

Economic Gardening Pilot Program

Presentation to the Economic & Rural Development Committee

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Funded by
PNM & Lovelace Health Systems

Lovelace
Health System



Dr. Beverlee J. McClure, President & CEO

Edward Lowe Foundation

- National Operating Foundation
 - Not a grant making foundation
 - Currently active in 42 states
 - Build and deliver programs
- Approach to entrepreneurship
 - Entrepreneur Support Orgs
 - Second-stage Entrepreneurs
 - Economic Gardening

National Center for Economic Gardening

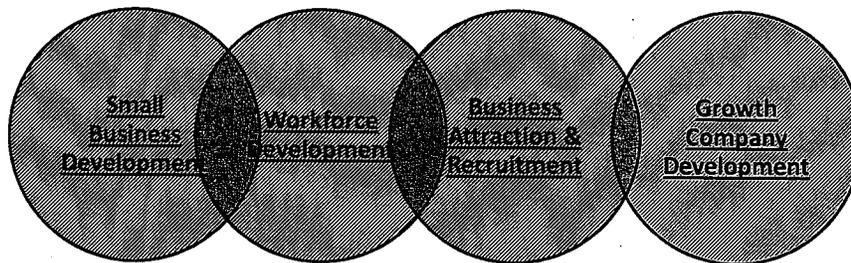
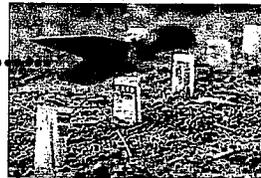


Economic Gardening

- An entrepreneur-centered approach to economic development
- This is a grow your own approach to job creation



Serving our Economy.....





A Specific Program for a Specific Audience

- Target
 - Second stage
 - Steady growth
 - Exports innovation
- Not a Panacea
 - Does not replace existing programs
 - Compliments current efforts
 - Access to information



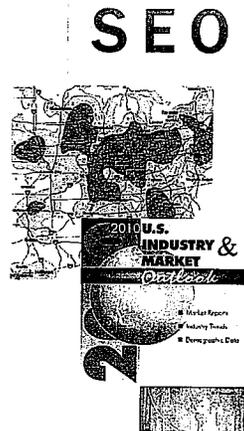
What is 2nd Stage? Defining & Finding Growth Companies

- New Mexico headquartered company or have been operating in the state more than five years.
- Annual revenues of \$500,000 to \$50 million.
- 5 – 99 employees.
- Growth 3 of the last 5 years.
- Preference given to economic base industries.
- Three companies from Las Cruces, two companies from Farmington, and five from the greater Albuquerque area were selected.
- Past startup – with proven model
- Intent and capacity to grow.



A Different Set of Tools

- Search Engine Optimization
 - Just in time market research
 - Competitor Strategies
- Geographic Info System
 - Qualified sales leads
- Database Research
 - Market info
 - Competitor intelligence
 - Industry trends



Preliminary Results

- Of the ten companies selected, seven successfully completed the 32-hour consulting from the National Team.
- Of the three that have not completed, one will re-enter the program and anticipates successful completion. The remaining two companies will not complete.
- The information received, when implemented, will help prevent lay-offs and/or result in increased revenues and more employees.
- Implementation of the research and recommendations will vary based on the individual company, with most anticipating it will take up to a year.
- The results of the research is considered invaluable and not information or recommendations that the CEO would have had the resources to compile on their own.
- With one exception, the pace of the program was too fast and made it difficult for the CEOs to keep up with the team while running their daily operations.
- Implementation of the recommendations is difficult without a support system or dedicated resources.

Lessons Learned

The lessons learned from the New Mexico Pilot and from Best Practices in other states:

- Better vetting of applicants needs to be conducted by the state team. This vetting includes ensuring that CEOs are adequately prepared for the type of research and information they will receive.
- The state team needs to work with the individual CEOs to help narrow and define the problem that the Economic Gardening Team can address.
- A state team allows CEOs to better control the pace of the information received and would result in better implementation.
- A support system for implementation of the research needs to be in place as a safety net for companies completing the program.
- The participating CEOs want to maintain contact with each other on a regular basis.

Next Steps

If the program is to continue, the following is recommended:

- The certification of a New Mexico team. The certification should be conducted locally to lower the costs for individual consultants.
- A structured interview process for applicants to better assess their needs.
- A support system, including an intern or staff person, to assist in the implementation of the results of the strategic research.

Regardless of the continuation of the program, the following recommendations are made to assist all employers in the state. ACI has already begun work in these areas:

- Creation of a statewide matrix of entrepreneurial and employer support.
- Assistance with the implementation of the portal for employers to connect with support organizations.
- Regional "reverse trade shows" that would host support organizations with employers and entrepreneurs invited to attend.
- A CEO Roundtable to connect the Economic Gardening CEOs with each other and with CEOs of more mature companies.
- Continued support of the Economic Gardening CEOs and continued evaluation of the results of the program.
- Support for second-stage growth companies who fall into the "gap" of services and capital that are not supported.

