

Why model programs fail

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In Wisconsin, where my company maintains its primary office, the state Main Street Program should be held up as an example of a highly effective economic development strategy. For many years the program has accepted only about two new communities per year to participate. To compete for one of these slots a local downtown organization must demonstrate community support, political will, organizational capacity, and financial resources. In other words, to be selected a community must have all of the critical success factors already in place. Main Street is not so much a program to aid communities in distress as it is an approach to accelerating recovery of places poised for revitalization.

That is the secret of its success. The official Main Street Program self-selects those participants whose needs and resources are best matched to the services it offers. The problem is that other communities hear of the success of the Main Street approach and try to replicate it, even when they lack the necessary resources or face challenges different from those Main Street was created to address. If they launch at all, these local initiatives often fail and quickly lose momentum.

What I have described here is a common problem in local economic development. We tend to search for a "model" of what worked elsewhere, then try to replicate it somewhere else. I often here it expressed in discussions within communities in statements like "We want to be just like ----" or "They did ---- and we just need to do the same thing." If only it really were that simple.

What works in one place is very much a function of countless small and large factors - things like location, infrastructure, funding, leadership, expertise, politics, time, regional and national economies, and more - that cannot be uniformly replicated from one place to the next.

So why, then, are we so quick to copy strategies used somewhere else? I believe the answer is a lack of information. Let's look at another example from the economic development arena.

Just about every state has identified biotechnology as an industry targeted for growth and attraction. This has filtered down to the local level. Over the past few years I have prepared a number of economic development and industrial park plans in agricultural areas within the central states. As I assessed my clients' competition I continually encountered communities or competing industrial parks touting themselves as an ideal location for bio-industries. It took less than a minute to determine that they lacked the infrastructure and in many cases even the land area necessary to accommodate the needs of most of the companies they were targeting.

These places are not just grasping at straws. They are grasping at imaginary straws. They jumped on the biotech bandwagon without realizing what it takes to make a viable industry location. In the meantime they have not realized their potential to capture other industries or make other investments with far better odds of a payoff.

I have come to believe that this mistake is common to more than half of the country's economic development programs, and not just in rural small towns. They have based their programs on the latest trend, on a poorly-informed understanding of local capacity, or on a failure to realize why a model program they adopted was successful in another location. Lack of successes, public cynicism, and an abandonment of economic development often ensue.

It doesn't have to be like that. There isn't a place yet that I have discovered that could not do something to improve its economic climate. The difficulty is in knowing what is the right strategy. Finding the right approach begins with a solid understanding of existing conditions, and particularly the community's role in a regional economy. Next it takes an honest assessment of the market opportunities available. Finally, a community needs to identify its strategy - whether a model adopted from elsewhere or something unique to its circumstances - to achieve its goals.

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