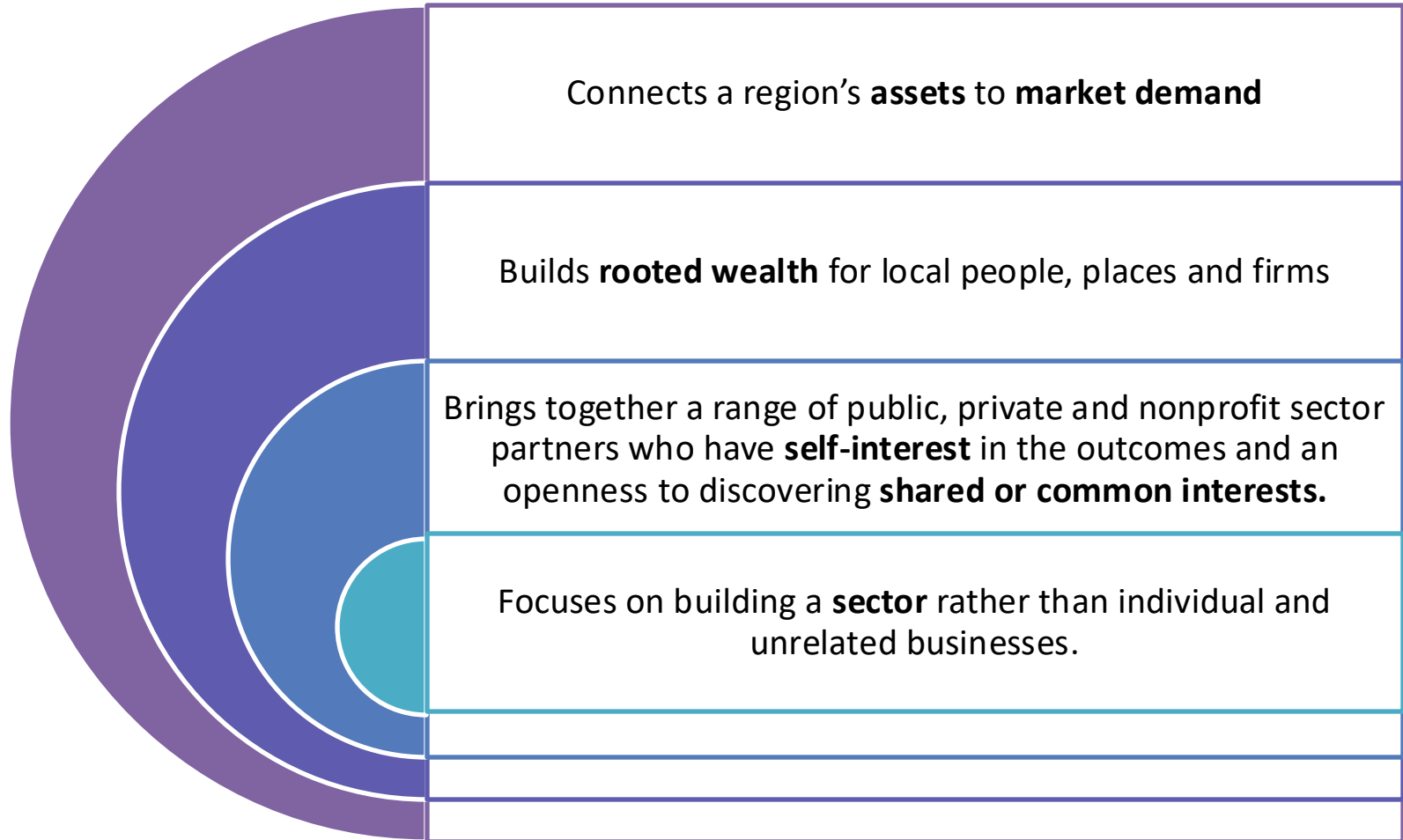




Uncovering Opportunities and
Identifying New Partners Through
Value Chain Mapping

Wealth Creation...



Principles of Wealth Creation



#1 – **Create wealth**, broadly defined, and aspire to do no harm.

#2 – Root wealth in local people, places and firms through **local ownership, control and influence**.



#3 – Build **lasting livelihoods** by intentionally including people and firms on the economic margins.



CULTURAL

Traditions, customs and ways of doing



INDIVIDUAL

Skills, education, health



NATURAL

Natural resources



Assessment
Design
Measurement

INTELLECTUAL

Knowledge and innovation



EIGHT FORMS OF WEALTH

BUILT

Physical and information infrastructure



SOCIAL

Trust and relationships



FINANCIAL

Savings and investment



POLITICAL

Influence on decision-makers and shapers



A Continuum for EDDs

Focus on Assets - CEDS

- SWOT
- Measuring outcomes

Sector-specific

- Collaboration
- Coopetition

Value chain development

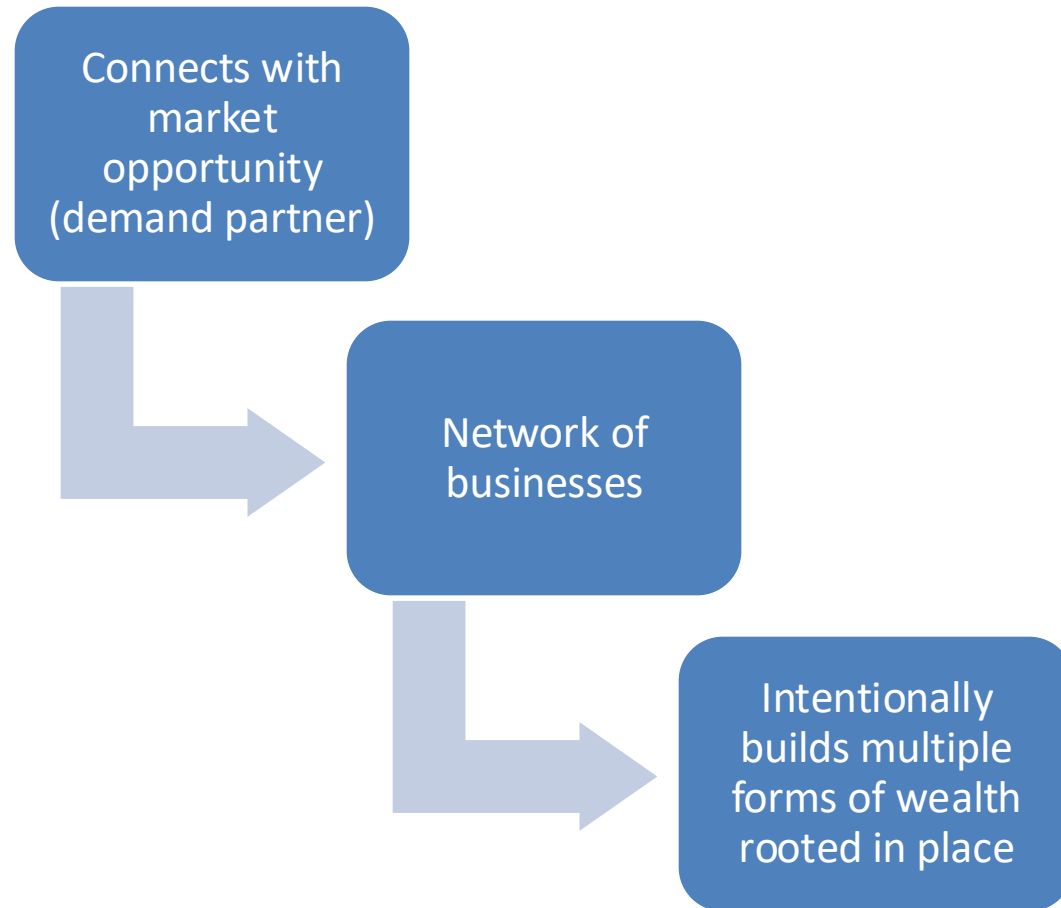
- Value chain mapping
- Filling gaps in the chain

Value Chains: Tie wealth to place and connect regionally

Wealth Creation Value Chains connect local production to regional demand to bring fresh money into rural communities, defined as:

A network of people, businesses, institutions, and non-profits who collaborate to meet market demand for specific products or services – each advancing individual self-interest while together creating greater local wealth.

Three Parts to a Wealth Creation Value Chain



All 3 parts are necessary.

Sector

Agriculture

Energy

Health care

Subsector

Dairy

Solar energy

Maternal health
care

Market opportunity

Fortified milk
powder

Household solar
panels in remote
areas

Prenatal care

Connecting a Value Chain



Demand: Final consumers/end market - Buyers



Functions: Those things that have to happen to deliver the product or service



Transactional partners: Those people, businesses, or organizations that play a direct role in sourcing, aggregating, distributing, processing, purchasing the product, etc.



Support partners: Those people, businesses, or organizations that provide the infrastructure, technical assistance and support that helps the transactional partners to produce



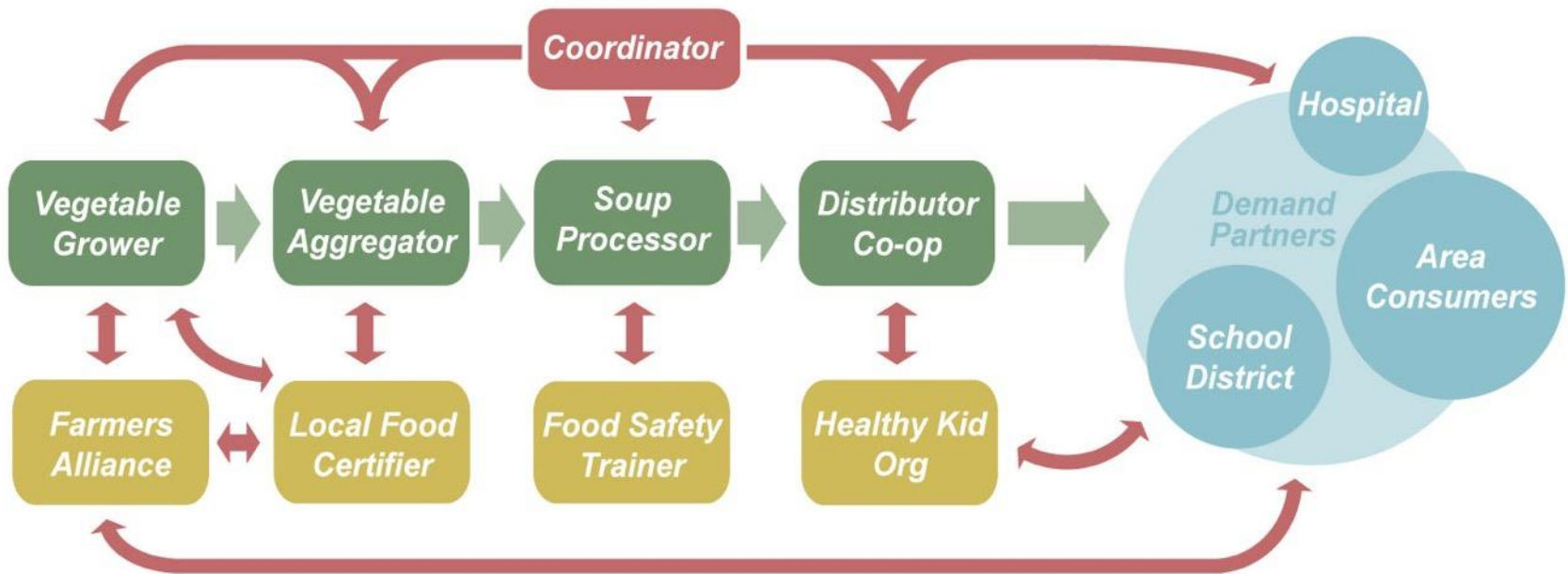
Beneficiaries/Investors are the groups, businesses, and organizations that will benefit from a fully functional and successful value chain. All beneficiaries are potential investors!



We are really talking about a Value Chain System!



Value Chain Example



Value Propositions: Uncovering Motivation for Engaging

**What is their self-interest in engaging further?
What benefits can we/the product offer that they value?
This is their “value proposition.”**

Three levels of Interests:

Self: What’s in it for me?

Shared: What’s in it for us?

Common: What’s in it for other
people/the region?



Exercise: Starting with Demand

What are demand partners

- Final consumers/end market. Connect with aggregators of demand.

Identify the key demand partners.

- Find the relevant cards.
- Write on blank cards

Consider the value proposition for each.

- Write on a stickie note for each partner.

Transactional Partners

Transactional partners: Those people, businesses, or organizations that play a direct role in sourcing, aggregating, distributing, processing, purchasing the product, etc.

1. Using the pre-written cards or blank cards, identify the key transactional functions.
What needs to happen to get the product or service from supply to the end consumers?
2. What are their value propositions?

Support Partners

Support partners: Those people, businesses, or organizations that provide the infrastructure, technical assistance and support that helps the transactional partners to produce

1. Using the pre-written cards or starting from scratch, identify the key support functions. What kinds of support partners would engage with transactional partners along the chain?

Value Chain Coordinator

A value chain coordinator is an organization with the capacity to convene, connect, and facilitate the formation and growth of a value chain. It requires more than a single individual. Coordinators:

hold and communicate the vision of the value chain

build relationships with all the partners in the value chain

help the partners form relationships with each other.

scout for innovative approaches to production and consumption that build multiple forms of wealth

promote ownership models that keep wealth in place

coordinate investments in the value chain.

Often, coordinators play another role in the value chain as well, perhaps as a transactional or support partner.

Investor Ideas

EDA RLF investment.

Natural food store
(demand) that invested
in farm infrastructure
to support a supplier.

Outfitter that invested
in expansion to fill a
lodging gap.

Support partners
investing in education,
technical assistance
and grant support.

Crowdfunding.



Remember our Goal

**Build rooted wealth, community prosperity,
lasting livelihoods.**

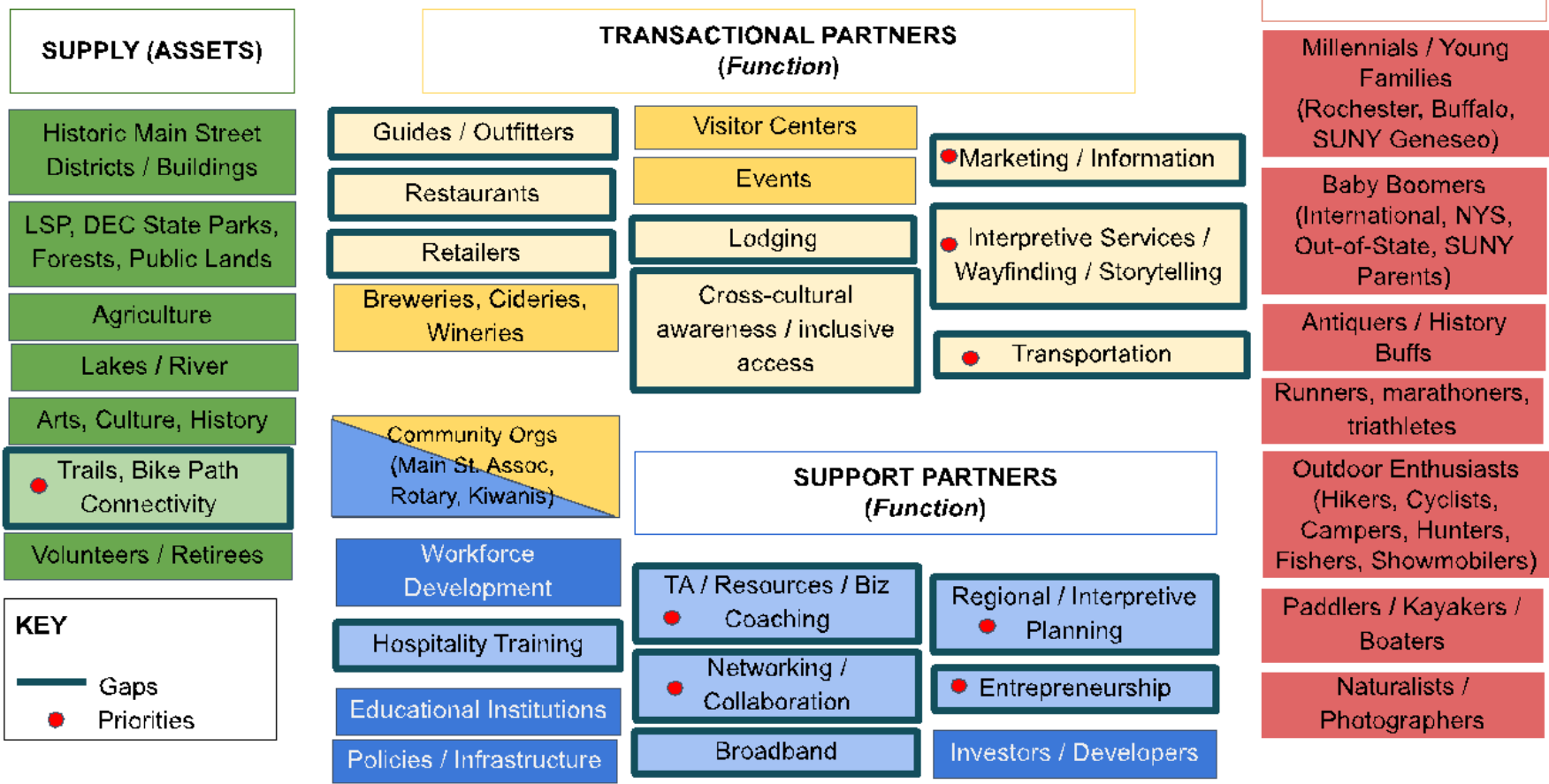
Look for ways to build wealth by...

- **Filling a gap** in the value chain (e.g., creating a waste oil recycling business)
- **Removing a barrier** (e.g., providing GAP certification to minority farmers)
- Building multiple capitals that are **rooted in place** (e.g., creating a green building program at the community college)
- Finding ways to **include residents on the economic margins** in the activity (e.g., providing entrepreneurial training to self-employed, low income contractors to build green houses)

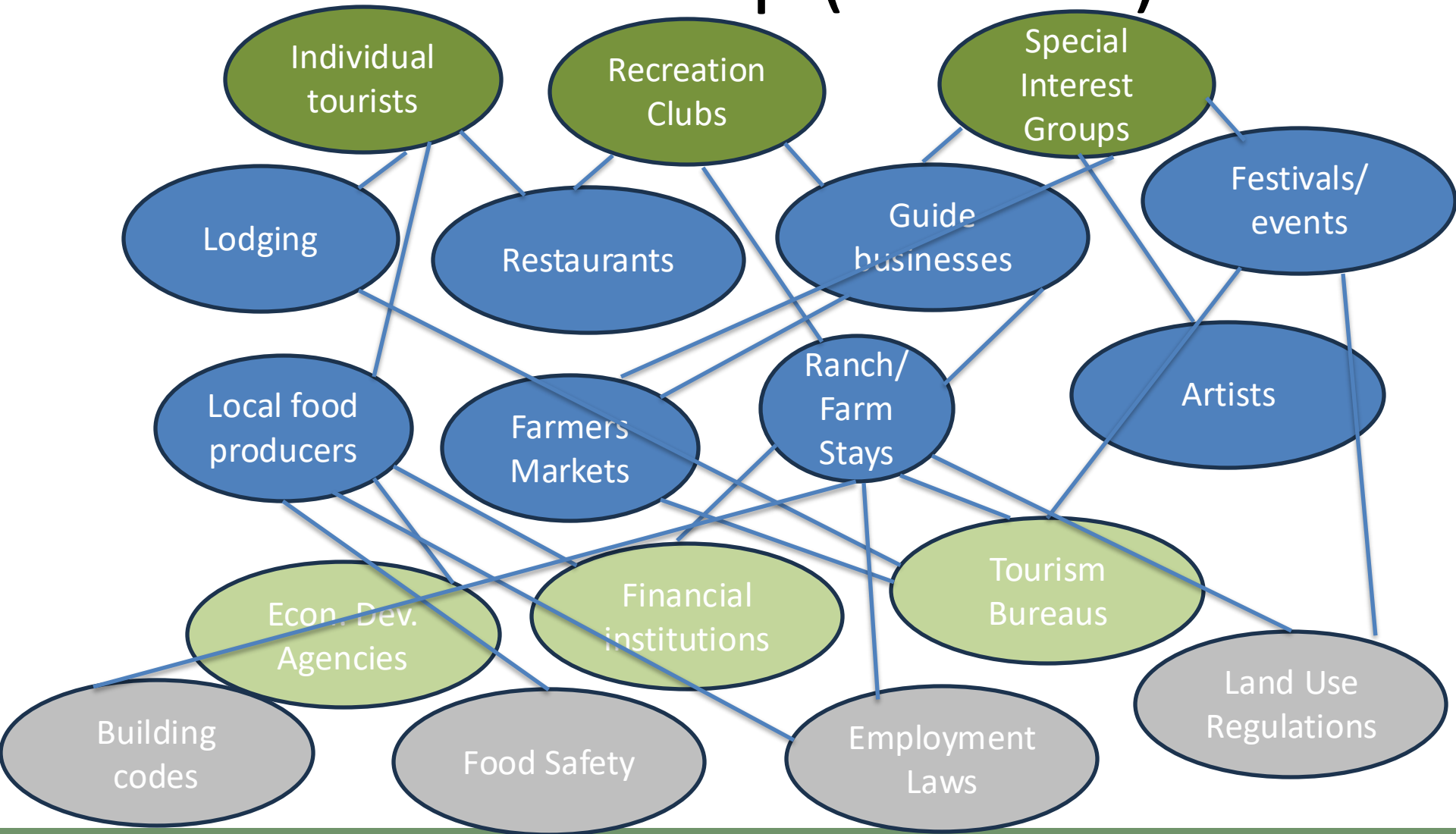




Regional Outdoor Recreation / Tourism Value Chain



Network Map (Tourism)



Phases in Developing a Wealth Creation Value Chain

Exploration

Identify market opps and demand partners, map functions and partners, identify gaps and barriers, pull partners together.

Pilot

Fill the gaps, address the barriers, and produce the good or service.

Implementation

The value chain should be profitable for all involved and fully market-driven, and subsidy is no longer required.

Institutionalization

The “new normal.” Market access is relatively secure.

After the Value Chain Map

Understand demand.



Find on-the-ground partners and understand their value propositions.



Convene partners to identify gaps and bottlenecks and consider next steps.



Figure out your role as an EDD.

Demand Research



Talk with businesses

What are other sources of demand – scale, buyer types, added value, replacing imports.

Talk with current and potential buyers (demand partners)

Value Propositions: Uncovering Motivation for Engaging

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Gaps and Opportunities



Gaps represent opportunities for local businesses to expand or new businesses to fill a function.

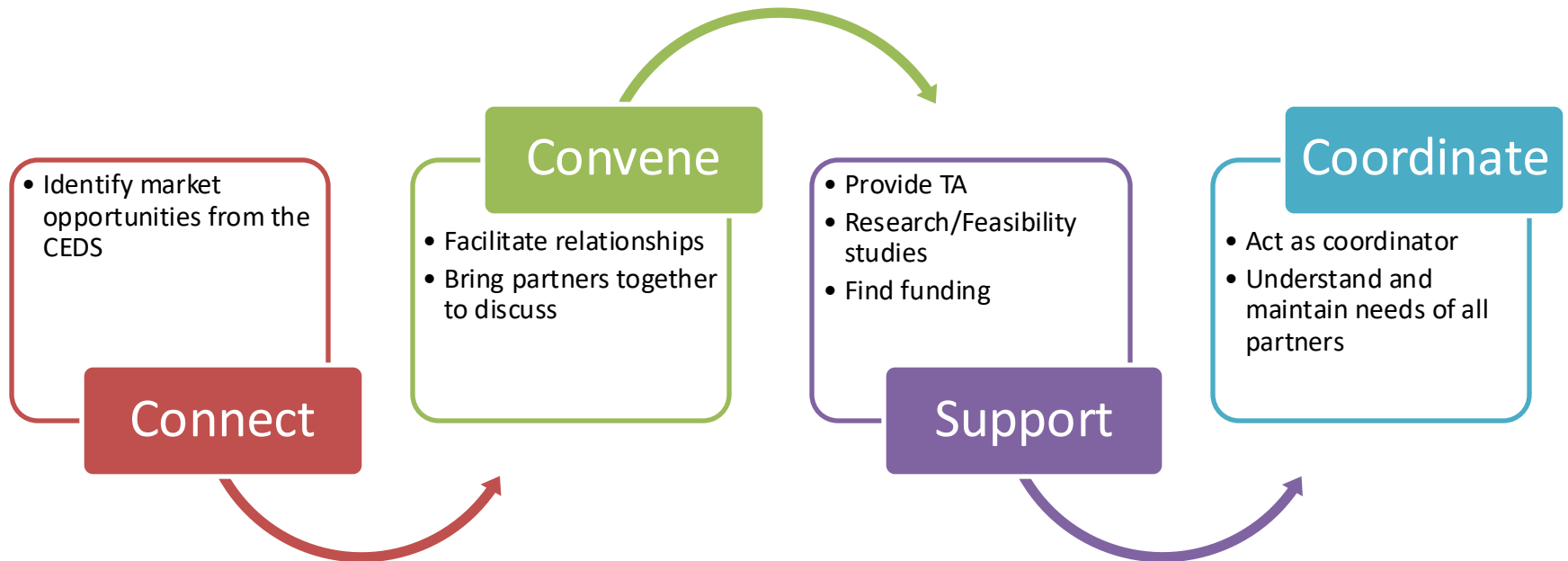
What gaps, if addressed, will have the most impact?

Which challenges if addressed will have the greatest ripple through the chain?

Which gaps/opportunities are feasible to address?

Where is the energy/excitement?

How EDDs can Start Engaging in Value Chains

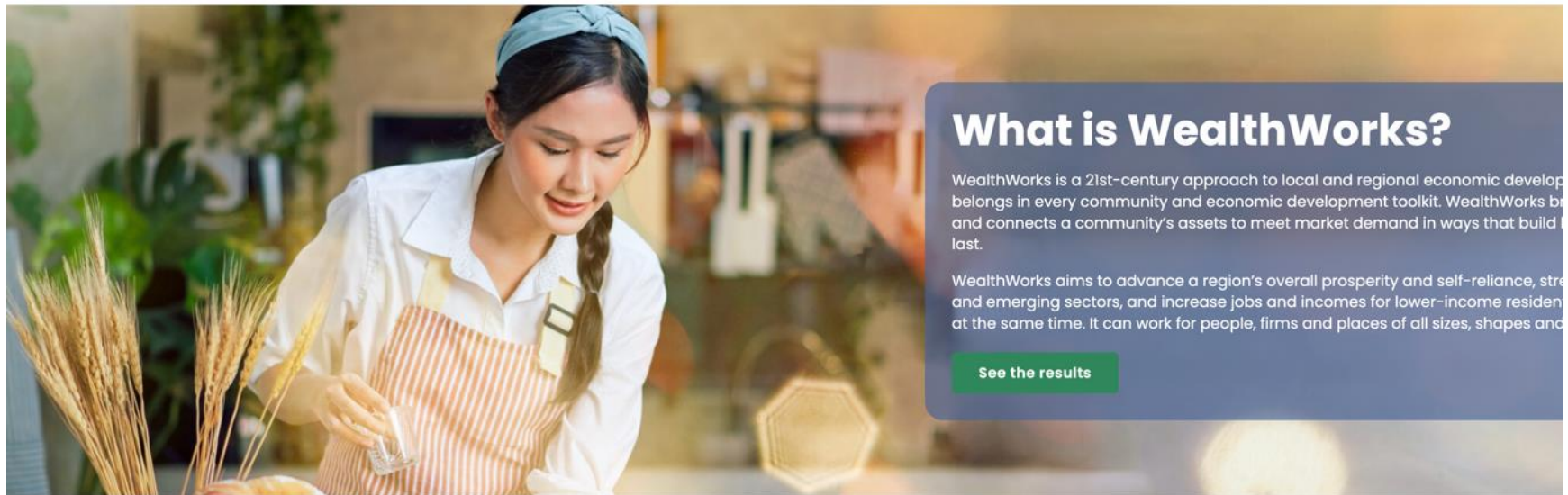


WealthWorks Website - www.wealthworks.org

Connecting community assets to market demand to build lasting livelihoods.



[About](#) [The Basics](#) [Success Stories](#) [Resources](#) [Connect](#)



What is WealthWorks?

WealthWorks is a 21st-century approach to local and regional economic development that belongs in every community and economic development toolkit. WealthWorks builds on existing strengths and connects a community's assets to meet market demand in ways that build lasting prosperity.

WealthWorks aims to advance a region's overall prosperity and self-reliance, strengthen existing and emerging sectors, and increase jobs and incomes for lower-income residents at the same time. It can work for people, firms and places of all sizes, shapes and forms.

[See the results](#)

[The Basics](#)

[Resources](#)

[The H](#)

NADO Wealth Creation Website – www.nado.org/wealthcreation

Wealth Creation



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[Training Materials and Resources](#)

For several years, the NADO Research Foundation has trained EDD staff and partners on a wealth creation framework known as *WealthWorks* that seeks to build multiple types of capitals or assets in a community or region. This approach, recognized as a best practice in EDA's CEDS Content Guidelines, emphasizes support for local ownership and control of businesses and assets in order to root wealth in a region. It is also intentionally inclusive, seeking ways to incorporate a variety of voices as planners and owners, not only as intended beneficiaries or consumers. A handful of EDDs are using wealth creation in CEDS and other EDD regional planning efforts, demonstrating that this approach can influence EDD operations, including improving consideration of equity and access when designing stakeholder participation or even procurement and hiring. Through the Economic Development District Community of Practice (EDD CoP), made possible through an award from the Economic Development Administration, the NADO Research Foundation is coordinating with EDD practitioners and other rural and regional development practitioners to incorporate this wealth creation model where appropriate.

Wealth creation is an approach to economic development that connects a region's assets to market demand in ways that build rooted wealth for local people, places and firms. It brings together a range of public, private and non-profit sector partners who have self-interest in the outcomes and an openness to discovering shared or common interests.



WealthWorks Regional Hubs



wealthworks

For More Information

Melissa Levy
NADO
mlevy@nado.org
www.nado.org

Carrie Kissel
NADO
ckissel@nado.org
www.nado.org

