



	1	2	3	4	5
	\$43,300	\$67,900	\$77,300	\$80,200	\$88,100
	\$24,100	\$24,600	\$20,800	\$21,900	\$38,600
	\$19,200	\$43,300	\$68,600	\$68,300	\$48,600
	\$3,500	\$3,900	\$2,100	\$3,000	\$3,600
	\$15,700	\$39,400	\$64,400	\$66,300	\$45,000
	\$14,500	\$13,300	\$15,500	\$18,000	\$20,000
	\$7,000	\$7,600	\$9,400	\$9,900	\$7,600
	(\$8,200)	(\$5,400)	(\$6,900)	(\$7,900)	(\$3,000)
	\$13,300	\$15,500	\$18,000	\$20,000	\$19,100
	\$13,300	\$15,500	\$18,000	\$20,000	\$19,100
	\$17,600	\$18,600	\$19,800	\$19,600	\$21,600
	\$6,300	\$8,200	\$9,300	\$9,400	\$11,600
	\$5,700	\$6,300	\$5,800	\$3,200	\$2,700
	\$42,900	\$43,800	\$62,900	\$62,100	\$63,600
	\$28,000	\$30,500	\$45,000	\$43,000	\$41,000
	\$70,900	\$74,300	\$97,900	\$95,100	\$94,800
	\$6,400	\$6,200	\$9,800	\$7,600	\$8,200
	\$5,700	\$5,600	\$4,800	\$5,400	\$7,700
	\$2,300	\$2,300	\$3,000	\$2,800	\$2,700
	\$14,400	\$23,700	\$1,800	\$24,600	\$18,800
	\$22,100	\$1,800	\$25,500	\$26,500	\$26,100
	\$1,400	\$25,800	\$34,800	\$97,900	\$95,100
	\$23,500	\$34,800	\$97,900	\$95,100	\$94,800
	\$33,000	\$74,300	\$97,900	\$95,100	\$94,800
	\$70,900	\$74,300	\$97,900	\$95,100	\$94,800

Benchmarking Quality Management Among Accredited Economic Development Organizations

Prepared for
International Economic Development Council

Prepared by

**Georgia
Tech**



Enterprise
Innovation
Institute

BENCHMARKING QUALITY MANAGEMENT AMONG Accredited Economic Development Organizations

Results of the 2006 Assessment Survey Final Report

Prepared for

International Economic Development Council

Prepared by

Georgia Tech's Enterprise Innovation Institute

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INTRODUCTION

In search of competitive excellence, economic developers often ask for guidance and assistance on key enterprise management and operational issues relating to running a quality economic development program. They are interested in operating as effectively as possible, in yielding the highest possible impact, and in having a knowledge system in place for tracking their performance to enable continual improvement.

To assist in this arena, the Calibration ProgramTM has been designed to help local economic development organizations (EDO) achieve higher performance and excellence drawing on quality management standards from the International Economic Development Council's (IEDC) Accredited Economic Development Organization (AEDO) program, the International Organization of Standardization (ISO), and Malcolm Baldrige.

To provide benchmarks for economic development organizations served by the program, Georgia Tech conducted an assessment survey of 18 Accredited Economic Development Organizations (AEDOs) from across the United States to help benchmark practices in economic development management.¹ These organizations were selected for participation in the survey because they have been recognized by the International Economic Development Council for their excellence and, therefore, are a representation of the "best of the best" in economic development.

Stakeholders from each organization were asked to assess their organization on the basis of 114 indicators relating to quality management. Stakeholders assessed the organization's operations in the following areas:

- Leadership
- Human Resource Focus
- Strategic Planning
- Customer & Market Focus
- Use of Technology
- Performance Tracking System

¹ The March 2006 presentation of draft results from this survey included 17 AEDOs. This report includes modified results based on the addition of one AEDO since that presentation.

- Communications System
- Process Management
- Partnerships and Relationships
- Results

These 10 criteria for quality management include 7 Baldrige Criteria and three additional criteria relative to economic development organizations, specifically. Specific indicators were based on standards from three programs of relevance -- Baldrige, ISO 9000, and AEDO. Also included were indicators for innovation management.

About the Calibration Program™

The goal of Georgia Tech's Calibration Program™ is to calibrate economic development organizations for excellence. This often involves enterprise transformation and key management tools for enabling such transformation. The program provides organizations with independent feedback that enables the following:

- Better understanding of operational gaps and opportunities for affecting or reinforcing positive change and achieving organizational excellence.
- Improved management systems to operate with greater effectiveness and efficiency, and for building a stronger organization.
- Heightened community recognition that the economic development organization is a well-managed, highly professional organization.
- Improved readiness to participate in IEDC's process to become an Accredited Economic Development Organization (AEDO), a national recognition for excellence.

THE PARTICIPANTS

Stakeholders from 18 Accredited Economic Development Organizations (AEDOs) participated in the assessment. The organizations covered a wide geographic spectrum, representing 12 of the 14 states housing AEDOs. Stakeholders included executive and other staff, board members, and other key stakeholders -- all were selected to participate in this survey by their AEDO leadership because they were viewed to have direct knowledge about their organization's operations.

Following is a list of participating organizations:

- Beacon Economic Development Council (Florida)
- City of Marietta Office of Economic Development (Georgia)
- City of Roanoke Dept. of Economic Development (Virginia)
- County of Placer (California)
- County of Roanoke Dept. of Economic Development (Virginia)
- Fayette County Development Authority (Georgia)
- Fond du Lac County Economic Development Corporation (Wisconsin)
- Hagerstown-Washington County Economic Development Commission (Maryland)
- Hampton Roads Economic Development Alliance (Norfolk, Virginia)
- Huntington Area Development Council (West Virginia)
- Lehigh Valley Economic Development Corporation (Pennsylvania)
- Muncie-Delaware County Indiana Economic Development Alliance (Indiana)
- Regional Economic Development Inc. (Columbia, Missouri)

- Research Triangle Regional Partnership (Raleigh, North Carolina)
- Roanoke Valley Economic Development Partnership (Virginia)
- Sacramento Area Commerce and Trade Organization (California)
- Tyler Economic Development Council, Inc. (Texas)
- Virginia Beach Department of Economic Development (Virginia)

Stakeholders completed an on-line Web-based confidential survey and were asked to rate their organization according to several indicators relating to organizational processes and operations. They were asked to use a scale from 1 to 5 where “1” means strongly disagree and “5” means strongly agree. Two additional choices included “NA” for “Not Applicable” and “DK” for “Don’t Know” if the stakeholder did not consider the question relevant to their organization or was uncertain about the answer. The number of participants varied with each organization. Therefore, responses were weighted per organization - based on their participation level - so that no one organization’s responses outweighed another’s.

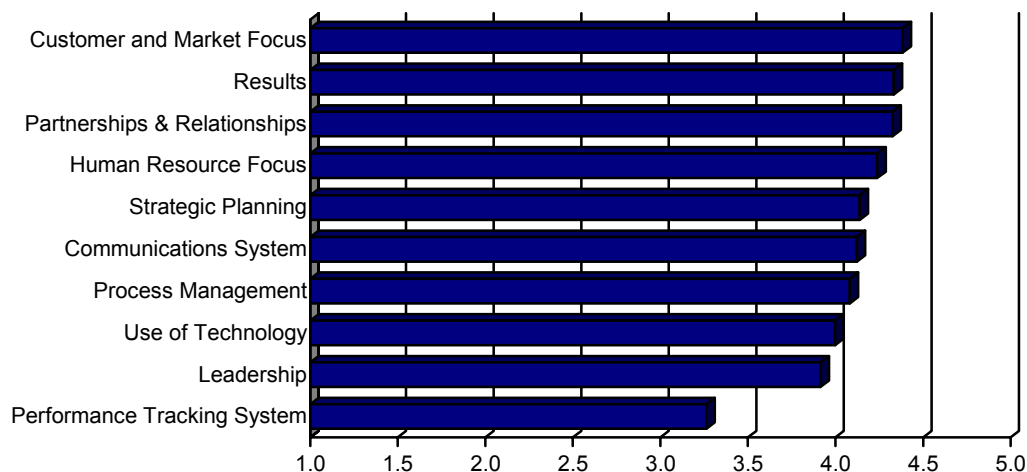
FINDINGS

Overall²

The Accredited Economic Development Organizations (AEDOs) scored well (4.0 or above) in seven key areas of quality management. Customer and Market Focus received the highest overall rating. Rounding out the top three areas of excellence were the categories of Results and Partnerships & Relationships.

While the organizations were rated relatively highly in most areas, a clear opportunity for improvement emerged in the Performance Tracking System area.

Key Quality Management Areas - Overall Average Ratings



Source: Georgia Tech Enterprise Innovation Institute
Benchmarking Survey of AEDOs 2006

² Weighted averages and medians exclude “Don’t Know” and “Not Applicable” answers and are rounded to the nearest tenth decimal point.

A review of all 114 indicators yielded an overall weighted average of 4.1, and a median of 3.8. Following is a summary of ratings per key management area. Overall weighted averages and median weighted averages for each of the 10 areas are provided. The top three indicators per area are also noted in the right column.

Key Management Area	Average	Median	Top Three Indicators
Leadership	3.9	3.8	Community leadership support for economic development Clarity of vision and mission Reasonable expectations and support of staff
Human Resources	4.2	4.2	Staff recognized as key economic development point of contact Staff turnover is not a problem Staff regularly create, share, and apply new ideas
Strategic Planning	4.1	4.2	Regularly partner with other organizations on implementation of plan Successful implementation of the plan Stakeholders fully understand the plan
Customer and Market Focus	4.4	4.3	Staff are “customer friendly” Effective at meeting needs of prospects Office easy to find and centrally located
Use of Technology	4.0	3.9	Adequate communications tools for staff connectivity Online services through Web or other mechanism Adequate presentation capabilities
Performance Tracking	3.3	3.4	Board and staff receive all staff needed to work effectively Tracking system measures quality of work Effective performance tracking system

Cont'd

Key Management Area	Average	Median	Top Three Indicators
Communication Systems	4.1	4.1	Electronic and print news materials Community stakeholders informed on activities, progress Web site regularly updated with all key information
Process Management	4.1	4.1	Executive director has adequate control over work processes Response to customers and stakeholders timely and effective Non-executive staff have adequate control over work areas
Partnerships & Relationships	4.3	4.3	Board members actively involved in other organizations Effective relationship with local government Effective relationship with statewide and regional economic development organizations
Results	4.3	4.4	Obeys laws and regulations High standards and ethics Positive impact on community's economic development

In addition, interwoven among the 114 indicators were indicators to measure the propensity for innovation within the AEDO. Following is a summary of results for a review of 11 such indicators.

	Average	Median	Top Three Indicators
Innovation	4.0	4.0	Staff regularly create, apply, and share new ideas Engagement of partners to develop new ideas Share and receive new ideas from other EDOs

Leadership

Leadership was the second lowest rated management area by AEDO stakeholders among the 10 areas of quality management, with an average rating of 3.9 and a median rating of 3.8 based on ratings provided for 14 indicators. However, community leadership support for economic development in particular was the 10th highest rated among the 114 total indicators in the survey.

Beyond community leadership, other top rated areas included clarity of vision and mission and reasonable expectations of and support for staff.

Leadership Indicator	Weighted Average
1. Community leadership is supportive of economic development.	4.6
2. The EDO has a clear vision and mission that its leaders effectively communicate, support, and model throughout the organization.	4.5
3. The EDO board has reasonable expectations of the staff and the organization and is supportive of staff.	4.3
4. The EDO board has an effective board rotation (leadership succession) policy that is reviewed and updated on a regular basis.	4.3
5. The EDO board regularly shares information about the EDO with community stakeholders.	4.2
6. The EDO board works within the community to remove barriers to economic development progress.	4.0
7. The EDO board actively works to secure increased funding for the EDO.	4.0
8. The EDO board regularly evaluates outcomes according to annual objectives.	3.9
9. The EDO board lets staff know what they think is most important and regularly asks staff for input.	3.7
10. The EDO board expects, evaluates, and rewards innovative performance by staff.	3.7
11. The EDO board represents the diversity of the community.	3.7
12. Community leadership embraces change and new ideas.	3.6
13. The EDO board tolerates and accepts mistakes when trying new ideas.	3.5
14. The EDO board participates in appropriate board member training programs.	3.0
AVERAGE	3.9
MEDIAN	3.8

Stakeholders provided relatively high marks to AEDOs for certain board functions - sharing information with community stakeholders, having an effective board rotation

policy, working with the community to remove barriers to progress, and working to increase funding for the organization. However, board member training was the lowest rated indicator within the Leadership area and among the lowest rated of all indicators. Other indicators with relatively low scores (i.e., those below the median for Leadership) related to the support environment for innovation - tolerance of mistakes when trying new ideas, the degree to which community leadership embraces change and new ideas, expectation and reward for innovative performance. Ratings provided for specific aspects of the board - diversity of board representation and board interaction with staff - also revealed opportunities for improvement.

Some of the ratings appeared to be affected by the varying roles a board may play for an organization. For example, one stakeholder commented that the board acts as mainly an advisory body with little authority or influence over performance. Another described the board as “voluntary management” that is beginning to take a more hands-on approach. It was also shared by another stakeholder that his/her organization does not utilize their board to the fullest extent but depends upon staff to do everything.

Human Resource Focus

Human Resource Focus appears to be a management area in which AEDOs perform well, as the average and median ratings both exceeded 4.0 based on ratings provided for 12 indicators.

Staff are reported to be recognized as the point of contact for economic development, internally and externally. In addition, AEDOs received high marks for staff turnover not being a significant problem, signaling a strong support environment for staff. Another area of strength is staff regularly creating, sharing, and applying new ideas. This reflects a degree of innovation among staff, even though the level of support environment for innovation is questionable based on some of the Leadership indicators.

According to stakeholders, staff members keep the board informed on key operational issues, which goes hand-in-hand with another area of apparent strength - enabling staff to influence the organization's program of work. Professional development of staff appears to be encouraged and supported and benefits packages, such as health and insurance, also appear to be common among AEDOs.

The indicator receiving the lowest rating in this area concerns whether staff have everything they need to do their job effectively. Another opportunity for improvement concerns the matter of job description and whether board and staff are in agreement. This is a fundamental one as it greatly impacts the ability to perform to expectations. Other indicators below the median concerned compensation and performance rewards and whether the organization has adequate staff support.

Generally, stakeholders praised the Human Resource Focus of their organizations and reported to benefit from excellent staff as a result. “We are very lucky to have the BEST staff in the region and probably the state,” said one stakeholder. “[They are] very capable, very professional, and very focused on the success and reputation of the organization and our mission.”

Human Resource Focus Indicator	Weighted Average
1. Staff are recognized as the point of contact(s) for economic development for the community within and outside the community.	4.7
2. Staff turnover is not a significant problem for the EDO.	4.4
3. Staff regularly create, share, and apply new ideas.	4.4
4. Staff keep the board informed on important operational issues.	4.4
5. Staff are encouraged, supported, and active in their pursuit of further professional development.	4.4
6. Staff receive satisfactory benefits packages, including health insurance.	4.4
7. Staff have the ability to influence the organization's program of work.	4.3
8. Staff are provided with effective orientation and training.	4.2
9. The EDO has satisfactory staff support.	4.1
10. Staff are compensated satisfactorily and fairly, and are adequately rewarded for performance with incentives, bonuses or other mechanisms.	4.0
11. The board and staff agree on matters of job description.	3.9
12. Staff have everything they need to do their job effectively.	3.7
AVERAGE	4.2
MEDIAN	4.2

Strategic Planning

With average and median ratings above 4.0 according to a set of 12 indicators, Strategic Planning is another management area in which AEDOs perform fairly well.

AEDOs received the highest marks in this area for regularly partnering with other community groups and organizations in implementation of their plan. Stakeholders also rated the organizations well for their successful implementation of the plan. Having key stakeholders read and fully understand the strategic plan was the third highest rated indicator.

While a critical tool for building support for the organization, communicating progress to community and external stakeholders was the lowest rated indicator in this area. Related to this, AEDO stakeholders provided lower ratings in this area regarding the monitoring and tracking of such progress. The indicator with the second lowest rating was the level of diversity among community stakeholders involved in the planning process.

Strategic Planning Indicator	Weighted Average
1. The EDO regularly partners with other community groups and organizations in the implementation of the strategic plan.	4.5
2. There has been successful implementation of the economic development strategic plan.	4.4
3. I have read and fully understand the strategic plan.	4.3
4. The EDO's strategic plan is in sync with the community's comprehensive plan.	4.2
5. The EDO's strategic plan adequately addresses needs relating to downtown development / redevelopment, supporting business and industry, supporting entrepreneurs and small businesses, marketing and recruitment, tourism development, and workforce development.	4.2
6. The EDO adopts annual objectives that are measurable and purposeful for reaching the strategic goals and opportunities identified in the strategic plan.	4.1
7. The EDO is guided by a well-conceived, up-to-date strategic plan.	4.1
8. Satisfactory resources are available to the EDO for implementing strategic plan goals and objectives.	4.1
9. The EDO's strategic plan reflects some incorporation of new ideas and strategies that differ from those tried in previous years.	4.1
10. The EDO regularly monitors and tracks progress in implementing the strategic plan, and updates accordingly.	4.0
11. A diverse group of community stakeholders have been involved in the process to develop, implement, and update the strategic plan.	3.9
12. The EDO regularly publicizes strategic planning progress to community stakeholders and external stakeholders.	3.9
AVERAGE	4.1
MEDIAN	4.2

Some stakeholders reported that their organizations were currently in the process of updating their plan, making it difficult to answer some of the questions. It was also shared that the strategic plan did not fit the needs of one AEDO which engages in an annual planning effort to enable quicker adaptation for change.

Customer and Market Focus

Customer and Market Focus is the top management area of excellence among AEDOs, with an average rating of 4.4 and a median rating of 4.3, based on a set of 13 indicators.

Above all, stakeholders provided AEDOs top billing for “customer-friendly.” This indicator received the second-highest rating among all 114 indicators in the survey. Within the Customer and Market Focus area, effectiveness in responding to prospects was second highest indicator in the Customer and Market Focus area. “The EDO is particularly adept at assessing potential prospects and their fit within the community’s expectations and the EDO’s mission,” shared a stakeholder. “And, it’s not afraid to state when a project is not a good fit for the community.”

Customer And Market Focus Indicator	Weighted Average
1. EDO staff are known for being “customer-friendly.”	4.8
2. The EDO is effective at understanding and addressing the needs of prospects.	4.7
3. The EDO’s office is easy-to-find and centrally located within the community.	4.6
4. The EDO’s office provides privacy for conferences.	4.6
5. The EDO is effective at understanding and addressing the needs of existing business and industry.	4.5
6. The EDO effectively communicates the community’s competitive advantages to customers and stakeholders.	4.5
7. The EDO’s office is functional, well-maintained, and orderly.	4.4
8. The EDO is effective at understanding the needs of the community’s workforce.	4.3
9. The EDO’s community information and marketing materials are current and professional in appearance.	4.3
10. The EDO is effective at understanding and addressing the needs of visitors and newcomers.	4.2
11. The EDO is effective at understanding and addressing the needs of entrepreneurs and emerging industry.	4.1
12. The EDO regularly solicits and incorporates input and feedback from its customers.	4.0
13. The EDO is effective at understanding and addressing the needs of community citizens.	3.9
AVERAGE	4.4
MEDIAN	4.3

Indicators relating to office set up scored quite well - e.g., the centrality of location, the private conference environment, and the degree to which the office is functional, well-maintained and orderly.

Stakeholders also provided high marks for their organization's ability to meet the needs of existing industry and business and the communication of the community's competitive advantage to customers and stakeholders.

While this management area is an area of overall strength, with the majority of indicators having weighted averages above 4.0, the greatest opportunity for improvement appeared to be regarding the effectiveness of AEDOs at understanding the needs of community citizens. The second lowest rated indicator in this area concerned the collection and incorporation of feedback from customers, an important tool for knowing how best to improve.

Another practice receiving relatively lower ratings compared to the rest was the organization's ability to meet the needs of entrepreneurs and emerging business. To some extent, this may relate to a late adoption or even lack of adoption of this function among some AEDOs, due to the presence of other community-based organizations.

For example, said one stakeholder "We are just beginning to weave in the entrepreneurial development and emerging 'home grown' industry support into the organization's mission and strategic plan. This is not an area that we have ever "played in but it is becoming an important one for the region. We are attempting to carve out a niche that is appropriate for this organization and in a manner that does not threaten other organizations involved in this area."

Use of Technology

The Use of Technology was the third lowest rated management area among the 10 key areas of quality management by AEDO stakeholders, with an average rating of 4.0 and a median rating of 3.9 based on a set of nine indicators.

Stakeholders provided the highest rating in this area to AEDOs for using adequate communication tools to support staff connectivity. They also rated their organizations highly for providing on-line services and for their presentation capabilities.

While AEDOs were rated relatively high for their budget for purchasing and upgrading technology tools, they received relatively low ratings for the utilization of the latest office technologies for enhancing productivity and efficiency. Directly tying into the utilization issue, the stakeholders also provided the lowest ratings in this area with regard to staff receiving regular training to learn about and apply new technologies. Noted one stakeholder, "We have what we need to do our job effectively and in a productive and timely manner, but there is probably room for improvement."

Whether the AEDO is viewed as a community leader in the use of technology posted the second lowest weighted average in this area.

However, the absence of "Not Applicable" responses to questions for this management area reflects a high degree of implementation of practices. One inference from combining this observation with the relatively lower ratings for this area is that AEDOs appear to be active in their utilization of technology tools but stakeholder ratings pinpoint opportunities for improvement in that utilization.

Use Of Technology Indicator	Weighted Average
1. The EDO uses adequate communications tools for supporting staff connectivity (e.g., e-mail, voice mail, call forwarding, remote access, personal digital assistants)	4.4
2. The EDO provides on-line services through its Web site or another mechanism.	4.3
3. The EDO has adequate presentation capabilities.	4.2
4. The EDO has a satisfactory budget for purchasing and upgrading technology tools (e.g., computer hardware, software, personal handhelds, digital phones).	4.2
5. The EDO effectively utilizes electronic or Web-based research services.	4.1
6. Staff have access to all the technology tools they need to do their job effectively.	4.1
7. The EDO effectively utilizes the latest office technologies to enhance productivity and efficiency.	3.9
8. The EDO is viewed as a community leader in the use of technology.	3.5
9. Staff receive regular training to learn about and apply new technologies.	3.4
AVERAGE	4.0
MEDIAN	3.9

Performance Tracking System

The Performance Tracking System management area represents the chief opportunity for improvement. It received an average rating of 3.3 and a median rating of 3.4 based on a set of 10 indicators. Seven of the ten indicators posted weighted averages below the median for the area in particular; nine posted weighted averages below the median for all indicators included in the survey. As a result, this management area posted lower average and median ratings from stakeholders than that of any other area or for all the indicators as a whole.

While stakeholders provided generally low ratings to their AEDO for Performance Tracking when compared to the other management areas, there was at least one indicator of apparent strength - AEDOs were provided higher marks in this area for board and staff receiving all the information they need to do their work effectively. For those organizations with systems to track performance, stakeholders provided the second highest marks (for this area) for the system providing information to measure the quality of work.

There appears to be a lack of implementation of a system or practices to track performance as can be inferred by a large number of "Don't Know" or "Not Applicable" responses provided by stakeholders for questions in this area. Some stakeholders shared that they track performance but not formally. Others indicated that the methods in which they track performance could use some improvement.

Performance Tracking System Indicator	Weighted Average
1. The board and staff receive all the information they need to do their work effectively.	4.1
2. The performance tracking system provides all the information needed to measure the quality of the EDO's work.	3.6
3. The EDO utilizes an effective performance tracking system.	3.4
4. The board and staff regularly makes appropriate changes in the EDO's strategic plan and program of work based on its performance tracking system.	3.3
5. The performance tracking system enables the board and staff to measure the impact of new ideas on meeting EDO objectives.	3.2
6. The board and staff use the performance tracking system to measure the impact of specific strategies and activities.	3.2
7. The board and staff use the performance tracking system to make decisions regarding future investment of time and funding.	3.2
8. The performance tracking system includes metrics tied to the EDO's strategic plan.	3.0
9. The board and staff know how to review the performance tracking system's metrics to determine if changes are needed.	2.9
10. The board and staff use the performance tracking system to make appropriate adjustments to staff salaries or bonus scales.	2.6
AVERAGE	3.3
MEDIAN	3.4

Communications System

Stakeholder ratings in the area of Communications revealed another area of relative strength, with average and median ratings above 4.0 for the set of 8 indicators.

The AEDOs received highest marks in this management area for regularly issuing communication materials, keeping stakeholders adequately informed, and maintaining a current Web site. However, regarding their Web sites, they received relatively low marks for how well the sites rank on key Internet search engines.

While stakeholders provided relatively high ratings for AEDO performance in keeping state and regional partners informed, providing the resource partners with updates for their Web sites and databases was the lowest rated indicator among the eight.

Communications System Indicator	Weighted Average
1. The EDO regularly issues electronic and / or print news releases, newsletters, or other materials on its activities and progress.	4.4
2. Community stakeholders are adequately informed on EDO activities and progress	4.4
3. The EDO's Web site is regularly updated with all the key information and resources needed by its customers.	4.3
4. State and regional partners are adequately informed on EDO activities and progress.	4.3
5. The EDO's Web site is easy to navigate.	4.2
6. The EDO does an effective job of informing the general public on activities and accomplishments.	4.0
7. The EDO's Web site has been designed to rank highly on the key Internet search engines.	3.8
8. The EDO regularly updates state and other resource partner Web sites and databases with community information.	3.7
AVERAGE	4.1
MEDIAN	4.1

Process Management

Process Management is another area of relative strength for AEDOs, according to stakeholder ratings, with average and median ratings above 4.0 based on a set of 10 indicators.

Stakeholders provided highest marks in this management area to AEDOs for enabling the executive director to have adequate control over work processes. High marks were also provided for the similar ability of non-executive staff as it relates to their specific areas of responsibility. These practices are likely to aid these organizations in another Process Management practice - responding to customers and stakeholders in a timely and effective manner - a practice for which they also received high marks by stakeholders.

Also boosting their ability to have effective work processes, AEDOs received relatively high marks for their referral system with statewide and regional resource providers, indicating their ability to utilize external resources. However, while they have appear to do well in using a referral system with such resources, AEDOs received lower marks from stakeholders for utilizing such resources to improve their work processes. A possible parallel from this finding can be drawn to what appears to be another opportunity for improvement revealed by the stakeholder ratings -- the implementation of innovative practices to address customer and stakeholder needs.

Stakeholders provided lowest marks for the adequacy of resources to complete work processes, revealing a challenge - that is, operating on limited resources - experienced by many economic development organizations.

Process Management Indicator	Weighted Average
1. The executive director has adequate control over the organization's work processes.	4.4
2. The EDO is able to respond to its customers and stakeholders in a timely and effective manner.	4.2
3. Non-executive staff have adequate control over their areas of responsibility.	4.2
4. The EDO has an effective referral system with state, regional and other resource partners.	4.2
5. The EDO effectively utilizes internal knowledge sources (e.g., staff, board members) to continually improve its work processes.	4.1
6. The EDO has effective procedures in place to guide work processes.	4.1
7. The EDO makes changes to the work processes based on customer and stakeholder feedback.	4.0
8. The EDO effectively utilizes external knowledge sources to continually improve its work processes.	3.9
9. The EDO implements innovative practices for addressing customer and stakeholder needs.	3.9
10. The EDO has adequate staff and resources to complete its work processes.	3.8
AVERAGE	4.1
MEDIAN	4.1

Partnerships & Relationships

Partnerships & Relationships is another area of excellence for AEDOs, ranking third overall among the 10 key areas of quality management.

The top three best practices in this area reflect the ability of the AEDO to manage relationships with key champions. For example, the level that board members are actively involved in other community-based organizations received the highest rating. Also receiving high ratings were the partnership the AEDO has with local government and its relationship with statewide and regional partners.

Recognizing the importance of workforce development to economic development, AEDOs were rated highly for their ability to collaborate with institutions of higher learning. Stakeholders also provided high marks for their organization's effectiveness in collaborating with other economic development organizations in the region.

While generally this is a management area that AEDOs excel in, there are some opportunities for improvement. Top among these is the level of collaboration the AEDOs have with other local economic development organizations, despite their relatively high level of collaboration with regional organizations, as revealed in the stakeholder ratings. The ability of the organization to expand resources through relationships with alternative funding sources also received relatively lower marks for

this area. And, while board members received top marks for their engagement in other community organizations, stakeholders provided relatively lower marks for the ability of the AEDO to collaborate effectively with community-based organizations. These three indicators taken together, it would seem there might be an opportunity for some AEDOs to further utilize its board members to strengthen collaborative ties.

Partnerships & Relationships Indicator	Weighted Average
1. Board members are actively involved in other community organizations.	4.6
2. The EDO has an effective relationship with local government.	4.6
3. The EDO has an effective relationship with statewide and regional economic development partners.	4.6
4. The EDO collaborates effectively with nearby four-year colleges and universities, technical colleges, and community colleges.	4.5
5. The EDO collaborates effectively with other EDOs in the region.	4.5
6. The EDO engages partners to develop new ideas.	4.4
7. The EDO enjoys satisfactory stakeholder support from the business community, political leadership, neighborhood or other groups that are essential to its mission.	4.4
8. The EDO shares and receives ideas with and from other EDOs.	4.3
9. The EDO has an effective relationship with local and regional media.	4.3
10. Staff are actively involved in other community organizations.	4.3
11. The EDO has an effective relationship with area legislators.	4.1
12. The EDO collaborates effectively with community-based organizations (e.g. civic groups, schools, social service groups, etc.)	4.1
13. The EDO has been able to expand its resources through relationships with alternative funding sources.	4.0
14. The EDO collaborates effectively with other local EDOs in the community.	3.9
AVERAGE	4.3
MEDIAN	4.3

Results

As AEDOs received top marks for their Customer & Market Focus and high marks for their Partnerships & Relationships, it is of no surprise that they also received second highest marks overall for their Results.

Within this management area, stakeholders provided AEDOs the highest ratings for obeying laws and regulations. This indicator also ranked first among all 114 indicators in the survey, posting a 4.9 average. AEDOs scored very well for their demonstration of high standards and ethics, which was the third highest rated indicator among all indicators.

Results Indicator	Weighted Average
1. The EDO obeys laws and regulations.	4.9
2. The EDO demonstrates high standards and ethics.	4.7
3. The EDO has had a positive impact on the community's economic development.	4.6
4. The EDO regularly meets or exceeds annual objectives.	4.4
5. Staff are satisfied with the organization's performance overall.	4.4
6. The board is satisfied with the organization's performance overall.	4.3
7. The EDO is innovative.	4.3
8. The EDO regularly and effectively completes its annual program of work.	4.3
9. The EDO has a reliable funding structure and receives financial support from several sources.	4.1
10. Community leaders are satisfied with the organization's performance overall.	4.1
11. Community citizens are satisfied with the organization's performance overall.	3.9
12. The EDO receives adequate, fair and balanced media coverage of its outcomes and performance.	3.9
AVERAGE	4.3
MEDIAN	4.4

Stakeholders provided high marks to AEDOs for their positive impact on their community's economic development.

In terms of areas to focus improvement efforts, receiving adequate, fair, and balanced media coverage appears to be the chief opportunity in this management area. In addition, the satisfaction of community citizens with AEDO performance received the second lowest rating in this area. Lower marks were also provided for the satisfaction of community leaders. The degree to which media coverage is impacting public satisfaction with the AEDO was not investigated within this survey, but the correlation is one to note.

IMPLEMENTATION OF MANAGEMENT PRACTICES

Stakeholders were provided the option of answering “Don’t Know” and “Not Applicable” for any of the indicators in the survey. A review of these answers is important as they reveal which management areas may have a greater lack of implementation than others.

In some cases, it may be that some stakeholders were unaware of the practice and provided a “Don’t Know” or “Not Applicable” response. However, given, each stakeholder was selected to participate for having direct knowledge about their economic development organization’s operation, there is a greater likelihood that such answers reveal a lack of implementation of a particular practice, especially for the “Not Applicable” responses. While it cannot be ascertained to what degree “Don’t Know” responses can be attributed to the lack of the practice being implemented, the two management areas receiving the highest number of “Not Applicable” responses also received a high number of “Don’t Know” responses.

Management Area	“Don’t Know”	“Not Applicable”	All Answers	Percent
Performance Tracking	29	45	410	18.0%
Leadership	14	29	616	7.0%
Communications System	14	0	328	4.3%
Strategic Planning	6	13	504	3.8%
Results	10	4	444	3.2%
Partnerships & Relationships	6	11	546	3.1%
Process Management	7	2	390	2.3%
Use of Technology	8	0	378	2.1%
Customer & Market Focus	2	7	549	1.6%
Human Resource Focus	2	5	528	1.5%
TOTAL	101	116	4,693	4.6%

Together, these responses accounted for a mere 4.6 percent of overall responses. The management area receiving the highest mention of such responses was Performance Tracking where they accounted for 18 percent of all responses provided by stakeholders. This coincides with some feedback provided by stakeholders concerning the lack of implementation of formal practices in this management area. Leadership ranked second for its number of “Don’t Know” or “Not Applicable” responses.

Within the Performance Tracking management area, the following indicators received the largest number of “Don’t Know” and “Not Applicable” answers:

1. The board and staff use the performance tracking system to make appropriate adjustments to staff salaries or bonus scales.
2. The performance tracking system includes metrics tied to the EDO’s strategic plan.

3. The board and staff know how to review the performance tracking system's metrics to determine if changes are needed.
3. (tie) The board and staff use the performance tracking system to make decisions regarding future investment of time and funding.

Within the Leadership management area, the following indicators received the largest number of "Don't Know" and "Not Applicable" answers:

1. The EDO board participates in appropriate board member training programs.
2. The EDO board tolerates and accepts mistakes when trying new ideas.
3. The EDO board expects, evaluates, and rewards innovative performance by staff.

Stakeholders provided the least amount of "Don't Know" and "Not Applicable" for Human Resource Focus responses. They provided no "Not Applicable" responses for Communications and Use of Technology, signaling implementation of practices.

TOP OPPORTUNITIES FOR IMPROVEMENT

As continual improvement is an ongoing process, even among "the best of the best," opportunities for improvement emerged from the survey results. Following are 10 indicators that received the lowest ratings by stakeholders, all posting a weighted average below 3.5. By far, the greatest opportunities for improvement appear to be in the Performance Tracking management area.

Opportunities Indicator	Management Area	Weighted Average
The board and staff use the performance tracking system to make appropriate adjustments to staff salaries or bonus scales.	Performance Tracking	2.6
The board and staff know how to review the performance tracking system's metrics to determine if changes are needed.	Performance Tracking	2.9
The EDO board participates in appropriate board member training programs.	Leadership	3.0
The performance tracking system includes metrics tied to the EDO's strategic plan.	Performance Tracking	3.0
The board and staff use the performance tracking system to make decisions regarding future investment of time and funding.	Performance Tracking	3.2
The board and staff use the performance tracking system to measure the impact of specific strategies and activities.	Performance Tracking	3.2

Cont'd

Opportunities Indicator	Management Area	Weighted Average
The performance tracking system enables the board and staff to measure the impact of new ideas on meeting EDO objectives.	Performance Tracking	3.2
The board and staff regularly make appropriate changes in the EDO strategic plan and program of work based on its performance tracking system.	Performance Tracking	3.3
The EDO utilizes an effective performance tracking system.	Performance Tracking	3.4
Staff receive regular training to learn about and apply new technologies.	Use of Technology	3.4

INNOVATION MANAGEMENT

Interwoven among the 114 indicators were indicators to measure the support for and level of innovation taking place within the AEDO.

Innovation Indicator	Weighted Average
1. Staff regularly create, share, and apply new ideas.	4.4
2. The EDO engages partners to develop new ideas.	4.4
3. The EDO shares and receives ideas with and from other EDOs.	4.3
4. The EDO is innovative.	4.3
5. The EDO effectively utilizes internal knowledge sources (e.g., staff, board members) to continually improve its work processes.	4.1
6. The EDO's strategic plan reflects some incorporation of new ideas and strategies that differ from those tried in previous years.	4.1
7. The EDO effectively utilizes external knowledge sources to continually improve its work processes.	3.9
8. The EDO implements innovative practices for addressing customer and stakeholder needs.	3.9
9. The EDO board expects, evaluates, and rewards innovative performance by staff.	3.7
10. Community leadership embraces change and new ideas.	3.6
11. The EDO board tolerates and accepts mistakes when trying new ideas.	3.5
AVERAGE	4.0
MEDIAN	4.0

Stakeholders provided top marks among the Innovation indicators to the regular creation, sharing, and applying of new ideas by staff. They also provided relatively high ratings for the AEDOs' ability to develop new ideas from partners and other economic development organizations. However, as noted earlier in this report, an opportunity for improvement is to utilize those resources not just to develop new ideas but to also improve work processes.

Overall, innovation appears to be an area of relative strength, according to stakeholder ratings, with average and median ratings above 4.0 based on a set of 11 indicators. And, AEDOs received relatively high marks by stakeholders for being innovative with a 4.3 average rating.

This is a significant finding when taken into context with what appears to be a potential lack of support for innovation among AEDO leadership. Among the innovation indicators, stakeholders provided the lowest marks to the level of tolerance and acceptance for mistakes when trying new ideas by the board and a number of them provided a "Don't Know" or "Not Applicable" answer for this indicator. The level to which community leadership embraces change and new ideas also received relatively low marks which helps explain the ratings provided for the board as board members are also often community leaders or are significantly influenced by them. Coinciding with these ratings, stakeholders also provided lower ratings for the board expecting, evaluating and rewarding innovative performance by staff - and, similar to the indicator about board tolerance, a number of them provided a "Don't Know" or "Not Applicable" answer.

BEST PRACTICES

AEDOs scored very highly (with a weighted average above 4.5) for 12 indicators, signaling best practices in management of economic development organizations among the "best of the best."

Looking at these indicators collectively, three management areas of excellence emerge --Customer & Market Focus, Results, and Partnerships & Relationships. What can be inferred from these results is that the AEDOs are customer-driven and high achievers that excel at developing mutually productive and valuable collaborations.

Best Practices Indicator	Management Area	Weighted Average
The EDO obeys laws and regulations.	Results	4.9
EDO staff are known for being "customer-friendly."	Customer & Market Focus	4.8
The EDO demonstrates high standards and ethics.	Results	4.7
The EDO is effective at understanding and addressing the needs of prospects.	Customer & Market Focus	4.7
Staff are recognized as the point of contact(s) for economic development for the community within and outside the community.	Human Resource Focus	4.7

Cont'd

Best Practices Indicator	Management Area	Weighted Average
Board members are actively involved in other community organizations.	Partnerships & Relationships	4.6
The EDO's office is easy-to-find and centrally located within the community.	Customer & Market Focus	4.6
The EDO has had a positive impact on the community's economic development.	Results	4.6
The EDO's office provides privacy for conferences.	Customer & Market Focus	4.6
Community leadership is supportive of economic development.	Leadership	4.6
The EDO has an effective relationship with local government.	Partnerships & Relationships	4.6
The EDO has an effective relationship with statewide and regional economic development partners.	Partnerships & Relationships	4.6

CONCLUDING SUMMARY

AEDOs scored well (4.0 or above) in seven key areas of quality management, signaling enterprise excellence. By reviewing AEDO performance, several best practices emerged - which could provide useful programmatic ideas for the profession. However, while they clearly excel overall, several opportunities for continual improvement also emerged. Such opportunities are likely relevant for economic development organizations as a whole.

- The best organizations focus on customer service, achieving results, and leveraging partnerships. Such focus has likely enabled AEDOs to have great impact on their surrounding communities, region, and state, as recognized by stakeholders in this survey. These organizations would be ideal candidates to provide valuable mentorship to other economic development organizations wishing to learn how to excel in these and other quality management areas.
- By far, the greatest opportunities for improvement appear to be in the Performance Tracking area. In addition to receiving low ratings for the performance tracking systems in place, there appears to be a lack of implementation of such a system among organizations. This is of critical importance from a quality management - continual improvement perspective. Without an effective performance tracking system, economic development organizations are less able to:
 - (1) Monitor the changing environment and adapt accordingly,
 - (2) Identify inefficiencies and implement corrective actions,

- (3) Make informed decisions regarding the setting of future organizational priorities,
- (4) Communicate progress and heighten community recognition concerning the economic development organization's accomplishments, and
- (5) Go from "good to great."

The ratings provided for AEDOs signal that performance tracking is likely a pervasive challenge and an area for potential programmatic assistance.

- Several AEDOs appear to be housed in a potentially non-supportive environment for innovation, with stakeholders providing relatively low marks for community leadership embracing change and new ideas. This would naturally translate into lower tolerance for new ideas by economic development organization board members - who are often community leaders - as also reflected in the stakeholder ratings.

Despite this apparent lack of support for innovation, AEDOs received relatively high marks for being innovative. Stakeholders provided relatively high marks to staff for their ability to create and apply new ideas. Focusing efforts on improving the support environment for creativity and innovation would leverage this talent and could potentially bolster the impact of economic development organizations.

- Leadership development - specifically for Board of Director leadership - appears to be another significant area of opportunity for improvement. Participation in board member training programs was the third lowest rated indicator among the 114. In addition to lower marks for support for creativity - and thus innovation as noted earlier - knowledge-sharing between board and staff also received lower relative marks.

In addition, given that economic development organizations often represent community-wide interests, board composition is important. However, composing the board to represent the diversity of the community appears to be another common challenge.

- While AEDOs appeared to use many technology tools, it appears some improvement could be made in providing staff with training to learn about and apply new technologies. Relating to this, stakeholders provided relatively low marks when asked to consider whether the AEDO is viewed as a community leader in the use of technology. Why is this important? Technology is a value-added enabler, helping organizations reach their optimal levels in productivity, efficiency and effectiveness. Equipping staff with the latest technologies ensures they have access to the best tools for implementing their program of work as well as the best data for making decisions. In addition, the availability of technology infrastructure and services continues to be growing in importance as criteria for investment. As economic development organizations are often the first and main point of contact for current and future investors, their use of technology can provide some reflection about whether the community can suit the investors' technology needs.
- Even within the seven management areas where AEDOs appear to demonstrate enterprise excellence, there are opportunities for improvement. Programs to provide "advanced organization management training" for AEDOs should be explored.