

The Power of Case Studies *Measuring Success and Improving Performance*



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Harnessing the Lessons of Innovation

In many regions of the U.S., more traditional approaches to economic development based on the recruitment of outside industry (the so called “buffalo hunt”) have been replaced with a focus on innovation and identifying new sources of competitive advantage that can be harnessed by the power of entrepreneurs – what we might describe as the Innovation Era for regional economic development. While the more urban examples of this trend are familiar, the same spirit of innovation is found in rural and micropolitan regions in equal measure.

Economic development practitioners, often in private, regional, and non-profit organizations, are looking for new and creative ways to build rural community and regional prosperity. These strategies are most often focused on using local and regional assets in new ways, and supporting the entrepreneurial aspirations of both existing and new business owners. In most cases, both practitioners and policy makers recognize that the old ways of doing the business of economic development are not working for many rural regions and new, more innovative approaches are needed. While some are actively crafting new strategies and approaches, others are hungry to learn from models that work. And everyone is asking the same questions – **What difference will a new approach to economic development make in my rural community or region? What outcomes will these new economic development initiatives achieve?**

Within the context of the innovation era for regional economic development, evaluation – measuring success – becomes increasingly important for three reasons.

- One, when we are actively innovating, we are learning as we go. New models are tested and evaluation can provide the feedback needed to continually evolve and improve our practice.
- Two, this present period of innovation coincides with a time of significant resource scarcity. As a result of the current economic crisis, traditional sources of support for economic and community development – foundations; local and state governments; regional economic development organizations; community and regional non-profits – have been forced to adopt a more cautious approach. During a time of tight resources, there is a premium placed on accountability – programs are expected to deliver and to be able to demonstrate the outcomes achieved. Evaluation provides a tool for measuring these outcomes and demonstrating the effectiveness of new initiatives.
- Three, innovative approaches to economic development always face some skepticism, particularly in rural regions where too many past efforts have failed to create sustained periods of economic and community prosperity. Building support for a new initiative is critical to its long term success. And, being able to “tell your story” and demonstrate outcomes is

a way to build momentum and gain broader support within a rural community or region.

At its most basic, evaluation is a process of determining the value or significance of something through careful study.¹ While the importance of evaluation is readily accepted by most practitioners, the word “evaluation” often conjures up:

- A burdensome process imposed by funders
- A costly undertaking for which few, if any, resources are allocated
- An investigation that fails to accurately capture the broad set of outcomes being achieved in a community or region
- A report that gathers dust on a shelf
- A judgment on the effectiveness of an organization

As a result, too often any rigorous study of rural economic development initiatives is not built into program design and becomes a separate and isolated part of an initiative’s scope of work.

This publication offers a decidedly different perspective on both the value and process of evaluation research. The sections that follow explore **the power of case studies** to both measure the success of innovative rural economic development efforts and improve the performance of these efforts over time. What is shared here is the product of over 20 years experience doing field-based research and, most significantly, the work undertaken by the RUPRI Center for Rural Entrepreneurship to capture the outcomes of innovative rural entrepreneurship development initiatives and share effective models with practitioners and policy makers across the country.

The power of case studies is to both measure the success of innovative rural economic development efforts and improve the performance of these efforts over time.

Each of the following sections addresses an important question:

- Why is a case study approach a valuable tool for measuring the outcomes of innovative rural economic development practices?
- What makes an effective and powerful case study?
- How can you use a case study to both measure success and improve performance?

At the end, we share links to examples of effective case studies that can serve as examples as you consider the relevance of this approach to your own economic development practice.

¹ Merriam Webster’s Dictionary, www.merriam-webster.com.

Why a Case Study Approach?

Case studies have an important role to play in the broader field of evaluation research. They are particularly relevant as a tool for measuring the success of innovative rural economic development efforts such as the entrepreneurship development initiatives the Center has been tracking over the past 10 years. Rural economic development does not lend itself to a “cookbook” approach – there is no single “recipe” for economic development that offers promise in all rural communities. As a result, it is difficult to evaluate rural economic development efforts using a single, common set of metrics or a single set of secondary data. Case studies provide an opportunity to delve more deeply into a particular strategy since they rely on field interviews and data collection.

There are several other reasons why a case study approach makes sense as a tool for measuring your success. One, economic development initiatives in most rural regions are, at least initially, capacity building approaches. An initiative may begin by instituting a leadership program to draw more people into the civic life of the community. Another may focus on filling gaps in the support infrastructure for entrepreneurs by, for example, creating a business training program at the Chamber or partnering with an urban-based service provider to bring new services to the community. Case studies can be designed to describe the capacity building goals that are built into an initiative and capture the outcomes achieved. In essence, case studies move beyond the more traditional quantitative metrics on which most economic development evaluations focus – like the number of jobs created, or the number of businesses started – and provide a more nuanced, broader perspective on what the success of an initiative really looks like.

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Two, asset-based rural economic development is a long term process. Building entrepreneurial communities and regions is hard work and change comes slowly. Frequently, the initial outcomes of a new development approach are qualitative – they reflect changes in the way people feel about development or changes in the way the work of economic development is getting done. For example, a business coaching effort in a rural region may not result in the creation of new jobs or even new businesses at the end of the first year or two. But, entrepreneurs who are working with coaches report that the experience has:²

- Changed the way they do business
- Connected them to resources to build their business
- Kept them focused on the bigger picture of growing their business
- Helped them identify new markets to pursue

² Based on insights gained as part of an ongoing evaluation the RUPRI Center is conducting of the Greenstone Group, an initiative of the Northeast Entrepreneur Fund in northern Minnesota.

These qualitative outcomes speak directly to the success of this coaching effort. And, a case study approach offers a way of asking the right questions to identify these types of outcomes and to more accurately describe the impact of an initiative on a community or region. As the case study is built over time, these qualitative outcomes can be supplemented with more quantitative outcomes that are expected as the initiative moves forward.

Three, measuring the success of a rural economic development initiative is not a one shot process. Ideally, it becomes an annual learning activity that is “owned” by practitioners and not something that is externally driven. A participatory approach to evaluation is one where an outside evaluator works with a local leadership team in the design and implementation of an evaluation process that has value both as an assessment of outcomes and as feedback for program improvement. Case studies lend themselves to this participatory approach. Case study analysis requires an understanding of what the community hopes to achieve – what the overall goal is and how they plan to achieve that goal. It requires digging into the history behind an initiative and understanding what is driving the community to action. And, it involves working with the community to identify measures of success that are meaningful to the community as well as to those who are supporting the effort.

What Makes an Effective and Powerful Case Study?

There are five key elements of an effective and powerful case study. Together, these elements lay the foundation for a case study that is rigorous, objective and informative, both for reporting on the success of an initiative and improving economic development practice over time.

Element #1 – Capturing Diverse Viewpoints

A rigorous case study reflects diverse viewpoints about a particular initiative. The perspectives represented are intentionally broad, including both supporters and skeptics, those doing the work and those served by it. At least four groups of people should be represented among the key informants interviewed for a case study:

- **Project or leadership team** – those who are most passionate and committed to the work; those practitioners who are responsible for implementing the strategy or practice
- **Customers or target groups** – those who are served by an initiative such as Main Street business owners, youth, farmers, artisans
- **External stakeholders** – those who have a stake in the community or region’s economic development such as regional entities, state economic developers, university staff

- **Questioners** – those who hold another perspective or may question the effectiveness of the new approach; they may be among the external stakeholders or even the customers of the initiative

It may not be possible to easily label someone in the community or region – your strongest support may come from a traditional economic development organization and the toughest questions may come from entrepreneurs. In the process of scheduling key informant interviews, some basic questions may help identify the perspective that an individual will bring to the case study – What has been your experience with the initiative to date? What role have you played? How knowledgeable do you feel you are about the initiative?

Example – Business Coaching Initiative

Description – a business coaching program established in a multi-county region as an initiative of a non-profit regional economic development organization. Coach works one-on-one with entrepreneurs either starting new or growing existing businesses. The coach asks tough questions and guides the entrepreneurs to business resources, using a regional resource network.

A diverse group of key informants might include the director of the regional non-profit, the business coach, and the successful entrepreneur who championed the initiative (**project/leadership team**); entrepreneurs who are working with the business coach (**customers**); local Chamber president, president of the regional bank, Economic Development directors in each of the counties, Vice President for Economic Development at area community college (**external stakeholders**); and the regional Small Business Development Center counselor, local business attorneys, head of the local retail association(**questioners**).

There are several ways to capture these diverse viewpoints. One-on-one interviews provide an opportunity to get input from individuals who have unique perspectives and deep experience with the initiative – key staff, funders, or community leaders for example. Focus groups are a good choice for getting input from individuals who may have a common perspective – customers or external stakeholders for example. The interaction of individuals within a focus group often uncovers common themes, issues or challenges that may be less apparent in one-on-one interviews.

Element #2 – Establishing a Baseline

Without a thorough understanding of the base from which a community or region is starting, it is difficult to measure progress. A good case study establishes a baseline – it describes the current level of capacity in a community or region particularly related to economic development. Specifically, the baseline should establish:

- The current leadership capacity for economic development – public sector (local, county government officials), private (Chamber of Commerce, utilities), non-profit (community development corporation, faith-based

- groups), regional (Council of Governments, economic development district)
- The current investment in economic development – public, private, non-profit sector commitment of resources
 - Level of collaboration among key participants – organizations working together, organizations co-located, joint programming
 - Economic development champions – those individuals who are passionate about innovative economic development
 - History of rural economic development – what has been tried in the past, with what results
 - Description of the economy in the community or region – key industries, population change, unemployment, plant closures, key assets

In addition to this general information, the baseline should include key informant interviews with the leadership team for the rural development initiative – the people who designed and now have the responsibility for implementing an initiative. This group may be relatively small but should include, ideally, the project or leadership team and some key stakeholders.

Baseline interviews should be designed to answer several key questions:

- What is the initiative?
- What do you see as the needs in the community or region that this initiative is designed to address?
- What do you see as the goals for the initiative?
- What do you see as the challenges this initiative faces?

Ideally, baseline research and interviews are conducted within a few months of the start of an initiative. These interviews capture the perspectives and conditions before the work begins to change the environment, even in small and subtle ways. However, often case study research is conducted after several or even many years of work. In this case, key informants are asked to reflect back, to describe the community before current economic development efforts got underway. They are asked to consider what is different now and to provide their best insights into the role that the initiative played in bringing about change.

Element #3 – Asking the Right Questions

Asking the right questions to a diverse group of people is the foundation of a powerful case study. There are three guidelines for getting to the right set of questions.

Focus on the basics. A good case study is grounded in a basic understanding of the initiative under investigation.

- Who – Who is leading the efforts? Who is responsible for its success?
- What – What are the goals? What is being done to achieve them? What does success look like (outcomes)?
- Where – What geography is the focus of the work?
- When – Over what time horizon is the work happening?
- Why – What is driving the work? Why was the initiative launched? Why is the investment being made?

Link Questions to Goals. With a thorough understanding of the basics, it is possible to develop specific questions that will yield insights related to the goals of the initiative. For example, we tend to assume that the goal of entrepreneurship development efforts is the start up of new businesses and the growth of existing businesses. However, there are youth entrepreneurship efforts that may have broader goals – helping young people see a different career path, keeping troubled youth in school, or demonstrating a community’s commitment to its youth – in addition to the possibility that some young people may start or grow a business. Understanding the goals of an economic development initiative can guide the case study investigation toward a deeper understanding of program outcomes. In this example, a focus group with young participants might be held to see how their ideas about careers had changed or a focus group with guidance counselors might be conducted to explore impacts on drop out rates. An online survey could be completed to see how youth attitudes toward their community had changed as a result of their participation in the program. These types of questions – tied to the goals of the initiative – would yield a richer set of insights about this work than if we asked the project team about the number of young people who started a business after completing an entrepreneurship class.

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Take an Appreciative Approach. There is tremendous value in taking an appreciative approach to evaluating any initiative. An appreciative approach focuses on the positive – it asks “what is working well” and “what could be done to make this work even better”. An appreciative approach does not mean that the case study reports only the positive outcomes or glosses over challenges. Rather, the appreciative approach is a way of asking or framing questions to elicit thoughtful responses and to put the focus on identifying the results of a new initiative. For example, interviews with entrepreneurs who are working with a business coach might include questions such as:

- What value has working with a coach brought to you and your business?
- What is working well in your relationship with your coach?
- What could make this relationship even better?
- How has your coach connected you with other resource providers?
- How could that process work even better?

Element #4 – Balancing the Story and the Data

A powerful case study tells a compelling, objective story about an economic development initiative. It grounds the initiative in the community or region, it effectively describes the work being done, and it relates outcomes achieved to the goals of the initiative. It focuses on common themes heard across diverse perspectives. It shares accomplishments along with struggles and challenges. This story becomes an important tool for practitioners to share with proponents and opponents of their work, with people on the ground who are doing the work and those who are funding their activities.

At the same time, a case study must focus on the data – sharing both qualitative and quantitative information by which the success of an effort may be judged. An effective case study is more than a collection of anecdotes – it is a compilation of measures of success that relate directly to the goals of a program. In a participatory case study process, these measures are articulated through the interaction of the evaluator with the project team. In case studies completed after a program has been launched and operated for some time, these measures are drawn from initiative goals and may be limited, to some extent, by the data collected over time.

The bottom line for any case study of an innovative rural economic development practice is the ability to effectively answer one relatively simple question – what difference did this work make to rural people and places?

Element #5 – Getting an External Perspective

There is value in having an external evaluation completed for any economic development initiative and, in some cases it may be a condition of funding. Having an external perspective yields a number of potential benefits. One, it brings a fresh and objective set of eyes to the work. The researcher has no loyalty to a particular approach or perspective. Their role is to use the information and data collected to present the most complete and objective view of how a particular program is working. Two, a case study conducted by a third party is often viewed as having greater credibility than one produced internally. Three, if the case study researcher has experience with a broad set of economic development practices, insights about what worked well in other places may be offered to illustrate ways to think about both opportunities and challenges. These insights are particularly important in using the evaluation to improve performance. Drawing on the case study to learn what could be done better, and then working with the researcher to learn how others are addressing similar issues can be an effective path to program improvement.

How Can You Use a Case Study?

Having a case study evaluation completed for an innovative rural economic development program or initiative is an investment. It provides a mechanism for being held accountable for producing results as well as a means of learning as you go. So, how can you get the most out of this investment?

- **Share the case study widely.** The case study tells the story of your work and shows the specific outcomes achieved. Funders, external stakeholders, Board members, community leaders, and others who care about rural community or regional economic development should be invited to read the case study and share their feedback. The case study can be a conversation starter with people in the region who may see a way to become involved in or supportive of the economic development work that is described in the case study.
- **Learn from the case study.** Bring together the project team to review the case study and identify insights that can help to improve the performance of the initiative. In choosing an external evaluator, you should consider what insights they can bring to the work being undertaken – can they provide connections to other practitioners who might have important insights to share? Case study field visits should include opportunities for the researcher to debrief the project team, sharing insights and lessons learned on an ongoing basis so that minor problems with program design do not become major issues in terms of performance.
- **Take ownership of the measurement process.** A case study provides an opportunity to understand the outcomes achieved as a result of investment in innovative economic development efforts. The results may reinforce previously identified outcomes and the measures of success used to track progress. The case study may also uncover new, unintended outcomes of this work – both positive and negative – that should become part of a measurement tracking system in the future. The investment made in a case study should be viewed as an investment in an ongoing process or system that can be used to both measure success and improve performance as the work continues into the future.

Learning from Others

The best way to fully appreciate the power of case studies is to see some in action. The links below will take you to a number of different case studies – some informal, some formal – that will give you a sense of how a case study of your rural economic development efforts might help you tell the story of your success and improve your practice going forward.

[Kentucky Highlands Investment Corporation](#) RUPRI Center for Rural
Entrepreneurship
[Kentucky Highlands Investment Corporation](#) U.S. Department of Housing and
Urban Development
[Prefabricated Log Homes and Complementary Products in Western Montana](#)
Regional Technology Strategies Inc.
[Innovative Approaches to Entrepreneurship Development – Cases from the
Northwest Region](#) RUPRI Center for Rural Entrepreneurship
[Small Towns Big Ideas – Case Studies in Community Economic Development](#)
Community & Economic Development Program, School of Government,
University of North Carolina at Chapel Hill

To learn more about the RUPRI Center's approach to case study research, contact Deb Markley,
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