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**HOW SUCCESSFUL ARE BR&E IMPLEMENTATION EFFORTS?  
A FOUR-STATE EXAMPLE\***

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## **HOW SUCCESSFUL ARE BR&E IMPLEMENTATION EFFORTS? A FOUR-STATE EXAMPLE**

For several years, BR&E professionals have pointed out that BR&E visitation programs appear to be relatively successful until it comes time to implement the plans developed in the BR&E visitation program. At the implementation stage, however, there have been very mixed reports. Some communities have been very successful, while others have done almost nothing. A number of articles have documented the benefits of BR&E visitation programs.<sup>1</sup> Yet, none of these have examined the implementation of the strategic plans developed by BR&E visitation programs.

Few communities would undertake the program if they did not expect to see some action on their plans. Likewise, few state agencies or universities would continue to support BR&E educational efforts if the BR&E programs do not implement the results of their BR&E visitation and planning programs. Because of the importance of this issue and the lack of systematic research on it, a four-state research project was conducted on this issue over the past two years. The major questions addressed were:

- (1) To what degree have BR&E visitation programs implemented the strategic plans which they developed?
- (2) How beneficial have these BR&E plans been?
- (3) Did these BR&E visitation programs conform to strategic planning principles?
- (4) Was the level of benefits received higher for programs that followed strategic planning principles?

### **Description of Sample BR&E Programs<sup>2</sup>**

A mail survey was sent to the local BR&E coordinator and extension agent who had worked with each BR&E program in the four states (Minnesota, Missouri, Nebraska, and Ohio). When both individuals responded, only the coordinator's response (considered more accurate) was used. A useable response was received from 65 of 95 programs, for a response rate of 68%.

To be included in this study, the BR&E programs had to have a written report on the BR&E plans to be implemented. All of the programs were conducted between 1986 and 1994. The majority of programs surveyed encompassed entire counties (74%), with 7% including a group of towns. The number of firms visited ranged from 11 to 117, with an average of 56. To complete these visits, the programs utilized 30 volunteer visitors, on average. The typical Task Force consisted of 14 people, but ranged from 4 to 50. Nearly 49% of the BR&E programs focused on the manufacturing sector alone, followed by 35% focusing on multiple sectors, 8% on retail and services, and 5% on tourism. The respondents to the survey represent a broad array of

experiences. Extension agents accounted for nearly half of the respondents (45%), followed by local development professionals (34%), business owners (10%), and educators (7%).

### **Degree of Implementation of BR&E Strategic Plans**

Each of the four states included in this research project had written reports for each local BR&E visitation program. These reports summarized the survey responses of the visited firms and included plans for reacting to the firms' primary concerns or local opportunities. This section looks at the degree to which BR&E programs have implemented the plans in their written reports.<sup>3</sup>

BR&E programs adopted an average of just under five plans. The frequency is shown in Table 1. Only 6% adopted no plans and another 3% adopted 10 or more. Table 2 shows the number of plans adopted by programs in this sample. The most popular plans were: publicizing the area's business strengths (adopted by 72% of the programs), sharing information on state and federal development programs (66% adopted), continuing some type of BR&E program (64% adoption), labor training issues (53%), and informing politicians of concerns (51%).

Overall, 30% of the plans adopted in the BR&E written reports have been substantially or completely implemented (Figure 1). In addition, another 35% of the plans were being actively pursued; leaving 35%, of which the groups were just starting (24%) or had taken no action (11%). The probability of making substantial progress appears to be highest for plans dealing with funding for economic development staff (58%), upgrading public infrastructure (37%), continuing BR&E programs (37%), and sharing information on programs (33%).

### **Benefits of BR&E Plan Implementation**

The benefits from the implementation of the BR&E plans were measured by asking the respondents the question--"What impact did each recommendation have to-date?," with the response categories: "very beneficial, beneficial, no impact to-date, harmful, and very harmful."

Over 72% of the plans adopted were reported to have been very beneficial (20%) or beneficial (52%). However, 27% of the plans were reported not to have any impact to-date. Less than 1% were reported to have been harmful (Figure 2).

For the plans adopted, informing politicians of business concerns was reported to be the most beneficial (87%). This was followed by plans to upgrade public infrastructure and services (81%), plans to publicize the area's strengths (80%), plans to fund economic development staff (78%), and plans to share information on development programs (76%).

The above question on benefits ignores differences in the level of implementation for different plans. To adjust for this, a new variable was created that incorporated the degree to which the plan had been implemented as well as the level of benefits. The measure, called simply **Benefits Measure #2**, yields the highest positive score when the plan has been fully implemented and is very beneficial, and the lowest when it hasn't been started and/or is harmful. As shown in Figure 3, just under 10% score the highest on benefits, compared to just over 20% that had no benefits yet.<sup>4</sup>

### **Are Principles of Strategic Planning Used in BR&E?<sup>5</sup>**

Strategic planning literatures give four suggestions for successful local efforts. To what degree do BR&E visitation programs follow these suggestions?

- (1) A broad cross section of community leaders should be involved in collecting the data, analyzing the results, and developing the plan;<sup>6</sup>
- (2) all final decisions on the plan should be made by community leaders rather than outside experts;<sup>7</sup>
- (3) the planning committee should involve other citizens in the plan implementation;<sup>8</sup> and
- (4) those developing the plans should work actively on the implementation phase.<sup>9</sup>

Table 3 shows the percentage of programs that followed strategic planning prescriptions for organization. Approximately two-thirds of the BR&E programs involved a broad cross section of community leaders, and 84% had community leaders make final decisions. And, finally, 69% of the programs shared their results with other citizens. These results suggest that the BR&E visitation programs have been relatively strong during the data collection and planning phase of the program.

However, they appear much weaker during the implementation phase. Only one-third of the BR&E Task Forces met at least quarterly to work on plan implementation. Only 52% of the programs had at least five members of their Task Force (which averaged 14 persons) attend any implementation meetings. Finally, only 6% of the Task Forces assumed overall responsibility for the plan implementation. These results suggest that the strategic planning process is strong up to the implementation stage, but then becomes much weaker.

## **Factors Impacting Benefits Received from Implementation of BR&E Plans**

If the strategic planning literature is correct, then those BR&E visitation programs that follow the strategic planning approaches should achieve greater benefits than those that do not. Testing this concept is important because many of the orientation programs for community leaders and for BR&E Master Consultants assume these principles are correct. However, testing these ideas is difficult. Any one of us can "prove" almost any idea by using several examples. Yet, this is a very weak evidence.

In this study, we use statistical approaches to look at whether these ideas hold up in many different communities and circumstances.<sup>10</sup> After outlining the nature of the factors which influence the level of benefits, the results are reviewed.

### **Expected Relationships**

Ten factors were expected to lead to greater benefits from the BR&E plan implementation, with one factor reducing benefits. These are defined below.

**Factor 1 - Follow prescribed BR&E approach (PLAN):<sup>11</sup>** The strategic planning principles outlined earlier have lead some states to apply the following guidelines in their BR&E visitation programs:

- (1) Visit between 30 and 100 firms;
- (2) have a Task Force of at least four different groups, with no one group having more than 50% of the total;
- (3) have the survey data analyzed and "suggested plans" developed by outside professionals;
- (4) have a the Task Force of at least 10 people;
- (5) restrict the number of firm visits by each volunteer visitor to no more than two;
- (6) have program organizational meetings with at least 15 attendees; and
- (7) have plan development meetings with at least 12 attendees.

Local BR&E programs that follow the above guidelines are labeled as "Following the prescribed BR&E approach."<sup>12</sup> These seven factors are examined as a group rather than individually because the programs that did one of these items tended to do them all. This made it impossible to statistically separate their individual impacts on benefits.<sup>13</sup> Thirty-one percent of the programs in this data set met all of these standards.

**Factor 2 - Community meeting to share results (FINALMT2):** When a program has an open community meeting to share the BR&E survey results and their BR&E plans with all of the participants and other community leaders, we expect the program to have implemented more of their plans and to have higher benefits.

**Factor 3 - Adequate funding (BUDGET):** BUDGET is the product of the total budget of the main BR&E sponsor and the percentage of their budget targeted to the BR&E visitation program. Forty percent of the programs had no budget for BR&E, while the average was \$2,525.

**Factor 4 - Full-time professionals (PAIDIMPS):** PAIDIMPS is the number of full-time professionals that worked on the implementation of the BR&E plans as part of their responsibilities. One-third of the programs had no full-time professionals for BR&E, while the average was 1.1. Note, however, that this does not mean that one person worked full-time on BR&E.

**Factor 5 - Responsibility for implementation specified (WHODO):** Programs which had a written report that specifies who has responsibility for plan implementation were identified and expected to have greater benefits.

**Factor 6 - Coordinator time on implementation (TIMEI):** TIMEI is the number of hours that the coordinator spent on the implementation aspects of the BR&E visitation program. On the average, coordinators spend 38 hours on the implementation of BR&E plans, or one-third of the total time they spend on the BR&E visitation program. However, 65% of the coordinators did not spend any time on the implementation phase.

**Factor 7 - Years since report written (YEARS):** YEARS is the number of years since the issuing of the written report. It was hypothesized that the longer the program had to implement its plans, the greater the degree of implementation and the higher the benefits.

**Factor 8 - Task Force attendance at implementation meetings (ATTENDI):** This variable is the product of the average number of attendees times the number of meetings of the Task Force held explicitly for implementing the recommendations. The average value for this was just over 10. However, 45% of the programs had no implementation meetings and another 28% had only one. Only 11% had three or more meetings which had five or more people attending.

**Factor 9 - Number of plans adopted (NUMREC1):** NUMREC1 is the number of plans adopted by the program as reported by the respondent. It was hypothesized that this would be negatively related to the degree of implementation because the program would be unfocused. The average number of plans adopted was 5.3, ranging from none to 10.

**Factor 10 - Difficulty of implementation (NDIF):** Respondents were asked the following for each of the BR&E plans adopted by their program: "How difficult was the implementation of each plan?," with response categories very easy = 1, easy = 2, average = 3, difficult = 4, or very difficult = 5. The difficulty of implementation was measured for each program as the percentage of programs which were rated 4 or 5. It was conjectured that programs with a high percentage of difficult or very difficult ratings probably would not have implemented as much as their plans as those programs with low percentages.

## Research Results

Figure 4 shows how the nine factors described above impacted on the level of benefits from BR&E plan implementation. All of the factors had the expected impacts on benefits except factor 9. Each of these are discussed below.

### Factors with greatest impact on benefits

The factors which both made the greatest impact on benefits and were more solid statistically were:

Factor 1	Follow prescribed BR&E approach (PLAN)
Factor 5	Responsibility for implementation specified (WHODO)
Factor 7	Years since report written (YEARS)
Factor 9	Number of plans adopted (NUMREC1)
Factor 10	Difficulty of implementation (NDIF)

**Factor 1 - Follow prescribed BR&E approach (PLAN):** Programs which followed all seven strategic planning principles had higher benefits than those that did not. A BR&E visitation program which incorporated these seven aspects had a benefits score of three points higher (or 21% of the average score) than those that did not.



**Factor 5 - Responsibility for implementation specified (WHODO):** Programs which had a written report that specifies who has responsibility for plan implementation had scores considerably higher (19%) than those that did not have this specified.

**Factor 7 - Years since report written (YEARS):** As anticipated, the longer the time since the BR&E plan was adopted, the greater the benefits from the program. Implementation of many programs takes time. Almost all texts on strategic planning and economic development stress the need for patience and a long-term view. These results reinforce this perception. Each additional year since the program added about 7% to the average benefits score.

**Factor 9 - Number of plans adopted (NUMREC1):** This was the only factor that gave unexpected results. While we expected groups to lose focus and, thus, to achieve less and have lower benefits, the results did not confirm this. A possible reason for these unexpected results could be that having a greater number of potential plans makes it possible for different groups to rally behind one that fits their interests. Thus, more plans might lead to greater involvement as well as greater success. However, we expect that the findings are due to a technical problem in the way that benefits are defined.<sup>14</sup>

**Factor 10 - Difficulty of implementation (NDIF):** As envisioned, programs with higher difficulty ratings had lower implementation and benefits ratings. On the average, 22% of the plans were rated as difficult or very difficult. This reduced the total benefit score by about 8% for the average program.

### **Other factors impacting benefits**

While the following factors had a positive impact on benefits as expected, their impact was quite small, with none of them adding more than 3% to the average program benefits. Further, all of these variable are rather shaky estimates, meaning that the odds that even these small estimates is really only zero is very high.

**Factor 2 - Community meeting to share results (FINALMT2):** As expected, programs that did this had a positive impact, but the impact was less than 3% of the average. Possibly other approaches were used to share the results, making it difficult to pick up the effect of the meeting alone.

**Factor 3 - Adequate funding (BUDGET):** Programs with higher budgets did better than those without. Yet, the magnitude of this impact was both very small and rather shaky statically. These results suggest that funding is not a very critical factor in BR&E visitation programs.

**Factor 4 - Full-time professionals (PAIDIMPS):** It helps to have full-time paid employees, but not very much. While some have argued that small- to medium-sized communities that cannot afford full-time professionals are at a major disadvantage, this result indicates that they have only a very minor handicap.

**Factor 6 - Coordinator time on implementation (TIMEI):** The more time the coordinator spent on the program, the greater the benefits. But, again, the impact is extremely small. Earlier research found that coordinators that delegated work to Task Force members and other professionals had more successful programs (Loveridge and Smith, 1992). This delegation could result in the coordinators from some very successful programs spending less time than average.

**Factor 8 - Task Force attendance at implementation meetings (ATTENDI):** As expected, there were positive results from better attendance at the implementation meetings. But, again, the impacts were very small. It might be that the estimates of time spent on these issues is not very accurate. With only 11% of the programs having any type of follow-up meetings, possibly the a large percentage of the others really are reporting follow-up on other issues rather than on the BR&E plans.

## Conclusions

This project found that BR&E strategic plans have been substantially or completely implemented about 30% of the time. In addition, plans that were being actively pursued constituted another 35%. Because the strategic plans include both short run and long run tasks, qualifying these results is difficult. The empirical analysis here indicates that the length of time since program completion is positively correlated with implementation. Possibly short-term plans have been completed, while long-term plans are still in progress. On the other hand, possibly one-third of the plans fall apart during the implementation stage. Further, it is difficult to evaluate what would have been done without the program. Maybe these achievements are twice that without the program.

Nearly two-thirds of the programs conform well to the principles of strategic planning up to the point that implementation starts, then only a small portion of the programs conform.

The benefits of BR&E plan implementation increase when the following factors increase:

(1) the number of paid economic development professionals working on BR&E, (2) the written report specifies who has responsibility for implementing specific plans, (3) the years since the plan was developed, (4) the number of different BR&E plans included, (5) BR&E visitation programs follow strategic planning methods, (6) BR&E programs have more funding, (7) the number of hours spent by the coordinator increases, and (8) when the time spent by the Task Force on implementation meeting increases. The statistical estimates for the first four results are relatively solid, while the last four results are shaky.

### **Implications for BR&E State Programs**

The results of this research have several important implications for state programs providing technical assistance and research support to local BR&E visitation programs. These are:

- (1) BR&E visitation programs should be encouraged to follow strategic planning methods. One means of doing this is to provide them with Business Retention and Expansion certified BR&E Master Consultants.
- (2) BR&E reports should clearly specify who has the responsibility to handle the implementation of BR&E plans. While this might delay the completion of the planning phase of the program, it has clear advantages in the long run.
- (3) The Task Force should plan to meet at least quarterly for two to three years. Community leaders should be told when they start the program that implementation will take several years. This means that they should only get into the program if they plan to stick with it and that they need to be patient.
- (4) BR&E Master Consultants should continue to work with community leaders after the written report is written to help them with the implementation phase of the program. As shown in this research, the implementation of plans and their benefits are achieved only over a considerable period of time. Most local groups need ongoing assistance during this period.
- (5) Community leaders should be encouraged to include a mixture of easy and difficult plans in order to build public support necessary for sticking to the program for the long, difficult haul.
- (6) Requiring that communities provide professionals or large funding requirements before starting a BR&E visitation program might be counterproductive. While these provide some marginal advantages to the program, these requirements would also eliminate many communities that could not provide this.
- (7) Coordinators that make active use of community volunteers rather than attempting to do all the work themselves probably have just as good results as those that spend a lot of time on implementation.
- (8) Ongoing research is needed to explore the factors that influence implementation of BR&E plans and their benefits. Without further research, we will not be able to systematically document the great things that can happen in strong BR&E visitation programs. Without further research, some of our technical assistance will be based on anecdotal evidence, guesswork, and bias. Without further research, we won't quit doing unnecessary steps nor adopt effective new approaches quickly enough.

Table 1  
Number of Plans  
Adopted by BR&E Visitation Programs

Number of Plans Adopted	Percent of Programs
None	6.2
1-3	15.3
4-6	46.2
7-9	29.2
10 plus	3.1

Table 2  
Degree of BR&E Plan Implementation

Plan/Goal	Percent of Programs
Publicize area's strengths	72
Share information on programs	66
Continue BR&E programs	64
Labor training issue	53
Inform politicians of concerns	51
Business/education partnerships	49
Upgrade public infrastructure	41
Create new specific Task Force	38
Fund economic development staff	35

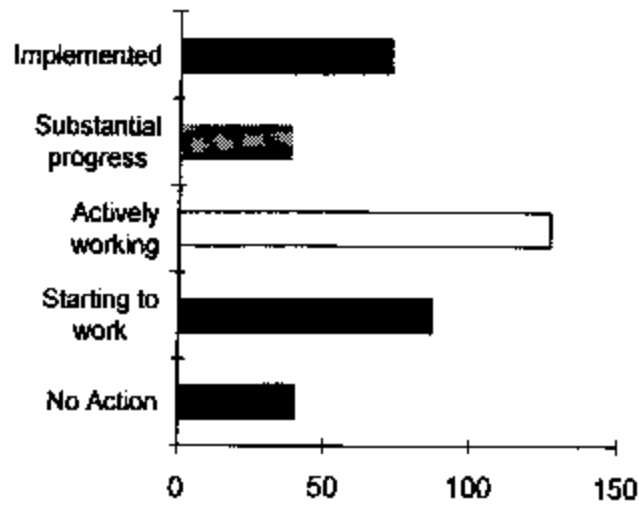
\* Percent of 65 programs

Table 3  
BR&E Programs Using Strategic Planning Principles

Principle/Characteristic	Percent of Programs
Broad cross section of community leaders involved:	
At least 15 persons involved as firm visitors	66
At least 10 community leaders on TF*	66
TF was "broad-based;" 4 groups with none greater than 50 percent	62
Decisions made by local leaders:	
At least 15 TF members developed recommendations	68
TF selected the final priorities for strategic plan	84
Other citizens involved in implementation:	
TF held community meeting on results of plan	69
TF actively involved in implementation:	
At least 5 TF members attended implementation meetings	52
TF met at least quarterly to work on implementation	35
TF had overall responsibility for implementation	6

\* TF = Local BR&E Task Force of community leaders.

**Figure 1**  
**Degree of BR&E Plan Implementation**



**Figure 2**  
**Impacts of BR&E Plans**

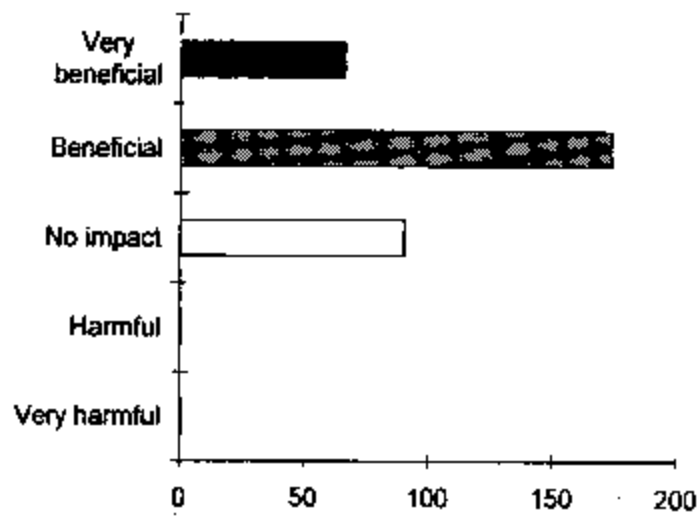


Figure 3  
Benefits Measure #2

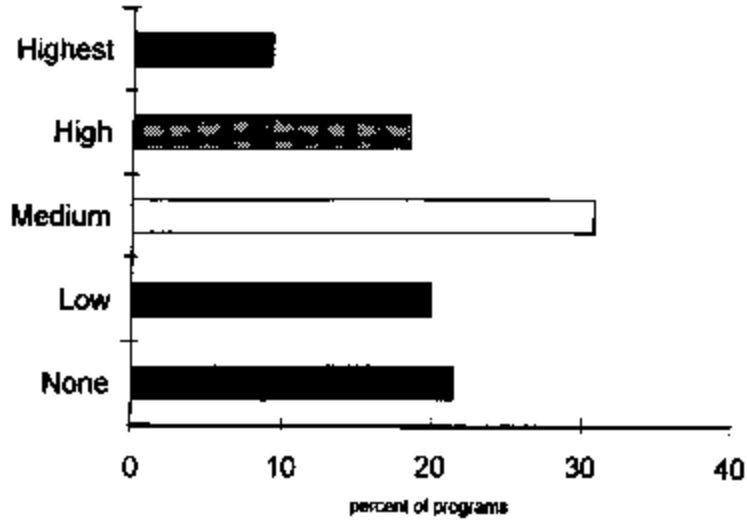
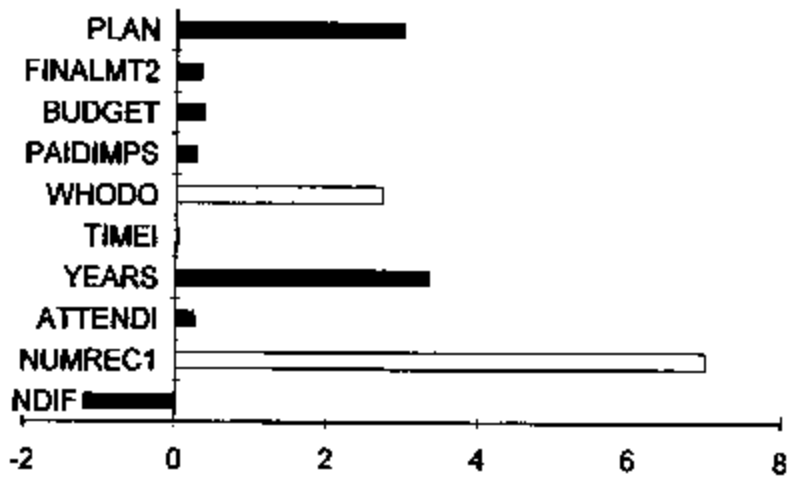


Figure 4  
Factors Influencing BR&E Plan Benefits



### Endnotes

1. Lenzi; Loveridge and Smith 1992a; Loveridge and Smith 1992b; Loveridge, Smith and Morse 1991; Loveridge, Smith and Morse, 1992; Morse, 1990; Smith, Morse and Lobao; Sabatine; and Warren.
2. This section is drawn from Ha, Allanach, and Morse, pp. 1-2.
3. In some states, these strategic plans are called "recommendations."
4. The benefits scores are as follows: low = 1-10; medium = 11-20; high = 21-30; and highest = 31 plus. The values are the products of the scores on the degree of implementation and an index value of the benefits.
5. This section is drawn from Ha, Allanach, and Morse, 1995.
6. Luke et al., pp. 36-41; Bryson, pp. 78-80; and Loveridge and Smith 1992, p. 76.
7. Luke et al., pp. 45-47.
8. Luke et al., p. 48.
9. Luke et al., p. 48; and Bryson, pp. 197-215.
10. OLS regression analysis is used to separate out the impacts of the different factors (or independent variables).
11. For these factors, the name in capital letters is the one used in the computer program and on some of the graphs.
12. For those familiar with regression analysis a dummy variable was established, with those meeting the criteria being set equal to 1 and the other equal to 0.
13. This grouping of the seven characteristics was the only means of handling this multicollenarity.
14. Provided the benefits for each plan are positive, the total score on benefits will be higher for programs that adopted a lot of recommendations than for programs with similar degrees of implementation but that only adopted a few recommendations. Thus, our benefits measure and this factor would be positively related, even if the original hypothesis was correct.



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