

wealthworks

for your region

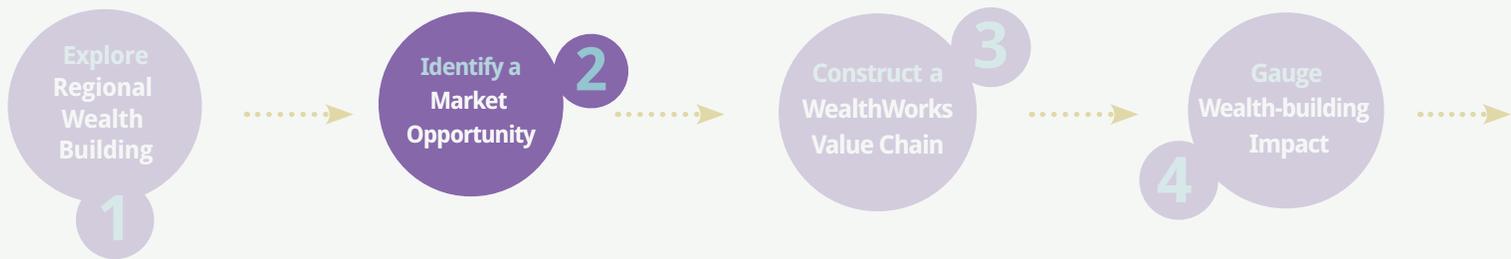
AN INTRODUCTION



Identify a
Market
Opportunity

MODULE

2



About WealthWorks for Your Region

WealthWorks is a regional approach to economic development that connects a community’s assets to market demand in ways that build livelihoods that last. WealthWorks aims to advance a region’s overall prosperity and self-reliance, strengthen existing and emerging sectors, and increase upward mobility for many—always including people, places and firms on the economic margins.

WealthWorks for Your Region: An Introduction provides an overview of four primary components of the WealthWorks approach:

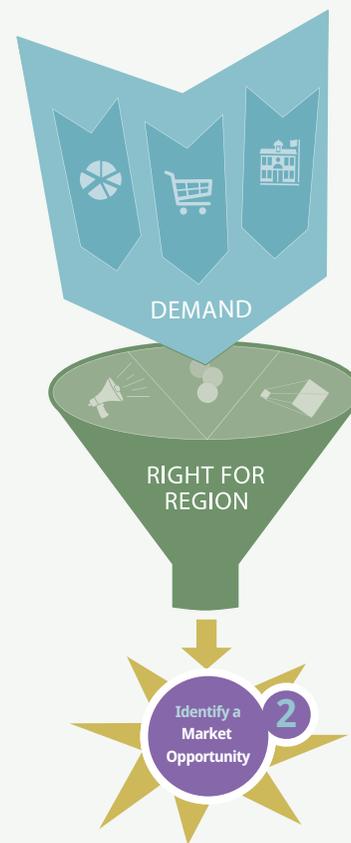
Module 1: Explore Regional Wealth Building. Defines wealth building as a goal that reaches beyond standard community and economic development objectives, and why that difference is critical to advancing and sustaining regional economies.

Module 2: Identify a Market Opportunity. Offers a series of useful screens for spotting a market opportunity that has good potential to generate wealth-building results for a region.

Module 3: Construct a WealthWorks Value Chain. Profiles the elements and design objectives of a WealthWorks value chain—and how to use them to build wealth that lasts.

Module 4: Gauge Wealth-Building Impact. Outlines how practitioners can use measurement to guide value chain construction toward achieving and sustaining more wealth-building results.

For more on WealthWorks, visit wealthworks.org.



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Market opportunity: Lead with demand

In Module 1, you explored regional **wealth building** and how different types of capital—when invested in and owned or controlled by residents of a region—can be better deployed to grow the economy and shape and sustain improved livelihoods. With that in mind, the next question for most people, whether an economic or community development practitioner, is likely: How can I start building more wealth in my region?

Successful development initiatives require an approach that is right for the market *and* right for the region. Buyers in the market have specific preferences. Those preferences are better met by certain goods or services than they are others. And regions have unique stocks of capitals—natural resources, built infrastructure, skills, know-how, financing options, influence—that are better suited to address certain development opportunities than others.

The challenge for you as an economic and community development practitioner is to identify a **market opportunity** that is right for your region. What's a market opportunity? In WealthWorks, a market opportunity is documented demand for a set of products or services that—with the right set of investments and connections—your region could produce and that has good potential to generate wealth-building results. A market opportunity is a good deal for buyers *and* a good deal for the region because it represents a situation where you can meet buyers' demands for products and services while at the same time growing stocks of capitals, increasing local ownership and control, and improving local livelihoods.

This module will help you grasp the process of how to identify market opportunities and select those best suited for wealth building in your region.

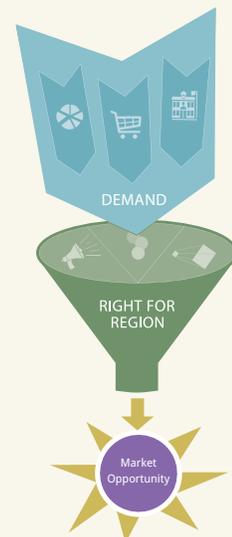
There are two major steps to take to winnow down from the big wide wonderful world of market opportunity possibilities to the few that make the most wealth-building sense for your region. Those steps are:

1. **Get to know demand**
2. **Match demand with your region**

Here, we'll introduce you to some paths for each of those steps. Later, in Module 3, market opportunities will meet wealth building through a tool for economic development called a WealthWorks value chain. But first, we must identify a market opportunity—an opportunity around which you can build a WealthWorks value chain.

What's a market opportunity?

A market opportunity is documented **demand** for a set of products or services that—with the right set of investments and connections—your **region** could produce and that has good potential to generate wealth-building results.



1. Get to know demand



It makes little sense to set up shop to make a product or provide a service that no one is buying or likely to buy. Yet a lot of effort in economic and community development is focused on

producing more of what we already do or make in our region or attracting new industries—without finding out if that’s what buyers want now, or will want tomorrow.

WealthWorks action is built around a market opportunity where you can *document* demand. And you can document demand because you have established relationships with actual and potential buyers well before you put your development “spade” to the ground.

Of course, there are a lot of buyers out there buying a lot of goods and services. You can’t talk to all of them or research every product or service. So in WealthWorks, you **start with what you know about your region** to determine the buyers with whom you want to engage. By following one or more of three **Scans for Demand**, you can target the buyers you want to consult—both inside and outside the region—to find out what products or services they want and are willing to buy.

You might think of each of these scans as a set of conversations in which you are *exploring*. In fact, looking for market opportunities often sends you in a direction you never thought of before. So it is important to be curious and think outside the box. And none

The challenge for you as an economic and community development practitioner is to identify a market opportunity that is right for your region.

of these scans are mutually exclusive. In fact, one can often lead to another, and it’s quite useful to employ them all—in whatever order makes sense from your starting point—to connect with and better understand potential buyers and an initial set of market opportunities they might represent.



The Sector Scan

To investigate demand that might lead to a promising market opportunity, you could start with what you know about **existing or emerging sectors** already in your region. Sectors have a wide range of players with whom you can connect to learn about growing or changing demand for specific products or services.

You may already be working with local community leaders and economic development practitioners to set goals for specific sectors in your economy. Your region might have a small but solid manufacturing sector that has some idle capacity and could use some more business. Perhaps you have a lot of parks and lakes, along with other attractions that could be appealing, but none are connected and all the “finding it” work is left to the tourists. Or your region might be weighing the risks of getting into a new sector, for example,



A market opportunity in Central Appalachia

Recently, a network of non-profits, local businesses and economic developers working in rural Appalachia's forest products sector were looking for a market opportunity that would build more wealth in the region. They started talking to companies that had bought their products in the past, and learned that demand for certified sustainable wood products was on the rise. So they mobilized the region's existing assets—forests, loggers, furniture builders, distributors and funders—to invest in building a sustainability certification process for local harvesters and suppliers, some of whom had been struggling to stay afloat. With their new certification and solid relationships with buyers in place, the group developed a collaborative marketing campaign and established new distribution vehicles. They now reach customers in prosperous neighboring regions that are buying more and more “green” wood products.



For more, see *Wealth from Forests: Doing Wood Right* at WealthWorks.org

transitioning a conventional construction industry toward green building. Maybe your region has some of the assets it takes to start producing one of the newer types of alternative energy, and some small early investments have even come in.

To use a Sector Scan approach to discover demand, it means bringing together or talking to people who are in a handful of critical or emerging sectors in your region. For each sector, you want to begin by building a set of answers to this list of questions:

- Who are we selling to now? What is selling—and what is not?
- Who else in the region or nearby could be potential or important buyers for something that might be produced in this region?
- What do we already know about the qualities those buyers are looking for (or are beginning to talk about) in relation to goods and

services they purchase in this sector—for example, organic ingredients, reliable supply with lower transport cost, “Made in the USA,” or service that includes ongoing technical assistance?

- What else do those buyers care about—for example, image, youth, local products, environmental impact, a presence in or connections to your region....and so forth?

By asking and answering these questions, you can construct a manageable list of buyers inside and outside the region that are good targets to help you gauge demand and find a potential market opportunity in this sector. When you talk to them, you can ask a parallel set of questions focused on what they are buying or want to buy, and what else they care about. Patterns will likely emerge once you have met with multiple buyers—and they might surface one or more potential market opportunities worth exploring with others back in the region.



The Product Scan

In some economic development efforts, exploring demand might start (or continue) by thinking about a particular product or service the region is producing or wants to produce. In this case as well, a similar set of unanswered questions about demand are useful to address: who will buy, how much, and with what qualities? So another viable path to learning about demand might be to focus on buyers of a particular **product or service**.

For example, recently a distressed region in the rural South determined that they wanted to begin to look for a market opportunity in the alternative energy sector. They discovered that the region already had much of what it took to produce biofuel—by using small-scale refineries, local waste oil and a new seed crop. They weren't making or selling the product yet, but they knew from initial research and conversations that demand for biofuel was growing across the nation and the world.

But who would buy *theirs* if they produced it? With this “product” lens, they created a target list for buyer conversations by asking questions like these:

- Who in the region or nearby could be potential or significant buyers for this new product?
- What do we already know about the qualities those buyers are looking for (or are beginning to talk about) in relation to this product?
- What reservations or risks do they have that we would have to manage if they were to buy this product from us?
- What else do those buyers care about—for example, image, youth, local products, environmental impact, a presence in or connections to your region....and so forth?

Just as with the Sector Scan, the Product Scan can produce a list of potential buyers with whom you can start a relationship by asking these questions and others. The patterns that emerge from conversations with buyers might confirm the market opportunity—or not. In fact, anyone who explores demand with the Product Scan has to be ready for the possibility that buyers may not want the product they hope to produce. But it sure is better to learn that at the front end of a development effort!

The Regional Roots Scan



One more exploration avenue that might surface a market opportunity is to talk to regionally rooted buyers. Who might they be? They are institutions, organizations, agencies or business clusters that have roots firmly planted in your region. They might include universities, hospitals, prisons, schools or utility companies that are big buyers of goods and services. Or they could be groups of similar kinds of businesses—like a group of grocery stores located in your region associated with a particular national chain that do some bulk purchasing. Or, if you have a large regional medical center in the area, they might be all the doctors' offices connected to it. Or you might think of all the municipal buyers of energy in your region. Or all the microbreweries, if that cluster is hopping where you live and work.

These **regionally rooted buyers** rarely, if ever, leave a community. Individually or collectively, they likely represent the largest local buyers of goods and services in your region. Because most (if not all) of them depend on the local economy doing well, they have a vested interest in local people, places and firms doing better.

To scan regionally rooted buyers, it means sitting down with various leaders or staff of these

institutions or clusters and having conversations about what they are buying or would like to buy. Questions for them might start with:

- What products or services are you buying now in large quantity?
- Who do you buy them from—and where are they located?
- What is good about the products or services you are buying? What could make them better?
- *(If they buy from outside the region)* Would you be willing to buy that product or service from within the region—if it were available?
- What would it take to make you change to a local vendor?
- Outside of doing well, what do you care about most in the region—for example, your

image, youth, local products, environmental impact....and so forth?

Your role with regionally rooted buyers is to offer an open ear to what products or services, if available locally or better tailored, might meet their needs and preferences. Those are the potential market opportunities. For example, conversations with a cluster of artisanal beer producers in Asheville, North Carolina, might surface that many are seeking a local source for organic hops. In Santa Fe, many rug weavers might be looking for stronger specialty yarns. A regional hospital might be looking for a source of less expensive herbs to add flavor to their new nutrition-rich cafeteria menu. Production of herbs, specialty wool or organic hops, in these cases, could emerge as potential market opportunities.

Regionally rooted buyers in Cleveland

In Cleveland a few years back, a collaborative formed that worked with a set of regional anchors—the Cleveland Clinic, Case Western Reserve University and University Hospitals—to determine what they bought in bulk that might be supplied by a network of worker-owned cooperatives setting up in the low-income neighborhood next door. Learning that the institutions purchased laundry services from a corporation owned outside the area, the collaborative recognized a market opportunity that might match with the resources and skills in the community.

The collaborative set to work with neighborhood groups, funders, and a range of technical assistance providers to establish a laundry service enterprise sited in the neighborhood, and owned by its employees. That Evergreen Cooperative Laundry now also supplies hotels and nursing homes, and employs neighborhood people who are earning above minimum wage and now have an ownership stake. This market opportunity has inspired the development of two other enterprises—Ohio Cooperative Solar and Green City Growers—with resident employee-owners.

For more, see evergreencooperatives.com



When you talk with regionally rooted buyers, it can also help to learn about any products and services they are purchasing from outside your region. Might these products and services be located or produced closer to home? Perhaps they might prefer to buy from within the region if it satisfies their interests in another way—presenting yet another market opportunity.

If you are located in a highly productive agricultural area, for example, you might discover in talking with a local cluster of grocery stores, that they are buying almost all their produce from outsiders, who don't always come through on their orders. Could a group of striving local farmers, working together, open a conversation with the grocery store buyers and start supplying those markets with some of that produce instead, reducing transportation costs for the buyers while helping improve some local livelihoods of the people who spend at the store? The in-region proximity of buyer and producer might offer better grounds for establishing and maintaining a relationship that could lead to future market opportunities.

In other words, explore all the possibilities with regionally rooted buyers, their current buying as well as product needs and gaps. Tapping into these—along with your shared interests in the region—can help you identify market opportunities that are “hidden-in-plain-sight.” These might provide both solid wealth-building potential and a stronger, more enduring base for a region's economy.

Building a “relationship” with demand

The best-kept secret about “getting to know demand” is that you do it by getting to know the demanders—that is, the people who are buying. Once you start talking, you open a relationship. That relationship can develop and keep

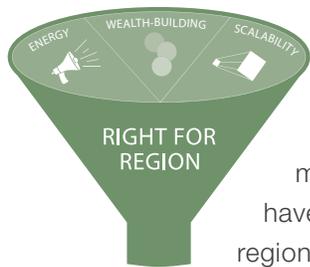
the useful demand information coming. Building this relationship helps you stay informed about buyers' changing needs and preferences over time, which helps safeguard your economic and community development effort.

Having a relationship with demand means you are on top of what your buyers want because you are in touch with them—and they are most likely in touch with their own customers. So, unless you are selling directly to consumers, your buyers are your best source of information on demand in ways that can give you leverage. For example, if you are selling wood products to the residential construction industry, *your* buyers know exactly what wood products their own customers—home builders and home owners—prefer these days. In other words, being in touch with your current and potential buyers keeps your ear closer to the consumer ground as well.

Demand is influenced by both your buyers' needs and their customers' preferences. Such preferences are shaped by culture, community and individual tastes. Because these vary widely by region, age groups and other characteristics, demand, too, varies widely. Preferences might relate to popular trends, cultural history or ethnicity, ethical values or how the economy is doing. For example, if you have been manufacturing dining room chairs for years, you might find demand changing because more people want chairs made with sustainably harvested timber, or handmade by local craftspeople, or that match a new Scandinavian design trend.

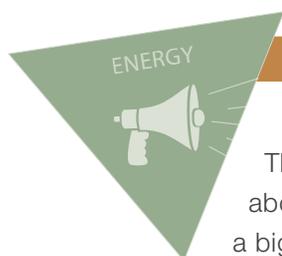
Consumer preferences can change quickly, and can sometimes be driven by savvy marketing. Well-developed and sustained relationships with demand—the people and firms who buy your region's products or services—can help you navigate this complexity. By building **relationships with buyers**, you can ensure you pursue market opportunities that respond to actual demand.

2. Match demand with your region



The point of building ongoing relationships with demand is to continually spot market opportunities that have good potential for your region. In WealthWorks, to narrow your selection further, it is important to consider which market opportunities are *best suited* for your region—meaning they will harness the most local **energy**, solid **wealth-building** potential, and capacity to **scale** into bigger and better results later.

Those three factors can frame how you explore your initial market opportunity options, so that you can move toward selecting one for your WealthWorks value chain.¹



Harness local energy

The first factor is simple. Think about it this way: If you collected a big set of regional and community stakeholders and laid your two or three best market opportunities in the middle of a table, which one would generate the most excitement in the room? Successful economic development initiatives are frequently driven by a sense of energy, excitement, and can-do attitude. Selecting the market opportunity best suited to your region *right now* rightly includes finding one that springs local energy.

Why is energy important? If people are intrigued and enthusiastic about something, they are more likely to participate. Not only can that help

¹ See Module 3: *Construct a WealthWorks Value Chain*

you get started, it can keep you driving forward, especially when challenges surface. Perhaps most important, energy stimulates investment.

In WealthWorks, energy is generated by and centered around the interest of residents, businesses and organizations in a region. Interest encompasses everything an individual or business cares about—and that's critical because interests motivate action. Interest includes but is not limited to a financial stake. WealthWorks thinks about interest in three different, but connected ways:

- **Self-interest.** Self-interest is the strongest energy motivator. For actors in your region, it answers the question: What's in it for *me*? That answer is the core of the value proposition that makes it “worth their while” for any person, business or group to engage.
- **Shared interest:** What's in it for *us*? Shared interest is a happy conclusion by two or more players exploring a market opportunity that there is something in pursuing it that they all value. For example: “If we start producing Product or Service X this way, it will lower costs for both of us.” Or “If we join together to brand our region for tourism, even though we compete as tourist attractions, it will likely help both of our businesses do better.”
- **Common interest:** What's in it for *every-one*—the entire region, or even the world? Common interest recognizes that what we do together in this market opportunity might produce something that is good, accidentally or intentionally, for the larger community or the world. Achieving (or appealing to) common interests can sometimes stimulate outside investment and effective marketing messages.

Sometimes the interest is already there—people care about advancing a certain sector, about the situations of certain people or places, or about emerging trends or ideas, and want to

find a way to address it. Or they value something about their community and want to strengthen it. In other cases, especially when you want to explore a market opportunity for something relatively new or strange to your region, you might have to engage local stakeholders in various ways before you can gauge interests—because it may take more time for them to understand the opportunity.

Tapping into these interests is the key to building and sustaining energy around a market

opportunity. But not everyone who is interested in a market opportunity has to have the same interests—one interest may motivate some, but not others, and that’s fine. For example, in producing a new biofuel in the region, some might recognize and value the common interest that it will emit less carbon into the atmosphere than other fuel options, while others might be more self-interested in its relative cost and reliable supply, and care little about the carbon factor. WealthWorks succeeds by weaving and balancing the interests of multiple partners, not

Harnessing local energy: An energy retrofits example			
	Self-interest	Shared interest	Common interest
Households	Energy retrofits reduce energy use—and thus energy bills—for households.	When electricity rates gradually increase with the cost of production, retrofits help keep utility bills affordable. This makes customers happy which means less grief for the utility companies from bill payers and regulatory agencies.	Energy retrofits increase home values in the region, making it attractive for families to stay in or move to the area, purchase homes and send their kids to local schools. The retrofits become a selling point for the City’s “Green Community” campaign, helping it attract funding for other green initiatives. And, the retrofits reduce energy usage in the community, lowering carbon emissions locally and for the world.
Local school district	Energy retrofits reduce energy bills for the school district, making it easier to balance the budget.		
Utility companies	Energy retrofits lower operating costs for individual companies since peaks in energy usage are expensive (they require bringing extra power plants online or purchasing electricity at a premium from neighboring utilities). It also allows companies to sell any excess energy production to other regions.		
Local building contractors	Energy retrofits are an emerging market that offer local building contractors the potential for a new product line and new revenue.		

by requiring partners to share or even acknowledge the same interests.

How can you gauge energy around a potential market opportunity? You often know it when you see it. In one case, you know it because people *just show up* for conversations or meetings. And they come back a second and a third time because they make it a priority, not because you have to push and pull them. They raise possibilities more than obstacles. They start calling you instead of you having to call them. The market opportunity starts getting mentioned in situations that you didn't organize.

Energy is the starting point for individuals, businesses, non-profits and others to invest in your economic development activities. Individuals or groups that stand to benefit are willing to pay, invest time, sustain relationships or incur other costs to realize those benefits. See **Market opportunities: Harnessing local energy** on the facing page for one example of how different market opportunities can motivate individuals and business, based on self- or shared or common interest.

As you consider market opportunities, it can be useful to draw up a list (like the one in the table) of local parties that could be energized as a result. This is a first step in helping you assess the potential feasibility and sustainability of any market opportunity.

In Module 3, you will discover how community and economic development practitioners can leverage this energy and turn it into strategic investments that help deliver products and services to the market and build wealth in a region. For now, it is important to understand that your chosen market opportunity must tap into existing energy or galvanize new energy—based on the WealthWorks concept of interest. Selecting a market opportunity that has energy will make looking for investments much easier.

WEALTH BUILDING

Maximize wealth building

As noted earlier, successful economic development initiatives require an approach that is right for the market *and* right for the region. So far, we've highlighted how a good market opportunity must meet clear market demand for products and services, and how choosing one that generates local energy can spur investment in that opportunity. The question now, if you weigh several promising market opportunities, is: Which of them is likely to produce the most wealth-building results in your region?

A market opportunity has **wealth-building potential**, the more it:

- Attracts investment (time, skills, partners, financing) that will increase your region's stock of eight capitals—individual, intellectual, social, built, natural, political, cultural, financial.
- Increases local ownership and control of that capital by people, places, organizations and firms that live and work in the region.
- Draws people, places and firms on the economic margins into the action—and produces benefits that improve their upward mobility, resilience and future prospects.²

Wealth: The eight capitals. A good market opportunity will spur investment in and mobilize activity in many (if not all) of the **eight capitals**. If you are going to develop a regional economic or community effort around a market opportunity, it is important to gauge how it would likely increase the quantity and strengthen the quality of those capitals, producing more benefit for the region. The more capitals it touches and the more they are increased or improved, the better the market opportunity.

² See Module 1: *Explore Wealth Building*

For example, when the Lower Rio Grande Valley selected green housing as a market opportunity, they knew it would bring greater expertise in green practices into their region of Texas (intellectual capital), create new or redesigned jobs for home builders and retrofitters (individual capital), expand investment in ailing housing stock (built capital)—and more.

Ownership and control. A good market opportunity also increases local **ownership** of the eight capitals in the region, as well as **control** or influence over decisions about their uses in the future. Ownership might come in the form of opportunities to start and own new businesses, buy land or buildings or a home, or increase individual or shared equity in them. Or it can mean owning new knowledge, like a patent, or a skill that is yours and yours alone that can carry you further in a career. Control means you can exercise influence over decisions that you could not in the past. For example, a new conservation easement might control the use of land in ways the community desires, or a new business collaborative formed around a market opportunity might exert more influence over the state legislature than each firm had managed individually.

Lasting livelihoods. Finally, a good market opportunity deploys local capital in ways that

shape, improve and sustain livelihoods, with an intentional focus on ensuring that those on the economic margins both participate in the action and benefit from it. The best way to appraise this potential is to directly engage low-income people, places and firms in the process of identifying and pursuing market opportunities. For example, in Arkansas, when a regional collaborative was weighing market opportunities in the alternative energy sector, they looked at several types of alternative energy. When their choice came down to pursuing solar or bio-fuels, they chose the latter. Much of their decision was based on including local farmers in their discussions, and surfacing interest from a group of low-income farmers to grow a biofuel crop that would increase their income and use their fields in an underutilized, off-season growing period. The collaborative saw no such clear opportunity to increase low-income livelihoods if they pursued solar energy, so they went for the biofuel market opportunity.

As you explore various market opportunities, it is important to think through the ways in which each could advance—or detract from—these three aspects of wealth building in your region. Through the process, you can get a sense of which opportunities might build capitals you most want to focus on or will have significant

The eight capitals

Individual: Skills, understanding, physical health and mental wellness in a region's people

Intellectual: Knowledge, resourcefulness, creativity and innovation in a region's people, institutions, organizations and sectors

Social: Trust, relationships and networks in a region's population

Cultural: Traditions, customs, ways of doing, and world views in a region's population

Natural: Natural resources—e.g., water, land, air, plants and animals—in a region's places

Built: Constructed infrastructure—e.g., buildings, sewer systems, broadband, roads—in a region's places

Political: Goodwill, influence and power that people, organizations and institutions in the region can exercise in decision-making

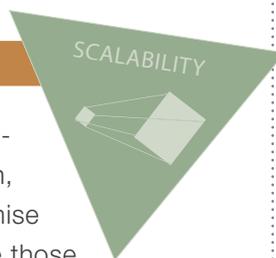
Financial: Monetary resources available in the region for investment in the region

positive impact on low-income people in your region. At the same time, you can also get a sense of which opportunities could be damaging to the region, whether by depleting capitals, letting benefits flow to others outside the region, or providing limited opportunities to benefit those on the economic margins. By exploring wealth-building potential, you will filter through to a market opportunity that is right for your region.

Can it scale?

Of the many market opportunities available in your region, the ones with the most promise of building lasting wealth are those with potential for scale. Scale is important in the fields of both economic development and community development. Economic development in a region is more effective when businesses have more customers, and community development strategies are more effective when they reach more residents. Embedded in the fields of community and economic development are four dimensions of scale, all of which should be considered when selecting market opportunities.

1. **Scale of demand.** Products and services, if they are to scale, must increase sales to reach market efficiency. Increased sales might mean more buyers, bigger buyers, or greater diversity of buyers. It might mean a modifiable product and service that can be adapted to new markets and new buying partners. A market opportunity might start as a niche product, but the vision and design of your effort—if meaningful change is to happen in the region—must go beyond niche markets. A market opportunity shows “scale of demand” potential if you can identify future potential buyers and build relationships with them.
2. **Scale of production.** To act on a market opportunity, it’s critical that you begin with a relatively small network of producers, partners



and investors to deliver your product or service to your initial buyers. WealthWorks calls this the “proof of concept” stage. Once you’ve proved the concept, however, it’s important to gauge and be sure that the region is able to move to larger-scale production. This likely means working with more partners and increasing production and delivery capacity. The right market opportunity will have a clear path to greater scale: strategies or partners that can help increase capacity, and candidates for new producers or service providers.

3. **Scale of investment.** Energy is clearly a key element of success for any wealth-building effort. The ability to capitalize on that energy and to continue growing local energy requires that the market opportunity provides different ways for entrepreneurial residents, businesses, and organizations to make investments of time, money or other assets. That means that you continue to find ways for people to invest in and participate in the success of your wealth building effort. Market opportunities have scale of investment if you can foresee future investment opportunities and you can start partnering with people, businesses and organizations who see those investment opportunities as well.
4. **Scale of wealth-building impact.** WealthWorks practitioners seek to grow stocks of capital, increase ownership and control, and improve livelihoods especially for those at the economic margins. At the beginning, the wealth-building effects may be small. However, the right market opportunities will offer paths to increasing the breadth and depth of your wealth-building efforts over time. Using the biofuel market opportunity example, locals started with a few farmers, some of them small and limited resource producers, growing the seed crop used to produce the biofuel. But organizers of the effort, by talking to state farmer associations and doing other research,

had a clear knowledge of many more farmers, including limited resource farmers, who would be interested and willing to add the bioseed to their crop rotation—ensuring that there was potential to more fully utilize available land during a fallow crop period, and increase livelihoods for hundreds of farmers (or more) as demand for biofuel expands.

Using **scale** as a screen to identify a good market opportunity is fundamentally about wanting

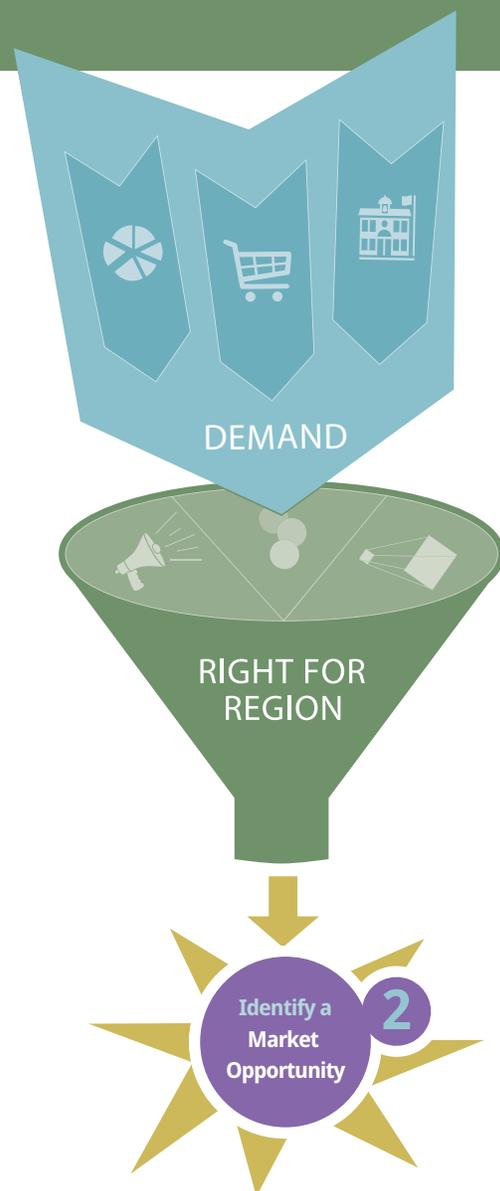
to maximize your wealth-building results. You seek scale of demand, and production and investment specifically to improve livelihoods and upward mobility for more people, places and firms in your region—and beyond. Once you choose a market opportunity and start thinking about constructing a WealthWorks value chain around it (see *Module 3*), you'll look for design options with leverage to change systems so that more can benefit from your economic and community development effort.

Conclusion

In this module, you learned that an economic development effort starts with a market opportunity—that is, documented demand for a set of products or services that, with the right set of investments and connections, your region could produce, and that has the potential to generate solid wealth-building results.

A market opportunity emerges as you build personal relationships with buyers and potential buyers. It mobilizes buyers, energizes networks, and inspires entrepreneurial risk-taking by capitalizing on the interests of individuals and businesses in a region. A market opportunity can see a path that allows you to start small but then reach for larger scale that will boost livelihoods for more people, places and firms in the region. And most importantly, a market opportunity is intentionally selected to build wealth in a smart, market-driven way.

No matter where you look for market opportunity ideas, the bottom line is that you need to start with what you know about your region and select an opportunity that is tailored to the unique assets and challenges of your region. In *Module 3*, we'll offer an overview of how constructing a WealthWorks value chain can turn that market opportunity into a market reality.



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WealthWorks for Your Region: An Introduction is one result of this effort. Everyone below contributed to its development—and is owed a great debt of thanks.

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