

# 2011

## ROCHESTER AREA AFRICAN BUSINESS SURVEY



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## FINDINGS REPORT

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**African  
Development  
Center**  
of Minnesota

**ROCHESTER AREA**  
CHAMBER OF COMMERCE

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## Executive Summary

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With a mission to work within the African communities in Minnesota to start and sustain successful businesses, build wealth, and promote community reinvestment, the African Development Center was thrilled to take the lead partner position in conducting this survey of the African businesses within the Rochester Area of Minnesota. We are grateful for the support and assistance of the Rochester Area Chamber of Commerce in the first survey (of many more to come) to directly address this growing business community of African immigrants.

We feel this type of research and data is just the beginning of the essential steps needed to better understand the opportunities and needs of this community, and effectively address them. Our efforts as an organization have been to acknowledge the challenges that this community faces in the pursuit of economic stability and success, and overcome them through the utilization of such tools and services of training, consultation, workshops, and small business loans. Through this work, we are proving that individuals and businesses within this community can become bankable, empowered, and vital contributors to the larger regional and mainstream economies.

In the context of economic development and community investment, the business segment targeted by this survey is crucial for a couple of reasons. The first is the fact that the vast majority of jobs throughout our state and country are created by small and mid-sized businesses, which is common characteristic of those surveyed here. Establishments of this size are the economic backbone of any community, as they increase the employment and sustainability. This will not only lead to the financial growth of this community of new Americans, but eventually to the second factor: the tremendous potential and real impact of the immigrant community on the larger economies. This is a theme that we have been championing for a while now, and one that we were excited to see highlighted by Minnesota 2020 in the recent report: [Fertile Ground for Minority Opportunity](#). These communities are much more beneficial to the regions and entire state of Minnesota than many realize, and it is essential that we take actions to cultivate these benefits.

Therefore, we hope this survey of African-owned businesses in the Rochester area, and the findings reported here, is a catalyst for organizations and businesses of this area to realize the potential of this business community, and work towards efforts that: expand and integrate business networks and supply chains, develop appropriate tools and services to enhance growth, and offer effective resources to a community with the demand and skills to utilize them for the betterment and vitality of the entire region.

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## Introduction

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The following is a *Findings Report* of a recent survey of African immigrant business owners in the Rochester area of Minnesota. This survey was conducted by the African Development Center of Minnesota (ADC) during the summer and fall months of 2011, as an attempt to reach all businesses owned and operated by members of the African immigrant community.

The survey consists of 43 questions, with a range of topics that include: *Owner Education/Experience, Financial Health, Perceived Challenges, Regional Opportunities, and the Use of Regional Services and Networks*. In the end, 35 businesses were contacted, with 30 businesses fully completing the survey. While much work was done to locate and survey every business of this community, it is estimated that this final number reflects 70 – 80% of all businesses owned and operated by members of the African immigrant community of the Rochester Area.

### Why was this Survey Conducted?

The purpose of this regional survey was to provide accurate and useful information on the state of this segment of business owners that could ultimately help determine: the overall health of these businesses, areas of success and challenges, opportunities for growth, assistance needs from groups like ADC and the Rochester Area Chamber of Commerce (RACC), and a mechanism to begin to compare the status of this business segment with the larger business community of the region.

The city and surrounding area of Rochester continues to experience a tremendous amount of population growth, which has historically included a substantial percentage of immigrants from across the globe. More recently, a significant portion of this community includes an emergent number of African immigrants and refugees. As a result, ADC determined it important to expand its operations to this region, by offering its culturally-competent economic development products and services to this growing community, as well as creating partnerships with crucial public and private institutions, such as the RACC.

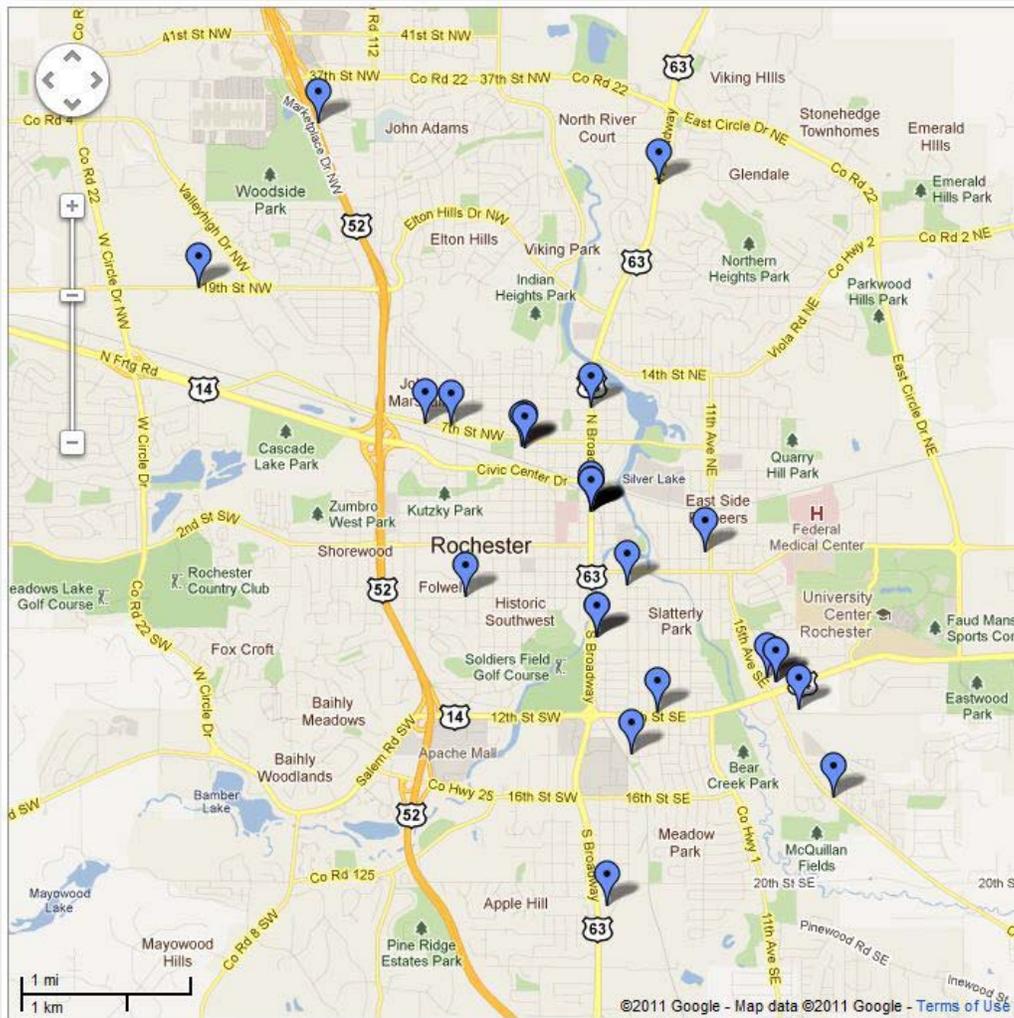
This expansion is part of ADC's statewide efforts to fill the economic and opportunity gaps between African immigrants and the community at-large. ADC understands the challenges that African families and entrepreneurs face, and attempts to leverage its cultural knowledge and development expertise to overcome these obstacles. For ADC, the Rochester area holds tremendous potential to serve as an example of how to empower an immigrant community to be self-sufficient and prosperous contributors to the larger region in which they live.

The partnership with *RACC* on this project is significant, as it illustrates the understanding that the Chamber has regarding the importance of communities like this for the overall success of the entire Rochester area. *ADC* is proud to work with *RACC* on this and future endeavors. We look forward to the ways in which the data found in this and subsequent reports will assist in creating and improving projects, such as *MarketForce* - an evolution of the Diversity in Business initiative, committed to increasing business opportunities, value-added markets and supports to small and medium-sized businesses for a more sustainable and robust city and region.

The mission of the *RACC* is to lead, inform, advocate and advance business interests for members; and to promote a healthy community and a growing economy. Representing over 90% of the business community, *RACC* commits to providing an environment where small business members can develop, grow and prosper.

### Where was this Survey Conducted?

As stated, effort was taken to locate and survey the complete community of businesses owned and operated by African Immigrants in the Rochester area. This was the objective not only for

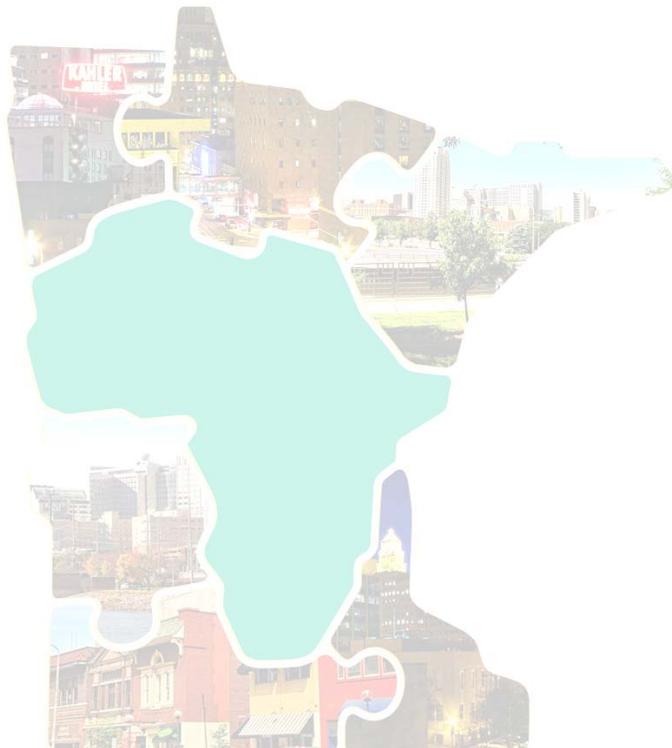


obtaining information in the areas mentioned above, but also in determining where, in the region, these businesses reside. Similar to the diversity of the businesses themselves (which will be discussed below), is the diversity of their locations, as illustrated by this map indicating the addresses of the 30 establishments interviewed:

## Report Layout

This report will be laid out in a very similar manner as the survey itself (Appendix 1). The first section provides basic information about this particular business community, with general numbers of businesses, industry sectors, owner background, and current financial indicators. The second main section presents a more in-depth look at the financial health of these businesses as well as future projections, challenges, and growth strategies. The final section of analysis looks at the degree to which members of this business community utilize local services and networks, and subsequently, what needs and opportunities there are for entities such as *RACC* and *ADC* to provide tools and resources to assist in the overall success of this community.

While the general results of the survey are attached (Appendix 2), this report is meant to paraphrase these results and highlight some of the most pertinent findings. Additionally, this report will examine a number of the deeper relationships across responses, for the purposes of greater detail and a more complete understanding of the current situation overall. However, as the data illustrates, all of this is done with the acknowledgement that this is a very diverse community of businesses and owners, with widely varying circumstances.



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## Findings Report

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### General Information

#### Ownership

While the type of ownership among respondents included entries in the categories of Partnership, LLC, and Corporation; Sole Proprietorship led the choices – comprising nearly half of all surveyed businesses (Figure 1). The majority of businesses (67%) are operated by 1 owner,

with 2 owners filling the last 33%.

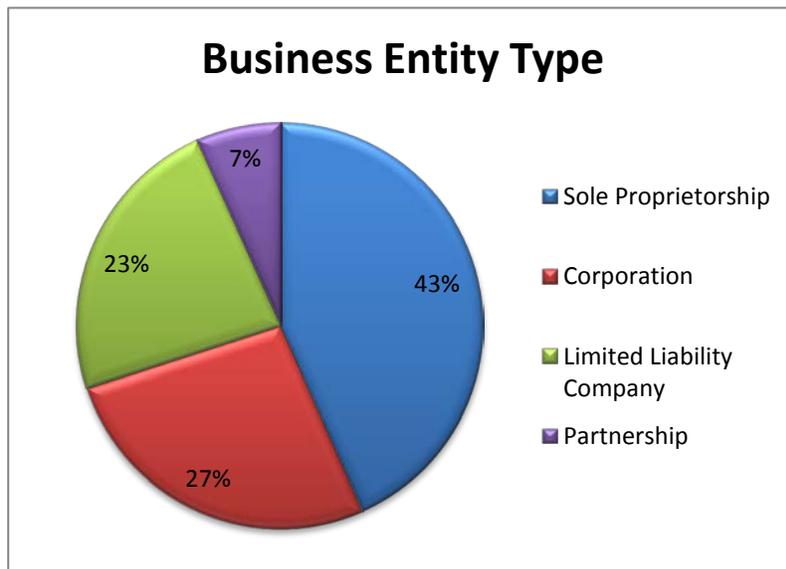


Figure 1

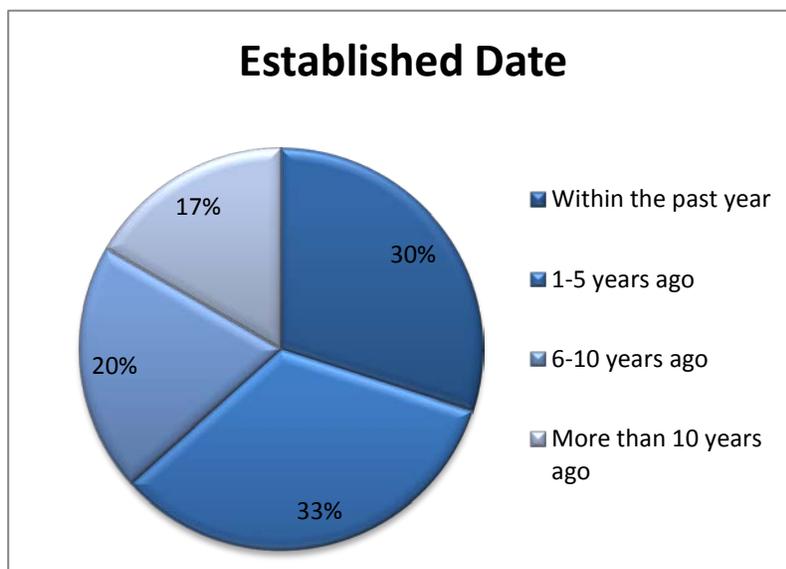


Figure 2

Of the current owners/operators surveyed, 87% are the original / founding owners of the business, while the remaining 13% purchased their businesses from the founding owners. This survey showed that while there is a large age range of businesses in the community (Figure 2), 65% of those starting businesses have done so within the past 5 years.

Within the category of purchased businesses, 75% of these are over 5 years old, with half of them established more than 10 years ago. However, the majority of these owners have acquired their businesses in the past 5 years. The findings mentioned in these last two paragraphs reflect a trend that while African-owned businesses are not a new

phenomenon in this area, the notion of owning one’s own business continues to grow at a very high rate within this community.

### Education / Experience

As with many of the factors examined in this survey, education levels among this community of business owners was extremely diverse, as it ranged from below a High School diploma to a Master’s degree (Figure 3). That being said, the vast majority (83%) are educated beyond High School, and nearly a third (30%) of owners hold at least a Bachelor’s Degree.

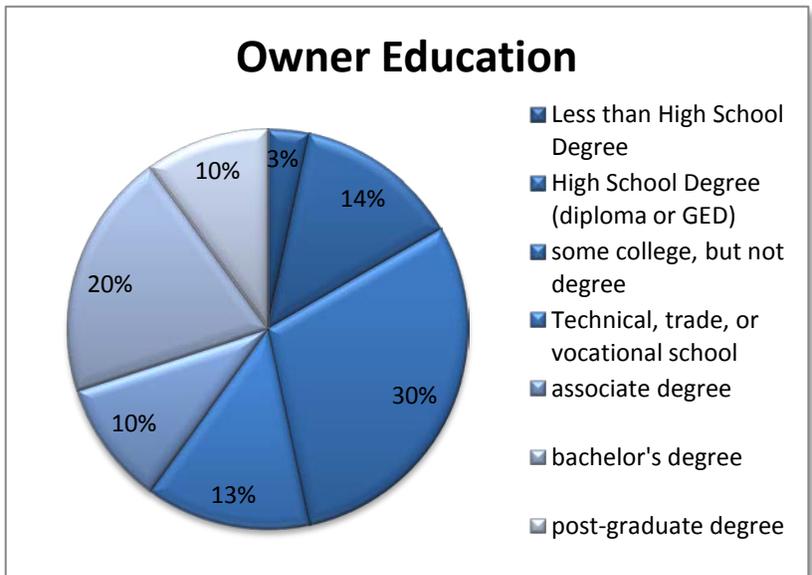


Figure 3

Prior experience of owning a business was also varied throughout, but nearly split with 53% of respondents being first-time business owners. Similarly, having non-degree formal business training/qualifications was also split at 50%, illustrating that a lack of experience has not deterred a large portion of this community from running their own business.

### Business Type

The majority (60%) of these businesses supply products to consumers, with 15% of those providing services to other businesses (Figure 4).

Looking over time, there do not appear to be any strong trends as to the types of businesses recently being established. Essentially, the split between products and services has remained fairly consistent.

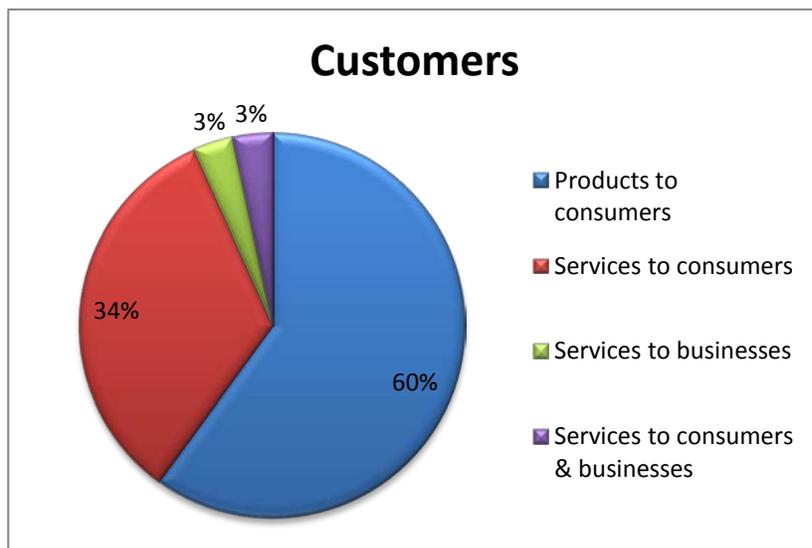


Figure 4

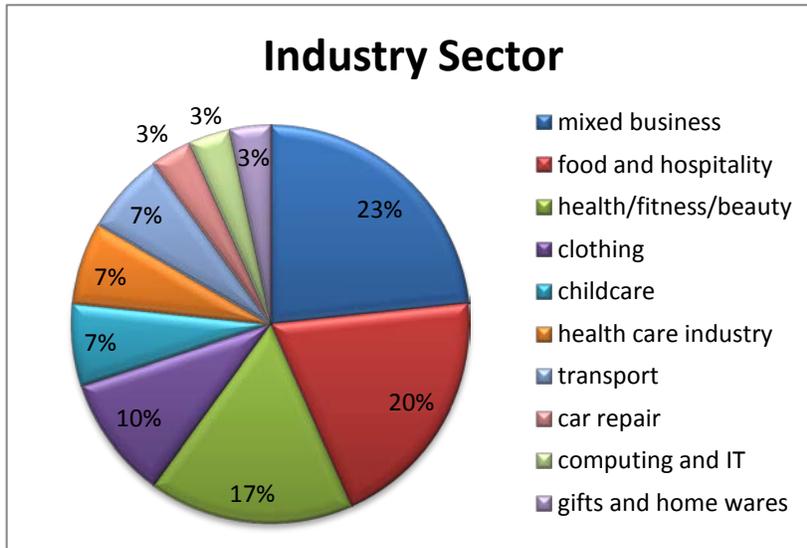


Figure 5

There were 10 different categories of industry sectors represented in the 30 businesses surveyed. While the stronger categories were those in the more *traditional* types of products and services provided by business owners (e.g. 23% mixed businesses, 20% food & hospitality, 10% clothing), there is most certainly not one industry sector comprising the majority of businesses in this community (Figure 5). Further, this

diversity seems to be expanding, as a growing number of new businesses established in the past 5 years have been in the *nontraditional* sectors of car repair, childcare, medical, and transport services. Most likely a result of market demand, this is a trend that is sure to continue, and one that may very well lead to the further integration into the regional economy at large.

## Economic Impact

### Income

Small businesses dominate this segment, as the median gross income for the last fiscal year of those surveyed was in the \$50,000 to \$100,000 range (Figure 6).

The largest percentage of businesses (43%) are below the \$50,000 per year level, with 75% of these being sole proprietorships. A third of these are less than a year old, and education does not seem to play a factor - as there is even dispersion through each education level. While the percentage of these businesses selling products to consumers

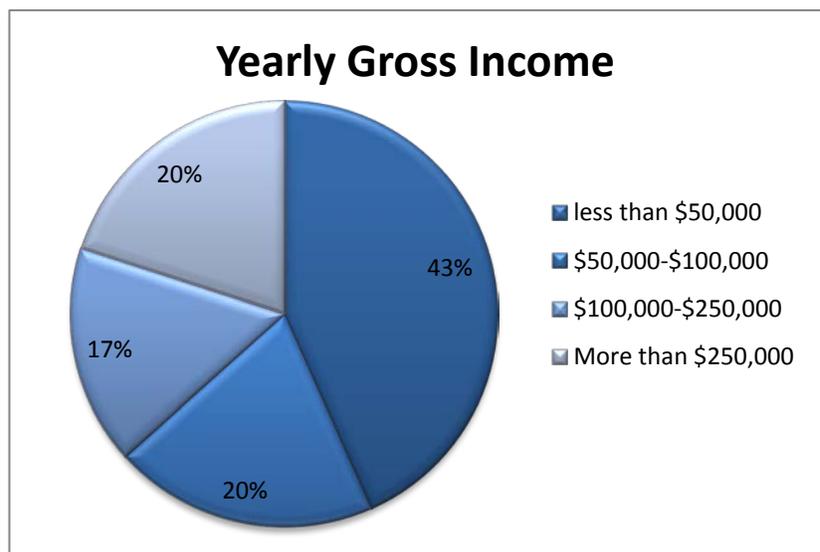


Figure 6

(58%) is fairly consistent with the aggregate level, those in the clothing and health/fitness/beauty industry sectors comprise levels (58% combined) that are higher than the aggregate average percentage (27% combined); perhaps indicating market saturation.

Within the 20% of businesses earning a gross yearly income between \$50,000 and \$100,000, half of these are between 1-5 years old, with the education level of the owners evenly split between a trade/associates degree and some college education. Mixed business comprises half of the establishments in this income level.

The smallest portion of businesses (17%) are in the income level of \$100,00 to \$250,000, of which the majority (60%) provide products to consumers. The most predominant age of businesses in this category is 1-5 years old (40%), while trade/associate degree describes the largest portion (40%) of business owners in this category.

The vast majority (83%) of businesses with a gross yearly income above \$250,000, the owner possesses an education level of Bachelor's Degree or higher. Also, two-thirds of these 20% of businesses surveyed were established within the past 5 years, with 33% being less than a year old. The level of corporations in this category is much higher than the aggregate at 67%, as is the level of food and hospitality at 50%.

### ***Employment & Benefits***

Historically, entrepreneurship has long been a means for first-generation immigrants to provide for their families as well as the immigrant community. As these types of businesses gain success, their benefits for the community begin to grow as well. Nowhere is this more evident than in the area of employment.

Roughly 100 full-time jobs (including owners) have been created through these 30 businesses. Within that, the percentage of full-time African immigrant employees is 85%, and the gender split of full-time hires is 57% men to 43% women. Additionally, 74 part-time positions have been created with these establishments. African immigrants comprise 72% of that number, with the gender split here being 78% men to 22% women.

As with many small- to medium-sized businesses, employee benefits are far from the norm in this segment. In fact, only 26% of all respondents cite offering some sort of benefit for full-time employees, and only 17% for part-time workers.

The types of employee benefits provided are often a very important factor for the overall health and prosperity of a community, as the impacts can vary greatly between benefits. Figure

7 presents the percentage at which each benefit is offered, with only one business providing medical insurance benefits for full-time employees. The same is true for unpaid parental leave.

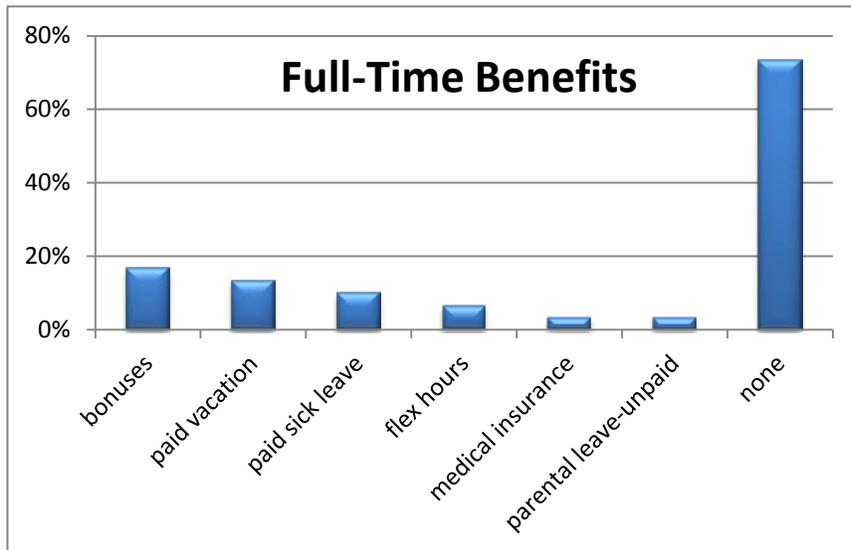


Figure 7

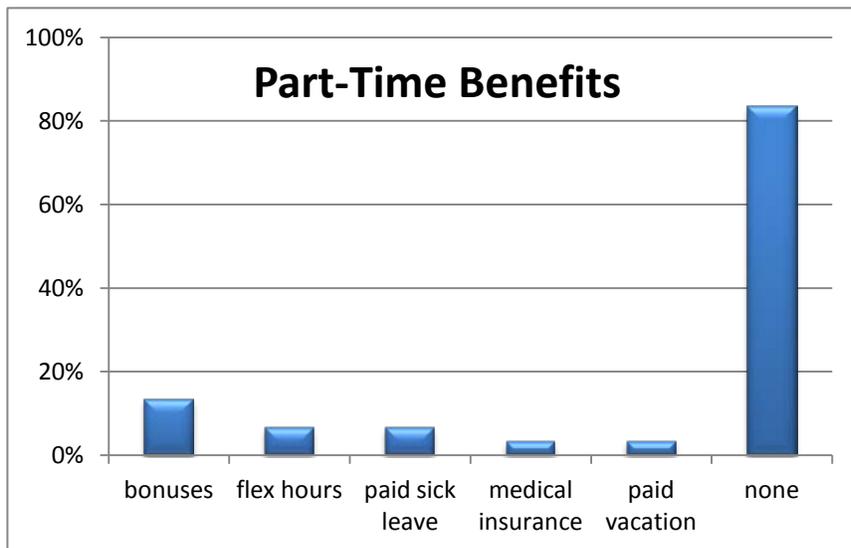


Figure 8

Similarly, there is only one business offering medical insurance as a benefit for part-time employees, and two offering paid sick leave (Figure 8).

Of all benefits offered, the majority (63% for full-time and 80% for part-time) are in the form of bonuses, a benefit that essentially pays for itself.

The largest indicator of whether or not benefits are offered is not industry sector or business age, but unsurprisingly, the level of yearly income of the business. Only one surveyed earning less than a gross yearly income below \$250,000 offers part-time benefits, and only two offer benefits for full-time employees.

## Financial Health

### Recent Performance

While responses to questions on financial indicators varied greatly between respondents 72% of all businesses surveyed project the current financial year's net income to at least be at the same level as the previous year (Figure 9), with 40% predicting a more profitable year.

Among the 28% projecting a lower level of net income, 86% of these businesses are in the report "less than \$50,000" in yearly gross income. This is roughly half of all the businesses at that income level.

Additionally, 57% of all the businesses projecting this lower level are from the Clothing industry sector. This includes nearly every clothing store.

These trends seem to remain consistent with the changes to specific financial indicators of the past 12 months (Figure 10). Of those seeing decreases in revenue and profits, roughly half of these businesses are from the "less than \$50,000" income level. Again, 57% of these respondents are from the

clothing industry, with all clothing stores reporting these indicators to have either remained the same or decreased in the last year.

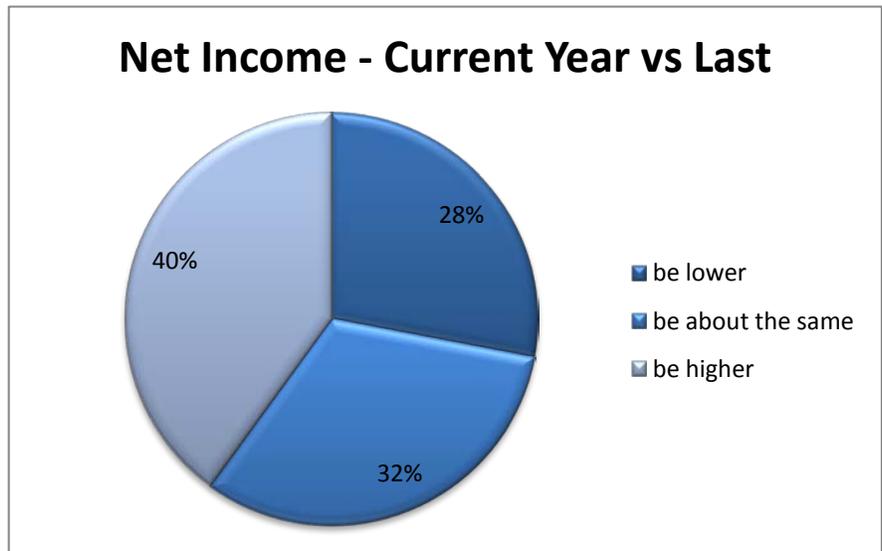


Figure 9

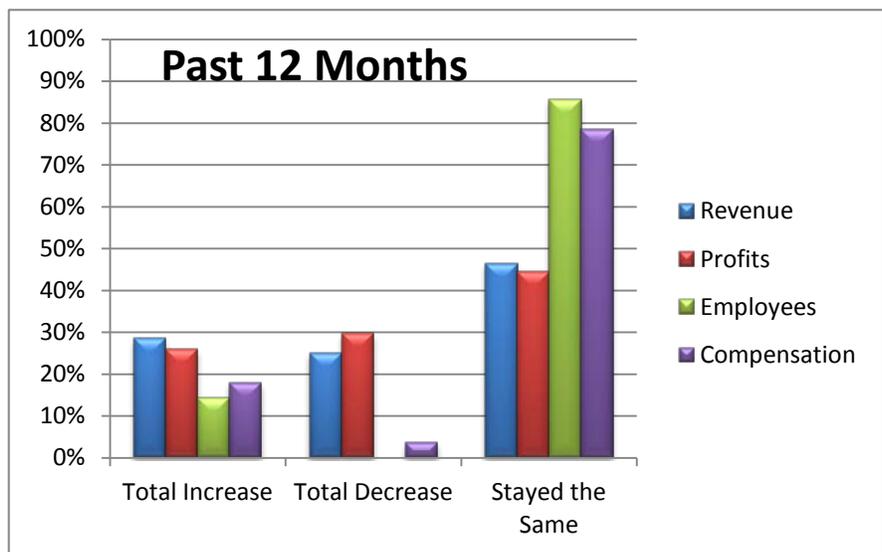


Figure 10

Despite 25% of all businesses reporting decreases in revenue, and 20% reporting decreases in profits, levels related to employment numbers and compensation are largely unchanged; perhaps indicating either the reluctance of owners to transfer these decreases to their employees or a more optimistic outlook for the future.

When asked about the financial health of the last 6 months (Figure 11), a substantial majority (70%) of all businesses surveyed stated that they were able to pay all of their bills on time. While 23% of businesses report being behind on some of their payments, nearly half (43%) of these owners predict an increase in profits next

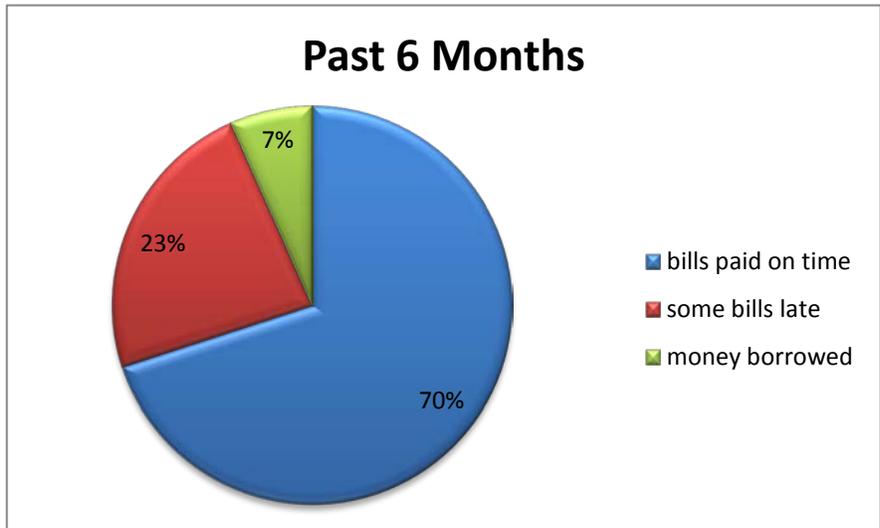


Figure 11

year. Additionally, all owners currently late with bills report being unsatisfied with available lending options in the area, and 86% of these business plan on utilizing new advertising and marketing strategies in the coming year.

The remaining 7% of these businesses report only being able to stay current with bills through the borrowing of funds. Which, for these establishments is important, as each business in this percentage responded that they would close stores if capital were to become an issue (as compared with only 13% of all owners responding that way). That being said, 100% of these owners stated that they were not satisfied with available lending options in the area.

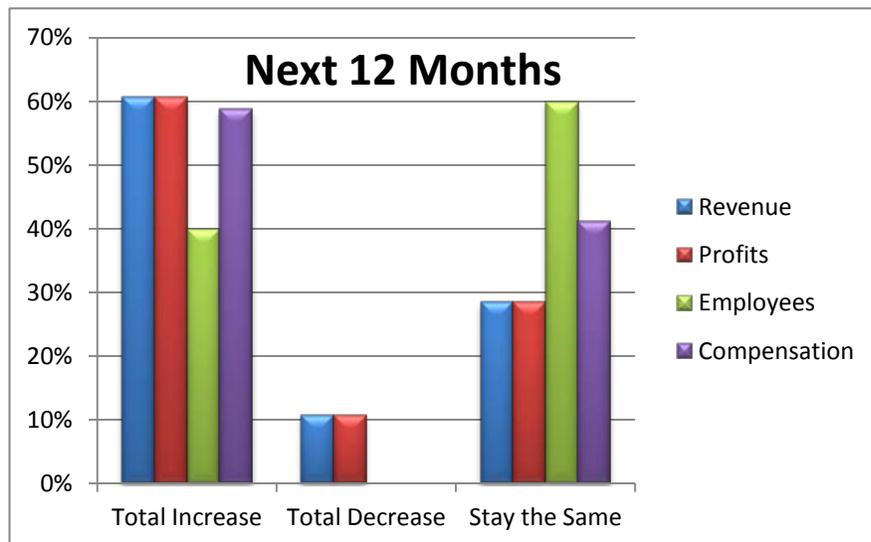


Figure 12  
Rochester Area

### Projections and Growth Strategies

Although a significant percentage of businesses project an decrease in the net profit level when compared to the prior financial year, as well as a decrease in revenue and profits over the last 12 months; a large

majority of these owners are quite optimistic about the coming year (Figure 12). Only 11% of those surveyed predict a decrease in gross sales and net profit, while 61% predict an increase in these indicators. Again, negative actions towards employment are largely nonexistent, with no decreases predicted, and even possible increases in numbers (40%) and compensation (59%).

In order to create these positive changes, a majority (83%) of these owners understand that deliberate actions may need to be taken (Figure 13). Of the growth strategies mentioned, 40%

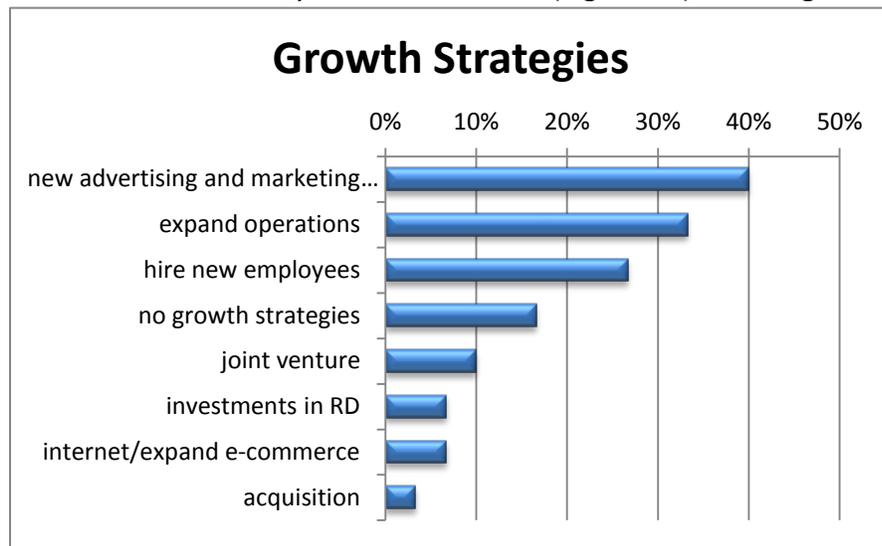


Figure 13

of businesses plan on utilizing new advertising and marketing. Within this portion are 72% of the businesses making less than \$50,000 in yearly net income. This is unlike the 33% of businesses planning on expanding operations in the coming year, of which includes 78% of the businesses earning more than \$100,000 in

yearly net income. Again, these differences indicate the large levels of diversity found among the businesses of this community.

## Challenges

When asked about the challenges facing these specific businesses in the next 12 months, competition led the list, by being mentioned by 23% of all respondents (Figure 14). The majority of this percentage was comprised of businesses offering products to consumers, and similar to many small businesses

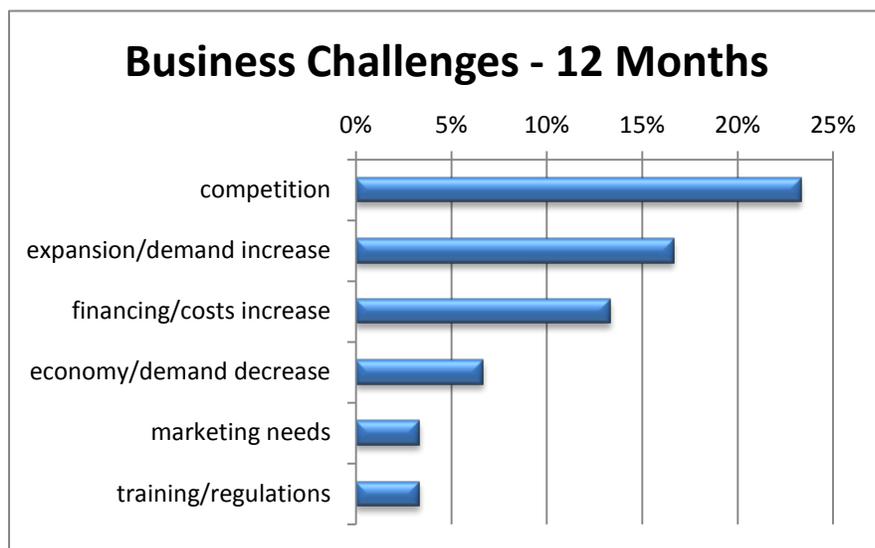


Figure 14

outside of this particular segment, competition from the Twin Cities Metro area was an often cited specific area of concern.

Following competition was the challenge of expansion needs / ability to meet demand (17%). This challenge is consistent with much of the optimism from this business segment, particularly in certain industry sectors. While *traditional* sectors were included in this percentage (such as a grocery store adding a deli section), a number of owners mentioning this challenge were from the *nontraditional* sectors such as healthcare and transport services. Additionally, a majority of these businesses were established in the last 5 years.

Financing challenges round out the top three mentioned by surveyed businesses, with one owner mentioning “tight credit” being his main issue, and another stating: “As a new business, the biggest challenge is funding to meet growing demand here”. When asked about challenges in the next 5 years, these were also the top three mentioned in the same order by essentially the same businesses.

Fewer owners saw challenges that were specific to the industry sector of their business. Of the 10

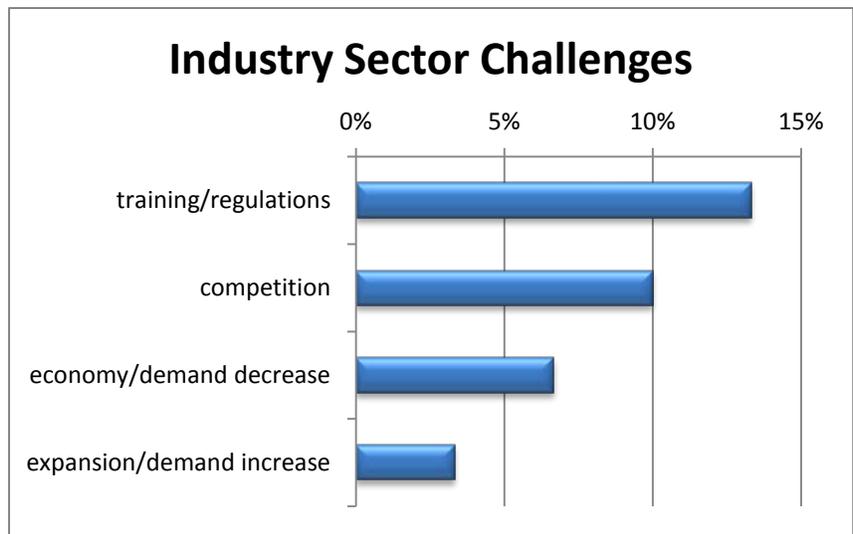


Figure 15

responses, training and regulations led with 13% of all businesses mentioning it as a challenge (Figure 15). This included such issues as training for credit collections, and regulations seen in more *nontraditional* sectors of health and childcare.

Most owners did not have responses for regional challenges (Figure 16), which may be a reflection of not yet having an understanding of regional issues. Of those that did respond, outside competition (e.g. Twin Cities, Internet, etc.) tied with training/regulations at 10%.

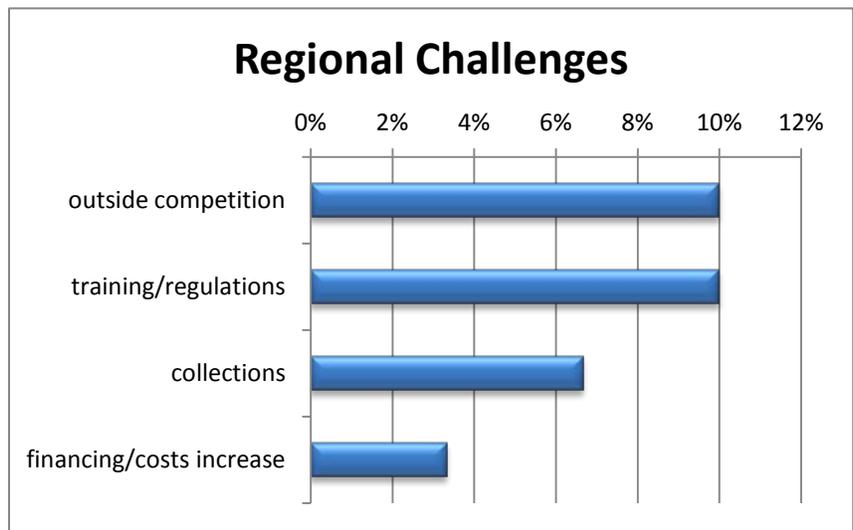


Figure 16

## Development Opportunities

Given many of the responses to the questions mentioned above, one can start to see a clear picture of the ways in which tools and resources can be directly utilized for the future success of this business sector. This final section of the report will address these opportunities directly, as these questions focus on the perceptions of owners regarding the availability of this type of assistance, as well as the demand and potential impact if this availability was increased.

### Regional Assistance

#### Training

When asked about the current level of training opportunities in the region, 59% of owners responded that they were “not satisfied at all” (Figure 17). While these respondents include owners from each yearly net income level, 72% of the businesses below \$50,000 made this response. Education may also be somewhat correlated to these responses, as 67% of those with a Bachelor’s degree or higher are at least “satisfied” with these opportunities. Lastly, the age of the business may also be an



Figure 17

indicator of response, as 55% of businesses older than 5 years are “somewhat satisfied” or better, with 36% being satisfied (0% very satisfied).

#### Rochester Area Chamber of Commerce

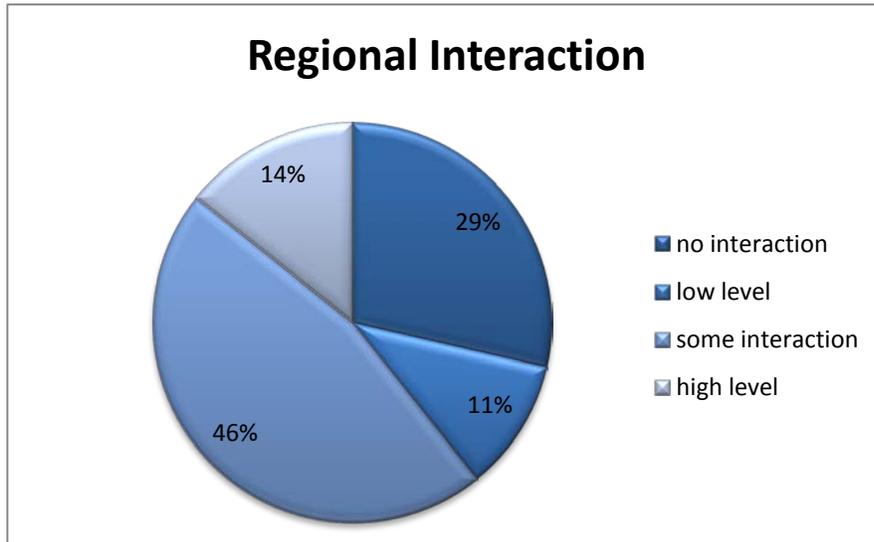
Specific questions regarding the awareness and current utilization of tools and services from the Rochester Area Chamber of Commerce were also posed to this business segment to get a better feel for the impact the Chamber is currently having in this community, and in what areas.

Of the 30 businesses surveyed, 63% stated that they were not aware of the RACC services and activities. For those that were aware, 64% have utilized these in some way. Indicators for utilization include: 86% of these businesses being less than 5 years old, with 43% established in the past year; 71% providing services, with *nontraditional* sectors comprising 57%; and 100% of

these owners having some sort of post-secondary education, with 86% being a associates / trade degree or higher.

### Networking

Ultimately, for the sustainability and success of a community and overall region, a wide interaction of businesses and consumers from all segments throughout is necessary. The higher



this level grows, the stronger and more robust each contributing segment becomes. Figure 18 illustrates the responses from owners as to the current level of interaction throughout this regional market. “Some interaction” leads the responses at 46%, with “no interaction” in the second spot at 29%.

Figure 18

Of the 14% of businesses citing a “high level” of interaction with other business, industries, or consumers in other regions of the Rochester area, *nontraditional* industry sectors are the majority, including businesses in health, childcare, and employment services.

### Financing Opportunities

#### Current Sources

As mentioned in relation to previous questions, funding and the availability of financing is a concern for a great deal of respondents in this business segment. Only 13% of all businesses surveyed have acquired a loan for the funding of operations. Of these, half are private loans, and

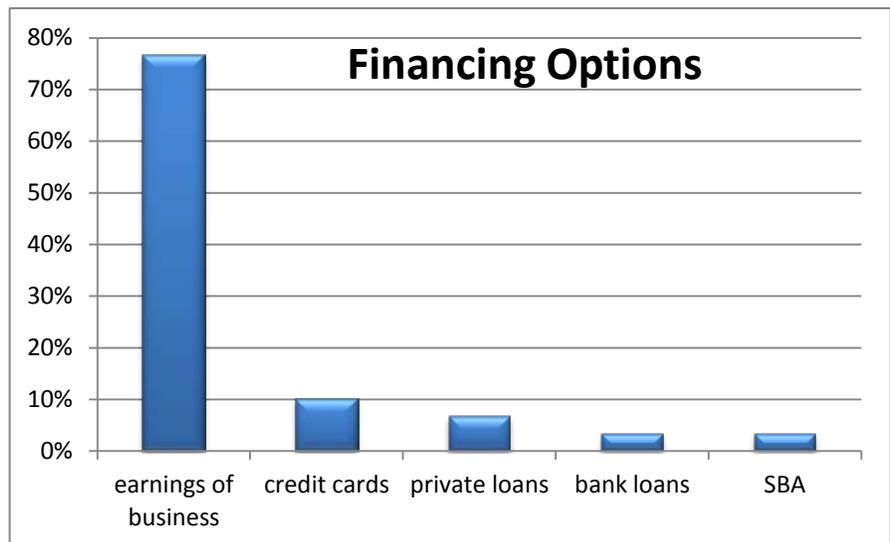


Figure 19

only 1 business has received a loan from a banking institution. In order to overcome this, many businesses have had to either limit their expansion (as will be discussed in the next section) or use alternative and less efficient methods of funding, such as credit cards (10%).

As Figure 20 shows, this low level of utilization of outside funding sources may be linked to a limited availability of this capital. A significant majority of businesses responded that they were “not at all satisfied” with available lending options (74%).

Somewhat surprising, is the fact that despite this perceived lack of funding availability, 63% of all businesses responded that they were “satisfied” (33%) or “very satisfied” (30%) with the available banking options in this region. Additionally, 88% of those “very satisfied” are included in the percentage that is “not at all satisfied” with available lending opportunities.

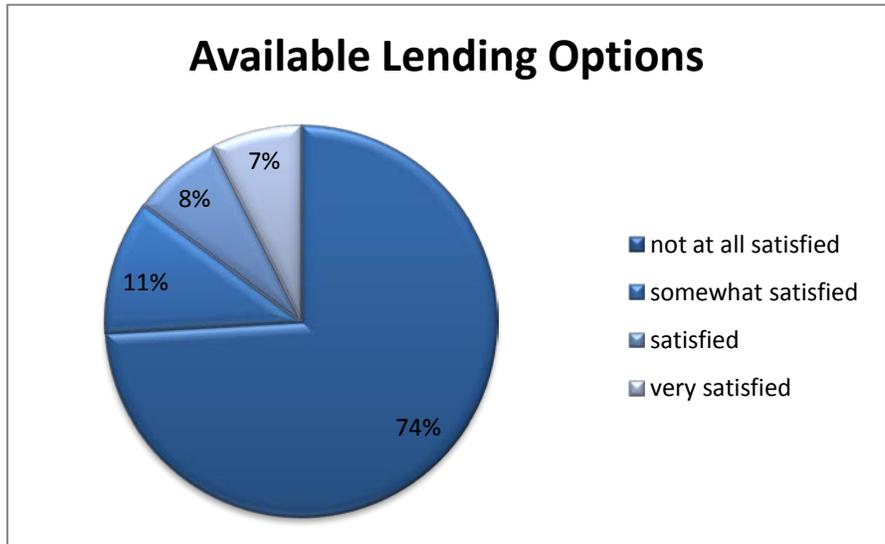


Figure 20

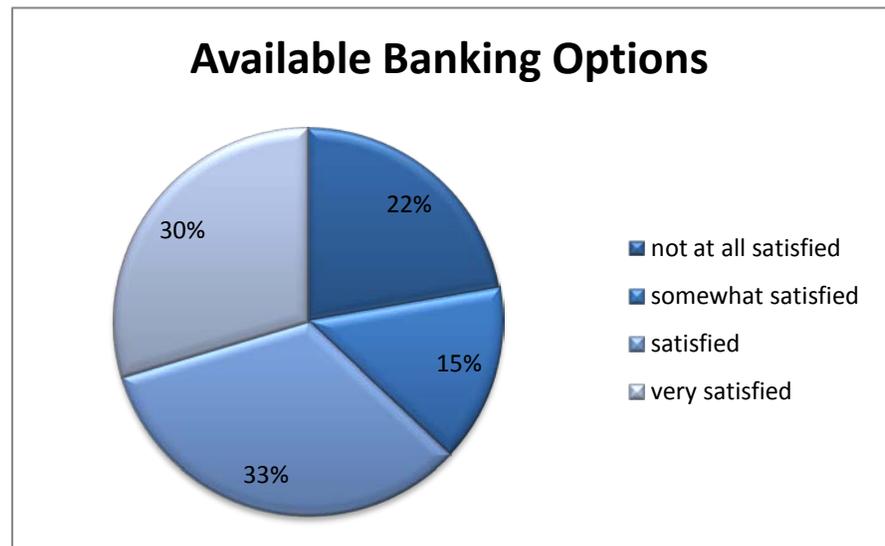


Figure 21

### ***Impact of Increased Capital***

The main question to ask when evaluating the availability of resources for small businesses is what the impact will be for an increased level of funding for these establishments and the region. Figure 22 illustrates that this impact would be felt in a variety of ways through a diverse number of actions. Consistent with the number of businesses feeling demand pressures, the first step of half of all respondents would be to increase the level of inventory for the business.

Similarly, 30% of owners stated that they would invest in the purchasing of equipment to assist in the efficiency of their operations. Also, 13% of businesses would use funding for the expansion into new stores or locations for their business. Lastly, another indicator of expansion needs, and a positive community impact that

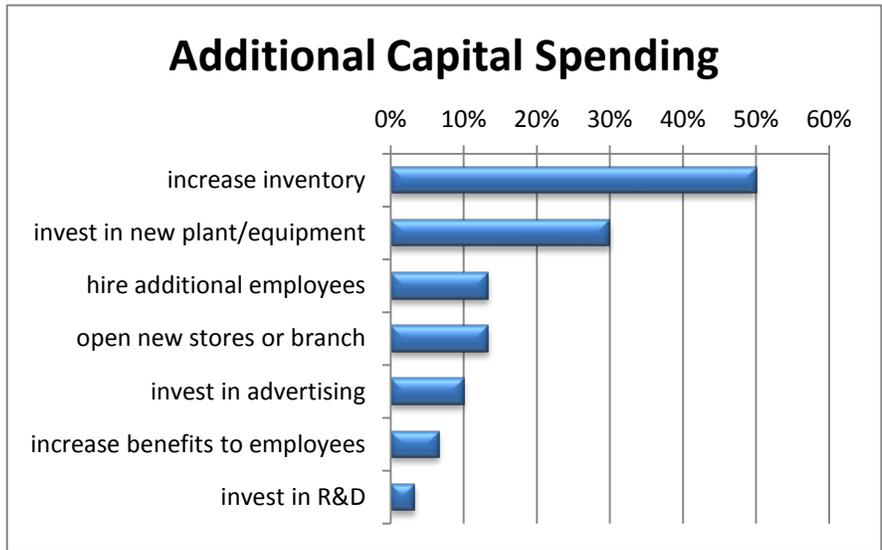
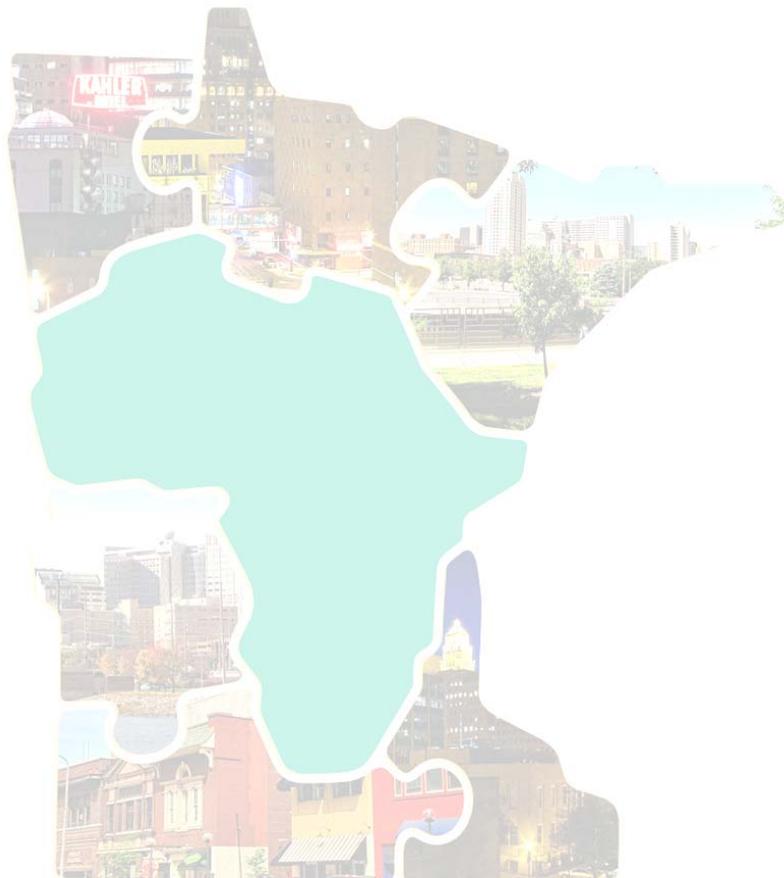


Figure 22

additional funding may have, is evident in the 13% of owners responding that they would use this funding to hire additional employees (with 7% of respondents stating they would increase employee benefits).



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## Recommendations

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There is no denying that this segment of the population in the Rochester Area is growing. Accompanying this growth is a parallel increase in new small business startups. It is precisely this type of business growth that has proven to be a crucial component of a healthy economic region. Therefore, it is both essential and in the self-interest of all that steps are taken to encourage and foster these developments. The following are some recommendations as to what the most effective steps may be.

- ❖ **Capacity Building:** While these business owners have the most fundamental components of the risk-taking entrepreneurial spirit that is vital for success, many are lacking in other critical areas of training and access to resources. Building capacity in these areas will result in a business segment willing and able to integrate into and support the larger regional economy.
  - **Training:** ADC is eager to provide business training and consultation to a large portion of this segment; however, partnerships and contributions from other organizations and institutions are necessary components for ultimate success. Beyond the difficulties of reaching the sheer number, there are areas of industry regulations, best practices, and regional idiosyncrasies that prevent ADC from being the most qualified and able entity to provide this important training. ADC looks forward to collaborating with existing and future partnerships in this endeavor.
  - **Lending:** Again, ADC will do all that it can to fulfill a substantial portion of the lending needs in the community, yet it cannot go it alone here either. In addition to new opportunities from development organizations and public programs in the region, larger financial institutions should make deliberate moves to reach out to this budding group of entrepreneurs. While many lack the documents, experience, and track-record to be considered “bankable” there is a growing number of owners fitting into this category, and lenders should take steps to fulfill this increasing demand.
- ❖ **Networking:** An unmistakable trait of a successful business is the quality of its regional network. Having a network that is both supportive as well as a source of new prospects and opportunities is a significant boost for all (but especially young) businesses. Therefore, nurturing the growth of valuable networks will be extremely beneficial.
  - **African-Owned Businesses:** Work should be done to encourage this business segment to meet and collaborate on a number of levels. Currently, they are largely disconnected from each other, and are not benefitting from the added empowerment and influence that they would have as an associated group of

business owners. Ultimately, this needs to be grassroots effort from within, but any steps from the larger business community to foster this development may prove essential.

- **Regional Network:** As the results of this survey illustrate, the inclusion of these businesses into the greater regional economy is quite limited. This is not healthy for the future of these singular businesses, this business segment, or the regional economy as a whole. There is great potential in this new community of entrepreneurs, and actions to incorporate them into the larger business network and supply chain of the area will reap mutual benefits. In addition to the increased markets and customer base, are the added global resources and relationships that this particular community brings. Many of these owners have experience and connections across the world to be utilized as the Rochester area continues in its role as a diverse and global region.
- ❖ **Legislation/Public Support:** As mentioned in the lending recommendation, public action should be taken to support the continued growth of this segment. As the Minnesota 2020 report ([Fertile Ground for Minority Opportunity](#)) points out, this includes specific legislation and programs that foster the necessary environment and prerequisites to make these recommendations a reality.

Again, this survey of African-owned businesses in the Rochester area, and the findings reported here, is meant to be a catalyst for organizations and businesses of this area to realize the potential of this business community, and work towards efforts that: expand and integrate business networks and supply chains, develop appropriate tools and services to enhance growth, and offer effective resources to a community with the demand and skills to utilize them for the betterment and vitality of the entire region.

Meant as the first conversation in a much larger and on-going conversation, we look forward to the energy and dialogue that this report sparks throughout the Rochester area.

# 2011 ROCHESTER AREA BUSINESS SURVEY



**African  
Development  
Center**  
of Minnesota

**ROCHESTER AREA**  
CHAMBER OF COMMERCE

1- What type of Entity is this Business?

- Sole Proprietorship
- Partnership
- Limited Liability Company
- Corporation

2- How many current owners are there of this business?(Count spouses and partners as separate owners):

\_\_\_\_\_

3- Are the current owner(s) the original owner(s) of this business?:

- Yes
- No (if no, how many previous owners have there been up to now?: \_\_\_\_\_)

4- When was this business established?

- Within the past year
- 1 – 5 years ago
- More than 5 years ago
- More than 10 years ago

5- How did the current owner(s) acquire ownership of this business?:

- Founded
- Purchased
- Inherited
- Other

6- When did the current owner(s) acquire ownership of this business?:

- Within the past year
- 1 – 5 years ago
- More than 5 years ago
- More than 10 years ago

7- What is the average number of hours per week the owner(s) spend managing or working in this business?:

- None
- Less than 20 hours
- 20-39
- 40
- 41-60
- Over 60

8- Prior to establishing, purchasing, or acquiring this business, had the owner(s) ever owned a business or been self-employed? (if multiple owners, base answer on owner most active in management of the business):

- Yes
- No

- 9-** Prior to establishing, purchasing, or acquiring this business, what was the highest degree or level of school completed by the owner(s)? *(if multiple owners, base answer on owner most active in management of the business):*
- |   |  |
|---|--|
| <input type="checkbox"/> Less than High School Degree           | <input type="checkbox"/> Associate Degree                            |
| <input type="checkbox"/> High School Degree (Diploma or GED)    | <input type="checkbox"/> Bachelor's Degree                           |
| <input type="checkbox"/> Technical, trade, or vocational school | <input type="checkbox"/> Master's, Doctorate, or Professional Degree |
| <input type="checkbox"/> Some college, but no degree            |  |
- 10-** Has the owner(s) received any formal training and or qualifications (non degree-seeking) in business management? *(if multiple owners, base answer on owner most active in management of the business):*
- |                              |                             |
|------------------------------|-----------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No |
|------------------------------|-----------------------------|
- 11-** What does this business supply?:
- |  |   |
|--|---|
| <input type="checkbox"/> Products to consumers                                       | <input type="checkbox"/> Services to businesses   |
| <input type="checkbox"/> Products to businesses, public utilities, and/or government | <input type="checkbox"/> Services to or on behalf of public utilities and/or government |
| <input type="checkbox"/> Services to consumers                                       |   |
- 12-** Which sector(s) do you operate in? *(check all that apply):*
- |   |  |
|---|--|
| <input type="checkbox"/> Accounting/Finance/Legal Services                | <input type="checkbox"/> Food and Hospitality                          |
| <input type="checkbox"/> Antiques/Art and Craft/Floristry/Interior Design | <input type="checkbox"/> Gifts and Home Wares                          |
| <input type="checkbox"/> Bookshop/Newspaper                               | <input type="checkbox"/> Health/Fitness/Beauty                         |
| <input type="checkbox"/> Building and Construction                        | <input type="checkbox"/> Horticulture/Gardening/Landscaping            |
| <input type="checkbox"/> Building Maintenance/Pest Control                | <input type="checkbox"/> Manufacturing                                 |
| <input type="checkbox"/> Childcare  | <input type="checkbox"/> Marketing                                     |
| <input type="checkbox"/> Cleaning   | <input type="checkbox"/> Medical/Dental                                |
| <input type="checkbox"/> Clothing   | <input type="checkbox"/> Mixed Business (groceries, small goods, etc.) |
| <input type="checkbox"/> Computing and IT                                 | <input type="checkbox"/> Office Supplies                               |
| <input type="checkbox"/> Consulting                                       | <input type="checkbox"/> Postal Supplies                               |
| <input type="checkbox"/> Electrical/Electronics                           | <input type="checkbox"/> Printing                                      |
| <input type="checkbox"/> Engineering and Metal Trades                     | <input type="checkbox"/> Real Estate and Property Management           |
| <input type="checkbox"/> Entertainment                                    | <input type="checkbox"/> Recruitment/Training                          |
| <input type="checkbox"/> Environmental Technology and Services            | <input type="checkbox"/> Telecommunications                            |
| <input type="checkbox"/> Farming  | <input type="checkbox"/> Tourism and Travel                            |
| <input type="checkbox"/> Fishing  | <input type="checkbox"/> Transport                                     |
| <input type="checkbox"/> Other <i>(specify):</i> _____                    |  |

- 13-** How many people does your business employ on a full-time (40 hr/wk) basis? *(excluding the owner(s)):*
- |   |
|---|
| <input type="checkbox"/> One person only    |
| <input type="checkbox"/> 2 – 5 people       |
| <input type="checkbox"/> More than 5 people |

**14-** Of these employees, how many are men?: \_\_\_\_\_

15- Of these employees, how many are women?: \_\_\_\_\_

16- Of these employees, how many are African immigrants?: \_\_\_\_\_

17- What employee benefits are offered for these employees? (*check all that apply*):

- |   |   |
|---|---|
| <input type="checkbox"/> Bonuses                  | <input type="checkbox"/> Parental Leave – Paid                      |
| <input type="checkbox"/> Child Care Reimbursement | <input type="checkbox"/> Parental Leave – Unpaid                    |
| <input type="checkbox"/> Dental Insurance         | <input type="checkbox"/> Pension Plan /401K/ SIMPLE Plan/SEP        |
| <input type="checkbox"/> Elder Care Reimbursement | <input type="checkbox"/> Profit-Sharing Plan                        |
| <input type="checkbox"/> Employee Leave           | <input type="checkbox"/> Stock Ownership Plan                       |
| <input type="checkbox"/> Flex Hours               | <input type="checkbox"/> Telecommuting/Work from home               |
| <input type="checkbox"/> Health/Medical Insurance | <input type="checkbox"/> Tuition Reimbursement/College Savings Plan |
| <input type="checkbox"/> Paid Sick Leave          |   |
| <input type="checkbox"/> Paid Vacation            |   |

18- How many people does your business employ on a part-time basis? (*excluding the owner(s)*):

- One person only
- 2 – 5 people
- More than 5 people

19- Of these employees, how many are men?: \_\_\_\_\_

20- Of these employees, how many are women?: \_\_\_\_\_

21- Of these employees, how many are African immigrants?: \_\_\_\_\_

22- What employee benefits are offered for these employees? (*check all that apply*):

- |   |   |
|---|---|
| <input type="checkbox"/> Bonuses                  | <input type="checkbox"/> Parental Leave – Paid                      |
| <input type="checkbox"/> Child Care Reimbursement | <input type="checkbox"/> Parental Leave – Unpaid                    |
| <input type="checkbox"/> Dental Insurance         | <input type="checkbox"/> Pension Plan /401K/ SIMPLE Plan/SEP        |
| <input type="checkbox"/> Elder Care Reimbursement | <input type="checkbox"/> Profit-Sharing Plan                        |
| <input type="checkbox"/> Employee Leave           | <input type="checkbox"/> Stock Ownership Plan                       |
| <input type="checkbox"/> Flex Hours               | <input type="checkbox"/> Telecommuting/Work from home               |
| <input type="checkbox"/> Health/Medical Insurance | <input type="checkbox"/> Tuition Reimbursement/College Savings Plan |
| <input type="checkbox"/> Paid Sick Leave          |   |
| <input type="checkbox"/> Paid Vacation            |   |

23- What was the gross income for this business in the last financial year?:

- |   |  |
|---|--|
| <input type="checkbox"/> Less than \$50,000   | <input type="checkbox"/> \$100,000 - \$250,000 |
| <input type="checkbox"/> \$50,000 - \$100,000 | <input type="checkbox"/> More than \$250,000   |

24- Based on current projections, how will the net income for this business in the current financial year compare to the last financial year?:

- Be Higher
- Be Lower
- Be About the Same

25- For this business, how have the following four areas changed in the past 12 months?:

**Gross Sales**

- Total Increase
- Total Decrease
- Stayed the Same

**Net Profits**

- Total Increase
- Total Decrease
- Stayed the Same

**Number of Employees**

- Total Increase
- Total Decrease
- Stayed the Same

**Employee Compensation**

- Total Increase
- Total Decrease
- Stayed the Same

26- For this business, how are the following four areas expected to change in the next 12 months?:

**Gross Sales**

- Total Increase
- Total Decrease
- Stayed the Same

**Net Profits**

- Total Increase
- Total Decrease
- Stayed the Same

**Number of Employees**

- Total Increase
- Total Decrease
- Stayed the Same

**Employee Compensation**

- Total Increase
- Total Decrease
- Stayed the Same

27- What are the most significant challenges facing this business in the next 12 months?:

28- What are the most significant challenges facing this business in the next 5 years?:

29- What are the most significant challenges facing similar businesses in this sector?:

**30-** What are the most significant challenges facing similar businesses in this region?:

---

**31-** Are you satisfied with the range and availability of small business training opportunities available to this region?

- Very Satisfied
- Satisfied
- Somewhat Satisfied
- Not at all Satisfied

**32-** Are you aware of the services provided by the Rochester Area Chamber of Commerce?:

- Yes
- No

**33-** Have you ever sought these services or information from the Rochester Area Chamber of Commerce?:

- Yes
- No

**34-** At what level does this business interact with other businesses, industries, or consumers in other regions of the Rochester area?

- High level of interaction
- Some interaction
- Low level of interaction
- No interaction at all

**35-** What community services has this business used up to this date?:

**36-** What community services should be provided that are not currently?:

**37-** Over the last six months, what best describes the financial situation of this business?:

- All bills and expenses are paid on time
- All bank loans are paid on time
- Some money has been borrowed from the bank
- Other (*please specify*)\_\_\_\_\_

**38-** What types of financing has this business used within the last 12 months to meet capital needs? (*check all that apply*):

- Bank Loans
- Credit Cards
- Earnings of Business
- Leasing
- Private Loans (*friends or family*)
- SBA
- Vendor Credit

**39-** Are you satisfied with the range and availability of banking options available to this business?

- Very Satisfied
- Satisfied
- Somewhat Satisfied
- Not at all Satisfied

**40-** Are you satisfied with the range and availability of lending options available to this business?

- Very Satisfied
- Satisfied
- Somewhat Satisfied
- Not at all Satisfied

**41-** If capital availability is (or became) a problem for this business, what is (or would be) the primary effect be on operations? (*choose one*):

- Close stores or business
- Reduce benefits to employees
- Reduce number of employees
- Unable to finance increased sales
- Unable to grow business or expand operations
- Unable to increase inventory and meet demand

**42-** If this business were able to obtain additional capital, what are the first three actions to be taken?:

- Hire additional employees
- Increase inventory
- Increase benefits to employees
- Invest in advertising
- Invest in e-commerce
- Invest in new plant or equipment
- Invest in research and development
- Open new stores or branch

**43-** Which of the following growth strategies will be used in the next 12 months? (*check all that apply*):

- Acquisition
- Expand Operations to New Facilities
- Investments in Research and Development
- Hire New Employees
- Joint Venture
- Internet / Expand E-Commerce
- New Advertising & Marketing Strategies
- No Growth Strategies
- Merger
- Outsourcing

**2011**  
**ROCHESTER AREA**  
**BUSINESS SURVEY**



**African  
Development  
Center**  
of Minnesota

**ROCHESTER AREA**  
CHAMBER OF COMMERCE

Name of Business: \_\_\_\_\_

Name(s) of Business Owner(s): \_\_\_\_\_

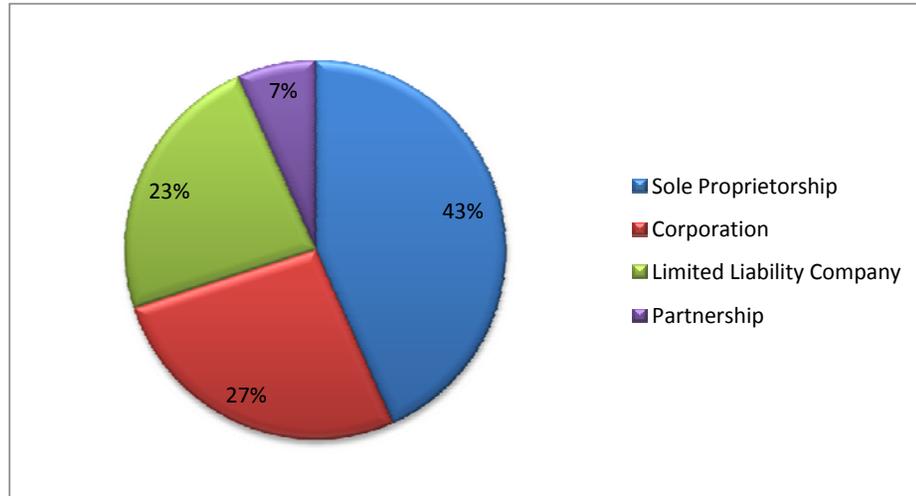
Official Address of Business: \_\_\_\_\_

\_\_\_\_\_

Contact Phone Number of Business: \_\_\_\_\_

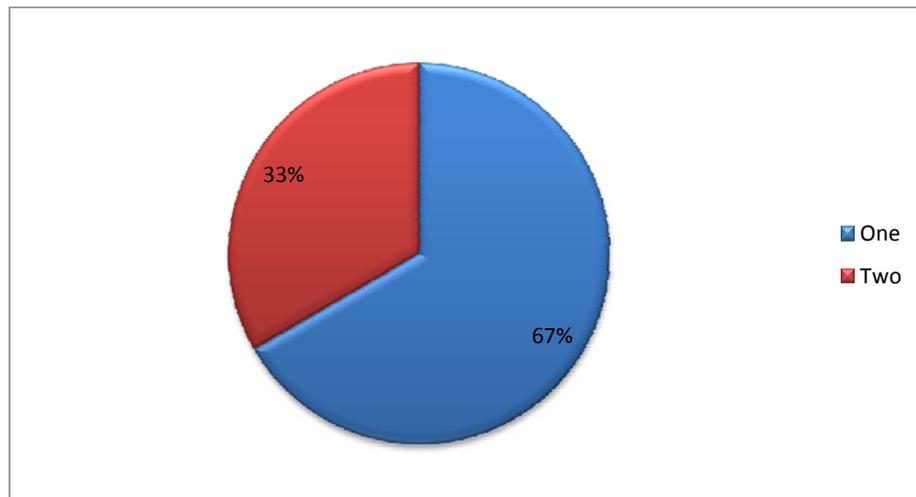
**1- What type of Entity is this Business?**

Sole Proprietorship	13
Corporation	8
Limited Liability Company	7
Partnership	2



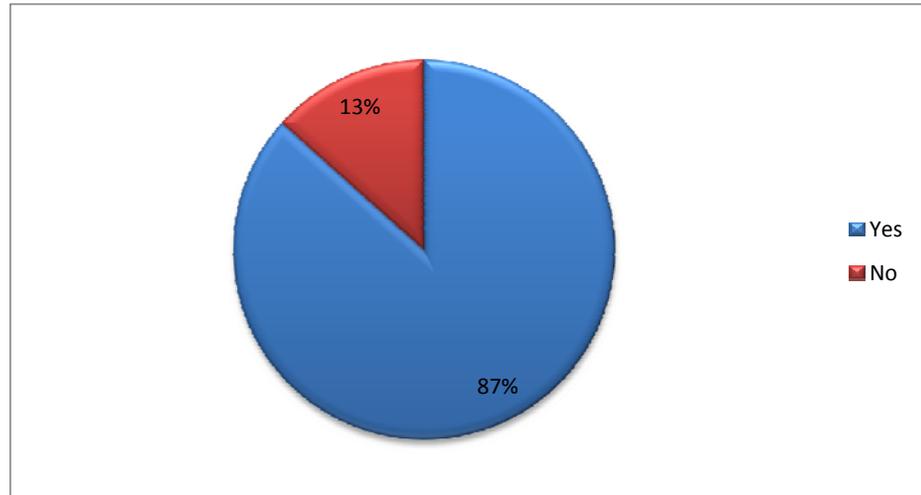
**2- How many current owners are there of this business?(Count spouses and partners as separate owners):**

One	20
Two	10



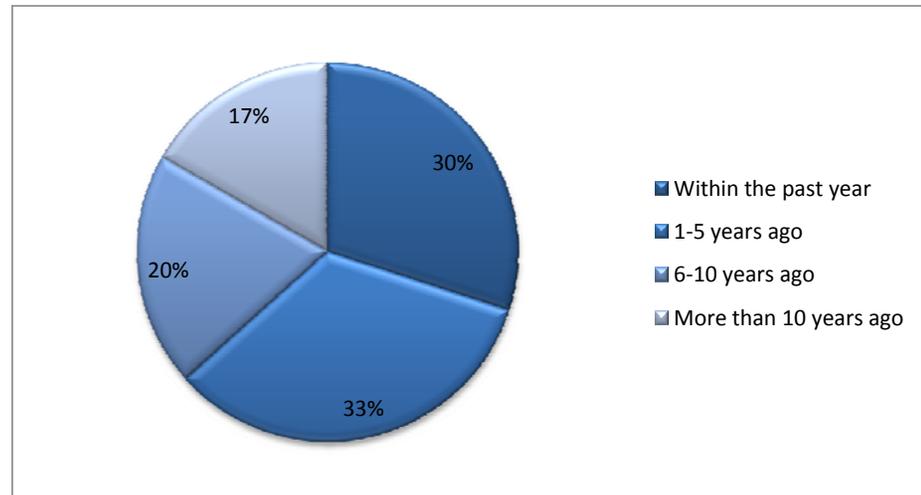
**3- Are the current owner(s) the original owner(s) of this business**

Yes	26
No	4



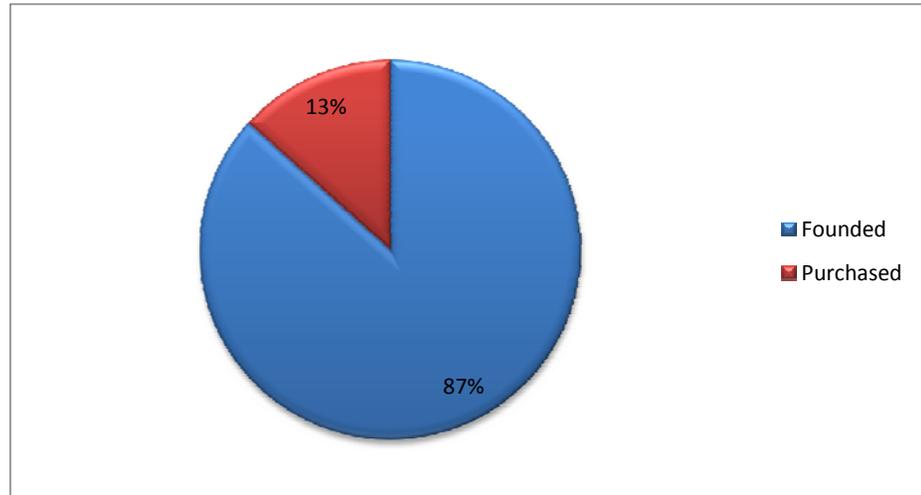
**4- When was this business established?**

Within the past year	9
1-5 years ago	10
6-10 years ago	6
More than 10 years ago	5



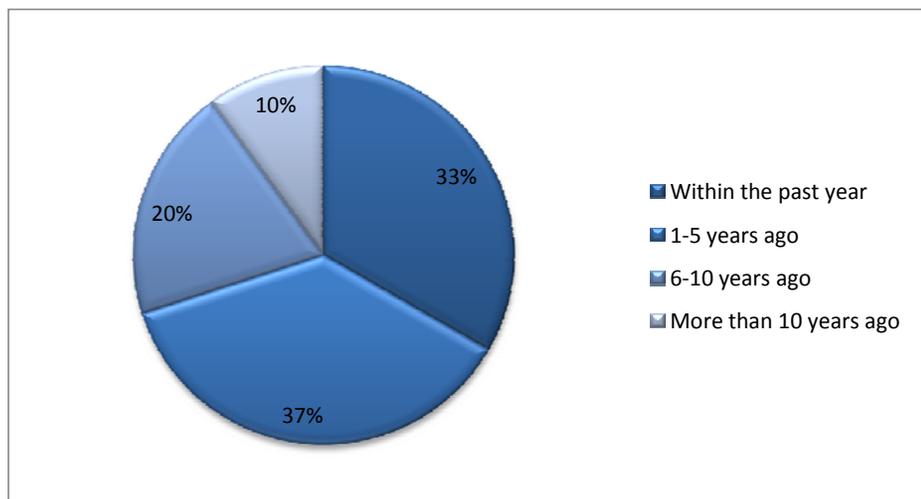
**5- How did the current owner(s) acquire ownership of this business?:**

Founded	26
Purchased	4



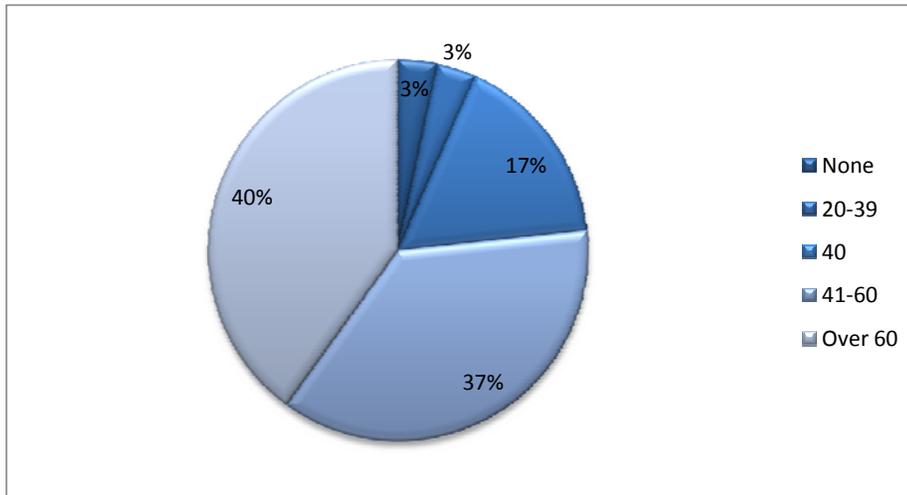
**6- When did the current owner(s) acquire ownership of this business?:**

Within the past year	10
1-5 years ago	11
6-10 years ago	6
More than 10 years ago	3



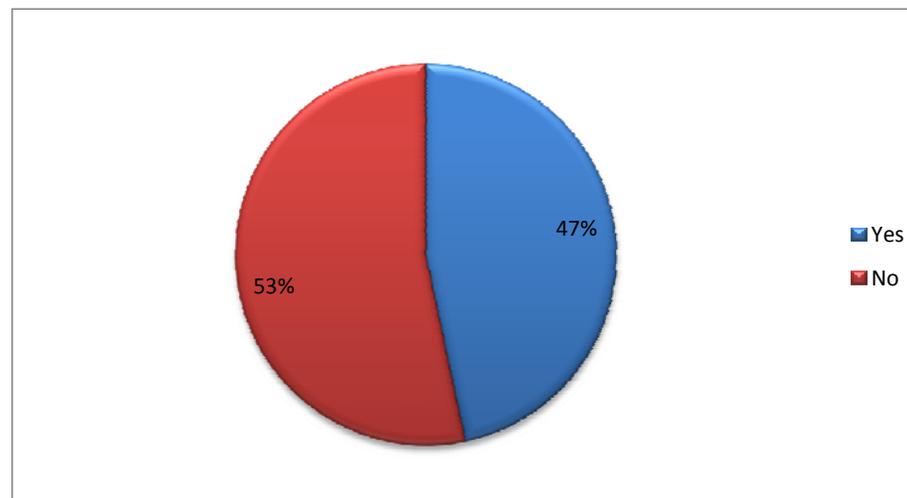
**7- What is the average number of hours per week the owner(s) spend managing or working in this business?:**

None	1
20-39	1
40	5
41-60	11
Over 60	12



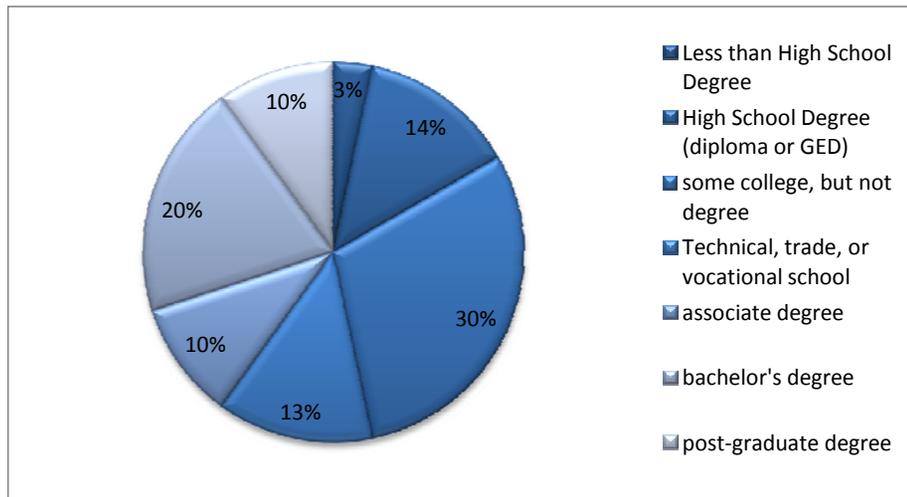
**8- Prior to establishing, purchasing, or acquiring this business, had the owner(s) ever owned a business or been self-employed? (if multiple owners, base answer c**

Yes	14
No	16



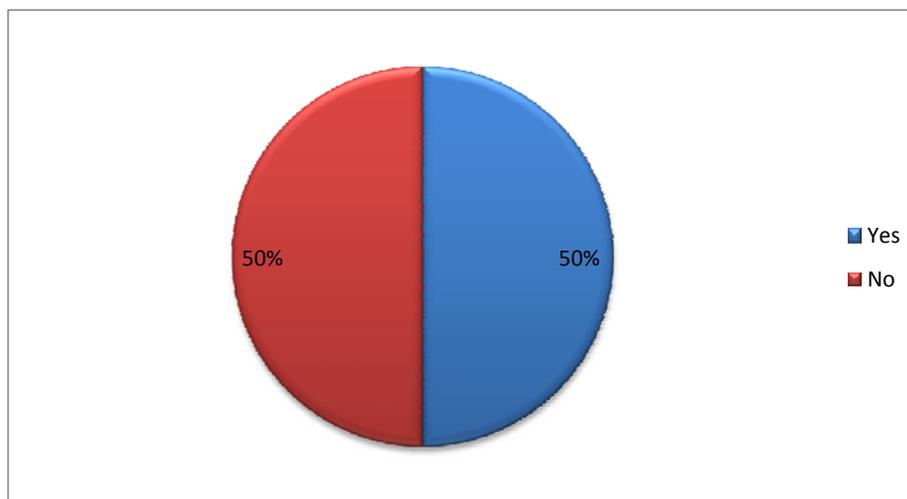
**9- Prior to establishing, purchasing, or acquiring this business, what was the highest degree or level of school completed by the owner(s)? (if multiple owners, base answer on owner)**

Less than High School Degree	1
High School Degree (diploma or GED)	4
some college, but not degree	9
Technical, trade, or vocational school	4
associate degree	3
bachelor's degree	6
post-graduate degree	3



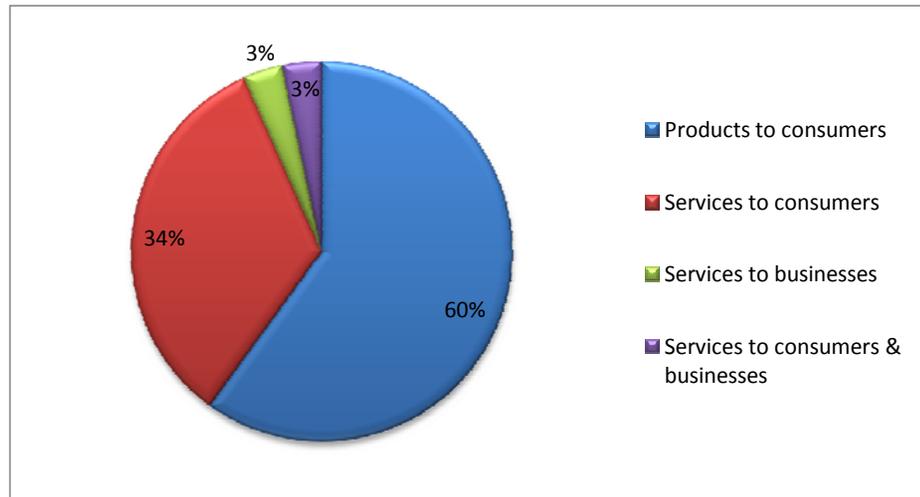
**10- Has the owner(s) received any formal training and or qualifications (non degree-seeking) in business management? (if multiple owners, base answer on owner)**

Yes	15
No	15



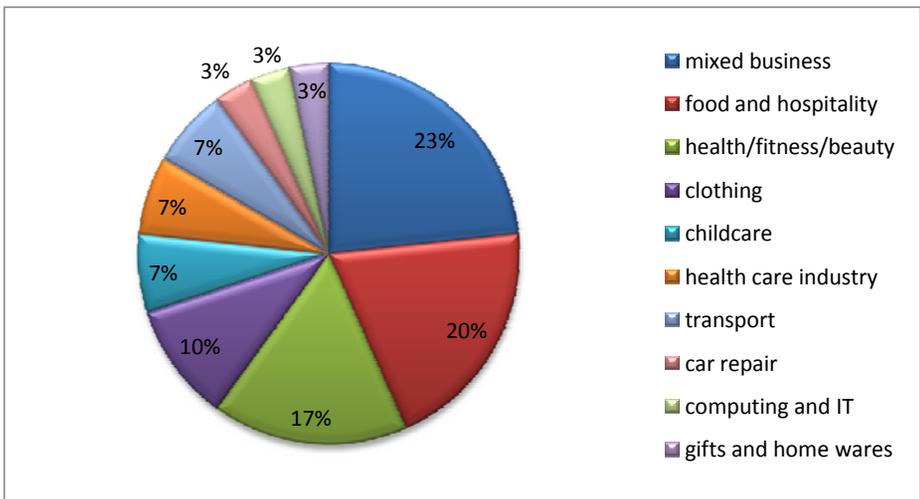
**11- What does this business supply?:**

Products to consumers	18
Services to consumers	10
Services to businesses	1
Services to consumers & businesses	1



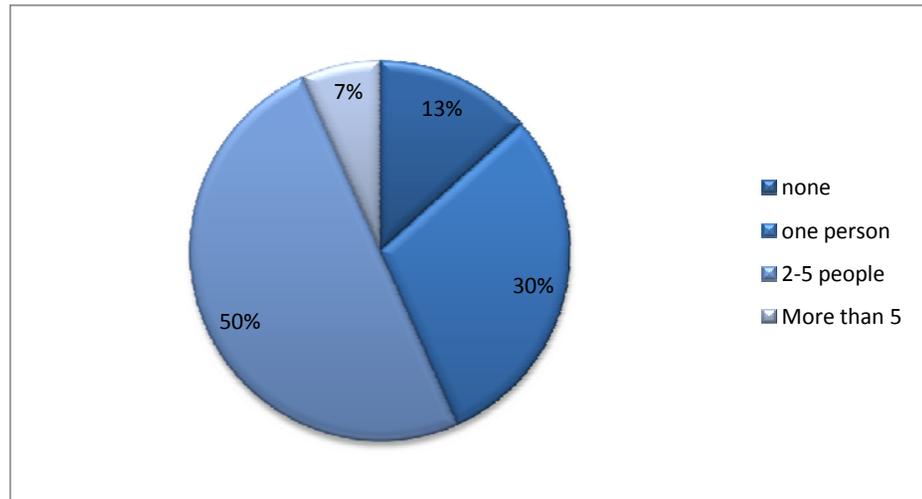
**12- Which sector(s) do you operate in? (check all that apply):**

mixed business	7
food and hospitality	6
health/fitness/beauty	5
clothing	3
childcare	2
health care industry	2
transport	2
car repair	1
computing and IT	1
gifts and home wares	1



**13- How many people does your business employ on a full-time (40 hr/wk) basis? (excluding the owner(s)):**

none	4
one person	9
2-5 people	15
More than 5	2

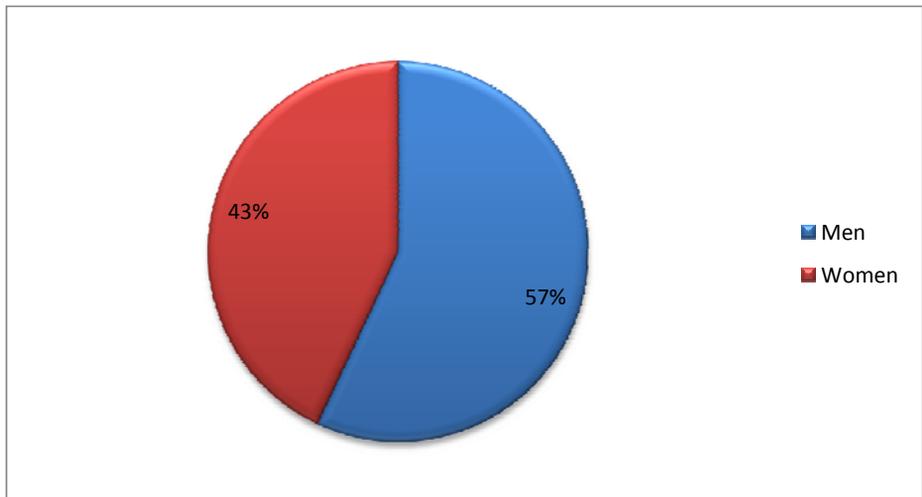


**14- Of these employees, how many are men?:**

Men	57%
-----	-----

**15- Of these employees, how many are women?:**

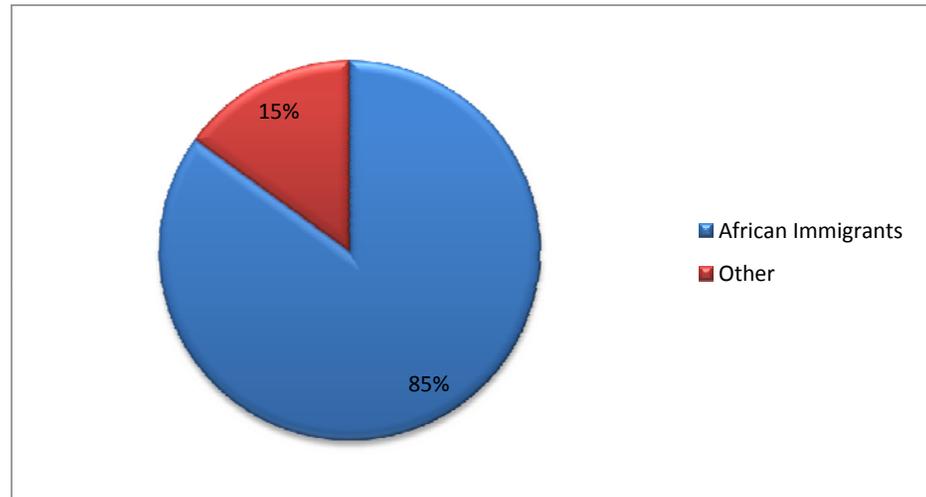
Women	43%
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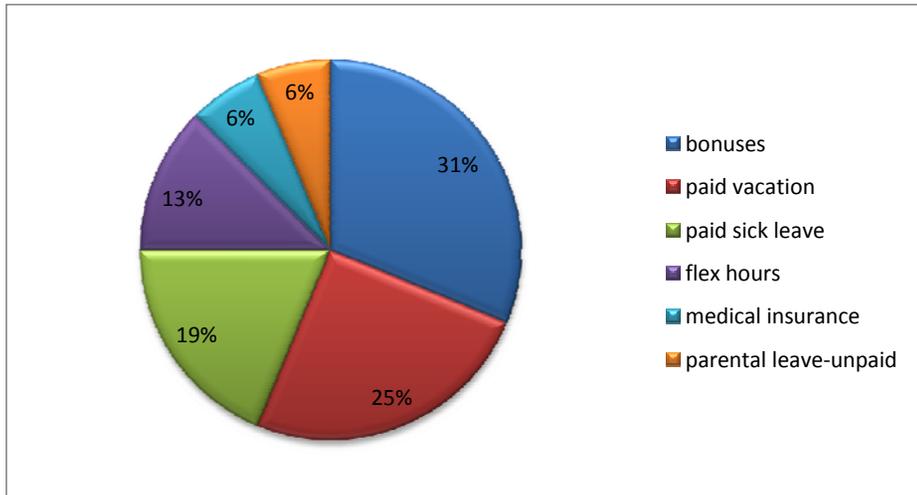
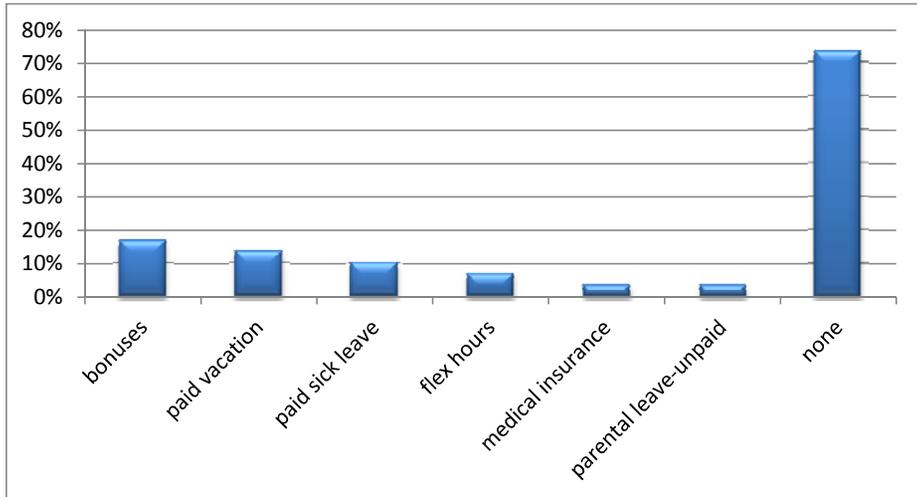
**16- Of these employees, how many are African immigrants?:**

African Immigrants	85%
Other	15%



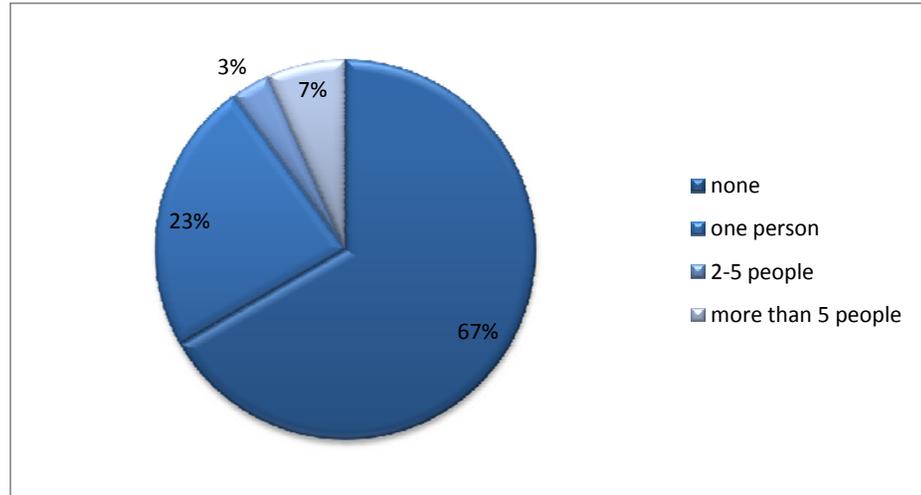
**17- What employee benefits are offered for these employees? (all that apply)**

bonuses	5
paid vacation	4
paid sick leave	3
flex hours	2
medical insurance	1
parental leave-unpaid	1
none	22



**18- How many people does your business employ on a part-time basis?**

none	20
one person	7
2-5 people	1
more than 5 people	2

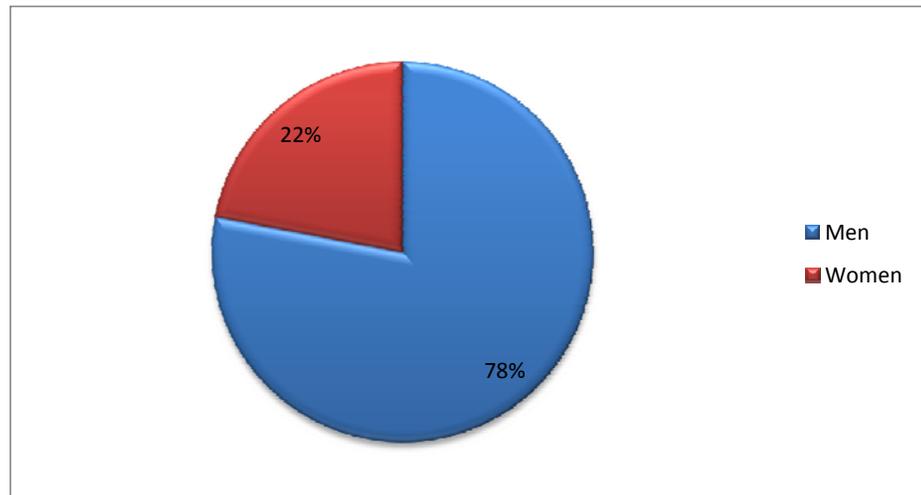


**19- Of these employees, how many are men?:**

Men	78%
-----	-----

**20- Of these employees, how many are women?:**

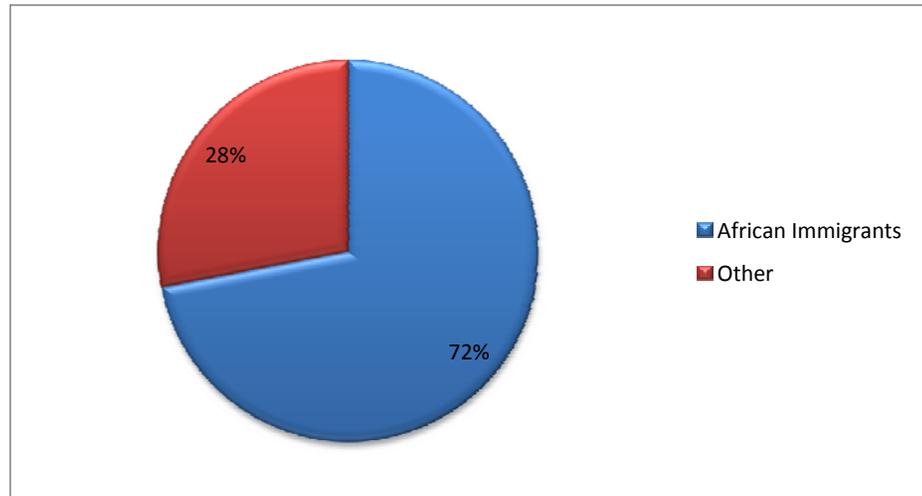
Women	22%
-------	-----



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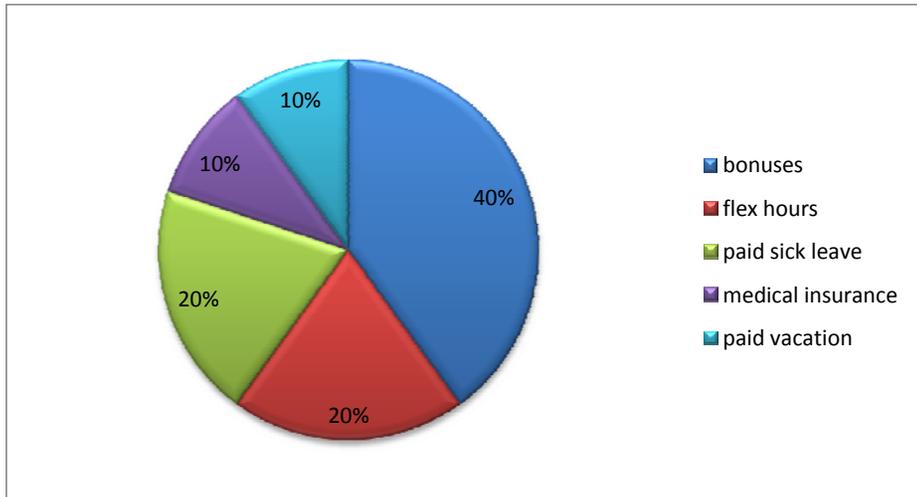
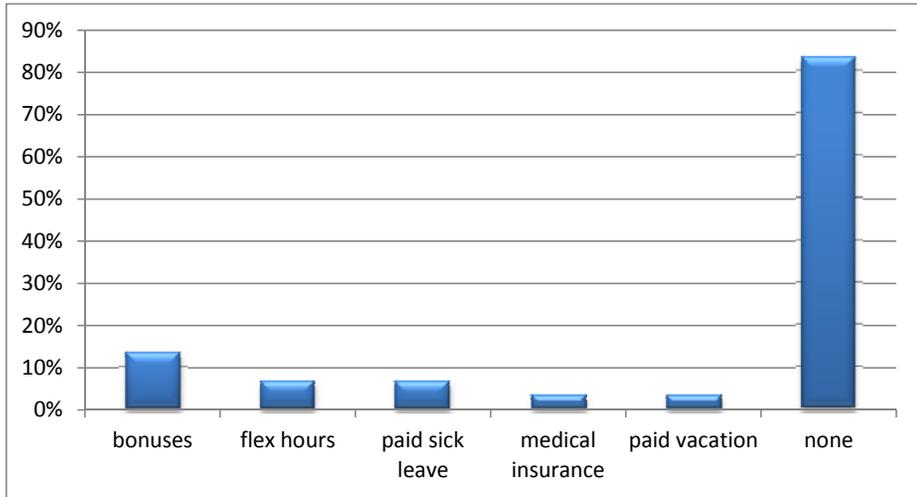
**21- Of these employees, how many are African immigrants?:**

African Immigrants	72%
Other	28%



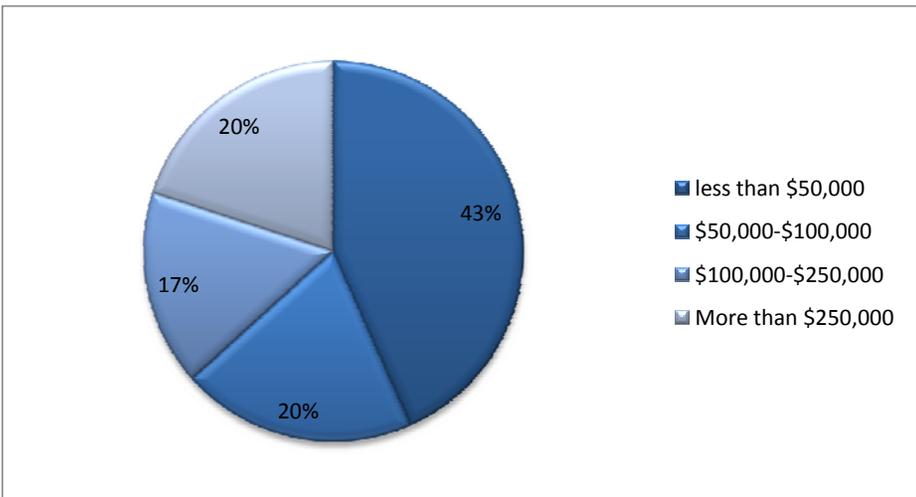
**22- What employee benefits are offered for these employees? (all that apply)**

bonuses	4
flex hours	2
paid sick leave	2
medical insurance	1
paid vacation	1
none	25



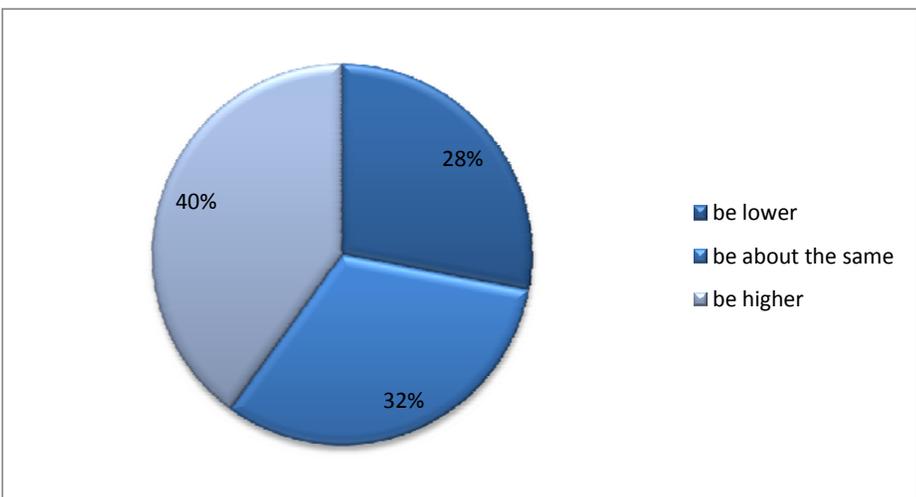
**23- What was the gross income for this business in the last financial year?:**

less than \$50,000	13
\$50,000-\$100,000	6
\$100,000-\$250,000	5
More than \$250,000	6



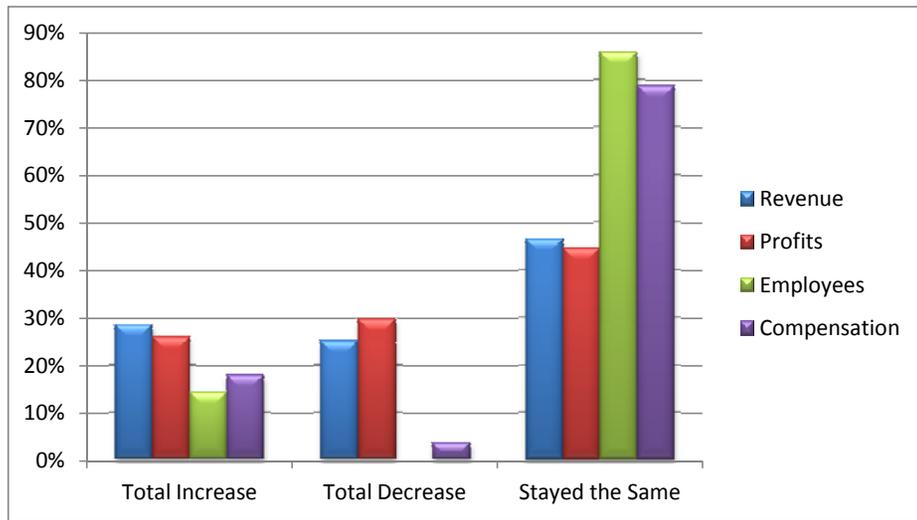
**24- Based on current projections, how will the net income for this business in the current financial year compare to the last financial year?:**

be lower	7
be about the same	8
be higher	10
NA	5



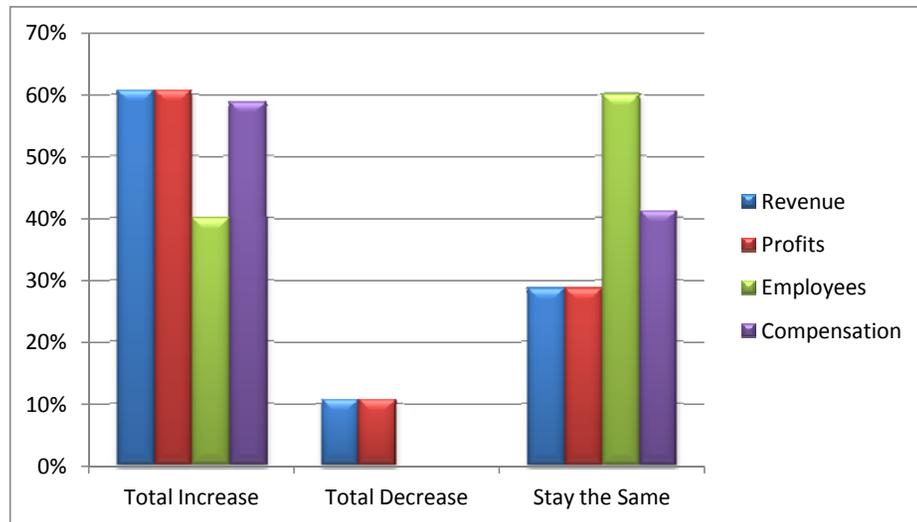
**25- For this business, how have the following four areas changed in the past 12 months?:**

<b>- Gross Sales</b>	
Total Increase	8
Total Decrease	7
Stayed the Same	13
<b>- Net Profits</b>	
Total Increase	7
Total Decrease	8
Stayed the Same	12
<b>- Number of Employees</b>	
Total Increase	4
Total Decrease	0
Stayed the Same	24
<b>- Employee Compensation</b>	
Total Increase	5
Total Decrease	1
Stayed the Same	22



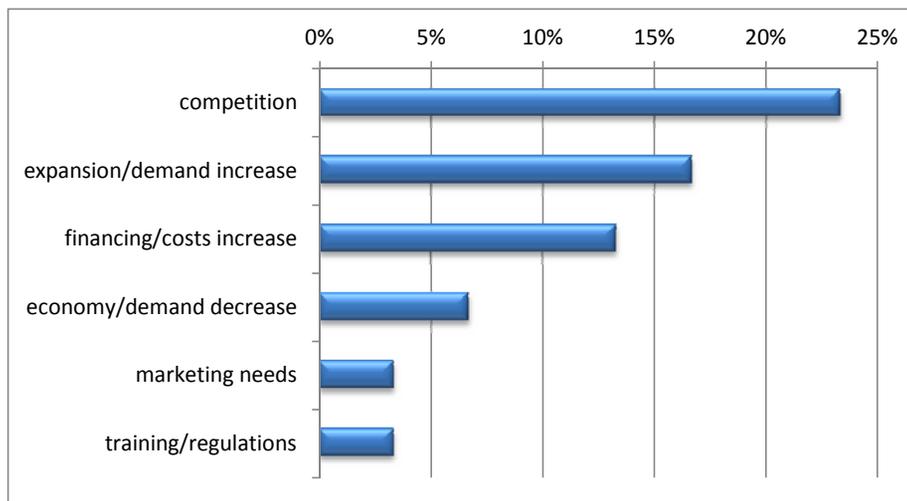
**26- For this business, how are the following four areas expected to change in the next 12 months?:**

<b>- Gross Sales</b>	
Total Increase	17
Total Decrease	3
Stay the Same	8
<b>- Net Profits</b>	
Total Increase	17
Total Decrease	3
Stay the Same	8
<b>- Number of Employees</b>	
Total Increase	10
Total Decrease	0
Stay the Same	15
<b>- Employee Compensation</b>	
Total Increase	10
Total Decrease	0
Stay the Same	7



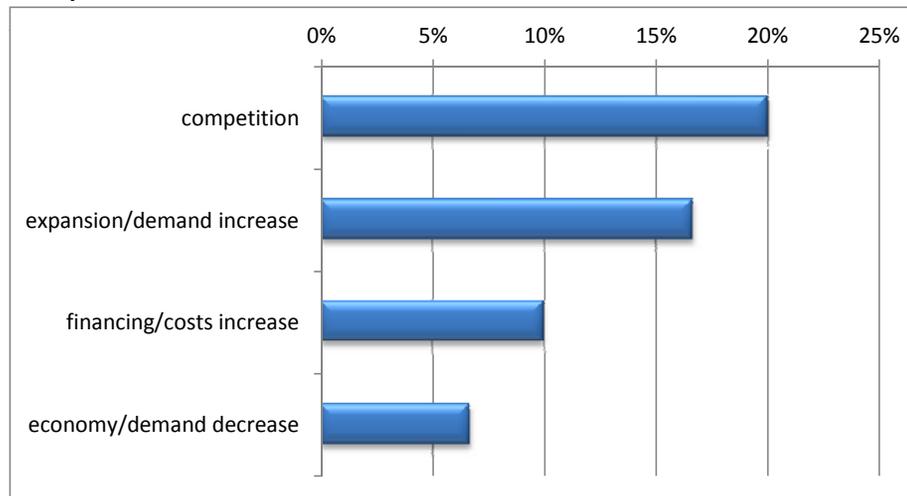
**27- What are the most significant challenges facing this business in the next 12 months?:**

competition	7
expansion/demand increase	5
financing/costs increase	4
economy/demand decrease	2
marketing needs	1
training/regulations	1



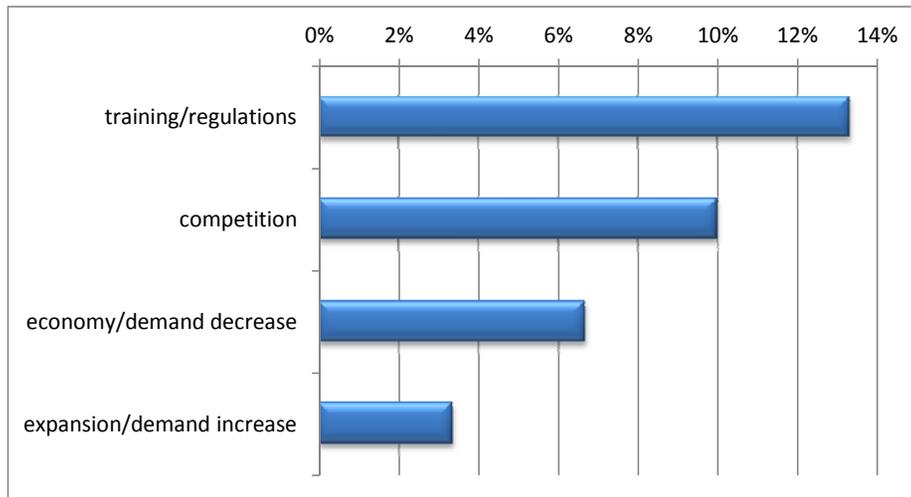
**28- What are the most significant challenges facing this business in the next 5 years?:**

competition	6
expansion/demand increase	5
financing/costs increase	3
economy/demand decrease	2



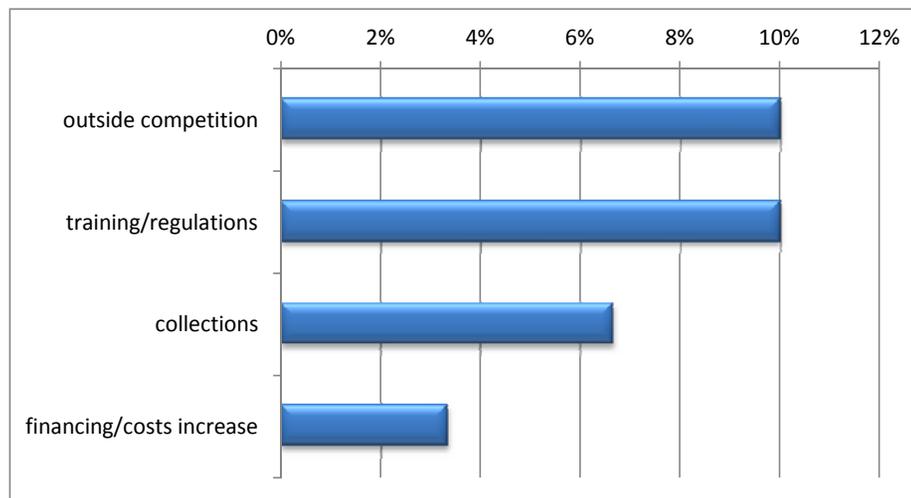
**29- What are the most significant challenges facing similar businesses in this sector?:**

training/regulations	4
competition	3
economy/demand decrease	2
expansion/demand increase	1



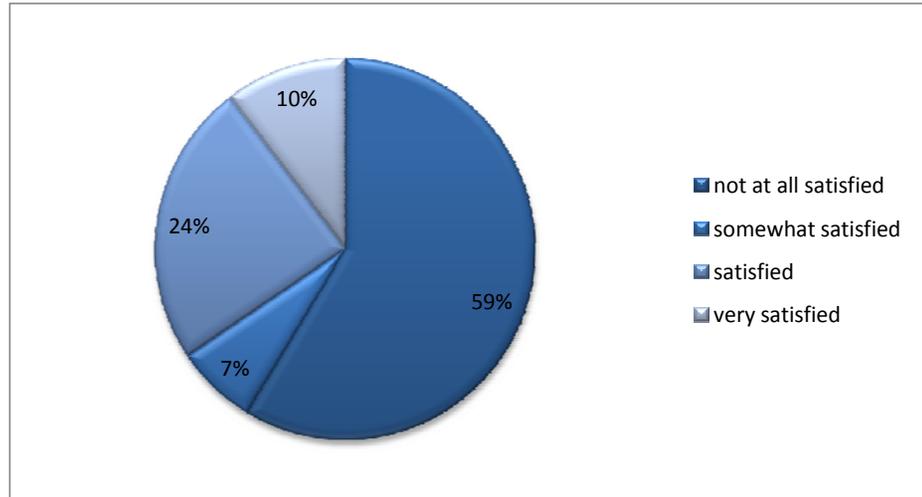
**30- What are the most significant challenges facing similar businesses in this region?:**

outside competition	3
training/regulations	3
collections	2
financing/costs increase	1



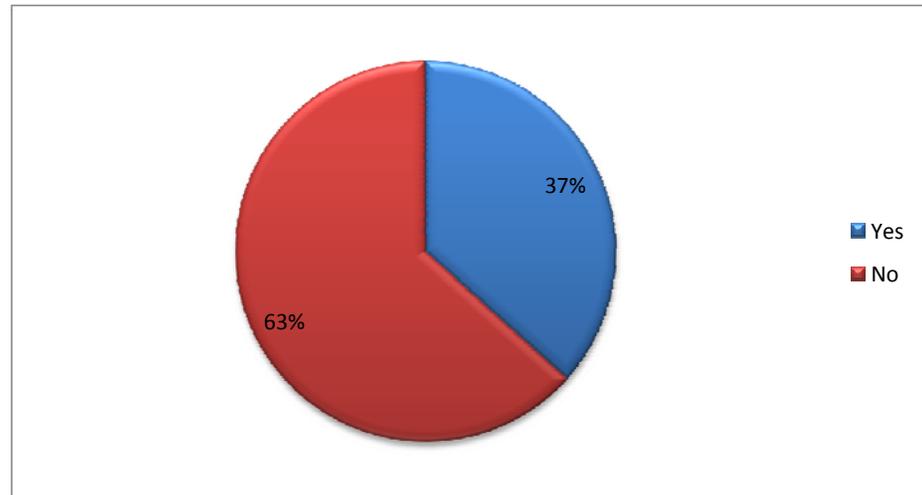
**31- Are you satisfied with the range and availability of small business training opportunities available to this region?**

not at all satisfied	17
somewhat satisfied	2
satisfied	7
very satisfied	3



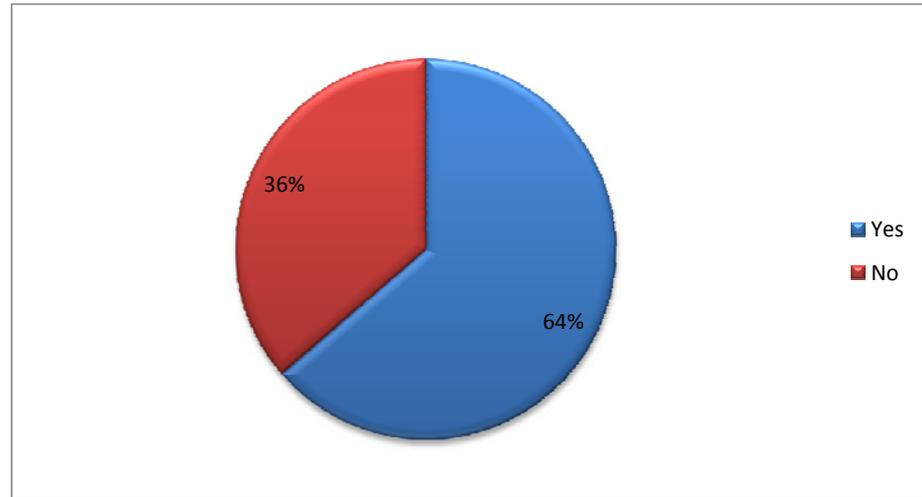
**32- Are you aware of the services provided by the Rochester Area Chamber of Commerce?:**

Yes	11
No	19



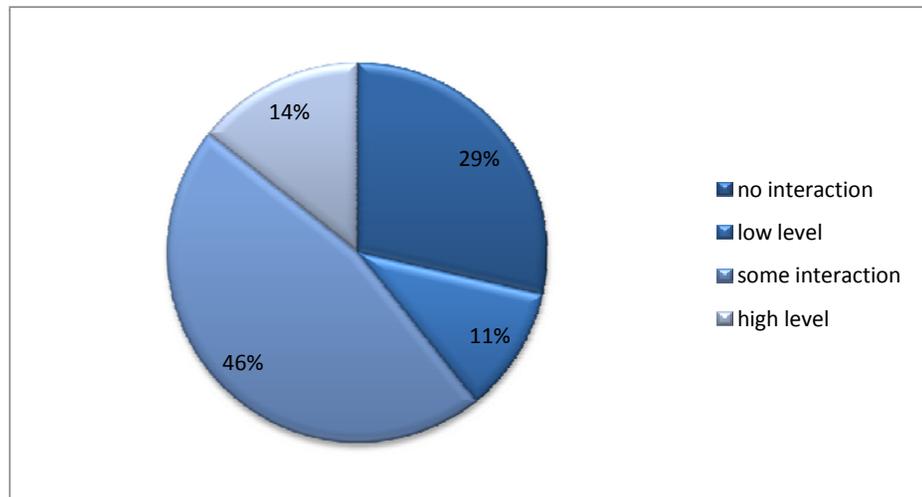
**33- Have you ever sought these services or information from the RACC? (if aware):**

Yes	7
No	4



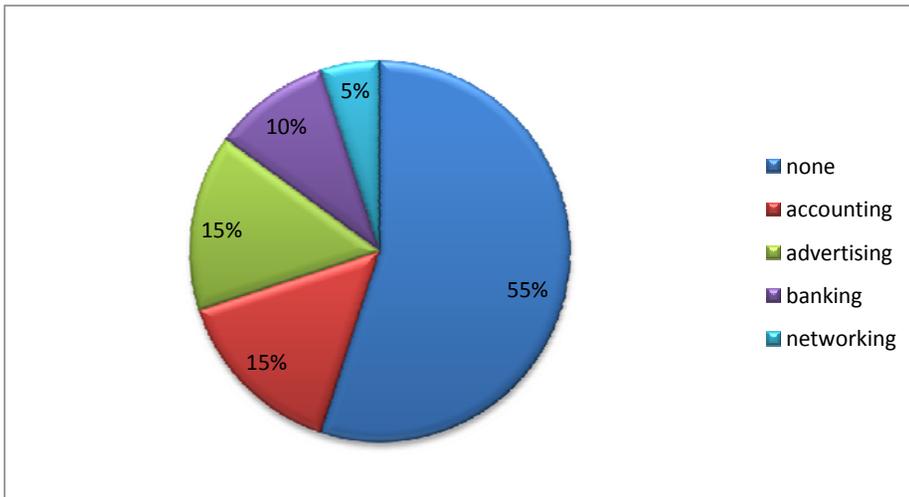
**34- At what level does this business interact with other businesses, industries, or consumers in other regions of the Rochester area?**

no interaction	8
low level	3
some interaction	13
high level	4



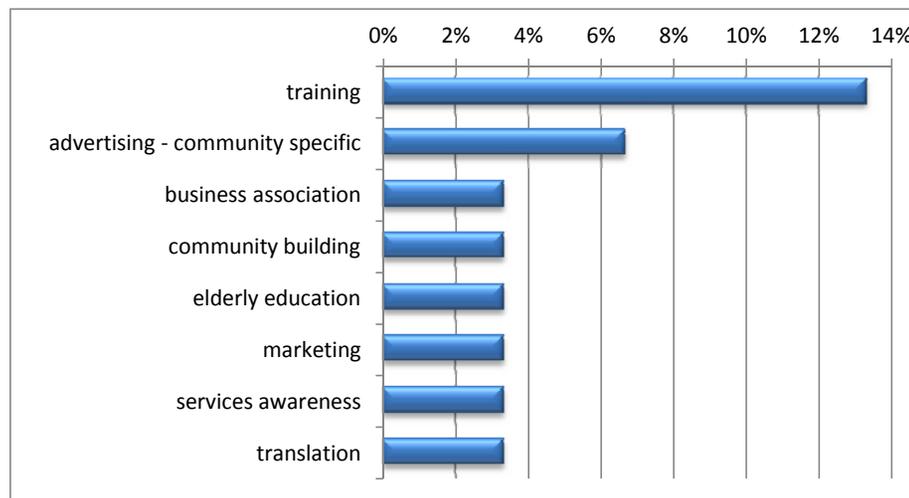
**35- What community services has this business used up to this date?:**

none	11
accounting	3
advertising	3
banking	2
networking	1



**36- What community services should be provided that are not currently?:**

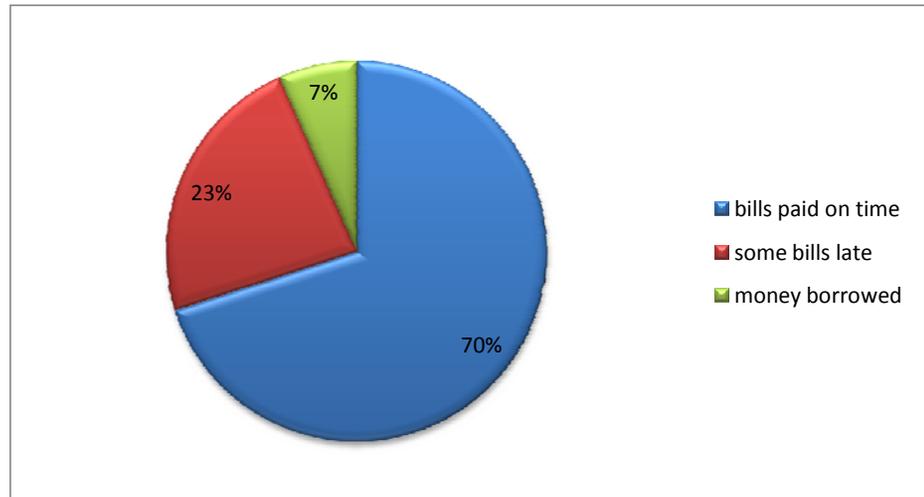
training	4
advertising - community specific	2
business association	1
community building	1
elderly education	1
marketing	1
services awareness	1
translation	1



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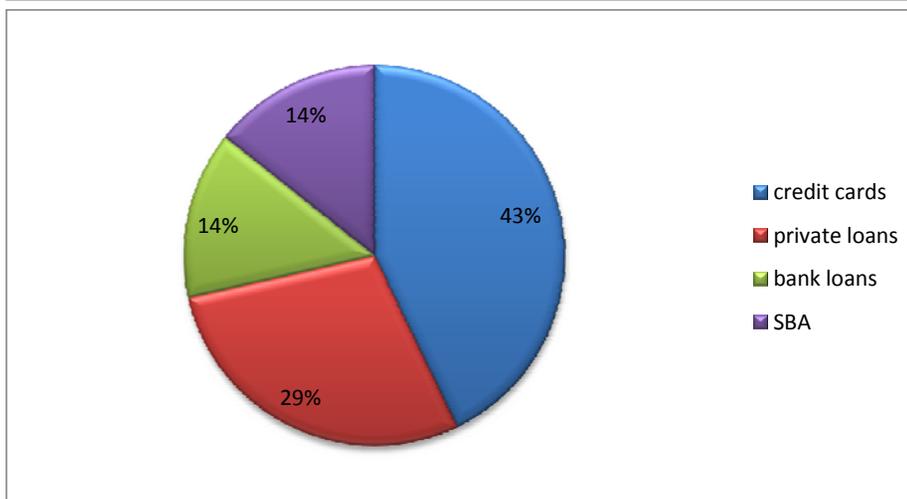
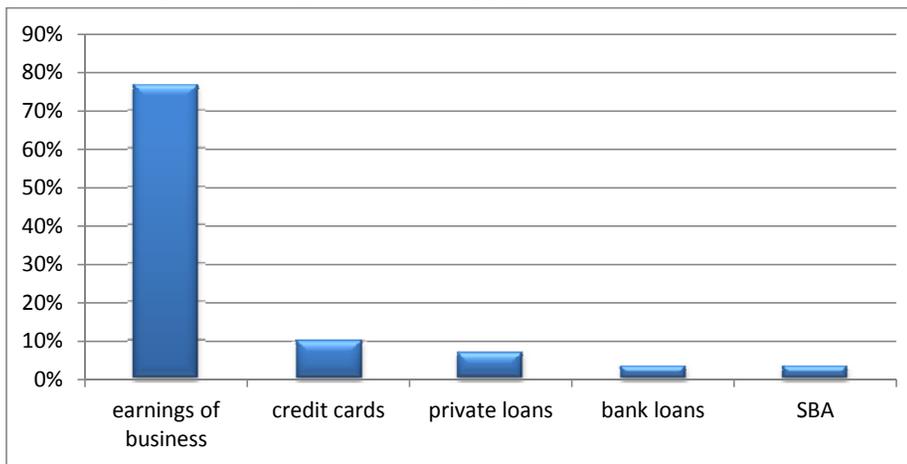
**37- Over the last six months, what best describes the financial situation of this business?:**

bills paid on time	21
some bills late	7
money borrowed	2



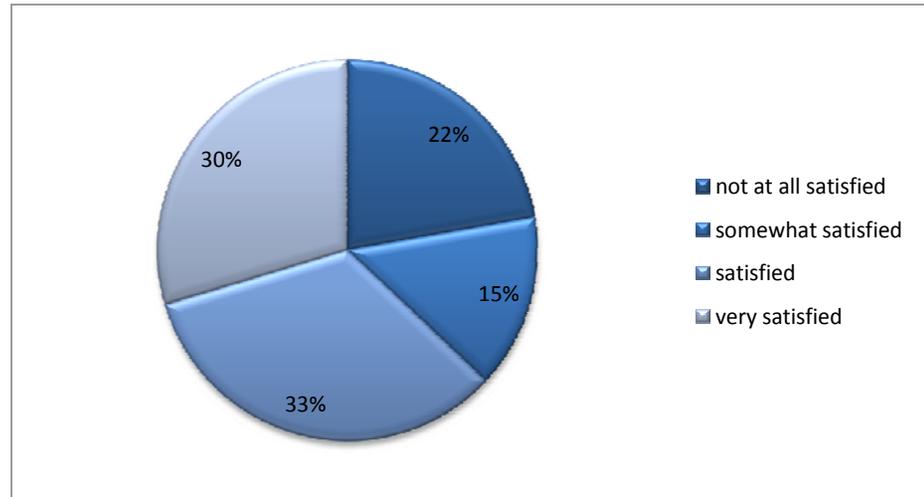
**38- What types of financing has this business used within the last 12 months to meet capital needs? (check all that apply):**

earnings of business	23
credit cards	3
private loans	2
bank loans	1
SBA	1



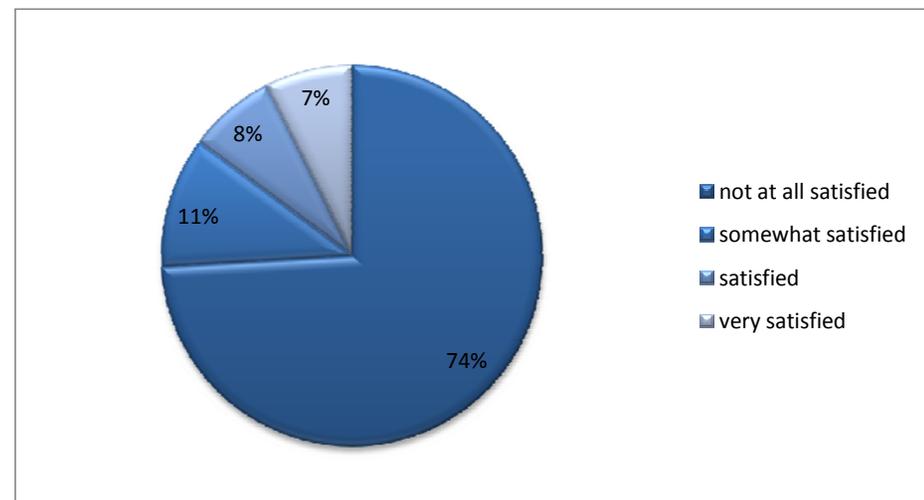
**39- Are you satisfied with the range and availability of banking options available to this business?**

not at all satisfied	6
somewhat satisfied	4
satisfied	9
very satisfied	8



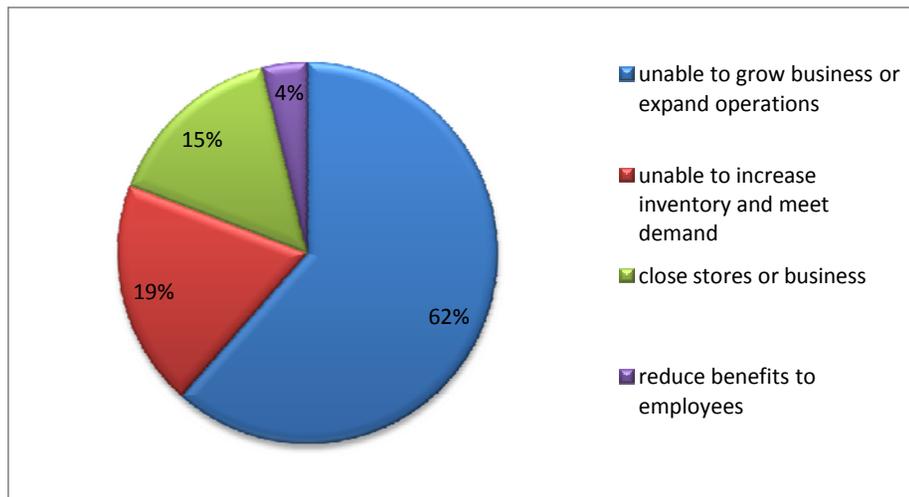
**40- Are you satisfied with the range and availability of lending options available to this business?**

not at all satisfied	20
somewhat satisfied	3
satisfied	2
very satisfied	2



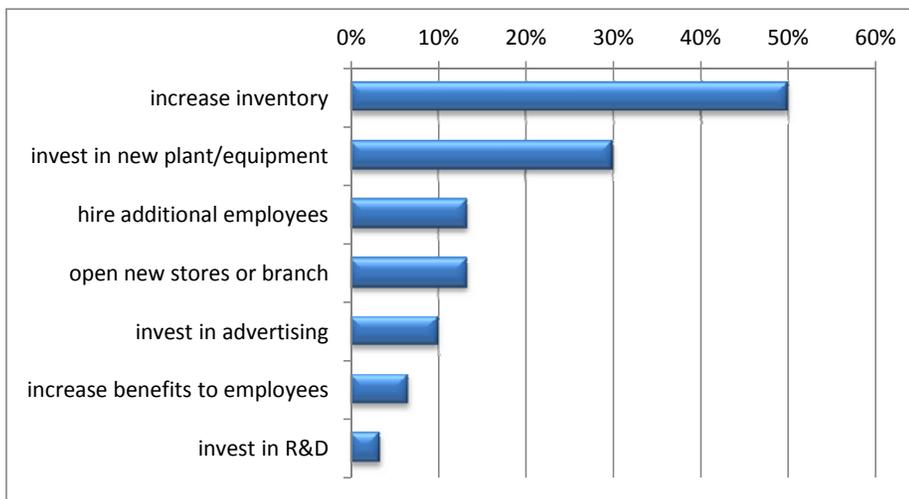
**41- If capital availability is (or became) a problem for this business, what is (or would be) the primary effect be on operations?:**

unable to grow business or expand operations	16
unable to increase inventory and meet demand	5
close stores or business	4
reduce benefits to employees	1



**42- If this business were able to obtain additional capital, what are the first three actions to be taken?:**

increase inventory	15
invest in new plant/equipment	9
hire additional employees	4
open new stores or branch	4
invest in advertising	3
increase benefits to employees	2
invest in R&D	1



**43- Which of the following growth strategies will be used in the next 12 months? (check all that apply):**

new advertising and marketing strategies	12
expand operations	10
hire new employees	8
no growth strategies	5
joint venture	3
investments in RD	2
internet/expand e-commerce	2
acquisition	1

