

**BUSINESS  
RETENTION  
&  
EXPANSION  
Strategies  
Program**



# MORA

## Business Retention and Expansion Summary Report

January 2008

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*Mora Economic  
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**Mora**

**Business Retention and Expansion Strategies Program  
Summary Report**

**January 2008**

*Written by*

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Business Retention and Expansion Strategies Program,  
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## **Mora Business Retention and Expansion Program**

Supporting existing businesses is important for towns of all sizes. Keeping an existing business is often easier than recruiting new businesses. The Mora Business Retention and Expansion Strategies (BR&E) Program helps community leaders and communities work together to address barriers local businesses face as they try to survive and grow. Forty to 80 percent of new jobs are created by existing businesses, rather than by attracting new businesses to a community.

Just as businesses gain competitive advantage by providing better service to their customers, Mora must look for ways to provide a better environment for their premium local customers — local employers.

The BR&E Strategies Program doesn't only help businesses. It also builds a team of local leaders that is broader than many other economic development efforts because it includes representatives from education and government in addition to business and economic development leaders. Because of its diverse membership, the local BR&E Task Force is able to bring more resources, ideas, and contacts to address needs identified in the survey. Quite often, this local team will also find itself working together to address other community concerns that arise over time.

The BR&E survey conducted by the Mora Task Force is a way to get to know the needs and aspirations of Mora's businesses. The survey results are used to develop strategies to help businesses expand in Mora and remain there. Because the BR&E process strengthens community ties, ideas turn to action.

## **Objectives**

The Mora BR&E Program has five objectives:

1. To demonstrate support for local businesses.
2. To help solve immediate business concerns.
3. To increase local businesses' ability to compete in the global economy.
4. To establish and implement a strategic plan for economic development.
5. To build community capacity to sustain growth and development.

## **Sponsorship**

This program is sponsored locally by the following entities:

Initiative Foundation  
City of Mora  
Mora Economic Development Authority  
Kanabec Area Chamber of Commerce  
Minnesota Department of Employment and Economic Development  
University of Minnesota Extension

## **Mora BR&E History**

The Mora City Council, Mora Economic Development Authority and Kanabec area Chamber of Commerce each supported and/or approved entering into the Business Retention and Expansion Program after being accepted into the program by the University of Minnesota Extension. The first Leadership Team meeting took place in November 2006.

## **Business Visits**

In the first stage of the BR&E process, the Task Force learned about business retention and expansion techniques, reviewed the survey and received training on how to

effectively conduct business visits. Business visits were conducted from January through June of 2007. The Leadership Team and Task Force conducted 85 business visits which was a good 63 percent response rate from the 135 businesses selected for visits. Visitors worked in teams of two, and every visit included at least one participant from the Leadership Team.

### **Red Flag Reviews**

After the surveys were completed and returned, the Coordinator removed identifying information from surveys where the businesses gave written permission for local review. The Task Force started meeting in February 2007 to review each survey and decide on how the immediate follow-up would be handled. Some of the individual business issues, or “red flags”, that were highlighted were: the effect of changes in government policies, the need for e-business and technology resources, cell phone coverage problems, and tourism issues.

### **Research Report Development**

The BR&E survey results were tabulated and analyzed by University of Minnesota staff. Kristi Starzynski, Executive Office & Administrative Specialist, entered the data into spreadsheet and word processing files. A summary of the data was prepared.

At the State Research Review Panel Meeting at the University of Minnesota on August 8, 2007, Michael Darger led a team of fifteen individuals (listed later in this section) in reviewing the data summary and suggesting projects that might respond to the businesses’ needs. Ms. Kovach then drafted the research report based on the input of the review panel and other ideas.

### **Task Force Retreat**

The survey research was reported at a five-hour Task Force Retreat on October 25, 2007. This included 18 project ideas generated at the State Research Review Panel Meeting and through survey analysis. At this retreat, the Task Force selected three priority projects for continuing action.

Teams were formed for each of the chosen priority projects. The initial reports from these three teams are included in this summary report.

Additional expertise and assistance is needed and welcomed. If you have ideas, time, talents, or other resources to contribute to any of the four projects, please contact one of the team members listed with each priority project report.

If you would like to review the full Research Report, ask a Task Force member or contact the Community Development Department at Mora City Hall.

### **People in the Mora BR&E Program**

#### **Leadership Team**

Overall Coordinator, Visitation Coordinator and Milestone Meeting Coordinator: Beth Thorp, Community Development Planner, City of Mora

Business Resources Coordinator: Terry Dalbey, Minnesota Department of Employment and Economic Development

Media Coordinator: Karen Amundson, Executive Director, Kanabec Area Chamber of Commerce

## **Mora BR&E Task Force Members**

Many community members participated as Task Force members. This group addressed the red flag issues, set priorities for action, and will lead implementation of selected projects. Most Task Force members also participated in business visits.

Steve Ahlness, Greater Minnesota Credit Union

Karen Amundson, Kanabec Area Chamber of Commerce

Mark Antonson, Mora Public Schools / Community Education

Greg Ardner, Mayor of Mora

Doyle Casavant, Kanabec State Bank

Dave Chmiel, Mora City Council

Doug Conboy, Mora Public Schools

Terry Dalbey, Minnesota Department of Employment and Economic Development

Joel Dhein, City of Mora

Daryl Eickhoff, Peoples National Bank

Kathi Ellis, Kanabec County Commissioner

Rod Elmstrand, University of MN Extension

Tim Faust, State Representative in 2007, District 8b

Denise Ganz, Mora Schools, Career Center

Mark Gravich, Mora City Council

Beth Hallin, Mora City Council

Nancy Helmbrecht, Dandelion Floral

Sandy Juettner, Chamber of Commerce

Paul Larson, Mora Housing and Redevelopment Authority

Tony Lourey, State Senator, District 8

Barry Madison, Peoples National Bank

Chuck McGovern, Arthur Town Supervisor

Jerry Nelson, Kanabec County Commissioner

Lonnie Ness, Re-Max Select, Inc.

Richard Roesler, Arthur Town Supervisor

Kim Smith, Kanabec County Commissioner

Judy Soderstrom, State Representative in 2006, District 8b

Les Stromberg, Realty Executives Properties

Judy Tauber, Hersey House

Beth Thorp, City of Mora

Kevin Troupe, Kanabec County Commissioner

Randy Ulseth, Kanabec County Hospital

Jamie Voelk, Qwest Communications

Wade Weber, Kanabec Publications

Char Weidendorf, Dave's Furniture and Carpet

Dick Welton, Engineered Polymers Corporation

Jordan Zeller, East Central Regional Development Commission

## **Business Selection Process**

The Leadership Team wanted to include a cross-section of businesses in Kanabec County in the survey. They selected all businesses in the manufacturing and information sectors, as well as all other businesses with 20 or more employees. They decided to invite half of the retailers with storefronts to participate, with an equal amount coming from the following three sub-categories: downtown Mora, Mora highway, and non-Mora.

Other sectors included were 80% of health care and social assistance businesses; 50% of construction businesses; 50% of arts, entertainment, and recreation businesses; 50% of accommodation and food service; and 25% of professional services, repair services, and personal services. A random number selection process was used to select the specific businesses within each of these categories.

## **Businesses Visited**

Task Force members visited 85 businesses. The community greatly appreciates their willingness to help the community understand the needs of local businesses. Businesses' survey responses are

confidential but it is important to acknowledge their contribution by listing their names in this report.

A&A Septic Service LLC  
Ace Hardware  
Aimonetti's Floor Source  
Akkerman's Repair  
Allina Medical Clinic Mora  
Bowe's Landing  
C&G Telephone Sales, Inc.  
Caswell Cycle  
CE Rogers Co.  
Cedar Creek Homes, Inc.  
CMP Custom Molding  
Coborn's Superstore  
Cornerstone Connection  
Creative Nails  
Crystal Bar and Grill  
Curves  
Dandelion Floral and Gifts  
Dave's Furniture and Carpet  
Disc Repair Shop  
DL Schoumaker Co.  
Downtown Deli  
East Central Basement Waterproofing LLC  
East Central Countertops  
Emma's Pizza  
Encore School of Music  
Engineered Polymers Corporation  
EZ Excavating  
Five Star Auto Sales  
FMC Mora Dialysis  
Freddie's Restaurant  
Gadola and Haasken  
Glen's Tire  
Gordy's Repair  
Grand Event Center  
Groundhouse Cabin Supply Company  
Gunderson Motors, Inc.  
H&R Block  
Hon Metfab, Inc.  
Industries, Inc.  
Ingenuity Industrial Machining  
Internet Depot/Youbetnet  
J&R Auto / Mora Marine

K&H Construction  
Kanabec Clinic Chiropractor  
Kanabec Hospital  
Kanabec Office Supplies  
Kanabec Publications  
KBEK 95.5 FM  
Lakes and Pines  
Mike's Auto Body  
MinnComm Underground Utility  
Construction  
Mora Bakery  
Mora Chiropractic Clinic  
Mora Psychological Services  
Mora Unclaimed Freight  
NAPA Auto Parts  
Nelson's Market  
Nordenstrom Construction  
North Country Lighting / JC Penney  
Company  
North Country Sheet Metal  
Northstar Access  
Oak Gallery and Frame Shop  
Olympak  
Outlook Health Services  
Pamida  
P-D's Embroidery  
Prizm Tattoo  
Redstone  
The Refuge North  
Rick's Home Furnishings  
RJ Mechanical  
SAS Auction Service  
Sherman Lumber, Inc.  
John Skillicorn, DDS  
Spring Brook Golf Course  
Staege's Cabinetree  
Stalhke's  
Strandlund Refrigeration  
Tower Superette  
Troupe Advertising  
Villa Health Care Center  
Volunteers of America  
Wild Things Pizzeria and Deli  
Zaudtke Electric  
Zimmermann's

## **BR&E Consultant**

Liz Templin of the University of Minnesota Extension served as BR&E consultant for the Mora BR&E program. This included coaching and advising the local Leadership Team; conducting training sessions with the Leadership Team, Task Force, and business visitors.

## **State Research Review Panel**

Fifteen panel members reviewed the tabulated survey results and suggested potential actions that might be taken by Mora's leaders to respond to local businesses' needs and concerns. Panel members also provided information on programs and resources available to help the community meet the needs of local businesses. Participants in the research review panel meeting included:

Adeel Ahmed, University of Minnesota Extension, Community Economics  
Karen Amundson, Kanabec Area Chamber of Commerce

Terry Dalbey, Minnesota Department of Employment and Economic Development

Michael Darger, Business Retention & Expansion Program, U. of MN Extension

Joel Dhein, City of Mora

Liz Davis, University of Minnesota, Department of Applied Economics

Bill Gartner, University of Minnesota, Department of Applied Economics

Kent Gustafson, University of Minnesota Extension, Tourism Center

Lisa Hinz, University of Minnesota Extension, Leadership & Citizen Engagement

Jacob Johnson, University of Minnesota Academic and Corporate Relations Center

Diane Knutson, Minnesota Department of Employment and Economic Development

Liz Templin, University of Minnesota Extension, Community Economics  
Beth Thorp, City of Mora

Kyle Uphoff, Minnesota Department of Employment and Economic Development

Anita Walz, University of Minnesota Extension, 4-H Youth Development

## **Mora Area Economic Profile**

Cameron Macht, Regional Labor Analyst from the Minnesota Department of Employment & Economic Development (DEED) prepared an economic profile of Mora and Kanabec County. The Research Review Panel and the Task Force used it in their analyses. This profile provides an overview of population, income, and employment trends in the Mora area, compared with other communities and the state. The economic profile is included in the Mora BR&E Research Report that is available for review from any Task Force member or by contacting the Community Development Department at Mora City Hall.

## **Mora BR&E Survey Results**

The following is a short summary of the research results and suggested strategies. (For more results and the survey itself, see the BR&E Research Report.)

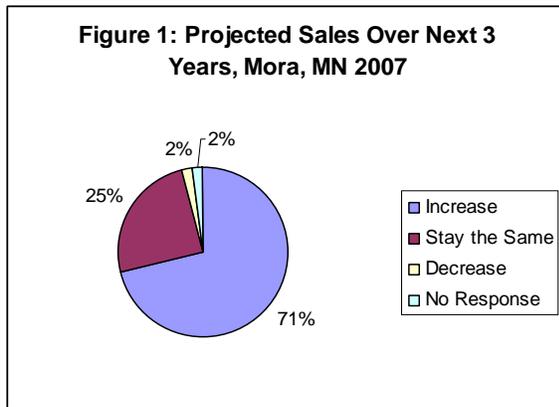
Eighty-five businesses were visited between January and June of 2007. The largest percentage of respondents was in the retail trade category (27%). Twenty percent of businesses fell under the "other" category, which encompassed everything from health and human service providers to specialized types of retail businesses. Additional categories included construction (14 %),

manufacturing (13 %), and food and beverage (8 %). Seventy-nine percent of the businesses that completed surveys are locally owned.

Fifty-three percent of businesses' total sales came from Kanabec County, with an additional 25 percent of sales coming from the region surrounding Kanabec County.

These businesses employ 945 full-time and 774 part-time workers. The average number of full-time employees of businesses in the visited sample was 12.8, and the average number of part-time employees was 12.7.

Forty-two percent of businesses surveyed reported that the market share of their key products or services was increasing. As Figure 1 illustrates, a large majority of businesses (71%) expect sales of their products to increase in the next three years.



Despite indications that labor needs will increase in the near future, the past three years have actually showed a slight decrease in numbers of employees. Businesses had an average of 14.3 employees three years ago, and currently have an average of 12.8 employees. Explanations for reducing employee numbers were diverse, ranging from a change in business makeup (8 businesses) to lowered demand (7 businesses) to higher costs (4 businesses).

Two businesses reported positive reasons for reduced employee numbers, citing increases in efficiency.

Over one-third of businesses surveyed (38%) planned to modernize or expand their present buildings or equipment.

**Figure 2  
Community Services Ratings:  
In Rank Order  
(Scale: 5= Excellent, 1= Very Poor)**

	Average
Religious Choices	4.31
Public Elementary and Secondary Schools	4.17
Fire Protection	4.16
Emergency Medical Services	4.15
Street Maintenance	3.99
Health Care Facilities	3.99
Housing Costs	3.99
Public Library	3.95
Financial Institutions	3.91
Snow Removal	3.89
Recreational Opportunities	3.81
Law Enforcement	3.78
Water	3.75
Sewer	3.74
Drainage	3.73
Community Education	3.68
Housing Availability	3.68
Kanabec Chamber of Commerce	3.64
Child Care	3.60
Crime Rate	3.52
Access to Higher Education	3.47
Zoning and Permitting	3.43
Zoning and Permitting	3.43
Code Enforcement	3.38
Cultural Opportunities	3.36
Mora Economic Development Authority	3.29

In rating community services, it is good news that no service rated below average when scores were compiled across

respondents (see Figure 2). There are indications that there is room for improvement in the areas of cultural and recreational opportunities. Where a score of 3.00 was “average” and 5.00 was “excellent,” Mora’s cultural opportunities scored 3.36 overall, and recreational opportunities garnered 3.81. Highly-rated community services included Religious Choices (score of 4.31) and Public and Elementary Schools (score of 4.17).

The survey asked businesses to rate business climate factors that they view as the top strengths and weaknesses in Mora. As Figure 3 illustrates, the top strength was the cost and availability of land. The quality of life and worker stability and productivity were also highly rated. The top reported weakness by far was availability of labor (21 percent of businesses). The second most reported weakness was a tie, with 8 percent of businesses reporting lack of population, proximity to major markets, and cost of health insurance / health care.

**Figure 3: Mora Business Climate Factors – Top Strengths and Weaknesses, 2007**

<b>Strengths</b>	<b>% of Businesses Selecting This</b>
Cost and availability of land	22%
Quality of life	20%
Worker stability and productivity	19%
<b>Weaknesses</b>	<b>% of Businesses Selecting This</b>
Availability of labor	21%
Lack of population	8%
Proximity to raw materials	8%
Cost of health insurance/health care	8%
Taxes	7%

While there is room for BR&E strategies to make improvements to Mora’s business climate, most businesses appear overall to enjoy Mora. Seventy-nine percent of

businesses reported that Mora was a “good” or “excellent” place to conduct business.

## **Overview of Business Strategies and Priority Projects for Mora**

Profits are the key to the retention and expansion of businesses. While the owners of a business might be attracted to an area because it is a nice place to live, and may be highly loyal to the community, a business can only survive if it makes a profit (revenues exceed costs). If owners cannot make their business profitable, they will close or move it; they do not have a choice.

In a market economy, making a profit is the responsibility of the business management and its employees, not community groups or the local or state government. However, the actions of these groups can sometimes help businesses become slightly more profitable. The strategies and specific projects outlined below aim at helping businesses become more profitable and thus more able to survive and grow in the community.

Implementation of the projects will require collaboration among various sectors in the area — no one group can do all of the work alone. This collaboration in itself is also a benefit to local businesses since it provides a forum for addressing important issues, efficiently links businesses to policy makers, helps minimize the duplication of services, and helps inform a cross-section of the community about economic and business issues.

The following four BR&E strategies were described in the Research Report to help address Mora businesses’ most important needs and concerns:

### **1. Improving Mora’s Labor Availability and Productivity**

2. **Improving Business Retention and Expansion Through Technical and Development Assistance**
3. **Developing Mora's Tourism Potential**
4. **Improving and Promoting the Quality of Life in Mora**

The Task Force chose three priority projects for implementation at their retreat on October 25, 2007.

**Strategy 1. Improving Mora's Labor Availability and Productivity**

The clearest evidence that labor availability is an issue in Mora is "availability of labor" was the number one weakness, with 21% of businesses selecting this factor (see Figure 3). Businesses reported some difficulty recruiting employees with precision production / specialty skills (22%), general labor (13%), sales roles (11%), and professional / management employees (8%).

Needs can also be judged by the types of information the businesses requested. The information topics appearing most often in businesses' top three selections were employee recruitment, marketing strategies, and tourism development. Other common requests included computer software training and customer service training.

Training employees is important, given that 40 percent of businesses surveyed say there are major technological innovations on the horizon in their industry that might affect their company. Of those reporting new technology, 79 percent responded that the new technologies would require retraining of the businesses' labor force.

While Mora businesses revealed some needs regarding labor, especially skilled labor, the survey also revealed some positive news. Over three-fourths of businesses rated

worker attitude (86%) and productivity (87%) as "good" or "excellent." While the labor availability ratings are unfortunate, it is an encouraging sign that worker stability and productivity was the third top strength of Mora.

**Priority Project #1: Matching labor needs with opportunities.**

The implementation team has prepared the following plan: "This priority project team seeks to strengthen Mora's workforce through long-term work to match labor needs with opportunities. This committee will link businesses with the training resources from the Department of Employment and Economic Development as well as from the Minnesota State Colleges and Universities. They will start with the training needs identified by businesses in the survey."

Team Members: Denise Ganz, Mark Gravich, and Jamie Voelk

**Strategy 2. Improving Business Retention and Expansion Through Technical and Development Assistance**

Nearly half of businesses surveyed indicated that they were currently considering some change to their location or business plan. While 11 percent (9 businesses) are considering moving, the good news is that the majority of those businesses are considering a move within Kanabec County, with the rest moving within Minnesota.

Despite the amount of anticipated change reported in the survey, it is worth noting that 54 percent of businesses are not considering any changes. This lends an important stability to Mora's business sector.

**Priority Project #2: Explore potential for building a spec building.**

Over a third of businesses surveyed (38 percent) plan to modernize or expand their operations. But 20 percent of businesses responded that the availability of buildings in Mora was less favorable than other communities. A spec building can support businesses’ expansion needs while encouraging them to stay in Mora.

The implementation team has prepared the following plan:

“The goal is to construct a spec building in the Mora Industrial Park to create jobs, increase the local tax base, and make a long-term investment in the community. The spec building will offer an immediate location for new businesses to the area, as well as offer space for our existing businesses that need to expand and our local entrepreneurs who need a location to start out in.

“The project team will explore the existing resources of the Economic Development Authority as well as the Blandin Leadership group, which framed this issue in 2005. The team will look into cost estimates on a spec building, land availability, potential funding sources and financial institutions, and building design issues.

“This long-term project seeks to ultimately create jobs, increase the tax base, and provide fuel for other economic development and community-oriented projects.”

Team Members: Terry Dalbey, Joel Dhein, Barry Madison, Kim Smith, Beth Thorp, Char Weidendorf, and Dick Welton.

**Strategy #3: Developing Mora’s Tourism Potential**

Tourism in Mora shows good potential, especially in terms of ethnic heritage and the Vasaloppet ski race, but there were indications that it could be further developed. The survey showed that Mora has several additional community features that could be developed for tourism (see Figure 4).

Sixty-seven percent of businesses responded that promoting the area to visitors is in the best interest of their business. However, highway and airport accessibility rated below average in the survey, which could be a challenge for tourism.

**Figure 4  
Impact of Community Features Related to Tourism on Businesses**

<b>Community Feature</b>	<b>Percentage of Businesses Identifying a Positive Impact</b>
Small town atmosphere	67%
Festivals or events	54%
Fishing	49%
Wildlife	48%
Seasonal tourism	47%
Natural environment	45%
Arts and cultural events	39%
Lodging and meeting facilities	34%
Museums/historic sites	27%
Historic buildings (barns, downtowns, etc.)	22%

**Strategy 4. Improving and Promoting the Quality of Life in Mora**

Businesses appear to feel that Mora has a high quality of life. Ninety-one percent of businesses reported that Mora is an “excellent” or “good” place to live.

**Priority Project #3: Unification of Mora’s retail and services in a business “loop”**

Retail opportunities and a healthy downtown area can be important components of both employee and business recruitment and retention in that they contribute to the town’s quality of life. Eighty-seven percent of businesses responded that improvements to the exterior atmosphere of the retail area (i.e., store fronts, etc.) are “very important” or “important.”

When asked to choose the most important action to retain or expand retail in the community, the top choice was “additional businesses which result in greater variety” which could include restaurants, other services, etc.

The implementation team for this project has developed the following vision statement:

“The goal of this committee is to devise and implement a plan to visually unify the businesses of Mora’s Highway 65 corridor with the business district of the downtown area of Mora. We hope that this will serve to be a foundation for the cooperation of all of Mora’s businesses as the ‘friendly rivalry’ will strengthen the community overall.

“We realize that in order for this community to become a destination, we need to make it inviting. We must access our community’s assets and heritage, utilize our natural resources and merging all in a way that would make people want to visit, settle, raise their families, and live out their lives here.

“To do this we will look into the positive and negative aspects of past strategies, possibly implementing the Minnesota Design Team.

“The initial team will consist of interested businesses, artists, contractors, chamber and city administrator(s) who will form a committee that will assist in devising a workable step by step plan. Our local high school career advisor (Denise Ganz) is currently working with her students to incorporate interdisciplinary coursework that will involve her sophomore students, mentoring with artists, craftsmen, and local business owners in a way that would provide ‘job sills and education for all people, with a special emphasis on disadvantaged youth. The synergy created by connecting local youth, craftspeople, and businesses will not only improve Mora’s outward appearance; but also improve and promote the quality of life in Mora by “teaching, inspiring, and training” on a community level.’

“We will advertise our plan to the local businesses and apply for grants and donations. Over the course of a few years, working together, our community will emerge with an exciting new look that will embrace graceful continuity.”

Team Members: Karen Amundson, Beth Hallin, Nancy Helmbrecht, Judy Tauber



The Mora BR&E Task Force selected/created the three priority projects described in this summary report.

Melissa Kovach, Consultant, wrote this report with the assistance of Liz Templin of the University of Minnesota Extension. This publication is available in alternative formats upon request. Please contact Michael Darger at 612-625-6246.

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