

Know Your Place:
A Dynamic Perspective
on Entrepreneurship
and Economic
Development

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- Economic development strategies must be place-specific
- **Robust strategies account for resource depletion, growth, and interdependencies over time**



Ranking	"Best Policy Environment for Entrepreneurship"	Inc. 500 Companies per Capita
Washington	4	?
Colorado	9	?
Virginia	15	?
Tennessee	16	?
Arizona	17	?
Maryland	21	?
Delaware	23	?
Utah	28	?
Montana	38	?
Massachusetts	41	?

Source: Small Business Survival Index 2004: Rating the Policy Environment for Entrepreneurship Across the Nation



Ranking	"Best Policy Environment for Entrepreneurship"	Inc. 500 Companies per Capita
Washington	4	8 (tie)
Colorado	9	4
Virginia	15	2
Tennessee	16	7
Arizona	17	10
Maryland	21	8 (tie)
Delaware	23	3
Utah	28	1
Montana	38	6
Massachusetts	41	5



Quick—call the next play!



The problems with “Best Places” and “Most Important Factors” lists include:

- Implicit goals may not be consistent with our own
- Different places have different resource endowments
- Neglects interdependencies
- Very often ignores time and delays
- Ultimately are not actionable

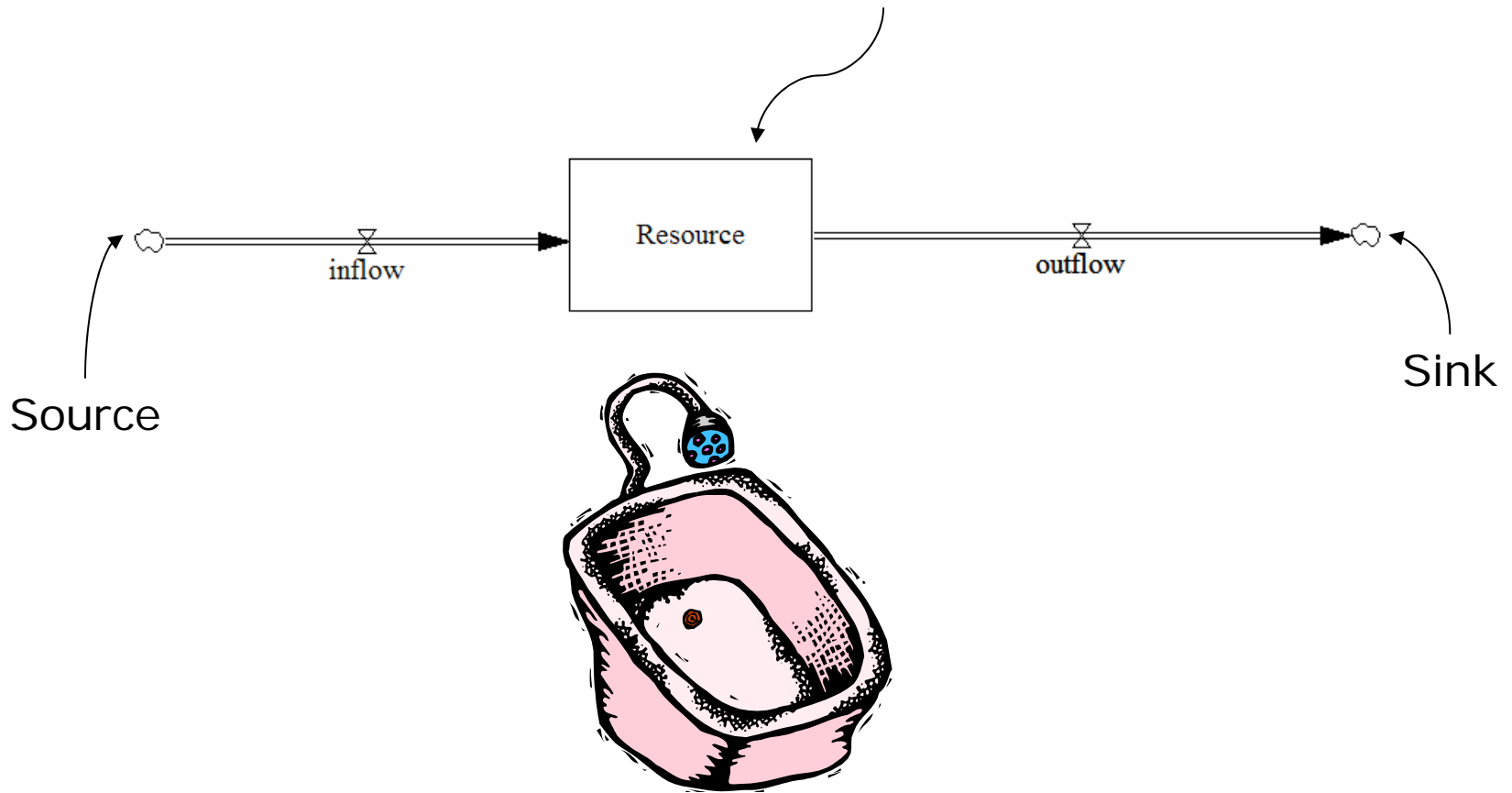


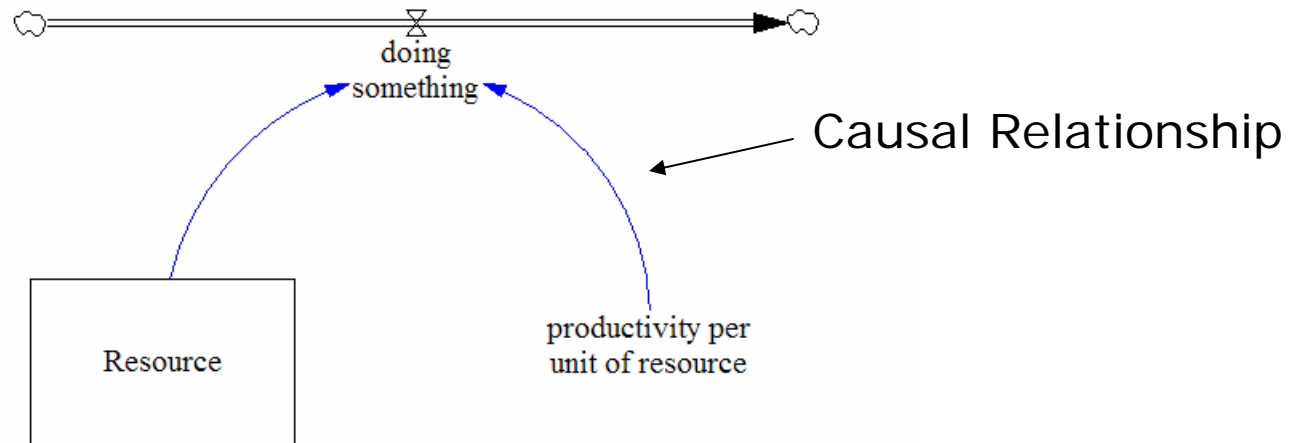
We need economic development decision-making tools that

- Account for resource gains, losses, and interdependencies
- Consider time and delays
- Are based on facts and explicit, testable assumptions
- Are understandable



An Accumulation





To “do something” with or to a resource, you need another resource.

If productivity is 0, then it doesn’t matter how much resource you have.



Goal

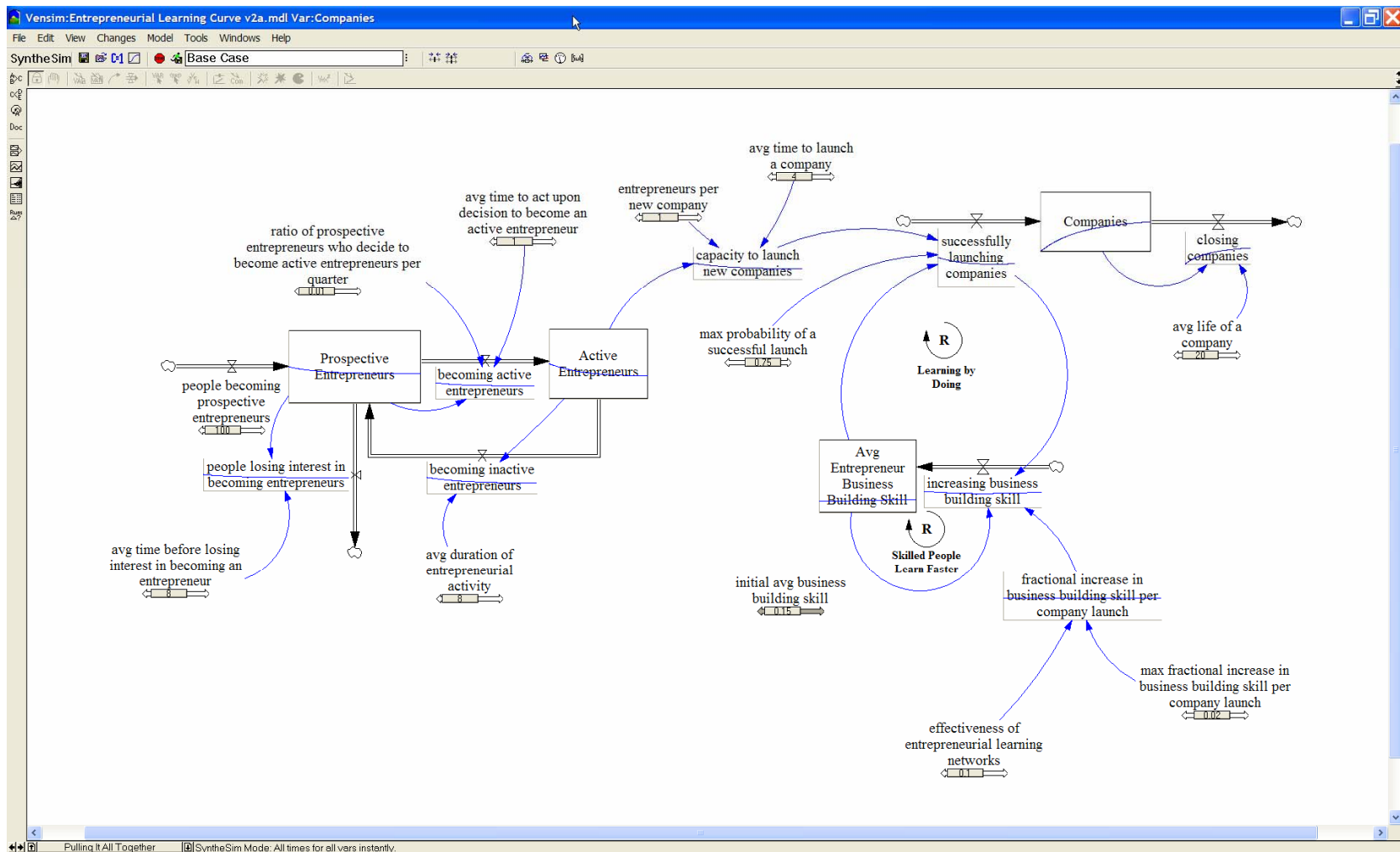
Increase the number and variety of jobs in order to give employees more choice and opportunity.

Strategic Resource

Companies



[Go to Entrepreneurial Learning Curve Simulation]



Fresno is a long way from Bozeman:

- Similar relationships among key resources
- Different resource endowments could suggest very different priorities
- Dynamic thinking based on data and explicit, testable assumptions can result in better decisions



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