

How Do We Judge The Effectiveness of Our LEDO?

By Lee Lewellen, CEO of the Indiana Economic Development Association (IEDA)

There is an old saying: 'Success has many fathers, but failure is an orphan...' and the first part of that statement certainly applies to economic development.

When a new factory, warehouse, or headquarters opens in a community, there are many leaders willing to line up along the ceremonial ribbon with scissors to have their photos taken. But to get to that highly visible moment, years of behind the scenes activities had to be coordinated by the local economic development organization (LEDO).

At the ribbon-cutting, few question the success of the LEDO, but during those "behind the scenes" years leading up to that success, many people wonder what the LEDO is actually doing and how do we know that the LEDO is doing the right things?

Like most 'overnight' successes, new investment and business growth in a community is the result of months and, sometimes, years of preparation.

That preparation often starts with taking care of your current customers. Existing businesses in and near your community are often the key to the types of new business that will relocate to your community. Businesses like to relocate near similar businesses because they expect that there is a qualified workforce, that the right kinds of infrastructure (roads, water, sewer, power, rail) is in place, and that the community already understands the needs of their type of company.

In order to reach out to new companies effectively, a LEDO director will likely spend lots of time understanding the needs of your existing business. There is a reasonable understanding that, if your current 'customers' are satisfied, you'll be better able to make the case in attracting new customers, i.e. new business.

So, many times, a LEDO director will spend time with existing companies, trying to understand their needs and often, will assist the existing companies with their own growth and expansion needs. Even though everyone likes to line up for the ribbon cutting at the opening of a new company, the truth is that in most communities, job and investment growth happens most often in existing companies.

Sometimes as a LEDO director is visiting with existing companies, he or she will learn about deficiencies in your community that make business growth difficult. If existing companies can't grow and thrive, new businesses won't want to relocate to a community where they will face the same challenges.

In these cases, a LEDO director will work with local government officials to address the challenges of existing business and in addressing those challenges, a marketing opportunity is created for attracting new business. A LEDO has to be able to effectively

market the assets of a community to new business, and the assets have to be competitive.

An effective LEDO will sometimes advocate, cajole, coordinate, educate, and facilitate with local leaders to make sure that the workforce, roads, utilities, regulation, and even 'quality of life' assets are all competitive and attractive to business.

Finally, in a reversal of the 'Field of Dreams' adage, some communities' leaders believe... 'if they want to come, we will build it,' but increasingly, businesses locate in communities where everything is ready and waiting for them. Existing buildings with infrastructure in place or 'shovel-ready' sites that are ready and waiting for new investment are increasingly the norm. LEDO's are often the coordinator in a community who are helping to mobilize elected officials, land owners, utilities, educators, attorneys, financiers, and other stakeholders to make sure that the community is 'open for business' and ready when new investment comes.

Lee Lewellen is serving as the first Chief Executive Officer of the Indiana Economic Development Association, the statewide association for Indiana's economic development professionals. He is also a Project Director with the Purdue Center for Regional Development. Previously, Lee served as Vice President of the Central Indiana Corporate Partnership (CICP) from 1999-2007. And served in various executive capacities over fifteen years at the Indianapolis Chamber of Commerce.

Lee has a well-known passion for economic and community development in the State of Indiana but has conducted projects in New Hampshire, Kansas, Memphis, Tennessee and participated in other projects in Connecticut and North and South Carolina. Lee has facilitated projects in over twenty communities and regions in Indiana. Lee can be reached at:

*Lee Lewellen, CEO
Indiana Economic Development Association
125 West Market Street
Suite 300
Indianapolis, IN 46204
llewellen@ieda.org*