



The IEDC Economic Development Journal

734 15th Street, NW Suite 900 • Washington, DC 20005

Volume 14 / Number 1 / Winter 2015

Cultivating a Green Thumb for Economic Growth

By T.J. Becker

A CLOSER LOOK AT THE IMPACT OF ECONOMIC GARDENING

By recognizing that second-stage companies are the engine behind job creation and revenue generation, Economic Gardening® provides a unique and powerful way to grow economies. It targets companies that already operate in communities and helps these growth-oriented businesses succeed by delivering high-level strategic research services. Because Economic Gardening keeps investment local and addresses the front-end of job creation, it is a long-term solution rather than a short-term fix to economic growth – boosting not only job creation and tax revenue, but also strengthening business owners' ties to their community.

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cultivating a green thumb

FOR ECONOMIC GROWTH

By T.J. Becker

There's a new branch of economic development that's taking root across the country: Economic Gardening®.

In contrast to relocation or startup initiatives, Economic Gardening revolves around second-stage companies already operating in a community. It helps these existing businesses grow larger by assisting them with strategic issues and providing access to sophisticated research tools.

Economic Gardening traces its roots back to 1987 in Littleton, Colorado, when missile manufacturer Martin Marietta (now Lockheed Martin) cut its workforce in half, which resulted in 7,500 lost jobs and 1 million square feet of vacant real estate. In response, the city council charged Chris Gibbons, Littleton's director of business and industry affairs, to work with local companies to create new jobs. Over the next two decades the city did no recruiting. Nor did it offer incentives or tax rebates. Instead, Gibbons implemented his concept of Economic Gardening, and Littleton more than doubled jobs (a time when its population only increased by 23 percent) and tripled sales tax revenue.

To help other communities implement his approach, Gibbons founded the National Center for Economic Gardening (NCEG) and partnered with the Edward Lowe Foundation to host the center. Today, NCEG has helped establish more than 40 Economic Gardening programs across the country.

At the heart of Economic Gardening is strategic information – information that helps business owners address existing challenges and identify new opportunities.



Illustration by Stephen Ravenscraft

HALLMARKS OF ECONOMIC GARDENING

At the heart of Economic Gardening is strategic information – information that helps business owners address existing challenges and identify new opportunities.

The NCEG delivers this information through its National Strategic Research Team (NSRT), a cadre of experts in various disciplines who provide analysis on five key areas: core strategy, market dynamics, qualified sales leads, innovation, and temperament. Within this framework, the NSRT leverages high-end commercial databases, geographic information systems, search engine optimization, and Web marketing (see “The EG Toolkit” sidebar).

Audience is another hallmark of Economic Gardening. The NCEG targets second-stage companies – those that have advanced beyond startup and have the aptitude and appetite for continued growth. They typically have 10 to 99 employees and generate about \$1 million to \$50 million in annual revenue, depending on their industry.

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A CLOSER LOOK AT THE IMPACT OF ECONOMIC GARDENING

By recognizing that second-stage companies are the engine behind job creation and revenue generation, Economic Gardening® provides a unique and powerful way to grow economies. It targets companies that already operate in communities and helps these growth-oriented businesses succeed by delivering high-level strategic research services. Because Economic Gardening keeps investment local and addresses the front-end of job creation, it is a long-term solution rather than a short-term fix to economic growth – boosting not only job creation and tax revenue, but also strengthening business owners' ties to their community.

Why second stage? For one thing, these companies are significant job creators. Between 1995 and 2013, second-stagers represented about 13 percent of U.S. establishments, but they generated about 35 percent of all jobs and 35.4 percent of all sales, according to YourEconomy.org.

Second-stage companies are also important because they often offer higher-paying jobs and have external markets that import new dollars into their communities. Gibbons points out: "Second-stagers are the keystone in their local economies because they're not merely circulating money but actually bringing wealth into town."

Economic Gardening is also characterized by its speed. In most cases, CEOs and their management teams spend 8 to 12 hours interfacing with the researchers, who spend about 36 hours working on the company's issues. The research team works virtually with participants through phone calls and an online software system, so time-pressed entrepreneurs don't even need to leave their desks.

"Economic Gardening supports growing companies in a way that fits their unique needs," says Penny Lewandowski, vice president of strategic growth and entrepreneurship at the Edward Lowe Foundation. "By identifying the company's top strategic issues and setting the pace for the engagement, the CEO is in the driver's seat from the beginning. When we say we move at the pace of the CEO, it's not just a catchy phrase for us, it's the real deal."

What it isn't: Economic Gardening specialists don't engage in primary research (e.g., surveys, telephone calls, focus groups), financial analysis or operational assistance. Unlike consultants, they don't dictate or implement a prescription for CEOs. Instead, the NSRT functions like a just-in-time research staff and provides business owners with information to help make decisions about critical issues. Second-stagers know more about their companies than anyone else. Economic Gardening simply helps them see the big picture so they can make necessary adjustments to perform better and grow larger.



Chris Gibbons, founder of Economic Gardening, leads a training retreat for program administrators, which is hosted at the Edward Lowe Foundation's headquarters in Cassopolis, Michigan.

More good news, Economic Gardening programs have demonstrated a much lower cost per job created than incentive-based strategies. For example, in Rochester, New York, 20 companies participated in a regional pilot program and created 117 new jobs, which translated into a cost of \$1,700 per job.

SLOWER BUT STICKIER GROWTH

Economic Gardening does require patience, Gibbons points out. "It's not a silver bullet and doesn't fix things overnight."

Yet even though Economic Gardening may not deliver hundreds of jobs in one fell swoop, its impact over time is impressive. For example:

- **Florida** – GrowFL, the country's first statewide Economic Gardening network, launched in late 2009. Between the 2012 and 2013 fiscal years, participating companies have created an estimated 3,745 net new direct, indirect, and induced jobs. They have also increased state and local tax revenues by nearly \$20 million (above and beyond the cost of the program), and return on investment translates into \$7.58 for every \$1 of funding.
- **Kansas** – Over a two-year period (2010-2012), the 28 companies in the Kansas Economic Gardening program increased net employment by 162 full-time positions (an average annual growth rate of 13.4 percent) and 41 part-time positions (an average annual growth rate of 24.4 percent). In addition, these companies increased annual revenues by more than \$30.3 million (an average annual growth rate of 16.1 percent). In contrast, other second-stage companies in Kansas reported a 2.6 percent average annual increase in jobs and a 2.1 percent increase in revenue for the same period.
- **Louisiana** – During the first year of Louisiana's statewide program (2011-2012), which is hosted by Louisiana Economic Development (LED), 92 percent of participating companies that responded to an annual survey added at least one new job within one year of their engagement and 88 percent of respondents expected to add new jobs over the next year. Results were very similar during the second year: 81 percent of responding companies had hired at least one new employee within one year of their Economic Gardening engagement and 77 percent of respondents expected to add more jobs over the next 12 months.
- **Michigan** – In 2012 Michigan launched its statewide pilot program. Of the 51 participants, 32 companies responded to a survey and reported they had created 121 full-time jobs and 16 part-time jobs one year after their Economic Gardening engagement. In 2013 a

second class of participants included 90 companies; 60 of these responded to a survey, reporting they expected to create 289 full-time jobs and 25 part-time jobs in 2014.

More good news, Economic Gardening programs have demonstrated a much lower cost per job created than incentive-based strategies. For example, in Rochester, New York, 20 companies participated in a regional pilot program and created 117 new jobs, which translated into a cost of \$1,700 per job.

“That’s a fantastic return by any economic development measure,” says Mark S. Peterson, president and CEO of Greater Rochester Enterprise (GRE), which administers a nine-county Economic Gardening network in the Greater Rochester, New York, region. “In fact, it’s probably a better ROI than almost any economic development incentive package in the country.”

Perhaps even more important, Economic Gardening keeps the investment local, making it a long-term solution rather than a short-term fix.

“These growth businesses are on the radar screen of other states for potential recruitment,” says Tammie Nemecek, director of GrowFL. “Economic Gardening reduces that possibility because it increases how entrepreneurs feel about their community – they’re far more engaged. They see the community not just as a place to have a business but a place where they can grow and thrive because the community supports them.”

Economic Gardening enables many economic development and entrepreneur support organizations to reach out to second-stage entrepreneurs for the first time. Chalk it up to the Goldilocks Syndrome. Second-stage companies are too big for most small business assistance programs, but too small for many expansion and retention initiatives.

One of the reasons why Economic Gardening is so effective, she adds, is because it addresses the front end of job creation: building demand for a company’s products and services. “A lot of economic development programs try to help with regulatory challenges or fix something that’s wrong,” Nemecek says. “Yet helping companies grow their revenue is what drives the need to build new buildings and seek regulatory help.”

A TOOL TO REACH SECOND-STAGERS

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THE EG TOOLKIT

Economic Gardening gives companies access to sophisticated corporate-level tools they can’t afford or may not know about. Here’s a quick look inside the toolbox of NCEG’s National Strategic Research Team (NSRT):

- **Commercial databases** – This includes subscription-only data sets that are mined to find new markets, competitor intelligence, new products and industry trends, along with industry and government regulations. In addition, the NSRT does “deep Web” searches by tapping information sources that are buried in the Internet beyond the first few pages of search-engine results.
- **Geographic information systems (GIS)** – GIS specialists use computerized data mapping to spot densities of current customers and competitors, identify potential new clients and geographic markets, and produce qualified sales leads.
- **Search engine optimization and Web marketing** – The NSRT analyzes participants’ websites, looking for any problem areas that might be deterring traffic. Then the researchers identify key words and content to raise visibility in search-engine rankings. They also track social interactions on other websites to see who’s talking about the company’s products and services and determine key influencers in the market. In addition, the team has developed listening posts to scan news and blog sites and provide high-quality information on topics that CEOs select (think Google alerts on steroids).

The toolset is constantly evolving, points out Chris Gibbons, noting that much of the NSRT’s work revolves around intelligence research. “That’s where we’ll be adding tools in the future,” he says. “We want to find out what’s going on in Web networks and social media and then seeing where the information is leading. For example, is someone getting ready to buy?”

The NSRT weaves information together in a way that alerts CEOs to growth strategies they had never considered, says Alan Christensen, an NSRT team leader and regional SBDC director based in Ephraim, Utah. For example, a market research specialist may uncover demographic trends, which a GIS research specialist uses to create a map of potential customer hotspots beyond the company’s current market area. Then, a social media specialist may provide insight to help the company leverage social media to target those specific hotspots.

“Up to now, these companies may have relied on word-of-mouth marketing and local sales,” Christensen points out. “Suddenly, after an Economic Gardening engagement, CEOs realize there’s a whole world of valuable information that can help them expand their market. It changes their thinking and can eventually influence the entire business community.”

INTEGRATING RESEARCH WITH PEER LEARNING

In Minnesota, the Hennepin-Carver-Anoka-Ramsey-Scott (HCARS) Economic Gardening Program has blended peer learning with strategic research. When second-stage entrepreneurs are accepted into the program, they attend monthly roundtables and quarterly CEO forums while working with the NSRT.

"The goal of combining these educational experiences is to accelerate the value that entrepreneurs receive and make every interaction with them more meaningful," says Steve Quello, managing partner of CEO Nexus, who helped launch HCARS Economic Gardening program.

Among participants has been Stephen Daas, chief operating officer of Global Tax Network (GTN) in Maple Grove, Minnesota.

"We've been expanding a lot in recent years, primarily from referrals, and we wanted to be more strategic about our growth than just taking orders," says Daas, noting that his company, which specializes in tax services for individuals working outside their home country, aims to hit \$40 million in revenue by 2020.

With that in mind, the NSRT compiled a list of 300 focused leads for GTN's six branch offices to follow up on. The researchers also evaluated the company's website and suggested changes to improve search-engine rankings, investigated sales-tracking software that could be integrated with GTN's customer relationship management system, and identified software to improve its recruiting process.

Daas says that working with the Economic Gardening network's research team was like having sudden access to additional staff members. "There was a lot of collaborative, back-and-forth dialogue," he explains. "I believe we achieved better results that way – and obtained the information we really needed. With a consultant's report, you wonder if it will be truly worth it – and if they really heard you in just one meeting."

Involvement in the roundtables and forums was also valuable, says Daas. In addition to sharing business challenges, roundtable members discussed their experiences with the research team and quarterly forums. Daas explains that hearing how other roundtable members planned to use research findings or information from the forums gave him insights as to how he could leverage information for GTN. "The three were synergistic," he says.

When Daas entered the Economic Gardening program in late 2011, his company had 32 employees and was generating \$5.8 million in annual revenue. By fall 2014 GTN's staff had expanded to 60 employees, and the company was on target to generate \$10 million in 2014 revenue.

Incorporating the research and peer learning costs more, but Patrick Connoy, program administrator for HCARS, believes participants reap more benefits. During the program's first year, participants reported a 26 percent increase in full-time-equivalent (FTE) jobs and a 19 percent increase in revenue. During the second year, revenue increase was about the same (17 percent) but there was a 36 percent increase in FTE jobs.

One challenge of HCARS' approach is bringing on participants in blocks of 15, enough to form a strong roundtable. "Giving ourselves plenty of time to recruit was an important learning curve," says Connoy. "Don't assume that your traditional referral networks will deliver enough companies. You'll also have to tap into bankers, lawyers, accountants and other service providers."

Similar to HCARS, GrowFL also offers CEO forums and roundtables in addition to the research component, but companies aren't required to participate in all three activities simultaneously. "Still we encourage it because data has shown better results when CEOs are in a roundtable while working with the research team," says Tammie Nemecek, director of GrowFL.

Other networks are also falling in step, including Rochester, New York, which is offering roundtables not only to current Economic Gardening participants but also to graduates. "A lot of this is about getting companies off the mark," says Mark Peterson, president and CEO of Greater Rochester Enterprise. Hearing peers discuss their experiences can prompt entrepreneurs to take action faster, he points out. "If you can get companies to pull the trigger on something six months earlier and advance their objectives, that's a big plus."

Before launching its Economic Gardening program in 2010, NetWork Kansas had not provided any targeted services for growth-oriented companies, says Steve Radley, CEO of the state organization, which serves entrepreneurs trying to launch or grow a business. "Economic Gardening was the first tangible product we could provide to second-stage entrepreneurs," he says.

NetWork Kansas kicked off its Economic Gardening pilot program in rural communities, which was an important litmus test, says Corey Mohn, who served as director of statewide programs at NetWork Kansas until this past August. "For one thing, it proved that growth-oriented companies can be found in rural areas, which

people questioned at first," he explains. "Granted, they may be fewer in number, but they do exist."

Economic Gardening is particularly important in rural areas because it provides a solid strategy for economic development directors and chambers of commerce, agree Mohn and Radley. "In rural places, recruitment is quite difficult – the costs are too high," Mohn says. "You've got to work with what you already have."

In Minnesota, Economic Gardening not only has been a way to reach second-stagers but also a mechanism for five counties to work together on economic growth. Initially, Hennepin and Carver counties started an Economic Gardening program in June 2011, followed



One of GrowFL's CEO roundtables in action, led by Steve Quello.

by Anoka County, which launched a separate network a year later. Then in early 2013 the two networks merged and Ramsey and Scott counties joined as well, resulting in the Hennepin-Carver-Anoka-Ramsey-Scott (HCARS) Economic Gardening Program.

This partnership is unusual since government agencies rarely work across jurisdictional boundaries when it comes to economic development initiatives, points out Patrick Connoy, a Hennepin County official who administers the HCARS program. "What's more, our counties may have different political perspectives and economic situations, but in our metro area people might live in one county and work in another. We decided it didn't matter which county the companies come from, the important thing was working together to improve conditions for second-stage companies."

Denise Beigbender, a program manager with Ramsey County, says Economic Gardening has sparked greater loyalty from participating business owners from the get-go. "Some of the comments we've heard are 'I've been paying taxes for years, and now the county is giving back to me' and 'The county really cares if I'm successful.'"

Although the latter has always been true, "it's never been as visible as it is now," Beigbender says. "Economic Gardening is a very tangible way to support economic development in your region, and what makes the program so different is how it addresses specific challenges that second-stagers are facing."

BEYOND JOB CREATION

Although job creation and revenue growth are important goals of Economic Gardening, there are other benefits:

- **Increasing external markets.** The Michigan Economic Development Corp. (MEDC) launched Michigan's statewide network in 2012 and has graduated more than 200 companies. "We're seeing significant job creation and increased revenue numbers," says Susan Holben, program administrator. "Yet perhaps more important, Michigan companies are discovering

they can successfully diversify their businesses and explore new markets both nationally and internationally." In fact, companies that responded to a recent survey reported a 45 percent increase in their out-of-state business diversification since their Economic Gardening engagements.

- **More bang for the buck.** Economic Gardening helps scale efforts of entrepreneur support organizations (ESOs), says Paul Bateson, an NSRT team leader and director of technology commercialization at the University of Missouri Extension's Business Development Program. For example, spending 10 hours with a startup company might lead to the creation of a new job and a \$50,000 loan, says Bateson. Yet the same amount of time spent providing a second-stage company with strategic information could add another \$1 million to their sales and result in five new jobs within a few months.
- **Strengthening staff skills.** Prior to working with CEOs, Economic Gardening administrators, team leaders, and research specialists are required to go through extensive training at the NCEG. Alan Christensen, an NSRT team leader and regional SBDC director in Ephraim, Utah, says he's never experienced better professional development. "The training has been beneficial beyond Economic Gardening engagements," he points out. "I apply many of the principles, such as core strategy and temperament, when working with other clients."
- **Gaining greater relevancy.** Second-stage entrepreneurs are a skeptical audience and tune out many economic development entities because their programs typically aren't relevant for them, observes Steve Quello, managing partner of CEO Nexus in Orlando. Yet their perspective changes dramatically after an Economic Gardening engagement, he says: "Second-stagers are now talking or working with support organizations in ways they weren't before."

Indeed, Dorian Spears, program administrator for the Memphis-Shelby County Economic Gardening program, says that Economic Gardening participants are more inclined to follow up on recommendations she or col-

ACRONYMS

ESO: entrepreneur support organization
GRE: Greater Rochester Enterprise
HCARS: Hennepin-Carver-Anoka-Ramsey-Scott Economic Gardening Program
LED: Louisiana Economic Development
MEDC: Michigan Economic Development Corporation
NCEG: National Center for Economic Gardening
NSRT: National Strategic Research Team
SBDC: small business development center

leagues may make regarding networking and additional growth opportunities. “The program has built trust and created momentum for our business community,” she says.

In addition, because second-stagers become more receptive to ESOs, organizations are able to glean information to fine-tune existing programs or create new ones. “Economic Gardening is a great way to do customer discovery,” observes Spears. “We hear the frustrations of CEOs and have gotten a lot more insight into what businesses need.”

KEEPING THE BALL ROLLING

Economic Gardening programs are funded in different ways. Some host organizations leverage federal, state, and local government dollars. Others have won grants from the government and nonprofits or enlist help from the private sector.

Missouri’s statewide Economic Gardening program, which is operated through its Small Business & Technology Development Centers, has defrayed some of its costs by asking participants to chip in. After initial calls are held with a participating CEO, the research team outlines the scope of work to be done; the team leader then runs the document by the CEO and asks for a donation of \$5,000. “We believe it’s good for participants to have some skin in the game,” says Bateson, an NSRT team leader. “They don’t always give \$5,000, but we haven’t had anyone who hasn’t donated something.”

Relationships with other organizations can also help with program sustainability and diffuse risk, agree program administrators. Even if partner organizations aren’t pitching in on the actual funding, they become stakeholders because Economic Gardening brings value to their clients – and they’ll stand up and lobby on your behalf.

In addition to funding, education can also be a challenge – for both partner organizations and participants. For one thing, Economic Gardening is not a traditional approach to economic development. Nor is it easily put into a sound bite. It takes a longer conversation for people to understand. “You almost need to see the end result,” points out Radley, NetWork Kansas CEO. “Yet once you get CEOs in front of the research team, they get excited.”

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CEO TESTIMONIALS

“I was impressed how quickly the team leader was able to grasp what we did and what our challenges might be. Economic Gardening is a fantastic vehicle for helping companies who are in growth mode. It’s one of the best models I’ve seen to stimulate job creation.”

– Ryan Blundell, founder of Master Technology Group in Minneapolis

“I went into the Economic Gardening program with a lot of skepticism. My thinking was: If this is free, how good could it be? Yet it was a great experience. The research team answered a lot of questions that we had in the back of our heads – and validated a number of things we were doing right.”

– Mel Limon, executive director of sales at Flame Engineering in LaCrosse, Kansas

“The Economic Gardening engagement helped us think more strategically – who we are and where we want to go. The research team helped us tell our story differently on our website and gave us tools that made us more attractive to people who might have considered us a mom-and-pop company.”

– Erick Stewart, president of Stewart Industries in Battle Creek, Michigan

“I didn’t know what to expect. Yet once the process started, it was clear the researchers weren’t trying to reinvent our workflow or company. They were there to work on strategic solutions that we could implement ourselves. I also appreciated the fact that they didn’t come in with preconceived notions but instead spent considerable time talking to us about what we needed.”

– John Anthony, president of Andex Industries in Escanaba, Michigan

“I’m more invigorated about growing the business than I used to be. I had gotten complacent, and as a business owner, complacency is not a good place to be in. Participating in the Economic Gardening program has given me the confidence to get out of my comfort zone and go for it. If we stay on task, we can double our business in five years.”

– Anne Hed, co-founder of Hed Cycling in Shoreview, Minnesota

“There are things you know you should be doing to grow, but there simply aren’t enough hours in the day to get to them. In addition to receiving resources to research strategic issues, Economic Gardening creates structure and deadlines, which is very helpful. It’s like a shot of adrenaline for a business.”

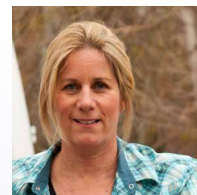
– Mike Fox, CEO of Ingenuity IEQ in Midland, Michigan

“The research team doesn’t try to address everything. Instead, they identify what’s keeping you from getting to the next level and work on that.”

– John Swiatek, CEO of Coliant Corp. in Warren, Michigan



Ryan Blundell, founder of Master Technology Group, a Minneapolis-based company that designs and installs electrical and low-voltage infrastructure for commercial clients’ data, security and high-end audiovisual systems.



Anne Hed, co-founder of Hed Cycling in Shoreview, Minnesota, which designs and manufactures high-end cycling equipment.



Mike Fox, founder and CEO of Ingenuity IEQ, a Midland, Michigan-based provider of indoor environmental quality solutions and services.

When explaining the program, it's important to communicate up front that members of the research team are not consultants trying to peddle their services. "Business owners are often suspicious when the government offers them something," says MEDC's Holben. "But there's no catch, no surprises. Putting it simply, Economic Gardening provides CEOs with powerful research information to make informed business decisions."

Another misperception, Holben points out, is that CEOs may think Economic Gardening is only available to manufacturing companies. "Not true. We serve all business sectors," she says.

Once Economic Gardening programs have some success stories, getting a steady stream of applications becomes much easier, agree network administrators. In fact, graduates become their greatest ambassadors.

In addition to helping recruit new participants, graduates also help with funding, says GRE's Peterson, noting that his organization launched its regional Economic Gardening pilot program in mid-2012 with a \$200,000 state grant. A year later, GRE lost this discretionary funding, but was able to reinstate the program in 2014 after receiving grants from a local foundation and bank.

The bank officials had attended a presentation and panel discussion led by Lewandowski, and talked with some second-stage entrepreneurs who had participated in the program. "They became really excited about what was going on with these growing companies, who were their future customers, and wanted to help support them," Peterson explains.

THE IMPORTANCE OF AFTERCARE

After an Economic Gardening engagement, it's important to stay in touch with CEOs. They may need help with implementing research findings – or even prioritizing what to tackle first.

"At the end of engagements, the CEOs are impressed, but often need help in digesting and implementing deliverables," says Bateson. "We try to connect them with local resources so CEOs can take action, but not use their own time to do it."

For example, suppose the CEO receives a list of 400 or 500 customer prospects. "It may look good, but they need some further vetting," he explains. "The university might be able to find an MBA student to look at each record and then go into a company's website to look for key info and create a matrix to tighten that prospect list."

After an Economic Gardening engagement, it's important to stay in touch with CEOs. They may need help with implementing research findings – or even prioritizing what to tackle first.

Even though second-stage companies are usually committed corporate citizens to begin with, Economic Gardening strengthens those ties and increases their sense of responsibility to the community. As they grow larger and more profitable, second-stagers have greater bandwidth to give back through financial donations, in-kind services, and participation on boards and commissions.

In early 2014 the LED began to provide funding support for a consultant through Louisiana's SBDC network to work strictly with Economic Gardening participants. Although some of his time is spent helping companies get ready for the program, the majority of work is post-engagement to help companies implement some of the research findings.

NetWork Kansas allocates a certain number of CEO slots to strategic partners who are already working with growth-oriented businesses. "We let them drive the traffic and identify who should go through the program," says Radley. "This way, the follow-on technical assistance is in place from the start."

Staying in touch with Economic Gardening participants also helps with measuring results. "Over time CEOs begin to implement the information, but the impact doesn't happen immediately," points out NSRT team leader Christensen. "The challenge is that you're done working with them as an Economic Gardening contact. If you're not working with them in some other capacity, it becomes difficult to gather impact after a year has passed."

In Michigan the MEDC operated its Economic Gardening as a standalone program at first, but rolled it into its Business Connect initiative in October 2013. "It's been a great move because it gives the program more exposure – and allows us to stay in touch by introducing companies to other available services including many pro bono or at reduced cost," says Holben. "Among these services are buyer-supplier summits where second-stagers qualify for one-on-one meetings with buyers from major corporations statewide."

The MEDC also offers second rounds of Economic Gardening engagements, and about 30 percent of graduates apply. "When they come back, they're much more focused," Holben says. "They know the capabilities of the research team and use them at their maximum potential."

THE RIPPLE EFFECT

Initially the impact of Economic Gardening is seen at the company level. But over time, it impacts the entire community in a variety of ways beyond job creation and increased revenues.

“When states and communities support initiatives like Economic Gardening, there’s a real stickiness,” says Lewandowski. “Companies have long memories when it comes to programs that have a deep effect on their growth. And those memories translate into feeling a genuine ownership for their community.”

Even though second-stage companies are usually committed corporate citizens to begin with, Economic Gardening strengthens those ties and increases their sense of responsibility to the community. As they grow larger and more profitable, second-stagers have greater bandwidth to give back through financial donations, in-kind services, and participation on boards and commissions.

The program also strengthens ties among ESOs. In the process of referring companies into an Economic Gardening program and delivering aftercare, organizations learn more about each other’s services. They develop new synergies and are better able to help entrepreneurs connect with other community resources, such as workforce development, access to capital and operations assistance.

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“Economic Gardening is not a complex program to administer due to our partnership with the Edward Lowe Foundation and National Center for Economic Gardening, yet it has unbelievable depth, substance and outcomes,” says Holben. “It grows entrepreneurs, it grows communities, and it’s growing our economy. Why wouldn’t you do this? It’s a no brainer.” 🌐

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