



NECOG Development Corporation

RLF Quarterly Newsletter
January 2017

When the Last Grocery Store Closes

By Alison Kiesz, RLF Manager

I recently participated in a webinar about rural grocery stores. The webinar discussed ways communities have kept their grocery stores open or opened a grocery store in town when the last one closed their doors for good.

Researchers at Kansas State University have looked into issues surrounding rural grocery stores quite extensively – specifically focusing on communities of 2,500 or less.

Here is what they found on the importance of rural grocery stores in Kansas:

- Rural grocery stores in Kansas contribute \$644,000 to the local economy every year
- Average 6 FT and 11 PT employees
- SNAP and WIC benefits provide economic stimulus
- Generate 1 out of every 5 tax dollars for local economies (sales and property taxes)
- Grocery stores often carry locally grown foods and support local producers.

Grocery stores function as an anchor of community life. They provide a place for talking with one another.

They polled rural grocers about their biggest challenges and here is what they found:

- Competition with big box stores.
- Operating costs (energy costs)
- Labor Issues
- Government Regulations
- Lack of Community Support
- Low Sales Volumes
- Meeting Minimum Buying Requirements

(Grocery Store cont. on Page 3)

In This Issue

When the Last Grocery Store Closes	Page 1
Welcoming New Employees	Page 2
NECOG-DC Year In Review	Page 2
Is Small Specialty Retailing Coming Into its Own?	Page 3
Upcoming Events	Page 4

Training Employees

By Alison Kiesz, RLF Manager

As I mentioned in the last newsletter, I recently attended a Workforce Strategies Conference and came away with many great ideas that small businesses can utilize to create a better workforce. This is the second article in the series on workforce development.

One of the sessions at the conference was about Training Employees. I think many of these principles pertain to a business whether you are hiring your 1st employee or number 100.

You probably know all too well how much time, energy, and money it takes to hire and train a new employee. Taking time to 'onboard' them to your business; making them feel welcome and like they are a valuable employee can go a long ways to retaining that employee so they don't leave six months after they first started.

First of all - welcome them aboard – even before their first day. Touch base with the employee before they start and let them know what time to arrive, which door they should use to come into your building and simply say "I'm looking forward to having you as part of our team." This would also be a good time to give them a basic overview of what to expect the first few days – including what items they should bring with them, if they will be working outside, if they will be traveling, etc.

While the first day is often filled with paperwork and learning policies, make sure you introduce them to other employees on the first day and give them a tour, including the restroom and any employee break areas. Be clear about their schedule and any employer policies you have. You might consider having a staff lunch so the new employee can get to know everyone and vice versa. If you won't be able to be with the employee the entire first day, ask someone else at your business to be available for training, answering questions, etc.

Touch base with the new employee at the end of the first day, first week, first month, and every

few months after that. Ask them how they are adjusting, if they have any questions, if they are understanding their job responsibilities, if they have what they need to complete their duties.

You can also ask them if they have any ideas to improve certain processes or tasks at your business. A new set of eyes can bring to light a better way of doing something.

This conversation might take two minutes if everything is going fine but may take longer if the employee has questions, concerns or other ideas they want to talk about. This also gives you a chance, as an employer, to correct any mistakes or misunderstandings before things get too far.

Making the employee feel welcome and part of the team can go a long way in retaining that employee – especially if your business is in a competitive industry or has a difficult time recruiting new employees. The last thing you want is to have the employee leave within the first year and have to start the whole process over again.

NECOG-DC: A Year In Review

2016 was a successful year for the NECOG Development Corporation. We provided \$677,500 in financing to 9 new and expanding businesses in northeast South Dakota, including businesses in Aberdeen, Bowdle, Eureka, Ipswich, Redfield, Roscoe and Wolsey. At year's end the board had also approved 3 loans for \$195,000 that are waiting to be closed.

NECOG-DC assistance leveraged \$562,036 in private investment. There were 23.5 jobs created or retained from these 9 loans.

Since 1989, NECOG-DC has made 210 loans totaling more than \$14.3 million. These funds have leveraged more than \$87 million in other funds and have created or retained 1,691 jobs in the region.

Is Small Specialty Retailing Coming Into Its Own?

by Kelly Weaver, Small Business Development Center Regional Director

According to some retail experts, we have entered into a new phase of retailing where customers are in the driver seat more than ever. Accustomed to having an unlimited selection of products at their fingertips, customers are beginning to crave experience over stuff. The good news is that small independent retailers are better positioned to offer that experience.

Consumers are looking for products and services customized to their specific needs and in line with their values and interests. We have begun to see the decline of mass marketers with store closings by the top names in retail – Macy's, Sears, etc. At the same time, we are seeing local specialty stores opening on our main streets. That is not to say it is easy or that online shopping won't continue to play a huge role in retail, but there is a pathway to success in independent retailing.

Demographics are shifting in favor of the small business as well. The huge Baby Boomer generation is looking for more personal shopping experiences and many prefer a slower pace and local experience. While the Millennials are focused on locally provided goods and businesses that align themselves with a particular interest or cause.

The customer is now in the driver's seat. The mere fact that a small shop owner can interact daily with their customers and get to know their needs, wants and desires gives them a leg up on mass market retailers. But only if they act on that knowledge. They must fashion everything in their store from the customers' point of view, not just the product selection. Everything from the greeting to the sounds, smells, displays, attitudes and policies of the company must be crafted and in line with that knowledge. Big box stores can collect data on their customers but cannot replicate the one-on-one personal interaction small business owners have with their customers.

If you are looking for examples or ideas about how you can capitalize on this trend, you may want to put "Shops that Pop! 7 Steps to Extraordinary Retail Success" on your reading list for 2017. (Authors Pamela N. Danziger and Jennifer Patterson Lorenzetti, published by Paramount Market Publishing, Inc.)

Kelly Weaver is the Regional Director of the Small Business Development Center in Aberdeen which offers free, confidential business consulting to start up and existing businesses. She can be reached at (605) 626-2565 or kelly@growsd.org. The Center is hosted by GROW South Dakota.

(Grocery Store cont. from Page 1)

Ownership of rural grocery stores can take many different shapes and forms, including:

- School-Based Enterprise
- Community Owned
- Public/Private Partnership
- Cooperatives
- Sole Proprietorship
- 501 (c)(3)

The webinar also laid out some steps for establishing a rural grocery store:

- Assessing the Market
- Getting Started
- Legal Requirements and Licensing
- Financing
- Marketing Your Business

For more information, you can go online to www.ruralgrocery.org.

Information in this article was taken from a webinar presentation by Dr. David Procter from Kansas State University.

UPCOMING EVENTS

QuickBooks: The Basics | February 8 | 9:00 – 12:00 | Aberdeen

Designed for those considering a computer-based system or those QuickBooks users who feel they would benefit from the topics covered (Chart of Accounts, Items, Customers, Vendors, Invoicing, Check Writing, Bills, and Reports).

QuickBooks: Inventory and Payroll | February 8 | 1:30 – 4:00 pm | Aberdeen

This training will provide an overview of how inventory and payroll are processed and the basic concerns to be addressed when setting up and using these features. Topics covered include Inventory Items, Inventory Types, Purchase Orders, Payroll Items, Payroll Checks, Payroll Liabilities, and Reports.

\$65 for one class or \$120 for both classes

To register or for more info. contact Jill at The Training Place. 725-1833 or jillvining@adcsd.com

Agriculture Tax Seminar | March 14 | 9:00 – 12:00 or 1:00 – 4:00 | Gettysburg

This seminar is designed for those looking for a specific understanding of ag-related tax issues. We will have representatives available from our Audit, Business Tax, and Motor Vehicles divisions. We will provide detailed information for specific situations that you are likely to encounter, whether you are new to the industry or have years invested in it.

Basic Sales Tax Seminar | March 28 | 9:00 – 12:00 | Aberdeen

The Basic Sales Tax workshops cover topics such as: how and when to apply for a tax license; exemptions from sales and use taxes; exempt entities; use tax; municipal taxes; purchases for resale; how to file sales tax returns by paper and electronically through EPath.

Basic Contractors' Excise Tax | March 28 | 1:00 – 4:00 | Aberdeen

The Basic Contractors' Excise Tax workshops cover: how and when to apply for a contractors' excise tax license; projects for qualifying utilities and governmental agencies; prime and subcontractors; sales and use tax; owner-furnished materials; reservation projects; how to file contractors' excise tax returns by paper or electronically through EPath

For more information about any of the tax seminars, contact the South Dakota Department of Revenue at 773-3311 or business.education@state.sd.us

South Dakota Economic Development Conference | April 25-26 | Sioux Falls

NECOG Development Corporation

416 Production St N, Suite 1

Aberdeen, SD 57401

www.necog.org

Phone: (605) 626-2595

Fax: (605) 626-2975