

Dick Maggiore: Focus key to our community's economy

By [Dick Maggiore Special](#) to The Canton Repository

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Whether local leaders who are mustering up an initiative to reverse our community's economy will succeed depends largely on the resources at their disposal, the degree to which true collaboration is achieved and the quality of their ultimate plan.

To Stark County's credit, the need to do something has been recognized. That's the critical first step. American novelist and social commentator James Baldwin said it well: "Not everything that is faced can be changed, but nothing can be changed until it is faced."

So we are facing up to the reality. Reversing our community's economy will require leadership, a plan and money.

A lot of money.

And to make sure it all is well spent, we must take the bold road of focus.

Money is important. We will not make a dent if we don't invest. Canton Mayor Tom Bernabei asked City Council to place a half-percent income tax increase on the May ballot. Much of the increase is earmarked for economic development. We support the mayor.

Bernabei's move comes with risk. Higher taxes might dissuade companies to make Canton their home. Others might leave. But we see it as a good leadership move. The upside counters the risk.

Stark County commissioners are considering increasing our sales tax. The added money would be used for economic development. We don't like more taxes, but we also don't like the current trajectory of our community's economy. We would support the increase.

Even if both taxes become reality, the additional money is well below the sum recommended by independent studies. We haven't heard exactly from where the rest of the money will come. Private business, foundations, bonding (borrowing against future tax collections) and state and federal grants might be possibilities.

The plan, meanwhile, still must be developed. We have a good start, as the situation analysis has gained good buy-in. It's carefully researched, thoroughly thought out and well written. It's called "Strengthening Stark County."

Leadership is emerging in the community. Collaboration is increasing between the 23 or so economic development folks spread throughout Stark County organizations.

We might not be able to pool our funds in one place, but we can pool our strategy. We must work together so all of the oars are moving the boat in the same direction.

A focused approach

Limited resources demand a more **focused approach**. Strategic allocation of our money will be absolutely critical to changing our course. We could throw everything at the proverbial wall and see what sticks. Or we can focus on what we believe will produce the best results — the best return on our dollars.

Factoring in the egos and competing agendas, it will be easy to dilute the effort. Strong leadership, even courage, is necessary to stay focused.

Our focus will be worth the effort. Jobs are at stake.

In the economic development world, there are two central areas of focus: jobs and the people to fill them. If we have the jobs, will we find the people? Or if we educate and train the people, will the jobs find them?

The answer is both. Jobs are a result of companies who employ people. They are existing businesses and new businesses coming into town. The majority of growth in an economy comes from existing businesses.

Existing businesses fall into two camps: the traded sector and the population-serving sector.

The traded sector is companies that make products and services so good that other companies or people outside our community buy them. The money comes into our local economy and grows our economic pie.

Population-serving businesses sell their products and services only here in our community. Their positive effect on our economy is important, but not as big as the effect of the traded sector. For example, a job in the traded sector supports an average of 2.4 other jobs. Two population-serving business jobs support one other job.

What becomes our target?

This would imply the focus should be on the existing business group and within that group, the traded sector camp. We could take an even tighter focus by asking which traded sector companies differentiate our community most? Which industries might we target? Someone will decide.

Consider the people to fill the jobs. Let's assume we have developed a database of locally owned businesses in the traded sector. We want them to grow. We can support them by structuring a formalized program connecting our robust education system from junior high through our post-secondary institutions.

Such a program could result in a steady stream of career-ready employees for our most valuable businesses.

We have outlined a strategic focus to direct where the majority of our resources could be invested, but we certainly should not overlook the other companies, including entrepreneurial startups. We must be pragmatic by being open to, and responding to, other opportunities.

It's a matter of emphasis — of setting priorities that matter and investing wisely to achieve them.

To learn more about economic development in Northeast Ohio, you can find the Fund for Our Economic Future's latest report, The Two Tomorrows, at <http://www.the2tomorrows.org>

Dick Maggiore is president and CEO of [Innis Maggiore](#) founded in Canton in 1974 and today the nation's leading positioning ad agency, building strong brands for companies in competitive markets here and across the country.