

Community & Economic Development Enlightenment: Asset-based vs. Needs-based

NW Professional Development Partnerships

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10:00am – 11:00am*



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Community Economic Development (CED)

The process of creating or retaining wealth by mobilizing human, financial, physical, and natural resources (assets) to produce marketable goods and services.

Webinar Goals and Objectives

1. Provide a clear distinction between *Asset-based* and *Needs-based* CED methodologies
2. Define why *Asset-based* CED is empowering, long term, and sustainable – capitalizing on what makes a region truly unique and competitive
3. Show how regional asset mapping can create new opportunities, determine targeted industry clusters and drive outcomes
4. Be thought provoking....persuade economic development practitioners that incorporating *Asset-based* principles and processes can help them achieve greater results

Key Principles to Asset-based CED Success and Regional Economic Transformation

Collaboration

Share assets, talent, money, and knowledge to build sufficient critical mass to compete globally, while communicating new opportunities to assure regional growth

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Connectivity

Enable collaboration by linking geographically remote resources to increase access, while creating business opportunities, economic diversification and wealth creation

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Changed Spending

Change behavior through funding and budgets to increase regional productivity and revenues by opening up new markets and expanding opportunities

Community Assets are One Component of a Disciplined and Integrated 21st Century CED System



Asset-based vs. Needs-based CED

Strategic Categories

Needs-based

Asset-based

Focus →	Has a negative focus on problems; requires external resources	Provides positive orientation; mobilizes unique community characteristics
Leadership →	Hands off control of design and implementation to external resources & agencies	Retains control of your economy (by local leaders)
Capacity →	Relies on others knowledge & expertise, believing the cavalry is coming!	Strengthens confidence and CED knowledge and inspires local action
Collaboration →	Reinforces competitiveness, fragmentation and protectionism	Connects existing resources & assets at a grassroots level increasing participation
Resources →	Relies on shifting outside resources, policies and decisions	Identifies, leverages and sustains indigenous assets in the community's control
Growth →	Highlights liabilities and weakness that limits growth and investment	Leverages existing resources first; speeds growth and investment attraction
Measurement →	Is at the mercy of shifts in state and federal policy, timeframes and reporting not linked to the local economy	Benchmarks the economy, establishes goals and evaluates progress regularly

Indigenous Resources Mapping is the Key to Discovery and Regional Transformation

Natural

Human/Skills

Knowledge

Cultural/Hist.

Geographic

Excellence

Infrastructure

Government

Innovation

Industry Relationship?	How can the resource be leveraged?	What is the value of the leverage?	Who will benefit from the leverage?	What resources are missing to fully leverage?
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Keys to Implementing an Asset Mapping Process

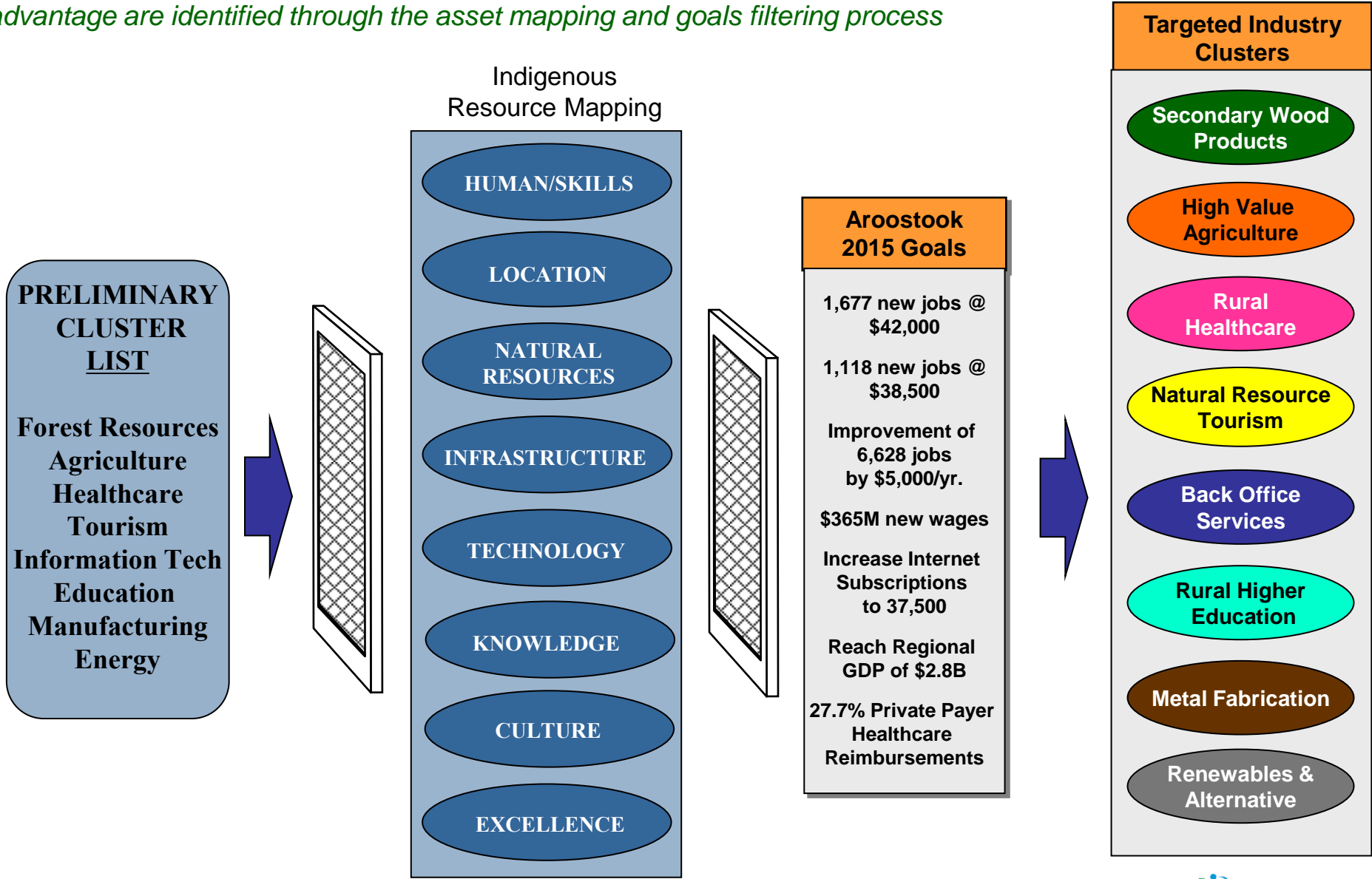
- Utilize broad-based, cross-sector representation of the regional economy at all Asset Mapping sessions
- Foster a “wide-open” perspective, quantity over quality during Asset Mapping discussions
- Analyze and develop strategies for all identified assets utilizing the five Development Questions (Slide 7)
- Take action on “Aha moments” – assign an empowered action team to further develop unique assets with short-term potential to build momentum

Prioritize assets:

1. Evaluation of leverage strategies to reach goals
2. Strategic support of regional targeted industry clusters

Assets Inform Leverage Strategy & Targeted Industry Clusters

Targeted industry clusters and market sub-segments with an indigenous competitive advantage are identified through the asset mapping and goals filtering process

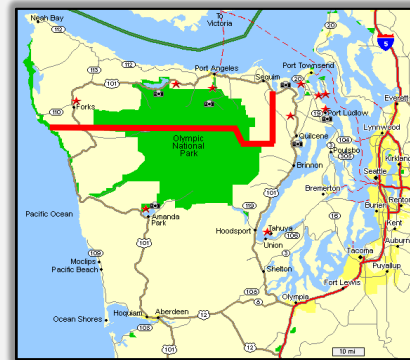


Community & Economic Development Enlightenment: Asset-based vs. Needs-based Case Studies

Aroostook County, Maine



Clallam County, Washington



Issues

- 2nd highest level of poverty in Maine
- Energy cost burdened twice the US average (9.2% vs. 4.2% 2007)
- 62% homes heated with oil, export value \$40.6M
- Declining population

Measurement

- 13 commercial installations, project cost \$19M, net savings \$2.1M/yr
- GreenME JAIC grant award, \$1.9M, over \$1M private match
- \$1.2 private award, NMCC, largest in Maine history for Center of Excellence
- \$1.6M new capital for a pilot grass pellet mill
- 12x1 investment leverage since 2010

2017 Goals

- 1,677 jobs @ \$42,000
- 1,118 jobs @ \$38,500
- Improve 6,628 jobs by \$5,000/yr.
- Grow the County GDP by \$900M/yr.

Action

- Renewable Energy Strategy, 4500 homes, 10 commercial units, Center of Excellence
- Renewable Energy Economy
 - \$69.9M impact per year

Aroostook County, Maine



Assets

- All elements of biomass energy value chain
- Abundant and available wood biomass
- 95,000 acres of available farmland for grass production
- 45,000 tons of wood pellet production capacity
- Ready residential and commercial market

Industry Clusters

- Renewable Energy
- Rural Higher Education
- IT Operation Centers
- High Value Agriculture

Leverage Strategy

- Use small portion of 2.2M tons of wood harvest for biomass energy
- U Maine Cooperative Extension grass biomass R&D
- Use 45,000 ton wood pellet plant to serve local markets, lower cost
- Three biomass generation facilities for local electricity production
- Expand the regional funding entity NMCC for residential installations
- Tap the local knowledge & entrepreneurs

Measurement

- Retail sales growth, 4x between 2002 & 2004
- Average wage increased from 66%-71% of the State
- 1100+ new jobs and \$667.8M in new GDP impact
- Washington state distressed county list, 2002-29th, 2005 – 16th,
- 5x1 investment leverage

Action

- Attract Westport Shipyards, 50 meter, \$30M yacht production facility
 - 400 @ \$40K+ jobs including cabinet shop
- Expansion of ShoreBank Enterprise Cascadia (CDFI), \$3M new capital
- Attract a \$17M Port Angeles Hardwood mill
 - 120 jobs @ \$40K plus benefits.

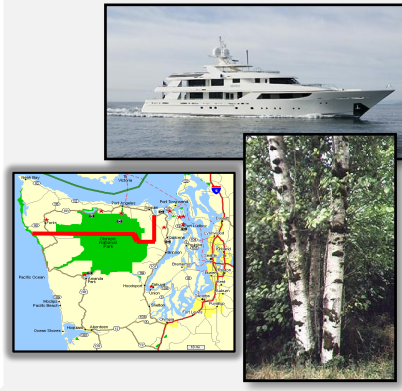
Industry Clusters

- Marine Services
- Forest Resources
- Education & Training
- Information Technologies
- High Value Agriculture
- Experience Tourism

Issues

- Geographic remoteness
- Low average wage, 66% of the State
- Lack of collaboration and acceptance of economic decline
- Declining natural resource industry
- Highest healthcare public reimbursement rate in the State, 73%
- Dramatic decrease in access to commercial capital

Clallam County,
Washington



2017 Goals

- 2,285 jobs @ \$40,000/yr.
- Improve 5,000 jobs by \$5,000/yr
- Increase wages by \$294M/yr

Assets

- Pacific Coast Red Alder species
- Available trained marine workforce
- Heavy hall out, available waterfront land
- Protected harbor
- Proactive, flexible Community College

Leverage Strategy

- Wood manufacturing value chain, bring processing back to region
- Industry cluster teams creating B2B relationships
- Regional economic development initiative with positive communication strategy
- Apply marine services workforce to emerging recreational markets

Challenges and Solutions for Asset-based CED

Challenges

Solutions

Needs strong private sector participation and leadership



Identify personal and/or organizational ROI for each participant

Challenges status quo and current power structures – resistance to change



Build broad-based empowered coalitions, leadership and action teams

Needs new collaboration among public, private & non-profit sectors



Utilize collaborative funding where everyone has “skin in the game”

Requires new behaviors



Define clear measureable goals & accountability; benchmark economy against trends

“We’ve done Asset-based CED”



Use business-case strategies and action plans to foster short-term wins & build momentum

Conclusion:

Asset-based CED initiatives produce long-term sustainable benefits in a short period of time

How?

#1 – Build and empower leadership

#2 – Leverage assets in your control

#3 – Collaborate like never before, and

#4 – Take action like you have nothing to lose

Thank You!

Q & A

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