



# SOMERSET COUNTY BUSINESS PARTNERSHIP

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## **Somerset County Business Partnership Business Retention Outreach Program Report**

**For**

**Montgomery Township**



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## **I. Introduction**

This report contains a summary of findings from the recently conducted Montgomery Township Business Retention Outreach Program. This report has been compiled by the Somerset County Business Partnership (SCBP) and the Montgomery Township Economic Development Commission (MEDC) based on confidential interviews of business executives and/or owners that were conducted between October 2007 and March 2008.

The SCBP and MEDC representatives conducted interviews with local business leaders using survey instruments, methodology, and interview record keeping based on the Synchronist® Business Retention Tool. Synchronist is web based proprietary software, the use of which, by sub-license agreement, was granted to the SCBP by JCP&L, a FirstEnergy Company.

## **II. Methodology**

On March 26, 2007 the SCBP and MEDC entered into a Memorandum of Understanding that detailed the responsibilities and expectations of the involved parties. Working collaboratively, the SCBP and MEDC compiled a list of 200 Montgomery-based business contacts. The SCBP conducted mailings in October 2007 and January 2008 to solicit interviews. SCBP staff coordinated interviews over a six month period, and interviews were conducted by SCBP staff and representatives from the MEDC.

Through the use of Synchronist software, the Business Partnership is able to generate reports on community strengths and community weaknesses, the business community's view of the quality of Township and regional services, and the value of a particular company to the area economy.

In Summary, Business Partnership and MEDC representatives:

- Solicited interviews with **200** companies
- Conducted **30** interviews with Montgomery Township based company executives
- Recorded the results of company executive interviews using Synchronist software
- Reviewed data and information collected in order to publish this Report

Thirty Montgomery Township based companies participated in business retention interviews. The 30 companies interviewed in Montgomery Township represent the following business sectors:

- |                                       |                           |
|---------------------------------------|---------------------------|
| • High End Business Services          | • Retail                  |
| • Finance, Insurances and Real Estate | • Tourism                 |
| • Health Care and Pharmaceutical      | • Technology/Information  |
| • Building and Construction           | • Government              |
| • Consumer Services                   | • Aeronautics and Defense |

Companies interviewed in Montgomery Township employ approximately 1530 employees and occupy approximately 300,000 square feet of space in the Township.

Comparisons in the report are made to results from businesses surveyed across Somerset County. Companies interviewed throughout Somerset County employ approximately 12,945 employees and occupy approximately 6,466,160 square feet of space in the County.

The purpose of this report is to summarize interview findings and document a community's strengths and weaknesses. The report also provides the MEDC a document to use in their economic development efforts.

### **III. Community Evaluation**

The Synchronist interview form includes a variety of questions evaluating the community in which a business is located. The interview form provides both objective and subjective questions. The Synchronist software enables the user to record, store, and analyze the objective and subjective data results gathered throughout the interview process.

The interview process gathers information on the respondents' overall satisfaction with the community as a place to do business, the respondents' view of community strengths and weakness, and a quantitative public services evaluation. For purposes of this report, comparisons have been made to county-wide business retention data.

As part of the quantifiable analysis, overall company satisfaction with Montgomery Township, expressed as a number (1 being low, 100 being high), ranged from 33-69 with an average ranking of 62. On a county-wide basis, overall company satisfaction with Somerset County ranged from 20-87, also with an average rating of 62. Company satisfaction is a composite score based on 70 data points within the survey instrument.

The following are the top three strengths and weaknesses as identified by interviewees when asked, "What are the community's strengths/weaknesses as a place to do business?" Responses are recorded using key words provided within the Synchronist software.

#### **Strengths:**

- 1) Location (19 responses)
- 2) Customer Accessibility (11 responses)
- 3) Quality of Life (8 responses)

#### **Weaknesses:**

- 1) Transportation (13 responses)
- 2) Cost of Living (7 responses)
- 3) Business Climate (5 responses)

The survey instrument provides a public services evaluation section which quantifies interview responses with respect to the quality of local government and educational resources as well as local infrastructure. The interviewee is asked to rank, on a scale of 1 (low) to 7 (high), twenty categories of local services.

A closer review of the Public Services Evaluation shows that Montgomery Township's police protection, school system and fire protection were given high rankings with regards to the quality of service being provided. These findings are very similar on a county-wide basis, where police protection, fire protection, and ambulance/paramedic service were given high rankings. The following shows how many respondents gave a service an "above average" ranking of 5 or higher:

- Police protection - 25 out of 30 responses ranking the quality of service above average.
- School system - 19 out of 30 responses ranking the quality of service above average.
- Fire protection - 18 out of 30 responses ranking the quality of service above average.

Additionally, public transportation, traffic control, and property tax (on business location) received low rankings with regards to the quality of service being provided. On a county wide basis public transportation and traffic control received low rankings as well. The following shows how many respondents gave a service a "below average" ranking of 3 or lower:

- Public Transportation - 17 out of 30 responses ranking the quality of service below average.
- Traffic Control - 15 out of 30 responses ranking the quality of service below average.
- Property Tax Assessment - 9 out of 30 responses ranking the quality of service below average.

When businesses were asked about the quality of service provided from the Montgomery Township Economic Development Commission, 29 out of 30 respondents answered "do not know." A common response was that they were unaware Montgomery Township had an economic development commission.

#### **IV. Workforce Evaluation**

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

The Synchronist software enables the user to rank the availability, quality, stability, and productivity of the local workforce similar to the public services evaluation. Availability of workers to Montgomery Township business received an average ranking of 3.56 with 16 of the 30 responses ranking availability “below average.” Quality, stability, and productivity received “above average” rankings. Montgomery Township is comparable to the county-wide 3.95 average ranking of availability. County-wide quality, stability, and productivity also received “above average” rankings.

A review of interview responses indicates that employer workforce gaps exist with young college graduate entry-level positions as well as administrative positions. Seven respondents attribute the difficulty finding entry-level and administrative positions to the cost of living exceeding the salary that could be offered for those particular job functions. Of the companies interviewed, 19 of the 30 reported having recruitment challenges. Seven respondents said recruitment challenges were a Montgomery Township problem. Twelve respondents stated that their recruitment challenges are industry wide. Eleven respondents were unsure which factor was the attributing to their recruiting challenges or did not provide a response.

#### **V. Montgomery Township Specific Questions**

The MEDC provided the SCBP with seven questions to be asked in addition to the 42 standard Synchronist questions. These questions addressed development, transportation, and regulation within the Township.

- 13 of 30 respondents stated that the Montgomery Promenade retail development would be good for their business.
- 13 of 30 respondents stated that the Skillman Village development would not have much impact on their business.
- 13 of 30 respondents stated that the re-opening of the Belle Mead train station would be good for their business.
- 12 of 30 respondents stated that the redesign of the Route 206 Bypass would not have much impact on their business.
- 17 of 30 respondents stated that Montgomery Township’s signage regulations have “no effect.”
- 20 of 30 respondents said “yes” they would join a local business association or Chamber of Commerce.

## **VII. Recommendations**

Based on the results of the business interviews, the Somerset County Business Partnership believes that the following recommended action items will help improve Montgomery Township's desirability as a location for business.

- 1) Advocate for increasing public transportation access and availability throughout Montgomery Township.
  - a. Host a transportation symposium bringing together the following groups: Montgomery Township's business community, building owners, RideWise, Greater Mercer Transportation Management Authority, New Jersey Transit – Bus Service Planning, Somerset County Office of Transportation, Somerset County Board of Chosen Freeholders' transportation liaison, and Somerset County Planning Board.
- 2) Increase the ability of the Montgomery Township Economic Development Commission to communicate and interact with the Township's business community.
  - a. Expanding the Montgomery Township MEDC section of the website on the Montgomery Township municipal website.
  - b. Providing a method of contact for the MEDC such as a voicemail and/or an email address.
  - c. Host a networking/business social event for the local business community, if for no other purpose than to present the results of the Montgomery Township Economic Development Commission's business retention outreach report.
  - d. Sponsor a job fair in partnership with Montgomery High School and the local business community.
- 3) Encourage the growth and formation of a private business membership organization.
  - a. Support the formation of a local chamber of commerce.
  - b. Support the efforts of the Montgomery Rotary Club.

**Public Services Evaluation**

<b>1-low, 7-high</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>Do Not Know</b>
<b>Police Protection</b>	number of responses				3	4	11	10	2
	percent of responses				10.00%	13.33%	36.67%	33.33%	6.67%
<b>Fire Protection</b>	number of responses					2	7	9	12
	percent of responses					6.67%	23.33%	30.00%	40.00%
<b>Ambulance/Paramedic</b>	number of responses				1		4	11	14
	percent of responses				3.33%		13.33%	36.67%	46.67%
<b>Healthcare Services</b>	number of responses	1		1	3	5	5	4	11
	percent of responses	3.33%		3.33%	10.00%	16.67%	16.67%	13.33%	36.67%
<b>Child care</b>	number of responses				2		1	2	<b>25</b>
	percent of responses				6.67%		3.33%	6.67%	<b>83.33%</b>
<b>Schools (K-12)</b>	number of responses				1	2	2	15	10
	percent of responses				3.33%	6.67%	6.67%	50.00%	33.33%
<b>Tech College</b>	number of responses			1			1		<b>28</b>
	percent of responses			3.33%			3.33%		<b>93.33%</b>
<b>Community College</b>	number of responses			2		1	2	2	<b>23</b>
	percent of responses			6.67%		3.33%	6.67%	6.67%	<b>76.67%</b>
<b>College(s) &amp; University(ies)</b>	number of responses					3	4	8	15
	percent of responses					10.00%	13.33%	26.67%	50.00%
<b>Public Transportation</b>	number of responses	<b>12</b>	<b>3</b>	<b>2</b>	2				11
	percent of responses	<b>40.00%</b>	<b>10.00%</b>	<b>6.67%</b>	6.67%				36.67%
<b>Traffic Control</b>	number of responses	<b>5</b>	<b>7</b>	<b>3</b>	10	2	2		1
	percent of responses	<b>16.67%</b>	<b>23.33%</b>	<b>10.00%</b>	33.33%	6.67%	6.67%		3.33%
<b>Streets &amp; Roads (local)</b>	number of responses		1	3	5	12	5	3	1
	percent of responses		3.33%	10.00%	16.67%	40.00%	16.67%	10.00%	3.33%
<b>Highways</b>	number of responses		1	2	5	5	4	3	10
	percent of responses		3.33%	6.67%	16.67%	16.67%	13.33%	10.00%	33.33%
<b>Property tax assessment</b>	number of responses	<b>1</b>	<b>3</b>	<b>5</b>	4	4			13
	percent of responses	<b>3.33%</b>	<b>10.00%</b>	<b>16.67%</b>	13.33%	13.33%			43.33%
<b>Zoning changes and building permits</b>	number of responses	1	1	1	1	3	3	3	17
	percent of responses	3.33%	3.33%	3.33%	3.33%	10.00%	10.00%	10.00%	56.67%
<b>Regulatory enforcement</b>	number of responses			1	4	8	9	3	5
	percent of responses			3.33%	13.33%	26.67%	30.00%	10.00%	16.67%
<b>Community planning</b>	number of responses		2	2	3	6	7	1	9
	percent of responses		6.67%	6.67%	10.00%	20.00%	23.33%	3.33%	30.00%
<b>Community services</b>	number of responses		2	2	3	6	7	1	9
	percent of responses		6.67%	6.67%	10.00%	20.00%	23.33%	3.33%	30.00%
<b>County Services</b>	number of responses			1	1	4		2	<b>22</b>
	percent of responses			3.33%	3.33%	13.33%		6.67%	<b>73.33%</b>
<b>Economic Development</b>	number of responses					1			<b>29</b>
	percent of responses					3.33%			<b>96.67%</b>

**Total number of executives responding: 30**

## Work Force Evaluation

Rating: 1-low, 7-high		1	2	3	4	5	6	7	NA	AVG
<b>Availability</b>	Number of Responses	2	6	8	2	4	5		3	3.56
	Percent of Responses	6.67%	20.00%	26.67%	6.67%	13.33%	16.67%		10.00%	
<b>Quality</b>	Number of Responses		1	3	1	9	8	5	3	5.67
	Percent of Responses		3.33%	10.00%	3.33%	30.00%	26.67%	16.67%	10.00%	
<b>Stability</b>	Number of Responses		1	1	2	5	9	8	4	5.69
	Percent of Responses		3.33%	3.33%	6.67%	16.67%	30.00%	26.67%	13.33%	
<b>Productivity</b>	Number of Responses			1	2	3	4	1	19	5.18
	Percent of Responses			3.33%	6.67%	10.00%	13.33%	3.33%	63.33%	

**Total number of executives responding: 30**



Montgomery Township Specific Questions

Questions:

<b>Development &amp; Infrastructure:</b>	<b>Good for My Business</b>	<b>Bad for My Business</b>	<b>Not Much Impact</b>	<b>Don't Know Enough to Say</b>		<b>Total Respondents</b>
Will the redevelopment by Montgomery of the North Princeton Development Center, now known as Skillman village be:	7	1	13	9		30
Will the new Montgomery Promenade retail development near the airport on Route 206 be:	13	6	8	3		30
Will the decision to redesign the Route 206 Hillsborough Bypass so that it will end north of Montgomery, at Mountainview Road in Hillsborough be:	5	7	12	6		30
Will the possibility of the Belle Mead train station being reopened for passenger service be:	13		12	5		30
<b>Signage Policy:</b>	<b>Major Effect</b>	<b>Minor Effect</b>	<b>No Effect</b>			<b>Total Respondents</b>
Do Montgomery's regulations on signage for businesses - relating to size, location, design, etc. have a ... on the success of your business	11	2	17			30
	<b>Very Satisfied</b>	<b>Somewhat Satisfied</b>	<b>Rather Dissatisfied</b>	<b>Very Dissatisfied</b>	<b>No Effect</b>	<b>Total Respondents</b>
How satisfied are you with Montgomery's regulations on signage? Are you...	1	3	3	9	14	30
<b>Chamber of Commerce or Business Association:</b>	<b>Yes</b>	<b>No</b>	<b>Do Not Know</b>			<b>Total Respondents</b>
If Montgomery Township had a Chamber of Commerce, or a business and professional association of some kind, would your business join?	20	5	5			30