

# WHAT TO DO BEFORE THE PLANT CLOSES?

## APPALACHIA'S EDUCATIONAL ASSETS INVESTING IN A SKILLED FUTURE

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# BIZ BOOST



- Governor Beverly Perdue's economic and workforce recovery initiative
- Funded with ARRA money thru the NC Workforce Development Division, NC Department of Commerce
- Implemented by the SBTDC
- Focused on job loss aversion in small to medium sized businesses (10 – 200 employees)

# Job Loss Context



- Driven initially by anticipated large scale losses in financial sector in the Charlotte Region
- Governor's call for action and leadership to build a rapid, proactive response plan
- Based on planning group input at both the local / regional level and state level

# Legislative Context



- Workforce Investment Act (Public Law 105-220)
- Consolidated job training program into three block grants
- WIA Regulation (Title 20 CFR Section 665.300 – Section 665.320)
  - ▣ Guidelines for Rapid Response and allowable activities with respect to layoff aversion

# The Charlotte Response



- Close cross regional collaboration between workforce boards and key financial institutions
- Temporary Employment Security offices established proximate to banking center
- New core curriculum job readiness training programs developed at lead community college
- New career change curriculum programs developed at UNC-Charlotte
- Kauffman Foundation Fast Trac for Entrepreneurs curriculum offered through SBTDC in collaboration with 8 community colleges

# The Charlotte Response Cont'.



- Pilot job loss aversion program targeted at SMEs across the region in collaboration with
  - ▣ Regional Economic Development Partnerships
  - ▣ County Economic Development Commissions
  - ▣ Community Colleges
  - ▣ Workforce Boards

# The BIZ BOOST Initiative



- Why focus on small to mid-sized businesses?
  - ▣ Engines of growth in North Carolina (and US)
  - ▣ 98% of all firms in NC have less than 200 employees (95% less than 100)
  - ▣ Account for 43% of NC's private sector payroll
  - ▣ For 2 decades these firms have accounted for between 65% and 70% of net new jobs
  - ▣ Account for over 40% of GDP

# What's Unique About BIZ BOOST Initiatives?



- 1<sup>st</sup> serious commitment to **retaining** existing jobs
- Rapid roll out
- Proactive outreach and service effort
- Highly collaborative with traditional workforce resources
- Leverages and enhances the service delivery capacities of existing statewide business development resources (the SBTDC)

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- Focused on helping owners, managers and employees develop strategies and enhance skills and capacities to improve competitiveness and retain jobs
  - Outcome measurement based

# Fast Forward



- Late fall 2009- Governor requests statewide roll-out plan for BIZ BOOST
- Launched in January 2010 – 18 month project timeline
- \$2.4 M funded through states regular WIA allocation

# BIZ BOOST Approach



- Know the company
  - ▣ Detailed financial analysis (ProfitCents)
  - ▣ Quick operational analysis
  - ▣ Manager / employee interaction and input
- Identify key challenges to sustainability of business and job retention

# BIZ BOOST Approach Cont'.



- Company engagement to determine immediate term action requirements
  - ▣ Cash management
  - ▣ Productivity / efficiency enhancements
  - ▣ Workforce skills and capacity development
  - ▣ Market enhancement
- Commitment of follow on resources to address action requirements
  - ▣ Incremental professional staff
  - ▣ Graduate students
  - ▣ Other resources

# Outcomes – Report January thru September 2010



- 1,067 businesses served
- 89,209 full-time jobs, 3,554 part-time jobs
- \$1.6B in sales
- 21,034 hours of counselling provided
- \$45,189,823 – total capital formation
- \$76,981,620 – government contracts awarded

# Industry Types



- Industry Types:
  - Manufacturing – 39%
  - Construction – 14%
  - Professional scientific, technical services – 10%
  - Other services – 10%
  - Hospitality – 8%
  - Other – 8%
  - Wholesale / distribution – 7%
  - Retail – 4%

# Jobs



- Jobs: Created 1,579  
Retained 1,013  
2,592
- Based on partial universe reporting
- Cost / job created or retained: \$631

# Year – End (December 2010)



- Year –End (December 2010) third party Economic Impact Assessment planned
  - ▣ Expect much higher numbers to be reported by broader reporting universe
  - ▣ Report will include data on
    - Jobs created / retained
    - Financing leverage
    - Changes in sales
    - Incremental taxes paid (state/federal)
    - Return on investment