

Intentional Management

Three Basic Fundamentals Every Micropolitan and Rural EDO Should Address

The Forgotten Sector

Focusing on Home-Based Businesses

Getting Retail Ready

Designing a Downtown Retail Leasing Strategy and Why It's Not All about the Numbers

Grow Lee

Overcoming Challenges for Developing the Future Workforce in Lee County, Iowa

SoloWork

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Craig J. Richard, CEcD, FM
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LETTER FROM THE CHAIR

dear colleague

I am honored to have been selected as IEDC's board chair in 2018. I look forward to continuing the great work of 2017 board chair Michael Langley, FM, and am pleased to have such a strong team of leaders at my side on the IEDC Governance Committee. Those individuals include Tracye McDaniel, vice chair of the board from Austin, Texas; Kenny McDonald, CEcD, secretary/treasurer of the board from Columbus, Ohio; Tom Kucharski, CEcD, chair of the External Member Relations Committee from Buffalo, New York; Amy Clickner, CEcD, chair of the Performance Oversight & Monitoring Committee from Marquette, Michigan; and Jonas Peterson, CEcD, chair of the Planning and Business Development Committee from Las Vegas. I'm also proud that the overall makeup of our board speaks to IEDC's commitment to diversity in terms of age, gender, race, and geographic location.

We have a big year ahead of us. In many places, our profession – and the resources devoted to economic development – are under fire from groups and philosophies across the ideological spectrum. Concerns range from equity to incentives, to limiting government and more. Therefore, one of my priorities for 2018 is to identify the sticking points where tensions arise with the media, business community, and political leadership, and to provide tools that will help IEDC members proactively show the value of the work they do in their communities.

A second priority during my term is to continue IEDC initiatives to educate elected officials on the impact and value of economic development in their communities, and to build more champions for our work. It is an ongoing job to communicate the return on investment for economic development programs to elected officials at every level. When our work succeeds, everyone benefits.

We will also continue the great programs we have been doing on disaster recovery. IEDC has received grants to help disaster-impacted communities in Florida, Texas, Puerto Rico, and the U.S. Virgin Islands rebound economically after multiple hurricanes in 2017. Over the next two years, we will help rebuild local economies in these states and territories and stabilize local businesses so that normalcy can return as quickly as possible. We've already sent numerous economic recovery volunteers into the field, and their efforts are yielding positive results.

Together, we will tackle these initiatives while continuing to support our profession with IEDC's outstanding conferences, training courses, webinars, publications, research, and other resources.

I am excited about leading the board in 2018. IEDC is well positioned for success, with our membership now topping 5,300 members from 18 countries, a healthy balance sheet, and more thought-leading programs to help you in your vital work. This is all thanks to the dedication and full force of our active members. With your help, we will continue to provide leadership and excellence in economic development for our communities, members, and partners.

Sincerely,

Craig J. Richard, CEcD, FM
IEDC Chair

The IEDC Economic Development Journal

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by Mark Lautman, CEcD

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intentional management

By David J. Myers, CEcD

In fall of 2017 and into early 2018, the economic development world was buzzing about the second Amazon headquarters project (HQ2). Economic development organizations (EDOs) got together with their local and state partners and put together some rather interesting proposals, at least judging by media reports. This project came on the heels of the FoxConn project, the Taiwanese electronics manufacturer set to receive an incentive package worth a reported \$3 billion for a large manufacturing facility in Wisconsin.

For many in economic development, this is what got them into the business – to get the big win. For many others, the goals are more basic. Community growth, even the most aggressive big project proponent knows, rarely happens at the mega project level. It happens one day at a time. When you go home at night, and your companies have, perhaps, grown just a little stronger that day because of you, that's a good day.

The legendary college basketball coach John Wooden began every season teaching his new players how to tie their shoes. Wooden was known for his focus on fundamentals. His results, 10 national basketball championships at UCLA, would please any competitive economic developer.

The fundamentals of economic development are often expressed in the importance of business retention and expansion, local market intelligence, workforce, small business development, regional partnerships, and the tools that support those areas. That, however, is the dribbling and passing part of the business, if one wishes to continue with the basketball analogy. What about tying one's shoes?

For many in economic development, this is what got them into the business – to get the big win. For many others, the goals are more basic. Community growth, even the most aggressive big project proponent knows, rarely happens at the mega project level. It happens one day at a time. When you go home at night, and your companies have, perhaps, grown just a little stronger that day because of you, that's a good day.

There are several critical things that every economic development organization (EDOs) must do in order to stay in business long enough to succeed. This article will look at three such critical needs with a focus on EDOs in micropolitan and rural areas. These areas are often overlooked in general conversations about the profession or simply told that programs and practices designed for urban areas are “scalable” to smaller areas.

Economic development programs in micropolitan and rural areas outside the urban core must, however, operate differently. The job is more personal. The mayor might be the one interested in a job in the company with which you work. Impact is measured in terms of neighbors, friends and family, not on big data or regional news. Real estate, particularly project financing, is considerably different in smaller markets. Housing availability plays a far bigger role in the process. Workforce is approached in a more precise manner and is both more stable and less elastic. Data is often less reliable and subject to the “suppression” of key employer information. This presents an additional challenge to marketing efforts that are already facing significant headwinds.

David J. Myers, CEcD, is the Executive Director of the Ponca City Development Authority, Ponca City, OK. (dmyers@gponca.com)

THREE BASIC FUNDAMENTALS EVERY MICROPOLITAN AND RURAL EDO SHOULD ADDRESS

Economic development is a high-profile business. With so much attention on big projects, an economic development organization's approach to opportunities and threats is too often guided by external pressures. This may not lead to impactful and sustainable programs as priorities are constantly debated and key decisions are challenged. For micropolitan and rural communities, this is particularly significant as local economies tend to be more industry specific, resources may be scarce, and memories are long. Before developing a strategic plan, or setting off to pursue a project, economic development organizations should consider developing tools that help them stay focused, guide decision making, and communicate the organization's value to stakeholders.

All of this only increases the need for organizations serving micropolitan and rural communities to pay close attention to the fundamentals. While every region should maximize resources and eliminate inefficiencies, this is a survival imperative in non-urban areas. Distractions can rob smaller areas of opportunity and endanger the existence of the EDOs that are generally working hard to position the community for the future.

The three critical needs seem simple, yet they can be a tremendous challenge. The first, staying on task, is vital since it allows the EDO to pursue effective economic development programs rather than the political flavor of the month (apologies to those who pursued the HQ2 project). The second, demonstrating your value, cannot be overlooked either. EDOs often work in arcane and mysterious ways as far as the general public is concerned. If an EDO overlooks communicating its worth, its days may be numbered. Finally, facilitating objective decision making on projects will be discussed. None of these are intended to suggest that this is the one and only way. All are simply examples of how one Accredited Economic Development Organization in a specific micropolitan community approached these needs.

STAYING ON TASK

Several years ago, my organization, the Ponca City Development Authority (PCDA) in North Central Oklahoma completed what I thought was a very successful board retreat. We discussed the concepts of economic development that most professionals live with every day. We set targets, defined criteria, and developed strategic approaches to identified challenges. Yes, I thought, my leadership understood how economic development worked and was invested in the direction of our organization.

That lasted for about one week.

It did not take long before a board member called wanting to know why we did not submit a proposal for a large project that promised to pay very little, wanted a great deal in the way of incentives, and competed with several existing local companies for our finite labor pool. Never mind that we had decided in our retreat what we *would* pursue and what we *would not*. Another board member wanted to know why we would not provide proprietary information from an existing company to the media in order for PCDA to get better publicity. Yet another wanted to know when the *next* announcement would be made for a new company, clearly believing that this was the holy grail of economic development.

The experience from that board retreat made it clear that a more clear and customized way of setting and measuring goals was necessary. This began with the awareness that we needed to have a shared definition of success. While most economic developers understand the consensus building benefits of strategic planning, those plans often have a difficult time becoming living documents. The collective wisdom of a retreat becomes a binder on a shelf. In addition, a well-meaning but long list of objectives can be overwhelming and difficult to guide day-to-day actions in an economy as fast-changing as we face today.

who believe that an economic developer need only know the magic words to bring companies forward.

We began by asking our leadership whether the “creation of wealth producing jobs” (the core of our mission statement) was really the mission or whether the real goal was making “announcements.” After the deer in the headlight moment as they collectively asked “Aren’t they the same thing,” we had the opportunity to talk about real, primary job growth. We rolled out the clear and compelling statistics about where new jobs come from. We talked about the rise in small business, trends in large corporations, outsourcing, workforce issues as they relate to job growth, and other highlights.

To really build this into our DNA, we adopted a statement of “strategic plan values” as part of our strategic plan. These values were the first thing after our mission statement. These values were not adopted due to their consensus value. They were adopted because they were so obvious that they had been taken for granted. By putting them in writing, up front, they truly began to guide policy discussions and kept everyone on message. It became difficult to drop all interest in a pressing need of an existing company every time a shiny new prospect appeared on the horizon when we had a value that said “Recognize the comparable value of new primary jobs whether they are in new or existing companies.”

The experience from that board retreat made it clear that a more clear and customized way of setting and measuring goals was necessary. This began with the awareness that we needed to have a shared definition of success. While most economic developers understand the consensus building benefits of strategic planning, those plans often have a difficult time becoming living documents. The collective wisdom of a retreat becomes a binder on a shelf. In addition, a well-meaning but long list of objectives can be overwhelming and difficult to guide day-to-day actions in an economy as fast-changing as we face today.

So we backed up and took a long look at the fundamentals. If most jobs come from existing companies, how do we internalize this in our organization?

Getting community leadership to understand that economic development was about far more than the last recruitment project is a challenge, as any economic development professional knows. Media reports make it seem as if the process is easy, simple and quick, at least to those who are not involved in it on a daily basis. That impression forms the perspective of many community leaders

Strategic Plan Values

1. Build and maintain effective partnerships;
2. Primary job growth anywhere in the region benefits Ponca City;
3. Recognize the comparable value of new primary jobs whether they are in new or existing companies;
4. Incentives, if used, should be influential, not enabling;
5. Promote jobs with pay scales above the county average; and
6. Implement programs with tangible and relevant outcomes.

Strategic Plan Goals

1. Primary Job Creation
2. Rising Personal Income
3. Diversification
4. New Economy Growth
5. Attract Investment
6. Population Attraction
7. Organizational Stability

Although the “values” were simple, they proved to be a powerful tool to keep us on task. Coupled with equally clear, simple, and prioritized strategic plan goals, they have become the bedrock for our economic development operations. The goals were also simple statements, backed up by far more detailed objectives and strategies. The values and the goals, however, are all listed on a single page that makes them easy to see, remember, and not ignore. Applying these values to planning, including industry target selection, the use of incentives, general decision making, how we worked with prospects, and how we operate in general has allowed PCDA to remain focused and in control of our mission. (See sidebar on strategic plan values and goals)

These values and goals guide every discussion and provide the discipline and guidance when a new prospect throws a come hither look our way. There is flexibility to respond as needed and the Board of Directors has the authority to go beyond these values and goals. Experience has shown us, however, that they are very reluctant to do so, which demonstrates that a true consensus on the direction of the EDO is in place.

DEMONSTRATING YOUR VALUE

Educating the general public about economic development is as much a part of the job as business retention and expansion. Building support for economic development programs means managing expectations, producing results, and demonstrating the benefits of those results. If the expectations or perception of the value is left to chance, or worse to coffee shop talk or online community pages, there is little likelihood that anyone will be satisfied with the accomplishments.

Public education without credibility, however, is worthless. In a micropolitan community such as Ponca City, it must mirror the more personal approach to economic development. It is not that people in smaller communities are any different than in larger areas, they just tend to be more connected to each other. The information flow to opinion leaders and important constituencies needs to be more focused and detailed. Press releases, annual reports, and the latest social media platform are not where they get their information, or at least the information upon which they rely.

Companies, consultants, and others looking from the outside know that every community has positives and negatives. The public knows this too. The flowery, self-congratulating language often found in newsletters, publications, and web sites is often viewed with suspicion by locals who frankly know better. Including the bad with the good in our local community outreach has made a world of difference in building the credibility of PCDA.

Credibility is, of course, important to any EDO. To us it is life itself. PCDA is supported by a one half cent sales tax dedicated to economic development and voted upon by the public every five years. This creates an imperative to demonstrate to voters that we know what we’re doing, that we are managing their money wisely, and that they are getting a return on their investment. When voters see that we’re leveling with them, the level of trust goes way up and the partnership between the community and PCDA is strengthened.

Last fall, 77 percent of voters approved another five-year extension of the economic development sales tax. It is true that a savvy and experienced volunteer election committee, working apart and without funding from PCDA, worked on our behalf during this election. It remains important, however, that we constantly demonstrate our professional competency as an EDO, our responsible fiscal stewardship, and our value to the community, and never take for granted that our stakeholders somehow just know this. We have to tell them.

The way we chose to demonstrate our professional competency was to become an Accredited Economic Development Organization (AEDO) through the IEDC. This had, for us, significant benefits with respect to bench-

Companies, consultants, and others looking from the outside know that every community has positives and negatives. The public knows this too. The flowery, self-congratulating language often found in newsletters, publications, and web sites is often viewed with suspicion by locals who frankly know better. Including the bad with the good in our local community outreach has made a world of difference in building the credibility of PCDA.

marking the structure and management of PCDA. It also, however, answered an important question for the voters before it was even asked. Does PCDA know what it's doing? The AEDO certification process offered a strong validation.

Since PCDA is taxpayer-funded, it was perhaps more important to demonstrate that public funds are managed ethically, responsibly, and prudently. Independent annual audits with unqualified opinions, coupled with the simple, straight forward manner in which the use of public funds is reported, helped to answer the question of whether or not we were good managers of public money. This information was included in our one page, simple annual report that is sent in utility bills.

That left the question of whether or not economic development was worth the money. To answer this we developed, in-house, an economic impact model that included only those results which had written documentation to prove our role. The model demonstrated a value of approximately \$20 in benefit for every dollar of sales tax revenue collected, in addition to job counts, investments, tax benefits, overall community impact, and more.

DEFINING SUCCESS

A shared definition of success begins with developing the metrics that will help an EDO determine if it succeeded. In most communities, there remains those who continue to define success as new jobs or announcements. Most economic developers, however, understand that economic development has evolved into a more holistic approach to influencing the local economy.

In the case of Ponca City, Oklahoma, there remained a need to include job creation as part of the definition of success. This was felt to be an incomplete measurement of PCDA's role in the local economy so other data points were added. As a micropolitan community, the use of primary data (data collected directly from the source) was felt to be more accurate and reflective of immediate changes, particularly as the most recent U.S. Census count aged.

From an overall community standpoint, PCDA uses job creation agreements signed in any given year as the most direct measurement of the EDO's impact. In addition, the local unemployment rate continues as a metric as a legacy data point that the public continues to embrace. The impact to local jurisdictions is measured by the change in sales tax collections, population changes are measured through collecting school enrollment figures, investment through building permit fees and the benefit to schools is examined through the change to annual property tax values.

Specific operational results are measured in existing company visits, new company contacts, new leads worked (a BR&E lead is the same as a new company lead), new projects added and the number of projects completed/won. Added to these results are any other significant accomplishments that cannot be quantified with the use of data.

It is, as most measurements go, an imperfect way of defining success. There is a consensus that the above gives the EDO the best read of organizational effectiveness and its impact to the community.

ECONOMIC IMPACT MODELS

Economic impact models are often used by EDOs to measure both the potential benefit and/or cost of a new project and/or the loss of an existing company or asset. They provide a framework for making data-driven decisions.

While the complexity of models varies, most use the following information to produce an estimated overall benefit to a community:

- Estimated number of jobs gained/lost
- Estimated average wage/pay of those positions
- The term of the impact
- The cumulative impact over the term measured
- Additional jobs added/lost as a result of the project
- Total payroll of direct/indirect jobs
- Investment
- Any incentives provided

These estimates are then used to measure the impact upon:

- Local Employment
- Temporary Construction Employment
- Housing
- Retail Sales
- Non-retail Sales
- Utility Sales
- Local and State Tax Impact

There undoubtedly remain those who believe that economic development should be measured by big announcements. It's fair to say that a proportion of the 23 percent who voted against the dedicated economic development sales tax felt this way, with the usual mix of folks who legitimately do not like taxes in any form making up the rest. The majority of voters who voted to renew the tax, however, suggests strongly that voters felt that PCDA was credible, responsible, and effective. This conclusion was based not on feelings but on evidence. (See sidebar on defining success)

To be sure, being supported by a tax paid by residents creates a specific responsibility to report. What we have found, however, is applicable to almost any community. An EDO's constituency, whether that is members, donors or the public, needs to be a partner, not a follower. They are not fans; they are invested in the organization. Communication is not just about educating or explaining. It starts with listening and this is a lesson PCDA seeks to remember every day.

FACT-BASED DECISION MAKING

The use of impact models in economic development has been around for a long time. These models are useful in helping decision-makers decide if the cost of a project is worth the benefit. Impact models come in many shapes and sizes, from free, complex models through the Federal Reserve Banks, to more generic input/output models provided by private vendors (as well as more complex ones available from those vendors as well). (See sidebar on economic impact models)

It is not my intent to defend impact models, to promote one over another, to argue multipliers or to even suggest that an economic impact model is required. What is suggested, however, is that an EDO should have *some* way of determining real facts to guide the decision-making process. Impact models are used here as one example.

Everything discussed above regarding values, communication and consensus, collectively referred to here as “trust,” becomes irrelevant if EDOs do not apply a high level of objectivity to decision making. Risks are part of the business. Many EDOs take risks only when the odds suggest they will succeed. How an EDO evaluates that risk is critically important to maintaining trust. A project can fail and the EDO can move on if the decision making was rational. If decisions were based solely upon hopes and dreams rather than facts, the EDO will have dug itself a very deep hole.

A fact-based decision process is equally important for business retention, small business development, workforce issues, attraction, housing, and virtually any facet touched by an EDO. The numbers for a non-traditional project are particularly important since there is typically little in the way of history or precedent to guide the choice. A case in point is a project underway in Ponca City right now known as the “City Central” project.

City Central is a six-story, 71,000-square-foot multi-tenant office building. The structure was owned by an absentee landlord who wanted to donate the building to “the city.” The building was located across the street from City Hall and was a prominent part of the downtown landscape. As you might imagine, the city had a concern over the possibility of a mothballed, large office building in the heart of downtown.

As noted above, PCDA receives a dedicated economic development sales tax. That makes the organization a public trust of the City of Ponca City. The city, therefore, turned to its public trust and suggested that the building be donated to PCDA and that PCDA could use the asset to enhance the small but growing business services industries in the area. A rather exhaustive due diligence process soon began, paid for by the city. There were engineers hired, professional inspections of mechanical systems, and the building was reviewed top to bottom. No other real issues were identified other than the fact that a significant amount of work would need to be done to bring that space back to leasable condition.

The building was only 30 percent occupied. It had fixed costs that greatly exceeded the lease payments made and it faced, as noted above, significant renovation. PCDA and the city contacted the U.S. Economic Development Administration (EDA) and eventually partnered with the EDA on a public works grant to provide a significant portion of the renovations.

With the potential for a building donation, the EDA grant, a large donation from the building owner who recognized that there were issues of deferred maintenance, and a projected \$250,000 from PCDA, the renovations were possible. That possibility, however, hinged on



City Central in Ponca City, OK

whether or not the operational expenses could be managed and, more importantly, whether or not it posed an acceptable financial risk to PCDA.

To determine the risks and evaluate the potential costs and benefits of both inaction and action, we modified our economic impact model (the same one used for the election) to suit this project. The first order of business was to see what would happen if the building was to close and the current occupants of the building had to close or leave town. This informed us that the closing of the building would have a negative economic impact of \$14 million a year. To a community of 25,000 people, that is a big number.

If, however, the building could be brought to 80 percent occupancy in five years, it would provide a positive impact of \$25 million a year. In addition, at this level of occupancy, it would also return a profit to PCDA of approximately \$100,000 per year (break even was 60 percent occupancy). Getting through the first five years was the challenge. The building was projected to lose \$250,000 its first year with annual future losses declining as tenancy was presumed to grow modestly. Our model showed that we would need \$650,000 to cover operating expenses until the building turned profitable. If occupancy increased by 10 percent each year, just one of the scenarios examined, the difference between doing nothing and moving ahead with the project was over \$84 million for the five year climb to sustainability.

This was the information the decision makers needed. They knew the cost of renovations to PCDA (\$250,000). They knew the cost to operate the building until it turned profitable (\$650,000). They weighed setting aside several years of sales tax revenue for this purpose. The bottom line was whether or not an \$84 million benefit to the community was worth an investment of economic development sales tax funds totaling \$850,000. With this information in front of them, they looked to the future and said “go.”

While there were many in Ponca City who did not like the idea of PCDA taking over a large multi-tenant office building due to perceived competition with the few

other rental office spaces in town, it was difficult to argue and almost impossible not to understand the basis for the decision. The assumptions used in the model were conservative and public. It is worth noting that the decision on this project was made almost exactly one year before last fall's 77 percent approval vote for PCDA.

The project hit all seven of PCDA's strategic plan goals. The tools used to evaluate the risks and rewards were data-based, objective, and defensible. The mayor may have started this project because he did not want an empty office building in downtown. Fortunately for his vision, the EDA was there, and the data backed him up.

CONCLUSION

One does not have to be an economic developer for long before someone uses the phrase "it's good for the economy" as justification for the EDO to get behind a project. It is true that some of the excitement from being in this business is that your day will often take you in directions that you would never have imagined when you woke up that morning.

There is, however, a real difference between pursuing the right opportunities and wanderlust. Too often, the fanciful journey is the result of a prominent person "suggesting" that the extra work you are taking on is important. Having the foundation and the tools to stay on task can make the difference between remaining focused, or wondering if you actually accomplished anything of value. (See sidebar on PCDA's tools of the trade)

Whether you call your constituency your boss or your customer, no business can take for granted that their message and their work is understood by the people that need to understand it. Economic development means many things to many people and it is imperative that an EDO and a community agree on what successful economic development means to them. Trust is the key and trust must be built.

PCDA'S TOOLS OF THE TRADE

- Current Strategic Plan
- Incentive Guidelines
- Customized Economic Impact Model
- Annual Workplan
- Annual Marketing Plan
- Simple Annual Report
- Weekly E-Newsletter
- Property Inventory
- Current Workforce Study*
- Data Subscriptions*
- Social Media Accounts
- Local and Regional partnerships

* Indicates budget item (hard cost)

Finally, decision making needs to be based on an objective measurement. A gut feeling is fine, so long as it is then backed up with facts. The decision-making process must not be used as a validation for a desired outcome. For an EDO to succeed long term, it must have a sound, fact-based decision-making process in which its constituency has confidence.

No two communities approach or practice economic development the same way. The examples and the specifics included here may not work everywhere. The general elements of staying on task, demonstrating your value and basing decisions on solid facts, seem obvious enough, like tying your shoes. The process of how an EDO does them can be a challenge. Without an intentional approach to these fundamentals, however, an EDO is like a basketball team without a game plan. ☺

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the forgotten sector

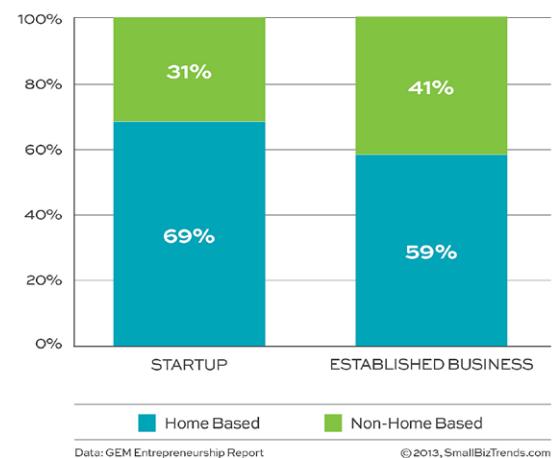
By Melissa Davidson

Economic development is traditionally focused on new business attraction and the retention of existing brick-and-mortar companies. This focus, however, is beginning to shift as industry professionals see the growing trends of entrepreneurial startups and home-based businesses taking place locally and world-wide. Advances in technology, rising costs of doing business, changes in family structures and needs, and changes in the work-life balance desires of today's workers are fueling this trend. Many experts now agree that home-based businesses are the way of the future for much of the American and world-wide workforce. As this lifestyle becomes more mainstream, new programs must emerge to meet the needs of this business sector.

WHY DOES HOME "WORK"?

Did you know that 52 percent of all small businesses are home-based?¹ According to Business-forHome.org, in 2012 there were over 38 million home-based businesses in the United States (including direct/network marketing representatives), and they make up more than half of all new businesses annually. At that time, home-based businesses were generating \$427 billion in annual revenue and creating one new job every 11 seconds.² According to the 2012 Global Entrepreneurship Monitor (GEM) Report, 69 percent of all businesses are started from home and 59 percent are still operating from their homes three years later. Additionally, "only one-fourth of the entrepreneurs surveyed stated they had no employees working for their businesses. Given the high prevalence of entrepreneurs operating at home (two-thirds of Total Entrepreneurial Activity), this finding suggests that

CHART 1. HOME-BASED BUSINESSES IN U.S.



So why does working from home seem to work for so many? It's all about balance.

many actually had employees in their home-based businesses."³ (Chart 1)

Fifty percent of the U.S. workforce has a job that is compatible with at least partial telework and approximately 20-25 percent of the workforce does take advantage of teleworking opportunities with some frequency, according to research by the Telework Research Network.⁴ "An estimated three million American professionals never step foot in an office outside of their own home."⁵

So why does working from home seem to work for so many? It's all about balance. According to Telework Research Network, about 90 percent of home-based workers say they are happier with the work/life balance provided by their work-from-home situations, even though they tend to work harder and longer. In addition, 79 percent say they

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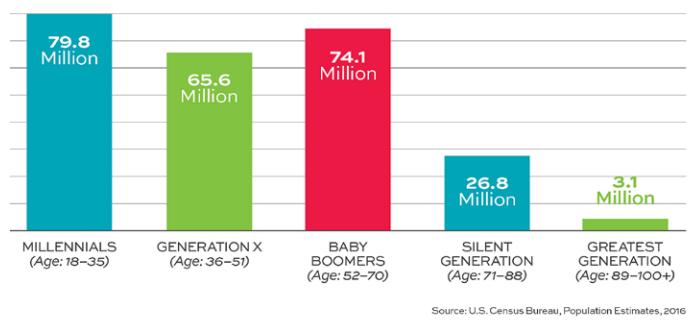
FOCUSING ON HOME-BASED BUSINESSES

Economic development is traditionally focused on business attraction and retention of brick-and-mortar companies. This focus is beginning to shift as industry professionals see the number of entrepreneurial and home-based businesses growing, due to technological advances, rising overhead costs, and changes in family structures and work-life-balance desires of today's workers. Many experts agree that home-based businesses are the way of the future for much of the world-wide workforce. As this lifestyle becomes more mainstream, programs such as York County, Virginia's Home-Based Business Assistance Program, a recipient of IEDC's 2017 Excellence in Economic Development Gold Award, must emerge to meet the unique needs of this sector and to complement a community's retention and attraction strategies.

would like to work from home at least part of the time. Home-based workers are able to make more efficient and productive use of their time by continuing to work when they're sick, returning to work more quickly following surgeries or other major life events, and handling personal appointments and commitments, without losing a full day of work.⁶

Parents with young children find that working from home gives them more time with their families and more money in their bank accounts, while also allowing them to still balance a career. Workers in the "Sandwich Generation," responsible for both their aging parents and their own children, find caring for loved ones to be easier and less expensive when they can work from home. Millennials have a strong desire to be independent and work for themselves. They want to choose their location and "place" versus being tied down to a job at one location. The United States population consists of a combined total of 219.5 million people in these three generations – the Millennials, Generation X, and the Baby Boomers – so the work from home lifestyle is likely to become increasingly prevalent and widely-accepted as the need increases for more flexible time management. (Chart 2)

CHART 2. ADULT GENERATIONS BY POPULATION SIZE, 2016



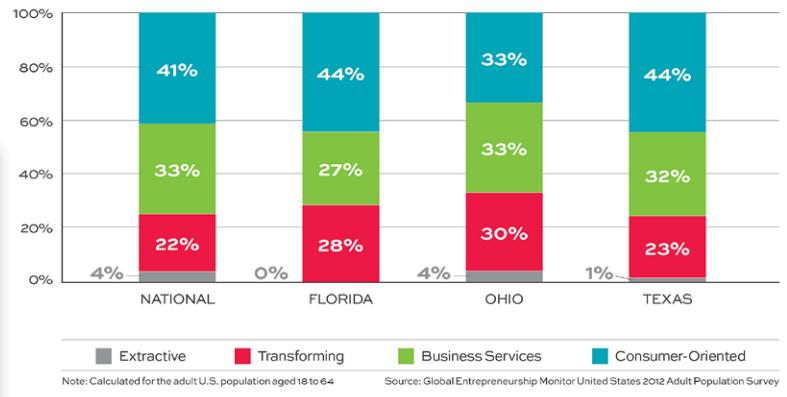
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Beyond just helping to balance family and social obligations, working from home also helps Americans balance their bank accounts. Telework estimates that Americans working from home, even just half the time, would each save an average of \$2,000 - \$7,000 a year. This is in addition to the company's savings on real estate, electricity, absenteeism, turnover and productivity, which averages over \$11,000 a year per employee empowered to work from home.⁷ With so many home-based businesses employing other home-based workers, the savings can really add up.

DO YOUR HOMEWORK

Who are these home-based business owners and why did they choose to operate from home? One might incorrectly assume that the majority of home-based businesses are network or direct marketing in nature, not requiring much assistance and not making a large impact on the local economy. The reality is that home-based businesses are comprised of many different types of businesses, from traditional, to franchises, to entrepreneurs, to direct and network marketers, each of which makes a huge impact, when tended to properly. In fact, only 33 percent of home-based businesses fall into the typical industries thought of as being ideal as home-based: freelancing, independent contracting, consulting, and virtual assistance. A whopping 41 percent are actually in the consumer sector, which could include everything from hotels and restaurants, to real estate or online eCommerce shops.⁸ (Chart 3)

CHART 3. DISTRIBUTION OF TOTAL ENTREPRENEURIAL ACTIVITY (TEA) ACROSS INDUSTRY SECTORS FOR THREE STATES AND NATIONAL, GEM U.S. 2012



Demographics play a key role in the types of home-based businesses that exist in a community. For example, one can presume that communities with aging populations may find more contractors who are retired service members or former company executives, whereas college towns may find more risk-taking entrepreneur-types. Areas with a more middle-aged demographic may find they have a high concentration of direct and network marketing businesses, owned by stay-at-home parents who want to have more time with their small children, while still contributing to the family's income.

The types of home-based businesses in a community also depend greatly on the community type itself. For example, rural communities, with limited broadband access, may see more agricultural businesses, while urban communities, with adequate high-speed internet and nearby colleges, may find more technology entrepreneurs.

Another determining factor is the proximity to various community assets, such as research labs, airports, universities, etc. For example, an area with several military bases will likely find that they have many government contractors working from home. They will also find that many military spouses, who are often forced to be tran-

Advances in technology allow more and more people to work from home each day. At the same time, rising costs of doing business commercially deter many entrepreneurs from taking a leap in that direction. Between changes in family structures and needs, to changes in the work-life balance desires of today's workers, many things are driving this desire to work from home. With more people choosing the home-based business lifestyle now than ever before, is anyone helping them grow and succeed?

sient in nature, operate home-based businesses, because they are mobile and can be moved from place to place when service station changes are required. Agricultural communities may find there are many home-grown ventures in their areas, such as artisans and craft food makers. University towns may find scientists and researchers who are also patent-holders and entrepreneurs building businesses on their findings. Additionally, most communities will find that they have many more traditional home-based businesses than they ever imagined, such as construction companies, cleaning services, graphic designers, accountants, and consultants. For many small business owners, being home just works better. But why?

SURVIVAL OF THE LEANEST

The increasing trend to "come home" was partly fueled by the Great Recession. Far fewer entrepreneurs started new ventures in the years that followed, and the ones who did were "Necessity Entrepreneurs, who needed to 'create their own jobs.'"⁹ Many existing small business owners, who simply could no longer keep up with the overhead of running a commercially-located business, brought their businesses home in order to survive. Cutting costs was the only way to keep their companies alive in an ever shrinking economy.

Company layoffs and military base realignments and closures, under the 2005 Defense Base Closure and Realignment Commission, caused many employees and former service members to rethink their futures and career goals. Would they continue searching for a new job in the rat race of a now even more competitive environment? Or would they start their own business from home? The savings were clear for many: lower household expenses, such as gas and childcare, plus the added tax benefits of being able to claim the home office deduction.

Many chose to work with direct sales companies for extra income, while on the hunt for a full time position. Others chose to

take the entrepreneurial route and start a business online, thus keeping their business and household overhead low. Still others chose to take advantage of outsourcing trends in government purchasing by becoming contractors in their former areas of expertise, sometimes being awarded contracts at the same place from which they were laid off. As damaging as the effects of the Great Recession were, many opportunities were also born from it, for those poised and ready to seize them.

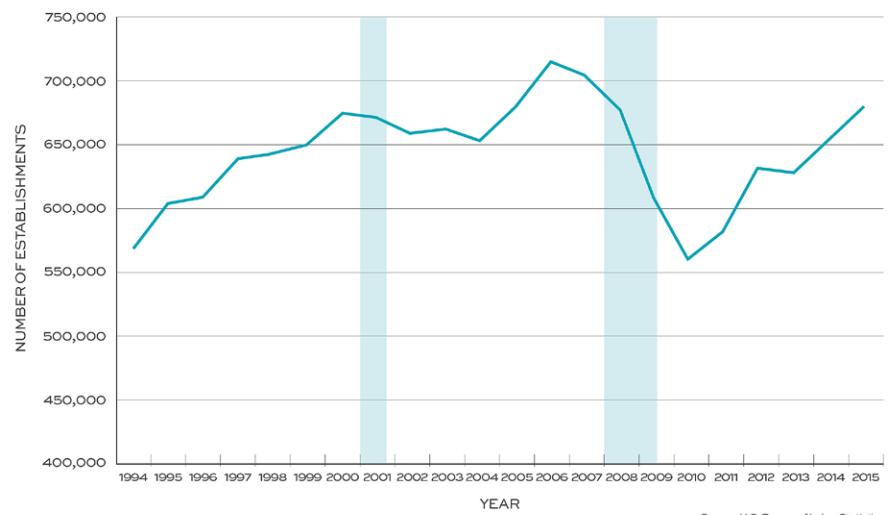
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SHIFTING THE FOCUS

Economic development, for many communities, can no longer be all about landing the big one, if we want to play in today's global and technology-driven economy. We must adapt our strategies to the changing business climate. What does that mean? We must, at least partially, shift our focus to the fast-growing sectors of entrepreneurs and home-based businesses. Home-based business assistance programs help build relationships with businesses that are not yet "on the radar."

The Kauffman Indexes of Startup Activity, Growth Entrepreneurship, and Main Street Activity Entrepreneurship all have been rising steadily since 2014.¹⁰ The Labor Department reports that "new business 'births' now significantly outpace business 'deaths,' a positive trend that has accelerated since late 2013."¹¹ There are over 650,000 new businesses every year. (Chart 4) With over 60 percent of them starting as home-based, the need for establishing programs, tax benefits, and other assistance initiatives for them is clear. These programs are important

CHART 4. NUMBER OF ESTABLISHMENTS LESS THAN 1 YEAR OLD, MARCH 1994 – MARCH 2015



Several challenges can exist when developing a program to meet the needs of the home-based business community. Because it can be difficult to show an immediate or accurate return on investment, it is essential to get elected officials on board before program implementation. When armed with data on the makeup of home-based businesses in the community, it's hard to refute the need for developing assistance programs.

business retention and expansion tools that are essential for meeting the unique needs of this part of a local business community. In the future, when these companies are in growth mode, they now have established relationships with and loyalties to their current community.

STARTUP CHALLENGES

Several challenges can exist when developing a program to meet the needs of the home-based business community. Because it can be difficult to show an immediate or accurate return on investment, it is essential to get elected officials on board before program implementation. When armed with data on the makeup of home-based businesses in the community, it's hard to refute the need for developing assistance programs.

Many communities have either nonexistent or antiquated ordinances concerning home-based businesses. It is difficult to justify creating an assistance program for this sector without first reviewing and updating such ordinances to create a more business-friendly environment. This can sometimes be a more involved and time-consuming process than anticipated, so careful planning is necessary. It is also imperative that members of the review team include home-based business owners in the community, who can give real-world feedback on the pros and cons of the current ordinance as it affects their business.

Funding for the creation of a home-based business assistance program can sometimes be a challenge, however, if done progressively, almost any community can afford to implement some level of help. If funding is a concern, communities can start small, adding a few seminars or networking events per year, or partnering with other business organizations to provide tangible benefits to small business owners. Creative funding solutions can be used to develop a successful program. For example, sponsors can be obtained for events and public and private community development grants can be explored for the program components.

Once the internal challenges have been overcome, the next step is to determine exactly what needs exist and to develop programs that address them.

MEETING THE NEEDS OF THE FORGOTTEN SECTOR

The economic development community should rally around home-based business owners and develop programs that will help them grow. The first step in this process is to determine the composition of the home-based business community. A great place to start is by forming a partnership with the locality's Commissioner of Revenue or Business License Office. There, a detailed list of registered home-based businesses can often be obtained, many times with corresponding data on the type of business and their contact information. The level of data available will vary by locality, as some commissioners may consider this to be private information. Chambers of Commerce and other networking groups are also valuable resources for reaching home-based business owners and learning more about them.

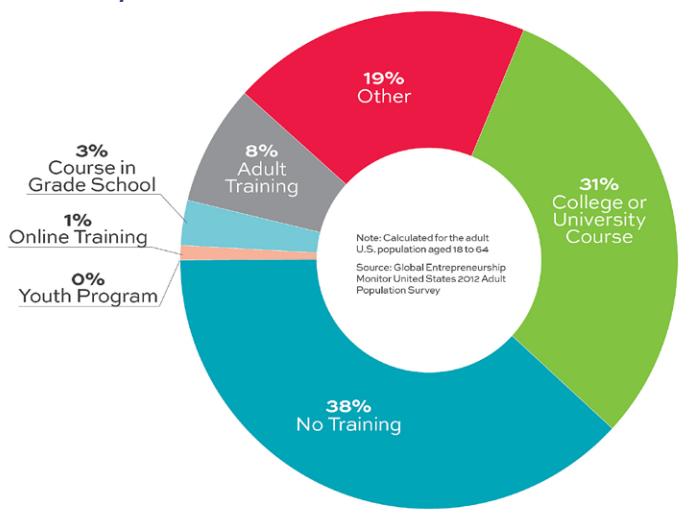
Once the makeup of the home-based business sector is determined, economic development professionals must think like home-based business owners. The best way to understand them is to reach out and talk to local business owners to get their feedback, ideas, and unique needs. Considerations could include ideal timing for events, suggested topics for educational seminars, childcare needs, budgetary concerns, and the types of assistance needed (i.e. grants, loans, educational seminars, networking events, resource fairs, job fairs, roundtables with elected officials, vendor fairs, etc.).

Economic developers traditionally assume that grants or loans are the most helpful thing to a growing business. While this may be true of a start-up home-based business or an owner who is ready to make the move to commercial space, it is not always true for more established owners. Most operate from home for a reason and do not have plans to transition to another space at this time. Also, most have surpassed the three year "make it or break it" mark, the point at which a business owner decides whether to continue the venture or close.

Many home-based business owners find themselves cooped up inside all day, so networking opportunities may be more valuable to them than monetary assistance.

Once the makeup of the home-based business sector is determined, economic development professionals must think like home-based business owners. The best way to understand them is to reach out and talk to local business owners to get their feedback, ideas, and unique needs. Considerations could include ideal timing for events, suggested topics for educational seminars, childcare needs, budgetary concerns, and the types of assistance needed (i.e. grants, loans, educational seminars, networking events, resource fairs, job fairs, roundtables with elected officials, vendor fairs, etc.).

CHART 5. SOURCE OF TRAINING IN STARTING A BUSINESS FOR TOTAL ENTREPRENEURIAL ACTIVITY IN THE U.S., 2012



Marketing programs may be a meaningful way to assist them, as marketing dollars are typically smaller and tend to be cut first from tight budgets. Educational opportunities that are specific to their situations and concerns, rather than to the concerns of brick and mortar operations, may also be more valuable than monetary assistance. Confirming this finding is data in the 2012 GEM Entrepreneurship Report that states the following:

*“Thirty-eight percent (38%) of entrepreneurs reported that they received no formal entrepreneurship training. Furthermore, online training was rarely mentioned. To the extent that training can improve one’s skills and perceptions about entrepreneurship, it is not unreasonable to assume that *training can inspire people* to be entrepreneurs at some point in their careers, perhaps when needed or when they see a promising opportunity. *Training may also enhance their chances of success and their ability to expand their ventures.* These findings evoke questions about the availability of entrepreneurship training in the United States and reveal opportunities to enhance such services in this country.”* (Chart 5)

Many home-based business owners have competing obligations, such as small children and/or elderly parents to care for, as well as various philanthropic pursuits. Timing is key. For example, a lunch program may work best, so as not to conflict with morning or evening family obligations. Programs that offer a childcare option may be popular with work-from-home parents. Seminar topics regarding work-life balance or home office tax deductions might be of interest. Among entrepreneurs, 72 percent of women operate at home, versus 61 percent of men.¹² Planning social and networking events that many women business owners would enjoy could increase attendance and participation.

Programs designed for this sector must take these many unique needs into consideration if they are to be successes. An implementation success story can be found in the small community of York County, Virginia.

A CASE STUDY: YORK COUNTY, VIRGINIA’S HOME-BASED BUSINESS ASSISTANCE PROGRAM

York County is a semi-rural coastal community in Southeastern Virginia consisting of approximately 68,000 citizens and a business community over 4,500 strong. York County’s location is unique, in that it is in proximity to nine military installations, with a combined total of over 8,000 exiting service members each year. The region is home to 12 institutes of higher education, numerous technical schools, and several federal labs and research facilities, such as the National Institute of Aerospace, Jefferson Labs, NASA Langley, and the Virginia Modeling, Analysis, and Simulation Center.¹³

In 2011, York County’s economic development staff noticed that two-thirds of the county’s business licenses were from home-based businesses. Staff was shocked that nearly 66 percent of the existing business base was not the traditional brick and mortar business that most of their programs were designed to assist. Staff then began to research further the composition of these home-based business licenses, to determine exactly what types of businesses they were.

Staff found that the businesses represented so many more industries and types of enterprises than they ever could have imagined. They represented traditional, network/direct marketing, franchisees, telecommuters, government contractors, entrepreneurs, agriculturalists, and scientists/engineers and patent-holders from nearby research labs and colleges. The existing business list included oyster farmers, mead makers, cleaning companies, construction contractors, bakers, artisans of all types, homeopathic doctors, photographers, inventors, and everything in between.

After researching business license data, going back through past business retention surveys, considering the community’s location near many Department of Defense and technology assets, and looking through national trend data, staff realized that the home-based business movement was here to stay in York County. Businesses were doing what they had to do to survive, and for many, that meant moving “back home.” The finances of doing so had clearly helped many to survive the recession. Staff recognized the need to establish programs for these busi-



2016 Home-Based Business Resource Fair & Conference Exhibit Hall.

HOME-BASED BUSINESS LUNCH & LEARN SESSIONS

<p>APRIL</p> <ul style="list-style-type: none"> • Legal Topics: Contracts, Liability, Patents, Business Structures, & More <p>MAY</p> <ul style="list-style-type: none"> • Electronic Marketing & Social Media Security <p>JUNE</p> <ul style="list-style-type: none"> • Networking Like a Boss! <p>JULY</p> <ul style="list-style-type: none"> • Cyber Security for Your HBB <p>AUGUST</p> <ul style="list-style-type: none"> • Expanding From Owner-Operator to Having Help! <p>SEPTEMBER</p> <ul style="list-style-type: none"> • Powerful Presentations and Proposals <p>OCTOBER</p> <ul style="list-style-type: none"> • Effective Marketing Strategies for Small Budgets & Little Time 	<p>FEBRUARY</p> <ul style="list-style-type: none"> • Cyber Security for Your Home-Based Business <p>MARCH</p> <ul style="list-style-type: none"> • Tax Topics Unique to Your Home-Based Business <p>APRIL</p> <ul style="list-style-type: none"> • Achieving Work-Life Balance as a Home-Based Business Owner <p>MAY</p> <ul style="list-style-type: none"> • Keeping Sane: Organizing Strategies & Tips for Your Home-Based Business <p>JUNE</p> <ul style="list-style-type: none"> • Building & Leading Successful Teams <p>JULY</p> <ul style="list-style-type: none"> • Legal Topics for Your Home-Based Business <p>AUGUST</p> <ul style="list-style-type: none"> • Insurance Topics for Home-Based Businesses <p>SEPTEMBER</p> <ul style="list-style-type: none"> • Selling Yourself: Powerful Presentations and Proposals <p>OCTOBER</p> <ul style="list-style-type: none"> • Effective Marketing & Networking Strategies for Small Budgets & Little Time 	<p>MARCH</p> <ul style="list-style-type: none"> • Oops, Did I Do That? Developing Solid Presentation & Communications Skills <p>APRIL</p> <ul style="list-style-type: none"> • What a Great Idea! But, Will it Work? <p>MAY</p> <ul style="list-style-type: none"> • Success through Service: Servant Leadership for Networking & Reputation <p>JUNE</p> <ul style="list-style-type: none"> • If Only I had One More Hour in the Day! <p>JULY</p> <ul style="list-style-type: none"> • Understanding the New Tax Law Changes and the Implications for Small & Home-based Businesses <p>AUGUST</p> <ul style="list-style-type: none"> • Can I afford it? Smart Planning for Growth & Change <p>SEPTEMBER</p> <ul style="list-style-type: none"> • What is Holding You Back from Reaching Your Goals? <p>OCTOBER</p> <ul style="list-style-type: none"> • Am I Liable? Protecting your HBB & Personal Assets <p>NOVEMBER</p> <ul style="list-style-type: none"> • Frazzled? Clearing the Air: The Art of Reviewing, Removing, & Regrouping
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2016

2017

2018

nesses and relationships with them, so that when the economy improved, they would know who to call for help in returning to or growing into commercial space. Since no existing programs could be found locally, or even at the state or federal level, to meet the needs of home-based business owners, the York County Home-Based Business Assistance Program was born!

The Home-Based Business Assistance Program is a comprehensive economic development initiative designed to help the home-based portion of the business community grow and thrive. The initiative was framed as a combination entrepreneurial/retention and expansion/attraction strategy. First, staff established the following goals and priorities for the initiative:

1. To increase business assistance programs and offerings to home-based businesses and entrepreneurs in our community.
2. To establish lasting relationships with the county's home-based business owners, so if growth occurs, they are motivated to stay in the county.
3. To entice home-based business owners out of their homes to attend events so they can:
 - a. Learn about assistance programs available to help them
 - b. Network and grow their businesses
 - c. Receive educational training to help their businesses

4. To improve the home-based business regulatory environment.

Next, the program components were developed and fleshed out. The first component of the program was a **Home-Based Business Transition Grant**, aimed at moving home-based business owners from their homes to commercial space. The county's Economic Development Authority appropriated \$20,000 for a pool of matching grant funds. Businesses could apply for up to \$2,000 in matching dollars to assist with transition expenses in moving to commercial space. Unfortunately, staff quickly realized this was not the type of help the majority of these businesses needed, as interest in the program was lower than originally anticipated. This program still has merit, as two of the county's objectives are to lower the commercial vacancy rates and to encourage home-based businesses to grow. Staff set out to determine the more pressing needs of local home-based business owners. When interviewed, most home-based business owners said they were happy working out of their homes for many reasons, some personal and some financial, and that their more important needs were for education, marketing, and networking.

Staff then developed two new components of the program (i.e. Phase II) to meet additional needs of this sector. The first was the **Home-Based Business Resource Fair & Conference**, an annual day-long event that features a resource fair with over 30 service-providing exhibitors, as well as conference sessions and specialty breakout tracks.

The session topics are relevant to all types of home-based businesses and the breakout tracts delve deeper into industry-specific topics for traditional, franchise, and direct and network marketing. The second was the **Home-Based Business Lunch & Learn Series**, which is a more in-depth continuation of the most popular topics from the Resource Fair & Conference. Lastly, staff reviewed all existing business assistance programs and reworked them so that home-based businesses could apply to these programs and benefit from them. The majority of these programs focus on marketing assistance, such as the E-Commerce Grant Program, Google Street View for Business Grant Program, and exposure on the county's buy local website www.KeepItInYorkCounty.com.

Most recently, a recognition award has been added, which celebrates the **Home-Based Business of the Year**. This award will be given at the county's annual business

appreciation event called The Distinguished Business Af-fair, a popular networking and awards reception that has been celebrated for over 35 years and attracts well over 100 local business owners.

In addition to the development of internal programs, staff reached out to several other business assistance organizations in the community and partnered with them to create additional benefits and programs for home-based businesses. Partnerships were formed with the York County Chamber of Commerce and the Launch-pad: Greater Williamsburg Business Incubator to meet home-based business needs, such as affordable meeting space outside of their homes on an occasional basis and the need for changes in the county's home-based business ordinance to make it easier to do business. Both organizations were already county-supported, so it was a natural fit to work with them to design programs and

HOME-BASED BUSINESS CONFERENCE SESSIONS

	Morning	Afternoon
TOP TIPS PANELS		
<ul style="list-style-type: none"> Business Insurance Tax & Legal Matters Budgeting, Bookkeeping, & Banking Cybersecurity & Data Protection HR Topics Networking Marketing on a Budget Time Management & Organization Local Grant Programs & Resources Zoning, Land Use, & Special Use Permits Business Licenses & Taxes 	PROTECTING YOUR INVESTMENT PANEL <ul style="list-style-type: none"> Cybersecurity & Data Protection Legal Matters Tax Topics Business Insurance GROWING YOUR HOME-BASED BUSINESS PANEL <ul style="list-style-type: none"> Time Management & Organization Networking & Self-Branding Techniques HR Topics: Employee or Contractor Marketing Essentials 	PROTECTING YOUR INVESTMENT PANEL <ul style="list-style-type: none"> Cybersecurity & Data Protection Legal Matters Tax Topics & Payment Processing Options Business Insurance GROWING YOUR HOME-BASED BUSINESS PANEL <ul style="list-style-type: none"> HBB Resources you Need to Know About: State & Local Programs, Offices, & Resources Achieving a Positive Life/Work Balance: Time & Clutter Management Electronic Marketing for your HBB
DIRECT SALES & NETWORK MARKETING <ul style="list-style-type: none"> The Endless Pipeline: How to Perpetuate Leads and Customer Referrals How to Manage Your Emotions and Stay Consistent Evaluating Opportunities: How to Choose the Right Company for You How to Build Teams and Develop Leaders HOME-BASED FRANCHISES <ul style="list-style-type: none"> Evaluating Opportunities: How to Choose the Right Franchise for You Business Development 101: How to Find Customers and Win Contracts Get With the Program: How to Succeed Without Reinventing the Wheel How to Choose and Train the Right Employees TRADITIONAL HOME-BASED BUSINESSES <ul style="list-style-type: none"> Marketing & Promotion: How to Get the Word Out Art of the Deal: Using Consultative Selling to Win New Business Get Your Foot in the Door: How to Win Contracts with the Government Taking the Plunge: How to Survive Your First Year in Business & Manage the Ups & Downs 	DIRECT SALES & NETWORK MARKETING <ul style="list-style-type: none"> Filling the Funnel: How to Perpetuate Leads & Customer Referrals The Secret to Long-Term Residual Income - 12 Success Factors How to Build Teams, Develop Leaders, & Duplicate Success Keeping Your Head in the Game! TRADITIONAL HOME-BASED BUSINESSES & FRANCHISES <ul style="list-style-type: none"> Credit Card Processing Options, Regulations, Liability, & Tips Managing & Financing Growth for Long-Term Success Marketing & Social Media: Growing Your Business on a Small Budget Surviving in Business: Overcoming Obstacles & Maintaining a Positive Life/Work Balance MISCELLANEOUS WORKSHOPS <ul style="list-style-type: none"> Doing Business with the Government: SWAM Certification, eVA Registration, & How to Win Government Contracts Starting Out the Right Way: The Process, Local Specifics, & Local & State Assistance Programs & Organizations Chew on This: Food Topics for Home-based Culinary Businesses In-Depth Cybersecurity, Social Media Security, & Data Protection 	DIRECT SALES & NETWORK MARKETING <ul style="list-style-type: none"> Filling the Funnel: How to Perpetuate Leads and Customer Referrals How the Recent FTC Ruling Affects Your Business How to Build Teams, Develop Leaders, & Duplicate Success Keeping Your Head in the Game! TRADITIONAL HOME-BASED BUSINESSES & FRANCHISES <ul style="list-style-type: none"> Telling your Story: Branding & Public Relations for Home-Based Businesses Planning & Financing Growth for Long-Term Success Making HBB Life Easier: Organizational and Time Management Strategies How to Network & Leverage Circles of Influence HANDS-ON WORKSHOPS <ul style="list-style-type: none"> Doing Business with the Government: SWAM Certification, eVA Registration Workshop Quickbooks Training for your Home-Based Business

2015

2016

2017

benefits under their existing tier structures that would specifically benefit this home-based sector of the business community. Both organizations rose to the challenge by offering reduced membership rates and reduced rates for occasional office/conference room rentals for home-based businesses. The York County Chamber also created a Home-Based Business Ordinance Review Committee to review the current ordinance and suggest positive changes to the County Board of Supervisors.

Future program components include:

- a vendor fair, where home-based businesses can show the community all that they have to offer;
- roundtable lunches with the county's elected officials, where business owners can speak one-on-one with board members to discuss matters related to owning a home-based business in York County; and
- focus groups to help York County staff learn more about the unique needs of the local home-based businesses.

The program has garnered interest from many of York County's neighboring localities, so work is also underway to transition the program to a more regional initiative.

The program results, and subsequent recognition of York County's home-based business initiative by the International Economic Development Council, the National Association of Counties, and the Virginia Association of Counties, speak for themselves. The Home-Based Business Assistance Program has been extremely successful in accomplishing the objectives set forth for the program and its many components. Over 600 local business owners have attended training and networking events to grow their businesses, some of which have subsequently transitioned into commercial space in the county. Many businesses have received grant funding to help their business continue to thrive and grow. Most importantly, hundreds of new relationships have been established with local home-based businesses, where few existed before the program began.

York County's Home-Based Business Assistance Program is an innovative trendsetter for local government economic development. The program is meeting the needs of a growing and untapped population and York County is proud to be at the forefront of this growing trend.

Business retention and expansion experts routinely say that the key to growing existing businesses is relationship-building, which is one of the main goals of developing a home-based business assistance program. Savvy economic developers will take note and work to develop assistance programs that meet the specific needs of home-based business enterprises in their communities, to complement their traditional retention and attraction strategies.



2016 Home-Based Business Tax Topics Lunch & Learn session.

CONCLUSION

Many experts agree that home-based businesses are the wave of the future for much of the world's workforce. As this trend becomes more of a norm, more programs will undoubtedly emerge to meet the needs of this sector. Most economic development organizations are not currently focusing on this targeted home-based business group, instead choosing to maintain the traditionally-accepted focus on new business attraction and retention of existing brick-and-mortar companies.

Entrepreneurial startups and home-based businesses are growing substantially, with no signs of slowing, due in large part to changing demographics and recent technological advances. Might you have the next Google or Apple hiding in a home in your community, just waiting to be found? How would one know if programs do not exist to "smoke them out" and assist with their very unique needs? Business retention and expansion experts routinely say that the key to growing existing businesses is relationship-building, which is one of the main goals of developing a home-based business assistance program. Savvy economic developers will take note and work to develop assistance programs that meet the specific needs of home-based business enterprises in their communities, to complement their traditional retention and attraction strategies. ☺

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getting retail ready

By Larisa Ortiz

This article is adapted in part from “Improving Tenant Mix: A Guide for Commercial District Practitioners” written by Larisa Ortiz and originally published by the International Council of Shopping Centers.

INTRODUCTION

Commercial district practitioners frequently struggle with retail leasing in a fundamentally different way than single-owner shopping center managers. In most cases, they do not own or control property, meaning they can only influence, but cannot control, the decisions of property owners and the brokers that serve them. This shouldn’t prevent a practitioner from advancing a retail attraction effort – this is because retail attraction support, especially for downtown organizations, can take a variety of forms. It can mean investing in the downtown retail environment through physical improvements, or it can mean actively seeking prospects and matching potential tenants to spaces. The process outlined here takes a comprehensive approach to retail attraction, and can be used to help communities customize their strategic retail plans, define their unique capital investment needs, and execute on their leasing and prospecting efforts more efficiently and successfully.

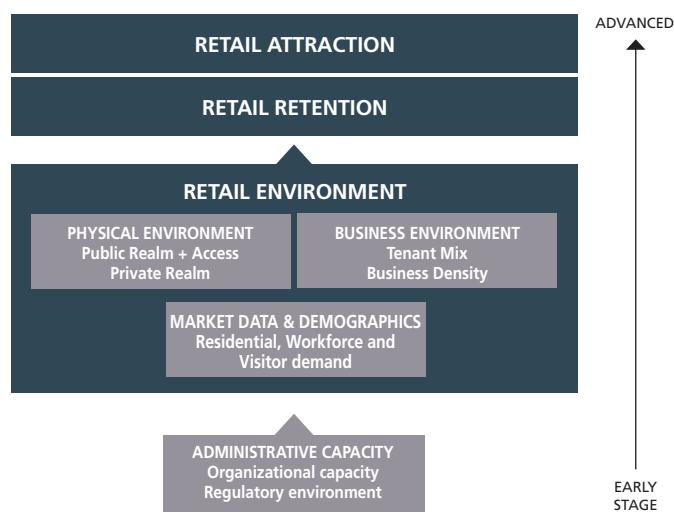
I. DIAGNOSE

Diagnosing district needs and challenges is a critical first step in developing a comprehensive retail leasing program. The framework outlined here reflects a “retail ready first” approach, meaning that addressing the fundamental physical, business, and

THE PHASES OF A COMPREHENSIVE RETAIL LEASING EFFORT



“RETAIL READY” HIERARCHY



© Larisa Ortiz Associates

market attributes is a necessary and often initial element of retail attraction success.

The diagnostic component of the retail ready approach considers four base elements, including:

- a **business environment** marked by retail density and co-location between and among complementary businesses;

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DESIGNING A DOWNTOWN RETAIL LEASING STRATEGY AND WHY IT’S NOT ALL ABOUT THE NUMBERS

Retail leasing can be a challenge for commercial district practitioners, the individuals whose job it is to improve downtown and/or neighborhood commercial districts. A typical district includes many independent property and business owners, and while practitioners may influence their leasing decisions, they have no control over these decisions. The step-by-step process outlined here offers a comprehensive approach to improving tenant mix, one that is tailored to these practitioners. The process begins with a framework for diagnosing district needs and challenges, offers insight into interventions that will improve the overall business environment, and closes with concrete strategies for identifying tenants and celebrating success.

- a **physical environment** where the conditions of both the public realm and a private realm create an atmosphere that is appealing, safe, comfortable and accessible;
- **market and demographic characteristics** that reflect adequate demand from any or all of the following\ residents, visitors, and employees; and the
- **administrative capacity** to support advanced collaborative leasing initiatives combined with a clear and well defined regulatory environment that offers businesses predictability and transparency.

Much like a cell is made up of strands of DNA, these elements reflect a district's unique "Commercial DNA". The author, with the support of the Local Initiative Support Corporation (LISC) NYC, developed the City of New York's Commercial District Neighborhood Assessment tool, which is being used to diagnose and define investment needs along the city's commercial corridors.

Business Environment: Density and Tenant Mix

Being retail ready begins with an understanding of the importance of density and existing tenant mix. In fact, the earliest models of trade area were based on the assumption that agglomeration, or the clustering of complementary stores, increased the attractiveness of an area as a shopping destination. Beginning with William J. Reilly's Law of Retail Gravitation (1929) and later refined by David Huff (1960), subsequent evolutions of retail analysis theory are based upon the understanding that people select shopping destinations based on both the utility and "attractiveness" of a shopping opportunity.

Attractiveness is a loaded term – but Huff's theory defines this term in relation to the size of store in question, the total number of stores in the district, and the distance of a store from the shoppers' point of origin. Common sense reinforces this finding - people like the convenience of being able to shop easily. This has traditionally meant the ability to shop at a few stores at once. The ability to patronize more than a single store at a time helps makes a district more appealing.

From the perspective of the commercial district practitioner, there are two points here. The first is that quantity matters. The square footage, and number of businesses and offerings found in your district are typically correlated with the distance customers are generally willing to travel. The second is that proximity matters. The co-location of businesses that share customers is critical to encouraging shared shopping trips.

Industry Rule of Thumb: We sometimes say that a customer is willing to travel one minute for every four minutes of activity at their destination, which translates to a 1:4 ratio of travel time to activity. Therefore, a customer expects four hours of activity in exchange for one hour of one-way travel time.

Understanding impediments to access, visibility, and circulation – and developing strategies to address those impediments – can sometimes mean the difference between success and failure of a retail attraction effort.

A time series analysis of 267 commercial corridors in Philadelphia and commissioned by the Local Initiative Support Corporation further supports this claim. The study, entitled "Commercial Corridors: A Strategic Investment Framework for Philadelphia", considered the impact of a variety of factors on district success over a period of 10 years. The findings uncovered significant correlation between commercial district successes (as measured by retail sales, real estate values, shopping trips as a measure of customer satisfaction, and store density as measured in stores per square mile). Of the many dozens of variables considered, the ability of a shopper to "visit multiple stores in the same area" offered the broadest association with strong business performance as measured by both real estate values and retail sales over time.

Physical Environment: Public Realm, Private Realm, Accessibility

A second major consideration is that of downtown physical conditions, including the conditions of the streets and sidewalks (**public realm**), the buildings (**private realm**), and overall **accessibility** and convenience to a customer base.

The impact of a district's physical conditions on customer behavior is further reinforced by experts in the field of consumer shopping habits. John Skinner of the Verde Group, a national retail consultancy, often discusses how critical it is for mall managers to "stage" the shopper – by ensuring that the physical conditions and amenities of the shopping mall support a comfortable shopping experience *before* the sale is made. In a downtown environment that means ensuring that the offerings were appealing and that the experience of walking down the street was comfortable and pleasant. In many communities this can simply mean ensuring that the downtown is clean and inviting, from the conditions of the street and sidewalks to the storefronts and buildings.

Finally, we look at issues of **accessibility** and **visibility**, which affect the utility of a corridor as a shopping destination. Understanding impediments to access, visibility, and circulation – and developing strategies to address those impediments – can sometimes mean the difference between success and failure of a retail attraction effort. In many communities, the access means parking accessibility. Businesses want to ensure ease of arrival and let's face it, for many downtowns the majority of customers arrive by car. Our experience is that many downtown environments have more than sufficient parking – but it is often hard to find, poorly located, and privatized. The issue, therefore, is often one of management, not

quantity. Sometimes simple solutions like shared parking lots and better wayfinding signage can help mitigate that challenge. In other cases more advanced solutions, identified with the help of transportation planners, are necessary.

Improvements to access should not be limited to the automobile. Many commercial districts have instituted complete street policies that ensure that the area is welcoming to a variety of alternative transportation modes, including bike, foot or public transit. Furthermore, a community's residential and office worker density are additional factors to take into account when determining access to a customer base. A large residential or daytime worker population presumably reflects a captive customer base that does not require a car to patronize local businesses.

Market Demand and Demographics

Market demand is often the first, and sometimes only, metric that communities take into account when developing a retail attraction strategy. While we fully recognize that sufficient buying power is critical to a healthy downtown district, determining market demand with precision can be a tricky proposition, particularly in communities with a large non-residential customer base. (See sidebar on market data)

Districts that support a significant number of daytime office workers, have a large student population living in student dormitories, or support popular local tourist attractions, for example, are not particularly well served by traditional census based data sets when it comes to understanding retail attraction opportunities. Moreover, districts undergoing significant neighborhood change – communities where new residential developments have

What do these populations share in common?

- Students living in college residence halls (and others living in census defined "group quarters")
- Visitors to local cultural institutions
- Downtown employees
- Second homeowners in the area

Here is the reason why market data may be failing you...

If downtown businesses depend on any of these customer segments to make up a significant share of their sales, traditional census based data may be failing you. This is because census based estimates of discretionary available income do not include these groups – yet these estimates are often used to make assumptions about market opportunity and by extension retail attraction efforts. To make matters worse, the demographic characteristics of these groups may differ considerably from that of the local household population, rendering traditional market data and demographic analysis significantly less useful in defining what kinds of businesses you should work on bringing to your downtown. Primary data sources, such as email/intercept surveys and focus groups, can become useful tools to help provide additional insight into the spending patterns of these non-residential populations.

occurred since the last census – are also not particularly well served by these data sets. When information on a major source of discretionary spending is limited, additional resources might be necessary to better understand the spending habits and retail needs of the non-residential or new resident populations. In these instances, surveys can be valuable tools to help fill in the blanks.

That said, one must understand the customer, their shopping preferences, and needs in order to inform a successful retail leasing effort. This means defining where the customer is coming from (i.e. trade area).

Administrative Capacity

Finally, a retail leasing effort cannot advance without an organization with the capacity to support and maintain vigorous leasing efforts. As any broker can attest, leasing is often a slow process of building relationships with property owners, brokers, and potential tenants and tracking them over time. Without the organization's staff and support, there is limited to no ability to intervene, and retail attraction efforts may be more passive than active.

II. INTERPRET

Once you have completed the Commercial DNA diagnostic, use the information gathered to develop a **strategic positioning statement** that is rooted in your diagnostic findings and informs your retail leasing efforts. This statement will be the filter against which you measure a prospect's "fit" for your district. This means defining the needs and wants of your customer base as they pertain to the following:

- **Retail categories** (i.e. apparel, food, grocery, services, etc.)
- **Price point** (i.e. discount, affordable, mid-market, upmarket)
- **Lifestyle appeal** (the desire for traditional, contemporary or trendy offerings)

Your strategic positioning statement should become your retail attraction mantra – a shared vision that you communicate broadly through your communications material, with your partners and property owners, and with the retail real estate community at large.

*Example of a strategic positioning statement: Our district offers a **family-friendly** environment with **unique offerings** with a **mix of price ranges**, from affordable to mid-market. We maintain an emphasis on **mom and pop businesses, food, art and culture** that caters to both local families and visitors.*

III. MOBILIZE

The next step involves getting the message and findings out there through a variety of mediums, including:

Marketing Material

Develop print and/or online district marketing material that clearly summarizes your market data and clearly communicates your strategic positioning statement, your retail leasing objectives, and targeted retail categories.

DEVELOPING A MARKETING PACKAGE

Whether by print, or increasingly through digital means, a marketing package should include the following information:

- **Street map** of the district that identifies major destination drivers. This includes but is not limited to entertainment venues, cultural institutions, tourist attractions, hotels, houses of worship, libraries, subway stops, landmarks, and buildings with high concentrations of employment. Your map should also include the corporate logos of nearby tenants. This will give retailers the ability to quickly assess the market and tenant mix at a glance.
- **Demographic and/or market highlights** for BOTH the resident and visitor population
- Information about any **incentives or resources** available to businesses
- **Development projections** that offer businesses a glimpse of what the district will be like in one, five, and ten years. Be honest in your assessment and differentiate between what is really going to happen and what you hope will happen. Retailers will appreciate the candor.
- **Testimonials** from merchants
- **Quotes from media coverage** of your district



Retail attraction marketing materials for Steinway Street, Queens, NY. Image: LOA

Your marketing material serves to communicate a basic message – that your district has a sufficient number of the customers businesses are looking for. If you want casual dining establishments, share information about residential density and local employment. If you want yoga studios or fitness facilities, stress the fact that your community has a large number of young professional residents. (See sidebar on developing a marketing package)

Enroll Property Owners

One of the underlying challenges in managing tenant mix is that different owners have different goals that are sometimes in conflict with each other. A long-time owner of a property who is happy with the current revenue stream may be less interested in major investments or renovations given that they need and already have a steady income stream. On the other hand, an owner interested in selling in a short time horizon may seek to purchase, renovate, and sell in short order to maximize the return on their investment. Understanding the unique needs and goals of each owner is critical to advancing successful leasing of the space in line with the district leasing plan. (See sidebar on understanding property owner motivations)

Prospect Identification and Outreach

There are both formal and informal ways to build a prospect list, including keeping up with industry trade publications, scouting districts with similar demographic

and market profiles, networking at trade show events, and reaching out to tenant brokers with regularity. The next step is to work the list. Ensure you have staff with the right disposition to engage and build relationships with potential prospects. Invite these prospects to your district and curate the visit to ensure you are showing them spaces that reflect their needs. This does not mean you need to be the broker – feel free to connect them with brokers if you are fortunate enough to have a viable and reputable brokerage firm in your community.

Focus on growing your prospect list incrementally and selectively with businesses that reflect your desired strategic positioning. This is not a race – it is a marathon.

IV. CELEBRATE AND EVALUATE

A lease signing is an accomplishment – don't let the opportunity to demonstrate your success go to waste. A grand opening is an exciting recognition of a job well

UNDERSTANDING PROPERTY OWNER MOTIVATIONS AND AVOIDING DEAD ENDS

Queensboro Plaza, located in Long Island City, Queens, NY, doesn't have a national drug-store despite serving as a major transit hub, home to Jetblue Headquarters as well as thousands of workers, residents, and over a dozen hotels within walking distance. The pace of development in the neighborhood is nothing



Well positioned sites that are ripe for development typically may require tenants to sign leases with demolition clauses. Image: Google Streetview

short of astounding. Yet employee surveys conducted by the Long Island City Partnership, the local economic development entity, continue to find that major business tenants and their employees want a name brand drug store.

In 2011, the author accompanied the Partnership staff to the International Council of Shopping Center's (ICSC) Dealmaking in New York where they actively pursued a few potential drugstore tenants. What we found was that the locations of interest to drugstores – namely the locations immediately adjacent to busy subway entrances – were in older buildings that were under built by zoning. The degree of development interest in the area meant that these locations were ripe for redevelopment. As a result, most owners were logically unwilling to encumber their property with a lease that would prevent wholesale development when the time was right.

As a result, owners of many of these buildings made tenants sign demolition clauses as part of their lease terms. These clauses allow a landlord to take possession of the retail premises for the purposes of demolition or renovation, with limited notice and usually without compensation to the tenant. While these clauses give owners the flexibility they need to make a lucrative development deal, they effectively prevent a space from being leased to a quality tenant interested in long term tenancy. Most national tenants require tenant improvements that would be difficult if not impossible to amortize over an adequate period of time. Understanding the conditions unique to a given property will prevent you from spending too much time chasing tenants who will not be interested, no matter how good the location and opportunity.

done. It is also an excellent way to build credibility and engage more property owners in your effort. Issue a press release, invite local leaders to mug for the cameras, cut that bright red ribbon, and watch your ability to manage tenant mix grow. The buzz you generate not only helps your efforts, it markets the new business and helps put it on solid footing. If possible, interview the new tenant and capture their performance over time as additional empirical data.

CONCLUSION

The basic elements of the retail attraction effort may change over time. In some places, the market will begin to fill vacancies without much support from the commercial district manager, and in other places continued and sustained retail attraction efforts may remain. ☺

WINNIPEG, MB, CANADA, WEST END BUSINESS IMPROVEMENT ZONE (WEST END BIZ)

With a \$15,000 budget allocated for print and video expenses and much of the balance of the work completed in-house, Gloria Cardwell-Hoepnner, executive director of the West End BIZ, developed the award-winning Open for Business retail attraction effort inspired by the tenets outlined here.

Getting Retail Ready

The retail attraction effort took into account the need to address major "retail ready" challenges such as storefront conditions and overall safety concerns that have plagued the neighborhood for years. The BIZ has been pivotal in increasing business development, storefront improvement, and safety grants from \$37,000 in 2013 to \$98,000 in 2016.

Market Research & Communication

The effort included an information package that provided an attractive, easy to understand packet of information for realtors, the media, and business owners looking to locate in the neighborhood. The marketing piece can be viewed here: <http://www.westendbiz.ca/your-business-here>. The BIZ also incorporated a submission form on their website for interested businesses. This helps them develop a database and follow up on leads more effectively.

Communication and Outreach

The West End BIZ outreach efforts included direct distribution to brokers, television commercials, website videos, and broker breakfasts. The BIZ did not try to compete with brokers, but rather made sure the information could be used by the broker community to advance a positive narrative of the area.

Evaluation

Since the program inception, the BIZ has further refined its benchmarking efforts and has developed the West End Trends Report which summarizes basic data on an annual basis, including additional analysis on local demographic and business trends.

Results

In the first two years since the project was started, 81 new businesses have opened and the BIZ continues to build its profile as a "go-to" source of market data for the location retail real estate community. They also noted website traffic increased from 6,220 visits in 2013 to 20,607 visits in 2016. In 2017, the West End BIZ received the International Downtown Association's Pinnacle Award, the organization's most prestigious award.



Brochure for retail attraction effort.



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NEWS FROM IEDC

RESPONDING TO CHALLENGES TO THE PROFESSION

Economic development has become a political lightning rod in a number of places around the United States. The profession and the resources devoted to economic development are under fire from groups and philosophies across the spectrum, based on concerns that range from equity to incentives, to limiting government and more.

Understanding these challenges, along with effective responses to them, is a priority for IEDC in 2018. IEDC is conducting research in order to develop resources that will help economic developers address these challenges when they arise in their communities.

If you have experiences or input to share, contact Louise Anderson at landerson@iedconline.org.

2018 ECONOMIC DEVELOPMENT WEEK TOOLKIT NOW AVAILABLE – DOWNLOAD IT TODAY!

IEDC launched its third annual National Economic Development Week Call for Participation last month. Many tools were made available for communities and organizations to create successful campaigns. These include a new social media grid for easier content management, graphics taken directly from the "Why Invest in Economic Development" brochure, dozens of customizable social media messages, and a specific campaign idea for communities to work with IEDC to deliver a training course for elected officials.

Download the comprehensive Toolkit at iedconline.org/edw.

ENGAGING ELECTED OFFICIALS

Do your local elected leaders understand the role that they can and should play in economic development? Would you like to help inspire and educate your local officials about the system and practice of economic development so they can become better champions for this essential community responsibility? IEDC is pleased to introduce new training that can help.

Through generous grants from the Delta Regional Authority and U.S. Economic Development Administration, over the past two years IEDC built curriculum specifically designed for local community leaders. To date, the courses have been taught in over 50 communities and now we're ready to bring them to you. We are taking reservations now to schedule locally-customized training before, during or after Economic Development Week and throughout 2018.

To discuss costs and logistics, contact Lynn Knight, CEcD, Vice President, IEDC Knowledge Management and Development at lknight@iedconline.org.

AEDO PROGRAM ANNOUNCES ACCREDITED ORGANIZATIONS

The Accredited Economic Development Organization (AEDO) program announces three new accreditations:

- Las Vegas Global Economic Alliance, Las Vegas, Nevada
- GO Topeka, Topeka, Kansas
- The Right Place, Inc., Grand Rapids, Michigan

Three organizations recently achieved reaccreditation for three years:

- Temple Economic Development Corporation, Temple, Texas
- Roanoke County Department of Economic Development, Roanoke, Virginia
- Colorado Lending Source, Denver, Colorado

In 2017, ten organizations became accredited through the AEDO program. To learn how your organization can become a member of the prestigious AEDO network, visit www.iedconline.org/AEDO.



UTILIZING REVOLVING LOAN FUNDS FOR DISASTER RECOVERY

Through funding from the U.S. Economic Development Administration, IEDC provides free disaster preparedness, post-disaster economic recovery, and economic resilience resources and tools for communities. As part of this initiative, IEDC is publishing Case Studies: Using Revolving Loan Funds for Disaster Recovery.

The report highlights how four communities deployed RLFs post-disaster to help small businesses restore their operations and thrive post-disaster. The case studies illustrate how this gap financing measure serves as a critical business assistance tool in the recovery phase and beyond. Visit RestoreYourEconomy.org to download a free copy of the report, plus other tools.



INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL

CALENDAR OF EVENTS

RECERTIFICATION FOR CERTIFIED ECONOMIC DEVELOPERS

Fulfill a recertification requirement without tapping into your budget!

Earn two credits towards your next recertification by having an article published in the *Economic Development Journal*, IEDC's quarterly publication.

This is one of a number of ways that you can pursue recertification credits.

Submissions are accepted throughout the year. The Journal Editorial Board reviews all articles and determines which articles are accepted for publication.

For more information contact Jenny Murphy, editor, at murp@erols.com (703-715-0147).



INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL



IEDC sponsors an annual conference and a series of technical conferences each year to bring economic development professionals together to network with their peers and learn about the latest tools and trends from public and private experts.

IEDC also provides training courses and webinars throughout the year for professional development, a core value of the IEDC. It is essential for enhancing your leadership skills, advancing your career, and, most importantly, plays an invaluable role in furthering your efforts in your community.

For more information about these upcoming conferences, webinars, and professional development training courses, please visit our website at www.iedconline.org.

CONFERENCES

2018 Federal Forum

March 25-27
Washington, D.C.

2018 Economic Future Forum

June 24-26
Buffalo, NY

2018 Annual Conference

September 30-
October 3
Atlanta, GA

2018 TRAINING COURSES

Neighborhood Development Strategies

March 22-23
Washington, D.C.

Managing Economic Development Organizations

April 12-13
Lansing, MI

Economic Development Strategic Planning

April 19-20
Atlanta, GA

Economic Development Credit Analysis

April 25-27
Minneapolis, MN

Real Estate Development & Reuse

May 3-4
Madison, WI

Economic Development Marketing & Attraction

May 10-11
Albuquerque, NM

Technology-Led Economic Development

May 17-18
Toronto, ON

Workforce Development Strategies

May 24-25
Ft. Myers, FL

Real Estate Development & Reuse

June 7-8
Atlanta, GA

Managing Economic Development Organizations

June 13-14
Kelowna, BC

Economic Development Strategic Planning

June 14-15
Baltimore, MD

Entrepreneurial & Small Business Development Strategies

June 21-22
Buffalo, NY

Economic Development Credit Analysis

July 25-27
San Antonio, TX

Business Retention & Expansion

August 16-17
Denver, CO

Workforce Development Strategies

September 27-28
Atlanta, GA

Economic Development Marketing & Attraction

October 11-12
Calgary, AB

Business Retention & Expansion

October 18-19
Toronto, ON

Entrepreneurial & Small Business Development Strategies

October 25-26
Chapel Hill, NC

Real Estate Development & Reuse

November 1-2
Phoenix, AZ

Managing Economic Development Organizations

November 8-9
Baltimore, MD

Economic Development Marketing & Attraction

December 6-7
Atlanta, GA

2018 CERTIFIED ECONOMIC DEVELOPER EXAMS

March 24-25, 2018

Washington, D.C.

June 23-24, 2018

Buffalo, NY
(Application Deadline: April 23)

September 29-30, 2018

Atlanta, GA
(Application Deadline: July 30)

2018 WEBINARS

Cultivating a Great Outdoor Recreation Economy

April 12

Ethics and Economic Development (Free)

May 2

Strengthening Your Workforce and Economic Development Partnerships

May 17

grow lee

By Dennis Fraise, CEcD

for many rural communities, a perfect storm is brewing that consists of an aging workforce, shrinking populations, mature manufacturing facilities, a large number of retirees, and a future workforce that will be smaller and less skilled. As communities and school districts shrink and desperately try to hold onto the past, infighting and finger-pointing can become common. Many people want to cling to a past that is not coming back and have a real fear of embracing a future filled with change.

In 2013, the Lee County Economic Development Group (LCEDG) in Iowa decided to go from a publicly funded entity to a public-private partnership. A capital campaign was conducted and \$1.3 million in private sector funding was pledged over a five-year period. Combined with the financial support from the county this allowed the organization to be funded 50:50 by public and private investors.

As part of a capital campaign, we interviewed over 60 businesses, industries, and stakeholders throughout the county. Based on the input from these interviews, we developed four pillars of activity for the organization and its efforts:

- 40 percent workforce development
- 40 percent business retention and expansion
- 10 percent new business attraction
- 10 percent marketing and communications

After completing the successful capital campaign, we conducted Synchronist interviews with industries representing Lee County's top 20 employers. These companies employ over 4,000 workers, or 94 percent of manufacturing employees in the county. Data from the Synchronist interviews determined the workforce to be the number one business retention and expansion issue facing

For many rural communities, a perfect storm is brewing that consists of an aging workforce, shrinking populations, mature manufacturing facilities, a large number of retirees, and a future workforce that will be smaller and less skilled. As communities and school districts shrink and desperately try to hold onto the past, infighting and finger-pointing can become common. Many people want to cling to a past that is not coming back and have a real fear of embracing a future filled with change.

our industries. Synchronist interviews are part of the on-line Synchronist system that are a powerful tool for understanding and managing an existing business strategy or a business retention program.

As we started collecting data and looking at the challenges that lie ahead, a bleak picture of Lee County's future was starting to form. Rural communities with a manufacturing base will face significant challenges in the coming years. Workforce issues can potentially have a severe impact on our communities. As baby boomers begin to retire en masse, there is a very real concern about the ability to not only find enough workers but to find enough workers with the skills that industries need.

Located in Southeast Iowa, Lee County has a population of just over 35,000 and is a perfect example of a rural community with a manufacturing base. One in four jobs is tied to manufacturing and those jobs represent the backbone of our economy. Since the 1970s, the county has lost over 9,000 residents, or roughly 20 percent of its population. Many of the manufacturing facilities were constructed in the 1970s.

Dennis Fraise, CEcD,
is the chief operating officer of the Lee County Economic Development Group. (dfraise@leecountyedg.com)

OVERCOMING CHALLENGES FOR DEVELOPING THE FUTURE WORKFORCE IN LEE COUNTY, IOWA

Grow Lee is a workforce program that was created to help address the future workforce needs of Lee County, Iowa. The goal was to bring together all the stakeholders and create an action plan to ensure the future economic viability of local industries, businesses, and the county. The program also strived to help connect the youth of the county to the available opportunities in the area. Grow Lee is a 2017 IEDC Gold Award winner in the Human Capital category.

The deeper we delved into the numbers, the more daunting the problem seemed. A common refrain was to dwell on the negatives: a shrinking population, mature industries, mass retirements, unmotivated workforce, a skills gap and a lack of soft skills. To be successful in the future, we had to drill deeper into the data while building relationships and connecting with people. Certainly, there were challenges, but there were also opportunities.

We found opportunities among some of our motivated partners, including industries, community leaders, school districts, and community college. Unfortunately, we soon realized that these groups often spoke past each other, and when they spoke it was almost as though they were speaking different languages. Finding a common language became an almost larger task than overcoming our other issues.

GROW LEE IS BORN

As a countywide economic development group, LCEDG was uniquely positioned to bring together these disparate groups. To be successful, we couldn't just think outside the box, we needed to imagine a new initiative where boxes didn't exist. We knew the story the numbers were telling us, but we didn't know the story behind the numbers. Why did these groups have such a difficult time communicating and how could we be the catalyst for change?

Phase one was developing a strategy: What did we want to accomplish and what would success look like? To be successful, we needed to succinctly articulate our vision. We wanted to avoid business as usual and create another plan that would sit on a shelf and never produce any real change. In broad strokes, we identified a vision for the future that required our organization to be a catalyst for change, to create an impact on our future workforce, and to develop a mechanism that would allow everyone to speak a common language.

Phase two required us to create a plan to make our vision a reality, starting with the premise that most people are tired of going to meetings where nothing happens. Too many times, we have all assembled in a meeting and stuck Post-It notes or stickers to a wall, created a plan, and nothing happened. Good intentions don't always lead to results. Our mantra became: *What would we do if we knew we couldn't fail?*

We seized this opportunity and challenged ourselves to develop a plan of short, high-energy meetings that were fun and led us to action. Early on, it was important to build a brand for what we were doing and trying to accomplish. Through our planning process, we decided to call our effort Grow Lee. Short, simple and to the point, we wanted to grow Lee County. Using elements of our logo, we created a new logo for Grow Lee.



Grow Lee participants work together during a Talent for Today and Tomorrow meeting in an ice breaking exercise by forming symbols of unity from Play-Doh. Each Talent for Today and Tomorrow meeting lasts 58 minutes and starts with an ice breaker.

Phase three was involvement: Who needs to be part of this process? We wanted to cast a wide net and bring together a truly diverse group of stakeholders to have a conversation. One thing that became abundantly clear from the information gathering was that we needed to become better listeners. Active listening was going to be one of the cornerstones of Grow Lee. Too often, we had become victims of creating solutions to problems without soliciting enough input from the very people we were trying to help. Grow Lee partners and participants included:

- 30 Lee County manufacturers
- Southeastern Community College
- Fort Madison Economic Development Corporation
- Keokuk Economic Development Group
- Iowa State Extension
- Southeastern Community College Center for Business and Industry
- Iowa Workforce Development Region 16
- Southeast Iowa Labor Unions
- Fort Madison High School
- Central Lee High School
- Holy Trinity High School
- Keokuk High School
- Lee County Board of Supervisors
- Gate City Newspaper
- Daily Democrat Newspaper

We then developed a process to turn our planning into actions. Starting in June 2014, LCEDG began hosting a series of breakfast meetings called Talent for Today and Tomorrow to solicit input from investors and Lee County stakeholders. Information from these meetings would be combined with data collected from our Synchronist interviews to form our program of action called Grow Lee.

Frankly, we weren't sure how many people would attend our first meeting. When 75 people showed up, we knew that, despite our challenges, there was interest in moving Lee County forward. The initial meeting was a two-hour planning session to get the ball rolling. Each of

GR^W Lee

the subsequent Grow Lee meetings lasted only 58 minutes. We promised attendees two things: we would respect their time and there would be action.

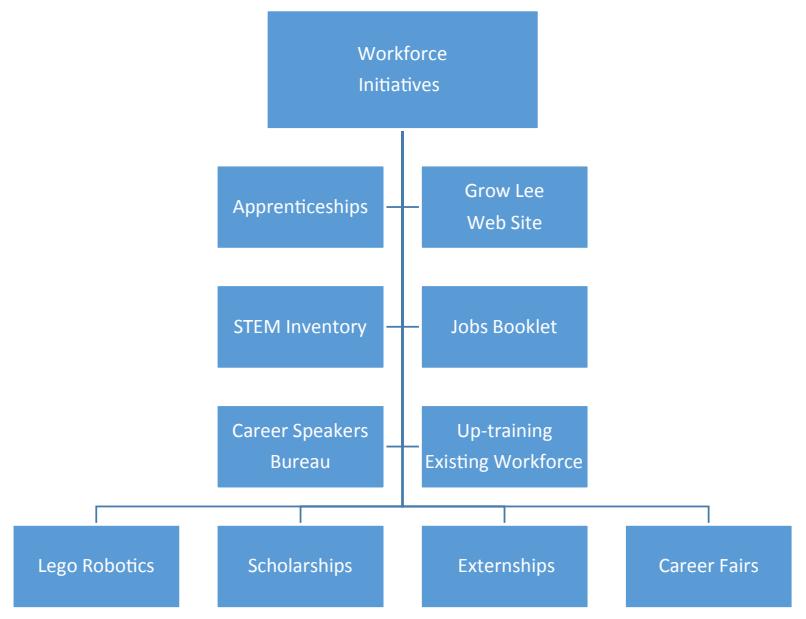
At the kickoff meeting, we worked to educate everyone on the challenges ahead and to ensure that all the participants were working from the same knowledge base. We challenged the group to come up with 10 specific workforce initiatives that could be accomplished in a year. To do this, we used a hybrid nominal group technique, a problem identification, solution generation, and decision-making process that included prioritizing using Post-It notes, as well as idea storms that were lightning rounds of potential workforce initiatives. Participants were encouraged to throw out ideas in a rapid-fire fashion. By utilizing different participation methods, we gave everyone a chance to have their voice heard. No ideas were deemed bad, and the group embraced the challenge.

Given the fact that there was very little momentum and energy for workforce initiatives, it was vitally important to create a program that could deliver results within the 12-month period. Early success would beget future success and create a sense of accomplishment within the group. It was important to the future of Grow Lee that everyone's time and effort resulted in actions. We took the work from the planning session and summarized the information, ensuring that every participant received a copy of the notes within a few days of the planning session.

At the next meeting, the group reviewed their work from the planning session and turned ideas into action groups that would become the basis for Grow Lee. We formed sub-action groups to work in concert with the professional economic development staff on each aspect of Grow Lee. Everything we did with the program was built around the concept of *Data–Knowledge–Action*.

Momentum was starting to build, and Grow Lee was becoming a topic of discussion outside of our meetings. Each meeting starts with an audience participation ice breaker. We've stuck straws through potatoes, wrapped everyone in twine, and made symbols of unity out of Play-Doh. When you come to a meeting, there is a 100 percent guarantee that you will be engaged, listened to, and out the door in 58 minutes.

Once we determined our 10 workforce initiatives that could be accomplished in a year, it was important to push the group to do more and think bigger. A dual track was established: 1) we continued to work on our initial



10 items and 2) we challenged the group to create a list of whoppers, which are ideas that could impact Lee County in the long term. Creating these two tracks gave us the best of both worlds in the forms of short- and long-term goals and activities.

Throughout the Grow Lee process, we talked about how change can make some people feel uncomfortable and how we can best embrace that change. Given the complexity of the change-related problems, change had to be a part of this process. We also committed to pivoting away, if necessary, so as not to get stuck on methods or ideas that weren't working.

Lee County EDG named 2015 as the year of action. Our group had successfully identified the 10 workforce initiatives that they wanted to work on, and now it was time to turn the rhetoric into action. Success was going to be measured by outputs and outcomes. The nascent workforce program was beginning to take shape and was about to turn into much more than we had imagined. (See chart on workforce initiatives.)

One of our challenges was to ensure that we were not just generating activities for the sake of activities. We worked closely with stakeholders to examine our programs and measure our results. Grow Lee has always taken a long view of the county's workforce challenges. We've been willing to invest time and effort in our youngest school children to help create a positive impact on our future workforce. Some of our Grow Lee success stories follow.

LEGO Robotics

LCEDG purchased LEGO kits and started a LEGO Robotics Program at four locations throughout the county to introduce students to basic mechanical skills and teach computer programming, science, engineering, and teamwork. Since the program's inception, more than 250 students, second through sixth grade, have participated, along with volunteer teachers from eight local companies.

At the kickoff meeting, we worked to educate everyone on the challenges ahead and to ensure that all the participants were working from the same knowledge base. We challenged the group to come up with 10 specific workforce initiatives that could be accomplished in a year.



Lee County students utilize the latest technology to explore career paths. At the SE Iowa STEM Fest, students experience what it's like to be a semi-driver through a virtual driving simulator from the University of Iowa.

Scholarships

LCEDG awarded 90 scholarships for local students to attend one of Southeastern Community College's Kidtek U STEM summer camps, a program that provides week-long STEM camps for students, grades four to six. Through our promotion of these camps and these scholarships, we increased local students' participation by 229 percent.

Up-Training the Workforce

Manufacturing 101: This class is designed to assist our workforce in obtaining a manufacturing position by teaching the basic skills necessary for an entry-level position. The initial class had the following numbers:

- 9 different partner agencies and manufacturers designed the class
- 14 manufacturing partners supported the program
- 15 adults registered for the class
- 5 graduated, and 2 other students found employment prior to graduation
- All 5 graduates received a Silver or better on the National Career Readiness Certification
- Graduates completed 75 hours of instruction
- 95 percent attendance requirement, 3 attendees had perfect attendance

12+ Class

In 2016, we started offering classes in our high schools that combine career exploration, soft skills, and technical and mechanical knowledge. Each class utilizes a different community speaker with topics ranging from leadership, how to read a tape measure, and interview skills. Students are partnered with a participating industry and work in teams on a specific real-world project led by company representatives. Each student leaves the class with a personal portfolio of accomplishments.

BUILDING MOMENTUM

As Grow Lee continued to build momentum, other groups started organically forming, including a Lee County industrial leaders group, high school student



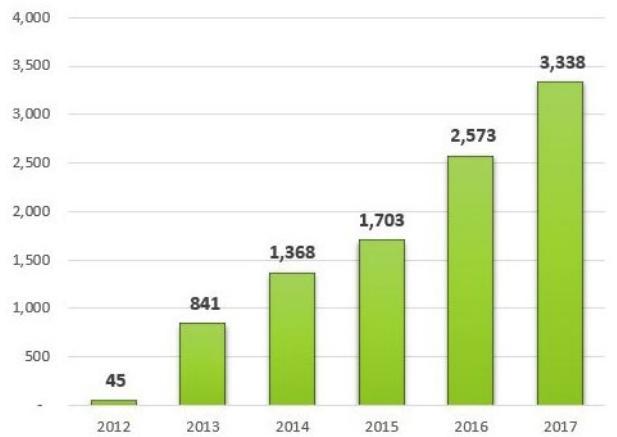
High school guidance counselors and education leaders learn about job skills needed while touring a Climax Molybdenum facility

leaders group, Lee County apprenticeship task force, manufacturing transportation task force, and a county-wide government affairs committee.

Collaborations started to form that would have seemed impossible at the beginning of our process. Industries, large and small, stepped up: Axalta Coating Systems, Climax Molybdenum Co., Huffman Welding & Machine, Inc., Iowa Fertilizer Company, Pinnacle Foods Group, Roquette America, Inc., Siemens Gamesa Renewable Energy, Silgan Containers, Steffensmeier Welding & Manufacturing, and Seither & Cherry.

As we continued our process, attendance at Grow Lee meetings continued to increase. Since the program's inception in 2013, we have hosted over a dozen Talent for Today and Tomorrow breakfast meetings and countless small action group meetings. It's not uncommon to see high school students sitting with plant managers and community leaders and having in-depth discussions. Involving high school students in our meetings has been one of the key elements of our success. It's hard to imagine discussing future workforce needs and not including the group that we are targeting. If you want the unvarnished truth about your workforce efforts and communities, then ask a group of high school students their opinions.

NUMBER OF STUDENTS PARTICIPATING IN GROW LEE PROGRAMS



We've brought in several outside experts to present to our group and keep the group's energy high. Most notable were Mark Lautman, author of *When the Boomers Bail* and a leading authority on the coming so-called silver tsunami, and Kevin Fleming, author of *(Re)Defining the Goal: The True Path to Career Readiness in the 21st Century* and a real thought leader on career technical education and job skills. Each of these speakers has helped bring more stakeholders to the table to refine our message.

The deeper we delved into our workforce issues, the more it became abundantly clear that learning to speak a common language remained our greatest challenge. We soon realized how little industry and education know about each other. To help remedy this situation, we started regional industry tours for high school counselors. It was important for these counselors to understand the needs of today's industries and see the opportunities in our students' backyards.

Companies were invited into the schools to tour their career and technical education programs and to gain a better understanding of the challenges facing the educators. Conversely, our high school principals and superintendents participated in a field trip to tour local industries and gain a better understanding of their workforce needs and to see the manufacturing facilities. Amazingly, most principals and superintendents had never visited our industries.

From the beginning, Grow Lee has been driven by a group effort, and when we started, we weren't sure where our conversations would take us. The program's early success resulted in bigger discussions that went beyond workforce-related issues. Discussions began about housing, our communities, and learning to work together. If we were going to see success in the future, real change was necessary, supported by some serious introspection.



Iowa Lieutenant Governor (now governor) Kim Reynolds was the keynote speaker for the Grow Lee 2.0 kickoff event. Grow Lee and Grow Lee 2.0 now cover workforce issues, Lee County's image, and the county's future.

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Eventually, the group created Grow Lee 2.0 to tackle the larger societal and community issues. Together, Grow Lee and Grow Lee 2.0 now cover workforce issues, Lee County's image, and the county's future. Iowa Lieutenant Governor Kim Reynolds was the keynote speaker for our Grow Lee 2.0 kickoff event in June 2016. Several hundred people are now involved in both programs and our momentum continues to accelerate. Learning to work together has been a goal throughout this process. Successfully setting a Guinness World Record demonstrated the power of working together to program participants.

SETTING A GUINNESS WORLD RECORD

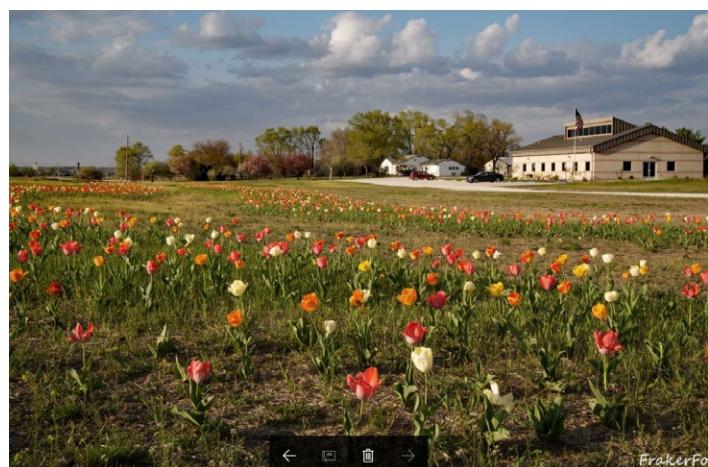
Lee County has two county seats, Keokuk and Fort Madison, each with a population of just over 10,000 people. What makes Lee County unique is that, among Iowa's 99 counties, it is the only one with two county seats. Having two courthouses and two county seats has led to a north/south mentality, and this distinction sometimes polarizes residents and their feelings. Therefore, the group created an event to bridge the gap between these communities and promote working together.

The group chose to attempt to break the Guinness world record for the greatest number of people planting flower bulbs simultaneously, which was 750 people in Birmingham, England. The planning team consisted of representatives from the Lee County Conservation Board, Iowa Workforce Development, Southeastern Community College, Siemens Wind Energy, local chambers of commerce, and the LCEDG. Our group wanted to show what we could accomplish if we all worked together to beautify Lee County.

The goal for the world record attempt was to showcase the power of working together. We wanted to bring together our young people, businesses, community leaders, elected officials, and community stakeholders to demonstrate the power of cooperation. Too often the news headlines only reflect the negative side of life. Planting over 7,500 tulips and native blazing star bulbs (pollinators for monarch butterflies) seemed like the perfect way to celebrate Grow Lee. Pheasants Forever provided major funding for the bulb planting project.



Guinness world record participants receive instructions before the successful attempt begins. Each participant individually planted five tulip bulbs in various colors. The planting lasted 33 minutes.



7,500 tulips and blazing star bulbs that were planted as part of the successful attempt to set a Guinness world record bloom. The most people planting flower bulbs simultaneously is 1,463, achieved by the Lee County Economic Development Group at the Lee County Conservation Center in Montrose, Iowa, on October 18, 2016.

Frakerfo

We wanted to change the conversation from *What we don't have and what are our problems?* to *What can we accomplish if we dream big?* Setting a Guinness world record gave us an event that everyone could rally around. Positive energy replaced attitudes of apathy and disillusionment. We set a goal the county could achieve if everyone helped.

Our world record event brought together the largest gathering of residents in recent memory. Excitement built throughout the county as our young people, businesses, community leaders, politicians, and community stakeholders came together for a common goal. Five different school districts (over 1,000 students) came together during the attempt. They were joined by hundreds of residents. Since everyone was wearing a world record t-shirt, you couldn't tell one school district from another or north/south Lee County residents apart.

The city managers of our two competing cities served as the official world record judges in a show of unity. Scotts Miracle Gro shut down its facility for the morning and sent all 178 employees to participate in the world record attempt. Almost every resident was affected either as a participant, a volunteer, or a viewer of the media coverage.

A final total of 1,463 residents set the Guinness world record for the most people planting flower bulbs simultaneously:

- 7,500 flowers were planted in 33 minutes.
- Each participant individually planted 5 tulip bulbs in various colors.
- Over 1,000 Lee County students participated in this event.
- 16 partner industries, agencies, and organizations supported this record-breaking event.

Since this successful world record attempt, new alliances and partnerships have been formed and connections made at a deeper level, along with a new can-do spirit. Conversations have begun on what could happen

if we all worked together? These conversations have led to a broader discussion as part of our Grow Lee workforce initiative.

Another direct result of our collaborations is the formation of a group to study the concept of a joint career technical education center in the county. Industry and schools are now sitting at the same table discussing ways to meet our future workforce needs. This is the beginning of a common language and a new-found respect and understanding on both sides. These conversations would have never happened without our Grow Lee process.

Through the participants' hard work and dedication, the program has been named the best business retention and expansion program in Iowa by the Professional Developers of Iowa for the past two years. In September 2017, the program received a Gold Award from the International Economic Development Council for Excellence in Economic Development in the human capital category.

In October 2017, more than 185 community leaders, industries, political leaders, students, and stakeholders joined LCEDG at its 5th Annual Salute to Industry for our first Grow Lee awards. The event's keynote speakers, the Honorable Governor Kim Reynolds and the Honorable Lt. Governor Adam Gregg, presented the awards.

The Grow Lee awards recognize the outstanding efforts of local industry in LCEDG's efforts to move the county forward. Awards were presented in the following categories:

- **Workforce Champion Award:** Recipients provided outstanding support for Grow Lee programs to develop the county's future workforce.
- **World Record Champion:** The recipient provided tremendous support for the county's successful Guinness world record attempt by sending all its employees to the event.
- **Legacy Award:** Recipients have over 100 years of operations in the county.

We didn't know what to expect when we started Grow Lee. Trust and collaborations among disparate groups doesn't happen overnight. Our biggest takeaway was learning to listen and ensuring that everyone had a voice in the process. Action is a key ingredient for a successful workforce program. In simple terms, people are willing to engage in a process for a while, but they want to see results. We also learned to pivot and be flexible and adaptable.

LESSONS LEARNED

We didn't know what to expect when we started Grow Lee. Trust and collaborations among disparate groups doesn't happen overnight. Our biggest takeaway was learning to listen and ensuring that everyone had a voice in the process. Action is a key ingredient for a successful workforce program. In simple terms, people are willing to engage in a process for a while, but they want to see results. We also learned to pivot and be flexible and adaptable.

No program is perfect and Grow Lee is no exception. We did not accomplish all 10 of our initial workforce initiatives. Some proved to be too difficult and others were deemed to not be the right fit as our process evolved and grew. No matter how much energy and passion you put into a project and process, there will always be naysayers. Educating stakeholders about the importance of workforce initiatives could be its own full-time job. The task is simply too important to ignore and, if done correctly, the positive energy and progress will ultimately overwhelm those with negative attitudes.

Over the past four years, we have learned a great deal about ourselves, our communities, and our industries. To have a great workforce program requires adequate financial resources, dedication, perseverance, and a can-do attitude. If you give stakeholders a reason to join you, they will.

For us, those reasons were a promise of action and about not wasting people's time while helping create a better Lee County. It's possible to create a common language, but it will be harder than you think and take more time than you think it should. Success takes time and requires uncomfortable conversations, creativity, and building your tribe.

Grow Lee has meant a great deal to Lee County and its residents. We've been able to find success 58 minutes at a time because of our partners' hard work and dedication.



Calling all professionals in these areas of business:

- Regional, state, county and city economic development organizations
- Local elected offices, city and county management and planning
- Chamber of commerce and other business support agencies
- Community and neighborhood development organizations
- Entrepreneurial and small business support organizations
- Technology development agencies
- Utility companies
- Educational and research institutions
- Consultants
- Workforce development organizations



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SoloWork

By Mark Lautman, CEcD

the rate at which communities lose economic base jobs is increasing. To blame is a long list of forces: automation, leaner business models, shorter employer life cycles, increasing competition at home and abroad, falling service sector job multipliers from big box retailers, internet sales and the migration of workers and jobs to well-endowed urban markets. This is going to make the job of creating and sustaining economic base jobs increasingly difficult.

Expanding a region's job creation program apparatus seems like it should be the obvious response, but is a heavy lift, especially for cash-strapped rural jurisdictions. To help create a more comprehensive and rigorous framework for ordering discussions about economic development, the author has broken job creation programs into discrete program theaters, each with its own procurement methodology, metrics, and definitions. They are also distinguished by separate professional expertise and credentials of typical staff and the community organizations and stakeholder groups that sponsor them. There are five legacy program theaters for the creation of economic base jobs:

- 1) Employer Recruitment, Expansion and Retention;

- 2) Tourism;
- 3) Federal Government Jobs and Procurement;
- 4) Land-Based Extractives, e.g. agriculture, energy and mining; and
- 5) Import Substitution, e.g. local supplier development.



These program strategies, when properly planned, funded and managed, still create a significant and critical proportion of the economic base jobs a community needs, but increasing investment in them is often resisted because of their diminishing returns.

Three promising new job creation program theaters have emerged in the last decade:

- 1) Startup, i.e. entrepreneurship;
- 2) Solowork, e.g. freelancing; and
- 3) Retirement, i.e. affluent retirees.

Investment in new program theaters is often considered imprudent because they have yet to demonstrate that they can actually procure new economic base jobs at a significant scale and reasonable cost. The reality is most communities will have trouble generating enough economic base jobs to offset attrition, close their current unemployment gaps and support any new population growth if they can't both elevate their legacy programs that work and initiate some of these new ones.

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A NEW JOB CREATION PROGRAM

The job of creating and sustaining the economic base jobs is much harder now than it was a decade ago and is likely to get even harder. Solowork is one of the fastest-growing sources of new economic base jobs in the economy, and, until now, communities have had no practical program approach for procuring them. To that end, The Community Economics Lab, a 501c3 think tank, has perfected a program model proven to create new economic base jobs in communities of any size and condition, at significant scale, in less time and for a fraction of the cost of traditional approaches.

Some serious challenges will have to be met for Solowork to become a legitimate new job creation theater. CELab set five criteria for establishing a viable economic base job creation program model.

Over the last ten years, the proportion of workforce involved in some form of remote work has increased from 13 percent to 30 percent. Within the next decade, that number will be half the workforce, and an ever-increasing number of jobs are capable of being done from home or a mobile platform. In fact, the IDC (International Data Corporation) forecasts that the mobile workforce will jump from 96.2 million in 2015 to 105.4 million workers in 2020.

According to a study done by Edelman Intelligence, 57.3 million people engaged in freelance work in 2017, representing a workforce that has grown three times faster than the overall U.S. workforce since 2014. At this rate, by 2027 more of the U.S. workforce will be freelancers than not.

Observing a new source of economic base jobs, like solowork, is one thing, but developing a practical program approach that can procure them is another matter.

Over the last seven years, the Community Economics Lab (CELab), a 501c3 think tank, has been developing a practical and cost-effective approach to procuring solo economic base jobs. This article focuses on a recent breakthrough: a minimum viable program model developed by the CELab and a small group of product and service providers, an enterprising local economic developer in Cibola County, the state of New Mexico and USDA.

THE CHALLENGES

Some serious challenges will have to be met for Solowork to become a legitimate new job creation theater. CELab set five criteria for establishing a viable economic base job creation program model. It would have to be able to:

- 1) create and retain economic base jobs
- 2) procure new economic base jobs at a scale needed to play a critical role in the development of a community's economic base

SOLOWORK, SOLOWORKER, SoloWorks?

Solowork: A theater of economic base job creation focusing on work done independently by an individual. *Synonyms:* location-neutral work, home-based work, freelance work, gig work, remote work, distance work

Soloworker: An individual who works independently. *Synonyms:* lone eagle, solopreneur, gig economy worker

SoloWorks Centers: Branded SoloWork program model developed by CELab. Also refers to the physical facilities at which the business model is performed.

- 3) work for challenged rural and hard to serve communities
- 4) be cost effective
- 5) have a secure, long-term source of funding

SOLOWORK PROGRAM THEATER

Solowork and Economic Base Jobs

Solowork is any work that does not require a centralized location or onsite management to be completed. Solowork can be freelance work; remote, cyber or telecommuting W-2 work; 1099 work; consulting; or any other work that can be facilitated at home or on a mobile or remote platform. The scope and range of goods and services that can be produced or exported from home or through a mobile platform is almost unlimited.

The primary mission of most economic development organizations is creating economic base jobs. Economic base jobs are those where the products and services produced locally are paid for by sources outside the economy.

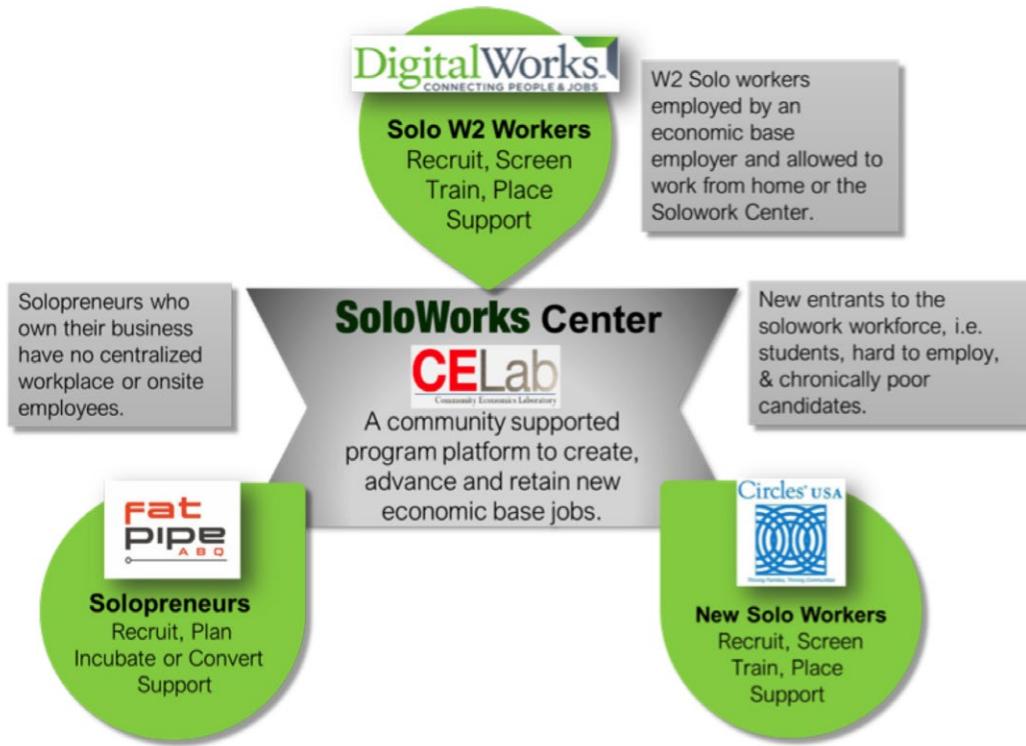
For most economies to improve, the economic base must grow faster than the population. The CELab uses the formula **E > P** (Economy greater than Population) to illustrate this concept. When enough new economic base jobs are created, the economy of the community can expand because there is more money in the local economy, causing a proportional increase in the number of local service sector jobs. This job multiplier is one of the cornerstones of the economic development profession. If it weren't for the difference between economic base jobs and service sector jobs, one could solve a community's unemployment problem by opening 1,000 laundromats.

A Solo worker's job qualifies as economic base when they earn 200 percent of the federal poverty rate and over 50 percent of their income originates from outside the state.

The SoloWorks Centers Program Model

The SoloWorks Centers Program Model is an innovation pioneered by CELab. Over the last five years, CELab has collaborated with DigitalWorks, CirclesUSA, and Fat-Pipe ABQ to develop and test the first economic base job creation program model focused on Soloworkers.

Solowork is any work that does not require a centralized location or onsite management to be completed. Solowork can be freelance work; remote, cyber or telecommuting W-2 work; 1099 work; consulting; or any other work that can be facilitated at home or on a mobile or remote platform. The scope and range of goods and services that can be produced or exported from home or through a mobile platform is almost unlimited.



CELab: A nonprofit think tank based in Albuquerque, NM, focused on finding new ways to do economic and workforce development.

DigitalWorks: A program of national nonprofit Connected Nation whose mission is to improve lives through broadband technology. DigitalWorks specializes in customer service training in order to help remote workers get placed in the customer service sector.

CirclesUSA: A nonprofit specializing in serving the chronically-poor and hard-to-employ residents of a community, working to get them out of poverty and reintegrate them into the workforce through ongoing mentorship and training.

FatPipe ABQ: A coworking space and business incubator located in Albuquerque, NM, with extensive work in entrepreneurial coaching and small business networking.

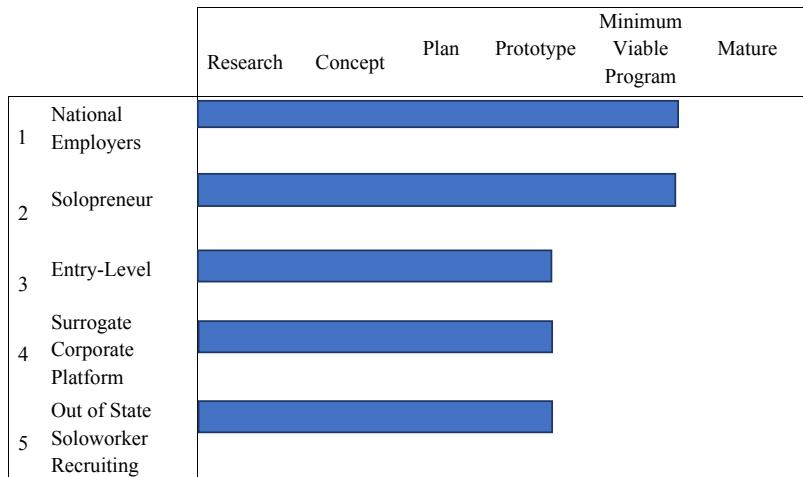
The SoloWork Program Model is designed to create and aggregate new economic base jobs in a community or region by recruiting, starting up and supporting jobs that can be done remotely from home, a coworking space or a mobile platform.

SoloWork PROGRAM APPROACHES

CELab has identified and developed five separate program approaches to creating solo economic base jobs, each with a different focus, methodology and process and designed to help communities create, aggregate and retain them. The SoloWork Center Model allows communities to customize one or more of the five approaches and grow them at a community's own pace.

The chart below depicts the development status of each approach.

SoloWork CENTER PROGRAM MODEL – FIVE PROGRAM APPROACHES



1. National Employers Approach

Description: This approach focuses on finding, training, placing and advancing residents who are willing, able and qualified to pursue careers working full time for out-of-state employers from home or a coworking space.

Target Populations: Local unemployed and under-employed residents

Qualifications: Silver ACT WorkKeys National Career Readiness Certificate® (a credential obtained through taking the ACT WorkKeys assessments

which assess skill levels of job seekers), a passing score on DigitalWorks assessments if the desired field is customer service, and any relevant industry assessments.

Service Providers/Case Management: Local Center Director and DigitalWorks team when job focus is customer service

Funding Metric: \$3500 post-placement award from state government for each full-time placement (W-2 or 1099, 32+ hours worked weekly)

Sponsor/Platform Options: Local government, EDOs, workforce and training agencies, higher education institutions, libraries, coworking spaces, and incubators/accelerators

2. Solopreneur Approach

Description: The Solopreneur module is focused on helping local residents build solo careers as gig workers or one-person enterprises. Part of the intake process serves to identify local solopreneurs with potential economic base ideas or enterprises. The Center counsels and supports these Solopreneurs in the same way incubators and accelerators help traditional start-up clients. Members have access to the Center workspace and all amenities, plus assistance from local business coaches and other key resources in growing their enterprises. Economic base Solo workers can be generated by converting an existing Solo worker's client base from local to out of state.

Target Populations: Any local resident committed to starting a solo enterprise that provides goods and services out of state, existing Solo workers that are not economic base.

Qualifications: Viable product or services business concept with appropriate knowledge, experience, and skills, must be willing to engage in and follow the Solopreneur Business Development Process and pursue economic base work

Service Providers/Case Management: Center Director, SBDCs, incubators/accelerators (FatPipe), higher education institutions

Funding Metric: \$3,500 post-placement award from state government for each full-time Solopreneur making at least 200 percent of the state poverty guidelines in which at least 51 percent is earned from out-of-state sources

Sponsors/Platform Options: Local government, EDOs, higher education institutions, libraries, coworking spaces, and incubators/accelerators

The Solopreneur module is focused on helping local residents build solo careers as gig workers or one-person enterprises. Part of the intake process serves to identify local solopreneurs with potential economic base ideas or enterprises. The Center counsels and supports these Solopreneurs in the same way incubators and accelerators help traditional start-up clients.

3. Entry-Level Approach

Description: This approach aims to enable members in the community not currently in the workforce to find full-time economic base employment. Key is the integration of new entrants to the workforce who are interested in employment through the program but do not have the soft skills (personal attributes that enable someone to function in a professional environment) or professional history necessary for immediate placement. This includes those who need remedial education, soft skills training and social services support to transition into the mainstream workforce.

Target Populations: 1) Hard to employ and chronically poor adults: previously incarcerated individuals, individuals with unstable domestic situations, disconnected youth, 2) New entrants to the workforce: career-ready high school and higher education students, Jobs Corps candidates or 3) individuals returning to the workforce who may need extra preparation and coaching

Qualifications: Working toward a Bronze ACT National Career Readiness Certificate, willingness to abide SoloWork Centers and CirclesUSA program rules, full participation in CirclesUSA or recidivism prevention programs

Service Providers/Case Management: CirclesUSA, anti-recidivism and reintegration programs, parole/probation officers

Funding Metric: Estimated \$8,000-10,000+ post-placement award from state government for each full-time placement, depending on level of need

Sponsors/Platform Options: Local government, EDOs, higher education institutions, libraries, coworking spaces, incubators/accelerators, prisons, jails, anti-recidivism/reintegration programs

4. Surrogate Corporate Platform

Description: In this option, a community seeks out a major out-of-state employer to set up a surrogate work center for their employees where the corporation's employees are supported by the community. In turn, the community builds out, staffs, and manages surrogate work platforms.

Target Populations: Talent-strapped employers

Qualifications: Depends on the hiring criteria of the employer e.g. Silver ACT National Career Readiness Certificate or a passing score on any relevant assessments

Service Providers/Case Management: Local Center Director, EDOs, third party center management companies

A functioning SoloWork Center must run an ongoing marketing program to fill consecutive classes. Promotion strategies include job fairs, newspaper ads, social media outreach, radio, and local partners. The promotion program must attract 30-50 interested candidates per month to an information session in order to fill a class of ten.

Funding Metric: Negotiated service fee

Sponsor/Platform Options: Local government, EDOs, workforce and training agencies, higher education institutions, libraries, coworking spaces, and incubators/accelerators

5. Out-of-State Soloworker Recruiting

Description: This approach is based on recruiting potential homebuyers from out of state with at least one economic base soloworker in the household.

Target Populations: Any person with a solo enterprise providing goods and services out of state making at least 200 percent of the state poverty guidelines in which at least 51 percent is earned from out-of-state sources, footloose out-of-state residents

Qualifications: Viable product or services business concept with appropriate knowledge, experience, and skills, must be willing to engage in and follow the business development process and pursue economic base work

Service Providers/Case Management: Center Director, SBDCs, incubators/accelerators (FatPipe), higher education institutions, residential realtors

Funding Metric: Rental and home sales

Sponsors/Platform Options: Local government, EDOs, higher education institutions, libraries, coworking spaces, and incubators/accelerators

Together, these five approaches have the broadest possible reach into the community for employing anyone with the interest and aptitude for remote work. This article focuses on the National Employers and Solopreneurship approaches, which are tested, operational, and, we think, viable. The Entry-Level, Surrogate Corporate Platform and Out-of-State Soloworker Recruiting approaches have finished program architecture but have not yet been tested. Due to space limitations, this article focuses primarily on the National Employers approach.

1. NATIONAL EMPLOYERS APPROACH PROCESS STEPS

Program Components/Steps

1. Outreach. A functioning SoloWork Center must run an ongoing marketing program to fill consecutive classes. Promotion strategies include job fairs, newspaper ads, social media outreach, radio, and local partners. The

promotion program must attract 30-50 interested candidates per month to an information session in order to fill a class of ten.

2. Screening. Candidates undergo 1) an intake interview, 2) an assessment series (ACT Career Readiness Certificate, DigitalWorks assessment (for customer service jobs), and any other relevant industry assessment and 3) a career-planning exercise to ensure candidates are qualified and committed to the program.

3. Training and career planning. The training and career planning curriculum prepares candidates for the rigors of applying for and performing SoloWork jobs. For example, for jobs in the customer service sector, the DigitalWorks curriculum is 144 hours of basic computer skills (email, internet, and essential computer controls) customer service training, business skills, typing skills and career readiness training. During the coursework, participants map out a detailed two to five-year career plan that charts which jobs in which companies the participant plans to advance through.

4. Placement. Following training, participants stay in the Center for an additional two to six weeks of intensive applying, interviewing and negotiating for jobs. The Center director works closely with the candidates to help them find and choose jobs that align with their career plans. In the customer service sector, DigitalWorks has experienced a 70-80 percent placement rate for those who finish their four-week training.

5. Nesting period. Upon placement in their first job, the participant becomes an entitled Member of the SoloWork Center, eligible for the range of products and services provided by the Center. Members then spend an additional month in the SoloWork Center after placement in order to ensure a high level of productivity and to socially integrate into a mutually-supportive SoloWork community. At the end of the nesting period, Members have the option to move their work to a home platform or to continue working in the Center.

6. Up-placement. As Members gain tenure in the program, they receive assistance in navigating through to the next milestones in their careers. Up-placement refers to efforts by the SoloWorks staff to help the Member attain employment along the member's desired career path after their initial placement to higher-paying, more productive work.

Following training, participants stay in the Center for an additional two to six weeks of intensive applying, interviewing and negotiating for jobs. The Center director works closely with the candidates to help them find and choose jobs that align with their career plans. In the customer service sector, DigitalWorks has experienced a 70-80 percent placement rate for those who finish their four-week training.

7. Retention. In addition to professional services, the retention and advancement module provides the structure for a social ecosystem of mutual support where Members become a part of a professional community. Building a mutually-supportive social ecosystem is essential to managing attrition so the program can aggregate a significant number of economic base workers. This ecosystem involves a mix of professional education, social and family events, and developing program amenities such as daycare, ridesharing, insurance programs, etc.

PROGRAM DEVELOPMENT HISTORY

The Community Economics Lab (CELab) began to work on the development of a Solowork job creation program model in 2007 based on a concept paper by the author. Between 2009 and 2011, further research and design work by the CELab resulted in the testing of three prototype approaches in Albuquerque, New Mexico, with a grant from the EDA and the Mid Region Council of Governments. The results of the test, while encouraging, revealed the need for a more practical and rigorous business model that could “procure” and retain economic base jobs at a significant scale and affordable cost.

In 2015, the author was introduced to Stu Johnson from DigitalWorks, a subsidiary of Connected Nation. DigitalWorks had developed a proprietary training and placement process that helped trainees get placed in jobs in the customer service sector. With jobs abundant in that industry, their program demonstrated that Solowork jobs could be created at scale with the predictability and affordability needed to make the theater a viable economic base job procurement program.

In 2015, DigitalWorks joined an expanded Solowork project team of CELab, FatPipe ABQ and CirclesUSA that produced the SoloWork Centers Program Model. Later that year, this team persuaded the New Mexico Jobs Council, an interim committee of the state legislature chaired by the Speaker of the House and the Senate Pro Tem, to establish SoloWork as a formal program theater.

In March of 2016, the Solo-worker Program was chaptered into New Mexico statute 9-15-57, but was not funded. With a USDA grant and some state planning funds, the SoloWorks project team and the Cibola Communities Economic Development Foundation launched a pilot program that operated for six months and created 12 new economic base jobs for Cibola County (pop 28,000). A proportional job creation event in the Albuquerque Metro Area (898,576 pop) would have to exceed 385 new jobs to have the same economic impact.

In the final months of the pilot, the state legislature appropriated up to \$1 million through the Job Training Incentive Program (JTIP) to launch Solo-worker programs around the state. The results so far include a second program launched in Las Vegas, NM, and a third gearing up to launch in Tucumcari, NM, in the spring of 2018.

An appropriation of \$1.5 million for a post-performance fund for the New Mexico Solo-worker Program is



Official grand opening of the SoloWorks Center in Grants, NM.

currently making its way through the legislative process. If successful, the funding would sustain the three programs that became operational in 2017-2018 and allow several more communities to launch in 2018-2019.

PROGRAM MODEL EXEMPLAR

The scope, scale and cost of the Solowork Program Model will vary widely based on ten parameters: 1) the community's size and economic base needs, 2) the number of jobs to be created and retained by the Solo-work Program Theater, 3) which of the five program approaches will be undertaken, 4) the number of potential candidates per class, 5) the number of placements per month, 6) the expected retention rate, 7) the quality of the Center director/working manager, 8) the availability of space with high-speed bandwidth, 9) the size, character and security of the program's funding sources and 10) the support of the community. Following is an iteration of the ten planning parameters applied by the Cibola County program planning team.

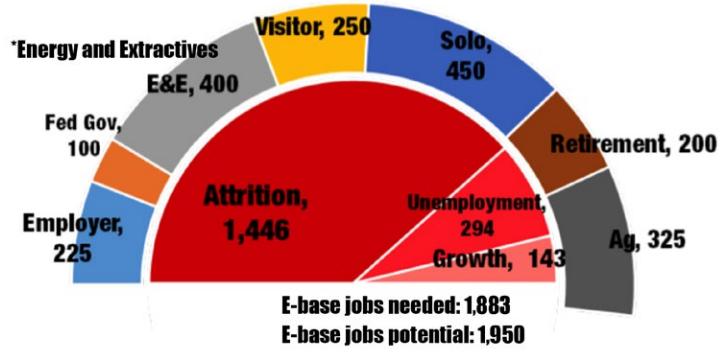
Cibola County SoloWork Program Scope, Scale and Cost

To illustrate the scope, scale and cost parameters of a typical SoloWork Centers Program, this article will use the program established in Cibola County, NM, as an example. Cibola County is an impoverished rural county in northwest New Mexico located 75 miles west of Albuquerque.

In 2015, the director of Cibola Communities Economic Development Foundation, Eileen Chavez Yarborough, approached CELab about running the first pilot for the SoloWork Centers Program Model. She and her organization partnered with the project team and Terry Brunner, state director of USDA Rural Development, to structure the funding.

1) Community Size and Economic Base Needs

Cibola County's goal is to reach full employment and grow the population from its current 28,000 population to a total of 29,000 in ten years. Full employment will require a total of 8,265 jobs.

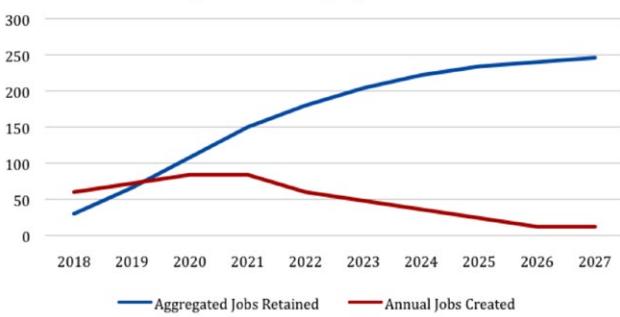


2) Cibola County Ten-Year Economic Base Job Assessment

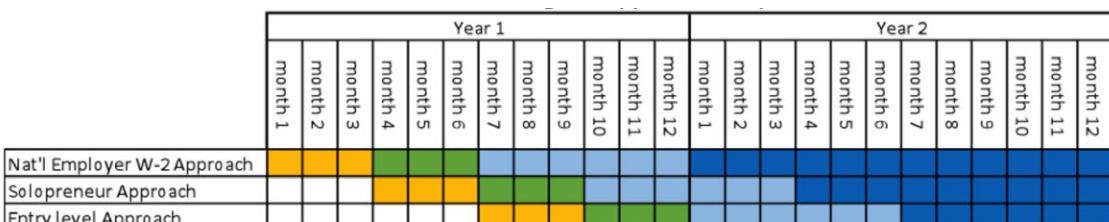
The county's ten-year assessment estimated that it needs to generate a minimum of 185 new *economic base* jobs per year to reach their employment goals: 140 to replace natural attrition, 30 to close the unemployment gap of 294, and 15 to support the additional 1,000 residents they would like to have. These findings were generated through a series of deliberations by community members over a two-year period.

The graphic above shows how many economic base jobs must be created in Cibola County to offset attrition, close the unemployment gap, and support new growth.

JOB CREATION PROJECTIONS



PROGRAM APPROACH RAMP SCHEDULE



Legend	Pre-planning	Startup	Ramp	Stabilize																			
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total												
Aggregated Jobs Retained	30	66	108	150	180	204	222	234	240	246	246												
Annual Jobs Created	60	72	84	84	60	48	36	24	12	12	492												
Jobs per Month	5.0	6.0	7.0	7.0	5.0	4.0	3.0	2.0	1.0	1.0	4.1												
Retention rate	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%												

These jobs will come from one of the nine job creation program theaters. Each theater's estimated job creation potential is shown in the outside ring of the graphic.

The community projects that it can generate 24 percent of the 1,883 jobs they think they need through the SoloWork Centers Program. Without a successful SoloWork Program, the county has little chance of generating the 185 new economic base jobs they need per year.

3) Program Development Schedule

The Cibola program planned to deploy three program approaches beginning with the National Employers approach. The Cibola SoloWorks Center project team decided to launch the program in three phases, beginning with the National Employers Program approach. The Solopreneur Program is set to launch several months later using FatPipe and the New Mexico State University branch colleges as primary service providers. The Entry-Level Program is scheduled to launch later in the year as funding becomes available. Each program requires an average of three months of pre-planning, three months of start-up activity, and six months to ramp to stabilization.

4-5-6) Participation Dynamics

Results so far from the Cibola SoloWork Center's National Employers Program suggest that to produce four to six new jobs per month and aggregate 450 new jobs, the program must maintain minimum participation numbers for each of the program's critical steps. Marketing and promotion efforts need to attract a minimum of 40 new interested local residents to an information session per month to generate ten applicants for interviews, screening and testing. From ten applicants per month, eight are admitted to the class. Seven or eight finish the training, and four to six of those are successfully placed. There is not enough data yet to estimate a retention or advancement rate, but the goal is to retain a minimum of 50 percent, which would allow the program to aggregate economic base jobs at 30-50 per year.

PARTICIPATION PIPELINE	
Expression of interest	40
Interviewed, screened, tested	10
Admitted to class	8
Completed training	8
Placed	6
Retained	4
Advanced	3
Total membership	4

Facility requirements. The community is responsible for securing a suitable facility with high speed bandwidth to serve as the platform for training, placement, nesting and post placement advancement and retention activities. Platform options include stand-alone, purpose built spaces and co-location arrangements with incubators, colleges, training centers, libraries, co-working centers, or community centers etc. Cibola SoloWork Center was located in a facility donated by the NMSU Grants branch college. The city of Grants is in the process of designing and developing a new permanent facility for the program adjacent to the new library.

Staffing requirements. The success of the program is heavily reliant on the skill and entrepreneurial drive of the director. The director is responsible for managing and performing all of the steps in the program including: planning, facility management, marketing, public relations, promotion, recruiting of candidates, assessment admission, teaching and case management of the Center's participants.

Funding Source and Program Budget

To be viable, a program would have to have a secure source of long-term funding and the cost per job created would have to come in at or below the cost per job of other job creation programs. Legacy job creation program costs typically range between \$10,000-\$40,000 per job and higher when all state and local incentives are calculated.

STARTUP COSTS – \$60K



Cibola SoloWork Center was located in a facility donated by the NMSU Grants branch college. The city of Grants is in the process of designing and developing a new permanent facility for the program adjacent to the new library.

Under the current program model, communities are expected to bear the costs of getting the program to a point where the state's post-performance incentive fund provides enough cash flow to sustain operations. The state awards \$3,500 for each person placed in an economic base job. At four to six placements per month, the state incentive covers current operating costs, provided the SoloWork facility continues to be leased at no charge to the program by the NMSU branch college.

Operating budget. The Program costs are a mix of fixed costs (salary, facilities, marketing, licensing) and variable costs that are unit specific to each person that is served by the Program. As a result, there is a major opportunity for economies of scale if the program can push past its monthly breakeven point. Under the budget displayed below, breakeven point for each month is just over four jobs at \$3,500 per job. If a higher rate is attained, there is room in the budget for other program elements.

	Annual	Quarterly	Monthly
Fixed Costs			
Proctor	\$ 48,000	\$ 12,000	\$ 4,000
DW Licensing	\$ 12,000	\$ 3,000	\$ 1,000
Marketing/Recruiting	\$ 12,000	\$ 3,000	\$ 1,000
Facilities	\$ 48,000	\$ 12,000	\$ 4,000
CELab QA and Tech Assistance	\$ 15,000	\$ 3,750	\$ 1,250
Total Fixed	\$135,000	\$ 33,750	\$ 11,250
Variable costs			
Training	\$ 7,200	\$ 1,800	\$ 600
Placement	\$ 24,000	\$ 6,000	\$ 2,000
Mentoring (probation period)	\$ 480	\$ 120	\$ 40
Proctor incentive	\$ 4,200	\$ 1,050	\$ 350
Total Variable	\$ 35,880	\$ 8,970	\$ 2,990
Estimated annual operating costs	\$170,880	\$ 42,720	\$ 14,240
Cost per job			\$ 3,560.00
Avg Jobs/month			4
Total Jobs		48	12
Award per job	\$ 3,500	\$ 3,500	\$ 3,500
Annual revenue estimated	\$ 168,000	\$ 42,000	\$ 14,000
Breakeven	49	12	4

Cost Comparison to Legacy Programs

Economic base job creation deals often receive a stack of incentive programs in addition to a pro rata share of the state's related marketing and sales program costs and contributory overhead. The aggregated cost-per-job of legacy job creation projects, when stacked, can range from \$10,000 to \$100,000 of net investment per job created. The average cost per job for the SoloWork Program under the \$3,500-\$5,000 per job post-placement formula is a fraction of the costs of any other program incentive in the state apparatus. This makes the SoloWork Program the most cost-effective job creation program the state has ever had, and it may be the only program that works in rural areas.

CONCLUSION

The SoloWorks Center Program is a viable program model that can work in communities of any size and condition, at any scale, in less time and for a fraction of the cost of traditional job creation approaches. CELab believes the SoloWorks Center Program Model has advanced to the point where states, regions, and communities should begin exploring this as a legitimate new program theater – especially for their rural and hard-to-serve communities.

The National Employers Program approach still needs to test the programming for retention and advancement. Establishing SoloWork as a serious economic base job

The SoloWorks Center Program is a viable program model that can work in communities of any size and condition, at any scale, in less time and for a fraction of the cost of traditional job creation approaches. CELab believes the SoloWorks Center Program Model has advanced to the point where states, regions, and communities should begin exploring this as a legitimate new program theater – especially for their rural and hard-to-serve communities.

creation theater also requires the development and testing of additional program approaches. CELab is committed to helping communities become first-adopters and innovators and welcomes collaboration from interested parties in this endeavor.

For More Information, Visit:

- www.theCELab.org
- www.SoloWorksCenters.com
- www.DigitalWorksJobs.com



2018 IEDC CONFERENCES AND EVENTS

It's going to be a busy year, and you can stay in the know by attending IEDC conferences, all which focus on unique aspects of the profession.

 <p>NATIONAL ECONOMIC DEVELOPMENT WEEK MAY 7-12 2018</p> <p>National Economic Development Week May 7-12</p> <p>Celebrating the profession and the professional in communities across America.</p>	 <p>IEDC ECONOMIC FUTURE FORUM Planning for Prosperity Leveraging Tomorrow's Brightest Industries June 24-26, 2018 • Buffalo, New York</p> <p>Economic Future Forum June 24-26 in Buffalo, New York</p> <p>The only annual event exclusively focused on emerging trends and global shifts that will effect industries that impact economic development</p>	 <p>IEDC ANNUAL CONFERENCE INCLUSIVE ECONOMIC DEVELOPMENT — SEPT. 30 – OCT. 3 — ATLANTA, GEORGIA 2018</p> <p>Annual Conference September 30 –October 3 in Atlanta, Georgia</p> <p>The largest annual event, bringing more than 1,300 professionals together to focus on all things economic development</p>
<p>IEDC offers dozens of in-person and virtual learning and networking opportunities every year. Bookmark iedconline.org/upcomingevents</p>		

modern ed marketing –

SOCIAL MEDIA

By Peter Tokar III, MBA

If you do not have a presence on the internet, you do not exist. Sadly, that is the simple truth about our modern society and how we seek to be heard, understood, and be relevant. So in a sea of millions, how does one person, one community, one initiative rise to the top to be seen and more importantly, be relevant?

That was the question we started with at the city of Alpharetta when we were launching our new marketing initiative for the “Technology City of the South.”

ABOUT THE CITY OF ALPHARETTA

Alpharetta is the tech hub of Metro Atlanta. Located 20 miles north of downtown Atlanta, we are home to over 640 tech-based industries. With a residential population of just over 64,000, we are the opposite of what would normally be classified as a “suburb” as we more than double in size during the day with over 90,000 workers commuting daily IN to Alpharetta.

Home to well-known tech companies like Microsoft, HP Enterprise, Fiserv, McKesson, ADP, Equifax, Siemens, LG and a host of mid-cap corporations, the city also is known for its superior quality of life, top tier school system, and experience-based dining, retail, and entertainment amenities.

The city is on a mission to introduce itself to the world – not to its own inhabitants, but to outsiders who aren’t as familiar with what the city has become.



Smokey and the Bandit screenshot – on GA400

Residents, while young with an average age of 37, are in the top tiers of earning and educational attainment with median income just north of \$100,000 and 64 percent of the population holding a bachelor’s degree or higher. However, the city was not always this way. Just 25 years ago all you would find in it was a small 3,000-person community with rolling farm lands.

Peter Tokar III, MBA is the economic development director of Alpharetta, Georgia. (ptokar@alpharetta.ga.us)

FROM FARMS TO FIBER

Starting in the late 90s, Alpharetta began to develop from an agricultural town with 3,000 residents to the booming tech hub of Metro Atlanta with 640+ technology-based industries. How did we do it?

It began with a road. Apart from the early pioneers, you need a road if you are going somewhere. That is what the Georgia Department of Transportation thought. GA Highway 400 was a two-lane road that brought you from Buckhead, Atlanta, to the rolling hills and farms of Alpharetta. Much of the classic film “Smokey and the Bandit” was actually filmed on GA 400 back when it was the “road less traveled.” With the growing population in Atlanta, I-75 and I-85 needed relief so the decision

USE IT OR LOSE IT

If you do not have a presence on the internet, you do not exist. Sadly, that is the simple truth about our modern society and how we seek to be heard, understood, and be relevant. So in a sea of millions, how does one person, one community, one initiative rise to the top to be seen and more importantly, be relevant? For the city of Alpharetta, Georgia, Metro Atlanta’s tech hub and quality of life centerpiece, the answer became immediately obvious: show rather than tell. The city has crafted an innovative video marketing campaign using all the latest technology and social media strategies to transform how they promote the city.

With all the growth and success that Alpharetta has seen in the last 25 years, you might ask, “Then why have I never heard of it”? The answer is simple. We didn’t tell anyone.

to expand GA400 into a major eight-lane highway was made and construction began. Alpharetta was the terminus of the expansion and benefited from four exits off the highway.

So now we have a road. But to what? The first major development in Alpharetta was the Lake Windward residential subdivision. Wealthy Atlanta CEOs wanted a retreat from the downtown hustle but easy access to and from. The expansion provided that and more. After the creation of the subdivision, the next key to Alpharetta’s “boom” was initiative. Installing the most expansive and redundant fiber optic cable and redundant power network in the region is still one of the core strengths of the city.

Our superior infrastructure was the initial draw for our industry base. Looking at the time period, the mid 90s, fiber optic cable was the most sought-after tech infrastructure there was. This new technology was and is to this day a magnet for high tech industries such as Fin-tech, Data centers and MedTech which depend on reliable and fast transmission speeds.

The result? Twenty years later, the city’s 21 million-square-foot class-A office market and quality of life make us one of the premier business and lifestyle destinations in the Southeast. In the past four years alone, the addition of the \$1 billion AVALON development, Georgia’s first “Fiberhood,” the new campus of Gwinnett Technical College, and our \$30 million Alpharetta City Center are continuing to turn heads all over the country.

IF YOU DON’T TELL, NOBODY KNOWS

With all the growth and success that Alpharetta has seen in the last 25 years, you might ask, “Then why have I never heard of it”? The answer is simple. We didn’t tell anyone.

During the construction boom of the late 90s in Alpharetta, the city was approving the construction of over 2 million square feet of class A office buildings a year. Up until the recession in 2006, the city was literally trying to keep up with the growth. The staff of the city grew with the demand for development and it was not until 2011 that the city even created the position for an economic development director.

As the economy was rebounding from the recession, it gave the city the chance to do an internal evaluation of what had been built in the past 10 years, and it was not until then that Alpharetta really came to know WHO they were. Once they found that voice, that’s when we realized that voice needed to be heard. Alpharetta had become “The Technology City of the South”

THE CHALLENGE

“It is just absolutely exploding right now.”

That’s what Hans Appen, a resident of Alpharetta, has to say about the city he lives and works in.

Hans has a point. The city has been singled out by Forbes as the #1 Place to Move in America, with particular praise directed toward economic growth and its proximity to Hartsfield-Jackson International Airport and the city of Atlanta.

The city has been enjoying this growth for years, but it recently made a decidedly aggressive push to get the word out about the great place that it has become. Particular focus is around **branding the city as a cutting-edge innovation center**.

For those in the know, Alpharetta is far more than a suburb of Atlanta. It is its own economic development powerhouse. But how best to communicate this message to continue to fuel the city’s technological and cultural growth?

The city is on a mission to introduce itself to the world – not to its own inhabitants, but to outsiders who aren’t as familiar with what the city has become. Suburbs aren’t traditionally viewed as hip hubs for tech companies, cultural events, nightlife and more; those distinctions are generally relegated to their urban counterparts. In Alpharetta’s case, however, this distinction couldn’t be further from the truth. With 600 technology companies and over 100 restaurants, breweries, shopping centers, music venues and events that are unique to the city, Alpharetta “ain’t no sleepy suburb,” as one tagline puts it.

But how could Alpharetta establish itself as more than just a commuter suburb for Georgia’s capital city? What would be the best way to communicate the energy and feel of the city while simultaneously connecting professionals with the area, its people, and its booming tech trade? For a community that’s as inviting to the technology sector and a creative culture as Alpharetta is, the answer became immediately obvious: show rather than tell.

THE STRATEGY

We decided upon video as the medium and social media blitz to represent Alpharetta’s growth initiative, quality of life, and changing landscape: Alpharetta 360. But just one video wouldn’t cut it.

ALPHARETTA360.com is a video marketing campaign with one simple value proposition: Seeing is believing. You can visit the website or our YouTube channel Grow Alpharetta to see a host of short, 90 second videos that show Alpharetta rather than just reading about it.

There are 900 technology companies in the Alpharetta area, with over 600 of them residing within the city’s borders. These tech brands include Microsoft, Verizon Wire-

As an economic development initiative, they also wanted the content to resonate with commercial real estate brokers and corporate site selectors to showcase the deal flow in Alpharetta and all the economic activity happening in the city. The Alpharetta 360 strategy focused on three key types of videos.

less, Hi-Rez Studios, Jackson Healthcare, Priority Payment Systems, and more.

Each company chose to locate in the city and has made its own unique contribution to the local technological ecosystem. As such, it made sense to produce a series of videos with each video highlighting a different brand or aspect of the community.

The strategy is mutually beneficial. It not only is a business retention outreach program, but it also provides marketing content as each business gets a chance to showcase its unique offering and contribution to the community. In return, the city receives praise from the organizations and businesses that it has helped foster.

However, the landscape and appeal of Alpharetta are more than just the business community. Alpharetta wanted this initiative to showcase the quality of life elements and unique attributes that make the city one of the best places to be in the country.

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- 1. Unique Identifiers:** Videos showcasing unique offerings only found in the city. Events, boutiques, restaurants, and venues that both residents and visitors could experience.
- 2. CEO Testimonials:** Videos communicating the trust that local business owners have in their community through one-on-one interviews. These are great platforms for cutting-edge businesses to promote their organizations and their success as well as to provide potential prospects with valuable information on the community via word-of-mouth that Alpharetta is a choice destination for business and industry.
- 3. Deal Flow Content:** Videos showcasing corporate project wins for attraction and/or relocation – grand openings for offices, restaurants, retail, and any positive growth in economic development. This is one of the most important aspects. Site selectors across the country have identified “deal-flow” as a crucial element they look at in evaluating a location.

To execute this strategy, the city in partnership with the Alpharetta Convention and Visitors Bureau partnered with Crisp Video Group to develop and execute the

video marketing campaign, Alpharetta 360. Crisp had a unique offering: an **ongoing, year-long organic video marketing strategy** incorporating keyword research data, targeted reach, social media boosting, and a steady rotation of high quality in-house produced video content to showcase the city, its brands, and its people. By organic video content, we are referring to video content that is unscripted. We don’t use models or staged settings; we film all material live on the scene to show the true nature of what is happening rather than a fictitious setting that we want people to think is happening in the city.

In order to achieve Alpharetta360’s goals, the company produced video content to showcase Alpharetta not only as a cutting edge technology community, but as an ideal community in which to succeed economically and to raise a family socially.

New video content would be released consistently for the duration of a year in order to create a steady buzz around the community. Beginning the process with an in-depth discovery call with representatives from Grow Alpharetta, the organization’s marketing goals were identified, solidified, and used to form the basis of the campaign’s messaging. With slogans like “this ain’t your pap-pap’s city” and a hip, young vibe, it was immediately apparent that the city’s first target demographic (technology workers) is a younger, tech-oriented crowd.



Corresponding with the cultural strategy, the second approach to attract tech companies to the area began to take shape. In order to encourage these companies to move to the area, Crisp devised a plan to highlight the city’s business environment through Alpharetta’s current business owners and CEOs. In order to create an authentic feel that appealed directly to the second target audience (tech CEOs and business owners), this video marketing strategy centered on CEO profiles from the city’s current technology companies.

There’s no better way to tell a story than through the lens of those who currently live it. The Alpharetta CEO profile series showcases not only the companies that have headquartered in the area, but also the reasons for doing so and the success stories of companies that have relocated there.

Video content was displayed across a variety of channels and pages including Grow Alpharetta, The City of

Alpharetta, and Alpharetta Convention and Visitors Bureau's websites, social media pages like Facebook and Twitter, and YouTube channels.

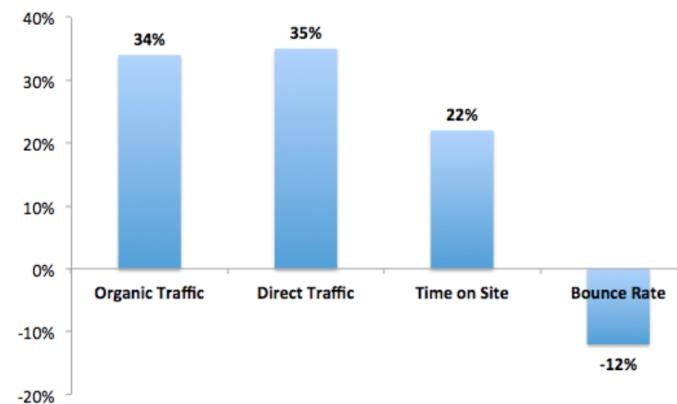
Schema markup (code placed on your website to help search engines return more informative results for users) was included within video embeds to help search engines properly index and rank videos from the campaign. In order to drive action, calls to action were placed at the end of each video and in the YouTube descriptions for video uploads to direct viewers to Grow Alpharetta's website.

Utilizing digital and social media as the primary medium for sharing video content is the differentiator for Alpharetta's marketing initiative, making it both disruptive and innovative when compared to traditional economic development marketing initiatives. Giving the campaign the ability to reach and to target highly-specified demographics, social media has been a major driver of Grow Alpharetta success.

THE RESULTS

While organic video strategies based on long-tail keywords (keywords imbedded in the video that trigger results based on words used in online searches) and SEO metrics (Search Engine Optimization) generally take time to produce results, the city's video marketing campaign has really caught on since its launch. Driving online engagement via the city of Alpharetta's website as well as their social channels, the following presents a snapshot of the organization's metrics before and after the video campaign release.

GROW ALPHARETTA WEBSITE (2 MONTHS BEFORE VS. 2 MONTHS AFTER LAUNCH)



As a direct result of our keywords and SEO efforts, our organic traffic to the site increased by 34 percent. The organic traffic is the web traffic that you earn through keywords and SEO optimization; this is earned traffic rather than paid advertisement traffic. Our direct traffic increased 35 percent. Direct traffic to your site are those that physically type in your URL and do not come from a referral from another website, meaning people saw our post and decided to type in Alpharetta360.com directly in their browser! When visitors got to one of our video portals, they stayed on the page longer! We saw a 22 percent increase in our time on site. (See Grow Alpharetta website graph)

Negative numbers are not typically what you want to see in your analytics. Unless that negative number is de-

Grow Alpharetta - YouTube

The YouTube channel page for 'City of Alpharetta - Grow Alpharetta' shows a banner image of a modern building, a 'Subscribe' button with 82 subscribers, and a video grid. The grid includes videos like 'The NEW Golf Club of Georgia | City of Alpharetta, GA' (323 views, 1 week ago), 'Alpharetta Foodie | City of Alpharetta GA' (175 views, 4 weeks ago), and 'Alpharetta Parks and Trails | City of Alpharetta GA' (562 views, 1 month ago).

Grow Alpharetta - Website

The website homepage features a large banner with the text 'ALPHARETTA {Technology City of the South}' and a 'Play Video' button. The navigation menu includes 'ALPHARETTA 360°', 'VIDEOS', and 'PHOTOS'. Below the banner, there are several video thumbnails and a search bar.

Alpharetta CVB - Facebook Page

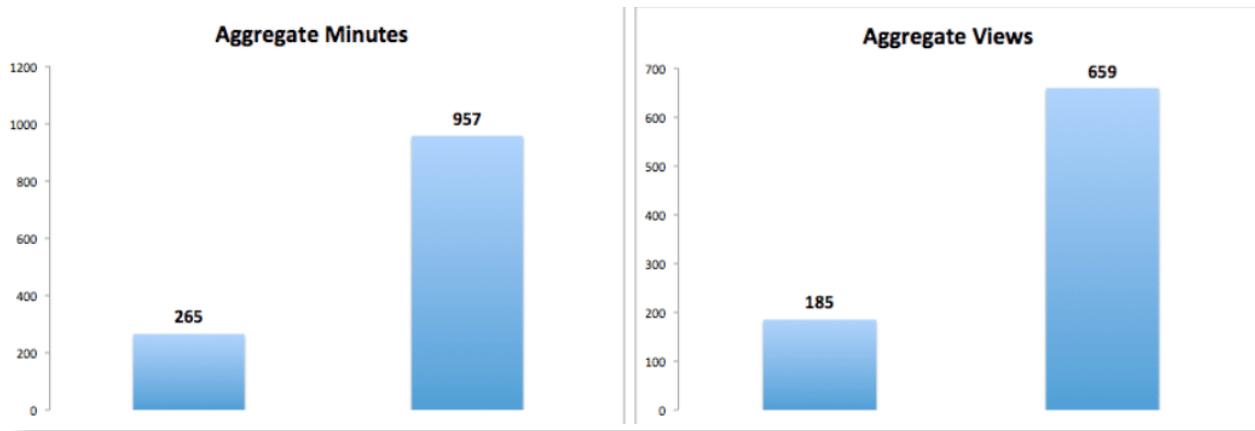
The Facebook page for 'Alpharetta, Georgia – Alpharetta Convention and Visitors Bureau @AwesomeAlpharetta' features a banner for a 'Chef's Table Experience' contest, a 'Like' button, and a 'Watch Video' button. The page also shows a 'All Videos' section with thumbnails for various Alpharetta events.

Alpharetta360.com

The website homepage for 'ALPHARETTA 360°' shows a collage of images related to Alpharetta, including butterflies, people, and outdoor scenes. The navigation menu includes 'ALPHARETTA 360°', 'VIDEOS', and 'PHOTOS'.

Top left: Grow Alpharetta – YouTube ; Top right: Alpharetta CVB – Facebook Page; Bottom left: www.GrowAlpharetta.com; Bottom right: www.Alpharetta360.com

GROW ALPHARETTA YOUTUBE CHANNEL – AGGREGATE VIEWERSHIP (1 MONTH BEFORE VS. 1 MONTH AFTER LAUNCH)

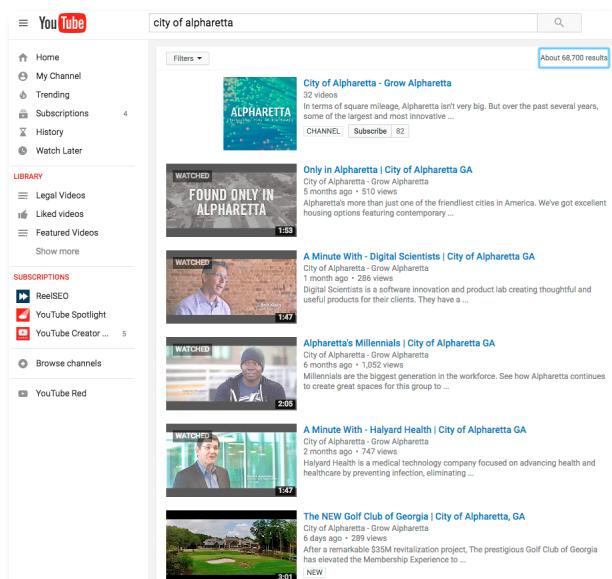


fining your bounce rate. Bounce rate is the moment that a viewer or visitor clicks that red X button, leaves your site, or stops viewing your video. A 12 percent reduction in our bounce rate means that visitors were staying 12 percent longer on our site or viewing our video until they moved on to the next one.

After six months, the city of **Alpharetta's YouTube exposure grew nearly 10x from 189 to 1,390 video views per month** while their Facebook presence has more than tripled, currently reaching 6,237 people per month through organic views and shares alone. Alpharetta's videos have also been extremely successful on social media (a key outlet for their tech-savvy target demographic), with the top results for their Facebook videos currently as follows:

- **Taste of Alpharetta 2016:** 33,000 views
- **Alpharetta's Parks and Trails:** 14,000 views
- **Only in Alpharetta:** 5,000 views

From a branding standpoint, the ripples are easily felt for the city's image. A quick YouTube search for "City of Alpharetta" yields the following results (all campaign videos):



3 MONTHS BEFORE VS. 3 MONTHS AFTER LAUNCH OF YOUTUBE CHANNEL

Watch Time: 648 percent increase

Views: 1,595 percent increase

Likes: 29,500 percent increase

Comments: 800 percent increase

Shares: 500 percent increase

Alpharetta 360, the digital media arm of the Grow Alpharetta campaign, has also seen **site traffic increase by 136 percent** in the same six-month time frame.

With the goal of branding the city to engage and attract new workers and businesses, it's safe to say that the strategy is working the way we intended. With current video and web metrics pointing toward a staggering exposure increase, we have concluded that using social media and video content as our primary means of marketing is providing the highest return on investment we have seen.

As the strategy continues, Alpharetta's video strategy shows that high-quality video marketing strategy can not only serve to brand a company or organization, but cities as well. And, as Grow Alpharetta continues its high-quality video marketing campaign, it will continue to drive engagement and spread word of the "technology capital of the south" to its target demographics.

KEYS TO SUCCESS IN YOUR ORGANIZATION

1. Don't be afraid to change

Throw your brochures and one-pagers in the trash. Your money is better spent on video and social media. The total cost for our 26-video program was \$100,000. However, that cost was split with the Alpharetta CVB and when you really look at what you're spending on print materials and other promotional items, the money seems to be there to begin with.

2. Find a quality video production company for content

Uncle Joe may own a video camera, but that is not the person you want creating your content. Atlanta based Crisp Video Group not only provided us with professional video content, unlike other strictly media companies, they do all the technical back-end SEO optimization, boosting and tech related things mentioned above that help get your media found and viewed as well as help set up our social media accounts to post the videos. Look for cutting edge companies that offer more than just video recording and that offer bulk discounts for multiple videos.

3. Consistent Release of Content

You have to be committed to making those deadlines for content release. That is how you gain subscribers and make a large impact. We release a new video every 2nd and 4th Tuesday of the month – 26 videos a year. Releasing content irregularly will not gain followers or influence.

4. HAVE FUN

Be Creative. If you're not creative, give this project to someone on your team who is. Don't create stuffy too serious content that is boring. Remember, on a social media feed, you're competing with cat videos, people doing dumb stuff, and all sorts of randomness. Make your content fun and engaging while still staying on topic.

5. SHORT AND SWEET

Ninety to 120 seconds is all you have. Videos that are five minutes long, unless instructional, hardly anybody watches them and many don't make it past the 90 second mark. Be precise in your message and to the point. Sixty seconds is the best case, but try to keep it fewer than 90 seconds to avoid the pitfall of high bounce rates.

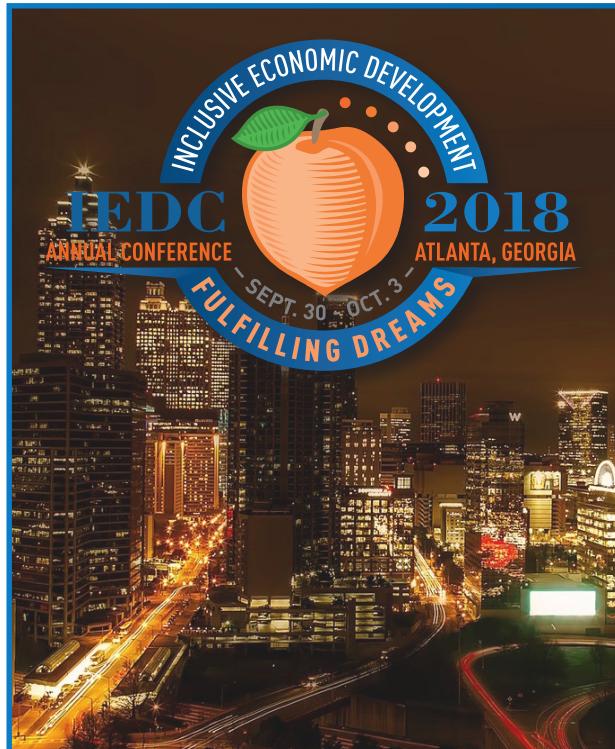
CONCLUSION

Best selling author Seth Godin said it best.

“Our job is to connect to people, to interact with them in a way that leaves them better than we found them, more able to get where they'd like to go.”

– Seth Godin

We as economic developers are connectors. We connect industry to place, workers to industry, and people to place. How we do that is what differentiates us. The strategy for economic development in Alpharetta is always to try to look through a different lens to see opportunities and new ways of innovating our profession to stay relevant in the time we live in. We need to utilize the tools and technology that run our ecosystem in our everyday life in our profession. Unless we adapt, we will only stand still while the world moves ahead. ☺



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