



Somerset County, New Jersey 2007 Business Retention Outreach Program Report

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This program sponsored and supported by



INTRODUCTION

This report is a summary of information collected from 97 business executives interviewed by the Business Partnership as part of the organization's Business Retention Outreach Program. This Report covers interviews that took place between June 2006 and December 2007.

The Somerset County Business Partnership has engaged in this business retention outreach effort in order to collect information from Somerset County business executives for use in the organization's economic development program planning. Much of the information collected has also been reported back to the municipal partners who supported this effort and who have found this information useful in addressing the concerns of businesses in their community.

By analyzing the data collected from business interviews, the Business Partnership is able to evaluate a company's value to the community, their growth potential, the possible risk of downsizing, their satisfaction with Somerset County as a location, and their future employment trends. Business Partnership staff is also able to generate reports on community strengths and community weaknesses, the business community's view of the quality of municipal and regional services, and the value of a particular company to the area economy.

The Somerset County Business Partnership also attempts to resolve any immediate business related concerns that are presented during the interview process.

DATA COLLECTION

The Somerset County Business Partnership utilized a proprietary software program, Synchronist®, under license from JCP&L/First Energy, to manage the data and information gathered from executive interviews.

Synchronist is a web based tool made available to the Somerset County Business Partnership free of charge by JCP&L/First Energy. This web based analysis and tracking tool allows the Business Partnership to collect and organize business related information. Summary data, as provided in this report, provides insight on the dynamics of the local economy from a business perspective.

As a program implementation strategy, the Business Partnership established a two Phase approach for the Business Retention Outreach program. Phase One was directed at forming partnerships with municipalities that have economic development entities, while Phase Two was directed at the 17 other municipalities in Somerset County that do not have economic development entities.

In April of 2006, the Business Partnership began forming alliances with the four Somerset County municipalities having economic development staff; Bridgewater Township, Franklin Township, Hillsborough Township, and Somerville Borough. In 2007 the Business Partnership formed a fifth municipal alliance with Montgomery Township.

For each community a project structure was put in place based on the unique needs of each municipality. The project structure was then formalized in a Memorandum of Understanding. Following negotiations and agreement on the Memorandum of Understanding, Business Partnership staff worked with local economic development staff, and, where appropriate, local

economic development committees or commissions in the development of targeted lists of companies for outreach.

For all municipal alliances, the Business Partnership compiled mailing lists, drafted interview solicitation letters, printed the solicitation letters, ensured that the letters were signed by an appropriate municipal representative (often the Mayor), and expedited the mailing. Business Partnership staff also received and managed all responses to the business retention interview solicitation letter and managed the scheduling of interviews.

Interviews with business executives were conducted by a two person team. In communities where a municipal alliance had been formed, the two member team consisted of a member of the Business Partnership's economic development staff and a representative of the municipality.

Phase 2 interviews, otherwise known as our county-wide business retention effort, have been conducted by the two members of the Business Partnership's economic development staff.

In summary, on a county-wide basis, the Somerset County Business Partnership:

- Solicited interviews with 1,215 companies via a letter
- Conducted 97 interviews with Somerset County, NJ, based company executives whose companies represented approximately 12,425 employees
- Documented the results of company executive interviews using Synchronist software
- Reviewed and published various reports relative to the data and information collected from company executive interviews

INTERVIEW RESULTS

Community Strengths, Weaknesses, and Barriers to Growth

The following are community strengths, weaknesses and barriers to growth as identified by interviewees. The strengths, weaknesses and barriers to growth are collected by identifying conversation statements made by the interviewee during the interview process. Conversational statements are recorded and tracked in the Synchronist software.

- 56 respondents identified Somerset County's "location" as a community strength, more specifically its central location in a large market
- 27 respondents identified Somerset County's "community leadership" as a community weakness, more specifically the municipal permitting and approvals process as well as municipal regulations
- 27 respondents identified Somerset County's "transportation" as a community weakness, more specifically traffic congestion
- 24 respondents identified Somerset County's "customer, supplier accessibility" as a community strength, more specifically its demographic make up
- 22 respondents identified Somerset County's "quality of life" as a community strength, more specifically as a great place to raise a family
- Impacting companies decision making, 30 of the 94 respondents cited municipal permitting, approvals and zoning processes as either a barrier to growth or a reason the community might not be considered for expansion

Overall company satisfaction with the Somerset County, expressed as a number, ranged from 17 (low) to 87 (high) with an average ranking of 62. The Synchronist software takes into account 16 interview question responses and 70 data points within the survey instrument.

Workforce Evaluation (Table 1)

The availability and quality of Somerset County, New Jersey's workforce remains a critical issue for existing businesses. With an unemployment rate of 3.5 percent (New Jersey Department of Labor, 2006) this should be of little surprise.

It is interesting to note interview results with respect to workforce availability. Although workforce availability is a challenge to existing Somerset County, New Jersey based companies, more than half (56 percent) of the interviewee's are experiencing employee recruitment challenges industry-wide.

As workforce resources and challenges are critical economic development and business considerations, Synchronist provides extensive analysis of company workforce experiences.

A review of interview responses indicates that workforce gaps exists with high skilled laborers. 64 of the 97 companies interviewed reported having recruitment problems. However, only 27% of respondents said workforce recruitment was a Community problem. 56% of respondents identified industry-wide workforce recruitment challenges. Table 1 at the back of this report is a numerical representation of employer workforce experience.

Many Somerset County employers, and the Somerset County Business Partnership, have taken an active role in the workforce delivery system.

HSBC, located in Bridgewater, New Jersey, has been an active participant in Junior Achievement Financial Literacy program "Biz Kids". HSBC staff works with educators and students on the basic concepts of business and economics and how education is relevant to the workplace. Junior Achievement also offers programs designed to provide practical information about the key aspects of the global economy, what makes world trade work, and how trade affects students' daily lives.

The MetLife Foundation has awarded Raritan Valley Community College in Branchburg Township, New Jersey a \$100,000 grant to support a program targeted at preparing high school students to enter community college. The competitive grant is one of ten awarded in a \$1.2 million MetLife Foundation initiative to increase the number of students who are graduating or transferring to a four-year institution.

In June 2007, the Central New Jersey region consisting of Hunterdon, Mercer, Middlesex, Monmouth, and Somerset counties was awarded a \$5 million, three-year U.S. Department of Labor Workforce Innovation in Regional Economic Development

(WIRED) grant. The goal of the WIRED grant is to retain and expand the number of high-quality jobs in Central New Jersey's bioscience sector by coordinating the efforts of the workforce development, education, economic development, and employer communities. By integrating education and career-skills training with existing biotech and pharmaceutical industries, Central New Jersey WIRED will provide workers with pathways to careers in in-demand professions. The project will build a network of partners from state, local, and federal sources including biotechnology, pharmaceutical and medical-device firms and their industry associations, research universities, K-12 schools, government, and non-profit groups.

Public Services Evaluation (Table 2)

Company executives are asked to provide a numerical ranking relative to their experiences with municipal and county services as part of the interview process. This data is collated and a Public Services Evaluation summary report is generated (Table 2 at the back of this Report). Public Service Evaluation reports can be generated for individual municipalities, any combination of municipalities, or the County as a whole.

The Public Services Evaluation report is useful in helping the Business Partnership identify the relative strengths and weaknesses of any given community. The Public Services Evaluation report is also particularly useful in helping the Business Partnership transfer programs and strategies from one community to another. For example, if a particular community is ranked very highly in an area such as planning/zoning or code enforcement, the Business Partnership tries to identify what particular strategies or tactics that community is using to service the business community and then transfer that information to other communities that received lower evaluation scores.

Additionally, the Public Services Evaluation Report(s) provide useful documentation to the Business Partnership in their public leadership initiatives. Information on municipal performance is shared with the Somerset County Municipal Managers Association and others so that they may better understand the business community's perceptions of local programs and services.

Table 2, on its own, is offered only as an overall report on the business community's perceptions of the effectiveness of community services.

CONCLUSION

Understanding the needs and concerns of Somerset County's existing business community is critical to the development and implementation of programs and public policies that will improve the County as a location for business. By documenting the concerns of businesses already located in Somerset County, New Jersey, the Somerset County Business Partnership has taken the first step in retaining and attracting employers who will contribute to the long term economic vitality of the County.

As previously noted, there is substantial room for improving existing businesses' overall satisfaction with Somerset County, New Jersey as a location for business.

On a scale of 1 to 100 (with 100 being totally satisfied), interviewed companies produced an average ranking for Somerset County of only 62. While many state-wide factors may be affecting businesses satisfaction with Somerset County, New Jersey as a location, transportation, workforce, and regulatory challenges dominate discussions on local challenges.

The Somerset County Business Partnership continues to implement economic development and other programs to help address some of the locational concerns of business. In addition to the work of our transportation management association affiliate RideWise, our shared services and green building design programs will help contribute to the long term economic vitality of Somerset County, New Jersey.

ABOUT THIS REPORT

This Report was authored for the Somerset County Business Partnership by John Maddocks, Vice President-Economic Development and Jim Gabriel, Economic Development Associate. Mr. Gabriel was primarily responsible for conducting interviews in cooperation with municipal partners, data entry of interview results, and generating data through the Synchronist® software system.

This report would not have been possible without the support of JCP&L/First Energy, and specifically Larry Morris, Senior Economic Development Executive, who granted the Somerset County Business Partnership a free license to utilize the Synchronist® software. Mr. Morris and his team also assisted in identifying companies for interviews, and providing training for Somerset County Business Partnership staff on the use of the Synchronist® software program.

Lastly, we need to thank our municipal partners for their support of this effort. Staff in Bridgewater Township and Franklin Township participated in interviews and provided insights on survey results. Economic Development Commissions in Hillsborough Township and Montgomery Township provided valuable leadership in helping guide the project and in securing access to business executives. Hillsborough Township's Business Advocate, Gene Strupinsky, was instrumental in guiding the Business Partnership's work in facilitating our interactions with the Hillsborough Economic and Business Development Commission.

For questions, comments, additional information, or to request an interview, please contact John Maddocks or Jim Gabriel at:

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TABLE 1

Workforce Evaluation Interview Results:

Rating: 1-low, 7-high		1	2	3	4	5	6	7	NA	AVG
Availability	Number of responses	4	22	8	21	6	27	3	3	4.05
	Percent of responses	4.26%	23.40%	8.51%	22.34%	6.38%	28.72%	3.19%	3.19%	
Quality	Number of responses	2	7	3	18	9	38	15	2	5.49
	Percent of responses	2.13%	7.45%	3.19%	19.15%	9.57%	40.43%	15.96%	2.13%	
Stability	Number of responses	1	5	3	16	15	35	14	5	5.25
	Percent of responses	1.06%	5.32%	3.19%	17.02%	15.96%	37.23%	14.89%	5.32%	
Productivity	Number of responses		3	2	9	4	29	10	37	5.47
	Percent of responses		3.19%	2.13%	9.57%	4.26%	30.85%	10.64%	39.36%	

Total number of executives interviewed: 94

TABLE 2

Pubic Evaluation Interview Results:

Rating: 1-low, 7-high		1	2	3	4	5	6	7	NA	AVG
Police Protection	Number of responses			1	5	4	39	36	9	6.22
	Percent of responses			1.06%	5.32%	4.26%	41.49%	38.30%	9.57%	
Fire Protection	Number of responses				2	3	37	37	15	6.38
	Percent of responses				2.13%	3.19%	39.36%	39.36%	15.96%	
Paramedic Service	Number of responses	1			4	1	23	23	42	6.17
	Percent of responses	1.06%			4.26%	1.06%	24.47%	24.47%	44.68%	
Health Care Service	Number of responses		1	1	2	5	14	6	65	5.66
	Percent of responses		1.06%	1.06%	2.13%	5.32%	14.89%	6.38%	69.15%	
Child Care	Number of responses				1	7	2	1	83	5.27
	Percent of responses				1.06%	7.45%	2.13%	1.06%	88.30%	
Schools (K-12)	Number of responses			1	6	3	19	15	50	5.93
	Percent of responses			1.06%	6.38%	3.19%	20.21%	15.96%	53.19%	
Tech College	Number of responses			3	4		1		86	3.88
	Percent of responses			3.19%	4.26%		1.06%		91.49%	
Community College	Number of responses		1		2	3	5	3	80	5.43
	Percent of responses		1.06%		2.13%	3.19%	5.32%	3.19%	85.11%	
Colleges/Universities	Number of responses		1	1		6	3		83	4.82
	Percent of responses		1.06%	1.06%		6.38%	3.19%		88.30%	
Public Transportation	Number of responses	29	21	3	8		6	2	25	2.35
	Percent of responses	30.85%	22.34%	3.19%	8.51%		6.38%	2.13%	26.60%	
Traffic Control	Number of responses	16	23	5	18	4	15	2	11	3.29
	Percent of responses	17.02%	24.47%	5.32%	19.15%	4.26%	15.96%	2.13%	11.70%	
Streets and Roads	Number of responses	3		7	8	12	10	1	53	4.46
	Percent of responses	3.19%		7.45%	8.51%	12.77%	10.64%	1.06%	56.38%	
Highways	Number of responses	2	2	2	9	12	9	1	57	4.57
	Percent of responses	2.13%	2.13%	2.13%	9.57%	12.77%	9.57%	1.06%	60.64%	
Airline Passenger	Number of responses	1	1	3	4	7	5		73	4.43
	Percent of responses	1.06%	1.06%	3.19%	4.26%	7.45%	5.32%		77.66%	
Air Cargo Service	Number of responses				3	5	6	2	78	5.44
	Percent of responses				3.19%	5.32%	6.38%	2.13%	82.98%	
Trucking	Number of responses			2		10	7	2	73	5.33
	Percent of responses			2.13%		10.64%	7.45%	2.13%	77.66%	
Property Tax Assessment	Number of responses	6	11	5	36	3	4	1	28	3.53
	Percent of responses	6.38%	11.70%	5.32%	38.30%	3.19%	4.26%	1.06%	29.79%	
Zoning Changes	Number of responses	2	1	1	12	16	29	9	24	5.31
	Percent of responses	2.13%	1.06%	1.06%	12.77%	17.02%	30.85%	9.57%	25.53%	
Regulatory Enforcement	Number of responses	3	6	5	18	9	29	4	20	4.72
	Percent of responses	3.19%	6.38%	5.32%	19.15%	9.57%	30.85%	4.26%	21.28%	
Community Planning	Number of responses	1	2	4	11	7	9		60	4.41
	Percent of responses	1.06%	2.13%	4.26%	11.70%	7.45%	9.57%		63.83%	
Community Services	Number of responses	1	2	4	11	7	9		60	4.41
	Percent of responses	1.06%	2.13%	4.26%	11.70%	7.45%	9.57%		63.83%	
County Services	Number of responses		2	2	14	12	22	7	35	5.20
	Percent of responses		2.13%	2.13%	14.89%	12.77%	23.40%	7.45%	37.23%	
Business Association	Number of responses	1	2	1	4	3	5	3	75	4.74
	Percent of responses	1.06%	2.13%	1.06%	4.26%	3.19%	5.32%	3.19%	79.79%	
Economic Development	Number of responses		1	1	3	5	6	6	72	5.45
	Percent of responses		1.06%	1.06%	3.19%	5.32%	6.38%	6.38%	76.60%	

Total number of executives responding: 94