

# BACON'S REBELLION

The Op/Ed Page for Virginia's New Economy

## Make the Pain Go Away!

**Economic developers are wasting scarce funds in frantic efforts to generate new prospects. 310 Ltd.'s Debbie Kurtz makes the case for a new marketing model adapted to a global economy and the digital era.**

There's a truth that no one in the economic development profession wants to admit, says Debbie Kurtz, president of 310 Ltd. in Richmond, Va.: The leads are drying up. Many companies are outsourcing to Asia, while others are squeezing more productivity out of existing U.S. facilities. As a result, economic developers are chasing fewer prospects than at any time in Kurtz's professional memory. The dearth of deals is scary, says the economic development marketing veteran. "We've all got a problem."

Compounding the profession's woes, a revolution in digital communications is creating new business-to-business marketing options – and undermining old ones – in ways that keep even the experts playing constant catch-up. "People are consuming information in very different ways today," Kurtz says. "What worked then won't work now – even if the prospects were out there."

As a consequence, the economic development profession is experiencing more uncertainty than ever before. Too many practitioners are coping with the unknown by sticking doggedly to time-honored strategies and marketing techniques – even though evidence is mounting that they don't work anymore.

Kurtz sees consultants and advertising agencies consuming precious resources that could be used to generate hard leads. "It's maddening--there's no accountability," she fumes. "Clients are hurting. They say, 'Make the pain go away!'" Agencies and consultants are only too happy to oblige.



But the relief is fleeting. For instance, consultants produce enormous reports listing target industries the client could attract. Then they walk away, leaving the developer with a lot of ideas but no action, no prospect list and no results. Likewise, ad agencies love producing brochures and print ads. (Agencies love print ads—they get paid twice for their work, one for the creative and then a 15 percent commission for placing the ad.) If graphics and tag lines could influence a site decision, then advertising may be worth the high price tag. But they rarely work.

"Agencies love the creative, but sometimes they lose perspective on meaningful messages," Kurtz points out. "Many community brochures look alike with no focus on what distinguishes the area. They're selling exactly the same thing. Images blur together, making it hard for site

selectors to tell one community from another."

The fact is, says Kurtz, companies making site selection decisions aren't looking for pretty pictures. They want numbers. They want to know how much it's going to cost to build a facility, how much will it cost to operate, and how easily they can find workers with the skills they need.

Kurtz doesn't think much of direct mail either. "How much direct mail do you read at the office?" she asks. "Direct mail never makes it past the receptionists and assistants, so if you're on a limited budget, you should find something else. Why not just eliminate the mail and pick up the phone, which you're going to do anyway?"

Kurtz favors websites, noting that site-selection consultants increasingly prefer the anonymity of the Internet to do their research. But they're not looking for photos or animation. "Your website is the most important tool in your kit, but people look for content and not graphics, animation and flash. They're looking for numbers, and it's all driven by the bottom line—what's in it for them to consider your community?"

### Adapting to the Digital Revolution

If you're trying to generate traditional, old-fashioned economic development prospects, what *does* work? Besides the Web, Kurtz endorses research and cold calling, and leans towards digital media as the preferred

mode of communication outreach.

Kurtz doesn't profess to have all the answers. Indeed, keenly aware that the dot.com gurus of the 1990s never foresaw today's digital communication and marketing tools like electronic newsletters, webinars, pay-per-click advertising and blogs, she's the first to admit that today's marketing crazes may prove to be tomorrow's abandoned fad. "Frankly, a lot of this is new," she says. "We don't think there are any silver bullets out there. But we can say this: Our integrated approach will yield measurable results that you can manage for better performance."

Kurtz' marketing methodology emphasizes the following:

**Asset research.** Develop an in-depth knowledge of your economic development assets. "Having a skilled labor force and an industrial park and all of those basic resources is just your ticket to the game," Kurtz asserts. "You're going to stand out based on what you have beyond that."

Spend time determining what makes your region distinct. You need to tell prospects how well they align with the skill sets found in your workforce and the expertise found in related businesses. Comb the region for unique resources -- like university R&D programs, federal labs, think tanks, and cultural assets -- that make your area a stand out among your competitors. "You need to innately know your own resources, if only just for marketing purposes," Kurtz states, "and you shouldn't need to pay someone to tell you what you already know."

Study your competition -- analyze the region that got the deal

you lost. Find out what it has that you don't. Finally, Kurtz recommends, document the growth and successes of businesses that are thriving in your location. Ask for testimonials-- they are powerful marketing tools that add little to your marketing budget.

**Prospect research.** Once you thoroughly understand your competitive advantages, ascertain which industries line up best with your assets. "You can use a large portion of your money advertising and mailing at random and waiting for someone to contact you," says Kurtz, "or you can do your homework and identify the companies who represent your best prospects based on your assets."

**Work the phones.** There is no substitute for picking up the phone and calling people. Even if they're not contemplating an expansion right now, or even if they don't think you make a good fit, you will gain valuable intelligence. Says Kurtz: "Cold calling can be frustrating and time consuming, but in the end the results are direct, measurable and statistically have a greater impact on prospecting than other marketing approaches."

**Distribute your storyline.** Even the best research, the most comprehensive database and the most aggressive calling effort in the world won't turn up every conceivable prospect. By distributing your narrative as far and wide as possible, you can pique the interest of someone you might never have imagined would be a prospect.

If you can afford it, hire a P.R. firm to pitch your story to the media. Just remember, that there's no assurance of success. A frugal alternative is to bypass

traditional media through the use of digital marketing techniques. More and more people are tracking down information by entering key words into search engines like Google, Yahoo and MSN, Kurtz says. The search engines are voracious consumers of content. To ensure high rankings in the key-word searches, Kurtz recommends creating content geared to carefully selected key words.

Economic developers need to equip themselves with a whole new set of marketing tools. To be effective today, Kurtz says, they need to know how to optimize their websites for the search engines. They need to know how to convert sales materials into storylines that can be distributed over PR Newswire and BusinessWire, and picked up by the host of new online publications. They need to learn how to integrate their websites with electronic newsletters, press releases, case studies, testimonials and pay-per-click marketing campaigns.

The Internet is evolving so rapidly that it takes effort to stay current, Kurtz says. The latest phenomenon: blogs. These inexpensive electronic forums provide outlets for members of the public to address community concerns; many are maintained by local activists and disgruntled citizens who don't share the priorities of the development sector. Savvier prospects are bypassing official channels by frequenting these sites to gain insight into citizen attitudes. Economic developers need to stay on top of the opinions expressed in these venues so they can be prepared to respond.

## **The "Economic Gardening" Strategy**

For many regions with limited existing industry and resources, it may be difficult producing prospect inquiries no matter how sophisticated the marketing program. For those areas, the most effective strategy may be "economic gardening," or growing new businesses from the ground up. Stimulating entrepreneurship requires a very different mix of community assets than luring outside corporate investment. Inevitably, any "gardening" strategy will entail community efforts to develop, recruit and retain human capital, and that creates an opportunity for economic developers to reinvent themselves.

"There's no question in my mind," says Kurtz, "that the role of the economic developer in the 21st century will shift from recruiting corporate capital to recruiting human capital."

Kurtz sees the writing on the wall -- the dynamics of economic development are changing -- and she's refashioning 310 Ltd. to help her clients stay abreast of those changes. There will always be a role for corporate recruitment, and she's offering an updated mix of products and services to help economic developers pursue their traditional quarry more cost effectively. Meanwhile, she's developing new competencies that will help clients undertake economic gardening strategies.

"If economic developers don't change their priorities, they'll get left in the dust. They need to ask fundamental questions right now," Kurtz says. "If you want to make your website pretty, hire an advertising agency. If you want help in rethinking your strategy, talk to us."

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