

Strengthening Our Local Businesses Strengthens Our Economy

This report was prepared by:
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This report is intended for: Executive Summary

**Reason for receipt: Summary of the NW MT BEAR
program findings**

Date report produced: 10/1/2006 Overall Findings

Scope of this Report:

This report is intended to provide insights into the pulse of a segment of Flathead Valley businesses.

As much of the feedback included in this report is based upon businesses' perceptions, this report not only provides indicators of the Flathead business environment, but also the Valley's and local service providers' effectiveness in communicating their messages to businesses and their ability to project positive images.

This report or similar segments of the collected BEAR data will be shared with local, regional, and state level decision makers, along with local service providers to help them understand the Flathead businesses' sentiment and areas in need of improvement. A summary report will also be distributed to all of the Flathead businesses that participated in the program and posted on the NW Montana BEAR website at www.nwmontanabear.com.

For scope of businesses represented, see the section: Scope of this report - data.

For questions or comments on this report and the program, please contact:

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Program History and Background:

In 2004, twenty two local economic, community, and workforce development organizations formed a collaborative partnership with a focus on supporting existing businesses and the business leaders that have made a commitment to the Flathead Valley.

In Jan. 2005 the NW Montana Business Expansion and Retention (BEAR) Program was launched with a goal to build and retain local businesses, ultimately to continue to enhance the business climate in our community.

The program spans the Flathead County with segments defined as:

Columbia Falls	Kalispell
Flathead County	Whitefish

Why BEAR: *Thank..... Value.....SupportRetain*

The BEAR program offers a multitude of benefits to the economic partners and participating businesses, along with the local, regional, and state level decision makers.

For the economic partners, BEAR offers a mechanism to thank the businesses owners and executives for strengthening our economy and to conveniently deliver the assistance and services of the twenty two partners to the doorsteps of these business professionals.

For the participating business executives, BEAR offers a convenient single point of access to identify and receive the services available (local, state and federal) to help them strengthen and growth their business.

Services include assistance with:

- Business Assessment
- Business Plans
- Education & Training
- Facility Location & Expansion
- Financing & Access to Capital
- Government Contracting & Procurement
- Human Resources & Workforce Management
- Manufacturing
- Marketing & Positioning
- Technology Resources

For local, regional, and state level decision makers, BEAR offers a centralized point of indicators and trends related to the attitudes, opinions and perceptions of the cross-industry businesses participating in the program, including:

- The local business climate, including successes and areas for improvement
- Local municipal service entities
- A business's potential for retention and growth in the Flathead
- All facets of the infrastructure necessary to support a healthy, high quality economic community.

Overall, business retention is an integral part of the Flathead's economic development strategy. NW Montana BEAR takes the pulse of the existing businesses, connects them with local resources, and solves their problems to enhance their experience of doing business in the Flathead. Through the collaborative effort of the BEAR partners, our resources have been extended to meet the needs of those who live and work in the Valley. An outreach program such as this sends a clear and targeted message and helps stabilize the business base critical to employment opportunities and economic growth.

Program Structure and Format:

The program is hosted by the Kalispell Area Chamber of Commerce with a part-time program manager on staff through the Chamber.

Funding partners

Funding partners contribute financial support to the licensing and management of the BEAR program:

- Associated Chambers of Commerce:
 - Kalispell, Whitefish, Columbia Falls, Bigfork, & Lakeside/Somers
- Kalispell Area Chamber of Commerce
- Flathead Valley Community College
- Flathead Job Services
- Montana Department of Commerce
- Montana West Economic Development

Outreach partners

Twenty four individuals from the following organizations have been trained and act as outreach specialists, representing the services offered by all of the partners:

- Kalispell Area Chamber of Commerce
- City of Kalispell
- Flathead Conventions & Visitors Bureau
- Flathead Job Service Workforce Center
- Flathead Valley Community College
- Montana West Economic Development & Flathead Port Authority
- MT Manufacturing Extension Center
- MT Procurement Technical Assistance Center
- School District 5
- SCORE, Counselors to America's Small Business
- Small Business Development Center
- Whitefish Chamber of Commerce

Supportive organizations :

The following organizations have recognized the benefits that will be delivered from the BEAR program and will assist in responding to the needs of business identified.

- CenturyTel
- City of Columbia Falls
- City of Whitefish
- Flathead County
- Flathead Electric Co-op
- Glacier Country Tourism Commission
- MT Dept. of Commerce: Reg. Development Office

Program Audience and Scope:

All existing businesses in the Flathead are welcome to participate. The BEAR team also has a target list of businesses representing the Flathead's predominate industries, largest employers, and fastest growing businesses. Each year, through outreach, voluntary participation and targeted canvassing, the NW MT BEAR program team strives to gather opinions and perceptions regarding the business climate of 100 businesses not yet represented in the database. The BEAR team also revisits any business that has indicated a material change to the business will occur from the previous year.

Those industries currently well represented include:

- Communication/Related
- Construction & Trades
- Manufacturing
- Medical & Care
- Professional Services
- Recreation
- Trade, Wholesale & Retail
- Transportation

As of Feb. 2006, Dun & Bradstreet reports

6202 businesses in the Flathead Valley

760 of those businesses having 10 or more employees at the Flathead location

4851 having 1 to 9 employees

The remaining businesses have none or an unknown number of employees.

As of March, 2003 US Census indicates

3594 businesses in the Flathead with 1 or more employees

669 of those businesses having 10 or more employees

2925 having 10 or less

It is important to note that even though the BEAR program represents a small portion of the overall businesses in the Flathead, the opinions and perceptions of the segment do bring forth needs affecting the overall viability of businesses in our community. Maintaining a pulse from these businesses provides an understanding of the perception of the economic climate of our area.

General disclaimer:

The information in this report is based on data obtained from local businesses during one-on-one interviews with local business executives and conducted by the BEAR outreach specialists.

Much of the data is present so that the reader can reach his or her own conclusions about its implications.

It is important to consider any selection criteria that may have been used to generate this report. As a result, this report may only represent a portion of the total data and insights available through the BEAR program at any time.

Scope of this report:

This report represents:

___ All BEAR insights and data collected between the dates _____ & _____

X Only a portion of the BEAR insights collected between the dates **1/1/2005 & 10/1/2006**

Description of what this report represents includes: _____

Summary of Ranking and Perceptions from Businesses that participated in the 2005/2006 NW MT BEAR program regarding the Business Climate and Municipal Services (1 Segment provided: 1- All Participating Businesses in the Flathead)_____

Number of participating businesses for the time period indicated above:

Flathead: **152** Kalispell: **110**
Whitefish: **19** Columbia Falls: **6**
Rural: **17**

Industry breakdown represented in this report

Flathead:		Kalispell:	
<u>Construction</u> _____	<u>11%</u>	<u>Healthcare & Soc Assist</u> <u>12 %</u>	
<u>Prof – Sci & Tech Svcs</u> _____	<u>11%</u>	<u>Prof-Sci & Tech Svcs</u> <u>11 %</u>	
<u>Healthcare & Soc Assist</u> _____	<u>10%</u>	<u>Retail-Motor Veh., Furn. etc</u> <u>10 %</u>	
<u>Retail (motor veh,furn,etc)</u> _____	<u>9%</u>	<u>Construction</u> _____	<u>9 %</u>
<u>Finance & Insurance</u> _____	<u>8%</u>	<u>Finance & Insurance</u> _____	<u>7%</u>

Whitefish:

<u>Information</u> _____	<u>21%</u>
<u>Real Estate, Rental, Leasing</u>	<u>16%</u>
<u>Health Care and Soc. Assist.</u>	<u>11%</u>
<u>Retail Sporting</u>	<u>11%</u>
<u>Mfg (Food & Beverage, etc)</u>	<u>11%</u>

Columbia Falls:

<u>Mfg (Wood,Paper,etc.)</u>	<u>33 %</u>
<u>Mfg (Pri, Fabr, Metal, etc.)</u>	<u>33 %</u>
<u>Prof-Sci & Tech Svc</u>	<u>17 %</u>
<u>Accomodation & Food Svc</u>	<u>17%</u>

Rural:
 _Construction_____ _41%
 _Finance and Insurance___ _18%
 Mfg (Pri, Fabr, Metal, etc.) _12%
 _Prof-Sci & Tech Svcs_____ _12%
 Retail-Motor Veh., Furn. Etc ___ 6 %
 _Tran.Whsing,Rail,Truck,etc ___6%
 _Arts, Entertainment & Rec ___6%

Primary businesses, those that complete 50% or more of their sales outside the local area

Flathead:
 _41% or _62_
 of the total businesses represented

Kalispell:
 _35% or _39_
 of the total businesses represented

Whitefish:
 _53% or _10_
 of the total businesses represented

Columbia Falls:
 _83% or _5_
 of the total businesses represented

Rural:
 _ 47% or _8_
 of the total businesses represented

Flathead:

Location of Businesses Interviewed: (#)

 6 Columbia Falls
 17 Rural
110 Kalispell
 19 Whitefish
152 Total

Flathead:

Location of Headquarters: (#)

136 In-state
 16 Elsewhere in nation
 0 Foreign owned
 0 Unspecified

Stage of Business Life Cycle: (#)

 18 Emerging
107 Growing
 24 Maturing
 3 Declining
 0 Unspecified

Employees (#)

9528 Current Total
10328 Projected in next 12 mos.
 800 Change

Historical Employment Trend

 97 Increasing
 42 Staying the Same
 8 Declining
 5 Unspecified

Kalispell:

Location of Headquarters: (#)

100 In-state
 10 Elsewhere in nation
 0 Foreign owned
 0 Unspecified

Stage of Business Life Cycle: (#)

 11 Emerging
 79 Growing
 19 Maturing
 1 Declining
 0 Unspecified

Employees (#)

6264 Current Total
6976 Projected in next 12 mos
 712 Change

Historical Employment Trend

 76 Increasing
 26 Staying the Same
 5 Declining
 3 Unspecified

Whitefish:

Location of Headquarters: (#)

- 17 In-state
- 2 Elsewhere in nation
- 0 Foreign owned
- 0 Unspecified

Columbia Falls:

Location of Headquarters: (#)

- 4 In-state
- 2 Elsewhere in nation
- 0 Foreign owned
- 0 Unspecified

Stage of Business Life Cycle: (#)

- 2 Emerging
- 14 Growing
- 3 Maturing
- 0 Declining
- 0 Unspecified

Stage of Business Life Cycle: (#)

- 2 Emerging
- 1 Growing
- 1 Maturing
- 2 Declining
- 0 Unspecified

Employees (#)

- 1012 Current Total
- 1054 Projected in next 12 mos.
- 42 Change

Employees (#)

- 1715 Current Total
- 1716 Projected in next 12 mos
- 1 Change

Historical Employment Trend

- 10 Increasing
- 7 Staying the Same
- 1 Declining
- 0 Unspecified

Historical Employment Trend

- 0 Increasing
- 4 Staying the Same
- 2 Declining
- 0 Unspecified

Rural:

Location of Headquarters: (#)

- 15 In-state
- 2 Elsewhere in nation
- 0 Foreign owned
- 0 Unspecified

Stage of Business Life Cycle: (#)

- 3 Emerging
- 13 Growing
- 1 Maturing
- 0 Declining
- 0 Unspecified

Employees (#)

- 537 Current Total
- 583 Projected in next 12 mos.
- 46 Change

Historical Employment Trend

- 11 Increasing
- 5 Staying the Same
- 0 Declining
- 1 Unspecified

Also note, in some areas of the data, the percentage will not add up to 100% as some businesses site more than one issue/item when answering questions during the interviews

Executive Summary

Flathead County

Flathead County is in a period of rapid growth with demographic change. With this comes challenges and opportunities for existing businesses and those business leaders that have made a commitment to this valley. In effort to bring the assistance and support available to the doorsteps of these businesses, the NW Montana Business Expansion and Retention Program (BEAR) was launched in January 2005, as a collaborative effort of economic development professionals in Flathead County.

BEAR Program Purpose:

To bring the combined resources of economic development organizations directly to businesses in order to improve their competitiveness as well as enhance the overall business climate in Flathead County.

First year focus – January through December, 2005

Targeted segment audience exclusively:

- Fastest growing businesses in the Flathead
- Major Employers of the Flathead
- Small group of self-selected participants

Approach

- Confidential interviews with Owner, President, CEO
- Approximately 1 hour in length
- 1 to 2 BEAR interviewers per interview
- Executivepulse customize survey ballot and system

Results:

- 152 Businesses in the targeted audience were interviewed
- 88 Direct service referrals for assistance were made to individual business assistance providers
- Business owners/executives of this segment audience opinions on municipal services and factors affecting the business climate were aggregated
- Key needs analysis completed
- Next phase of the BEAR program defined

Summary findings:

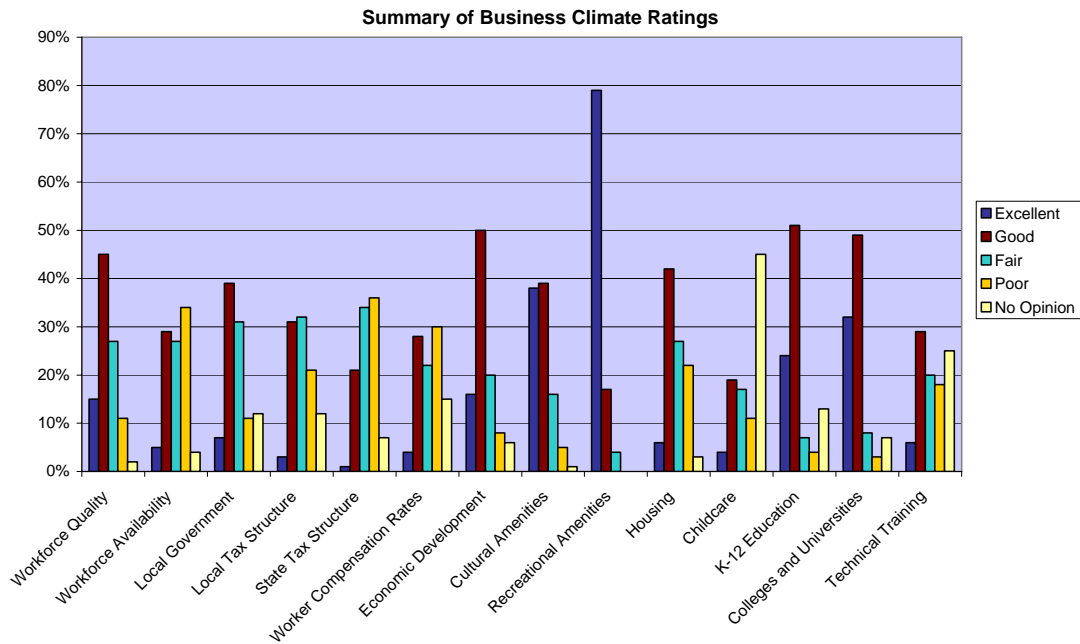
Top business assistance referral areas: (# of total referrals)

- 41 Workforce assistance dominated the referral requests
- 9 Businesses also sought help with building their entrepreneurship skills
- 12 Environment/Government regulations
- 9 Finding additional markets for their product or service
- 6 Improving their production capabilities.
- 4 Location Assistance
- 3 Financing Capital
- 3 Local Government Services
- 1 Utility

Aggregated opinions from interviewed businesses - Flathead

The business climate of the Flathead:

- 92% Resoundingly positive about their affinity for the area.
- 79% Rate local business climate good to excellent
- 77% Say the business climate here has improved over the last 5 years
- 85% Business climate will continue to improve over the next 5 years.



Rated Good to Excellent:

- Recreational Amenities
- Cultural Amenities
- Healthcare
- Colleges and Universities
- K-12 Education
- Economic Development

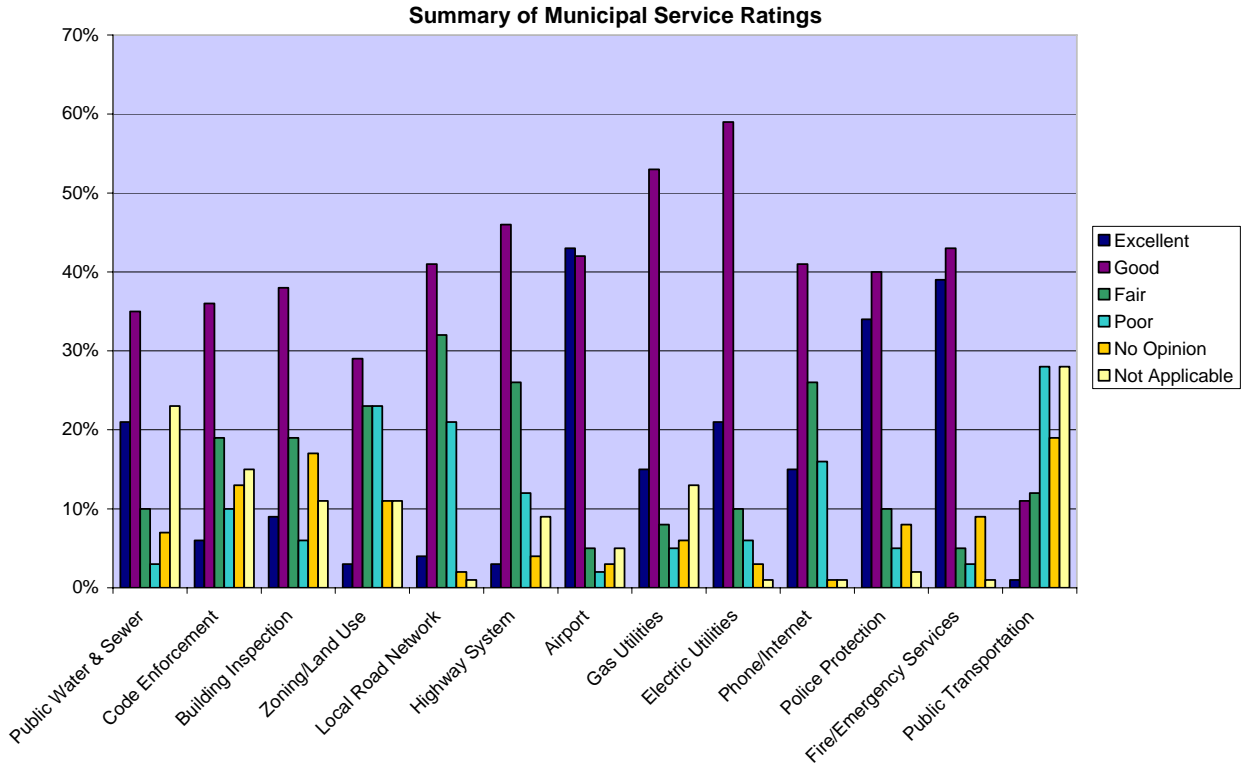
Slightly Less Satisfied and Possible Areas for Improvement:

- Workforce Quality
- Housing
- Local Government
- Workforce Availability
- Local Tax Structure
- Worker Compensation Rates
- Technical Training
- State Tax Structure

Least Satisfied and an Identified Area for Improvement:

- Childcare

Regarding municipal services in the Flathead:



Good to Excellent:

- Glacier Park International Airport
- Fire/Emergency Services
- Police Services
- Public Water/Sewer
- Electric Utilities
- Gas Utilities

Slightly Less Satisfied:

- Phones/Internet
- Highway System
- Building Inspections
- Code Enforcement
- Local Road Conditions
- Zoning and Land Use

Least Favored:

- Public Transportation

NW Montana BEAR Priorities for 2006

The BEAR priorities for 2006 include:

- Continue to sharpen our focus on outreach to retain businesses in the area
- Program awareness initiative
- Develop partner network with decision makers and local service providers
- Support the development efforts for a comprehensive, future-oriented workforce strategy
- Support initiatives that focus on developing the Flathead Valley into a Community of Choice for Business and Economic Growth, while maintaining high Quality of Life and Area Amenities

To date, the BEAR program has seen the success of

- Over 88 service and assistance for the 152 businesses visited since Jan., 2005.
- Strong collaborative partner relationships have allowed better delivery of new or the improvement of existing programs focused at the key needs identified from the participating businesses.
 - Ed Barlow futurist presentation to Business and Education Leaders
 - Rebecca Ryan attracting and retaining NextGen Talent
 - Business and Education initiative
 - Best Practices from local businesses
 - Addition of Military Technology (MilTech) service offerings
 - More?????

We continue the main focus and mission to serve resident businesses in order to make business easier to do and to grow in the Flathead.

*The NW Montana BEAR team would like to acknowledge and thank the businesses executives that gave freely their opinions, information and time.
Together, the Flathead will remain a community of choice
for us and our future generations.*

*Thank you for your time, consideration, and support toward
growing and retaining the existing Flathead businesses.*

NW Montana BEAR
Business Expansion And Retention

NW Montana BEAR
Business Expansion And Retention

PARTNER OUTREACH CONTACTS

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