



Growing Local Economies

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Ten Tips for Implementing an Economic Gardening Project

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A White Paper from **Growing Local Economies**

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Economic gardening is an entrepreneurial approach to economic development that seeks to grow the local economy by creating a nurturing environment for local entrepreneurs to flourish. It is different from “job hunting,” the business recruitment approach, which often depends on providing incentives to bring in an outside company. Yet, economic gardening is not the antithesis of business recruiting; it simply recognizes that more than 90% of new jobs will come from either the expansion of existing firms or the creation of new enterprises.

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. 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. Determine your target audience

You can take a variety of approaches in economic gardening. What is your goal? Do you want to assist all small businesses and entrepreneurs in your community, or do you want to target those that will produce economic growth by bringing new revenue into your region? The greatest economic impact will come from targeting companies that have actual or potential markets outside the region and helping them grow. Here are some criteria for entrepreneurs or enterprises that you might want to consider:

- Are 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
- Have demonstrated revenue growth over time (even if the company has not yet reached the break-even point)
- Are focused on growth (as expressed in the desire to hire employees, expand operations or market area, or seek capital investment)
- Have a product, service, or process that is scaleable and preferably unique (i.e., cannot be easily imitated).
- Have a market or potential market outside the region.

Many successful enterprises do not have a formal business plan, so you may want to be cautious about making that a hard-and-fast criterion for accessing your program. There is some value, however, in asking a company to submit an application and provide financial and market information about their company. If a company is not willing or able to provide this information, they may not have the resolve to utilize the services you have to offer, and you may not be able to collect the metrics you need from them to show the impact of your program's services.

2. Approach economic gardening with an asset-based mindset

An assessment of your community's assets is important. What is the “wealth” in your community? What skills in your community can you tap? What works well now? Who is

already motivated and passionate to make something happen? Some skills to consider: business counseling, meeting facilitation, finance, employment/workforce development, research, marketing, event planning, organizing/managing projects, public speaking, legal support. Here are a few techniques and resources that can help you focus on your assets to develop a viable economic gardening program:

- **Appreciative Inquiry** uses a systematic set of processes to discover what works in an organization 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**, <http://www.northwestern.edu/ipr/abcd.html>, contrasts the two approaches that troubled communities can take to rebuild themselves: the needs-driven “dead end” approach, or capacity-focused development that builds on existing assets.
- **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.

3. Create partnerships with likely and unlikely groups

The “usual suspects” for local business development partnerships include economic development organizations, chambers of commerce, civic and social groups such as Rotary and Kiwanis, Small Business Development Centers, workforce centers, universities and community colleges, and financial institutions. The support of these groups is essential to the success of an economic gardening project. But also consider partnering with other organizations that are not usually connected to traditional economic development efforts. They can be powerful players in your economic gardening program. These potential partners might include:

- Churches
- Public libraries
- Utility companies
- K-12 schools
- Senior centers
- Healthcare agencies
- Arts and cultural organizations
- Civic groups

Not only does each of these groups bring a different perspective to the table, but all of them also depend on a strong economic base, stable community, and viable civic life for their own successful functioning. The more partners in a community have a common vision and ownership of an economic gardening project, the more likely it will be to succeed and have ongoing support.

4. Conduct an inventory of existing businesses

What businesses already exist in your community, and what are their concerns? This is important information, and much of this may already be in place if your community has a business retention program. Where information is lacking, it can be supplemented from a variety of sources. For established firms, local tax records and data from companies such as Dun & Bradstreet or InfoUSA can be helpful. Compare the data you gather from these sources with field visits or phone calls to local business owners.

Finding home-based businesses, which can make up as much as 50% of the local business base, is more challenging. Look where these businesses advertise—local newspapers (sometimes weeklies), online directories and bulletin boards in public places. Go to local cafes and libraries

where free wi-fi is available. Talk to businesses that serve the home-based business market (e.g., shipping and copy centers, accountants, and virtual office services). Become engaged in the home-based businesses' networks to learn about small and new enterprises in the community, and periodically check the legal news or other sources for listings of new "DBA's" in the community.

Once information and has been gathered and entered into a spreadsheet or database, it is possible to identify industry clusters and important characteristics such as the number of home-based enterprises and businesses with e-commerce capabilities. It will also be possible to identify existing and potential high-growth businesses, those important for dynamic growth of the economy.

Some aspects of this inventory process may be a good assignment for local college or even high school students as part of their instruction in the concepts of entrepreneurship. However, actual contacts with firms should be by those trained in business retention or counseling and familiar with the economic gardening initiative.

5. Take advantage of the online business counseling services

The most important aspect of an economic gardening program is the initial business counseling or strategy session. Business owners who can identify their unique niche, understand their competition, know who their ideal customers are and what motivates them to buy, and understand how to reach their targeted customers, are more likely to be successful than those who don't pay attention to their core strategy. It's sometimes hard to find the expertise you need to provide good business counseling, especially in small communities.

But even if local expertise is not available in some technical areas, 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.

If you want to offer expertise in international trade, free advice is also available. The Export Legal Assistance Network (ELAN), <http://www.export-legal-assistance.org/>, is a program under which lawyers from the Federal Bar Association and other interested professional associations volunteer to provide initial legal consultation free of charge to companies making their first entry into the export market.

6. Subscribe to free e-newsletters, e-mail lists and blogs on entrepreneurship and business strategy

Useful information on entrepreneurship and strategies for supporting small businesses abounds in free online newsletters and lists. Here are a few that offer good content, resources, and tips.

- **NDE News**, from the National Dialogue on Entrepreneurship, <http://www.publicforuminstitute.org/nde/news/nde-news.htm>, is an electronic newsletter sponsored by the Kauffman Foundation of Kansas City for followers of the entrepreneurial economy. It contains short summaries and analyses of various trends driving the innovation economy.
- **Agurban**, <http://www.boomtowninstitute.com/>, is a weekly e-newsletter produced by Jack Schultz, author of *Boomtown USA: The 7½ Keys to Big Success in Small Towns*. It focuses on best practices in economic development in small towns.

- **EntreWorks Insights**, <http://www.entreworks.net/newsletter/newsletterv4n2.htm>, is a quarterly newsletter that reports on business trends, policy developments, and other issues impacting the business of economic development.
- **Rural Entrepreneurship News**, <http://www.energizingentrepreneurs.org/pages/sitemap.php>, is a monthly newsletter from the RUPRI Center for Rural Entrepreneurship.
- **Econ-Dev** e-mail discussion list, sponsored by the City of Littleton, Colorado, <http://www.littletongov.org/bia/economicgardening/econdev.asp>, encourages discussion about an entrepreneurial approach to economic development (economic gardening) among industry professionals. There are more than 400 subscribers from around the world.

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

Even if you don't have a large budget to purchase database subscriptions, you can offer research services to your businesses. 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. In addition, here are five great web-based resources to 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 Selectory, Key Business Ratios, MarketResearch.com Academic, 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 information, products, services, CAD drawings, and more, primarily from the manufacturing sector.
- **US Census Bureau Economic Programs**, <http://www.census.gov/econ/www/>, 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 paper, "Free and Low-Cost Information Resources for Supporting Local Entrepreneurs" from Growing Local Economies, <http://www.growinglocaleconomies.com>.

8. Focus on Internet 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.

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 and exploring other forms of social media.

A series of “webinars” is available from NetSolutions, a company that has worked with economic gardening programs, <http://webmarketingworkshops.com/webinars/>. These short online seminars provide insights into Web marketing and e-commerce strategies.

John Jantsch's handy book on small business marketing, *Duct Tape Marketing*, offers several tips on how to use the Internet as an effective marketing vehicle. Visit his Web site for many helpful marketing tips, www.ducttapemarketing.com.

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 entity offers, what their unique niche is, 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 view the website for the Kansas City network at <http://www.kcsourcelink.com/> and learn more about how to bring this toolset to your community.

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!”

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Christine Hamilton-Pennell, M.L.I.S, M.A.R., is Founder and President of Growing Local Economies, a company that provides resources, training, and consulting 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 Public Libraries in Economic Development. Over the past two 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 economic development 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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