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YOUR NEXT MOVE

What Is Economic Gardening? Instead of cutting costs, consider working with this program to find innovative paths to growth.

BY LIN GRENSING-POPHAL APR 3, 2025



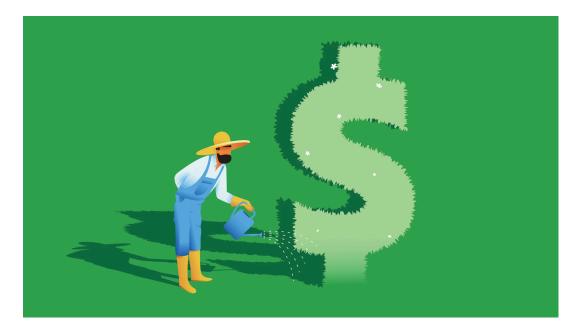


Illustration: Getty Images

In the 1980s, the city of Littleton, Colorado, found itself at an economic crossroads. Faced with the loss of some major employers, the city knew that it needed to shift its focus from attracting outside businesses to something different—supporting <u>the</u> growth of existing businesses.

Over the course of two decades, <u>Littleton not only avoided a troubling</u> <u>downturn</u>—it also doubled its job base from 15,000 to 30,000 and increased sales tax revenue from \$6 million to \$20 million.

How did the city do it? By following the principles of Economic Gardening, a term coined by Phil Burgess of the Center for the New West and introduced more broadly by <u>Chris Gibbons</u> through his work with stage two companies around the country as founder of the National Center for Economic Gardening.

A Race to the Bottom

When communities—or companies—attempt to compete on price, they often do so by reducing costs. In the process, though, they're sustainable.

It's a challenge that can be easy to understand from the perspective of small local companies that have found themselves faced with the need to compete with big-box stores like Walmart. They simply don't have the buying power or the resources to compete on price.

Instead of getting caught in this downward spiral of cost—and value cutting, Gibbons suggests companies can find success through datadriven insights, and innovations that can help them find and woo potential customers by providing value based on a deep understanding of those customers' needs.

These are some of the core principles of Economic Gardening. By leveraging existing community assets and potential, says Gibbons, it's possible to generate new jobs at a cost of about \$1,500 per job significantly less than the \$20,000 to \$250,000 per job cost associated with typical economic development efforts that focus on bringing in companies from other geographies.

Gibbons and the economic development organizations he works with around the country have many stories to tell about how stage two companies—those with annual revenue of \$1 million to \$50 million with 10 to 100 employees—have leveraged Economic Gardening principles. These companies are critical to successful economic development, says Gibbons. While only about 15 percent of companies in the country fall into the stage two category, they produce about 40 percent of the country's jobs. Gibbons and his team of specialists in market research, geographic information systems (GIS), and digital marketing help these stage two companies rise to the next level of success, building local economic growth.

From Local Roots to a Global Reach

After learning about Economic Gardening from colleague Antony Seppi of <u>Alloy Development Co.</u>, an economic development organization in Cincinnati, Dan Catalano, board director and CEO of Juxtum, a Cincinnati-based company that makes manufacturer software, applied to have his company participate.

One of the most significant benefits Juxtum gained from the program, says Catalano, was a comprehensive market research project. "It was eye-opening," Catalano notes. "Not only did we realize the total addressable market, but we also got projections and forecasts on how those markets would grow over a three-to-five-year period."

Armed with this new insight, Juxtum invested in advanced business development tools like ZoomInfo and HubSpot CRM, enhancing its lead generation capabilities and improving its online presence through search engine optimization. Catalano highlights the value of these investments, stating, "We've invested in ZoomInfo with a oneyear contract costing around \$16,000, and further investments in HubSpot and LinkedIn."

The investment—of both time and budget—were well worth it, says Catalano. Juxtum's revenue increased by 46 percent over the course of strategic insights and tools provided by the Economic Gardening program. "We're hopeful that we'll continue to see significant growth," he says.

Reigniting Growth After Three Decades in Business

When you've been in business for over three decades, finding new ways to energize your growth trajectory can be challenging.

<u>Seating Inc.</u>, founded in 1989 by Doug and Judy Hart, is a chair manufacturer in Nunda, New York, that works through distributors to bring its products to market.

The Harts learned of Economic Gardening through their local economic development organization, <u>Greater Rochester Enterprise</u>. They were intrigued by the focus on sales and having access to datadriven insights about where to find potential prospects to accelerate their growth.

"We wanted to increase growth to a higher degree," explains Emily Hart, COO and daughter of the founders. "The program offered new energy and a new strategy to achieve higher growth levels."

The intensive four to six week process functioned as an extension of Seating Inc.'s team, providing deep market research based on their strategic priorities. "The result was a wealth of information that helped us build a focused growth strategy," says Hart. was able to shift its strategies and also able to share insights with its distribution partners.

The expert third-party input received from the Economic Gardening team was invaluable, says Hart. "As CEOs and entrepreneurs, we know our business well but often don't understand the value of deeper research and how valuable that can be."

Sweet Pea

Ryan Jennings founded <u>Sweet Pea Plant-Based Kitchen</u>, a Rochester, New York-based plant-powered kitchen dedicated to transforming wellness through nutrition, in 2019 with the mission of making whole-food plant-based living accessible to everyone.

Initially, says Jennings, the company focused on direct-to-consumer meals and telehealth nutritionist services.

That approach served them well during the pandemic but, says Jennings, by late 2023 the situation had changed significantly, and the business model was no longer viable. Rising costs, market consolidation, and the failure of similar New York businesses forced a reassessment.

A breakthrough came when Sweet Pea won \$250,000 in the <u>Grow-NY</u> competition. Through connections at Greater Rochester Enterprise, Jennings discovered Economic Gardening. Through the program, Jennings was initially asked to identify four key questions the company needed to answer. These then became the focus of Gibbon's team.

find its ideal customers. "We knew anecdotally who those groups were, but needed data to focus our marketing efforts," Jennings explains. The results, he says, were depicted in what he describes as "essentially a heat map" that showed where pockets of potential customers were located.

The analysis also resulted in a shift from a direct-to-consumer focus to co-manufacturing. This allowed Sweet Pea to leverage its production capabilities to help other small and medium-size food companies. There is, says Jennings, "a real void in the co-manufacturing space for small and medium-size companies."

His verdict on Economic Gardening? "If anybody has the opportunity to participate, I would encourage it. It helps you focus your vision for the future," he says.

From Kilowatts to Megawatts: Making a Strategic Leap Through Economic Gardening

When your company reaches an inflection point in its growth trajectory, having the right support can make all the difference. That's what <u>Micropyretics Heaters International</u> discovered when it turned to Economic Gardening to help it navigate a significant business expansion.

MHI, based in Cincinnati, specializes in niche, high-temperature industrial thermal products. After years of providing smaller thermal devices of a few kilowatts, the company began receiving inquiries

major strategic shift.

The shift, says COO Anu Vissa, was a critical inflection point. By connecting to the Economic Gardening program through Cincinnati's Alloy Development Co., MHI gained invaluable outside perspective.

"They make you think through things you're too busy to pay attention to when caught up in day-to-day operations," Vissa explains. The program provided "actionable and serious pieces of information, pointing out trends and showing what needs to be done." For MHI, this strategic guidance came at a critical juncture, helping position its thermal technology for expansion while maintaining focus on industrial decarbonization.

"For the most part, when you're running a business, you're caught up in the business," Vissa says. Stepping back to work *on* the business, rather than *in* the business can be very instructive, leading to insights that might not otherwise have been gleaned.

"We were very happy with this interaction," Vissa concludes. "It's a very nurturing place for companies making changes and growing after many years, like we are."

As these examples illustrate, business success for stage two companies shouldn't be driven by who can offer a product or service at the lowest price. Instead, to ensure success for both companies and communities, success should be driven through innovation and targeted strategy providing something that's different and better than what competitors

most likely to value that offer.

Making the Most of the Program

The Economic Gardening program provides unbiased expertise with no hidden financial agendas. Participants consistently praise the program's integrity and value and offer the following advice for others interested in participating.

Before You Apply

- Check your eligibility. The Economic Gardening program typically requires two to three years in business, \$1 million-plus revenue, and 10-plus employees.
- Assess your time commitment. This is an intensive program requiring active participation from key leaders in your company.
- Prepare financially. Be ready to make necessary strategic investments following the program recommendations.

During the Program

- Commit fully to attendance. Ensure that you and key team members can make all scheduled meetings and stay actively engaged.
- Involve the right team members. Include both technical leaders and marketing expertise to maximize value.
- Be open to revisiting business fundamentals. Even the most seasoned executives can benefit from revisiting basic business principles.

keep up with homework and implementation.

Implementation Strategies

- Budget for follow-up investments. Many companies invest in tools like CRM systems, marketing platforms, and website improvements.
- Apply key learnings immediately. The value of participation in Economic Gardening comes from active implementation, not just receiving information.
- Take advantage of market research. Use the detailed market analysis you receive to inform your strategic decisions.

The final application deadline for the 2025 <u>Inc. 5000</u> is Friday, April 25, at 11:59 p.m. PT. Apply Today.

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