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# COMMUNITY POTENTIAL MATRIX

*The Community Potential Matrix shows 21 distinct ways that a community might add jobs to its economic base. It was developed by Dr. Richard Gardner and members of the Idaho Rural Partnership for use within a project called the Inland Northwest Economic Adjustment Strategy. The 21 strategies may not be complete, and they occasionally overlap; the matrix is a tool for discussion.*

*How to Use the Community Potential Matrix. We hope this matrix will accomplish several things. It may give local leaders a sense of the many different strategies that a town could employ to add jobs to a struggling economy. This may stretch a group's thinking and expand the range of available choices. We hope it conveys in rough terms how a given town's potential stacks up against others in the region.*

*Communities should devise economic development plans that focus on realizing the potential of one or more of these strategies. Some of the underlying criteria that determine potential, such as telecommunications infrastructure, may be within the community's influence. We invite community leaders to creatively devise ways to increase their potential. Some strategies may not be compatible with local values. The matrix can be a tool for productive discussion within communities about their future. It can be a launching point or a reality check for strategic plans.*

*If many communities are rated, regional patterns of potential may be revealed. The patterns describe the kind of region we may be moving toward as communities act to realize their potential. As reliance on the economic engines of natural resource industries lessen in much of the Intermountain West, this matrix helps map progress toward more sustainable local economies. Work as individuals to rank your community High, Medium, or Low in its potential to diversify under each strategy. Then talk through your differences to find a consensus ranking. How will you act to realize your highest potentials?*

## Community Potential Matrix Diversification Strategy Detail

### 1. Value-Added Agriculture

Definition: Jobs can be created in agriculture by creating enterprises or new profit centers that add value to regional exports by 1) adding new crops or livestock, 2) creating new products, 3) addressing or developing new markets, or 4) lowering production costs.

Criteria To Measure Potential: Diversity of crops, amount of irrigated row crops, number of farms in county, relative size of ag in local economy, existing processing capacity, wastewater treatment capacity

Implied Implementation Actions: Marketing cooperatives, direct marketing like farmer's markets or subscriptions, training on alternative crops, revolving loan fund, marketing fund, market research.

### 2. Value-added Forest Products

Definition: Jobs can be created in the region's forests by creating enterprises that add value to regional forest exports by 1) harvesting new forest products, 2) creating new products, 3) addressing or developing new markets, or 4) lowering production costs.

Criteria To Measure Potential: Relative size of existing forest industry.

Implied Implementation Actions: Inventory special forest products. Form secondary wood products manufacturing network. Organize demonstrations of new technologies. Feasibility studies. Marketing cooperatives. Analyze residual flows, energy conversion potential.

### **3. Value-Added Mining**

Definition: Jobs can be created in the region's mineral sector by creating new enterprises that add value to regional exports by 1) removing new substances from the earth, 2) finding new uses for existing products, 3) processing mineral further, 4) finding new markets, or 5) lowering production costs.

Criteria To Measure Potential: Presence of existing mining industry.

Implied Implementation Actions: Explore mineral inventory. Lava rock, silica sand, semi-precious stones, etc offer opportunities to add value.

### **4. Value-Added Fisheries and Aquaculture**

Definition: Regions with abundant water resources can add jobs by creating new enterprises that add value to seafood and aquaculture exports by 1) adding new wild or reared products, 2) creating new products, 4) finding new markets, or 5) lowering production costs.

Criteria To Measure Potential: Presence of commercial fishing industry or aquaculture businesses. Quality of ocean ports or lake or river access. Abundant spring or geothermal water.

Implied Implementation Actions: Inventory region's water resources and the critters it supports. Examine local fish markets, seeking specialty niches. Potential for producer co-ops or direct marketing. Fish-farming, oyster beds edible seaweed, imitation crab, etc offer opportunities to add value.

### **5. Energy Diversification**

Definition: Jobs can be created in the energy generation and transmission business, especially with federal and state financial and regulatory incentives.

Criteria To Measure Potential: Presence of oil, coal, geothermal water, hydropwer potential, sustained winds, large quantities of biomass including forest slash and ag wastes

Implied Implementation Actions: Feasibility studies, data collection, demonstrations, collective equipment purchases, address regulatory obstacles in pricing or transmission

### **6. Environmental Restoration**

Definition: Disasters, disease, and other undesirable conditions of public and private lands, and brownfield sites create opportunities for employment in environmental restoration.

Criteria To Measure Potential: Forest health, range health, fire damage, Superfund sites.

Implied Implementation Actions: Marketing restoration contract opportunities locally. Retraining workers. Organizing workers and businesses into networks to meet contract opportunities. Grant applications. Partnering with higher education, agencies, or non-profits. Formation of non-profits.

### **7. Business Retention and Expansion**

Definition: By analyzing what all existing businesses in a community need to thrive and expand, communities can find ways to grow new jobs.

Criteria To Measure Potential: All communities have good potential from this strategy. The only limiting factors are how long ago an interview program was done and the vigor to which followup actions were pursued. Larger communities will have a deeper set of businesses with which to work.

Implied Implementation Actions: Conduct & analyze business interviews, make needed infrastructure improvements, fill specific employee training needs, develop business finance resources, land ue planning to encourage business development.

### **8. Plugging Retail Leakage/Import Substitution**

Definition: By identifying the extent to which residents are leaving the community to purchase goods and services, communities can plug leaks and increase the circulation of economic activity within town.

Criteria To Measure Potential: Isolated communities pay a higher travel cost for securing goods and services and may have more potential. Larger communities may also have more potential here.

Implied Implementation Actions: Consumer surveys. Targeted recruitment of needed services. Reassessing retailing methods, e.g. hours of operation. Workshops for merchants. Downtown revitalization.

### **9. Entrepreneurship Development**

Definition: Entrepreneurs are the creative spark that brings labor, capital, technology, and market information together for a new business venture. Most entrepreneurs have particular strengths, e.g. engineering or sales, but not all the skills needed for a successful business. Entrepreneurship programs may both increase business startup rates and decrease failure rates.

Criteria To Measure Potential: More potential to fill classes with larger communities. All communities have potential entrepreneurs. Increased potential with number of diversification options.

Implied Implementation Actions: Entrepreneurship training. Target women and minority populations under-represented in business community. Business planning technical assistance. Various development finance programs. Peer lending programs. Individual Development Accounts. School-based businesses.

## 10. Business Recruitment

Definition: A combination of push factors from the existing location and pull factors towards the new will sometimes lead businesses to move or expand to a new community, instantly bringing new jobs.

Criteria To Measure Potential: 1) Good access to markets, 2) Educated, skilled labor force, 3) ready, affordable industrial sites, 4) High quality infrastructure and amenities, 5) Financing, and 6) Appreciative, pro-business attitude (Source: *Harvesting Hometown Jobs*). Land costs, availability of commercial buildings, labor costs, labor availability, utility costs, transportation costs (distance to markets and to critical inputs), education, health care, and community amenities.

Implied Implementation Actions: Commercial property or building survey, inquiry response package, targeted recruitment, advertising campaigns, industrial park development, investment in econ. dev. staff

## 11. Local/Regional Tourism

Definition: All communities have some potential to help visitors linger longer in their town, and thus make local purchases. Tourism is the 3<sup>rd</sup> largest industry in the US. This strategy is aimed at day-trips, weekend visitors, friends and relatives, business travelers, and passers-by, mostly from within a three hour drive.

Criteria To Measure Potential: Numbers of attractions, recreational opportunities available, number of lodging and eating facilities, existence of chamber or commerce or tourism development group.

Implied Implementation Actions: Tourism inventory. Better signage to attractions. Increase local lodging facilities. Interpretive materials for attractions. Develop joint marketing materials. Community celebrations. Sports tournaments. Organizing group reunions. Farm and ranch recreation. Feasibility studies. Rails-to-trails. Industry tours, environmental tours.

## 12. Pass-Through Visitor Services

Definition: Some towns are situated where many people are passing through. Jobs can be created by providing things these people need to help them stop, pass time, and make purchases.

Criteria To Measure Potential: Location on trans. corridor, size of visitor stream, distance to next services

Implied Implementation Actions: Survey and analysis of needed visitor services. Develop public restrooms, parks and picnic areas. Downtown revitalization. Longer business hours.

## 13. Destination Tourism

Definition: A few communities have the natural or man-made attractions or some event that creates a multi-day destination for visitors.

Criteria To Measure Potential: Adjacent to Nat'l Park Service or nat'l recreation area, presence of a nationally-known event or attraction. Destination-quality hunting, fishing, skiing, etc. for week-long trips.

Implied Implementation Actions: Feasibility studies. Develop major interpretive center. Large investment of private or public capital in development.

## 14. Cultural Tourism

Definition: Communities can systematically build on cultural/historical attractions and arts businesses to create jobs and build unique identity.

Criteria To Measure Potential: Number of cultural/historical attractions, number of arts businesses, community support, presence of local arts council

Implied Implementation Actions: Ethnic celebrations, B&B development, arts fairs, arts cooperatives, cross-marketing in local stores. Historic re-creations/living history exhibits. E-commerce for arts products.

## 15. Transportation Hub/Warehousing

Definition: Where goods are transferred from one transportation mode to another, opportunities exist to expand transport firms and warehousing functions, e.g. Sparks, NV for trucks or Columbia River ports

Criteria To Measure Potential: On major transportation corridor, a natural stop in isolated country, adjacent to larger city, intermodal switching point like a port or railyard, port of entry

Implied Implementation Actions: Survey and analysis of transportation patterns and industry distribution systems. Targeted marketing to transportation firms and potential wholesalers. Assess zoning needs.

## 16. Attracting Retirees

Definition: Roughly 5% of new retirees move between states to re-locate. An additional several million retirees have no permanent address and live in recreation vehicles. Retired migrants tend to have higher income, more education, and better health than average for their age.

Criteria To Measure Potential: High natural and cultural amenities, desirable climate (defined as four seasons, long growing season, many sunny days, few extreme days of heat or cold), low cost of living, access to health care, sense of personal security, walkable downtown, friendly small-town atmosphere, access to commercial airlines

Implied Implementation Actions: Targeted marketing to individuals familiar with community, e.g. relatives or friends of residents, alumni, military service, repeat tourism visitors. Response kit development. Targeted advertising. Use of local retirees as ambassadors. Partnerships with developers for RV parks, housing, continuing care facilities. Targeted effort to market local banking, financial, legal services. Creation of service businesses to meet seniors' needs and to support their independent lifestyle.

## 17. Attracting Lone Eagles

Definition: Increasing numbers of people have the education, skills, and contacts to carry their living wherever they are. Information technology has drastically increased the numbers of Lone Eagles.

Criteria To Measure Potential: Community: 1) Accepts newcomers & open to change, 2) Demonstrates community pride, 3) Access to open space & recreation, 4) Access to cultural amenities, 5) Interesting personality or standing, 6) Good housing, 7) Sense of personal security, 8) Good K-12 schools, 9) Access to post-secondary ed and training, 10) primary health care and access to higher care, 11) Small business friendly, 12) Minimizes tax & reg burdens, 13) Work-ready labor force, 14) Advanced telecomm, 15) Wireless telephony, 16) Cable TV, 17) Internet access, 18) Overnight express mail, 19) Access to commercial airlines, 20) Same-day delivery of national newspapers (Source: Center for the New West)

Implied Implementation Actions: Community telecomm assessment. Targeted marketing to individuals familiar with community, e.g. alumni, military service, repeat tourism visitors. Response kit development. Targeted advertising. Development of ancillary services. "Smart" building or business incubator dev.

## 18. Telecommunications Business

Definition: Businesses that rely on information technology are increasingly footloose. They can either be attracted to a community or home-grown.

Criteria To Measure Potential: Same as Lone Eagles, plus work force and high speed telecomm services.

Implied Implementation Actions: Community telecommunications assessment. Response kit development. Targeted advertising. Development of ancillary services telecomm businesses require. "Smart" building or business incubator development. Development of broadband telecomm service. Workforce training.

## 19. Health Care

Definition: The provision of health care can be a major provider of jobs, as well as a key condition for businesses and individuals to locate. Local hospitals are often among the top employers in a community. A doctor may support as many as 5-8 other jobs.

Criteria To Measure Potential: Presence of hospital or clinic, location in health professional shortage area  
High= Hospital or clinic developing or operating well, Medium= presence of moderate levels of health services, Low= presence of no or minimal health services

Implied Implementation Actions: recruitment and retention of providers, loan repayment programs, health clinic improvements, EMS improvements, pharmacist recruitment, develop wellness programs.

## 20. Bedroom Community

Definition: Some communities are so close to larger cities that their natural niche is building a base of residents who will bring income home to their communities.

Criteria To Measure Potential: Distance to larger city, transportation links, size of neighboring community

Implied Implementation Actions: Consumer survey to identify what goods and services are preferred locally, links to construction and financing firms in development industry, develop local recreation programs, strengthen schools, parks and trail development

## 21. Attracting/Retaining Government Offices

Definition: District and regional offices of state and federal agencies can be a major source of professional and stable jobs. Keeping them open can be as important as getting new ones.

Criteria To Measure Potential: telecommunications capacity, amount of public lands,

Implied Implementation Actions: Work with political decisionmakers, build community support