

JCJDC Business Visitation Survey Report

4/23/02

JCJDC

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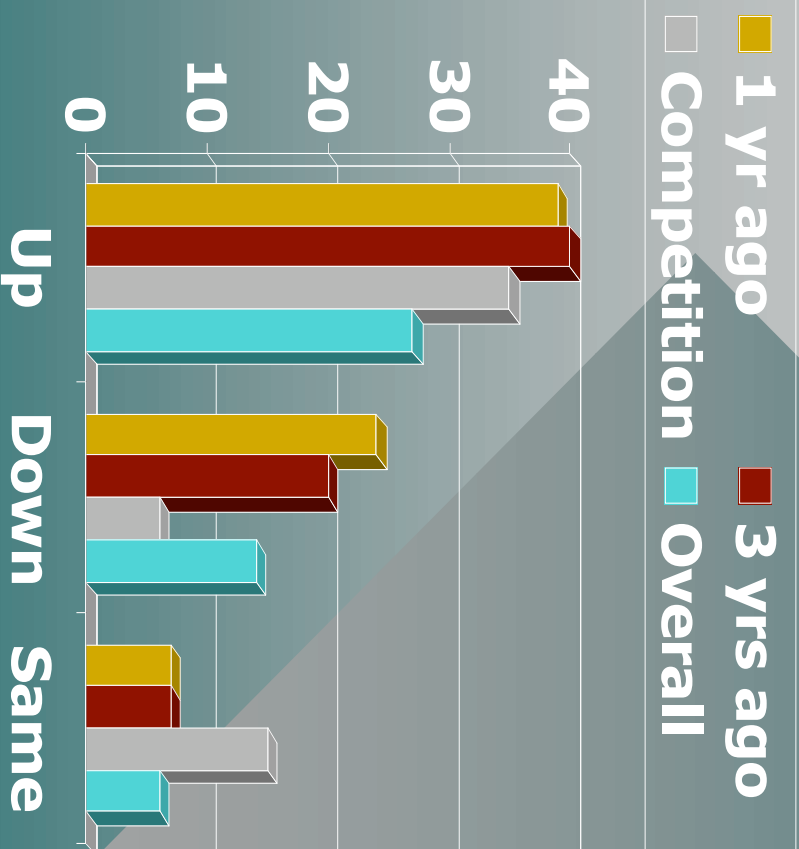
Introduction

- September - November 2001
- 35 Volunteers Visited 70 local businesses
- Businesses Represent:
 - 7,796 Employees (20% of workforce)
 - \$112,272,000 plus annual payroll
- Of Those Responding:
 - 50% manufacturing; 17% tourism/hospitality; 13% retail/wholesale; 7% finance; 6% insurance; 4% healthcare; 1% construction.

Introduction continued . . .

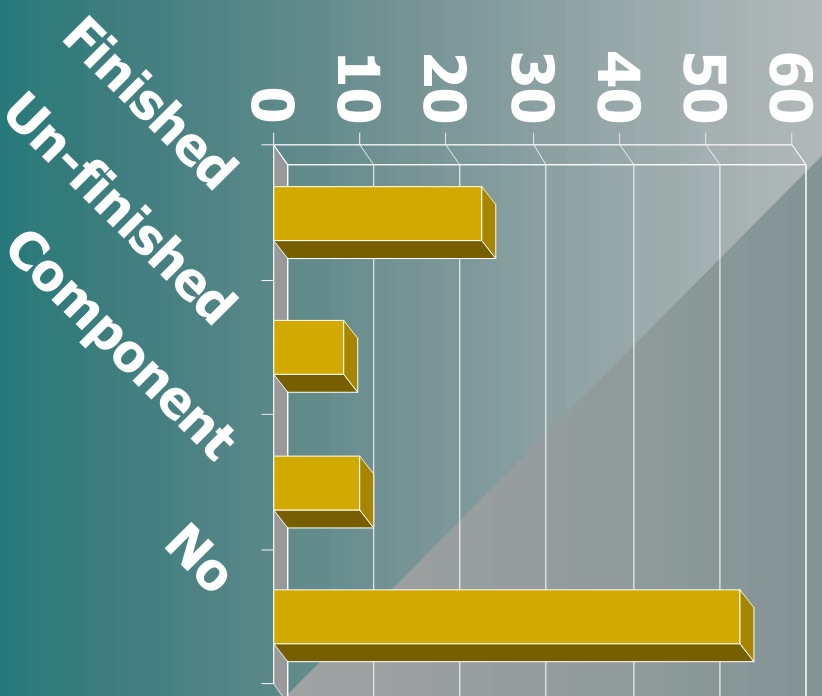
- 28% of local business said business was up from 1 year ago.
- 60% anticipate adding employees over the next 5 years.
- 78% expect sales to increase over the next 5 years.
- 31% plan capital improvements in next 24 months, 60% M&E, 40% Land & Buildings, worth \$48 million.

How is Business Currently?



- Companies expanding credit growth to capital investments, diversification, expanding markets
- Companies down or the same cited the economy, lack of state budget, layoffs, and closings

Percent Exporting / Transportation?



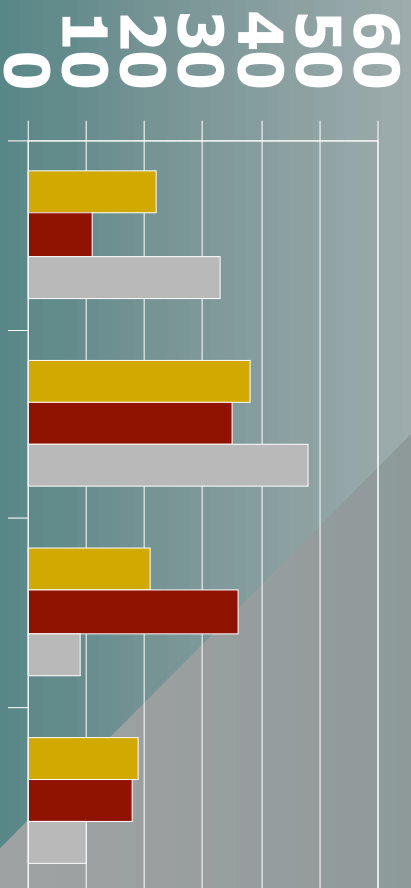
- Worldwide including N. & S. America; Europe; Africa; Asia; Australia.
- Transportation Issues
 - Trucking access & cost in & out, NAFTA, east/ west access,
 - Diminishing Rail
 - Limited Air, size and routes

Top 5 Business Costs:

1. Labor
 - Others of Importance
 - raw materials, supplies, inventory
 - technology
 - transportation
2. Utilities
3. Insurance
4. Benefits
5. Taxes

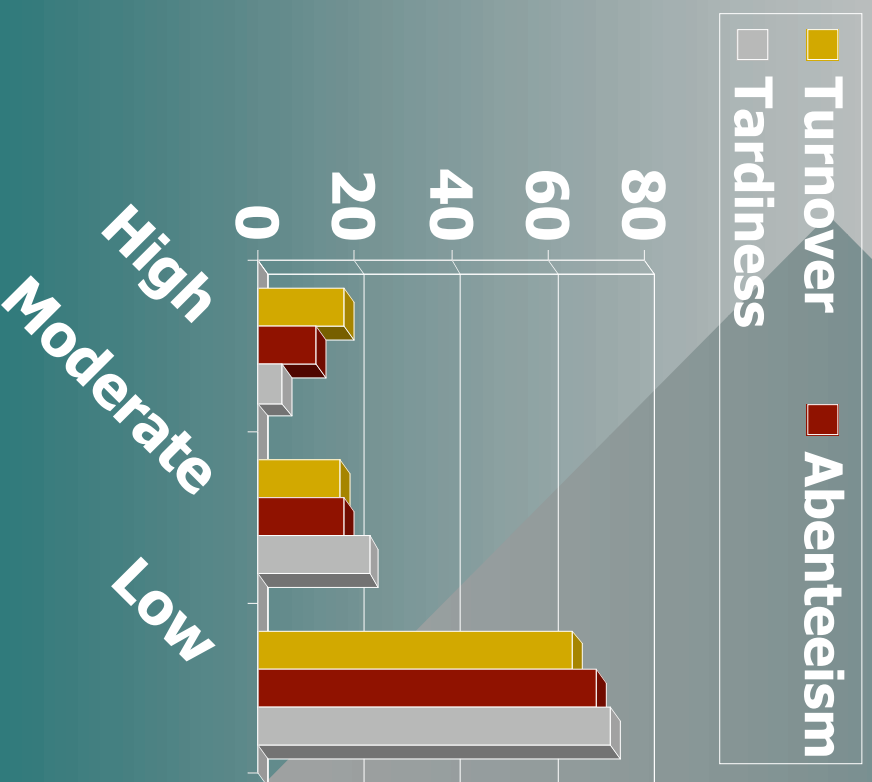
Labor Availability, Qualifications, Work Ethic

- Availability generally better than in metro areas, some positions harder than others, pay scales to low to attract good workers, Fort Drum spouses good source.



- Qualifications of new hires have improved due to layoffs, inter-personal, computer and attitude skills need work, trade skills lacking.
- Work ethic is generally better with older worker, combination of training, probation, and adequate pay make for good employees.

Turnover, Absenteeism, Tardiness & Professional Recruitment



- Highest turnover rates in new hires
- Absenteeism & Tardiness not seen as problem
- Professional & 4 year degree recruitment hard, careers for spouses. Many recruit from within

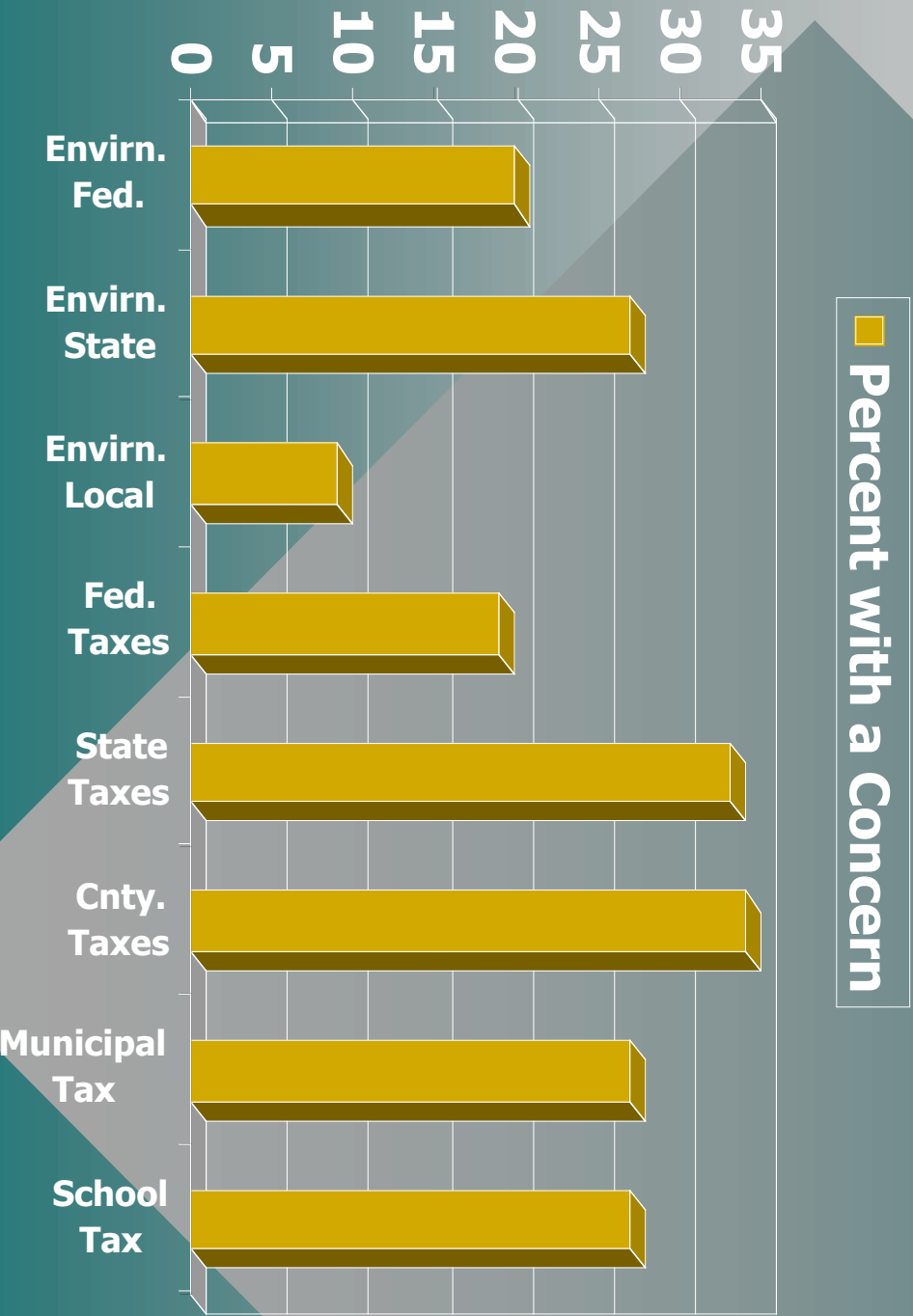
What is Your #1 Labor Issue?

1. Qualified Employees
 - Other Common Responses:
 - Training Needs
 - Quality of Applicant
 - Adverse to Change
 - Unions
2. Cost of Benefits
3. Recruitment
4. Wages
5. Safety

Technology Capabilities & Need

- As in the recent labor study, most companies have integrated phone and computers, internet. Fewer web pages, e-commerce or digital supply chain.
- Higher speed internet access, more wireless.

Government Regulation & Taxes



Locational Advantages/Dis- advantages

- **Advantages:**
 - Quality of Life
 - Labor Pool
 - Quality & Work Ethic of Workforce
- **Disadvantages:**
 - Location
 - Seasonality
 - Utility Costs

What would cause you to downsize, close, or relocate?

- 18 - National and/or regional economy
- 12 - Competition
- 10 - Closing of Fort Drum

How can the Community help?

- Lower operating costs on energy and taxes.
- Diversify the local economy.
- Promote the area.

What are the most important raw materials, supplies & service you use?

- 12 - paper, pulp, fiber, etc.
- 10 - food
- 9 - metals
- 4 - woods
- 4 - aggregates

And your purchasing / selling techniques?

- Are you part of a buying co-op?
 - 78% No
- Are you purchasing / selling on-line?
 - 66% No
- Is your supply chain digital?
 - 93% No

What would you do / how can the community help?

- 10 - make us more aware of programs
- 10 - make site visits, retention calls, host industry meeting
- 9 - lower gov. regulated operating costs
- 8 - target assistance to seasonal business
- 7 - attract new companies into area
- 7 - offer one-stop-shop service, focus effort
- 6 - improve education & training
- 3 - improve downtowns
- 2 - improve transportation

Miscellaneous Facts:

- 81% of respondents expect to have new products and be in new markets.
- Most expect significant, positive changes to occur in next 5 years through increased military sales, new technology, on-line business, consolidations, mergers, acquisitions.
- All respondents experienced increases in utility cost, some as high as 100%

Miscellaneous Facts:

- 8 Manufacturers received Power for Job allocations, others sought out buying coops, futures, and conservation

Conclusions

- **Response Committee**
- **Schedule Visits**
- **Adjust strategies**
- **www.jcjd.com**