



Stronger Economies Together

Doing Better Together

Sustaining Existing Businesses

Dave Shideler, Oklahoma State University



SET COACHES' GUIDE

BRE: Finalizing the Plan

BRE:

FINALIZING THE PLAN

OVERVIEW

Purpose: During this session, participants will:

- Explore the Business Retention and Expansion Process
- Consider assets and readiness
- Explore preliminary regional economic data

Estimated Time to Complete: 3 hours

Materials Needed:

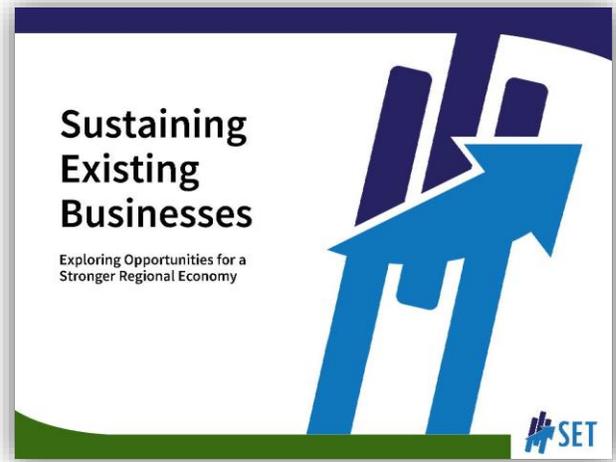
- Flip charts
- Markers

Handouts:

- Three Major Steps : The Business Retention and Expansion Process
- Timeline
- Readiness Assessment

SLIDE 1
INSTRUCTIONS

Have this slide up when participants enter the room.



SLIDE: 1

TIME:

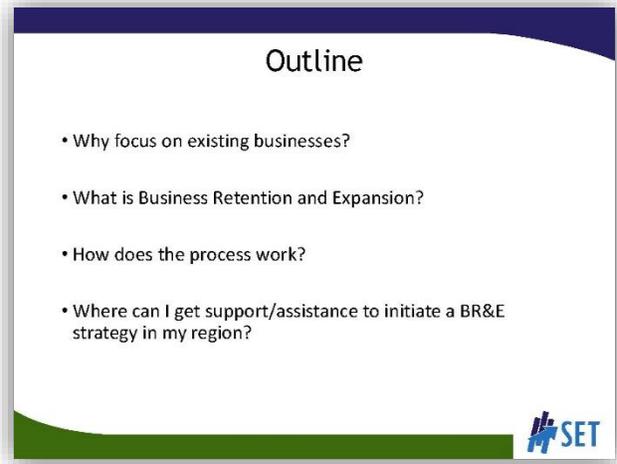
SUPPLIES:

HANDOUTS:

SLIDE 2

INSTRUCTIONS

This is an outline of the material covered in this session. The sections of the session are identified by the questions listed here.



SLIDE: 2

TIME: 1 MINUTE

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 3

INSTRUCTIONS

The data contained on this slide represent a former SET region in OK; the presenter is encouraged to replace these data with those appropriate to the region reviewing this session. This data will help motivate why the region might want to focus on existing businesses. The data represent the total number of jobs in each county/region by type of establishment (top half of the table) and the number of jobs gained that year by the source of job growth (bottom half of the table).

Key terms to understanding the data:

- Establishment: one location of business for a firm; if the firm has multiple locations, each is counted as a separate establishment.
- Resident Establishments: jobs at establishments that are themselves the only location, corporate headquarters or are part of a corporation that is headquartered in the state.
- Nonresident Establishments: jobs at establishments that are part of a corporation headquartered in another state.
- Noncommercial Establishments: jobs at non-profit organizations, government agencies and educational institutions.
- New Startups: jobs at businesses that are brand new (in the year of data reported) -- to the county and unaffiliated with other businesses in the county/region.
- Expansion Startups: jobs at businesses that are new to the county but affiliated with another previously existing business in the county/region (e.g., a spin-off company, or creation of a subsidiary company).
- Expansions: jobs created at existing businesses.
- Move in: jobs created by new firms moving into the county/region (i.e., they have no corporate affiliation with other businesses in the county/region; think relocation or recruitment/attraction activity).

After defining the terms, the participants are then asked to examine the data in small groups and answer the following questions for each half of the table:

1. Which establishment type employs/source of growth produced the highest proportion of jobs in the region?
2. How has this changed over the time period presented?
3. Do the counties within the region have trends similar to the region as a whole?
4. What events might explain why the regional trend exists and/or why a county's trend differs from the region?

After about 12 minutes, have 4 individuals report back their answers to the group and discuss using the questions on the next slide. The whole exercise should take 20 minutes. The goal is to identify the importance of resident businesses to the local economy and to realize that Expansion + Expansion Startups typically exceed Move In.

Why Focus on Existing Businesses?

	Creek		Lincoln		Payne		Region	
	2010	2013	2010	2013	2010	2013	2010	2013
Jobs by Establishment Type (in thousands)	26.5	28	10.3	10.3	50.8	61.2	87.6	99.5
Resident Businesses	80.7%	78.5%	81.0%	78.6%	82.3%	82.3%	81.7%	80.8%
Nonresident	11.9%	12.5%	8.8%	8.0%	9.1%	9.0%	9.9%	9.9%
Noncommercial	7.3%	9.0%	10.2%	13.4%	8.6%	8.7%	8.4%	9.3%
Jobs Gained (in thousands)	2.2	2.8	1.2	1.1	3.1	9	6.5	12.9
New Startups	71.8%	57.6%	75.8%	71.5%	63.6%	86.2%	68.6%	78.7%
Expansion Startups	4.0%	10.3%	3.1%	8.6%	3.9%	2.9%	3.8%	5.0%
Expansions	14.7%	18.1%	15.9%	17.4%	27.5%	10.4%	21.0%	12.7%
Move in	9.6%	14.0%	5.2%	2.5%	4.9%	0.5%	6.5%	3.6%

 **SET**
Source: <http://www.youreconomy.org>

SLIDE: 3

TIME: 30 MINUTES (INCLUDING ACTIVITY)

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 4

INSTRUCTIONS

Have a conversation with the audience around these three questions. Attraction is still a piece of the economic development portfolio, but attraction certainly shouldn't dominate the portfolio. There is an underlying bias toward business incentives and attraction among economic developers.

What message do these practices (e.g., business incentives and attraction) convey to existing businesses in the region? Sometimes, existing businesses do not qualify for incentives, or existing businesses are not offered/made aware of incentives. This creates animosity between local and recruited businesses, which, in turn, encourages disunity in the region.

The implication is that expansion will create more jobs over time, and on a recurring basis, than will recruitment. How could working with existing businesses help improve our recruitment strategies?



Our Region

1. What economic development practices does our region (or communities within the region) use for economic development?
2. What impact do these practices have on existing businesses?
3. Based upon the discussion, what implications/inferences can be made regarding these practices and job creation?



SLIDE: 4

TIME: 15 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 5

INSTRUCTIONS

This slide summarizes what a BR&E visitation program is designed to do.

A BR&E program is typically driven by information gathered during business visitations where business owners/managers provide feedback about local conditions, industry trends and company plans.

It is important to stress that the visitation program is how the information is collected from firms, but the BR&E program includes all the programs/activities that assist existing businesses (which may or may not result from the visitation program).

The visitation program provides companies with a communication channel to decision-makers and people who can affect the current state of the region.

What is Business Retention and Expansion?

A BR&E Program:

- **Assists** existing businesses in their survival and expansion.
- **Is driven** by feedback from business owners and managers.
- **Is proactive** in maintaining a vibrant local economy and assisting existing businesses to grow.




SLIDE: 5

TIME: 5 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 6

INSTRUCTIONS

Participants should have already viewed the video entitled, "What Business Owners are Saying About BR&E," which describes benefits of the program from actual business owners who participated in a BR&E program. Here the facilitator will want to guide a popcorn-style conversation by asking the participants what benefits they recalled from the video. If no one remembers/watched the video, you can either show the video (requires 3 min and internet or DVD; <https://youtu.be/L77xqtdfSWg>), or rephrase the question as, "How could working with existing businesses help/improve our current economic development strategies?" Here's a list of some of the benefits that they will hopefully mention; if not, you can suggest a few:

- Community appreciation: the visit usually begins with a word of appreciation to the firm owner/manager; also, visiting and listening to the businesses itself is a gesture that communicates value and interest.
- Problem solving: the whole point is to identify issues that are causing businesses difficulty and resolve them.
- Educates community: a BR&E program requires about 50 volunteers, in addition to the 5-6 program leaders; that is a lot of people that will be engaging information about aspects of the local economy to which most of them will not have been exposed previously; this builds goodwill toward the firms and helps citizens understand how community change can happen by being part of the process.
- Long-term strategy: one output from the process is a prioritized list and detailed plan for addressing issues raised by firms.
- Builds networks and capacity: many of the activities in the BR&E visitation program involve working in teams, giving people the opportunity to interact with people they may not otherwise interact; further, learning opportunities abound in the process – from learning about what firms in the community make/provide, to learning how to effect change in your community; also, as implementation occurs, new assets/resources are created or brought into the community.



SLIDE: 6

TIME: 15 MINUTES (18 MINUTES IF SHOWING VIDEO)

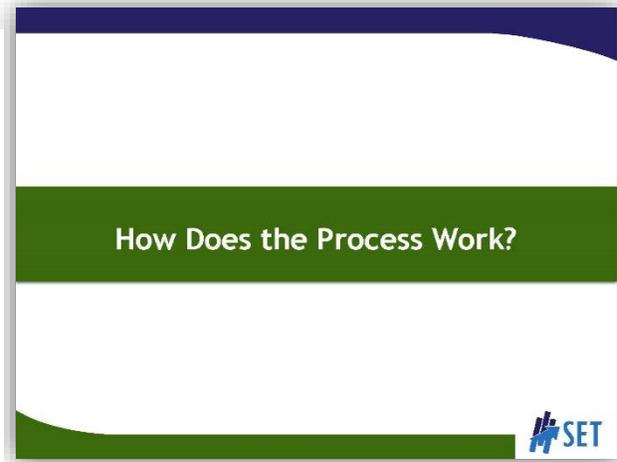
SUPPLIES: FLIPCHART & MARKERS (MAYBE INTERNET OR DOWNLOADED VIDEO)

HANDOUTS: NONE

SLIDE 7

INSTRUCTIONS

This is a transition slide to move the conversation to the process.



SLIDE: 7

TIME: 1 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 8

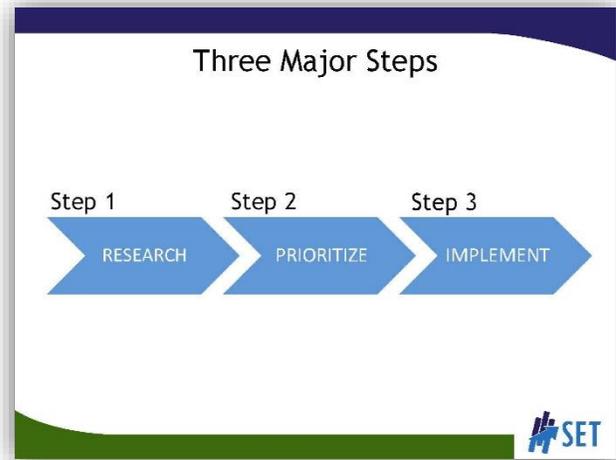
INSTRUCTIONS

This figure illustrates the three major steps involved in a BR&E program; sometimes the second step is broken into 2 steps (immediate follow up and data analysis/strategic planning), but this division is irrelevant. What's important is that a BR&E program follows this path: firm visits (which is the data collection), review of the data and identification of actions/responses, and implementation of the actions/responses. Within each of these steps, of course, there are multiple actions required, as illustrated in the figure.

The next 8 slides go into more detail about the actions required in each step and resources needed to complete the process and achieve success.

Source: University of Minnesota Extension, "Business Retention and Expansion in Your Community: Flow Chart"

<http://www.extension.umn.edu/community/business-retention/docs/flowchart.pdf>



SLIDE: 8

TIME: 2 MINUTE

SUPPLIES: NONE

HANDOUTS: THREE MAJOR STEPS
(HANDOUT 1)

SLIDE 9

INSTRUCTIONS

The major focus of Step 1 is the firm visitations: developing the interview script/survey instrument, recruiting and **TRAINING** the volunteers, and conducting the actual visits.

Some questions to anticipate:

1. With whom do the visitation teams meet? The firm owner/manager.
2. How many firms are visited? As many as will meet with you!
3. How does one decide about which firms to visit? There are a lot of businesses in a region, if you include all the sole proprietors and small business owners. It may be important to limit which firms get visited due to resource limitations and/or strategic focus of existing economic development strategies. In these cases you'll want to visit with firms that will best address your region's needs: maybe you focus on one cluster; maybe you select a sampling of firms to be representative of the economy; maybe you want to focus on a particular type of firm (e.g., minority-owned firms, small businesses, high-tech businesses, etc.).

Step 1: Research

- **Organize** a leadership team.
- **Develop** interview guide/visitation survey.
- **Recruit** and train volunteers.
- **Visit** businesses.
- **Tabulate** data.

RESEARCH PRIORITIZE IMPLEMENT

SET

SLIDE: 9

TIME: 10 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 10

INSTRUCTIONS

Red flag items are those that need immediate response (inadequate water pressure at a firm) or can be quickly addressed (filling pot holes in front of a business).

Most of the items identified will be “yellow” flag items – those requiring more thought/planning/resources; these will often also be issues that several businesses raise.

The leadership team will analyze (or have someone analyze for them) the survey. and then have a planning session or retreat to organize and prioritize the issues that came up through the visitations.

The regional meeting helps the process in several ways:

- It demonstrates progress – it is a way in which the BR&E leadership can tell businesses that they were heard.
- It brings accountability to the process – the leadership team will now be on record to do something.
- It invites the region to help/participate – this is an opportunity for the leadership team to recruit additional volunteers to supplement and reinforce the existing volunteer base.

Step 2: Prioritize

- **Identify** “red flag” items, those needing immediate response (or can be quickly addressed).
- **Analyze** interview data.
- Hold a leadership retreat to **prioritize** projects.
- **Design** priority projects.
- **Draft** reports describing survey results and priority projects.
- **Host** a regional meeting to announce projects/implementation.

SLIDE: 10

TIME: 10 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 11

INSTRUCTIONS

Another video participants should have viewed is titled, "BR&E Results in Fairbault, MN" (<https://youtu.be/0qk5zrhcMB0>). Begin the conversation around implementation by asking participants what types of projects were implemented to address identified needs of businesses, and what they learned from the video regarding how to implement these projects.

Step 3: Implement

What types of projects get implemented?

RESEARCH → PRIORITIZE → IMPLEMENT

SET

SLIDE: 11

TIME: 10 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 12

INSTRUCTIONS

The work becomes decentralized during this step – project teams focused on specific aspects of the “plan” implement the plan. This will require the leadership team to increase its communication to businesses and the public; businesses must see follow through or they will not trust the process in subsequent cycles. Also, they may not help fund the process (either directly or through associations).

An important decision will be whether to repeat the cycle once the implementation plan has been completed. Some communities do BR&E as an ongoing process in which they are continually/simultaneously visiting with firms and implementing projects (based on ‘cohorts’ of information). Others only do BR&E periodically (e.g., every 5 years). The decision will largely depend upon your resources: funds available for the program, commitment of volunteers and businesses, etc.

Step 3: Implement

- **Develop** project teams and commence work on projects.
- **Sustain** leadership.
- **Provide** updates on projects to the region .
- **Evaluate** projects.
- **Sustain** or **conclude** the BR&E program.

RESEARCH PRIORITIZE IMPLEMENT

 SET

SLIDE: 12

TIME: 10 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 13

INSTRUCTIONS

This flowchart provides a timeline for the process; one complete cycle can take up to 3 years to fully implement the resulting plan.

One thing to notice: the leadership team and task force members (firm visitation volunteers) are heavily involved for the first 6 months; time the start of your program accordingly!!! (e.g., avoid high school football season, if necessary.) You don't want to start something, pause it for a couple of months, and then have to re-energize everyone again to continue the process.



SLIDE: 13

TIME: 10 MINUTES

SUPPLIES: NONE

HANDOUTS: TIMELINE (HANDOUT 2)

Source: Tweeten, Kathleen and Alan Barefield. 2011. "Business Retention and Expansion Visitation Fundamentals." North Dakota State University Center for Community Vitality, CD-1605. Available online: <http://www.ag.ndsu.edu/pubs/agecon/market/cd1605.pdf> .

SLIDE 14

INSTRUCTIONS

The process requires significant resources. On the next slide, time commitments for all the roles involved in the process are described. In addition to people and their time, you'll need an organization that can keep materials/records safe, someone/an institution capable of analyzing the surveys (this is not just keying in the data, but actually summarizing the data in useful/meaningful ways), and you'll need the commitment/willingness of businesses to participate.

Commitment of businesses is not to be ignored: if businesses do not trust the process, they will not give honest answers and provide trustworthy information. Trust may be compromised by failed or frustrated projects in the past, poorly conducted firm visits and/or data mismanagement, or lack of communication with firms following the firm visits. The leadership team may need to build trust in the process before actually beginning firm visits.

Funding: expect to pay about \$20 per firm interviewed for the interview materials (they should be mailed to the firm ahead of time, plus copies provided to each volunteer visiting the firm); additionally, you may need to pay for counsel/guidance along the way – whether you hire a consultant or work with Extension to guide you through the process, this can be expensive; funding will be needed for implementation of certain projects.



SLIDE: 14

TIME: 10 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 15

INSTRUCTIONS

This slide contains a chart showing the number of hours required by each role used in the BR&E process. It also shows the number of individuals involved in the process. It's a HUGE commitment to implement a BR&E process well. *Includes time spent in meetings. Time spent on implementing projects varies considerably based on priorities identified and individual skills.

Roles defined:

- Overall Coordinator = “Champion” of the effort
- Other Leadership Team Members = meet with “Champion” and oversee the whole project; highest level of commitment
- Task Force Members = assist Leadership Team in prioritizing and designing projects; visit firms
- Volunteer Visitors = visit firms
- BREI Certified Coordinator or Professional = consults with leadership team to make sure the project runs smoothly; usually also assists with analyzing the visit surveys
- Computer Technician = enters data and helps organize it
- Report Writer = documents the process, the insights made from the visits, and records the implementation plan

Source: Tweeten, Kathleen and Alan Barefield. 2011. “Business Retention and Expansion Visitation Fundamentals.” North Dakota State University Center for Community Vitality, CD-1605. Available online: <http://www.ag.ndsu.edu/pubs/agecon/market/cd1605.pdf> .

Participants	Number of Participants Per Program	During Visits and Planning Phase (4 to 9 months)	During Implementation Phase
			(1 to 2 years)
Total Hours Per Person			
Local Citizens and Leaders			
Overall Coordinator	1	70	40
Other Leadership Team Members	3-4	45	30
Task Force Members	25-30	20	20
Volunteer Visitors	25-30	10-20	0
Firm Owner/Operators	30-100	1-3	0
Technical Assistants			
BREI Certified Coordinator or Professional	1	100	30
Computer Technician	1	25-45	0
Report Writer	1	100	0

SLIDE: 15

TIME: 10 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 16

INSTRUCTIONS

This slide initiates the last exercise of the session. Hand out the Readiness Assessment and explain that the participants are to check “yes” or “no” for each of the questions; this should be done quickly – it should take less than 5 minutes. People should be encouraged to give their “gut reaction” to the statement and not ponder each one.

Instructions for reflecting/evaluating the readiness assessment are included on the handout. This might take 10 minutes to review and discuss. Review each question and make sure everyone agrees on the response, or allow for discussion when the group disagrees.



Regional Assessment

- Are we ready to take on a BR&E program?
- If not, where do we need to focus our efforts to get ready?





SLIDE: 16

TIME: 5 MINUTES TO COMPLETE, 10
MINUTES TO REVIEW AND DISCUSS

SUPPLIES: NONE

HANDOUTS: READINESS ASSESSMENT
(HANDOUT 3)

SLIDE 17

INSTRUCTIONS

Based upon the readiness assessment, the region may need to do some prep work before beginning a BR&E program. Or, it may require assistance to implement the program. This process would be an excellent opportunity for the SET coaches to assist in implementation. Additionally, a national organization exists to help.



SLIDE: 17

TIME: 5 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 18

INSTRUCTIONS

Allow time for last questions.
Be sure to discuss the next session,
depending on where you have placed this
session (probably between Session 2 and 3).



SLIDE: 18

TIME: 5 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 19

INSTRUCTIONS

Be sure to include your contact information



SLIDE: 19