

# BUSINESS INTELLIGENCE REPORT



Leading Business.  
Leading Springdale.

The Chamber understands that good business decisions are made based on good information. To help your business achieve better results in 2010, we are making available a new publication -- **The Business Intelligence Report** -- filled with quality data gleaned from local research as well as from some of the nation's top business resources.

This email report is free to you as a member of the Springdale Chamber but only if you wish to receive it. Below is a sample of the type of information you can expect to receive.

If you'd like to be added to our mailing list, simply click on the link below and drop us an email with your name in the subject line.

**Perry Webb**  
President/CEO

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## In This Issue

**January 2010**

### News

- [New Market Tax Credit Program Now Available](#)
- [Springdale Jobs Climb, Unemployment Down](#)
- [New Business Applications Up in 2009](#)
- [Federal Grants for Springdale's NanoMech & Duralor](#)
- [Federal Estate Tax Repealed Jan. 1](#)

### Strategy

- [Keep Connected and Keep Customers Loyal](#)
- [Optimizing Operations and Inventory](#)
- [This Year You Must Take Your Vacation](#)

### **NEWS: New Market Tax Credit Program Now Available**

Arkansas has recently been added to the list of states that qualify for the federal New Market Tax Credit Program targeted to stimulate investment in healthcare, education and economic development projects. The federal tax credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period.

Much of northeast, central and southwest Springdale lies within the three census tracts that qualify to make application for these competitive tax credits. To learn more about how your company might take advantage of this program, call the Chamber at 479-872-2222.

### **NEWS: Springdale Jobs Climb, Unemployment Down**

In 2009 (excluding December statistics not yet available from the Arkansas Department of Workforce Services), Springdale added more new jobs than 11 of the state's largest cities. Only Little Rock (2,088), Fayetteville (1,104), Fort Smith (990), and Jonesboro (940) finished November with more jobs than Springdale (815). Rogers added 748 jobs while Bentonville added 404. On the year, Springdale saw a 3 percent increase in employment from a low of 27,271 jobs in January to a high of 28,086 in November.

Springdale's unemployment rate declined one percentage point from a July high of 6.7 to a 5.7 rate for the months of September, October and November. The Springdale-Fayetteville-Rogers MSA had an unemployment rate of 5.3% in October and November. In November, only 13 of 372 metropolitan areas in the United States saw unemployment rates below 5 percent according to the Bureau of Labor Statistics.

[Return to Top](#)

### **NEWS: New Business Applications Up in 2009**

Springdale enjoyed a 44 percent increase year-to-year in new business licenses issued by the City Clerk's office. There were 297 new licenses issued in 2008 and 429 in 2009. The 2009 increase included 127 minority business owners of which 57 were women owned businesses. 84 new business licenses were issued in the fourth quarter, up from 57 issues in the fourth quarter of 2008. In the 4Q of

2006, Springdale issued 46 business licenses and 58 in 2007.

[Return to Top](#)

### **NEWS: Springdale's NanoMech Lands 2nd Defense Contract in Month's Time**

NanoMech, LLC, headquartered in the Springdale Technology Park, has landed a \$350,000 defense contract from KDH Defense Systems for the continued development of body armor. NanoMech, the parent company of Duralor, LLC, develops and manufactures application-specific nano-particle additives, nanoparticle-based coatings and coating systems.

In December, NanoMech received a contract worth about \$770,000 from the Office of Naval Research to work on a new lubricant additive called NanoGlide.

The Springdale Chamber and Springdale investors played a key role in successfully recruiting NanoMech and Duralor to the Springdale Technology Park.

[Return to Top](#)

### **NEWS: Federal Estate Tax Repealed Jan. 1**

The Senate did not have the votes to take up estate tax legislation at the end of 2009. Without congressional action, the tax was repealed beginning January 1, 2010. However, the Washington Post reported Senate Democrats "have promised to pass a temporary measure early [this] year that would apply retroactively" to the first of the year, and the tax is already "slated to go back into force in 2011, with higher tax rates and lower exemptions than are in the law now."

The Hill reported, "The Senate's tax-writing committee will move to extend expiring tax legislation early [this] year, but it's unclear if that will include the estate tax." Senate Finance Committee Chairman Max Baucus and ranking Republican Chuck Grassley "on [December 22] sent a letter to Senate leaders announcing their intention to move a tax bill as soon as possible in 2010." The Hill added that "the package of extenders would include the research and development tax credit as well as a biodiesel tax credit supported by Grassley that provides an incentive for the production of the alternative fuel."

[Return to Top](#)

### **STRATEGY: Keep Connected and Keep Customers Loyal**

Keep customers loyal by staying closely connected. Learn what they think and worry about, as well as what inspires and engages them. The key to relationship marketing is to ask great open-ended questions. These questions get customers to talk, share and explain. Pay close attention to the answers and develop the right actions in response.

Ask the following:

- 1) What is the most important thing you look for in a retail (service, construction, etc.) business? How do we measure up in this area?
- 2) Are we your first choice for products (services)? Why or why not?
- 3) What is the most extraordinary thing we have done for you? Why did this impress you?
- 4) If we could improve just one thing, what would be the most meaningful for you? What would the benefit be for you?
- 5) Have we made you feel part of our family? How? What else would cause you to feel like family?

[Return to Top](#)

### **STRATEGY: Optimizing Operations and Inventory**

Obesity is an epidemic in America, and not just in people. Many businesses have "fat" in the form of un- or underused resources lying fallow. Sometimes, great cost or time savings can be found by optimizing processes.

Inventory levels, internal processes, and store or factory layouts should be analyzed and optimized. Consider green strategies, like recycling paper or going "paperless." Try some of these tips to slim down your business operative costs:

- Analyze your inventory. In an economic downturn, sales slow and inventories increase. Know what products or items are absolutely necessary, and which are slow-movers. Reduce inventories of those items or consider removing them entirely. Take advantage of availability: if you can receive a product within two weeks of ordering, why have a thirty days' supply?
- Look at work processes. Some of a company's hidden "fat" is in work processes. Examine your processes for redundancies and chances for automation. Make sure that computer systems interface seamlessly. The best automation is ineffective if a worker has to re-key items. Engage your workers in finding ways to expedite and optimize work flow.
- Know the costs of doing business. Be sure to understand all the costs of producing your products and services, including staff time. Seeing all the costs together can help identify "fatty" areas that can be optimized. This will help you understand the profitability of each of your products and services and allow you to focus on what is most profitable.
- Consider contractors. For services that are not core to your business, try hiring a contractor. If you are currently doing the books yourself, but are a sales genius, the time gained in hiring an accountant or bookkeeper may well make up for its expense.

[Top of Page](#)

### **STRATEGY: This Year You Must Take Your Vacation**

The recession has employees running scared. What if you're lying on a Florida beach the next time the bosses huddle about staff cuts? You probably figure it's better to forego that winter tan to keep up office face time and the appearance of productivity.

According to a new survey by Right Management, the human resources consulting division of the staffing firm Manpower, 66% of employees failed to use up their vacation days last year. Right Management conducted the online poll of 667 people in December, asking, "Have you used all of your vacation time this year?" Only 34% answered yes.

Many workers are making do with less, pulling in their belts to withstand pay cuts and the job losses of relatives. "The cost of vacation is pretty high," Matthews notes. "Tons of people feel they don't have the discretionary spending to take vacation, so they just stay at work."

That's a very bad idea, experts say. "The research is clear that failing to take a vacation creates higher levels of stress and greater levels of disengagement at work," Matthews reports. "It's silly to think that giving up vacation is going to make your colleagues think how important you are," says Connie Thanasoulis, a career services expert at the job search Web site Vault.com. "Take your vacation and let them miss you." After all, you can never get back those days you didn't use--or the once-in-a-lifetime memories they might have produced.

[Top of Page](#)

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