



# Center *for* Economic **Vitality**

*at the College of Business and Economics*

*Western Washington University*

## *Economic Gardening- Practices, Principles and Implementation*



[www.cevforbusiness.com](http://www.cevforbusiness.com)



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presented by:  
Tom Dorr  
Director

# What is it?

## *Innovative Economic Development Strategy*

*Focus on growing existing targeted businesses rather than attracting (poaching) new firms from outside the region*



***“More than simply a metaphor for explaining evolving priorities and practices in the field of economic development, economic gardening is emerging as a cohesive framework of proven techniques that both challenge and complement conventional wisdom in the field.”*** SBA Quotation



**“Growing the economy from the inside out”**

***Chris Gibbons  
City of Littleton, CO 1987***



***Recovery from massive layoffs and high  
unemployment***



# Economies are grown out of entrepreneurial growth and expansion

*Our job in economic development:*

*Connections*

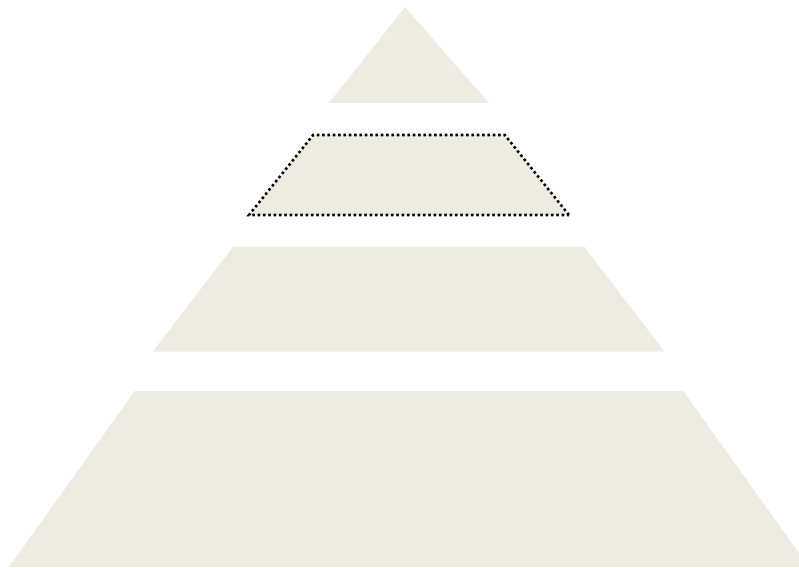
*Infrastructure*

*Information*

*Economic Gardening and  
Competitive Intelligence*



# A Model of Business Distribution By Growth Stage

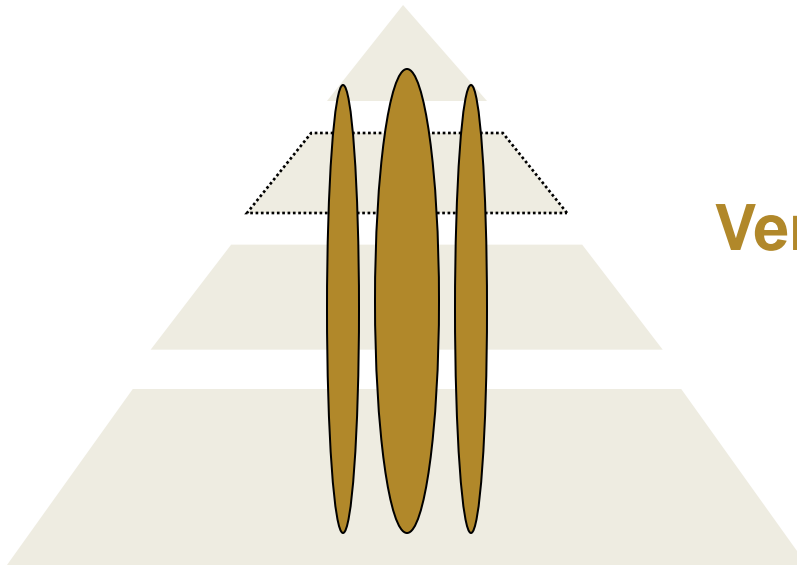


- Stage Four (500+)
- Stage Three (100 to 499)
- Stage Two (10 to 99)
- Stage One (1 to 9)



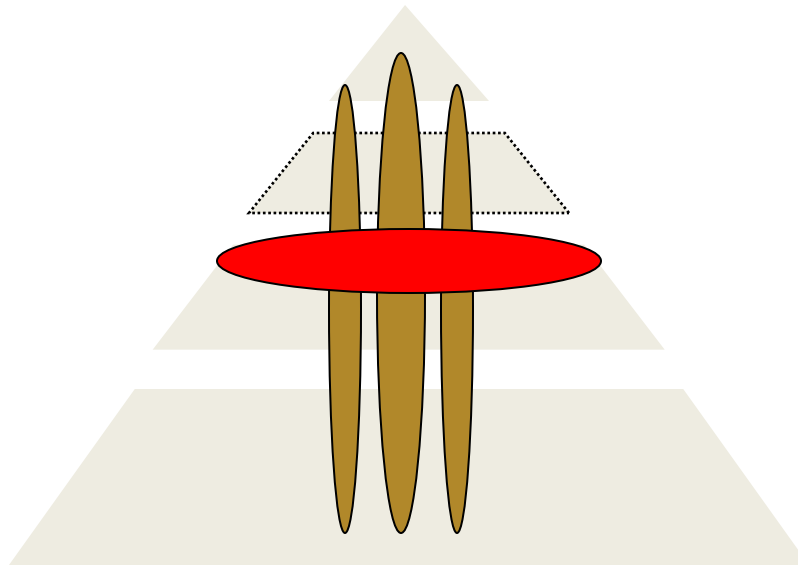
■ Employees

# Economic Development Application - Clusters



**Vertical Industry Clusters  
Cover all stages**

# “Horizontal” Cluster by Stage of Growth



**Vertical Industry Clusters**  
**Versus**  
**Horizontal High Growth**  
**Second Stage Clusters**



# Focus on Sector Instead of Poaching

*The largest sales and job decreases in the last decade are in Stage 4 companies (500+ employees)*

*And it distracts from other economic development efforts*



# Methods and FOCUS

*Strategy*

*Finance*

*Market Dynamics*

*Marketing*

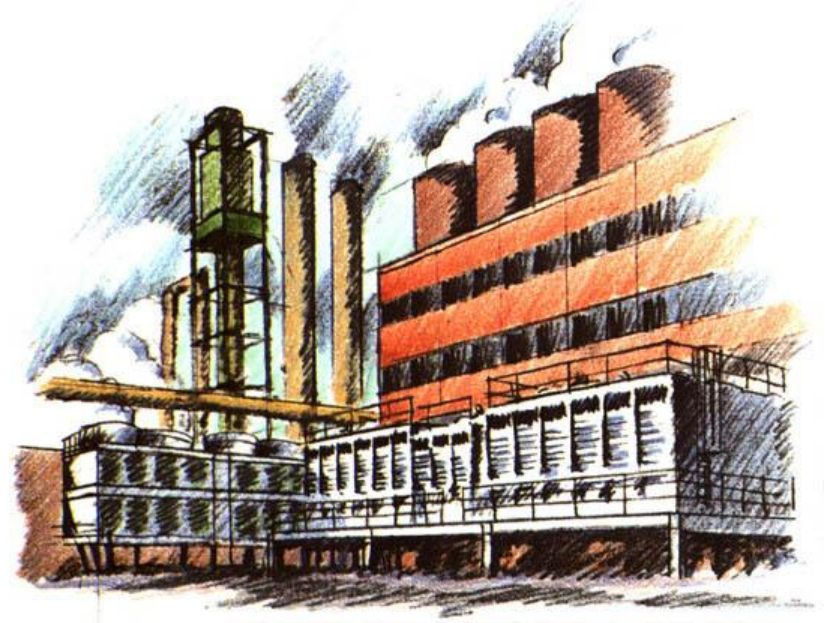
*Team Dynamics*



# The Facts

*Traditional attraction services cannot grow economies on their own*

*We must innovate and support with relevance*



# What drives growth?

*Small, local companies as the driver of jobs, wealth and new investments*



# Gazelles

*Who are the leaders and how can we help them thrive?*

*3-5% of companies  
Fast growing and nimble*



# Innovation and Temperament

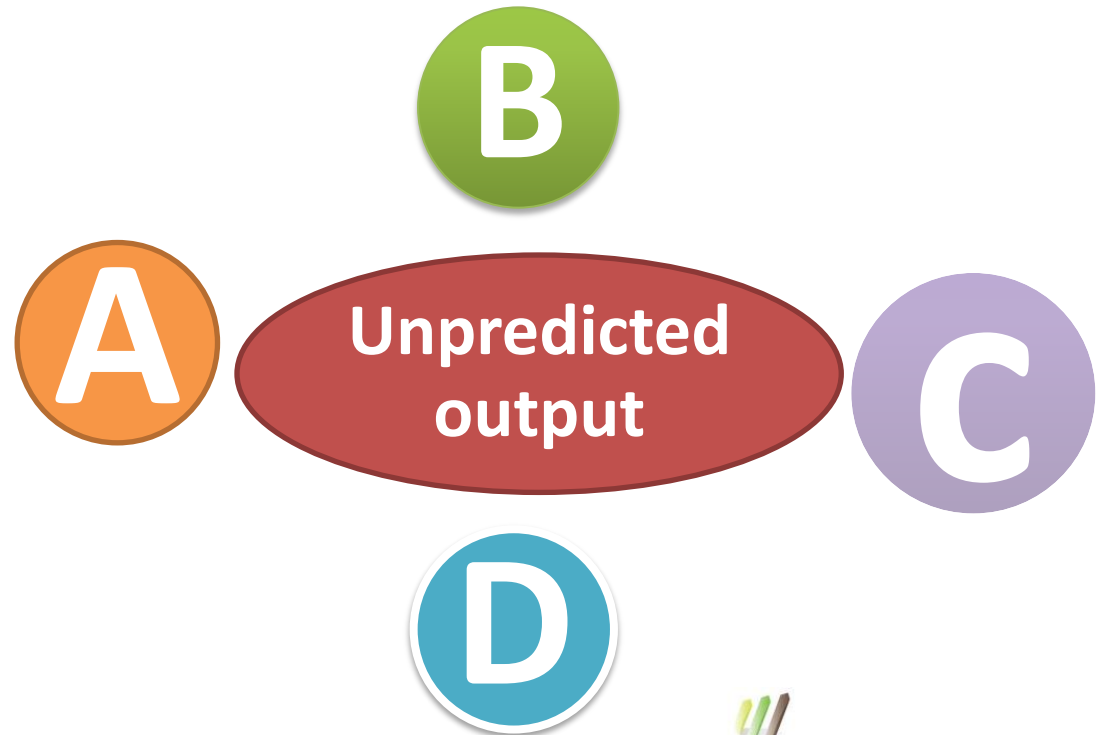
*Ideas and people drive company growth*

*Specifically...*

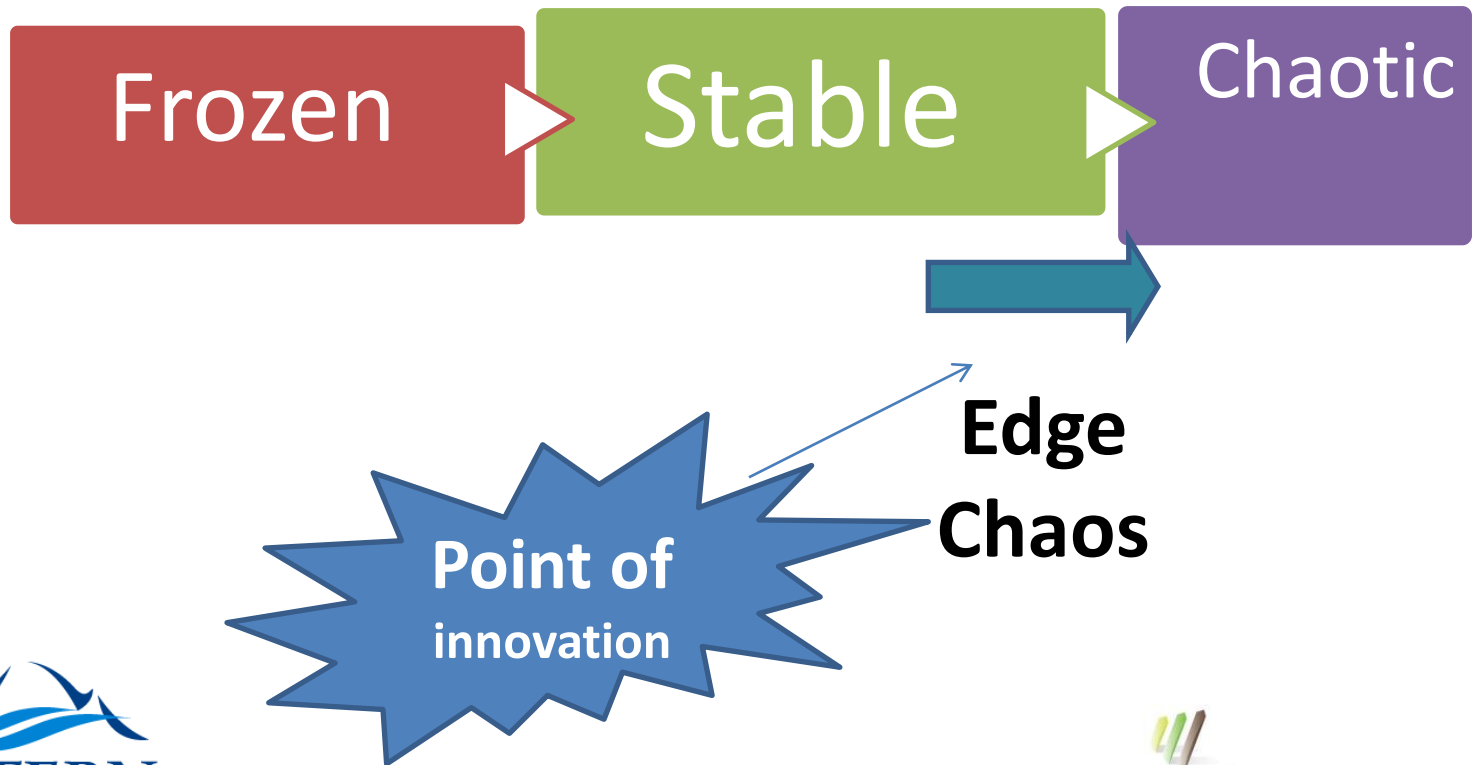
*Particular types of leaders drive growth*



# Supporting Growth and Understanding “Predictability”



# Innovation and Survival





# Shifting from the Commodity Trap

*Race to the bottom*

*Natural Resources-Subject to risk*

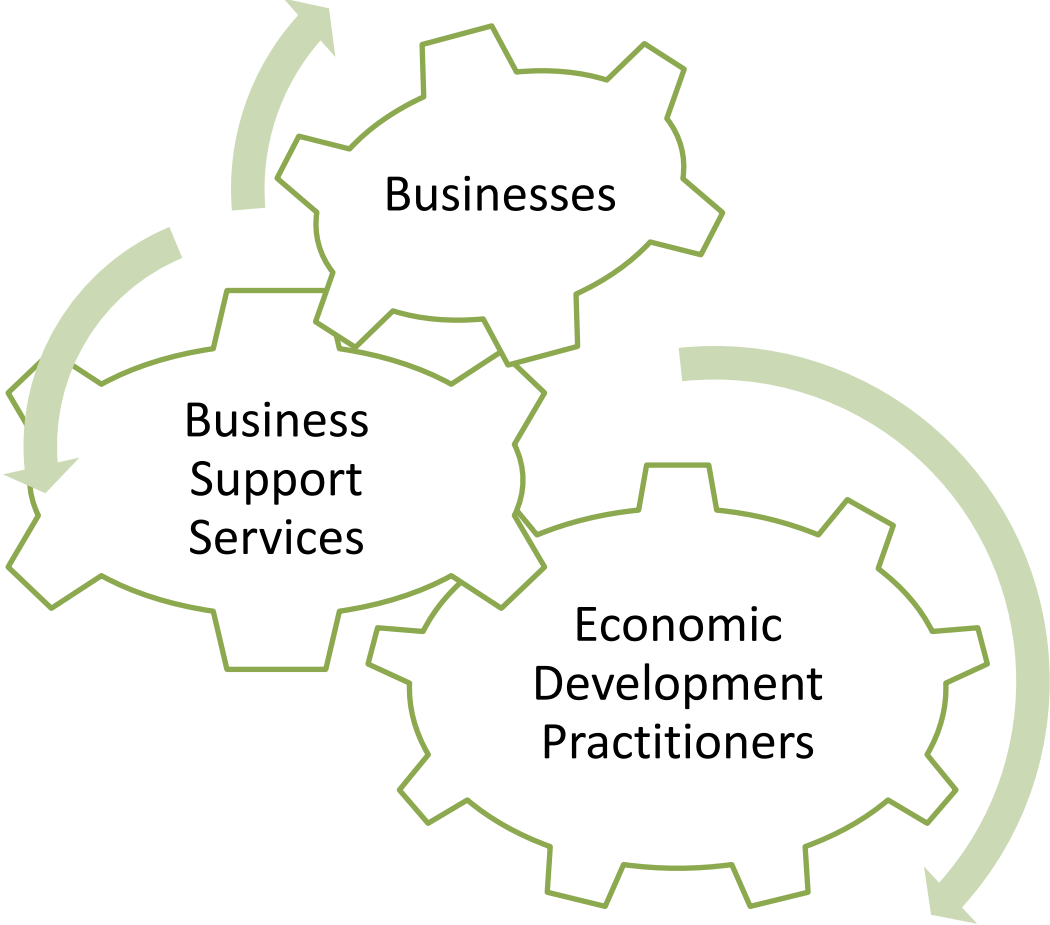


# Racing Up

*Helps to change the structure of thinking about enriching businesses success*

- *Market expansion*
- *Exporting*
- *Management strategies*
- *Hiring*

# Resources Empower Decision Making



**“Existing, expanding companies contribute most to U.S. job creation. In fact, from 1990 to 2008, existing companies generated 71 percent more new jobs than startups”**

*Source: [Youreconomy.org](http://Youreconomy.org)*



“From 2001 to 2008, “**Resident/local businesses** jobs grew 5.9% – while Nonresident jobs decreased by 16.4%.”

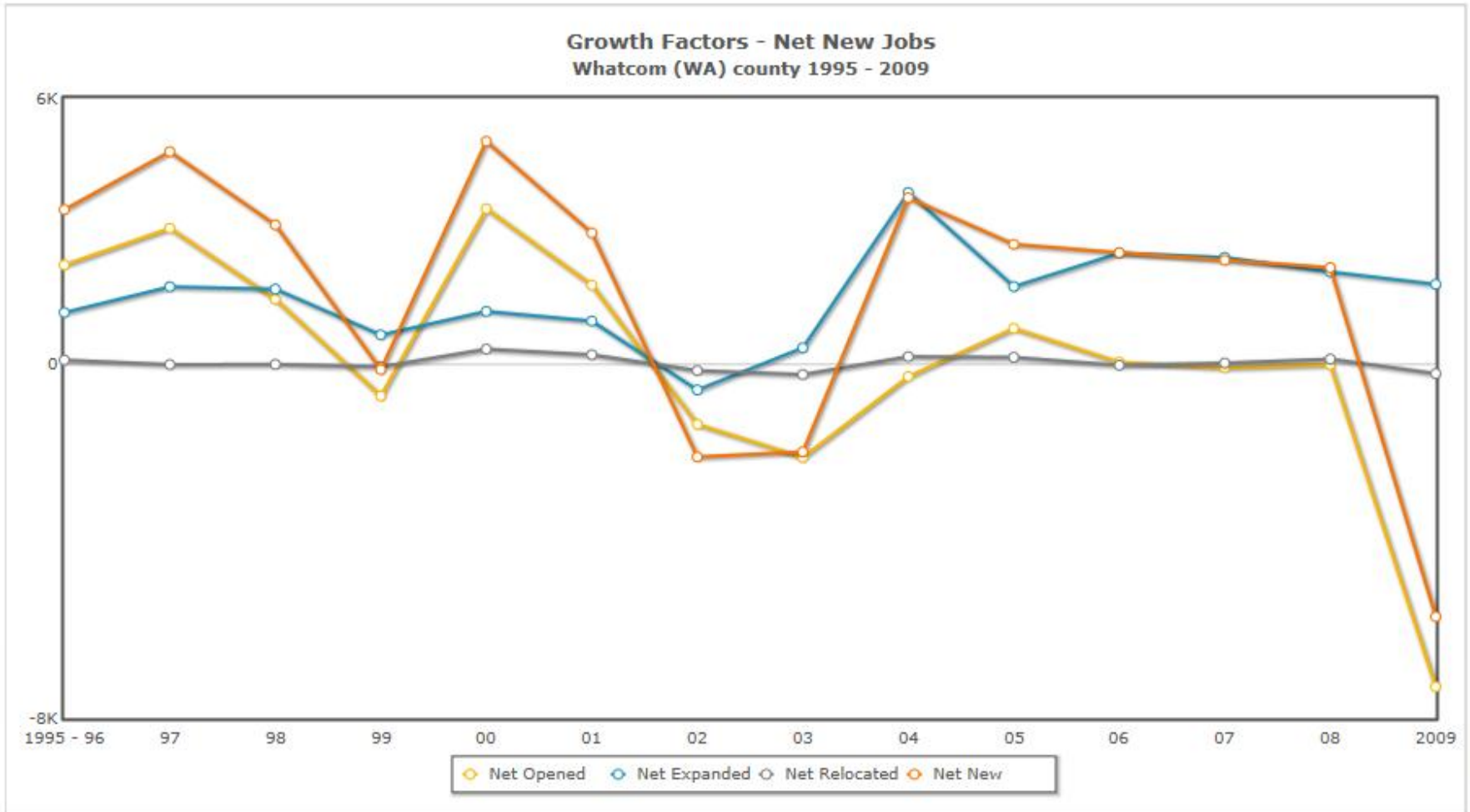
Source: [Youreconomy.org](http://Youreconomy.org)



# Time-series Graphs

You were viewing: [Washington + 2008 - 2009](#) »

Click on any annual data point to see detail



Factors: Opened (Births - Deaths), Expanded (Expansions- Contractions), Relocated (Move In - Move Out)

# EG Helping Shape Economic Development

*Empirical application of communities that are expanding by company size and or sector*

*Developing study of best practices to inform your community*



## Focus on jobs

*What factors have led to Florida's growth?*

- *Self Employed*
- *Stage One*
- *Resident*

*Do you understand these factors for your region?*





# You've Selected:

## Florida + 2000 - 2009

### Summary

Jobs grew 20.9% ↑ Sales grew 16.2% ↑

Primarily, the job gain was caused by the expansions of existing companies (12.6%). The number of job gains were also higher because the number of new companies grew, adding 8.0% more jobs during the same period. About 0.3% of job gains came from companies moving.



Summary  
Time-series  
Composition comparison



YE+ membership  
Subscribe to use 3-digit NAICS



Further analysis  
NETS data access  
Wells & Associates

### Jobs Change - Net New Jobs

Click on graph to see details



Trigger to growth is  
in Self Employed  
and Stage One  
Companies  
RESIDENT

## Your Results: Florida + 2000 - 2009

[See growth factors »](#) [Print Version »](#)

How YE data works for you »

SALES »

ESTABLISHMENTS	2000	2009	Change	%
TOTAL	884,711	2,041,904	1,157,193	130.8%
Noncommercial	53,959	92,374	38,415	71.2%
Nonresident	60,655	52,860	-7,795	-12.9%
Resident	770,097	1,896,670	1,126,573	146.3%
Self-Employed (1)	205,010	543,088	338,078	164.9%
Stage 1 (2-9)	463,693	1,241,106	777,413	167.7%
Stage 2 (10-99)	95,319	106,371	11,052	11.6%
Stage 3 (100-499)	5,516	5,670	154	2.8%
Stage 4 (500+)	559	435	-124	-22.2%

JOBS	2000	2009	Change	%
TOTAL	9,083,230	10,981,369	1,898,139	20.9%
Noncommercial	1,352,781	1,375,321	22,540	1.7%
Nonresident	2,033,487	1,668,342	-365,145	-18.0%
Resident	5,696,962	7,937,706	2,240,744	39.3%
Self-Employed (1)	205,010	543,088	338,078	164.9%
Stage 1 (2-9)	1,642,385	3,500,925	1,858,540	113.2%
Stage 2 (10-99)	2,181,707	2,402,194	220,487	10.1%
Stage 3 (100-499)	933,626	942,219	8,593	0.9%
Stage 4 (500+)	734,234	549,280	-184,954	-25.2%

## You've Selected:

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**Further analysis**  
NETS data access  
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#### Jobs Change - Net New Jobs

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[See growth factors »](#) [Print Version »](#)

[How YE data works for you »](#)

### « ESTABLISHMENTS & JOBS

SALES	2000	2009	Change	%
TOTAL	1,007,033,580,387	1,169,874,146,771	162,840,566,384	16.2%
Noncommercial	56,322,201,431	58,128,564,270	1,806,362,839	3.2%
Nonresident	249,262,514,480	238,157,720,081	-11,104,794,399	-4.5%
Resident	701,448,864,476	873,587,862,420	172,138,997,944	24.5%
Self-Employed (1)	24,698,715,887	39,527,444,786	14,828,728,899	60.0%
Stage 1 (2-9)	219,182,976,449	331,122,490,333	111,939,513,884	51.1%
Stage 2 (10-99)	269,588,544,945	313,614,475,924	44,025,930,979	16.3%
Stage 3 (100-499)	116,299,418,916	129,849,918,836	13,550,499,920	11.7%
Stage 4 (500+)	71,679,208,279	59,473,532,541	-12,205,675,738	-17.0%

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# Individual Business Support

*Helping businesses achieve success through informed decision making supported by research*



# Top Client Research Areas

- *What is going on in the industry/what are trends in the industry?*
- *Who are my consumers?*
- *What are KPIs/benchmarks for my industry?*
- *Who are my competitors?*
- *How/where can I reach my target audience?*

# General Economic Gardening Support

*Helping businesses achieve success through informed decision making supported by research*



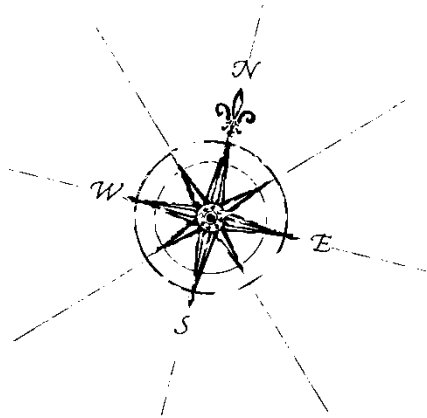
# Consumer Research

- *Demographics*
- *Marketing information*
- *Consumer expenditures*
- *Related products and services*
- *New product or service developments*

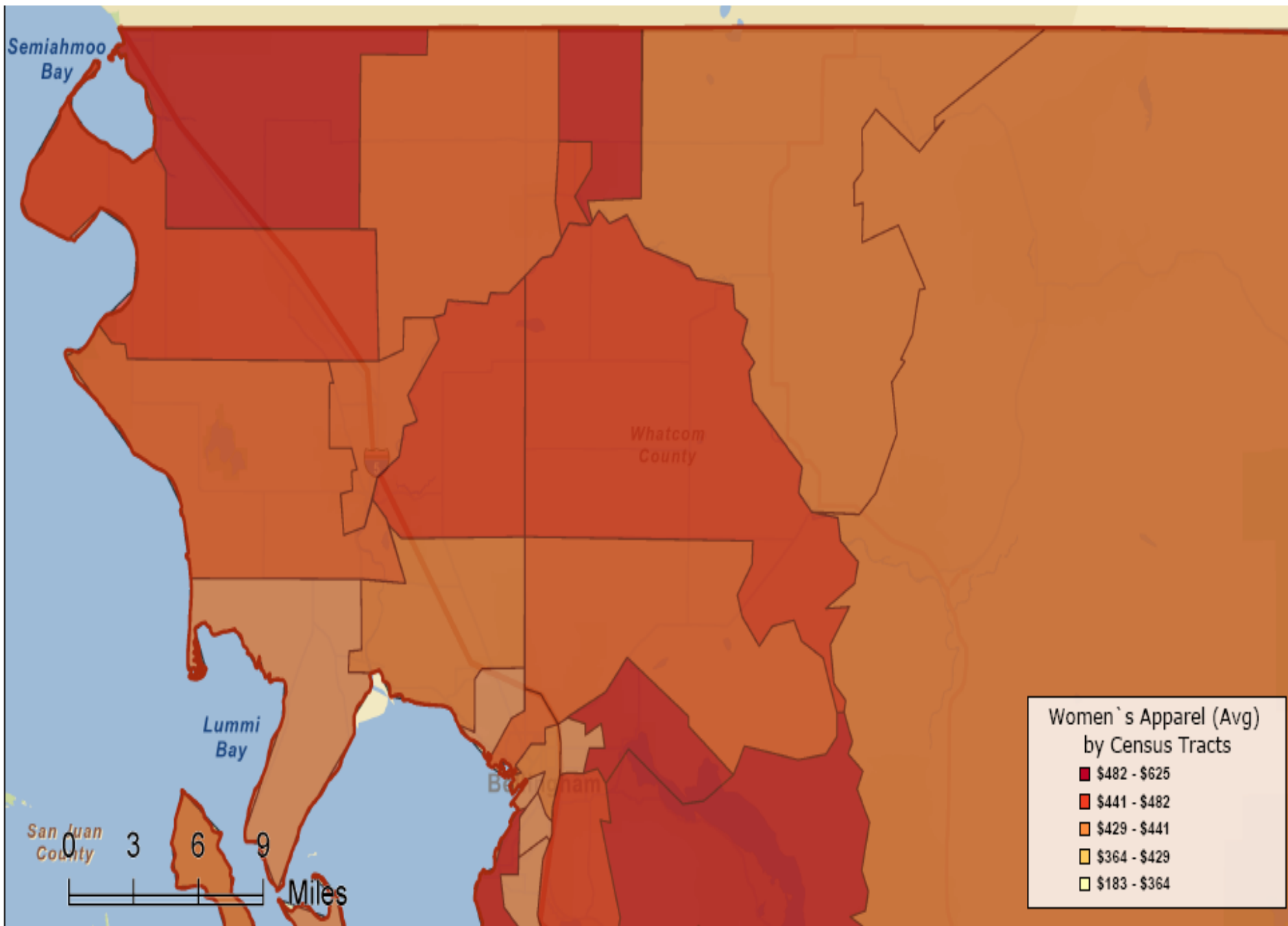
# Geographic

*Possible location  
identification and  
analysis*

*Predicting and  
defining demand*









# Industry

- *Who are my competitors?*
- *Are sales in this industry going up or down?*
- *Are my projected costs and income similar to others in the industry?*

# Human Resources to Develop and Retain Talent

- *What are sample job descriptions?*
- *What are pay rates and benefits for this position?*
- *How can I recruit and retain employees?*
- *What training should I make available to employees?*
- *What should an employee handbook contain?*

# Marketing & Web Presence

- *Writing a marketing plan*
- *General web review*
- *SEO evaluation (basic)*
- *Recommendations*
- *Social media case studies & recommendations*
- *Recommendations for international markets*

# Growing Exports

*Helping businesses achieve success through informed decision making supported by research*



# Getting started

*Is it worth exporting?*

- *Needs and talents assessment of company*

*Basic research to understand fundamentals and industry sector*

# Export Market Potential

- *Identifying and exposing gaps in export marketplace*
- *Analysis of competition, customers, and distributors*
- *Country profiles*
- *Financing and insurance hedges*
- *Canned industry reports*

# In-depth individualized research

*Competitive Intelligence services to help companies understand their unique potential, risks and opportunities.*



# Recent Research Topics

- How does my website compare to the competition?*
- What are the demographics of consumers who buy gourmet desserts?*
- Which of these potential locations for a dental office is best?*
- What are typical start up costs for a bar?*
- What is the market potential for a mushroom growing operation?*
- What is happening in the Laundromat industry?*
- What are competitive wages for a forklift operator in my area?*
- Which industries spend the most on promotional products?*
- What are the demographics of consumers of custom blue jeans?*
- Can I get a list of companies that might be interested in licensing my product?*
- Who are the competitors in my area?*
- How much ice cream is consumed each day in my area?*
- What are the financial benchmarks for retail bakeries?*
- How much does the average person spend on chiropractic services each year?*
- What is the consumer profile of a beer drinker?*
- How should an independent contractor price their services?*
- What are industry trends in home energy audits?*
- How much of the population is gluten intolerant?*
- How are competitors in my area pricing their product?*
- What are hotel occupancy rates in Snohomish County?*
- What trade groups would assist me in starting my business?*
- How many graveyard photographers are there in the US?*



# Is Economic Gardening right for my community?

## *Key components:*

- *Research*  
*In depth and actionable*
- *Training*  
*Practitioners, business owners and referral resources*
- *Technical Assistance*  
*Business Development services*
- *Partnerships*

# Economic Gardening Programs

## *Can be costly*

- *Determine first:*
  - *Who's the audience?*
  - *Who will pay?*
  - *What scope of services do you wish to offer?*

# Economic Gardening Expansion

*Programs have expanded throughout the U.S. and Canada with varied implementation strategies and techniques*



# CEV take on Economic Gardening

## *Competitive Intelligence*

- *Offering access to information typically only available to Fortune 500 companies*

*To help businesses make more strategic decisions and thrive*

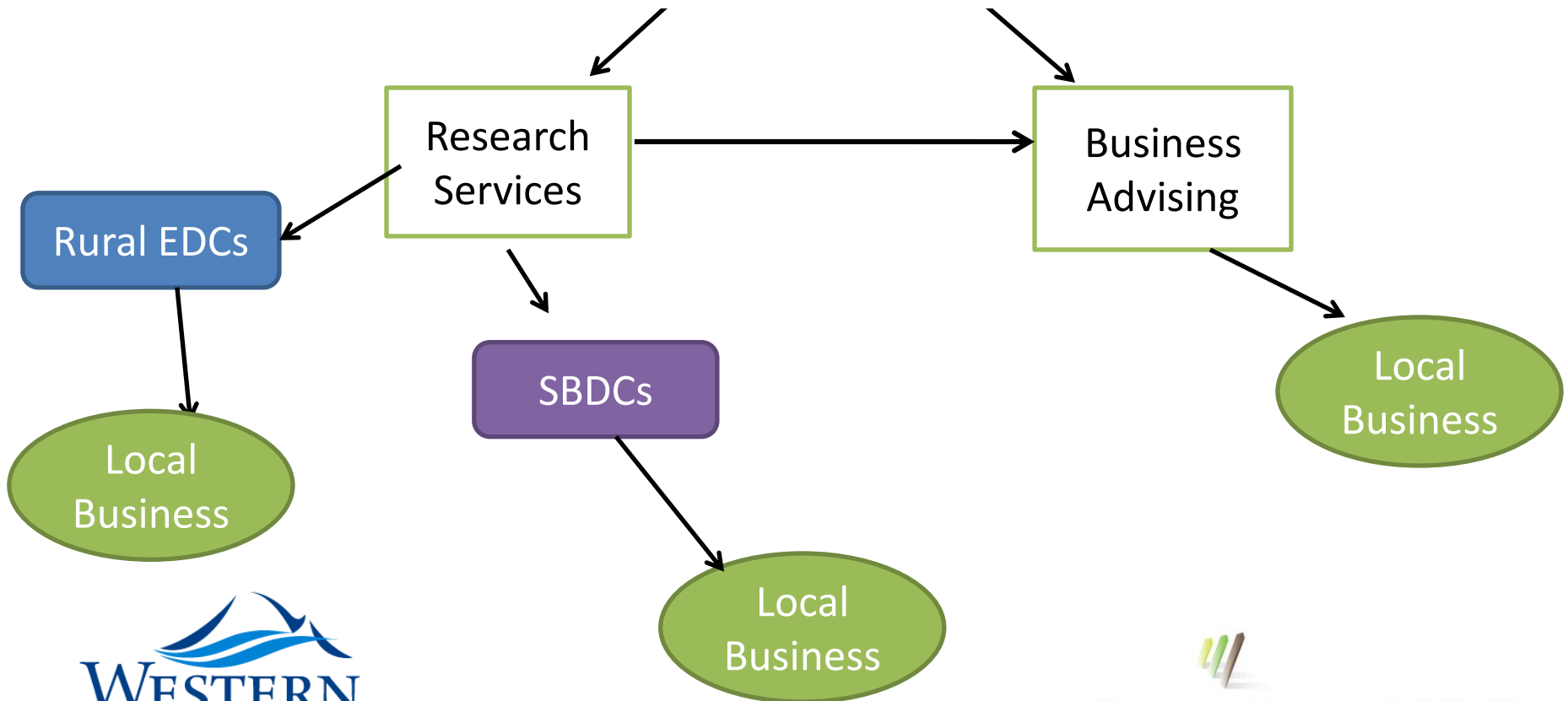
- *Market expansion and exporting*





# Center for Economic Vitality

Western Washington University  
College of Business and Economics



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Western Washington University

# Economic Gardening Program Options

- *Self-Investing in research tools and staff*
- *Educational Business Development Resources*
- *Contracting*
- *Fee for Service*



# Connecting

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