by Anya Codack (2008 Issue)

Business Retention Means People Retention

Economic development used to be about going out and attracting a company, and pulling together incentive packages to land that company. But that is not where economic development is going in the future.

The focus is shifting toward raising awareness of the uniqueness of each community and its ability to retain and attract talented people who will contribute to creating more economic opportunities.

A growing number of communities have realized that their development time and effort needs to be spent developing people-based business retention strategies at the same time as they continue with efforts to attract site developers.

More attention is being given to creating a community environment that provides a heightened quality of life and quality of place. A high quality-of-life experience will be a significant factor in the attraction and retention of creative workers.

Urban theorist Richard Florida has noted that “access to talented and creative people determines where companies will choose to locate and grow, and this in turn changes the way cities can compete.” The theories of Florida, director of the Martin Prosperity Institute, affiliated with the University of Toronto, have had a tremendous impact on the way cities and organizations look at shaping their economic futures. In an interview with Canadian Business magazine in 2008, Florida discussed how attracting and retaining members of the “creative class” creates economic advantage through the development of clusters of talent.

“The real clustering that matters is not the clustering of industries and firms and technologies,” he said. “It’s the clustering of highly innovative people.

“The places that attract them are the really, really big winners. They grow more, they have more patents, they have more innovation, they have higher housing values, incomes and wages. It’s no longer that we can grow just by popping stuff out of the ground and using people in these mass production assembly lines. The growth of human capabilities is coincident with the growth of our economies.”

A best practice in economic development today is to help keep communities vibrant by working collaboratively to develop strategies to retain a productive work force in an attractive and sustainable environment.

This means that investment attraction marketing needs to include emphasis on natural amenities, recreation facilities, culture, festivals, sports, heritage, shopping, health care and education.

Information and communications technologies are important tools in developing and deploying such strategies. Web-based applications can assist with delivering public information and helping to build consensus around a program, gathering and analyzing industry intelligence, conducting surveys, presenting podcasts and reaching out to communities of interest through social networks.

All in the name of invigorating a community’s economy - through motivating and rewarding the people who live there!

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