

Sauk County Development Corporation Economic Gardening Pilot Program *Final Report*



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Submitted by:

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I. Executive Summary and Recommendations

The Sauk County Development Corporation Economic Gardening Pilot Program was conducted from August to December 2010. Nine companies were served in the industry sectors of manufacturing, construction, professional services, and wholesale trade. The companies were located in Baraboo, Lake Delton, Prairie du Sac, Reedsburg, and Spring Green.

Key components of Economic Gardening are:

- *Core Strategy* issues such as innovation strategies, margin vs. volume, commodity vs. niche, and strategy drifts due to market pressures
- *Market Dynamics* such as competitor intelligence, industry trends, new vs. old market economy
- *Marketing Lists and Strategies* with the use of high tech database tools for targeted customer approaches, maximizing no/low cost web tools with search engine optimizations (SEO), use of social media tools, GIS mapping strategies
- *Management and Teams* related to temperament, preferences, ways of seeing the world, and skill/knowledge needs of management team and workforce
- *Financial Management* needs such as projections, cash conversion cycles, and available federal, state, and local resources

Program development activities included:

- Identifying target companies most likely to benefit from the Economic Gardening approach
- Outreach and application process
- Initial meeting and preparation to get to know the company and industry
- Finding the best resources and right tool for the job
- Delivering a useful product
- Getting feedback from the companies

Key Observations

- SCDC “sponsorship” is important. Participating businesses indicated a strong relationship with SCDC.
- Companies are busy and don’t have time for research and planning. Companies need to minimize their time commitment to the project, while getting usable reports.
- It is crucial to identify the specific critical need to deliver the most useful product. This does take time on the company’s part and may require some initial back and forth. This process became more streamlined as work was completed for more companies.

Recommendations

- Implement an ongoing self-funded program in 2011
- SCDC should continue as program “sponsor”
- Seek ongoing foundation support for program operational costs
- Develop ongoing outreach and evaluation strategies

II. Overview of Economic Gardening

Existing small businesses are the engines of job growth. Job growth in medium and large companies has either been stagnant or decreasing for many years. New business start-ups are necessary but often don't add a significant number of jobs for many years or maybe never do as they remain small enterprises. In recognition of these small business opportunities, there is growing interest in an approach called "*economic gardening*" which is based on identifying successful small businesses that are poised to grow and providing them with targeted business research and management assistance.

This approach was originally developed in Littleton, CO over 20 years ago and is being applied at the state, regional, county, and other municipal levels across the country. Large programs are in place for the State of Florida, the State of Wyoming, and closer to home in Fond du Lac County. Support for the effort has been developed by the Edward Lowe Foundation in Michigan, an entrepreneurial foundation that focuses on what are called 2nd stage companies and also supports programs such as Peerspectives and Companies to Watch which have both been implemented statewide in Wisconsin. The Lowe Foundation offers intensive training sessions and Beth Plutchak and Sue Gleason took part in the training in 2009. Programs in other regions and states have been funded with public funds through federal grants or state appropriations. The purpose of the SCDC pilot was to develop a public-private model for economic development agencies that would be self-funding.

One of the key concepts of Economic Gardening is Innovation. The pilot study application asked the companies to identify if they had an innovation strategy. Some of them thought they did, but identified things like customer service and quality control as areas in which they were innovative. These areas tend to be a minimum expectation, rather than an area in which a business can differentiate themselves from their competition. Some of the companies were attempting to do innovative things, for example in warehouse management, product development, and new media marketing, but did not have a formal strategy in place. The focus of the initial assessment meeting was to identify those issues and to direct the critical need identification in the direction of providing information to implement what they were doing that was truly innovative.

III. Pilot Program Development

To implement the pilot program, a selection committee comprised of Karna Hanna SCDC Director, John Alt, Sue Gleason, and Beth Plutchak reviewed a list of Sauk County businesses with 5 to 99 employees and then further narrowed the list based on additional factors such as:

- Must be locally owned
- Must have between \$1 million and \$20 million in annual sales
- Must have been in business more than five years
- Must have the potential and desire for growth
- Must have leaders who are known to be innovative

In addition, in order to serve the communities that are represented by SCDC the companies were chosen across a variety of industries and across the county geographically. As a result of this analysis, 35 companies were sent a letter by Karna Hannah inviting them to apply to the pilot. Beth

and Sue were introduced in the letter and did follow-up phone calls to answer questions and further encourage applications. A press release was also issued by SCDC that invited companies to apply.

Fifteen applications were received, thirteen as a result of the letter and two who found out about the program through the press release. The committee categorized them into three groups: five to take part immediately, five were asked to take part at a later date, and the remaining five were told they were not chosen for the pilot.

Letters were sent and initial meetings were scheduled during September for the first group of five companies. The second group of companies was contacted in late October and those meetings were held in November. Three SCDC press releases were issued to 1) announce the launch, 2) indicate that pilot companies had been chosen, and 3) share a second phase update.

IV. Pilot Program Activity

Nine companies were served in the pilot program in two phases during September through November. These companies were divided into two groups of five to help manage time and expectations. When the second group was contacted, one company chose not to participate, leaving nine for the pilot. A slightly different methodology was used for the two groups of companies. The reasoning at the time was a desire to bring down the cost of services, however feedback both during the period when services were being provided and solicited through the survey afterwards, showed that there was a recognizable difference in value to the client companies. A summary of the participating companies and activities follows.

- A. The industry sector make-up of the pilot companies included Manufacturing (4), Construction (3), Professional Services (1), and Wholesale Trade (1). There was one retail company on the original list of applicants. This company wasn't chosen for the pilot because the length of time it had been in business and its revenue size did not meet program guidelines. The program is as applicable to the retail sector as it is to other industry sectors, however we did not have an opportunity to provide services for a company in that sector during the pilot.
- B. The companies were located in Sauk County communities as follows: Baraboo (1), Lake Delton (1), Prairie du Sac (3), Reedsburg (3), and Spring Green (1). The tenth company that opted not to participate is in Baraboo.
- C. The key components of the program or types of critical needs addressed were:
 1. *Core Strategy* issues such as innovation strategies, margin vs. volume, commodity vs. niche, and strategy drifts due to market pressures
 2. *Market Dynamics* such as competitor intelligence, industry trends, new vs. old market economy
 3. *Marketing Lists and Strategies* with the use of high tech database tools for targeted customer approaches, maximizing no/low cost web tools with search engine optimizations (SEO), use of social media tools, GIS mapping strategies

4. *Management and Teams* related to temperament, preferences, ways of seeing the world, and skill/knowledge needs of management team and workforce
5. *Financial Management* needs such as projections, cash conversion cycles, and available federal, state, and local resources

One of the purposes of the pilot was to determine a way to talk about these services that made sense to clients who had not had access to this type of technical assistance in the past. During the process of providing the services the consultants found that there was some cross-over in actual deliverables between categories, and that different terminology was used for similar deliverables.

D. The participating companies received services as follows:

Two Hour Assessment Meetings (9)	Market Dynamics Report (5)
Marketing Strategy Report (4)	Core Strategy Report (1)
Industry Trend Report (7)	Management Team Assessment (1)
Competitor List (3)	Potential Customer List (7)
SEO and website resources (1)	Blogging tools and resources (1)
Competitor GIS map (1)	Customer Demographic Profile (1)
Follow-up Meeting (6)	

Some of the clients received multiple categories of deliverables when the consultants determined that was the best way to address their critical need. Additional questions on how to proceed when multiple research avenues were available were addressed with the client through additional email and phone conversations.

The initial assessments did not identify services in the financial management category as critical need services for the purpose of the pilot. This was determined on a company by company basis, not because these services were irrelevant within the scope of Economic Gardening but because other needs were deemed more critical. At least two of the companies indicated during the follow-up session, that they might want to pursue services in that category in the future. General recommendations on how to proceed in that category were included in the reports to the initial five companies.

- E. During the process of working with the companies some changes were made to the approach, to how services were provided and to follow-up. Following is a break-down of the differences in approach between the two groups.
 1. *First Group*: the process consisted of pre-meeting preparation, a two hour assessment meeting to explain the program, explain the services and to determine the client companies' critical need. The critical need was determined by going over the application, reviewing the pre-work the consultants had brought to the meeting, and soliciting feedback from the clients about key issues and challenges for their business. The scope of work was determined at the assessment meeting and confirmed by a follow-up email. A report was delivered within a two-

week timeframe and addressed the critical need in detail and provided at least some follow-up in all of the program categories. The original budget estimate assumed approximately ten hours would be needed to do the research and produce the report. After delivering the first report the consultants determined it would be helpful to both the clients and the program to provide a follow-up session. These were scheduled to take one to two hours, although time for this had not originally been budgeted. Since the consultants' time is one of the major costs of this program these issues are discussed more completely in Sec. VI the Funding and Expense Summary.

2. Second Group: the process for the second group of companies included pre-meeting preparation, a two hour assessment meeting to explain the program, explain the services and to determine the client companies' critical need. The process for determining the critical need remained the same. For the second group five hours was budgeted to do research and produce a streamlined report. Part of the decrease in time was due to the consultants becoming more familiar with the data searching tools they were using, so that comparable research was taking less time by the end of the pilot. The stream-lined report did not contain the level of detail in the non-critical needs areas that had been provided to the first group of companies. The turn-around time for this report was approximately a week. This group of companies was offered the opportunity for a follow-up meeting, but this was not aggressively pursued with them. Only one of the four took the consultants up on this offer.
3. The purposes for changing the process were to see if costs for services could be brought down and to see if project turn-around time could be improved.

V. Survey Results

An online *SurveyMonkey* survey was sent to each participating company to gather confidential feedback on the program. Six of nine companies responded. The responses were overwhelmingly positive but did indicate areas in which the program could be improved. The responses confirm that it is crucial to identify the specific critical needs so that the resulting product can be targeted and immediately useful. This means more strategic and detailed questioning of the companies will be needed, with a more focused emphasis on innovation strategy including, what innovation strategy means, how it is developed and how applied.

For the clients that requested prospect, customer, and competitor lists the consultants had to go back to the clients and get detailed fields to pull. The consultants tested a number of lists with different amounts of detail and different uses. This process can be streamlined now that the consultants are more familiar with the various lists. The full survey results are provided as an attachment to this report.

VI. Program Measures

While it is too early to measure any quantitative success from the pilot, the qualitative feedback was overwhelmingly positive. It is likely that traditional ways of measuring success such as adding jobs may not be the best measure for the program. Three of the companies indicated that their future growth would probably not include employment growth since they are currently operating with underutilized capacity.

We asked for ideas on measuring the program's success in the online survey and received replies that focused on the increase in business as a result of the products provided. There are plans for follow-up surveys with additional questions about sales, customer growth, as well as employment growth. We will also ask more qualitative questions about the general usefulness of the information provided even if not directly attributable to increased sales.

In general, in the process of identifying companies' critical needs they were asked what they had hoped to get out of the program. Although a number of companies indicated that they had applied because they were curious about the program, they all did have additional outcomes in mind by the end of the initial assessment meeting. The most common critical need was the desire to obtain more customers, which was identified by seven of the nine companies. There were subtle differences in what the companies meant by "getting more customers", with one company wanting a prospect list, two wanted to identify new potential markets that they could move into by expanding their product offering, one to identify industry types most likely to need their services in 2011, and two wanted us to provide new media marketing strategies. One company identified preparing for a new generation of managers as their critical need and one company wanted help identifying potential merger & acquisition targets. Many of the companies were also interested in making connections through the program to people and businesses that they had been previously unaware of.

VII. Funding and Expense Summary

The funding for this pilot was a combination of grant funds, business participation fees, and in-kind contribution of time by the consultants and SCDC staff. Two generous grants were received to fund the pilot program. The next page contains a chart of planned vs. actual expenses.

- A. An *Alliant Energy Partnership Grant* for \$4,000 in the Innovation and Growth category to support local, county and regional activities that foster innovation and entrepreneurial growth. This covered the costs of services to participating businesses with these expected outcomes.
1. Develop an effective and efficient process for outreach to identify the companies that best fit the criteria for an Economic Gardening approach to assist successful 2nd stage companies
 2. Develop and fine-tune the consultation process and related materials to be used in the pilot and long-term
 3. Provide services to 8-10 companies that best fit the criteria to benefit from this approach
 4. Develop short-term and long-term evaluation processes and materials to improve the program
 5. Develop ongoing service and business model beyond the pilot

- B. A *W.R. and Floy A. Sauey Family Foundation* grant for \$4,000 to support the pilot program.
1. Going forward the Sauey Foundation is most interested in “supporting businesses involved in manufacturing / the making of products and the free market system.”
 2. They also requested that the pilot program “focus heavily on developing the factors that will accurately determine how successful the businesses will be as a result of their interaction with this project.”
- C. The In-Kind Contribution of Beth Plutchak and Sue Gleason
1. Initial estimates of in-kind time for Plutchak and Gleason were 35 hours each at \$100 per hour or \$3,500 each.
 2. Actual time spent providing services was higher than estimated at 50 hours per consultant.
 3. Time spent providing services was discounted to account for the learning curve involved as new tools and procedures were tested. The consultants chose to take advantage of the pilot nature of the project to test as many tools and databases as possible, rather than to try to control the hours spent. In the case of requests for prospect lists this did help the consultants identify the database which had the most detailed contact information. Research time per company decreased substantially throughout the pilot as the consultants became more proficient.
- D. Costs per business served
1. Initial estimated cost per business was \$1,550 which was based on an estimate of \$1200 professional time and \$350 for database costs.
 2. Actual cost per business averaged \$1,500 for the first group of five companies and \$1,000 for the second group of companies.
 3. No costs were incurred for database fees as we were able to take advantages of free trial periods and had access to free resources through the state library system or UW Madison Business School Library.
 4. Out of pocket costs in the amount of \$107 were incurred for the online Myer-Briggs Type Indicator assessments for the Management Assessment requested by one company.
 5. Additional time was spent, but not accounted for below because it would not have been billable to a specific company. This time was spent developing program materials and procedures and general research in the areas of Wisconsin Economic and Industry Trends and New Media Marketing, as well as ongoing research of tools, sources, and databases.
 6. Travel costs were tracked but not factored into this average cost per business.
 7. The original assumption was that overhead type costs of a self-funded program (see 6 and 6 above) could be absorbed as overhead by the consultants, if there were enough billable hours in general.
 8. Press releases were prepared, sent out and picked-up by some of the local papers. Additional information about the program was provided through individual letters, phone calls and email. This work was done by both the consultants and SCDC.
 9. The overhead type/non-billable hours required to set-up the program were greater than the consultants had anticipated and likely will continue to be high until the program reaches a critical mass of participants.

10. The outreach done to market the program would be insufficient to develop the critical mass of participants necessary to make the program self-funding. Additional marketing options need to be explored.

E. Chart of Program Budget

PLANNED Funding Sources		ACTUAL Funding Sources	
Alliant Energy Partnership Grant	\$4,000	Alliant Energy Partnership Grant	\$4,000
WR and Floy A. Sauey Foundation	\$4,000	WR and Floy A. Sauey Foundation	\$4,000
Business Participant Fee (10 cos)	\$1,000	Business Participant Fee (9 cos)	\$900
In-Kind Contributions	\$8,000	In-Kind Contributions	\$11,000
	Planned Total \$17,000		Actual Total \$19,900
Planned Invoices		Actual Invoices*	
Beth Plutchak Consulting	\$4,500	Beth Plutchak Consulting	\$4,450
SyzyGy50	\$4,500	SyzyGy50	\$4,450
	\$9,000	Billed @ \$100/hr x 44.5 hrs each	\$8,900
Planned In-Kind Contributions *		Actual In-Kind Contributions-Estimate *	
Beth Plutchak Consulting	\$3,500	Beth Plutchak Consulting	\$5,000
SyzyGy50	\$3,500	SyzyGy50	\$5,000
SCDC	\$1,000	SCDC	\$1,000
	Planned sub-total \$8,000		Actual sub-total \$11,000
* In-kind @\$100/hr x 35 hrs each		* In-Kind @\$100/hr x 50 hrs each	
Planned Portion of Project Support		Actual Portion of Project Support	
Alliant Energy Partnership Grant	24%	Alliant Energy Partnership Grant	20%
WR and Floy A. Sauey Foundation	24%	WR and Floy A. Sauey Foundation	20%
Business Participant Fee (10 cos)	6%	Business Participant Fee (9 cos)	5%
In-Kind Contributions	47%	In-Kind Contributions	55%
	100%		100%

VIII. Assumptions, Findings and Conclusions

The traditional Economic Gardening model as practiced in Littleton and copied in other municipalities is a program which is fully funded by the municipality and which provides free services. The need for these services and the positive results they have on participating companies is well documented on the Littleton, CO website. The issues with recreating this program have been the cost. The Littleton, CO program costs approximately \$600 thousand per year. Grow Florida, which is a statewide program costs upwards of \$2 million per year. While Grow Florida provides additional programs beyond the programs available in Littleton, the costs for the technical services are almost entirely made up of personnel costs and database fees. This type of model is prohibitive for smaller municipalities with much smaller budgets. There is also a nationwide move to cut government funding of programs in favor of public/private partnerships.

The public/private model that was tested in this pilot study was based upon a number of key assumptions. While all of these assumptions turned out to be partially true, we did learn some things which will impact the program going forward. We'd like to address these assumptions one-by-one.

1. **Assumption:**

There is a need and desire for this program in Rural Communities.

We found:

The original response to the program, in terms of lining up companies willing to participate in the pilot was more positive than expected. The consultants had been prepared to do follow-up calls after letters went out to the thirty-five companies that were invited to reply to strongly encourage them to do so. A couple of companies contacted SCDC directly to request program applications. The follow-up phone calls turned out to consist mainly of answering questions about the programs and services. Enough companies requested applications after this first phone call that there was a significantly large pool of applicants to choose from. The first press release resulted in a number of people contacting SCDC for additional information and two additional applications.

All of the participants who have responded to the pilot survey or have met with Gene Dalhoff to talk about their experience with the pilot, have indicated they would like to see some form of this program continue. They have also indicated that it is an important program for SCDC to be involved with.

Conclusion:

Continue to develop and grow the Sauk County Development Corporation Economic Gardening Program.

2. Assumption:

Companies will pay for services that directly impact their bottom lines.

We found:

There is not a model for Economic Gardening that shows what happens when the program transitions to a self-funding program. The Sauk County Development Corporation will be the first. The SCDC Board thought it was important that the participating companies pay something and a \$100 fee was instituted to take part in the pilot. None of the companies invited to apply indicated that they were not applying because of the fee. Typical reasons that companies didn't apply was they thought they didn't need the services and they didn't have the time to take part.

In meeting with one of the companies that requested a prospect list, they told the consultants that they were members of a professional association, at a cost of \$5,000 per year, just to obtain the association's marketing list. Survey results indicated that companies would be willing to pay some fee for these services. As the program develops attention needs to be paid to the relationship of price and value.

The pricing for services is \$100/hr. for the consultants' fees plus costs of databases and additional materials. As it turns out, only one of the data sources used has a day-pass that could be directly billed to a client company. The sources that charge a fee per report tend to charge hundreds of dollars for reports that are more general in nature than makes sense for the participating companies. The Meyers-Briggs assessment tools do have a fee structure that is reasonably priced and more easily charged back to the companies. The availability of databases through the UW Business School Library and the South Central Library system brings down the overall cost of databases.

The issue with any pricing model for clients is the traditional price vs. value issue. One way to look at this is to look at competitors who provide these services. If we look at other EG programs we are looking at competitive programs which provide the services for free. With that thought in mind the consultants were looking at ways to streamline the process and bring down the cost per client. As a result of this some of the final reports may have been too general in nature. If we look at traditional management consulting firms, fees charged to clients range from five to six figures. The focused nature of the deliverables provided by the Economic Gardening Program means services can be provided in the range of a couple of hundred dollars to the low four figures.

Based on the feedback received both during and after the program it appears critical that new companies take part in some sort of preliminary assessment. This assessment would take at least a four hour time commitment for the participating company and in order to provide a high value to the company hours spent on research should not be sacrificed to hold down cost. It makes more sense to manage companies' expectations going into the program and give them estimates of time and costs involved, as well as the measurable results they will see as a result of taking part in the program.

The chief competitor to taking part in the EG program is the decision to do nothing. Since this type of technical assistance has not been available to most small to mid-size Sauk County businesses in the past a good case must be made for the value of taking advantage of this technical assistance.

Conclusion:

Improve program materials to better explain the value of the services offered. Set client expectations early. Expand the introductory assessment into an Innovation Strategy Analysis.

3. **Assumption:**

Consultants who have been through the Lowe Foundation Economic Gardening training are well equipped to provide the technical services the program requires.

We found:

The consultants relied heavily on the training they received at Lowe as well as their ongoing involvement in the network of Economic Gardening Practitioners that continue to share ideas and best practices through Social Media. In addition, Plutchak and Gleason both brought substantial skills and resources developed through their individual work and consulting experiences. Participating in the SCDC EG Pilot Program gave them the opportunity to test numerous new tools as well as to apply tools and databases they were familiar with to new uses. In feedback obtained through the survey and through the meetings with Gene Dalhoff the current SCDC director, the participant companies indicated that they were satisfied with the skills and professionalism of the consultants.

Gleason and Plutchak discovered that the learning curve in using these tools was steeper than they had anticipated. Research alone for the first company worked with took a combined twenty hours. This did not include prep time before the meetings, the meetings themselves (assessment and follow-up) and report design. Research for the final companies took about five hours, however the final deliverable was substantially abbreviated from the more comprehensive report delivered to the first five companies. It also became apparent that part of the cost of the program involves ongoing research on trends, issues and new tools and databases that cannot be charged back to individual clients.

Conclusion:

A portion of these costs will need to be funded outside of program fees, until a critical mass of participating companies is achieved. Work with the W. R. and Floy A. Sauvey Foundation and SCDC to develop a reasonable budget to cover these costs in 2011.

4. Assumption:

The cost of ongoing professional development, both formal (Lowe Training) and informal (learning the new tools) can be borne by the consultants and factored into the costs of services.

We found:

The consultants had both absorbed the cost of the Lowe Training prior to the implementation of the pilot program. They both have ongoing training costs built into their existing budgets. However, ongoing professional development may be costly for the consultants to absorb until there are more participants in the program to offset costs. Economic Gardening is an evolving field and requires routine regular research as well as participation at the annual national conference and professional development workshops.

Conclusion:

Although, it is not necessary that the SCDC Executive Director become trained in Economic Gardening, it might be useful for him to be able to attend the annual conference.

Pursue opportunities for additional training through social networks and as speakers at conferences that would offset conference fees, until there are enough participants in the program for the Consultants to increase their training budgets.

5. Assumption:

Program overhead costs could also be borne by the consultants as the day-to-day costs of running their businesses.

We found:

Considerable time was spent developing program materials and report formats. This is time that cannot be directly billed to the client under the self-funding model. The amount of time involved was seriously underestimated going into the pilot. Significant additional time will be needed during 2011 to make changes to these materials based on what was learned during the pilot, with additional assistance from the Sauey Foundation. An additional unanticipated cost is ongoing research of Wisconsin Economic and Industry Trends and New Media Marketing, as well as ongoing research of tools, sources, and databases. This ongoing research is needed to have the information readily available when client requests for information come in.

It was originally assumed that there would be enough billable hours from companies taking part in the program for the consultants to assume these costs. However, it appears that the program will grow fairly slowly to the critical mass necessary for the consultants to meet their goals.

Conclusion:

Work with the Sauey Foundation and SCDC to develop a budget that will cover start-up costs for ongoing research and database licenses. New licenses can be added slowly as the program grows.

6. Assumption:

It is important to have SCDC sponsor the program.

We found:

The Economic Gardening program meets SCDC's goals of providing assistance to locally-owned businesses. The participants in the pilot were interested in taking part in the program partly because of their positive impressions of the work that SCDC does for the local business community. The high profile of SCDC in the Sauk County business community will help build awareness of the program to the critical mass necessary to make it financially feasible as a self-sustaining program. The relationship between the consultants and SCDC also helps to build credibility for the consultants. The possibility of offering business forums might also provide some program revenue back to SCDC.

Conclusion:

Continue the program as an SCDC sponsored program. This provides SCDC the opportunity to provide a unique set of services to Sauk County businesses.

7. Assumption:

SCDC and the consultants would be able to build awareness of the program through press releases and direct contact with companies which could potentially benefit from the program, as well as word of mouth referrals.

We found:

In general in the community, there seems to be very little awareness of the program. The second press release resulted in a feature article in the Baraboo News Republic, but the third press release was not picked up by any of the papers. In attending numerous Chamber and Economic Development events that have taken place in the county, the consultants have found a substantial lack of awareness of the program and services available. The consultants' skills in social networking and direct sales and the small pool of pilot companies were insufficient to build widespread word-of-mouth about the program

Conclusion:

There needs to be more focused marketing of the program. Take advantage of the expertise of the Sauey Foundation in developing marketing materials. Make sure that information and application materials are available on the SCDC website. Implement a series of business forums or workshops with the complementary goals of publicizing the Economic Gardening Program, educate companies about the tools and their uses, and provide peer networking opportunities.

IX. Recommendations

We believe that the pilot program was successful enough to implement an ongoing program in Sauk County. Based on feedback from the participating businesses the program is a good way for SCDC to provide assistance to existing Sauk County Businesses.

We recommend that the Economic Gardening Program continue as a public/private partnership with the ideal model being:

- Continue to develop and grow the Economic Gardening Program with Sauk County Development Corporation as the sponsor.
- Beth Plutchak and Sue Gleason provide program development and direct client services.
- W.R. and Floy A. Sauey Family Foundation provide annual funding for program overhead costs which could include license fees, program development, ongoing research, and seminar development
- In addition, the Sauey Foundation would provide in-kind support in providing feedback on program materials and marketing advice.

In order to move the program into 2011 and expand program participation we need to accomplish the following things:

- Develop a reasonable budget to cover program costs in 2011, including in-kind contributions and hard dollar costs.
- Develop new program materials and procedures (some of this has already been done).
- Create a page on the SCDC website called Economic Gardening with program information, online application, program testimonials, and some direct links to additional resources.
- Co-sponsor business forums to present useful information and peer networking opportunities.
- Explore ideas to cover SCDC's administrative costs.

We thank the Sauk County Development Corporation, Alliant Energy, and the W.R. and Floy A. Sauey family Foundation for their support for the Sauk county Economic Gardening Pilot Program and look forward to continuing this public/private collaborative work to help Sauk County businesses grow.

Beth Plutchak and Sue Gleason

ECONOMIC GARDENING - A JOINT VENTURE OF BETH PLUTCHAK CONSULTING AND SYZYG50, LLC

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608.217.6022

Attachment 1

Sauk County Development Corporation - Economic Gardening Pilot Program

Case Studies

Company A Theme – Grow with a Strong Leadership Team

The Business

This professional services firm has 25 employees, has been in business for 17 years, and has between \$1-10 million in annual revenue. Business had been steady even during the recent recession though the majority of clients are now from the public sector. They hope to return to a more balanced mix of private and public sector clients. The owner is in his late 50's, thinking about retiring in five years, and so looking for the future leadership in the firm.

Critical Need

During our initial meeting several issues were identified, ranging from targeted municipal marketing to succession planning. The immediate critical need that was agreed upon was to do a management assessment of the current leaders and develop a plan to involve the next level of middle managers.

Research Approach

The president of the company was familiar with various management assessment tools and worked with us to determine the strategy and flow using the well-known Myers-Briggs Type Indicator®(MBTI®). The approach would include an assessment of both individuals and as a team.

Services Provided

The services included three-steps; 1) The president and two executive vice presidents each completed an individual MBTI® in a secured online assessment system developed for this firm; 2) With the three individual assessment results, a special team report was developed to assess how the team works together; and 3) After being provided with their own individual report and the team report, a facilitated session was held to discuss the results and how they could use the information to improve their leadership and better help the company achieve its long range goals.

Company B Theme –New In-Bound Tools Make Marketing Easier

The Business

This electronics manufacturer has ten employees, has been in business for 19 years, and between \$1-10 million in annual revenue. The owner expressed interest in slow controlled growth but admits not updating a business plan for 15 years and an aversion to marketing. The owner is interested in becoming more connected to the Madison market, in particular the growing biotechnology sector.

Critical Need

The critical need identified for this company was to tackle the aversion to marketing by developing an in-bound marketing strategy. This would include enhancing general online presence and also connecting to beneficial business networks. A goal would be to have online presence match the company goal of being seen as creative, innovative, and nimble partner.

Research Approach

Our approach began by assessing the company's current online presence and comparing it to a few competitors as well as a few current clients. This included looking at websites and engagement with social media tools like LinkedIn and YouTube. In addition, Biotechnology networks in the Madison area were collected and reviewed for possible connections.

Services Provided

A detailed report was provided with numerous recommendations and guidance on establishing company and individual profiles on various tools, joining online industry network groups in the Madison area, and building a more robust and interactive website. Also included was information related to the biotechnology industry associations. Finally, resource learning links were provided on in-bound marketing for manufacturers and comparisons of in-bound vs. outbound or traditional marketing.

COMPLETE SURVEY RESULTS FOR SAUK COUNTY ECONOMIC GARDENING PILOT PROGRAM

1. UNIQUE APPROACH - The Economic Gardening Pilot Program provided an opportunity to test the approach through a unique public/private partnership between Sauk County Development Corporation and private consultants.

	answered question						7
	1 strongly agree	2 agree	3 neutral	4 disagree	5 strongly disagree	6 no opinion/not applicable	Response Count
The early materials I received did a good job of letting me know what to expect from the program.	28.6% (2)	57.1% (4)	14.3% (1)	0.0% (0)	0.0% (0)	0.0% (0)	7
The Sauk County Development Corporation sponsorship was an important part of my decision to participate.	71.4% (5)	28.6% (2)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	7
My overall expectations for the program were met.	14.3% (1)	85.7% (6)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	7

2. Please share additional comments about your expectations for the program and your reactions after the initial meeting.

answered question 4

* While we received a customer list, it seemed like most of the companies are our competitors more then new potential customers. We were hoping for more new potential customer opportunities from the program.

* The program provided good information and was explained well at the initial meeting.

* Our general expectation was that the information that would be supplied would be relatively general and that those conducting the research would probably have a limited background in manufacturing. This was confirmed upon our initial meeting. However, we were fortunate enough/or unfortunate enough to identify our specific needs and relay them to the consultants.

* We had no preconceived opinions regarding the program. Following the initial consultation we did a fair amount of research into Economic Gardening, and became quite excited about the program and the potential for growing our business and keeping jobs in Sauk County. We enjoyed introducing both Beth and Sue to our unique method of construction, and learning about what they hoped to offer us. We looked forward to their report with much anticipation.

3. THE INITIAL MEETING - The initial meeting serves as an assessment of your critical needs and is an important part of the process.

	answered question						7
	1 strongly agree	2 agree	3 neutral	4 disagree	5 strongly disagree	6 no opinion/not applicable	Response Count
The consultants came prepared regarding my business and my industry.	42.9% (3)	42.9% (3)	14.3% (1)	0.0% (0)	0.0% (0)	0.0% (0)	7
I gained a clear understanding of the various components of the Economic Gardening approach.	28.6% (2)	57.1% (4)	14.3% (1)	0.0% (0)	0.0% (0)	0.0% (0)	7
It was useful to hear about “Core Innovation Strategy” and why it is important to my business.	14.3% (1)	71.4% (5)	14.3% (1)	0.0% (0)	0.0% (0)	0.0% (0)	7
The consultants worked well with me to identify my most immediate critical need.	0.0% (0)	57.1% (4)	28.6% (2)	0.0% (0)	0.0% (0)	14.3% (1)	7
The initial meeting had value in and of itself.	14.3% (1)	42.9% (3)	42.9% (3)	0.0% (0)	0.0% (0)	0.0% (0)	7

4. THE FINAL REPORT - The report is an important product and needs to be easily accessible as well as useful immediately and over time.

	answered question						7
	1 strongly agree	2 agree	3 neutral	4 disagree	5 strongly disagree	6 no opinion/not applicable	Response Count
The final report did a good job of addressing issues relevant to my critical need.	0.0% (0)	85.7% (6)	0.0% (0)	0.0% (0)	0.0% (0)	14.3% (1)	7
The final report was easy to understand.	28.6% (2)	42.9% (3)	14.3% (1)	0.0% (0)	0.0% (0)	14.3% (1)	7
I plan on implementing suggestions in the final report in the near future.	14.3% (1)	71.4% (5)	0.0% (0)	0.0% (0)	0.0% (0)	14.3% (1)	7
The attachments to the final report were useful.	42.9% (3)	42.9% (3)	0.0% (0)	0.0% (0)	0.0% (0)	14.3% (1)	7
I have already used, or plan to use the data in the attachments.	50.0% (3)	33.3% (2)	0.0% (0)	0.0% (0)	0.0% (0)	16.7% (1)	6

5. PROGRAM PRODUCTS - You may have received one or more of the following products in your report or as an attachment. If applicable, please rate their usefulness on a scale of 1 to 5 where 1 is very useful and 4 is not at all useful.

	answered question					7
	1 Very Useful	2 Useful	3 Somewhat useful	4 Not at all useful	5 Not applicable	Response Count
Market Dynamics Report	0.0% (0)	33.3% (2)	33.3% (2)	0.0% (0)	33.3% (2)	6
Marketing Strategy Report	16.7% (1)	33.3% (2)	16.7% (1)	0.0% (0)	33.3% (2)	6
Core Strategy Report	0.0% (0)	50.0% (3)	16.7% (1)	0.0% (0)	33.3% (2)	6
Industry Trend Report	0.0% (0)	50.0% (3)	33.3% (2)	0.0% (0)	16.7% (1)	6
Management Team Assessment	0.0% (0)	33.3% (2)	33.3% (2)	0.0% (0)	33.3% (2)	6
Competitor List	0.0% (0)	0.0% (0)	66.7% (4)	16.7% (1)	16.7% (1)	6
Customer List	14.3% (1)	42.9% (3)	28.6% (2)	0.0% (0)	14.3% (1)	7
Search Engine Optimization (SEO) and Website Suggestions & Resources	50.0% (3)	0.0% (0)	16.7% (1)	0.0% (0)	33.3% (2)	6
Blogging Tools and Resources	0.0% (0)	33.3% (2)	16.7% (1)	0.0% (0)	50.0% (3)	6
Competitor GIS Map	0.0% (0)	0.0% (0)	33.3% (2)	0.0% (0)	66.7% (4)	6
Customer Demographic and Income Profile	0.0% (0)	33.3% (2)	33.3% (2)	0.0% (0)	33.3% (2)	6
Specialized Business Research	0.0% (0)	66.7% (4)	0.0% (0)	0.0% (0)	33.3% (2)	6

6. Is there something you wish the program provided which you did not receive? If so please explain.

answered question 2

* No

* When we first received the attachments for the final report we were a bit disappointed that many of the leads did not fit well with our target market. Specifically, a large % of the list was comprised of very small mom and pop retailers that would not be able to afford our product. If I had paid a full market rate for this I wouldn't have been very pleased, though I understand that there is a learning curve. In addition, the competitor list was for a different product class than our own. However, after having a second meeting we were able to provide insight on where to better focus thier prospect list and the second list offered was more valuable.

7. ONGOING ENGAGEMENT - The pilot program was a great opportunity thanks to our sponsors but the future of the program depends on the services being useful enough that businesses will pay market rate. Rates are expected to range from flat fees of \$300-\$500 for basic reports; or at \$100 per hour for more intensive research or management and core strategy planning.

answered question 7

	1 strongly agree	2 agree	3 neutral	4 disagree	5 strongly disagree	6 no opinion/not applicable	Response Count
The services and reports were valuable enough that I would have paid market rate for them if the assistance from Alliant Energy and the Floy and W.R. Sauey Family Foundation had not been available.	0.0% (0)	28.6% (2)	57.1% (4)	0.0% (0)	0.0% (0)	14.3% (1)	7
I intend to order additional services and/or reports from the SCDC Economic Gardening Program.	0.0% (0)	42.9% (3)	57.1% (4)	0.0% (0)	0.0% (0)	0.0% (0)	7
I am interested in subscribing to a regular update of the Industry Trend Report specialized for my business.	14.3% (1)	42.9% (3)	28.6% (2)	14.3% (1)	0.0% (0)	0.0% (0)	7
I would be interested in services related to "Core Innovation Strategy."	0.0% (0)	57.1% (4)	28.6% (2)	14.3% (1)	0.0% (0)	0.0% (0)	7
I plan to recommend the SCDC Economic Gardening Program to other businesses.	28.6% (2)	57.1% (4)	14.3% (1)	0.0% (0)	0.0% (0)	0.0% (0)	7

8. OVERALL FEEDBACK - The pilot program will be completed in late November and the results presented to the SCDC Board on December 20th. Based on your feedback and approval of the SCDC Board, full program implementation will occur in 2011. Your overall feedback will be very helpful to the SCDC Board and the consultants.

	answered question						7
	1 strongly agree	2 agree	3 neutral	4 disagree	5 strongly disagree	6 no opinion/not applicable	Response Count
The SCDC EG consultants were professional and respected my time and my business.	71.4% (5)	28.6% (2)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	7
The consultants did a good job of representing Sauk County Development Corporation.	57.1% (4)	42.9% (3)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	7
The Economic Gardening approach is a good way for SCDC to help existing Sauk County businesses.	85.7% (6)	14.3% (1)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	7

9. As we think about implementation of the program we know that documenting results will be difficult. How would you recommend measuring the impact of the program?

answered question 4

- * Follow up with businesses to see if the services provided helped the business. 3 month, 6 month, etc.
- * Well for us it would be sales that are attributable to the leads they provided us.

* We certainly understand that "the ball is in our court" now that the final report has been submitted to us. Being a "niche" market oriented business, we are very familiar with thinking outside the box. Working with Beth and Sue only reinforced our thinking. We are moving forward, rather aggressively, into a new market for us, which shows great potential, and will be easy to track. One of the greatest impacts of the program is to refocus our attention on marketing. In larger firms, where a marketing guru does the research and makes the suggestions as part of his job, marketing research is given a top priority. In smaller firms like ours, we are not given the luxury of doing the research as part of our daily routine. Having suggestions provided by a third party was very helpful, and we plan to put the suggestions to good use. In the end, the impact of the program will be measured in the increase in business, and we will be happy to share the good news with Beth and Sue.

* Success can only be measured on an individual basis...if the program substantially benefits just one company, it may all be worth it.

10. Please share any additional comments that would help us improve and fully implement the program.

**answered
question**

3

* A very good service for the businesses in Sauk County. Keep it up.

* I think that with more experience, greater knowledge in manufacturing, and more up front research into the customer's business, this will be an effective program.

* Please have your potential clients become better acquainted with the concept of Economic Gardening prior to the first meeting by including web addresses in the application. One comment- the suggestions of the team regarding succession planning were well received. As the weeks turn into years, a plan for an eventual succession had better be dealt with. Thank you for making us aware that a program needs to be put into place asap.