site selection technology

PARADIGM SHIFT

By Don A. Holbrook, CEcD

Site Selection Technology Paradigm Shift

Yesterday's Problems	Today's Solutions
1. Expensive Software Development & Design	1. Affordable Customization of Today's software
2. Inability to reach "Critical Mass" of available site information	2. Build as you go Database design- Storing the information already tracked
3. Flat Databases with virtually no reporting or searchable features	3. Flexible & Intelligent Data Mgmt Systems
4. Lack of "Common Language" for site comparison	4. Usage of IEDC Data Standards
5. Lost information to Central Servers	5. Duplicate data saved on desktops
6. Lack of access to Internet & Web enabled technologies	6. Increased access to Internet
7. Inadequate education for software users	7. Wizard driven applications- to enhance ease of use

The information age has heralded the advent of the most sophisticated technologies the planet has ever seen. Over the past decade technologies have increased the speed and effectiveness of virtually every industry. Yet, our industry (economic development) has not realized one tenth of the new capabilities that are available today. This article addresses the recent paradigm shift in our industry and discusses hybrid methodologies to launch our own (economic development specific) technology platforms, formulas, content, desktop computer and Internet based processes for accomplishing our industry specific needs and expectations. The end result would be robust economic development applications tied to industry metrics and data standards that are useful to all participants in the economic development spectrum.

Today, there still are no working models of a useful, national level buildings and sites database or community profiling tools that are information rich and easily updated. None of the current systems allow for electronic RFP notifications and automated data response and verification to streamline the process or improve response times to site location queries. In fact, the results of a 2001 IEDC survey show that all existing web- based systems fail to meet the expectations of economic developers.

This lack of economic development industry specific infrastructure represents the last mile syndrome for our industry, similar to the problems the telephone companies faced with copper wire in the 1990's before the introduction of Digital Subscriber Line (DSL) services. Without solving the last mile

MAKING THE CASE FOR A NEW TECHNOLOGY DRIVEN INFORMATION INFRASTRUCTURE

Over the past decade the rapid advancement of technology has changed the nature and speed of work. While many business industries around the country have embraced these changes, Economic Development Organizations (EDO's) have fallen short. Instead, economic developers continue to rely on outdated, inadequate, and isolated software systems in hopes that someone else will fix the problem.

Immediate collaborative action led by the major professional organizations within the economic development industry is necessary to resolve our current need for site selection software. Through well-organized collective action, cost barriers can be overcome and the elusive "critical mass" necessary for success can be achieved. This effort will undoubtedly reduce overall system costs, better satisfy user expectations and ultimately strengthen the foundation of our industry.

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He is attributed with creating the first economic development member based portal on the World Wide Web in 1994. He currently has a license agreement for technology applications pertaining to two patent pending economic development business applications utilizing the World Wide Web for economic development & site location methodologies.

Holbrook is a Certified Economic Development Finance Professional, Certified Business Retention & Expansion Master Consultant, and Certified Industrial & Municipal Bond Professional.

problem, they could neither send nor receive the level of content they knew would be profitable for their client base. Of course, this problem was solved by a new technology that brought high-speed bandwidth capabilities into the home over existing infrastructure most of the time. Today, broadband growth has become very common and information intensive services have created huge new profit centers for old-line industries. The bottleneck was broken through their combined collaborative effort to find new delivery methods using their existing knowledge, expertise, and infrastructure in new, more technological ways.

Leaders of EDO's around the country have failed to lead our industry into the new information age in a responsible manner by investing adequate levels of our professional dues to build a common platform for delivering technology services. This should have occurred by now through truly global coalitions, collaborations with capable private sector vendors, and cross geographic jurisdictional systems for our peers in the site location, economic impact and community profiling practices. These leaders may take offense at these critical statements; nonetheless, they need to understand that these comments are directed at invoking effective change in our industry (a paradigm shift). Their current business as usual attitude (status quo) has and will continue to fail those of us in the economic development industry if we do not break this chain of less than insightful decisions and lack of a strategic investment strategy.

What our practitioners need is positive support and the tools with which to reach out and expand and diversify the industry bases of their communities, and not be held back by outdated advice or by practices which are not competitive in today's world. Most of the tools I see have been developed for another use and require modification before they are truly useful for economic developers.

Wayne Sterling
President, Greater Paducah
Economic Development Council

The right type of information is the most critical component of corporate site selection. For the most part, communities are markedly lagging in providing data needed by the customer. I believe that communities who create/maintain the IEDC data standards will witness greater prospect activity and higher success rates.

Dennis Donovan
Principal
Wadley-Donovan Group

The Info-Bahn Central Server acts as a relay in a distributed system for providing data, information, and community profiling to heterogeneous client platforms.

Providing a system that encourages Entrepreneurship, Business Attraction, Business Retention, Business Expansion in rural areas, as well as a platform for measuring outcomes of current efforts.

There has been much ado about nothing in my opinion regarding web site marketing innovations, GIS driven searchable databases, and basic web site development and maintenance forums by so called subject matter experts at various conferences around the country. Even my most esteemed colleagues are often missing the true measure of the problem. Albeit, desktop innovations, local development tools, information management tools are nice new amenities, but they do not come close to solving the information void that exists in our industry. Whether searching for information or disseminating it, as is the case in site selection Requests for Proposals (RFPs), we have missed the proverbial boat regarding the deployment of a working system for our practitioners.

The current technologies available are mostly singular solutions that are not enabled to connect their users to the broader aspects of advanced communication and data sharing capabilities. Economic developers remain focused on using the Internet for marketing purposes and that is one of the major advantages of this technology. Still, they continually fail to see the practical need for a robust, Internet enabled, middleware system to interconnect disparate technology tools through the existing Internet and telecommunications infrastructure. Without this middle ware focus, the true potential of technology tools like WI-FI phones, PDAs and computers will never be realized. Even worse is that they have no specific economic development related functions to make us more productive.

There simply are no robust and significant economic development technology tools that meet the underlying desires, needs and expectations of our fellow economic developers today. At the heart of our capabilities is the need for communication, data management and information dissemination activity reporting. This is the foundation for a starting point on all technology fronts that must be solved first.

SO WHY HASN'T THIS PROBLEM BEEN SOLVED?

The main reason that it has not materialized is that our industry is small (20,000 professionals of which only about 4,000 are active in North America) and that just does not represent a significant enough market to merit the risk of the investment by the private sector. I hate to use the analogy from a famous movie, "If we build it they will come," but this is appropriate today.

If this concept that has been advocated by our current leaders was realistic, the system would be built and deployed for your use today. Instead, we have been pained to experience all of the failures of poorly planned, poorly executed, and under capitalized, aspiring technology systems over the years. Each of these previous attempts coined their approach as the "Holy Grail" for solving our technology problems, yet none of them followed a traditional prototype and market test approach to launching and testing their proposed technology solutions. Each of them failed to follow basic business planning prior to launching their products. The result has been some significant trepidation with regard to new technology solutions and rightfully so by our economic development colleagues.

Our industry needs to invest in the critical voids and create synergies for a shared distributed infrastructure. We should advocate and promote the adoption of new enabling tools by risk taking private sector companies. This means we must partner with the private sector to garner its expertise and share our own expectations. Also we must consider providing some degree of risk mitigation and future revenue opportunities if we want to meet the front loaded heavy cost of developing and deploying technology solutions.

REVERSE ENGINEERING THE SOLUTION WITH GRASS ROOT DEVELOPMENT INVOLVEMENT

Let me lay out the vision that I have. You may disagree with me. However you will at least have a clearer picture of what could be, not just what my opinion is today of the current situation.

Just as we do as practitioners of our trade, let's back into the solution by addressing the problem in reverse fashion. There are several key components of the infrastructure chain that are noted for being broken. So our model must address each of them individually and collectively (holistically at the systemic level of technology architectural design).

Prior to doing this, the new methodology and technology platform should follow the traditional approach of designing and launching a beta prototype for experimental experimental use by site selectors and economic development practitioners to gauge usefulness and practicality practicality of managing their needs and meeting their expectations. Once these bugs are worked out, then the project should be launched. This grassroots approach of involving those that will use and benefit from the system is critical. Hence, the term I refer to as "Built and designed by economic development practitioners for economic development practitioners." It is our responsibility to participate, collaborate, and suggest our technology expectations and user preferences if we want an industry driven working model.

Info-Bahn Patent Pending Model v. Site Selection Existing Systems

Information Seeker Improvements

- Simple data input through wizard
- They can choose to be anonymous
- They can request additional information from site providers
- Accurate real-time information
- Provide updatable community profiles
- Accurate real-time information
- Broader application than just site selection including business retention, expansion, assistance and entrepreneurial resource identification

Information Provider Improvements

- Simple data input through wizard
- Database easily started & maintained
- If more data is required for the RFP, it is requested & updated
- If not chosen for the project, an analysis is provided for training and corrective action
- Benchmarking through comparison with other communities
- Appropriate RFPs or leads are emailed
- Accurate real-time information
- Incremental database development of data standards
- Red Flag & Market Opportunity Flag identification to focus local efforts

IDENTIFYING THE CRITICAL ISSUES

Here are the key areas that need addressing: 1.) Lack of a critical mass of community profile and buildings & sites inventory and repository of information. 2.) Lack of up to date buildings & sites information easily accessible and comparable from an apples to apples format. 3.) Lack of GIS enabled capabilities. 4.) Lack of lead tracking and project status information and interconnectivity with data vendors. 5.) Lack of human and financial resources to manage the information requirements. 6.) Lack of automated and sanctioned formulas and templates for economic impact analysis and cost benefit analysis. 7.) Lack of a truly Micro-soft compatible economic development customized contact management system for office suites.

Finally, there is a need for intuitive comparable analysis and client confidentiality that does not sacrifice the level of justification necessary to provide relevant information to the economic developers for their time and cost justifications (the 8th element).

ANALYSIS OF CRITICAL ISSUES

Critical Issue 1:

Let's look at the first problem…critical mass of community profile and buildings and sites data to create a useful system endorsed and utilized by the major site selection professionals (the goal of the entire data standards project led by IEDC). There are two major problems in this area.

First, the means to build the level of desired information has been derailed by the lack of sophisticated tools that allow this level of productivity to be reasonably implemented. The solution is simple. Make the data submittal simple (incremental) and make it relevant to the current paper driven duplic-

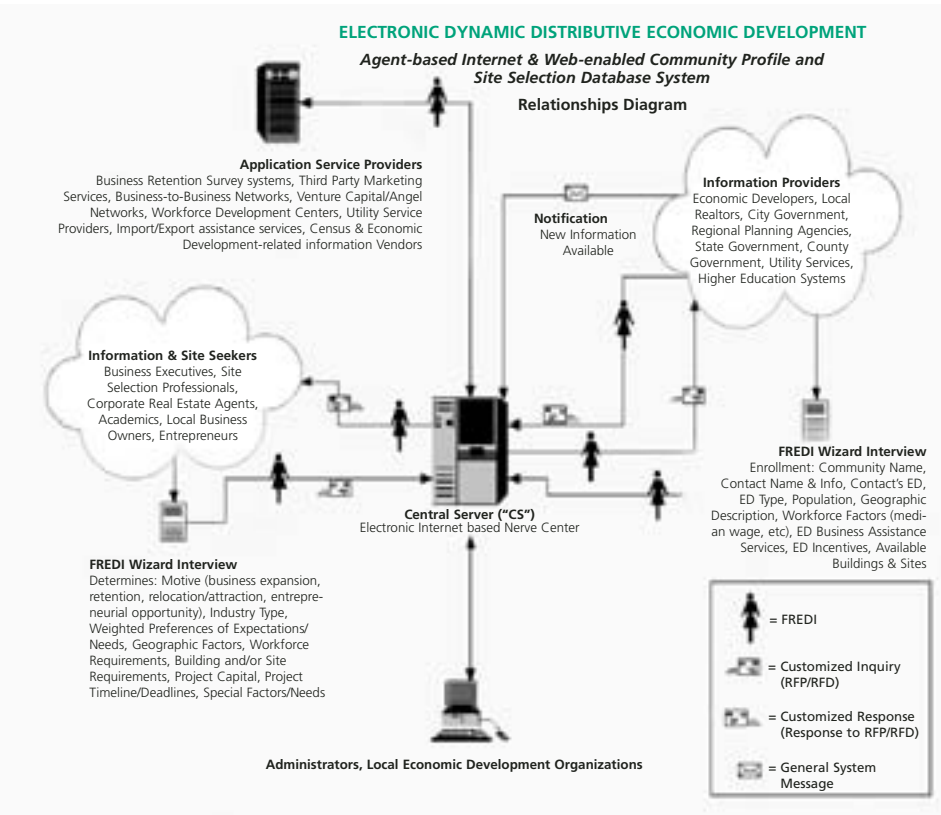
Virtually all site searches conducted by expert intermediaries (site location consultants, et. al.) begin with a web site search – before a contact of any other kind. If the site does not have the information required and/or is difficult and time-consuming to use, the community could be eliminated during this initial step. And the sad part is that the community will never know that they were being considered! Integrated desktop and Internet embedded Technology is one of the greatest barriers most economic developers face today.

Robert (Bob) Ady
Ady International

itous system of today. Site selection inquiries do not need to measure all 1200 data elements elements. It is much more realistic to respond to requests incrementally, as we do now.

Second, the current methodology does not allow for simultaneous modifications and creation of new data while responding to real leads created by our clients. Instead, if we don't readily have the information, we must create it and even recreate it or modify it per our client's requests. (Much of the data is simply out of date and embarrassingly sparse.)

An intuitive dynamic, distributed, Internet enabled database (at your desktop, web server, and with your third party vendors) could create such a solution. As you receive your RFP, the intuitive agent technology can build new information and update and modify old information. When you respond to the inquiring client, the database would



update all your down-line of related interconnected affiliates (your web server, other E.D. related application service provider platforms, and your desktop database). This makes information updates incremental incremental, as they are relevant and useful. This agent driven approach is the current methodology patent pending by me at this time. It completely addresses critical issues one, two and five and elements of the other four. The diagrams throughout the article are visual examples of the patent pending concepts.

Critical Issue 2:

A truly data standards agent-based model would allow us to interconnect with other national, state, regional, and community level corporate real estate databases so, as they were updated, the shared database was also updated. In fact, this proposed system would be the only system that pulled information automatically from all the other data sources such as MLS, Black's Guide, Claritas, LoopNet, Demographics Now, Woods & Poole, ERIS and others. Local brokers and national affiliates alike can respond to our generated requests for updates without any human intervention (proprietary system to system inquiries).

Critical Issue 3:

We must develop a system that will integrate with software applications such as GIS, Economic Impact Modeling, Business Retention & Expansion surveying and management are essential to a holistic answer to our future technology technology needs.

Critical Issues 4 & 6:

The fourth and sixth elements are inter-related in that our wizard or virtual E.D. agent (smart technology components) would require some level of information up front to connect to the system. This initial upfront information would be template driven with certain information that meets our knowledge requirements for further reporting to the economic developers without sacrificing confidential or proprietary information. This level of accountability is vital to driving critical mass for economic development accountability to their respective organizations and for meriting the investment of their time and resources in the network.

The agent (template driven methodology) would interview the economic development professional to build enough information to get them connected to the system in order to start receiving new inquiries. This information would help economic developers understand what is driving location and expansion decisions and build a better understanding of their competitive advantages. .

The agent would build the initial information required to initiate your place in the electronic Internet grid for future connectivity (point of light). This happens on both the information seeker and information provider side of the system. The wizard (ED agent) would compile the necessary information to allow project tracking and reporting from both the site selection professional's perspective (which is mainly comparative analysis) and that of the economic developer (which is mostly industry specific critical decision factors, timelines, and resource allocation needs). This makes the new approach practical, useful and a learning environment while increasing all party's productivity and access to valid data.

By using this business application driven approach you build relevant and specific data as you reply to leads or inquiries You can also see

obvious voids by inspecting those of your colleagues that have successfully met initial search requirements and been moved to higher levels of scrutiny or eventual success profiles. The system would report attributes of successful deals and thus allow you to measure your own package for obvious areas of needed improvement. Developing all of this in a stable and widely utilized platform such as Microsoft based applications is essential to long-term stability, future modifications and customer specific modifications.

Finally, the age old statement by site selection professionals that they do not have time to provide non-sensitive information about the scope and type of project specific to some industry classification code such as NAIC or SIC, is simply untrue. A system that is useful to both parties allows them to design, request, and review in comparative and weighted preference formats. This means they also must take the effort to provide some accountability information to EDOs and provide project status updates. This relationship between economic developers and site selectors is a two way street of cooperation and collaboration, each providing value to the other. This shared dynamic embedded system is far more time efficient than the system of compiling individually and requesting individually. The confidential aspect is maintained as the data most sought and desired reasonably by economic developers is high-level types of information such as decision timelines, NAIC or SIC code classification of the industry, number of employees, average wage levels, building and site requirements, etc. None of this is confidential nor considered so by clients.

Critical Issue(s) 3, 5 & 7:

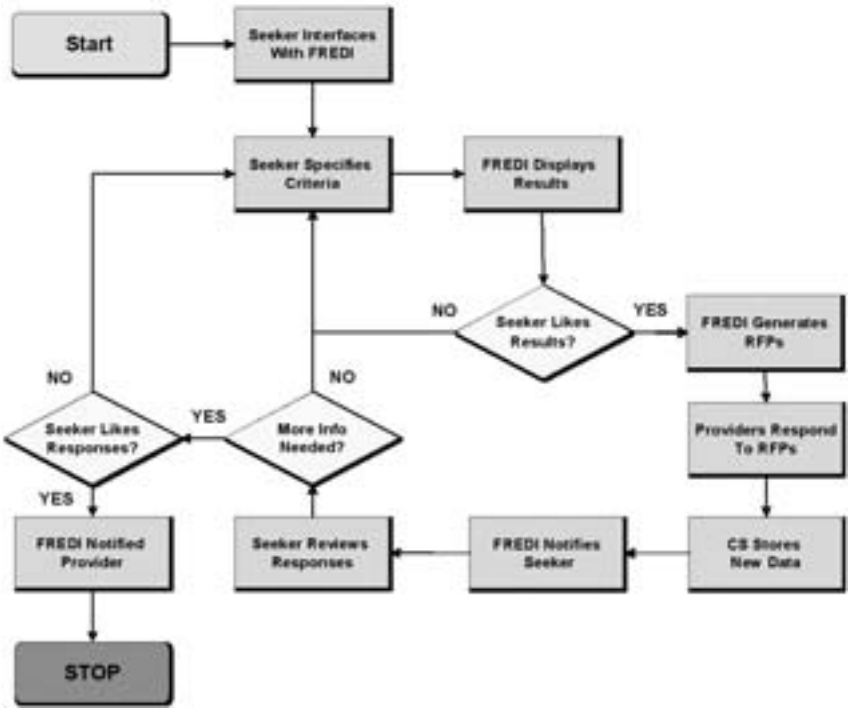
The use of technology and software standards such as existing GIS and Microsoft desktop and enterprise solutions will create an easy-to-use technology platform for economic developers. It must be more flexible, user friendly and easier to trouble shoot or add custom features to industry industry-standardized platforms than disparate packages of today. The use of this type of platform will lower the entry, operating, and maintenance costs of technology at the economic development practitioner level.

CONCLUSION

The time has come for us to invest in our own future technology solutions. The highly complex nature of our work demands that we address this issue as a united industry. To think that some private firms, with little if any economic development experience, are going to create a solution for us is unfeasible. The expense, risk, and the overall complexity of this project will not provide enough incentive for most private development firms.

If we act collectively, the cost for this system will be minimal and we will have the oversight of IEDC to make sure it meets our professional economic developer driven expectations.

Process from Seeker Perspective



This project will take a collaborative effort outside of just IEDC. We must ask CoreNet, National Association of Manufacturers, Industrial Asset Management Council, National Association of Industrial Office Properties, Society of Industrial and Office Realtors, Multiple Listing Service, and other related vendors and information brokers to work with us collectively on implementing a true technology enabled data standard that works for all the various types of users needs.

The true standard should be an electronic means of making this data relevant and useful in an information and technology driven format. The nature of the project should be open to involvement by other economic development software and technology service vendors so our new methodology is embedded in all products that service our industry and not monopolized by any one company. Perhaps a Technology Council at IEDC could begin to manage and coordinate this effort as a first step.

This system could cost upwards of $1 million to deploy. However, that is nothing compared to the $50 million we spend annually trying to get noticed by site selection projects, with no means of knowing if our investment is really effective.

This system would bring informational power to our fingertips in a useful and practical manner. Specifically, it would allow us to incorporate business retention, expansion, and attraction activities as well as entrepreneurial and business assistance functions in an agent driven format. Also, it would identify existing market opportunities, red flags, green flags and business attraction leads as well as allow our customers to reach us in a 24/7 time frame (always on mode).