



# TEXARKANA BUSINESS RETENTION & EXPANSION



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*Examining key issues in retaining and expanding businesses and markets  
in the Texarkana Region*

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## BR&E Project Executive Summary

The Business Retention and Expansion (BR&E) Project Interviews were held between January 2015 and February 2016 and included 61 local businesses. Chamber officials, consisting of past Chamber Board Chairpersons, conducted the interviews. The software consultant conducted volunteer training prior to the volunteers conducting the survey. Interview survey data was entered into the Synchronist Business Information System®. Participating companies were classified into two categories. Manufacturing and Industrial companies (Labeled PRIME in the Synchronist system) and Convention, Retail, Tourism and Service companies (Labeled CRTS in the Synchronist system). Reports created from the interviews are divided into these two categories.

Businesses in the Texarkana area responded to the survey, identifying several positive elements in the community. Some of the key positive elements include certain public services such as police and fire protection, healthcare, and educational opportunities available in K-12, community colleges, and universities. In addition to the positive elements, some areas where action by the Chamber and its members might improve the business environment have been identified. Areas where improvement would positively impact the community include technology, municipal government, state legislative, workforce development, and transportation. Based on the responses to the survey, these areas represent the best opportunities for Chamber efforts to have a positive impact on the local business environment thus improving business retention and expansion opportunities for Texarkana area businesses.

The findings suggest opportunities exist in each of the areas where improvement is needed. Forming a task force around these targeted areas would focus individual efforts on each opportunity. Possible task force opportunities include:

- Technology – An emphasis on improving internet speed and access was identified as a need in multiple responses.
- Municipal Government – Government Services and Community Planning were identified as areas for improvement.
- State Legislative – Concerns about potential negative effects of state legislation were identified by several respondents.
- Workforce Development – Challenges with recruiting unskilled workers, skilled workers, and professional workers was cited in survey responses.
- Transportation – Availability of passenger transportation and the associated costs of current transportation was an area of concern for respondents.

As task forces are formed in each of the areas of concern identified by this survey, the progress made will enhance Texarkana's ability to grow the business community. Progress should be communicated to all interested individuals and as challenges arise, priorities should be adjusted to achieve attainable results.

## BR&E Project Summary

Supporting existing businesses is important for towns of all sizes. Keeping an existing business is often easier than recruiting new businesses. The Texarkana Chamber of Commerce's Business Retention and Expansion (BR&E) Program is a key element to economic development helping community leaders and communities work together to address barriers businesses face as they try to survive and grow in today's global economy. Attracting new businesses are important to the overall economic development strategy however, forty to eighty percent of new jobs are created by existing businesses. Therefore, BR&E has become the number one economic development strategy in most communities. Just as businesses gain competitive advantages by providing better service to their customers, the Chamber must look for ways to provide better opportunities for growth to our local businesses who have made a commitment to stay in our community.

The BR&E Program also builds a team of local leaders that is broader than many other economic development efforts because it includes representatives from workforce development, education and government in addition to business and economic development leaders. A team of this magnitude and diversity allows the BR&E Task Force to utilize more resources to address problems identified in the survey. The Chamber realizes that an engaged local business community is key to the success of this endeavor.

The BR&E Plan is part of the Chamber's economic development efforts incorporating the retention and expansion of our existing businesses, along with the attraction of new business. The key element to this BR&E plan is the survey designed specifically to identify the needs and provide valuable information for and about our existing business within the industrial/manufacturer and convention, retail, tourism and service sectors. The BR&E survey covers many topics such as, company background, products/services and market, workforce information, technology, utility services, community amenities, and other issues or concerns.

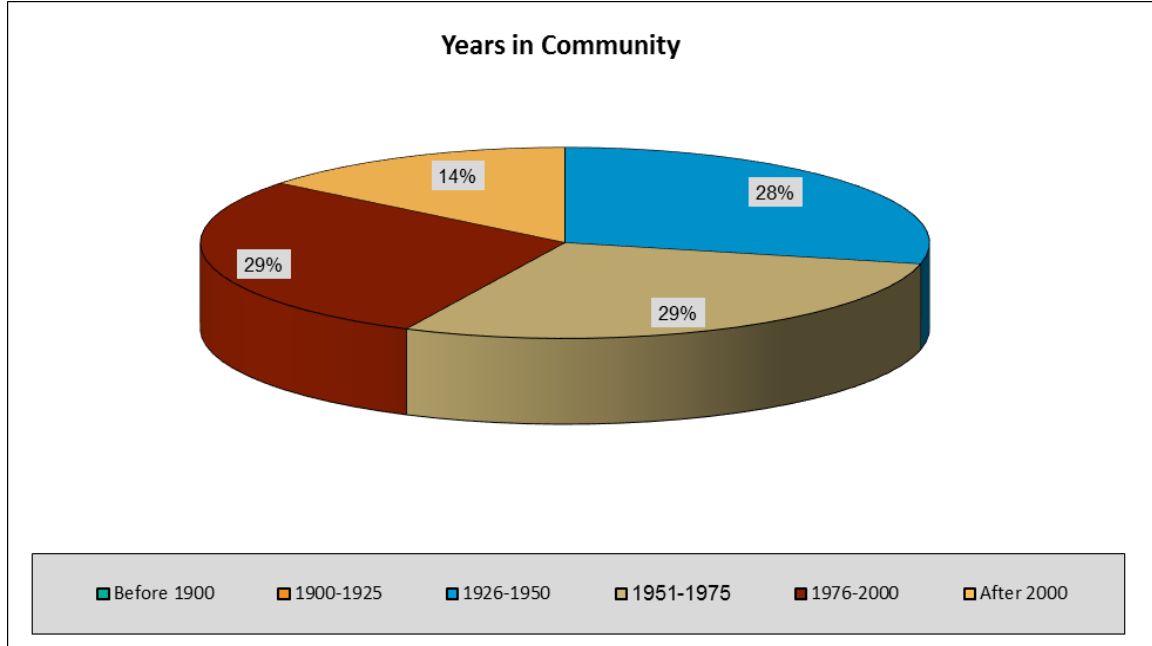
Resulting BR&E data will indicate the future plans/needs of local businesses and how businesses view the community's overall business climate. In turn, this information will be used to respond to individual business needs and to plan for future economic development initiatives. Once the surveys have been collected and analyzed, a Task Force Team will be formed to address our businesses most serious concerns. Because of its diverse membership, the local BR&E Task Force is able to bring more resources, ideas, and contacts to address needs identified in the survey. Quite often, this local team will also find itself working together to address other community concerns arising over time.

### Objectives:

The objective of the Chamber's BR&E Program is to add value by reaching out and establishing relationships with our local businesses. The Chamber appreciates the commitment they have made to the community. The BR&E Program enables the Chamber to proactively identify and solve businesses' problems before they become critical. By assisting businesses with their problems success stories can be developed and used to recruit other businesses.

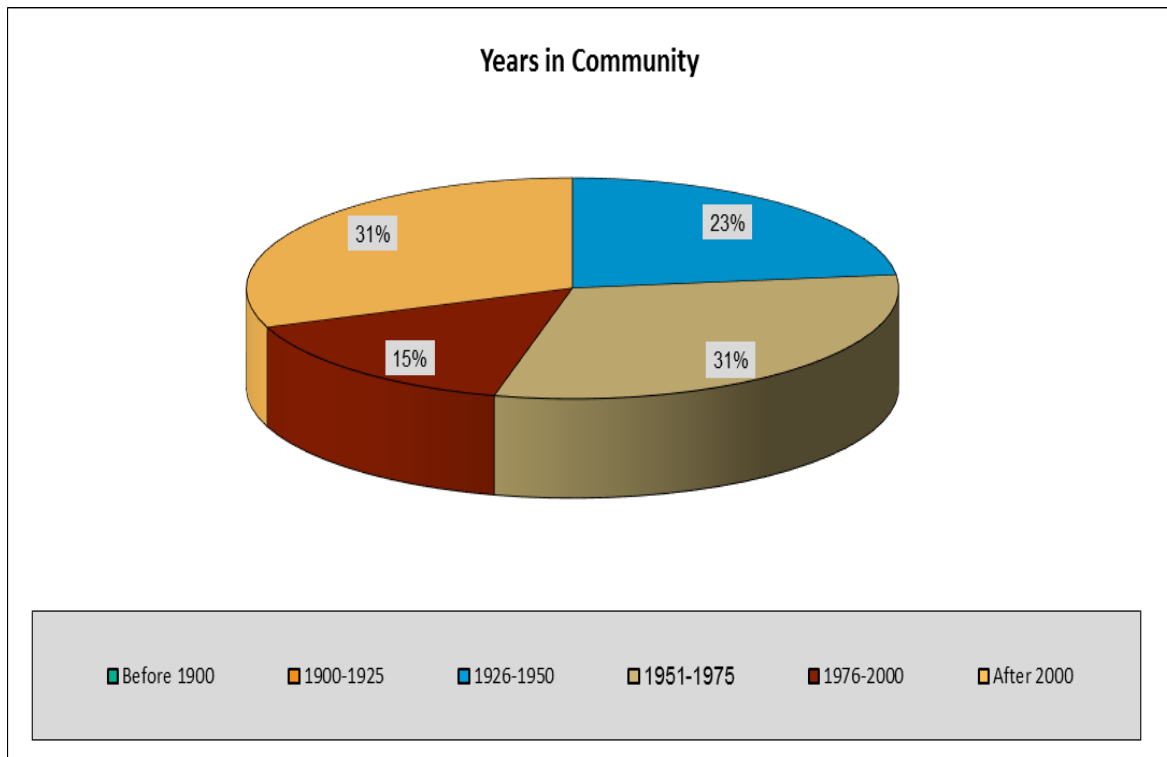
## BR&E Business History

### PRIME Analysis



As identified by the survey a greater percentage of businesses have been in the community for a significant period of time which further substantiates these businesses are vested and committed to our community.

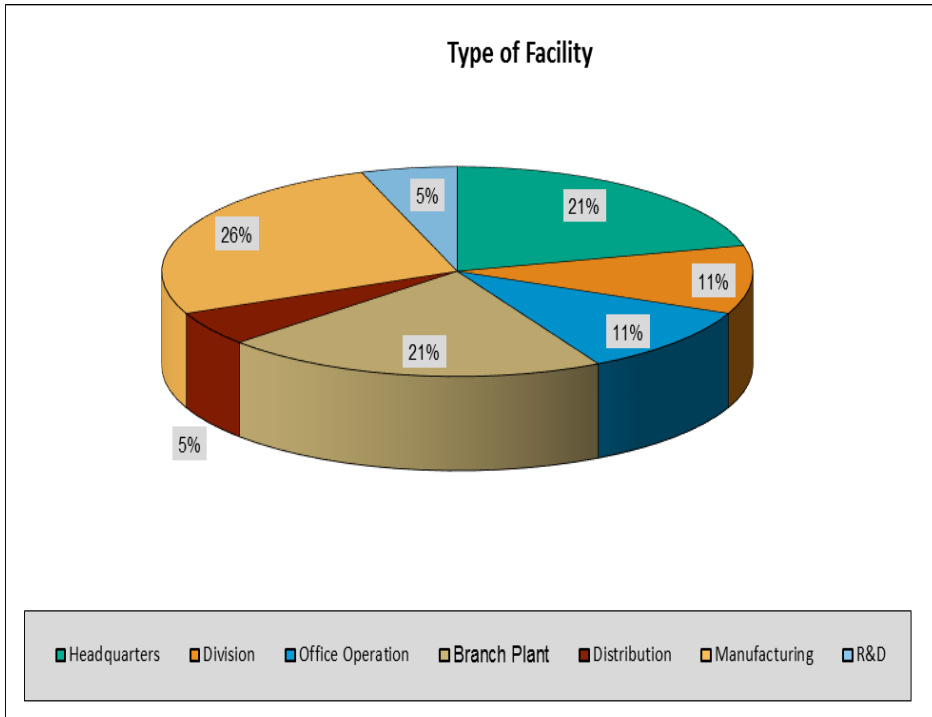
### CRTS Analysis



Based on the survey the greater percentage of the industrial and manufacturing business were established between 1900-2000. While the CRTS business reflected a higher percentage of businesses that were established after 2000.

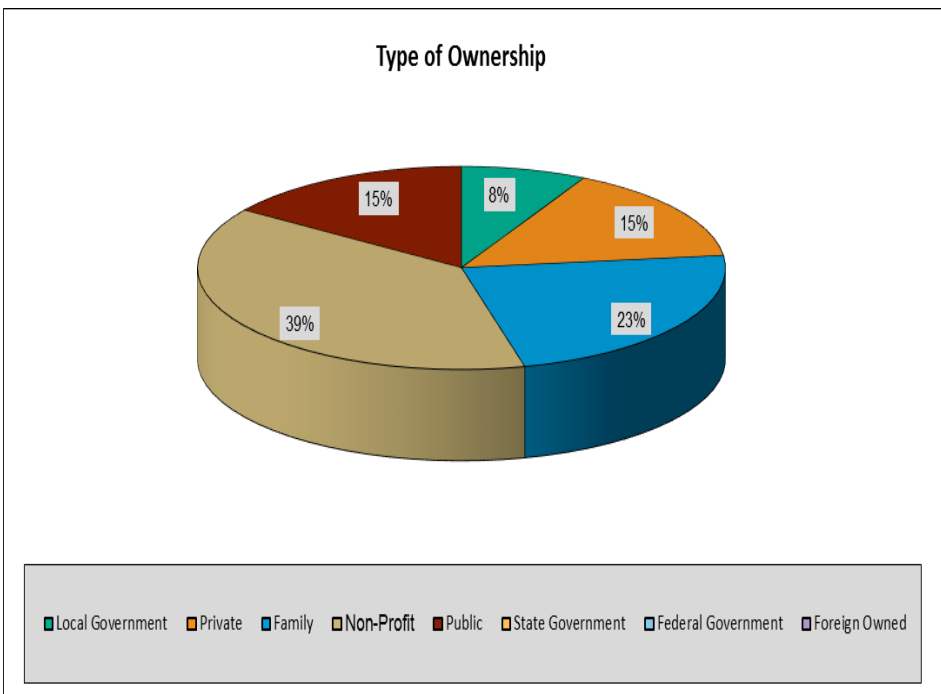
## BR&E Business Types

### Prime Analysis



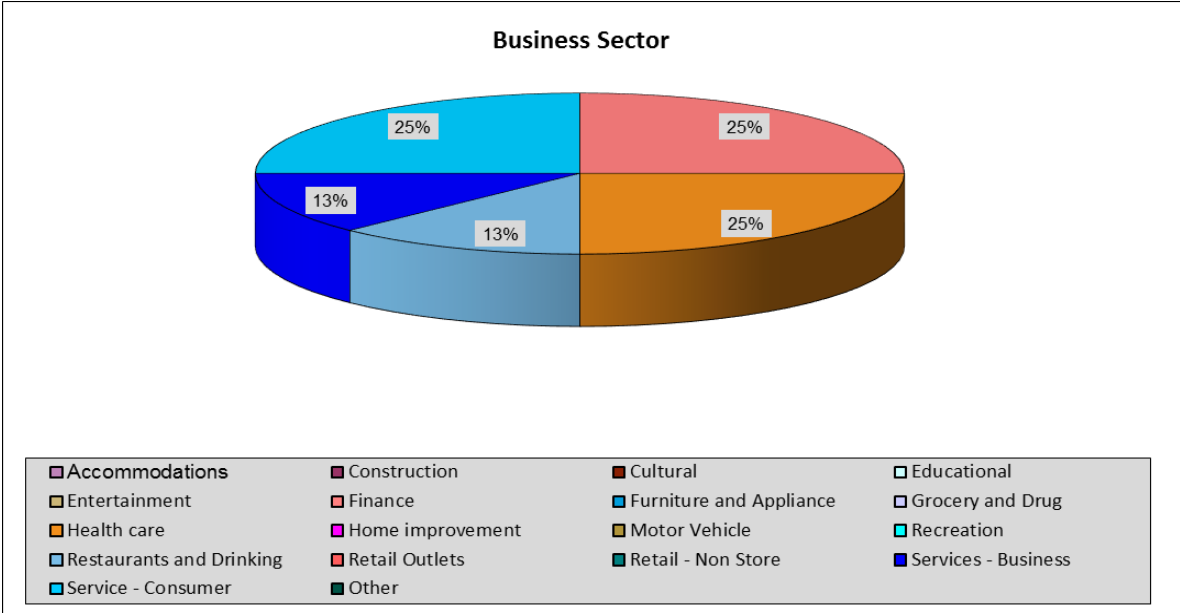
The survey revealed the greatest percentage of Prime businesses surveyed not only have the operations portion of their businesses in Texarkana but also house their headquarters, divisions or branch within the community. The survey also revealed the greatest percentages of CRTS businesses surveyed were non-profit followed by family owned and then equally split between public and private ownership.

### CRTS Analysis



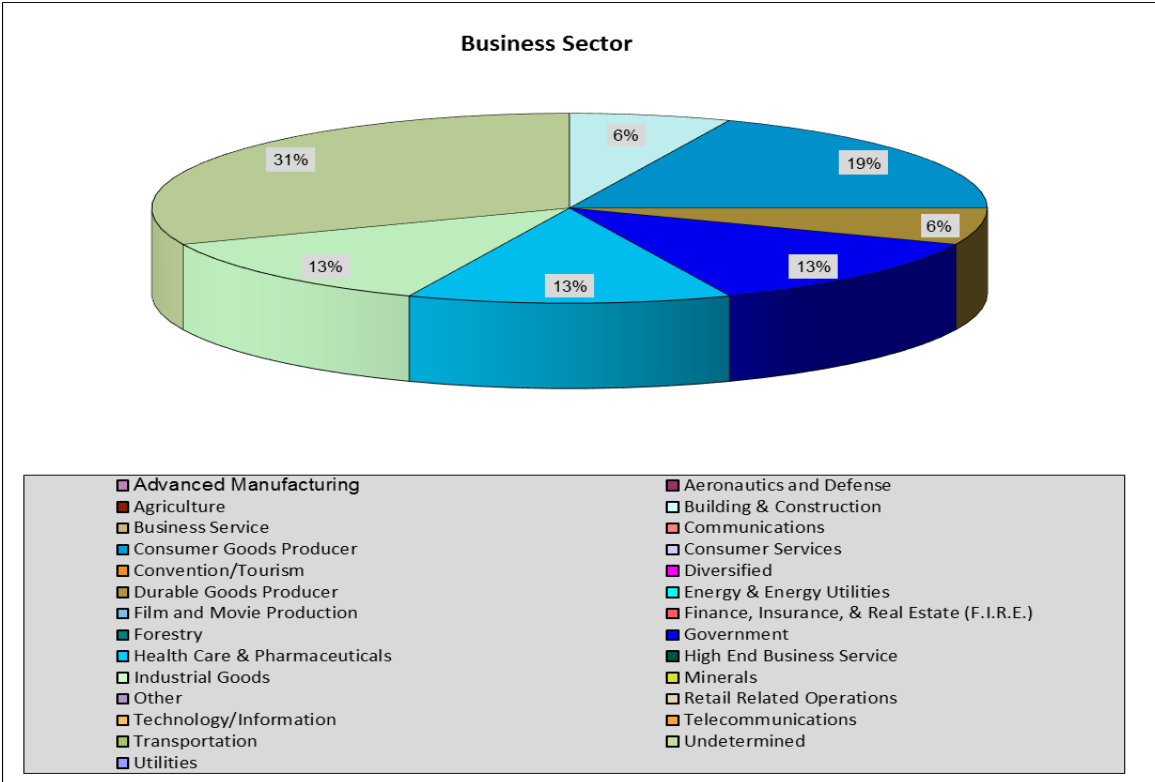
## BR&E Business Types

### Prime



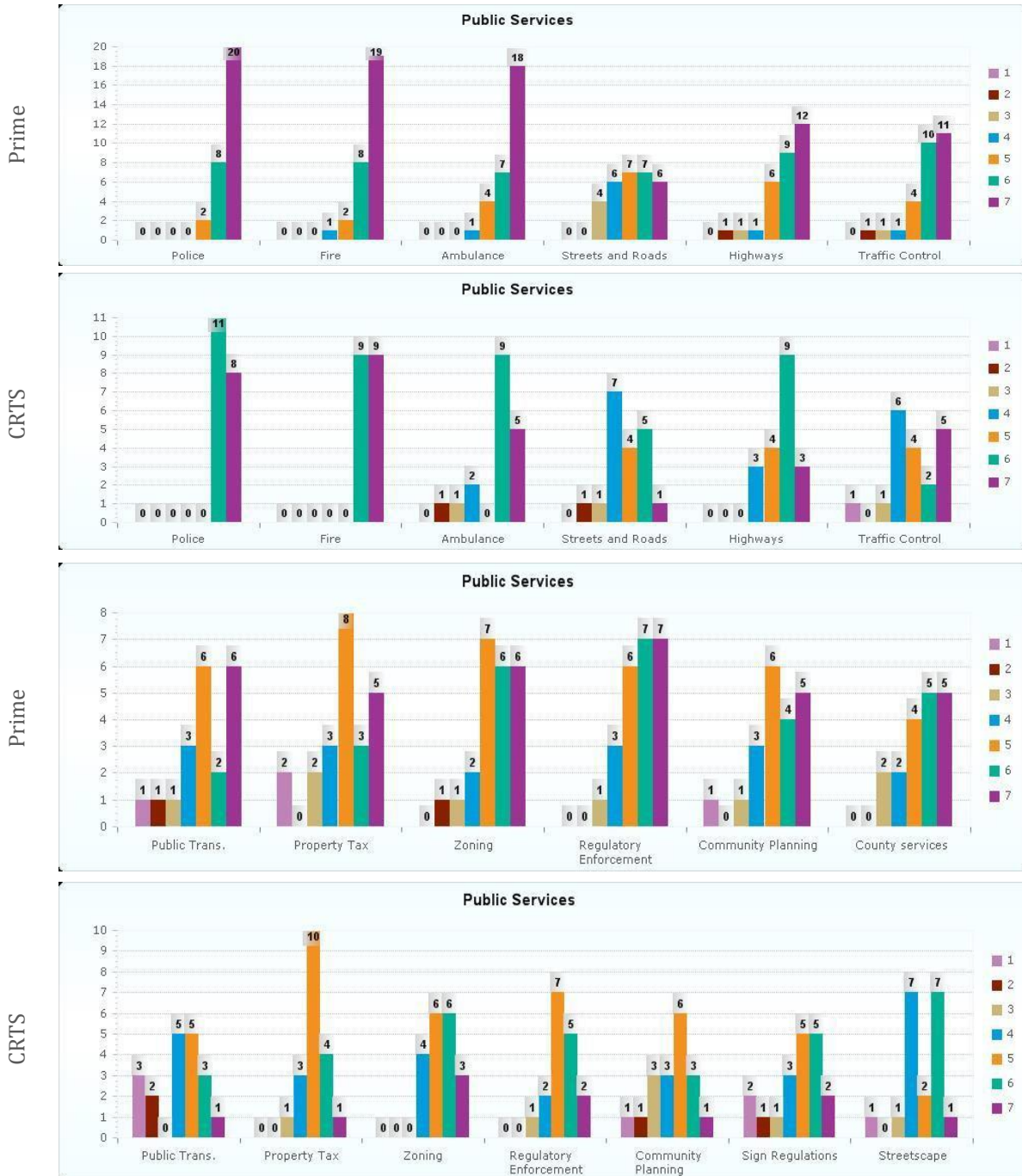
The majority of the Prime b businesses were equally split between consumer services, finance and health care. The overall rating for the quality of the CRTS workforce was just below average which was most likely directly related to the CRTS workforce stability.

### CRTS Analysis



## Public Services

Evaluation of Public Services by both the Prime and CRTS groups was very positive. The graphs show a decidedly positive evaluation for most public services.





## Public Services Drill Down

### RATINGS FOR PUBLIC SERVICES

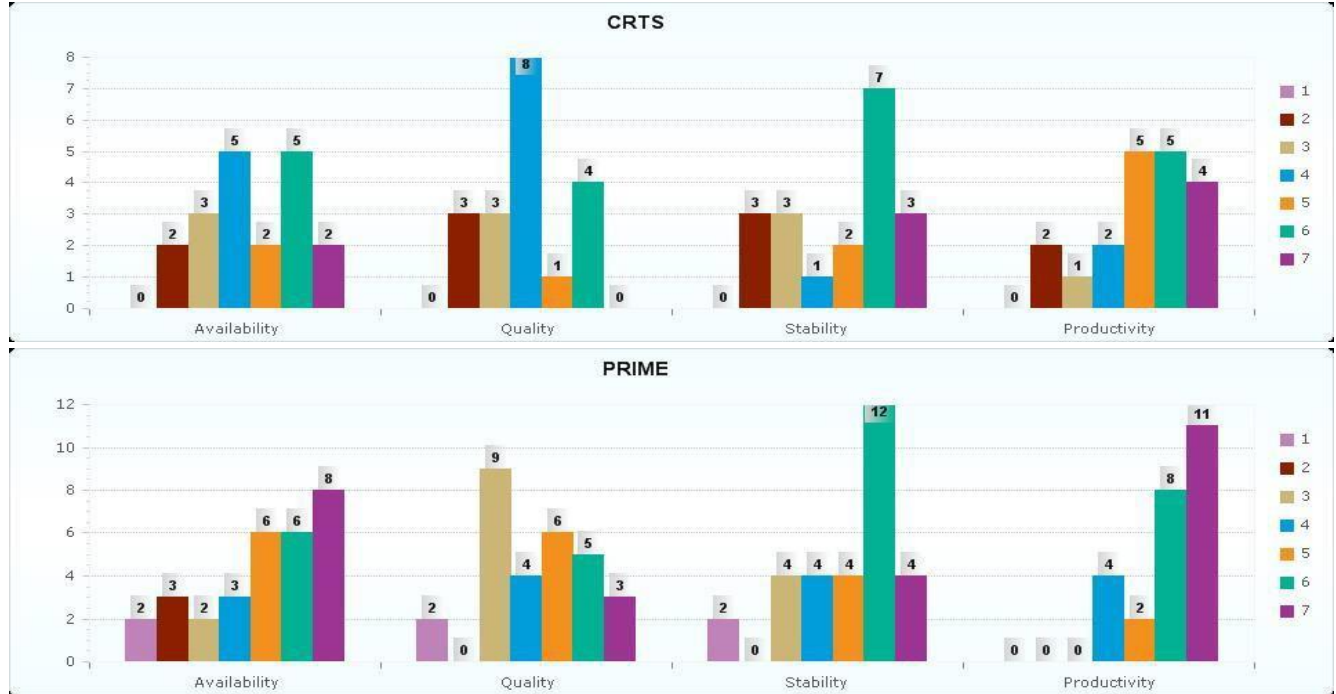
Service	CRTS	Prime
Police	6.4	6.6
Fire	6.5	6.5
Universities	6.1	6.0
Community College	6.3	5.9
Ambulance*	5.7	6.4
Healthcare	5.8	6.2
<hr/>		
K-12 Education	5.8	5.9
Highways	5.6	5.9
Traffic Control*	5.0	5.9
Zoning	5.4	5.5
Child care	5.2	5.5
<hr/>		
State Workforce	4.9	5.5
Local Roads	4.7	5.2
Community Planning*	4.4	5.3
Public Transportation*	4.1	5.1
Airline Service	4.7	4.3

**This list of rankings is sorted with the highest ranked public services at the top of the list and contains services which were ranked by both groups. The rating scale progressed from 1 (lowest) to 7 (highest). The largest differences between the CRTS and Prime rankings are noted with an asterisk (\*). Grouping the public services list into approximate thirds indicates services were highly rated, moderately rated, and where improvement is possible.**

**In related survey questions regarding area strengths and weaknesses responders identified Government Services, Business Services, and Transportation as areas of weaknesses, which confirms the rankings given on this list of public services. Government Services and Transportation were also cited as potential barriers to growth in the community.**

## Workforce Evaluation

### EVALUATION RATINGS



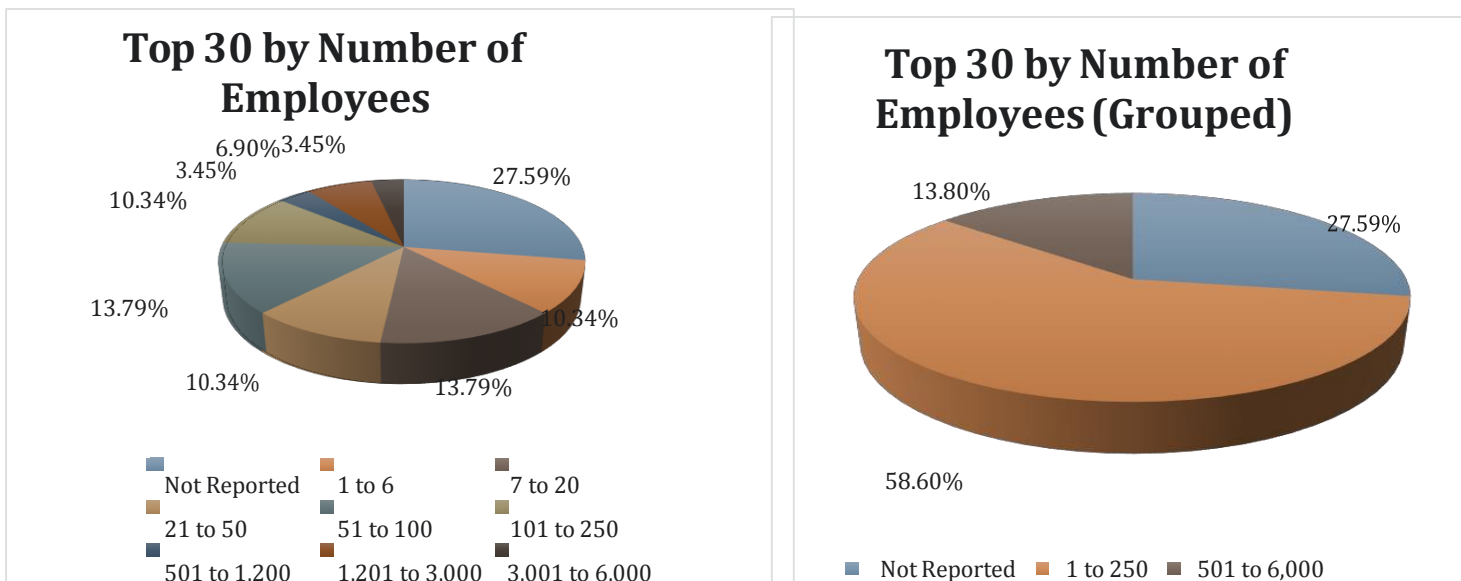
Responses to workforce availability, quality, stability, and productivity were based on a 7 point scale with 1 being the lowest and 7 being the highest. Responders rated worker productivity as the highest relative measure and worker quality as the lowest relative measure in both CRTS and Prime pools.

## Workforce Evaluation Drill Down

Both groups (CRTS and Prime) provided individualized feedback about recruiting challenges and positions that were the most difficult to fill. When reviewing the comments, some common themes appear. The issues identified below are summaries of multiple comments and represent areas of concern across the spectrum of organizations.

- Aging Workforce – A significant number of employees are nearing retirement age.
- Basic Computer Skills – Organizations cite challenges finding employees with basic computer skills.
- Skilled Workers – Organizations cite a shortage of workers in trades such as welding, electrician, electronics, and multi-skilled workers.
- Professional Drivers – A shortage of drivers with a CDL was cited.
- Quality Engineers – Organizations cited a shortage of quality engineers.
- Technical Skills – Organizations cited a shortage of employees trained in telecommunications, networking, information technology, and Program Logic Control (PLC) programming.
- Difficult Working Conditions – Many organizations have difficulty filling jobs requiring workers to work in hot/cold or harsh environments. The jobs mentioned were often low-skill and low-pay jobs, thus making the recruitment task even more difficult.
- Specialized Professionals – Organizations frequently cited difficulty in filling roles specific to their line of business. Examples included Medical Physician, Pharmaceutical Chemist, and Physical Therapist.

### NUMBER OF EMPLOYEES FOR THE TOP 30 COMPANIES



## Work Force Training & Product and Service Gaps

### Work Force Training

	Percent
Number of onsite visits providing training:	95%
Number of onsite visits increasing spending for training:	62%
Number of onsite visits with stable training budgets:	38%

### Product and Service Gaps

Some of the respondents noted specific product and/or services not as available as is needed. This list contains some of the areas of concern.

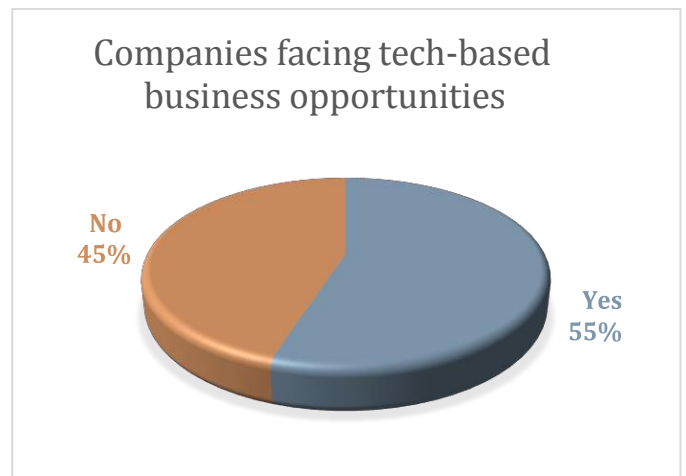
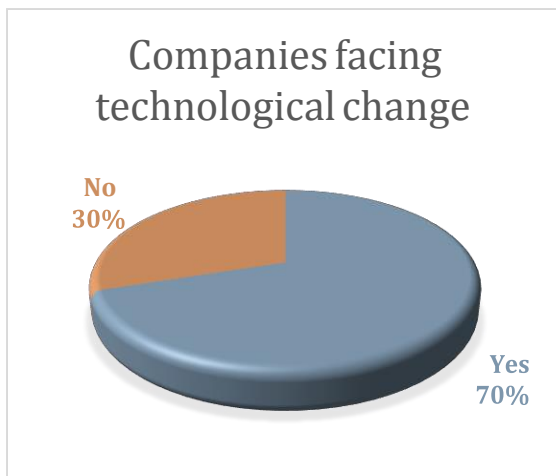
- Computer Repair
- Large warehouse facilities (over 50,000 Square Feet)
- Energy efficiency programs
- Incentives (availability)
- Upscale restaurants
- Distribution centers
- Sufficient passenger transportation
  - Airline flights (price, availability, reliability)
  - Rail (availability)
  - I-49 route north
  - Local bus routes
  - Cargo carries

## Emerging Technology

### OPPORTUNITIES FOR TECHNOLOGY

Some of the respondents noted specific areas of opportunity as certain technology matures and becomes available. Specific areas of technology include the following.

- Mobile device use – As smart phones become the norm, businesses are finding ways to interact with customers in new and more efficient ways.
- Payment systems – Companies are investigating electronic payment options for online and on premises payments. Compliance with payment processing standards is important and privacy issues are likely to make payment processing more complicated in the future.
- Power systems – Alternatives to traditional power systems such as solar and battery power are on the radar for area organizations.
- Online vs. Onsite shopping – Businesses will increasingly need to find ways to avoid channel conflict between online and onsite sales, while maximizing overall sales and profits.



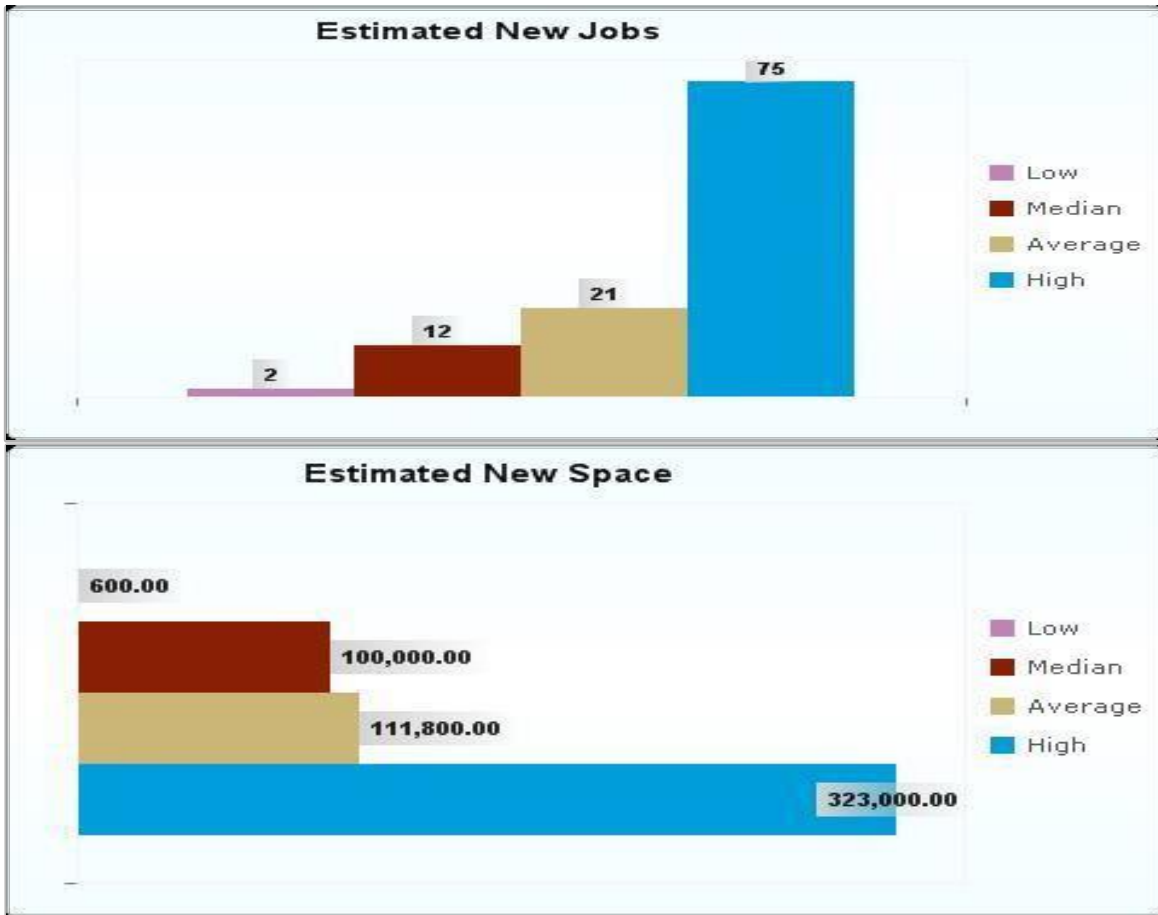
In various questions throughout the survey, respondents noted the need for increased access to higher speed Internet capacity. Much of the technological change discussed throughout the survey is related to Internet connectivity and speed, making the Internet a high priority for much of the business community.

## Expansion Opportunities (Prime)

### PRIME EXPANSION OPPORTUNITIES SUMMARY

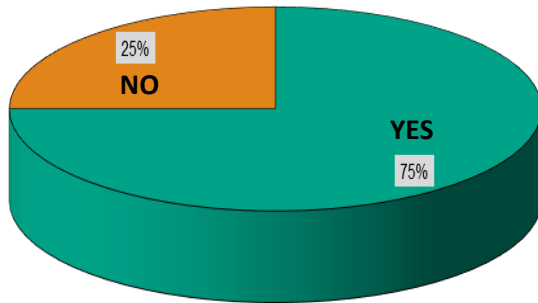
Total Onsite Visits:	29
Total Onsite Visits that plan to expand:	20
Total Current Employment:	8,431
Total Jobs added last 3 years:	127
Total Est. Dollar Investment:	\$143,150,000
Total Est. New Jobs:	238
Total Est. New Space:	782,600

Onsite Visits with expansion concerns: **68.18 %**



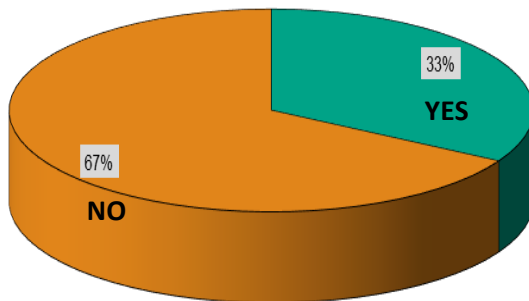
## Expansion Opportunities (Prime) Graphics

10. Plan to Expand in the next 3 Years



The survey revealed that the businesses that were considering expanding were somewhat constrained by their current location and facility. As a result of the non-availability of adequate facilities some business would have to consider expanding outside of the community.

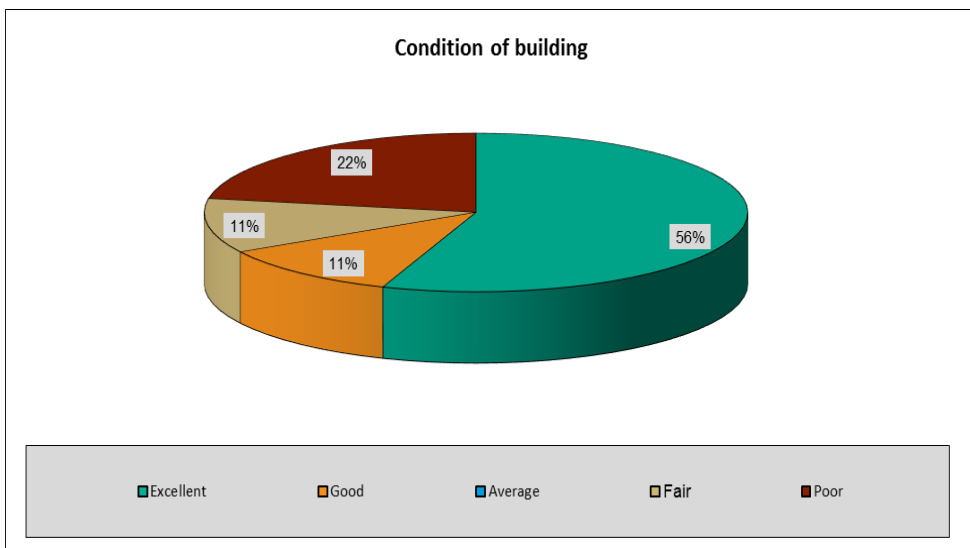
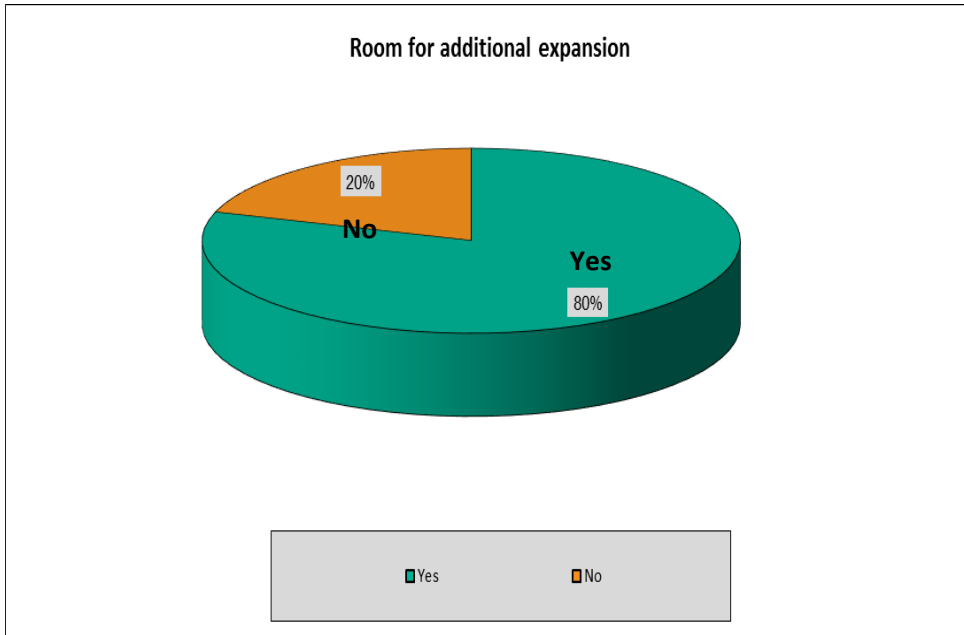
23. Any reason community may not be considered for expansion



## Expansion Opportunities (CRTS)

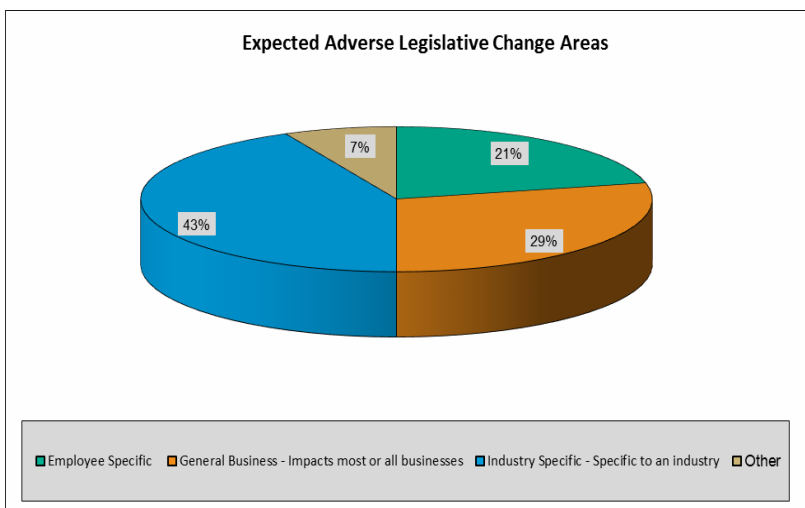
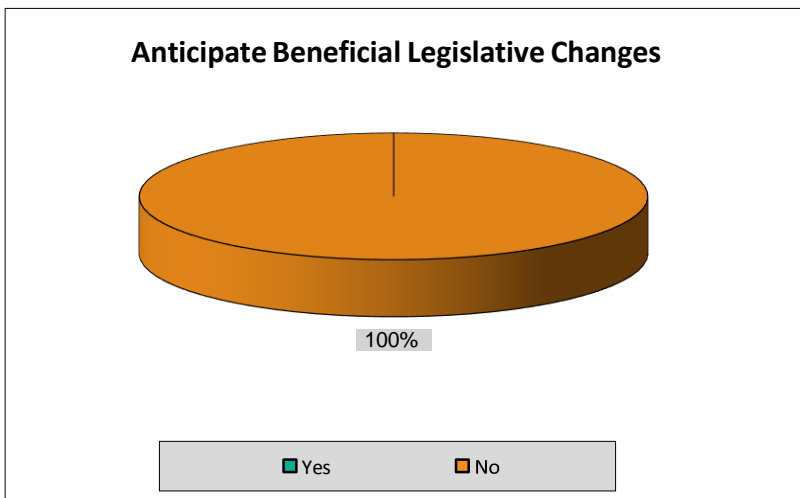
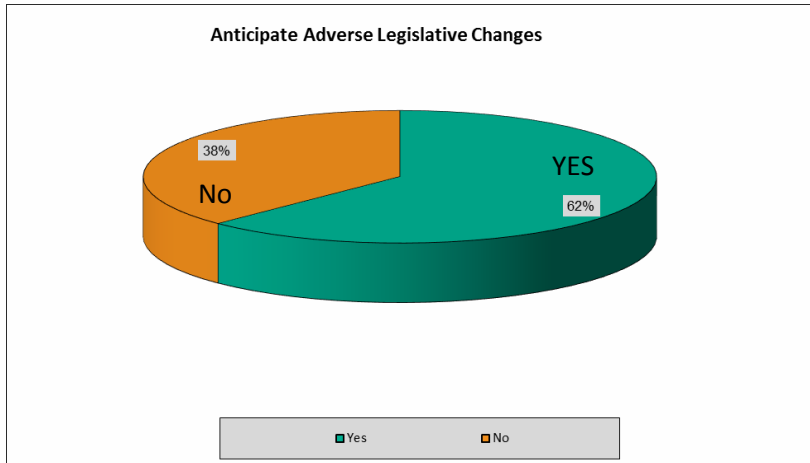
### CRTS EXPANSION OPPORTUNITIES SUMMARY

<u>Total Onsite Visits with plans to expand or renovate</u>	<u>9</u>
<u>Total Current Employment</u>	<u>305</u>
<u>Total Jobs added last 3 years</u>	<u>2</u>
<u>Total Est. Dollar Investment</u>	<u>38,200,000</u>
<u>Total Est. New Jobs</u>	<u>1028</u>
<u>Total Est. New Space</u>	<u>1,047,000</u>





## Legislative Changes LEGISLATIVE CHANGES SUMMARY

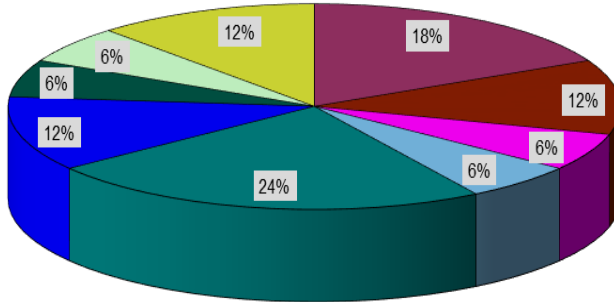


None of the respondents expect any beneficial changes from any state legislative body in the near future. This pessimistic view is further explained by the chart showing that 62% of respondents are expecting adverse legislative changes. The expected negative changes are grouped into Employee Specific changes, General Business, and Industry Specific Changes.

This outlook supports the formation of a Legislative Task Force as a result of this study.

## Community Strengths and Weakness

19. Community Strengths

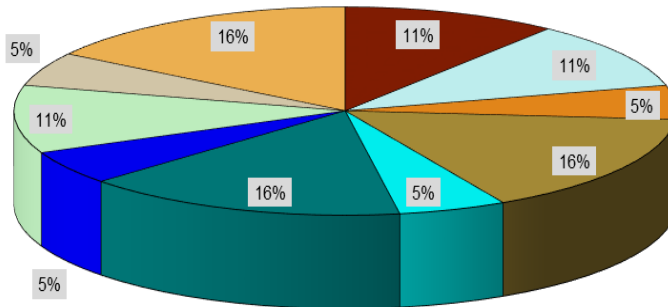


Building Availability or Cost	Business Climate Positive	Business Mix, Services
Community Leadership Positive	Community Services Good	Cost of Doing Business Low
Cost of Living Low	Customer, Supplier Accessibility	Economy/Community Stable
Educational System Strong	Employee Work Ethic Positive	Government Services
Infrastructure Good	Land Availability or Cost	Location
Other	Quality of Life Positive	Transportation System Good
Workforce/Labor Market Attributes	None	

### Community Strengths:

- Educational System Strong
- Affordable Housing
- Strong Industrial Demand
- Favorable Climate
- Access To Interstate & Highways
- Utility Services Responsiveness

20. Community Weaknesses



Affordable Housing	Building Availability or Cost	Business Services Inadequate
Business Climate Negative	Community Leadership Negative	Community Services Poor
Community Leadership Negative	Cost of Doing Business High	Cost of Living High
Cost of Doing Business High	Customer, Supplier Accessibility Poor	Educational System Weaknesses
Government Services	Government Services	Infrastructure Poor
Labor - Employee Work Ethic Poor	Labor - Other	Labor - Unskilled Labor Supply Inadequate
Labor - Skilled Worker Supply Inadequate	Land Availability or Cost	Location
Land Availability or Cost	Other	Quality of Life Negative
Other	Residential Encroachment	Transportation Weaknesses
Residential Encroachment	None	

### Community Weakness:

- Lack Of Companies Who Will Cater On Site Events
- Shortage Of Technically Skilled Employees
- Divided City/Dual Municipalities
- Lack Of Independent Pharmacists
- Lack Of Production Workers With Manufacturing Skill Sets.
- Lack Of Partnerships Among Businesses
- Inadequate Community Planning
- Availability Of Business Incentives

## Task Force Opportunities

### TASK FORCES IDENTIFIED

The findings of this study suggest five key areas where efforts to improve may have a positive impact on business retention and expansion in the Texarkana area. These areas are:

- **Technology** – An emphasis on improving internet speed and access was identified as a need in multiple responses.
- **Municipal Government** – Government Services and Community Planning were identified as areas for improvement.
- **State Legislative** – Concerns about potential negative effects of state legislation were identified by several respondents.
- **Workforce Development** – Challenges with recruiting skilled workers and professional workers was cited by numerous respondents.
- **Transportation** – Availability of passenger transportation and the associated costs of current transportation was an area of concern for several respondents.

Task forces will be challenged to identify the root causes of concerns in each area and prioritize their efforts to achieve results to positively impact the growth of the business community.

BR&E Volunteers:

Special Thanks to the BR&E Visitation Team

Fay J Durrant

Ron Collins

Stuart Daniels

Brenda Rochelle

Linda Crawford

Hayes McClerkin

Buddy Allen

Chuck Taylor

Bob Nelsen

Bill Roberts

Buddy King

BR&E Survey Participants

