

2016 BUSINESS RETENTION AND EXPANSION SURVEY REPORT





2016 BUSINESS RETENTION SURVEY

Please take a few minutes to complete this survey and return it to us at EDA@YorkCountyVA.gov by **Friday, March 18, 2016**. 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 practice 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 _____

Local Address _____

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. New business was established in York County: _____

2 BUSINESS ENVIRONMENT (continued)

5. Has your company experienced problems with safety or security over the past two years? Yes No

6. Please describe the key issues facing your business: _____

3 COMPANY'S FUTURE PLANS

1. Does your company own its current site/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? 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? Why?) _____

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 Dated Facility or Process

6. In the next two years is your company planning to expand in any of the following areas? Yes No

Employment _____

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. Through your business, belong to 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 No Opinion 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 commercial space in York County?

6. York County's commercial/business regulatory environment?

7. 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 yes, please provide their contact information.) Yes No

4. Please share any additional comments regarding York County: _____

5. To receive a copy of this year's survey results and be added to our email distribution list, please write your email address below: _____

INTRODUCTION

IN DECEMBER OF 1999, the Industrial Development Authority (IDA) 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 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 2016, the EDA mailed **936 surveys** and received **78 responses** via mail and the Economic Development website for a **8.3% return rate**. This represented a 7% decrease from the response rates received in 2014.

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%
2016	936	78	8.3%

Survey respondents consisted of **57% Corporately-owned businesses** and **43% independently-owned enterprises.**

SURVEY RESPONDENTS CONSISTED OF BUSINESSES REPRESENTING THE FOLLOWING INDUSTRIES:

INDUSTRY	2012 RESULTS	2014 RESULTS	2016 RESULTS
Contracting or Construction	21.8%	22.1%	14.1%
Manufacturing	3.8%	4.1%	2.6%
Durable Goods (Retail)	24.4%	13.1%	19.2%
Non-Durable Goods (Service)	9.0%	5.7%	21.8%
Education or Health Services	2.6%	5.7%	3.9%
Professional Services	16.7%	22.1%	24.4%
Leisure/Tourism/Hospitality	2.6%	3.3%	12.8%
Wholesale or Distribution	2.6%	2.5%	1.3%
Other	26.9%	30.3%	0%

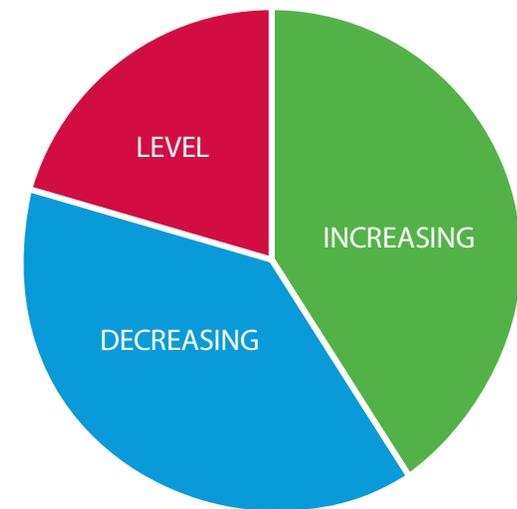
SURVEY RESULTS

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 majority of respondents (61.5%) 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.

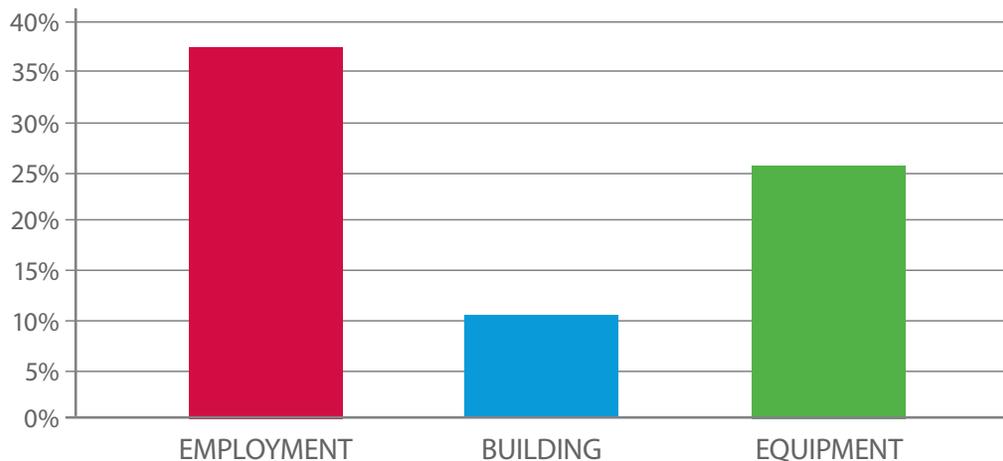
SALES LEVELS OVER THE PAST 2 YEARS



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

A 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 for the respondent's businesses was the current state of the economy, with 13 respondents citing this concern. This is a continuing trend from the 2008, 2010, 2012, and 2014 surveys; however, it has decreased since the 2014 survey and decreased significantly since the 2012 survey. Many attributed the lack-luster 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. Market Slowdowns/Excessive Competition
3. Road Construction
4. Local and State Regulations/Costs
5. Workforce concerns, namely finding and keeping skilled labor

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

IF YES, PLEASE DESCRIBE.

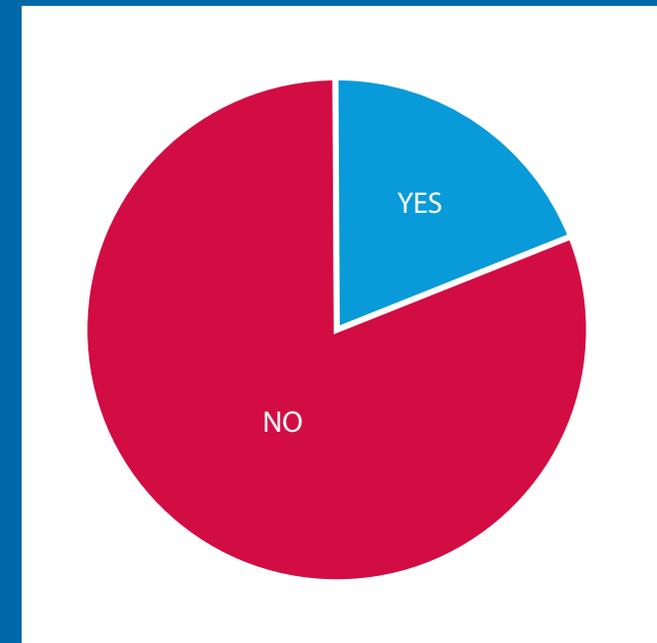
In previous surveys, workforce issues seemed to be the most consistent and problematic issues facing the survey respondents. In 2008, 25% said they had issues in the areas of workforce development and employee attraction and retention. In 2010, that percentage fell quite a bit, to just 13%. In 2012,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

This year, the response had risen again to 19 respondents (or 24%) 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)

**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?

Only three respondents indicated they have plans to close and/or sell their business. Two planning to close/sell were due to the owners planned retirements and the other was planning to sell their businesses due to the sluggish economy/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 | 18 |
| 2. Permitting | 5 |
| 3. Financing | 4 |
| 4. Location | 3 |
| 5. Training | 2 |

Consistent with responses from 2006 to 2014, marketing is the category for the 2016 survey in which respondents indicated they needed the most assistance. In response to this, the OED has developed 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, helps OED staff determine the type of information to include in the Business Resource Guide and on the Economic Development Website and assists 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:

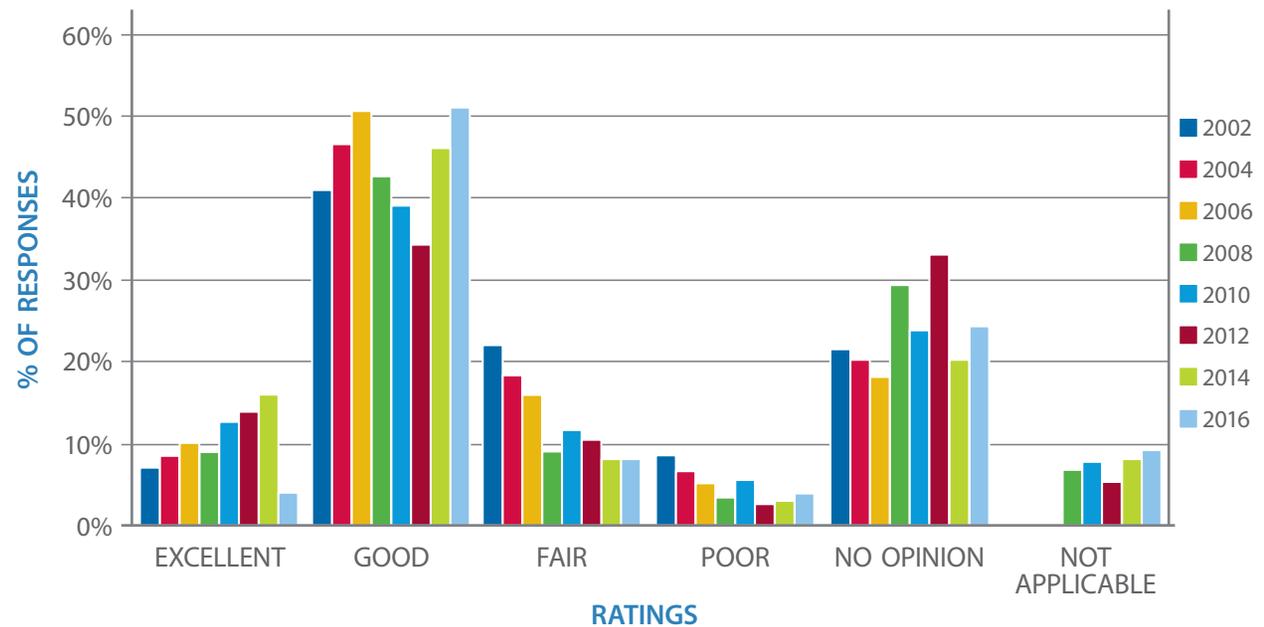
1. Create a more business-friendly environment by reducing building regulation restrictions and improving staff's attitudes
2. Lower business taxes and fees
3. Offer more support to existing small businesses and "touch" more of them
4. Better promote available OED services/resources and local businesses

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 is good. In 2016, **55%** of the respondents rated the County's economic development efforts as good or excellent, which represented a slight decrease from the 2014 ratings.

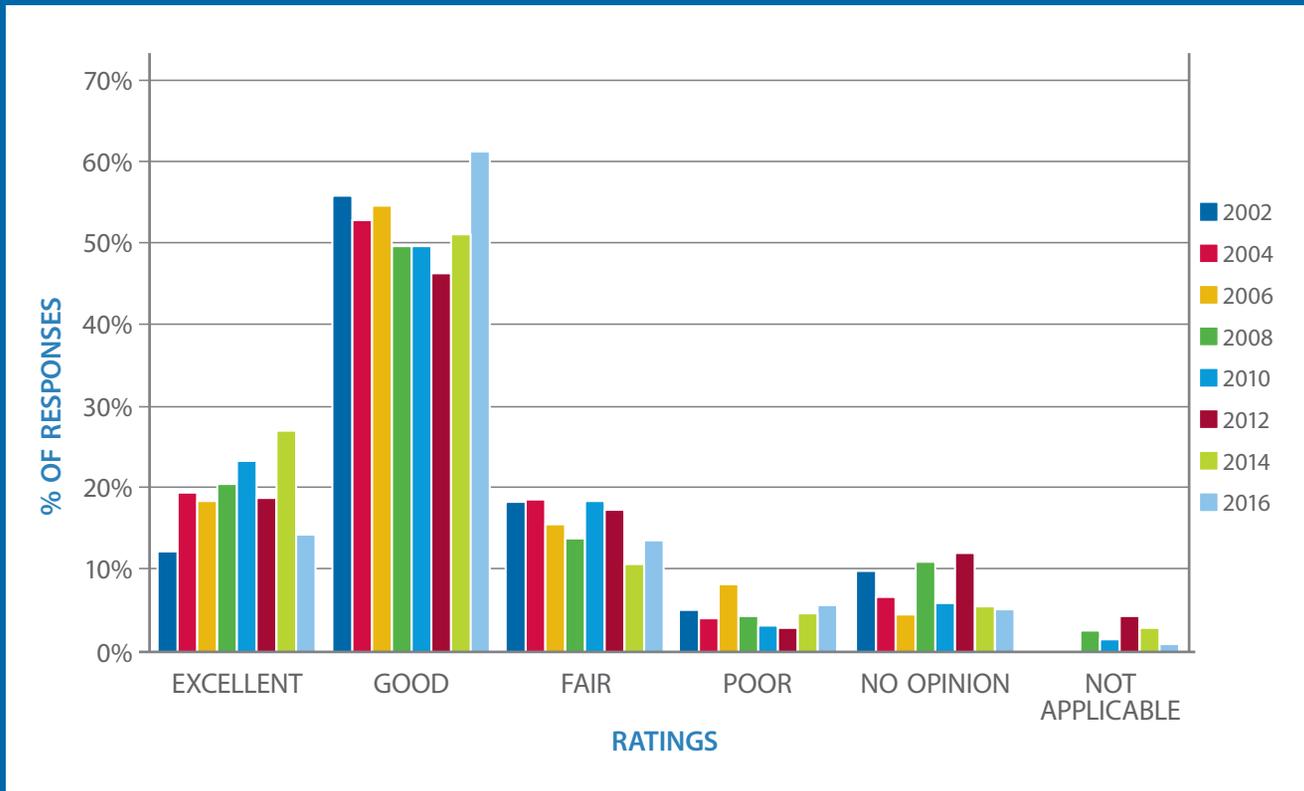
RATING YORK COUNTY'S ECONOMIC DEVELOPMENT EFFORTS



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

The overall opinion regarding the County's business environment is positive. In 2016, 58 respondents (75%) believed that the County was a good or excellent place to operate a business.

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 even more marketing assistance.

The OED constantly works to improve and increase **communication with our existing business community** to make them more aware of the programs and services currently being offered. The OED accomplishes this in four ways:

- Regularly utilizing **Constant Contact** to deliver important information and event announcements to our new and existing businesses. To sign up for these announcements, visit www.YesYorkCounty.com.
- Conducting **new business welcome visits** and calling 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.
- Proactively **marketing our programs and services** via 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 chamber publications; exhibiting at local trade shows, such as HRACRE, and the area's chamber of commerce shows; and most importantly, significantly increasing the number of business connections made.
- Educating and engaging our existing employers on available services and programs via the new **E³ Initiative**. This program's purpose is to improve the County's existing business environment and foster new economic development initiatives by bringing together a diverse group of York County executives on a quarterly basis in an open and collaborative forum.



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

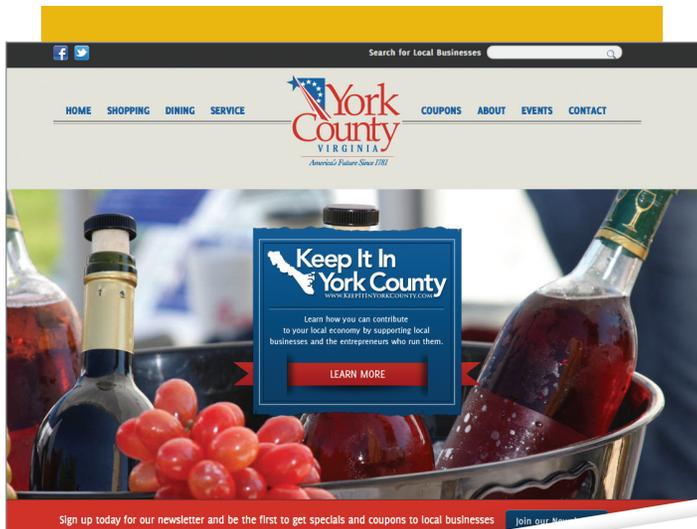
1. The **Google Street View for Business Grant Program** is a brand new program that offers matching funds up to \$500 per business towards having interior panoramic photos taken and made into an interior tour to be posted on Google.

2. 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, thus giving the company better exposure and opportunities.
3. The **SBDC NxLevel/Business Plan Course 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.
4. The **E-commerce Grant Program**, which supports website development for York County's private businesses, helping them to better promote themselves online.

Each year the number one request has been 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 2013, the York County EDA launched its new Buy Local initiative and website, titled **“Keep It In York County”**. The main component of the campaign is an interactive website www.KeepItInYorkCounty.com that serves as a free online marketing tool for York's existing businesses. The site features a searchable database of all of York County's existing commercially-based businesses. Each business automatically has 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, events, sales, and specials. OED Staff is continually promoting the site, and thus the businesses listed on it. Billboards have been placed at local sports fields, ads placed in local newspapers and publications, and much more.

→ **E-NEWSLETTERS:** Each month OED staff composes and distributes two emailed newsletters to over 3400 local businesses. The **OED e-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.



- **GOOGLE PARTNER PROGRAM:** 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.
- **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.
- **EDUCATION COURSES:** Each year the EDA, in partnership with the Hampton Roads Small Business Development Center, the Williamsburg SCORE Chapter, James City County, and the City of Williamsburg, sponsors several education courses for local businesses to teach them how to better promote and market themselves. This year the focus was expanded to include better assistance to home-based businesses, in addition to traditional brick-and-mortar companies. A series of Lunch & Learns is being held monthly from February - October to help attendees in important areas, such as legal, marketing, accounting, cyber security, etc. The EDA also worked with the Small Business Development Center to bring back retail and restaurant expert Marc Willson to provide workshops and one-on-one counseling sessions for attendees. 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.

CONTACT INFORMATION

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