

RURAL-URBAN BUSINESS LINKS: PREVIOUS EFFORTS AND LESSONS LEARNED EDA INVESTMENT No. 05-06-04192

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December 2005



This report was prepared under an award from the U.S. Department of Commerce,
Economic Development Administration

This paper will examine past efforts on linking rural and urban businesses, focusing on lessons learned by those efforts. Efforts in Nebraska will be the concentration, but efforts in other states (and some lessons learned in international initiatives) will also be highlighted.

Before we examine efforts at linking rural and urban businesses, this paper will undertake a brief exploration of “outsourcing” and the impact and importance of that concept to rural businesses and communities.

The Importance and Impact of Outsourcing

Simply, “outsourcing” occurs when one business enters into an arrangement with another company to provide services, materials, production or management that otherwise could have been provided in-house.¹

Outsourcing is not a new phenomenon. Firms have always subcontracted and entered into arrangement with other firms to provide aspects of production or to manage other business functions. What has fostered the intense examination of outsourcing in recent years is the accompanying globalization paradigm that now affects many businesses and occupations. Capital is now free to roam the globe in search for the highest return, and technology has restructured society and business norms so that most places in the world are now on equal footing both technically and commercially.²

While outsourcing is not new, it has changed. As Flora has documented, the first stage of outsourcing was particularly difficult for rural areas. This industry-based outsourcing witnessed manufacturing relocating to areas with lower wages and less stringent labor and environmental enforcement. These industries included furniture, textiles and clothing and wood products, all industries prevalent in rural areas.³

Aided by advances in technology and transportation, outsourcing is now more related to occupation.⁴ Forrester Research has compiled a list of occupations and their relative risk of outsourcing outside the United States based on the characteristics of the occupation and whether those characteristics can be favorably done in the United States or offshore. For the purposes of a Nebraska-based analysis, those occupations not at risk are listed below.

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|---|--|
| ○ <i>Community and Social Services</i> | ○ <i>Food Preparation and Serving Related</i> |
| ○ <i>Education, Training and Library</i> | ○ <i>Building and Grounds Cleaning and Maintenance</i> |
| ○ <i>Healthcare Practitioners and Technical</i> | ○ <i>Personal Care and Service</i> |
| ○ <i>Healthcare Support</i> | ○ <i>Farming, Fishing and Forestry</i> |
| ○ <i>Protective Service</i> | ○ <i>Construction and Extraction</i> |

This paper is part of a project of the Center for Rural Affairs funded by the Economic Development Administration, U.S. Department of Commerce to explore the potential of linking small, rural businesses in Nebraska with businesses in metropolitan and trade center areas of the state. Additional funding for the project is provided by the Nebraska Community Foundation HomeTown Competitiveness fund and the Otto Bremer Foundation of St. Paul, Minnesota.

¹King, D. “Outsourcing, Rural America’s Next Big Opportunity.” *Rural Outsourcing*, August 2004.

²Flora, C.B. 2005. “Economic Restructuring and Outsourcing in the North Central Region.” *Rural Development News*, Vol. 28, No. 1. Ames, IA. North Central Regional Center for Rural Development, Iowa State University; Friedman, T. 2005. *The World Is Flat: A Brief History of the Twenty-first Century*. New York, NY: Farrar, Straus and Giroux.

Flora, C.B. with Flora, J. and Fey, S. 2004. *Rural Communities: Legacy and Change 2nd edition*. Boulder, CO: Westview Press.

Flora, C.B. 2005 op.cit.

According to researchers at the Bureau of Labor Statistics employing data from the U.S. Office of Technology Policy, at-risk occupations include those with: little face-to-face interaction with end-users or clients, characterized by digital or Internet-enabled tasks, easily transferred content, repetitive tasks, and with rule-based decision-making and problem solving.⁵

Based on this division of occupations, the North Central Center for Rural Development at Iowa State University determined the extent of each occupation, and thus the risk for outsourcing, in each county of the North Central region. This analysis found several non-metropolitan Nebraska counties among the most at-risk counties in the nation. Those counties include:

- | | |
|--------------------|--------------------|
| ○ <i>Banner</i> | ○ <i>McPherson</i> |
| ○ <i>Cheyenne</i> | ○ <i>Perkins</i> |
| ○ <i>Greeley</i> | ○ <i>Rock</i> |
| ○ <i>Hayes</i> | ○ <i>Sioux</i> |
| ○ <i>Keya Paha</i> | ○ <i>Wheeler</i> |
| ○ <i>Logan</i> | |

Washington, Douglas, Sarpy and Lancaster are the state's metropolitan counties included in the most at-risk category.⁶

Other rural disadvantages also continue to accumulate. Martin Kenney of the University of California-Davis and Rafiq Dossani of Stanford University have analyzed the relative advantages and disadvantages of doing business in rural communities, particularly as they apply to the off-shore outsourcing of services. While rural areas still have cultural and linguistic affinity to and geographical proximity to businesses located in urban areas, significant disadvantages exist. Rural areas have higher labor costs (compared to foreign labor); small labor pools; an “inferior” workforce based on lower education levels; higher healthcare costs; an increasing drug problem (particularly use and abuse of methamphetamine, resulting in decreased worker reliability); and a lack of ancillary services. Combined with an equalizing of telecommunications ability and cost between rural areas and other parts of the world, the result is an increasing marginalization of rural areas in terms of business outsourcing.⁷

The rural advantages Kenney and Dossani highlight protect little in terms of current service businesses. Since the potential exists for off-shore outsourcing of any business or work object that can be digitalized or where the risk factors outlined above exist, a policy strategy focusing on enticing current service businesses to rural communities in the United States is, according to Kenney and Dossani, “probably a dead end.” Communities may end up with jobs, but not much else and the jobs will be temporary.⁸ For example, call centers can locate in Canada (with the same linguistic advantage and possibly a comparable proximity advantage) for lower labor costs and no health care costs; they can locate in the Philippines for dramatically lower labor and benefit costs (with comparable linguistic and educational levels); to India for lower labor costs with higher education levels; and increasingly to Mexico as the government views their advantages and rural America disadvantages as a way to potentially reverse the immigration tide to the United States.

Given the global disadvantages faced by rural communities, what are their options in a global knowledge-based economy? Specifically, for the purposes of this project, what options may exist for linking rural and urban businesses in Nebraska? The answer to the latter question may be found in a developing structural theory that will potentially benefit rural areas. This theory is centered on the pillar of uniqueness.

⁵Office of Technology Policy, U.S. Department of Commerce, 2003.

⁶Flora, C.B. 2005 op.cit.

⁷Kenney, M. and Dossani, R. 2005. Presentation at “Globalization and Restructuring in Rural America” conference, June 6, 2005.

⁸Ibid.

Jack Wheelan of the Hartman Group, a Bellevue, Washington-based consulting and marketing group, asserts that off-shore outsourcing should be viewed as “an opportunity to develop new businesses that gets beyond functionality and meets needs that cannot be met by well-trained technicians, who in a flat world can do what they do anywhere in cyberspace.”⁹ Rural businesses attempting to meet immediate, functional needs are, at best, short-term suppliers until a better deal comes along. This business model does not build a sustainable economy that contributes to the long-term viability of rural communities.

Stewart Rosenfeld of Regional Technology Strategies, Inc. makes a similar argument. He argues that business conditions have shifted since the 1960s in ways that can definitely benefit rural areas. In the 1960s and 1970s the operative condition was “making things cheaper,” with the advantage being cost. In the 1980s and 1990s, the operative condition shifted to “making things better,” with the accompanying advantages being quality and speed. Now, the operative condition is “making better things,” with design, innovation and uniqueness the advantages¹⁰. Giving products or work objects a special identity or uniqueness appears to be an advantage rural areas and rural businesses can provide to overcome out-sourcing disadvantages.

There are examples of clusters of industrial and commercial activity in Italy (cutlery, ceramics and eyeglasses), Finland (furniture) and Sweden (glass) that all involved both creativity and links between small and large business and rural and urban businesses.¹¹ It, therefore, appears entirely possible to build a commercial system around unique products that link small and large businesses, rural and urban businesses. Future papers in this project will examine these international models, lesson learned and how they may apply to Nebraska.

The discussion of outsourcing and globalization is important because it provides a strategic basis for future economic systems that ultimately determine in large measure the future of communities. From the discussion above we can draw some basic lessons:

- ▶ Focus on those industries, occupations and products less at-risk of outsourcing and the pressures of globalization
- ▶ Focus on efforts that create special identities and brands
- ▶ Focus on building up advantages that will make the first two possible – design, innovation and uniqueness

Efforts at Import Substitution

Creating and designing a system to link rural and urban businesses – the ultimate goal of this project – is an example of the concept “import substitution.” The converse of outsourcing (though, as discussed above, outsourcing does not necessarily mean production of goods or providing of services in a foreign country), import substitution seeks to create growth within a region by replacing goods and services purchased outside a region with goods and services produced within a region. In a sense, outsourcing speaks of how the production of goods and services is done outside a region, while import substitution speaks of how that production is returned to or done within a region. The geography of where production is currently done is not important to the concept of import substitution; current production can be done in Chicago or China. An effort at import substitution speaks to returning or developing that production to Nebraska, for example, rather than it going somewhere else.¹²

⁹Wheelan, J. 2005. “Right Brain Economics.” *HartBeat*, June 30, 2005. Bellevue, WA: The Hartman Group.

¹⁰Rosenfeld, S. 2005. Presentation at “Globalization and Restructuring in Rural America” conference, June 6, 2005.

¹¹Ibid.

¹²The discussion of import substitution is based on a curriculum website developed by Joshua Drucker for a class in Regional Economic Development at the University of North Carolina (taught by Professor Ed Feser), www.planning.unc.edu/courses/261/drucker/main.html; Husky, L. 1987. “Important Substitution in Frontier Regions.” Ch. 3 in *Developing America's Northern Frontier*, ed. Land, Theodore. Lanham, Maryland: University Press of America.

There are three types of important substitution programs used in the United States:

- ▶ Information sharing and networking (usually accompanied by some sort of matching program of producers and suppliers)
- ▶ “Buy Local” programs (either voluntary or mandated)
- ▶ Industry targeting (attracting firms that will engage in or enable import substitution)

Import substitution is supported by several other forms of economic theory. Economic base theory holds that exports fuel regional economic growth – outside expenditures into a region stimulate local business that results in a chain of business and consumer arrangements (commonly known as the “multiplier”). In this theory, imports into a region are viewed as economic leakage. Rather than expenditures coming in a region through exports, imports cause expenditures to go out of (or leak from) the region – imports cause the business and consumer arrangements that cause the economic multiplier in other regions. Import substitution seeks to plug those economic leaks.

Import substitution is also supported by entrepreneurship. Entrepreneurs commonly “act in situations of uncertainty” to fill market niches.¹³ In fact, import substitution and entrepreneurship are perfect compliments – niches exist because there is a local need for products, services or information that is not being supplied locally, and if the need is not filled locally it will be filled elsewhere. Entrepreneurs act to fill those niches and plug the leakage that comes from unfilled local niches.¹⁴ Import substitution is an attractive strategy for rural areas because of the entrepreneurial character of rural areas and the implementation of entrepreneurship as a central rural economic development strategy. In fact, Drucker states that often all that is needed to encourage import substitution is the establishment of an effective link between existing local businesses and local entrepreneurs.

Nebraska Examples

This section will explore examples of efforts in Nebraska (some in the past, some on-going) of linking small and large business, rural and urban businesses and the lessons learned by those efforts. While none of these examples refer to themselves as “import substitution” programs, they all meet the definition and goals of such programs because they all seek to maintain production and services within a region.

Network Nebraska

A. Background

Network Nebraska was started in 1987 and no longer exists. It was a private, non-profit corporation funded by donations, grants and user fees. Charter members included several private businesses (most of which appear to be located in Lincoln) and financial institutions. The corporation was governed by a board of directors, members of which represented the charter members.

Network Nebraska acted as essentially a linking entity between producers and suppliers. Linking rural and urban businesses did not appear to be an express goal of the organization; however, some examples included such links. Network Nebraska staff would begin the linking process by meeting with the purchasing managers of large companies and review their list of out-of-state and foreign suppliers. The express goal of Network Nebraska was to create links between Nebraska companies (apparently regardless of size or location) for companies not purchasing in Nebraska (a company did not qualify for Network Nebraska services if the company already purchased supplies in Nebraska).

¹³Drucker, op.cit.

¹⁴Ibid.

Once the Network Nebraska staff met with interested companies, a rather complex series of events took place before a link was made and a contract entered into. The Network Nebraska process can be summarized as follows:

- ▶ Review non-Nebraska supplier list
- ▶ Identify problem suppliers, those not meeting the needs of the purchasing company
- ▶ Create a formal search announcement based on technical data and identified needs of the purchasing company
- ▶ Locate potential suppliers through an “extensive information network” (based on database searches, business contacts and referrals)
- ▶ Circulation of the search announcement among potential suppliers
- ▶ Bids from suppliers were forwarded to Network Nebraska and then to the purchasing company for review and acceptance or rejection

Network Nebraska claimed the average search took approximately three to four weeks, with about 25 percent of suppliers responding to the announcement. Network Nebraska received a user fee from supplier awarded contracts through the search process. Suppliers would pay Network Nebraska a fee equal to five percent of the value of all goods shipped to the purchaser.

Network Nebraska had a manufacturing focus, though they provided some examples of service providers as clients – specialized freight service, technical writing, computer disk duplication and warehouse leasing. In total, services provided about 15 percent of the searches.

Little information beyond that which is promotional is available about Network Nebraska; nothing is known about its demise except for some with knowledge claiming it was because of an inability to maintain volume of brokered contracts.¹⁵

B. Lessons

Network Nebraska did appear to have some success during its existence. Through July 1995 (its first eight years of existence), it brokered “more than 65 matches” with a total value exceeding \$7.4 million, including savings to the purchasers. Network Nebraska also claimed capital investment of \$1.2 million resulting from matches and “more than 95” jobs created or retained.

Based on the background information available on Network Nebraska and its performance outcomes, we offer the following lessons:

▶ **Process.** The search and bid process appears overly complex. Network Nebraska created a process that is totally dependent on its organizational staff implementing an action at every step in the process. As we will see in later discussion herein, other examples have employed an active but more servant role than did Network Nebraska. Rather than employing staff as the fulcrum upon which the entire process rotated, other programs used staff as primarily educators, strategists and relationship builders and left the nitty-gritty of business discussions and contracts to the businesses. While not necessarily simpler than the Network Nebraska model (in fact, it may be more difficult in some ways), it would appear to create a stronger, longer term business link or network because of the relationships developed and the shared vision created.

▶ **Shared vision.** The importance of shared vision cannot be overstated in developing a sustainable program of business links and networks.

¹⁵All information contained herein about Network Nebraska is from its website <http://members.aol.com/thomstarr/NetworkNE.html>, last revised on December 23, 1995.

Recent research at Iowa State University shows that a shared vision created significantly higher levels of involvement and higher levels of resource exchanges in business networks in the Midwest. Without a shared vision, businesses were less likely to be involved and share resources in the business network.¹⁶

Network Nebraska appeared to have no identifiable shared vision other than to save the purchaser money through contracting with a more local supplier. That is a strong business goal, but it does little to build the long-term relationships and arrangements seen in networks in, for instance, Italy and Scandinavia. There is no evidence that Network Nebraska ever brought their “extensive information network” together to create a shared vision. Without that shared vision a model such as Network Nebraska will likely broker arrangements based solely on immediate, short-term needs and interests. If the evidence from Iowa State is accurate, if there is no shared vision eventually members of the network will become less involved and less sharing, and, ultimately, drop from the network.

► **The crucial role of the broker.** In European examples of efforts to link small and large businesses, and in American examples of flexible manufacturing networks, the role of the broker is crucial. The broker is a person, a group of people, an organization or a system that acts as the “middleman” to create the links that lead to mutually beneficial business arrangements. However, the broker, in those examples of successful networks, does much more than simply pairing a company that wants to save money and a company that wants to make money. The broker should operate in the “field of potential” - the total set of small businesses, support organizations, agencies, consultants, capital resources and technologies that exist in an area that can be called upon to support a network or a business linking process.¹⁷ In other words, the broker should be a “one-stop shop” of all resources that can make a network or a link reality. Properly done, the broker fills many roles - a market connector; a process guide; a relationship builder; coordinator and maintainer; a project director; and a strategic planning guide.¹⁸

Absent a broker playing all those roles, a system of networks or links appears doomed. Absent all the services a broker plays, a system of networks or links becomes an ad hoc operation that serves to meet only immediate and short-term needs. From the information available, Network Nebraska played some of the roles of a broker, but it is difficult to tell if they played them all. It appears Network Nebraska primarily played the role of market connector - finding those instances where a purchaser and a supplier had joint needs at a particular time. Beyond that, it appears Network Nebraska did not serve the role of broker as needed for a successful network or linking system. That may be another reason for its eventual demise - a cognizant company with adequate relationships in a state like Nebraska can likely accomplish what Network Nebraska did, the development of short-term business arrangements to meet immediate needs. To develop a long-term sustainable network of arrangements and links one acting as a broker must go beyond the simple role of matchmaker.

► **Size and funding may matter.** From all appearances, Network Nebraska was a relatively small operation. If the multiple roles of a broker are needed for a successful network or linking system, the entity acting as the broker must be able to fill all the roles of a broker. That will require capacity (size), funding and a presence in the area in question. That does not necessarily mean it has to be a governmental entity. In fact, some examinations of the Italian business linking model suggest a strong government presence is counterproductive.¹⁹ What it does require is adequate funding and a commitment to capacity maintenance to keep all of the roles as broker functioning and to keep the system the broker serves sustainable.

¹⁶Besser, T.L., Korching, P., Miller, N., Hofstedt, B., Orr, R., and Welch, Bridget. 2005. *Encouraging Resource and Risk Sharing: Module II*. Ames, IA: Iowa State University.

¹⁷Holley, J. and Wilkens, R.A. 2003. *A Market Driven Approach to Flexible Manufacturing Networks*. www.acenetworks.org/juneholley/docs/pdf/marketflexnet.pdf

¹⁸Ibid.

¹⁹Boari, C. 2001. *Industrial Clusters, Local Firms, and Economic Dynamism: A Perspective from Italy*. Washington D.C.: The World Bank.

Funding appears to have been an issue for Network Nebraska. Taking its figure of developing contracts worth \$7.4 million in its first eight years and a fee of five percent of that figure, that means, at best, that Network Nebraska garnered a little over \$200,000 in fees annually. It is questionable whether that would be sufficient for all the roles a successful, long-term network or system would require.

► **Strategic thinking.** To go beyond the filling of immediate needs, any network or linking system must include a facet of strategic thinking and market analysis. Again, there is no evidence that Network Nebraska did so. A network or linking system in Nebraska should include strategic thinking and market analysis to determine how to respond to emerging markets, to make participating businesses flexible enough to respond to markets and to place Nebraska businesses in the forefront of trends and new markets.

Nebraska Manufacturing Extension Partnership

A. Background

The Nebraska Manufacturing Extension Partnership (NMEP) is a partnership of the University of Nebraska Lincoln Food Processing Center, the University of Nebraska-Omaha Business Development Center, Central Community College and the Nebraska Department of Economic Development. NMEP is in its 12th year of existence, and provides technical and consulting services to Nebraska manufacturing firms. It has an emphasis on small and mid-size manufacturers (SMEs; those with between 10 and 199 employees).

NMEP assigns “customer agents” to manufacturing firms within six geographic areas across the state; multiple customer agents are assigned to a region depending on the number of firms within the region. The customer agents systematically contact firms within their region to determine the needs, if any, a particular firm may have from a menu of services offered by NMEP – market development, strategic planning and engineering and technology assistance.

The linking and networking of businesses is not a stated goal of NMEP, though the specific goals of NMEP might be flexible enough to include such an activity. Nor are very small businesses such as microenterprises included within the client universe of NMEP; in fact, Goal 6 of the 2005 NMEP Operating Plan specifically states as one its premises that “micro-enterprises are handled elsewhere.”²⁰ NMEP, therefore, is limited in its business base to those manufacturing businesses of a certain size; NMEP will not offer its services to service businesses or businesses below 10 employees.

B. Lessons

► **Many attributes of a successful network.** NMEP has many of the attributes of successful industrial networks that link small and big businesses and rural and urban businesses. Like those successful efforts, NMEP:

- Provides strategic thinking that targets industries and identifies market trends
- Builds relationships and a shared vision through industry-to-industry affinity groups and executive groups
- Acts as a broker through the actions and services of customer agents
- Connects business and educational institutions.²¹

²⁰Goal 6 of the 2005 NMEP Operating Plan is: “define what our partnership will look like, the services we will deliver; and what our primary and secondary funding sources will be!” Nebraska MEP. 2005. “Nebraska Manufacturing Extension Partnership Year 12 Operating Plan.” Lincoln, NE Nebraska MEP.

²¹The connection of business and higher education is another hallmark of successful networks in Europe. Studies of Italian networks found those without higher education institutions in the region or those without strong business-education connections were significantly weaker in terms of production and economic outcomes. Boari 2001.

While NMEP was established as primarily a technical assistance provider to manufacturers, it does contain numerous attributes of industrial network initiatives. These attributes could be built upon or adapted for a small-big/rural-urban business network.

► **Limited scope.** NMEP admittedly has a limited scope, and probably rightfully so. It specifically excludes the smallest of businesses and non-manufacturing businesses from its services. The challenge will be to create a network system that includes the attributes of NMEP discussed above with applicability to small and micro businesses and service businesses (as well as small manufacturers).

Directory of Historically Underutilized Businesses

On the Nebraska Department of Economic Development website there is an item entitled “Directory of Historically Underutilized Businesses.” The directory contains a list of businesses from all over the state (though predominately from Omaha and Lincoln) divided by business type. The directory has not been updated since March 1999. It is also unknown how businesses get included in the directory or how the list was distributed (there is no background information included in the item on the website). If updated, focused and disseminated appropriately this directory could be an example of an on-line tool that could be useful in linking businesses.

Examples From Other States

Nearly every state has some sort of system to assist businesses and to provide information about business opportunities. In many cases these systems are operated through a state economic development or commerce agency. In many case we found that these are very passive efforts – simply place a directory or database on the state agency website with no apparent active performance by the state agency. However, we did discover some examples from other states that may assist in our development of a system for Nebraska.

A. Montana

Like Nebraska, Montana is a large state with a significant rural area. To address that challenge, in 1990 the University of Montana founded *Montana Business Connections* (MBC). MBC is a central clearinghouse for resources and information on business assistance and economic and community development, and is operated by the School of Business Administration at the University of Montana.

MBC provides three primary services:

- A Resource Directory – a database of business assistance and community development resources.
- A Business Calendar – a calendar listing of events of interest to Montana businesses, entrepreneurs and economic developers.
- The Montana Manufactures Information System (MMIS) – MMIS is a directory of manufacturers that can list information about products, processes, equipment, special capabilities and more.

One of the stated goals of MMIS is to allow Montana businesses to locate Montana suppliers and to locate potential partners for cooperative production, marketing, buying and shipping. MMIS is a searchable database and participating firms can update and add information at any time through a password-protected system. The MMIS database appears richer than similar databases in other states. Most databases contain the name, address and some basic descriptive information on businesses (like what they manufacture). The MMIS database contains more depth of business capability and specific needs.

The beneficial aspect of the Montana system is the commitment of the University staff and the statewide follow-up that accompany the directories and the databases. MMIS entries seeking suppliers and potential partners are forwarded to local chambers of commerce and development authorities to further the linking process, and

university staff conducts numerous meetings across the state bringing MMIS participants together to meet, discuss potential partnerships and strategic opportunities. These meetings appear to serve as excellent relationship building opportunities and provide a forum for discussion of current and future opportunities. The long-term commitment of a major educational institution to building relationships as well as providing services is one lesson to be learned from the Montana example.

B. Arizona

AzBusinessLINC is a non-profit, multi-organization collaborative with the objectives to carefully profile Arizona businesses, identify local and national procurement opportunities, match those opportunities to a local pool of suppliers and ultimately increase local supply chain purchasing.

AzBusinessLINC increases buyer awareness of the products and services available throughout Arizona and identifies new sales opportunities for Arizona companies.

Their interactive database profiles the capabilities of Arizona businesses and provides easy searchable access to these resources for buyers with immediate procurement needs, companies seeking longer-term supplier relationships and business looking for collaborative partners. To qualify for a business listing, the company must be located in Arizona, providing a product or service and the majority of company revenue must be generated from sales to other companies.

In its three years of existence, AzBusinessLINC has established 75 matching projects with a total value of nearly \$6 million.

C. South Dakota

The South Dakota Governor's Office of Economic Development has an on-line Manufacturers Directory. All manufacturers in the state are listed on the directory. The directory can be searched according to community, company name, product type and/or number of employees. The employment range field is unique among state agencies databases or directories, and provides useful criteria for projects that seek to link rural-urban/small-big businesses.

D. Washington

While not a networking initiative per se, Washington has provided needed information into the discussion of outsourcing and rural communities. Washington State University Extension examined long-term information-based employment opportunities and what opportunities exist for rural communities. Their report found that greatest opportunities for future information-based jobs in rural communities are in the areas of computer technology, finance and medical transcription/coding. The report found that these jobs are being outsourced (but not necessarily off-shore) and are either growing in the state or where there are identified skills in the rural workforce.²² A recommendation of this report was for businesses and communities to commit resources in helping to develop a strategy to leverage those specific opportunities; one specific recommendation was to work with an intermediary to provide many of the same skills and services as provided by the "broker" in the discussion above.

²²*Outsourcing and Growth Jobs in Washington: A Report for Businesses and Rural Communities Interested in Statewide Information-based Growth Opportunities*. 2005 Pullman, WA: Washington State University Extension.

E. Oklahoma

In 1993, a group of local manufacturers and concerned institutions formed the Northeast Oklahoma Manufacturer's Council (NEOMC). The purpose of NEOMC is to increase the competitiveness of small- and medium-sized manufacturing firms in the region. Partners include economic development agencies, school districts, vocational technical institutions, chambers of commerce and Oklahoma State University. To date, NEOMC has developed a series of joint ventures, internship and apprenticeship programs, training sessions and information sharing sessions among participating companies. NEOMC also sponsors an on-line database that includes a "Capabilities Matrix" that allows participating companies to provide information about their business capabilities (equipment, processes, materials, etc.) and to search for potential partners that have needed capabilities.

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