Milledgeville-Baldwin County Business Retention & Expansion Program (BREP)

Mixed Sector

Survey Results & Executive Summary
2016

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Acknowledgements

Our Milledgeville-Baldwin County Businesses

Our Business Retention & Expansion Program survey project would not have been possible without the cooperation and involvement from our local businesses and industries. Between March 2016 and October 2016, sixty-three businesses, across eight industry sectors, took the time and effort required to participate in the surveying process. From a workforce perspective, the community as a whole, and specific industry sector issues, the meetings allowed positive dialogue to occur for a better understanding of the community's current atmosphere in relation to local businesses. The participating Milledgeville-Baldwin County's businesses demonstrated engagement in their community and we are grateful for their involvement.

The Project Team

The Development Authority of the City of Milledgeville & Baldwin County's (DAMBC) BREP Project Team provided invaluable leadership, time, and effort to the BREP Project. The team members are:

Matt Poyner, Executive Director / Project Leadership
Amy E. Clark-Davis, Editor / Copywriter / Graphic Design
Brittan Edwards, Copywriter / Data Analysis

The Volunteer Visitation Team

The visitation team dedicated many hours of professional, committed effort to ensure that confidential business interviews were completed efficiently and thoroughly. The visitation team was comprised of:

Hank Griffeth, City of Milledgeville, City Planner
Angie Martin, Milledgeville-Baldwin County Chamber of Commerce, President & CEO
Kara Lassiter, Milledgeville-Baldwin County Chamber of Commerce, Membership Director
Carlee Schulte, Milledgeville Main Street/ DDA, Executive Director

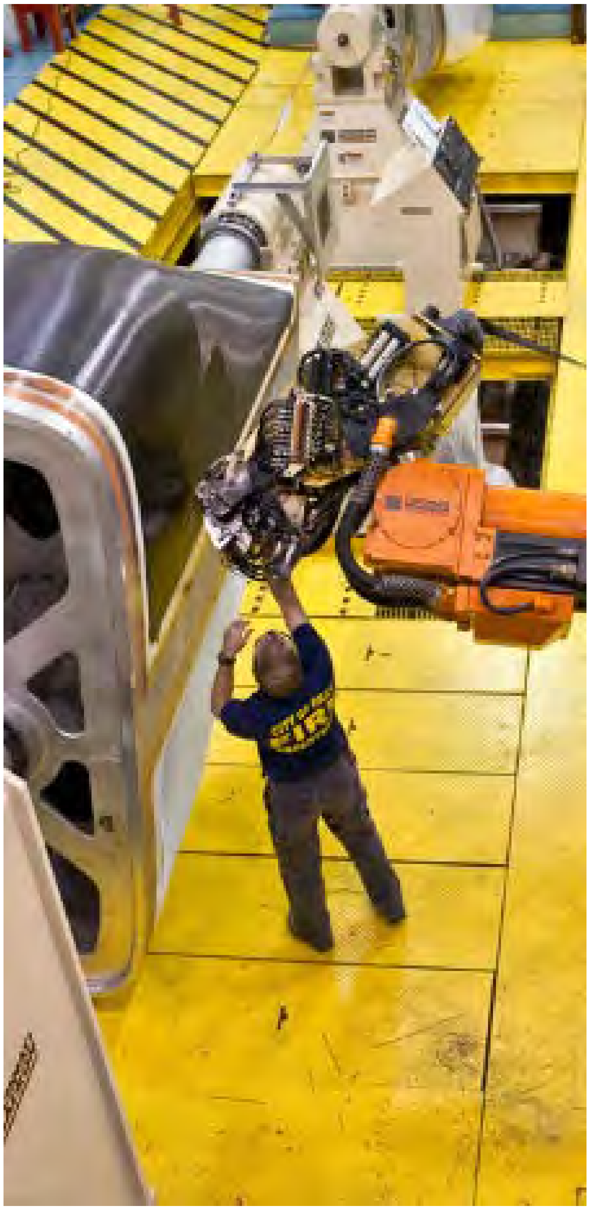
Staff Advisors/Technical Support Team

The guidance and insight provided by our partnering organization, the Georgia Department of Economic Development and Middle Georgia Regional Commission, was invaluable. These participants included:

Candice Scott, Georgia Department of Economic Development

Contents

INTRODUCTION



BREP Overview

The Business Retention and Expansion Program (BREP) is an economic development tool developed to provide communities with a better understanding of the needs of local businesses and help set priorities for projects to address those needs. First administered by the Georgia Department of Community Affairs in 1985, the BREP program has evolved over time to become a business-friendly and action-oriented economic development tool.

The program enables municipal leaders, partners, and staff to develop proactive short and long term goals for economic development to increase competitiveness, enable business development, investment, and job creation, and foster an environment for future growth. The BREP program involves four stages: initial preparation, collection and analysis of data, development of goals and action plans, and the implementation of the actions along with monitoring and tracking of results.

The Business Retention and Expansion Program (BREP) project took the pulse of businesses in Milledgeville-Baldwin County in 2013. The project received feedback from 84 businesses in the City of Milledgeville and Baldwin County through personal interview surveys. The project was undertaken again in 2016 using the same survey instrument. This report provides information on the background, key themes, results and recommendations based on the results of the 2016 survey, including comparisons and contrasts with the survey report from the 2013 data collected.

Survey Context

The BREP survey is the instrument used to identify business' specific strengths, needs, and opportunities for growth based on the input of the survey respondent. In-person, confidential interviews were conducted between business leaders and representatives from the participating development organizations to give businesses an opportunity to voice their opinions on the current needs, wants and opportunities of local businesses with suggestions to develop existing businesses and grow the local economy. It is important to note interview survey results are dependent on, and subject to, the respondent's assessment and motivation, as well as overall survey sample representation.

The BREP survey project data collected in 2013 identifies a base from which growth or change can be measured to establish a community development strategy specifically tailored to fit the Milledgeville-Baldwin County community. The 2016 project saw a return rate of 12.4%, with 63 businesses out of a possible 510 (the number of businesses who were invited to participate) completing the survey.

Survey Objectives

The DAMBC partnered with the City of Milledgeville, Georgia Department of Economic Development, Milledgeville-Baldwin County Chamber of Commerce, and Milledgeville Main Street/ Downtown Development Authority (DDA) for the 2016 BREP survey project. The main objectives of the BREP survey were:

1) To develop a clear understanding of respondent view of the local economy & community;
2) Acquaint participants with available assistance programs; and
3) Establish an ongoing channel of communication between firms & local government.

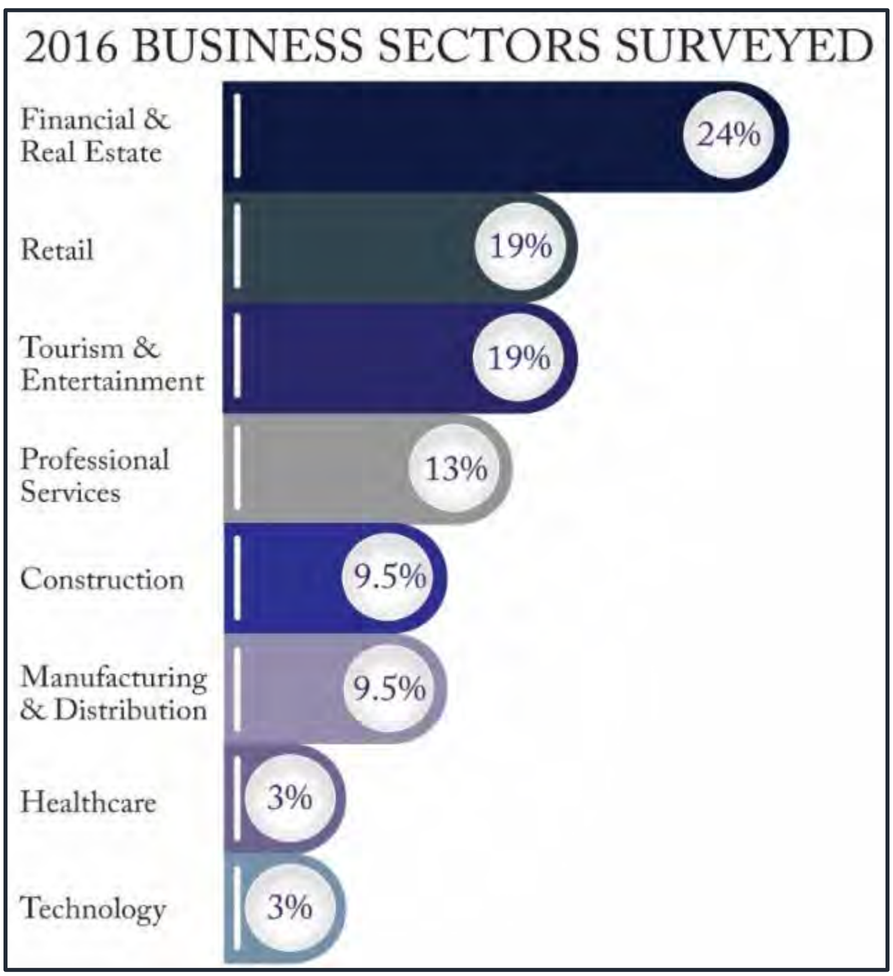
Data Methodology

Following the interview process, staff compiled and analyzed survey data for major themes, issues, and priorities identified by respondents in order to develop strategies with community partners to support business development and retention efforts.

As shown in Figure 1 below, BREP survey respondents came from a range of sectors. Sub-sectors were grouped with major sectors to allow for clearer, comprehensive delivery of study results. Nearly 40% of surveyed businesses are in the Finance, Real Estate & Legal (FIREL) sector and include banking, insurance, investment finance, legal, non-bank finance, and real estate businesses.

With an insufficient sample size separately, hospitality services data was organized with results in the Tourism and Entertainment sector, a sector creating access to amenities and improving community quality of life. Professional Services covered a broad range of businesses from equipment repair to home maintenance and mortuary services.

Figure 1: Business Sectors Surveyed



BREP DATA

Survey Results

The BREP Survey included sections covering Business Information, Workforce, Market, Sector, Business Development, Community Development, and Milledgeville-Baldwin County Specific. When completed, the survey provided confidential, detailed business information to review in aggregate for strategic planning.

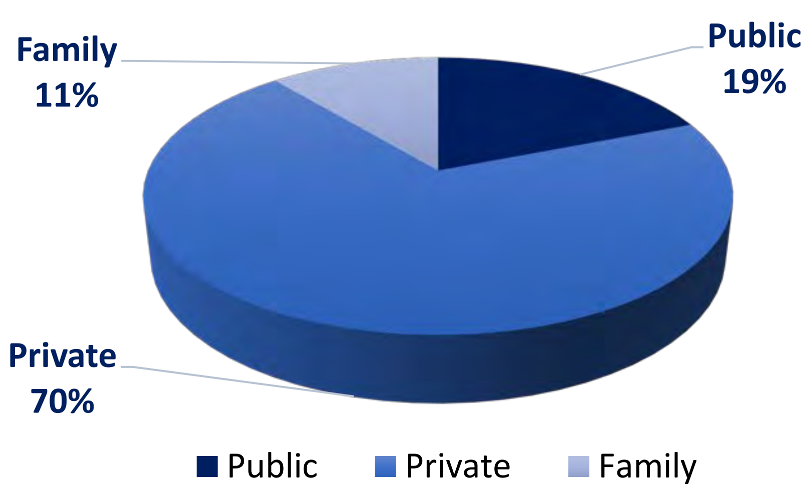
Business Information

Within the Business Information section of the BREP survey, responses to questions helped create a profile of businesses operating locally as well as the jobs created by them.

Ownership

Privately owned businesses accounted for 70% of respondents with 19% having publicly owned and 11% having family owned business structures. (Figure 2)

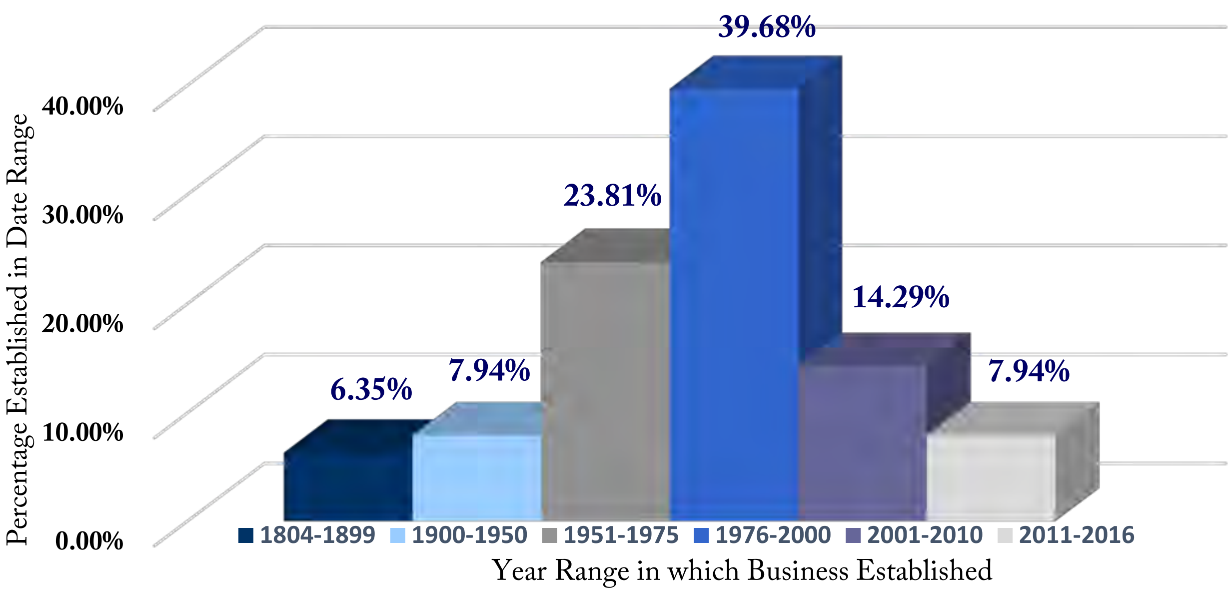
Figure 2: Business Ownership Type



Business Age

As demonstrated in Figure 3, the community has a healthy span of businesses from young to well established levels. The majority of participating businesses have been in operation in Milledgeville-Baldwin County for up to 40 years (61.91%), with 38% operational in excess of 40 years.

Figure 3: Year Business Established



Ownership Location

More than half of business owners reported being involved in day-to-day operations of their business, with 36% of businesses being locally owned and operated and 64% being branches or divisions of a regional, national or international company. (Figure 4)

Figure 4: Ownership Location of Businesses

Labor Force Location

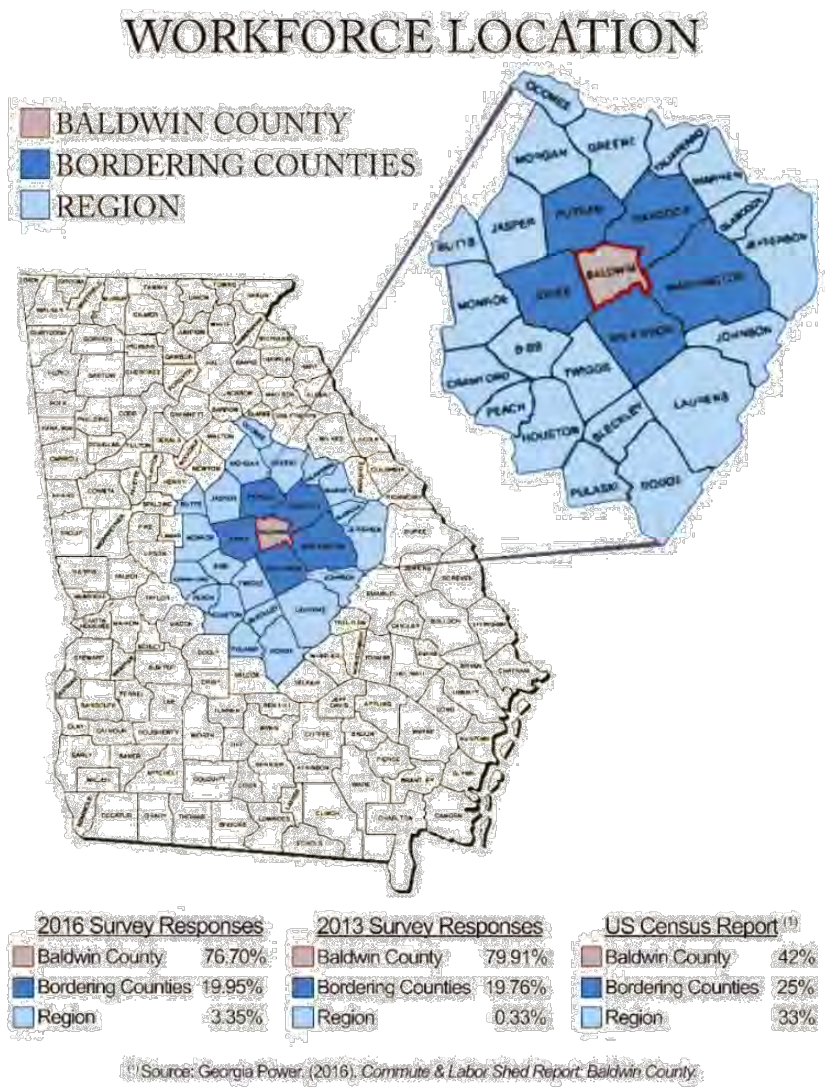
Businesses in the City of Milledgeville and Baldwin County have the ability to pull from a labor force of nearly 210,000 employees from across central Georgia. Surveyed businesses were asked about the county(ies) in which their employees reside. In doing so, information was collected about the relationship between where individuals live and where they work.

Below, in Figure 5, the counties surrounding Baldwin County on the Georgia map, as well as whether a directly bordering or regional county, are identified in blue. For comparison, the same information from the 2013 BREP survey results and current US Census Report figures on labor and commuting patterns in Baldwin County are given.

Figure 5: Location from which Baldwin County Workforce Drawn

US Census Bureau results are based on data collected from individuals making up the workforce and includes information from those who work in, but may not live in, Baldwin County. Based on a larger sample size and more inclusive sampling method, US Census results are more likely to reflect an unbiased, accurate overview of the locations from which the Milledgeville-Baldwin County workforce comes.

Responses from participating businesses in both 2013 and 2016 indicate Baldwin County residents make up 75% or more of their total staff. In contrast, commuting and labor patterns recorded by the US Census show a more balaced distribution of locations, from which Baldwin County workers are recruited, and spread across the entire middle-Georgia region.



Business Size by Employment

Sizes of businesses interviewed ranged from two person offices to more than 500 total employees. This range in scope was intended to capture results representative of the variety of businesses currently operating in the community and provide results more representative of all businesses in Milledgeville-Baldwin County.

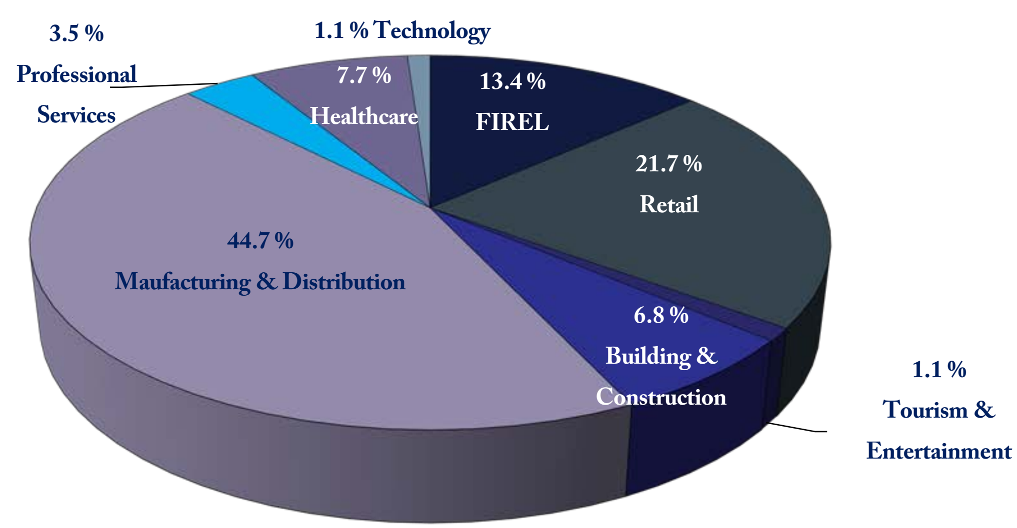
In terms of numbers employed by each business, almost 70% of the businesses interviewed employ up to 20 employees, while 27% employ between 21 and 99 staff. (Figure 6) Large employers are in the minority in Milledgeville-Baldwin County, with just over 3% of companies indicating a workforce of 100 or more employees.

Figure 6: Number Employed per Business

For comparison to the recent community BREP survey findings, the U.S. Small Business Administration's recently conducted, similar study of Georgia's employment by firm size in March 2017 found approximately 78% of the businesses in Georgia employed less than up to 10 employees, about 17% employed between 10 and 50 staff. Large employers in Georgia made up the minority of businesses in the state with just over 2% employing 100 or more people. (Georgia Department of Labor, March 2017).

While large employers are in the minority in Milledgeville-Baldwin County, they employ almost 52% of the overall workforce in the Manufacturing & Distribution and Building & Construction Sectors. (Figure 7)

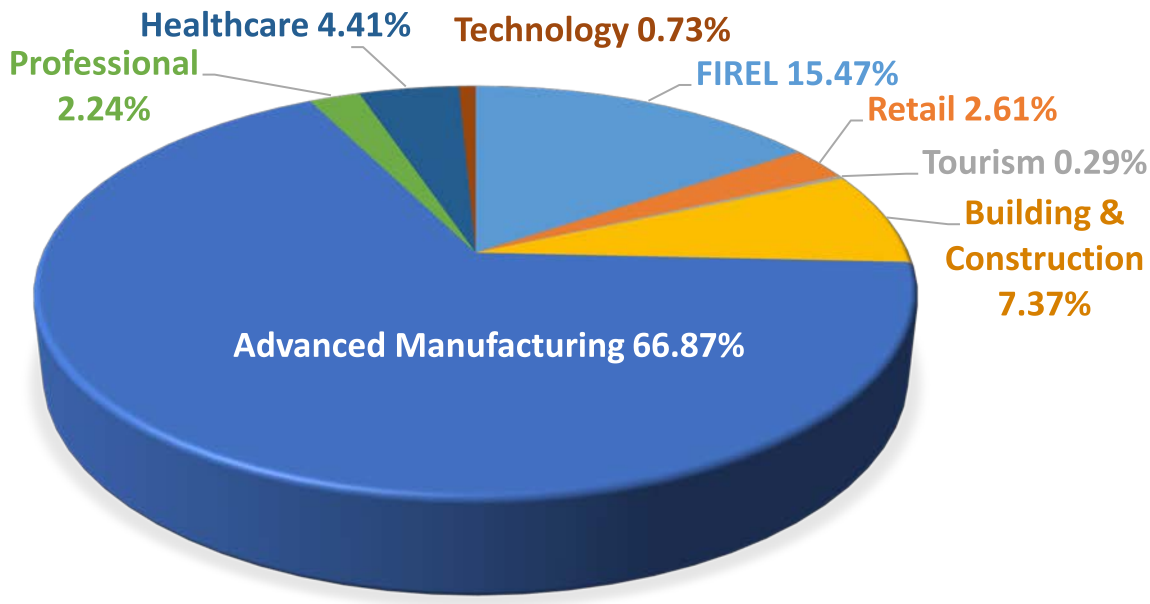
Figure 7: Percentage of Total Workforce by Sector



Gross Annual Payroll

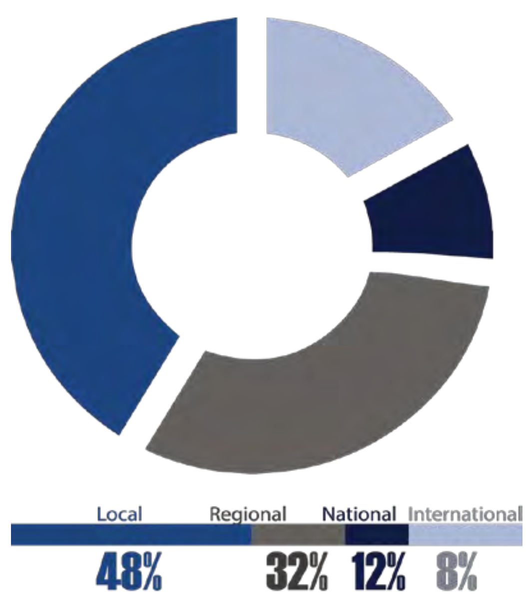
In addition to survey responses indicating more than half of the local workforce being employed in the Manufacturing & Distribution and Building & Construction sectors, those sectors generate almost three-fourths of the Gross Annual Payroll. (Figure 8)

Figure 8: Percentage of Gross Annual Payroll by Sector



Market

Figure 9: Primary Market Location (All Sectors)



During interviews, companies were asked about their market. For the purpose of the survey, the definitions of "local" and "regional" markets are quite broad. These descriptions are working descriptions based on how the executives described their own markets.

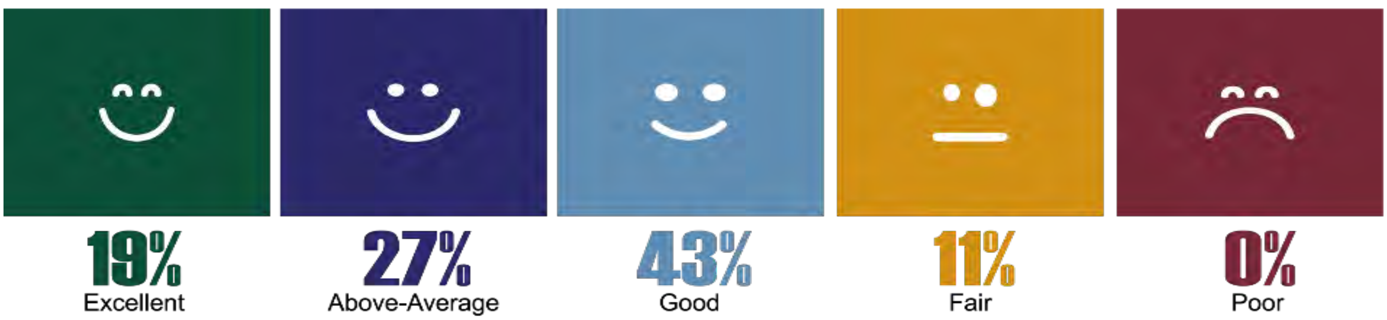
Figure 9 shows the primary markets, for all sectors, of Milledgeville-Baldwin County based businesses. More than 50% of Milledgeville-Baldwin County businesses are involved in exporting to regional, state, and international markets, the practice of which creates access to new customers and diversifies business risk through competition in multiple markets. The remaining businesses indicated their primary markets are local.

Business Climate

Business climate questions related to the overall impression of the community as a place to conduct business, as well as the level of satisfaction with various community-based services and local government

offerings. The overall business climate in Milledgeville-Baldwin County was viewed as positive, with 89% of business owners rating the community as a "good to excellent" place to do business. (Figure 10)

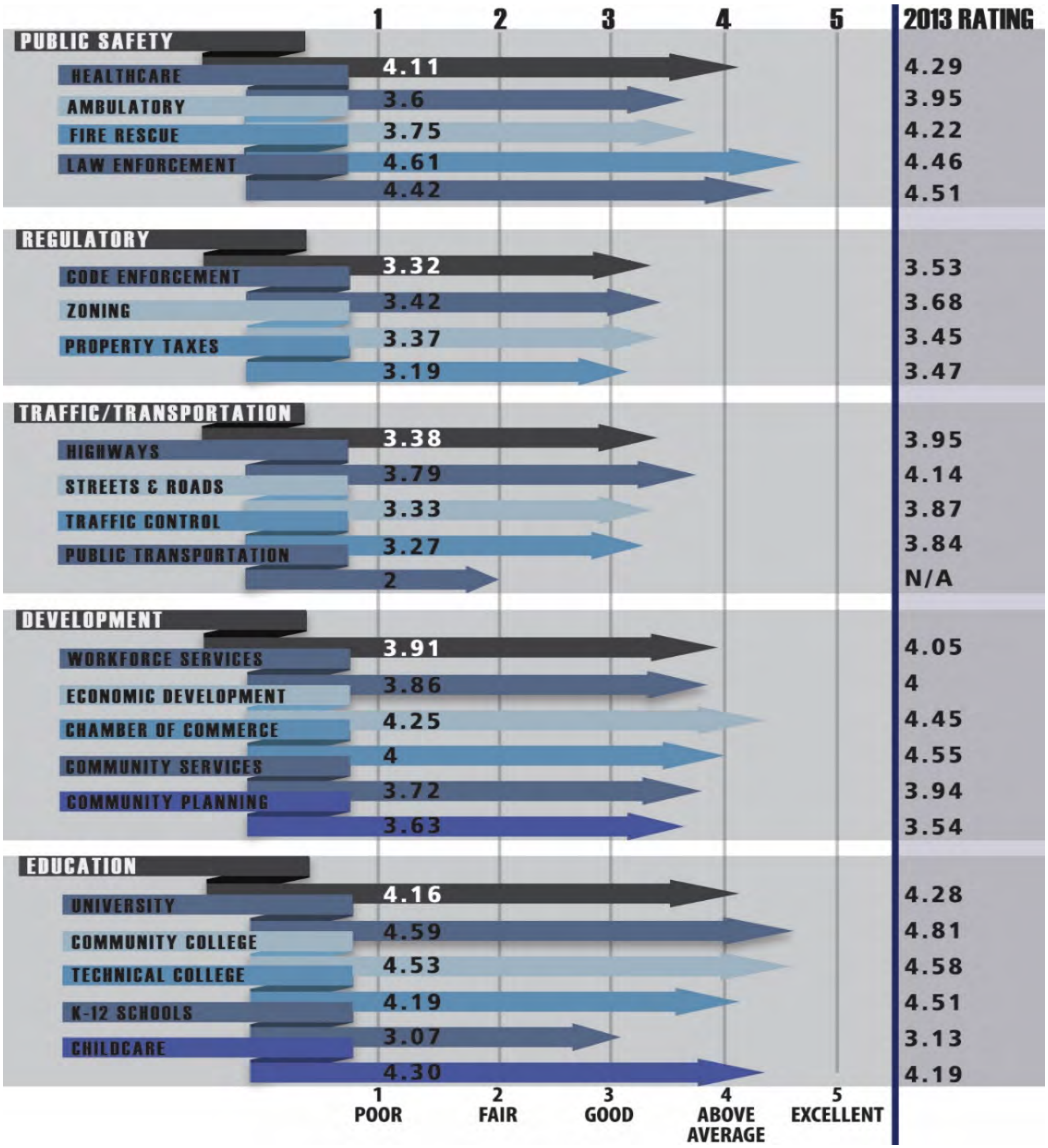
Figure 10: Impression of the Community as a Place to do Business



Public Services

Businesses were surveyed on their level of satisfaction with a broad range of municipal services. (Figure 11) Community services generating high satisfaction rates included: Fire Rescue, University, Community College, Law Enforcement, and Child Care Services. Public Schools, Property Taxes (Fair & Equitable), Traffic Control, Local Streets & Roads, and Regulatory Enforcement (Fair & Equitable) services generated slightly lower levels of satisfaction. While there was a minimal downward trend across all service areas, compared to the 2013 ratings, the overall current rating indicated satisfaction levels of "good to excellent".

Figure 11: Level of Satisfaction with Public Services



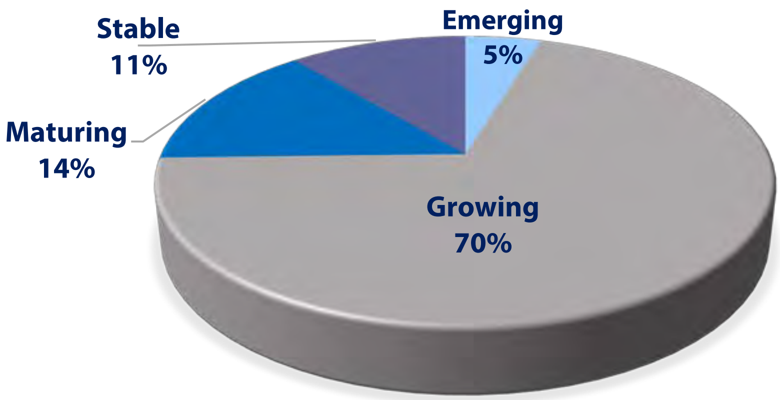
Business Development

The business development section of the survey provided feedback on the outlook for the manufacturing industry in general, individual business projections, and use of technology and related barriers.

Business Life Cycle

During the evolution of a business, companies go through the stages of the business life cycle and encounter different challenges requiring different solutions. When asked about the life cycle stage of their businesses, demonstrated by Figure 12, a large majority of businesses identified their industry as growing (70%) or stable (11%), with a small percentage (14%) indicating maturing or (5%) emerging.

Figure 12: Industry Life Cycle Phase

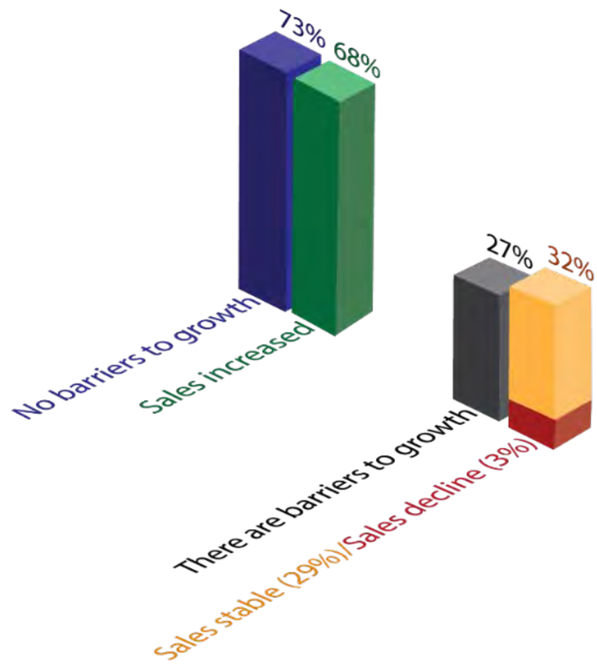


Primary Market Sales & Growth

Sixty-eight percent of businesses reported increased sales and 29% reported stable sales, while only 3% of businesses reported decreased primary market sales. (Figure 13) The percentage of respondents reporting their business was in the growth phase of its life cycle correlated almost exactly to the percentage reporting an increasing primary market sales trend.

Figure 13: Primary Market Sales Trend

Figure 14: Reported Sales & Perceived Barriers to Growth



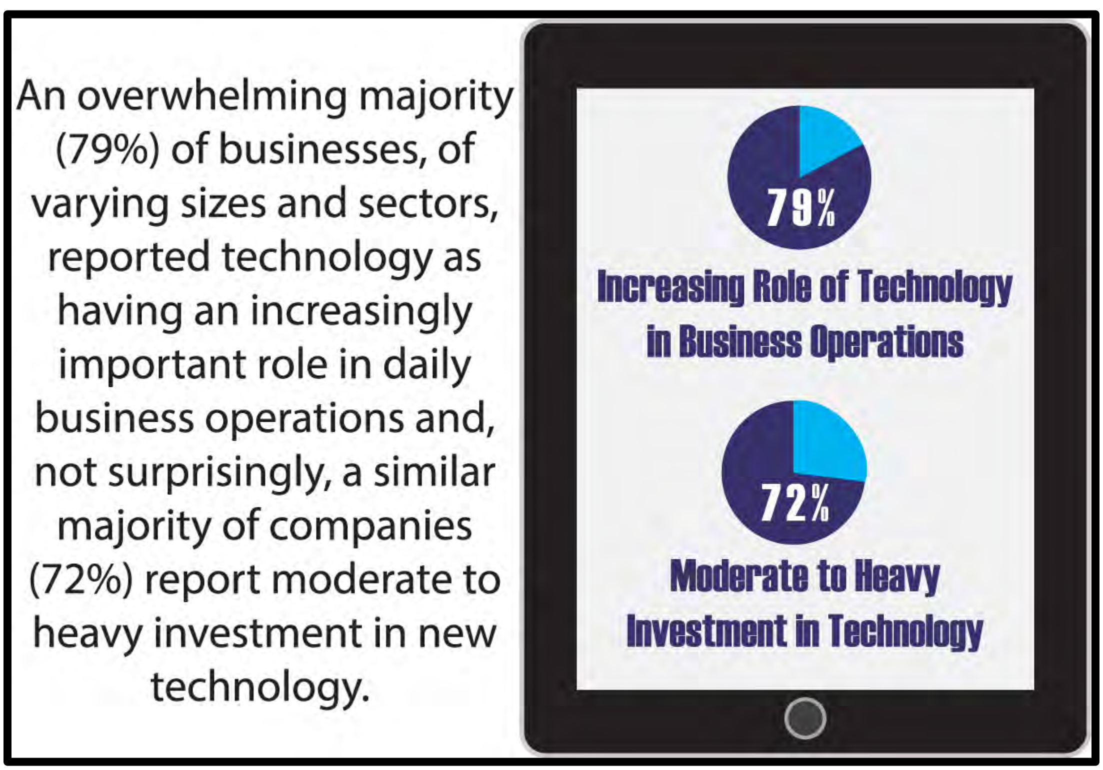
Likewise, the correlation between reported primary market sales trends closely corresponded to respondents' perceptions of the absence or presence of barriers to business growth, with 73% indicating there were not barriers to business growth opportunity and 27% responding there were barriers present. (Figure 14)

Technology

An overwhelming majority of businesses (79%), of varying sizes and sectors, reported technology as having an increasingly important role in daily business operations and, not surprisingly, a similar majority of companies (72%) report moderate to heavy investment in new technology. (Figure 15)

New and advanced technologies are emerging for just under half (44%) of companies, and these technologies will change either their product or how it is produced or marketed.

Figure 15: Business Use of and Investment in Technology

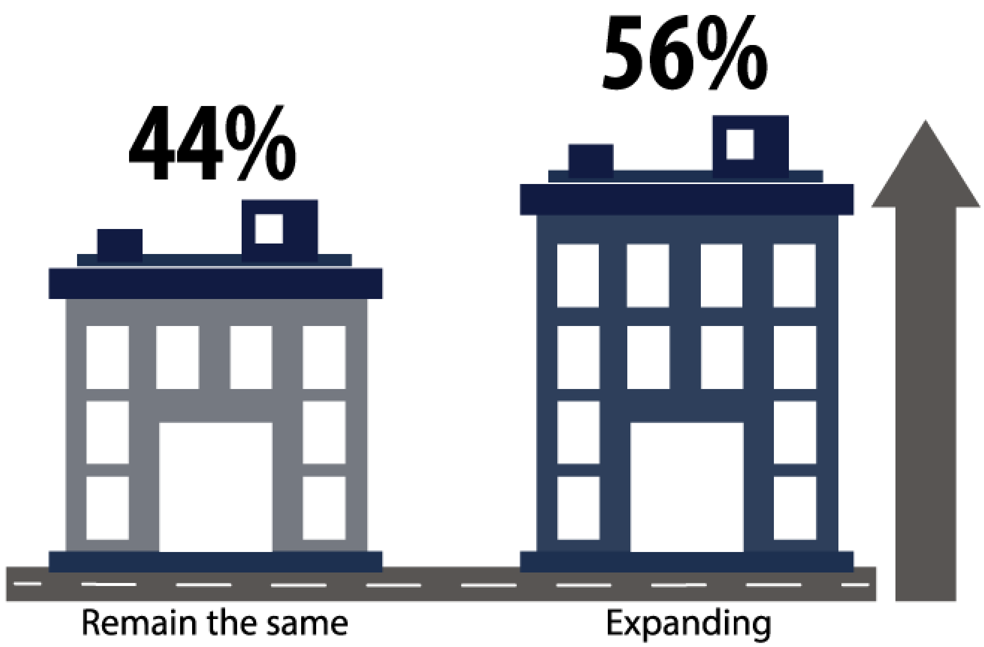


Future Plans

Business owners were asked to advise on their future operational plans, including expansion or downsizing expectations, services that could support growth endeavors, and possible issues related to their plans.

Milledgeville-Baldwin County businesses were generally very positive about their future prospects, with 56% of businesses planning to expand at their current locations within the next 36 months. (Figure 16)

Figure 16: Expansion Plans within 36 Months



Expansions are expected to result in a total increase of an estimated 140 jobs and community dollar investment of $11,205,000.00, of which more than 60% will come from the Manufacturing & Distribution and Retail sectors. The availability of skilled labor to support expansion plans was a commonly identified concern.

Workforce

A skilled workforce, adaptable to the needs of business is vital for a strong local economy. Workforce development questions provided opportunity for business owners to advise of workforce patterns and identify issues related to labor force availability, attraction, retention, and stability.

Ninety-five percent of businesses advised that they had increased their workforce within the past three years, creating 115 new jobs (Figure 17).

On average, respondents rated the availability of workers as "fair to good," a decline from the 2013 survey rating of "good to above average." (Figure 18) Constant with 2013 results, businesses indicated both quality of and ability to retain employees, or sustainability, as "average to above average."

Figure 17: Change in Workforce Between 2013-2016

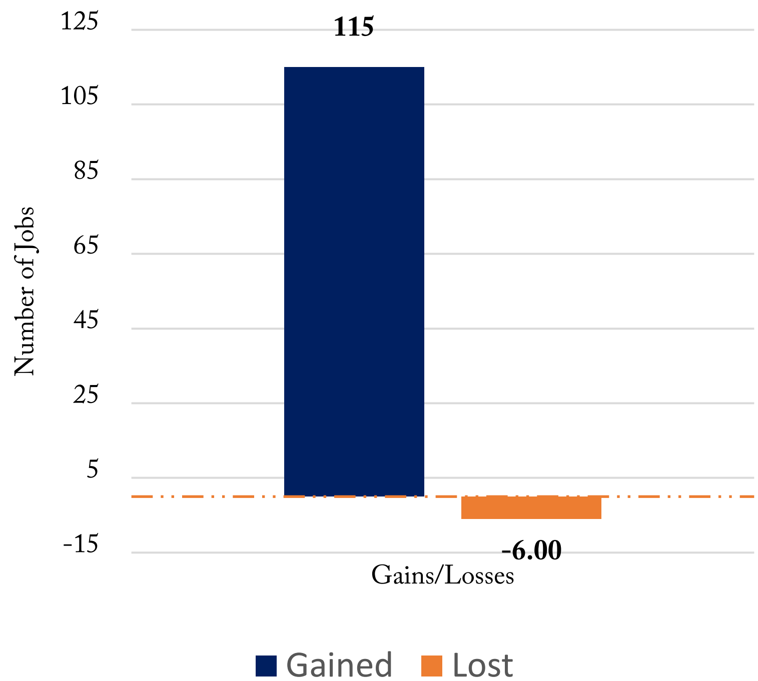
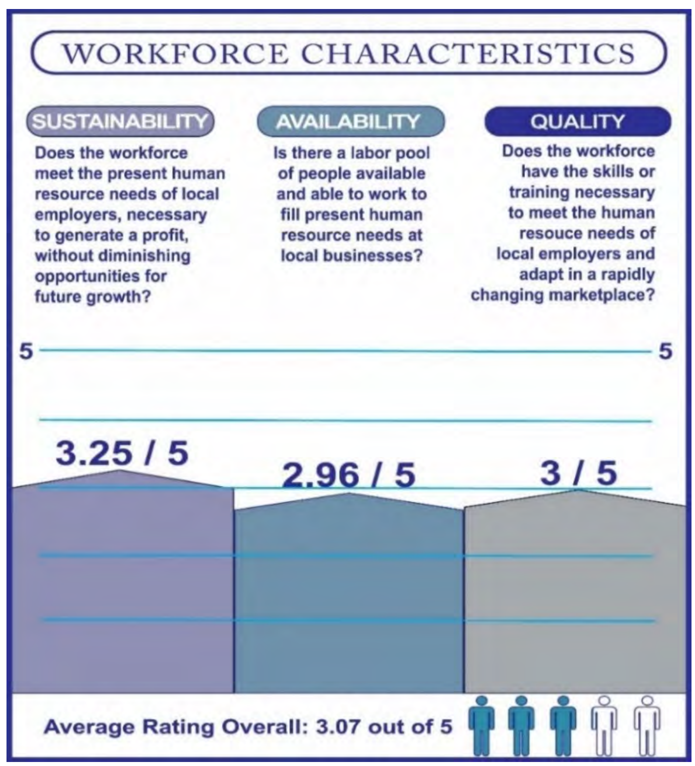


Figure 18: Workforce Characteristics



Almost half of businesses (48%) surveyed reported recruitment and hiring difficulties. Frequent reasons cited were too few qualified workers, workers lacking needed skills or experience, and substandard work ethic.

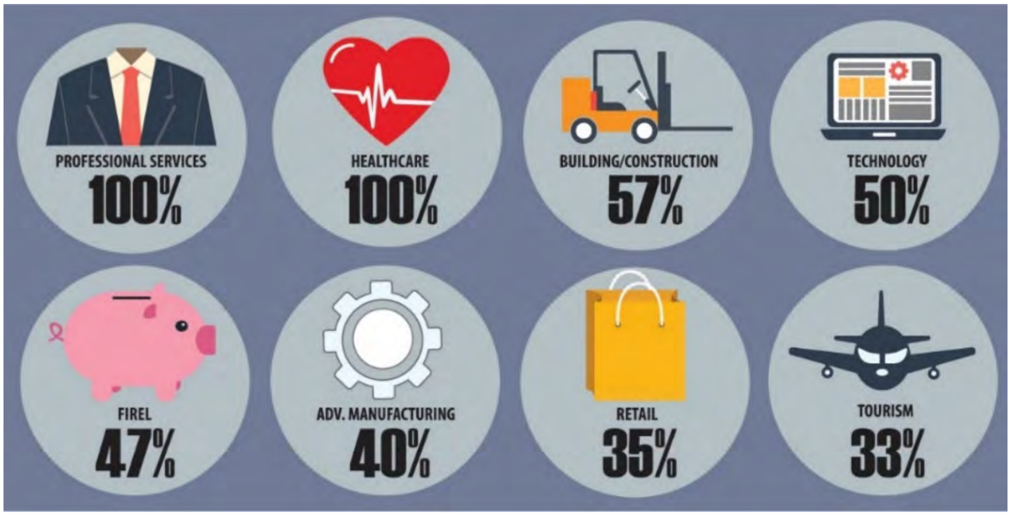
"Few qualified workers..."

"Workers lack needed skills..."

"Substandard work ethic..."

Employers overwhelmingly (70%) perceived their hiring difficulties to be industry-specific, with the remaining employers attributing the difficulties to community-based factors.

Figure 19: Percentage of Respondents Reporting Hiring Difficulty by Sector

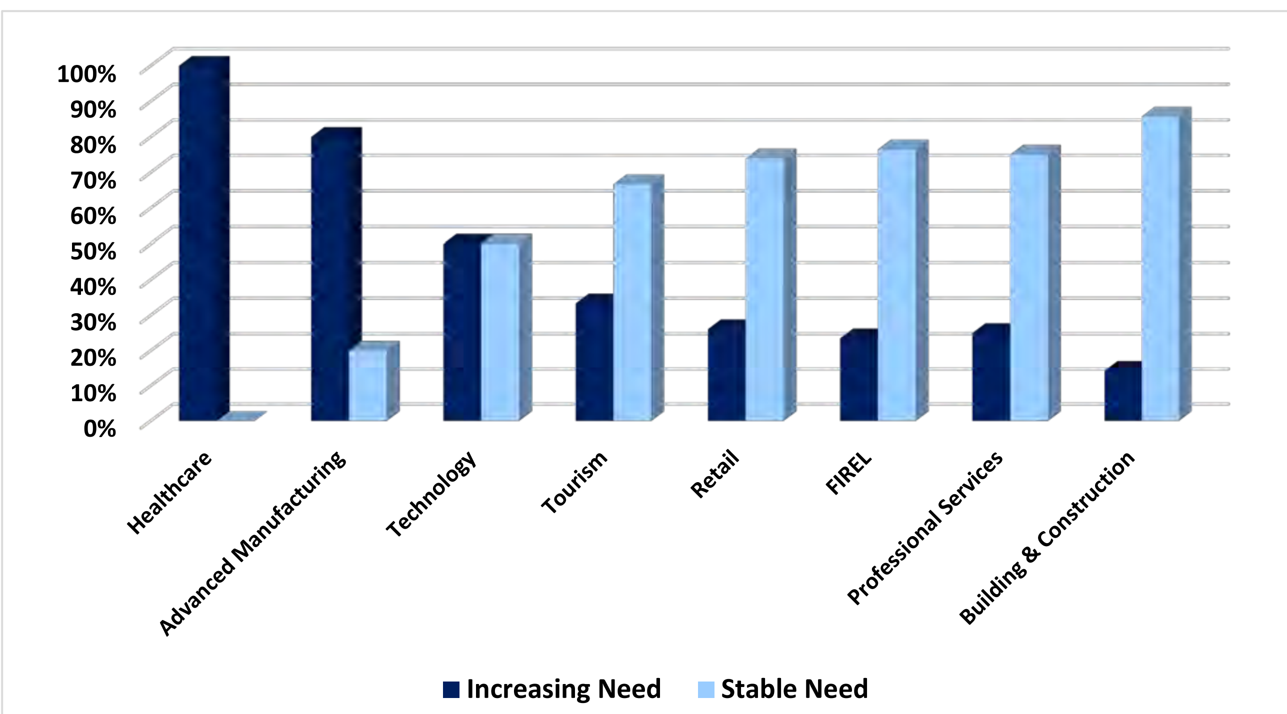


As shown in Figure 19, perceived hiring difficulties are more pronounced in certain sectors, with 100% of respondents in the Professional Services and Healthcare sectors reporting hiring difficulties. At least half of respondents in each of the Building & Construction and Technology sectors reported difficulties. All sectors report at least some difficulty hiring.

Employee Training

Additionally, while more than half of respondents reported difficulty hiring and retaining employees, the need for businesses to provide new or additional training to existing employees is increasing. An increasing need for additional employee training was reported by at least some in every sector, but the percentage of businesses reporting increasing need was considerable in the Healthcare (100%), Advanced Manufacturing (80%), and Technology (50%) sectors. (Figure 20)

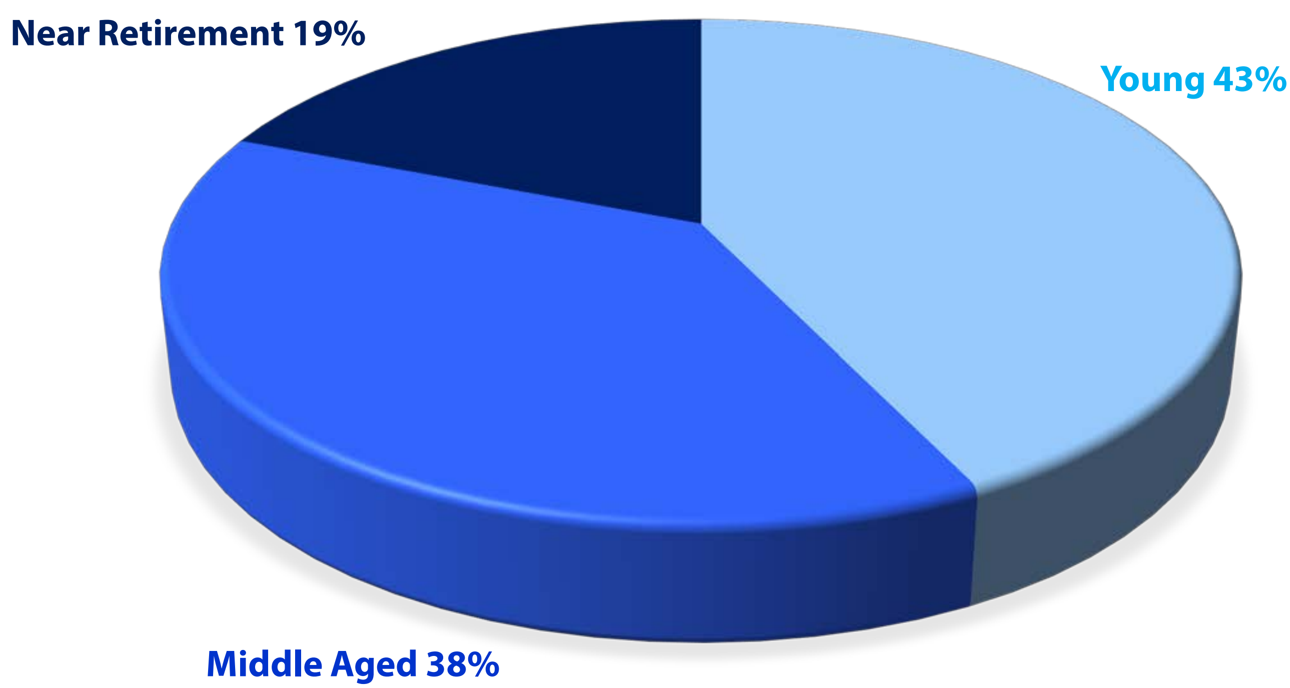
Figure 20: Training Need Status Reported by Sector and Percentage of Respondents



Essential Personnel

The age of essential personnel, and relative place in their professional lifecycles, was assessed by asking businesses to report employee groups categorized by age into young (ages 18–35 years), middle-aged (ages 36–55), and nearing retirement (aged older than 55 years). (Figure 21) Results were near U.S. Census Bureau predictions that, by 2016, one-third of the total U.S. workforce would be age 50 or older (U.S. Census Bureau, 2010).

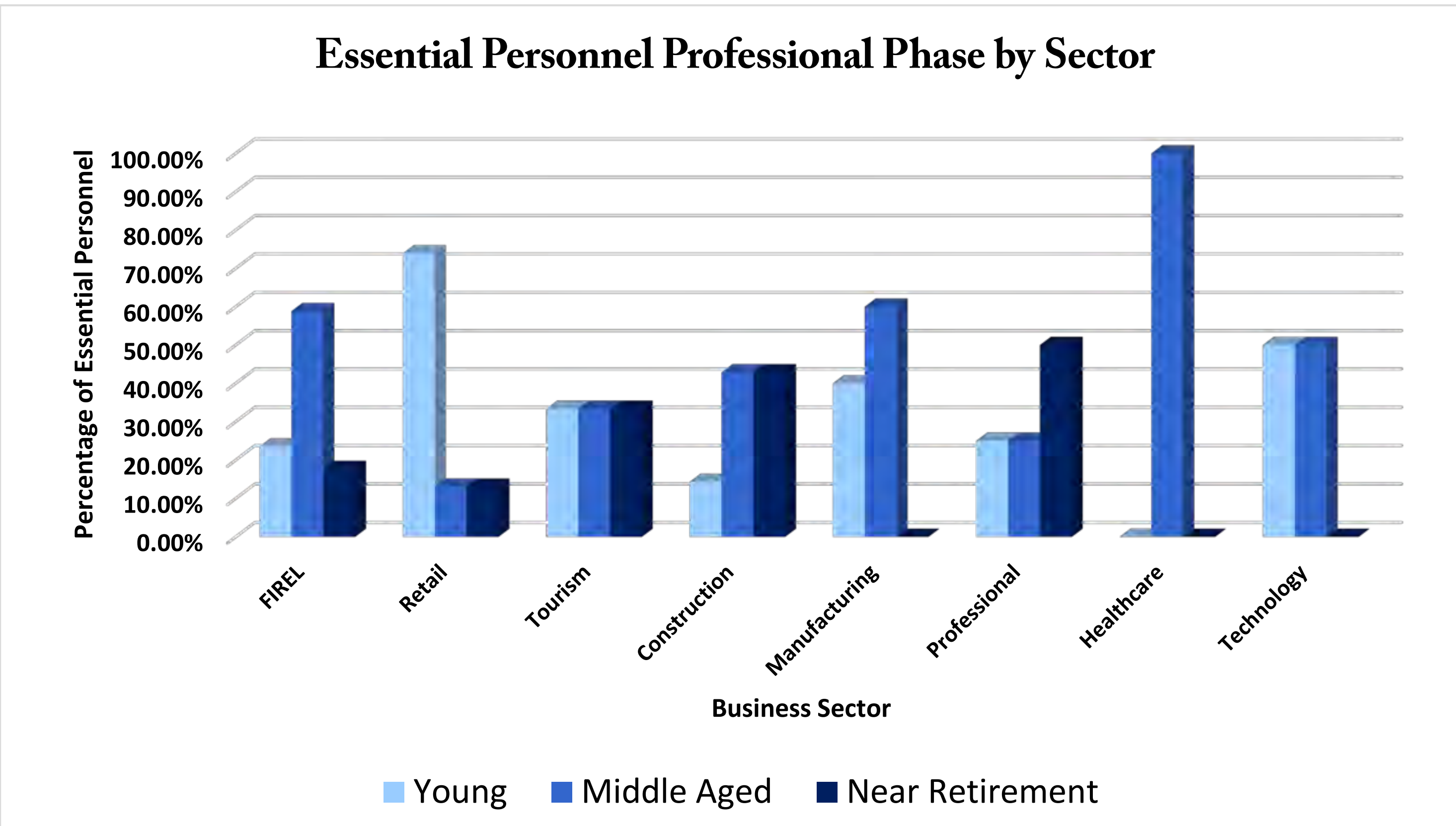
Figure 21: Age of Essential Personnel in the Local Workforce



These results illustrate the critical mass of workers whose impending retirement will dramatically affect business productivity and profits and points to the need for developing strategies to bridge the approaching gap between experienced professionals leaving the workforce and having available, skilled workers entering the workforce to meet the employment needs of local businesses.

In addition, Figure 22 highlights the ratio of middle and near-retirement aged workers more drastically outpacing young, new workers in the workforce in certain sectors, including Healthcare, Building and Construction, Manufacturing & Distribution, FIREL, and Professional Services.

Figure 22: Age of Essential Personnel by Sector



External Factors Affecting Business

Within this section, business representatives were asked a series of questions related to their industry and any anticipated changes that could affect the ability to do business in the local community.

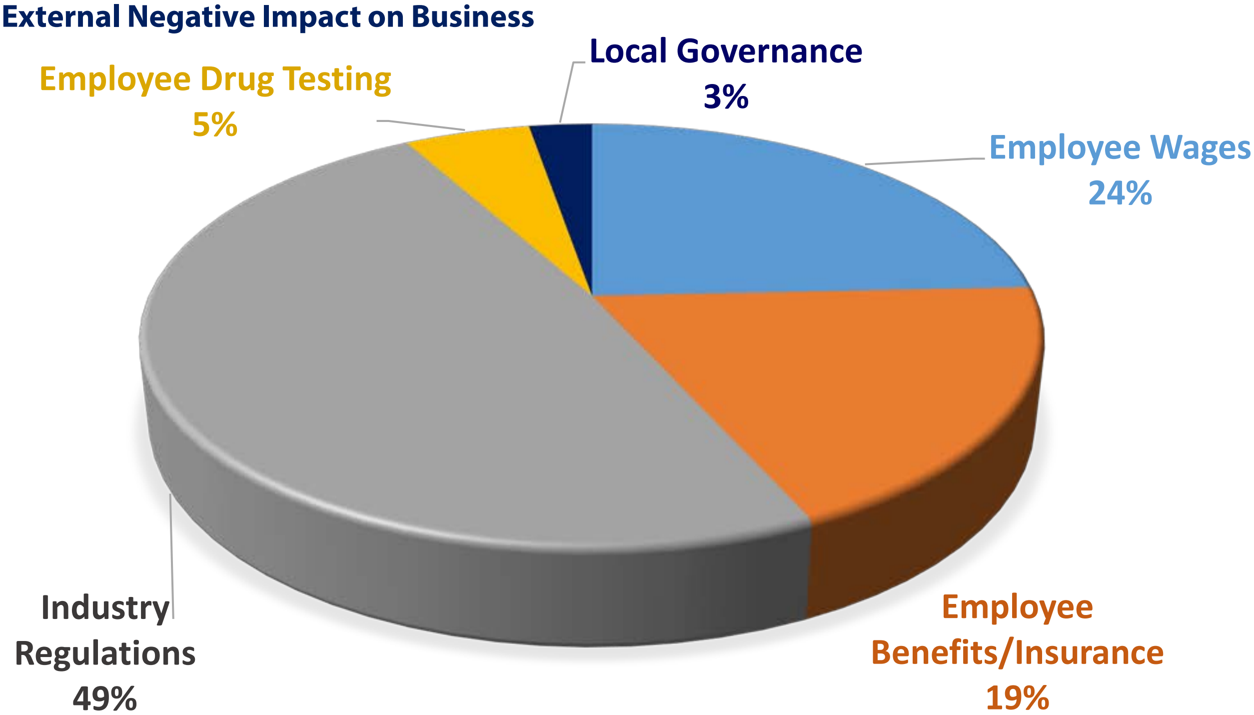
Respondents were asked if they anticipated any federal, state, or local legislation changes that would adversely affect their business in the next five years. Of the responses, they were near evenly split between yes and no answers, with 40% responding “Yes,” 56% “No,” and 4% “Unsure.” (Figure 23)

Figure 23: Legislative Changes Affecting Business Expected within 5 Years

YES	NO	UNSURE
40%	56%	4%

Of those indicating concern about legislation changes having negative business impact, top concerns cited were industry regulation, employee wages, and employee insurance/benefits. (Figure 24)

Figure 24: External Negative Impact on Business



EXECUTIVE SUMMARY

Community Strengths

Respondents were asked to share their opinion of the local community's strengths as a place to do business. The top five identified community strengths were:

1) Economic benefit of being a college town
2) Proximity to the Oconee River and Lake Sinclair
3) Small town community connectedness with significant historical character
4) Central location in the state of Georgia
5) Business environment supportive of and beneficial to growth

Further feedback about the connection of business to community indicated strong belief of the Milledgeville-Baldwin County community being fiercely loyal to small business owners and a strong "shop local" mentality fueling healthy competition and strong sense of community connectedness.

Over one-third of respondents indicated Georgia College and Georgia Military College were large strengths to the local community. Additionally, business leadership cited the location of Milledgeville and Baldwin County being instrumental to it being a regional hub for surrounding communities, as well as lower operating costs and efficient logistics due to use of less saturated roadways and highways.

Community Needs

Survey respondents were also asked to share their opinion of the local community's needs as a place to do business. The top identified community concerns were:

1) Local government support of economic development
2) Workforce to meet employment needs
3) Public education quality
4) Lack of well-paying jobs
5) Few outdoor entertainment and recreation options

Community needs feedback was tied to overall quality of life and the means by which individuals and businesses contribute to community prosperity as a whole. While issues were related to a variety of areas, they had the commonality of all being concern for community and economic prosperity.

Some respondents felt City and County government leadership needed more responsiveness to community issues and commitment to economic growth. Suggestions included intensive efforts to attract new industry and increase middle-income level jobs, retain graduates from local colleges, improve preparation of high school graduates to fulfill workforce needs, and fostering a highly skilled and motivated workforce.

Strategy Summary

ECONOMIC DEVELOPMENT PARTNERSHIPS

Local partnerships are vital to successful workforce and economic development in Milledgeville-Baldwin County. From an economic perspective, the purpose of economic development is stimulating local job creation and aggregate business activity, increasing the quantity and quality of jobs available, and ensuring there is a skilled, local workforce available to meet the employment needs of businesses.

> Strategy
> Continue current efforts and expand engagement of community partners in strategic economic development activities. Specific focus will be directed at local businesses because of the importance of business led needs identification and workforce development initiatives.

AVAILABLE WORKFORCE

Not unique among cities in Georgia, or even across the nation, a supply gap exists locally where there are not enough skilled workers to meet employers' current employment needs and there is a critical mass of middle and retirement-aged workers far outpacing the number of young workers entering the workforce.

> Strategy
> Partnerships between, but not limited to, the DAMBC, local businesses, the Baldwin College & Career Academy, GCSU, GMC, CGTC, and GDEcD Workforce Division will be used to develop training and education strategies to produce workers to close the supply gap and ensure workforce skills are aligned with the current needs and anticipated future needs of local businesses.

EDUCATION

As a crucial component of overall economic development strategies in Milledgeville-Baldwin County, initiatives to ensure a dedicated supply of talent, particularly in K–12, is the foundation on which the availability of workforce, success of each individual, and community development as a whole is dependent.

> Strategy
> The need to engage tomorrow's workforce will be filled by working with local partners, including but not limited to the Baldwin County Board of Education, Georgia Military College Prep School, and John Milledge Academy to strengthen exposure of students to potential career paths at an early age and foster the translation of curriculum enthusiasm into future careers and, in turn, workforce development.

GLOSSARY

CGTC – Central Georgia Technical College

DAMBC – Development Authority of the City of Milledgeville & Baldwin County

DDA – Downtown Development Authority

FIREL – Sector referring to businesses in the categories of finance, real estate, and legal services

GCSU – Georgia College & State University

GDEcD – Georgia Department of Economic Development

GMC – Georgia Military College

Local – Referring to the geographical area including the City of Milledgeville and Baldwin County

Milledgeville-Baldwin County – Referring to the collective areas of the City of Milledgeville and Baldwin County

Regional – Referring to the geographical area located in Central Georgia.