

Barriers on the Road to the New Economy



thinking.

The fundamental barrier in government is that there is too much of it. This region is blanketed with multiple governmental entities: state government, county government, township government, city government, and commissions, commissions, and more commissions. In combination these entities contain redundancies, they are unnecessarily costly, they are very inefficient, and they don't work together with the agility necessary for the new economy. I can best illustrate this point by quoting from "The Silicon Valley Way," Prima Publishing, Roseville, CA, 2000, which was authored by Elton B. Sherwin, Jr., a successful venture capitalist and the managing director of Ridgewood Capital in Palo Alto, California.

Mr. Sherwin writes, "The economic slowdown in the early 1990s caused many local Silicon Valley governments to become more business-friendly. They streamlined their building permit process and adopted more consistent building codes. San Jose, for example, cut its approval process for minor building permits from two weeks to one day. For some major commercial developments, the process was reduced from six months to one month."

Our region would benefit from similar business-friendly streamlining. Governmental reform – at least figuring out how to get these multiple governmental entities to work together in a more efficient and agile way – is essential to building the "Back to the Future Economy." State and local tax policies are also critical to building the new economy. Without going into detail, the state of West Virginia is a good example of how successful tax reforms can generate positive impacts in economic redevelopment.



President Stan Liberty



The availability of risk capital – particularly venture capital at all stages of a company's development - is essential. We simply do not have enough venture capital in this region, and developing sources of it is a challenge. However, we can attract and organize it within the region if we first demonstrate that we are open for "Back to the Future" business. If we cultivate and nurture an entrepreneurial culture - complete with governmental reform – and display it to the world, we will find innovative ways to attract and organize venture capital.

Finally, all of this requires a new way of thinking. I don't believe that big ideas and bold actions result from incremental, myopically pragmatic thinking. It is often difficult to see the essence of a problem and thus find the elegant solution to it without backing away from it and approaching it from a more idealistic perspective – the trees and forest cliché comes to mind. Once this is done, pragmatic considerations can

be applied. Reforming government and cultivating and nurturing an entrepreneurial culture require big ideas; and big thinking fosters creativity - the fuel for innovation.

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