

## GrowFL Brings Economic Gardening to the Sunshine State, Resulting in a Replicable Model

*By Mark Lange, Executive Director, Edward Lowe Foundation*

*Now in its second year, GrowFL has been generating considerable buzz in economic development circles. The country's first statewide, state-funded economic-gardening program, GrowFL focuses on second-stage companies and uses a unique virtual model for delivering services. In the article below, Mark Lange, executive director of the Edward Lowe Foundation, discusses GrowFL, the foundation's role, why economic gardening is effective and lessons learned as the model pioneered by GrowFL expands nationally.*



Often referred to as a “home-grown” approach, economic gardening seeks to help existing companies grow larger, rather than trying to woo large corporations to relocate to a region.

That sounds deceptively simple, which is why people may believe they're practicing economic gardening when they're not. They may be targeting existing companies, but their toolkits typically hold traditional business assistance services (e.g., cash-flow analysis, business-plan review, succession planning, etc.) rather than the sophisticated information technology tools and concepts that economic gardening employs.

Instead of operational issues, economic gardening deals with strategic growth challenges such as penetrating new markets, refining business models and developing high-performance teams. Economic gardening specialists help CEOs identify issues that are hindering growth and point them to new tools and information to apply immediately. It also delves into temperament issues and a variety of science concepts to help identify business growth issues.

Economic gardening is analogous to refueling planes in mid-air so they can keep flying, which is why it's ideal for second-stage companies (those that have moved beyond the startup phase and seek continued growth). These firms already have products, services and customers in place. They're moving fast and don't have time to get involved in with programs that take weeks or months to produce results. They need just-in-time solutions.

## Planting GrowFL seeds

In 2009, the Florida legislature approved funding for an economic gardening initiative aimed at second-stage companies. The funding included \$8.5 million in loans and \$1.5 million for technical assistance, and the latter led to the formation of the Florida Economic Gardening Institute, housed at University of Central Florida (UCF), which administers GrowFL's services.

To qualify for GrowFL, companies must have 10 to 50 employees and generate between \$1 million and \$25 million in annual revenue. Candidates must also demonstrate growth in both employment and revenue numbers during three of the last five years. If they meet these criteria, they receive up to 35 hours of free economic gardening assistance, which includes the following tools and skill sets:

- *Understanding temperament* (e.g., personality preferences, such as extroversion and introversion, and how people process information differently). This helps CEOs recruit high-performance teams and make sure current employees are in positions that leverage their strengths.
- *Analysis of core strategy* to make sure companies avoid commodity traps.
- *Market research/competitive intelligence*. Sophisticated databases identify market trends, potential partners or competitors and unknown resources.
- *Geographic information systems* track customer expenditures, psychographics and demographics and then create color-shaded density maps to profile customers or show gaps in market coverage.
- *Search engine optimization*, which helps raise visibility in search engine results and increase traffic on websites.
- *Social media monitoring* tools track websites, blogs and online communities to see what people are saying about companies and products and reveal important market influencers.

One of the keys to GrowFL's success was its ability to get up to speed quickly with little infrastructure, which is one of the areas the foundation assisted with. In conjunction with Chris Gibbons, who pioneered economic gardening in Littleton, Colo., and Steve Quello, founder of CEO Nexus in Winter Park, Fla., the Edward Lowe Foundation developed a

virtual model that could deliver the same portfolio of services Gibbons offers in Littleton but scaled to a state level.

First, the foundation's IT team created an online platform that enables economic-gardening specialists to participate in strategic research teams (SRTs) and interact directly with second-stage CEOs and senior managers. This online platform also enables program administrators to generate reports, collect metrics and handle invoicing of the outsourced SRTs.

Then the foundation worked with Gibbons to assemble a national team and test the virtual model, using four second-stage entrepreneurs from three states. Once GrowFL funding was approved, this national team was able to work immediately with Florida's second-stage companies. This gave GrowFL administrators time to find the right people to build their own SRT and devise a communications strategy. (Once Florida's SRT members were identified and trained, they began work virtually with clients using our online platform, just as the national team did.)

### **Beyond SRTs**

In addition to the strategic research services, some of GrowFL's funding was used to create CEO forums, where second-stage entrepreneurs could hear CEOs from larger companies share their experiences. These forums are especially helpful in attracting second-stagers (who rarely turn out for traditional networking events) and motivating them to apply for GrowFL. Funding was also used to create peer-learning groups for GrowFL participants. These groups use the foundation's PeerSpectives methodology, designed especially to help second-stagers improve decision-making and leadership.

Together, the strategic research services, CEO forums and peer learning groups create a unique ecosystem. Now Florida has a methodology for serving second-stage companies and getting them to interact with each other.

At end of its first year, GrowFL had helped 157 companies, which created 418 direct jobs — and 1,478 jobs total when induced and indirect jobs were added in, according to an analysis conducted by an independent consulting firm. What's more, the state's \$1.5 million investment for GrowFL produced a 6:1 return on investment. This prompted the state legislature to continue the program for a second year with \$2 million in funding.

When Florida legislators initially debated the merits of an economic gardening program, they were hesitant to target companies of a specific size. But they soon realized the state already singled out companies in other economic development efforts, such as startups that were

accepted into business incubators or companies in specific industries that Florida wanted to recruit. Why not a particular size of business?

### Lessons learned

One of our surprises in helping launch GrowFL was how difficult it was to convince second-stage companies to take advantage of the program, even though it was free. A lot of effort went into communication materials to explain GrowFL's services — how they differed from traditional business assistance and how services would be delivered. This message had to be delivered not only to second-stagers but also economic developers.

When GrowFL started, only a couple of outlying regions were truly comfortable with the virtual hub-and-spoke model housed at UCF. Entrepreneur support organizations (ESOs) in other areas liked the concept, but wanted to operate it out of their own organizations, not realizing how expensive and time-consuming it is to train and operate SRTs.

Fortunately, because the national SRT was able to hit the ground running, the program generated positive results quickly. CEOs initially helped by GrowFL gave testimonies on the impact the program had on their companies and why it was an important strategy. That got other regions excited and resulted in more second-stage companies being referred into the system.

It's critical to stress that economic gardening is not trying to circumvent relationships that economic developers and ESOs have with companies in their regions.

ESOs don't lose any ground by referring their companies into a state's economic-gardening network. On the contrary, they gain respect and trust because they're introducing clients to unique services. After participating in an economic gardening program, companies typically emerge even more interested in programs available at the local level.

What's more, when ESOs begin participating in an economic gardening network, they learn more about each other's strengths and weaknesses. This enables organizations to avoid duplication of services, refine their core strengths and refer clients to other groups when appropriate.

### Moving beyond Florida

In 2010, the foundation began expanding the national SRT and enhancing our IT platform to help other regions. With funding from the U.S. Department of Agriculture, Kansas was

the next state to embrace our virtual model. It initially targeted second-stage companies in rural areas, but with referrals from the state's Small Business Development Center, the program is now expanding to urban areas. In addition, a number of regions in Georgia, Indiana and Arizona are introducing the SRT model.

Our engagement in Florida also reinforced the importance of preserving the original methodology that has made economic gardening so successful. With that in mind, the foundation has established the National Center for Economic Gardening to create national standards and provide training for economic gardening specialists. Two types of certification will be available: 1) professional certification for individuals in five different specialties, and 2) program certification. The certification program will launch in August.

The adoption of the virtual research team model is helping create a strong movement across the country for economic gardening. But it's important for programs to maintain the fidelity of the original concept. When done correctly, these programs have a tremendous impact on participating companies and become the hub of a strong entrepreneurial culture.

*For more information, visit GrowFL online at [www.growfl.com/](http://www.growfl.com/) or the Edward Lowe Foundation, <http://edwardlowe.org/>.*