



2011 IEDC EXCELLENCE IN ECONOMIC DEVELOPMENT AWARDS ENTRY FORM

Please complete this section for all entries.

Include 5 hard copies of the Entry Form and all supplemental information with your submission.

Organization: **Colorado Springs Regional Economic Development Corporation**

Contact Name: **Jennifer Taylor** Email: **jtaylor@csedc.org**

Project/Item Name: **Business Expansion Toolkit**

Category for Entry: **16. Business Retention & Expansion - Programs of 3 Years or More**

Population Category (<25K, 25-200K, 200K-500K, >500K): (Choose One) **200K-500K**

Date Project Began: **2008**

Date of Completion (if applicable): **Ongoing**

For Entries in Categories 9 & 10, Enter Your Web Site URL:

PROJECT DESCRIPTION

*Please refer to the **Category Description and Judging Criteria Sheet** corresponding to your category when answering the following questions in the space provided.*

Select:

- ☐ Promotional Award Categories 1-8 – **See Sheet A** (page 9)
- ☐ Internet and New Media Categories 9-11 – **See Sheet B** (page 10)
- ☒ Program Award Categories 12-22 – **See Sheet C** (page 11-12)
- ☐ Partnership Award Categories 23-25 – **See Sheet D** (page 13)
- ☐ Leadership Award Categories 26-30 – **See Sheet E** (page 14)

Special Note: The below section is not required for the Leadership Award categories. Please complete a profile of the individual's achievements.

THIS SECTION IS INTENDED TO PROVIDE AN OVERVIEW OF THE PROJECT. PLEASE KEEP ANSWERS TO EACH QUESTION UNDER 200 WORDS.

YOU MAY EXPAND ON THIS INFORMATION IN A SEPARATE PROFILE OF NO MORE THAN 3 PAGES, DOUBLE-SPACED.

1. Please provide a brief description of the project.

PLEASE SEE ATTACHED DOCUMENTS/SUPPLEMENTAL INFORMATION FOR QUESTIONS 1 – 7

2. What is the goal or purpose of this project?

3. Who are the participants in this project? Who was involved in planning/implementation? Who is affected?

4. What has been the impact of the project? How effective has it been in furthering economic development in your community? Identify any tangible and/or intangible results and value added.

5. Is this project replicable or transferable? Can it be adapted for use in other communities? What lessons have been learned?

6. In what ways is this project innovative or creative?

7. Are there any other relevant details not covered above or specific to your category?

Business Retention & Expansion (Programs of 3 Years or More)

Colorado Springs Regional Economic Development Corporation

Project Description

Please provide a brief description of the project:

The Colorado Springs Regional Economic Development Corporation (EDC) has a proven track-record in its expansion efforts. For this reason, the EDC was asked and provided a grant by the Colorado Office of Economic Development and International Trade (OEDIT) to develop a “Business Expansion Program Template” based on the EDC’s capabilities, that is replicable statewide; and also, to assist the OEDIT with rolling out and implementing the program for economic development organizations throughout the State of Colorado.

What is the goal or purpose of this project?

Many communities, smaller ones in particular, do not have the means or the manpower to develop an expansion program. Most of their efforts are related specifically to attraction and retention. The purpose of this program is to help a community (or communities) allocate attention to business *EXPANSION*, netting new jobs for Colorado from existing Colorado companies, without a significant additional investment or development of resources in marketing, etc. The Business Expansion Toolkit, available to all Colorado communities, allows them to implement best practices in business expansion, offering a cost-effective way of leveraging existing resources.

Who are the participants in this project? Who was involved in planning/implementation? Who is affected?

The Local Industry Team at the EDC, Gary Markle - VP, and Jennifer Taylor - Associate VP, are the creators of the “Business Expansion Toolkit;” and they work in conjunction with the OEDIT to roll out

the program around the state. Economic development agencies of all sizes are able to utilize the toolkit, taking the tools that are appropriate in their areas, and also drawing from local community resources.

Community partnerships are part of what makes the expansion program in Colorado Springs successful. We work with many local partners to ensure that companies have the resources necessary for a local expansion. (Please see attached: “Economic Vitality Group”). The EDC’s best practice toolkit will have a significant impact and effect on communities throughout the state.

What has been the impact of the project? How effective has it been in furthering economic development in your community? Identify any tangible and/or intangible results and value added.

The impact of the EDC’s Expansion efforts in Colorado Springs has been extremely positive. The EDC has been focused on job expansion (in addition to retention and attraction) since 2004. Since that time, the EDC has tracked percentages of announced jobs, and delineated those which were the direct result of expansions. In 2004, 41% of EDC-announced jobs were from local expansions. In 2010, 48% of EDC-announced jobs were the result of local expansions. Additionally, the EDC tracks expanded job numbers along with average wages, to calculate the annual, and 6-year economic impacts of these expansions. (Please see attached: “Economic Impact Report”). According to EDC’s Economic Impact Model, thus far in 2011, expanded jobs will have an annual economic impact of \$35,947,248. Communities that utilize some or all of the resources in the toolkit will be able to develop similar metrics.

Although the statewide program is early in its specific implementation, several communities have expressed strong interest in implementing the toolkit. The presentation of the expansion program at the Economic Development Council of Colorado’s annual conference in April, has generated a great deal of awareness and curiosity about the details of the toolkit.

Is this project replicable or transferable? Can it be adapted for use in other communities? What lessons have been learned?

The stated goal of the project was to develop a program of best practices that can be replicated state-wide. The Business Expansion Toolkit is not meant to be the perfect program for each community in its entirety. It is presented in a way that allows communities to pick and choose which tools are appropriate for their own unique region and expansion purposes. We have learned, for example, that social networking, a tool in the toolbox, may not be as effective in a small, rural area as it is in a large, urban region.

In what ways is this project innovative or creative?

This innovative and creative project is the first of its kind in Colorado. The OEDIT saw the need for expansion efforts to be broadened throughout the state, but there was a lack of knowledge and resources. This project allows for any community to draw from the comprehensive “Toolbox of Resources,” and create its own unique program based on EDC’s template.

Are there any other relevant details not covered above or specific to your category?

It is hoped, through the EDC’s and OEDIT’s efforts, that by bringing together community economic development organizations under a common set of guidelines, that other states will see the value in this approach.



MEMBERSHIP ROSTER – 2011

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Economic Impact Report

Company	Projected 2011 jobs	Ave. Salary
Boecore	50	75K
Combat Training Solutions	19	100K
IC Interconnect	18	60K
Entegris	64	40K
Space Foundation	23	110K
LVW Electronics	50	90K
Ace Distribution	30	29K
Diamond Wire Tech	75	35K
Progressive	30	52K
Quantum	25	30K
Jabil	40	85K
Aeroflex	15	50K
USA Volleyball	23	40K
Linear Manufacturing	7	21K
Skyline Technologies	23	22K
Carecore National	34	32K
Total	526	Ave. Salary: \$ 55K
Annual economic impact projection	\$35,947,248	
6-year economic impact projection	\$215,683,488	

**Per EDC Economic Impact Model

Greater Richmond Partnership, Inc.

IEDC Awards – 2011

Awards Category: Program Awards

Award Title: Business Retention & Expansion

Submission: **Business First Greater Richmond**

1. Please provide a brief description of the project.

Business First Greater Richmond is a business retention and expansion program supported by the Greater Richmond Partnership, Inc., in collaboration with the economic development offices of Chesterfield, Hanover, Henrico and the City of Richmond. The program works to support the region's existing businesses through a proactive outreach effort and to connect area businesses to the resources and information they need to grow and thrive. It is a true regional public-private initiative.

Business First Greater Richmond brings a proactive and systematic approach to business retention and expansion as part of the overall economic development strategy. It creates a comprehensive and holistic approach to supporting existing business by engaging not only economic development practitioners in each respective jurisdiction, but by including a network of partners who share our commitment to business growth and success. Additionally, the program was the first in the Commonwealth to utilize an innovative web-based technology platform to manage projects and was the recipient of the 2010 Torchbearer Award for the Seventh Congressional District from the Virginia Chamber of Commerce.

Also highly unique, the outreach effort engages the business community as volunteers who have helped to expand our reach and conduct face-to-face interviews with more than 2,400 business leaders in Greater Richmond since 2006. Outreach teams are led by localities' economic development staff. The interviews, conducted by economic development professionals and more than 80 trained volunteers, inform our economic development community and resource team who leverage this information to work to address critical business issues and remove barriers to business growth. Collectively, the responses serve to inform the region's stakeholders on business climate issues.

2. What is the goal or purpose of this project?

The overarching goal of the program is to encourage the creation of new jobs and new capital investment in the region. In addition, the program works to:

- 1) Thank area businesses for their commitment and contribution to the Richmond area economy.
- 2) Understand each company's critical success factors.
- 3) Add value by quickly connecting those companies with the resources they need.
- 4) Listen and use the information to improve the business climate.
- 5) Measure and report results.

Program partners are driving specific outcomes in a number of important areas including:

- Companies Interviewed

- Companies Assisted
- Jobs Created/Retained
- New Private Investment

The program also recognizes the important role of existing businesses in influencing Richmond's ability to attract new industry. In short, supporting a vibrant business community and building a stronger business climate improves our ability to attract new businesses to the community. And existing businesses become our best ambassadors.

3. Who are the participants in this project? What was involved in planning/implementation? What is affected?

Chesterfield County, Hanover County, Henrico County and the City of Richmond's Economic Development teams has staff dedicated to develop their outreach targets, manage their local business volunteer teams, and most importantly, respond to the issues revealed during the interview process.

The Greater Richmond Partnership, Inc. provides a full-time staff person who acts as a regional program manager. The program manager is responsible for the support of the technology platform, local and regional report creation, regional program marketing and awareness, developing strategies to address regional business issues with partners, in addition to convening periodic partner meetings. This position also helps to identify and train resource partners and supports each jurisdiction in developing their local outreach strategy and business intelligence gathering.

Referral Partners include a number of local, regional and state agencies that provide assistance in a number of areas including site selection, expansion advisory services, business finance, workforce development, international trade, and various resources to support companies to more effectively manage and grow their business.

Business volunteers are an important part of our program. With more than 80 volunteers throughout the region, we believe it represents one of the largest and most aggressive volunteer outreach efforts in the country.

4. What has been the impact of the project? How effective has it been in furthering economic development in your community? Identify any tangible results and value added.

- Since 2006, partners have conducted more than **2,400 face-to-face interviews** with business owners and CEOs. These firms represent more than **105,000 jobs in the community**. These touches ensure that local economic development leadership stay connected to the issues facing businesses and helps to develop deeper relationships.
- Since the program's inception, partners have responded to more than **510 individual company requests for assistance**, successfully resolving **61%** of those requests to-date. Responding partners have helped companies with a wide variety of issues including navigating through a physical expansion, growing their business, connecting with new international markets, accessing valuable training resources and more.

- Resulting support has helped to lead to **the creation of 1,514 new jobs and the retention of an additional 2,521 positions.** Every job matters. Richmond’s economy has been hard hit and these outcomes mean that **4,000** people are directly employed as a result of the Business First teams’ efforts. **These jobs represent an estimated \$175.0 million in annual payroll.** Secondary jobs impact resulting from the program’s new job creation results is estimated to be an additional 1,100 positions.

5. Is this project replicable or transferable? Can it be adapted for use in other communities? What lessons have been learned?

The Business First program model is highly scalable and transferable. While we started our effort with a regional economic development agency, four localities, and the partnership of a regional chamber, it is easy to imagine a much smaller phased program that could grow to include an even greater number of referral partners and jurisdictions as it developed. The makeup of the team would and should be determined by the unique needs of the businesses and support resources of the locality or region. We have been contacted by other regions, localities, and the Virginia Economic Development Partnership and asked to share our experience.

6. In what ways is this project innovative or creative?

Regional Commitment, Cooperation and Coordination

Business First Greater Richmond partners are proud of their commitment to a common good – supporting the retention and expansion of businesses in our region. It’s that recognition of the contribution existing business makes to the continued growth and vitality of the regional economy that supports the program’s continued success.

Collaborative

This unique approach – one that engages the regional economic development organization, local jurisdictions, other business assistance providers in our community, and members of the business community - represents a highly leveraged approach.

Proactive and Responsive – Building a Better Business Climate One Company at a Time

The foundation of the Business First program is a customer service model that seeks to create a seamless experience for the business client. Once a need is identified, the appropriate resource is brought to the issue, and that issue is resolved or information is provided for future use.

Smart Technology Platform – Setting the Standard

Business First Greater Richmond was one of the first communities in Virginia to adopt a smart web-based data platform developed exclusively for economic development. Since then, the Commonwealth has endorsed the same platform and supported the expansion of its use to other communities.

7. Are there any other relevant details not covered above or specific to your category?

n/a

BUILD
START-UP
VOICE
BUSINESS
REFER
EXPERTISE
CULTIVATE
FEEDBACK
CONTRIBUTE
LOCAL
COMMITMENT
VISITS
TRADE
VENTURE
VOCATION
CAREERS
DEVELOPMENT
PARTICIPATION
ACHIEVEMENT

RICHMOND HENRICO HANOVER CHESTERFIELD

SUCCESS
REGIONAL
CONNECT
NETWORK
EMBRACE
ANALYSIS
STRATEGY
PARTNERS
ADVOCATE
ECONOMY
INDUSTRY
GOALS
LEARN
THANK
SHARE
TESTIMONIALS
FACE-TO-FACE
OPPORTUNITY
INFORMATION

BUSINESS FIRST

greater richmond



HIRE
DATA
GROW
PLAN
DEVELOP
NOURISH
POSITIVE
MARKETS
SUPPORT
IMPROVEMENTS
PROFESSIONAL
RELATIONSHIP
COLLABORATE
INVESTMENTS
CONVERSATION
VOLUNTEER
COMMUNITY
ASSISTANCE
RESOURCES
ENCOURAGE
VIEW

INNOVATION
COMMERCE
EXPANSION
RETENTION
OPTIMISTIC
THRIVE
ISSUES
IMPORT
ADVICE
PROFITS
ANNUAL
REPORT
2009/10
EXPORT



Overview

Businesses today must adapt to survive in a sea of uncertainty. Recent economic challenges have put our business community in waters that it likely has never navigated. One thing is certain – our commitment to the support of existing businesses has never wavered. These companies – new and old, large and small – have made such an important contribution to our community.

Business retention and expansion is one of the four pillars of our economic development strategy. It's a strategy with a focus on keeping businesses here in the Richmond region strong and profitable; marketing the region domestically and abroad to attract high quality jobs and new investment into our community; supporting the formation of new enterprises; and ensuring that our workforce is world-class and ready to support industry in a new and dynamic global economy.

It's a time when companies face important decisions – where to locate, where to consolidate, how best to serve their customers, how to make strategic investments in their facility and their workforce – to best position themselves to take advantage of the recovery that's gaining momentum. And we think the Richmond region is a smart place to make those investments.

In this economic environment, an effective business retention strategy becomes even more important, and a commitment has been made by the counties of Hanover, Henrico, Chesterfield and the City



of Richmond to work collaboratively to address the needs and challenges of businesses. We don't do it alone. The Business First team is comprised of the Greater Richmond Partnership, our public sector partners, 80 private sector business leaders, and more than 15 public agencies who share our commitment to the growth and success of business in our region.

During this program year, which ended June 30, 2010, a total of 533 companies were interviewed representing more than 21,000 jobs in the region. Bright spots for the coming year include the fact that 26 percent of all companies plan to add jobs with the potential to create 1,388 new positions. More than 100 companies interviewed have plans to expand, with 40 reporting the need for a total of 300,000 square feet of additional space to accommodate their growth.

Through the program's consultative process, 91 referrals were made for immediate follow up action. Assistance from local government and resource partners this year helped to support the creation or retention of 767 jobs and resulted in \$137 million in new private investment in the region.

Despite the uncertainty that continues to plague the economy, 96 percent of company respondents shared that they have a positive attitude about the Richmond community. The following pages highlight in more detail the findings of the Business First program and the attitudes and opinions of companies doing business here in the region.

We look forward to navigating these changing waters together and stand committed to working collaboratively to bring creative solutions to build a stronger regional economy.

Sincerely,

Sara J. Dunnigan

Senior Vice President, Existing Business Services
& Talent Development
Greater Richmond Partnership, Inc.

Business First Greater Richmond Supports Businesses in the City of Richmond, and the counties of Chesterfield, Hanover and Henrico.



chesterfield county

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Business Assistance Process

The Business First program starts with local economic development staff that develops a targeted list of firms to interview. Professional staff and trained volunteers then reach out to area business owners and CEOs to schedule a face-to-face visit. The visit is structured to help the program team develop a deeper understanding of each individual firm's needs or challenges and respond in a customized way.

When issues are identified we work with a network of partners to provide a variety of support in areas such as local government services, finance, workforce development, international trade and business planning or other support services. All company responses are confidential and used to provide direct assistance where needed. The collected information is also presented in aggregate to help us develop a better understanding of critical business issues facing the region so that we can position our resources to respond.

Our goals are simple: to thank area businesses for their commitment to the regional economy and connect them to the right resources and information to help them succeed and grow right here. Aggressive metrics have been developed to demonstrate how well we are accomplishing these goals.

This annual report represents the collective responses of those interviewed during the 2009-2010 program year. A complete list of companies as well as copies of the report can be accessed at the Business First website, www.businessfirstrichmond.com.

Key Findings & Opportunities

533 companies interviewed

21,242 existing jobs represented

132 companies planning to add staff in the coming year

1,388 new jobs projected

101 expanding businesses identified

\$136m in new investment potential

2010 Program Impact

258 new jobs

497 retained jobs

\$137m in new private investment

Recent Successes

Pfizer Consumer Health Research and Development

City officials, State leaders and the Greater Richmond Partnership worked with Pfizer over several months to craft a proposal that would lead to the successful retention of Pfizer's Global Consumer Health R&D facility in the City. The project will retain more than 300 jobs locally and continue the long-standing civic-corporate partnership.



Smurfit-Stone Container Corp.

Smurfit-Stone Container Corporation, an integrated containerboard and corrugated packaging producer, will consolidate two Henrico County facilities into one state-of-the-art, efficient manufacturing operation. The new consolidated facility will be an Alpha Plant, one of several state-of-the-art corrugated plants for Smurfit-Stone based on its best-in-class equipment and proximity to its global supplier network and customers. The project will save 150 jobs and will consolidate into a 316,000-square-foot facility on South Laburnum Avenue near the Richmond International Airport.



Maruchan Virginia, Inc.

Maruchan Virginia Inc., the maker of the nation's top selling ramen noodle brand, announced an expansion in Chesterfield County with the addition of a fourth production line. This project included a capital investment of \$16 million and up to 50 new jobs, building on a long history of success and partnership with the County.



Flexicell, Inc.

Hanover-based Flexicell, Inc. is a leading robotic system integrator and automation equipment manufacturer specializing in end-of-line case packing, palletizing, and material handling solutions. A Business First visit revealed a need for the services of the Virginia Department of Business Assistance and their Virginia Jobs Investment Training Program. The project involved investment in a new robotics line and a training grant supporting the skills advancement of 11 Flexicell engineers.



Profile of Participating Business

The 2009-2010 Business First participants represent a diverse set of companies involved in a variety of activities that make up Richmond's regional economy. Overall, 533 businesses were interviewed this year representing more than 21,000 jobs in the region. The Representation by Industry table to the right shows the distribution of participating firms by industry and total employment. As well as representing the diversity of business activities within the Richmond economy, these firms also represent the different sizes of area companies. The average firm had 40 employees, but total employment varied from 1 to 1,850 employees.

Ownership & Management

The majority of participating firms are privately owned companies with stable ownership and management. However, 5 percent indicated that an ownership change was pending at their facility and 13 percent indicated that a change in ownership had taken place within the past eight years. Of this year's participants, 67 percent are family-owned. Minority-owned and women-owned companies are also represented.

Location & Function

Understanding the location of a company's decision makers and the significance of the Richmond operation are vital to the relationship-building process that helps the Business First team support area businesses. Of this year's participants, 74 percent are headquartered in the Richmond region, while 19 percent are headquartered outside Virginia but within the United States. A minority are located in other areas of Virginia or outside the United States.

Most facilities serve a unique function within their companies, but a significant 38 percent of interviewees reported that another facility within the United States provides a similar product or service, while 15 percent have a similar facility abroad. The Other U.S. Facilities and International Facilities charts to the right show the percentage of participants with redundant facilities located in the United States and internationally.

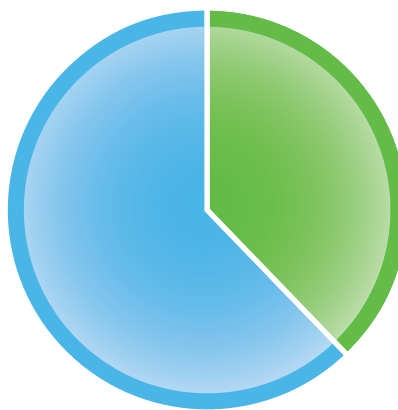
Planning

The use of a strategic plan can help a company guide itself through the current uncertain economic times. Of this year's participants, 74 percent are using a strategic plan. Though a year-to-year comparison is difficult to make because new companies are interviewed each year, this does represent a slight increase over past years.

Representation by Industry

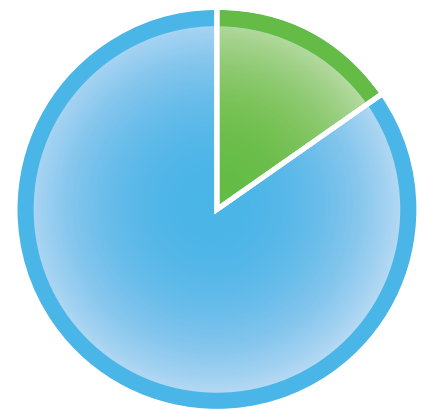
Industry	Firms	Employees
Agriculture, Forestry, Fishing and Hunting	1	4
Utilities	2	42
Construction	44	927
Manufacturing	55	4,390
Wholesale Trade	50	1,650
Retail Trade	47	731
Transportation and Warehousing	8	3,207
Information	18	1,125
Finance and Insurance	56	683
Real Estate and Rental and Leasing	23	320
Professional, Scientific, and Technical Services	106	2,058
Management of Companies and Enterprises	7	1,018
Administrative and Support and Waste Management and Remediation Services	14	132
Educational Services	13	322
Health Care and Social Assistance	27	1,440
Arts, Entertainment, and Recreation	7	2,242
Accommodation and Food Services	23	428
Other Services (except Public Administration)	31	481
Public Administration	0	0
Totals	533	21,242

Other U.S. Facilities



Yes38% 96 firms
No62% 158 firms

International Facilities



Yes15% 38 firms
No85% 209 firms

Business Indicators

Sales Trends

The past year has presented many challenges to local businesses, but attitudes toward sales trends have generally remained positive as businesses anticipate an end to the economic downturn. Despite the recession, 37 percent of participants have managed to increase their sales in the past 12 months. However, a significant 32 percent have experienced declining sales. Despite this, an optimistic 73 percent of respondents are projecting sales growth in the next year, though a majority of these businesses only expect to see modest increases of 1 to 9 percent. The bar graph below shows projected sales growth for all participants.

Competitive Position

Economic conditions have made it necessary for local businesses to take measures to ensure their survival in a new and turbulent business climate. A number of companies interviewed – 45 percent – are now pursuing government contracts. These contracts are particularly attractive due to decreased spending from the private sector combined with recent stimulus fund projects sponsored by the federal government. Many companies have not, however, taken up a particular interest in import and export activities, with only 14 percent expressing interest in partnering with international firms for such a purpose.

Employment Projections

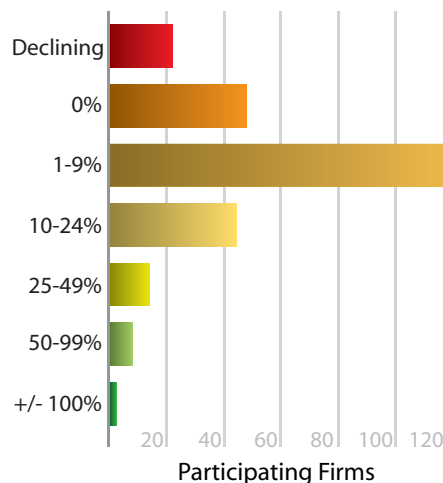
The Richmond region has been hit with high unemployment rates over the past two years, but many local businesses have indicated that they are ready to begin hiring again. Of this year's participants, the Business First outreach team identified 132 businesses planning to hire more employees over the next 12 months. This group anticipated hiring more than 1,300 new employees. Conversely, there are 24 local businesses planning to reduce staff, putting 186 positions at risk. The outreach team and program partners are working to preserve local jobs and help businesses find new solutions to revenue problems.

The Employment Forecast table above shows the anticipated employment change by industry. Amongst this year's participants, the largest job growth is expected to occur in the Manufacturing industry, particularly within the area of primary and fabricated metals. Our participants also anticipated significant job growth in the Arts, Entertainment, and Recreation industry. Job losses were projected in the Real Estate and Rental and Leasing industry and the Accommodation and Food Services industry.

Employment Forecast

Industry	New Jobs	Pct Change
Agriculture, Forestry, Fishing and Hunting	0	0
Mining, Quarrying, and Oil and Gas Extraction	4	0.33
Utilities	0	0
Construction	3	0.21
Manufacturing	635	52.85
Wholesale Trade	91	7.57
Retail Trade	23	1.91
Transportation and Warehousing	0	0
Information	29	2.41
Finance and Insurance	37	3.08
Real Estate and Rental and Leasing	-6	-0.5
Professional, Scientific, and Technical Services	55	4.58
Management of Companies and Enterprises	20	1.66
Administrative and Support and Waste Management and Remediation Services	52	4.33
Educational Services	10	0.83
Health Care and Social Assistance	81	6.74
Arts, Entertainment, and Recreation	151	12.57
Accommodation and Food Services	-35	-2.91
Other Services (except Public Administration)	52	4.33
Public Administration	0	0
Gross Total	1,202	100%

Projected Sales Growth



Space & Facility Utilization Rates

As companies emphasize efficiency in these uncertain times, it is not surprising that a small majority of participants indicated that they are using more than 90 percent of their facility's available space. However, 22 percent said they were using less than

75 percent of their facility's capacity. With improving economic conditions on the horizon, these companies will have room to expand easily. In fact, 63 percent of participants indicated that there is room for expansion at their current site. Since 88 percent have a positive attitude toward their existing facility, this is encouraging news.

Expansion & New Investment

Expansion and new investment by existing companies has a tremendously positive effect on local economies. Most of our local businesses plan to maintain their current size, but 101 interviewed businesses reported plans to expand locally within the next 18 months. These businesses anticipated a need for a total of 300,000 square feet of new space and expected to invest a combined \$136 million in the Richmond region.



Business Climate Rankings

During Business First interviews, local companies are given the chance to express their opinions about the regional business climate, including factors such as municipal services, infrastructure, and quality of place. The economic downturn has had a deep impact on local companies, with more than 50 percent agreeing that the local business climate is worse today than it was five years ago. However, economic concerns are not necessarily local in nature, as 96 percent have a positive attitude toward the community and an optimistic 78 percent believe that they will see an improvement in the local business climate over the next five years.

Regulatory Climate & Municipal Services

A business-friendly regulatory climate and efficiently provided municipal services are important components to the success of local businesses and the growth of Richmond's regional economy. The chart to the right shows respondents' rankings of several state and municipal functions.

In general, this year's ratings remain similar to those of previous years. Overall, surveyed companies seem pleased with their local governments, with almost 80 percent rating local operations as Good or Excellent. Code Enforcement, Building Inspection and Permitting, and Zoning and Land Use Regulations were given satisfactory ratings by the vast majority of respondents, while Police Protection and Fire and Emergency Services received particular praise. As in previous years, businesses reported less satisfaction with tax rates and structures.

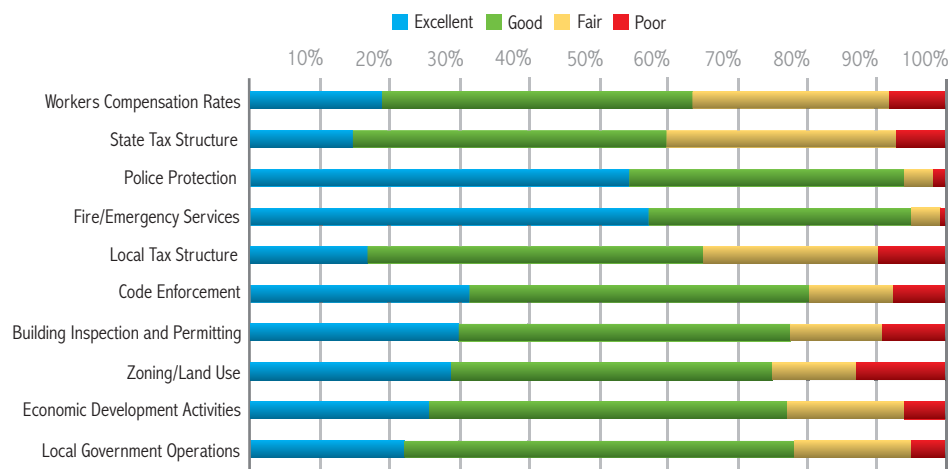
Transportation Factors

The efficient movement of goods and services, ideas, information, and people into, out of, and around our region is vital to the health of businesses competing in a dynamic and ever-globalizing economy. The chart to the right summarizes businesses' opinions on various transportation mediums within the Richmond region, including ground, rail, water and air services.

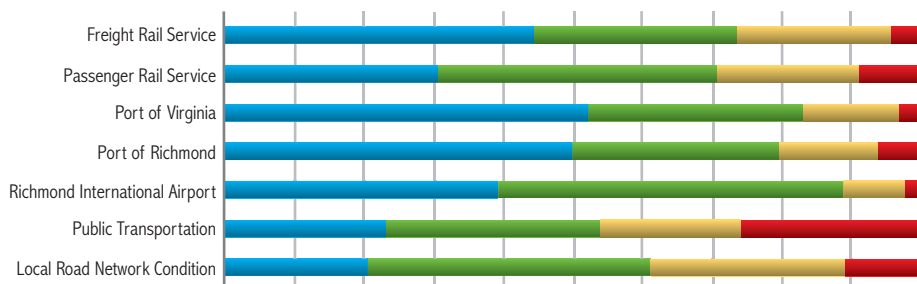
The Richmond International Airport continues to earn high approval from businesses, with nearly 90 percent rating its services as Good or Excellent. Satisfaction ratings for port services were not far behind. A majority of respondents ranked rail services positively, though Freight Rail Service was given higher marks than Passenger Rail Service. Ground transportation met with

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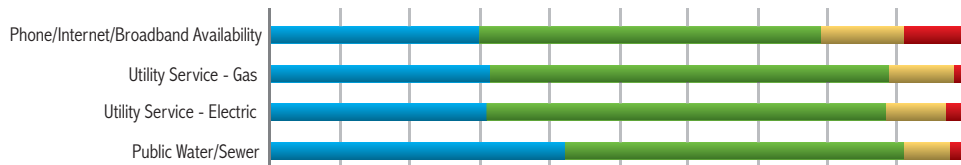
Regulatory Climate & Municipal Services



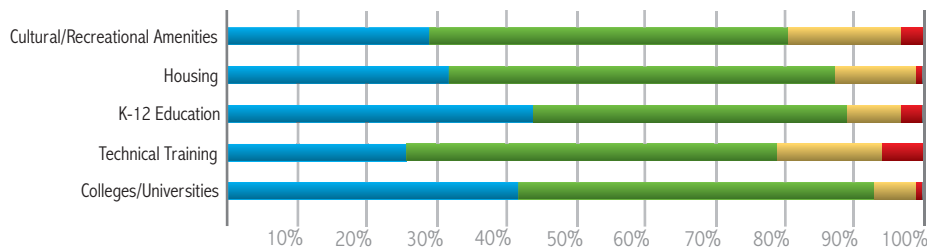
Transportation Factors



Communications Services & Utilities



Quality of Place Factors



Workforce Quality



Workforce Availability



less satisfaction. Only slightly more than 60 percent of respondents rated the local road conditions as acceptable, and even fewer were satisfied with public transportation services.

Communications Services & Utilities

As the chart on the previous page shows, a large percentage of businesses are satisfied with utilities services in the Richmond region. Communications services, which are vital to the success of businesses competing in today's fast-paced environment, were also considered to be Good or Excellent by almost 80 percent of those interviewed. Businesses giving these services Fair or Poor ratings primarily cited lack of availability, with fewer concerned about reliability.

Quality of Place Factors

A high quality of place makes it easier for businesses to attract and retain employees and is therefore an important component of the region's business climate. As the chart on the previous page shows, the Richmond region's quality of place was highly rated by interviewees, with education receiving especially high marks. Respondents were also particularly pleased with housing, which received Good or Excellent ratings from over 85 percent of businesses. Cultural amenities and technical training in the Richmond region satisfied the fewest respondents, but still received high marks from 80 percent of those questioned.

Workforce Quality & Availability

The charts on the previous page depict workforce quality and availability opinions for the past three years. Most employers continue to rate our region's workforce quality as Good or Excellent, 53 percent and 33 percent respectively. With unemployment rates remaining above-average this year, it should be no surprise that worker availability was also considered to be Good or Excellent by more than 80 percent of participating businesses. A smaller number of employers – 18 percent – are still having problems filling their positions with qualified employees, but this number is down from last year and significantly lower than in years past. However, with so many job seekers in the region, these difficult-to-fill positions likely represent a mismatch between skills and demand.

Challenges & Opportunities

Access to Capital & Finance

Business First participants noted a shortage of capital for moderate to high risk companies due to new guidelines by the federal government. These guidelines are being reinforced by bank examiners, resulting in the restriction of loan availability. Overall, a lack of financing for small businesses has created challenges. This is combined with cash flow problems, attributed to receivables being stretched beyond 40 days and reductions in available lines of credit.

Growing firms are finding it more difficult and expensive to fund new growth opportunities. Start-ups and early stage firms have commented about the lack of venture capital and mezzanine financing. A lack of this type of capital can restrict growth even when new business opportunities present themselves.

This issue will remain a top concern in the coming year as Richmond area businesses work to best position themselves for economic recovery.

Sales – Developing & Diversifying

In discussions with Richmond area businesses, the identification of new customers and the diversification of an existing customer base were common concerns.

Despite the growing opportunities in federally funded contracts, severe reductions in state and county budgets have made a significant impact on businesses serving these market segments. As the State capital, this has historically been an area of significant opportunity for many local businesses.

Similarly, many small businesses serve a very narrow market niche and when that customer group is affected by economic conditions, they have a very difficult time finding new opportunities due to lack of experience or contacts.

Due to challenges in the global economy, participants noted that overall exports are down; however, opportunities in emerging markets like China and India are available for firms with exportable products or services and an interest in trading globally.

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Regulations & Taxes

The past year has seen a rapidly changing regulatory environment. Companies appear reluctant to spend or hire due to the uncertainty around federal legislation and regulatory changes that may impact their business. This uncertainty includes unknown costs associated with the newly passed health care bill as well as upcoming tax and regulatory changes.

Workforce

Even in these times of high unemployment, certain companies reported challenges recruiting workers with specific job skills. This problem has been observed nationally as well – especially in industries like manufacturing – where rapid technology adoption has made the existing skills of available workers obsolete. Demographic trends – and especially the aging of the workforce in certain sectors – have driven shortages of experienced workers in skilled trade occupations like electricians and mechanics.



Program Partners

Capital Region Workforce Partnership (RESOURCE)
Chesterfield County Economic Development
City of Richmond Department of Economic and Community Development
City of Richmond Department of Public Utilities
Community College Workforce Alliance
Greater Richmond Partnership, Inc.
Greater Richmond Small Business Development Center
Hanover County Economic Development
Hanover County Planning Department
Henrico County Economic Development
Port of Richmond
Richmond Economic Development Corporation (REDC) Community
Capital Group
Richmond International Airport
University of Richmond
Virginia Biotechnology Research Park
Virginia Commonwealth University
Virginia Department of Business Assistance
Virginia Economic Development Department - International Trade Division
Virginia Manufacturers Association - Workforce Division
Virginia Philpott Manufacturing Extension Partnership
U.S. Small Business Administration

The Business First Greater Richmond Team is comprised of a diverse group of organizations who share our commitment to the success of existing business. The group listed here is just a small sample of the many resources available to businesses in the greater Richmond region. To learn more and to read our blog, please visit the program website at www.businessfirstrichmond.com.

A program of

grpva.com
Greater Richmond Partnership, Inc.

SARA DUNNIGAN Senior Vice President, Existing Business Services & Talent Development
Greater Richmond Partnership, Inc. | 901 East Byrd Street, Suite 801 | Richmond, VA 23219 | 804-643-3227

BUSINESS FIRST

greater richmond



Stay Here, Grow Here.

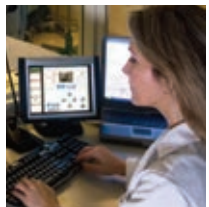
We're dedicated to supporting the needs of businesses in the Greater Richmond region.

The Program

Everyone wins when local businesses are successful. That's why Business First Greater Richmond is committed to business outreach, using face-to-face interviews to provide your business with the resources it needs to succeed.

Our network of resource partners offers a broad range of free or low-cost services:

- Expansion assistance
- Financing
- Workforce training and recruitment
- International trade support
- Process improvement and business planning
- Technical support



The Goals

Business First was launched in October 2006 with the goal of increasing new investment and job creation by helping local businesses grow and succeed. As a local business advocate, the program touches approximately 500 businesses annually. Participating businesses have received assistance in areas such as international trade, business planning and strategy development, financing and workforce development.

Your business is our first priority. Thank you for your commitment to the Greater Richmond region.



Recent Successes

Pfizer

City officials, state leaders and the Greater Richmond Partnership worked with Pfizer over several months to craft a proposal that would lead to the successful retention of Pfizer's Consumer Health Research and Development facility in the City of Richmond. The project will retain more than 300 jobs.



Flexicell, Inc.

A Business First visit with Flexicell revealed a need for the services of the Virginia Department of Business Assistance and their Virginia Jobs Investment Training Program. The project involved investment in a new robotics line and the training grant supporting 11 Flexicell engineers.



Allen Corporation

After a Business First meeting with Allen Corporation, it was discovered that they were looking to relocate within Chesterfield County. The County worked with the Virginia Department of Business Assistance to support the hiring of 19 new employees. The company leveraged the Virginia Jobs Investment Program, which offsets recruiting and training costs by providing services and funding to companies creating new jobs or experiencing technological change.



Smurfit-Stone Container Corp.

Smurfit-Stone Container Corporation will consolidate two Henrico County facilities into one state-of-the-art manufacturing operation. The new facility will be in 316,000-square-foot facility and the project will save 150 jobs.



Program Impact

Since the launch of Business First Greater Richmond in October 2006:

2,000 companies interviewed

600 companies plan to add jobs

6,000 new employment opportunities

400 companies plan to expand

\$265m in planned new capital investment

The Business First team has helped support:

1,060 new jobs created

2,475 jobs retained

\$207m in new capital investment

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“Existing businesses are the cornerstone of our regional economy. Working with our partners to support their growth and ensuring that businesses can access the resources they need to be successful is a critical part of our overall economic development strategy.”

Gregory H. Wingfield
President/CEO
Greater Richmond Partnership, Inc.

What to Expect

During Your Company Interview

As a company leader, you will meet with a trained business volunteer or economic development professional for 30–45 minutes for an opportunity to share information about your business and help us better understand issues critical to your success.

Questions may cover the following topic areas:

Company Profile and Information

- Contact information
- Industry
- Products/services
- Competitive position
- Business plan and succession plan

Local Workforce

- Employee counts
- Employment trends and projections
- Workforce training needs

Sales

- Supplier, vendor
- Trends for facility, company, industry
- Exporting and importing

Technology

- Use and importance

Facility/Equipment

- Space and equipment utilization
- Investments – past and future
- Expansion needs
- Future requirements

Municipal Services and Business Climate

- Your chance to rate services, transportation factors, and infrastructure/utilities
- Assessment of area workforce
- Overall impression of regional business climate

What to Expect

After Your Company Interview

If issues or opportunities have been identified during your company interview, a Business First team member will follow up. You will be connected to resources aimed at supporting your business needs.

We also welcome you to request further information regarding the following:

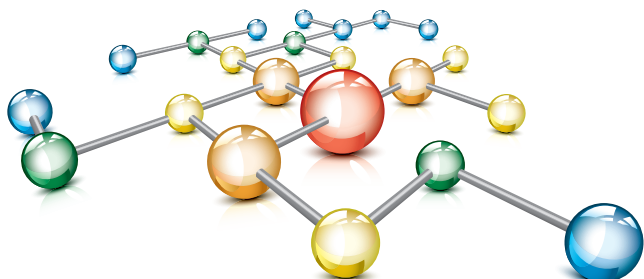
- Business management and process improvement
- Finance
- Growing sales
- International trade
- Local government services
- Transportation
- Workforce development



Notes

Items I want to discuss with the interviewer:

[illegible]



The Process

1 Share Your Story

Schedule an interview with a trained volunteer or development professional from your community.

2 Connect With the Resources Your Business Needs Today

Your local development office will work to quickly connect you to the right resources and information. Or, you will have a relationship with an advocate if a need arises in the future.

3 Help Build a Better Business Community

Your voice joins the hundreds of business leaders throughout the region sharing their opinions and attitudes about doing business in the Richmond area.



To Schedule a Visit for Your Company



Chesterfield County

Karen A. Aylward

Phone 804-318-8550

karen@chesterfieldbusiness.com



Hanover County

Business Services Coordinator

Phone 804-365-6464

kosimpson@co.hanover.va.us



Henrico County

Leonard Cake

Phone 804-501-7654

leonard@henrico.com



City of Richmond

Sheila H. Shepperson

Phone 804-646-5491

sheila.shepperson

@richmondgov.com

For more information on the regional program
or to learn about volunteer opportunities, contact:

Sara Dunnigan

Senior Vice President,

Existing Business Services & Talent Development

Greater Richmond Partnership, Inc.

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804-643-3227 | 800-229-6332 | Fax 804-343-7167



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