

BUSINESS FIRST | greater richmond

Program Background.

The Business First program builds on a long-term commitment to focus on the needs of business through a proactive outreach effort. Partners include the Greater Richmond Partnership, Inc., the Greater Richmond Chamber, and the economic development professionals in Chesterfield County, Hanover County, Henrico County and the City of Richmond. It is supported by volunteers from the business community and a network of resource partners who share our commitment to business success.

Business First Greater Richmond uses face-to-face interviews with business leaders and CEOs, an innovative and award-winning approach, and smart technology to better understand and respond to issues facing business. The goal is to quickly connect existing businesses with the right information, resources and programs in ways that best support individual firms and also improve the business climate.

This year's effort reached more than 600 businesses accounting for more than 38,000 jobs in the region. Overall, those firms shared a positive attitude about doing business here and an enthusiasm for the future. The group was diverse by industry and company size, providing a snapshot of the regional economy. The purpose of Business First Greater Richmond is not to simply gather data. The goal is to better connect businesses to the information and resources they need to succeed.

The Business First team is a group of more than 170 professionals in economic development, workforce development, business planning and finance, international trade and process improvement, plus dedicated volunteers. The team is working hard to support the needs of companies in our community.



Since the program's launch in the fall of 2006, it has touched approximately 900 companies representing more than 50,000 jobs in our community. Business First Greater Richmond has benefited the community and companies in many ways, including:

- ▶ Advocating for business on issues related to their expansion and growth.
- ▶ Connecting companies to workforce training resources and future employees.
- ▶ Assisting companies in identifying and selling to new customers in international markets.
- ▶ Providing research, business planning and technical support.
- ▶ Working with program partners to formulate strategies on how to best address regional business challenges.



Area Business Leaders Share Their Insight

Who We Talked To

This year, 606 firms were interviewed as part of the Business First Program. The most represented industry was Manufacturing, followed by Professional Business Services, Wholesale Trade, and Finance, Insurance and Real Estate. The chart to the right shows the distribution of participating companies by industry. The average firm size was 65 employees; however, interviews were conducted with businesses with as few as one and up to 5,000 employees.

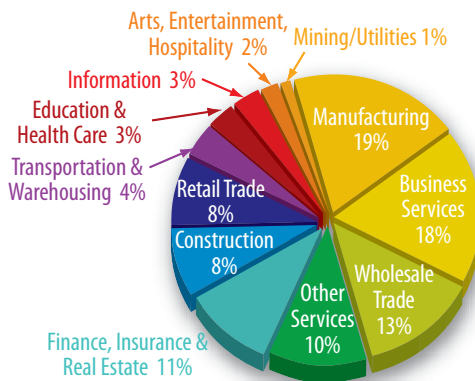
Seventy percent of the firms indicated that Greater Richmond was their headquarters or single site location, while 25 percent shared that they were headquartered outside of the state or outside of the United States. Richmond area businesses are definitely in tune to the global marketplace, 14 percent of responding firms shared that they had another facility outside of the U.S. Overall, increased export activity was reported by 60 percent of the firms currently trading outside of the U.S. One in three expressed an interest to partner with international companies for import or export opportunities. This year, more than 25 businesses were provided information and resources to support their international business strategy.

When asked the life cycle of their primary product or service, 79 percent described it as Growing or Emerging. Only 5 percent of area firms felt that their primary business was in decline and 16 percent indicated that they were in a mature market for their product or service. The Business First team has resources to support companies in all phases – growing companies, mature businesses looking to reenergize, and businesses needing to reinvent themselves.

Their Workforce

Richmond area businesses continue to look for new opportunities to grow their talent force – the workforce that supports their business. Participating firms report plans to increase employment by an average of 4.6 percent in the coming year. The largest percentage increases in

Participating firms by industry



employment are anticipated in Wholesale Trade and Information. The Workforce Change chart expands on the detail.

Thirty-eight percent of all interviewed businesses anticipate adding jobs over the coming year – a total of 1,830 new jobs for the region. The Business First Greater Richmond team is supporting these growing businesses by connecting them to recruiting, training, and other workforce development resources.

When asked to rate the Richmond region's workforce, 24 percent rated it excellent. While

there were slight changes in the distribution of the rankings, this year 71 percent of firms rated the workforce as Excellent or Good.

Since the program's inception in September of 2006, the Richmond area unemployment rate has ranged from a low of 2.7 percent in April 2007 to a high of 4 percent in March 2008. Perhaps reflective of a loosening labor market, a greater number of firms rated workforce availability as Excellent this year compared to last year.

The ability of area businesses to attract and retain a qualified workforce is critical to their long term success and also to the economic prosperity of the region. More than 200 firms identified employee recruitment as a challenge. That represents 39 percent of the responding firms and the issue was broadly noted by firms from a variety of industries.

To support area businesses in their effort to recruit talent, Business First Greater Richmond has begun issuing Opportunity Alerts notifying area businesses of unique opportunities to recruit talent. This includes the formation of new partnerships with the Virginia Department of

Workforce Change

Industry	Anticipated Employment Change
Agriculture	6.1%
Mining and Utilities	6.4%
Construction	3.4%
Manufacturing	4.8%
Wholesale Trade	14.9%
Retail Trade	1.2%
Transportation and Warehousing	1.6%
Information	9.1%
Finance, Insurance and Real Estate	2%
Professional and Business Services	6%
Education and Healthcare	5.1%
Arts, Entertainment, and Hospitality	3.3%
Personal and Other Services	4.1%
Overall Job Growth Rate	4.6%

Business Assistance, the State's Rapid Response Team and area colleges and universities.

Their Space

The Business First Greater Richmond program approach seeks to better understand and anticipate a company's space and equipment needs. Facility and equipment utilization rates can be strong predictors of future growth and potentially point to opportunities for companies to evaluate their processes and work flow.

Interviewed businesses are reporting higher space utilization rates and lower utilization of equipment when compared to the previous year. It is important to note that year over year comparisons may not reflect significant changes in the aggregate, but at the firm level may indicate changes in operations that would benefit by connecting with the Business First Greater Richmond team.

Firms with plans for a physical expansion represented 31 percent of the total respondents, down from 41 percent last year. Collectively, these firms plan to invest more than \$54 million over the coming 12 to 18 months.

The Business Climate

Participating firms were asked to share their attitudes and opinions on doing business in the Richmond region. Additionally, firms commented on those specific elements that collectively support the business climate in the region. The Business First program works to quickly resolve issues related to municipal services and improve the delivery of service to the business community. As noted in the Regional Business Climate chart, municipal service areas such as police and fire protection received high ratings, while traditional regulatory departments and cost factors, such as tax structure, were rated less favorably by respondents.

Transportation was a much discussed topic at the state, regional and local level. Interviewed firms provided insight on each of the following modes – ground, rail, air and water – as a way to get people, products and ideas into and out of the region. Those

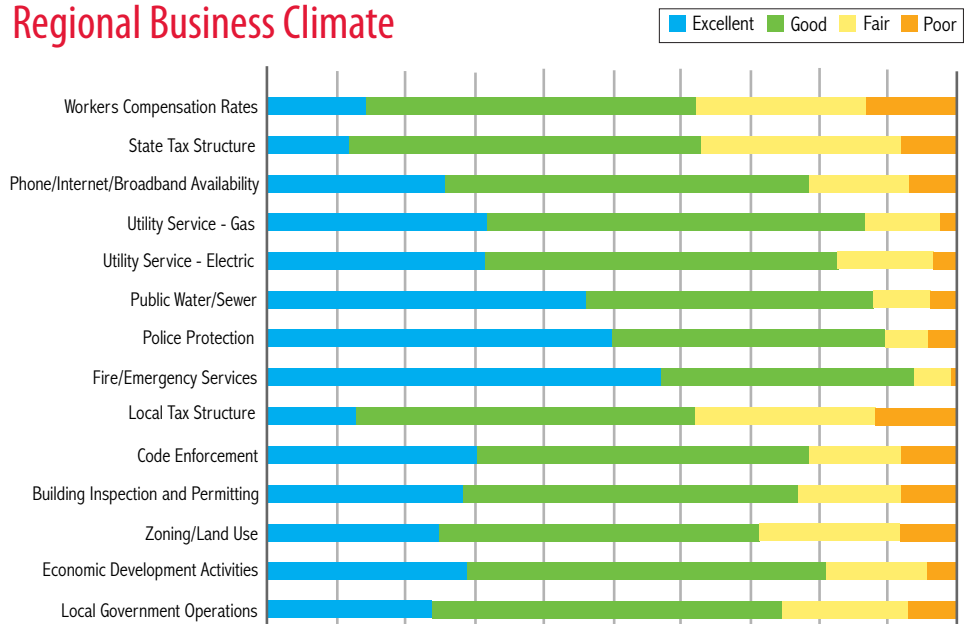
opinions are presented in the Regional Transportation Factors chart. Public transportation and passenger rail service received the lowest ratings, while the Richmond International Airport received consistently high marks.

Quality of Place

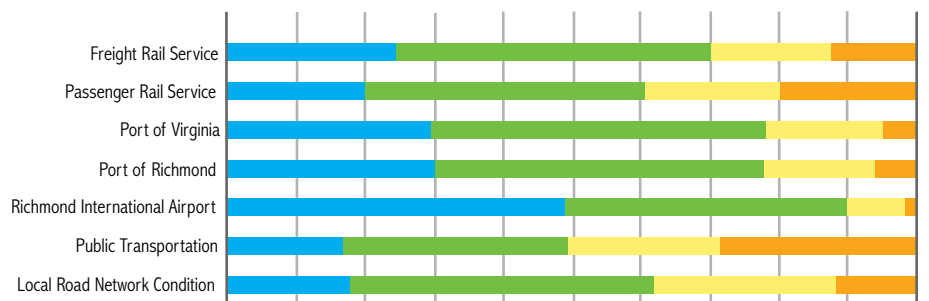
This isn't just a place to do business, it's a place to live, learn and enjoy. Business leaders weighed in on area housing, recreation, and the educational

network. The highest and lowest ranking were in the areas of education – with the college and university system receiving the highest ranking and technical training the lowest. The region's quality of place is important as it affects a business' ability to attract and retain talent and reflects the interests and energy of its residents. The Richmond region boasts a high liveability factor – 91 percent of business leaders have a positive attitude about the community.

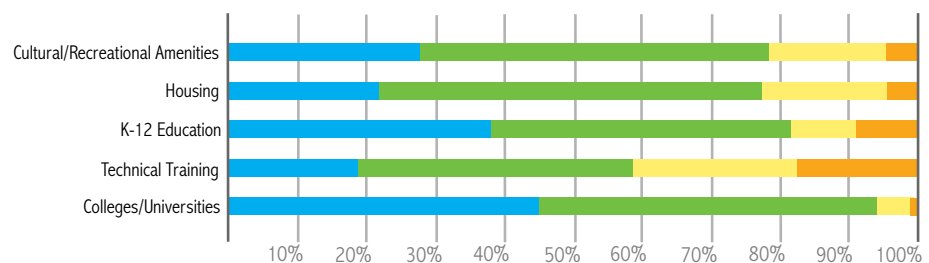
Regional Business Climate



Regional Transportation Factors



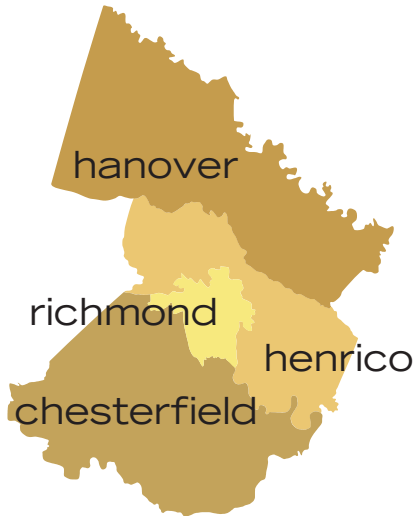
Regional Quality of Place



What's Next

The Business First Greater Richmond program continues to work to better serve the needs of businesses in the region. In analyzing this year's aggregate findings, a number of key themes and opportunity areas have emerged:

1) Workforce development is a universal need and long term concern. The Business First program will work with groups of firms by industry to identify specific positions that they will need to fill in the near- and mid-term. A focused strategy to address these needs will be implemented by a cross functional team. The Greater Richmond Partnership has forged an exciting new



relationship with area community colleges to work together to better support the

workforce training needs of growing businesses in the Richmond Region.

2) While the regional economy continues to grow, it does so at a slower pace than in previous years. The Business First program will work to incorporate programs to help businesses identify new customers, reduce costs, and develop strategies to improve their business.

3) Richmond is home to a broad network of agencies dedicated to serving the needs of existing business. The Business First Resource team will continue to look for new and better ways to collaborate and improve service delivery to the businesses in our community.

For More Information about Business First Greater Richmond



Sara Dunnigan

Vice President, Existing Business Services, Greater Richmond Partnership, Inc.
901 East Byrd Street, Suite 801 | Richmond, VA 23219 | Tel: 804-643-3227
Email: sdunnigan@grpva.com | Website: www.grpva.com

Program Partners



chesterfield

Karen A. Aylward
Tel. 804-748-3963
karen@chesterfieldbusiness.com



henrico

Leonard Cake
Tel. 804-501-7654
leonard@henrico.com



hanover

Karen Epps
Tel. 804-365-6464
ktepps@co.hanover.va.us



richmond

Sheila H. Shepperson
Tel. 804-646-5491
shepperson@ci.richmond.va.us



greater richmond chamber

Debbie Jackson
Tel. 804-783-9316
debbie.jackson@grcc.com