

Business Retention and Expansion

What is it? What programs are there? Is it right for my community?

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Business retention and expansion (BR&E) began as a business visitation program in which community members would interview businesses, identify and prioritize action areas to support businesses, then establish and follow steps to accomplish those priority actions.

“BRE visitation is an intentional process in which communities organize individuals to visit local businesses to demonstrate appreciation and to survey them about their concerns and needs. The data are analyzed in order to respond both to individual business concerns as well as to address systemic issues affecting the community’s prospects for keeping and developing the businesses already existing in their community.”¹

Though this specific business visitation model remains powerful, business retention and expansion has always been characterized by general efforts that encourage the survival and growth of a community’s existing businesses. These general efforts include:

- providing technical training for new and existing employees
- providing management seminars for employers
- helping firms identify local sources of input supplies and materials
- establishing better school and workplace relations and fit

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Community collaboration in any of these areas can increase local employment opportunities, increase local wealth by reducing leakage from firms’ supply chains, and increase the competitive advantage of local firms.

What programs are available?

The following will explore two variations of BR&E: the classic business visitation program, and the industrial cluster retention and expansion program. The classic business visitation program involves forming a team, interviewing businesses, interpreting the responses, and developing goals and actions steps based on the responses.

The Texas A&M AgriLife Extension Service also supports the industrial cluster retention and expansion program. This variation combines the classic BR&E visitation program with modern data-driven industrial cluster support. There are two basic strategies for applying industry cluster data to a BR&E visitation program: (1) follow the classic BR&E steps which are to interview a sample of local businesses and then use the industry cluster data to help indicate which issues are most important; and (2) use the industry cluster data first to help you choose which businesses to interview. The first option has the benefit of interviewing businesses across industries. Thus, if there is an issue that does not affect businesses in the industrial cluster, this approach still enables the community to respond. The second option has the benefit of reducing the number of business interviews, thereby

reducing volunteer hours and cost. It also focuses the BR&E efforts on theoretically significant businesses that are likely to succeed in the community. Regardless of the approach, using data on local industrial clusters can help you apply BR&E principles to your community more efficiently—Texas A&M AgriLife Extension can help. The community can benefit from having an outside facilitator help with the prioritization process and with presenting secondary data and survey results. An outside facilitator is generally perceived as more neutral and can improve community buy-in.

Is it right for my community?

A BR&E program can benefit any community—regardless of locale, existing businesses are the engine of economic growth. Attracting new businesses is difficult if current enterprises are not happy with the business climate. The BR&E program has a built-in triage process through which taskforce leaders listen to local businesses to determine which types of efforts could provide the greatest returns. How a community prioritizes these efforts depends on the types of firms in your community, the competitive pressures they are facing, the nature of local public services, the area's tastes and preferences, and the quality of the labor force, among other factors.

Regardless of the BR&E approach you choose, the business climate of your community stands to benefit from efforts that:

- improve public relations with existing firms
- help firms solve problems
- help firms become more competitive
- develop action-based strategic plans for BR&E visitation
- build capacity for economic development

There are many community economic and business development programs—it is important to choose one that enhances your community's overall capacity at the same time. Business retention and expansion consistently shows that it has spillover effects that add to community capacity by:

- strengthening collaboration between local development agencies, governments, citizens, educators, and businesses
- improving local leaders' understanding of strengths and weaknesses in their community's business climate
- developing communication among businesses, leaders, and the community
- reinforcing linkages to regional, state, and federal development agencies and programs

Starting a business retention and expansion program in your community can put all these direct and indirect benefits within your reach.

References and acknowledgments

¹ Darger, Michael, Brigid Tuck, and John Bennett. 2017. "Lessons Learned from a Generation of Community-Driven Business Retention and Expansion Programming." *Community Development* 48 (2). Routledge: 207–24. doi:10.1080/15575330.2017.1284877.

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