

BUSINESS RETENTION AND EXPANSION

NEW ENGLAND ECONOMIC DEVELOPMENT COURSE

Portland Maine

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PURPOSES

- ★ TO EXPLORE THE CRITICAL ROLE OF BUSINESS RETENTION AND EXPANSION FOR AN ECONOMIC DEVELOPMENT PROGRAM
- ★ TO EXAMINE PROVEN TECHNIQUES AND PROGRAMS FOR DOING BUSINESS RETENTION AND EXPANSION PROGRAMS EFFECTIVELY
- ★ TO ESTABLISH STANDARDS OF MEASUREABILITY AND ACCOUNTABILITY

Job Creation Realities

where new jobs are created

70%

Existing
businesses

20%

Start-ups

10%

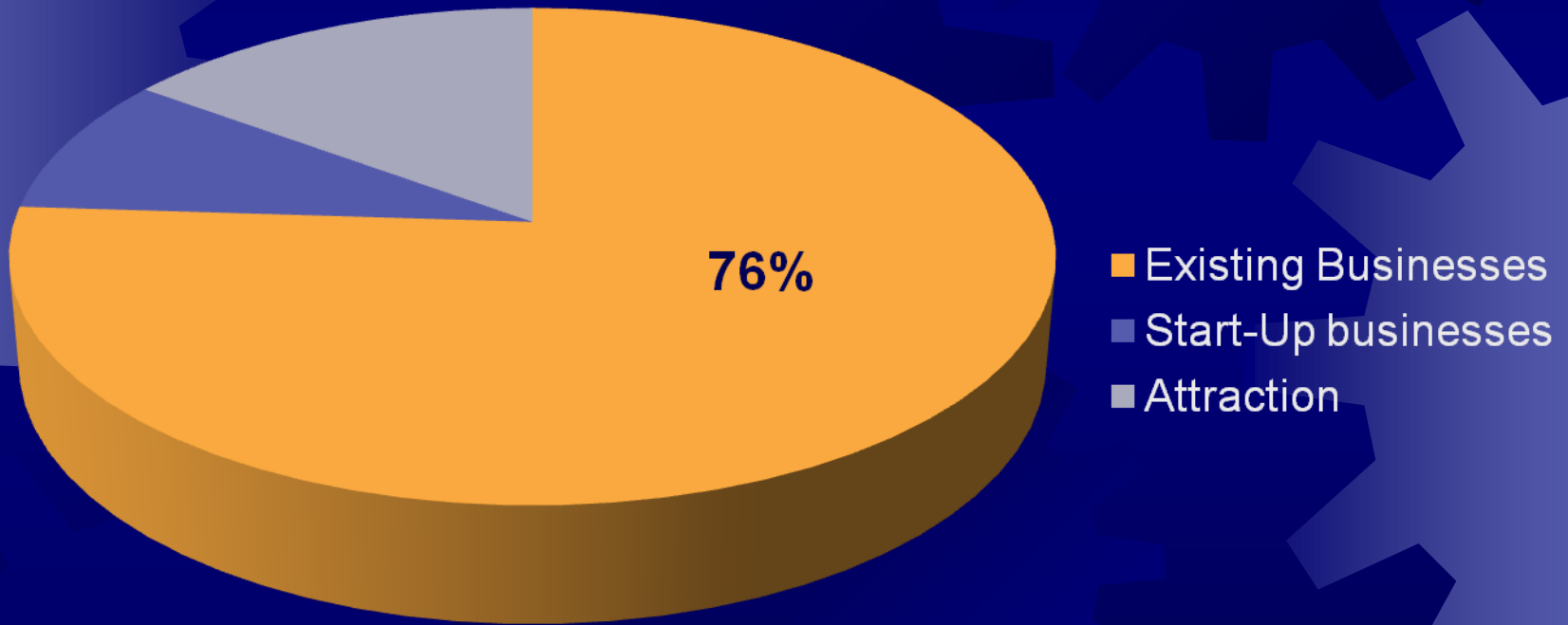
Attraction



ATTRACTION...DEPENDENT ON EXISTING BUSINESS

- ★ ONLY 10-15% OF NEW JOBS COME FROM ATTRACTION
- ★ ONLY 1300 NEW OPERATIONS OF 100 OR MORE EMPLOYEES ANNUALLY
- ★ 70-80% OF ALL SUCCESSFUL ATTRACTION LEADS COME FROM EXISITNG BUSINESS REFERRALS

Capital Investment as measure of impact



Why we don't do business retention?

- ★ NOT SEXY-POLITICIANS AND PRESS
- ★ CONFIDENTIALLY MEANS LITTLE RECOGNITION
- ★ AN OVERWHELMING LABOR INTENSIVE JOB
- ★ TOO MANY UNSOLVABLE PROBLEMS
- ★ FOLLOW UP MEANS EVEN MORE WORK

Economic Development

Two word definition:
“create wealth”

Attraction:
Wealth In

Retention: Stop
the Leakage



How to do it right?

- ★ DEFINE OUTCOMES....WHAT DO YOU WANT TO ACCOMPLISH OR NEED TO
- ★ TREAT LIKE PROSPECTS...CREATE COMMUNITY SALES FORCE
- ★ SHOW COMMUNITY CARES AND WANTS THEM
- ★ DECREASE INCENTIVE HOSTILITY AND AID ATTRACTION



TARGET AND FOCUS

the reasonable way to make it happen

TARGET...

- By economic impact

- By size

- By potential to move or downsize

- By salary levels

GOAL: TO AVOID NEGATIVE OUTCOMES AND SURPRISES



TARGET

ACCORDING TO COMMUNITY PLANNED GROWTH

By industry groups

By cluster strategies

By geographic area

COLORADO SPRINGS BREV

Business Retention Expansion Visitation



**Target--- Primary Employers
3.5% of 17,000**

**Launch 2003 ---- with
Community Buy In**

**Results 75 company visits
annually; 300-400 new jobs;**

**Results---annually 330
issues identified, 89%
resolution rate**



INTELLIGENCE

THE DRIVERS AND INFORMATION WE NEED

- ★ REAL ESTATE SUITABILITY
- ★ TECHNOLOGICAL CHANGES
EFFECTS
- ★ GLOBAL ECONOMY EFFECTS
- ★ COST OF DOING BUSINESS
- ★ WORKFORCE NEEDS
- ★ STATE AND LOCAL CONDITIONS

2006 Colorado Springs BREV Survey

Reasons not growing:

- a. 35% Inability to keep or hire the right employees
- b. 33% An unfriendly business climate
- c. 18% Ineffective public transportation for employees



GUIDELINES FOR EFFECTIVENESS

- ★ REAL WORLD MEASURABILITY
- ★ ACCOUNTABILITY
- ★ FOLLOW UP RESPONSIVENESS

THE SURVEY

THE TOOL OF CHOICE

- ★ CREATE BASIC DATA—ASKING BASICS
CREATES NEGATIVITY, LITTLE
COOPERATION AND WASTED TIME
- ★ DESIGN AN EFFECTIVE INSTRUMENT—
GATHER INTELLIGENCE AND CRITICAL
INFORMATION
- ★ OBTAIN RESPONSE
WRITTEN/ONLINE/INTERVIEW



BUSINESS RETENTION AND EXPANSION...PROGRAM TOOLS

- ✦ Appreciation and recognition activities
- ✦ Seminars and Education
- ✦ Create networks and networking opportunities



Existing businesses create our
Brand

Austin

A Tale of Two Brands

The Austin collaborative idea:



The Austin Chamber of Commerce replacement:





The economic developer

- ✦ Be an ombudsman
- ✦ Be a marriage broker
- ✦ Be a referral center
- ✦ Be a voice of encouragement

AND START AGGRESSIVELY BRE TODAY



And a final thought

START BRE TOMORROW

Opportunities do not come to those who wait. They are captured by those who attack.

Gen. George Patton

