

Magazine Articles

The Ten Secrets of Downtown Success

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Making Downtown Renaissance a Reality

Part of today's body of knowledge regarding Downtown enhancement are the "secrets of success" — "do's and don'ts" that can be used to guide local Downtown revitalization efforts. These secrets of success mean Downtown professionals and Downtown advocates no longer have to be pioneers, no longer have to "reinvent the wheel," in defining revitalization strategies that are most likely to succeed.

The ten secrets of Downtown success, outlined below, are known — and being used — in Downtowns across the country today.

Secret #1: Form Partnerships

Over the last twenty years, many communities have formed public-private partnerships whose mission was to enhance Downtown. In these partnerships, the public sector and the business sector joined together, made decisions together, and each sector carried its weight to reinvest in and reinvent their Downtown.

Going beyond that, the most successful Downtown revitalization programs today are being spearheaded by private-public partnerships. Two facets of these partnerships are new. First, they are spearheaded by the private, rather than by the public, sector. And, second, they are often the vehicle for bringing together all the major constituents which exist and operate in Downtown. This includes not only the business sector and the public sector, but also civic organizations, existing organizations involved in Downtown, and community residents. Therefore, the new breed of Downtown partnerships are often private sector-driven umbrella organizations.

Secret #2: Know Your Vision

The pro-active and successful way of revitalizing Downtown is to define a clear, community-driven vision of where you want your Downtown to go. The defined vision must be realistic and must be shared by the business community, the civic community, the local government, and citizens of the community.

This shared community vision should define success — "what is the very best our Downtown can be five years from now?" The next two secrets of success — a Downtown market analysis and business plan — are essential in ensuring that the vision is realistic and aggressively pursued.

Secret #3: Be Market-Driven

Conducting a Downtown market analysis is THE critical first step for success in revitalizing Downtown. A realistic market analysis is an economic tool that Downtown cannot succeed without. It is a tool that developers of shopping malls, retail centers, outlet malls, etc., would not do business without. And, to compete on a level playing field, Downtown's investors — which include business owners, property owners, real estate developers, and City Hall — must have the same information at their disposal.

The Field of Dreams Approach to Downtown revitalization — “If we build it they will come” — has proven not to work. Instead, the successful approach to Downtown revitalization is much more bottom line oriented and business-like. Taking a business-like approach to Downtown’s future means:

- Knowing who Downtown’s customers are;
- Knowing who Downtown’s POTENTIAL customers are;
- Determining the goods and services these customers and potential customers want today;
- Anticipating what they will want tomorrow; and
- Providing those things in a quality and dependable manner.

Secret #4: Know Your Strategy

Businesses that operate according to a business strategy are more successful than those that don’t... and the same is true for business districts. The most pro-active Downtown partnerships are starting their programs by defining a clear course of action that is aggressively implemented in a timely manner. The Downtown business strategy spells out a course of action that will enable Downtown to attain the defined community vision of Downtown success and capture the economic opportunities revealed in the Downtown market analysis.

The Downtown strategy should program these actions by detailing when each action will be started; when each action will be completed; who will be responsible for each action; how much each action will cost; and the sources of necessary funds.

Secret #5: Dare to Be Different

To succeed economically, Downtown must create, carve out, and become known for a particular niche in the marketplace. Downtown cannot compete head-on with the malls or with the discounters and expect to win. Instead, Downtown must pursue an economic niche that will allow it to successfully co-exist with the malls and the discounters — by being different and unique.

More and more, this has come to mean that Downtown must create its own “economic themes.” The goal of Downtown’s economic themes is to make Downtown distinct so that it will stand out in the mind of the customer.

Downtown’s economic themes are created by clustering together businesses — such as apparel or antiques or restaurants or home furnishings, etc. — that appeal to particular customer groups. By clustering similar businesses near each other, these businesses become more convenient for customers and Downtown becomes known for those businesses. In this way, Downtown takes on an economic theme — or focus — that makes it distinct and distinctive.

Secret #6: Focus!

In all but the smallest of communities, the Downtown area is physically too large to revitalize in one bite and Downtown’s issues are too numerous to tackle all at one time. And, in every community, Downtown advocates and skeptics alike want to see visible improvements occur in Downtown immediately.

Because of this situation, the most successful Downtown enhancement programs are those where limited resources — time, energy, money, staff, volunteers, etc. — have been focused in well-defined target areas. Concentrating resources in target areas breeds success because it makes revitalization of the entire Downtown seem manageable over time; it makes Downtown’s issues seem less overwhelming when they are resolved one at a time; and it allows tangible results to be clustered so that they become more visible more quickly than if they were scattered throughout

Downtown.

Secret #7: Be Self-Sufficient

The days of first looking outside your community for a Downtown savior — whether that be a new business, anchor, investor, or funder — are over. Instead, to be successful, Downtown leaders must learn to become self-reliant and resourceful. This means that Downtown organizations, Downtown professionals, and local government officials must become adept at spotting and nurturing local entrepreneurs and getting them to locate Downtown. In addition, these same Downtown constituents must also “put their money where their mouth is” when it comes to financing their Downtown enhancement effort — rather than expecting funders from outside the community to bankroll their Downtown’s future.

Secret #8: Return to Old-Fashioned Values

The most successful Downtowns in America are — and will continue to be — those that have realized that their strength lies in doing business the old-fashioned way. This means a return to personalized customer attention; providing value for money; standing behind your products; promoting the special, historic appearance of Downtown; promoting Downtown as the community’s social, cultural, entertainment, residential, professional office, and family center; and stressing the community pride that results from a healthy Downtown.

Secret #9: Be Pro-Business AND Pro-Quality

Within any given community, business owners and real estate developers have many options when looking for a location in which to invest. For Downtown to be the investment location of choice, the local government must be pro-business. This means revising regulations that make it hard to operate a business or invest in property in Downtown. Being pro-business also means streamlining government processes (codes, planning, licensing, etc.) so that investors can go into business as quickly as possible in Downtown.

While being pro-business is essential to Downtown’s success, it must go hand-in-hand with being pro-quality. This means that local government should not — and must not be pressured to — forego quality in order to attract investors to Downtown. Instead, City Hall and the Downtown business community must jointly convey the clear message that Downtown welcomes quality business owners, property owners, and real estate developers — those who will operate quality businesses, maintain quality properties, and reinvest in these investments. And, that the local government is ready and able to be aggressively pro-business for such investors.

Secret #10: Know the Indispensable “Five M’s”

While our Downtowns should not try to — and are not able to — compete head-on with malls and win, the most successful Downtowns are those that have learned and borrowed the best management techniques from the malls. These include the Five M’s described below.

- **Management** — The Downtown partnership should function much as a shopping mall management company does, making sure that Downtown is meeting the needs of the marketplace.
- **Market Knowledge** — The Downtown enhancement program should be based on a market analysis that identifies Downtown’s niche and targeted customers
- **Marketing** — The Downtown enhancement program should include a multi-faceted marketing campaign that allows Downtown and its businesses to communicate with the targeted customers.
- **Maintenance** — Downtown must be appealing by keeping high standards of maintenance for both private and public property.

- **Money** — A goal of the Downtown enhancement program should be to create a financing mechanism that ensures adequate, predictable, and reliable funds with which to implement the Downtown revitalization effort.

About the Authors

Doyle G. Hyett and Dolores P. Palma are the founders of Hyett Palma, Inc., the only national consulting firm specializing in the economic renaissance of Downtowns. For more information about HyettPalma, please visit www.hyettpalma.com.

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