

THE
HICKEY
INSTITUTE

Potential Pitfalls &
Proactive Strategies for
Regional Economic
Development
2025 Report



TABLE OF CONTENTS

INTRODUCTION	4
LACK OF STANDARDIZED PROCEDURES	6
FINDING CONSENSUS AND ADVOCACY	8
BROKEN TRUST	9
NAVIGATING DATA GAPS	10
ARTICULATING THE REGIONAL VALUE-ADD	12

REPORT INTRODUCTION

The International Economic Development Council (IEDC) is the premier professional association for economic developers. Within the association are the Economic Development Research Partners (EDRP). Comprised of practitioners interested in advancing the profession by contributing to an economic development think tank, EDRP has published numerous whitepapers over the years to address areas of change, interest, and challenge within the economic development industry.

In 2016, EDRP released a document called *Organizing for Success: Regional Economic Development*. The paper explained the concept of regional economic development in great detail including the advantages and challenges that come with operations, the motivating factors for starting an EDO, and some commonly accepted best practices.

With direct staff experience in leading regional economic development organizations nationwide, Hickey Global is a strong proponent of the strengths that efficient organizations bring to their communities. Understanding that regionalism is not always easy, however, it may be helpful to stay alerted to several pitfalls that can break or diminish the most well-intended efforts. This document is dedicated to highlighting just five of them.



Regional groups can compile broad examples, organize long-term efforts to advance ideas and share insights, and focus on the important work of advancing change with contributing local partners who also manage the important day-to-day demands of more granular work.

LACK OF STANDARDIZED PROCEDURES

Often in economic development, and especially in areas where a regional economic development organization (EDO) is present, project information travels to and from local and economic development entities along a chain. For example, the state EDO is alerted first to the news of a new prospective company interested in establishing a location within its borders.

While the company has narrowed their interest to one or more states, the task of finding an actual site is still very much in play. In an effort to help the company make a decision, the state EDO passes the project information to its local partners directly or via the regional group. The same can be said for information moving in the opposite direction. A locality would like a prospect to locate within its borders and site-specific information or a completed request for proposal (RFP) is sent back to the state directly or via the regional entity.

Ideally, involving a regional entity would have several benefits. First, executed efficiently, this chain of information sharing streamlines exchanges by dramatically reducing the number of people who need to directly communicate with one another in the preliminary stages of a site selection process.

Second, the regional group may have an ability to neatly package a regional response that allows them to share site specifics while highlighting regional assets. Those assets could be far-ranging and include details about housing, transportation networks and connectivity, or schools, and often presenting those details in a regional manner better aligns with how employees and executives will come to know and experience the region upon location.

Third, the region may have better data sets that tell a more detailed story about labor and education. For any number of reasons, regional EDOs are often expected to be in the mix when project activity is underway.

When there are clear protocols and procedures in place that set expectations and govern how information is exchanged, what the standards for the exchange of that information are, and how the loop of that information exchange is opened and closed, things can run smoothly. When these checks and balances are lacking, chaos can ensue.

Taking the time to clearly plan for every element of how project information is passed from the community to the company that is under the control or perceived to be under the control of the regional EDO can't be overstated enough. Regional groups can play a meaningful role in charting out processes for managing projects assigned down to the individual team roles that govern and direct things like timeliness, information assembly, and process tracking.

While the regional EDO can be responsible for starting the project clock by sharing initial details, scope, and information requests, they can also stop the project clock by relaying information about changed statuses and final location decisions. Final protocols and procedures should also be decided upon in collaboration with regional partners, but once set, the region will be in a better position to execute the business attraction process.

FINDING CONSENSUS AND ADVOCACY

The authors of the EDRP paper on regional economic development tell us that regional EDOs can advocate on “issues of collective concern.” This isn’t to suggest that regional groups and their local partners will agree on everything, but it should highlight the fact that there are often areas of common concern or importance. A regional EDO's inability to connect with its partners and identify opportunities to advocate for regionally advantageous solutions or considerations can, over time, remove some of the utility of the regional structure.

Issues that may benefit from the consensus structure are typically big-ticket items. These can include the need to reevaluate or change incentive structure at the state level or the need to renew federal funding sources. Regional groups that are tapped into the resources and tools that help their local partners advance the project process – whether directly related to attraction or retention – can act as one entity with many voices speaking in unison to move the ball.

Regional groups can compile broad examples, organize long-term efforts to advance ideas and share insights, and focus on the important work of advancing change with contributing local partners who also manage the important day-to-day demands of more granular work.

While the ability to run point on some of the make-or-break issues that arise at the regional level but are outside the direct control of individual players can be invaluable, not finding a way to identify those issues and advocate for partners is a major missed opportunity. Over time, this lack of advocacy will, at the least, make a region less competitive, and, at most, grow a list of grievances with the regional economic development group.

BROKEN TRUST



Every economic development member of a regional team, whether within the actual organization or outside it at the local level, owns the responsibility to be a trustworthy partner.

While it would be largely counterproductive to violate the trust of local partners when working at the regional level, individual community representatives can do just as much damage by violating industry ethics or more specific regional agreements, processes, and protocols.

One example that may be far too common is related to communicating with prospects. A common rule of thumb that many regional EDOs respect relates to when and how local representatives communicate with prospects for which the entire region is still in play. Ongoing regional consideration is typically a clear indication that communication with the prospect should remain exclusively in the hands of the person directly assigned to correspond with project representatives.

This is an important issue of trust, and it ensures that each community has the ability to showcase its strengths under equal opportunity. If a local representative gets contact information for project representatives and uses that information to market to the prospect outside of the lines of the project information exchange, that trust has been violated. This means that until a project has made its local decision, all EDOs should respect the channels of communication requested by the client or their site selector.

NAVIGATING DATA GAPS

Arguably, today, nothing drives location decisions more than the ability to access meaningful data about a community.

Hickey Global uses its Location Down-Select Model service to drive this point home by showing communities what company representatives and site selectors, like Hickey & Associates, can glean from the stand-alone information, often online, that tells a community story.

Total Index	Labor Index	Labor Supply				Labor Cost Index			Business Environment	Logistics
			Macro Supply	Skills Supply	Education		Macro Labor Costs	Wage Index		
100%	60%	50%	20%	60%	20%	50%	30%	70%	15%	25%
112%	111%	126%	147%	125%	109%	96%	97%	96%	90%	127%
102%	99%	99%	123%	83%	122%	99%	97%	100%	112%	105%
102%	101%	105%	140%	94%	102%	98%	102%	96%	86%	112%
100%	104%	131%	133%	131%	132%	77%	57%	85%	75%	105%
97%	101%	105%	70%	127%	74%	96%	108%	91%	112%	81%
93%	91%	78%	61%	86%	73%	103%	111%	99%	103%	92%
91%	83%	81%	106%	70%	89%	85%	71%	90%	103%	105%
90%	108%	68%	83%	59%	82%	147%	159%	142%	120%	30%

The more complete and dynamic the data is, and the easier it is to self-serve the reporting and information needed to make knowledgeable decisions, the higher the likelihood that a community will advance beyond the first round of the site selection process, often performed at the computer desktop.

Regional EDOs often have more financial resources at their disposal than their local partners and investing those dollars in tools that can make a large impact is an excellent way to show value. Moreover, data shown at the regional level can turn what may be perceived as a weakness locally into less of a challenge.

One easily digestible example of this would be the lack of a higher education institution in the city. Presented as a standalone data point, it doesn't present well to a company laser-focused on the ability to upskill its workforce. Enter the regional data and see that there are several higher education institutions scattered on all sides of the local jurisdiction borders. Suddenly, this threatening deal-breaker is a non-issue.

“Data is a **critical project driver** and defines the **region** whether representatives are given the opportunity to elaborate or not. Regional organizations that take the lead in providing expansive data sets that can be manipulated to accommodate the needs of prospects, local partners, and members of the community **will uplift their location and increase success.**”

ARTICULATING THE REGIONAL VALUE-ADD

Most regional EDOs rely on multiple funding sources to maintain their existence. Whether that funding comes from private partners, local partners, or a mix of the two, when the time comes to replenish the coffers, without the ability to show the value of their investment to funders, it will be challenging to stay in business.

Regional groups should prioritize setting key performance indicators that directly align with the needs of their partner communities and relentlessly documenting progress toward meeting related goals and objectives.

It's important to note that top priorities may look dramatically different from one EDO to another and may include items tied to topics that go beyond job creation and capital investment. Some examples include the provision of complete data sets, increased engagements with influencers of drivers for success outside the region, or the creation and implementation of new marketing strategies.

However priorities are set, they should be measurable and easily conveyed, ensuring that regional representatives can quickly make a case for continued funding that demonstrates how the funding entity has been able to directly benefit from the work of the EDO.

In conclusion, regional economic development organizations are uniquely positioned to advance the economic development efforts of their regions. Numerous parties stand to benefit from comprehensive approaches to enhanced economic development efforts and, therefore, various economic development outcomes.

Understanding how to use the breadth of a regional EDO to expand the depth of services and value not only has the potential to secure the bottom line for the EDO but can also enhance the region's ability to promote positive community change.

Hickey Global provides a variety of services that can help regional groups become more strategic in their efforts, from helping with organizational structures to putting together marketing and attraction strategies. Connect with our team today to discuss how we can help turn your challenges into opportunities.

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