



# Main Street “Business Building”

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Presented by...

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**DPI Group**

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## Main Street IS Economic Development

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**“How come an industrial development guy is talking to us about Main Street?”**

- Economic development is a umbrella term including tourism, entrepreneurship, main street, industrial development, small business, etc.
- Because each is an element of economic development, strategies and techniques can be adapted between related disciplines
- Session will be rapid-fire and focus on market research, assisting existing companies and recruiting new businesses, including ideas and examples you can adapt to your situation

## Economic Restructuring – A Review

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**According to the National Main Street Center, economic restructuring programs typically:**

- Develop appropriate incentive programs
- Assist existing businesses
- Based on local market conditions, identify opportunities and design strategies to capitalize on them
- Develop long-term economic development strategies for downtown
- Stabilize and improve the value of downtown real estate
- Find new or better uses for underutilized downtown buildings
- Reposition the downtown in the marketplace/effectively market it
- Recruit new businesses

## A Step-by-Step Process

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**Distilled down, the critical elements include:**

- Market research (surveys, visitation programs, etc.)
- Develop a plan/strategies (what, why, where, how, when, who)
- Develop programs (incentives, marketing/technical assistance, etc.)
- Assist existing businesses (implement programs)
- Improve downtown's value (marketing, business success)
- Better utilize buildings (assistance to property owners)
- Reposition/market effectively (implement marketing plan)
- Recruit new businesses (prospect identification/location)

## A Step-by-Step Process

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Today's session will focus on three elements of the process:

- **Market research** (surveys, visitation programs, etc.)
- Develop a plan/strategies (what, why, where, how, when, who)
- Develop programs (incentives, marketing/technical assistance, etc.)
- **Assist existing businesses** (implement programs)
- Improve downtown's value (marketing, business success)
- Better utilize buildings (assistance to property owners)
- Reposition/market effectively (implement marketing plan)
- **Recruit new businesses** (prospect identification/location)

## Market Research – Very High Priority

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**Current, accurate information is the foundation of success!**

- Surveys – customer intercept; merchants; telephone; door-to-door
- Focus groups – customers, employees, businesses (realtors?)
- Properties' assessed value
- Retail trade analysis
- Trade area analysis – fixed, variable, location indifferent analysis
- Leakage analysis
- Demographic data/trends
- Downtown employee data
- Databases – existing businesses; buildings; types of business; property owners; available properties, etc.
- Downtown jobs, businesses, and investment statistics (monthly)

## Property Tracking

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**It is absolutely critical that you maintain a current database of available properties in your area!**

- Work with property owners and realtors to gather critical information
- Develop building and site brochures to market the properties
- Maintain property data including photos, drawings/plans (if available), tax assessor information, statements of availability/environmental condition
- Make sure your property database is on the web!

## Sources for Data Assistance

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**You don't have to know it all – work with partners/allies:**

- Property information – Supervisor of Assessments
- Retail trade analysis – Illinois Institute for Rural Affairs
- Leakage analysis – University of Illinois
- Surveys – high school or college students/volunteers
- Demographic data/trends – local EDC, Chamber, or library
- Downtown employee data – existing businesses
- Downtown Investment Statistics – city building permits
- Databases – volunteers, committee members, and staff
- Other information allies include local CVB's, utilities, city, county and state government officials, etc.

## Retaining Existing Businesses

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**Some appropriate business retention elements include:**

- Recognition Programs
- Visitation/Survey Programs
- Problem Resolution/Business Advocacy
- Marketing Assistance Programs
- Business Linkages
- Financial Assistance Programs
- Dealing With Business Downsizing/Loss

**Keep in mind – not all retention activities are solely ER committee functions!**

## Recognition Programs

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**Everyone likes to be recognized...here are some ideas:**

- Business of the year, quarter, month – think about radio/newspaper ads, or featuring the honoree on the front page of your website
- Partner with local media to run regular ads highlighting businesses or business segments in the main street district
- “Did you know” local marketing promotions
- Annual awards to recognize new businesses, etc.
- Anniversary awards/proclamations
- Industry Spotlight/Spotlight on Community Assets (JREDC)
- New Managers Reception (JREDC)
- Industry Week (JREDC/Chamber)

## Visitation/Survey Programs

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**“An effective Main Street Program Manager should be out of his or her office visiting district businesses half the time.”**

- Basic program: “Hi, how’s business, do you need any help?”
- Intermediate program: brief, one-page list of questions
- Advanced program: *Business Ambassadors* model – diagnostic survey instrument designed to identify key issues and highlight opportunities, regularly applied
- If using volunteers for visitations, use care to ensure no business relationship between the volunteer and the company exists to ensure that the company is comfortable discussing operational issues

## Business Red Flags/Warning Signs

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**What are some red flags that a company may be at risk?**

- Deferred maintenance
- Lack of customer traffic
- Irregular business hours
- Dated merchandise
- Employee loss
- Declining sales
- Recent ownership change
- Property transition
- Negative attitudes about the community
- Rapid expansion
- Aging owner with no succession plan
- Rumor mill (some rumors actually have a basis in fact!)

## Problem Resolution/Business Advocacy

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**The company you just visited mentioned a problem they're having...now what?**

- One of the best values a program can provide to local business owners is problem-solving assistance
- Of course, the solution depends on the problem
- Sometimes, it's a simple matter of referral to another program or appropriate resources (a good network is key)
- Sometimes, it's a matter of actually designing a solution
- Main Street program should be a downtown business ombudsman – an intermediary between businesses and government
- Jacksonville Finishing example
- Pothole example
- Cybertek example

## Technical Assistance

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**Main Street should be the first place local businesses go for help**

- Customized, confidential assistance
- As always, creativity and partnership are keys
- Schedule workshops or brown bag luncheons targeted to identified needs such as marketing, customer service, etc.
- Referrals to business resources such as community colleges, SCORE, SBDC, etc.
- Develop a business resource library
- Eli Bridge customer focus group example

## Business Linkages

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### **Link businesses together with one another**

- Main Street can help connect businesses with common concerns or interests to enable cooperative marketing, purchasing, etc.
- Sullivan, Illinois is home to the Little Theater, several restaurants, and bed-and-breakfasts. Until recently, it never occurred to them to partner the businesses to promote theater “getaway” packages!
- Country Sampler example – targeted retail promotion in conjunction with Rockome Garden’s 1996 Counted Cross Stitch show
- If your community has large offices, help restaurants and other service businesses market lunch discounts, etc. to company employees
- Post a list of your businesses by category on your website and encourage Main Street businesses to buy from one another
- Create a downtown business directory with the same list and a map showing the location of each business

# Financial Assistance Programs

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## Design and market effective financial assistance programs

- Focus on a particular need – facade improvements, signage, store fixtures, accessibility, upper story housing, or other key priorities
- Make sure the incentives offered will motivate business or property owners to take action
- Size the program to the task at hand
- Stimulate quick investment – offer the incentive for a limited time
- Make sure the program is a short-term incentive, not a long-term financial assistance package

## Dealing with Business Loss

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**It's always difficult to lose a business; however,**

- Sometimes, losing a particular business may be the best thing!
- Accept that each business has a life & death cycle...how many downtowns still have a harness shop or a livery?
- If closing, work with the business owner and his or her employees to direct them to sources of assistance in the community
- Determine the community's level of demand for the business' products or services
- Determine the building owner's interest in selling or leasing the building once its vacant
- Work with the building owner to gather datasheet information and photos before the business closes
- Market, market, market – get the word out to your network!

# Marketing to Prospective Businesses

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## Key elements include:

- Sources of Assistance
- Identifying Prospective Businesses
- Marketing Methods
- Marketing Materials
- Attraction Techniques

## Sources of Assistance

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- Partner with other local groups – chambers, of commerce, economic development organizations, tourism bureaus, city and county government, and other interested local groups that might be aware of businesses interested in the area.
- Utilities are key players in other areas of economic development – make sure to meet with them
- Industrial and commercial development organizations frequently market to site selectors and commercial real estate brokers – many also work with smaller or downtown locations – tap into your allies' lists!

## Identifying Prospective Businesses

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- Utilize published information sources, such as the Retail Tenant Directory, American Business Information, Dun & Bradstreet, etc.
- Identify targeted business sectors based on a cluster analysis
- Ask current businesses for referrals
- Participate in local business expos or similar programs
- Host special events such as downtown investment “fairs”, business financing workshops, etc.
- Sponsor a business plan writing competition, with first place being a small grant and technical assistance to get started
- Look at every Main Street event as an opportunity to identify another prospective business
- Use your partnership network – chamber, EDC, CVB, government, attorneys, accountants, bankers, insurance agents, etc.

## Marketing Methods

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**Make sure to use a variety of marketing channels to spread your message:**

- Web page
- Direct mail
- Telemarketing
- Advertising
- Ally contacts
- Newsletter
- Local media

## Marketing Materials

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**Prospective companies will expect you to know your market – they will want information including:**

- Community information
- Building information
- Zoning
- Current businesses
- Demographics
- Traffic counts
- Market analysis
- Cost of doing business

(Remember – your chamber or EDC allies may already have this information on hand)

## Consider Business Testimonials

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“There is a harmony here; we are a profitable and successful entity because of our people.”

- Ray Vasey, Unit Manager  
Computer Sciences Corporation



“The trades – welding, carpentry, electrical – they’re all here, and they’re easier to get than in the big city.”

- Frank Mastria, Director of Operations  
National Starch & Chemical Company

# 2004 Winter Managers' Meeting

## Attractive Brochures, Unified Message



# Award-Winning Materials

View Book



Excellent-AEDC, 2001

[www.jredc.org](http://www.jredc.org)



Superior-AEDC, 2001

CEO Testimonials



Runner-Up-IEDC, 2002

Funding Campaign Brochure



Runner-Up-IEDC, 2003

Direct Mail Postcard



Winner-IEDC, 2003

## Contact Information

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