

# Stronger Economies Together:

*Enabling Communities to Collaborate  
Successfully on a Regional Basis*



Presentation made at the  
10<sup>th</sup> Annual New Partners for Smart Growth  
Feb. 3-5, 2011 -- Charlotte, NC

# Outline of Our Presentation

- Challenges in Rural America: A need to think and work differently
- Key elements of sustainable communities & their fit with the SET program
- The SET program: What is it about?
- Highlighting some of the SET modules
- Q & A Time !!



# Our Panel of Presenters

- Dianna Jennings

*Arizona USDA Rural Development*

- Lee Jones

*Louisiana USDA Rural Development*

- Alison Davis

*University of Kentucky*

- Bo Beaulieu

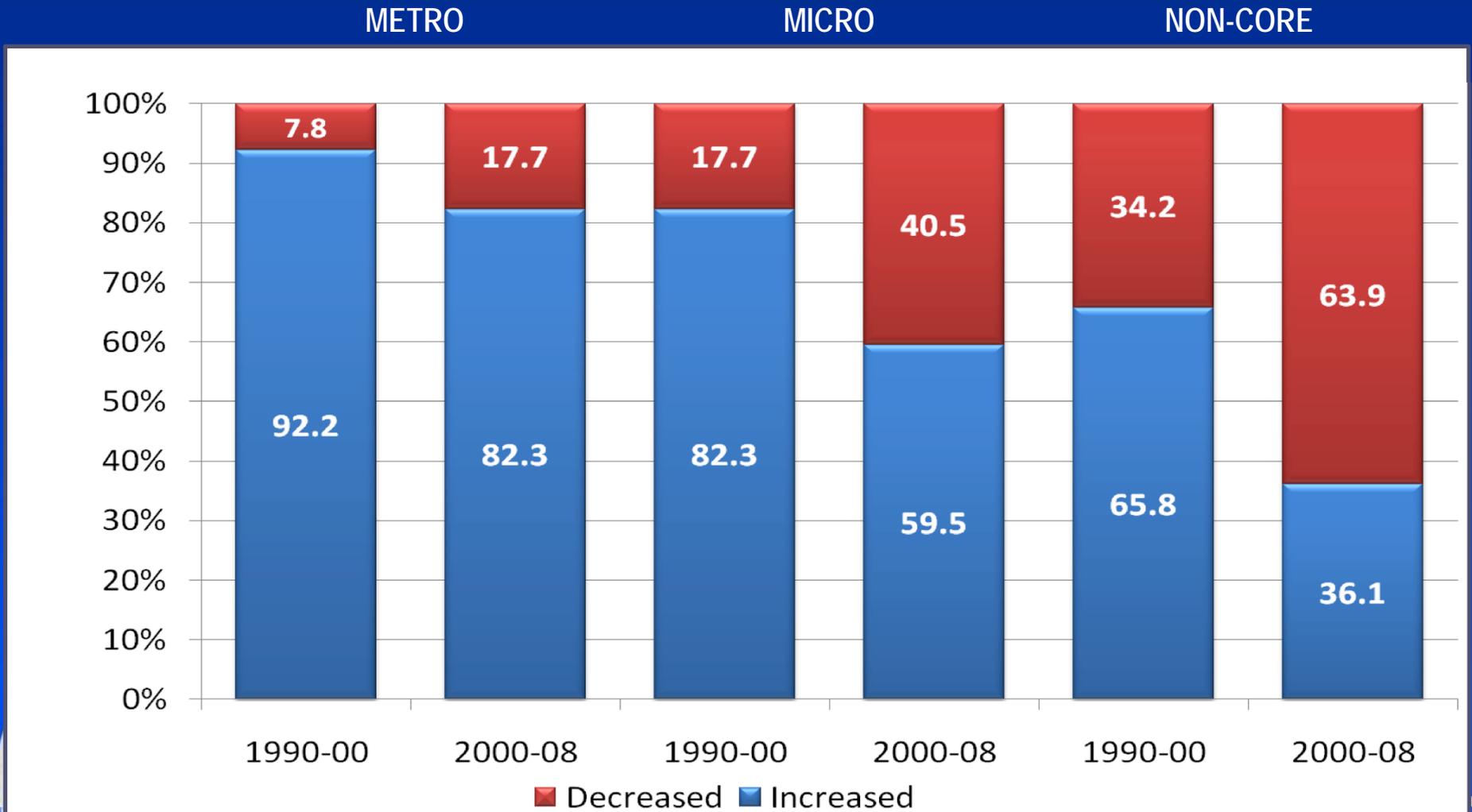
*Southern Rural Development Center, MS State University*



# Challenges in Rural America

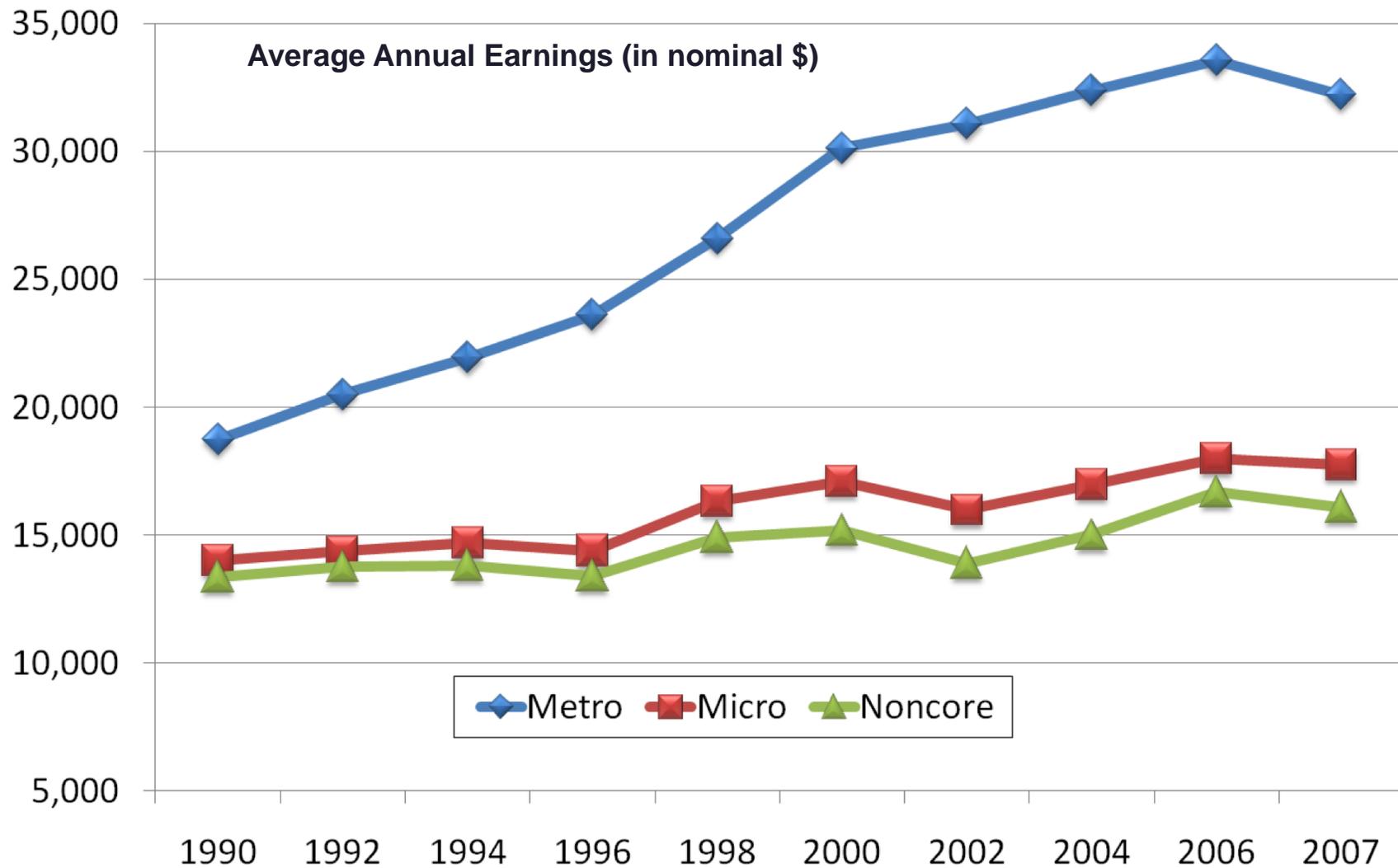


# Average Wage & Salary Earnings (in nominal \$) of Workers by Metropolitan Status, 1990-2007



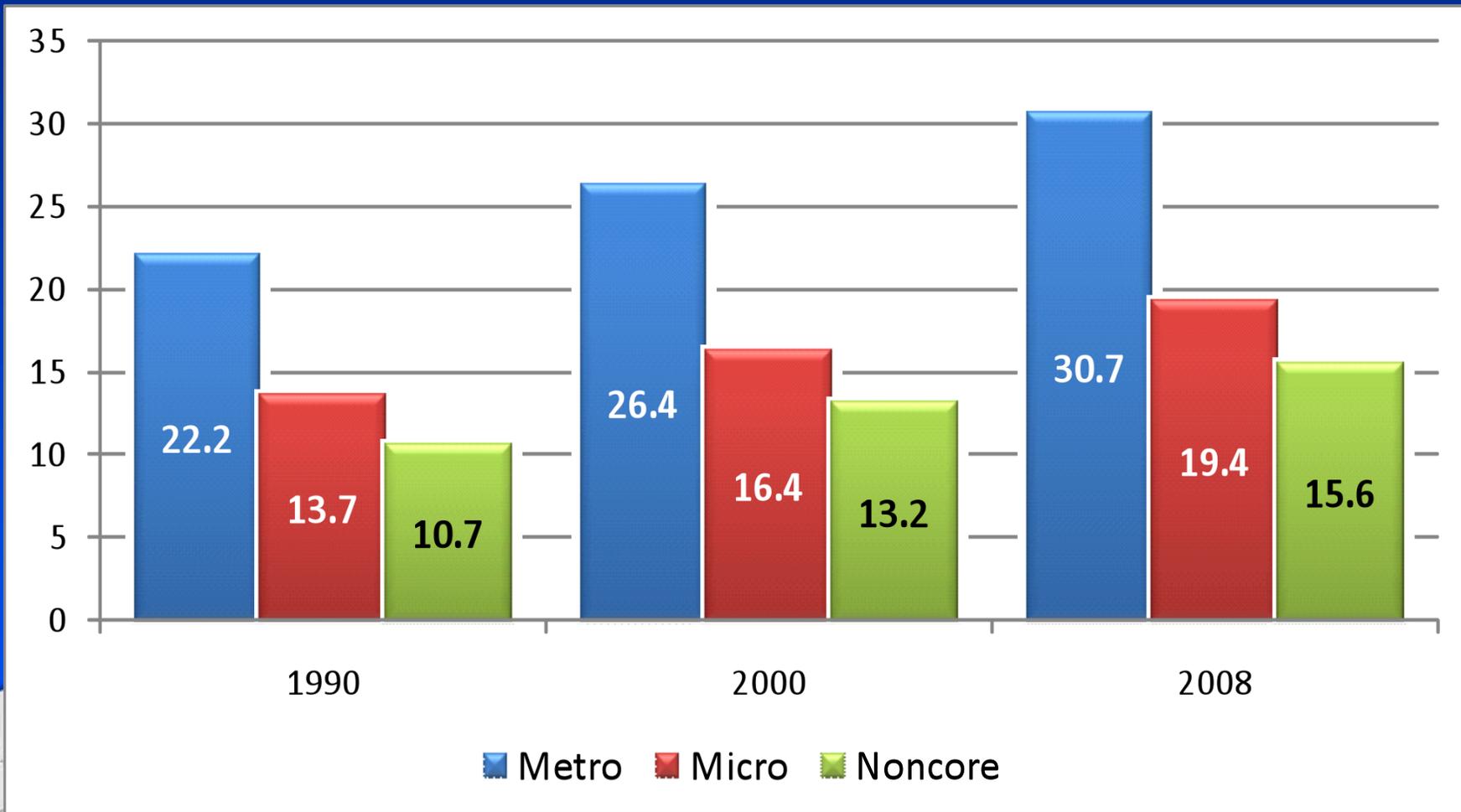
Source: U.S. Census Bureau, Decennial; U.S. Census Bureau, Population Estimates; 2003 OMB Rurality Definitions

# Average Income of Non-Farm Proprietors in the U.S., 1990-2007



Source: Bureau of Economic Analysis, Regional Economic Information Systems

## Percent of Adult Population (25+ years old) with a Bachelor's Degree or Higher



Source: U.S. Census Bureau, Decennial; Economic Modeling Specialists, Inc. (Spring 2009)

# Sustainable Development: Important Principles

- Variety of definitions and concepts of SD – several that are being showcased during this conference
- Our focus is on “region” and how SET seeks to embrace sustainable community principles
- Let’s look at a couple of examples



# Showing the Alignment . . .

## PCSD “Sustainable Communities”

## Key SET Modules

**Clear Vision and Goals**



**Your Vision and Goals**

**Community Capacity Building**

- *Community-based planning;*
- *Open and inclusive decision making*
- *Cooperation among communities*



**Building a Strong Regional Team**

**Holistic Perspective**



**Exploring Regional Assets and Barriers**

**Economic Development and Jobs**



**Exploring the Region’s Economic Foundation & Opportunities**

**On-going Assessment**



**Planning and Measuring for Success**



Source: Sustainable Communities Task Force Report; President’s Council on Sustainable Development, 1997



# Livability Principles in Rural America

- Enhance economic competitiveness
- Support existing communities
- Value communities and neighborhoods
- Coordinate policies and leverage investment
- Provide more transportation choices
- Promote equitable, affordable housing



Source: Partnership for Sustainable Communities

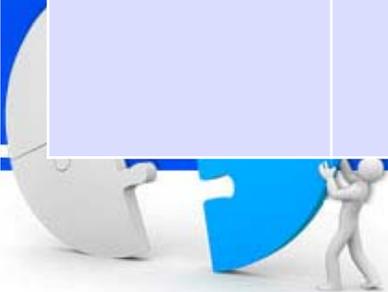
# An Overview of the SET Program



# Three Waves of Economic Development

Component	First Wave	Second Wave	Third Wave
<b>Goal</b>	<i>Industrial Recruiting:</i> Attract outside businesses	<i>Cost Competition:</i> Retain and expand existing businesses	<i>Regional Competitiveness:</i> Enhance regional resources to promote regional collaboration and clusters
<b>Strategies</b>	Provision of financial incentives  Building of industrial parks	<ul style="list-style-type: none"> <li>• Reduction of taxes</li> <li>• Deregulation</li> <li>• Industry consolidation and cost cutting (i.e., lean manufacturing)</li> </ul>	<ul style="list-style-type: none"> <li>• Entrepreneurship</li> <li>• Regional collaboration</li> <li>• Identification and development of regional clusters and import substitution activities</li> </ul>
<b>Keys to Success</b>	Offer government funds for subsidies and tax breaks  Develop an industrial infrastructure	<ul style="list-style-type: none"> <li>• Develop training programs</li> <li>• Strengthen the health of existing firms</li> <li>• Provide social and physical resources</li> </ul>	<ul style="list-style-type: none"> <li>• Build on unique regional assets (such as human capital, amenities, creative economy; innovation)</li> <li>• Focus on leadership development</li> <li>• Develop/maintain quality environment</li> <li>• Bridge economic and community development</li> </ul>

Source: Blakely & Bradshaw (2002); Drabenstott (2006); Hembd (2008)



# What is SET?

- An exciting new initiative that encourages communities and counties – primarily in rural areas – to work together as a regional team to develop and implement an economic development plan that make sense for their region.
- A program that helps regions discover and build on their comparative economic advantages.



# Why a Regional Approach?

## *It Promotes the Three Cs:*

- **Conversation:** Helps promote discussions among public & private sector leaders and local residents; builds regional awareness; focuses on consensus building; focuses on the future
- **Connection:** Regionalism is a contact sport that requires personal interactions at every stage of the game
- **Capacity:** Helps leverage key assets; it weaves the system of support needed to create and attract businesses



Source: Council on Competitiveness (2010)

# The Nine SET Modules



# SET Pilot States



★ Original Pilot Sites      ★ Additional Sites Testing SET

# What SET Has Offered to Pilot Regional Teams

Training and Guidance

Peer-to-Peer Connections

Tailored Data



Technical Assistance

Planning Tools



# Let's Now Spotlight Four of the Modules

- Building a Strong Regional Team
  - Lee Jones
- Vision and Goals
  - Dianna Jennings
- Exploring Local Assets & Barriers
  - Bo Beaulieu
- Regional Economic Foundation and Development Opportunities
  - Alison Davis



# Building a Strong Regional Team



Lee  
Jones

# The Session Focuses on. . .

- Elements of a Sound Team
- Developing a Call to Action
- Inviting Broad Participation
- Creating a Succession Plan
- Exploring Habits of Highly Effective Regional Leadership



# Stages to Broader Participation

High



Regional Summit

Level of  
Participation by  
the Region

Regional Team  
Expansion



Low

Regional  
Team



# Who's at the Table of Your Regional Team?



# A Strong Regional Team

- Prepares to overcome obstacles
- Assesses who else needs to be involved
- Brings more people to the cause
- Makes sure things happen
- Advocates for their goals and plans



# Your Regional Team Members: How Comprehensive & Diverse?

Name of Team Member	Major Sector/Interest Area the Person Represents
Example: Joanne Smith	Business (Banker)
Example: Dr. Barbara Jones	Education (Comm. College President)



# Creating a Succession Plan: Key to Group Continuity & Sustainability

- Establish plan early in the process
- Create a job description for each position, including skill set needed and duties
- Communicate time commitment
- Ensure the overall mission is clearly written



# Experiences Building a Diverse Regional Team



Comments by Panel Members



# Developing a Regional Vision and Regional Goals

A 3D illustration on a blue background with a grid pattern. A large, light gray puzzle piece is partially assembled on the left. A smaller, bright blue puzzle piece is being held by a white 3D human figure on the right. The blue piece is being placed into the gap of the larger piece. The text 'Dianna Jennings' is written in white on the blue piece.

**Dianna  
Jennings**

# Something to Think About

Vision without action is a daydream.

Action without vision is a nightmare.

*Japanese Proverb*



# Outline of Module Four

- What's This Thing Called "Vision"?
- Features of a Strong Regional Vision Statement
- Developing a Vision Statement for Your Region
  - Building a shared vision: A step-by-step process
- Now . . . Focusing on Regional Goals



# What's This Thing Called "Vision"?

*Vision is the art of seeing the invisible*

Jonathan Swift

- Describes the future situation you want to achieve
- It responds to the following key questions:
  - "What do you want your region to be?"
  - "What are your dreams for the region?"



# Features of a Strong Vision Statement



# Building a Shared Vision: *A Step-by-Step Approach*

## Determine the Focus of Your Vision Statement

Your Regional Team?

Economic Development?

Quality of Life?

## Seek Input on Hopes/Aspirations for the Region

Your Team

Key Leaders and Groups

Diversity of Residents

## Determine Common Themes then Prioritize

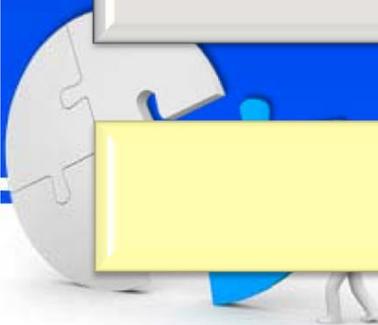
Determine which themes to keep

Remove less relevant ideas

## Draft a Vision Statement from the Key Themes

Share draft with others and seek input

## Finalize Your Vision Statement



# Now . . . Let's Turn to Goals: According to BusinessDirect.com. . .

A **GOAL** can be summarized in the phrase "dream with a deadline." It's an observable and measurable end result having one or more objectives to be achieved within a certain timeframe



# Developing a SMART Goal



- Let's be honest !! Developing a goal is no easy task for a team
- But, vague goals translate into vague results
- The key, then, is to figure out the key ingredients of a well-developed goal
- One possible solution? Prepare a goal that's **SMART**



# SMART Goals

## Specific

- State clearly **WHAT** your team wants to achieve.
- Indicate **WHY** this goal is important.
- Specify **WHERE** you intend to focus your efforts.

## Measurable

- Indicate **HOW** you plan to measure progress towards the achievement of your team goal
- Define both the end result as well as milestones you want to achieve along the way. Be concrete.

## Attainable

- Determine if your team has the resources (people, financial, political, time, skills, motivation, etc.) needed to achieve the goal

## Realistic

- The team must truly believe that the goal can be accomplished
- Be honest about what the team is able to pursue

## Time Framed

- **WHEN** do you want to achieve your goal?.
- Decide on a target date for accomplishing your team's goal

# Example of a SMART Goal

**Goal 1**: Increase the survival rate of new business start-ups from 50% to 75% in the Big Coast Region by December 2014.

**Goal 2**: A public/private funded business incubator center will be established in the Big Coast Region by December 2012; 15 business incubator firms will be housed in this center by December 2014.



# Team Goals Worksheet

**YOUR GOAL:** (write you goal in this box and then analyze it using the SMART criteria below)

**Write Your Comments Below**

**Specific**

**Measurable**

**Attainable**

**Realistic**

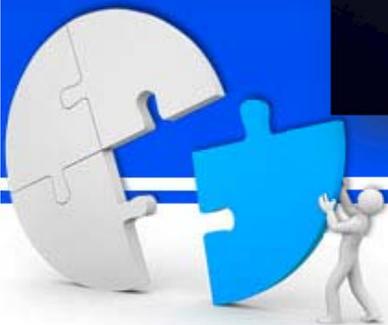
**Time Framed**



# Developing a Regional Vision and Regional Goals



Comments by Panel Members



# Exploring Regional Assets and Barriers



Bo  
Beaulieu

# What This Module Is All About

- Introduces the notion of asset-based regional development
- Discovers the assets that exist locally and can be mobilized to support regional goals
- Pinpoints barriers to achieving regional goals
- Reviews goals and adjust them as needed



# Important Principles of Asset-Based Regional Development

- Many assets exist in our region (but oftentimes get overlooked).
- The long-term vitality of the region depends on our ability to uncover and effectively utilize (in a sound manner) the resources we have available locally.
- Taking the time to link local assets to one another improves the chances of achieving our regional goals.



# Three Key Arenas for Uncovering Regional Assets



# Assets of People

- Everyone has talents and skills that can benefit the region.
- Strong regions value and make good use these skills.
- Some tools to consider using:
  - Mapping of the talents/skills of local people
  - People's involvement in community-related efforts



# Information on these “People” Tools

People

Specific Tool	What It Does	Why It's Important
<b>Capacity Inventory of Individuals</b>	Zeroes in on the skills people have developed at home, work, school & other venues	Helps find people with the mix of skills needed to get projects and programs implemented that support your regional goals
<b>Community Participation and Leadership Inventory</b>	Finds people that may be emerging leaders in your region. Uncovers the leadership potential of your region.	Serves as the building blocks for expanding leadership in the region. Helps increase the number of people working on your regional goals.



# Voluntary Associations

## What are these?

- Organizations that rely on regular or occasional volunteers; have few, if any, paid staff
- Have autonomy from the state
- Self-governed by a board of unpaid individuals
- Tend to be a not-for-profit organizations
- Provide a benefit or service to non-members



**Voluntary  
Associations**



Source: [BusinessDictionary.com](http://BusinessDictionary.com)

# Community Institutions: What Are They?

Community  
Institutions

- Patterned set of activities that are designed to meet important local needs
- Provide established ways of doing things that are associated with key local functions
- The vitality of a community (or in this case, a region) can be influenced by the strength of these local institutions.



Source: Etzen and Baca-Zinn, 2001; Sparknotes.com, 2010

# Community Institutions

The following are key institutions that shape the region's economic development possibilities

- **Education** - Faculty/staff with strong educational training; facilities for training; technology access; systems; libraries; business support services
- **Economic** - Business and financial resources; suppliers and purchasers; mentors/coaches
- **Government/Political** - Public services and infrastructure; supportive programs and policies; cooperation across jurisdictions; active citizens
- **Health** - Access to medical facilities/services, health personnel



# Uncovering the Assets of Voluntary Associations & Community Institutions

- It's valuable to assess the assets and resources of local voluntary groups and key community institutions.
- The **Inventory of Local Voluntary Organizations and Community Institutions** tool is a great starting point.
- What information does this tool seek to collect?



# Information on Associations and Institutions

- Mission or purpose
- Physical location
- Number of members and/or employees
- Current activities or programs
- Partnering organizations
- Current resources:  
Buildings, equipment, purchases made, areas of expertise, grants/donations available, access to external resources
- Activities/programs it hopes to launch over the next 3-5 years



# The Strength of Synergy

- It's important to link people, voluntary groups and community institutions together to address regional goals.
- These links:
  - Provide a diversity of perspectives.
  - Result in more creative solutions & strategies.
  - Build a broader-base of support and commitment to the regional goals.



# Organizing Your Information on Assets/ Resources

GOAL 1: (Your Regional Goal Here)	
	Inventory of Assets/Resources Available
People	
Voluntary Associations	
Community Institutions	



# Exploring Possible Barriers: *The Other Dimension to Consider*

- Are there forces at play that might impede your efforts to achieve your regional goals?
  - Factors within the region?
  - Factors outside the region?
- It's important to take note of these barriers as well.



# Addressing Barriers

GOAL 1: (Your Regional Goal Here)

## Existing and Potential Barriers

*Category*

*Inside the Region*

*Outside the Region*

Education and Workforce

Infrastructure

Financial and Income

Political and Legal

Environmental

Social and Cultural



# Refining Regional Goals?

Given the **assets** that you've uncovered . . . and the **barriers** that you've identified. . .

- Do your regional goals build on your local assets?
- Do they consider the internal and external barriers?
- If not, what revisions should be made to your regional goals?
- Bottom line . . . Do your goals align with sustainable development practices?



# Assets and Barriers



Comments by Panel Members



# The Region's Economic Foundation and Development Opportunities



**AlisonD  
avis**

# This Module . . .

- Explores basic concepts of competitive advantage
- Provides an overview of tools and data available to detect regional competitive advantage
- Examines strategies for building stronger regional economies



# BASIC CONCEPTS OF COMPETITIVE ADVANTAGE



# Competitive Advantage: Four Factors

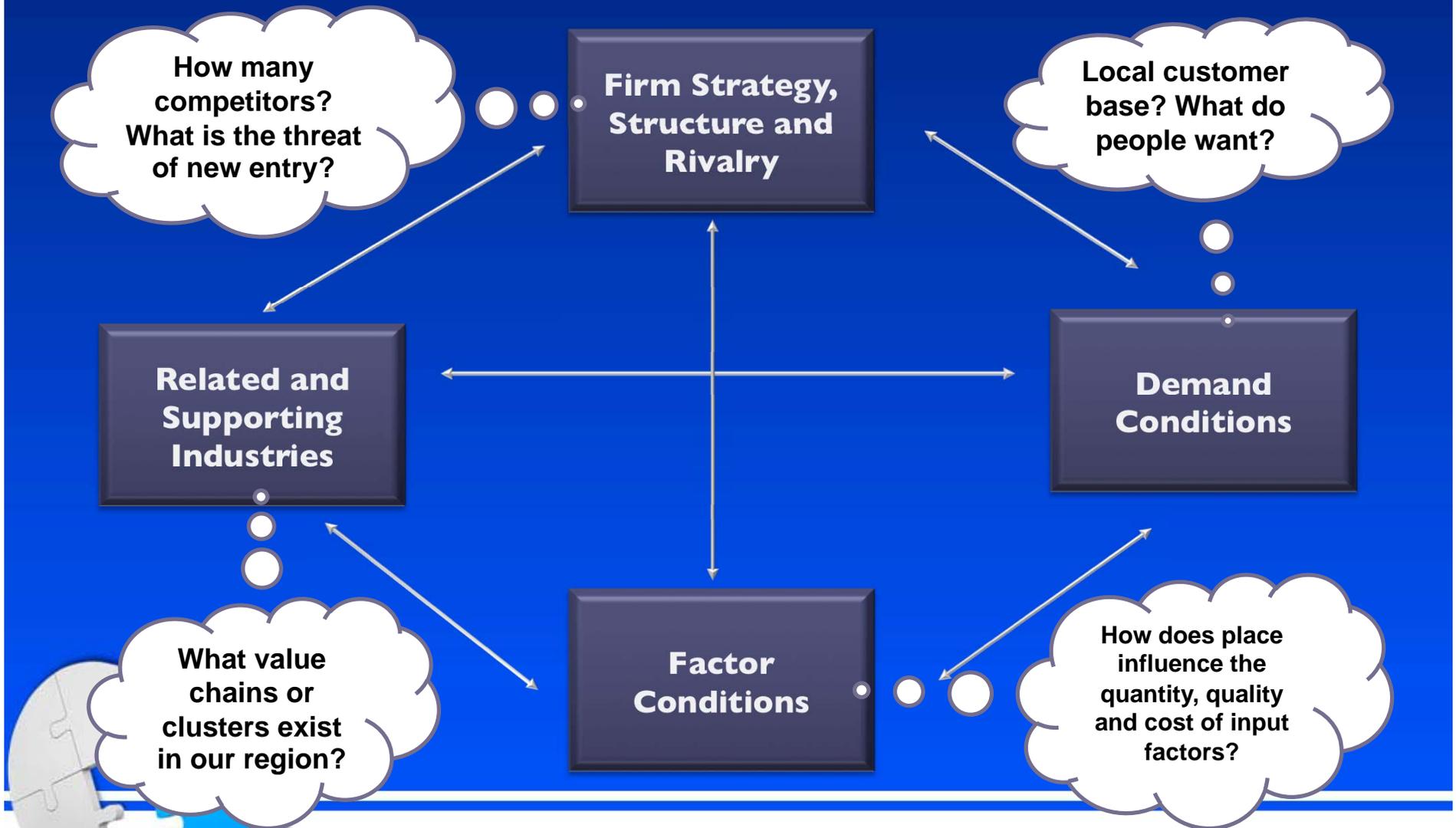
*Business shapes the economic value of a region, but places can help shape, nourish, and sustain local enterprises and industry.*

## What determines competitive advantage?

- Firm Strategy, Structure and Rivalry
- Factor Conditions
- Related and Supporting Industries
- Demand Conditions



# Firm Strategy, Structure and Rivalry



Porter's Diamond Theory

# Regional Competitive Advantage

- **Businesses are competitive** to the degree they can generate profits.
- **Places are competitive** to the degree their residents can build wealth.
- **Regional competitive advantage** refers to the interaction between businesses, industry and places that generate local wealth.
- **Wealth building opportunities** also exist outside of the private sector (government, non-profit organizations, and investments)



# TOOLS AND DATA FOR DETECTING REGIONAL COMPETITIVE ADVANTAGE



# What Are the Keys to Economic Growth?

- People
- Place
- Businesses
- Innovation
- Clusters or branding



# First Key to Economic Growth: People

- Who are our workers?
  - Skill level, education, occupation
  - Work ethic
- Who are our residents?
  - History and culture
  - Long time residents, newcomers



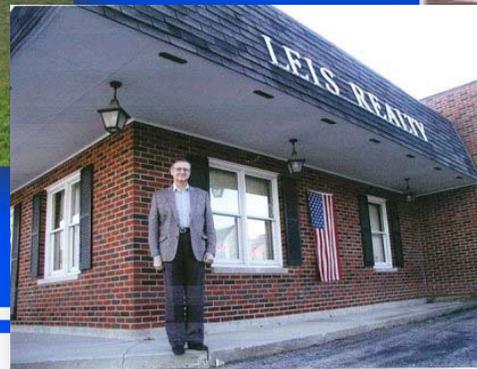
# The Second Key to Economic Growth: Place

- What amenities does our region offer?
- Why would people want to live here?
- Why would businesses relocate here?



# The Third Key to Economic Growth: Business

- What is the portfolio of businesses in our region (small, medium, large)?
- What's the mix of industrial sectors in our region?



# The Fourth Key to Economic Growth: Innovation

*"Innovation . . . the successful introduction of a new thing or method . . . Innovation is the embodiment, combination, or synthesis of knowledge in original, relevant, valued new products, processes, or services"*



Luecke and Katz, 2003



# How Nurturing is Your Region?

## Three Phases of Innovation

Conception

Implementation

Marketing

### Business Process

- Idea Generation
- Project Planning

- Development
- Prototype Dev
- Testing

- Production
- Launch

### Regional Capacity

- Education
- Technical Assistance

- R&D centers
- Universities
- Industrial Parks

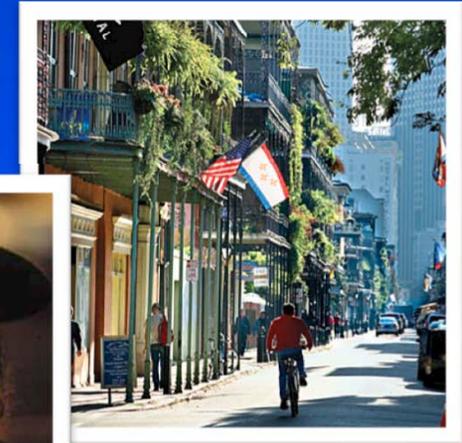
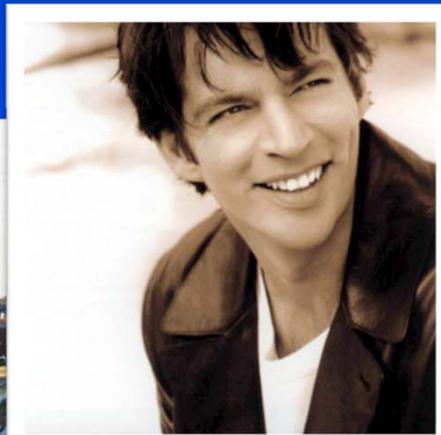
- Capital availability
- Community Support



Source: Tawari, Buse and Herstatt, 2007

# Fifth Key to Economic Growth: Clusters or Branding

- **Cluster** – making the whole greater than the sum of the parts
- **Branding** – consolidating the essential characteristics of the individual identity into a brand core



# What Can Regional Cluster Analysis Tell Us?



Where we have . . .

- Gaps
- Growing industries/ clusters
- Declining industries/ clusters

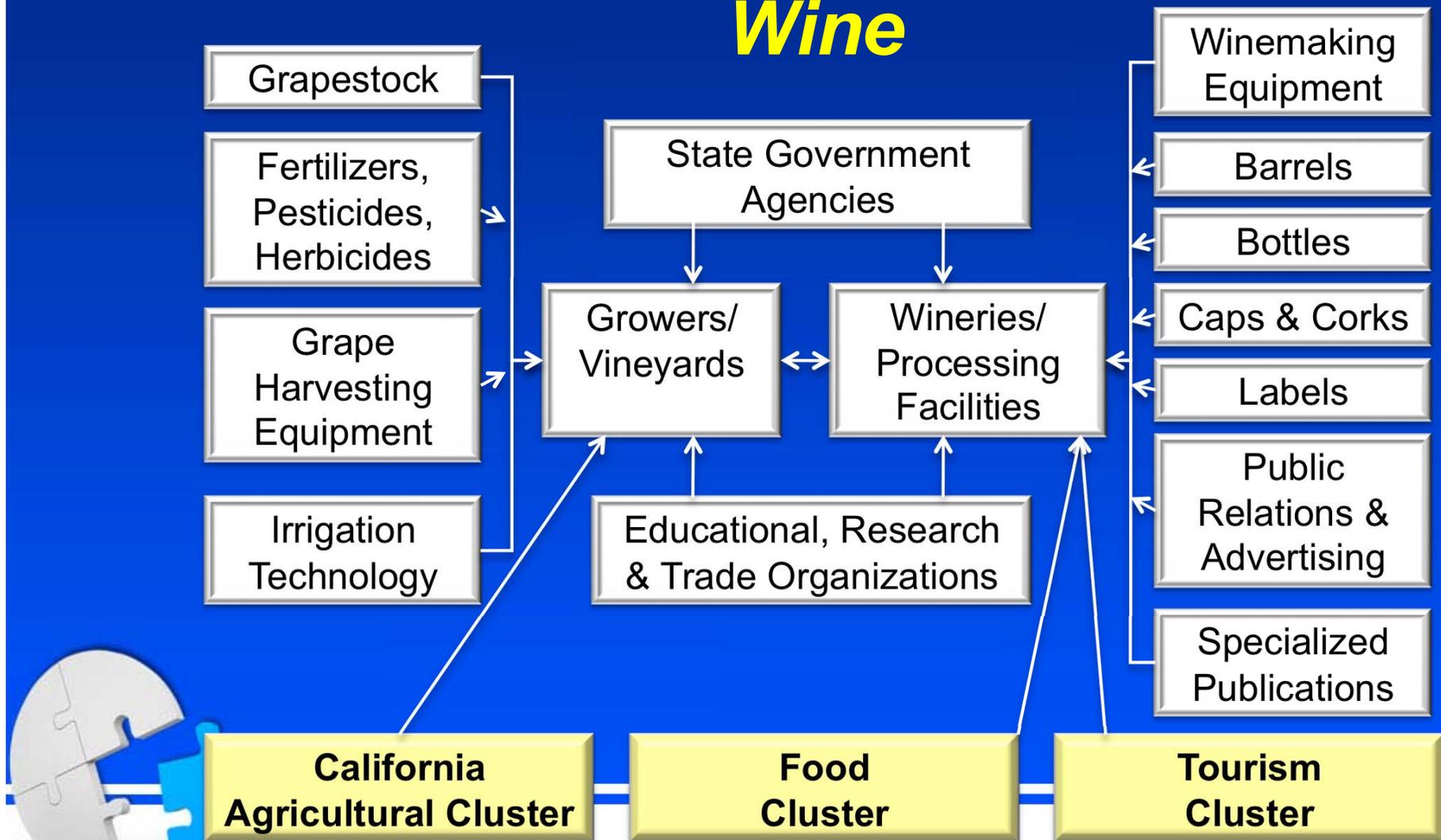


# MAPPING THE CLUSTER



# Value Chain Cluster Example

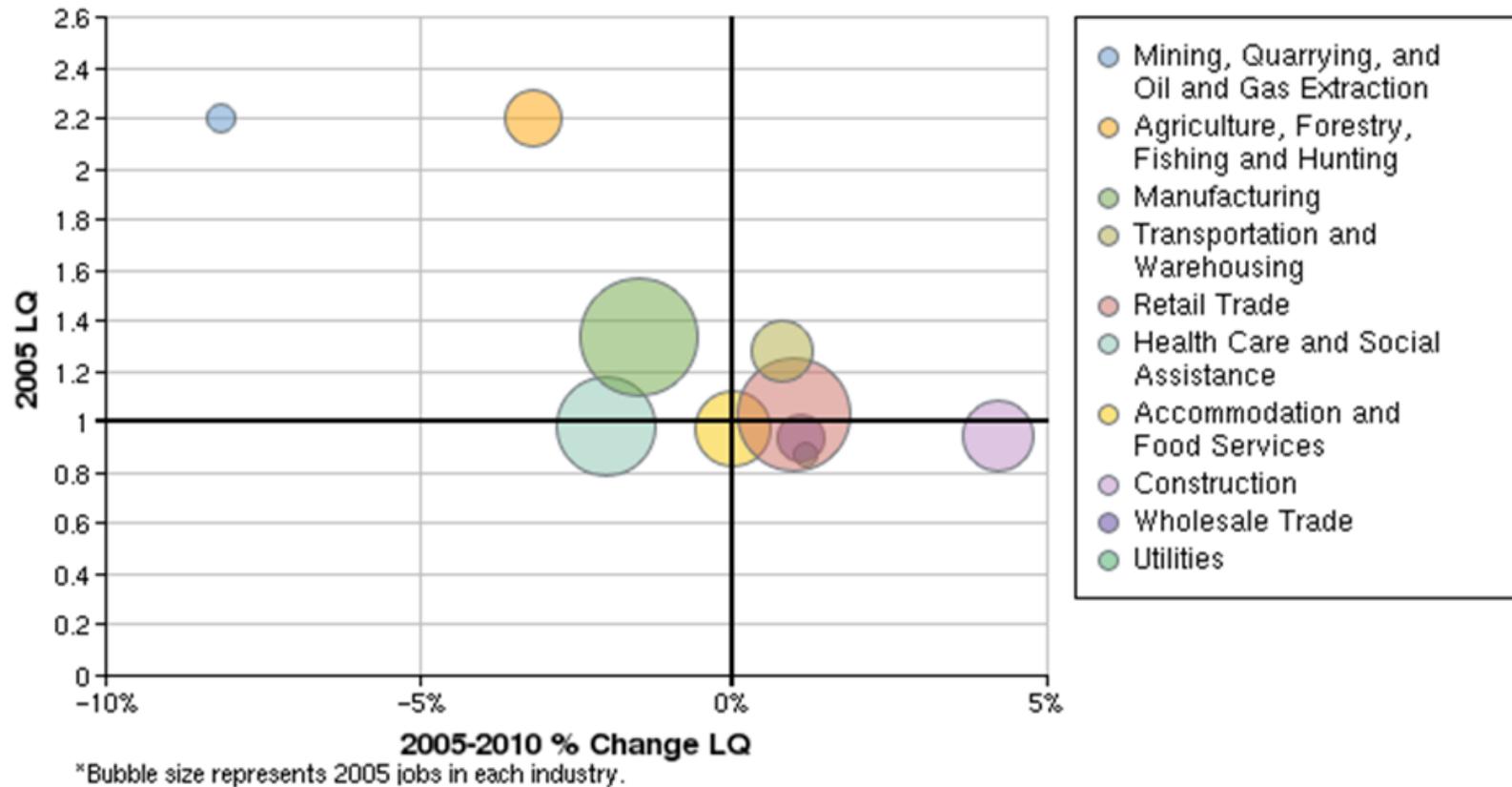
## Wine



Source: California Department of Food and Agriculture

# Cluster Illustration: Bubble Chart

## Kentucky Industrial Bubble Chart

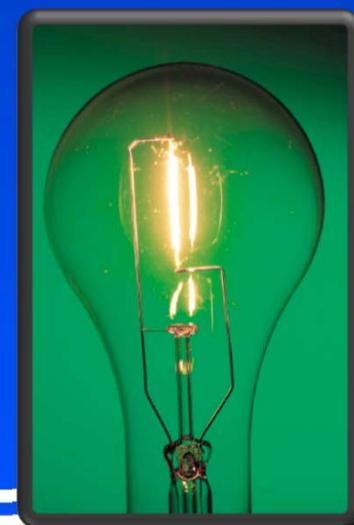


Source: EMSI.com



# Possible Economic Development Strategies to Strengthen a Cluster or Brand

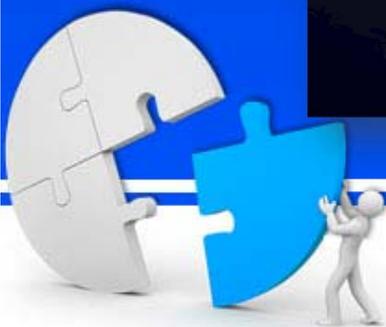
- Targeted attraction of industry
- Business retention and expansion
- New firm creation/entrepreneurship
- Attracting the creative class
- Network development and meta-business creation



# The Region's Economic Foundation and Development Opportunities



Comments by Panel Members



# A Little Bit of Bragging

*I first want to tell you how much I enjoy our workshops. We are learning a lot, but more important are the partnerships that we have established. I have rarely if ever felt that an employee of the federal government was sincerely trying to help groups such as ours. We are normally confronted with a “can’t do attitude” or one of “it will be at least three years until we can get to that” response. In your case and the case of the presenters that you have provided, it is exactly the opposite. If we have been told it can’t be done you and your group try to find ways that we can make it happen. This is more encouraging than mere words can express.”*



# Your Turn: Question and Answers



# For More Information . . .

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