

ORGANIZATIONAL DEVELOPMENT

Evolving a CEDO

Description

A CEDO is itself the essential means for managing a comprehensive strategy to strengthen the local economy and its social supports. The CEDO may be an entirely new feature of the community, or it may be an organization that already exists in the community and that is enhanced and transformed or redirected so that it can handle a CED strategy.

Most CEDOs take the form of a community development corporation (CDC), but the form or legal structure is not the key. What is key is that it is broadly representative and focussed on a multi-function, multi-faceted, comprehensive program for economic development - that is, a program that is not restricted to any one type of activity, say, business development, but includes promoting whatever the community needs and seeks for its own enhancement.

Because a strategy for CED implies so many different activities, carried on simultaneously, there must be some one entity to take responsibility and see that all the balls are kept in the air at once - and that the trade-offs among the different parts of the program are properly managed. That is the prime job of the CEDO.

A full-fledged CEDO will be recognized by the following activities:

- It builds equity assets in its own enterprises as well as in others in the community.
- It fosters access to credit (and sometimes to equity capital) for local businesses, especially through its own capital and lending programs.
- It strengthens the human resources of its community--those skills needed for either income-earning activities (jobs or successful business management) or for leadership of its own organization or in the community in general.
- It carries out planning, research, and advocacy work.

However, the CEDO entity may not - and indeed usually does not - engage in all the necessary activities by itself. Instead it will make sure that there are community partners to cover all necessary objectives and that they are adequately linked for the common purpose of community resilience. Thus the work of establishing partnerships is crucial. The point is that CED is not just a project or set of projects. It is a *system for development* that is led by the local CEDO.

Tools & Techniques

A city or town setting will ordinarily have some existing organizations that are already addressing economic development tasks, but they need co-ordination and, moreover, they usually do not provide for all the necessary functions. That was the preliminary to the Revelstoke mobilization (see Appendix A).

The very first CDC in Canada was started in a city of about 25,000 population, Sydney, NS. New Dawn Enterprises Ltd. grew out of a co-operative housing development group, made up mainly of faculty members at the local college. They learned of the CDC format being used in the United States for more comprehensive CED work, and incorporated New Dawn as a nonprofit in 1976. Early developmental work on the organization was facilitated by the use of consultation services from a specialist in CED. In 1978 it received a federal grant of \$125,000 for operating expenses, but since then has been self-supporting.

New Dawn has continued to develop affordable housing (holding now about \$20 million in assets), initiated dental clinics to counter a dearth of dental services, fostered local cultural development through such activities as publishing a song book, promoted and invested in what is probably the first **Community Equity Investment Fund** in Canada, conducts a trade school, and begun various ventures in the health field, including assisted living facilities for the elderly. New Dawn epitomizes the multi-faceted approach that is central to successful CED.

One commentator, Robert W. Shiveley, argues that one of the leading causes of failure in small town economic development is a poorly conceived organizational structure. He cites seven principles of appropriate organization:

1. Include all local sectors involved in the economic development process.
2. Encompass all the economic development efforts (no competing, overlapping organizations).
3. Include members of the (informal and formal) power structure on the governing board.
4. The governing board must be able to take action without specific approval of any participating group, whether municipal government agency or private group.
5. Some continuity of leadership is very useful, but new blood is also essential.
6. The governing board should meet regularly and frequently, perhaps even once a week.
7. Adequate continued funding is critical.

Benefits

The chief benefit to be attained in producing a CEDO is that there is an effective organization with the capacity to do the job of development. Moreover, responsibility is clearly located and focussed so that the residents of the community know where to go to see that the critical

tasks are being addressed and where they can participate in that process. There is accountability as well as capacity.

Major challenges

The organization itself is not the key element in a CED strategy, because everything depends upon how that organization is supported, managed, and maintained. The difficult thing about a CEDO is to sustain wide community participation and guidance. The CEDO must always have the confidence of the residents, and that confidence comes with transparency, openness, and encouragement of widespread participation in governance and performance monitoring.

It is not just democratic ethics that requires the CEDO to be open in its operations and in opportunities for participation. It is quite simply a practical matter: CED, as a complex strategy, requires a constant trade-off of different outcomes, and only a transparent organization, widely participated in, will have the credibility and clout to make those trade-offs, e.g., between growth and environmental costs.

Experience has shown also that one of the most difficult tasks is to maintain adequate financial controls - financial records and information systems. Even successful CEDOs can falter here, and that sort of lack can bring down the organization. Today computerized accounting systems make this much easier; but as everyone knows, computers and changing software can foul things up too.

Some practical steps

1. Under stimulation of a number of widely respected community leaders (not merely the elected officials), the process usually begins with broad community discussion of the assets and gaps in the community's capacity to handle economic and social change. The aim of the discussion is to create some sort of consensus on what changes should be sought.
2. Ordinarily this process ends up in a vision statement, a picture of how residents want their community to look in the years ahead.
3. At that point, the residents determine that they need to establish a focal organization to work toward the realization of that vision.
4. A quick review of relevant local organizations (and their strengths and weaknesses) leads to a decision to design a new CEDO or to re-design an existing group to handle the job of community economic development.
5. The specific mission of the CEDO is laid out, and thereafter the design process takes over. From the experience of other groups, there appear to be perhaps 27 distinct tasks required to establish a new CEDO. (See Appendix B.)

Resource organizations & contacts

There are a few technical assistance groups that have made a specialty of assisting communities in the tasks of setting up a CEDO and working with it through the various stages of operations and investments. The Canadian CED Network (toll-free 877-202-2268) provides orientation to technical assistance providers, based on the specific needs of the inquiring organization.

Publications

- ***Case Study:** “Back to Basics: Organizational Capacity.” An introduction to principles and elements critical to building organizational capacity. Although First Nations-oriented, this article is relevant to any CED organization, especially one in the early stages of development.
- ***Case Study:** “Community Organizing and Economic Democracy in New England.” An organizer’s view of the critical lessons learned from a multi-community process of organizing and revitalization in de-industrialized valleys of Connecticut. This is a great introduction to the breadth, depth, effort, and excitement that a serious CED effort entails.
- ***Case Study:** “Integration of CED Training and Planning in B.C.’s Nisga Valley.” Over a 15-month period, the training process described in this article enabled four aboriginal communities in northern B.C. to form and launch a community owned development corporation which in the next four years created 150 jobs.
- *Organizing a Community Development Corporation: A Manual for Community Organizations* (Massachusetts Department of Housing & Community Development, Bureau of Neighborhood Services and Economic Opportunity, 100 Cambridge Street, Boston, MA 02202-0044). This naturally deals with the setting of that state, but it is nevertheless very useful to Canadian groups.
- *Guidelines for Community Economic Development Organizations* (published by the Minnesota Center for Community Economic Development, 4833 Upton Avenue South, Minneapolis, MN 55410) Although it was produced as a strategy for evaluating CEDOs, this publication will be helpful to any group that is organizing its own CEDO.
- *The Community Visioning and Strategic Planning Handbook* (National Civic League, a US group, tel. 303-571-4343) This has even more reach than its title would indicate, to deal with organizing a development group.
- *Local Action to Fight Poverty*. Order from the CED Bookshop (toll-free 888-255-6779). A joint publication by two Canadian groups, this is especially useful for those existing community-based organizations that want to launch a new program in CED or a new project in CED.

Tools & Techniques

- Rankin MacSween, “New Dawn Enterprises: A Community Economic Development Experiment,” Chap. 4 in: Gertrude MacIntyre, ed., *Perspectives on Community: A Community Economic Development Roundtable* (Sydney, NS: University College of Cape Breton Press, 1998). The New Dawn case has been widely written about, but this is the most recent item.
- Mike Lewis, *The Development Wheel*, esp. Chapter One and the Appendix; Mike Lewis and Frank Green, *Strategic Planning for the Community Economic Development Practitioner*, revised edition; and *Roles and Responsibilities of Boards of Directors of Aboriginal Development Organizations*. (Published by the Centre for Community Enterprise). Find all three in the “planning aisle” of the CED Bookshop at www.cedworks.com or phone toll-free 888-255-6779. This selection of publications were originally designed for First Nation groups but can also be helpful to non-Native communities.
- Robert W. Shively, “Small Town Economic Development: Principles of Organization,” *Economic Development Review* (1997) 15,3: 43-46.