

The Two Sins of Economic Development Plans

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There are many mistakes a community can make working on a local economic development strategy, but there are two things I consider to be the "deadly sins" of economic development. You won't go to hell for committing these deadly sins, but you will certainly ensure your attempts at economic development will fail.

Sin #1 - Be Generic

This sin focuses on doing what everyone else does, which is a common path that so many communities take, because there is a lot of hard work involved in breaking new ground. First, such a community will hire an economic development officer. The person is usually very affordable and very local. The next step is to push that often mildly qualified economic development officer to create an economic development strategy. There are some decent strategies already written that can be easily downloaded from the internet, and often that is what happens.

Those economic development strategies are decent in the sense that they look very professional and say all the things they are supposed to say. Zone commercial land - check. Service commercial land - check. Do the same with industrial - check. Have a fair tax rate - check. And then there is nothing left to do but wait for them to all show up - check. Except sometimes they don't, and sometimes they won't, because those types of plans are generic, and not about you.

Generic economic development strategies are easy to come by and completely ineffective. A good economic development strategy should start with an assessment of what, or rather who, your community is. What are your strengths and weaknesses? What makes you unique? Economic strategies should start with such an honest assessment, and focus on what sets you apart from the rest of your competitors. Apple does not sell more phones by trying to be like its competition. Its advertisements don't say, "Hey, we sell cell phones!" It focuses on selling what makes it distinct. So, what makes you distinct? I assure you simply having commercial and industrial land ready to go does not make you distinct. It makes you look just like everyone else. That isn't a strategy. That's fitting in.

Sin #2 - Ignore People

The second sin is committed when an economic development plan says nothing about people. If your community's economic development strategy doesn't have people at its core-attracting them, training and educating them, addressing where they will live-then you have missed the most important part of economics: PEOPLE. So many communities work on land, taxes, regulations, marketing, resources, supply chains and so on. Those are all very important, but if you don't have people, nothing happens.

When I was working on a rural community development strategy so many years ago, I got into a discussion about which comes first, economic development or people? I decided to find out. I found communities that were working hard on growing their economy. They kept the taxes fair and regulations minimal. They partnered with the Chamber of Commerce to ensure policies supported businesses. They invested in servicing new commercial and industrial space, and yet not much happened. The businesses that were there seemed to do alright, but there was no real growth.

On the other hand, I also found a lot of communities that had not invested in economic development strategies or plans, but seemed to attract a lot of new people. Some communities attracted people because of the value of housing, others for the quiet quality of life, and others for the weather or the landscape. Each community drew people for different reasons and in different ways. The interesting thing was that the local businesses always seemed to be doing better, and new businesses were always opening. And that was when it occurred to me that an economic development strategy that doesn't include people isn't worth the paper it's written on.

Think of it this way: If you had a deserted tropical island and dropped an economic development strategy in there, nothing would happen. If you put a bunch of people on the island, however, an economy would build and develop whether you had a plan in place for it or not. I know that might sound too cute by half, but the point is valid. If you want to ensure economic growth, start by making sure your plan attracts people, and much of the rest will follow.

Our world is changing fast. Old industries die out, as new ones rise. Major industries that drive so many of our economies are under attack, and we often feel left behind. When that happens, we can desperately grasp at whatever straw we see, and often that straw is a generic economic development strategy that holds a lot of promise, but no water. If you really want to get results, you must do things differently from everyone else. That can be a daunting feeling, but don't let it deter you. You can always find a new path to success in the face of challenge.

This syndicated content is provided by Doug Griffiths, best-selling author and chief community builder at 13 Ways, a company with a mission to push communities to face their challenges to find their unique path to success. For more information visit www.13ways.ca, or we can start the conversation at info@13ways.ca.