



# Douglas County

## Wisconsin Business Retention & Expansion Study

∞ 2008 ∞

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## **I. FOREWORD**

As Wisconsin's economy continues to face change, it is imperative that government and economic development agencies at state and local levels work collaboratively to assist local businesses. Gathering data and feedback from business CEOs provides valuable information that can help communities develop strategic plans aimed at strengthening their local economies. In support of this philosophy, the State of Wisconsin Department of Commerce created a business retention program.

Commerce believes that economic development initiatives implemented at the municipal level hold the key to the successful revitalization of Wisconsin's economy. Furthermore, efforts designed to help local administrators gain a better understanding of local business needs should serve as a key component of all local economic development programs.

Economic development activities that focus solely on attracting new businesses often yield insufficient returns for the investment. Efforts to retain and expand existing businesses can aid in stabilizing a community's economic base and create an environment conducive to attracting business. Another component of local economic development activity is the promotion of small businesses. A study, called "The Job Creation Process," conducted at the Massachusetts Institute of Technology under the direction of Dr. David Birch revealed 60 to 80 percent of all new jobs are generated from the expansion of existing businesses, and the creation of new small businesses. In addition, a survey conducted by the American Economic Development Council and Arthur D. Little, Inc. showed 41 to 61 percent of the jobs in Wisconsin were created by the expansion of existing business. Therefore, the retention and prosperity of existing businesses is extremely vital to the economic stability and growth of any community.

The Douglas County Development Association, Inc. demonstrated enthusiastic support for a business retention program; therefore the Department of Commerce agreed to co-sponsor a study of Douglas County.

The data obtained will serve as the foundation for planning and implementing sound economic development strategies in the area. This information will be invaluable in defining municipal efforts to improve Douglas County's economic stability today and in the future.

This project would not have been successful without the advice, assistance and support of all individuals involved. Their efforts are greatly appreciated.

Richard J. Leinenkugel, Secretary  
State of Wisconsin Department of Commerce

## **II. ACKNOWLEDGMENTS**

The Wisconsin Business Retention and Expansion Study (WIBRES) – Douglas County was conducted through the joint sponsorship and sustained support of:

The Development Association, Inc.  
General Mills  
Superior Water Light & Power Company  
(a subsidiary of Minnesota Power)  
Dahlberg Light & Power  
and  
Wisconsin Department of Commerce

This study could not have been accomplished without the expertise and cooperation of a variety of individuals and organizations including the City of Superior, Village of Poplar, Village of Solon Springs, Village of Lake Nebagamon, Douglas County, East Central Energy, Superior-Douglas County Chamber of Commerce, the Superior Business Improvement District, UW-Extension, UWS, WITC, Northwest Wisconsin CEP and the Northeast Entrepreneur Fund. Special gratitude is extended to The Development Association, Inc steering committee members who acted in the capacity of a taskforce for the study and to Kim Bleskan, Executive Secretary for entering the data into the WIBRES database and coordinating multiple details of the study process.

Special appreciation is extended to all businesses participating in the study. Without their time and candid responses, this project would not have been possible.

Andy Lisak  
Executive Director  
The Development Association, Inc.

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### **III. INTRODUCTION**

#### **BACKGROUND**

2008 brought significant stress for many US businesses. The Wisconsin business climate remained strong well into the year, but several businesses are now beginning to experience the trickle down of a struggling national and global economy.

A healthy and diverse business community has been the economic backbone of Wisconsin's major cities and is vitally important to the overall well being of the state. With the nature of competition, technology and consumer choices continually changing, and consumer spending slowing, it is necessary for businesses to respond in a timely, effective manner. If not, the potential loss of employment and the accompanying hardships this can cause the community, not only in terms of tax dollars, but also in terms of impact on other area businesses, is significant. Therefore, local governments must address the current and future needs of the businesses in their area as a part of their on-going strategic economic development activities.

In light of the fiscal reality affecting most municipal budgets, it has become even more important that the public sector dollars available for economic development are used to gain the greatest return on investment. We must also acknowledge that our continuing local economic success cannot be taken for granted; it must be worked at. The significance of dedicated leadership and well-funded economic development programs has never been greater than in challenging economic times such as today.

In recent years, some Wisconsin business executives have been the target of aggressive marketing campaigns from other states offering impressive financial packages and tax incentives. It has become imperative for communities to develop strategies aimed at maintaining a healthy economic base. One such strategy has been to focus on retaining those businesses established in the area and to create an environment, which encourages growth of those firms. Expansion of existing facilities can have a ripple effect on the community's economy. Expanding and retaining firms can be the simplest and most efficient way to increase local employment and production. The subsequent multiplier effect will increase the tax base of the community and upgrade the quality of life of all who live there.

A key focus in adding jobs to relevant business sectors is on bringing in revenue from outside the community. Companies with products (hard or soft) for sale beyond Wisconsin's borders create jobs that are paid for by out-of-state customers. This adds new money to the local economy, enlarging the local pie rather than dividing it. This benefits the community and its locally focused businesses.

Ultimately, if retention and expansion efforts prove effective, and a healthy, positive business environment prevails, the stage will be set for new business attraction. Reasonable operating costs, a good infrastructure, and a local government with the reputation of responding to the needs of its existing businesses increase the odds that business attraction efforts will succeed.

An examination of Wisconsin's economic development efforts revealed a pattern of limited public resources available for economic development initiatives at local levels. In addition, limited emphasis on business retention resulted in the loss of some businesses from the state. The Wisconsin Department of Commerce offers this business retention and expansion survey program to enhance economic development initiatives.

Douglas County was chosen as a project site for several reasons: 1.) There is a significant business base; 2.) The Douglas County Development Association, Inc. requested that the WIBRES survey project be implemented as follow-up to the study done in 2002 in the city; and 3.) The Douglas County Development Association, Inc. expressed confidence in their ability to coordinate the necessary volunteers and administrative support to successfully complete the project.

The Douglas County Development Association, Inc. Steering Committee acted in the capacity of a taskforce for the study. Their functions included, but were not limited to the following: 1.) Determine the target list of businesses and develop the list of business contacts, 2.) Determine if an addendum questionnaire was needed to address community specific issues, 3.) Conduct follow-up interviews, 4.) Monitor survey responses, 5.) Develop recommendations based on survey results, and 6.) Identify follow-up measures.

#### PURPOSE OF THE REPORT

The purpose of this study is to create a confidential, comprehensive data profile on businesses in the community in order to develop a systematic approach to retention and expansion. Repeat

studies also serve as a follow-up; indicating how economic changes have impacted the business community, determining current needs and plans, and verifying past situations have been corrected. These programs enable the community to develop targeted marketing and retention programs as well as identify those areas where expansion and retention efforts can be improved.

## OBJECTIVES OF THE REPORT

The major objectives of the study are to:

1. Conduct personal interviews with chief executive officers of the businesses.
2. Develop a data base profile of businesses in the county.
3. Gain an understanding of the business community's view of the local economy.
4. Determine companies' business plans for the future (i.e., expansion and/or relocation), and thereby set up an early warning system for local action.
5. Acquaint business leaders with assistance available through various economic development programs.
6. Improve the communications bridge between local/county government and the business community.
7. Identify specific concerns and problems of the local businesses and provide solutions to those problems in a swift and effective way.

An overall objective of the business retention and expansion project is related to the process itself. By conducting the study, business executives are provided an opportunity to have their opinions listened to and passed directly on to municipal representatives in a highly confidential manner. It is a positive step for local government toward understanding the implications of their policies for this very important segment of the community. The underlying goal is to be responsive to business needs.

## **IV. PROCEDURES & METHODOLOGY**

The Douglas County Steering Committee for the WIBRES survey reviewed the survey instrument to verify it was appropriate for the Douglas County business region. Both objective and subjective questions were included in the survey questionnaire. The questionnaire contained 12 categories:

- I. History and Status of Present Location
- II. Nature of Business
- III. Physical Specifications of Plant
- IV. Markets and Customers
- V. Competitors
- VI. Future Plans
- VII. Labor and Manpower
- VIII. Assessment of Government Services (Infrastructure)
- IX. Financial Matters
- X. Energy Matters
- XI. Community Linkage
- XII. Overall Impressions

The Steering Committee decided to attach an addendum to the main survey questionnaire to gather information on community specific issues. Committee members developed 15 questions to be included in the addendum.

The Committee also developed a target list of businesses to survey. Businesses participating in the study ranged in size from owner operated to more than a thousand employees.

### **A. DATA COLLECTION PROCEDURES**

Steering Committee members participated in a training session, which was conducted by The Development Association. The training session was designed to orient the commission members to the business retention program, the survey instrument, the interview process, and the strict confidentiality of the project.

The Wisconsin Business Retention and Expansion Study questionnaires and addendums were distributed to over 150 Douglas County businesses accompanied by a letter explaining the program and urging each individual to participate. Shortly after the questionnaires were received, committee members scheduled appointments for follow-up

interviews with the chief executive officers (or persons with knowledge of business operations) of participating companies assigned to them. The purpose of the interview was to provide the opportunity to discuss key questions and collect the completed questionnaire. A total of 73 main questionnaires and 71 addendum questionnaires were completed in the community.

## B. DATA ANALYSIS

The interviewers returned each completed questionnaire to Andrew Lisak, project manager for the study. Based on the interviewer's written comments and preliminary inspection by the project manager, businesses requiring immediate attention were identified. The Wisconsin Department of Commerce provided a data base and instruction for data entry. Data entry was performed by The Development Association Executive Secretary Kim Bleskan. The data file was then returned to the Department of Commerce for analysis of the objective as well as narrative questions.

## C. CONFIDENTIALITY

Due to the in-depth nature of the survey questions, confidentiality was strongly emphasized throughout this project. Once the interviews were completed, only the project manager and the Wisconsin Department of Commerce employee working on the project had direct access to the individual questionnaires.

## **V. MAJOR FINDINGS**

The Wisconsin Business Retention and Expansion Study (WIBRES) conducted in Douglas County targeted a business population consisting of more than 150 firms; 73 firms completed the survey questionnaire representing approximately 49% participation. Respondents who were unable to complete the long form provided information to interviewers using a short form. Those responses are evaluated by the project manager, but are not entered into the database.

This section is based on the summary of the 73 survey instruments compiled between June and September 2008. It contains chart illustrations and a brief narrative description highlighting selected items of significance. Appendix A, Summary of Responses of this report presents a complete and detailed listing of the numeric questionnaire results.

A survey addendum was attached to the main questionnaire to collect information on community specific issues; 71 addendums were collected. Responses to the addendum questions may be reviewed in Appendix of this report following the Summary of Responses.

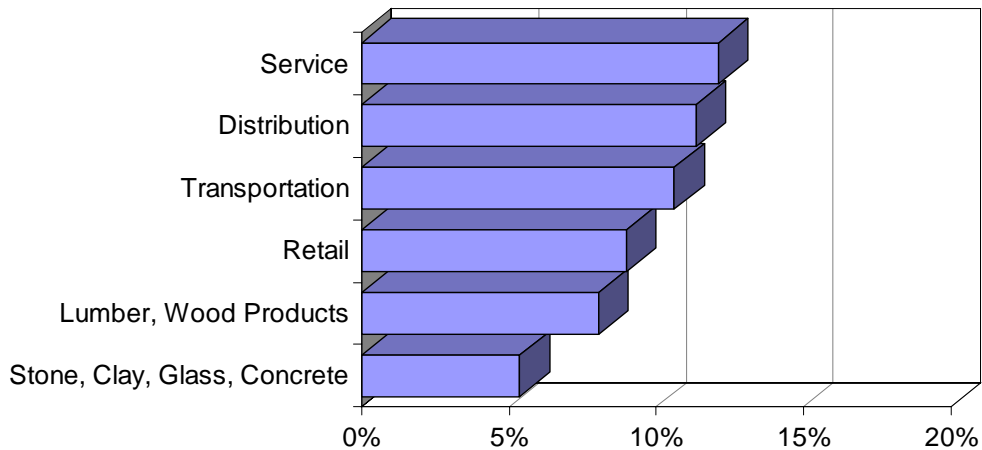
A similar study for Douglas County was conducted in 2002. Comparisons between the prior study and the current study must be interpreted carefully as the business populations differ somewhat. Twenty-three businesses participated in both studies. References to data from the previous study are made throughout this Major Findings section.

Composite data, which is cited in this report, is a compilation of survey answers collected from other Wisconsin communities during the previous three years. Those communities include the following: Cross Plains, Green County, Lincoln County, Prairie du Chien, Stoughton, Vilas County, and Waunakee.

Please note that all percentage figures are based on the number of responses to that question, unless otherwise indicated. Due to rounding, percentage totals may not always equal 100%.

## **NATURE OF BUSINESS**

The Douglas County business interests are diverse with slightly higher representation from the service, distribution, and transportation industries. Figure 1 illustrates the top six focuses among the participating businesses. This information can be helpful in guiding business attraction efforts in order to maintain a diverse business base while complementing the existing industries doing business in the county.



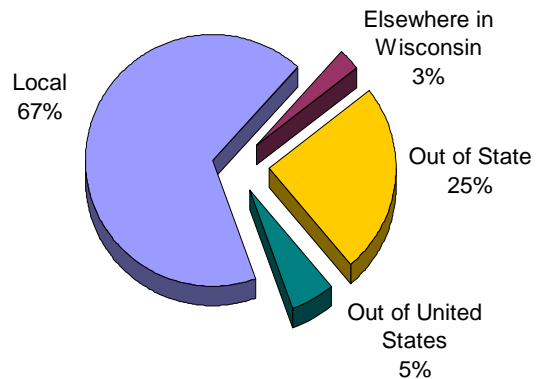
**Figure 1 - Types of Business**

## **BACKGROUND**

The location of the corporate headquarters in the immediate area is a significant factor for business retention and expansion since, historically, a firm is less likely to relocate if its headquarters is established in the community. Respondents reported the local facility is the headquarters for 67% of the firms.

This figure is 11 points below the composite average (78%) of other communities surveyed in the past three years. Of those responding, three percent are headquartered elsewhere in Wisconsin, 25% out of state, and five percent out of the United States.

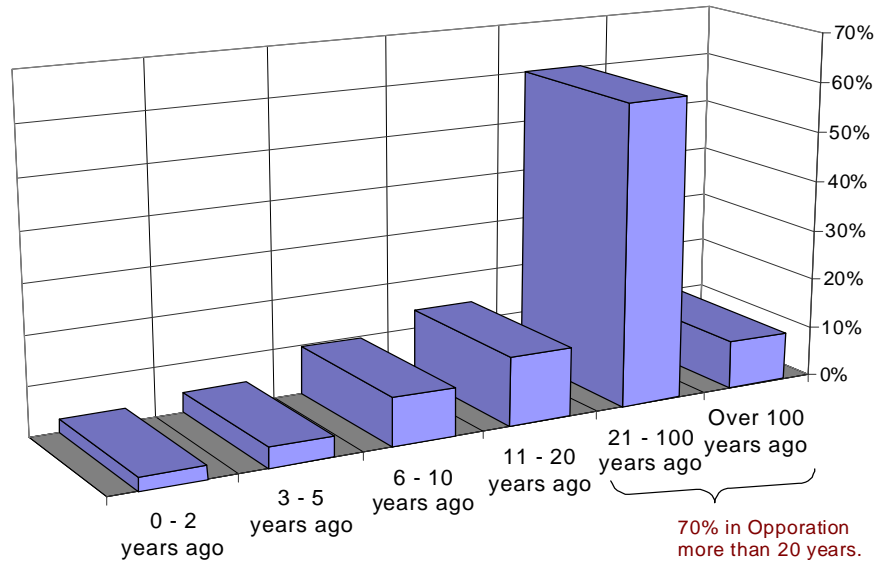
Figure 2 shows the distribution of headquarter locations.



**Figure 2 - Location of Headquarters**

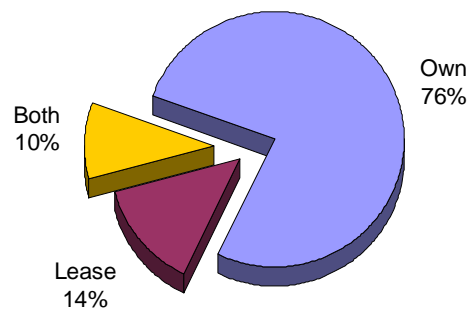
Of those surveyed, 45% have locations in addition to the local community site, compared to the 40% composite average. A majority of the businesses (81%) are incorporated.

Many businesses in the county are well established; 70% have been operating more than 20 years. Start-up activity is evident as well with five of the interviewed businesses opening their doors within the past five years. Figure 3 shows start-up patterns for the business region.



**Figure 3 - Year Business Established**

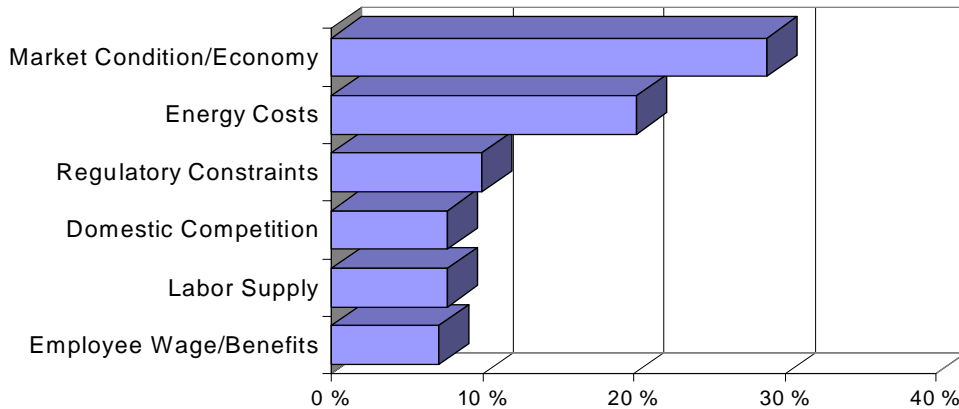
Building ownership is a complex issue regarding business retention and expansion. Some businesses may own real estate as a strategy for building owners' wealth. Other companies may acquire real estate to protect a large investment in equipment. High growth knowledge-based companies may not acquire real estate because they expect to outgrow facilities in a short period of time. More than three quarters (76%) of the Douglas County businesses own their facility as shown in



**Figure 4 - Facility Ownership**

Figure 4. Additionally, 14% lease and 10% combine ownership and leasing. The composite figures are: 77% own, 19% lease, and four percent do both.

The executives were asked to rank 13 factors as they negatively impact the current or future development of the company's product (meaning its business activity). The factors they ranked highest in importance are market condition/economy and energy costs (see Figure 5). In the 2002 study, energy costs were not as much of a concern and did not rank among the top six factors.



**Figure 5 - Negative Factors Affecting Product Development**

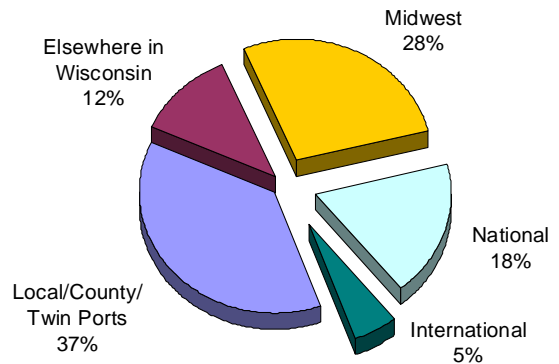
The survey participants were asked to identify the geographic location of raw materials and supplies utilized by their business. Talled results reflect 21% of supplies come from the local area, county, or Twin Ports area. Seven percent of supplies are brought in from elsewhere in Wisconsin, 35% from Midwestern states, and 25% from across the nation while 12% of supplies are obtained from international locations. The business community is importing a higher percent of supplies from beyond Wisconsin's borders and from international locations than average. The composite averages are 20% - Midwest, 19% - national, and six percent – international.

Satisfaction with the method used to transport supplies and finished products may be a factor when a firm decides where to locate. The Douglas County executives reported that 56% of supplies are transported via truck, 19% by common carrier, and 13% by rail. A small amount of supplies are transported via air, ship, or personal/company vehicle. The most popular method used for transporting *finished* products is truck transportation as well. More than half (51%) of finished products are shipped via truck, 16% by common carrier, and 14% by personal/company vehicle, while a smaller portion of finished products are transported via air, ship, or rail. The majority of executives are satisfied with how well the different modes of transportation serve their business needs.

## **MARKETS AND CUSTOMERS**

More than half (56%) of the respondents described the number of customers they serve as increasing while 35% said the number remains stable. Another 10% described the number of customers they serve as decreasing. The composite average for a decrease in customer numbers is 12%. In 2002, 14% reported a decrease in customer numbers.

Exporting goods and services beyond the local area and the state brings new money into the local community. The Douglas County executives reported more exporting activity than average. While more than a third (37%) of their customers are located in the local/county/Twin Ports area and 12% are located elsewhere in Wisconsin, 28% of customers are located throughout the Midwest, 18% nationally, and a small percentage (five percent) of their customers are situated outside of the U.S. Figure 6



**Figure 6 - Customer Location**

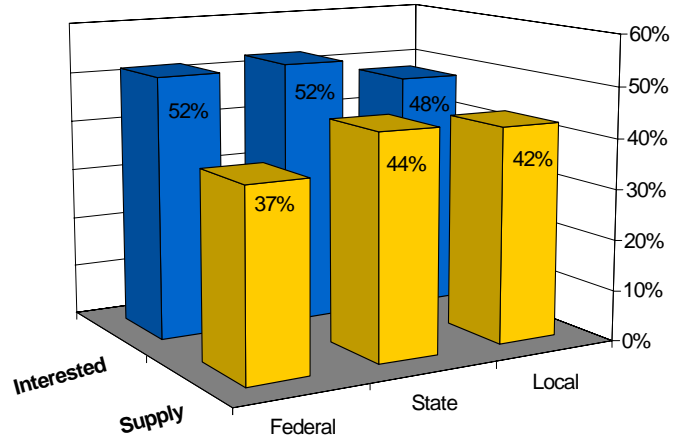
illustrates the percentage distribution of customers by location. Composite figures indicate that, on average, 17% of customers are in the Midwest, 14% elsewhere in the nation, and two percent have international addresses.

The percent of Douglas County companies who reported using the Internet to conduct some portion of business sales has increased since the 2002 study. In 2002, 43% of the respondents reported sales involving Internet transactions; today the figure is at 47%, up four percentage points. Thirty-two percent reported using the internet for up to 10% of sales, 11% between 10 and 25%, three percent between 25 and 50%, and one percent said 50 to 75% of sales are conducted over the Internet.

The executives are asked if they supply finished products directly to the federal, state, or local government. More contracting activity was reported with all levels of government than average. Currently, 37% of the Douglas County executives said they supply products or services to the federal government, 44% supply the state, with 42% supplying the local

government. The composite averages are lower with 16% reporting federal contracts, 27% state contracts and 37% hold local government contracts.

Figure 7 illustrates the percentage of executives who currently supply to government and the percentage who are interested in initiating or expanding government contracts. Several of the executives expressed an interest in initiating or expanding government



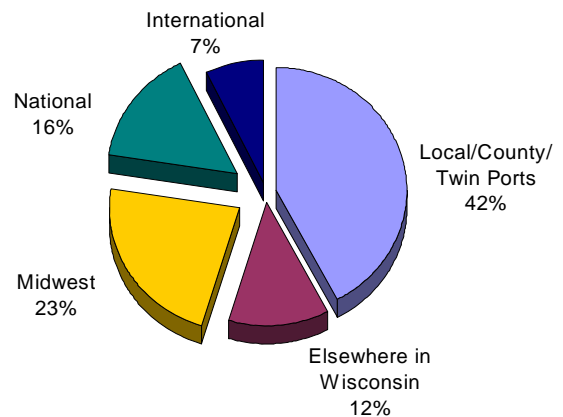
**Figure 7 - Government Contracts**

contracts: 52% federal, 52% state, and 48% have an interest in local government contracts.

## **COMPETITION**

A positive picture is painted when examining market share information. Market share is reported as increasing for a higher percentage of respondents than 2002 figures reflected and also higher than composite averages reflect. More than half of the survey participants (56%) described their company's market share as increasing; the 2002 figure was 44% and the composite figure 49%. Another 38% said market share remains stable; the 2002 and composite figures are 41%. Six percent of current study participants reported a decrease in market share. Comparatively, 2002 figures were 15% and the composite figure is 10%.

The executives were asked to identify the geographic locations of their competitors by percentage (see Figure 8). The majority (42%) are located in the local/county/Twin Ports area; this is five points above the 37% reported in 2002. Respondents said 12% of their competitors are elsewhere in Wisconsin, 23% reside in the Midwest, 16% across the nation and seven percent are situated internationally (up five points from the 2002 figure).



**Figure 8 - Competitor Locations**

Executives also responded as to how they view their competitors. Mostly, they see competitors as a future threat (47%). Fewer feel they are making significant inroads than in 2002 (11% vs. 24%). Many of the executives (42%) feel competitors have no real impact or have never been a consideration (see Figure 9).

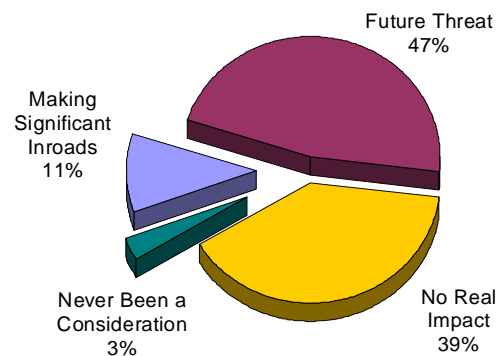


Figure 9 - Competitive Threat

### **BUSINESS GROWTH AND EXPANSION PLANS**

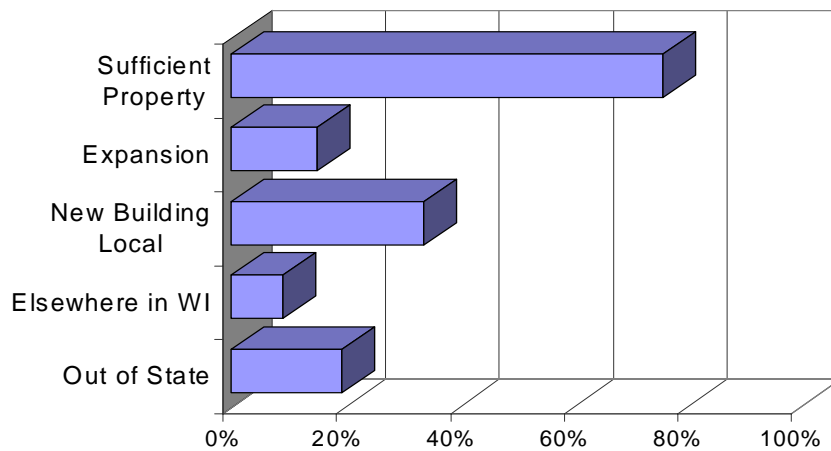
Executives interviewed in the study hold top-level positions and are familiar with future plans. Many shared ideas related to potential growth and expansion of their business operations at the present site or some other location. Many (76%) of the responding businesses currently have sufficient property to allow for expansion of their existing building(s), which is very similar to 2002 findings, but 15 points higher than the composite average (61%). Some (15%) reported plans to expand an existing building(s) at the site; this is lower than the 33% who reported such plans in 2002 and below the composite average of 28%. Expansion plans would add a total of 67,000 square feet to business sites in Douglas County. Executives were asked when expansion construction would take place. Three persons indicated that construction is planned for sometime this year or next. Ten others reported having plans for expansion within the next five years, while one was unsure of the timeframe.

Survey results indicate 34% of the responding executives (23 firms) have plans for a new building either at the present site or elsewhere in the community. This is 15 points higher than the composite average (19%) and 18 points above the 2002 finding (16%). The executives estimated the new building construction would total 225,336 square feet. When asked about a timeframe, eight stated they planned to build within the current year. Additionally, two of the respondents plan to construct new buildings next year, nine within the next five years and one expects the expansion will happen beyond five years.

Several of the Douglas County executives, (42%) reported plans to modernize or improve their present building(s) now or in the near future and 76% plan to improve their equipment.

The study found that 67% of the respondents said there are technological innovations that they plan to put in place within the next two years.

Of the responding executives, nine percent (six firms) reported plans to expand their business elsewhere in Wisconsin; this finding is similar to the composite average, but five points higher than reported in 2002. When asked about out-of-state expansion, 19% (13 executive) reported having such plans. The composite average for those with out-of-state expansion plans is 11% (lower, in comparison). Fourteen percent expressed out-of-state expansion plans in 2002. Figure 10 demonstrates reported, current-study expansion plans.



**Figure 10 - Expansion Plans**

Nine of the responding Douglas County executives (13%) reported immediate or future plans to move all or part of the operation to another location; an additional six (nine percent) indicated this is a possibility. Information collected reveals nine of the moves would be to another site in the local area, most likely for reasons of expansion. However, others reported plans to move outside of the area. The composite average for plans to move is six percent, with an additional eight percent indicating moving is possible.

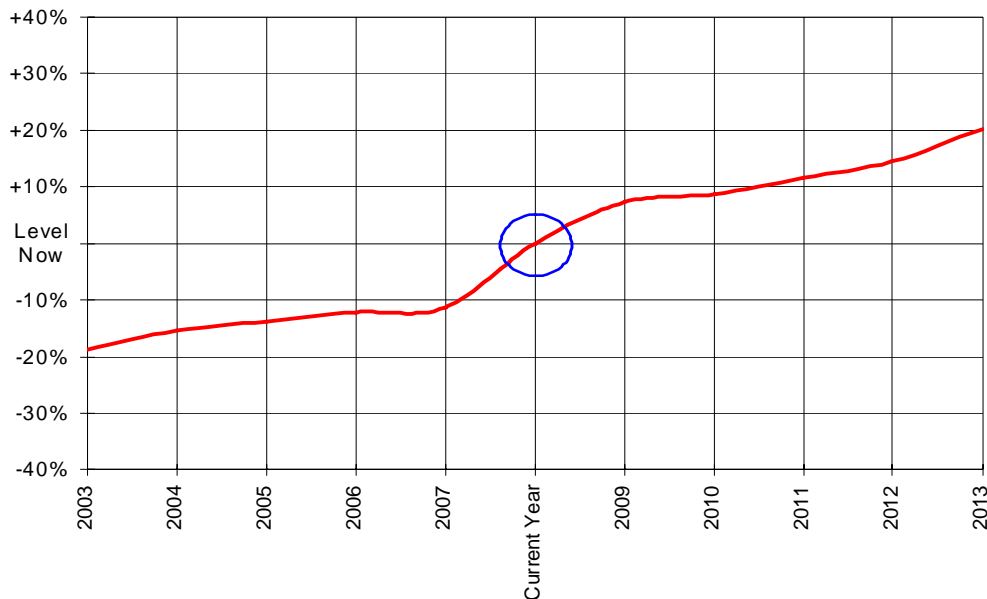
As part of their economic development, states attempt to persuade companies to relocate or expand in their state. This survey indicates that 18% of the Douglas County firms responding to the survey reported being contacted by another state's representative in an attempt to have the business relocate. This is twice the attention other composite communities reported; the composite average is nine percent. The majority of the marketing came from Minnesota, but other states targeting Douglas County businesses were Michigan, Ohio, North Dakota, South Dakota and Iowa.

When asked to estimate the chances for phasing out or shutting down the operation with no plans for expansion elsewhere, two Douglas County executives said it is “Probable” and six said “Possible.” Various reasons were given (see Appendix A, question 55).

## **LABOR AND MANAGEMENT**

When asked for employment figures, 69 Douglas County firms responded that they currently employ a total of 5,417 full-time people. The firms range in size from owner operated to more than 1,000 employees.

A series of questions was asked about employment history and projections over a ten-year period, from five years ago to five years into the future. Thirty-nine executives responding to all questions in a series about employment have experienced a significant (11%) increase in employment during the past year and saw 19% growth overall in the past five years. Next year executives are anticipating growth will slow a little compared to last year, but still bring an increase in employment of 7%. Over the next five years they predict the growth rate to exceed that of the past five years to 20% (all shown in Figure 11, next page). Business attractions and start-ups will impact employment numbers in the county as well as the current slowing of the US and world economy.



**Figure 11 - Ten Year Employment Data**

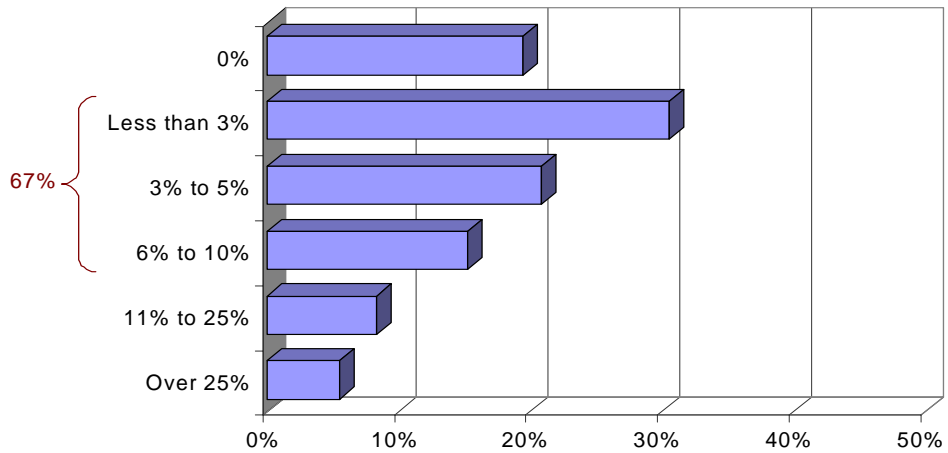
Composite figures indicate part-time positions play an important role in business operations; 73% of composite firms reported the use of part-time positions. Douglas County findings, with 60% of the firms utilizing part-time people, are somewhat different than their interviewed counterparts. The total number of part-time employees reported by survey respondents is 806. Of firms using part-time workers, the majority (57%) utilize four or fewer with 39% of the executives citing seasonal fluctuations as a factor impacting the quantity of part-time workers. This is lower than those citing seasonal fluctuations in the composite (48%). Another 34% feel economic fluctuations have an impact, which is also lower than the composite average (40%).

The Douglas County executives are asked to supply the average overall wage for various positions. The average hourly rate offered by employers in Douglas County for professional/technical staff positions is \$28.66 and \$15.18 hourly for office staff. The average hourly rate offered for highly skilled positions is \$20.91; semi-skilled positions average \$15.59; and rates for unskilled positions in Douglas County average \$10.90. Compared to 2002 data, average rates for professional/technical staff positions are up 41% from \$20.38, and office-staff position wages have increased by 21% up from \$12.59. Rates have increased by 15% for highly skilled workers, up from \$15.94; hourly wage rates for semi-skilled positions are up 33% from \$11.72; and unskilled average wages offered in 2002 have seen an increase of 11%, up from \$9.80 (see Table A). Current average hourly wages for all levels are above averages calculated using data from the last five areas to complete the WIBRES study.

	Average Wage Per Hour				
2002	\$20.38	\$12.59	\$15.94	\$11.72	\$9.80
Current	\$28.66	\$15.18	\$20.91	\$15.59	\$10.90
Last five areas studied	\$26.38	\$14.00	\$20.00	\$12.03	\$9.61
Percent of Increase: 2002 vs Current	41%	21%	31%	33%	11%

**Table A – Average Hourly Wages**

High employee turnover rates generally are perceived as being a costly problem for employers because of the significant cost of hiring and training. More than two thirds (67%) of the Douglas County executives reported a turnover rate of 1% - 10%; eight percent from 11% - 25%, and six percent have an annual turnover of over 25% of their employees, all shown in Figure 12 (next page). Employers find the most common reasons for employee turnover are other opportunities and termination due to performance or work ethic.



**Figure 12 - Turnover Rates**

The survey indicates that 86% of the executives stated their employees need skills training to perform their job responsibilities at the required level, which is 10 points higher than the composite average (76%). In regard to dollars budgeted to training, 58% said the company's investment in training programs is increasing, four percent said it is decreasing, and 38% reported there is no change. A majority of companies (78%) invest up to three percent of their annual sales in employee training.

One source of training has been made available through government sponsored job development programs. The federal government has attempted to get employers to hire disadvantaged unemployed workers by providing financial incentives. When asked if they were familiar with jobs development/training programs sponsored by county, state, or federal government, many (42%) said they were not. Executives rated the programs available as seen in Table B.

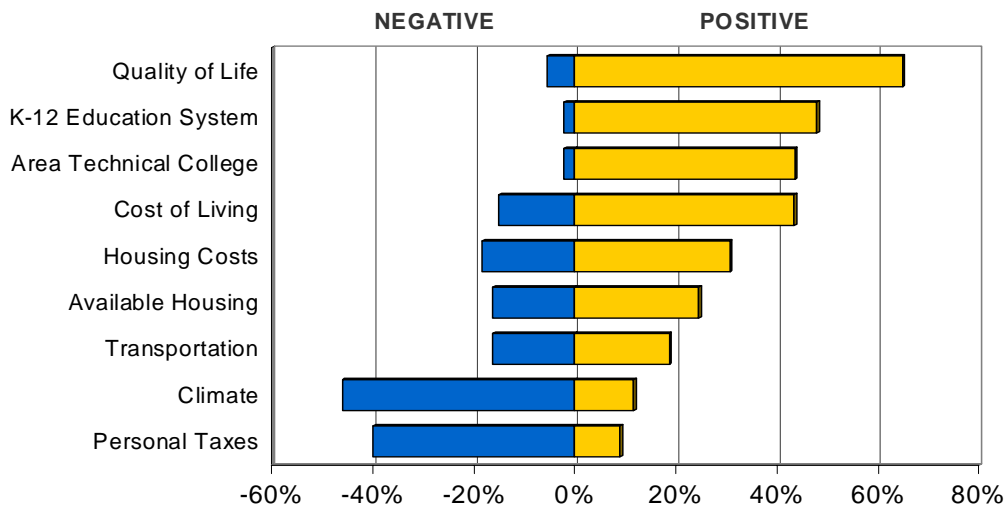
Program	Useful	Not Useful	No Opinion
Job Center	48%	2%	50%
WI Mfg. Outreach Center	9%	9%	83%
WI Mfg. Extension Partnership	4%	6%	90%
Technical College	57%	6%	38%
University	39%	10%	51%
Apprenticeship	33%	2%	65%
School-to-Work	15%	10%	75%

**Table B - Employee Training Programs Perceptions**

## **EMPLOYMENT OF WORK FORCE**

Data was collected to determine which positions employers have the most difficulty filling. The Douglas County executives reported they are having the greatest difficulty recruiting for professional/technical staff positions; 60% reported difficulty recruiting to fill vacancies at this level. Forty-seven percent said they have difficulty recruiting for blue-collar positions, and 21% expressed difficulty recruiting for office support staff. Recruiting at all levels is reported by higher percentages than seen in 2002. Difficulty recruiting for blue-collar level positions is higher than the composite average and significantly higher for professional/technical staff positions.

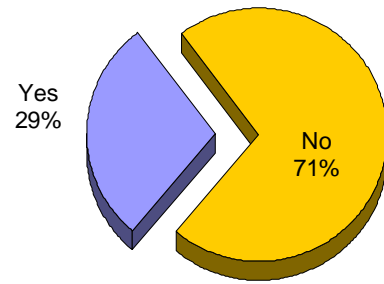
Consideration must be given to factors that have an impact on recruiting employees in the state of Wisconsin. As shown in Figure 13, the Douglas County executives believe the most positive factors dealing with recruiting are the quality of life, the K - 12 educational system, the area technical college, and the cost of living. The factors considered to have the most negative impact are climate and personal taxes.



**Figure 13 - Factors Affecting Recruiting**

Employers report a variety of sources used in seeking new and replacement employees. Word of mouth, local newspaper advertisement, and Job Service are used most frequently and are considered the best sources. Additional options used by several include the Internet, private services, the area technical college, and universities/colleges (see Appendix A, Question 77).

The quality of labor management relations can be a key factor when companies are making locale decisions. Figure 14 shows the percentage of the Douglas County firms associated with a union (29%). This encompasses 25% of the total full-time employment base reported by survey participants. The three-year composite shows eight percent of firms are associated with a union. In 2002, survey respondents reported 36% union association, which encompassed 32% of the workforce indicating there is less union activity among survey participants in the current study.



**Figure 14 - Labor Unionization**

### **ASSESSMENT OF GOVERNMENT SERVICES**

Government services can play a role in the success of a firm's operation in the area. Firms rated their levels of satisfaction with site, environmental, and physical plant services provided by the community. Water pressure and supply provided to the building is expressed as adequate by 97% of the study participants while 73% respond they are satisfied with storm water drainage and/or sanitary sewer services provided.

When asked if voice lines provided by the local phone company are adequately meeting business communication needs 94% said "Yes." Broadband or high-speed Internet services provided in the area are considered adequate by 90% of the executives and wireless communication services were reported as adequate by 71%.

Crime against employees was reported by the same percentage as in the 2002 survey (six percent) and just slightly below the composite average. However, 44% said their facility had been the target of vandalism or burglary within the past 12 months; up nine points from the 2002 finding of 35%. Even though the percentage for vandalism or burglary is considerably higher than the composite average (19%), 89% of the executives said they feel local law enforcement agencies are doing all they can to protect employees and property. Satisfaction with local fire protection capabilities is expressed by 100% of the respondents.

The percentage of executives who reported serious potholes in the pavement near their facility (40%) is up ten points compared to the 2002 study; it is also much higher than the composite average (13%). Some (15%) have experienced flash flooding on nearby streets.

Snow removal is considered to be adequate by 86% of the respondents, and 59% are satisfied with streets near the facility being cleaned regularly. Approval of code enforcement efforts has slipped six percentage points since the last study, 27% of the executives feel enforcement is not evenly or adequately applied (see Appendix A, Questions 86 through 102 for a complete list of tallied results).

**TRANSPORTATION**

The majority of workers drive their own car as their primary means of transportation to and from work; others (two percent) car pool, one percent use the bus or public transportation, and three percent walk or bike. The survey found that 42% of the executives responded that public transportation is not available to and from the work site; 25% would like it to be available.

The importance of public transportation services used for business travel is suggested by the degree of usage. This study found many of the surveyed firms (70%) use the company automobile for business travel and 84% use personal vehicles in this capacity. One percent of respondents reported use of rental vehicles. Air travel to and from Duluth Superior International Airport is used by 54% of the respondents and six percent travel through RI Bong Airport, while St. Paul International Airport is utilized by 31%.

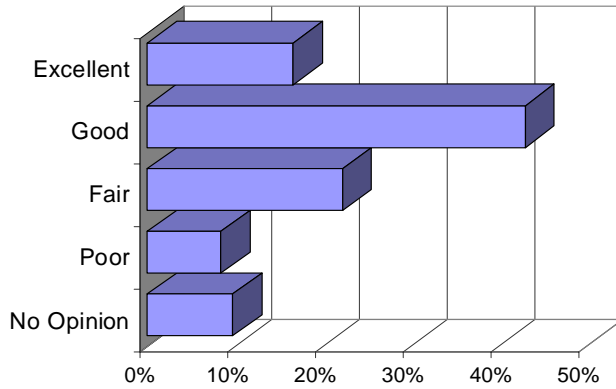
**ECONOMIC DEVELOPMENT PROGRAMS**

An effort was made to determine the extent of familiarity or personal contact the businesses had with the various economic development programs and their degree of satisfaction. Table C shows how respondents feel about various financing options available. Executives feel the local lending institutions are the most useful option available in Douglas County.

Program	Useful	Not Useful	No Opinion
Local Lending Institutions	84%	2%	14%
Targeted Jobs Tax credit	22%	18%	61%
Small Bus. Admin. Financing	22%	18%	59%
Industrial Revenue Bonds	10%	17%	73%
County/City Revolving Loan Fund	10%	10%	79%
Tax Incremental Financing	21%	11%	68%
WI Housing & Econ. Dev. Authority	15%	8%	77%

**Table C - Financing Options Perceptions**

Figure 15 shows that 60% of the responding executives rated local economic development as excellent or good, 22% rated it as fair, and a rating of poor was given by eight percent. Ratings have improved since 2002 when the combined rating was 48%. The rating of excellent or good is also 19 points above the composite average, which is 41%. Comparing local findings to the state averages indicates that local executives are fairly satisfied with the direction taken by those involved in economic development in Douglas County.

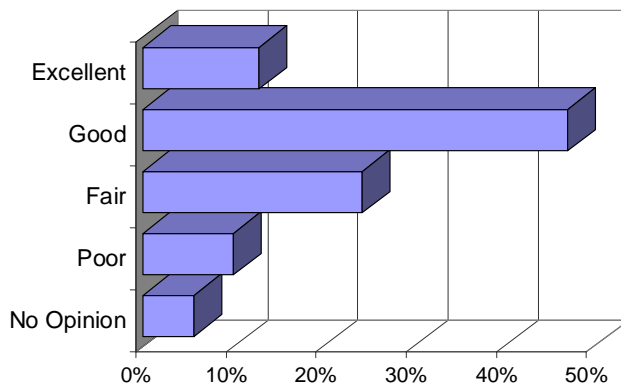


**Figure 15 - Local Economic Development**

**LOCAL GOVERNMENT**

The same effort was made to determine the level of contact and degree of satisfaction the executives have with the various local boards. A high degree of satisfaction is a good indicator of a strong community. The fire department, police department, and fire inspector received the highest satisfactory ratings from the executives in Douglas County. The complete results are shown in Appendix A, Question 111.

When asked their opinion of the local government, 60% of the respondents said it is excellent or good and 24% gave a rating of fair (see Figure 16). A few of the executives (10%) rated local government as poor. The combined rating for excellent and good is six point(s) below the 66% composite average. Conditions seem to have improved since the study conducted in 2002 when the combined rating was 43% (17 percentage points lower than current rating) and a rating of poor was given by 28%.

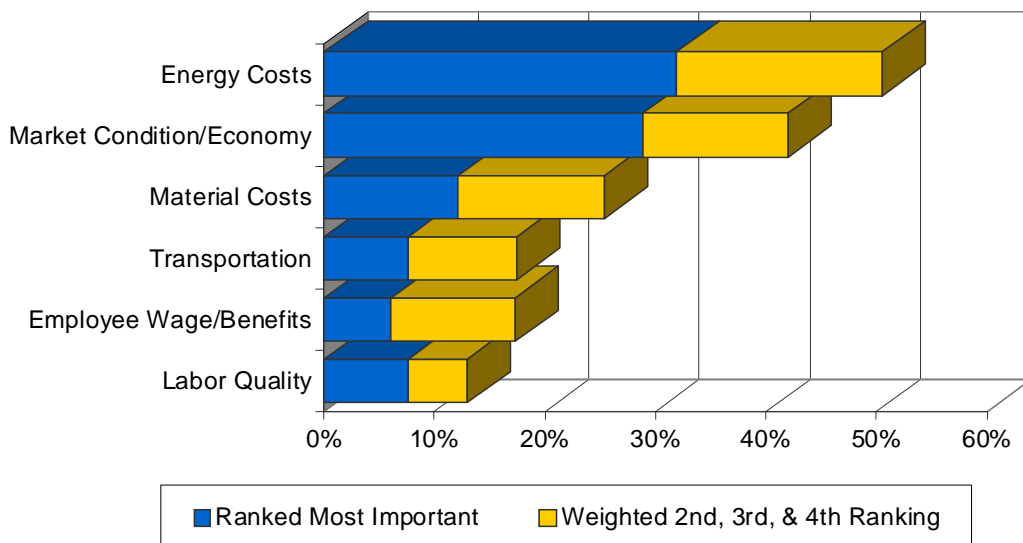


**Figure 16 - Satisfaction with Local Government**

## **FINANCIAL MATTERS**

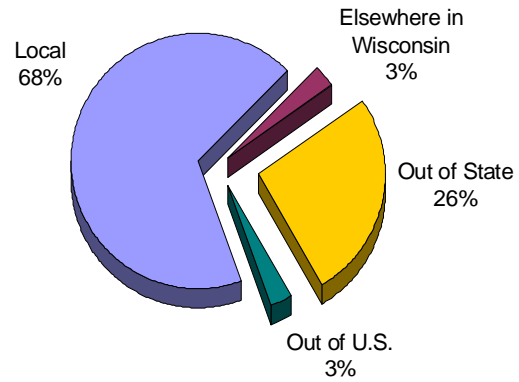
The executives were asked to provide several items under the title of financial matters, including how stable sales are for the company. Examined as a whole, this data can help to paint a picture of the business climate in the local area and in the region. Firm sales are reported as increasing by 56% of the respondents. Others, (34%) reported sales are stable, while 10% said sales are decreasing. The composite figures are similar. Study participants were asked to indicate the percentage of annual sales that is dedicated to research and development (R&D). An allocation of up to five percent was indicated by 51% of respondents. Some (13%) reported that 5% - 10% is earmarked for R&D, one percent dedicate 10% - 20%, and three percent spend more than 20% on R&D. On the other hand, 32% of the responding firms dedicate nothing to this area. Overall, a higher percent of executives invest some portion of annual sales in R & D than average.

Figure 17 displays the responses received when the executives were asked to rank the factors they feel are most negatively impacting their present financial condition. The factor they ranked highest in importance is energy costs, followed by market condition/economy, material costs, transportation, and employee wages and benefits. Three-year composite findings are somewhat different with market condition/economy ranked first and energy costs second followed by material costs and employee wages and benefits.



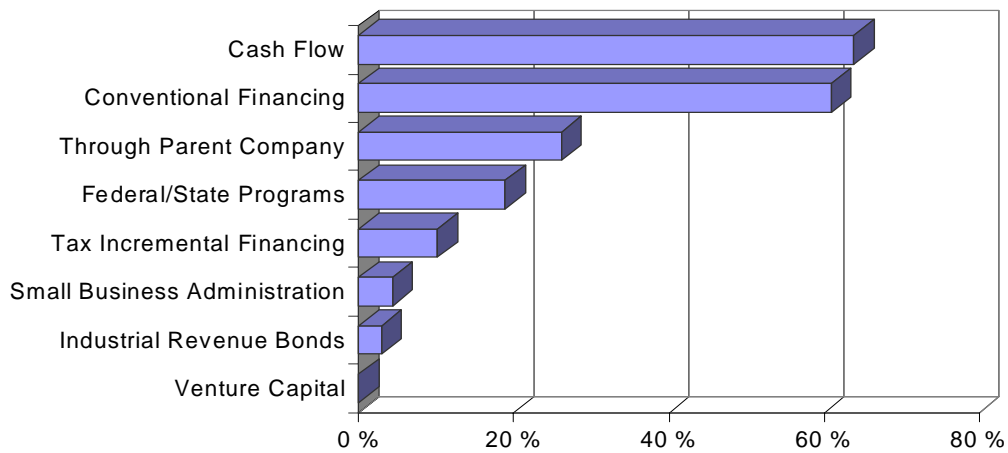
**Figure 17 - Factors Adversely Affecting Financial Condition**

The executives were asked where the company's primary banking institution is located. Figure 18 shows that 68% of the executives indicated financial transactions for the company are handled locally, three percent said they are handled elsewhere in Wisconsin and 26% indicated most banking is done out of state. Three percent reported the primary banking for the company is handled outside of the US.



**Figure 18 - Primary Bank Locations**

Economic conditions influence company development and expansion. As reported in this section, under the heading of Future Plans, many of the executives intend to expand, build, modernize or improve equipment and some indicated there are technological innovations they plan to put in place soon. An important factor relates to how the industries will finance these innovations, new facilities, and modernization. Respondents were to indicate all methods of payment that would be used. As shown in Figure 19, cash flow and conventional financing are the most likely options.



**Figure 19 - Preferred Financing Methods**

**ENERGY MATTERS**

Data was collected to determine projections in utility needs for the next three years. Executives indicated how business needs may change in regard to energy, water, sewer,

voice lines, high-speed Internet lines, and wireless services. More than a third of the respondents anticipate increases in electrical usage within the next 3 years. Increases in voice lines and high-speed Internet services are also expected by many. The complete results are shown in Appendix A, Question 119. Some of the executives (20%) reported having an energy-back-up system. Of those responding to the survey, only eight percent reported experiencing difficulties working with local utilities.

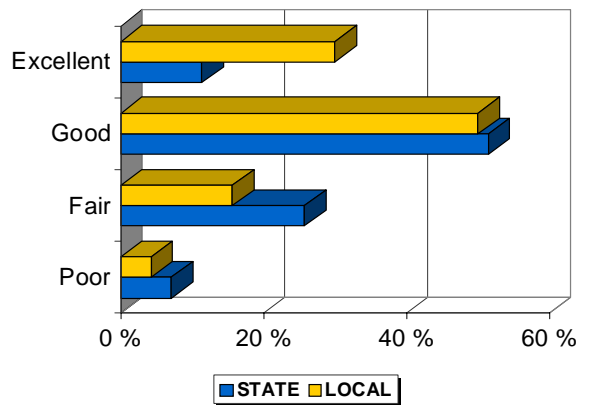
**COMMUNITY LINKAGE**

Community involvement through memberships and affiliations by industrial firms in local organizations serves to develop a company's ties with the community. Figures indicate the Douglas County executives are only somewhat involved with their local chamber of commerce. Of the respondents, 48% have a membership with the Chamber of Commerce, which is 26 points lower than the composite average of 74%. In 2002, 58% reported chamber membership. More than two thirds (67%) of the executives are members of other business organizations and 57% of the Douglas County executives expressed interest in participating in community organizations.

Of the executives responding to this survey, 62% indicated that they reside in the local area, a factor that can influence community involvement. One percent reported they live elsewhere in Wisconsin, and 37% reside outside of the state.

**OVERALL IMPRESSIONS**

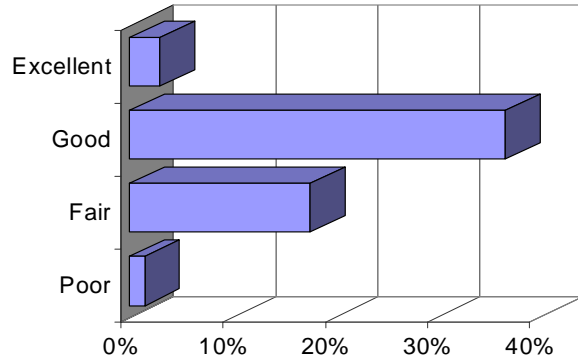
The executives were asked to give their overall opinion of their local community and the state as a place to conduct business. As Figure 20 displays, 30% of the responding executives feel the community is an excellent place to do business. Another 50% rated the community as good and 16% fair. Ratings are much more positive than 2002 findings reflected when only seven percent said excellent, 45% good, and 38% fair. When rating the state as a place to do business, 11%



**Figure 20 - A Place for Business**

of the responding Douglas County executives said it is excellent, 51% good, and 26% fair. Ratings for the state as a place to conduct business are similar to composite ratings.

Survey respondents also were asked to give their overall opinion of the State of Wisconsin Department of Commerce. Ratings, which range from excellent to poor, are illustrated in Figure 21. Only four percent offered a rating of excellent, 37% good, 18% fair and two percent rated the department as poor. Many (42%) offered no opinion. The executives also had the opportunity to make suggestions or recommendations for working with the Wisconsin Department of Commerce. Their comments are available in Appendix A, Question 137.



**Figure 21 - Department of Commerce Ratings**

The Department of Commerce administers several programs in effort to stimulate commerce in Wisconsin’s communities. Executives were asked to rate these programs as to their usefulness. The results are shown in Table D below. Based on the high percentage who selected No Opinion, it could be many are unfamiliar with the programs.

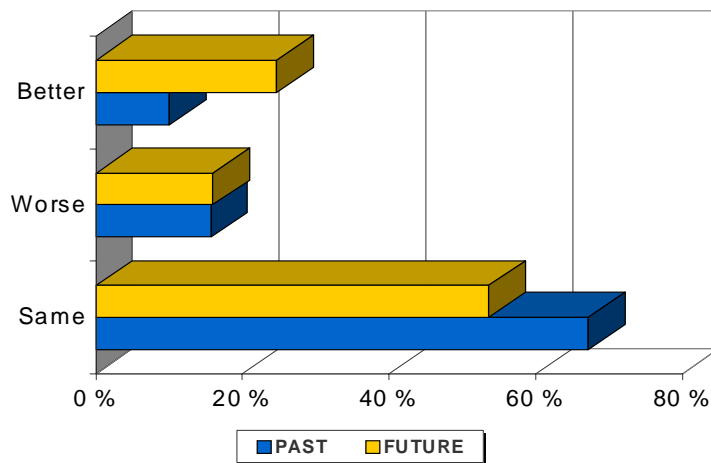
Program	Useful	Not Useful	No Opinion
Business Planning Assistance	8%	10%	81%
Financing Programs	13%	7%	80%
Labor Training Programs	20%	7%	72%
Community Development Zones	24%	6%	70%
Main Street Program	13%	7%	80%
International Trade Program	8%	8%	85%

**Table D - Administered Programs Perceptions**

When asked about key issues facing the firms in the next 3-5 years, the most frequently given responses were related to labor, fuel costs, healthcare, and the economy. Comments are listed in Appendix A, Question 134.

The executives were asked about improvements in Wisconsin as a place to do business. As Figure 22 shows, 10% of the Douglas County executives feel the business climate has improved over the past few years, 16% feel conditions have gotten worse, 67% feel conditions have remained stable, and seven percent stated “No opinion.” Ratings are similar to the composite findings.

With regard to the state's *future* business climate, 25% feel conditions will improve, 54% feel they will stay the same, while 16% feel conditions will worsen. Douglas County predictions are less optimistic than others surveyed in the state; composite findings for expectations are 31% improve, 41% stay the same, and 20% worsen.



**Figure 22 Improvements in Business Climate-Past/Future**

## **VI. CONCLUSIONS AND RECOMMENDATIONS**

### **CONCLUSIONS**

The results of the Douglas County Business Retention and Expansion Study are discussed in detail in the preceding Major Findings section. There are several conclusions that can be drawn from the data results. These include:

1. The interviewed Douglas County business region is diverse with slightly higher fractions dealing in service, distribution, transportation, and retail industries.
2. More than two thirds of the interviewed firms (67%) serve as the company headquarters, with 45% stating there are additional facilities located in other communities. Most (81%) of the businesses responding are incorporated.
3. The interviewed Douglas County business community is very well established; 70% of the businesses have been in operation more than 20 years. Five new businesses have opened their doors within the past five years reflecting new business activity in the county.
4. The top factors negatively impacting the companies' current or future development are market condition/economy and energy costs.
5. Several of the interviewed executives have secured government contracts; 37% reported supplying a portion of their products to federal government, 44% to state government, and 42% supply to the local government. Many of the executives expressed an interest in initiating or expanding government contracts.
6. More than half of the respondents' customers reside outside of Wisconsin's borders, bringing new money into the local economy; 37% of customers are situated within the local/county/Twin Ports area and another 12% elsewhere in the state. Most (90%) of the executives described their customer base as increasing or stable.
7. The majority of competition felt by the survey respondents is from other businesses in the local/county/Twin Ports area. Some are experiencing international competition. Only 10% feel competitors are making significant inroads, while 47% see them as a future threat to their business. Other said they have no real impact or have never been a consideration.

8. When describing market shares for the companies' products/services, 56% said it is increasing and 38% feel it has remained stable. Six percent said the company's market share is decreasing. Likewise, gross sales are described as increasing for more than half (56%) of those interviewed and they were reported as stable by 34%. The remaining 10% reported gross sales as decreasing.
9. The study finds that of the Douglas County businesses responding, 77% own the business facility, 14% lease, and 10% combine ownership with leasing.
10. Many of the businesses (76%) reported having enough property to expand at the present location, and 15% have definite expansion plans.
11. More than a third of the respondents expressed plans for a new building either at the present site or elsewhere in the community.
12. Several (42%) of the executives have plans to modernize or improve their present building(s) within the next two years, and 76% have plans to modernize or improve their equipment.
13. Results indicate nine percent of the executives have plans to expand the business in another Wisconsin community; 19% reported plans to expand out of state.
14. The study found that 13% of the executives (nine persons) indicated plans to move all or part of the operation, either now or in the future. An additional nine percent (six persons) said a move is possible. Six of the moves would be to another location outside the area.
15. Other states have contacted 18% of the interviewed businesses in an attempt to persuade them to relocate. The majority of the recruiting is from Minnesota, but other states mentioned include Michigan, Ohio, North Dakota, South Dakota and Iowa.
16. Two executives reported the likelihood of the business closing with no plans for expansion elsewhere as "Probable" and six more indicated shutting down the business is a possibility.
17. Of the interviewed executives, 69 responded that they currently employ 5,417 full-time people. Data gathered from those responding to all five questions in a series about employment (39 executives) reflects the following: Current employment is 11% higher than one year ago and 19% higher than five years ago. The executives anticipate an increase of 7% next year and an increase of 20% over the next five years.

18. A total of 806 part-time workers are employed by 60% of the executives.
19. Average wages reported are above the average of the last five areas to complete the WIBRES study. Unskilled wages have increased by an average of less than 2% per year since 2002 while wages for professional/technical employees have increased as much as 6% per year. Employees in professional/technical roles earn an average of \$28.66 hourly, while office staff average \$15.18 per hour. Highly skilled employees in Douglas County receive an average hourly wage of \$20.91, semi-skilled employees receive an average of \$15.59, and unskilled workers average \$10.90 per hour.
20. The Douglas County executives reported they have the greatest difficulty recruiting for professional/technical staff positions. The survey found that 60% report difficulty recruiting for professional/technical staff positions. Nearly half (47%) said they have difficulty recruiting for blue-collar positions, and 21% expressed difficulty recruiting for office support staff.
21. The most positive factors dealing with recruiting are the quality of life and the K-12 educational system. The area technical college and cost of living also scored highly. The factors considered to have the most negative impact are climate and personal taxes.
22. Investment in training programs is increasing for 58% of the executives and remains the same for 38%. On the other hand, four percent reported a decrease in dollars allocate for training programs.
23. Of the respondents, 29% reported an association with a union, encompassing 25% of the full-time employment base.
24. CEOs interviewed are generally satisfied with infrastructure services provided in the area. All were satisfied with fire protection capabilities. Most are happy with communication services including voice lines and high-speed/Internet service. There is room for improvement with wireless services. Vandalism or burglary during the past year was reported by more than average, though 89% feel local law enforcement agencies are doing all they can to protect employees and property. Forty percent voiced concerns about serious potholes in pavement near the work sites and some executives (27%) expressed they are not happy with code enforcement.
25. The study finds 60% of the executives rate their local economic development efforts as excellent or good, 22% said fair, 8% poor, and 10% expressed no opinion.

26. Of the executives responding to this survey, 60% rated their local government excellent or good, 24% gave a rating of fair, 10% poor, and 6% had no opinion.
27. Of those responding to the question regarding research and development, 68% dedicate a portion of annual sales to research and development.
28. Two factors most negatively impacting the firms' present financial condition are energy costs and market condition/economy.
29. Chamber of Commerce membership is a little lower than average, but executives are quite involved in other business organizations. More than half expressed an interest in participating in community organizations.
30. Of the executives responding to this survey, 80% feel their local community is an excellent or good place to do business. The state received an excellent or good rating from 63% of the respondents.
31. The study finds only 10% of the executives feel Wisconsin's business climate has improved over the past few years, 67% feel it has not changed, 16% feel conditions have gotten worse.
32. Where Wisconsin's future business climate is concerned, 25% of the respondents feel the climate will improve over the next few years, 54% feel it will stay the same, 16% feel conditions will deteriorate.

## Recommendations

### I. Survey Follow Up

**Recommendation:** The study revealed a number of areas that call for follow-up on the part of the Douglas County Business Retention and Expansion Steering Committee. Several survey participants indicated a desire to receive information on various financing, job training and workforce development programs. Participants identified a number of issues related to the provision of public services. The survey also identified a number of businesses that were planning expansions or who indicated the possibility of relocation or closure. Many of these request and issues were addressed immediately upon receipt of completed questionnaires. The Committee will follow up on the issues, concerns and suggestions.

### Action Steps

- A. Continue to identify business needs or concerns and share with the appropriate government or educational institution. Work to seek solutions or answers through meetings with the concerned parties and establish the steps and time frame.
- B. Develop a system for tracking progress toward fulfilling information requests and addressing concerns, opportunities and threats.
- C. Communicate on a regular basis with members of the Douglas County Business Retention and Expansion Steering Committee to ensure the appropriate response to survey results has taken place or been initiated and to inform Committee members of tracking results.
- D. Develop a media plan that informs the survey participants as well as the community of the survey results, the action plan to address the survey results and the commitment to conduct regular retention and expansion visits.
- E. Hold quarterly meetings of the Committee to track results and to address any emerging issues within the business community.
- F. Follow up on new issues identified by using the action steps developed from the Wisconsin Business Expansion and Retention Survey.

## **II. Business Retention and Expansion**

**Recommendation:** It is estimated that 80-85% of all job growth in Douglas County will come from existing businesses. Recognizing this, it is imperative that economic development efforts continue to focus on and direct time and resources toward business retention and expansion efforts. Given the sharp downturn in the national and international economies, it is important that members of the local business community be contacted on a frequent and regular basis in order to gauge any adverse impacts due to national and international events and to identify appropriate courses of action.

### **Action Steps**

- A. Conduct brief, monthly telephone surveys of a sample of Douglas County businesses in order to identify any changes in local economic conditions.
- B. Continue to visit companies on a regular basis through the coordination of the Development Association and other members of the Douglas County business Retention and Expansion Steering Committee.
- C. Follow-up with businesses that have identified a potential for local expansion so appropriate assistance can be offered when expansion is initiated.
- D. Follow-up with firms that indicated plans to relocate or expand outside of the County. Assess motives and explore possible alternatives that can be offered in an attempt to keep the business in the County.
- E. Identify CEOs and/or business owners who would be good candidates for the Peerspective Program and/or the Greenstone Group.
- F. Coordinate employee recruitment efforts for key positions via job fairs and strategically placed advertising in areas of the state and country experiencing significant layoffs due to plant closings and downsizing.
- G. Encourage open lines of communication with companies that reported possible plans to phase out or shut down. Offer appropriate assistance when possible.
- H. Remain in close contact with those companies reporting out-of-state headquarters to ensure communication is ongoing prior to any expansion, consolidation or relocation decision. Make visits to corporate headquarters.

- I. Develop procedure to identify and communicate on a regular basis with absentee landlords in the BID and elsewhere.
- J. Utilize e-bulletins and e-newsletters to deliver information on programs of relevance to businesses.
- K. Conduct a countywide Wisconsin Business Expansion and Retention Survey at least every five to seven years.

### **III. Business Attraction**

**Recommendation:** Continue business attraction efforts. Focus part of business recruitment efforts on businesses the survey participants identified as suppliers and customers they would like to have located in the area. Continue to promote positive aspects of doing business in Superior and Douglas County.

#### **Action Steps**

- A. Review the surveys to identify the supplier or business niche that an existing business has suggested would be a recruitment candidate. Assess fit, probability of success and available resources to determine the feasibility of pursuing the potential business.
- B. Develop targeted marketing lists for recruitment based on feedback from the survey participants. Lists will be prioritized based on economic impact of company, fit, probability of success, and strength of local relationships.
- C. Continue to support and enhance websites such as Northlandconnection.com and coordinate recruitment efforts with Committee members and regional partners.
- D. Continue to market available land and buildings including the Poplar General Mills Facility, Parkland Industrial Park, Winter Street Industrial Park, Vinje Business Park and the Solon Springs Industrial Park.
- E. Make necessary infrastructure improvements to the Winter Street Industrial Park and the Parkland Industrial Park.
- F. Make contact with appropriate prospects, site consultants and industry experts.

- G. Conduct visits with prospects and involve appropriate partners. Follow-up with prospect.

#### **IV. Marketing, Communication and Education**

**Recommendation:** Improve the dissemination of information on local economic development conditions, projects and programs. Facilitate the communication of “good” economic news between companies, the community and the media. Continue to harness the energy of websites and electronic bulletins and newsletters. Continue to encourage business informational meetings, workshops, seminars and conferences.

#### **Action Steps**

- A. Utilize the e-bulletin/newsletter capacity of the Development Association, Chamber and BID to disseminate information on projects, economic conditions and programs of interest to the business community (i.e. financing, training, etc.).
- B. Utilize websites of Committee members to provide, or link to sources of, information on topics of interest to the business community.
- C. Maintain and further develop relationships with members of the local media in order to distribute economic development information.
- D. Place economic development related articles in the local print media.
- E. Do a coordinated advertising/marketing campaign with Committee members and regional partners to highlight and celebrate economic development projects in Superior/Douglas County.
- F. Develop an annual business awards program to complement the Business Plan Competition, the Jaycees Awards, and the Joel Labovitz Entrepreneurial Success Awards. Nominate local companies for regional and state-wide awards.
- G. Enhance, expand and coordinate business meetings such as the M&I Business Breakfast Series, Chamber lunch series and Development Association business forums to disseminate information on business and economic development.

# APPENDIX A

## DOUGLAS COUNTY SUMMARY OF RESPONSES BASED ON 73 FIRMS

- AMSOIL Inc.
- Allstate Peterbilt
- Always Available Roll Off Service, Inc.
- American Ed-Co. Inc.
- Anderson Lubricants
- Arrowhead Printing
- BVT, Inc. Trucking
- Barko Hydraulics, LLC
- Benson Cabinets & Countertops, Inc.
- Campbell Lumber
- Canadian Pacific Railway
- Catholic Charities Bureau
- Cenex-Harvest States
- Central Sheet Metal Works, Inc.
- Challenge Center, Inc.
- Charter Films Inc.
- Clearly Superior, Inc.
- Cragin Machine Shop, Inc.
- DSC Communications
- Dahlberg Light & Power Company
- Dave Evans Transports
- Enbridge
- Energy & Air Systems Inc.
- Environmental Consulting and Testing, Inc.
- Fentech, Inc.
- Fraser Shipyards, Inc.
- Gavilon - Peavey Grain
- General Mills
- Genesis Attachments LLC
- Global Aviation Tech Services
- Graymont (WI) Inc.
- Great Lakes Electrical Equipment Company, Inc.
- Hallett Dock Company #8
- Halvor Lines, Inc.
- IHS Door Company
- Johnny's Auto Body
- Koppers Inc.
- Laakso Concrete Construction
- Lafarge North America Superior Terminal
- Lake Superior Laundry
- Lakehead Constructors Inc.
- Manion Components
- Manion Foods
- Manion's Wholesale
- Midwest Energy Resources Company
- Murphy Oil USA, Inc.
- Northern Engineering Co.
- Northwest Beverages, Inc.
- Oldtown Woodworks, LTD
- Ole's Country Market
- Peterson Wood Treating, Inc.
- Pomp's Tire Service
- Reuben Johnson & Son Inc.
- Saratoga Liquor Co. Inc.
- Solon Springs Mercantile
- St. Mary's of Superior
- Sue Vinje Trucking
- Superior Glass, Inc.
- Superior Steel Inc.
- Superior Water, Light & Power Co.
- Superior Wood Systems
- Superior-Lidgerwood-Mundy
- Swanstrom Tools
- Telephone Associates Inc.
- The Daily Telegram
- The Garden House Greenhouse, Inc.
- The Little Gift House
- Twin Ports Testing
- US Superior Marketing
- WS Live
- Walcro, Inc.
- Woodline Manufacturing, Inc.
- X-treme Granite

For your convenience data aggregated from the WIBRES survey conducted in 2002 are listed in the yellow patterned column to the right of the current study findings; 23 firms participated in both studies.

You will find Composite data listed in the far right column (highlighted in blue) of this Summary of Responses. The Composite is a compilation of all areas participating in the WIBRES program within the past three years. These data are made available to provide a base for comparison. Composite communities include:

Waunakee  
Green County  
Vilas County  
Cross Plains  
Stoughton  
Prairie du Chien  
Lincoln County

## I. HISTORY AND STATUS OF PRESENT LOCATION

				2002	Composite
1. Where is your firm's corporate headquarters located?					
Local	49	67.1%		73.2%	78.3%
Elsewhere in Wisconsin	2	2.7%		--	10.0%
Out of State*	18	24.7%		25.0%	9.4%
Out of United States*	4	5.5%		1.8%	2.3%
2. Does your firm have multiple locations?					
Yes	33	45.2%		48.2%	40.5%
No	40	54.8%		51.8%	59.5%
3. Where?					
(Executives are asked to indicate all that apply. Percentages are based on multiple responses.)					
Executives Responding	32				
Local	14	43.8%		59.3%	
Elsewhere in Wisconsin	11	34.4%		33.3%	
Out of State*	26	81.3%		70.4%	
Out of United States*	11	34.4%		22.2%	
4. If you have businesses in other areas, how does the nature of business relate to this facility?					
(Executives are asked to indicate all that apply. Percentages are based on multiple responses.)					
Executives Responding	33				
Similar product/service	25	75.8%		77.3%	
Supply to/support local operation	6	18.2%		27.3%	
Local operation supplies/supports them	10	30.3%		18.2%	
Independent business focus	5	15.2%		27.3%	
5. What is the likelihood of consolidating operations?					
Probable	--	--		--	6.7%
Possible	5	15.6%		12.0%	16.7%
Remote	15	46.9%		44.0%	30.0%
Non existent	12	37.5%		44.0%	46.7%
6. When was your firm established?					
0 - 2 years ago	2	2.7%		1.8%	4.7%
3 - 5 years ago	3	4.1%		7.3%	8.3%
6 - 10 years ago	7	9.6%		12.7%	10.3%
11 - 20 years ago	10	13.7%		14.5%	21.6%
21 - 100 years ago	44	60.3%	} 70%	52.7%	47.5%
Over 100 years ago	7	9.6%		10.9%	7.6%
7. What form of organization does your business have?					
Corporation (S or C)	59	80.8%		87.0%	64.2%
Cooperative	1	1.4%		3.7%	0.7%
Partnership	1	1.4%		1.9%	3.3%
Limited Liability Corp.	8	11.0%		1.9%	18.1%
Limited Liability Partnership	--	--		1.9%	2.3%
Sole Proprietorship	2	2.7%		3.7%	8.4%
Other*	2	2.7%		--	3.0%

## II. NATURE OF BUSINESS

### 8. What is the nature of your business?

			2002	Composite
Administration	0.25	0.4%	0.2%	0.4%
Agriculture	1.50	2.1%	3.9%	3.3%
Chemical, Petroleum, Rubber, Plastics	3.40	4.8%	6.6%	1.2%
Communication	2.00	2.8%	--	1.1%
Computer, Computer Software	--	--	--	0.5%
Construction	2.98	4.2%	4.7%	7.2%
Consulting	0.20	0.3%	0.1%	1.4%
Distribution	8.05	11.3%	7.2%	3.4%
Education	0.02	0.0%	0.4%	1.0%
Electrical, Electrical Equipment	1.00	1.4%	1.8%	1.5%
Energy	2.08	2.9%	6.9%	0.7%
Fabricated Metals	1.90	2.7%	6.9%	3.5%
Financial/Insurance/Real Estate	0.15	0.2%	0.5%	4.8%
Food, Food Products	2.66	3.7%	2.4%	9.3%
Hospitality	--	--	0.9%	4.4%
Lumber, Wood Products	5.70	8.0%	10.3%	2.6%
Machinery, Excluding Electrical	2.80	3.9%	2.2%	1.2%
Medical, Health Care	1.00	1.4%	4.5%	5.0%
Misc. Manufacturing	3.66	5.2%	13.3%	8.6%
Paper, Allied Products	0.20	0.3%	--	0.3%
Primary Metals	0.10	0.1%	--	0.3%
Printing, Publishing	2.00	2.8%	4.8%	4.0%
Recreation	0.03	0.0%	1.9%	3.0%
Research	0.10	0.1%	--	0.5%
Retail	6.37	9.0%	3.4%	14.3%
Service	8.60	12.1%	3.4%	11.8%
Stone, Clay, Glass, Concrete	3.80	5.4%	0.6%	0.6%
Telemarketing	2.00	2.8%	1.8%	0.0%
Textiles and Apparel	--	--	--	0.6%
Transportation	7.54	10.6%	9.8%	0.7%
Waste, Recycling	0.91	1.3%	--	1.0%
Other*	--	--	1.5%	

### Question 8 Explanation:

The first column lists the type of business in the survey.

The second column lists the headcount or number of respondents based on their percent of involvement (if a company is involved in multiple businesses, ie: 50% Education, 40% Consulting, and 10% Communication, the headcount will display .50, .40, and .10).

The third column shows the community percent of involvement in each business type based on the number of executives responding to question 8.

### 9. What percent of raw materials/supplies utilized by your business come from the following areas?

Local/County/Twin Ports	21.0%	19.2%	30.6%
Elsewhere Wisconsin	7.4%	10.2%	25.7%
Midwest	34.9%	33.1%	19.8%
National	25.1%	23.2%	18.5%
International	11.5%	14.3%	5.5%

## II. NATURE OF BUSINESS

		2002	Composite			
10. Please list suppliers that you would like to have located closer to your facility.						
Cylinder Manufacturing	Powder Coaters-Painting					
Processing "specialty glass" - ie tempering	Plastics - Blow Molder					
MDF Manufacturer	Glass suppliers					
Machine Tool Service/Repair	Steel, Metals					
Hardwood						
11. What percent of your raw materials/supplies are transported in the following manner?						
Truck	55.5%	61.1%	61.5%			
Common Carrier	19.3%	15.5%	20.6%			
Rail	12.8%	10.8%	2.0%			
Air	0.4%	1.0%	0.3%			
Ship	6.8%	4.0%	1.5%			
Personal/company vehicle	2.2%	3.7%	10.8%			
Other	2.8%	3.9%	3.2%			
12. What percent of your finished products are transported in the following manner?						
Truck	51.5%	46.0%	43.7%			
Common Carrier	15.6%	13.1%	15.5%			
Rail	5.8%	8.0%	1.4%			
Air	0.0%	0.4%	0.8%			
Ship	6.3%	5.7%	0.5%			
Personal/company vehicle	13.7%	21.4%	23.8%			
Other	7.1%	5.4%	13.8%			
13. How well do the following modes of transport serve your business needs?						
	Excellent	Good	Fair	Poor		
Truck	38	23	2	--		
Common Carrier	21	18	5	--		
Rail	2	17	3	5		
Air	4	3	5	3		
Ship	5	9	1	5		
Personal/Company Vehicle	12	11	2	1		
Other	1	1	--	--		
14. Which of the following factors, if any, have the greatest negative impact on the current / future development of your product or business?						
	Factors	One	Two	Three	Four	Total
3	Global Competition	3	4	1	5	13
4	Regulatory Constraints	8	3	4	6	21
	Domestic Competition	4	3	10	5	22
2	Energy Costs	11	16	12	6	45
	Material Shortages	2	2	7	3	14
	Antiquated Machinery	1	2	1	--	4
	Insufficient Space	2	3	--	4	9
	Transportation Problems	4	1	3	1	9
	Interest Rates	--	2	--	1	3
1	Market Condition/Economy	24	12	8	4	48
	Labor Supply	5	4	5	3	17
	Labor Quality	--	7	7	2	16
	Employee Wage/Benefits	4	5	3	6	18
	Other	3	1	1	1	6
	Total Responses	71	65	62	47	245

### III. PHYSICAL SPECIFICATION OF PLANT

				2002	Composite
15. Do you own or lease this location?					
	Own	56	76.7%	72.2%	76.8%
	Lease	10	13.7%	20.4%	18.9%
	Both	7	9.6%	7.4%	4.3%
16. If you lease, when does the lease expire?					
	0 - 2 years	2	22.2%	28.6%	
	3 - 5 years	2	22.2%	28.6%	
	6 - 10 years	2	22.2%	14.3%	
	11 - 20 years	2	22.2%	- -	
	Over 20 years	1	11.1%	28.6%	
17. What is the property size of this location?					
	Total acres:	1,893			
	1 acre	9	17.3%	11.9%	
	2 acres	8	15.4%	14.3%	
	3 - under 5 acres	9	17.3%	21.4%	
	5 - under 10 acres	10	19.2%	11.9%	
	10 - 25 acres	5	9.6%	19.0%	
	26 - 50 acres	3	5.8%	4.8%	
	Over 50 acres	8	15.4%	16.7%	
18. How much building space do you occupy at your current location?					
	Total square feet:	2,182,123			
	Under 2,500 sq. ft.	5	9.1%	2.5%	
	2,500 - 5,000 sq. ft.	5	9.1%	5.0%	
	5,001 - 7,500 sq. ft.	6	10.9%	15.0%	
	7,501 - 10,000 sq. ft.	6	10.9%	12.5%	
	10,001 - 25,000 sq. ft.	15	27.3%	25.0%	
	25,001 - 50,000 sq. ft.	8	14.5%	25.0%	
	50,001 - 100,000 sq. ft.	4	7.3%	5.0%	
	Over 100,000 sq. ft.	6	10.9%	10.0%	
19. If you use additional space elsewhere in the community for this business, how much?					
	Total square feet:	300,500			
	Under 2,500 sq. ft.	4	33.3%	35.7%	
	2,500 - 5,000 sq. ft.	--	--	7.1%	
	5,001 - 7,500 sq. ft.	--	--	14.3%	
	7,501 - 10,000 sq. ft.	5	41.7%	7.1%	
	10,001 - 25,000 sq. ft.	1	8.3%	28.6%	
	25,001 - 50,000 sq. ft.	--	--	--	
	50,001 - 100,000 sq. ft.	1	8.3%	--	
	Over 100,000 sq. ft.	1	8.3%	7.1%	
20. Is car and truck access to your building adequate?					
	Yes	67	94.4%	96.4%	92.7%
	No	4	5.6%	3.6%	7.3%
21. Is there adequate on-site parking for your employees?					
	Yes	66	95.7%	89.1%	87.4%
	No	3	4.3%	10.9%	12.6%

#### IV. MARKETS, CUSTOMERS

				2002	Composite
22. What percent of your customers are located in the following areas?					
	Local/County/Twin Ports	37.1%		35.8%	45.5%
	Elsewhere in Wisconsin	11.9%		13.4%	22.1%
	Midwest	27.5%		30.1%	16.8%
	National	18.1%		14.1%	13.6%
	International*	5.3%		6.7%	2.0%
23. What percent of your company's sales is conducted over the Internet?					
	None	39	53.4%	57.4%	58.4%
	Less than 10%	23	31.5%	35.2%	30.9%
	10% - 25%	8	11.0%	5.6%	4.7%
	25% - 50%	2	2.7%	--	3.7%
	50% - 75%	1	1.4%	1.9%	1.3%
	More than 75%	--	--	--	1.0%
24. How would you describe the number of customers you serve?					
	Increasing	40	55.6%	42.9%	55.0%
	Decreasing	7	9.7%	14.3%	12.3%
	Stable	25	34.7%	42.9%	32.7%
25. Do you directly sell to any levels of government shown below?					
	Federal: Yes	25	36.8%	26.4%	16.5%
	No	40	58.8%	67.9%	80.5%
	Don't Know	3	4.4%	5.7%	3.0%
	State: Yes	32	43.8%	40.7%	26.5%
	No	38	52.1%	55.6%	72.0%
	Don't Know	3	4.1%	3.7%	1.5%
	Local: Yes	31	42.5%	47.3%	36.7%
	No	39	53.4%	49.1%	60.8%
	Don't Know	3	4.1%	3.6%	2.5%
26. If Yes, approximately what percent of your sales are to governments?					
	Less than 10%	24	66.7%	80.0%	
	10% - 25%	7	19.4%	3.3%	
	25% - 50%	2	5.6%	13.3%	
	50% - 75%	2	5.6%	3.3%	
	More than 75%	1	2.8%	--	
27. Are you interested in initiating or expanding government contracts?					
	Federal: Yes	33	51.6%	49.0%	27.1%
	No	16	25.0%	35.3%	54.6%
	Don't Know	15	23.4%	15.7%	18.3%
	State: Yes	34	52.3%	55.8%	34.1%
	No	15	23.1%	28.8%	50.2%
	Don't Know	16	24.6%	15.4%	15.7%
	Local: Yes	31	47.7%	55.8%	40.7%
	No	17	26.2%	30.8%	45.2%
	Don't Know	17	26.2%	13.5%	14.1%
28. If there are customers that would benefit by relocating closer to your facility, please provide information.					
	Product/service:				
	Mining & Power				

## V. COMPETITORS

			2002	Composite
29. What percent of your competitors are located in the following areas?				
Local/County/Twin Ports	42.3%		37.0%	47.8%
Elsewhere in Wisconsin	12.4%		17.8%	21.6%
Midwest	22.6%		27.6%	10.5%
National	15.5%		15.4%	16.2%
International*	7.1%		2.2%	3.7%
30. What effect are your primary competitors having on your business?				
Making Significant Inroads	7	10.6%	23.5%	19.4%
Future Threat	31	47.0%	47.1%	32.6%
No Real Impact	26	39.4%	27.5%	40.5%
Never Been a Consideration	2	3.0%	2.0%	7.5%
31. How would you describe the market share of your company's products/services?				
Increasing	38	55.9%	44.4%	49%
Decreasing	4	5.9%	14.8%	10%
Stable	26	38.2%	40.7%	41%

## VI. FUTURE PLANS

				2002	Composite
32.	Do you own or lease sufficient property to allow for expansion of your building(s) at this location?				
	Yes	54	76.1%	76.8%	60.9%
	No	17	23.9%	23.2%	39.1%
33.	Are you planning any expansion of your existing building(s) at this location?				
	Yes	10	15.2%	32.7%	28.0%
	No	56	84.8%	67.3%	72.0%
34.	If Yes, when do you plan to start construction?				
	Now in progress	--			
	This Year	1			
	Next Year	2			
	Within 5 Years	10			
	Beyond 5 Years	--			
	Don't Know	1			
35.	How large would this addition be?				
	Total square feet	67,000			
	Under 2,500 sq. ft.	--			
	2,500 - 5,000 sq. ft.	2			
	5,001 - 7,500 sq. ft.	--			
	7,501 - 10,000 sq. ft.	1			
	10,001 - 15,000 sq. ft.	3			
	15,001 - 25,000 sq. ft.	--			
	25,001 - 50,000 sq. ft.	--			
	Over 50,000 sq. ft.	--			
36.	Do you have any plans to modernize or improve your present building(s) within the next two years?				
	Yes	30	42.3%	45.3%	41%
	No	41	57.7%	54.7%	59%
37.	Do you have plans for a new building on your present site or elsewhere in the community?				
	Yes	23	33.8%	16.1%	18.6%
	No	45	66.2%	83.9%	81.4%
38.	How large will the building be?				
	Total square feet	225,336		133,000	
	Under 2,500 sq. ft.	4			
	2,500 - 5,000 sq. ft.	3			
	5,001 - 7,500 sq. ft.	1			
	7,501 - 10,000 sq. ft.	4			
	10,001 - 15,000 sq. ft.	3			
	15,001 - 25,000 sq. ft.	2			
	25,001 - 50,000 sq. ft.	2			
	Over 50,000 sq. ft.	--			
39.	When do you plan to start construction?				
	Now in progress	--			
	This Year	8			
	Next Year	2			
	Within 5 Years	9			
	Beyond 5 Years	1			
	Don't Know	4			

## VI. FUTURE PLANS

				2002	Composite
40. Do you have plans to expand elsewhere in the state?	Yes	6	9.0%	3.7%	10.3%
	No	61	91.0%	96.3%	89.7%
41. If Yes, where?	Within 50 Miles	3			
	Within 100 Miles	--			
	Elsewhere in the State	3			
42. If Yes, when?	Now in progress	1			
	This Year	--			
	Next Year	2			
	Within 5 Years	3			
	Beyond 5 Years	--			
	Don't Know	--			
43. Do you have plans to expand outside the state?	Yes	13	19.4%	14.0%	11.4%
	No	54	80.6%	86.0%	88.6%
44. If Yes, where?	Executives Responding	17			
	Midwest	11			
	Sunbelt	--			
	East Coast	2			
	West Coast	1			
	Other US*	3			
	International*	1			
45. If Yes, when?	Now in progress	3			
	This Year	1			
	Next Year	3			
	Within 5 Years	10			
	Beyond 5 Years	--			
	Don't Know	--			
46. Do you have any plans to modernize or improve your present equipment within the next two years?	Yes	55	76.4%	74.1%	69%
	No	17	23.6%	25.9%	31%
47. Are there technological innovations that you plan to put in place within the next two years?	Yes	48	66.7%	63.0%	63.3%
	No	24	33.3%	37.0%	36.7%

## VI. FUTURE PLANS

				2002	Composite
48. Do you have any plans to move all or part of your operation from this location?					
Yes	9	13.2%		5.5%	6.1%
No	53	77.9%		83.6%	85.9%
Possible Candidate	6	8.8%		10.9%	8.1%

49. If Yes, where do you plan to move?		
Local	9	
Elsewhere in Wisconsin	2	
Midwest	2	
East Coast	--	
Sunbelt	--	
West Coast	--	
Other US*	1	
International*	--	

50. If Yes, when do you plan to move?		
Now in progress	--	
This Year	3	
Next Year	3	
Within 5 Years	7	
Beyond 5 Years	--	
Don't Know	1	

51. If Yes, why do you plan to move?

	Rankings				
<i>Factors</i>	<i>One</i>	<i>Two</i>	<i>Three</i>	<i>Four</i>	<i>Total</i>
Closer to Customer	3	2	--	--	5
Closer to Supplier	--	2	1	--	3
Building Overcrowded	5	3	--	--	8
No Land to Expand	1	1	2	1	5
Access/Egress Problems	1	--	1	--	2
Crime/Vandalism	--	--	--	1	1
Labor Costs	--	--	--	2	2
Labor Supply	--	--	--	--	--
Energy Costs	--	1	1	1	3
Regulatory Concerns	1	1	--	1	3
Rigid Code Enforcement	--	1	--	--	1
Property Taxes	--	--	3	1	4
State Corporate Taxes	--	1	--	--	1
Personal Income Taxes	--	--	--	1	1
Other*	3	--	2	--	5
Total Responses	14	12	10	8	44

52. In the past few years, have other states' representatives contacted you trying to get you to move your company from Wisconsin?					
Yes	13	17.8%		15.4%	9.1%
No	60	82.2%		84.6%	90.9%

53. Which states had representatives contacted you?  
 (12) Minnesota, (2) Michigan, (2) Ohio, (2) North Dakota, South Dakota, Iowa

## VI. FUTURE PLANS

				2002	Composite
54. What is the likelihood of phasing out or shutting down this operation with no plans for expansion elsewhere?					
	Probable	2	2.7%	-	2.1%
	Possible	6	8.2%	20.4%	10.0%
	Remote	33	45.2%	40.7%	37.7%
	Non-existent	32	43.8%	38.9%	50.2%

55. If probable or possible, why?

Amount of raw material available

Business decrease

Cost of starting up

Cost of technology/equipment to meet new fuels specifications

Costs

Reducing publication days from 6 to 2

Relocation to MN. Wisconsin does not support competition with CenturyTel.

Selling the business

## VII. LABOR AND MANPOWER MATTERS

56. What is your approximate number of full-time employees for the following years?  
to

60.	Number of Employees	Five Years Ago	Last Year	Current	Next Year	Five Years
	0	1	--	--	1	--
	1 - 4	8	8	6	4	4
	5 - 9	3	7	10	8	5
	10 - 19	10	10	11	9	8
	20 - 39	13	15	15	14	9
	40 - 69	8	11	11	8	5
	70 - 99	4	4	4	4	4
	100 - 249	5	9	9	7	6
	250 - 499	2	1	1	2	3
	500 - 999	--	1	1	1	--
	1000 and over	1	1	1	1	--
	Total Employment Size	3,851	5,074	5,417	4,997	2,989
	Average Company Size	70	76	79	85	68
	Median Company Size	26	29	28	25	25
	Number of Executives Responding	55	67	69	59	44
	Number of Executives Responding to all questions in this series			39		

61. How many shifts do you have in your operation?

	2002	Composite
One	50.0%	
Two	28.6%	
Three	14.3%	
Other*	7.1%	

62. Do you employ part-time employees?

Yes	71.4%	72.6%
No	28.6%	27.4%

63. If Yes, how many part time employees?

	Staff	Contract	Total	
1 - 4	23	4	27	57.4%
5 - 9	8	2	10	21.3%
10 - 19	2	1	3	6.4%
20 - 39	1	1	2	4.3%
40 - 69	1	1	2	4.3%
70 - 99	--	--	--	--
100 or More	2	1	3	6.4%

Total part-time employment:      600      206      806

64. Is the number of part-time employees related to seasonal fluctuation?

Yes	46.3%	47.9%
No	53.7%	52.1%

65. Is the number of part-time employees related to economic fluctuation?

Yes	53.7%	40.0%
No	46.3%	60.0%

## VII. LABOR AND MANPOWER MATTERS

66. What percent of your employment is:		2002	Composite
Professional/Technical	22.6%	25.0%	23.4%
Office Staff	11.9%	11.4%	12.1%
Highly Skilled	24.7%	22.5%	18.6%
Semi-Skilled	31.4%	28.6%	29.1%
Unskilled	9.4%	12.4%	16.8%

67. What is the average hourly wage in your company (excluding benefits) for:

	Professional Tech	Office Staff	Highly Skilled	Semi- Skilled	Unskilled
Under \$6.00	--	--	--	--	--
\$6.00 - 7.99	--	--	--	3	4
\$8.00 - 9.99	--	2	3	5	9
\$10.00 - 11.99	2	6	--	3	5
\$12.00 - 13.99	1	6	6	7	5
\$14.00 - 15.99	4	11	4	10	1
\$16.00 - 17.99	2	4	7	5	--
\$18.00 - 19.99	1	--	3	2	1
\$20.00 - 24.99	3	8	8	5	2
\$25.00 - 29.99	6	2	3	5	--
\$30.00 - 34.99	4	--	3	1	--
\$35.00 - 39.99	4	--	1	--	--
\$40.00 - 44.99	4	--	2	--	--
\$45.00 and Over	4	--	1	--	--
Average Wage	\$28.66	\$15.18	\$20.91	\$15.59	\$10.90
Mean Wage	\$25.00	\$14.00	\$19.00	\$15.00	\$10.00
Last five areas studied - average wage	\$26.38	\$14.00	\$20.00	\$12.03	\$9.61
<b>2002 - Average Wage</b>	<b>\$20.38</b>	<b>\$12.59</b>	<b>\$15.94</b>	<b>\$11.72</b>	<b>\$9.80</b>
<b>2002 vs current % of increase</b>	<b>41%</b>	<b>21%</b>	<b>31%</b>	<b>33%</b>	<b>11%</b>

68. Do the majority of your employees need skills training to perform at the required level?		2002	Composite
Yes	59	85.5%	83.3%
No	10	14.5%	16.7%

69. Does your firm require all workers to have a high school diploma or equivalent?		2002	Composite
Yes	35	47.9%	61.8%
No	38	52.1%	38.2%

70. What percent of your employees reside within this county?		2002	Composite
Less than 40%	8	11.3%	16.7%
40% to 49%	1	1.4%	1.9%
50% to 59%	13	18.3%	11.1%
60% to 69%	12	16.9%	9.3%
70% to 79%	8	11.3%	9.3%
80% to 89%	11	15.5%	11.1%
90% to 99%	4	5.6%	20.4%
100%	14	19.7%	20.4%

Overall workforce living in the county based on executives responding to questions 56 and 70 65.7%

## VII. LABOR AND MANPOWER MATTERS

				2002	Composite
71. What percent of your employees, on the average, retire annually?					
	0%	34	47.2%	55.4%	62.1%
	Less than 3%	32	44.4%	41.1%	33.9%
	3% to 5%	4	5.6%	3.6%	2.5%
	6% to 10%	2	2.8%	--	1.4%
	11% to 25%	--	--	--	--
	Over 25%	--	--	--	--
72. What is your total employee turnover rate, on the average, annually?					
	0%	14	19.4%	19.6%	21.9%
	Less than 3%	22	30.6%	28.6%	28.1%
	3% to 5%	15	20.8%	16.1%	14.4%
	6% to 10%	11	15.3%	17.9%	14.0%
	11% to 25%	6	8.3%	8.9%	13.3%
	Over 25%	4	5.6%	8.9%	8.3%
73. What percent of your new employees leave within the first six months?					
	0%	19	27.1%	30.4%	33.2%
	Less than 3%	29	41.4%	35.7%	33.9%
	3% to 5%	5	7.1%	10.7%	6.2%
	6% to 10%	10	14.3%	8.9%	8.0%
	11% to 25%	5	7.1%	7.1%	11.3%
	Over 25%	2	2.9%	7.1%	7.3%
74. What is the most common reason for employee turnover? (Respondents are asked to indicate all that apply. Percentages based on total responses.)					
	Executives Responding	66			
	Career change	8	12.1%	25.5%	27.5%
	College graduation	4	6.1%	5.9%	7.6%
	Job security	3	4.5%	5.9%	2.4%
	Other opportunity	30	45.5%	54.9%	53.0%
	Relocation, spouse/family	9	13.6%	15.7%	20.3%
	Retirement	13	19.7%	23.5%	15.5%
	Skills don't align	16	24.2%	19.6%	19.1%
	Wage/benefits	8	12.1%	9.8%	21.5%
	Terminated, performance	30	45.5%	37.3%	35.9%
	Terminated, work ethic	18	27.3%	27.5%	28.3%
75. Are replacement employees difficult to recruit?					
	Blue Collar:				
	Yes	33	47.1%	40.7%	42.6%
	No	33	47.1%	55.6%	39.6%
	Not Applicable	4	5.7%	3.7%	17.7%
	Office Support (hourly):				
	Yes	15	21.4%	18.9%	22.6%
	No	45	64.3%	67.9%	57.1%
	Not Applicable	10	14.3%	13.2%	20.3%
	Professional/Technical:				
	Yes	42	60.0%	37.7%	46.6%
	No	17	24.3%	39.6%	26.5%
	Not Applicable	11	15.7%	22.6%	26.9%

## VII. LABOR AND MANPOWER MATTERS

76. How do the following effect your recruiting?

	Positive	Negative	No Effect
① Quality of Life	35	3	16
④ Cost of Living	23	8	22
Climate	6	24	22
Housing Costs	15	9	25
Available Housing	12	8	29
Personal Taxes	4	18	23
② K-12 Education System	22	1	23
③ Area Technical College	20	1	25
Transportation	8	7	28
Other*	--	--	9

77. How do you obtain replacement employees?

	Best	Also Used
Word of Mouth	39	20
Newspaper	10	35
Internet	6	21
Private Services	2	22
Job Service	7	27
Storefront Sign	--	5
Area Tech College	1	20
University/College	--	19
Other*	3	4

78. Are you familiar with "jobs development program/training programs" sponsored by county, state, or federal government?

	2002	Composite
Yes	40 58.0%	69.8% 46.1%
No	29 42.0%	30.2% 53.9%

79. Please give your perception of the following.

	Useful	Not useful	No opinion
Job Center	24	1	25
WI Mfg. Outreach Center	4	4	39
WI Mfg. Extension Partnership	2	3	43
Technical college	30	3	20
University	20	5	26
Apprenticeship	16	1	31
School -to-Work	7	5	36

80. Is your investment in employee training programs:

Increasing	41	57.7%	53.8%
Decreasing	3	4.2%	1.9%
No change	27	38.0%	44.2%

81. Approximately what percent of annual sales does the company invest in training?

0%	4	8.2%	5.7%	15.5%
0.1% to 3%	38	77.6%	57.1%	52.7%
3.1% to 5%	7	14.3%	20.0%	19.3%
5.1% to 10%	--	--	14.3%	8.2%
10.1% to 15%	--	--	--	1.0%
Over 15%	--	--	2.9%	3.4%

## VII. LABOR AND MANPOWER MATTERS

82. Is the number of unfilled positions in your company:				2002	Composite
	Increasing	7	10.1%	13.0%	13.8%
	Decreasing	6	8.7%	13.0%	5.6%
	No change	56	81.2%	73.9%	80.6%

83. What new training programs would you like to have offered by area technical college(s) to meet your changing needs?

- 2 - Driver training; Truck Driving
- 2 - Electrical/Maintenance; Electrical/Mechanical (Industries)
- 2 - Machinist Training
- 2 - Truck mechanic; Heavy Duty Truck Mechanic
- Auto body painting
- Aviation Electronics
- Computer training
- Contract negotiations. Science of bidding proposals.
- Diesel tech
- Electronics
- Engineering
- Human Resources
- Mid-level management, Plant supervisor
- MSHA Training
- Possible class in steam boiler operation
- Programs tailored to meet demands of a rotating shift schedule.
- RS Logic
- Skilled crafts training with unions
- They do a good job in HVAC training.
- Welding (pipeline/ARC)

84. Does your firm have a union?				2002	Composite
	Yes	20	28.6%	36.4%	7.9%
	No	50	71.4%	63.6%	92.1%

85. If Yes, what percent of your work force is unionized?					
	Less than 10%	--	--		
	10% to 25%	--	--		
	25% to 50%	1	4.8%		
	50% to 75%	6	28.6%		
	More than 75%	14	66.7%		

Overall workforce unionized based on executives responding to questions 56, 84, and, if 84 = Yes, 85.	25.4%	31.8%
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## VIII. ASSESSMENT OF GOVERNMENT RELATIONS, REGULATIONS, AND SERVICES

				2002	Composite
86.	Is the water pressure and supply provided to your building adequate?				
	Yes	68	97.1%	94.2%	96.0%
	No	2	2.9%	5.8%	4.0%
87.	Are you satisfied with the storm water drainage and sanitary sewer services provided by your local government to your site?				
	Yes	49	73.1%	86.5%	91.4%
	No	18	26.9%	13.5%	8.6%
88.	Are voice lines provided by the local phone company adequate for your business communication needs?				
	Yes	68	94.4%	98.2%	92.2%
	No	4	5.6%	1.8%	7.8%
89.	Is broadband or high-speed Internet service provided in your area adequate for your business communication needs?				
	Yes	65	90.3%	87.0%	80.6%
	No	7	9.7%	3.7%	12.0%
	Not applicable	--	--	9.3%	7.4%
90.	Are wireless communication services provided in your area adequate for your business needs?				
	Yes	51	70.8%	85.2%	53.5%
	No	12	16.7%	7.4%	28.0%
	Not applicable	9	12.5%	7.4%	18.5%
91.	Is waste disposal a problem at your local site?				
	Solid: Yes	5	7.0%	9.1%	9.4%
	No	63	88.7%	90.9%	84.0%
	Not Applicable	3	4.2%	--	6.6%
	Liquid: Yes	4	6.1%	3.7%	5.3%
	No	48	72.7%	81.5%	75.1%
	Not Applicable	14	21.2%	14.8%	19.6%
	Hazardous: Yes	3	4.5%	9.3%	5.7%
	No	45	67.2%	68.5%	62.0%
	Not Applicable	19	28.4%	22.2%	32.3%
92.	Has your facility been the target of vandalism or burglary within the last twelve months?				
	Yes	31	43.7%	34.5%	18.5%
	No	40	56.3%	65.5%	81.5%
93.	Have you or any of your employees been the victim of a crime (i.e., mugging) within a quarter mile of your facility during the past twelve months?				
	Yes	4	5.7%	5.5%	6.4%
	No	66	94.3%	94.5%	93.6%
94.	Do you feel that local law enforcement agencies are doing all they can to protect your employees/property?				
	Yes	62	88.6%	94.2%	92.2%
	No	8	11.4%	5.8%	7.8%
95.	Are you satisfied with the present configuration of traffic lights, one-way streets, and stop signs in the area?				
	Yes	51	76.1%	76.9%	81.0%
	No	16	23.9%	23.1%	19.0%

## VIII. ASSESSMENT OF GOVERNMENT RELATIONS, REGULATIONS, AND SERVICES

96. If No, what would you like to see changed?

3 - Winter & Hammond

A stop light at Winter & Tower Avenue

Better access to Hammond Avenue

Bring Hammond Avenue back to 2 lanes each direction

Coordinate stop light timing

Fence on 3rd St. obstruction of vision

Intersection yield signs in residential areas of Superior

Lights at Belknap & Tower suck. Eliminate through truck traffic on Belknap.

More truck routes

Need a traffic light at the Hwy. 53 access to Blatnick

Rail crossing on Stinson Ave at the west rail

Time the stop lights to keep traffic flowing!!!!!!

Traffic lights coordinated so it doesn't take 20 minutes to get through town (mostly Tower Avenue)

Truck access very dangerous off Hwy 53 into our plant

				2002	Composite
97. Do you feel that local fire protection capabilities are satisfactory for your needs?	Yes	70	100.0%	94.5%	97.5%
	No	--	--	5.5%	2.5%
98. Are there serious potholes in the pavement near to your facility?	Yes	29	40.3%	30.9%	13.0%
	No	43	59.7%	69.1%	87.0%
99. Do you experience flash flooding on nearby streets?	Yes	11	15.5%	16.1%	17.3%
	No	60	84.5%	83.9%	82.7%
100. Is snow removal adequate on the streets near your facility?	Yes	61	85.9%	78.2%	89.9%
	No	10	14.1%	21.8%	10.1%
101. Are the streets near your facility cleaned regularly?	Yes	41	59.4%	57.4%	87.4%
	No	28	40.6%	42.6%	12.6%
102. Do you feel code enforcement efforts are being adequately and evenly applied?	Yes	48	72.7%	78.8%	87.0%
	No	18	27.3%	21.2%	13.0%
103. Is public transportation available for your employees?	Yes	38	57.6%	59.3%	16.8%
	No	28	42.4%	40.7%	83.2%
104. If No, do you want it?	Yes	6	25.0%	20.0%	15.2%
	No	18	75.0%	80.0%	84.8%
105. What percent of your employees use the following means of transportation to get to work?	Car	92.4%		96.1%	
	Car Pool	2.3%		0.9%	
	Bus/Public Transportation	1.1%		1.0%	
	Walk / Bicycle	3.3%		1.9%	
	Motor Cycle / Snow Mobile / AT	0.9%		0.1%	
	Other*	--		--	

## VIII. ASSESSMENT OF GOVERNMENT RELATIONS, REGULATIONS, AND SERVICES

106. Which of the following means of transportation are regularly used for business purposes?

Executives Responding		70		2002	Composite
Air Travel to /from Duluth Superior International Airport	38	54.3%		47.3%	
Air Travel to /from RI Bong Airport	4	5.7%		7.3%	
Air Travel to /from St. Paul International Airport	22	31.4%		23.6%	
Bus	1	1.4%		--	
Amtrak (Rail)	--	--		--	
Personal Auto	59	84.3%		85.5%	
Company Auto	49	70.0%		81.8%	
Other*	1	1.4%		--	

107. What is your perception of the following financing options?

Program	Useful	Not Useful	No Opinion
Local Lending Institutions	53	1	9
Targeted Jobs Tax credit	11	9	31
Small Bus. Admin. Financing	11	9	29
Industrial Revenue bonds	5	8	35
County/City Revolving Loan Fund	5	5	38
Tax Incremental Financing	10	5	32
WI Housing & Econ. Dev. Authority	7	4	37

108. What is your perception of the following organizations?

Program	Useful	Not Useful	No Opinion
Chamber of Commerce	34	17	17
Development Association	53	3	14
Business Improvement District	27	12	25
APEX	14	4	34

109. How would you rate local municipal economic development efforts?

			2002	Composite
Excellent	12	16.7%	10.7%	6.3%
Good	31	43.1%	37.5%	34.9%
Fair	16	22.2%	23.2%	26.8%
Poor	6	8.3%	17.9%	18.0%
No Opinion	7	9.7%	10.7%	14.1%
			--	

110. How could these efforts be improved to better meet the needs of your company?

- 5 - Bring in more industries into the area (3); More manufacturing; Bring more businesses in with ability to share the tax burden
- 2 - More communication; Information to Businesses - Orientations for local businesses
- Clean up this end of town - it's literally falling apart
- Community education
- Concentration on business with living wage jobs
- Develop existing companies, not recruit competitors--Action, not words
- Efforts are adequate now
- Happy with economic efforts
- Improve intermodal transportation options
- Local support: City does not even try to use our products.
- Low cost sites for future development
- Marketing
- Pay more attention to smaller businesses
- Residential housing construction opportunities
- Run advertising out of the area targeting skilled workers who would want to live here
- Understanding opportunities for supply stream
- Worked with BID

## VIII. ASSESSMENT OF GOVERNMENT RELATIONS, REGULATIONS, AND SERVICES

111. What is your opinion of the following?

	Satisfied	Dis-satisfied	No Opinion	Doesn't Apply
Planning Commission	22	3	39	5
Board of Zoning Appeals	13	4	45	7
Municipal Engineering Staff	16	3	40	10
Municipal Assessor's Staff	11	4	45	9
Health Inspector	12	-	46	11
Building Inspector	24	5	32	8
Fire Inspector	39	6	20	4
Public Works Department	31	5	26	7
City Administrator	20	3	37	9
County Administrator	14	1	46	8
Police Department	52	4	11	2
Fire Department	56	2	10	1
Elected Officials	26	10	29	4

112. Overall, what is your opinion of local government in this community?

			2002	Composite
Excellent	9	12.9%	1.9%	11.2%
Good	33	47.1%	41.5%	54.5%
Fair	17	24.3%	22.6%	23.8%
Poor	7	10.0%	28.3%	6.3%
No Opinion	4	5.7%	5.7%	4.2%

113. What improvements would you recommend?

- Be fair and treat everyone equally - Government takes care of their buddies
- Better streets
- City sewer
- Clean up the downtown. Do something with the Mariner Mall.
- Competent oversight
- Finding committed people who are proactive & progressive to run for office
- Focus on local economy. Develop Superior to attract people to the area.
- Get together as a team. Look to improve community. Bring yourselves into the 21st century.
- Improve street conditions
- Less regulation and unreasonable enforcement
- Property tax assessments
- Pursue more small business
- Quit charging new fees and live within tax structure
- Reduce size of County government. Continue City/County cost sharing
- Snow removal on sidewalks
- Some issues with County ordinance - 50% of value of existing building as maximum amount allowed for expansion
- Try to improve business climate
- Vote out environmental extremists. Use common sense.

## IX. FINANCIAL MATTERS

				2002	Composite
114.	Are your firm's gross sales:				
	Increasing	41	56.2%	61.1%	58%
	Decreasing	7	9.6%	9.3%	11%
	Stable	25	34.2%	29.6%	32%
115.	What percent of the company's annual sales are dedicated to research and development?				
	None	22	31.9%	27.3%	46%
	Less than 5%	35	50.7%	52.7%	33%
	5% - 10%	9	13.0%	14.5%	14%
	10% - 20%	1	1.4%	5.5%	5%
	Over 20%	2	2.9%	-	1%
116.	How would your firm pay for or finance technological innovations, expansions, and modernizations? (Executives are asked to indicate all that apply. Percentages are based on multiple responses.)				
	Executives Responding	69		52	
	Conventional Financing	42	60.9%	57.7%	
	Federal/State Programs	13	18.8%	9.6%	
	Through Parent Company	18	26.1%	25.0%	
	Venture Capital	-	-	3.8%	
	Cash Flow	44	63.8%	51.9%	
	Industrial Revenue Bonds (IRB)	2	2.9%	3.8%	
	Small Business Administration (SBA)	3	4.3%	7.7%	
	Tax Incremental Financing (TIF)	7	10.1%	1.9%	
	Other*	2	2.9%	3.8%	
117.	What are the most important factors, if any, negatively impacting your company's present financial condition? (Rank up to four: 1 = Most Important, etc.)				
		Rated 1	Rated 2	Rated 3	Rated 4
	Labor Quality	5	3	4	2
	Labor Supply	2	5	1	3
	(4) Transportation	5	7	5	2
	Interest Rates	1	2	2	3
	(1) Energy Costs	21	15	6	4
	(3) Material Costs	8	8	8	6
	Local Property Taxes	1	4	5	6
	State Corporate Income Taxes	-	1	2	4
	Federal Corporate Income Taxes	-	-	2	3
	(2) Market Condition/Economy	19	8	9	4
	(5) Employee Wage/Benefits	4	6	9	4
	Property/Liability Ins. Costs	-	2	6	6
	Other*	2	4	1	-
118.	Where is your company's primary banking institution?				
	Local	49	68.1%	69.6%	76%
	Elsewhere in Wisconsin	2	2.8%	3.6%	13%
	Out of State*	19	26.4%	26.8%	11%
	Out of U.S.*	2	2.8%	-	0%

## X. ENERGY MATTERS

2002	Composite
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119. Do you anticipate a change in utility needs at your facility in the next three years?

Program	Increase	Decrease	No Change
Oil	1	3	36
Natural Gas	11	6	44
Propane Gas	2	1	37
Electricity	26	2	38
Water	11	2	51
Sewer	8	2	47
Voice Lines	23	1	39
High-speed Internet Lines	22	-	41
Wireless Service	16	1	41

120. Do you have an energy back-up system?

Yes	14	19.7%
No	57	80.3%

16.4%	22.7%
83.6%	77.3%
3.6%	
96.4%	

121. Have you experienced any difficulties in working with local utilities?

Yes	6	8.5%
No	65	91.5%

3.6%
96.4%

122. Comments regarding utilities:

Positive:

East Central Energy tries whenever possible to schedule shut downs around our lunch time or after working hours

Excellent

Excellent providers

Excellent service. Excellent response time. We are very grateful.

Good to work with

Have been helpful & responsive

MP/SWL&P very good to work with

Quick response time when needed

Satisfied

SWL&P has generally been excellent to work with on expansion

Very useful when phone or electrical is down

Miscellaneous:

Expensive

Issue with costs involved in relocating transformers

Slow to respond

Sometimes a little slow

Would like City sewer

## XI. COMMUNITY LINKAGE

				2002	Composite
123.	Is your firm a member of the Area Chamber of Commerce?				
		Yes	35 47.9%	59.3%	74.4%
		No	38 52.1%	40.7%	25.6%
124.	Is your firm a member of any other business organization in the local area?				
		Yes	49 67.1%	55.4%	44.9%
		No	24 32.9%	44.6%	55.1%
125.	Are you interested in participating in community organizations?				
		Yes	35 57.4%	63.8%	
		No	26 42.6%	36.2%	
126.	Where is your residence?				
		Local/County	45 61.6%	75.0%	
		Elsewhere in Wisconsin	1 1.4%	-	
		Outside Wisconsin*	27 37.0%	25.0%	
		Outside United States*	-- --	--	

## XII. OVERALL IMPRESSIONS

2002	Composite
7.1%	25.6%
44.6%	50.2%
37.5%	19.5%
8.9%	4.1%
1.8%	0.7%

127. What is your overall opinion of the local community as a place in which to do business?

Excellent	21	30.0%
Good	35	50.0%
Fair	11	15.7%
Poor	3	4.3%
No Opinion	--	--

128. What do you see as positive?

- 8 - Quality of the workforce; Quality of our employees; Great work force (employees); Good work force; Good hard working people; Skilled people; Superior is a very nice place to live; low crime rate
- 6 - Local support; Local customers; Local customers; Strong local support - Community/civic minded; People like to stay local; Supportive customers
- 5 - City Admin; Good city government; Andy Lisak & NBC; Business friendly government; Improving community leadership
- 5 - People (4); Good people to work with and for
- 5 - Quality of life (2); Great place to raise a family; Safe, clean, beautiful; Quality of life/community
- 3 - Location
  - Affordable housing
  - Building improvements, some
  - Buildings & local landlords
  - Business climate, overall state attitude.
  - Colleges
  - Diversity of services
  - Easy to do business with existing businesses
  - Economic/Business Development
  - Good work brings back customers
  - Increase shipping on Lake Superior
  - It's a small community
  - Local folks very proactive
  - Mayor Ross leadership is appreciated
  - Nice size town - No rush hour
  - Police & Fire departments
  - Port access
  - Possible expansion of Murphy Oil
  - Real estate costs
  - Rent costs
  - Superior, WI is much easier to work with for business expansion compared to Minnesota
  - Supplies (local)
  - The community is open to development
  - The support from BID great
  - Trucking companies are here

129. What do you see as negative?

- 5 - Taxes (3); High taxes; Property taxes, stormwater tax
- 5 - Regulation; Unreasonable regulation, high fees; Environmental regulations; Regulators; Red tape to do business
- 4 - Local government (2); Local government - lack of interest in existing businesses; Elected officials
- 2 - Climate; Weather from the lake
  - Appreciate and recognize existing business and keep them.
  - Blight
  - Community attitude toward progress
  - Condition of the downtown community - looks rundown and old
  - Could use more industry

(Continued)

## XII. OVERALL IMPRESSIONS

- Crime
- Entrances into Superior could be improved
- Environmental activists involvement in County government
- Everyone wants something for nothing
- Facility access by truck
- General negative attitude of the people
- Government fees and taxes
- High costs - energy, housing, transportation
- Issues with the fire department much better lately
- Labor unions
- Lack of space
- Limited services
- Limited space
- Limited work force
- Local attitudes
- Newspaper - Telegram.
- Not enough manufacturers
- Not enough new business
- Perception of area
- Poor relationship with City and utilities influenced our decision to build a new plant outside of Superior
- Pressure on workforce availability
- Superior being "second chair" to Duluth (local perception)
- Think positive!
- Too much free services to non-workers.

130. What is your opinion of the State of Wisconsin as a place in which to do business?

Excellent	8	11.4%	3.6%	13.9%
Good	36	51.4%	61.8%	47.3%
Fair	18	25.7%	27.3%	29.3%
Poor	5	7.1%	1.8%	6.5%
No Opinion	3	4.3%	5.5%	3.1%

131. Over the past few years, would you say that as a place to do business, Wisconsin has gotten:

Better	7	10.0%	18.2%	13.7%
Worse	11	15.7%	21.8%	28.7%
Stayed the Same	47	67.1%	47.3%	48.5%
No Opinion	5	7.1%	12.7%	9.2%

132. Thinking about Wisconsin as a place to do business in the next few years, do you expect it to get:

Better	17	24.6%	24.1%	31.1%
Worse	11	15.9%	13.0%	19.9%
Stay the Same	37	53.6%	53.7%	40.9%
No Opinion	4	5.8%	9.3%	8.0%

133. How do you think Wisconsin can become more pro-business in the next three to five years?

- 13- Lower property taxes (2); Lower/reduce taxes (5); Reforms needed in tax levies on businesses.  
Tax breaks to small business; Tax credit; Cut all areas of taxes; Tax breaks for small businesses;  
Control taxes
- 3 - Less regulation; Quit taxing business with fees/more regulations; Less government restrictions in our industry
- 2 - Workman's comp, lower; Control workman's comp  
Better work force  
Bring in more businesses that will employ/support our college graduates  
Do what's necessary to increase the economy

(Continued)

## XII. OVERALL IMPRESSIONS

Educate public about jobs  
Elect more conservative leaders  
Encourage business, not put up road blocks  
Fuel prices  
Get existing government people off their butts and do their jobs  
Going green, smoke free establishments  
Government needs to provide open support at all levels  
Include northern Wisconsin more often. Northern WI often forgotten  
Insurance rates, control  
More involvement with small business  
More support from Madison  
New government  
Speed up permitting process  
Support of deregulated utilities  
Vote out Doyle (anti-business)

134. What are the key issues facing your firm in the next three to five years?

- 15 - Labor; Employees; Labor market; Labor shortage and quality; New employees; Qualified employees; Finding enough skilled labor for our industry; Getting employees who have the knowledge & skills required; Attracting professional staff; Finding enough qualified employees; Qualified machinists; Quality of trades people; Retirements - quality personnel replacement; Skilled workforce to fill in for baby boomers retirement; Labor - retirement
- 11 - Fuel costs/prices (5); Stable fuel prices, freight; Transportation costs/rates (3)  
Airline fuel prices; Mildest oil demand
- 8 - Health care costs (3); Health insurance benefits; Increase in long-term care; Insurance prices; State health & social security reorganization; Need for healthcare
- 7 - Economy (2); Building economy; General economy - logging, construction markets; Economics in Douglas County need to improve; Economies in energy markets, new product development; Overall business climate
- 6 - Energy costs; Energy & supply chain costs -- Open competition; Energy - Product
- 4 - Government regulations (3); Federal clean fuels regulations
- 4 - Growth (2); Financing Growth; Handle significant growth
- 4 - Expansion (3); Space
- 3 - Raw material costs; Construction material costs
- 3 - Taxes (2); Taxation
- 2 - Energy cost; Cost of utilities
- 2 - Retirement; Succession
- Building condition
- Cash flow
- Client budget cuts - lack of work
- Competing globally, creating a global market presence & meeting corp. objectives
- Competition
- Consolidation
- Decrease in residential construction
- DNR
- Equipment
- Financial solvency
- Finding property
- Housing crisis, recovery of
- Interest Rates
- Job shortages
- Legacy issues
- Needing to spend more on truck, trailers & garages
- Operating costs (taxes, water & light, fuel)

(Continued)

## XII. OVERALL IMPRESSIONS

2002	Composite
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- Paying off debt
- Price of wholesale electricity, renewable energy mandates
- Raw material supply
- Recycling, establish markets that are affordable.
- Technology changes
- Transportation
- Transportation vessels
- Wages & benefits

135. What is your overall opinion of the State of Wisconsin Department of Commerce?

Excellent	2	2.9%	3.8%	1.8%
Good	25	36.8%	28.3%	32.5%
Fair	12	17.6%	18.9%	19.6%
Poor	1	1.5%	1.9%	4.6%
No Opinion	28	41.2%	47.2%	41.4%

136. What is your perception of the following Department of Commerce administered programs?

Program	Useful	Not Useful	No Opinion
Business Planning Assistance	5	6	48
Financing Programs	7	4	44
Labor Training Programs	11	4	39
Community Development Zones	13	3	38
Main Street Program	7	4	43
International Trade Program	4	4	44

137. What suggestions or recommendations do you have for working with the Wisconsin Dept. of Commerce?

- As a small business I have no idea of these programs or how to access them.
- Consider grant programs for demonstration projects not just infrastructure.
- Contact businesses
- Getting information to businesses
- Let us know what is available for help
- Never used them
- Recognize how the wrong focus can be a barrier to attracting new business or keeping existing. Rememnt it is not the Dept. of Rev. - it is suppose to assist in commerce not put up barriers to commerce.
- Think commerce

### XIII. ADDITIONAL DETAIL ON SELECT QUESTIONS

I.01 Where is your firm's corporate headquarters located?

Out of State

10 - Minnesota

Arkansas

Chicago, IL

Detroit, MI

Fargo, ND

Omaha, NE

Pittsburgh, PA

Out of United States

Calgary AB

Calgary, Alberta Canada

Paris France

Richmond, BC

I.03 Does your firm have multiple locations? Where?

Out of State

14 - Minnesota

5 - North Dakota

4 - Illinois

4 - South Dakota

3 - Indiana

3 - Iowa

3 - Nebraska

3 - Ohio

3 - Texas

2 - Arkansas

2 - Michigan

2 - Pennsylvania

2 - Virginia

Colorado

Florida

Kentucky

Louisiana

Missouri

New York

Utah

West Virginia

Out of United States

4 - Canada

Australia

China

Europe

Great Britain

Korea

Malaysia

I.07 What form of organization does your business have?

2 - Non-Profit

II.09 What percent of raw materials/supplies utilized by your business come from the following areas?

2 - China

4 - Canada

UK

Germany

Italy

Mexico

### XIII. ADDITIONAL DETAIL ON SELECT QUESTIONS

IV.22 What percent of your customers are located in the following areas?

2 - Canada

VI.44 Do you have plans to expand outside the state? Where?

Other US

Esko, MN

Minnesota

Virginia & Chisholm Minnesota

International

Latin America & China

VI.49 Do you have any plans to move all or part of your operation from this location? Where?

Other US

Virginia, Chisholm

International

No responses

VI.51 Do you have any plans to move all or part of your operation from this location? Why?

Retaining labor

Building was sold

Consolidate operations

Murphy Oil Expansion

Maybe moving to different city

VII.77 How do you obtain replacement employees?

Trade Publication

Radio

Union

Union

Trade Magazine/Billboards

VIII.106 Which of the following means of transportation are regularly used for business purposes?

Rental car

IX.116 How would your firm pay for or finance technological innovations, expansions, and modernizations?

Bonds

Anything that would work

IX.117 What are the most important factors, if any, negatively impacting your company's present financial condition?

Stormwater Utility Fee

NAFTA off shore manufacturing

Health insurance

Technology changes (wireless)

Tripled property tax

City induced fees

Consolidation

XI.126 Where is your residence?

Outside Wisconsin

25 - Minnesota

## ADDENDUM

A01. Are you experiencing any problems with the following regulatory areas? (Please indicate all that apply.)

Executives Responding	18	
Zoning/permits	3	16.7%
Environmental regulations/permits	12	66.7%
Other:	5	27.8%

A02. Are you familiar with the development activity (Minnesota Steel, Keewatin Taconite, Mesabi Nugget, Polymet, etc.) occurring on the Iron Range?

Yes	54	80.6%
No	13	19.4%

A03. Are there business development opportunities we should be pursuing related to those developments? If so, please list.

- Any business that is related
- Cement from us
- Currently working with them on a proposal
- Delegations to management & decision makers
- Heavy fabrication
- Infrastructure
- Product support operations
- Recruiting
- Supporting business and industry to local Douglas County
- Telecommunications equipment
- Will need improved heavy duty contractors that can support these businesses day-to-day. The contractor/mechanical firms will be outsourced if not available when needed.
- Yes, the use of treated wood
- No

A04. What is your opinion of the potential expansion of the Murphy Oil refinery in Superior?

Positive responses:

- 15 - Positive (3); Very positive (3); Positive - could possibly increase my business; Positive - we need this!; Positive - creating more jobs, need for housing, etc.; Positive for the community; Positive impact; Positive, there is probably no better place than Superior; It should happen and would positively impact Superior/Douglas County; It can change the face of Douglas County mostly positive if county is proactive; Very favorable. Please do all you can for this project - It would be a boost for us for the next 100 years.
- 11 - Great! (3); Great for area (2); Great - do it!; Great for the economy; Great - let's get started; Great - what can we do to make this happen?; Great for all - Superior, State & Federal; I think it would be greatly benefit the area. As a nation we cannot continue to rely on outdated refineries. ....concerned with the environment effect but feel with proper safeguards it will be protected.
- 9 - Good (3); Good for all; Should be a good thing for the City of Superior and surrounding area; It would be good for the area; It's a good thing; Would be good; A good opportunity for the community.
- 3 - Excellent; Excellent idea - do it; Excellent - area needs some big business with living wage benefits.
- 4 - Jobs; It will bring in new jobs - good for local economy; More jobs and good for the community; I think it has great potential for creating more jobs.
- 2 - Very supportive; I am supportive of a Murphy Oil Refinery expansion. Appropriate and timely Best thing that could happen for the twin ports if done correctly. I am for it. I hope it gets done. I hope the City/County leaders are doing everything possible to assist in all ways to make it happen. I think it is a wonderful opportunity for our community. It would give this area the economic boost it needs Let it happen. Be the first in 30 years and would help put Superior back on the map by being progressive. Let's break ground!

## ADDENDUM

Make it happen.

Possible business opportunities for testing.

Superior needs more business expansion to advance our tax base.

Support from both local & national needs. Best available technology can minimize environmental impact and economic impact is huge - will change our entire economy & government service capabilities.

This would be a boom to Douglas County and our business.

Concerns:

General environmental & health concerns

50-50 Good for the overall growth & tax base of the City. Not sure of the long term effect on such a large refinery.

Getting a little too close for comfort & potential security issues. Safety a major concern. Disruption of travel to/from work for employees.

25% chance or less.

It is likely to occur on a smaller scale than projected. It will create strains on existing businesses with wages driven up and cost of living increases.

Would strain the current job market

A05. Are there business development opportunities that we should explore if a refinery expansion does occur?

5 - Transport; More transportation; Rail transportation to Minneapolis/St. Paul; Truck routes - traffic patterns; Additional truck fleets

4 - Yes; Yes - send me all their printing; Yes, industry related to this and retail; Probably

3 - Housing developments with clusters of spec homes built with/to some community criteria; Housing, both short and long term would be in short supply; Good clean rentals or housing

3 - Continued diversity in manufacturing companies; Focus on manufacturing, not service - Service will occur automatically when manufacturing is in place; Help industry and attract QUALITY works from outside of the area.

All support operations

Anything Petroleum - Refinery related

Bookstore

Cabela's

Cement from us

Community upgrades

Daycares

Development plan for Mariner Mall

Increase speed limit in South Superior

Local contractors and suppliers would have to expand.

Should focus more "tech" side. More office space availability would help.

Use our natural resources to our advantage. Tourism is a positive and it does bring other higher paying jobs to community. Duluth has done a great job promoting that part of the community.

No

Don't believe so, could [bring business]

A06. What, if any, challenges do you think a refinery expansion would pose?

10 - Environmental issues/concerns (7); Environmental compliance; Environmental permitting and associated regulatory; Environmental whackos in droves

10 - Labor/workforce (4); Lack of labor force to fill positions; Shortage of available employees; Labor shortage could effect the overall City as the proposed expansion is so large - could impact labor rates for other small businesses; Manpower for all local businesses and a huge upward movement in wages; Increased wage base; Trained labor would be in short supply - especially in the trades.

9 - Housing (3); Housing needs during construction; Influx of people - Inadequate housing; Temporary housing; Available land/property to expand housing demand; Not enough housing in the area; Land/home costs above state averages (short term pain, possible long term gain).

(Continued)

## ADDENDUM

- 5 - Security/safety (4); Making an effort not to attract the criminal element
- 3 - Infrastructure; Infrastructure needs; Infrastructure strains
- 3 - Regulatory; Anything from the DNR; Pollution control
  - Area jobs
  - Airport logistics
  - Better roads, truck space
  - Business operating space
  - Maintaining our quality of life - keeping outdoor recreation areas intact
  - Schools
  - Smell in City
  - Transportation shortages for excising market, higher Traffic
- 3 - None (2); None that can't be satisfied if they pay their share of taxes.

A07. The General Mills facility in Poplar is for sale. Do you know of any businesses that would be interested in purchasing, leasing, or expanding into that facility? If yes, who:

- 11 - No
  - Field Logic
  - May like to get more information
  - I would need to know more

A08. Would you like some information about the General Mills facility?

Yes	7	12.3%
No	50	87.7%

A09. Would you like to receive information on the following? (Please indicate all that apply.)

Executives Responding	31	
Technical Assistance (feasibility studies, business plans, market studies, etc)	11	35.5%
Employee Recruitment	13	41.9%
Labor Training	14	45.2%
Fixed Asset Financing programs	10	32.3%
Working Capital Financing Programs	11	35.5%
Other:	1	3.2%

A10. With regard to sustainable ("green") approach to business operations...

Executives Responding	60	
The company has made "green" changes during the past five years	40	66.7%
The company anticipates making "green" changes next year	21	35.0%
The company is interested in identifying "green" changes	16	26.7%
The company currently has no interest in "green" approach	3	5.0%

A11. Are you familiar or have you had any contact with the Coalition for Eco-industrial Development?

Yes	5	7.8%
No	59	92.2%

A12. Are you aware of the Sustainable Twin Ports Early Adopters Project?

Yes	11	17.2%
No	53	82.8%

A13. Would you be interested in receiving more information about hiring offenders incarcerated at Gordon Correctional Center?

Yes	8	12.9%
No	54	87.1%

## ADDENDUM

A14. Please list any business needs that you have that have not already been addressed in this questionnaire?

City Sewer Snow Plowing Issue

Century Telephone - no competition - has monopoly.

Moccasin Mike landfill - my trucks get turned away for demo content so I dump them at WLSSD and they dump it there. That's stupid!

There are business opportunities related to transportation/logistic values of this area. We are able to support manufacturing threat and sell internationally.

We seem to be fairly self-sufficient....

Let us do our jobs.

Would like to see Veterans home with assisted living.

We need to keep property taxes down for businesses. It is hard to do business and expand with the unreasonable increases for what services are provided.

A15. Do you have any comments about the survey?

Great idea!

I hope that this feedback is useful & that we are able to grow the business in our community and fill some of the wonderful office space in our area.

I think it was a good idea.

It's fine!

Long

Some questions were not clear.

Storm Water Fee - we manage our own storm water. Should not be charged a fee \$2,893 for six months.

Thanks for asking.

Too many yes or no questions. As a whole, quite good.

Very interesting questions.

Would like information on 11 and 12.

# Douglas County

