
Colorado Business Needs Assessment

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Overview	3
Survey Methodology	3-4
Executive Summary	5
Findings	7
Profitability	7
Business Growth and Strategy	9
International Business Development.....	14
Government Procurement.....	16
Product or Service Development.....	17
Capital Acquisition & Finance.....	18
Infrastructure & Efficiency Improvements.....	19
Human Resources.....	20
Business Management & Ownership.....	21
Employment.....	22
Training Delivery and Location Preferences	23
Appendix 1: NAICS Codes	24
Appendix 2: Survey Results.....	25
Appendix 3: Survey Instrument.....	25

Colorado Business Needs Analysis

To understand the perspective and needs of Colorado businesses, a study was conducted for the Colorado Small Business Development Center (SBDC) Network using a sample of companies commonly referred to as Second Stage growth companies. These businesses have the capacity for growth resulting in job creation, and access to national and international markets bringing outside dollars into the community¹. However, economic growth following the last recession has been slower than past recoveries due to the following challenges:

- Weaker demand from traditional global trading partners due to enduring crisis in the Eurozone.
- Reduced spending by households and businesses looking to increase savings and liquidity buffers.
- Rising credit standards.
- Skills mismatch between workforce and available job requirements.
- Disruptive impact of the Japanese earthquake and tsunami on global trade and production.
- Commodity price shocks resulting from worsening growing conditions caused by extreme weather patterns across North America.

Recognizing that smaller companies have fewer resources to deal with these challenges, the study was designed to address the following questions:

1. What are the challenges facing Colorado Second Stage growth companies?
2. Which challenges should be targeted as priority issues?
3. Which components of small business counseling should be emphasized?
4. What programming and delivery methods should be used to reach the targeted businesses and their employees?

Survey Methodology

The self-administered survey was e-mailed to 1099 Colorado small businesses. The sample was generated from a D&B database hosted by LexisNexis. Company selection criteria included the following parameters: e-mail address for the company president, between nine and 100 employees, annual revenues greater than \$750,000 and less than \$50 million, and all NAICS codes excluding 491, 551, 611, 712, 813, and 92, which are predominately institutions or associations that would not typically be served by SBDC programs or counseling. The survey was launched in October with four additional flights during November and December 2012.

¹ Edward Lowe Foundation; Second stage companies; 2012

The survey consisted of 44 multiple choice questions, and was available to respondents through surveyasp.uww.edu.

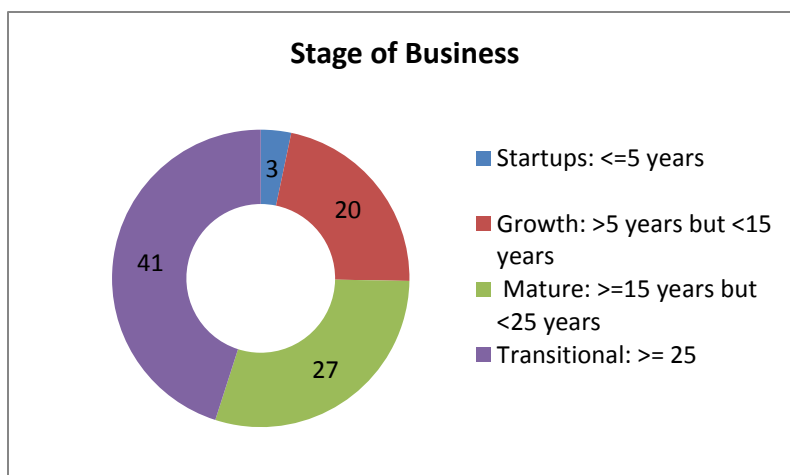
Survey questions were organized into the following categories:

1. Profitability
2. Business growth and strategy
3. International business development
4. Government procurement
5. Product or service development
6. Capital acquisition and finance
7. Infrastructure and efficiency improvements
8. Human resources
9. Business management and ownership
10. Employment
11. Business development resources

A total of 91 individuals responded to the survey. Respondent data was analyzed from a statewide perspective.

Years in business were determined from Hoover's D&B reports; specifically, the year the company was founded. For the purposes of this report, companies were grouped into the following categories:

- Startups: in business for five years or less
- Growth: in business for more than five years but less than 15
- Mature: in business for 15 years or more but less than 25
- Transitional: in business for 25 years or more



Startups have the most operational organizational needs of the four categories. Growth businesses typically seek out new business and markets as they strive to improve ROI and achieve economies of scale. Expansion also fuels human resource needs. Mature companies tend to have established customers, processes, and infrastructure that may need evaluation in terms of profitability and sustainability. Transitional companies may be facing ownership or key-man changes in addition to technological or infrastructure

improvements or upgrades. The majority of companies (75 percent) participating in this study fall into the Transitional and Mature categories.

The most represented industry statewide was Professional, Scientific, and Technical (PST) services (39 total responses). The second and third most represented industries were Manufacturing (24 total responses), followed by Wholesale, Retail, and Warehouse (17 total responses). Break outs of industry representation by sector are as follows (NAICS sector = Number of respondents):

NAICS Sector	State Sector Totals
11 Agriculture	0
21 Construction	1
23 Construction	6
31 Manufacturing	0
32 Manufacturing	11
33 Manufacturing	13
42 Wholesale Trade	12
44-45 Retail Trade	4
48-49 Transportation and Warehousing	1
51 Information Technology Services	4
52 Finance and Insurance	7
53 Real Estate and Rental and Leasing	3
54 Professional, Scientific, and Technical Services	19
56 Waste Management and Remediation Services	6
61 Educational Services	0
62 Health Care Services	1
71 Arts, Entertainment, and Recreation	0
72 Accommodation and Food Services	0
81 Other services	2

Note: NAICS Sectors with definitions are included in Appendix 1 of this report.

Given that the companies were selected as available, it is important that the reader not interpret the data and charts as actual trends in the presented market. The small number of companies contacted and the lack of controls on the sampling procedure does not allow for such claims. However, the data can be interpreted as suggestive trends, to the extent that the sampled companies are representative of trends in their market.

Executive Summary

Colorado small to medium businesses participating in this study are threatened by the risks inherent from specialization in either a few key customers or in a single or closely related industries. They are also feeling the pressure from lower customer and/or industry margins as well as the inability to find skilled workers. Profitability levels are a concern as lower rates of profitability not only limit growth and expansion, but also

make the company more vulnerable to longer lasting economic downturns. It is important to note that older companies, 15 years or older, reported profitability levels that tended to cluster in the 1%-5% and 6%-10% ranges; and many of these companies were in the Manufacturing or Professional, Scientific, and Technical Services sectors.

In order to support the growth strategies under consideration, the Colorado SBDC Network and their partners will need to offer programming and counseling services targeting sales and market development, practice/performance benchmarking, access to capital, export assistance, customer and market diversification, and efficiency improvements. Another recommendation focuses on the needs for older companies. Respondents representing the mature and transitional stages of business specifically expressed interest in succession planning, infrastructure and equipment upgrades, and access to capital.

Profitability and sales growth levels were mostly higher for companies with a business or strategic plan than those operating without a plan, indicating that business and strategic plan development is worth the investment of both time and resources as a management tool.

This survey found that some Colorado companies are participating in the global market; these companies mostly represent the Manufacturing; Wholesale and Retail Trade; Information; Professional, Scientific, and Technical Services; and Waste Remediation and Management Services. The European Union was the most popular export destination, followed by Canada. Survey representatives are also exporting to the emerging markets of Central and South America, as well as China and Africa.

Although a minority of companies said they were seeking additional financing or were having difficulty in obtaining financing, it is important to note that the last three years have been ones with lower growth rates. Another recession, expansion fueled by an economic turnaround, or cutbacks in government spending could quickly alter the remaining companies need for capital as the majority of companies said they were financed by personal funds.

Efficiency improvements appear to be key drivers in future plans for capital investments; specifically, renovating/expanding their facilities or upgrading/adding equipment. Respondents named new product development as their key strategy for business growth.

Respondents believed that workers could benefit from technology training as well as leadership and management development. A number of survey participants were concerned that their business did not have the appropriate marketing resources to support growth. In addition, several believed that entry-level employees required additional training in order to have the necessary skills to advance in their organization.

Family businesses accounted for more than half of the companies that participated in this survey. To ensure the economic viability and stability of the business's local community, succession planning should be an important part of the strategic planning discussion.

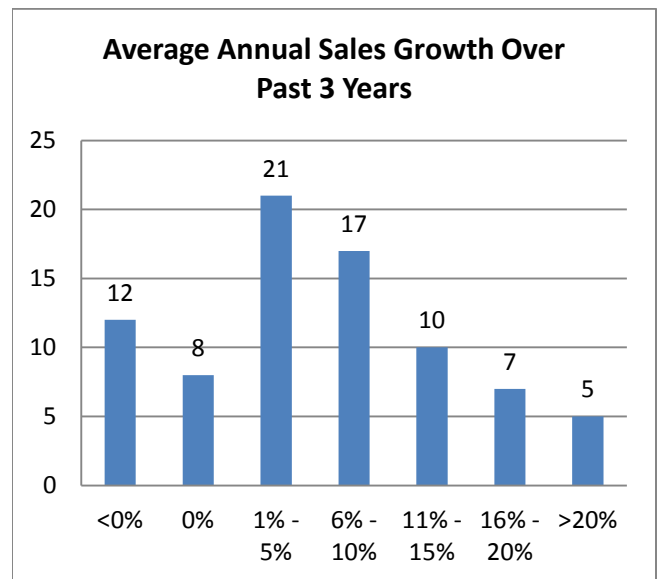
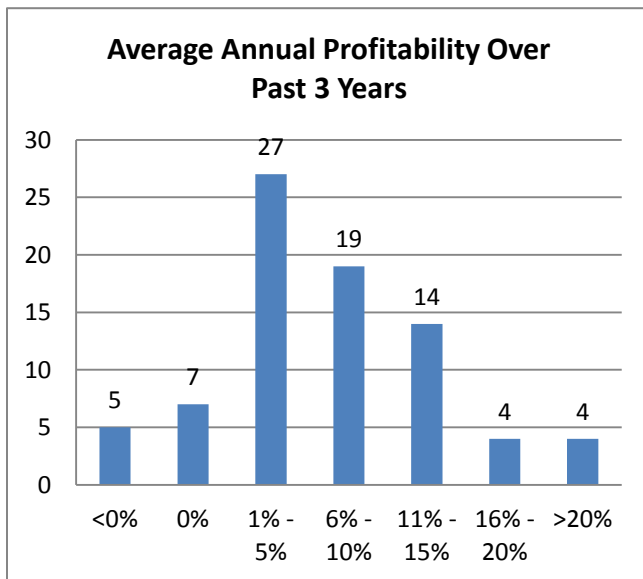
The overall preferred training delivery method and location was face-to-face at the business's facility. There was more support for online and hybrid training for workers and the management team. Less preference was given for offsite training for workers and the management team.

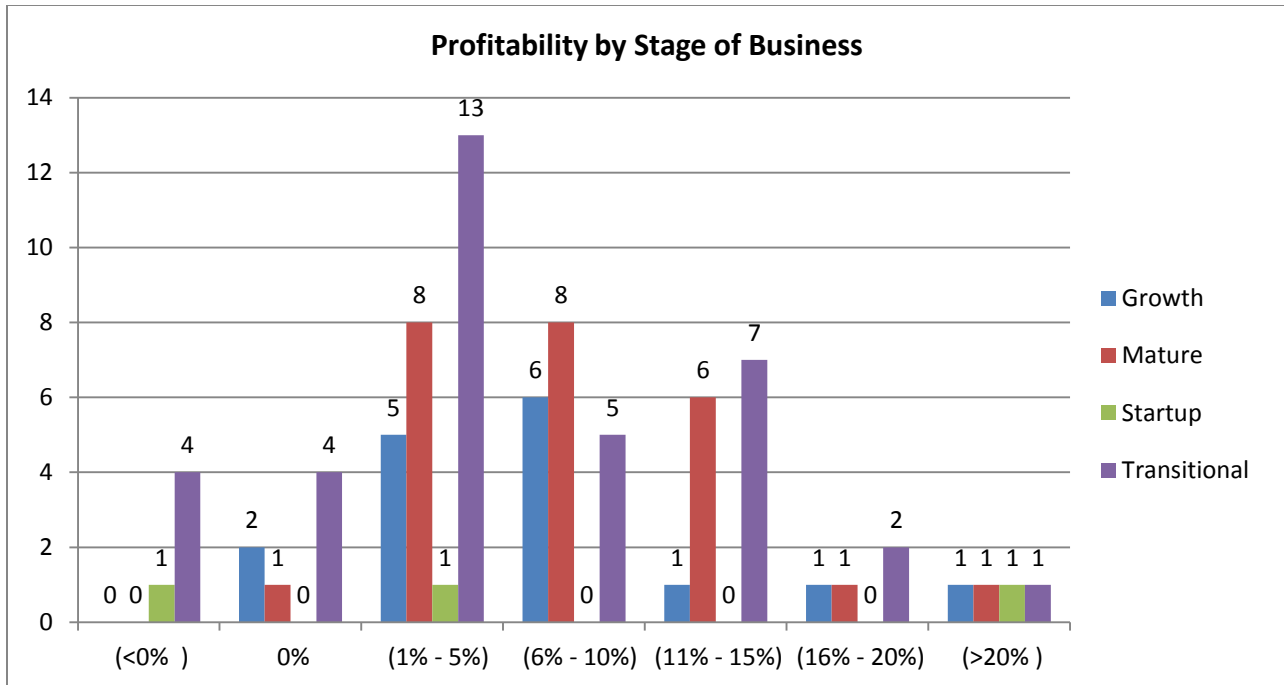
Findings

The following are selected findings from the survey.

Profitability

Accepted strategic planning guidelines target a 10 percent annual growth rate for business viability. Growth rates above 15 percent enable the company to internally fund innovation and other growth strategies. As illustrated in the charts below, responding companies are struggling to achieve the top line (sales growth) or bottom line (profit growth) to meet these targets. Profit growth over the past three years somewhat mirrors sales growth, with the most notable divergence in the lower sales growth percentages.





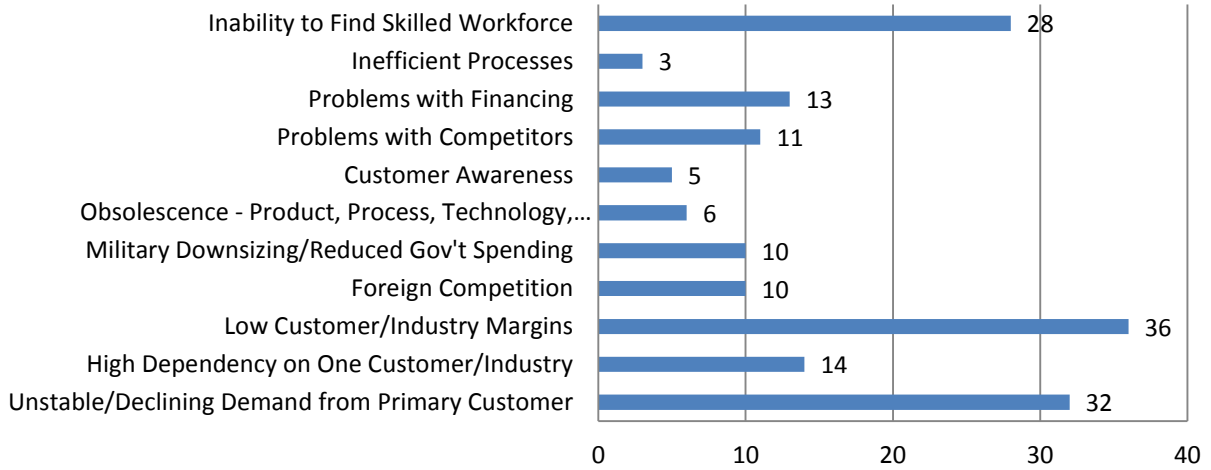
Examining profitability by NAICS sector confirms that some business in the Manufacturing (32, 33) and Professional, Scientific, and Technical Sectors (54) are finding it difficult to meet their profitability objectives, especially those in the Mature or Transformational Stage of Business.

Profitability Levels	NAICS Sector														Grand Total
	21	23	32	33	42	44	48	51	52	53	54	56	62	81	
(<0%)	0	0	0	2	0	0	0	1	0	0	1	0	0	1	5
(0%)	0	0	2	1	0	0	0	1	2	0	1	0	0	0	7
(1% - 5%)	0	2	4	3	4	1	1	0	1	2	4	4	0	1	27
(6% - 10%)	1	1	1	3	3	1	0	1	0	0	6	1	1	0	19
(11% - 15%)	0	1	2	2	1	1	0	1	2	1	2	1	0	0	14
(16% - 20%)	0	0	1	1	1	0	0	0	0	0	1	0	0	0	4
(>20%)	0	0	1	0	0	1	0	0	1	0	1	0	0	0	4

Respondents were asked to select factors that presented the greatest challenges to their company's profitability. The most selected factors in order were:

1. Current customer/industry margins are low and are reaching commodization.
2. Demand is unstable or declining from primary customer.
3. Inability to find a skilled workforce.

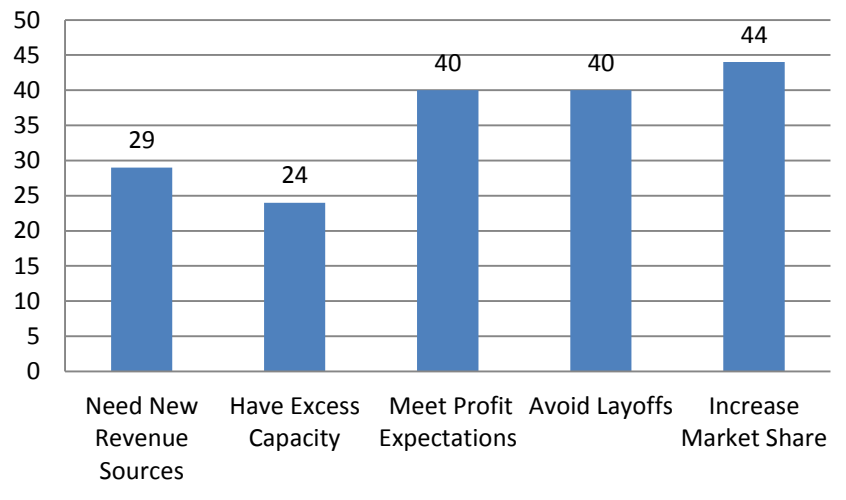
Key Challenges to Profitability?



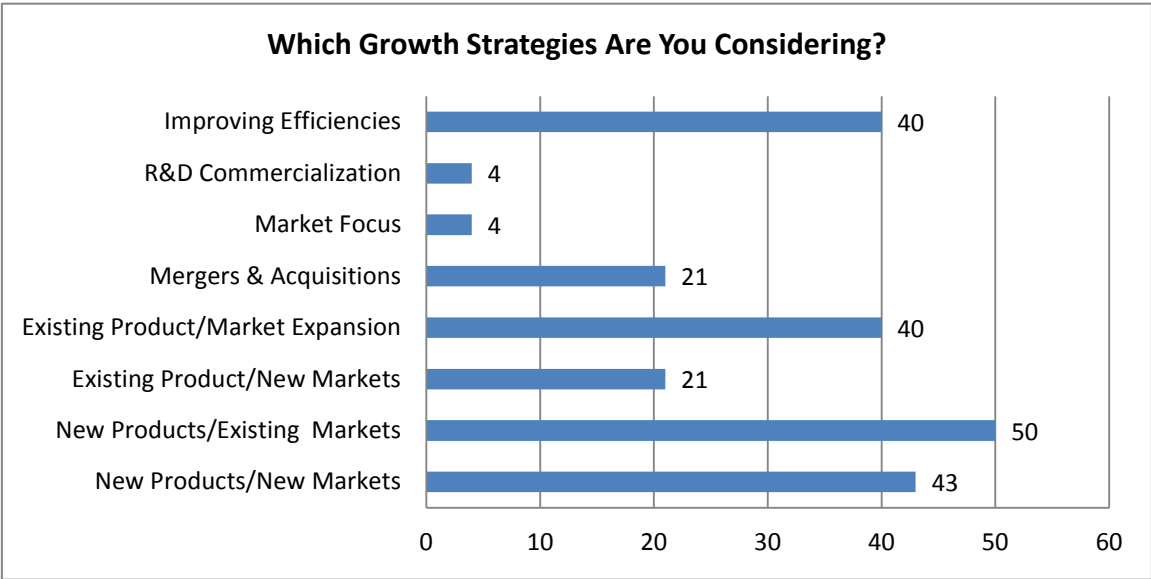
Business Growth and Strategy

With very few exceptions, respondents are exploring business growth strategies. Key motivations for growth include the need to increase market share, meet profit expectations, and avoid layoffs. These motivations were most strongly expressed by companies in the Manufacturing and Professional, Scientific, and Technical sectors; specifically, those in the Mature and Transitional Stages of Business.

Why is Growth Strategy Important?

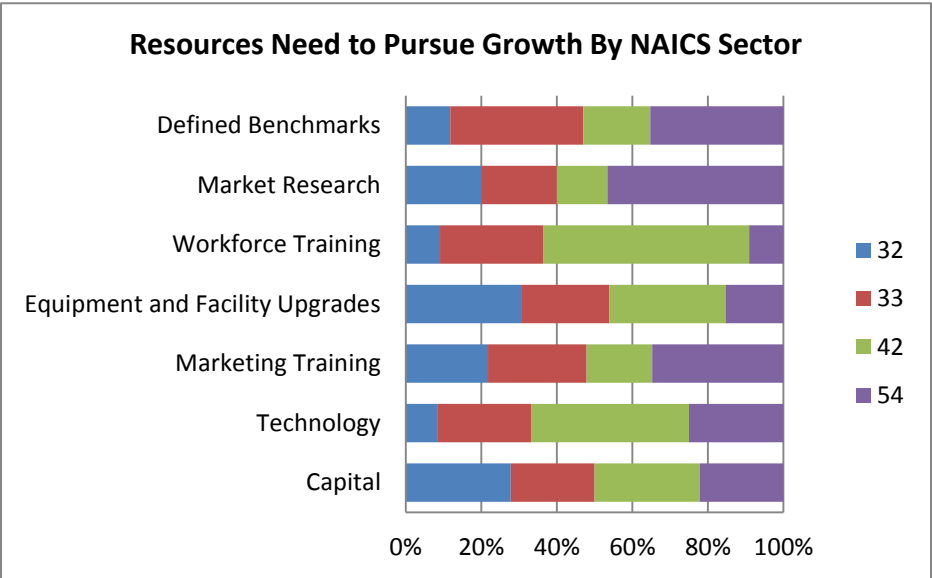
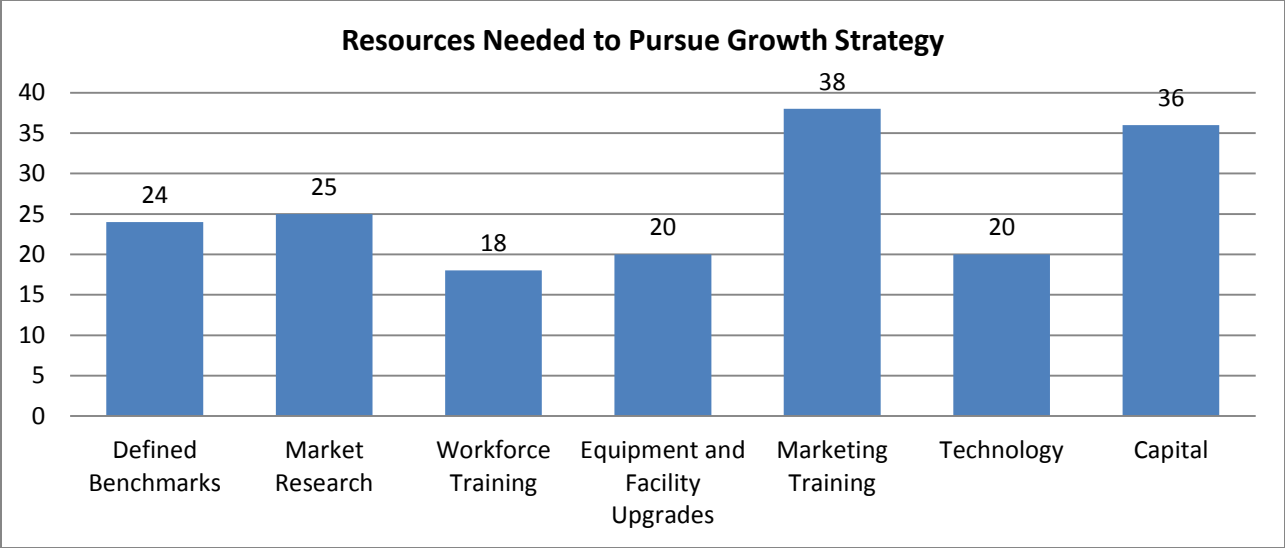


Respondents reported that their companies are exploring a combination of growth strategies to thrive.



New product/service innovations to new and existing markets, expanding market penetration for existing products and improving efficiencies were the most frequently selected strategies under consideration.

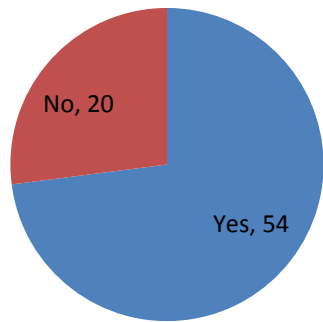
Sales and marketing training was the most common resource needed to pursue a growth strategy initiative. In line with the previously reported lower profitability levels, capital was the second most needed resource. About one fourth of respondents reported they needed market research and defined benchmarks to better position their companies for growth. Efficiency improvements such as equipment or facility upgrades, workforce training, and technology upgrades were each selected by about 20 percent of respondents.



Looking at the data from an industry sector standpoint, workforce training, followed by upgrades in technology as well as equipment and facility are the top three resources needed for growth by the Wholesale Trade (42) sector. The Professional, Scientific, and Technical (54) sector need market research, marketing

training, and defined benchmarks. Manufacturing sectors 32 and 33 need facility and equipment upgrades, capital, marketing training, and defined benchmarks to pursue a growth strategy.

Do You have a Business Plan?

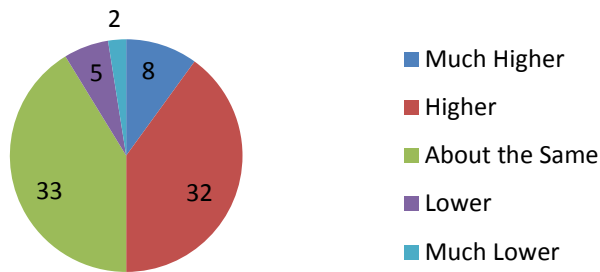


The majority of respondents reported their companies had a business plan. The majority of those who did not have a business plan are either in the Mature or Transitional Stage of Business.

Twelve respondents said they needed assistance to develop a business or strategic plan. These companies represented the Manufacturing (32, 33), Wholesale Trade (42), Professional, Scientific, & Technical (54, 56), and Other Services (81) sectors. Six of these companies were in the Transitional Stage of Business, four were in the Mature Stage, and one

company each for the Growth and Startup Stages.

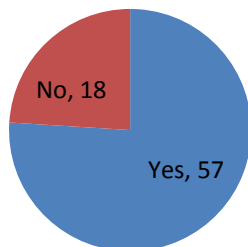
Performance Compared to Competitors



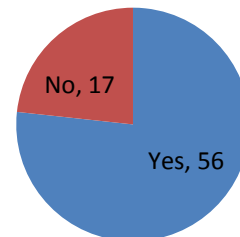
Half of responding Colorado companies believe their performance is higher than that of their competitors. For the most part, the remaining companies (40 percent) think their performance is just as good as their competition.

Over three quarters of respondents said they had a strategic plan in place and regularly monitored their company's progress to ensure that the plan was being followed.

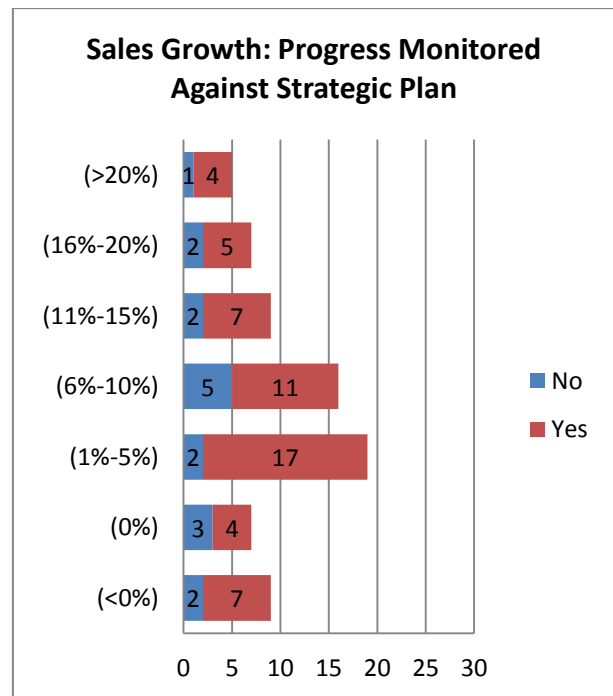
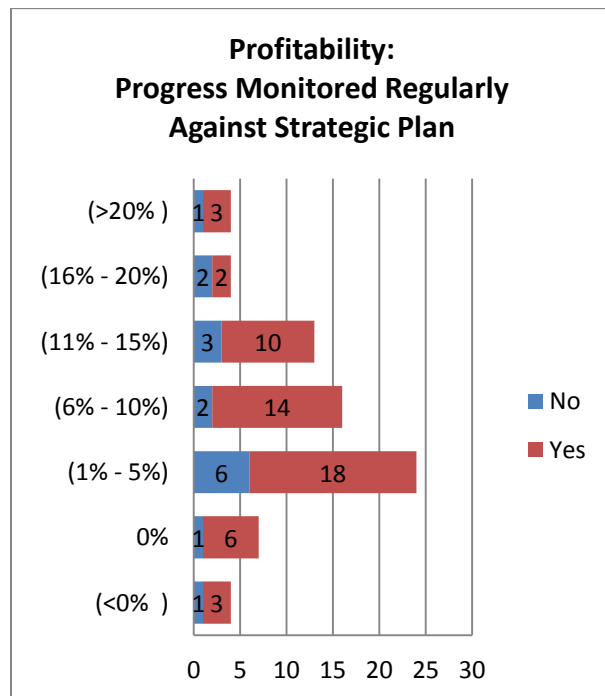
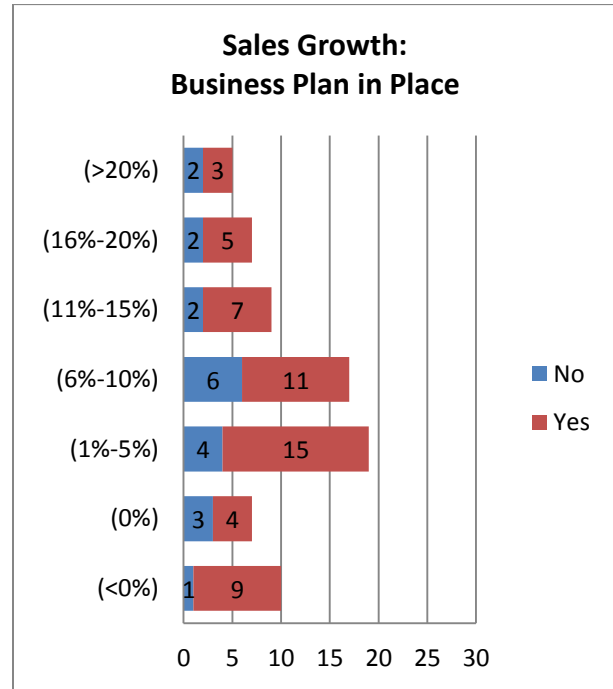
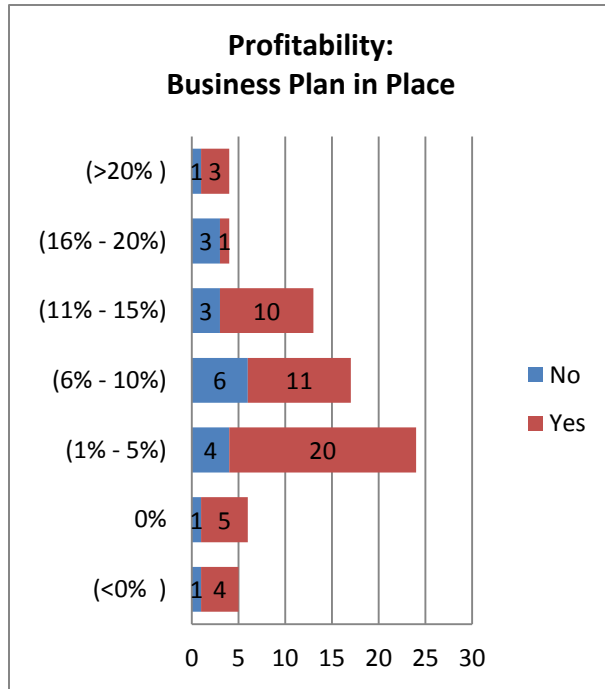
Is There a Strategic Plan in Place?



Is Progress Regularly Benchmarked to Plan?

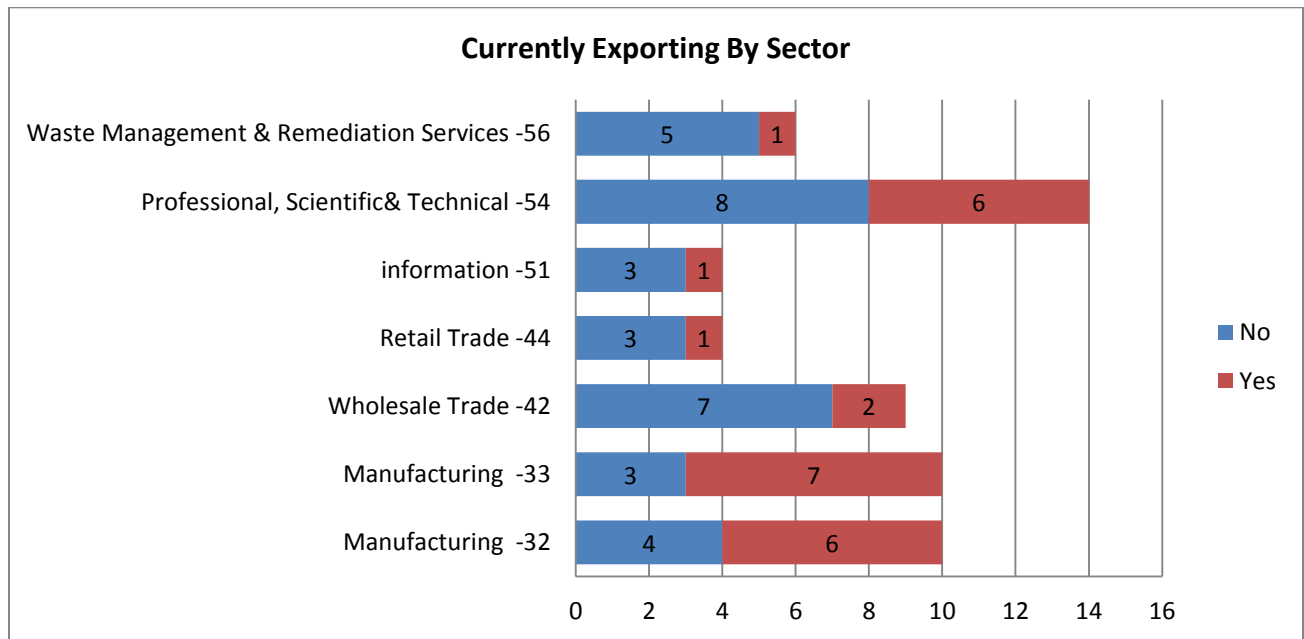
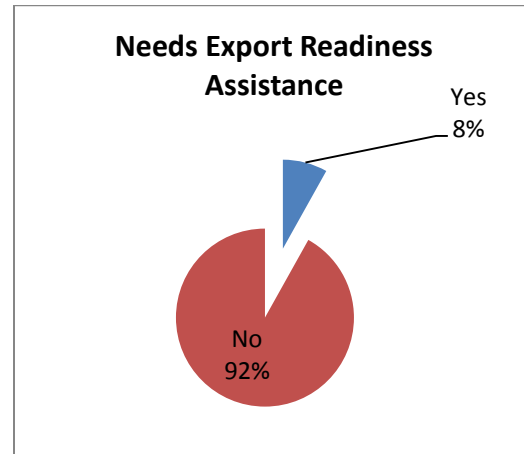
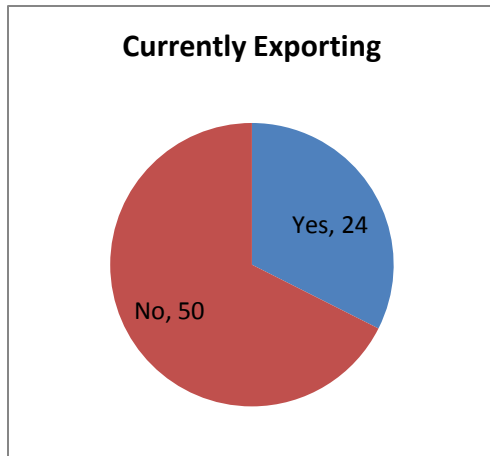


Companies with a business plan in place were able to attain higher sales growth and profitability levels than companies operating without a plan.



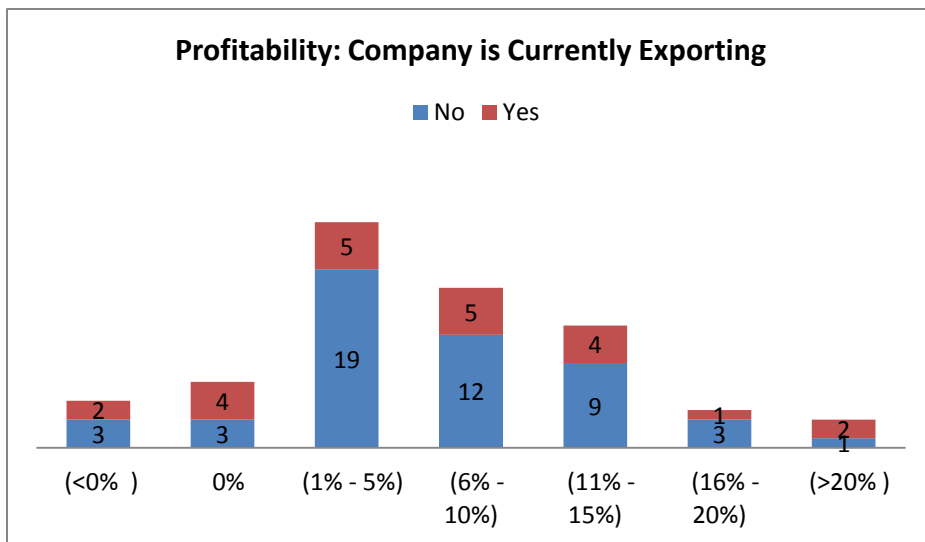
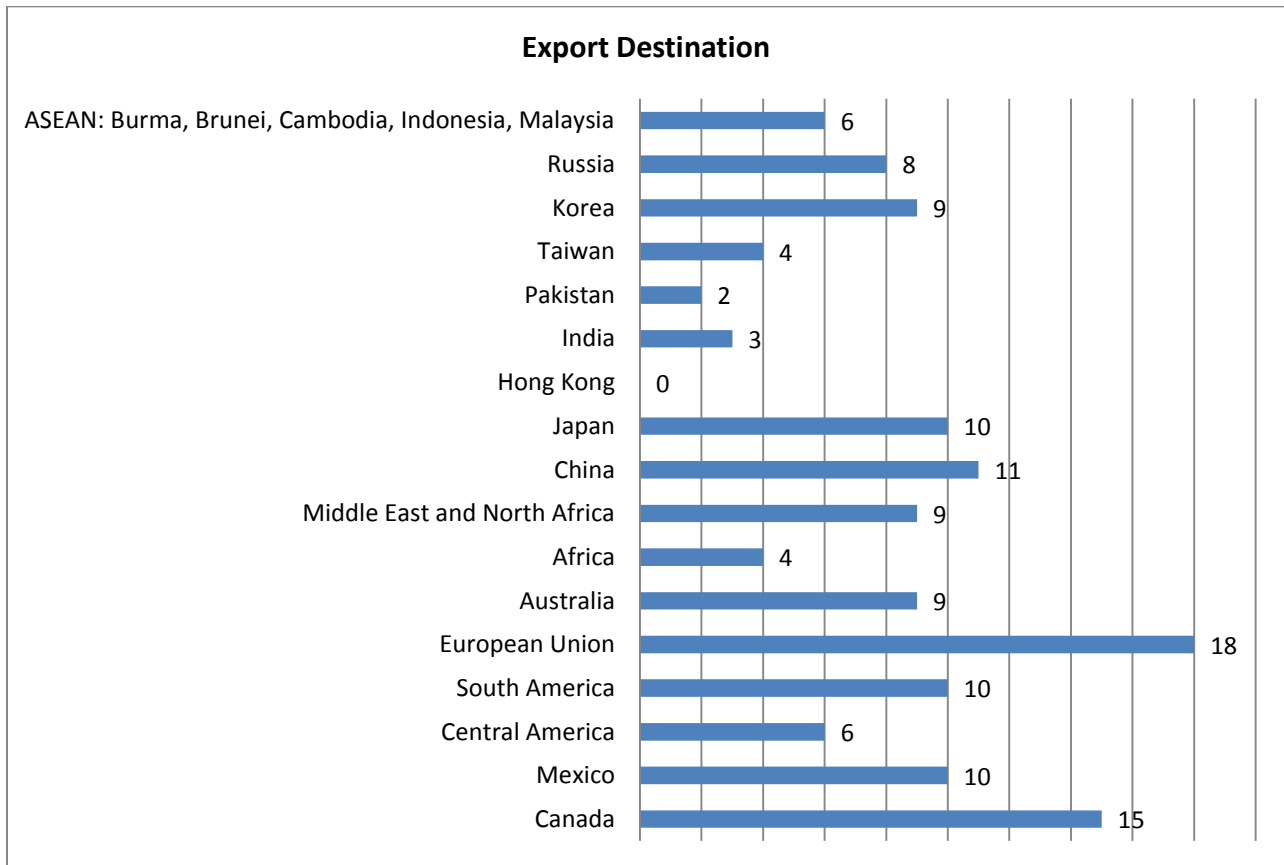
International Business Development

One-third of the surveyed companies are currently participating in the global marketplace as sellers. As to be expected, the Manufacturing (32, 33) sectors are a strong participant in the export marketplace, followed by companies in the Professional, Scientific, and Technical (54) sector.



As to be expected, Manufacturing (32, 33) is a strong participant in the global export marketplace, followed by companies in the Professional, Scientific, and Technical Service sector.

Most export activity by Colorado companies represented in this survey is to the European Union, followed by Canada. Companies are also participating in the growth markets of Mexico, Central and South America, Africa, and China.

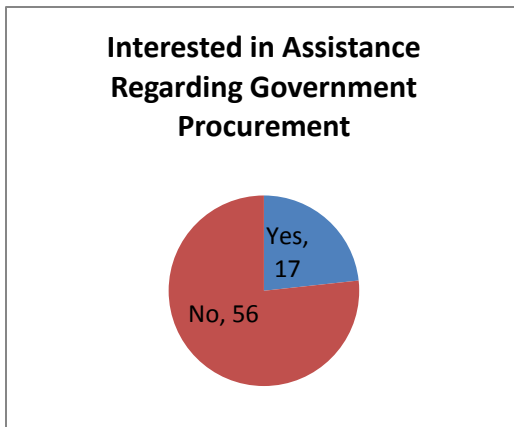
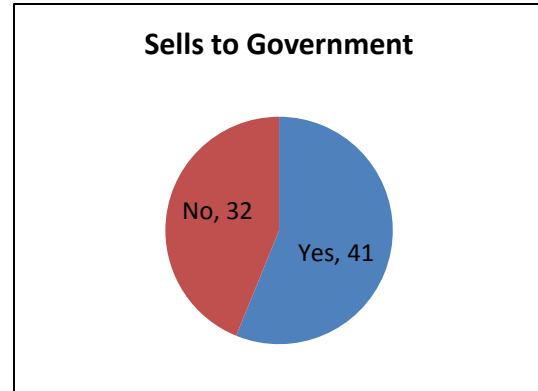


It is important to note that this survey does not distinguish those companies with a dedicated export function from those companies that are fulfilling orders placed by international customers after an Internet search.

Government Procurement

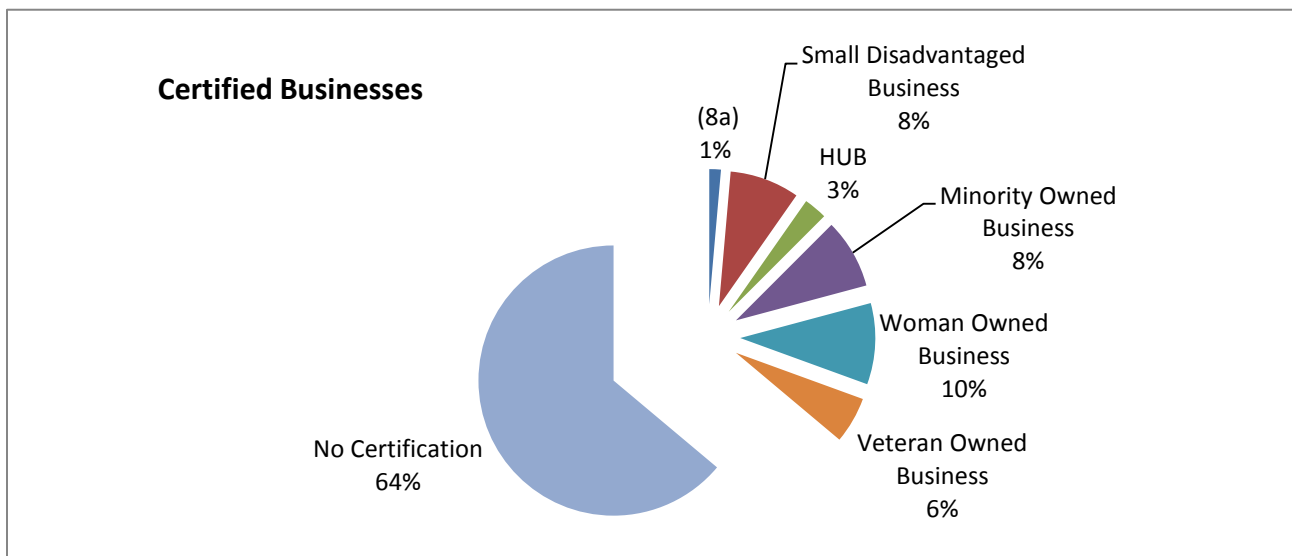
Federal, state, and local governments, along with the related agencies and institutions, represent the largest market anywhere in the world.

When asked if they are participating in this market, over half said they sell to the government as a prime- or sub-contractor.

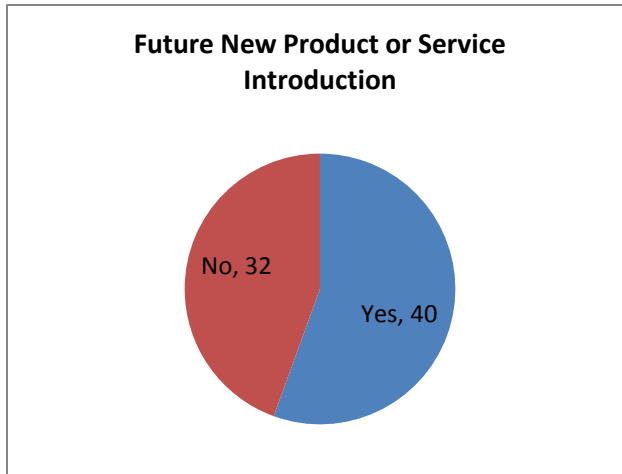


Over 20 percent of respondents indicated they were interested in assistance or training regarding government procurement, including marketing to the government, contracting, and bidding.

The chart below illustrates the number and type of certified businesses that responded to this survey.



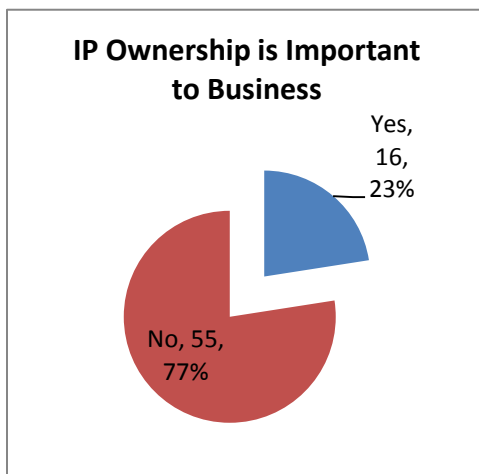
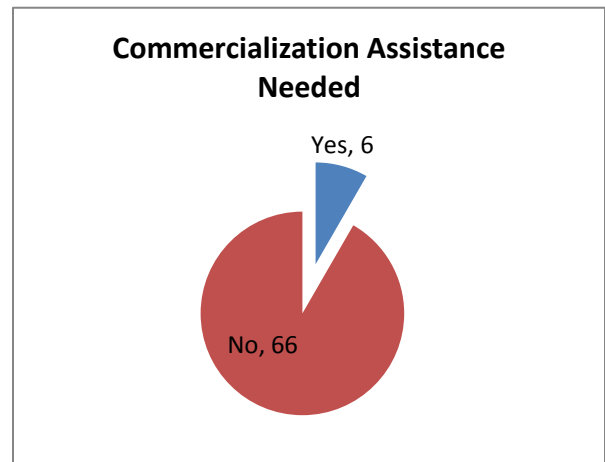
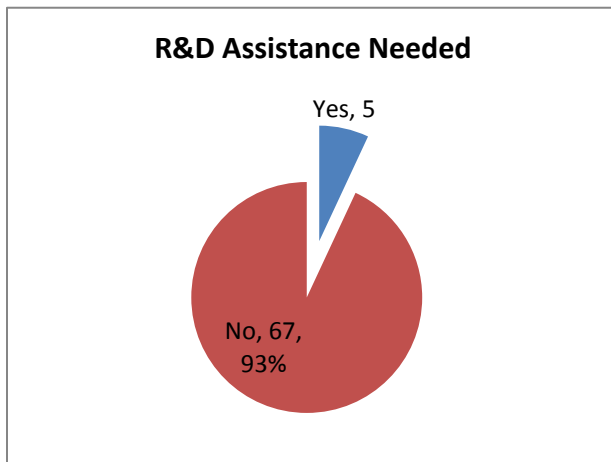
Product or Service Development



As noted previously in the Business Growth & Strategy section, innovation is one factor that will be contributing to growth strategies currently under consideration. Almost two-thirds of respondents reported their company planned to launch a new product.

Some respondents said their company could benefit from engineering or technical assistance to develop a new product or implement process improvements. Commercialization assistance was indicated as a need by companies in the Mature

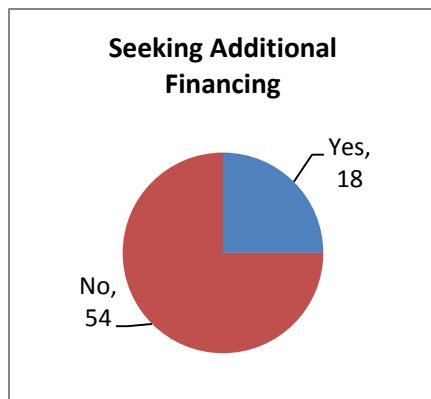
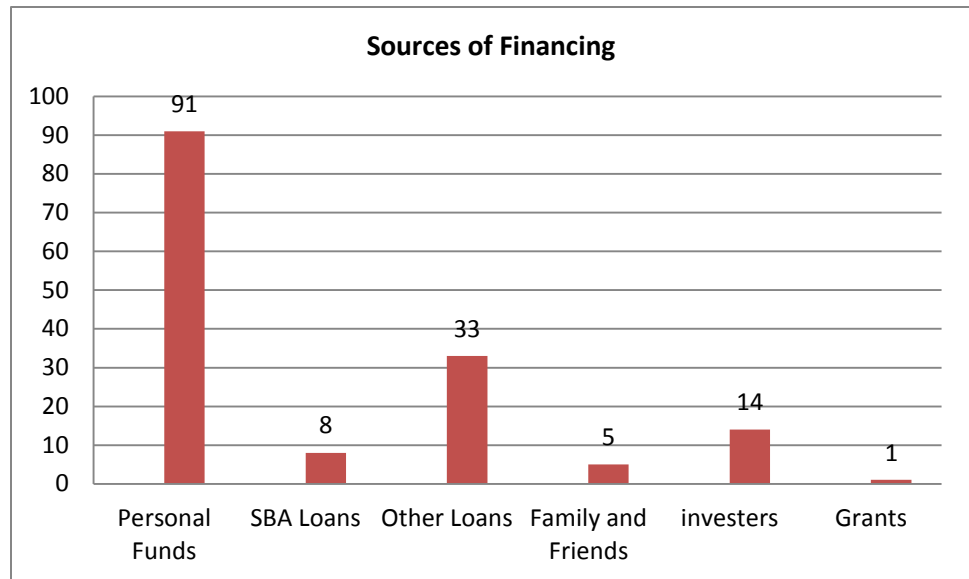
and Transitional Stage of Business.



Innovation capacity is often measured by the ownership of intellectual property such as patents, copyrights, trademarks, or trade secrets. Twenty-three percent of respondents claimed that IIP ownership is important to their business.

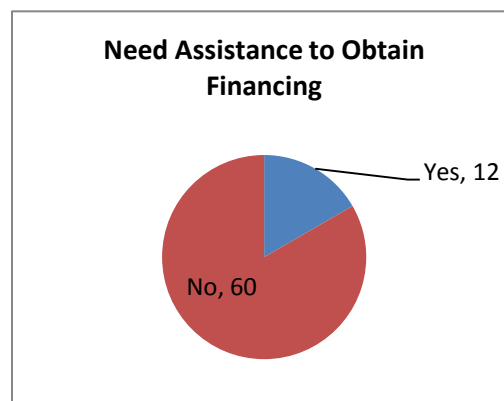
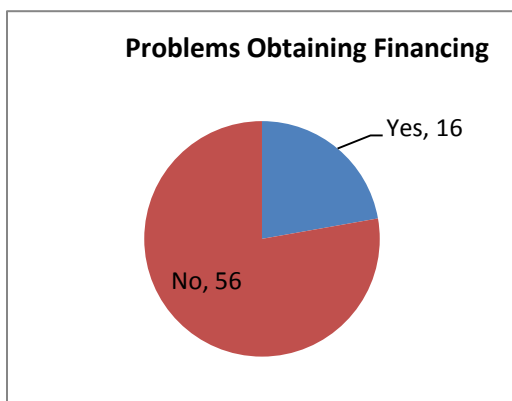
Capital Acquisition and Finance

Reliable access to capital is an important condition for business growth and sustainability. Survey participants were asked what resources were used to finance their businesses. Overwhelmingly, companies reported using personal funds as their source of capital.



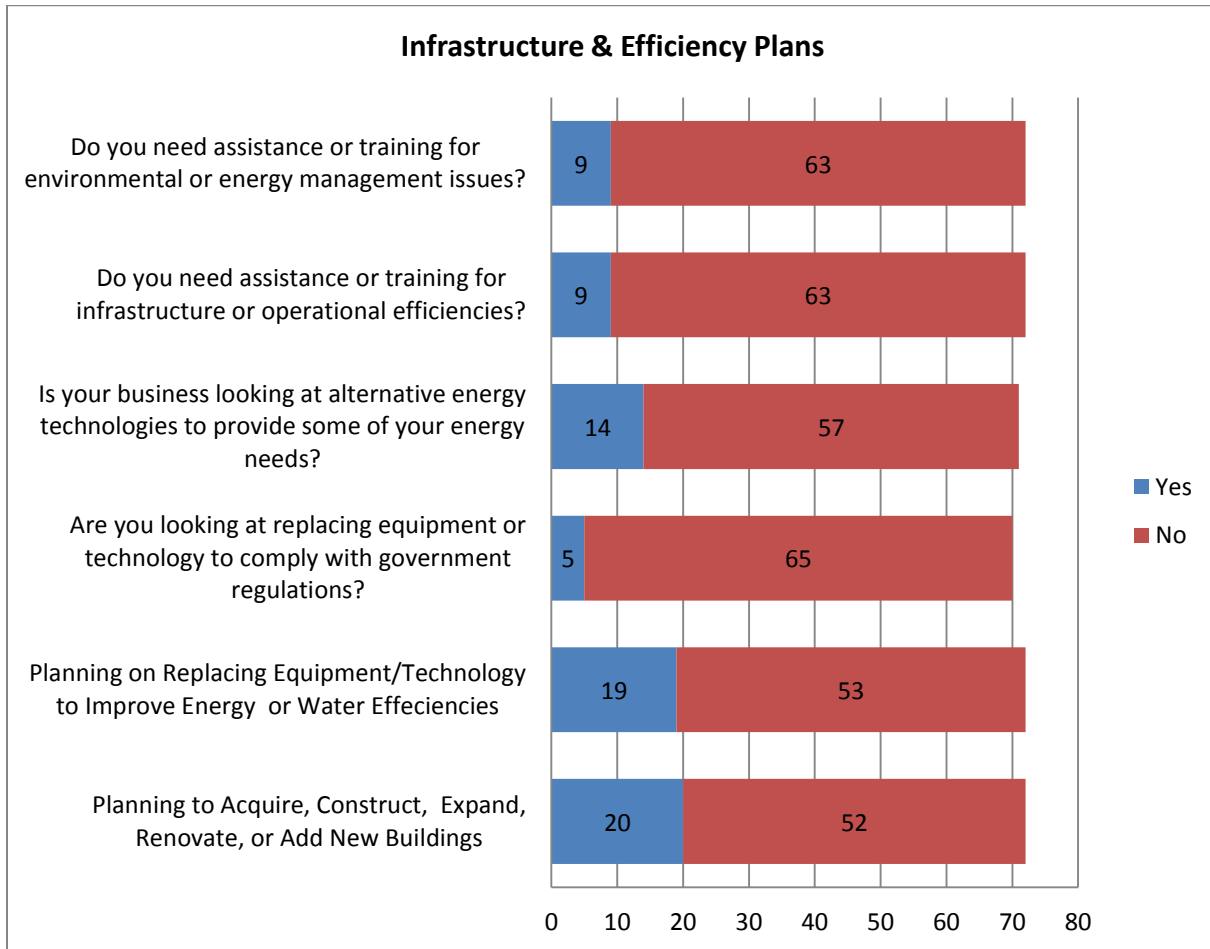
Overall, one-fourth of the respondents indicated they would be seeking additional financing. Represented sectors included Manufacturing (32,33) Trade (42,44,48) and Information (51) and Professional Services (54,56) and Other Services (81). More than half were in the Transitional Stage of Business.

Almost the same number said they have experienced some difficulty obtaining financing. Companies that said that they need assistance or training to obtain financing represented the aforementioned industry sectors.



Infrastructure and Efficiency Improvements

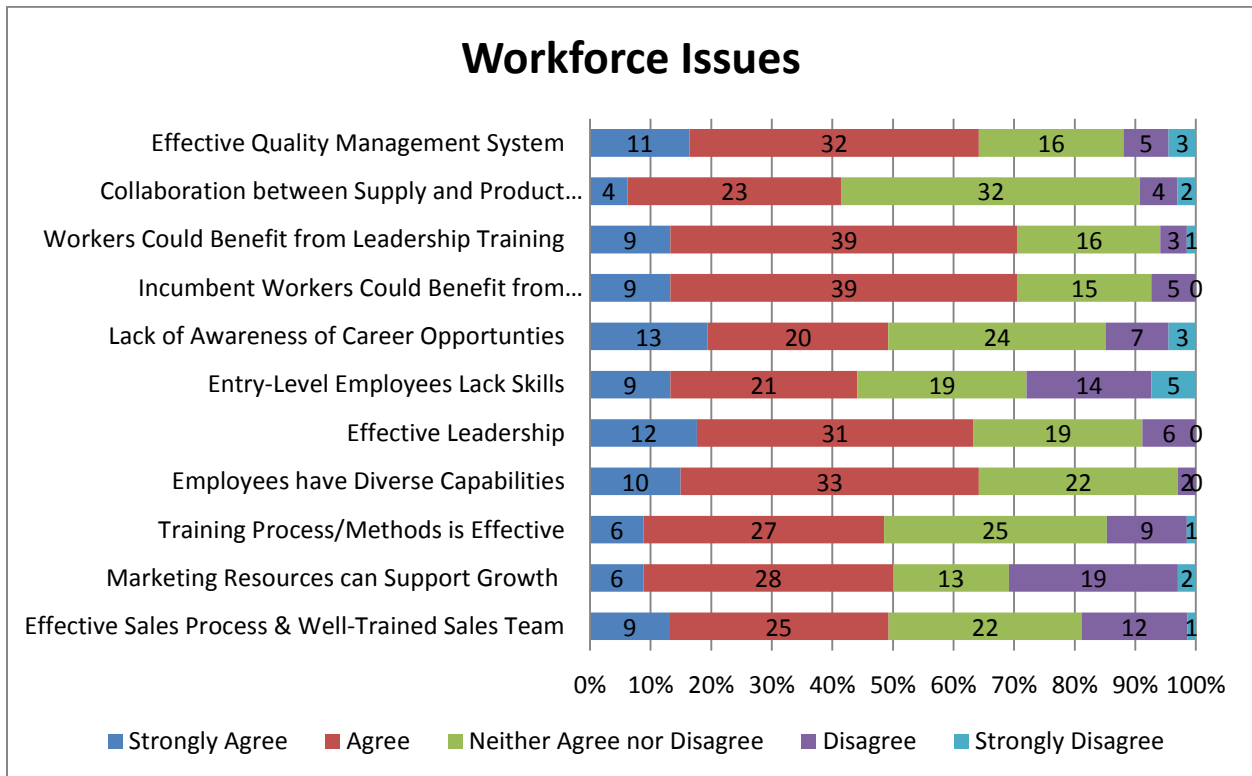
Infrastructure and efficiency investments can increase productivity, contain costs for energy and other inputs, and upgrade asset values. As indicated previously in this report, infrastructure and efficiency improvements are part of growth strategies under consideration by responding companies.



Human Resources

Workforce issues were cited as one of the leading challenges to profitability. Survey participants indicated their level of agreement to 11 statements describing workforce interactions that could impact competitiveness, revenue generation, and competitiveness. The statements are as follows and responses are illustrated in the chart below.

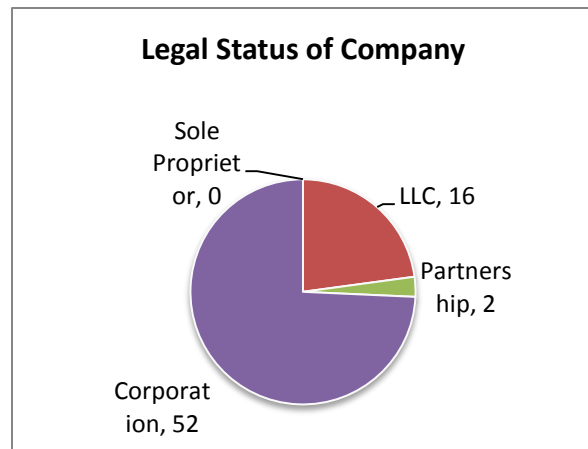
1. We have an effective sales process and a well-trained sales force.
2. We have sufficient marketing resources to support business growth.
3. We have an effective training process and methods in place for staff development.
4. We have employees with diverse capabilities that can adapt to change quickly & easily.
5. We have engaged and effective leadership at all levels of the organization.
6. Entry-level employees often lack the skills needed to advance.
7. Educators and guidance counselors lack awareness of career opportunities in my industry.
8. Some incumbent workers could benefit from training in technology and other skills.
9. Our workers could benefit from training in leadership and management.
10. There is good collaboration and integration between our supply chain and product development partners.
11. We have an effective quality management system in place.



More than 60 percent of respondents were in agreement that their workers could benefit from training in technology and for leadership and management development. Thirty percent were concerned their business did not have the appropriate marketing resources to support growth. More than 25 percent believed that entry-level employees often lacked the necessary skills to advance in their organization.

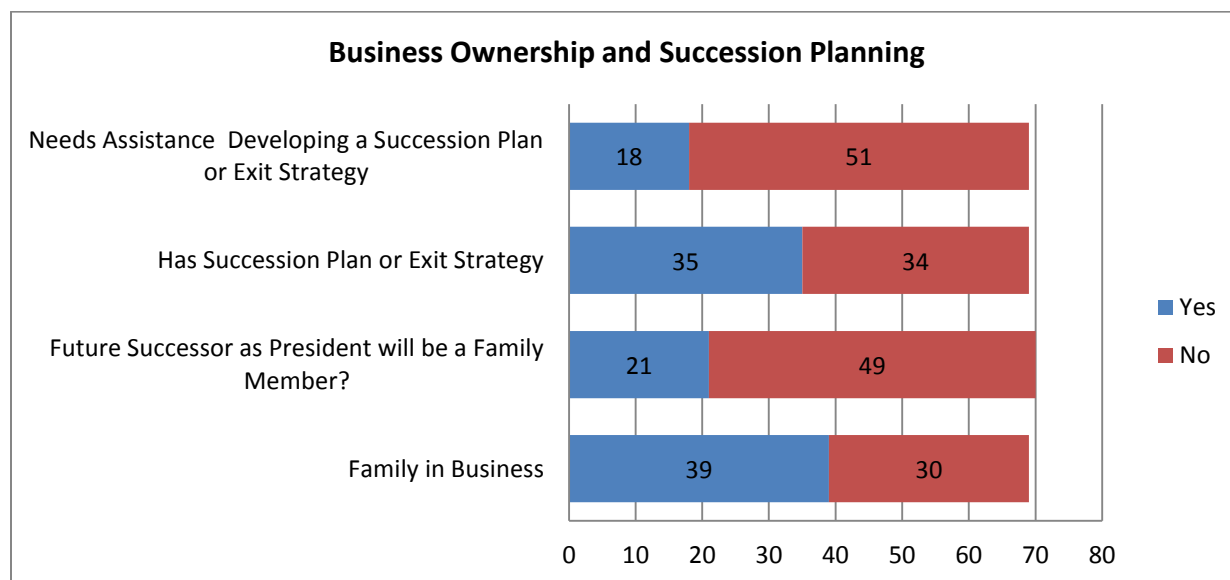
Business Management and Ownership

Corporations represented the largest number of respondent companies. More than 40 percent said their business was a family business as indicated in the chart below, and 20 of these businesses are in the Transitional Stage of Business representing the Manufacturing, Trade, Information and Professional Services sectors.



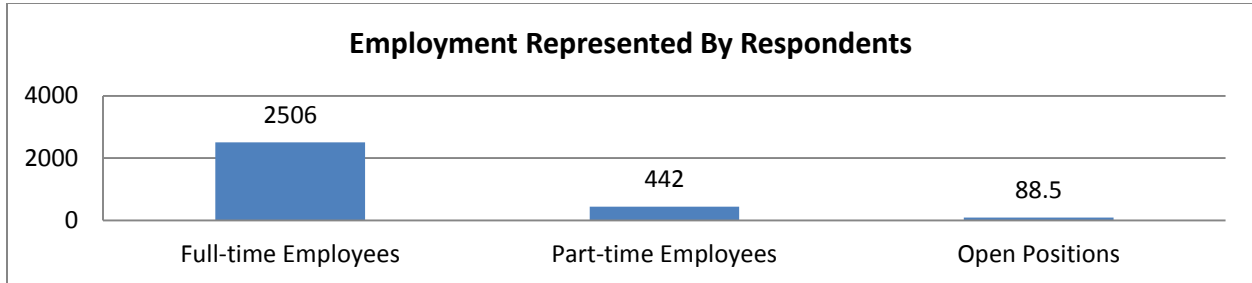
Two-thirds of these family businesses indicated they expected their successor as president would be a family member.

Approximately half of survey participants do not have a succession plan for their business. This creates a threat to the business's local community in regards to economic sustainability. Succession planning reduces the risk of a business going defunct should the key man be removed unexpectedly from the business, and minimizes the negative impact to local employment and tax revenues. Roughly one-fourth of respondents said they needed assistance developing a succession plan or exit strategy.

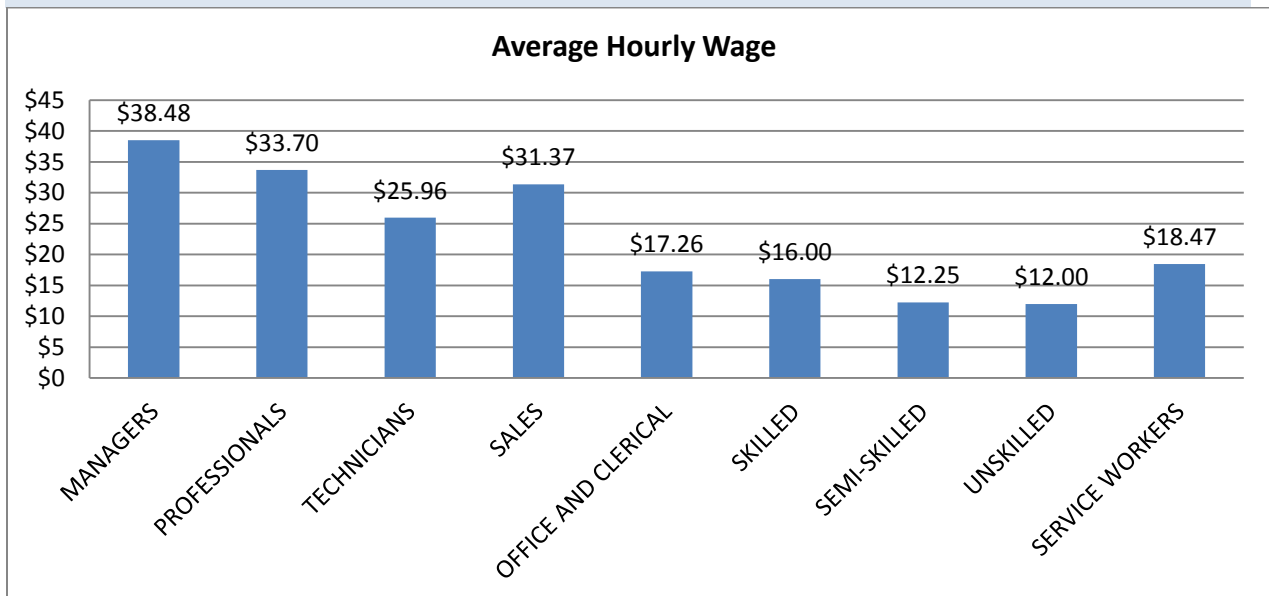


Employment

Respondent companies reported they employed 2,506 people full-time along with 17 percent, or 442 persons, employed part-time. These companies also reported they were looking to fill 88.5 open positions.



Employment by Classification	Full-time Employees	Part-time Employees	Open Positions
MANAGERS	185	1	2
PROFESSIONALS	330	25	2
TECHNICIANS	120	8	1
SALES	213	1	3
OFFICE AND CLERICAL	171	39	1
SKILLED	262	4	6
SEMI-SKILLED	88	5	0
UNSKILLED	125	9	3
SERVICE WORKERS	79	4	0

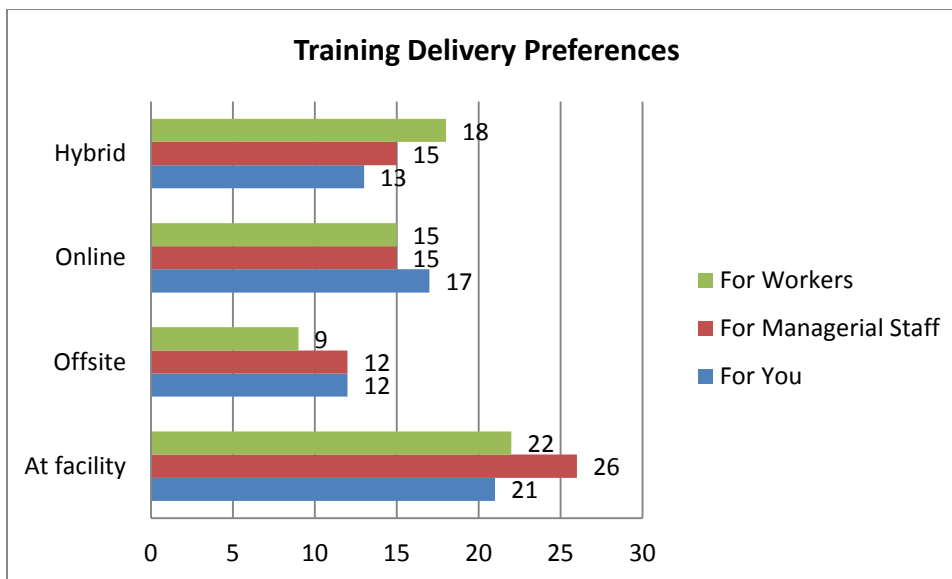


Training Delivery and Location Preference

Survey participants were asked what types of training their companies needed. Of the respondents who answered this question, Marketing was the top topic, followed by Sales Training and Workforce Development.



When asked for their training delivery and location preferences, the graphs below indicate a slightly stronger preference for face-to-face training onsite followed by on-line training for the respondent and management team. On-line training and hybrid training for workers were more preferable to offsite training by almost 2 to 1.


























Appendix I

North American Industrial Classification System (NAICS) Sector Number with Description

Sector number	Description
<u>11</u>	Agriculture, Forestry, Fishing and Hunting
<u>21</u>	Mining
<u>22</u>	Utilities
<u>23</u>	Construction
<u>31-33</u>	Manufacturing
<u>42</u>	Wholesale Trade
<u>44-45</u>	Retail Trade
<u>48-49</u>	Transportation and Warehousing
<u>51</u>	Information
<u>52</u>	Finance and Insurance
<u>53</u>	Real Estate and Rental and Leasing
<u>54</u>	Professional, Scientific, and Technical Services
<u>55</u>	Management of Companies and Enterprises
<u>56</u>	Administrative and Support and Waste Management and Remediation Services
<u>61</u>	Education Services
<u>62</u>	Health Care and Social Assistance
<u>71</u>	Arts, Entertainment, and Recreation
<u>72</u>	Accommodation and Food Services
<u>81</u>	Other Services (except Public Administration)
<u>92</u>	Public Administration

Appendix II

Survey Results

Colorado Statewide Business Needs Assessment					
Respondents:	92 displayed, 92 total	Status:	Open		
Launched Date:	09/28/2012	Closed Date:	10/31/2013		
1. What do you consider to be the key challenges to your firm's profitability?					
		Response Total	Response Percent	Points	Avg
Unstable or declining demand from primary customers.		33	36%	n/a	n/a
High dependency on one customer/industry.		14	15%	n/a	n/a
Current customer/industry margins are low and/or are reaching commoditization.		37	41%	n/a	n/a
Foreign competition.		11	12%	n/a	n/a
Downsizing of military/reduced government spending.		11	12%	n/a	n/a
Obsolescence - product, process, technology, and/or promotion.		6	7%	n/a	n/a
Awareness of what is going on with my customers.		5	5%	n/a	n/a
Problems with competitors.		11	12%	n/a	n/a
Problems with financing.		14	15%	n/a	n/a
Inefficient processes.		3	3%	n/a	n/a
Inability to find skilled workforce.		28	31%	n/a	n/a
Total Respondents		91			
(skipped this question)		1			
2. Over the last 3 years, or since start-up (whichever is shorter) your firm's performance compared to competitors has been:					
		Response Total	Response Percent	Points	Avg
Much higher		8	10%	n/a	n/a
Higher		32	40%	n/a	n/a
About the same		34	42%	n/a	n/a
Lower		5	6%	n/a	n/a
Much lower		2	2%	n/a	n/a
Total Respondents		81	100%		
(skipped this question)		11			
3. Over the last 3 years, or since start-up (whichever is shorter) please estimate your firm's average annual profitability:					
		Response Total	Response Percent	Points	Avg
<-0%		5	6%	n/a	n/a
0%		7	9%	n/a	n/a
1% - 5%		28	35%	n/a	n/a
6% - 10%		19	23%	n/a	n/a
11% - 15%		14	17%	n/a	n/a
16% - 20%		4	5%	n/a	n/a
>20%		4	5%	n/a	n/a
Total Respondents		81	100%		

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Survey Results

(skipped this question) 11					
4. Annual sales growth					
		Response Total	Response Percent	Points	Avg
<=0% (1 Points)		13	16%	13	13
0% (2 Points)		8	10%	16	16
1% - 5% (3 Points)		21	26%	63	63
6% - 10% (4 Points)		17	21%	68	68
11% - 15% (5 Points)		10	12%	50	50
16% - 20% (6 Points)		7	9%	42	42
>20% (7 Points)		5	6%	35	35
Total Respondents		81	100%		
Total Responses				81	
Total Points Earned				287	
Point Average				3.54	
Point Weighted Average				3.15	
(skipped this question) 11					
5. Is your firm exploring a business growth strategy?					
		Response Total	Response Percent	Points	Avg
Yes		68	89%	n/a	n/a
No		8	11%	n/a	n/a
Total Respondents				76	
(skipped this question) 16					
6. Why is a successful growth effort critical to your firm's health?					
		Response Total	Response Percent	Points	Avg
Without new revenue sources, we may not survive. (1 Points)		30	37%	30	30
We have excess capacity. (1 Points)		24	29%	24	24
We need to meet profit expectations. (1 Points)		40	49%	40	40
We want to avoid layoffs. (1 Points)		40	49%	40	40
We need to regain or increase market share to insure survival. (1 Points)		45	55%	45	45
Total Respondents				82	
Total Responses				179	
Total Points Earned				179	
Point Average				2.18	
Point Weighted Average				0.69	
(skipped this question) 10					
7. Which growth strategies are you considering?					
		Response Total	Response Percent	Points	Avg
New products/services for NEW markets (1 Points)		44	54%	44	44
New products/services developed for EXISTING		51	62%	51	51

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Survey Results

markets (1 Points)		21	26%	21	21
Existing products or capabilities targeted to NEW markets, including exports (1 Points)		41	50%	41	41
Existing products or capabilities targeted to new customers in CURRENT markets (1 Points)		22	27%	22	22
Merger/acquisition (1 Points)		4	5%	4	4
Shift focus from technology-driven to market-driven (1 Points)		4	5%	4	4
Commercialization of R&D (1 Points)		41	50%	41	41
Improving efficiencies (1 Points)		41	50%	41	41
Total Respondents		82			
Total Responses		228			
Total Points Earned		228			
Point Average		2.78			
Point Weighted Average		0.74			
(skipped this question)		10			
8. Do you have a business plan?					
		Response Total	Response Percent	Points	Avg
Yes		55	73%	n/a	n/a
No		20	27%	n/a	n/a
Total Respondents		75			
(skipped this question)		17			
9. Is there a strategic plan in place?					
		Response Total	Response Percent	Points	Avg
Yes		58	76%	n/a	n/a
No		18	24%	n/a	n/a
Total Respondents		76			
(skipped this question)		16			
10. Is progress monitored regularly to assure that the strategic plan is being followed?					
		Response Total	Response Percent	Points	Avg
Yes		57	77%	n/a	n/a
No		17	23%	n/a	n/a
Total Respondents		74			
(skipped this question)		18			
11. What resources would you need to pursue a growth strategy initiative?					
		Response Total	Response Percent	Points	Avg
Defined plan for initiative including objectives and measurements (1 Points)		24	29%	24	24
Market research (1 Points)		26	32%	26	26

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Survey Results

Workforce training (1 Points)		19	23%	19	19
Equipment/facility improvement (1 Points)		21	26%	21	21
Marketing and sales training (1 Points)		39	48%	39	39
Technology upgrades and training (1 Points)		20	24%	20	20
Capital		37	45%	0	0
Total Respondents		82			
Total Responses		186			
Total Points Earned		149			
Point Average		1.82			
Point Weighted Average		0.56			
(skipped this question)		10			
12. Do you need assistance to develop a business or a strategic plan?					
		Response Total	Response Percent	Points	Avg
Yes		13	18%	n/a	n/a
No		61	82%	n/a	n/a
Total Respondents		74			
(skipped this question)		18			
13. Currently exporting					
		Response Total	Response Percent	Points	Avg
Yes		24	32%	n/a	n/a
No		51	68%	n/a	n/a
Total Respondents		75			
(skipped this question)		17			
14. Export destination					
		Response Total	Response Percent	Points	Avg
Canada		15	18%	n/a	n/a
Mexico		10	12%	n/a	n/a
Central America		6	7%	n/a	n/a
South America		10	12%	n/a	n/a
European Union		18	22%	n/a	n/a
Australia		9	11%	n/a	n/a
Africa		4	5%	n/a	n/a
Middle East and North Africa		9	11%	n/a	n/a
China		11	13%	n/a	n/a
Japan		10	12%	n/a	n/a
Hong Kong SAR		0	0%	n/a	n/a
India		3	4%	n/a	n/a
Pakistan		2	2%	n/a	n/a
Taiwan		4	5%	n/a	n/a
Korea		9	11%	n/a	n/a
Russia		8	10%	n/a	n/a
ASEAN (Burma, Brunel, Cambodia, Indonesia, Malaysia, Laos, Philippines, Singapore, Thailand, Vietnam)		6	7%	n/a	n/a

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Survey Results

		Total Respondents	82		
		(skipped this question)		10	
15. Export readiness assistance					
		Response Total	Response Percent	Points	Avg
Yes		7	9%	n/a	n/a
No		68	91%	n/a	n/a
		Total Respondents	75		
		(skipped this question)		17	
16. Sells to government					
		Response Total	Response Percent	Points	Avg
Yes		42	57%	n/a	n/a
No		32	43%	n/a	n/a
		Total Respondents	74		
		(skipped this question)		18	
17. Business certifications					
		Response Total	Response Percent	Points	Avg
8(a)		1	1%	n/a	n/a
Small Disadvantaged Business		6	8%	n/a	n/a
HUB Zone		2	3%	n/a	n/a
Minority Owned Business		6	8%	n/a	n/a
Woman Owned Business		7	9%	n/a	n/a
Veteran Owned Business		4	5%	n/a	n/a
Not certified as any of the above		47	59%	n/a	n/a
		Total Respondents	79		
		(skipped this question)		13	
18. Procurement assistance					
		Response Total	Response Percent	Points	Avg
Yes		18	24%	n/a	n/a
No		56	76%	n/a	n/a
		Total Respondents	74		
		(skipped this question)		18	
19. New product development					
		Response Total	Response Percent	Points	Avg
Yes		41	56%	n/a	n/a
No		32	44%	n/a	n/a
		Total Respondents	73		
		(skipped this question)		19	
20. Prototype and engineering assistance					
		Response Total	Response Percent	Points	Avg
Yes		6	8%	n/a	n/a
No		67	92%	n/a	n/a
		Total Respondents	73		

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Survey Results

(skipped this question) 19					
21. IP ownership					
		Response Total	Response Percent	Points	Avg
Yes		16	22%	n/a	n/a
No		56	78%	n/a	n/a
Total Respondents			72		
(skipped this question) 20					
22. Idea evaluation assistance					
		Response Total	Response Percent	Points	Avg
Yes		6	8%	n/a	n/a
No		67	92%	n/a	n/a
Total Respondents			73		
(skipped this question) 19					
23. Seeking additional financing					
		Response Total	Response Percent	Points	Avg
Yes		19	26%	n/a	n/a
No		54	74%	n/a	n/a
Total Respondents			73		
(skipped this question) 19					
24. Finance sources					
		Response Total	Response Percent	Points	Avg
Personal equity		50	65%	n/a	n/a
SBA loans		8	10%	n/a	n/a
Other loans, debt financing		34	44%	n/a	n/a
Family and/or friends		5	6%	n/a	n/a
Investor equity		14	18%	n/a	n/a
R&D grants		1	1%	n/a	n/a
Total Respondents			77		
(skipped this question) 15					
25. Problems getting financing					
		Response Total	Response Percent	Points	Avg
Yes		17	23%	n/a	n/a
No		56	77%	n/a	n/a
Total Respondents			73		
(skipped this question) 19					
26. Financing assistance					
		Response Total	Response Percent	Points	Avg
Yes		13	18%	n/a	n/a
No		60	82%	n/a	n/a
Total Respondents			73		
(skipped this question) 19					
27. Expansion plans					

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Survey Results

	Response Total	Response Percent	Points	Avg				
Yes	20	27%	n/a	n/a				
No	53	73%	n/a	n/a				
Total Respondents		73						
(skipped this question)		19						
28. Improve energy/water efficiency								
	Response Total	Response Percent	Points	Avg				
Yes	20	27%	n/a	n/a				
No	53	73%	n/a	n/a				
Total Respondents		73						
(skipped this question)		19						
29. Improve energy/water efficiency								
	Response Total	Response Percent	Points	Avg				
Yes	6	8%	n/a	n/a				
No	65	92%	n/a	n/a				
Total Respondents		71						
(skipped this question)		21						
30. Alternative energy technologies								
	Response Total	Response Percent	Points	Avg				
Yes	15	21%	n/a	n/a				
No	57	79%	n/a	n/a				
Total Respondents		72						
(skipped this question)		20						
31. Lean training								
	Response Total	Response Percent	Points	Avg				
Yes	10	14%	n/a	n/a				
No	63	86%	n/a	n/a				
Total Respondents		73						
(skipped this question)		19						
32. Energy management assistance								
	Response Total	Response Percent	Points	Avg				
Yes	10	14%	n/a	n/a				
No	63	86%	n/a	n/a				
Total Respondents		73						
(skipped this question)		19						
33. Please indicate your level of agreement with the following statements:								
	Strongly Agree (5 Points)	Agree (4 Points)	Neutral (3 Points)	Disagree (2 Points)	Strongly Disagree (1 Points)	Response Total	Points	Avg
We have an effective sales process and a well-trained sales force.	12.86% (9)(45pts)	37.14% (26)(104pts)	31.43% (22)(66pts)	17.14% (12)(24pts)	1.43% (1)(1pts)	70	240	3.43

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Survey Results

We have sufficient marketing resources to support business growth.	8.7% (6)(30pts)	42.03% (29)(116pts)	18.84% (13)(39pts)	27.54% (19)(38pts)	2.9% (2)(2pts)	69	225	3.26
We have an effective training process and methods in place for staff development.	8.7% (6)(30pts)	39.13% (27)(108pts)	36.23% (25)(75pts)	14.49% (10)(20pts)	1.45% (1)(1pts)	69	234	3.39
We have employees with diverse capabilities that can adapt to change quickly & easily.	14.71% (10)(50pts)	50% (34)(136pts)	32.35% (22)(66pts)	2.94% (2)(4pts)	0% (0)(0pts)	68	256	3.76
We have engaged & effective leadership at all levels of the organization.	17.39% (12)(60pts)	44.93% (31)(124pts)	28.99% (20)(60pts)	8.7% (6)(12pts)	0% (0)(0pts)	69	256	3.71
Entry-level employees often lack the skills needed to advance.	14.49% (10)(50pts)	30.43% (21)(84pts)	27.54% (19)(57pts)	20.29% (14)(28pts)	7.25% (5)(5pts)	69	224	3.25
Educators & guidance counselors lack awareness of career opportunities in my industry.	20.59% (14)(70pts)	29.41% (20)(80pts)	35.29% (24)(72pts)	10.29% (7)(14pts)	4.41% (3)(3pts)	68	239	3.51
Some incumbent workers could benefit from training in technology & other skills.	13.04% (9)(45pts)	57.97% (40)(160pts)	21.74% (15)(45pts)	7.25% (5)(10pts)	0% (0)(0pts)	69	260	3.77
Our workers could benefit from training in leadership & management.	13.04% (9)(45pts)	57.97% (40)(160pts)	23.19% (16)(48pts)	4.35% (3)(6pts)	1.45% (1)(1pts)	69	260	3.77
There is good collaboration & integration between our supply chain & product development partners.	6.06% (4)(20pts)	34.85% (23)(92pts)	50% (33)(99pts)	6.06% (4)(8pts)	3.03% (2)(2pts)	66	221	3.35
We have an effective								

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Survey Results

quality management system in place.	16.18% (11)(55pts)	47.06% (32)(128pts)	25% (17)(51pts)	7.35% (5)(10pts)	4.41% (3)(3pts)	68	247	3.63
						Total Respondents	70	
						Total Responses	754	
						Total Points Earned	2662	
						Point Average	3.53	
						Point Weighted Average	3.53	
						(skipped this question)	22	
34. Functional training needs								
				Response Total	Response Percent	Points	Avg	
Sales				23	31%	n/a	n/a	
Marketing				37	49%	n/a	n/a	
Quality Management				14	19%	n/a	n/a	
Supply Chain Management				6	8%	n/a	n/a	
Workforce Development				20	27%	n/a	n/a	
Multimedia Including Web Development				15	20%	n/a	n/a	
						Total Respondents	75	
						(skipped this question)	17	
35. What is the legal status of your company?								
				Response Total	Response Percent	Points	Avg	
Sole Proprietorship				0	0%	n/a	n/a	
LLC				16	23%	n/a	n/a	
Partnership				2	3%	n/a	n/a	
Corporation				53	75%	n/a	n/a	
						Total Respondents	71	100%
						(skipped this question)	21	
36. Family In Business								
				Response Total	Response Percent	Points	Avg	
Yes				40	57%	n/a	n/a	
No				30	43%	n/a	n/a	
						Total Respondents	70	
						(skipped this question)	22	
37. Do you intend for the future successor, as president of your business, to be a family member?								
				Response Total	Response Percent	Points	Avg	
Yes				22	31%	n/a	n/a	
No				49	69%	n/a	n/a	
						Total Respondents	71	
						(skipped this question)	21	
38. Do you have a succession plan or an exit strategy for your business?								
				Response Total	Response Percent	Points	Avg	
Yes				35	50%	n/a	n/a	
No				35	50%	n/a	n/a	

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Survey Results

Total Respondents					70			
(skipped this question)					22			
39. Do you need assistance developing a succession plan or exit strategy?								
				Response Total	Response Percent	Points	Avg	
Yes				18	26%	n/a	n/a	
No				52	74%	n/a	n/a	
Total Respondents					70			
(skipped this question)					22			
40. Full-time								
								Response Average
								39.16
Total Respondents					64			
(skipped this question)					28			
41. How many part-time employees do you have?								
								Response Average
								7.13
Total Respondents					62			
(skipped this question)					30			
42. Open positions								
								Response Average
								1.38
Total Respondents					64			
(skipped this question)					28			
43. Number of Employees by Classification								
								Response Total
<input type="button" value="view"/>	OFFICIALS & MANAGERS							74
<input type="button" value="view"/>	PROFESSIONALS							61
<input type="button" value="view"/>	TECHNICIANS							52
<input type="button" value="view"/>	SALES							62
<input type="button" value="view"/>	OFFICE AND CLERICAL							70
<input type="button" value="view"/>	CRAFT WORKERS (SKILLED)							26
<input type="button" value="view"/>	OPERATIVES (SEMI-SKILLED)							24
<input type="button" value="view"/>	LABORERS (UNSKILLED)							22
<input type="button" value="view"/>	SERVICE WORKERS							20
Total Respondents					45			
(skipped this question)					47			
44. Train preferences								
	Face to face at my facility	Face to face off-site	Online training	Hybrid training (face to face with online module)	Response Total	Points	Avg	
For you	33.33% (21)	19.05% (12)	26.98% (17)	20.63% (13)	63	n/a	n/a	
For managerial staff	38.24% (26)	17.65% (12)	22.06% (15)	22.06% (15)	68	n/a	n/a	

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Survey Results

For workers	34.38% (22)	14.06% (9)	23.44% (15)	28.12% (18)	64	n/a	n/a
				Total Respondents	56		
				(skipped this question)	36		

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Appendix III

Profitability



Colorado Statewide Business Needs Assessment

Page 1 of 11

Profitability

1. What do you consider to be the key challenges to your firm's profitability?

- Unstable or declining demand from primary customers.
- High dependency on one customer/industry.
- Current customer/industry margins are low and/or are reaching commoditization.
- Foreign competition.
- Downsizing of military/reduced government spending.
- Obsolescence - product, process, technology, and/or promotion.
- Awareness of what is going on with my customers.
- Problems with competitors.
- Problems with financing.
- Inefficient processes.
- Inability to find skilled workforce.

2. Over the last 3 years, or since start-up (whichever is shorter) your firm's performance compared to competitors has been:

Much higher	Higher	About the same	Lower	Much lower
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3. Over the last 3 years, or since start-up (whichever is shorter) please estimate your firm's average annual profitability:

<0%	0%	1% - 5%	6% - 10%	11% - 15%	16% - 20%
>20%					

4. Over the last 3 years, or since start-up (whichever is shorter) please estimate your firm's average annual sales growth:

<0%	0%	1% - 5%	6% - 10%	11% - 15%	16% - 20%	>20%
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Colorado Statewide Business Needs Assessment

Business Growth & Strategy

5. Is your firm exploring a business growth strategy?

Yes No

6. Why is a successful growth effort critical to your firm's health?

Please select all that apply.

- Without new revenue sources, we may not survive.
- We have excess capacity.
- We need to meet profit expectations.
- We want to avoid layoffs.
- We need to regain or increase market share to insure survival.

7. Which growth strategies are you considering?

Please select all that apply.

- New products/services for NEW markets
- New products/services developed for EXISTING markets
- Existing products or capabilities targeted to NEW markets, including exports
- Existing products or capabilities targeted to new customers in CURRENT markets
- Merger/acquisition
- Shift focus from technology-driven to market-driven
- Commercialization of R&D
- Improving efficiencies

8. Do you have a business plan?

Yes No

9. Is there a strategic plan in place?

Yes No

10. Is progress monitored regularly to assure that the strategic plan is being followed?

Yes No

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Colorado Statewide Business Needs Assessment

Page 3 of 11

International Business Development

13. Is your company currently exporting?

Yes No

14. Where?

- Canada
- Mexico
- Central America
- South America
- European Union
- Australia
- Africa
- Middle East and North Africa
- China
- Japan
- Hong Kong SAR
- India
- Pakistan
- Taiwan
- Korea
- Russia
- ASEAN (Burma, Brunei, Cambodia, Indonesia, Malaysia, Laos, Phillipines, Singapore, Thailand, Vietnam)

15. Do you need assistance or training in assessing your readiness to export to international markets?

Yes No

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Colorado Statewide Business Needs Assessment

Page 4 of 11

Procurement and Marketing to the Government

16. Do you currently sell to any local, state, or federal government agencies?

Yes No

17. Is your business certified in any of the following programs:

8(a)
Small Disadvantaged Business
HUB Zone
Minority Owned Business
Woman Owned Business
Veteran Owned Business
Not certified as any of the above

18. Do you need assistance or training in government marketing, procurement, bidding, etc.?

Yes No

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Colorado Statewide Business Needs Assessment

Page 5 of 11

Product or Service Development

19. Is your business planning on launching a new product or service?

Yes No

20. Do you need engineering or technical assistance developing a new product?

Yes No

21. Does your company hold any patents or copyrights?

Yes No

22. Do you need any Idea evaluation assistance to determine the opportunity for commercialization?

Yes No

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Colorado Statewide Business Needs Assessment

Page 6 of 11

Capital Acquisition and Finance

23. Are you seeking additional financing (loans, private investments) for your business at this time?

Yes No

24. How is your business financed?

Personal equity	SBA loans	Other loans, debt financing
Family and/or friends	Investor equity	R&D grants

25. Is your company having problems obtaining financing?

Yes No

26. Do you need capital acquisition or financing assistance?

Yes No

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Infrastructure and Efficiency Improvements

27. Is your business planning to acquire, construct, expand, renovate or add any new buildings?

Yes No

28. Are you looking at replacing equipment or technology to improve energy or water efficiency?

Yes No

29. Are you looking at replacing equipment or technology to comply with government regulations?

Yes No

30. Is your business looking at alternative energy technologies to provide some of your energy needs?

Yes No

31. Do you need assistance or training for infrastructure or operational efficiencies?

Yes No

32. Do you need assistance or training for environmental or energy management issues?

Yes No

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Colorado Statewide Business Needs Assessment

Human Resources

33. Please indicate your level of agreement with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
We have an effective sales process and a well-trained sales force.					
We have sufficient marketing resources to support business growth.					
We have an effective training process and methods in place for staff development.					
We have employees with diverse capabilities that can adapt to change quickly & easily.					
We have engaged & effective leadership at all levels of the organization.					
Entry-level employees often lack the skills needed to advance.					
Educators & guidance counselors lack awareness of career opportunities in my industry.					
Some incumbent workers could benefit from training in technology & other					

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Colorado Statewide Business Needs Assessment

Business Management and Ownership

35. What is the legal status of your company?

- Sole Proprietorship
- LLC
- Partnership
- Corporation

36. Is there family involvement in the business?

Yes No

37. Do you intend for the future successor, as president of your business, to be a family member?

Yes No

38. Do you have a succession plan or an exit strategy for your business?

Yes No

39. Do you need assistance developing a succession plan or exit strategy?

Yes No

Colorado Statewide Business Needs Assessment

Employment

40. How many full-time employees do you have?

41. How many part-time employees do you have?

42. How many open positions (currently recruiting to fill) does your company have?

43. Number of Employees by Classification

	Full-time by Class	Part-time by Class	Open positions by Class	Average Hourly Wage
OFFICIALS & MANAGERS				
PROFESSIONALS				
TECHNICIANS				
SALES				
OFFICE AND CLERICAL				
CRAFT WORKERS (SKILLED)				
OPERATIVES (SEMI-SKILLED)				
LABORERS (UNSKILLED)				
SERVICE WORKERS				

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Colorado Statewide Business Needs Assessment

Page 11 of 11

Training Delivery Method and Location Preference

44. What is your training preference: (Please check all that apply).

	Face to face at my facility	Face to face off-site	Online training	Hybrid training (face to face with online module)
For you	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For managerial staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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