

# LET'S TALK BUSINESS

*Ideas for Expanding Retail and Services in Your Community*

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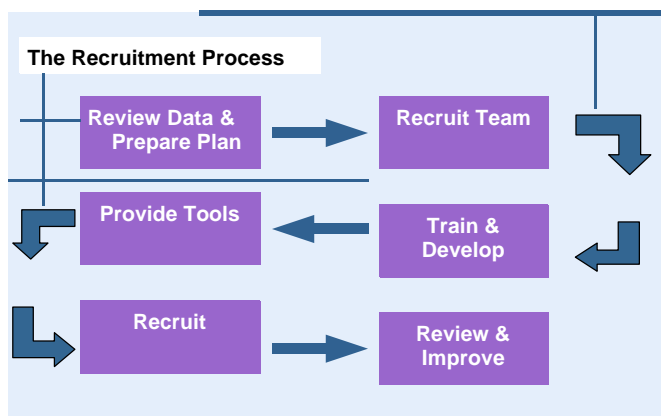
## Business Recruitment Process for Downtowns

by

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Most communities at some point in their development are faced with the prospect of recruiting a new business to fill a void in their business mix. To many community leaders this can be a daunting task. As with any project, however, if the process can be broken down into simple, logical tasks it quickly becomes less forbidding. The recruiting process is one that lends itself to this system of simplification.

First, it helps to picture the whole process from beginning to end. The following flow chart illustrates the major steps in the recruitment process:



The first step for you as the community leader is to review data that you have. You've determined that a new business is required to fill a need in the community. How was that determined? Hopefully it's not based on someone's hunch or the desires of 2 or 3 people who were speculating one day on what kind of business they'd like to see come to town. Ideally, the

need for this type of business resulted from a recent market analysis prepared for (or by) the community. It should be based on the potential demand identified for this particular type of good or service. Even with this type of data, you might still want to further augment this data with the results of a focus group(s), business district intercept survey or phone/mail questionnaire.

Most communities need the recruiting process on a continuing basis. Therefore, when in the data collection mode it's also useful to obtain a complete inventory of all business buildings in the district in question. A complete listing of all existing businesses in the district is another useful piece of information. The building inventories include items such as: building owner name and address, square feet per floor, rents, assessed values, sale price, age of building, and condition. Business inventories may include some of the previous items and also manager name and address, merchandise category, gross annual sales and type of business. Assembling these in two loose-leaf notebooks allows for frequent changes that can occur. This information can be useful in the recruiting process for allowing a prospect to learn what competition there is and get a general sense of the community.

Having reviewed and confirmed the data, you now need to determine if you have the appropriate site for such a business. For instance, you may have two openings on your Main Street. One is a 2,000 square foot storefront in reasonably good condition that was previously occupied by a gift shop. The other is a long-vacant 1200 square foot site with a deteriorated 1970's vintage façade. Both are for rent by two different building owners. Neither owner is in a position to do much fix-up work to prepare for a new tenant. Fortunately, your market data indicated a need for a gift shop.

The owner of the former gift shop building is offering a lease on terms you believe to be in excess of market value. The other owner hasn't even tried marketing her property for over a year. Neither owner has hired anyone to assist in marketing the properties. They've

both just tried what they could on their own. Working with the owners and/or realtors involved is a vital part of the process. Your role should be seen as a supportive one. It's one more tool for them to use in finding a successful, long-term tenant for the property. You should share information with them from the market survey. This may help persuade them not to take just any tenant to fill the space.

Taking into account the information gathered so far, the next step is to prepare a plan for converting one or both of these empty sites into productive assets for the community by recruiting a business that you've determined should be viable. The local realtors and landlords should be included in the planning process. The plan needs to contain information on resources needed such as time, funds and personnel. It must address the key elements of any marketing effort: Product, Price, Place, Promotion, and Persuasion. You're trying to market your community, just as a business tries to market its product or service.

The effort required is beyond the capability of one person to handle so you need to recruit others to assist in the process. Questions to consider in assembling a team include:

- What skills are needed?
- Who is available and capable of performing this task?
- How many people are needed?
- What work will they do?
- What are the expectations for accomplishment?
- How will they be rewarded?

Once the team is assembled, they need to be trained. Emphasis should be on lead generation and sales techniques. Consideration should be given to some basic information on real estate and leasing terminology and use of the sales tools you provide them. To ensure their ability to communicate with the prospects, a brief session regarding the operations of the type of business being recruited is also helpful. Role-playing is a useful part of most of this training.

The team needs to be provided with tools to help make the sale. Providing prospects information on what makes your community attractive is a vital part of this tool kit. If a business retention survey has been done in the community it should be reviewed for reasons why existing businesses stay. If one hasn't been done, a short brain storming session with some local businesses can develop these reasons. Also, consider what incentives your community offers businesses. These too should be emphasized.

Don't forget that prospective business owners are people too. They have families and personal needs and wants. Be sure and appeal to those as well.

Once you've developed information you believe will demonstrate the strengths of your community, it's wise to gather it into an attractive loose-leaf binder. This can be used as a presentation tool to prospects. It's also useful to include some information specific to the type of business being recruited. Do some homework on the space needs for the particular business. Pull information from your market analysis that reveals the market for this business. Tailor it as much as possible toward the type of business being recruited.

When you've trained the recruiters and provided them the necessary sales tools, the recruiting itself finally begins. This is usually accomplished using sales letters, phone calls, and visits. A good follow up program for leads and interested prospects is essential. Closing the sale is the most difficult part and should receive ample attention in the training phase. Too many businesses have been lost to others merely by failing to ask for a commitment.

Once the first round of recruiting has been accomplished (whether successful or unsuccessful) the process needs to be reviewed to see what worked and what didn't. The process can be adjusted to more efficiently and effectively recruit during the next round.

This is a very brief overview of the recruitment process. For more detailed information and training on business recruitment and other community development tools, your community might consider becoming part of the Wisconsin Main Street Program. Contact Jim Engle at 608-267-0766 or by e-mail at [jengle@commerce.state.wi.us](mailto:jengle@commerce.state.wi.us) Useful information is also available in the following publications:

- ✓ Marketing Main Street, The Heritage Canada Foundation, 1989
- ✓ Analyzing Neighborhood Retail Opportunities: A Guide for Carrying Out a Preliminary Market Study, Wiewel/Mier, American Planning Assoc., 1981
- ✓ Analyzing Your Downtown's Retail Potential, Marketek, Inc., 1992
- ✓ Fill-in-the-Blank Business Recruitment, Oregon Downtown Development Association, 1992
- ✓ Focus Groups for Downtown, Hyett Palma Publications, 1992
- ✓ The Small Business Retention, Expansion and Recruitment Project, National Trust for Historic Preservation, 1987
- ✓ Successful Retail Recruitment Strategies, Hyett Palma Publications

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