

Non Profit Organization Gains Insight To Renewing Business Growth And Economic Vigor Within The Inner City

The Challenge:

A national, non-profit organization was founded to foster healthy economies in America's inner cities that create jobs and economic opportunity for local residents. It utilizes market forces and the resources of the private sector to restore the economic health of inner cities and to demonstrate the economic opportunity and vitality they possess.

The objectives the study sought to obtain were competitive advantages and disadvantages of a city's urban core, business clusters in the urban core, economic profiles, competitive advantages, business growth strategies for each cluster and knowledge gained through comparing the experiences of minority and non-minority businesses.

The ultimate success will be determined by the increased profitability, sustained growths of urban core companies, improvements in the business environment, and meaningful job and wealth creation for urban core residents.

The Solution:

The client's objectives called for a business analysis cooperatively developed by Ruf Strategic Solutions and Experian. The selected city's 4,600 urban core businesses with annual revenues greater than \$500,000 were divided into business clusters. A business cluster is a geographic concentration of interconnected companies and associated institutions in a particular field that both compete and cooperate. Ten clusters were identified in the urban core and their associated size was measured by number of firms, sales and employees per cluster.

The most effective example of this process is the results of the health care cluster. The city's urban core has a high concentration of health care providers and related businesses, representing the largest cluster in terms of revenues. The cluster ranks at or near the top of all clusters in terms of percentage of employees from the urban

core, wage strength, and satisfaction with the core as a place to do business. In addition, it is the only cluster in the study where minority firms are growing faster than non-minority firms.



The Results:

Beneficially the non-profit organization gained the following insights:

- The urban core is home to 12,000 of the 60,000 companies located in the selected metro area.
- The city's urban core offers a number of competitive advantages as a business location.
- A survey of 180 businesses reported high satisfaction with the urban core as a business location and with the workforce.
- Crime was not reported as a problem.
- Urban core businesses are concentrated in specific clusters.

The premise of the research from this study is that building a consistent business base is the most effective strategy to create jobs, income, wealth, and economic opportunities for the selected city's core residents.

The non-profit organization, selected city advisors, and a university completed a two-year study and documented the study. The release of this research initiates the next step, to turn the document into a blueprint for developing and implementing the participation of businesses, community leaders, chamber organizations, civic organizations, and economic and business development entities.