

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Economic Development Business Education Program Update
DEPARTMENT: City Manager's Office
PRESENTED BY: M. Mark Mayuga, EDP Manager

PROBLEM/ISSUE STATEMENT:

The purpose of this report is to give the Mayor and Council an overview of progress made to establish the Council's Economic Development Strategic Plan Goal # 2, to establish a Business Education Program for the existing Shoreline business community. This program is structured to use existing community business resources, including the Shoreline Community College Small Business Accelerator Center for Business & Continuing Education, Community Capital Development, Small Business Administration, and the Shoreline Chamber of Commerce. The program addresses the Council's short and long term goals for successful business development growth and sustainability of the existing business base.

A comprehensive update of the Economic Development Program, including the Economic Development Advisory Committee's work plan, is scheduled for July 2009. The Economic Development Advisory Committee will have completed a year of service and Council appointments to replace members will have just occurred.

FINANCIAL IMPACT:

No financial impact is foreseen, as the program will not incur expenses outside the Economic Development Manager's time and budget.

RECOMMENDATION

No action is required. This report is being provided for Council information and discussion purposes only

Approved By: City Manager  City Attorney _____

INTRODUCTION

The economic vitality of a community is dependant on a foundation of business development and traditional business practices. These basic values represent the sources of community revenues, employment, and growth. Shoreline is a city in transition from a first ring suburban neighborhood of Seattle, to a mature city with all of the challenges and demands that come with that designation such as growth in housing, public services, and retail demand. Employment growth is represented by the commercial, professional, and retail sectors. This growth can happen in our resident businesses and by attracting new businesses to our community. The benefits of "Smart Growth" are increased tax revenues, employment opportunities, funding sources for community projects, and a dynamic business community.

In order to sustain business growth in Shoreline, and attract potential employers to the City, there must be a skilled workforce and a foundation of a healthy business community. The old methods and approaches have to be revisited and new directions defined.

The Shoreline business community is a typical first ring suburban neighborhood that continues to serve immediate needs of the residents. Based on surveys conducted by the Washington Labor Board and listings of businesses provided by the Office of Revenues, the majority of businesses based in Shoreline are entrepreneurial, home based, and with some corporate presence. The City Council recognized the new challenges of the core businesses by adopting the Economic Development Strategic Plan in 2006. The goals are intended to provide business education tools and create business opportunities.

The Economic Development Business Education Program (EDEP) is intended to meet these challenges and goals. The EDEP is focused on basic education, money management tools, and creating business opportunities. The program is geared to business owners and employees. The classes and lectures are focused on the principles of simplicity, effective communications, and positive change. The program uses outside resources in an effective and tiered outline with overlapping informational systems.

BACKGROUND

Most of the information and assumptions that have contributed to this program are based on national, regional, and community information. Some of the sources are The Puget Sound Business Journal, the International Council of Shopping Centers, enterprise Seattle, Office of Revenues, Greater Seattle Chamber of Commerce, the NAIOP- Commercial Real Estate Development Association and CTED- Community, Trade and Economic Development/CERB. Anecdotal input from actual on-site visits has also been used to determine the program outline and content.

Current Challenges

In 2001, our economy experienced a major down-turn for over 18 months. This event saw many businesses suffer reduced sales, dramatic rise in energy costs, and consumer reluctance to spend. The businesses that were affected most during this time were the small "mom and pop shops." Their collective inability to adjust to changing circumstances and an economy that was dramatically jolted proved that there was little depth in the Puget Sound Region's core business foundations according to a general survey conducted by The Puget Sound Business Journal. Their estimate of over 32% failure rate of small business may become a reality by 2010. They referred to the high start-up and failure rates of small businesses in the State of Washington as the basis for their assumption.

The current recession, based on the collapse of the housing market and the limited availability of credit and investment banking dollars have led consumers to all but stop buying, banks to stop lending, and businesses to reduce their labor force to save money. This is indeed a unique time in our history and the public sector across all levels of government, and Shoreline is no different. Staff has talked to numerous business owners throughout the Shoreline community, from the big box managers, professional services proprietors, and the mom and pop small business owners, and their message is clear, spending is down, customers are not coming through the door, and many of them are barely hanging on.

Many home-based businesses and entrepreneurs start their enterprise with lots of hope and little business education. They operate on a day-to-day basis, hoping to have money in the till at the end of the day. Working with the (CCD) Community Capital Development representative, their experience in Shoreline with businesses coming to them for assistance has revealed typical small business mis-steps, including lack of basic accounting practices; no viable business or marketing plan to guide them; and lack of money management skills. As many of the businesses in Shoreline fall into this category, the City's challenge is to provide a program of business education and support that will effectively preserve our economic base, educate our business owners on how to do business smarter, and provide opportunities to those who understand the value of business education and its benefits.

The Economic Development Business Education Program is based on real-time economic challenges and the immediate needs of the small business owner. Our local businesses are the foundation of the Shoreline business community and are considered a core asset of the City. The roster of businesses in Shoreline is varied and changing all the time. Shoreline is not a manufacturing based community, but, a service based economy where goods and services dominate the retail landscape. Generally speaking there are four types of consumers in the Shoreline community. The first type is the longtime Shoreline resident who shops in and around the Shoreline community. The second type is the resident who has recently moved here and goes back to their favorite retailer to buy major products and only purchases as needed items in Shoreline. And the third type is the resident who works outside of Shoreline and does all of their purchasing outside of the City. There is a fourth, these are employees who work in Shoreline but reside in other communities, and this group represents the greatest potential for revenues.

Economic Development Business Education Program (EDBEP)

We have created a series of business modules that address all four of these consumer types. The new business education program takes into account all or most of the basic tools and functions of running a business effectively, regardless of size and current status. We identified the common needs and recruited speakers who could address these challenges directly. Our mission is to have one-on-one counseling, small class sizes, more interaction and exchange with consultants and business owners, and consistency in message and presentation.

The Business Education Program classes will be advertised via the City of Shoreline website, Chamber of Commerce website, all contract print media, email lists, radio PSAs, direct mailer to registered businesses, neighborhood associations, business associations, community newspapers and newsletters, existing mailing lists (i.e., Aurora Ave. Project Phase I & II), etc.

Class outline includes a topic lecture, problem solving exercise, experience sharing, hands-on computer exercise, idea generation and evaluation, and handouts and CDs. Each class lecture will have an objective evaluation sheet and suggestion section for future subjects.

Some classes will have limited enrollment due to the sensitive nature of the subject (i.e., accounting, reading financials, business loan application preparation, etc.). The format for each lecture will be conversation style with interaction between speaker and business owners, computer lab technicians, and business owners/representative.

Community Capital Development will provide foreign language speakers on an as needed basis (Korean, Chinese, and Spanish). Shoreline Community College Third Place Commons Campus will provide the computer labs, some class rooms, and some audio visual equipment. Classes are scheduled between 7:30 AM and 9:30 AM; this is to make it easier for business owners to participate before opening for the business day.

Our education and resource partners in this community effort are:

- Community Capital Development
- U.S. Small Business Administration
- Shoreline Community College Business Accelerator Program
- Shoreline Community College Office of Continuing Education
- Shoreline Chamber of Commerce
- Various financial institutions and consultants as needed

Program title:
"Growing Your Small Business"
Economic Development Business Education Program

Business Education Modules

February 19

"So, You're Opening for Business BUT, Where is the Business?"

Speaker: M. Mark Mayuga, EDM City of Shoreline

This first module covers the basics of small business start-ups, the Why, What, Who, Where. Deciding to go into business for yourself is the biggest decision of your life.

March 19

"Practical Business Strategies"

Speaker: Pamela Jackson, Growth Coach

Pamela will cover how to position your business to take advantage of market trends, targeted consumers, and flexible business plans that evolve as your business grows.

April 16

"Show Me the Money!"

Financing Your Business

Speaker: Rebecca Villareal, CCD

Most business's start on limited financial resources, this usually leads to their failure. Rebecca will cover the "how to" of acquiring financial stability, credit lines, and money management.

May 21

"Turn Your Website into YOUR #1 Sales Person"

Speaker: Stacy Karacostas, Success Stream Sales & marketing Solutions

The Internet is becoming the "Business Highway" of business. It is the new resource for information, services, marketing, and commerce. Every business will benefit if you become a sign post on the "Business Highway".

June 18

"Sometimes Counting Your Money Isn't Your Problem"

Basic Bookkeeping for the Small Business Owner

Speaker: Rebecca Villareal, CCD

Where does the money go, where does it fit, and how does it work for you. Money management is vital to a small business becoming successful. Learn about simple bookkeeping programs and habits that will help you be successful.

July 16

Run Your Business Green

Speaker: Maryn Wynne, Shoreline Solar Project

We are at the dawn of a new age, a "green age" of environmental responsibility. Your business has a potential of contributing, saving, and recycling its services and products

for a greater good. Learn simple practices and policies that will make you a green business owner.

August 13

Websites:

Promotion or Competition

Speaker: Ann Jensen Warman, brand UNITY, Inc.

A successful marketing campaign is when your competition starts to look like you. In business you must always study your competition; they make you perform better as a business owner.

September 17

Million Dollar Marketing Secrets

Speaker: Katie Evans

Marketing is about getting your message to the right consumer with the least amount of effort. Simple and effective marketing ideas usually lead to greater success. Learn how to keep it simple and promote your business with positive and profitable results.

October 15 Social Media:

Blogging for the Small Business

Speaker: Sheri Storm, Verity Credit Union

Word of mouth advertising, personal endorsements, a word of caution, all of these are marketing strategies. If you want to be an effective business owner, get people to talk about you, they'll promote your business for you.

November 19

Dollar\$ and Cents:

Understanding Your Financials

Speaker: Felix Ngoussou, CCD

Your business is making money and your salesperson tells you that you need to expand. You go to the bank and they tell you that you don't have enough business equity, what's that? Your bottom line looks good, right, so what's the problem.

December 17

Program Wrap:

Talking About Successes, Challenges, and Improvements

The speakers and business owners review what they have learned and make suggestions to improve and grow the program

Speaker/Moderator: M. Mark Mayuga, EDM City of Shoreline