

Business Retention and Expansion in Arizona:

Statewide survey indicators and recommendations

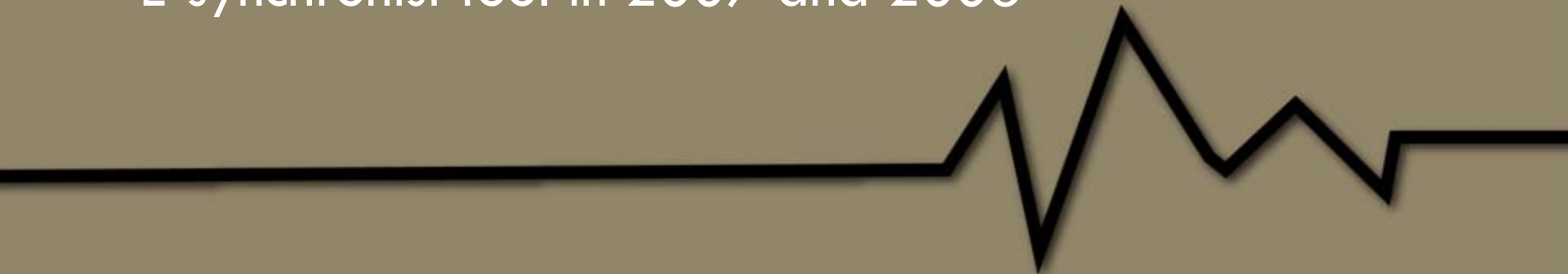


Arizona Association for
Economic Development



Participants & Purpose.

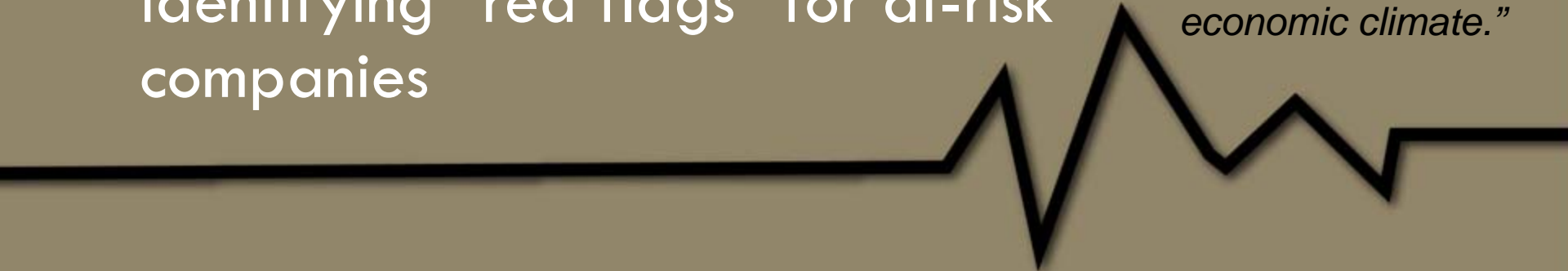
- Project led by Arizona Business Retention & Expansion Council, a committee within the Arizona Association for Economic Development
- 25 communities across the state, ADOC, APS, and OC Partnership
- First ever statewide analysis of BRE data, with 518 unique data sets collected using standard E-synchronist tool in 2007 and 2008



Importance of BRE.

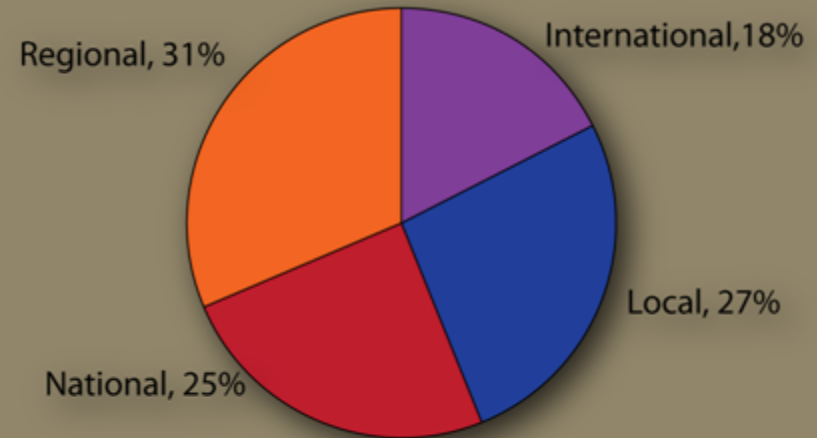
- 76% of new jobs and capital investment comes from existing business
- Retain existing businesses, help them grow, assist them in difficult times
- Creates opportunities for identifying “red flags” for at-risk companies

“BRE efforts could not be more important than under the current economic climate.”



General business descriptions.

- Industrial/manufacturing sectors targeted for interview
- Average age of companies surveyed was 19 years old




Company Primary Markets



Growth indicators.

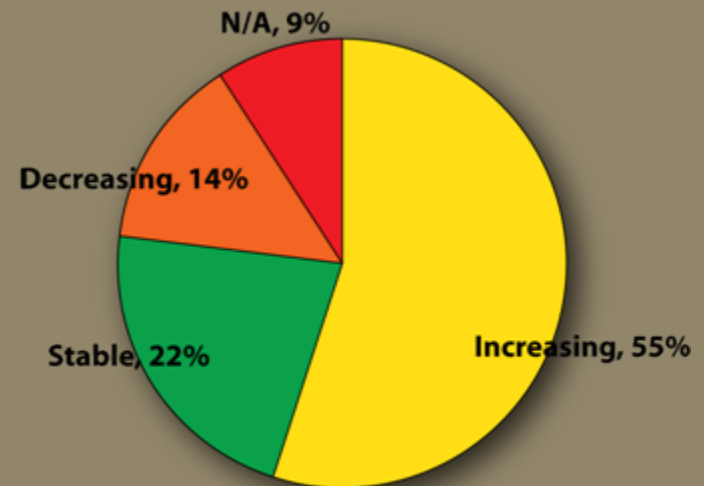
- 55% of businesses reported total sales increase
- Only 29% of surveyed have export sales
- Slightly over 1 / 3 of companies were investing in R&D, with advanced manufacturing sector spending most

“Export sales are vitally important as they increase local wealth by drawing in outside capital.”

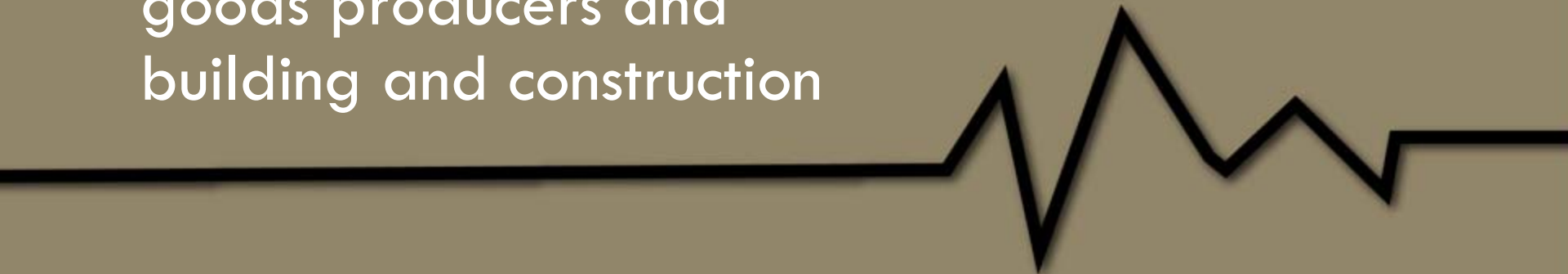


Business changes.

- 58% of companies were planning to expand within 3 years
- Indicators of stability were present, BUT
- Mergers and acquisitions were increasing for consumer goods producers and building and construction




Total Sales Trends



Business climate.

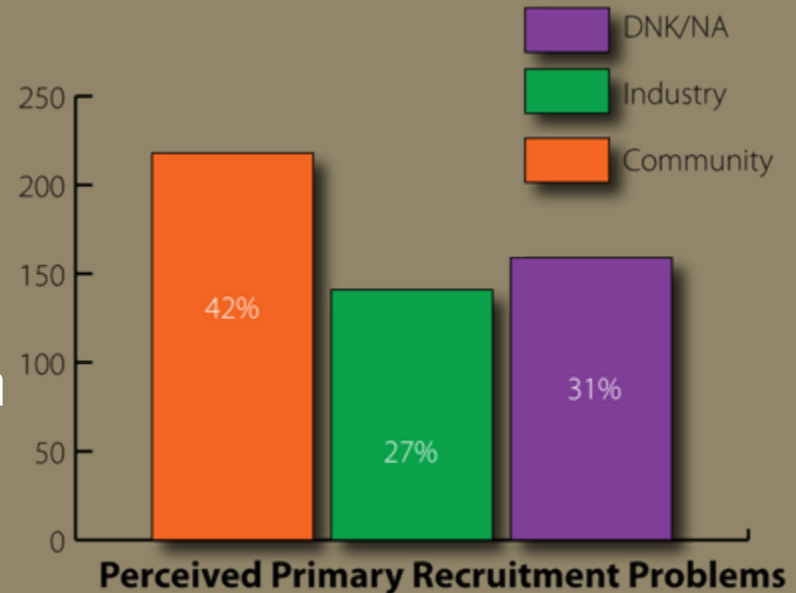
- Location the most important community strength
- Weaknesses included cost of land and building, taxation and local government
- Topics of discussion included workforce, business development, financing, and regulations

“Whether real or perceived, weaknesses can be a drain on a community’s ability to retain a business.”



Workforce.

- 47% of companies having challenges recruiting for specific skills
- Ambivalence evident on the availability and quality of workforce



Key recommendations.

- Local initiatives
- State level activities
- Actions specific to AAED as a statewide economic development advocate



Next steps.

- Full report will be available on AAED Website
- Recommendations will be sent to applicable groups and ABREC will work with them to help make recommendations a reality
- Annual report on activities, and update of data
- Want to get involved? Contact an ABREC Co-Chair

Thanks to our partners.



Arizona Association for
Economic Development



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