

SUMMARY REPORT
BUSINESS SURVEY

PREPARED FOR

Kitsap Business Development Consortium

BY

THE FIELD COMPANY

OCTOBER, 2007

**SUMMARY REPORT
BUSINESS SURVEY
KITSAP BUSINESS DEVELOPMENT CONSORTIUM**

TABLE OF CONTENTS

I. INTRODUCTION	3
II. SURVEY METHODOLOGY	4
III. SURVEY RESPONDENTS	5
IV. SURVEY RESULTS	11
V. FINDINGS AND CONCLUSIONS	55
VI. RECOMMENDATIONS	63

APPENDICES

Business Survey
Tabulated Survey Results
Summary Of Comments

I.

INTRODUCTION

In July, 2007, the Kitsap Business Development Consortium authorized a comprehensive business survey to identify the perceptions/level of understanding of business services available to them among business owners/managers in Kitsap County and to provide information on those business leaders’:

- Awareness of services available to assist local businesses
- Use of services available to assist businesses
- Perspective on the quality and effectiveness of services
- Perspective on voids in needed services
- Preferences for delivery formats for services
- Willingness/ability to pay for services

To obtain the above information and develop recommendations on how effectively services are being provided to local businesses and identify ways to better meet the needs of businesses in Kitsap County, The Field Company was retained to conduct survey of owners and managers of Kitsap businesses.

To create the survey instrument for KBDC’s survey, The Field Company developed a structured interview and conducted a group interview with members of the Kitsap Business Development Consortium. Subsequently, a draft survey was prepared for review and, following a review process by KBDC members, a finalized survey instrument was approved to obtain information on business owners’/managers’ awareness of available services, their perception of the quality of those services, and their perceived voids in services. The following report provides a summary of the survey results, as well as conclusions and recommendations based on the survey findings.

II.

SURVEY METHODOLOGY

BUSINESS SURVEY

The purpose of the business survey was to obtain information on business owners'/ managers' awareness of available services, their perception of the quality of those services, and their perceived voids in services.

To conduct the survey, a list of 10,581 Kitsap County businesses was located at Name Finders, a Seattle list company, and 2,000 randomly selected names were purchased from the company. Subsequently, 196 respondents were randomly selected from the purchased list to conduct the surveys. Efforts were made to have a proportional distribution of completed surveys which reflected the number of businesses in each of the following communities: Bremerton, Silverdale, Port Orchard, Bainbridge Island, Poubo, and Kingston.

The quantity of interviews and the method of sampling were designed to make the business survey statistically valid with a 95% confidence level and a $\pm 7\%$ variance for the overall survey. The target was to complete 192 interviews with local business owners/managers, and a total of 196 owners/managers completed interviews.

All surveys were conducted by telephone by trained interviewers of The Field Company. A de-briefing session was conducted after the surveys. The interviews were completed in September - October, 2007, and the results were tabulated by MR Data Corporation.

III.

SURVEY RESPONDENTS

BUSINESS SURVEY

A total of 196 interviews was conducted for KBDC's business survey. All respondents were associated with Kitsap County businesses.

In general, businesspeople were very cooperative and willing to participate in the survey. Although the survey could be completed in about 15 minutes, many respondents spent 20 – 30 minutes so they could elaborate on their responses and do a thorough job of answering questions in the survey. The longest interview was longer than one hour (note: there was a high level of interest in learning more about KBDC's member organizations mentioned in the survey, and The Field Company has provided a list of those individuals so KBDC can provide some one-on-one follow-up assistance.)

Survey respondents included businesses in a wide range of classifications. The greatest number of respondents provided professional services (21%) or represented a retail business (16%). The following is an overview of classifications represented in the survey (note: the selection of the classification was done by the survey respondents who chose the classification they felt best represented their business. A complete listing of NAICS codes/types of businesses from the calling list, as well as the respondents' descriptions of their businesses is included in the appendices):

Classifications Of Respondents' Companies

Professional services	21%
Retail	16%
Building and construction	8%
Finance, insurance, real estate	7%
Computer/high tech	6%
Manufacturing	5%
Transportation	5%
Hospitality	3%
Tourism	2%
Agriculture	2%
Defense	1%
Life services	1%
Telecommunications	1%
None of the above	3%
Other	20%

In addition to classifying respondents by their business classifications, they were also classified by their positions in their companies. The vast majority of respondents (85%) were either owners or senior management. The following is a breakdown of respondents:

Roles Of Respondents

Owner	63%
Senior management	22%
Middle management	8%
Staff	4%
Other	3%

The number of employees in companies interviewed for the business survey ranged from 1 – 100+ employees, and the mean (i.e., average) was 12.9 employees. Almost one-fourth of the respondents (24%) were one-person businesses and nearly two-thirds (65%) of the companies had less than five employees. The following is a summary of the number of employees at businesses participating in the survey:

Number Of Employees

1	24%
2 – 5	41%
6 – 10	13%
11 – 25	12%
26 – 50	2%
51 – 99	2%
100+	5%
Don't know/no response	2%
<i>Mean: 12.9</i>	
<i>Median: 3.5</i>	

The annual revenues reported by respondents ranged from under \$50,000 (15%) to more than \$5+ million (2%). The mean was \$793,000 and the median was \$175,000. The following is a summary of findings:

Annual Revenues Of Companies

Less than \$50,000	15%
\$50,000 - \$100,000	12%
\$100,000 - \$250,000	18%
\$250,000 - \$500,000	10%
\$500,000 - \$1 million	7%
\$1 – \$5 million	10%
\$5+ million	2%
Don't know/no response	27%

Mean (thousands): \$793
Median (thousands): \$175

The businesses interviewed had been in Kitsap County from less than one year to 10+ years, and the mean was 9.1 years. There were nine companies that reported being in Kitsap County for 25 or more years, and the longest time in business was 154 years. The following is a summary of responses:

Years Business Has Been Located In Kitsap County

Less than 1 year	5%
1 – 3 years	9%
4 – 5 years	10%
6 – 10 years	15%
10+ years	59+
Don't know/no response	2%

Mean: 9.1
Median: 12.0

Slightly more respondents felt that their business was located in an urban (54%) rather than a rural (42%) location. The following is a summary of responses:

Urban vs. Rural Location Of Business

Urban	54%
Rural	42%
Other	3%
Don't know/no response	1%

Slightly more women (53%) than men (47%) participated in the survey. The age range of respondents was 20 – 70+ years with a mean age of 49.2 years with about one-half of the respondents reporting ages of 20 – 50 years and the other one-half reporting 50 – 70+ years. The following is a summary of findings:

Sex Of Respondents

Male	47%
Female	53%
Don't know/no response	1%

Ages Of Respondents

20 – 30	8%
30 – 40	15%
40 – 50	28%
50 – 60	27%
60 – 70	18%
70+	4%
Other	1%
Don't know/no response	1%

Mean: 49.2 years

Median: 45.0 years

The audience of 196 respondents was contacted to create a sampling that is proportionate to the significant locations of businesses in Kitsap County. The breakdown of respondents by primary location of their businesses was as follows:

Primary Business Location Of Respondents

	<u>Respondents</u>	<u>Percentage of Audience</u>
Bremerton	56	29%
Port Orchard	42	21%
Bainbridge Island	32	16%
Poulsbo	31	16%
Silverdale	24	12%
Kingston/Other	11	6%

About one-tenth of the respondents reported that their companies have locations other than the primary location of their business. The following is a summary of additional office locations:

Additional Locations Of Respondents' Businesses

<u>Primary Location</u>	<u>Other Kitsap Locations</u>					
	Port Orchard	Bainbridge	Poulsbo	Silverdale	Kingston Other	Bremerton
Bremerton	2	1	2	2	--	--
Port Orchard	--	--	1	--	--	--
Bainbridge Island	--	--	1	--	1	--
Poulsbo	1	--	--	--	--	3
Silverdale	2	--	2	--	--	1
Kingston/Other	--	--	2	--	--	--

IV. SURVEY RESULTS BUSINESS SURVEY

The following is a summary of the key findings in the Kitsap Business Development Consortium's business survey:

1. When asked to identify the strengths of Kitsap County as a place to do business, location was the most frequently mentioned strength among five possible strengths listed on the survey so it's possible to do tabulation (but not read to the respondents). It was mentioned by one-fifth (20%) of the respondents, and all other listed strengths were mentioned by 5% or less of the respondents. Interestingly, location was considered more important to businesspeople in Kingston (73%) and Bainbridge Island (34%) while viewed of much lower importance elsewhere. More than one-half of the respondents mentioned strengths beyond the five identified below, and about one-fourth of the respondents mentioned no strengths. The following is a summary of the five attributes tabulated for the survey:

Strengths Of Kitsap County As a Place To Do Business

	<u>Overall</u>	<u>Brem.</u>	<u>P.O.</u>	<u>B.I.</u>	<u>Poul.</u>	<u>Silv.</u>	<u>King.</u>
Location	20%	11%	12%	34%	16%	17%	73%
Workforce	5%	5%	--	9%	6%	--	9%
Transportation	4%	2%	5%	3%	6%	4%	--
Cost of living	4%	--	--	3%	13%	4%	9%
Regulations	1%	--	--	3%	--	--	--
Other	55%	66%	69%	38%	45%	38%	64%
No response	24%	18%	17%	38%	23%	46%	--

In their comments, respondents provided insights on the above and other

perceived strengths of each of their locations. Some of the other benefits mentioned by respondents in their comments included a small town feel and the fact that a lot of people shop locally, the military presence and its large base of customers, and the networking/support available in their communities. The following is a sampling of responses (note: the following list is only a sampling of ideas mentioned by respondents. Some comments were mentioned by only one respondent, and others by many respondents. They were selected to be representative of the comments made by businesspeople. All of the verbatim comments made by respondents are included in the appendices):

Bainbridge Island

- *A different, quieter lifestyle—home businesses have best advantages*
- *Labor pool—great place to raise kids*
- *Small town feel. We know a lot of people and form strong working relationships*
- *Better place to live than Seattle—easier to attract employees*
- *Money – Lot of money around here – a lot of work*
- *Centrally located in major metro area*
- *People shop locally*
- *It's own little community*

Bremerton

- *Economy of Bremerton*
- *Growing (2)*
- *Military presence/bases/Navy/PSNS/Shipyard (10)*
- *Tax rates*
- *Small town/community (2)*
- *Wonderful parks and recreation information gets people out and about so they discover more small business*
- *Nothing—no business here*
- *New growth downtown*
- *Lots of middle class customers*

Silverdale

- *Kitsap consumers want to keep commerce local to where they live and play—it's a close-knit community*

- *Stable employer (military)*
- *Military nearby/high military population provides customers (3)*
- *We're from this area all our lives. We're known, we know the area, and can anticipate the customer's needs.*
- *Having a constant military presence here—new customers for business.*
- *Less competition. What I call, "The Big Boys" don't want to come across the water for these little contracts.*
- *Smaller community good for networking – good word of mouth*
- *Strong military and the growth is huge. We've been growing like crazy, as far as the county.*
- *Compactness of the business areas around like Bremerton and Silverdale.*

Kingston

- *Strong relationships, local community*
- *High-speed Internet in rural setting and access to metro (close without being metro area)*
- *Navy*
- *Low traffic/short commute*

Poulsbo

- *Great community*
- *Lots of opportunity*
- *Growing community*
- *Everybody knows everybody*
- *Work close to home—more rural lifestyle*
- *We hardly ever work in Kitsap County because we go where we get the bids and we get more in other counties*
- *We are a high tech business and there aren't that many companies that do what we do.*
- *I sure like it, but there aren't a lot of high-paying jobs*

Port Orchard

- *None/No strengths/I don't think there are any advantages (5)*
- *Growing economy (2)*
- *Worst place to do business because of taxes*
- *No difference where I am because all my work is on-line.*
- *A lot of growth/Growing community (3)*
- *Low population for less traffic*
- *Nothing good—can't give credit to county*
- *Military*

2. When asked to identify the weaknesses of Kitsap County as a place to do business,

transportation was the most frequently mentioned weakness among five possible weaknesses listed on the survey so it's possible to do tabulation (but not read to the respondents). It was mentioned, however, by only 8% of the respondents, and all other listed potential weaknesses were mentioned by 7% or less of the respondents. Interestingly, transportation was considered to be very important to businesspeople in Kingston (18%) and viewed to be of much lower importance elsewhere. More than one-half of the respondents mentioned weaknesses beyond the five identified below, and slightly more than one-fourth of the respondents mentioned no weaknesses. The following is a summary of the five attributes tabulated for the survey:

Weaknesses Of Kitsap County As a Place To Do Business

	<u>Overall</u>	<u>Brem.</u>	<u>P.O.</u>	<u>B.I.</u>	<u>Poul.</u>	<u>Silv.</u>	<u>King.</u>
Transportation	8%	11%	--	6%	10%	8%	18%
Regulations	7%	4%	12%	3%	10%	4%	18%
Workforce	5%	2%	5%	3%	13%	4%	9%
Location	4%	5%	5%	3%	3%	4%	--
Cost of living	3%	4%	2%	3%	--	--	9%
Other	51%	48%	76%	41%	45%	38%	45%
No response	29%	36%	5%	44%	29%	50%	--

In their comments, respondents provided insights on the above and other perceived weaknesses of each of their locations. Some of the earlier perceived strengths also proved to be weaknesses, e.g., dependence on the military or loss of customers if military leaves area. Some of the other weaknesses mentioned included low population/"small town," geographic isolation, and lack of cooperation between businesses and government. The following is a sampling of

comments:

Bainbridge Island

- *Wal-Mart*
- *Customer base is not as good as in King County*
- *Sparsely populated*
- *We don't connect with the other areas of Kitsap County—we're separated geographically.*
- *Certain types of employees more difficult to attract—they want to live in the big city.*
- *Governmental politics.*
- *It's lacking in businesses.*
- *Service, transportation problems. Expensive to get supplies because of ferries.*
- *Lack of services for our business—have to go to Seattle for paper, for example.*
- *Courier service*
- *The educational system is incredibly far behind in technical competence.*
- *Customer service, work ethic lacks.*
- *None (3)*
- *Cell phone service.*

Bremerton

- *Small town thinking.*
- *Not close to airport*
- *Economy of the area*
- *Shipyards based*
- *Small community*
- *Parking*
- *Depend on military*
- *Lack of cooperation between government and business*
- *Good old boys*
- *None (2)*
- *Inability to promote self*
- *Few choices to do anything (shopping)*
- *Needs to be more diverse*

Silverdale

- *Most of our economy depends on military. It's a transitory population. We're also becoming a bedroom community for Seattle.*
- *Cost of advertising*
- *Depends on the military*

- *Local economies have been build around naval installations. When they're down, it hurts—now there is more diversification.*
- *Kitsap County officials don't seem interested in small business*
- *Silverdale is conservative so our business doesn't go over very well*
- *There are no weaknesses for us*
- *High staff turnover because of military*
- *It's remote and isolated*
- *A lot of money put into attracting people to downtown Bremerton rather than local stores. People go to Tacoma Mall to shop and for fun.*
- *Being unable to attract more industry—or people who don't want industry, like NASCAR*
- *State of Washington is not very business friendly. Not easy to fill out paperwork for entities like Labor and Industry.*
- *Not as much community. No outreach.*

Kingston

- *Number of jobs available. No large economic base.*
- *None*
- *Lack of variety*

Poulsbo

- *Parking—no cooperation between businesses*
- *No local resources*
- *Low population*
- *Need more land zoned industry*
- *Harder to make a living wage here*
- *None*
- *A lot of jobs don't pay as well for the exact same job as in King County*
- *Higher paying jobs aren't available—you have to go to Seattle*
- *There aren't any*

Port Orchard

- *Revenue base isn't very large*
- *Bureaucracy*
- *Not as booming since the military is gone.*
- *Tax us to death*
- *Too many jobs going too high tech*
- *None (6)*
- *Government is lopsided. The economy is based on the Navy Yard. The Federal Government has really ruined the economy.*
- *The right hand doesn't know what the left hand is doing—lack of coordination between city and county governments.*
- *Low population (2)*

- *Wages, job development, military dependency*
- *Not enough marketing or business development*

3. The majority of respondents (57%) said that they feel the military presence in the county has helped their businesses. Slightly more than one-third of the businesspeople said the military had no impact on their business, and only 2% felt the military had hurt their business. Not surprisingly, more respondents in Bremerton and Silverdale (75% in each) and fewer on Bainbridge Island (only 13%) felt the military had helped business. The following is a summary of findings:

Has Military Presence In Kitsap County Helped Or Hurt Business

Helped business	57%
No impact on business	37%
Hurt business	2%
Other	4%
Don't know/no response	1%

Although some respondents had already commented on the military presence earlier, many took the opportunity to elaborate on their thoughts about the military presence.

The following is a sampling of comments:

Bainbridge Island

- *Brought more people and more business.*
- *Wouldn't be here without them.*
- *Not a lot of military here on Bainbridge. In Kitsap County I believe they add to business.*

Bremerton

- *Brings people and jobs (5)*

- *Number one target audience*
- *Increase sales/business/customers/customer flow (9)*
- *Increased profit—up 60%*
- *No business without it.*
- *Very much*
- *Depends on the ships in*
- *Lots of work/Provides work (2)*
- *Brings people all the time*
- *Bring millions of dollars*
- *Helps community*
- *Creates more money in the community*

Silverdale

- *Overall it has helped*
- *Increase in business*
- *Brings new people in*
- *Lots of opportunity*
- *15% of our business*
- *Definitely helped*
- *Transient people—when military leave, we lose business*
- *Both. Client wise, it helps, but it hurts staff turnover.*
- *All of the above. When new military comes there are new clients, but when they go they take their business with them.*

Kingston

- *Lots of business*
- *Have had retired military on my workforce*

Poulsbo

- *Brings in people (4)*
- *They are the reason why the highway is between Silverdale and Tacoma Narrows*
- *Word of mouth (lots of business)*
- *Increase in customers (4)*
- *They're buying what I'm selling*
- *More people with stable income*
- *Always get paid (money in community)*

Port Orchard

- *We have a lot of military clients*
- *They definitely were a plus*
- *Created a stable workforce*
- *Most of my staff members*

- *Brings more people (6)*
- *More jobs paid above minimum wage*
- *More customers/business (4)*
- *Major employer*
- *Whole job revolves around military*
- *Almost an insider situation. If you are “in” with the right people, you get the jobs. If you’re not, you don’t get jobs.*
- *It is too hard to deal with the paperwork when working with the military*

4. When asked to rate on a 1 – 5 scale (1=very easy to work with and 5=very difficult to work with) how easy or difficult it is for their businesses to deal with regulatory agencies that affect their business, the overall response was, essentially, in the middle—neither especially difficult or easy. The mean, i.e., average, response was 2.6, and the mean averages in the various geographic locations ranged from 2.2 in Silverdale to 3.0 in Poulsbo. The following is a summary of responses:

Difficulty Of Businesses To Deal With Regulatory Agencies

(1=very easy to work with and 5=very difficult to work with)

5 Very difficult to work with	12%
4	11%
3	28%
2	13%
1 Very easy to work with	30%
Other	2%
Don’t know/no response	5%

Mean: 2.6

Median: 3.0

In their comments, respondents provided some insights on how easy or difficult it is to deal with some regulatory agencies. The following is a sampling of comments

(note: the number preceding each comment is the rating provided by the respondent):

Bainbridge Island

- 5 – “2” on Bainbridge Island

- *5 – Building Department of Bainbridge Island government is dysfunctional.*
- *3.5 – Moving toward difficult.*
- *1 – Department of Revenue in Washington State doesn't respond to questions or gives confusing responses.*

Silverdale

- *5 – Tax laws of Washington very difficult and are not business-friendly.*
- *1 – We deal with environmental regulations, but it's pretty easy. We've never been in trouble*

Kingston

- *1 – Haven't had any problems*
- *5 – Have been certified nationally, federally, and in the state of California for 18 years as a woman-owned business. Relocated from California to Washington and haven't been able to get certified here.*
- *2 – Better than Seattle*

Poulsbo

- *5 – Air quality issues in Bainbridge Office. Had to move because owner didn't have to do anything about it.*
- *5 – Kitsap County is the worst*
- *5 – All I was doing was trying to find out if I had the right shoreline management plans. It took two weeks to get an answer*
- *4 – If you are smart, you stay under the radar. If you get on their list, you are in for trouble*
- *3 – We try to stay away from working with the regulatory agencies*

Port Orchard

- *5 – Non-friendly, expensive EPA regulations*
- *4 – I'm an environmentalist, but I get tagged every year for hazardous chemicals.*
- *4 – I've heard the permits and inspections are harder to get here.*

5. When asked about the primary target audiences for their businesses, the greatest number of businesses (62%) indicated that the local community is a primary audience for them. Almost as many respondents (52%) said that Kitsap County is a primary target audience, and almost one-third of the businesses (31%) considered the local region/Western Washington a target audience. The following is a summary of

responses (note: multiple responses were possible):

What Are The Target Audiences For Your Business

Local community	62%
Kitsap County	52%
Local region/Western Washington	31%
National	17%
International	8%
Other	4%
Don't know/no response	1%

6. Respondents were read a list of agencies and resources in Kitsap County (actually a list of KBDC members) that provide assistance to businesspeople and then asked to provide a rating on a 1 – 5 scale (with 1=not helpful at all and 5=extremely helpful) for each organization. Ratings of “6” were given to respondents who were aware of an agency and provided no rating, or “7” if they were unaware of an agency.

Only five of the 21 agencies/organizations received ratings above “3,” and most proved to have a low awareness among the respondents. On a positive note, though, there was a high level of interest among respondents in learning more about the KBDC members and their services, and a list of companies that asked for more information is included in the appendices. The following is a summary of findings:

Ratings Of Agencies And Resources

Assisting Businesspeople In Kitsap County
 (1 – 5 scale with 1=not helpful at all and 5=extremely helpful)

Kitsap Regional Library		3.8
<i>Number of respondents providing a rating:</i>	120	
<i>Aware of organization but no rating:</i>	53	
<i>Unaware of organization/no answer:</i>	23	
Olympic College		3.6
<i>Number of respondents providing a rating:</i>	115	
<i>Aware of organization but no rating:</i>	60	
<i>Unaware of organization/no answer:</i>	21	
Local Chamber of Commerce		3.3
<i>Number of respondents providing a rating:</i>	118	
<i>Aware of organization but no rating:</i>	57	
<i>Unaware of organization/no answer:</i>	21	
Kitsap County Consolidated Housing Authority		3.1
<i>Number of respondents providing a rating:</i>	50	
<i>Aware of organization but no rating:</i>	81	
<i>Unaware of organization/no answer:</i>	65	
Worksource		3.1
<i>Number of respondents providing a rating:</i>	64	
<i>Aware of organization but no rating:</i>	50	
<i>Unaware of organization/no answer:</i>	82	
Kitsap Peninsula Visitor & Convention Bureau		3.0
<i>Number of respondents providing a rating:</i>	49	
<i>Aware of organization but no rating:</i>	69	
<i>Unaware of organization/no answer:</i>	78	
Washington State University’s Kitsap County Extension Office		3.0
<i>Number of respondents providing a rating:</i>	41	
<i>Aware of organization but no rating:</i>	60	
<i>Unaware of organization/no answer:</i>	95	
City Government		2.9
<i>Number of respondents providing a rating:</i>	119	
<i>Aware of organization but no rating:</i>	54	
<i>Unaware of organization/no answer:</i>	23	
County Government		2.9
<i>Number of respondents providing a rating:</i>	132	
<i>Aware of organization but no rating:</i>	43	
<i>Unaware of organization/no answer:</i>	21	
Port of Bremerton		2.9

<i>Number of respondents providing a rating:</i>	61	
<i>Aware of organization but no rating:</i>	97	
<i>Unaware of organization/no answer:</i>	38	
Kitsap County Community Development Corporation		2.7
<i>Number of respondents providing a rating:</i>	33	
<i>Aware of organization but no rating:</i>	50	
<i>Unaware of organization/no answer:</i>	113	
SCORE: Counselors To America's Small Businesses		2.6
<i>Number of respondents providing a rating:</i>	28	
<i>Aware of organization but no rating:</i>	42	
<i>Unaware of organization/no answer:</i>	126	
Kitsap Economic Development Alliance		2.4
<i>Number of respondents providing a rating:</i>	25	
<i>Aware of organization but no rating:</i>	51	
<i>Unaware of organization/no answer:</i>	120	
Small Business Development Center At Olympic College		2.4
<i>Number of respondents providing a rating:</i>	33	
<i>Aware of organization but no rating:</i>	48	
<i>Unaware of organization/no answer:</i>	115	
Community Development Block Grant Program		2.3
<i>Number of respondents providing a rating:</i>	26	
<i>Aware of organization but no rating:</i>	65	
<i>Unaware of organization/no answer:</i>	105	
Evergreen Community Development		2.3
<i>Number of respondents providing a rating:</i>	12	
<i>Aware of organization but no rating:</i>	23	
<i>Unaware of organization/no answer:</i>	161	
Kitsap Regional Coordinating Council		2.1
<i>Number of respondents providing a rating:</i>	21	
<i>Aware of organization but no rating:</i>	37	
<i>Unaware of organization/no answer:</i>	138	
Washington Community Alliance For Self-Help		2.1
<i>Number of respondents providing a rating:</i>	24	
<i>Aware of organization but no rating:</i>	27	
<i>Unaware of organization/no answer:</i>	145	
Electronic Commerce Technical Assistance Group		1.9
<i>Number of respondents providing a rating:</i>	19	

<i>Aware of organization but no rating:</i>	24
<i>Unaware of organization/no answer:</i>	153

Seattle Community Capital Development 1.6

<i>Number of respondents providing a rating:</i>	11
<i>Aware of organization but no rating:</i>	23
<i>Unaware of organization/no answer:</i>	162

Shorebank Enterprise Cascadia 1.6

<i>Number of respondents providing a rating:</i>	9
<i>Aware of organization but no rating:</i>	19
<i>Unaware of organization/no answer:</i>	168

There were very few comments related to the 21 organizations and agencies rated by respondents. Probably one of the most frequent comments was by a respondent who said, “I didn’t know there were so many organizations to help businesses out there.” As noted earlier, the interview team indicated that they were asked on several occasions how to get more information on the agencies and the services they provide to local businesses, and a list of companies making those request is included at the conclusion of the verbatim comments (and also noted on the individual surveys which have been returned to KBDC).

7. Respondents were asked “top of mind,” i.e., unaided, where they turn outside of the KDBC organizations if they need advice on operating their businesses. After providing an unaided response, they were then asked with aided recall, i.e., a list of possibilities was read to them, if they would use certain resources. In top of mind responses, the most frequent answers, respectively, were peers in industry, professional associations serving their industry, internet/online, and professional service providers (e.g., attorney or accountant).
With aided recall after reading some possible options to respondents, the same four services received the highest ratings, but in a different order—internet/online, peers in

industry, professional associations serving their industry, and professional service providers (e.g., attorney or accountant). The following is a summary of responses (note: top of mind responses are on left and combined top of mind/aided responses are on the right):

**Resources Outside Of KBDC Agencies
Businesses Would Turn To For Advice**

<u>TOM (top of mind)</u>		<u>TOM + Aided</u>
15%	Internet/Online	33%
22%	Peers in industry	32%
16%	Professional association for industry	24%
13%	Professional service provider	24%
4%	Suppliers	14%
6%	Professional/industry publications	14%
7%	State government	10%
6%	Consultants	10%
7%	Federal government	8%
4%	Franchise	7%
2%	Newspaper	5%
41%	Other	41%
21%	Don't know/no response	15%

In addition to providing ratings for the above resources, respondents also offered ideas on other resources they might turn to for advice on operating their businesses.

The following is a sampling of comments:

Bainbridge Island

- *Kitsap County Government website*
- *Educational market resources—Google and Amazon*
- *Financial planning with links to sources.*

- SBA
- Business owners. *If I knew more about some of those agencies, I might use them.*
- Library
- Downtown Bainbridge Association
- Other merchants
- Mom

Port Orchard

- *The Internet is phenomenal*
- *Labor and Industry*
- *New Beginnings Services*
- *Local business advisors*
- *Corporate headquarters*
- *None (6)*
- *Don't need any advice*
- *Fire Department (2)*

Bremerton

- *Department of Licensing*
- *Department of Revenue (3)*
- SBA
- Banker
- *Corporate Office (6)*
- *No need (5)*
- *Bookkeeper*
- *Other businesses*
- *My clients*
- *Trade Shows*
- *Seattle Visitor and Convention Bureau*

Kingston

- *Washington Department of Ecology*
- *Washington State Department of General Administration.*
- *Kitsap Transit*
- *Board of directors help*

Poulsbo

- *Department of Licensing*
- PUD
- *Department of Health*
- OSHA
- BBB
- *Farmers Market Association*

- *Network Group*
- *Don't need advice (11 years)*
- *Other business owners in the group (in-house)*
- *Insurance brokers*
- *Experience—it's pretty simple*

Silverdale

- *Better Business Bureau*
- *OSHA*
- *L&I (Labor and Industry)*
- *Collection agency*
- *Accountant*
- *Nothing locally. All done through corporate headquarters in L.A.*

8. Industry information (56%) and advertising (52%) were the primary uses of the internet cited by respondents when which of four possible uses were important to them. The following is a summary of responses:

Uses Of Internet For Business

Industry information	56%
Advertising	52%
Training	37%
Sales	35%
Other	26%
Don't know/no response	6%

There were a few additional uses of the internet cited in comments by respondents.

The following is a sampling of their comments on other uses:

Bainbridge Island

- *Websites, research*
- *News, e-mail*
- *Ordering*

- *E-mail communication with clients*
- *Account management.*
- *Buying supplies.*

Bremerton

- *Banking*
- *All of the above(everything in question)*

Silverdale

- *Ordering equipment and parts*
- *E-mail (2)*
- *Day-to-day operations—ordering and looking up products*

Kingston

- *Had a website*
- *Communicate with clients*

Poulsbo

- *I hardly use the Internet at all. There is a local merchant site for coupons, but I don't know if anyone even sees it.*
- *E-mail with clients/availability lists*
- *File transfer*
- *General office business*

Port Orchard

- *Job listings for clients*
- *Communicating with customers*
- *Marketing*
- *Research*
- *I train people on-line. My whole business is on-line.*
- *We "are" a computer place*

9. Nearly eight-in-ten respondents (78%) said that they feel their businesses are keeping pace with technology and the trends in their industries. Only 13% felt they were not keeping pace with technology in their industries. There were numerous comments by those who did/didn't feel they were keeping up with technology, but an interesting comment (spoken by more than one person) was, "I don't think anyone can really keep pace with today's technology – it changes too fast." The following is a

summary of findings:

Is Business Keeping Pace With Technology & Trends In Industry

Yes	78%
No	13%
Other	7%
Don't know/no response	2%

10. The majority of respondents (69%) said that their companies have a business plan, and 22% did not have a plan. The following is a summary of findings:

Does Company Have A Business Plan

Yes	69%
No	22%
Other	5%
Don't know/no response	4%

In their comments, respondents offered some additional insights on their perceptions of their thoughts on business plans and whether their companies actually had a plan. The following is a sampling of comments:

Yes

Bainbridge Island

- *Make lots of money.*

Port Orchard

- *Not a plan on paper, but I have a plan.*

No

Bainbridge Island

- *Not any more. I did when I first started.*
- *Not official one. I am the company—it's in my head.*
- *Haven't needed one.*

Bremerton

- *No need (2)*
- *Haven't thought of it*
- *In business so long—not needed*
- *New business—have not started it yet*
- *Useless*

Silverdale

- *Nothing formal*

Kingston

- *Too small of a company*

Poulsbo

- *Just not done*
- *Small business*
- *No time*

Port Orchard

- *Not in writing*
- *Developing one*
- *Not big enough—just keep customers happy*

11. The results were similar when respondents were asked if their companies had a financial plan for their businesses—69% of the businesspeople said that they have a plan, and 24% said that they did not have a plan. The following is a summary of findings:

Does Company Have A Financial Plan

Yes

69%

No	24%
Other	4%
Don't know/no response	3%

In their comments, those whose companies did not have business plans often tended to think that their companies did not need a plan because they were a small business or one person business, that they just responded to supply and demand, they were too busy to put one together, or other reasons. The following is a sampling of comments (note: there were few comments by respondents with a business plan, and all comments are by respondents who had no business plan):

Bainbridge Island

- *Get through the year.*
- *Small business. Not in writing—in my head.*
- *Haven't needed one.*

Bremerton

- *No need (2)*
- *Just supply and demand*
- *Just do business*
- *In my head*
- *In business so long it's not needed*
- *New business—have not started yet*

Silverdale

- *Not anything formal*

Kingston

- *Growing too fast to put one together*

Poulsbo

- *One-man business*
- *Wing it*

12. The results were similar but slightly lower when Kitsap businesspeople were asked if they had a marketing plan for their businesses. Slightly less than two-thirds (62%)

said that they had a marketing plan, and 30% said that they do not have a marketing plan. The following is a summary of findings:

Does Company Have A Marketing Plan

Yes	62%
No	30%
Other	7%
Don't know/no response	2%

In their comments, once again those whose companies did not have business plans often tended to think that their companies did not need a plan because they were a small business or one person business, that they just responded to supply and demand, they were too busy to put one together, or other reasons. The following is a sampling of comments (note: again, there were few comments by respondents with a business plan, and all comments are by businesspeople who had no business plan):

Bainbridge Island

- *Not anymore*
- *Because we are a non-profit, we don't market*
- *Don't need one—I have too much work already.*
- *Small business. Not in writing—in my head.*
- *Haven't needed one.*

Bremerton

- *No need (2)*
- *Just supply and demand*
- *In my head*
- *In business so long it's not needed*
- *New business – have not started yet*

Silverdale

- *Seat of the pants (80% referral)*
- *I make it up as I go along*

- *Word of mouth.*

Kingston

- *Small company*
- *My office doesn't, and we'd like help developing one.*
- *Been in business so long all new clients are through referral (word of mouth)*
- *Growing too fast to put one together*

Poulsbo

- *Cannot get around to it*
- *Being developed*

Port Orchard

- *I work mostly by word of mouth*
- *Too small*
- *Don't need*

13. The greatest number of businesspeople in Kitsap County (42%) said that they had plans to expand in five years or less, but about one-fourth of the respondents (26%) said that they were content with the current size of their business. The following is a summary of findings:

Are There Plans To Expand Business In The Next Five Years

Planning to expand in five years or less	42%
Content with current size of business	26%
No plans for expansion until after five years	14%
Other	12%
Don't know/no response	6%

In their comments, respondents provided further insights on why they plan to expand in the next five years, are content with the size of their business or have

no plans for expansion until after five years. The following is a sampling of comments:

Planning to expand in 5 years or less

Bainbridge Island

- *Growth is essential—we want to make a commitment to people in our company. To have some growth is healthy. Need to grow where we see opportunities or where we can add value.*
- *Or shut down.*

Silverdale

- *Our business is about expanding—we're always growing.*

Kingston

- *Now*

Poulsbo

- *Maybe*

Port Orchard

- *Possibly*

No plans for expansion until after 5 years

Bremerton

- *Maybe*
- *No plans at the Bremerton location, but do plan to at the Silverdale location*

Kingston

- *Just expanded*

Port Orchard

- *Property values have skyrocketed and taxes are too high*
- *I want to stay small for a while*
- *Content where I am/Content (3)*
- *Fine with what I've got*

Content with current size of business

Bainbridge Island

- *May even cut back a little.*

Bremerton

- *I am handing it down to my son and family*

Other

Bainbridge Island

- *Thinking of selling.*
- *No plans for expansion.*
- *Business will change, but will not be hiring any new people.*
- *Hard to say—depends on what other businesses do. Yes, I want to.*
- *Expanding now.*
- *Modest expansion*

Bremerton

- *Expanding as cash flow increases*
- *Depends on trucking business*

Silverdale

- *Expand services, but not location*
- *Not within Kitsap County*
- *We've been static for the last few years. Seems to be enough with 3 employees for customer base.*

Kingston

- *Move/expand or close—not clear yet on which direction.*
- *Not sure, would like to.*

Poulsbo

- *Expanding all the time with every new product*
- *Depends on population*

Port Orchard

- *Getting ready to retire*
- *I probably won't be expanding*
- *Shutting down or selling in six years*

14. Those who indicated that they had plans to expand their business were read a list of ten items and asked which, if any, will be important factors as they plan their expansion. There were three factors which all received almost identical ratings that were felt to be important to a majority of respondents with plans for expansion—a trained workforce, physical space, and capital. The following is a summary of responses on the factors businesspeople felt would be important as they plan an expansion:

Important Factors When Planning Expansion

(Base: 83 respondents who indicated they are planning expansion in 5 years or less)

Trained workforce	54%
Physical space	53%
Capital	53%
Marketing plan	49%
Affordable workforce	47%
Communications	41%
Utilities	39%
Training opportunities for employees	35%
Access to suppliers	33%
Regulatory agencies	29%
Other	14%
Don't know/no response	4%

15. Respondents who indicated that they are planning to expand their businesses within the next five years were also asked if they plan to expand in the same general geographic area as their current location. The vast majority (84%) said that they planned to expand near their current location, and only 7% planned to expand away from their current location. The following is a summary of responses:

Will Business Expand In The Same General Geographic Area As Current Location Of Business

(Base: 83 respondents who indicated they are planning expansion in 5 years or less)

Yes	84%
No	7%
Other	6%
Don't know/no response	2%

- 16.** When asked to rate how much of a struggle it is to recruit and hire personnel on a scale of 1 – 5 (1=not a concern and 5=a big concern), Kitsap businesspeople slightly leaned toward not a concern with a 2.6 mean rating. Nearly one-half of the respondents (46%) gave a 1 – 2 rating indicating it was a low concern, and 29% gave a 4 – 5 rating saying it was a big concern. The following is a summary of findings:

How Much Of a Struggle Is It For You To Recruit And Hire Personnel

(Scale of 1– 5 with 1=not a problem to 5=a big concern)

5 – A big concern	16%
4	13%
3	15%
2	7%
1 Not a problem	39%
Other	9%
Don't know/no response	1%

Mean: 2.6

Median: 2.0

- 17.** When asked if they have access to adequate training opportunities for their workforce, the vast majority (81%) had a positive answer. Only 10% of the respondents felt there were not adequate training opportunities in the county. The following is a summary of findings:

Are There Adequate Training Opportunities For Workforce

Yes	81%
No	10%
Other	5%
Don't know/no response	4%

Kitsap County businesspeople offered a few more thoughts on local training opportunities in their comments. Several respondents indicated that they provide their own training, and a large number said it was no problem because they had no employees. The following is a sampling of comments:

Yes

Bainbridge Island

- *Train ourselves*

Silverdale

- *Internal training*

Poulsbo

- We train them

Port Orchard

- I've seen kids come out of Green River and other colleges and they are basically worthless. I have my son so I'm fine, but those kids aren't ready for work.
- Do it myself
- Work is my training

No

Bainbridge Island

- *Not locally – unless we use the Internet, have to go to Seattle for software classes.*
- *Educational system is 10 – 15 years behind the rest of the world in technical competency.*
- *On the job.*
- *Don't have any programs—need a voc-tech in Kitsap County.*

Bremerton

- *Don't have access to tech schools*
- *No workforce*
- *I train*

Silverdale

- *Locally a struggle. We do online things or I teach something*

Kingston

- *Because of the highly technical training needed*
- *Not in the area*

Poulsbo

- *We often have to wait for the right kind of training by the state*

Port Orchard

- *Not in this field*

18. There were no common themes when respondents were asked about the types of training they need for their businesses. There were several mentions of industry-specific training, e.g., jewelry, automotive repair, real estate, travel. There were a few types of possible training that could be tallied in the data processing of results if mentioned by respondents (none were read to respondents), but there low interest in those classes—marketing and sales (6% each) received the greatest number of mentions among these programs. The following is a sampling of comments:

Bainbridge Island

- *Computer skills (2)*
- *Technical, laptop technician*
- *Leadership training, communication, conflict resolution*
- *Organizational skills, graphic design, event coordination, database management.*
- *So many hours of continuing education for EMTs. We get some online and EMS conference and do some ourselves.*
- *It's all internal training.*
- *Product knowledge/information (2)*
- *Sales*
- *Software related to business.*

- *Knowing what products are out there, every job is new so it becomes a new training opportunity.*
- *Not much. We're retail—if you can count, we can teach you the rest.*
- *Technical competency in non-computer engineering and total use work consciousness – how to work, how to do long projects, organizational skills.*
- *Already getting – don't need any.*
- *Technical training – computers/technology (3)*
- *None (3)*

Bremerton

- *Company developed program*
- *Construction related health and safety*
- *No need/none (5)*
- *None – hands on (3)*
- *Not for the people here, but for owner. Need seminars on accounting, profit and loss, etc.*
- *Customer service (3)*
- *Computer skills (4)*
- *Not much training needed*
- *Human relations*
- *In-house training (5)*
- *Adequate workforce*
- *Sales*
- *Medical industry training*
- *Seminars on running a business*
- *Labor relations*
- *Billing*

Silverdale

- *On the job training (3)*
- *Continuing education (2)*
- *Technology*
- *ASE certifications—keep up with new and improved electronics and governing systems. We're always in class*
- *Provided by vendors and human resources department*
- *Training through towing association*
- *Sales (2)*
- *Customer service (3)*
- *Cash handling*
- *Access to seminars and conferences within the industry and books – relational skills and how to build a business.*
- *Keeping up with advancements in technology, software for finding hackers and understanding programs.*

Kingston

- *Technical – Keeping up with technology*
- *Classes in field and trade shows*
- *Technical writing applications (get training online)*
- *Secretarial*
- *Accounting*
- *Marketing*
- *Grade level economics classes*
- *None (2)*

Poulsbo

- *Just continuing education*
- *Some technical (2)*
- *Hospitality*
- *None (4)*
- *Computer skills (4)*
- *Office work skills*
- *Interpersonal skills*
- *Marketing ideas for a tiny business*
- *Our organization has a school with classes yearly*
- *Some require training, others do not.*
- *Specialized, high-tech training.*

Port Orchard

- *No/None/Don't need training (9)*
- *On the job/Hands on training (2)*
- *On the job training – not enough customers to justify high quality training.*
- *We do training in Seattle or out of state. We can't get some things locally, for instance, x-ray training*
- *None—I'm artistic*
- *Computer literate*
- *Marketing training would be helpful*
- *Research*
- *Working with people*
- *Depends on line of work—training for that type.*

19. The vast majority of respondents (88%) felt that they were able to meet all of the training needs of their businesses. Only 8% felt they were not able to meet their training needs. The following is a summary of findings:

Are Companies Able To Meet All Of Training Needs Of Business

Yes	88%
No	8%
Other	2%
Don't know/no response	2%

Once again, there were a few types of possible training that could be tallied in the data processing of results if mentioned by respondents (none were read to respondents), but there was very low interest in any of classes—HR training was the only one mentioned, and it was mentioned by one respondent.

20. When asked about what consulting services, if any, they had not been able to find that would help them better run their businesses, a significant majority (82%) said that they had no need for any new/different consulting services. As was the case on the previous two questions, there were a few types of possible consulting services identified that could be tallied in the data processing of results if mentioned by respondents (none were read to respondents), but there was very low interest in any of consulting services—developing a marketing plan was the greatest need voiced by respondents on this list, and only 4% said they needed this kind of assistance. The following is a summary of findings:

Consulting Services That Have Not Been Found That Would Help Business

No need for any new/different consulting services	82%
Developing a marketing plan	4%
Developing a business plan	2%
Developing a financial plan	2%
How to start a business	1%
HR (Human Resources) training	1%
Presentation to venture or angel (unknown) funders	1%
Don't know/no response	12%

In their comments, Kitsap County businesspeople offered a few more insights on consulting services and how they might/might not be needed by their businesses. Many said that they had not had any reason to look for consultants, or, if they needed one, they always been able to find needed consulting services. The following is a sampling of comments:

Bainbridge Island

- *There's stuff out there if you look.*
- *I haven't had time to look—business is good.*
- *Nothing/None (14)*
- *Advertising, marketing, website—hardest to find right people, but always find someone.*
- *Establishing goals for board of directors.*
- *Never really looked for a consultant, so can't answer.*
- *Everything we want, we can find.*
- *Can't really think of anything. We pretty much find what we need when we need it.*
- *From county—not looked for consulting services there.*

Bremerton

- *None/Don't need any (5)*
- *Accounting Services/Accountant (2)*
- *IT services (2)*

- *State certified CPR classes. Some classes are offered locally, but they are not state certified.*
- *How to obtain acceptable bids on construction.*
- *Does not apply/Not applicable (2)*

Silverdale

- *None – all done through corporation (2)*
- *None/Can't think of any (6)*
- *Financial—how to make most profit from least overhead (or something like that)*
- *I don't look—corporate headquarters deals with everything (2)*
- *Programs that are out there to help you find funding to start a business (just like grants) are hard to find*
- *I haven't looked for any.*
- *We haven't had the need to look – we're the ones providing consulting services*

Kingston

- *None/Not applicable (4)*
- *No problems finding them*
- *None now, but could've used a long time ago when we were starting our business*
- *Managing employees better*
- *Marketing*

Poulsbo

- *Haven't tried to find anyone, we hired PR company from New York*
- *None (10)*
- *Not yet. I haven't needed any yet.*

Port Orchard

- *None (33)*
- *Grant writing assistance*
- *Help in marketing would be good*
- *Network of others in business*
- *Any kind of planning*
- *Management*

21. There was no clear answer when respondents were asked if they would be willing to pay for consulting services if they were available from a local agency in Kitsap County. About 17% said they would be willing to pay for services, and 8% were not

willing to pay. The majority, nearly two-thirds of the respondents, provided no answer. The following is a summary of findings:

Willing To Pay For Consulting Services If Available From A Local Agency In Kitsap County

Yes	17%
No	8%
Other	13%
Don't know/no response	62%

When reviewing respondents' comments, some said that they would have no need for these services due to the fact that they are too small or other reasons (e.g., provided by corporate offices), and some expressed some concerns about revealing information on their businesses to outside consultants. The following is a sampling of comments:

Yes

Bainbridge Island

- *Like to support Kitsap County*

Bremerton

- *Absolutely*

Silverdale

- *If there was a fair price and reputable business someplace that I could walk into and talk to someone that had references as opposed to some of these online services.*

Port Orchard

- *Depending on finances*

No

Bainbridge Island

- *We keep everything private and confidential*

Bremerton

- *Not something I do*

Poulsbo

- *We're in niche market that people don't understand here.*
- *Too small*

Other**Bainbridge Island**

- *With discretion.*
- *Wouldn't really look, but if it was something we could use, yes.*
- *I'm not sure I would trust them.*
- *Have own consultants that the doctor has worked with for a long time.*
- *Perhaps*
- *Depending on how much expertise is required.*
- *Depends what it is.*

Bremerton

- *Probably not.*
- *No need for other sources*
- *Depends*
- *Not applicable*
- *Corporate office provides training/no need*

Silverdale

- *Not applicable*
- *Unable to, unfortunately*
- *If we had the money*
- *If low, efficient cost*
- *Corporate handles that (2)*
- *Depends on what it is. If there was nothing else available.*
- *Probably not.*
- *We do pay for the services*

22. Seven-in-ten respondents felt that their companies were doing better today than they were doing three years ago, and only a small number (13%) reported that they weren't doing as well as three years ago. The following is a summary of findings:

Is Company Doing Better Today Than It Was Doing Three Years Ago

Yes	71%
No	13%
Have not been in business 3 years	3%
Other	11%
Don't know/no response	2%

Respondents were very prolific in comments about how well their companies are doing/not doing.

Bainbridge Island

- *About two times as big.*
- *Revenues up tremendously.*
- *Longevity, expanding customer base, revenues up.*
- *Better overall*
- *Streamlined, brought numbers up.*
- *Client base has grown.*
- *A lot more work out there—easier to find work on the Internet.*
- *Get referrals from past customers.*
- *Taken over/cornered the market*
- *Growing industry*

Bremerton

- *Increased business/customers (5)*
- *More experience.*
- *Expanding (2)*
- *Word of mouth/advertising*
- *Every year is better than the last*
- *My new business plan will expand opportunities*
- *Profit and loss better*
- *For sometime—up in demand*
- *More regional customers*
- *Better/Good management (3)*
- *New marketing ideas*
- *Sales up by 40%*
- *Because of shipyard, more people*
- *Because of me (planning)*
- *More sales and more products*

Silverdale

- *Added on services*
- *Profits gone up. Customer base is up with all the ships coming in—we're right by Bangor*
- *Definitely*
- *More of a focus now*
- *We've had steady growth*

Kingston

- *New management*
- *Word of mouth*
- *Financially better and also have restructured company. Been doing better since.*
- *Increased sales*
- *Growing fast*
- *Community growing*
- *Have grown and expanded*
- *Consolidated—no more employees, so less taxes*

Poulsbo

- *Working smarter*
- *Increased sales/vendors/customers*
- *Profits up*
- *Web listing (by someone else)*
- *Growth (2)*
- *Better billings*
- *Work force is stable (2)*
- *Better staff*
- *Sales increase—website expanded*
- *Getting busier*
- *More and better trained*

Port Orchard

- *Quit different job—now have more time.*
- *Same*
- *Not by much*

No

Bainbridge Island

- *Increased competition from large national corporations.*
- *Sales are down.*
- *Educational funding is down, and I sell to schools.*
- *No reason.*

Bremerton

- *Management issues*
- *Gas prices*
- *Sales down by 20%*
- *Market changed (down)*
- *State cut-backs (marine)*

Silverdale

- *Down trend in industry*
- *In general, business down since 9/11 and E-Commerce. People are tighter with their wallets.*
- *About the same*

Kingston

- *Management of the business*

Poulsbo

- *E-Bay – trends in buying*
- *About the same (2)*

Port Orchard

- *Economy is terrible. Cost of tools and supplies are up 10 fold. Insurance problems—liability too high (\$5,000 upfront).*
- *Work is seasonal (some seasons are better than others for work)*
- *Due to military being gone*

23. An even greater number of Kitsap County businesspeople (80%) were optimistic about the future and predicted that their companies will be doing better three years from now compared to today. The following is a summary of findings:

Will Company Be Doing Better In Three Years Than It Is Doing Today

Yes	80%
No	4%
Other	9%
Don't know/no response	7%

Once again, there were a lot of comments by respondents about their businesses and why they expect to be more successful in the future. There were a lot of “I hope so” comments by respondents, as well as some more solid reasons why they expect to be doing better in three years. Also, some of those who did not plan to be more successful in the future said it was because they were content with the current size of their businesses or that they planned to retire soon. The following is a sampling of comments:

Yes

Bainbridge Island

- *I hope so (5)*
- *Maybe/hope so—planning on it.*
- *Growing, marketing business now—in huge demand.*
- *Client base is better*
- *Easier to find work now with the Internet.*
- *More referrals.*
- *The market has been taken over and we have cornered it.*
- *Getting new blood so I can semi-retire.*

Bremerton

- *Growth (2)*
- *I hope so/hopefully (6)*
- *Better/Good management (2)*
- *More customers (2)*
- *Increased experience/more time in business (2)*
- *New personnel making good changes*
- *Business is on upswing*
- *Military—All depending on the military (2)*
- *Depends on market*
- *Market research*
- *Because of shipyard, more people*
- *Market has increased*
- *Increased sales*
- *More established, more referrals*
- *Good location*
- *Added and expanded/Expansion project (2)*

Silverdale

- *Market better/Market trends (2)*
- *I hope so/hopefully (6)*
- *Definitely/absolutely (2)*

Kingston

- *Financially better and also have restructured company and it has been doing better since.*
- *Growing/growing fast (2)*
- *With county growing*
- *If I continue*
- *Sales are up*

Poulsbo

- *Working smarter*
- *Always coming up with new products*
- *If trend continues*
- *Profits up*
- *Putting more work in*
- *Winning customers back*
- *Growth/growth in community (3)*
- *More experience*
- *Sales increase—website expanded*
- *More and better trained*

Port Orchard

- *A little better*
- *A good season is coming up*
- *Growing community*
- *Always look at good*

No**Bainbridge Island**

- *Competition from large national corporations.*
- *I doubt it—not trying to make it bigger. About the same, maybe slow down.*

Silverdale

- *Can't predict that*

Kingston

- *Already maxed out with clients – no more time in the day to do more work.*

Poulsbo

- *No plans to expand*
- *May retire*

Port Orchard

- *Market isn't turning around*

24. The final question of the survey asked respondents if they had any thoughts/comments on topics not covered that are related to doing business in Kitsap County or any thoughts on what else could be done to make their businesses more successful. A large number of respondents said they had no additional thoughts or ideas, but there were few new thoughts/ideas. Several of the respondents expressed an interest in learning more about the services provided by agencies/organizations that were mentioned during the survey. The following is a sampling of comments:

Bainbridge Island

- *Regret not networking more with other small businesses, but that's my fault. If people do the research, there's stuff out there.*
- *None/No/Not really (22)*
- *There must be resources available that I am not aware of from the list you read. I might use them if I knew about them. Help is always appreciated.*
- *Get people to notice what services are available—marketing is important.*
- *It would be great if we could get a comprehensive list of all the agencies that help businesses.*
- *I wish all governmental agencies worked as smoothly as Kitsap County.*
- *I would like to take advantage of extension service – either Olympic College or WSU that you mentioned. It sounds like there are resources out there that I'm not aware of.*
- *Other than dealing with out of control bureaucracy on Bainbridge, there's no innovative thought about how to do things—too many rules and regulations.*
- *More helpful regulatory agency climate*
- *Regulation aspects are time consuming and costly to clients—out of control. If the county or the city was a business and needed customers to survive, they would be out of business.*
- *If I had known about these agencies when I started, I would have used them.*

- *Focus more attention on getting business into Kitsap County with tax incentive.*

Bremerton

- *No/None (38)*
- *No customer base to support business*
- *Frustration with cost of running business—B&O tax is ridiculous. There are four levels of taxation.*
- *Taxation makes it hard for small business to stay in business*
- *Send information*

Silverdale

- *No (14)*
- *Having a website that's accessible listing all of the resources available would be helpful.*
- *It's a plea or a wish for county to consider the impact of construction on small business. Small business supports Kitsap County—maybe there could be some kind of subsidy if they're going to close the roads for a long period of time.*
- *Put more focus on making Kitsap County more of a tourist destination for kids/teenagers, because that's who I deal with. They have to go outside Kitsap for fun—like to rent jet-skis, kayaks, or go-carts. There's nothing to do here.*
- *A lot of people that don't realize how much of a community we have. Military seems to keep community together. If there was some way to keep people more informed about what's going on in the community, it would help a lot.*
- *I love pride of ownership I see now in Bremerton.*
- *If overall climate more oriented toward small business, would be helpful. Civil entities should be public servants in truest sense rather than policemen.*

Kingston

- *None/No (6)*
- *Local community (Hansville, Indianola, and Suquamish) needs a weekly newspaper to be able to advertise and promote specials—right now only has one that comes out once a month.*
- *Unaware of most of the services on the list that are out there. Maybe a coordinated effort to make business owners aware of all the services on the list. Maybe a workshop or a conference to meet with people from these organizations and learn more about their services. Also a central contact person or agency to refer companies or people to the agencies they might need.*
- *Get the word out about all the programs out there on this survey – Please send information to me if you can.*

Poulsbo

- *No (27)*
- *I don't know. Not a lot of disposable income—transitory nature of population effects funding for schools more than business in Kitsap County.*
- *It's an interesting mix of a community. I think most people work here because of the quality of life.*
- *Worked here all of my life. It's great to see the same customers all the time, and now we see their kids and grandkids.*

Port Orchard

- *No (23)*
- *Too many restrictions here because of homeland security – EPA*
- *Kitsap County needs to bring business in instead of being a military town. It was a drastic mistake not to have NASCAR.*
- *I would like to keep downtown Port Orchard small*
- *Just that I think this is a wonderful place to start a business*
- *It's a shame that we are so divided into the three areas of Kitsap County. We in the South end kind of feel like step children—we need more cooperation between the three areas of Kitsap County.*
- *L&I makes it harder for me to get employees so I can grow. Property taxes are bad.*
- *Permitting and taxes for business are rough—seems like an anti-growth community (county government is the biggest problem)*

V. FINDINGS & CONCLUSIONS

The primary focus of the KDBC business survey was to gain insights on business owners'/managers' awareness of available services, their perception of the quality of those services, and their perceived voids in services.

A random selection process was used to draw a statistically valid survey population of business owners/managers in Kitsap County, and efforts were made to create a sampling that is proportionate to the significant locations of businesses in Kitsap County. A sample size of 196 interviews resulted in statistically valid sampling with a 95% confidence level and a $\pm 7\%$ variance. As a result, the opinions expressed by respondents should be considered reflective of the businesspeople in Kitsap County.

The majority of respondents contacted for the survey were small or small-to-midsize companies. More than one-fourth of the companies (27%) had revenues under \$100,000, and a majority (55%) reported revenues below \$250,000. The annual revenues reported by respondents ranged from under \$50,000 (15%) to more than \$5+ million (2%) with a mean of \$793,000 and a median of \$175,000.

Survey respondents included businesses in a wide range of classifications. The greatest number of respondents provided professional services (21%) or represented a retail businesses (16%). The vast majority of respondents (85%) were either owners or senior management.

The number of employees in companies interviewed for the business survey ranged from 1 – 100+ employees (the mean, i.e., average, size of company was 12.9 employees).

Almost one-fourth of the respondents (24%) were one-person businesses and nearly two-thirds (65%) of the companies had less than five employees. About one-tenth of the respondents reported that their companies have locations other than the primary location of their business.

The businesses interviewed had been in Kitsap County from less than one year to 10+ years, and the mean was 9.1 years. There were nine companies that reported being in Kitsap County for 25 or more years, and the longest time in business was 154 years.

Slightly more respondents felt that their business was located in an urban (54%) rather than a rural (42%) location. More women (53%) than men (47%) participated in the survey, and the age range of respondents was 20 – 70+ years with a mean age of 49.2 years.

When asked to identify the strengths of Kitsap County as a place to do business, location was the most frequently mentioned strength among five possible strengths listed on the survey so it was possible to do tabulation (but not read to the respondents). Location was mentioned by one-fifth (20%) of the respondents, and all other listed strengths were mentioned by 5% or less of the respondents. Interestingly, location was considered more important to businesspeople in Kingston (73%) and Bainbridge Island (34%) while viewed of much lower importance elsewhere. More than one-half of the respondents mentioned strengths beyond the five identified in the survey instrument, and about one-fourth of the respondents mentioned no strengths.

Some of the other strengths mentioned by respondents in their comments included a small town feel and the fact that a lot of people shop locally, the military presence and its large base of customers, and the networking/support available in their communities.

When asked to identify the weaknesses of Kitsap County as a place to do business, transportation was the most frequently mentioned weakness among five possible weaknesses listed on the survey. It was mentioned, however, by only 8% of the respondents, and all other listed potential weaknesses were mentioned by 7% or less of the respondents. Interestingly, transportation was considered to be very important to businesspeople in Kingston (18%) and viewed to be of much lower importance elsewhere. Slightly more than one-fourth of the respondents mentioned no weaknesses.

In their comments, respondents provided insights on the above and other perceived weaknesses of each of their locations. Some of the earlier perceived strengths also proved to be weaknesses, e.g., dependence on the military or loss of customers if the military leaves area. Some of the other weaknesses mentioned included low population/"small town," geographic isolation, and lack of cooperation between businesses and government.

The majority of respondents (57%) said that they feel the military presence in the county has helped their businesses. Slightly more than one-third of the businesspeople said the military had no impact on their business, and only 2% felt the military had hurt their business. Not surprisingly, more respondents in Bremerton and Silverdale (75% in each) and fewer on Bainbridge Island (only 13%) felt the military had helped their businesses.

When asked to rate on a 1 – 5 scale (1=very easy to work with and 5=very difficult to

work with) how easy or difficult it is for their businesses to deal with regulatory agencies that affect their business, the overall response was, essentially, in the middle—neither especially difficult or easy. The mean, i.e., average, response was 2.6.

When asked about the primary target audiences for their businesses, the greatest number of businesses (62%) indicated that the local community is a primary audience for them. Almost as many respondents (52%) said that Kitsap County is a primary target audience, and almost one-third of the businesses (31%) considered the local region/Western Washington a target audience. Only a small number of businesses targeted national, or international markets.

Respondents were read a list of agencies and resources in Kitsap County (actually a list of KBDC members) that provide assistance to businesspeople and then asked to provide a rating on a 1 – 5 scale (with 1=not helpful at all and 5=extremely helpful) for each organization. Only five of the 21 agencies/organizations received ratings above “3,” and most proved to have a low awareness among the respondents.

Interestingly, the organizations receiving the top three ratings (Kitsap Regional Library, Olympic College, and local chambers of commerce) were also among the most well known with about 60% of the respondents providing a rating. Conversely, the two lowest rated organizations were known to only 5% of the respondents.

On a positive note, there was a high level of interest among respondents in learning more about the KBDC members and their services, and a list of companies that asked for more information is included in the appendices.

When respondents were asked where they turn outside of the KBDC organizations if they

need advice on operating their businesses, the most frequent answers were internet/online, peers in industry, professional associations serving their industry, and professional service providers (e.g., attorney or accountant).

Industry information (56%) and advertising (52%) were the primary uses of the internet cited by respondents among four possible uses identified as possibly important to them. The other two possibilities—training and sales—were each used by about one-third of the respondents.

Nearly eight-in-ten respondents (78%) said that they feel their businesses are keeping pace with technology and the trends in their industries, and only 13% felt they were not keeping pace with technology in their industries. An interesting comment about technology (spoken by more than one person) was, “I don’t think anyone can really keep pace with today’s technology – it changes too fast.”

The majority of respondents (69%) also said that their companies have a business plan, and 22% did not have a plan. The results were similar when respondents were asked if their companies had a financial plan for their businesses—69% of the businesspeople said that they have a plan, and 24% said that they did not have a plan. Some of the respondents whose companies did not have business plans tended to think that their companies did not need a plan because they were a small business or one person business, that they just responded to supply and demand, or that they were too busy to put one together.

The results were similar but slightly lower when Kitsap businesspeople were asked if they had a marketing plan for their businesses. Slightly less than two-thirds (62%) said

that they had a marketing plan, and 30% said that they do not have a marketing plan. The reasons for not having a marketing plan were, in many cases, the same reasons cited for not having a business plan.

Close to one-half of the businesspeople in Kitsap County contacted for the survey (42%) said that they had plans to expand in five years or less, and about one-fourth of the respondents (26%) said that they were content with the current size of their business.

There were three factors which all received almost identical ratings that were felt to be important to a majority of respondents with plans for expansion—a trained workforce, physical space, and capital. The vast majority of those planning to expand in the next five years (84%) said that they planned to expand near their current location, and only 7% planned to expand away from their current location.

When asked to rate how much of a struggle it is to recruit and hire personnel on a scale of 1 – 5 (1=not a concern and 5=a big concern), Kitsap businesspeople slightly leaned toward not a concern with a 2.6 mean rating. Nearly one-half of the respondents (46%) gave a 1 – 2 rating indicating it was a low concern, and 29% gave a 4 – 5 rating saying it was a big concern.

When asked if they have access to adequate training opportunities for their workforce, the vast majority (81%) had a positive answer. Only 10% of the respondents felt there were not adequate training opportunities in the county. Several respondents indicated that they provide their own training, and a large number said it was no problem because they had no employees.

There were no common themes when respondents were asked about the types of training

they need for their businesses. There were several mentions of industry-specific training, but there were a few types of training that were able to be tallied by data processing.

The vast majority of respondents (88%) felt that they were able to meet all of the training needs of their businesses. Only 8% felt they were not able to meet their training needs. A significant majority (82%) also said that they had no need for any new/different consulting services. Many said that they had not had any reason to look for consultants, or, if they needed one, they always been able to find needed consulting services.

There was no clear answer when respondents were asked if they would be willing to pay for consulting services if they were available from a local agency in Kitsap County. About 17% said they would be willing to pay for services, and 8% were not willing to pay. The majority, nearly two-thirds of the respondents, provided no answer. Some businesspeople said that they would have no need for these services due to the fact that their companies are too small or other reasons (e.g., provided by corporate offices), and some expressed some concerns about revealing information on their businesses to outside consultants.

Seven-in-ten respondents felt that their companies were doing better today than they were doing three years ago, and only a small number (13%) reported that they weren't doing as well as three years ago. An even greater number of Kitsap County businesspeople (80%) were optimistic about the future and predicted that their companies will be doing better three years from now compared to today. There were a lot of comments by respondents about their businesses and why they expect to be more successful in the future—many “I hope so” comments, as well as some more solid reasons why they expect to be doing better in three years. Also, some of those who did not plan to be more successful in the

future said it was because they were content with the current size of their businesses or that they planned to retire soon.

At the end of the survey, respondents were asked if they had any thoughts/ comments on topics not covered that are related to doing business in Kitsap County or any thoughts on what else could be done to make their businesses more successful. The majority of respondents had no additional thoughts or ideas, but several expressed an interest in learning more about the services provided by agencies/organizations that were mentioned during the survey.

VII. RECOMMENDATIONS

*"Concentrate on the 'Vital Few.'
Ignore the 'Trivial Many.'"*

**Pareto's Law
Wilfredo Pareto
Social Economist
Circa 1900 a.d.**

The most important thing that the Kitsap Business Development Consortium can do at the present time is **focus**. As noted in Pareto's Law, the strongest benefit will come from focusing on the "vital few" strategies—not the "trivial" or even the "useful" many.

Because we are focusing on the "vital few," our recommendations will be limited to three recommendations which we feel will have the greatest impact on enabling KBDC to be most successful in meeting the needs of its members and serving the industry.

RECOMMENDATION #1

Promote Awareness & Understanding Of KBDC Members' Services

One of the most prominent findings of the survey is that the 20+ members of the Kitsap Business Development Consortium are relatively unknown to members of the business community in Kitsap County. As one of the interviewers said during a de-briefing, "many of these respondents were highly involved in local politics, etc., yet they were still unaware of many of the KBDC's member organizations."

The members of the KBDC offer a huge range number of services that would be of value to both new and established businesses, but there seems to be low awareness of either the

organizations or the availability of the services. As evidenced by the survey, however, there is a high interest in finding out about the member organizations and their services, and those individuals who were interviewed are, most likely, just the tip of the iceberg.

Since it appears that there is high interest in the services offered by KBDC's organizations, it would seem that one of the top priorities should be creating awareness of what already exists and is available to businesspeople rather than trying to find/create new services.

RECOMMENDATION #2 **Have A Primary Focus On Small Businesses**

Another prominent but not surprising finding of the survey was that the majority of businesses in Kitsap County are small or small-to-midsize businesses. One-fourth of the companies had revenues under \$100,000. One-fourth of the companies were one-person businesses, and about two-thirds had less than five employees.

Since smaller companies, typically, have less resources available to them than larger companies, it probably would prove most beneficial and rewarding to focus efforts on these companies.

RECOMMENDATION #3 **Create Awareness Of How Services Can Help Businesses Be More Successful**

One of the comments by an interviewer during the debriefing was, "my biggest finding was how little the businesses actually know about what is out there to help them run their businesses." The responses of businesspeople also indicated that they, in addition to having low awareness of KBDC members' and other organizations' services, also have

low awareness of their need for many of the “basics” associated with a successful business. An education on what services are available and how they can make their businesses more successful would probably prove to be extremely valuable to many of Kitsap County’s businesses.

APPENDICES