



QUICK START GUIDE TO ORGANIZING A REGIONAL ECONOMIC ADJUSTMENT RESPONSE

A LOCAL OFFICIAL'S GUIDE TO DEFENSE INDUSTRY ADJUSTMENT



U.S. Department of Defense
Office of Economic Adjustment





CONTENTS

p.4

INTRODUCTION

p.6

GETTING STARTED

p.7

ORGANIZE

Leadership Group

The Economic Adjustment Organization

Define the Geographical Boundaries and Assets of Your Regional Economy

SWOT Analysis

p.13

PLAN

A Regional Vision

Short-Term Planning: Overview

Short-Term Planning: Worker Reemployment

Short-Term Planning: Business Support

Long-Term Strategic Implementation Plan

p.20

IMPLEMENTATION

Governance and Management

Funding and Sustainability

p.22

THE END GAME

INTRODUCTION

Over the last several decades, communities across the country have faced significant shifts in their economies.

Some of these changes have taken years to materialize while others have been sudden shocks. These changes do not occur in a vacuum; economic adjustments affect communities and connections, lives and livelihoods. Often the very future of the community is at stake when these economic shifts are combined with changes in the workforce, and particularly with layoffs and industry closings. Lost jobs affect the entire community, through a smaller tax base, which thereby reduces operating revenue for local governments. Basic services, education and quality-of-life programs are also affected. These economic changes are not abstractions; they carry real costs and are often emotional for workers and families. The shocks alter the very lifeblood of a community and color “kitchen table conversations” throughout the affected area.

As federal budgets decline, communities that depend on defense spending are vulnerable. When defense spending is cut, local economic conditions and planning can have a major effect on how these cuts are absorbed by local economies—and how well those communities ultimately recover.

Experience across the country has consistently shown that communities with diversified local economies with effective, ongoing economic development programs that promote job growth can weather these storms. This is true regardless of whether the economic disruption is the result of a defense budget reduction or another cause.

The economic adjustment process presents you, the local official, with the opportunity to lead change in your region; to define a vision for a healthier, more diversified economy; to build consensus and coalitions around that vision; and to design a strategic plan to carry a vision out. No one leader can undertake this entire process alone. Yet with community participation and public support, leaders can build a network from across government and the private sector to make the collective vision a reality.

SUCCESSFUL ADJUSTMENT STRATEGIES

Facilitate economic adjustment by **acting early**



Take action on immediate needs and then build toward longer-term goals



- > **Short term:** reemployment assistance (workers); transition assistance & support (businesses)
- > **Long term:** opportunity to envision and work toward a new future for the region

Embrace a **regional approach**



Develop a culture of broad **public/private collaboration** and fully transparent communication



Effective local leadership is the common denominator for success





Successful economic adjustment occurs in two stages. In the first stage, an uncertain economy is stabilized. The second phase occurs either when the local employment and tax bases are returned to the levels at which they were prior to the change in the economy, or when the community feels current levels are sufficient to meet its needs. This general definition does not take into account the types of jobs people are employed in, the diversity of the industrial and employment base, or other factors.

Defense economic adjustment can be difficult to carry out for a number of reasons:

- The stakes are high—jobs and local revenue are on the line.
- There often appear to be few viable options.
- The issues run deep. Often a firm has been in the community for years and the defense workforce represents employment for generations of local residents.
- There are many interrelated issues, rather than one clearly defined problem. For example, a single contract cancellation

can have a ripple effect as it affects not only the particular firm, but also its subcontractors, the workforce, and smaller service-oriented businesses in the community, among others.

- These interrelated issues require a holistic response involving multiple agencies and companies, often across a number of jurisdictions.

Achieving specific goals related to each local strategy provides a more accurate measure of success. This enables you to measure incremental changes and better reflects your progress on a long and ultimately ongoing process—that of economic development.

This publication offers a high-level overview of the economic adjustment process for community leaders. A more in-depth explanation of each step can be found in the *Local Official's Guide to Economic Adjustment*.

GETTING STARTED

The ongoing process of successful local or regional economic adjustment requires the involvement of government, community, industry and workers to promote the goals and strategies of each. These efforts are most effective when led by you and other leadership officials from the affected area. Successful economic adjustment involves constant outreach and consensus building. Raising awareness of the need for economic adjustment and diversification itself should be “job one.”

The “Organize, Plan, Implement” process outlined in this section is one that is applicable to any size community at any stage of adjustment, one that can and should be repeated in a community on a regular basis.

The first stage in this process is to get **Organized**. How do you define your regional economy? What makes your economic engine run? How dependent is your area on defense dollars? Who should be at the table helping you plan? What opportunities and threats do you need to identify and prepare for? By investing the time and effort to cultivate solid partnerships, build a strong team and to identify economic assets, opportunities and liabilities well in advance of a need, you will position your community to respond collaboratively and effectively in the face of any economic or workforce transition.

“The economic adjustment process presents you, the local official with the opportunity to lead change in your region.”

The second stage is **Planning**—both for the short and long term. Who is being impacted and what assistance do they need? How should this assistance be coordinated? What is the vision for the future of your region? What is the plan to realize that vision? Who needs to be on board to help carry it out? Your ability to build consensus around a common regional vision, prepare a short term plan to assist laid off workers and affected businesses and a long term plan aimed at diversification of the overall economy, will ultimately determine your success.

The third stage is **Implementation**. Who will take responsibility for each strategy? What public and private resources are available to carry them out? Who will track whether the community is making progress on its goals and determine if changes are needed? Achieving economic diversification and transformation requires effective long-term management to sustain funding, commitment and engagement.

Throughout the process you can expect to assume many roles:

- **Economic Strategist:** Diagnosing the forces that affect the regional economy and identifying future options for growth. Once a plan is developed, you must track your community's progress in translating a vision into action and modify the strategy as needed.
- **Statesman:** Building consensus and support across a variety of interests in order to develop and implement an adjustment strategy. The visioning, consensus-building ability and negotiating skills of local leaders are crucial to getting groups to work together toward common goals.
- **Advocate:** Many policies and programs that affect a local community are outside the immediate control of local jurisdictions. You must represent your community at the regional, state and federal levels, as well as internationally.
- **Executive:** Managing the overall process of community adjustment, coordinating the interrelated issues of economic recovery, including business and worker assistance, with the region's strategy for long-term economic growth.

The OEA “Organize, Plan, Implement” Framework



ORGANIZE

The public looks to local leaders for direction in times of uncertainty. Although it requires a significant upfront investment of time, a well-organized response to regional economic change can inspire confidence by delivering clear, coordinated messages and programs that leverage existing assets and point to the opportunities ahead.

The Organize phase of your recovery effort sets the stage for the development of a cohesive short and long-term workforce and economic development plan. These steps build a strong foundation for planning. In this phase, you:

1. Identify your key leaders;
2. Develop a strong Economic Adjustment Organization structure;

3. Define the geographical boundaries and assets of your affected regional economy;
4. Produce a comprehensive asset map and SWOT Analysis, so that you know your community's vulnerabilities and unique competitive advantage.

An in-depth discussion of the Organizing process can be found in Chapter 6 of OEA's *Local Official's Guide to Economic Adjustment*.

The Leadership Group

When information comes that the end of a defense mission, base reduction or other defense-related economic disruption is about to occur, your first job is to determine the extent of the disruption and when it's likely to occur. Whether it's months or years away, a leadership group comprised of key stakeholders should be pulled together quickly. In engaging with this small core group, it is important for you to be able to outline the extent of the challenge, allow others to express their opinions and perspectives on the situation and emphasize that there is no silver bullet solution.

The Leadership Group can help you coordinate initial messages to the public and serve as the foundation for a broader economic adjustment organization going forward. Messages and message dissemination will vary as to purpose, timing and audience(s), but ALL messages should:

- Be audience-specific and answer the all-important question, “what’s in it for me?”;
- Be memorable, connected to the big picture, and address big-picture concerns;
- Provide a sense of urgency, yet be simple. Use data sparingly but wisely; and
- Have a clear call to action—state what you want the audience to do at a particular point in time.



The Economic Adjustment Organization

Creating or designating a single, effective adjustment organization represents the most important step a community can undertake in this process. This adjustment organization can build off of an existing entity or be an “ad hoc” group created specifically for this effort. Either way, it will serve as a focal point for the process, ensuring that workers, businesses and the community receive a common message. The actual size and make-up of the organization will vary, but some guiding principles follow.

Looking holistically at the affected region will drive who you engage as part of the economic adjustment organization. Organizations, businesses, elected leadership and people who are a part of the region and impacted by the adjustment should be considered. You should work across jurisdictions to undertake a regional approach to economic adjustment. In a true region, partners:

- Identify with the region as a whole;
- Accept their economic interdependence across sectors and jurisdictions;
- Commit to collaborating to ensure regional economic competitiveness;
- Have a shared regional identity or “brand;” and
- Have a stake in the outcome.

Creating a shared regional identity is not an overnight process, it occurs over time.

An economic adjustment organization should be broad-based, including members of all major financial, educational and political resources in the area, and may include:

- local government (elected and appointed) from the impacted communities;
- county/regional government (elected and appointed);
- state government agencies;
- regional business leaders;
- labor;
- financial institutions;
- regional business organizations (e.g., Chambers of Commerce);
- industry associations;
- Manufacturing Extension Partnership centers;
- Workforce Investment Boards;
- economic development organizations;
- educational institutions; and
- private foundations, non-profit organizations and community organizations.

“Creating a shared regional identity is not an overnight process, it occurs over time.”

Ideal Regional Leadership Group and Key Partners



Within the groups you have identified as organizations that should be at the table, there are likely to be key stakeholders who will be vital to any recovery effort. Stakeholders are those who:

- a. Have the authority to make decisions for their organization;
- b. Have the ability to move resources (budget) to align to the goals of the wider group effort;
- c. Are affected or potentially affected by the issue; and
- d. Have the potential to push the process or the outcome forward or the power to obstruct the process or the outcome.

As you build your stakeholder group, a key rule of thumb would be “If this person can make budget decisions on a phone call, he or she is a key stakeholder.” You might find this stakeholder group quickly becomes quite large. If so, you may wish to structure the organization to include an Executive Committee with smaller Core Work Teams that focus on specific issues or goals. The subject matter of the smaller teams flow directly from the regional vision and goals. Some possible areas would be Workforce Transitions, Business Retention & Attraction, Sustainability, Communications, Regional Infrastructure, Talent Pipeline, etc.

Many regions find that initiating a network mapping process is helpful prior to establishing the full group. Network mapping identifies regional leaders and, as importantly, their connections to other leaders. This can be a productive tool to help establish the regional adjustment organization and also to expand and enhance it over time. As the economic adjustment effort gains traction and momentum, regular social network mapping and analysis provides a means to expand leaders’ engagement, and connect to previously undiscovered or disconnected regional assets.

As diverse as the membership of a regional organization may be, it is imperative that the organization speaks and acts with one voice. All efforts should connect to and support the overarching vision and shared goals of the region.

Who’s in charge? It’s not enough to create an economic adjustment organization. You must identify who will lead the adjustment effort. In many cases, it is the local elected official who takes charge of the adjustment effort, bringing together diverse parties together around the complex issue of economic adjustment and diversification. In some cases, the elected official oversees the general process while business, education or other local leaders assume “chair-type” roles. Staff or others conduct the day-to-day implementation of the adjustment plan. Whatever the situation, you must clearly define the leadership structure, or cause it to be defined. Once this step is complete, then specific goals and responsibilities can be formulated and communicated to all with clarity.

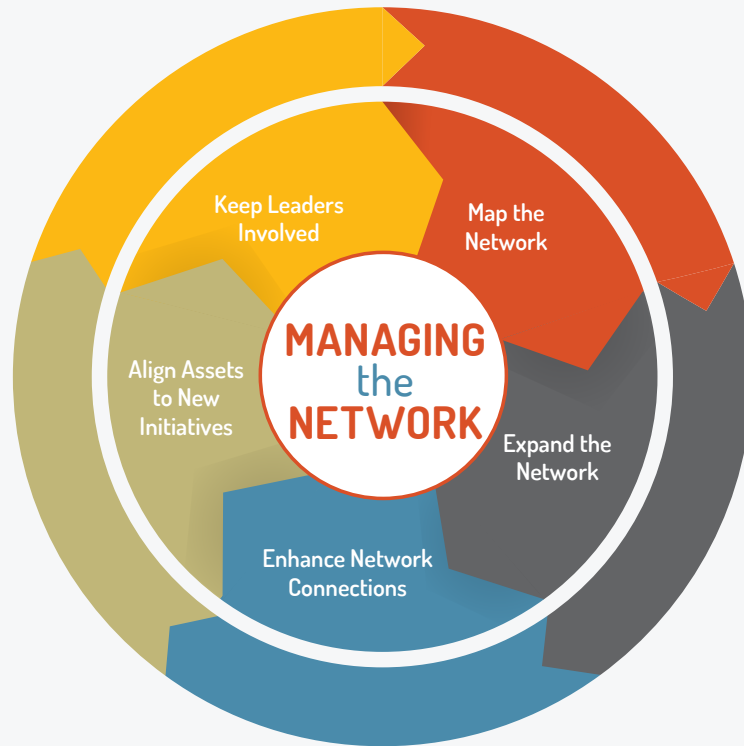
Where are we headed? The adjustment organization should have a clearly defined mission and duration of operation, which should be communicated to the entire community. In addition, a process or “game plan” for successfully completing the stated mission should be outlined and agreed upon by the members of the organization and buy-in from the larger community obtained.

In sum, an economic adjustment organization provides regionally-focused leadership and guidance that transcends “turf” and agency/organization “silos,” by finding a common, unifying theme and focus to:

- Establish a shared vision for the future of the region;
- Identify solutions that leverage regional strengths, mitigate regional weaknesses/limitations and provide the foundation for investment in plan implementation;
- Contribute resources, financial and otherwise, to support the implementation of planned economic adjustment strategies and activities;
- Enhance the strength and reach of the core stakeholders by expanding partner recruitment and enhancing engagement; and
- Act as a vocal and visible champion for the regional economic adjustment effort.

As your response effort evolves, so should the membership of your organization, bringing in key players as new needs and opportunities are identified.

Managing the Network



Define the Geographical Boundaries and Assets of Your Regional Economy

A region is a collection of assets. It is most important to identify the impacted area, which may be bigger than you think. For example, an employer may draw commuters from other jurisdictions and have suppliers concentrated nearby. If workers lose their jobs, stores across the region will see less consumer demand. Mapping these interconnections geographically is a crucial step in understanding your regional economy. Thus, asset mapping is an essential tool when looking to define your region.

An asset map begins with a list of the agencies, organizations, infrastructure and the programs a region has at its disposal to address the impacts of an economic setback. They provide a wealth of information about a region's strengths and resources that can assist in creating a foundation for solutions to economic development and diversification challenges. The asset map is an inventory of the "toolkit" the region will use to address the problem. For example, if you are trying to chart a course for manufacturing workers, then understanding who has specialized curricula for manufacturing trades would be helpful. Similarly, knowing where to find private capital in the region is crucial to assisting small businesses to plan their adjustment strategy.

“As diverse as regional economic adjustment organizations are, it is imperative that they speak and act with one voice.”

“ It is most important to identify the impacted area, which may be bigger than you think. ”

A well-constructed asset map serves the purpose of illuminating these crucial pathways.

Asset maps are catalysts for partnership among various leadership and regional stakeholders. At its core, an asset map provides guidance to you, your fellow local officials and other regional stakeholders about ways to strengthen your community's competitive position in a global economy by identifying resources you can leverage to support development and economic recovery initiatives.

Asset maps take many forms, ranging from the very simple to the comprehensive, depending on the goals and needs of your region. Typically asset maps provide a baseline of data and information about a regional economy, its workforce, education and innovation assets, as well as any other tangible assets that can be leveraged for development (e.g., research parks, technology, companies, faith-based organizations, etc.), or considered when undertaking planning initiatives. The information provided in an asset map also creates a common foundation of knowledge among all stakeholders and decision-makers.

Once these assets are identified, the subsequent task of identifying the connectivity and network between these assets is a critical step, and is the main focus of all subsequent planning efforts. For example, a new technology developed at a higher education research institution may further the world's intellectual knowledge; however, the transformation of the technology into viable new products and services is achieved only through a network of capital financing, business support and workforce development partnerships. To this end, understanding the formal and informal linkages between regional assets is critical to developing a comprehensive understanding of the regional economic environment. This is one of the prime benefits of mapping the regional network.

SWOT Analysis

A comprehensive SWOT analysis—an assessment of the region's strengths, weaknesses, opportunities and threats—provides additional information to feed development of the vision for the region's future. A SWOT analysis is used to identify the internal and external factors either favorable or unfavorable to development and revitalization. This analysis should include critical regional data found in the asset map. However, it goes beyond that to incorporate regional partners' unique and extensive knowledge, information and understanding of the region. The purpose of conducting a SWOT analysis is to create “the big picture” of the region in terms of positive and negative attributes and trends as identified and validated by local leaders. It is then used to guide the development of the regional vision and prioritization of implementation plan strategies and action steps for economic and workforce diversification and growth.

PLAN

Once you're organized, it's time to build a plan. Though never as perfectly linear or neat as presented here, the planning process builds on the organization you have created and the data you have analyzed to:

- Develop a future vision that will be used to shape goals, strategies, and action planning;
- Create a shorter-term plan for assistance to affected workers and businesses; and
- Create a longer-term strategic plan to revitalize the economy.

None of this is a straightforward or effortless process. In reality, many of the planning steps will have occurred during your organize phase. It is just as important to recognize that new information or new stakeholders may become known that could require a step back in order to take two steps forward. Depending on the timing and magnitude of the defense reduction, a short-term plan may be developed before the community agrees on a long-term vision. Regardless, the plans should build off of each other using the data you collected, and relate to the vision over the long run.

A Regional Vision

Your vision will form the basis for the long-term regional adjustment plan—the set of goals, strategies and activities that will be put in motion in an effort to achieve that vision.

Having a well thought-out vision for regional economic growth is critical to sustaining competitiveness. It is especially important in driving new behavior when a region faces challenges—something almost guaranteed given the wide array of forces acting on regional economies. With the support of local leaders and the public, the vision can drive regional strategies and align ongoing and new investments.

A vision describes a set of preferred community characteristics in the distant future (10–20 years out is a commonly used timeframe). It should include descriptions at multiple levels (for example economic, environmental and societal) and should avoid “fixing a problem” thinking. While the depth and breadth of the vision statement will largely be determined by the nature of the regional assets and overall intentions of the planning group, the vision should be compelling and inspire action.

The economic adjustment organization should pay significant attention to developing the collaborative community (or “shared”) vision because:

- As the first task undertaken as a group, visioning provides the best opportunity to unite the regional leaders and focus them as a team;
- The vision becomes THE message that will be put “out there” in the community as the unifying “idea for the future;” and
- It becomes the touchstone for the entire planning and implementation process—all adjustment goals, strategies and activities will relate back to the shared vision.



The ideal level of consensus building required in a visioning process is determined by several key factors:

- **Purpose and intended outcome of the visioning process**

The purpose is to unite the region around a set of common aspirations for the region's future economy, workforce and quality of life.

- **Ultimate scale and scope of the intended vision**

The scope is determined largely by the impact of the defense reduction and the extent to which the region must be transformed economically, as opposed to merely "adjusted,"

- **Number of groups and people involved in the process**

In the short term, the vision will be developed by the Economic Adjustment Organization, but the entire regional community will ultimately be brought into the process, as the vision's message will be carried into the broad community.

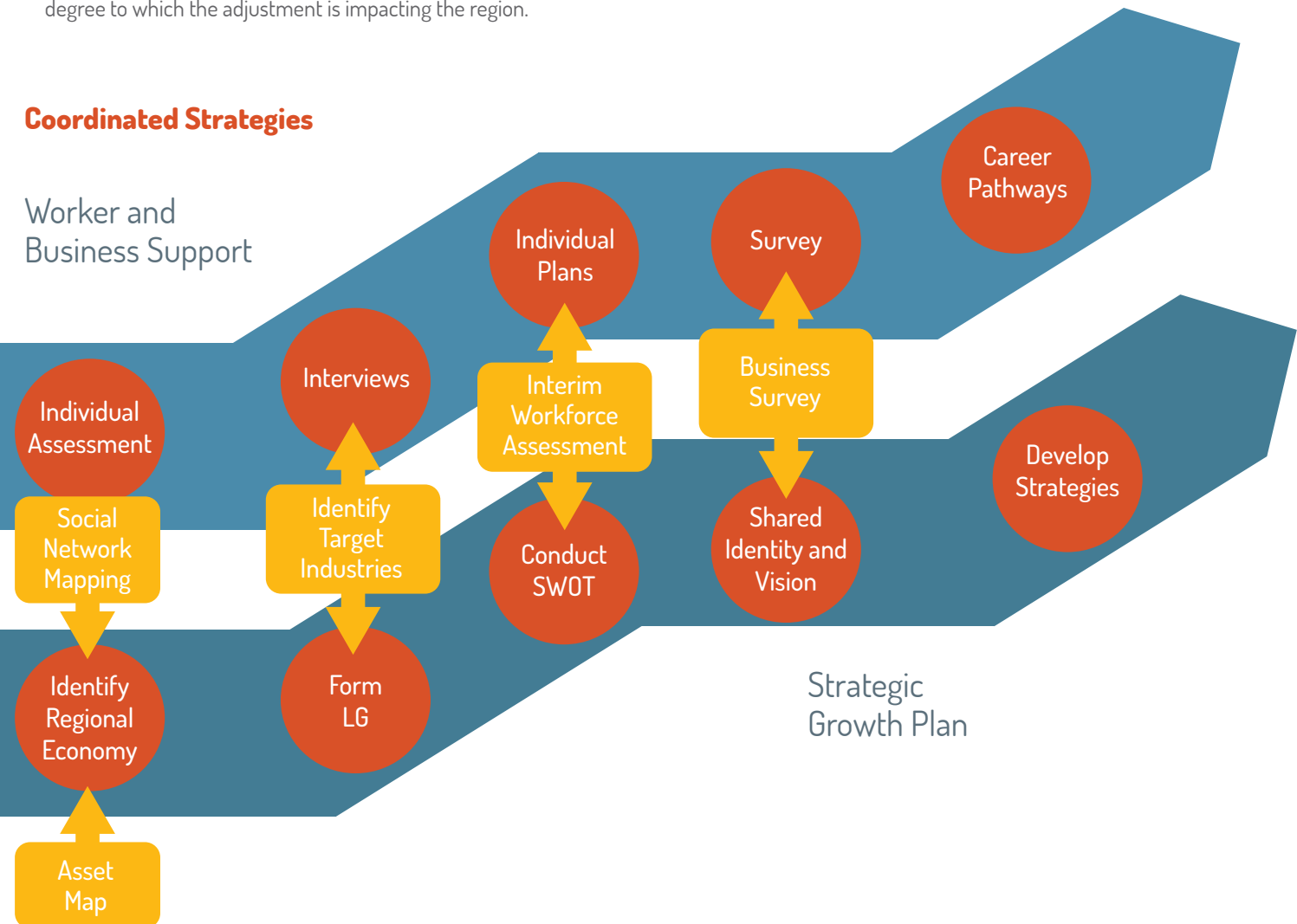
- **Timeframes and relative degree of urgency**

Timing is determined strictly by the local situation and the degree to which the adjustment is impacting the region.

Whenever possible, this visioning process should be completely public and open to all. Opening the process to ever-widening community segments and levels serves to create a "buzz" and a sense of ownership within the community. These public engagement sessions should be conducted so as to facilitate effective two-way communication, such as an Internet-based forum or in-person workshops. When conducted this way, invariably two or three key points come to light that local leadership has not considered. Public sessions help head off tunnel vision and work to create grass-roots support. The more people who are involved in the visioning process and decision-making, the greater their stake will be in making that vision a reality. More details on Collaborative Communication Strategy can be found in Chapter 5 of OEA's Local Official's Guide to Economic Adjustment.

Coordinated Strategies

Worker and
Business Support



Short-Term Planning: Overview

An immediate or projected loss of jobs or business due to defense downsizing requires an immediate response. You must act quickly to share what you know about the facts of the situation with the public and then reinforce and actualize this message with a plan. Workers and businesses adversely affected by defense downsizing may need assistance immediately. Questions of how to grow your economy in the future will require a longer-term strategy based on the competitive advantage of your community. Local adjustment efforts should deliberately plan and coordinate these short and long-term strategies so that they are interconnected and complementary.

Short-Term Planning: Worker Reemployment

As soon as notice is available, you should immediately engage all relevant partners to develop a coordinated response to the reemployment and possible retraining interests and needs of workers impacted by the adjustment. The rule of thumb here is “people first, plans later.” Take care to address immediate needs of the affected workers—and information is part of that key need.

Workforce and economic development partners will need to understand how many workers will be laid off, the timing and phasing of layoffs, and workers’ specific occupations, skill sets and credentials. They will also want to determine the options that have been offered to the impacted workforce, such as retention bonuses, severance packages and relocation offers. This information, combined with that obtained from affected workers themselves, should be used to develop individualized reemployment plans. Partners can also use this information to engage companies in conversations on whether publicly supported worker retraining could be used to avert some layoffs.

If feasible—particularly if the nearest Career Center is not located near the employment site—workforce development and education partners should consider establishing a temporary career transition center onsite at the installation or defense contractor facility. This ensures convenient and accessible assistance for workers. Offering a Web-based survey to workers can be a very efficient and helpful way to gather individual worker’s needs as well as aggregate workforce requirements, and employers can assist in communicating with their employees about the survey.

There are many organizations operating in the workforce arena, and they can quickly step over each other. Coordination in planning and delivery is vital to providing seamless and nonduplicative

“Having a well thought-out vision for regional economic growth is critical to sustaining competitiveness.”

services. Workforce development partners should be expected to provide impacted workers with comprehensive and customized services and solutions. Community organizations should also collaborate closely to ensure that their services and supports are aligned, well synchronized and valuable to workers and their families. Partners must track and regularly analyze workers’ reemployment, job retention and earnings outcomes, and should actively solicit workers’ feedback on service delivery process and value. Outcome data and customer feedback should be used to continually assess the quality and results of reemployment services and to make adjustments and enhancements as necessary.

In order to ensure that worker reemployment efforts connect to and advance broader economic transition efforts, you will want to map information about impacted workers’ occupations and skill sets to high-demand occupations and skill sets in the region’s targeted industries. This not only helps transition workers more quickly and seamlessly into new occupations, but also enables partners to identify gaps and mismatches between existing workforce capacity and the workforce needs of high-priority industries.

Similarly, all partners should analyze existing educational and training opportunities for high-demand occupations in targeted industries to determine if educational institutions’ output of students is meeting the demands of employers in those industries. If gaps are identified, regional partners can then adjust existing education and training programs, develop new programs as needed and more effectively guide workers to programs for in-demand occupations.

“ It is the local officials’ job to make sure that all partners engage and focus squarely on meeting the needs of workers and employers. ”

Short-Term Planning: Business Support

Your community partners should look at potential impacts of defense adjustment on area employers at the same time they undertake the workforce response effort. These employers may be part of the defense facility’s supply chain or may derive a significant amount of their business from the patronage of impacted workers (e.g., eating establishments, dry cleaners, medical offices and other retail and/or service businesses). Defense supply chain businesses may be able to offer reemployment opportunities to impacted workers who either possess needed skill sets or who can be easily retrained. In the case of retail, service and other establishments that risk losing business due to worker layoffs, it is important to develop strategies not only to retain and reemploy the impacted workforce in the community, but also to devise complementary efforts to support the businesses in retaining, expanding and diversifying their own customer base.

As communities engage affected employers in their areas, support efforts should be connected to regional strategies for developing and expanding targeted industry sectors or clusters. These efforts should engage a wide range of firms within each cluster. For example, in an advanced manufacturing industry cluster, support efforts will focus on manufacturers themselves, but might also work with firms operating in related businesses such as transportation, distribution, logistics or retail/sales. This broader focus ensures that immediate efforts to assist area employers also advance longer-term goals for diversification of the industry base and economic expansion.

Since smaller defense suppliers tend to be more vulnerable to defense budget reductions than the large prime contractors, many communities opt to focus on helping smaller firms develop effective responses to defense downsizing. These strategies could include:

- Re-engineering or retooling an existing business;
- Identifying and capturing new markets;
- Developing new technologies; and
- Accessing capital.

While each strategy has its own unique characteristics, they all share one common theme: helping firms identify new business opportunities to soften the blow, or even replace—lost defense contract-related business. As firms look to diversify and generate new business activity, they can pursue a variety of approaches.

Throughout the short-term planning process, it is the local officials’ job to make sure that all partners engage and focus squarely on meeting the needs of workers and employers, rather than the more limited funding stream questions and other narrow concerns.

Long-Term Strategic Implementation Plan

With the vision as the benchmark, and a shared understanding of both regional gaps and regional strengths, your community is now positioned to begin to formulate a long-term strategy that will move you toward your desired future state. Different strategies work in different communities, and each community must develop its own unique approach and process for defense transition. That approach will develop based on any number of factors; chief among them are:

- How dependent is the region on the defense industry and the jobs it provides?
- Is there a history of strong collaboration across industries and jurisdictional lines?
- What are the assets upon which the region might base a plan for economic diversification?

While no single approach guarantees success, history suggests that effective transition strategies do share some common characteristics. These planning efforts tend to be:

- **Regional in scope** – Economic boundaries don't stop at neighborhood, city, county or state borders. Neither should the region's economic or workforce development strategy.
- **Forward thinking** – They move beyond a reactive crisis response and spark a conversation about community aspirations. What do we want our community to look like in 10 years? In 20 years? How do we get there?
- **Asset-based** – They build on local competitive assets and market niches. They capitalize on what the community already possesses and what it does well.
- **Multi-faceted** – They rely on multiple strategies as opposed to a single approach.

- **Multi-disciplinary** – They engage people from across the community. This is not just a job for economic developers or political leaders or even business. Everyone must be engaged, including business, education, community groups, elected officials and other key stakeholders.
- **Transparent** – In all communications, transparency is important in gathering community support and attracting investment.

The success factors noted above operate independently of the chosen approaches or strategies. On the following page is a brief menu of ideas and approaches to consider as you move forward.



Types of Strategies

Cluster Development

Industry clusters are collections of interconnected firms and supporting organizations that operate in a similar industry or sector. These types of strategies are usually a mix of the other three strategies described below.

Entrepreneurial Development

Entrepreneurial development strategies typically focus on two activities: increasing the number of startup companies, and helping new firms grow smarter and more quickly.

Workforce Development Focus

A workforce-focused strategy can target specific clusters or industry sectors but, in most cases, it emphasizes upgrading the skills of workers and potential workers via training, retraining, education and/or other kinds of supports.

University-Focused Strategies

Because colleges and universities are such important economic engines, regions often design economic development strategies that build on collaboration with these unique assets.



These strategies are neither mutually exclusive nor exhaustive. In fact, an effective plan might evolve from a distinct focus on all of these strategic approaches to an all-encompassing plan that emphasizes all of them together. The most overarching principle of economic adjustment is that the vision, goals and strategies must be community-based so that they reflect the best knowledge and greatest aspirations of the community itself; when they are consensus-based and have community buy-in, plan implementation can be assured.

Development of the regional plan's goals should be driven by the shared regional vision, the regional asset map, data and the SWOT analysis. Your community goals absolutely should be:

- **Specific:** Answering questions related to who, what, when, where, why and how.
- **Measurable:** Describing exactly how you will know success has been achieved.
- **Attainable:** Attainable goals typically require some level of "stretch" beyond the current state, but are not extreme or unreasonable in terms of the region's capacity.
- **Relevant:** Directly supportive of your community's identified vision and objectives.
- **Time-Bound:** Each goal must have a deadline for achievement and be properly timed.

With these “SMART” goals, your economic adjustment organization will be able to regularly assess progress against the goals and ensure accountability for meeting them.

Too often, stakeholders come together to craft regional plans for economic and workforce transformation—and invest a significant amount of time and effort in the process—only to have the final plan sitting, unimplemented, on a shelf. This can be avoided if the regional implementation plan provides a clear framework for accountability for implementation of plan strategies and action steps. You must ensure the plan details timeliness and deadlines, specific parties responsible for implementation of regional plan strategies and activities, and expectations for any deliverables connected to those strategies and activities. The regional plan should also clearly outline expectations for progress and performance over time, including specific performance metrics, where possible.

Plans should also include a sustainability section to help ensure its full implementation. The overall sustainability goal should align and leverage existing resources in support of the plan, as well as identify new resources and assets over time. While many of these efforts are often initially funded by federal or state resources, these often are not sustainable funding mechanisms. It is far more important to ensure that local resources are aligned to consensus-based goals. Local planners should consider an appropriate “off ramp” to transition from third-party funding as your plan is designed.

A critical component of ensuring accountability for plan implementation is first obtaining buy-in and tangible commitments from regional stakeholders during the regional planning process. Demonstrating return on investment for partners involved in plan development is required to build this level of commitment. If all partners can clearly understand how engagement in regional economic adjustment and transformation efforts benefits and supports their work, collective accountability for actual plan implementation will be greatly enhanced.

Finally, emphasize the need for synergy between all short-term, intermediate and long-term economic adjustment strategies and activities. All strategies—whether immediate action steps or activities that unfold over a span of a decade—must align to and support your leadership group’s shared vision and identified goals for the region’s future. This is not a “one-time” process. Rather, throughout the course of implementation, the most successful communities continually assess their efforts in relation to the established vision and goals. Communities should look for opportunities to make any necessary adjustments or enhancements as conditions evolve, and as new opportunities for regional transformation arise.

“With these ‘SMART’ goals, your economic adjustment organization will be able to regularly assess progress against the goals and ensure accountability for meeting them.”

IMPLEMENTATION

Economic and workforce revitalization plans do not implement themselves—they don't even fund themselves—and they certainly are not revisited and revised by themselves. Planning is only the “end of the beginning.” Implementing and sustaining the revitalization initiative over time and as conditions, needs and funding sources change, are key if the plan is not to merely “sit on a shelf.”

Governance and Management

Members of your economic adjustment organization typically “sign on” for the duration of the planning process—implementation and on-going review and revision of the plan is another process entirely. A number of issues need to be resolved for successful implementation over time, including creating or designating an entity that can oversee and support the project's implementation and ensure coordination among all the partners.

Depending on the long-term vision, culture and goals of your community, you may choose to:

- Embed the regional governance structure in an existing entity;
- Create a new organization to coordinate the regional economic adjustment effort; or
- Create an Executive Committee or Board of Directors that is not a formal, legal organization.

“Your stakeholders need to ensure that the initiative becomes self-sustaining as quickly as possible.”

Regardless of the approach chosen, the most effective projects contain three elements:

- The organization or group guiding the effort is representative of all regional stakeholders. All partners participating in the effort are committed to the shared regional vision—not individual organizational agendas.
- There is some mechanism in place that enables the economic adjustment organization to apply for, receive, disburse and manage funding from federal, state, philanthropic or other sources.
- Staff supporting the effort has relevant experience, expertise, and competence in the implementation of complex, long-term regional planning and implementation initiatives that involve multiple partners, priorities, and goals.

Your regional implementation plan should be treated as a living document, and should be revisited regularly and updated as necessary over time as conditions evolve, new partners are engaged and additional data and intelligence is gathered. The organization responsible for plan implementation should be tasked with revisiting the plan and adjusting it in response to evolving regional conditions and needs. Otherwise, over time, the regional plan will become increasingly irrelevant to community stakeholders. As with the development of the plan, the process of revisiting and modifying it to reflect new or changing information should be as inclusive as possible.

When it comes to maintaining momentum, two additional considerations may be just as important as assessing progress against established goals:

- It is never a bad idea to get a “quick win” or two and to publicize it broadly. Nothing breeds success like success, and people always are more apt to “get on board” if they perceive an initiative as successful.
- Continuously improving once goals have been met. Meeting a goal does not mean that work is done; rather, it signals the need to answer the question, “What should we do next?” In crafting continuous improvement-focused goals, regional partners must capitalize on their prior success, adjust strategies to reflect lessons learned, and position themselves to take full advantage of new opportunities.

Funding and Sustainability

While many defense-related economic adjustment efforts are initially funded by federal or state grants, the timeline for a successful adjustment will likely outlive the availability of grant funding. Your stakeholders need to ensure that the initiative becomes self-sustaining as quickly as possible.

The following broad guidelines and principles should be considered as funding strategies are developed:

- **Solidify your base** – Implementing an effective strategy requires people and organizations to manage the process. The first task is to develop a resource base that allows the economic adjustment organization to “keep the lights on,” i.e., to pay the salaries and support the other costs associated with the implementation team. These funds might come from existing budgets, but supplemental funds will also probably be needed.
- **Plan for the long haul** – Effective community strategies focus on the long term and funding strategies should do the same. Where possible, the region should identify funds that can support several years of effort.
- **Diversify funding base** – Just as regions seek to avoid dependence on one employer or one industry, the strategy should seek to avoid dependence on only one funding source. A diversified funding base provides insurance in cases where specific resources dry up or funding expires.
- **Align to regional goals** – Effective funding strategies link to wider regional goals, providing investors with confidence that supporting defense adjustment will also help achieve other community aspirations.
- **Know investors** – It is essential to understand the interests and goals of potential investors. What kinds of programs do they fund? What are their objectives for the community or the broader area with which they are concerned? Do those concerns align with broad-based community concerns?
- **Be opportunistic** – New funding sources and opportunities arise on a regular basis. The economic adjustment organization should have the capacity to identify and compete for these new resources when they are uncovered.





THE END GAME

The end game for everything outlined in this short document is ultimately people. Your friends, neighbors, and family are likely the ones impacted in the wake of a defense cutback, even if they do not work at a defense plant or provide services to a defense facility. A community rises and sustains itself on its people, and those people look to their leadership. You, the local elected official. In your position, whether Mayor or Selectman, Commissioner or Alderman, Representative, Delegate or Senator, you have the ability to effect positive changes in your community and turn a major economic setback into a major economic success story. That road begins with motivation and a vision that will drive you and your community through the process outlined here. While there is plenty of help available, ultimately all efforts are locally grown. Few local officials would have it any other way.



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