Business Retention and Expansion (BRE)

Minnesota Examples of An Essential Economic Development Activity

Michael Darger, Marty Walsh, Amy Schaefer

What is BRE?

In economic development, business retention and expansion is a program designed to strengthen the connection between companies and the community while encouraging each business to continue to grow in the community. Through direct interactions, events, and research, the program seeks to gain insight into business practices, planned future actions, as well as the challenges of targeted companies. Then, to turn this "business intelligence" into value added services, programs, and/or products that address individual and shared company opportunities and problems.
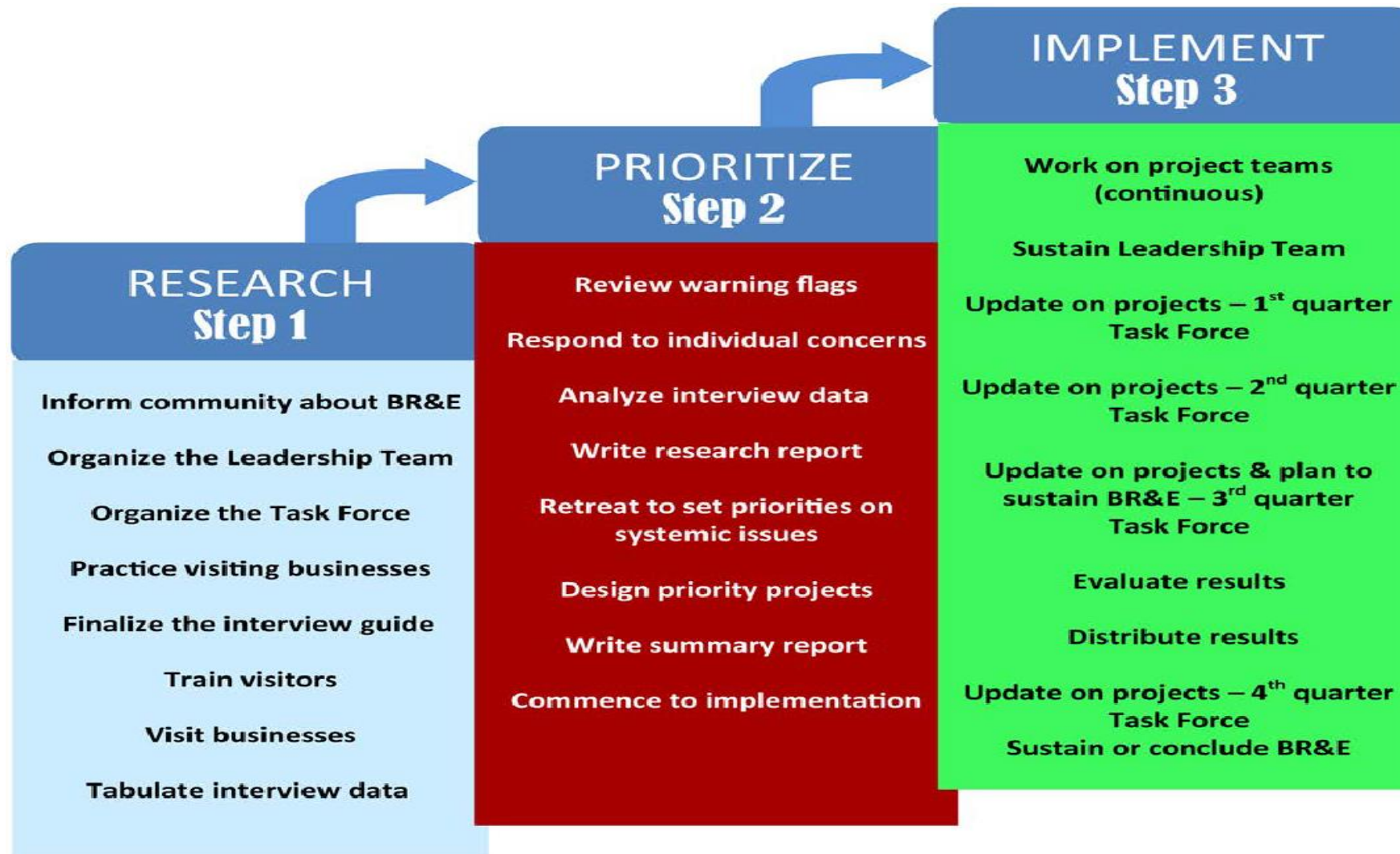
Source: Business Retention & Expansion Intl. BREI.org

What are your goals for BRE?

Standard goals for UMN's program

1. *Demonstrate to local businesses that the community appreciates their contribution to the economy*

2. *Help existing businesses solve problems*

3. *Assist businesses in using programs aimed at helping them become more competitive*

4. *Develop strategic plans for long-range BR&E activities*

5. *Build community capacity to sustain growth and development*

RESEARCH Step 1
- Inform community about BR&E
- Organize the Leadership Team
- Organize the Task Force
- Practice visiting businesses
- Finalize the interview guide
- Train visitors
- Visit businesses
- Tabulate interview data

PRIORITIZE Step 2
- Review warning flags
- Respond to individual concerns
- Analyze interview data
- Write research report
- Retreat to set priorities on systemic issues
- Design priority projects
- Write summary report
- Commence to implementation

IMPLEMENT Step 3
- Work on project teams (continuous)
- Sustain Leadership Team
- Update on projects – 1st quarter Task Force
- Update on projects – 2nd quarter Task Force
- Update on projects & plan to sustain BR&E – 3rd quarter Task Force
- Evaluate results
- Distribute results
- Update on projects – 4th quarter Task Force
- Sustain or conclude BR&E

Connecting Businesses and Community Program

Red or Green Flags

The heart of BRE is responding to business issues.

- Red flags are downside risks of biz closing, leaving, downsizing, etc.
- Green flags are upside potential of biz expansion, mergers, new locations, etc.

Systemic Issues Identified in the Analysis

1. **Improving Community Promotions**

2. **Cultivating Entrepreneurship**

3. **Employee Cooperative Training**

4. **Entrepreneur Business Planning**

5. **Promoting "Out of the Box" Child Care Solutions**

Wadena County Business Retention and Expansion Strategies Program

Summary Report
October 2019

Wadena County
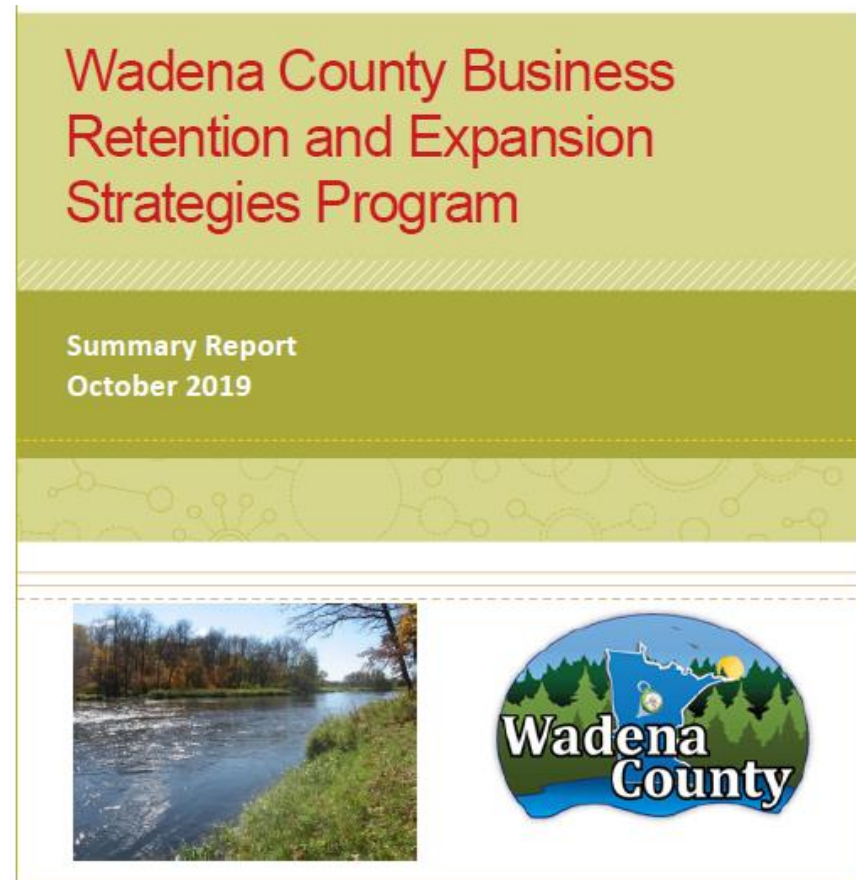
Project 4. Entrepreneur Business Planning
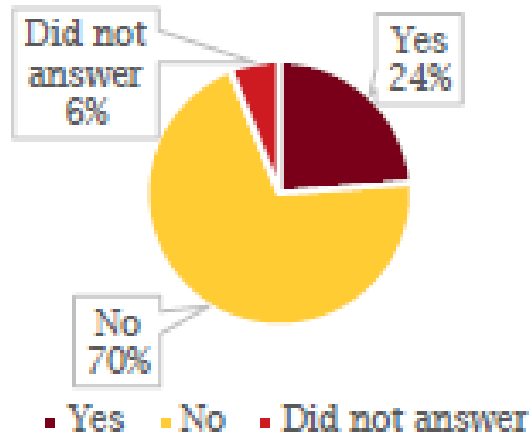
Figure 4. Does this business have a written transition plan for ownership, leadership, or both?

Fall 2019: Identify and confidentially reach out to businesses who may be looking to transition in the near future

Winter 2020: Start planning event – building on the interest generated in the outreach

Spring 2020: Market event to potential buyers and educate sellers on transition planning and how to prepare for the event

April/May 2020: Host event

Summer 2020: Develop a running list of interested business buyers and sellers that would be used internally by local EDAs to help make "matches" as they arise

Who is involved?

- Volunteers + Professionals
  - Leadership Team
  - Task Force
  - Volunteer Visitors
  - Business Owners
- Outside Professionals
  - UMN Extension + UMD
  - State agency & Chamber & other ED experts

Minnesota BRE examples in the literature

BUSINESS RETENTION AND EXPANSION (BRE)

Community Development — Current Issues Series

A PRACTICAL APPROACH TO ECONOMIC DEVELOPMENT

Edited by
Michael Darger, Alan Barefield, and Brent D. Hales
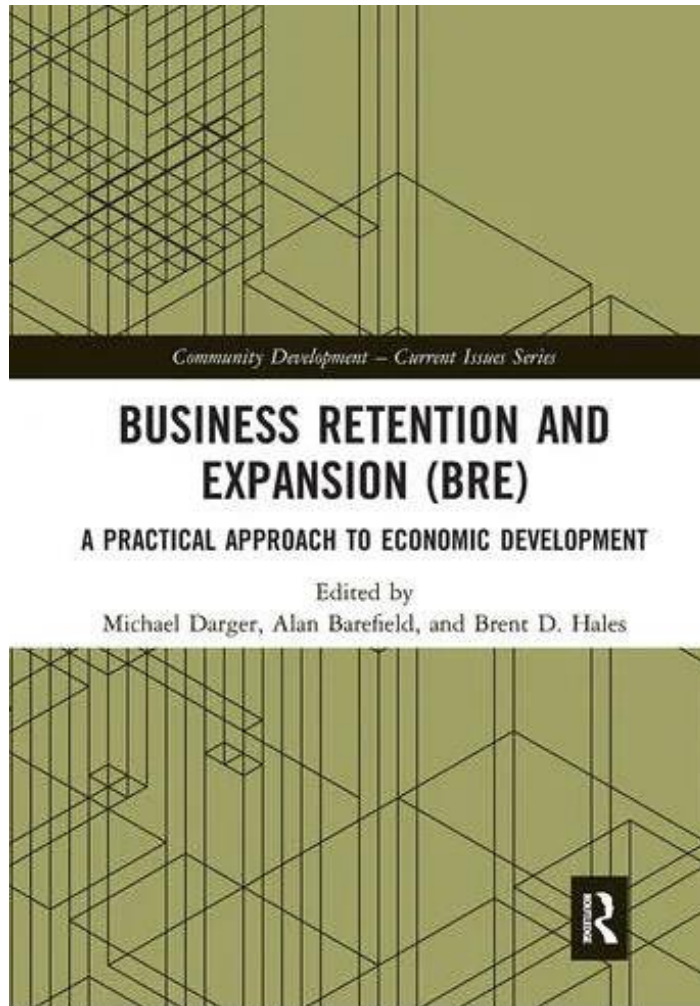
- **Several chapters from MN**
  - UMN's BRE program evaluation and improvements
  - A statewide Chamber driven BRE model, "Grow Minnesota"
  - Using BRE methods to inform transportation planning in MnDOT regions
  - The Silver Tsunami and rural small business transition
- Free downloads at z.umn.edu/Darger

Other BRE learning resources

Understanding Business Retention ...

U of M Extension Center for Community Vitality - 4 / 10

1. What is business retention and expansion (BR&E)? — 2:17
   U of M Extension Center for Com...

2. Why is BR&E a core economic development strategy? — 2:51
   U of M Extension Center for Com...

3. How to do a Business Retention & Expansion BRE... — 18:28
   University of Minnesota Extensio...

   Role play skit. How to do a Business Retention &... — 10:52
   University of Minnesota Extensio...

5. Tips on how to make excellent business visits in a Business... — 7:33
   University of Minnesota Extensio...

6. Business Retention and Expansion (BRE) Resources — 3:42
   U of M Extension Center for Com...

Our BRE model

Open all | Close all

The following is a brief introduction to the practice and precepts embedded in our long-standing BRE Course.

\+ Major Task 1: Define your goals for doing BRE

\+ Major Task 2: Data gathering and relationships with businesses

\+ Major Task 3: Responding to business concerns (aka red and green flags)

\+ Major Task 4: Research review meeting

\+ Major Task 5: Research report

\+ Major Task 6: Selecting priority projects

\+ Major Task 7: Sustaining momentum

\+ Evaluating, adjusting and continuing your BRE

- z.umn.edu/BREvideos (playlist)

- z.umn.edu/BREintro (independent learning option)

- z.umn.edu/BREhome (all BRE stuff)

- z.umn.edu/Darger (research and myriad examples)

Finally, what NOT to do

- A classic tip from our role play skit for training BRE visitors.*
  - Brigid is the volunteer interviewer
  - John (middle) is the volunteer note-taker
  - Craig is the business owner

* All are fine Extension actors.