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How to prepare an economic development action plan for your community : [PowerPoint slides] / : [prepared by Dennis G. Colie ; commissioned by Florida Economic Development Council]

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How to Prepare an Economic Development Action Plan for Your Community

The future economic vitality of communities is less a function of resources and geography and more a result of sound strategy and strong leadership.

Introduction to the Economic Development Action Plan

The ED action plan is a strategic blueprint - -
• for going from where you are now to where you want to be,
• for getting there when you want, and
• for showing how to get there.
Objectives of strategic planning are to:

- allocate limited community resources,
- prioritize actions in the community, and
- guide the ED organization for efficient use of personnel, and productive use of financial resources.
Introduction to the Economic Development Action Plan

Who typically initiates the planning process?

Usually it is an economic development professional, chamber of commerce executive, city manager, or someone in a similar position, who will provide the initial impetus (Kolzow, 1998).
Introduction to the Economic Development Action Plan

Obtaining the support of the community’s leadership is a critical preliminary step.

The community’s leadership consists of elected officials and other influential persons, such as business people, clergy, educators, and civic-minded volunteers.
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Obtaining the support of elected officials -

Preferably through personal contact, but at a minimum by sending periodic reports of the community’s ED status to all local elected officials.
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Obtaining the support of other influential community leaders -

Use - - personal contact, letters and reports, community workshops.
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Maintaining the support of the community’s leadership -

To benefit from the support already generated, consider forming a local ED advisory board.
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The Local ED Advisory Board

Who - elected officials & influential community leaders, or their designated representatives.

Why - keep the leadership informed & solicit their ideas.

When - meet at least monthly while making ED goals & strategies.
The ED professional strives to create an environment in which the community’s leaders truly become stakeholders for the success of the economic development action plan.
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The Strategic Planning Time Horizon

Minimum - include a full budget planning/spending cycle of the community’s municipal government; usually two fiscal years.
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The Strategic Planning Time Horizon

Considerations:

- Strategies for achieving some goals might logically extend beyond 2 years.
- Creating a new plan every 2 years might be inefficient.

Thus, an horizon over two years may be desirable.
Introduction to the Economic Development Action Plan

The Strategic Planning Time Horizon

Maximum - not exceeding 5 years, because:
• support of the leadership may dissipate,
• incumbents may be replaced, and
• new community needs may emerge.
Firms create competitive advantage by perceiving or discovering new and better ways to compete in an industry and bringing them to market, which is ultimately an act of innovation.

Formulating Goals and Strategies

Goals are *clearly defined* objectives to be achieved over the time horizon of a strategic action plan.

Strategies are ways and means for achieving the goals.
The role of economic development is to help businesses to increase productivity.
Formulating Goals and Strategies

Matters, affecting private sector productivity, in which ED may play a role:

- education policy
- tax and incentive policy
- health care policy
- regulatory (permitting) policy
- environmental policy
- municipal budget and spending policy
Formulating Goals and Strategies

Designing the ED Action Plan

Alternatives

1. Proceed directly from an identified need to the strategies to satisfy the need.
Formulating Goals and Strategies

Designing the ED Action Plan

Alternatives

1. Proceed directly from an identified need to the strategies to satisfy the need.
2. Set intermediate goals, which lead up to the satisfaction of a need.
Designing the ED Action Plan

Alternatives

1. Proceed directly from an identified need to the strategies to satisfy the need.
2. Set intermediate goals, which lead up to the satisfaction of a need.
3. Define performance measures as a guide for satisfactory achievement.
Formulating Goals and Strategies

The Need for Prioritizing

When your community’s ED requirements exceed available resources, but obtaining all of those added resources is not practical.
What does “Prioritizing” mean?

Goals for meeting *some* of your community’s ED requirements can be set for completion within the time horizon of the plan, while *the satisfaction of other needs* must be postponed.
Formulating Goals and Strategies

What is “targeting”?

Targeting is a form of prioritizing.

Targeting is the application of scarce resources to specific industries or industry-clusters.
Formulating Goals and Strategies

Link between Goals & Strategies

• They provide **unambiguous guideposts** for day-to-day decision making within the community’s ED organization.
Formulating Goals and Strategies

Link between Goals & Strategies

• They provide **unambiguous guideposts** for day-to-day decision making within the community’s ED organization.
• They clearly delineate the **collaboration and shared responsibilities** among the community’s various organizations.
Formulating Goals and Strategies

• They provide unambiguous guideposts for day-to-day decision making within the community’s ED organization.
• They clearly delineate the collaboration and shared responsibilities among the community’s various organizations.
• They provide readily observable measures of success and/or target dates for completion.
When setting goals and devising strategies, it will often be helpful to review why an identified need exists in the first place.

The review helps to ensure that the goals and strategies really address what has to be done.
Kolzow (1998) suggests the following steps in the review.

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2. Research the *root causes* of the need.
Kolzow (1998) suggests the following steps in the review.

1. Identify the need.
2. Research its root causes.
3. Determine the *barriers*, e.g. lack of funds, inadequate research, to addressing the root causes for an ED need.
Formulating Goals and Strategies

Kolzow (1998) suggests the following steps in the review.

1. Identify the need.
2. Research its root causes.
3. Determine the barriers.
Formulating Goals and Strategies

Kolzow (1998) suggests the following steps in the review.

4. Engage the community’s leadership - with help from ED professionals - to make a specific list of actions, that is strategies to overcome the barriers causing an unfulfilled ED need.
Kolzow (1998) suggests the following steps in the review.

1. Identify the need.
2. Research its root causes.
3. Determine the barriers.
4. Make list of actions to overcome barriers.
Formulating Goals and Strategies

Kolzow (1998) suggests the following steps in the review.

5. Evaluate the potential for an action to succeed: Can the community and its ED organization implement a particular strategy within the time horizon of the plan?
Formulating Goals and Strategies

Kolzow (1998) suggests the following steps in the review.

1. Identify the need.
2. Research its root causes.
3. Determine the barriers.
4. Make list of actions to overcome barriers.
5. Evaluate and select specific actions.
Ultimately the economic development action plan for your community becomes a formal document.

What should that document contain?
Formulating Goals and Strategies

Ultimately the economic development action plan for your community becomes a formal document.

What should that document contain?

Answer: not too much.
An Economic Development Action Plan for Your Community: A formal document

The ED action plan should include the following:

**Introduce the plan with a brief vision statement.**

The words can evolve during advisory board meetings as a consensus among community leaders.
An Economic Development Action Plan for Your Community: A formal document

The ED action plan should include the following:

List each goal. The goals may be intermediate goals or final goals.
An Economic Development Action Plan for Your Community: A formal document

The ED action plan should include the following:

Describe the *strategic action* for reaching each goal.
Strategies should be clearly stated, but refrain from overly restrictive statements.
An Economic Development Action Plan for Your Community: A formal document

The ED action plan should include the following:

Assign a *responsible agency* for implementation of a strategy.
An Economic Development Action Plan for Your Community: A formal document

The ED action plan should include the following:

**Indicate the *allocated funds* for carrying out a strategic action.**
An Economic Development Action Plan for Your Community: A formal document

The ED action plan should include the following:

Include detailed *work plans* submitted by the responsible agencies.
A work plan schedules tasks and associates resources, such as staff and funding, with the scheduled tasks.
Evaluation starts after your community’s ED action plan is implemented and is a continuous process.

The evaluation has three dimensions:
1. Monitoring progress
2. Assessing performance
3. Determining the level of impact.
Monitoring tracks the current status of tasks listed in a work plan.
Plan Evaluation

**Performance assessment** is a periodic appraisal of the effectiveness of a responsible agency in meeting the objectives of its work plan.
Plan Evaluation

The residents of the community, and their leaders in particular, need to be informed of the *level of impact* of economic development on the community.
Plan Evaluation

Determining the level of impact and informing the community of that impact is usually an annual project.

Some measures of the impact are:

- **Hours spent** by responsible agencies,
- **Money spent** to activate the plan,
- **Number of prospects contacted**,
- **Number of businesses attracted** to the community,
- **Number of new businesses formed**, (continued)
Plan Evaluation

Determining the level of impact and informing the community of that impact is usually an annual project.

Some measures of the impact are:

- Number of jobs gained in the community,
- Change in the local unemployment rate,
- Change in median (or average) real income of local households, and
- Change in the community’s commercial real estate occupancy rates.
It is the responsibility of the ED professional to gather the data and prepare the level of impact for the members of the community.