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The Iowa Economic Gardening Network

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# What's economic gardening?

Economic gardening represents a new way of thinking about supporting growth companies and letting business owners know how important they are to their local economies. So instead of offering traditional incentives like tax credits or real estate discounts, we're offering something that might be even more valuable to CEOs: information — strategic information — gathered with their guidance and customized for their company.

In contrast to traditional business assistance focused on finances, business plans and operational issues, economic gardening addresses strategic growth challenges such as developing new markets, refining business models and gaining access to competitive intelligence. To do this, teams of highly skilled research specialists mine sophisticated databases and leverage a number of high-end tools related to search engine optimization, social media marketing and geographic information systems.

We've launched Advance Iowa: The Iowa Economic Gardening Network. Advance Iowa has a team of highly skilled research specialists that will be matched with a select group of qualifying companies. The team devotes about 40 hours to each firm over the course of a few weeks as they work to deliver action-oriented information.

"Economic gardening specialists enable CEOs to identify opportunities they may not be aware of and point them to new tools and information to apply immediately — which is why it's ideal for second-stage companies," says National Center for Economic Gardening (NCEG) founder Chris Gibbons.

# Targeting second-stagers

Second-stage companies (growth-oriented companies that have moved beyond the startup phase) play a critical role in job creation and vibrant economies. Indeed, between 1995 and 2009, second-stage companies represented about 11 percent of U.S. resident establishments, but generated more than 36 percent of jobs and 38 percent of sales, according to YourEconomy.org

Although funding and resources exist for small businesses and startups, second-stage entrepreneurs have different needs to continue growing — needs that economic gardening programs are specifically designed to zero in on.

# Who should you refer?

To be eligible for an economic gardening network, participants must:

1. Be a for-profit, privately-held company that has been based in the region for at least the past two years.
2. Generate annual revenue between $500 thousand and $50 million.
3. Employ between 10 and 99 full-time employees.
4. Demonstrate growth in employment and/or revenue during two of the past five years.
5. Provide products or services beyond the local area to regional, national or international markets.
6. Be referred by a participating network organization.

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# The role of entrepreneur support organizations

Entrepreneur support organizations (ESOs) play an important role in the network's success by identifying eligible second-stage companies and referring them to the program. ESOs can include chambers of commerce, universities, small business development centers, technology councils and economic-development agencies. The common denominator: they're all working to accelerate the success of local entrepreneurs.

ESOs also help by educating companies about economic gardening services, setting appropriate expectations and following up with them afterward. There are typically no initial costs for second-stage participants. As funding for networks varies from region to region, ESO partner organizations may be asked to contribute a small amount.

## Benefits for ESO partners

**Build trust.** Referring local companies into an economic gardening program helps ESOs build trust because they're introducing clients to services they can't get anywhere else.

In fact, Tammie Nemecek, director of partner development at the Florida Economic Gardening Institute and former CEO of the Economic Development Council of Collier County, says that economic gardening "dramatically changes how entrepreneurs look at ESOs." Both because economic gardening helps existing, smaller companies and because entrepreneurs see benefits within a few hours, ESOs take on a higher profile and become more meaningful, she explains. "Entrepreneurs turn into advocates for the ESO and become a very vocal group that can drive positive change in a community."

**Increase effectiveness.** ESOs that participate in an economic gardening network learn more about each other, which enables groups to avoid duplication of services, refine their core strengths and refer clients to other groups when appropriate.

**Strengthen culture.** Economic gardening helps establish an entrepreneurial culture within communities that is critical to regional growth. Local businesses tend to have greater commitment to their regions and the most impact on sustainable job creation than companies with out-of-state headquarters. If they grow, the whole community benefits.

*"There has to be trust between entrepreneurs and the ESOs referring them into an economic gardening network.… Entrepreneurs need to know ESOs can truly support them, and economic gardening proves that you know what their needs are and can deliver on helping them."*

*— Tammie Nemecek, director of partner development at the Florida Economic Gardening Institute*

*"Economic gardening gives us another way to help businesses — and it enables us to focus on second-stagers, which we weren't doing before. Previously we were working with either startups or large companies. Now we're able to concentrate on the middle market."*

*— Nicole Whitehead, manager of sales operations at the Michigan Economic Development Corp.*

*"Having access to NCEG's national research team was a tremendous asset. We launched our program just six months after learning about economic gardening, and there was no way we could have built our own team of research specialists. The professionalism and expertise of NCEG's team far exceeded our expectations."*

*— David Bennett, business development officer at Louisiana Economic Development*

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*The Edward Lowe Foundation is a nonprofit organization that supports entrepreneurship through research, recognition and educational programs, which are delivered through entrepreneur support organizations (ESOs). The National Center for Economic Gardening is a partnership between the foundation and Chris Gibbons. NCEG delivers economic gardening services and maintains national standards in training and certification for both regional and state networks. For more info, visit www.edwardlowe.org.*