BACK TO THE FUTURE: RICHMOND AT THE CROSSROADS

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I. PURPOSE OF THE REPORT

In late 1992, this researcher was contacted and asked to conduct in depth interviews with a broad range- of Richmond's business leaders with the express purpose of determining what those leaders felt about Richmond's future. Between 15-19 December 1992 and 11-15 January 1993, a total of 50 interviews were completed. The average interview lasted approximately two hours. Virtually no business field was excluded. Almost all those interviewed were either the CEO, President, or Chairman of their respective companies. They represented such diverse fields as banking, law, ,investment, health care, manufacturing, retail, general services, high-technology, and education. Their businesses were located in the city of Richmond and in the counties of Chesterfield, Henrico, and Hanover.

Those interviewed were asked to contrast where they thought Richmond might be five years from now against where they wanted Richmond to be five years from now. They were questioned about Richmond's strengths as well as her weaknesses. They were urged to reflect on the state of Richmond's business and political leadership and comment on what they would change about Richmond if they could do so. They were encouraged to compare Richmond to such competitive communities as Charlotte, Tampa, Jacksonville, Raleigh/Durham, and San Antonio. Their answers to these and other questions were refreshingly candid and their concern about Richmond's future genuine. A summary and analysis follows.

11. A PERIOD OF TRANSITION

What is striking about Richmond is that the business community's almost total agreement on the nature of challenges facing the metropolitan area is surpassed only by its inability to reach a consensus on how to solve its problems and take advantage of its opportunities. There are many reasons for this incongruity. This report will examine the complex interplay of circumstances that has led to this paradox and make recommendations for how to resolve it.

Over the last decade, the two primary components of the Richmond community have been in a state of transition. Its business community has seen the passing of an older generation of leaders who nurtured their business growth along side that of Richmond and whose influence over the city's political process was pervasive. That passage, along with changed economic circumstances, has left in its wake a disparate group of business leaders. These new leaders have little influence over the political proclivities of either the city of Richmond or the surrounding counties. They are connected, but not coordinated. They consist of second generation Richmonders, Fortune 500 executives, and a group of new leaders who are increasingly frustrated with traditional Richmond ways; ways that emphasize political caution and social activity over results. Many believe that the business community has abdicated its responsibility for economic development in order to avoid a political confrontation that might be cast in racial terms. They are not willing to accept that economic development is a political responsibility and have concluded that turning over economic development to the government was too high a cost for Richmond to pay for a false sense of political harmony. It is gradually becoming evident to them that Richmond can not conduct business as usual. Some are slowly becoming more aggressive in working on problems, not just talking about them.

The political character has changed as well. Political control over the city has been transferred to elected black leaders who lack the economic and business skills of their predecessors, who are presiding over a political 'island" in economic and social decline, and who are suspicious of white political and economic motives. Structurally, the "ward" system has strengthened political representation, but has resulted in a political fragmentation that shows itself as constant infighting over the future of the city. Some black leaders are beginning to believe that if the current situation continues to deteriorate that soon they may be presiding over an empty shell. In effect, no one is looking after Richmond as a total political entity except the city manager and he doesn't have the moral authority that comes with being elected. The city manager form of

government is supposed to be efficient. But that form of government is not innovative and dynamic, it is operational.

Additionally, the city is no longer the dominant political and economic force in the region. The counties of Henrico, Chesterfield, and Hanover (predominately white) are now the new centers of economic prosperity and have not forgotten the city's attempts to subjugate them through annexation and school consolidation. While Richmond suffers from high crime, poor public schools, and high fiscal stress, the surrounding counties enjoy low crime, excellent public schools, and relatively low fiscal stress. There is no galvanizing identity, just a compilation of ideas and projects. The result is that most political and economic discussions are laced with racial overtones.

Richmond does not see itself as a regional system. Most people identify with either Richmond, the city, or with a particular county. Metro Richmond is a term used to describe the area, but it -does not reflect any sense of reality. There is little sense of community unity as a metropolitan area and almost no cooperation on such critical regional issues as water, the environment, government services, or mass transit. Furthermore, Virginia's commonwealth system works against future trends which emphasize regionalism. It makes it very difficult, even under the best of circumstances, for the city and the counties to work towards regional solutions by leveraging its economies of scale.

Richmond has rarely felt that it had to aspire to be something better. The community has a relatively solid and balanced economic base and the counties are poised for further growth. It lies in a growth corridor and most people are satisfied with their quality of life. There is no agreement among business leaders on whether Richmond wants or even needs to change. Uncertainty exists. For Richmond, success has been defined as duality of life; something that its business leadership generally believes it has already attained.

Richmond has taken its cue for change primarily from outside forces (voting rights act, aggressive banks, out of town developers, non-Richmonders). it has been a somewhat isolated Eastcoast community in the shadows of Washington, D.C.. Slow growth has limited mobility. While this has bred close relationships and small town comfort, it has limited imagination. There is a smugness and conservative nature about the community that has fostered a lack of enthusiasm and energy. There has been little pervasive will to change up to this point. Its tendency has been to replicate itself through individual projects and not reinvent itself with collective effort. There is resistance to change. Change threatens the

status quo. The tendency has been to accept things as they are. There is little sense that Richmond is going forward or backward. The area is not thriving, but it is not hurting either. Few doubt that Richmond has suffered to any great extent, but the real question is whether she will reach her true potential.

But now the status quo is being challenged. As other cities began to compete and the global economy began to emerge, Richmond became less distinctive. It seems as if Charlotte, Jacksonville, and Research Triangle Park came out of nowhere. Competition between cities has reached a higher level and the city is showing visible signs of decline: increased crime, poor public schools, downtown business deterioration, the loss of the retail core, and lack of political and business leadership. Increasingly, the problems of the city are being viewed as a cancer that will spread into the counties and threaten Richmond's character and quality of life. Richmond has a solid and balanced economic base, but it revolves around tobacco, pulp wood, state government, and banking - areas expected to be threatened by global economic changes.

Some of Richmond's leaders are beginning to ask some fundamental questions about whether current approaches and organizational structures are appropriate to meet the new economic and social realities. They sense that if they don't take steps to direct change, change will direct Richmond. There is a growing realization that somehow old formulas don't work and that the alternative to trying to change is worse. They are baffled by the lack of regional government cooperation, puzzled by the lack of a compelling community vision, perplexed by the scarcity of an organized effort to solve community problems and capitalize on economic development opportunities, frustrated by the lack of political leadership in the city, and determined to tackle the increase in crime. Slowly, the business community is waking up to current realities that threaten the quality of life it has cherished.

III. RICHMOND'S BUSINESS CULTURE

To understand Richmond's business community is to understand a set of elaborate nuances. It is those nuances that not only define its character, but hold the key to defining its future. Listed below are some of the more important contradictions that work to shape the orientation of Richmond's business leaders.

TRADITION WORKS AGAINST CHANGE

Richmond's culture is steeped in tradition and history. It is Richmond's link to the past that has given it its character. Its leaders sometimes have difficulty looking to the future because the past is so much a part of the community's psyche. To challenge that historical orientation would be to challenge Richmond itself. There is a feeling that embracing the future means giving up Richmond's sense of identity. Richmond may change, but it will do so grudgingly - not because it wants to but because it feels it must preserve what it has got.

There is a strong resistance to change unless there is unilateral comfort. The culture therefore demands a lot of lobbying that most emerging business leaders don't have time for. Group consensus is demanded. In a fragmented community, that makes decisions difficult. At its worst, this disposition shows itself as parochialism and collective passivity. At its best, millions are donated to Valentine Riverside and the historical society.

Justin Moore has said that Richmond can be anything it wants to be. The problem is that it doesn't know what it wants to be and is unsure whether it wants to be anything other than what it is. The culture is more about "how do we protect what we have" than about "becoming all that we can". There is no compelling picture of Richmond's future and certainly no sense of urgency. As one leader noted: "Yes, it has its problems, but it has come a long way." Many view it as a place to come home to. The status quo is recognized to the point where it becomes a virtue.

DECISIONS ARE REACHED WITH POLITICAL SMOOTHNESS AND
SOCIAL CORRECTNESS

The business style of conventional Richmond is aristocratic, conservative, genteel, and reserved. Richmond does not reward "out-front" leadership. It is cluttered with conservative social customs. The nail that sticks out gets hammered down. Business leaders in Richmond are sensitive about confrontation (almost apologetic). The approach is to solve those things that are non-threatening. People are less direct in their intercourse. Their communication is directed around activities and not outcomes. There is a general reluctance to "get one's hands dirty". It is a community commentary that Richmond's two most exciting projects (Valentine Riverside and Biomedical Research Park) are being led by a historian and an educator. There is a culture in Richmond that says: " we want to do it with style and elegance and not polyester boosterism." "How little can we get by with as opposed to how much can we do." Somehow economic progress is viewed as an individual responsibility and it goes against conservative sensibilities to tinker with the marketplace. The conservative outlay reflects itself in the fact that business leaders are reluctant to give money for economic development but not for charities and individual projects. The result is that the business community is more comfortable biting off little pieces than embracing a grand plan.

Richmond needs more of a "can do" attitude by the business community. It needs to believe that it can get things done and that getting things done is expected of the business leadership.

BUSINESS LEADERS ARE WELL CONNECTED, BUT NOT WELL COORDINATED

Richmond has a talented group of business leaders that is not organized. The business community is a relatively compatible and cohesive group, but it is not focused. People tend to center on their own area of interest. Individual "pet" projects substitute for coordinated action. Change is seen as an evolutionary process that stands on individual efforts, not cooperative schemes. Hardworking, generous, and well intentioned individuals and corporations are working at the fringes but have not locked on a clearly defined community vision. The community resembles a bicycle wheel turned on its side - a continuous cash circle where people contribute to each other's individual projects. The wheel, however, is not on the road and heading in any direction.

Things have been accomplished, but by a limited number of people. As one Richmond business leader put it: "Those with the resources (Fortune 500), lack the will to lead. Those with the will to lead, lack the resources". The result is a group of leaders who point the finger at each other for a lack of leadership. "Second tier" players are trying to get "first tier" players involved. Even the chamber isn't staffed with the top tier of Richmond's business leadership. Fortune 500 executives whose empires span across national and international borders rationalize community support by substituting measured monetary contributions for personal involvement. Many other executives don't believe that the economic health of their company is tied to the economic health of Richmond. Only 11 of 50 executives interviewed for this report felt that their company's health was tied to the economic health of Richmond. The last three years have been tough. Executives have been putting out corporate fires and trying to get their businesses in shape for a more competitive environment. Many have diversified their geographical base.

Political and organizational turf battles are draining Richmond's talent, resources, and direction. People are getting frustrated and don't want to participate. Business lets the government set the agenda because it has lost control of the political process and has not developed an alternative strategy to compensate for the loss. Business has lost its confidence that it can get government to move. When people loose confidence, they loose momentum. The business community isn't stepping back, but it is not stepping forward either. It limps along.

THE POT IS CALLING THE KETTLE BLACK

The business community sees the problem in Richmond as political. It derides the lack of political leadership, but has difficulty finding leaders from among its own ranks. Virtually everyone interviewed for this report not only had difficulty identifying business leaders whom they felt had the talent, interest, and inclination to lead Richmond into the future, but few saw themselves assuming that role. Almost all said that they would get involved if they were convinced that people were willing to commit themselves to a specific set of goals. It is almost as if people need permission to act.

Business leaders accuse political leaders of a lack of coordination, and yet, they, themselves, are fragmented. They claim Richmond has no political leaders with vision, and yet, the business community has not framed a vision of its own. It is almost as if business leaders believe government should lead (an irony in a community noted for its conservatism). It is unhappy with the incompetence of the government's economic development efforts, and yet, Richmond's approach to economic development over the last decade has largely been driven by benign neglect on the part of its business community.

The business community berates local governments for the lack of regional cooperation and the inefficiencies it produces, and yet, it has built no central organization to coordinate its activities. Blaming the structure of government has become an excuse for inaction. The result is fragmentation, no focus, and inefficient leverage of scarce resources among a multitude of turf oriented business organizations and political districts.

THE BUSINESS COMMUNITY LACKS THE DIVERSITY TODAY THAT WILL CHARACTERIZE IT TOMORROW

Put simply, Richmond's business community is woefully short of black and women leaders. With the exception of Richmond Renaissance, little social interaction takes place between blacks and whites. Indeed, for some, Richmond Renaissance has become the sole vehicle for black/white communication.

Communication is complicated further by significant differences between how blacks and whites approach problem resolution. Many black leaders in Richmond interpret problems in light of their social consequences. Much

of their background has been shaped in educational, medical, or ministerial occupations. Emotional expression is a strong part of communication. On the other hand, most white business leaders interpret problems in light of their economic consequences. They are action oriented and tend to view emotions 'as a sign of weakness. They are easily frustrated with discussions that they feel are unimportant to reaching solutions. While there is a general lack of extreme racial hostility, people have not moved to the next step of social compatibility. Communication is still at an elementary level.

Unfortunately, many white's impressions of blacks in Richmond are gleaned through daily reports from the city about crime, drugs, and violence which appear on television and in the newspaper. There are also extensive media reports on births to unwed mothers, welfare fraud, AIDS, crack babies, and inner city joblessness which act to intensify racial prejudice. The white middle class sees themselves as being forced to finance a revolution challenging their own values and often undermining their hard won security. The threat of busing, affirmative action, and much of the rights revolution in behalf of welfare recipients and other previously marginalized groups have, for many voters, converted government from ally to adversary. The simultaneous increase over the past two decades in crime, welfare dependency, illegitimacy, and educational failure have established in the minds of many voters a numbing array of costs - perceived and real - of this polarization.

This creates a serious black/white problem. Whites feel the city's political system increasingly represents poor blacks and they feel betrayed. These white urban ethnics feel threatened by an economic underclass that absorbs their taxes, threatens the area's economic base, and erodes the city's educational system. They also fear the social underclass threatens to violate or corrupt their children. The disproportionate share of poverty creates social costs not experienced by the counties. Blacks control the political system and want a larger piece of the economic pie. The politics of race, absent a viable black business class, makes discussions of housing, government cooperation, and change difficult.

The racial issue cannot be separated from the situation in education. While low skill entry-level jobs have moved overseas to low wage countries, the domestic job market has also changed in ways that work to enlarge rather than to lessen disparities in the incomes of whites and blacks. The growing demand is for college educated workers just at a time when the value of a college education has skyrocketed, thus blocking out large numbers of those who are less disadvantaged from even getting a

college education. The effect has been to undermine what was once a powerful drive towards economic and education equality between the races. Just as wage and education patterns are working to undermine what was a trend towards economic equality between the races, the dominant demographic trend in the nation, sub urbanization, is also working to intensify the geographic separation of the races in Richmond.

IV. ISSUES AND OPPORTUNITIES

Many of the same factors that made Richmond what it is today also give it the prospect of an exciting future. It is poised for its next leap of growth and offers a substantial number of opportunities. It lies in a growth corridor and several positive developments are on the horizon: Ethyl's Research Labs, the Canal from Shiplock Park, the Riverfront Development Corporation, Shockoe Slip/Shockoe Bottom, Valentine Riverside, Biomedical Research Park, State Library & Archives, and the Jackson Ward, project. These developments stand as a testimony to the talent and individual efforts of Richmond's business leaders. It is a remarkable commentary that, during a national recession, some $300 million has been invested in Richmond. The region's economic base is diversified and relatively stable, although office vacancy should remain over the next several years. Its strengths present unique opportunities to build what could become a role model of a high quality of life, middle class community. Growth is expected to be modest over the next five years, but not spectacular.

At the same time, Richmond faces some very tough challenges coping with the plateau that it has reached and the changed character of the community. The next five years are critical for Richmond's future. The city is expected to erode further with crime, political weakness, continued downtown deterioration, and marginal economic development being the major culprits. It can not afford to ignore the serious economic and social challenges it faces. It can not afford to waste the financial and human resources of the community through fragmentation, duplication, and lack of planning. But the problems can be addressed by strong, visionary leaders from the governmental, business, educational sectors. Richmond has no shortage of talent. What it lacks is a common goal and a mechanism that fosters communication around a common set of values.

This section includes recommendations on how to resolve and take advantage of the issues and opportunities facing Richmond. The key variables are listed below:

An overarching community vision

A single, proactive business organization

Political advocacy

Regional government cooperation

Aggressive economic development

AN OVERARCHING COMMUNITY VISION

Given the transitional changes it has experienced, Richmond's greatest need is for effective strategic planning for the future. Only a handful of the business leaders interviewed for this study could articulate a picture of where they thought Richmond would be in five years. Most felt that the .metropolitan landscape would be the same then as it is now. Some felt it would be worse. There was no excitement about the future. Ironically, Richmond has many of the components of a plan (Biomedical Research Park, Valentine Riverside, Ethyl's corporate development, the James River, etc.), but little. or no thought has gone into how they might be brought together and leveraged into a clearly articulated picture of the future that could pull people together.

A theme throughout Richmond's history emphasizes its lack of collective planning and vision. Richmond has always relied on the strength of individual leaders and their benevolent paternalism for direction. But times have changed. Just as businesses around the world are reorganizing and utilizing the individual strengths of each member of the team in pursuit of a clearly defined task, so too must Richmond.

The strength of individual vision made Richmond what it is today. In the future, it will not survive without the strength of collective vision. Richmond needs to clarify what it means by success. Within the framework of an overarching vision, Richmond's leaders must develop a plan to reach 4-5 targets and execute it. Business leaders" must establish an implementation strategy that sets priorities for the next 5-10 years. They must look at the challenges and opportunities and decide which actions would optimize the future just like they do when running their businesses. They should identify the gaps between where Richmond is today and where it wants to go and target the human and financial resources to close those gaps.

A SINGLE, PROACTIVE BUSINESS ORGANIZATION

Richmond's problems are not so much infrastructural as they are social and organizational. Just as Richmond needs a concentrated focus, it also needs a concentrated effort. Mary groups are attempting to do the right things, but along different paths. There are too many organizations. Richmond already spends funds on economic development through such organizations as Richmond Renaissance, Central Richmond Association, the Chamber, and various county organizations. However, the metro area does not coordinate its economic development efforts. There is no one

business organization that leads economic development. What little is done today is not organized and lacks professionalism. New companies are not met by a designated group of key leaders. There are no common objectives around which economic development takes place and little regional cooperation. Richmond does not have a community business mentality. It tends to look to government for solutions.

As a result, there is no common direction. Everybody directs efforts through their own agenda. Human and financial resources are spread across the community in a never ending array of individual interests. People expend their effort protecting organizational turf at the expense of organizational effectiveness. Richmond needs a single, multi-racial, organizational mechanism of business leaders to plan, coordinate, and execute its blueprint for the region. Richmond's leaders have done things well individually, now they need to do things well collectively. They need to move the battle from what kind of community Richmond is going to be to how it is going to get there.

Business leaders must consolidate the multitude of business organizations in order to reduce redundancy, eliminate overlap, concentrate focus, and leverage resources. In effect, business leaders are funding the overhead operations of many fragmented efforts. The lack of a single voice not only has led to piecemeal efforts, but it has enabled those who would do so to play one organization off against each another. Richmond is segmented both politically and economically and is competing with itself.

Not only has the lack of a strong business organization shred community resources, but its absence created a vacuum that was filled by government. As long as the business sector follows government's lead in economic development, there will always be problems. Government lacks both the experience and the resources to effectively lead economic development efforts. By definition, it answers to too many constituencies and therefore looses the natural advantages that speed and focused effort can produce. Government has gotten away from operational excellence and taken on the marketing and economic development tasks ordinarily driven by the business community. This dichotomy has led to a structural conflict over roles and responsibilities and a lack of confidence that the organizational infrastructure exists in both the public and private sector to "deliver the goods".

In order to create the kind of organization that will be successful the following should be considered:

 The board of the organization should consist of black and white

business leaders who are drawn from across the four county metropolitan region. While political jurisdictions naturally adhere to political boundaries, the business community is not tied to those limitations. Consequently, it is in a position to lead and direct cooperation across the metropolitan area and can step out together without being criticized along racial or geographic lines. The group should consist of approximately twenty-five chief executives or those of similar stature. There should be no substitute for the personal commitment and involvement of the top executive because they are in a position to commit the human and financial resources necessary to accomplish organizational goals. The board should set clear targets in the context of the community vision and appoint task forces to reach them. Each task force chairman should be a board member and should be responsible for appointing their own task force members. Powerful players should send clear messages to both the political and corporate community about where Richmond is headed and why. Part of the message to the metropolitan political community needs to stress that not only will the community get along, but the corporate community will work to ensure that people will get along. The emphasis should be not to fix the blame, but to fix the problem.

 The organization needs to have a full time chief operating officer (CEO). The CEO would be an active player on the metropolitan scene and ultimately would become the voice of the business community. Their primary task would be to use speed, information, and concentrated effort to coordinate the collective interests of the board in order to reach agreed upon objectives within specific time frames. The existence of this role exempts busy executives from day to day efforts, except when needed, and concentrates their time and resources. It also, gives the political community a clear point of contact with the business community, insures that objectives are coordinated in the context of a strategic plan and frees Richmond's business leaders to do what they do best in the context of an organizational task force: focus on individual projects.

The organization should guide four major efforts: create a vision for Richmond and coordinate its execution, direct economic development efforts, market and promote metropolitan Richmond, and hold government accountable by advocating strong fiscal discipline and supporting dynamic candidates for political office.

POLITICAL ADVOCACY

The business community cannot afford to use the lack of political leadership as an excuse for inaction. It must become aggressive in monitoring political accountability. Richmond will not be successful in pursuit of economic stability without strong political leadership. Business leaders need to make it clear that they will not tolerate petty squabbling. Politics as usual must become a thing of the past. Several approaches need to be invoked:

Work with the state legislature to change city government to a strong mayor elected at-large. Richmond needs to have an elected political leader who will look after the best interests of the city and not succumb to district parochialism.

Sponsor political and educational candidates. Blacks did not create the political and educational environment that Richmond has, but they have no incentive to change it given the political history of Richmond. They feel as if they had to work hard to gain control over the political and educational process and now are determined to not give up what they have attained. The business community should make it absolutely clear that its interest is good representative government and not good white government. It should support capable black candidates because, in the final analysis, what Richmond needs to develop is black leaders cast in the mold of an Andrew Young, Barbara Jordan, Tom Bradley, or Arthur Ashe.

Use research, loaned executives, and public exposure to hold the government accountable for fiscal discipline. Richmond's business leaders should use public relations to rally popular sentiment behind the changes that need to be made. The political structure needs to focus on running Richmond like a business, rather than engaging in social experiments.

REGIONAL GOVERNMENT COOPERATION

In the course of this research, 80% of those interviewed said that if they could change one thing about Richmond, they would change the structure of county and city government to force regional government cooperation. Lack of regional government cooperation is the most frequently mentioned reason why Richmond has not been as competitive as Charlotte, Jacksonville or other communities.

The lack of regional cooperation is exacerbated by a number of intricate factors: (1) Richmond lacks a regional identity. Thinking about Richmond as a regional entity, particularly if you are in government, goes against legal and political experience. The area has taken on many of the structural characteristics that are evident in the Balkans. The commonwealth system of government makes it difficult for the city and the counties to work towards common solutions by leveraging regional economies of scale. (2) Cooperation doesn't happen easily because there is a history of animosity caused by battles over annexation and school consolidation. (3) The situation in Richmond is complicated by the racial and economic disparities between the city and the counties. Racial politics plays a major role in how things are discussed and what actions are taken. County leaders don't really believe that working with the city will do any good and when counties are willing to help, it is often perceived by city officials as condescending. City officials don't trust the motives of either the business community or county officials. (4) Black and white leaders don't understand each other. They communicate in different languages and have different expectations. This is complicated by the general lack of an active black business community.

Somehow leaders must find a way to acknowledge distinctions without taking offense at the differences. It won't be easy. More interaction and training will be required. Leadership Metro Richmond graduates interviewed for this report seemed to have a greater appreciation for the need of regional cooperation. This vehicle gives Richmond an opportunity to educate an emerging leadership group on the new economic, social, and political realities. As one Richmond leader said: "In the new economic environment, you don't have to own something or control it in order to benefit from it". Leadership Metro Richmond needs to insure that each class includes leaders from the city and four county area. Regional cooperation and understanding diversity need to be major components of the curriculum. The Regional Leadership Institute sponsored by the Atlanta Regional Commission is an excellent model to emulate.

The business community also needs to take an active approach by lobbing the State to establish financial incentives that reward working together. Business leaders need to take a serious look at the legislative opportunities available through the establishment of Authorities to solve water, sewer, and transportation issues. Since Richmond understands quality of life, it should tackle the problems of water and sewage under the banner of the environment. The goal should be to develop regional solutions by reducing costs and improving service efficiency.

Richmond needs to develop outcomes around which the community can rally. An excellent example is the Biomedical Research Park. It is a win-win situation that has caught the attention of key people across the political spectrum. Aggressive economic development could become a vehicle that could bring about a spirit of regional cooperation that could spill over into other areas of the community.

AGGRESSIVE ECONOMIC DEVELOPMENT

Richmond's leaders should take steps now to effect the transformation of its economic base. They must focus Richmond's public and private resources on a highly targeted approach to economic development. As mentioned, Richmond has already seen the good will and cooperative effort that can be created with aggressive economic development through the Biomedical Research Park. If Richmond doesn't aggressively build its economic base, it won't be able to launch social and political changes needed to protect and enhance its quality of life. The fact is that Richmond's quality of life is threatened by the larger threats that come from unemployment and crime.

Economic development means different things to different people. To some it means helping a failing industry become more competitive. To others it means recruiting a firm for an industrial park. Many see it as creating new jobs. It can mean creating conditions in a community or university to generate new enterprises or assistance in the expansion of existing small and medium sized businesses. Increasingly it will mean commercializing new technologies or attracting businesses or industry sectors whose core technologies represent the cutting edge of a new economic base'.

In a sense, economic development is all these things. But, broadly speaking, economic development is the process of innovation through which a community increases the capacity of individuals and organizations

to produce goods and services and thereby create wealth. Regional involvement in the process of economic development refers to the strategic use of a region's resources to assist in the development of its economy. This, in turn, leads to jobs, income, increased tax base, and ultimately to a higher quality of life for its citizens. In effect, the city of Richmond should celebrate Henrico's successes and vice versa. To be effective, the region needs to concentrate on the following strategies:

• CONDUCT REGIONAL STRENGTH ASSESSMENT
Richmond and her communities contain a number of unique strengths that can be utilized to promote economic growth. These strengths range from natural resources (the James River), established infrastructure (rail & road network, port), intellectual capital (VCU, Virginia Union, University of Richmond), historical and cultural facilities (Valentine), and multiple businesses with international links. Often these strategic strengths are not deployed simply because they are not recognized or appreciated. An assessment of Richmond's strategic strengths needs to be performed. Based on the identified points of uniqueness, a comprehensive action plan should be incorporated into Richmond's regional development activities.

• DEVELOP CORE DRIVING INDUSTRY/TECHNOLOGY CLUSTERS
Richmond needs to build its new economy around specifically targeted industries and technologies.. These "core" industries/technologies should be high value-added, globally competitive, and export oriented. To the extent possible, these industries need to build off of Richmond's existing economic base. The focus of the effort should examine industries and technologies in their total context and develop educated and skilled workers for a changed economic base. For example, agriculture will be effected by developments in bio-technology, but so will the pharmaceutical industry (Appendix A). Tourism, sports, theme parks, etc are part of a "larger entertainment industry group (Appendix B). The future of banking will be effected by developments in the financial services industry, but so will the insurance industry.

Richmond's infrastructure, incentives, University research, venture capital, marketing efforts, educational systems, and existing industry support should place a special emphasis supporting the needs of Richmond's core industry/technology groups. The best example to follow is that of Research Triangle Park. The park mobilized the business and university community around a concept, much like Richmond has started to do with the Biomedical Research Park. Targeted companies were brought in -all expenses paid - and lobbied. Perhaps, the city should become an economic enterprise zone and use that distinction to leverage

federal dollars for regional benefit. Richmond has an excellent university foundation upon which to build into the future. Richmond's universities are businesses, not just educational institutions. America is a knowledge based economy and Richmond's business and political community better understand that.

The benefits to such an approach are varied and should be understood in the context of an overall plan. For example, Richmond's Biomedical Research Park will not just create much needed jobs, it will also broaden the tax base. Its development will enable University faculty to make the transition from defense to commercial work. With the influx of companies, University faculty can supplement income, thereby taking pressure off university related pay increases. There are also implications for transportation, planned downtown development, and education. A master planned residential development could be modeled after the unique approach Baltimore took in transforming a collection of dilapidated buildings into a much sought after place to live close to downtown. Workers with greater skills will demand that local schools perform. An increase in the number of workers also will enhance the ability of the regional area to expand its air facilities. The impact acts like a chain reaction and could have a major impact on downtown revitalization. Each economic development effort must be understood in the total context of regional development.

• DEVELOP A NEW VIEW OF INFRASTRUCTURE
Traditionally, infrastructure has been viewed as being primarily concerned with transportation or water and sewer issues. Richmond has substantial expanding strengths in its transportation, distribution, and warehousing industries. Richmond's new economic development strategies for the 90's should include a clear regional focus on developing this dynamic intermodal transportation network into a powerhouse that links Richmond's industrial base to the global marketplace.

But Richmond needs to recognize that infrastructure for the new economy is much broader. Other infrastructure areas of emphasis should include telecommunications, logistics, and education. Infrastructure needs for each industry/technology cluster should be identified and a plan for insuring that the region has the necessary elements in place to enhance economic development should be formulated. For example, the region may need to speed the development of fiber optic linkages to enhance competitiveness or long distance, interactive learning may need to focus educational efforts in a way that uses technology to leverage regional educational resources to improve educational quality.

Information, its movement, and accessibility will be a new infrastructure for the region. Information will become the fuel for market development. Richmond should use its university base and establish an institute aimed at identifying emerging regional, national and international trends early and charting their influence on successful economic development strategies. Now, more than ever, the region must pay attention to the integration of people, information, technology, and infrastructure. This will require information systems and performance measures geared to competitive considerations.

• EXPAND BLACK BUSINESS POTENTIAL
A biracial task force of business leaders should be formed to assist in developing black business potential. The task force should determine what assistance black entrepreneurs need to build their businesses. This effort could utilize business school faculty and retired executives to help provide advice. Richmond must do more to speed the development of viable black businesses.

• BECOME AGGRESSIVE IN BUILDING AN IMAGE
Richmond's leaders must make aggressive economic development synonymous with concern for the environment and quality of life. Richmond can not afford to be passed over for commercial development. Attracting business has become more challenging. Demand for capital in other parts of the world and competition from the high growth areas of Charlotte, Raleigh/Durham, and Atlanta make economic growth in Richmond more difficult. Leaders should sell Richmond as a quality of life environment. Promote the idea that people are lucky to live and work in the region. Suggest that Richmond is a city that hasn't been effected by the excesses of the 80s.

Richmond leaders need to adjust their attitude and create a community identity that they can take pride in it. In many ways, the perception that Richmond has of itself fuels the perception that others have of it. Richmond did not take full advantage of the Presidential Debate to sell itself. It was a lost opportunity to reach a worldwide audience. Richmond cannot afford to loose opportunities on that kind of scale. There needs to be a pattern of announced successes (conventions, businesses, sports) for the region. Chesterfield needs to celebrate Richmond's successes and vice versa. In short, Richmond needs to use the power of the media to promote itself. In an age where perception is so influenced by the mass media, Richmond must mount a dynamic advertising campaign. In addition to selling. Richmond externally, it would also be simultaneously building a regional image internally.

The newspaper problem needs to be addressed. Richmond is not perceived as having a responsible press by the majority of those interviewed for this report. The Richmond Times-Dispatch is perceived by many as right wing and racist. As one business leader said: "There is a major difference between what the Charlotte paper does for Charlotte and what the Richmond paper does to Richmond." "One can laugh about the editorials only so long, but at some point people have to get serious." "in an information age, the quality of the press is a strategic asset." The business community should regularly meet with the editorial board and review its positions on important community issues. Given its influence over advertising, it is a voice whose opinions carry weight. The media needs to become a forum where new ideas are articulated and political and business leaders are held accountable.

V. CONCLUSION

Today, Richmond stands at a crossroads. The key to Richmond's future lies in its ability to leverage the past, not become a prisoner to it. Richmond's business leaders must look at its challenges and opportunities and decide which actions would optimize the future much like it does when it runs a business. Business leaders must focus and coordinate their effort and their organizational infrastructure around aggressive economic development efforts. Being well-connected is not enough, particularly when competing with other organized communities. The keys to success lay in the development of a comprehensive community plan, achieving organizational unity, resolving conflicts between the races, and building cooperation between the city and the surrounding counties around vital long term strategic issues. Richmond has both the natural and intellectual resources to make the future bright. The next step is action.