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Ten Tips for Implementing an Economic Gardening Project

Revised and Expanded April 2010

A White Paper from **Growing Local Economies, Inc.**

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Ten Tips for Implementing an Economic Gardening Project

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I am frequently asked to give advice to communities that are considering implementing an economic gardening program. They want to know what to do next to move forward in the process. The answer to this question varies by community. Each community has a unique set of features, assets and needs. To sustain an economic gardening program, a community must assemble its key players, develop a common understanding of the process and goals, be committed for the long haul, and share a passion for doing things differently.

Here are ten suggestions to get you started in the process:

1. Approach EG with an asset-based mindset.

Develop an inventory of community and business assets available to you. What is the “wealth” in your community? What skills can you tap into? What organizations can you partner with? What works well now? Who is already motivated and passionate to make something happen? What systems and organizations already exist to support entrepreneurs? What cultural and recreational amenities do you have? What assets can you leverage that are outside of your community?

Your list of assets should include the “usual suspects” such as economic development organizations, chambers of commerce, civic and social groups such as Rotary and Kiwanis, Small Business Development Centers, SCORE, workforce centers, universities and community colleges, and financial institutions. Other groups and individuals that also provide value to your community include:

- Public and university libraries
- Professional business associations and groups
- Utility companies
- Successful entrepreneurs
- Entrepreneurs and inventors groups
- Arts and cultural entities
- Healthcare agencies
- Non-profit organizations
- Youth entrepreneur clubs and initiatives
- K-12 education system
- Technology organizations
- Incubators and technology transfer programs
- Churches and other religious institutions
- Recreation and leisure amenities
- Sports organizations
- Community foundations and loan funds
- Elected officials
- City/county governments
- Council of governments
- Policy makers
- Consultants
- Tourism office
- Continuing education and training programs
- Youth programs such as Scouts and 4-H
- Senior centers
- Venture and angel investors
- Microfinance organizations
- Professionals who serve small businesses, such as lawyers, accountants, financial advisors, designers, and marketing professionals

Look for individuals in your community who have skills and expertise in areas such as business coaching and mentoring, finance, employment/workforce development, research, marketing, meeting facilitation, organizing/managing projects, public speaking, legal support, and fund raising.

Perhaps the most important assets you can identify in your community are the individuals who can become champions and advocates for your economic gardening project. They might be successful entrepreneurs who want to give back to their community, or individuals within any of the groups or organizations listed above.

2. Develop a collaborative effort among key players

Once you have identified the assets in your community, explore which entities and individuals are likely to become partners and key stakeholders in moving your EG project forward. Get these key folks to the table so you can come to a common agreement on goals and directions for the project, as well as identify who will take responsibility to carry out each separate piece. This can be a daunting task. If key stakeholders are not willing to take ownership of the project, then your community may not be ready to launch an economic gardening initiative. You may have to step back and address the political and community development issues that are driving your locality. “Success in the New Economy requires that a whole array of institutions—universities, school boards, firms, local governments, economic development agencies—work in new and often-uncomfortable ways” (*The 2008 State New Economy Index*, Kauffman Foundation, p. 65).

Here are a few tools and resources to help you get started in that essential process:

- **Appreciative Inquiry** uses a systematic set of processes to discover what works in an organization or initiative and to move towards inventing its most desired future. Visit the Appreciative Inquiry Commons to learn more, <http://appreciativeinquiry.case.edu/>.
- **Asset Based Community Development (ABCD)** is an approach that considers local assets and existing community strengths as the primary building blocks of sustainable communities. To find out more, visit the Asset Based Community Development Institute’s website for more information and resources, <http://www.abcdinstitute.org/>, or read the informative article on Wikipedia, http://en.wikipedia.org/wiki/Asset-Based_Community_Development.
- **World Café**, <http://www.theworldcafe.com/>, offers a process for leading collaborative dialogue and knowledge sharing, particularly for larger groups. This powerful conversational process allows communities to think together, evoke collective intelligence, and create actionable results.

Two of the key considerations you must build into your EG program are the audience you want to target and the performance evaluation metrics you want to collect. What set of metrics does each partner need for their own reporting purposes, and how can you build that into the EG program from the outset?

Another crucial component is coordination of the project. Someone must serve as the “switchboard” to connect your target entrepreneurs to the resources they need. The coordination function also encompasses customer screening, maintaining referral networks, keeping a database of businesses served by the program, doing follow-up surveys, and reporting results.

3. Determine your target business audience

One of the most important questions an economic gardening project needs to answer is, “Who will we serve?” Economic gardening programs around the U.S. take a variety of approaches, depending on their identified goals and community expectations. Some EG programs support all types of small businesses; others work only with growth-oriented companies. The important thing is to know which group of businesses you are targeting and why.

In terms of choosing a target audience, focusing on growth-oriented companies will produce the greatest economic impact on a region, because they bring money into the community from outside markets. Sometimes referred to as Stage 2 businesses, these companies usually have between 10-99 employees and at least \$1 million in revenues, although growth-oriented companies can be found across the entire universe of companies. They are also relatively young companies (less than five years old). Growth companies can range from companies with a local market that want to expand and reach external markets (often through e-commerce), to companies that have specialized expertise or knowledge and primarily sell to external markets.

Rapidly expanding, high-growth companies, sometimes referred to as “gazelles,” are a rarity in many communities, making up only three to five percent of all businesses. Most small localities do not have the technical resources to support their needs, and these companies typically have the connections and technical assistance they need to grow, and will do it with or without us.

Another potential target audience is companies with one to nine employees and less than \$1 million per year in revenues. Known as Stage 1 companies, they are by far the largest group of businesses in the U.S. They collectively represent 28 percent of all the employment in the United States. Most of these firms are start-ups and lifestyle businesses, but some of them are growth-oriented companies as well.

“Lifestyle” businesses (the so-called mom ‘n’ pops) are the small retail and service businesses in every community. They do not “grow” the local economy by bringing in new wealth, but they recirculate the wealth throughout the local community. They are essential to what makes a local community a vibrant and desirable place to live and work. They can also provide significant “political capital” for an EG program through their testimonials and support.

A number of local business organizations provide support to start-ups, the self-employed and lifestyle businesses. These usually include Small Business Development Centers, SCORE, and local chambers of commerce. Some EG programs partner with these entities to provide services such as market research and demographics.

The “sweet spot” for most local and regional EG programs may be the late Stage 1 and early Stage 2 companies that have been in business for one to five years, have a desire to expand, and have a potential or actual market outside the community. These companies can provide significant economic impact, and can benefit greatly from the services an EG program typically provides.

If you want to focus on this target audience, you might want to find companies that meet the following criteria:

- Firmly established (in business for 1-3 years)
- Have financial statements that include profit and loss and cash flow numbers
- Have a clearly defined market
- Demonstrate revenue growth over time (even if the company has not yet reached the break-even point)
- Clearly intend to grow (as expressed in the desire to hire employees, expand operations or market area, or seek capital investment)
- Have a product or service that is scalable and preferably unique (i.e., cannot be easily imitated)
- Have a potential or actual market outside the local region

You can also consider offering “tiered” services to different audiences. You might, for example, provide basic services to your lifestyle businesses and more comprehensive support to growth-oriented companies.

4. Find qualified business coaches

The most important aspect of an economic gardening program is the business coaching relationship. All businesses can benefit from a knowledgeable coach who can help them think differently about their strategy and figure out what they need to do to move to the next stage. Entrepreneurs who pay attention to their core strategy are more likely to be successful than those who don't. They need to understand the unique niche their business fills, who their ideal customers are, what motivates their customers to buy, and how to reach their potential market. They need to network with the people and organizations that can help them.

The Center for Rural Entrepreneurship identifies the following characteristics as essential in selecting a business coach (whom they refer to as an entrepreneur coach or E-coach):

- One who knows the game
- One who has played the game
- One who can teach the game
- One who can innovate to increase performance

The E-coach is not necessarily the “expert,” but is a person who knows how to network clients to the right answers in the right order. Coaching is part art form and part science. Since most E-coaches do not bring a fully developed set of skills to this job, they will also need ongoing mentoring and training to be successful (D. Macke, *Entrepreneur Coaching for Community Success*, Center for Rural Entrepreneurship, 2010).

A good business coach might be a successful retired entrepreneur, staff person at a college or university entrepreneurship program, incubator staff, or a person from any kind of setting who has business experience, knowledge of business strategy and a passion for helping local entrepreneurs.

It can be hard to find the technical expertise you need to support good business coaching, especially in small communities. But even if local expertise is not available in some fields, you can tap into a nationwide cadre of experts for free through SCORE. Visit the SCORE website,

<http://www.score.org/>, to find a counselor who is available to answer specific questions by e-mail. You can search the database of counselors by keyword, area of expertise, and state. The site also features online training, articles, and a free e-newsletter.

5. Connect with your target audience

Once you have determined your target audience, and have recruited qualified business coaches, you need to develop a strategy for reaching those entrepreneurs. How do you find them? Traditional advertising approaches (media, publicity from partner organizations, and direct marketing) are usually good ways to reach start-ups and local businesses. If you want to target growth-oriented companies, you will need to take a different approach.

“Our experience [with growth companies] suggests that if you take a very public approach to outreach you will likely create lots of traffic. The vast majority of this traffic will not match your targeting. A public approach to outreach raises expectations and the need for you to intake and respond to every inquiry for assistance. Significant time will be required, diverting limited resources from your actual target audience. In most cases we do not recommend a high profile and public outreach approach” (Don Macke, Center for Rural Entrepreneurship).

One successful strategy is to create a referral network of people in the community who are frequently in front of your target audience. Good candidates for the referral network include professionals such as bankers, accountants, lawyers, insurance agents, financial advisors, ministers, commercial real estate agents, and others who serve the small business community. Other likely sources of information are successful entrepreneurs, university and college professors in business or entrepreneurship programs, incubator staff, SBIRs, manufacturing groups, and technology transfer programs. With some overall guidance, this group can recognize and refer the right people to your EG program.

It is particularly challenging to find home-based businesses. Here are a few suggestions: You can often identify such companies by reading ads local business newspapers—particularly community or neighborhood publications and websites, checking online directories, and having conversations with people in local business and professional organizations. You can also hang out in coffee shops and look for local entrepreneur groups.

Existing EG programs have found that it is very important to do an initial screening or “pre-qualification” of potential clients before agreeing to help them. Knowing the criteria for your target audience allows you to match your clients through an interview or application process. It is also important to have the accepted entrepreneurs sign a service and confidentiality agreement that lays out both what you will do for them, and what information they will share with you (e.g., revenues, capital expenditures, etc.)

6. Connect with the broader economic gardening community

There are a number of ways to gather information and share tips across the EG community:

- Subscribe to free e-newsletters, social media groups, blogs, and e-mail lists covering entrepreneurship and business strategy.

- Join economic gardening groups on LinkedIn, Facebook, and Twitter. Periodically search these social media sites, as well as YouTube, (or set up filtering options) to find posts on economic gardening and locate others involved in EG initiatives.
- Set up Google alerts on EG or entrepreneurship topics.
- Join **econ-dev**, <http://www.littletongov.org/bia/economicgardening/econdev.asp>, an e-mail discussion list sponsored by the City of Littleton, Colorado. It encourages dialogue about entrepreneurial approaches to economic development—especially economic gardening—among industry professionals. There are more than 700 subscribers from around the world.
- Attend the annual EG conference that is usually held in June in various small localities around the U.S. These gatherings are usually announced in the econ-dev mailing list.
- Set up your own EG group if there is more than one program in your region.

Here are some free e-newsletters and blogs that you might find useful:

- **Policy Dialogue on Entrepreneurship**, from the Kauffman Foundation, <http://www.entrepreneurship.org/PolicyForum/>, provides a weekly update that “informs and connects thought leaders looking to understand policies that help entrepreneurs start companies, create jobs and re-start the economy.”
- **The Agurban® E-zine**, <http://www.boomtowninstitute.com/agurban.html>, is a free weekly electronic newsletter distributed by Agracel, Inc. and Boomtown Institute. It focuses on economic development best practices and successful initiatives such as revitalization, regionalism, developing entrepreneurs and many other economic development practices.
- **Rural Entrepreneurship News**, <http://www.energizingentrepreneurs.org/pages/sitemap.php>, a monthly newsletter from the RUPRI Center for Rural Entrepreneurship, summarizes developments in the field of rural entrepreneurship.
- **EntreWorks Insights**, <http://www.entreworks.net/Newsletter.php>, is a quarterly newsletter that reports on business trends, policy developments, and other issues affecting the business of economic and workforce development.

7. Explore free and low-cost resources for information and research

Even if you don't have a large budget to hire a researcher or purchase online databases, you can still offer research services to your businesses.

In terms of research staff, many EG programs have been able to utilize reference librarians in public and university libraries to help them with market research for targeted clients. Smaller public libraries may not have the capacity to provide this kind of support. Some programs have also had success using university interns or graduate students. In both cases, the administration must fully support the involvement of their staff or students in such an endeavor, and someone must coordinate and supervise their efforts.

Some business research needs are too complex or specific to answer using local resources and may require the use of contract researchers. A good source for locating research experts in most industry fields is the Association of Independent Information Professionals, www.aiip.org.

The first place to look for free business resources is your local public library. Most public libraries of any size have business collections and online databases available to their clientele. Check with your local public librarian to find out what business resources are already available and how your community might access them. Some community college or university library resources may also be available to the larger community.

In addition, here are five great web-based resources you can explore.

- **JJ Hill Library**, <http://www.jjhill.org/>, offers a moderately priced individual user subscription to a robust set of business resources. Among the resources available are the Dun & Bradstreet Million Dollar Total database, DemographicsNOW, Gale Business and Company Resource Center and several databases for newspaper and trade journal articles. License agreements restrict how you can use the information and to whom you can disseminate it.
- **Hoovers**, <http://www.hoovers.com/free/>, is primarily a subscription site, but you can find basic company information (drawn from Dun & Bradstreet databases) as well as industry overviews and trends for free.
- **Thomas.net**, <http://www.thomasnet.com/>, is a comprehensive source of industrial and information, including products, suppliers, services, and CAD drawings, primarily from the manufacturing sector.
- **U.S. Census Bureau Business & Industry**, <http://www.census.gov/econ/index.html>, provides economic statistics by geography, sector (e.g., construction, retail trade, and transportation), and frequency. The site includes the Economic Census, which profiles American business every five years, from the national to the local level. You'll also find statistics on county business patterns, e-commerce, foreign trade, monthly wholesale and retail trade, and many other economic topics.
- **Valuation Resources**, <http://valuationresources.com/>, links to industry resources for over 250 industries that are available from trade associations, publications, and research firms. Included are industry overviews, issues, trends, and outlooks, financial ratios and benchmarking, compensation surveys, and valuation resources.

You can also download the free white paper, "Free and Low-Cost Information Resources for Supporting Local Entrepreneurs" from Growing Local Economies, <http://www.growinglocaleconomies.com>.

8. Focus on Internet and social media marketing opportunities

The Internet has helped level the playing field for smaller and more rural communities. Providing high-speed Internet access throughout the community is crucial to allow local businesses to take advantage of opportunities to their sell products and services outside the local area—and bring wealth back into the community. Social media sites such as Facebook and Twitter have exploded across the Internet landscape in the last couple of years, and offer

numerous ways that businesses can communicate with their customers, keep up with their market, and find new partners.

Any business that has unique products or services that people want to buy outside the local area, and can deliver the goods to these customers, has the potential to set up a profitable Internet or e-Bay store for relatively little cost. There are numerous tools on the Web to assist with this process.

Businesses can drive Web traffic to their site through search engines. They can optimize their Web sites to make it easier for search engines to find them, and they can use pay-per-click ads on Google to show up on the first page of search results even if their site doesn't show up on the first page "organically." Businesses should also consider having a blog on their website, sending out an e-newsletter, and exploring other forms of social media.

John Jantsch's website, Duct Tape Marketing (www.ducttapemarketing.com), offers numerous tips and free resources to small business owners on how to use the Internet and social media as effective marketing vehicles. Topics include Twitter for business, pay per click advertising, business blogging resources, and marketing with RSS. You can also sign up for John's valuable weekly e-newsletter.

9. Develop an entrepreneurial support system that has "no wrong doors."

If you have several organizations where people can go to get business help, make sure each one offers appropriate referrals to the others. Erik Pages of EntreWorks Consulting, <http://www.entreworks.net/>, refers to this approach as "no wrong door." No matter which door (i.e., service provider) a business owner enters, they will get to the information and resources they need. This means that each service provider must understand what every other provider offers, and who is eligible for their services.

A service called USSourceLink, <http://www.ussourcelink.com/>, offers a turnkey package for the implementation of a resource provider network within a particular region. This package offers a systematic way to identify and organize services offered by local resource partners into a searchable online database, as well as providing a business tracking feature. You can see how the system works on the Kansas City network's website, <http://www.kcsourcelink.com/> and learn more about how to bring this toolset to your community.

Even if your community cannot afford a commercial product, you can create a simple database or spreadsheet that captures the information about business service providers in your area, and share it with all other partners.

10. Be open to crazy ideas!

Listen to ideas from all sources about how to support local entrepreneurs, no matter where they come from or how crazy they may seem when you first hear them. Those ideas from "left field" can jolt you out of your familiar thought patterns and produce fresh and sometimes startling new insights. You may find yourself trying something totally new that no one has thought of before.

Practice saying, "That's an interesting idea. Tell me more!"

Christine Hamilton-Pennell

Christine Hamilton-Pennell, M.L.I.S, M.A.R., is Founder and President of Growing Local Economies, Inc., a company that provides consulting and training to economic development, small business, and library audiences.

Christine is an accomplished speaker and trainer on topics such as Supporting Local Entrepreneurs as an Economic Development Strategy, Starting an Economic Gardening Project, Meeting the Research Needs of Small and Growing Businesses, and The Role of Libraries in Economic Development. Over the past several years, she has made dozens of presentations to local, state, national, and international groups.

Previously, she served as the Economic Intelligence Specialist for the Business/Industry Affairs department of the City of Littleton, Colorado. In this position she provided strategic consulting, competitive intelligence, marketing support, and customized research to businesses within the city as part of their Economic Gardening project. Prior to joining the City of Littleton, she owned an independent research company for five years.

With a background in both economic development and business research services, Christine is uniquely qualified to assist communities in implementing a local entrepreneurship support project. Her particular passion and expertise is “economic gardening,” an entrepreneurial approach to economic development that seeks to support local entrepreneurs by focusing on the three pillars of information, infrastructure, and connections.

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