

PART I

BUSINESS RETENTION AND EXPANSION
IN GOODLAND

A Research Report

prepared for

The Kansas Department of Commerce

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PREFACE

Project Background

In the summer of 1987, Southwestern Bell Telephone offered an executive-in-residence to work with the Kansas Department of Commerce. This Southwestern Bell executive was Brad Parrott. In cooperation with Kansas Governor Mike Hayden, the Department of Commerce decided to conduct a study on business retention and expansion in the state, and enlisted the assistance of the Institute for Public Policy and Business Research at the University of Kansas to assist with the project. This project was a joint effort between Southwestern Bell, the Kansas Department of Commerce, and the University of Kansas.

The project used a telephone survey to study the retention and expansion of business firms in: Coffeyville, Emporia, Garden City, Goodland, Great Bend, Hays, Hutchinson, Lawrence, McPherson, and Salina. In each community, a local committee of business representatives and community leaders were responsible for conducting personal interviews that provided additional in-depth answers to survey questions. These committees will receive a report of the community they represent, and will be responsible for local action.

Acknowledgements

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The authors alone are responsible for the contents of this report.

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PART I
BUSINESS RETENTION AND EXPANSION
IN GOODLAND
EXECUTIVE REPORT

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EXECUTIVE SUMMARY

A sample survey of 65 business firms in Goodland was completed to find determinants of business retention and expansion of existing industries in Goodland.

These firms, drawn from sectors constituting the economic base (retail firms and service firms that were entirely local were not included), were surveyed to identify factors that influence the retention and expansion of existing industries in Goodland, to identify the potential of Goodland firms to expand within their community, to assist the establishment of local retention and expansion efforts, and to distinguish local issues that influence retention and expansion.

The major findings of the study are:

1. From 1978 to 1986, employment in Sherman County decreased 17%. This was the lowest growth rate in this time period among the ten counties that were included in the state report on business retention and expansion.
2. The majority of surveyed firms in Goodland are small. Of the total number of firms, 85% have fewer than twenty employees.
3. Total annual sales of firms in the community are not large. Of those firms that released information, 84% have annual sales of less than \$5 million.
4. Although not a majority, many surveyed Goodland firms are part of a larger corporation. Of all firms, 42% stated they were part of a larger corporation. In comparison, 35% of those firms surveyed in the other nine communities for the state report were part of a larger company.
5. The scope of where products are sold is mainly oriented to local and state markets. However, Goodland firms sell an approximate average of 24% in the national and international markets. In comparison, firms surveyed in the other nine communities sell an approximate average 18% in markets outside of Kansas.

6. Although the vast majority of surveyed firms (90%) have not moved to Goodland from another city or state in the past five years, there has been more relocation to Goodland compared to relocation in the other nine communities. Ten percent of all Goodland firms moved to the city in the past five years; 6% of the firms in the other nine communities moved to their respective city in the past five years.

7. Firms have located in the community because the city provides access to the markets they need and because Goodland is their hometown. Of the total number of firms, 47% stated a reason for location was because the community provided good access to markets, 39% located because it is the owners's hometown, and 36% located because Goodland provides a central location.

8. Few firms are planning to leave the community. Of the entire survey sample, only 3% said their firm would move from Goodland in the next year.

9. In the minds of Goodland respondents, there are firms not presently located in the community that would be of benefit if present. Of all firms, 54% stated that an additional manufacturer or service provider would be of benefit to their respective company. In comparison, 36% of the firms in the other nine communities stated that additional companies were needed.

10. In general, Goodland firms are satisfied with rural life and with Kansas. Of the total number of respondents, 89% do not have a negative image of rural life and no firm had a negative image of Kansas.

11. For surveyed firms in Goodland, employment decreases have been high and employment increases have been low the past two years. Of all firms, 25% decreased employment and 18% increased employment the past two years. Of the firms surveyed in the other nine communities, 22% decreased employment and 33% increased employment these same two years.

12. The markets where products are sold had the greatest effects on past expansion. Of those business representatives that gave responses, 39% said a static or declining market was a specific problem with expansion, while 52% said an expanding market was a specific factor that aided expansion.

13. Despite past problems, Goodland firms are optimistic about future expansion. For all firms, 33% reported they will increase employment next year and 19% reported they will increase physical plant size next year.

14. There are firms in Goodland that can and want to export. Of those representatives that gave responses, 13% said their firm had the potential to expand internationally and 15% said their firm had the desire to expand internationally. All respondents that expressed this potential and/or desire to export were from firms with fewer than fifty employees.

15. Surveyed Goodland firms use traditional sources for expansion financing. Of those respondents that gave a source, 52% said their firm used a bank and 48% said they used internal funds as sources of financing.

16. There are firms in Goodland that have missed expansion opportunities because of lack of financing. Of all respondents, 19% said their firm had to forego or postpone an expansion because of a lack of financing. In comparison, 11% of the respondents in the other nine communities said their firm had this same problem.

17. The majority of Goodland firms believe the local quality of life is good. Of the total number of respondents, 82% rated the quality of life as good and only 2% rated the quality of life as poor.

18. In general, respondents consider the attitude of the local government to be positive towards the business community. Of all respondents, 75% said the attitude of the local government was positive to very positive, while 7% said the attitude of the local government was negative to very negative. In comparison, only 54% of the respondents in the other nine communities said that their local government had a positive to very positive attitude towards their business community.

19. Most local services are seen by Goodland firms to be good or adequate. However, a relatively high percentage of firms gave poor rating for the cost of transportation (37%), the quality of public transportation (27%), the quality of railroad service (26%), and the telephone system (25%).

20. Economic development initiatives are seen to be important by surveyed Goodland companies. Of those respondents that gave suggestions, 72% said economic development would improve the local quality of life, 60% said economic development would improve the local business climate, and 43% said economic development would improve the state business climate.

21. Most firms have no knowledge of certain state economic development assistance programs. Of the total number of firms, 94% had no knowledge of Centers of Excellence, 86% had no knowledge of Certified Development Companies, 67% had no knowledge of the Kansas Industrial Training program, 38% had no knowledge of Community Development Block Grant Programs, and 32% had no knowledge of the Job Training Partnership Act.

22. The overwhelming majority of Goodland respondents do not need specialized skills in their companies. Of all firms, 97% do not require a specialized skill for employment in their company.

SUMMARY OF RECOMMENDATIONS FOR ECONOMIC DEVELOPMENT

POLICY IN GOODLAND

1. Local policies should be directed to encouraging entrepreneurs in Goodland who are starting new businesses and to facilitating expansion of existing businesses. Examples of such efforts include incubators and small business development centers. Entrepreneurs should be actively involved in Goodland's economic development strategies.

2. Although the recruitment of firms from outside of Kansas should constitute one part of Goodland's economic development strategy, the major focus should be on the establishment of new firms and the growth of existing businesses. A greater effort should be made helping local companies grow.

3. Goodland, in cooperation with the Kansas Department of Commerce, should have a targeted business retention program. These ongoing programs should identify dissatisfied firms and concentrate retention efforts upon them. Only a very small percentage of firms are planning to leave their community. The vast majority of firms are satisfied with their community and are not planning to leave.

4. Larger firms and branch operations must be targeted as part of a business retention program. The loss of a large employer would have a devastating detrimental impact on a community and other firms that are suppliers to the large company. In addition, since the majority of larger firms are part of a larger corporation, the local chamber of commerce and the local government. will need to be in contact with the parent organization of these firms.

5. Improved access to nonconventional sources of financing should be a top local priority. Included would be access to seed and venture capital to a greater extent than currently exists. Firms are primarily dependent on conventional sources of financing (banks and internal funds) and do not have access to seed, medium, or high risk financing. Consideration should be given to establishing a community based seed/venture capital firm in Goodland.

6. Public transportation and the cost of transportation are the two primary parts of Goodland's transportation system that require improvement. Regional cooperation to improve the cost of transportation to be pursued.

7. Firms in Goodland should be encouraged to participate more actively in national markets outside of Kansas. Efforts to help firms realize their potential in larger markets is necessary. To do otherwise would seriously limit growth opportunities. The local business community needs to be actively involved in efforts to broaden markets.

8. Efforts to assist firms to participate in international trade are necessary. Such assistance may include programs to make firms aware of the potential of international trade. Specific barriers to international trade, such as financing, must be addressed. There is an unrealized opportunity to increase exports from Goodland.

9. A major effort is required to assure that firms in Goodland know what state programs are available to assist them. The local business community and local governments should initiate communication programs to insure that firms in Goodland know about the Kansas Technology Enterprise Corporation, Kansas Venture Capital, Inc., Kansas Inc., and other state economic development programs.

10. Implementation of an effective, long-term local economic development strategy will require formal cooperation among units of local government and the business community.

11. A major part of Goodland's economic development strategy should focus on facilitating expansion of firms within Sherman County.

BUSINESS RETENTION AND EXPANSION

EXECUTIVE REPORT

At the request of the Kansas Department of Commerce, the Institute for Public Policy and Business Research surveyed business retention and expansion in Goodland. This was accomplished through a survey questionnaire given to a random sample of business representatives. Goodland companies were surveyed to identify factors that influence retention and expansion in existing industries in the community, to identify the potential of Goodland firms to expand within their community, to assist the establishment of local retention and expansion efforts, and to distinguish state and local level issues that influence retention and expansion.

Along with Goodland, nine other communities (Coffeyville, Emporia, Garden City, Great Bend, Hays, Hutchinson, McPherson, Lawrence, and Salina) were surveyed as part of an overall state report of retention and expansion in communities with populations of approximately 10,000 to 100,000 persons. Survey results for Goodland are compared to results from the other nine communities in Part II of this report.

A total of 65 randomly selected firms participated in this study. These firms were drawn from the economic base of the community, and represented the agriculture, mining, construction, manufacturing, transportation-communications, wholesale, finance, and services industries (retail firms and service firms that were entirely local were not included in this sample).

This report focuses on five major areas: (1) the description of the survey population, (2) the description and determinants of business location and retention, (3) the expansion of businesses in Goodland, (4) the local

and state business climate, and (5) economic development assistance. For a more detailed analysis of any subject covered in Part I, the reader is advised to study Part II of this report.

ECONOMIC GROWTH IN KANSAS

Before discussing the survey and the results provided by Goodland firms, it is necessary to review several economic growth trends for Kansas. These data will provide a background for consideration when the survey results are discussed, and will provide trends and explanations that will give a view of the total state and of Sherman county, along with the counties of the other nine communities that were part of the overall state study of retention and expansion. It is important to remember that the data collected for this project must be observed within the context of the state as a whole.

Employment Growth

Total employment decreased in Sherman County 17% from 1978 to 1986. This was the lowest growth rate in this time period among the ten counties that were included in the state report. Employment growth for Sherman County was much lower than both the percentage for Kansas and the growth experienced by the United States for the same time period. (see Table A).

TABLE A
TOTAL EMPLOYMENT - COUNTIES, KANSAS, AND U.S.
1978-1986 (In Thousands)

	1978	1980	1982	1984	1985	1986	% Change	
							1978-1986	1982-1986
Barton Co.	13.5	14.4	14.9	14.9	14.6	13.5	0%	-9%
Douglas Co.	26.6	28.2	27.5	28.0	29.2	30.4	14%	11%
Ellis Co.	10.9	11.5	11.8	12.5	12.1	11.6	6%	-2%
Finney Co.	9.4	9.9	12.6	13.6	14.3	14.2	51%	13%
Lyon Co.	14.4	14.6	14.4	14.7	14.8	14.4	0%	0%
McPherson Co.	10.5	10.8	10.7	11.2	11.1	11.1	6%	4%
Montgomery Co.	17.3	17.4	15.8	14.8	14.8	14.7	-15%	-7%
Reno Co.	27.0	27.1	24.9	25.3	25.9	25.4	-6%	2%
Saline Co.	22.2	23.1	21.8	22.6	22.2	22.5	1%	3%
Sherman Co.	4.2	4.0	3.9	3.7	3.7	3.5	-17%	-10%
Kansas	912.5	944.7	921.4	960.7	967.9	983.1	8%	7%
United States	86697	90408	89566	94496	97519	99610	15%	11%

Sources: Counties and Kansas - Kansas Department of Human Resources Research and Analysis Section; United States - Bureau of Labor Statistics, Industry Employment Data Section.

Establishment Growth

For Sherman County, establishment growth from 1978 to 1985 was 6%. This is lower than the rate for Kansas and for the United States, and is the lowest among the growth rates for the other nine counties. Sherman County had an establishment growth rate of 9% from 1982-1985. This was higher than one other comparison county: Barton County. (All figures are from the Kansas County Business Patterns and the United States County Business Patterns.)

Personal Income Growth

Personal income growth for Sherman county was 52% for the time period 1978 to 1984. This was lower than the Kansas growth rate of 75% and the United States rate of 71%. It was the lowest among the growth rates for the other nine counties of the communities selected for the state. (All figures are from the Bureau of Economic Analysis, Regional Economic Information

System, U.S. Bureau of Economic Analysis, and the National Income and Products Accounts of the U.S.)

Summary

Both employment growth and personal income growth in Sherman County are the lowest among the ten counties that were selected for the state report. These were also lower than the Kansas growth rates and United States rates. Establishment growth for Sherman County was the second lowest among the ten counties for 1982-1985 and lower than the Kansas growth rate and the United States rate. Policies are needed to reverse these trends for the future economic competitiveness of Goodland.

DESCRIPTION OF SURVEY POPULATION

In this section firms are described in terms of (1) their size, (2) industry, (3) annual sales, (4) type of establishment, (5) location of headquarters, and (6) markets for firms' products. It is crucial to understand the nature of the firms that make up the economic base in order to discuss business retention and expansion. For the total sample, companies represented the agriculture, mining, construction, manufacturing, transportation-communications, wholesale, finance, and services industries.

The survey focused on firms that were part of the economic base of Goodland. Companies that were entirely local in their offering of goods or services were not surveyed. Because of this, retail businesses and some service organizations were not included in this study.

Company Size and Industry

Companies in Goodland are small: 85% of the total number of surveyed firms have less than 20 employees. The small firm in Goodland is a great

potential source for growth in the community. Although the majority of industries have a large percentage of firms with less than 20 employees, the exception is construction: all of them have 20-49 employees. This indicates the importance of smaller firms to the economic base of Goodland (see Table B).

TABLE B
SURVEY COMPANIES BY NUMBER OF EMPLOYEES AND BY INDUSTRY

Industry	Number of Employees			Percent of Total Firms That Are In This Industry
	1-19	20-49	50 Or More	
Agriculture	100%	0%	0%	15%
Mining	100%	0%	0%	2%
Construction	0%	100%	0%	2%
Manufacturing	100%	0%	0%	13%
Transportation-Communications	67%	22%	11%	17%
Wholesale	92%	8%	0%	23%
Finance	75%	0%	25%	7%
Services	82%	9%	9%	21%
Percent of Total Firms That Are In This Size Category	85%	9%	6%	100%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Total Annual Sales

For the firms that gave their total annual sales, 84% stated that annual sales were under \$5 million dollars, and only 2% stated that annual sales were \$20 million dollars or more (see Table C). Industry specific data, however, revealed that 11% of all finance and service firms in this survey

had sales of \$20 million dollars or more. These data suggest that: (a) Goodland, on the whole, has small, low revenue companies, and (b) the importance of these two industries is underscored by the number of firms in the community and the large revenues they bring to Goodland.

TABLE C
TOTAL ANNUAL SALES

Annual Sales (000's)			
0 To 4,999 Dollars	5,000 To 9,999 Dollars	10,000 To 19,999 Dollars	20,000 Or More Dollars
84%	14%	0%	2%

n = 49

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Type of Establishment and Location of Headquarters

The majority of firms in Goodland are single establishment companies and are not part of a larger corporation. Of the total number of firms, 58% stated they were a single establishment company (see Table D). The majority of firms in Goodland also have their company headquarters in Kansas. As Table D shows, 85% of the total number of surveyed firms have headquarters in the state (58% are single establishments, 27% are part of a larger corporation). These data point out that with so many single establishment firms, the atmosphere for entrepreneurship in the community seems to be good. Another implication is that decisions concerning location and expansion will be made within the state, not by parent organizations outside of Kansas.

TABLE D
 PERCENT OF TOTAL FIRMS THAT ARE PART OF LARGER CORPORATION,
 AND LOCATION OF HEADQUARTERS

Single Company Firm	Part of a Larger Corporation			Total
	Kansas Headquarters	Non Kansas Headquarters	Unknown	
58%	27%	12%	3%	100%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Scope of Products Sold

The scope of product markets for Goodland firms is, in general, relatively limited to local and state markets. Firms sold a mean, or average, 54% of their goods or services in the local market, while they sold an average 2% in the international market (see Table E). However, firms in Goodland sold an approximate average 24% of their goods or services outside of the state. Firms surveyed in the other nine communities sold an approximate average 18% in markets outside of Kansas. Size and industry breakdowns revealed that firms with 20-49 employees and firms in the "other industries" category used markets outside of Kansas more than other size companies or other industry. The future competitiveness of Goodland firms will depend on how well they use many markets, particularly the international market. These data suggest that firms in Goodland should be encouraged to continue and to initiate trade in markets outside of Kansas. At the present time, there is a good foundation to increase export growth.

TABLE E
 MEAN PERCENTS OF PRODUCTS SOLD IN THE
 LOCAL, STATE, NATIONAL, AND INTERNATIONAL MARKETS

Mean Percent Sold In The Local Market	Mean Percent Sold In The State Market	Mean Percent Sold In The National Market	Mean Percent Sold In The International Market
54%	22%	22%	2%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Survey Description Summary

After examining the descriptions of Goodland firms, it is possible to make the following summary implications:

1. Small firms are a major source of economic growth in Goodland. A substantial majority of firms (85%) in Goodland have less than 20 employees.
2. The majority of firms (84%) in Goodland have total annual sales of less than \$5 million dollars.
3. Finance and services firms are a vital part of the economic base in this community. Eleven percent of these firms have total annual sales of \$20 million dollars or more.
4. For the most part, location and expansion decisions will be made within Goodland, and not through parent organizations in another city or state. The majority of firms (58%) are single establishments, and not part of a larger corporation.
5. Firms in Goodland are primarily selling in local and state markets. Companies sold a mean, or average, 54% of their products or services in the local market, 22% in the state market, 22% in the national market, and 2% in the international market. Future economic growth will depend on local firms successfully competing in national and international markets.

DESCRIPTION AND DETERMINANTS OF BUSINESS

LOCATION AND RETENTION

In this section, firms are described in terms of (1) their location, (2) reasons for location, (3) retention, (4) additional firms that would be of benefit, (5) retaining and maintaining management and professional personnel, and (6) perceived images of rural life and of Kansas.

Location

Attraction of firms from outside of the community. Goodland has been fairly successful in attracting new companies to the community: of the total number of surveyed firms, 10% have moved to Goodland from another city or state in the past five years. Nevertheless, although industrial recruitment should constitute one part of an economic development strategy for Goodland, the high percentage of single establishment firms (see Table C) and the low percentage of firms that have moved to the community suggest that the major focus should be on the establishment of new firms and the expansion of existing businesses.

Reasons for Location. Companies in Goodland are home grown and see their community as providing the location and markets they need. Of the total number of firms, 47% stated a reason for location was that Goodland provided good access for their firm's product market, 39% stated that Goodland was the owner's hometown, and 36% stated that Goodland provided a central location was a reason for location. (see Table F). These reasons emphasize the local orientation of surveyed firms in Goodland.

TABLE F
REASONS FOR LOCATION IN THE COMMUNITY*

Home- town	Strong Local Economy	Tax In- centives and-or Public financing	Suit- able Zoning	Afford- able Lease, Purchase Prices	Good Local Labor Pool	Ade- quate Space for Expan- sion	Good Access to Market	Good Access to Raw Mat- erials	Central Loc- ation	Good Trans- por- tation Facil- ities	Filled A Prod.- Service Need
39%	18%	2%	2%	12%	8%	19%	47%	5%	35%	10%	25%

n = 65

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Retention

Retention of firms in the community. Only a very small percentage of firms are planning to leave Goodland. Of the total number of surveyed firms, only 3% stated they were planning to leave the community in the next year (see Table G). This implies that retention programs should be continued but are most likely to be successful if highly focused on the small number of dissatisfied companies who are planning to relocate outside of Goodland.

TABLE G
PERCENT AND LOCATION OF WHERE FIRMS ARE PLANNING TO MOVE

	Moving Within The Community	Moving Within The State	Moving Out Of State	Total Percent Moving
Firms That Are Planning To Move From Their Present Location In The Next Year	0% Of Total Firms	1% Of Total Firms	2% Of Total Firms	3% Of Total Firms

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Additional Manufacturers or service providers that would be of benefit to existing companies. In the opinion of many firms, there are certain types of companies that are not presently in Goodland that could benefit the firms already established in the community. Of the total number of surveyed firms, 54% stated that there were additional manufacturers or service providers that would be of benefit to their company if they were located in Goodland. Comparison data revealed that 36% of the firms surveyed in the other nine communities believed their city needed additional companies. Of the respondents that stated what types of firms that would be of benefit, 56% said business services and 20% said raw materials suppliers. Such companies should be targets for industrial recruitment and for targeting support for new firms or expansions. New firms in Goodland will have the added benefit of strengthening existing companies and their ties to the community.

Retaining and attracting management and professional personnel and perceived images of rural life and of Kansas. The large majority of firms in Goodland (a) do not have trouble retaining and/or attracting managers or professionals; (b) do not have a negative image of rural life; and (c) do not have a negative image of Kansas (see Table H). For these firms, retention strategies that focus on the quality of the community or of the state will have little impact on retention decisions.

TABLE H
 PERCENT OF TOTAL FIRMS THAT HAVE TROUBLE ATTRACTING OR RETAINING
 PROFESSIONAL AND MANAGEMENT PERSONNEL, AND PERCENT OF TOTAL FIRMS THAT HAVE
 A NEGATIVE IMAGE OF RURAL LIFE AND OF KANSAS

Do you have trouble attracting and/or retaining professional and management level personnel?		Do you have a negative image of rural life?		Do you have a negative image of Kansas?	
NO	YES	NO	YES	NO	YES
88%	12%	89%	11%	100%	0%

n = 65 (for each question)

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

However, closer examination of the data revealed that firms with 50 or more employees (1) have more trouble attracting and retaining management and professional personnel, and (2) have a more negative image of rural life. Since the loss of a major employer would have a devastating detrimental impact on the community and on the service providers to the large firm, Goodland needs to address the needs of the large firm or risk the possibility that they may become dissatisfied and leave.

Location and Retention Summary

After examining the data on location and retention, it is possible to make the following summary implications:

1. Industrial recruitment has been a moderately successful strategy for Goodland. In the past five years, 10% of the total number of firms moved to Goodland from another city or state.
2. The majority of firms are located in the community because Goodland had good access to the firms' markets. When asked for reasons for location, 47% cited this.

3. Very few firms are planning to leave the community. Only 3% of the total number of firms stated they were planning to leave Goodland next year. Although Goodland should have a retention program, it should be targeted upon the small number of firms that are dissatisfied with the community.

4. Recruitment strategies should focus on manufacturers and service providers that would be of benefit to firms already established in Goodland. Of the total number of surveyed firms, 54% stated that an additional manufacturer or service provider would be of benefit to their respective company.

5. Eleven percent of Goodland firms stated they have a negative image of rural life and none stated they have a negative image of Kansas.

6. Firms with 50 or more employees, however, do have a slightly more negative view of rural life. Such firms should be targeted for particular attention in a retention program. The loss of a major employer would have a devastating detrimental impact on the community and the other firms that are suppliers to the major company. In addition, since these larger firms are part of a larger corporation, the Goodland Chamber of Commerce and the local government will need to be in contact with the parent organizations of these firms.

7. Large firms also have more of a problem with attracting and retaining management and professional personnel. Of the respondents of firms with 50 or more employees, 33% said they had trouble attracting and retaining management or professional personnel. The future growth of all firms in Goodland will necessitate more activities and incentives to attract and maintain these types of employees.

DESCRIPTION AND DETERMINANTS OF BUSINESS EXPANSION

In this section firms are described in terms of (1) expansion they have experienced in the past two years, (2) problems with expansion and factors that helped expansion, (3) planned expansion for the next year, (4) location of future expansions, (5) the perceived ability to expand into the international market, and (6) their sources for expansion financing. It is important to understand why firms do or do not expand, the barriers that may inhibit growth, and where companies go for financial assistance when

expansion decisions are made. A major finding is that firms in Goodland are optimistic about expansion opportunities, but barriers to expansion growth in the community remain.

Past Expansion

Employment and physical plant expansion. In the past two years, employment decreases have been more prevalent than employment increases for surveyed Goodland firms. Although the majority of firms have remained constant in employment, 18% of the total number of firms stated they increased employment over the past two years and 25% stated they decreased employment (see Table I). Thirty percent of these firms increased physical plant size the past two years. Maintaining and increasing these growth rates should be a high local priority.

TABLE I
PAST INCREASES IN EMPLOYMENT AND PHYSICAL PLANT SIZE

In the past two years, has your firm increased or decreased its employment and/or its physical plant size?

	Decreased	Remained Constant	Increased
Employment	25%	57%	18%
Physical Plant Size	9%	61%	30%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Problems with past expansion and factors that helped expansion. For the firms that gave problems with expansion, 39% stated that a static or declining market was a problem, 27% stated lack of affordable financing was a problem, and 18% stated transportation difficulties were a problem. Of the firms that had experienced an expansion, 52% stated that an expanding market

was a factor that helped expansion and 38% stated the desire to expand the market was also a factor.

As can be seen, the market for products was the number one reason for problems with expansion and with factors that helped expansion. This emphasizes the importance of increasing the scope of products to more than local and state markets. Affordable financing was a particular problem with past expansion, indicating a need for local officials to supply more information to firms about alternative means of financing. Transportation difficulties were also noted as a factor that hindered expansion. This suggests that some expansion may be delayed or postponed because of problems with transportation. These concerns need to be addressed by city officials so the community's image will become one that is conducive to economic growth.

Plans for Expansion

Employment and physical plant size expansion. There is optimism in Goodland concerning future employment growth and future plant size. Although the majority of firms will remain constant in both employment and plant size next year, 33% of the total number of surveyed firms said they will increase employment in the next year and 19% stated they will experience a plant size expansion in the next year (see Table J). Closer examination revealed that firms with 20 to 49 employees will increase employment the most. Firms with more than fifty employees will experience contractions in physical plant size more than other sized firms. Nevertheless, with these perceived employment and physical plant size opportunities perceived by Goodland firms, growth in the community can be significant and sustained.

TABLE J
 PERCENT OF TOTAL FIRMS THAT ARE PLANNING
 AN EXPANSION IN THE NEXT YEAR

In the next year, is your firm planning to increase
 or decrease your employment? Are you planning an
 expansion or contraction in the physical size of your plant?

	Decrease or Contraction	Remain Constant	Increase or Expansion
Employment	4%	63%	33%
Physical Plant Size	2%	79%	19%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Location of Expansion. Where firms are planning an expansion may indicate problems for Goodland. Of the number of firms that stated they were planning an expansion, 39% said they would expand within the city limits, 57% said within the same county, 4% said within the state, and none were expanding out of state. Although 39% of the firms are expanding within the city, 65% of the firms in the other nine communities said they would expand in their respective city. This implies that local officials need to discover why firms are expanding out of Goodland, and design ways to make in-city expansion more attractive to firms. Problems with expansion, such as lack of financing or a static market, should be addressed to the extent possible.

Expanding into the international market. There are firms in Goodland that have the potential and the desire to expand into the international market. Although the large majority of firms do not believe they can expand, 13% of the firms that answered these questions stated they had the potential to expand, and 15% stated they had the desire to expand into the international

market (see Table K). Size breakdowns revealed that there are small firms that believe they have the potential and the desire to expand internationally, so to concentrate expansion efforts solely on the large firm would be a mistake. If the potential for exports is not realized, and the desire to export not encouraged, the scope of products for many companies will remain narrow and locally orientated.

TABLE K
 PERCENT OF TOTAL FIRMS THAT BELIEVE THEY HAVE THE
 POTENTIAL OR THE DESIRE TO EXPAND INTERNATIONALLY

Do you feel your business has the potential to expand into the international market? Does your firm have the desire to expand into the international market?		
	NO	YES
Potential to Expand	87%	13%
Desire to Expand	85%	15%

n = 58

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Financing for Expansion

Financing Sources. Financing sources for expansion for Goodland firms come from traditional sources. Of the firms that gave a financing source, 51% said a bank was a source and 47% said internal financing was a source (see Table L). The major implication here is that firms in Goodland may not have the access to, or the knowledge of, alternative sources for financing. Expansion could depend on how these firms can find alternative sources for financing, and how community officials can disseminate information about how to use other types of assistance. A first step in helping firms with expansion would be to make sure that companies know there are other forms of

financing for expansion besides traditional ones, and where they might be able to access these sources. Continued dependence on standard sources for financing could impede expansion growth.

TABLE L
FINANCING SOURCES FOR EXPANSION*

Bank	Savings and Loan	Internal Financing	Private Sources	Small Bus. Admin.	Industrial Revenue CDC+	Bonds
52%	3%	48%	14%	1%	2%	4%

n = 65

*Since firms could give more than one source, total percentages may not add to 100%.

+Certified Development Company

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Expansion Summary

After examining the data regarding expansion, it is possible to make the following summary implications:

1. Some expansion growth has occurred in Goodland the past two years and there is optimism about expansion capabilities for the future. Of the total number of firms, 18% stated they had increased employment in the past two years and 30% stated they had increased physical plant size. In the coming year, 33% stated they will increase employment and 19% said they will increase physical plant size. Now is an opportune time to encourage and foster expansion in the community.
2. An expanding market was the greatest factor associated with past expansion, and a declining or static market was the greatest reason associated with past contractions. This emphasizes the importance of participating in markets outside of Goodland and outside of Kansas.
3. Although the number of firms are small in number, 39% of these companies are planning an expansion will expand inside the city limits, as compared to 65% for the other nine communities surveyed. Reasons for expansion outside of Goodland must be examined before trends develop that could lead to further losses of expansion.

4. There are firms in Goodland with the potential and the desire to expand internationally. Of the firms that responded, 13 said they had the potential to expand and 15 said they had the desire to expand. This includes small as well as medium-sized firms. There is an unrealized opportunity to increase exports from Goodland.

5. Financing sources for expansion are traditional in nature (banks and internal funds). Of the total number of firms, 52% stated that a bank was a source for financing and 48% stated that internal funds were a source. Alternative forms of financing must be made known to these firms to increase the opportunities and chances for expansion. Continued dependence on standard sources for financing could impede expansion growth.

BUSINESS CLIMATE

This section describes firms' perceptions of (1) the local quality of life, (2) the attitude of the local government, (3) local services, (4) how to improve the quality of life, (5) how to improve the local business climate, and (6) how to improve the state business climate. For firms contemplating staying or expanding in Goodland, the business climate plays an important part in the decision process.

Local Business Climate

Quality of life. The majority of surveyed firms in Goodland believe that the quality of life they experience is good. Of the total number of firms, 82% said the local quality of life was good, 14% said the local quality of life was adequate, and 2% said the local quality of life was poor. Size breakdowns alike indicated that one-third of the respondents from firms with 50 or more employees feel the quality of life is only adequate. This is a positive sign for the community; clearly, the majority of business representatives are not unhappy with the quality of life they experience in Goodland.

Attitude of the local government. The majority of surveyed firms in Goodland believe the local government has a positive attitude towards businesses in the community. Of the total number of surveyed firms, 75% stated that they thought the attitude of the local government was positive to very positive (see Table M). In comparison, only 54% of the firms in the other nine communities believed their local government had a positive attitude. These data imply that now is an opportune time for the local government to get involved in economic development strategies that will help their firms and their community. The climate exists for mutual cooperation.

TABLE M
FIRMS' PERCEPTIONS OF THE
ATTITUDE OF THEIR LOCAL GOVERNMENT

Attitude of Local Government		
Positive To Very Positive	Neutral	Negative To Very Negative
75%	18%	7%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Perception of services. The majority of local services in Goodland were seen to be good or adequate (see Table N). High good ratings were given to the electric system (77%), fire protection (75%), the public school system (66%), and the quality of garbage collection (63%). High poor ratings were given to the cost of transportation (37%) and the quality of public transportation (27%). These relatively high percentages given for transportation need to be considered. As firms trade more in markets that are outside of Kansas, transportation will gain in significance. Companies

will need modes of transportation that will be able to move products on time to and from their destinations. If Goodland is to grow, transportation issues will become increasingly important.

TABLE N
GOODLAND FIRMS' PERCEPTIONS OF SERVICES

	No Opinion	Good	Adequate	Poor
Quality of Roads	4%	23%	50%	23%
Quality of Railroads	22%	12%	40%	26%
Cost of Transportation	5%	23%	35%	37%
Availability of Air Transportation	9%	49%	32%	10%
Quality of Public Transportation	30%	16%	27%	27%
Freight Delivery Time	10%	56%	27%	7%
Quality of Training	7%	55%	24%	14%
Fire Protection	8%	75%	17%	0%
Police Protection	4%	61%	23%	12%
Telephone System	2%	46%	27%	25%
Electric System	2%	77%	17%	4%
Public School System	7%	66%	22%	5%
Quality of Garbage Collection	14%	63%	19%	4%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Business Climate Improvements

Improving the local quality of life. Ways to improve the local quality of life centered upon economic development and general recreational activities. Of the respondents who suggested ways to improve the local quality of life, 72% suggested economic development, 20% suggested more entertainment and more activities for Goodland, and 13% suggested upgrading education activities as a way to improve the local quality of life (see Table O). Officials in Goodland must note the kinds of activities mentioned by their

businesses, and find ways to improve the local quality of life. The quality of life will be an important factor in a company's decision concerning location and expansion in the community.

TABLE O
WAYS TO IMPROVE THE LOCAL QUALITY OF LIFE*

Economic Develop- ment	More Enter- tainment	More Recre- ational Activities	Improve Public Morale	Upgrade Education
72%	20%	5%	2%	13%

n = 50

*Since firms could give more than one suggestion, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Improving the local business climate. Of the firms that gave suggestions for improving the local business climate, 60% suggested economic development, 35% suggested that the local government be more responsive, and 16% suggested increasing and improving the local image and using such measures as tax incentives and abatements. (see Table P). Economic development as a way to improve the local business climate did receive the greatest percentage of responses from Goodland firms. There is also a desire for the local government to be more responsive, and to improve the local image. These are areas where the local government can have an impact on the future of its businesses. As seen in Table M, Goodland firms believe that their local government has a positive attitude towards businesses in the community. The local government should build upon that impression and work with companies to improve the local business climate, and have a real influence on change.

TABLE P
SUGGESTIONS GIVEN FOR IMPROVING THE LOCAL BUSINESS CLIMATE*

Economic Development	Increase and Improve Local Image	Better Cooperation Between Govt's	Tax Incentives, Abate-ments	Local Govt. More Respon-sive	Help Entre-pre-neurs
60%	16%	2%	16%	35%	12%

n = 35

*Since firms could give more than one suggestion, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Improving the state business climate. Suggestions for improving the state business climate again centered on economic development. Of the firms that gave suggestions, 43% suggested economic development, 38% suggested changing or lowering taxes, and 26% suggested improving the highway system (see Table Q). Clearly, economic development is seen as a way to improve both the local and the state business climates, and better knowledge of existing state programs will be accepted as efforts to increase developmental assistance.

TABLE Q
SUGGESTIONS GIVEN FOR IMPROVING THE STATE BUSINESS CLIMATE*

Economic Development	More Cooperation Between State Local	In-crease and Improve State & State Image	Bet-ter Financing Opportunities	Fin-Tax Incentives	Bet-ter Com-muni-cation	Im-prove High-way System	Seek Div-ersi-fica-tion	Change Or Lower Taxes
43%	3%	10%	3%	16%	3%	26%	1%	38%

n = 47

*Since firms could give more than one suggestion, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Business Climate Summary

After examining the data regarding the local business climate, it is possible to make the following summary implications:

1. The large majority of firms (75%) believed the attitude of the local government towards businesses was positive to very positive, but a relatively high percentage of firms (35%) suggested that to improve the local business climate the local government should be more responsive to businesses in the community. Now is an excellent time for the local government to assist in retention and expansion strategies.

2. Local public services were seen mainly to be good or adequate. However, the cost of transportation and the quality of public transportation were seen by several to be poor. Transportation issues will grow in importance as firms enter larger product markets and become more competitive.

3. Suggestions for improving the local business climate included economic development, that the local government should be more responsive, and to increase and improve the image of Goodland. Goodland firms are looking for development assistance from their community officials.

4. Goodland firms expressed support for economic development. Of those firms that suggested ways to improve the local quality of life, the local business climate, and the state business climate, 72% mentioned economic development as a way to improve the local quality of life, 60% suggested economic development as a way to improve the local business climate and 43% suggested economic development as a way to improve the state business climate.

5. Companies appear to have little problem with the overall quality of life in Goodland. Of the total number of surveyed firms, 82% stated that the quality of life was good, 14% stated that the quality of life was adequate, and 2% stated that the quality of life was poor.

ECONOMIC DEVELOPMENT ASSISTANCE

In this section (1) economic development programs designed to assist businesses in the state; (2) firms that utilize special employment skills for their operations; and (3) employees sought from state universities, community colleges, or vocational schools will be examined.

Economic Development Programs

State economic development programs are not well-known to companies in Goodland. For the total number of surveyed firms, 94% had no knowledge of Centers of Excellence, 86% had no knowledge of Certified Development Programs, 67% had no knowledge of the Kansas Industrial Training Program, 38% had no knowledge of Community Development Block Grant Programs, and 32% had no knowledge of the Job Training Partnership Act (see Table R). Local officials need to assist the state in the distribution of knowledge about these programs, including who to contact, where contacts may be reached, and how these programs may help expansion efforts. Without such assistance, expansion and growth opportunities may continue to be unrealized.

TABLE R
KNOWLEDGE AND USE OF ECONOMIC DEVELOPMENT PROGRAMS

	No Knowledge	Knowledge, No Use	Used Program
Certified Development Companies	86%	14%	0%
Centers of Excellence	94%	6%	0%
Community Development Block Grant Programs	38%	60%	2%
Kansas Industrial Training Program	67%	28%	5%
Job Training Partnership Act	32%	54%	14%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Firms That Need a Specialized Skill

Companies in Goodland do not require a highly-skilled work force. Of the total number of surveyed firms, 97% stated they did not need a specialized

skill for employment in their company. What is important to note is that with the rapid changes in technology and technical advancement in business operations, skilled positions will become more common for all types of firms sizes and industries. To remain competitive, companies will have to adapt. This will mean that companies in Goodland will have to train a great deal of workers in the future, which will affect the resources available for expansion.

Using State Universities, Community Colleges, or Vocational Schools

The majority of surveyed firms in Goodland have not used the services of these institutions in the past two years. Fifty-six percent of the total number of firms said they have not used these educational institution's services in the past two years. Using these institutions is important to the community, as the services provided can greatly improve the skills of employees, the development of new products, and the implementation of new business operation processes. Local officials should determine if any major barriers exist between Goodland firms and these schools, and should encourage cooperation between education and business in the Goodland community.

Employees sought from state universities, community colleges, or vocational schools. Of the firms that stated they sought employees from these institutions, 28% said they sought business management personnel, 28% said they sought entry-level clerical workers, and 22% said they sought mechanics and/or machinists (see Table S). Besides management personnel, the variety of employees hired reflects the relatively low-skill nature of Goodland firms, with few percentages given for technicians, engineers, or

drafters. The future competitiveness of Goodland firms will depend upon the recruitment and use of these latter types of employees.

TABLE S
EMPLOYEES SOUGHT FROM STATE UNIVERSITIES, COMMUNITY COLLEGES, OR VOCATIONAL SCHOOLS*

Entry- Level Clerical	Mech- anics, Mach- inists	Data Proc- essors	Elec- tronics, Elec- trical Techs.	Draf- ters	Chem- ical Pro- cess, Lab Techs.	Engi- neers	Bus- iness Manage- ment Pers- onnel	Agri- cul- tural, Vet. Pers- onnel	Heavy Equip- ment Oper- ators	General Labor
28%	22%	16%	12%	6%	3%	3%	28%	15%	3%	10%

n = 42

*Since firms could give more than one type of employee sought, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Economic Development Assistance Summary

After examining the data regarding economic development assistance, it is possible to make the following summary implications:

1. State economic development programs are not well-known to firms in Goodland. The majority of firms have no knowledge of the programs and an even small number have actually used the programs. Local officials must work in cooperation with state agencies in supplying information and means of access to Goodland firms for better use of these programs. At the present time, economic development assistance has had an impact on only a marginal number of firms in the community.
2. The overwhelming majority of firms have requirements for general, nonspecialized skills. Of the total number of firms, 97% stated they did not need a specialized skill for employment in their respective company. This makes the ability to compete in the future heavily dependent on training and access to training.
3. The majority of firms do not use the services of a state university, community college, or vocational school, indicating possible difficulties for firms to find, make, and/or initiate contacts with these institutions.

SUMMARY

Firms in Goodland are basically small, low revenue companies that are pleased with their community and with their state. The majority of firms here have not moved to Goodland from another city or state in the past two years, and the majority of firms are not planning to leave the community. It would be in the best interests of the community if local officials foster this hometown atmosphere and encourage the development of new firms in the community. Sustained future growth will come from the expansion and growth of the firms presently in Goodland, not from firms recruited to relocate in the area.

It looks as if now is an opportune time to facilitate the expansion of firms in Goodland. There is optimism about expansion capabilities, and there has been some growth in employment and in physical plant size the past two years. A static or declining market and lack of affordable financing were problems associated with expansion; the implication here is to find ways that local officials can help their businesses in finding alternative forms of financing.

Now is also a good time for the local government to assist business in Goodland. The majority of companies believe the local government has a positive attitude towards their businesses, and firms feel that the local business climate can be improved with a more responsive local government. The climate exists for mutual cooperation between leaders of both entities, and Goodland city representatives can influence real change.

Although there are firms in Goodland that sell their goods or services in the national and international markets, the majority of firms are orientated to the state and local markets. For the future growth of firms here,

expanding into broader markets, particularly the international market, is a priority. This is strengthened by the survey results: the greatest reason associated with contractions was a static or declining market and the greatest factor helping expansion was an expanding market. There are firms in Goodland with both the potential and the desire to expand internationally, so the source for growth is there. Local officials must make sure companies have the information and the sources necessary for trade in markets outside of Kansas.

Firms in Goodland also do not have much knowledge about state economic development programs. The majority of firms have never heard of most programs, and actual use of assistance was very low. Information about these programs needs to reach these firms. At the present time, many firms may be missing expansion opportunities simply from not knowing who to contact, where to go for help, or what these programs can do for their respective company. Goodland officials should work with the state in disseminating this information, and should help companies find the type of assistance that will be beneficial.

PART II

BUSINESS RETENTION AND EXPANSION
IN GOODLAND
SURVEY RESULTS

PART II

BUSINESS RETENTION AND EXPANSION
IN GOODLAND

A Research Report
prepared for
The Kansas Department of Commerce

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BUSINESS RETENTION AND EXPANSION GOODLAND
SURVEY RESULTS

PART II

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BUSINESS RETENTION AND EXPANSION
IN GOODLAND

Introduction

A major component of state economic development is the retention and expansion of existing firms. Identification of problems that may cause a firm to relocate or forego expansion problems is critical to local economic efforts. Knowledge of factors favoring business expansion and retention also helps authorities at the local level capitalize on development opportunities.

At the request of the Kansas Department of Commerce, the Institute of Public Policy and Business Research analyzed business retention and expansion in representative Kansas communities of 10,000 to 100,000 persons, with the goal of identifying local and state issues that could influence this type of economic growth. In order to test the methodology of this study for communities with less than 10,000 residents, and to provide a broader representation of Western Kansas, Goodland was added to the sample. Data were collected through a survey questionnaire given by phone to a randomly selected sample of firms. Specifically, the purpose of the study is to identify factors that influence retention and expansion of existing industries in Kansas mid-size communities, to identify the potential of Kansas firms to expand within their existing communities, establish local efforts of retention/expansion, and distinguish state level issues that influence retention/expansion.

Throughout Part II of this report, survey findings from Goodland will be compared to the other nine communities included in the state report

(Coffeyville, Emporia, Garden City, Great Bend, Hays, Hutchinson, Lawrence, McPherson, and Salina).

It is hoped that this project will be used to open communications between the business sector and local economic development specialists concerning business retention and expansion. By discussing the findings and suggestions issued in this report, Goodland can take the first step needed towards keeping and encouraging economic growth from their existing firms.

ECONOMIC GROWTH IN KANSAS

Before discussing the survey and the results provided by the surveyed firms in Goodland, it is necessary to review several economic growth trends for Kansas. These trends and explanations will give a view of the total state, for Sherman County, for the counties of the comparison communities also surveyed, and a background for consideration when the survey results are discussed. It is important to remember that the data collected for this project must be observed within the context of the state as a whole.

Employment Growth

Total employment in Sherman County has decreased 17% from 1978 to 1986. This percentage is much lower than the state percentage for the same time period and the percentage for the United States. This negative growth rate for Sherman County is the lowest of the ten counties in which the state business retention and expansion study's communities are located (see Table 1). The growth rate in employment for Sherman County from 1982 to 1986 was also much lower than the state's growth rate and the U.S. growth rate for this same time period.

TABLE 1
TOTAL EMPLOYMENT - COUNTIES, KANSAS, AND U.S.
1978-1986 (in Thousands)

	1978	1980	1982	1984	1985	1986	% Change	
							1978-1986	1982-1986
Barton Co.	13.5	14.4	14.9	14.9	14.6	13.5	0%	-9%
Douglas Co.	26.6	28.2	27.5	28.0	29.2	30.4	14%	11%
Ellis Co.	10.9	11.5	11.8	12.5	12.1	11.6	6%	-2%
Finney Co.	9.4	9.9	12.6	13.6	14.3	14.2	51%	13%
Lyon Co.	14.4	14.6	14.4	14.7	14.8	14.4	0%	0%
McPherson Co.	10.5	10.8	10.7	11.2	11.1	11.1	6%	4%
Montgomery Co.	17.3	17.4	15.8	14.8	14.6	14.7	-15%	-7%
Reno Co.	27.0	27.1	24.9	25.3	25.9	25.4	-6%	2%
Saline Co.	22.2	23.1	21.8	22.6	22.2	22.5	1%	3%
Sherman Co.	4.2	4.0	3.9	3.7	3.7	3.5	-17%	-10%
Kansas	912.5	944.7	921.4	960.7	967.9	983.1	8%	7%
United States	86697	90406	89566	94496	97519	99610	15%	11%

Sources: Counties and Kansas - Kansas Department of Human Resources Research and Analysis Section; United States - Bureau of Labor Statistics, Industry Employment Data Section.

Employment decreases in Sherman County have been lower than that for Kansas and the U.S. average from the period or 1978 to 1986. Without the initiation of efforts to bring positive employment growth levels to the county, out-migration and population losses due to employment will become more of a problem. From 1982 to 1986, employment has decreased 10% for Sherman County. When these county figures are examined, and when comparisons are made between Sherman County, Kansas, and the U.S., it is apparent that economic development strategies are needed in Goodland to increase employment in the county.

Establishment Growth

The total number of establishments has shown a positive growth of 6% for Sherman County from 1978 to 1985. This figure is lower than the rate for the state during the same period and lower than the U.S. rate. For this

1978-1986 time period, no comparison county had a lower percentage of growth. However, from 1982 to 1985, growth in number of establishments for the county is increased somewhat to 9%. For the 1982-1985 time period, establishment growth for Sherman County is higher than one other comparison county: Barton County (see Table 2).

TABLE 2
TOTAL NUMBER OF ESTABLISHMENTS: COUNTIES, KANSAS, U.S.
1978-1985

	1978	1980	1982	1984	1985	% Change	
						1978-1985	1982-1985
Barton Co.	1042	1079	1117	1248	1189	14%	6%
Douglas Co.	1205	1246	1283	1574	1635	36%	27%
Ellis Co.	810	771	822	970	986	22%	20%
Finney Co.	728	744	751	900	953	31%	27%
Lyon Co.	724	725	731	901	881	22%	21%
McPherson Co.	754	731	716	825	832	10%	16%
Montgomery Co.	969	977	953	1069	1053	9%	10%
Reno Co.	1524	1489	1482	1736	1740	14%	17%
Saline Co.	1431	1458	1399	1618	1596	11%	14%
Sherman Co.	246	255	240	269	261	6%	9%
Kansas	54299	55021	55476	65015	65510	21%	18%
United States	4409223		5246737		5902453	34%	12%
		4543167		5517715			

Sources: Kansas County Business Patterns, United States County Business Patterns.

A combination of the negative growth in employment and increases in number of establishments indicates that Goodland's industrial climate has turned increasingly toward development of the smaller business rather than relying on big companies to strengthen the economy. This also points to the need Goodland has to establish growth in their small developing companies.

To further illustrate this point, between 1980 and 1985 in Kansas, establishments with less than 50 employees increased their number of employees by 6%, while establishments with over 50 employees decreased their

employment by 1%. A total of 21,486 net new jobs were created in Kansas in companies with less than 50 employees between 1980 and 1985, not including proprietors themselves. Small businesses are also a more important factor in the Kansas economy than in the national economy: as of 1985, firms in Kansas with less than 50 employees made up a higher percentage of companies, jobs, and payroll than they did for the nation as a whole (all figures are from the U.S. Bureau of the Census).

Personal Income Growth

Increases in personal income have been rapid in Sherman County, and these changes have occurred in the other nine counties as well as the state. From 1978 to 1984, personal income has increased 52%, which is much lower than the Kansas and United States changes, as well as being the lowest among the ten comparison counties (see Table 3). All ten counties have increased at least 52% in personal income between 1978 and 1984.

TABLE 3
PERSONAL INCOME: COUNTIES, KANSAS, U.S.
1978-1984 (Millions of Dollars)

	1978	1980	1982	1984	% Change 1978- 1984
Barton Co.	.252	.328	.435	.483	92%
Douglas Co.	.420	.521	.604	.708	69%
Ellis Co.	.175	.224	.288	.338	93%
Finney Co.	.177	.219	.349	.383	116%
Lyon Co.	.242	.306	.374	.415	71%
McPherson Co.	.203	.255	.310	.352	73%
Montgomery Co.	.297	.384	.442	.466	57%
Reno Co.	.488	.599	.705	.804	65%
Saline Co.	.377	.482	.556	.647	72%
Sherman Co.	.063	.070	.083	.096	52%
Kansas	18.529	23.198	28.247	32.454	75%
United States	1812.4	2258.5	2670.8	3110.2	71%

Sources: Bureau of Economic Analysis, Regional Economic Information System, U.S. Bureau of Economic Analysis, The National Income and Product Accounts of the U.S.

The growth of personal income is a positive sign for Goodland. However, increases in Sherman County were the lowest among the ten comparison counties. It will be important to maintain and increase these income levels, placing an emphasis on keeping and creating jobs that have provided such growth.

Summary

Employment growth in Sherman County has been much lower than employment growth in Kansas and the United States. This suggests weaknesses in the Goodland economy and the importance of designing and implementing appropriate economic development strategies that will maintain growth. Goodland is particularly important since it serves as a regional center for its part of the state. In recent years the economy of Sherman County has been under-performing the Kansas economy.

II.

SURVEY METHODOLOGY FOR BUSINESS RETENTION AND EXPANSION

The primary data used in this research were collected by a telephone survey of businesses in Goodland. The questionnaire was collaboratively developed by the Institute for Public Policy and Business Research and the Department of Commerce.

Sample

The findings for Goodland and the comparison communities are based on a disproportionate stratified probability sample of businesses in Goodland and other small to mid-size Kansas communities. Except for Goodland, these communities were restricted to those with populations between 10,000 and 100,000 individuals. In addition, towns such as Overland Park or Prairie Village were excluded as part of the greater Kansas City metropolitan area.

To assure coverage of the entire state, these communities were then divided into six geographical regions corresponding to the Department of Commerce districts. Besides Goodland, nine communities were randomly selected from these six regions. They were: Emporia, Garden City, Great Bend, Coffeyville, Hays, Hutchinson, Lawrence, McPherson, and Salina.

In addition, Goodland was added to the sample. Kansas has a number of towns with less than 10,000 residents. Although small towns have few businesses, they may have unique problems creating and retaining businesses. Goodland was included in this study to test the research methodology in a small community. Goodland was also added to increase the representation of western Kansas. When community comparisons are made in Part II of this

report, it must be remembered that Goodland firms are being compared to firms that are located in larger cities.

Once Goodland was selected, individual businesses were sampled in the community. This research examines only businesses that buy or sell in a region larger than the specific community. All retail businesses are excluded unless the business is a regional headquarters, distribution center, or manufacturer. For example, a local shoe store would not be included, but a distributor for a line of shoes would be. These determinations were based on the examination of the Standard Industrial Codes (SIC) for all businesses in the community.

Manufacturing firms were over sampled. They are a primary focus of state economic policy and therefore warrant special attention. For example, 13 percent of the businesses in Goodland are manufacturers. This over sampling allows greater accuracy in the analysis of manufacturing firms. Any biasing effect is eliminated from the overall findings through the use of weight factors.

Once selected for the sample, letters were sent to the highest administrative official at the local firm. These were followed by a telephone call to initiate the interview. Of those contacted, 92 percent agreed to participate in the study. This is a very high response rate.

Confidence Interval

The findings are based on 65 completed interviews. (The number of responses may vary with each question.) This large sample provides a solid basis for generalizing to all non-retail businesses in Goodland. At the 95 percent level of confidence, the sampling error in Goodland is plus or

minus 10 percent. As in all sample surveys, other sources of error may affect the results.

The data were collected by trained and closely supervised interviewers thus reducing measurement error to a minimum. Interviews were conducted between mid-August and mid-October 1987.

III.

DESCRIPTION OF SURVEY POPULATION

In this section firms are described in terms of their size, industry, annual sales, type of establishment, and location of headquarters. It is crucial to understand the nature of the firms that make up the economic base in order to discuss business retention and expansion. The major findings are (1) the majority of surveyed firms have fewer than 20 employees and have relatively low total annual sales; (2) most firms are single establishments and are not part of a larger corporation; (3) of those firms that are part of a larger corporation, the majority are not a headquarters or a distributorship; and (4) the scope of products sold is oriented mainly towards local and state markets, however, firms do sell a relatively high average percentage of products in markets outside of Kansas.

Firm Size and Industry

Table 4 shows that the survey sample of Goodland consisted largely of companies in the wholesale trade, services and transportation industries. There was also a fairly large representation of agriculture and manufacturing industry firms. Eighty-five percent of these firms are small, with under 20 employees. This reveals that Goodland is dependent upon a great variety of industries and firms of all sizes.

TABLE 4
SURVEY COMPANIES BY NUMBER OF EMPLOYEES AND INDUSTRY

Industry	Number of Employees			Percent of Total Firms That are In This Industry
	1-19	20-49	50 Or More	
Agriculture	100%	0%	0%	15%
Mining	100%	0%	0%	2%
Construction	0%	100%	0%	2%
Manufacturing	100%	0%	0%	13%
Transportation- Communication	67%	22%	11%	17%
Wholesale	92%	8%	0%	23%
Finance	75%	0%	25%	7%
Services	82%	9%	9%	21%
Percent of Total Firms That are in This Size Category	85%	9%	6%	100%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Annual Sales

Firms in Goodland are small, low revenue companies, with eighty-four percent having annual sales of less than \$5 million. Only 3% of the smaller firms and no medium or large firms have sales of \$20 million or more. The finance industry brings in the greatest amount of revenue; 11% had sales of \$20 million or more.

TABLE 5
TOTAL ANNUAL SALES
BY SIZE OF FIRM

Number of Employees	Annual Sales (X 1,000)			
	0 To 4,999 Dollars	5,000 To 9,999 Dollars	10,000 To 19,999 Dollars	20,000 Or More Dollars
1-19	87%	10%	0%	3%
20-49	67%	33%	0%	0%
50+	67%	33%	0%	0%
TOTAL PERCENT	84%	14%	0%	2%

n = 49

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 6
TOTAL ANNUAL SALES
BY INDUSTRY

Industry	Annual Sales (X 1,000)			
	0 To 4,999 Dollars	5,000 To 9,999 Dollars	10,000 To 19,999 Dollars	20,000 Or More Dollars
Manufacturing	91%	9%	0%	0%
Finance/Services	89%	0%	0%	11%
Other Industries	80%	20%	0%	0%
TOTAL PERCENT	84%	14%	0%	2%

n = 49

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 7
TOTAL ANNUAL SALES
BY COMMUNITY COMPARISON

Community	Annual Sales (X 1,000)			
	0 To 4,999 Dollars	5,000 To 9,999 Dollars	10,000 To 19,999 Dollars	20,000 Or More Dollars
Goodland	84%	14%	0%	2%
Other 9 Communities	85%	5%	5%	5%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

In comparison with the other nine communities surveyed, only 2% of firms in Goodland have annual sales of \$20 million or more, compared to 5% for the other communities. However, annual sales between \$5 million and \$10 million are much higher for Goodland firms. This emphasizes the prevalent type of firm in the community: small, low revenue companies.

Type of Establishment

The majority of Goodland firms (58%) are single establishment companies. However, 80% of medium sized firms are part of a larger corporation. Within industries, the manufacturing industry has the greatest majority of firms that are single companies and the finance industry has more companies that are part of a larger corporation. In comparison, the percentage of firms surveyed in Goodland that are part of a larger corporation is higher than the percentage for firms surveyed in the other nine communities.

TABLE 8
 PERCENT OF TOTAL FIRMS THAT ARE A SINGLE COMPANY OR PART
 OF A LARGER CORPORATION, BY SIZE OF FIRM

Number of Employees	Single Company	Part of a Larger Corpor- ation
1-19	60%	40%
20-49	20%	80%
50+	100%	0%
TOTAL PERCENT	58%	42%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 9
 PERCENT OF TOTAL FIRMS THAT ARE A SINGLE COMPANY OR PART
 OF A LARGER CORPORATION, BY INDUSTRY

Industry	Single Company	Part of a Larger Corpor- ation
Manufacturing	79%	21%
Finance/Services	47%	53%
Other Industries	58%	42%
TOTAL PERCENT	58%	42%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 10
 PERCENT OF TOTAL FIRMS THAT ARE A SINGLE COMPANY OR PART
 OF A LARGER CORPORATION
 BY COMMUNITY COMPARISON

Community	Single Company	Part of a Larger Corpor- ation
Goodland	58%	42%
Other 9 Communities	65%	35%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Most decisions concerning business retention and expansion will be made within Goodland. However, city officials must note that 42% of these firms are part of a larger corporation. This implies that a parent organization of many of these companies will be involved in planning and directing a large part of the local business community. Communication and information networks to these parent companies will be important to initiate and maintain.

Location of Headquarters

The majority of firms that are not single companies have their headquarters in Kansas. Of the entire survey sample, 85% have headquarters in the state (See Table 11). This is a positive sign for the community, as most contacts with parent companies will be made within Kansas. As mentioned above, communication networks must be maintained with these companies to discover problems that could lead to relocation.

TABLE 11
 LOCATION OF FIRM HEADQUARTERS BY
 KANSAS/NON KANSAS LOCATION

Kansas Headquarters	Non Kansas Headquarters	Unknown Headquarters	Single Company Firm	Total
27%	12%	3%	58%	100%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Regional/Corporate Headquarters

Of the firms that stated they were part of a larger corporation, 58% said they were a corporate/regional headquarters or a distributorship (see Tables 12-14). An important note is that 54% of the firms with fewer than twenty employees are a corporate/regional headquarters or a distributor, but those with fifty or more employees are not. Also, more manufacturing firms compared to finance firms are a headquarters. This indicates that the small firm, as well as the large firm, is of importance to the community.

TABLE 12
 PERCENT OF TOTAL FIRMS THAT ARE CORPORATE/REGIONAL
 HEADQUARTERS OR A DISTRIBUTOR, BY SIZE OF FIRM

Is your local operation a corporate headquarters
 regional headquarters, or a distributorship?

Number of Employees	NO	YES
1-19	46%	54%
20-49	25%	75%
50+	0%	0%
TOTAL PERCENT	42%	58%

n = 27

Source: Business Retention and Expansion Survey for Kansas Mid-Size
 Communities with Populations of 10,000 to 100,000, Institute for Public
 Policy and Business Research, The University of Kansas, 1987.

TABLE 13
 PERCENT OF TOTAL FIRMS THAT ARE CORPORATE/REGIONAL
 HEADQUARTERS OR A DISTRIBUTOR, BY INDUSTRY

Is your local operation a corporate headquarters
 regional headquarters, or a distributorship?

Industry	NO	YES
Manufacturing	33%	67%
Finance/Services	63%	37%
Other Industries	31%	69%
TOTAL PERCENT	42%	58%

n = 27

Source: Business Retention and Expansion Survey for Kansas Mid-Size
 Communities with Populations of 10,000 to 100,000, Institute for Public
 Policy and Business Research, The University of Kansas, 1987.

TABLE 14
 PERCENT OF TOTAL FIRMS THAT ARE CORPORATE/REGIONAL
 HEADQUARTERS OR A DISTRIBUTOR
 BY COMMUNITY COMPARISON

Is your local operation a corporate headquarters regional headquarters, or a distributorship?		
Community	NO	YES
Goodland	42%	58%
Other 9 Communities	35%	65%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

As Table 14 shows, 65% of the other firms in the nine communities surveyed, and only 58% of Goodland firms, stated they were a headquarters or a distributorship. This implies that Goodland is more dependent upon decisions from outside of the area concerning these firms. This may also be a partial explanation of why a large percentage of firms that are part of a larger corporation are small in employee size.

Scope of Products Sold

Most of the Goodland firms, especially larger firms, sell products in the local market. Overall, surveyed Goodland firms sell a mean, or average, of 54% of their goods or services in the local market, an average 22% in both the state and national markets, and an average 2% in the international market (see Tables 15-17). Firms with 20-49 employees and firms in the "other industries" category, in particular, sold a relatively high average percentage of products outside of Kansas. In comparison to firms surveyed in the other nine communities, Goodland firms sold a notably higher

approximate average of products outside of Kansas (24% for Goodland versus 18% for the other nine communities). (See Table 17.)

TABLE 15
MEAN PERCENTS OF PRODUCTS SOLD IN THE
LOCAL, STATE, NATIONAL, AND INTERNATIONAL MARKETS
BY SIZE OF FIRM

Number of Employees	Mean Percent Sold In The Local Market	Mean Percent Sold In The State Market	Mean Percent Sold In The National Market	Mean Percent Sold In The International Market
1-19	57%	20%	21%	2%
20-49	21%	51%	28%	0%
50+	70%	13%	17%	0%
GRAND MEANS	54%	22%	22%	2%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 16
MEAN PERCENTS OF PRODUCTS SOLD IN THE
LOCAL, STATE, NATIONAL, AND INTERNATIONAL MARKETS
BY INDUSTRY

Industry	Mean Percent Sold In The Local Market	Mean Percent Sold In The State Market	Mean Percent Sold In The National Market	Mean Percent Sold In The International Market
Manufacturing	63%	27%	10%	0%
Finance/Services	62%	20%	17%	1%
Other Industries	48%	22%	27%	3%
GRAND MEANS	54%	22%	22%	2%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 17
 MEAN PERCENTS OF PRODUCTS SOLD IN THE
 LOCAL, STATE, NATIONAL, AND INTERNATIONAL MARKETS
 BY COMMUNITY COMPARISON

Community	Mean Percent Sold In The Local Market	Mean Percent Sold In The State Market	Mean Percent Sold In The National Market	Mean Percent Sold In The International Market
Goodland	54%	22%	22%	2%
Other 9 Communities	55%	27%	17%	1%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Although the orientation of where goods and services are sold would have to be considered mainly local, surveyed Goodland firms are accessing markets outside of Kansas. This is a positive sign for the community, since exports are key to business expansion. More firms will need to expand their markets, especially the national and international markets, in order to increase economic growth. At this time, it appears that Goodland has a good foundation to build upon for this increased growth.

Developing additional products

Many Goodland firms believe they can offer additional products which could be a way to further widen their product markets. Thirty-three percent of the total number of firms stated that they could offer additional products or services that they are not now offering (See Tables 18,19 and 20). This includes 35% of the smaller firms and 57% of the firms in the manufacturing industry. Medium size companies and those in the finance and

services fields were more apt to state that they could provide no new offerings.

TABLE 18
 PERCENT OF TOTAL FIRMS THAT CAN OFFER
 ADDITIONAL PRODUCTS OR SERVICES
 BY SIZE OF FIRM

Are there any additional products or services that you feel your company could offer that it is not now offering?

Number of Employees	NO	YES
1-19	65%	35%
20-49	80%	20%
50+	67%	33%
TOTAL PERCENT	67%	33%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 19
 PERCENT OF TOTAL FIRMS THAT CAN OFFER
 ADDITIONAL PRODUCTS OR SERVICES
 BY INDUSTRY

Are there any additional products or services that you feel your company could offer that it is not now offering?

Industry	NO	YES
Manufacturing	43%	57%
Finance/Services	73%	27%
Other Industries	71%	29%
TOTAL PERCENT	67%	33%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 20
 PERCENT OF TOTAL FIRMS THAT CAN OFFER
 ADDITIONAL PRODUCTS OR SERVICES
 BY COMMUNITY COMPARISON

Are there any additional products or services that
 you feel your company could offer that it is not
 now offering?

Community	NO	YES
Goodland	67%	33%
Other 9 Communities	66%	34%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

The percentages for the other 9 communities surveyed are similar to Goodland. In general, Goodland firms are optimistic about growth potential. Community officials need to make sure that firms who need help in finding ways to offer new products are given assistance.

Survey Description Summary

After examining the descriptions of Goodland firms, it is possible to make the following summary implications:

1. The majority of surveyed firms in Goodland are small. Of the total number of firms, 85% have fewer than twenty employees.
2. Total annual sales of surveyed firms are also not large. Of those firms that released information, 84% have total annual sales that are less than \$5 million.
3. Although not a majority amount, many surveyed Goodland firms are not a single establishment. Of all firms, 42% stated they were part of a larger corporation. In comparison, 35% of those firms surveyed in the other nine communities were part of a larger company.

4. The scope of where products are sold is mainly oriented to local and state markets. The total number of firms sold an approximate average 76% of their goods or services in the local or state markets. However, firms sold an approximate average 24% in markets outside of Kansas. There is a basis for increased growth through exports in the community.

IV.

DESCRIPTION AND DETERMINANTS OF BUSINESS

LOCATION AND RETENTION

In this section we describe the attraction of firms from outside of the community, the reasons for location, the retention of firms in the community, the advantages of the community, reasons for relocation, additional manufacturers or service providers that may help existing firms, retaining or attracting management and professional personnel, and the perceived images of rural life and Kansas in general. Of particular importance are factors that influence the decision to locate in the community.

The major findings include (1) the majority of firms have not moved to Goodland from another city or state in the past five years; (2) most firms are located in Goodland because of the product markets the community provides and because the community is the owner's hometown; (3) very few firms are planning to leave Goodland in the next year; (4) the majority of respondents feel there are additional manufacturers or service providers not presently in the community that would be of benefit if they were located in Goodland; and (5) the majority of firms do not have trouble attracting or maintaining managers and/or professionals, and the majority of firms do not have a negative image of rural life or of Kansas.

Location

Attraction of firms from outside the community. The great majority of Goodland firms have not moved to the community from another city or state in the past five years. Of the total number of firms, 10% have relocated to Goodland in the past five years (see Tables 21-23). Very large firms and

firms in the "other industries" category had the highest within size, and within industry category percentages of those firms that have moved to the community. Important to note are the figures in Table 23: 10% of Goodland firms have moved to the community in the past five years while 6% of the firms in the other nine communities have relocated to their particular city.

TABLE 21
PERCENT OF TOTAL FIRMS THAT HAVE MOVED FROM ANOTHER
CITY OR STATE TO THEIR PRESENT LOCATION
BY SIZE OF FIRM

Has your firm moved to its present location from another city or state in the last five years?		
Number of Employees	NO	YES
1-19	90%	10%
20-49	100%	0%
50+	67%	33%
TOTAL PERCENT	90%	10%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 22
PERCENT OF TOTAL FIRMS THAT HAVE MOVED FROM ANOTHER
CITY OR STATE TO THEIR PRESENT LOCATION
BY INDUSTRY

Has your firm moved to its present location from another city or state in the last five years?		
Industry	NO	YES
Manufacturing	93%	7%
Finance/Services	93%	7%
Other Industries	87%	13%
TOTAL PERCENT	90%	10%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 23
 PERCENT OF TOTAL FIRMS THAT HAVE MOVED FROM ANOTHER
 CITY OR STATE TO THEIR PRESENT LOCATION
 BY COMMUNITY COMPARISON

Has your firm moved to its present location from
 another city or state in the last five years?

Community	NO	YES
Goodland	90%	10%
Other 9 Communities	94%	6%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

The data from these tables have many implications for Goodland. Industrial recruitment has been slightly more successful for Goodland than for the other nine communities. This is particularly important when considering the percentage of firms with fifty or more employees that have located in the community. However, 90% of all surveyed firms have not moved to the community in the past five years. This implies that although recruiting firms from outside of the community should be a major strategy for Goodland, the majority of growth will come from the expansion of existing companies. To rely solely on recruitment will be to ignore a major source of future growth.

Reasons for location. There are many reasons why firms locate in Goodland. The main reasons are a good access to market, hometown, central location, and filling a product/service need (see Tables 24,25, and 26). Only 2% each felt that tax incentives or public financing or suitable zoning were reasons for locating in Goodland, which indicates a possible area for improvement.

TABLE 24
REASONS FOR LOCATION IN THE COMMUNITY*
BY SIZE OF FIRM

Number of Employees	Home-town	Strong Local Economy	Tax Incentives and-or Public Financing	Suitable Zoning	Affordable Lease, Purchase Prices	Good Local Labor Pool	Adequate Space for Expansion	Good Access to Market	Good Access to Raw Materials	Central Location	Good Transportation Facilities	Transpor- tation	Filled Por- A- tation Prod.- Service Need
1-19	40%	17%	2%	2%	16%	4%	20%	48%	6%	32%	6%	27%	
20-49	20%	20%	0%	0%	0%	20%	0%	20%	0%	60%	40%	0%	
50+	67%	33%	0%	0%	0%	33%	33%	67%	0%	33%	33%	33%	
PERCENT OF TOTAL	39%	18%	2%	2%	12%	8%	19%	47%	5%	35%	10%	25%	

n = 65

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 25
REASONS FOR LOCATION IN THE COMMUNITY*
BY INDUSTRY

Industry	Home-town	Strong Local Economy	Tax Incentives and-or Public Financing	Suitable Zoning	Affordable Lease, Purchase Prices	Good Local Labor Pool	Adequate Space for Expansion	Good Access to Market	Good Access to Raw Materials	Central Location	Good Transportation Facilities	Transpor- tation	Filled Por- A- tation Prod.- Service Need
Manufacturing	50%	8%	0%	0%	17%	0%	17%	58%	8%	25%	8%	33%	
Finance/ Services	33%	20%	0%	7%	0%	20%	20%	33%	0%	47%	20%	33%	
Other Industries	39%	19%	3%	0%	16%	3%	19%	52%	7%	32%	7%	19%	
PERCENT OF TOTAL	39%	18%	2%	2%	12%	8%	19%	47%	5%	36%	11%	25%	

n = 65

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 26
REASONS FOR LOCATION IN THE COMMUNITY*
BY COMMUNITY COMPARISON

Community	Home-town	Strong Local Economy	More Receptive Local Govt.	Tax Incentives and-or Public Financing	Suitable Zoning	Affordable Lease, Purchase Prices	Good Local Labor Pool	Adequate Space for Expansion	Good Access to Market	Good Access to Raw Materials	Central Location	Good Transportation Facilities	Proximity To Educ.- Tech. Fac- ilities	Filled Por- A- tation Prod.- Service Need	Small Town, Rural Life
Goodland	39%	18%	0%	2%	2%	12%	8%	19%	47%	5%	36%	11%	0%	25%	0%
Other 9 Communities	54%	9%	2%	1%	1%	9%	7%	5%	26%	8%	44%	7%	3%	46%	1%

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Goodland is not as hometown oriented as the other 9 communities surveyed. They are more satisfied with the strong local economy, affordable lease, adequate space for expansion, and a good access to the market for their location. This shows a great potential for Goodland firms to expand within the community.

Retention

Retention of firms in the community. Of the firms planning on moving in the next year, 1% will be moving within the state and 2% out of state (see Table 27) . The majority of firms seem to be satisfied with the community. This indicates that the focus for expansion should be placed on existing firms, especially since recruitment of firms to Goodland in small.

TABLE 27
PERCENT AND LOCATION OF WHERE FIRMS ARE PLANNING TO MOVE

	Moving Within the Community	Moving Within the State	Moving Out of State	Total % Moving
Firms That Are Planning to Move From Their Present Location In The Next Year	0% of Total Firms	1% of Total Firms	2% of Total Firms	3% of Total Firms

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Advantages of the community. Sixty-three percent of those respondents that gave advantages stated that their central location was a local advantage of the community (see Tables 28-30). Other major advantages were filling a need and small town rural life. Only 4% of Goodland firms believe

the community provides no advantages, as compared to 7% of the other 9 communities surveyed. This shows a positive attitude of Goodland firms and emphasizes that they are "homegrown".

TABLE 28
LOCAL ADVANTAGES OF THE COMMUNITY*
BY SIZE OF FIRM

Number of Employees	No Advantage	Home-town Atmosphere	Small Town-Rural Life	Quality of Work Force	Central, Good Location	Filling A Need
1-19	2%	11%	27%	7%	61%	27%
20-49	25%	0%	0%	50%	50%	0%
50+	0%	0%	50%	50%	100%	0%
PERCENT OF TOTAL	4%	10%	24%	12%	63%	24%

n = 60

*Since firms could give more than one advantage, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 29
LOCAL ADVANTAGES OF THE COMMUNITY*
BY INDUSTRY

Industry	No Advantage	Home-town Atmosphere	Small Town-Rural Life	Quality of Work Force	Central, Good Location	Filling A Need
Manufacturing	13%	13%	13%	0%	50%	25%
Finance/Services	0%	0%	25%	0%	75%	31%
Other Industries	3%	14%	28%	19%	61%	19%
PERCENT OF TOTAL	4%	10%	24%	12%	63%	24%

n = 60

*Since firms could give more than one advantage, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 30
 LOCAL ADVANTAGES OF THE COMMUNITY*
 BY COMMUNITY COMPARISON

Community	No Ad- vantage	Home- town Atmos- phere	Small Town- Rural Life	Qual- ity of Work Force	Central, Good Loc- ation	Filling A Need
Goodland	4%	10%	24%	12%	63%	24%
Other 9 Communities	7%	19%	26%	9%	51%	14%

*Since firms could give more than one advantage, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

The firms rely heavily upon their central location. This suggests that if the local market shrinks because of out-migration or increased competition, there is a good chance for business shrinkage in the city. Few firms feel the quality of the work force is an advantage of the city, indicating a need for the city to develop or improve the training assistance offered by the community.

Additional manufacturers or service providers that would be of benefit existing companies. Over half of the total number of respondents felt that there were manufacturers or service providers that would benefit them. This positive response was most prevalent in the finance and services fields and for firms with 20-49 employees (see Tables 31 and 32). Table 33 shows a notable community comparison: a much higher percentage of Goodland respondents believe there are additional companies that would be of benefit to present community firms (54% versus 36% of the firms in the other nine communities).

TABLE 31
 ADDITIONAL MANUFACTURERS OR SERVICE PROVIDERS
 THAT WOULD BE OF BENEFIT FOR FIRMS
 BY SIZE OF FIRM

Are there any manufacturers or service providers that
 would be of benefit to your company if they
 were located in your community?

Number of Employees	NO	YES
1-19	50%	50%
20-49	20%	80%
50+	33%	67%
TOTAL PERCENT	46%	54%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 32
 ADDITIONAL MANUFACTURERS OR SERVICE PROVIDERS
 THAT WOULD BE OF BENEFIT FOR FIRMS
 BY INDUSTRY

Are there any manufacturers or service providers that
 would be of benefit to your company if they
 were located in your community?

Industry	NO	YES
Manufacturing	71%	29%
Finance/Services	40%	60%
Other Industries	42%	58%
TOTAL PERCENT	46%	54%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 33
 ADDITIONAL MANUFACTURERS OR SERVICE PROVIDERS
 THAT WOULD BE OF BENEFIT FOR FIRMS
 BY COMMUNITY COMPARISON

Are there any manufacturers or service providers that
 would be of benefit to your company if they
 were located in your community?

Community	NO	YES
Goodland	46%	54%
Other 9 Communities	64%	36%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

For the firms answering "yes" to the question of additional firms that would be of benefit, 56% said they were in need of more business services. This was especially true for firms with more than fifty employees, with a unanimous response for these type of services (see Table 34). This is again higher than the other communities surveyed and indicates an area for improvement. Goodland was much lower than the other communities in terms of raw material suppliers needed (see Table 36).

TABLE 34
 ADDITIONAL COMPANIES THAT WOULD BE OF BENEFIT*
 BY SIZE OF FIRM

Number of Employees	More Customers For Products	Repair Maintenance	Business Services	Raw Materials Suppliers
1-19	26%	7%	56%	20%
20-49	33%	0%	33%	33%
50+	0%	0%	100%	0%
TOTAL PERCENT	26%	6%	56%	20%

n = 33

*Since firms could mention more than one type of company, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 35
 ADDITIONAL COMPANIES THAT WOULD BE OF BENEFIT
 BY INDUSTRY

Industry	More Customers For Products	Repair Maintenance	Business Services	Raw Materials Suppliers
Manufacturing	0%	17%	33%	50%
Finance/Services	38%	13%	63%	13%
Other Industries	25%	0%	56%	19%
TOTAL PERCENT	26%	6%	56%	20%

n = 33

*Since firms could mention more than one type of company, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 36
 ADDITIONAL COMPANIES THAT WOULD BE OF BENEFIT
 BY COMMUNITY COMPARISON

Community	More Customers For Products	Repair Maint- enance	Business Services	Raw Materials Suppliers
Goodland	26%	6%	56%	20%
Other 9 Communities	28%	4%	19%	59%

*Since firms could mention more than one type of company, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

As can be seen, many Goodland firms believe they are in need of additional companies. This implies that the local government could assist by targeting these companies for industrial recruitment. As these new firms are brought to, or initiated in the community, existing firms can better use them for the future.

Retaining and attracting management and professional personnel. Almost 90% of all firms stated that they did not have trouble attracting and retaining professional and management level personnel. However, larger firms do have this problem more than smaller firms (see Table 37). This could affect future competitiveness and growth in the community, especially as companies expand. Finance and services industry firms also have more trouble attracting and maintaining this type of personnel (see Table 38). Keeping these firms competitive is especially important for Goodland. This is emphasized by data in Table 6: the only firms with total annual sales greater than \$10 million a year were in these two industries.

TABLE 37
 PERCENT OF TOTAL FIRMS THAT HAVE TROUBLE ATTRACTING
 OR RETAINING PROFESSIONAL AND MANAGEMENT PERSONNEL
 BY SIZE OF FIRM

Do you have any trouble attracting and/or
 retaining professional and management level
 personnel to your business?

Number of Employees	NO	YES
1-19	90%	10%
20-49	80%	20%
50+	67%	33%
TOTAL PERCENT	88%	12%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 38
 PERCENT OF TOTAL FIRMS THAT HAVE TROUBLE ATTRACTING
 OR RETAINING PROFESSIONAL AND MANAGEMENT PERSONNEL
 BY INDUSTRY

Do you have any trouble attracting and/or
 retaining professional and management level
 personnel to your business?

Industry	NO	YES
Manufacturing	93%	7%
Finance/Services	80%	20%
Other Industries	90%	10%
TOTAL PERCENT	88%	12%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 39
 PERCENT OF TOTAL FIRMS THAT HAVE TROUBLE ATTRACTING
 OR RETAINING PROFESSIONAL AND MANAGEMENT PERSONNEL
 BY COMMUNITY COMPARISON

Do you have any trouble attracting and/or
 retaining professional and management level
 personnel to your business?

Community	NO	YES
Goodland	88%	12%
Other 9 Communities	83%	17%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

A positive here is that in comparison with the other nine communities surveyed, Goodland has less of a problem attracting professional personnel (see Table 39). Yet, as mentioned, it is possible that as smaller firms expand, they will have problems attracting professional personnel. The improvement of the arts, recreational activities, and the overall quality of life will be necessary to attract more managers and professionals to the area.

Perceived images of rural life and Kansas. The majority of respondents in Goodland do not have a negative image of rural life (see Tables 40-42). However, 11% do have a negative image compared with only 6% of the respondents in the other nine communities surveyed. It is also interesting to note that no middle sized firm representative had a negative image, and only 11% of the smaller firm representatives expressed dissatisfaction. This emphasizes that firms with fewer than fifty employees are generally more positive about Goodland. A higher percentage of Goodland firms (11%)

expressed a negative image of rural life than did firms in the other nine communities (16%). (See Table 42.)

TABLE 40
PERCENT OF TOTAL FIRMS WITH A NEGATIVE
IMAGE OF RURAL LIFE
BY SIZE OF FIRM

Do you have a negative image of rural life?		
Number of Employees	NO	YES
1-19	89%	11%
20-49	100%	0%
50+	67%	33%
TOTAL PERCENT	89%	11%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 41
PERCENT OF TOTAL FIRMS WITH A NEGATIVE
IMAGE OF RURAL LIFE
BY INDUSTRY

Do you have a negative image of rural life?		
Industry	NO	YES
Manufacturing	100%	0%
Finance/Services	73%	27%
Other Industries	94%	6%
TOTAL PERCENT	89%	11%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 42
 PERCENT OF TOTAL FIRMS WITH A NEGATIVE
 IMAGE OF RURAL LIFE
 BY COMMUNITY COMPARISON

Do you have a negative image of rural life?		
Community	NO	YES
Goodland	89%	11%
Other 9 Communities	94%	6%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

One other note is that the firms that have a negative image of rural life are mainly the finance and service institutions. No firms in Goodland have a negative image of Kansas, which indicates that hopefully, firms will be remaining and expanding within the state, as well as expressing their satisfaction with Kansas to business associates outside of the state (see Tables 43, 44, and 45).

TABLE 43
 PERCENT OF TOTAL FIRMS WITH A NEGATIVE
 IMAGE OF KANSAS
 BY SIZE OF FIRM

Do you have a negative image of Kansas?		
Number of Employees	NO	YES
1-19	100%	0%
20-49	100%	0%
50+	100%	0%
TOTAL PERCENT	100%	0%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 44
 PERCENT OF TOTAL FIRMS WITH A NEGATIVE
 IMAGE OF KANSAS
 BY INDUSTRY

Do you have a negative image of Kansas?		
Industry	NO	YES
Manufacturing	100%	0%
Finance/Services	100%	0%
Other Industries	100%	0%
TOTAL PERCENT	100%	0%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 45
 PERCENT OF TOTAL FIRMS WITH A NEGATIVE
 IMAGE OF KANSAS
 BY COMMUNITY COMPARISON

Do you have a negative image of Kansas?		
Community	NO	YES
Goodland	100%	0%
Other 9 Communities	98%	2%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Location and Retention Summary

After examining the data on location and retention, it is possible to make the following summary implications:

1. Although the vast majority of surveyed firms (90%) have not moved to Goodland from another city or state in the past five years, there has been more relocation to Goodland compared to relocation in the other nine communities.
2. Firms have located in the community because Goodland provides access to the markets they need and because Goodland is their hometown. Of the total number of firms, 47% stated a reason for location was because the community provided good access to product markets, 39% located because it was the owner's hometown, and 36% located because Goodland provided a central location.
3. Retention strategies should focus on the small number of firms that are dissatisfied with the community. Of the total number of firms, only 3% are planning to move from Goodland next year.
4. Recruitment strategies would best be served if focused on the types of businesses Goodland companies believe are needed. Of all firms, 54% stated that an additional manufacturer or services provider would be of benefit to their company. In comparison, 36% of the firms surveyed in the other nine communities stated that additional companies were needed.
5. In general, Goodland firms are satisfied with rural life and with Kansas. Of all firms, 89% did not have a negative image of rural life and no firm had a negative image of Kansas.

V.

DESCRIPTION AND DETERMINANTS OF BUSINESS EXPANSION

In this section we examine past expansion and plans for future expansion, which include employment changes, physical plant size changes, factors that help expansion, factors that lead to contraction, location of where expansion will take place, and problems that lead to expansion out of the community and out of state. Also described are findings that focus on additional products that may be offered, the potential and desire to expand internationally, factors that assist or impede exporting a product or service, and financing for expansion.

The major findings are (1) more surveyed firms in Goodland decreased employment the past two years than increased employment; (2) problems with past expansion and factors that helped past expansion centered around the market for products sold; (3) firms are optimistic about expansion capabilities in the future; (4) most expansion will take place within Sherman County; (5) there are companies in Goodland that have the potential and the desire to expand internationally; and (6) there are firms in the community that have had to forego or postpone expansion because of a lack of affordable financing.

Past Expansion

Employment expansion. Most firms in the Goodland area have had constant employment patterns the past two years, but one-fourth have decreased employment. On a more positive note, 67% of the larger firms have increased their work force, as have 29% of all manufacturing firms (see Tables 46 and 47). Important to note is the data in Table 48: only 18% of surveyed Goodland firms increased employment the last two years compared

to 33% of the firms in the other nine communities. Goodland also had a slightly, but not significantly so, higher percentage of firms that decreased employment.

TABLE 46
PAST INCREASES IN EMPLOYMENT
BY SIZE OF FIRM

In the last two years, has your firm increased or decreased its employment?			
Number of Employees	Decreased Employment	Employment	
		Remained Constant	Increased Employment
1-19	23%	62%	15%
20-49	60%	20%	20%
50+	0%	33%	67%
TOTAL PERCENT	25%	57%	18%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 47
PAST INCREASES IN EMPLOYMENT
BY INDUSTRY

In the last two years, has your firm increased or decreased its employment?			
Industry	Decreased Employment	Employment	
		Remained Constant	Increased Employment
Manufacturing	21%	50%	29%
Finance/Services	20%	73%	7%
Other Industries	26%	52%	22%
TOTAL PERCENT	25%	57%	18%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 48
PAST INCREASES IN EMPLOYMENT
BY COMMUNITY COMPARISON

Community	Employment		
	Decreased Employment	Remained Constant	Increased Employment
Goodland	25%	57%	18%
Other 9 Communities	22%	45%	33%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Goodland, when compared to the other nine Kansas communities, has had more firms with constant employment. Yet, less firms increased their employment on a comparable basis. These data indicate that expansion strategies are needed in Goodland that will increase employment opportunities. Important to these firms will be the possibility of growth from expansion.

Physical plant expansion. In the last two years, 30% of firms with less than 20 employees and 40% of firms with 20-49 employees have increased their physical plant size (see Table 49). All the larger firms had constant employment levels. It will depend on smaller firms to increase growth in Goodland. Most of the expansion is in the "other industries"; 39% have increased plant size while 29% of the manufacturing industry firms increased size (see Table 50). Five percent more firms in the other communities have increased their plant size relative to Goodland (see Table 51).

TABLE 49
PAST INCREASES IN PHYSICAL PLANT SIZE
BY SIZE OF FIRM

In the last two years, has your firm increased or decreased the size of its physical plant?

Number of Employees	Size		
	Decreased Size	Remained Constant	Increased Size
1-19	11%	59%	30%
20-49	0%	60%	40%
50+	0%	100%	0%
TOTAL PERCENT	9%	61%	30%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 50
PAST INCREASES IN PHYSICAL PLANT SIZE
BY INDUSTRY

In the last two years, has your firm increased or decreased the size of its physical plant?

Industry	Size		
	Decreased Size	Remained Constant	Increased Size
Manufacturing	0%	71%	29%
Finance/Services	0%	87%	13%
Other Industries	13%	48%	39%
TOTAL PERCENT	9%	61%	30%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 51
PAST INCREASES IN PHYSICAL PLANT SIZE
BY COMMUNITY COMPARISON

In the last two years, has your firm increased
or decreased the size of its physical plant?

Community	Decreased Size	Size Remained Constant	Increased Size
Goodland	9%	61%	30%
Other 9 Communities	9%	56%	35%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Unlike employment, there has been more expansions in plant size the past two years than contractions. The lower growth in plant size expansions for Goodland in comparison to the other nine communities no doubt reflects the relatively low percentage of Goodland firms that have increased employment. These data imply that development strategies are needed that will stimulate growth.

Problems with past expansion. The main problems with expansion are a static or declining market and lack of affordable financing (see Tables 52-54). Other problems include transportation difficulties and utility costs. Only 3% of firms in the other nine communities surveyed have problems with utility costs and only 1% have transportation difficulties. Other community firms also have more of a problem with zoning regulations, the availability of labor, and a decline in oil prices.

TABLE 52
SPECIFIC PROBLEMS WITH EXPANSION*
BY SIZE OF FIRM

Number of Employees	Zoning Regulations	Static or Declining Market	Lack of Affordable Financing	Utility Costs	Transportation Difficulties	Availability of Space	Strong Competition
1-19	4%	41%	33%	7%	15%	7%	4%
20-49	0%	50%	0%	50%	0%	0%	0%
50+	0%	0%	0%	0%	100%	0%	0%

PERCENT OF TOTAL
n = 20

*Since firms could give more than one problem, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 53
SPECIFIC PROBLEMS WITH EXPANSION*
BY INDUSTRY

Industry	Zoning Regulations	Static or Declining Market	Lack of Affordable Financing	Utility Costs	Transportation Difficulties	Availability of Space	Strong Competition
Manufacturing	20%	60%	20%	0%	0%	0%	20%
Finance/Services	0%	0%	50%	0%	25%	25%	0%
Other Industries	0%	50%	20%	20%	20%	0%	0%

PERCENT OF TOTAL
n = 20

*Since firms could give more than one problem, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 54
SPECIFIC PROBLEMS WITH EXPANSION*
BY COMMUNITY COMPARISON

Community	Zoning Regulations	Availability of Labor	Static or Declining Market	Lack of Affordable Financing	Lack of Raw Materials	Utility Costs	Transportation Difficulties	Availability of Space	Lack of Training Resources	Tax Laws	Strong Competition	Decline in Oil Prices
Goodland	3%	0%	39%	27%	0%	12%	18%	6%	0%	0%	3%	0%
Other 9 Communities	11%	10%	42%	24%	1%	3%	1%	7%	4%	3%	8%	12%

*Since firms could give more than one problem, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

For some firms, the locally centered scope of products is deterring expansion. The problem of finding affordable financing may also deter expansion, indicating a need at the city level to make known additional ways to finance such an expansion. No Goodland firms stated there was a lack of training resources, a problem with the tax laws, or a problem with the availability of labor. These are positive features of the community.

Factors helping expansion. Of the firms that expanded, the main factors that helped the expansion were an expanding market, more efficient operations, and a desire to expand their product market (see Tables 55, 56, and 57). (Fifty-two percent, including 100% of large and middle sized firms stated the growing market helped expansion.) Information and knowledge that helps firms reach new customers is important for expansion. Firms in the other communities also gave the same reasons.

TABLE 55
FACTORS THAT HELPED EXPANSION*
BY SIZE OF FIRM

Number of Employees	Expanding Market	Avail-ability of Public Assist.	Avail-ability of Tech. Innovation	Avail-ability of Space	Desire To Expand Market	Im-proved Internal Financing	More Efficient Operations
1-19	41%	0%	12%	27%	30%	6%	41%
20-49	100%	0%	0%	0%	50%	0%	50%
50+	100%	50%	50%	0%	100%	50%	50%
PERCENT OF TOTAL	52%	5%	14%	22%	38%	10%	43%

n = 25

*Since firms could give more than one factor, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Note: This question was answered only by those firms that had previously stated they had increased plant size and/or employment.

TABLE 56
FACTORS THAT HELPED EXPANSION*
BY INDUSTRY

Industry	Ex- panding Market	Avail- abil- ity of Public Assist.	Avail- abil- ity of Tech. In- novation	Avail- abil- ity of Space	Desire To Ex- pand Market	Im- proved In- ternal Fin- ancing	More Efficient Oper- ations
Manufacturing	67%	0%	0%	50%	67%	0%	67%
Finance/ Services	67%	33%	33%	33%	33%	33%	33%
Other Industries	47%	0%	13%	13%	33%	7%	40%
PERCENT OF TOTAL	52%	5%	14%	22%	38%	10%	43%

n = 25

*Since firms could give more than one factor, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Note: This question was answered only by those firms that had previously stated they had increased plant size and/or employment.

TABLE 57
FACTORS THAT HELPED EXPANSION*
BY COMMUNITY COMPARISON

Community	Ex- panding Market	Avail- abil- ity of Tax In- centives	Avail- abil- ity of Public Assist.	Avail- abil- ity of Tech. In- novation	Avail- abil- ity of Space	Desire To Ex- pand Market	Improved In- ternal Fin- ancing	More Efficient Oper- ations
Goodland	52%	0%	5%	14%	22%	38%	10%	43%
Other 9 Communities	69%	1%	4%	4%	20%	26%	4%	28%

*Since firms could give more than one factor, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Note: This question was answered only by those firms that had previously stated they had increased plant size and/or employment.

Since an expanding market is a primary factor for expanding firms in Goodland, it will important for other firms to increase the scope of their products and reach broader markets. It appears that there is a desire to expand, which indicates, along with the fairly high average percentages of products sold in markets outside of Kansas by Goodland firms (See Tables 15-17), that there is a good base for expanding into larger markets.

Reasons for contraction. Of the firms that contracted, the major reason why they did was because of a declining or static market. Of these

respondents, 68% stated this, and 27% stated rising labor costs as a reason for contraction (see Tables 58-60). Firms surveyed in the other nine communities had more of a problem with rising transportation costs and a decline in oil prices, but 72% stated a declining or static market.

TABLE 58
REASONS FOR CONTRACTION*
BY SIZE OF FIRM

Number of Employees	De-clining or Static Market	Rising Labor Costs	Rising Raw Materials Cost	Rising	Lack of Affordable Financing	In-crease Effic-ency
				Trans- portation Costs		
1-19	71%	25%	0%	0%	8%	4%
20-49	67%	33%	33%	33%	0%	33%
50+	0%	0%	0%	0%	0%	0%

PERCENT OF TOTAL
n = 18

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Note: this question was only answered by firms that previously stated they had experienced a contraction in physical plant size and/or employment.

TABLE 59
REASONS FOR CONTRACTION*
BY INDUSTRY

Industry	De-clining or Static Market	Rising Labor Costs	Rising Raw Materials Cost	Rising	Lack of Affordable Financing	In-crease Effic-ency
				Trans- portation Costs		
Manufacturing	50%	0%	0%	0%	0%	50%
Finance/ Services	50%	50%	0%	0%	0%	0%
Other Industries	73%	27%	9%	9%	9%	9%

PERCENT OF TOTAL
n = 18

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Note: this question was only answered by firms that previously stated they had experienced a contraction in physical plant size and/or employment.

TABLE 60
REASONS FOR CONTRACTION*
BY COMMUNITY COMPARISON

Community	De- clining or Static Market	Con- tracting Labor Pool	Rising Labor Costs	Rising Raw Mat- erials Costs	Rising Plant- Office Space Costs	Lack of Afford- able Fin- ancing	De- cline in Oil Prices	In- crease Effic- iency	Taxes- Regu- latory Costs	Rising Trans- por- ta- tion Costs
Goodland	68%	0%	27%	7%	0%	7%	0%	10%	0%	7%
Other 9 Communities	72%	3%	2%	2%	1%	5%	20%	15%	1%	40%

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Note: this question was only answered by firms that previously stated they had experienced a contraction in physical plant size and/or employment.

Just as an expanding market was a major factor that helped expansion, a declining market was given by a high percentage as a cause for firm contraction. Again, this highlights the importance of accessing more than the local market. This indicates that if more and more firms develop in Goodland that are locally oriented, contractions may increase.

Plans for Expansion

Employment expansion. In the next year, most firms will keep their number of employees constant. However, 33% plan to increase employment and only 4% will decrease (see Tables 61, 62, and 63). No manufacturing firm or firm with fifty or more employees plan to decrease employment. The other 9 communities surveyed have a slightly higher percentage of firms that will increase employment in the next year (41%). (See Table 63.)

TABLE 61
 PERCENT OF TOTAL FIRMS PLANNING TO
 INCREASE EMPLOYMENT
 BY SIZE OF FIRM

In the next year, is your firm planning to increase or decrease employment?

Number of Employees	Employment		
	Will Decrease Employment	Will Remain Constant	Will Increase Employment
1-19	2%	72%	26%
20-49	20%	0%	80%
50+	0%	33%	67%
TOTAL PERCENT	4%	63%	33%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 62
 PERCENT OF TOTAL FIRMS PLANNING TO
 INCREASE EMPLOYMENT
 BY INDUSTRY

In the next year, is your firm planning to increase or decrease employment?

Industry	Employment		
	Will Decrease Employment	Will Remain Constant	Will Increase Employment
Manufacturing	0%	57%	43%
Finance/Services	7%	67%	26%
Other Industries	3%	61%	36%
TOTAL PERCENT	4%	63%	33%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 63
 PERCENT OF TOTAL FIRMS PLANNING TO
 INCREASE EMPLOYMENT
 BY COMMUNITY COMPARISON

In the next year, is your firm planning to increase or decrease employment?			
Community	Employment		
	Will Decrease Employment	Will Remain Constant	Will Increase Employment
Goodland	4%	63%	33%
Other 9 Communities	3%	56%	41%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Firms must build upon this positive attitude to increase their number of employees. They must also be provided with the support to do so. There is optimism for employment growth in Goodland, and development policies should take advantage of this.

There is also opportunity for new expansion in the community. Of the total number of firms, 21% decreased or kept employment constant the past two years, but plan to increase employment next year (See Table 64). Only 4% of the survey sample decreased employment the past two years and will decrease employment next year. If these firms can actually increase employment as expected, it will mark a very positive turn around from the past two years.

TABLE 64
 PERCENT OF TOTAL FIRMS THAT HAVE
 INCREASED EMPLOYMENT THE LAST TWO YEARS
 AND ARE PLANNING FUTURE INCREASES IN EMPLOYMENT

Changes In Employment <u>The Last Two Years</u>	Employment In The Next Year		
	Will Decrease <u>Employment</u>	Will Remain <u>Constant</u>	Will Increase <u>Employment</u>
Decreased Employment	4%	11%	10%
Employment Remained Constant	0%	46%	11%
Increased Employment	0%	6%	12%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Physical plant size expansion. Goodland firms are also optimistic about this type of expansion. In the next year, 19% stated they would expand their physical plant size (see Tables 65-67). Only 2% will contract and 79% will remain constant. It is the smaller and middle sized firms and the manufacturing firms that will expand, which emphasizes that the smaller firms will be responsible for this growth within the community. Firms in the other 9 communities surveyed are also positive about expansion. In the next year, 22% will expand their physical plant size.

TABLE 65
 PERCENT OF TOTAL FIRMS THAT
 ARE PLANNING AN EXPANSION
 BY SIZE OF FIRM

In the next year, is your firm planning on an expansion or a contraction in the size of your physical plant?

Number of Employees	Size Will		
	Contraction	Remain Constant	Expansion
1-19	0%	79%	21%
20-49	0%	80%	20%
50+	33%	67%	0%
TOTAL PERCENT	2%	79%	19%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 66
 PERCENT OF TOTAL FIRMS THAT
 ARE PLANNING AN EXPANSION
 BY INDUSTRY

In the next year, is your firm planning on an expansion or a contraction in the size of your physical plant?

Industry	Size Will		
	Contraction	Remain Constant	Expansion
Manufacturing	0%	64%	36%
Finance/Services	7%	93%	0%
Other Industries	0%	74%	26%
TOTAL PERCENT	2%	79%	19%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 67
 PERCENT OF TOTAL FIRMS THAT
 ARE PLANNING AN EXPANSION
 BY COMMUNITY COMPARISON

In the next year, is your firm planning on an
 expansion or a contraction in the size
 of your physical plant?

Community	Contraction	Size Will Remain Constant	Expansion
Goodland	2%	79%	19%
Other 9 Communities	1%	77%	22%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

As with employment, there is opportunity for new physical plant size expansion. Of the total number of firms, 7% decreased or kept plant size constant the past two years, but will increase their size next year (See Table 68). No firm that decreased plant size in the past two years will decrease size next year. However, future plant size growth will come from firms that have already expanded: 12% of these firms expanded over the last two years and will expand next year. Goodland shows a great potential for growth.

TABLE 68
 PERCENT OF TOTAL FIRMS THAT HAVE
 INCREASED PHYSICAL PLANT SIZE THE LAST TWO YEARS
 AND ARE PLANNING FUTURE INCREASES IN PHYSICAL PLANT SIZE

Changes In Physical Plant Size The Last Two Years	Physical Plant Size In The Next Year		
	Will Have A Contraction	Will Remain Constant	Will Have An Expansion
Decreased Plant Size	0%	9%	0%
Plant Size Remained Constant	2%	53%	7%
Increased Plant Size	0%	17%	12%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Location of expansion. Most firms that are expanding will do so within the same county or within the city limits. None will move out of the state. All finance industry firms will be moving within the city, as will all firms with twenty employees or more (see Tables 69 and 70). A potential problem with Goodland may be pointed out in Table 71: 39% of these firms are expanding within the city. In comparison of those firms that are expanding in the other nine communities, 65% will do so in their respective city.

TABLE 69
 LOCATION OF WHERE EXPANSION WILL TAKE PLACE
 FOR FIRMS THAT ARE PLANNING EXPANSION, BY SIZE OF FIRM

Number of Employees	Where Expansion Will Be			
	Within The City Limits	Within The Same County	Within The State	Out of State
1-19	27%	68%	5%	0%
20-49	100%	0%	0%	0%
50+	100%	0%	0%	0%
TOTAL PERCENT	39%	57%	4%	0%

n = 14

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Note: This question was asked only to firms that previously stated they were planning an expansion.

TABLE 70
 LOCATION OF WHERE EXPANSION WILL TAKE PLACE
 FOR FIRMS THAT ARE PLANNING EXPANSION, BY INDUSTRY

Industry	Where Expansion Will Be			
	Within The City Limits	Within The Same County	Within The State	Out of State
Manufacturing	60%	20%	20%	0%
Finance/Services	100%	0%	0%	0%
Other Industries	25%	75%	0%	0%
TOTAL PERCENT	39%	57%	4%	0%

n = 14

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Note: This question was asked only to firms that previously stated they were planning an expansion.

TABLE 71
 LOCATION OF WHERE EXPANSION WILL TAKE PLACE
 FOR FIRMS THAT ARE PLANNING EXPANSION,
 BY COMMUNITY COMPARISON

Community	Where Expansion Will Be			
	Within The City Limits	Within The Same County	Within The State	Out of State
Goodland	39%	57%	4%	0%
Other 9 Communities	65%	18%	11%	6%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Note: This question was asked only to firms that previously stated they were planning an expansion.

The prospects for expansion to take place within Sherman County are good. However, 65% of firms in the other nine communities surveyed stated they would expand within the city as compared to 39% of Goodland firms. This disparity could indicate specific problems with Goodland that are impeding expansion within the community. Such problems could include a lack of space, city regulations, and/or specific city taxes. City officials, to the extent possible, should discover if businesses are expanding outside of the city because of choice, or necessity.

Additional Products and Expansion. Financing seems to be a problem for most firms: of the firms who are not offering additional products or services, 33% stated the reason was lack of affordable financing (see Tables 72-74). Other reasons included that the business is complex enough now, low cash flow and a static or declining market. Firms need to be aware of financing programs that are available. Only 15% of the firms in the other nine communities surveyed stated a lack of affordable financing as a reason

for not offering additional products or services. Twenty-two percent stated that there was a problem with introducing a product or service now, compared with only 7% of Goodland firms. Financing may not be available in Goodland or firms may not have the knowledge to obtain it. It is crucial that financing be available and adequate in order for firms to expand

TABLE 72
REASONS FOR NOT OFFERING AN ADDITIONAL PRODUCT OR SERVICE*
BY SIZE OF FIRM

Number of Employees	Restrictive Laws or Regulations	Lack of Affordable Financing	No Desire To Expand	Static or Declining Market	Low Cash Flow	Business Complex Enough Now	Lack of Skilled Labor	Lack of Equipment, Tech.	Introducing Product or Service Now
1-19	5%	39%	5%	7%	10%	22%	10%	7%	7%
20-49	0%	0%	100%	0%	0%	0%	0%	0%	0%
50+	0%	0%	0%	100%	100%	0%	0%	0%	0%
PERCENT OF TOTAL	5%	33%	9%	12%	14%	21%	9%	7%	7%

n = 26

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 73
REASONS FOR NOT OFFERING AN ADDITIONAL PRODUCT OR SERVICE*
BY INDUSTRY

Industry	Restrictive Laws or Regulations	Lack of Affordable Financing	No Desire To Expand	Static or Declining Market	Low Cash Flow	Business Complex Enough Now	Lack of Skilled Labor	Lack of Equipment, Tech.	Introducing Product or Service Now
Manufacturing	0%	22%	0%	11%	0%	56%	0%	11%	11%
Finance/Services	0%	33%	17%	33%	33%	0%	17%	0%	0%
Other Industries	9%	36%	9%	0%	9%	18%	9%	9%	9%
PERCENT OF TOTAL	5%	33%	9%	12%	14%	21%	9%	7%	7%

n = 26

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 74
REASONS FOR NOT OFFERING AN ADDITIONAL PRODUCT OR SERVICE*
BY COMMUNITY COMPARISON

Community	Lack of Restrictive Laws or Regulations	Lack of Affordable Financing	Lack of Specific Knowledge	No Desire to Expand	Static or Declining Market	Low Cash Flow	Business Complex Enough Now	Lack of Skilled Labor	Lack of Equipment, Tech.	Introducing Product or Service Now
Goodland	5%	33%	0%	9%	12%	14%	21%	9%	7%	7%
Other 9 Communities	11%	15%	6%	9%	14%	12%	14%	10%	11%	22%

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Expanding into the international market. There are firms that have the potential and the desire to expand into the international market. Fourteen percent of firms with less than twenty employees have the desire to expand internationally, but no other firms want to. Firms in the other nine communities surveyed expressed the same potential and desire to expand internationally as Goodland did. An interesting item is that no firm with over fifty employees believed they had the potential to expand into the international market. Perhaps the opportunities available to them and the means to access international markets need to be communicated in a more efficient manner. (See Tables 75-80.)

TABLE 75
 PERCENT OF TOTAL FIRMS THAT FEEL THEY HAVE
 THE POTENTIAL TO EXPAND INTERNATIONALLY, BY SIZE OF FIRM

Do you feel your business has the potential
to expand into the international market?

Number of Employees	NO	YES
1-19	86%	14%
20-49	80%	20%
50+	100%	0%
TOTAL PERCENT	87%	13%

n = 59

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 76
 PERCENT OF TOTAL FIRMS THAT FEEL THEY HAVE
 THE POTENTIAL TO EXPAND INTERNATIONALLY, BY INDUSTRY

Do you feel your business has the potential
to expand into the international market?

Industry	NO	YES
Manufacturing	92%	8%
Finance/Services	86%	14%
Other Industries	85%	15%
TOTAL PERCENT	87%	13%

n = 59

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 77
 PERCENT OF TOTAL FIRMS THAT FEEL THEY HAVE
 THE POTENTIAL TO EXPAND INTERNATIONALLY,
 BY COMMUNITY COMPARISON

Do you feel your business has the potential to expand into the international market?		
Community	NO	YES
Goodland	87%	13%
Other 9 Communities	86%	14%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 78
 PERCENT OF TOTAL FIRMS THAT HAVE THE
 DESIRE TO EXPAND INTERNATIONALLY, BY SIZE OF FIRM

Does your firm have the desire to expand into the international market?		
Number of Employees	NO	YES
1-19	83%	17%
20-49	100%	0%
50+	100%	0%
TOTAL PERCENT	85%	15%

n = 58

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 79
 PERCENT OF TOTAL FIRMS THAT HAVE THE
 DESIRE TO EXPAND INTERNATIONALLY, BY INDUSTRY

Does your firm have the desire to expand into the international market?		
Industry	NO	YES
Manufacturing	83%	17%
Finance/Services	100%	0%
Other Industries	82%	18%
TOTAL PERCENT	85%	15%

n = 58

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 80
 PERCENT OF TOTAL FIRMS THAT HAVE THE
 DESIRE TO EXPAND INTERNATIONALLY
 BY COMMUNITY COMPARISON

Does your firm have the desire to expand into the international market?		
Community	NO	YES
Goodland	85%	15%
Other 9 Communities	87%	13%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Firms should be greatly encouraged to expand internationally, especially firms with the potential and the desire. Firms need to be aware of the benefits of international trade and how their scope of products could be expanded. Firms also need to know what is needed to export and how to get assistance.

Financing for Expansion

Financing Sources. Financing sources for surveyed Goodland firms are traditional in nature. Of the total number of firms, 52% stated a bank was a source and 48% said internal financing was also a source (see Tables 81-83). Firms with fifty or more employees and manufacturing firms in particular used banks for financing. Comparison data revealed no major differences between Goodland firms and firms in the other nine communities.

Very few firms surveyed in Goodland use alternative sources of financing. This could be because firms are comfortable and more familiar with traditional sources, or more simply, firms do not know about many forms of alternative financing. This indicates that some firms may miss expansion opportunities because of investing money not obtained from banks or from within the company.

TABLE 81
FINANCING SOURCES FOR EXPANSION*
BY SIZE OF FIRM

Number of Em- ployees	Bank	Sav- ings and Loan	Inter- nal Fin- an- cing	Private Sources	Small Bus- iness Admin- istra- tion	Cert- ified Dev- elop- ment Co.	Indust- rial Revenue Bonds
1-19	56%	1%	47%	17%	1%	0%	2%
20-49	20%	20%	60%	0%	0%	20%	0%
50+	67%	0%	33%	0%	0%	0%	33%
PERCENT OF TOTAL	52%	3%	48%	14%	1%	2%	4%

n = 65

*Since firms could give more than one source, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 82
FINANCING SOURCES FOR EXPANSION*
BY INDUSTRY

Industry	Bank	Sav- ings and Loan	Inter- nal Fin- anc- ing	Private Sources	Small Bus- iness Admin- istra- tion	Cert- ified Dev- elop- ment Co.	Indust- rial Revenue Bonds
Manufacturing	71%	7%	43%	7%	7%	0%	0%
Finance/ Services/ Other	36%	0%	71%	7%	0%	7%	0%
Industries	55%	3%	39%	19%	0%	0%	7%
PERCENT OF TOTAL	52%	3%	48%	14%	1%	2%	4%

n = 65

*Since firms could give more than one source, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 83
FINANCING SOURCES FOR EXPANSION*
BY COMMUNITY COMPARISON

Community	Bank	Credit and Union Loan	Sav- ings and Fin- anc- ing	Inter- nal Fin- anc- ing	Private Sources	Small Bus- iness Admin- istra- tion	Cert- ified Dev- elop- ment Comp.	Indust- rial Revenue Bonds
Goodland	52%	0%	3%	48%	14%	1%	2%	4%
Other 9 Communities	54%	2%	3%	52%	7%	3%	1%	4%

*Since firms could give more than one source, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Financing sources outside of Kansas. Over 90% of surveyed respondents felt that financing within the state was compatible with their firms' needs. However, one-third of the largest firms had to go outside Kansas for resources, as did 13% of the firms in the finance and services industries. Percentages for Goodland firms and firms in the other nine communities were identical. (See Tables 84, 85, and 86.)

TABLE 84
 PERCENT OF TOTAL FIRMS THAT HAVE GONE OUTSIDE OF
 KANSAS TO FINANCE AN EXPANSION, BY SIZE OF FIRM

In the last five years, have you had to
 go outside of Kansas to finance an expansion
 because of a lack of affordable financing?

Number of Employees	NO	YES
1-19	91%	9%
20-49	100%	0%
50+	67%	33%
TOTAL PERCENT	91%	9%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size
 Communities with Populations of 10,000 to 100,000, Institute for Public
 Policy and Business Research, The University of Kansas, 1987.

TABLE 85
 PERCENT OF TOTAL FIRMS THAT HAVE GONE OUTSIDE OF
 KANSAS TO FINANCE AN EXPANSION, BY INDUSTRY

In the last five years, have you had to
 go outside of Kansas to finance an expansion
 because of a lack of affordable financing?

Industry	NO	YES
Manufacturing	100%	0%
Finance/Services	87%	13%
Other Industries	90%	10%
TOTAL PERCENT	91%	9%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size
 Communities with Populations of 10,000 to 100,000, Institute for Public
 Policy and Business Research, The University of Kansas, 1987.

TABLE 86
 PERCENT OF TOTAL FIRMS THAT HAVE GONE OUTSIDE OF
 KANSAS TO FINANCE AN EXPANSION
 BY COMMUNITY COMPARISON

In the last five years, have you had to go outside of Kansas to finance an expansion because of a lack of affordable financing?		
Community	NO	YES
Goodland	91%	9%
Other 9 Communities	91%	9%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Goodland's figures are the same as the other nine communities'. However, the largest firms, those with presumably greater financing needs, have had to go out-of-state. This could be an area where information about other forms of financing may pay large dividends. City officials should find out if firms go out-of-state because of choice, or from parent company restrictions.

Foregoing expansion because of a lack of financing. Financing problems previously expressed by Goodland firms are emphasized by the number of firms who have been denied expansion growth due to investment problems. Nineteen percent of all surveyed firms have had to forego, or postpone, a planned expansion due to a lack of affordable financing (see Tables 87-89). This problem appears most in the finance and services industries. Very large firms, also, have had to postpone expansion more than other sized companies.

TABLE 87
 PERCENT OF TOTAL FIRMS FORCED TO FOREGO OR POSTPONE
 AN EXPANSION BECAUSE OF LACK OF FINANCING, BY SIZE

In the last five years, has your firm ever been forced to forego or postpone a planned expansion because of a lack of affordable financing?

Number of Employees	NO	YES
1-19	82%	18%
20-49	100%	0%
50+	33%	67%
TOTAL PERCENT	81%	19%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 88
 PERCENT OF TOTAL FIRMS FORCED TO FOREGO OR POSTPONE
 AN EXPANSION BECAUSE OF LACK OF FINANCING, BY INDUSTRY

In the last five years, has your firm ever been forced to forego or postpone a planned expansion because of a lack of affordable financing?

Industry	NO	YES
Manufacturing	93%	7%
Finance/Services	60%	40%
Other Industries	87%	13%
TOTAL PERCENT	81%	19%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 89
 PERCENT OF TOTAL FIRMS FORCED TO FOREGO OR POSTPONE
 AN EXPANSION BECAUSE OF LACK OF FINANCING
 BY COMMUNITY COMPARISON

In the last five years, has your firm ever been
 forced to forego or postpone a planned expansion
 because of a lack of affordable financing?

Community	NO	YES
Goodland	81%	19%
Other 9 Communities	89%	11%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Of concern are the data in Table 89: 19% of all surveyed Goodland firms have had to postpone or forego expansion because of a lack of financing, compared to 11% of the surveyed firms in the other nine communities. Since there is a relatively high percentage of Goodland firms that are part of a larger corporation and who rely on internal financing for expansion, some of the firms that answered "yes" in Tables 87-89 may reflect difficulties within the parent organization, and not within the individual company located in Goodland. Nevertheless, almost one-fifth of this sample have not realized growth because of financing, indicating the increased need for the dissemination of information concerning alternative financing.

After examining the data regarding expansion, it is possible to make the following summary implications:

1. For surveyed Goodland firms, employment decreases have been high and employment increases have been low in the past two years. Of all firms, 25% decreased employment the past two years and 18% increased employment. Of the surveyed firms in the other nine communities, 22% decreased employment and 33% increased employment over the same two years.
2. The markets where products are sold had the greatest effects on past expansion. A static or declining market was a major problem given for past expansion, and an expanding market was a major factor that helped past expansion. This emphasizes the importance of increasing the scope of where products are sold.
3. Despite past problems, surveyed Goodland firms are optimistic about expansion opportunities. Of the total number of firms, 33% reported they will increase employment next year and 19% reported they will increase physical plant size.
4. There are firms in Goodland that can and want to export. Of those business representatives that gave responses, 13% said their firm had the potential to expand internationally and 15% said their firm had the desire to expand internationally. There is opportunity for increased growth through exporting from Goodland firms.
5. Surveyed firms use traditional forms of financing. Of those respondents that gave a source, 52% said their firm used a bank and 48% said they used internal funds. This indicates that alternative forms of financing must be made known to firms for the possibility of increased growth.
6. There are firms in Goodland that have missed expansion opportunities because of lack of financing. Of the total number of firms, 19% have had to forego or postpone an expansion because of a lack of affordable financing.

VI.

BUSINESS CLIMATE

In this section, we discuss firm perspectives of local government attitudes, perception of local services, laws and regulations that may impede business operation, taxes that affect business operation, and business climate improvements. The major findings here include (1) The majority of respondents in Goodland believe the quality of life is good; (2) Most respondents feel the attitude of the local government towards the business community is positive to very positive; (3) Most local services are seen to be good or adequate; and (4) Economic development is seen by many to be a major factor for the improvement of the local quality of life and the local business climate.

Local And State Business Climate

Quality of life. The majority of firms in Goodland consider the quality of life they experience in the community to be good. Of the total number of firms, 82% stated that the quality of life was good, and only 2% rated the quality of life as poor (see Tables 90, 91, and 92). However, a relatively high total percentage of adequate ratings were given by firms with 50 or more employees (see Table 90). Goodland firms had almost identical total percentages to those given by surveyed firms in the other nine communities (see Table 92).

TABLE 90
 FIRMS' PERCEPTIONS OF THE LOCAL QUALITY OF LIFE
 BY SIZE OF FIRM

Number of Employees	No Opinion	Good	Adequate	Poor
1-19	2%	84%	12%	2%
20-49	0%	80%	20%	0%
50+	0%	67%	33%	0%
TOTAL PERCENT	2%	82%	14%	2%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 91
 FIRMS' PERCEPTIONS OF THE LOCAL QUALITY OF LIFE
 BY INDUSTRY

Industry	No Opinion	Good	Adequate	Poor
Manufacturing	0%	79%	21%	0%
Finance/Services	0%	80%	20%	0%
Other Industries	3%	84%	10%	3%
TOTAL PERCENT	2%	82%	14%	2%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 92
FIRMS' PERCEPTIONS OF THE LOCAL QUALITY OF LIFE
BY COMMUNITY COMPARISON

Community	No Opinion	Good	Adequate	Poor
Goodland	2%	82%	14%	2%
Other 9 Communities	1%	82%	16%	1%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

In general, surveyed firms are satisfied with the quality of life in Goodland. This indicates that companies are generally pleased with the activities in the community and the efforts made by city officials. Quality of life issues are an important factor in firms' decisions concerning locating, remaining, or expanding in the community. This issue will become even more important as firms grow, and as Goodland considers policies for bringing firms to the community and keeping them there.

Attitude of the local government. The majority of firms believe that the local government has a positive to very positive attitude toward the business community. For the entire survey sample, 75% believed that the attitude of the local government was positive to very positive, while 7% believed the attitude was negative to very negative (see Tables 93-95). Firms with fewer than 20 employees and firms in the manufacturing and "other industries" categories, however, did have several firms that stated the attitude was negative. In comparison to the other nine communities that were surveyed, Goodland had a much higher percentage of firms that stated the attitude was positive (75% versus 54% for firms in the other nine communities).

TABLE 93
FIRMS' PERCEPTIONS OF THE
ATTITUDE OF THEIR LOCAL GOVERNMENT
BY SIZE OF FIRM

Attitude of Local Government			
Number of Employees	Positive To Very Positive	Neutral	Negative To Very Negative
1-19	73%	19%	8%
20-49	100%	0%	0%
50+	67%	33%	0%
<hr/>			
TOTAL PERCENT	75%	18%	7%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 94
FIRMS' PERCEPTIONS OF THE
ATTITUDE OF THEIR LOCAL GOVERNMENT
BY INDUSTRY

Attitude of Local Government			
Industry	Positive To Very Positive	Neutral	Negative To Very Negative
Manufacturing	67%	21%	12%
Finance/Services	67%	33%	0%
Other Industries	79%	10%	11%
<hr/>			
TOTAL PERCENT	75%	18%	7%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 95
FIRMS' PERCEPTIONS OF THE
ATTITUDE OF THEIR LOCAL GOVERNMENT
BY COMMUNITY COMPARISON

Community	Attitude of Local Government		
	Positive To Very Positive	Neutral	Negative To Very Negative
Goodland	75%	18%	7%
Other 9 Communities	54%	36%	10%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

As mentioned previously, a good sign for the community comes from the figures presented in Table 95: in comparison to the other nine communities, Goodland firms believe the attitude of the local government is much more positive. This indicates that now would be an excellent time for local officials to become actively involved in the initiation of policies that will benefit the entire business community.

Perception of services. Most of the firms in Goodland are satisfied with the public services that are provided to them. Some of the services receiving the highest marks (each over 60%) were fire protection, the electric system, public schools, and the quality of garbage collection. However, the cost of transportation, as well as the quality of public transportation, were each given poor marks by a higher percentage of the responding firms. (See Table 96.)

TABLE 96
GOODLAND FIRMS' PERCEPTIONS OF SERVICES

	No			
	Opinion	Good	Adequate	Poor
Quality of Roads	4%	23%	50%	23%
Quality of Railroads	22%	12%	40%	26%
Cost of Transportation	5%	23%	35%	37%
Availability of Air Transportation	9%	49%	32%	10%
Quality of Public Transportation	30%	16%	27%	27%
Freight Delivery Time	10%	56%	27%	7%
Quality of Training	7%	55%	24%	14%
Fire Protection	8%	75%	17%	0%
Police Protection	4%	61%	23%	12%
Telephone System	2%	46%	27%	25%
Electric System	2%	77%	17%	4%
Public School System	7%	66%	22%	5%
Quality of Garbage Collection	14%	63%	19%	4%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 97
OTHER COMMUNITY FIRMS' PERCEPTIONS OF SERVICES

	No			
	Opinion	Good	Adequate	Poor
Quality of Roads	1%	35%	46%	18%
Quality of Railroads	34%	28%	27%	11%
Cost of Transportation	10%	29%	47%	14%
Availability of Air Transportation	21%	12%	29%	38%
Quality of Public Transportation	28%	13%	24%	35%
Freight Delivery Time	12%	53%	31%	4%
Quality of Training	18%	37%	31%	14%
Fire Protection	4%	76%	19%	1%
Police Protection	1%	69%	27%	3%
Telephone System	1%	63%	30%	6%
Electric System	1%	74%	21%	4%
Public School System	7%	73%	17%	3%
Quality of Garbage Collection	6%	65%	25%	4%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Relative to the other communities included in the survey, most had similar positive ratings. An area that would seem to be an asset to Goodland is the availability of air transportation. Forty-nine percent of the firms in Goodland rated it as good, as compared to only a 12% similar rating in the other nine communities. Many firms consider this to be an important element in their decision to locate in a community, especially if the industry they are in has to rapidly transport goods from one location to another. Also, since the cost of transportation was given a poor response by 27% of the surveyed firms, this area may be one that might need further study. (See Tables 96 and 97.)

Government regulations that impede business operations. Regulations that were seen to impede the successful operation of a business were stated as being predominantly city or state regulations, as 71% of the Goodland respondents cited hampering city and/or state regulations as impeding business firms. All firms with over twenty employees cited this as impeding their operations (see Table 98-100). The Kansas Corporation Commission and the Environmental Protection Agency seem to impede operations the most at the small firm level (less than twenty employees).

TABLE 98
GOVERNMENT REGULATIONS THAT IMPEDE OPERATION*
BY SIZE OF FIRM

Number of Employees	Hampering City/State Regulations	KCC Over-Regulation	EPA Regulations	General Government Over-Regulation
1-19	61%	6%	28%	33%
20-49	100%	0%	0%	100%
50+	100%	0%	0%	0%
TOTAL PERCENT	71%	4%	21%	33%

n = 15

*Since firms could give more than one regulation, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 99
GOVERNMENT REGULATIONS THAT IMPEDE OPERATION*
BY INDUSTRY

Industry	Hampering City/State Regulations	KCC Over-Regulation	EPA Regulations	General Government Over-Regulation
Manufacturing	50%	50%	50%	0%
Finance/Services	67%	0%	0%	67%
Other Industries	75%	0%	25%	25%
TOTAL PERCENT	71%	4%	21%	33%

n = 15

*Since firms could give more than one regulation, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 100
 GOVERNMENT REGULATIONS THAT IMPEDE OPERATION*
 BY COMMUNITY COMPARISON

Community	Hamp- ering City- State Reg- s.	KCC Over Reg- ula- tion	EPA Regs.	OSHA Regs.	Zoning	KS Dept. of Health	Gvt. Over Reg- ula- tion
Goodland	71%	4%	21%	0%	0%	0%	33%
Other 9 Communities	98%	6%	19%	5%	16%	6%	19%

*Since firms could give more than one regulation, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Firms in the manufacturing sector appear to believe that there are regulations in most every agency that impede their operation, while firms in the finance sector believed regulation to be concentrated in the various city and state government entities.

The comparison of figures for the other nine communities suggests that firms in Goodland feel to a lesser degree that government regulations impede their business operation. As can be seen from Table 100, only 71% of the firms in Goodland feel they are hampered by city and/or state regulations, as compared to 98% for the other nine communities. Even though this comparison may seem to be positive, there is room for improvement--Goodland must be aware of the impact local regulations can have on business activities in the area, and strive to correct and amend those that create unfavorable business conditions.

Taxes that influence expansion decisions. Taxes, as well as regulations can have a negative effect on expansion. The following three tables (Tables 101, 102, and 103) illustrate the various taxes which have been

perceived to cause expansion plans to be aborted. Property Tax on Inventories was most often cited by Goodland firms as a deterrent to expansion. This was especially true for the Manufacturing firms, with 75% citing this as a reason to abandon expansion plans. Worker's Compensation was mentioned by over half the firms as another reason. As can be expected due to the type of industry, the Finance and Services Industries, with little or no inventories, cited three main reasons for foregoing expansion: the Corporate Income Tax Rate, the Unemployment Insurance Tax, and Workers Compensation.

TABLE 101
REASONS TO FOREGO EXPANSION*
BY SIZE OF FIRM

Number of Employees	Over-all State Tax Burden	Over-all City Tax Burden	Corporate Income Tax	Property Tax on Inventories	Sales Tax on Machines and Equipment	Unemployment Insurance Tax	Workers Compensation	Severance Tax	Gas Tax
1-19	25%	16%	31%	69%	28%	47%	59%	3%	3%
20-49	0%	0%	100%	0%	0%	100%	0%	0%	0%
50+	0%	0%	100%	0%	0%	0%	0%	0%	0%
PERCENT OF TOTAL	22%	14%	39%	61%	25%	47%	53%	3%	3%

n = 22

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 102
REASONS TO FOREGO EXPANSION*
BY INDUSTRY

Industry	Over-all State Tax Burden	Over-all City Tax Burden	Corporate Income Tax	Property Tax on Inventories	Sales Tax on Machines and Equipment	Unemployment Insurance Tax	Workers Compensation	Severance Tax	Gas Tax
Manufacturing	25%	13%	25%	75%	38%	38%	63%	13%	13%
Finance/Services	0%	0%	50%	0%	0%	50%	50%	0%	0%
Other Industries	27%	18%	46%	64%	18%	46%	46%	0%	0%
PERCENT OF TOTAL	22%	14%	39%	61%	25%	47%	53%	3%	3%

n = 22

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 103
REASONS TO FOREGO EXPANSION*
BY COMMUNITY COMPARISON

Community	Over- all State Tax Burden	Over- all City Tax Burden	Corp- orate In- come Tax	Prop- erty Tax Inven- tories	Sales Tax on Equip- ment	Mach- ines and Insur- ance Tax	Unem- ploy- ment Tax	Work- ers Compen- sation	Sev- er- ance Tax	Gas Tax
Goodland	22%	14%	39%	61%	25%	47%	53%	3%	3%	
Other 9 Communities	24%	13%	20%	61%	32%	46%	47%	8%	2%	

*Since firms could give more than one reason, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Business Climate Improvements

Improving the local quality of life Many ways exist for a community to improve its quality of life. Firms in the Goodland areas overwhelmingly suggested that economic development efforts were the best avenue to accomplish quality of life improvements (see Tables 104-106). Every firm with over 20 employees cited this. When broken down by industry, economic development was again the factor that was mentioned more than any other.

TABLE 104
WAYS TO IMPROVE THE LOCAL QUALITY OF LIFE*
BY SIZE OF FIRM

Number of Em- ployees	Ec- onomic Dev- elop- ment	More Enter- tain- ment	More Recre- ational Activ- ities	Im- prove Town, Up- grade Prop- erty Edu- cation
1-19	66%	24%	6%	3%
20-49	100%	0%	0%	0%
50+	100%	0%	0%	33%

PERCENT OF
TOTAL
n = 50

*Since firms could give more than one suggestion, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 105
WAYS TO IMPROVE THE LOCAL QUALITY OF LIFE*
BY INDUSTRY

Industry	Ec- onomic Dev- elop- ment	More Enter- tain- ment	More Recre- ational Activ- ities	Im- prove Town, Fix Prop- erty	Up- grade Edu- cation
Manufacturing	70%	0%	20%	0%	10%
Finance/ Services	85%	8%	0%	8%	23%
Other Industries	65%	30%	4%	0%	9%
PERCENT OF TOTAL	72%	20%	5%	2%	13%

n = 50

*Since firms could give more than one suggestion, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 106
WAYS TO IMPROVE THE LOCAL QUALITY OF LIFE*
BY COMMUNITY COMPARISON

Community	Ec- onomic Dev- elop- ment	More Enter- tain- ment	More Activ- ities For Town	More Recre- ational Activ- ities	Improve Town, Fix Public Morale	Up- grade Prop- erty Edu- cation
Goodland	72%	20%	0%	5%	0%	2%
Other 9 Communities	57%	16%	7%	16%	6%	5%

*Since firms could give more than one suggestion, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Goodland firms are obviously very concerned with the present economic environment and are requesting development of some type of economic development assistance at both the local and state level. When compared to the other communities in the survey, Goodland is more concerned with this area. Perhaps this could become an area that would encompass both city officials and business leaders.

Improving the local business climate. When asked for suggestions to improve Goodland's local business climate, the most popular response was,

again, economic development (see Tables 107-109). However, 35% of the respondents also felt that a more responsive local government would help. Two areas that were of major concern for the largest companies were to increase and improve the local image, and to give more assistance to entrepreneurs.

TABLE 107
SUGGESTIONS GIVEN FOR IMPROVING THE LOCAL BUSINESS CLIMATE*
BY SIZE OF FIRM

Number of Employees	Economic Development	Better Cooperation Between State & Local	Increase and Improve Local Image	Tax Incentives, Abate-ments	Local Gvt. More Responsive	Help Entrepreneurs
1-19	61%	2%	11%	16%	41%	11%
20-49	75%	0%	0%	25%	25%	0%
50+	33%	0%	67%	0%	0%	33%
PERCENT OF TOTAL	60%	2%	16%	16%	35%	12%

n = 35

*Since firms could give more than one suggestion, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 108
SUGGESTIONS GIVEN FOR IMPROVING THE LOCAL BUSINESS CLIMATE*
BY INDUSTRY

Industry	Economic Development	Better Cooperation Between State & Local	Increase and Improve Local Image	Tax Incentives, Abate-ments	Local Gvt. More Responsive	Help Entrepreneurs
Manufacturing	63%	13%	13%	13%	25%	38%
Finance/Services	60%	0%	20%	30%	30%	10%
Other Industries	60%	0%	13%	7%	40%	7%
PERCENT OF TOTAL	60%	2%	16%	16%	35%	12%

n = 35

*Since firms could give more than one suggestion, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 109
 SUGGESTIONS GIVEN FOR IMPROVING THE LOCAL BUSINESS CLIMATE*
 BY COMMUNITY COMPARISON

Community	Economic Development	Improve-ment Between State Local	Increase and Im-prove Local Image	Improve Local Financing	Tax Incen-tives, Abate-ments	Local Gvt. More Respon-sive	Help Entre-preneurs	Spend Muni-cipal Funds
Goodland	60%	2%	16%	0%	16%	35%	12%	13%
Other 9 Communities	60%	2%	12%	13%	14%	23%	12%	8%

*Since firms could give more than one suggestion, total percentages may not add to 100%.
 Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

In comparing Goodland to the other nine surveyed communities (Table 109), the figures seem to be similar, with two notable exceptions. Improving local financing was cited by none of the firms in Goodland as a suggestion for improving the local climate, while 13% did in the other nine communities. This seems to contradict the problems with financing that were expressed earlier in this report. The business respondents in Goodland also felt, more than firms in the other communities, that the local government should be more responsive to their needs.

Improving the state business climate. Suggestions given for improving the state's business climate seemed to center around three things (listed in descending order): Economic Development, Changing or Lowering Taxes, and Improving the Highway System. (See Tables 110-112)

TABLE 110
SUGGESTIONS GIVEN FOR IMPROVING THE STATE BUSINESS CLIMATE*
BY SIZE OF FIRM

Number of Employees	Economic Development	More Cooperation Between State & Local	Increase and Improve State Image	Better Financing Opportunities	Tax Incentives	Better Competition	Improve Highway System	Seek Diversification	Change Or Lower Taxes
1-19	40%	3%	12%	3%	18%	3%	24%	1%	37%
20-49	67%	0%	0%	0%	0%	0%	33%	0%	33%
50+	50%	0%	0%	0%	0%	0%	50%	0%	50%
PERCENT OF TOTAL	43%	3%	10%	3%	16%	3%	26%	1%	38%

n = 47

*Since firms could give more than one suggestion, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 111
SUGGESTIONS GIVEN FOR IMPROVING THE STATE BUSINESS CLIMATE*
BY INDUSTRY

Industry	Economic Development	More Cooperation Between State & Local	Increase and Improve State Image	Better Financing Opportunities	Tax Incentives	Better Competition	Improve Highway System	Seek Diversification	Change Or Lower Taxes
Manufacturing	27%	0%	18%	0%	0%	18%	0%	9%	42%
Finance/Services	33%	0%	8%	0%	17%	0%	33%	0%	18%
Other Industries	50%	5%	10%	5%	15%	0%	30%	0%	13%
PERCENT OF TOTAL	43%	3%	10%	3%	16%	3%	26%	1%	38%

n = 47

*Since firms could give more than one suggestion, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 112
SUGGESTIONS GIVEN FOR IMPROVING THE STATE BUSINESS CLIMATE*
BY COMMUNITY COMPARISON

Community	Economic Development	More Cooperation Between State & Local	Increase and Improve State Image	Better Financing Opportunities	Tax Incentives	Better Competition	Eliminate Severance Tax	Improve Highway System	Seek Diversification	Change Or Lower Taxes
Goodland	43%	3%	10%	3%	16%	3%	0%	26%	1%	38%
Other 9 Communities	29%	1%	15%	7%	16%	6%	4%	31%	2%	26%

*Since firms could give more than one suggestion, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

In comparing the suggestions made by Goodland to the other nine communities, it appears that Goodland firms are more concerned with economic development and with the tax rate than firms in the other nine Kansas communities. Taxes are on the minds of Kansas firms--from tax incentives and tax changes to the elimination of the severance tax.

Business Climate Summary

After examining the data regarding the local and state business climates, it is possible to make the following summary implications:

1. The majority of Goodland firms believe that the local quality of life is good. Of all respondents, 82% gave a good rating for the quality of life. This issue will play a more prominent role as firms grow and expand.
2. In general, respondents consider the attitude of the local government to be positive towards the business community. Of all respondents, 75% said they had a positive to very positive attitude. In comparison, only 54% of the firms in the other nine communities stated that their local government had a positive attitude towards the business community.
3. Most local services are seen by Goodland respondents to be good or adequate. However, relatively high percentages of firms gave poor ratings to the cost of transportation, the quality of public transportation, the quality of railroads, and the quality of the telephone system. Transportation issues, in particular, will become more important as firms grow and expand to new markets.
4. Economic development initiatives are seen to be important by surveyed Goodland firms. Now would be an excellent time for local officials to work with the business community in the implementation of economic development strategies.

VII.

ECONOMIC DEVELOPMENT PROGRAMS

In this section we examine economic development programs designed to assist businesses in the state, firms that utilize special employment skills for their operations, services from state schools that are used by firms, and employees sought from these state schools. It is imperative that policy makers know whether programs designed for firms are being used, and whether the state is assisting companies to be more competitive.

The major findings are: (1) The majority of surveyed firms have no knowledge of most state economic development assistance programs; (2) Most firms have not used the services of a state university, community college, or vocational school; and (3) The overwhelming majority of firms do not require a specialized skill for employment.

Economic Development Assistance

Certified Development Companies (CDCs). Certified Development Companies assist small businesses with long term financing through the Small Business Administration 503 loan program. The nearest CDC to Goodland community firms is the Pioneer Country Development, Inc., 317 North Pomeroy Avenue, Hill City, Kansas. None of the Goodland firms surveyed have used CDC's and, in fact, 86% of the surveyed firms had no knowledge of the program (See Tables 113-115). Larger firms, those with more than fifty employees, seemed to have a higher awareness of this assistance than smaller firms. Compared to the other nine counties, awareness was a little lower (86% versus 88%), and usage was lower as well.

TABLE 113
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 CERTIFIED DEVELOPMENT COMPANIES
 BY SIZE OF FIRM

Number of Employees	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
1-19	88%	12%	0%
20-49	80%	20%	0%
50+	67%	33%	0%
TOTAL PERCENT	86%	14%	0%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 114
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 CERTIFIED DEVELOPMENT COMPANIES
 BY INDUSTRY

Industry	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
Manufacturing	93%	7%	0%
Finance/Services	86%	14%	0%
Other Industries	86%	14%	0%
TOTAL PERCENT	86%	14%	0%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 115
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 CERTIFIED DEVELOPMENT COMPANIES
 BY COMMUNITY COMPARISON

Community	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
Goodland	86%	14%	0%
Other 9 Communities	88%	10%	2%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Assistance programs such as the Certified Development Companies are set up to assist firms in further business development, and in turn, to enhance the respective communities business climate and environment. However, in the case of Goodland, firms not only do not use the programs, they are also unaware of them. This implies that communication from the state level is inadequate at the present time, and as a result, Goodland's local government should supplement state efforts by setting up a communication network to help out the businesses in the area. Since it has already been stated in this report that Goodland firms thought the local government should be more responsive to them, perhaps this could be one approach to explore.

The Community Development Block Grant Program. The Community Development Block Grant Program is a federal grant program administered by the state government to assist communities in providing additional services to low and moderate income persons. Grants are given for such projects as infrastructure improvement, business financing, and comprehensive planning for communities. Sixty percent of Goodland firms had knowledge of this

program, but only 2% of the firms surveyed indicated they had actually used it (see Tables 116, 117, and 118). These figures are nearly identical to the other nine Kansas communities.

TABLE 116
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
 BY SIZE OF FIRM

Number of Employees	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
1-19	36%	62%	2%
20-49	80%	20%	0%
50+	0%	100%	0%
TOTAL PERCENT	38%	60%	2%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 117
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
 BY INDUSTRY

Industry	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
Manufacturing	36%	64%	0%
Finance/Services	20%	80%	0%
Other Industries	48%	48%	4%
TOTAL PERCENT	38%	60%	2%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 118
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
 BY COMMUNITY COMPARISON

Community	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
Goodland	38%	60%	2%
Other 9 Communities	37%	61%	2%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

In Goodland, the majority of the firms surveyed had knowledge of the Community Development Block Grant Program, but few had chosen to use it. As previously stated, the local government should take the initiative to see that the firms in its area are informed of the types of assistance that are available to them. Perhaps a general type of "town meeting" within the entire business community would help improve the image of local government, and would be beneficial to businesses as well. When there are programs that will help, there should be an effort made to involve all that are eligible. Successful implementation of these programs will be beneficial for the firms, as well as Goodland's economy.

Centers of Excellence Programs. Centers of Excellence, located at state universities, offer state-of-the-art research capabilities, fit within the long range objectives of the universities, and offer long-term potential for economic development. Commercialization of new technologies and attracting nationally-recognized scientists are important goals of the Centers. The nearest Center of Excellence to Goodland is at Kansas State

University. Only 6% of the total number of firms in Goodland stated they knew about Centers of Excellence Programs. (See Tables 119-121.) Even more discouraging is the fact that no firms in Goodland have used this program. Comparing Goodland's data in this area to the other nine communities reveal that knowledge of this assistance was 11% higher for firms surveyed in the other nine communities.

TABLE 119.
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE CENTERS OF EXCELLENCE PROGRAMS
 BY SIZE OF FIRM

Number of Employees	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
1-19	92%	8%	0%
20-49	100%	0%	0%
50+	100%	0%	0%
TOTAL PERCENT	94%	6%	0%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 120
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE CENTERS OF EXCELLENCE PROGRAMS
 BY INDUSTRY

Industry	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
Manufacturing	94%	6%	0%
Finance/Services	93%	7%	0%
Other Industries	94%	6%	0%
TOTAL PERCENT	94%	6%	0%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 121
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE CENTERS OF EXCELLENCE PROGRAMS
 BY COMMUNITY COMPARISON

Community	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
Goodland	94%	6%	0%
Other 9 Communities	84%	15%	1%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Here again, very few firms had knowledge of the program, and none had ever used it. This is probably due somewhat to the great distance between Goodland and state universities. Extra effort on the part of Goodland's local government might benefit these local businesses on the various

programs that are obtainable, and could possible try to find ways to access and use the technical assistance provided by these educational institutions.

The Job Training Partnership Act (JTPA). The Job Training Partnership Act is a federal job training program aimed primarily at disadvantaged and dislocated workers. Information about JTPA may be obtained by contacting the Kansas State Department of Human Resources. Of all the assistance programs mentioned in this study, JTPA had the highest degree of use, as 14% of the total number of surveyed firms in Goodland had used the program, as indicated by Tables 122, 123, and 124. Although this is encouraging, almost one-third of the firms had no knowledge of this program, and over half the firms who knew of it did not participate. In comparing Goodland to the other nine communities, it is encouraging to note that a higher percentage of Goodland respondents had knowledge of the program, and a higher percentage actually used it.

TABLE 122
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE JOB TRAINING PARTNERSHIP ACT
 BY SIZE OF FIRM

Number of Employees	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
1-19	32%	56%	12%
20-49	60%	0%	40%
50+	0%	100%	0%
TOTAL PERCENT	32%	54%	14%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 123
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE JOB TRAINING PARTNERSHIP ACT
 BY INDUSTRY

Industry	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
Manufacturing	36%	43%	21%
Finance/Services	33%	53%	14%
Other Industries	32%	58%	10%
TOTAL PERCENT	32%	54%	14%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 124
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE JOB TRAINING PARTNERSHIP ACT
 BY COMMUNITY COMPARISON

Community	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
Goodland	32%	54%	14%
Other 9 Communities	42%	47%	11%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

The Job Training Partnership Act is a training program that can be of great assistance to firms that want to cut their training costs and develop more highly skilled workers. Even though knowledge of this assistance program is greater than the others, there is still a third of the companies

that had no knowledge of the program and the benefits they could receive from it. Perhaps the local government could help the community and the businesses that comprise it by channeling this information to the firms that could gain from its use.

The Kansas Industrial Training Program (KIT). The Kansas Industrial Training Program provides job training grants to firms that are new to the state or to existing firms that are expanding within Kansas. Information about KIT may be obtained through the Kansas State Department of Commerce. Two-thirds of the firms in Goodland had no knowledge of KIT, and only 5% of the surveyed firms had used the program, but this is better than the other nine Kansas communities, where only 2% had utilized the program (see Tables 125-127). There were no manufacturing firms, and no firms of over fifty employees, that had used the program.

TABLE 125
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE KANSAS INDUSTRIAL TRAINING PROGRAM
 BY SIZE OF FIRM

Number of Employees	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
1-19	70%	26%	4%
20-49	60%	20%	20%
50+	33%	67%	0%
TOTAL PERCENT	67%	28%	5%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 126
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE KANSAS INDUSTRIAL TRAINING PROGRAM
 BY INDUSTRY

Industry	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
Manufacturing	71%	29%	0%
Finance/Services	67%	27%	6%
Other Industries	64%	29%	7%
TOTAL PERCENT	67%	28%	5%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 127
 PERCENT OF THE TOTAL NUMBER OF FIRMS
 THAT HAVE KNOWLEDGE AND HAVE USED
 THE KANSAS INDUSTRIAL TRAINING PROGRAM
 BY COMMUNITY COMPARISON

Community	Had No Knowledge of This Program	Had Knowledge of Program, but Had Not Used It	Had Used The Program
Goodland	67%	28%	5%
Other 9 Communities	64%	34%	2%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

KIT is a program designed to aid firms in upgrading their training capabilities. When two-thirds of the firms have no knowledge of the program, and only 5% actually use it, there has to be some way to

communicate its benefits to those firms that are in need of this type of assistance. This implies that efforts to increase knowledge of KIT and enhance its use are greatly needed.

TABLE 128
SUMMARY TABLE FOR
ECONOMIC DEVELOPMENT PROGRAMS

	No Knowledge	Knowledge, No Use	Used Program
Certified Development Companies	86%	14%	0%
Centers of Excellence	94%	6%	0%
Community Development Block Grant Programs	38%	60%	2%
Kansas Industrial Training Program	67%	28%	5%
Job Training Partnership Act	32%	54%	14%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Note: Percentages are of the total number of firms.

The synopsis table shown above makes it quite evident that some programs have never been used, and even if they have been, it has never been used by over one-fifth of the total number of firms. These figures indicate that the potential for greater use of these programs is present in Goodland. Needed are information networks that can make these types of assistance more well known to firms in the community.

Firms That Need A Specialized Skill Of the total number of firms surveyed in Goodland, 97% stated they did not need a specialized skill for employment in their company. (See Tables 129, 130, and 131.) Companies with 20-49 employees and firms in the manufacturing industry seem to need specialized

skills the most. There was no difference that existed when comparing Goodland to the other nine communities.

TABLE 129
PERCENT OF TOTAL FIRMS THAT NEED A
SPECIALIZED SKILL, BY FIRM SIZE

Does your firm need a specialized skill for employment in your company?		
Number of Employees	NO	YES
1-19	99%	1%
20-49	80%	20%
50+	100%	0%
TOTAL PERCENT	97%	3%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 130
PERCENT OF TOTAL FIRMS THAT NEED A
SPECIALIZED SKILL, BY INDUSTRY

Does your firm need a specialized skill for employment in your company?		
Industry	NO	YES
Manufacturing	93%	7%
Finance/Services	100%	0%
Other Industries	97%	3%
TOTAL PERCENT	97%	3%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 131
 PERCENT OF TOTAL FIRMS THAT NEED A
 SPECIALIZED SKILL
 BY COMMUNITY COMPARISON

Does your firm need a specialized skill for employment in your company?		
Community	NO	YES
Goodland	97%	3%
Other 9 Communities	97%	3%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

It appears from these tables that a tremendous amount of skilled labor is not needed in the Goodland area. However, with the rapidly changing business environment that is present today, this may not always be the case. As changes in technology and technological advancement become more evident and essential in business operations, skilled positions will become increasingly more common for all types, and sizes, of firms. To remain competitive, firms will have to adapt, and as a result, will have to train a great deal of workers in the future. This type of undertaking will require large amounts of resources, and this is where programs such as the Job Training Partnership Act and the Kansas Industrial Training Program could become quite useful. Goodland's local government should make an attempt to inform their firms of these type of opportunities.

Using state universities, community colleges, or vocational schools. Of the firms surveyed in Goodland, over half have never used the services of any state university, community college, or vocational school, as can be seen from Tables 132-134. Firms with fifty or more employees appear to use

these services more than the smaller companies. Goodland firms do, however, use these services more than surveyed firms in the other nine Kansas communities.

TABLE 132
 PERCENT OF TOTAL FIRMS THAT HAVE USED THE
 SERVICES OF A STATE UNIVERSITY, COMMUNITY COLLEGE,
 OR VOCATIONAL SCHOOL
 BY SIZE OF FIRM

In the past two years, has your company ever used the services of any state university, community college, or vocational school?

Number of Employees	NO	YES
1-19	54%	46%
20-49	80%	20%
50+	33%	67%
TOTAL PERCENT	56%	44%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 133
 PERCENT OF TOTAL FIRMS THAT HAVE USED THE
 SERVICES OF A STATE UNIVERSITY, COMMUNITY COLLEGE,
 OR VOCATIONAL SCHOOL
 BY INDUSTRY

In the past two years, has your company ever used the services of any state university, community college, or vocational school?

Industry	NO	YES
Manufacturing	43%	57%
Finance/Services	60%	40%
Other Industries	55%	45%
TOTAL PERCENT	56%	44%

n = 65

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 134
 PERCENT OF TOTAL FIRMS THAT HAVE USED THE
 SERVICES OF A STATE UNIVERSITY, COMMUNITY COLLEGE,
 OR VOCATIONAL SCHOOL
 BY COMMUNITY COMPARISON

In the past two years, has your company ever used the
 services of any state university, community
 college, or vocational school?

Community	NO	YES
Goodland	56%	44%
Other 9 Communities	61%	39%

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

There are many new concepts that the various institutions have that could be of great benefit to the businesses in Goodland. Perhaps there would be a way that the companies and these institutions of higher learning could coordinate and work together for the benefit of all. Each entity, business and education, has resources and technical expertise that can be of mutual benefit.

Services used from state universities, community colleges, and vocational schools. Most of the firms used these institutions for the training of presently employed personnel. The largest firms use the institutions for training, technical courses, business courses, and consulting in business planning, while the smallest firms use them in all areas, but mainly in training, consulting, and agricultural(veterinary) services (see Tables 135-137).

TABLE 135
SERVICES USED FROM STATE UNIVERSITIES, COMMUNITY COLLEGES, OR VOCATIONAL SCHOOLS*
BY SIZE OF FIRM

Number of Employees	Training of Presently Employed Personnel	Technical Courses	Business Courses	Consulting In Product Development	Consulting In Process Innovation	Consulting In Business Planning	Consulting In Construction	Agriculture-Vet. Services
1-19	31%	7%	12%	31%	7%	19%	2%	24%
20-49	100%	100%	0%	0%	0%	0%	0%	0%
50+	100%	50%	50%	0%	0%	50%	0%	0%
PERCENT OF TOTAL	40%	15%	15%	27%	6%	21%	2%	21%

n = 29
*Since firms could give more than one service used, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 136
SERVICES USED FROM STATE UNIVERSITIES, COMMUNITY COLLEGES, OR VOCATIONAL SCHOOLS*
BY INDUSTRY

Industry	Training of Presently Employed Personnel	Technical Courses	Business Courses	Consulting In Product Development	Consulting In Process Innovation	Consulting In Business Planning	Consulting In Construction	Agriculture-Vet. Services
Manufacturing	50%	17%	17%	17%	17%	33%	17%	0%
Finance/Services	57%	14%	29%	29%	0%	29%	0%	0%
Other Industries	29%	14%	7%	29%	7%	14%	0%	36%
PERCENT OF TOTAL	40%	15%	15%	27%	6%	21%	2%	21%

n = 29
*Since firms could give more than one service used, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 137
SERVICES USED FROM STATE UNIVERSITIES, COMMUNITY COLLEGES, OR VOCATIONAL SCHOOLS*
BY COMMUNITY COMPARISON

Community	Training of Presently Employed Personnel	Technical Courses	Business Courses	Consulting In Product Development	Consulting In Process Innovation	Consulting In Business Planning	Consulting In Construction	Agriculture-Vet. Services
Goodland	40%	15%	15%	27%	6%	21%	2%	21%
Other 9 Communities	41%	25%	22%	9%	11%	23%	2%	9%

*Since firms could give more than one service used, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

Goodland, when compared to the other nine cities, uses these institutions of higher learning more for agricultural services and also for consulting in product development. However, they seem to use them less for courses--either technical or business. Firms in Goodland, to the extent possible, should take greater advantage of the various services available at these state schools.

Employees sought from state universities, community colleges, and vocational schools. Employees most commonly sought by businesses in Goodland include business and management personnel and entry level clerical workers--each given by 28% of those firm representatives that responded, as shown in Tables 138, 139, and 140. This is similar to the types of employees that are sought in the other nine cities.

TABLE 138
EMPLOYEES SOUGHT FROM STATE UNIVERSITIES, COMMUNITY COLLEGES, OR VOCATIONAL SCHOOLS*
BY SIZE OF FIRM

Number of Employees	Entry-Level Clerical	Mechanics, Machinists	Data Processors	Electronics, Electrical Technicians	Drafters	Chemical Process, Lab Techs.	Engineers	Business Management Personnel	Agricultural, Veterinary Personnel	Heavy Equipment Operators	General Labor
1-19	29%	25%	12%	10%	3%	3%	0%	22%	17%	0%	12%
20-49	0%	0%	33%	33%	33%	0%	33%	67%	0%	0%	0%
50+	33%	33%	33%	0%	0%	0%	0%	33%	0%	33%	0%
PERCENT OF TOTAL	28%	22%	16%	12%	6%	3%	3%	28%	15%	3%	10%

n = 42

*Since firms could give more than one type of employee sought, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 139
EMPLOYEES SOUGHT FROM STATE UNIVERSITIES, COMMUNITY COLLEGES, OR VOCATIONAL SCHOOLS*
BY INDUSTRY

Industry	Entry-Level Clerical	Mechanics, Machinists	Data Processors	Electronics, Electrical Technicians	Drafters	Chemical Process, Lab Techs.	Engineers	Business Management Personnel	Agricultural, Veterinary Personnel	Heavy Equipment Operators	General Labor
Manufacturing	33%	33%	11%	22%	0%	0%	0%	11%	0%	0%	11%
Finance/Services	50%	0%	40%	0%	0%	10%	0%	40%	10%	0%	0%
Other Industries	15%	30%	5%	15%	10%	0%	5%	25%	20%	5%	15%
PERCENT OF TOTAL	28%	22%	16%	12%	6%	3%	3%	28%	15%	3%	10%

n = 42

*Since firms could give more than one type of employee sought, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

TABLE 140
 EMPLOYEES SOUGHT FROM STATE UNIVERSITIES, COMMUNITY COLLEGES, OR VOCATIONAL SCHOOLS*
 BY COMMUNITY COMPARISON

Community	Entry- Level Clerical	Mech- anics, Mach- inists	Data Proc- essors	Elec- tronics, Elec- trical Techs.	Draf- ters	Chem- ical Pro- cess, Lab Techs.	Engi- neers	Pers- onnel	Bus- iness Manage- ment	Agri- cul- tural, Pers- onnel	Heavy Equip- ment Oper- ators	General Labor
Goodland	28%	22%	16%	12%	6%	3%	3%	28%	15%	3%	10%	
Other 9 Communities	25%	20%	8%	8%	3%	5%	11%	31%	8%	6%	13%	

*Since firms could give more than one type of employee sought, total percentages may not add to 100%.

Source: Business Retention and Expansion Survey for Kansas Mid-Size Communities with Populations of 10,000 to 100,000, Institute for Public Policy and Business Research, The University of Kansas, 1987.

There does not appear to be a great need for employees with technical backgrounds, as is typical of communities larger than Goodland. In response to this, state schools should be training and educating the types of employees that these firms need to assure that the quality of the goods and/or services these firms produce does not deteriorate.

Economic Development Assistance Programs Summary

After examining the data regarding economic development programs, it is possible to make the following summary implications:

1. Most firms have no knowledge of certain state economic development assistance programs. Because of this, assistance programs have had a minimal impact for the entire community. Information about these programs must be better communicated to Goodland firms.
2. The overwhelming majority of Goodland respondents do not need specialized skills in their companies. Of all firms, 97% do not require a specialized skill for employment.

3. The growth potential of these firms will be weakened if competition requires a shift to more specialized forms of employment. Because of this, employment training programs take on added significance.

4. Firms with 50 or more employees use the services of a state university, community college, or vocational school more than smaller size companies, indicating possible difficulties for small firms to find, make, and/or afford contacts with state educational institutions.