already operating in a community,” she explains. “Economic Gardening helps these existing businesses grow larger by providing customized information they need to address strategic issues.”

Second-stagers are companies that have advanced beyond the startup phase but haven’t reached maturity. They typically have 10 to 99 employees and generate about $1 million to $50 million in annual revenue, although these numbers can vary, especially in rural areas. Other important hallmarks are their desire and ability to scale.

Supporting entrepreneurs isn’t a new idea, points out Colleen Killen-Roberts, director of entrepreneurship at the Edward Lowe Foundation, which hosts the National Center for Economic Gardening (NCEG). “Yet in contrast to startup or relocation initiatives, Economic Gardening® takes a different approach to business assistance by focusing on second-stage companies between 2005 and 2015 second-stagers represented about 17 percent of all U.S. business establishments, but generated more than 37 percent of jobs and 36 percent of sales, according to YourEconomy.org.

“In addition, second-stagers often have national or global markets, which means they’re bringing outside dollars into their communities,” says Paul Bateson, the foundation’s general manager of Economic Gardening. “With greater experience and financial bandwidth, second-stagers are expanding into new markets and introducing innovations that impact their industries. Their stability and

Economic Gardening
An entrepreneur-oriented approach to economic prosperity

It used to be that natural resources, low-cost labor and tax incentives were key factors in economic development. Today, however, the ability to assist innovative companies has become a key driver of economic growth and prosperity.

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Based in Lake Charles, Louisiana, Waitr, which enables restaurants to provide delivery service through a smart phone app, was in three markets when it entered Louisiana’s statewide Economic Gardening program in mid-2016. “We had a list of target cities we were considering, but wanted to get more information before pulling the trigger,” explains Chris Meaux, co-founder and CEO of Waitr.

Using sophisticated GIS mapping tools, Economic Gardening researchers first identified 222 cities in 12 states that met Waitr’s population requirements, then overlaid the location of competitors on those target cities and ranked them according to desirable consumer demographics and psychographic data. This involved appending massive amounts of data to maps along with enhancements like color-coding so they could be read easily.

Although the research confirmed some cities Waitr already was considering, it also produced quite a few surprises. “The Economic Gardening data opened our eyes up to the types of markets we needed to focus on,” Meaux says.

Leveraging this data, Waitr opened 13 new markets within six months of completing its Economic Gardening engagement, with more market launches in the pipeline. “Economic Gardening changed our market expansion efforts from being a guessing game to having clarity where there was a high likelihood of success,” Meaux says. “Without it we would have been flying blind.”

Second-stagers are moving fast and need just-in-time solutions.” — Chris Gibbons

Tackling strategic issues
Second-stagers also differ from startups and microbusinesses by having different needs to continue growing. That’s why Economic Gardening focuses on strategic issues as opposed to other types of assistance such as business plan review, workforce development or cash flow analysis.

Instead, Economic Gardening specialists provide information and analysis on five key areas: core strategy, market dynamics, qualified sales leads, innovation and temperament. For example, specialists help companies:

- Identify new markets, industry trends and competitive intelligence.
- Map geographic areas for qualified sales leads.
- Raise visibility in search engine results and increase website traffic.
- Leverage social media to better connect with customers.

“Economic Gardening gives companies access to sophisticated corporate-level tools they can’t afford or may not know about,” says Chris Gibbons, NCEG founder who originated the concept of Economic Gardening in the late 1980s. “It gives them strategic information to solve problems and identify new opportunities.”

Case in point, Economic Gardening accelerated market expansion efforts for Waitr Inc., a software company based in Lake Charles, Louisiana.

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Leveraging this data, Waitr opened 13 new markets within six months of completing its Economic Gardening engagement, with more market launches in the pipeline. “The Economic Gardening program saved us time and money and resulted in stronger markets,” says Meaux. In fact, when Waitr compared its first three markets to new ones selected from the Economic Gardening data, analytics showed the new ones were growing 400 percent faster.

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Geared for speed
In addition to its unique toolkit, Economic Gardening is structured to accommodate an entrepreneur’s time-crunched schedule. Most engagements last over the course of a few weeks. CEOs typically spend eight to 12 hours communicating with the research specialists, who then spend additional time behind the scenes working on the company’s issues. Communications are conducted via the phone and online through NCEG’s proprietary Greenhouse Software System, so CEOs don’t even need to leave their offices to participate.

This is critical for second-stage firms, which already have products, services and customers in place. “Second-stagers are moving fast and don’t have time to get involved with programs that take months or years to produce results,” Gibbons points out. “They need just-in-time solutions.”

Surprising results
Economic Gardening doesn’t deliver hundreds of jobs in one fell swoop, but its impact over time is impressive. Take GrowFL, Florida’s statewide Economic Gardening program. Between 2009 and 2015 fiscal years, participating GrowFL companies created 4,067 direct new jobs and 6,875 indirect new jobs. They also increased state and local tax revenues by

deeper pockets also enable them to offer more diverse, high-quality jobs and provide better benefits for employees.”

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more than $81 million and net return on investment translated into $9.10 for every $1 of funding.

Another example, 178 companies in Louisiana Economic Development’s (LED) statewide Economic Gardening program have created 561 new full-time-equivalent jobs and increased collective revenues by more than $218 million — marking a return of $8.13 for every $1 invested.

And in western New York, 93 companies participated in a nine-county Economic Gardening program hosted by the Greater Rochester Enterprise. Over a three-year period, participants collectively increased their revenues by $142 million and created 685 new jobs — reflecting the program’s cost-per-job of about $582.

“That’s a fantastic return by any economic development measure,” says Mark Peterson, CEO of Greater Rochester Enterprise. “In fact, it’s probably a better ROI than almost any economic development incentive package in the country.”

Beyond the data
Economic Gardening is about more than just data, points out Christopher Cassagne, an LED business development officer. “It provides a unique approach to addressing business challenges, and clients who develop a sound understanding of its frameworks can leverage that knowledge long after the closing of an Economic Gardening engagement,” he explains. “By helping small businesses expand, Economic Gardening increases gross sales of participants, imports new wealth into the state of Louisiana and accelerates the creation of jobs.”

What’s more, Economic Gardening keeps the investment local, making it a long-term solution rather than a short-term fix.

“Growth businesses are on the radar screen of other states for potential recruitment,” says Tammie Sweet,
Economic Gardening traces its roots back to 1987 in Littleton, Colorado, when missile manufacturer Martin Marietta (now Lockheed Martin) cut its workforce in half, which resulted in 7,500 lost jobs and 1 million square feet of vacant real estate. Littleton’s city council charged Chris Gibbons, then director of business and industry affairs, to work with local companies to create new jobs. Over the next two decades, Littleton put a moratorium on recruiting, incentives and tax rebates. Replacing these traditional economic-development tools, Gibbons implemented his concept of Economic Gardening, and Littleton more than doubled jobs (at a time when its population only increased by 23 percent) and tripled sales tax revenue.

To help other communities adopt his approach, Gibbons founded the National Center for Economic Gardening (NCEG) and partnered with the Edward Lowe Foundation in 2010 to host the center. Since then NCEG has helped establish Economic Gardening programs in more than 25 states.

NCEG delivers strategic information through its National Strategic Research Team, a cadre of experts in various disciplines. The foundation has developed a proprietary software system, which enables host organizations, CEOs and the research team to communicate virtually through a secure portal.

NCEG also trains and certifies program administrators, team leaders and research specialists. “Certification is critical to ensure program participants meet national standards,” says Colleen Killen-Roberts, the foundation’s director of entrepreneurship. “High-fidelity programs have strong outcomes.”

To learn more about Economic Gardening, NCEG and the Edward Lowe Foundation, call 800-232-5693 or visit www.edwardlowe.org.