

Economic Gardening

Economic gardening is an innovative entrepreneur-centered economic growth strategy that offers balance to the traditional economic development practice of business recruitment. As opposed to traditional *reactive* programs, it is a *proactive* way to address the expansion element of a Business Retention & Expansion Program. It is specific in its intent – work directly with local companies to solve their issues and help them grow.

Economic Gardening has emerged as a prototype for a rapidly expanding movement of like-minded economic developers looking for additional methods to generate truly sustainable economic growth for their community, region, or state.

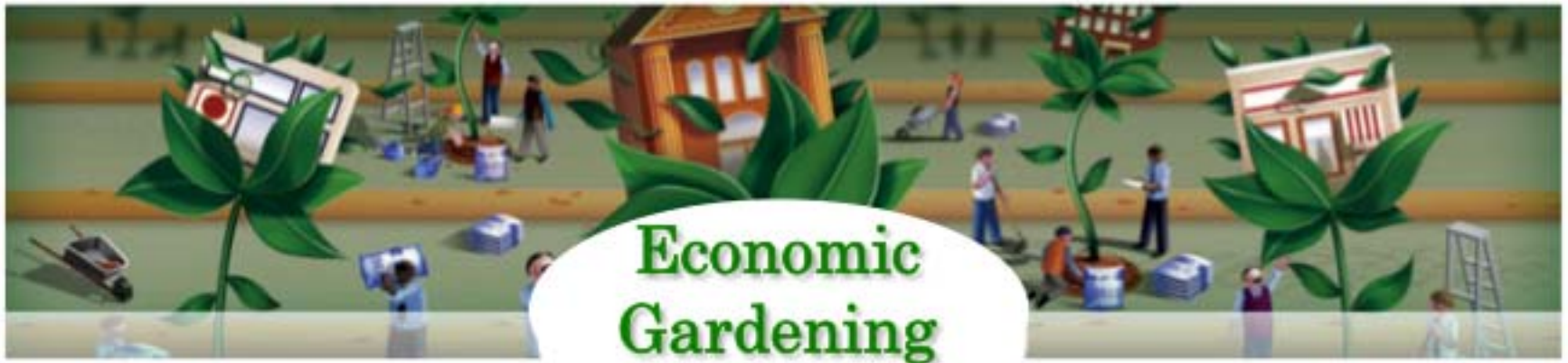
Economic gardening is finding application in a number of community settings. Several states have adopted statewide economic gardening principles and practices. Other strong programs include Fon DuLac, WI, and Portland, OR. These two programs are federally funded. The State of Florida is a good model for statewide support of economic gardening.

www.fcdec.com/impacteconomicgardening
www.oregon4biz.com/Grow-Your-Business
www.growfl.com

We encourage any community wishing to learn more, to contact Chris Gibbons, Director of Business and Industry Affairs, City of Littleton.

cgibbons@littletongov.org
303-795-3760

<http://www.littletongov.org/bia/economicgardening>



Economic Gardening embraces strategies to grow existing second-stage businesses. It is an innovative entrepreneur-centered economic growth strategy that offers balance to the traditional economic practice of business recruitment, often referred to as “economic hunting.”

The Technical Assistance Program will provide a suite of high-end, high-speed business resources to companies that have grown beyond the startup phase and need access to information and decision-making tools typically only available to larger companies.

Pilot Program - A team of highly trained and experienced analysts will be deployed to function not as consultants but as an extension of the business ... consider them elite staff at the companies disposal to take the them to the next level.



Increase attention on growth companies

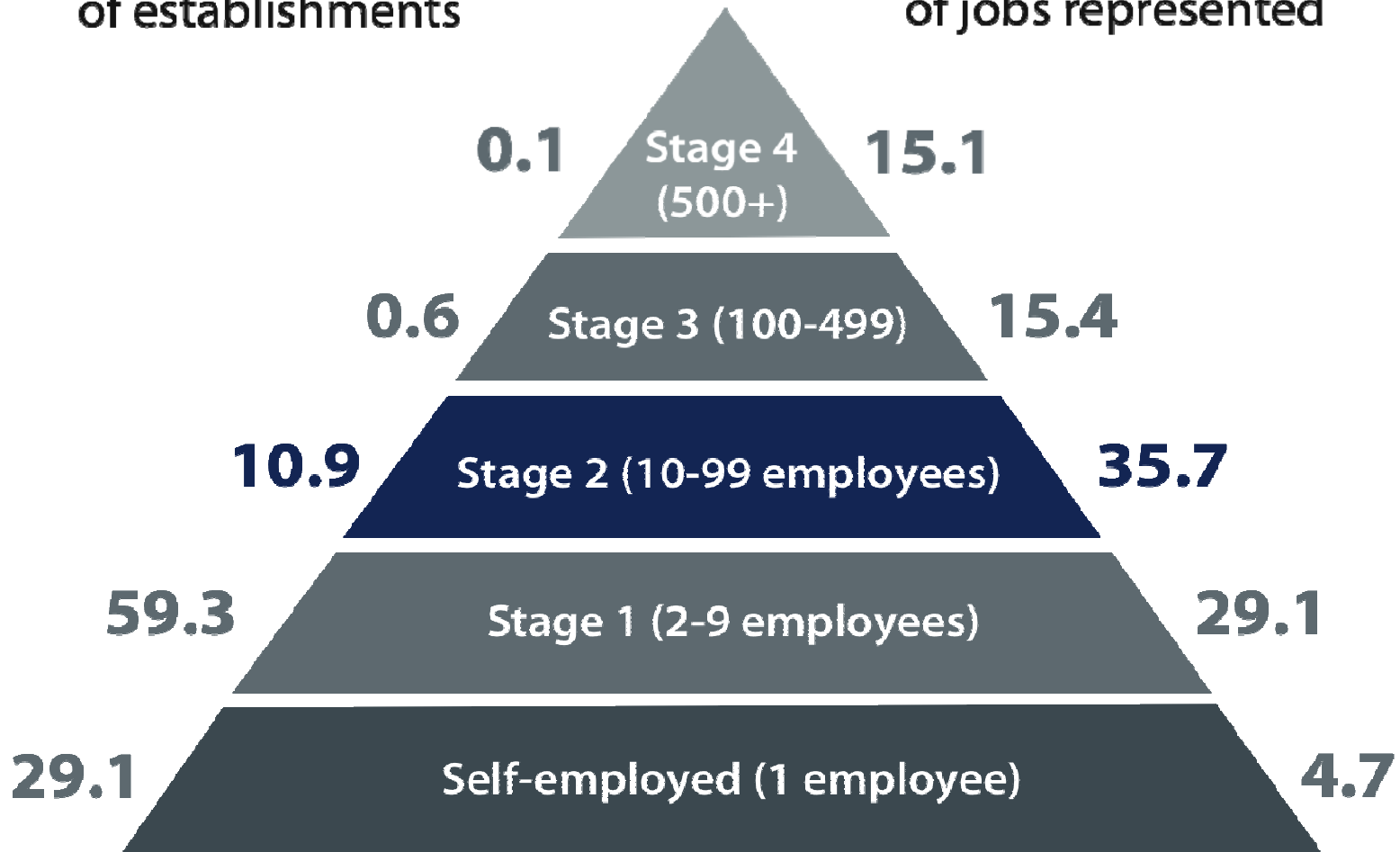
- Privately Held Company
- 10-99 employees
- 1-50 Million in Revenue
- Includes High Growth, High Potential and Steady Growth

- Past startup – not mature
- Appetite and Aptitude for Growth
- Transitioning from small to large

United States 1993-2008

Average percentage
of establishments

Average percentage
of jobs represented





NATIONAL CENTER FOR ECONOMIC GARDENING

- The Edward Lowe Foundation has created the National EG Center to deploy the National Jumpstart Team
- Pilot program provides 35 hours of Technical assistance per company virtually for \$4,000 each.
- Turn-key system handles billing, application, and online collaborative work space (Green House)
- Provides proof of concept, eventual training for local team, value for companies – with NO INFRASTRUCTURE

Virtual Technical Assistance Model





- 2009 - Florida passes economic gardening bill focusing on second-stage
- \$1.5 million Technical Assistance Pilot Program
- ELF creates a “virtual” Littleton model to service companies and train local team
- Ten months – 157+ companies create 327+ Jobs
- GrowFL.com

Virtual Technical Assistance Model



COMPANIES

 Demo Co. 1



Companies

Demo: Demo Co. 1

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TOPIC	UPDATED	OPTIONS
 LinkedIn strategy (1)	11 hours ago by	
 Market Analysis using NAICS... (0)	11 hours ago by	
 Example of industry backero... (0)	11 hours ago by	
 To do list (0)	14 hours ago by	
 introduction to Jump Start ... (0)	1 day ago by	
 Admin help file (0)	Nov 18th by	

MY ALERTS

New Messages (1)

RESOURCES

 Feedback

 FAQ

Sample of Secure Online Workspace
“Green House”
 CEO and EG Team Share Information
 Exchange Research Information and Reports

Examples of Technical Assistance

- Identifying qualified sales leads by sorting through extensive databases
- Mapping geographic areas to better target marketing efforts
- Reviewing core strategy related to commodity or niche markets
- Analyzing employee temperament to build strong management teams and recruit new hires that fit the organization's dynamic
- Examining social media usage to reach customers
- Search engine optimization to get website in front of more customers

Testimonials

“Since enrolling in the economic gardening program – just this past December – we have gained clients in other regions of Florida, Georgia, and even Maryland.”

Pam Butler
Aegis Business

Your team did everything we asked and I am very pleased with the outcome...this has given us a guide map which is critical to us.”

Craig Reilly
Plus One Solutions

“It was amazing how fast the team zeroed in on our needs and then completed the work.”

Ann Sabbag
Health Designs

“I’d say we received a \$25,000 value for what the Economic Gardening Team provided. That’s something we never would have paid for or could have justified on our own.”

Jon Rosenthal
CEO of Florikan, Sarasota

“GrowFI has given me the tools to take advantage of this challenging economy and continue to grow.”

Doug Brown
Florida Supplement

“Economic Gardening is not the standard business assistance program. Economic Gardening is about the eco-system of second stage entrepreneurial growth businesses.”

*Chris Gibbons
Co-Founder Economic Gardening*

“Economic Gardening helps establish an entrepreneurial culture within communities and sets itself apart from other economic development strategies by its target audience, tools, and timing of services.”

Edward Lowe Foundation



Contact and Resources

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Phone – 269-445-4219

www.edwardlowe.org

www.youreconomy.org

www.GrowFL.com

www.networkkansas.com

Read more about Economic Gardening:

<http://edwardlowe.org/pages/downloads/infosheets/ELFEconomicGardening.pdf>

BUSINESS / INDUSTRY AFFAIRS

Search:



Business/Industry Affairs

2255 W. Berry Ave.
Littleton, CO 80165
M-F 8am-5pm
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 - [What Others Say](#)
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- [Enterprise Zone Tax Benefits](#)
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- [Business Research](#)
- [Colorado Companies to Watch](#)

DOCUMENT DOWNLOADS

All documents open in a new window; PDF files require [Adobe Reader](#)

- [B/IAAC 2009 Report to City Council \(104k\)](#)
- [B/IAAC Report 2007 \(4.5MB\)](#)
- [B/IAAC Report 2006 \(81k\)](#)
- [City of Littleton Enterprise Zone \(546k\)](#)
- [Competitive Intelligence for Small Business: Littleton's Economic](#)

Economic Gardening

AN ENTREPRENEURIAL APPROACH TO ECONOMIC DEVELOPMENT

In 1987, the City of Littleton, Colorado pioneered an entrepreneurial alternative to the traditional economic development practice of recruiting industries. This demonstration program, developed in conjunction with the Center for the New West, was called "economic gardening."

We have had many communities visit us and inquire about the program over the years. In an effort to provide a concise summary of our original thinking and the evolution of that thinking during the first years of the program, we present here a synopsis of our experience.

THE SEEDS OF AN IDEA

Leadville 1982

The seeds of economic gardening were planted in my mind in Leadville, Colorado in the early 1980s. At the time I was working in that community as a consultant after massive layoffs at the nearby Climax molybdenum mine. The community was interested in attracting new industry to town to offset an unemployment rate that was approaching forty percent.

Understand that Leadville lies above 10,000 feet in elevation and experiences winter conditions much of the year. It was, perhaps, the extreme bleakness of the situation that set me on a different course of thinking. During my tenure there, I met two miners who had invented a resin bolt to keep the steel mats up overhead in the mine. A mechanical bolt does not touch the rock in all places on its circumference. A resin bolt consists of two liquids which, when combined, become extra hard—but even more important make one hundred percent contact with the rock.

After the meeting, several things occurred to me. First, even in isolated Leadville, there were unique skills and knowledge that were marketable. Here were two guys who knew the mining industry extremely well and had invented something that would be very useful. Secondly, I thought about how many mines there were in the world that could use a resin bolt—a huge market. Third, I started thinking, wouldn't it be more productive if the community shifted its focus from trying to attract companies to a pretty harsh (albeit beautiful) environment and instead concentrated on growing local companies which had specialized expertise? The people most likely to live in and love Leadville were the people who grew up there.

Gardening Program
(204k)

Free and Low-Cost
Resources for Economic
Gardening (120k)



Littleton, Colorado
CityofLittleton

FINE ARTS COMMITTEE
meeting tonight at 7pm at
the Littleton Museum, 6028
S. Gallup. Agenda:
<http://short.to/a7c3>
10 hours ago

Free event tonight "Art
twitter
Join the conversation

I never got very far with that newly developed idea in Leadville, but the concept never left my head. About five years later, the opportunity to try out the idea rose again—this time in Littleton.

Littleton, 1987

In 1987, I was hired as the director of economic development for Littleton. At the time, the entire state was in a recession and Martin Marietta, the community's major employer, had laid off several thousand employees. There were nearly a million square feet of vacant retail space and downtown vacancies were approaching thirty percent.

The Littleton city council expressed displeasure at having our future being dictated by out-of-state corporations and directed staff "to work with local businesses to develop good jobs."

It was a perfect alignment of the stars—an idea and a need. For nearly two years Jim Woods (now city manager) and I researched the best thinking we could find on the subject, talked to experts, (including the Center for the New West, a think tank here in Denver), and fleshed out the concept.

We kicked off the project in 1989 with the idea that "economic gardening" was a better approach for Littleton (and perhaps many other communities) than "economic hunting." By this, we meant that we intended to grow our own jobs through entrepreneurial activity



instead of recruiting them. The idea was based on research by David Birch at MIT that indicated the great majority of all new jobs in any local economy were produced by the small, local businesses of the community. The recruiting coups drew major newspaper headlines but they were a minor part (often less than five percent) of job creation in most local economies.

Further, we had a sense that successful recruiting programs existed primarily in those areas that were attracting new businesses any way, regardless of whether they had an economic development program. For every successful recruiter who represented a hot office/industrial park in a major metropolitan area, there were literally hundreds of economic developers in rural areas, inner cities and small towns who struggled without much real success.

There was another, darker side of recruiting that also bothered us. If an outlying area was successful at attracting new industry, it seemed to be a certain type of business activity: the branch plant of industries that competed primarily on low price and thus needed low cost factors of production. Rural towns with cheap land, free buildings, tax abatements, and especially low wage labor would "win" these relocating businesses. Our experience indicated that these types of expansions stayed around as long as costs stayed low. If the standard of living started to rise, the company

pulled up stakes and headed for locations where the costs were even lower, often Third World countries.

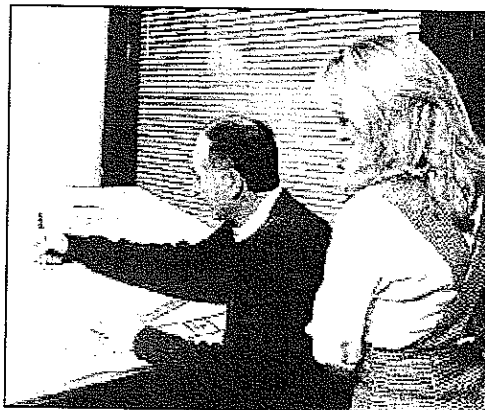
This was the world then when we proposed another approach to economic development: building the economy from the inside out, relying primarily on entrepreneurs. We knew it wouldn't be glamorous work nor work which would get 40-point-type headlines. But we sensed that if we could develop a solid alternative model, even if it took years to implement that model, we would make a valuable contribution to communities all over the world.

After two years of formulating and developing the idea, we launched economic gardening with the simple concept that small, local companies were the source of jobs and wealth and that the job of economic developers should be to create nurturing environments for these companies. Since then we have often compared our experiences to Alice following the rabbit down the hole to Wonderland. It has been a long journey with many bends and twists in the road and one that has been full of constant surprises.

EARLY LEARNING

Small vs. Large Companies

Almost immediately our thinking was challenged. As David Birch continued to refine his pioneering work about the source of new jobs, it became clear that only three to five percent of all companies were high growth and these were creating the great majority of new jobs. Birch coined the term "gazelles" to describe these nimble, fast growing companies, a term which has since



come into widespread usage. This small percentage number turned out to be true for Littleton and seems to be generally true for most communities (company towns being the obvious exception). At the time small businesses were the sweethearts of the political world and indeed we had sold our own program under that banner. However, data started coming in, which indicated that it wasn't small business which were driving job creation but rather a few fast growing businesses (small companies that would soon be large companies). So we got out of the small vs. large debate. The real issue was about rate of growth.

Innovation

What we did notice in fast growing companies was a high correlation between growth and innovation. New products and processes seemed to be their lifeblood. At about the same time, we discovered works by economists Paul Romer, Paul Krugman, Brian Arthur, Annalee Saxenian and others that seemed to reinforce this point. It's really ideas that drive companies and economies.

Based on this, we proceeded to develop a full blown 13-part seminar series to bring state-of-the-art business practices to Littleton companies with a focus on innovation. We ran these for four years trying to make dramatic differences in the revenues and employment levels of our target

companies. Our goal was to make them all high performance "new economy" companies. We assumed that if we could expose local business people to these "best practices", we could develop superior business people. Instead, we ran head on into what most Small Business Development Center directors know in their heart of hearts—this activity is mostly a waste of time. Anyone who has ever dealt with trying to make superstars out of small business people knows the truth of this statement. After a couple of years of miserable failure in trying to create high performance companies, we lowered our sights. At one of the lowest points in the program, we discussed whether we should just try to move distressed companies to a stable category. But we continued to be puzzled why a few companies grew at sky rocket rates while most languished with low or no growth.

Temperament

It was at this point that we discovered what may be our most profound insight about business: the temperament of the CEO is one of the major factors in the growth rate of a company. The temperament factor affected our thinking in two ways.

First, the Center for Application of Psychological Type found strong correlation between the fast growing companies and two CEO temperament types: in Myers-Briggs terminology, these were the Sensing-Thinking-Judging (STJ) and, even more important, the Intuitive-Thinking-Judging (NTJ). (Think Bill Gates, Jack Welch, Larry Ellison, Scott McNealy, etc.) These two temperament types headed up gazelle companies at rates far beyond their statistical presence in the population. The two temperaments represented about twenty-five percent of the total population but accounted for approximately seventy-five percent of the leadership in a study of the Inc. 500 fastest growing companies.

Second, in trying to understand why we weren't having any more success than we were, we always came back to the same fact:

Temperament is not very amenable to change, at least over short periods of time. For those of you proficient in Myers-Briggs temperament styles, you will recognize the difficulty in getting Artisans (SP) to be good bookkeepers or introverted



Guardians (SJ) to be sales people. Try to get a Rational (NT) away from their precious ideas and actually produce something or get an Idealist (NF) to deal with the non-human factors of business (finance for example).

This discovery of the impact of temperament put an end to our seminar and training program. It appeared to us that no matter what we did, we could not affect the growth rates of businesses much beyond what the temperament types and a few other factors determine. Most temperament types will remain in low or no growth businesses and a small proportion of temperament types will drive most of the high growth companies.

Mechanical v. Biological

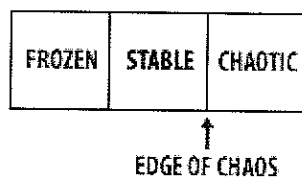
By the mid 1990s, another major factor affecting high growth companies was becoming apparent to us: businesses were biological as much as mechanical.

The great scientific discoveries of the 16th and 17th centuries about physics and chemistry (the non-living side of the universe) had created strong mental models which were mechanical in nature. Humans invented one mechanical device after another in which known inputs produced known outputs in a very predictable and controllable fashion. This mechanical mind set that things were controllable and predictable tended to color how we saw biological entities like organizations and economies.

The Santa Fe Institute, however, saw something different. They saw a biological world in which each living thing was constantly adapting to all of the other living things, all tied together by innumerable feedback loops. They saw a complex world in constant turmoil which was both unpredictable and uncontrollable. Any parent could tell you that two children raised in the exact same home under the exact same conditions can turn out very different. Any employee can tell you that the organization chart has less to do with how things get done in an organization than the relationships between people. And yet business managers and economists still talked as if organizations and economies were machines (rev up the economy, steer the organization) and not living, biological things. Revving up a rainforest or steering a wolf would sound ridiculous but well educated people continue to talk about organizations and economies as if they were mechanical in nature. It took Nobel Laureate scientists to show us that unpredictability in companies and economies is a deep law of living things. The emerging science was called "Complex Adaptive Systems" or "Complexity" as we came to know it.

Edge of Chaos

Although based on complex mathematical formulas using massive computer power, complexity science produced some handy rules of thumb for every day use. One of the most colorful is "edge of chaos."



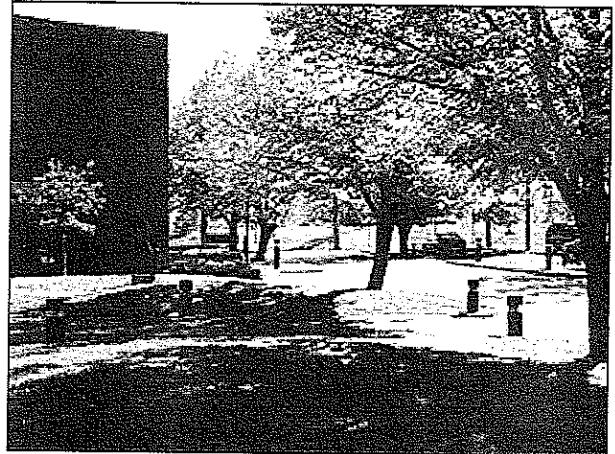
This term describes the fine line between stability and chaos where innovation and survival are most likely to take place. As a way to think about these regimes, consider what form H₂O takes in each. In the frozen regime, it would be ice. In the stable regime, it would be water. In the chaotic regime, it would be steam.

Organizations and economies also operate in these three regimes. In the frozen regime, no information gets transferred and no activity takes place, so it is impossible to adapt. In the chaotic regime, information and change takes place so fast that nothing is stable enough to retain its identity. In the stable regime, there is a regular rhythm of activity in which identity is retained but adaptation to changing conditions is slow. While humans may favor stability, nature favors the line between stability and chaos (edge of chaos) because it is here that constant adaptation goes on which allows an organism to survive over the long run.

Once we understood this idea, we could see it operating in Littleton's business world. We had very stable companies on Main Street which just could not adjust to a fast changing world. WalMart's rapid innovations were destroying our smaller retailers. Our high growth companies, on the other hand, were innovating quickly. They sensed the changes going on and responded rapidly. Sometimes they would fall into complete chaos but most often they would ride the very edge of chaos like a seasoned surfer.

We came to equate the edge of chaos with lots of changes and experimentation and lots of little mistakes. It seemed like the mistakes that accompanied the process of innovation were like earthquakes: if you don't have lots of little ones, you end up with a big one. We read a study out of Dallas that indicated the most vibrant economies (in terms of producing jobs and wealth) were highly unstable in the sense that they had the highest rate of business start ups *and* business deaths. This turbulence also looked like an economy operating at the edge of chaos.

We started looking for other reality checks. The big, stable companies of the 1970's like GM and IBM appeared to us to be in very stable regimes with minimal change or innovation. They, in effect, were headed toward big adjustments because of their very stability. They had lost contact with the chaotic edge and had quit



adapting. People with entirely different ideas about cars and computers produced products better fit to a changing environment (the raucous din of a vibrant market place operating at the edge of chaos). At the economy level, the Great Plains appeared to be a situation of great stability with minimum innovation, minimum adjustment. The plains were dying economically. The USSR appeared to be a frozen regime that had not allowed adjustments for over 70 years and then one day it collapsed in one big adjustment.

It also occurred to us that temperaments in organizations are much like regimes. Guardians are stable tending toward frozen ice while intuitives are chaotic like fire. Organizations that adapt and survive over the long run are neither ice nor fire, they are both. Intuitives provide the ideas, push for the changes. The Guardians provide the stability and the order that allow ideas to come to fruition. Chaos and stability in tension with each other locked in the same system. Fire **and** ice. That description definitely fit our high growth companies. It also felt like "the edge of chaos" again.

Self Organization vs. Command-and-Control

There is a related principle in complexity science called self organization. Scientists now know that nature runs large scale operations and it does it rather well but without anyone in control. There is no CEO in the ant den and there is no president of the board issuing instructions in bee hives. No

squadron leader barks flight orders to a flock of geese. Ants and bees and geese operate on simple, local sets of instructions with short feedback loops and out of this order emerges. The work of the ant den and the bee hive gets done with no one in control. The flock of geese maintains its shape, identity and function with no one in charge.

Most large business organizations (and some remaining socialist economies), on the other hand, work on a command-and-control model. The problem long identified with large command-and-control structures is that the cost of coordination and communication (organizational drag) eventually outweighs any benefits of specialization and economies of scale, and things grind to a halt. Self organization is a little more chaotic but it is also more robust, more redundant and more likely to survive. What this means in a real sense is that the larger an organization gets, the less command-and-control works. In our every day work, we could see that the organization of gazelles was different than large, stable companies. Gazelles seemed to "just do it" and yet it all came together. Large, stable companies "just ordered it" and put into motion large numbers of meetings, committees and report generation.

Increasing Returns

Economist Brian Arthur has spent much of his life's work documenting the existence of increasing returns (as opposed to the classical idea of decreasing returns). Arthur's contention is that winners continue to win because they have won in the past. His prime example is VHS vs. Beta tapes. Although Beta was generally acknowledged to be the better technology, a critical mass of people opted for VHS early on, which created a large installed base and all of the supporting technology decided to move to where customers were concentrated.



Increasing returns can be seen operating in college athletics (good players go to Notre Dame because Notre Dame wins...because good players go there), products (people use Microsoft operating systems because it has the most software written for it...which is because most people use it) and, we think, economies (companies move to hot urban areas because of the large specialized labor pool, which is there because of the large number of companies).

ECONOMIC GARDENING TAKES ROOT

By the late 1990's, a number of communities (including Lake Elsinore, San Bernardino, Chico and San Luis Obispo CA; Santa Fe NM; Lancaster County PA; Steamboat Springs CO; the State of Wyoming; and the North Down Borough of Northern Ireland) were beginning to investigate and experiment with economic gardening.

"Econ-dev," which had been our Internet mail-list about economic gardening since the early 1990's, changed from our singular observations to a full discussion of entrepreneurial activity by a number of talented

people. Over 300 practitioners, consultants, academics, media members, politicians and students in twenty some countries were monitoring the site.

Others began to take notice as well. Littleton's program won the National League of Cities national award for innovation in 1998 and was cited for innovation by the U.S. Economic Development Administration and the University of Minnesota. Stories about economic gardening appeared in *Governing* magazine, *BusinessWeek*, *Nation's Weekly*, *Business Expansion Journal* and *ICMA* as well as an interview by National Public Radio.



The Issue of Local Culture

As new people added their insights and experiences to the cause, it became clear that we had only the most rudimentary understanding of entrepreneurial activity and were working with the simplest of frameworks (support entrepreneurs and things will get better). As I made presentations to other communities who were interested in the approach, I began to sense it wasn't quite that simple.

Even though we knew the tools and techniques that helped make entrepreneurs successful, there was another intangible (but very real) factor keeping local economies from improving. For the lack of a better word, I initially called it the "culture" of a community. By this, I meant the way that entrepreneurial activity and risk and innovation and even diversity and newness are viewed by local people.

The Commodity Trap

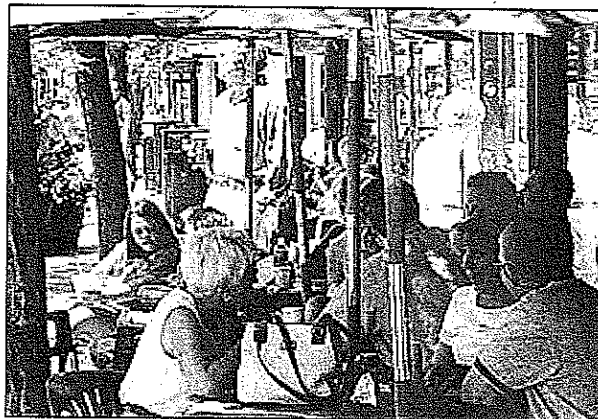
In particular, I began to see a distinct pattern in "resource production" towns - communities that existed primarily to produce natural resources (farming, ranching, mining, timber, fishing). Because natural resources tend to be commodities - that is there is no difference between them - the consumer makes a decision based on the lowest price. Thus commodity producers are in a race to the bottom to provide ever cheaper prices which puts extreme pressure on employee wages.

Commodity production is not only the major reason for widespread poverty in these types of communities, but it also affects mind set about entrepreneurial activity. When profit margins are razor thin, a single mistake can send a farm, a ranch, a saw mill, a mine, a fishing boat into bankruptcy. Fear of mistakes and failure becomes paralyzing to innovation and risk.

Commodity businesses are also prey to capricious natural disasters. A good wheat crop can be ruined by last minute hail. A drought can decimate cattle herds in a single summer. A 100 year old timber stand can be wiped out in a single fire. A "perfect storm" can send a fishing fleet to the bottom of the sea.

In communities that lived with these twin pressures of commodity pricing and natural disasters, evolutionary selection favored people who did not take risks. Those who took risks failed or moved or died in poverty because of the unrelenting and unforgiving nature of commodity businesses. Thus the very characteristic that ensured their survival in a harsh economic environment was the same characteristic that prevented them from fostering entrepreneurial activity.

Interestingly, commodity towns tried to improve their situation by recruiting commodity industries. These towns billed themselves as low cost environments for business—low labor costs, low land costs, low utilities, low taxes.



These, of course, are the primary drivers of commodity industries: to keep costs down so they can keep prices down. Recruiting "successes" brought in commodity businesses who stayed as long as costs were low. When the standard of living started to rise, the commodity companies left for Mexico or southeast Asia where costs were even lower.

All of this bred a sense that the local community was no longer in control of its future. Blanche Dubois in *A Streetcar Named Desire* had a line that went, "I have always depended on the kindness of strangers." In some respects, these communities no longer felt that their own entrepreneurs could save them, but rather they depended upon "the kindness" of some other community's entrepreneurs.

This same anti-entrepreneur "culture" also cropped up in areas where large corporations dominated the landscape. It seemed that in areas where big corporations employed a large percentage of the population, the typical employee saw wealth and job production as very distant from his or her realm of control. Any sense of self-reliance was bred out of the "culture." There seemed to be a massive sense that "someone else controls our economic future and that's just the way it is."

LATEST DEVELOPMENTS

The Creative Class

The most current addition to our thinking came about from a book written by Richard Florida called "The Rise of the Creative Class." Florida's contention is that about 30 percent of the population is involved in "creative" work, which is the source of new jobs and wealth. Florida's work resonated with us because it expanded our notion of a small core of entrepreneurial executives to a broader (and probably more realistic) notion of an "entrepreneurial cast of characters." But we were dismayed at the public policy reaction.

The discussion shifted overnight from recruiting businesses to recruiting the creative class. The solution appeared to be "build some restaurants and bars and they will come." Little attention was paid to the more complex, biological and interrelated factors of building an environment conducive to entrepreneurial activity: intellectual stimulation, openness to new ideas, the support infrastructure of venture capital and universities, information and community support. To us, it felt like a mechanical solution to a biological need.

Entrepreneurial Policy

Today, support of entrepreneurial activity is spreading as a policy approach due to the energetic work of a number of national and regional organizations including the Kauffman Foundation, Edward Lowe Foundation, Milken Institute, Progressive Policy Institute, Center for Rural Entrepreneurship and Babson College. States like Wyoming, Georgia, Michigan, and North Carolina have either formal entrepreneurial policies or pilot projects underway as a part of their economic development efforts. Major states like California regularly include "economic gardening" as an agenda subject in their state economic development conferences. Even bigger cities like Oakland and Berkeley have small pilot economic gardening projects underway.

ECONOMIC GARDENING TODAY

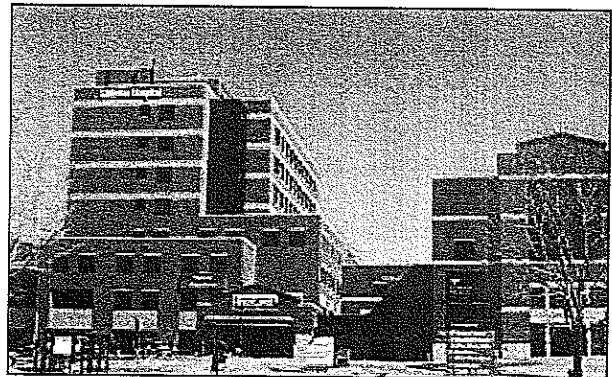
We are more convinced than ever that our fundamental concept (entrepreneurs drive economies) is right and that healthy communities have a healthy base of entrepreneurs.

There are a number of elements needed to create a nurturing environment for entrepreneurs, not all of which can be provided by public agencies. In Littleton we have focused on the following three main elements in our program:

Information

For a business to survive and thrive today, it must depend on critical information. We spend as much as three-quarters of our time providing tactical and strategic information.

Over the years we have developed very sophisticated search capabilities using tools often only available to large corporations. We subscribe to a number of database services and CD-ROMS which provide us access to over 100,000 publications worldwide. We use these tools to develop marketing lists, competitive intelligence, industry trends, new product tracking, legislative research and to answer a number of other custom business questions. We also monitor all new construction through Dodge Construction Reports so that local contractors can bid on projects.



We track real estate activity and have access to the market reports of national consulting firms. Our Geographic Information Systems (GIS) software can plot customer addresses as well as provide demographic, lifestyle and consumer expenditure information. We also monitor local businesses and vacant buildings and projects.

Finally the information component also includes training and seminars in advanced management techniques such as systems thinking, temperament, complexity theory and customer service strategies.

Infrastructure

The second element of our program is infrastructure—not just basic physical infrastructure but also quality of life infrastructure and intellectual infrastructure. In the area of basic infrastructure, because we are the city, we invest in areas like interchanges and light rail stations and major street/sidewalk rehab projects. These are all just basic good government.

We also invest in quality of life projects including parks and open space (we have have four times the national average), trails (every major drainage channel in the city has a trail built in it), sidewalk widening in the downtown neighborhoods, restoration of the historic county courthouse, and sponsorship of the holiday's Candlelight Walk (we put up a million white lights in the trees downtown every year).

The third type of infrastructure is something we call intellectual infrastructure: the curriculum, courses and training, and introduction of best practices that help keep our companies competitive. For example, we helped build a telecommunication curriculum and e-commerce course at our local community college. We also provide videotaped engineering courses from Colorado University.

All of our infrastructure work is based on the idea that economic development and community development are two sides of the same coin. In the New Economy, where new wealth and jobs are being created by knowledge firms, creating a community that is attractive to entrepreneurs and the talent they hire is as important as natural resources and heavy rail were to Old Economy companies.

Connections

The third element of our economic gardening program is connections — connections to trade associations, think tanks, academic institutions, and other similar companies (industry clusters) and CEO's.



We are aware of research in network theory that indicates that an increase in the number of business connections increases the innovation levels of companies. In particular, "weak ties" to "hubs" outside a business's normal daily connections are important for bringing in new ideas.

We have made a point of connecting our businesses to our local community college and the University of Colorado, as well as the work of interesting

research organizations like The Santa Fe Institute and The Colorado Issues Network.

SUMMARY

We by no means have solved the economic development riddle. We cannot patent it, put it in a jar and take it to any community and guarantee results. But we do think we are closing in on the answer. We think it involves slow, painstaking community development with an eye on the innovators. We think the gazelles are



critical drivers. We think increasing connections and the flow of information helps and we think the greatest opportunity is during periods of chaos.

We know NTJ and STJ temperaments are important in high growth companies but so is temperament diversity (stability AND change). The "creative class" also fits in there somewhere. We know community development is economic development and a sound infrastructure is the starting point.

We also know complexity science contends you can't control or predict complex adaptive systems to any great degree. The goal is no longer control, it is adaptation through innovation. When organizations and local economies move toward the edge of chaos, adaptation and competition improve and the chances for survival improve. Hence, anything that increases the flow of information and ideas and anything that increases the number of connections is worth undertaking.

In Littleton, we have moved from mechanical models to biological models to help us understand the nature of local economies and the businesses that inhabit them. After over a decade of very intensive experimentation, investigation and observation, we have come to a sobering conclusion: economies are massive biological organisms and not very amenable to control by anyone. Neither economic gardeners, nor economic recruiters nor politicians nor anyone else is running them. At best, we are adapting to everyone else's adaptations.

The Work Remaining

What I love about economic gardening is the intellectual stage on which we get to explore. Its very essence requires that we not only understand the complex mechanism of economies but the never ending kaleidoscope of human activity as it relates to the building, maintaining and survival of companies and communities. I doubt if we will ever completely understand it but if we come to an appreciation of how complex of a task we have undertaken, that will be a major step forward.

Maybe even more exciting, other communities have joined the grand experiment and are bringing their own insights and experiences to add to

our unfolding understanding of this complex subject. There are a number of economic gardening projects around the United States today, as well as over 10,000 hits on the Google search engine. Our Internet mail list, "Econ-Dev," has over 500 members in 14 countries.

In 50 years, we will look back at these early efforts and marvel at how crude they were. These are the "Kitty Hawk" days in which we are simply trying to prove a principle. I am absolutely convinced that the tools, techniques and general theory will get more sophisticated with each passing generation.

Some day in the far future, when policy makers and field activists are working with third world communities trying to improve their lives beyond small hovels, starvation, poor health, ignorance fueling hatreds and all the other issues associated with poverty-they will automatically refer to their field manual for growing healthy economies and we as economic gardeners will have developed and tested those best practices.

And as such we will have made a difference in the world.

Christian Gibbons

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