

McKinney Economic Development Corporation BRE Report

April 2024

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This report was provided to inform and assist McKinney Economic Development Corporation (MEDC) with the 2024 Triage BRE Survey.

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Overview



Background

- The McKinney Economic Development Corporation (MEDC) completed a business satisfaction survey in the City of McKinney to understand how to best support local businesses. Business retention and expansion (BRE) activities are highly important to ensure business community needs are monitored and addressed; however, engagement can be time consuming and complex.
- A BRE Survey was commissioned to engage the broader business community, while also allowing for the identification of potential expansion or retention opportunities for follow-up on a business-by-business basis.

Overview



Methodology

- A random sample telephone and email survey was conducted with 103 businesses. The total response rate for the phone surveys was 12.8% which is very high in the market research industry. The average phone interview length was 11 minutes.
- This scientific approach ensures that the results have a high level of accuracy (with a margin of error of +/- 9.6% at a 95% confidence level) and statistically represents the business community in the region.

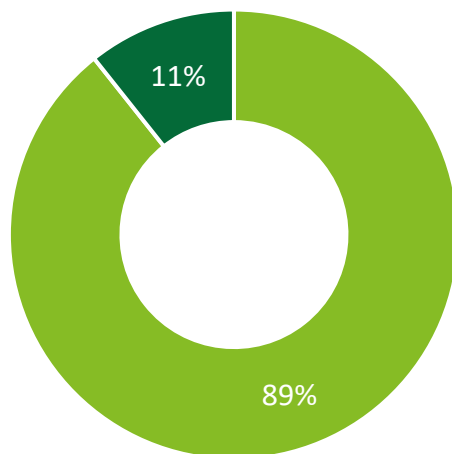


Business Community Firmographics

Firmographics



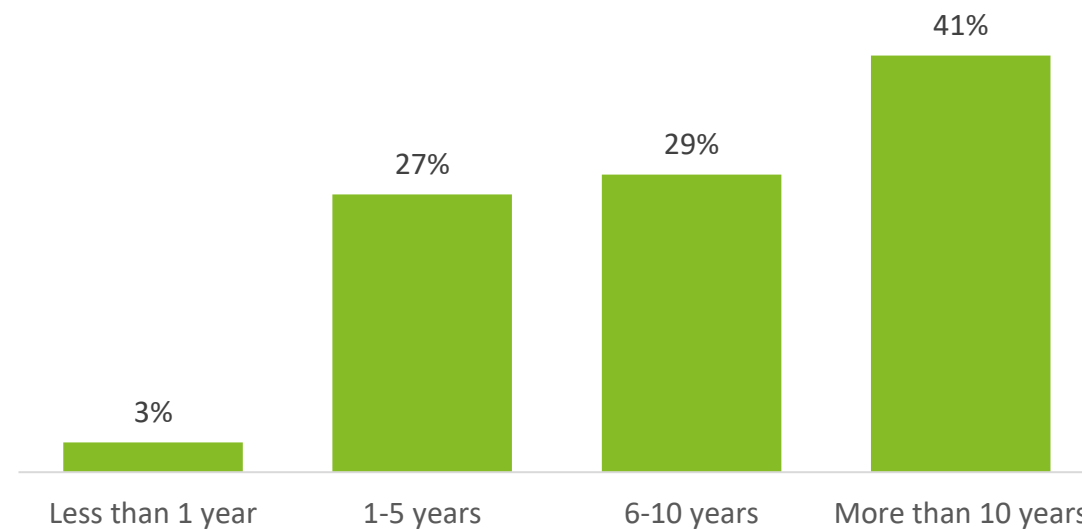
Business Ownership (n=103)



■ Locally Owned and Operated ■ Externally Owned and Operated



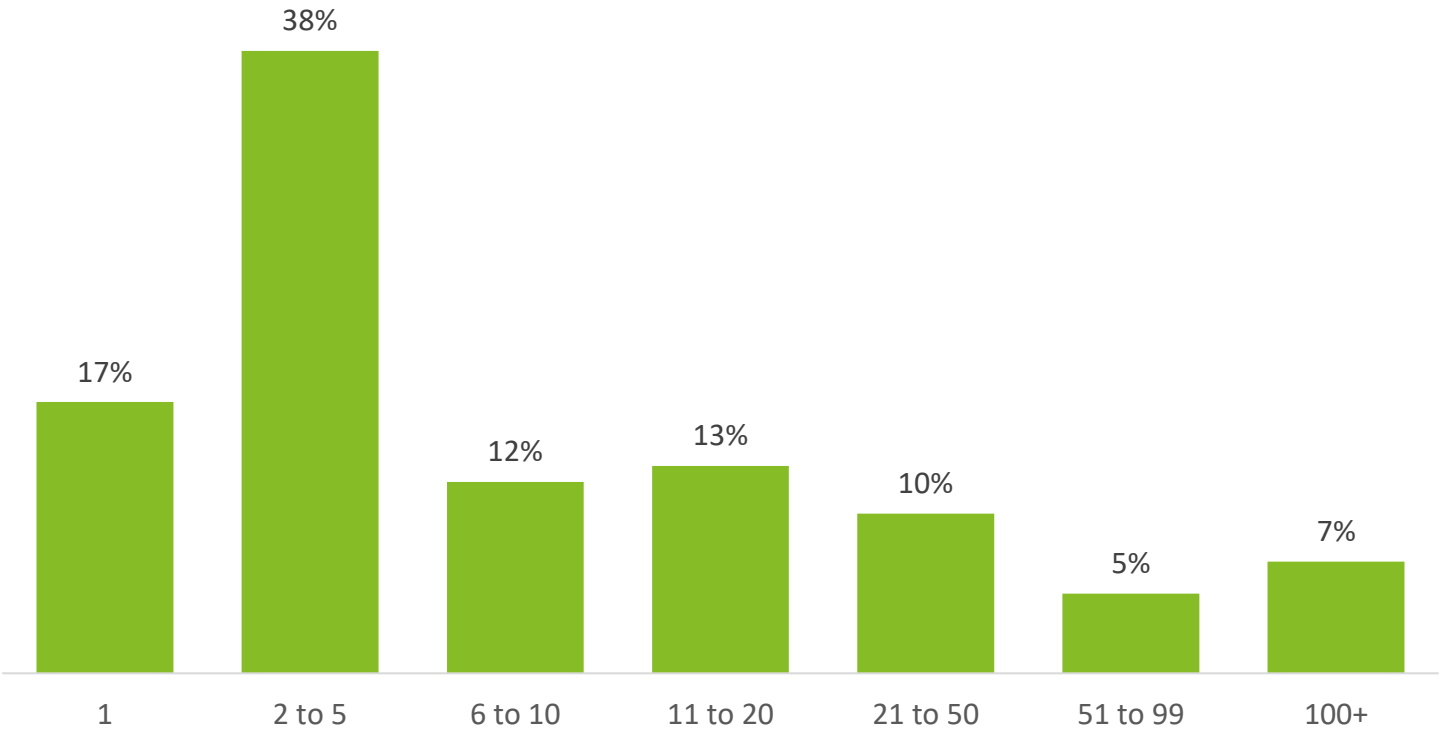
Years Operating in the Community (n=103)



Firmographics



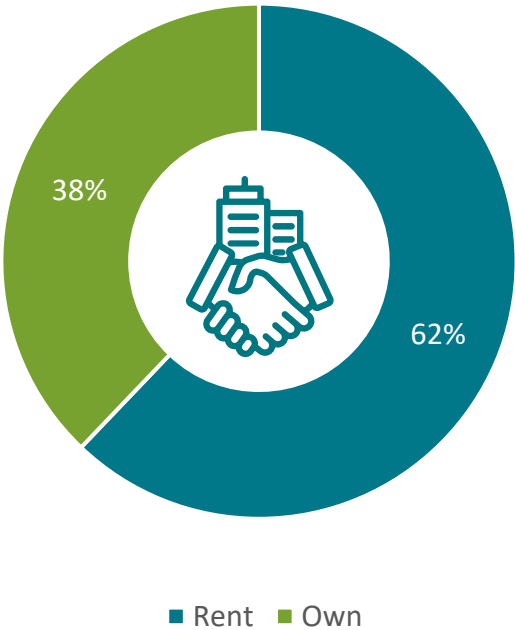
Number of Full-Time Employees (n=103)



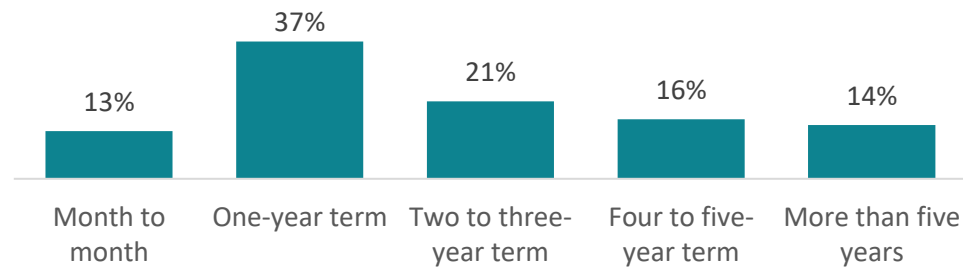
Firmographics



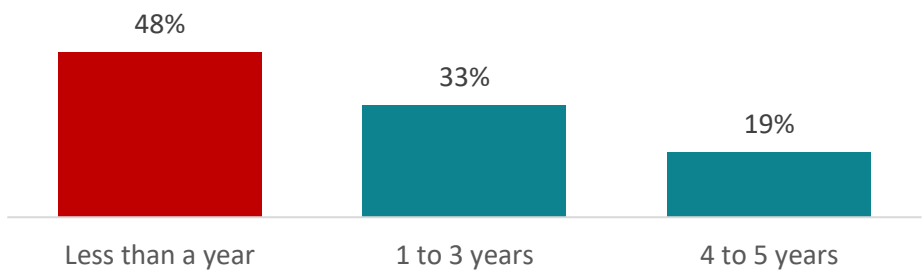
Own or Rent Business Property? (n=103)



Term of Lease (n=63)



Lease Expires (n=58)





Business Performance

Business Performance



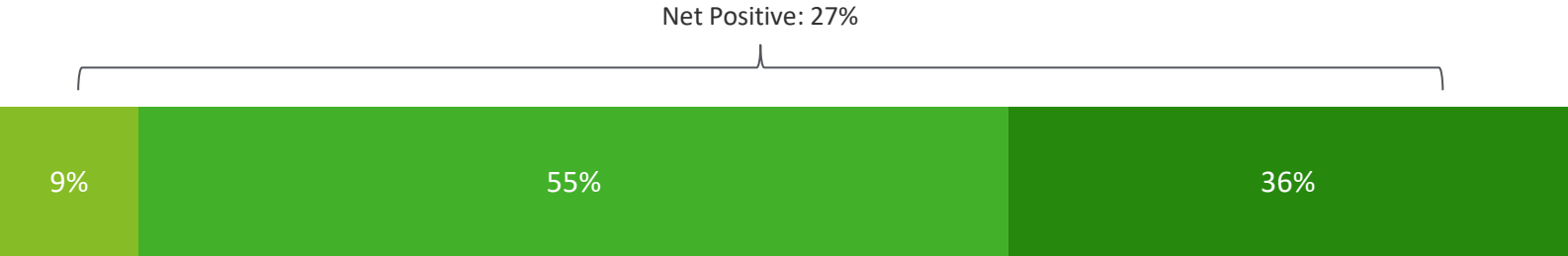
■ Decrease ■ Remain the same ■ Increase

Over the past 12 months did the total number of employees in your company: (n=102)



■ Decrease ■ Stay the same ■ Increase

Thinking about the next 12 months, do you expect the total number of employees in your company to: (n=101)



■ More negative ■ The same and has not changed ■ More positive

Over the past 12 months would you say your attitude about doing business in the city is... (n=101)



Business Performance



■ Decreased ■ Remained the same ■ Increased

Over the past 12 months have revenues at your business...
(n=103)



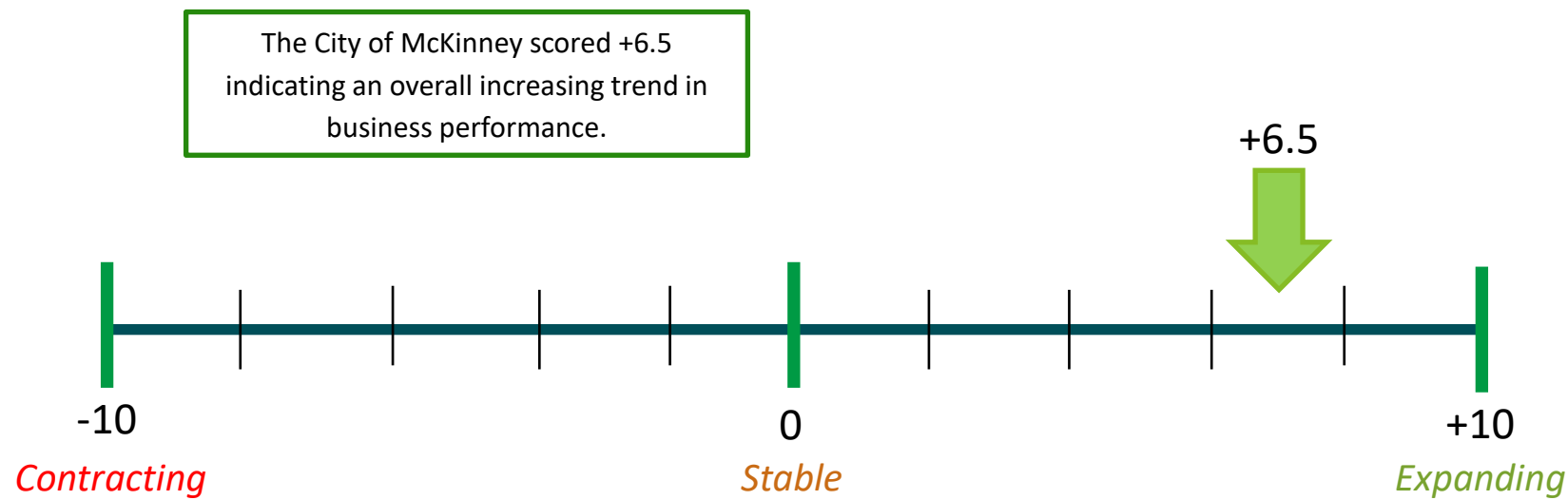
■ Lower ■ The same ■ Higher

And what are your expectations for the next 12 months in total revenues compared to last 12 months?
(n=102)

Business Performance



The Business Performance Forecast is a metric created by combining the five business performance questions. It considers the changes in staff, revenue and attitudes among businesses in the city for an overall directional picture of the business climate in the area.

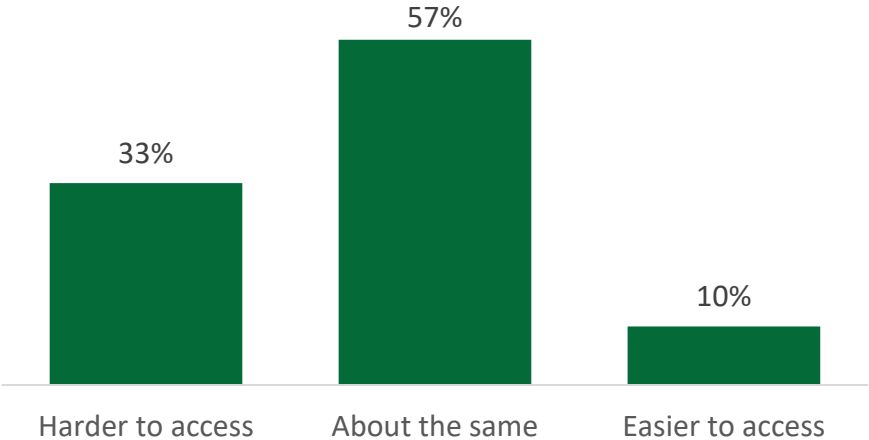


Labor Needs

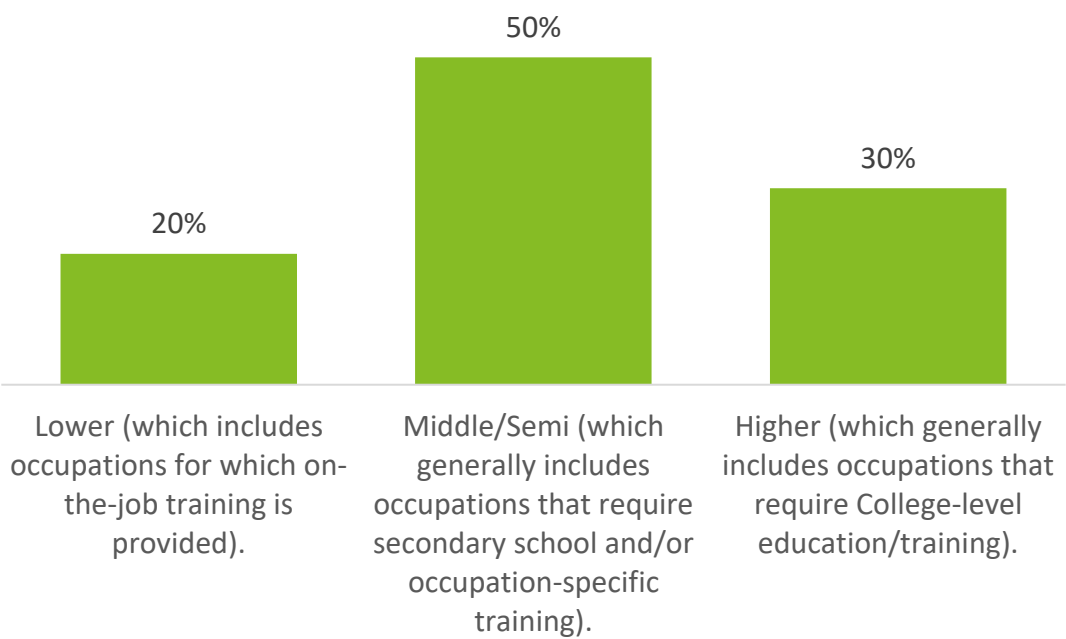


Access to required labor

Over the past 12 months, would you say required labor, was (n=93)



What skill level was most difficult to access? (n=30)

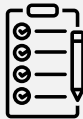


**This question was only asked to respondents who reported that required labor was harder to access.*



Net Promoter Score

Community Recommendation



Please rate the level to which you agree or disagree with the following statement: I would recommend the City of McKinney to another business looking to expand or relocate. (n=103)

Top 2 Box: 94%



Strongly disagree Somewhat disagree Somewhat agree Strongly agree

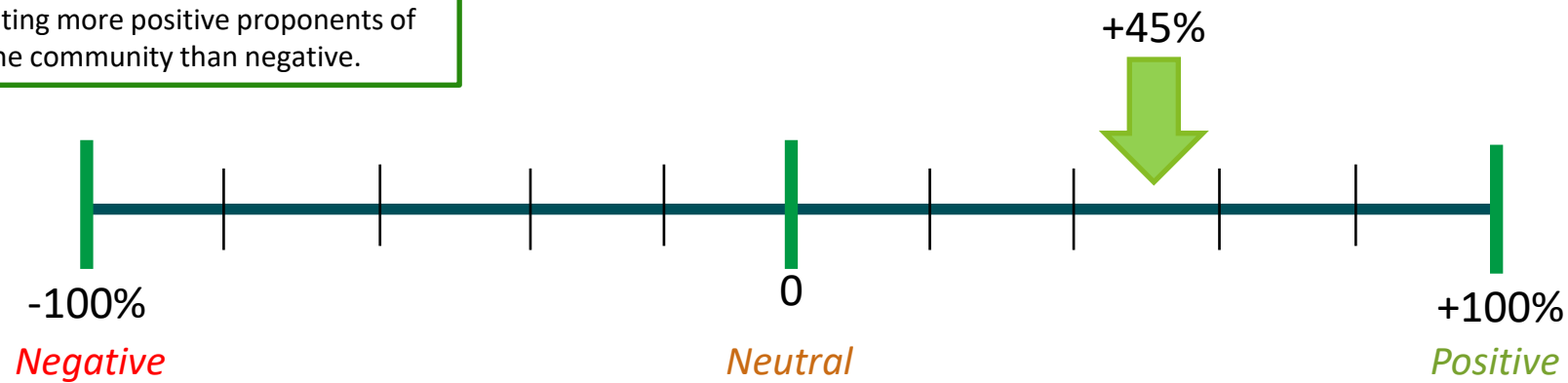
Net Promoter Score



Net Promoter Score: Based on response to the following statement – “I would recommend the City of McKinney to another business looking to expand or relocate.”

Group	Definition	Response to question	Percentage
Promoters	Active proponents of the community	Strongly Agree	51%
Passives	Neutral businesses	Somewhat Agree	43%
Detractors	Businesses with a negative opinion that may harm branding efforts	Somewhat Disagree or Strongly Disagree	6%

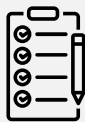
The Net Promoter Score was +45% indicating more positive proponents of the community than negative.





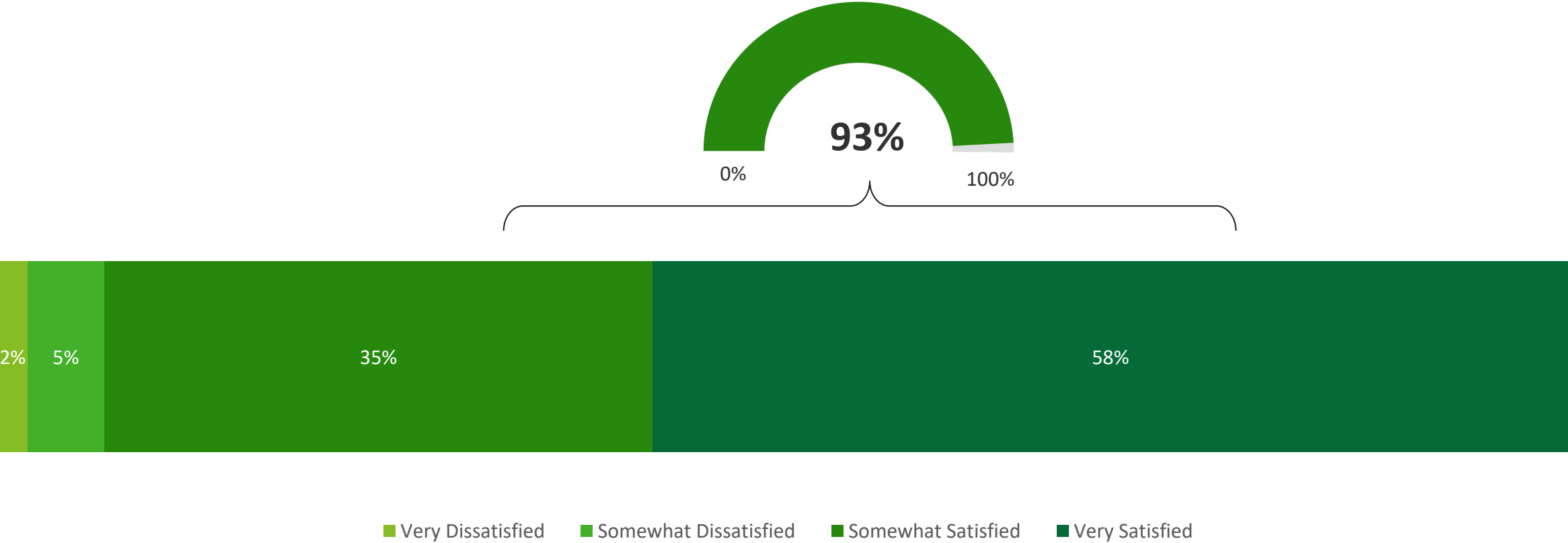
Key Performance Indicator (KPI)

Key Performance Indicator (KPI)



Overall, how satisfied are you with the City of McKinney as a place to own and operate a business? (n=103)

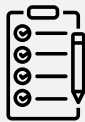
KPI:



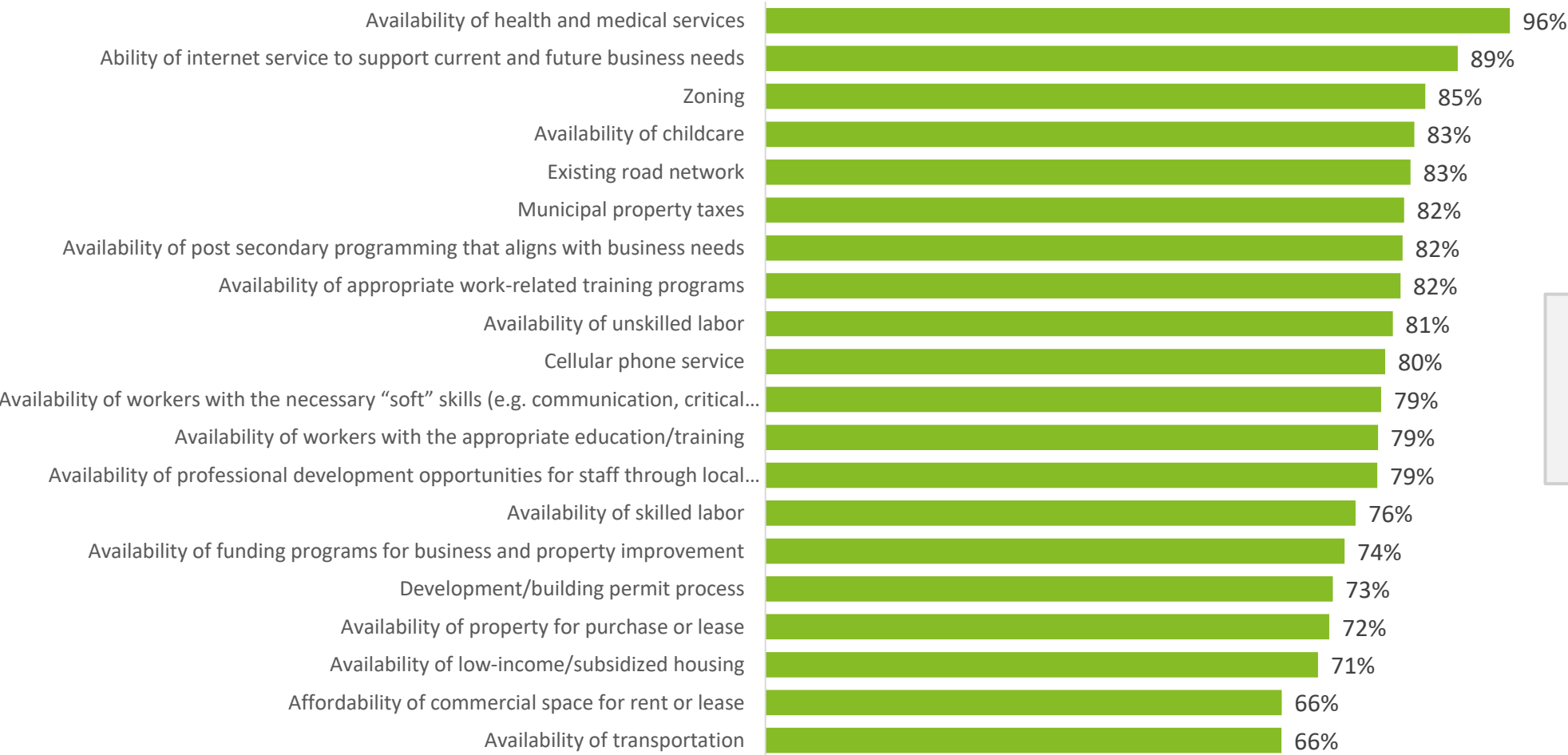


Satisfaction Levels

Satisfaction Levels



How satisfied you are with each of the following factors of doing business in the City of McKinney (N=103):





Top two box:
*Very Satisfied &
Somewhat Satisfied
combined.*



Derived Importance & Priority Matrix

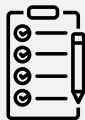
Priority Matrix

Factor	Performance	Importance	Priority Rank	
Availability of funding programs for business and property improvement	74%	9.4	1	 Higher Priority
Availability of transportation	66%	5.3	2	
Affordability of commercial space for rent or lease	66%	5.3	3	
Availability of low-income/subsidized housing	71%	5.3	4	
Development/building permit process	73%	5.5	5	
Availability of property for purchase or lease	72%	5.3	6	
Availability of skilled labor	76%	5.5	7	
Availability of workers with the necessary “soft” skills (e.g. communication, critical thinking, and teamwork, etc.)	79%	6.4	8	
Availability of appropriate work-related training programs	82%	6.9	9	
Cellular phone service	80%	5.5	10	 Lower Priority
Existing road network	83%	6.4	11	
Availability of workers with the appropriate education/training	79%	5.0	12	
Availability of professional development opportunities for staff through local education/training providers	79%	4.7	13	
Availability of childcare	83%	5.8	14	
Municipal property taxes	82%	5.3	15	
Zoning	85%	6.1	16	
Ability of internet service to support current and future business needs	89%	8.0	17	
Availability of unskilled labor	81%	4.4	18	
Availability of post secondary programming that aligns with business needs	82%	4.7	19	
Availability of health and medical services	96%	5.5	20	



Business Community Health Index

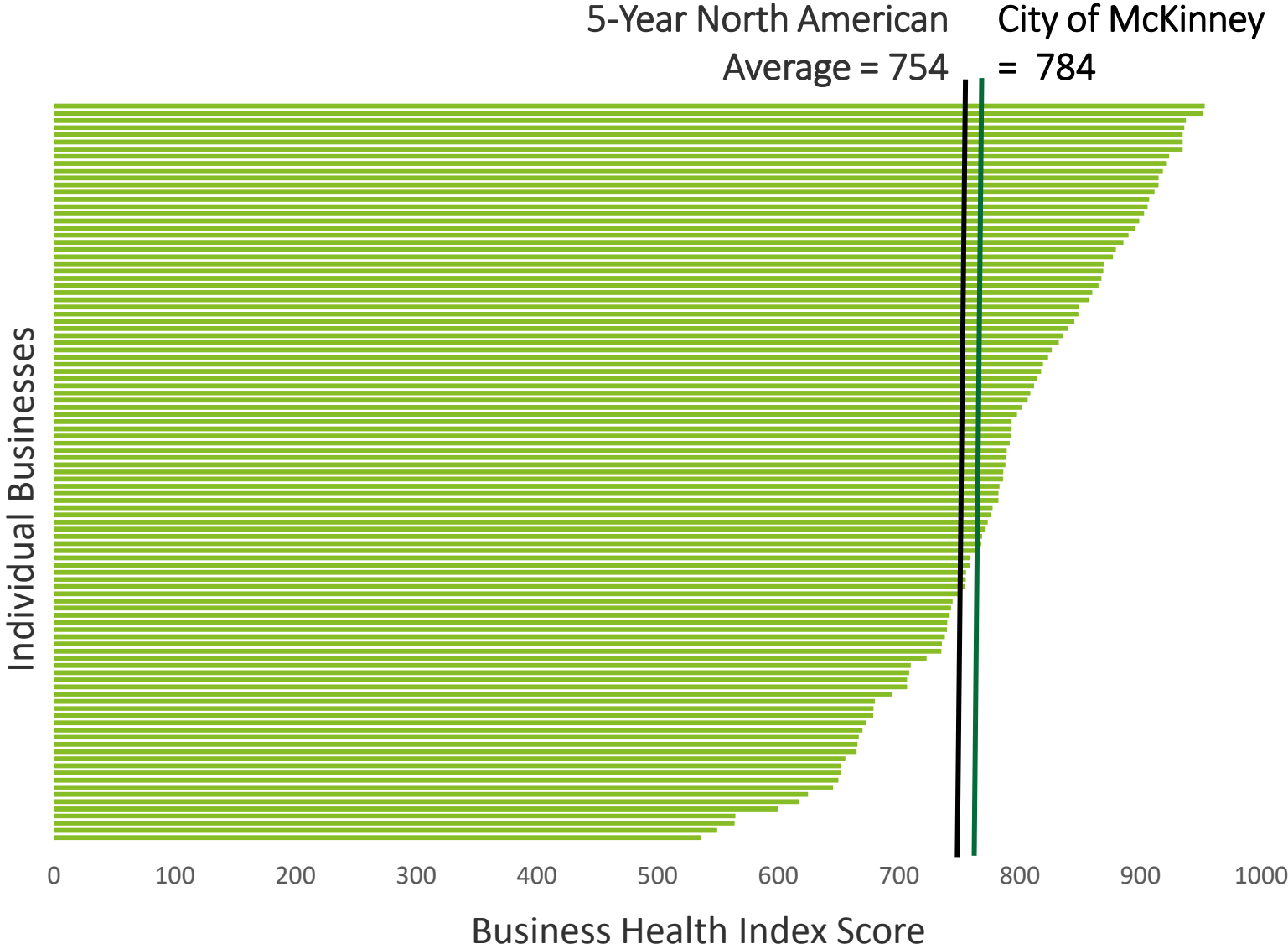
Business Community Health Index



Using the results of this business survey, Deloitte combines the questions into a proprietary Community Business Health Index which is the combination of the following nine sub-scores:



Business Community Health Index



McKinney scored very well on the Business Community Health Index. This index is based on several factors:

- The city outperformed the North American average with regards to businesses’ historical and expected future revenues, changes in business attitudes, and community recommendation.
- The city scored relatively lower than the North American average on the sub-scores related to Business Policies, Supports and Incentives, and Infrastructure and Amenities measures.



Future Plans

Future Plans – Next 24 months



Businesses with plans to expand:

- **43** businesses total
- **20** within the next 6 months
- **23** in more than 6 months

Plans to downsize:

- **5** businesses total
- **1** within the next 6 months
- **4** in more than 6 months

Plans to relocate:

- **10** businesses total
- **3** within the next 6 months
- **7** in more than 6 months

Plans to close:

- **2** businesses total
- **2** within the next 6 months

Plans to sell:

- **5** businesses total
- **1** within the next 6 months
- **4** in more than 6 months

Triage Flag Results

Throughout the survey process Triage cases that represented green or red flags were tracked. Out of the 103 businesses surveyed, 93 businesses presented an opportunity for intervention.



= Businesses considering expanding in the next 2 years.

= 43 businesses.



= Businesses considering relocating, downsizing, selling, or closing. Also, businesses whose lease expires in less than a year.

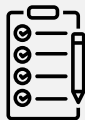
= 50 businesses



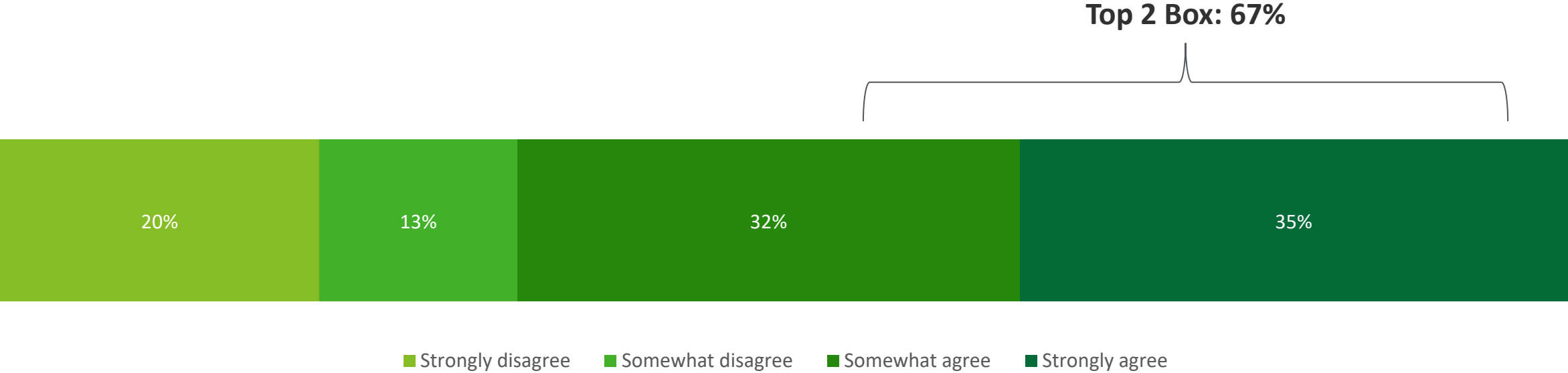


Communications

Communications



Please indicate the level to which you agree or disagree with the following statement: “I know who I need to talk to at the City if I have a problem with my business or a business concern I’d like to share”. (n=103)





Conclusions

Conclusions

Highly satisfied business community: Businesses operating within the city are highly content with the area as a place to conduct their operations, with a 93% satisfaction rate. Businesses were especially satisfied with the availability of health and medical services (96%), ability of internet service to support the current and future needs of the business (89%), and zoning (85%). High scores in these metrics have a strong impact on the overall satisfaction scores of the local business community and are excellent indicators of a healthy community economy.

Top business priorities in the city: Using Deloitte's proprietary derived importance methodology, it was found that the top priority factors for the business community include the availability of funding programs for business and property improvement, the availability of transportation, and the affordability of commercial space for rent or lease.

At the business community-level, Deloitte recommends that the MEDC examine the top items in the Priority Matrix and assess where improvements can be made. If the MEDC is able to make improvements in these areas for the business community, this would be expected to improve overall satisfaction looking forward.

At the individual business-level, Deloitte recommends following up with the businesses who have opted to share their individual responses, to connect and offer any supports available that may benefit them. Some items that are well-suited to prioritize which businesses to follow-up with include:

- Green or red triage flags
- High or low Community Business Health Index scores
- Businesses who are unsure who to reach out to with business concerns in the city