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Wadena County Business Retention and Expansion Strategies Program

Summary Report
October 2019



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SUMMARY REPORT

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Authored by Michael Darger, University of Minnesota Extension

Sponsors:

Cities of Menahga, Sebeka, Staples, Verndale, and Wadena
Minnesota Department of Employment and Economic Development
University of Minnesota Extension

Financial Sponsors:



NOTE: The data, analysis, and findings described in this report are specific to the geography, time frame, and project requirements of Wadena County, Minnesota. Findings are not transferable to other jurisdictions. Extension neither approves nor endorses the use or application of findings and other contents in this report by other jurisdictions.

WADENA COUNTY BUSINESS RETENTION AND EXPANSION PROGRAM

Business Retention and Expansion (BRE) is an essential element of local economic development efforts. The BRE strategy focuses on the retention and expansion of existing businesses to assist them in navigating today's global economy. While the attraction of new businesses and incubation of start-ups can be important components of an overall economic development strategy, communities realize that helping existing businesses survive and grow is the number one strategy.

Expansions and contractions are defined as changes in employment at an existing plant or business location. Start-ups and dissolutions are defined as the creation or closing down of a separate plant or business location. This "churning" of business creation, dissolution, expansion, and contraction is a natural part of a local economy. The BRE challenge to a community is to facilitate the expansions while taking preventative actions to reduce the number of dissolutions and diminish the contractions.

Commonly, more jobs are created by business expansions than by new business start-ups. Minnesota data from 2002-2017 confirms that roughly 72% of new jobs in the state were created by existing business.¹ Wadena County, in launching this BRE program, has the potential to improve the climate for existing businesses and, therefore, benefit from the continued presence and growth of those businesses.

Another benefit of a BRE program is the information provided by the survey on the community's strengths and weaknesses. The strengths can be highlighted in community promotional material, while the weaknesses give the community an opportunity to make important changes and show businesses it is responsive. By acknowledging its weaknesses, a community also shows businesses it is

trustworthy and will take a realistic look at its situation.

A final benefit of a BRE program is how the process enhances the team of local leaders. The team is much broader than many other local economic development teams, since it includes representatives from education and government in addition to business and economic development leaders. This diverse membership allows the local BRE task force to bring in more resources, ideas, and contacts to address problems identified in the survey. Quite often, this local team will continue to interact in addressing other community concerns that arise long after the official program has ended.

Program Objectives

The Wadena County BRE Program has three objectives:

- To enhance communication
- To demonstrate support for local businesses and solve immediate business concerns
- To identify priorities for economic development

Program Sponsors

The Wadena County BRE Program is sponsored by the following organizations:

The Economic Alliance
Initiative Foundation
Wadena County
Sourcewell
Cities of Menahga, Sebeka, Staples, Verndale, and Wadena
Minnesota Department of Employment and Economic Development
University of Minnesota Extension

¹ *Minnesota Economic Trends Magazine*, March, 2019

BRE PROCESS AND KEY DATES

Community leaders who are invested in the program's implementation form the core for a BRE initiative. They identify five to eight people to form the Leadership Team, each of whom has a clearly defined role in the BRE process. The Leadership Team responsibilities are vast and vital to the success of the program. These include recruiting volunteers, identifying businesses to visit, providing survey input, performing business visits, coordinating milestone meetings, building community awareness, and recruiting the Task Force.

The Task Force guides the BRE process, helps the Leadership Team with business visits, and becomes involved in prioritizing and responding to issues identified in the business interviews.

Economic development leaders and community volunteers have worked together since the summer of 2018 to make the Business Retention and Expansion Program happen in Wadena County. Several sponsoring organizations and cities contributed resources to the program.

Volunteer Training

Volunteer Visitor training sessions, held in February of 2019, oriented volunteer visitors to the BRE process. Volunteer visitors were trained on the use of the interview guide and how to interview business owners. Working as teams of two during the interview, one volunteer was primarily responsible for asking the questions, while the second recorded the responses.

Interview Guide

Wadena County adopted Extension's interview guide (survey instrument). Volunteer visitors used the interview guide on the business visits.

Business Selection & Visits

The BRE leadership team established a goal of accomplishing 100 business visits. Each city in Wadena County was encouraged to organize lists and select businesses to visit. Each community did the firm selection process on their own, thus it is not known whether each community used a scientific random selection

process or other ways of selecting businesses for visits. All businesses were mailed a copy of the interview guide with a cover letter inviting their participation.

The Wadena County BRE Leadership Team and Task Force surveyed 98 businesses at 97 locations February-April, 2019. This is believed to be the 3rd or 4th highest total of visits in the 30 year history of Extension's BRE program.

Campus Research Review

Completed business surveys were tabulated and analyzed by the University of Minnesota. The data summary was provided to participants of the Wadena County BRE Campus Research Review meeting held May 29, 2019, in St. Paul. Participants identified predominant, common themes in the survey results and suggested project ideas to address the themes.

Warning Flag (aka Red Flags) Review

The Warning Flag Review session, a highly critical piece of the BRE process, provided an opportunity for the Task Force to identify individual business concerns that needed immediate attention. This is probably the single most important activity that a BRE initiative can do - responding appropriately and confidentially to businesses on issues, such as business relocations, concerns with public service, needs for resources, etc.

The meeting was held April 26, 2019. The meeting revealed:

- A majority of businesses had issues related to workforce. It was decided not to "red flag" these issues, but instead address them through potential priority projects.
- Three expansion opportunities that were being followed up in person
- Two other warning flag (closing/retiring) that were both "do not follow up" interviews
- There are about 20 businesses looking for more information. They were followed up via mail and email.

Research Report Development

Extension's Michael Darger and Madi Knappek prepared the research report based on the results of the Campus Research Review meeting and additional economic development research. Cameron Macht from the Minnesota Department of Employment and Economic Development (DEED) contributed a profile of the county's economy and demographics. The research report presented four overarching strategies and a robust compilation of suggested projects under each strategy.

Task Force Retreat

A Task Force retreat was held September 3, 2019, in Wadena where the Task Force was presented with the Research Report. The presentation included the composite results of the business interviews, and the four strategies. The Research Report can be viewed by contacting one of the Task Force members or WCEDA.

Understandably, the Wadena County BRE Task Force has the most knowledge of its community and, therefore, can discern which projects would be locally suitable for implementation.

The Task Force reviewed and discussed the potential projects and developed new project ideas. Ultimately, five priority projects were adopted for action.

WADENA COUNTY BRE PROGRAM PARTICIPANTS

Three groups of people have been instrumental to Wadena County's BRE program success to date - the Leadership Team, the Task Force and volunteer visitors, and the businesses visited. Additionally, the Campus Research Review team deserves acknowledgement for their process participation.

Wadena County BRE Leadership Team Members

Overall Coordinator Katie Heppner, Executive Director of the Economic Alliance

Business Resources Coordinator (aka Warning Flags Coordinator) Katie Heppner

Milestone Meeting Coordinator Donna

Anderson, City of Sebeka Representative

Visitation Coordinator Allison Uselman, Todd-Wadena Electric Co-Op Member Service Manager

Media Coordinator Jed Brazier, Director of the Wadena Chamber of Commerce

University of Minnesota Extension BRE Consultant

Ryan Pesch, Extension Educator in Community Economics, served as the BRE consultant to Wadena County. This included coaching and advising the Leadership Team, conducting volunteer visitor trainings, and assisting in several important ways along the way.

Wadena County BRE Task Force Members

Organization	Name
Menahga	Allison Uselman
Menahga	Gina Ellingson
Menahga	Joan Liimatta
Menahga	Wayne Isaacson
Sebeka	Cheryl Hahn
Sebeka	Donna Anderson
Sebeka	Rose Bakke
Sebeka	Sylvia Tappe
Staples	Diane Archer
Staples	Melissa Radermacher
Verndale	Ardith Carr
Verndale	Raye Ludovissie
Verndale	Tony Stanley
Wadena City	Dean Uselman
Wadena City	Janette Bower
Wadena County	Chuck Horsager
Wadena County	Curt Kreklau
Wadena County	Deana Malone
Wadena County	Lina Belar
Menahga	Allison Uselman
Menahga	Gina Ellingson
Menahga	Joan Liimatta
Menahga	Wayne Isaacson
Sebeka	Cheryl Hahn
Sebeka	Donna Anderson
Sebeka	Rose Bakke
Sebeka	Sylvia Tappe

Businesses Visited

There were 98 business surveys completed at 97 locations. Survey responses are confidential, yet it is important to acknowledge the contribution of these participating businesses.

Aldrich

Homestead Veterinary Clinic
 Ted E Gens BBQ Steakhouse

Menahga

A Clean Plate, Inc
 APQ Engineering
 Cat Creek Auto, Cat Creek Firearm, Algen Bookkeepers
 Cottage House
 Greener Tomorrows
 Greenwood Connections
 A Clean Plate, Inc
 APQ Engineering
 Cat Creek Auto, Cat Creek Firearm, Algen Bookkeepers
 Cottage House
 Greener Tomorrows
 Greenwood Connections
 Hendrickson Agency LLC
 Huntersville Canoe Outfitters
 Jan's Hair Attitude
 L & B Excavating
 Lake Country Foods, Inc
 Menahga Concrete Products, Inc.
 Naturale Alternatives
 Omega Hardwoods
 Pinoniemi Chiropractic
 Renneberg Hardwoods
 Rock Paper Scissors Sales
 Rose Haven
 Salo Mfg
 Shell Sport & Bait
 Spirit Lake Lumber
 The Jewel of the Northwoods B&B
 The Outpost
 Tru-Bilt Industries, LLC DBA: Outfront Transport
 TruStar
 Twin Lakes Lodge
 Vision Nutrition

Sebeka

Caring Hands Home Care Inc.
 Darwin's Equipment
 Forest Haven Retreat
 Frame Auto
 G & T Sanitation
 Glister Excavating
 Gloege's Northern Sun Canoe Outfitters
 Hub 71
 Johnson & Son Well Drilling
 Kinnunen Agency
 North Central Alignment & Tire
 Olsons' Custom Farm Services Inc.
 Review Messenger
 Rife's Stop N Shop
 Sebeka DAC

Staples

3M
 Ace Hardware
 Auto Value - Staples
 Baby Steps
 Barmah Hats, Inc.
 Central Building Supply Inc.
 Dairy Queen
 Dale Schock Farm
 Ernies
 JDM Machining, Inc.
 Jon's Foods
 Lakewood Health System
 Liquor Depot
 LMH Embroidery
 Nyhus Chevrolet Buick Inc.
 Olander Tooling of Staples LLC
 Sourcewell
 Southside Mini-Mart
 Staples Auto Sales
 Staples NAPA
 Staples Precision Metalcraft
 Staples True Value
 Staples World
 Step on In Thrift Staples
 Stern Rubber
 The Spot Café

Timberlake Hotel - Timbers Restaurant
Tower Pizza

Verndale

Aldrich Tractor
Keri Weiher's Daycare
Maasconi's Char & Bar
National Insurance Brokers Veronen Agency
Shear Attractions
Star Bank
Whispering Pines Log Homes
Youngbauer Inc.

Wadena

Bearings and More
Brinks Jewelry Inc.
Buckwheat Growers /Union Creek Coop DBA
Comfort Care Cottages
Culligan Water of Wadena
Down Home Foods
Everything Under the Sun
Greiman Printing & Office Supplies
Homecrest
Joey PC
Kals Kars
Kern Lasers
Lyle's Shoe Store
Merickel Lumber
Pam Hotakainen/Leaf River Ag
Todd Wadena Electric Cooperative
Wadena Machining and Welding LLC
Willis Rubber

Campus Research Review Team Members

The Campus Research Review panel was comprised of University of Minnesota faculty and staff, Minnesota Department of Employment and Economic Development (DEED) specialists, other economic development professionals, and Wadena County Leadership Team members. This group analyzed the survey data to identify both the SWOT (strengths,

weaknesses, opportunities, and threats) as well as to ideate potential project ideas that address issues emerging from the SWOT analysis. A list of participants in the Campus Research Review follows.

Campus Research Review Attendees

Wadena County BRE Leadership Team or Task Force (see section above for their affiliations and leadership roles.)

- Katie Heppner
- Chuck Horsager
- Melissa Rademacher
- Alison Uselman
- Dean Uselman

Minnesota Department of Employment and Economic Development

- Cameron Macht, Regional Analysis and Outreach Manager
- David Heyer, Business Development Manager-West Central

Economic and Community Development Professionals

- Kathi Schaff, Grow Minnesota! Partnership, Minnesota Chamber of Commerce

University of Minnesota

- Michael Darger, UofM Extension BRE Program Director
- Eric King, UofM Extension Educator, Community Economics
- Lee Munnich, Humphrey School of Public Affairs
- Ward Nefstead, UofM Extension Economist
- Ryan Pesch, UofM Extension Educator, Community Economics
- Bruce Schwartau, UofM Extension Program Leader, Community Economics

Additional Assistance from UofM

Lauren Sorgaard, data input and tabulation,
Extension Cloquet Regional Office

Jodie Kaden, report assembly and printing,
Extension Center for Community Vitality

WADENA COUNTY'S ECONOMIC AND DEMOGRAPHIC PROFILE

A profile of Wadena County's economy and demographics was prepared for the Research Report and presented at the Campus Research Review. The profile, created by Cameron Macht of the Minnesota Department of Employment and Economic Development (DEED), contains statistics on population, demographics, employment, wages, commuting and labor sheds, unemployment, and occupations. A full copy of the profile can be viewed in the BRE research report by contacting one of the Task Force members.

WADENA COUNTY'S INTERVIEW RESULTS

Out of the 97 businesses included in the data set, 90% of businesses were locally owned. Only 28% of the businesses reported having a location outside of Wadena County.

Over a quarter of the surveyed businesses (28%) classify themselves in retail, 14% in manufacturing, 11% in accommodations/food, and 9% in health care/social service.

Over two thirds (70%) of the firms report employees have a very short commute, traveling less than 15 minutes to work. In fact, the businesses estimate that 93% of their workers travel no longer than 30 minutes to their jobs in Wadena County. This suggests that Wadena County businesses are drawing from a highly localized labor force, where most employees live in or near the cities.

Wadena County businesses were asked to estimate the number of workers employed at their location, both currently and three years prior. Wadena County businesses tend to be quite small, with fewer than nine full-time employees on average. The surveyed businesses employ significant numbers of part-time

workers and seasonal workers (932 total) relative to full-time employees (1501). There was a significant increase in numbers of employees from three years ago.

A related question asks businesses to indicate whether they expect the number of employees in various occupations to increase, decrease, or stay the same over the next three years. By far the most significant increase appears to be in one category: unskilled manufacturing (225 jobs total across three businesses). Beyond that, businesses expect to add 37 to 15 workers, respectively, in six other categories: healthcare, unskilled service, professional/managerial, skilled manufacturing, office and administrative, repair and skilled maintenance.

Wadena County businesses report competition for employees (31%), poor work attitudes (19%), and inadequate labor skills (18%) as their three top reasons for difficulty in worker recruitment.

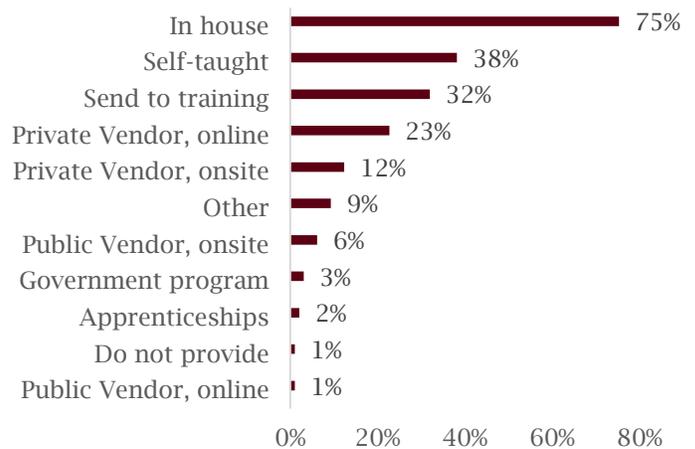


Figure 1. How do you currently train your employees?

A large majority of Wadena County businesses (75%) report training their employees in house, while other training methods were not commonly utilized (see Figure 1). Other popular training methods among Wadena County businesses include self-taught (manuals, videos), offsite trainings, and private vendors. Interestingly, except for in house training these methods are used much more frequently by other BRE communities than by Wadena County businesses. For example, among 15 previous

BRE communities, 48% sent employees to trainings off-site, 31% contracted with private vendors (either online or onsite), 13% contracted with public vendors, and 11% used apprenticeships.

More than half (53%) of Wadena County businesses report needing training for their workers or managers. The two largest training needs were in *general* and *computer* skills with 200 and 130 workers who need training, respectively, in these areas. In total, 567 workers need additional training across Wadena County.

When asked about future plans, slightly over half of Wadena County businesses reported no major changes to their location (e.g. expand, sell, move, close). Of those that indicated they were considering a change, the most common plans were either expanding at their current location (19%), selling (12%) or expanding at another location (10%). The corresponding benchmarks from all UofM BRE communities are: expanding at their current location (21%), selling (10%) or expanding at another location (15%). A quarter (24%) of the Wadena County businesses were considering a negative change (i.e. selling, moving, downsizing, or closing). This is a bit lower than the average for all UofM BRE communities, where 26% of businesses, on average, were considering a negative change.

Finally, business participants in the Wadena County BRE have a positive view of their community as a place to live and a place to do business (See Figure 2). As a place to live, 61% of respondents say Wadena County is either excellent or above average. As a place to do business, 52% of respondents say that Wadena County is above average or excellent. The mean ratings, out of 5, are 3.77 for Wadena County as a place to live and 3.52 as a place to do business. These values are significantly lower than the mean ratings for all UofM BRE communities at 4.1 and 3.8, respectively.

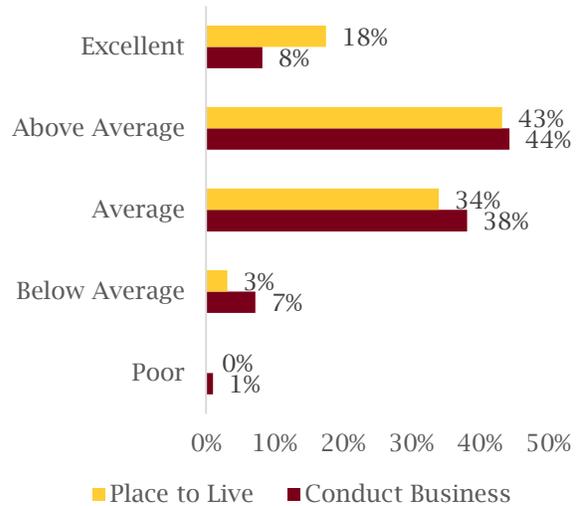


Figure 2. Rate your community as a place to live and conduct business

Identified Strategies

Four primary strategies emerged from an analysis of the interview results and discussions by the Campus Research Review Panel. Each of the strategies is a theme, supported by data from the business interviews. As such, each strategy provides a way of framing the BRE situation in Wadena County but these strategies are not mutually exclusive from each other.

Strategy 1: Developing the Wadena Area Workforce

Strategy 2: Retaining Businesses through Transition Planning, Business Planning and Economic Development Resources

Strategy 3: Expanding Opportunities for People: Housing, Child Care, Entrepreneurship

Strategy 4: Connecting Businesses and Connecting the Dots (improving chambers, civic and commerce, community promotion, and related community factors)

Selected Priority Projects

Under each strategy, the Research Report listed potential projects that the Wadena County BRE Task Force could consider to help fulfill the strategy. During their September 3, 2019 retreat, the Task Force developed five priority projects

to address business concerns across all the strategic themes. The Task Force built on project ideas in the Research Report to create projects that were suitable for Wadena County. These priority projects are listed here and described below:

1. **Improving Community Promotions**
2. **Cultivating Entrepreneurship**
3. **Employee Cooperative Training**
4. **Entrepreneur Business Planning**
5. **Promoting “Out of the Box” Child Care Solutions**

The respective project teams created each project’s description. Descriptions include general reasoning for each project and the plans developed by the project committee. Furthermore, the interview results that highlight the need for the project are included where appropriate. If you are interested in assisting in any of the projects’ implementation, please contact one of the committee members listed.

Priority Project #1: Improving Community Promotions

“Community promotion of itself and business” was a factor measured in the BRE survey. Respondents considered it an important community factor, giving it an average score of 3.4 out of 4 (4=“very important”). However, they were less than very satisfied with their community’s current promotional efforts, or lack thereof, giving a rating of 2.99 out of 4 (4=“very satisfied”).

Recognizing that community promotion can be interpreted many different ways, the project committee thought it would be best to clearly outline what they would like to promote. Their efforts will focus on workforce attraction and encouraging “rural rebound”—those individuals who are 30 years old + and who would be interested in returning to their hometowns in search of the better quality of life that Greater Minnesota can offer. The committee will not be focusing on tourism.

There are three primary project objectives. First, the committee seeks to increase awareness of Wadena County throughout Minnesota as a place to live, work, and start a business. Next, they would like their work to encourage more people to move to the area. Finally, they would like to create and foster a more welcoming environment for newcomers.

To accomplish these objectives, the committee will be focusing on two project deliverables. The first deliverable is to develop a Wadena County welcome wagon that would connect with newcomers to the county. The intention is that if new members of the community are connected with neighbors and resources early on, they may feel more welcome and be more apt to make the community their own, get involved, and/or share their positive experiences with others. The time for this deliverable is as follows:

- **Fall 2019:** Research successful welcome wagons in rural communities and reach out to stakeholders, including local governments, service organizations, realtors, large employers, churches, schools, chambers of commerce, civic & commerce committees, Central Lakes College, and Minnesota State University Wadena
- **Winter 2020:** Develop content that would go into welcome packets and recruit and train volunteers to be a part of the welcome wagon team
- **Spring 2020:** Roll-out welcome wagon, collaborating with the stakeholders identified above

The second project deliverable is to create a “booth in a box” that would provide information on moving to Wadena County and starting a business. This toolkit would be given to local organizations to use during their festivals and events. The goal is to reach individuals who are back in their hometown for one of these events, and would be interested in moving back, if they felt like it was actually feasible. The timeline for this deliverable is as follows:

- **Fall 2019/Winter 2020:** Reach out to stakeholders (same as the first deliverable), get “buy in” from festival/event hosts, and develop content
- **Spring/Summer 2020:** Train volunteers on how to use the “booth in a box” and attend initial festivals/events
- **Fall 2020:** Review successes and incorporate necessary changes/improvements

The project committee includes: Cheryl Hahn, Elizabeth Olson, Jed Brazier, Katie Heppner

Priority Project #2: Cultivating Entrepreneurship

There is a great need to cultivate the next generation of business owners in Wadena County. Of the businesses surveyed, 12% are considering selling their business and there are other potentially negative changes from the community point of view (see Figure 3). Further, the county has a significant aging population (11% of the businesses are considering retiring).

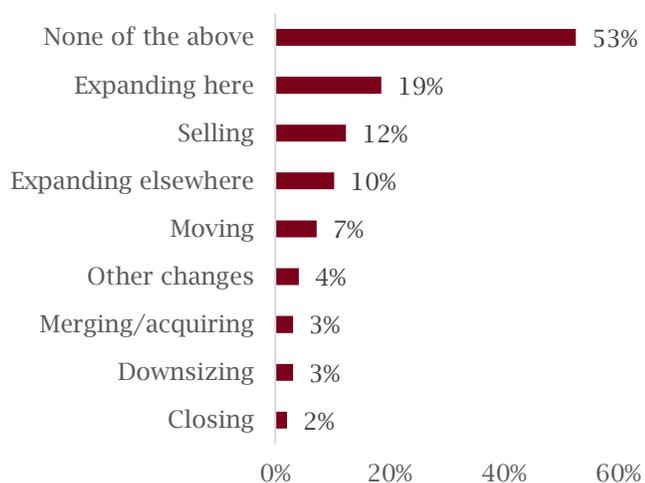


Figure 3. Are you currently considering any of the following future plans?

In order to sustain the local economy, new businesses must be created, and existing businesses must be retained.

The next generation of business owners can include anyone with an idea or passion in the community, but the committee felt the need to

narrow their focus in order to be successful. The work will target aspiring entrepreneurs and those who self-identify as “starting out” in business. Not included in the project scope are high school students and younger. Programs, like Central Minnesota CEO, already exist to serve this population.

There are three project objectives. The first is to increase awareness of community resources available to assist entrepreneurs. Second, is to create a greater sense of community amongst business owners throughout the county. The final objective is to remove the “fear factor” from starting a business.

To accomplish these objectives, the committee will focus on two project deliverables. The first is to develop and distribute a directory of business resources available. The intent is that if entrepreneurs know what resources are available to them, they may feel more comfortable and will be more likely to move forward. The timeline for this deliverable is as follows:

- **Fall 2019:** Research content and resources to include in the directory
- **Winter 2020:** Design and print directory
- **Winter/Spring 2020:** Distribute directory, working with Chambers, Civic & Commerce Committees, local EDAs, banks, and realtors

The second project deliverable is to create a mentor network to connect established business owners with entrepreneurs. By sharing their knowledge and experience, they may be able to help entrepreneurs through some of the challenges of running a business. The timeline is as follows:

- **Fall 2019:** Research mentor network models that work well in rural areas and select what would work best for Wadena County
- **Winter 2020:** Recruit “mentors”
- **Spring 2020:** Start developing any content that may be needed, including marketing materials and any mentor/network guides

- **Summer 2020:** Start advertising mentor network and connect with possible mentees
- **Fall 2020:** Kick off mentor network and develop an updated timeline for network moving forward

The project committee includes: Curt Krecklau, Katie Heppner, and Andrea Haverinen.

Priority Project #3: Employee Cooperative Training

The survey showed that there are a significant number of employees in need of training throughout the County (a total of 500+). The two largest skill gap areas include computer skills (130 employees) and general training (200 employees). The remaining skill needs include continued training, communication and soft skills, alcohol/liquor, CPR/first aid, and repair skills.

After reviewing the vast skill areas that are in need of additional training, the committee decided to narrow its focus so that its efforts could be effective. The committee will focus on soft skills, computer training, server training, CPR/first aid, and connections to local colleges. They will not include individualized, company specific training.

There are two project objectives. The first is to increase awareness of existing training opportunities. The second objective is to provide new opportunities to help businesses train employees in soft skills.

To accomplish these objectives, the committee will focus on two project deliverables. The first is to create a communication piece on existing training opportunities to send out to local businesses. There are already a great number of training opportunities available, however they are operating largely independently. By listing them in one piece, it will reduce the research time for employers and help them better understand all of the options available to them. The timeline for this deliverable is as follows:

- **Fall 2019:** Develop a list of available training opportunities

- **Winter 2020:** Design communication piece and work with cities, chambers, civic and commerce committees, and EDAs to distribute to businesses

The second project deliverable is to offer a new customer service training opportunity to employers. The committee would like to send a representative to the At Your Service train the trainer course, offered through the University of Minnesota Tourism Center. Customer service is a soft skill that can be applied in any position and, currently, there are limited training opportunities in this skill. The timeline is as follows:

- **Fall 2019:** Identify funding to attend At Your Service training and additional costs to provide training
- **Spring 2020:** Have representative attend At Your Service training and market upcoming training opportunity
- **May 2020:** Conduct first customer service training & survey participants to find out additional soft skill training interests
- **Summer 2020:** Review surveys and discuss next steps

The project committee includes: Wade Miller, Dean Uselman, Rose Bakke, and Katie Heppner

Priority Project #4: Entrepreneur Business Planning

The survey showed that there is a significant need for both business and transition planning in order to retain our local businesses. With 90% of the surveyed businesses being locally owned, the local economy clearly benefits a great deal from these “homegrown” businesses. However, 70% reported that they did not have a transition plan in place (see Figure 4). Further, 11% are considering retirement and 12% are considering selling their business. Finally, the county has a sizable aging population; the 55-64 year old cohort is easily the largest working age group. To encourage business retention throughout the county, there is a need to help these businesses with the transition process.

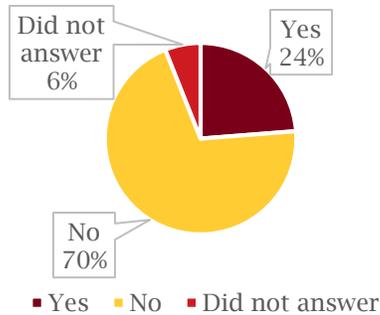


Figure 4. Does this business have a written transition plan for ownership, leadership, or both?

Although businesses at any stage can greatly benefit from business and transition planning, the committee chose to narrow its focus to two specific groups: 1. businesses looking to transition in the near future and 2. emerging entrepreneurs who may be interested in buying an existing business or creating a start-up of their own. Existing businesses who are not looking to acquire a new business or transition their existing business within the next 10 years will not be included in this project.

There are three project objectives. The first is to encourage business retention throughout the county. Next, the committee seeks to connect entrepreneurs (buyers) with existing business owners (sellers). Finally, the project aims to promote new business development.

To accomplish these objectives, the committee will focus on two sequential project deliverables. The first project deliverable is to host an event that connects business buyers and sellers. This event would be mutually beneficial to existing business owners, who can become better prepared to transition their business, and entrepreneurs, who can find profitable opportunities within their own community. The timeline for this deliverable is as follows:

- **Fall 2019:** Identify and confidentially reach out to businesses who may be looking to transition in the near future
- **Winter 2020:** Start planning event – building on the interest generated in the outreach

- **Spring 2020:** Market event to potential buyers and educate sellers on transition planning and how to prepare for the event
- **April/May 2020:** Host event
- **Summer 2020:** Develop a running list of interested business buyers and sellers that would be used internally by local EDAs to help make “matches” as they arise

The second deliverable aims to promote new business development by hosting an entrepreneur competition. The neighboring Brainerd Lakes Area has seen success with their “Destination Downtown” event, which is a competition that involves helping entrepreneurs create business plans and offering prizes to the winner that help them get started. The goal of the event in Wadena County would be to create some enthusiasm and energy behind new business development, while helping them through the planning process. The timeline is as follows:

- **Fall 2020:** Research similar event models (like Destination Downtown) and decide what would work best for our community
- **Winter 2020:** Recruit partners that are needed to make the event a success
- **January 2021:** Continue planning event and begin marketing to entrepreneurs
- **Spring 2021:** Host event

The project committee includes: Ryan Wright, Melissa Radermacher, Chuck Horsager, Jed Brazier, Curt Kreklau, and Katie Heppner.

Priority Project #5: Promoting “Out of the Box” Child Care Solutions

The businesses surveyed recognized the importance of child care as a community factor, giving it an average score of 3.23 out of 4. However, they were generally dissatisfied with the level of child care availability in their own community, giving it a score of 2.32 out of 4. This was one of the biggest gaps between the importance and satisfaction ratings in the survey data.

With an estimated shortage of 406 child care spots throughout the county, the businesses were well-justified in assigning their low rankings. Due to this great need, Wadena County was recently accepted into the Rural Child Care Innovation Program (RCCIP) offered through First Children’s Finance, a nonprofit that focuses on child care throughout Minnesota and the Midwest. RCCIP will be the focus and the deliverable of this priority project.

RCCIP involves a community engagement process that is designed to address child care in rural communities. First Children’s Finance will facilitate the project and provide expertise, tools, and resources needed to identify the child care needs of Wadena County and develop the projects that would best fit these needs. A core team of community leaders will be assembled to help provide insight and direction throughout the process. Overall, this project will last 18-24 months.

The timeline for the project involves three phases—planning, implementation, and reporting. The steps that are involved in each of these phases are as follows:

1. Planning

- Onboarding of core team (Oct. 2019)
- Planning meeting (Oct-Nov 2019)
- Information and data gathering (Nov-Dec 2019)

- Provider appreciation event (Nov 2019)
- Final planning meeting (Dec 2019)
- Town Hall (Jan 2020)

2. Implementation

- Organize Town Hall ideas (Feb 2020)
- Implementation planning (Feb/March 2020)
- Core Team Lead meeting (March 2020)
- Action plan finalized (April 2020)
- Community launch (April/May 2020)
- Core Team meetings (April/May 2020)
- Project Team meetings (April 2020-May 2021)
- Celebration (June 2021)

3. Reporting

- Quarterly reports (June 2020-May 2021)
- Final report (June 2021)

The project committee includes: Liz Olson, Katie Heppner and Donna Anderson

Credits

The Wadena County BRE Task Force selected these priority projects. Michael Darger, of UofM Extension compiled this report using the five priority project descriptions prepared by Katie Heppner and the committee teams.

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