

ECONOMIC GARDENING 2.0

WHAT IS ECONOMIC GARDENING?

Economic Gardening is a method of economic development that uses sophisticated business intelligence tools and databases designed for “second stage growth companies”. These types of companies make a great investment, and are defined as having a proven product, proven market, proven management skills, and room to grow, typically ranging from 10-100 employees, and \$1M - \$50M in revenue. Research shows that investing in these productive companies is an effective way to grow the economy and create new jobs. The National Center for Economic Gardening has pioneered Economic Gardening as part of their suite of services targeting these high growth potential companies.

WHAT IS THE NATIONAL CENTER FOR ECONOMIC GARDENING?

The National Center for Economic Gardening is a national non-profit organization that offers peer learning, leadership education, and strategic information programs that are specifically designed for the types of companies the City wants to focus on to grow our regional economy. Through the Economic Gardening 2.0 program, the City will be leveraging the Foundation’s network of research specialists to provide access to data and business tools typically only available to much larger companies. Specifically, the program will allow regional businesses to:

- Identify market trends, potential competitors and unknown resources
- Map geographic areas for targeted marketing
- Raise visibility in search engine results and increased web traffic
- Track websites, blogs and online communities to better understand competitors and current and potential customers
- Make informed decisions on core strategies and the business model

HOW IS THIS UNIQUE TO SACRAMENTO?

The City of Sacramento is engaged in several strategic capacity building efforts. Capacity building is an investment in the effectiveness and future sustainability of local companies. This initiative allows the City to work with these entities to strengthen the companies’ ability to fulfill their mission over time, thereby creating a positive economic impact on our communities.

Sacramento is redefining the traditional Economic Gardening approach by adding a grant program to implement the recommendations companies receive from engaging the research specialists. The City will be working with The National Center for Economic Gardening, the Chambers of Commerce, and Sacramento State University to deliver the program and create customized tracking methods that help ensure effectiveness. Two one-year cohorts of five to six companies will be piloted to maximize the impact this methodology to our region.

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WHAT DOES THE PROCESS LOOK LIKE?

The City of Sacramento will launch a competitive application process to identify the best candidates. During the selection process, two to three company priorities will be identified. After selection, a discovery call with company leadership and a team leader from the National Center for Economic Gardening will uncover more detail about what data and research are needed to address priorities and make upcoming strategic decisions. Once these research areas are clear, a team of research specialists with the National Center for Economic Gardening will join a second call and begin to work directly with company leaders, with continued support from the team leader. Collaboration software is used to track all progress, and follow up calls are used to clarify questions and provide additional support. Work is completed when company leaders feel their priorities are sufficiently addressed. The process takes up to 36 hours over four to six weeks.

ECONOMIC GARDENING 2.0 DETAILS

- Two one-year cohorts of five to six companies each
- No cost to companies
- Hands-on approach, with access to a network of research specialists
- Several features unique to Sacramento
 - Selection criteria determined by National Center for Economic Gardening, Chambers of Commerce, City of Sacramento
 - Track customized success metrics
 - Grant program to assist with implementation of recommended changes
 - Targets refined after each year of the pilot
 - Potential to target existing and new industries unique to our region

METRICS

The National Center for Economic Gardening includes the following metrics. In addition, the City will be looking at a specialized set of metrics to be determined.

- Increase in number of employees
- Increase in company gross revenue
- Increase company net profit
- Increase in sales tax paid to the City
- Increase in property/equipment tax, other taxes paid to the City

PILOT PAVES THE WAY FOR MAXIMUM REGIONAL IMPACT

By piloting the program in two one-year cohorts of five to six participating companies, data and feedback will be obtained about what works. Based on the data from the pilot, the City will evaluate the results and decide whether or not to expand the program. The City aims for the two-year pilot program to inform which sectors and types of companies, specific to our region, are most likely to

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benefit. This process will show where the City can press further on region-specific leverage points to drive the regional economy as a whole.

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