Analysis & Financing Plan
## Major Types of Ratio Analysis

<table>
<thead>
<tr>
<th>Formula</th>
<th>Measures</th>
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<tbody>
<tr>
<td>Current Assets ÷ Current Liabilities</td>
<td>Liquidity</td>
</tr>
<tr>
<td>(Cash + Receivables) ÷ Current Liabilities</td>
<td>Liquidity</td>
</tr>
<tr>
<td>Debt ÷ Net Worth</td>
<td>Solvency</td>
</tr>
<tr>
<td>Receivables ÷ (Sales x 360)</td>
<td>Ability to collect</td>
</tr>
<tr>
<td>Sales ÷ Inventory</td>
<td>Efficiency</td>
</tr>
<tr>
<td>Net Profit After Taxes ÷ Net Sales</td>
<td>Profitability</td>
</tr>
<tr>
<td>Net Profit After Taxes ÷ Net Worth</td>
<td>Profitability</td>
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Financing & Incentives

- Changes in the venture capital market
  - Cutbacks in Venture Capital Funding
  - Increases in Angels
  - Creation of Venture Capital Clubs
  - Angel Capital Electronic Network

Check out [www.unh.edu](http://www.unh.edu) – search for ace-net
Financing & Incentives

- Incentives
  - Should be a strategic investment – not a bribe
  - The final tie-breaker
  - A necessary tool in the tool box – they aren’t going away
  - Most common types

<table>
<thead>
<tr>
<th>Tax abatements</th>
<th>Infrastructure construction</th>
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<tr>
<td>Workforce training</td>
<td>Permit fee waiver</td>
</tr>
<tr>
<td>Free or below-market rate land or buildings</td>
<td>Tax increment financing</td>
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<tr>
<td>Below-market rate financing</td>
<td>Cash grants</td>
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Economic Development
Strategic Planning
What is Modern Strategic Planning?

- A management tool
- A process – not a “thing”

“The process is as important as the product.”
Changes Over Time

The Old Way
- Budget-driven and resource-limited
- Emphasis on correcting weaknesses
- Small number of participants
- Lack of accountability and performance measures
- SWOT

The New Way
- Strategic Vision or Strategic Intent
- Opportunity-driven
- Large number of participants
- Stress accountability and performance measures
- SWIO
<table>
<thead>
<tr>
<th></th>
<th>What Do Businesses and Industries Really Want?</th>
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<tr>
<td>1</td>
<td>A strategic plan</td>
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<tr>
<td>2</td>
<td>Efficient government</td>
</tr>
<tr>
<td>3</td>
<td>Managed growth</td>
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<td>4</td>
<td>Quality of life</td>
</tr>
<tr>
<td>5</td>
<td>A thriving downtown</td>
</tr>
<tr>
<td>6</td>
<td>An attractive city</td>
</tr>
<tr>
<td>7</td>
<td>Affordable housing</td>
</tr>
<tr>
<td>8</td>
<td>Skilled, trainable, dependable labor force</td>
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</table>
The Strategic Planning Process

ORGANIZE

ANALYZE

FORMULATE ACTION PLANS

IMPLEMENT

SHORT TERM ADJUSTMENTS

MANAGE

LONG TERM CHANGES
Textbook Strategic Planning

A process by which an organization or community envisions its future and develops necessary procedures and actions to achieve that future.
Another Definition

A process by which community leaders gain an understanding of the realistic development potential of the community, the resources available to reach these potentials and the obstacles to reaching them, and the identification of specific objectives to be reached and the necessary work to reach them.
Common Sense
Strategic Planning

 savoir – or finding out:
- Who you are
- Where you fit in the marketplace
- The external environment
- Your business climate
- What you have and don’t have to offer
- What you could be - IF
Getting Started
Designing & Organizing the Process

- Initiating the Process
- Defining Objectives of the Process
- Defining the Geographic Area
- Identifying & Enlisting Participants
- Identifying & Obtaining Necessary Resources
- Logistics
Getting Started
Designing & Organizing the Process

- Initiating the Process
  - Who does it?
  - Why are we doing it?
    - Normal management function
    - Reaction to a crisis
    - A cry for help
  - May require a “champion”
Getting Started
Designing & Organizing the Process

- Defining Objectives of the Process
  - Comprehensive plan or limited to specific problem?
  - Make best use of existing resources – or a true strategic vision?
  - An internal work plan for the staff – or a community mobilization tool?
Getting Started
Designing & Organizing the Process

- Defining the Geographic Area
  - Political, jurisdictional boundaries
  - Formal or informal “service territories”
  - Cross-border linkages
  - Historical groupings
Getting Started
Designing & Organizing the Process

- Identifying & Enlisting Participants
  - Movers & shakers
  - Support groups & staff
  - Needed experts
  - Facilitator(s)

- Difference between stakeholders, leadership & office holders

- The need for “stretchers” and “focusers”
Getting Started
Designing & Organizing the Process

- Identifying & Obtaining Necessary Resources
  (to complete the planning process – not implement the plan)

  - Volunteer time
  - Staff support
  - Funding
  - Information
  - Leadership
Getting Started
Designing & Organizing the Process

❖ Logistics
- Realistic schedule and milestones
- Organizational meeting agenda
- Clarify commitments from each participant
- Committee/task force structure
- Meeting management and follow-up
- Interim & final report production
- Media/PR management
Analyzing

Called –
- The Situation Assessment
- The Situation Analysis
- The Environmental Scan
- The SWOT Analysis
- SWIO (Strengths, Weaknesses, Issues, Opportunities)
- Any others?
Community Analysis Topics

- Market Access and Local Economy
- Labor Force
- Transportation
- Utilities
- Parts/Supplies/Services
- Business Climate
- Taxes
- Public Facilities & Services
- Education
- Available Sites & Buildings
- Capital & Incentives
- Quality of Life
Community Analysis

- Should look objectively at your community the way companies do
- Probably requires comparing yourself with your competitors
- Should identify marketable strengths
- Should identify product deficiencies
- May identify obstacles you must compensate for
- Begins the process of prioritizing issues
Major Elements of the Plan

- Supporting a Vision
- Mission Statement
- Goal Statements
- Objective Statements
- Strategies/Action Steps/Tactics
- Implementation
- Ongoing Management
Formulating Action Plans

- Vision Statement – a description of how your organization or community will be perceived in the future

An Example –

Through the efforts of the Morris County Economic Development Corporation, Morris County will become and be recognized as a premier location for business investment in New Jersey and the Northeast, resulting in a broad range of employment opportunities for its residents, increasing revenue sources for its municipalities and the County, and improved profitability for its businesses.
Questions Answered by Mission Statements

- What is the market being served?
- What are the major products or services of the organization?
- What areas of work is the organization committed to?
- What areas of work are outside the organization’s responsibility?
- How does the organization fulfill these functions?
Examples of Mission Statements

- To be a progressive area recognized for educational quality and economic opportunities; a regional service center; and a model of ethnic and racial harmony.

- To develop jobs, increase the tax base, diversity and expand the county economy in a manner consistent with the community’s long range vision of itself.

- To create, expand and diversity black owned businesses which will fully participate in the growth and development of the county.

- To promote the economic vitality of the county through the preservation and creation of quality jobs which enhance the quality of life for all its residents.

- To be the best community of our size in America – known to provide
  - Increasing employment opportunities and improving standards of living
  - Highest quality educational, cultural and recreational opportunities
  - A safe, caring and healthy environment
Examples of Mission Statements

- The Morris County Economic Development Corporation is a partnership of government, businesses and allies dedicated to growing the economy of Morris County, New Jersey through aggressive and effective programs and services that result in business attraction, creation, retention, expansion and transition.
Goal Statements

- Provide a more specific definition and direction for the results of the planning process
- Specific statements of what the organization or community would like to do or be, or how it would like to improve
- Should be:
  - Clear, concise and not ambiguous
  - Realistic and attainable – based on reality, not just wishful thinking
Examples of Strategic Planning Goals

- Quality Environment – to create a clean, healthy and attractive environment, minimizing pollution, litter and physical deterioration while instilling community pride.

- Specialty Manufacturing – to be recognized as a world-class source for innovative and high quality specialty manufacturing.

- Community Pride – to be known to ourselves and to others as a place where people celebrate individual and community achievement.

- Minority Business Creation – to dramatically increase and diversity the number of minority owned businesses consistent with the county’s overall economic trends.

- Strengthen the economic/wealth generators for the county in order to support opportunities for economic vitality.
Objective Statements

- Are more specific than Goals
  - “Goals are aspirations – objectives are targets.”

- Typically include:
  - A key result or outcome
  - A target date or timeframe
  - A numerical performance measure

- Should be challenging but realistic and acceptable to the community

- May require prioritization due to resource limitations or sequencing
Examples of Strategic Planning Objectives

- Foster creation of 4 new manufacturing enterprises every year.
- Recruit developer and management group for new downtown conference hotel to be built before mid-2005.
- To have a seed capital fund of $1,000,000 by 2005.
- To reduce the illiteracy rate to 10% or less by the year 2010.
- Within the next year, complete an analysis of the County’s existing economic base.
- To increase sales and receipts per minority owned firm from 9% in 1982 to 20% of all firms by 1992.
Strategies/Tactics/Action Steps

- Specific work items to accomplish an objective
- May involve a cost-benefit analysis of:
  - Costs
  - Personnel needs
  - Agency capabilities
  - Time requirement
  - Impact
  - Legal/political implications
- Final selection may require prioritization, combination, sequencing or elimination
Examples of Strategic Planning Strategies

- Organize a venture funding program
- Complete regional retail study.
- Renovate and expand the airport terminal.
- Implement business incubator service at the community college.
- Establish a minority business investment center.
- Introduce annual solicitation of contributions from municipalities.
Strategies/Tactics/Action Steps

- Will have accompanying consideration of
  - Assignment of responsibility
    - Individual
    - Organizational
  - Funding or other resource needs
    - What do we have now?
    - What do we need?
    - How can we get it?
  - Implementation schedule and milestones
  - Impacts desired and performance measures
Moving to Implementation

- Selling the plan
  - Summary sheet
  - Public presentation
  - Media briefing
  - Obtaining public endorsement

- Recruiting the right volunteers
  - Those involved in implementing the plan aren’t necessarily those who created it
Ongoing Management

- Overall process administration
- Project management
- Adjustments
  - Mid-course
    - If something isn’t working, fix it
    - If priorities suddenly change, modify the plan
  - Changing targets due to
    - Work items are completed
    - New opportunities arise
    - New problems occur
Monitoring and Evaluation

❖ Accountability
  ❑ What have we accomplished?
  ❑ Are we using our resources effectively?

❖ Progress monitoring – are we on schedule?

❖ Performance evaluation
  ❑ Who is doing a good job (or not)?
  ❑ What is working – and what is not?

❖ Impact measurement – did we do anything useful?
Economic Development Marketing
What’s the Difference Between

- Marketing
- Sales
Marketing is the art of human persuasion through the provision of information to solve problems.
Common Marketing Tools

- Direct Mail
- Media advertising
- Staff marketing trips
  - Domestic
  - International
- Volunteer marketing trips
- Telemarketing
- CDs
- Resource Centers
- Printed materials
- P.R. services
- Trade shows
- Hosting site visits
  - Prospects
  - Site location consultants
- Web page
- E-mail marketing
- Gifts/mementos
What Works Best?

- DCI 2002 Survey (287 corporate respondents)
  - Planned visits to corporate executives (53%)
  - Public relations/publicity (40%)
  - Hosting special events (37%)
  - Internet/website (34%)
  - Direct mail (33%)
  - Trade shows (32%)
  - Advertising (21%)
  - Telemarketing (4%)
What Works Best?
(Prospect Identification Techniques Rated “Most Effective”)

- GSO 2004 Survey (437 E.D. respondents)
  1. Webpage – 97% (up from 74% in 2003)
  2. Hosting prospects & consultants – 86%
  3. Staff domestic marketing trip – 85%
  4. Target industry trade shows – 79%
  5. E-mail marketing – 46%
  6. Direct mail – 44%
  7. Public relations services – 44%
  8. Volunteer marketing trips – 41%
  9. Staff international marketing trips – 35%
 10. Media advertising – 33%
 11. Telemarketing – 9%
What Works Best?

Where business people get business climate information (DCI 2002 Survey)

1. Articles in newspapers & magazines (62%)
2. Dialogue with industry peers (56%)
3. Business travel (47%)
4. Word of mouth (29%)
5. National surveys (21%)

11. Print advertising (4%)
Other Marketing Considerations

- Multi-step marketing
- The impact of electronic technology
- Community Network Marketing
Last Questions and Wrap-up