

Community Business Matching Model: An Innovative Approach to Targeted Industry Economic Development

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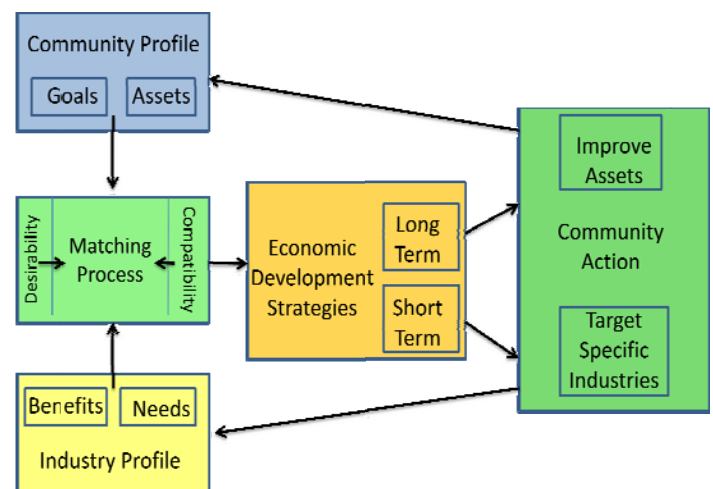
Communities across the nation are engaged in activities designed to stimulate economic development, often employing entrepreneurship development or targeted industry analyses. Entrepreneurship development programs are offered by several public and private organizations that mainly focus on the steps for starting and managing a business, while more technical targeted industrial development activities result in a list of industries for recruitment or further development. Other community outreach programs focus more on defining the development preferences of the community. Although each of these economic development programs are designed to help communities with economic development activities, none effectively measure community goals and assets to develop a holistic sustainable community economic development strategy.

Community Business Matching Model

The Community Business Matching (CBM) Model merges elements of industrial location models with quantified community preferences. The objective of CBM is to assist communities in identifying their goals for targeted economic development, the

assets that will help them achieve those goals, and the types of businesses that will be most compatible with these goals and assets. As shown in Figure 1, CBM model offers (1) a replicable process for measuring community goals and assets relative to economic development; and (2) procedures for matching these goals with the demands and benefits of compatible industries.

Figure 1. CBM Model Overview



Two indices, desirability and compatibility, are used by the CBM model to identify and rank potential matches. The **desirability** index measures how well an industry matches with the goals of the

community along dimensions such as employment, environmental protection, wages, taxes and increased business from other local firms. Identifying industries that are desirable from the communities' perspective fulfills only half of the targeted economic development effort. The industries also examine the community to see if the community's assets match the industry requirements. The second dimension of CBM, **compatibility**, measures how well the assets of the community match the requirements of the industry. Industries will be more likely to locate in a community that meets their needs for infrastructure, space and labor. The compatibility index is derived from factors that the businesses have indicated are important to them in making location decisions. Primary data on these factors are collected by surveying industries to yield information that serves as the basis for the compatibility index.

CBM combines the rigor of traditional economic models with local participation and an emphasis on the interconnectedness of economic, environmental and social concerns. CBM adds a quantitative focus on the tradeoffs between economic, environmental and social concerns, so that community members must systematically define and prioritize their goals. In addition, the CBM model incorporates information on business location decisions. Results from the CBM model not only pinpoint industries that could be targeted for local economic development, but also identify deficiencies in community

assets that could be addressed in order to facilitate the targeting and recruitment of firms.

CBM Program

The CBM program begins with the development of a local advisory committee whose primary purpose is to assist in leading the CBM community process. The size of this committee can vary from 20 to 30 members, depending on the size of the community, with the primary goal to represent community diversity across all segments, i.e. business/industry, local government, education, nonprofits, retirement, etc. Advisory committee diversity is essential because any future strategic planning and implementation will require the committee's leadership abilities. This committee meets at least monthly, or bimonthly, and participates in a 12 workshop module curriculum.

Table 1 describes CBM workshop modules curriculum. The 12-module program includes the presentation of relevant economic development topics and participatory activities that lead to the development of an action-oriented, strategic, economic-development community plan. Modules one through four focuses on the principles of economic development, while modules five through seven use specific economic tools to assess the community's economic goals and assets. Finally, modules eight through 12 concentrate on developing and assessing community action-oriented, economic-development plans.

Table 1. CBM 12 Module Program

Workshop Modules	Activities
One – Taking stock	<ul style="list-style-type: none"> - Introductions and becoming familiar with the group - Pre-assessment activity - Introduction to community economic development (CED) - “Take stock of past CED efforts” activity
Two – Looking to the future	<ul style="list-style-type: none"> - What is sustainable development? - “Tomorrow looks like...” activity
Three – Identifying what is most important	<ul style="list-style-type: none"> - Economic development basics - CBM goal ranking activity
Four – Checking out togetherness	<ul style="list-style-type: none"> - Industrial targeting and cluster analysis - Goal ranking results activity
Five – Finding out what we have	<ul style="list-style-type: none"> - Resource/asset use at the community level - Asset map of your community activity
Six – Measuring our Assets	<ul style="list-style-type: none"> - The CBM asset assessment process - Asset assessment worksheet activity
Seven – Sharing progress	<ul style="list-style-type: none"> - Review asset assessment progress - “Finish it up” activity
Eight – Determining the community’s options	<ul style="list-style-type: none"> - Review CBM model results with a focus on industries currently operating in the community - Local industries activity
Nine – Investigating possibilities	<ul style="list-style-type: none"> - Review CBM model results with a focus on attracting new industries - Investigate your community’s matches
Ten - Making decisions	<ul style="list-style-type: none"> - Strategic marketing - Targeting strategy activity
Eleven – Taking action	<ul style="list-style-type: none"> - Review progress - “Follow-up” activity
Twelve – Planning the next steps	<ul style="list-style-type: none"> - “Take a look back” and post-assessment activity

The CBM program provides communities the opportunity to lead and participate in a local-based, economic-development process. Communities will learn that sustainable economic development needs to include three interrelated topics: entrepreneurship training; business retention and expansion; and business/industry recruitment. All three topics are taught during the CBM program. Communities will also study their economic, environmental and social conditions, and identify potential trade-offs between each as a direct result of progressive economic development. Finally, the CBM process also provides short-term and long-term information that can be used to develop successful economic development targets. The degrees of “compatibility” and “desirability” can provide to local economic development practitioners the tools for developing targeted action plans for successful economic development.

What the CBM Program Can Do For Your Community

The CBM program will assist a community to better understand the basic principles of economic development and specifically compatible industries that match the economic development goals of the community. The CBM follows a structured process that involves all segments of the community from start to finish. During the CBM program, a community will identify:

1. Community goals and priorities for economic development.

2. Community assets that will help the community achieve economic development goals and priorities.
3. Industries that are desired and compatible with community goals and assets.
4. Factors that best match industries consider when making relocation or expansion decisions.

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