

2011

# Economic Development Assessment

Marshfield, WI





An assessment of Marshfield's economic development efforts was conducted by Vierbicher during January and February 2011. The assessment involved review of the efforts and staffing of the primary organizations involved in implementing the economic development program in Marshfield. Approximately 18 interviews with key stakeholders, both in Marshfield as well as at the regional and state level were conducted. Economic development and strategic alignment best practices were reviewed as well as benchmark data for economic development in comparison communities. A set of recommendations are proposed for improving the effectiveness of economic development in Marshfield.

Our findings indicate that Marshfield currently has a very effective economic development program. The involved organizations are currently working well together in collaboration, rather than competition as apparently was the case not too long ago. Many of our recommendations address ways to take the collaborative approach a step further to improve overall effectiveness and provide greater accountability to the community.

One of the shortcomings found in the existing effort is that there is no true vision or strategic plan for economic development. Although a community strategic plan with an economic development focus was prepared in 2008, it falls short of identifying an economic development vision and strategies to achieve that vision. The report describes in some detail how the appropriate strategic planning process can result in a vision and strategy that is linked to organization assets, capacity and benchmarks to result in a plan that is readily communicated and can be used to achieve results that can be documented.

Along these lines, a primary recommendation is the transition of Marshfield Economic Development Association (MEDA) to a stand-alone organization separate from MAACI and accountable to the City Council and community. We recommend MEDA become responsible for developing and maintaining the overall vision, goals and strategies for economic development in the community. The make-up of MEDA would include all of the existing members, as well as several additional partners including education (secondary, technical and university), the Convention and Visitors Bureau and Centergy.

Other recommendations include a refocused role for the Community Development Authority to become more involved in economic revitalization and redevelopment activities. Ancillary linkages between organizations can be reinforced through a strategic approach to board positions. A coordinated approach to professional and leadership development focused on the skills for economic development and collaborative leadership is recommended. While there is an effective external marketing program, we believe an internal marketing and communication program should be implemented to keep local residents and businesses informed of activities and opportunities.

A continued central focus on collaborative and coordinated efforts over time will result in a highly effective economic development program centered on a shared vision for the future of Marshfield and agreed upon strategies for achieving that vision.



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*The planning team would like to acknowledge the individuals who contributed valuable time to sharing their thoughts and experiences in order to advance economic development efforts in Marshfield.*



### BACKGROUND

The City of Marshfield provides approximately \$100,000 to several organizations in the City to promote economic development. This figure is in addition to the cost of City staff and City programming to support economic development. Marshfield, like nearly every other City in the country, has faced declining revenues over the past several years with increasing demands for services. City leaders have a keen interest in ensuring that they are receiving the greatest impact for the investment of taxpayer dollars.

Vierbicher was retained by the City of Marshfield to assess the coordination, effectiveness and implementation of economic development services within the city. Marshfield is blessed with a number of organizations that are actively engaged in economic development activities. This is typical of local economic development – because of the wide range of activities, expertise, stakeholders and tools that comprise economic development it makes sense, for a number of reasons, to have different organizations carrying out economic development functions.

The challenge in many communities is making sure that there are no redundancies and that all organizations are pulling together in the same direction to maximize economic impact. In order to ensure coordination of limited community resources, to capitalize on existing momentum, and implement the most effective economic development program possible, the City initiated this economic development assessment process in January of 2011. The assessment consists of a review of existing organization work plans, accomplishments and budgets, a two-day on-site interview process to obtain qualitative input from key economic development staff as well as community and business leaders. The final step was a benchmark comparison and analysis, resulting in a series of recommendations for the future structure of economic development in Marshfield.

The recommendations section of this report incorporates a cohesive set of outcome-based benchmarks developed specifically for Marshfield. These recommendations are based on industry best practices and proven organization theory. The specific recommendations were selected based on their ability to:

- Establish and achieve an economic development vision, strategies and objectives for Marshfield.
- Capitalize on existing capacity and strengths.
- Utilize existing community resources.
- Incorporate short-term and long-term goals, strategies and objectives.
- Focus on outcomes, not the process.



### ORGANIZATION CAPACITY IN ECONOMIC DEVELOPMENT

Local economic development programs typically involve a complex mix of organizations with different roles, functions, missions, authorities, capacity, funding sources, strategies and history. The ways these different organizations work together in a community varies greatly and significantly impacts the effectiveness and success of a community's overall economic development program.

The effectiveness of any particular organization is dependent upon a number of factors including but not limited to:

- The focus of its mission
- The ability to understand and respond to the needs of its clients/customers/stakeholders
- The skills/experience/perspective of the individuals serving the organization on the Board and staff
- The ability to develop a coherent strategy that uses the assets/capacity of the organization to implement its mission

While it is difficult enough for an organization to be effective with its own mission, often an organization must collaborate with other organizations to maximize impact relative to its mission. In such cases the organization must focus on and commit to the effectiveness of the collaboration in addition to the organization itself.

So it is with economic development. There are several organizations in most communities that have as their mission some aspect of advancing the community economically – local government, chambers of commerce, workforce development, and downtown revitalization are a few examples. Each organization could work on its own, with its own clients/stakeholders, its own staff/board and its own assets/capacity to further its specific mission. However, by working together toward common goals, the effectiveness of each organization can be multiplied for a much greater impact – both on the mission of each organization and for the benefit of the entire community.

There are many barriers preventing collaboration – turf, politics, competition for revenue, power or authority, and historic rivalries are a few. There are also specific conditions that generally must be met for successful collaborations. These include:

- Clear fiscal and mission-oriented benefit
- Collaborative leadership
- Trust
- Shared perception of need
- Community support

Moving from a competitive relationship to a collaborative relationship takes time and begins with the willingness to talk (collaborative leadership), moves to an exploration of the benefits, then to a decision to do something together. If that joint effort is successful and there was mutual benefit, then trust and community support is built which lays the foundation for greater collaboration.

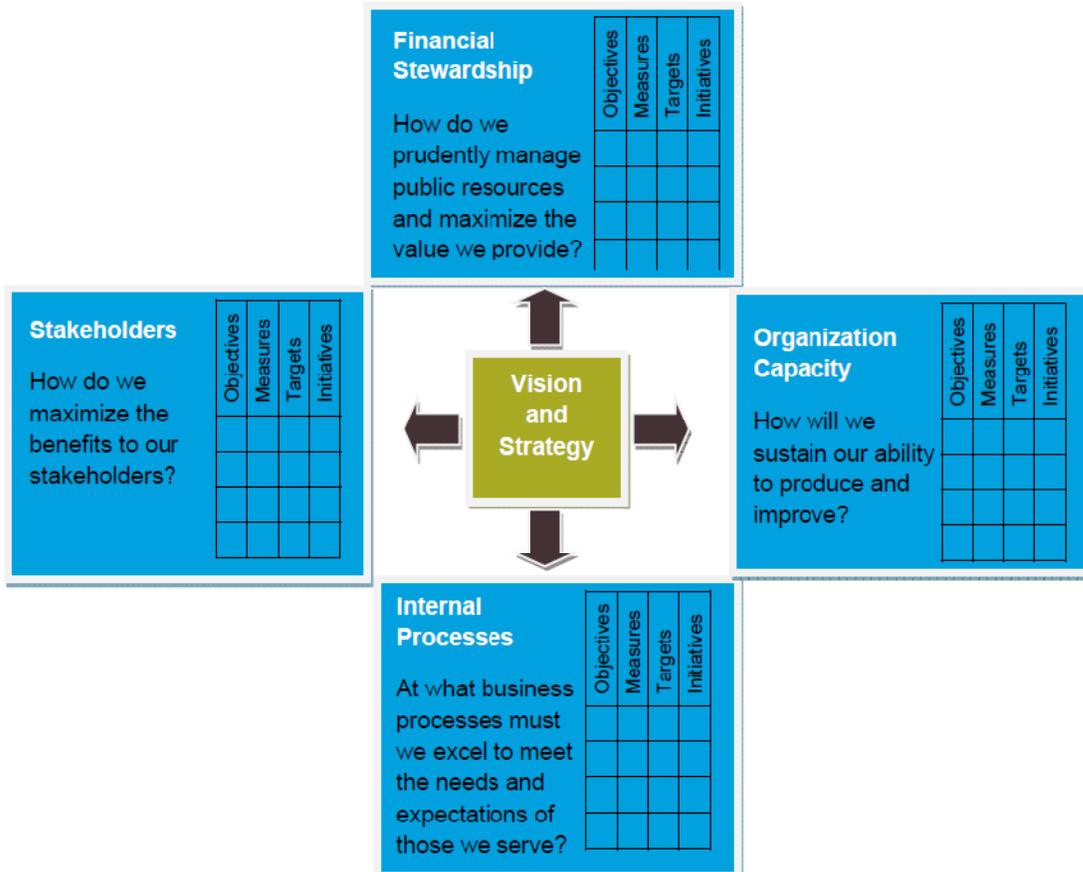
At some point, the collaboration becomes important enough to the organizations involved that meeting the needs of the collaboration becomes an important strategy for the organization in meeting its own mission. When this point is reached, the organizations in the collaboration must pay attention to identifying, supporting and nurturing their common goals, agreeing upon the strategies and methods to accomplish those goals and the appropriate role each organization plays in implementing the agreed upon strategies.

There are a number of management models available to help multiple organizations align their individual strategies to accomplish common objectives. A very effective model that is used in organizations around the world is the Balanced Scorecard. This model links vision, strategy, assets, capacity and performance benchmarks in a way that can either align multiple units of an organization or multiple organizations of collaboration. Figure 1 shows the relationship between these elements.

The strategy map is a tool used in conjunction with this model to communicate the result of a strategic planning process that begins with the identification of specific desired economic and stakeholder outcomes. These outcomes focus on the ability to capitalize on existing strengths and embrace shared values. Through the strategic planning process operational requirements that will deliver the stated outcomes are identified. Finally, the human resources/capacity needed to meet the operational requirements is identified. Figure 2 demonstrates what this type of strategy mapping program looks like for local economic development collaboration. It is important to note that the process for developing program and community specific objectives is a critical step, and that each community's outcomes, values and stakeholder needs will be unique.

The balanced scorecard approach takes the strategy mapping one step further by identifying specific measures and benchmarks for determining progress toward achieving strategic objectives and the agreed upon vision. These benchmarks are generally focused on outcomes, not process (i.e. jobs and tax revenue versus number of contacts or prospects). Objectives generally incorporate both short and long term measures of effectiveness, and both quantitative and qualitative objectives (i.e. private investment leveraged, customer service rankings).

**Balanced Scorecard Framework**

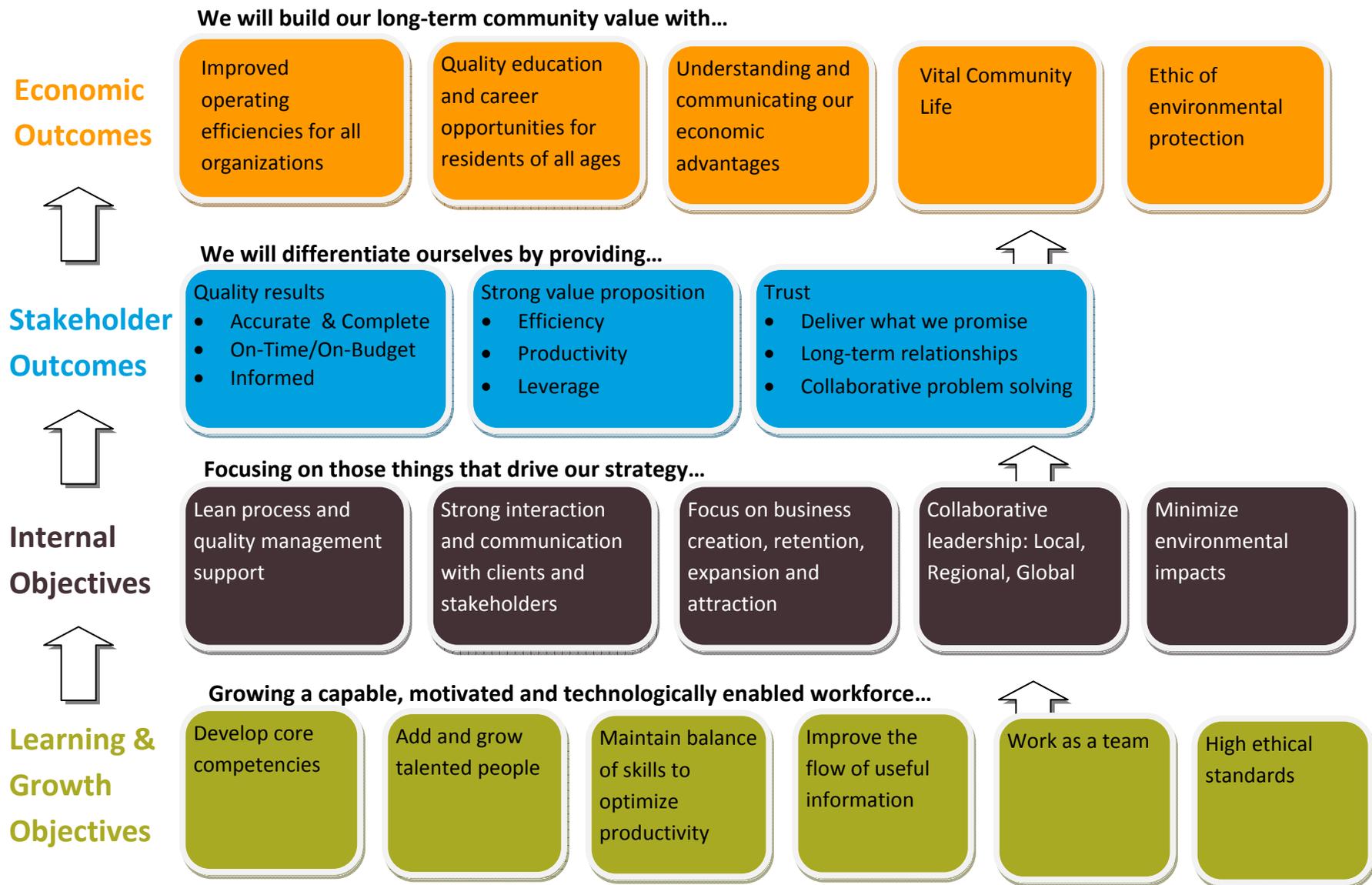


Adapted from Kaplan & Norton 1996. *The Balanced Scorecard*. Harvard Business School Press: 9.

Figure 1 – the balanced scorecard framework recognizes the importance of financial stewardship, organization capacity, internal processes and clients/stakeholders in achieving a vision and strategy.

**Figure 2: Example Economic Development Strategy Map**

**Vision:** We will have a thriving economy that supports business growth, employment opportunities for residents, a high quality of life for the community and environmental sustainability.



### Marshfield Economic Development Strategy

Marshfield is fortunate in that the community organizations working to promote economic development have developed a collaborative working relationship. This has not always been the case – it was not too long ago that some organizations were in a competitive relationship. As the result of collaborative leadership, the recognition of the benefits of working together and strong community support, Marshfield now has a functionally effective economic development program.

The organizations working in economic development have settled upon roles appropriate for their organizations and there appears to be consensus on specific strategies to comprise an economic development program. It does not appear that these strategies were agreed upon as part of a deliberate process to define a vision for economic development, rather it appears that these were settled on from a common understanding of basic economic development principals.

A community planning process was undertaken in 2008 that was billed as a strategic planning process with a focus on economic development. A vision was developed as part of the process, but rather than focusing on economic development, the vision addresses more general community life. It appears that strategies were not considered or selected; rather the process went from vision to identifying specific actions that could be undertaken to work towards that vision. Participants generally felt this process was worthwhile in terms of identifying issues that should be worked on together. However, the results of this process should not be confused with a strategic plan for economic development.

There are approximately 25 core economic development strategies that are used effectively in communities across the country and shown in Figure 3. Not all strategies are appropriate for all communities and the specific strategies selected by a community should be dictated by the vision, assets and capacity of the community. There may be other effective strategies not listed here that are appropriate to a specific community's situation. The first part of the chart shows those strategies that Marshfield is employing to implement its economic development program. The second part of the chart shows strategies that Marshfield does not seem to be using, but that are used in other communities and other circumstances.

Figure 3 – 25 Core Economic Development Strategies

Economic Development Strategies	Description	Organizations
1 Business Retention & Expansion	Prevent the loss of, and facilitate growth in, jobs and payroll by establishing a relationship with individual businesses to determine their needs and identify barriers to growth.	MACCI, City, Main Street currently engaged in BR&E.
2 Business Cultivation	Create jobs and bring more outside dollars into the community by actively assisting businesses to increase sales by providing information resources and coaching.	Active SCORE chapter facilitated by MACCI, Access to Entrepreneurs Network. No formal 'economic gardening' program.

3	Business Recruitment	Attract new investment jobs and payroll by promoting Marshfield to targeted companies that match Marshfield's locational assets; provide location incentives.	Centergy, MACCI, City, Department of Commerce active in business recruitment.
4	Entrepreneurial Development	Attract outside dollars into the community and create long-term jobs by assisting individuals with establishing a business.	MACCI, City, SCORE, WEN, SBDC engaged in helping with business startups.
5	Downtown Development	Capture a greater share of local and regional retail trade by fostering a strong Downtown business community; invest in infrastructure; special events to promote Downtown.	Active in Main Street program and BID. Investment in downtown.
6	Local/Regional Tourism/Meetings	Attract outside dollars into the community by promoting unique features of the City (such as the historic Downtown) to a local and regional audience.	CVB active in promoting Marshfield for meetings, conventions and tourism.
7	Health Care	Become a regional center for health care services.	Marshfield Clinic is central to evolving health and bio-tech cluster.
8	Value-Added Mining	Attract and/or grow businesses that mine and process natural resources.	Sand mining is a developing local industry.
9	Energy Development	Keep energy dollars from leaving the community and attract new investment in energy-related companies. Create/promote new power sources such as solar and wind. Promote energy efficiency and assist in efficiency upgrades in concert with utility company. Help companies become more profitable via reducing energy costs.	Energy Independent Community with adopted Energy Independence Plan to source 25% of municipal energy demand from renewable sources by 2025.
10	Cultural Tourism	Attract dollars from outside the community by promoting unique cultural background and activities to a local and regional audience.	
11	Attracting Retirees	Import transfer payments into the community to circulate locally. Create a variety of senior housing and desirable activities for seniors; make the community affordable for people on fixed incomes.	
12	Telecommunications Businesses	Attract and/or grow businesses in the telecom industry, such as back office operations, call centers, etc.	

13	Value-Added Agriculture	Keep food dollars from leaving the region and attract new investment in food-related industries. Attract and/or grow businesses in the food processing industry that add value to locally produced fruits, vegetables, and animal products.
14	Destination Tourism	Attract and/or promote development of things like amusement parks, arts facilities, and regional sports facilities.
15	Education Development	Attract outside dollars into the community by becoming a regional center for training and education.
16	Bedroom Community	Promote community quality of life and easy commuting to bring more residents who spend income at local retail and service establishments.
17	Infrastructure Development	Attract new investment to the community by creating locational advantages through new infrastructure, such as fiber optics, highways, airports, etc., to provide the conditions for development.
18	Attracting Lone Eagles	Attract entrepreneurs and freelancers who are not tied to a specific location for their job.
19	Environmental Restoration	Create new opportunities for investment by cleaning up environmentally contaminated sites, such as mines and major brownfields.
20	Transportation Distribution Center	Attract new investment, jobs, and payroll by becoming a hub for warehousing, wholesaling, and product distribution.
21	Value-Added Forest Products	Attract and/or grow businesses in the paper, cardboard, lumber, etc., industries.
22	Value-Added Fisheries	Attract and/or grow businesses that farm and process fish.
23	Pass-Through Visitor Services	Attract outside dollars by catering to travelers who are passing through or adjacent to the City with things like restaurants, gas stations, and roadside attractions.
24	Attracting Government Jobs	Attract regional government offices that support regional or statewide activities.
25	Attracting Government Funding	Solicit money for grants and/or earmarks from federal, state, or county sources for research, economic development, or infrastructure.

**Local Economic Development Policy Instruments**

Policy instruments are the tools that organizations employ to implement their selected economic development strategies. The policy chart on the next three pages highlight many of the most common policy instruments used in economic development.





Government						Regional Organizations			Local Organizations			
City	School	CDA/ RDA	County	State	Federal	Regional Econ Dev	Utility	Univ/ Technical College	Economic Develop. Corp.	SCORE/ Chamber of Commerce	BID/ Downtown/ Main Street	CVB

Local Economic Development Policy Instruments

Improved street cleaning, garbage pick-up	x										x	
Improved/expanded parking	x		x									
Improved public safety services	x			x	x							
Improved pedestrian amenities	x		x								x	
Land acquisition	x		x	x								
Clearing land of unusable structures	x		x									
Lot consolidation to create large sites	x		x									
Adopted sign/façade control regulations	x			x	x							
Improved building inspection system or process	x			x	x							
Streamlined zoning process	x			x								
"One-stop" permit issuance	x			x	x							
Adopted historic district regulations	x				x	x						
Ombudsman to solve problems	x		x	x	x	x				x		
Adopted anti-litter regulations/programs	x			x	x	x						
Land condemnation	x		x									
Relaxed environmental regulations/certified procedures					x	x						

Source: McGuire, Michael; Collaborative Policy Making and Administration: The Operational Demands of Local Economic Development

### ORGANIZATION PROFILES

The current division of responsibility for Marshfield's economic development efforts includes multiple local entities, plus activities undertaken by Wood County and Centergy, which serves the central Wisconsin region. Local entities with economic development roles include the City of Marshfield, Marshfield Area Chamber of Commerce and Industry, Main Street Marshfield, Marshfield Community Development Authority, Marshfield Convention and Visitor's Bureau, Marshfield Economic Development Association and Marshfield Business Improvement District. Each of these organizations is profiled below, including their mission statement and organization structure.

#### **Centergy**

**Mission:** To stimulate measurable economic development in central Wisconsin by aligning resources, encouraging cooperation among all sectors of our regional economy and promoting the value of doing business here.

**Organization:** Three county regional nonprofit organization guided by board of Chambers, Convention & Visitors Bureaus, Economic Development entities and regional businesses.

#### **City of Marshfield Planning & Economic Development (City P&ED)**

**Mission:** The progressive development of the commercial, industrial and residential areas of the city, thereby ensuring the planned, orderly development of the city.

**Organization:** City Government – Elected City Council

#### **Main Street Marshfield (MSM)**

**Mission:** To enhance community identity and heritage, foster a downtown center of activity and ensure economic stability for the heart of Marshfield through concentrated efforts of organization, promotion, design and economic restructuring.

**Organization:** Business Improvement District, Nonprofit Main Street Organization

#### **Marshfield Area Chamber of Commerce and Industry (MACCI)**

**Mission:** To provide leadership and support for the economic advancement of our community, while serving as a catalyst for the development of programs and services that benefit our members.

**Organization:** Membership Organization

**Marshfield Community Development Authority (CDA)**

Mission: The intent of the family housing shall be to provide decent and safe housing while promoting a step of upward mobility toward achieving financial independence for participating families. The elderly housing shall provide a residential environment to promote independent living and to slow the social, physical and psychological regression characteristics of the aging process. The Authority shall participate in community development projects and activities when needed and as financially feasible.

Organization: CDA – Quasi-Governmental Body Appointed by Mayor

**Marshfield Convention and Visitor's Bureau (CVB)**

Mission: To lead the development of Marshfield's hospitality industry through aggressive marketing of its attractions, assets and facilities.

Organization: Committee of the City, housed within the Chamber and with Chamber administrative support

**Marshfield Economic Development Association (MEDA)**

Mission: Coordinate efforts and reduce duplication among Marshfield economic development groups.\*

Organization: Coordinated by Chamber staff, comprised of individuals from local economic development related organization staff, elected officials and business leaders.

\*this mission statement is implied, but not stated in any provided documentation

**Wood County (County)**

Mission: Oversee day-to-day economic development activities in Wood County.

Organization: County Government – Elected County Board

CURRENT ORGANIZATION STRUCTURE – STRATEGIC PLAN

The following table identifies specific economic development activities and their respective lead agencies as established in the City of Marshfield’s 2005 Economic Development Strategic Activities Memorandum.

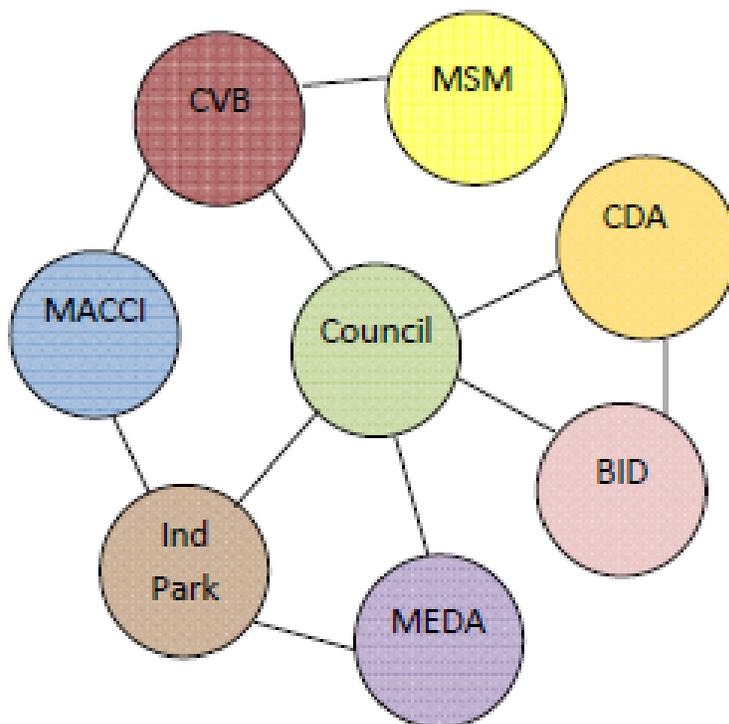
Figure 5: Lead Agency Designation

	City P&ED	MACCI	MSM	MEDA	CDA
<b>Design &amp; Construction</b>	X				
<b>Recruitment</b>	X	X	X		
<b>Retention</b>	X	X	X		
<b>Zoning &amp; Licensing</b>	X				
<b>Funding</b>	X	X	X		
<b>Data &amp; Information</b>		X			
<b>Coordination</b>				X	
<b>Marketing &amp; Outreach</b>		X	X		

CURRENT ORGANIZATION STRUCTURE - BOARD RELATIONSHIPS

The network map below shows the existing relationship between the boards of the various economic development organizations. In addition to improving staff coordination between agencies, it is important to improve board-level interaction to increase buy in and community/political support for joint activities. At present, only three private individuals serve on multiple agency boards, while only two common council members are active in more than one organization. In addition, those organizations that work most closely, for example the BID and Main Street, do not share any board overlap. MEDA, which is the most central organization in terms of staff involvement, does not have an official board, only an assigned council member.

Figure 6: Board Relationships





### STAKEHOLDER INTERVIEW SUMMARY

As part of the existing condition analysis, approximately eighteen stakeholder interviews were conducted with staff and board members from the respective agencies as well as with other business and community leaders. The purpose of these interviews was to identify strengths, weaknesses and opportunities for the City of Marshfield's economic development efforts. In order to maintain confidentiality, information gained from this process has been summarized and grouped by respective economic development entity, with a section for general comments at the conclusion.

#### **Centergy**

There was general recognition that Marshfield should be involved at the regional level. However, there was some lack of knowledge about the benefits that Centergy provides to Marshfield. While some stakeholders acknowledged that the organization is likely understaffed and unable to provide as much support as it would like, most noted that very little information or activity flows from the organization. The general consensus is that Marshfield is viewed as the 'stepchild' of the region and is not at the forefront of regional activity. Some comments suggested that community members do not really understand what the organization does or how it could benefit efforts in the City.

#### **City of Marshfield**

Discussion by stakeholders concerning the City was divided between comments on the Planning and Development Department and comments about the Common Council. The City Planning and Development Department was recognized as having significantly improved operations in recent years, and was seen as welcoming and proactive with a more business friendly attitude than in the past. It was mentioned that City attitudes used to be 'how can the developer help the city?' and this is changing. Several stakeholders acknowledged the difficulty in planning within a community that is divided on a socioeconomic basis.

Comments directed at council were overall less positive than those for Planning and Development. Many felt that a disconnect exists between the council and various economic development agencies, and that the increasing focus by council on performance and budgetary resources has created an environment where agencies compete for funding instead of encouraging a collaborative approach. Stakeholders recognized that Council needs to play a role in economic development activities, but expressed concerns about confidentiality of individual prospect activities and desired a more manageable and consistent reporting structure to simplify the interaction.

#### **Main Street Marshfield**

Comments on the Main Street program were divided between discussion on the program itself, and discussion on the business improvement district. The Main Street program is also recently under new leadership, which was acknowledged by stakeholders. Many felt that the new director is more effective at working with other organizations, and that the entity is largely understood by

## Stakeholder Interview Summary

the community at large. The most frequently cited positive contribution was the success of the organization at hosting events and raising additional funds, and in dealing effectively with the most recent infrastructure projects. The most frequently mentioned areas for improvement included a need for greater focus on business retention and assistance, especially for small local businesses. Several stakeholders mentioned that they were unsure about the program's upcoming work plan now that some of their major initiatives are ending. Many interviewees also felt that the program could do a better job of making sure investors were aware of the specific impact of their individual contributions.

In regard to the business improvement district, stakeholder perspective was that the district was controlling the main street organization, instead of the other way around. This was seen as ineffective given the annual meetings of the BID versus monthly meetings and greater participation of Main Street board members. This conflict was also mentioned in relation to the discussion about Council, as the façade funding discussion has created a confrontational situation related to the Main Street budget at the Council level.

### **Marshfield Area Chamber of Commerce and Industry (MACCI)**

The effectiveness of MACCI brought the most divergent response from stakeholders. Those that felt the chamber was effective cited their business programming and workforce activities, as well as the fact that the group works well with the clinic, which is an important part of the community. On the contrary, other comments expressed a perception that lead staff at the chamber are not trained in economic development, and that the agency tends to be insular and protective of information. Several interviewees felt that the group wants to be recognized as the primary economic development agency, which minimizes their desire/ability to cooperate with other groups. Some stakeholders felt that there was an inherent conflict of interest between the Chamber's role as a business membership organization and its economic development efforts which provide general community benefits. An additional criticism was that the group is not accountable for their significant City funding, and that there is a lack of transparency and measurable outcomes for the investment.

### **Marshfield Community Development Authority (CDA)**

The CDA was mentioned the most infrequently of all of the organizations. Several stakeholders felt that it has historically been an ineffective organization as far as economic development is concerned. To be fair, the CDA has been focused on housing and not economic redevelopment. Many stakeholders saw an opportunity for expansion of the traditional mission under new leadership. They felt that the authority was changing for the better and that it has the potential to be a productive partner in the future.

### **Marshfield Convention and Visitor's Bureau (CVB)**

The Convention and Visitors Bureau was unanimously recognized as an effective organization. The most frequently mentioned positive aspects of the program was its effectiveness at promoting hospitality and ability to get out of the community to do promotion activities in other

parts of the state/nation. Some concern was raised regarding the anticipated retirement of the current director and the impact this would have on operations.

#### **Marshfield Economic Development Association (MEDA)**

This group was seen as primarily a discussion group for MACCI in which other organizations take part. The group, formed in 1997 meets once per month, and is well attended and informative, according to most stakeholders. Detractors pointed out the lack of an actionable work plan and formal organization, which limits its overall effectiveness. Many stakeholders felt that the group has great potential as a venue for moving economic development forward, but needs some guidance to live up to this potential.



PROGRAM EFFECTIVENESS AND BENCHMARKING

A secondary analysis of economic development effectiveness reviewed the current work plan and budgetary structure of economic development activities within the City of Marshfield. Efforts were made to identify areas of overlap, both real and perceived, and also to provide a set of industry benchmarks from which changes can be measured.

PROGRAM IMPLEMENTATION

Based on provided program work plans, the major economic development tools utilized within area agencies were distilled into the following broad categories: Development, Financing, Workforce & Training, Quality of Place, and Recruitment and Retention. The following table illustrates the tools used within each agency for programs related to each broad category. Areas where more than one agency is currently active are identified in the overlap between agency circles. These areas of duplication have the potential to create confusion or result in ineffective service provision and should be evaluated. However, it is important to remember that some overlap is necessary or even desirable based on target audience or funding source.

Figure 7: Program Implementation

	<u>CENTERGY</u>	<u>CITY</u>	<u>MACCI</u>	<u>CVB</u>	<u>MSM</u>
<b>Development</b>		Infrastructure Business Park Development Planning Building Inspection	Infrastructure Business Park Development	Infrastructure	Residential Redevelopment
<b>Financing</b>		Federal Grants TIF RLF	Federal Grants		Historic Preservation RLF
<b>Workforce</b>	Healthcare Grant Gold Collar Careers CareerSearch	Workforce Grants	Wage Data Networking		Business Training
<b>Quality of Place</b>	Bus. Resource Guide Land & Building Promotions	Public Amenities		Conventions Tourism	Events
<b>Business Retention &amp; Expansion</b>	Manufacturing Legislation Industry Research	Employment Database Property Database Industry Research	Bus Retention/ Expansion Surveys Technical		Downtown Businesses Retail

		Entrepreneurship	Assistance Entrepreneurship		
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#### CLIENT EXPERIENCE

The 2010 annual report included the results of a client satisfaction survey. Qualitative measures such as this are an important component of benchmarking success. While information on overall client satisfaction is useful, answers to additional questions such as the number of organizations which provided assistance can be illuminating as well. A large percentage of clients receiving services from multiple agencies might demonstrate effective division of services, but it also may point to a process which requires clients to visit an unnecessary amount of offices to obtain the necessary information. This type of finding would require further follow-up to assess the quality of services. An additional relevant exercise is to analyze the existing system and interagency interactions from the client's perspective. Identify the steps that an expanding business might need to take to receive all of the necessary approvals, and determine the number of individual visits or agencies that this would require. In many instances, the process is unduly cumbersome, with separate visits required to discuss financing, zoning, permitting, workforce training and other needs. Several strategies can be employed to streamline this process, including:

- Creation of a relocation/expansion guidebook, similar to the Business Startup Checklist which already exists. While certain clients will elect to begin the process at a certain point based on existing relationships or personal comfort, providing a set of guidelines and resources can help orient those who may be less familiar with services available.
- Assigning a project liaison. Once a prospect has made contact, one of the economic development team members can serve as the main point of contact, providing assistance and follow up from other individuals responsible for funding, approval or permitting processes. The main purpose of this liaison is to ensure that the process moves smoothly, and to schedule meetings with necessary individuals to address any roadblocks before they become significant issues.

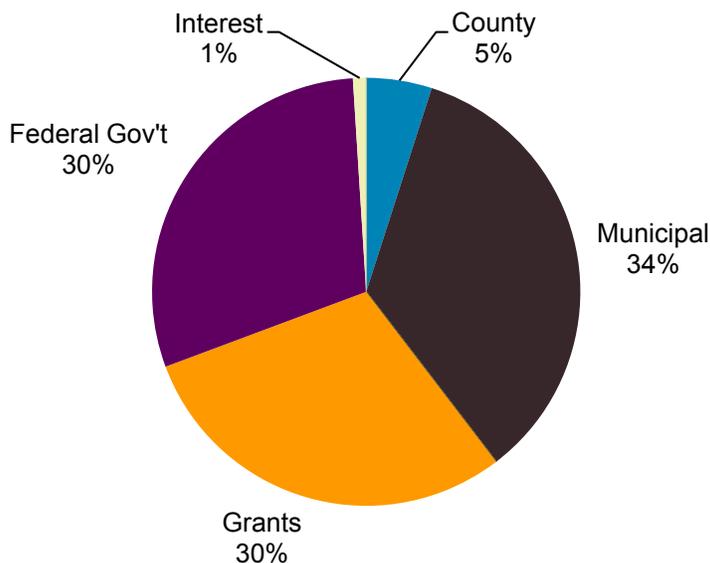
FINANCIAL PERFORMANCE

Multiple stakeholders commented on the political and practical necessity of providing a series of benchmarks and financial performance measures to ensure that scarce economic development funding is allocated effectively. There are multiple methods of evaluating performance, and the best measures are those directly tied to desired outcomes at the community level. Interim measures of financial performance benchmarks have been identified based on budget development and spending patterns for economic development entities of varying sizes elsewhere within the state of Wisconsin.

The combined economic development budget for Marshfield as identified from various financial, planning and budgetary reports is represented below. The budget includes only those dollars clearly targeted for economic development activities, not the entire budget of all organizations which include economic development in their scope.

Figure 8: Combined Budget

### Marshfield Combined ED Budget



An analysis of economic development expenditures on a per capita basis revealed that combined economic development targeted spending for the City equates to \$9.37 per person. This is slightly higher than the \$8.30 per capita found in the WEDA survey, although this survey included regional and local entities within its scope and is therefore not directly comparable.

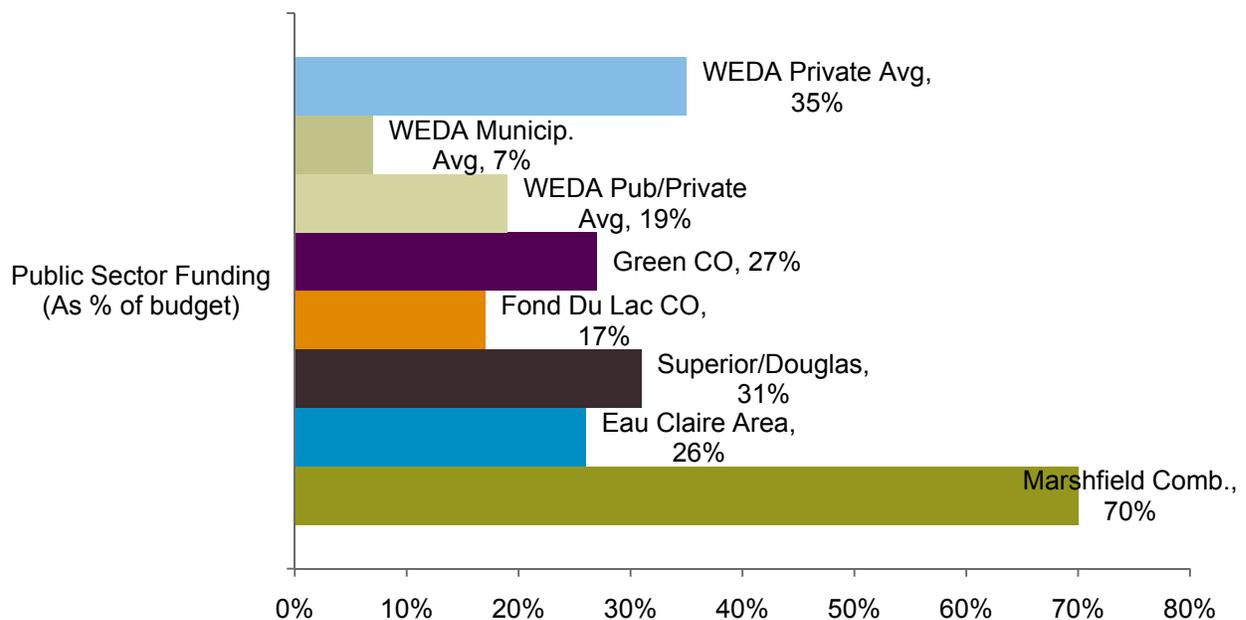
Current budgets illustrate that economic development activity is funded almost entirely by public-sector sources, with roughly one-third of the budget coming from each of the municipal, federal and grant administration sources. In comparison, a 2009 member survey by the Wisconsin Economic Development Association (WEDA) found that the average public/private

## Program Effectiveness and Benchmarking

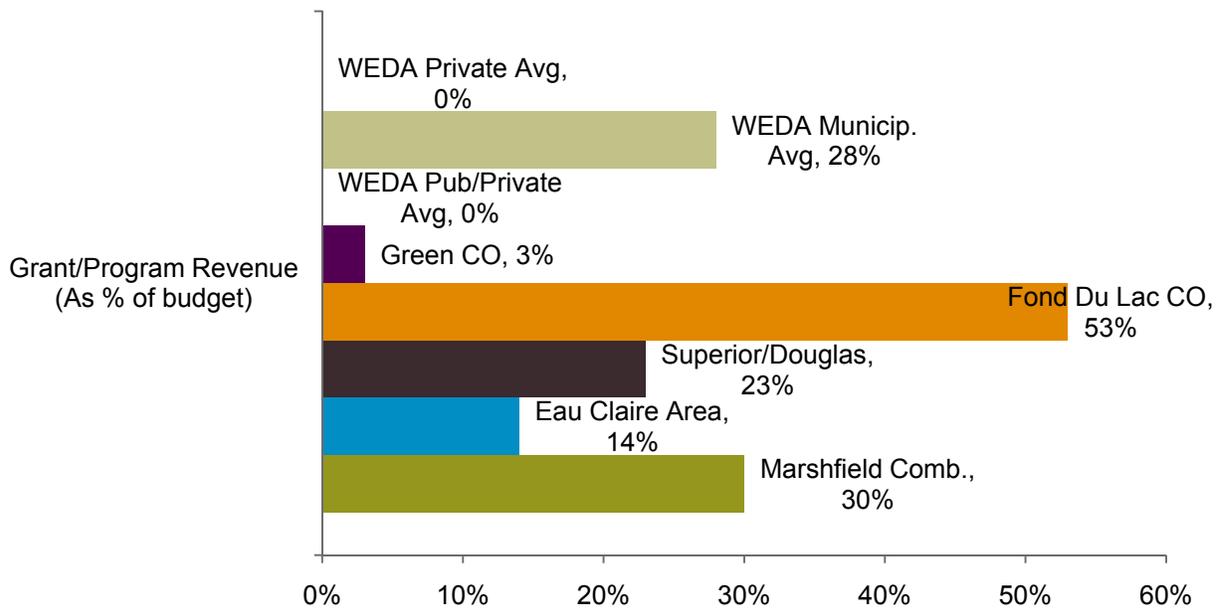
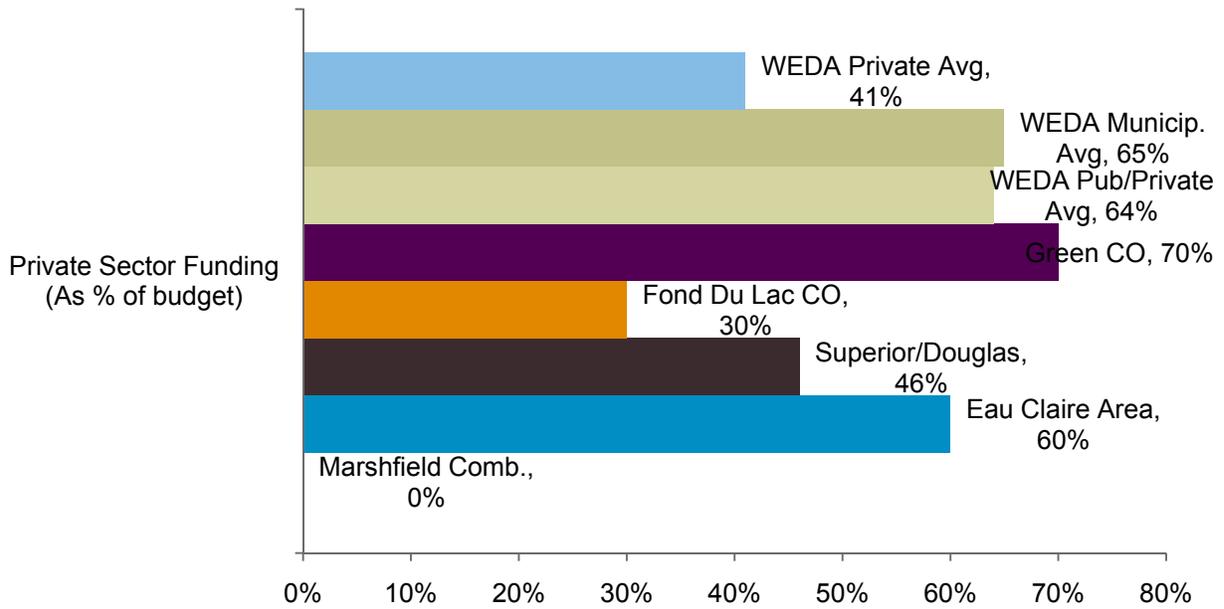
economic development program received nineteen percent of its funding from private sector contributions.

The path to income diversification for economic development efforts is typically an evolving process. Fond du Lac County, as an example, in 2005 received funding at approximately one-third each from the private sector, public sector and revolving loan fund (RLF) administration. By 2010, they had further diversified their budget so that no single funding source provided more than 25 percent of funding, with operational capital coming from grants, private funding, public funding, RLF administration and ongoing contracts. The graphs below show the range of funding sources utilized by various economic development agencies. While the scope of activities for each organization varies, these entities represent agencies which have successfully diversified funding streams to provide a continual supply of funds for various economic development initiatives in their respective communities.

Figure 9: Economic Development Budget Comparisons



## Program Effectiveness and Benchmarking





### RECOMMENDATIONS SUMMARY

The community of Marshfield is fortunate to have a sustained and continued commitment to economic development activities on a number of levels. Each of the agencies participating in economic development activities has developed successful and valuable program elements and contributes significant staff skills and resources to the larger effort. The community has an opportunity to further capitalize on these successes by establishing a formal system for coordination of activities. This system will improve transparency and increase efficiencies, improving service quality and effectiveness to the community at large. To accomplish this, the overall structure and organization of activities should be refined to accommodate a greater emphasis on coordination and cooperation.

The primary recommendation is for the development of a central coordinating body for economic development activities. The most efficient means of accomplishing this is for the Marshfield Economic Development Association (MEDA) to become a stand-alone organization. Responsibility for developing and maintaining the overall vision, goals, strategies and objectives for economic development in Marshfield would be generated and guided by the MEDA board. Membership in the new MEDA organization would largely remain the same, although the addition of educational partners would be beneficial, including both primary and post-secondary representatives. The primary role of MEDA is to provide internal agency coordination, accountability and coordination. In this role, the organization would serve as the City Council advisor for economic development matters, providing coordinated reporting and fiscal accountability. City Council funds would be delegated by MEDA to the respective agencies based on their ability to implement elements of the strategic plan. The staffed position funded by the City and currently housed at MACCI would move to the new MEDA entity, as well as any other shared positions.

In order to build on the enhanced organizational platform, several operational and work plan elements are addressed. In the initial start-up phase, the new MEDA entity should engage the services of a professional facilitator with expertise in economic development to work with stakeholders to develop a strategic plan which will be approved and adopted by all organizations that comprise MEDA. Each individual organization will prepare independent work plans and budget that are aligned with the overall strategic plan. External messaging (to prospects, etc) will also be conducted by individual agencies based on their focused work plan. An additional operational recommendation is the expansion of Community Development Authority powers beyond housing to encompass a broader spectrum of economic revitalization activities.

The final step in launching the new and refined entity is education and outreach. In order to continue to grow and evolve as an organization, an on-going leadership and professional development program for staff, board members and elected officials should be instituted. This program would go beyond the Leadership Marshfield program to incorporate effective personal and organizational management strategies. Once the initial transformation is complete, the new economic development model provides a compelling public message for the community.

Messaging to citizens and businesses on the business-model approach and service-delivery model will be well received and should be touted by organizations at all levels. Targeted communication plans to various for local and regional markets including partner organizations such as Centergy are also essential to ensure that focused messages reach all identified key audience groups.

### ORGANIZATIONAL ROLES

Following a review of organization missions, budgets and accomplishments, together with input from the stakeholder interview process, individual strengths for each agency were identified. The following section reflects on issues that need to be resolved, identifies recommendations that can build upon the strengths inherent in each organization, and identifies the core role that the organization will play in the future coordinated economic development entity.

#### **City of Marshfield**

*Issues:* The Common Council needs a defined role in economic development. The present lack of a defined city strategy leads to a competitive situation among organizations for limited city funding. Inconsistent funding patterns and lack of transparency within some organizations creates additional conflict with council members that desire more control over City investments.

*Recommendations:* An orientation and education program for elected officials is important for getting newly elected officials on the same page and informed about local and regional issues as well as best practices and industry strategies. Given the significant organization turnover recently, this education program could also serve as a useful orientation for new agency staff as well.

*Role:* Common Council's key role is to provide accountability for the citizens of Marshfield by advocating for district residents and businesses as recipients and beneficiaries of economic development activity. The council also provides budgetary oversight, and should continue to advocate for efficiencies and monitor effectiveness based on agreed upon strategic planning at the MEDA level. Council presence within the boards of each agency is also recommended.

*City Planning & Economic Development Department:* The City Planning and Economic Development department is responsible for the implementation phase of recruitment and retention activity. In this role, they are responsible for the efficient and timely operation of the city's development review, permitting, licensing and supervising other development related activity.

#### **Main Street Marshfield**

*Issues:* The current disconnect between the Business Improvement District and the Main Street organization is a significant hurdle in implementing an effective downtown plan. The program has been successful at the Design and Events elements of the four point approach, but could focus more in the future on the needs of property owners and the downtown business community.

*Recommendations:* The Main Street and Business Improvement District boards should be restructured to provide significant overlap in membership. The presence of common decision makers on both boards will strengthen the overall impact and effectiveness of activities and ensure that work program elements accommodate the diverse needs of district constituents. With infrastructure projects have been completed and an established identify developed for the downtown, the Main Street program should continue its mission through a focus on organization and economic restructuring to drive business success and increase property values in the district. The program would also benefit from an outcome based approach to program evaluation and reporting that includes measures useful to each of its various stakeholder groups.

*Role:* Main Street Marshfield's role is well-defined under the Main Street charter as an agency specifically focused on improving downtown's overall economy, boosting property values and business success. Continuing this program with an equal focus on each of the four Main Street principals is recommended.

### **Marshfield Area Chamber of Commerce and Industry (MACCI)**

*Issues:* The organization's status as a membership entity conflicts with its economic development mission which pledges to aid all organizations. The inherent conflict in these missions raises issues for existing members who must weigh the benefits of membership against the risk of committing financial resources that could fund competition. The conflict is also present for non-member companies concerned about the conflict of receiving assistance from the organization without membership. Overall, this situation increases potential for the appearance of bias when the chamber participates in specific recruitment or retention activities.

*Recommendations:* The chamber is a logical partner for economic development activities and should continue to advocate for overall business climate issues and to sustain the retention and outreach campaign for existing businesses and members. The organization is also effective at marketing the region both from a quality of life and business climate perspective, and should continue these efforts in a manner that emphasizes the values and objectives identified in the MEDA strategic plan. The City-funded economic development position currently housed at MACCI will move to the new MEDA organization to provide separation between City-funded and member-funded activities.

*Role:* The appropriate role of MACCI is advocacy and outreach. Business retention interviews, marketing activities to promote the City's business climate and opportunities, and review of legislation from a business perspective are the most important role of the chamber. Outreach to relevant trade organizations, Centergy and other local, regional and national groups is also appropriate for MACCI.

### **Marshfield Community Development Authority (CDA)**

*Issues:* The authority has not played a critical role in economic development in the past due to staffing limitations and a highly focused mission.

*Recommendations:* The organization has a future opportunity to provide support and financial assistance to the overall Marshfield economic development strategy. New experienced leadership provides an opportunity to re-focus the organization and embed it within the larger economic development fabric of the community. The mission of this organization should be restructured to reflect both a housing and community development focus for the organization.

*Role:* The CDA role is as an active partner in redevelopment and development activities throughout the City. The CDA has the ability to strategically target development and financial assistance to projects that can serve as catalysts for change within identified priority areas and to leverage future private investment.

### **Marshfield Convention and Visitors Bureau (CVB)**

*Issues:* No significant issues were identified relative to the CVB.

*Recommendations:* The organization is widely recognized, well-funded and effective. They have historically not been invited to participate in the MEDA organization and have only peripherally been involved in the larger economic development discussions. To maximize resources and ensure coordination of message and activities, it is recommended that the CVB become a member of MEDA in the future.

*Role:* The CVB role is substantially defined as one of marketing and promotions with a focus on tourism and conventions. However, as many future residents and businesspeople make their first acquaintance with an area as a visitor or on a business trip, the relevance of the CVB in larger economic development activities should not be overlooked.

### **Marshfield Economic Development Association (MEDA)**

*Issues:* There is a perception in community that MEDA is part of MACCI, which limits the overall reach and scope of services for the organization. It suffers from a lack of official mission, plan or vision and does not have a formalized organization structure.

*Recommendations:* MEDA as an organization has great potential to be the official coordinating body for economic development efforts in Marshfield. The organization should be formalized as a stand-alone entity responsible for developing and maintaining the overall vision, goals, strategies and objective for economic development activities in Marshfield. The entity would also serve as economic development advisor to the City Council, distributing fiscal resources according to a strategic plan and responsible for monitoring progress based on community-wide benchmarks. As an independent entity, this organization can oversee the implementation of a longer-term vision, and could also provide a venue for private sector investment.

*Role:* MEDA, as an arms-length joint organization, has the potential to serve as the regional coordinating entity for economic development activities. This coordinating role should include development of coordinated strategic goals, objectives and benchmarks of success, management and distribution of City economic development funds to partner agencies. The

association should be formalized as an agency with an active board made up of staff and board members from all partner agencies as well as City Council members.

### **Wood County**

*Issues:* Economic development initiatives are minimal at the county level. Not a single stakeholder mentioned the county as a participant in local economic development activities. Currently, Wood County provides financial support to MACCI, and Wood County staff sits on the board of directors for Centergy and is a member of MEDA, but there is no formal structure for day to day involvement with Marshfield's economic development activities.

*Recommendations:* The County needs to have greater knowledge of and involvement in activities at the local level. To the extent that major initiatives involving the Marshfield Clinic, sand mining activities, development activity or other large-scale operations will impact regional transportation, housing and other land use patterns, Wood County representatives should be included in discussions of major initiatives. This greater involvement will also facilitate coordination of revolving loan fund, tourism and workforce training initiatives. At least one member of MEDA should attend meetings of the the Wood County Board's Conservation, Education and Economic Development Committee, with a county board member continuing to attend MEDA meetings.

*Role:* The County's role is primarily focused on providing adequate infrastructure to meet the needs of businesses and residents. Additionally, county staff participates in regional and state-wide initiatives and should provide a voice for local municipalities within the greater regional context.

### STRATEGIC PLAN

As identified in the summary of initial recommendations, Marshfield's economic efforts can benefit from a formalized process designed to improve coordination and build trust among economic development agencies. This coordinated approach will ultimately result in a community-wide strategic plan and coordinating set of mutual goals and objectives. More details on the previously introduced recommendations for organizational, operational and outreach planning activities are provided in the following section.

#### **Organizational Planning**

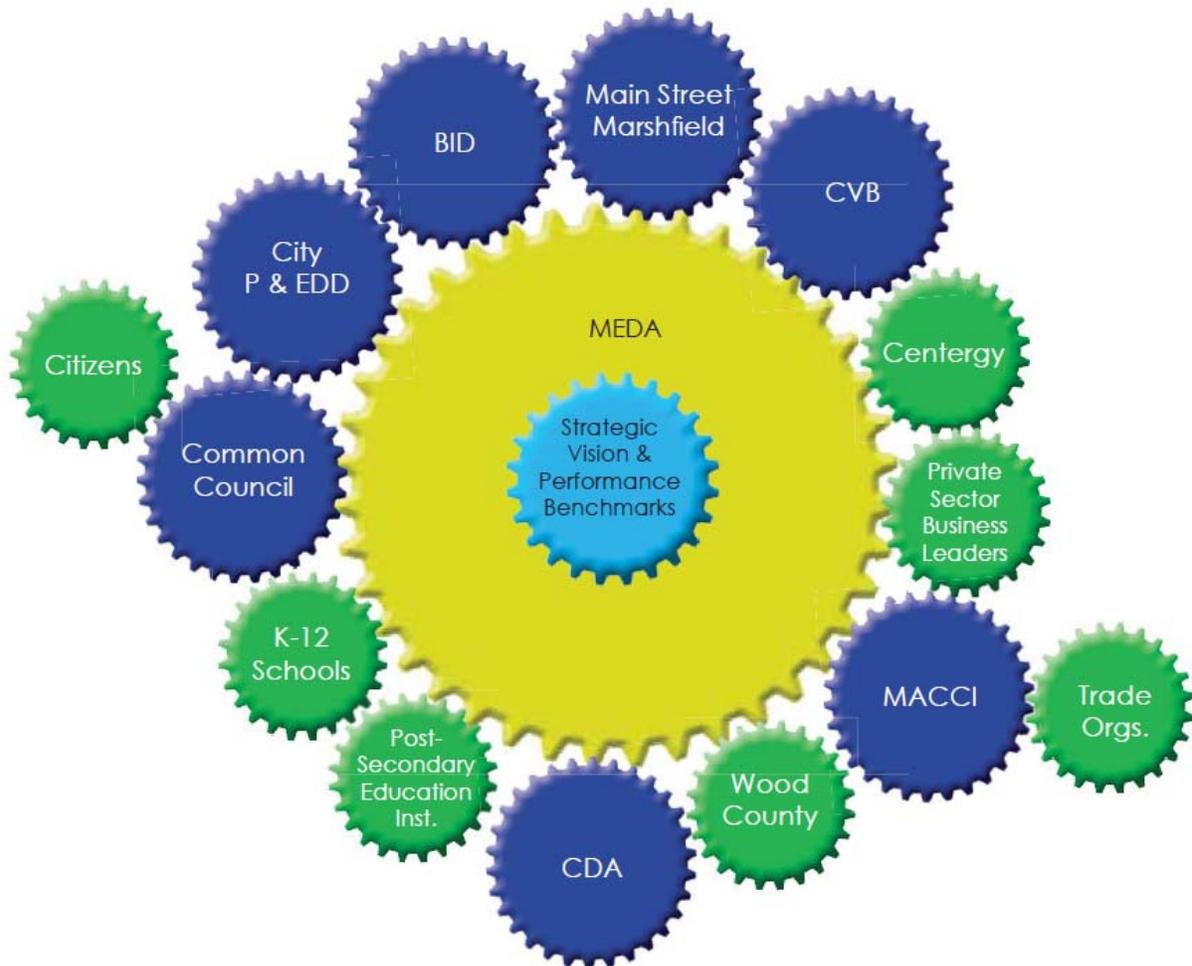
Improving the overall organization and coordination among economic development players is essential to improving services and efficiencies. The major goals for the future organization should include:

- Formalize MEDA as a stand-alone organization responsible for developing and maintaining the overall vision, goals, strategies and objectives for economic development in Marshfield. Based upon a strategic plan, MEDA should establish economic development performance benchmarks, monitor those benchmarks and generate a regular report to the community.
- The role of MEDA should be as the internal coordinating mechanism including strategic planning, benchmarking and reporting. This internal marketing and communications role is distinctly different from an external (rest of world) marketing and communications role. Individual agencies will continue to conduct marketing services in the current manner, although this marketing should reflect the combined strategic planning messages and values.
- MEDA membership will include members of all currently involved economic development agencies. Increased participation by the Convention and Visitors Bureau, and educational partners including primary and post-secondary institutions is also encouraged.
- The City-funded staff economic development position within the Marshfield Area Chamber of Commerce and Industry should be transferred to the MEDA organization. Any other shared positions should also be housed within the MEDA organization. This organization will be responsible for distributing the remaining City funds amongst the other respective agencies based on the strategic plan. The entity will also be responsible for monitoring and reporting progress to the City Council.
- Implement measures to ensure board overlap and coordination among economic development agencies to facilitate coordinated decision making.

Figure 10 depicts an effectively organized economic development structure based on optimizing client experiences, minimizing financial and operational conflicts and streamlining operations. The approach puts the target audience in the center, with a single point of contact to deliver the entire spectrum of economic development services. Each of the individual organizations turns in unison with the central body, but without overlap or 'grinding gears'. In turn, each organization is

responsible to its constituents. Under this system financial support would be provided to the central organization from both public and private sources, which in turn would allocate funds to partner organizations in a manner that would most effectively achieve the core goals and objectives for Marshfield economic development activities as set forth by the board of directors.

Figure 10: Coordinated Economic Development Model



### Operational Planning

Once an effective organizational framework has been developed, the organization can streamline individual agency operations to reduce service overlap and improve delivery. Some specific operational strategies that can be employed include:

- MEDA should engage the services of a professional facilitator with expertise in economic development to work with stakeholders to prepare a strategic economic development plan for the city. The strategic plan must be approved and adopted by all organizations that comprise MEDA. The values and objectives within this planning process should create a system of bylaws and procedures to accommodate the need for both transparency and confidentiality in dealing with prospects and clients.
- Additional education and training for interested citizens and professionals can also be beneficial by increasing public knowledge and involvement in the economic development process, creating a set of citizen advocates for economic development activities. The existing Leadership Marshfield program could be expanded to include additional elements, or a related 'short-course' program could be developed for new staff or elected officials.
- Eliminate or streamline duplication of efforts. One example is the various finance programs, with virtually every organization operating some type of financing service. These services can be combined or streamlined, perhaps with a single application form that would ensure that applicants are paired with the most appropriate funding source(s) for their project. This combined form could be similar in concept to the existing Marshfield Business Assistance Team Form.
- Increase the amount of private sector funding for economic development. The creation of a central entity will enable a coordinated approach to public and private sector funding. The potential for a shared grant writer as introduced in the 2011 work plan could provide an opportunity to seek both private and public funds for the organization as a whole or for specific companies or projects. Funding sources could include both public and private grants, private sector contributions, venture capital and access to local financing networks.
- Increase active involvement in the region, including local, regional and national economic development and relevant industry trade organizations as determined by the strategic plan.
- The CDA should expand its current focus from housing to exercise its full authority to engage in economic revitalization activities.
- Map current client interactions to minimize roadblocks and individual agency visits. Develop strategies for identifying and resolving potential issues to minimize time required to formalize plans for expansion or relocation in Marshfield.

### Education and Outreach Planning

The final step in creating and implementing a more effective economic development effort is outreach. The combined entity needs to educate and promote the new and streamlined organization, and seek means of demonstrating expanded capabilities to prospects and target markets. Some specific recommendations include:

- Ensure an on-going program of leadership training and professional development for staff and key board members of organizations involved in economic development. Leadership Marshfield provides civic leadership training appropriate for board positions, but director-level staff of organizations should consider training targeted to professional leaders such as the Transformational Leadership program offered by the University Of Wisconsin School Of Business (<http://exed.wisc.edu/courses/transformational-leadership/>). Leadership weaknesses were identified in some of the organizations, although much has improved in recent years, a good leadership training program will help all leaders of organizations identify their strengths and weaknesses and adapt their management to ensure their organizations are effective.
- Development of a comprehensive web-based portal for information on Marshfield as a business destination. The 2011 action item for MEDA to focus on this is an appropriate starting point.
- Create and confirm the key brand and message for Marshfield across agencies. Significant effort has already been made to identify a future vision for the community which can translate into a branding effort. There may be several variations on the same theme depending on the audience, but the main focus should be consistent.
- The communications flow chart is a valuable first step in developing a flow of information. The follow-up to this should be the development of a system to provide an efficient system of comprehensive information flow. This chart should move beyond current audience interactions with the various agencies, and include strategies for reaching new audiences together with the primary economic development message relevant to each audience.
- Continue to survey clients on organization effectiveness. Expand the focus of this effort to include loan recipients and other agency clients.

### HOW DO WE KNOW WHEN WE GET THERE? BENCHMARKING SUCCESS

Once the organization has created a mutual set of goals and operational efficiency, the final step is the ability to evaluate performance and benchmark success. The 2011 work plan made great strides in providing a uniform approach to measurable performance. The next step in this process is to create a series benchmarks associated with short and long-term performance goals for the group as a whole, and to determine which quantitative and qualitative measures will most accurately denote progress. By undertaking the balanced scorecard approach to goal setting and working backwards, these benchmarks will become readily apparent. The process through which objectives are identified is one of the core values of the scorecard approach. However, several proposed benchmarks are identified below as a starting point for discussion. As a final step, for each benchmark a basic and stretch goal should be identified. This goal can be either numeric (number of new jobs) or operational (quality of services ranking).

#### **Traditional Economic Development Measures**

Number of Jobs Created/Retained

Total Private Investment into Marshfield Economy

Grant Dollars Awarded

Number of Visits/Downloads from Website

Number of Media Mentions

#### **Marshfield Specific Measures**

Maintain or Improve Quality of Services Ranking

Increase Public Understanding of Economic Development

Increase Private Sector Support for Local Economic Development

Increase Regional Presence

One way to provide a visual indicator of progress is to develop a dashboard indicator report. The graphic in one glance illustrates progress and also provides a benchmark for measuring success. Indicator categories should be developed based on the desired outcome (i.e. jobs created) as opposed to process elements (i.e. company meetings). The following example, developed by Washington County, illustrates one sample layout for this type of report.

Figure 11: Progress Dashboard Report

