



LOCAL ASSETS USAGE

(Approaches and experience of Karelia)

PP 14



Karelian science center
Russian Academy of Science

- Strategic planning methodology creation for Hinterland territories basing on typical preconditions
- Development of the typical strategy plan structure
- Extending the decline management experience («anticrisis management»)
- Implementation of pilot projects and creation of premises for strengthening the Hinterland – Vorderland connections

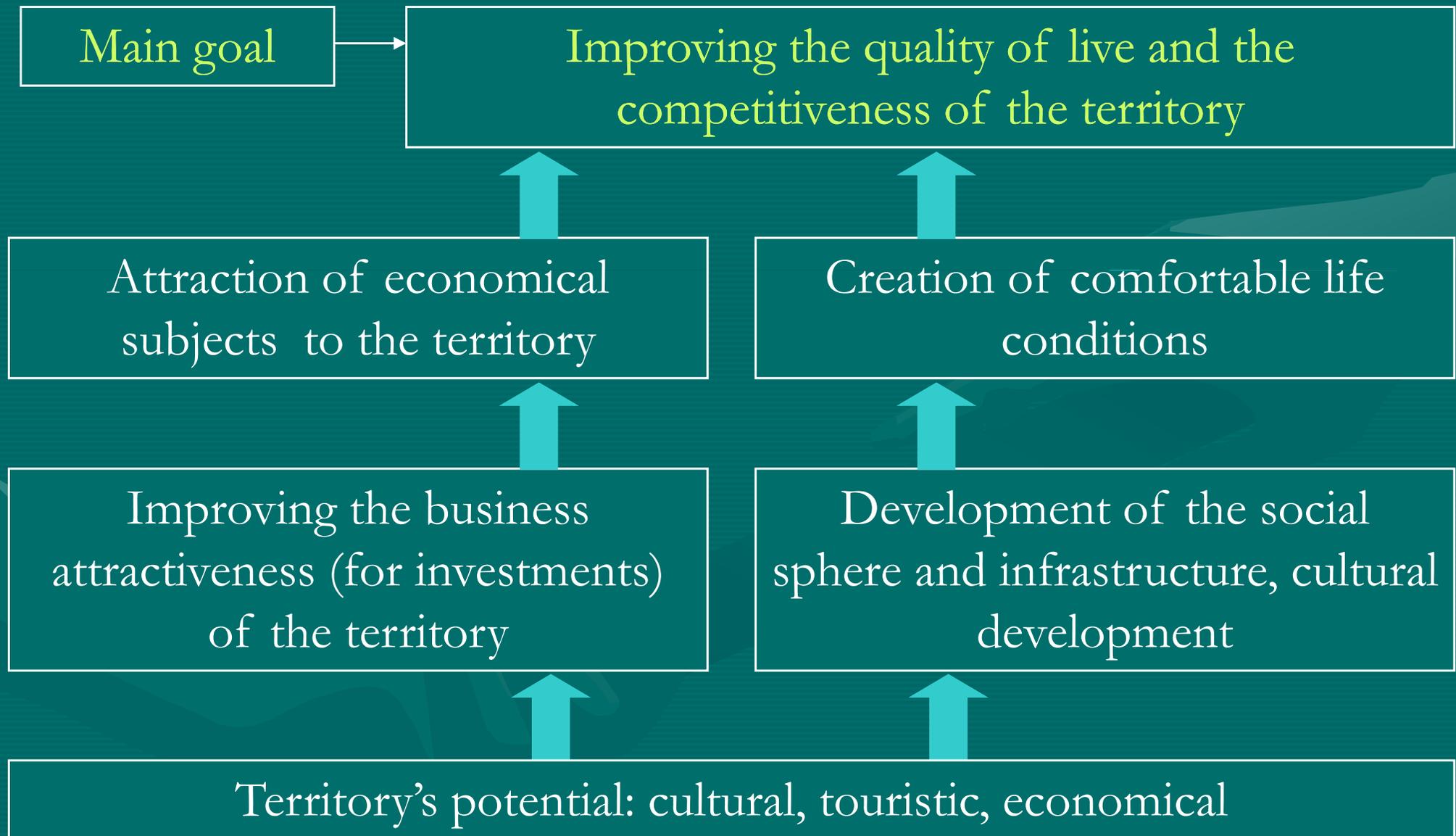
WAYS OF PILOT TERRITORIES DEVELOPMENT



Ways of local potential usage :



LOCAL DEVELOPMENT GOALS HIERARCHY



DEVELOPMENT FORMULA FOR HINTERLAND (Decline territories)



De Soto's formula usage for territory development and increasing its business attractiveness

STEP 1

Assets restructuring,
selection of the property
complexes



Selection and evaluation of the
property, investment offers
creation

STEP 2

Adding the institutional form
to the assets



Registration of the owner's
rights, investing to increase the
assets value

STEP 3

New «assembling» of the
assets (creation of the
completed assets complexes)



Increasing the effectiveness and
the incomes from using the
assets

DEVELOPMENT FORMULA FOR HINTERLAND (Decline territories)



De Soto's formula was invented by the Argentina economist in the 70-th. It played a significant role in the economical growth of Argentina and strengthening its international competition positions

The essence of the formula:

- Transforming of the recourses of the territory into its assets
- Aiming at the maximization of the assets' value (through increasing its volume and restructuring)
- Increasing the business attractiveness and competitiveness of the territory through stimulating the business activity and production factors market development

EXAMPLES OF THE FORMULA USAGE IN THE PILOT TERRITORIES



«Helula technological village» project

STEP 0 Definition of the not used territory of the Sortavala saw mill factory as the assets

STEP 1 Dividing the territory into small production sites, their reconstruction and repairing the existing engineering infrastructure

STEP 2 Preparation of the tender lots for selling to the companies

STEP 3 Formation of a whole technological-production complex, development of the engineering infrastructure (construction of the power station), preparation of the staff (teaching), development of the additional services



EXAMPLES OF THE FORMULA USAGE IN THE PILOT TERRITORIES



«Guest houses in Mikhailovskoe village» project

STEP 0 Definition of the not used houses and
touristic potential of the territory
as the assets

STEP 1 Reconstruction, repair and improvement
of the houses and near territory,
developing the tourist routs, tour products

STEP 2 Marketing (connections with other touristic companies), entering the
«Village manor» Association

STEP 3 Formation of the complex tourist service system, including transfer,
housing, meals, attractions, guide's services and excursions, equipment rent



DEVELOPMENT STRATEGY STRUCTURE FOR DECLINE TERRITORIES



The following structure of the strategy plan, basing on the experience of the previous project work is offered:

1. Settlement development concept	includes the main idea-the basis for the territory development, problem section, principles and approaches to be used
2. Analytical section	includes strategic analysis and competitiveness analysis, socio-economical evaluation of the situation
3. Strategic and marketing section	includes statement of the main goal, tasks, scenarios of the development and a complex of the activities
4. Project section	includes the list of the investment, social, cultural and educational projects

Section 1. Settlement development concept

- 1.1. Preconditions and motivation for the settlement development
- 1.2. External factors and challenges evaluation
- 1.3. Existing and expected problems and threats for the settlement development
- 1.4. Principles of strategic management, territory planning and village development programming

Section 2. Analytical

- 2.1. Geographical position and a history of the village
- 2.2. Social-economical characteristics of the village
- 2.3. Strategic analysis (SWOT-analysis)
- 2.4. Competitiveness analysis and definition of the competition advantages
- 2.5. Definition of the priority products (specialization), their positioning and segmentation of the markets (definition of the target market segment and market alcove)

Section 3. Strategy

- 3.1. Strategic goal, tasks and activities
- 3.2. Priority routs of development
- 3.3. Development scenarios (two aspects – dynamical and structural)
- 3.4. Scheme of the territory zoning
- 3.5. Development of the separate strategies according to the products and zones
- 3.6. Marketing strategy development

Section 4. Projects

Includes a set of the mutually connected projects to develop the village.
The sets are unique for each of the villages.

The offered scheme of the project presentation:

1. The name and key characteristics of the project
2. Consumers of the project (product), market evaluation
3. Investment capacity and investment plan
4. Brief production plan
5. Indicators and parameters of the financial, budget and social effect of the project

THANK YOU!

