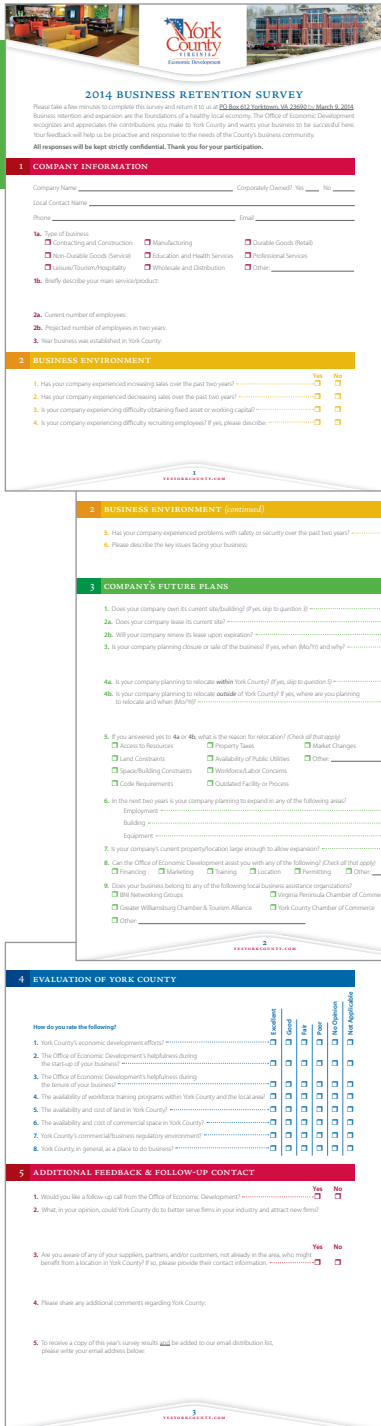


2014 BUSINESS RETENTION AND EXPANSION SURVEY REPORT





2014 BUSINESS RETENTION SURVEY

Please take a few minutes to complete this survey and return it to us or EDA@YorkCountyVA.gov by March 5, 2015. Business retention and expansion are the foundation of a healthy local economy. The Office of Economic Development recognizes and appreciates the contributions you make to York County and wants your business to be successful here. Your feedback will help us better understand and respond to the needs of the County's business community. All responses will be kept strictly confidential. Thank you for your participation.

1 COMPANY INFORMATION

Company Name _____ Corporately Owned? Yes _____ No _____
 Local Contact Name _____
 Phone _____ Email _____

1a. Type of business: ☐ Contracting and Construction ☐ Manufacturing ☐ Durable Goods (Retail)
☐ Non-Durable Goods Service ☐ Education and Health Services ☐ Professional Services
☐ Leisure/Tourism/Hospitality ☐ Wholesale and Distribution ☐ Other _____

1b. Briefly describe your main service/product: _____

2a. Current number of employees: _____
 2b. Projected number of employees in two years: _____
 3. Year business was established in York County: _____

2 BUSINESS ENVIRONMENT

1. Has your company experienced increasing sales over the past two years? _____
 2. Has your company experienced decreasing sales over the past two years? _____
 3. Is your company experiencing difficulty obtaining fixed asset or working capital? _____
 4. Is your company experiencing difficulty recruiting employees? If yes, please describe: _____

2 BUSINESS ENVIRONMENT (continued)

5. Has your company experienced problems with safety or security over the past two years? _____
 6. Please describe the key issues facing your business: _____

3 COMPANY'S FUTURE PLANS

1. Does your company own its current building? If yes, skip to question 3. _____
 2a. Does your company lease its current site? _____
 2b. Will your company renew its lease upon expiration? _____
 3. Is your company planning closure or sale of the business? If yes, when (Month) and why? _____
 4a. Is your company planning to relocate within York County? If yes, skip to question 5. _____
 4b. Is your company planning to relocate outside of York County? If yes, where are you planning to relocate and when (Month)? _____
 5. If you answered yes to 4a or 4b, what is the reason for relocation? (Check all that apply)
☐ Access to Resources ☐ Property Taxes ☐ Market Changes
☐ Land Constraints ☐ Availability of Public Utilities ☐ Other _____
☐ Space/Building Constraints ☐ Workforce/Labor Concerns ☐ Code Requirements ☐ Outdated Facility or Process
 6. In the next two years is your company planning to expand in any of the following areas?
 Employment _____ Yes No
 Building _____
 Equipment _____
 7. Is your company's current property/location large enough to allow expansion? _____
 8. Can the Office of Economic Development assist you with any of the following? (Check all that apply)
☐ Financing ☐ Marketing ☐ Training ☐ Location ☐ Permitting ☐ Other _____
 9. Have your business dealings with any of the following local business assistance organizations?
☐ BNI Networking Groups ☐ Virginia Peninsula Chamber of Commerce
☐ Greater Williamsburg Chamber & Tourism Alliance ☐ York County Chamber of Commerce
☐ Other _____

4 EVALUATION OF YORK COUNTY

How do you rate the following?

	Excellent	Good	Fair	Poor	Not Applicable
1. York County's economic development efforts?	☐	☐	☐	☐	☐
2. The Office of Economic Development's helpfulness during the start-up of your business?	☐	☐	☐	☐	☐
3. The Office of Economic Development's helpfulness during the tenure of your business?	☐	☐	☐	☐	☐
4. The availability of workforce training programs within York County and the local area?	☐	☐	☐	☐	☐
5. The availability and cost of space in York County?	☐	☐	☐	☐	☐
6. The availability and cost of commercial space in York County?	☐	☐	☐	☐	☐
7. York County's commercial/business regulatory environment?	☐	☐	☐	☐	☐
8. York County in general, as a place to do business?	☐	☐	☐	☐	☐

5 ADDITIONAL FEEDBACK & FOLLOW-UP CONTACT

1. Would you like a follow-up call from the Office of Economic Development? Yes _____ No _____
 2. What, in your opinion, could York County do to better serve firms in your industry and attract new firms? _____
 3. Are you aware of any of your suppliers, partners, and/or customers, not already in the area, who might benefit from a location in York County? If so, please provide their contact information: _____
 4. Please share any additional comments regarding York County: _____
 5. To receive a copy of this year's survey results, please be added to our email distribution list, please write your email address below: _____

INTRODUCTION

IN DECEMBER OF 1999, the Economic Development Authority (EDA) – formerly the Industrial Development Authority – initiated a Business Retention and Expansion Survey Program for York County.

THE OBJECTIVES OF THE BUSINESS RETENTION SURVEY ARE TO:

- ➔ Learn about the local business community's perceptions of York County and the advantages and disadvantages of operating a business here.
- ➔ Identify pervasive problems or trends negatively impacting businesses and develop programs and/or processes to address these impacts and improve the economic environment in York County.
- ➔ Identify "red flag" situations and companies that are at risk of closing or relocating.
- ➔ Respond to the needs of "red flag" businesses with a variety of services, from providing information on financing and marketing to acting as a liaison to County/State agencies.
- ➔ Establish a benchmark for measuring the effectiveness of our business retention and expansion program.

IN JANUARY 2000, over 1,000 surveys were sent to a sample of businesses in York County. This initial survey established a benchmark to measure the effectiveness of our business retention and expansion program, as well as the overall perception of economic development in the County. Over the years, list scrubbing has led to a reduction in the number of mailed surveys (2006 and 2008), but also an increase in the percentage of responses received. During 2007, staff worked closely with a team of students from The College of William and Mary's Thomas Jefferson Public Policy Program to review and revamp the survey, making it more useful and user-friendly. The format, question style, and visual appeal were all greatly improved, as was the response rate.

IN FEBRUARY 2014, the EDA mailed **760 surveys** and received **119 responses via mail** and the **Economic Development website** for a **15.7% return rate**. This represented an increase from the response rates received in 2012, which was a positive sign.

SURVEY RESPONSE RATES ARE AS FOLLOWS:

SURVEY YEAR	NUMBER OF SURVEYS MAILED	NUMBER OF RESPONSES RECEIVED	RETURN RATE
2002	1,200	210	17.5%
2004	1,650	229	13.9%
2006	1,230	215	17.5%
2008	840	178	21.0%
2010	970	182	18.8%
2012	798	78	9.8%
2014	760	119	15.7%

Survey respondents consisted of
61% Corporately-owned businesses and
39% independently-owned enterprises.

SURVEY RESPONDENTS CONSISTED OF BUSINESSES REPRESENTING THE FOLLOWING INDUSTRIES:

INDUSTRY	2010 RESULTS	2012 RESULTS	2014 RESULTS
Contracting or Construction	12.0%	21.8%	22.1%
Manufacturing	4.3%	3.8%	4.1%
Durable Goods (Retail)	14.7%	24.4%	13.1%
Non-Durable Goods (Service)	5.4%	9.0%	5.7%
Education or Health Services	4.3%	2.6%	5.7%
Professional Services	27.7%	16.7%	22.1%
Leisure/Tourism/Hospitality	5.4%	2.6%	3.3%
Wholesale or Distribution	1.6%	2.6%	2.5%
Other	32.1%	26.9%	30.3%

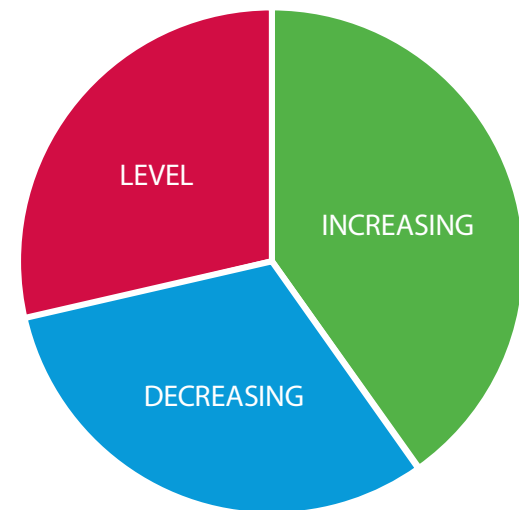
SURVEY RESULTS

The following data depicts results for several of the survey questions that provide insight into the business owners' perceptions of doing business in York County in our current economy.

QUESTION:
**HAS YOUR COMPANY EXPERIENCED
INCREASING, DECREASING, OR LEVEL
SALES OVER THE PAST TWO YEARS?**

The overwhelming majority of respondents noted that they experienced level or increasing sales over the past two years, which is hopefully an indicator that the economy is finally improving, albeit slowly.

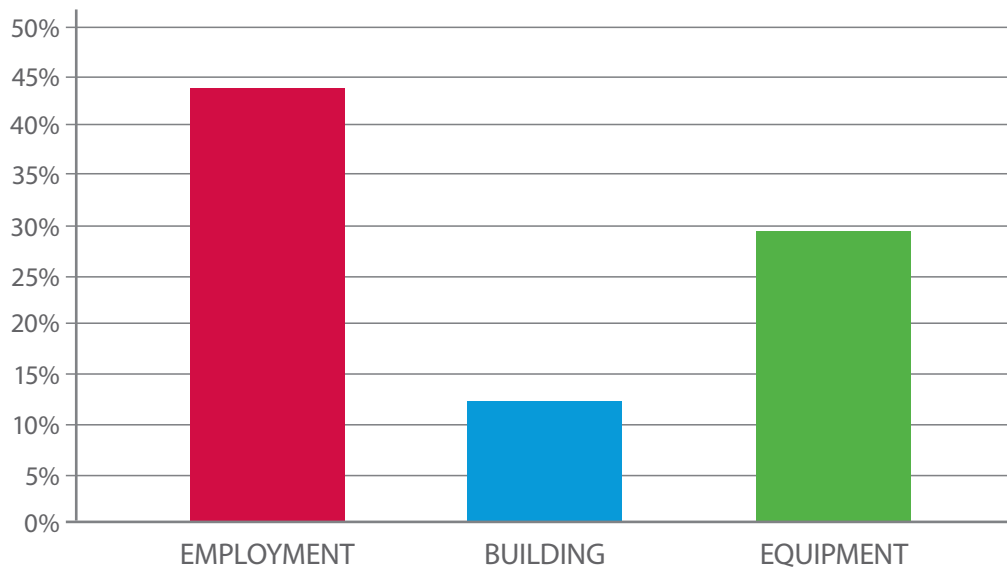
SALES LEVELS OVER THE PAST 2 YEARS



**QUESTION:
IN THE NEXT TWO YEARS,
IS YOUR BUSINESS PLANNING
TO EXPAND IN THE
FOLLOWING AREAS?**

A new and very positive trend in this year's survey is the expected growth and expansion of the respondent's businesses in several key areas. OED staff are ramping up outreach efforts to the business community so that staff can be ready to assist when needed.

EXPANSION PLANS OVER THE NEXT 2 YEARS



**QUESTION:
PLEASE DESCRIBE THE
KEY ISSUES FACING
YOUR BUSINESS.**

The main issue, by far, for the respondent's businesses was the current state of the economy, with 20 respondents citing this concern. This is a continuing trend from the 2008, 2010, and 2012 surveys, however, it has decreased since the 2012 survey. Many attributed the lackluster economy to rising costs of doing business, changes in their industry or processes causing increased costs and/or reduced workloads, and changes in consumer and government spending habits.

TOP THREE RESPONSES:

1. Current state of the economy.
2. Workforce concerns, namely finding and keeping skilled labor.
3. Decreased demand/sales stemming from marketing concerns, tied with industry-specific changes/costs.

**QUESTION:
DOES YOUR COMPANY EXPERIENCE
DIFFICULTIES RECRUITING
EMPLOYEES WITH ADEQUATE SKILLS?**

IF YES, PLEASE DESCRIBE.

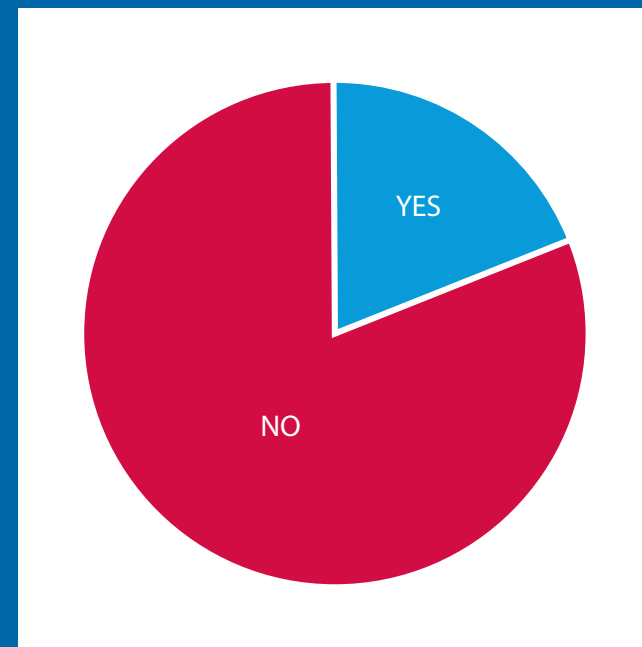
In previous surveys, workforce issues seemed to be the most consistent and problematic issues facing the survey respondents. In 2008, 25% said they had issues in the areas of workforce development and employee attraction and retention. In 2010, that percentage fell quite a bit, to just 13%, or 24 out of 182 respondents. In 2012, only 10 out of 78 responded that recruiting employees with adequate skills was an issue.

This year, the response had risen slightly to 19 respondents (or 20%) citing workforce issues.

SOME COMMON CONCERNS FOCUSED ON:

1. Difficulty finding experienced/skilled workers
2. Difficulty finding and retaining quality employees (i.e. Work Ethic)
3. Aging workforce, with no available/trained replacements

**EMPLOYEE
RECRUITMENT DIFFICULTIES**



** Note: The Peninsula Council for Workforce Development provides employment services and training for both employers and employees in Hampton Roads. Visit www.pcfwd.org for more information on Peninsula Worklink, the Youth Career Café, and the many other workforce programs offered.*

**QUESTION:
IS YOUR COMPANY
PLANNING CLOSURE
OR SALE OF
THE BUSINESS?**

IF YES, WHY?

Eight respondents indicated they have plans to close and/or sell their business and one indicated it was a possibility. Two planning to close/sell were due to the owners planned retirements, one was from a lack of space to expand, and the others were planning to sell their businesses due to the sluggish economy or rising business costs.

**QUESTION:
IF YOU PLAN TO EXPAND
YOUR BUSINESS, IN
WHICH AREAS CAN
OED ASSIST YOU?**

The following list shows the areas in which respondents who plan to expand their businesses would like help from the OED:

1. Marketing	27
2. Financing	11
3. Permitting	8
4. Location	7
5. Training	5

Consistent with responses from 2006 to 2012, marketing is the category for the 2014 survey in which respondents indicated they needed the most assistance. In response to this, the OED has developed several new initiatives aimed not just at training businesses in new and innovative marketing techniques, but also at actually promoting the businesses to the local community and increasing their exposure. Knowing the type of information and resources York County businesses need will help OED staff determine the type of information to include in the Business Resource Guide and on the Economic Development Website and assist staff with the development of new business assistance programs.

**QUESTION:
WHAT CAN YORK
COUNTY DO TO
BETTER SERVE
LOCAL BUSINESSES?**

When asked what York County could do to better serve firms and to attract new firms to the area, comments centered on the following:

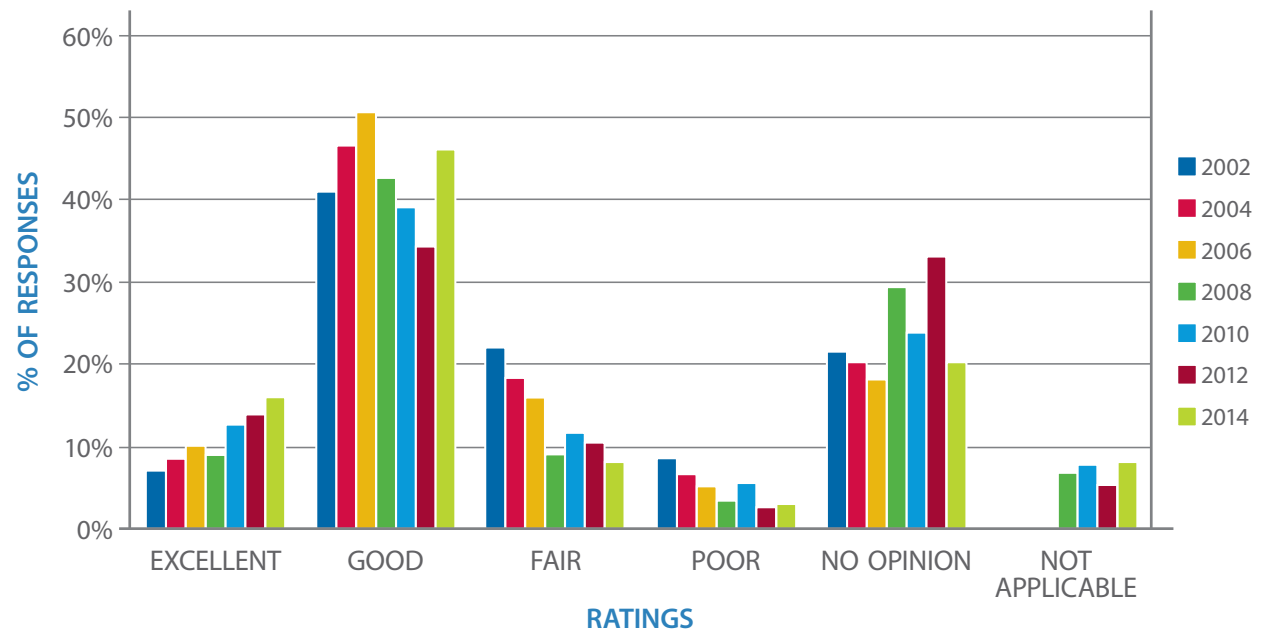
1. Create a more business-friendly environment by reducing building regulation restrictions and improving staff's attitudes
2. Lower business taxes and fees
3. Offer more support to existing small businesses and "touch" more of them
4. Better promote available OED services and resources

THE FOLLOWING GRAPHS depict results for two of the survey questions that provide insight into the business owners' perceptions of York County and how these opinions have changed since 2002.

**QUESTION:
HOW DO YOU RATE
THE COUNTY'S
ECONOMIC
DEVELOPMENT
EFFORTS?**

The overall opinion regarding the County's economic development efforts was high. **In 2014, 62% of the respondents rated the County's economic development efforts as good or excellent**, which represented a significant increase from the 2012 ratings.

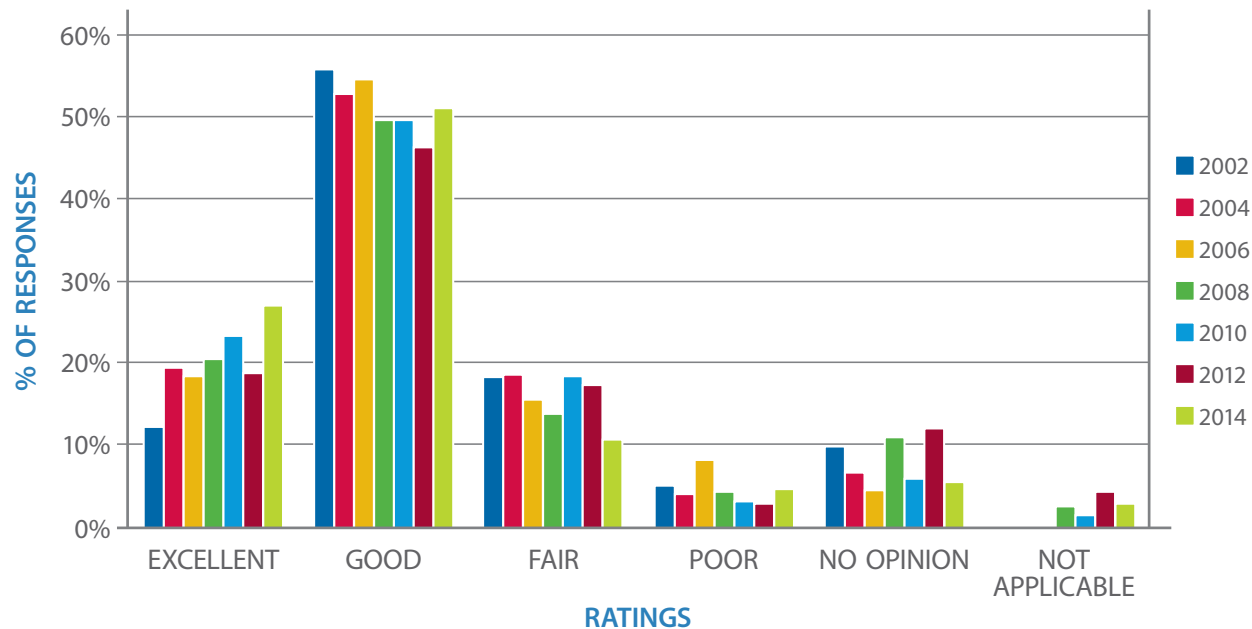
RATING YORK COUNTY'S ECONOMIC DEVELOPMENT EFFORTS



QUESTION:
WHAT IS YOUR OVERALL OPINION OF THE
COUNTY AS A PLACE OF BUSINESS?

The overall opinion regarding the County's business environment was positive. In 2014, 90 respondents (78%) believed that the County was a good or excellent place to operate a business. This was up significantly from 64% (49 respondents) in 2012.

RATING YORK COUNTY AS A PLACE TO DO BUSINESS

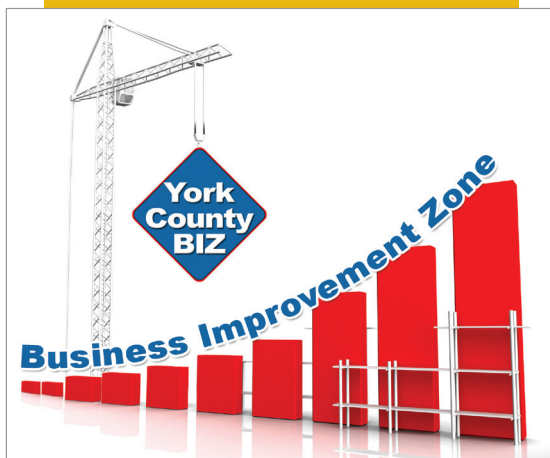


CONCLUSION

In response to these survey results and feedback received throughout the past two years, the OED has taken several steps to improve the economic environment in York County and to address the recurring suggestion that we need to offer more new business services and marketing assistance.

The first step in this process was to improve the communication channels with the existing business community, to make them more aware of the programs and services currently being offered. The OED accomplished this in three ways:

- ➔ Regularly utilizing Constant Contact to deliver important information and event announcements to our new and existing businesses. Staff has improved these communications by including additional information on recent EDA actions, upcoming business events from partner organizations, and a list of all new businesses in the County. To sign up for these announcements, visit www.YesYorkCounty.com.
- ➔ Greatly enhanced our “Business Connections” by hiring two new work-as-required staff, enabling the OED to conduct more new business welcome visits and to call all new business license applicants to introduce them to our services and programs prior to them going through the county permit process. Additionally, OED senior staff continues to conduct regular business retention visits throughout the year.
- ➔ Continued to engage in additional pro-active marketing of our programs and services. This includes the addition of more speaking engagements at local business workshops and events; increased attendance at local business networking events, the placement of ads in local publications, such as Citizens News and Inside Business Magazine; exhibiting at local trade shows, such as Megavention, HRACRE, and the area’s chamber of commerce shows; and most importantly, significantly increasing the number of business connections made.



Once the channels of communication with the existing York County businesses were more open, the OED began the process of enhancing its programs and promotion of those programs. More business assistance resources, guides, and information were added to the York BIZ Program on the OED Website and enhanced marketing efforts of these resources began.

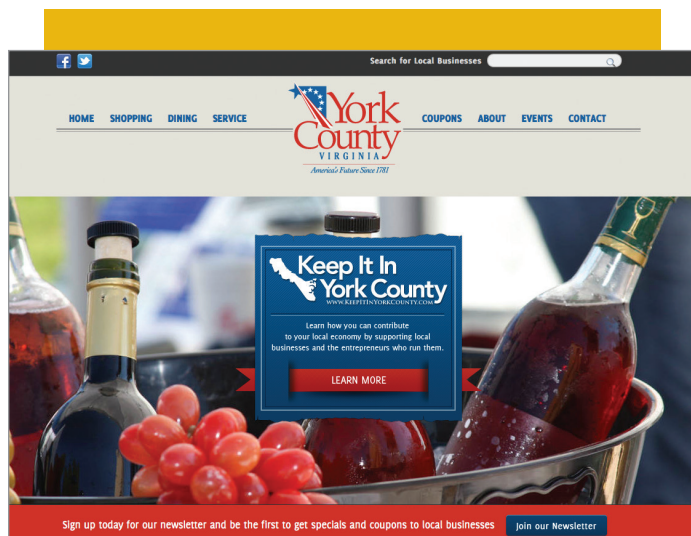
The **York BIZ (Business Improvement Zone)** program, a web-based business outreach program that was designed to provide new and existing businesses with the information and resources they need to succeed, thrive, and grow, is being much more heavily promoted and populated with new content on a regular basis. The OED is working closely with other state and local business assistance organizations to offer more

workshops and programs throughout the year. In partnership with the Hampton Roads Small Business Development Center, the Williamsburg SCORE Chapter, James City County, and the City of Williamsburg, several new educational workshops were held (more are planned in the near future) that addressed various aspects of marketing, financing, and customer service. Please visit our website at www.YesYorkCounty.com for detailed information on all available educational programs and to sign up for event notifications via email.

ADDITIONAL MARKETING AND PROMOTION IS BEING GIVEN TO THE COUNTY'S THREE EXISTING GRANT PROGRAMS:

1. The **Home-based Business Transition Grant Program**, which offers funds up to \$2,000 to existing home-based York County businesses moving to commercial space in the County.
2. The **NxLevel Scholarship Program**, which encourages York County's business owners and entrepreneurs to attend the Hampton Roads Small Business Development Center's NxLevel course, a 12-session, 15-week national entrepreneurial training program that helps entrepreneurs learn the skills needed to create and strengthen successful business ventures.
3. The **E-commerce Grant Program**, which encourages website development for York County's private businesses, helping them to better promote themselves online.

Each year the number one request is for the OED to offer more marketing assistance to our existing businesses. In response to the 2012 survey, the OED began publishing the names and addresses of all new businesses on the Economic Development website, providing free publicity for new companies. Staff has now taken that a step further and incorporated several new marketing initiatives to help promote our local businesses and train them to do the same.



➔ **BUY LOCAL PROGRAM:** In May 2013, the York County EDA launched its new Buy Local initiative and website, titled "Keep It In York County". The campaign aims to educate local residents about the direct benefits to them from buying local and to encourage them to do so whenever possible. It also serves as a free online marketing tool for York's existing businesses. The main component of the campaign is an interactive website www.KeepItInYorkCounty.com that features a free, searchable, online database of all of York County's existing commercially-based businesses. It includes a basic listing, however; businesses are encouraged to enhance their listing for free with photos, logos, coupons, events, descriptions, taglines, and more. The website provides a one-stop-shop for finding local businesses and events. It explains the reasons that buying local directly benefits

residents, businesses, and our entire community. The site also hosts a community calendar to help promote local events, sales, and specials. These features are meant to keep visitors periodically checking back to the site.

➔ **OED WEBSITE:** In addition to publishing the new business list monthly, the OED website also features recent news stories about local businesses, including any recent awards or accomplishments received. Any York County business is welcome to submit news articles for publication on the site. This opportunity not only provides free advertising to new companies, but also promotes the 'Keep it in York County' theme and mentality.

➔ **E-NEWSLETTERS:** Each month OED staff composes and distributes two emailed newsletters to over 3400 local businesses. The OED newsletter features upcoming business events, recent EDA actions, relevant business announcements, stories about local businesses in the news, and the list of new businesses for the past month. The Buy Local e-newsletter promotes upcoming business sales and events, features current coupons and offers for local businesses, and highlights one of the many reasons businesses and citizens should "Buy Local" whenever possible. Each of these newsletters provides local businesses with additional free exposure.

➔ **SOCIAL MEDIA:** In the near future, the OED will offer several York County Economic Development social media sites as another means of promoting our businesses, as well as news and events in the County. Plans are underway to create an OED Facebook page, Twitter site, and Linked In page, for the purpose of connecting with more of our local businesses and further promoting their news, events, and announcements.

GRAND OPENING GUIDE

The OED offers free Grand Opening and Ribbon Cutting Assistance to all York County businesses. These services include planning assistance, scheduling speakers, providing the ribbon and large ceremonial scissors, taking event photos, and drafting and distributing a media release announcing the event. Due to the increase in requests for this service, OED staff recently developed a new brochure that details the process and best practices for these types of celebrations. The brochure is available online at www.YesYorkCounty.com or at the OED office, located at 224 Ballard Street in Historic Yorktown.

