

Building Regional Business Civic Capacity

*For MetroBusinessNet
May 16, 2002*

Peter Plastrik
Integral Assets Consulting, Inc.

An Emerging Practice Field

- A. Emergence of metropolitan regionalism
- B. Growth of business concern for multiple bottom lines (“integrated” system perspective)
- C. Development of regional business civic capacity

A) Emergence of Metro Regions

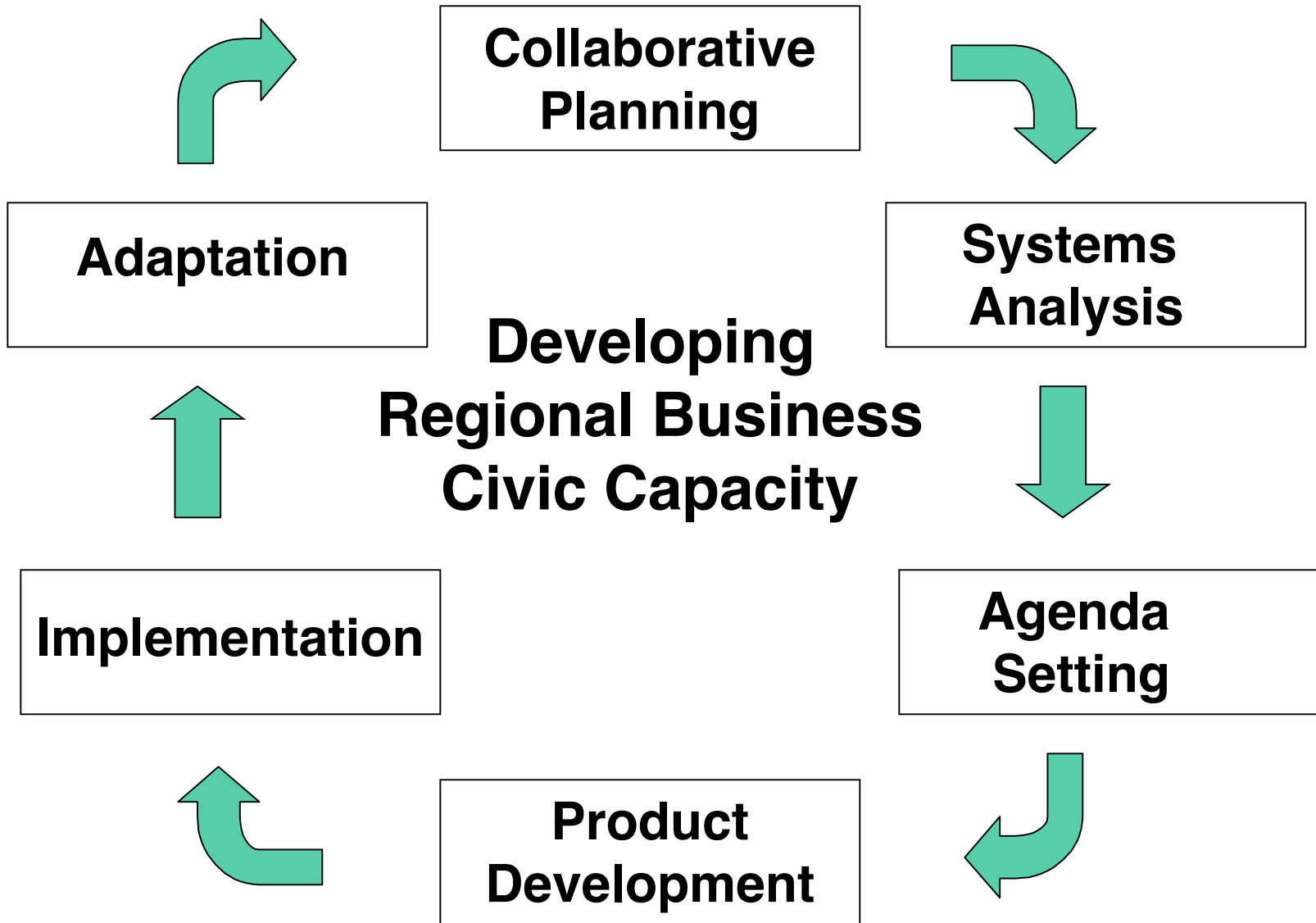
- Environmental science of systems
- Spatial dynamics of metropolitan areas
- Economic competitiveness of place

B) Growth of Regional Business Civic Concern

- Historic antecedents
 - Commercial Club of Chicago, Pittsburgh, etc.
- What's new?
 - The “logic” of metro regions
 - The requirements of multi-stakeholder decision making
- Building Regional Business Civic Capacity
 - MetroBusinessNet sites
 - Minneapolis, Chattanooga, Atlanta, New York, Cleveland, Milwaukee, Philadelphia, Denver, etc.

C) Development of Regional Business Civic Capacity

- Six elements of the process:
 - Collaborative Planning
 - Systems Analysis
 - Agenda Setting
 - Product Development
 - Implementation
 - Adaptation
- Not step-wise, linear
- Iterative, multiple “entry points,” *messy*



1) Collaborative Planning

- Business sector “unites”
- Business outreach to other stakeholders (community, environment, government, labor, foundations)
- Business institutional change (reinvention & partnerships)

Collaboration: Business Unites

- Corporate leadership
- Mobilizing/learning processes
 - leadership exchanges, speakers, conferences, summits, workshops, “learning communities”
- The Big Aha:
 - “the canvas for creating a health economy is the metroregion” (Chicago)
 - Rising tide does not lift all boats
 - The 3 E’s (Bay Area)
- Coherent vision
 - Chicago: 50 major employers sign Metropolis Principles (affordable housing & public transit influence business location decisions)

Collaboration: Business Outreach

- Business identifies other stakeholders
 - Community, Environment, Government
 - Labor
 - Foundations
 - Irvine, Danforth, Gunn
- Dialogue, bridge-building with stakeholders
- Short-term, shared interest projects with stakeholders

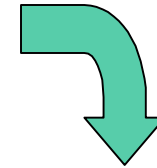
Collaboration: Institutional Change

- Business reinvents own institutions
 - Develops capacities to address new vision
 - Beyond economic development as usual (location deals)
 - Deals with business sector fragmentation
 - Inclusion of small business
 - Coordination of multiple organizations
- Business commits to enduring multi-stakeholder partnerships

Developing Regional Business Civic Capacity

Collaborative Planning

- “Unite” business sector
- Engage other stakeholders
- Reinvent business institutions



Systems Analysis

2) Systems Analysis

- Mapping the region as a system
- Assessing performance of system
- Identifying system “drivers” (root causes)

[Note: ongoing knowledge creation, not a one-shot report.]

Systems: Mapping Regions

- Boundaries
 - Chicago (15 counties, 3 states)
 - St. Louis (12 counties, 2 states)
- Systems
 - Environmental, Workforce, Transportation, Infrastructure, Industry Clusters, Public Education, Capital Markets, Inner City, etc.

Systems: Assessing Performance

- What are current conditions?
- What are trends (historic, comparative)?
- What is the context?

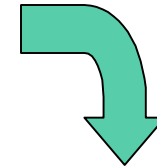
Systems: Drivers

- Why does the region produce certain outcomes?
 - How do land use and transportation system design contribute to outcomes?
 - How does workforce availability affect the location of businesses?
 - What “comparative advantages” does the region have for economic development?

Developing Regional Business Civic Capacity

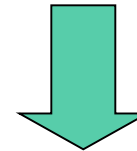
Collaborative Planning

- “Unite” business sector
- Engage other stakeholders
- Reinvent business institutions



Systems Analysis

- Map the region as a system
- Assess performance of system
- Identify “drivers” of system



Agenda Setting

3) Agenda Setting

- Aligning stakeholder interests: establishing converging, multiple bottom lines
- Identifying opportunities: where is the system open to being influenced?
- Developing basic strategies & priorities

Agenda Setting: Align Stakeholders

- Embracing multiple bottom lines

Agenda Setting: Identify Opportunities

- *Build on Momentum*: What “assets” exist or are emerging?
 - St. Louis: life sciences sector
- *Respond to Crisis*: What system has “collapsed” or is nearing collapse?
 - Atlanta: air pollution crisis
- *Intervene with Vision*: What important system decisions are pending?

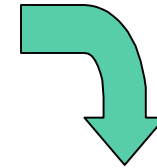
Agenda Setting: Develop Strategies

- Targeting
 - Systems (WFD, transportation, housing)
 - Economic Sectors/Clusters (Life Sciences, IT)
 - Places (poor neighborhoods, industrial corridors)
 - Populations (youth, unemployed, immigrant)
- Changing public policies, practices, investments
 - Affects the “playing field” for others
 - Improves public sector performance
- Changing business practices and investments
- Changing regional awareness
 - Publicize region performance “scorecard”

Developing Regional Business Civic Capacity

Collaborative Planning

- “Unite” business sector
- Engage other stakeholders
- Reinvent business institutions



Systems Analysis

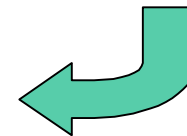
- Map the region as a system
- Assess performance of system
- Identify “drivers” of system



Agenda Setting

- Align stakeholder interests
- Identify opportunities for systemic change
- * Select strategies

Product Development



4) Product Development

- Developing Government Plans
- Improving Business Practices
- Building Community Capacities

Product Development: Govt Planning

- Shaping public policies, regulations, and investments for key regional systems:
 - Transportation
 - Workforce development
 - Education
 - Housing
- Changing the “playing field” (incentives, etc.)
- Targeted interventions

Product Development: Business Practices

- Use business systems to create new outcomes:
 - Procurement/supplier development
 - Workforce development
 - Facilities location
- Provide business capital/expertise to new products in region:
 - Investment pools (e.g. Bay Area family of funds)

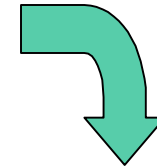
Product Development: Community Capacity

- Human capital
 - Marketable skills
 - Business/entrepreneurial capacities
- Social capital
 - Community organizing
- Physical capital
 - Neighborhood design
 - Infrastructure
- Financial capital
 - Consumer financial services
 - Business financing
 - Individual development accounts (IDAs)

Developing Regional Business Civic Capacity

Collaborative Planning

- “Unite” business sector
- Engage other stakeholders
- Reinvent business institutions



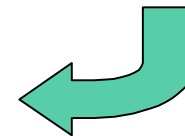
Systems Analysis

- Map the region as a system
- Assess performance of system
- Identify “drivers” of system



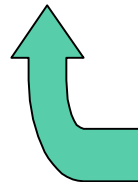
Agenda Setting

- Align stakeholder interests
- Identify opportunities for systemic change
- Select strategies



Product Development

- Develop government plans
- Improve business practices
- Build community capacities



Implementation

5) Implementation

- Finding the right managers
- Managing tensions of multiple bottom line
- Monitoring progress

Implementation: Management

- Blending technical skills and values
- Skilled at “care and feeding” of networks
- Teams, not just individuals

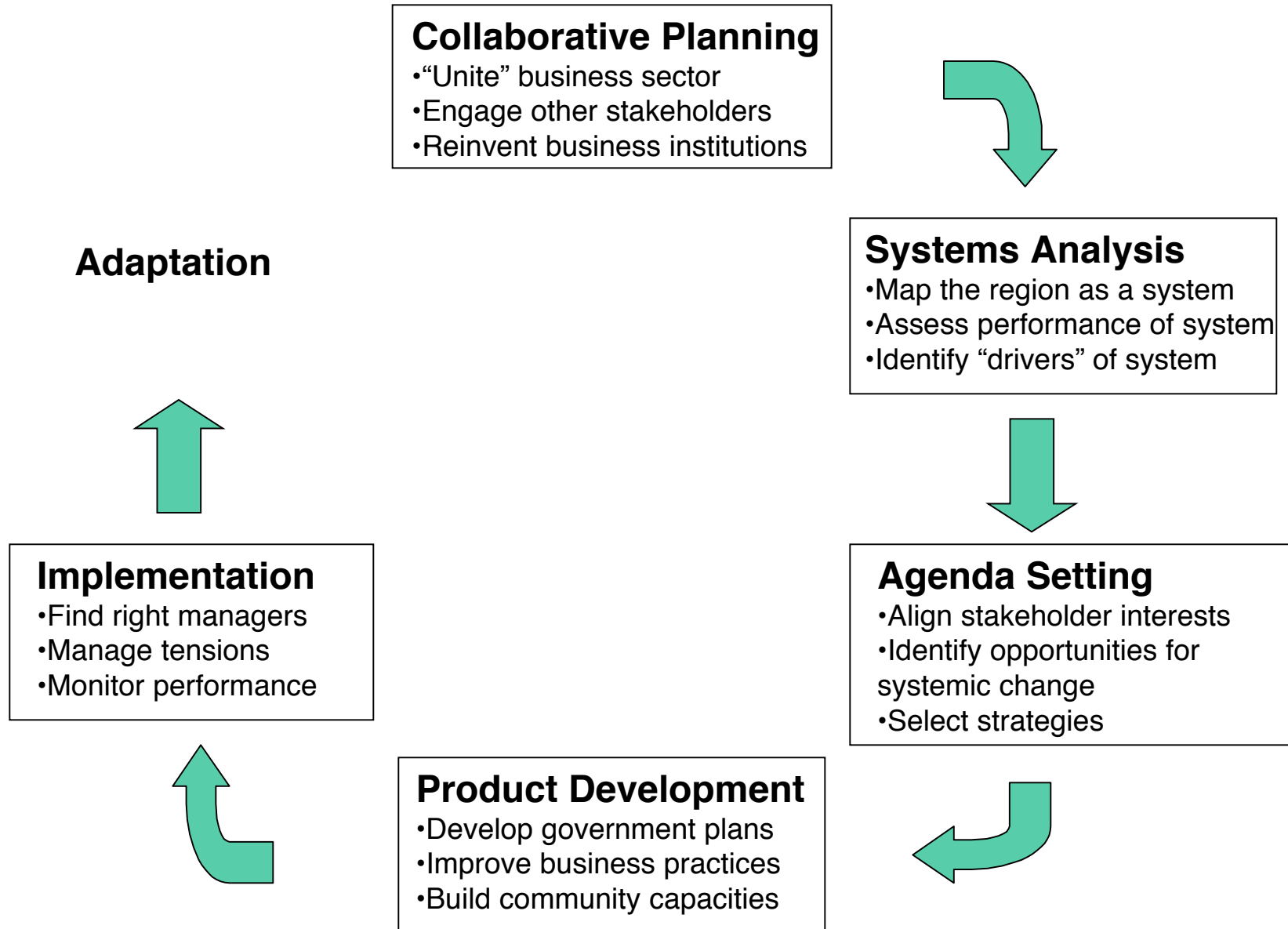
Implementation: Tensions

- Managing tensions of multiple bottom line:
 - Stakeholder expectations
 - Performance challenges
- Sustaining participation of grassroots

Implementation: Monitoring Progress

- Using a scorecard for multiple outcomes
- Obtaining rapid feedback from projects

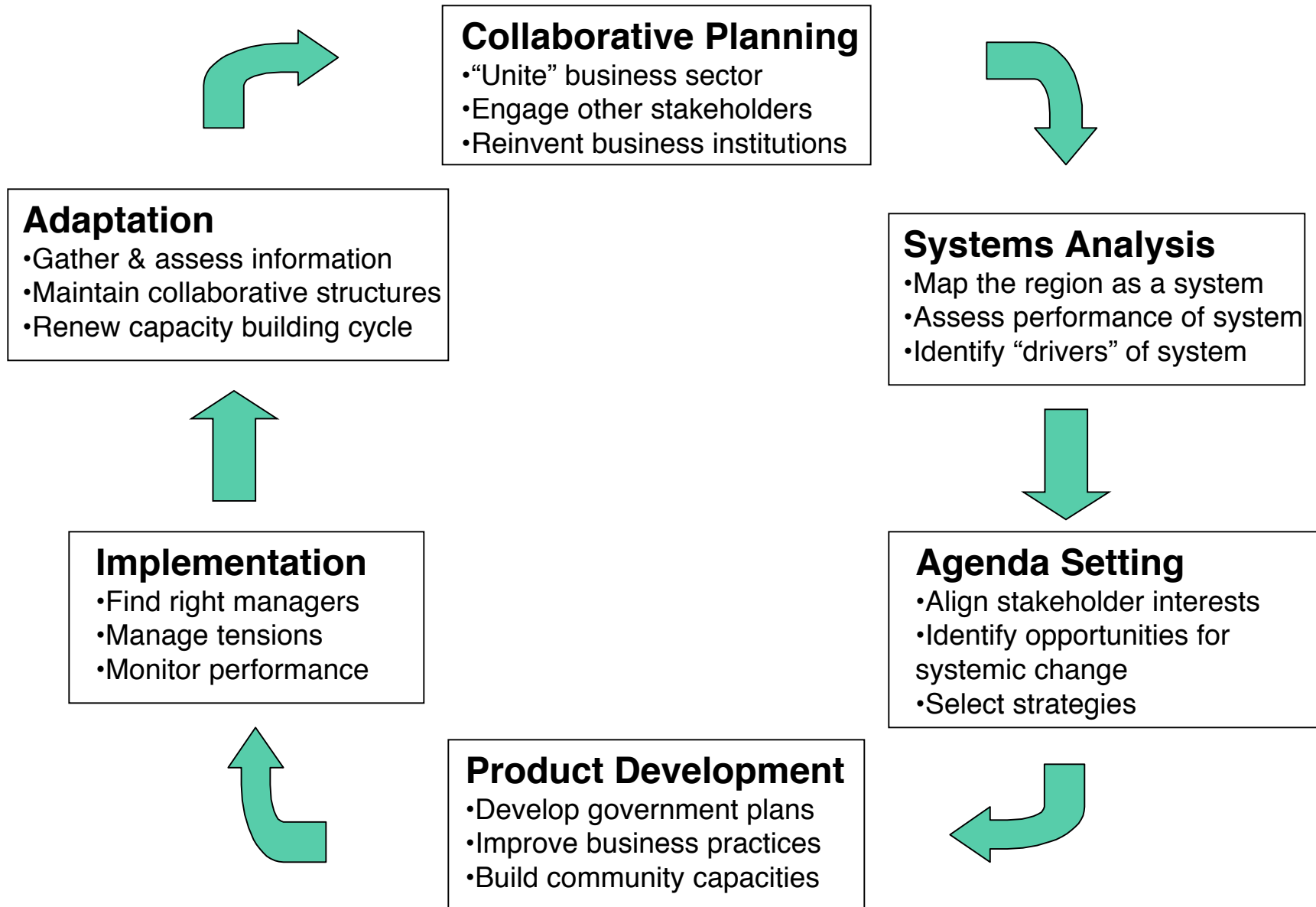
Developing Regional Business Civic Capacity



6) Adaptation & Growth

- Gather & assess rich flows of strategic information
- Maintain collaborative decision making structures
- Renew the capacity-building cycle:
 - Expanding the “community” of innovators
 - Deepening systems knowledge
 - Broadening the regional agenda

Developing Regional Business Civic Capacity



Realities of Regional Change

- Success lies in influencing others
- Surviving can be losing
- Your resources are always puny compared to the task
- If you don't go to scale, you can't succeed
- Building capacities—collaborative planning, systems analysis, agenda setting, product development, implementation, adaptation—is key to achieving scale and sustainability

Addendum: Environmental Science

- Ecosystems, watersheds, airsheds — common characteristics/dynamics of place
 - SE Florida water district: Tremendous stress from population growth, sprawl, drainage and flood control infrastructure. “All of South Florida’s population depends on this system for their water supply.”
 - Greater Chicago airshed: Due to increased car usage, EPA predicted region would fall 48% short of pollution compliance (VOC)
 - Atlanta’s Chattahoochee River watershed provides 70% of Atlanta region’s drinking water

Addendum:

Spatial Dynamics

- Land use – sprawl & disinvestment; affordable housing & open space
 - “Virtually every urban area in the United States has expanded substantially in land area in recent decades.” (US EPA)
- Transportation systems – commuting, congestion, access and location efficiency
 - Atlanta: predicted that “by 2010, a majority of travel in region will occur under conditions of extreme congestion”
- Labor markets – job location and worker location
 - Chicago region: 2 of 3 new jobs created in suburbs

Addendum: Spatial Dynamics

- Social cohesion – isolation/marginalization & immigration; diversity & inclusion
 - Bay Area: identified 46 neighborhoods & communities in 7-county region most affected by poverty, unemployment and public assistance *“The poor have been left behind in cities.”* (Bruce Katz, “Divided We Sprawl”)□
 - *“In the Twin Cities, as in most large cities around the country, extreme-poverty tract and transitional-poverty neighborhoods exploded in size and population... Concentrated poverty is intrinsically connected with racial segregation and an array of social problems.”* (Myron Orfield, “Metropolitics”)

Addendum: Economic Competitiveness

- **Location in the Global Age**
 - Larger corporations and entrepreneurial businesses now compete in global economy. They locate where the infrastructure will help them.
 - High-skill, high-knowledge people tend to locate in communities that have good quality of life, and great social, cultural, educational, and natural assets
 - Industries “cluster” to increase innovation and efficiency.
- **It takes a region to raise a new economy**
 - Assembling the “bundle of assets” for the New Economy requires collaboration and coordination

“... the Bay Area has the potential to remain the nation’s most productive regional economy. As long as it continues to attract innovative companies and talented workers, the Bay Area can continue to increase productivity. But achieving this is not a foregone conclusion. Regional leaders need to work to ensure that productivity gains result in an increased standard of living for Bay Area residents... The lack of affordable housing, an inadequate transportation system, and an underperforming K-12 educational system threaten the long-term economic prosperity of the region.” (Bay Area Council, “After the Bubble”)