

Forming a Business Organization for Lowell/Highway 58 Businesses

Summary of Findings



June 2019

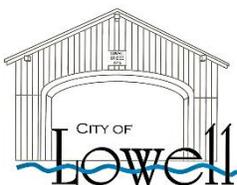


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1.0 Introduction & Purpose

In the winter of 2018/19, City of Lowell administrator Jared Cobb approached RDI to help explore interest in a local business organization. The City had recently undergone a comprehensive planning process and identified the creation of a local business organization as an economic development strategy to pursue in the coming year. RDI focused on the questions: (1) Is there sufficient demand among local businesses to justify a business organization? (2) What needs should a business organization seek to fulfill?

This document outlines the business engagement process and research, which focused on understanding the level of interest in a business organization, business needs, and how a regional business organization operates. This report also includes some recommendations for the region to move forward.

Business organizations can be a local catalyst of economic development, promoting coordination between businesses, engagement between businesses and the community, and an atmosphere of regional cooperation. At the start of this research project, it was decided that the business organization would need to encompass a broader area than just Lowell. Lowell has a sizeable business base and is large enough to have its own business organization, but given the unique nature of the surrounding area, the most logical path is to have a business organization with a regional scope. The “Highway 58 Region” consists of several cities including Lowell, Dexter, and Pleasant Hill, as well as several other smaller unincorporated towns.

The region is defined in two primary ways: geographic proximity to Eugene and Highway 58. These geographic factors have a unique influence on the regional economy.

- Only 7% of workers live and work in the same city
- The region also services those commuting along Highway 58, a highly trafficked connector between the Willamette Valley and Central Oregon.

As such, the business mix reflects a combination of services supporting Highway 58 drivers, local residents, and a mix of agriculture and logging businesses.

See map of region on next page.



2.0 Business Outreach

In order to gain insight into the needs of the Lowell-Pleasant Hill-Dexter region, RDI conducted two focus groups and several interviews during March and April with business owners across the region. In both the focus group and the interviews, business owners were asked to provide information about their businesses, their existing business networks, their business needs, and their ability and willingness to join a regional business organization. In total, 12 businesses were initially reached for comment. These businesses varied by sector and by size. Interviews were conducted with brick and mortar businesses as well as with home-based businesses. While most interviewees represented retail businesses, there were also interviews with other sectors including construction and agriculture.

2.1 Level of Interest

- Most businesses interviewed were positive about the idea of a business network within the community. While some expressed that they themselves would not participate in or benefit from a regional business network, none expressed opposition to the idea.
- Interest was not unanimous. Of the businesses interviewed, four explicitly stated they had no interest in participating in a regional business organization.
 - Some felt they did not have the time or resources to participate.
 - Some believed their business was too loosely connected to the region to be part of a network.

- Others did not believe that a business organization would be able to provide value to their business operations.
- Findings of those businesses interested in participating follow:
 - Businesses in the retail or service sector were much more likely to express interest in the idea of a business organization than those in other sectors.
 - Regardless of sector, the vast majority of those expressing interest said their support was conditional on the structure and activities of the organization.
 - Level of commitment was a primary concern, with many businesses unsure if they would be able to commit much time or money to an organization. While some expressed interest in monthly meetings, most believed that quarterly or biannual meetings would best fit their schedules.

2.2 Activities Desired

Additionally, businesses interested in an organization wanted to ensure the activities carried out would fit their needs. The most commonly desired activity for a business network was *increasing marketing capacity* of the region. This included both external marketing to bring in more customers from outside the region, as well as internal marketing to let local consumers know about existing businesses. There was also a stated desire for additional technical assistance to fit business needs, including a need for classes on social media marketing, business management and development assistance, and a request for assistance with grant writing. Other interviewees simply expressed interest in having an organization to carry out community events or to simply convene business owners.

3.0 Business Organization Practices & Case Studies

Another research element was to provide a greater understanding of how business organizations operate. The purpose was to understand what structures business organizations use for funding, operations, and membership, and to identify what business organizations do to support local businesses and the community. Case study examples of organizations that exist in regions similar to the Highway 58 region were compiled, and this research includes a list of common factors shared between business organizations. Results are summarized below. Overall, the biggest takeaway is to scale the level of formality, rules, and activities of the organization to the available funding, capacity, and size of the organization.

3.1 Business Organization Common Practices

This section highlights considerations and common practices for forming a business organization.

Participation/Membership. A reasonable first question of any business organization is who gets to be a part of the organization and benefit from its services. A common practice among organizations is to make certain business organization activities (e.g., access to public meetings

and events; inclusion in a business directory) available to all businesses while making certain activities (e.g., access to special events, technical assistance, public marketing) available to members only.

Funding. The distinction noted above also points to how business organizations commonly raise the money and support they need to carry out their activities. In smaller organizations, this process can be more informal:

- Businesses donate money and services given their ability rather than to meet a certain standard. This can work for organizations with small memberships and budgets; however, a level of formality is necessary for an organization to grow.

In larger organizations, a more formalized funding structure can include:

- A standardized membership fee
- A tiered membership fee system with different benefits at each tier
- A sponsorship model by which businesses sponsor business organization events

In any of these cases, business organizations need a method of collecting money from members. Options include:

- A fiscal sponsor that provides an account for the organization.
- The organization can formally establish as a 501(c)(3) or 501(c)(6). Formally establishing as a 501(c)(6) is a huge step for a business organization and comes with significant cost. Not only is there a financial cost to legally incorporating, a 501(c)(6) must have a dedicated board that can meet regularly to discuss organizational matters. While taking this step is often inevitable for many growing business organizations, many wait to take this step until they have a proven track record as an organization. After proven success conducting activities, raising money, and recruiting members, an organization can hope to legally incorporate and potentially even hire an employee.

3.2 Business Organization Activities

The “success” of a business organization is often measured by the organization’s ability to conduct activities to the benefit of its members and the community. These activities range in complexity and scale depending both on the capacity of the organization and the need of the community.

New and small organizations must seek to grow by showing their value to the community. A very basic business organization strategy is to develop a directory of all businesses in the region. This can be housed online, held at a physical location, or even mailed to all community members but is commonly made publicly available. A directory enables businesses to connect with other businesses and is a method for local residents to know what services are available locally.

A business directory also enables the business organization to connect with more businesses and begin developing a local network. Many organizations develop regular business networking meetings that allow for cross-communication. These meetings are invaluable, as they allow for additional communication between community leadership and business owners and enhance cross learning and collaboration between businesses.

Websites and social media pages can provide useful channels for educating the public on business community issues, while also providing a means for businesses to connect with one another. Additionally, websites and social media pages can add legitimacy to an organization by creating an established communication channel between the organization and the community.

Websites are a good first step for developing the marketing capacity of an organization. Business organizations may also pool funds among businesses with limited marketing budgets to create focused marketing campaigns. These campaigns can be directed internally or externally, either promoting businesses within the community to local residents, or raising awareness of local businesses.

Business organizations can also provide important technical assistance to their members. Common technical assistance ranges from developing marketing skills to budgeting abilities to finance and legal capacities. Depending on the capabilities of those in the organization, these educational opportunities can be delivered in-house, by a local business owner with expertise, or by a local partner.

While the above activities are common among local business organizations, they are not all encompassing. Other functions include (but are not limited to):

- Developing workforce programming
- Creating public jobs boards
- Advocating for local business within government
- Community event planning

The direction that a local organization decides to go should depend primarily on the needs of its members, as well as the capacity of the organization to carry out those activities.

3.3 Case Studies

To help Lowell/Highway 58 businesses visualize how their organization may take shape, RDI identified two strong business/chamber organizations that serve businesses and residents of a region. Organization highlights appear below. *Details and budgets are included in Appendix A.*

Veneta-Fern Ridge Chamber of Commerce



The Veneta-Fern Ridge Chamber of Commerce is organized to connect commerce and community support agencies while promoting and coordinating efforts in commerce to create and maintain a healthy business climate that enriches the lives of those in the community.

Structure & Activities:

- Highly Formalized Structure
- Business Directory
- Business Events
- Community Events

Goals:

- Connect commerce and community support agencies
- Promote and coordinate efforts in commerce to create and maintain a healthy business climate

Annual Budget: \$36,000

Key Services & Activities:

- Economic and business development initiatives include supporting the formation of the City's Economic Development Committee, the creation of a business retention and expansion program known as Veneta Business Connect, and the development of the Veneta Small Business Assistance Center
- Provides local, state, and county resources; Jobs board; Business Directory

Events:

- Chamber Board Meeting
- Quarterly Luncheon
- Distinguished Service Awards
- Local Business Showcase

Myrtle Creek-Tri City Area Chamber of Commerce



The Myrtle Creek-Tri City Area Chamber of Commerce believes that the preservation, growth, and promotion of local businesses is directly related to their economic success.

Structure & Activities:

- Multi-City Organization
- Business Directory
- Business Awards
- Regional Tourism Committee

Goals:

- Promote the area
- Preserve small town charm
- Encourage economic growth and development

4.0 Next Steps

In May 2019, RDI facilitated a business after-hours network meeting to share the results of research and gather more details from local business owners on their specific needs for a business organization. At that time, over 20 businesses participated in a group discussion. In addition, following the meeting, 14 businesses completed the survey. Fourteen businesses participated in a brief survey with highlights below. *See Appendix B for full survey results.*

What are the top two most important functions of the business group?
○ Marketing for more customers—local and visitor: 64.3%
○ Networking and connections to Highway 58 small business community: 57%
How to market (top two interests):
○ Facebook page: 54%
○ Website: 84.6%
Frequency of meetings or activities:
○ Quarterly: 71.4%
Are you interested in joining and participating?
○ Yes: 93%
Willingness to pay—membership options + benefits:
○ \$25 – Individual: 43%
○ \$50 – Small Business (example: \$50 x 30 members=\$1,500): 35.7%
○ \$100 – Small Business (example: \$100 x 30 members=\$3,000): 21.4%
○ \$250 – Large Business Partner/Sponsor: 14.3%
Structure
○ Function with a volunteer coordinating committee: 63.6%
○ Task forces? Project groups? 18.2% 2
○ Work through an existing 501(c)(3) or 501(c)(4) 18.2%
○ Contract out website development/maintenance: 27.3%

4.1 Short-Term Recommendations

Following the May business network meeting, in early June, RDI staff met with a small group of business owners who expressed interest in serving as a core organizing team. From this discussion and prior research, the following initial recommendations emerged for the Highway 58 Business Organization.

1. Given that the Highway 58 regional business organization is brand new and has yet to develop a regular membership base, the organization should start small and look to grow over the first few years.
2. Initial actions should include identifying a fiscal sponsor, recruiting more business owners into the organization, developing a database of businesses, and fundraising.
3. Additionally, the organization will need to build its leadership capacity by forming a steering or coordinating committee and identifying a chair and communications coordinator. Small work teams of two to three people during the start-up phase could also be productive with key tasks around marketing, fund development, and setting goals.
4. The organization should also create a website to include business directory and contact list. This will enable recruitment efforts and will enhance communication with businesses. *See Appendix C for a list of small community/chamber websites that are excellent models.*
5. Seek a few start-up sponsors (city/fire district/schools, county, Emerald People's Utility District, and other large businesses) to seed the Highway 58 Business Association. At least three businesses noted they would contribute. Initially, funds will be used to develop a website and social media.
6. Form a simple charter and goals that describe the organization and its purpose. The case studies include sample goals.
7. Set a date and promote save the date for the first quarterly meetings to network and plan; late summer/early fall of 2019 is optimum for a business organization event.
8. When surveyed, business owners expressed interest in joining a steering committee. Eleven business owners provided contact information in response to Question 9 of the survey. *See details included in Appendix B of this report.*

4.2 Long-Term Recommendations

As for long-term goals, marketing and business technical assistance were specifically mentioned in both surveys and interviews as interests of business owners. Both of these goals require more resources but are realistic programming options once the organization is more established. In the short term, partner organizations like Oregon RAIN may be able to spearhead business education activities.

Appendices

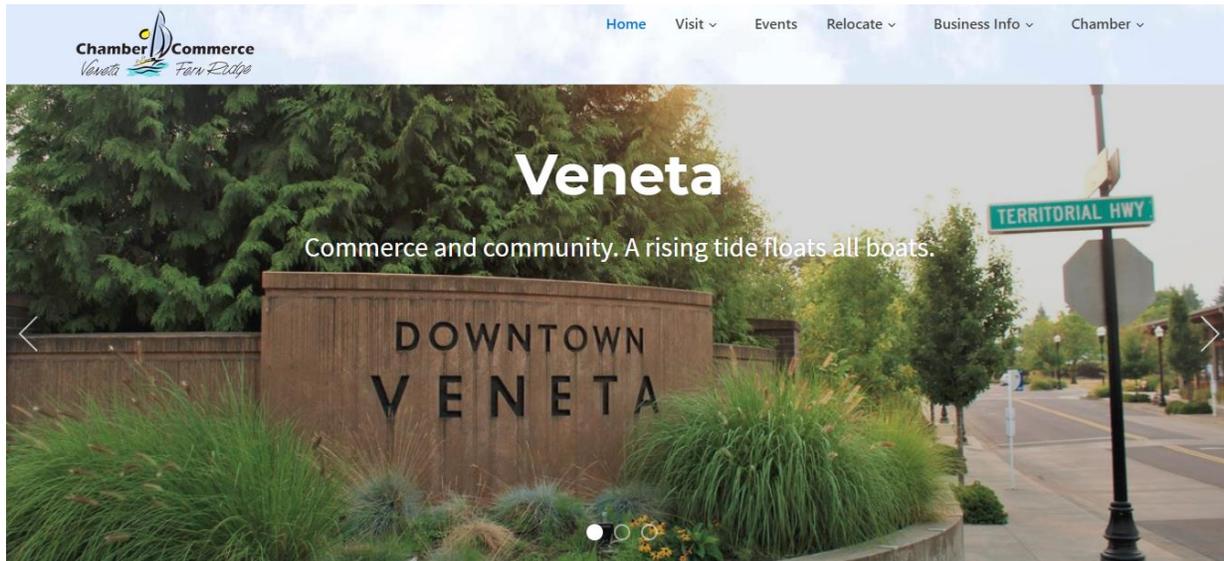
Appendix A. Case Studies & Sample Chamber of Commerce Budgets

Appendix B. Survey Results

Appendix C. Chamber of Commerce Website Examples

Case Study: Veneta-Fern Ridge Chamber of Commerce

venetafernrIDGEchamber.com



The Veneta-Fern Ridge Chamber of Commerce is organized to connect commerce and community support agencies while promoting and coordinating efforts in commerce to create and maintain a healthy business climate that enriches the lives of those in the community.

- Highly Formalized Structure
- Business Directory
- Business Events
- Community Events

Annual Budget: \$36,000

- Networking with member businesses
- Business referrals to Chamber members
- Business referrals to the general public
- Opportunity to harness the power of the internet by placing a reasonably priced ad on Chamber website
- Listing in the Chamber directory website
- Monthly membership meetings
- Opportunity to hold committee and board position
- Participation in Annual Chamber events including: Annual Meeting, Distinguished Service Awards, Fern Ridge Light Parade, Business Expo, and more
- Member-to-Member discounts
- Business After Hours

Membership Benefits Include:

- Members directory listing
- Preferred referrals

- Business advocacy
- Membership directory web listing including link to your website
- Your Business cards displayed at Chamber office
- Monthly meeting Table Flier
- Member discounts at Chamber events
- Discounted educational events
- Chamber Newsletter
- Member to member discounts at Chamber Events
- Use of Chamber logo in your marketing
- Chamber Logo
- Window Decal
- Online Calendar
- Host after Hours Event
- Network at Monthly Membership Meetings
- Office display if brochures or special fliers
- 1 email marketing campaign

Key Services & Activities: Economic and business development initiatives include supporting the formation of the City's Economic Development Committee, the creation of a business retention and expansion program known as Veneta Business Connect, and the development of the Veneta Small Business Assistance Center; Provides local, state, and county resources; Jobs board; Business Directory

Events: Chamber Board Meeting; Quarterly Luncheon; Distinguished Service Awards; Local Business Showcase

Goals: Connect commerce and community support agencies; promote and coordinate efforts in commerce to create and maintain a healthy business climate

Case Study: Myrtle Creek-Tri City Area Chamber of Commerce

www.myrtlecreekchamber.com



[home](#) [about](#) [calendar & events](#) [awards & nominations](#) [chamber membership](#)

[MONTHLY NEWSLETTER](#) [BRING EM IN COMMITTEE](#)

The Myrtle Creek-Tri City Area Chamber of Commerce strives to preserve our small town charm while encouraging economic growth and development.

The incorporated City of Myrtle Creek and the unincorporated Tri City area just south of the City are located adjacent to Interstate 5, approximately halfway between the cities of Eugene and Medford, Oregon. The population of the combined area is approximately 10,000.

The Myrtle Creek-Tri City Area Chamber of Commerce has been active in promoting the Myrtle Creek-Tri City area by producing promotional brochures, sponsoring community events (such as our free Music in the Park concert series) and coordinating our efforts with other area Chambers of Commerce.

The Myrtle Creek-Tri City Area Chamber of Commerce prides itself in representing all of our members by serving as a link between businesses,



The Myrtle Creek-Tri City Area Chamber of Commerce strives to preserve their small town charm while encouraging economic growth and development.

- Highly Formalized Structure
- Business Directory
- Business Events
- Community Events

Key Services & Activities: Business of the Month/Year Awards; Citizen of the Year; Creative fundraising efforts

Events: Free concert series; Membership meetings;

Goals: Promote the area; Preserve small town charm; Encourage economic growth and development; serve as a link between businesses, government, and private citizens

VENETA-FERN RIDGE CHAMBER OF COMMERCE

2019 Budget

January 2019

	Jan 19	Budget	Jan 19	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
Fern Ridge Events Income	0.00	10,000.00	0.00	10,000.00	10,000.00
Web Site	0.00	1,000.00	0.00	1,000.00	1,000.00
R-TMP	0.00	13,500.00	0.00	13,500.00	13,500.00
Small Business Assistance Ctr	0.00	500.00	0.00	500.00	500.00
Membership	100.00	11,000.00	100.00	11,000.00	11,000.00
Total Income	<u>100.00</u>	<u>36,000.00</u>	<u>100.00</u>	<u>36,000.00</u>	<u>36,000.00</u>
Gross Profit	100.00	36,000.00	100.00	36,000.00	36,000.00
Expense					
Advertising/Marketing	0.00	500.00	0.00	500.00	500.00
Web	0.00	800.00	0.00	800.00	800.00
Small Business Assistance Center	0.00	1,000.00	0.00	1,000.00	1,000.00
Equipment	0.00	1,000.00	0.00	1,000.00	1,000.00
Executive Board Expense	0.00	400.00	0.00	400.00	400.00
Fern Ridge Events	0.00	6,000.00	0.00	6,000.00	6,000.00
Furniture	0.00	300.00	0.00	300.00	300.00
Payroll	0.00	13,500.00	0.00	13,500.00	13,500.00
Miscellaneous	0.00	800.00	0.00	800.00	800.00
Insurance	37.00	450.00	37.00	450.00	450.00
Bank Card Services	39.51	600.00	39.51	600.00	600.00
Business Fee's	50.00	100.00	50.00	100.00	100.00
Office Supplies	115.97	500.00	115.97	500.00	500.00
Utilities	141.04	1,500.00	141.04	1,500.00	1,500.00
Phone	157.28	1,200.00	157.28	1,200.00	1,200.00
Postage	171.50	150.00	171.50	150.00	150.00
Rent	600.00	7,200.00	600.00	7,200.00	7,200.00
Total Expense	<u>1,312.30</u>	<u>36,000.00</u>	<u>1,312.30</u>	<u>36,000.00</u>	<u>36,000.00</u>
Net Ordinary Income	<u>-1,212.30</u>	<u>0.00</u>	<u>-1,212.30</u>	<u>0.00</u>	<u>0.00</u>
Net Income	<u><u>-1,212.30</u></u>	<u><u>0.00</u></u>	<u><u>-1,212.30</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>

TRI-CITY / MYRTLE CREEK CHAMBER OF COMMERCE

YEAR END REPORT *(revised Jan 2019)*

\$ 8,318.61 Balance in Checking as of January 1, 2018

INCOME

\$ 5,925.50 2018 Association Member Dues
630.00 Ads in Newsletter
\$525.00 Bring 'em In
\$8,963.00 Citizen of the Year Banquet & Auction
\$500.00 Rio Theater Project / Phase III
305.00 Taste of Myrtle Creek 5K Run/Walk
\$ 16,848.50 Total Income

OPERATING EXPENSE

\$ 1,321.13 Advertising
\$91.00 Bookkeeping
\$1,535.00 Liability Insurance
\$208.42 Member Appreciation / Gifts / Florals
\$410.00 Member Services
\$1,935.84 Office Supplies
\$102.24 Phone
248.00 Postage
125.00 Reciprocal Member Dues
282.00 Self Storage Unit
50.00 State of Oregon / Annual Report
786.00 Website Maintenance
7,094.63 Total Operating Expenses

PROJECTS

687.48 Bring 'em In
\$158.00 Business of The Month

6,741.34 Citizen of the Year Banquet & Auction
296.63 Halloween / Candy / Costume
\$12.50 Myrtle Creek Show 'N Shine
500.00 Summer Festival
1,049.00 Taste of Myrtle Creek 5K Run/Walk
9,444.95 Total Project Expense

DONATIONS

\$700.00 Donation to School Programs
\$1,807.00 Donation to Community Programs
\$ 2,507.00 Total Donations

\$ 19,046.58 Total Expenses

\$ 6,120.53 Ending Balance in Checking Account - December 31, 2018

Highway 58 Business Organization Survey 14 Responses (June 4, 2019)

Q1 What are the top two most important functions of the business group?

- Marketing for more customers—local and visitor: 64.29%
- Small business education, tools for success (from social media to workforce): 28.57%
- Networking and connections to Highway 58 small business community: 57.14%
- Improved communications about what's happening including building a business database: 21.43%
- Business advocacy to public officials: 28.57%

Other:

- Including a mentorship element.
- Email listserv for events? Is that totally dated?

Q2 How to market (top two interests):

- Facebook page: 53.85%
- Website: 84.62%
- Marketing collateral/rack cards/map: 15.38%
- Events: 46.15%

Q3 Frequency of meetings or activities:

- Monthly: 28.57%
- Quarterly: 71.43%
- Annually: 7.14%

Q4 Are you interested in joining and participating?

- Yes: 92.86%
- No: 7.14%

Q5 Willingness to pay—membership options + benefits:

- \$25 – Individual: 42.86%
- \$50 – Small Business (example: \$50 x 30 members=\$1,500): 35.71%
- \$100 – Small Business (example: \$100 x 30 members=\$3,000): 21.43%
- \$250 – Large Business Partner/Sponsor: 14.29%

Other:

- Would need to ask my management
- Only the board of directors can okay expenses. I'm going to be out of town around half of the summer. – Marion
- Tiered structure

Q6 Structure

- Function with a volunteer coordinating committee: 63.64%
- Task forces? Project groups? 18.18% 2
- Work through an existing 501(c)(3) or 501(c)(4) 18.18%
- Contract out website development/maintenance: 27.27%

Other:

- This is from a hard copy response: There's a question mark with arrow pointing to the option "Contract out website development/maintenance"

Q7 Group Name

- Highway 58 Business Association or Network: 81.82%
- Dexter/Lowell/Highway 58 Business Network: 18.18%

Other:

- Highway 58 Business Network
- Willamette Cascade Foothills

Q8 Are you interested in joining the steering committee?

- Yes: 66.67%
- No: 33.33%

Q9 Please share your contact information

Dani Chambers, Maven Creative
dani@callingallmavens.com
541-525-6027

Kendra Goldberg, Just Move Fitness/Pisgah Public Market
kendra.n.chambers@gmail.com
541-968-3398

Kristen Prenevost, Stomping Ground Coffee Shop & J&K Electrical LLC
kristen.prenevost@yahoo.com
541-729-3256

Chris Anthony, Banner Bank
christine.anthony@bannerbank.com
541-726-7211 Work; 541-606-9424 Cell

Marion Toepke McLean/ Fergus McLean, Dexter Lake Farmers Market
toepkemclean@gmail.com and Fergus: fergus@willamettedams@q.com
541-937-3034

Shawn Watson, Premiere Property Group
shawn@shawnwatson.net
541-780-4404

Raj, Oregon RAIN
raj@oregonrain.org
906.281.6970



Salina A Grindstaff, Floral Living
70 East Lakeview Street, Lowell 97452
sgrindstaff7@gmail.com
541-556-7905

Jason Miller, Douglas Fast Net
5783 Mt Vernon Rd, Springfield 97478
jason.miller@dfn.net
541-968-6559

Madeline Carlton, M Carlton Construction
P.O. Box 749, Pleasant Hill 97455
madeline@mcarltonconstruction.com
541-729-7389

Jimmy Martini, Bridge Town Market
105 N Moss St, PO Box 447, Lowell 97452
thefish001@gmail.com
541-937-3124

Q9 Additional Comments

- Happy to pitch in however I can, including doing any legwork on the ground.
- Evening meetings are best for us
- Regarding membership options, Recommended level of 90 could probably swing the \$250 Large Business Partner/Sponsor with the owners. Would love to help however I am able! I have an 18 mo and a 3 mo but I'd make this a priority.
- Next Meeting: End of work day is best for me



Rural Oregon Chamber of Commerce Websites

- Ashland Chamber of Commerce: www.ashlandchamber.com
- Bandon Chamber of Commerce: bandon.com
- Baker County Chamber of Commerce: www.visitbaker.com
- Boardman Chamber of Commerce: www.boardmanchamber.org
- Dallas Area Chamber of Commerce: dallasoregon.org
- Harney County Chamber of Commerce: harneycounty.com
- Redmond Chamber of Commerce: www.visitredmondoregon.com
- Silverton Chamber of Commerce: www.silvertonchamber.org
- Veneta-Fern Ridge Chamber of Commerce: venetafernridgechamber.com
- Yachats Chamber of Commerce: www.yachats.org