

**Survey  
of  
Top Revenue-Generating  
Businesses**

**Conducted in partnership  
with  
The City of Gardena, California  
December 2000**

**by  
USC Center for Economic Development  
School of Policy, Planning, and Development**

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## **Executive Summary**

The survey, conducted by the City of Gardena and the University of Southern California's Center for Economic Development between October and December 2000, generated a profile of the top revenue-generating businesses in the City of Gardena. Included in the profile is information on business conditions, the local business environment, and recommendations for improvement.

Sixty-six (66) businesses participated in the survey for an eighty percent (80%) response rate due to phone follow-up to two mailings of the survey form. The majority of the businesses are retail, followed by manufacturing, services, wholesale, transportation, and construction.

Overall, these businesses are growing, anticipating future growth, and content to remain in Gardena. Of the issues raised, areas for improvement include relocation of businesses, crime (specifically property crime), signage and advertising restrictions, and the permitting process and associated costs.

Recommendations for improvement include meeting with businesses that are considering relocation to determine if their needs can be met by another location within the city. Suggestions for the reduction of crime include the development of a seminar aimed at educating business owners and managers on crime prevention measures and also looking into particular areas of concern and developing a plan to combat specific problems that includes input from both police and business owners. Concerns about signage may be at least partially alleviated by offering a marketing seminar on alternative marketing techniques. The City should also work with the specific business owners to develop solutions that address both parties' needs and concerns. Permitting issues may stem from confusion over the process itself. Assistance can be provided for businesses seeking permits through the Economic Development Manager. A "Permitting Town Hall" Meeting would also allow for further input from the community and may elicit further suggestions for improvement. Research into methods used in other cities is also recommended.

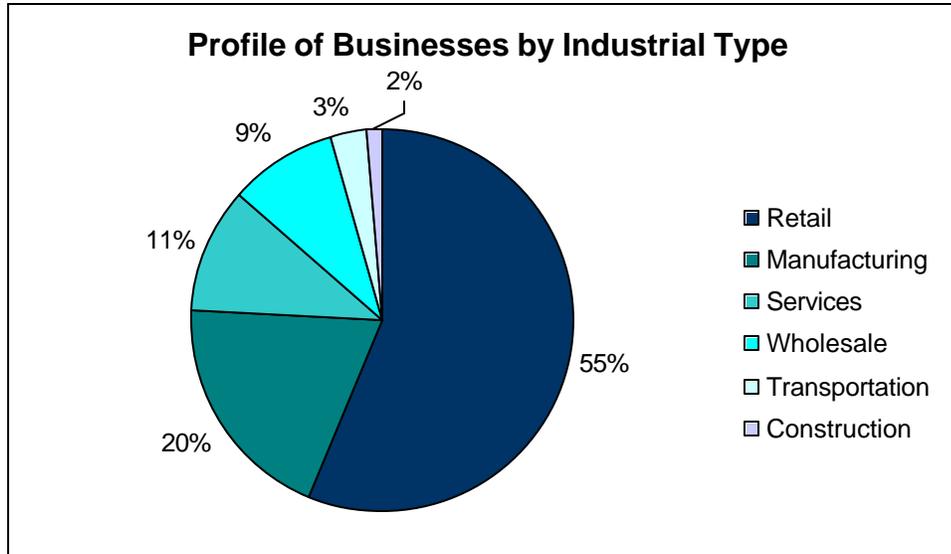
## **Survey Results**

Eighty-two (82) businesses were sent a two-page survey designed to help the City’s outreach program assist local firms. The survey period was October – December 2000. The survey was sent out twice followed by phone calls to each of the recipients; only eight (8) declined to participate. The overall response rate was eighty percent (80%).

## **Profile of Top Revenue-Generating Businesses**

A profile of the top revenue-generating businesses by industrial type reveals that fifty-six percent (56%) of those surveyed were retail businesses, twenty percent (20%) were manufacturing, ten percent (10%) services, nine percent (9%) wholesale, and five percent (5%) transportation and construction related businesses. (See Figure 1)

**Figure 1: Profile of Businesses by Industrial Type**



The retail businesses can then be further divided into the types of goods or services they supply. For example, restaurants, fast food stores, and gas stations represent the largest sector of retail businesses. (See Table 1)

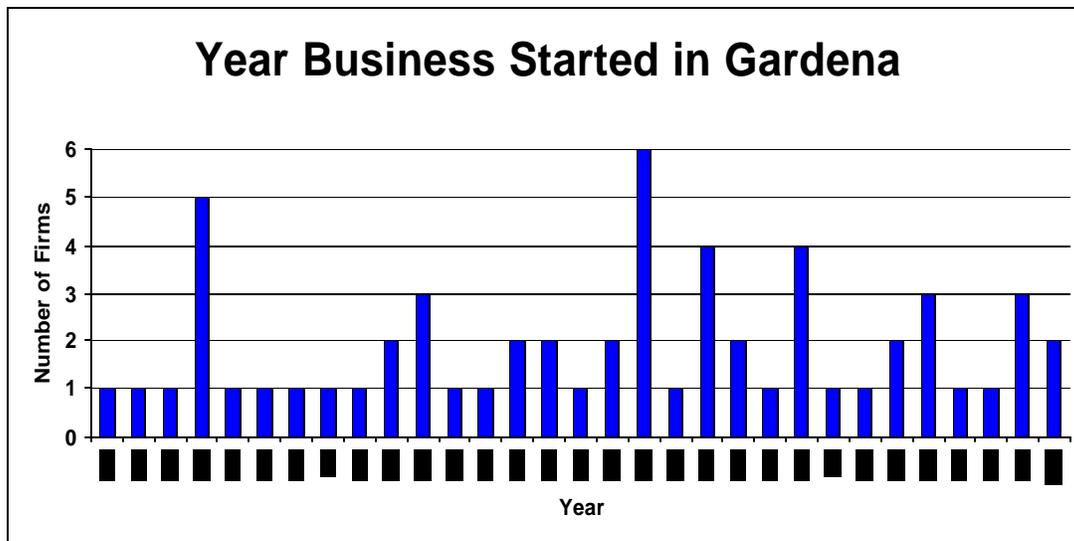
**Table 1: Number of Retail Businesses by Type**

<b>Retail Businesses by Type</b>	<b>Number of Establishments</b>
Restaurants and Fast Food Stores	14
Gas Stations	6
Home Improvement/Nursery/Furniture and Appliances	6
Grocery Stores	5
Discount Stores	4
Auto Sales and Parts	2

The gender and minority ownership demographics of the surveyed businesses show that twenty-three (35%) are minority-owned and three (5%) are owned by women.

Another aspect of the business profile relates to whether the businesses own or rent the site of their business. Roughly forty-seven percent (47%) of those surveyed own their site while twenty-nine percent (29%) lease and twenty-four percent (24%) rent monthly. This has implications for retention and longevity within the City of Gardena. The year of opening, or the length of time the business has been in operation in the city, adds to this picture. (See Figure 2)

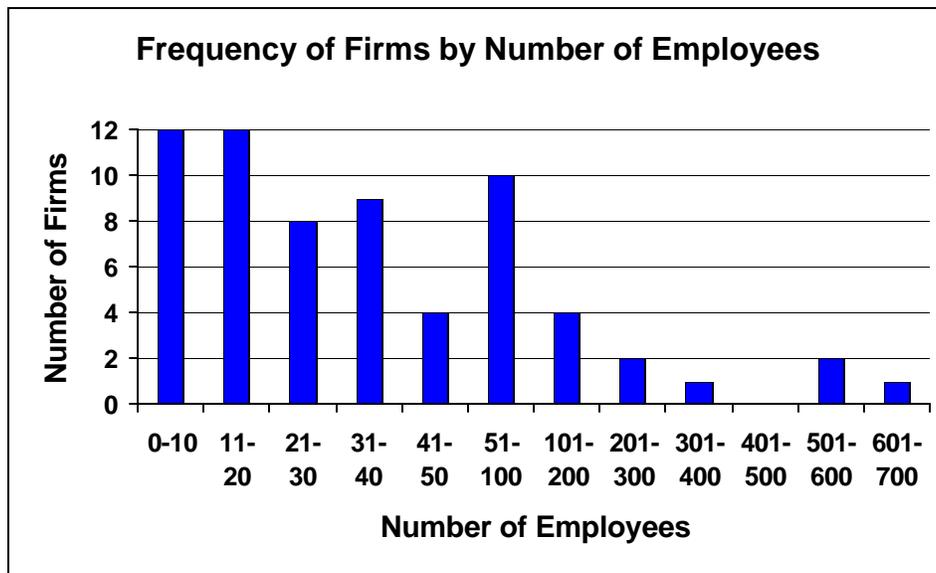
**Figure 2: Year that Each Top Revenue-Generating Business Started in Gardena**



Some of the businesses surveyed have been in continuous operation in the City of Gardena for over sixty years. Obviously these businesses have found an environment that is not only conducive to business, but at some level, beneficial.

The same relationship also exists in reverse, as many of these businesses are top revenue-generating businesses and also major employers. Eight (8) of the companies that responded to the survey employ more than one hundred people; the median number of employees is 31. (See Figure 3)

**Figure 3: Frequency of Firms by Number of Employees**



## **Business Conditions Reported**

The business conditions investigated by this survey included intentions to expand, sales trends, and whether businesses are considering relocating. When asked if business has increased, declined, or remained the same since 1998, sixty two percent (62%) indicated that business has improved. This is significant as most of the businesses surveyed expect an ongoing increase in sales, customers, employee numbers, and product lines or services over the next three years. In fact, ninety-four percent (94%) of those surveyed said they expect business sales to increase and seventy-three percent (73%) expect to hire more employees.

In a similar vein, twenty percent (20%) of those surveyed expect to increase the square footage occupied by their business. This suggests a need for structural expansion or relocation. It is especially significant because twenty percent (13) of those surveyed responded to the question on considering plans to relocate with “not sure where”; the balance responded “no consideration of relocation”. (Their other choices were “inside Gardena” and “outside Gardena”, which were not selected.) Since responding to the survey, one business has closed due to a corporate decision.

Three businesses expect to need increased square footage, have physical barriers to expansion at their current location, aren't sure where they will relocate, and employ a combined total of 187 people. If the remaining twelve businesses that aren't sure where they will relocate leave the City of Gardena, the City would lose 20% of its top revenue-generating businesses and the employers of 347 people.

### **Business Environment in the City**

The businesses surveyed were also asked to comment on the business environment in the City of Gardena. This section included questions about the strengths and weaknesses of doing business in the city, whether they would choose to locate in the city if they were currently selecting a location for business and what, if anything, Gardena could do to improve the well-being of their business.

Fifty-seven percent (57%) of the respondents indicated that location was a key strength of doing business in Gardena. Proximity to the freeway, customers, and other industries were considered to be key positive features of the city. Another eight percent (8%) listed positive business regulations as an incentive for businesses in Gardena. Six percent (6%) listed low crime and friendly police as a benefit and four percent (4%) view employee recruitment and local skill level as an advantage of doing business in the city.

On the other side, fifty eight percent (58%) had nothing to say about weaknesses of doing business in Gardena. Twenty-five percent (25%) view crime as a major deterrent to doing business in the area, eight percent (8%) view business regulations as being too stringent or business unfriendly, three percent (3%) think the area is expensive and another three percent (3%) indicated that finding appropriately skilled labor was an issue in the area.

Overall, twenty-one percent (21%) of those surveyed would choose not to locate in the City of Gardena if presented with the choice today. The key reasons given for this decision were 1) to increase safety, 2) to lower cost, 3) to increase customers, and 4) to have a better location.

### **General Recommendations**

Key areas for improvement identified by this survey:

- ❖ Relocation of businesses
- ❖ Crime (specifically property crime)
- ❖ Signage and advertising restrictions
- ❖ Permitting process and associated costs

Recommendations for improvement include meeting with business that are considering relocation to determine if their needs can be met by another location within the city. The twelve (12) businesses that indicated some interest in relocating should be contacted to discover the specifics and offer assistance. The businesses to address initially are the three (3) larger employers; two (2) lease space and the other owns their space. Second, the four (4) businesses that rent monthly, followed by the five (5) remaining.

Suggestions for the reduction of crime include the development of a seminar aimed at educating business owners and managers on crime prevention measures and also looking into particular areas of concern and developing a plan to combat specific problems that includes input from both police and business owners.

Concerns about signage may be at least partially alleviated by offering a marketing seminar on alternative marketing techniques. The City should also work with the specific business owners to develop solutions that address both parties' needs and concerns.

Permitting issues may stem from confusion over the process itself. Assistance can be provided for businesses seeking permits through the Economic Development Manager. A "Permitting Town Hall" Meeting will also allow for further input from the community and may elicit further suggestions for improvement. Research into methods used in other cities is also recommended.

## **Further Recommended Uses of Survey Data**

- Marketing: Attraction
  - Happy businesses can be contacted for quotes for future newsletters
  - Results of survey question on the strengths of doing business in Gardena can be added to marketing brochures
- Identifying Potential Business Expansion
  - Businesses that responded affirmatively to expectations of increased sales (94%) can be analyzed with responses to other questions to identify those most likely to succeed.
    - Issues of physical expansion can be analyzed to target aid to best customers
  - Offer appointments and streamlined business services to “Top 50” companies in Gardena
- Identifying Areas for Improving Business Relations
  - Listen closely to comments made by these businesses
    - Ex: Noxious dump
    - Ex: Flooding at 139<sup>th</sup> Street
  - Use their influence in community to build reputation as a business-friendly city
- Identifying areas of graffiti that are harming city revenues