

FOUNDATION NEWS:

## Smith to retire as CEO in April; Gimbel joins Institute staff

**N**orm Smith, president and CEO of The Ford Family Foundation, will retire from the Foundation on April 15, 2013. He was the first employee hired when the Foundation commenced operations in 1997.

"Norm has been an outstanding leader in overseeing the growth and development of the Foundation," said Ron Parker, chairman of the board of directors of The Ford Family Foundation. "He has also been an effective spokesman for the Foundation and helped establish it as a philanthropic leader in the Pacific Northwest."



**Smith** "Kathy and I are both open to the next great adventure," said Smith. "Perhaps there is an encore opportunity close to home or in the Pacific Northwest. Whatever it is, I know we'll enjoy it."

**Max Gimbel**, a former facilitator for the Ford Institute Leadership Program, is the new associate director for the Ford Institute for Community Building.



**Gimbel** In his new position, Gimbel is responsible for overseeing the leadership program. Before joining the Ford team, Gimbel served for five years as community development coordinator for Rural Development Initiatives. Gimbel, who is fluent in Spanish, was also involved in the development of the Institute's Latino leadership offerings, and has helped develop an excellence approach to training and mentoring of Ford Institute Community Ambassador Team members. ■

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## Economic Development

► To encourage entrepreneurship, some communities participate in national Lemonade Day ([lemonadeday.org/](http://lemonadeday.org/)), where youth learn how to start, own and operate their own business through a lemonade stand.



JASON BLACK

# Rebalancing the stool

It's time to de-emphasize the importance of attracting new business

*Maury Forman, director of education and training for the Washington State Department of Community, Trade and Economic Development, leads a nationally recognized education program attended by more than 1,000 community and economic development practitioners from the Northwest each year. He is also an author of eight books.*



Maury Forman

**M**aury Forman is on a mission to rebalance the stool in rural communities. It's the economic development stool—the widely accepted three-part theory for creating economically healthy communities. Traditionally, that strategy consists of community development, business retention and expansion, and business attraction.

That may have been successful during a strong economy in the 20th century, Forman says, but rural communities

need to shift focus today towards entrepreneurial development. It's time to rebalance the stool.

### A shift in theories

For the last 50 years, the economic development mantra has been to live by the three-legged stool theory, but there's a problem if any of the legs are weak. Business retention and expansion is considered the Rodney Dangerfield of economic development (they just don't get no respect), and business attraction—the sexy part of the stool—gets all the attention.

"What has happened," Forman says, "is that rural communities have realized that the three-legged stool theory is not working. There are only about 150-200 companies relocating in the United States each year, and there are 15,000 communities competing for

them. It is a rare event when a community attracts new business, yet that is where most of the energy and resources are going in small economic development organizations."



Many communities are now turning to a new three-legged model: capacity building, technical assistance and entrepreneurial development.

### First leg: Find your assets

Entrepreneurs are where the real job growth is in a community. Identify community assets in order to create entrepreneurial opportunities, Forman says. "Often, communities don't recognize their assets — they want to be like other communities. That's not what you want to do; you want to have a unique identity. The easiest way to do this is to bring people together to talk about the assets they have."

Forman calls this "front porch development," and says that is one of the most important things the Ford Institute Leadership Program accomplishes. "The leadership classes bring people from all walks of life together to talk about assets."

There are many different kinds of assets. Arts and culture are huge attractions, and a driving reason for people relocating. (See story on page 6). Infrastructure elements can also be valuable, particularly broadband which is a necessity in entrepreneurial communities. Educational oppor-

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tunities, through community colleges or universities, can promote job diversity.

### Second leg: Encourage entrepreneurship

Entrepreneurship works for rural communities, and Forman wants to promote that mindset at a very early age. Realizing this, some communities participate in national Lemonade Day ([lemonadeday.org/](http://lemonadeday.org/)). Last year, more than 150,000 children registered in 36 cities to "build a stand and spark a dream."

"We need to allow our children to be creative," he says. "Entrepreneurship is what creativity is all about. We need to allow them to have that moment of failure. By the times kids are young adults, they have lost the capacity to take chances and that means they won't succeed as entrepreneurs."

### Third leg: technical assistance

Technical assistance services can help communities prepare for economic development. Peer-to-peer mentoring between businesses, tutoring on marketing intelligence, staff assessment, training on how to access capital, export assistance — all can add to a skill base that helps position a community for growth.

"It's no longer just about the public sector providing technical assistance," Forman says. "It's about working with the private sector through strategic thinking, stimulating conversations, new ideas and innovation entering the marketplace and an understanding of a new way to create economic development in rural communities." ■