

DRIVING URBAN ECONOMIC GROWTH SERIES

A Roadmap for Inner City Business Data Collection

JUNE 2014



About ICIC

Founded in 1994 by Harvard Business School Professor Michael Porter, the Initiative for a Competitive Inner City (ICIC) is the leading authority on inner-city economic development with a reputation for effectively helping cities to develop strategies that capitalize on a community's unique competitive advantages. ICIC has advised over 50 cities across the U.S. on economic development since its inception. ICIC's mission is to promote economic prosperity in America's inner cities through private sector engagement that leads to jobs, income, and wealth creation for local residents.

ICIC's unique knowledge and expertise about high-growth firms are developed from specialized urban networks and path-breaking research. ICIC has analyzed and worked with urban small businesses for over 15 years through three urban business initiatives: Inner City 100, Inner City Capital Connections, and partnering with Goldman Sachs on *10,000 Small Businesses*.

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Executive Summary

Small businesses are significant job creators and as such are vitally important to the economy, particularly in distressed inner city neighborhoods. Based on decades of research and work with urban businesses, the Initiative for a Competitive Inner City (ICIC) recognizes that firm visibility is essential not only for contracting opportunities with government and anchor organizations, but also for small business intermediaries and support programs. In addition, “buy local” campaigns aimed at consumers are only as effective as the accuracy of their directory of local businesses.

In short, if consumers and large organizations cannot find local businesses, they cannot purchase from them. And yet, information on businesses, especially in distressed urban areas often is incomplete. In this report, we highlight findings from ICIC’s recent study of the accuracy of business data in Boston. We discovered startling inconsistencies between public and commercial databases:

- 43% of businesses in a leading commercial database (infoUSA) were not found in public city and state databases.
- A walking inventory of commercial districts in inner city Boston revealed that 30% of businesses in the infoUSA database did not exist, and 380 businesses were identified that were not included in the database.

To address this issue, we developed a roadmap to help other cities identify business information gaps and collect more comprehensive data. Key components of the roadmap follow:

- Collect data from public and commercial sources
- Compare the sources to highlight inconsistencies using a statistically significant sample
- Conduct a website search of companies and update business information
- Carefully consider surveying the businesses—conventional surveys often are not effective for small business populations
- Initiate a walking inventory of businesses, if possible
- Explore the creation of an online interactive directory that pulls data from government databases, small business intermediaries and businesses

The Importance of Good Data

Businesses are essential drivers of economic growth, especially in distressed urban areas. Small businesses create jobs and wealth for populations that do not always have access to many other employment opportunities. Based on decades of research and work with urban businesses, ICIC has identified three critical drivers of small business growth: (1) access to capital, (2) business and management education and (3) firm recognition and access to business networks and contracting opportunities.

In most cities, targeted small business programs focus on some of the growth drivers. The efficacy of these programs is challenged, however, by the fact that small businesses are often difficult to find, and the data that does exist on small businesses is often incomplete. This problem is even greater for small businesses located in the inner city. As a result, the very businesses that are so essential to reach may be missing out on significant resources vital for their growth. For example, a challenge that confronts large organizations that attempt to purchase from local businesses (e.g., anchor procurement strategies) is a lack of reliable data on businesses in their neighborhood.

Having insufficient small business data also creates problems for private sector “buy local” campaigns. Campaigns such as Small Business Saturday by American Express often provide resources and promotional tools for small, local businesses that use their services, but they also obviously reach only the businesses that they can locate. In sum, the information gaps on local businesses are leading to underinvestment in businesses in inner city neighborhoods.

The digital divide characteristic of many urban areas also contributes to small business access issues. Many small businesses in the inner city may not have an online presence, which makes them harder to find. Inner city businesses may also be missing out on important business opportunities associated with social media and apps such as Yelp that play an increasing role in connecting businesses to consumers.

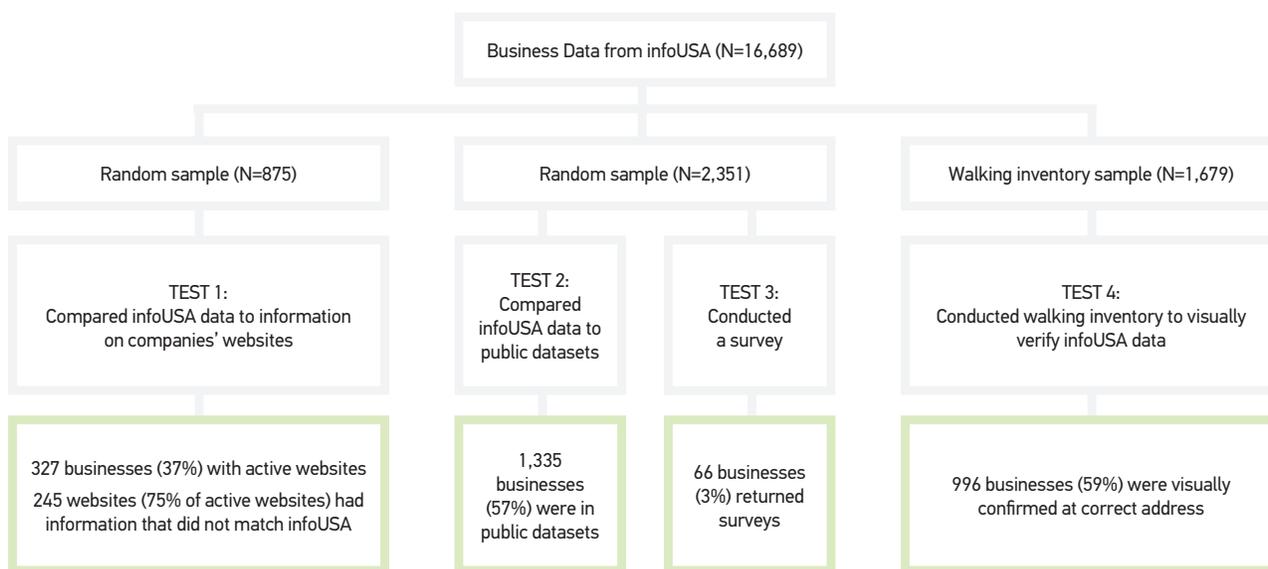
The first step in addressing small business data issues is to quantify the problem. The following report summarizes an approach to help determine small business data gaps and to develop an accurate and comprehensive local business database. The roadmap is based on ICIC’s experience in trying to identify all businesses in the inner city of Boston.

METHODOLOGY

In 2012, ICIC partnered with the Dukakis Center at Northeastern University to undertake a comprehensive initiative to identify all businesses in the inner city of Boston. The purpose of the project was to address inner city information gaps and create a local business database to connect inner city businesses to business networks, new opportunities and a wider customer base. The project consisted of assessing the quality and availability of public and commercial firm-level datasets that included businesses in Boston. The focus was on Boston's inner city — distressed areas with high poverty, high unemployment and low median household income — and neighborhoods that would be impacted by a new public transportation line (the MBTA's Fairmount Line).

The process we followed in the Boston study is illustrated in Figure 1. Business data was collected from infoUSA, a leading commercial provider of business information, and local government databases. The quality and accuracy of business characteristics contained in the infoUSA database was tested by comparing a sample of infoUSA records to information found on company websites. infoUSA business listings were also cross-referenced with two government database to identify any discrepancies between public and private databases. A survey was sent to a sample of infoUSA businesses to gather more detailed information that was not provided in any of the available databases. Finally, a walking inventory of Boston's inner city neighborhoods was completed to visually verify the existence of businesses listed in the infoUSA database. The project was supported by funding from the Boston Foundation and the Garfield Foundation.

Figure 1: Accuracy tests and results for business data in Boston



Identifying and Filling Business Data Gaps in Your City

COLLECT AND COMPARE DATA FROM PUBLIC AND COMMERCIAL DATA SOURCES

Firm-level business data can be obtained from a number of public and commercial sources. The scope and quality of information contained in these datasets varies by source. Publicly available data often can be obtained from state and local government agencies. For the Boston area, we were able to acquire business records from the Massachusetts Secretary of State's Corporate Database and the City of Boston, City Clerk's Doing Business As (DBA) database. A key strength of such public datasets is that almost all types of businesses are required by law to register with government agencies, although the specific requirements vary by state.¹

In general, public datasets contain the name of the business, geographic location and the name of any individual with an interest in the company (i.e., owner, CEO or president). While these datasets have the potential to be inclusive of most businesses, they often lack detailed business or ownership characteristic information. In addition, they also tend to lack the most current information on businesses. In Boston, we uncovered a number of potential shortcomings with the two public databases we analyzed that made it difficult to obtain meaningful information. The type of business was often missing or unintelligible in government records. Some business records were also out of date because businesses are required to update their records only annually with the state and every four years with the city. Further, businesses are responsible for updating their records (whether renewing, moving or going out of business), but it may be difficult for agencies to actively enforce timely updates. Finally, the two business databases are fragmented. Corporations and Limited Liability Companies and Partnerships are often not included in the City's DBA database, and sole proprietors and partnerships are not included in the State's Corporate Database. Businesses that operate under a person's legal name are not included in either database, potentially creating another significant data gap.

Firm-level business data can also be purchased from several sources. A sample of these datasets includes infoUSA, Dun and Bradstreet/Hoover's and the National Establishment Time-Series (NETS) Database, among others. These sources contain more detailed information, such as ownership and business characteristics, than most public sources. A summary of available datasets and the records they contain can be found in Table 1. For the Boston study, firm-level data was collected from infoUSA. The infoUSA database included company name, location, year established, phone number, website, industry code and description, number of employees, annual revenues and expenses and executive name, race and gender. Commercial datasets may also contain more accurate information because they maintain that they are actively updated on an ongoing basis. InfoUSA, for example,

¹ In Massachusetts, Corporations, Limited Liability Companies and Partnerships must register with the Secretary of the State annually. Any person conducting business in Massachusetts under any title other than the person's own name, whether individually or as a partnership, must register with the City Clerk's DBA database every four years.

claims that their data is continuously updated and gathered from a wide variety of sources, including new business filings, daily utility connections, press releases, corporate websites, annual reports and Yellow Page directories, and then verified by telephone calls.

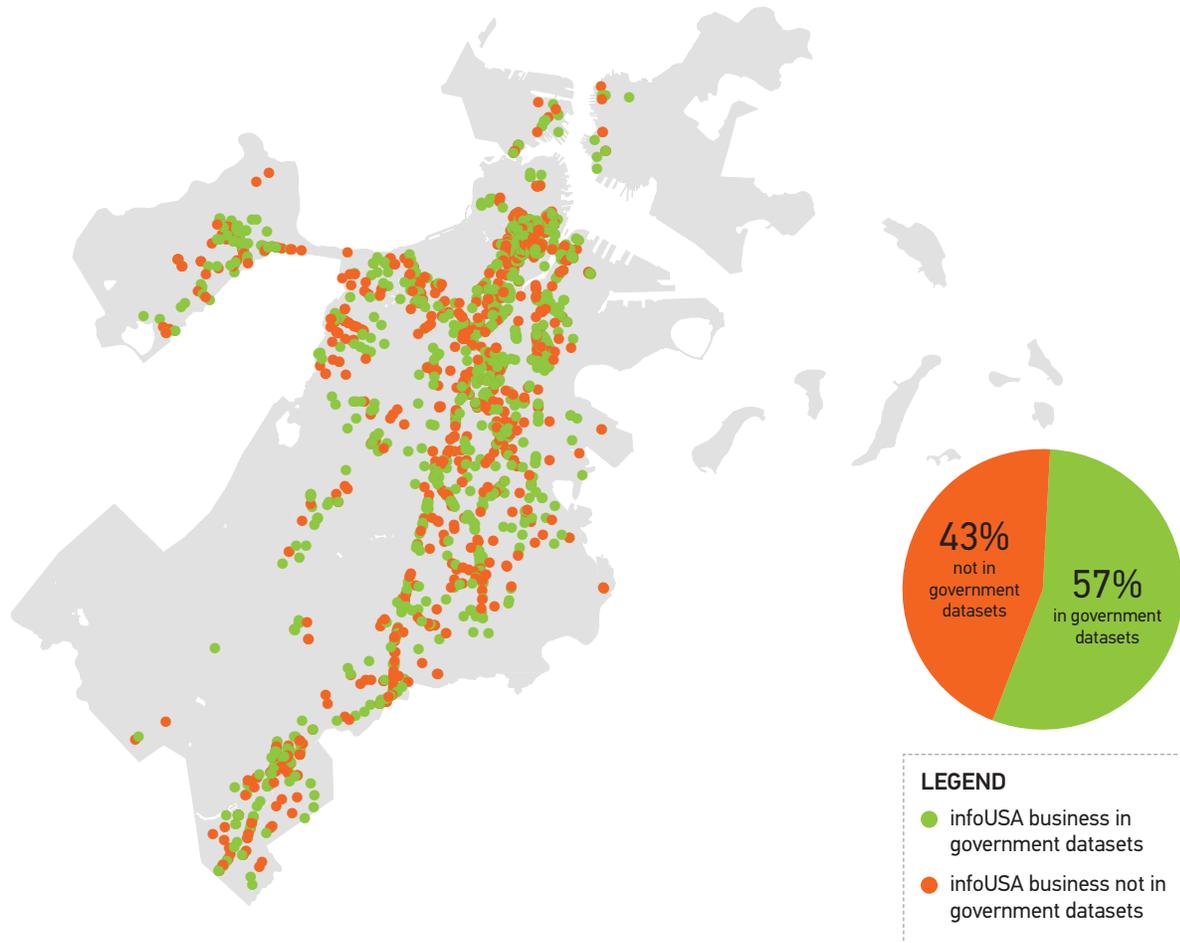
Table 1: Summary of national, commercial firm-level datasets

DATASET	COST	DATA ACQUISITION SOURCES	FREQUENCY OF UPDATING	DATA PROVIDED FOR EACH BUSINESS
infoUSA	Ranges from \$75 to \$300/month, depending on the region and number of establishments requested Requires annual subscription	New business filings, daily utility connections, press releases, corporate websites, annual reports, Yellow Page directories and telephone calls	Continuously updated at national level Subnational updates unknown	Executive name Executive race or ethnicity* Executive gender* Business name Geographic location Phone number Type of business Age of business Number of employees Financial information (varies by source)
Dun & Bradstreet/ Hoover's	\$899 to \$3,500 per year Or \$0.24 to \$1.50/ per establishment, depending on information requested Requires annual subscription	Over 30,000 sources, quality checked using proprietary process	Continuously updated at national level Subnational updates unknown	
NETS	\$2,500 to \$40,000, depending on the number of establishments requested, per delivery	Dun & Bradstreet	Annual update, starting from 1990	

*if provided by executive

We compared a sample of data pulled from infoUSA with data in the two Boston public datasets and found that only 57% of the infoUSA businesses were included in either of the public datasets (Figure 2). About 35% of the missing records were operating under a person's own name rather than a business name and, therefore, were not required to register with the state or city and would not be included in the public datasets. It is unclear if the remaining missing records were due to incorrect infoUSA records or incomplete public databases.

Figure 2: Discrepancies in Boston's business data



EXTRACT A STATISTICALLY SIGNIFICANT SAMPLE OF DATA

Selecting a statistically significant random sample is an efficient method for testing the accuracy of the data, given the large number of small businesses in most cities. This can be easily done using the random number generator function within Excel. For the defined area in Boston, the infoUSA dataset included records for 16,689 businesses. Three statistically significant samples were randomly selected from this data for testing, but generally just one sample is sufficient.

WEBSITE REVIEW

A logical next step in both testing the accuracy of business data and updating information is to search for active company websites. A simple online search can be executed using the company's name, city and state. In the Boston study, we searched for active websites for all 875 firms included in the infoUSA sample. Interestingly, only 37% (327) of the businesses in the sample actually had active websites, suggesting some type of digital divide in the city. In addition, infoUSA data only included websites for 112 of the businesses; the additional 215 websites were found through the online search. Our comparison of website data with infoUSA data revealed that 75% of the businesses with websites had information on their websites that did not match their records in infoUSA. The discrepancies were greatest for variables other than contact information.

SURVEY ANALYSIS

Ideally, one would have the ability to survey all of the existing businesses in a city to create an accurate dataset. In practice, however, this is difficult to accomplish because there is no comprehensive directory of businesses and because costs associated with administering surveys are prohibitive. In addition, the response rate for surveys is generally low — a response rate of 50% would be considered a significant accomplishment.

Due to these constraints, in the Boston study we mailed a survey to a random sample of 2,351 firms (14% of the total firms in the infoUSA database). Before these firms were randomly selected (within certain areas to ensure geographical representation), the dataset was cleaned to delete firms that were not relevant to our study. They included:

- Any firm that was a branch, subsidiary or franchise
- Religious institutions
- Government and public sector entities
- Nonprofits, including all advocacy organizations
- All ATMs

WEBSITE SEARCH

Comparing even basic business information on websites to other datasets can help determine the degree of information discrepancies in a city or community.

The following list is a useful starting point:

- Company name
- Primary address of company
- Phone number of company
- Website address of company
- NAICS or other industry description
- Employment numbers
- Name, gender and ethnicity of owner or manger
- Year the company was established

Survey Design

A short survey could be designed to collect basic firm-level data, such as contact information and ownership profiles. Shorter surveys generally have higher rates of return. Surveys are often administered online, with mail surveys used as supplements or for sample populations that may not have access to computers.

In the case of the Boston study, a comprehensive survey was developed with input from ICIC, the Dukakis Center at Northeastern University and external experts, including the University of Massachusetts Survey Center. It was based in part on an earlier ICIC survey of Massachusetts manufacturers and on the Kauffman Firm Survey.

The survey consisted of 39 questions in five sections (the complete survey is included in the Appendix):

- Section 1: Company Profile (e.g., establishment date, products/services, location of customers)
- Section 2: Operational Issues and Workforce (e.g., impediments to growth, recruitment challenges)
- Section 3: Access to Capital (e.g., use of incentive programs, debt financing)
- Section 4: Experience and Expectations (e.g., estimation of annual revenue, expectations for future employment)
- Section 5: Management Profile (e.g., gender/race of owner)

To encourage the participants to complete the survey, they were promised a Staples coupon (\$25 off a \$75 purchase) upon completion. The survey also included a cover letter from ICIC and The Boston Foundation that explained that the ultimate goal of the survey was to drive more resources to the businesses owners.

The survey was sent by mail in October 2012. We chose to mail a hard copy of the survey because of the earlier finding that the majority of the firms in the sample did not have websites and therefore may not have email. The survey also included a link to an online survey option. Following standard survey protocol, a reminder postcard was sent out a week after the mailed survey to the 2,351 businesses in an attempt to increase the response rate. Follow-up phone calls were conducted by Dukakis Center staff throughout November and December 2012. Of the 2,351 businesses surveyed, approximately 1,800 were contacted with follow-up calls.

The reminder postcards surfaced 394 incorrect addresses, representing about 17% of the sample. Because there is a time lag from when infoUSA collects and updates its data and publishes it, and when it was used for this study, some businesses might have moved or gone out of business.

Lessons Learned from the Boston Survey

The survey was closed in December 2012, after one-and-a-half months. The survey response rate was low: 66 total surveys were returned (just a 3.4% response rate from delivered surveys). Fifteen of the surveys were completed online, and 51 were returned by mail. The low response rate may have been due in part to the lengthiness of the survey, which would have taken participants approximately 30 minutes to complete. As noted above, longer surveys often have low response rates, especially when mailed to a random sample.

In addition to keeping the survey short, response rates can be increased in other ways. Incentives, including money or coupons, can motivate people to take the time to complete the survey. Also, a cover letter explaining the potential benefits obtained by providing the information requested in the survey may be helpful. Although such a cover letter was attached to the Boston survey, and there was a small incentive, clearly neither was compelling enough to induce greater participation.

Response rates can also be increased when survey respondents have a personal connection to the survey administrator. For example, people are less likely to respond to surveys from sources they don't know or sources for which they do not have a relationship. This is a significant issue in communities with large immigrant populations. Using a local, trusted partner, such as community development corporations (CDCs), main street districts and local chambers of commerce, to promote and administer the survey will likely increase response rates. For instance, many CDCs or main streets districts build strong relationships with local businesses through their small business assistance programs. Local intermediaries can also help identify potential obstacles that can hinder survey responses. Unfortunately, we did not use a local partner for the Boston survey.

Language and literacy issues may also be barriers. In communities where English is not a preferred language and literacy in general may be low, surveys that are administered in person or over the phone in the appropriate language will elicit higher response rates and more accurate responses. The timing of the survey is also critical. Care should be taken to avoid holidays, the end of the fiscal year and other time periods that are known to be busy for the businesses being surveyed. In the Boston study, the fact that we sent the survey during the holiday season and following a major election cycle was likely a significant factor in our low response rate.

For additional information on survey design, we recommend reading the instructive guide *How to Conduct your Own Survey*, by Priscilla Salant and Don A. Dillman (2007).

WALKING INVENTORY

The gold standard of any inventory assessment is a visual check. A walking inventory to visually confirm the existence of businesses, as well as identify firms that are not included in any datasets, is the best way to ensure the accuracy of basic business information. As with surveys, this method is costly since it involves significant labor. Using volunteers or students could help defray this cost. An alternative to a walking inventory is utilizing a web-based map (e.g., Google Maps Street View, Bing Maps Streetside). In either case, a sample of data from public and commercial datasets should be used as a starting point for the inventory.

In the Boston study, we decided to undertake a walking inventory to visually confirm the existence of firms in the infoUSA dataset and to identify any missing firms. We also considered using Google Street View, but found that the Street View data was inconsistent across different streets and neighborhoods and, in some cases, too out of date to be useful. Due to resource constraints, we selected walking routes within a specific geography (parts of the transportation development area) that maximized the number of firms checked per mile.² Each team member who participated in the walking inventory recorded the following information: (1) record is correct, (2) business does not exist, (3) business exists but at a different address and (4) new business not included in dataset. New businesses and updated address information were also recorded.

We checked approximately 1,700 businesses and “discovered” 380 firms not included in the infoUSA dataset. InfoUSA had correct addresses and company names for about 60% of the approximately 1,700 firms that were visited. Businesses with fewer than five employees made up the majority of the incorrect records. Walking inventory results were not checked against the public datasets in the Boston study.

² The walking inventory covered 10 separate neighborhoods: Hyde Park, Mattapan, Blue Hill Avenue, Washington Street, Dudley Square, Codman Square, Bowdoin Square, Upham's Corner, New Market Square and Chinatown.

Recommendations for Building a Business Directory

An accurate and comprehensive business directory for a city or community will ensure that businesses can be identified to take advantage of contracting opportunities, education and capital access programs and “buy local” campaigns. The strengths and weaknesses of the different data collection techniques discussed above are summarized in Table 2.

Table 2: A comparison of business data collection methods

DATA COLLECTION METHOD	STRENGTHS	WEAKNESSES
Public dataset	<ul style="list-style-type: none"> Free Easily accessible Many businesses required by law to register 	<ul style="list-style-type: none"> Potential natural data gaps Limited information on businesses and executives Records may not be easily accessible Records may be outdated
Commercial dataset	<ul style="list-style-type: none"> Detailed information on businesses and executives Easily accessible 	<ul style="list-style-type: none"> Some cost, often requiring an annual subscription Records may be outdated
Website search	<ul style="list-style-type: none"> Low cost Current information Easily accessible Best if used for verification 	<ul style="list-style-type: none"> Limited information on businesses and executives Many small businesses do not have active websites No comprehensive list to search
Survey	<ul style="list-style-type: none"> Current information Detailed information on businesses and executives 	<ul style="list-style-type: none"> High cost Low response rate Sampling issues No comprehensive list to survey
Web-based maps (e.g., Google Street View)	<ul style="list-style-type: none"> Low cost Easily accessible 	<ul style="list-style-type: none"> Limited information on businesses and executives Inconsistent geographic coverage Inconsistent quality of imagery Information may be outdated
Walking inventory	<ul style="list-style-type: none"> Easily accessible Real-time snapshot of businesses 	<ul style="list-style-type: none"> Limited information on businesses and executives High cost Labor intensive/ high physical impact

FIND THE RIGHT PARTNERS

When collecting data, it may be beneficial to partner with local business intermediaries who typically have a deep knowledge of local business markets as well as mechanisms in place to reach individual businesses. For example, CDCs and main street districts can be potential providers of accurate and continuously updated local data. Many of Boston’s 20 main street districts have their own online business directories for the areas that they serve. The business data collected from these local intermediaries can be aggregated and centralized into a single database.

City and state governments may be sources of additional information beyond publicly available data. They may be able to provide data from their community programs as well as permitting and licensing databases. In addition, given their commitment to helping local businesses, state and local governments may be willing to help champion a directory and provide IT support or advising.

UTILIZE CROWDSOURCING

Crowdsourcing, using mobile technology and social networks, could also be used to collect better information on small businesses. Several cities now rely on citizens to serve as their “eyes and ears” on the ground. For example, the City of Boston’s “Citizen’s Connect” mobile app enables users to alert the city to neighborhood maintenance and construction issues, such as potholes, damaged signs and graffiti, as they arise. Similar techniques might be adapted and used to collect new and updated business information in real time. For instance, the City of Boston partnered with the mobile app and website Main and Me in 2013 to promote local businesses. The Main and Me app enables users to window-shop local businesses in Boston’s main street districts using product images uploaded by businesses and customers. Crowdsourcing of business data has also scaled to larger geographies. National campaigns, such as American Express’ Shop Small Map, rely on businesses that accept American Express credit cards to submit their information to be included in an online directory and interactive map of small businesses.

While crowdsourcing may be a promising data collection technique, it has its limitations. Crowdsourced databases are not comprehensive and are skewed toward retail, dining and other consumer-based businesses. Due to these limitations, crowdsourced data should be incorporated with other more comprehensive data to ensure accuracy and completeness.

A NEW MODEL

At ICIC, we are developing an interactive map and directory of businesses called UrBN.BOS (Urban Business Network - Boston). The directory will provide local businesses with increased visibility to a wider customer base that includes individual consumers, businesses, non-profit organizations and large institutions. Similar directories can be implemented in other cities using the framework outlined in this paper. The initial directory includes over 1,200 businesses from data collected from the walking inventory. In order to expand the directory, we will rely on partnerships with state and city government agencies and intermediaries and allow businesses or individuals to add or update their records in real time. The success of this database will ultimately rely on local intermediaries, governments, businesses and consumers understanding the value of making inner city businesses more visible and committing to accurate data collection.

Conclusions

Our study of business data in Boston confirmed that it is difficult to obtain accurate firm-level data, especially in inner cities, using public and commercial data sources. We found that many inner city businesses were underrepresented or misrepresented in the existing datasets. Only 57% of the inner city businesses we sampled were included in both private and public business databases. Small businesses, in particular, are challenging to identify and move more frequently than larger, more established businesses. Also, new businesses go out of business at a relatively high rate, making it difficult to keep accurate records. Business data issues may be even more prevalent in inner cities because of a higher rate of marginal small businesses, relative isolation from business networks and distrust of government agencies.

New approaches must be adopted in cities to create accurate directories of businesses. One potentially promising approach is the utilization of crowdsourcing to collect inner city firm data. Implementing a multipronged strategy with substantive assistance of trusted on-the-ground intermediaries will generate accurate and useful information on a city's business population. This, in turn, will drive more effective support of urban businesses.

Appendix: Business Survey

SECTION 1: COMPANY PROFILE

1 What position do you currently hold in your company?

- CEO/President Vice President
 Owner/Principal Department Head
 General Manager Other (please specify):

2 Company Name _____

3 What year was your company founded or acquired?

4 Where is your company headquartered?

Address _____
City _____ State _____ Zip _____

5 What is the legal status of the firm?

- Sole Proprietorship Limited Liability Company Limited Partnership
(includes family-run Subchapter S-Corporation Non-profit (501(c)(3))
businesses owned by C-Corporation Other (please specify):
one person) General Partnership

6 What are the products or services your company produces or provides at your primary Boston location?

7 During the calendar year 2011, what percent of your customers were located:

(Your answers should total 100%)

- In neighborhoods local to the business Outside the city, but in the same region, such as in nearby cities and towns Outside New England but in the United States
 Outside the neighborhood but in the rest of the city Outside the region, but in the rest of New England Outside the United States

Appendix: Business Survey//continued

8 Please estimate your company's total number of employees for the following periods:

YEAR	EMPLOYEE TYPE	BOSTON LOCATION	FIRM AS A WHOLE IN MULTIPLE SITES
2012 (first and second quarters)	Full-time		
	Part-time		
	Other paid employees		
	Volunteers		
2011	Full-time		
	Part-time		
	Other paid employees		
	Volunteers		
2010	Full-time		
	Part-time		
	Other paid employees		
	Volunteers		
2009	Full-time		
	Part-time		
	Other paid employees		
	Volunteers		

9 What is the preferred language you use to speak with your customers and business service providers, such as your vendors, accountant, attorney or city offices?

LANGUAGE	SPOKEN WITH CUSTOMERS	SPOKEN WITH BUSINESS
English	<input type="radio"/>	<input type="radio"/>
Chinese	<input type="radio"/>	<input type="radio"/>
French Creole	<input type="radio"/>	<input type="radio"/>
Portuguese	<input type="radio"/>	<input type="radio"/>
Russian	<input type="radio"/>	<input type="radio"/>
Spanish	<input type="radio"/>	<input type="radio"/>
Vietnamese	<input type="radio"/>	<input type="radio"/>
Other		Please specify:

Appendix: Business Survey//continued

SECTION 2: OPERATIONAL ISSUES AND WORKFORCE

10 Are the following factors currently limiting the growth of your company?

IMPEDIMENTS TO GROWTH	YES	NO
Lack of access to capital		
Difficulty building a sales effort to market products or services		
Using or adopting modern technologies, including computers and software		
Difficulty recruiting or retaining qualified employees		
Lack of access to technical assistance		
Lack of access to management training		
Lack of time by the owner, who spends too much time personally running the business		
Federal, state or local government regulations		
Lack of available real estate to expand operations		
Other (Specify):		

11 How difficult is it for your company to recruit talent into your firm for the following types of positions? (Please check one circle in each row.)

TYPE OF POSITION	NOT DIFFICULT	A LITTLE DIFFICULT	SOMEWHAT DIFFICULT	VERY DIFFICULT	EXTREMELY DIFFICULT
Executive management	<input type="radio"/>				
Middle management	<input type="radio"/>				
Clerical support staff	<input type="radio"/>				
Skilled craftsmen	<input type="radio"/>				
R & D staff	<input type="radio"/>				
Entry-level employees	<input type="radio"/>				

Appendix: Business Survey//continued

- 12 Have you used any of the following sources for recruitment of talent **in the past 5 years?**
How successful have these sources been? (Please check one circle in each row.)

SOURCE	NOT USED	HOW SUCCESSFUL (IF USED)?				
		Not successful	A little successful	Somewhat successful	Very successful	Extremely successful
Employee Referrals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Referrals from friends or relatives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Private Employment or Recruiting Agencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Temporary Employment Agencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vocational High Schools or High Schools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
One-Stop Career Centers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Newspaper Advertisements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet Advertisements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet Job Search Sites (e.g., Monster.com)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Community Colleges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Career and Technology Fairs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industry Networking Events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please specify):	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION 3: ACCESS TO CAPITAL

- 13 Has your company's Boston facility(ies) ever made use of any of the following state/local incentive programs?

INCENTIVE PROGRAM	YES	NO
Investment Tax Credit		
R & D Tax Credit		
Workforce Training Grant		
Tax Increment Financing (TIF)		
Low Interest Loans from federal, state or local institutions (e.g., Small Business Administration loans)		
Loan Guarantees from State or Local Government Agencies		
State or Local Government Equity Financing		

Appendix: Business Survey//continued

14 Is your company currently operating at a profit, a loss or breakeven?

- Profit
- Loss
- Breakeven

15 Do you currently borrow money to pay for any of your operations?

- Yes
- No
- Breakeven

If NO, please skip to Question 20.

16 Which of the following debt financing options did the business owner use to finance the operations **during the past two years?**

FINANCING OPTION	YES	NO
Personal credit cards for business-related purposes		
Personal loans from a bank or other financial institution, such as a mortgage or home-equity loan used for the business		
Business or corporate credit cards issued in the business owner's name		
Personal loans from family or friends		
Personal loans from any other individuals not associated with the management of the business		
Other (please specify):		

17 Which of the following debt financing options did the business use to finance the operation of the business **during the past two years?**

FINANCING OPTION	YES	NO
Business or corporate credit cards issued in the name of the business		
Business loans from a commercial bank		
Business line of credit		
Business loans from a non-bank financial institution		
Business loans from family or friends of the owners		
Business loans from another owner of the business or a partner		
Loans to the business from employees that are not owners of the business		
Loans from government agencies		
Loans from other businesses		
Business loans from any other individuals not associated with the management of the business		
Other (please specify):		

Appendix: Business Survey//continued

- 18 Which of the following equity financing options did the business/owner use to finance the operation of the business **during the past two years**?

EQUITY FINANCING SOURCE	YES	NO
Spouses or life partners of owners of the business. (This does not include spouses or life partners already named as owners.)		
Parents, in-laws or children of owners of the business		
Individuals who are not spouses or life partners, parents, in-laws or children of the owners, excluding venture capitalists		
Other companies		
Government agencies		
Venture capitalists		
Wealthy individual investors		
Other (please specify):		

- 19 What are the borrowed funds and/or equity used for?

USE FOR FUNDS	YES	NO
Working capital		
Purchase or lease new equipment or software		
Expand real estate		
Conduct research and development		
Retire past debt		
Acquire another company		
Expand national or global sales capacity		
Other (please specify):		

- 20 **During the past two years**, was there any time when your company needed credit but did not apply because you thought the application would be denied?

Yes
 No

- 21 Has your company made any applications for new or renewed loans or lines of credit **during the past two years**?

No
 Yes, and applications were always approved
 Yes, and applications were sometimes approved and sometimes denied
 Yes, and applications were always denied

Appendix: Business Survey//continued

22 If your applications were ever denied, what was the official reason(s) for denial?
(Please check all that apply.)

- N/A (applications were never denied)
- Insufficient collateral
- The loan requested was too large
- Inadequate documentation provided
- Business credit history
- Personal credit history
- Not being in business long enough
- Other (please specify):

23 Anytime over **the past five years**, to what extent has access to capital ever been an impediment to growth? (Please check one circle.)

NOT AN IMPEDIMENT	A LITTLE OF AN IMPEDIMENT	SOMEWHAT OF AN IMPEDIMENT	VERY MUCH AN IMPEDIMENT	AN EXTREME IMPEDIMENT
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

24 To what extent are you concerned about your company's ability to finance growth **over the next five years**? (Please check one circle.)

NOT CONCERNED	A LITTLE CONCERNED	SOMEWHAT CONCERNED	VERY CONCERNED	EXTREMELY CONCERNED
<input type="radio"/>				

25 Do you anticipate utilizing outside financing to fund growth/expansion/acquisitions **in the next 18 months**?

- Yes
- No

26 Do your company assets include the following items?

ASSETS	YES	NO
Cash on hand in checking, savings, money market accounts, certificates of deposit and other time deposits		
Accounts receivable		
Product inventory		
Equipment or machinery		
Land, buildings and other structures		
Vehicles		
Any other business owned property or assets (please specify):		

Appendix: Business Survey//continued

SECTION 4: EXPERIENCE AND EXPECTATIONS

- 27 How likely is it that the customers for your company's products will change **over the next five years**? (Please check one circle in each row.)

CUSTOMERS	NOT LIKELY	A LITTLE LIKELY	SOMEWHAT LIKELY	VERY LIKELY	EXTREMELY LIKELY
More Boston customers	<input type="radio"/>				
More New England customers	<input type="radio"/>				
More U.S. customers	<input type="radio"/>				
More global customers	<input type="radio"/>				

- 28 How likely is it that the suppliers to your company will change **over the next five years**? (Please check one circle in each row.)

SUPPLIERS	NOT LIKELY	A LITTLE LIKELY	SOMEWHAT LIKELY	VERY LIKELY	EXTREMELY LIKELY
More Boston suppliers	<input type="radio"/>				
More New England suppliers	<input type="radio"/>				
More U.S. suppliers	<input type="radio"/>				
More global suppliers	<input type="radio"/>				

- 29 How likely is it that the competitors to your company will change **over the next five years**? (Please check one circle in each row.)

COMPETITORS	NOT LIKELY	A LITTLE LIKELY	SOMEWHAT LIKELY	VERY LIKELY	EXTREMELY LIKELY
More Boston competitors	<input type="radio"/>				
More New England competitors	<input type="radio"/>				
More U.S. competitors	<input type="radio"/>				
More global competitors	<input type="radio"/>				

Appendix: Business Survey//continued

- 30 **Over the past five years**, which of the following initiatives have you pursued in order to grow your operations at your primary Boston location?

INITIATIVE	YES	NO
Secured new customers or contracts		
Expanded overall square footage of existing floor space		
Invested in new equipment and/or process software		
Expanded total workforce		
Invested more in product research and development		
Opened a new location in Massachusetts		
Expanded sales and marketing workforce		
Opened a sales office abroad		
Invested in education and training for workforce		
Secured at least one new patent for a new product		
Entered into a formal partnership and/or joint venture with another firm		
Hired consultants to help grow business		
Developed a succession plan for senior executives		
Developed a succession plan for ownership		
Implemented or strengthened a performance improvement program		
Other (please specify):		

- 31 **During the past two years**, what percentage of your business' sales were made to individuals, businesses, government agencies and non-profit organizations (501(c)(3))?

Private individuals %
 Businesses %
 Government agencies %
 Nonprofit organizations %

Your answers should total 100%

- 32 Please estimate your company's total annual sales or gross revenue **for the following periods**:

YEAR	TOTAL ANNUAL SALES OR GROSS REVENUE
2012 (first and second quarters)	
2011	
2010	
2009	

Appendix: Business Survey//continued

- 33 What do you expect will happen to your sales or revenue at your primary Boston location **over the next five years**? (Please check one circle in each row.)

YEARS	EXPECTED OUTCOME			
	Continued sales or revenues at current levels	Continued sales or revenues at increased levels	Continued sales or revenues but at reduced levels	Cessation of sales or revenue at this site (site closing)
2013	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2014 – 2017	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

- 34 What do you expect employment levels to be at your primary Boston location **over the next five years**?

- Expansion of employment by 1 to 10%
- Expansion of employment by 11 to 25%
- Expansion of employment by more than 25%
- Maintenance of current employment levels
- Reduction of employment by 1 to 10%
- Reduction of employment by 11 to 25%
- Reduction of employment by more than 25%

SECTION 5: MANAGEMENT PROFILE

- 35 What is the gender of the president, CEO or owner?

- Female
- Male

- 36 Which category or categories best describe(s) the **owner's** race? (Please check all that apply.)

- American Indian or Alaska Native
- Native Hawaiian or other Pacific Islander
- Asian
- Black or African American
- White (non-Hispanic or non-Latino)
- Hispanic or Latino (any race)
- Other (please specify):

- 37 How many years of work experience has the owner of your company had in this industry — the one in which your company competes?

Appendix: Business Survey//continued

OTHER QUESTIONS

- 38 Is there anything you would like to share about your company and/or industry that is not covered in this survey?

- 39 May we contact you for further information about any of these questions? If so, please supply the contact information you prefer:

Your Name: _____ Phone (c): _____

Address: _____ Phone (c): _____

City, State, Zip: _____ Email: _____

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