

## Is the Community Being Strategic?

A community consciously attempting to alter its economic situation can pursue a comprehensive strategy, or it can simply implement a collection of programs that may or may not be cumulative or even effective in achieving stated objectives. A collection of programs does not make a policy or strategy. Vaughan and Barse (1981, p. 308) suggest:

*...strategic choices bear a positive integral and consistent relationship to the attainment of some objective. The set of actions must possess synergy: that is, have positive, cumulative, and mutually reinforcing affects on the attainment of objectives.*

Any strategy must be based on a theory or model about how the entity functions and will respond to stimulus. A theory of or structured way of thinking about community economic development must be in place to link internal and external forces before one can think about policy choices or specific strategies.

Vaughan and Barse (1981, p. 308) define an economic development strategy as:

*... the set of programs which individual design and interrelationship correspond to an appropriate dynamic model of the economic development process. The choice of development programs must be consistent with how the economy actually develops, otherwise the programs may fail... There are important judgments to be made, not only with respect to the choice of objectives and instruments but with respect to the relative weights and timing to be assigned to those elements. All elements are not equally important, and their relative importance changes over time.*

Using similar words, Bryson (1990) defined strategy as a pattern of purposes, policies, programs, actions, decisions, or resource allocations that define what an organization (community) is, what it does, and why it does it. A pattern means that there is some consistency and it is not just a one-shot event and that it has an action component. Recall that community economic development is a continuous process. Defining the "who and what" of community economic development essentially says that strategies define the organization or community. Why a community "does what it does" is really a statement about the values the community or organization possesses.

There are numerous reasons for a community to create an economic development strategy. One and perhaps the most obvious reason is to clarify the direction of economic development in the community. A strategy statement includes the community's goals and objectives; the role of local and nonlocal actors/agencies, explicit recognition of the tradeoffs among community goals; and sources and uses of political, and technical/ professional input. Another reason might be that a community economic development strategy helps delineate priorities, such as identifying key issues and target groups. A strategy for community economic development assists in the allocation of resources by eliminating conflicts and linking or sequencing apparently unrelated efforts, for example female unemployment and day care centers, and should increase the effectiveness of the community's effort. A local economic development strategy yields an organizational structure and response system that ensures knowledge of who is doing what and when,

and that links the community with nonlocal public and private resources. Another reason is that a community economic development strategy provides a framework to guide the small, incremental events that accumulate into a major event or effort. Thus, a strategy links separate efforts within the context of a conceptual understanding of community economic development, and permits the community to organize actions and resources to achieve objectives more efficiently. Finally, developing strategies can help a community separate symptoms from the true underlying problems.

Often people are more interested in short-term projects than in long-term strategies. Both are important. The long-term strategies provide people the overarching direction for the community. The short-term projects provide tangible feedback that local people need to stick with the long-term strategy. Without a long-term strategy within which short-term projects fit, the projects might conflict with each other or not add up to effective development program.<sup>i</sup> One could think of the long-term strategy as the envelope that collects the short-term projects. For example, a long-term goal or outcome of the community might be downtown revitalization. This goal is achieved through a collection of short-term projects that all fall within a longer-term strategy. One strategy might be to enhance downtown business profitability short-term projects might include forming a business association and a business improvement district, using TIF districts for capital improvement and/or focused business counseling and training opportunities.

A critical step in formulating strategy is drawing the distinction between inputs, goals/objectives, outputs and outcomes. In the former example, inputs are the time and efforts of local citizens in undertaking specific projects. The goals and objectives are linked to specific projects, such as the creation of a downtown improvement authority, or a street-scaping program, and the output is enhanced business profitability. The outcome of all this effort is a revitalized downtown or in the extreme, the downtown becomes the heart of the community including but not limited to business activity.

In the end effective community economic development requires that the community think strategically and not take a “shot-gun” approach where they try a little bit of everything. This requires that the community form a basic understanding of the strengths and weaknesses of the local economy, a framework to think about those strengths and weaknesses, and a structure to organize policies. Most important is a structure to evaluate how those policies are moving forward and how they need to be modified to reflect changes in the local situation.

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i. In the planning theory literature there are two conflicting approaches to decision-making. The first, “radical planning” tries to achieve long-term goals and objectives in a rapid fashion through dramatic sweeping changes. The alternative, “incremental approach” moves toward long-term goals and objectives using short-term “marginal” changes. In the real world where people are often leery of change the incremental approach is the most sustainable.

Vaughan, Roger J. & Peter Bearse. 1981. Federal Economic Development Programs: A Framework for Design and Evaluation. in *Expanding the Opportunity to Produce*. Robert Friedman & William Schweke (eds.), pp. 307-329. Washington DC: The Corporation for Enterprise Development.

Bryson, John M. 1990. *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement*. San Francisco: Jossey-Bass.