Skowhegan Business Needs Assessment Report

FINDINGS AND RECOMMENDATIONS: 2021

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# Table of Contents

- Executive Summary .......................................................... 2
- Assessment Key Findings .................................................. 3
- Assessment Recommendations .......................................... 7
- Community Profiles .......................................................... 9
- Community Profile Recommendations .............................. 11
- Appendix I: Survey Results .............................................. 12
Executive Summary

In 2021, Main Street Skowhegan undertook a needs assessment with many of the businesses located in the town of Skowhegan. The assessment took the form of a 25-question survey that was conducted via phone, in person, and via email. The purpose of the study was to hear from business owners about the health of their businesses a year into the Covid-19 pandemic. We wanted to learn what challenges they were experiencing, how Main Street Skowhegan and other regional economic development organizations could better support both their business and the broader business community, and whether they would be interested in programming to help strengthen the local entrepreneurial ecosystem.

With a 29% response rate to our outreach, the survey yielded results from more than 135 businesses. Our primary findings were as follows:

- Top challenges facing businesses are finding and retaining qualified employees, and securing financing
- Top near-term opportunities identified by businesses include scaling business operations and increasing their customer base
- 53% of businesses interviewed would be interested in attending trainings with other local businesses focused on growth
  - Marketing was the training most requested by businesses, followed by website development, then financing and basic accounting courses
- Businesses top desire for an entrepreneurial facility is conference space, followed closely by increased networking opportunities
- While 47% of the businesses surveyed received either PPP or EIDL loans over the course of 2020/2021, 84% say they are no longer in need of Covid-19 related relief funds
Key Findings

Findings from the survey can be broken down into four distinct categories: demographic information, perceived challenges and opportunities, interest in educational opportunities, and interest in an entrepreneurial facility.

Demographic information

Skowhegan is home to a fleet of long-established businesses, with relatively few employees.

More than 63% of Skowhegan businesses have been in operation for 10 years or more, and more than 34% have been in business for over 30 years. Among new businesses, 23% have launched within the past 1-5 years. Furthermore, more than 70% of interviewed businesses in Skowhegan are small businesses, with 27% of businesses being an owner-operated business with no employees, and 43% having 1-5 full time employees. Despite the relative age of Skowhegan’s business pool, 63% of businesses surveyed do not have an exit strategy or succession plan.

Challenges and Opportunities

Interviews with Skowhegan businesses yielded a common struggle: finding and retaining qualified employees. This proved to be an issue across the board, for businesses of all sizes in all industries. Beyond workforce challenges, businesses also struggled to find and secure financing to help expand their business operations.
Top 3 Challenges Facing Local Businesses

- Finding and Retaining Employees
- Workforce Development
- Financing

Main Street Skowhegan Business Needs Assessment Survey, 2021

Top 5 Opportunities Identified by Local Businesses

- Scaling Business
- Expanding Infrastructure
- Developing a New Product Line
- Increasing Customer Base
- Opening a New Location

Main Street Skowhegan Business Needs Assessment Survey, 2021
The pandemic also presented new opportunities for local businesses, with more than 25% of businesses surveyed identifying an opportunity to scale their operations in the near future. Many other businesses perceived an opportunity to expand their customer base, if they had not already launched a strategy to do so at the time of our conversation.

**Educational Opportunities**

Overall, businesses were very interested in attending trainings focused on growth with other local businesses. More than 53% of surveyed businesses indicated that they would participate in such trainings. Of those interested, the most desired course was marketing and advertising with 36 total businesses interested, followed by financing and accounting, as well as IT support and website development at 15 businesses each.

Surveyed businesses indicated a preference for attending educational events online, with an option to access recorded sessions later, rather than holding them in person. That is not to say that respondents did not want to gather in person, in fact there was preference for this with regard to increased networking opportunities. However, most respondents indicated having a very busy schedule, and online events would allow them to access the trainings without the need to commute. In many cases, not providing an online option would make it impossible for interested businesses to participate.

**Top 3 Courses of Interest**

- **Marketing/Advertising**: 36 businesses interested
- **Financing/Accounting**: 15 businesses interested
- **IT Support/Web Development**: 15 businesses interested

In addition to the educational courses, over 51% of surveyed businesses owners or managers indicated that they would be interested in participating in a business mentorship program. Overwhelmingly, business owners desired to be mentored by other business owners or individuals operating in a similar industry.
Entrepreneurial Facility

Businesses surveyed presented mixed levels of excitement about an entrepreneurial facility. Most respondents were excited about the prospect of an entrepreneurial facility, but stated that neither they personally, nor their business would likely make use of the facility. Overall, 34% of businesses surveyed said they are interested in the facility. Of those, 14 said they would be willing to pay for the facility on a monthly basis. Willingness to pay varied based on what features the facility offered. Nonetheless, businesses said they would be willing to pay an average of $135 per month for the facility.

For businesses that were interested in the entrepreneurial facility, their primary interest was in conference space, with 24 total businesses marking this as their primary interest. Beyond that, 15 businesses indicated their primary desire was for networking opportunities and 8 indicated it was for office space.
### Needs Assessment Recommendations

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<tr>
<th>Recommendations Based on Survey Findings</th>
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<td><strong>1.</strong> Utilize the new MSS Business Relationship Manager position to create and nurture relationships with businesses throughout the town of Skowhegan, not just in the downtown, through quarterly visits.</td>
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<td><strong>2.</strong> Host educational courses at the entrepreneurial facility.</td>
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<td>- Begin with a marketing class, facilitated by the Roux Institute if possible, or other professional organization.</td>
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<td>- Leverage local talent for other educational workshops.</td>
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<td>- Estate planning from the senior planning center, marketing from Kristina Cannon, what banks want to see in a business plan from Molly Woodward, code enforcement for development from Bryan Belliveau.</td>
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<td>- Classes should be in person with the option to access an online live stream as well as a recorded session afterwards.</td>
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<td>- Events should be used to draw foot traffic to the entrepreneurial facility and generate further interest in future offerings.</td>
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<td><strong>3.</strong> Create a local business mentorship program from the list of interested businesses.</td>
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<td>- Pair mentees with mentors in a comparable industry.</td>
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<td>- Encourage monthly in person meetings at the entrepreneurial facility to increase foot traffic.</td>
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<td>- Offer mentor-only meetings to see if there are common challenges experienced by businesses that Main Street could work to address.</td>
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<td><strong>4.</strong> Utilize entrepreneurial facility to offer other themed events for business community.</td>
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<td>- Offer events catered towards businesses of a specific industry to foster more inter-industry collaboration and dialogue.</td>
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<td><strong>5.</strong> Promote local financial institutions, CPAs, lawyers, and other professional service firms to make succession planning more readily available.</td>
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6. Continue work with Somerset Career & Technical Center and JMG to extend the network of businesses that are willing to host apprentices and other young professionals.

   - Securing internships for young professionals will bolster workforce development, alleviate pressure from the labor shortage, and could lead to these individuals taking over an existing business.

7. Utilize informal interviews with local entrepreneurs to create entrepreneur profiles that are promoted through MSS social media.

   - Promoting entrepreneurial efforts will demystify entrepreneurship and make it feel more accessible.

   - Interviews with entrepreneurs will build and strengthen MSS relationship with new business community.
Community Profiles

In addition to gathering feedback from businesses in Skowhegan, Main Street felt it was important to learn from other communities similar in size and industry to Skowhegan. Main Street Fellows Nick Adams and Eliot List traveled to Littleton, New Hampshire and Brattleboro, Vermont to meet with community leaders, business owners, and municipal officials to gather rural community development best practices and strategies for growth that they could bring back to Skowhegan.

Littleton, New Hampshire

1. Musicians and artists are a key ingredient in economic growth.
   a. Art is able to bridge economic and political divides.
   b. There is a large overlap between outdoor rec, local food, and the arts community.

2. Affordable housing is key to attracting new residents.
   a. Young newcomers tend to gravitate towards second and third floor apartments.
   b. In a well-developed Main Street, the upper floor housing units become the primary revenue generators rather than the storefronts.

3. Breweries are an integral part of attracting and retaining a young population.
   a. Breweries provide a third space where people can meet, enjoy live music, good food and great beer.

"The arts transcend the political divides in our community and provides much-needed healing. Murals are an inviting way to make art more present."

"Bringing Schilling Beer Company here was very intentional. Every town needs good beer, good cheese, and good bread."

"It used to be that storefronts were the money maker and the apartments above were just gravy on top, but now it is the other way around."

Main Street Skowhegan Business Needs Assessment Report
4. A more optimistic view of the future can spur economic growth.
   a. Highlighting what is great about the town becomes the voice of change.
   b. Bring people that want to make a difference into the light.

5. Innovative shared spaces bring a stronger sense of community.
   a. The addition of entrepreneurial and maker spaces has inspired creativity and risk-taking.
   b. Work from home is the future of small town populations.

6. The presence of local foods, local artists, and accessibility to outdoor recreation have accelerated economic growth.
   a. Encouraging the overlap of these three areas will drive revitalization efforts.
   b. Give people a reason to come and stay.
   c. Development of a master plan that connects economic development and the arts.
## Community Profile Recommendations

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<tr>
<th>Recommendations from Community Profile Conversations</th>
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<tbody>
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<td><strong>1. Identify anchor businesses by type and see what gaps remain.</strong></td>
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<tr>
<td>• Work to recruit businesses or promote entrepreneurs to fill gaps in business ecosystem.</td>
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<td><strong>2. Work on luring young professionals in their 30’s to Skowhegan to support its growth.</strong></td>
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<td>• These individuals are still young, but will know what they want, will have established careers, will be financially independent, and will bring in outside ideas and perspectives.</td>
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<td>• Utilize innovative placemaking strategies that promote the arts, outdoor recreation, and local food to make Skowhegan a community where people want to live, work, and play.</td>
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<td><strong>3. Bring representatives from the Wesserunsett Arts Council, Skowhegan School of Painting and Sculpture, and other local art organizations and businesses to the table for community decisions.</strong></td>
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<tr>
<td>• There is a large overlap between outdoor rec, local food, and the arts. Supporting local art will directly support our economic development goals.</td>
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<td>• Murals are an accessible way to begin introducing art to a community.</td>
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<td><strong>4. Work on providing market rate housing for new residents.</strong></td>
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<tr>
<td>• Young newcomers tend to gravitate towards second and third-floor apartments.</td>
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<tr>
<td>• In a well-developed Main Street, the upper floor housing units become the primary economic engine rather than the store-fronts.</td>
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<tr>
<td><strong>5. Continue to promote and support the development of third spaces in Skowhegan.</strong></td>
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<tr>
<td>• Breweries are an integral part of attracting and retaining a young population.</td>
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<tr>
<td>• Places that provide opportunities to meet new people and enjoy live music, good food, and great beer will help to attract new residents.</td>
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<td><strong>6. Encourage and promote the overlap of outdoor recreation, local foods, and art; host an event in a local park, catered by local restaurants and highlighting local artists.</strong></td>
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Appendix I

Survey questions and results from the Business Needs Assessment.

How many years has your business been established?

What stage would you consider your business to be at?

Settled / Thinking of Retirement or Succession
Maturity / Steadiness
Success / Growth
Launched / Survival
Still in formation
Are you currently in need of Covid-19 relief funds in the form of loans, grants, or other financial assistance?

- No
- Yes

In other communities, business owners and entrepreneurs have places they can go to rent offices, use conference rooms, use shared commercial kitchen space, test out product design using shared tools and resources, and use office supplies (copier/printer/etc.)
If you responded yes to the previous question, why are you interested in this facility? Please check all that apply.

- I am not interested in this facility
- Networking Opportunities
- Desire for social experience
- Desire for business support
- Desire for quiet
- Access to technical equipment

If you are interested in this shared work facility, what resources, in particular, would you make use of? Please check all that apply.

- Other
- Shared services including legal, accounting/bookkeeping, tech support
- "Maker Space" (shared tools and resources to design, fabricate, and test products)
- Office supplies (copier/printer/etc.)
- Commercial kitchen
- Conference space
- Office space
What is your interest in this facility on a scale of 1 - 5, with 1 being least interested and 5 being most interested? If you previously indicated you are not interested in this facility, please skip this question.

Would you be interested in participating in a business mentorship program?

- No, I am not interested
- Yes, both as a mentee and a mentor.
- Yes, as a mentor.
- Yes, as a mentee.
What is your interest in a business mentorship program on a scale of 1 - 5, with 1 being least interested and 5 being most interested? If you previously indicated you are not interested in a business mentorship program, please skip this question.

Do you have a succession plan or an exit strategy in place?