



BUSINESS RETENTION & EXPANSION BEST PRACTICES & REGIONAL SUCCESS

LESSONS LEARNED FROM THE 3-YEAR PILOT (2012-2015)

SUMMER 2015



The Columbia Basin Rural Development Institute, at Selkirk College, is a regional research centre with a mandate to support informed decision-making by Columbia Basin-Boundary communities through the provision of information, applied research and related outreach and extension support. Visit www.cbrdi.ca for more information.

EXECUTIVE SUMMARY

In the fall of 2014, the RDI undertook a survey of BRE Leads, BRE Business Participants, and Government Representatives in BRE communities. The survey asked respondents a series of questions designed to learn about practices that had been successful and the conditions that fostered that success. This report provides readers with the results from this survey through two main sections: BRE Best Practices and BRE Success Stories.

The BRE Best Practices section delivers a suite of recommended practices and considerations relevant to planning and surveying, action and uptake, follow through, and economic development planning. The BRE Success Stories section provides readers with a suite of nine actions that have resulted from successful BRE projects and a discussion of their impacts and requirements.

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INTRODUCTION

Business Retention and Expansion (BRE) is an action-oriented and community-based approach to business and economic development. It promotes job growth by helping communities to learn about the concerns of, as well as opportunities for, local businesses and to set priorities for projects to address those needs. Ultimately, communities will have greater success in attracting new businesses if existing businesses are content with local economic conditions and community support. Business development and job creation are key factors in fostering healthy and vibrant communities—depending on the characteristics of a community’s economy, anywhere from 40 to 90 per cent of new jobs come from existing businesses.

The Columbia Basin Rural Development Institute (RDI) has a licence agreement with the Economic Development Association of BC for BC Business Counts, a program that provides access to an online BRE survey, contact management, and reporting system called ExecutivePulse. Under the umbrella of this agreement, the RDI provides Basin-Boundary BRE communities with training and analytical support. Training focuses on BRE preparation, data collection, and ExecutivePulse navigation. Analytical support includes: data warehousing and aggregation, and the preparation of a final report on the communities’ results.

In the fall of 2014, the RDI undertook a survey of BRE Leads, BRE Business Participants, and Government Representatives in BRE communities. The survey asked respondents a series of questions designed to learn about practices that had been successful and the conditions that fostered that success. The remainder of this report provides readers with the results from this survey. There are two main sections: BRE Best Practices and BRE Success Stories.

METHODOLOGY

The BRE Best Practices & Regional Success project employed an eight question semi-structured interview (see Appendix A). These questions were asked during one-on-one telephone interviews over the course of two months. The questions were directive, but the interview format allowed for fairly unstructured responses. A total of 22 economic development actors were interviewed, including 11 economic development practitioners, 6 elected officials and 5 business owners.

The interviewer transcribed the responses during the conversations. After each interview, the interviewer reviewed the transcription with the respondent to verify accuracy and to clarify any remaining questions.

The qualitative responses were coded using grounded theory and analysed for common themes and regionally relevant information. Finally, community BRE successes were analysed to extract replicable practices and ideas. These are intended to inspire communities entering the “Action” phase of their projects.

BRE BEST PRACTICES

A Business Retention and Expansion project has the potential to transform the relationship between local government, economic development (ED) organizations, and the business community. The BRE accomplishes this by presenting a focused opportunity for communication and by providing the needed information to address common and specific business pressures. Of

course, successful implementation depends, in part, on the local capacity to take the project on and to follow through.

Many of the communities within the Basin-Boundary face capacity challenges. Small communities with, largely, volunteer-based ED organizations (if they exist at all) are chronically under-resourced for the types of ED activities¹ commonly seen in larger population centres. Much of this report is designed to give lower-capacity communities inspiration and guidance on how they can maximize the impact of their existing capacity, and to offer some ideas on how they may get the most out of their BRE project with limited resources.

This section of the report is organized around four aspects of a BRE project:

- Planning and Surveying
- Action and Uptake
- Follow Through
- Economic Development Planning

PLANNING AND SURVEYING

Planning and surveying is really about establishing support and expectations in advance. The following six themes have emerged as activities or conditions that can fast-track this process: setting goals, effective communications, educating stakeholders, establishing commitment, building relationships and leveraging networks. With the sufficient up-front efforts, the actual surveying of the business community can be vastly streamlined.

SETTING GOALS

The business community, in any municipality, makes a large contribution to the vibrancy of their community and to the well-being of all its inhabitants. Businesses provide services and products that are essential to everyday life. They provide jobs to the local workforce. They may attract business for one another by bringing in tourists or offering outside businesses a reason to visit. Generally speaking, a community wants its businesses to thrive and to prosper. This creates a positive self-enforcing loop.

The primary purpose of a BRE is to **retain** businesses (researchers say that 40%-90% of new jobs come from existing businesses). This means ensuring that the *existing* businesses are healthy and not subject to undue, or preventable stress. The secondary purpose is to **expand** business. This means creating conditions that grow jobs and attract new enterprises to the community.

If these two principal goals are accepted, a community has a variety of options regarding how they try to achieve them. A general approach may be taken to understand business conditions within the jurisdiction. Or, focus can be placed on a specific geographic area within the jurisdiction (the downtown core, for instance), or on a particular sector, or group of sectors (heavy industry, for instance).

¹ Such as: paid ED personnel who guide businesses through development red tape, or municipally funded marketing strategies, or sophisticated web-applications for streamlining business support.

General

The RDI recommends that communities taking on their first² BRE project take a general approach. Almost every BRE Lead interviewed expressed surprise over the amount of business conducted within their communities, the jobs that were available and the planned investments for their communities. Using the BRE as a benchmark study to provide an evidence-based ‘lay of the land’ is an invaluable tool. Taking a general approach ensures that a community does not ignore a potential source of significant growth by failing to fully understand the contributions of all sectors of their economy.

Specific

Once a community has established a benchmarked base-line understanding of their economy, it may be appropriate and desirable to focus on a specific sector or physical area within their economy. If evidence suggests that a particular sector has significant growth potential, or faces specific retention or expansion challenges, it is justifiable to focus a BRE on that sector and those challenges. Likewise, if a specific area within the community shows a concentration of issues or potential for growth, the community may wish to take a closer look. As noted, focusing attention sectorally or geographically should be justified by hard evidence, rather than anecdotal evidence.

Goal Setting

Having clearly stated goals, backed by sound reasoning, establishes a baseline for all future communications. The BRE lead and team will need to spend time and effort gathering support and resources within the community. Being prepared to communicate, clearly and simply, **why** support is required and justified will make all future steps easier.

EFFECTIVE COMMUNICATIONS

Effective communications with local stakeholders have the potential to streamline the BRE project and to win **champions**, or executive sponsors from within the community. Invite stakeholders to be a part of the process early. Let them have the profile associated with the project. It can and should be a great opportunity for local stakeholders.

Start Early

Get stakeholders involved as soon as possible. Early communications helps get the word out and gives people time to prepare for change and an engaging process. The sooner communications start, the better the chances that stakeholders will take on a meaningful, engaged role in the process. Invite stakeholders to play a role in establishing the communications strategies!

Tailored Messages

Messages need to be tailored to their audience, both in content and in medium. Understand the specific concerns and pressures of the local stakeholders and be sure to address these through communication efforts. Particularly with the business community and local government, specific messages need to be communicated (see Educating Stakeholders). Let stakeholders know that they are important and that their participation will be valued.

² The RDI also recommends that communities consider the BRE to be an on-going process that is strengthened by reapplying the process every three to five years

Medium

Choose the medium of communication according to the audience. Mail out invitations, have face-to-face discussions and use newspapers and the internet. If there are key players in the community, speak to them directly. Different demographics respond to different media. Understand the audience and how they get their information.

Above all – ***Never miss an opportunity to raise the profile of your BRE project!***

EDUCATING STAKEHOLDERS

The business community is the focus of the BRE process. Having the support and interest of the business community is absolutely essential. However, the business community has their own focus: **business**. The primary purpose of each and every entrepreneur is to tend to their business and maximize their returns. This creates a set of communications conditions that are unique to this community.

The business community does not want to waste time. They must be convinced that participating in this (lengthy) interview process will improve their bottom line. Being prepared with clear goals and some examples of the types of actions that can fall out of a BRE will help business owners understand that the BRE will not be ‘just another survey’. Business owners should be made aware of the types of information gathered through the BRE and how they are used to create substantial action. Business owners need to be assured that their time will be respected and that their time will be well spent.

Business owners also have a set of concerns over privacy and proprietary information. Letting business know that there are safeties in place for sensitive information and that all people involved are subject to confidentiality agreements can alleviate a lot of the problem. Making business aware that this is consciously considered is important.

Finally, a common finding during a BRE process is that business owners are overjoyed to have someone come to them and express interest in how they are doing. Understand that you have a willing audience. Business owners are thirsty for a conversation with local government and ED organizations. If their major concerns are addressed early on, with clear communications, most communities find that the business community support grows over the course of their project.

Local Government

Local government is a key stakeholder. In smaller communities, in particular, local government may not see themselves as being important nor having the resources to get involved. If this can be overcome, it will be a critical step to ensuring the long-term success of the BRE project.

Local government needs to know what they will get out of it and what will be expected of them. Elected officials need to hear about the role that business plays in creating a healthy community, the potential for growth, the types of programming and improvements that a BRE can spur. Government staff need to hear about what role they can play, why they are important, and why the business community needs their support.

Resource pressures are a constant reality for local government. Most smaller communities have limited-to-no ED resources, and many do not feel that they have an ED mandate. They need to hear that everything they do is ED (from water provision to garbage collection to building

permitting). They need to know about the networks and supports that can be leveraged to take the pressure off of their limited resources.

Again, remember that a big part of initial efforts are directed toward winning **champions**, or executive sponsors from within the local community. Effectively communicating the benefits of the process and the important roles can help win support.

ESTABLISHING COMMITMENT

The more people committed to the BRE project, the better the chances for success and the greater the potential for meaningful outcomes. There are a number of key roles that need to be filled on the greater BRE team: BRE Lead, BRE Interviewers, Red-Flag/Green-Flag Coordinator, Advisory Committee Members, and **BRE Champions**. Early communications and education efforts are (in part) directed to establishing the commitment of local stakeholders.

BRE Lead There must be a person responsible for the delivery and coordination of the entire BRE program.

BRE Interviewers Individuals, subject to confidentiality agreements, who are responsible for conducting interviews with business owners and entering the data into the system

Red-Flag/Green-Flag Coordinator There must be a person responsible to follow up with businesses identified as red or green flags (those in danger of shutting down, or facing a constraint to expanding). This person should not be the BRE Lead (the BRE Lead is fully committed). And, this person should have the power to act on the identified problems.

Advisory Committee Membership on the committee should be drawn from local stakeholders. Committee members act as guidance for the BRE Lead, and help establish ownership of the process, and should include representatives from local government, the Chamber of Commerce and economic development organizations.

BRE Champions A high-profile individual (or individuals) from the community who can raise the profile of the project and expedite support from the local community.

Local Government

Local government is a key stakeholder. They should be invited to the table early and encouraged to participate in whatever way they feel comfortable. A lot of the information gathered through the BRE will directly concern local government (such as assessments of the quality of local government service and attitudes). Being a part of the process from the beginning can help local government to absorb this information smoothly as issues and opportunities arise.

Local government is the face of the community. Having support, particularly **Champions** or Executive Sponsors, from the local government can greatly improve the perceived legitimacy of the BRE process.

Local government also has the biggest, longest-term stake in participation. Improved communications between local government and the business community is a great benefit to local government. Their commitment to the process can leverage the effective delivery of this benefit and create a sense of ownership in the outcomes

Capacity

It is important to consider the capacity of individuals and organizations and to match the expected level of commitment to that capacity. Be open about this issue and set expectations accordingly.

BUILDING RELATIONSHIPS & LEVERAGING NETWORKS

Every community is part of a suite of larger networks. The business community, local government, the Chamber of Commerce, local or regional ED organizations all have connections and work within networks of support. Leveraging these networks is only possible when the members are a part of the BRE process. Using networks is a good way to circumvent local capacity restrictions

Network Weaving is the term applied to fostering and supporting existing networks and expanding those networks in a conscious manner. The BRE process represents a great excuse to reach out to existing network connections for support, and to reach out to new networks to expand the scope of local capacity.

Within the Basin-Boundary region, there are numerous institutions and network organizations that are active and open to helping where possible. Consider the local relationship with: Community Futures, WorkBC, Chambers of Commerce, Tourism BC, the Columbia Basin Trust (CBT), Kootenay Association for Science & Technology (KAST), Kootenay Rockies Innovation Council (KRIC), Selkirk College, the College of the Rockies, Industrial Research Assistance Program (IRAP), Invest Kootenay, Southern Interior Development Initiative Trust (SIDIT), the Columbia Basin Rural Development Institute (RDI), First Nations councils, credit unions, economic development boards and committees, and community service centres.

Stakeholder SWOT

Prior to reaching out, communities may want to consider any individuals or organizations that have the potential and capacity to derail the process. Build strategies to neutralize, or minimize these potentially negative elements.

SURVEY CONSIDERATIONS

If support and expectations have been established, the actual surveying of the business community should be primed for a smooth process. The following are considerations for the interviewer and BRE Lead to keep in mind while surveying.

Business Priority

Always remember that businesses' first priority is to do business. Be understanding of this pressure and make allowances in your schedule to be flexible around business needs.

Tenacity

While allowing for business priorities, be tenacious without being aggressive. Business owners will generally and sincerely want to talk, but may require repeated scheduling or interrupted interviews.

Seasonality

Be aware of the busy seasons for your local business community. The busy season is not likely to yield interviews, but creates a sense of optimism. Interviews should optimally be scheduled shortly after the busy season wraps up.

Listening

The role of the interviewer is to listen. While there is a bigger picture to the BRE process, do not underestimate the value imparted to business owners simply by listening. The quality of notes and data collected will also be improved by focusing on listening.

Red-Flag / Green-Flag

Red-flags are raised when a business is in jeopardy of imminent closure. Green-flags are raised when businesses are primed to expand but face significant barriers. In both cases, **immediate** action is called for and the Red-Flag/Green-Flag Coordinator should be notified **immediately**.

Momentum

Linking the BRE to visible action should be effected at the earliest stage possible. BRE Leads should be aware of this and do their utmost to dispel the 'survey fatigue' problem. If there are obvious quick-fixes for immediate issues, get moving on them right away.

ACTION AND UPTAKE

A common complaint in ED and business circles centres on the observation that there are a plethora of surveys in which people are asked to participate each year; very few surveys result in any substantial action. This has become known as "survey fatigue". Combatting survey fatigue is best accomplished by taking action once the survey is complete. Be prepared for action. The following describes a number of the most common, and the most important actions taken through the BRE, and discusses some of the conditions that contribute to successful delivery.

RETENTION EFFORTS: RED-FLAGS, GREEN-FLAGS

Red-Flags (RFs) and Green-Flags (GFs) present an immediate and pressing opportunity for action to a community. Since the purpose of a BRE project is to foster the retention and expansion of existing and new businesses, there really is no better chance than this to move the survey to action. While the ability to resolve the problem will depend on the context and extent of the issue, the opportunity to take action (following up with the business in question) is clear and undeniable. RF and GF issues should receive some attention (starting with a visit from the RF/GF Coordinator) within a week of being raised.

Having an identified and resourced RF/GF Coordinator is necessary to ensure that these opportunities do not sit and wait for action. The RF/GF Coordinator should ideally have a clear mandate to deal with RF/GF problems. The RF/GF Coordinator should likewise have a clear understanding of the resources and extent to which they can act on the flagged issues.

TRAINING PROGRAMS

One of the most common suites of BRE-inspired programming is training and skills development programs. Many communities learn about specific skills shortages and educational opportunities through their BRE. These often include: management skills, business planning, succession

planning, financing options, business support service awareness, productivity enhancement (i.e. LEAN Manufacturing), and specific workforce skills needs (i.e. hospitality training or heavy duty mechanics). The following are considerations that can influence the uptake of training programs.

Timing

Consider the audience and their availability when setting dates and times of course offerings. For instance, a lunchtime informal meeting may work well for local retail but not for field working contractors. Likewise, weekend offerings may work for Monday to Friday workers but not for shift workers (10-on/4-off type shifts).

Privacy

Consider the audience and whether there may be any sensitivity around revealing issues, problems or skills shortfalls. For instance, business owners may not want to discuss proprietary/private information, required for business planning, in a room full of other local business owners. They may, likewise, not want to alert their competitors if they are planning to retire and seeking help with succession planning.

Subsidies

Money is an unavoidable pressure within the business community. Offering subsidized training can greatly increase the uptake.

Promotion

Promote all training offerings. Focus, specifically, on the target audience but also promote widely. Speak to people in-person, use print-media, web-media, or any available means. Promote aggressively.

Education

Yes, education is a factor affecting education opportunities. There are many odd attitudes that can derail well-intentioned and needed training efforts. It is not uncommon to hear business owners say things like, “I don’t want to spend money training my staff just to have them stolen by a competitor.” Or, “It just isn’t a priority right now.”

The target audience for training programs may need some education regarding the benefits of training, the advantages of making time to look at the big picture, and why training should be a priority.

Momentum

A learning culture needs to be developed. This may take time. A community may need a few examples of simple successes to encourage them to adopt a (potentially) new culture. Allow space for momentum gathering in long term plans.

Champions

Having some high-profile partners or promoters can greatly improve uptake of (any) programming.

GOVERNMENT/ED/BUSINESS RELATIONSHIPS

Improving the relationships between the business community and the local government and/or local ED organizations is the most common ‘success’ claimed by BRE communities. Any

relationship requires attention and being honoured; the relationship with the business community is no exception. The fact that this benefit is so frequently cited indicates that most communities, big and small, tend to take this relationship for granted.

Allowing this relationship to improve, or ultimately to flourish, takes little more than paying attention to the messages, participating in the discussions, and being open to communications. Being committed to *continuing* to honour and improve these relationships will help ensure that trust is maintained. It is that commitment to continued communications that will the relationships continue to grow.

SHARED SERVICES

Overhead and administrative expenses can be a source of stress, particularly for smaller organizations. In small organizations, fixed costs are spread over a relatively small level of output. And, often, these fixed costs represent waste as space and administrative efforts are often not fully employed (yet require full charge). This offers an opportunity for cooperation.

Shared Administration

There may be an opportunity for organizations to share administrative services. Services, such as IT, book-keeping and human resource management can occupy a lot of administrative energy for a small organization. Privacy, conflict of interest, and proprietary concerns must be considered. But, a careful and realistic evaluation of these risks often allows for organizations to share the cost of these services.

Co- Location

Space is frequently underutilized, or used in a way that prevents shared administrative services. Co-location of business is another increasingly popular way to lower overhead costs. Organizations can leverage their overhead and administration budgets (either lower costs or improving service levels) by sharing space and administrative services.

Co-location may play another important role for related organizations. Creating a one-stop shop (single location where you can visit all the related businesses or organizations) can increase benefits to consumers and increase the volume of traffic for all of the co-located organizations.

Buyer-Cooperatives

Again, in smaller communities there tend to be significant service gaps that hamper operations. Transportation services (couriers, truck transport and the like) are a very common source of concern in small communities. These communities may suffer from a volume that is insufficient to convince service providers to invest in the area. This is amplified where the potential customers in that community may be diluted between competing providers.

If left to the decision making of the potential service providers, these services may never be competitively offered to smaller remote communities. However, if local organizations cooperate and offer potential service providers with higher guaranteed volumes, they may be able to entice suppliers to their market.

CELEBRATION OF LOCAL EXPERTISE

In the course of running a BRE project, BRE staff are guaranteed to encounter up-lifting, encouraging, and inspiring stories from within their community. There are creative and innovative people, in every community, performing amazing services and making great contributions to the well-being of the community at large. These need to be celebrated. A BRE project offers the opportunity to do so.

Communities have celebrated local excellence by promoting success stories on municipal websites, by writing stories in the local print-media, by creating appreciation and excellence awards, and by drawing local experts into fun and engaging public programming (such as the local/regional “Dragon’s Den” type programs). Our entrepreneurs make big contributions to our society. They deserve to be thanked and honoured.

WORKING WITH DATA

The least exciting, but an undeniably positive benefit of working through a BRE project is the opportunity to learn how to work with hard data. Community level data is not easy to attain for most data-types. And, a significant amount of the “local information” that is commonly held comes from conversations or snippets of discussions; all of which represent a (usually) limited sample of personal experiences.

Implementing a BRE survey and analysing the resultant data provides municipal policy makers with defensible information on the local business environment. With evidence-based messages, the basis for policy arguments is strengthened. Commonly held beliefs can be dispelled or confirmed. Either way, the use of data allows for a greater degree of confidence when setting policy and programming priorities.

Working with data is a skill that requires discipline. In this context, communities that consciously decide to incorporate data into their decision making framework subsequently build their economic development capacity. Learning these skills is a function of commitment to the goal and having people who can commit to building an institutional knowledge and memory around data will support short and long-term outcomes.

FOLLOW THROUGH

While the previous section details a number of common actions, this section seeks to address, more generally, the conditions that support effective follow-through. Again, commitment to follow through and effective implementation are the greatest counter to survey fatigue and the greatest tools for demonstrating commitment to supporting the business community.

THANK YOU CARDS

Thank you cards are a simple, virtually effortless way to let your business community know that their input is valued. Sending out thank you cards to participants also serves as a reminder of the participation; this can be part of a larger communication strategy.

COMMITMENT

Much of the early phases of the BRE Best-Practices are focused on establishing commitment. The importance of establishing and engaging commitment cannot be overstated. Moreover, to

increase the chances of success, the level of commitment should match the capacity to deliver. The real goal of commitment is to create visible and measurable changes (not necessarily a revolutionary degree of change).

Establishing a culture of commitment to continued attention and action (at whatever level is manageable) is possible in any community. This implies an understanding that “follow through” extends beyond the offering of training programs, or implementation of a service improvement model for local development approvals (for instance). Follow through means continual evaluation of programs and project outcomes with an eye toward improving support for the business community *in a sustainable way*.

Community leaders, local government, and business community leaders should be encouraged (early) to participate and to commit as much as they are able to the follow through on the BRE project. Local ownership of the process is a critical component to effective long term improvements. Again, the commitment of local **Champions** will go very far in establishing commitment in the wider community.

Financial Commitment

A huge ED budget is not a requirement for successful follow through to a BRE project. However, some financial commitment is required to put a community in position to take action on high-priority BRE results. Even \$1000 to \$5000 set aside for immediate (low-hanging fruit) action on high-priority BRE findings should be sufficient to create momentum, improve the business climate and to combat *survey fatigue*.

CAPACITY

The word “capacity” has been used throughout this document. In the context of rural economic development, capacity has a number of specific aspects. These specific aspects include: capacity for strategic planning and action, strength of network connections (within and outside of the region), strength and commitment of leadership (both elected officials and community leaders), level of engagement within the community, and overall health and vitality of the business sector and the community as a whole.

Communities have different capacities to deliver ED programming. This must be recognized and taken into account by BRE proponents, EDPs and local government. However, capacity is a dynamic element that can grow or decline over time, depending on how it is fostered. Policy makers and EDPs must understand the limitations of capacity while committing to improving capacity over the long term. Creating this culture requires educating all stakeholders on the benefits of ED and how stakeholders can participate.

Matching Capacity

Communities should match their programming ambitions and asks for commitment to the capacity of the local community. Failure to do so can result not only in failed programming, but in damage to the local appetite for such efforts. Successfully matching capacity to ambitions can result in (sometimes) modest, incremental improvements in the local business environment, and in an increased appetite for such efforts and confidence that they will yield results.

Growing Capacity

Particularly in lower capacity communities, there is a tendency to accept current capacity as a permanent limitation. This fatalistic belief about a community can cripple the ability to grow over time. Communities should realize that capacity is dynamic and can grow if encouraged. A frank assessment of current capacity is needed to establish a baseline. A commitment to push the envelope and to continually improve capacity is part of a growth culture.

Leveraging Support

There are existing support networks³ for EDPs, business organizations and local government. Communities do not need to feel alone and isolated. From building capacity, to delivering programming, to linking with partners, to finding investors, a network of support exists to help communities build their capacity over time.

LONG-TERM GOAL

A BRE project yields a lot of information about the business community's challenges and support needs. Early programming results show mixed business community response to efforts to address these challenges. Creating a growth and innovation culture that capitalizes on offered supports is an ongoing process that requires tenacity, focus and sometimes filtering messages.

EDPs should remember that their programming efforts are part of a long-term strategy to build a culture of growth and innovation. Simply offering support, one day, may not be sufficient to change a business culture that feels disengaged from support services. Tenacity and focus may be required to gradually create a positive culture that takes full advantage of programming options.

COMMUNICATIONS

A communication strategy is required, from beginning to beyond, in order to complement efforts to build long term commitment to action and a culture of growth. Good communications around the BRE can be a great tool to eliminate *survey fatigue*.

Tell them what you are going to do

Preparing local government, the business community and the community at large is essential to building support, winning commitment and setting expectations. Early communications are part of the education strategy, for all stakeholders. Stakeholders need to know what is being done, how it will benefit them and how their participation can improve the process.

Tell them what you are doing

Stakeholders should continue to be informed throughout all stages of the BRE process (from planning through to action). This communication is integral to increasing uptake in the ongoing efforts and in demonstrating that action actually results from the survey process. In all communications, the link between the BRE and the resultant action should be specifically pointed out.

³ Recall the list of sample organizations from page 6: Community Futures, WorkBC, Chambers of Commerce, Tourism BC, the CBT, KAST, KRIC, Selkirk College, the College of the Rockies, IRAP, Invest Kootenay, SIDIT, the RDI, First Nations councils, credit unions, economic development boards and committees, and community service centres.

Tell them what you did

Once the main program deliverables have been implemented, remind people about the BRE survey and of all the tangible programming action that resulted from it. This will both increase the willingness to participate in future ED projects and contribute to the burgeoning culture of ED.

EXPECTATIONS

The dangers of over-selling expectations are well understood. This must be considered while preparing for the BRE. It is also VERY important for BRE Interviewers to keep this in mind while in one-on-one contact with businesses.

However, BRE project proponents should be generally prepared to learn that the potential for growth, within the business community, often FAR exceeds expectations. Once underway and results from the survey start to trickle in, most BRE Leads report surprise at the number of good-news opportunities that exist. These often include (but are not limited to): near-term plans for land and capital investment, business expansion, unfilled jobs, and labour retention issues. All of these represent an opportunity for the local economy to grow.

Communities undertaking a BRE project should be prepared to address these opportunities.

ECONOMIC DEVELOPMENT PLANNING

Finally, it is worth discussing attitudes and approaches to ED planning. Many small communities feel at a loss with respect to ED planning; many even state that they have no mandate to perform ED. This is a reflection of an unnecessarily strict definition of ED. Stakeholders should realize that we are all already performing ED.

While it is true that ED activities tend to get more traction with a dedicated economic development practitioner (EDP), ED activities range over a spectrum of formality and levels of resourcing.

ED 101

The National League of Cities: Center for Research and Innovation has published a paper, titled “The Role of Local Elected Officials in Economic Development” (2010). This paper offers ten building blocks for developing an ED culture in lower capacity communities. The following is a suite of general steps for communities looking to formalize their ED activities and plans. Smaller communities with lower resource capacity should keep in mind that these are simply guidelines. One does not need to have each of these items ‘checked’.

Understand strengths & weaknesses

A community must understand their starting point to properly assess how they can move forward. The first step to successful ED should include an assessment of the: economic conditions, demographics, workforce, physical infrastructure and assets, business climate, knowledge based resources and support networks, and quality of life.

Undertaking a BRE project is a great way to establish this baseline while embarking on a larger initiative to create a positive culture of ED.

Know where you fit regionally

The health of a community's economy is inextricably linked to the economy of the region. While many communities feel that they are in competition with neighbouring communities, those neighbours may be their greatest allies in the bid for a healthy economy.

Understanding where a community fits in the mosaic of a regional economy is necessary to positioning the community in collaborative and cooperative ED efforts for the entire region. This may require aligning tax incentives and services to minimize within-region competition and maximize the competitiveness of the region in the larger economy (provincial, national, or international). Attracting new enterprises, investment and skilled workers to the *region* will benefit all of the communities within the region.

Develop ED Vision & Goals

Effective Vision and Goals Statements stem from the community values, strengths and weaknesses, and future aspirations. Local government is best positioned to work with the community to build consensus and common purpose.

Build an ED Strategy

The ED Vision and Goals should form driving component of ED strategies. ED strategies or plans offer the local leadership and community a set of economic goals and specific actions, budget and resources, and performance measurement metrics. All of which are a reflection of the local capacity.

ED plans essentially strive to lower or offset the cost of doing business by easing constraints. The activities, programs and tools used to do so will reflect local constraints and business pressures. Even in lower capacity communities, steps can be taken to create a culture that supports its local business without enormous resource draws.

Connect ED to existing policy

Policy integration can greatly enhance ED efforts. When putting together ED plans and strategies, other municipal policies should be reviewed to ensure that all policies are aligned.

Know your regulatory environment

Local government can greatly improve the business climate by assessing their regulatory processes and removing unnecessary delays or roadblocks. Uncertainty is a huge liability for business and investment. Lowering the risks associated with development and investment (while guarding necessary protections!) can provide a boost to the local economy. There are "secret investor" programs available to help communities test their investment readiness.

Engage ED stakeholders

Local government is not exclusively responsible for ED planning and implementation. There is a network of ED stakeholders in every community that include: businesses, NGOs, chambers of commerce, members of the local workforce, and regional network partners. Including all stakeholders in the ED planning process and implementation will tend to create deeper, more integrated programming with a sense of community ownership.

Get to know business needs

Supporting the existing local businesses requires knowledge of their pressures, supply chain gaps, and service gaps. Running a BRE project is a great first step toward this understanding. Often, local ED authorities can help by providing or brokering small business support services (such as business incubators, training opportunities, marketing information and network assistance).

Business support should focus primarily on existing businesses. A healthy local business community will be the biggest draw for new enterprises. Celebrating the success of local business is a wonderful way to attract outside attention, too.

Build a community ED message

Communications features throughout this report. Creating a consistent and compelling local ED message contributes to “branding” the community. The branding can communicate the community’s commitment to business and encourage businesses to work with the local EDPs. Likewise, branding sends a message to potential investors or entrepreneurs looking for a new location.

Establish ED staff

One of the primary reasons it is essential to give local government staff the mandate to work on ED is continuity. Elected officials come and go. ED programming is long-term in nature. As elected officials turn-over, there needs to be someone within the local government who can pass on the ED memory of the community and help educate the elected officials on ED issues. Furthermore, program success will depend on having continual and consistent attention.

Some smaller communities cannot find the resources for a dedicated ED officer. However, a culture of ED, within local government, can be established. Existing staffers, understanding their role in ED, can play a part in a positive way by matching expectations with capacity. Understanding that everyone plays a role in ED, creating a mandate for it within staff, and allowing incremental successes to be celebrated will contribute to a positive culture of ED.

PILLAR OR BY-PASS

Communities that have a current ED plan, or are building one, often find that the BRE results form a pillar of the resultant ED plan. With clearly supported expressions of business needs and pressures, the BRE results offer concrete programming options for ED planning.

Lower capacity communities, with no existing ED plan, often find that the BRE results can be used to (temporarily) by-pass the ED planning process. Again, because the BRE results demonstrate clear direction on needed support, communities can use the BRE results as a stand-in for a more comprehensive ED plan or strategy.

EDUCATION

Local stakeholders (government officials and staff, businesses, chamber staff, NGOs etc.) all need to be educated on what ED is, and what roles they can play in ED delivery. Successful ED is a participatory process. To get all stakeholders playing their roles, effectively, will require baseline education.

PARTICIPATION

All sectors of the local and regional economy are players in ED planning and delivery.

Local Government

Elected officials and administrative staff are the obvious choice for **ED Champions**. Government is looked to for guidance and inspiration on ED. Both elected officials and staff must understand their local capacity and limitations, and plan within them. Ultimately, communities want to have access to a dedicated ED department and staff. However, even in under-resourced communities, government plays a central role in establishing a vibrant ED culture and giving staff a mandate to contribute.

Business Community

The business community is the direct beneficiary and focal point for ED activities. They should be invited to the table to give their input and contribute to guiding ED planning and action.

Greater Community

The entire community is an indirect beneficiary of ED. Community led organizations may be encouraged to participate and offer input as well.

Regional Network

Again, ED planners should recognize that they are not alone. Much like the health of the regional economy affects the local economy, your local economy impacts the entire region. It is in the best interest of all to cooperate. There are many regional level networks and supports available to help and leverage local ED action. Draw on those networks and invite their participation in local ED planning and activities.

DATA

Working effectively with data takes time and effort to learn. For lower capacity communities, the BRE process can act as an introductory course in working with data. The BRE may provide an opportunity to support ‘the local narrative’ or to dispel it. If there are long-held, anecdotally supported narratives that run contrary to the story the data tells, it may take time for people to adjust. If data supports the common narrative, people may be surprised how much easier it is to garner attention to the issue when backed by evidence.

Understanding the message that data delivers is, likewise, a learned skill. Having community driven data may motivate local government and EDPs to start paying attention to data and learn how to interpret it. It is part of the culture of ED.

ENTHUSIASM

The BRE process is an opportunity to build enthusiasm for ED, both planning and action. In communities that have no history of ED planning, the BRE will offer a glimpse of what ED may do for the community. Where ED is already part of the local culture, a BRE can fast-track some successes, accumulate evidence to support/change ED directions, and give the existing activities and booster shot.

SUCCESS STORIES

There are now 13 communities, within the Basin-Boundary region, that have completed or are in the process of completing a BRE project. The RDI network extends to other jurisdictions across the country. By exploring this wealth of experience the following suite of generalized case studies have emerged, illustrating successful implementation of programs and initiatives generated from a BRE project.

These case studies are drawn from communities with varying levels of ED delivery capacity. We have attempted to focus on outcomes where capacity requirements are within reach of most Basin-Boundary communities. Or, we have attempted to extract the important (and universal) lessons from larger initiatives.

The following section of the report offers a narrative of the following outcomes:

- Training Programs
- Employment lands inventories
- Regional “Dragon’s Den”
- Filling gaps in the supply chain or the value chain
- Business retention activities
- Development Process Re-Design
- Improved Networks and Communications
- Fast-Tracking ED Planning to Action
- ED Education

CASE 1: TRAINING PROGRAMMING

| | |
|------------------------|--|
| Capacity Requirements: | Low to medium |
| Key Conditions: | Understand demographics -> effective advertising, timing and delivery style (class vs. one-on-one) |
| Outcomes: | Improved workforce, and improved business management capacity |

The most common programming movement to fall out of a BRE project is a focused training program or a suite of education, or skills training, workshops. These programs can draw minimal local resources, or, where the resources exist, offer greater levels of funding and resource support. The following are a list of common *types* of training programming.

Management - Business Planning

Many jurisdictions bring in expertise to deliver workshops or one on one training sessions devoted to business planning. With only half of Basin-Boundary businesses reporting the existence of a current business plan, this has frequently been identified as a pressure area.

Management - Succession Planning

Many jurisdictions bring in expertise to deliver workshops or one on one training sessions devoted to succession planning. With only 15% of Basin-Boundary businesses reporting the existence of a

succession plan (of those 60% have received assistance in preparing them), this has frequently been identified as a pressure area.

Management - Access to Finance

BRE communities are regularly surprised at the amount of planned investment in their areas. Local investment is key to growth within a community's economy. Almost half of surveyed businesses plan to expand within three years. Of these, 86% plan to stay local. Fewer than 12% of planned investment are smaller than \$1M; this is a huge amount of money. The most frequently cited barrier to investment is access to finance (11%).

Several communities have hosted workshops and speaker series to address this issue. These have been largely successful and very well attended.

Management - Access to Business Support

Lack of knowledge of regional and provincial business supports is typically an issue in smaller communities. Communities that have held information workshops and speaker series that introduce business support networks have seen strong attendance and reported success.

Management – Lean Manufacturing

Lean Manufacturing is a production philosophy that focuses on the identification and elimination of waste (products and processes). Lean manufacturing has been a very successful tool, in use by the international manufacturing community since the 1980s, for improving productivity.

Workforce – General Skills

A number of general skills training programs have been offered throughout the Basin-Boundary. With over 60% of businesses stating that their business has unmet training needs, assisting with workforce training is a typical support falling out of a BRE project. These may include programs such as the Tourism Ambassador program (preparation for the Hospitality industry), First Aid, or the Blade Runners program (basic workforce skills).

Workforce – Specific Trades

The BRE results often point to very specific skills shortages within a local economy. Communities may develop, often in partnership with training institutions, locally delivered training programs. One such example is a heavy duty mechanic training program that has been established to supply local industry and to provide incentives for local youth to remain in the community.

CASE 2: EMPLOYMENT LANDS INVENTORIES

| | |
|------------------------|--|
| Capacity Requirements: | Medium |
| Key Conditions: | Ability to leverage groundwork by RDI, communications with business community |
| Outcomes: | Improved business and expansion conditions, improved long-term land-use planning |

Many communities have looked at the barriers to growth created by insufficient employment lands, or inadequate strategies to access the existing ones. The RDI has completed a regional level assessment of Basin-Boundary employment lands. Communities within the Basin-Boundary are

well positioned to formally examine the community level results and barriers, using the regional level assessment as a starting point. Getting a better understanding of the local supply of employment generating lands can put the local government and ED organizations in a better position to assist local business and harness investment opportunities.

CASE 3: REGIONAL “DRAGON’S DEN”

| | |
|------------------------|---|
| Capacity Requirements: | Low to medium |
| Key Conditions: | Communications / advertising, active network and communications with school-aged participants |
| Outcomes: | Increase in entrepreneurship, free press for local business stars |

A number of communities have created a local or regional version of the popular TV program, “the Dragon’s Den”. This is a contest-style forum where contestants present their business cases to a panel of judges. Judges are in a position to award prizes (or, like on the TV program, to invest or partner with contestants in moving their plan into action).

A program such as this is an excellent way to encourage entrepreneurial and innovative thinking in the region’s youth. These programs additionally promote the success of local business experts, and encourage local business to become active participants in the region’s ED programming. In all, these programs are a phenomenal opportunity to celebrate a community’s unique entrepreneurs.

CASE 4: GAP-FILLING ON THE SUPPLY & VALUE CHAIN

| | |
|------------------------|--|
| Capacity Requirements: | Medium to high |
| Key Conditions: | Resources to perform Supply-Chain or Value-Chain analyses, capacity to pursue outcomes |
| Outcomes: | Reduced leakage from local economy, improved productivity within related business, local job opportunities |

Many communities have businesses that buy their inputs from outside the community or region. These are generally referred to as leakages from the regional economy. Oftentimes, this is an opportunity to attract a new business. Filling gaps in the value or the supply chain can improve efficiency (by reducing transaction costs like transportation), quality (close proximity of suppliers can lead to custom products and better quality assurance), local job market, and tax-base.

CASE 5: BUSINESS RETENTION ACTIVITIES

| | |
|------------------------|--|
| Capacity Requirements: | Medium |
| Key Conditions: | Commitment within local government |
| Outcomes: | Improved local business climate, job growth, build a reputation of being ‘business friendly’ |

Starting a culture of paying attention to the existing businesses (particularly Red Flag / Green Flag issues) is a huge step and will be appreciated by the business community. It seems to be universal that the business community feels like they are unsupported. The BRE process can alleviate some

of this sense of being completely alone. The business community supports the wider community by providing goods and services in the local context and by providing jobs to the local labour market. Letting business know that someone is listening and cares can show business that they have community support, too.

Communities that have committed resources to dealing with RF/GF issues have realized big gains in their relationships with the business community. In many cases, pursuing RF/GF issues result in very short term, very tangible gains. Retaining a business in the community (successfully dealing with a RF issue) supports local jobs and local consumers. Helping a business overcome investment or expansion hurdles (successfully dealing with a GF issue) creates jobs and has the potential to make other local businesses more competitive.

CASE 6: DEVELOPMENT PROCESS RE-DESIGN

| | |
|------------------------|--|
| Capacity Requirements: | Medium to high |
| Key Conditions: | Resources and commitment in local government |
| Outcomes: | Improved development process, increased local investment, job growth |

When communities start to examine the development process (the procedural steps required by all authorities involved in a development project), many find (amongst other issues): unnecessary complications, replication of work, and processing times that have large impacts on project viability. Several of the communities studied decided to undertake a formal review of development processes, and some have largely overhauled the process, often taking advantage of internet technologies.

A full overhaul and modernization of procedures may be beyond the capacity of smaller communities. However, there are support systems in place to make incremental improvements. Some communities have used, for example, a “Secret Investor” program to assess their investor-readiness. Invest Kootenay provides communities with tools to improve their readiness.

CASE 7: NETWORK AND COMMUNICATIONS IMPROVEMENTS

| | |
|------------------------|--|
| Capacity Requirements: | Low |
| Key Conditions: | Commitment / intention |
| Outcomes: | Improved communications leading to improved network support, job retention and growth, improved business climate |

Improved relationships between the community and the business sector are probably the most commonly cited and tangible benefit to the BRE process. These network and communication improvements are an organic outcome from engaging in a BRE. Those communities that are prepared to follow through and commit to nourishing these relationships see long lasting improvements. Better relationships and better communication allow both government and business to better react to one another’s realities and to function more like a team.

CASE 8: FAST-TRACKING ED PLANNING TO ACTION

| | |
|------------------------|---|
| Capacity Requirements: | Low to medium |
| Key Conditions: | Commitment and minimal financial resources |
| Outcomes: | Establish reputation of being committed to ED action, improved business climate, job growth |

For communities with no prior ED planning or activities, the BRE is a wonderful opportunity to fast-track some form of ED action. As previously discussed, the BRE can act as a bypass to ED plans. The BRE results point to immediate and medium term pressures that can be addressed by local government or ED organizations. For lower capacity communities, listening to and acting upon BRE results can create some big wins with little investment; all while creating a culture of listening and responding to business concerns.

CASE 9: ED EDUCATION

| | |
|------------------------|---|
| Capacity Requirements: | Medium |
| Key Conditions: | Commitment and resources |
| Outcomes: | Improved capacity for ED delivery, establishment of an ED culture |

Both elected officials and administrative staff, within any municipality, require training to be effective economic development practitioners. The BRE process offers those new to ED an opportunity to learn about the local business climate, first-hand, and for those already involved as EDPs, to re-engage with the concepts of ED. A typical BRE project will bring to light numerous pressures, facing the business community, and typically produces a number of recommended actions that are effectively ED actions.

For many communities, the BRE offers a reason to (re)educate both elected officials and administrative staff on ED. Some prepare in advance of their BRE, some in response to their BRE experience. Any education on ED, undertaken by the local government, stands to improve the ED capacity of the municipality. Whether taking courses on ED, accessing ED networks, or self-directed study, improving ED capacity within local government is a vital step in creating a culture of ED

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APPENDIX A

Business Retention and Expansion (BRE) Best Practices & Regional Success

Interview Guide

1. Did you have support from the business community and local government to undertake your BRE project?
 - a. Could you comment on how support levels changed from the beginning, to the middle, and to the end of the project?
 - i. Were there conditions/stimulus that created, or aided, in the changing level of support?
 - b. Could you comment specifically on the differences between support from your local government staff and from the local elected officials?
2. Did the BRE results factor into your economic development plans?
 - i. Can you identify elements of the questionnaire that were particularly useful?
 - ii. How were they integrated with your plans?
3. Were there successes resulting from the process?
 - a. What issue/problem were you addressing?
 - b. What actions did you take?
 - c. Could you identify the people/partners who played critical roles in the success of these actions?
 - i. What role/function do they play?
 - ii. What conditions were in place with partners that allowed them to participate?
 - iii. If not included above, could you please comment on the role your local government played in moving this agenda forward?
 1. Again, please specify differences between staff and elected officials
4. What affected the uptake of the resultant actions?
 - a. Who was the target/client for your actions?
 - b. Did they take the offered support?
 - c. Can you identify any conditions that promoted success?
5. Did you follow up with individual businesses that participated in the survey?
 - a. Did you have any direct communication with participants after the survey?
 - b. Did you follow up with green or red flag opportunities (i.e. ready to expand but can't find an adequate site, exiting in the near future but no successor defined and no succession plan)?
 - i. Were opportunities or challenges identified through the BRE addressed?
 - c. What factors affected this aspect of your follow-up?
6. Did you encounter any surprises?
 - a. What conditions lead to the surprise?
 - b. What lessons were learned from the surprise?
7. Have you benchmarked results?
 - a. Are the results measureable?
 - b. If you have not benchmarked, and the results are measureable, can you identify what prevented you from benchmarking?
8. What support could be offered to help (at a regional programming level)?