

TAKING CARE OF BUSINESSES AND UNEXPECTED BENEFITS

by Joyce W. Waugh

Taking care of existing businesses is analogous to taking care of one's community. Here are some reasons why.

One of the most important yet often overlooked aspects of economic development in a local government setting is the implementation of an existing industry program. An existing industry visitation program is not as glamorous or exciting as going after new business or industry—and certainly this type of program and its results receive less press, even when small yet important expansions occur. Taking care of existing businesses, though, is analogous to taking care of one's community. There are many reasons why:

- ◆ **Problem solving** by maintaining open relationships. Local governments frequently are easy targets for problems, real or perceived. Keeping in touch, providing information on resources, resolving issues as they arise, learning about current business concerns, and seeking ways to assist companies are all important in keeping existing businesses in a community.

- ◆ **Community involvement.** Find ways to involve CEOs. Some business leaders are already active in their communities, others are not. Learning what their interests are and making connections is a good way to share ownership in the community and to develop a sense of community. When company leadership changes, it is an opportunity to engage the new leaders in educational or other civic opportunities.

- ◆ **Resources/technology transfer.**

More often than not, issues that surface may be long term and may require long term, community-wide solutions. Tying together community issues provides leverage for action, whether it is related to work force, manufacturing processes, or government services such as taxes and garbage pick-up. Coalitions can work well for specific purposes, such as technology transfer, quality enhancement, workforce development. Similarly, connecting companies with resources for process improvement or financing is just one more way to strengthen relationships.

- ◆ **Growth management.**

Frequently when companies need to expand with people, equipment, and/or facilities, they are already behind schedule. Local governments generally maintain inventories of public and privately owned sites and buildings to assist in this area, as do regional organizations for situations when the company cannot expand at its present location. Companies may be reluctant to ask for tangible or in-kind assistance, yet when assistance is offered they are pleased to have help. Economic development staff can be especially useful in working with a company's liaison to ease the difficulty of going through the development review process wherein concept and building plans are reviewed and permits are issued. Assisting with the timing of permit issuance, i.e., grading and erosion/sediment control first, to help with critical construction needs, is usually appre-

ciated. Having a designated economic development contact to provide assistance before problems arise is also beneficial.

There are many keys to the art of existing industry visitation, including:

- ◆ Asking the right questions
- ◆ Listening very well
- ◆ Responding with follow-up in a timely fashion
- ◆ Making the connections to resources, as needed
- ◆ Making the visitation program more than a one-shot deal

Once a program is established, former opponents and companies previously unknown to you can become your best allies and resources for learning what businesses see as critical and ongoing needs in the community. They are skillful at making suggestions for solutions that can work, or will work with economic developers and others to find solutions for the greater good.

EXPECTED RESULTS

The expected results of an existing industry visit are:

- ◆ Keeping businesses—which adds up to keeping the tax base stable or increasing it
- ◆ Keeping good jobs—which results in spending power and creating wealth in the community
- ◆ Expansions and spin-off businesses—which creates more investment and may result in cluster industries, thereby strengthening the diversified economic base
- ◆ Advocates—company leaders who are willing to speak up for the community, sharing with prospects

why they want to be a part of your community

- ♦ Participation—on advisory boards, for special projects and in the community at large
- ♦ Credibility—by working together with the right combination of resources, any problem can be tackled, whether short or long term
- ♦ Referrals—to other companies that may be thinking of expanding, prospects from outside, vendors and suppliers

UNEXPECTED BENEFITS

Sometimes you get even more. Here is a story of a major event that came as result of an existing industry visitation program in Roanoke County, a suburban county in western Virginia.

Bowing Enterprises, a.k.a. Trebark, a small firm that manufactures woven and knitted camouflage products and distributes internationally, began working with the Department of Economic Development through the existing industry visitation program. Once a relationship was in place and the owners became more engaged in the community, the economic developer was called to a meeting to discuss the possibility of helping to attract a national archery event into the region. It would take 400-500 wooded and non-wooded acres with good access, tangible and intangible support, and a lot of people power for this three-day event. With the promise of ESPN television coverage and name-brand archers and archery equipment vendors, a regional non-profit group was organized to meet the challenge.

That event is now in its fourth year and conservatively generates an estimated \$250,000 to \$500,000 in immediate direct and indirect benefit to the greater region each year. A calculation has not been estimated on the ESPN coverage impact or other media related visibility, yet it is clear that this region of western Virginia, with the help of the Virginia Tourism Corporation, is creating a more defined image of itself with archers from all over the country. A summary

of the event and its regional economic impact follow.

**SUMMARY
ECONOMIC IMPACT OF TREBARK ASA
PRO-AM VIRGINIA CHAMPIONSHIP**

Archery Roanoke Valley, Inc., a non-profit 501(c)4 organization for educational purposes, is the host organization for the Trebark ASA Pro-Am Virginia Championship Archery Tournament. This event is one of six annual preliminary tournaments managed and produced by ASA (Archery Shooters Association) in the United States, prior to their World Championship. ASA is internationally recognized as a leader in 3-D archery tournaments and in successfully promoting this sport into one of the fastest growing sports in the country.

About 1,000 archers participate in an ASA tournament, with approximately 1,500-2,500 additional attendees each day of a three-day event, totaling an estimated 7,500-10,500 people at an event for a weekend. The archers are awarded cash and other prizes in a variety of bow categories, ages, and amateur to professional standings. Each event is highlighted in summary on ESPN.

During its third year of hosting the event, Archery Roanoke Valley (ARV) volunteers surveyed every entering vehicle to the Trebark ASA Pro-Am Virginia Championship Archery Tournament held at Pennhall on Smith Mountain Lake on June 19, 20, 21, 1998. They asked four questions:

- 1) How many are in your party?
- 2) Where are you staying (name of lodging)?
- 3) How many nights are you staying?
- 4) Where are you from (city/state)?

Having had little success in previous years obtaining clear summaries of ASA room nights from regional lodging facilities, ARV believed that obtaining this information was important in evaluating the economic merit of the event in the

greater region and in Virginia. As anticipated, event participants and related attendees were staying in a wide variety of lodging facilities in the greater Roanoke Valley and Smith Mountain Lake region, and some were driving daily from outside the region. The survey revealed that people stayed in seven different counties: Bedford, Botetourt, Franklin, Henry, Montgomery, Pittsylvania, and Roanoke County, plus three cities: Danville, Roanoke, and Salem.

An estimated 2,363 people per day, totaling 7,089 people for these three days were involved in the 1998 Trebark ASA Virginia Championship. Participants totaled 1,163, with 1,159 from 34 of the 50 states, and four from India.

Direct Economic Impact Measurements using conservative estimates:	
For participants/vendors/sponsors only:	
Lodging estimates: (average \$58.21 per night)	\$57,506.91
Food estimates: (estimated \$25.00 per person per day)	<u>\$30,518.75</u>
Total	\$88,025.66

Estimates were not made for gas, souvenirs, and other incidental expenses such as disposable cameras and film. Clearly the direct expenditures in the region could be considerably higher, but using these conservative figures, direct impact is close to \$100,000.

APPLYING OTHER MEASURES OF ECONOMIC IMPACT:

The Salem Civic Center, a regional center, uses a conservative estimate of 1.5 times the actual dollar numbers added onto the actual numbers as a realistic multiplier effect of sporting events. Using this formula the \$88,025 for participants/vendors/sponsors would total \$220,064 or roughly \$250,000.

Virginia Tourism Corporation estimates for sporting events \$112.50 per person per day for lodging, food, gas, souvenirs, and miscellaneous expenditures. Applying this formula the following totals were estimated:

1,163 participants/vendors/sponsors	
x \$112.50 per day	
x 2.5 days	
	= \$327,093.75
Using an estimate of \$25 per day for the 1,200 spectators and volunteers x 2.5 days	
	= \$ 75,000.00

This formula for estimating economic impact totals \$402,093.75 in dollars spent in the region over the three days of the tournament.

IN SUMMARY

SUMMARY	
Direct dollars for participants/vendors/sponsors (food/lodging only)	\$ 88,025.66
Conservative 1.5 multiplier added to direct dollars	\$220,064.15
Virginia Tourism Corporation estimate of \$112.50 per day	\$327,093.75
Additional estimate of volunteers and spectators spending	\$ 75,000.00

Using any of these measures of calculation, it would be an accurate statement to say that the estimated economic impact of this three-day event is about \$250,000 to the greater Roanoke Valley/Smith Mountain Lake region of the Commonwealth of Virginia. It could easily be argued that the impact is closer to \$500,000 when volunteer and spectator spending is added to the total.

The true benefit of the event to the region is in the ESPN television coverage, attention of over 1,000 mostly out-of-state participants to the scenic American Electric Power site and greater region, and the blend of this type of outdoor recreational event with scenic Virginia. Archery Roanoke Valley was formed with representative participation from local governments, non-profits, and the business community to host this event. This type of public/private cooperation and coordination clearly benefits the greater region of western Virginia and highlights some of the finer aspects of the Commonwealth of Virginia.

Note: Special thanks to Brian Hamilton, economic development specialist for Roanoke County, for his assistance in tabulating the data.

BIOGRAPHY

Joyce W. Waugh is a certified economic developer (CED) who has worked for the Roanoke County of Virginia for the past nine years, the past two as assistant director of economic development. In this capacity, she visits major industries, assists existing companies with expansions, works with companies on relocations, assists with site development and inventories, and helps to connect businesses with public and private resources for the greater benefit of the total community.

She has over 20 years experience from her work in the public and private sectors, including property management, major event planning, organizational development, and public relations. The Economic Development department in which she works is heavily involved in a variety of tourism projects. Ms. Waugh works closely with three of these: the ESPN televised Trebark ASA Virginia Championship Archery Tournament; an educational, outdoor living history park called Virginia's Explore Park; and projects related to the Blue Ridge Parkway, including a recent economic impact study of parkway travelers, an extension of the parkway called the Roanoke River Parkway, and the planning and design of a partnership Parkway Interpretive Center.

She holds a master's of social work administration from Florida State University and believes that continued educational training is the key to balancing experience with the sharpening of new skills in the broad and ever changing field of economic development. She lives in the Roanoke Valley with her family.