## BUSINESS RETENTION

### WHAT IS IMPORTANT TO SMALL BUSINESSES:
- Attracting more customers from same market niche
- Building repeat customer base
- Motivating customers to spend more money
- Identifying new markets for existing product lines
- Adding new product lines to capture wider market range

### WHAT IS IMPORTANT TO SMALL BUSINESSES:
- Rent
- Personnel costs
- Utility costs
- Product costs
- Shipping/transportation costs
- Health and other insurance costs

### WHEN WILL THINGS GET BACK TO NORMAL?
SMALL BUSINESS IS HURTING

- Cash flow problems
- Access to financing
- Inventory management
- Getting customers to spend
- Finding new customers

35% of job losses are from small firms compared to 1% in 2001

POSITIVE SIGNS?

- Consumer confidence and spending is improving
- Corporate spending is slowing rising
- Unemployment is leveling off
- Stock market is less volatile
- Credit crunch is easing

POSITIVE SIGNS?

- Less competition
- Support infrastructure in place
- Below market rent structure
- No labor shortage
- Rising gas prices are keeping consumers at home
- Downtown organization

8% increase in self employed compared to 2% typical year

BUSINESS RETENTION

NEW REALITIES

- Flat population growth
- Volatile economy
- Splinter markets
- Frustrated customers
- Major changes in retail competition
- Changes in credit and financing

BUSINESS RETENTION

What should an ER committee be doing to help small businesses?

- Understand issues and concerns of small businesses in district.
- Help businesses understand the market.
- Develop strategies to encourage identified businesses to grow or expand.
- Learn to identify warning signs that signal a business may be considering relocating, retiring or closing.
- Develop activities to promote the district and specific business clusters.
- Support existing businesses personally.
### BUSINESS RETENTION

**Listen**
- Business Owner Survey
- Business Visitation Program
- Block Captain Visitation Program
- Downtown Manager Visits

**Communicate**
- Mailings, Newsletters, Email blasts/twitter
- Breakfast Meetings
- Luncheon Speakers
- Business After Hours
- Open and Staffed Office

### BUSINESS RETENTION

Develop program around 3 areas:

- Image Development
- Business Assistance
- Business District Improvements

### BUSINESS RETENTION

**Image development:**
- Special events
- Retail events
- Cooperative advertising
- Downtown marketing materials
- Web site
- Downtown Brand/Niche

### BUSINESS RETENTION

**Image campaign**

DIFFERENTIATE YOUR COW FROM ALL THE OTHERS IN THE FIELD

- Special events
- Look for local partners
- Promote the experience not just the place
## BUSINESS RETENTION

<table>
<thead>
<tr>
<th>Retail Promotions</th>
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<tbody>
<tr>
<td>1) SEASONAL</td>
</tr>
<tr>
<td>2) TARGETED PROMOTIONS</td>
</tr>
<tr>
<td>‣ By product</td>
</tr>
<tr>
<td>‣ By target customer</td>
</tr>
<tr>
<td>3) GUERRILLA MARKETING</td>
</tr>
<tr>
<td>‣ In-store events</td>
</tr>
<tr>
<td>‣ Grand openings</td>
</tr>
<tr>
<td>‣ Cross merchandising</td>
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</tbody>
</table>

## COLLEGE STUDENTS

<table>
<thead>
<tr>
<th>MARKET NICHE</th>
<th>OBJECTIVE</th>
<th>ACTIVITIES</th>
</tr>
</thead>
</table>
| COLLEGE STUDENTS | INCREASE WEEKEND NIGHT COLLEGE TRAFFIC | > SCHEDULE SERIES OF WEEKEND FREE MUSICAL EVENTS  
> WORK WITH RESTAURANTS TO PROMOTE DINING DOWNTOWN  
> PROMOTE RESPONSIBLE DRINKING AND WALKING PROGRAM |

## BUSINESS RETENTION

<table>
<thead>
<tr>
<th>Branding</th>
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<tbody>
<tr>
<td>➢ Brochure</td>
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<tr>
<td>➢ Web site</td>
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<tr>
<td>➢ Banners</td>
</tr>
<tr>
<td>➢ Billboard</td>
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<tr>
<td>➢ Newsletter</td>
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<tr>
<td>➢ Signs</td>
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</table>

## BUSINESS RETENTION

<table>
<thead>
<tr>
<th>INFORMATION</th>
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</table>
| BUSINESS ASSISTANCE ACTIVITIES:  
➢ Workshops, Training, Seminar  
➢ Specialists and Consultants  
➢ Financial or Technical assistance  
➢ Feedback and information |

## BUSINESS RETENTION

<table>
<thead>
<tr>
<th>Typical Technical Assistance</th>
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<tbody>
<tr>
<td>➢ Landlord/tenant arbitration service</td>
</tr>
<tr>
<td>➢ Design assistance (interior and exterior)</td>
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<tr>
<td>➢ Sister store mentors</td>
</tr>
<tr>
<td>➢ Business specialist</td>
</tr>
<tr>
<td>➢ Buying clubs</td>
</tr>
<tr>
<td>➢ Workshops</td>
</tr>
<tr>
<td>➢ Window display service</td>
</tr>
</tbody>
</table>

## BUSINESS RETENTION

<table>
<thead>
<tr>
<th>Financial resources</th>
</tr>
</thead>
</table>
| ➢ Federal Funds  
- HUD (BEDI, RHEL)  
- USDA  
- SBA (ARC) |
| ➢ Peer-peer loans |
| ➢ Pooled Loans |
| ➢ Tax abatements |
| ➢ Graduated leases |
BUSINESS RETENTION

Develop projects to improve overall functioning of district and create more positive environment:
- PHYSICAL
- REGULATORY
- SOCIAL

PHYSICAL
- Historic overlay
- Maintenance Ordinance
- BID or TIF
- Streetscape
- Tap fees waiver
- Awning or façade grant
- Parking
- Ordinance (Sidewalk café, signs)
- Shoplifting alert
- Foot patrol

REGULATORY

SOCIAL

MATURE PROGRAM RECOMMENDATION

- Meet with merchants to revise promotional program (sales, image, and events).
- Work with committee to develop technical assistance activities based on new survey information.
- Meet with local lenders to brainstorm ways to meet financing needs of existing businesses.
- Use commercial assessment to identify ways to improve overall district.

QUESTIONS ABOUT PRESENTATION

Greenberg Development Services
Hilarygreenberg@hotmail.com
704-366-1541

ATTRACTING NEW INVESTMENT

1. PREREQUISITES
2. RECRUITMENT TOOLS
3. RECRUITMENT PROCESS
- developer
- tenant

VIRGINIA MAIN STREET ESSENTIALS
6. ATTRACTING NEW INVESTMENT: ESTABLISHING A RECRUITMENT AND DEVELOPMENT PROGRAM

Workshop speaker: Hilary Greenberg
ATTRACTING NEW INVESTMENT

PREREQUISITES

1. MUST HAVE A STRATEGIC PLAN
   - Market Niche Opportunities
   - Leasing Issues and Constraints
   - List Of Desired Businesses
   - Catalyst Projects
   - Conceptual Map

USE INFORMATION FROM MARKET AND COMMERCIAL ASSESSMENT

Eating and drinking
- Regional restaurants
- Contemporary café
- Franchise snack, drinks, and take-out
- Music clubs
- Book store-café

Lifestyle
- Exercise
- Recreation (camping, cycling)
- Hobby, art, Craft
- Art-related production

ATTRACTING NEW INVESTMENT

STRATEGIC PLAN

Identify Tenant issues
- Rental Space does not fit tenant needs
- Property owners want to rent “AS IS”
- Rental is not in move-in condition
- Property owner unwilling to wait for “better” tenant
- Rental price is unrealistic given projected upfit costs
- Space is in undesirable location
- Landlord will not maintain property

STRATEGIC PLAN

Identify real estate issues
- After rehab value is less than cost to renovate.
- Commission are too low for realtors to focus on downtown property
- Property does not have curb appeal
- No financing is available or is available but at terms that make the project financially unfeasible
- There is a high degree of actual risk
- The property can't be acquired
- The scale is too big or too small to interest qualified developers
- The project is not revenue producing
- Area economic conditions are discouraging for development
- Other investments provide more attractive returns
- The cost of the project is greater than the end value of the development

ATTRACTING NEW INVESTMENT

Strategic Plan: Types of uses
- Destination, Complementary or Convenience uses
- Locally-owned, franchise, chain
- Start-up, expansion, relocation

ATTRACTING NEW INVESTMENT

STRAEGIC PLAN: CATALYST PROJECTS

- Housing
- Mixed-use
- Lifestyle
- Parks, river, recreation
- Farmers market
- Cultural, art, education, sports
- Train stations
- Company stores
<table>
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<tr>
<th>ATTRACTING NEW INVESTMENT</th>
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<tbody>
<tr>
<td><strong>PREREQUISITE</strong></td>
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<tr>
<td><strong>Carrots and Sticks to encourage support</strong></td>
</tr>
<tr>
<td>➢ Financial incentives</td>
</tr>
<tr>
<td>➢ Leasing assistance</td>
</tr>
<tr>
<td>➢ Targeted public improvements</td>
</tr>
<tr>
<td>➢ Options, Easements, purchase</td>
</tr>
<tr>
<td>➢ Peer pressure</td>
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<tr>
<td>➢ Code enforcement</td>
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<tr>
<td>➢ Zoning</td>
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<tbody>
<tr>
<td><strong>TENANT LEASE</strong></td>
</tr>
<tr>
<td>➢ Tenant upfit allowance</td>
</tr>
<tr>
<td>➢ Maintenance</td>
</tr>
<tr>
<td>➢ Marketing/advertising</td>
</tr>
<tr>
<td>➢ Facade or sign</td>
</tr>
<tr>
<td>➢ Review of proposed uses</td>
</tr>
<tr>
<td>➢ Hours of operation</td>
</tr>
<tr>
<td>➢ Participation in downtown events</td>
</tr>
<tr>
<td>➢ Employee parking</td>
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</tbody>
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<tbody>
<tr>
<td><strong>RECRUITMENT TOOLS</strong></td>
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<tr>
<td>➢ Incentives</td>
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<tr>
<td>➢ Marketing material</td>
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<td>➢ Referrals and networking</td>
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<tbody>
<tr>
<td><strong>FINANCIAL INCENTIVES</strong></td>
</tr>
<tr>
<td>➢ Loan Pool</td>
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<tr>
<td>➢ Loan packaging</td>
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<tr>
<td>➢ Tax credits</td>
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<tr>
<td>➢ Grants</td>
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<tr>
<td>➢ Code ombudsman</td>
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<tr>
<td>➢ Design assistance</td>
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<td>➢ Parking</td>
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<tbody>
<tr>
<td><strong>TECHNICAL INCENTIVES</strong></td>
</tr>
<tr>
<td>➢ Marketing material PRINT</td>
</tr>
<tr>
<td>➢ Fact sheets</td>
</tr>
<tr>
<td>➢ Bounce back card</td>
</tr>
<tr>
<td>➢ Ads</td>
</tr>
<tr>
<td>➢ Web site</td>
</tr>
<tr>
<td>➢ Folder, brochure</td>
</tr>
<tr>
<td>➢ Other</td>
</tr>
<tr>
<td>➢ Signs</td>
</tr>
<tr>
<td>➢ Banners</td>
</tr>
<tr>
<td>➢ Billboard</td>
</tr>
<tr>
<td>➢ Special events</td>
</tr>
</tbody>
</table>
MARKETING MATERIAL

ATTRACTING NEW INVESTMENT

<table>
<thead>
<tr>
<th>MARKETING BUSINESSES</th>
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<tbody>
<tr>
<td>Coffees</td>
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<tr>
<td>Newsletter</td>
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<table>
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<tr>
<th>PROPERTY OWNERS</th>
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<tbody>
<tr>
<td>E-mail</td>
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<tr>
<td>Personal visit</td>
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<table>
<thead>
<tr>
<th>POTENTIAL INVESTORS/PROSPECTS</th>
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<tbody>
<tr>
<td>Open house tours</td>
</tr>
<tr>
<td>Newsletter</td>
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<tr>
<td>Web site</td>
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REFERRAL NETWORK

- Hold information meetings with key individuals in the business, real estate, financial and govt. sectors.
- Develop procedure for referring potential leads.
- Distribute information gathered through network regularly via email.
- Finders Fee for referrals?

RECRUITING A DEVELOPER OR INVESTOR

- Use PO agreements and strategic plan to identify potential sites to market to developer
- Prepare feasibility assessments to determine risks, issues and potential revenue
- Work with owner to develop marketing package that includes financing, development plan and potential tenant list
- Work with lenders, Govt. to develop incentives to attract investment
- Evaluate potential for charitable donation, CID or local LLC to purchase
- Develop marketing plan (website, commission, trade show)

RETAIL RECRUITMENT PROCESS

- Establish a working committee
- Find prospects
- Prioritize leads and locations
- Contact prospect
- Close the sale
ATTRACTING NEW INVESTMENT

WHERE ARE THEY?
- Field work
- Referrals
- Realtors
- Local residents
- Interviews
- Sales reps

TIP:
ASK CIVIC CLUBS TO HELP

TYPES OF PROSPECTS
- Expansion
- Local business in region
- Start-up businesses
- Chains and franchises

WHERE ARE THEY?
- Word of mouth
- Trade shows
- Business schools
- City permits
- Referrals
- SBDC

CHAINS FRANCHISES
- Realtors
- Trade shows (ICSC)
- Leasing agents
- Retail lease trac

MATCH PROSPECTS TO SITES
- Property owner agreement
- Business type compatibility
- Proximity to traffic
- Size of space
- Parking
- Loading access
- Upfit needs
- Rent/own
### ATTRACTING NEW INVESTMENT

#### STRENGTH OF BUSINESS
- Sales help
- Displays
- Dunn and Bradstreet
- Newspaper
- Lease constraints
- Target customer

#### EVALUATE PROSPECT

#### CONTACTING THE PROSPECT
- Direct mail
- Brokers
- Web-site
- Referral
- Site visits

#### TIP:
- Personal appeal works best
- Practice on other Main Street Towns
- Do recon visit before meeting
- Set up meeting for prospect to talk to local business owners and lenders
- Ask for a referral
- Periodic follow-up

### EXAMPLE

#### RESTAURANTS ENTERTAINMENT
1. Appoint a team/committee
2. Do your homework
   - Market demand
   - Available sites
   - Owner/realtor support
3. Incentives
   - Valet ordinance
   - Waive license fee
   - Waive sewer tap fee
   - Pre-recruitment inspection
   - Façade grant
   - Restaurant equipment loan

#### EXAMPLE
4. Referral Network
   - Mall Manager
   - SBDC
   - Chamber
   - EDC
   - Local Realtor Association
   - Existing Businesses
5. Leads
   - Advertise in paper and trade newsletter
   - Contact state culinary schools
   - Ask local residents
   - Field trips
**EXAMPLE**

<table>
<thead>
<tr>
<th>RESTAURANT &amp; ENTERTAINMENT</th>
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<tbody>
<tr>
<td>6. Contact</td>
<td></td>
</tr>
<tr>
<td>• Local realtor</td>
<td></td>
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<tr>
<td>• Mail</td>
<td></td>
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<tr>
<td>• Personal visit</td>
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<tr>
<td>• Web site</td>
<td></td>
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<tr>
<td>7. Follow up</td>
<td></td>
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<tr>
<td>• Site visit</td>
<td></td>
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<tr>
<td>• Maintain contact</td>
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**LESSONS TO BE LEARNED**

- Recruitment takes time
- High standards
- Collaboration
- Realistic work plan
- Commitment to make it work

**OVERVIEW**

<table>
<thead>
<tr>
<th>MORNING</th>
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<tbody>
<tr>
<td>1. Getting Started: What does an ER Committee actually do?</td>
<td></td>
</tr>
<tr>
<td>2. Do you know your market: Understanding changing market conditions.</td>
<td></td>
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<tr>
<td>3. How Great is your Downtown: Taking stock of what you have.</td>
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**OVERVIEW**

<table>
<thead>
<tr>
<th>AFTERNOON</th>
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<tbody>
<tr>
<td>4. Do you know where you are going: How to create a strategic plan.</td>
<td></td>
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<tr>
<td>5. Strengthen what you've got: Establishing a business retention program.</td>
<td></td>
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<tr>
<td>6. Attracting new investment: Establishing a Business recruitment and redevelopment effort.</td>
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