

Thinking and acting more like a developer

(or at least understanding
developers)

What is fundamental Main Street®?

- Fundamental design
 - Learning how good designs work and then improving how well yours work - collectively and individually
- Fundamental promotion
 - Learning how good promotions work and then improving how well yours work - collectively and individually
- Fundamental organization
 - Learning how good organizations work and then improving how well yours work - collectively and individually

Fundamental economic restructuring?

- Learning how good economic restructurings work and then improving how well yours work - collectively and individually
 - Businesses
 - Markets
 - Marketplaces
 - Economies
 - Districts
 - Neighborhoods

Fundamental economic restructuring

- Learning how good developments work and then improving how well yours work - collectively and individually



Identify what your commercial strengths are (or can be) and develop them

Commercial development to shape new strategies

- Property development/management (design)
- Leasing (economic restructuring)
- Marketing (promotion)
- Administration (organization)
 - Financing, financial operations
 - Human resources
 - Tenant relations
 - Deal making, partnerships, connections

Developing space

Creating, maintaining and improving space (with Design Committee)

- Property inventories
- Developing underutilized space
 - Stimulating and guiding development
 - Incentives (technical and financial grants/loans)
 - Disincentives (zoning, codes, ordinances)
 - Community initiated development
- Sustainability initiatives
- Placemaking (common areas, public space)

Developing businesses

Creating, maintaining, and improving businesses

- Business inventories
- Leasing plans
 - Entrepreneurial development
 - Tenant relations
 - Sample lease language
 - Business guidelines, business pledge
 - Community-owned and supported business development
- Business improvement
 - Personal training, business coaching
 - Incubator without walls
 - Clicks and mortar

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Developing customers

Marketing (with Promotion Committee)

- Selling your development proposals to potential reviewers, funders, and tenants
- Selling your development to potential customers (collectively)
 - Target customer
 - Branding
 - Scripting overall experience, appealing to all senses
 - Traffic building activities
 - Advertising
- Business marketing improvement

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Developing partners

(with Organization Committee)

- Convening regional economic development players
 - Serving as a conduit to economic development resources
- Packaging and leveraging funds
- Serving as a voice for downtown in larger community development conversations impacting downtown
- Championing the value of downtown commercial development as compared to other commercial development
- Strengthening the connection between master plan and work plan
- Working with other commercial districts in the region

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Donovan Rypkema



- Community Initiated Development: A Manual for Community-Based Real Estate Development
 - www.preservationbooks.org/Bookstore.asp?Item=1342

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Role of the public and nonprofit entities in the real estate development process

- Set the goals
- Establish the rules
- Then allow the private sector to undertake the development

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Leasing

- Transform knowledge of the market into proactive design of a dream marketplace



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Leasing

- A compelling vision of a fully functioning future marketplace to attract the entrepreneurs who will eventually realize that vision
 - Sell potential businesses on their ability to become part of a successful place



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Leasing

- The collective, not the individual, determines commercial district success
 - The right combination and critical mass of businesses to attract the available customers



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Leasing

- Independent and impulsive leasing results in weaker marketplaces than cooperative and strategic leasing
 - You commercial district will not thrive thinking about one property at a time, one lease at a time, or one business at a time



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Knowledge of the market

- Business success is determined by the differentiated product/service, not the generic
 - So is commercial district success; in sum and in part

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Knowledge of the market

- Use the numbers (e.g. demographics) to:
 - Define your downtown's market position
 - Who to sell to (collective target customer)
 - What to sell (collective target concept)
 - Ensure there are enough of the right customers available for the assembled businesses to break even or better



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Knowledge of the market

- May need to expand the trade area
 - Geographically (e.g. day trippers)
 - Well-run destination businesses that become regional draws
 - The right combination and critical mass of businesses that collectively become a regional draw
 - Virtually (e.g. click and mortar)

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Knowledge of the market

- Research, answer market questions to inform your development decisions
 - Space: what sort and how much
 - To define and enhance your collective target concept
 - Not the feasibility of someone else's space development
 - Businesses: what sort and how much
 - To define and enhance your collective target concept
 - Not the feasibility of someone else's business development
 - Customers: perceptions, preferences, brand awareness
 - To define your collective target customer
 - To evaluate and shape your target marketing
 - Partners: synergy between your development and theirs

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Knowledge of the market

- Your district-wide market research cannot be or replace business-specific market research
- Encourage and help downtown businesses research answers to their specific questions to inform their decisions
 - Zip code tally
 - Customer database
 - Focus groups

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Leasing



- Hypothetical rearrangement and addition of businesses within the district to visually map out or model the ideal business district
 - May also involve the hypothetical development of space

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Leasing

- Use the art of combination
 - Must be consistent with the market position
 - Must be checked against the science of the market and the reality of any given space
 - Each potential investor is still responsible for running his or her own numbers

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Clustering

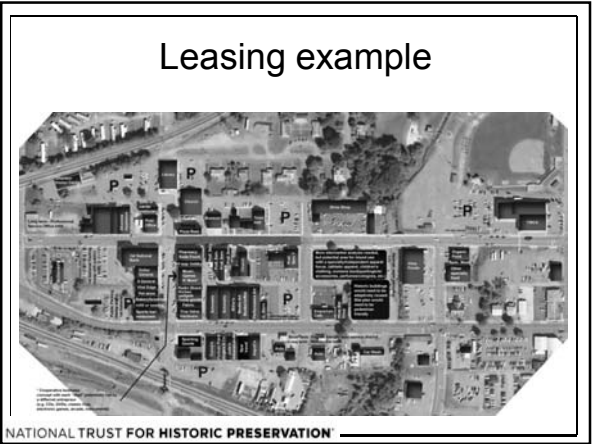
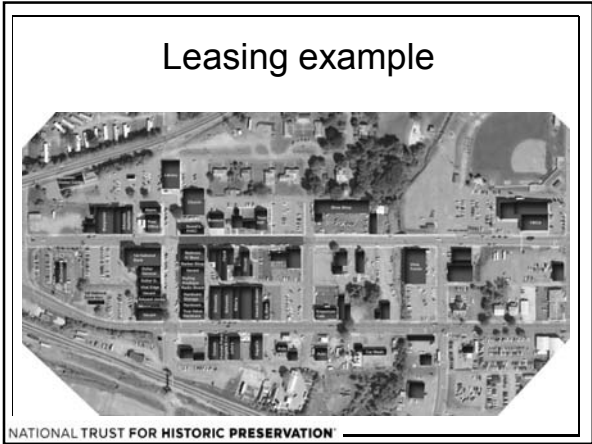
- Competitive clusters
 - Competitive businesses sell the same type of products and services
- Complementary clusters
 - Complementary businesses sell related products and services
- Compatible clusters
 - Compatible businesses may have unrelated products and services but share customers.
- Healthy clusters benefit from having traffic-generating businesses (anchors)
 - Parking near the anchor or gateway

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Leasing example

- Downtown Altavista specializes in establishments that make life simpler. Neighborhood residents, downtown employees, visitors to the many civic gathering spots and rural retirees, have easy and convenient access to the basic products and services they need everyday and want with personal attention from independent businesses

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Pros

- Help entrepreneurs evaluate potential locations
- Help property owners evaluate potential tenants
- Help investors decide how best to invest
- Increase investor confidence

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Pros

- Tackle the market and downtown revitalization from a position of strength

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Cons

- Potential negative response of business owners who are relocated in the dream scenario
- Potential negative response of property owners whose tenants are relocated in the dream scenario
- Potential for the dream scenario to hinge upon investment by individuals who are not able or willing to invest
- Potential escalation of asking prices for property

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Developing customers

Marketing (with Promotion Committee)

- Selling your development proposals to potential reviewers, funders, and tenants
- Selling your development to potential customers

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Selling your development proposals to potential reviewers, funders, and tenants

- Successful developers are good at communicating their development vision using:
 - Verbal descriptions
 - Maps/diagrams/schematics
 - Architectural renderings

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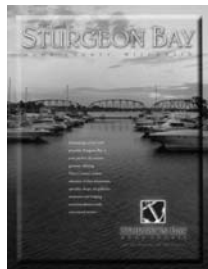
Selling your development proposals to potential reviewers, funders, and tenants

- Do you have a downtown vision statement?
 - A compelling verbal description of your dream for a fully functioning future marketplace
- How do you use it?
- Do you have architectural renderings of your dream for a fully functioning future marketplace

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Selling your development to potential customers

- Create commercial brand awareness in the minds of potential customers
 - Positive commercial brand awareness will increase the probability that customers will choose you when selecting a shopping or tourist destination



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Selling your development to potential customers

- Collectively settle on a single brand in which you will invest volunteer and financial resources to strengthen and promote
 - Before communicating the chosen brand, be sure you have developed enough assets and are prepared to fulfill expectations created
- Businesses, current and future, will likewise need to co-brand themselves with whichever community brand is chosen in order to survive and thrive

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Selling your development to potential customers



- Business and district sustainability requires finding ways to continue promoting and building brand awareness during the time between your signature events

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Selling your development to potential customers

- Create a marketing plan
 - Decide the who, what, when, where, why, and how of your advertising (image campaigns) and your events (special events and business promotions)
 - Tailor promotional activities to customer segments (types and timings)

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Selling your development to potential customers

- Competitive clusters lend themselves to cooperative business promotions
 - market the ability to comparison shop within your commercial district
- Complementary clusters lend themselves to cross-business promotions
 - compel the customer to purchase all those related products and services while shopping in your commercial district.
- Compatible clusters lend themselves to consumer segment promotions
 - focus on connecting the targeted customer group with all the businesses in your commercial district that will appeal to them

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Implementation

- Fielding investor/entrepreneur inquiries
- Investor/entrepreneur attraction
- Entrepreneur development
- Proactive investor/business recruitment



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Proactive business recruitment

- Inherent weaknesses
 - Typically focused on the business type and not the business owner
 - Recruited businesses can fail even if a market opportunity exists (because of the owner)
 - Non-recruited businesses can flourish even if a market opportunity wasn't identified (because of the owner)

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The Power Of Downtown Entrepreneurship

Creating an Entrepreneurial
Climate Downtown

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Ways to make your downtown an attractive and creative place that encourages and nurtures entrepreneurship



Rise of the Creative Class?

(Richard Florida's theory)

- If economic growth is driven by the location choices of creative people (potential entrepreneurs), where do creative people prefer to live?
 - Thick Labor Markets
 - Lifestyle
 - Social Interaction
 - Diversity
 - Authenticity
 - Identity
 - Quality of Place



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Tools to support entrepreneurship



- Attraction methods
- Financial and technical assistance
 - Incubators?

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Entrepreneur attraction

- Make the downtown more attractive to entrepreneurs and employees (efforts from all Four Points)
 - Everyone working toward the same vision for downtown (organization)
 - Downtown in top physical shape (design)
 - Lots of people visiting your downtown (promotion)
 - Healthy downtown businesses (economic restructuring)



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Design as entrepreneurial attraction

- Good spaces
 - Maintained/improved spaces (design guidelines)
 - Authentic spaces (competitive advantage/economic value of historic spaces)
 - Quality spaces (economic value of quality materials and craftsmanship)
 - Smaller spaces
 - Vacancies (available space)
- Design incentives as business incentives
- Marketplace, streetwall

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Good spaces



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Good spaces



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Promotion as entrepreneurial attraction

- Marketing plan/market position
- Image campaigns/branding
- Cooperative advertising programs
- Events (and how to benefit)
 - Special events (traffic)
 - Business promotions (sales)
- Promotion assistance
 - Business marketing
 - Business advertising (5-10% of gross sales)
 - In-store promotions



Experienced-based retailing

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Organization as entrepreneurial attraction

- Mission/vision
- Public relations
 - Message & spin
- Volunteer development
 - A new way to engage volunteers
- Partnerships
- Networking/communication
 - Finding entrepreneurs
 - Maintaining contact



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Increase availability of incentives

Technical and financial assistance

- Identify and communicate all available resources and providers
 - Be knowledgeable and make referrals
 - Foster networking between providers
 - Develop a marketing campaign to get the word out
 - Expand and supplement where necessary



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Incubators as technical and financial assistance

- Can an incubator be successful without it being a successful downtown revitalization strategy?
 - Criteria for judging success should be based on reaching your goal



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Possible goals or desired outcomes

- Increase the survival rate of new businesses in general?
 - or more specifically retail?
- Seed and grow specific business types?
 - or fill a niche, diversify the economy
- Increase economic activity within your district?
- Increase foot traffic within your district?
- Provide economic opportunity for a disadvantaged population
- Market products and technology
- Fill vacancies in general?
 - or fill a specific vacancy?



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Including incubators in the equation

- Determine your desired outcome
 - Participatory process
- Brainstorm potential strategies to achieve that desired outcome
 - Incubators could be on the list
- If incubators then...
 - Learn from the experiences of other incubators (use the Main Street Network)
 - Consider hiring an outside consultant
 - Be an informed consumer



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Other potential strategies

- Is that outcome more easily achieved by simply developing a strong business retention and/or entrepreneurial support program?
 - Incubator-without-walls
 - Passive incubator



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To create an atmosphere and culture that encourages:

- Entrepreneurial thinking at the community level
- Entrepreneurial investment at the business level



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Encouraging entrepreneurial thinking at the community level

- Recognizing and expanding the local pool of entrepreneurs
- Facilitating business startups through first time entrepreneurs
- Facilitating business expansions, repositions, or spin-offs through existing entrepreneurs



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Encouraging entrepreneurial thinking at the community level

- Entrepreneurs need:
 - Creativity
 - Innovation
 - Motivation
 - Capacity
 - Willingness to take calculated risk
- Entrepreneurs also need:
 - An environment supportive of risk taking
 - Business savvy
 - Financing
 - Connections



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Entrepreneurial development system

Mapping Rural Entrepreneurship by CFED for W.K. Kellogg Foundation

- Entrepreneurship education
- Training and technical assistance for entrepreneurs
- Capital access for entrepreneurs
- Entrepreneurial networks
- Entrepreneurial culture



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Bonuses



- Serve double duty as a business retention program
- Reestablish the social health of downtown

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Is your organization entrepreneurial?



- Brainstorm things you're already doing that qualify you as an entrepreneurial support organization (your resume)
- Brainstorm new things you can do that will make you a better entrepreneurial support organization

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Encouraging entrepreneurial volunteering

Susan J. Ellis, www.energizeinc.com/hot/2005/oct05.html

- Volunteering vs. civic engagement vs. social entrepreneurship
 - “What if we described the needs but then put out a call for people with creative ideas for how to meet them?”
 - Innovative thinking can come from the most unexpected places



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Encouraging entrepreneurial volunteering

Susan J. Ellis, www.energizeinc.com/hot/2005/oct05.html

- Some people are more attracted to being innovators than to filling an established assignment
 - Pre-developed assignments (volunteer position descriptions) do not welcome totally new approaches to the problems at hand
 - “Take-this-and-run-with-it opportunities”
not square pegs,
round holes



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Encouraging entrepreneurial investment at the business level

- A personal trainer analogy
 - getting entrepreneurs in shape



Photo by: LocalFitness.com.au

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Coaching

Civic Trust, BizFizz



- Helping entrepreneurs...
 - follow their passion.
 - sort through the many ideas buzzing around their heads.
 - get past their own self-limiting beliefs.
 - trust their own instincts, make their own decisions and learn to view setbacks as feedback rather than failure.
 - find most, if not all, of the answers and resources they need to move forward.

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Coaching

Civic Trust, BizFizz



- Topic = Purpose of the relationship
- Goal = Where the client wants to be (dream)
- Reality = Current state for client
- Options = Exploration of how, what, where, who
- Will = Agreement to take action

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An interesting grocery store story

- <http://reimagnerural.com/just-another-typical-millennial/>

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Is your organization entrepreneurial?

- How to Launch a Community-Owned Store

- Institute for Local Self-Reliance

- The New Rules Project

- www.newrules.org

- www.bigboxtoolkit.com/images/pdf/community_store_howto.pdf

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How to Launch a Community-Owned Store

1. Develop a preliminary vision
2. Convene a steering committee
3. Research established community-owned stores
4. Reach out to Local Merchants
5. Engage the public and solicit input
6. Conduct a market study
7. Write a business plan
8. Form a board, file articles of incorporation with the state, and write bylaws
9. Draft a prospectus for stock sales and submit it to the state for approval
10. Market the stock
11. Establish the store

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Resources

- National Trust Main Street Center

- My email todd_barman@nthp.org

- Our web site www.mainstreet.org

- Main Street NOW

- Archive of Main Street News

- List serve

- National Main Streets Conference

- Publications

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