

2017

Business Retention & Expansion Survey

Executive Summary



Clay County Economic Development Council

Jim Hampton, Executive Director

“Maximizing Economic Well-Being and Opportunity in
Clay County, Missouri”

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Executive Summary

With the assistance of the Global Business and Entrepreneurship students of the CAPS (Northland Center for Advanced Professional Studies), the Clay County Economic Development Council conducted extensive surveys with the executives of 60 existing Clay County businesses by means of one-on-one confidential interviews during the past eighteen months. This is the thirteenth consecutive year that the Business Synchronist Information System has been employed to increase and enhance retention and expansion efforts in Clay County.

The Synchronist Survey is a structured business information system focused on understanding a business using four tools:

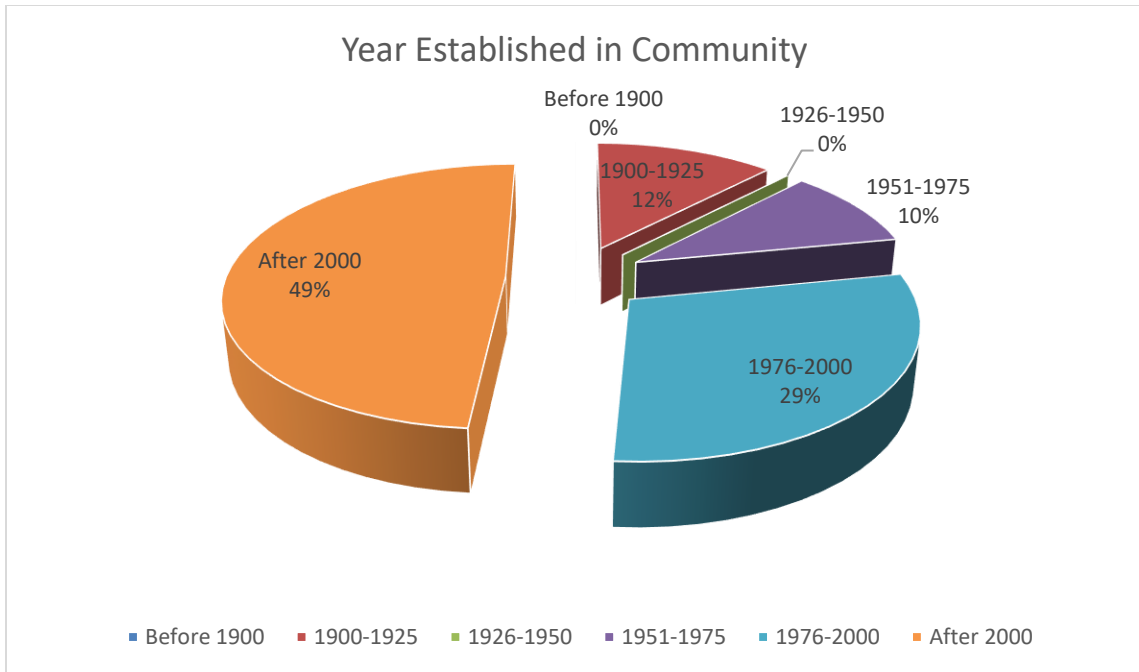
- Problem identification questions
- Predictive questions
- Marketing intelligence
- Business assessment

The result is hard data that provides information designed to help answer specific questions of concern to every economic development decision-maker and community or government leader. These questions include:

- Is the company at risk of relocating or downsizing?
- What is the growth potential of the company?
- What is the company's orientation to technology?
- What is the company's level of satisfaction with Clay County and its services?
- Do any existing or emerging problems in the community pose a threat to existing or potential businesses?

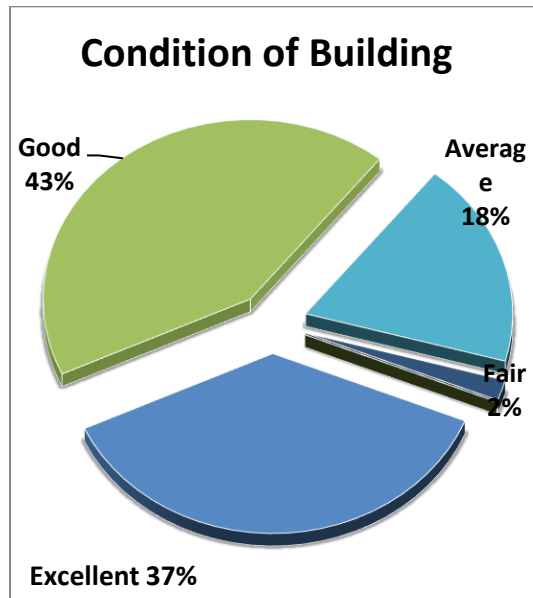
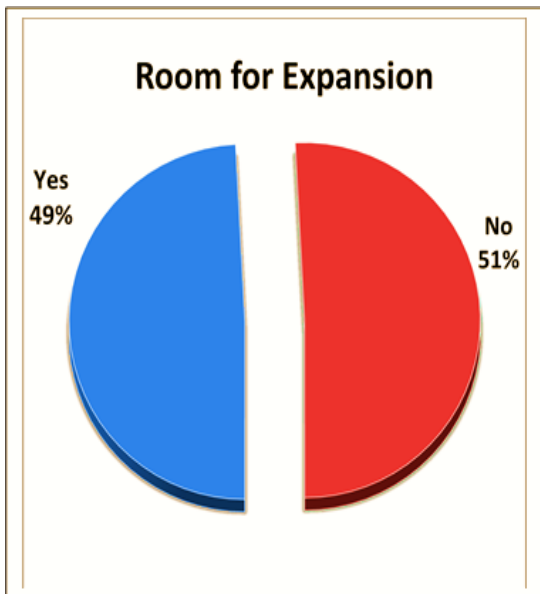
Participating Clay County businesses are assured that company-specific information will be kept strictly confidential. The results are honest and accurate information on the overall business climate and the specific needs of Clay County businesses. The data from these confidential interviews is entered into a system that analyzes the responses to provide information on the status of business in Clay County and identifies issues that need to be addressed as a county to create and support an environment where businesses can succeed. This data also provides decision-makers critical insight for allocating resources and creating public policy by identifying growth companies, predicting companies at risk, and forecasting economic investment.

The businesses surveyed in 2015-2016 covered the geographical spread of Clay County, representing a diversity of manufacturing, retail, and service businesses in Kansas City, Lawson, Liberty, Kearney, North Kansas City, and Excelsior Springs. They range from a sole-proprietorship to employee bases of 2 to 4,000. Nationally, 4 out of 5 small business owners are self-employed with no other employees. Nationally, 89.8% of all businesses have fewer than 20 employees, and it is significant to note that 88% of the 17,542 Clay County businesses have fewer than 20 employees. Included in this survey are start-ups, emerging firms, and long-established businesses.



Business Expansion

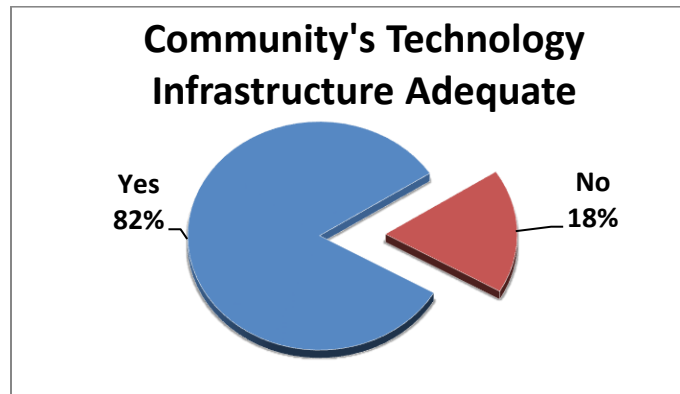
Additional areas of achievement that auger well for continued development and expansion include improved customer service, survival of the credit crunch, new products, technology advances, and community involvement.



Nearly half of the businesses reported plans to expand in the next three years; with the creation of approximately 293 new jobs by 2017. Economic recovery, along with attractive real estate and construction prices, are major factors in the optimistic projections.

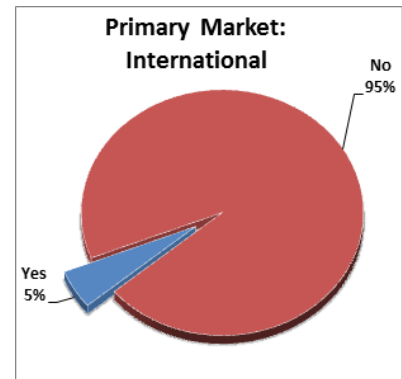
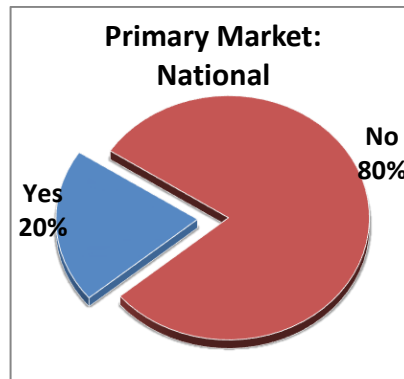
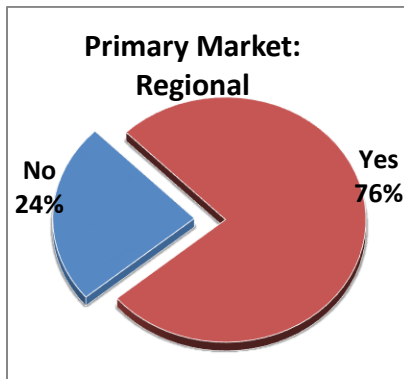
Technology Impact

It is not surprising that a large majority of companies of all sizes and in all areas, report heavy investments in new technology. New and advanced technologies are emerging for 58% of the companies, and these technologies will change either their product or how it is produced or marketed. It is significant to note that 18% of the respondents report that the county's technology infrastructure is not adequate to meet their needs.



International Business Trends

The markets for Clay County companies in 2015 reflected a continued reliance on local market emphasis but with slight increases in national and regional market shares. The international market share had a small uptick to from 3% to 5%.



Legislative Issues

The survey requests business executives' input regarding pending federal, state, or local legislation changes that will either benefit or adversely affect their businesses in the next five years. 2015 showed an improvement of perception regarding anticipated adverse effects. Business leaders reported that with a new president and new governor issues are uncertain now but still have a positive outlook.

Community Evaluation

Business executives continue to give Clay County high marks as a place to do business. Diverse economy, location, workforce, educational system, population growth, quality of life, and community pride continue to be identified as primary strengths, followed closely by stability of business ownership and management, low cost-of-living, cooperation, and a low crime rate.

CLAY COUNTY	2011	2012	2013	2014	2015/2016	NAT.
Police Protection	6.47	6.44	6.34	6.22	6.50	5.68
Fire Protection	6.56	6.52	6.48	6.41	6.64	5.98
Ambulance/Paramedic	6.68	6.49	6.54	6.34	6.47	5.94
Health Care Services	6.14	6.18	6.21	6.13	6.19	5.55
Child Care	5.74	5.46	5.50	5.53	5.29	5.10
Schools (K-12)	6.48	5.38	6.29	6.20	6.02	5.32
Tech College	6.22	6.22	6.21	5.73	5.02	5.44
Community College	6.22	6.24	6.23	5.86	5.37	5.66
Colleges & Universities	6.36	6.39	6.33	5.99	5.22	5.75
Public Transportation	2.42	3.04	2.79	3.60	4.44	4.15
Traffic Control	4.98	5.17	5.09	5.07	5.47	4.78
Streets & Roads (local)	5.11	5.33	5.15	4.97	5.12	4.62
Highways (state & federal)	5.62	5.45	5.33	5.44	5.30	5.07
Airline Passenger Service	6.14	6.04	5.85	5.69	5.83	4.67
Air Cargo Service	5.97	5.88	6.18	5.70	5.48	5.21
Trucking	6.24	6.41	6.38	5.81	5.75	5.56
Property Tax Assessment	4.62	4.51	4.21	4.40	4.58	4.35
Zoning Changes/Bldg. Permits	4.97	4.49	4.44	4.79	5.16	4.71
Regulatory Enforcement	5.05	5.07	4.84	5.00	5.58	4.89
Community Planning	5.26	5.60	5.13	5.23	5.46	4.82
Community Services	4.75	5.32	5.60	5.26	5.31	N/A
County Services	5.23	5.76	5.29	4.95	5.28	5.07
Chamber/Business Association	6.13	6.04	6.09	5.77	5.82	5.51
Economic Development Council	6.19	6.26	6.35	5.68	5.36	5.61
Workforce Services	4.62	5.39	5.53	4.45	4.94	N/A
Comprehensive Average	5.61	5.64	5.62	5.44	5.50	5.19

For eleven consecutive years, there have been increasing requests for coordinated planning among all Clay County governmental entities—county and municipal, including user-friendly codes, regulations, and permitting processes that are transparent. The need for this coordinated planning has been identified as a serious weakness. The issue of coordinated planning is related to strong concerns for a progressive outlook and cooperative leadership by county elected officials.

Additional areas identified as needing attention include infrastructure, especially county roads and bridges, image, bureaucracy, regional cooperation, Class A office space, high-end housing, and public transportation.

Public Services

The quality of public services rated high among existing industries, with 99% rating police protection and fire protection good to excellent. The areas of concern centered on public transportation, zoning changes/building permits, regulatory enforcement, and property tax assessment. Schools and the entire educational system continue to receive very high evaluations. Overall, Clay County public services in 2015/2016 were rated above the national average.

Workforce

Clay County is the only Certified Work Ready Community in the Kansas City Metro. The program measures basic work skills of would-be employees. Created by the nationally recognized ACT testing organization, the program offers Career Readiness Certificates that help qualify real-world job skills in a consistent, “apples to apples” measurement. Workers gain the advantage of a verified proof of their basic work skills, while employers gain a consistent and comparable tool for evaluating job applicants.

National Career Readiness Certificates complement traditional credentials such as high school diplomas, community college degrees, and certificates of technical proficiency. Academic credentials mark the fulfillment of an individual’s classroom learning experiences. The NCRC relies on standardized assessments and confirms an individual’s competence in a specific set of workplace skills.

On a scale of 1-7, with 7 being high, Clay County employers ranked workforce 5.25. On this scale, 3.5=average, 4.0=above average, 5.0=good, 6.0=excellent, and 7.0=perfect.

	2010	2011	2012	2013	2014	2015/2016
Availability	6.08	5.52	5.59	5.49	4.96	4.25
Quality	5.76	5.41	5.35	5.52	5.05	4.62
Stability	5.99	5.89	5.54	5.40	5.17	4.88
Productivity	5.91	5.60	5.61	5.64	5.82	5.94
Comprehensive Average	5.94	5.61	5.52	5.51	5.25	4.92

Major areas of employee recruitment needed include sales, math skills, nurses, industrial maintenance, loan officers, security personnel, chemists, Eligibility Verification System attendants and management, part-time tellers, HVAC technicians, computer technicians, management, welders, accountants, beverage servers, automotive technicians, online sales, customer service, and sheet extrusion operators.

Since 1995 retail, health care and food accommodations have created the most jobs. It is important to note that the U.S. Department of Labor Bureau of Labor Statistics predicts that service jobs in the areas of educational services, health care, and social assistance will continue to account for the lion’s share of job growth. Personal health care will grow at a rate of 11%. Construction jobs are predicted to continue to lag, and manufacturing positions will decline by about 5%. Nine in 10 of the fastest-growth occupations are forecast to be in computers and health care. Currently, one in six workers in Missouri are in health care. In the Kansas City metro, 125,000 are employed in the health care industry. The Missouri Strategic Initiative

for Economic Growth task force has predicted that the state’s fast-growing industries for the future include transportation, information technology, and financial services, along with aerospace and defense manufacturing, energy solutions, biosciences, and health science. The Bureau of Labor Statistics projects that as other industries decline and lose positions, the health care industry will continue to grow at an exponential rate.

In order to ensure that the upcoming workforce is available in the future, the Northland Center for Advanced Professional Studies (Northland CAPS) provides high school students in the Northland with a professional, innovative and entrepreneurial education through full immersion in high demand/high skill careers. Northland CAPS students solve real world problems, using business standard software, equipment and are mentored by real employers. Students gain experience working with real businesses, assisting and learning through meaningful projects. Early career professional skills like project management, creativity, business ethics, teamwork and time management are instructed, role modeled and measured.

The CAPS program which started in 2013 is continuing to meet the need for expanded training in science, technology, engineering, and math in the public schools, with 28 students the first year and more than 300 students in the fall of 2014 and 320 in 2015. These are the areas that are being focused on:

- Medicine and Healthcare
- Technology Solutions
- Global Business and Entrepreneurship
- Engineering and Advance Manufacturing
- Global Logistic
- Digital Media and Design

Practice and demonstrate desired professional skills such as

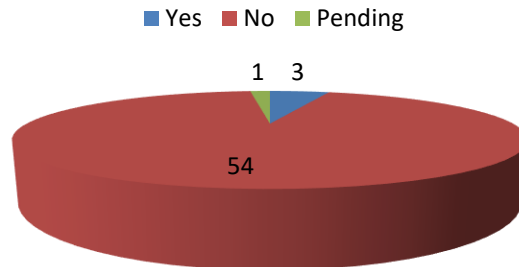
- Communication and collaboration
- Time and Project Management
- Creativity and Innovation
- Critical Thinking and Problem Solving
- Integrity and Trust

The Northland CAPS students have created a website “Careers of the Northland” which help describe the new age of manufacturing for both students and parents, giving an inside look of what manufacturing look like today versus what they were back before the technology and automation boom. Also, included on the website are testimonies from both professionals that chose college and those who went straight to work; interview pointers and questions to be asked by the interviewee. In the upcoming year, the students will be adding healthcare and expanding company information.

Trends

Twelve years of data now provide a picture of several trends and changes. The stable business and organizational climate continues as evidenced by little turnover in ownership and in top management, with ownership stability at 92%, advancing from 79% in 2005.

Has the Company's Ownership Changed in the Last 18 Months or Is a Change Anticipated?



This survey confirms that Clay County is maximizing “economic well-being and economic opportunity,” and business executives have identified the major strengths to be the diverse economy, population growth, quality of life, sense of community, workforce, quality educational system, low cost-of-living, and low crime rate.

Future

The goal of this project and the mission of the Clay County Economic Development Council remain “to maximize economic well-being and opportunity in Clay County, Missouri,” by attracting and retaining business and industry for the county and to promote a positive economic development climate. The information in this report provides an overview of the Clay County’s strong and diverse economy and identifies areas of planning for our community’s continued improvement, growth, quality of life and development.

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