



Economic Gardening

An economic development strategy focused on high-growth SMEs

What is this thing called *Economic Gardening*?

Economic Gardening is another term for the ***development of local, high-growth small & medium enterprises (SMEs)***.

The strategy focuses on the development of a regional economy by using methods that promote growth of the economy *from within*. While Economic Gardening concentrates on growing *local* businesses it is also outward-looking; encouraging businesses to seek export markets, whether international or intra-national.

As a practical strategy Economic Gardening was first developed by Chris Gibbons in Littleton Colorado in 1987 www.littletongov.org/bia/economicgardening/default.asp. The strategy is used in many regional areas of the USA with great success; resulting in economic and employment growth in the communities in which it has been implemented.

Economic Gardening aims to identify emerging entrepreneurs in small and medium enterprises - those business-people with a strong desire *and* aptitude to grow their businesses. It provides these budding entrepreneurs with a package of professional business assistance that would normally be too costly for most small businesses.

The objective of the strategy is to help local entrepreneurs successfully fast-track the sustainable expansion of their businesses.

Economic Gardening methods differ slightly in each location, but the goals and principles remain the same. It specifically targets viable, existing businesses with demonstrated potential for growth. It is *not* a strategy that aims to assist start-up businesses, and does not provide rescue services to companies that are failing. It can be implemented in a way that complements business incubation programs and other SME strategies such as industry cluster development.

Economic Gardening is *not* a standard Business Retention & Expansion (BRE) program. Unlike most BRE programs it is strongly focused on taking *direct action* to help businesses grow, rather adopting processes that tend to be bureaucratic.

The Shellharbour project

After researching SME development strategies since 2004, John Grace from the Illawarra Area Consultative Committee (now *RDA Illawarra*) and Jane Robinson from Shellharbour City Council decided that Economic Gardening offered great potential to assist the sustainable growth of the Shellharbour economy. They began development of a version of Economic Gardening that would best suit the local business environment.

The pilot project began in November 2006 with major financial contributions from the Australian Government and Shellharbour City Council, along with a smaller contribution from Kiama Council.

The NSW Department of State & Regional Development provided additional financial support in 2007. *RDA Illawarra* has provided ongoing, in-kind support for project development.

Economic Gardening continues to operate successfully in Shellharbour. The project is now funded entirely by Shellharbour City Council and is managed by Council's Economic Development Manager, Jane Robinson. Ongoing survey results from participating businesses indicate strong improvements in turnover and profitability, as well as impressive employment growth.

What were the broad objectives for the Shellharbour project?

- To assist in the development of more resilient, skilled, high-growth businesses
- To assist in the development of a more self-sufficient local economy
- To help foster a community that better recognises and rewards entrepreneurship
- *To contribute to the growth of local jobs for local people.*

How does the Economic Gardening engage with businesses in Shellharbour?

1. Business-people who express interest in the Economic Gardening program initially take part in a **Business Improvement 'Boot Camp'**. These business-people must be willing to engage in an intensive full-day program which challenges them to look objectively at their business operations and management skills. The Boot Camp helps each person to gain insights into:
 - **Their genuine motivations for being in business (survival, stability or growth)**
 - **The impact that their personality has on the success of the business**
 - **Their business management strengths and weaknesses**
 - **Challenges that face people who want grow their businesses**
 - **Key characteristics of successful high-growth businesses.**
2. Following the Boot Camp business-people indicate if they are keen to commit to the **Advanced Entrepreneurship** stage of Economic Gardening. Interested business-people are offered a **business health check**, which includes a financial diagnostic, a business plan review and a market position evaluation. Members of the Economic Gardening project team also provide detailed feedback about their observations of Boot Camp participants. Those people selected to move on to the Advanced stage are those who have a financially viable business and who show a desire to:
 - **Gain professional help with marketing strategies**
 - **Access professional assistance with business and financial planning**
 - **Think laterally about new market opportunities and niches**
 - **Think openly about product and service innovation**
 - **Gain greater insights into trading on the internet.**
3. Those business operators who are then selected to join the **Advanced Entrepreneurship** stage of Economic Gardening participate in a professional program that includes workshops and other activities covering the following topics:
 - **Business planning for growth**

- Financial planning for growing businesses
- Market Research; including the use of GIS mapping and commercial market data
- Analysing the Customer-Base and Target Market
- Customer Relationship Management - using customer databases to grow business
- Advanced Marketing Techniques - building a new marketing strategy, including development of effective marketing materials
- Succeeding in eBusiness – websites, search engine optimisation and online trading
- ‘Knowing your worth’ – determining the true value of services and products
- Advanced leadership & people-skills for business

After each workshop, participating businesses are offered *one-to-one coaching* by business consultants who are specialists in their fields. This has been a vital component of the success of the project.

Additional places in some *Advanced* workshops are offered to other interested business-people who are assessed by the project team as having the potential to benefit from this stage of the program.

Ongoing development of Economic Gardening resources

The Economic Gardening project in Shellharbour continues to evolve and improve. The project team is developing the *Illawarra Entrepreneurs* web-portal; an interactive website offering on-line support for business-people interested in growing their businesses.

RDA Illawarra has begun production of additional Economic Gardening resources including a book entitled ‘*Strategies for Growth Oriented Businesses*’ (written by small business specialist Dick Bradley), and a series of business learning DVDs.

What does the program cost participating businesses?

There is currently *no charge* to participate in any Economic Gardening activity in Shellharbour. Business-people must be prepared to commit time and energy. The most impressive results have been achieved by those participants who have worked hard to implement their learning.

Who delivers the Economic Gardening learning activities?

The Shellharbour Economic Gardening project has been designed on the principle that *business-people learn best from other business-people*. All elements of the program will be delivered by business professionals with a track record of building successful enterprises. The principal consultant is Mr Bob Ashford of Lumen Associates. The high quality of Shellharbour’s Economic Gardening consultants has been an important factor in the success of the project.

What has been needed for the successful implementation of this strategy?

- **A local Council that understands the need to grow the economy from within and supports the strategy** (seed capital from other levels of government has been a big help)
- **A dedicated team with visionary leadership**
- **Persistence and determination**
- **An existing, positive relationship with small business community.**

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Economic Gardening – Building Entrepreneurship in Illawarra Business

Process Map – Provision of Project Services

