

Training Materials: **Economic Development Targeting**

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Economic Development Strategy

Targeting to attract investment enabling:

- Existing Business Growth
- Entrepreneurship (startups)
- Business Attraction (relocation)



*Tailor approach & maximize effectiveness
of marketing, policy, support services*

Targeting Goals

- **Econ Growth** (jobs, income, tax base)
- **Econ Quality** (high paying, high value)
- **Econ Diversification** (stability)



Criteria: Match Goals & Local Conditions

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Analysis Techniques

- *Growth List*
- *Location Quotient Analysis (mix)*
- *Shift Share Analysis (trends)*
- *Growth Quadrants (mix and trends)*
- *Competitiveness Analysis*
- *SWOT Analysis*
- *Gap Analysis*
- *Barrier Analysis*
- *Cluster Analysis*
- *Benefit-Cost Analysis*

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Growth List

- Fastest Growing Industries
- Fastest Growing Firms

Interpretations:

- Hot Leads
- Fads
- Traps: cluster trap, technology trap
- Localization concerns

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Location Quotient

$$\left\{ \frac{\text{Industry share of Regional Employment}}{\text{Industry share of National Employment}} \right\}$$

Interpretations:

- Basic vs. Non-Basic Employment
- Export Base
- Gaps
- Comparison area issue

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Shift Share

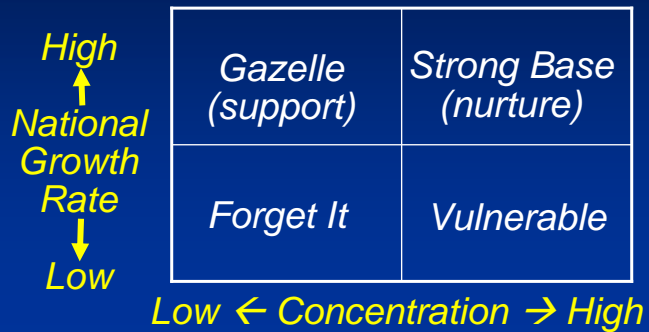
$$\left\{ \frac{\text{Industry regional growth rate}}{\text{Industry national growth rate}} \right\}$$

Interpretations:

- Industry shifts vs. local shifts
- Expected vs. actual performance
- Comparison area issue

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Growth Quadrants



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Competitiveness Assessment

Industry Competitiveness Analysis

- *Industry intelligence, requirements, incentives*

SWOT Analysis (rating sheets)

- *Labor, facilities, sites/ infrastructure, markets: cost, qualities & access*

*Bench-
marks*

Gap Analysis

- *Performance benchmarking*

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Barrier Analysis

SWOT (*relative rating of local factors*)
relationship to Performance Gaps (*relative rating of local performance*)

SWOT Factors

*Industry
Gaps*

								X	
		X		X					X
		X		X		X			
						X			
					X		X		

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Related Issues

Cluster analysis

- *Complementarities to strength industries*

Benefit-Cost Analysis

- *Relative payback to tax & income base*

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Questions? Issues?

Break ?

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