



# Transforming Brevard County: Our First Year Plan

Version 1.00

Brevard County, Florida  
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This first version of our strategic action plan puts Brevard County on the road to a growing regional economy. As all first version plans, this plan is subject to revision. As a “living document,” we will continually adapt it to changing conditions, serving us as a guide to what we do and how we do it.

We are organizing our investment initiatives into six strategic focus areas:

1. ***Entrepreneurs and early stage companies***: Networks to support both entrepreneurs and early-stage companies
2. ***Training and education***: New networks to create a more flexible and responsive set of options for individuals
3. ***Company support***: Support for existing companies, especially in the second stage (employment of 10 to 99)
4. ***Clean energy***: Investments to develop new clusters of companies developing clean energy technologies
5. ***Public place-making***: Investments in infrastructure to advance Brevard as a quality, connected place for future investment
6. ***New narratives***: New, coherent stories of how Brevard leverages its strengths to transform its economy

Based on our work to date, we expect to achieve the following measurable objectives over a one-year timeframe:

- An increase in startup and small business financing.
- An increase in the number of companies and jobs in the region.
- Higher level of youth engagement in exploring careers in technology-driven businesses.
- New investment partnerships in advanced energy technologies, stimulated by a Clean Energy Summit.
- More focused training and education, coordinated through a community resource center for training and education.
- Progress toward including Brevard in the state’s high speed rail initiative.

There are many obstacles to overcome in achieving our objectives, including legislative changes and raising the appropriate funding from multiple sources. We propose the establishment of a \$15 million ***Opportunity Fund*** to provide early stage financing to support promising collaborations emerging from our strategy process. The Opportunity Fund, structured similar to the Small Business Innovation Research grant program, will provide staged financing to promising initiatives. Developed by the Purdue Center for Regional Development, this Opportunity Funds have helped both North Central Indiana and the Milwaukee 7 region stimulate the collaborations required for economic transformation. Initial seed funding of \$2 million will be enough to get started with the initiatives outlined for our first year. We will draw down the remaining funds over the course of 12 months, as new initiatives develop and we achieve milestones in our plan.

Like a thread through fabric, we wove the latest thinking and practices in economic development, ***linking and leveraging networks of people and other assets***, throughout our plan. Moving from an industrial-style economy to an information-based global economy is crucial to the future of our county. For us, this means developing new relationships and global networks to leverage the best our county has to offer.

Linking and leveraging the new networks we form will remake our approach to economic development and begin the transformation of how we grow our economy.

We embarked on this path using **Strategic Doing** with the help of the Purdue Center for Regional Development. Strategic Doing combines the best elements of strategic planning with project planning and execution.

The imminent transformation of NASA focused our effort on what to do with the influx of highly talented people into the available labor pool. Rather than looking at consolidation approaches to deal with the challenges, we decided to turn this event into an opportunity to rethink growth and innovation in our region. Our answer? Creating **re-engagement networks** (linking our county's resources) as a way to grow our economy (leveraging our county's resources to achieve measurable economic growth.) Through re-engagement networks, we can create an environment that encourages innovation. As innovation flourishes, it will attract increasing amounts of capital into old and new businesses, which will lead to economic growth and high-value jobs.

## Our Challenge

Similar in scope to what many regions in the US are experiencing, unemployment in Brevard County is rising due to employer dislocations. Ranked in the bottom fifth of the nation's top metro areas by the Brookings Institution, our economic performance as measured by unemployment, gross metropolitan product, housing prices, and foreclosed properties is unacceptable.

Unemployment is only the most visible part of our challenge. The bigger challenge is transforming our economy from our current relationship with NASA and the military into a new set of relationships that create a new foundation for growth. Our work is focused on answering the simple, but difficult question, “What’s next?”

We know this much: Our future depends on connecting our assets to define new opportunities. Our county includes diverse array of assets on which to build. They include, for example:

- Space Coast location and the infrastructure for space launches,
- Military infrastructure to support defense-related investments,
- Strong tourism infrastructure, including six cruise terminals,
- A highly skilled engineering workforce,
- Innovation output, as measured by patent density,
- A strong base of technology companies,
- An attractive quality of life, measured by affordability and short commute times.

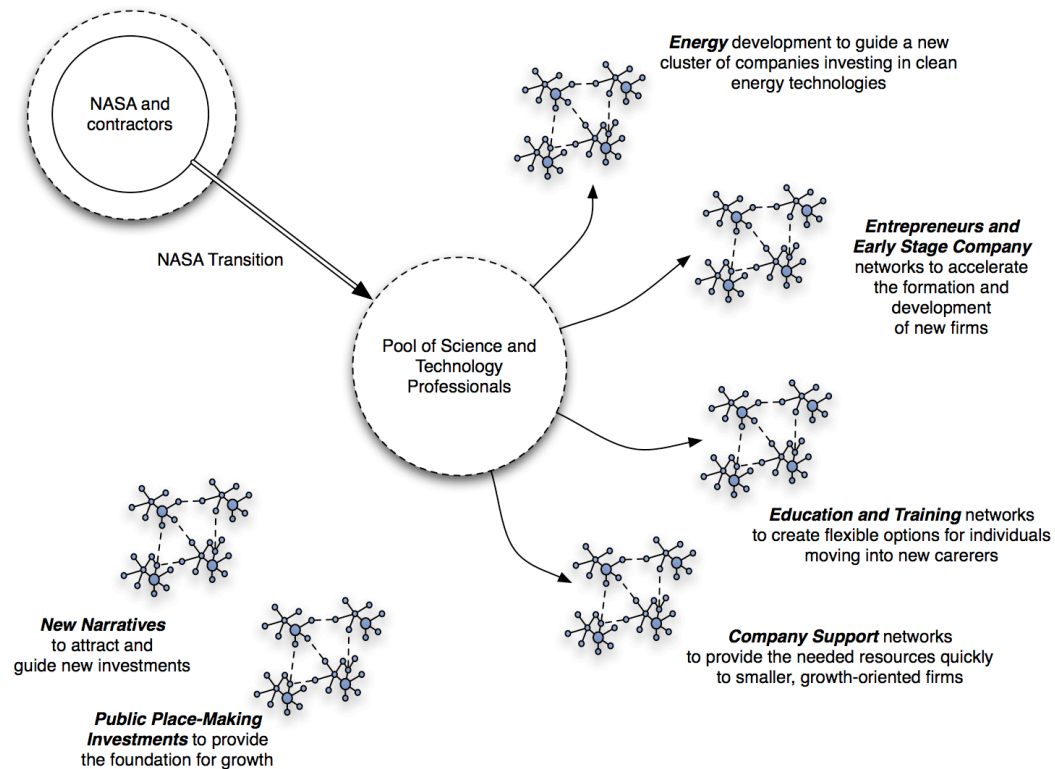
Our simultaneous challenges are to:

- **Short-term:** Address our short-term employment dislocations caused by NASA’s transformation,
- **Longer-term:** Reconfigure our region’s assets to diversify our economy and position our county for global competition.

## Our Opportunity

**Re-engagement networks** are a good way to address short-term employment issues while achieving better utilization of our regional assets.

Re-engagement networks form purposeful new connections between existing and new organizations, within our region and beyond. Through these networks, participating organizations can better leverage our highly skilled talent pool to drive innovation and diversify our economic base.



Re-engagement networks can move Brevard County from an economy in which we create wealth through the control of resources, to an economy in which we create wealth through ideas, knowledge, and innovation. Andrew Carnegie and John D. Rockefeller created wealth by controlling resources with huge industrial complexes. Bill Gates generated wealth from new ideas and software you can carry in your pocket.

We start with a clear recognition. Federal and state governments can offer only limited help. Budget cuts mean we cannot rely on outside public funds indefinitely. The strategy for our economic transformation must emerge from our local civic leadership and be driven predominantly by local investment, both public and private.

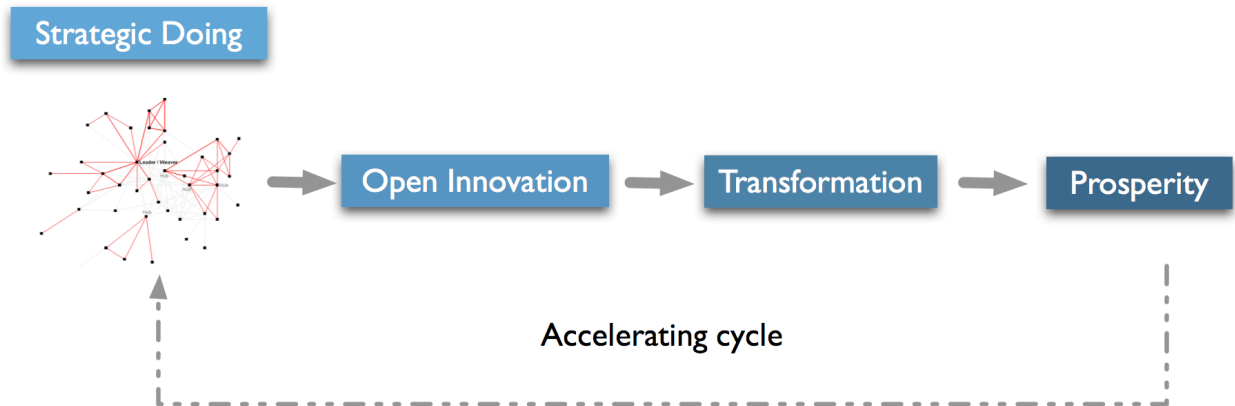
In sum, we will have to think and act in new ways. No one individual, no one organization has all the answers. There are no “silver bullets,” no magic solutions, no One Big Project that will guarantee that our transformation will succeed.

## Our Foundation for Change

Over the last decade or so, the software industry demonstrated that it is highly productive to collect the best ideas from anybody, anywhere, and act on it for the benefit of the entire industry. New competitors, with new business models and value propositions, benefit customers and create the incentive for existing competitors to compete more effectively. Incumbent competitors react by redoubling their efforts to compete, also benefit customers. This approach and its resultant products is called “open source” software.

In economic development, there is a similar renaissance underway. The economic development theory simply states that:

- There is no monopoly on the sources for new, potentially productive ideas.
- Connecting the people with these ideas can and will result in networks that have specific purpose.
- Interacting in these networks to achieve clear and measurable outcomes will result in innovation potential.
- Organizing around the best ideas and making them work will result in innovation that can be transformative.
- Transformation results in prosperity.



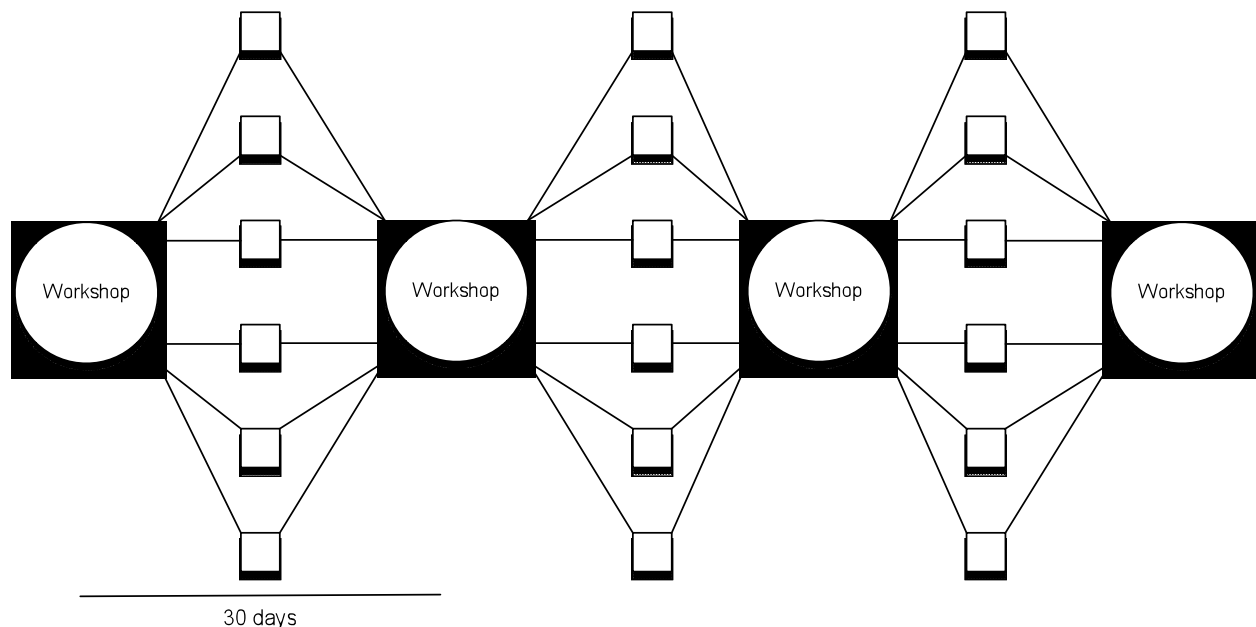


**Strategic Doing** is a discipline that guides open innovation. It implements “open source” economic development. The Strategic Doing cycle moves people through a process in which they:

- Connect their assets to define new market opportunities and create new value.
- Develop clear outcomes together, and learn to share information.
- Help each other on projects to accelerate the translation of ideas into action.
- Commit to an on-going process of strategic thinking, testing and evaluation to figure out “What works”.

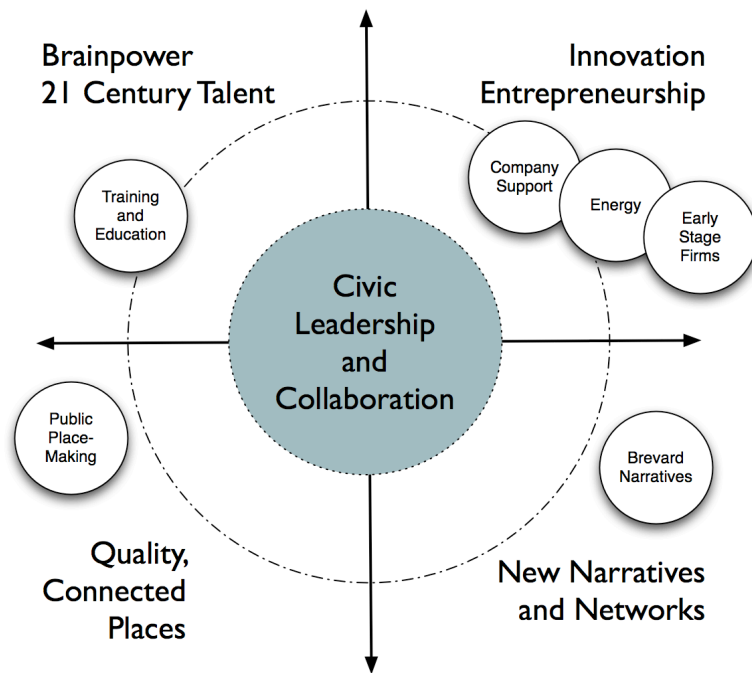
The goal of this strategy process is to identify joint investment initiatives that are **replicable, scalable and sustainable**. Repeating the Strategic Doing cycle until it is second nature builds the strong connections between people and organizations needed to support these transformative investments. With stronger connections, the more likely that new clusters forming within the county will reach the critical mass needed to attract resources and yield tangible results. **Communities and regions with stronger open networks will be more competitive in the long run: They will learn faster, spot opportunities faster and act faster.**

Putting Strategic Doing into practice involves a workshop-driven approach until the workshop participants learn how to practice Strategic Doing on their own. The process encourages planning and action in monthly iterative loops. Short cycles are necessary for Strategic Doing participants to learn, begin practicing the new discipline of collaboration, and produce results to keep them motivated.



With guidance from the Purdue Center for Regional Development, it took two workshop-based cycles to get to the point where a core group of people, with some help, could produce this first version of a strategic action plan. This plan will steadily improve as we move forward.

Closely coupled to Strategic Doing is a *framework of economic transformation*. The framework consists of 4 quadrants that together capture the 4 necessary investments for enduring and resilient economic growth. At the center is the requirement of goal-driven civic leadership and collaboration. Strategic Doing first focuses on building the skills to practice civic leadership and collaboration, and then on putting those skills into practice. Without this center-led leadership and collaborative practices, initiatives mapped to the other 4 quadrants will produce sub-optimal results at best, and, at worst, will fail.



This framework depicts a regional economy as a network of collaborative networks. To thrive in this environment, regional economies need *a balanced portfolio of investments* that encourage new, purpose-driven networks that collaborate with each other in the following five areas:

- **Strengthening Brainpower** to ensure a continually strong foundation for building sustainable competitive advantage.
- **Connecting innovation and entrepreneurship networks** to attract and convert brainpower into wealth through new products, new services, and new markets.

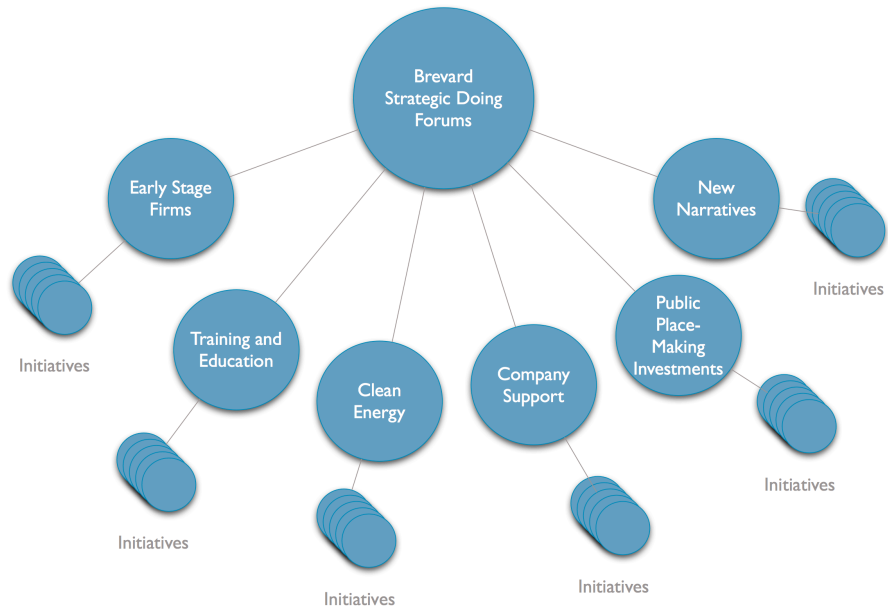
- **Building quality, connected places** to attract and retain the wealth a region builds through innovation and entrepreneurship by offering the best combinations of healthy “live, work, and play.”
- **Promoting new narratives and networks** to tell positive stories about a prosperous region and to use its connections to attract more brainpower and capital.
- **Strengthening collaboration** to develop civic habits of thinking and acting together to quickly spot and capture growth opportunities.

Our planned initiatives, although well-balanced, focus on the highest priority for our county, “innovation and entrepreneurship.” Our initiatives are “strategy mapped” in this framework.

## Our Focus Areas

For the next 12 months, our strategy will emerge from six (6) focus areas, some of which have transformational potential:

- Company-support projects
- Energy
- Early-stage firms and entrepreneurs
- New Brevard narratives
- Public place-based investments
- Training and Education



In addition to our 6 initiatives, Brevard County will continue to develop a strong core team of people through Brevard Strategic Doing Forums to provide the civic leadership and implement the best practices of collaboration across all initiatives.

The core team’s long-term goal will be to become an important hub for economic development conversations and action. For it to become a hub, the core group will have to find a way to provide value to all the stakeholders. This value is rooted in three important dimensions:

- **Focus:** the core group will guide a regional economic development process and portfolio-based approach to managing initiatives.
- **Scale:** Through a process that focuses on measurable results, the core group will open new avenues for investment.
- **Alignment:** Through the engagement of different parties involved in regional transformation, the core group will enable our region to recalibrate and learn continuously about what works.

## Company-Support Focus: First Year Initiative

### *Outcome and Metrics*

Freer flowing capital as measured by growth in small business lending and credit. The initial outcome involves increasing small business lending in the county by 25% in 2011 over 2010.

### *Initiatives and Milestones*

We are currently structuring specific initiatives and milestones around the following activities that align to our outcome.

- Identify the sources of funds.

- Gather information from the business community to identify and prioritize their funding issues.
- Develop leadership team who will build stronger relationships with banks, other institutional lenders, and the Small Business Administration.
- Evaluate lending guidelines and determine how to make them more realistic where needed.
- Determine how to deal with situations where there is little or no collateral.
- Determine how to change the prevailing formula-driven lending approach to more creative lending.
- Develop and execute a plan for promoting our region to the venture capital industry.
- Develop stronger relationships with elected representatives to explore legislative changes.
- Devise a way to facilitate the pairing up of companies to better leverage their resources for projects and bids, and to boost their sales.
- Devise a way to make it attractive for aerospace companies to expand their operations or move to the Space Coast.

### ***Stronger Connections Needed***

We recognize the importance of development stronger networks to support business growth within the county. These networks enable companies to 1) identify and acquire resources more quickly; and 2) remove the obstacles to growth. The key participants in these networks include:

- Banks.
- Elected representatives.
- Small Business Administration.
- EDC Industry Council.
- Chambers of Commerce.

### ***Next Steps***

- Recruit and develop a leadership team to meet with banks, the SBA and others.
- Move our work into an online collaboration space.

### ***Recommended Federal Action***

- Appoint a ***Brevard Business Financing Working Group*** of federal representatives from the Small Business Administration, the Economic Development Administration, the Federal Reserve Bank in Atlanta, U.S. Department of Treasury and other federal agencies to develop practical steps to accelerate the flow of financing to growth oriented businesses.
- This Working Group should develop initiatives and protocols that other regions of the country, saddled with the same obstacles to commercial lending, can follow.

## Energy Focus: First Year Initiative

### ***Outcome and Metrics***

Establish a new cluster of companies in emerging energy technologies. Metrics: 1) Investment in new energy technology companies; 2) Number of companies actively engaged and financially supporting the cluster.

### ***Initiatives and Milestones***

Host an Energy Summit in September 2010.

## Training and Education: First Year Initiative

### ***Outcome and Metrics***

Brevard Training and Education Network, a hub and spoke network operating in the county to provide expanded training and education choices from multiple educational institutions. Metrics: 1) Financial commitments from members of the network; 2) number of individuals served.

### ***Initiatives and Milestones***

## Entrepreneurship and Early Stage Company Focus: First Year Initiative

### ***Outcome and Metrics***

Establishment of an angel capital network and early stage venture funds with \$5 million in available financing for early stage companies.

### ***Initiatives and Milestones***

### ***Recommended Federal Action***

- Extend the JumpStart initiative that is currently supported by the Economic Development Administration to Brevard. (This initiative is currently focused in the Midwest and upstate New York.)

## Public Place Making: First Year Initiative

### ***Outcomes and Metrics***

- 1) Eliminate the liability issues that prevent Amtrak from expanding into Brevard County. The outcome metric: An agreement among the parties that resolves liability issues that are freezing development of Amtrak.
- 2) Establish a strong support network to focus Florida's high speed rail plans to include Brevard. The outcome metric: Inclusion of Brevard in the state's high speed rail network.

### ***Initiatives and Milestones***

## New Narratives: First Year Initiative

*Outcome and Metrics*

*Initiatives and Milestones*

## Resource and Funding Needs

We have two requirements to:

- Continue to revise and detail our plans,
- Become self-sufficient in Strategic Doing,
- Achieve our first year objectives.

The first requirement is to continue working with the Purdue Center for Regional Development to build out our network of support for Strategic Doing. Purdue's role will be to provide guidance, including workshop and coaching support until we can implement Strategic Doing on our own. Purdue will also link with the University of Central Florida and a broader national network of universities practicing the disciplines of Strategic Doing. This national network, based at Penn State University and called Transformative Regional Engagement networks (TRE Networks), focuses on building open innovation disciplines to transform regional economies. Purdue will also help us implement project management and collaboration best practices so we can start to manage through metrics with minimal overhead.

The second requirement is access to \$15 million in federal funding during our first year to create an **Opportunity Fund** to finance promising initiatives emerging from this process. In the following years, we will secure an increasing percentage of matching private sector funds to diversify our economy and position our county for global competition.

We expect to draw down on \$2 million immediately for use to:

- Continue investment in Strategic Doing to learn and apply the best practices of strategy in open networks.
- Support open innovation with the national network of universities (TRE Networks) with the University of Central Florida as our anchor institution.
- Support the work of the Brevard Business Financing Working Group.
- Host the planned Brevard Energy Forum and provide initial seed financing for the most promising initiatives emerging from this session.
- Develop and implement a business plan for a Brevard angel capital network.
- Support the formation and operation of the Brevard High Speed Rail Network.
- Draft the business plan and provide initial planning financing for the Brevard Network for Training and Education.

Our understanding is that the \$15 million dedicated to our economic turnaround will be supported by funds allocated to existing national emergency grants.

Accounting for funds used, and reporting on financial status and progress on a monthly basis will become one of the core group's responsibilities. Initially, we will adopt the Purdue model for monthly reviews.

## **Brevard Opportunity Fund**

This section of the plan details the structure and operation of the Brevard Opportunity Fund. The Fund will operate under similar structure and operating principles to the North Central Indiana Opportunity Fund, designed and operated by Purdue University by the Purdue Center for Regional Development.

The Fund is designed to follow the structure of the SBIR program with staged grants for promising initiatives. The Fund is targeted to triggering co-investment in these promising initiatives. The Fund focuses on identifying transformative co-investments that are replicable, scalable and sustainable.

## **Risk Management**

In our August workshop, we will address the possibility that funding is either too far into the future, or will not be enough.

The core team will take on the responsibility of managing risk.

## Appendix

- Lexicon of Economic Development Terms
- Open Source Economic Development
- Economic Development Primer: Foundation for Transforming Regional Economies
- Strategic Doing Forum Civic Involvement

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