



Strategic Planning for Economic Development in Rural Areas and Small Towns of Oklahoma

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Economic development has become the “watchword” for rural Oklahoma as local leaders struggle to revitalize the rural economy. Economic development is concerned with diversifying the rural economy and creating additional jobs and income to maintain and enhance the quality of life in rural towns and communities. A troubled agricultural industry, declining resource prices, and national economic trends have all combined to challenge those interested in a strong rural economy.

Much effort occurs at the national and state level to address important development issues. These issues, including fiscal policy, the trade position of the U.S., and State development policy, are all critical to development in both rural and urban areas. Rural leaders need to understand the impact these issues may have on their local economic development efforts. But of equal importance is the fact that rural leaders need to know what policies and strategies are possible to guide economic development at the local level. These local considerations are the topic of this fact sheet.

Strategic planning implies forward thinking and anticipation of the future. Resources will be utilized and decisions made to achieve desired future goals. Strategic planning is the process of identifying future goals and how to achieve them. Strategic planning will clarify the process of building a local foundation for economic development. There is nothing mystical about developing a strategy. It involves hard work, communication, thought, and cooperation. To succeed in economic development efforts, a community must know where it wants to go and how it should get there. A strategy is simply a plan or a road map showing how to get there. Business firms are often advised to develop a business plan in order to survive in a constantly changing environment. The plans can be used to assist management in assessing potential opportunities and implementing decisions [1]. Developing a strategy for community economic development is very similar and necessary if communities are to succeed. Local leaders must be involved in developing the strategy because it cannot be successful without their total support. It is also important that local leaders understand at the very beginning that they must make a substantial commitment of their time and effort if they hope to succeed. The purpose of this fact sheet is to:

1. Review the benefits of strategic planning

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2. Summarize the steps required to build an economic development strategy
3. Provide some tools to do some of the preliminary work in building a strategy.

It should be emphasized that this fact sheet is only intended to provide local leaders with information about strategic planning and not as an exhaustive procedure on how to complete such a plan. Sub-state planning and development districts, the Cooperative Extension Service, the Department of Commerce, and other agencies are available to help communities in developing strategic plans for economic development.

Benefits of Strategic Planning

Time spent in developing an economic development strategy will pay big dividends because it will [2]:

1. Outline the steps to follow. Economic development does not just happen. It requires the community to identify a number of intermediate steps to reach its final goals.
2. Promote efficient use of scarce resources. A significant amount of money, time, and people will be required for economic development efforts and these limited resources must not be wasted. The plan will provide rationale for resource allocation.
3. Improve coordination. Many programs, activities, groups, and individuals will be involved in the development effort and it is important that they not overlap or conflict. The plan will serve as a vehicle for communicating development activities.
4. Build consensus. The public and the private sector must agree on the major issues involved. This will lead to support in implementing the plan.
5. Increase public awareness. Without public support, economic development cannot happen. It is important that the public know how development occurs and how it affects the community.
6. Strengthen the community's competitive position. A community with a strategy will not only be inherently more likely to succeed, it will appear more attractive to potential business or industry than a community without a plan.
7. Encourage forward-thinking. The strategy will encourage community leaders to think about the future and to not overlook opportunities for development as they arise.

Steps In Building A Strategy [2,3]

With the benefits of developing a strategy identified the next step is to summarize the steps needed to establish the strategy. Local leaders should not be overwhelmed by the task of designing a community development strategy because they may obtain assistance from a variety of sources with experience in this area.

It should be emphasized that while the following steps to strategic planning are similar for any community, the final plan is the responsibility of local leaders. It must be tailored to fit the conditions of the individual community.

1. **Establish the steering committee.** Broad-based community support is the foundation for successful economic development efforts. It is extremely important that the steering committee be made up of a cross-section of the community's public and private leadership. Existing organizations (chambers of commerce, industrial trust, etc. should be used where possible. The committee is responsible for forming the plan, communicating the plan to the community, and promoting the entire planning process. One of the most important functions of the steering committee after forming the plan is to establish a schedule to complete each phase of the plan and see to it that each phase is completed. The schedule should allow sufficient time to complete each element and be flexible enough to allow for contingencies.
2. **Obtain technical assistance.** Steering committee members may not have the time or expertise to do all the work. Assistance is available from the State Department of Commerce, consultants, universities, sub-state planning and development districts, utility companies, rural electric cooperatives, and others. They can provide the type of assistance needed to help communities in the economic development process. But success will depend on active participation of local leaders from the planning through the implementation phases of the strategy.
3. **Develop basic data.** Demographic and economic data are needed to determine trends and to identify strong and weak points in the community. The data is needed by those interested in investing in the local economy. The data should include information on population, income, employment, wages, business, and an inventory of community services—utilities, streets, and highways, and transportation services. These data will highlight the problems the community needs to work on if it is to have successful economic development effort. The data will also be useful in determining what kinds of economic development the community should pursue.
4. **Review economic development alternatives.** A community may increase its economic activity in a variety of ways including: increasing economic activity of existing business and industry; attracting business and industry outside the community to locate in your community; encourage new business and industry to form within the community; and other means of bringing money into the community, such as attracting retirees. The alternative(s) selected for community to pursue depend(s) on many factors. The important thing is for the community to know what alternatives are available and then to choose the one(s) that best fit their situation. OSU Cooperative Extension Service Fact Sheet AGEC-858, Economic Development for Rural Oklahoma, reviews these alternatives [4].

5. **Analyze key issues.** Key issues are those that will influence the direction of community economic development efforts. A complete set of basic data may indicate some key issues. They may be things the community can do something about, such as streets, the sewer system, or the attitude of the citizens toward a change. For example, if the community has a limited water supply, it may need to develop an additional source. Other issues may be unchangeable, such as the climate or the community's location. The point is that you must look realistically at your community, change what is possible and necessary, and then proceed with a plan that is workable.
6. **Identify financial resources.** It is important to identify the sources and amount of capital required to finance needed changes in the community to enable economic development. Wanting and planning for economic development will not make it happen unless the money is there to make it happen. Available capital is an absolute must for new business and industry.
7. **Set priorities.** A community must establish a list of priorities specifying the kind(s) of economic development alternatives to pursue and any changes the community needs to enable economic development to occur.
8. **Implement the plan.** The best plan in the world is no good if it is not used. The plan should be as simple as possible, but complete. It should be flexible to allow for problems that will arise. It should be accomplished within a reasonable time frame. The resources, money, and people, must be available to do the work. Perhaps the two most important parts of any plan are WHO will do what, and WHEN will they do it. Someone or some group must be identified to accomplish each task in the plan and they must be given a completion date. The participants should know that they are making a significant time and effort commitment and that the success of the economic development plan depends on the completion of their assignments. The last point to emphasize about a strategy for economic development is that it should be viewed as a process and not a single event. No part of the plan should be set in concrete, but rather be ready for change as circumstances affecting economic development in the community change.

Tools to Aid in Developing a Strategy

Many techniques and tools are available to aid communities in building a strategy. Survey instruments are often used to identify issues and concerns the community may have. Several references [2,3,5,6, and 7] were utilized to build the two survey instruments and the checklist that follow.

The survey instruments can play three very important roles in developing an economic development strategy. First, they will help identify strengths and weaknesses in the community. Second, the survey will help set priorities for economic development. Third, soliciting opinions from a cross section of the community will inform them of the economic development effort and may gain their support if they feel that they have had the opportunity to voice their opinions.

Exhibit 1 is a quality of life survey that many communities have used to identify strengths, concerns, possible goals, and influential leaders. Exhibit 2 is a survey, "What's Good About Your Community," analyzing items that may be important to

a town. Items can be ranked good, fair, or poor by the survey respondents. Exhibit 3 is a checklist covering key concerns for community planners involved in economic development.

Potential users of these surveys should note these forms are only a "model" or suggestions. Individual communities may want to modify the questions to suit specific needs. Thought should be given to who is surveyed, and how the results will be tabulated and reported.

References

- [1] Bowen, George E. and Joseph Prochaska, Community Goals For Knoxville - Knox County, Volume IV, Community Goals Game Instruction Manual, Knoxville: University of Tennessee, Graduate School of Planning, September, 1978.
- [2] de Luca, Edward, "Organizing and Operating a Development Department," in Shaping the Local Economy: Current Perspectives on Economic Development, Cheryl Farr, Editor, Washington, D.C.: International City Managers Association. 50-58.
- [3] Nelson, James R., Gerald Doeksen, and Jack Dressen. A Guidebook for the Planning of Economic Development in Rural Communities, Stillwater: Cooperative Extension Service, Oklahoma State University, AE 7829, 1978.
- [4] Park, David W., "Repairing and Using Business Development Plan" OSU Extension Fact Sheet, AGEC-168, Oklahoma State University, August, 1987.
- [5] Tennessee Valley Authority, "Focus on the Future," Red Ark Symposium on Economic Development Leadership, Ada, Oklahoma, June 5-6, 1986.
- [6] Texas Advisory Commission of Intergovernmental Relations. Comprehensive Planning for Small Texas Cities, Austin, Texas, August, 1983.
- [7] Woods, Mike D. and Larry Sanders, "Economic Development for Rural Oklahoma," OSU Extension Fact Sheet AGEC-858, Oklahoma State University, December, 1987.

Exhibit 1. QUALITY OF LIFE COMMUNITY PROFILE SURVEY

What are the strengths and weaknesses of our town? Your answers to this survey will assist in the development of the Economic Development Strategy for _____. Our objective is to identify the needs we have in _____ and to find out what you feel should be done to make this town a better place to live, work, rear children, do business, and enjoy life. Please be as candid and as specific as possible in your answers (each survey is confidential).

A. In your opinion, what are the biggest strengths or advantages in _____, which could lead to future growth?

- 1. _____
- 2. _____
- 3. _____

B. What would you say are some of the biggest problems and obstacles faced by _____ for the future growth of the area? (note in order of importance)

- | | |
|----------|----------|
| 1. _____ | 4. _____ |
| 2. _____ | 5. _____ |
| 3. _____ | 6. _____ |

C. Identify in to your opinion which of the following are most important; with highest priority rated # 1.

- | | |
|-----------------------------------|-----------------------------------|
| Rank | Rank |
| — Attracting new Industry | — Create Service Boards |
| — Expand Local Industry. | — Down-Town Revitalization |
| — Retail & Commercial Development | — Retirement Industry Development |
| — Expand Tourism Industry | — Create Home Grown Businesses |
| — Expand Community Services | — Other |

D. In your opinion, what persons are the most influential men and women in _____ ?

- | | |
|----------|----------|
| Men | Women |
| 1. _____ | 1. _____ |
| 2. _____ | 2. _____ |
| 3. _____ | 3. _____ |

E. What organizations, clubs, businesses, or groups have accomplished the most good for the growth of _____ ?

- | | |
|----------|----------|
| 1. _____ | 1. _____ |
| 2. _____ | 2. _____ |
| 3. _____ | 3. _____ |

F. Do you have any other ideas or ways to improve the quality of life in _____ ?

- 1. _____
- 2. _____
- 3. _____

Exhibit 2. WHAT'S GOOD ABOUT YOUR COMMUNITY

Here is a list of things that are important to a town. Be absolutely honest, how do you rate your town? In answering the questions below, please make a check mark in the appropriate column.

	GOOD	FAIR	POOR	DON'T KNOW
1. Streets and Roads	_____	_____	_____	_____
2. Traffic Conditions	_____	_____	_____	_____
3. Parking Downtown	_____	_____	_____	_____
4. Police Protection	_____	_____	_____	_____
5. Fire Protection	_____	_____	_____	_____
6. Garbage Collection and Disposal	_____	_____	_____	_____
7. Water Supply	_____	_____	_____	_____
8. Sewage Collection and Disposal	_____	_____	_____	_____
9. Community Parks and Playgrounds	_____	_____	_____	_____
10. Recreation for Adults	_____	_____	_____	_____
11. Recreation for Teenagers	_____	_____	_____	_____
12. Recreation for Children 12 and under	_____	_____	_____	_____
13. Library	_____	_____	_____	_____
14. Flood Control	_____	_____	_____	_____
15. Crime Prevention Programs	_____	_____	_____	_____
16. Ambulance Service	_____	_____	_____	_____
17. Availability of Doctors	_____	_____	_____	_____
18. Availability of Dentists	_____	_____	_____	_____
19. Availability of Emergency Care	_____	_____	_____	_____
20. Availability of Care for the Elderly	_____	_____	_____	_____
21. Availability of Housing	_____	_____	_____	_____
22. Condition of School Building	_____	_____	_____	_____
23. Elementary Education	_____	_____	_____	_____
24. High School Education	_____	_____	_____	_____
25. Vocational Education-Job Training	_____	_____	_____	_____
26. Adult Education	_____	_____	_____	_____
27. Appearance of Neighborhoods	_____	_____	_____	_____
28. Appearance of Business	_____	_____	_____	_____
29. Appearance of Public Buildings	_____	_____	_____	_____
30. Overall Community Appearance	_____	_____	_____	_____
31. Welcome Given to Newcomers	_____	_____	_____	_____
32. Friendly and Neighborly People	_____	_____	_____	_____
33. Progressive Community Spirit	_____	_____	_____	_____
34. Long-range Planning	_____	_____	_____	_____
35. Planning and Zoning	_____	_____	_____	_____
36. Responsiveness of Local Government	_____	_____	_____	_____
37. Community Civic Organizations	_____	_____	_____	_____
38. Cooperation between Community Clubs and Groups	_____	_____	_____	_____
39. Churches	_____	_____	_____	_____
40. Local Tax Rates	_____	_____	_____	_____
41. Day Care for Children	_____	_____	_____	_____
42. Service in Local Streets	_____	_____	_____	_____
43. Number and Quality of Eating Places	_____	_____	_____	_____
44. Variety and Quality of Goods in Stores	_____	_____	_____	_____
45. Banking and Financing Service	_____	_____	_____	_____
46. Local Newspaper Service	_____	_____	_____	_____
47. Hotel and Motel Accommodations	_____	_____	_____	_____
48. Local Industry	_____	_____	_____	_____
49. Local Agriculture	_____	_____	_____	_____
50. Family Living Conditions	_____	_____	_____	_____

Exhibit 3. Community Preparedness Checklist for Economic Development

This checklist is intended to help community leaders analyze their community's preparedness for economic development efforts.

Does your community have(?):

1. An existing local organization for promoting economic development?
2. Widespread leadership participation?
3. Public and private sector cooperation?
4. Funding for a development program?
5. Coordination among local agencies and organizations promoting job creation?
6. An existing plan for economic development?
7. Publicly controlled and developed industrial sites?
8. An inventory of potential sites?
9. Available industrial buildings?
10. Marketing materials (data sheets, site maps)?
11. An marketing approach and team?
12. An existing industry assistance program?
13. An business development program?
14. Adequate public infrastructure:
 - Water supply?
 - Wastewater treatment?
 - Electricity?
 - Natural gas?
 - Telephone?
 - Roads and transportation?
15. Labor availability?
16. Capabilities for technical skills training?
17. Good labor-management relations?
18. Community services, facilities, and livability:
 - Education?
 - Health Care?
 - Recreation?
 - Appearance?
 - Housing?
 - Police and fire?
 - Dining and lodging?
19. Financing for business and industrial expansion?
20. Communications and good relations with State and Federal sources of assistance?

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