

Business Retention and Expansion Program

Results of 2010 Survey

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Economic Development Foundation of **BRENHAM**

A city with a flavor all its own.

Executive Summary

In 2010, the Economic Development Foundation of Brenham conducted its second benchmarking survey of Brenham businesses, as part of its ongoing Business Retention & Expansion Program (BREP). The new benchmark survey will be used to compare data and results from the survey taken back in 2007.

With studies continuing to show that 80% of new job growth will come from existing firms and their suppliers, the EDF has placed priority on the retention and expansion of local businesses in order to ensure success of economic development in the community. The EDF recognizes that local businesses are the backbone of the community, and their vitality will be key to Brenham's future success.

Goals of the survey process include identifying the following:

- Local business needs and concerns
- Gauging the local economic business climate
- Factors that may be preventing expansion of local business
- Any business considering relocation outside the community and why
- Opportunities for match-making between local businesses & suppliers
- Current and future workforce needs
- Constructive ideas business owners may have for improving the local economy and Brenham's business environment

The BREP committee conducted personal interviews with major primary employers and provided an online survey that was available to all local businesses and industry sectors. The committee conducted the first personal interview in February 2010 and completed the last personal interview in December 2010. The online survey was also accessible from March 2010 to December 2010.

The committee identified a list of 38 major primary employers of which 31 participated in the personal interviews. A total of 3,273 employees are represented from the 31 businesses. All answers have been kept confidential and the results were compiled and tabulated in aggregate form.

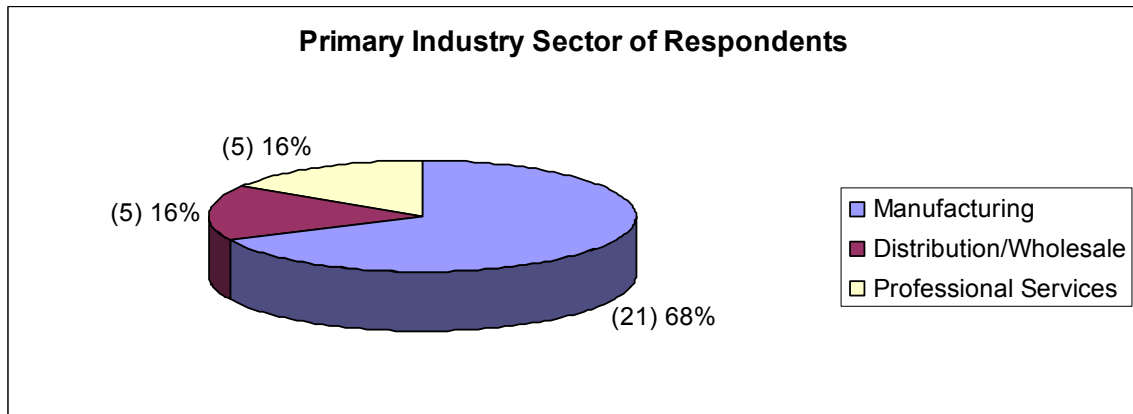
Additionally, an online survey was made available to the community and 26 businesses participated. Of those, the majority were from the professional services and retail industry sectors. The online respondents did not fully complete the surveys and the results were difficult to quantify, which is why they are not included in this report. Their key comments focused on the workforce and skilled labor shortage, comparable to the results of the personal interviews.

The following report is the final analysis of the data collected from the 31 major primary employers who participated in the personal interviews. The report can be used as a tool in making policy decisions and forming economic development action plans. The Economic Development Foundation of Brenham will continue to gather information in the coming months while pursuing its goal of promoting the growth of industry and jobs.

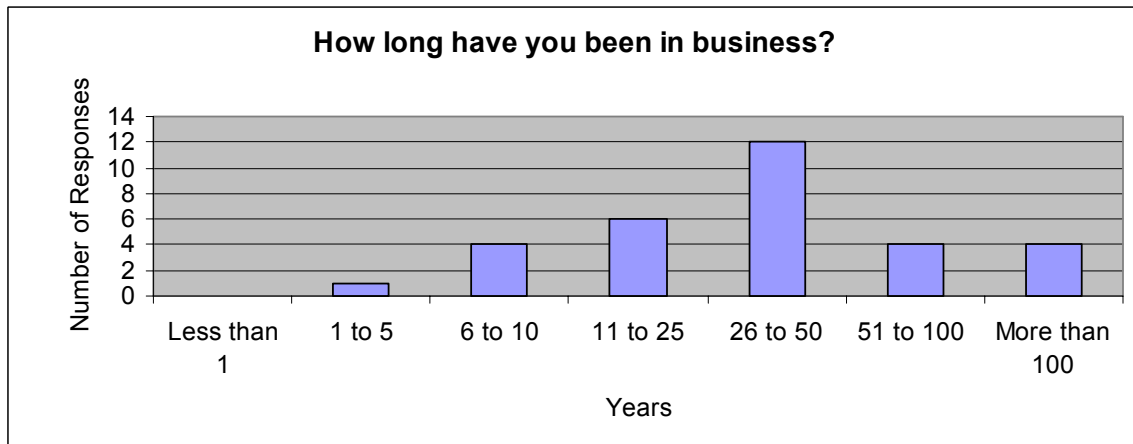
Respondent Overview

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In this section, you will find a brief snapshot of the businesses that were personally interviewed for the Business Retention and Expansion Program. A total of 31 primary employers were interviewed. The committee had a good sampling of respondents in different industry sectors, with manufacturing being the largest.

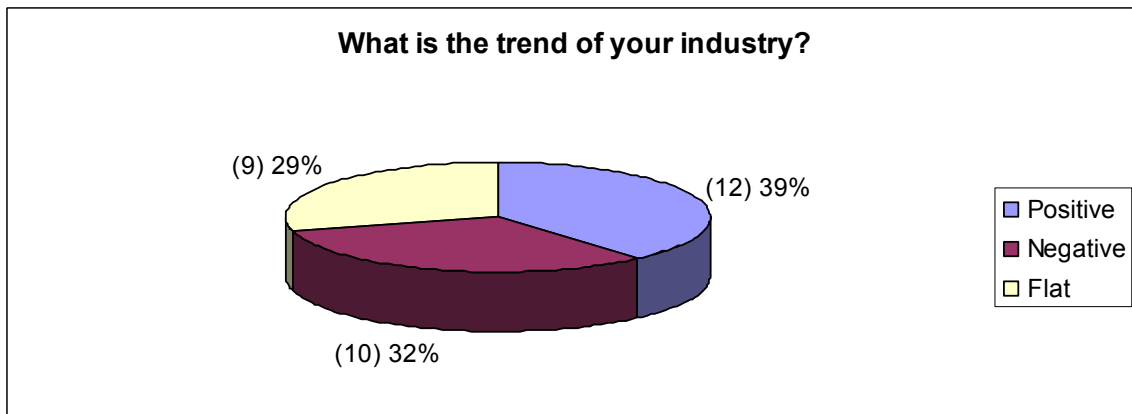
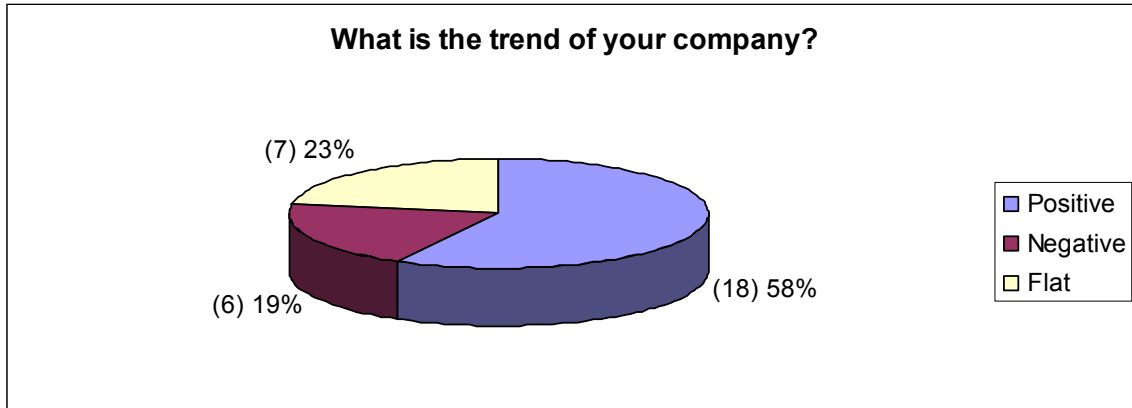


One data set that indicates Brenham has an “innate” business incubator climate is the “How long have you been in business” chart. It shows that 20 respondents have been in business for longer than 25 years and 11 respondents have been in business for 1 to 25 years. However, there were no respondents who were classified as start-ups.



Respondent Overview

Of the respondents, 58% stated that their companies are experiencing a positive trend. That trend is down 30% from the last time this business survey was taken in 2007. Only 39% of the corresponding industries in Brenham are experiencing a positive trend. This is down 45% from 2007. These numbers indicate that local businesses were impacted by the national recession that began in late 2008 but fared much better than the overall industry average.



Length of time in business and trend forecasts both suggest a strong local economic base and a robust future.

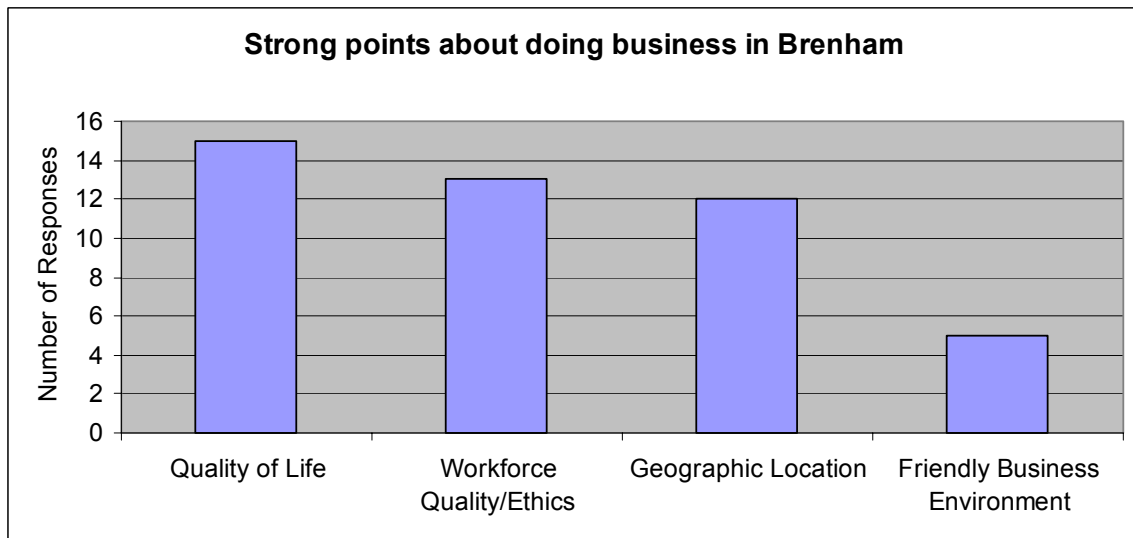
Business Climate

Business Climate

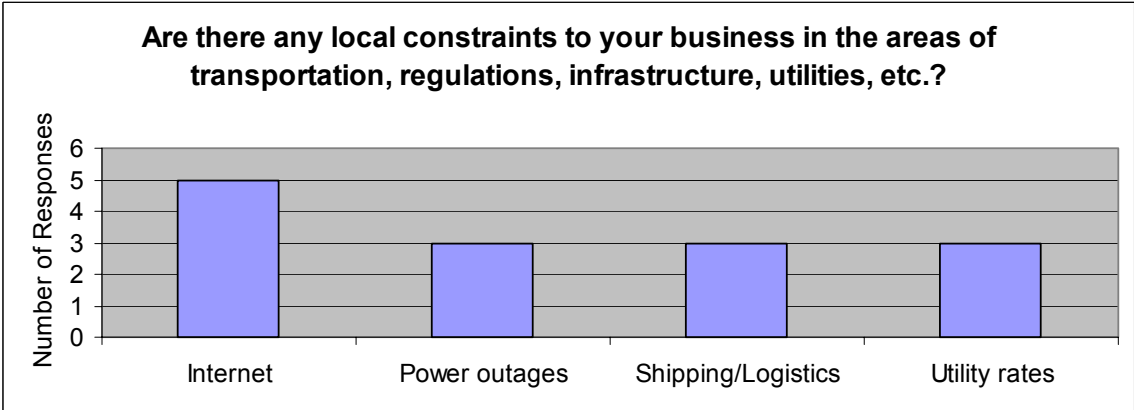
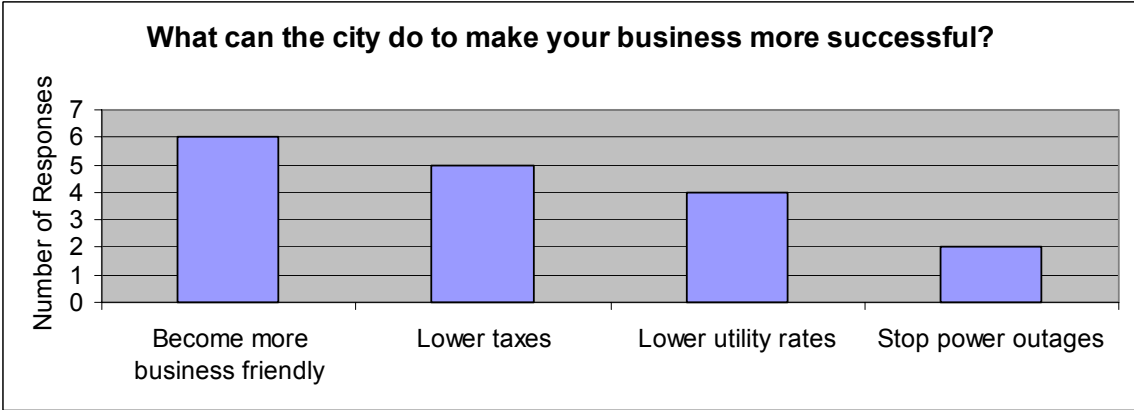
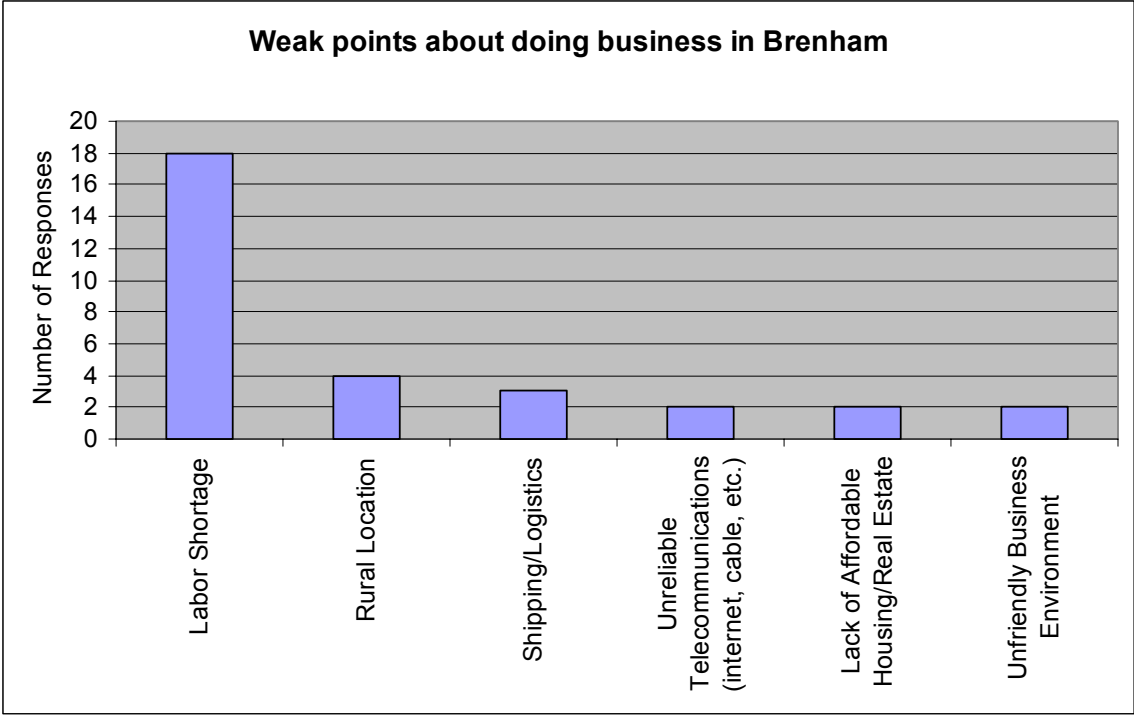
The committee heard from survey respondents that the strongest point of doing business in Brenham is the quality of life in the community, followed by the high quality and ethics of the workforce. The results also revealed that the shortage of qualified and skilled labor in the community is the dominant weakness of doing business in Brenham.

When asked what the city could do to make their business more successful, the majority of respondents felt that the city is a positive influence, but could work on becoming more business friendly and lowering taxes and utility rates.

In responding to what is the biggest constraint to their business, the top response was the lack of reliable internet service. This was heard from businesses that are not yet in the range of getting DSL service, a majority of which are in Brenham business parks.



Business Climate



Workforce

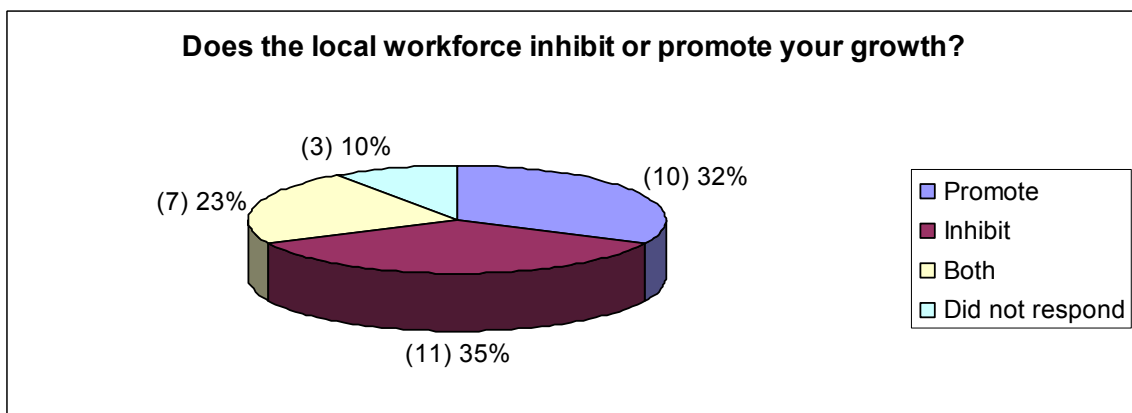
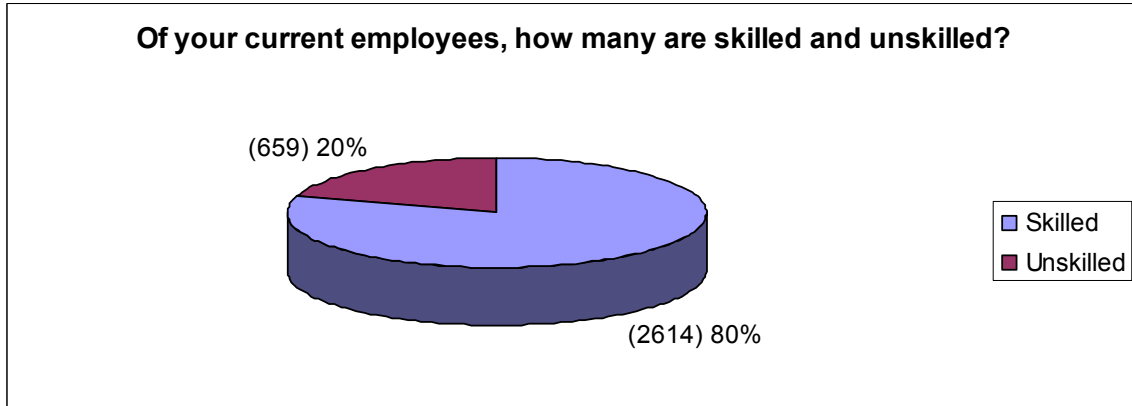
Workforce

While analyzing the data for the entire survey, no data set became more dominant than that of the local workforce. The local workforce has proven essential in the past expansions and current growth plans of the 31 responding companies.

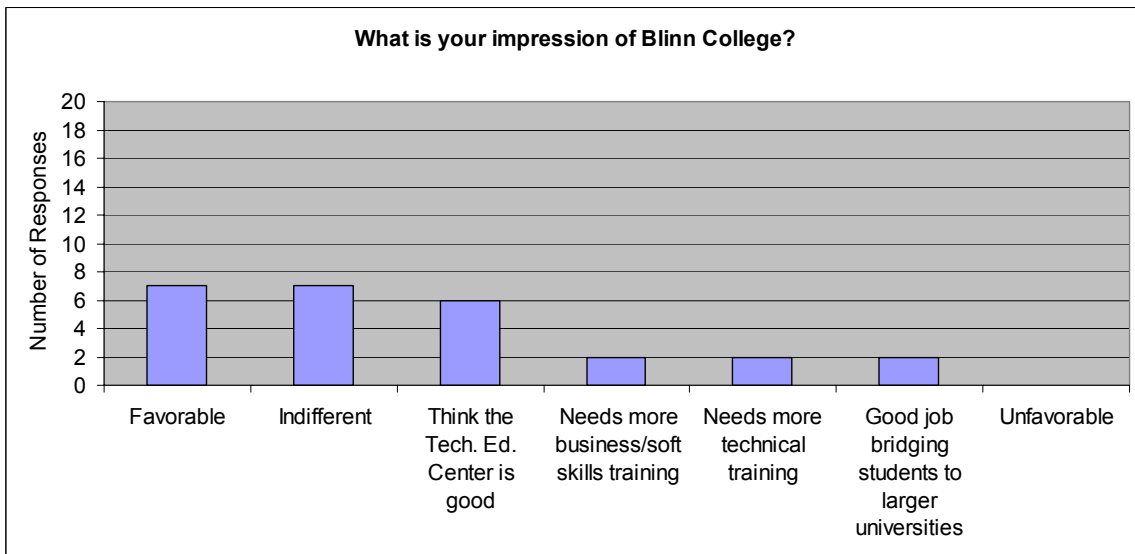
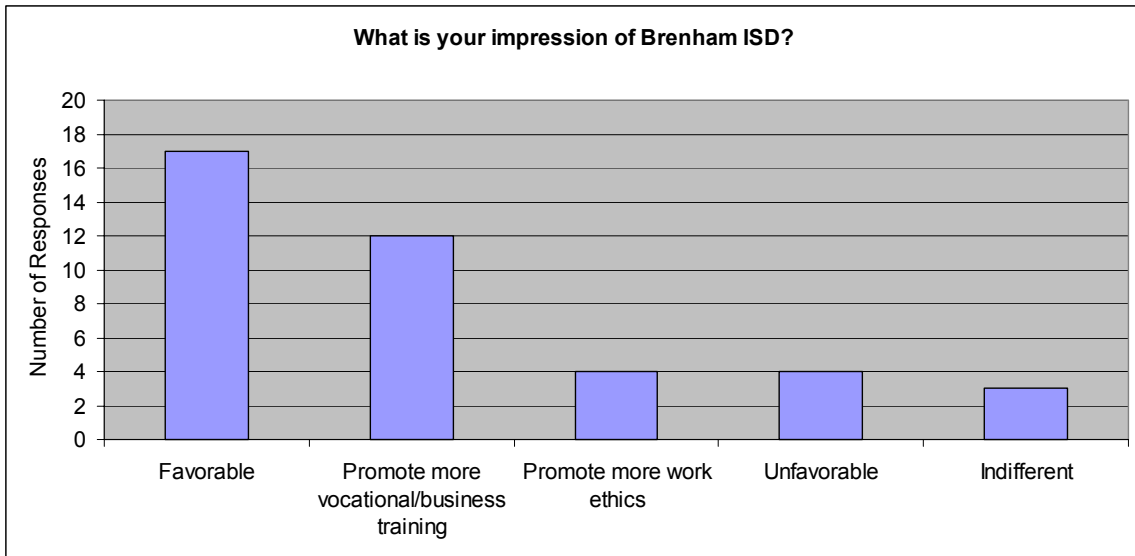
A total of 3,273 employees are represented in this survey, with a majority of the workforce in a position considered “skilled” by the employer. Most employers felt that the quality and work ethic of the workforce promotes their growth, while at the same time the lack of a large labor pool inhibits their growth.

According to most business owners, the lack of a hireable workforce is due to the low population of skilled or professional workers and generational work ethic differences in the youth.

Although the majority of respondents had a favorable impression of the education being provided by Brenham ISD and Blinn College to prepare students for the workforce, many felt that the schools need to work more to promote work ethics and vocational and business training. A large number of respondents also felt that the A.W. Hodde Jr., Technical Education Center is good and is a positive step in the right direction.



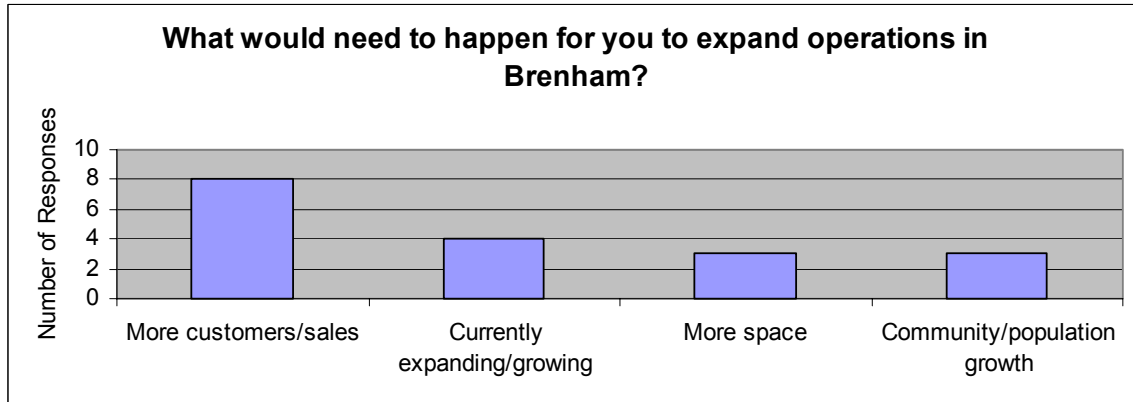
Workforce



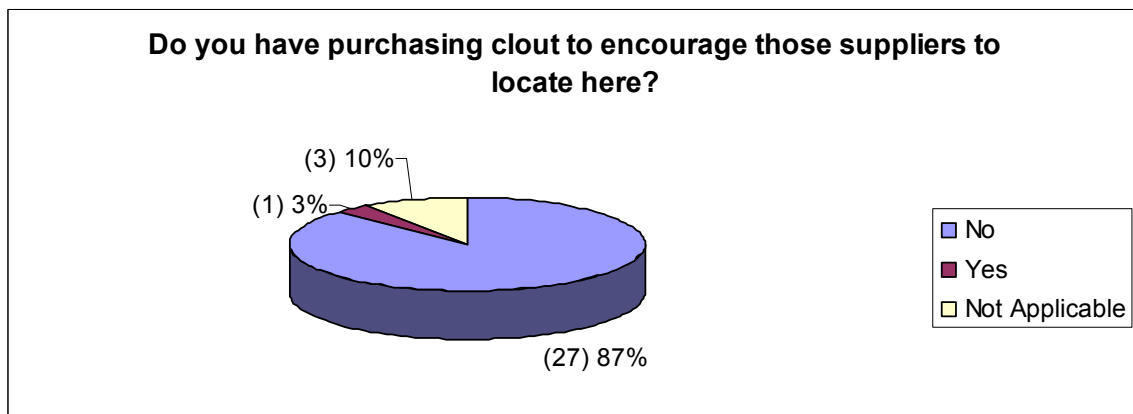
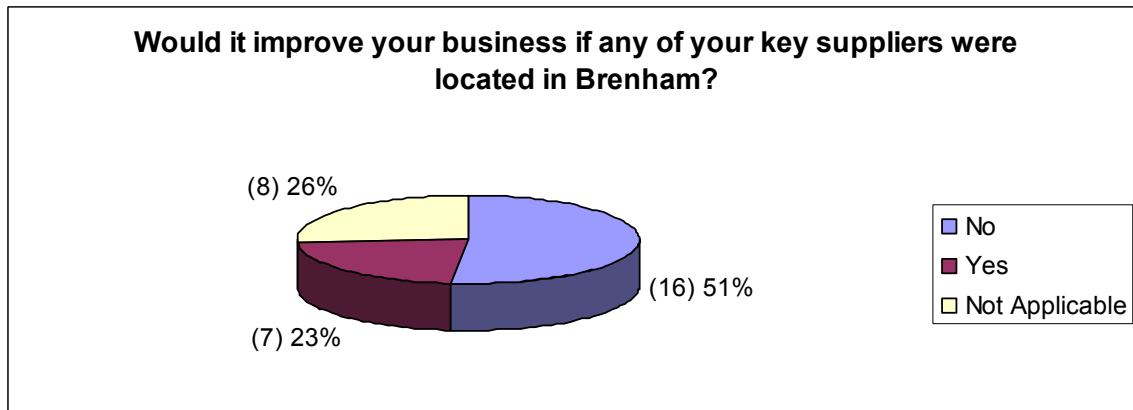
Opportunity For Business Growth

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We found that, of the 31 respondents, the opportunities of growth are directly affected by an increase in business, real estate market, workforce, and population growth.



The majority of respondents felt that they do not have the purchasing clout to encourage the relocation of a supplier.



Opportunity For Business Growth

When surveyed about what new business was needed in Brenham, respondents felt that the community needs more retail choices, followed by a new grocery store and restaurants.

