

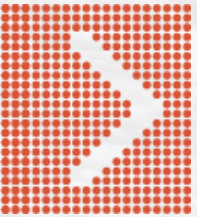


edcUTAH

ECONOMIC
DEVELOPMENT
CORPORATION
OF UTAH

**SALT LAKE CITY
BUSINESS SURVEY**





PROGRESSION OF PRESENTATION

- **Research Objectives**
- **Methodology**
- **Key Findings**
- **Results of Analysis**
- **Possible Solutions**
- **Summary Statistics (appendix)**

RESEARCH OBJECTIVES

- Identify key characteristics of expanding Salt Lake City (SLC) companies
- Define key barriers to growth for SLC businesses
 - Determine potential supply chain constraints and weaknesses
- Identify potential solutions that stakeholders can help solve
- Understand SLC's value proposition to existing SLC businesses
- Determine which companies are currently exporting, or are primed to begin exporting





METHODOLOGY

EDC Utah sent an online survey using Qualtrics to all businesses in SLC with a valid email address attached to their business license.

- 5,797 SLC businesses were invited to participate in the survey
- 813 businesses completed the online survey, representing a 14% response rate (*industry norm = 10% - 15%*)

Incentives:

- Dinner with the Mayor of Salt Lake City, Jackie Biskupski
- Four tickets to a Utah Jazz game
- Four tickets to the Eccles Theater

****Results are statistically significant at the 95% Confidence Level with a Confidence Interval (Margin of Error) of +/-3.34% (industry norm MoE = +/- 5%)*

KEY FINDINGS

On average, **50% to 80%** of companies would expand in SLC given the need / opportunity, leaving **20% to 50%** that may not.

- The majority of company respondents were SMEs headquartered in SLC that have been in business less than 10 years
- Salt Lake City's Net Promoter Score (NPS) is: -24.91

Top reasons businesses choose to not expand in SLC:

- Operational costs
- Customer base
- Tax environment
- Regulatory requirements
- Homelessness, drug, and crime issues

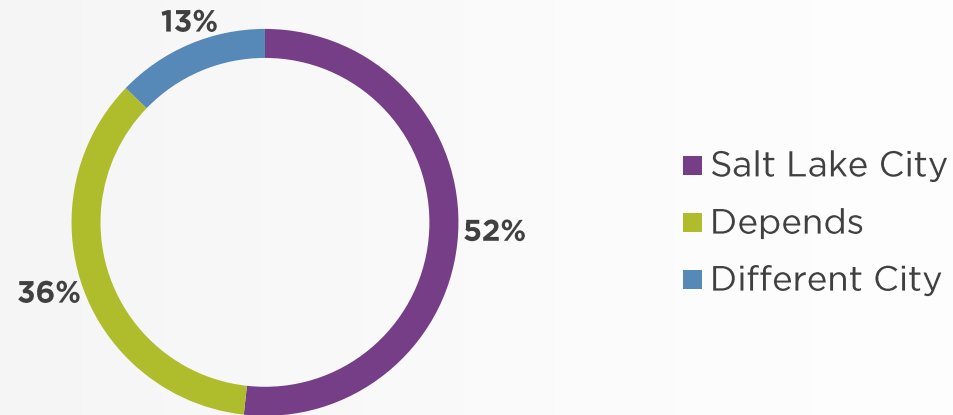
Major contributors that keep companies in SLC:

- Proximity / access to customers
- Pro-business environment
- Quality of life
- Arts and entertainment scene
- Ease of talent recruitment



CHARACTERISTICS OF EXPANDING SLC COMPANIES

If the need to expand were to arise, **13%** of Salt Lake City companies would choose to not expand in SLC, while **36%** are undecided. The undecided group presents an opportunity for SLC.

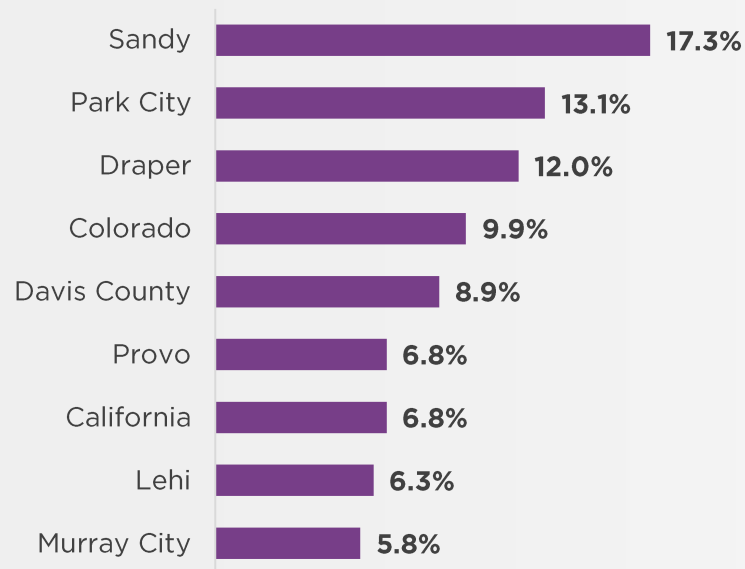




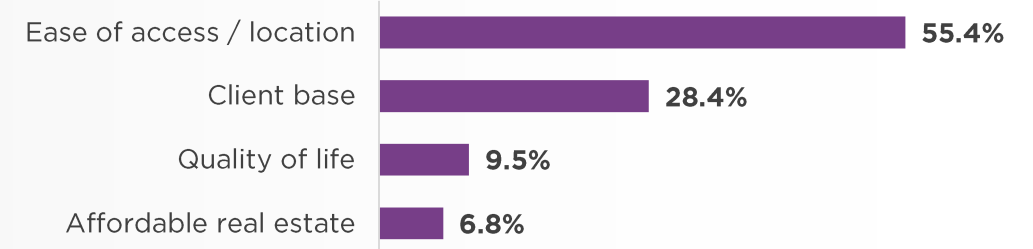
CHARACTERISTICS OF EXPANDING SLC COMPANIES

Companies expanding or relocating outside SLC primarily still want to stay within Utah State.

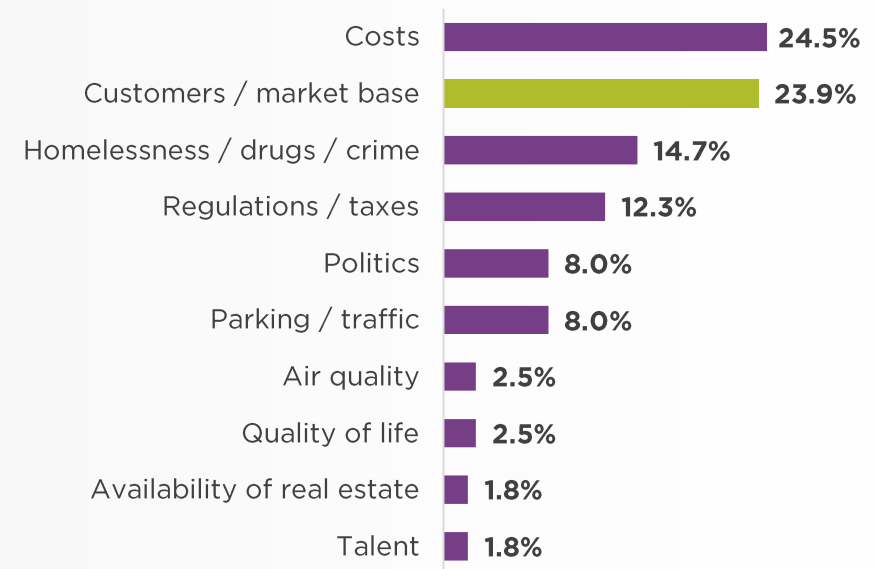
Location expansion choices



Benefits to expanding within SLC



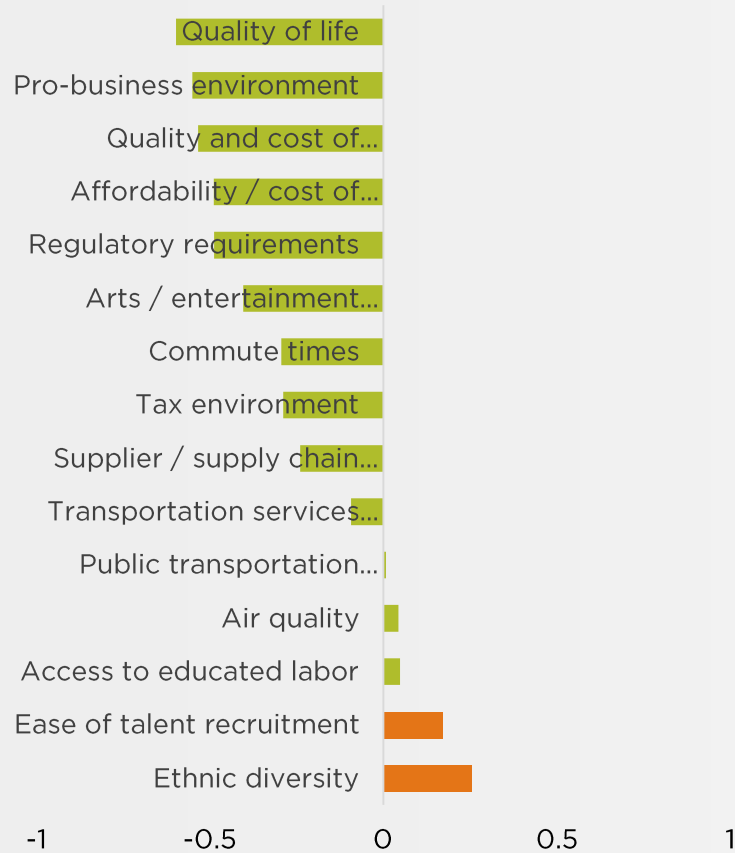
Reasons to not expand within SLC





CHARACTERISTICS OF EXPANDING SLC COMPANIES

Ranking differences between “SLC” and “different city”



Ranking differences between “SLC” and “depends”



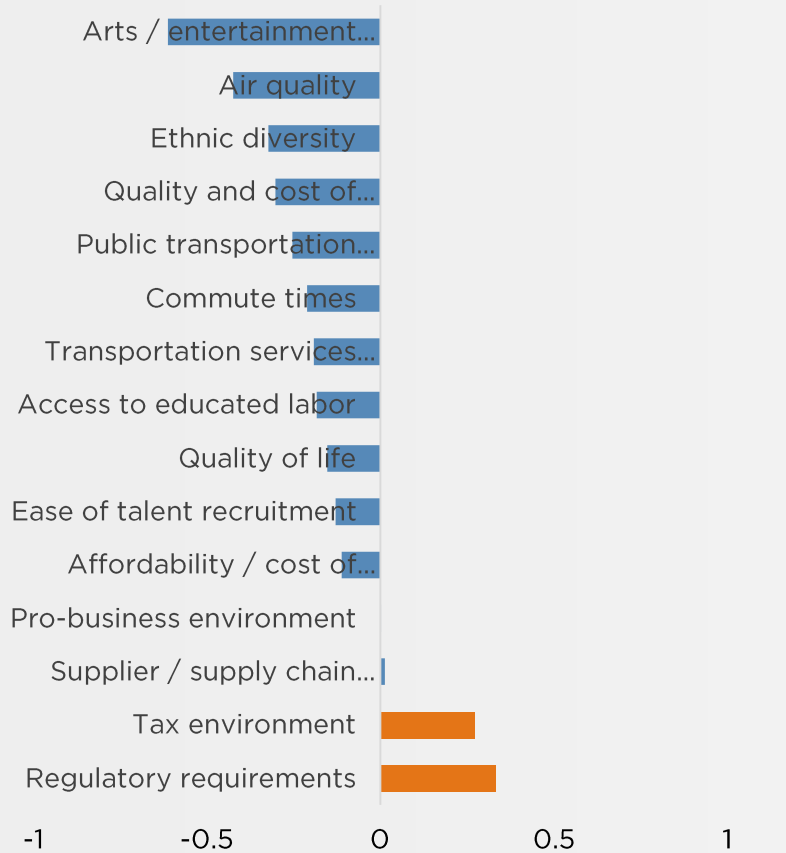
Ranking differences between “depends” and “different”



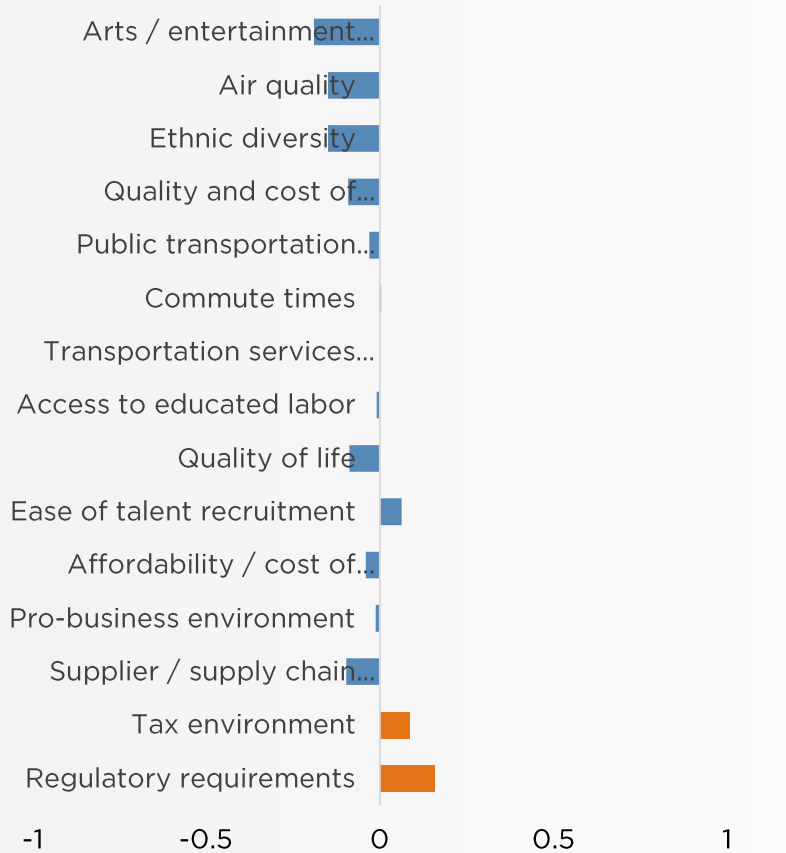


CHARACTERISTICS OF EXPANDING SLC COMPANIES

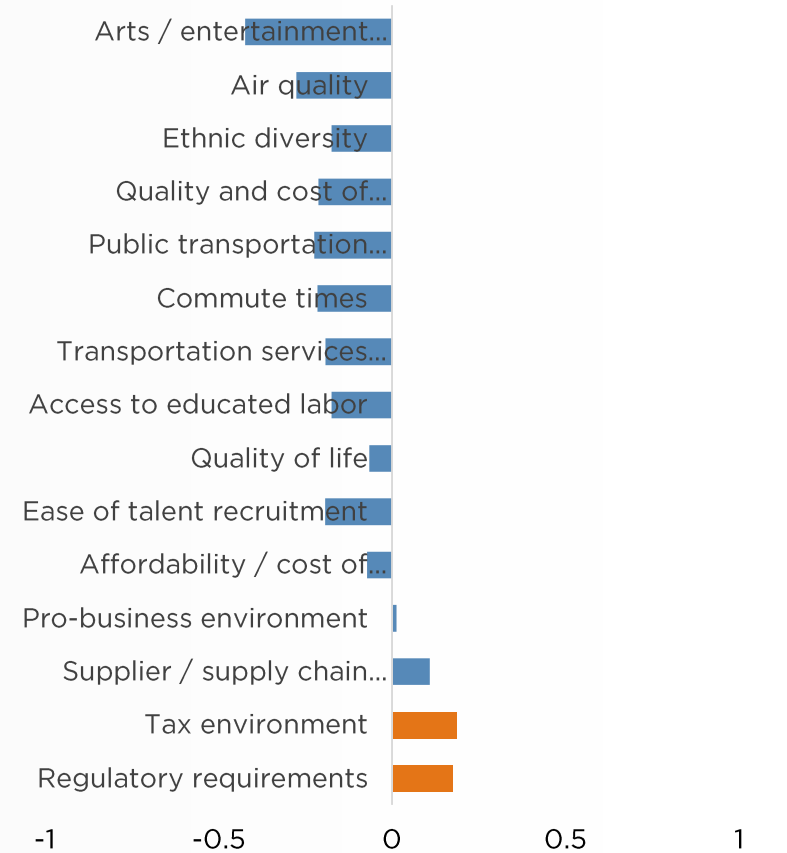
Importance differences between “SLC” and “different”



Importance differences between “SLC” and “depends”



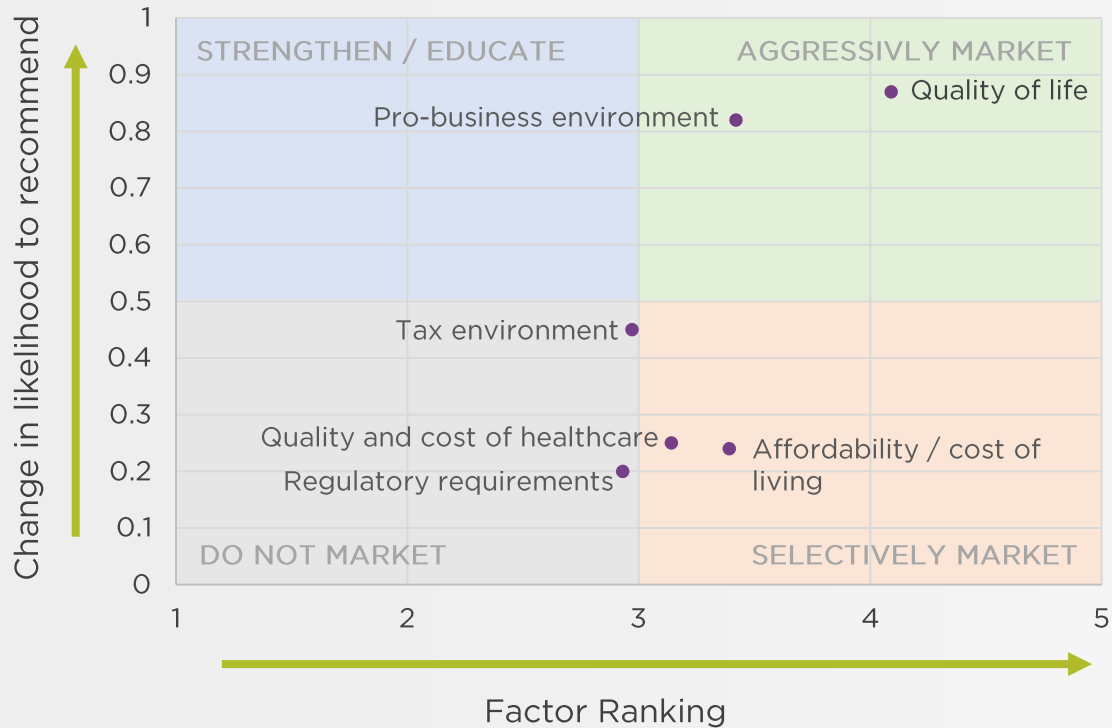
Importance differences between “depends” and “diff”



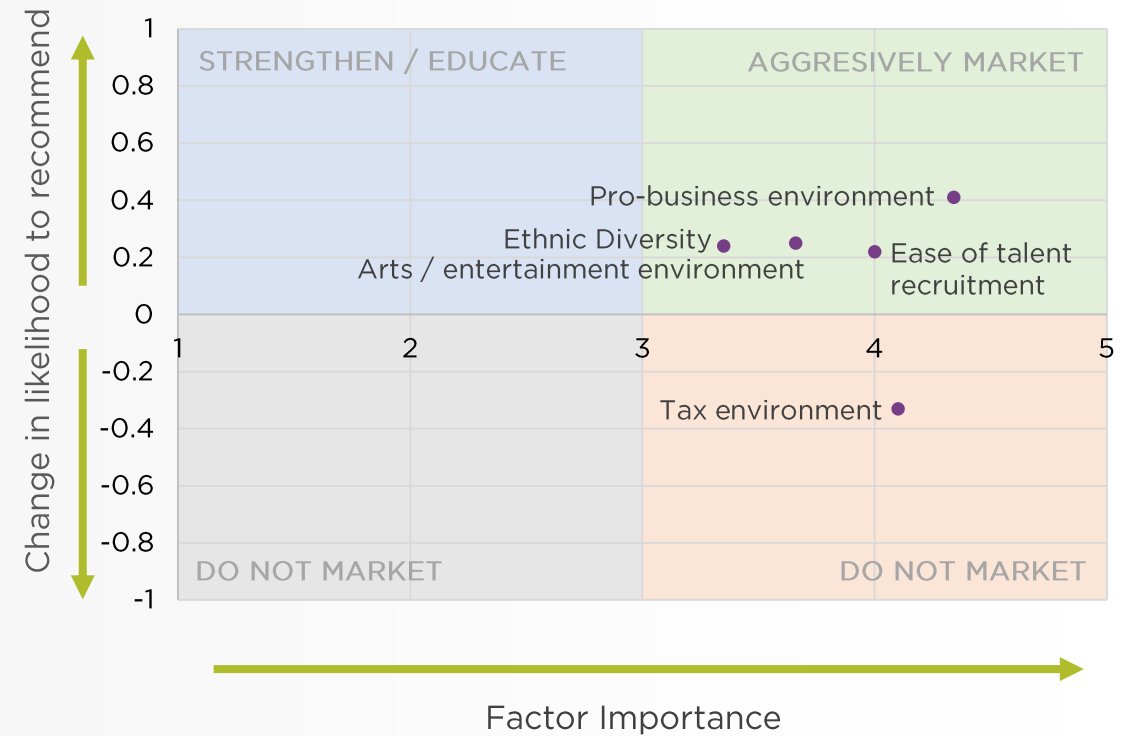


CHARACTERISTICS OF EXPANDING SLC COMPANIES

Change in likelihood to recommend SLC based on factor **ranking**



Change in likelihood to recommend SLC based on factor **importance**





CHARACTERISTICS OF EXPANDING SLC COMPANIES

An odds ratio (OR) is a measure of association between an exposure and an outcome. In this case, we measure the change in odds of expanding within SLC based on factor rankings and factor importance.

Impact of Factor Rankings on odds of expanding within SLC

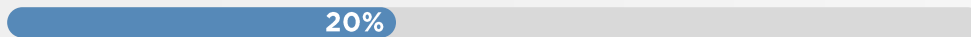
Quality of life



Pro-business environment



Arts / entertainment environment



Impact of Factor Importance on odds of expanding within SLC

Arts / entertainment environment



Quality and cost of healthcare



Tax environment



“

“My business operates on highly educated young professionals. To recruit them, I need affordable housing downtown and good public transportation. They all want to live downtown.”

“Great environment.
Close to world class outdoor destinations.
Centrally located along the Wasatch Front.”

“

“Friendly business environment and we do operate in downtown SLC. No reason or sense to go anywhere else.”

“

“Ease of access, transportation and culture of the community”





CHARACTERISTICS OF EXPANDING SLC COMPANIES

Key barriers to growth



Talent recruitment = difficult



Regulatory environment = poor





KEY BARRIERS TO GROWTH

Companies who experienced **negative** growth between 2015 and 2016 listed their top three barriers to growth as:

- 1 Growing the customer base
- 2 Finding available real estate in the right location
- 3 Finding skilled labor at the right price

Companies who experienced **positive** growth between 2015 and 2016 listed their top three barriers to growth as:

- 1 Finding available real estate in the right location
- 2 Finding skilled labor at the right price
- 3 Controlling operational costs



KEY BARRIERS TO GROWTH

Growing the customer base

- Healthcare and related fields
- Retail trade
- Arts, entertainment, and recreation
- Energy and natural resources

Finding the right labor at the right price

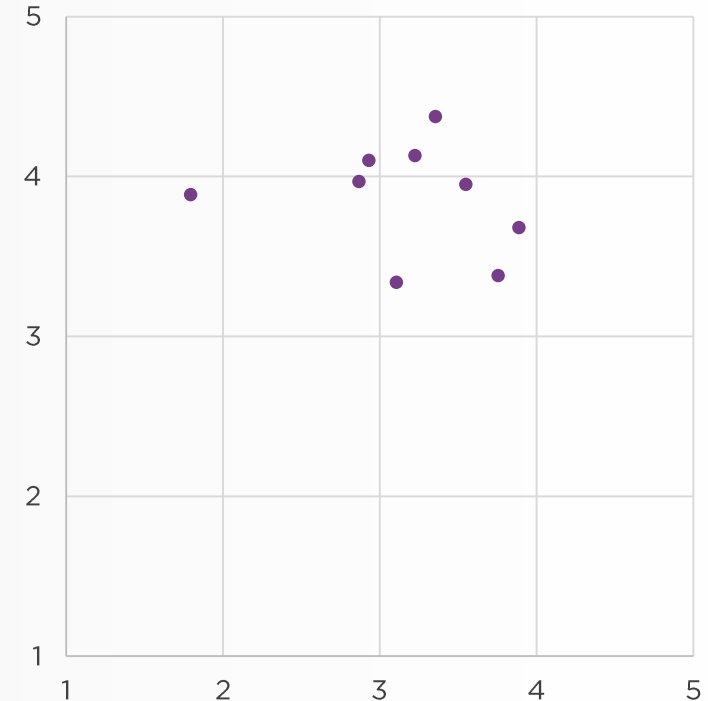
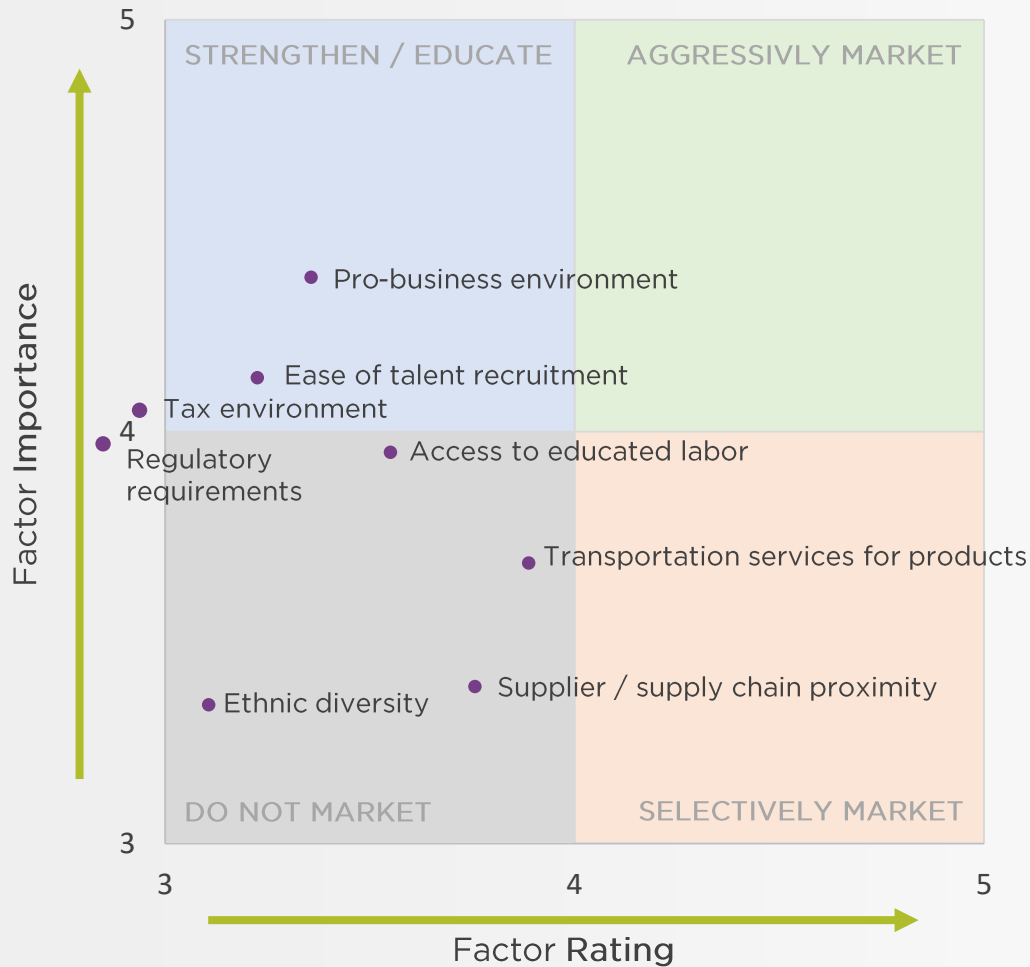
- Professional, scientific, and technical services

Operational costs

- Manufacturing
- Educational services

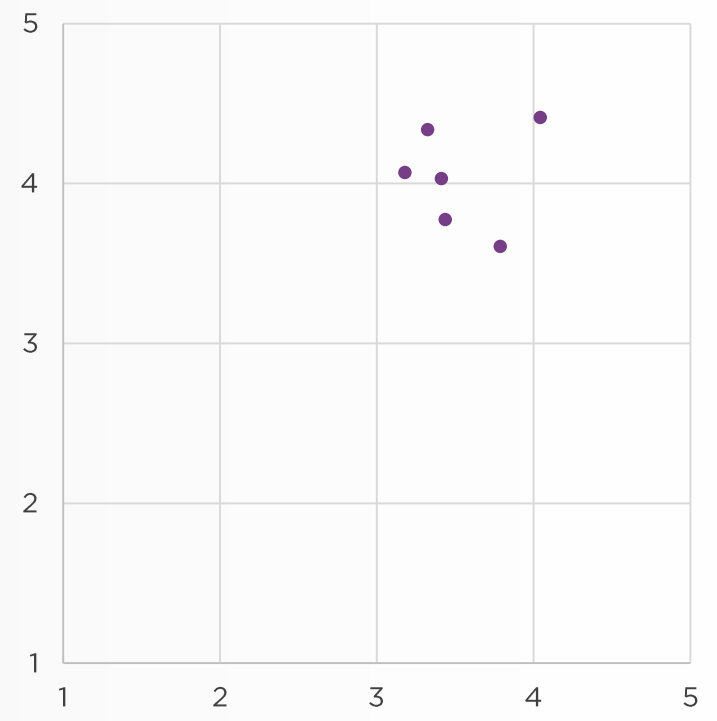
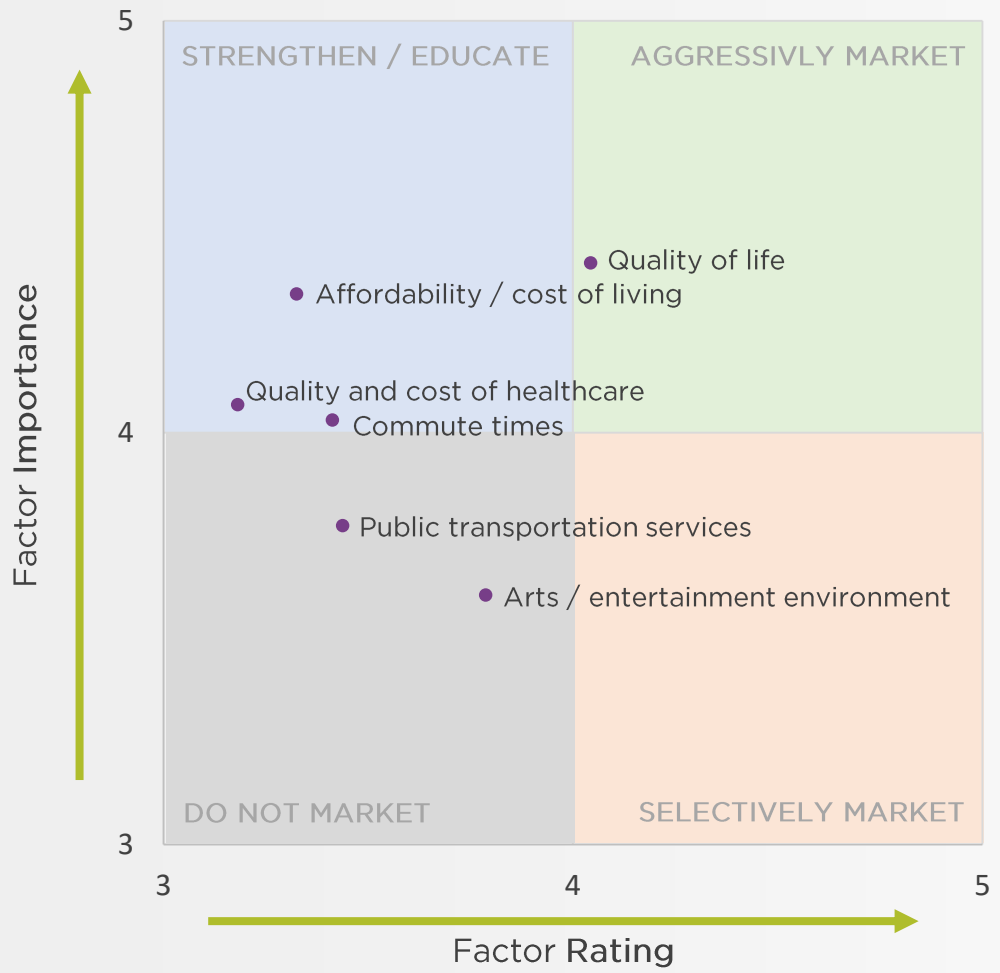


SALT LAKE CITY'S VALUE PROPOSITION (BUSINESS FACTORS)





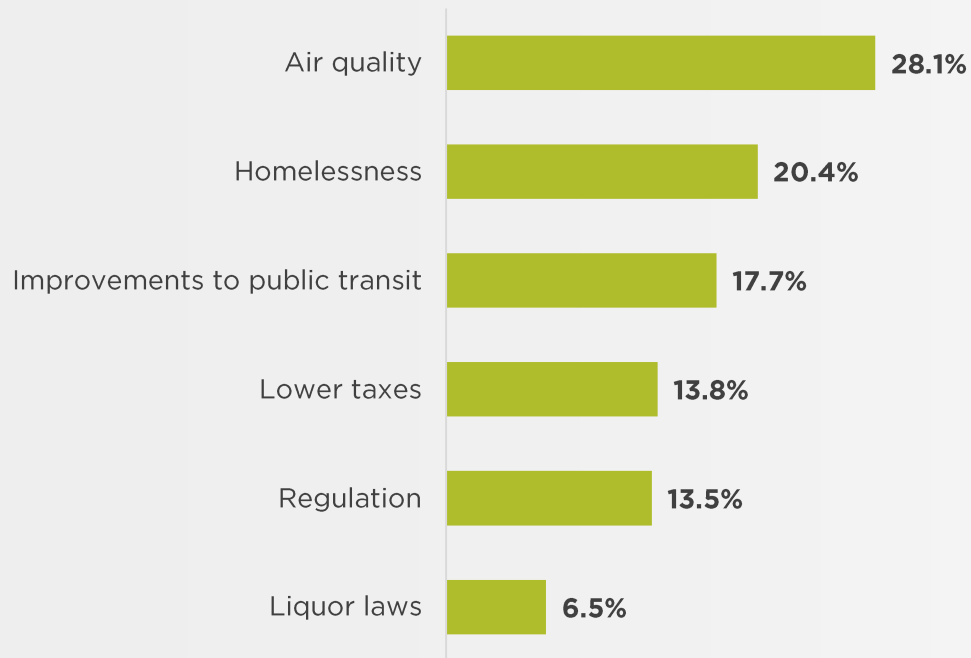
SALT LAKE CITY'S VALUE PROPOSITION (EMPLOYEE AMENITIES)



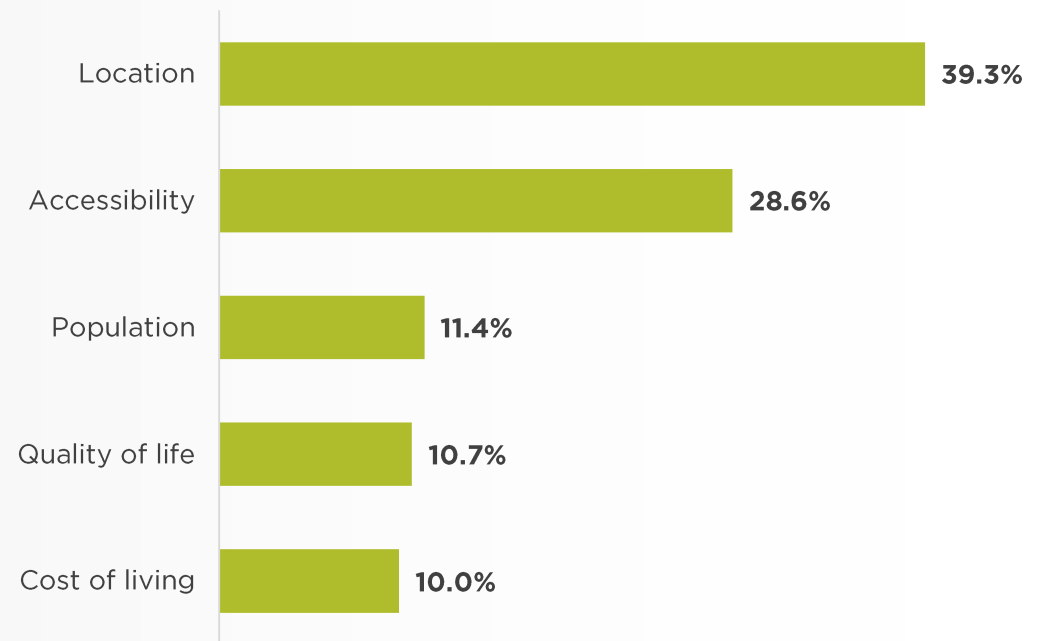


SALT LAKE CITY'S VALUE PROPOSITION

Factors to improve to make SLC more accommodating



Most beneficial aspect of operating a business in SLC

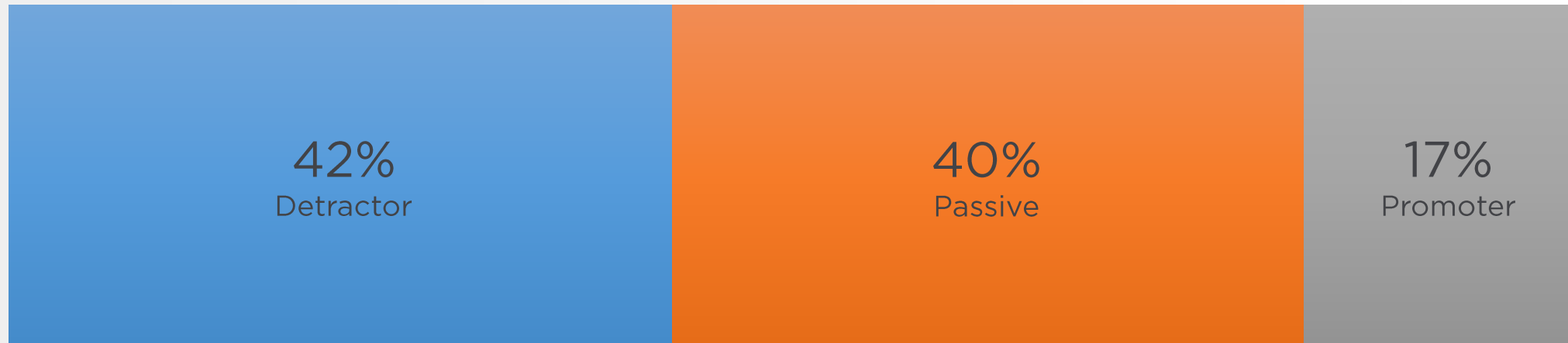


SALT LAKE CITY OVERALL NET Promoter SCORE

A Net Promoter Score is an index that measures the willingness of a respondent to recommend a product to others. In this case, the NPS is used as a proxy for gauging SLC's business' overall likelihood to recommend the city to another business as a place of operation.

A NPS is based on a range of -100 (where everyone is a detractor) to 100 (where everyone is a Promoter) and is calculated by subtracting the percent of detractors from the percent of Promoters.

SLC NPS = -24.91

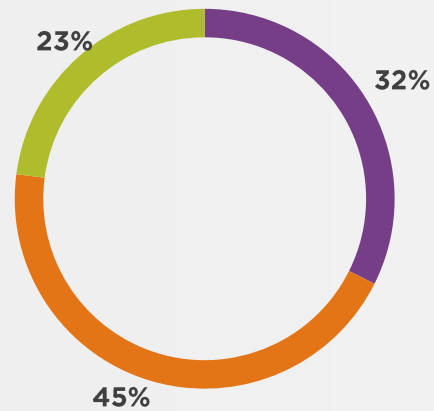




NET PROMOTER SCORE BY EXPANSION LOCATION

Salt Lake City

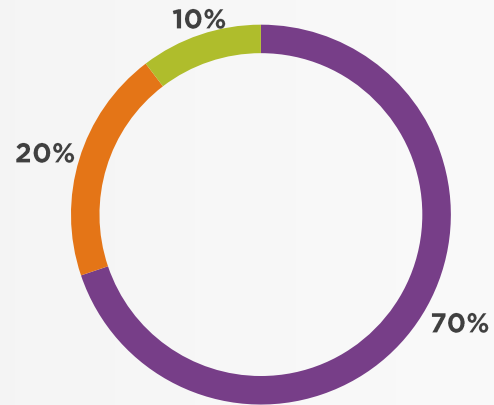
■ Detractor ■ Passive ■ Promoter



NPS: -9.5

Different city

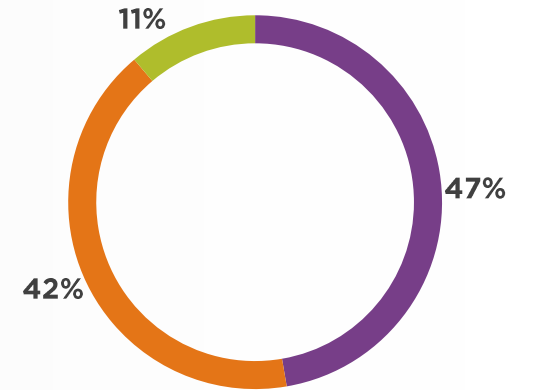
■ Detractor ■ Passive ■ Promoter



NPS: -59.4

Depends

■ Detractor ■ Passive ■ Promoter

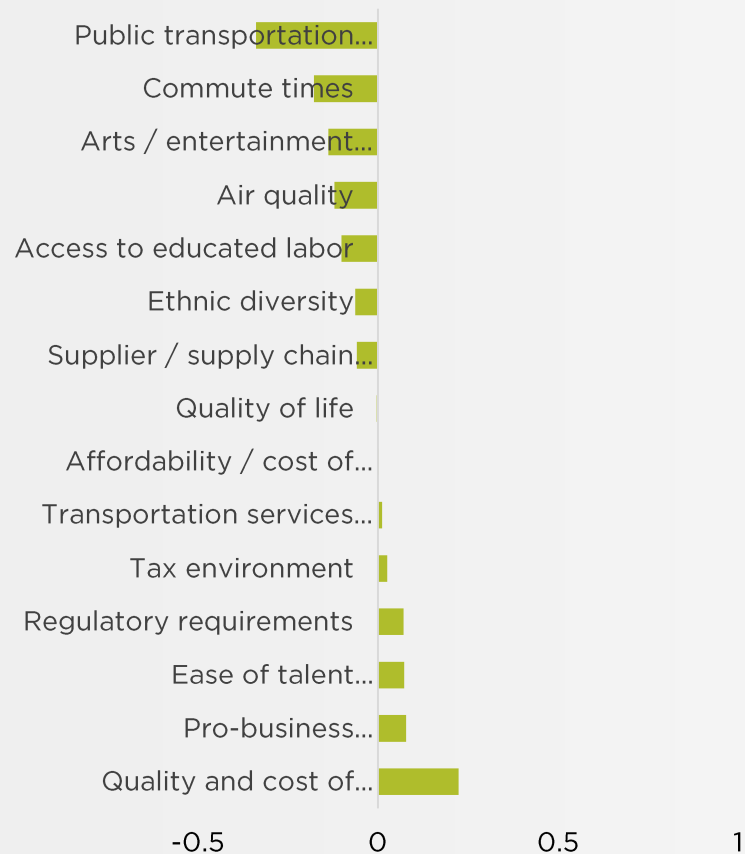


NPS: -36.1



CHARACTERISTICS OF DEPENDS / PASSIVE GROUP

Ranking differences between “SLC” and “depends”



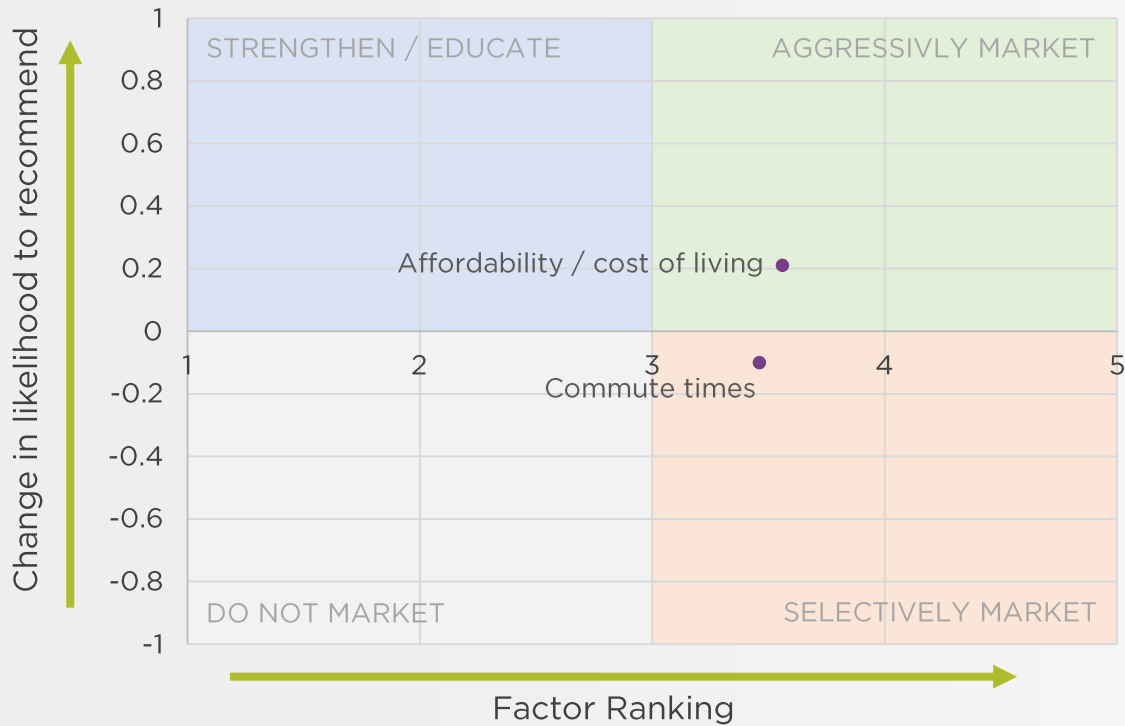
Importance differences between “SLC” and “depends”



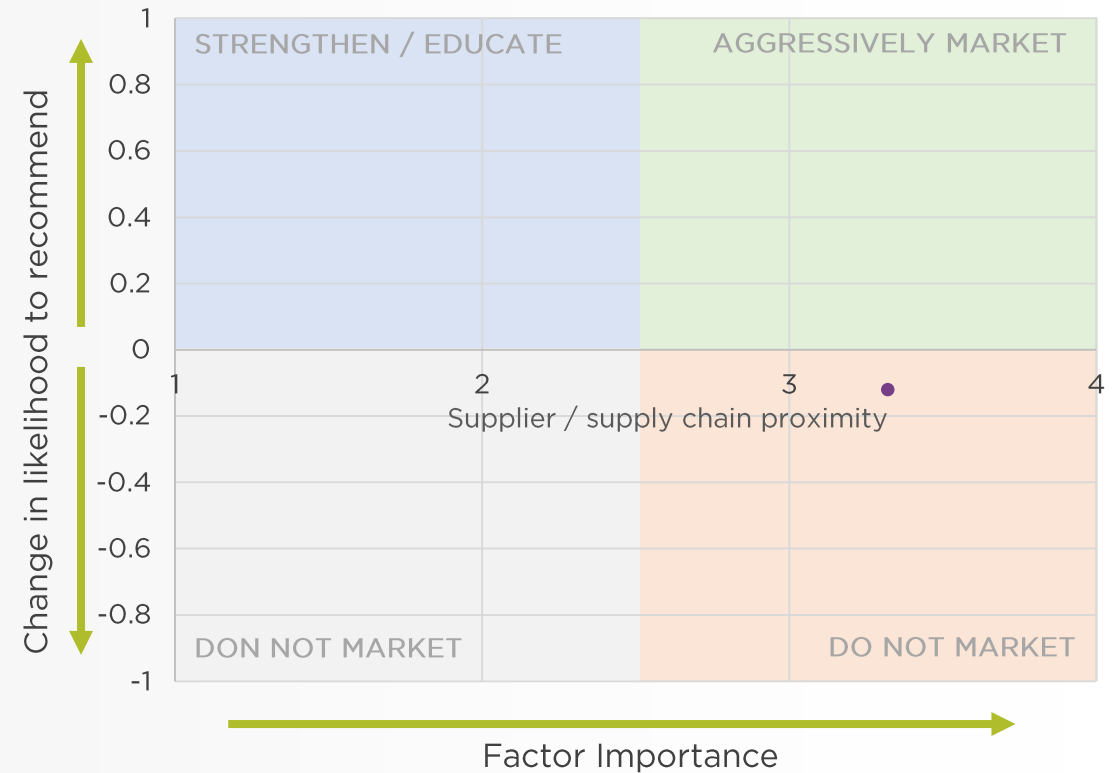


CHARACTERISTICS OF DEPENDS - PASSIVE

Change in likelihood to recommend SLC based on factor ranking



Change in likelihood to recommend SLC based on factor importance





SALT LAKE COMPANIES AND EXPORTS

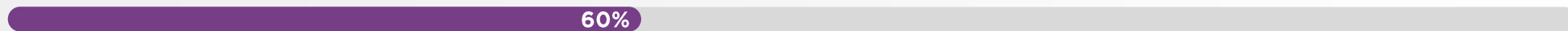
Companies who would like to export are the same companies that experienced significant growth during 2016.

Companies who would NOT like to export are the same companies that experienced significant negative growth.

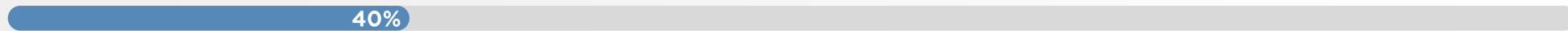
Expecting future growth leads to a desire to export



Revenue leads to exporting



Expecting future growth leads to actual exporting





POSSIBLE SOLUTIONS

Strategy: Target companies that are unsure whether they would expand in Utah, while keeping promoters happy.

Things to consider / market:

- Pro-business environment
- Quality of life (this may impact talent recruitment)
- Arts and entertainment scene (this may impact talent recruitment)
- Central location
- Proximity / access to customers
- Ease of talent recruitment

Challenges to overcome

- Real estate options
- Homelessness, drug, and crime issues
- Operational costs
- Tax environment
- Regulatory requirements

SUMMARY STATISTICS

APPENDIX



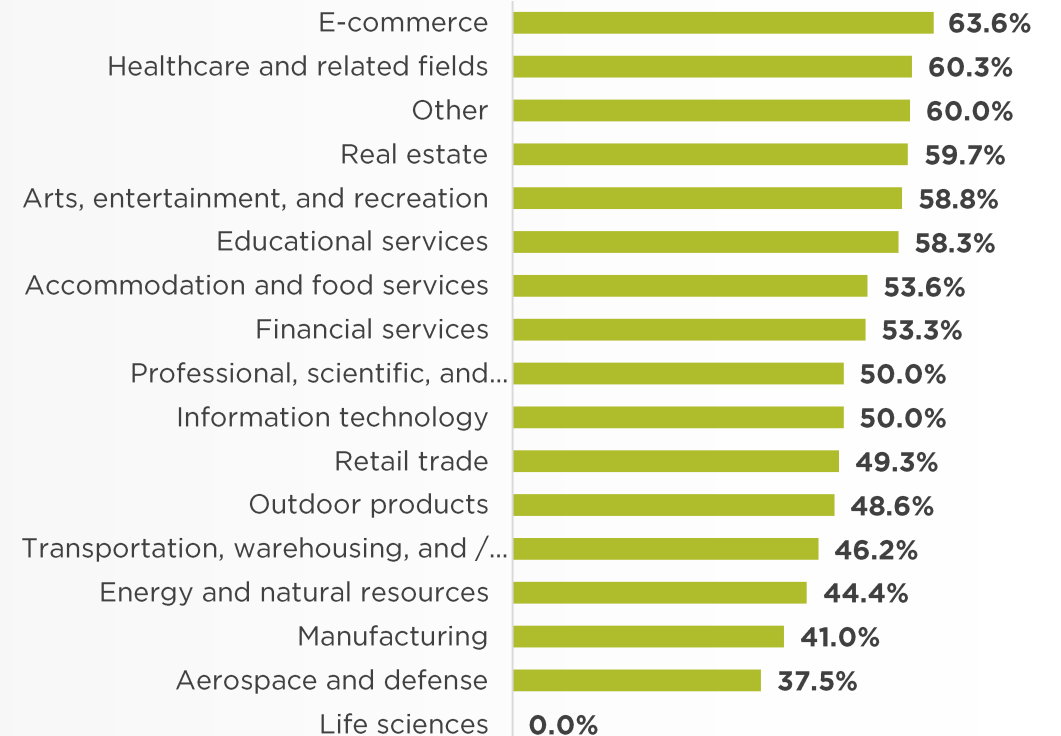


SUMMARY STATISTICS (APPENDIX)

Primary industry



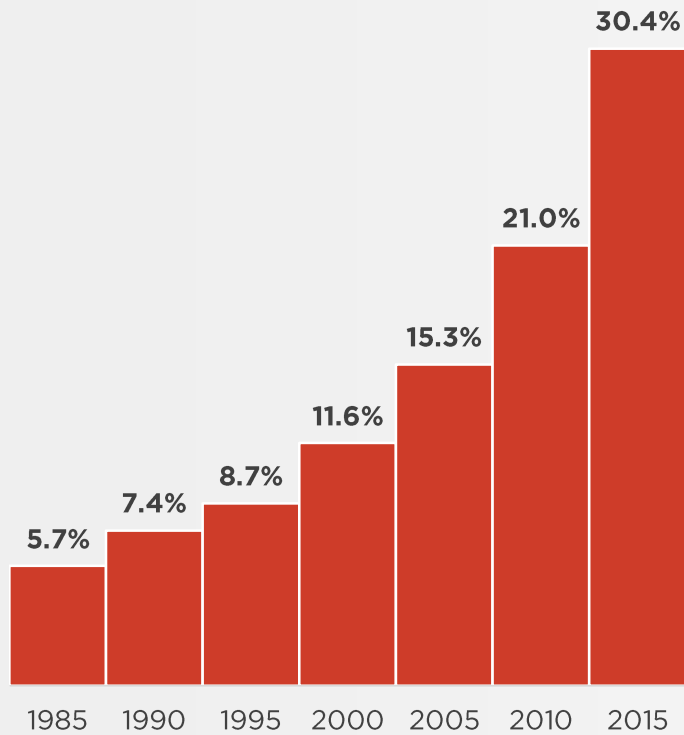
Expand in SLC by industry



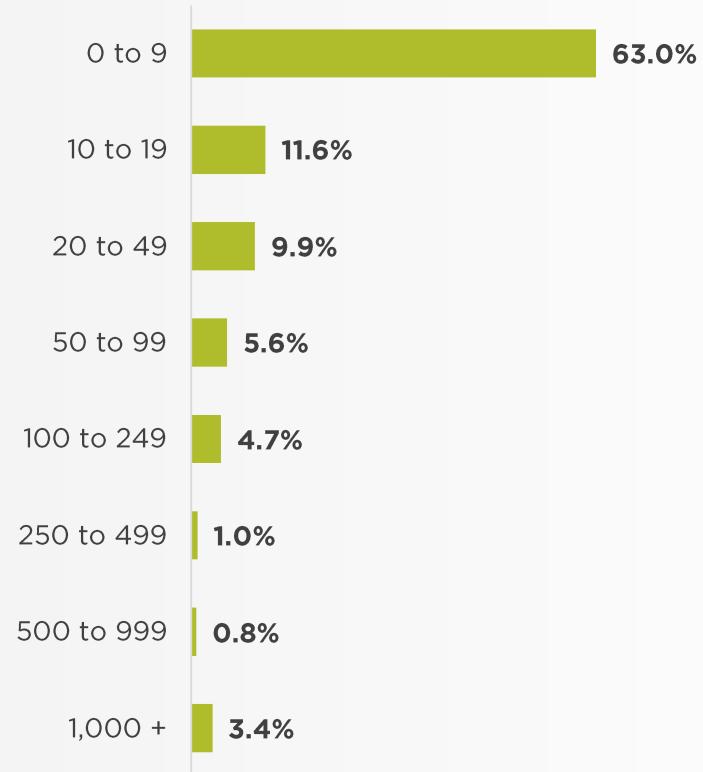


SUMMARY STATISTICS (APPENDIX)

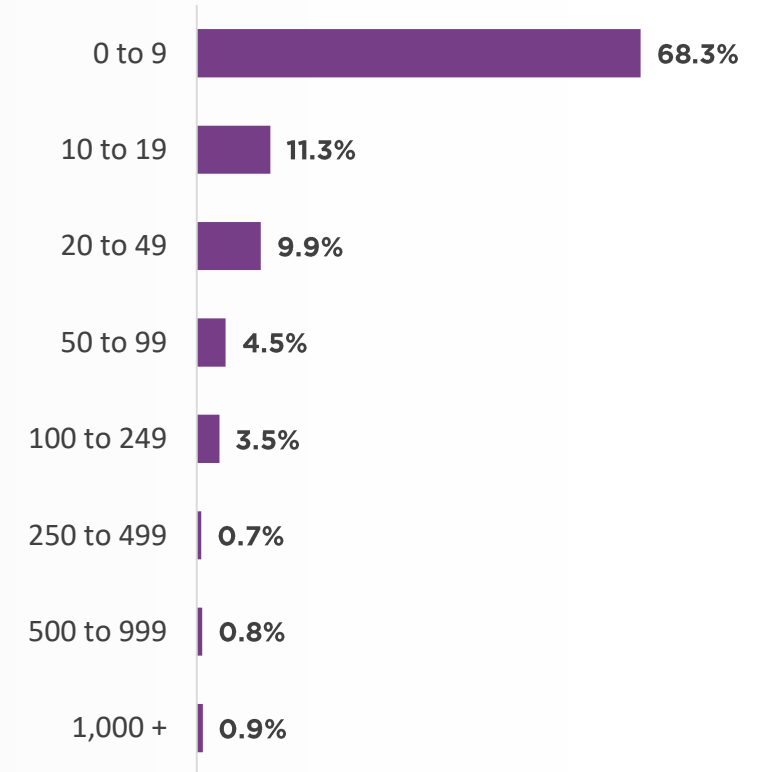
Company age



Total employees



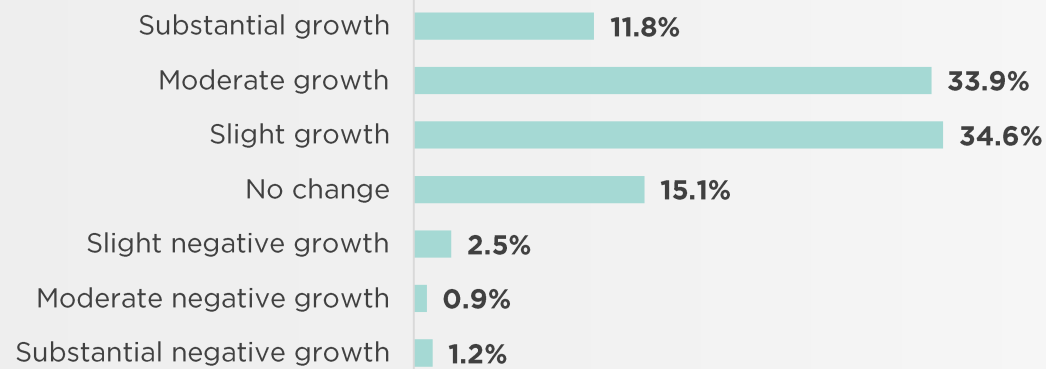
Total SLC employees



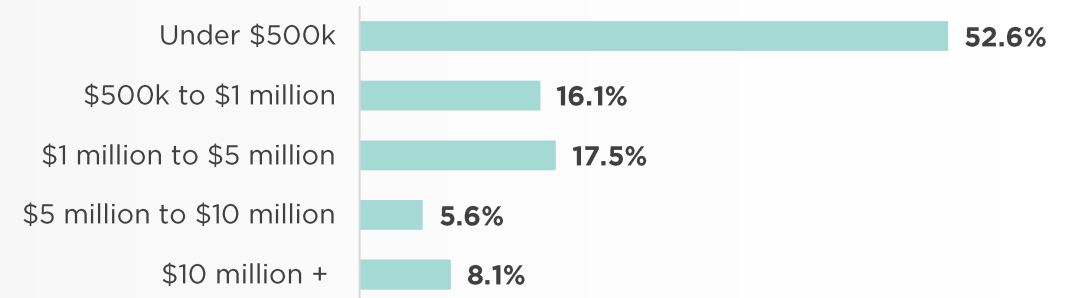


SUMMARY STATISTICS (APPENDIX)

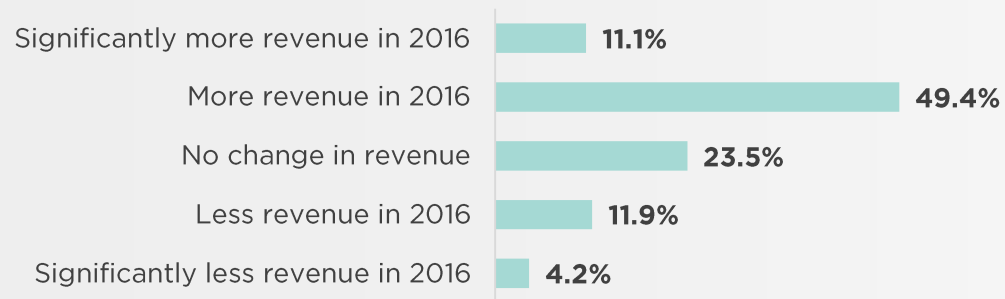
12-month growth expectations



2016 estimated revenue



Change in revenue between 2015 and 2016



Headquartered
in SLC

78.7%

Currently
exporting

34.7%

Want to
export

16.7%



edcUTAH

ECONOMIC
DEVELOPMENT
CORPORATION
OF UTAH

THANK YOU