Best Practice Approaches in the New Economy

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Webinar Agenda

• Review research approach;

• Discuss findings and community examples;

• Discuss future research needs;
Research Approach

Kellogg/LPI Parameters

• Not a quantitative analysis
• Qualitative “stories”
  • “Real examples from real communities”
  • Include struggling communities who are using innovating approaches
  • Looked to literature to establish parameters of investigation
Community Selection

• Population parameter: < 125,000
• Identified approximately 100 communities
  – National Chamber of the Year finalists
  – State municipal league recommendations
  – National League of Cities
  – Milken Institute
  – Leading trade publications
  – Oversampled Midwest
Research Approach

Qualitative Approach

• On-site interviews of more than 80 communities in 20 states;
• Interviewed numerous actors to triangulate data;
• Transcriptions coded and mapped against other community responses to develop themes.
• Success tenets aggregated and compared against “pillars” of new economy success identified through literature and LPI research.
Growth is increasingly occurring elsewhere.

A new approach to development is needed in this New Economy.

But, we cannot use Old Economy strategies to address New Economy Challenges.
It is not the strongest of the species that survives
nor the most intelligent
but the ones most responsive to change

-- Charles Darwin
OLD ECONOMY

Inexpensive

Attracting Companies

High quality physical environment was a luxury, in the way of attracting cost-conscious business

Success=fixed
Competitive advantage in some resource or skill

Economic Development is government led

NEW ECONOMY

Rich in talent and Ideas

Attracting educated people

Physical and cultural amenities. Key in attracting knowledge workers.

Success=organizations & individual ability to learn adapt

Partnerships with business, government, and nonprofit sector lead economic development
Pillars to Community Success

- Environment that Supports Innovation & Entrepreneurship
- Quality of Place
- Regional Assets are Leveraged
- Strategic Investments Drive Community Success
- Strong Social Capital
Pillars to Community Success

- Environment that Supports Innovation & Entrepreneurship
- Human Investments Drive Community Success
- Quality of Place
- Strong Social Capital
- Regional Assets are Leveraged
Environment that supports innovation and entrepreneurship

• Successful communities recognize that the path to prosperity lies in creating an environment that fosters innovation and entrepreneurship.
What have we learned about innovative practices in entrepreneurship development?

Intentionally focused on identifying and supporting entrepreneurs as they create and grow their enterprises.

Intentionally focused on creating an environment that is supportive of entrepreneurs and their enterprises – entrepreneurial culture.
Key Success Characteristics

Local champion;

Build on local talents;

Strong social networks;

Specific actions are taken to support entrepreneurs;

Community welcomes diversity and is open to experimentation and innovation;
Community Acts as Entrepreneur

Fairfield, IA

- Recognizes & celebrates entrepreneurs;
- Extensive mentoring program;
- Local Angel/Venture Capital Funds;
- Past 20 years: 3,000 jobs created, personal income tripled;
Fairfield Entrepreneur Relocation Program
21st Century Model of Rural Living

Entrepreneurial Capital of Iowa – Silicon Valley
2003 Award Winner: Grassroots Rural Entrepreneurship Award given by the National Center for Small Cities

- Rent Subsidies in High Tech Office Buildings
- Bandwidth Subsidies
- Low Cost Telecommunication Services
- Qualified Employees
- Joint Marketing Programs
- Low-cost Housing
- Easy Access to Airports

Entrepreneur support services through the Fairfield Entrepreneur Association and Fairfield Chamber of Commerce
- Seminars and Conferences
- Mentoring
- Point-to-Point Support

Access to Venture Capital -
- 20% State Tax Credits for Iowa Investments
- State of Iowa and City of Fairfield - Pre-Economic Development
- Over $250 million invested in Fairfield Companies in last 13 years

Culture and Amenities:
- Lively Music and Art Scene
- First Friday Art Walk featuring 16 galleries
- More Restaurants per capita than San Francisco
- Five Theater Companies
- Recreation on Jefferson County Trail Systems - Recreation, Water, Heritage and Art
- Nationally known Health Center and Spa
- Close to Historic Villages of Van Buren County, Old Thresher’s Reunion, Anonas Colonies,
- Iowa State Fair and Pella Tulip Festival, Bridges of Madison County and Field of Dreams

Quality of Life
- Iowa public schools are ranked 3rd in the nation
- Private schools: Maharishi School and Fairfield Christian School
- Fairfield students have test scores in the top percentile nationally
Communities Support
Entrepreneurial Development

Columbus, Indiana
Creating “E-ecosystem”

- Networking events (TEN)
- Online biz resources
- Virtual E front door
- HS Business plan competition
  - Viability
  - Innovation
Communities Support Entrepreneurial Development

Juneau County, WI

- Entrepreneurship & Innovation Club
- Provides new networks & support systems to advance businesses;
Communities Support
Entrepreneurial Development

Westphalia, Michigan
• Faith community engaged youth group to create student-run business;
• Filled empty storefront;
• Gathering place for youth in community;
Pillars to Community Success

- Environment that Supports Innovation & Entrepreneurship
- Strategic Investments Drive Community Success
- Quality of Place
- Strong Social Capital
- Regional assets are Leveraged
For a community to be competitive globally it needs to support new innovations, enhance educational opportunities and strengthen human capital. Successful communities are strategically investing in new economy infrastructure and human capital.
Strategic Investments in New Economy Infrastructure

Wenatchee, Washington

- Community technology center;
- Satellite capabilities to link to world;
- Yahoo is key tenant;
Education Enhances Community Competitiveness

Houston, Minnesota
- Grant provided computers to students district-wide;
- Utilizing online learning to enhance curriculum;
- Home to Minnesota Virtual Academy;
- Provides 70% of school revenue;

Sparta, North Carolina
- Developed training certification program for advanced materials cluster with community college;
- Changing culture among residents relative to education & training;
Human Investments
Drive New Economy Growth

Zeeland, Michigan

• Recognize importance of industrial design to future;
• Recruited/hired world-class international designer from California;
• Conducting trainings for independent designers and marketing the region as epicenter for design innovation
Human Investments Drive New Economy Growth

Dubuque, Iowa

- Engaging young university talent;
- YP College Chapter to connect with Chamber;
- Internship academy
  - Freshman: Shadow
  - Sophomore: Mentoring
  - Jr/Sr: Full Internship
- Retention loan forgiveness program;
- Youtube video changing perception;
- “Next five years will define the next 50 years for Dubuque”
Pillars to Community Success

1. Environment that Supports Innovation & Entrepreneurship
2. Strategic Investments Drive Community Success
3. Quality of Place
4. Strong Social Capital
5. Regional Assets are Leveraged
Strong Social Capital

• Networks that strengthen community bonds;

• Young adult engagement;

• **Authentic** youth voice
Strengthening Social Capital

Colquitt Georgia

• Connected the community’s culture with the arts to produce a play that bridged social differences.

• Using proceeds from play to enhance learning of school children through the arts.
Strengthening Social Capital

Pella, Iowa

- “Positively Pella” campaign
- Strengthens social bonds of new residents
- Retain talent within community
Keys to Young Professional Engagement

Third Place Factor

YPO is crucial

Engagement extends into community decision making;

“Thinkers & Drinkers”
Changing the narrative is important because people move in the direction of their conversations ….

Source: Ed Morrison
Youth Engagement

• Connect youth with arts, culture and heritage
• Create positive memories
• Provide authentic opportunities for youth voice
Bothel, WA
Community banners celebrate “youth”;

New York Mills, MN
Visiting artist program connects with HS Fine Arts Program

Dowagiac, MI
Dogwood Fine Arts Festival
World-renowned artists and performers offer free clinics to community youth;
Jonesville, Michigan

- Asked older residents why they stayed in Jonesville; top response was childhood memories;
- Surveyed 3rd graders: What do you want in your community?
- Top response: rock wall
- Community built rock wall;
- Re-surveyed students in 7th grade; community received high marks!
Deliberate Effort in Engaging Youth

Simple Idea For Your Community

- Provide disposable cameras to school children and ask to take pictures of what they like and dislike in their community;

- Present pictures at future city commission meeting;
Retaining Youth and Attracting Families

Community Strategies

• Create economic and career choices that are appealing to youth;

• Evolve community cultures that are progressive and embracing of youth and younger generation;

• Proactively link community goals and strategies to the attraction of young people;

• Focus development efforts on those who want to return to their hometown;
Quality of Place

Environment that Supports Innovation & Entrepreneurship

Strategic Investments Drive Community Success

Strong Capital

Regional Assets are Leveraged
Quality of Place

Place matters as individuals chose their communities. Successful communities recognize that creating distinctive downtowns and attractive neighborhoods are a prerequisite to attracting talent in the New Economy.
Quality of Place:

It Is This...  ...Not That
Vibrant Communities

High quality, high amenity living environments are key to attracting knowledge workers.
“The next generation of talent is the first to identify more strongly with their communities than their employers.”

— REBECCA RYAN
It’s About Place Making!
What Does This Mean?

- Build on a unique history, identity and assets to foster community pride.
- Increase social interaction.
Authentic Place Making

“Do what you can with what you have, where you are.”

Theodore Roosevelt
Pillars to Community Success

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- Regional Assets are Leveraged
Regional assets are leveraged

In a global paradigm regions serve as the economic engines, leveraging community assets across a number of municipalities. Communities clinging to the old economy mindset of “winner take all” in economic development will fall further behind in a quick changing world.
Strategic regional alliances

• Regional “civic conversations” in Indiana to explore strategic assets

• North Carolina’s “Research Triangle North”
Successful regions uncover networks

• Creating “safe space” for complex thinking;
• Uncovering assets and networks with regular forums;
• Linking assets to define new opportunities;
New Partnerships Emerge

Peoria, Illinois
- Next Innovation Center
- 50,000 square feet
- Key partners include CAT, Bradley University, Medical Facility, City of Peoria

Moscow, Idaho
- Palouse Knowledge Corridor
- Joint WSU/UID student innovation competition
Leveraging Regional Partnerships

Columbus, Indiana

• Regional initiative to advance individuals by at least one level in their education, training, job placement, and income.
• Working with 34 High School counselors on regional cluster opportunities.
• Regional Advanced Manufacturing Center for Excellence to serve 10 county network;
Learning from other successful places

• Create **quality places to live**
• Retain and attract people of **talent**.
• Welcome **entrepreneurs** and support **innovation**.
• Support **education**.
• Promote **community engagement** and involve youth.
• Promote **regional cooperation**.
• Adopt a “**can-do**” attitude.
Overall Observation

Know your community!!
Opportunities for further research

• Community-to-community bridging;

• Integration of new talent within existing small town community networks;
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