Economic Development Strategy for Marine Businesses

Recipient: Economic Development Alliance of Lincoln County
Authors: Chuck Willer and Caroline Bauman
Date Submitted: 12/20/2012
EDA Award Number: 07 69 06521

This Report was Prepared under an Award from the U.S. Department of Commerce
Economic Development Administration
Economic Development Strategy for Marine Related Industries

Recipient: Economic Development Alliance of Lincoln County
Authors: Chuck Willer and Caroline Bauman
Date Submitted: 12/20/2012
EDA Award Number: 07 69 06521

This publication was prepared by the Economic Development Alliance of Lincoln County. The statements, conclusions, and recommendations are those of the authors and do not necessarily reflect the views of the Economic Development Administration.
Abstract

The Economic Development Alliance of Lincoln County (EDA-LC) established a project team and selected Shearwater Research. EDA-LC and Shearwater developed an interview process, build data sets of marine related (MR) businesses and conducted eighty-eight interviews seeking insights into business expansion plans in Lincoln County, OR.

Analysis of the business interviews suggested the need for a long term effort of business outreach to build trust and establish working relationships. An evaluation of service delivery needs and methods pointed toward establishing a cloud-based support platform. That platform is established and serviceable for database, contact management and service provider collaboration.

Gaps were identified in workforce skill upgrading and in entrepreneurial support. Three sets of recommendations have been developed to close out the grant: Recommendations for post grant strategic follow up, recommendations for expanding the marine sector and recommendations to help expansion plans being considered by specific businesses.

Executive Summary

The report herein presents the finding and recommendations of the Economic Development Alliance of Lincoln County (EDA-LC) marine-related business project funded by a Department of Commerce grant (Award # 07-69-06521). The grant was titled Economic Development Strategy for Marine Industries.

The project had four main goals: Identify Lincoln County’s marine-related (MR) businesses and build a business database for future service provider assistance. Conduct at least eighty MR business interviews to gain insight into business expansion and hiring plans. Develop a strategy to connect growth oriented businesses with service providers. Lastly, identify and refer businesses for service assistance to further their growth and hiring plans.

I. The database: The first task was to build the database. We used two sources of data: an October 2011 set of Oregon commercial fishing permits and a complete list of DUNS registered businesses in Lincoln County. The DUNS data for Lincoln County contained 4,767 records. The commercial fishing permit data contained 2,996 permit records. 463 permits were determined to be connected to Lincoln County. We identified 200 fishing boats associated with the 463 permits. The 200 fishing boats appear to be owned by 184 fishing firms.
Port Associated Property Owners were also identified in the project. This data was derived from a geospatial database of all county parcel owners. There are approximately 45,000 parcels in Lincoln County. Using GIS software, we selected those parcels closely associated with the working waterfront areas of the Port of Newport and the City of Depoe Bay’s municipal harbor. A straight forward but time consuming method was used to identify marine-related businesses. We coded all businesses with obvious marine related names as marine-related (MR) and deleted businesses that were obviously not MR. 1,700 records remained to which we added commercial fishing permit data and fish dealer permit data.

The above process resulted in over 700 businesses coded marine related. Several hundred of these records were deleted or un-coded as MR over the course of the project. Further qualification was done during the interview process resulting in 590 businesses coded MR out of 2647 records.

We then manually assigned all MR businesses to one or more of twelve MR sub-types and set interview targets for each group. Some businesses operate in more than one category so they may appear as two records in the database.

**The information platform:** We adopted a robust, cloud-based information platform to house all project data, project interview documents and other MR business documents. The notion and use of an information platform is an outcome of a key insight of the interview process: Marine related businesses have a need for expansion assistance but their business culture resists assistance without the long-term work of building trust and a working relationship. Therefore, a key project recommendation is that the EDA-LC sponsors a business information platform specifically supporting relationship building and service provider collaboration. The platform must have capacity to support database, contact management and collaborative communication.

We chose the cloud-based firm Smartsheet for hosting the conceived information platform. The Smartsheet system is built around a sheet with rows and columns familiar to anyone who works with spreadsheets. In fact, all EDA-LC sheets began as Excel files. Three **system columns** of interest operate on every row: They are **Discussion**, **Attachment** and **Calendar**. These functions are what we found compelling about the Smartsheet system.

The **Attachment** column allows for documents to be uploaded to a specific row. Therefore, extensive documentation for each business in possible and that document will be in one location. We believe allowing multiple service providers to reference
common information will greatly facilitate business assistance capacity. The Discussion function activates a discussion dialog box allowing text-based messages to be entered. Upon closing, the discussion box offers the writer several notification options to alert collaborators that a message has been posted. Project collaborators can read and comment to messages or notes. In this way the ongoing discussion about business assistance remains as an archived record associated with a specific business. We envision the sheets calendar function to be used for business contact management or for scheduling notifications among collaborating providers. We explore using the Smartsheet platform by way of specific recommendations in section IV of the report.

**II. The interview process:** The grant required 80 or more marine related business interviews. We anticipated that arranging interviews would be difficult and time consuming. This concern proved especially true for the final forty or so interviews.

Interview arrangements were made from lists of target businesses. The interview was conducted informally as an open conversation. Responses were recorded using handwritten notes and then compiled as a concise summary using the interview reporting form. The interview reporting form questions were used as guidance during the interview. If a business had a web site additional relevant information was added to the reporting form. Each interview is documented as an archived interview reporting form on the EDA-LC information platform.

**III. Interview Results and Discussion:** Interview questions 1a and 1b elicited the highest response rates and go to the heart of the interview’s purpose.

**Q#1a.** Do you have ideas about expanding your business over the next 3-5 years?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>54</td>
<td>61%</td>
</tr>
<tr>
<td>No</td>
<td>24</td>
<td>27%</td>
</tr>
<tr>
<td>NA</td>
<td>8</td>
<td>9%</td>
</tr>
<tr>
<td>Possibly</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>88</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Q#1b.** If yes: Do you anticipate your workforce growing?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>44</td>
<td>50%</td>
</tr>
<tr>
<td>No</td>
<td>30</td>
<td>34%</td>
</tr>
<tr>
<td>Possible</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>NA</td>
<td>10</td>
<td>11%</td>
</tr>
<tr>
<td>Total</td>
<td>88</td>
<td>100%</td>
</tr>
</tbody>
</table>
Businesses chosen for interviews were not selected on a random basis, so only cautious extrapolation is in order. We believe somewhere in the range of 150 to 200 MR businesses are expanding or have expansion plans.

In the course of interviews we inquired about plans to retire or sell the business. Three firms expressed a need for assistance. Of greater significance are businesses with older owners who are not training a new generation to carry on the skills of the enterprise. In some cases, owners have highly specialized skills that will end when they cease business. We recommend studying this issue further.

A substantial number of businesses with expansion interest indicate a desire to improve management skills. The most common mode of expansion was to enlarge capacity followed by acquiring new technologies. Respondents with concrete expansion ideas and indicating healthy sales growth were deemed priority businesses for follow up.

Many businesses planning growth stated a need for financing. The need for financing may signal poor profitability or poor performance in overall management. A careful assessment of financing need is required because observations during the business interview provide only a fleeting glimpse of the firm’s potential.

A cautious extrapolation of expressed assistance need suggests, in the aggregate, that substantial resources are required for ongoing assistance. That response, whatever its exact quantity, is recommended to occur along several lines: 1. Follow up engagement to clarify assistance need and continued outreach to all MR-businesses by advertising business assistance opportunities. 2. Advice from key informants indicates that relationship building is essential in future work. A level of trust is required for business owner cooperation. Currently, identified and potential business expansion assistance is likely beyond the staffing and budget capacity of the EDA-LC and other Lincoln County assistance providers.

The high number of businesses lacking a business plan is of special concern and represents a particular challenge. We recommend exploring whether an abbreviated business plan template, vetted by local lenders, might be available or developed to assist business owners in developing their business plan.
IV. Port Related Analysis and Recommendations: Lincoln County's three ports and the Depoe Bay municipal harbor are arguably the most important sources of future economic growth. This statement goes beyond events surrounding the relocation of the NOAA fleet to Newport. Particularly, the Port of Toledo and the City of Depoe Bay's municipal harbor offer the promise of substantial future growth. Currently, each port is completing mandated strategic planning efforts. Those plans will be important blueprints guiding future business growth.

**Port of Newport:**
Lincoln County's main commercial port, the Port of Newport, is a driver of local economic growth. The economic impact of NOAA's Research Fleet moving to Newport will take years to absorb. The economic impact of ongoing investments in wave and wind energy research and ocean related scientific research can be better leveraged if the economic development community maintains its excellent working relationship with the Port of Newport.

**Port of Toledo:** Major economic and employment growth is possible if the Port's expansion plan for new boat haul-out and servicing infrastructure is successfully implemented.

**Port of Alsea:** The EDA-LC will continue to work closely with Port of Alsea supporting the continued development of amenity recreation and Oyster production.

**City of Depoe Bay Municipal Harbor:** We recommend a strategic assessment of the current harbor facilities, harbor staffing and capital investment needs. One specific situation we observed in Depoe Bay is that charter providers are not pooling their daily capacity information and advertising when capacity is available. Without cooperation between charter operators, hotel operators have no way of easily knowing available charter capacity. We recommend EDA-LC lead in providing a solution for this issue.

V. Project Recommendations: First we present recommendations related to long-term relationship building between service providers and MR businesses. Secondly, we make a set of recommendation that address specific issues in the MR-business sector. Appendix 1 contains follow up recommendations for specific interviewed businesses.

**Strategic recommendations:**

**Further database building:** Our first recommendation is to continue refining and building the main business data set. A large need exists for further work to acquire
and verify firm specific information such as e-mail address, web site url, correct key employee names and ownership information.

**Outreach Staff Capacity using a contact management approach:** EDA-LC, in partnership with other service providers, should work to field a half time or greater business outreach staff person. Such a position will utilize contact management approach via functionality offered in the information platform.

**Enhanced collaboration:** The discussion and calendar functionality of the database sheet are supportive of robust collaboration for business assistance. A working circle of service providers is easily supported through e-mail and cloud connectivity to common business information.

**Marine-related business sector recommendations:**

**Commercial boat data set:** Further work and analysis is required on the population of commercial boats. Each boat is managed by a key decision making person and that person needs to be documented in the database.

**Build more complete data for business codes 4, 6 and 7:** MR business categories 4, 6, and 7 represent real and potential value-added manufacturing. Such firms have the potential for generating significant new county income through expanded employment.

**Further understanding of firm level financing need:** A low rate of profitability may be conflated with the need for financing. We recommend further work to clarify the situation.

**Business web site support:** A larger number of MR businesses than expected do not have web sites. We found this surprising. We recommend a further look into this issue. The EDA-LC might assess how full service marketing assistance might be networked as a package by local specialized providers.

**Business retirement and skills legacy:** We recommend that the EDA-LC work to acquire data on the population of high skill, sole proprietor businesses and identify where skills transfer is at risk due to an owner approaching career’s end.
Table of Contents

Acknowledgements

Introduction .................................................................................................................. 1

I. Building the database .......................................................................................... 2
   • Data Sources .................................................................................................... 2
   • Data Enhancement .......................................................................................... 5
   • Cloud Based Capacity ..................................................................................... 7

II. The Interview Process ............................................................................................ 10
   • The interview reporting form ...................................................................... 12

III. Interview Results and Discussions .................................................................... 14
   • Interview Responses and Recommendations ........................................ 14

IV. Port Related Data, Analysis and Recommendations .................................... 22
   • Port of Alsea ...................................................................................................... 24
   • Port of Newport ............................................................................................... 22
   • Port of Toledo .................................................................................................... 23
   • Depoe Bay Municipal Harbor ....................................................................... 25

V. Recommendations ............................................................................................... 26
   • Strategic Recommendation .......................................................................... 26
   • Marine-related business sector recommendations ...................................... 27

Attachment A. Conclusions and Findings ........................................................... 29

Figures and Lists in the Report
   • Figure 1. Sample of DUNS business data ............................................... 3
   • Figure 2. The Smartsheet document function .......................................... 8
   • Figure 3. The Smartsheet discussion function .......................................... 9
   • Figure 4. The Smartsheet calendar function ............................................. 9
   • List 1. Elements of the Interview Reporting Form ................................. 11
Acknowledgements

This project was made possible by an award from the Economic Development Administration, U.S. Department of Commerce.

The recipient is the Economic Development Alliance of Lincoln County, Oregon. Caroline Bauman, Executive Director, was the project manager and wishes to acknowledge the assistance of all those who helped on the project.

Shearwater Research, the lead research firm, conducted the bulk of the interviews, developed the information platform business strategy and managed the project’s final report writing.

Lincoln County, Oregon, Board of Commissioners provides the ongoing support for our economic development efforts; and The Oregon Coast Community College faculty, staff, and Small Business Development Center were project partners and provided matching financial support.

The grant oversight team included:
Pam Silbernagel, Cascades West Council of Government,
Guy Faust, Director, Small Business Development Center,
Jane Hodgkins, Director of Professional & Technical Education, Oregon Coast Community College,
Dennie Houle, Business Development Officer, Business Oregon, and
The Executive Committee for Economic Development Alliance Board of Directors:
David Green, Mayor Susan Woodruff, Curt Abbott, Clifford Collard, and Dr. George Boehlert.

Other project contributors include:
Port of Newport General Manager Don Mann, Port of Toledo Manager Bud Shoemake,
Port of Alsea Director Maggie Rivers, City of Newport Technical Advisory Committee,
Kaety Hildenbrand of Oregon Sea Grant, Clatsop Community College Maritime Sciences Department, and The Newport Fisherman’s Wives.

Most importantly, we acknowledge and thank all the interviewees who gave of their time to work with our team.
Lincoln County’s three ports and Depoe Bay’s municipal harbor play a central role in driving Lincoln County’s economic development.

**Port of Newport**  
600 SE Bay Blvd.  
Newport, OR 97365  
541-265-7758  
*Don Mann*  
General Manager  
portofnewport.com

**Port of Toledo**  
496 Hwy 20, Unit 1  
Toledo, OR 97391  
541-336-5207  
*Bud Shoemake*  
Port Manager  
portoftoledo.org

**Port of Alsea**  
365-A Port Street  
Waldport, OR 97394  
541-653-3872  
*Maggie River*  
Director  
portofalsea.com

**City of Depoe Bay**  
Municipal Harbor  
570 SE Shell Ave.  
Depoe Bay, OR 97341  
541-765-2361  
cityofdepoebay.org
Introduction

The report herein presents the finding and recommendations of the Economic Development Alliance of Lincoln County (EDA-LC) marine-related business project funded by a Department of Commerce grant (Award # 07-69-06521). The grant was titled Economic Development Strategy for Marine Industries.

The project had four main goals which were tasked to Shearwater Research:

1. Identify Lincoln County’s marine-related (MR) businesses and develop a database supporting ongoing service provider assistance to marine-related businesses.

2. Conduct at least eighty MR business interviews to gain insight into MR business expansion and hiring plans and their assistance needs.

3. Based on interview information, develop a strategy to connect growth oriented businesses with service providers supporting expansion needs and to make other recommendations as suggested by the interview data.

4. Identify and refer businesses for service assistance to further their growth and hiring plans.

The Port of Newport: The largest port in Lincoln County.
I. Building the Database

A primary goal of the project was to build a database of marine related businesses. We assumed that no easy way existed to build the required data set. In fact as the project progressed, we determined that several databases were required, which taken together with related cloud-based functionality, amounted to an EDA-LC business information platform.

At project’s end the following data sets are archived to a cloud-based platform hosted by the service provider Smartsheet:

1. A main EDA-LC business database. This data set currently has 2,647 records.
2. The complete 2011 data set of the Oregon Department of Fish & Wildlife (ODF&W) commercial fishing permits.
3. A data set of all ODF&W commercial fish dealers.
4. A list of Lincoln County based commercial fishing boats derived from the ODF&W’s fishing permit data.
5. Shearwater Research documentation for the project.
6. A data set of port related property owners.
7. A data set of the original Lincoln County DUNS numbered businesses with 4,767 records.

We will review the process by which we built the EDA-LC main business database and related data and then discuss the cloud-based functionality of the business information platform.

We used two initial sources of data to build the project’s legacy business database: An October 2011 data set of Oregon commercial fishing permits and a data set of DUNS registered businesses in Lincoln County.

Lincoln County DUNS Businesses

We purchased the DUNS registered businesses from a data vendor. DUNS stands for “data universal numbering system,” and is a unique 9-digit number for 70 million businesses world-wide. The DUNS data and numbering system is created by Dun and Bradstreet – a company that provides business information for credit, marketing, and purchasing decisions.

The Lincoln County DUNS data set contains 4,767 records. Each record had seven data fields – that of the DUNS number, the business name and five fields of business mailing
address information. The DUNS business data set provided us with a first cut at a total Lincoln County business population. It also allowed us to see a view of the business population for each municipality in the county.

**Figure 1. Sample of DUNS business data.**

<table>
<thead>
<tr>
<th>DUNS Business ID</th>
<th>Name</th>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td>120175000</td>
<td>RICKS</td>
<td>4326 Yaquina Bay Rd</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>062450001</td>
<td>CARL REDDICK</td>
<td>4365 Yaquina Bay Rd</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>705540007</td>
<td>NORTHGATE STORAGE</td>
<td>105 NE 73rd St</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>074300003</td>
<td>FERGUSON ENTERPRISES</td>
<td>7375 NE Avery St</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>050450006</td>
<td>MARK I THOMAS</td>
<td>1975 Fruitvale Rd</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>012940006</td>
<td>S &amp; C SEAFOODS LTD</td>
<td>1931 Fruitvale Rd</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>005940004</td>
<td>PACIFIC PROVIDER INC</td>
<td>1991 Fruitvale Rd</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>362178007</td>
<td>F. V. CAP ELZA</td>
<td>1981 Fruitvale Rd</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>171445023</td>
<td>LINOS ENTERPRISES</td>
<td>216 SE Black Bay Dr</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>14235478</td>
<td>HOMETOWN TOWING</td>
<td>PO Box 229</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>111049299</td>
<td>COAST TREE &amp; LAWN SERVICE</td>
<td>PO Box 338</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>01158196</td>
<td>BR PLUMBING</td>
<td>PO Box 570</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>604134368</td>
<td>EPIC HORVATH NATURE TOURS</td>
<td>PO Box 721</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
<tr>
<td>180452000</td>
<td>OREGON COAST COMMUNITY COLLEGE</td>
<td>400 SE College Way</td>
<td>Newport</td>
<td>OR</td>
<td>97366</td>
</tr>
</tbody>
</table>

**The ODF&W Permit Data**

ODF&W commercial fishing permit data consisted of three data sets—two of which were relevant to the project. One data set contained all commercial fishing permits. The second data set was of all commercial fish dealer permits. The ODF&W Oregon commercial fishing permit data set is comprised of 2,996 permit records. Oregon’s commercial fishing permits must be assigned to a specific fishing boat and each permit relates to a specific fishery or fish species i.e. Dungeness Crab, Salmon, various rock fish, etc.. The result is that multiple permits are assigned to almost every fishing boat since most boats fish different species over the course of the year. Lincoln County fishing boats that fish only in international waters or the North Pacific and Alaska will not show up in the Oregon’s permit data set.

Of the 2,996 Oregon permits, 463 permits appear to be attached to boats located in Lincoln County or two counties (Benton & Linn) where commercial fish permit owners likely use Lincoln County ports. Within the permit data we identified 200 fishing boats associated with the 463 Lincoln, Benton, and Linn County permits. The 200 fishing boats appear to be owned by 184 fishing firms. There may be other fishing boats using Newport as a port but associated with permit addresses to the north and south of the county and therefore not counted in the 200 boat count.
The complete Oregon fishing permit data set is archived at the EDA’s cloud-based platform. We have coded each permit record as to whether it is addressed to Lincoln, Benton, and Linn Counties or areas of the coast to the north or south of the Lincoln County. This allows for a quick sort of records associated with Lincoln County.

**Port Associated Property Owners**

We also acquired a database of all real parcel owners in Lincoln County. Real property owner data is made up of two separate data sets. One is the tax assessor parcel data listing the real property owners and their address as well as the parcel’s assessed values. In addition we acquired the county’s geospatial data for all property parcels. Each record in the two data sets contains the unique parcel identification number therefore allowing the easy combination of data sets in our ArcView GIS software. There are approximately 45,000 parcels in the County’s real property data set. In GIS we selected those parcels associated with the Port of Newport and Depoe Bay harbor.

**Building the main MR database**

We used a straight forward but time consuming method to identify marine-related businesses. First, we individually reviewed the 4,767 DUNS business records, coding all businesses with obvious marine related names as marine-related (MR). At the same time we deleted businesses that were obviously not marine-related. Eventually, we hand deleted almost 3,000 records leaving approximately 1,700 in the database. These records were considered either MR or of undetermined status. Next we added in data for all commercial fishing boats and commercial fishing firms and deleting DUNS duplicate records. The reason we kept records capturing all fishing boats was that firms owning more than one boat may have an independent captain who conducts their boat management as sole proprietor business. Next we added ODF&W Lincoln County fish dealer data into the database—again deleting DUNS duplicate records.

The above process resulted in over 700 records ending up coded marine related. Several hundred of these records were either deleted or un-coded MR over the course of the project. Many firms were found to no longer exist as we made cold calls during the interview process.

Further qualification of business records during the interview process resulted in 590 businesses being coded marine-related out of 2647 records in the business database. The majority of the 590 businesses are confirmed marine related but a sizable number
may need further qualification. Of the 2057 businesses not coded marine related a
certain number are undoubtedly marine-related. Further work will be necessary to
identify and code businesses with full accuracy. We believe it safe to assume that the
county’s marine related business population is somewhere in the range of 475 to 650
businesses.

Enhancing the MR database

We stratified MR businesses into twelve sub-categories. Several categories had further
sub-categories. For example, category 1 covers commercial fishing firms and is divided
into those businesses with large, medium and small vessels based on boat length.
Category 5 addresses seafood processors and seafood sellers and is divided into the
ODF&W categories of processors, wholesale fish sellers and limited fish sellers. Code 3
was used for ports, the municipal harbor of Depoe Bay and any other public institution
providing facilities for MR businesses.

We therefore ended up hand coding the 590 MR businesses with one or more of the
twelve MR business codes. Some businesses operate in more than one sub-category so
they may appear in two record entries each with a different sub-code.
List 1. MR Business Categories
Code number, category description, and interview goal for each business category.

**Code 1:** County-based commercial fishing vessel businesses.
   1a: Large boats. Distant water fleet.
   1b: Mid-size boats.
   1c: Small boats.
*Interview goal:* A sample from each category.

**Code 2:** Charter fishing and whale watching companies.
*Interview goal:* All Newport and Depoe Bay charter companies.

**Code 3:** Commercial Ports, Municipal Harbors, and other Public or Tribal Owned facilities serving marine related business.

**Code 4:** Boat-related fabrication, boat repair, shipwrights and shipyards.
*Interview Goal:* All shipyards and fabricators and a sample firms working in the boatyards.

**Code 5:** Seafood Processors and fish sellers.
   5a: Processors
   5b: Wholesale fish sellers.
   5c: Limited fish sellers.
*Interview Goal:* All major processors and fish wholesale firm and a selection of limited fish sellers.

**Code 6:** Marine related manufacturers.
*Interview goal:* Interview all firms.

**Code 7:** Marine related service providers.
*Examples:* Boat and marine related electronic, electric, refrigeration and plumbing firms doing repair and installation as well as on-board service.
*Interview goal:* Interview strong sample of firms.

**Code 8:** Marine related suppliers and dealerships
*Interview goal:* Interview the large firms.

**Code 9:** Marine related science/technology research and development firms
*Interview goal:* Interview all firms.
**Code 10:** Marine recreation and sports businesses.
*Interview goal:* Interview a sample of firms.

**Code 11:** Value-added seafood restaurants.
*Interview Goal:* Interview main businesses.

**Code 12:** Working waterfront businesses.
*Interview goal:* A sample of firms from Newport’s Bay Front and Depoe Bay.

**The information platform**

We adopted a robust, cloud-based information platform to house all project data sets, project interview documents and other MR business documents. The notion and use of an information platform is an outcome of a key insight of the interview process: Marine related businesses have a need for expansion assistance but their business culture resists assistance without the long-term work of building trust and a working relationship. Therefore, a key project recommendation is that the EDA-LC sponsors a business information platform specifically supporting relationship building and service provider collaboration. The platform must have capacity to support database, contact management and collaborative communication.

We chose the cloud based firm Smartsheet for hosting the conceived information platform. The Smartsheet system is based on a ‘sheet’. A sheet is what commonly is called a spreadsheet. As such, a sheet is made up of any number of rows and columns. The control, operation and functionality of a sheet is similar to a spreadsheet. In fact, all EDA-LC sheets began as Excel files.

Sheet actions include choices such as exporting data as e-mail attachments, Excel files, Google Spreadsheets, or pdf documents. The Smartsheet system is seamlessly integrated to Google Docs. Several capabilities of a sheet are worth noting. Turning on the project management function for a sheet causes **start** and **end** date cells to appear for each row. Date cells can be connected via dependant relationships. Therefore, fully functional project management capability is possible for any sheet with the appropriate data.

While project management is impressive function of the Smartsheet system, contact management, document storage and communication functions are what caught our eye and address the strategic needs of project work. We will now describe several sheet functions useful in the post-project period.
Sheets begin as a blank spreadsheet or pre formatted by way of template choices. Data is either entered individually per record or uploaded via a pre-existing data file. A third choice for data entry is via a web-based form. Shearwater built the EDA-LC business database using an ordinary spreadsheet configuration—which in Smartsheet is called the **Grid View**. Three front-end system columns operate on every row of a sheet: They are **Discussion, Attachment** and **Calendar**. These functions are what we found compelling about the Smartsheet system.

The **Attachment** column allows for documents to be uploaded to a specific row. In the business database each row is a record for a single business. In the example below, a paperclip icon appears in the third column on the data row for Tradewind Charters. The icon appears whenever the attachment function is in operation i.e. a document has been uploaded. In this case, we uploaded the interview form from the Tradewinds Charter interview.

**Figure 2. The Smartsheet Document Function**
The record for Tradewind Charters, line 2408 in the database sheet, has its interview document uploaded.

Having all documentation for a business in one common location allows multiple service providers to reference common information for each business needing assistance.

The second function of interest is the **Discussion** function. Clicking the fourth column cell in the row activates a discussion dialog box. Opening the discussion box allow a text-based message to be entered. Upon closing the discussion box the writer is offered notification options to alert to one or more collaborators that a message has been posted about the business. In response to a notification, project collaborators can read and comment to the prior message. In this way the ongoing discussion about business assistance remains as a record.
The third function of interest is the **calendar** function. The calendar function may or may not be present on a sheet depending on how the sheet owner has configured the sheet. For the Lincoln County business database we implemented the calendar function. We see the calendar function being used to schedule ongoing business visits or inquiries or for scheduled notifications to one or more collaborating service providers.
II. The interview process

The project called for conducting at least 80 marine related business interviews. From previous experience we knew that MR businesses embraced a relatively informal business culture compared to other business sectors. Boat owners and skippers, fabricators, welders, boat wrights, and marine service providers of various stripes are a population that rely on their trade skills to flourish and succeed. Those skills may not be particularly relevant to the set of skills required for business management.

We anticipated that many of the owners and managers interviewed would not be overly forthcoming with information. This assumption proved true and it took much effort to line up interviews and then, during the interview itself, many individuals required gentle encouragement to divulge their business intentions and information. The last forty interviews were particularly difficult to arrange and conduct.

Interviewers sought to schedule interviews from lists of assigned prospective businesses. The interviews were conducted in an informal, conversational manner. Responses were recorded using handwritten notes during the interview and then compiled as a concise summary using the interview reporting form. Interview conversations were guided by the questions on the interview reporting form. If a business had a web site additional relevant information was added to the report form. Each interview is documented as an archived form on the EDA-LC information platform for future reference and use. Certain key business or enterprises were interviewed more than once. For example, the Port of Toledo was visited three times during the course of the project.

The Interview Reporting Form

The interview format and questions were finalized through an iterative process based on a number of test interviews. We eventually settled on a small set of questions that were built into an interview reporting form for use by those conducting interviews.

The form proved effective because the questions progress in a logical order and use common business actions related to growth and expansion. For example, when we ask specifically how a business is planning to expand (Question 3a) we offer as guidance four typical business expansion paths:

1. Sell more existing products with existing capacity.
2. Add new products that are either developed internally or purchased externally.
3. Expand the size of the operation (i.e. larger boat or bigger building/location).
4. Acquire more productive technology/equipment.

We followed up an affirmative answer to Question 3a by asking what will it take to accomplish the expansion. As guidance we offered the following examples:

1. Better or improved management
2. Better or more advertising and marketing
3. Financing
4. Management and/or employee training

The above questions proved effective in teasing information from interview subjects. The interview was conducted as an informal face-to-face conversation. Most subjects appeared to be comfortable with the interview process.

**List 2. Elements of the Interview Reporting Form**

<table>
<thead>
<tr>
<th>Business Name:</th>
<th>Postal Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Address:</td>
<td>Contact Name:</td>
</tr>
<tr>
<td>E-mail:</td>
<td>Office Phone:</td>
</tr>
<tr>
<td>Cell Phone:</td>
<td>Web address:</td>
</tr>
<tr>
<td>NAICS:</td>
<td></td>
</tr>
</tbody>
</table>

Concise description of the business's purpose:

Commercial License Related Business (ODFW License Only)

Fishing Business Name:

Boat Name:

Length:

Boat Tons:

Horsepower:

Licenses:

Permit No.

Length of Interview:

Date of Interview:

Interviewer:
Core Interview Questions

Q#1a. Do you have ideas about expanding your business over the next 3-5 years?
   Yes  No

Q#1b. If yes: Do you anticipate your workforce growing?
   Yes  No

Q#1c. How many FTE do you employ now?

Q#2a. Does retirement loom?
   Yes  No

Q#2b. Will you be selling the business?
   Yes  No

Q#2c. Would you like assistance preparing your business for sale?
   Yes  No

If Q#1 is Yes:

Q#3a. How specifically do you plan to grow or expand your business?
   Sell more products with existing capacity?
   Adding new products?
   External-acquired products
   Internally develop products
   Expand capacity/facility/location?
   Acquire more productive technology/equipment?

Q#3b. What will it take to accomplish the expansion?
   Better management   Better/more advertising/marketing
   Financing           Management/Employee Training

Q#4a. Do you have a goal that drives expansion or growth?
   Profitability       Staying Competitive

Q#4b. Do you have a business plan?
   Yes  No
Q#5a. Are there barriers or issues which are preventing your business from growing?
   Source of funds or financing
   Labor Supply
   Management capacity
   Local Service or Infrastructure missing i.e. Logistics/transport

Q#5b. How do you market and conduct sales?
   Types of marketing/promotion used:
   Methods of Sales:

Q#5c. Setting aside the needs of growth or expansion: Are there ways you might improve the core part of your business?

Q#5d. Do you have concerns about costs?
   Fuel  Labor  Supplies  Professional services
   Health care  Rental fees  Other

Q#6. What success have you had over the previous years?

Q#7. Have you ever sought assistance or advice about running your company from a professional consultant or service provider?
   Yes  No

Q#8. Where are your customers from: in-county, in-state, national?
   Local  In-state
   National  Everywhere

Q#9. Tell me about your suppliers: Are they local, out of county? Who are your key suppliers?

Q#10. Do you know of or have heard of ITQs? (Individual transfer quotas).
   Yes  No
   Will ITQs affect you?
   Yes  No

Q#11. Based on what you shared with me, perhaps the EDA can assist you with our plans. Do you mind if Caroline follows up with a call?
III. Interview results and recommendations

In this section we will visit who was interviewed, present the results of the interviews and, where warranted, offer discussion of the interview question and responses. Recommendations resulting from the interview data are presented in a later section. We start our presentation and discussion of interview results with responses to questions 1a and ab. These two questions elicited the highest response rates and go right to the heart of the interview’s purpose.

Q#1a. Do you have ideas about expanding your business over the next 3-5 years?

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>54</td>
<td>61%</td>
</tr>
<tr>
<td>No</td>
<td>24</td>
<td>27%</td>
</tr>
<tr>
<td>NA</td>
<td>8</td>
<td>9%</td>
</tr>
<tr>
<td>Possibly</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>88</td>
<td>100%</td>
</tr>
</tbody>
</table>

Q#1b. If yes: Do you anticipate your workforce growing?

<table>
<thead>
<tr>
<th>Response</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>44</td>
<td>50%</td>
</tr>
<tr>
<td>No</td>
<td>30</td>
<td>34%</td>
</tr>
<tr>
<td>Possible</td>
<td>4</td>
<td>5%</td>
</tr>
<tr>
<td>NA</td>
<td>10</td>
<td>11%</td>
</tr>
<tr>
<td>Total</td>
<td>88</td>
<td>100%</td>
</tr>
</tbody>
</table>

Q#1c. How many FTE do you employ now?

<table>
<thead>
<tr>
<th>FTE Count</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>5:</td>
<td>29</td>
<td>33%</td>
</tr>
<tr>
<td>6-10:</td>
<td>17</td>
<td>19%</td>
</tr>
<tr>
<td>11 or more</td>
<td>10</td>
<td>11%</td>
</tr>
<tr>
<td>No answer</td>
<td>32</td>
<td>36%</td>
</tr>
<tr>
<td>Total</td>
<td>88</td>
<td>100%</td>
</tr>
</tbody>
</table>

Since the businesses chosen for interviews were not selected on a random basis, only cautious extrapolations from the interview responses are in order. With that word of caution in mind, we believe it is reasonable to assume that somewhere in the range of 150 to 200 marine-related businesses are expanding or have expansion plans. This range should not be surprising given where the economy is in the business cycle. Absent falling into a new recession, Oregon's economy is expected to continue a moderate expansion for the foreseeable future.
Undoubtedly, a number of businesses planning expansion will not see their plans materialize. Other businesses will expand at the expense of less competitive local businesses. While it is beyond the scope of this project’s research, we were always sensitive to expansion plans that produce a net gain for the county’s economy. The priority expansion outcome expressed by EDA-LC Executive Director Caroline Bauman was with job creating business expansion.

**Q#2a. No plans to grow, does retirement loom?**
- 8 – Yes
- 61 – No
- 19 – NA
- 88 – Total

**Q#2b. Will you be selling the business?**
- Yes-5  Possibly-2

**Q#2c. Would you like assistance preparing your business for sale?**
- Yes-3

EDA-LC has been notified regarding the three businesses seeking assistance for a business sale. What doesn't show up in the data but maybe of significant interest are the number of small businesses with older owners who are not training a new generation to carry on the enterprise after their retirement. In many cases, these owners have highly specialized skills requiring years to learn.

For example, two of the boatwrights interviewed (Johnson Marine Services & Reino Randall) have no understudies being taught their considerable woodworking skills. A number of factors contribute to the absence of employees in an understudy role. Further research might clarify the specific barriers to be overcome. Suffice it to say that we have observed cases where owners of coastal specialty businesses have retired or died and ending the specialty’s presence in the county.

**Q#3a. Specifically, how do you plan to grow or expand your business?**
- 10 – Sell more existing products with existing capacity: 10
- 4 – Re-model and/or do better.
- 18 – Adding new products.
- 31– Expand capacity/facility/location.
- 22 – Acquire more productive technology/equipment.
- 27 – No response or not relevant.
- 10 – Vague or answer in need of clarification.
Q#3b. What will it take to accomplish the expansion?

   11 – Better management.
   16 – Better/more advertising/marketing.
   38 – Financing: 38
   16 – Management/Employee Training.
   4 – Multiple answers.
   1 – Specific other answers: “First pay off debt”.
   32 – No answer or not relevant.

We must be cautious about drawing conclusions based on limited data. However, answers to 3a and 3b indicate a substantial desire to improve management skills or expand capacity, and acquire new technologies on the part of many firms. We believe that when respondents offer concrete expansion ideas and the firm can demonstrate a positive sales environment and track record—strong follow up by the EDA-LC is warranted. The response signals from 3a and 3b indicate a real potential for expansion by many businesses.

The high number of businesses stating need related to financing may or may not signal viable business expansion plans. A response that financing is required for expansion may signal poor profitability or poor performance in overall management. A careful assessment of the business’ overall condition and situation is required. Cursory observations during the business interview provide only a fleeting glimpse into the true potential of the firm. Business specific assistance recommendations for assistance are made in in a later section.

The most cautious extrapolation of expressed assistance need to the entire MR business population suggests, in the aggregate, a response that will require substantial resources. That response, whatever its exact quantity, will need to occur along several lines of follow up work:

1. Follow up business engagement is required to clarify assistance need for all interviewed businesses. Such follow up does not address the need for further discovery of businesses needing and desiring assistance for expansion.

2. Advice by key informants such as fishing community leaders and interview respondents indicate that relationship building is an essential goal of ongoing follow up work. A level of trust is required for business owner cooperation. Unlike other business sectors, MR business culture is highly influence by government regulation of the fishery resource base. Declines in fished stocks and regulatory intervention, including outright permit buyouts, have impacted industry culture.
Shearwater Research believes that identified and not yet identified business expansion assistance is likely beyond the staffing and budget capacity of the EDA-LC and other Lincoln County assistance providers. To the degree this is the case, future Lincoln County business expansion, job growth and income will suffer to some degree.

The strategic insight of the interview process is that marine-related businesses have a substantial need for assistance but their business culture requires a long-term effort to cultivate trust and a working relationship.

Q#4a. Do you have a specific goal that drives your desire to expand & grow?
   27 – Grow Profit.
   8 – Saying Competitive.
   8 – Both.
   34 – No answer.
   1 – Other: “We are turning away customers.”

Q#4b. Do you have a business plan?
   14 – Yes.
   38 – No.
   1 – Currently working on one.
   29 – No answer or not relevant.

The high number of businesses lacking a business plan is of special concern. Undoubtedly, large firms not responding to this question likely have a plan i.e. Pacific Seafood. However the high number of no responses represents a particular challenge to address, we recommend that the EDA-LC specifically consult on the issue and explore the following: Is there an abbreviated business plan template to be used in assisting businesses developing a business plan? Communicating to businesses the opportunities for training classes and the business planning need appears to be a high priority. If a tool such as a template plan can assist addressing this need, such a template should be developed. We recommend consulting with one or more loan officers regarding the advisability and adequacy of developing a template tool for business plan assistance.
Q#5a. Are there barriers or issues which are preventing your business from growing?

19 – Source of funds/financing.
9 – Labor Supply.
4 – Management capacity.
3 – Local Service or Infrastructure missing.
7 – General Cost Concerns.
2 – No Issues.
4 – Other Issues.
34 – No answer or not relevant.

Q#5b1. How do you market (or promote) your business?

22 – Word of mouth.
1 – Print media.
4 – Web / internet.
20 – Multiple Ways.
35 – No answer or not relevant.

Q#5b2. How do you conduct sales (Method)?

21 – Per client needs.
22 – Counter or direct to public.
9 – Processors/Resellers.
1 – Web-Internet.
15 – Multiple Channels.
15 – No answer or not applicable.

A number of businesses that fell into the ‘not applicable’ response are larger firms which are known to robustly advertise products and conduct sales (Port of Newport, Pacific Seafood, Trident Seafood, etc.). With these types of enterprise we did not see a need to ask certain questions.
Q#5c. Are there ways you might improve the core part of your business?

“Always looking for ways to improve”
“Better Bookkeeping”
“Learn bookkeeping software”
“Better cost control”
“Better gear”
“Better management & employee training”
“Better management & marketing”
“Better management of space”
“Better mooring location”
“Better workforce”
“Bigger boat”
“Hire customer service employee, new equipment, & new engine”
“Expand facility”

No suggestion offered or not applicable: 53

Q#5d. Do you have concerns about costs? (Fuel, labor, supplies, professional services, health care, rental fees, etc.)

13 – Fuel costs: 13
3 – Insurance costs: 3
3 – Labor costs: 3
5 – Health insurance costs: 5
8 – Multiple cost concerns: 8
8 – No cost concern: 8
17 – No answer or not applicable: 37
5 – Other costs mentioned once each: “Liability insurance, materials costs, freight costs, water rates, Workman’s Comp”

Q#6. What success have you had over the previous years?
2 – Successful marketing.
1 – Maintaining equipment to save money.
4 – Physical expansion.
2 – Success through experience and increased efficiency.
7 – High degree of general growth.
15 – Steady general growth.
5 – Maintained business through difficult times (survival).
2 – Improved customer service.
3 – Improved the technology.
1 – Well designed business
5 – Success through good reputation.
3 – Kept regular clientele.
6 – Diversification, opened new markets for products.
3 – Developed a niche market.
1 – Happiness, enjoy the work
29 – N/A

Q#7. Have you ever sought assistance or advice about running your company from a professional consultant or service provider?
13 – Yes
36 – No
31 – NA

Q#8. Where are your customers from: in-county, in-state, national?
21 – Local.
8 – In state.
9 – Mixed local and state.
6 – Other/everywhere.
32 – No answer/not applicable.

Q#9. Tell me about your suppliers: Are they local, out of county? Who are your key suppliers?

Q#10a. Do you know or have heard of ITQs? (Individual transfer quotas - they apply only to some ground fish and whiting.)
19 – Yes.
10 – No.
53 – No answer/not applicable.

Q#10b. Will ITQs affect you?
13 – Yes.
6 – Yes, but no impact.
63 – No answer/not applicable.
Q#11. Perhaps the EDA can assist you with your plans. May Caroline follow up with a call?
   45 – Yes.
   10 – No need.
   32 – No Answer.

Near the completion of the interview phase it was decided to send a letter soliciting interest in being interviewed. 130 letters were sent to prospective MR businesses. The cover letter made the case that a discussion of plans for business growth with the EDA-LC may be beneficial to the firm. A return post card was enclosed that simply requested a phone call to the EDA-LC. While the response was disappointing, one card was from the owner of a commercial boatyard who previously had not engaged the project. We saw the letter by postal mail as a final effort to recruit businesses to interview after months of prior work making hundreds of phone calls and knocking on many doors.
IV. Port Related Analysis and Recommendations

Lincoln County’s three ports and the Depoe Bay municipal harbor are arguably the most important source of future economic growth in Lincoln County. This statement goes beyond events surrounding the relocation of the NOAA fleet to Newport. While the Port of Newport has received much attention, each port and harbor has experienced significant development in the past decade. Currently, each port is completing mandated strategic planning efforts. Those plans will be important blueprints guiding future business growth.

We will now briefly review each port and note what data is available for ports and the Depoe Bay harbor.

**Port of Newport:**
Lincoln County’s main commercial port, the Port of Newport, is a driver of local economic growth. The economic impact of NOAA’s Research Fleet moving to Newport will take years to absorb. The economic impact of ongoing investments in wave and wind energy research and ocean related scientific research can be better leveraged if the economic development community maintains its excellent working relationship with the Port of Newport.

**Available maps, posters and property data:** Shearwater research has multiple map posters available for the Port of Newport. Maps are based on NAIP photos with various layers of data available for overlay. We have also created a data set of property owners for the Newport bay front area and a portion of South Beach close to port installations.
Port of Toledo:
Major economic and employment growth is possible if the Port’s expansion plan for new boat haul-out and servicing infrastructure is successfully implemented.

The Port of Toledo's strategic plan will be available within the next several months. The plan should be carefully reviewed by economic development agencies and the EDA-LC. Planned expansion of the port's infrastructure for new boat haul-out and servicing facilities may provide a major economic growth opportunity for Lincoln County. As planned, new haul-out capacity will allow commercial fishing boats currently receiving service out of state the choice to receive service in Toledo. This new capacity, if developed, will trigger an expansion by businesses that provide highly skilled fabrication and repair services.

Port of Toledo maps, posters and property data: Shearwater Research has multiple map posters available for the Port of Toledo. Maps are based on NAIP photos with various layers of data available as overlays – including property parcel boundaries.

A View of the Port's new docks and waterfront park area.
Toledo based *Yaquina Boat Equipment* provides vital services to Lincoln County’s local and distant-water fishing fleet, and is a major link in Toledo’s economic chain.

*From large trawl winches to new a new wheelhouse - Yaquina Boat Equipment can build it all.*

**Port of Alsea:**
The EDA-LC will continue to work closely with Port of Alsea supporting the continued development of amenity recreation and Oyster production.

The potential for Oyster farming and the outstanding natural values of the Alsea estuary suggest a strong potential for future economic growth. We recommend that the EDA-LC continue to work closely with Port of Alsea staff with a focus on the continued development of amenity recreation.

**Available maps, posters and property data:** Shearwater research has multiple map posters available for the Alsea estuary and port area. Maps are based on NAIP photos with various layers of data available for overlay.
City of Depoe Bay Municipal Harbor:
We believe that significant growth is possible for the harbor’s recreational and charter fleet—particularly related to whale watching and related marine interests. The market potential for Depoe Bay charter companies will continue to grow. The charter customer base will likely expand based on a growing interest in marine ecology and the whale watching.

Recommendations
We recommend a strategic assessment of the current harbor facilities, harbor staffing and harbor capital investment need. The EDA-LC will support the city in such an endeavor.
Charter operators are not pooling their daily capacity information and advertising when capacity is available. Without cooperation between charter operators, lodging establishments have no way of easy way of knowing available charter capacity. We recommend EDA-LC lead in providing a solution for this issue.

Available maps, posters and property data: Shearwater research has multiple map posters available for the Port of Newport. Maps are based on NAIP photos with various layers of data available for overlay. We have created a property owner data set for the Depoe Bay harbor area and Hwy 101 waterfront.
V. Project Recommendations

Shearwater Research now visits sets of recommendations. First are those recommendations related to relationship building and developing trust between service provider capacity and MR businesses. Secondly, we make a set of recommendation that address specific issues not related to individual businesses. Thirdly, we briefly visit a set of follow up recommendations tied to specific interviewed businesses (Appendix 2.) We organized these recommendations by business code category.

Strategic recommendations

Further database building
All strategic recommendations relate to cloud-based functionality of the EDA-LC business database using Smartsheet. Our first recommendation is to continue refining and building the main business data set. A large need exists for further work to acquire and verify specific firm information such as e-mail address, web site url, correct key employee and ownership information. Undoubtedly, many firms are not in the database and some firms that have ceased operation still remain listed. Additional data enhancement by coding and cross linking firms to other data sets should be explored. We see the EDA-LC eventually building a complete database for all Lincoln County businesses—one that serves the development needs of any business sector or cluster.

Outreach Staff Capacity
EDA-LC, in partnership with other service providers, should work to field a half time or greater business expansion services representative. We see this person doing regular firm visits on a scheduled or cold call basis depending on the firm. We understand that fielding staff capacity may be beyond the current budget resources of the EDA-LC. We recommend EDA-LC seek assistance from the Research Group or similar expertise for assistance in generating benefit metrics for such capacity.

An ongoing contact management approach
Fielding a business expansion service representative, particularly if such a position is not full time, requires the maximum effectiveness to achieve results. We recommend implementing contact management procedures for all future business service work. The calendar functionality of the database sheet will support a routine of business engagement. Over time, as firm-level information expands, all acquired information is easily housed as archived documents or integrated to Google Docs.
Enhanced collaboration
The discussion and calendar functionality of the database sheet are supportive of robust collaboration for business assistance. A working circle of service providers is easily supported through e-mail and cloud connectivity to the common platform of business information.

Marine-related business sector recommendations

Commercial boat data set
We recommend further work and analysis of the commercial boat data set. Whether the enterprise is scientific research or commercial fishing a solid data set of boats and their capacity is required. Each boat is managed by a key decision making person and that person needs to be documented in the database. In many cases boat ownership is in the hands of another firm or individual.

Data build and discovery for business codes 4, 6 and 7.
Firms coded in 4, 6, and 7 categories represent manufacturing or manufacturing-like value-added enterprise. These firms have the potential for generating significant new income into the county and expanding employment. A priority is to further populate the database with all firms working in these sectors and discover as much contact and business specific data as possible.

Further understanding of firm level financing need
A high percentage of interviewed businesses indicated financing was an issue for their expansion plans. In our discussion of this data we suggested that a low rate of profitability may be conflated with the need for financing. We recommend further discussion to clarify the general and specific situation of coastal MR businesses related to profit rates, capital investment and appropriate business borrowing.

Business web site support
A larger number of MR businesses than expected do not have web sites. We found this surprising. We recommend a further look into this issue. Our cursory assessment is that while technical providers exist that will build a firm’s web site; the content of actual words used are not part of the service. If such is the case, then the EDA-LC might assess how full service marketing assistance might be networked as a package by local entrepreneurs.
**Business retirement and skills legacy**

We recommend that the EDA-LC work to acquire data on the population of high skills, sole proprietor businesses and identify where skills transfer is at risk due to an owner approaching career’s end. Particular note should be taken where work skills are unique or generally not taught in trade schools. The EDA should explore with regional and state economic development staff whether programs exist to reward sole proprietor businesses when training an employee in a specialty trade.
Attachment A.
Lincoln County Economic Development Corp. and Oregon Coast Community College
Matching Activities,

Conclusions and Findings

Introduction: The majority of grant activities have been previously reported in the three Progress Reports to date. The purpose of this Attachment is to summarize the total activities and provide the conclusions and ongoing activities that have been generated by the grant, which are currently active. After the conclusions, we have attached several reference materials and expressions of thanks from participants.

Summary of Activities:

Community Outreach: The Lincoln County Economic Development Corp. (dba Economic Development Alliance of Lincoln County) has made various speaking engagements and entered into discussions with elected officials from the city level to
the Senate, regarding the outreach efforts and the future needs that are indicated in our research. The message is that we need to continue our efforts in upgrading the ability of marine businesses to service the future needs of marine science activities in our region. We are adding to the traditional activities in our Ports, fishing and maritime commerce, by diversifying into marine science and increasing value-added seafood.

**City of Newport Economic Opportunity Analysis:** The City has added Marine Science as its third economic priority along with Fishing and Tourism. Bauman sat in as a Technical Advisor to this process.

**Port Expansions:** The Ports of Newport and Toledo have made studies of their infrastructure: the International Terminal in the case of Newport and the Port of Toledo Boatyard in the case of Toledo. These two projects have been identified by our grant activities as promising sources of new jobs and indirect jobs for marine related businesses, as ports will be adding brand new, and needed, infrastructure.

Additionally, the Port of Newport is planning a new building in response to demand in the marine science arena: the Ocean Technology Center described in the References. This idea is in its infancy and will be developed in the next 12 months.

**Workforce and Small Businesses:** We conducted a successful event that upgraded the skills of our maritime workforce to qualify for Coast Guard credentials. Afterward, we collected feedback from the students regarding the increase in pay scale and job opportunities. We are looking at the capacity of the community college to provide specialized training for crew members. For example, culinary classes for ship crews will be offered this coming year. A mobile welding lab is available, and the costs and benefits are still being analyzed after we brought the lab to Newport last spring as a pilot project.

**Oregon Innovation Council:** This state agency was approached for a grant to continue our activities; unfortunately we were not successful in this.

**Small Business Training Events:** The Economic Development Alliance and the Small Business Development Center of the community college teamed up to provide two successful events this fall: the first was the “Governor’s Roadshow”, an event to showcase the state agencies and their procurement rules, along with certifications for Women, Minority and Veteran’s-owned businesses. The second was the “Export Assistance Training” for our traded sector businesses of all types. These events were held after the end of our grant activities but the planning and promotion (using our database) were a part of our grant activities.
**Wave Energy Testing:** Lincoln County is pursuing an opportunity to create a wave energy test site off the Oregon Coast. This would be an economic driver if we are successful. This is an example of the expanded image of Newport for marine science expertise. It would benefit both the Ports of Newport and Toledo and use the skills of our workforce.

**Regular Business Visitations:** With the assistance of state Business Development Officer Dennie Houle, Bauman visited a number of small businesses that fall into the “marine related” categories. The goal is to begin a relationship of trust and to assist in business expansions.

**CONCLUSIONS AND FINDINGS**

There are a number of themes that have emerged from the work of Shearwater combined with the partners’ efforts during the past 18 months. I will add some conclusions to those given by Shearwater Research in their report.

**Workforce Training:** preliminary results indicate that a coordinated effort to provide Coast Guard certification in our local area would be well worthwhile. Clatsop Community College has one of the few instructors in this field, and he is willing to respond to our requests for classes – as long as there is good coordination on scheduling.

**Gaps in Small Business Assistance:** results indicate the need for a local expert in contract writing, contract management and the like. This fall, the college and myself identified such a person. We are in negotiations with Market Tech, a local consultant, to organize a small group of companies to guide them along the way to success with proposing, writing, and servicing government contracts. A peer group will be formed to help each other be successful, at little or no cost.

Another gap is general advising for marine-related businesses on general business practices; this was identified in the Shearwater work product.

**Value-Added Seafood:** Another area of gap in assistance is the area of Value-Added Seafood. There is a trend in the marketplace, and in the desire of the fishing industry, to shorten the supply chain from harvester to marketplace. This is why we studied restaurants and small processors as a part of this grant. It goes to the overlap, and mutual benefit, between fishing and tourism. This is a very promising source of income.
and jobs for the future, if we can address the issues that are barriers to success for the marine businesses.

**Other:** Further study on oyster production feasibility was identified for Alsea Bay; however, funds did not allow us to take it further than seeing it as a good future opportunity for Port of Alsea. Similarly, the Depoe Bay harbor, owned by a small city, is clearly in need of sources of financing for serious infrastructure maintenance. Without access to traditional sources used by Ports, we feel there is an urgent unmet need that absolutely requires future work on their behalf.

**Coordination of Effort:** The final, and most important conclusion we can offer, is the need for a high level of coordinated effort on accomplishing our economic goals and seizing opportunities. We must leverage the marine science aspect of our future with a concerted effort. We strongly recommend a team approach with the federal government (Workforce Investment Board), state of Oregon, regional economic council, county and local governments. Chambers of Commerce, academic institutions, and business leaders have agreed on this future. To that end, I have made presentations and given input to strategy discussions at every level. This grant has given a huge amplification to achieving our economic development goals. We feel we are well on the way towards a transformed economy that offers more diverse opportunity to local business than that of the past.

Caroline Bauman
Executive Director
Economic Development Alliance of Lincoln County