



Rural Georgia's Fiscal Fortitude

Georgia Tech Economic Development Institute helps crucial rural businesses succeed before they fail

It's become an all-too-common scenario: A major employer in a small town announces it has to shut its doors. Along with the loss of jobs comes the loss of traditions, habits and hopes that are the foundation of any community.

The pain and suffering of displaced workers is bad enough. In many cases, though, the real tragedy is that such business failures could have been prevented.

It's the goal of Rick Duke and the Georgia Tech Economic Development Institute (EDI) to make sure such stories aren't retold in rural Georgia.

"There are a significant number of manufacturing companies in rural communities that we cannot afford to lose," says Duke, director of the EDI. "We need to do whatever we can to help them remain competitive."

Often, the causes of business failure are identified only after the pink slips have gone out. Such culprits could include international competition, a drop in consumer spending, the cost of raw materials or limited access to capital.

Duke and the EDI, however, are promoting an initiative that would help companies spot the key factors that threaten their viability, and help them take steps to increase their competitiveness. With this initiative, Georgia's economic development agencies would collaborate to identify what Duke calls "rural Georgia's top 100 critical manufacturing companies."

"As a coordinated team of state service delivery organizations," he says, "let's approach those companies and offer to assess where they are now, and assist them with

strategies and implementation that will make them the most competitive they can be."

Georgia Tech and the EDI have a long history of helping Georgia's businesses. Georgia Tech has been involved in facilitating the transfer of new technology to business and industry for more than 100 years. By the 1940s, divisions within Georgia Tech began working toward "industrial development," focused mainly on recruiting industry to the state. But by the 1980s, it was seen that economic development involved more than just industrial recruitment.

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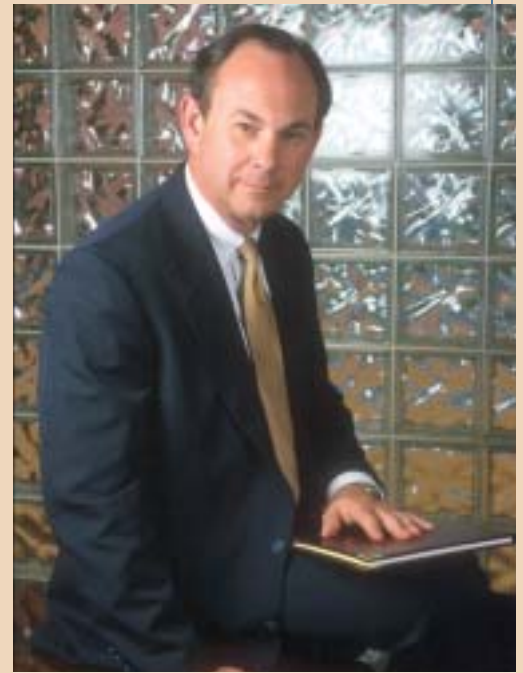
— Rick Duke, Director of the Georgia Tech Economic Development Institute

"It's now a much more comprehensive approach," Duke explains. "There's business retention and business expansion; there are nontraditional ways to attract jobs, such as tourism, downtown development and entrepreneurial development."

In 1993, the EDI became more of a freestanding entity within Georgia Tech, and it now has approximately 175 people in 18 locations around the state working to support Georgia's businesses.

"Today, our role is to make sure businesses are aware of the services and resources that this state team can deliver," says Duke.

Local communities also benefit from EDI's services. It helps communities conduct fiscal and economic impact analyses to evaluate the costs and benefits of development. The goal is to calculate the broader impact



Rick Duke has served as director of EDI since March 2001 and director of the economic development services group (which is part of EDI) since 1993.

of new projects beyond the initial investment or construction costs. Feasibility studies and strategic planning are part of EDI's offerings to local development agencies.

For companies, the EDI helps assess their financial, quality and management systems, and consults in the areas of Lean Manufacturing, information technology, quality standards, energy and environmental impact.

"Our mission is to analyze the competitiveness issues a company faces," Duke says. "We work with those companies to address the areas where they can solve problems and become more competitive."

As part of Georgia's economic development team, EDI's partners include GDITT, DNR, DCA and the DTAE, among others. Working together, Duke says, Georgia's team will not only be able to attract new business, but also, just as importantly, help protect Georgia's existing business and prevent more locked doors and broken communities.

"Let's don't just react after the fact," he says. 