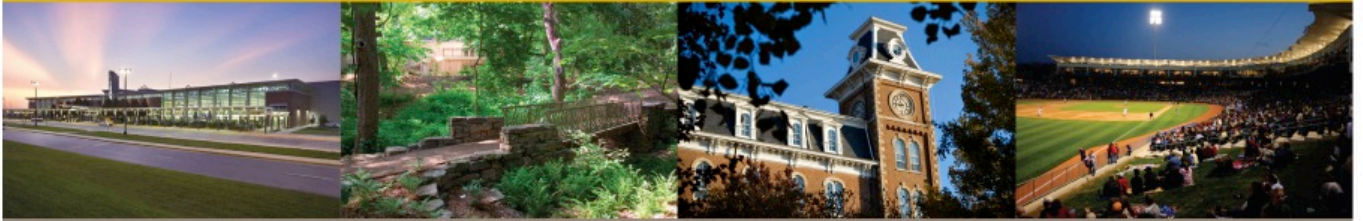


Northwest Arkansas 2014 Regional Employer Survey



A Collaborative Effort

Northwest Arkansas Council
Bentonville/Bella Vista Chamber of Commerce
Fayetteville Chamber of Commerce
Rogers-Lowell Area Chamber of Commerce
Siloam Springs Chamber of Commerce
Springdale Chamber of Commerce

Made Possible by our Members and Special Grants



2014 Highlights

The Northwest Arkansas Council and the Northwest Arkansas Chambers of Commerce teamed up to reach out to employers across the region. Chamber Outreach Specialists interviewed employers of all types — large and small, local, national, and international.

The purpose of the interviews: To help NWA employers create more jobs and investment by addressing their short-term and long-term needs.

By the Numbers

487 interviews

1,541 planned hires over the next 3 years

\$112 million of planned investment over the next 3 years

21% of companies planning expansions

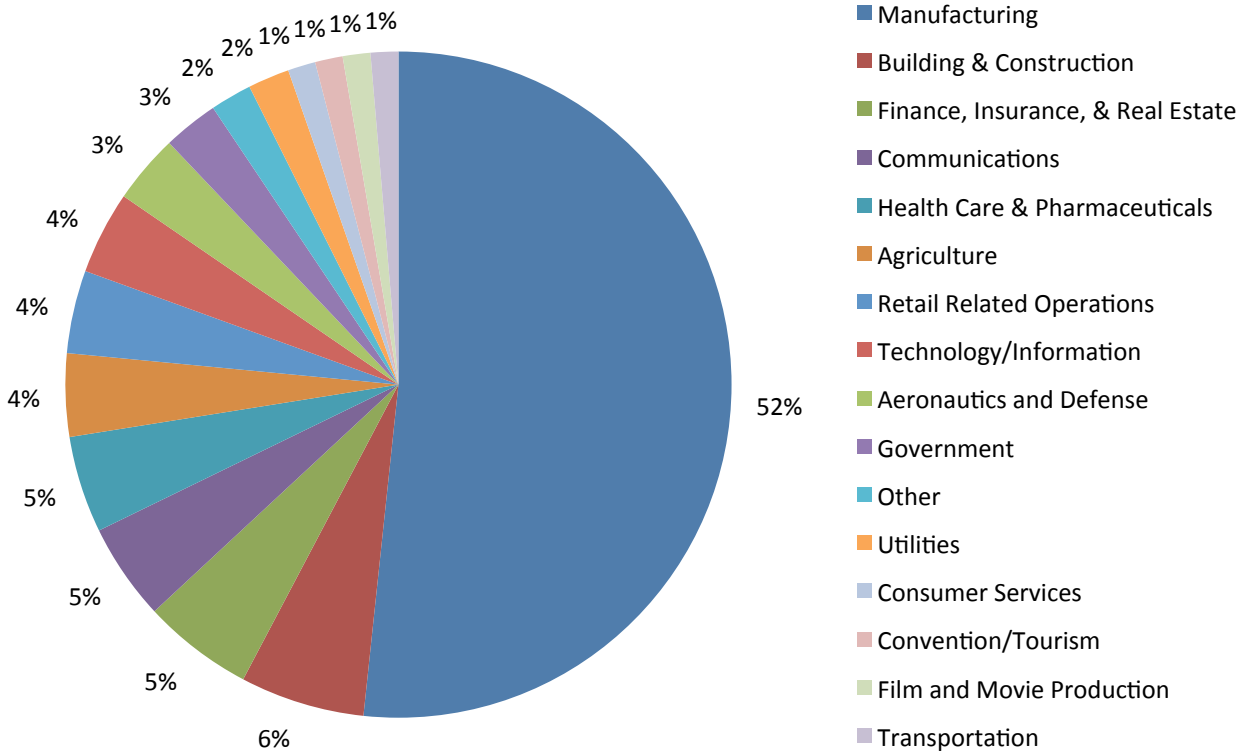
Key Findings & Challenges

- Despite growing uncertainty in the world and U.S. economies, employers were overwhelmingly positive and growing.
- The hiring plans noted in prior surveys are coming to fruition, and show up in a more pronounced need for workers of all levels, especially technical and skilled trades.
- The tight labor market conditions are starting to impact some companies' ability to grow in Northwest Arkansas.
- The Affordable Care Act and Dodd-Frank were once again cited as the greatest regulatory concerns for smaller businesses.
- Other regulatory issues employers would like to see addressed: Immigration, e-fairness, and tort reform.
- Public transit and transportation infrastructure still rate high on employers' lists of regional needs.

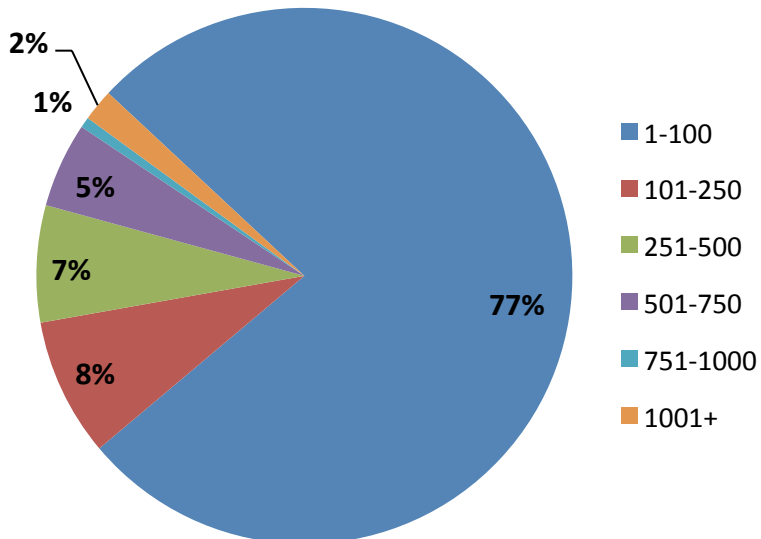
PRIME Survey

PRIME employers are the region’s basic employers, usually associated with production, distribution, and headquarters operations. We surveyed 156 of these companies, and the results are compiled on the following pages.

Survey Profile – Breakdown by Industry Group



Survey Profile – Breakdown by Employee Size

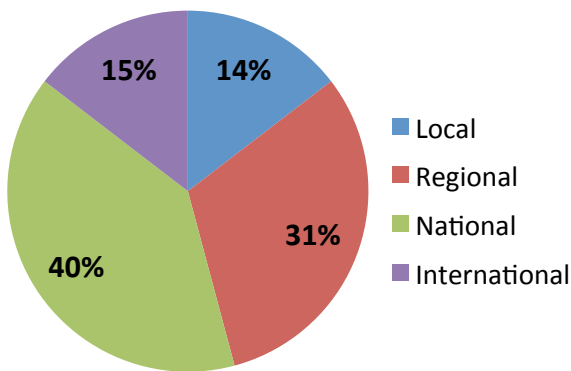


PRIME Survey

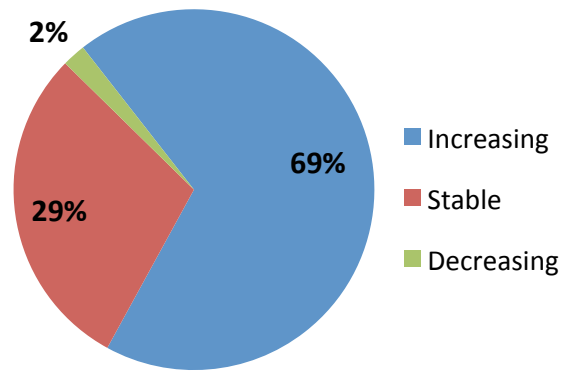
Survey results point to healthy economic conditions for Northwest Arkansas-based PRIME employers. Continuing with positive news from 2013, respondents in the 2014 survey reported increases in sales, product life cycles, and market share .

(Number of responses in parentheses)

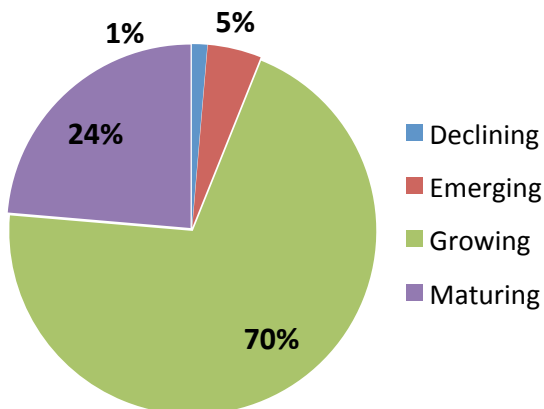
Primary Market (144)



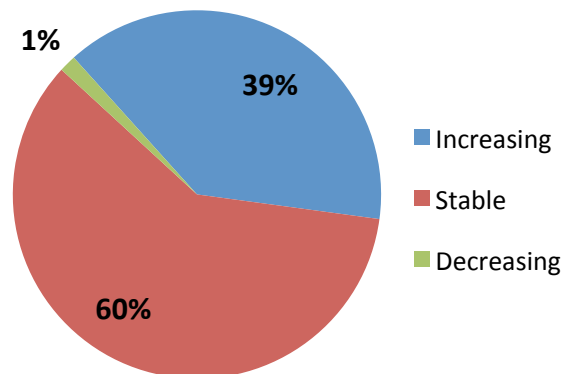
Growth of Sales (143)



Main Product Life Cycle (145)



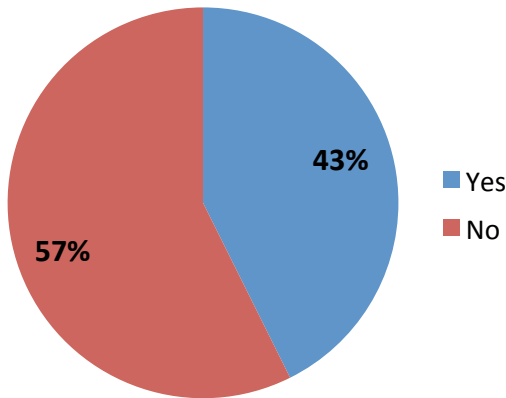
Market Share (134)



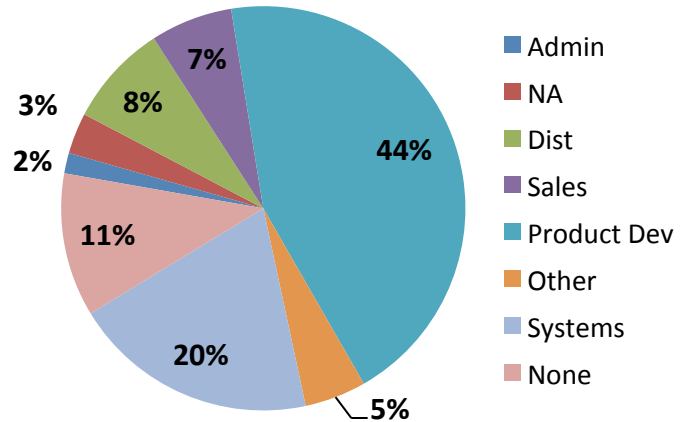
PRIME Survey

Part of the competitive advantage enjoyed by NWA-based employers is their use of technology in all phases of their enterprise.

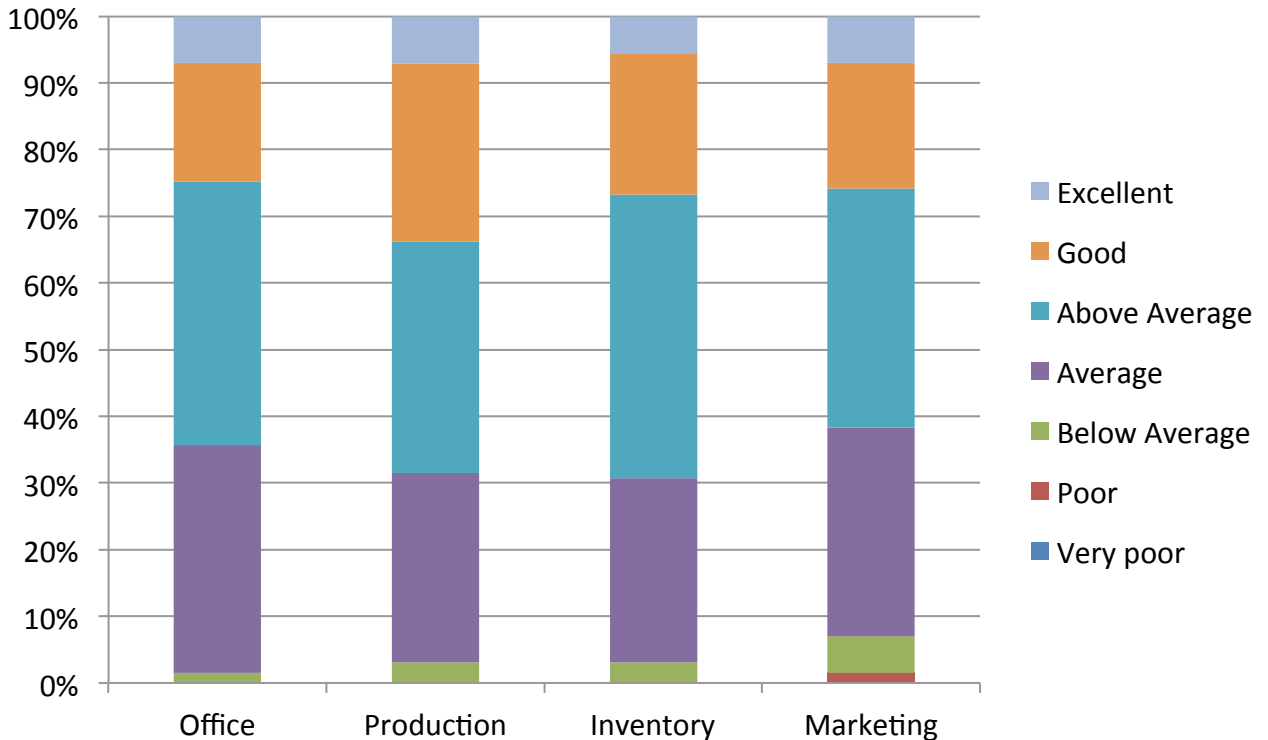
Are new technologies emerging in your products / services? (136)



Where are you deploying new technology the most? (61)



Rate your company's use of technology (128) (2013 response)



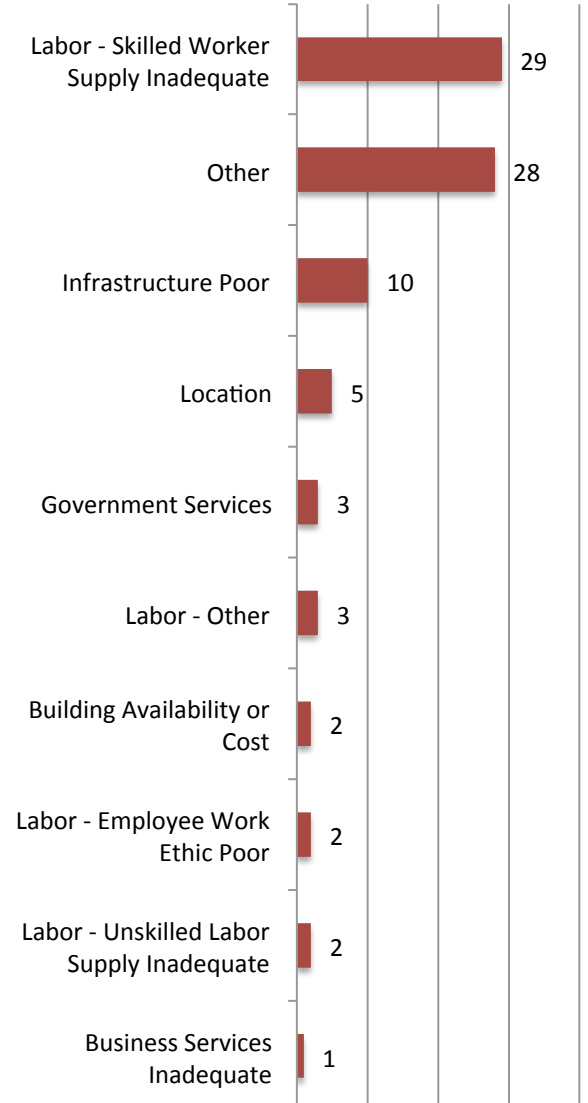
PRIME Survey

PRIME employers cited positive factors 2-to-1 when selecting the region’s strengths and weaknesses. Business climate, a stable regional economy and community, and leadership were cited as the region’s strongest assets, while skilled labor and infrastructure topped the charts as the region’s biggest challenges. The “other” included issues such as regulation, lack of amenities for younger workers, and cost of air service.

Top 10 Community Strengths (218)



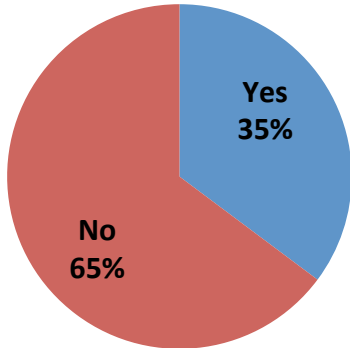
Top 10 Community Weaknesses (91)



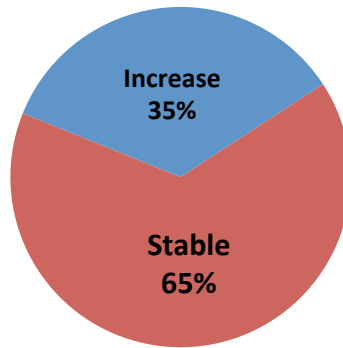
PRIME Survey

A significant number of employers have hiring plans, but some plans may be curtailed by issues such as regulations, skilled labor supply, infrastructure, and real estate needs.

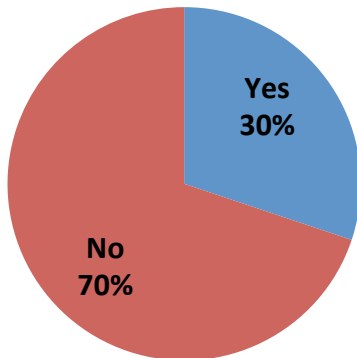
Plan to expand sometime in the next 3 years? (142)



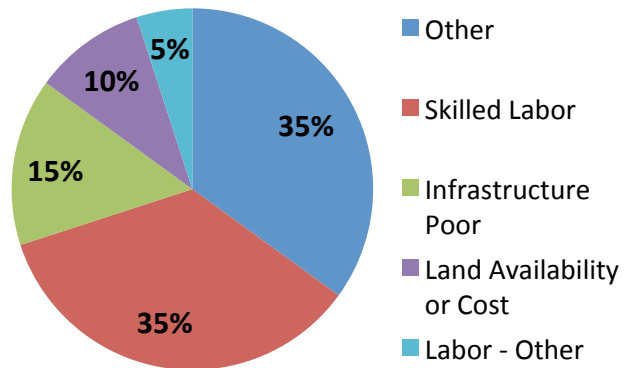
Projected employment needs at this facility? (147) (2013 response)



Are there any barriers to growth in this community? (136)



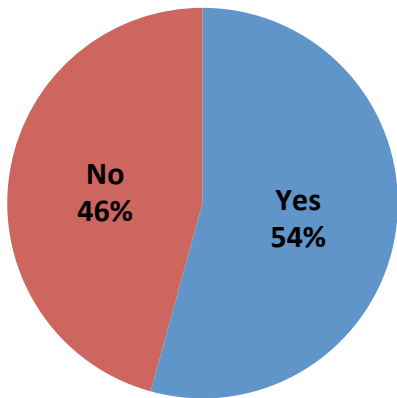
Top 5 barriers (46)



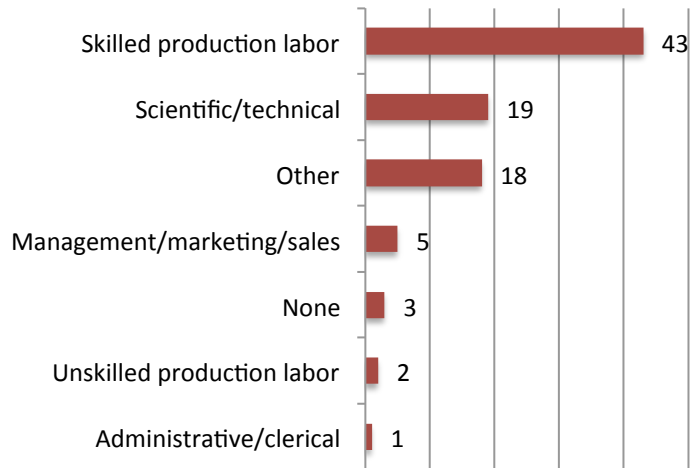
PRIME Survey

Workforce was at the top of the challenges list for many employers surveyed this year. The availability of trained workers in skilled positions was often cited. Particularly concerning was the percentage of respondents who identified recruitment issues being a community issue rather than an industry issue.

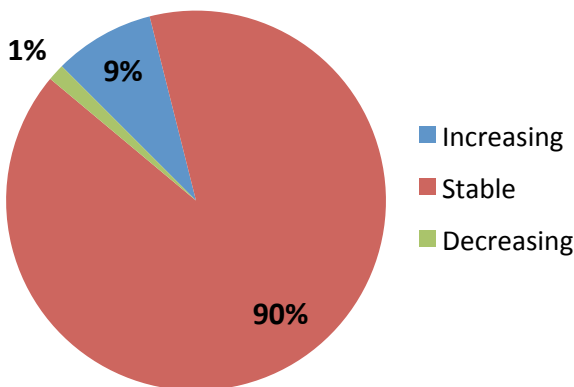
Are you having recruiting problems for any positions? (140)



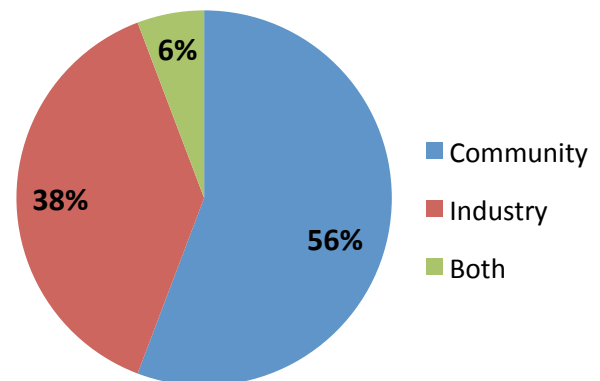
If yes, what positions / skills? (91)



Are the number of your unfilled positions increasing, stable, or decreasing? (146)



Are your recruitment issues limited to the community or your industry? (104)

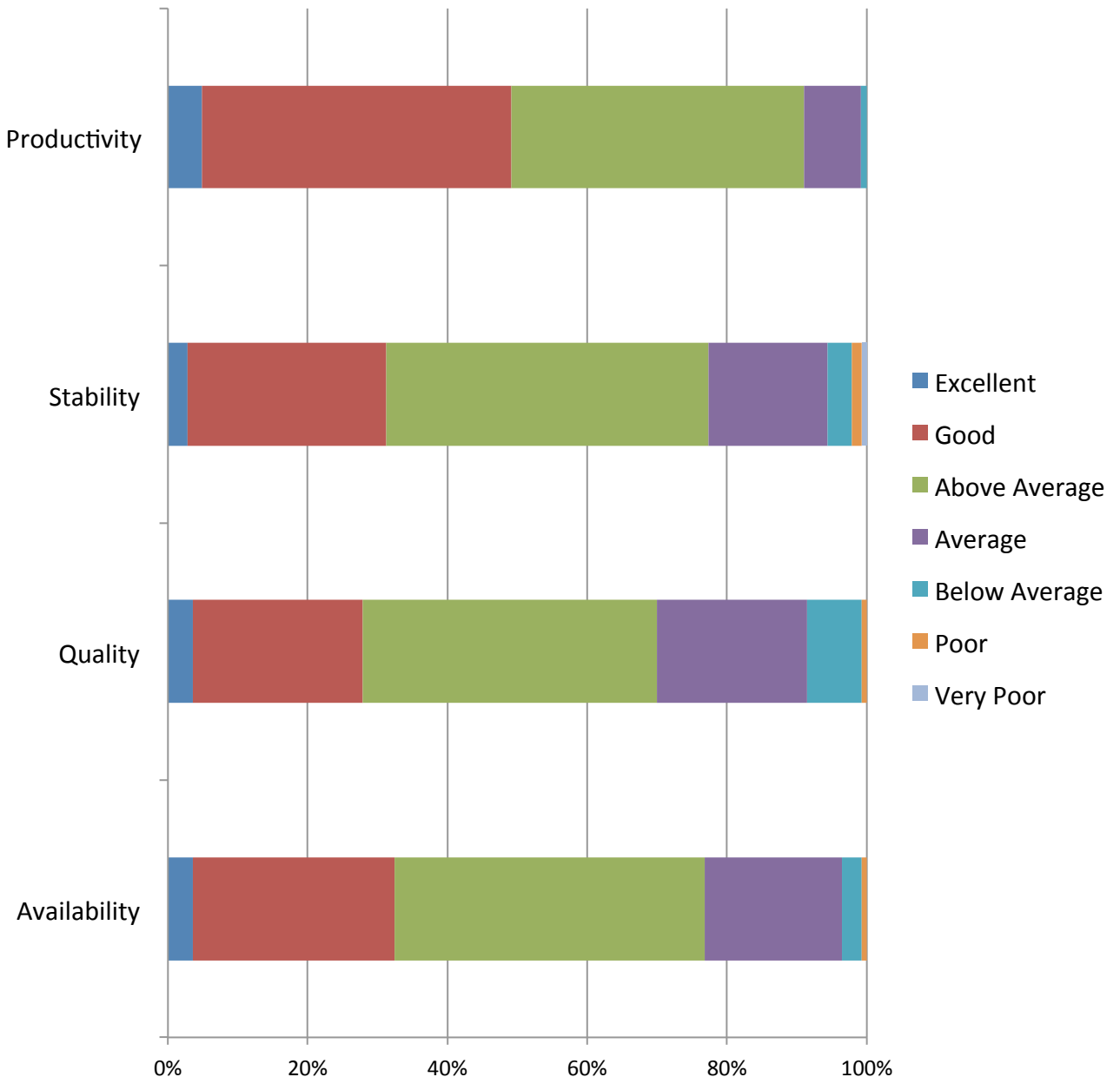


This is the first year since surveys started in 2012 that a majority of respondents cited the community as the issue in that question rather than to say it's an industry-wide issue. (2014 — 56%; 2013 — 34%; 2012 — 40%).

PRIME Survey

Survey participants had a positive view of the region’s workforce overall, but strains related to a tightening of the labor market may be starting to show. If one were to average the aggregate of all responses, the outcome would look like surveys from past years. However, there was significant movement in the responses, rating workers both better and worse, in 2014.

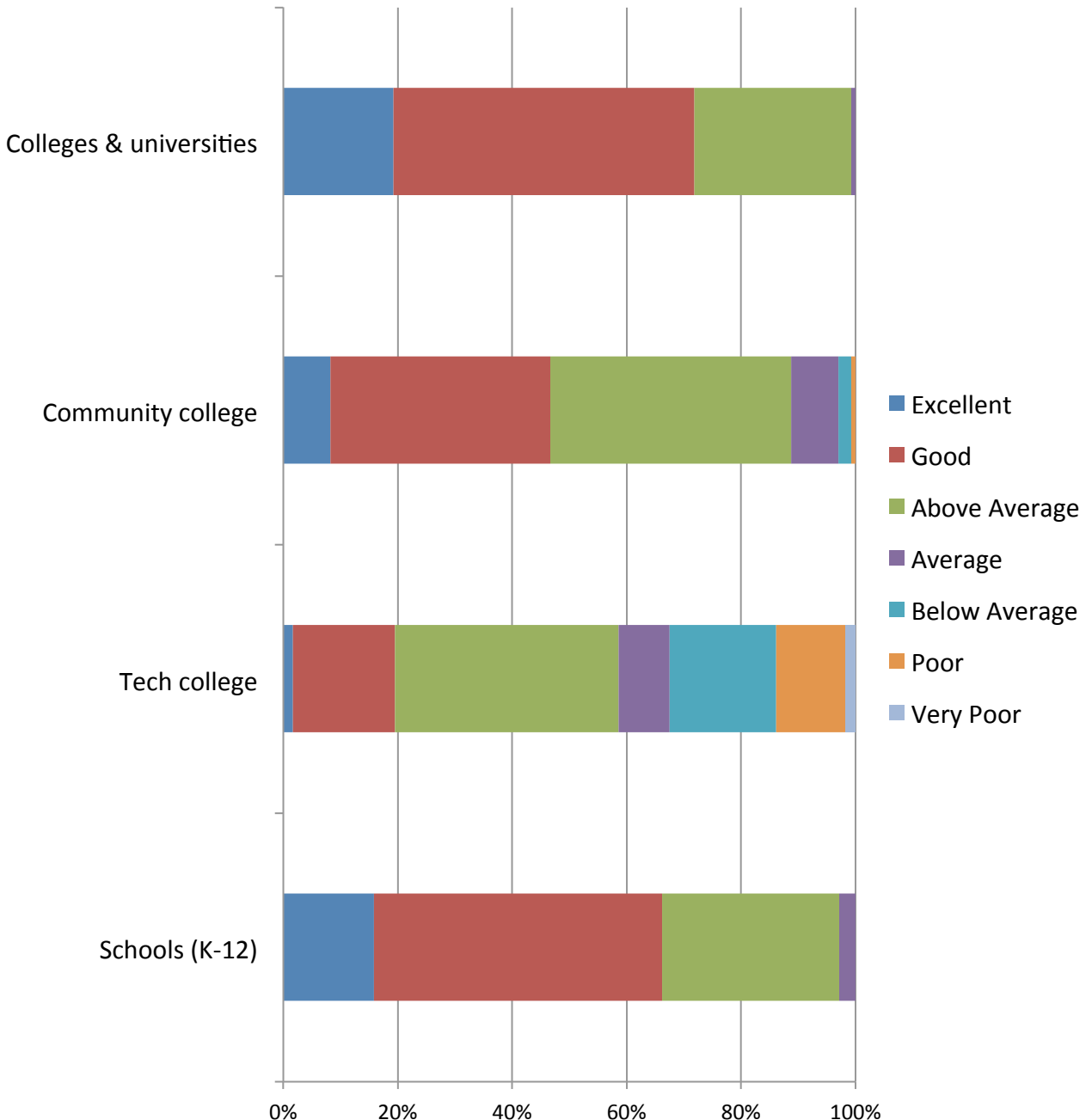
Rating Workforce Attributes (136)



PRIME Survey

Employers had high overall opinions of the region’s educational resources. The need for improvements in technical training was cited again in 2014, with increasing frequency when compared to previous surveys. Technical training also compared less favorably to the other cohorts of education providers in the region.

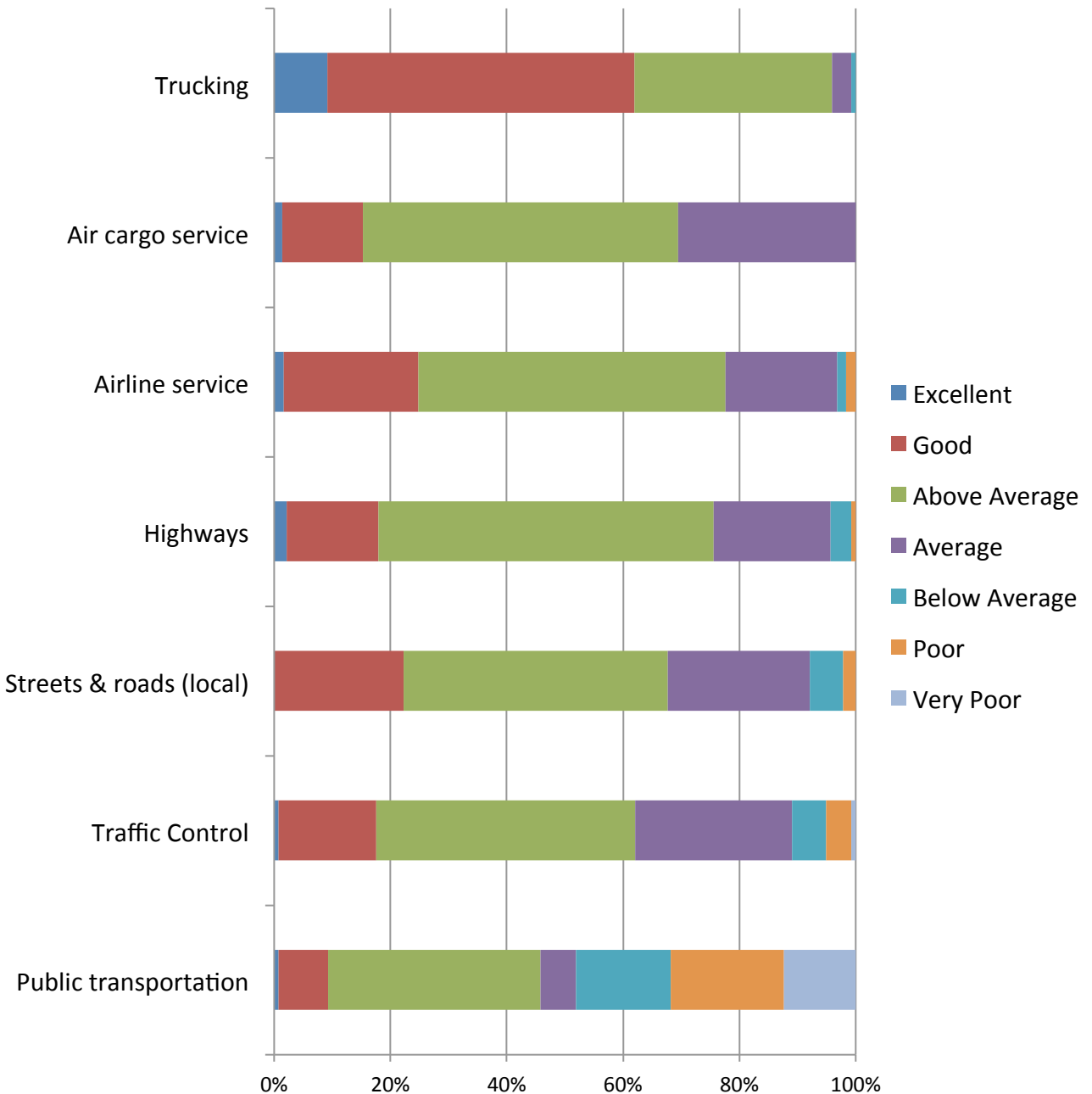
Rating Community Services – Education (135)



PRIME Survey

Community services generally received good marks, but traffic control and public transportation were cited more often in 2014 as areas that need improvement. Ratings for public transportation fell to their lowest levels since surveys started in 2012.

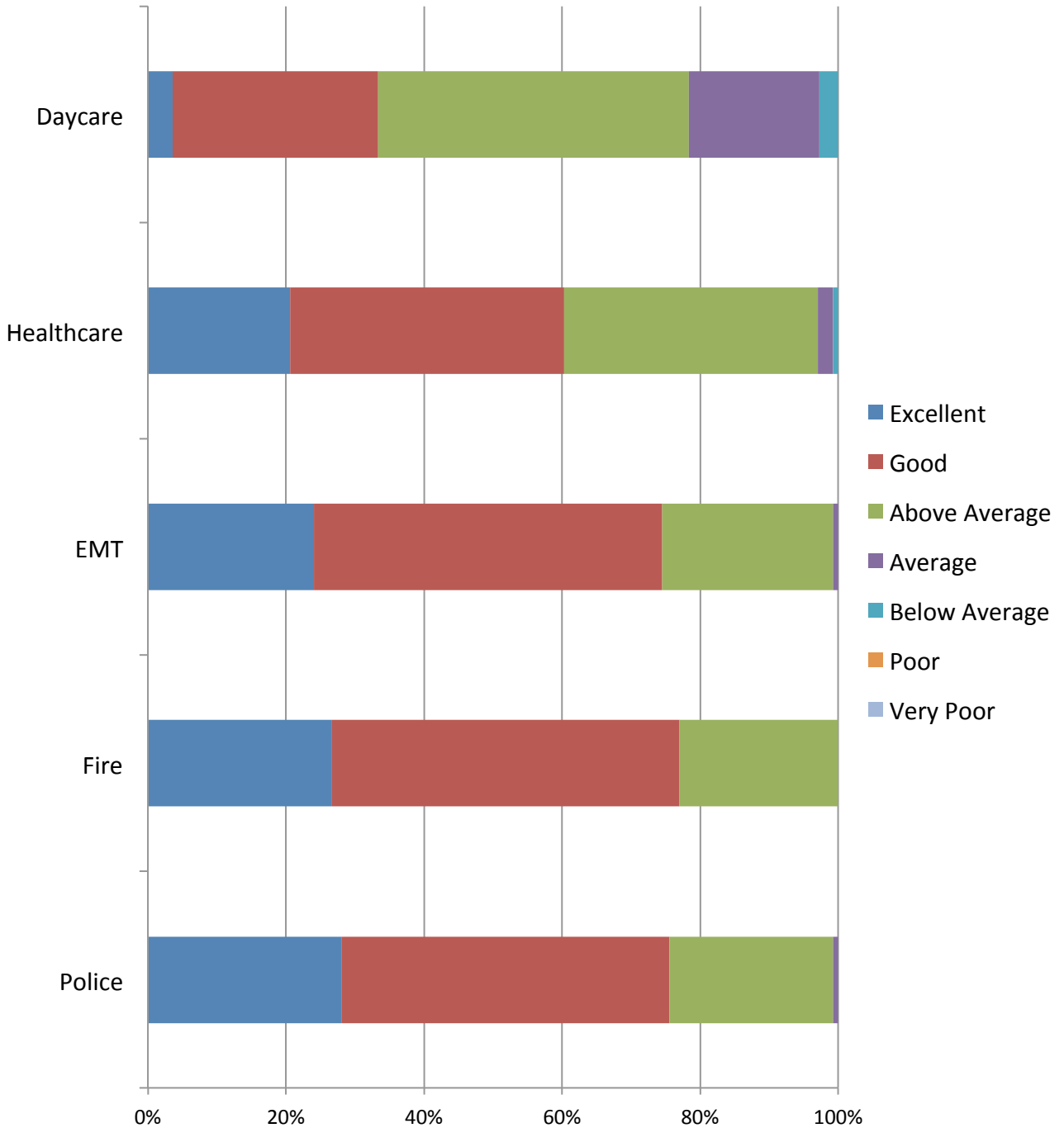
Rating Community Services – Transportation (136)



PRIME Survey

The highest overall rankings were enjoyed by the protective services. Police, fire, and the other first responders received high marks. Improvement in daycare options was cited most among respondents.

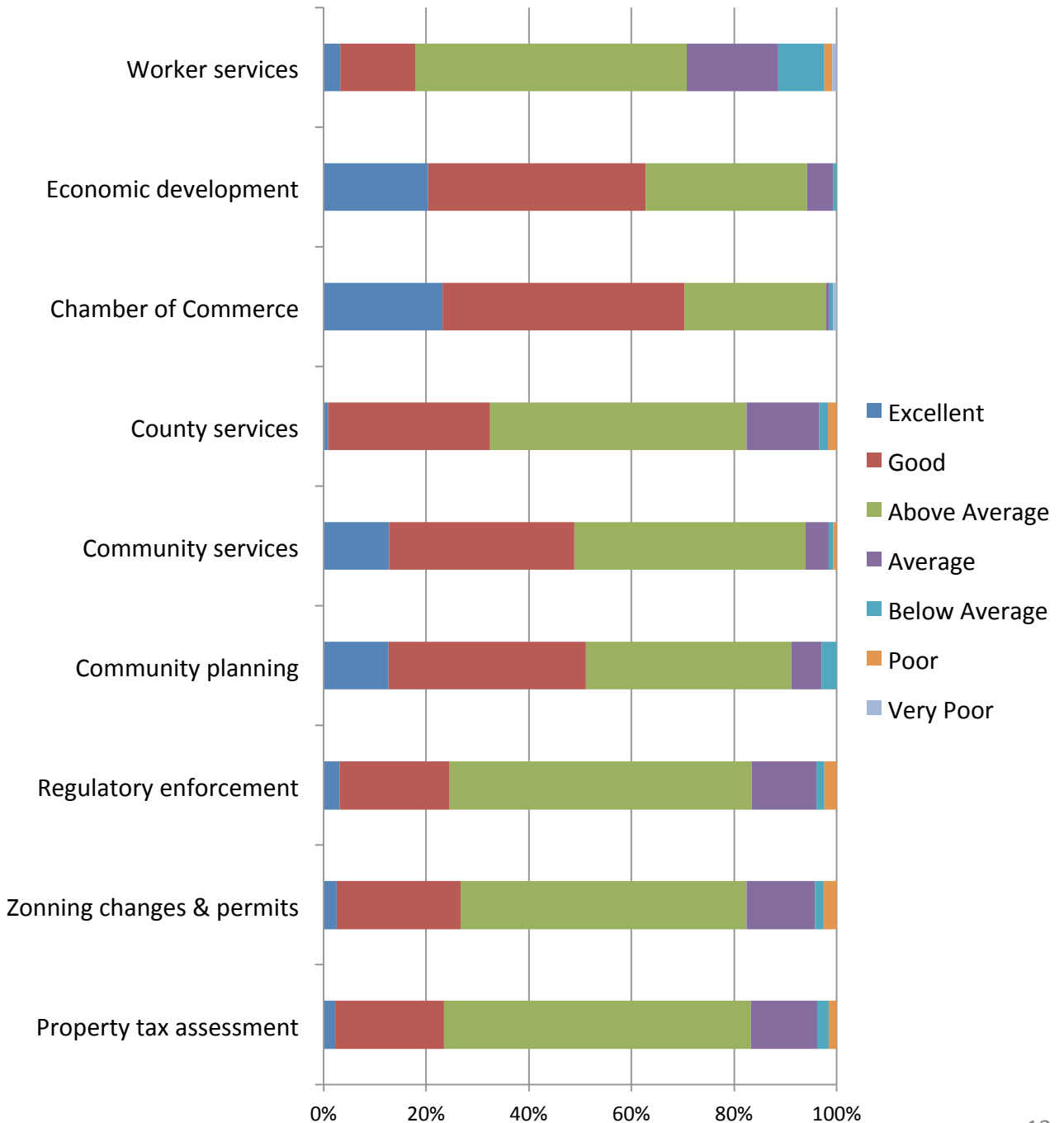
Rating Community Services – Protective Services (139)



PRIME Survey

Other community services were viewed favorably, with taxes, regulation, and zoning getting the most negative remarks. The ratings for state workforce services declined somewhat in this survey, and should be included as a part of any regional strategy to improve service delivery.

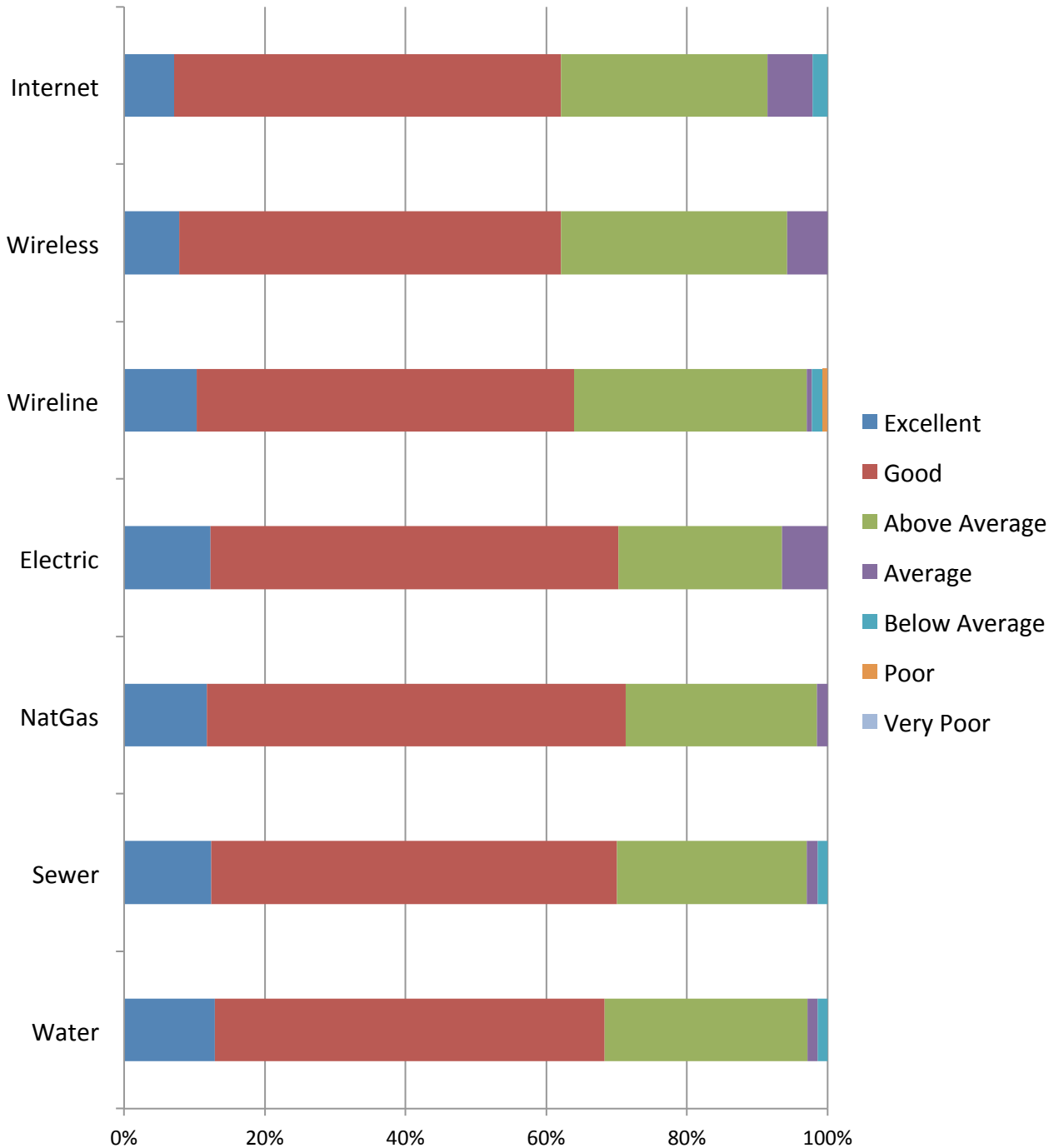
Rating Community Services – Government and Non Profit (137)



PRIME Survey

Utility services were viewed favorably by survey participants, with improved scores from prior surveys in almost all categories.

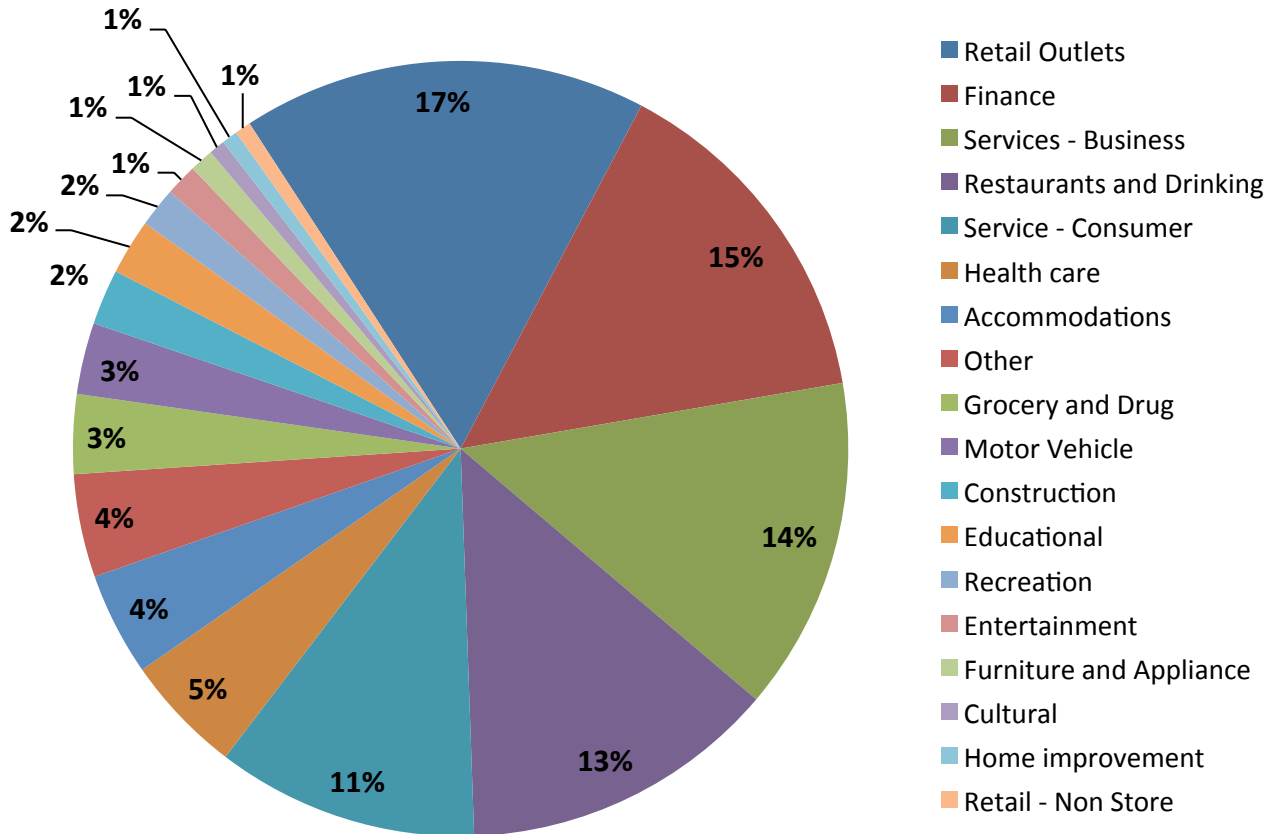
Rating Community Services – Utilities (138)



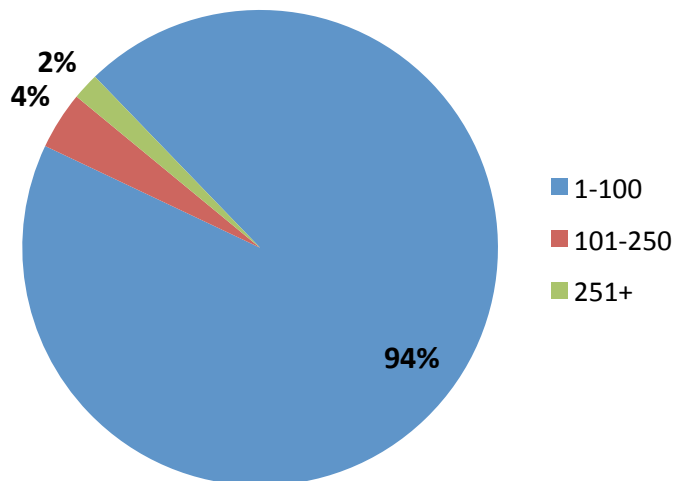
CRTS Survey

CRTS responses represent the region’s service and support employers. We surveyed 331 of these companies, and the results are compiled on the following pages.

Survey Profile – Breakdown by Sector



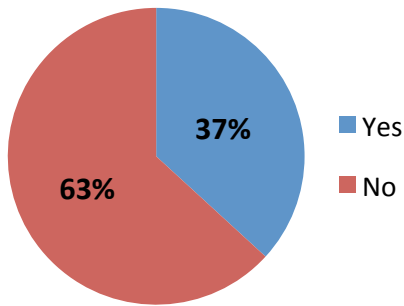
Survey Profile – Breakdown by Employee Size



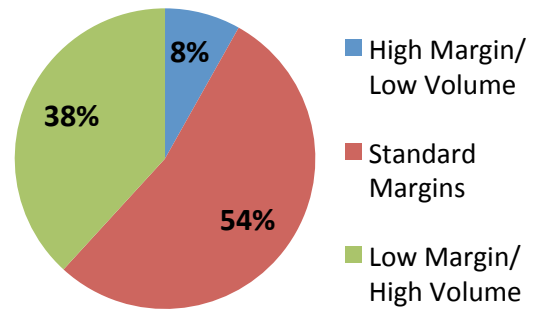
CRTS Survey

CRTS responses are mostly made up of the region's service and support employers. Some larger operations are included, but most of the respondents are small, service-related employers. These questions were answered by all respondents.

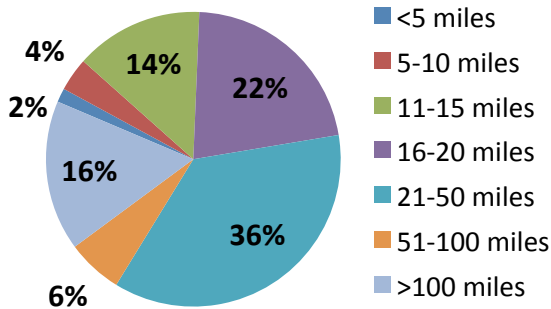
Do you serve a niche market?



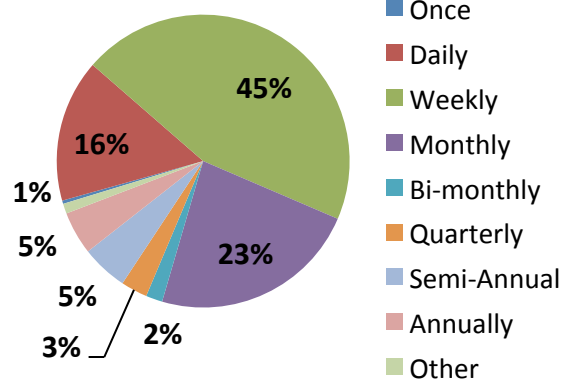
Typical Margins



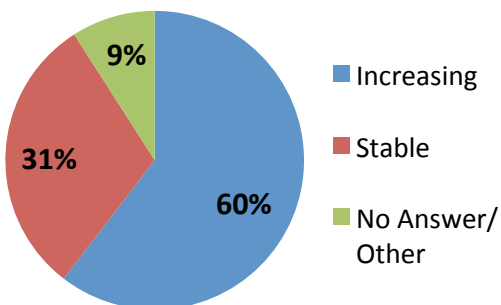
What is your market area?



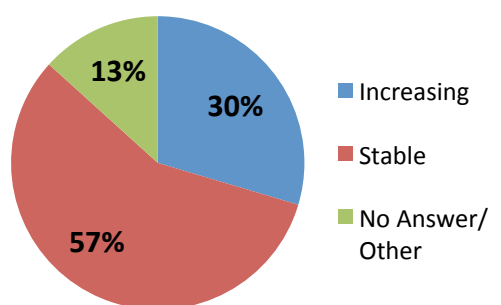
Frequency of customer/client visits



Total revenues at this location are:



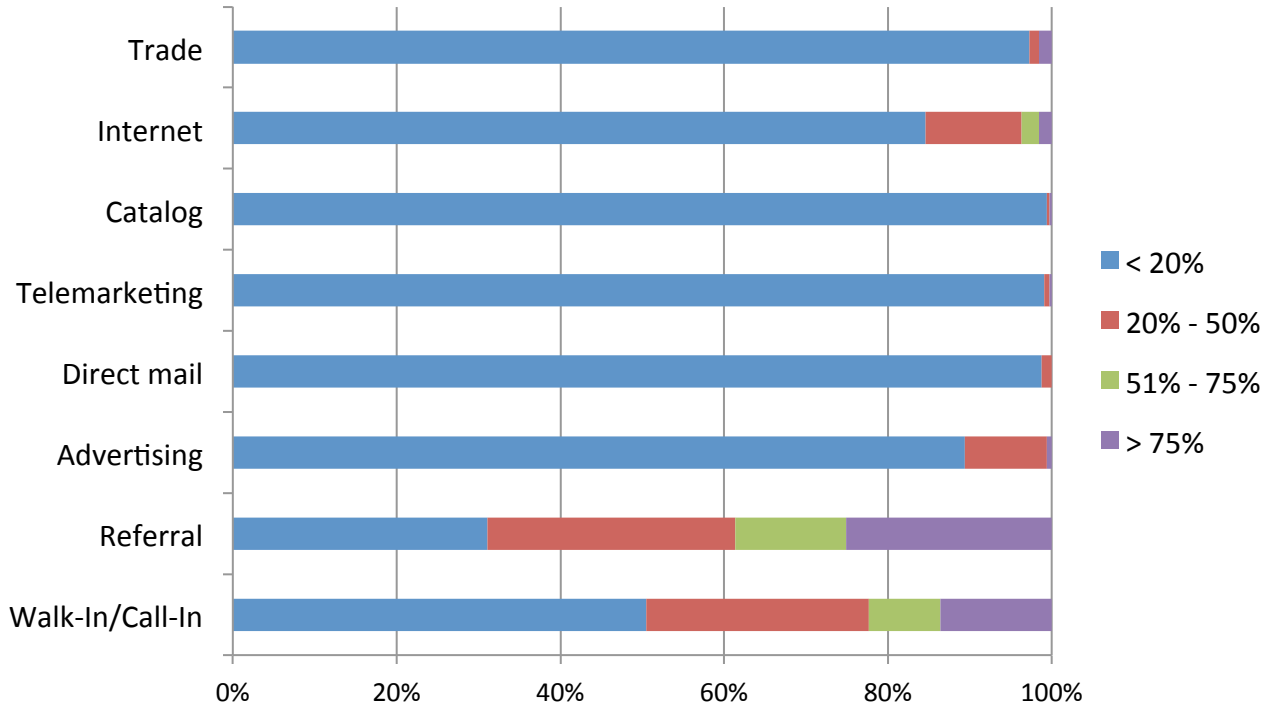
Average value of an individual sale is:



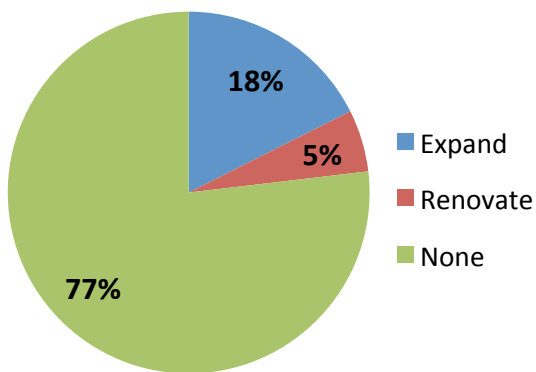
CRTS Survey

Most respondents still rely heavily on personal relationships, but the internet and social media is the fastest-growing source of new revenues for the respondents.

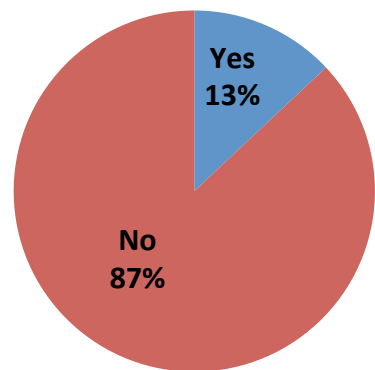
Source and Breakdown of your Revenue (331)



Do you plan to expand or renovate in the next 3 years? (307)



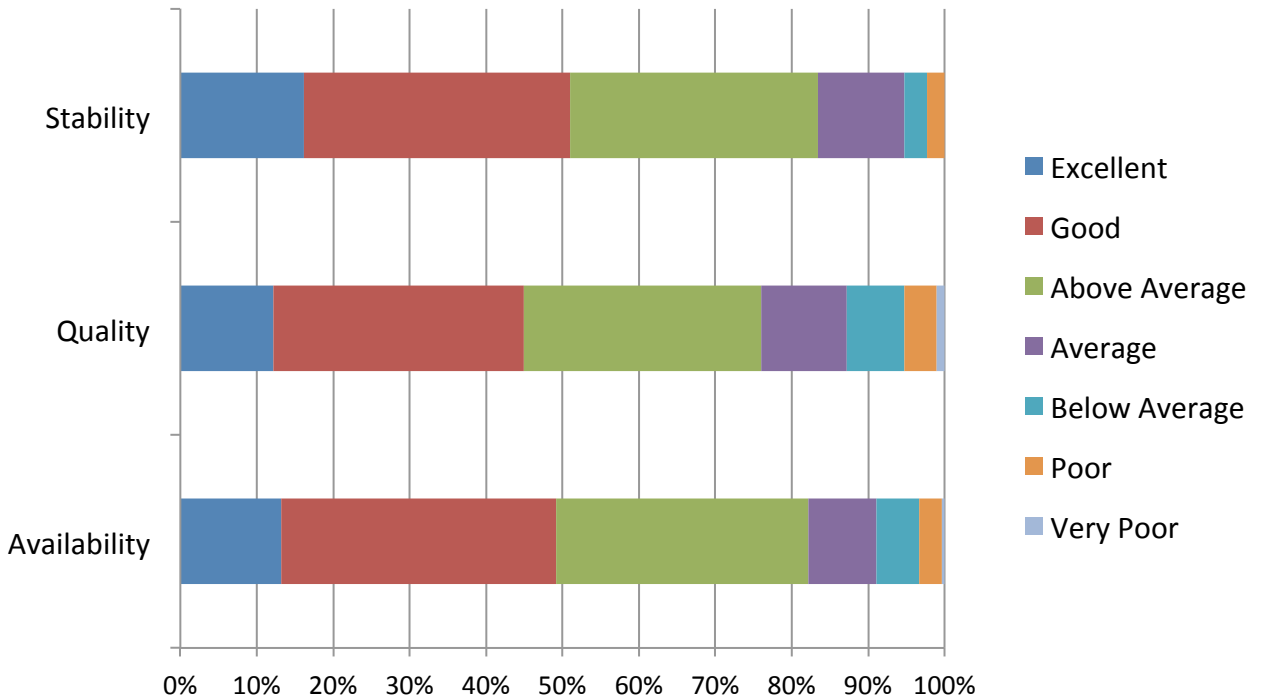
Do you plan on adding a new location in the next 2 years? (300)



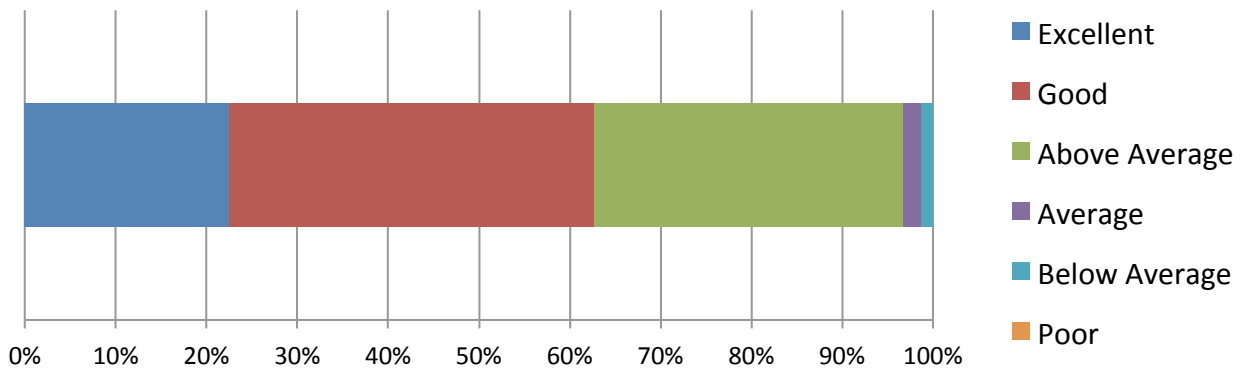
CRTS Survey

The region's workforce received good marks overall. Some respondents were concerned about the quality and availability of workers, and the worker quality number has slipped from 2013.

Rate your Workforce (302)



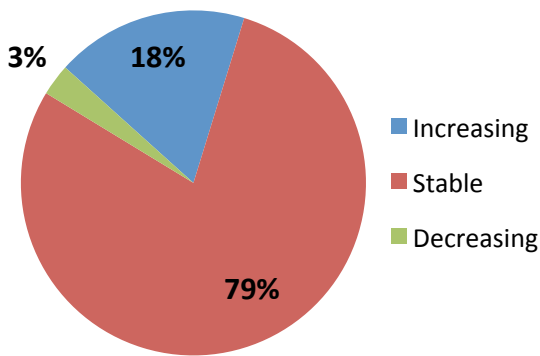
Rate the Productivity of Your Facility (249)



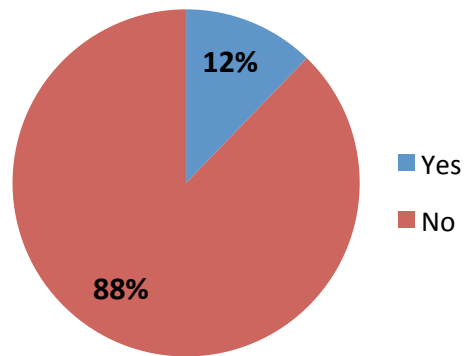
CRTS Survey

With sustained growth, workforce quality and availability are important to CRTS respondents. The make up of the specific labor needs has not changed much since 2013, but the number of respondents answering the question about their specific need increased 28% this year, even with a smaller number of overall surveys.

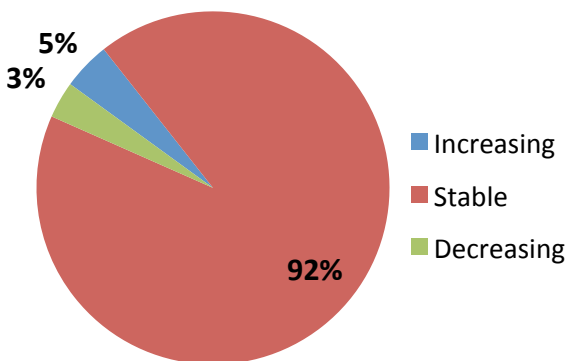
Are your employment needs increasing, stable, or decreasing? (304)



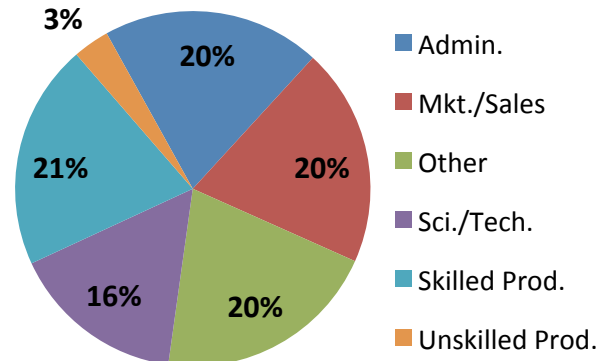
Do you anticipate any changes in the quality of the workforce? (304)



Are your unfilled positions increasing, stable, or decreasing? (297)



Which positions are you having the most difficulty filling? (151)



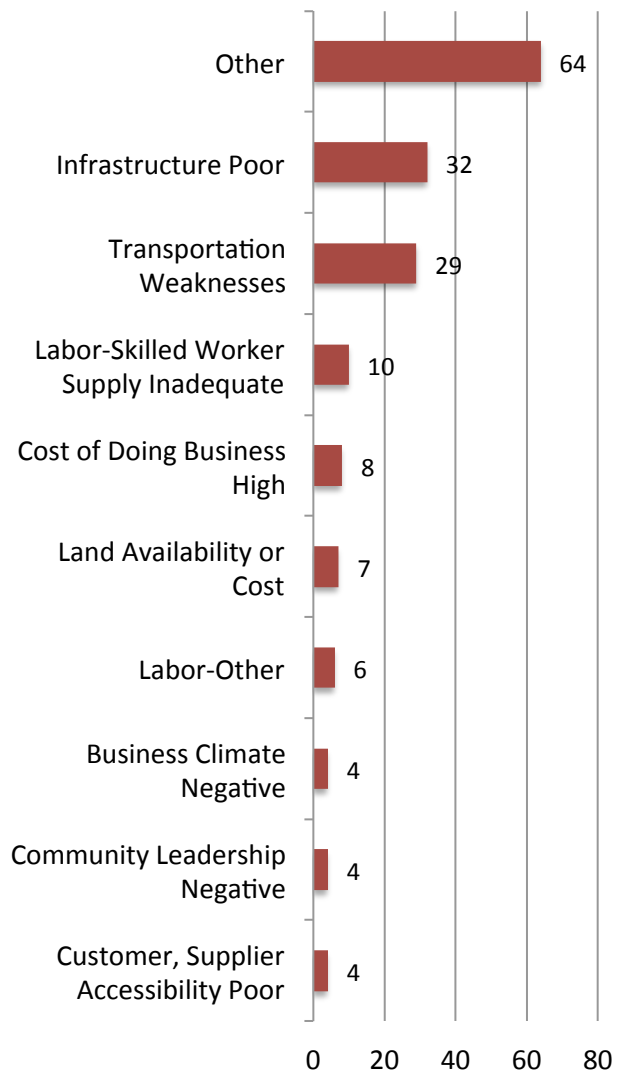
CRTS Survey

CRTS companies cited positive factors over negative factors by almost 3-to-1 when selecting the region’s strengths and weaknesses. A stable regional economy and community, quality of life, and business climate were cited as the region’s strongest attributes. Interestingly, “other” was cited more this year, along with infrastructure and transportation as top concerns. Comments in the “other” category included federal and local regulations.

Top 10 Community Strengths (539)



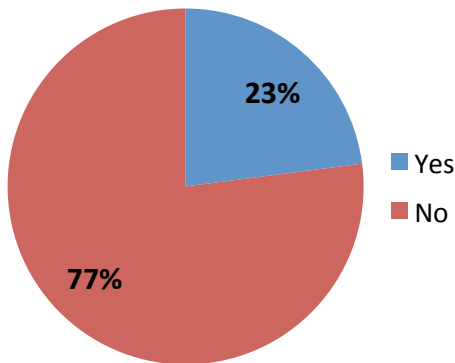
Top 10 Community Weaknesses (180)



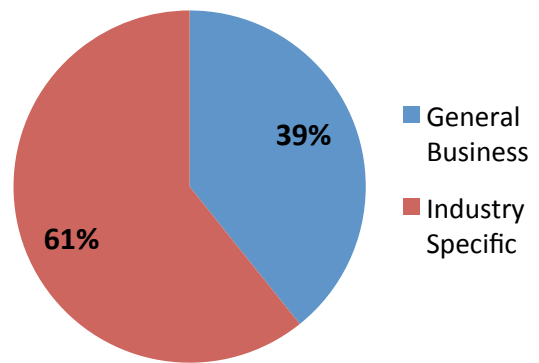
CRTS Survey

The CRTS survey gives the reader a sense of the depth of concern about increasing government regulation on small businesses. Uncertainty associated with the implementation of The Affordable Care Act and Dodd-Frank were cited heavily as a cause for concern. The top policy issues that respondents want addressed are immigration, e-fairness, and tort reform.

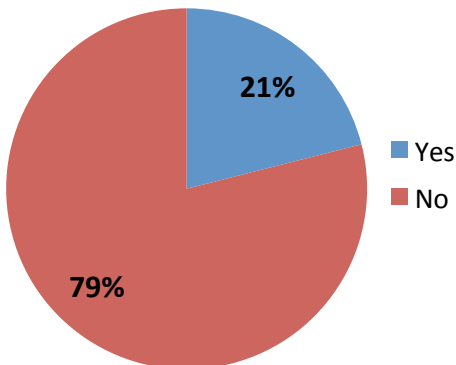
Do you anticipate adverse regulatory changes? (305)



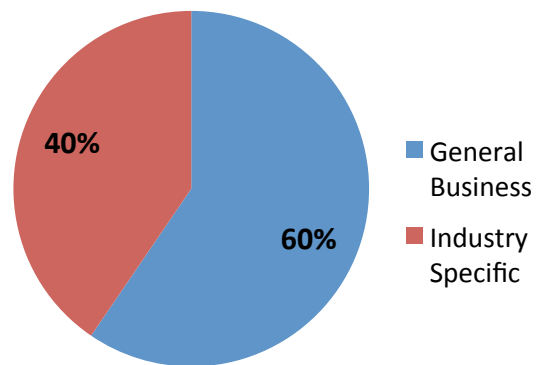
Regulations Affect (79)



Do you anticipate beneficial regulatory changes? (309)



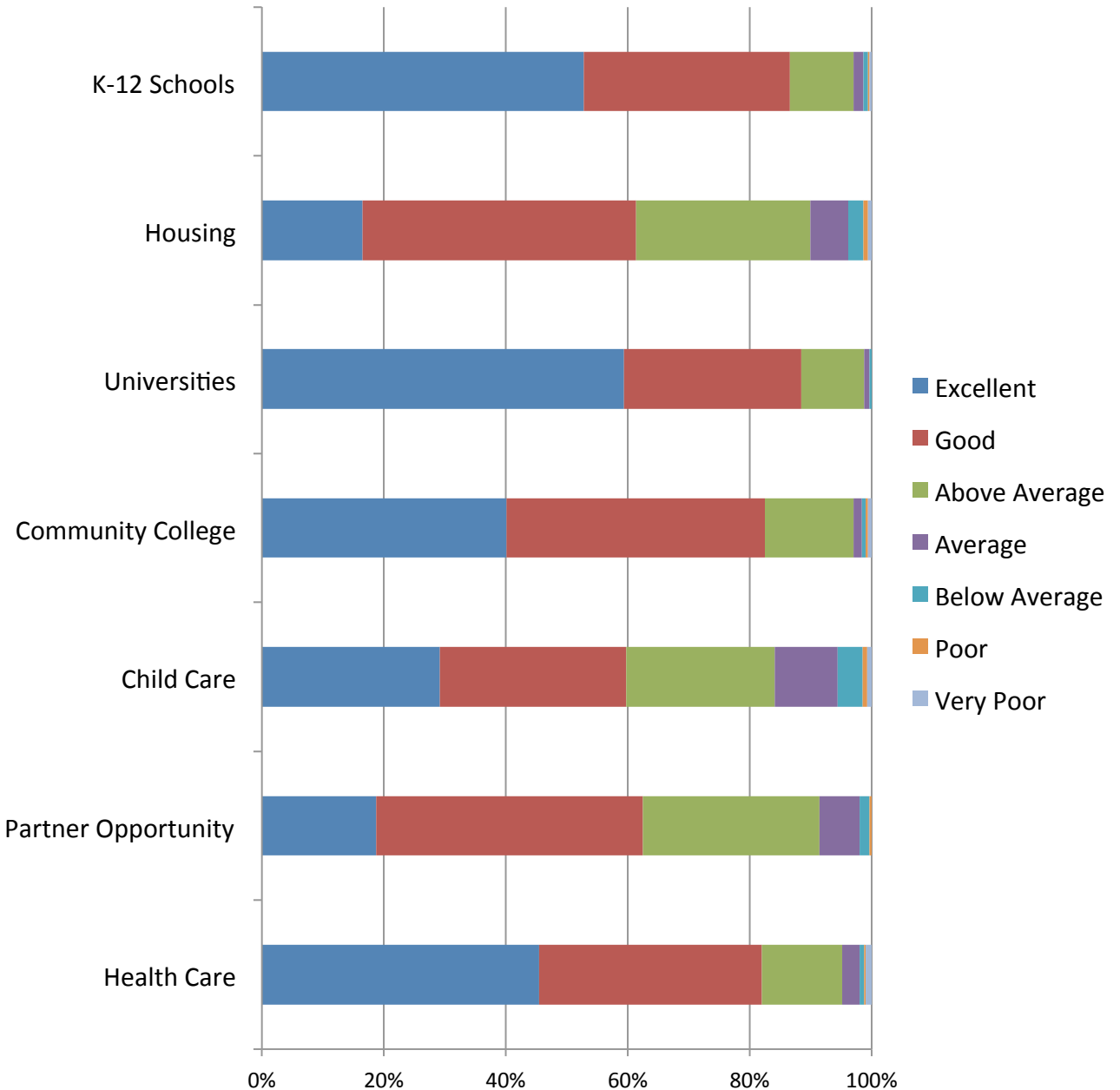
Regulations Affect (42)



CRTS Survey

Survey respondents rated education highest on a list of social amenities. Overall ratings were similar to 2013, but with even better ratings.

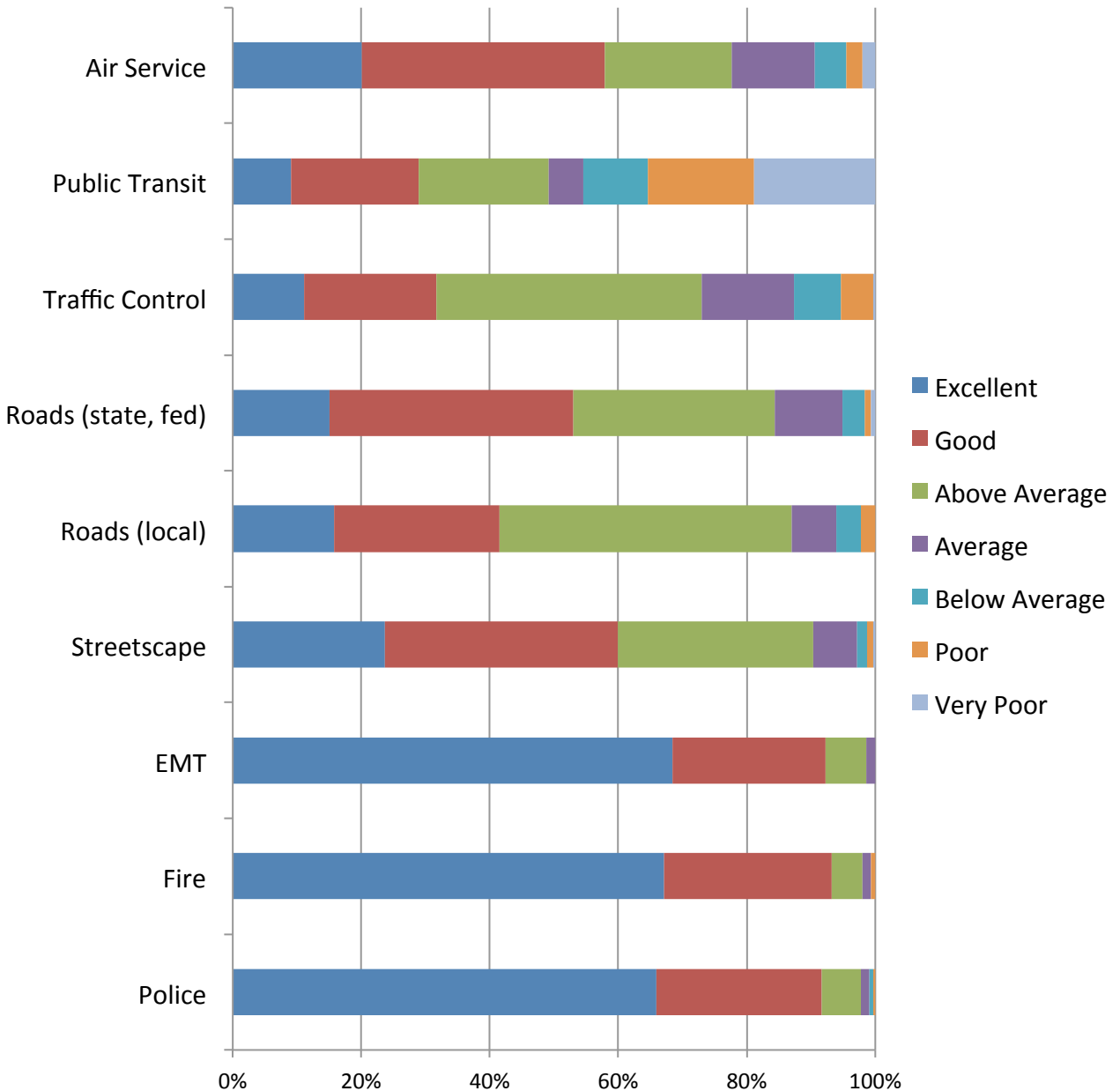
Rating – Social / Economic Amenities (303)



CRTS Survey

Survey respondents rated protective services highest on a list of community amenities. Most ratings were good, public transportation is a growing concern, with negative ratings exceeding 40% in the 2014 survey. Ratings on air service improved – most responded that access to markets is excellent, but price remains an issue.

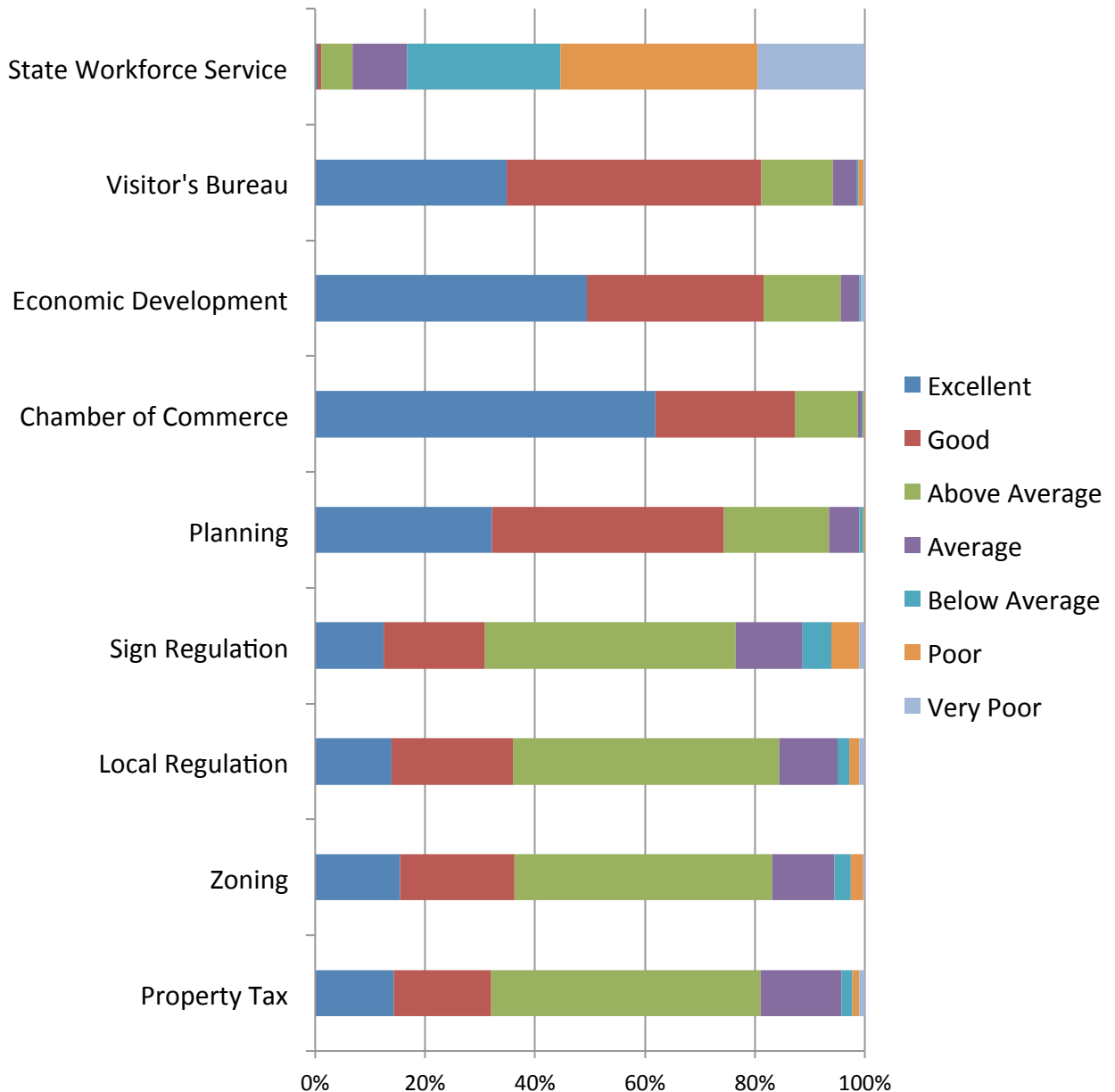
Rating – Community Services and Transportation (308)



CRTS Survey

Survey respondents rated local chambers and economic development organizations highest on a list of government services. Overall ratings were good, but similar to the PRIME respondents, the CRTS group was negative on state workforce services.

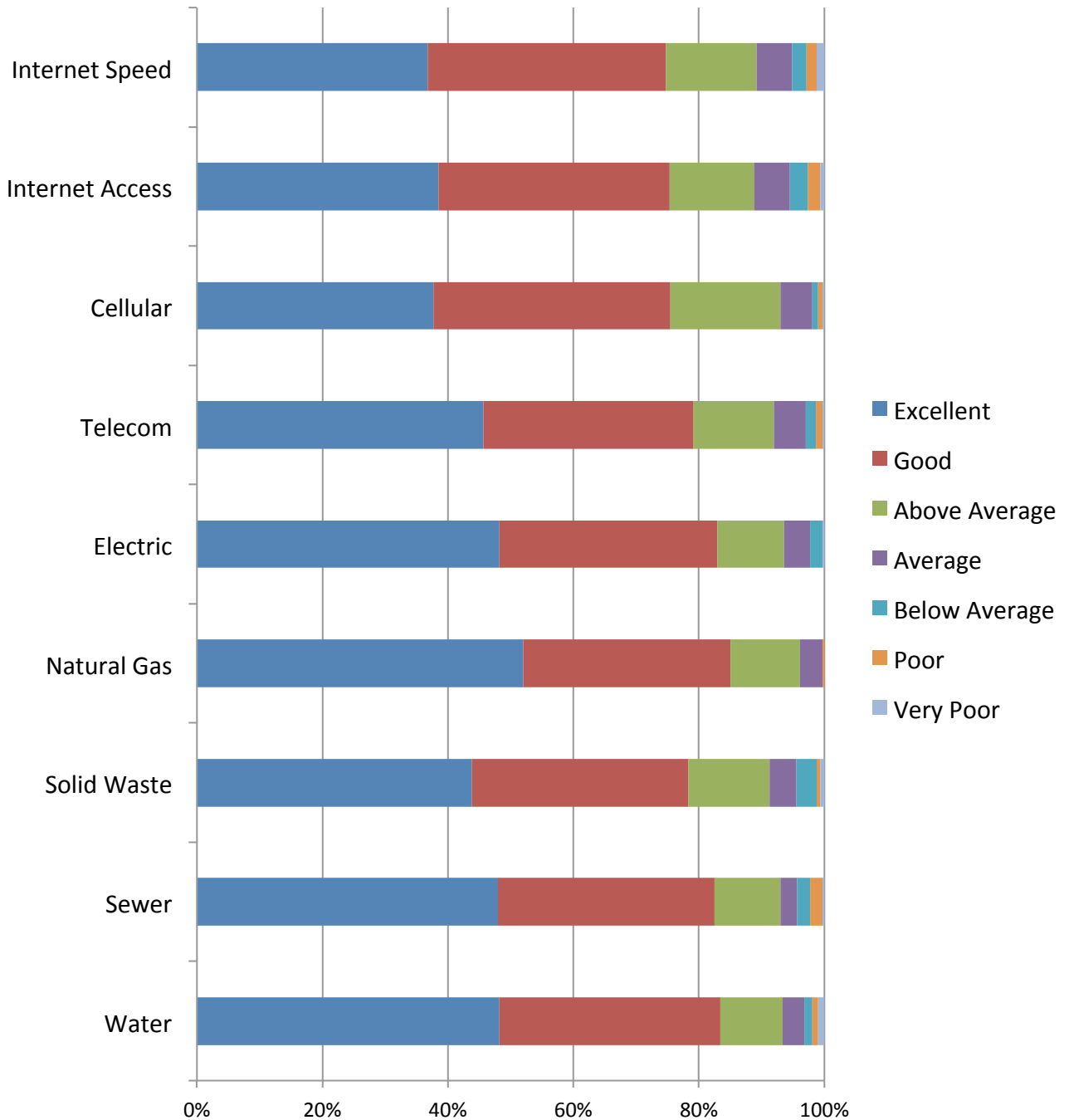
Rating – Business & Government Services (292)



CRTS Survey

Survey respondents rated all utility services high, with all utility services receiving better ratings in 2014 than 2013 and 2012.

Rating Community Services – Utilities (305)



Regional Action Items

WORKFORCE DEVELOPMENT

The lack of skilled workers is an ongoing issue in Northwest Arkansas and across the nation. There are several reasons for this, but it is clear that the region needs flexible training solutions to address the problem. The Northwest Arkansas Council and its Chamber partners are tackling the workforce issue by working with employers, schools, and training providers.

Filling the Talent Pipeline with Northwest Arkansans

- Create, enhance, or expand programs and marketing support to produce more completions in STEM-, Health-, and Trades-related programs.
- Integrate more workplace essential and life skills into existing / new curriculum.
- Provide a resource for educators, students, and parents through the regional P20 (pre-school through university) task force to connect them to educational offerings and opportunities in NWA.
- Provide regular updates and support to Guidance Counselors and Career Coaches to ensure student awareness about opportunities in NWA.
- Work with local companies to provide work experiences for area 11-12 graders to familiarize them with the workplace and potential career options.
- Develop and pursue a local/state legislative agenda to help ensure a successful program of work.
- Develop a marketing and awareness strategy to inform the public and help shape perceptions about career opportunities in NWA.

Attracting and Retaining Talent

- Create a web / social media presence to create awareness about the benefits of living and working in NWA to share with area employers in their recruiting efforts.
- Develop marketing collateral, and take an NWA exhibit at selected job fairs to reach targeted groups in targeted markets.
- Host an annual technology summit with area tech/large employers highlight people, technology, and startups in NWA.
- Exhibit at targeted off site technology summits to create awareness about technology jobs in NWA.
- Support the development of a web / social media presence that serves as a portal to NWA's culinary, music, arts, and outdoor experience.
- Support the efforts of EngageNWA to recruit and engage NWA's growing young and diverse populations for volunteer and leadership roles.
- Provide a web resource to plug in new and incumbent workers to a employer or social network, and share it with area employers.
- Attract and retain more young professionals by enhancing and expanding efforts of the NWA Emerging Leaders group by providing support for additional programming and marketing support.

Regional Action Items, continued

PUBLIC TRANSPORTATION

It's clear companies and other employers remain concerned public transportation, and the Council previously worked with Ozark Regional Transit to show local governments those needs. Many local governments responded favorably, especially those in Washington County, Fayetteville, Springdale, Rogers and Bentonville. ORT's leadership team has, on its own, worked with those communities and several smaller ones to increase the agency's overall funding. The Council anticipates working with ORT in the coming months to determine what else can be done to expand public transportation and to ensure that services are being provided where they are most needed.

AIR SERVICE

The Council continues to partner with Northwest Arkansas Regional Airport officials to ensure that airlines, especially low-cost carriers, know about the region's strong need for additional, less expensive air service. Business and leisure travelers remain concerned about the cost of trips to four primary locations: Chicago, Dallas/Fort Worth, New York and Atlanta. The Council will continue to support airport officials in their pursuit of additional low-cost service.

HIGHWAYS

The ER&E surveys showed employers are feeling better about the region's highway infrastructure and that may be because of the Arkansas Highway and Transportation Department's improvements on Interstate 49, Springdale's Don Tyson Parkway connection to I-49, Fayetteville's construction of the Fayetteville Flyover and other improvements. However, the Council expects to continue taking a long-term view of the region's biggest highway priorities, ensuring that expansion opportunities at the state and federal levels are fully explored.

Local Chambers of Commerce in Action

Northwest Arkansas Chambers of Commerce exceeded their target of 450 companies during ER&E visits in 2014 once again, providing ample opportunities for those chambers to identify and address the challenges that their employers face. A few examples of the types of work the chamber of commerce outreach specialists completed in 2014 included:

The Bentonville/Bella Vista Chamber of Commerce heard from several companies about difficulties they have finding and recruiting qualified employees. In addition to skilled positions, the Chamber also heard from companies that they have challenges hiring unskilled workers due to soft skill issues. In response, the Chamber initiated discussions with education providers to begin offering training on soft skills relevant to jobs. Additionally, the Chamber was successful in “connecting” employers with outside resources to include local and state agencies and other area companies that will assist them in solving a current challenge or permit them to meet their long-term goals for growth and success.

The Fayetteville Chamber of Commerce provided several examples of how the relationships they’ve forged through the program are paying dividends for the city by balancing sustainability and job growth. The Chamber helped several companies preserve stream buffers, wetlands, and supported Pinnacle Foods’ efforts to preserve an on-site rare habitat for Monarch butterflies. The city also worked with BlueInGreen, a growing local startup that specializes in clean water technologies by allowing it to utilize the city’s treatment plant for a demonstration project. The project allows the company to show off how the technology works to other interested communities.

The Rogers-Lowell Area Chamber of Commerce heard several large employers express concerns about their ability to attract skilled workers. That led the chamber’s outreach specialist to organize an educators tour of a factory that was followed by a facilitated discussion about workforce needs. That event went well enough that the chamber plans to organize two similar tours and workforce discussions this year.

The Siloam Springs Chamber of Commerce completed work last year on an ER&E project that started in 2013. Several businesses during ER&E visits identified the need for more skilled workers. The Chamber knew workforce development was a nation-wide problem. In order to solve the problem for their community they partnered with Siloam Springs School District who had showed interest in a “charter school” that could provide additional vocational and technical training. Simmons Foods and other businesses worked with the school district to develop the curriculum for what is now the Career Academy of Siloam Springs, a charter school approved by the Arkansas Board of Education in November.

The Springdale Chamber of Commerce learned of a company’s planned expansion during an ER&E visit. Chamber employees assisted the company in negotiating the purchase of land for its new facility and assisted the company in obtaining incentives from the Arkansas Economic Development Commission. The Springdale Chamber also assisted another expanding company in obtaining state training funds for a group of new employees. Based on its own local ER&E calls, Springdale is launching an aggressive new workforce development program working with schools and training providers to better align with employer needs.



For more information

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