
CHAPTER 3

WBC Has Not Issued a Comprehensive Economic Development Strategy

Chapter summary

In creating the Wyoming Economic Development Act, the Legislature included a requirement for the Wyoming Business Council to develop what it called a comprehensive economic development strategy for the state, starting the first year of each new gubernatorial administration. WBC has chosen instead to develop strategic plans, which statute requires of all state agencies. It has not developed a plan that it calls a “comprehensive economic development strategy.”

WBC is to report annually on its implementation of the comprehensive economic development strategy.

By choosing to emphasize strategic planning, WBC is, at least theoretically, bound to implement the goals and objectives for economic development established by the Governor. But the Governor has activated another agency, the State Planning Office, as his economic and social planning arm. Regardless of this apparent duplication in planning authority, WBC has made a policy decision to respond to economic development priorities as defined at the local level, rather than undertaking comprehensive planning at the state level. It has also adopted a community-development concept as its de-facto plan for statewide economic development. However, it has not gone the final step to commit to this plan as its comprehensive economic development strategy, and connect it to performance measures.

This strategy is a key statutory requirement of WBC.

Statutes envision a progression through which WBC creates a comprehensive economic development strategy, and reports annually on the status of its implementation of that strategy as well as on recommendations for legislative and executive actions needed to implement it. Finally, the Legislature has asserted that progress toward economic development through that strategy should be measured by the SF 35 benchmarks. Thus, the comprehensive economic development strategy is not a requirement for which the WBC strategic plan can be substituted, and WBC should develop it or ask to be relieved of the responsibility.

1997 Steering Committee articulated a comprehensive plan

The '97 plan offered specific strategies, such as recruiting manufacturing and technology-based firms, and directing state funds toward community development.

The 1997 report of the Steering Committee for Business Development noted that Wyoming “does not have a comprehensive development plan or unified state structure to effectively conduct a modern economic development program.” While the report might be best known for outlining a quasi-governmental structure for the new economic development organization, it also offered an initial comprehensive economic development plan for the state. Legislation establishing the committee had required it to recommend a business plan for long-term, sustainable economic growth.

The 1997 report plan offered “six strategic components that represent a comprehensive frame for Wyoming’s economic development strategy”: competitive people, businesses, and communities; infrastructure development; diversification and value-added products; and redefined state and private sector roles. It was equally broad in translating these components into strategies: building upon tourism as an area of strength, adding value to Wyoming’s natural resource base, establishing regionally-based manufacturing extension staff, aiding in the creation of new companies and the nurturing of small firms, providing small business assistance staff, and redirecting state and federal funding sources toward community development. The plan also specified some targets of economic opportunity for recruitment efforts, such as high-value, capital intensive manufacturing and processing, technology-based firms, and firms that manufactured and/or processed products from and for existing companies.

Enduring concepts have been diversification and keeping young people in the state.

Mission has always been broad and all-encompassing

According to statute, it is WBC’s duty “to encourage, stimulate and support the development and expansion of the economy of the state.” The adopted performance measures give direction as to how the Legislature would evaluate how well WBC was discharging this duty. In 2002, WBC formally adopted the mission “To facilitate the growth of Wyoming’s economy.” It is difficult to determine what had been the mission before the change, although the various statements of purpose in WBC

documents (not always formally called mission statements) have been broad and all-encompassing. While at one time there was an emphasis on developing the manufacturing sector, the most enduring concepts have been diversifying the economy and providing opportunities that would keep young people in the state.

First strategic plan offered some specificity

WBC has traditionally met its comprehensive planning requirement with a strategic plan, which statute (W.S. 28-1-115) requires all executive branch agencies to produce. In its April 1999 strategic plan, WBC listed four priorities encompassing essentially everything that might be envisioned under economic development:

1. Building manufacturing and technology as a Wyoming core competency.
2. Preserving and strengthening Wyoming's foundation industries of tourism, agriculture, and minerals and energy.
3. Retaining and attracting younger workers and managers to reverse the drain of this human resource from Wyoming.
4. Encouraging and providing leadership in developing: business and industry investment-ready communities; updated local community business and land planning; supportive infrastructure and transportation development; capital formation concepts; taxing and permitting policies; business and industry recruitment initiatives; business retention undertakings, and local volunteer and professional team building.

WBC considers strategic planning to meet its comprehensive planning responsibility.

WBC strategic planning has been general, and focused at the short-term task level

In the private sector, and increasingly in the public sector, the discipline of strategic planning is used to set goals, develop strategies to meet those goals, and measure the results, or outcomes. WBC, like other state agencies, follows statutes which require state agencies to submit four-year strategic plans to the Governor, following an opportunity for public review. In fact, WBC has traditionally developed a strategic plan each year and the Governor signs WBC strategic plans as WBC co-chair, indicating his support.

WBC strategic plans list tasks and activities, but do not link them to measurable outcomes.

While WBC presents its strategic plans as if they are equivalent to the comprehensive economic development strategies required by statute, some board members acknowledge that they are not. They see the strategic plans as addressing what statute itemizes as WBC responsibilities and as a set of tactics and actions in which WBC will engage for a year to keep people aware of and engaged in economic development at any level. Another board characterization was that WBC strategies have been more micro than the macro strategizing implied by the comprehensive planning requirement.

Our assessment of the WBC strategic plans is similar to that of some board members. Plans list tasks and activities, but do not link them to broader, measurable outcomes that would indicate what WBC efforts have accomplished in pursuit of an overall goal of diversifying the economy. Chapter 4 discusses this theme in more detail.

By definition, state agency strategic planning supports Governor's goals

By following the strategic plan statute, WBC has deferred its responsibility of developing a statewide economic development strategy to carrying out the Governor's plan for economic development. Agency strategic plans are to accomplish and further state goals and objectives defined by the Governor, in this case, in economic development.

The Governor has his own planning arm, the State Planning Office.

However, it does not appear the current Governor is using the WBC board as the policy body for the state in economic development, as was envisioned in the 1997 Steering Committee Report. Although the Governor has the prominent statutory role of appointing WBC members and serving as a non-voting co-chair, the Governor has not been publicly involved in WBC deliberations. He has attended one board meeting in his term, and according to one board member, intentionally tries not to influence WBC decisions.

Further, by choosing to activate the State Planning Coordinator statutes, the Governor has set up a parallel planning function to

the one statute assigns to WBC. By statute, if a Governor chooses to employ a state planning coordinator, he or she may, through that office, both coordinate the planning efforts of all state agencies and develop a state comprehensive plan for economic and social development.

WBC has the responsibility to work with all to develop its strategy

Whether or not the Governor has his own planning arm should not interfere with the WBC responsibility to develop a comprehensive economic development strategy. In fact, statute (W.S. 9-12-106 (a) (ii)) anticipates that WBC will work with many different entities, including other state agencies, the university and community colleges, and other persons it deems necessary to assist in the development of the comprehensive economic development strategy.

WBC does not believe it has the capacity for statewide economic development planning.

The board members with whom we talked did not believe WBC was staffed for a statewide comprehensive economic development planning responsibility, nor was it realistic to expect WBC to do this for the state. They see this responsibility as more properly resting with the Governor and the Legislature because of the political decisions involved. But it is precisely this body that the Legislature has called upon to conduct such studies and invite such collaboration as is necessary to create a comprehensive plan.

WBC has adopted a de facto comprehensive economic development strategy

Even though it has not overtly developed a comprehensive economic development strategy, WBC has adopted some policies and approaches that have de facto become that strategy. WBC board members and staff repeatedly articulated the policy that communities must take the lead in economic development and in identifying responsible outcomes. WBC takes the position that supporting local initiatives is more likely to create success than a top-down approach.

The de facto strategy is to assist communities to do local level planning.

As a means of assisting communities in determining their economic development planning, WBC has “partnered” with the Wyoming Rural Development Council to conduct community assessments throughout the state. WBC has incorporated these

WBC helps communities address needs and issues identified in non-prioritized, wide-ranging community assessments.

assessments as a critical element in its operations and in its annual reports; it takes credit for the large percentage of incorporated communities that have completed them (72 of the 98).

The documents resulting from a community assessment identify major themes of community needs and issues in no particular order. These themes, as well as the more specific challenges itemized within them, cover a broad range of needs in the communities' infrastructure, economic and community development, human services, recreation and cultural attributes, law enforcement, and other categories. The assessments range so widely that it is hard to envision projects that they could not justify.

Although rudimentary, these assessments form the basis of WBC assistance and efforts in developing communities. For example, through its regional directors, WBC offers technical assistance, and through the Business Ready Communities program, financial resources to help implement community projects identified in community assessments. However, it is not clear that WBC requires assessments to be converted into prioritized plans before it directs resources toward assisting the communities.

WBC aims to help communities develop “economic development building blocks”

WBC estimates it could be 4 – 6 years before most communities can recruit businesses.

The community assessments work well with the overall approach guiding WBC. This concept, which WBC indicates is based upon academic research, is called “Economic Development Building Blocks, A Holistic Approach” (see Figure 3.1 below). The premise is that the lower building blocks need to be in place before a community can recruit businesses.

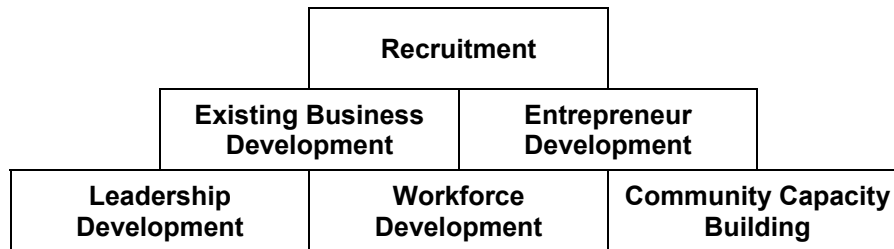
WBC says 54% of resources go to community development.

As the WBC CEO put it, “Until we establish the infrastructure, money can't be spent on recruitment,” and he indicates that it could be four to six years before most Wyoming communities are in a position to recruit businesses. The infrastructure to which he refers includes physical infrastructure as well as leadership and workforce development. WBC's much-publicized allocation of resources, 54 percent to community development, 44 percent to developing existing businesses, and 2 percent for recruiting

businesses from out of state, also illustrates its commitment to this approach.

Figure 3.1

Economic Development Building Blocks



Source: Wyoming Business Council

WBC does not have basic business planning accountability

A plan that specifies goals is crucial for the “business” of WBC to direct the increasing amount of resources the state is providing in support of economic development. A WBC board member frankly assessed the effect of WBC not having specific directions toward which efforts are to be organized as “an un-aimed arrow never misses.” The context for this comment was the concern that without such a vision, resources cannot be allocated to reach it, and “the planning process becomes the budgeting cycle.”

A basic business model premise is to have a business plan and a way to monitor progress towards goals.

Ironically, a basic premise of the business model, upon which the WBC was established, is the need for a business plan and a way to monitor progress towards goals. To paraphrase a WBC article, the peril of starting a business without a business plan is that it is hazardous to take off with a pocket full of money, debt or equity, without a clear idea of where you want to go or how to get there. The chances of becoming successful, and especially becoming successful in an efficient and economical manner, are increased tremendously by using a plan. Business plans are necessary as a measure, a way to check progress and re-evaluate chosen directions.

WBC is unable to apply this basic business principle to its own business. Including the BRC program, the Legislature has increased by 203 percent the amount of money appropriated to the

WBC since it was created. The state's money could perhaps be spent more effectively if it operated according to a specified, comprehensive, statewide economic development strategy.

Recommendation: WBC should identify its comprehensive economic development strategy and organize its efforts and performance measures within that overall plan.

Both the Steering Committee report and the statutes establishing WBC envisioned that it would provide assistance to local and regional economic development entities. The Steering Committee saw regional service provision as key to the new approach. In fact, WBC is now focused upon this vision, as evidenced by its adoption of the "economic development building blocks" concept. It acts as a coordinating, facilitating and service agency to meet the needs of individuals and communities.

WBC essentially has a plan, but needs to formally commit to it and develop accountability measures to gauge progress.

However, WBC has not acknowledged this approach as its "comprehensive economic development strategy," although it has clearly determined that assisting communities to reach their goals is the best course. The stakeholders from communities throughout the state with whom we spoke generally voiced approval and appreciation of the approach WBC has chosen to take. WBC needs to formally develop this concept as its overall strategy, and link it to the performance measures established by the Legislature, and to others that it might establish to more thoroughly measure its performance. If WBC believes that creating a comprehensive economic strategy is not a realistic expectation, then it should initiate a discussion with the Legislature to eliminate the responsibility.