

Business Expansion and Retention - the Real Economic Development Growth Engine By Members of the Indiana Economic Development Association Board of Directors

It is easy for most of us to take the companies in your hometown for granted, that's why your local economic development organization takes their role of local business outreach very seriously. In fact, the International Economic Development Council reports as much as 80 percent of new jobs and business investment in a community come from existing businesses.

Although new company location announcements tend to receive the most publicity, economic developers not only spend time working to attract new companies to their communities, they actually invest most of their time working with companies who have already invested in the community. An economic developer's primary role is to ensure their existing businesses have the tools and resources they need in order to be successful.

By visiting with executives of local companies, economic developers are not only building goodwill, but they are also looking for opportunities to assist the company with any potential growth plans, helping them reduce costs by attracting suppliers to the community, connecting them to local educational institutions and service providers to assist with employment and training needs, and generally trouble shooting problems that could keep the company from growing and thriving in the community.

'Business retention and expansion,' or BR&E as its known to economic developers, is the often unseen, day-to-day activity that helps stabilize the local economy by helping to anchor existing businesses to the community and assisting with their growth plans so they can increase their physical and economic footprint in the community.

It is commonly understood in business that it is less expensive to retain an existing customer than to cultivate a new one. The same principle applies to economic developers working with existing business in a community: treating your local companies like the valued customers they are helps increase the odds that they will stay and grow in your community and be a valued economic partner for a long time.

Business retention and expansion is just another way that your local economic developer makes a positive impact in your community.