
February 19, 2013
Economic Development

TITLE: INFORMATION REPORT ON BUSINESS RETENTION SURVEY

SUMMARY

Among the priority items identified by the City's Economic Vitality Committee was a survey of Pleasanton companies to better understand local business needs as a foundation for continued development of the city's commercial environment; this project was also included in the City Council's 2011-2012 Work Plan. This report shares with the City Council the final survey results and key findings.

RECOMMENDATION

Accept the information report presented by staff.

FINANCIAL STATEMENT

There is no financial impact associated with this update.

BACKGROUND

The City's Economic Vitality Committee (EVC) is tasked with advising the City Council on trends and issues related to the City's business community. In recent years, the EVC has developed several priority items based on the strategies identified in the City's Economic Development Strategic Plan and intended to provide ongoing enhancement of Pleasanton's commercial environment and support for local companies.

Among the recent EVC's priority items was a survey of Pleasanton companies to develop a better understanding of how the City can support and retain local businesses as well as augment the City's efforts to attract new firms. This project was shared with the City Council and included in the Council's 2011-2012 Work Plan.

DISCUSSION

Focus Groups

To assist in the development and implementation of the survey, and to ensure the survey would produce statistically valid results, JD Franz Research, Inc. was engaged to work with staff and the EVC to execute the project. Through initial discussions, it was determined the most valuable approach would be to conduct focus groups with representatives of local companies and then to build the survey based on the input received by the focus group participants as well as the EVC members.

Two business focus groups were hosted at Pleasanton-based Amplify Research in early 2012. The representatives were recruited using the City's business license listing and were from a variety of business types. One group included ten representatives of medium-sized companies (21 to 99 employees), and the second group included nine representatives of small-sized companies (fewer than 21 employees), as small to medium-sized companies represent more than 99% of the City's business population.

The focus groups explored such topics as reasons for locating in Pleasanton, assessment of Pleasanton as a place to do business; perspectives on conducting business in Pleasanton; intention to remain in Pleasanton; and what the City might do to help. Overall, the responses were very positive, with respondents indicating collective enthusiasm for doing business in Pleasanton. Where the respondents noted areas in which there could be improvement – including consistency in the information delivered by City staff and challenges in knowing the appropriate person or department to contact – they qualified these comments with acknowledgment of the quality of the programs and services provided by the City.

Telephone Survey

The feedback from the focus groups was used as a basis for development of the survey instruments. As in the focus groups, the survey explored topics related to doing business in Pleasanton and interaction with City staff and processes. During March and April 2012 a telephone survey was conducted with careful attention to reaching desired response rates as well as maintaining statistical validity.

Overall, Pleasanton businesses report being happy with their location, with nine in ten companies finding the community an excellent or good place to do business. In particular, they cited the city's central location, which provides access to the regional market, and friendly people, as businesses feel supported by the community. All of the ratings of the city as a business location are above the level of good. In addition, ratings of the city's infrastructure and services are generally good. With the sole exception of entertainment options, city amenities also rate highly especially for local schools and community events.

Challenges that emerged from the survey findings include a perception that the City has rules and regulations that make it somewhat difficult to do business and a sense that the City is in some way insufficiently connected to the local business community. Ratings show permit processing and business recruitment falling below the level of good, such that the City's Economic and Community Development Departments along with the EVC should consider how to improve these aspects. Notably, staff was consistently rated from good to high suggesting that the challenges may arise from the process. Specific issues noted in the survey were problematic telecommunications – particularly cellular service – and inadequate public transportation.

Online Survey

After receiving the results of the telephone survey, the EVC chose to provide additional opportunity for businesses to participate (during August and September 2012), understanding that such data would be less scientific and more qualitative. The online survey continued to explore topics related to doing business in Pleasanton and interaction with City staff and processes, although this survey instrument was amended to focus on gathering feedback in areas that warranted further exploration. Given the distribution channels of the online survey – primarily through Pleasanton business organizations – it is not considered statistically valid due to the small sample size and self-selected proportion of the city's business population. Nonetheless, the findings certainly do merit consideration within the context of the project.

Overall, ratings of the City's performance from the online surveys were lower for the areas of importance to local companies that were tested for. Noted as being important were visits to local businesses, offering a single point of contact at the City, promoting Pleasanton as a good place to do business, offering financial incentives to locate in Pleasanton, and providing a streamlined permitting process. Input from this survey also identified a particular emphasis on providing website content about business support programs, listings of business events, and City RFPs and bids.

When queried about the City's permitting process, desired outcomes included speeding the process up, limiting requirements (to the extent possible while maintaining the City's standards), and making the process less expensive. Importantly, however, the second most prominent response to this question was "nothing." Thus, the consultant has encouraged the City to ask this follow-up question in any future scientific telephone surveys.

To complete the project, JD Franz Research, Inc. prepared a report detailing the survey results, provided as Attachment 1.

Next steps

It is intended that this survey create a baseline of data points, and that periodic future surveys will be conducted to identify new and changing trends in the Pleasanton business community. This assists City Economic Development staff, the EVC, and local business organizations such as the Pleasanton Chamber of Commerce, the Pleasanton Downtown Association and Hacienda Owners Association in defining and developing business support programs and projects to further position Pleasanton as an excellent location in which to do business. For example, the EVC has outlined a series of articles to present the survey results – highlighting the positive aspects of doing business in Pleasanton and offering responses to how challenges are being addressed – and has also identified updates to the City’s website to outline the review and approval process for potential applicants. As importantly, the survey results will be used to inform the upcoming update to the City’s Economic Development Strategic Plan and other Work Plan items.

Submitted by:



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Approved by:



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Attachments:

1. Surveys of Business Executives Final Report – November 2012