

Pikes Peak Region 2015 Business Climate Survey

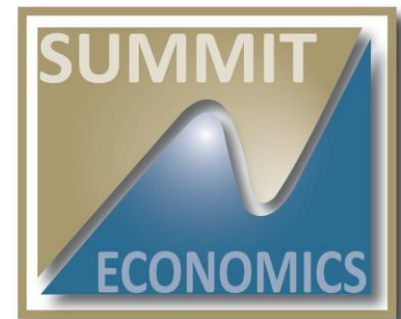
Cheyenne Mountain Civic Solutions

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**Compiled and
Presented by**

Tom Binnings
Senior Partner

**Jason
Doedderlein**
Research Associate



*Peering into the future before
it becomes present*

2015 Survey

- Asked previous questions to maintain trend data
- Attempts to better penetrate the entrepreneurial sector in order to assess the

Entrepreneurial Ecosystem



Respondents by Size of Firm

Organization Size	2015 Survey	2013 CBP Census	2013 Survey	2011 Survey	2009 Survey
1-9	53%	76%	54%	57%	46%
10-24	20%	13%	18%	16%	20%
25-99	17%	9%	15%	17%	18%
100-499	7%	2%	8%	8%	11%
500+	3.7%	0.2%	5.2%	2.3%	4.9%
County Business Patterns estimated for 10-24 and 25-99					
US Census Bureau, Summit Economics					

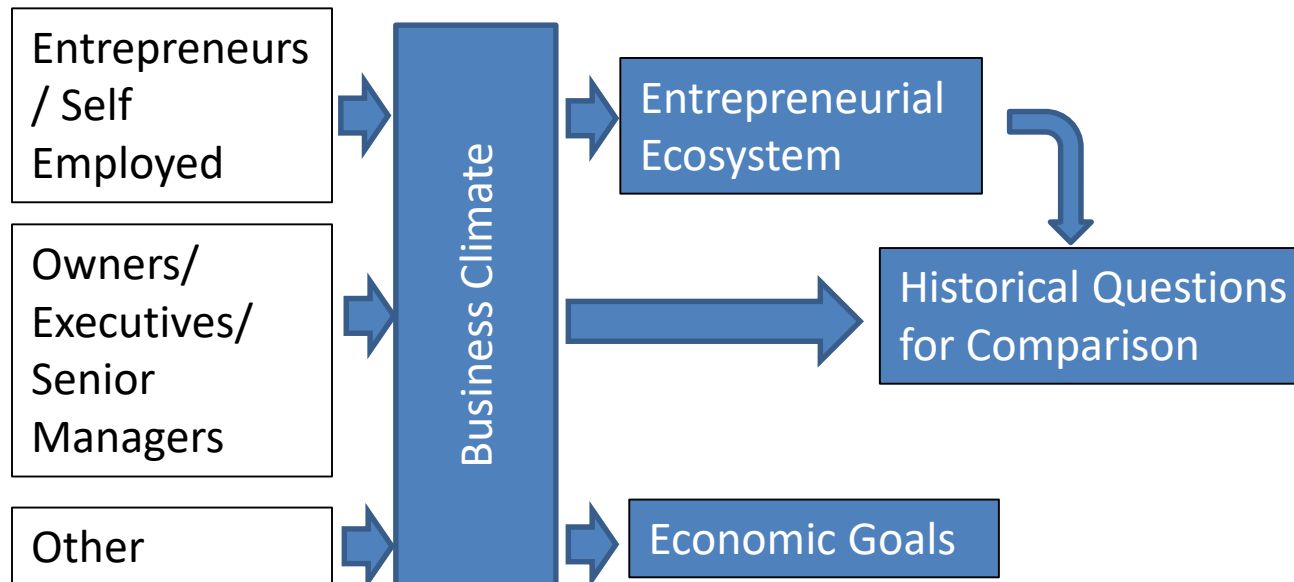
With the exception of the 2009 survey, the distribution of survey respondents is consistent from year to year. In all years the survey is biased to larger firms when compared to the 2013 Census Bureau's count of firms by number of employees.



Respondents by Type

Which of the following best describes you	
Answer Options	Response Percent
Entrepreneur or self employed	37.7%
Business owner, executive, or area manager of a regional, national, or international organization	45.5%
Other	16.9%
<i>answered question</i>	
231	

Survey Flow by Respondent Type



Economic Contribution to Community

Exports as a Percent of Revenues
by Firm Size

Size	2015	2013	Average
1-9	31	40	36
10-24	39	44	42
25-99	45	54	49
100-499	41	42	42
500+	41	45	43
Total	36	43	40
Summit Economics			

Approximately 40% of all organizational revenues in the Pikes Peak Region are from exports. Small firms tend to be less export based. Firms with 25 to 99 employees tend to receive a larger percentage of revenues from exports. The table DOES NOT conclusively indicate that the percent of sales from exports dropped from 2013 to 2015.



How would you rate your satisfaction with the overall business climate in the Pikes Peak Region ?

	Oct-15	Sep-13	Oct-11	Apr-09
Very satisfied	3.8%	3.9%	2.4%	4.3%
Satisfied	26.1%	16.6%	15.7%	21.0%
Somewhat satisfied	48.7%	38.8%	43.7%	39.2%
Not very satisfied	21.4%	40.4%	38.0%	35.5%
No opinion	0.0%	0.7%	0.3%	0.0%
<i>answered question</i>	234	415	390	186

For the first time since 2009 the business community has become more satisfied with the overall business climate in the region. Satisfaction levels were consistent among all respondent types.



How would you rate the local business climate in the Pikes Peak Region compared to two years ago?

	Oct-15	Sep-13	Oct-11	Apr-09
Much Better	12%	3%	1%	0%
Better	52%	32%	17%	3%
About the Same	29%	39%	41%	20%
Worse	6%	21%	33%	55%
Much Worse	2%	6%	8%	22%
<i>Respondents</i>	235	393	383	182

There is a clear trend over the last six years with more respondents seeing the business climate getting better. The improvement is especially notable in the last two years.

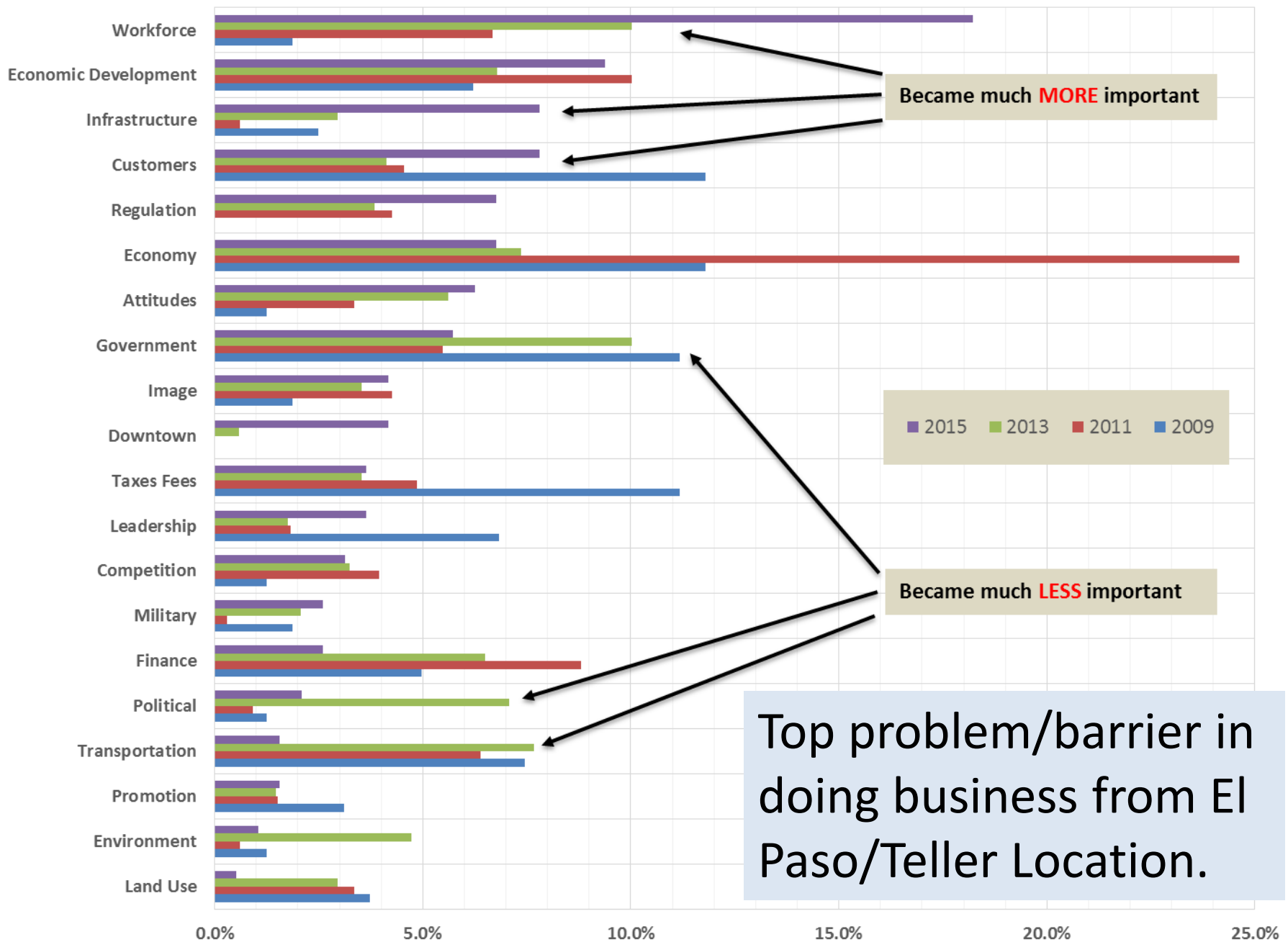


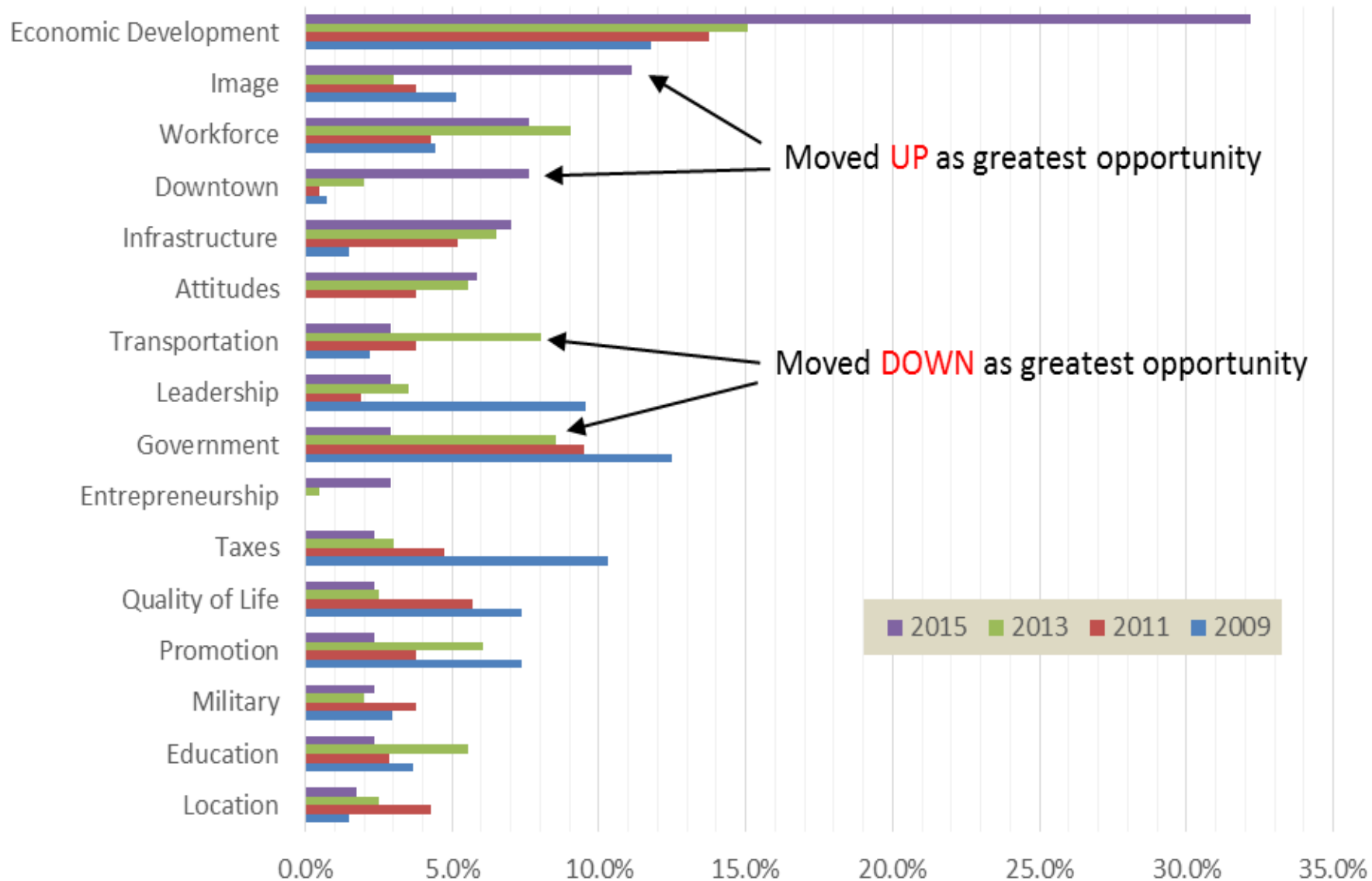
How would you rate the business climate in the Pikes Peak Region related to the following.

	2015	2013	
Opportunities for work force outside of work (quality of life, recreation, and education)	1.39	1.15	Leverage Point
Access to finance for organizational growth	0.22	(0.17)	Constraints to Improve
Skilled work force	0.17	0.26	
An entrepreneurial culture, programs, and mentorship supporting business start-ups	0.03	NA	
Local regulatory environment (non-federal) that supports business creation in the area	(0.06)	(0.43)	
Infrastructure (utilities, transportation, and telecommunications)	(0.15)	0.05	Problem
Ability to attract young professionals and technical workers	(0.52)	(0.63)	

Half of the indicators show improvement (Gold) while one got worse (Blue).
Scores can range from 2 to -2.







Greatest opportunity to improve to world class business climate

50% of 185 Respondents indicated their organization experienced difficulties matching job requirements with qualified job applicants. The percentage has not significantly changed since 2013.

Sales/marketing	25%
Semi-skilled professionals	19%
Professionals	19%
Supervisor/managerial	15%
Healthcare professionals	12%
Computer programmers and analysts	10%
Clerical/administrative	10%
Manufacturing	9%
Customer support	9%
Unskilled	9%
Engineers/scientists	6%
Computer technicians and operators	5%
Researchers and analysts	4%
Lab/tech personal	2%

answered question 146

Positions most
difficult to fill
with qualified
candidates

→ The healthcare sector was underrepresented in the survey.

Growth prospects in coming two years

Growth Drivers



Very promising high growth	17%
Modest growth	50%
Maturing and staying about the same	25%
Modest decline	6%
Sharp decline	2%
Don't Know	1%

answered question

188



“the elements – individuals, organizations or institutions – outside the individual **entrepreneur** that are conducive to, or inhibitive of, the choice of a person to become an **entrepreneur**, or the probabilities of his or her success following launch.”

ENTREPRENEURIAL ECOSYSTEM



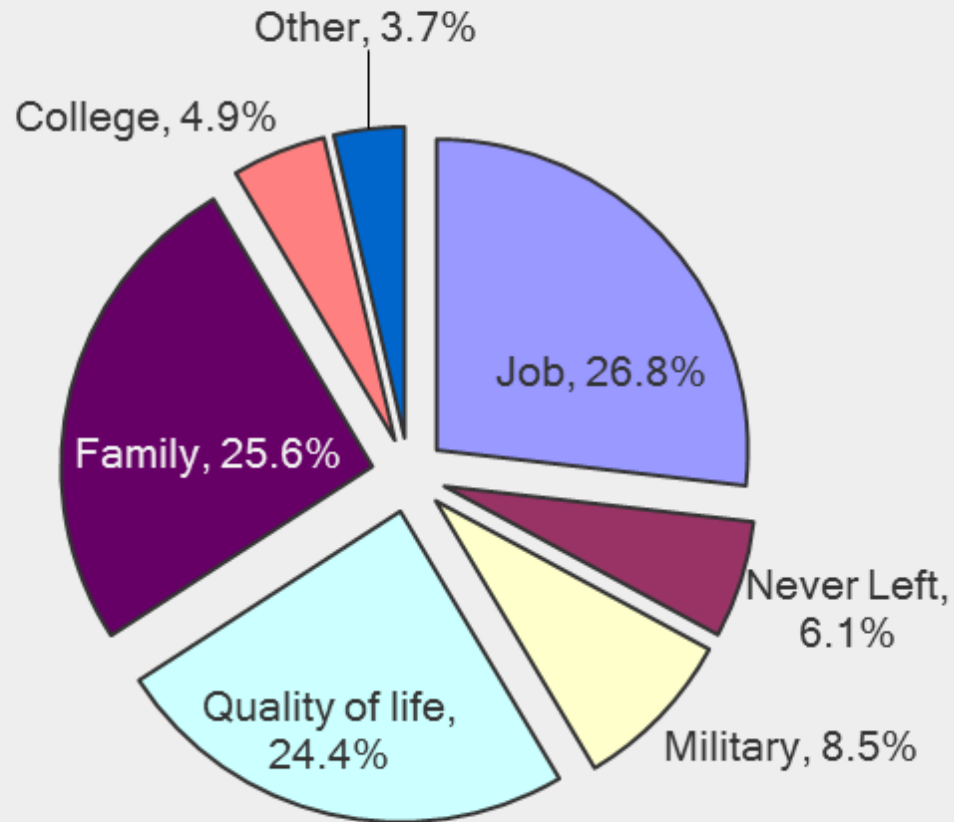
What attracts Entrepreneurs?

- Entrepreneurs usually decide where to live based on personal connections and quality of life factors many years before they start their firms.
- High-growth entrepreneurs value a pool of talented employees more than any other business-related resource.
- Access to customers and suppliers is the second most valuable business-related resource cited.
- Favorable tax and regulatory environment are barely mentioned.

Once they choose a location and start-up a business, they seldom move.



What first brought you to Colorado Springs?



Entrepreneurs did not move here to start a business.

Propensity to Start a Business

Almost 98% of respondents who were “entrepreneurs or self-employed” started at least 1 business and 37% started 3 or more businesses.

How many businesses have you started	
	Response Percent
None	2.4%
1 to 2	61.0%
3 or more	36.6%
<i>answered question</i>	
82	

When ALL respondents were asked how many family, friends and associates started a business in the last two years or plan to start on in the next two years, the average response was 2.7.



In the BCS, where do entrepreneurs differ

- More likely to be involved with real estate or the internet.
- More likely to say the business climate has gotten worse in last 2 years (11% vs 3%)
- Slightly less likely to be an exporter (32% vs 39%)
- Far more likely to be a smaller business (78% vs 33%) in the under 10 employee group.
- Fewer problems matching job requirements with applicants (40% vs 57%)
- Greater need for clerical and administrative employees (16% vs 6%)



Please rate the following on a scale of -3 to 3 **RELATED TO THE ENTREPRENEURIAL ECOSYSTEM** (the individuals, organizations, or institutions that create a thriving entrepreneurial culture) **IN THE PIKES PEAK REGION**

Rating the Entrepreneurial Ecosystem

	Rating 3 to -3	% Finding Support
Community acceptance and encouragement of entrepreneurs	0.83	72%
Formal support programs and institutions (incubators, co-working, entrep. groups, etc...)	0.75	68%
Educational resources available to start or grow your business	0.69	58%
Availability of mentoring and coaching	0.46	60%
Availability of financing for entrepreneurs and start-ups	-0.75	28%
Political encouragement for entrepreneurship and an entrepreneurial culture	-0.93	27%

Successful entrepreneurial communities have been described as “competitively collaborative”. How would you rate the Pikes Peak entrepreneurial community on

Answer Options	Response Percent	Response Count
Highly collaborative with friendly competitiveness	21.8%	17
Competitive with little or no collaboration	47.4%	37
Non-collaborative with antagonistic competitiveness	30.8%	24
Care to comment?		16
<i>answered question</i>		78



Entrepreneurial Funding

What best describes the financing of your most recent business start-up?
(Check all that apply.)

	2015	2013 *	Average
Funded through cash on hand	71%	69%	70%
Funded through retirement savings	17%	16%	17%
Funded with secured debt such as a home mortgage	14%	9%	12%
Funded with unsecured credit card or other debt	12%	18%	15%
Funded through venture or angel capital	9%	13%	11%
Other (please specify)	12%	11%	11%
<i>answered question</i>	<i>78</i>	<i>55</i>	
* In 2013 question was answered by 19% of respondents whose businesses were less than 5 years old and based in the Pikes Peak Region			

Data is very consistent between 2013 and 2015 even though the respondent groups were different. In 2015, respondents who considered themselves entrepreneurs or self-employed answered the funding question while in 2013 owners and executives whose businesses were less than 5 years old and were based in the Pikes Peak Region answered the question. This implies similarity between the two groups.



THANK YOU



Questions for Panelists

- Define entrepreneur. Is there a difference between and entrepreneur, a sole-proprietor, a small business owner?
- As you look at the data from the survey, to what degree are the findings consistent or inconsistent with what you see in the entrepreneurial community?
- How can we foster a more collaborative entrepreneurial environment? How does that work? After all, aren't we suppose to compete?
- The Kaufman Index shows about 90% of entrepreneurial activity being driven by opportunity vs necessity. What do you see in the Pikes Peak Region? I see many people, like Jason and me who chose to live here first and then how to make a living second.
- What is needed for this community to become a stronger environment for entrepreneurs, for start-ups?
- Tell us about new, emerging sources of funding?
- Why do you think entrepreneurs have less of a problem matching job requirements with applicants?

