

FORMAL BUSINESS RETENTION & EXPANSION (BR&E) SURVEY

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The Challenge:

A declining sense of social-connectedness, a community's lack of understanding of itself, and an ill-informed plan of action for economic development are the woes that confront many struggling communities in these days of rapid societal and economic change. Businesses require that specific needs be met by the community they inhabit. Community leaders strive to provide for the needs of their businesses. Understanding specific needs of businesses can often be problematic for community leaders. Understanding specific community resources available to local business can often be problematic for businesses. To help local government and businesses better understand one another, a community may employ a formal Business Retention and Expansion (BR&E) survey. An improved working relationship between local leaders and the business community will facilitate the retention and expansion of businesses and create a more positive business environment overall.

Dialogue between the business community and local leaders can provide communities with an "early warning" system. Communities are hard-hit financially when existing employers announce mass layoffs or worse yet, a pending closure. An open, ongoing dialogue provides an opportunity for business and community leaders to share such information early and often, so that the effects of such announcements can be minimized, or avoided altogether.

The survey results may help to identify strategies for community economic development and design a comprehensive Business Retention and Expansion Program that combine various tools targeted at improving local business environment.

Communities can make significant economic development progress when local development efforts are thoughtful, informed with data and community input, and strategic in nature. Engaging in dialogue with existing businesses to better understand their needs and concerns can provide development officials with the breadth and depth of data that enable the development of a focused and deliberate plan of work to strengthen the local economy.

A Step-by-Step Approach to Conducting a BR&E Survey

1. Task force composition. The first step in the BR&E Survey cycle is to put together a task force that will typically include 10-20 members. Membership is drawn from financial institutions, utility companies, businesses, local and regional governments, and religious, civic, and educational institutions. Local media involvement can be helpful as well. The task force should include individuals who are willing and able to contribute time and effort to the program; from identification of program objectives, to data collection, to analysis, and then follow up. Throughout the history of such programs in which, for instance, the Ohio State University been the lead consultant, the task force composition has proven to be perhaps the most critical element to the success of the BR&E survey (Ohio BR&E Initiative). (For more information concerning how to constitute and manage the local BR&E Task Force, see [Appendix I](#)). The task force works under the direction of a task force coordinator, usually someone in the community charged with leading economic development efforts.

2. Roles, responsibilities, and expectations. BR&E survey objectives should be discussed and made clear to the task force members as they will determine the economic sectors which will be part of the survey, what questions should be included on the questionnaire, and what other organizations or individuals may need to be involved. (For more information concerning how to organize these efforts, see [Appendix II](#)). An overview of BR&E as an economic development method may also be necessary before going forward.

3. Survey methodology. Survey methodology is important and needs to be carefully considered. For instance, to address program objectives, are face-to-face interviews most effective? If face-to-face interviews will be part of the methodology, will task force members require training in order to perform the in-person visits? Will a mail-survey suffice? How can the Internet be used in data collection and/or follow up with survey non-respondents? Who should be involved in the survey? That is, is a sampling plan needed or will all businesses be surveyed? The method of data collection will help the task force coordinator and task force members better identify specific tasks they will need to address. The methodology employed directly affects program costs such as: paper costs and postage fees associated with mail surveys, task force members' time in cases of in-person visits, etc.

4. Identify the survey respondents. The task force must decide who will be asked to respond to the BR&E survey, and then how to perform the survey. For instance, is a mailing list available? If not, can a mailing list be developed using existing lists? Are email addresses available to enable email follow up?

5. Program timeline. The timeline holds the task force accountable, provides direction to the effort, and keeps the task force coordinator on track. Obviously, there are advantages and disadvantages to an accelerated timeline as there are to a more protracted effort. It is possible to go from task force identification to

survey, to data collection and analysis/follow up in 4 months. However, more realistically timelines for this survey cycle are 6-7 months. (For help in laying out the program timeline, see [Appendix III](#)). The timeline identifies the various parts of the survey program so that task force members can see where/how their assistance is needed.

6. Survey questionnaire. Existing questionnaires that have been tested should be used when possible. If modifications are necessary, it can be easier to offer draft versions for task force review and reaction rather than trying to modify or create a new questionnaire as a group. To increase the rate of response, care should be taken to ensure the questionnaire is of sufficient length to gather only that information that will be useful toward meeting program objectives. (For a sampling of questions typically part of a BR&E survey, see [Appendix IV](#)).

7. Program announcement. The survey should be announced and actively promoted in the community. Media representation on the task force can be helpful in publicizing the program. Announcing it serves several purposes. A public announcement helps to legitimize the program throughout the business community. When businesses are aware of the BR&E survey, they will be more likely to respond when asked to participate. The public announcement can also build 'energy' throughout the community and make businesses to anticipate the survey findings and resulting community action. Sharing BR&E program intentions with the public via public announcements also helps to recognize the members of the task force. (For assistance in formulating a communication strategy, see [Appendix V](#)).

8. Data collection. Typically, whether performed via mail survey or Internet, the data collection process will involve roughly 4-6 weeks (Ohio BR&E Initiative, 2007). If an in-person visit format is employed, that timeframe will vary depending upon the number of businesses being visited and the number of visitors available. Time is also required for data entry and cleaning the errors.

9. Findings. The task force coordinator reviews the findings to identify 'red flag' issues. The 'red flag' issues are those which require an 'immediate' response from community officials. For example, a survey respondent who indicates a business closure is imminent within 6-12 months provides the task force coordinator with a 'red flag' issue. Other issues and concerns shared by specific businesses may be organized and prioritized by the task force coordinator at this time. It is also important to ensure that confidential respondent information is handled in a discrete and professional manner. More general information gathered from the forced-choice survey items can be presented in aggregate form. The task force should meet to review and interpret these survey findings. (To help keep follow up activities organized, refer to [Appendix VI](#)).

10. Repeating the cycle. The BR&E survey can be repeated on a regular basis. Before repeating however, local development officials should follow up

with individuals, agencies, and institutions tasked with addressing issues and concerns identified. It is important to consider re-formulating the task force to allow less interested members to cycle off, and potentially new members to join the group.

Sharing Survey Results

There are many audiences who may be interested in the survey data collected. These audiences should be carefully considered and provided survey results in such a way that a valuable and meaningful story is told and an interest is generated. For example, findings related to workforce needs should be interpreted and shared with representatives of area educational institutions, so that the community can begin to prepare the types of employees that businesses need. Similarly, business financing-related information should be shared with area financial institutions and business support-counseling services. Other data may be most useful to municipal service directors who are in a position to address utility rates or work with area transportation officials to widen roadway access, for example.

What are the necessary ingredients for BR&E Survey success?

First and foremost, a formal BR&E survey program should be used when local leaders possess a real desire to actively support their community's businesses. Communities engaging in a BR&E program without a genuine interest in helping local businesses will yield limited results. Key to the effort are local leaders who are willing and able to:

- engage in ongoing conversation with the business community to gain a better understanding of such things as: number of employees, employee training needs, raw inputs required, outputs created, expansion plans, etc.
- communicate assistance available to the business community, and;
- work with the business community and others to identify needed assistance that is not currently offered.

For maximum effectiveness, local leaders should wish to gain a better understanding of:

- existing community service capacities;
- specific business needs for community services;
- business community's perceptions of the community and its leadership; and

- overall assessment of community amenities.

Last, local leaders must be willing to receive criticism and be committed to pursuing the enhancement of relations between the municipality and business community.

A BR&E survey program can be most effective when it involves a broad cross-section of community stakeholders. Local development officials can lead the effort, but with the involvement of supporting agencies, educational systems, financial institutions, and clergy, for example, the effort can be significantly strengthened. Moreover, with community involvement via this task force format, not only is the BR&E workload distributed, the community's capacity to act can be more fully realized.

What other actions can be taken in conjunction with the BR&E Survey program for maximum efficiency?

Business Retention and Expansion Surveys should be treated only as a part of larger comprehensive Retention and Expansion program. A community can help foster dialogue that takes place as part of BR&E by organizing regular community forums or roundtables targeted to the business community. Quarterly breakfast forums involving presentations on topics of relevance to the business community can be an effective means of strengthening relationships and sense of connectedness among businesses and the community. As a result of such dialog a community should make a plan that provides directions for strategic community development.

In addition to the planning for economic development, successful communities also have an understanding of other critical elements necessary for economic development and have identified those elements or are taking steps to address them. Key elements include:

- economic development support via a dedicated economic development office,
- financing alternatives for a variety of business development financing needs,
- funding streams that can be tapped for community physical infrastructure required for business retention and/or expansion, and
- job training facilities such as community colleges and vocational training programs.

Ideally, community leaders make their BR&E survey but one part of a more comprehensive approach to community economic development.

How Have Communities Used the Formal BR&E Program in Ohio?

The BR&E survey format described in this essay gained popularity in the mid-1980s (Morse, 1990) and has been widely utilized throughout the United States. In Ohio, it has been employed under the direction of Ohio State University with over 140 communities participating over the past 20 years (Ohio BR&E Initiative, May 2007).

More recent BR&E Program findings in Ohio typically indicate satisfaction with police and fire protection services. Roadway maintenance and local government permitting processes usually receive lower satisfaction ratings. In addition, the availability of a trained workforce has been identified as a problem area in many communities as the trend continues for manufacturing jobs that require specialized skills. In areas enjoying very low rates of unemployment, 'people-skills' of front-line service sector workers have been identified as an issue as well.

Local governments in rural areas have used the BR&E survey to identify needs for key community infrastructure such as existing roadway maintenance and new interchange construction. One rural community recently identified a need for a performing arts center. As a result, a local donor came forward and a multi-million dollar facility has been constructed. Other communities have identified specific needs of businesses related to training, financing, and exporting, for example, and have responded in ways to address such needs in order to help those businesses become more productive and grow.

BIBLIOGRAPHY

Morse, George W. "A Conceptual Model of Retention and Expansion Business Visitation Programs," In *The Retention and Expansion of Existing Businesses: Theory and Practice in Business Visitation Programs*, ed. George W. Morse (Iowa: Iowa State University Press, 1990), 3-16.

The Ohio State University Business Retention & Expansion Initiative. "Welcome to the Ohio BR&E Initiative." The Ohio State University. <http://localecon.osu.edu/BRnE/> (accessed May 4, 2007).

APPENDIX I

BR&E Task Force & Task Force Coordinator Checklist

Use of this checklist will help to identify potential BR&E Task Force members. It will also help to clarify how the Task Force will be involved in the BR&E survey and what roles the Task Force Coordinator(s) will play.

A. Task Force

Clarify Task Force membership and associated roles and responsibilities.

1) Community segment(s) represented:

- ___ a) Local government _____
- ___ b) Regional government _____
- ___ c) Sub-national government _____
- ___ d) Economic development _____
- ___ e) Business _____
- ___ f) Education _____
- ___ g) Other _____

2) Responsibilities:

- ___ a) Establish BR&E procedures & policy
- ___ b) Set achievable, manageable, measurable objectives
- ___ c) Participate in Task Force meetings
- ___ d) Develop and approve survey instrument
- ___ e) Manage administration of survey
- ___ f) Collect, tabulate, analyze data
- ___ g) Develop and implement actionable items

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___h) Develop and implement community communications plan

___i) House & manage database

___j) Conduct "Red Flag" follow-up

___k) Preserve confidentiality

___l) Evaluate program and assess accountability

___m) Other _____

APPENDIX II

Plan Checklist

Use of this checklist will help to identify BR&E survey participants, focus program objectives and measurable outcomes, and identify data collection and management strategies. Working through the items on this checklist will help to communicate the overall program approach to BR&E Task Force members.

A. BR&E Stakeholders

Identify and categorize program stakeholders.

___ 1. Public

___ a. City

___ b. Regional

___ c. Sub-national

___ d. Other _____

___ 2. Private

___ a. Chamber of Commerce

___ b. Local businesses

___ c. Trade Unions

___ d. Non-Governmental Organizations

___ e. Other _____

___ 3. Residents

___ 4. Other _____

B. Program Measurement

Determine how you intend to measure impact of your BR&E efforts.

___ 1. Increased tax revenue

___ 2. Press mentions

___ 3. Vacancy rate

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- ___ 4. Jobs retained
- ___ 5. Jobs created
- ___ 6. Promotional materials created
- ___ 7. Other _____

C. Use(s) of Information

Identify ways in which BR&E data can be used.

- ___ 1. Increase/retain jobs
- ___ 2. Develop/improve relations with businesses
 - ___ a. Identify top businesses for relationship development and maintenance
- ___ 3. Develop programs for business
 - ___ a. Address needs of existing businesses
 - ___ b. Promote entrepreneurship
 - ___ c. Attract new business
- ___ 4. Improve/change community image (internal and/or external)
- ___ 5. Improve/preserve quality of life
- ___ 6. Program assessment
- ___ 7. Community planning
- ___ 8. Other _____

D. Type(s) of Information – Areas of Focus

What do you need to know in order to address items mentioned in 'C' above?

- ___ 1. Business investment forecast (BIF): businesses planning to downsize, sell, move, or expand
- ___ 2. Perceptions of:
 - ___ a. Education
 - ___ b. Health care
 - ___ c. Infrastructure
 - ___ d. Government services

- ___ e. Recreation
 - ___ f. Labor force
 - ___ g. Retail/services
 - ___ h. Housing
 - ___ i. Quality of life
 - ___ j. Other _____
- ___ 3. Business linkages
- ___ a. Customers
 - ___ b. Suppliers
- ___ 4. Operations
- ___ a. Change in product mix
 - ___ b. Change in sales/number of employees
 - ___ c. Marketing
 - ___ d. Business hours
 - ___ e. Succession plans
 - ___ f. Financial
 - ___ g. Other _____
- ___ 5. Business conditions
- ___ a. Legislation
 - ___ b. Technology changes
 - ___ c. Competition
 - ___ d. Economy
 - ___ e. Customers
 - ___ f. Other _____
- ___ 6. Workforce
- ___ a. Training
 - ___ b. Quantity/quality/availability
 - ___ c. Recruiting

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- d. Housing
- e. Other _____
- 7. Other _____

E. Source(s) of Information

Where can data to inform the items listed in 'D' above be acquired?

- 1. Secondary
 - a. Publicly available
 - 1. Location
 - b. Purchased reports
 - c. Other
- 2. Primary
 - a. Existing businesses
 - b. Residents
 - c. Workforce
 - d. Employees
 - e. Customers
 - f. Consumers
 - g. Other _____
- 3. Existing businesses
 - a. Targeted economic sectors
 - 1) Agriculture
 - 2) Industrial
 - 3) Retail
 - 4) Services
 - 5) Travel & tourism
 - 6) Other _____
 - b. Business type

- ___ 1) Size (revenue, # of employees, facilities SF)
- ___ 2) Ownership (single prop, branch, franchise, corporate HQ)
- ___ 3) Length of time in business
- ___ 4) Other _____
- ___ c. Geography
 - ___ 1) Multi-region _____
 - ___ 2) region _____
 - ___ 3) Sub-region _____
 - ___ 4) Other _____

F. Methodology

In what way(s) would you like to go about collecting and making use of data?

1. Survey type

- ___ a. Visitation
- ___ b. Mailed
- ___ c. Web-based
- ___ d. Fax
- ___ e. Telephone
- ___ f. Combination _____

2. Frequency of survey

- ___ a. One-time
- ___ b. Every month
- ___ c. Once per quarter
- ___ d. Twice per year

3. Data management

	Person(s) responsible
a. Data entry	
b. Data tabulation	
c. Data analysis	
d. Data storage	

APPENDIX III

Timeline Worksheet

Use of this worksheet will help you plan out and keep your BR&E program on track. This checklist also helps to communicate the major milestones that comprise the BR&E program to Task Force members and program stakeholders.

Major Milestones	Target Date
Constitute BR&E Taskforce	
Orient Taskforce members, discuss objectives and methodology	
Identify targeted economic sectors and areas of focus to study	
Draft questionnaire	
Provide draft questionnaire to Task Force for input	
Finalize questionnaire	
Finalize list of businesses to be surveyed	
Draft communications plan	
Publish survey	
Launch program with media release	
Begin data collection	
Finalize data collection	
Analyze and interpret data collected	
Address 'Red Flag' issues	
Communicate results to appropriate agencies, committees, institutions	
Coordinate comprehensive 'Action Plan'	

APPENDIX IV

Typical BR&E Survey Questions

1. What is your overall opinion of (COMMUNITY) as a place to do business?

(Select only one.)

-
- Excellent Good Average Poor Very Poor

2. What are your top three (3) reasons for locating or keeping your business in (COMMUNITY)?

(Select three.)

- | | |
|---|--|
| <input type="checkbox"/> Access to airport | <input type="checkbox"/> Access to metropolitan amenities |
| <input type="checkbox"/> Proximity to freeways | <input type="checkbox"/> Local officials |
| <input type="checkbox"/> Access to my customers | <input type="checkbox"/> Access to business support services (e.g., printing, advertising, financial services, hotels, etc.) |
| <input type="checkbox"/> Access to my suppliers | <input type="checkbox"/> Recreation facilities/entertainment |
| <input type="checkbox"/> Proximity to home | <input type="checkbox"/> Quality of housing |
| <input type="checkbox"/> Cost of doing business | <input type="checkbox"/> Quality of life |
| <input type="checkbox"/> Workforce availability | <input type="checkbox"/> Safety services |
| <input type="checkbox"/> Financial incentives | <input type="checkbox"/> Other: _____ |

3. Please describe your IMMEDIATE business needs or concerns that could be addressed by local government or local private entities.

4. How many employees work at your (COMMUNITY) business location?

(Select only one.)

-
- Fewer than 10 11-20 21-50 51-100 More than 100

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5. Please check the areas in which your current (COMMUNITY) employees need training.

(Select all that apply.)

- Current employees do not need training
- General skills (basic math, reading/writing, problem solving, etc.)
- Managerial skills (finance, business planning, employee management/relations, etc.)
- Professional skills (sales, marketing, accounting, etc.)
- Customer service skills (interpersonal communications, product knowledge, etc.)
- Computer skills (word-processing, database management, computer system installation/maintenance, etc.)
- Other technical skills
- Equipment operation skills
- Mechanical skills
- Specialized skills (medical skills, legal knowledge, etc.)
- Other: _____

6. What kind of modernization, renovation, or expansion are you considering?

(Select all that apply.)

- Warehouse space
- Manufacturing/production space
- Office space
- Parking area
- Adding another department, division or business
- Expansion into adjacent space
- Expansion into another location in the same building
- Expansion by acquisition
- Other: _____

7. Do you face any constraints to expansion?

(Select all that apply.)

- No constraints
- Need financial assistance
- Need information on city and/or state tax incentives
- Need physical facility planning assistance
- Insufficient space in existing building
- Not enough land for expansion
- Parking issues
- Zoning and building regulations
- Other: _____

APPENDIX V

BR&E Communications Plan Worksheet

Date: _____

Communications Lead: _____

Key Messages:

Target Audiences/Events	Media	Target Date	Person(s) Responsible

APPENDIX VI

BR&E Plan for Action Worksheet

Item Number: _____

Survey Category: _____

Problem Description: _____

Level of Urgency:

- RED (immediate) YELLOW (3-6 months) BLUE (more than 6 months)

Organization/Person(s) Responsible: _____

Date Contacted: _____

Recommended Action: _____

Update/Date of Resolution: _____