



## **ECONOMIC GARDENING IN A NUTSHELL**

Economic Gardening is an economic development approach that assists local, stage 2 growth companies create jobs and wealth (gardening) as opposed to recruiting new companies to move to town (hunting). This target group produces more jobs than any other.

Businesses only worry about one thing – profit – and they only work on two things: increasing income and decreasing expenses. All activities feed into one of those two objectives. Economic Gardening works on the increasing income side. Decreasing expenses is an operational issue and there are a number of business assistance organizations that are structured to help with that issue.

Increasing income is a market identification and qualified sales leads problem. In the old economy, sales were made Willie Loman (Death of a Salesman) style – trudging from door to door trying to influence someone to buy. In the new economy, sales are made Moneyball style: improving statistical probabilities.

The probability of sale is lower in stable environments and the probability is higher in volatile environments. In stable environments, the major competitors have locked down most of the market share and the new entrant must try to convince a customer to leave something that is working for them and take a career risk by asking for new money from their boss to bring in an unknown product or service.

In volatile environments, on the other hand, all competitors go back to zero. New technologies have been introduced, demand has changed, organizations have merged, new people are in charge, new decision makers are hired.

The job of Economic Gardening, then, is to find industries where volatility is high and within those industries to find specific companies that are actually in the market today. In the words of Sun Tzu, “In the midst of chaos, there is also opportunity.” Finding the higher probability sales call is a lot different approach to marketing than simply developing a profile of the targeted customer and running a list.