Fill-in-the-Blank Business Recruitment
A Workbook for Downtown Business Development
FILL-IN-THE-BLANK
BUSINESS RECRUITMENT

A Workbook for Downtown Business Development

Published by the National Trust Main Street Center
Washington, DC
Fill-in-the-Blank Business Recruitment
A Workbook for Downtown Business Development

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921 S.W. Morrison Street, Suite 508
Portland, OR 97205

Printed in the United States of America

Fill-in-the-Blank Business Recruitment: A Workbook for Downtown Business Development was originally written by Kate Jonas. This edition was revised with additional material by Elizabeth Jackson and Kennedy Smith. It was produced by the National Trust Main Street Center.

About Liveable Oregon, Inc.
The Liveable Oregon, Inc. is a non-profit, charitable organization of concerned citizens, businesses, and elected officials who believe that the vitality of our downtowns will impact the livability of our communities and the quality of our lives. Liveable Oregon's activities are funded by private donations and memberships, by service fees, and by the Oregon Lottery. Its mission is to improve community livability by promoting vital city centers that are the foundation of Oregon's cultural, civic, and commercial life.

About the National Trust Main Street Center
Since 1980, the National Trust Main Street Center, has helped downtowns and neighborhood business districts across the country build strong downtown economic development programs through historic preservation. The Center provides on-site technical assistance in downtown and neighborhood commercial revitalization to communities of all sizes. It also sponsors workshops and conferences, publishes training materials, offers a certification program in professional downtown management, produces the Great American Main Street Awards, and operates the National Main Street Network, a membership program that helps communities learn from each others' experiences.

The National Trust for Historic Preservation, chartered by Congress in 1949, is a private, non-profit organization dedicated to protecting the irreplaceable. It fights to save historic buildings and the neighborhoods and landscapes they anchor. Through education and advocacy, the National Trust is revitalizing communities across the country and challenges citizens to create sensible plans for the future. It has six regional offices, owns 19 historic sites, and works with thousands of local community groups in all 50 states.

National Trust Main Street Center
National Trust for Historic Preservation
1785 Massachusetts Ave., N.W.
Washington, DC 20036
(202) 588-6219
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>INTRODUCTION</td>
<td>i</td>
</tr>
<tr>
<td></td>
<td>ABOUT THIS WORKBOOK</td>
<td>iii</td>
</tr>
<tr>
<td></td>
<td>Needed Resources</td>
<td>iv</td>
</tr>
<tr>
<td></td>
<td>DEVELOPING DOWNTOWN BUSINESS OPPORTUNITIES</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Retention and Recruitment Strategies</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Role of the Business Development Team</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>SECTION 1: DETERMINING BUSINESS OPPORTUNITIES</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Analyzing the Market</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Market Position Statement</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Identifying Complementary Businesses</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Strengthening Business Clusters</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Defining Opportunities For Target Customer Groups</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Identifying Gaps In The Business Mix</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Summary of Business Opportunities Chart</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>SECTION 2: TESTING BUSINESS OPPORTUNITIES</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Business Mix and Potential Customers</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Testing Product Demand</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Comparing Potential Sales to Existing Sales</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Comparing Potential Sales to Existing Sales</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Evaluating Sales Per Day</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Evaluating Occupancy Costs</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>Occupancy</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Evaluating the Competition</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>SECTION 3: DEVELOPING A BUSINESS RETENTION PROGRAM</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>Why Establishing a Strong Retention Program is Important</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>Setting Up A Retention Program</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>Assessing Business Problems</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>Strategies for Improving Existing Businesses</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>Repositioning a Business in the Marketplace</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Helping Businesses Expand</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Helping Businesses in Financial Trouble</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>How to Keep a Business Downtown When the Owner Wants to Sell or Retire</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Sources of Information and Assistance</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>SECTION 4: DEVELOPING A BUSINESS RECRUITMENT PROGRAM</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>Step 1. Develop a Qualified List of Potential Prospects</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>Step 2. Make a Sales Visit To Qualified Prospects</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>Step 3. Have the Prospect Visit Downtown</td>
<td>48</td>
</tr>
</tbody>
</table>
### SECTION 5: DEVELOPING A BUSINESS RECRUITMENT PACKET

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uses of a Recruitment Packet</td>
<td>53</td>
</tr>
<tr>
<td>I. Contents of a Recruitment Packet</td>
<td>54</td>
</tr>
<tr>
<td>Maps</td>
<td>55</td>
</tr>
<tr>
<td>Examples of Maps From Recruitment Packets</td>
<td>56</td>
</tr>
<tr>
<td>Demographic and Market Data</td>
<td>58</td>
</tr>
<tr>
<td>Examples of Demographic Information from Recruitment Packets</td>
<td>59</td>
</tr>
<tr>
<td>Market Strengths and Trends</td>
<td>61</td>
</tr>
<tr>
<td>Examples of Market Strengths and Trends Fact Sheets</td>
<td>63</td>
</tr>
<tr>
<td>Retail Mix in the Business District</td>
<td>65</td>
</tr>
<tr>
<td>Examples of Business Directories</td>
<td>66</td>
</tr>
<tr>
<td>Promotions Calendar</td>
<td>68</td>
</tr>
<tr>
<td>Examples of Promotions Information Sheets</td>
<td>69</td>
</tr>
<tr>
<td>Revitalization Program Information</td>
<td>72</td>
</tr>
<tr>
<td>Example of a Program Information Sheet</td>
<td>73</td>
</tr>
<tr>
<td>Business Incentives and Assistance</td>
<td>74</td>
</tr>
<tr>
<td>Example of a Business Assistance Information Sheet</td>
<td>75</td>
</tr>
<tr>
<td>Amenities and Special Features</td>
<td>78</td>
</tr>
<tr>
<td>Examples of Information on Local Amenities</td>
<td>79</td>
</tr>
<tr>
<td>Building Profiles</td>
<td>80</td>
</tr>
<tr>
<td>Example of a Building Profile Information Sheet</td>
<td>81</td>
</tr>
<tr>
<td>And Lastly, A Personal Message</td>
<td>82</td>
</tr>
<tr>
<td>Example of a Cover Letter</td>
<td>83</td>
</tr>
<tr>
<td>II. Graphics and Format of a Business Recruitment Packet</td>
<td>84</td>
</tr>
</tbody>
</table>

### SECTION 6: SOURCES OF INFORMATION

<table>
<thead>
<tr>
<th>Source</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990 Census of Population and Housing</td>
<td>87</td>
</tr>
<tr>
<td>Census of Retail Trade</td>
<td>87</td>
</tr>
<tr>
<td>Standard Industrial Classification (SIC) Manual</td>
<td>87</td>
</tr>
<tr>
<td>Consumer Expenditure Survey</td>
<td>87</td>
</tr>
<tr>
<td>Consumer Price Index</td>
<td>88</td>
</tr>
<tr>
<td>Dollars and Cents of Shopping Centers</td>
<td>88</td>
</tr>
<tr>
<td>Small Business Sourcebook</td>
<td>88</td>
</tr>
<tr>
<td>Private Data Sources</td>
<td>88</td>
</tr>
</tbody>
</table>

### SECTION 7: EXTRA FORMS

<table>
<thead>
<tr>
<th>Form</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 4. Welcome The New Business</td>
<td>49</td>
</tr>
<tr>
<td>Business Prospect Evaluation Form</td>
<td>51</td>
</tr>
<tr>
<td>Section 5: Developing a Business Recruitment Packet</td>
<td>53</td>
</tr>
<tr>
<td>Uses of a Recruitment Packet</td>
<td>53</td>
</tr>
<tr>
<td>I. Contents of a Recruitment Packet</td>
<td>54</td>
</tr>
<tr>
<td>Maps</td>
<td>55</td>
</tr>
<tr>
<td>Examples of Maps From Recruitment Packets</td>
<td>56</td>
</tr>
<tr>
<td>Demographic and Market Data</td>
<td>58</td>
</tr>
<tr>
<td>Examples of Demographic Information from Recruitment Packets</td>
<td>59</td>
</tr>
<tr>
<td>Market Strengths and Trends</td>
<td>61</td>
</tr>
<tr>
<td>Examples of Market Strengths and Trends Fact Sheets</td>
<td>63</td>
</tr>
<tr>
<td>Retail Mix in the Business District</td>
<td>65</td>
</tr>
<tr>
<td>Examples of Business Directories</td>
<td>66</td>
</tr>
<tr>
<td>Promotions Calendar</td>
<td>68</td>
</tr>
<tr>
<td>Examples of Promotions Information Sheets</td>
<td>69</td>
</tr>
<tr>
<td>Revitalization Program Information</td>
<td>72</td>
</tr>
<tr>
<td>Example of a Program Information Sheet</td>
<td>73</td>
</tr>
<tr>
<td>Business Incentives and Assistance</td>
<td>74</td>
</tr>
<tr>
<td>Example of a Business Assistance Information Sheet</td>
<td>75</td>
</tr>
<tr>
<td>Amenities and Special Features</td>
<td>78</td>
</tr>
<tr>
<td>Examples of Information on Local Amenities</td>
<td>79</td>
</tr>
<tr>
<td>Building Profiles</td>
<td>80</td>
</tr>
<tr>
<td>Example of a Building Profile Information Sheet</td>
<td>81</td>
</tr>
<tr>
<td>And Lastly, A Personal Message</td>
<td>82</td>
</tr>
<tr>
<td>Example of a Cover Letter</td>
<td>83</td>
</tr>
<tr>
<td>II. Graphics and Format of a Business Recruitment Packet</td>
<td>84</td>
</tr>
<tr>
<td>Section 6: Sources of Information</td>
<td>87</td>
</tr>
<tr>
<td>1990 Census of Population and Housing</td>
<td>87</td>
</tr>
<tr>
<td>Census of Retail Trade</td>
<td>87</td>
</tr>
<tr>
<td>Standard Industrial Classification (SIC) Manual</td>
<td>87</td>
</tr>
<tr>
<td>Consumer Expenditure Survey</td>
<td>87</td>
</tr>
<tr>
<td>Consumer Price Index</td>
<td>88</td>
</tr>
<tr>
<td>Dollars and Cents of Shopping Centers</td>
<td>88</td>
</tr>
<tr>
<td>Small Business Sourcebook</td>
<td>88</td>
</tr>
<tr>
<td>Private Data Sources</td>
<td>88</td>
</tr>
<tr>
<td>Section 7: Extra Forms</td>
<td>89</td>
</tr>
</tbody>
</table>
INTRODUCTION

In the past several decades, America’s Main Street’s have gone through a staggering economic transition. Once the community’s primary (if not only) source of retail goods and services, many traditional downtown commercial districts found themselves facing intense competition from shopping malls—competition not only for customers, but for businesses themselves. Lured by the promises of ample customer parking, unified facades and a steady stream of shoppers attracted to the mall’s anchor stores, some downtown merchants left the traditional business district for the new development. The vacant spaces they left behind were joined by new vacancies as other downtown businesses, unable to adapt to sudden changes in the local market, closed their doors for good.

Without tenants, downtown’s buildings fell into disrepair and, consequently, the downtown’s image with customers suffered. Property owners need tenants—and regular rental income—to maintain and, hopefully, rehabilitate their buildings. But too often, well-meaning downtown leaders, anxious to simply fill vacancies, grabbed any business in sight, giving little thought to what the business could contribute to the downtown’s retail mix or whether its probable sales volume could generate the rent levels necessary to support the building’s maintenance and, if needed, its rehabilitation.

Business development in downtown districts takes careful planning. To make sound decisions about how to help existing businesses expand and how to recruit new ones to balance out the downtown’s business mixture or nudge it in a new direction, revitalization leaders must ask—and answer—some tough questions:

- What is the downtown’s current economic position?
- Where does the community want it to be in five years? Ten years?
- What types of businesses can the downtown realistically support right now?
- How is the local market changing, and how might these changes affect the types of businesses the downtown is likely to be able to support a decade from now?
- What kinds of community “values” guide the business development process? For instance, will local residents be happy with chain stores, or would they prefer to develop locally owned businesses?

While there are sources outside the community that can help local leaders answer some of these questions, ultimately the answers must come from the community itself, from the people who live and work there. No one knows the community better than its own citizens, and no one else can make decisions about its future.
This workbook is designed to help downtown and commercial district revitalization leaders determine what their business development opportunities are, then structure realistic strategies to expand and assist existing businesses, and recruit new ones. As with all aspects of the downtown and commercial district revitalization process that have lasting results, the business development process is incremental, with small changes gradually building to larger ones.

Business development on Main Street is a task that never ends. As the market changes, and as the district responds to these shifts, its business composition will change as well. Managing change on Main Street is a full-time, ongoing process that evolves as the town evolves and that should always reflect the community's opportunities, dreams and individual personality.
ABOUT THIS WORKBOOK

This workbook is designed for use by downtown and commercial district revitalization organizations who want to improve the mix of businesses in their district by helping existing businesses thrive, and by recruiting new businesses to fill gaps in the market. The workbook combines information with a “fill-in-the-blank” style so that a volunteer business development team can work through the process at their own speed. The exercises are designed so that a committee can oversee the project, parts can be assigned to volunteers, sections can be done at community meetings, or all of the above. Because the first step in business recruitment is understanding local market opportunities, this workbook is designed to build on its companion workbook, the Step-By-Step Market Analysis.

The workbook contains seven sections:
1. Determining business opportunities: Developing an appropriate list of business opportunities using market analysis data
2. Testing business opportunities: A series of quick exercises to test whether a business might have the potential for success in the market:
3. Developing a business retention program: Why and how to retain a business, spot retailers problems, and provide special assistance
4. Developing a business recruitment program: Step by step directions on successfully selling your downtown to a business prospect
5. Developing a recruitment packet: Developing a successful recruitment packet with format suggestions and examples
6. Sources of information: A listing of agencies and organizations that can provide information
7. Extra Forms: For copying and doing your own calculations and evaluations

This workbook is designed to help a revitalization organization complete the following projects:
- Utilize the information provided by an analysis of your market area
- Create and test a list of business opportunities
- Set up an effective business retention and recruitment program
- Develop a powerful business recruitment packet

The first step in a business recruitment program is to develop a thorough understanding of local market opportunities. Therefore, this recruitment workbook is designed to build on the activities in its companion workbook, the Step-By-Step Market Analysis.
NEEDED RESOURCES

Business Development Team

Since this book is geared toward downtown and commercial district revitalization organizations, it is making the assumption that the majority of the activities described will be completed by volunteers from the community. Throughout the book, the group of volunteers doing the collective work of business retention and recruitment is referred to as the business development team, or simply, the team. The business development team may want to vary its membership over time or assign specific task groups to each project. People with skills such as sales and marketing, economic development, real estate or business experience are helpful. Participants need to be willing to sift through large amount of data to determine what is useful, and be willing to work with information which may need to be kept confidential.

Community Involvement

The success of the team depends on the support of the local business community. The team should hold periodic public meetings to inform community members and get input. The exercises in the Developing a List of Business Opportunities section of the workbook are fun and very informative when done as a workshop with the business community.

Staff Assistance

Assistance by a staff person from the downtown revitalization organization, city hall, the chamber of commerce or other economic development organization, to spend several hours a month on the project and help coordinate the volunteers would be useful, and helps keep the project on track.

Budget

The team will need a budget for printing recruitment materials, mailing information to potential recruits and traveling to visit target businesses. Contact communities and organizations in the region that engage in similar programs to get information about costs.
DEVELOPING DOWNTOWN BUSINESS OPPORTUNITIES

Business development means strengthening the district's existing economic base and gradually expanding it. There are a number of tools the revitalization program can use to gradually rebuild commercial strength, including: improving and promoting the quality of retail and service activity; helping existing businesses expand; and finally, recruiting new businesses.

There are market opportunities for downtowns and neighborhood business districts, but to compete successfully in the 1990s, revitalization programs will have to focus on three strategies:

1. **Encourage entrepreneurship.** Downtown's niche is independent businesses, but they need a quality environment in which to thrive.
2. **Fight to keep downtown a vital mixed-use district,** with housing, government, service, cultural facilities, retail and office uses contributing to a vibrant community center.
3. **Manage downtown professionally,** the same way a shopping center is managed, with an attractive mix of customer-driven businesses presented in a quality environment.

The foundation for implementing these strategies is a thorough knowledge of local market strengths, weaknesses and opportunities. In the highly competitive retail sector where the only constant is change, independent local entrepreneurs need access to the same high quality market information provided to rational chains. Local insight is required to identify and quantify these opportunities. Developers and businesses may overlook the opportunities of a complex downtown market that could include non-traditional anchors such as the post office, civic center and a variety of large customer groups such as tourists, college students or office workers.

A downtown or neighborhood business district should be viewed as an important local industry, providing significant payroll, jobs and tax base. This community asset needs to be managed for community benefit. Good management starts with a thorough knowledge of strengths, weaknesses and opportunities and an aggressive business retention and recruitment program.

RETENTION AND RECRUITMENT STRATEGIES

Filling a vacancy with a new business is the most visible result of a revitalization organization's work, but it is actually only a small part of their job. The priorities should be:

1. retaining existing businesses
2. helping existing businesses to expand
3. recruiting new businesses

The first principle of industrial recruitment—that it is a more effective use of time and money to help existing businesses expand than to recruit new ones—also applies to downtown. The community should start by identifying opportunities to expand sales to existing customers and then slowly work to diversify the retail mix and markets over time. The team should view its efforts
on completing a market analysis and recruitment packet as developing tools to help existing businesses improve and helping new businesses to get a stronger start.

ROLE OF THE BUSINESS DEVELOPMENT TEAM

The role of the team is to identify information and opportunities that entrepreneurs can use to help formulate their business plans, and to encourage good business practices. For a good entrepreneur, the information from a local team will be the starting place for a thorough investigation of market opportunities, not the last word on starting their business. The goal of the team should be to develop the information sources and incentives that local business owners can use to make every business in the downtown an excellent business.

Typical potential activities of a recruitment and retention team are to:

- distribute market analysis information to existing and potential businesses,
- develop a list of business opportunities,
- develop business training resources and encourage businesses to take advantage of them,
- develop a business recruitment packet,
- contact potential recruits,
- keep track of vacancies and work with property owners and realtors to market them, and
- educate property owners on business opportunities and leasing strategies.
SECTION 1: DETERMINING BUSINESS OPPORTUNITIES

This section contains a series of exercises designed to help the business development team to brainstorm a list of businesses that might be recruited or might be potential expansion opportunities for existing businesses. The exercises are designed to be completed either by the team at a meeting or at a community workshop where participants are broken down into small groups and each given an exercise to complete. The final summary chart will help the team to evaluate their choices, and the following section, Testing Business Opportunities, contains exercises to help evaluate and prioritize the opportunities.

Additional forms for each exercise can be found in the Extra Forms section.

The components in this section are:
- Analyzing the Market
- Market Position Statement
- Identifying Complementary Businesses
- Defining Opportunities for Target Customer Groups
- Identifying Gaps in the Business Mix
- Strengthening Business Clusters
- Summary of Business Opportunities Chart
ANALYZING THE MARKET

Before you can sell your downtown or commercial district area to a prospective business, you need to know more about it than anyone else in the community. The process of analyzing the market for your district is outlined in Step-by-Step Market Analysis, the companion book to this workbook. If you have completed this process you will be using this data for the business recruitment process. If you have not, you will find you need data about and an understanding of your market in order to sell to the right business. By compiling the best and most complete information, your organization becomes the expert on the downtown or commercial district, making your business development team the logical and credible recruiter for the district.

Knowing more about your product—the downtown or commercial district—is a simple question of supply and demand. Knowing what your district supplies to the marketplace gives you valuable information for potential recruits who will want to know what your district currently offers. Understanding demand—who the district’s current consumers are and whether there are other niches in the marketplace whose customers can be enticed to shop in the area—offers the prospect a reason to be interested. Together, this supply and demand information gives the recruitment team the ammunition it needs to close the sale and attract new businesses.

On the supply side, the downtown organization needs to inventory everything that currently exists within the district. Inventory items include:

- A list of existing businesses, including information on ownership, hours, product lines, services, special features, existing customer patterns, etc.
- A listing of the current status of downtown properties, including ownership patterns, space available, rental rates and asking prices, building conditions and typical overhead costs.
- A description of the district’s significant physical features, including locations of parking, concentrations of downtown employment (court house, utility headquarters, city hall, industrial, etc.) entryways and traffic patterns, areas of blight or crime and orientation to any nearby residential areas.
- An explanation of all current and proposed incentive programs that can assist business development in the district. Such a list should include the salient features of each incentive, the necessary qualifications and the primary contact person for each program.

One important tool for recording all of this “supply side” information is a large base map that outlines every structure, street and open space in the district. With this map, the organization can begin to illustrate its findings. This annotated base map will be an indispensable tool for responding to location requests and will allow for updating and revision in a timely and inexpensive manner.

Understanding demand means understanding the district’s position in the marketplace—now and in the future. Sources of market information abound:
Primary data. These are sources of information that your organization creates and collects. Your organization is the primary recipient of the data. Primary data sources include business inventories and surveys, customer surveys, selected "focus groups" of target markets and surveys of competing shopping districts. Finally, good, old-fashioned observation and intuition can tell you a lot about the marketplace.

Secondary data. These sources of data have been compiled by other organizations. As a result, they are typically not as current or as focused on the district as primary data sources are. The advantage is ease: Data has already been collected, collated and categorized. The disadvantage: The data is old and may not reflect the specific regional or district demographic conditions you need to research. Secondary data sources include the Census of Population and Housing and the Census of Retail Trade by the U.S. Census Bureau; the Survey of Buying Power, published annually by Sales and Marketing Management magazine; and the Dollars and Cents of Shopping Centers published by Shopping Center News. Many of these secondary data sources will be updated every time the Census of Population is taken at the turn of every decade.

Itemizing your existing assets turns them into selling tools ("Did you know there are 1,200 office employees within a five-block radius of your proposed location?"). Familiarizing yourself with market data and fitting that information into what you know about your district's customers yields information that can help a recruit assess the opportunities for success. Creating that market niche will help the business development team narrow its focus to targeted businesses that could really make money downtown. This level of information moves the recruitment exercise out of the "we-need-a-dress-shop" mentality and into the "we can support a moderately priced, misses casual wear store geared to the 25 to 40-year-old crowd."

Now, you're armed with information that's useful to a potential recruit. A good deal of this information goes into a business recruitment packet, but not all of it. The balance of this information is used by the recruitment team when they go about the business of selling downtown.
# Building Inventory

![MainStreet Logo]

**Building address**  

**Map/parcel**  

**Owner**  

**Address**  

**Telephone**  

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<th>Sq. Feet</th>
<th>Use/Tenant</th>
<th>Annual Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ground Floor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upper Floors 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upper Floors 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upper Floors 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upper Floors 4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Overall condition:**  

---

**Assessed value:**  

- **Year**            | **$** | **Annual taxes** | **Insurance premium**
- **Year**            | **$** | **Annual taxes** | **Insurance premium**
- **Year**            | **$** | **Annual taxes** | **Insurance premium**

**Realtor**  

**Property type:**  

**For sale?**  

**What price?**  

**For rent?**  

**What price?**  

**Terms/other information:**  

---

**Date of construction:**  

[Source]  

**Listed in National Register:**  

**Date**  

**In N.R. historic district?**  

**In local/state historic district?**  

**Historic information**  

---

**Photo**  

**Photo/map sources**  

**Date of survey**  

**Surveyor**  

**Update**  

**Update**  

---

National Trust for Historic Preservation
Market Position Statement

To develop an effective program to retain and expand existing businesses and to recruit new businesses, the business development team needs to develop a Market Position Statement. The statement must be based on a thorough knowledge of market opportunities, and should characterize:

- the type of retail mix
- the shopping environment and
- indicate the target customer market.

The market position statement distinguishes the downtown shopping district from surrounding shopping opportunities. Below are three examples of market position statements. Note that for each, the list of potential businesses to recruit and the marketing plan would be quite different.

- Centerville is the market and service center for a three-county region, containing government, health, cultural and education facilities. Downtown serves this trade area with a wide range of shopping opportunities for residents and visitors.
- Old Town is a delightful historic business district emphasizing specialty shopping in a quaint Victorian setting.
- Downtown Grapeville is located in the heart of the Vine County wine country. Downtown offers an outstanding mix of services and restaurants in a traditional small town setting.

To Do:

Develop a market position statement for the business district and five market facts in support of the statement. This statement can be used in marketing material such as the business directory, a recruitment packet and in an image advertising campaign.

Market Position Statement:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Five market facts that support the Market Position Statement:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
IDENTIFYING COMPLEMENTARY BUSINESSES

A business recruitment and expansion program should draw upon the economic strengths of the downtown business district. For example, if there is a successful women's clothing store, there may be opportunities for shoes, jewelry, beauty supplies, hats, and accessories; or if there is a movie theater that attracts crowds at night there may be an opportunity for a coffee and dessert spot.

To Do:

Identify existing businesses that have a strong customer base. Develop a list of potential business opportunities that would complement the goods offered in existing stores. Interview business owners and brainstorm opportunities.

Existing Downtown Business: Joe's Wallpaper

Complementary Business Opportunities:

- paint
- draperies
- window blinds
- interior decorating
- carpet, flooring
- furniture

Existing Downtown Business: __________________________

Complementary Business Opportunities:


8 - FILL IN THE BLANK BUSINESS RECRUITMENT
Existing Downtown Business: ____________________________

Complementary Business Opportunities:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Existing Downtown Business: ____________________________

Complementary Business Opportunities:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Existing Downtown Business: ____________________________

Complementary Business Opportunities:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Existing Downtown Business: ____________________________

Complementary Business Opportunities:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
STRENGTHENING BUSINESS CLUSTERS

Strengthening existing business clusters through recruitment or expansion helps every business in the cluster. Knowing the current mix of businesses and cluster patterns will also help the Team guide new businesses to the optimal downtown location. Clustering businesses that share customers or have complementary goods, such as clothes and shoes, strengthens downtown’s perception in the trade area as a “shopping center.”

To Do:

On the chart below identify the business clusters in the business district, list the businesses in each cluster and brainstorm additional business opportunities that would be complement this cluster.

Business Cluster Type: Court House related - on North St. between 2nd & 4th streets

List of Businesses Currently in the Cluster:

- Printing
- Office Supply
- Newspaper stand
- Coffee shop
- Attorneys

Business Opportunities to Complement this Cluster:

- Newsstand
- Snacks
- Messenger Service
- Attorneys
- Temp Services
- Deli / Lunch Place
Business Cluster Type: 

List of Businesses Currently in the Cluster:

Business Opportunities to Complement this Cluster:

Business Cluster Type:

List of Businesses Currently in the Cluster:

Business Opportunities to Complement this Cluster:
Business Cluster Type: ____________________________________________

List of Businesses Currently in the Cluster:

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

Business Opportunities to Complement this Cluster:

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

Business Cluster Type: ____________________________________________

List of Businesses Currently in the Cluster:

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

Business Opportunities to Complement this Cluster:

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
DEFINING OPPORTUNITIES FOR TARGET CUSTOMER GROUPS

Business opportunities can be discovered by identifying the types of customers who are or could be shopping at downtown businesses, and brainstorming opportunities for businesses and products to more fully serve these shoppers. The customers who use downtown can be grouped according to their demographic profile, or by the activity that brings them downtown.

Examples of target customer groups are students, people at the courthouse, persons living in the elderly housing complex, people about to get married, teenagers, mothers with young children, lawyers, visitors to the museum, downtown office workers, university staff, theater go-ers or tourists.

To Do:

Identify current and potential target markets. Consult local business owners, the results of customer surveys, Chamber of Commerce staff, and the Visitor's bureau for ideas. Choose customer groups that downtown should capture or could increase sales to. List the downtown businesses that currently serve the target market customer, look for gaps and brainstorm additional opportunities.

Target Customer Group: ________

What businesses in the downtown currently serve this target customer?

Drug prescriptions   Coffee shop

5 & 10 store   Card shop

Additional business opportunities for this target market:

Pottery / crafts   Senior center?

Cafe / bar
Target Customer Group:

What businesses in the downtown currently serve this target customer?

Additional business opportunities for this target market:

Target Customer Group:

What businesses in the downtown currently serve this target customer?

Additional business opportunities for this target market:

Target Customer Group:

What businesses in the downtown currently serve this target customer?

Additional business opportunities for this target market:
IDENTIFYING GAPS IN THE BUSINESS MIX

Below is a list of businesses compiled from downtown business directories and checked against the categories listed in the SIC Code Manual (See Sources). Although each community's market opportunities are unique and should be based on the realities of the local market, this list may spur new ideas for the team to investigate.

To Do

Check this list against the list of businesses in the business district. Look for opportunities that complement existing businesses and clusters.

<table>
<thead>
<tr>
<th>Retail</th>
<th>Framing</th>
<th>Stationery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antiques</td>
<td>Galleries</td>
<td>Tobacco</td>
</tr>
<tr>
<td>Appliances</td>
<td>Gas Station</td>
<td>Toys</td>
</tr>
<tr>
<td>Art Supply</td>
<td>Garden Supplies</td>
<td>Upholstery</td>
</tr>
<tr>
<td>Auto Dealers</td>
<td>Gifts</td>
<td>Trophies</td>
</tr>
<tr>
<td>Auto Supply</td>
<td>Glass</td>
<td>Used Merchandise</td>
</tr>
<tr>
<td>Bakeries</td>
<td>Grocery</td>
<td>Variety Store</td>
</tr>
<tr>
<td>Balloons</td>
<td>Hardware</td>
<td>Wallpaper</td>
</tr>
<tr>
<td>Bars &amp; Pubs</td>
<td>Health Foods</td>
<td>Wigs</td>
</tr>
<tr>
<td>Beauty Supplies</td>
<td>Hearing Aids</td>
<td></td>
</tr>
<tr>
<td>Bike Shops</td>
<td>Hobbies/Games</td>
<td></td>
</tr>
<tr>
<td>Book Stores</td>
<td>Home Furnishings</td>
<td></td>
</tr>
<tr>
<td>Book Publishing</td>
<td>Jewelry Stores</td>
<td></td>
</tr>
<tr>
<td>Camera/Photo</td>
<td>Kitchen Equipment</td>
<td></td>
</tr>
<tr>
<td>Candies &amp; Nuts</td>
<td>Lamps &amp; Lighting</td>
<td></td>
</tr>
<tr>
<td>Cards</td>
<td>Luggage &amp; Leather</td>
<td></td>
</tr>
<tr>
<td>Carpet/Floors</td>
<td>Linens</td>
<td></td>
</tr>
<tr>
<td>Clothing</td>
<td>Lingerie</td>
<td></td>
</tr>
<tr>
<td>Children's</td>
<td>Liquor Stores</td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td>Lumber</td>
<td></td>
</tr>
<tr>
<td>Maternity</td>
<td>Maturity</td>
<td></td>
</tr>
<tr>
<td>Men's</td>
<td>Medical Supply</td>
<td></td>
</tr>
<tr>
<td>T-Shirts</td>
<td>Musical Instruments</td>
<td></td>
</tr>
<tr>
<td>Women's</td>
<td>Newsstand</td>
<td></td>
</tr>
<tr>
<td>Coin Shop</td>
<td>Office Furnishings</td>
<td></td>
</tr>
<tr>
<td>Cookies</td>
<td>Office Supply</td>
<td></td>
</tr>
<tr>
<td>Computers/Software</td>
<td>Optical</td>
<td></td>
</tr>
<tr>
<td>Crafts</td>
<td>Paint</td>
<td></td>
</tr>
<tr>
<td>Department Store</td>
<td>Pawn Shops</td>
<td></td>
</tr>
<tr>
<td>Drapery, Blinds</td>
<td>Pet Store</td>
<td></td>
</tr>
<tr>
<td>Drug Stores</td>
<td>Records, Tapes, CDs</td>
<td></td>
</tr>
<tr>
<td>Electronics</td>
<td>Restaurants</td>
<td></td>
</tr>
<tr>
<td>Espresso Bar</td>
<td>Religious Goods</td>
<td></td>
</tr>
<tr>
<td>Fabrics/Sewing</td>
<td>Shoe Stores</td>
<td></td>
</tr>
<tr>
<td>Florists</td>
<td>Sporting Goods</td>
<td></td>
</tr>
<tr>
<td>Formal Wear</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FILL IN THE BLANK BUSINESS RECRUITMENT - 15
SERVICES

Advertising/Marketing
Airline Offices
Answering Service
Appraisers
Architects/Planners
Armed Forces Astrologer
Auto Repair
Banks
Barber Shops
Beauty Schools
Beauty Shops
Brokers, Investment
Car Rental
Child Day Care
Chiropractor
Clock Repair
Credit Unions
Coin Arcade
Collection Services
Computer Services
Costume Shops
Couriers
Delivery Service
Dance Studios
Dentists
Doctors Office
Dry-Cleaning
Educational
Electrical Repair
Employment Agency
Funeral
Graphic Design
Health Clinics
Health Club
Hotels & Motels
Income Tax
Insurance Agent
Interior Design
Janitorial Services
Law Offices
Limousine Service
Locksmiths
Market Research
Mailing Services
Messenger Service
Movie Theater
Package/Shipping
Photocopy
Photography Studios
Photofinishing Labs
Post Office
Property Management
Real Estate
Retail
Saddle and Tack
Secretarial Service
Security/Detective
Shoe Repair
Sign Shop
Social Services
Tailoring
Tanning Salon
Tattoo
Temporary Agency
Ticket Outlets
Title Companies
Travel Agents
Uniform Supply
Utility Customer Service
Video Rental
**SUMMARY OF BUSINESS OPPORTUNITIES CHART**

The greater the number of market conditions a business opportunity meets the greater the chance that this is a good avenue to investigate.

**To Do**

Across the top of the form list the business opportunities discovered by the team in the previous exercises. Then, put a check in each square that corresponds to the exercise where the opportunity was identified. Note that there are also columns corresponding to information from a local market analysis such as a sales leakage analysis, and business and customer surveys. Choose the opportunities that seem the most promising on which to do additional research and testing listed in the next section of the workbook.

<table>
<thead>
<tr>
<th>Business Opportunities</th>
<th>Volume #1</th>
<th>Mtns #2</th>
<th>Bakery #3</th>
<th>Deli #4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriate Available Space</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Complements Existing Business</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serves Target Customer Group</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Fills Gap in the Business Mix</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Complements Existing Business Cluster</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identified in Customer Survey</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Identified in Business Survey</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Gap Identified in Leakage Analysis</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fits With Market Position Statement</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

The team decided that a deli, perhaps combined with a bakery, looked like the best business opportunity to pursue. A hardware store also seemed worth researching. Even though several board members really had hoped to recruit a men’s clothing store, they realized it was a long shot and therefore a lower priority.
**SUMMARY OF BUSINESS OPPORTUNITIES CHART**

The greater the number of market conditions a business opportunity meets, the greater the chance that this is a good avenue to investigate.

**To Do**

Across the top of the form, list the business opportunities discovered by team in the previous exercises. Then, put a check in each square that corresponds to the exercise where the opportunity was identified.

**Business Opportunities**

<table>
<thead>
<tr>
<th></th>
<th>#1</th>
<th>#2</th>
<th>#3</th>
<th>#4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appropriate Available Space</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Complements Existing Business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Serves Target Customer Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fills Gap in the Business Mix</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Complements Existing Business Cluster</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Identified in Customer Survey</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Identified in Business Survey</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gap Identified in Leakage Analysis</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fits With Market Position Statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION 2: TESTING BUSINESS OPPORTUNITIES

This section contains a series of exercises to test the list of business opportunities developed in the previous section. These quick exercises are not meant to substitute for a potential entrepreneur’s well-thought-out business plan. They are to help identify where start-up problems for new ventures might lie so they can work on developing assistance strategies, and to evaluate and prioritize the most productive areas for recruitment and expansion potentials.

Additional copies of the forms in this section can be found in the Extra Forms section.

The exercises in this section include:
- Business Mix and Potential Customers
- Testing Product Demand
- Comparing Potential Sales to Existing Sales
- Evaluating Sales per Day
- Evaluating Occupancy Costs
- Evaluating the Competition

BUSINESS MIX AND POTENTIAL CUSTOMERS

The chances for success for a new line of products or a new business will be increased if there is already a cluster of complementary businesses and customer groups to support the proposed business opportunity. If neither of these criteria can be met, the team will have a difficult time substantiating this opportunity and recruiting this business, and the entrepreneur will have to market the business very hard to attract a clientele.

To Do

List the complementary businesses and existing customer groups to support the business opportunity.

Business Opportunity: **Men's Clothing**

Existing Complementary Businesses for this Business Opportunity:
- Sporting goods
- Dock store
- Hardware store
- Women's clothing store (2)

Existing Target Customer Groups that Could Support this Business:
- Downtown office workers
- University professors
- Women shopping at women's clothing stores

Estimated # of Potential Customers: **1800**
TESTING PRODUCT DEMAND

This estimate of the potential product sales in the trade area is a quick way to judge if a business opportunity is realistic for the business district. The sources of data are shown in parenthesis below each step and are explained in the Sources section of the workbook.

To Do

Fill in the form below. To estimate potential sales, multiply the number of potential customers for the potential business times the estimated amount of money a typical household spends on these items. The key is to determine if the estimated sales demand is enough to support a new business or an expansion into a new product line.

Example:

Business Type or Product Category: Men's Clothing

Trade Area: Roosevelt County

1. Estimate the number of households in the trade area who might buy this product: 1850

The team identified a business opportunity for a men's clothing store selling suits and expensive casual wear. The team checked the 1990 Census for numbers of men employed in professional positions in the Trade Area, local statistics from the state employment agency and surveyed major office employers to estimate the number of white collar male workers between the ages of 25 and 65 in the trade area.

2. Multiply times the typical annual expenditures per year per household for this product: $500

The team used Consumer Expenditure Survey data modified by the information acquired from the owner a similar store in another town and from a focus group of potential customers.

3. This equals estimated sales demand for the trade area: $925,000

The team compared this number to information they received from the Men's Clothing Store trade association on typical annual sales for a store of this type. They then worked with the local Small Business Development Center to develop a brief business plan to show to prospective business operators. The team later reported that having a clear idea of the financial requirements enabled them to weed out unprepared entrepreneurs.
TESTING PRODUCT DEMAND

This estimate of the potential product sales in the trade area is a quick way to judge if a business opportunity is realistic for the business district. Potential sources of data are shown in parenthesis in the example below and explained in the Sources section of the workbook. This calculation forms Step 1 of the Comparing Potential Sales to Existing Sales calculation on the next page.

To Do

Fill in the form below. To estimate potential sales, multiply the number of potential customers for the potential business times the estimated amount of money a typical household spends on these items. The key is to determine if the estimated sales demand is enough to support a new business or an expansion into a new product line.

Business Type or Product Category: __________________________________________

Trade Area: _______________________________________________________________________

1. Estimate the number of households in the trade area who might buy this product:

Source: 1990 Census of Population, other special surveys

2. Multiply times the typical annual expenditures per household for this product: X _______

Source: Consumer Expenditure Survey, business trade associations

3. This equals estimated sales demand for the trade area: _______

Is this demand sufficient to support a new business?
COMPARING POTENTIAL SALES TO EXISTING SALES

This form takes the estimated product demand (calculated on the previous page) and compares it to an estimate of what local businesses are selling - estimated sales. Note that these are estimates, but they can provide clues to the potential viability of a new business. Sources of information are explained in the Sources section of this document.

To Do

Fill in form below. The team will need to discuss and research whether the estimated unmet demand shown as the final result in Step 3 equals a potential business opportunity. If so, is this opportunity large enough to equal a new business or is it an expansion opportunity? The team could contact their Small Business Development Center, business trade association or other business owners for information.

Example

Product Category: Bakery
Trade Area: City of Centerville

Step 1: a) Enter the total number of households: 7500
   The team used the 1990 Census of Population

   b) Multiply times the typical expenditures per household for this type of goods: x # 235

This number is from the Consumer Expenditure Survey. The team could have also consulted business trade associations or the local Small Business Center.

   c) This equals the estimated sales demand trade area for this product: 1,762,500
Step 2:  

a) Enter the existing square footage of this business type in trade area: 

8500

Local Estimate. The team made a list of bakeries in their trade area from the Yellow Pages and then estimated the store size of each. They also measured (by pacing off the area) the space devoted to bakery goods in local groceries.

b) Multiply times the average sales per square foot for businesses in this category: 

$4104

The team consulted the Dollars and Cents of Shopping Centers and checked this number with a sample of bakery owners.

c) This equals the estimated existing sales in trade area for this product:

$1,664,000

Step 3:  

a) Enter the estimated sales demand in the trade area. 

$7,762,500

results of Step 1

b) Subtract the estimated existing sales for the trade area: 

$1,664,000

results of Step 2

c) This equals the estimated unmet demand in the trade area for this product

$1,998,500

Is there enough unmet demand to make this a viable opportunity?

In completing step 3, the team concluded that there was an opportunity for bakery goods, especially gourmet breads and pastries which none of the competitors carried, but the potential was probably too small to risk an entire store. They decided instead to discuss this opportunity with a deli as a possible expansion of their existing business, and an at-home catering business as a possible expansion into retail.
COMPARING POTENTIAL SALES TO EXISTING SALES

This form takes the estimated product demand (calculated on the previous page) and compares it to an estimate of what local businesses are selling - estimated sales. Note that these are estimates, but they can provide clues to the potential viability of a new business. Sources of information are explained in the Sources section of this document.

To Do

Fill in the form below. The team will need to discuss and research whether the estimated unmet demand shown as the final result in Step 3 equals a potential business opportunity. If so, is this opportunity large enough to equal a new business or is it an expansion opportunity? The team could contact their Small Business Development Center, business trade association or other business owners for information.

Product Category:

Trade Area:

Step 1:

a) Enter the total number of households:
   Source: 1990 Census of Population or local sources

b) Multiply times the typical expenditures per household for this type of goods:
   Source: Consumer Expenditure Survey, business trade associations, local Small Business Center

   X

   c) This equals the estimated sales demand for the trade area for this product:

Step 2:

a) Enter the existing square footage of this business type in trade area:
   Local Estimate

b) Multiply times the average sales per square foot for business in this category:
   Source: The Dollars and Cents of Shopping Centers, trade associations, local sources

   X
Step 3:

a) Enter the estimated sales demand in the trade area:
   Results of Step 1

b) Subtract the estimated existing sales for the trade area:
   Results of Step 2

c) This equals the estimated unmet demand in the trade area for this product

Is there enough unmet demand to make this a viable opportunity?
Evaluating Sales Per Day

Calculating the number of sales required per day can be a reality check for business opportunities, especially when compared to local pedestrian counts, current customers in the marketplace and the financial obligations of starting a new business. This quick form is only intended as a starting point for discussion of the business and pedestrian volume needed to support this business opportunity.

To Do

Fill in the form below. The team may have to consult owners of similar businesses, their Small Business Development Center, or make an educated guess where information is not available.

Example:

Business Type: Ice Cream

Step 1: Estimating Necessary Sales per Day:

a) Enter the typical annual gross sales for this type of business: \( \$ 2,221,000 \)

The team visited ice cream stores in other communities, observed their customer traffic, talked to business owners and then estimated

b) Divide by the amount of the average sales ticket: \( \$ 4 \)

The team checked with their local Small Business Center.

c) This equals the necessary sales per year to make the annual gross sales total: \( 55,600 \)

d) Divide by the number of days that this business would be open per year: \( 313 \)

The team estimated that the business would be open 6 days/week, or 313 days a year.

e) This equals the necessary sales per day to make the annual gross sales total: \( 177 \)

Key Question: Is this figure realistic for the business district?
The team thought this looked unattainable, so decided to work the formula backwards using figures they thought were more realistic.

Step 2: Estimating Potential Gross Sales:

a) Enter the estimated sales per day for this item: 

   Estimate by the team

   50

b) Multiply by the number of days that this business would be open per year:

   \[ \times \ 313 \]

The team estimated that the business would be open 6 days/week, or 313 days a year.

c) This equals the estimated number of sales per year:

   \[ = \ 15,650 \]

d) Multiply by the amount of an average sales ticket:

   \[ \times \ \$4 \]

   Estimate by the team.

e) This equals the estimated total gross sales for this business:

   \[ = \ \$62,600 \]

Key Question: Does this figure indicate a business opportunity?

The team realized that there was probably not enough foot traffic to generate the needed sales per day to support a new ice cream store. However, there might be opportunity for an existing business to add ice cream cones.
EVALUATING SALES PER DAY

Calculating the number of sales required per day can be a reality check for business opportunities, especially when compared to local pedestrian counts, current customers in the marketplace and the financial obligations of starting a new business. This quick form is only intended as a starting point for discussion of the business volume needed to support this business opportunity.

To Do

Fill in the form below. The team may have to consult owners of similar businesses, their Small Business Center or make an educated guess where information is not available.

Business Type: ________________________________

Step 1: Estimating Necessary Sales per Day:

a) Enter the typical annual gross sales
for this type of business:

From a trade association, interviews with other similar businesses,
or The Dollars and Cents of Shopping Centers

b) Divide by the amount of the average sales ticket:

Trade association, interviews with other similar businesses or local estimate

c) This equals the necessary sales per year
to make the annual gross sales total:

[d] Divide by the number of days that this business would be open per year:

Local estimate

e) This equals the necessary sales per day
to make the annual gross sales total:

Key Question: Is this figure realistic for the business district?
Step 2: Estimating Potential Gross Sales:

a) Enter the estimated sales per day for this item:
   \[ \text{Local estimate} \]

b) Multiply by the number of days that this business would be open per year:
   \[ \text{Local estimate} \]

\[ \times \underline{\phantom{1000}} \]

\[ = \underline{\phantom{1000}} \]

c) This equals the estimated number of sales per year:

\[ \underline{\phantom{1000}} \]

d) Multiply by the amount of an average sales ticket:
   \[ \text{Trade association, interviews with other similar businesses or local estimate} \]

\[ \times \underline{\phantom{1000}} \]

\[ = \underline{\phantom{1000}} \]

e) This equals the estimated total gross sales for this business:

\[ \underline{\phantom{1000}} \]

\[ \text{Key Question: Does this figure indicate a business opportunity?} \]
EVALUATING OCCUPANCY COSTS

For a business owner, rent expenses should be in proportion to gross sales. These ratios differ from business to business. Check with a business trade association or see the Small Business Sourcebook in Sources for information. Property owners may not realize what appropriate rent rates are for local economic conditions. If rents are too high in proportion to potential sales, the local team may need to work with property owners on flexible rent structures such as a percent of sales rent, or a rate structure that increases as a business’s sales increase, or explore other ways to reduce start up costs.

To Do

Fill in the form below. Sources are listed in the back of the workbook.

Example

Business Type:  Jewely

Step 1:

a) Estimate the total annual lease cost: $15,000
   Source: From local property owners.

b) Divide by the % of gross sales that the Owner should pay in rent: 60%
   The team got information from a trade association.

c) This equals the necessary annual gross sales to support this rent level: $250,000

Step 2:

a) Divide by the average sales ticket for this type of business: $150
   The team interviewed owners of similar stores.

b) This equals the number of cash register sales necessary per year to achieve the estimated annual gross sales: 1,666

c) Divide by the number of days open per year: 300
   The team estimated that the business would be open 6 days/week minus holidays which equaled approximately 300 days.
d) This equals the number of necessary sales per day to achieve the estimated annual gross sales appropriate to the initial rent charged per square foot: \[ b \]

**Key Question: Is the rent to sales ratio realistic?**

The team explored options with property owners to reduce initial rents to accommodate this new business start up, but landlords felt that they did not want to risk the loss of income, even short term, with this new entrepreneur. The team then explored ways to reduce start up costs for this business and discussed having an existing complementary business lease a small space in their store to the new operator.
EVALUATING OCCUPANCY COSTS

For a business owner, rent expenses should be in proportion to gross sales. These ratios differ from business to business. Check with a business trade association or see the Small Business Sourcebook in Sources for information. Property owners may not realize what appropriate rent rates are for local economic conditions. If rents are too high in proportion to potential sales, the local team may need to work with property owners on flexible rent structures such as a percent of sales rent, or a rate structure that increases as a business’s sales increase, or explore other ways to reduce start up costs.

To Do

Fill in the form below. Sources are listed in the back of the workbook.

Business Type: ______________________________________________________

Step 1:

a) Estimate the total annual lease cost: ____________________________

Source: From local property owners.

b) Divide by the % of gross sales that the Owner should pay in rent:

Trade associations or interviews with businesses + ____________

c) This equals the necessary annual gross sales to support this rent level: ____________________________

Step 2:

a) Divide by the average sales ticket for this type of business:

Trade associations or interviews with businesses + ____________

b) This equals the number of cash register sales necessary per year to achieve the estimated annual gross sales = ____________

c) Divide by the number of days open per year:

Local estimate + ____________

d) This equals the number of necessary sales per day to achieve the estimated annual gross sales appropriate to the initial rent charged per square foot: ____________________________

Key Question: Is the rent to sales ratio realistic?
EVALUATING THE COMPETITION

The team will need to evaluate the trade area competition for business opportunities. This chart will help to identify market niches and marketing opportunities for a new business or a business expansion.

**To Do**

Fill in the chart below and evaluate the strengths and weaknesses of the competition in the trade area for the potential business opportunity. Fill in the names of competitors and rank their services as “1” - performs excellent in this category, “2” average performance, or “3” - performs poorly or doesn’t provide this service.

<table>
<thead>
<tr>
<th>Business Opportunity:</th>
<th>Competitor #1</th>
<th>Competitor #2</th>
<th>Competitor #3</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection of goods</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Price</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Quality of goods</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Offers repair/service</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Reputation</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Quality of service</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Trained staff</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Location</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Easy to get to/find</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Exterior appearance</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Interior appearance</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Stability of business</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
<tr>
<td>Advertising</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>___</td>
</tr>
</tbody>
</table>
SECTION 3: DEVELOPING A BUSINESS RETENTION PROGRAM

WHY ESTABLISHING A STRONG RETENTION PROGRAM IS IMPORTANT

Retaining and improving existing businesses may not be as glamorous as business recruitment, but it is important for the long term health of the business district. It is far less expensive and time consuming to retain a good business than to recruit one. Helping to retain those existing businesses should be the first priority of the revitalization organization and business development team. Good businesses are often lost because they need to expand, they don’t know about other lease opportunities in the district, and so they move elsewhere. Customer loyalty, continuity of essential goods and services and the need for credibility of the business district requires that existing businesses be retained and their operating methods strengthened. In the long run, business retention is more efficient than recruiting new businesses. Both economically and politically, it makes sense to strengthen the businesses you already have. They will be the building blocks of a revitalized commercial center.

SETTING UP A RETENTION PROGRAM

A good retention and expansion program provides the encouragement, information and tools to help each business become an excellent operation. The team will need to identify and prioritize local business needs and resources. Typical areas where small businesses may need help include:

- Store presentation and window display
- Merchandise presentation
- Merchandise selection/market
- Customer service
- Developing/changing a business plan
- Improving advertising and promotion
- Identifying and capturing new markets
- Accounting and record keeping
- Planning for business expansion
- Inventory control
- Using computers
- Personnel management and training
- Financial assistance
- Complying with local, state and federal regulations

ASSESSING BUSINESS PROBLEMS

When assessing downtown businesses, keep in mind that most of the problems you will encounter are typical of small, independent businesses in older commercial centers. The first step
in determining the "health" of the downtown or commercial district business community is to assess operating methods. Walk through each store and evaluate how well it is doing.

- **Store presentation.** Is the store well lit or merchandise displays? Is the lighting recessed, indirect or bare fluorescent bulbs? Are the front display windows dirty? Do the displays reflect quality merchandise and current retailing trends? Are store interiors clean? Few things will alienate a customer faster than dirty aisles, torn carpets, dusty display cabinets, and windows with dead bugs.

- **Merchandise display.** Look at the way it is presented: concentrations of merchandise in attractive displays is now the industry norm. It creates a well-stocked look which customers have come to expect.

- **Merchandise Selection/Market.** Are the merchants reading the changes in their marketplace and serving the customers? Look for "merchandise depth," meaning an assortment of goods in a range of sizes, not just two or three items. Merchandise depth convinces customers that you have what they need and that you have a broad selection from which to choose. Do the products appear to be meeting what you know about the needs and preferences of the local consumers? If businesses are misreading their markets and directing their merchandising toward the wrong share of the market, potential customers may be frustrated because they cannot buy the products they want close to home. "Leakage" occurs: their dollars are flowing into a neighboring city or district by default.

- **Preoccupation with low prices.** If the businesses in the district are constantly holding sales, a low-budget image pervades the area. Every good merchant has a sale from time to time, but the perpetual sale mentality not only leads customers to believe that they will always get the merchandise for less if they wait a little longer, it also gives the district a cheaper image. A major goal should be to convince existing merchants to make full-price, seasonal purchases the rule, with a price markdown sale the exception. Businesses will never be able to compete with large discounters, so downtown's best image lies in that of quality, selection and good service.

- **Customer Service.** Analyze the quality of customer service. Surveys have shown that customers return to a business not because of price preference or even merchandise selection; the greatest attraction by far was the quality of customer service. For example greeting customers when they enter the store is standard operating procedures in today's successful stores. Good personal service is showing to each customer how ready one is to help them shop. Good personal service is necessary to create a positive downtown image.

- **Merchant attitude.** While that may seem to be a superfluous issue, a burned-out merchant will have a difficult time providing good service or being open to new ideas. If they are retiring soon, they may be "coasting" until the end, unconcerned with changing their business practices. Do they feel competitive with a fellow merchant down the street, even through they sell a different product? Part of the business retention strategy is to create opportunities for business people to enjoy working together again through promotions, special events, open houses and participation in design and capital improvement
discussions. To revitalize a business area, you must do more than make the cash registers ring. Part of the goal is to revitalize the spirit of the business people as well.

**STRATEGIES FOR IMPROVING EXISTING BUSINESSES**

There are several strategies for improving businesses downtown. The first goal is to build a sense of unity and shared goals by establishing a clear identity for the district. The sense of a unified, identifiable shopping district is pivotal to the Main Street approach and can be achieved publicly through promotion activities such as an eye-catching logo for the area, a position statement, a well-planned series of events downtown, and an advertising campaign to stop downtown. Internal unity of businesses can be attained through organization activities: volunteer participation on committees will strengthen businesses’ commitment to revitalization.

Specific problems can be addressed effectively in through group seminars and one-on-one discussions with business owners. Business seminars are good opportunities to provide objective information on sound business practices in an educational format without implying personal criticism. Topics can include proper decision making, record and inventory management, budget and cash-flow management, and visual merchandising, just to name a few. As business owners become excited about the revitalization program, they will become more willing to allow a candid assessment of their business operation. The role of the revitalization program is to help merchants see their businesses through new eyes. Test is the watchword to keep egos from being bruised and to keep businesses on board the revitalization program.

After introducing the principles of sound business management to business owner, group seminars and workshops for their employees to deal with specific areas of business improvement, especially customer service. Begin the training and then continue conducting seminars on a regular basis. The schedule and subjects should be adapted to the current problems or needs of your merchants. It is important to schedule seminars so that the merchants can absorb the information and implement the ideas presented at one workshop before moving on to the next. Regional Small Business Development Centers (SBDC’s), the Small Business Administration (SBA), the chamber of commerce, state university extension services, the National Retail Merchants’ Association and state Main Street and downtown development organizations can help you locate instructors and instructional materials.

The team needs to promote the market opportunities identified and the information it has collected through the market analysis project. The team may wish to keep a small reference library for lending, containing a list of businesses and property owners in the district, the results of customer surveys, demographic data, information on new regulations, such as workers’ compensation and the Americans with Disabilities Act, and model business plans. The team should monitor and publish local business statistics like the numbers of businesses opened and closed, new developments planned, business and building rehabilitations and the amount of reinvestment in the business district.
REPOSITIONING A BUSINESS IN THE MARKETPLACE

Repositioning a business means improving their image to consumers, realigning their product to tap their market more effectively or both. To reposition themselves within their trade area, business owners and merchants can participate in the following activities:

- **Target specific markets based on the styles of merchandise the store carries.** Small businesses can no longer be all things to all people. Small-business owners must decide which share of the market they want to control, both now and in the future; carefully selected market segmentation is practiced by all good merchants and businesses.

- **Change the image of the business by changing its look.** Change window display practices, interior design changes, or develop a new advertising image. Physical alterations to the building, such as a new coat of paint or a rehabilitated storefront, can also have a positive impact on the business.

- **Advertise.** Businesses must be ready to advertise and to invest in an adequate ongoing advertising budget.

- **Time promotional events to introduce a new image.** New merchandise lines or new staff during nontraditional sales periods so that the message does not get lost during the busiest parts of the business season, such as Christmas. Have an open-house reception with food and beverages, a direct-mail announcement to recent customers, or advertise in newspaper or radio.

- **Be Patient.** When establishing a new position in the market, be patient. Measuring the full impact of the changes will take many months. Thus, expected targets for increased sales, number of customers or whatever measure is used should be tracked on a monthly basis and extended for a minimum of six months. Periodic adjustments to the plan may be required if the response does not match the projection.

HELPING BUSINESSES EXPAND

Sometimes, the best way to help an existing business increase its market share is to help it physically expand by moving into a larger space downtown or by opening a second shop. Many retailers have successfully captured a market niche by opening a second downtown store offering more specialized merchandise than they sell in their existing stores. For example, an owner of a family shoe store might open a smaller shop specializing in athletic shoes, or a women’s clothing store might open a shop offering petites or larger sizes.

In essence, the process involved in encouraging an existing business to expand into another downtown location is the same as that for recruiting a new business. Because the downtown or business district management program is already familiar with the district’s market, the process is usually easier than recruiting a new retailer. Plus, the existing business already has an established relationship with local lenders. With some careful planning in advance, an existing business may be able to quickly take advantage of a new vacancy downtown, whereas an out-of-town retailer or new entrepreneur may not be able to.
HELPING BUSINESSES IN FINANCIAL TROUBLE

Businesses with financial problems usually exhibit a variety of symptoms. Traditional business assistance strategies are rarely of much help after a retailer has decided to close. Thus, early detection and intervention are essential if the revitalization organization is to help a business survive. Some typical warning flags are:

- **Payment patterns.** Businesses that are experiencing financial difficulties will often delay payment to suppliers or landlords. A shopping center with central management can easily track late rental payments and spot businesses that may be in trouble. It is more difficult to trace these problems downtown because there is no way to track confidential information on a wide array of properties, most of which have different owners. Still, it is possible to informally monitor payments to suppliers and property owners. For example, property owners should be asked to notify the downtown management program if a pattern of late payments develops. This information can be used to identify businesses that need close monitoring and to prioritize assistance.

- **Gross sales history.** Unless the local government maintains tax records of gross sales for the downtown commercial district (a very valuable tool for recording increases in downtown sales), gross sales reports are difficult to obtain. The downtown can develop an informal database of gross retail sales by asking tenants to report any unusual changes in sales figures from the previous year. By tabulating their responses, the downtown organization can determine whether a monthly drop in sales is site-specific or whether it affects a majority of the district's retailers.

- **Undercapitalization.** Too often, new businesses open without sufficient funding to sustain operations over slow periods, causing them to start off in debt: symptoms are non-payment or late payment of bills.

Providing assistance to businesses in financial trouble can be very sensitive. Above all, the revitalization organization must respect the business owner's confidentiality and proceed at a pace that makes the owner feel comfortable. Once a business runs into trouble, its owner may be reluctant to go to anyone—including the downtown manager—for fear of being labeled a poor businessperson. For these reasons, the most effective strategy in the long run is to implement assistance programs that remain in place, ready to be used when needed. Examples of such assistance include:

- **Marketing assistance.** By increasing a retailer's sales, the downtown organization can help the business acquire the cash to pay bills and purchase inventory. Assistance the downtown program can provide to help a business improve sales, and as described previously, include: offering workshops on advertising, window displays and in-store promotion; providing training for sales staff; providing information on the business's target consumer groups; and encouraging the retailer to advertise jointly with similar businesses.
• **Reduce operating costs.** A retailer's biggest expenses are inventory, labor, rent, utilities and advertising. The downtown management program can help businesses lower labor, utility and advertising costs in a number of ways. In order to reduce labor turnover, for example, the downtown program might open a daycare facility, provide special discounts or lunchtime entertainment or hold workshops on employee benefits or management issues. Utility costs can be lowered through energy audits, usually given free by local power companies, and grants. And individual businesses can often reduce their advertising costs by participating in group activities sponsored by the revitalization organization. Some communities even offer special low-interest loan programs to help retailers purchase inventory.

If a retailer's situation becomes critical, the downtown program might consider a more aggressive strategy—for instance, encouraging a property owner to reduce the businesses's rent for a specified period of time. On the other hand, the organization should avoid becoming so deeply involved in the business owner's financial decisions that it exposes itself to legal risk. The appropriate role for the downtown management program is to help create and administer assistance programs that can bolster a failing business and, when appropriate, serve as a liaison between the retailer and organizations that may be able to provide specific guidance. Some programs, for instance, keep on file the names of accountants, attorneys and small business consultants who have expertise in retail operations.

**HOW TO KEEP A BUSINESS DOWNTOWN WHEN THE OWNER WANTS TO SELL OR RETIRE**

When a business owner decides to retire, move or enter a new profession, the decision is almost always an emotional, not a financial, one, and the owner's needs will be different from those of a retailer with financial difficulties.

If a business fits the downtown's economic needs, the downtown management program should help find a way to sell the establishment to a qualified new owner. Again, the best way to do this is to have a recruitment program in place and to have contacts with agencies and individuals who can help; it normally takes two to three years to sell a downtown business—even longer if the owner overvalues the operation or fails to list it with professional business brokers. Some downtown programs provide assistance by:

• **Serving as a liaison between business consultants or brokers and downtown business owners.** Intelligent business owners carefully plan the decision to sell. A business should be sold only after proper preparation, not because of a short-term downturn in sales. Too often, owners in a hurry to move on put their businesses up for sale at prices that are unrealistic given current earning projections. This makes it difficult to find buyers who can meet both the timing and financial requirements of the seller. Unable to sell their stores quickly, these owners may choose just to liquidate inventory and close their doors. A skilled
A business broker can help a retailer select the best time to sell, set up a realistic time frame and search for qualified buyers.

- **Providing or arranging financial support for employee purchases.** Sometimes the best person to buy an existing business is a long-time employee. Rarely, however, do these prospective buyers have the necessary funds to purchase the operation. Some revitalization organizations have developed special financial programs to help employees purchase businesses. Usually these programs require the owner to stay on as a part-time consultant and the buyer to attend special business planning courses.

When a business is closing for financial reasons and there is little benefit to the district in keeping it open, the revitalization program should probably limit its role to helping the property owner find a new tenant. In some instances, the downtown manager may want to review the city's policy on “going out of business sales” and, if necessary, revise the ordinance to more strictly regulate how long the sale can last, whether off-premise items can be included and how many times a business can hold a liquidation sale. This may minimize the sale's potentially negative image.

Business turnover is a fact of life—not only downtown but in all commercial areas. As the market shifts and consumers' needs and desires change, businesses must change, too, and keep pace. A downtown management program that can help its businesses understand and adapt to changing market dynamics is a critical element in keeping the district economically viable.

**Sources of Information and Assistance**

There are a variety of small business resources available. The team will need to inventory existing programs and explore setting up partnerships to make needed services available. Some resources to look for include:

**Federal Small Business Administration**

The SBA administers loan funds and loan guarantee programs, and has published a series of information bulletins on topics ranging from business plans to accounting procedures. Check for the nearest regional office. Their loan programs are also available through banks and local certified development corporations.

**Small Business Development Centers**

These centers are a partnership between the SBA, state and local colleges or other local organizations. They commonly offer classes and counseling for experienced and start up business owners and help in identifying sources of financing. The Business development team should explore a partnership with the local SBDC to develop training workshops and assistance targeted to the needs of downtown businesses.

**SCORE/ACE**

The Service Core of Retired Executives and the Active Core of Executives may have local chapters and can provide free or low cost counseling to business owners.
Chambers of Commerce

Networking and sharing information is a critical component of a retention program. The local chamber may offer “business after hours” networking events or have meetings where market information and local economic trends could be shared. Often Chambers have libraries where this information could be available.

Community College/Local University

These educational institutions are sources of training courses for local businesses and professors may be able to help advise the team. In addition, classes may be able to do marketing, accounting or market analysis projects for the team and local businesses.

Banks

Banks are a good source of market information and may have special programs to help businesses apply for financing.

Local Law Enforcement Agencies

Many police departments offer seminars and assistance on preventing shoplifting and setting up a business watch program.

Local Utility Companies

Often local utility companies have economic development staff and market information, and may give small grants for business development projects or energy efficiency improvements.
SECTION 4: DEVELOPING A BUSINESS RECRUITMENT PROGRAM

The effort to recruit new businesses for downtown is first and foremost a sales effort. Downtown and commercial district revitalization organizations must sell downtown as a location for business expansion and new business development. Every sales effort has a buyer, a product, a salesperson and a rationale for buying.

In this case, the buyers are business owners, persons seeking property investment, developers, syndicators and entrepreneurs. The product? Downtown, or the commercial business district—its buildings, businesses and existing and potential market niches. The sales force is the business development team. And the rationale for investing in the downtown is the array of assets that make the district profitable for the buyer in question.

There are four types of activities in a recruitment program, and each could have a specific group of volunteers. The activities are described in more detail later in this section, but in general they are:

- The research phase: to identify and qualify a list of prospects;
- The sales visit: to convince a prospect to consider your downtown;
- The prospect’s visit: when a business owner comes to town to inspect your business district and look at potential locations; and
- The celebration/ground opening activity: to welcome the new business.

The four projects listed above each require different skills. The business development team may want to vary its membership over time or assign specific task groups to each project. People with skills such as sales and marketing, economic development, real estate or business experience are helpful. Participants need to be willing to work with information which may need to be kept confidential.

STEP 1. DEVELOP A QUALIFIED LIST OF POTENTIAL PROSPECTS

At this point the team should have done an analysis of their market, tested a list of potential opportunities for the business district, and may even have a mini-business plan for the top opportunities. The challenge now is to find a successful operator in another area who would move or open an additional location.

Knowing where to look for recruits is an ongoing process that also begins with homework. In general, the best recruits are found at home: The further away you look, the less likely you are to find a strong prospect. Let’s start with the least effective prospects and work toward the best prospects:
National chains and department stores. These retailers rarely include downtown locations among their sites for expansion. Available parking, access to interstate highways and gross square footage requirements preclude most downtown and commercial district locations. The last freestanding, full-line department store built in a downtown location occurred in 1985 in Washington, D.C.—and that was a relocation from another downtown site. Expecting to recruit a national department store to downtown is usually unrealistic; recruiting a national retailer, business or restaurant is a challenge, but definitely possible.

Mall-type stores and shopping center chains/franchises. These are challenging prospects because they are high-volume stores requiring access to large populations or spaces. Again, they also have high parking requirements (which might be unnecessary) and desire access to interstates or state highways for ease in shipping transport. The business development team will have to consider the requirements of these stores in their recruitment process, perhaps there is a creative way to meet these with a location downtown.

Successful businesses from neighboring communities. Potential exists here, if you look for businesses that may be ready to expand. Particularly attractive are stores with two or more existing locations. They have a proven track record and know how to run multiple operations. A good recruitment team can convince such business owners that its district can provide access to new markets worthy of their expansion.

Development of local entrepreneurship. The community has people with good business ideas and common sense. Finding them is simply a matter of asking around: The chamber of commerce, the local Small Business Administration office, commercial lenders and business schools may all have leads on entrepreneurial prospects.

Expansion of “cottage” businesses in the community. Recruitment opportunities exist in neighborhood homes and garages—at-home businesses that need to grow. The local craftsman who needs sales space or the bicycle repair person who is ready to move into sales and service are good prospects because they have already proven that a market exists for their products.

Converting managers to owners. Business recruitment can also be accomplished by encouraging business managers to become owners. Local (and out-of-town) managers have business skills that can be converted to supply more commercial options or greater variety than is currently available downtown. Encouraging managers to become owners can also address the need to preserve businesses that might otherwise fold due to death or retirement.

Expansion of existing businesses. The greatest immediate opportunity for business recruitment lies in the expansion of product lines carried by established businesses. Very often, market research points to missed opportunities in retail categories that are not large enough to support an entirely new business, but are significant enough to warrant expansions. A line of
work shoes for men, a section of “big and tall sizes” in clothing, or a lunchtime catering or delivery service can all build more retail activity for the business owners already on Main Street.

Developing the “hit” list

The “hit list” you will be developing is simply a qualified list of names and places where business recruitment opportunities may exist. If you have identified prospects in your community, you have the foundation of your hit list. Remember, you can often get information about these hidden resources through word of mouth. Keeping your ear to the ground will help you build your list.

Looking for targeted businesses outside your market area requires a bit more investigation. However, it is still an exercise in observation and conversation. Once you know which retail categories you are looking for, you can begin using the following techniques:

- Ask downtown shoppers a simple question like, “Where’s the best sporting goods store in the three county area?”—it can yield many solid leads.
- Ask vendors and suppliers. Travelling salespeople can tell you which of their clients are doing well. Ask your area merchants to talk to their sales reps.
- Ask team members and business owners to keep their eyes open during their travels and make a note of the great businesses they see.
- Shop the competition. A simple “drive-by” through other commercial areas can give you some visual clues bout potential recruits. If the display window is appealing and features merchandise in the targeted categories, the business is a possible prospect. If you see customers that represent your targeted market groups coming out of the store with packages, the potential increases. Take along an “experienced shopper”—a friend or relative who’s skilled at selecting good stores—and let them shop! They may not know the technical reasons why they like a store, but good shoppers discover good businesses.
- Consult the yellow pages. Raw information about targeted retailers can be found in the business listings of local telephone directories. Display ads listing products, hours, services and locations can provide tips on the potential prospect.
- Put ads in the business opportunities section of the newspaper.
- Network with other economic/industrial development groups, local realtors, the chamber and the city permits department. These are the places a potential business might call looking for information.
- Publicize the businesses the team is seeking at service club meetings, in local newsletters, in press releases and in media interviews.
- Ask local realtors and property owners if the team can put information about market opportunities in vacant store windows.
- Contact local bankers, attorneys and accountants. They may have a prospective business owner as a client.
Reconnaissance visits

The team needs to screen the list of prospects that is developed, because only excellent businesses should be recruited. At the end of this section is an evaluation form the team could use to qualify prospects by rating them on appearance, service and business ability.

With the hit list in hand, a small team (1-2 people) should go out and take a close, but unannounced, look at these stores. The objective of this recon visit is to shop with a purpose. They should view the stores as a consumer would see them. Each member should:

- Really look at the merchandise. How are the products displayed? Are there enough goods to fill the store? What about the range of sizes? What are the price points of the merchandise—does it fall into low, moderate or high price categories? Is there a variety, or depth, of merchandise within any categories?
- Ask questions. Find out what the retailer knows about the merchandise. Can employees find sizes or match accessories or explain how a product operates? What are the return, exchange and delivery policies? Are any free services provided—alterations, gift wrap, delivery, take home “on approval”?
- Ask more questions. Find out how much the retailer knows about other businesses downtown and about the community in general. Ask about attractions and events. Try to find out how involved the merchant is in the downtown.

It is a good idea to produce a checklist that allows the team to record and recall its initial observations: you may use or modify the evaluation form at the end of this section. But the checklist stays in the van, use your eyes and ears while shopping; write down your observations when you get back to the van. Carrying a clipboard will attract attention, resulting in either special treatment or hostility.

Reconnaissance teams of two people work well because they can split up and investigate different stores at different times, then compare observations. Who should be on the team? Typically, the downtown program manager, a downtown retailer, a skilled Main Street shopper or even a commercial leasing agent. Regardless of their titles, members of the team need to feel comfortable about talking to owners and looking over the operation. The gift of gab can be a valuable skill for the reconnaissance effort.

If merchants ask, members of the recon team should be prepared to explain that they are part of a downtown revitalization program and that they are looking for good examples of aggressive retailing. You might even close the visit with a flattering, yet genuine statement such as, “Someday, we’d like to have a store as good as yours!”
**Step 2. Make a Sales Visit To Qualified Prospects**

Once a prospect has been identified and evaluated, it is time to visit them and convince them to come and see what the downtown has to offer. Some hints for a successful sales visit:

- Call ahead and make an appointment; don't show up unannounced. Making an appointment shows the team's professionalism and ensures that the owner will have the time to listen to you.
- Assemble appropriate materials to bring, like the recruitment packet. Don't overwhelm them with paper.

Once you have secured an appointment, assemble the team to make the pitch—not too many people, but appropriate people: An owner of a business that complements the prospect's niche or serves the same customer can be very convincing. This time the visit is formal. Practice the sales presentation. Know who will go first and what points each participant will cover. The team should be prepared to discuss the following:

- Why your community is interested in their business. What you've observed during the reconnaissance should be recalled here; it will show that you've done your homework and that you know something about retailing.
- Why your community needs their business. Your team must explain the existing business mix in town and the dynamics of the marketplace that point to this business as a valuable addition.
- Why this business would be profitable. Elaborate on the market potential for the business. Information on the demographics and consumer habits of the marketplace will give the owner reasons to consider your downtown. Anecdotal information from complimentary businesses in the district will give you an added dimension to your presentation.
- Incentives that could make your downtown attractive to a new business. A brief explanation of available services may pique interest.

The appointment should close with an invitation to visit the district. If you visit has been successful, you may have an opportunity to discuss specific properties or development steps. Even if the owner doesn't seem interested, you should invite them to come see your downtown. Always leave your recruitment, which should contain a recap of the information presented as well as details on available space. Follow up the visit with a thank you note.

After each visit the team should categorize the prospects again:

- This business is very interested and should be followed up with immediately.
- This prospect interested but is not ready to consider our offer quite yet and should be called in six months.
- This prospect is not interested at this time but has a good business, so should be placed on the newsletter mailing list in case there is an opportunity in the future.
The team should be prepared to contact many prospects to get a few who will actually open a new business. The key is to keep the word out and be ready to respond when opportunity knocks.

**Step 3. Have the Prospect Visit Downtown**

If your visit to the prospect yields interest, the recruitment team must be prepared to present the district to the business person. That presentation is the ultimate selling tool; every attempt must be made to persuade the business owner to invest.

Everyone in the district becomes a member of the team when the prospect comes to visit. The downtown director serves as host, scheduling all activities for the visitor. Government officials—the mayor, city manager, council members—should join in welcoming the business owner and answering any questions about the relationship between government and business.

The downtown manager should give the prospective recruit a guided tour of the district and the community, with courtesy stops at city hall, the office of local bank presidents and one or two downtown stores. The visit should also include a detailed review of available locations, including walk-through tours of the buildings targeted as select sites. Before the prospect arrives, review the business cluster analysis and spend time qualifying local landlords. Don't send business prospects to a property owner who is unrealistic about rents and needed improvements or is not business-like in their relations with tenants. Show the prospective business only one or two best locations for their business. This shows that the team has done their homework and understands the needs of the prospective business. The property owner or real estate agent should go along on these visits.

Set up visits with positive local retailers that share the prospect's customer market, but be sure to give the prospect time to wander around the district unescorted so that they can talk to other merchants, look at buildings or just “shop the competition.” Orchestrating every moment of the visit will suggest that your organization lacks confidence in the downtown, and may make the prospect feel uncomfortable. The visit—usually no more than one business day—should conclude with a meeting between the downtown or commercial district program manager and the prospect to discuss the next step. The manager should be prepared to offer information on permits and licensing and to set up meetings with owners and leasing agents.

The recruitment process can be considered successful if you have convinced the targeted business owner to consider investing in your district. But your work is not over. Once you have hooked the prospect, the recruitment program must be there for ongoing advocacy and follow up.
STEP 4. WELCOME THE NEW BUSINESS

The recruitment team should serve as the on-site liaison for the new business in all dealings related to the investment. The team—typically coordinated by the downtown manager—needs to assist the business owner with any regulation, finance, negotiation or start-up issues that may arise. If the owner is out of town, the downtown manager should offer to assist in the local permit and approval process (building permits, health department inspections, license applications, etc.) If local financing or financial incentives are involved, the manager should help the owner with “red tape” during the application and approval process. This does not mean trying to influence the review process in terms of standards of acceptance; credit-worthiness, design standards and other qualifications must not be manipulated. When appropriate, however, the downtown manager can help with lease negotiations between business owner and landlord. In short, the downtown professional manages the final phase of recruitment—placement and operation within the district.

The role of advocate can be the most important part of the recruitment effort because it help eliminate ways the project can fail. Advocacy must be handled gently; the downtown organization should be seen as helping streamline the process, no usurping another group or individual’s legitimate role. Positioning the downtown manager as the liaison is the best way to ensure continuity of assistance and sensitivity to the issues of overlapping interests and confidentiality. The advocate-liaison role can go on for months or years, depending on the magnitude of the development project and the number of “players” in the process. But when a recruit is finally installed as a business owner in your district, the process of promoting that business begins.

The recruitment process can be promoted to the media as long as the recruit’s confidentiality and the details of the project are protected. The process of finding a location, negotiating a lease, securing contractors and acquiring permits and licenses should remain confidential. On the other hand, if the owner is willing to discuss the process, the downtown or commercial district program can use it to showcase its recruitment effort.

Once the project is secure and can be announced, the downtown organization has a responsibility to promote the newest business downtown. The most typical promotional tool is the grand opening. The downtown or commercial district program can sponsor an opening celebration by placing ads, inviting local dignitaries and attracting media coverage. It is also important to continue promoting the new business during its first few months. Featuring the business in newsletter articles, press releases and promotional events are but a few way to acquaint downtown customers with the new store. Introducing the new merchant to the business community, however, is equally important. Main Street can sponsor a reception for the new owner or take them around to other businesses for less formal introductions. The downtown manager can also help the owner develop promotional strategies and meet the media
representatives. Finally, the manager can assist new and old businesses by suggesting joint promotions and other cooperative efforts.

In essence, the recruitment process is the development of a long-term relationship with a targeted new business. It begins with the “sale,” but is in fact a program of development, promotion and ongoing assistance. Business recruitment is not a six-month process. If the revitalization organization is really to establish the district as a location where businesses can flourish, then the process of recruitment and on-going assistance must be incorporated in the organization’s long-term work plan. With a comprehensive, aggressive recruitment program, the district can attract new businesses and help them succeed.