

2013 Cherokee County SC
Business Retention and Expansion Study



**Valuing the Impact,
Listening to the Needs,
Recognizing the Challenges, and
Supporting the Opportunities of
*Industry in Cherokee County***

July 2013

This study was commissioned by the Economic Development Committee of the local grass roots visioning group, *Cherokee 2020*, in partnership with both the *Cherokee County Development Board* and the *Cherokee County Chamber of Commerce*.



With grant support from the *Cherokee County Community Foundation*, the Study was prepared by the *South Carolina Appalachian Council of Governments*.



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Executive Summary

The following *Business Retention and Expansion Study* (BRE):

- Is submitted to the Economic Development Committee of the volunteer, grass roots community group, **Cherokee 2020**, which includes active participation from both the **Cherokee County Development Board** and the **Chamber of Commerce**;
- Under guidance from this Committee, the Study was completed by the **Appalachian Council of Governments** (ACOG) – a professional service and planning organization which serves local governments in the “Upstate” region of South Carolina;
- Was funded exclusively by a 12-month grant from the philanthropic **Cherokee County Community Foundation**, with additional matching resources from ACOG;
- Recognizes the **irreplaceable economic impact** which existing industry has on Cherokee County;
- Included **40 on-site industry visits** with local manufacturers and manufacturing-related companies in order to explore the strengths, weaknesses, opportunities, and threats inherent to Cherokee County as a place for them to operate.

The following general findings were revealed through the Study process:

- There is a strong and diverse industrial base in Cherokee County which sells and ships goods throughout the region, nation, and world;
- There is presently a healthy pace of growth and expansion among local industry;
- The community is a low-cost environment with non-obtrusive local government;
- Through its direct connection to I-85, strong transportation assets are in close proximity, including I-26, international airports, sea ports, and new “inland ports” (rail) presently under construction in nearby Greer, SC and Charlotte, NC;
- There is an adequate amount of local utility capacity in populated areas, including for water, sewer, natural gas, power, and telecommunication;
- While none of the assets identified are without imperfections and suggested improvements, they reflect a physically business-friendly environment for local industry;
- This report contains a variety of recommended actions, ranging from increased industry recognition to infrastructure planning to workforce development efforts;
- The greatest local challenges identified involved local **workforce**. Both soft skill issues and the availability of technically skilled workers are concerns which must be addressed in order to keep local industry thriving;
- A strong, continuous emphasis on innovative workforce programs such as *Know(2)*, the *Mechatronics* program at Spartanburg Community College, and the *SC Work Ready Communities* initiative is necessary to address these challenges.

Section I: Introduction

Background and Purpose of the BRE Study

Local grass roots group *Cherokee 2020*, a diverse coalition of volunteer citizens with a mission to address community challenges ranging from education to economic development, has partnered over the past year with the County Development Board and the Chamber of Commerce to commission the following Business Retention and Expansion (BRE) Study. With grant support from the philanthropic Cherokee County Community Foundation, this local alliance was able to consult with the SC Appalachian Council of Governments (ACOG) to conduct this study.

What is a BRE study and why is one needed? While local economic developers are typically known for recruiting new industry to the community, another large part of what they do revolves around *existing industry*. When existing manufacturers are facing a local problem – whether related to infrastructure, workforce, public utilities, etc. – the local economic developer often serves as a good official contact and resource. Likewise, when an existing manufacturer has significant expansion plans, the economic developer supports those efforts in every way they can on behalf of the community. In short, existing manufacturers can and typically do keep local economic developers busy! This is with good reason. Several published studies have shown that the majority of a community’s new jobs in a typical year come from *existing* industry. One recent study states that 60% to 80% of new jobs come from local *existing* industries.¹ Thus while a new, successfully recruited manufacturer will rightfully earn newspaper headlines and prompt a ribbon cutting ceremony, the companies who are already in a community’s back yard must also be recognized and supported.

A BRE study is a formal way to do just that. It allows communities to engage local manufacturers through face-to-face, on-site visits. Not only are community strengths and weaknesses discussed, but local opportunities and threats to the business are identified. Discussion topics typically cover infrastructure, utilities, individual site needs, workforce, public services, regulations, future expansion plans, and the like. When all of the data is combined and analyzed, a good BRE study will help the community form a plan of action for continued industry support.

Study Methodology

About 90% of the research conducted for this study was in the form of 40 on-site industry visits by Cherokee 2020 Economic Development Committee members and the project consultant. Visits were limited to manufacturing and manufacturing-related companies (assembly, distribution, etc.). Each visit team consisted of 2-3 persons using a Committee-designed questionnaire to guide discussion. The remaining 10% of research was conducted through the U.S. Census and similar statistical sources (Bureau of Labor Statistics, SC Department of Employment and Workforce, etc.) in order to form the “Cherokee County Economic Profile” found in the next section of this report.

The following group of *Cherokee 2020* volunteers oversaw the execution of the BRE Study:

¹ “Business Retention and Expansion Programs: Why Existing Businesses are Important” Henry M. Cothran, University of Florida, 2006. <http://edis.ifas.ufl.edu/fe651>.

Cherokee 2020 Economic Development Committee
John Major, Committee Chairman and Retired Manufacturing Executive
Oscar Fuller, Cherokee 2020 Development Consultant, and <i>Know(2)</i> Project Director
Jim Cook, Executive Director – Cherokee County Development Board
Pam Foxx, Executive Director – Cherokee County Chamber of Commerce
Bailey Humphries, Realtor and Previous Committee Chairman
James Taylor, Gaffney City Administrator
Jim Frieze, Retired Businessman and Consultant
Dee Kirby, Committee Scribe and <i>Know(2)</i> Administrative Assistant
Robin Reed, Community Volunteer

*The predecessor of Pam Foxx as Chamber Director was Kayla Robbs, who retired at the end of 2012. Ms. Robbs also assisted with this project until her retirement.

David Shellhorse, Economic Development Planner for ACOG, served as the project consultant and author of the BRE Study. Also participating in the effort were outside professionals Johnnie-Lynn Crosby, Regional Business Services Manager at SC Works², and Larry Jolley, Regional Vice President at the SC Manufacturing Extension Partnership (SC MEP)³.

Study Timeline

July 2012	September 2012	Oct-Nov 2012	Dec '12-May '13	June-July 2013
Committee Grant Application to Cherokee County Community Foundation	A \$10,000, 12-month Grant award issued to ACOG to conduct the BRE Study.	BRE Questionnaire development and Company Visit planning with Committee	40 Company Visits	Data Analysis and Report Preparation with Committee guidance.

Company Outreach and Confidentiality

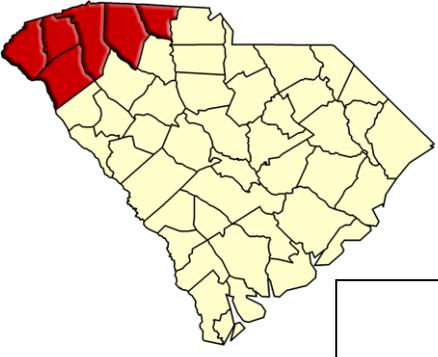
In October and November of 2012, the Committee mailed 63 local manufacturers and manufacturing-related companies a letter announcing the BRE Study. At about this same time, a press release about the project was published in the *Gaffney Ledger*, the *Cherokee Chronicle*, and the *Blacksburg Times*. The *Gaffney Ledger* also wrote a story on the initiative which was published on October 29, 2012. The press release and the article are found in *Appendix I* of this document. Shortly following the publications and mail out, the Committee began calling local companies to schedule visits.

² SC Works is a state-wide career center network with a strong workforce development presence in Cherokee County. www.scworks.org

³ SC MEP is a private, non-profit group of manufacturing consultants which provides outstanding consultation and technical assistance to manufacturers. www.scmep.org

All companies participating in the study were assured of **confidentiality** regarding their individual feedback. This assurance was necessary in order to ensure a high level of participation and candor. Such confidentiality is consistent with Section 30-4-40 of the *South Carolina Freedom of Information Act*.

Section II: Cherokee County Economic Profile

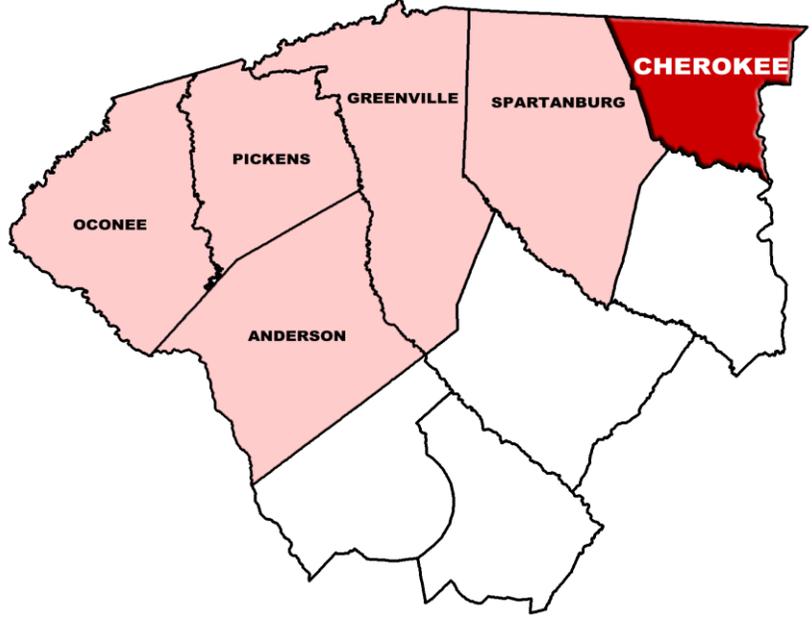


Cherokee County Economic Profile

Municipalities

Gaffney (County Seat)

Blacksburg



Named for its original Native American Cherokee population, the County was formed in 1897 with an economy based on iron ore and limestone. While the community grew around the textile industry during the 20th century, Cherokee County is now positioning itself for 21st century business. Strategically located along I-85 and between Greenville/Spartanburg (less than one hour south) and Charlotte (one hour north), the County benefits both from firms looking to minimize transport time along the I-85 “Boom Belt” and from travelers looking to stop and shop. The County is steeped in history, ranging from ancient Cherokee artifacts to two Revolutionary era battlefields – Cowpens and Kings Mountain. The County also has a rich agricultural tradition, particularly with peaches. Gaffney is home to the award-winning *South Carolina Peach Festival*, as well as a recently restored, historic U.S. Post Office now serving as the *Gaffney Visitors Center & Art Gallery*.

Comparative Unemployment Rate, as of April 2013		
Cherokee County	Upstate SC Region	USA
9.7%	6.9%	7.5%
Source: SC Dept of Employment and Workforce and U.S. Bureau of Labor Statistics.		

Transportation Infrastructure	
Interstate Access	I-85 (direct connection); I-26 (30 minutes)
Nearest Commercial Airports	Greenville-Spartanburg Int’l (40 minutes); Charlotte-Douglas Int’l (1 hr)
Nearest Civil Airports	Spartanburg Downtown Memorial (30 minutes); Shelby-Cleveland County Regional (30 minutes)
Port Access	Port of Charleston (206 miles); “The Inland Port” in Greer (30 minutes)
Rail Providers	Norfolk Southern

Population & Sales

Cherokee County Total Population by Age as of 2012	
Metric	Cherokee County
Total Population	56,033
Median Age	38.3 years
Age 14 & Under	20.2%
Age 15-19	6.9%
Age 20-54	45.6%
Age 55-64	13.3%
Age 65 & Up	14.1%

Source: U.S. Census Bureau, 2010. Census Population & Housing. ESRI Forecasts for 2012 & 2017.

Gross Retail Sales (millions)	
FY 2006-2007	\$1,142,921
FY 2007-2008	\$1,134,964
FY 2008-2009	\$1,118,482
FY 2009-2010	\$1,062,377
FY 2010-2011	\$1,198,106
FY 2011-2012	\$1,237,291

Source: U.S. Census Bureau, 2010 Census. ESRI Market Profile Forecasts for 2012 & 2017.

Workforce & Wages

Comparative Per Capita Income, 2012 & 2017 Projection		
	2012	2017
Cherokee County	\$17,412	\$18,701
South Carolina	\$22,702	\$25,108
USA	\$26,409	\$29,882

Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2012 and 2017.

Where do people live and work?	
Live and work in Cherokee	10,027
Commute into Cherokee	5,538
Commute out of Cherokee	7,868

Source: U.S. Census Bureau, 2010 Census. ESRI Market Profile Forecasts for 2012 & 2017. OnTheMap Application and LEHD Origin-Destination Employment Statistics.

Cherokee County Employment by Industry, as of 3 rd Qtr 2012			
Industry	Employees	%	Avg. Weekly Wage
Private Sector	15,733	89.3%	\$619
Public Sector	1,878	10.7%	\$610
Natural Resources & Mining	211	1.2%	Not available
Construction	592	3.4%	\$804
Manufacturing	5,618	31.9%	\$800
Trade, Transport., Utilities	3,801	21.6%	\$550
Information	107	0.6%	\$589
Financial Activities	513	2.9%	\$717
Professional & Business Services	1,077	6.1%	\$504
Education & Health Services	1,865	10.6%	\$578
Leisure & Hospitality	1,686	9.6%	\$262
Other Services	273	1.6%	\$442
Total (Private + Government)	17,611	100%	\$618

Source: Data compiled by the Upstate SC Alliance: www.upstatesc Alliance.com. Quarterly Census of Employment and Wages (3rd Qtr 2012), SC Dept of Employment and Workforce.

Educational Attainment in Cherokee County, Age 25 & Up		
Achievement Level	Year 2000	2007-2011 Estimate
Population Aged 25 & up	34,283	36,304
No High School Diploma	33.2%	25.2%
High School Diploma or Higher	66.7%	74.8%
Associates Degree Only	4.4%	7.2%
Bachelor's Degree or Higher	11.8%	11.5%

Sources: 2000 U.S. Census. U.S. Census American Community Survey, 2007-2011 Five-Year Averages Data compiled by *Infomentum*.

Local Economic Development Websites

County ED: www.cherokeeconomydevelopmentboard.com

County Chamber: www.cherokeechamber.org

Visitors Center: www.getintogaffney-sc.com

July 1, 2013

Section III: Local Market and Industry

The Companies

The 40 manufacturing companies visited between December 2012 and May 2013 are a highly representative industry sample for a community the size of Cherokee County (population: 56,033). A wide variety of industries were represented – ranging from food to electronics to specialty textiles to automotive suppliers. Using the U.S. Department of Labor *Standard Industrial Classification* coding system (SIC), each of these 40 companies generally fell under the following (paraphrased) “industry groups”⁴.

SIC “Industry Groups” Represented in the BRE Study	
Food	Fabricated Metals
Textile	Industrial Machinery and Equipment
Apparel	Transportation Equipment
Furniture	Lab Measuring Equipment
Paper Products	Sign & Writing Equipment
Printing/Publishing	Specialty Warehousing
Rubber & Plastics	Electric, Gas, and Sanitary
Miscellaneous Wholesale Goods	Stone and Concrete Products

Below are descriptive statistics on the group of companies visited:

About the Companies Visited...	
Number of Mfg. Companies Visited	40
Total # of employees (40 companies)	5,757
Employment at Largest Company Visited (The 2 nd largest in Cherokee)	809 jobs
Employment at Smallest Company Visited	2 jobs
Avg. Employment #	148 jobs
Median Employment # (half were smaller, half were larger)	65 jobs
Average tenure in Cherokee	23 yrs
Longest tenure in Cherokee	113 yrs
Shortest tenure in Cherokee	3 yrs
Publicly traded companies	31 of 40
Companies with other locations outside of Cherokee County	31 of 40
Companies with international locations	18 of 40

⁴ U.S. Department of Labor, Occupational Safety and Health Administration, SIC Manual: http://www.osha.gov/pls/imis/sic_manual.html

Local Market Condition and Performance

Trends over the Past Five Years Companies were asked to describe “their greatest accomplishment over the past five years”. Given the global economic downturn of that time period, this was a topic of particular interest. While a variety of responses were provided, they can be summarized under the following general categories:

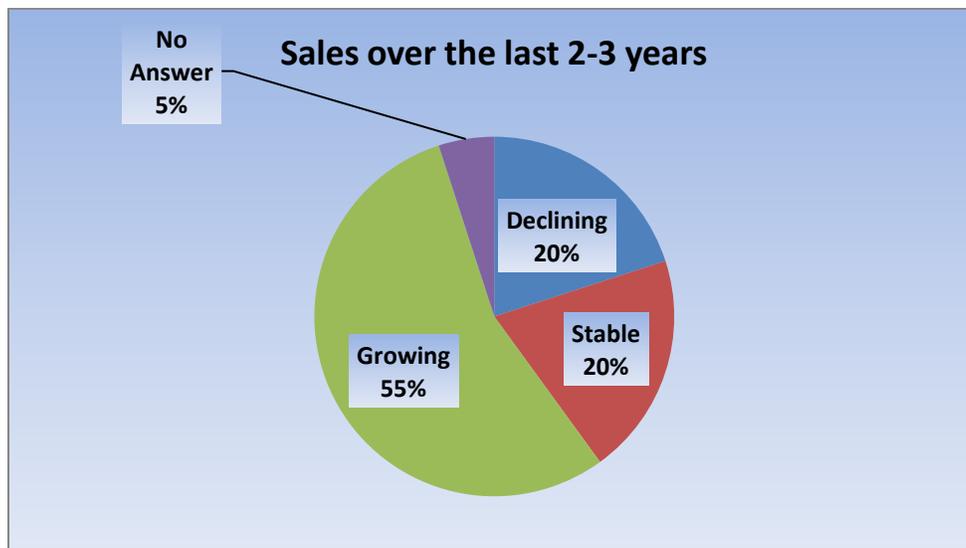
- **“Hanging On” – six companies (15%).** Companies who were hit hard during the global economic downturn of 2008 and who have since struggled to keep their heads above water.
- **“Hanging on to Steady” – six companies (15%).** These are companies who were hit hard by the recession but who have now returned to their pre-2008 form.
- **“Steady” – ten companies (25%).** These are companies who suggested that they didn’t “skip a beat” over the past 5 years.
- **“Growing” – sixteen companies (40%).** Companies reporting steady growth and expansion.
- 2 companies (5%) provided no answer.

Trend – A majority of companies are recovering from the 2007-2008 economic downturn.

Hiring or Laying Off? 27 out of the 40 companies visited (67.5%) stated that they have maintained a steady employment number over the past year. 10 (25%) reported increased employment while only 3 (8%) reported decreased employment.

Trend – Only 3 of 40 companies visited reported decreased employment over the past year.

Sales Performance When asked about sales trends over the past few years, the majority of responses were similarly positive. Eight companies (20%) reported declining sales, eight companies (20%) reported stable sales, and 22 companies (55%) reported growing sales.



Trend – Sales are improving in a moderately recovering U.S. economy.

Where are local manufacturers selling their product? The 40 companies were asked to break down geographically where they sold their product. With direct access to I-85 and proximity to major airports, seaports and rail lines, goods made in Cherokee County are sold all over the region, nation and world.



Trend – Goods made in Cherokee County are sold far and wide.

Acquisitions and Mergers One sign of volatility within an industry is a high level of acquisition and/or merger activity, where companies are purchased by competitors or are voluntarily merged to them in order to create a larger single business and market share. Depending on where such consolidation takes place, this can be good news or bad news for a community. When asked about merger and acquisition activity in their respective industries, the following data was gathered:

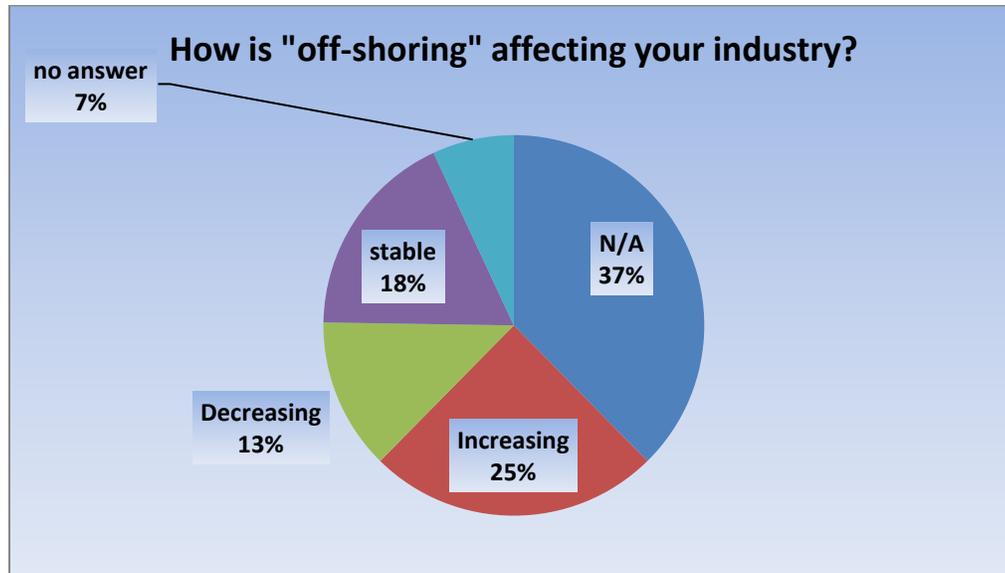
- 10 companies (25%) reported increased A & M activity.
- 5 companies (13%) reported decreased A & M activity.
- 25 companies (63%) reported stable A & M activity, or that such activity was non-applicable.

Trend – Moderate industry volatility and consolidation among local industries.

“Off-Shoring” of Industry One topic that receives popular attention is “off-shoring”, or the transition of U.S. industry to other nations. Over the past few years, a new popular term has arisen: “re-shoring”, or the return of U.S. industries which had previously “off-shored”. This re-shoring movement is reported to be based on production quality issues that have been found abroad. Example: labor costs might be lower in Country X, but quality issues and inefficiencies have led to higher overall costs. The BRE Study attempted to research this topic locally:

- 15 companies (38%) reported that off-shoring in their industry is non-applicable.
- 10 companies (25%) reported that off-shoring is increasing.
- 7 companies (18%) reported that off-shoring activity has been stable for years.

- 5 companies (13%) reported that off-shoring is decreasing, and these companies did indeed cite the “re-shoring” and quality issues noted above.
- 3 companies (8%) gave no answer.



Trend – Promising signs of “re-shoring”, but off-shoring is still a concern.

Where is the competition? In order to better understand the challenges faced by Cherokee County manufacturers, the 40 companies were asked where their primary competitors were located.

- 9 companies (23%) reported primary competition as regional (southeast).
- 11 companies (28%) reported primary competition as national.
- 8 companies (20%) reported primary competition as international – including both foreign companies and U.S. companies located abroad.
- 4 companies (10%) reported primary competition as local.
- 5 companies (13%) reported an even mix of competition between region, nation, and world.
- 2 companies gave no answer, and 1 company operates as a sole supplier with no competition.

Trend – A fairly even balance of regional, national, and international competition for local industry.

Imports and Exports With the Port of Charleston only 206 miles away and new “Inland Port” (rail) construction taking place in nearby Greer (SC) and in Charlotte, international business in the Upstate Region continues to grow. With the Port of Charleston already having a major impact, it will be interesting to see how these rail enhancements affect local industry. The following data was collected about import and export activity:

- 16 companies (40%) neither import nor export.
- 12 companies (30%) reported stable exports, and 17 (43%) reported stable imports.
- 7 companies (18%) reported increasing exports and only 1 company reported decreasing exports.

- 3 companies (8%) reported increasing imports and no companies reported decreasing imports.
- 4 companies (10%) did not answer.

Trend – Steady-to-increasing import/export activity is found among local industry.

Action Plan: Local Market and Industry

<p>Goals to support local industry:</p> <ul style="list-style-type: none"> • Acknowledge their impact, • Recognize their competitive markets, • Support policies and initiatives that are sensitive to their challenges.
<p>Supportive Findings</p> <p>40 company visits revealed...</p> <ul style="list-style-type: none"> • Many different local industries, ranging from small and local to large and international; • Most companies are regaining their previous form after the 2007-2008 economic downturn; • Only 3 out of 40 decreased employment over the last year; • Sales are improving for most firms during a moderate U.S. economic recovery; • Goods made in Cherokee are sold all over the region, nation, and world; • Local industry is facing moderate volatility in terms of merger and acquisition activity; • Promising signs of “re-shoring” have shown, but off-shoring is still a concern; • Local industry faces an even balance of competition from the region, nation, and world; • Local import/export activity is steady-to-growing.
<p>Recommended Actions</p> <ol style="list-style-type: none"> 1. Establish a local <i>Manufacturers Council</i> to increase communication between local industry, government, and educational leadership. 2. Schedule local educational events for industry on both the <i>Inland Port</i> (Greer, SC) and the <i>Charlotte Regional Intermodal Facility</i>, each of which are (1) under construction, (2) located near Cherokee County, and (3) represent a major upgrade to regional rail infrastructure. 3. Work through new Manufacturers Council to develop existing industry recognition initiatives, such as manufacturer anniversary announcements.
<p>Responsible Parties</p> <p>Catalyst: Cherokee 2020 Economic Development Committee. Partners: local industry and local government leadership, Chamber of Commerce, and County Development Board.</p>
<p>Timeline: 6 months</p>

Section IV: Workforce

A Challenge for the Region

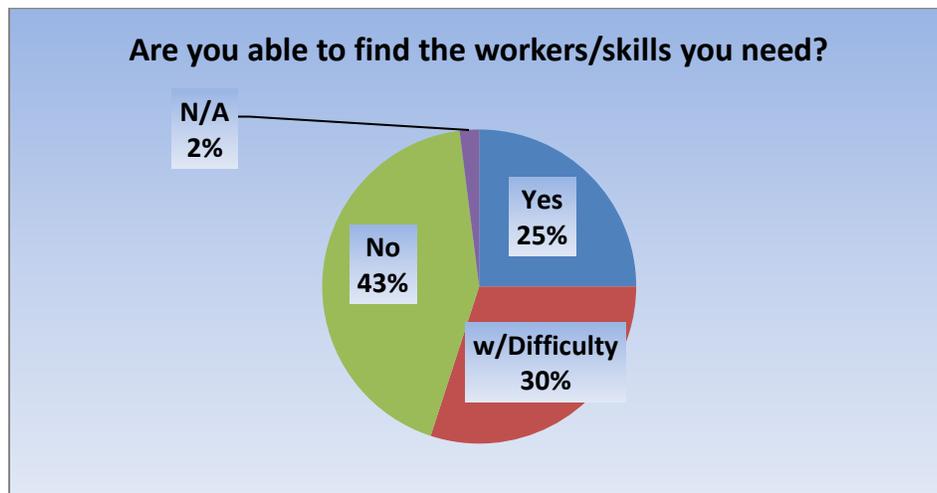
According to local, regional, and State economic development professionals, the two biggest challenges for recruiting industry to the region – in no particular order – are (1) the availability of competitive sites and buildings for prospects, and (2) workforce. *Workforce* can be evaluated in several different ways, including by the technical skill level of workers, the geographic availability of workers in a given radius, the work ethic and stability level of local workers, and a variety of other criteria. Workforce development is of particular interest to *Cherokee 2020*, thus a full third of the questions asked were devoted to this topic.

Needs Being Met, with Difficulty

When asked if their workforce needs were being met in Cherokee County, 35 out of 40 companies (88%) said that they were. When more detailed questions were asked, however, it was revealed that these needs are being met *with difficulty*.

“Is your company able to find the skills and workers it needs?” Companies typically responded either “not really” or “yes, but...” Thus it was soon revealed that this wasn’t a good “yes or no” question, but a question of *degree*. Even companies who responded “no” would go on to say something like, “It took us over a year to find a qualified maintenance technician...”, indicating that they were *eventually* able to find the worker they needed. The data reveals that only a minority of companies are *not* having at least some difficulty finding workers and specific skill sets:

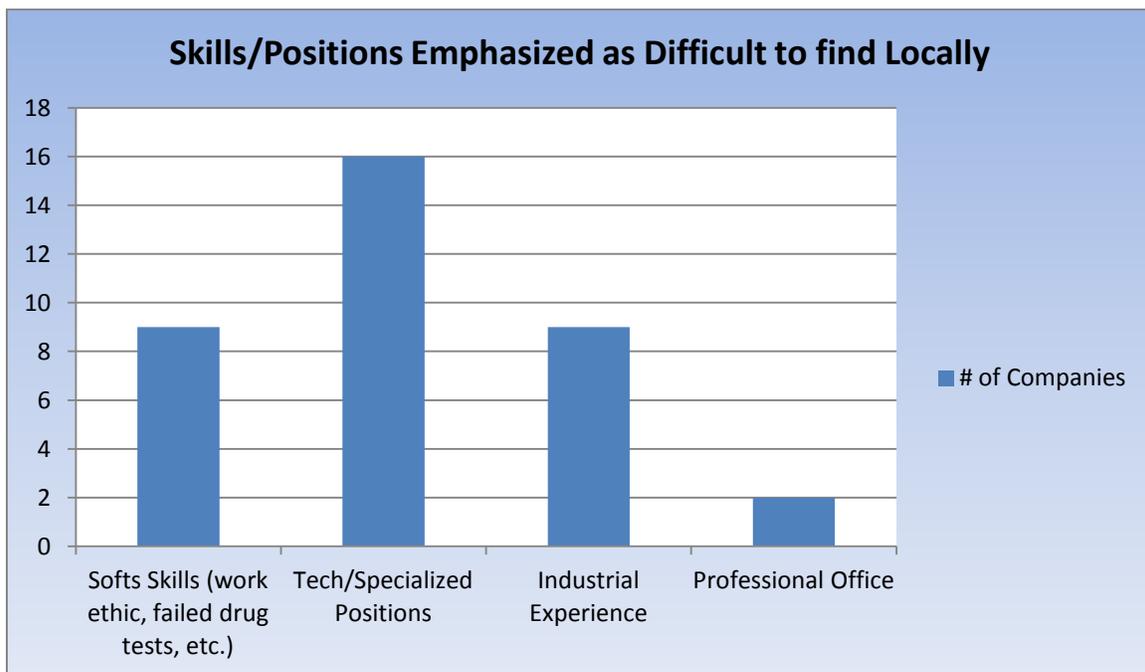
- 10 companies (25%) said they were able to find the skills and workers they need.
- 12 companies (30%) said they were able to find them, but with significant difficulty.
- 17 companies (43%) said they unable to find the skills and workers they need.
- 1 young company responded that they did not yet have an informed opinion.



Trend – Most companies are having difficulty finding the skills and workers they need.

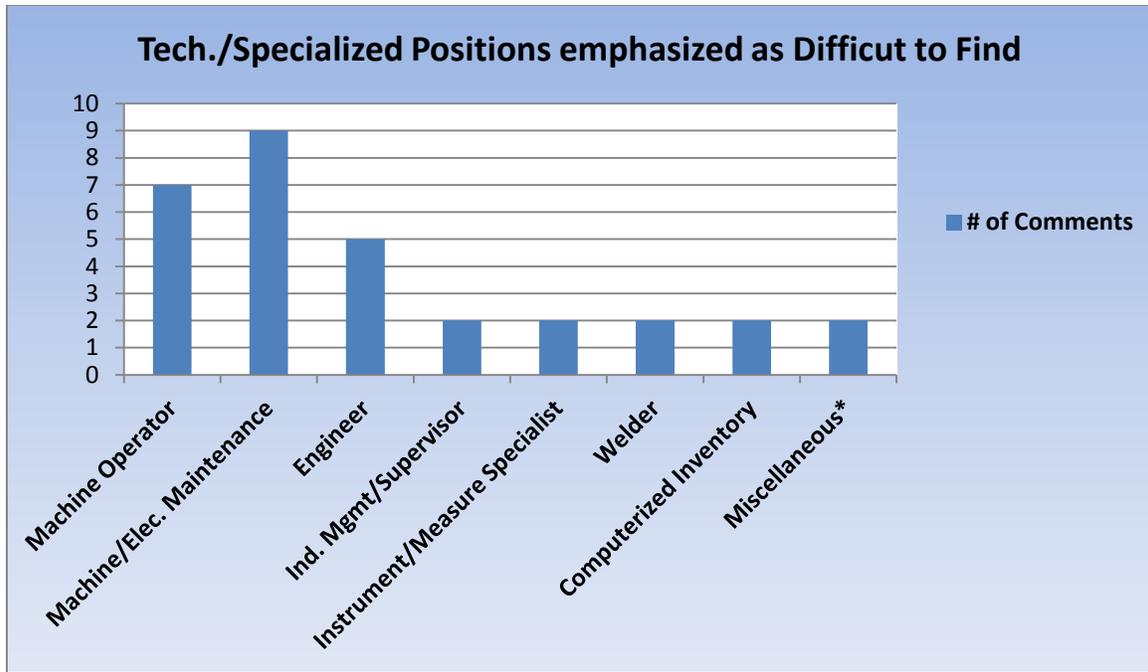
“Which skills and positions are you having the most difficulty finding?” 29, or 73% of companies visited, described specific skill areas which are difficult to find locally. Below is a summary of the feedback received⁵:

- 9 companies (23%) emphasized problems with soft skill qualifications such as work ethic, attitude, workplace etiquette, inability to pass drug tests, and other non-technical areas.
- 25 companies (53%) emphasized the following technical skill issues:
 - 16 companies (40%) emphasized **technical positions that require specialized training** (a breakdown is found on the following page).
 - 9 companies (23%) emphasized **“lack of industry experience”**, including textile, carpet, printing, and automotive. *Note: All employers generally prefer applicants with experience, but these firms gave it extra emphasis.*
 - 2 companies (5%) emphasized difficulty in finding **professional office personnel** (purchasing agents and customer service).



A breakdown of the “technical/specialized positions” mentioned in the chart above is found below:

⁵ A few disclaimers should be offered about this data: (1) each employer has different skill level requirements, leading some to emphasize technical skills and some to emphasize non-technical areas, like work ethic; (2) some employers emphasized both, so the numbers do not add up to 29; (3) several companies utilize temp agencies with 90-day trial processes in order to filter out workers with poor soft skills (low work ethic, poor attendance, etc.). Consequently, these firms typically had fewer comments about soft skills and more comments about tech skills.



* "Miscellaneous" includes metal buffer/plater, tool & dye maker, forklift driver, and ammonia operator

Trend #1 – Companies find challenges with both soft skills and technical skills in the local workforce.

Trend #2 – Of the technical skills which are difficult to find, machine operation and maintenance were discussed most often.

Are these recruiting challenges local or industry wide? The same 29 companies who emphasized specific recruiting difficulties were asked if they thought it was primarily a *local* challenge or an *industry-wide* challenge:

- 14 companies (35%) said their recruiting difficulties are experienced *throughout the industry*.
- 6 companies (15%) said their difficulties are more of a *local* problem.
- 9 companies (23%) said they do not know.

Trend – A concerning number of companies (6), and possibly more, believe that their workforce challenges are more local in nature than industry-wide.

Ranking the Local Workforce Using a scale between one and five, with one indicating "poor", three indicating "average", and five indicating "great", the 40 companies were asked to rank the local workforce based on four different descriptors: (1) **Availability**, (2) **Quality**, (3) **Stability**, and (4) **Productivity**. "Availability" refers to a critical amount of people within a reasonable proximity willing to fill a company's job openings. "Quality" refers to both technical and non-technical *qualifications* of the local workforce. "Stability" refers to the ability of the local workforce to show up on time, work consistently, have high attendance, pass drug tests, etc. "Productivity" refers the ability

of the local workforce to produce a high output while on the clock. Below are the average rankings assigned to the local workforce by the 40 visited companies:

Ranking the Local Workforce between 1 and 5

Availability: **3.32**
 Quality: **2.72**
 Stability: **2.74**
 Productivity: **3.24**
 Overall Average: **3.01**

Companies that articulated different challenges between the *technical workforce* and the *general workforce* were asked to rank the two groups separately. They are compared below.

Ranking the Technical Local Workforce (1-5)

Availability: **1.75**
 Quality: **2.75**
 Stability: **3.63**
 Productivity: **3.88**
 Overall Average: **3.00**

Comparing the General Workforce to the Technical Workforce

	General	Technical
Availability	3.32	1.75
Quality	2.72	2.75
Stability	2.74	3.63
Productivity	3.24	3.88
Overall Average	3.01	3.00

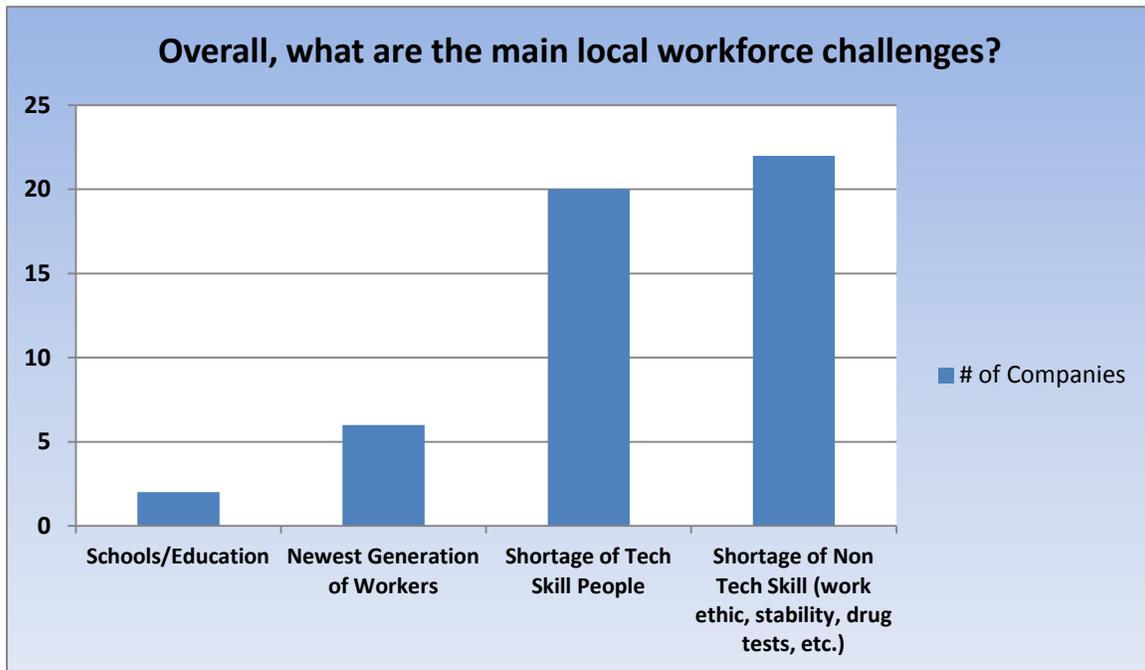
Analyzing the rankings

Employer rankings of the local workforce revealed the following:

- The “Overall Average” rankings between technical and general workforce are nearly identical (3.01 and 3.00), yet there are still significant differences between the two.
- The general workforce was ranked close to 3, or “average”, in every category.
- While the technical workforce received the overall highest rankings in “Stability” and “Productivity” (3.63 and 3.88), it also received the overall lowest ranking in “Availability” (1.75).

Trend: Local manufacturers see a significant shortage of locally available technical workers.

“What are the main challenges you see in the local workforce?” After providing the specific information and rankings found above, the 40 companies were asked to provide a more general assessment of the most significant challenges found in the local workforce.



- 2 companies (5%) suggested the public schools are not preparing the current generation for the workforce.
- 6 companies (15%) cited problems with the current generation of young workers compared to the generations before them (difference in attitude, unrealistic expectations, work ethic, etc.).
- 20 companies (50%) cited technical skill scarcity as the main problem – ranging from computer competence to specialized certifications like Computerized Numeric Control (CNC) operators.
- 22 companies (55%) cited soft skill issues such as work ethic, workplace etiquette, inability to pass drug tests, and punctuality.

Trend – Both soft skill and technical skill issues are prevalent in the Cherokee County workforce.

What types of training are being utilized? The 40 visited companies provided feedback on their general training methods:

- 100% of companies visited emphasized “On the Job Training”, or “OJT”, as the primary method utilized. 16 companies (40%) mentioned *only* OJT.
- 10 companies (25%) mentioned a combination of OJT plus training from various external sources, including equipment manufacturers, consultants, colleges, and government agencies.
- About half of the companies mentioned their experience with SC Works, a state workforce program with a local office in Gaffney.

- 4 companies (10%) expressed interest in developing an apprenticeship program.

Investment in Training 26 companies (65%) described their on-going training investment as “stable”, while 14 companies (35%) described their investment as “increasing”. Among the companies with increasing costs, 6 of them (15%) suggested that it was due to high turnover and having to “start all over” with new workers.

Trend – Industry reliance upon OJT presents partnership opportunities for local training programs.

Action Plan: Local Workforce

<p>Goals to Support Local Industry:</p> <ul style="list-style-type: none"> • Increase the technical skill level of the local workforce. • Decrease the amount of “soft skill” stability issues found in the local workforce. • Create a strong pipeline between highly prepared local workers and local industry.
<p>Findings</p> <p>40 company visits revealed...</p> <ul style="list-style-type: none"> • 73% of companies reported local difficulty finding the skills and positions they need. • Challenges are with both soft skills (e.g., work ethic) and technical skills (e.g. CNC operators). • <u>Availability</u> of technically skilled workers received the lowest ranking of all WF categories. • Tech skills most difficult to find are machine operation and machine/electrical maintenance. • As one generation of workers retires, managers worry about replacing it with next generation. • A small but notable number of firms believe WF challenges are more <i>local</i> than <i>industry-wide</i>. • Reliance upon <i>On the Job Training</i> presents opportunities for local & state training programs.
<p>Recommended Actions</p> <ol style="list-style-type: none"> 1. Increase community awareness and support of the grass-roots <i>Know(2)</i> and <i>SC Work Ready Community</i> initiatives. 2. Increase promotion of local Spartanburg Community College <i>Mechatronics</i> and other related programs which specifically train for machine/electrical maintenance and operation.⁶ 3. Seek feedback from and offer support to the <i>Cherokee County HR Association</i>, a local group of industry Human Resource Managers which meets regularly to discuss issues. 4. Support <i>Regional Education Center</i> (REC) facilitation of more partnerships between local industry and schools for increased mentorship, apprenticeship, and job shadowing. 5. Schedule regular round-table events for workforce development partners such as the <i>Workforce Investment Board</i> and the <i>Cherokee Technology Center</i> to engage local industry.
<p>Responsible Partners</p> <p>Catalyst: Cherokee 2020 Economic Development Committee. Partners: local industry leadership, Upstate Workforce Investment Board, Cherokee Technology Center, Spartanburg Community College, SC Works, the Upstate REC, and other area workforce development partners, as applicable.</p>
<p>Timeline: 9 months</p>

⁶ The Know(2), SC Work Ready Communities, and Mechatronics programs (Actions 1 & 2) are discussed in *Section VI: Conclusion*.

Section V: The Local Environment for Industry

How *Business Friendly* is Cherokee County?

It would be difficult to find an elected official from any local government who would suggest that their community is not *business friendly*. Leaders naturally desire the low unemployment rates and healthier budgets that come with a prosperous local economy, so it makes for smart politics to promote the business-friendly brand. For a candid assessment of how business friendly a community is, however, it is best to ask the businesses who operate in it. They have firsthand knowledge of community services, infrastructure, traffic, regulations, taxes, and other local factors that can either accommodate or obstruct their success.

Evaluating the Local Business Environment

The 40 companies visited were asked to rank the following services and infrastructure categories between one and five, with one indicating “poor”, three indicating “average”, and five indicating “great”. One disclaimer should be offered about the data: each company answered “no opinion” for certain categories if they had little experience with those categories. For example, only 15 companies assigned a ranking to “Rail Service” because not all 40 companies use rail. This “no opinion” option ensured more accurate rankings.

Ranking Local Services and Infrastructure between 1 and 5	
Police: 3.76	Schools K-12: 2.62
Fire: 4.43	Higher Education: 4.00
Emergency Medical Systems: 4.11	Property Taxes: 2.89
Streets & Roads: 3.28	Local Regulations: 3.50
City and County Planning: 3.47	City Government: 3.63
Traffic Management: 3.70	County Government: 3.75
Sewer: 3.37	Airport Access: 3.83
Water: 3.84	Rail Service: 4.13

Analyzing the Rankings

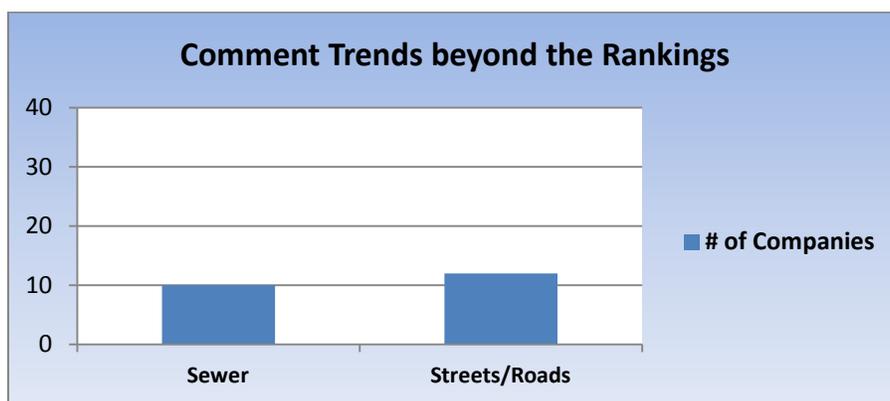
Observations and trends about the rankings are found below:

- Most of the categories ranked comfortably above 3, with *Fire Service* receiving the highest average ranking (4.43).
- **Property Taxes** received the second lowest average ranking (2.89), but this does not necessarily point to a red flag. It is an unglamorous topic that carries a downward bias simply because paying taxes is not pleasant. A closer look at the data reveals that 70% of companies ranked property taxes as 3 or better (“reasonable”), while a handful of low rankings weighed down the average.
- **Schools K-12** received the lowest average ranking at 2.62 (highlighted above in red). Before drawing conclusions about the local school system, however, two important questions must be asked: does this average ranking reflect upon the quality of the school system? Or does it reflect upon a local workforce with whom several companies are having issues?

A great majority of the people interviewed during the 40 company visits were upper management (plant managers, H.R. directors, comptrollers, etc.) who do *not* live in Cherokee County. Very seldom did the BRE Committee encounter management who both live and work locally. Such managers (1) are often graduates of a different school system, (2) commute to work from somewhere else (Spartanburg, Greenville, Gastonia, etc.), and (3) enroll their children in different schools. Rather than on personal experience, their impressions might be based more on the former local students who have presented problems as employees or temp workers. Many of the higher performing local students, conversely, move on to college or tech school and often find jobs away from home.

As imperfect as the ranking exercise was for this particular topic, it would still be a mistake to dismiss the saying, “perception is reality.” In economic development, it is important for existing industry to have confidence in local workforce training programs—including the school system. While not many managers have first-hand knowledge of local schools, there were also few formal partnerships mentioned during the visits. Only a few companies described collaboration with the school system, including mentorship and job shadowing programs. Increasing these types of initiatives could help address negative perceptions as well as help build a pipeline between better prepared students and industry.

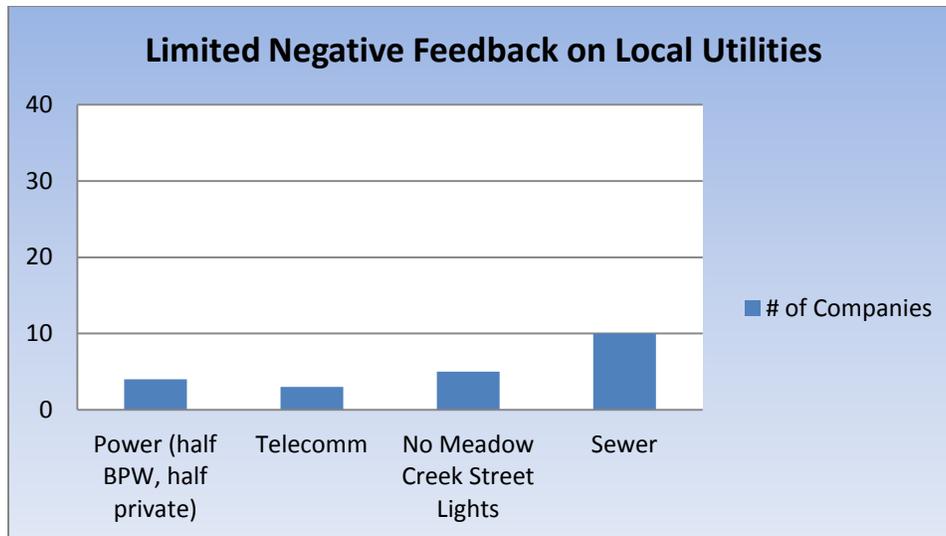
- **Streets and Roads**, which received the third lowest ranking at 3.28, prompted twelve different company comments about specific intersections or road conditions that inconvenience their business. Overall, this topic did not rank poorly, but these comments reflect isolated trouble spots that should be considered in future City/County planning efforts.
- **Sewer**, which received the fourth lowest ranking at 3.37, prompted ten different company comments about non-satisfactory service and/or prices. Like with *streets and roads*, this topic did not rank poorly, but the comment frequency should be considered in future City/County planning efforts.



Trend #1 – Most local services and infrastructure receive solid rankings, but the perception of **Schools K-12** has significant room for improvement.

Trend #2 – Several isolated “Streets and Roads” and “Sewer” comments warrant future planning attention.

Utility Needs Aside from the sewer comments mentioned above, the subject of local utilities received mostly positive remarks. The utilities discussed were **water, sewer, power, natural gas, and telecommunications**. 35 out of 40 companies (87%) described their utility needs as “stable”, while 5 (13%) described their needs as “increasing”. Of the companies who did express utility concerns other than sewer, they either (1) were not happy about the street lights not being turned on in the privately owned Meadow Creek Industrial Park, (2) would like to see more options and competition among power and telecomm companies, and (3) would like to be connected to sewer and/or to natural gas, but their remote location prevents it.



Trend – The local network of utilities received mostly positive reviews.

Legislation and Regulation that Concerns Industry The 40 companies were asked if they anticipated any local, state, or federal legislation that would affect their business. Among the 29 companies who answered this question, only federal legislative topics were mentioned. *No local legislation or regulations were mentioned as concerns, which is a business-friendly sign for the community.* Below is a breakdown:

- 11 companies (28%) provided no comment.
- 16 companies (40%) suggested that the federal government has recently been unfriendly to business and job creation in general, ranging from policies on healthcare, environmental regulation, unemployment insurance, and taxation.
- 10 companies (25%) provided 13 different comments on industry-specific, federal regulations that have been enacted recently or are presently being considered. 3 of these comments were positive, while 10 were negative.
- 4 companies (10%) cited troubling concerns about specific, international trade agreements.

Trend – Cherokee County is business-friendly from a legislative and regulatory standpoint.

Local Capacity for Industry Expansion

There is far from any guarantee that expanding local companies will do so *in* Cherokee County. As mentioned previously, 31 out of the 40 companies visited (78%) have additional locations *outside of* Cherokee County. These and other companies clearly have choices about where to invest in their business, thus it is important for the community to create an environment where industry feels comfortable growing and adding jobs.

Opportunities and Barriers Companies were asked if their sites and buildings are physically adequate for expansion. The following feedback was provided:

- 1 company provided no answer.
- 31 companies (78%) stated that they have ample room to expand on their property, while the remaining 8 companies (20%) stated they are landlocked by neighboring property owners.
- 32 companies (80%) stated that their building is adequate for expansion, while 7 companies (18%) suggested their buildings are too old and outdated.

Trend – Roughly 80% of visited manufacturers have property and facilities suitable for expansion.

“Does this company plan to expand in the next couple of years?” Several of the 40 companies were willing to disclose *approximate* information about their upcoming expansion plans in Cherokee County. While none of these expansions are guaranteed to happen, the information does paint an optimistic picture for the community.

Probable Cherokee County Industry Expansions in the Near Future

- **11 out of 40 companies (28%) reported having expansion plans.**
- **5 of these companies disclosed no quantifiable details.**
- **6 companies disclosed the following approximate details:**
 1. **\$2 million in equipment**
 2. **\$1.5 million in equipment and plant upgrades**
 3. **\$1 million in equipment plus 26 new jobs**
 4. **\$4 to \$5 million in equipment upgrades**
 5. **76 new jobs.**
 6. **Minimum of 100 new jobs and \$4 million capital investment.**

Total: 6 firms, 202 new jobs, \$12.5 to \$13.5 million in capital investment.

One can see the economic impact that existing industry expansion has on a community: roughly 200 jobs and \$13 million in capital investment over the next 1-2 years. These figures should be viewed as conservative estimates because they do not include the five *other* expanding companies who provided no detail. This level of job creation and investment is the equivalent of a large new manufacturer moving to Cherokee County.

Trend – There is a healthy level of local industry expansion planned over the next 1-2 years.

Desired Customers and Suppliers in Cherokee

The 40 companies were asked to identify which suppliers and customers they would like to see recruited to Cherokee County. Presumably, if such companies were local, then existing companies would see lower transport costs and other savings. This question, however, did not yield the fruitful information that was anticipated. A few of the common responses, paraphrased, were: (1) *we are already strategically located in our market, on the interstate, and close to airports, seaports, and rail lines*; (2) *the savings generated by being closer to customers/suppliers would be offset by increased competition for labor*; (3) *the natural resources used by our suppliers are not found in this region, so they will never locate here*.

Half of the 40 companies, therefore, made no recruiting suggestions. The other half provided the following suggestions:

Recruiting these Industries could Compliment Existing Local Companies	
Suggested Customers	Suggested Suppliers
Big Box Retail (Wal-Mart, Home Depot, etc.)	Textile – Yarn and Machine Parts
Cut & Sew Apparel and Decor	Furniture Springs and Foam
Frozen Food	Packaging – Food and other Misc. Goods
Concrete/Asphalt	Cardboard & Pallet Manufacturers
Aerospace	Rubber, Metal and Aluminum Raw Materials
Furniture	Steel Hardware Parts
Automotive	Ink and Embroidery Supplies
Plumbing Parts	Engine Components

The Takeaway – Customers and suppliers of local industry can make for logical recruiting targets.

Strengths and Weaknesses as a Place to do Business

To conclude each visit, the 40 companies were asked to summarize the strengths and weaknesses of Cherokee County as a place to do business. Below is a summary of the most common responses.

Community Strengths

- 31 companies (78%) mentioned the presence of **I-85** along Cherokee County.
- 16 companies (40%) mentioned **“the people”** of Cherokee County. These comments revolved around solid “small town” values, friendliness, generosity, and loyalty.

- 15 companies (38%) mentioned their **non-union** workplace.
- 10 companies (25%) mentioned **business-friendly, pro-economic development local government**.
- 8 companies (20%) mentioned Cherokee County being a **low-cost area**.
- 7 companies (18%) mentioned physical **quality of life** factors, such as weather, geography, and aesthetic beauty.
- 7 companies (18%) mentioned their **dedicated, long-term workforce** (“like family”).
- 5 companies (13%) mentioned available **utilities**.

Community Weaknesses

- 25 companies (63%) mentioned one or more of the **workforce problems** described in Section IV of this report.
- 8 companies (20%) mentioned the **local school system** not preparing students for life and for careers in manufacturing.
- 7 companies (18%) mentioned the **poorly configured entrances and exits of I-85** in Cherokee County.
- 6 companies (15%) mentioned the **width of I-85** in Cherokee County (only 2 lanes).
- 6 companies (15%) mentioned a small variety of **“things to do”**, including cultural venues for arts and entertainment, more diverse and “healthy choice” restaurants, more shopping variety – including office equipment stores that are presently only available in neighboring counties.

Analyzing the Strengths and Weaknesses In future planning efforts, each of these strengths and weaknesses should be taken into consideration. Collectively, they paint a mostly *positive picture*. The most often-mentioned “weakness”, by far, are various workforce challenges, which Section IV of this report analyzes in detail (scarcity of technical workers and general soft skill issues). Yet “the people” who make up this workforce are an often-mentioned “strength”. Companies often praised their personal values, their long-term loyalty and dedication, and their tendency to be non-unionized. These qualities give reason to believe that workforce challenges can be adequately addressed with strong local leadership and effort.

Similarly, I-85 is the most often-mentioned economic “strength” of the community, yet some of the most often mentioned “weaknesses” were its limitations (only two lanes and odd configuration of exits/entrances). Fortunately, these and other cited weaknesses on this list are not insurmountable barriers to overcome.

Trend – The Strengths and Weaknesses analysis primarily calls attention to specific challenges with the local workforce and with Interstate 85.

The Takeaway – Cherokee should work to maximize strengths and minimize weaknesses as perceived by existing industry.

Action Plan: The Local Environment for Industry

Goals to support local industry:

- Work to ensure that all local services, infrastructure, and utilities are business-friendly.
- Continue the practice of pro-economic development local government.
- Support existing industry expansion in all practical ways possible.
- Utilize existing industry feedback for industrial recruitment strategies.
- Minimize weaknesses and maximize strengths as perceived by industry.

Supportive Findings

40 company visits revealed...

- Most local services and infrastructure categories receive solid rankings by industry.
- The perception of Schools K-12 has significant room for improvement.
- Several isolated “Streets and Roads” and “Sewer” comments warrant future planning attention.
- Of local industry’s legislative and regulatory concerns, none mentioned were local.
- Roughly 80% of companies visited are on sites and in buildings adequate for future expansion.
- There is a healthy level of local industry expansion planned over the next 1-2 years.
- Several companies described complimentary industries which could be logical recruiting targets for Cherokee County.
- The *Strengths & Weaknesses* analysis primarily revealed:
 - I-85 is the County’s greatest asset for industry, though it needs upgrades;
 - *Workforce* is the County’s greatest challenge, though aspects of “the people” who make up the WF are considered strengths (small town values, loyalty, non-union, etc.)
 - None of the weaknesses mentioned were viewed as insurmountable barriers.

Recommended Actions

1. Establish a *Manufacturers Council* to increase communication between industry, government, and educational leadership about services and infrastructure (see *Section III Action Plan*).
2. Facilitate greater communication and coordination between local workforce development partners and industry leadership (see *Section IV Action Plan*).
3. Keep lines of communication open with identified expanding companies, offering assistance in all practical ways possible.
4. Inform site location project managers and consultants about existing industry in Cherokee County, giving them information on possible complimentary recruiting targets.
5. Incorporate the findings of this study, including specific ones about Streets/Roads and Sewer, into the County’s *Comprehensive Planning* process.

Responsible Parties

Catalyst: The Cherokee 2020 Economic Development Committee. **Partners:** local industry and local government leadership, Chamber of Commerce, County Development Board, the Upstate Workforce Investment Board, and other area workforce development partners, as applicable.

Timeline: 12 months

Section VI: Conclusion

The Big Picture: A Solid Foundation for Industry

40 manufacturing and manufacturing-related company visits reveal that there is a strong industrial base in Cherokee County which ships goods throughout the nation and world. There is presently a healthy pace of growth and expansion among local industry. The community is a low-cost area with non-obtrusive local governments in a *Right to Work* state. It has direct access to the I-85 “boom belt” corridor which connects Atlanta and Charlotte. Just 30 minutes to the east is another major interstate highway, I-26. There is a wealth of world-class transportation assets within reasonable proximity, including international airports, seaports, and new inland rail ports presently under construction. In populated areas, there is a robust amount of utility capacity – including for water, sewer, natural gas, power, and telecommunication. While none of these subjects are without imperfections and suggested improvements, they constitute an attractive, business-friendly environment for industry.

The Greatest Challenge: Workforce

Of the six companies who stated that Cherokee County’s workforce challenges are more *local* than *industry-wide*, they are all comments from management with experience at multiple locations. The challenges, which, generally summarized, are (1) a shortage of technically skilled workers and (2) soft skill issues such as low work ethic and stability, were said to be worse in Cherokee County than in other places. While other companies visited did not agree with this position, it is still cause for concern. Two statistics from this study highlight the depth of the workforce challenge: (1) 73% of companies visited suggested they have difficulty finding the skills and positions they need, and (2) workforce challenges were the topics most-often mentioned when companies were asked about “community weaknesses as a place to do business”. It is essential that Cherokee County not allow workforce challenges to become a barrier to growth for existing industry.

Promising Initiatives

While the extent of this issue is serious, there are some promising local initiatives taking place that are working to address workforce challenges:

- The **Know(2) Project**, a grass-roots local campaign which “is focused on a culture change in education – moving away from limitations and moving towards opportunities”. Exciting results are already being seen from this impressive initiative. It actively works to address both soft skills and technical skill acquisition with children from an early age through increased coordination and communication with schools and employers. www.know2cherokee.com
- The **South Carolina Certified Work Ready Communities** initiative is an effort to designate counties who work diligently to connect local employers with job seekers through the award-winning *ACT WorkKeys National Career Readiness Certificate* program. The initiative encourages more workers to enroll in this valuable testing program and more employers to use that system to help them find the specific skills they require. Cherokee County is presently very active with this initiative.

- The ***Spartanburg Community College Mechatronics*** program is custom-designed to combine industrial machine operation and maintenance training. Mechatronics was designed specifically in response to the concerns voiced by industry in the area, and it offers both certificate and associate degree programs. Mechatronics is offered at the Cherokee County campus of the college, and there is an exciting county-wide scholarship program available to make it affordable for more students.

There are other initiatives which also warrant recognition, including the strong local presence of the state workforce program, SC Works. Ultimately, it will be persistence through such innovative programs combined with the citizen-driven leadership of *Cherokee 2020* that enables the community to overcome the challenges voiced by industry. With the BRE Study complete and the results in, the stage is now set for action.

Appendix I: BRE Study Press Release and Newspaper Coverage

For immediate release:**Cherokee County Economic Development Partners to Support Local Industry**

The volunteer citizens group Cherokee 2020, most notable for its successful “Cherokee County Community Indicators Project”, will partner with the County Development Board and the County Chamber of Commerce to commission a Business Retention and Expansion (BR&E) Study. Citing that 60% to 80% of a community’s job creation typically comes from existing firms, the partners will examine what it takes for industry to thrive and grow in Cherokee County. The result, according to Chamber Director Kayla Robbs, will be “...a more self-reliant local economy that is attentive to the challenges and opportunities seen by our industries.” Bailey Humphries, member of both Cherokee 2020 and the Development Board, echoed Ms. Robbs, stating, “The BR&E Study is two-fold: (1) help us retain the industries we already have, and (2) make sure we address the barriers they see to expanding right here in Cherokee County.”

SCACOG to Conduct the BR&E Study

Serving under guidance from the economic development partners mentioned above, the year-long study will be conducted by the SC Appalachian Council of Governments (SCACOG) out of Greenville (www.scacog.org). SCACOG successfully applied for a \$10,000 grant from the philanthropic Cherokee County Community Foundation and will match that grant with its own \$5,000. No City or County funds will be expended.

Retain and Support Local Industry, Create Future Opportunity

By conducting on-site interviews with a robust sample of manufacturers, the Study will delve into community opportunities and challenges as perceived by industry. With assistance from the Cherokee 2020 Economic Development Committee, SCACOG will lead teams of 2-3 volunteers during the on-site visits. Also offering professional assistance and resources will be the SC Manufacturing Extension Partnership and SC Works. Discussion topics will include workforce development, infrastructure, utilities, local service delivery, expansion barriers & opportunities, and much more. Companies will also be asked to discuss the types of customers and suppliers they would like to see locate here. According to Jim Cook, Development Board Executive Director,

“The more we learn about our industries – their needs, their markets, their opportunities, their challenges – the better we can recruit their customers and suppliers to Cherokee County. That helps them and that helps us recruit good companies and jobs to this community.”

Company Confidentiality

The goal of the Study is to identify general trends and themes about the county as a place for industry to operate. Company feedback provided for this Study will be confidential, protected under Section 30-4-40 of the South Carolina Freedom of Information Act (Economic Development “Matters exempt from disclosure”). In no way will any specific information or opinion expressed by any company be shared or published.

Project Schedule and Contact

SCACOG and the Cherokee 2020 Economic Development Committee will begin coordinating the on-site visits following this press release. Interviews will begin in late 2012 and carry into 2013, with an estimated project completion date of June 2013. For questions, please contact David Shellhorse, SCACOG Economic Development Planner, at (864) 241-4649 or dshellhorse@scacog.org.

THE GAFFNEY LEDGER

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2012-10-29 / Local News

Yearlong study of Cherokee's business climate announced

By SCOTT POWELL Ledger Writer spowell@gaffneyledger.com

The volunteer citizens group Cherokee 2020 and the Cherokee County Chamber of Commerce have announced a yearlong study to examine ways the economic climate can be improved for local businesses and industries.

The two groups will partner with the county Economic Development Board on a business and retention survey. The confidential study will involve onsite interviews with a random group of manufacturers on what is required for businesses to be successful in Cherokee County. It is scheduled for completion in June of 2013.

Chamber Executive Director Kayla Robbs cited the fact that 60 to 80 percent of a community's job creation usually comes from existing businesses. She said the business survey will help in efforts to provide a more educated workforce and a better economic climate to attract new industries into the area.

The result will be "...a more self-reliant local economy that is attentive to the challenges and opportunities seen by our industries," Robbs said.

The study will be done by the S.C. Appalachian Council of Governments (SCACOG) in Greenville. It will be funded by a \$10,000 grant from the Cherokee Community Foundation and a \$5,000 match by SCACOG. No city or county funds will be spent.

A team of two or three volunteers will visit local companies to administer the survey questions. Discussion topics will include workforce development, infrastructure, utilities, local service delivery, expansion barriers and opportunities.

Companies will also be asked to discuss the types of customers and suppliers they would like to see locate here.

The goal of the business retention study is to identify general trends and themes about the county as a place for industries to operate, county economic Development Board Executive Director Jim Cook said.

"The more we learn about our industries — their needs, their markets, their opportunities, their challenges — the better we can recruit their customers and suppliers to Cherokee County," Cook said. "That helps them and that helps us recruit good companies and jobs to this community."

Appendix II: BRE Study Action Plans, by Section

Action Plan: Local Market and Industry

Goals to support local industry:

- Acknowledge their impact,
- Recognize their competitive markets,
- Support policies and initiatives that are sensitive to their challenges.

Supportive Findings

40 company visits revealed...

- Many different local industries, ranging from small and local to large and international;
- Most companies are regaining their previous form after the 2007-2008 economic downturn;
- Only 3 out of 40 decreased employment over the last year;
- Sales are improving for most firms during a moderate U.S. economic recovery;
- Goods made in Cherokee are sold all over the region, nation, and world;
- Local industry is facing moderate volatility in terms of merger and acquisition activity;
- Promising signs of “re-shoring” have shown, but off-shoring is still a concern;
- Local industry faces an even balance of competition from the region, nation, and world;
- Local import/export activity is steady-to-growing.

Recommended Actions

1. Establish a local *Manufacturers Council* to increase communication between local industry, government, and educational leadership.
2. Schedule local educational events for industry on both the *Inland Port* (Greer, SC) and the *Charlotte Regional Intermodal Facility*, each of which are (1) under construction, (2) located near Cherokee County, and (3) represent a major upgrade to regional rail infrastructure.
3. Work through new Manufacturers Council to develop existing industry recognition initiatives, such as manufacturer anniversary announcements.

Responsible Parties

Catalyst: Cherokee 2020 Economic Development Committee. **Partners:** local industry and local government leadership, Chamber of Commerce, and County Development Board.

Timeline: 6 months

Action Plan: Local Workforce

Goals to Support Local Industry:

- Increase the technical skill level of the local workforce.
- Decrease the amount of “soft skill” stability issues found in the local workforce.
- Create a strong pipeline between highly prepared local workers and local industry.

Findings

40 company visits revealed...

- 73% of companies reported local difficulty finding the skills and positions they need.
- Challenges are with both soft skills (e.g., work ethic) and technical skills (e.g. CNC operators).
- Availability of technically skilled workers received the lowest ranking of all WF categories.
- Tech skills most difficult to find are machine operation and machine/electrical maintenance.
- As one generation of workers retires, managers worry about replacing it with next generation.
- A small but notable number of firms believe WF challenges are more *local* than *industry-wide*.
- Reliance upon *On the Job Training* presents opportunities for local & state training programs.

Recommended Actions

1. Increase community awareness and support of the grass-roots *Know(2)* and *SC Work Ready Community* initiatives.
2. Increase promotion of local Spartanburg Community College *Mechatronics* and other related programs which specifically train for machine/electrical maintenance and operation.
3. Seek feedback from and offer support to the *Cherokee County HR Association*, a local group of industry Human Resource Managers which meets regularly to discuss issues.
4. Support *Regional Education Center* (REC) facilitation of more partnerships between local industry and schools for increased mentorship, apprenticeship, and job shadowing.
5. Schedule regular round-table events for workforce development partners such as the *Workforce Investment Board* and the *Cherokee Technology Center* to engage local industry.

Responsible Partners

Catalyst: Cherokee 2020 Economic Development Committee. **Partners:** local industry leadership, Upstate Workforce Investment Board, Cherokee Technology Center, Spartanburg Community College, SC Works, the Upstate REC, and other area workforce development partners, as applicable.

Timeline: 9 months

Action Plan: The Local Environment for Industry

Goals to support local industry:

- Work to ensure that all local services, infrastructure, and utilities are business-friendly.
- Continue the practice of pro-economic development local government.
- Support existing industry expansion in all practical ways possible.
- Utilize existing industry feedback for industrial recruitment strategies.
- Minimize weaknesses and maximize strengths as perceived by industry.

Supportive Findings

40 company visits revealed...

- Most local services and infrastructure categories receive solid rankings by industry.
- The perception of Schools K-12 has significant room for improvement.
- Several isolated “Streets and Roads” and “Sewer” comments warrant future planning attention.
- Of local industry’s legislative and regulatory concerns, none mentioned were local.
- Roughly 80% of companies visited are on sites and in buildings adequate for future expansion.
- There is a healthy level of local industry expansion planned over the next 1-2 years.
- Several companies described complimentary industries which could be logical recruiting targets for Cherokee County.
- The *Strengths & Weaknesses* analysis primarily revealed:
 - I-85 is the County’s greatest asset for industry, though it needs upgrades;
 - *Workforce* is the County’s greatest challenge, though aspects of “the people” who make up the WF are considered strengths (small town values, loyalty, non-union, etc.)
 - None of the weaknesses mentioned were viewed as insurmountable barriers.

Recommended Actions

1. Establish a *Manufacturers Council* to increase communication between industry, government, and educational leadership about services and infrastructure (see *Section III Action Plan*).
2. Facilitate greater communication and coordination between local workforce development partners and industry leadership. (see *Section IV Action Plan*).
3. Keep lines of communication open with identified expanding companies, offering assistance in all practical ways possible.
4. Inform site location project managers and consultants about existing industry in Cherokee County, giving them information on possible complimentary recruiting targets.
5. Incorporate the findings of this study, including specific ones about Streets/Roads and Sewer, into the County’s *Comprehensive Planning* process.

Responsible Parties

Catalyst: The Cherokee 2020 Economic Development Committee. **Partners:** local industry and local government leadership, Chamber of Commerce, County Development Board, the Upstate Workforce Investment Board, and other area workforce development partners, as applicable.

Timeline: 12 months