

Growing economic gardens

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Economic gardeners use GIS to develop jobs and help local businesses succeed.

With unemployment up and tax revenues down, governments are searching for ways to encourage job growth and rebuild local economies. In some cases, they have found that local entrepreneurs and economic gardening tactics are a solution.

Economic gardening sprouted in the late 1980s in [Littleton, Colo.](#), a small city south of Denver. The area's largest employer, Martin Marietta, was laying off thousands of employees, and Chris Gibbons was hired as Littleton's new director of the business/industry affairs department. Among his first tasks from the city council was to work with local businesses to develop job growth.

For years, he had been thinking about the benefits of growing local companies and the pitfalls of luring big businesses to a community, especially the devastating effects that follow when a large corporation fails or finds a cheaper spot to operate. Local business owners, on the other hand, have a vested interest in supporting the health of the communities in which they live and where they will probably raise their children. That makes them more likely to pay good wages and reinvest in the community.

Gibbons' idea to develop new jobs was to support established companies that had potential for growth. His staff and he would consult with business owners and give them the market intelligence and strategies they needed to become more successful. He would focus on stage 2 companies, which the Cassopolis, Mich.-based [Edward Lowe Foundation](#), an economic gardening supporter, defines as having 10 to 99 employees and a proven product. For them, survival is not a daily concern. The group, Gibbons explains, has an estimated \$1 million to \$50 million in annual revenue and is most likely to provide local jobs. The growth of stage 2 companies gives communities the highest returns on investment, he says.

The foundation defines the other stages of business development as self-employed (one employee) in small-scale business activity or sole proprietorships; stage 1 (two to nine employees) partnerships, lifestyle businesses and startups; stage 3 (100-499 employees) with expansion as a hallmark; and stage 4 companies (500 or more employees) that dominate an industry and focus on defending market position.

Between 2000 and 2007, approximately 2.7 million new stage 1 companies created approximately 5.5 million jobs, an average of two jobs per company, according to the Edward Lowe Foundation. Stage 2 companies, however, increased by 42,000 and created close to 1 million new jobs, an average of 23 jobs per company. "Stage 2 companies produce jobs," Gibbons says. "Stage 3 and 4 companies haven't produced new jobs since 2000. Even though they're big employers in the country, they're not actually producing any new jobs — they're producing new jobs in China, India and Mexico, but not in this country."

A Good Foundation



Economic gardeners practice a multipronged approach to consultations, including geographic information system (GIS), market and complexity science analysis, as well as evaluations of CEO personality types. In general, economic gardening teams consist of at least one business analyst and one GIS analyst.

Gibbons' department includes a full-time, dedicated GIS analyst along with an economic intelligence specialist and economic development specialist who work with business owners. Littleton uses ESRI GIS software for demographic, consumer expenditure, and lifestyle data. GIS analysis creates a full picture of the business environment in an area. "We use it to look for labor forces, explore opportunities for expansion, conduct competitor analysis and plot and profile a business' current customers," Gibbons says.

Similar to other communities with limited resources, Loveland has a one-person economic gardening department in economic research specialist Andrea McRobbie Tucker, who has administrative support from the [Loveland Small Business Development Center](#). Her background is in market research and development. She has learned the GIS skills needed for economic gardening and receives additional support from the city's Development Services Department. "My job has changed a lot in the three years I've been here," Tucker says. "It's been interesting and fun, and I've learned a new skill set."

Neighborhood Influences

Many of Littleton's neighbors, such as Pueblo County and Longmont, have incorporated economic gardening into their economic development practices. Kelly Peters, who helped start the economic gardening initiatives for Loveland and Greeley, Colo., learned about the philosophy in 2004 and reached out to Gibbons for help. "Chris is one of my finest mentors. He has really thought this through," she says.

For Peters — who is currently the chief operations officer for the [Rocky Mountain Innovation Initiative](#) (RMI²), director of the Larimer Bioscience Association, and director of the Rocky Mountain GIS Cluster — the key to creating a successful program is having a champion who pushes the program forward. Her dream team consists of a strategic business consultant and GIS professional. "GIS is such an enabling technology," she says. "It's an eye-opening tool because businesses can see where their clients are coming from or where they have their best chance of getting clients instead of looking at an Excel spreadsheet. It's a beautiful way of efficiently getting to your customers."

GIS analysis, demographics and segmentation data can show business owners or developers the different types of people who live in an area, what they buy and the best methods to reach them. Segmentation systems, such as ESRI Tapestry Segmentation, reveal lifestyle/lifestage information about residents in geographic areas.

With that kind of information, local businesses can better understand markets and how to proceed, whether that means adjusting service offerings, siting new locations or improving direct marketing initiatives. "GIS helps convey information that would otherwise be difficult to convey," Tucker says. "You show someone a map of their city and you say, 'Your ideal client lives here, and there are this many of them, and this is what they like to do,' and it gives the clients a new way of looking at the market beyond bullet points."

Tucker has found that the information she provides has benefited business owners. With market intelligence, many have learned how they can survive the recession by identifying a niche where they can stand out or finding new markets to enter. "I think it's really handy for clients to visually see where pockets of expenditures are or where pockets of certain populations are," Tucker says. "You can tell them, 'These types of people tend to buy a particular service,' but until they see it on a map, I don't think it's real to them. Once they can visualize it, it makes it real."

A Sunny Outlook

Florida Gov. Charlie Crist has advocated using an economic gardening approach as part of his economic stimulus plan. The resulting Economic Gardening Technical Assistance Pilot Program gave rise to the Florida Economic Gardening Institute, which launched GrowFL earlier this year. The statewide [GrowFL program](#) is modeled on Littleton's program, and Gibbons is a key player on the jump-start team, which consists of key consultants who advise company leaders.

GrowFL works with local governments and the Edward Lowe Foundation to identify stage 2 companies with growth potential and contacts them to offer its services. As of mid-March 2010, the group had consulted with more than 40 businesses and 100 more are in the pipeline with a year-end goal of 300.

Director of the institute, Tom O'Neal, reports that clients are already reaping rewards from the program, including increased hiring. GIS is part of the success. "It certainly helps people understand where their customers are and how to get to them better," he says.

Wayne Kocina, founder of [GeoWize](#), is part of the jump-start team and provides the GIS services. He has consulted with a variety of clients across business sectors.

In one case, a manufacturing company that delivers products throughout the United States and installs equipment within a 150-mile radius of its plant wanted to increase productivity and customer base. It had reached an impasse because it needed a new facility but did not have the capital to build it. Kocina proposed finding companies with similar operations in a strategic location that would be good candidates for a buyout. After analyzing trade areas and customer profiles, the business owner identified the ideal place. "GIS is important because it can help business owners choose a location that will be successful," Kocina says.

Creating a New Identity

Economic gardening brings the resources large companies often have in-house to small companies with unrealized potential. Empowered with intelligence, companies are finding new ways to thrive, and the benefits spill out into communities.

Gibbons reports that in the past 20 years, Littleton's job base has grown from 15,000 to 30,000, and the tax base increased from \$6 million to \$21 million, while the population grew only 23 percent. He points to the amenities in Littleton that are possible because of its economic health, including open spaces, trails and parks. To achieve long-term success, he says, requires more than just having economic gardening researchers and analysts on staff. It requires an environment that promotes entrepreneurship.

"I always say this is a lifestyle change. It's not a fad diet," Gibbons says. "If you want to lose 10 pounds in two weeks, that's not us. But, if you want to change the way your community operates over a lifetime and you want to create a different kind of community as we come through this recession, that's what economic gardening is."

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