



Strategies

for Sustainable Small Town and Rural Development

It is necessary for citizens and their leaders to be actively engaged in shaping the destiny of their communities. Often, simple, yet powerful actions are all that are necessary to start the momentum in a community toward a new and more promising future. Consumers Energy asked leading experts from around the country the strategies they recommend for individual communities.

“We want our future to be our choice and not something that happens to us.”

– A small-town resident

Consumers Energy



Christine Hamilton-Pennell, founder and president, *Growing Local Economies*

Q. *What is “economic gardening” and how can this concept be implemented in communities to better ensure the creation and growth of local enterprises?*

Economic gardening is an entrepreneurial approach to economic development that seeks to grow the local economy by creating a nurturing environment for local entrepreneurs. It is different from “job hunting,” the business recruitment approach, which often depends on incentives to attract outside companies. Yet, economic gardening is not the antithesis of business recruiting; it simply recognizes that more than 90 percent of new jobs will come from either expansion of existing firms or creation of new enterprises.

Communities often ask how they can implement an economic gardening program. To sustain an economic gardening program, a community must assemble its key players, develop a common understanding of the process and goals, be committed for the long haul, and share a passion for doing things differently. Here are 10 suggestions to get a community started.

1. Determine your target audience – Depending on your resources and strategies, you may not be able to serve all enterprises and entrepreneurs with your economic gardening initiative. If you need to limit access, you may only want to consider those participants who:

- Are firmly established (in business for 1-3 years)
- Have financial statements with profit/loss and cash flow
- Have a clearly defined market
- Have revenue growth over time (even if not yet at break-even)
- Are focused on growth, a desire to hire employees, expand operations or market area, or seek capital investment
- Have a product or service that is scaleable and preferably unique
- Have a market or potential market outside the region

Having a business plan is sometimes cited as a “requirement” for assisting firms, but many successful enterprises do not have a formal business plan, so be cautious about making this a hard-and-fast rule. However, requiring some elementary financial and market information is a reasonable request for those who receive services.

The more partners with a common vision, the more likely economic gardening will be successful.

2. Approach economic gardening with an asset-based mindset – An assessment of your community's assets is important. What is the “wealth” in your community?

What skills in your community can you tap? What works well now? Who is already motivated and passionate to make something happen? Some skills to consider: business counseling, meeting facilitation, finance, employment/work force development, research, marketing, event planning, organizing/managing projects, public speaking, legal support. Here are a few techniques and resources that can help you focus on your assets to develop a viable economic gardening program:

- *Appreciative Inquiry* uses processes to discover what works in an organization and what constitutes a more desired future. <http://appreciativeinquiry.case.edu/>
- *Asset Based Community Development (ABCD)* uses asset mapping to determine what a community has rather than what it lacks and how these assets can be used in new and more creative ways. <http://www.northwestern.edu/ipr/abcd.html>
- *World Café* offers a process for leading collaborative dialogue and knowledge sharing allowing communities to think together, evoke collective intelligence and create actionable results. <http://www.theworldcafe.com/>

3. Create partnerships with likely and unlikely groups – The “usual suspects” for partnerships include economic development organizations, chambers of commerce, small business centers, work force initiatives, local colleges and financial institutions. These groups are essential, but also consider partnering with nontraditional organizations that can bring a different economic development perspective to the table. Many such groups depend on a strong economic base, stable community and viable civic life for their own success so they have an important stake in the community's future. The more partners with a common vision, the more likely economic gardening will be successful. Some of these nontraditional groups might include:

- Churches
- Public libraries
- Utility companies
- K-12 schools
- Senior centers
- Healthcare agencies
- Arts and cultural organizations
- Civic groups

4. Conduct an inventory of existing businesses – What businesses already exist in your community, and what are their concerns? This is important information and much of it may already be in place with your business retention program. Where information is lacking, it can be supplemented from a variety of sources. Local tax records and data from sources such as Dun & Bradstreet or InfoUSA can be helpful. Validate the data from these sources with field visits or phone calls to local business owners.

Finding home-based businesses, which can make up as much as 50 percent of the local business base, is more challenging. Look where these businesses advertise; local newspapers (sometimes weeklies), online directories and bulletin boards in public places. Become engaged in the home-based businesses' network to learn about still more small and new local enterprises, and periodically check the legal news or other sources for listings of new “DBAs” in the community.

Once information is gathered, it is possible to identify industry clusters and important characteristics such as the number of home-based enterprises and businesses with e-commerce capabilities. It also can identify existing and potential high-growth businesses, those important for dynamic growth of the economy.

5. **Take advantage of the SCORE online counseling service** – Good economic gardening starts with the initial business counseling or strategy session. Business owners who understand their unique niche and know their customer base are most likely to be successful. So, getting enterprises to know and follow such a core strategy is important. But, sometimes it's hard to find the specific expertise needed for an enterprise, especially in small communities. SCORE, the Service Corps of Retired Executives (<http://www.score.org/>) can be invaluable in this regard with its searchable database of counselors.

6. **Subscribe to free e-newsletters, e-mail lists and blogs on entrepreneurship and business strategy** – Useful information on entrepreneurship and strategies for supporting small businesses abounds in free online newsletters and lists. Here are a few that offer good content, resources and tips.

- *The National Dialogue on Entrepreneurship* provides analyses of the innovation economy. <http://www.publicforuminstitute.org/nde/news/nde-news.htm>
- *Agurban* focuses on best practices in economic development in small towns. <http://www.boomtowninstitute.com/>
- *EntreWorks Insights* reports on business trends, policy developments and other issues impacting the business of economic development. <http://www.entreworks.net/newsletter/newsletterv4n2.htm>
- *Rural Entrepreneurship News*, is the RUPRI Center for Rural Entrepreneurship's newsletter. <http://www.energizingentrepreneurs.org/pages/sitemap.php>
- *Econ-Dev* is Littleton, Colorado's, forum for discussion of economic gardening. <http://www.littletongov.org/bia/economicgardening/econdev.asp>

7. **Explore free and low-cost resources for information and research** – Even if you don't have a large budget for database subscriptions to support your economic gardening initiative, you still can offer a degree of research services to your businesses. Most public libraries have business collections and online databases available and should welcome supporting an economic gardening initiative. In addition, here are some great Web-based resources to explore:

- *JJ Hill Library* offers moderately priced subscriptions accessing a robust set of business resources. <http://www.jjhill.org/>
- *Hoovers* is primarily a subscription site, but basic company information as well as industry overviews and trends are free. <http://www.hoovers.com/free/>
- *Thomas.net* is a comprehensive source of industrial information, products and services primarily from the manufacturing sector. <http://www.thomasnet.com/>
- *U.S. Census Bureau Economic Programs* provides economic and business statistics. <http://www.census.gov/econ/www/>
- *Valuation Resources* provides industry overviews, trends and outlooks, financial ratios and benchmarking, and valuation resources. <http://valuationresources.com/>



8. Focus on Internet marketing opportunities – The Internet has helped level the playing field for smaller and more rural communities. There is the potential for profitable e-commerce (for relatively little cost) for businesses with unique products or services who can deliver their goods to customers outside the area. Various strategies can help in this process including techniques to drive traffic to Web sites through search engines. Web sites can be “optimized” to make it easier for search engines to find them, and there are pay-per-click ads that show up on the first page of search results even if a business’ site doesn’t show up on the first page “organically.” Businesses also should consider having a blog on their Web site and exploring other forms of social media.

John Jantsch’s book and Web site on small-business marketing, *Duct Tape Marketing*, offers tips on using the Internet. www.ducttapemarketing.com.

9. Develop an entrepreneurial support system that has “no wrong doors” – Erik Pages, of EntreWorks, refers to a concept of “no wrong door.” No matter which “door” (i.e., service provider) an entrepreneur enters, they will get to the information and resources they need. Each service provider must understand what every other entity offers, what their unique niche is, and who is eligible for their services. USSourceLink, <http://www.ussourcelink.com/>, offers a turnkey package to identify and organize services offered by local resource partners within a region. Another resource is Kansas City’s KCSourcelink, <http://www.kcsourcelink.com/> that can be adapted for a community.

10. Be open to crazy ideas! – Listen to ideas from all sources about how to support local entrepreneurs, no matter where they come from or how crazy they may seem when you first hear them. Those ideas from “left field” can jolt you out of your familiar thought patterns, and produce fresh and sometimes startling new insights. You may find yourself trying something totally new that no one has thought of before. Practice saying, “That’s an interesting idea. Tell me more!”

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The complete report *10 Tips for Implementing an Economic Gardening Project* and the report *Free and Low-Cost Information Resources for Supporting Local Entrepreneurs* are among several free downloadable reports available from Growing Local Economies, <http://www.growinglocaleconomies.com>

Additional Resources:

• *Growing Local Economies*, <http://www.growinglocaleconomies.com>



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