

TRANSFORMING REGIONAL ECONOMIES:

PICKING THE RIGHT PARTNER

Dr. David Thomas
Assistant Professor of Management, Monford College of Business
Director, Colorado Business Resource Center
970-351-2074
David.thomas@unc.edu

NEW QUESTIONS TO ASK

- Why is it that some communities successfully attract and retain an organization while others struggle to do so?
- Why is it some organizations stay in a community and contribute to its well-being?
- While others drain local resources with little return or concern for the community and environment?

ANSWER

- Recruiting organizations that do not value place and whose contribution is **strictly economic**....

WHAT'S NEEDED?

- An organization that invests its assets to build *competitive advantages* for organization *and* community.

PLACE DIMENSIONS

- *Environment*
 - includes the earth, geography and natural resources.
- *Social Relationships*
 - includes the full spectrum of interactions between an organization and stakeholders

PLACE DIMENSIONS

- **Built Environment**
 - man-made structures and how that space is treated
- **Ethics**
 - The organization's business practices and its explicit social contract

PLACE DIMENSIONS

Economic Relationships

- describes the organizations' level of investment in the fiscal well-being of the community.

FIVE PLACE DIMENSIONS

- Social Relationships
- Built Environment
- Ethical Relationships
- Economics
- Environment

ORGANIZATIONS AS PLACE BUILDERS®

Independent Strategies

Organizations are merely occupants of place and their tax revenues are their primary contribution to the community

Interdependent Strategies

Organizations are responsible for the well-being of the community and integrate all five place dimensions in their business model

Exploitive	Contingent	Contributive	Transformational
<ul style="list-style-type: none"> • Contributions are limited to legal requirements or to protect brand/image • Values the community solely for its favorable economic and political policies toward business 	<ul style="list-style-type: none"> • Contributions are conditional and measured • Values the community primarily for its geographic, political and economic assets 	<ul style="list-style-type: none"> • Supports activities that help them fit into the community • Values the community on a number of levels but primarily for its social and business network 	<ul style="list-style-type: none"> • Committed to creating opportunities that build community and protect the environment • Facilitates change that improves community economic <i>and</i> social well being

Type	Score range	characteristics
Transformational	15-30	Invests willingly in projects that advance community well being
Contributive	31-60	Focus on reputation and how they are perceived as a major benefit rather the goal
Contingent	61-90	Contributions are often exaggerated. View community and customers as a necessity and not an essential asset.
Exploitive	90-105	Value place as a commodity with no perceived internal accountability for its use.

EXAMPLES OF CASES BY TYPE

- Proposed expansion of the pinon canyon site for military maneuvers is running contrary to the culture of the ranch area in SE Colorado.
- This proposed acquisition has met stiff opposition from local ranchers and sympathetic politicians in Washington and Denver .

EXAMPLES OF CASES BY TYPE

- Blair, west VA pop 45 will need to decide between preserving mtn or jobs.
- Preservationist want it declared a historic site to preserve artifacts from historic battlefield

EXAMPLES OF CASES by type

- Engold mining corp. to re-open the Idaho Maryland mine faces challenges to opening the first gold mine in California within a modern
- mining operation will **bring 400 new jobs** and \$22 million in new payroll.
- concerns about the mining firm's financial stability and its environmental **impact on the community**.

- The Hollywood district of LA, sold property to a developer who agreed to reserve a majority of the space for businesses tied to the entertainment industry.
- “The last thing they wanted is for Hollywood to become minisuburbia

- Boston Beer Co.'s chairman proposed competing distributors in the same city use a single warehouse and fleet of trucks to deliver their respective brands to bars and stores.
- Such "shared services" would spare fuel, labor and equipment expenses that are passed along to retailers.