
Existing Business Initiative (EBI) Toolkit

An Economic Development
Resource for Iowa Communities



Iowa Department of Economic Development
<http://www.iowalifechanging.com>

Existing Business Initiative (EBI) Toolkit – Table of Contents

Existing Business Initiative (EBI) Toolkit – An Overview

A Program Resource

Defining an Existing Business Initiative and Its Benefits to Local Economic Development Programs

Benefits to Local Economic Development Programs

Purpose of an Existing Business Initiative (EBI)

Taking Care of What You Have

Outcomes of EBI

Structuring Existing Business Initiative (EBI)

Three Options for Organizing an EBI

Advantages and Disadvantages

Existing Business Initiatives Vary in Scope

Common Types of Existing Business Assistance

Implementing Existing Business Initiative (EBI)

Organizing and Educating Stakeholders about EBI

Defining the Stakeholders

Existing Business Initiative Visitation Programs

Levels of Visits Outlined

Existing Business Initiative Visitation and Survey Models

Mail Survey

Site Visit Using Volunteers

Site Visit Using Economic Development Staff

Combined Mail and Site Visit Surveys

Determining Which Businesses to Include In Business Survey Program

Criteria to Consider

Training Volunteers for Business Visits

Providing the Support Necessary for Successful Visits

Using the Business Survey Information

Making the Most of What Has Been Learned

A Time Line for Follow-up

Warning Signs – Companies at Risk

Some Identified Indicators of Concern

Community Response to Layoffs – Step by Step

Action Planning for Existing Business Initiatives

Organizing Specific Steps to Achieve Results

Additional Existing Business Initiatives

Beyond Just the Business Visits

Refining the Existing Business Initiative

Keeping the Efforts Alive and Fresh

Analysis and Reporting Survey Results

Maximizing the Impact of the Survey Information

Existing Resources for Developing an Existing Business Initiative

Training

Financing for Business Retention and Expansion Projects

EBI Program Support Assistance

Survey Tools

The Survey Instrument

What is Synchronist?

Success Stories

Useful Links for Providing Assistance to Existing Businesses

References

Glossary of Economic Development Terms

Appendix A: Sample Survey Instrument

Appendix B: Sample Survey Instrument

Appendix C: Sample Interview Guide

Appendix D: Sample Confidentiality Agreement

Appendix E: Sample Newsletter Article

Appendix F: Sample Planning Process

Existing Business Initiative (EBI) Toolkit – An Overview

Once considered an afterthought, Existing Business Initiatives (EBI) are a critical component of a local and statewide economic development strategy. It is now on par with community business attraction efforts. More and more communities see it as an absolute link for cluster development and it just makes good sense. In the IDRC Foundation Corporate Forums, Fortune 1000 executives worldwide met to discuss current and future location issues. The results provide a strong case for business retention and expansion activity. The corporate executives want to locate where the following abound:

- ❑ Skills – an EBI can help companies develop specific skills
- ❑ Speed – an EBI can help companies improve productivity
- ❑ Connectivity – an EBI can help bring companies together
- ❑ Social Capital – an EBI can foster inter-firm collaboration
- ❑ Quality of Place – an EBI can build widespread support for infrastructure improvements and incentives

The U. S. Small Business Administration reports that small businesses represent 99.7 percent of all employers and provide approximately 75 percent of the net new jobs added to the economy. Iowa's long-term economic development cluster-based strategic plan cites the retention of small businesses as one of its primary goals.

The Iowa Department of Economic Development accomplishes this goal by providing economic development services that promote the Existing Business Initiative in the state.

IDED is developing the Existing Business Initiative with Iowa's utility partners in which local community leaders and volunteers will conduct interviews and development initiatives with Iowa business owners/managers throughout the state to:

- Identify issues that impede business growth,
- Assist existing businesses with resolving issues,
- Express an appreciation to community businesses for their contribution to the local and state economy,
- Facilitate businesses access to state and federal programs designed to improve their competitiveness, and
- Develop long-term strategic plans for the Existing Business Initiative.

To help communities implement an Existing Business Initiative, IDEED is working with Iowa's utilities to develop a partnership to provide this Toolkit and the Synchronist Business Information System® as the platform for the State of Iowa's Existing Business Initiative program.

A Program Resource

The Existing Business Initiative Toolkit has been developed to be used as a framework for developing a new business retention and expansion program or to increase the value and reinvigorate an established program.

The Toolkit offers a set of resources and suggested strategies that can be adapted to fit the needs of communities and the skills and interests of local economic developers. The Existing Business Initiative Toolkit components include:

- ❑ Defining existing business initiatives as an economic development strategy
- ❑ Outlining the benefits of an existing business initiative
- ❑ Providing an overview of various business visitation and survey models
- ❑ Implementing an existing business initiative
- ❑ Resources for developing an existing business initiative
- ❑ Success stories

Defining an Existing Business Initiative and Its Benefits to Local Economic Development Programs

Existing Business Initiative (EBI) is the creation of partnerships between the public and private sectors that lead to community or regional competitive advantages. A competitive advantage leads to the development of local, regional and global alliances that help businesses increase current markets, create new ones, add higher value to resources and increase investment and/or employment. Localities that want to maintain their economic vitality plus create new employment opportunities should first concentrate on assisting the employers already located in their geographic area.

Benefits to Local Economic Development Programs

Existing Business Initiative (EBI) should always comprise the top priority in an organization's development efforts for a variety of reasons, such as:

- ❑ Historically, the vast majority of new jobs created come from existing business locations
- ❑ Job retention is as critical as new employment creation to the economic strength of an area
- ❑ EBI provides input and direction for establishing local economic development priorities
- ❑ Retaining existing jobs is less costly than attempting to attract new jobs
- ❑ Improving competitiveness of local employers adds to the stability of the employers
- ❑ EBI affords an opportunity to improve communications with the business and the community on a one to one basis
- ❑ EBI facilitates prompt identification of business issues and concerns
- ❑ EBI serves as the access point to reach non-local corporate decision makers
- ❑ EBI increases the community's knowledge as to the contribution, importance and impacts of the employers to the local economy
- ❑ Opportunities for networking between business executives can serve to address mutual concerns and surface unexpected opportunities
- ❑ EBI serves as a key resource for providing business climate testimonials for use in marketing for potential new employers
- ❑ EBI identifies local suppliers of existing employers reducing dependence on out-of-area suppliers and potentially creates additional direct local employment

- ❑ EBI serves to acknowledge the existence and importance of the business and its leadership
- ❑ EBI creates an opportunity for hands-on economic development activities for volunteer economic development leadership
- ❑ Information collected about companies serves to create a primary source of information about the local economy
- ❑ EBI increases the visibility of the economic development organization as active and involved in development efforts
- ❑ EBI develops relationships that can be important in times of crisis
- ❑ EBI provides public relations with regards to company officials – opportunity for them to talk about what they do and their company's accomplishments

Building relationships with employers through an organized and consistent EBI can over time lead to significant economic impacts as well as to more productive economic development efforts. The strength of any locality is in relationships: personal, business and organizational. EBI is an economic development effort that can be the key to strengthening relationships between the business community and various supporting segments of the locality.

Purpose of an Existing Business Initiative (EBI)

To successfully initiate an EBI, there needs to be a clear understanding on the part of those involved as to why the effort is being undertaken. Generally, there are several purposes that need to be communicated to everyone involved with the EBI. They include:

Taking Care of What You Have

- ❑ Determining how the employers view the community and its business climate –for example, benefits of location along with challenges faced in local operations can impact a number of segments of the community
- ❑ Providing information about services and resources available to assist businesses can aid company officials in making favorable business decisions
- ❑ Determining expansion or growth plans provides an opportunity to offer maximum assistance to support those plans
- ❑ Establishing an on-going relationship with businesses, with the economic development organization as the interface with the community, serves to enhance interaction by all the parties
- ❑ Seeking strategic intelligence as to long-term business needs and plans allows for better community planning

Outcomes of EBI

EBI has as its “end of the day” purposes the retention and expansion of jobs, income and capital investment in the community – both highly sought after outcomes for any economic development initiative. These outcomes sometimes become masked or obscured by all of the mechanics and process of EBI. To demonstrate the importance of EBI in an organization’s comprehensive economic development program, stakeholders need to receive a consistent message about EBI that emphasizes these outcomes. Sharing information as to visits completed, summaries of identified concerns and opportunities and recognition of key volunteers is certainly important – but the desired outcomes of the entire EBI needs to be constantly reinforced! This is, giving the companies the type of assistance where and they when they need it to achieve retention and expansion of jobs, income and capital investment.

Structuring Existing Business Initiative (EBI)

Three Options for Organizing an EBI

Generally, there are three options for organizing the responsibilities for conducting an EBI.

- ❑ Local government organizations with an economic development program: (city, county or regional groups, councils of government, regional planning councils)
- ❑ Private organizations with an economic development program (chamber of commerce, economic development organization)
- ❑ A public-private organization created to undertake an EBI

Advantages and Disadvantages

According to the International Economic Development Council (IEDC), each approach provides advantages and disadvantages.

Local Governments – Advantages:

- ❑ EBI staff has the opportunity to frequently interact with top elected and appointed officials – serves to develop political support and understanding of an EBI and the desired outcomes
- ❑ Ability to interact with other public bodies on a more peer-to-peer level to resolve identified difficulties
- ❑ With existing staff assigned to EBI responsibilities, there is little additional expense for conducting effort
- ❑ Someone is responsible and accountable for the operation of the EBI

Local Governments – Disadvantages:

- ❑ Company executives may be unresponsive or less than candid with government representative and may have doubts as to their ability or commitment to assist them
- ❑ Budget reductions, a shift in public priorities or a change in elected leadership could impact program's existence
- ❑ Staff assigned to EBI may be unqualified or uninterested in the effort
- ❑ Information developed during the EBI may become widespread knowledge due to public nature of organization

Private Organizations – Advantages:

- ❑ Creditability with company executives should be enhanced as they may also be contributors/investors to organization conducting EBI
- ❑ Access to community leaders to serve as key players in EBI – volunteers already serve on board/committee
- ❑ Easier to maintain a longer-term focus on EBI program if included as part of total ED programming and budgeting
- ❑ Confidentiality as to information collected understood by all parties

Private Organization – Disadvantages:

- ❑ Limited resources available to develop and manage an EBI program is common concern
- ❑ Interaction with public bodies regarding EBI outcomes may be a challenge due to other issues of disagreement
- ❑ May not be a priority of the organization due to influential member's priorities for the organization
- ❑ Dependence upon volunteers to conduct the EBI

Public-Private Organization – Advantages:

- ❑ Resources provided by public and private sources specifically to support EBI – no conflicting demands on leadership or staff attention
- ❑ Key leaders from both business and public sector involved in the management and conducting of EBI
- ❑ Leveraging of public and private resources mutually possible – for instance, dollar for dollar match
- ❑ Flexibility of staff actions to meet identified needs – single focus of organization

Public-Private Organization – Disadvantages:

- ❑ May be viewed as a competing organization by established ED- related organizations as it pertains to resources and programming
- ❑ Creates another organization for which leadership is needed within the community
- ❑ Time required to create organization and develop plan of action

Existing Business Initiatives Vary in Scope

Generally, just as the types of businesses that comprise a community's or area's economic base widely vary, so too do the components that can comprise an EBI effort. Some of the following may not apply to particular employers and some may require tailoring to meet the needs of existing employers, but all can offer assistance to the right employer at the right time. The key point is the economic development organization does not need to be the "know all, be all" organization with regards to the components of EBI. Rather, the economic development organization needs to know who to contact to provide the assistance requested by the company.

Common Types of Existing Business Assistance

- ✓ Assistance in obtaining incentives or providing loan packaging
- ✓ Assistance with government procurement or contracting
- ✓ Obtaining export assistance for locally produced product lines
- ✓ Technical assistance as to production, waste management and similar needs
- ✓ Facilitate training and education programs for both management and workers (ISO 9000 or Kaizen, for instance)
- ✓ Providing referral to targeted state and federal business assistance programs
- ✓ Addressing nuisance issues or improving local business environment concerns
- ✓ Obtaining utility rate analysis and assistance regarding energy efficiency
- ✓ Executive and management roundtables
- ✓ Improvement in infrastructure and public services as needed to address business issues
- ✓ Support as to zoning and land redevelopment initiatives
- ✓ Advocacy as to permit and regulatory impacts
- ✓ Recognition as to contributions of existing employers to the economic and social well-being of the community
- ✓ Involvement in community quality of life efforts to increase the attractiveness of the community/area as a place to live and do business

Implementing Existing Business Initiative (EBI)

Organizing and Educating Stakeholders about EBI

Existing Business Initiatives (EBI) were once almost considered an afterthought to economic development efforts. The attention was, and in some cases remains, focused on new business attraction efforts. New business attraction is the activity that is viewed as generating the excitement and providing the media hype necessary to raise money to support economic development programs. An EBI was considered what the development groups did when activity levels were low and there was nothing else to do.

Today, the importance of existing employers is becoming more obvious to even those individuals not involved in economic development. Obvious, in part, because of the wide spread recognition of the impacts that result from a plant closing by the news media, even those closings that are not in the immediate area seem to command a great deal of attention by the media. Further, the competition and increased difficulty of attracting new employers has made the EBI more significant. “Taking care of what you have” is, for many communities, the first priority of their economic development efforts.

Stakeholders need to be provided with information as to the economic base of the locality – what are the engines that drive the area’s economy. This information has to be put into understandable terms, almost “sound bites” that the stakeholders can readily understand. This is also information they can remember and use when discussing the activities of the development group. The impact of existing employers can be statistically demonstrated (labor force demographics, average wages, occupations, etc.) Again, information needs to be summarized and presented in understandable terms. Further, anecdotal examples of the employer’s contributions to the quality of place where they are located can effectively humanize their importance to the local area.

Equally important is sharing the results of the business survey with the stakeholders. Compiled results from the survey work can be used to demonstrate the need for specific actions on the part of the economic development group, local governments or educational institutions. The information provided through the compiling of the survey results is also information that should be of interest to local media and used to both increase awareness of the citizenry of possible future events and of the organization conducting the survey work. **Appendix E** is an excellent example of communicating the results of an Existing Business Initiative call program.

Defining the Stakeholders

Stakeholders – “One who has a share or an interest, as in an enterprise” – American Heritage College Dictionary

The term ‘stakeholders’ should be used in its broadest possible sense when related to identified Existing Business Initiatives. In fact, it is difficult to identify any segment of a community that doesn’t have a vested stakeholder interest in the continuing success of the area’s existing employers. For instance, those employers pay property taxes that support local governments – elected local officials and their staff are EBI shareholders; these employers employ people who spend their earnings on Main Street – Main Street businesses are identifiable stakeholders; many of those employees also have children that comprise a portion of the student enrollment in local schools – educators are stakeholders in EBI; financial institutions provide employees mortgages, car loans along with bank services and business financing to the employers – they are most certainly stakeholders; both the employers and their employees purchase utilities services from suppliers that have fixed infrastructure that needs to be used to be profitable – utility providers are usually very active EBI stakeholders; employers themselves are the ultimate stakeholders in EBI because the program can assist in either the on-going success or impact their future location decisions.

Just using an organization’s budget as a measuring stick for the efforts or priorities of an economic development group can be misleading. One of the ironies of doing an EBI is the resources to accomplish the desired outcomes are, for instance, not as significant as those necessary to support an active business recruitment effort. An EBI involves significant volunteer or staff time that does not show up in the program budget as opposed to the monetary expenditures necessary to support the marketing programs. So, do not let board members and funders be misled about the importance given to an EBI by simply using the budget as a guide.

Working to increase the understanding of the importance of existing employers is an on-going undertaking for economic development organizations and their leadership. An EBI is a constant “sell” in most organizations because of the allure and anticipated impact of a much sought after new business to the community. Existing businesses are often taken for granted and their continued impact and importance overlooked.

Existing Business Initiative Visitation Programs

A significant activity of the EBI involves visiting with existing employers. These visits can serve a variety of purposes with the most common involving interviewing company officials during the visit. However, there are also calls that can be made for other reasons, for instance:

Levels of Visits Outlined

- ❑ Courtesy calls – meeting with new local company executive, visiting out of area company officials, introduction of a newly elected Mayor or another elected official or of a new economic development director. Usually these are short visits with no planned in-depth interviews.
- ❑ Familiarization tours - tour of company facilities for key elected officials, volunteer economic development leaders, and economic development staff members.
- ❑ Retention visits – one on one interviews with a company executive(s) as to current and future company decisions, usually involves a business survey as discussed in the Toolkit.

Existing Business Initiative Visitation and Survey Models

There are **four common models** used by economic development organizations and communities in conducting business visitation and survey programs.

Mail Survey

Typically used when the goal for the economic development organization is to gain a basic understanding of the business community level of satisfaction in the community and with key issues impacting them such as workforce or government regulations and services. A mail survey is also an effective means to measure the health of the businesses surveyed. A mail survey can also be used as a follow-up for a larger in-person survey effort. In order to provide credibility and to raise the importance of the survey in the eyes of targeted business, the mail survey should include a cover letter from the organization's board president or other key leader such as the community's mayor.

Advantages:

- Low cost to implement
- Low profile approach for undertaking retention and expansion efforts
- Minimizes the economic development organization's staff time

Disadvantages:

- Survey questions have limitations because of space constraints with the survey instrument
- Surveys can be lost in mail
- Analysis can be difficult especially for qualitative questions
- Survey may be dismissed as a public relations gimmick
- No site visit
 - No personal contact with the businesses that fosters additional information gathering
 - Unable to validate survey responses with actual conditions provided through an on-site visit

Site Visit Using Volunteers

New Jersey Bell Telephone developed the site visit model using volunteers in the 1970s. In this approach, volunteers conduct onsite visits to local businesses where the surveys are completed. Volunteers are recruited from the economic development organization's board of directors, the local business community, educational institutions, community organizations and other community and economic development service providers (utilities, council of government, community college and state agencies).

In most communities, the volunteers work in pairs and visit several businesses over a short period of time, often two weeks or a month. The economic development organization will provide training on conducting the visit, administering the survey and useful background information. If the site visits are conducted over a short period of time, an economic development organization often may hold a "kick off" event, such as a press conference or luncheon, to promote the significance of existing businesses in the community and to create awareness for its business retention and expansion efforts and programming.

Advantages:

- A high percentage of the businesses in a community can be contacted
- Business data is collected at the same period of time providing greater statistical validity
- Business participants are likely to be more trusting of volunteers, especially fellow business persons
- Using a variety of volunteers may provide useful and diverse insights that would likely not be provided if visits only conducted by staff
- Using a cross section of volunteers can provide good exposure and public relations for the community's economic development efforts
- Using volunteers to conduct visits reduces staff costs for the economic development organization
- The model has been used successfully by countless communities for three decades

Disadvantages:

- Using numerous volunteers will lead to a wider variation in quality and quantity of the survey data collected
- Some volunteers may fail to complete their interviews or provide incomplete survey data
- Volunteers will likely not have the same level of knowledge and understanding of the assistance programs for businesses as do the economic development staff, therefore, requiring the staff to make follow up contacts
- Volunteers must be selected with caution to ensure that they are not calling on businesses that are competitors or have existing business relationships that could impact the visit
- Coordinating volunteers and scheduling visits is very time consuming for the economic development staff
- Completing the visits over a short period of time will only provide a point-in-time snapshot of the current health of the business community
- Some volunteers may not adhere to confidentiality policies

Site Visit Using Economic Development Staff

Many economic development organizations in recent years have hired staff to focus on existing business initiatives. These individuals typically have experience in the private sector that strengthens the organization's existing business initiative and facilitates their efforts to building relationships with business and industry. Staff dedicated solely to existing business initiatives also help to provide stability and consistency within the economic development organization and in the community.

Advantages:

- Economic development staff can respond quickly to a business's needs identified in a visit
- Businesses may be more comfortable sharing information or concerns with economic development staff than with a volunteer
- Staff visits facilitate the establishment of credibility and ongoing relationships for the economic development organization's existing business initiative with businesses
- With staff conducting the visits and completing the surveys there should be more consistency in the responses, especially for qualitative questions
- As relationships are built with businesses and knowledge of the businesses and industries gained, economic development staff will likely be able to detect warning signs that a business is at risk or in trouble
- Professional staff will understand economic development programs and policies and therefore be less likely to make a commitment to a business which is unrealistic or not appropriate
- Using staff allows for much easier scheduling of onsite visits
- Staff time is not required to recruit, training and coordinate volunteers

Disadvantages:

- Using only economic development staff for visits and conducting the visits over a longer period of time does not provide the same public relations opportunities as using volunteers and conducting all of the visits during a concentrated period of time
- The aggregate data of quantitative survey responses will have lower levels of statistical validity since the data is gathered over a longer period of time
- Using only economic development staff will likely mean that a fewer number of businesses will be contacted than would be contacted through a mail survey or an onsite visit with volunteers
- Implementation costs are higher due to staffing costs

Combined Mail and Site Visit Surveys

Some communities utilize both a mail survey and a site visit survey as part of their business retention and expansion efforts. A short mail survey is sent to businesses to gather background company information and basic information such as employment levels, type of operation and facilities information. After the mail survey has been returned then on-site visits are made where a more in-depth survey is completed. On-site visits are conducted by volunteers or economic development staff.

Within this model there are a couple different strategies and processes used by economic development organizations. Some organizations will also include in the mail survey diagnostic questions that are designed to measure whether a business is at risk. Follow-up visits will then be prioritized and businesses identified as at-risk are visited first and the on-site survey is designed to discover the issues and needs of the businesses. Prompt visits enable the economic development organization to provide at-risk businesses with immediate assistance and to refer them to other appropriate service providers.

A second strategy is to conduct a mail survey to a large group of businesses in a community and then conduct an on-site visit and survey with only the largest employers in the community. This strategy is often utilized when an economic development organization has a small staff or when there are a limited number of volunteers to utilize. The mail survey allows the economic development organization to gather input and identify issues affecting smaller businesses. Through the onsite visits the economic development organization is able to have face-to-face contact with the community's largest employers and enables them to gain a fuller understanding of the business, its operations and its industry.

Advantages:

- Allows limited resources to be focused on businesses which are at-risk
- A good annual strategy for an economic development organization and community that conducts a larger number of on-site surveys every three or five years
- A more cost effective strategy for reaching larger numbers of businesses
- With limited staff and volunteers available to make contacts, the strategy is an effective way of having an impact and generating public relations for the community's business retention and expansion efforts

Disadvantages:

- Limited amount of information collected from businesses which are not visited
- Not helpful with strategic planning
- Businesses that are only surveyed by mail may not disclose information that would indicate that they are at-risk
- Strategy can lead to an over emphasis on at-risk businesses and retention efforts and the ignoring businesses with growth and expansion potential
- Visiting only major employers may offend small businesses and have them feel that the economic development organization and the community do not view their success or failure as important

To help communities implement an Existing Business Initiative, IDED and utility partners Aquila Inc., Alliant Energy IPL, Iowa Area Development Group and MidAmerican Energy have developed a partnership, **BEST of Iowa** *Business Expansion & Strategic Trends*, to provide the Synchronist Business Information System® as the platform for the State of Iowa's existing business program. The Synchronist System is a structured business information system designed for collection, management, analysis, and reporting of the business data impacting communities and the state's economy.

Determining Which Businesses to Include In Business Survey Program

Regardless of the methodology chosen to conduct business surveys, it is most likely that there will not be enough resources to contact every business in a given locality. Some selection criteria will need to be used to determine the scope of the EBI.

Criteria to Consider

Part of the selection criteria needs to be based on the purpose of the survey effort – determining business climate opinions will involve a larger number of businesses than say an effort focused on seeking opportunities to assist the expansion of businesses that create a value added product. In addition, other criteria to consider include:

- ❑ Community size may dictate, as in the case of a smaller community, that all employers with 10 or 25 plus employees need to be involved in the EBI. Larger communities may wish to limit their EBI efforts to only manufacturers, or to major employers regardless of their industry sector.
- ❑ An industry sector or cluster may be targeted as the focus of the retention/expansion efforts of the development group with the anticipated benefit of learning additional specifics about this particular cluster.
- ❑ Geography is usually a key criterion since the responsible organization most likely has a specific geographic area of activity. However, there may be cases where nearby employers that employ a significant number of the community's residents should be included because of the firm's obvious local impact.
- ❑ A few survey efforts focus only on firms that are locally owned, however, the majority of efforts make a determined effort to include the local facilities of out-of-state owned firms.
- ❑ In addition to local visits, a number of communities try to include headquarters visits as a part of their EBI. As an alternative, management visits by home office personnel to the local facilities can provide an opportunity to communicate directly with home office decision makers. This might be accomplished through a small, informal lunch or dinner meeting.
- ❑ Depending upon the number of companies, size of community and business sectors in the community it may be a logical approach to alternate the survey focus on manufacturing companies one year alternating with major service employers the following year.

Training Volunteers for Business Visits

With a decision to utilize volunteers to conduct the business visitations and interviews, there is a corresponding responsibility to provide training for the volunteers prior to their making the visits.

A program as important as EBI needs to be conducted by individuals who have been recruited to participate. These individuals should have recognized leadership positions in the community/area and have the commitment and willingness to carry out these responsibilities in a top notch manner. The professional ED staff has then the responsibility to train these people and to help them manage their efforts as they implement their training. Generally, teams of two volunteers work best and at times the pairing of ED staff members and volunteers is also workable. Staff needs to follow up to insure interviews are made and completed surveys returned in a timely manner.

The following is an Interview Guide provided to participants in the Heartland Economic Development Course by Deb Calvert, Economic Development Consultant with MidAmerican Energy. (This guide is also noted in **Appendix C.**)

Interview Guide

Interview Supplies

- Good writing surface
- Extra pens
- Business Cards
- Extra copies of survey

Identify who has responsibility in the team for

- Making appointments
- Opening statement
- Lead interviewer
- Closing statement
- Responses to program or assistance questions
- Acts as the recorder

Interview Phases: Opening, Interview, Close

Opening

- Thank You for time and participation
- Introductions
- Sponsors of survey efforts
- Purpose of interview
- Stress Confidentiality of information discussed
- How information from interview will be used

Interview

- Maintain conversational tone
- Know your questions
- Move through questions at a set pace, but don't rush
- Make sure you understand responses – ask for clarification
- Don't try to solve problems on the spot
- Don't make promises you or someone else may not be able to keep

Close

- Thank You for time and participation
- Tell the interviewee how their input helps the organization/community
- Advise as to expected results and timeframe
- Offer follow-up, if appropriate
- Indicate when they should be hearing something back if they had a concern that will need to be addressed by others

Providing the Support Necessary for Successful Visits

Suggestions and ideas to facilitate the training include the following:

- The policy needs to be “no training – no visits.” Volunteers have to attend training prior to participating in the program, even if they have participated in prior survey efforts.
- Take the time to first explain the purposes behind doing this particular EBI, how the information collected during their interviews will be used, and the importance of their visits to the community. Strive to make this program a prestigious program for prestigious people. Give the volunteers short brief summary statements which are really “sound bites” or talking points about the program they can remember and use.
- Schedule a couple of training sessions at different times and locations, if appropriate, to accommodate volunteer schedules.
- Limit the training sessions to no more than two hours, preferably less.
- Conduct the training shortly prior to the volunteers conducting the actual interviews.
- Provide handouts of all the information presented during the session so the volunteers can review the information at their convenience. A person retains about 1/3 of what he or she hears, so let them read it for themselves.
- Develop an interview guide (**Appendix C**) that details significant dos and don'ts to assist the volunteers in conducting the visits.
- Provide good information about the companies the volunteers will meet with. Try to complete as much of the survey information as possible before the training

session to allow the volunteers to focus on gaining insights about the company and developing a comfortable knowledge level about the firm.

- ❑ Ask each volunteer to complete a confidentiality agreement regarding the information they may learn during the business interviews.
(Appendix D)
- ❑ Provide a copy and discuss the content of the interview/survey form. Provide the answers as to why certain questions are included in the survey. What is the development group or community trying to learn or do based on the answers to the questions on the survey? This information will allow the volunteers to effectively answer the “why do you want to know that” question if asked by the company official during the interview.
- ❑ Consider either assigning visitation teams or allowing the volunteers to select their call partner (Using two person teams, especially at the beginning of a program, allows the volunteers to reinforce each other while making the business visits plus allows one person to lead the interview and the other to complete the survey). One of the team members will need to agree to be designated as the team leader, who will serve as the point of contact for the efforts of the team and will schedule the business visitation.
- ❑ With limited volunteers, it may not be practical to use two person contact teams. If paid staff is involved in the EBI, that individual can accompany the volunteer during their first one or two calls to help raise that individual’s comfort level. Another difficulty that may be encountered in using two person call teams is the challenge of fitting the call into the schedule of three people (the two volunteers and the company executive), so the team leader may have to make the call when it best fits the schedule of the company officials.
- ❑ The EBI committee/economic development staff needs to determine prior to the training session(s) if business calls will be assigned or if the volunteers will be asked to determine who they wish to contact. Both options offer advantages (for instance, self selecting allows for the potential to either build on an established relationship between a company official and the volunteer, or allows the volunteer to avoid situations where there is not a good relationship) and disadvantages (such as the least committed or respected volunteer selecting one of most important calls, or no one selecting a particular employer).
- ❑ Consider role playing during the training session with either the economic development staff members or between the volunteers conducting mock interviews.
- ❑ Emphasize to the volunteers that they are not expected to “grill” the company officials during the interview. If for whatever reason the individual wishes to not answer a question their request should be accepted. The volunteer can certainly ask the executive to clarify a vague answer to a question, but the underlying purpose of this effort is to build good relationships, not create antagonism.

- ❑ Set a time period for the volunteers to schedule and complete their business interviews. Two weeks should be sufficient. There will always be extenuating circumstances that may require some calls to be made beyond the two week window, but the majority should be completed during this time
- ❑ The EBI committee or economic development staff will need to make follow-up contacts with the volunteers to ensure calls are either being made and completed or scheduled.
- ❑ Consider a “wrap-up” session in a social setting to provide the preliminary compiled results of the business survey interviews to the contact volunteers and perhaps the organization’s board of directors. This session provides not only closure to the program for the volunteers but also serves as a motivating deadline for them to have completed their business contacts.
- ❑ Give credit to the individual involved in this EBI in the organization’s newsletter, news releases and summary reports. Reinforce the prestigious nature of the program conducted by prestigious people and its importance to the community.

Using the Business Survey Information

Making the Most of What Has Been Learned

An initial review of the completed business surveys should be completed within a prescribed time frame by the development staff members (usually within one or two days of receipt of the completed survey). Information regarding companies that either identify a need for business assistance or have issues/concerns that need to be addressed should be promptly forwarded to the appropriate agency or responsible level of government. The forwarded information should also include a requested response time period along with a request that the economic development organization be kept advised of the actions taken regarding addressing the company's needs/concerns. Needless to say, the building of a good working relationship between the economic development organization and the various service providers and governments is an important early element in a successful EBI survey program. Just as important is the knowledge of the development staff as to which organization is either best qualified or responsible to begin to address the company's needs. The economic development organization also needs to do reasonable follow-up with both the company and the responding organization so as to monitor the interaction between the parties. **Appendix E** demonstrates an excellent example of communicating results of an Existing Business Initiative call program.

A Time Line for Follow-up

In addition to expediting and promptly working to facilitate addressing business concerns, the economic development organization should have a standard operating procedure (SOP) in place regarding its follow-up actions regarding the survey results. A sample SOP includes:

- 2-3 days after receipt of completed surveys:
 - Forward information pertaining to needed assistance to appropriate agencies/governments for action

- Within 2 weeks after receipt of completed surveys:
 - Prepare a thank you letter to the company executive for participating in the survey. For those companies indicating a request for assistance of some nature, indicate which agencies/government departments the economic development organization has contacted on behalf of the company. The letter can also indicate how the economic development organization will utilize the tabulated survey results (annual report, program planning, etc.). This comment will also reinforce the information provided by the volunteers who conducted the survey as to the use of the survey information by the economic development organization.

- Within 4 weeks after receipt of completed surveys:
 - Tabulate individual survey's into an appropriate database to enable either the compilation of an annual survey summary or for use by the ED organization in future planning and programming. Such data will also enable the economic development organization, over time, to develop trend data regarding local employers.

- Within 5 weeks after receipt of completed surveys
 - Develop a media release that summarizes some of the general information developed from an analysis of the survey. Satisfaction rating as to the local business climate or summarized planned increases in employment or similar information should be included as the lead comment in the media release. This information is attention grabbing, unique to the economic development organization and should serve to attract media attention to the survey efforts of the group. Included in the media release should be information on the number of companies contacted, the number of volunteers involved, purpose of program and similar general information. Head of the EBI committee should be available, along with the President of the economic development organization, for interviews about the survey results and what the survey results mean to the community/area. These volunteers can also talk about how the survey results can be used by the economic development organization to shape its future development efforts.

- 4 to 6 weeks after receipt of the completed surveys:
 - Follow-up with those agencies/governments that have not advised the economic development organization as to their activities regarding the identified company concerns. The economic development organization may need to become the “moving force” in getting the follow-ups underway if there has not been some initial agency action regarding the survey information.

- 3 months after receipt of the completed surveys
 - Follow-up with the companies who identified needs/issues in the survey to determine if follow-up actions are underway and the executive's satisfaction with the actions taken to date. Longer-term actions taken or planned regarding broader issues that may have been identified by a number of surveyed companies (such as a future need for workers with a particular skill) can be outlined in a letter from the appropriate responsible training official (community college president for instance). If the concern was widely identified by a number of company officials and is of significance to the community's business climate, a meeting between the highest level elected official and a number of company executives might be appropriate to allow for a direct exchange of viewpoints and ideas.

The idea of the SOP is to make sure using the results of the survey does not slip behind other more immediate projects or concerns. Timelines provided in an SOP, such as in the proceeding example, should be considered guidelines rather than hard and fast deadlines for accomplishing specific actions.

Warning Signs – Companies at Risk

Determining companies at risk of closing or relocating can sometimes be indicated by the candid comments of the local manager who is seeking help to avoid an undesirable future event. At other times, it requires the economic developer's ability to become an analyst looking at a variety of general indicators that signify that a serious potential for bad news may exist.

Some Identified Indicators of Concern

- ✓ Declining sales of the primary product due to imports or newer products
- ✓ Reduced employment or reduced hours, no filling of open positions
- ✓ Ownership changes or merger of corporate owner
- ✓ Upcoming end to facilities leases
- ✓ Other facilities, newer competitors, perhaps overseas sources producing the same product
- ✓ Reduced market share for product
- ✓ Upcoming union contract expiration without serious new contract negotiations
- ✓ Negative attitude expressed towards community by local management
- ✓ Growth of company with corresponding need for new facilities or production processes
- ✓ Age of facilities or production processes
- ✓ Location of facilities in community as to access, security concerns of employees
- ✓ Strained labor-management relations
- ✓ Inability to recruit specific professionals or technical workers to current location
- ✓ Lack of exported products
- ✓ Family ownership with aging leadership and no heir apparent or succession plan
- ✓ Corporate offices or top officials located to other facilities or community
- ✓ Compliance difficulties due to changes in regulations
- ✓ Mature product line or loss of patent/licensing protection
- ✓ Industry trends as to importing products because of cost savings

The timing of an economic development organization's involvement in efforts to assist the employer is critical. Hearing about the closing of a company on the evening news before trying to assist the company is most likely "too little effort too late." However, working to establish a dialogue with company officials or ownership because of information developed from indicators disclosed during the business survey visit may have considerable impact especially if the indicators center on local conditions that can be immediately addressed.

In some situations, the best the economic development organization can achieve is working to have in place planned actions that will attempt to minimize the impact on the community when the inevitable finally happens. For instance, the loss of the textile industry to overseas operations is a result of the economics of the textile industry. An economic reality that local communities faced with the closing of their textile mills could do little to prevent. However, having in place a large scale employee retaining program for other employment opportunities was a preparatory action that could be championed by the economic development organization.

Community Response to Layoffs – Step by Step

Actions that the local economic development organization and the community should take when an employer is undertaking a plant closing or mass layoff:

1. Organize a Local Response Team – It is important to organize a response team within your community that will assist the dislocated workers and their families, communicate with the company about its plans and work with economic development allies on implementing economic development strategies to leverage the available labor and/or available facility. The local response team should include representatives from the economic development corporation, Chamber of Commerce, local governments, local social service agencies, the local school district, the community college, the labor union if appropriate, financial institutions and other appropriate organizations. The local response team can also work with area employers to identify potential employment opportunities for dislocated workers.

The task team's major focus should be to develop short-term and long-term strategies to minimize the impact of the mass layoff or plant closing. Ideally, the local economic development organization will have done some contingency planning related to organizing local response team prior to a negative economic event or at least will start organizing once red flags arise through its existing business call program.

2. Work with Iowa Workforce Development's State Dislocated Worker Unit/Rapid Response Team and Iowa Department of Economic Development's Business Development Division – IWD and IDED are two organization which a community should work closely with if it is experiencing a mass layoff or plant closing. Not all layoffs and business closings are brought to the attention of IWD and IDED, therefore it is important that the community contact each organization. Under the Worker Adjustment and Retraining Notification Act (WARN) employers with 100 or more employees are required to provide notice if an facility will be shut down for 30 days or more and if that shut down impacts 50 or more employees. Employers must also provide notice if there is to be a mass layoff of 30 days or more for 500 or more employees or 50 or more employees if those employees make up 33 percent or more of the employer's active workforce. Advanced notification (60 days) must be provided to the affected workers or their labor union, as well as IWD's Dislocated Worker Unit and to appropriate local governments.

Therefore, it is important to get the state rapid response team working with the community's local response team working immediately to access any available assistance programs. IWD is able to access federal economic adjustment funds through EDA and the Department of Labor which can be used for training assistance for dislocated workers and other needs.

3. Make Contacts with the Company's Key Management – It is important for the economic development organization and community leadership to make contacts with the company's key decision makers. It is likely that little could be done regarding the layoff. However, it is important to open dialog with the company if facilities will be closed and sold and also to gather information about the workers being dislocated such as their occupations and skills.

The real estate and labor information will be critical if the economic development organization will be undertaking proactive marketing efforts.

Another important discussion point with the company is the company's timelines for their layoff of workers and the closing of the facility. If the company is willing to share those details it will help the economic development organization and the community identify what it can be do to help and know which strategies should be implemented and the timing of those strategies.

4. Respond to the Media – If at all possible, hold joint press conference with the company, city officials and the economic development organization. Not all companies will inform the community of the layoffs prior to any company announcements and some companies will not want to play a public role in the dissemination of information about the layoffs. However, if an economic development organization and community does have a plan in place for addressing layoffs proactively, a company may be more open to involvement.
5. If You Are Going to Market, Get the Information ASAP – If the community is going to be proactively recruit or adjust its existing marketing efforts due to the mass layoff or plant closing, it is essential that as much information as possible is obtained about the labor force that will be available and any available properties that are being vacated. It is important to conduct an analysis on the properties to determine types of industries could best use this facility and whether there are any environmental issues surrounding the properties which could impact its future use. For the available labor, it is important to inventory the skills and characteristics of the workers being displaced and then determine which industries utilize those skills and occupations.

Action Planning for Existing Business Initiatives

Organizing Specific Steps to Achieve Results

The organization undertaking EBI should have in place at least a one-year business plan for the organization that identifies EBI efforts as a part of the organization's priorities. A portion of the business plan should include objectives that identify the planned involvement in EBI by the organization. Objectives that identify the creation or continued responsibilities of an EBI committee or staff to accomplish specific desired outcomes (employer calls, business recognition programs, networking initiatives, etc.) along with timeframes for initiating and completing the various objectives should be included in the plan.

The EBI committee or economic development staff should be able to use the business plan objectives pertaining to the EBI as the beginning point for organizing action plans to layout the specific steps necessary to accomplish the desired outcomes outlined in the business plan. Specifics that include - who will do what, by when, what resources or tools need to be developed, the manpower needed to achieve the outcomes (do others need to be recruited to the teams?) If so, specific actions to get the right individuals involved needs to also be developed.

The EBI committee/staff will need to track the progress made in accomplishing the objectives outlined in the business plan and make scheduling or programming changes as necessary to stay on track to accomplish the desired outcomes.

By including EBI in the organization's overall planning process (**Appendix D**) an opportunity also exists to continue to educate the organization's leadership as to the importance of these efforts. Further, recruiting and utilizing the EBI committee to create its action plan should result in a core group of "champions" who have both involvement and commitment to the efforts. Both of these groups of individuals can spread the word about the efforts of the organization regarding existing businesses and help increase the visibility of the EBI.

Existing Business Initiative Action Planning

An existing business initiative action plan is in its most basic form really a formalized effort at identifying what's to be done, by whom, by when and how it is to be accomplished. One of the basic reasons for making the effort to create an EBI action plan of some form is the embodiment of the adage "things that get written down usually to get done". Regarding the structure of an overall economic development plan, objectives are most commonly developed by the organization's board of directors and the action plan to accomplish the objectives is developed by the appropriate committee or staff member. Typical plan objectives regarding EBI might include:

- I. Provide an annual existing employer interview summary report to investors and interested individuals in January. Responsibility: EBI Committee
- II. Conduct one half of the existing business interviews on an annual basis and provide results of the completed interviews to the board monthly. Responsibility: EBI Committee

- III. Initiate an annual major employer recognition event. Responsibility: EBI Committee
- IV. Develop an EBI program that serves to increase communications between area employers and the community by the 3rd quarter of the year. Responsibility: EBI Committee
- V. Establish a Business CEO Council, if business community interest warrants. Responsibility: EBI Committee

Potential actions steps developed by the committee for accomplishment of the objective might appear as follows:

Objective I - Provide an annual existing employer interview summary report to investors and interested individuals in January.

<u>Month</u>	<u>Action Step</u>	<u>Responsibility</u>
Feb	Recruit additional EBI committee members	Chair
Mar	Determine companies to be interviewed	Chair/Staff
April	Develop interview schedule and assignments	Chair/Staff
May	Conduct interview training for committee members	Staff
May	Select an appreciation memento for interviewees	Committee
June – Sept	Conduct interviews with red flag results referred to Chair	Committee
Oct	Develop initial summary report of interviews	Chair/Staff
Nov	Present draft summary report to board	Chair/Staff
Dec	Finalize summary report	Comm./Staff
Jan	Release summary report with appropriate media release	Board Chair
Feb	Recruit additional EBI committee members	Chair

Objective III - Initiate an annual major employer recognition event

Actions Steps

- ❑ Confirm the purpose of the event – recognition for contributions to community/area
- ❑ Determine month for recognition event and nature of event
- ❑ Determine invitation list for event
- ❑ Recruit additional project focused committee members to support the recognition event
- ❑ Initiate arrangements necessary to conduct the recognition event
- ❑ Determine if a participations memento of the event is appropriate
- ❑ Issue invitations at least 30 days prior to the event (sooner if feasible) with RSVP
- ❑ Provider reminder notice to confirmed attendees and contact unconfirmed attendees
- ❑ Finalize arrangements
- ❑ Arrange for press coverage of the event
- ❑ Conduct the event
- ❑ Evaluate results

Objective V - Establish a Business CEO Council, if business community interest warrants.

Actions Steps

- ❑ Staff, Committee Chair and ED President meet with several company CEO's/Plant Mangers to gage interest in establishing an area business council
- ❑ With encouragement from business community, advise board as to committee's willingness to proceed to establish the council
- ❑ If agreement is to proceed seek a temporary chair for the business council to conduct the initial meeting and to invite possible attendees
- ❑ Determine individuals to be invited to participate in the council
- ❑ With input from the temporary chair, selected a date and location for the initial meeting
- ❑ Proceed to make arrangements for the meeting and issue invitations (30 days notice) with RSVPs
- ❑ Work with the temporary chair to set the agenda for the initial meeting
- ❑ Provide reminder notices to attendees and seek to confirm unconfirmed attendees
- ❑ Finalize arrangements for the council meeting
- ❑ Hold first council meeting, determine from participants future meeting frequencies, times, day of week, agenda items of interest, etc.
- ❑ Have attendees select a permanent one-year chair.
- ❑ Proceed with arrangements for next council meeting as directed

Additional Existing Business Initiatives

Beyond Just the Business Visits

The primary focus of the EBI is on the business survey and the use of the information developed as a result of that survey. There is another aspect to the EBI beyond the survey work; the creation of expanded opportunities for communications and relationship building. Not only communications between the EBI organization and the businesses, but between the companies themselves. For instance, the economic development organization may wish to sponsor a “networking” opportunity for company CEOs. The organization can facilitate the establishment of a CEO’s Council that will enable the top executives from each local company to meet and exchange ideas and discuss common needs. The economic development organization needs to remain as an organizer and allow the members of the Council to determine their activities, meeting frequency and direction.

In addition to a CEO’s Council, it may be feasible to encourage the creation of a Human Resources Manager’s Council; perhaps a Purchasing Manager’s Council or an Engineer’s exchange. Any of these efforts can afford an opportunity for those involved in these disciplines to exchange ideas and building relationships with their peers.

Another concept pursued in some localities has been the formation of a semi-annual Community Roundtable that serves to bring leaders from the public and private sector of the community together in a setting allowing for direct interaction between local government officials, company executives and important leaders in the community.

The net result of all of these endeavors is to increase communications and build relationship between key local people who may not have the opportunity to interact in the normal course of their activities.

Other EBI have involved employer recognition events such as naming an “employer of the year,” recognizing a milestone as to longevity in the community or recognizing the significant growth in their number of employees. Such events can feature prominent guest speakers and provide a formal setting for acknowledging the accomplishments of the local companies. Also, more informal events such as business – supplier golf outing or business open houses can also achieve increased recognition and build relationships. Communities have also acted to recognize the employees of existing employers through coupon programs, such a free movie nights or by sponsoring an on-site lunch for all company’s employees.

The EBI is more than just calling on businesses and conducting a survey. Good ideas that serve to achieve the desired outcomes of EBI can accomplish surprising results.

Refining the Existing Business Initiative

Without question, experience is an asset! Regarding Existing Business Initiative (EBI) programs, the more experience volunteers and staff have in working with businesses, the better able the economic development organization is to both deal with the companies that have expressed needs/concerns as well as identify key indicators of companies that may be at possible risk. Experience will also serve to identify those technical service providers that can deliver “real” benefits to the companies they are asked to assist. Experience also provides the economic development staff with an ability to identify the actual concerns executives may be indicating even though they may not be directly addressing them.

Keeping the Efforts Alive and Fresh

Never consider an EBI program completed! The business community is in constant change and turmoil. There are certainly program changes that either need to be made to reflect the current requirements of businesses or there are improvements that can be incorporated into the various existing business efforts so as to make them more successful and of greater impact.

Having initiated action to create working relationships between the economic development organization and businesses, keeping direct and constant contact is important in maintaining and enhancing those relationships. Quarterly e-mail updates, for instance, including information on community and business related activities, changes in management personnel at employers in the community, or information on upcoming business related events can comprise a brief yet informative form of direct communications with company officials. Scheduling appointments with key business executives to introduce a newly elected Mayor, the new economic development organization president or to obtain input about a proposed business related initiative affords opportunities to building on existing relationships. One economic developer in a mid-sized community makes it a point to schedule lunch once a month with one of a selected group of business executives. These lunches are viewed by the developer as a key part of his effort in maintaining relationships with important decision makers in the community.

As to the business survey, if the information provided through the survey does not completely meet the expectations of the economic development organization, revising the survey for future use is certainly appropriate. In addition, asking the survey volunteers as to their experiences in doing the survey work and what additional information would be helpful to future participants can provide great clues as to what needs to be incorporated into the future volunteer training agenda.

Analysis and Reporting Survey Results

It may be helpful to develop tables and charts of the responses and illustrate the comparisons. Tables and charts are especially a more understandable format for people to use. It will also be of value to summarize the notes taken by the volunteers following the interview. These comments are often of considerable value in understanding the demeanor and tenor of the interview. Tabulate responses to the survey questions and develop descriptive statistics, such as mean and median values for each of the questions. If this is a follow-on survey to previous surveys also develop some comparison information between the current and past surveys for specific questions.

To help communities implement an Existing Business Initiative, IDED and utility partners Aquila Inc., Alliant Energy IPL, Iowa Area Development Group and MidAmerican Energy have developed a partnership, **BEST of Iowa Business Expansion & Strategic Trends**, to provide the Synchronist Business Information System® as the platform for the State of Iowa's existing business program. The Synchronist System is a structured business information system designed for collection, management, analysis, and reporting of the business data impacting communities and the state's economy.

Over 40 pre-formatted reports can be generated from the Synchronist System. These reports include alerts and warnings, group analysis such as assistance requests, company reports, communications reports and management reports and forms.

Maximizing the Impact of the Survey Information

Develop a written report that summarizes the survey and if appropriate, make suggestions or recommendations regarding the key findings of the survey work. Circulate the report in PDF format to economic development organization board members and provide key funders and even participants in the survey with a copy of the Executive Summary with the provision that the full report can be provided to them on request.

In addition to an Executive Summary, some other uses for the survey results may include:

- ❑ Media releases as to the summary of the survey results and the organization's role in the survey program can be developed. An excellent example of reporting the results in an economic development organization's newsletter is demonstrated in **Appendix E**.
- ❑ Public presentations to elected officials as to the survey results are one means of either continuing or obtaining media coverage of the survey, especially if the survey results are particularly newsworthy. Such presentations are also one means of demonstrating the commitment of the economic development organization to the business community and its willingness to represent it. Survey results can also be used in seeking changes to local policies identified in the survey as negatively impacting local businesses.
- ❑ Incorporate results of the survey into the economic development organization's annual report. Also, include outcomes of the survey into presentations the organization may be asked to make to civic organizations. Whenever feasible, have the volunteer leader of the

economic development organization involved in these activities. The volunteer may not be comfortable in making the entire presentation, but that individual could for example begin the presentation with an overview of the "why's and how's" of the EBI and at the end moderate a question and answer session.

- Use survey results to identify possible short-term and long-term trends the economic development organization can consider incorporating into its annual business plan. Other longer term quality of place issues, for instance, raised in the survey could be formally communicated to local governments for incorporation into their planning activities.

Existing Resources for Developing an Existing Business Initiative

Where to Find Assistance For:

Training

Heartland Economic Development Course

The University of Northern Iowa's Institute for Decision Making, in partnership with five state economic development associations, offers a four day intensive training in the basic concepts, information, methods and strategies of local economic development. This course serves the needs of full-time development practitioners and representatives of the public and private sectors engaged in economic initiatives. This course is accredited by the International Economic Development Council. Graduation from Heartland qualifies as one of the prerequisites to sit for the Certified Economic Developer (CEcD) exam. www.bcs.uni.edu/heartland

Course Highlights:

- ❑ Community visioning and strategic planning
- ❑ Existing business initiatives – an overview
- ❑ Financing for economic development
- ❑ Real estate development and reuse
- ❑ Entrepreneurship
- ❑ Marketing your community 101
- ❑ Business attraction: positioning and working with a prospect
- ❑ Marketing on the web
- ❑ Workforce development – a vital link to economic development

IEDC Business Retention and Expansion Course

The International Economic Development Council is the nation's largest association for economic developers and provides twelve distinct training courses covering key issues in economic development including finance, marketing, planning, real estate development, neighborhood development, tech-led development, management and business retention and expansion. The Business Retention and Expansion Course is held at various times and locations across the US throughout the year. In this course, attendees will learn the "red flags" that may indicate a company is looking to move elsewhere. Attendees will learn how to structure an effective system to respond to business concerns. www.iedconline.org

Course Highlights:

- ❑ Establishing and organizing a BRE program
- ❑ Creating effective models for business visitations and surveys
- ❑ Tracking feedback and response
- ❑ Fostering and strengthening business alliances

OU Economic Development Institute (OU/EDI)

The University of Oklahoma's Economic Development Institute provides economic development professionals and those aspiring to the economic development profession training in the tools, skills, and knowledge to be successful in economic developers and positively impact their communities. Students complete the OU/EDI program over three one-week sessions at various locations around the country. Focus for the sessions are on the three core areas considered to be the building blocks of economic development: business retention and expansion (BR&E), real estate and finance. In addition to the core areas, the curriculum also covers marketing, managing and strategic planning, as well as Advanced Studies. Admission to OU/EDI requires completion of an accredited Basic Economic Development Course, IEDC Introduction to Economic Development or 5 years employment in a full-time economic development position. www.ouedi.org

Business Retention and Expansion International (BREI)

BREI offers classes leading toward a Business Retention and Expansion Professional (BREP) designation. Effective January 1, 2006, BREI changed its initial certification designation from "BR&E Consultant" to "BR&E Project Coordinator." This designation is renewable every three years for those who meet the experience and education requirements. Anyone receiving the designation of BR&E Consultant prior to July 1, 2006 may now renew at that level but will be designated a BR&E Project Coordinator.

Effective October 1, 2006, BREI changed its Certified Master Consultant designation to Business Retention and Expansion Professional. Anyone holding the designation of BR&E Consultant or BR&E Project Coordinator as of that date may, by completing the appropriate education and experience requirements, be awarded the BREP designation. Any BREI member who was certified as a BR&E Consultant, BR&E Project Coordinator or Certified Master Consultant prior to October 1, 2006 has four years (until September 30, 2010) to complete the requirements for BREP. Those not wishing to attain the higher certification rank may recertify as BR&E Project Coordinator.

BREI recognizes three training courses for those seeking the designation of BR&E Project Coordinator. Completion of any of these courses also counts as one of the required courses needed to attain the designation of Business Retention and Expansion Professional. Two of the courses are offered live and one is offered on-line. BREI offers two face-to-face training courses: the Basic Course and the Community Leaders' Course. The Basic Course is offered annually in conjunction with the BREI conference and "on-demand" when a community or organization wishes to sponsor a local training. The Community Leaders' Course is offered any time a community or organization wishes to sponsor a training course. In addition to the face-to-face version of the Community Leaders' course an on-line version is offered by the University of Minnesota.

Business retention and expansion is one of the cornerstones of economic development, yet a study by the International City County Management Association found that barely a quarter of cities surveyed have a written retention and expansion plan. These courses give participants an overview of the role of existing business initiatives within the context of an overall economic development strategy and describe the practical steps to create and implement a program in any community.

www.brei.org

Blane, Canada Ltd. and Advanced Business Retention: Beyond the Basics

Your communities are your competitors' best prospects! Without an effective retention and expansion program, opportunities will be lost. Historically, the R&E process has been tweaked mercilessly with little change in results. The answer to better R&E is NOT in the process! This course isn't R&E 101, instead it is focused on ROI: increasing the Return On Investment from your R&E effort. You will learn:

- Formulate a True Existing Business Strategy
- Tap into the Unique Knowledge of Area CEOs
- Evaluate Effectiveness of R&E Tools
- Develop Effective Interview Strategy
- Cultivate "Strategic Information"
- Client Service Strategies
- Dramatically Expand Community and Organizational Value

www.blanecanada.com/BCL_retention.html

Institute for Decision Making

The University of Northern Iowa's Institute for Decision Making (IDM) offers a variety of services to assist local development organizations with the implementation or enhancement of existing industry programs. Additionally, IDM has expanded its Take-It-To-Them (T-4) training menu to include a shortened version of the Existing Business Initiatives (EBI) training program conducted by IDM on behalf of IDEED in January 2006. IDM's T-4 training is designed to provide on site community training for volunteer leadership on such topics as Fundraising: The volunteer's role, and Board Orientation and Responsibilities. www.bcs.uni.edu/idm

Financing for Business Retention and Expansion Projects

An important aspect of an Existing Business Initiative is the movement of capital; the process of investment and disinvestment. This should not be the sole purpose of economic development efforts, but it is critical to watch the community's business climate from this aspect. It is increasingly difficult to obtain business capital through banks, venture capitalists, or the federal government. Lack of capital is by far the most significant barrier to economic development, particularly for small and start-up companies. This means local and state assistance is critical. Most Iowa communities, regions and the Iowa Department of Economic Development offer some form of financial assistance and incentives for the private sector. With the increase in competition among localities, communities are becoming increasingly innovative in their financing initiatives.

An economic development organization and Existing Business Initiative visitation teams should familiarize itself with the full range of available financing techniques, such as tax increment financing, product development financing, enterprise zones, revolving loan funds, venture capital and funds for various infrastructure developments.

EBI Program Support Assistance

Iowa Department of Economic Development

The Iowa Department of Economic Development accomplishes this goal by providing economic development services that promote the retention and expansion of businesses in the state. IDED assists businesses in addressing their needs and issues that range from business plan review and financing all the way up to working with state and local government officials to resolve problems.

IDED is developing an Existing Business Initiative with the Iowa's utility partners in which local community leaders and volunteers will conduct interviews with Iowa business owners/managers throughout the state to:

- Identify issues that impede business growth,
- Assist existing businesses resolve issues,
- Express an appreciation to community businesses for their contribution to the local and state economy,
- Facilitate business access to state and federal programs designed to improve their competitiveness, and
- Develop long-term strategic plans for business retention and expansion activities.

To help communities implement an Existing Business Initiative, IDED and utility partners Aquila Inc., Alliant Energy IPL, Iowa Area Development Group and MidAmerican Energy have developed a partnership, **BEST of Iowa** *Business Expansion & Strategic Trends*, to provide the Synchronist Business Information System® as the platform for the State of Iowa's existing business program. The Synchronist System is a structured business information system designed for collection, management, analysis, and reporting of the business data impacting communities and the state's economy. www.iowalifechanging.com

Blane, Canada, Ltd. and Online Training, Synchronist Users' Forum & Resources

Blane, Canada, Ltd., the creator of the Synchronist Business Information System®, offers multiple services and resources related to business retention and expansion. Details are provided on their Web site www.blanecanada.com . Monthly free online training sessions are held on e-Synchronist Basics, Reporting and xTool. Through the annual Synchronist Users' Forum, users share best practices, how-to-sessions and Blane, Canada Ltd.'s on-going research. Every Synchronist user is automatically a member of the Synchronist User's Forum.

Synchronist Users' Forum topics include:

- Best practices
- Getting the appointment
- Interviewer training
- Reporting: Annual and issue reports
- Business Development strategies
- Public Relations: Turning Information into News

- Handling Confidentiality
- Follow-up and assistance tracking
- Synchronist Software How-to

Synchronist users may log in by clicking here: <https://www.users.synchronist.com>

UNI – Institute for Decision Making

The Institute for Decision Making at the University of Northern Iowa provides services to communities and regions for improving Existing Industry Programs. Although most new jobs come from existing businesses, many business owners and managers feel neglected by their local economic development organizations. Further, local development organizations frequently do not get valuable information about its businesses' plans or insights into what is happening in those businesses' industries.

IDM works with economic development staff, volunteers and other members of the leadership team to organize or reinvigorate an effective existing business program. Based on IDM's experience and knowledge, IDM can train those who will actually make the business calls, will help compile the results of those calls and recommend how to best utilize the information developed during those calls. We can also assist in designing and organizing business recognition events or other initiatives that are appropriate for the community/area.

Benefits:

- Quickly having a practical existing business program in place
- Securing information that may serve to identify timely opportunities for critical business assistance
- Gaining foresight that can help guide future community and economic development actions

MidAmerican Energy

MidAmerican Energy's Economic Development Group's Local Partners Program is planned to increase effectiveness of local development organizations within the MidAmerican Energy region. Partnerships are essential in leveraging resources. The Local Partner Program offers opportunities to leverage local resources in the area of an existing business program. MidAmerican Energy has contracted with Blane Canada, Ltd, creator of Synchronist, to deliver this exciting tool to development organizations in the MidAmerican Energy service area. Over 35 regional economic development grouping in the service territory are utilizing the program. Contact Marion Burns at 712-792-7050 or Mark Rodvold at 605-232-5920 or access www.midamerican.com for information on the MidAmerican Energy's Local Partner Program.

Alliant Energy

As part of its Partnership Programs for Economic Development, Alliant Energy will provide 40 percent up to \$5,000 for projects, including software, costs of surveying, analyzing and printing reports for eligible communities. www.midwestsites.com/partnershipprograms

Aquila, Inc.

Aquila is a partner with existing business in both energy needs and in efforts to grow. Many of local economic development organizations and business customers count on Aquila's economic development staff to assist with expansion plans. Aquila has also contracted with Blane Canada, Ltd to deliver the Synchronist tool to development organizations in the Aquila service area. In addition, Aquila can help find resources to assist with employee training, financing options, develop expansion strategies, even reduce red tape.

Aquila's online LocationOne Information System (LOIS) is available for sites and building information. It also includes detailed information on states, counties, metro areas and communities in Aquila Network's service territory. Links to state and community web sites provide with ready access to information for business project decisions. www.aquilaeconomicdevelopment.com

Iowa Area Development Group

The Iowa Area Development Group works with its member organizations and local economic development organizations with several services to offer expanding businesses. Site selection services include data on sites, buildings and communities. Hundreds of expanding companies have entrusted IADG with their site selection needs. The Iowa Area Development Group takes pride in responding quickly to your call with specific information focusing on your site selection criteria. www.iadg.com

Business Retention & Expansion International (BREI)

Business Retention and Expansion International (BREI) is a nonprofit professional association of economic development professionals who are working for the advancement of business retention and expansion as an economic development strategy for communities.

Business Retention and Expansion includes, but is not limited to: industrial, retail, agricultural and tourism-type retention and expansion programming.

The objective of the Association is to further the development of systematic knowledge of business retention and expansion (BR&E) as a credible economic development strategy. As a professional organization, the Association pursues this objective by facilitating scientific research, instruction, publications, meetings, and other activities designed to advance and disseminate knowledge of BR&E.

BREI members represent various private and public organizations, universities, private consulting businesses, utilities, and economic development practitioners from local and state governments. www.brei.org

BREI hosts an annual conference with provides their members an excellent networking and learning opportunity proving exposure to new techniques, programs and services. In conjunction with the annual conference, BREI offers a two-day course in business retention and expansion.

Survey Tools

The Survey Instrument

A critical component of an Existing Business Initiative Visitation and Survey process is the survey instrument. The survey instrument must balance the need to gather significant information from an existing business and keeping the time required to complete the survey as short as possible which will increase the likelihood that the business's management will complete the survey. As discussed in the *Existing Business Initiative Visitation and Survey Models* section, some economic development organizations utilize a survey instrument which is mailed out and completed by the business and either picked up or mailed back. Others utilize a survey instrument which is completed by either economic development staff or volunteers during a visit to a business. Still others will conduct a combined mail and site visit survey where two survey instruments are utilized.

Many Iowa economic development organizations utilize Blane Canada, Ltd.'s Synchronist Business Information System® in their Existing Business Initiative visitation and survey process which includes a pre-designed survey instrument that allows the economic development organization to include several customized questions. Synchronist is a comprehensive analysis tool which provides the economic development organization with a software platform for inputting and analysis of the survey responses.

For economic development organizations who do not use Synchronist or any other existing business software programs, there are numerous sample survey instruments available in the economic development literature for them to tailor for their community's Existing Business Initiative.

Appendix A is a sample survey instrument that is designed to be completed by the existing business and **Appendix B** is a sample survey instrument that is designed to be completed by the economic development staff or volunteers during a site visit to a business.

The survey responses should be inputted into a computer spreadsheet or database to allow for easy management of the information and to enable basic statistical analysis of quantitative survey questions, such as the number of employees. The use of a spreadsheet, such as Microsoft Excel, will also be useful in creating charts and graphs of the survey results if the economic development organization develops an existing business survey report or presentation.

What is Synchronist?

Central of any successful existing business program is gathering data from area businesses and utilizing that data intelligently and appropriately. The Synchronist Business Information System® (www.synchronist.com) software package helps identify and support local economic policy-making and business retention projects. Synchronist is central for development officials to productively gather, organize and analyze data, and produce relevant status reports. Synchronist provides community decision-makers with invaluable insight into the dynamics of their local economy. Unlike former concepts of business retention, Synchronist discovers opportunities for systematic growth, not just specific problems. Synchronist Business Information System® is one widely-used system for analysis, managing and tracking information related to your existing businesses.

Synchronist and Internet-based e-Synchronist, which offers even more ease of use and accessibility for larger regional efforts, goes well beyond basic retention to enable communities to understand their economic portfolio.

Many business retention programs are stuck in the 1970s or focus on confirming information that is already known and can easily be uncovered. Eric Canada, partner of Blane Canada, Ltd. states, “We need to think of existing businesses as a financial portfolio that allows us to push resources towards growth instead of only addressing problems.” The Synchronist survey tool focuses on strategic questions – the right questions enabling us to predict if a company is in trouble or will soon expand.

To help communities implement an Existing Business Initiative, IDED is working with Iowa’s utilities to develop a partnership to provide this Toolkit and the Synchronist Business Information System® as the platform for the State of Iowa's existing business initiative program.

Whether using a software program like Blane, Canada’s Synchronist or another method of analysis, managing and tracking information related to your existing businesses is imperative.

Synchronist Survey Tool and Data Input Screens

Survey Instrument

- Sophisticated design
 - Closed and open-ended questions
 - Confirmation questions
 - Weighted analysis structure
 - Non-threatening approach
 - Segregates background information from interview/survey
- Add optional local questions
- Personal visit, phone, or mail
- Areas for notes with key questions

Data management

- Point & click data entry
- Error checking
- Import data from most database programs

Analysis

- Structured matrix analysis
- 28 company and group analyses
- 6 primary screens, 20 secondary
- 250 data points
- Consistency checking

Reports generation

- Over 40 pre-formatted reports
- Export to Microsoft Word or Excel

Sorting criteria

- Community
- Region (user defined)
- Business Sector
- Member Background
- State/Province

Sample Data Input Screens

On Site Questions
ABC Manufacturing
 Find - Add a Record - Close

Products | Market | Industry | Management | Workforce | Marketing

Date of visit: 7/28/98 Appointment contact: Tina Little
 Company name: ABC Manufacturing Work phone: (414) 777-9821
 Contact name: Winston, Joanne Assisted by: Harvey Schmitt
 Survey collected by: Organization: Mayor's Office of Economic Dev.

Product/Service

1. Company's greatest achievement: sales grew 30%, expanded customer base
 2. Where is primary product in its life cycle: Emerging Growing Maturing Declining
 3. New products introduced in last 5 yrs: Yes No
 4. New products anticipated for next 2 yrs: Yes No
 5. New technology emerging in product: Yes No
 Explain new technology: machinery for increased efficiency of production.
 6. As a percent of sales, how much does the company spend on R&D? + 3%
 7. As a percentage, how is R&D budget divided between:
 New service/product development: 90 % Improvement: 30 % Production: 1 %
 8. Where is company R&D facility located: here in Kenosha

On Site Questions
ABC Manufacturing
 Find - Add a Record - Close

Products | Market | Industry | Management | Workforce | Marketing

Marketing Information

41. Are these suppliers that would benefit by being closer to facility
 Yes No
 Company and location: sub supplier, Pub Inc., Windsor, ON, CA

42. Are these clients that would benefit by being closer to facility
 Yes No
 Company and location:

Other comments:

43. Please rate the quality of the following services
 "1-low, 5-high"

Police protection	1	2	3	4	5	does not apply
Fire protection	1	2	3	4	5	does not apply
Paramedic program	1	2	3	4	5	does not apply
Traffic control	1	2	3	4	5	does not apply
Public transportation	1	2	3	4	5	does not apply
Sewage handling	1	2	3	4	5	does not apply
Water quality	1	2	3	4	5	does not apply
Schools (K-12)	1	2	3	4	5	does not apply
Property tax assessment	1	2	3	4	5	does not apply
Community planning	1	2	3	4	5	does not apply
Regulatory enforcement	1	2	3	4	5	does not apply
City/Village services	1	2	3	4	5	does not apply
County services	1	2	3	4	5	does not apply

Success Stories

Greater Dubuque Development Corporation (GDDC)

GDDC in Dubuque, Iowa serves as a model existing business initiative. The GDDC staff makes 150-200 visits per year with area businesses. They focus primarily on their industrial base and a growing service sector.

GDDC prides itself on maintaining high levels of consistency through these regular visits and the use of a consistent survey. Consistency, candor and confidentiality are at the core of their EBI program. “The visit is maybe one percent about the survey and 99 percent about relationship building,” says Dan McDonald, GDDC Assistant Director. “With trust comes the candor. If there is an issue, good or bad, typically if they trust you and believe that you have the potential to help, they will be very straight forward.”

Confidentiality is critical in developing that trust. McDonald notes that communities using volunteers for retention visits need to stress the importance of confidentiality.

For the survey instrument and system to evaluate findings, GDDC uses Synchronist software. McDonald cautions, “It means nothing without the act of going out and meeting with real human beings, building rapport and discussing real issues and real challenges.”

Marshalltown Economic Development Impact Committee

Ken Anderson, Chamber Director and staff for the Marshalltown Economic Impact Committee in Marshalltown, Iowa, uses quotes and testimonials gathered in their EBI visits in his marketing efforts. Like other development groups, Marshalltown also uses findings to formally recognize successful area businesses.

Will County Center for Economic Development

The Will County Center for Economic Development and the Will Economic Network in Joliet, Illinois are strong believers in business retention. In conjunction with their utility provider ComEd, the Center created a comprehensive, countywide EBI effort. The first phase was launched in 2002. There are three basic components: development of a standard survey instrument, use of the instrument during personal visits to employers, and a post-visit analysis of the data generated by the instrument.

ComEd provided the survey instrument, developed by the firm of Blane-Canada (Synchronist), and the post-visit data analysis. In 2003, volunteers utilized the data-collection instrument to survey 47 businesses that each employs at least 50 people, representing the following sectors: consumer goods producer, durable goods producer, industrial, retail, services, technology.

Problems or issues cited by respondents were quickly addressed. One company, for example, wanted information about financing options in order to expand and those options were provided immediately. Participants were informed about the area job fair in order to assist with employment needs, if necessary. As more years of data become available, a comparative analysis can be made. With trend data to analyze issues of critical mass can be identified and addressed.

Will County Center for Economic Development contends that a systematic business retention strategy is the best way for a community to gauge the level of satisfaction that businesses have with the local business climate, and to let businesses know that the community cares about them. Failure to pulse businesses on a regular basis is a sure-fire way of learning about problems after the fact, i.e. when the moving van is spotted leaving town.

Carroll Area Development Corporation

The Carroll Area Development Corporation (CADC) regularly contacts 50 business and industry leaders in Carroll County to obtain information that is critical to economic development efforts in the Carroll, Iowa area.

In 2004, 25 business leaders in the manufacturing and service sector were interviewed. In addition to the 25 companies ranging from retail to commercial services, interviews obtained a broad overview of opinions of Carroll County as a place to do business, identify growth opportunities as well as barriers to growth.

Using a standardized format, management can easily respond to requested information regarding growth pattern, workforce issues, needs for assistance and more. CADC is using their existing business initiative to spot growth trends, trouble shoot problem areas and better promote the community.

Useful Links for Providing Assistance to Existing Businesses

Small Business Development Center (SBDC)

The Small Business Development Center provides free counseling and low-cost training to Iowa's entrepreneurs from 13 regional centers throughout the state.

Web site: www.iabusnet.org

Iowa Community Colleges

Iowa's 15 Community Colleges provide a variety of business and industry services such as customized training and technical assistance. The Community Colleges administer states job training programs: Iowa Industrial New Jobs Training Program (260E), Iowa Jobs Training Program (260F) and the Accelerated Career Education Program (260G).

Web site: www.iacct.com

Center for Industrial Research and Service (CIRAS)

CIRAS, in partnership with Iowa State University Extension and the ISU College of Engineering provide educational seminars and individualized technical assistance to Iowa's manufacturers in the areas of engineering, management practices, procurement, and productivity and quality management.

Web site: www.ciras.iastate.edu

Phone: 515-294-3420

Iowa Manufacturing Extension Partnership (IMEP)

The Iowa Manufacturing Extension Partnership is part of the nationwide network linked together through the U.S. Department of Commerce's National Institute of Standards and Technology whose sole purpose is to provide small and medium-sized manufacturers with the help they need to succeed. IMEP works directly with manufacturers to provide expertise and services tailored to individual manufacturer's needs.

Web site: www.imep.org

Phone: 877-965-4637

Iowa Waste Exchange (IWE)

The Iowa Waste Exchange brings companies together to ensure that waste materials that may serve another purpose are diverted from landfills and connected to companies that need them. The IWE is a free, confidential program that actively promotes the reuse and recycling of Iowa business and industry by-products and wastes.

Web site: www.recycleiowa.org/exchange.html

Phone: 319-273-8905

UNI - Strategic Marketing Services (SMS)

Located at the University of Northern Iowa's College of Business Administration, SMS offers a full range of qualitative and quantitative market research and consulting services. Leveraging the strengths of private industry professionals and talented faculty consultants, SMS offers university credibility with unmatched, customized tools and resources. SMS provides research and analysis services for competitive intelligence, customer satisfaction and loyalty, and market assessment/positioning services. These services cross many diverse industries including healthcare, manufacturing/industrial, financial services, transportation and utilities.

Web site: www.sms.uni.edu

Phone: 319-273-2886

Hazardous Materials Training and Research Institute (HMTRI)

The Hazardous Materials Training and Research Institute promote worker protection and the maintenance of a clean and safe environment through environmental health and safety education and training. HMTRI is sponsored by Kirkwood Community College and Scott Community College.

Web site: www.hmtri.org

Phone: 800-464-6874/563-441-4081

Institute for Physical Research and Technology (IPRT at ISU)

The Institute for Physical Research and Technology (IPRT) is a network of scientific research centers at Iowa State University. IPRT Company Assistance helps Iowa companies and entrepreneurs solve technical problems, create new products, and increase productivity and quality by providing a wide variety of technical assistance, expertise and equipment. The research centers participating in the IPRT network include the following:

- Ames Laboratory of the U.S. Department of Energy - Seeks solutions to energy-related problems through the exploration of chemical, engineering, materials and mathematical sciences and physics.
- Center for Catalysis - Dedicated to the development of useful, practical catalysts and sustainable green chemistry methods. Scientists investigate the application of catalysis and green chemistry methods to agricultural, industrial and environmental science.
- Center for Nondestructive Evaluation - Develops noninvasive methods and instruments for assessing the integrity of structures and materials.
- Center for Physical and Computational Mathematics - Researches high-performance computing via cluster computing and parallel computing strategies.
- Center for Sustainable Environmental Technologies - Develops and demonstrates renewable energy and chemical technologies and environmental technologies related to fossil fuels.
- Materials Preparation Center - Prepares high-purity metals, alloys and compounds in single and polycrystalline forms for research and engineering uses.
- Microelectronics Research Center - Develops advanced materials, devices and process technologies in the fields of semiconductors, photonics and solar energy conversion and provides educational laboratories in these technologies for both undergraduate and graduate students.
- Virtual Reality Applications Center - Applies virtual reality technology to the challenges of science and engineering.

Web site: www.iprt.iastate.edu
Phone: 515-294-8902

Materials Testing Service (MTS)

The Materials Testing Service (MTS) assists Iowa manufacturers in the research and development of products containing recycled content materials. MTS is a program of the Recycling and Reuse Technology Transfer Center at the University of Northern Iowa.
Web site: www.uni.edu/rrttc/mts
Phone: 319-273-7499

UNI - Metal Casting Center

The primary interest of the Metal Casting Center is to improve the productivity and competitiveness of the operating foundry industry through applied research, technology transfer, service and support in the preparation of future professionals for the industry. The services of the MCC are based on a hybrid combination of practical hands-on experience, modern and well equipped facilities, and knowledge of cutting edge concepts emerging from the industry.
Web site: www.mcc.uni.edu
Phone: 319-273-6894

UNI - Iowa Waste Reduction Center

The Iowa Waste Reduction Center (IWRC) at the University of Northern Iowa serves small businesses throughout Iowa with free, confidential and non-regulatory assistance that enables them to keep abreast of environmental requirements. IWRC's primary service are on-site reviews for a small business to evaluate current pollution prevention methods and compliance status which includes recommendations on how the business can correct problems, reduce waste and cut disposal costs. Other IWRC services include offering training and education opportunities and applied research on the reduction of hazardous waste streams and improvement of the health of the work environment.
Web site: www.iwrc.org
Phone: 319-273-8905

Iowa Department of Economic Development

The Iowa Department of Economic Development supports the growth and success of Iowa businesses. The best way to bring economic health to any area is to give businesses already in place the support they need. Working with local business and economic development leaders, the state of Iowa can help create a local business climate that sustains solid foundations for existing businesses. The Iowa Department of Economic Development offers assistance with a variety of issues facing existing businesses, including transportation infrastructure, tax increment financing (TIF), financial aid, jobs training programs and recruitment.
Web site: www.iowalifechanging.com/business
Phone: 515.242.4707

References

Institute for Decision Making, Business and Community Services, University of Northern Iowa,
www.bcs.uni.edu/idm

Business Retention and Expansion Manual, 2005, International Economic Development Council
(IEDC) Washington, D.C., www.iedconline.com

Synchronist Business Information System® Blane Canada Ltd., Wheaton, IL
www.blanecanada.com

Morse, George W., 1990, Retention and Expansion of Existing Businesses – Theory and Practice in
Business Visitation Programs

Glossary of Economic Development Terms

Absolute Advantage – Term used when comparing two economies. An economy has an absolute advantage over another when it can produce more of a product, simply because it has more resources. Absolute advantage says nothing of efficiency or opportunity cost. (See also **Comparative Advantage**.)

Ad Valorem Tax – A tax levied on the value of the taxed item. Local property taxes are generally ad valorem taxes.

Adaptive Reuse – The rehabilitation of old property for a new purpose.

Amortization – The liquidation of a debt via a specified schedule of payments.

Anchor or “Key” tenant – The most important tenant (often the largest) in a development project, whose lease is usually instrumental in securing financing for the project and in attracting other tenants.

Affordable Housing – Housing which consumes no more than 30% of household income.

Angel Investor – An investor who provides equity investment to start-up businesses.

Assessed Valuation – The monetary worth of a property for the purpose of taxation. Total assessed valuation denotes the sum of the monetary worth of all taxable properties within a jurisdiction.

Assets – Business property acquired at a measurable cost, the use of which is related to the business operations. (See also **Fixed Assets**).

Bankable – A person who can qualify for a loan at a commercial lending institution.

Base Industry – Also known as “export” or “primary” industries, base industries sell or export their products and services outside the community and bring new dollars into the community, increasing the total dollars that circulate within the community and that are spent on non-base industries.

Benchmarking – Quantifiable measures of economic competitiveness and quality of life that can be collected on a regular basis. They are used to measure a region’s economic status and progress against comparable regions.

Bond – A certificate of debt issued by a government or corporation guaranteeing payment of the original investment plus interest by a specified future date.

Bond Banks – State-level agencies that assist local governments in acquiring capital financing, usually through debt insurance. In other words, local government issued bonds bought by a state-established bond bank, thereby lowering the costs of issuance for the individual jurisdiction by

sharing fixed issuance costs with the other members of the bond pool. Bond banks are especially helpful to smaller communities that typically have lower budgets and cannot afford the true costs of bond issuance. Protecting many bond banks is the provision that they may intercept state aid to a local government if that government defaults on its obligation to the bond bank.

Bond Rating – An estimation of the relative credit-worthiness of a corporation or governmental unit. Private investment service companies make such estimates, generally designating the most credit-worthy borrowers as triple A.

Brownfields – Commercial or industrial sites that are abandoned or under-utilized and have real or perceived environmental contamination.

Business Assistance Center – A one-stop center for streamlining local permitting, licensing, and fee payment processes and facilitating the decision-making processes.

Business Climate – Usually referred to as the attitude of a local government toward business, but can also consider attitudes of the labor force and local business networks.

Business Incubator – Entity that nurtures and supports young companies until they become viable, providing them with affordable space, technical and management support, equity and long-term debt financing and employment. The three basic objectives in creating an incubator are 1) to spur technology-based development, 2) to diversify the local economy and 3) to assist in community revitalization.

Business Improvement Districts (BIDs) – Legally defined entities formed by property and business owners where an assessment or a tax is levied for capital or operating improvements as a means of supplementing city funding. The district is created by the public law or ordinance but is administered by an entity responsible to the district's members or to the local governing body. Some states authorized non-governmental, non-profit corporations. Recent BID programs include economic and social development, transportation, parking management and conversion of redeveloped commercial buildings for residential use.

Business Recruitment and Attraction – Traditional approach to economic development to entice companies to relocate or to set up a new branch plant or operation in a state or locality often referred to as “smokestack chasing.”

Business Retention – Systematic effort designed to keep local companies content at their present locations, which includes helping companies cope with changing economic conditions and internal company problems.

CBD – The central business district of locality. Usually this is an area with the highest concentration of businesses, including financial institutions, shops, offices, theaters and restaurants.

CDBG (Community Development Block Grants) – Under title 1 of the *Housing and Community Development Act of 1974*, eight former categorical grant and loan programs were replaced by a system of unified block grants under which communities with more than 50,000 people are entitled to receive funding while other communities may apply for discretionary funding. Its purpose is to encourage more broadly conceived community development projects and expand housing

opportunities for low- and moderate-income persons. The three primary goals of CDBG are to serve low and moderate-income people, to eliminate slums and blight and to address other community development needs that pose a serious and immediate threat to the health and welfare of the community.

CDC (Community Development Corporation) – Organization, typically non-profit 501 (c) (3), which can obtain federal and private support. They are governed by local residents, businesses, and community leaders through a board of directors that is in most cases elected from the CDC membership or the community. Some CDCs perform only economic development services, but most work only on housing issues. Those active in economic development provide technical assistance and financing and are committed to serving the impoverished people of America.

CDC (Bank CDC) – Bank-sponsored community development corporations are a way for banks to contribute to economic revitalization by investing in local businesses and real estate investment projects that benefit low and moderate-income groups. A community can establish a bank CDC by working with one or more local banks, the Federal Reserve, the Comptroller, and its respective state financial institutions' regulators. In the case of consortium bank CDCs, where several banks join together, the investors do not have to be just local banks. Bank CDC can purchase, construct or rehabilitate property.

CDC (Certified Development Company) – The originating and administrating body for the SBA 504 loans. The program provides long-term, fixed-rate financing to small businesses to acquire real estate, machinery and equipment for the expansion of business or modernization of facilities.

CDFI (Community Development Financial Institution) – A specialized financial institution which works in market niches that have not been adequately served by traditional financial institutions. CDFIs provide a wide range of financial products and services, including mortgage financing, commercial loans, financing for community facilities and financial services needed by low income households. Some CDFIs also provide technical assistance. To be certified as a CDFI by the CDFI Fund of the Department of the Treasury, an institution must engage in community development, serve a targeted population, provide financing, have community representatives on its board and be a non-governmental organization.

Capacity Building – Developing the ability of a community-based neighborhood organization to effectively design economic development strategies through technical assistance, networks, conferences and workshops.

Capital – Consists of property of wealth from which income is derived, expressed in terms of money, and which can be used to produce additional property or wealth.

Capital Costs – Costs of investment in major physical improvements, infrastructure and equipment, such as buildings, roads and machinery.

Capital Projects Fund – Money that accounts for the acquisition of capital facilities. This money can be raised through bond issues or grants.

Capitalization Rate – The rate of return that deems investment in a development project reasonable (often referred to as the “cap” rate).

Cash Flow – A statement showing all actual cash receipts and disbursements for a specific period of time.

Clawbacks – Many localities enter into contracts requiring local commitments with firms to which they offer incentives. Clawbacks describe the punitive steps taken against firms that break these contracts. For example, a firm may be required to pay fines or assist in finding a new tenant for its property if it chooses to leave a community.

Comparative Advantage – Term used when comparing economies of regions. It is the economic advantage gained by one area over another due to the fact that it can produce a particular product more efficiently. More efficient production of one good means there is a higher opportunity cost to produce another. This is the concept that drives trade between economies. Inter-regional and international trade exploits the comparative advantages of economies. (See **Absolute Advantage**).

Competitive Niche – A market in which a business or economic region finds itself to perform well.

Cost-Benefit Analysis – A method for evaluating the profitability of alternative uses of resources.

Cost Effective Analysis – Compares alternative projects or plans to determine the least costly way to achieve desired goals. Usually, some index or point system is developed to measure the effectiveness of the proposal in meeting the goals and objectives.

Council - Manager – A form of city government which places all administrative authority in the hands of a professional manager who is hired by the elected council (which is a policy-making body) to service at its pleasure. The duties of the mayor are usually mainly ceremonial.

Deed Restrictions – Clauses in a deed limiting the future uses of the property. Deed restrictions can take many forms. They may limit the density of buildings, dictate the types of structures that can be erected, prevent buildings from being used for specific purposes or used at all and limit the resale price, etc.

Deferred Loan – A type of loan in which payment is put off until some later date. If all conditions are met at this later date, the loan may be forgiven and reclassified as a grant. The conditions of a seven-year deferred loan, for example, might specify that the property not be sold during this time and that it remains the principal residence of the purchaser.

Depreciation – A decrease in value through age, wear or deterioration. It is important for tax assessments. The rate of depreciation can be manipulated to effectively raise or lower tax paid on the value of an asset.

Discount Rate – The rate the Federal Reserve charges member banks for interbank loans. The interest rates that banks charge customers are based on the Discount Rate. This is not to be confused with a discount rate for a development project, which reflects the opportunity cost and risk involved in the project.

Easement – The right to use the property of another, which may be granted explicitly or earned by implication.

Economic Base – a method of classifying all productive activity into two categories: basic industries which produce and sell goods that bring in new income from outside the area and service industries which produce and sell goods that simply circulate exiting income in the area.

Economic Base Analysis – A comprehensive study of a locality’s economy, focusing on the importance of exports. It should include an economic history, data on existing industries, trends and forecasts of growth in wages and employment.

Economic Development Administration (EDA) – Created by the *Public Works and Economic Act of 1965* as a part of the Commerce Department. The EDA’s main goals are to alleviate unemployment and diversify the economy as well as assist urban areas with planning and emergency public works programs.

Economies of Scale – The phenomenon of production where the average cost of production declines as more of the product is produced.

Eminent Domain – The authority to “take” private property upon paying a fair price for the property and relocating the tenants. The most frequent use of this authority is the act of “condemnation.”

Enterprise Zones – State enterprise zones are designated geographic areas that are eligible for special treatment and incentives to attract private investment. State guidelines define the size of a zone and the minimum level of economic distress to qualify as an enterprise zone. States can also limit the number and type of enterprise zones. These restrictions are generally set out in the state enterprise zone program.

Entrepreneurial Training – Programs that provide guidance and instruction on business basics such as accounting and financing to ensure that new businesses improve their chances of success. The most common training methods include classroom training, workshops, speakers, peer groups and one-on-one counseling, lecturers, internships, as well as self-study and home study.

Existing Business Initiatives (EBI) or Business Retention and Expansion – A broad set of programs and projects to address the needs of existing businesses. The program usually includes a Visitation Program.

Fair Market Value – The estimated worth of a property made by a certified appraiser which reflects the price at which the property could be immediately sold in a competitive market.

Fiscal Impacts – The direct and indirect costs incurred and revenues received by local governments resulting from land use and other types of decisions.

501 (c)(3) – Approval given by the Internal Revenue Service granting exemption from federal income tax to a nonprofit organization, under Section 501 (c)(3) of the Internal Revenue Code. Donations to such organizations are tax deductible. The organizations described in 501 (c)(3) are commonly referred to under the general heading of “charitable organizations.”

501 (c)(6) – Approval given by the Internal Revenue Service granting exemption from federal income tax to a business league, under Section 501 (c)(6) of the Internal Revenue Code. Trade associations and professional associations are considered to be business leagues. The business league must be devoted to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons. No part of its net earnings may inure to the benefit of any private shareholder or individual, and it may not be organized for profit or organized to engage in an activity ordinarily carried on for profit.

Flex Space (Flexible use space) – Space that can be used for one or a combination of different types of production, e.g. manufacturing, office, service or distribution.

Front-End Costs – Capital required at the early stages of a development project, such as the cost of land, plans and working drawings, construction materials and labor.

Gap Financing – A loan required by a developer to bridge the gap, i.e. to make up a deficiency between the amount of mortgage loan due on project completion and the expenses incurred during construction (financing that covers the difference between what a project can support and cost of development or purchase.)

General Fund – The portion of a municipal budget devoted to basic administrative functions. It includes funds that are not otherwise earmarked for specific uses.

General Obligation (G.O.) Bonds -

Limited Tax G.O. Bonds – Tax-exempt bonds secured by the revenue from the application of a fixed rate against taxable property. Not all states permit limited tax G.O.s, but in those that do, such bond issuance does not require voter approval.

Unlimited Tax G.O. Bonds – Tax-exempt bonds secured through taxes that are levied without rate or amount limitations in order to repay the principal and interest of the bond. They are typically used to finance public works infrastructure and land acquisition for blight elimination.

General Partner – The co-owner(s) of a venture who is liable for all debts and other obligations of that venture as well as for the management and operation of the partnership. The general partner can have control of the business and can take actions that are binding on the other partners.

Geographic Interface Systems (GIS) – Computer programs that integrate social, economic and demographic information and mapping. GIS is particularly useful for market studies, transportation analysis, crime studies and housing impact analysis.

Hard Costs – Bricks and mortar costs of development, including contractor's fee and overhead.

Holding Costs – A term used by economic developers denoting the costs of owning land or property during the pre-development stages of a project.

Housing Finance Agency (HFA) – State agencies that are responsible for the financing of housing and the administration of subsidized housing programs. State HFAs also allocate Low Income Housing Tax Credits and tax-exempt bond authority in each state.

Impact Fees – Fees required to cover costs of improving and/or building infrastructure needed as a result of the expected impact of a development project on those facilities. Often required by localities for the approval of development projects.

Incentives – Benefits offered to firms as part of an industrial attraction strategy. A few incentives are tax abatements and credits, low interest loans, infrastructure improvements, job training and land grants.

Industrial Development Bonds – These bonds are used to finance acquisition, construction, expansion or renovation of manufacturing facilities and the purchase of machinery and equipment depending upon state law. IDB financing is subject to state and local laws and federal income tax laws and regulations if the interest on the bonds is expected to be exempt from federal income taxation.

Industrial Park – A specified area of land zoned for industrial use that has specified covenants and restrictions to be followed by all occupants.

Industrial Revenue Bonds – Bonds that provide lower-cost financing for real property improvements or the purchase or construction of buildings, facilities or equipment.

Industry Clusters – Geographic concentrations of related businesses – complementary or competing. Regions identify clusters as targeted businesses for future planning and marketing efforts. There are two types: 1) buyer-supplier clusters and 2) shared resources clusters.

Investor Networks – Investor networks match up potential investors (either anonymous “angel” investors or known investors) with start-up firms needing capital.

Location Quotient – The percentage of total local employment in a particular industry compared to the percentage of total national employment in that same industry.

Localization Economies – The condition where costs decrease for firms in a particular industry as total industry output increases. The lower costs come as a result of the firms in an industry locating close to each other.

Matching Grant – A grant for the same amount that the grantee expends on a project. This effectively subsidizes the project, while giving the grantee incentive to spend more on the project.

Mayor-Council – A system of city government that separates legislative and executive power. Mayor council forms of government range along a continuum from extremely strong to very weak. The strong mayor often has executive powers, while the weak mayor sees power dispersed among separate agencies.

Microenterprise – A business that is “smaller-than-small.” Operated by a person on a full- or part-time basis, usually out of a home, e.g. carpenters, day care providers, crafts persons and caterers.

Microloans – Very small, short-term unsecured loans given to people without credit history and/or the collateral necessary to obtain a conventional loan. These are available from either local lenders or the SBA’s 7(m) Microloan Program.

Multiplier – A quantitative estimate of the impact (in dollars, jobs created, demand) of a project.

Multiplier Effect – Describes the process of dollar or job generation as a result of a new or migrating business or project, or of a local business expanding production (to exports). The multiplier effect accounts for additional local income generated by local spending of money that came from outside a community.

NDO (Neighborhood Development Organization) – A community-based organization accountable in some way to the residents of its target area and whose purpose is to initiate and sustain neighborhood economic development.

NIMBY (“Not in My Backyard”) – Term used to describe local (residential) opposition to development projects.

Neighborhood – A geographic location designated in comprehensive plans, ordinances or other local documents as a neighborhood, village or similar geographical designation that is within the boundary but does not encompass the entire area of a unit of general local government. If the general local government has a population under 25,000, the neighborhood may encompass the entire local government area.

Net Operating Income – Project revenue (usually rents) less operating expenses. Also called operating cash flow.

New Present value – Value today of total discounted future income stream of a development project. It determines the property value considering its income potential.

North American Industry Classification System (NAICS) – The industrial classification code system used for categorizing industrial establishments. Beginning in 1997, NAICS replaced the Standard Industrial Classification (SIC) as the system for classifying firms in the United States, Canada and Mexico.

One-Stop Business Service Centers – One-stop business service centers focus on reforming licensing and permitting regulations, and are facilities where business persons can go to obtain the licenses and permits needed to start-up, operate and expand their facilities. These centers improve the local business environment while reducing the number of separate agencies and offices a business must apply to for various licenses and permits, saving public and private time and financial resources.

Opportunity Costs – The revenue forgone by choosing one use of money and resources over another. The opportunity cost of investing in the stock market is the interest that the money could have earned while sitting in the bank.

Overall Economic Development Plan (OEDP) – A plan developed at the city, county, or economic development organization level to identify the subject area’s problems and opportunities

for economic development, to define goals and objectives which will be pursued, and listing infrastructure and other projects needed to achieve those goals and objectives.

Product Cycle Theory – Theory that describes the production of particular product over time. Products are developed by small firms in a particular region. Then the product becomes standardized and produced on a mass production scale by larger companies.

Public Infrastructure Extension – Local governments provide public infrastructure extension to meet the infrastructure needs of new, expanding or relocating firms whose facilities need better water, sewage, telephone or road infrastructure.

Recoverable Grant – A no-interest loan that has to be repaid to the lender making the grant.

Red Flag Issues – Urgent situations in a company that require immediate attention.

Resource Audit – A process for inventorying potential resources or competencies anticipated to be available in a region during the planning period. Used in selecting strategies and strategic initiatives that are achievable.

Revolving Loan Fund (RLF) – A pool of public and private sector funds in which the money is recycled to make successive loans to businesses. Loans made by an RLF are repaid with interest and the payments are returned to replenish the lending pool so new loans can be made. The funds are thus recycled and the RLF grows as each generation of borrowers adds to the pool.

Risk Management – Strategically protecting against losses (financial) for any venture that has an uncertain outcome

Seed Capital – Equity money supplies to help a company get off the ground. The money is almost always supplied by an entrepreneur and his/her family, friends and relatives. Used to help attract (leverage) other investment.

Secondary Financing – A loan secured by a second mortgage on a property, sometimes used to refer to any financing techniques other than equity and first-mortgage debt.

Section 7(a) Loan Program – Categorized as SBA’s general business loan program, SBA 7(a) Small Business Loans guarantee between 70% and 90% of a loan, up to a maximum of \$750,000 for almost any legitimate business purpose.

Section 108 Loan Guarantees – Provide front-end financing for large-scale physical development projects to city agencies that are eligible for and receiving CDBG funds. Eligible communities can borrow against their CDBGs to finance economic development projects.

Section 504 Loan Program – Provides long-term, fixed-rate financing to small businesses to acquire real estate, machinery, and equipment for the expansion of business or modernization of facilities. The loans must originate and be administered by a certified development company and cannot be used for working capital purposes or to refinance existing debt and are not made to non-profits. Loans are approached like “projects” where funds are provided by a conventional lender, an SBA guarantee, the borrowing business, or in rare cases the certified development company.

Shift-Share Analysis – A method used to examine a local area’s basic industries in terms of their growth and decline relative to national or regional trends.

Site Location Assistance – Economic development organizations or local governments provide new, expanding and relocating businesses with assistance for locating the sites that fit their facility’s needs. These services include provide information on sites and organizing visitation programs.

Small Business Administration (SBA) – Founded in 1953, SBA’s mission is to “aid, counsel, assist and protect, insofar as if possible, the interest of small business concerns.” Its charter also mandates that the SBA ensure small businesses a “fair proportion” of government contracts and sales of surplus property. Since its inception, the SBA has delivered more than 13 million loans, loan guarantees, contracts and other forms of assistance to small businesses.

Small Business Investment Company (SBIC) – Privately owned and managed for-profit investment firms that use their own capital, plus funds borrowed at favorable rates with an SBA guarantee, to make venture capital investments in small businesses.

Smart Growth – The efficient mixed use of all available assets. According to the American Planning Association, smart growth involves efficient land use; full use of urban services; mixed use; mass transportation options; and detailed, human-scaled design.

Soft Costs – Development costs for various services, including architecture and engineering fees, construction interest, loan fees, insurance fees, legal and accounting fees and permit fees.

Soft Debt – Capital provided in the form of a loan for which payment is contingent on available cash flow. This debt is typically provided by a public sector entity and usually structured with very liberal terms regarding principal repayment, interest rate and maturity.

Special Assessment Districts – Areas designated by a taxing authority to be assessed for tax purposes on a scale that differs from the rest of the taxed jurisdiction. Property in these districts may be taxed differently all together. They may be required to pay “special” taxes more reflective of the greater benefit earned by some public expenditure in the district.

Special Assessment Funds – Costs of project that benefit a specific group of properties may be assessed to those individuals and accounted for in the special assessment fund.

Special Improvement Districts – Mechanisms where local businesses and/or residents agree to voluntarily pay an additional tax to support improvements or services so local governments can finance and implement improvements within a specific and limited area. (Similar to Business Improvement Districts.)

Special Revenue Funds – Funding from sources that specify that money goes to a certain use, for example revenue from a special tax district created to fund infrastructure improvements in that district.

Subsidy – Funds provided generally by government or economic development organizations in the form of a grant, which reduce the cost of development or support ongoing operations.

Sustainable Development – Development that does not destroy or eventually deplete a location’s natural resources. Sustainable development helps ensure a better, healthier living environment, which contributes to the quality of life in an area – one of the main goals of economic development

SWOT Analysis – A tool used in the economic development planning process to assess a community’s **S**trengths and **W**eaknesses, factors from within a community that can be changed, as well as its **O**pportunities and **T**hreats, factors from outside the community that cannot be changed.

Synchronist Business Information System® – A structured business information system designed for collection, management, analysis and reporting of business data impacting communities and the state’s economy.

Tax Abatement – Exemption or reduction of local taxes of a project for a specific period of time.

Tax Incentives – The use of various tax relief measures such as tax exemptions, tax credits or tax abatements to recruit and attract businesses to a community or help local businesses expand.

Tax Increment Financing – Funding for redevelopment of an area by using the increases in taxes generated by the redevelopment. It must have state and local enabling legislation.

Technical Assistance – Includes aid with preparing grant applications, training staff, applying for loans and marketing the product. It may also include assisting a small business to improve the design of its product or manufacturing process. Technical assistance is generally aimed at providing specific services that a small business typically cannot afford, or general business planning.

Underemployed – Includes all persons whose skills, education or training qualified them for a higher skilled or better paying job than they presently hold. It also includes persons only able to find part-time rather than full-time work their fields.

Umbrella Bonds – Low cost financing with lower interest rates for projects too small to qualify for normal revenue bond programs. Bond proceeds are used as loans for acquisition of land, building, machinery and equipment. The umbrella is a pool of small bonds of \$1 million or less packaged into a larger bond and issued by the state or local economic development agency.

Unemployed – As defined by the U.S. Department of Labor, the term includes all civilians who were not employed but were available and actively seeking work within the past four weeks, were waiting to be called back to a job from which they had been laid off, or were waiting to report to a new job scheduled to begin within 30 days.

Venture Capital – An investment made where there is a possibility of very substantial returns on the investment, as much as 40 percent, within a short period. It is usually invested in dynamic, growing and developing enterprises, not in start-ups. The capital is subject to considerable risk and uncertainty.

Workforce Investment Act – *Workforce Investment Act of 1998* is the federal government’s effort to adapt workforce-training system to current economic conditions. The economic development impact of WIA includes: 1) decentralizing decision-making to the local level, 2) allows local

businesses to determine skill needs, 3) adapts training to local growth patterns, 4) promotes inclusion of economic development principles in plans, and 50 states required to submit economic development plans with WIA implementation plan.

Zoning – Geographic designations of land by categories of use: residential, heavy and or light manufacturing, commercial, agricultural, institutional, etc.

Zoning Ordinance – Legislation that maps and designates the various zones and their respective land uses. The regulation of land use by local zoning must be enabled by state legislation.

Appendix A

ABC County Economic Development Corporation Business Survey

BUSINESS OVERVIEW

1. **Indicate the type of business you are (check only one)**
 - a. Agriculture
 - b. Construction
 - c. Manufacturing
 - d. Transportation
 - e. Wholesale Trade
 - f. Communication
 - g. Retail Trade
 - h. Finance, Insurance & Real Estate
 - i. Services
 - j. Public Administration
 - k. Health Care
 - l. Other (SPECIFY)

2. **Does your business have multiple locations? If yes, where?**
 - a. Yes
 In this Country
 In this State
 In the United States
 - b. No
 Outside the United States

3. **How many people, including yourself and other family members, are employed in your business? Please specify, using percentages, between the three listed below.**
 - a. Currently Employed
Full Time Part Time Seasonal
 - b. Projection for employment in the next five years
Full Time Part Time Seasonal

4. **If the number of employees has INCREASED in the past five years, is this due to:**
 - a. Entered New Markets
 - b. Expanded Share
 - c. Renovation/Expansion
 - d. Addition of Product (SPECIFY)
 - e. Other (SPECIFY)

5. **If the number of employees has DECREASED in the past five years, is this due to:**
 - a. Declining Sales
 - b. Labor Saving Tech
 - c. Improved Efficiency
 - d. Other (SPECIFY)

MARKET FACTORS

6a. Where does your company sell its products or services?

- a. _____ In this County _____ %
- b. _____ In the rest of the State _____ %
- c. _____ In the rest of the United States _____ %
- d. _____ Internationally _____ %

6b. Where does your company sell its products or services?

Are any of the sales a result of tourists, winter visitors, or highway travelers?

- a. _____ Tourists, visitors, travelers _____ %

7. Compared to last year is your business:

- a. _____ Growing
- b. _____ Declining
- c. _____ Same

8. What is the result of this growth?

- a. _____ Entered New Markets
- b. _____ Expanded Share
- c. _____ Renovation/Expansion
- d. _____ Addition of Product (SPECIFY)
- e. _____ Other (SPECIFY)

FUTURE BUSINESS FACTORS

9. Do you have any plans to modernize or expand your present building(s) or equipment in the next five years?

- a. _____ Yes
- b. _____ No
- c. _____ Not Sure

10. Does your company currently own or lease sufficient property to allow expansion, if necessary?

- a. _____ Yes
- b. _____ No
- c. _____ Not Sure

What impact will or would your modernization have on the number of employees?

- a. _____ No Change
- b. _____ Add Employees _____ % _____ Number of Employees
- c. _____ Reduce Employees _____ % _____ Number of Employees
- d. _____ Not Sure

11. Are you currently considering closing your business or relocation outside the community/area? If relocation, where?

- a. _____ Closing
- b. _____ Relocation _____ In this County
_____ In this State
_____ In the United States
_____ Outside the United States
- c. _____ Neither

12. If you are considering relocation, which of the following are reasons for your planned move?

- a. _____ Changing Market Conditions
- b. _____ Overcrowded Building
- c. _____ No Land for Expansion
- d. _____ Transportation Problems
- e. _____ Crime/Vandalism
- f. _____ Low Work Productivity
- g. _____ Environmental Concerns
- h. _____ Rigid Code Enforcement
- i. _____ High Local Taxes
- j. _____ High State Taxes
- k. _____ Lease Expiration
- l. _____ Other (SPECIFY)

13. If you are considering closing, which of the following are reasons for closing?

- a. _____ Changing Market Conditions
- b. _____ Transportation Problems
- c. _____ Crime/Vandalism
- d. _____ Low Work Productivity
- e. _____ Environmental Concerns
- g. _____ Rigid Code Enforcement
- h. _____ High Local Taxes
- i. _____ High State Taxes
- j. _____ Lease Expiration
- k. _____ Other (SPECIFY)

14. Are there any changes in your business plans for the next three years?

- a. _____ No Change
- b. _____ Change Goods/Services
- c. _____ Add Product
- d. _____ Change Technologies
- e. _____ Other (SPECIFY)

COUNTY RATING

**15. How would you rate ABC County with respect to the following location factors?
(Please indicate your choice below)**

1 – POOR 2 – FAIR 3 – GOOD 4 – EXCELLENT 5 – NO
OPINION

- a. _____ Availability of Labor
- b. _____ Labor Costs
- c. _____ Base Skill Level of Employees
- d. _____ Vocational Training
- e. _____ Business Supplies
- f. _____ Business Services (Legal, Acctg, etc.)
- g. _____ Reliability of Utilities
- h. _____ Ship/Transportation Costs/Services
- i. _____ Parking
- j. _____ City Government
- k. _____ Highways/Street
- l. _____ Water Quality & Supply
- m. _____ Sewer
- n. _____ Solid Waste
- o. _____ Police/Fire Protection
- p. _____ Energy Costs
- q. _____ Quality of Telecommunications
- r. _____ Business Taxes
- s. _____ Banking Services
- t. _____ Availability of Capital
- u. _____ Land & Development Costs
- v. _____ Planning & Zoning/Code Enforcement
- w. _____ Housing Availability
- x. _____ Quality of Housing
- y. _____ Recreational Opportunities
- z. _____ Quality of Education (K 12)
- aa. _____ Community College
- bb. _____ Media
- cc. _____ Medical Services
- dd. _____ Community Appearance
- ee. _____ Chamber of Commerce

What is your overall opinion of this county to conduct business?

- a. _____ Excellent
- b. _____ Good
- c. _____ Fair
- d. _____ Poor
- e. _____ No Opinion

WORKFORCE

16. Rate the following based on your perceptions of the area workforce

17.

1 – POOR 2 – FAIR 3 – GOOD 4 – EXCELLENT 5 – NO
OPINION

	Availability	Quality
Unskilled (Custodial, Laborers, Material Hauling)	_____	_____
Semi-skilled (Machine/Transport, Operators)	_____	_____
Skilled (Craft, Technician, or Other Skills)	_____	_____
Office (Clerks, Receptionists, Data Entry, etc.)	_____	_____
Managers, Administrators, Supervisors	_____	_____
Professionals (Lawyer, Engineer, Accountant, Doctor, etc)	_____	_____

SUMMARY CONCERNS

18. Rate the following areas on their abilities to provide the best opportunity for future economic development in the county?

1 – IMPORTANT 2 – SOMEWHATE 3 – NO OPINION 4 – SOMEWHAT NOT 5 – NOT IMPORTANT

- a. _____ Agriculture/Agribusiness
- b. _____ Tourism, Recreation & Highway Services
- c. _____ Retirement
- d. _____ Attract Manufacturing Firms to the County
- e. _____ Reduce Retail Leakage
- f. _____ Other (SPECIFIC)

19. How do you perceive (a) yourself and (b) the county in general with regard to support for economic development?

(Choose one for each column)

	Yourself	The County
Strongly Pro-Growth	_____	_____
Somewhat Pro-Growth	_____	_____
Somewhat No-Growth	_____	_____
Strongly No-Growth	_____	_____

Company Name: _____

Completed By: _____

Appendix B

XYZ County Economic Development Corporation – Existing Business Survey

Company: _____

Individual Interviewed _____

Interviewers _____

Five Questions

1. Let's talk about labor:
 - a. Current situation as to meeting needs, skills in labor force, etc.

 - b. Future needs: skills, numbers, potential for additional employees

2. What are the current trends in your industry:
 - a. Where is the growth occurring:

 - b. Where is the competition coming from:

 - c. New products, technologies, etc:

3. Are there local barriers/concerns about your doing business here in XYZ County?

4. What assistance do you think our development group could provide that would be of assistance in addressing any of today's or tomorrow's concerns?

5. Would you be willing to:
 - a. Meet with potential new businesses considering XYZ County as a location?

 - b. Consider becoming a mentor for start-up businesses?

 - c. Serving on the XYZ County EDC board or as a committee Chair?

Appendix C

Sample Interview Guide for Volunteers

Interview Supplies

- Good writing surface
- Extra pens
- Business Cards
- Extra copies of survey

Identify who has responsibility in the team for

- Making appointments
- Opening statement
- Lead interviewer
- Closing statement
- Responses to program or assistance questions
- Acts as the recorder

Interview Phases: Opening, Interview, Close

Opening

- Thank You for time and participation
- Introductions
- Sponsors of survey efforts
- Purpose of interview
- Stress Confidentiality of information discussed
- How information from interview will be used

Interview

- Maintain conversational tone
- Know your questions
- Move through questions at a set pace, but don't rush
- Make sure you understand responses – ask for clarification
- Don't try to solve problems on the spot
- Don't make promises you or someone else may not be able to keep

Close

- Thank You for time and participation
- Tell the interviewee how their input helps the organization/community
- Advise as to expected results and timeframe
- Offer follow-up, if appropriate
- Indicate when they should be hearing something back if they had a concern that will need to be addressed by others

Appendix D

Sample Confidentiality Agreement Existing Business Initiatives

This Confidentiality Agreement (the “Agreement”) is made this day of _____20__ between _____ (here for to be know as the “Participant” and _____ EDC (here to be know as the “EDC”).

Introduction

The Participant intends to engage as a volunteer in existing business interviews and other activities as a part of the EDC’s Existing Business Initiatives (EBI) Program during the course of which the Participant may create, have access to or receive information various existing employers including, but not limited to, information relating to products or administrative, marketing, financial or manufacturing activities of the businesses. All such information, including any material embodying such information, whether crated or disclosed orally or otherwise, shall be considered by the Participant as proprietary and confidential (“the Proprietary Information”).

Non-Disclosure

As consideration for having access to or receiving any Proprietary Information, the Participant agrees to protect the confidentiality of the Proprietary Information, and shall not disclose or disseminate, or permit any employee or associate to disclose or disseminate the Proprietary Information to any third party other than the EDC without the existing business’s written consent. In no event shall the Participant use the Proprietary Information for its benefit or the benefit of any additional third parties. The Paragraph 2 shall not apply to any information which the Participant can establish to have (i) become publicly known thorough no action on the Participant’s part, or (ii) been known by the Participant prior to receipt from the existing business.

Miscellaneous Provision

This agreement constitutes the entire agreement and understanding between the parties and integrates all prior discussions between them related to the subject matter hereof. No amendment to this Agreement shall be valid unless it is in writing and signed by both parties. This Agreement shall be binding upon the respective heirs, successors and assigns of the parties hereto. No delay or omission by either party in exercising any right under this Agreement shall operate as a waiver of that or any other right. In the event any provision of this Agreement shall be held invalid or unenforceable for any reasons, such invalidity or unenforceability shall attach only to such provision and shall not affect or render invalid any other provision of this Agreement. The termination of any discussions, relationship, understanding or agreement between the parties for whatever reason shall no relieve the Participant from its obligations hereunder.

(EDC Address)

The Participant
Witness

Appendix E

Example of Newsletter Article Presenting Results of EBI Call Program
(Mason City Economic Development Corporation – Summer 2005)

70% of Companies Surveyed Plan to Expand in the Next 12 to 36 Months

All too often economic development is seen as only recruiting new businesses to an area. Success is then viewed when a community scores that large company with 250 plus jobs. The reality is that of over 15,000 economic development organizations competing for the approximately 1,500 or less major projects that produce companies of 50 employees and above locating in a community, the competition is enormous. What doesn't get as much fanfare is the small company that starts with 10 to 15 employees and grows into a well established business and is the core of businesses in Iowa. Not flashy but we aren't known for "flash."

With the existing business annual call program finished, it is interesting to sit back and reflect on the information. Of the 37 companies interviewed almost 65% of the companies employ 100 or less. Twenty-one percent of the companies have a gross payroll of \$500,000 or less, 7% are in the \$500,000 to \$1 million range and another 21% have gross payroll of \$1 to \$3 million dollars. I don't think I need to emphasize the economic impact that losing any of these businesses can do to the entire community. That is why we spend a significant amount of time working with existing industry. Again, there isn't much fanfare, no "flash." Much of our work in this area goes unnoticed by design but is no less important than going after that new business.

There are many dynamic personalities within the business community that have not only the best interest of their company and employees at heart, but our community as well. Their positive attitudes are invigorating.

Soon, we will be joining efforts and begin working on areas that the existing business survey showed as weaknesses. Some of these are not inherent to just our community but are recognized regionally or nationally like transportation or drugs in the workplace. Others seem to be unique to Mason City as a place to do business. The good news is everyone has the same common goal, making Mason City and North Iowa a better place to do business. We will call on these business leaders to help find solutions to problems that will help make their business better, Mason City and North Iowa a better place to do business and live.

Although the survey shows areas that we may need to work on, it also reflects a myriad of positives. It is no secret that the Midwest is known for our good work ethic. Until you hear employers reinforce this comment over and over you don't realize this is truly a strength that is an element of "our area." One comment at a company visit made it very clear, "there is something about Iowa's work ethic that you can't find elsewhere, even as close as Minnesota." On the flip side of that comment, we have an aging workforce and worker skill gaps that we need to address. With our MCEDC being proactive and working within the community with leadership, we can address these issues and put a plan in place prior to it becoming critical.

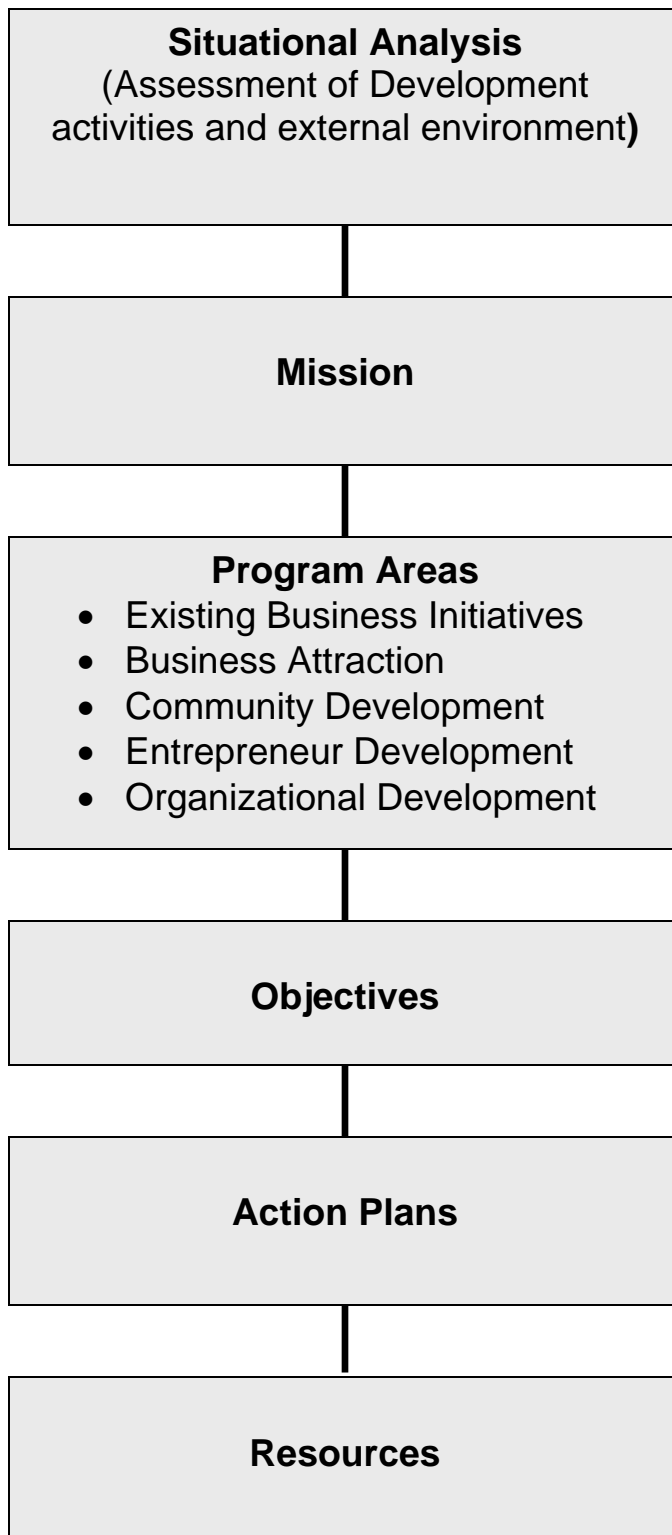
With the surveyed companies indicating that they are looking at investing \$82.5 million in our community in the next 12 to 36 months for either jobs or capital investment and 70% of the companies looking at expansion, we should be enthused about where we are and what can happen in the near future.

All of this works hand-in-hand with the partnerships that our government leaders sometimes take too lightly. With the various entities including the Iowa Workforce Development Center, NIACC, North Central Growth Partnership, Mason City Chamber of Commerce, Mason City Municipal Airport and the City Administrator, we partner to keep the health of our community vibrant. We need the support and partnership of all or successful business development and existing business retention and expansion will become increasingly more difficult.

I encourage you to support our efforts in whatever way you can. We need your time, talent and trust to work to our fullest capabilities. ~ Angela Determan

Overall Economic Development Planning Process

Example



What are the basic purpose and scope of our organization's activities? Who do we serve? What do we seek to accomplish?

Categories which help accomplish our mission by providing a structure for related objectives.

By accomplishing these major objectives, our mission is fulfilled and our community will benefit.

These are the individual steps that must be taken to accomplish the objectives.

These are the people, money, and information that make the action steps achievable.