

## **Critical Factors – Building Great Small Town Communities**

Last month I attended a seminar and had discussions with a great team at the Rural Economic Development Centre of the University of North Carolina School of Government. This team had just finished an interesting project on community development: they identify 50 small towns that were implementing successful or innovative approaches to community economic development. The communities profiled in “*Small Towns, Big Ideas*” range in size from Chimney Rock in North Carolina with 175 people to Helena-West Helena in Arkansas with 15,000. The towns stretch from Oregon to South Georgia. The economic development strategies at work in these towns include industrial development, tourism, downtown development, entrepreneurship and arts, and cluster-based development. Case studies also describe a range of strategies for building local capacity for economic development, including innovative organizational structures, partnerships, leadership development. The study was conducted in 2006-2007.

There is no recipe or one strategy but an ensemble of strategies that must fit the opportunities out there and the assets and strengths of the community. Still, these common themes have emerged as central to the success of those small towns with big ideas:

### **1. Community development is economic development**

Successful small towns tend to balance short-term economic gains with longer-term community development goals. In Davidson, N.C., Mayor Randall Kincaid said that every decision about development is weighed against the question of whether “this project is something that our grandchildren will be proud of.” Civic leaders in Ord, Nebraska, invest time and resources into entrepreneurship training in the local school system, with the hope that these activities will transform the local economy for the next generation.

### **2. Be proactive and future-oriented; embrace change and assume risk.**

Most of these towns perhaps relate to the fact that most communities featured here “hit bottom” and their stories evolved from circumstances in which local folks were willing to try new things and take new risks (don’t let a good crisis go to waste!). In Ord, Nebraska, proactive meant preparing the community for opportunity. Having tackled a number of small-scale challenges in the community and seeded the roots of teamwork around development activities, Ord was prepared to act when the ethanol production facility project arrived.

### **3. Successful community economic development strategies are guided by a broadly held local vision (BUT start with a few champions)**

The *Small Town, Big Ideas* team at the U of NC concluded that one of the success factors is the ability to establish and maintain a broadly held vision, including goals for all manner of development activities. My discussions with the team however showed that, at the origin of many initiatives in those communities, was an individual or an organization (leaders) that set the tone. I think it is important to distinguish between openness/inclusiveness in the community process/planning **and** waiting to have

everybody agreeing on a vision to do something. A broadly held vision is not necessarily a simple top down – everybody joins hands and loves each other – type of approach. In fact, a broadly held vision is more the result of a series of activities/projects that worked and that were often initiated by a few individuals with (yes) a vision. Their enthusiasm, energy, luck (everybody needs it!) and results enticed other people to come on board. Contrary to popular belief, a few usually set the tone; they identify opportunities and talents and put them to work. Those leaders have to keep the process open and inclusive (if that is what we mean by a broadly held vision) and take the time to meet individually with members of the community to ensure that opposition to development efforts does not take root for lack of understanding the larger vision. So the broadly held vision is a result put in motion by effective local leaders (champions) that will strive to put to work the best talents in the community.

#### **4. Define your assets and opportunities broadly – it is the source of innovative strategies**

In almost any small communities, given limited sources of competitive advantage, they must redefine economic development assets in a much broader framework. For example, Allendale, S.C., capitalized on a regional university to create a local leadership development program that, in turn, trained new economic development leaders for the entire region. In Fairfield, Iowa, Civic and business leaders in Fairfield have exploited the perception that businesses located in small-town, rural locations carry a moral and ethical standard above their urban competitors. And, in the most extreme case, Reynolds, Indiana, is capitalizing on latent energy contained agricultural waste from 150,000 hogs to become BioTown, USA, the nation's first energy-independent community.

#### **5. Innovative local governance significantly enhances the capacity for community economic development.**

It is hard to imagine how communities and economic development organizations can achieve results and progress if they use 20th century strategies and tactics in a 21st century economy. So most towns featured in *Small Towns, Big Ideas* include an innovative element of either organization or governance. Regionalism, or identifying opportunities and partnerships beyond municipal boundaries, is an emerging theme in successful cases. For example, in Washington, N.C., local officials recognized the growing marine trades cluster in eastern North Carolina and created a workforce and entrepreneurship development strategy to harness the regional economic opportunity. Public-private (including nonprofit) partnerships are emerging as the prominent organizational model for small town development. In Siler City, N.C., for example, the successful establishment of an incubator was the product of a partnership of the community college, local government and a state-level nonprofit organization.

#### **6. Effective communities identify, measure and celebrate short-term successes**

Given the long-term nature of community development, and the fact that measurable results from a particular project may be decades in the making, leaders in small towns must repeatedly evaluate their progress and make the case for it. Short-term successes build long-term momentum. Obviously, the best way to make the case for any

intervention is to demonstrate success. Along these lines, Scotland Neck, N.C., began with actions that would demonstrate success quickly. Town leaders decided to support local hunting and fishing guides, to start bringing more tourists into town and to show local residents that there was reason to be optimistic. This initial success helped them build momentum before beginning to tackle more intractable challenges. Also, many communities in the study make an explicit effort to measure and monitor the

impacts of their efforts. It seems obvious, but measuring progress and evaluating programs tend to get pushed to the end of priority lists. Not so in successful small towns. Data can be used to attract additional investment from outside sources, convince community's naysayers to join the efforts. Small towns profiled in the study tend to communicate and celebrate success. For example, in Douglas, Georgia, community leaders work hard to keep local papers informed about various economic development projects and publicize even the most modest success, including stories of local entrepreneurial successes.

**7. Use a comprehensive approach of strategies and tools, rather than a piecemeal approach.**

There is no silver bullet. No single strategy saved any community in this study. Successful development in small towns is always multifaceted. Successful communities have a comprehensive package of strategies and tools that are aligned with the core assets, challenges and opportunities within their regional context. Decisions about what to do and why to do it have to be based on local conditions, context and capacity.