

Business Recruitment and Retention: Two Sides of the Same Coin



**The National Trust Main Street Center
"Innovation Lab" Webinar Series**
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- **"Business Recruitment and Retention: Two Sides of the Same Coin"**
 - Philadelphia March 2008
- **"Recruiting Sustainable Businesses"**
 - Seattle March 2007
 - *Main Street News* article August 2007

Other resources:

- *Main Street News*
- Downtown and Business District Market Analysis Toolbox
- <http://www.uwex.edu/ces/cced/downtowns/dma/index.cfm>

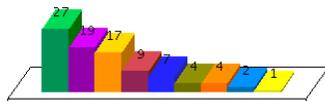


Business Recruitment and Retention: Two Sides of the Same Coin

So who's joining us today?

1. What is your position?

- 27 Main Street program manager/executive director
- 19 City planner or local economic development professional
- 17 Other
- 9 Main Street Economic Restructuring Committee member
- 7 Board member of a Main Street program
- 4 Business owner in a Main Street or downtown commercial district
- 4 Property owner/manager - Main Street downtown commercial district
- 2 Other Main Street committee member (Not ER)
- 1 Real estate broker

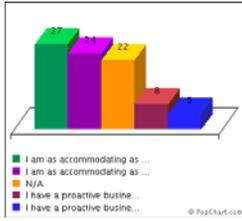


Business Recruitment and Retention: Two Sides of the Same Coin

So who's joining us today?

2. Your approach to **business recruitment**:

- "...I **DO NOT** have a **proactive recruitment plan**"
- "...I **DO** have a **proactive business recruitment plan** that targets prospective new businesses."
- N/A

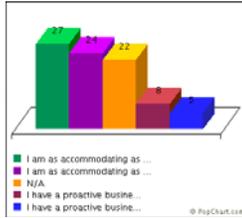


Business Recruitment and Retention: Two Sides of the Same Coin

So who's joining us today?

2. Your approach to **business retention**:

- "I am accommodating ...but I **DO NOT** have a **proactive plan**."
- "I **DO** have a **proactive business retention plan** that seeks to assist businesses in need of assistance."
- NA



Business Recruitment and Retention: Two Sides of the Same Coin

So who's joining us today?

3. If you are actively recruiting and retaining businesses how long have you been doing so?

- N/A 28 41.8
- **Less than 1 year** 14 20.9
- **More than 10 years** 9 13.4
- **1-2 years** 7 10.4
- **6-10 years** 5 7.5
- **3-5 years** 4 6.0



Business Recruitment and Retention: Two Sides of the Same Coin

What do we mean... Two Sides of the Same Coin?



Basically,
good business recruitment
is
sound business retention.



Business Recruitment and Retention: Two Sides of the Same Coin

What do we mean... Two Sides of the Same Coin?



Through its business
retention and
recruitment work
Main Street facilitates
business development.



Business Recruitment and Retention: Two Sides of the Same Coin

Goals of this session:



- Appreciate the “connectivity” between business recruitment and business retention
- Gain a Business Development perspective that you can take back to your ER Committee that is practical and usable
- Introduce you to the concept: Every downtown commercial property can be thought of as either
 - A Business Retention issue
 - or
 - A Business Recruitment issue



Business Recruitment and Retention: Two Sides of the Same Coin

The 4 Things You Need To Recruit and Retain Businesses

1. **Inventory: Building and Business**
2. **Market Understanding:** Preferred & sustainable
3. **Cultivate Relationships:** An Ongoing Willingness to Establish and Cultivate relationships with key stakeholders
4. **Plan:** Identify each as either a
 - a. Retention opportunity
 - b. Recruitment opportunity



Business Recruitment and Retention: Two Sides of the Same Coin

1. Building and Business Inventory

- Name of business and building owners
- Contact information
- Address
- Name of Business
- Category of Business (NAICS/SIC)
- First Floor and Upper Floor designations (retail, office, warehouse, residential etc.)
- Size of space – Gross Leasable Area (GLA)



See also: *Main Street News*
"Assessing Your Business District's Commercial Base"
Part I and II, Amanda B. West,
October/November 2000

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Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

- General familiarity of the area
- Understanding what is preferred
 - customer
 - retailer
- Understanding what is sustainable
- Understanding what is feasible



Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

General familiarity of the area

- Google the town
- www.City-Data.com
- Claritas "Zip Code Lookup" (www.claritas.com)
- Psychographics
- Local/regional shopping



Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

What is preferred?

- By customers
- By retailers

- WHO is coming?
- WHAT do they like?



Use this as an opportunity to understand trade area AND to understand what your customers want to buy.



Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

Who is coming? (Trade area)



Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

Trade Area more arbitrarily selected by geography



Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

Define Primary Trade Area

- Utilize your merchants
 - Ask current retailers who their customers are
 - Zip code survey
 - Foam core/map/push pin
- Survey current shoppers –
 - Customer intercept



See also: *Main Street News*
Josh Bloom; April 2005" and March 2006
David L. Cohen, March 2006

Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

What is preferred by customers? (What do they like? Preference)

- Stakeholder interviews
- Focus groups
- Written Surveys (SurveyMonkey)
- Stakeholder interviews



Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

What is preferred by retailers?

- Talk with downtown business owners
 - Co-tenancy
 - Expansion



Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

What is sustainable?

- Identify gaps or “unmet demand”
 - Claritas

How can we begin to make some intelligent decisions about gaps in current mix of goods and services, and get to the market to test these decisions?



Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

What is feasible? ...your perspective

- Ask some questions –



Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

What is feasible? ...from the retailer's perspective

- Learn about retailers' wants, needs, preferences
 - Ask the prospective business what they need.
 - Syndicated:
 - Plain Vanilla Shell
 - Dealmakers
 - Crittenden



Business Recruitment and Retention: Two Sides of the Same Coin

2: Understand Your Market

From the Prospect's Perspective

- Size
- Preferred property
- Define co-brands
- Market site (population)
- Leasing
- Co-tenancy
- Drive time

Nathan's
 Nathan's Famous
 Nathan's Famous, Inc.
 10000 Old Country Road
 (800) 451-0000

ALTERNATE SITES: 10000 Old Country Road, Wallingford, CT 06495
 10000 Old Country Road, Wallingford, CT 06495
 10000 Old Country Road, Wallingford, CT 06495

PREFERRED PROPERTY: 10000 Old Country Road, Wallingford, CT 06495
 10000 Old Country Road, Wallingford, CT 06495
 10000 Old Country Road, Wallingford, CT 06495

TERMINAL: Nathan's Famous, Inc.
 10000 Old Country Road, Wallingford, CT 06495

CONTACTS: Nathan's Famous, Inc.
 10000 Old Country Road, Wallingford, CT 06495
 10000 Old Country Road, Wallingford, CT 06495
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Business Recruitment and Retention: Two Sides of the Same Coin

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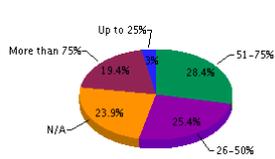
Business Recruitment and Retention: Two Sides of the Same Coin

Your relationships with stakeholders...

4. With how many downtown **business owners** are you or others in your program or committee currently in comfortable relationships?

Business owners:

Up to 25% 3 %
 Up to 50% 25.5%
 Up to 75% 28 %
 More than 75% 19 %



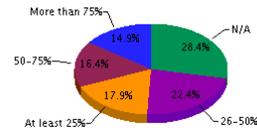
Business Recruitment and Retention: Two Sides of the Same Coin

Your relationships with stakeholders...

4. With how many downtown **property owners** are you or others in your program or committee currently in comfortable relationships?

Property owners:

Up to 25% 18%
 Up to 50% 22%
 Up to 75% 16%
 More than 75% 15%



Business Recruitment and Retention: Two Sides of the Same Coin

3. Cultivating Relationships

What value can Main Street offer to property and business owners?

- Partnership (facilitation)
- Access to the "Big Picture"



Business Recruitment and Retention: Two Sides of the Same Coin

3. Cultivating Relationships

An ongoing willingness...
to establish and cultivate relationships

- Town
- Property Owners
- Business Owners
- Real Estate Brokers
- Developers
- Funding partners



Business Recruitment and Retention: Two Sides of the Same Coin

3. Cultivating Relationships

How do you start?

- Prioritize Relationships
- Begin to ask Questions...
...and then listen to what they are saying!



Business Recruitment and Retention: Two Sides of the Same Coin

3. Cultivating Relationships

What kinds of questions?

- What are your key businesses?
- Could one of the gaps you previously identified be an opportunity for expansion?
- Are you struggling?
- Is there someone to run this business when you retire?
- Would you perform better somewhere else in town?



Business Recruitment and Retention: Two Sides of the Same Coin

3. Cultivating Relationships

What kinds of questions?

- What are your sales?
- How are you doing?
- Are sales better than last year at this time?
- Do you need help?
- If you could pick your neighbor who would it be?
- When is foot traffic the best/worst?
- Who are your customers?



Business Recruitment and Retention: Two Sides of the Same Coin

3. Cultivating Relationships

What kinds of questions?

- Who are key property owners?
- Do you know how much we value the current tenant?
- When is the lease due to expire?
- Will you renew?
- Would you consider alternatives in we have suggestions
- What is your debt service?
- What is your rent?



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Business Recruitment and Retention: Two Sides of the Same Coin

4. Plan: Identify each and develop a strategy

- **Recruitment/Retention: Long-Term strategies**
 - Matching space with appropriate businesses
- **Recruitment/Retention: Short-Term Strategies**
 - Seasonal Temporary Businesses
 - Existing Business displays their products in a vacant space
 - Window display/aesthetic graphics etc.
 - Tag the window with a community or leasing message



Almost anything but Vacancy!

Business Recruitment and Retention: Two Sides of the Same Coin

4. Plan: Identify each and develop a strategy

■ Categories of Merchants At-Risk

- Under-Utilized Businesses
- Successorship Issues
- At risk of Failure
- In need of Relocation



Business Recruitment and Retention: Two Sides of the Same Coin

4. Plan: Identify each and develop a strategy

- Rent Relief
- Marketing Assistance
- Turn Around Strategies
- Relocation Assistance
- Façade Improvement
- Lighting and Signage
- Visual Merchandising Improvement
- Loss prevention and security related training
- Debt-Restructuring
- Expansion (expanded offering of goods/services assistance)
- Finding a partner/buyer for business



See also: *Main Street News*
Valecia Crisafulli, January 2003
Kennedy Smith, 2000



Business Recruitment and Retention: Two Sides of the Same Coin

4. Plan: Identify each and develop a strategy

- **Master plan for achieving the optimum downtown business mix**
- **An overall, comprehensive business retention and business recruitment tool**
- **A pre-requisite to effective business recruitment**



Business Recruitment and Retention: Two Sides of the Same Coin

4. Plan: Identify each and develop a strategy

- Name of business and building owners
- Contact information
- Address
- Name of Business
- Category of Business (NAICS)
- First Floor and Upper Floor designations (retail, office, warehouse, residential etc.)
- Size of space – Gross Leasable Area (GLA)
- **Identify as Retention, Recruitment, or Both**
 - **Vacancy – long term/short term**
 - **“At Risk” Unplanned vacancies**
 - **Recapture and release**
 - **Relocation**
 - **Lease Term**
 - **Deferred Maintenance/Capital Improvements**



Business Recruitment and Retention: Two Sides of the Same Coin

4. Plan: Identify each and develop a strategy

Whether it is a Business Recruitment or an Business Retention Issue, both involve **active prospecting...**

Be proactive!

- finding new businesses
- expanding existing ones



Business Recruitment and Retention: Two Sides of the Same Coin

Prospecting Tips

Here are some ideas to get you started:

- Common Sense Prospecting
- Focus Groups
- Talk to Merchants
- Talk to Real Estate Brokers
- Yahoo Yellow Pages
- InfoUSA
- Pattern Embarked Upon



Business Recruitment and Retention: Two Sides of the Same Coin

More prospecting tips...

A few more ideas...

- Distributors/Wholesalers/Suppliers
- Periodicals (DealMakers/Plain Vanilla Shell)
- Franchise Publications
- Answer the phone
- Get ideas:
 - Visit same size towns
 - Visit strip centers and malls
 - Visit the best bagel, the best hot dog, etc...



Business Recruitment and Retention: Two Sides of the Same Coin

A managed downtown...and tenacity!

- Be proactive
- Involve all committees
- Tout successes often
- "Get in trouble for doing something!"



Business Recruitment and Retention: Two Sides of the Same Coin

We'd love to hear from you!

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