



2017



Holly Springs, NC Certified Entrepreneurial Community® Program Ecosystem Assessment

2016-2017 CEC® ECOSYSTEM ASSESSMENT FINAL REPORT

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Introduction

This document is the Holly Springs Certified Entrepreneurial Community® Leadership Team’s compilation of the qualitative and quantitative information gathered through the CEC® process to establish baselines for the local and regional entrepreneurial ecosystem in 2016-17.

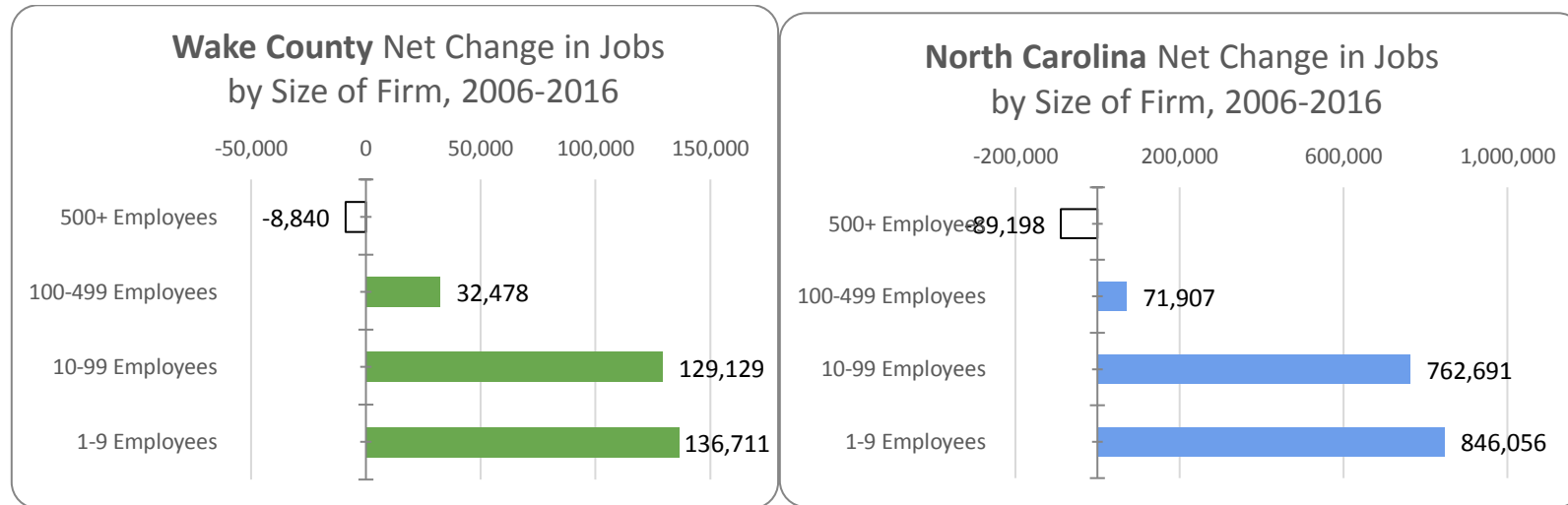
During the first 14 months of the program, the Leadership Team, with the support of their CEC® Project Team Leaders, conducted a series of community retreats, roundtable discussions, and surveys with key players from across the region. Through various forms of data collection, they were then equipped to produce a snapshot of the current entrepreneurial ecosystem of Holly Springs.

Five Elements of Entrepreneur Ecosystem Assessment for Holly Springs, NC

1. Entrepreneurship data on Wake County and North Carolina, 2006-2016
2. Selected data points for the Town of Holly Springs
3. Demand: Five resources all small businesses need
4. Supply: What is provided now in Holly Springs
5. Initial assessment of opportunities

Data Trends in Wake County and North Carolina

JOB GROWTH. Wake County and North Carolina have seen a greater increase in jobs from small businesses with 1-99 employees than from larger firms. North Carolina overall had barely any net growth between 2006 and 2016 in jobs from employers with 100+ employees because those recruited were offset by those that left. Meanwhile job growth is very strong among small businesses.



The source of the data in this section is YourEconomy.org, a dataset from the founders of Economic Gardening and the Edward Lowe Foundation. It is a meta dataset of many public and private datasets and is maintained by the University of Wisconsin Extension. The YourEconomy (YE) job numbers include the owners and the contractors, not just the employees.

For that reason, the YE total employment of 754,780 in Wake County and 6.1 million in North Carolina is approximately 40 percent higher than what is shown in Bureau of Labor Statistics (BLS) data, which count only

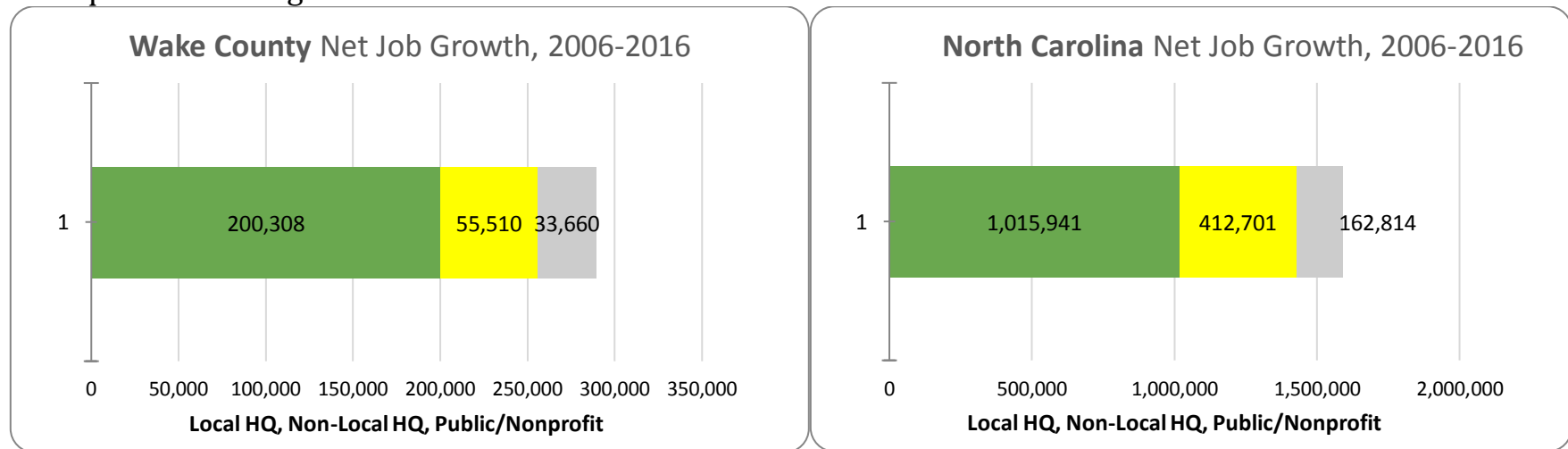
people covered in the Unemployment Insurance system. Total BLS employment in Wake County and North Carolina was 541,500 and 4,326,300, respectively.

Regardless of the data source, Wake County’s economy has grown much faster than the state overall. Wake County grew over 6% annually from 2006 to 2016, compared with the state average of 3.5%.

Table 1: Total job growth, 2006-2016

	2006	2016	Percentage increase	Average annual increase
Wake County	464,302	753,780	62.3%	6.2%
North Carolina	4,517,932	6,109,388	35.2%	3.5%

As the two charts below illustrate, Wake County’s locally headquartered firms have grown more than outside firms and public/nonprofit orgs; the same pattern holds in North Carolina overall, as well as the United States. Locally headquartered firms choose where to start, they tend to stay and grow locally, and many of them give back to nonprofits and other businesses in their communities. Firms based outside often retrench to headquarters during recessions.



LOCAL HEADQUARTERS. The national rankings for entrepreneurship put several of NC’s metro areas near the top. They all have high percentages of locally headquartered firms and they celebrate the creation of others.

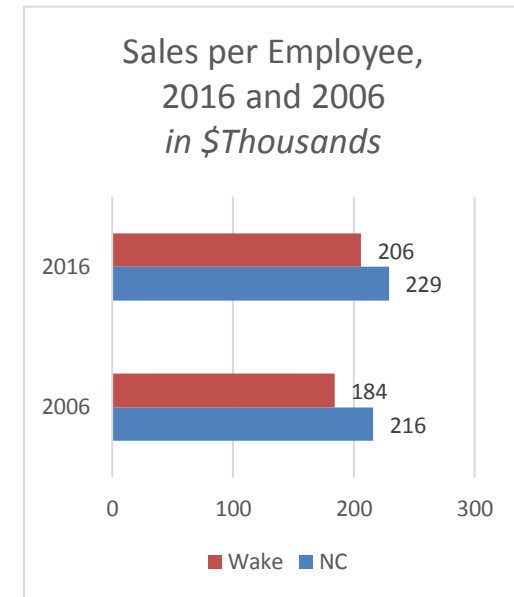
Table 2: North Carolina Counties with Highest % of Local Firms

Rank	County	NC Metro Area	Percentage of Locally Headquartered Firms, 2016
1	Orange	Chapel Hill	87.9
2	Mecklenburg	Charlotte	86.1
3	Durham	Durham	85.9
4	Buncombe	Asheville	85.8
5	New Hanover	Wilmington	85.8
6	Wake	Raleigh	85.5
7	Union	Charlotte	84.6
8	Henderson	Asheville	84.4
9	Guilford	Greensboro	84.3
10	Dare	Mantua/Nags Head	84.3

SALES AND PRODUCTIVITY GROWTH. Total sales grew from \$1.1 trillion to \$1.4 trillion between 2006 and 2016 in North Carolina. Over the same decade Wake County's sales increased from \$85 billion to \$155 billion.

A more meaningful index shown in this graph is sales per employee, which measures productivity and is comparable with a single county like Wake.

Sales per job in North Carolina went from \$216k per employee to \$229k per employee and grew by 6 percent. Sales per job employee in Wake County increased 12 percent from \$184k to \$206k.



Holly Springs Data Points

Holly Springs has a vibrant economy relative to the state and even Wake County. These metrics suggest a great business climate for entrepreneurial development for many years. Primary sources are U.S. Census and Bureau of Labor Statistics except where noted.

- Holly Springs population was 33,260 in 2016 and reflects 36 percent growth since 2010
- Holly Springs' 2015 median household income was \$94,452, nearly twice that of NC overall (\$47,830)
- Holly Springs has strong employment numbers in professional and technical services, education, health care, retail, construction, manufacturing
 - Holly Springs' employment grew 26% between 2010 and 2015, more than the rest of Wake County (*Wake Forest 24%, Apex 21%, Cary 20%, Raleigh 15%*)
- Unemployment rate in 2017 is 3.4% compared with 4.0% for NC overall and 3.8% for Wake County
- Holly Springs' homeownership rate is 88%, compared with a 67% state average and 67.2% in Wake County
- Holly Springs' median age is 34.3 vs. North Carolina's 37.8
- Reference USA business directory shows 48 firms in Holly Springs that qualify as Advanced Industries, according to a Brookings Institution 2015 study. Such firms rely on R&D and/or STEM workers and are highly correlated with local economic growth. The ones in Holly Springs are in tech sectors including IT, energy, manufacturing and agriculture.

Demand Assessment: Entrepreneurs & Business Owners

Data cited here were derived from the feedback survey conducted after the 9/29/16 retreat - 17 of 30 participants responded. Respondents included: 13 business owners or managers; 3 educators; 3 public employees; 2 community volunteers.

Key opportunities to address in improving entrepreneurs' opportunities in Holly Springs:

1. Downtown brand identity, lack of unique stores downtown, big boxes on bypass (17 people said it was very important or essential)
2. Do not overlook the hundreds of home-based and trades businesses in Holly Springs (16)
3. Partner with and build unique industry clusters in Holly Springs (16)
4. Appeal to young families including good schools (15)
5. Finding resources, capital, and support partners (15)
6. Traffic congestion, lack of public transportation, and downtown parking (14)
7. Limited flex space available to grow a business locally (14)
8. Appeal and outreach to Millennials and minority populations (11)

Survey input on Promotion and Support, # who said each item is essential or very important:

- Outreach to the businesses already on the town, chamber, SBC, or SBTDC lists: 17
- Partnering with and building unique industries in Holly Springs: 17
- Expand matrix to create directory on what assistance is available and put on website: 17
- Promotion of the town's and partners' resources: 17
- Hold a few small events to build buzz: 16
- Benchmark with communities effective at promotion and support: 16
- Tie the CEC brand into overall theme for Holly Springs: Discover the Source: 15

Key themes from Survey about why people are in Holly Springs now, to use in Promotion:

- Growth opportunities: 17

- Hospitable business climate: 17
- Open door environment: 17
- Viable market for my business: 16
- Support among businesses: 16
- Live, work, serve, and play in the same place: 16
- Visionary town leaders, open to new ideas: 16

Survey input on key issues to address through Downtown Development initiative

- Residential and walkable community development: 17
- Entrepreneur events at Coworking Station: 16
- Leverage the new chamber building downtown: 16
- Build unique industries in Holly Springs: 16
- Retail, restaurant, and commercial development: 16
- Tie the downtown aspects of the CEC brand into overall theme for Holly Springs “Discover the Source”:
15
- Greenfield space: 16
- Broadband and other infrastructure: 15

Supply Assessment: Small Business Resources Serving Holly Springs

What do entrepreneurs need?

1. Entrepreneurial training
2. Technical assistance
3. Capital at every stage
4. Business-to-business networks
5. Business-friendly government

Summary of the supply of resources for each of the top five entrepreneur needs is here, current as of Fall 2017. Full resource matrix is appended to the certification report.

1. **Entrepreneurial training:** Wake Tech Small Business Center (SBC), Small Business and Technology Development Center (SBTDC)
2. **Technical assistance:** SBTDC, SBC, Business Link NC, SCORE
3. **Capital:** SBA, USDA, banks, community banks, other lenders, Triangle angel investors network
4. **Business networking:** Holly Springs Chamber of Commerce; event space at Bass Lake, and Coworking Station
5. **Government support:** Information on zoning, building permits, etc. on Town website; partnership in Coworking Station; working list of Holly Springs businesses; small business-friendly workforce board

Opportunities for the Holly Springs CEC® Leadership Team

Finding #1:

There exists an ample supply of resource providers within the region surrounding and including Holly Springs.

There is, however, a distinct need for those resources to be coordinated in a more visible and accessible way. The Wayfinding Resource website will increase accessibility and knowledge of available resources, organizations, and points of contact at each stage of business. It will also provide streamlined information on town, county, and state requirements and opportunities.

Finding #2:

There is a high median income and a concentration of young families in Holly Springs that could help support a more vibrant local business community in Holly Springs.

There is, however, a very small village district and a need for community events to pull people downtown. For maximum benefit to local businesses there should be a variety of elements to the event and a variety of activities over several hours.

Important Local Assets for Entrepreneurial Development in Holly Springs, NC:

- Large young adult and working age population, many young families
- Leveraging the resources for training, one-on-one counseling, and business capital in the Triangle region
- High income families to invest in growth companies
- Small business owners actively engaged in identifying what they want and need, including a better web resource
- Town has a list of downtown businesses it will continue to develop (had 75 businesses on it in 2016)