

ECONOMIC DEVELOPMENT CORPORATION OF SOUTHWEST CALIFORNIA

Business Visitation Survey

Southwest Riverside County

2010-2011

A PROJECT OF THE EDC OF SOUTHWEST CALIFORNIA AND
RIVERSIDE COUNTY WORKFORCE INVESTMENT BOARD

Table of Contents

Acknowledgements	3
Executive Summary	4
Survey Methodology.....	5
Survey Responses	6
Describe Your Business.	6
When was the business established and how many locations?	7
Describe the state of your industry.....	7
Is the company offering new products or services?	8
Does the company export?.....	8
What are the advantages and disadvantages to the region?	9
Is the company green?	10
What primary issues are the facing the company?.....	11
Describe your facility and do you have plans to move?	12
How many employees does the company have?	13
Does the company plan to hire additional employees?	14
What occupation classification is anticipated to have the most growth in the next five years?.....	15
Has the company had any employee layoffs in the past year?	16
Will the company lay off employees this year?	17
What skills do vocational training programs not teach or need more emphasis?	18
Does the company provide its own employee training?	18
Does the company offer recruitment incentives?	19
Appendix.....	19

Acknowledgements

This Business Visitation Survey was conducted through the time and efforts of the Economic Development Corporation of Southwest California and its Board of Directors, the EDC Business Resource Team and EDC Technology Committee; the Cities of Lake Elsinore, Murrieta, Temecula and Wildomar; and the Temecula Valley Chamber of Commerce. Sponsorships were provided by Abbott Vascular, Mt. San Jacinto College, and the City of Temecula.

EDC of Southwest California Board of Directors

Aaron Adams, City of Temecula
Ann Burgner, Burgner and Rostant, Inc.
Billie Blair, Change Strategists, Inc.
Bob Brady, City of Lake Elsinore
Ken Carlisle, Abbott Vascular
Kim Joseph Cousins, Lake Elsinore Chamber
Dennis Frank, D.R. Frank & Associates
Rick Gibbs, City of Murrieta
Stan Harter, Law Offices of Reid and Hellyer
Gary Johnson, Granite Construction
Keith Johnson, Mission Oaks National Bank
O.B. Johnson, Continental Realty
Randon Lane, Southern California Gas Co.
Suzanne Lingold, Cal State San Marcos
Michelle Markstrom, Pechanga Dev. Corp.
Gary Nordquist, City of Wildomar
Rex Oliver, Murrieta Chamber of Commerce
Kim Page, Rabobank, N.A.
Roy Paulson, Paulson Manufacturing
Terry Pebley-Delhamer, Grubb-Ellis Company
David Phares, D.L. Phares & Associates
Greg Prudhomme, Prudhomme Associates CPA's
Roxanne Roundtree, Eastern Municipal Water
Kenneth Smith, Southwest Traders, Inc.
Mike Tylman, RBF Consulting
Viet Tran, Southern California Edison

Staff

Morris Myers, Executive Director
Nancy Obenberger, Operations Manager

Resource Team

Alice Sullivan, Temecula Valley Chamber of Commerce
Ann Burgner, Burgner & Rostant
Cathy Barrozo, City of Lake Elsinore
Christine Damko, City of Temecula
Kimberly Davidson, City of Murrieta
Lalli Guerriero, Lee and Associates
Larry Potter, Strachota Insurance
Nori Shaughn, Azusa Pacific University
Pete Palmer, Swenson Advisors
Phyllis Riesner, ESI Technology
Suzanne Lingold, Cal State San Marcos at Temecula
Tom DeMott, Embassy Suites
Vickie Ashmore, Mission Oaks National Bank

Technology Committee

Aaron Schneider, Helixstorm
Bruce Coleman, City of Murrieta
Catherine Rells, GTC Systems, Inc.
Diane Strand, JDS Media & Video Productions
Guy Reams, Conduit Networks
Jean Szetoo, Time Warner Cable
Tim Thorson, City of Temecula
Toby Soto, City of Lake Elsinore
Tom Aronson, City of Murrieta

Participating Groups and Individuals

Laurie McLaughlin, Mt. San Jacinto College
Sherrie Sawyer, Mt. San Jacinto College
Frank Salvo, Papa Paul's
Amelia Bowen, Conduit Networks
Interns, Temecula Valley High School and Mt. San Jacinto College

Executive Summary

The project presented to the Economic Development Corporation of Southwest California from the Riverside County Workforce Investment Board came when many local companies were coping with economic challenges that have not been experienced before. Undertaking the project would require finesse and persistence in reaching the desired results.

The outcomes show the companies in the region and their executives are generally optimistic about the prospects and opportunities for the future. The responses reveal that all are generally pleased with living and working in Southwest Riverside County. Weather, quality of life, schools, housing prices, and a centralized location are thought to be some of the biggest advantages to the area.

Most significant to the EDC was the ability to have contact with businesses of the region. Efforts to solicit invitations for site visits are complex, and the ability to facilitate a concerted effort multiplied the number of visits normally conducted. The Southwest California region has long looked for a source of categorizing and inventorying the innovative asset companies. The region has recently opened its own portal on the Connectory.com to showcase the business profiles collected during the survey. To date 422 companies are profiled on the site and an additional 250 are ready to be activated.

Apparent relief to rising unemployment is near; 98% of business owners stated that they have no plans to lay off employees this year. In fact, 65% stated that it is likely that they will be hiring employees in the next 12 months. This is an encouraging development in the economic recovery of the region. More encouraging news is that 85% of surveyed businesses are either growing or stable.

Of concern is that more companies feel that over-regulation by county and local government is a greater impediment to their business than a slow economy, yet the sluggish economy still scored high. Exports by manufacturing companies unhappily scored low.

The number of companies that have no plans to relocate from the region is a positive indication of the strength of our local economy. Regionally the schools score above average, and a host of secondary education institutions will lead to a better educated and higher income population that will ensure a sound future for the region.



Survey Methodology

The Economic Development Corporation of Southwest California conducted a Business Visitation Survey of companies located in the Southwest Riverside County region, focusing particularly on Temecula and Lake Elsinore, but including Menifee, Murrieta, and Wildomar.

The intention of the survey was to gather information that will be valuable in helping retain and expand existing businesses while determining the need for lay-off aversion responses to at-risk businesses.

The information garnered will be invaluable to all economic development stakeholders allowing greater understanding of the intricacies of individual businesses while applying that understanding to entire industries.

The 23 question survey, which included seven questions specific to lay-off aversion, skill sets and training, focused on the dynamics within a company's core industry while relating that information back to a company's own trends and experience.

The EDC Resource Team, with the assistance of the economic development departments of the cities of Lake Elsinore and Temecula, and student volunteers spent a month at Mt. San Jacinto College in Temecula where a classroom with computers and telephones was provided to create a Call Center. This group identified NAICS codes from the manufacturing sector; professional, scientific, and technical services; management; transportation and warehousing; and finance and insurance as the specific area to pursue. One thousand five hundred sixteen companies were identified as targets of the project. Of this number, 742 had information collected and were invited to participate in the survey and site visits. One hundred seven companies responded positively and site visits were conducted. To put this into perspective, of the total number, contact has been made with 49% and 14.4% of the total were visited. In addition, a portal for the Southwest Riverside County region has been established on the Connectory.com and through a continuing process these companies are having their profiles made a part of the database.

Funding for the project was provided through a grant with the Riverside County Economic Development Agency and Riverside County Workforce Investment Board and in collaboration with Mt. San Jacinto College, and the economic development departments of Lake Elsinore, Murrieta, and Temecula.

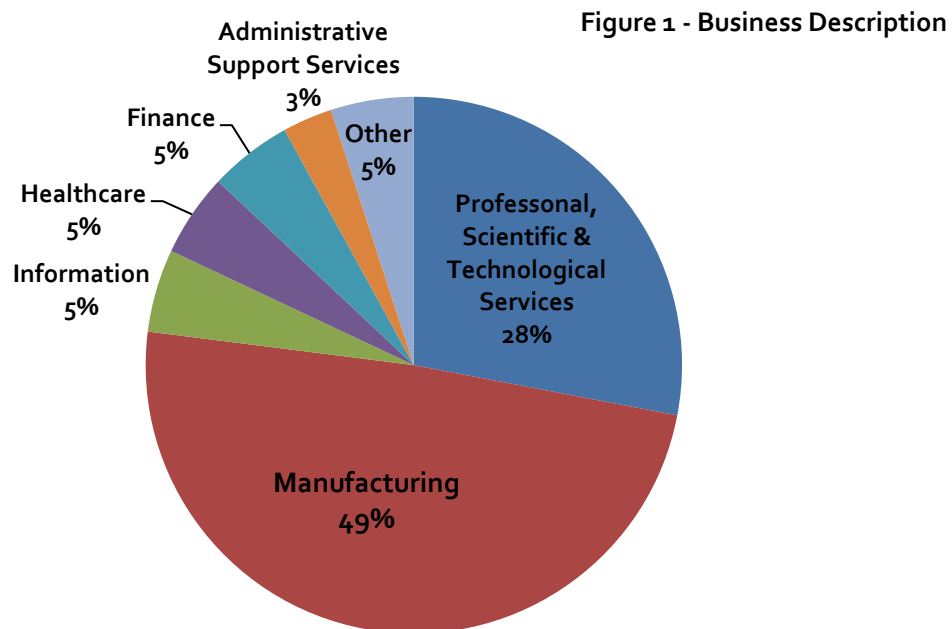


Survey Responses

Describe Your Business.

Site visitations and survey respondents represented a variety of businesses and industries in the region. In terms of size and scope of business, the participants represented small, medium and large size entities, thus creating breadth to the survey and giving more credibility to the results.

The Manufacturing Sector accounted for the largest number of visitations at 49%. The Professional, Scientific and Technical Services category was next at 28%. Finance, Healthcare and Information each comprised 5% of the participants, while Administrative and Support Services were 3%. Other sectors accounted for an additional 5% of the results.

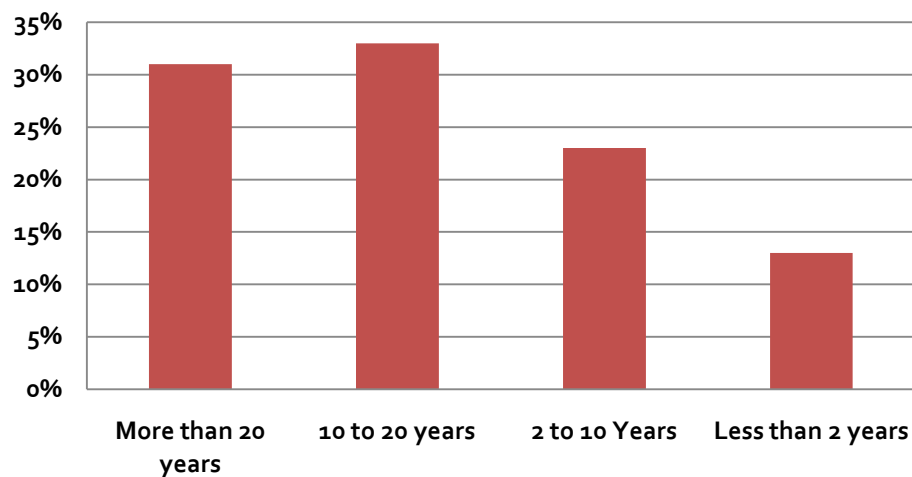


When was the business established and how many locations?

Site Visit and Survey respondents were generally established companies with 32% being in business 20 years or more; 34% were between 10 years and 20 years; 27% had been in business 2 years to 10 years; and only 11% were in business 2 years or less.

Additionally, 10% have more than one location.

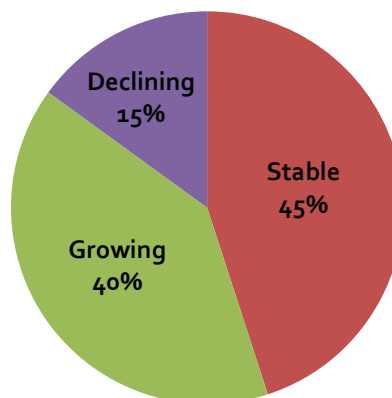
Figure 2 - Length of Time Established



Describe the state of your industry.

Of the largest percentage of companies visited, 45% characterized their industries as stable; 40% identified their industries as growing; and the smallest percentage, 15%, described their industries as declining.

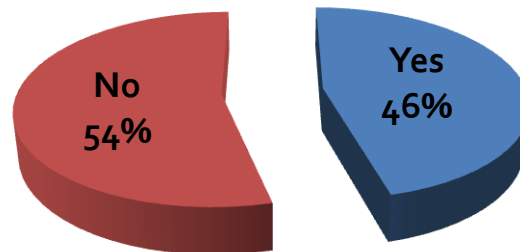
Figure 3 - Status of Industry



Is the company offering new products or services?

Of the survey respondents 46% are offering new products or services, whereas 53% are not.

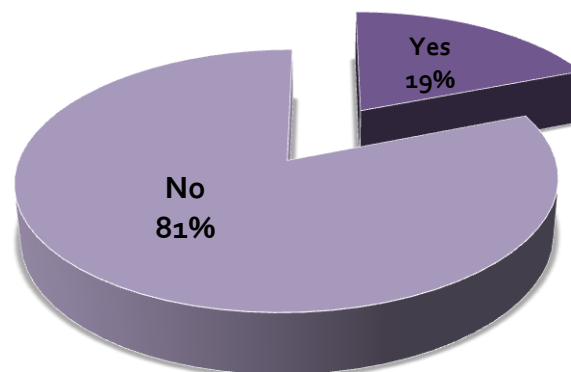
Figure 4 - New Products or Services



Does the company export?

Of the manufacturing companies surveyed 19% are exporting and 81% are not. Of those not exporting 6% indicated funding as a barrier to exporting; 12% responded that the absence of expertise is their reasoning for not exporting; and 82% do not have products or services that are available for export.

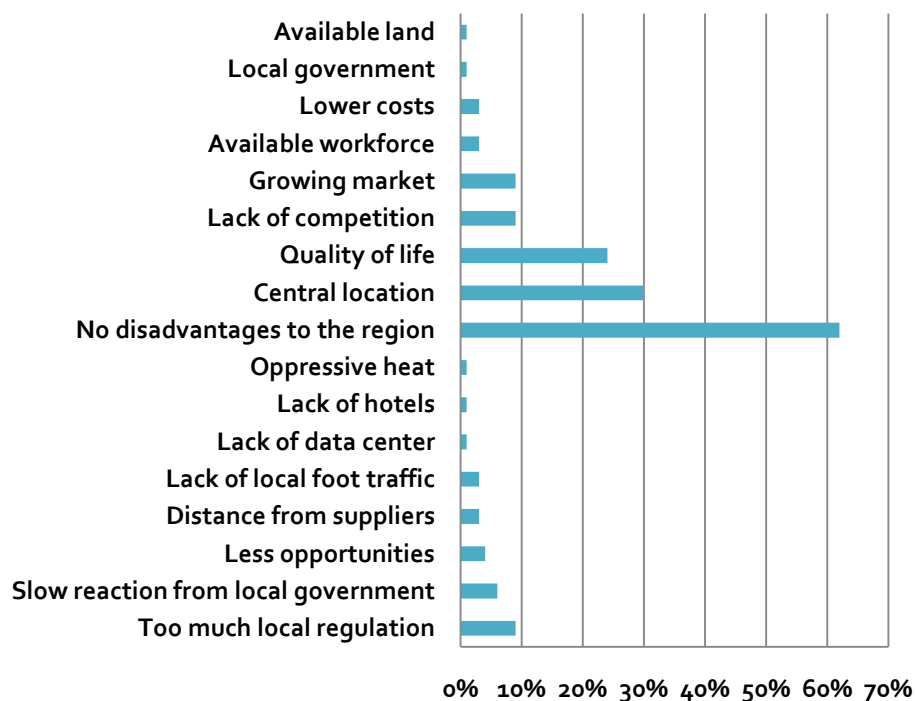
Figure 5 - Exporting



What are the advantages and disadvantages to the region?

When respondents were asked to describe the advantages and disadvantages of locating their business in the SWRC region, 62% genuinely stated there were no disadvantages locating in the region; 30% described the advantage as being centrally located close to major markets; 24% indicated quality of life; 9% stated both lack of competition and a growing market are advantages; another 3% indicated available workforce and lower costs as advantages; 1% cited good local government and available land as advantages. Conversely 9% indicated too much local regulation as a disadvantage; 6% cited slow reactions from local government to problems as a disadvantage; 4% noted that there are less opportunities locally than in larger metropolitan areas; 3% described distance from suppliers as a disadvantage and another 3% described lack of local foot traffic as a disadvantage; 1% stated the lack of a data center; another 1% named lack of hotels ;and finally 1% noted oppressive heat as all being disadvantages.

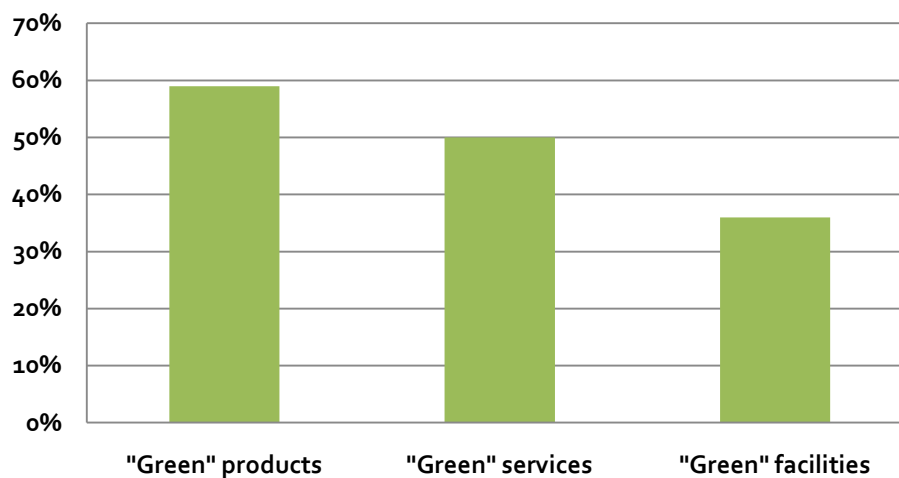
Figure 6 - Advantages/Disadvantages



Is the company green?

The question of sustainability is a prevalent question in California. When respondents were asked if they considered their business as a green company – providing green products or services, and/or operating a green facility – 63% described their businesses as green. Of these surveyed 59% provide a green product, 50% provide a green service and 36% have a green facility.

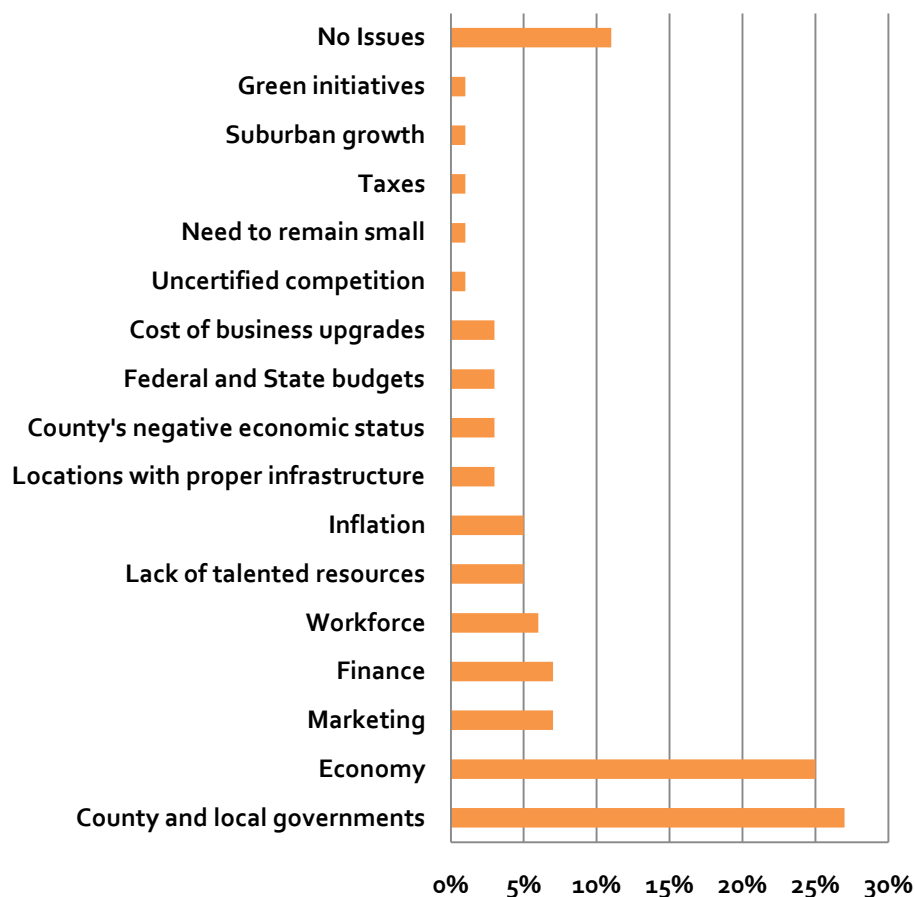
Figure 7 - Sustainability



What primary issues are facing the company?

Respondents were asked to relate the biggest issues facing their individual businesses. County and local government regulation came in as the number one issue at 27%; 25 % indicated the economy as a major issue; 7% stated both marketing and financing issues were their largest obstacles; 6% said workforce; 5% noted lack of talented resources; 5% considered inflation; 3% can't find a location with proper infrastructure; 3% are dealing with the county's current economic status in the nation as working against them; 3% also said the state and federal budget issues affect their business; 3% face the cost of upgrading their businesses; and finally 1% each gave uncertified competition, the need to stay small, taxes, suburban growth and green initiatives as being their issues. Notably 11% stated they have no issues facing their businesses.

Figure 8 - Primary Business Issues



Describe your facility and do you have plans to move?

When asked to describe the size of their facility, 10% of the respondents have a facility larger than 80,000 square feet; 25% have facilities between 20,000 and 50,000 square feet; 11% have their company in 5,000 to 15,000 square feet; while 31% are smaller than 5,000 square feet. A high percentage (85%) has no plans to move their operation, while 12% do plan to move into a larger facility in the area and 3% indicated they plan to re-locate from the area at some future date.

Figure 9A - Facility size

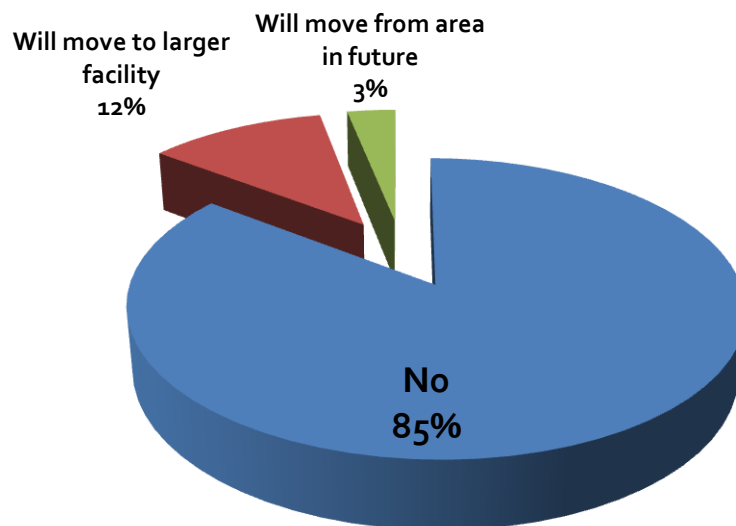
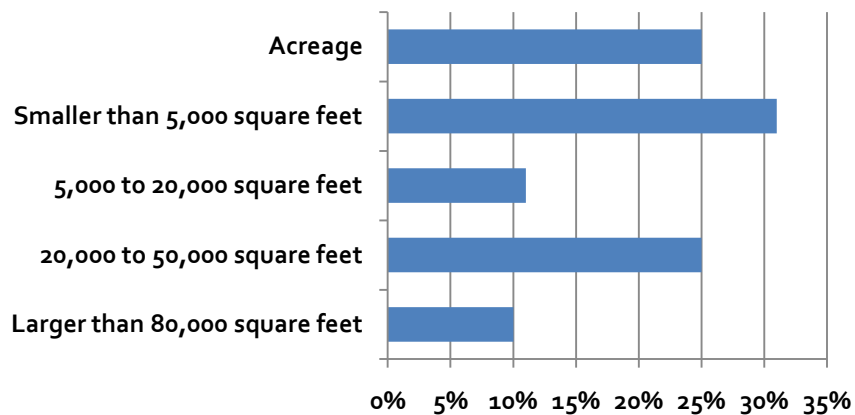


Figure 9B - Re-location

How many employees does the company have?

When respondents were queried about the business's number of employees, 61% of participants have 10 or less employees; 9% have 10 to 20 employees; 14% have 20 to 50 employees; 6% have 50 to 100 employees and 10% have 100 or more employees.

Furthermore, 66% of all employees commute less than 20 miles.

Figure 10A - Employment Numbers

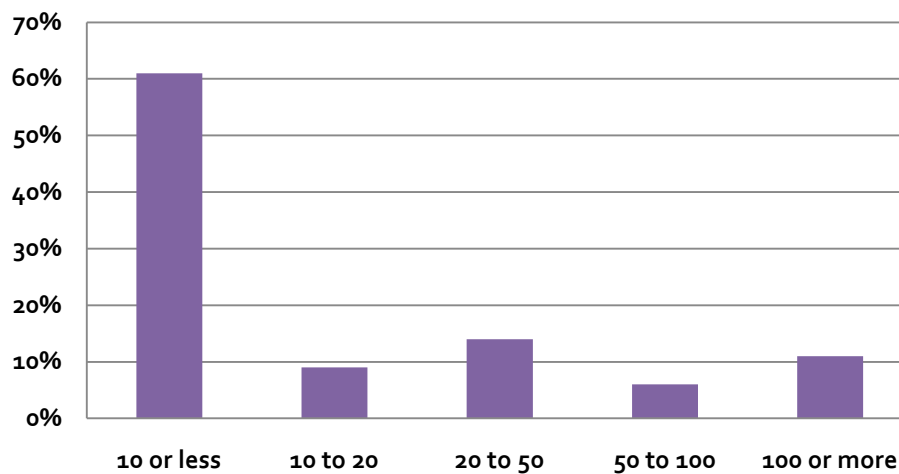
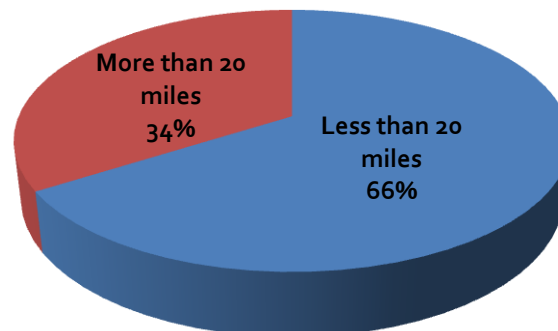


Figure 10B - Commute Distance



Does the company plan to hire additional employees?

The future of the region appears to be looking bright for most of the respondents as 65% of employers expressed their plan to hire additional employees in the next 12 months; of these 8% will be unskilled; 21% will be semi-skilled; 32% will be skilled; 10% will be clerical; and 13% will be professional/management. Those planning not to hire within the next 12 months represented 35%.

Figure 11A - Additional hiring

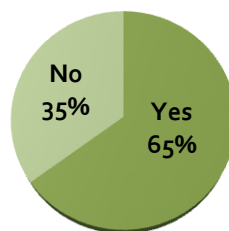
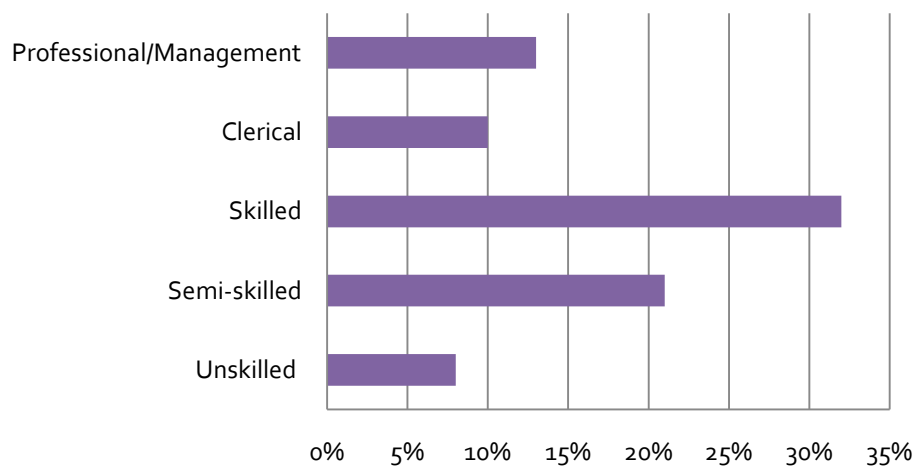


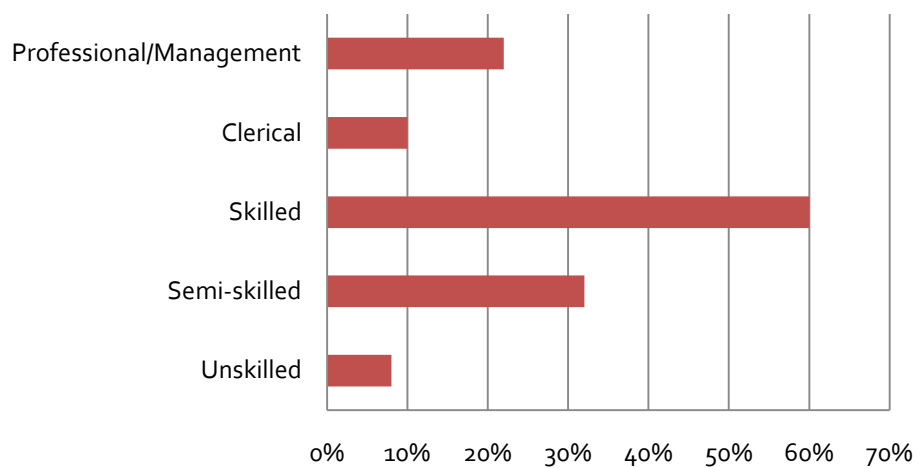
Figure 11B - Required Skills



What occupation classification is anticipated to have the most growth in the next five years?

During the discussions respondents predicted that 8% of the job growth will be in unskilled jobs; 32% semi-skilled; 60% skilled; 10% clerical; 22% professional/management.

Figure 12 - Anticipated Growth



Has the company had any employee layoffs in the past year?

Looking back on a difficult year, 64% of respondents indicated they had not experienced layoffs. Of the 36% of businesses who had dealt with layoffs during the year, 5% acknowledged layoffs of more than 20 positions; 24% lost less than 10 positions. Those businesses losing 10 to 20 positions came in at 71%.

Figure 13A - Layoffs

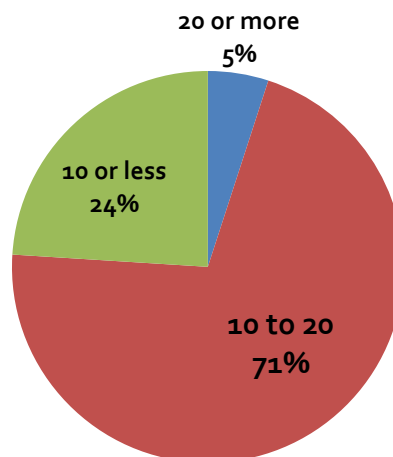
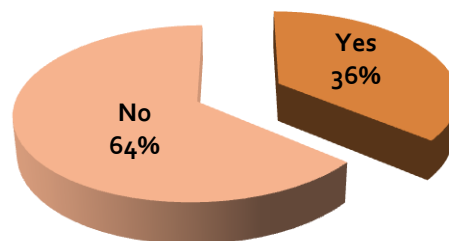


Figure 13B - Layoffs

Will the company lay off employees this year?

Looking positively at the region's economic future only 2% of respondents anticipate employee layoffs during this next year.

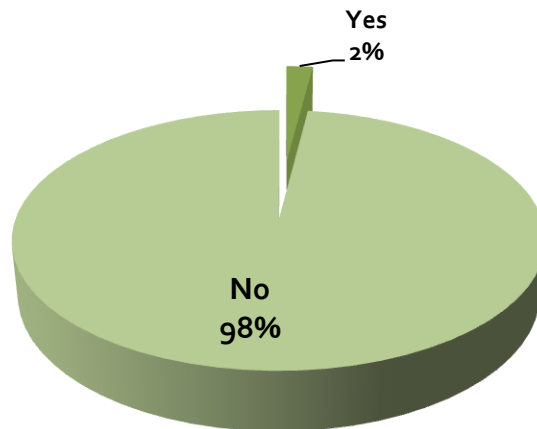


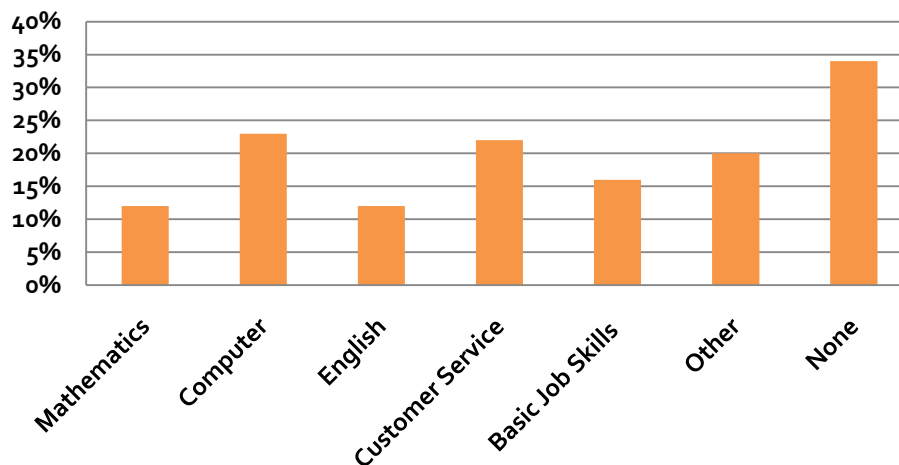
Figure 14 - Future Layoffs



What skills do vocational training programs not teach or need more emphasis?

In assessing current education and training in the region, respondents noted that more emphasis should be placed on the following areas of study: 12% math; 23% computer; 12% English; 22% customer service; 16% basic job skills; 20% other 34% not applicable.

Figure 15 - Vocational Training Needs



Does the company provide its own employee training?

When asked whether the business provides internal training, 82% responded positively, while 14% did not and 4% responded with not applicable.

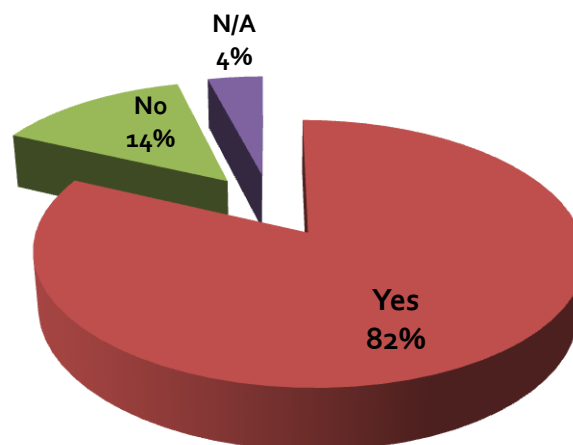


Figure 16 - Company Provided Training

Does the company offer recruitment incentives?

When asked what incentives, if any, the respondents provided in order to recruit new employees, 4% stated that dependent upon the position, there may be some form of incentive offered; 63% stated that there are no incentives offered other than a benefits package; and 33% offer no incentives or benefits.

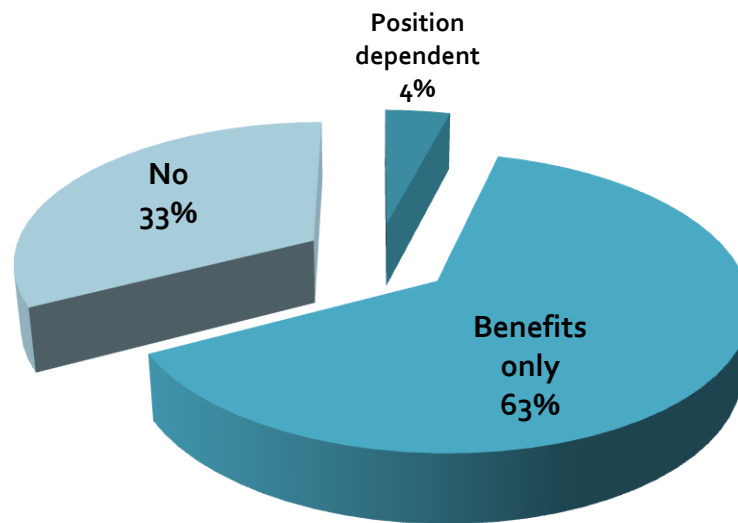


Figure 17 - Recruitment Incentives



Appendix

Economic Development Corporation of Southwest California

EDC Resource Team Survey

Mission Statement To provide resources and develop relationships with regional businesses through ongoing communications and visitations.

Business Resource Contact Information

Date of Contact: _____

EDC Representatives: _____

Survey Completed by: _____

Immediate Follow-Up: Yes No

Future Visit: Yes No

Thank You Card Sent Yes No

Company Background

Business Description of services or products:

Established Date: _____ Date Located in Region: _____

Number of company locations & areas located in:

Industry/Company Status

How would you characterize your industry as a whole?

Declining Stable Business is growing

Reason: _____

Describe Major Industry Trends, New Products or Services

Do you export? Yes No

If yes, where? _____

If no, why? _____

Facility Description 1) Plans to move operations? Yes No

If yes, when, where, and why?

Advantage/Disadvantage of this area:

Are You a "Green Business"?

Provide Product Provide Service Facility

What are the primary issues facing your business:

Company: _____

Contact Name: _____

Title: _____ E-Mail: _____

Address: _____

Phone: _____ Fax: _____

Website: _____

Customers and Vendors

Who are your primary customers and where are they located?

Who/Where are your vendor/suppliers

Employee Information

Number of Employees: _____

Employee commute < 20 mi. _____ > 20 mi. _____

2) Does your company plan to hire additional employees in the next 12 months in the following classifications?
Unskilled Semi-skilled Skilled Clerical Professional/Management

3) What occupation classification do you anticipate will have the greatest demand in the next 5 years?
Unskilled Semi-skilled Skilled Clerical Professional/Management

4) Has your company laid off any employees in the past year?
Yes / No If yes, how many? _____

5) Will your company lay off any employees in this year?
Yes / No If yes, how many? _____

6) Are there any skills that you find vocational training programs do not teach or need more emphasis in this community?
Math Computer English Customer Service Basic Job Skills Other

7) Does your company use its own employees to provide training?
Yes/ No

Employee Recruitment and/or Incentives

EDC Contact Information: Nancy Obenberger

EDC of Southwest California

P.O. Box 1388

Temecula, CA 92593

(951) 694-9800 – Fax: (951) 694-9801

nobenberger@edcsouthwestcalifornia.com

