

The Region Works:  
Organizing and Delivering Economic  
Development Services in  
Northwest Louisiana

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# Introduction

In 2002 seven Northwest Louisiana organizations joined forces to fund and sponsor a detailed analysis and a strategic action plan for the Northwest Louisiana economy performed by Economic Innovation International (often referred to as the Belden Daniels report). The resulting *Strategic Action Platform* report recommended the formation of a regional development corporation for Northwest Louisiana to build and unify a coordinated economic development capacity and to “grow the regional economy in ways that increase the opportunity for all individuals, families, and communities to contribute to and benefit from a higher quality of life.” The Strategic Action Council of Northwest Louisiana (SAC) was formed to determine how to implement this recommendation. As part of fulfilling this responsibility, SAC engaged Regional Technology Strategies (RTS), an internationally known, non-profit economic development consulting firm in Chapel Hill, North Carolina, to address the issue of how best to build a unified, regional economic development effort. This white paper presents the RTS analysis and recommendations.

## Why Work at the Regional Level?

The impetus for this white paper and the underlying analysis was generated by the recognition of two sets of circumstances. The first is that in a competitive environment in which entire countries marshal resources by forming alliances and multinational corporations form networks to extend resources and reach, no single group or organization can afford to go it alone. Broad economic development partnerships are required. The need for regional collaboration among government jurisdictions, economic development organizations, and education and training service providers has never been more acute.

The various communities and communities of interest within Northwest Louisiana are inextricably linked within a single regional economy and labor market. Its corporations and small businesses all still hire from the same labor pools and all need access to competitive technology and processes. Their employees live throughout the region and their children are educated by the same school systems and taught new skills by the same training institutions. They seek the same amenities and use much of the same public infrastructure — including transportation. They all must use what the region has to offer to extend their resources and create new advantage to compete in the global marketplace. No organization can afford to go it alone. No single group can afford to go it alone. No single community can afford to go it alone.

## A Crowded Field

The second circumstance is that the region’s 2003 *Strategic Analysis* and its *Strategic Action Platform* reports by Economic Innovation International, Inc, forcefully make the

point that coordinating economic development activities and objectives in Northwest Louisiana can be challenging. There are a host of public or non-profit organizations with explicit and direct economic development responsibilities (not including the numerous education and training and community development organizations). A quick inventory yields at least a dozen general-purpose economic development organizations operating in the core service area:

- Greater Shreveport Chamber of Commerce
- Northwest Louisiana Economic Development Foundation
- City of Shreveport Economic Development
- The Coordinating and Development Corporation
- Northwest Louisiana Partnership for Economic Development
- Minden/South Webster Chamber of Commerce
- Greater Bossier Economic Development Foundation
- Bossier Chamber of Commerce
- Logansport Chamber of Commerce
- Vivian Economic Development Corporation
- Spring Hill-North Webster Chamber of Commerce
- The Shreveport-Bossier African-American Chamber of Commerce

In addition, there is a number of more tightly focused economic development organizations such as the Caddo-Bossier Parishes Port Commission, the North Shreveport Development Corporation, the Consortium for Education, Research and Technology of North Louisiana (CERT), FAME, The Biomedical Research Foundation of Northwest Louisiana, the Robinson Film Center, and the I-49 International Coalition. To round out the picture, add to this mix a large and varied group of public and private regional, state, and federal entities with economic development objectives such as AEP/SWEPCO, the Ark-Tex Council of Governments' Economic Development Department, the Louisiana Economic Development Department, the Governor's Office of Rural Development, the Economic Development Administration, and USDA.

While these organizations are well intentioned, they often require private sector volunteers for boards, commissions, and councils and more often than not require private sector funding support. This is a problem. If development strategy is to have any real impact, it must be very carefully organized, very carefully targeted, and clearly understood and valued by the private sector.

# The Purpose of This White Paper

This white paper, commissioned by the Strategic Action Council of Northwest Louisiana and funded by the Committee of 100, the Northwest Louisiana Partnership for Economic Development, and the United Way, addresses the efficacy of organizing a unified regional effort to create better jobs, new wealth and more opportunity throughout Northwest Louisiana and identifies potential issues and opportunities associated with such an effort. It seeks to answer three questions.

## 1. Is there a basis for regional action?

Is there a strong enough consensus within a widely defined Northwest Louisiana economic development community to warrant action? Under what circumstances is the consensus the strongest and under what circumstances will any solid consensus begin to disintegrate?

## 2. What should be the key design principles that govern any prospective regional economic development effort in Northwest Louisiana?

What attributes will a regional effort need to possess to be credible and to get the job done in a way that is consistent with the vision generated by this consensus?

## 3. What are the top priorities for any prospective regional effort?

According to the region's private sector employers, economic development professionals, private sector economic development volunteers, public officials and other key actors including educators and intermediaries, what priorities will a credible and effective effort need to address? What are some specific representative actions and initiatives this entity might implement?

# The Approach

The project team's efforts over the past five months have been aimed at developing a community consensus on actions to create better jobs, new wealth and more opportunity for Northwest Louisiana's citizens. Essential to the process was getting community input on the important areas that control the capacity of the region to meet these challenges.

Accordingly, RTS conducted interviews with nearly 100 individuals in the Northwest Region. The list of interviewees included individuals who have demonstrated or expressed a strong interest in the economic development future of Northwest Louisiana. This includes economic development volunteers who serve on the Boards or Committees associated with the region's economic development organizations; the

professionals who run those organizations; representatives from large employers and small and medium sized companies; the entrepreneur community; and public officials.

Specifically, in three separate visits to the region, RTS staff conducted interviews with:

- Sixty individuals from the private sector including entrepreneurs as well as larger companies;
- Eighteen individuals from the public sector including city and parish government; and,
- Nineteen from the “third” sector. This third sector consisted of non-profit groups both direct service delivery agencies as well as non-profit economic development groups such as chambers of commerce.

The interviews focused on the following elements:

- The advantages and disadvantages of operating a business in Northwest Louisiana;
- The current state of social capital in the region including relationships between private industry, between geographic regions, and between racial and ethnic groups;
- Competitiveness tools and strategies that companies use or could use in the region;
- The organizational infrastructure to support economic development in the region;
- The quality of availability of the workforce in the region and the ability of workforce development providers to meet both the training needs of citizens and those of private industry; and,
- The top three issues over the next ten years facing the region.

RTS staff then transcribed the results, resulting in nearly 200 single spaced pages of data available for rigorous qualitative interpretation. In August, RTS returned to present the findings to groups of those interviewed. The goal of these sessions was to make sure the information gathered during the individual interviews accurately represented the interviewees’ thoughts about economic development. The response gained both through the interviews and in the feedback sessions have helped RTS craft this white paper.

There were important underlying assumptions to the interviews and the group session process that were presented to participants. If Northwest Louisiana is to compete it needs to have an economy that:

1. *Creates higher value-added products.* Pushing to higher value-added levels is the source of new money in local and regional economies. In business terms, this boils down to increasing gross profit margins. Firms must be able to sell their finished goods for more than they paid for the raw material, parts and

components needed to make them, and they must be able to sell their services for more than it costs to produce them. The bottom line is that the more value-added — the higher the gross margins on a per employee basis — the more wealth is created by the enterprise and the greater the economic return to workers, managers, and investors. It should be noted that that the amount of creativity and technology in a community is instrumental in generating higher value-added products.

2. *Imports money and exports goods and services.* In today's economy, a region can no longer be completely self-sustaining. In order to increase the disposable income flow, a significant portion of the firms within the regional economy must compete outside the region. These firms export goods and services and import cash. The most successful regions and communities have learned to export both nationally and internationally, generating income and wealth for their citizens.
3. *Allows for collaboration.* Truly effective regions have figured how to allow businesses, geographic communities and racial ethnic groups to work together to advance economic development. They are all part of a single production system and are paying for the same infrastructure and participating in the same labor market. Pooling resources and capacity is a competitiveness tool. This cooperation is not done at the expense of competition but with the enlightened self-interest that acknowledges that only by all contributing can a region advance.

## Findings

The interviews show strong consensus in several areas, the most striking of which are the need for greater regional cohesiveness and for a unified approach to mending the region's racial division. The region's strengths are agreed to be its location, quality of life, social capital, and some of its educational institutions. Its challenges are equally agreed upon: racial and geographic divisions, economic disparities, and an underdeveloped entrepreneurial climate. Interviewees also showed consensus what the region's economic development infrastructure should work on: building on assets such as the region's transportation system, burgeoning film industry, and the Biomedical Research Foundation; and developing needed resources such as supplier development networks and entrepreneurship support. The strongest agreement in the findings was on what this economic development infrastructure should look like: "regional in scope and racially and geographically inclusive in design — or it is not worth doing at all."

It is worth noting that in an exercise such as this, in which the questions being asked are seeking out ways in which the region can improve and move forward, interviewees tend to focus on the areas that they see as being in need of work. Though all interviewees spoke of the region's strengths and assets, and most expressed a conviction that the region possesses the necessary ingredients for making important strides, the majority of our findings focus on those issues that the region needs to

address as it moves forward. Toward the end of this paper, there will be greater focus on the opportunities presented by the region's unique combination of issues and assets.

## The Region's Strengths

Interviewees were in strong agreement that one of the region's most important strengths is its location. Northwest Louisiana is close to many major metropolitan areas and markets, and connected to these by well-developed roads and waterways (though not by good air service) — yet it preserves the advantages, low cost of living, and general feel of living in a small town. This “feel” is closely connected to another major strength that most interviewees agreed upon: the area's quality of life. They consistently described the region as a good place to raise a family, populated by good people and connected by a strong sense of community. Several respondents, however, did not feel that quality of life was strength of the area; these were generally referring to the lack of social and entertainment amenities and how this lack exacerbates the difficulty of recruiting and retaining skilled workers from outside the region.

Similarly, other strengths of the region were brought up by interviewees who, at the same time, mentioned the down side of these strengths. The region's low cost of doing business, for example, was cited frequently, but several respondents noted that this includes a low average wage, which is not an asset and should not be used as a way of promoting the region. And the work ethic of the region's workforce was agreed by many to be a strength — though those whose primary experience of the workforce is with younger and less skilled workers had criticisms of their work ethic. This criticism is heard nearly everywhere, however; what is less common is to hear consistent, unsolicited statements of confidence in the work ethic and commitment of the region's established work force. These statements were often made, however, in conjunction with the statement that the work force is willing and works hard, but is not well trained — and that for those who are well trained, it's increasingly difficult to keep them in Northwest Louisiana.

## The Region's Challenges

As mentioned above, the two most frequently mentioned issues in response to most of the questions are the region's racial divisions and the need to act and self-define as a region. In fact, most of the challenges mentioned by interviewees could be captured under the general category of needing to address the fault lines along which the region divides and competes against itself, and to create ways for Northwest Louisiana to pursue economic development as one unified region.

***Racial divisions.*** The divisions between the African-American and white communities in Northwest Louisiana, particularly in Shreveport, were cited by nearly every interviewee as one of the primary issues that is holding the area back. In particular, there is anxiety regarding Shreveport's upcoming demographic shift to majority

African-American, and whether the region can respond to these changes in a way that heals some of the breach between the two communities.

***Economic disparities and poverty.*** The wide disparities in quality of life, particularly among the neighborhoods of Shreveport and Bossier, were mentioned by many in conjunction with racial tensions and divisions. The two can hardly be separated, since poverty and substandard education are found more in the region's African American communities than anywhere else. It is worth mentioning them separately, however, to highlight two different but complementary lines of thinking about racial and economic divisions in the region: the first says that actual racism and bigotry are no longer the primary problem; rather, socioeconomic class divisions resulting from historical racism are the issue the region faces today. The second says that present-day racism and lack of trust are still creating and reinforcing the socioeconomic divisions that reinforce and make explicit the region's racial divisions — such as the wide disparities in Shreveport's public schools, which perform well in more affluent (largely white) neighborhoods and quite poorly in poor (largely African-American) neighborhoods — thus perpetuating differentiated access to education and opportunity. Both, however, agree that addressing the region's pockets of persistent poverty and creating greater access to opportunity for African-American communities must be a key component of any attempt to bridge the region's racial divides.

***Geographic divisions and turf battles.*** Nearly every interviewee spoke of the area's tendency to spend its resources battling different factions within itself (Shreveport versus Bossier, urban versus rural, African-American versus white) instead of uniting as a region to compete against other regions — the same regions that are taking Northwest Louisiana's skilled workers, home-grown college graduates, and growing entrepreneurial firms.

***Strong sense of insider/outsider status.*** There were several areas mentioned as strengths by some and weaknesses by others. Instead of being simply disagreements, these different perspectives complement each other to show a picture of a region in which some things come easily to those who are well connected — and not at all to those who are not. Access to entrepreneurial capital and support falls into this category: the process of starting a business is described as flowing quite easily for those who knew whom to call — and knew that their calls would be taken. Others described assistance as inaccessible or nonexistent.

In addition, the insider/outsider dichotomy lends itself strongly to cronyism and backroom deals in any region's political system. Interviewees pointed out that the perception of corruption in the political structure is a deterrent to new business creation and recruitment, and new political leadership — though much needed — is difficult to develop in a fairly closed political environment.

What this boils down to is the double-sided nature of social capital. The strong connections among the established firms in the private sector, the easy and informal flow of information, the openness of local investors to providing startup or seed capital to entrepreneurs they know — all of these are cited as strengths, and indeed they are

strengths. The tighter the bonds created by social capital, however, the more it can function to exclude as well as include, with implications for both equity and economic growth. The equity concern is that outsider status is not random, but is connected to socioeconomic class and to race. The economic concern is that a market, in order to function effectively, needs resources to flow smoothly and openly, and tight social capital networks are not market-friendly way to distribute resources. This is particularly true in a region such as Northwest Louisiana where, as many interviewees pointed out, new blood, new ideas, and fresh entrepreneurial thinking is one of the things the regional economy needs most.

## Moving Forward

Interviewees were in consensus not only about the region's strengths and weaknesses, but also about what to do about them — that is, the form that the region's economic development infrastructure should take and what it should be prepared to do.

What should the region's economic development infrastructure look like?

Interviewees were nearly unanimous that any effective economic development organization or initiative for Northwest Louisiana must be truly regional in scope — that is, with meaningful representation from all parts of the region and with strategies and plans that treat the region as one unified area. (Only three respondents were not in agreement with this sentiment — these three said that although this is the right thing to do, they think it will not work.) The organization must also be racially and demographically inclusive, interviewees agree, or it will not achieve anything. Two-thirds of interviewees who offered specific recommendations on structure said that a new regional organization should be formed, though some of these want to begin by merging the Shreveport and Bossier Chambers of Commerce. The remaining one-third suggested working within the existing structure.

What assets should the region's economic development infrastructure build on?

These responses also showed strong consensus. The most frequently mentioned asset that the region should build on was its location — specifically, its potential to serve as a transportation and distribution hub. The well-developed transportation system was cited as a major strength whose potential has not yet been tapped, though several people pointed out that the relatively weak air service available to the area will have to be strengthened before the region can really build on its location and transportation advantages. Interviewees also cited the film industry, and FAME in particular, as an important but still nascent opportunity that Shreveport should be sure not to lose.

Many interviewees pointed to the Biomedical Research Foundation as a potentially very valuable asset. Most acknowledged that it had a “bumpy start,” but said that it is now on the right track — and also pointed out that the area does not tend to have a high tolerance for risk or business failure, and will have to develop a thicker skin with regard

to both if it wants to succeed in the biotech arena. Barksdale Air Force Base was also frequently mentioned as a valuable but as yet underdeveloped resource.

What should the region's economic development infrastructure work on?

Though the interviews did not ask respondents to be specific about economic development strategies, many of them mentioned priorities for action that track closely with the other findings. Their responses along these lines point to a few sample activities that a new or revamped economic development organization could take on in order to address the priorities articulated in the interviews. These included ideas related to developing entrepreneurial capacity, such as strengthening the region's entrepreneurship support system and developing a region-wide angel network; others focusing more on business competitiveness, such as supporting supplier development networks; and others that target the region's human capital capacity, such as combating "brain drain," promoting a leadership development initiative, and leading region-wide discussions on race and community development.

## **Is There a Basis For Regional Action, and If So, What Are the Priorities?**

The answer to the question posed at the outset of this undertaking is "yes." As indicated in the findings summary, there is a very strong consensus that there is a real need for a regional economic development organization for Northwest Louisiana. About a third of the interviewees offered specific recommendations on organizational structure. Two-thirds of these thought this could best be accomplished through a brand new entity while a third favored working through an existing organization such as the Shreveport Chamber or the Coordinating and Development Council.

### **Initial Priorities**

The interview process produced three distinct high priority economic development areas.

#### **1. A rich mix of potential initiatives that can be implemented at the regional level.**

The interview discussions generated a host of potential actions that could be implemented at the regional level. These were numerous enough that should a regional organization ever be created, the issue will be one of being judicious about what the organization takes on rather than searching for things to do. As indicated in the findings section, when economic development actions were discussed, indigenous development (helping existing companies grow and starting new companies) was mentioned twice as much as recruitment and marketing initiatives.

## **2. Promoting the concept of regionalism and backing it up with action.**

There was a strong sentiment among the interviewees that any new regional organization must “walk the walk” from the very beginning. Working within a defined geographic service area, the organization’s governance and management must be geographically representative and the bulk of its services and activities must be regional in scope. Furthermore, the organization should actively promote and market the concept of regional vision, goals, strategy and action.

## **3. The region’s single highest priority economic development issue is bridging racial income and opportunity with real actions.**

The single most pressing economic development issue by a wide margin was addressing the racial divide. This was true across the board, regardless of race or occupation. While the interview protocol was designed to identify and characterize issues of race during the social capital discussion, the race issue was relentlessly mentioned throughout the other portions of the interview session.

Two aspects of the race discussion struck all four of the project team members who conducted the interviews. One, as indicated in the findings summary, whether the subject was advantages and disadvantages of doing business in Northwest Louisiana, entrepreneurship, economic development infrastructure, defining the geographic service area, workforce, capital availability, supplier development, etc., an unsolicited comment on the racial divide and its impact on the ability of the region to move forward was frequently offered. Two, the level of good faith contained in these comments was striking. There was a very widespread sense that the racial income and opportunity gap, blighted neighborhoods, and racial divisiveness were in fact an economic development problem that had to be addressed with real action — and that the region cannot prosper with a significant portion of its citizens poor and economically disenfranchised.

Identifying the racial divide as the most pressing economic development issue — not community development or social issue — but the highest priority for action by an economic development organization is not standard fare. Any action here must be substantive, concrete and on going. It must commit to creating real opportunity on the ground. It should not begin and end with the typical roundtable dialogue with the usual personalities. The latter will be perceived by the African-American community as business as usual and will be disregarded.

## Design Principles

Any effort to build a Northwest Louisiana regional economic development organization should be structured and organized around four fundamental design principles.

### *Independent*

The entity should be an independent organization with its own Board of Directors, mission and goals, slate of services, and financial resources.

### *Private Sector-Driven*

A minimum of two-thirds of the Board of Directors should come from the private sector. Those that actually create primary jobs and generate wealth in communities should govern the organization.

### *Inclusive*

The new organization must be racially and geographically representative. The interview results as well as the focus groups made it very clear that if this condition cannot be met then this is not worth doing.

### *Core Service Area-Focused*

The new organization should define its service area as Bossier, Caddo, Webster, and Desoto Parishes with a Shreveport/Bossier City hub and expand as warranted once it has established its operating base and basis. In addition, it should commit to an effective and collaborative presence within the larger ArkLaTex regional economy.

## Representative Actions

What kinds of things would this organization do on a day-to-day basis? A wide array possible actions and services were discussed at various points during interview process. Here is a listing of high potential, representative actions. There is much to be done.

- Supporting neighborhood-based economic development strategies within and for the African-American community
- ArkLaTex branding and regional marketing
- Linking the public, non-profit, and private sources of business startup expertise and risk capital to craft a regional entrepreneurship support system for Northwest Louisiana.
- Establishing a very strong and highly visible Minority Entrepreneurial Development System (attendant opportunity to market the region as a haven for minority entrepreneurs)
- Creating a private sector-led, business mentor-based Minority Business Development Program
- Supporting the organization of a Northwest Louisiana Minority Supplier Development Council

- Launching a regional (ArkLaTex) supplier/ vendor ArkLaTex development initiative
- Exploring the feasibility of developing a collaborative marketing program across the southern states from Arlington, Texas to the Georgia to attract Tier 1 and Tier 2 automotive suppliers into the automotive corridor.
- Establishing the Northwest Louisiana (or ArkLaTex) Technology Council
- Develop a comprehensive program to retain and attract young people with creative minds and marketable skills to the region
- Establishing a single region-wide program to develop new business and community leaders
- Developing an organized angel capital network
- Supporting efforts to feed the Shreveport/ Bossier hub by supporting entities such as the Biomedical Foundation, FAME, the film industry and the gaming industry.

## Implementation

*The key finding from this effort is that there appears to be the desire and collective will to create an independent, private sector-driven, racially and geographically representative regional economic development partnership committed to generating opportunities and creating better jobs for all Northwest Louisiana's citizens. Should the Strategic Action Council, the Committee of 100, the United Way and the balance of the region's widely defined economic development community elect to pursue this strategy then the group is confronted with its first major implementation issue. Is there an existing regional organization that embraces both the fundamental design principles and key priorities (as identified by the economic development community) recommended in this white paper? If not, can an existing organization be re-engineered to encompass these principles and priorities or should a new one be created? It is important to stress that the interview findings and focus group discussions clearly indicate that organizing at the regional level is not an issue. It is a universally recognized need. The issue is how best to go about it.*

### In A Nutshell: A Single Goal with Seven Foundation Elements

The consensus goal is to create a unified regional economic development organization for Northwest Louisiana. The organization will feature seven elements:

1. It must be independent with its own board of directors and funding sources.
2. It must have a board that is racially inclusive.
3. It must have a board that is truly geographically representative of the region.

4. At least two thirds of the board should come from the private sector.
5. It will focus on Caddo, Bossier, Webster and Desoto Parishes with a Shreveport/Bossier City hub as a starting point and expand as warranted and establish an effective, collaborative presence within the ArkLaTex region.
6. It will promote the concept of regionalism and back it up with action. It will implement focused initiatives and programs at the regional level and will actively promote and market the concept of regional vision, goals, strategy and action.
7. Its single highest priority economic development issue is bridging the racial income and opportunity gap with real actions.

It is important to stress that the interview results and focus group discussions made it very clear that the regional organization must be independent and racially and geographically representative or it is not worth doing.

## Models for Action

RTS has worked with or interviewed a number of organizations that provide useful reference points for how the proposed regional economic development organization can be implemented. A strong emphasis on racial and geographic inclusivity is modeled by Cenla Advantage Partnership (CAP) in central Louisiana, which has created a governance structure that is explicitly required to be racially and geographically inclusive and representative. Virginia's Region 2000 (Lynchburg and the surrounding seven counties in its metropolitan area) is an example of how to balance the priorities and roles of a variety of disparate governmental structures and economic development organizations — and also demonstrates, as do the Northeastern Tennessee Technology Council and the Economic Development Council (EDC) of Okaloosa County, Florida, how an organization operationalizes and internalizes a commitment to technology and indigenous development (rather than relying solely on recruiting for private sector growth). Region 2000, CAP, and EDC all emphasize regional marketing in their expansion strategies, and all four organizations are models of private-sector-driven governance, funding, and priorities. (More detail on these organizations can be found in Appendix A).

## Options

The major implementation decision is whether to form a completely new organization or restructure and reorganize an existing organization around the key design principles and priorities. At present, there are two active Northwest Louisiana regional economic development organizations whose service area includes the four-parish area recommended above and whose missions are consistent with this effort — the Coordinating and Development Corporation (CDC) and the Northwest Louisiana Economic Development Foundation.

## Coordinating and Development Corporation

The CDC is a private, non-profit, membership-based corporation that provides economic development and community development services to communities within twenty-two parishes and counties throughout Northwest Louisiana, Northeast Texas and Southwest Arkansas. Through its ten divisions and seven subsidiary corporations, CDC responds to a wide range of needs. CDC has significant financial resources and its services and programs are both comprehensive and specialized. For the purposes of this analysis, it is important to note that the CDC has a very strong economic development, workforce development and community development presence throughout Northwest Louisiana. It is the region's major economic development asset for its rural areas and small towns though it is also active in larger communities. With the recent round of financing for its Red River BIDCO it should also be a major capital access asset.

CDC has a more than fifty-year operating history, firmly established priorities, programs and governance and a wide array of public, private and non-profit funding sources. As such, it should not be regarded as an organization amenable to being restructured around the four fundamental design principles that can focus exclusively on the economic development priorities for Northwest Louisiana identified in this white paper. Nor would such a thing be desirable given CDC's impact and role with the Northwest Louisiana regional economy. It should, however, be regarded as a critical partner and major enabler for the new regional entity.

## Northwest Louisiana Economic Development Foundation

The Northwest Louisiana Economic Development Foundation (NLEDF) functions as an economic development program of the Greater Shreveport Chamber of Commerce. Effective professional leadership and a strong regional orientation characterize its recent history. It is currently engaged in an extensive fund-raising and outreach effort. However, as a subsidiary of the Greater Shreveport Chamber, NLEDF is not an independent organization governed by an independent board that is geographically and racially representative of Northwest Louisiana.

# Recommendations

## Recommendation One: Spin-out, Restructure and Reorganize the Northwest Louisiana Economic Development Foundation as an Independent Entity

The most efficient way to do this is to identify an existing economic development vehicle already in transition that is focusing on the target service area; restructure and reorganize it around the key design principles and mission priorities presented in this document; *and* bolster its funding to get the job done. The Northwest Louisiana Economic Development Foundation is the logical choice. It is technically feasible to spin out NLEDF as an independent, private, non-profit organization should the

governance of the Shreveport Chamber and the balance of the Northwest Louisiana economic development community — especially those in a position to offer financial support — want to go this route.

Should spinning out NLEDF as a separate, independent organization with a governing board that is geographically and racially representative of its service area not be feasible, then the next step is to develop a plan to form a new organization. This begins with determining whether the very strong private sector sentiment to form such an organization that surfaced during the interview process translates into time and money commitments.

#### Recommendation Two: Unify Private Economic Development Efforts for Shreveport and Bossier City

From a trade standpoint, Shreveport and Bossier City together form a fully integrated, seamless regional commercial hub that is artificially carved up into two geographic areas and serviced by two separate economic development efforts — efforts that are often perceived as competitive or when not competing, redundant. This is a no-win situation. The Shreveport–Bossier City private economic development split looms large as an example of what is wrong.

Any unified regional initiative should include unifying the hub, specifically by merging the Shreveport Chamber, the Greater Bossier Economic Development Foundation, and the Bossier City Chamber of Commerce into a single Chamber of Commerce for the Shreveport–Bossier City area. Roles and responsibilities would then need to be negotiated between the new chamber, the Coordinating and Development Corporation and the new regional economic development organization. This will be a challenge but it needs to be done. It is needed from an operational standpoint, but just as significantly it will send a powerful signal not just to the region but also to the global economic development marketplace that Northwest Louisiana means business.

## Appendix A: Reference Regional Economic Development Organizations

### Cenla Advantage Partnership

The Cenla Advantage Partnership (CAP) is a private sector-led regional organization working to advance the economy of Central Louisiana. The organization formally began operation in 2005 and after an extensive national search, hired a CEO and President in 2006. CAP's stated mission is to "lead the region (nine parishes) in economic development by identifying strategic priorities; coordinating and leveraging resources to promote existing business growth; and provide infrastructure and human capital to attract outside businesses to locate to Central Louisiana." CAP's commitment to growing current businesses is clear. The organization has already launched programs aimed at addressing training needs of current employees and promoting entrepreneurship in the region.

Several elements of the CAP approach make it an interesting model. First is its commitment to be a *private sector*-led initiative. The organization is completely run and funded by the private sector. No public officials or organizations are members. This focus allows the organization to operate without any political constraints. One business owner finds the lack of direct public involvement especially attractive. "I think that the exciting thing about CAP is that it is totally owned and operated by the private sector." CAP is not ignoring the importance of the public sector in economic development, however. There is an expressed plan to coordinate activities with those of other economic and workforce entities.

Second, CAP is committed to an *inclusive* board in terms of both race and geography. Board members come from several parishes in the service area, with the racial makeup of the region reflected in the Board's membership. As one organizer of CAP stated, "We want to make sure that the CAP Board is diverse in both race and gender, as well as geographically representative."

Third, CAP has a strong *funding* base. The companies in the region that are committed to ensuring that CAP is a success fund the organization. A super-majority of the Board of Directors are financial investors in the organization making sure that those with a vested financial interest control CAP's operations. A key to the start of the organization is the commitment of the Rapides Foundation. The foundation made a \$1.5 million investment in CAP which members are being encouraged to match. The investment from the Foundation is giving CAP a strong base of funding to start operations.

## Economic Development Council of Okaloosa County, Florida

The Economic Development Council of Okaloosa County (EDC) represents an effective organization that brings together communities in a region to not only attract businesses but also grow existing firms. EDC's mission is stated as "creating a quality community that reflects leading technology, superior lifestyle, and boundless opportunity through existing industry retention and expansion, workforce development, and target-industry recruiting."

The emphasis on promoting existing businesses is demonstrated through EDC's *support of one particular industry*. EDC sponsors the Technology Coast Manufacturing and Engineering Network (TeCMEN) an association of technology-based businesses that serve the military. TeCMEN members meet on a regular basis not only to discuss shared business issues but often to collaborate to bid on projects that a single company could not get on its own. TeCMEN meets on a regular basis at business sites to allow members to get first-hand information about how their potential collaborators structure their operations. The group also jointly markets Northwest Florida as the technology hub of the state.

ECD also supports *workforce development* through several initiatives. The organization sees helping businesses train workers as a critical component of ensuring that local firms grow and prosper. In addition to training, ECD is sponsoring a program that will help find affordable housing for families of the area's workers.

A key to ECD's success is its *strong private sector focus*. A Policy Board governs ECD. Policy board members are the CEOs of membership organizations that contribute at the trustee level, the highest level of contribution a company can make to the organization. Private dues account for 40 percent of the budget with other support coming from the state office of Economic Development (Enterprise Florida) as well as grant support.

## Northeastern Tennessee Technology Council

The Johnson City, Tennessee, metro area not only includes Kingsport, TN and Bristol, TN, but also spills over into western North Carolina and southwestern Virginia. It thus meets particular challenges in developing regional approaches to economic development — how to cross not only municipal boundaries but also state lines to create that regional approach. One of its responses to this challenge has been to create the Northeastern Tennessee Technology Council. Started in 2001 by a small group of business and university leaders, the council has developed since then entirely under its own power, growing in size and scope and attracting membership from a range of industries. It was initially funded solely through individual member dues and a few corporate sponsorships, but starting in 2003 received support from the regional Chamber of Commerce and in 2004 hired its first paid Executive Director.

The council's major initiative has been to conduct an assessment of the region's telecommunications and IT infrastructure, and develop a strategy, which is about to be implemented, for updating this infrastructure. The council has also established a strategic partnership with the Southwest Virginia Technology Council, and is developing plans for closer collaboration with SWVTC. Its next priorities include expanding access to venture capital funds, which leaders agree are insufficient in the region.

The Johnson City region has many innovation assets in place: a committed and involved private sector, the beginnings of a critical mass of technology-based firms, and access to university resources. But in order for any of these elements to make a significant contribution to the region's economic growth, each must be linked to all the others. These linkages enable each asset to leverage the strengths of the others, creating an integrated innovation system that far exceeds the sum of its parts in value and potential. One of the primary factors motivating the region's stakeholders to create the NTTC was their realization that in the Johnson City region, these connections are not structural, but personal. University-industry alliances take place primarily through faculty members that happen to know someone at a local firm; rather than a venture capital alliance or an angel network, the Johnson City area has conversations among local leaders who meet each other in other venues and informally discuss capital development strategies. The linkages among the region's various technology assets — particularly between the university and the private sector — reside almost entirely in the network of personal and professional relationships that connect the people behind the assets, rather than in formal agreements or mechanisms.

Arguably, the personal connections are as important, if not more important, than the structural, formalized connections among technology assets. Formal structures facilitate the linkages that leverage a region's strengths, but no actual connection — and thus no actual development — can take place until the people behind these strengths establish a common vision and decide to act in concert to realize that vision. At a certain point, however, structural connections and explicit commitments become necessary if an innovation system is to achieve scale and longevity, because individual

relationships cannot sustain the volume and complexity of collaboration that a true innovation system requires. The NTTC serves the critical role of formalizing its private sector relationships into a technology council, and creating and supporting structures that facilitate and institutionalize the region's collaborative partnerships.

## Virginia's Region 2000

In 1989, seven local governments (Amherst County, Appomattox County, Bedford County, Campbell County, the Town of Altavista, the City of Bedford, and the City of Lynchburg) and a number of private companies, acting together formed a regional organization that would market their collective and common interests internally and externally. That organization is Virginia's Region 2000. In 1994, following strategic planning process, Region 2000 expanded its mission somewhat to four goals.

1. Build and maintain a broad base of support for economic development.
2. Continue to make businesses in Region 2000 feel "at home" and foster an atmosphere for retention and growth of existing businesses.
3. Market the advantages of Region 2000 to potential new businesses and assist them in relocating to Region 2000.
4. Encourage each jurisdiction in Region 2000 to complete sites with roads, water, and sewer for expansion of existing businesses and location of new firms.

During the summer of 1996, Region 2000 launched a comprehensive strategic planning initiative designed to produce a set of ambitious but attainable economic development strategies, objectives, and actions. The goals of the effort were to build the region's economy, increase economic opportunities for its citizens, and generally improve the quality of life. Regional Technology Strategies, Inc. (RTS) of Chapel Hill, North Carolina and Boston, Massachusetts provided background research and facilitation support. In June 1997, Region 2000 organized all of the information into an action program and formally adopted it as the "Region 2000 Partnership Economic Development Strategic Plan."

As a result, Region 2000 adopted five broad strategies to meet its goals.

1. Establish a regional business culture that fosters development of the technical and financial resources and abilities required to be very proficient at creating, commercializing, and using highly competitive technology and business practices.
2. Develop a human resources system that raises levels of education attainment and achievement for everyone, fosters advanced job skills, produces greater technical proficiencies for all workers, encourages positive work-related behaviors, and is under girded by a labor market that efficiently links skilled people with good careers.
3. Build connections among communities that will accelerate the flow of information and ideas, build trust, forge consensus about problems and opportunities, and facilitate collective action.

4. Provide the services and physical infrastructure necessary to support the growth of existing businesses and the location of new businesses that will provide expanded employment opportunities to all citizens of the region and generate the renewal required to support local government.
5. Attract new businesses that broaden the economic base and add new technological dimensions to the economy.

Region 2000 has worked hard to establish effective relations among all of the stakeholder governments and organizations that contribute to its work. For instance, the President of the Greater Lynchburg Chamber of Commerce sits on Region 2000's board, but the two organizations have a clear understanding as to division of labor: the Chamber leaves economic development, strategic planning, and regional marketing to Region 2000, and Region 2000 leaves lobbying, advocacy, and business representation to the Chamber. Region 2000 discontinued its workforce development initiatives when the region's Workforce Investment Board formed, rather than waste any of the region's resources on competing or overlapping activities.