# Business Survey Results

Murat Arik, Ph.D.
Associate Director

Business and Economic Research Center
Jennings A. Jones College of Business
Middle Tennessee State University
P.O. Box 102
Murfreesboro, TN 37132

# Section I: Overview

- Business Survey Procedure includes the following steps
  - Initially 123 businesses and 28 local officials were indentified
  - Surveys were mailed all businesses, and follow-up calls were made to all survey recipients
  - Due to low response rates from the first stage, we initiated a second round of mailing and e-mailing surveys to the 80 businesses and officials
  - Final results are:
    - 30 surveys were returned
      - 21 Businesses
      - 9 Officials
      - All counties, except Moore, were represented in the survey.

# Section II: Findings: Survey-Based Clusters and Their Suppliers: where are they located?

- Ideally, the region may prefer those suppliers located in other states to relocate to the region.

Table.IV.11.Regional Clusters and Their Suppliers

| Clusters | Supplier Industries | Region | MSA | Rest of Tennessee | Other States | Other Countries |
|---|---|---|---|---|---|---|
| Petroleum and Gas | | | | Weak | Medium | |
| Chemical-Based | Chemicals +carbon, coal +metal+paint+machine | Weak | Weak | Medium | Medium | Strong |
| Metalworking and Fabricated Metal | Aliminum products+ bolt-steel+paint+brass | Weak | Strong | Medium | Medium | |
| Nondurable Industry Machinery | Steel manufacturing | Weak | Weak | Weak | Weak | |
| Machine Tools | Textile+ steel+paint+plastics+paperboard | Weak | Strong | | Strong | |
| Motor Vehicle | Steel manufacturing+paint+plastics+fasteners | Medium | Medium | | Medium | |
| Textile and Apparel | Textile +packaging+carpet | Strong | | | Strong | |
| Business Services | Pen and pencil+chemical | Medium | Weak | | Medium | |
| Nonresidential Building Products | Chemicals | Strong | Strong | Weak | Strong | |
| Writing Instruments | Plastics +pen | | | Strong | Strong | |
| Food Processing | Poultry +Agricultural systems | | Strong | | | |
| Paper, Publishing and Printing | | Weak | Weak | Weak | Strong | |
| Plastics | Plastics and resin+raw plastics | Weak | Weak | Weak | Strong | |
| Wood Prodcessing | Sawmill | Strong | | | | |
| Wholesale | Aliminum products | Weak | Weak | Weak | Strong | |

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# Section II: Findings: Survey-Based Clusters and Their Customers

- Large presence of customers in other states is a plus because region is exporting.

Table.IV.12. Survey-Based Clusters and Their Customers

| Clusters | Customer Industries | Region | MSA | Rest of Tennessee | Other States | Other Countries |
|---|---|---|---|---|---|---|
| Petroleum and Gas | Municipalities+federal companies | | | Weak | Strong | |
| Chemical-Based | Mining+pharmaceutical companies+iron making+chemical+demolition+chemical manufacturing+alloy smelting+department of defense+oil field | Weak | | Weak | Strong | Strong |
| Metalworking and Fabricated Metal | Plastics+appliance industries+engineering company+minerals+grill industries+waste treatment | | Medium | Medium | Medium | |
| Nondurable Industry Machinery | Auto+building suppliers+mechanic fabrication | Weak | Weak | Weak | Medium | |
| Machine Tools | Miscellenous manufacturing | | | | | |
| Motor Vehicle | Auto | | Medium | | Strong | |
| Textile and Apparel | Education+auto | | | | Strong | |
| Business Services | Auto | Medium | Weak | | Medium | |
| Nonresidential Building Products | Existing businesses | Strong | | | Strong | |
| Writing Instruments | Walmart+other retailers | | | | | |
| Food Processing | Walmart | | | | | |
| Paper, Publishing and Printing | | | | | Strong | |
| Plastics | Home manufacturers+building supplies | | | | Strong | |
| Wood Prodcessing | Furniture stores+home centers+other locals | Strong | | Weak | Medium | |
| Wholesale | Aliminum+auto | Medium | | Weak | Weak | |

# Section II: Findings: Survey-Based Clusters and Related Industries

- Regional clusters and related industries
  - Have same technology, labor pool and suppliers
  - Produce the same goods
  - But do not have networking opportunities

Table IV.13. Whether or not the related industries have the following features?

| Common Features | Yes | No |
|---|---|---|
| Same Technology | 73.91 | 26.09 |
| Same Labor Pool | 59.09 | 40.91 |
| Have Common Suppliers | 90.91 | 9.09 |
| Produce the Same Goods | 80.95 | 19.05 |
| Networking Opportunities | 44.00 | 56.00 |

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# Section II: Findings: The Most Common Problems

| Table.IV.14. Most Common Problems Faced in the Region | Frequency | Percent |
|---|---|---|
| Quality and Quantity of Labor | 8 | 16.33 |
| Foreign Competition | 6 | 12.24 |
| Raw Material Price | 5 | 10.20 |
| General Economy--Oil and Steel Prices | 4 | 8.16 |
| Skilled Workforce | 4 | 8.16 |
| Compliance Costs Associated with Government Regulations | 3 | 6.12 |
| Low Profitability | 3 | 6.12 |
| Retaining Employees | 2 | 4.08 |
| Funding | 1 | 2.04 |
| Labor Cost | 1 | 2.04 |
| Land Availability/Bio Security | 1 | 2.04 |
| Loss of Manufacturing Jobs | 1 | 2.04 |
| Loss of Market | 1 | 2.04 |
| Price Pressure from all Customers in Automative | 1 | 2.04 |
| Seasonal Volume | 1 | 2.04 |
| Clients | 1 | 2.04 |
| Declining Availability of Materials | 1 | 2.04 |
| Diminishing Technically Skilled Employee Base | 1 | 2.04 |
| Employee Soft Skill | 1 | 2.04 |
| Lack of 4-Lane Highway | 1 | 2.04 |
| Labor Force Lack Basic Math and Reading Skills | 1 | 2.04 |
| Technical Resources | 1 | 2.04 |
| ***When all Labor Issues Combined*** | ***17*** | ***34.69*** |

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- Labor issues top the list
- All labor related issues constitute nearly 35 percent of the all listed concerns
- Next in the list is foreign competition and general economic conditions

# Section II: Findings: What are the Critical Business Support Institutions?

Table.IV.15. What are the critical support institutions for your business?

| Institutions | Frequency | Percent |
|---|---|---|
| Community Colleges and Techology Centers | 9 | 24.32 |
| Economic Development Boards | 5 | 13.51 |
| Area Universities | 4 | 10.81 |
| Government (State/Federal) | 4 | 10.81 |
| Financial Institutions | 3 | 8.11 |
| Aechitectural and Engineering Firms | 2 | 5.41 |
| Skill Trade Institutions | 2 | 5.41 |
| Utilities | 2 | 5.41 |
| Recycling Centers | 1 | 2.70 |
| Steel Suppliers | 1 | 2.70 |
| R&D Labs other than Federal | 1 | 2.70 |
| Rail Road Lines | 1 | 2.70 |
| Technical Contractors | 1 | 2.70 |
| Tennessee Egg Poultry Association | 1 | 2.70 |
| Are Existing Support Institutions Able to Meet Your Business Needs? | | |
| Yes (%) | 68.18 | |
| No (%) | 31.82 | |

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- Community Colleges and Technology Centers are at the top of the list
- Next comes economic development boards and area universities
- 68 percent of the respondents contends with the services they receive from these support institutions

# Section II: Findings: Desired Institutions

- Businesses desired to see “other training institutions” in the region
- This suggests that community colleges and technology centers are unable to address all training needs of the area businesses

Table.IV.16. What Kinds of Institutions You Would Like to See in the Region?

| Institutions | Frequency | Percent |
|---|---|---|
| Other Training Institutions | 8 | 30.77 |
| Higher education | 6 | 23.08 |
| Economic Development Agency | 6 | 23.08 |
| Other (engineering, trade association, consulting) | 3 | 11.54 |
| R&D Labs Other than Federal | 2 | 7.69 |
| Financial Institutions | 1 | 3.85 |

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# Section II: Findings: SWOT

- SWOT for businesses:
  - Location is a major strengths
  - Labor Pool with necessary soft and basic skills is a major weaknesses
  - While fuel and transportation costs emerge as major global threats, economy/export opportunities present themselves as a major global opportunity

Table.IV.17. Regional Strengths and Weaknesses and Global Opportunities and Threats for Businesses

| Regional Strenghts | Percent | Regional Weaknesses | Percent |
|---|---|---|---|
| Geographic Location/Logistics | 19.44 | Labor Pool (Basic Skill/Soft Skill) | 20.00 |
| Motivated and Stable Workforce | 8.33 | Lack of Skilled Workforce | 14.29 |
| Technology/Automation | 8.33 | Economy/Energy-Material Cost | 11.43 |
| Available and Strong Labor | 5.56 | Highway Access/Location | 5.71 |
| High Level of Personification | 5.56 | Loss of Demand | 5.71 |
| Knowledge of Product | 5.56 | Rising Health Care/ WC | 5.71 |
| Low Labor Cost | 5.56 | High Cost of Government Compliance | 5.71 |
| Support Networks | 5.56 | Out of Touch Business Officials | 2.86 |
| Highest Quality Environment | 5.56 | Committed Employees | 2.86 |
| Quality/Timely Delivery | 5.56 | Education K-12 | 2.86 |
| Local Economy | 2.78 | Lack of Projects | 2.86 |
| Established Reputation | 2.78 | Lack of Testing Labs | 2.86 |
| Management | 2.78 | Limited Fright Services | 2.86 |
| Teamwork Philosophy | 2.78 | Loss of Jobs | 2.86 |
| Clean Manufacturing Products | 2.78 | Bio Security | 2.86 |
| Customer Support | 2.78 | Cost Control | 2.86 |
| Good Working Relations | 2.78 | Lack of Funding | 2.86 |
| Low Taxes | 2.78 | Lack of Steel Supply | 2.86 |
| Small Town Life Style | 2.78 | | |

| Global Threats | Percent | Global Opportunities | Percent |
|---|---|---|---|
| Increased Fuel/Transportation Cost | 22.22 | Economy/Export Opportunities | 11.76 |
| Cheap Labor in Other Countries/China | 14.81 | Location/Local Transportation | 11.76 |
| Overseas Competition | 14.81 | New/Increased Customer Bases | 11.76 |
| Economy/Weak Dollar | 11.11 | Technology/Lincense | 11.76 |
| Loss of Jobs to Overseas | 11.11 | New Unique Products | 11.76 |
| Branch Operations | 3.70 | Emerging Markets in China | 5.88 |
| New Regulations | 3.70 | Joint Ventures | 5.88 |
| Offshore Production | 3.70 | Mixed Model Production | 5.88 |
| Steel Supply | 3.70 | New Auto Assembly Plants | 5.88 |
| Urban Development | 3.70 | R&D in the U.S. | 5.88 |
| Less Environmental Compliance Cost | 3.70 | Alternative Energy | 5.88 |
| Supplier Base | 3.70 | Regional Cooperation | 5.88 |

## Section II: Findings: SWOT for Suppliers and Customers

- Major strengths for suppliers and customers are
  - access to highway and consistent demand, respectively
- Major weaknesses are
  - fewer domestic resources and regulations/compliance cost, respectively.
- Low cost labor in overseas emerge as a major threats while innovation and globalization create opportunities.

# Section II: Findings: SWOT for Suppliers and Customers

- SWOT : major strengths for suppliers and customers are access to highway and consistent demand, respectively. Major weaknesses are fewer domestic resources and regulations/compliance cost, respectively. Low cost labor in overseas emerge as a major threats while innovation and globalization create opportunities.

Table.IV.18: Regional Strengths and Weaknesses and Global Opportunities and Threats for Supplier and Customer Industries

| Regional Strenghts for Supplier and Customer Industries | | Regional Weaknesses for Supplier and Customer Industries | |
|---|---|---|---|
| For Suppliers | For Customers | For Suppliers | For Customers |
| Access to Highway/Delivery Time | Consisten Demand | Fewer Domestic Resources | Regulations/Compliance Cost |
| Enlarged Training Programs | More Aluminum Use | Lack of Funding/Projects | Location/Logistics |
| Excellent Road Network | Local Suppliers | Overseas Competition/Production | Lack of Steel Supply |
| Labor Cost | Location/Infrastructure | Rising Raw Material Costs | Lack of Projects |
| Proximity | Low Labor Cost | Uneven Demand | Outdated Equipment |
| Support Netwroks | Product Delivery/Response Time | Regulations/Compliance Cost | Prices |
| Technology Use/Automation | Retirees with Money | Lack of Steel Supply | Transportation Cost for All |
| Quality of Products | Stable Environment | Location/Logistics | Subtandard Work Ethic |
| Working Relationships | Technology Use/Automation | Material/Labor | Entitlement Mentality among Many |

| Global Threats for Supplier and Customer Industries | | Global Opportunities for Supplier and Customer Industries | |
|---|---|---|---|
| For Suppliers | For Customers | For Suppliers | For Customers |
| Low Cost Labor | Alternative Technology | Innovation | Globalization/Rationalization |
| Steel Supply | Steel Supply | Outsourcing Work | Improved Logistics |
| Oil Prices | Low Labor Cost | R&D in the U.S. | Increasing Exports |
| Less Environmental Compliance Cost | Cheap Overseas Products | Local Transport | Labor Base |
| Supplier Base | Loss of Foreign Production | More Automative Choosing | Partnering |
| | Less Environmental Compliance Cost | | Off-shore Purchase |
| | Oil Prices | | Selection of Product |
| | | | Develop Nich Markets |
| | | | R&D Professional Development |

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# Section II: Findings: Is the Region Able to Meet Business Needs? Factor Performance Gap

| Table IV.19. Factors Important for Your Business Success in the Region | GAP (Region's Performance-Business Needs) | Gap Level |
|---|---|---|
| Workforce quality | -74.5 | Critical Gap Between Business Needs and Region's Performance |
| Cost of transportation | -58.2 | |
| Higher education and other training institutions | -39.3 | |
| Broadband access | -32.2 | |
| Utility costs | -31.6 | |
| Labor costs | -26.7 | |
| Availability of capital | -24.9 | |
| Property taxes | -24.9 | |
| K-12 school system | -24.3 | |
| Proximity to suppliers | -21.2 | Moderate Gap Between Business Needs and Region's Performance |
| Transportation availability | -21.1 | |
| Healthcare | -17.4 | |
| Proximity to customers | -14.5 | |
| Support for economic development | -11.2 | |
| Local government officials | -8.5 | |
| Basic infrastructure (water, sewer, solid waste, fire, police) | -6.4 | |
| Professional and business services | -5.6 | |
| Business financing | -4.5 | |
| Proximity to distribution facilities | -3.6 | |
| Child care | 4 | Region Outperforms Business Expectations |
| Construction services | 15.5 | |
| Housing affordability | 18.1 | |
| Environmental concerns | 28.5 | |
| Land availability | 31.4 | |

MTSU Survey (sum of excellent + good - sum of very important + moderately Important)

- The greatest gaps are in the areas of workforce quality, cost of transportation, higher education and training facilities, broadband access and utility costs

# Section II: Findings: Factors Important for Businesses

| BS9. Factors Important for Your Business Success in the Region | Column A. How important are these factors for your business? (%) Very significant | Moderately significant | Slightly significant | Not significant | Not applicable | Column B. What is the region's performance level for each factor? Excellent | Good | Fair | Poor | Not applicable |
|---|---|---|---|---|---|---|---|---|---|---|
| Land availability | 33.3 | 16.7 | 6.7 | 30.0 | 13.3 | 44.4 | 37.0 | 7.4 | 0.0 | 11.1 |
| Proximity to suppliers | 40.0 | 36.7 | 10.0 | 10.0 | 3.3 | 29.6 | 25.9 | 37.0 | 3.7 | 3.7 |
| Proximity to customers | 43.3 | 26.7 | 20.0 | 6.7 | 3.3 | 22.2 | 33.3 | 33.3 | 7.4 | 3.7 |
| Proximity to distribution facilities | 17.2 | 34.5 | 10.3 | 24.1 | 13.8 | 18.5 | 29.6 | 29.6 | 0.0 | 22.2 |
| Transportation availability | 53.3 | 23.3 | 13.3 | 3.3 | 6.7 | 22.2 | 33.3 | 33.3 | 3.7 | 7.4 |
| Cost of transportation | 83.3 | 13.3 | 0.0 | 3.3 | 0.0 | 11.5 | 26.9 | 50.0 | 7.7 | 3.8 |
| Labor costs | 73.3 | 20.0 | 3.3 | 3.3 | 0.0 | 18.5 | 48.1 | 18.5 | 7.4 | 7.4 |
| Workforce quality | 76.7 | 20.0 | 3.3 | 0.0 | 0.0 | 0.0 | 22.2 | 51.9 | 22.2 | 3.7 |
| Availability of capital | 30.0 | 46.7 | 20.0 | 3.3 | 0.0 | 7.4 | 44.4 | 33.3 | 7.4 | 7.4 |
| Utility costs | 48.3 | 44.8 | 3.4 | 3.4 | 0.0 | 26.9 | 34.6 | 30.8 | 7.7 | 0.0 |
| Property taxes | 26.7 | 50.0 | 16.7 | 6.7 | 0.0 | 18.5 | 33.3 | 48.1 | 0.0 | 0.0 |
| Housing affordability | 6.9 | 37.9 | 44.8 | 10.3 | 0.0 | 25.9 | 37.0 | 29.6 | 0.0 | 7.4 |
| Environmental concerns | 30.0 | 26.7 | 26.7 | 13.3 | 3.3 | 22.2 | 63.0 | 14.8 | 0.0 | 0.0 |
| Support for economic development | 30.0 | 36.7 | 23.3 | 6.7 | 3.3 | 29.6 | 25.9 | 29.6 | 11.1 | 3.7 |
| Local government officials | 23.3 | 33.3 | 30.0 | 10.0 | 3.3 | 29.6 | 18.5 | 40.7 | 3.7 | 7.4 |
| Basic infrastructure (water, sewer, solid waste, fire, police) | 46.7 | 30.0 | 23.3 | 0.0 | 0.0 | 29.6 | 40.7 | 25.9 | 3.7 | 0.0 |
| Broadband access | 33.3 | 43.3 | 10.0 | 6.7 | 6.7 | 14.8 | 29.6 | 29.6 | 11.1 | 11.1 |
| K-12 school system | 55.2 | 17.2 | 27.6 | 0.0 | 0.0 | 18.5 | 29.6 | 29.6 | 18.5 | 3.7 |
| Higher education and other training institutions | 40.0 | 40.0 | 13.3 | 6.7 | 0.0 | 7.4 | 33.3 | 40.7 | 18.5 | 0.0 |
| Construction services | 13.3 | 26.7 | 40.0 | 20.0 | 0.0 | 14.8 | 40.7 | 37.0 | 0.0 | 7.4 |
| Child care | 10.0 | 26.7 | 46.7 | 10.0 | 6.7 | 11.1 | 29.6 | 37.0 | 11.1 | 11.1 |
| Healthcare | 27.6 | 55.2 | 10.3 | 3.4 | 3.4 | 7.7 | 57.7 | 23.1 | 7.7 | 3.8 |
| Business financing | 23.3 | 36.7 | 23.3 | 10.0 | 6.7 | 11.1 | 44.4 | 22.2 | 3.7 | 18.5 |
| Professional and business services | 10.0 | 40.0 | 46.7 | 3.3 | 0.0 | 3.7 | 40.7 | 51.9 | 3.7 | 0.0 |

MTSU Business and Economic Research Center: Factor Condition Survey

# Section II: Findings: Business Attitudes Survey

- The critical areas of concerns are
  - access to skilled labor,
  - regional networking opportunities,
  - and lack of regional suppliers

Table IV.21. Business Attitude Survey: Knowledge, Labor, Networking, Suppliers and Customers

| | | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|---|---|---|---|---|---|---|
| **Knowledge Dimension** | | | | | | |
| Q1KD | Our business is sensitive to innovation in production technologies | 34.5 | 17.2 | 34.5 | 10.3 | 3.4 |
| Q2KD | Our employees are continously trained to update their knowledge about our business | 10.7 | 35.7 | 32.1 | 21.4 | 0.0 |
| Q3KD | Our business adapts fast to changing business environment | 10.7 | 50.0 | 25.0 | 10.7 | 3.6 |
| **Labor Dimension** | | | | | | |
| Q4LD | We have access to skilled labor force in the region | 6.7 | 16.7 | 30.0 | 33.3 | 13.3 |
| Q5LD | Our business is skill intensive | 21.4 | 32.1 | 28.6 | 17.9 | 0.0 |
| Q6LD | There is a competition for skilled labor force among employers | 30.0 | 36.7 | 23.3 | 10.0 | 0.0 |
| Q7LD | Labor is plentiful in the region but not the skilled one | 27.6 | 24.1 | 24.1 | 13.8 | 10.3 |
| **Networking** | | | | | | |
| Q8N | Networking opportunities among similar firms are available in the region | 13.8 | 31.0 | 13.8 | 31.0 | 10.3 |
| Q9N | The region has instituions to facilitate networking among businesses | 7.1 | 25.0 | 50.0 | 14.3 | 3.6 |
| **Supplier relationships** | | | | | | |
| Q10S | Our suppliers are from the region | 0.0 | 21.4 | 53.6 | 3.6 | 21.4 |
| Q11S | We work closely with our suppliers | 40.7 | 40.7 | 7.4 | 7.4 | 3.7 |
| Q12S | Our suppliers are facing competitive pressure | 51.9 | 33.3 | 7.4 | 3.7 | 3.7 |
| **Demand relationships** | | | | | | |
| Q13D | Our customers are other businesses and institutions | 50.0 | 28.6 | 10.7 | 7.1 | 3.6 |
| Q14D | Our customers are within the region | 17.9 | 21.4 | 21.4 | 21.4 | 17.9 |
| Q15D | Our customer base is shifting their purchasing pattern | 14.8 | 37.0 | 22.2 | 25.9 | 0.0 |

# Section II: Findings: Business Attitudes Survey

- There appears to be an entrepreneurship culture, but technology and workforce adaptation of technology look problematic. Furthermore, businesses seem to be indifferent to the idea of both industry-wide and firm-level support to increase competitiveness

Table IV.22. Business Attitude Survey: Enreprenuerships, Technology, Regional Focus and Firm Strategy

| | | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|---|---|---|---|---|---|---|
| **Enreprenuerships** | | | | | | |
| Q16E | We closely follow market demand for our products | 53.6 | 32.1 | 7.1 | 7.1 | 0.0 |
| Q17E | We respond quickly to the change in customer taste | 28.6 | 57.1 | 7.1 | 3.6 | 3.6 |
| Q18E | We design and test new products as a product improvement strategy | 38.5 | 19.2 | 23.1 | 15.4 | 3.8 |
| **Technology** | | | | | | |
| Q19T | Our business uses the cutting-edge technology | 14.3 | 14.3 | 53.6 | 10.7 | 7.1 |
| Q20T | Our business is technology intensive | 14.3 | 25.0 | 28.6 | 14.3 | 17.9 |
| Q21T | Broadband access is available in the region | 27.6 | 27.6 | 27.6 | 3.4 | 13.8 |
| Q22T | Our business is on par with the industry standard in adopting new technology | 14.3 | 53.6 | 17.9 | 14.3 | 0.0 |
| Q23T | The region has skilled workforce to adapt new technologies | 10.3 | 6.9 | 31.0 | 34.5 | 17.2 |
| **Regional focus** | | | | | | |
| Q24RF | We have several firms in the region which share the labor force with similar skills | 24.1 | 13.8 | 37.9 | 17.2 | 6.9 |
| Q25RF | We have several firms in the region which share the same customer base | 10.3 | 13.8 | 37.9 | 24.1 | 13.8 |
| Q26RF | We have several firms in the region which use similar production technologies | 17.2 | 24.1 | 24.1 | 20.7 | 13.8 |
| Q27RF | We have several firms in the region which have the same suppliers | 10.3 | 34.5 | 24.1 | 17.2 | 13.8 |
| Q28RF | The region is in need of industrywide support for competitiveness | 16.7 | 23.3 | 56.7 | 3.3 | 0.0 |
| Q29RF | The region is in need of firm-level support for competitiveness | 3.4 | 31.0 | 55.2 | 10.3 | 0.0 |
| **Firm strategy** | | | | | | |
| Q30FS | Our business values regional competition and cooperation | 6.7 | 43.3 | 36.7 | 10.0 | 3.3 |
| Q31FS | We put aside research and development money to invest in new products | 19.2 | 26.9 | 30.8 | 11.5 | 11.5 |
| Q32FS | We continuoisly reevaluate our management style | 25.0 | 21.4 | 32.1 | 14.3 | 7.1 |

# Section II: Findings: Business Attitudes Survey

- Businesses do not see government support as a preferred attitude, however, they would like to see incentives from government to improve business environment
- Global competition has been seen as creating problem for their businesses
- Regional financial and physical infrastructure need to be addressed

Table IV.23. Business Attitude Survey: Government, Globalization, Business Culture, Educational Institutions, Money and Utility/Infrastructure

| | | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|---|---|---|---|---|---|---|
| **Government** | | | | | | |
| Q33G | Our business needs government support to remain competitive | 14.3 | 14.3 | 14.3 | 25.0 | 32.1 |
| Q34G | We need state and local incentives to improve our business environment | 24.1 | 24.1 | 17.2 | 20.7 | 13.8 |
| **Globalization** | | | | | | |
| Q35GZ | Our business benefits from increasing international competition | 3.4 | 6.9 | 20.7 | 37.9 | 31.0 |
| **Business culture** | | | | | | |
| Q36BC | The region has a business friendly environment | 20.0 | 26.7 | 33.3 | 20.0 | 0.0 |
| Q37BC | The people in the region have positive attitude toward businesses/ business formation | 13.3 | 46.7 | 20.0 | 16.7 | 3.3 |
| **Educational institutions** | | | | | | |
| Q38BC | The region has a quality K-12 educational infrastructure | 13.8 | 24.1 | 41.4 | 17.2 | 3.4 |
| Q39BC | The region has quality post-secondary (universities, community colleges and other training instititues) educational institutions | 13.8 | 41.4 | 31.0 | 10.3 | 3.4 |
| Q40BC | Our business benefits from close interactions with local post-secondary educational institutions | 20.7 | 24.1 | 24.1 | 24.1 | 6.9 |
| **Money** | | | | | | |
| Q41M | Our business has easy access to funding sources in the region | 6.9 | 44.8 | 27.6 | 20.7 | 0.0 |
| Q42M | Our business has easy access to funding sources outside the region | 10.3 | 34.5 | 24.1 | 27.6 | 3.4 |
| Q43M | Region has a plenty of funding sources for businesses | 6.9 | 13.8 | 58.6 | 10.3 | 10.3 |
| **Utility/infrastructure** | | | | | | |
| Q44U | Our region is endowed with a qulity infrastructure (transportation, utility, etc.) | 6.9 | 37.9 | 37.9 | 13.8 | 3.4 |

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# Section II: Findings: Industry identification

- Many of the businesses identify themselves as part of either exiting or declining industry clusters

Table IV.24. How would you identify your industry?

| Clusters | Existing | Declining | Emerging | Potential |
|---|---|---|---|---|
| Petroleum and Gas | Yes | | | |
| Chemical-Based | Yes | Yes | | |
| Metalworking and Fabricated Metal | | Yes | Yes | |
| Nondurable Industry Machinery | Yes | | | |
| Machine Tools | | Yes | | |
| Motor Vehicle | Yes | | | |
| Textile and Apparel | Yes | | | Yes |
| Business Services | Yes | | | |
| Nonresidential Building Products | | Yes | | |
| Writing Instruments | Yes | | | |
| Food Processing | Yes | | | |
| Paper, Publishing and Printing | Yes | | | |
| Plastics | | Yes | | |
| Wood Prodcessing | | Yes | | |
| Wholesale | Yes | | | |

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# Section II: Findings: Cluster Connection

- Significant number of industries identify themselves as part of the clusters located in the rest of Tennessee and Outside State

Table IV.25. Do You Characterize Yourself as Part of a Cluster Located in

| Clusters | Region | Nashville MSA | Rest of TN | Outside State | N/A |
|---|---|---|---|---|---|
| Petroleum and Gas | | yes | | | |
| Chemical-Based | | | yes | yes | yes |
| Metalworking and Fabricated Metal | | yes | yes | yes | |
| Nondurable Industry Machinery | | | yes | | |
| Machine Tools | | | | | yes |
| Motor Vehicle | | | | yes | |
| Textile and Apparel | | | | yes | |
| Business Services | yes | | | | |
| Nonresidential Building Products | | | | | |
| Writing Instruments | | | | | |
| Food Processing | | | | | |
| Paper, Publishing and Printing | | | | | |
| Plastics | | | | | |
| Wood Prodcessing | yes | | | | |
| Wholesale | | | | | |

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# Section II: Findings: Cluster Linkage

- 28 percent as part of a value-chain
- 60 percent as part of a cluster sharing the same labor pool
- 12 percent as part of an innovation cluster

Table IV.26. Which of the following best describes your business's linkages to other similar industries in the region?

| Linkages | Percent (%) |
|---|---|
| 1. Member of a value-chain cluster (same extended product chain) | 28 |
| 2. Member of a cluster that shares the same labor pool | 60 |
| 3. Member of an innovation cluster | 12 |

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# Section II: Findings: Industry-Firm Technology Gap

- 23 percent indicates the existing of technology gap, while 77 percent indicate no technology gap

Table IV.27. Is there a gap between your firm's use of technology and your industry's standards? (%)

| | |
|---|---|
| Yes | 23.1 |
| No | 76.9 |

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# Section II: Findings: Strategic Interactions

- Responsiveness of higher education to business needs tops the list, while skilled labor pool ranks in second
- R&D labs and technology centers rank in third

Table IV.28. What are the strategic business interactions you would like to see in the region? (ranked in the order of importance)

| |
|---|
| Highly Responsive Higher Education to the Business Needs |
| Skilled Labor Pool |
| R&D Labs and Technology Centers |
| Technical Training Facility That Supplies Skilled Labor Force |
| Experience Sharing |
| FMLA Reform |
| More Qualified Vendors |
| More Regional Planning on Economic Recruiting and Education |
| Productivity Improvement |
| Rural Development Strategy by TDECD |
| Approved Courses for Multiple State Licensing Boards |
| Health Care |
| K-12 Education Stimulation |
| More Cooperation among Contagious Counties |
| Stronger Relations with Local Governments/Political Leaders |
| Support for Tennessee Diploma Project & P-16 Councils |
| Workers Compensation Reform |
| Developing Technical Resources for the Future |
| National Program to Rebuild Failing Infrastructure |

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## Section II: Findings: Factors Impeding Healthy Business Environment

- Lack of quality workforce
- Lack of 4-lane highway access and funding
- K-12 education

Table IV.29. What is the single most important regional factor that impedes a healthy business environment? (ranked in the order of importance)

| |
|---|
| Lack of Available Quality (Skilled) Workforce |
| Lack of 4-Lane Highway Access/ Federal and State Highway Funding |
| K-12 Education |
| Lack of Access to Suppliers and Customers |
| Cost |
| Lack of Solid Waste Treatment Facilities |
| FMLA/ Workers Compensation |
| Government Understanding of Business Competition |
| Labor Unions |
| Lack of Quality Production |
| Land |
| Supply Chain |
| Training of Skilled Workforce |

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## Section II: Findings: Factors Promoting Healthy Business Environment

- Availability of quality workforce
- 4-lane highway access and funding
- Motivated workforce with good work ethic

Table IV.30. What is the single most important regional asset that promotes a healthy business climate? (ranked in the order of importance)

| |
|---|
| High Availability of Quality Workforce |
| 4-Lane Highway/Federal-State Highway Fund |
| Motivated Workforce with Work Ethic |
| Business Opportunities |
| Centralized Customer Base |
| Cooperation in Workforce Development |
| Government Attitude toward Business |
| Local Government |
| Location/Labor Rates |
| More Doctors |

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## Section II: Findings: How does Government Affect Your Business?

- On the positive side, it has a role that facilitates business interactions and provides help for human capital investment
- On the negative side, regulations may drastically reduce productivity and profit margins
- Many businesses highlighted the negative aspects

Table IV.31. How do government regulations, procedures, and incentives affect your business?

| Positive | Negative |
|---|---|
| Government Funds Drive Quantity of Work | Air Regulations Affect Profitibality of Small Businesses |
| Have a Major Effect on Businesses (positive) | Add Costs |
| Helps Bring Industry to Industry Parties Together | Workers Compensation and FMLA |
| Positive | Makes the Process of Constructing New Facilities Cumbersome |
| Training/Education | Limit the Business Growths |
| | Negative |
| | Sarbanes Oxly Legislation has Created Nonsensical Busy Work |
| | Slow Implementation of Start-up Projects |
| | Taxing |
| | Controlling What We Do |

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## Section II: Findings: Important Supporting Institutions that They would Like to See in the Region

- Many indicated that they would like to see a 4-year college in their communities
- Technical training and technology centers as well as testing labs were also highlighted

Table. IV.32. What are the most important regional institutions you desire to have present that are currently absent? (ranked in the order of importance)

| |
|---|
| Technical Training and Technology Centers |
| 4-Year College/MTSU Campus |
| Testing Labs/R&D Labs/Educational |
| Trade/Vocational Schools |
| Local 2-Year College Training |

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## Section II: Findings: Business Attitudes that They would Like to See in the Region

- A recognition and understanding of business dynamics in rural regions
- Emphasis on rural economic development
- Willingness to embrace change

Table IV.33. What is the most important business attitude you would desire to see? (in no particular order)

| |
|---|
| Better Communication |
| Customer Service |
| Government's Recognition of the Impact of Spiriling Fuel and Steel Cost on Businesses |
| Growth |
| Involvement and Support of Education |
| Less Emphasis on Labor Unions |
| Less Litigation |
| Local and State Governments Working Togetfor for Business Development |
| More Assistance to Existing Businesses that have been in Tennessee for a Long Time |
| More Attention to Rural Economic Development by State and Federal Government |
| Positive Acceptance of Business Challenges |
| Regionwide Infrastructure Plans |
| Understanding Competition |
| Willingness to Embrace Change |

# Section III: Findings: Advantages and Disadvantages

- Good labor supply and skill, good quality of life, labor pool, location were cited advantages of doing business in the county
- Regulatory environment, workers comp, lack of 4-lane highway, and government assistance programs for existing businesses were cited as disadvantages

Table IV.34. What are the major advantages or disadvantages when it comes to doing business in this region?

| Advantages | Disadvantages |
|---|---|
| Good Labor Supply and Skill | Regulatory Bureaucracy |
| Good Quality of Life for Residents/Employees | Lack of 4-Lane Highway |
| Labor Pool | Must Improve Workers Comp |
| Local Assistance | Need a Regional Center for Industrial Training/Development |
| Low Cost of Property | Current Administration Needs to Recognize the Impact of TDOT Projects on Businesses |
| Location | Urban Sprawl |
| Increasing Technically Trained Workforce | High Medical Cost |
| Economic Development | Industrial Parks in Counties are Away from Highway |
| Transportation | Establish Enterprize Zones with Federal and State Tax Breaks |
| Favorable Regulatory Environment | FMLA |
| Fiber Optics Availability in Certain Counties | Multiple Level of Taxing Authorities |
| | Lack of Retails |
| | Government Assistance Programs for Existing Businesses |
| | Labor Pool |

Thank You!

Questions?