

Business Recruiting Barriers and Opportunities

Update to the Joint Minerals, Business and Economic Development Committee

Aug. 13, Laramie

- **Additional Information and Insights on Why Businesses May Reject Certain Communities in Wyoming (Particularly as it Pertains to Infrastructure):**
 - **Water:** Capacity/supply is the No. 1 reason. Developed resources are necessary, not just “water nearby.”
 - **Power:** Capacity/cost.
 - **Lack of Shovel-Ready Sites:** There is land available, but it’s not shovel-ready for quick development in most areas.
 - **Project Timelines:** COVID-19 has accelerated the expansion needs of some companies in such a way that they need things to move faster than we can often manage.
 - **Transportation and Access to Markets:** Shipping raw materials is often more cost effective than finished products simply because of the locations of major markets for any given product.
 - Wyoming has to be selective in industries it pursues – industries that produce a product of either high enough value that shipping cost is a minor consideration, or that the market is easily accessible from Wyoming (i.e. data centers, firearms, electrical generation, other high value products and services).
 - **Supply Chain Issues:** Similar to issues with accessing markets with finished goods, Wyoming’s companies struggle with costs of supplies and raw materials because of longer distances to suppliers, as well as small industry sizes that don’t allow any economies of scale when ordering to Wyoming.
 - There is also a lack of supporting industry for manufacturing such as heat treating, anodizing, etc.
 - **Workforce Availability:** Large unemployment doesn’t necessarily equate to available workforce. Qualified workforce, trained in the needed skills and willing to accept the pay offered in non-energy industries, is a primary concern for Wyoming employers.
 - The WBC’s recruitment effort focuses on industries needing the state’s existing skills, or skills adjacent to the existing workforce.
 - On average, any given employer can only expect to hire 1 percent of any given local workforce on day one.
 - That economic development standard (International Economic Development Council) limits the size of operation feasible in Wyoming. Large employment numbers require starting low and ramping up over years.
 - **Availability of Housing/Amenities**
 - **Lack of Incentives:** Most states base their incentive programs on company performance in employment and wages. Wyoming lacks a similar program to offer companies credits to taxes owed when meeting certain parameters.
 - Wyoming has low taxes, but is not a low-cost location when considering cost of labor, shipping and utility expenses.
 - Incentives could make up for those costs by decreasing overall net operating costs in Wyoming.

- **BRC Process (if a company chooses to access the program):** The Business Ready Community grant and loan program subjects a privately owned company to public process. It is time-consuming and does not always fall within the project timeline.
 - **Moving Costs:** Relocation of even a small company can cost millions of dollars. This is a barrier to most companies seeking to relocate to other states, and Wyoming does not have a fund to incentivize this type of activity.
 - **Broadband:** Service is lacking in some areas of the state.
- **Information on Additional Funds That May be Needed for an Expansion of Business Recruitment Activities (And, if Additional Funds are Provided, How and Where Those Funds may be Used for Recruitment):**
 - The time will come for that, but for right now, we need to understand our customers through targeted industries studies. We must recruit what makes sense. We have ideas, but we need data verification.
 - The WBC currently is reviewing RFPs for a new website, which will be a critical tool in recruitment marketing campaigns as the current website is not conducive to digital marketing campaigns. At the same time, we need to know which industries we're targeting so we have an appropriate messaging campaign. COVID-19 delayed this process by a year.
 - Rough estimates for targeted industries studies:
 - Statewide: \$500K.
 - 8 to 10 regional studies: \$100K-\$200K each.
 - Individual Community Studies: \$100k-\$200k each.
 - (ARP funds request to include these studies, implementation funds, and studies to assist communities with existing business retention/expansion.)
 - Recruiting Budget:
 - Currently \$240K annually. In the 2012-13 biennium, the recruiting budget was \$400K-\$500K.
 - Currently one person is dedicated full-time to recruiting; in 2012-13, there were two.
 - Using last fall's two-month WyRelocate collaborative marketing effort between WBC, Tourism and Workforce Services as an example, the agencies received more than 300 inquiries about living and working remotely in Wyoming, job openings in Wyoming and business relocation. The effort, while successful, generated such a large number of leads in such a short timeframe, that it made it difficult for the WBC to follow up and nurture those leads in a timely and effective manner.
 - Hence, the recommendation we establish baseline data with targeted industry studies, get the new website up and running, work with the Minerals committee on non-infrastructure funding options (make Wyoming known as a state that "has something to offer"), then discuss potential marketing budget and staffing needs.
 - Collaborative efforts with partner agencies addressing workforce, including talent recruitment, and housing issues are also a key component of recruiting.

- The WBC continues to market and recruit through direct and indirect leads, industry trade shows such as SHOT Show, and contracting with business expansion and relocation matchmaker ROI International.