

## Business Assistance Services Offered by Chambers of Commerce

### Overview

Addressing Congress on December 7, 1911, President William Howard Taft expressed the need for a “central organization throughout the country that [would be] able to keep American interests in closer touch with different phases of commercial affairs.”

Over the years, Chambers have been portrayed as the “voice of business” and as a central, local source of business services, advocacy and information. Chambers are also key coordinators in providing community events and activities.

### Scope of Study

This white paper examines the range of business information and economic development services offered by local Chambers of Commerce.

The data for this White Paper comes from a scientific web-based survey of 1,265 Chambers of Commerce nationwide.<sup>1</sup> Chambers were randomly selected from those organizations that are active members of the United States Chamber of Commerce.

The study examined five (5) components:

1. Organizational Structure
2. Services Provided
3. Data & Information
4. Hospitality, Conventions and Tourism
5. Professional Association Participation

### KEY TAKEAWAYS:

- Both perceived and real value is the basis of membership development and retention. Utilizing plant/site visits, coordinating them with local elected officials is a key method of establishing an understanding of the local business mix as well as establishing a basis for membership development and retention. These visits offer opportunity to put a company's best foot forward as well as being able to observe if there are issues that need resolution or threaten the company's viability.
- Offering business counseling can be time consuming, but it also creates a bond between the company and the organization. With 82% of reporting Chambers having 2 designated members of staff, business counseling is a clear “value added” benefit to a chamber/ business organization.
- Business assistance should be offered by members of staff that have a working knowledge of community demographics, how businesses operate and understand statutory requirements for operating a business.
- Businesses’ consumption and utilization of data reflecting economic conditions, etc., is very high. Chambers should consider maintaining access to such data, as indicated in the preceding pages of this report. It is difficult to have an understanding of issues facing the manufacturing, retail, and service industries without fundamental levels of data that relate to the industry groups. Knowledge improves understanding, and understanding is the basis of relationships (i.e. Membership development and retention).



<sup>1</sup> Utilizing this survey format, unlike samples of probability utilized by mail and telephone surveys, it is not possible to compute a margin of sampling error for web-based surveys that rely on panels of survey respondents. The result of the survey are demographically and geographically representative of Chambers of Commerce within the United States.

## Organizational Structure

### Programming

Over two thirds (601) of the Chambers survey reported a division, section, committee or task force specifically assigned to provide business assistance or support services to the member companies and the business community in general. Of the remaining Chambers, 278 had no component of the organization providing business assistance or support, 14 Chambers did not respond at all.

### Staff Support

Seventy-one percent (71%) of those Chambers with business assistance programming maintained designated staffing while programming was coordinated by non-paid volunteers in 28% of those surveyed. Two percent (2%) did not respond.

The level of staffing assigned to business services ranged from one (1) designated staff member (62%) to staffing levels of four (4) or more (8%). Overall, eighty-two percent (82%) of responding Chambers had no more than two (2) full time paid staff assigned to business services.

## Services Provided

Based on responses, the importance of business services offered by the Chamber indicated a commitment to membership development and retention. While eight percent (8%) responded that such services were not important to membership development and retention, eighty-five percent responded that such services were important to extremely important.

The results of this question can be bundled into three (3) areas:

1. Direct contact between Chamber staff and the business community;
2. Access to technical information about the community, business climate, etc.; and
3. Services that relate to business retention and expansion.

The overall picture shows that, in key areas, there are gaps in the level and availability of business assistance services offered "directly" by Chambers of Commerce.

PRODUCTS & SERVICES	Not Used/ Limited Use	Somewhat Used	Used Extensively	N/A
Business Counseling by Chamber Staff	41%	32%	22%	5%
Business Counseling by Partner Organization	12%	44%	33%	11%
Business Workshops & Seminars	28%	33%	31%	8%
Plant Visits	58%	15%	17%	10%
Business Expansion Assistance	67%	21%	10%	2%
Business Retention	62%	17%	14%	7%
Business Recruitment	73%	11%	9%	7%
Commercial Site Inventory	78%	21%	1%	0%
Office Space Inventory	83%	8%	5%	4%
Workforce Data	55%	22%	22%	1%
Economic Development Committee	55%	24%	19%	2%
Small Business Council, et al	55%	22%	11%	12%
Revolving Loan Fund	73%	0%	0%	27%
Micro Loan Fund	67%	0%	0%	33%
Site Analysis	79%	11%	5%	5%
Pre-Project Review	67%	22%	7%	4%
Retail GAP Studies/Analysis	37%	33%	11%	19%
Occupancy Rate for Commercial & Retail Properties	67%	4%	6%	33%
Database Management	67%	11%	22%	0%
Legislative Advocacy on State Issues that Impact Business	11%	44%	44%	1%



## Data & Information

While 64% of the responses rated Chambers of Commerce as a good or excellent source of timely and reliable business information, it should be noted that 20% rated themselves as an “OK Source” and 15% as a “Limited Source” of business related data and information.

Survey results demonstrated that in almost all cases, a Chamber’s strength was in information distribution, not generation. Validation and verification of information distributed was not measured by this survey.

In general, economic development information is generated by third parties, distributed via the Chamber and inquiries are forwarded to other agencies. In less than 1% of responses, site, zoning and permitting, etc., information was made available via the Chamber’s web site.

*No responses had indicated that economic development information was distributed via mobile application.*

## Hospitality, Conventions & Tourism

Hospitality is a significant component of 88% of the responding chambers. One-third saw themselves having the lead role. On the other hand, 44% played only a supporting role in the industry segment.

Among the functions provided by survey respondents were:

- Full Convention Management & Booking Services 5%
- Meeting & Convention coordination & Booking 10%
- Step-On Tour Guides 18%
- Group Charter & Booking Services 14%
- Chamber Produced Tour Guides & Information 52%
- Distribution of Tourist/Visitor Information Produced By others 96%

Chamber compensation for the services performed is clearly the short side of this industry/organizational component.

*Survey respondents reported that only 12% of those Chambers offering services had a positive cash flow, while 88% reported break-even or net loss.*

## Observations & Takeaways

In many communities, the local Chamber is one of three organizations that provide services to the business community. These organizations include:

1. Chambers of Commerce;
2. Visitor & Convention Bureaus; and
3. Economic Development Organizations

Survey results clearly illustrated that the level of business assistance services delivered by Chambers of Commerce varied widely.

The survey results revealed two important factors:

1. Chambers are clearly a component in the distribution of business assistance information, and
2. Chambers generate very limited amounts of original business information.

Services by most chambers (82%) are run/delivered by 2 designated members of staff, yet there appears to be a gap between the stated importance of such assistance and its availability. Areas where the gap is most evident are listed below.

- 67% offer no assistance for business expansion
- 55% offer only limited advocacy for business issues at the state level.
- 53% of reporting chambers have no plant/site visitation programs

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PRODUCTS & SERVICES	Info Generated by Another Source	Info Generated by Chamber	Info Available on Line	Info Available via Mobile App	Inquiries Forwarded to Another Agency
Site Information & Contacts	22%	34%	0%	0%	44%
Site Zoning Information & Criteria	44%	0%	0%	0%	56%
Permit Processing Info & Forms	67%	0%	0%	0%	33%
Office Space Facilities & Contacts	56%	22%	23%	0%	22%
Office Space Vacancy Rates	44%	34%	0%	0%	22%
Retail Space Facilities & Contacts	34%	44%	0%	0%	22%
Retail Space Vacancy Rates	44%	33%	0%	0%	23%
Commercial, Industrial Sites Facilities & Contacts	44%	0%	0%	0%	56%
Commercial, Industrial Vacancy Rates	50%	0%	0%	0%	50%
Office & Retail Absorption Rates	56%	11%	0%	0%	33%
Commercial, Industrial Absorption Rates	62%	0%	0%	0%	38%
Infrastructure Info & Maps	33%	33%	0%	0%	34%
GIS Mapping & Site Information	56%	11%	0%	0%	33%
Transportation Capacity	56%	11%	0%	0%	33%
Capacity for Electric, Gas & Water	33%	11%	0%	0%	56%
Internet Access & Capacity	44%	11%	0%	0%	45%

- 62% offer no business retention assistance (it is not clear if this includes member retention)
- 41% offer no business counseling of any kind ; 56% offer limited or no counseling by partner organizations (usually SBDC or SCORE counselors on a one time per month basis)
- 28% offer no business workshops or seminars

When linking these factors with the stated role of the Chamber and membership retention/ development, Chambers are clearly missing opportunities to capture and hold market share. Business service points that develop retention-based relationships between the Chamber and new members or non-members are not used or have limited use.

*The availability of, and access to, business-related data also indicates a gap between stated perceptions and delivery capability.*

While 64% of Chambers rated themselves as good or excellent sources of timely and reliable information, the survey results indicate that utilizing the data represents another opportunity for Chamber interaction with members and non-members.

## Conclusions

In today's business environment, Chambers of Commerce must carefully navigate the waters between expectations and delivery of business assistance. In many instances, the role that the local chamber plays is dependent upon other organizations in the community. In those scenarios, the partnership between the organizations reduces the Chamber's significance, enables product/service duplication and limits the efficiency of service delivery.

It is also imperative that Chambers take the initiative in areas where their strengths are an advantage. Such would be the case with distributing business-related information and assistance. These two areas offer opportunity for contact between the Chamber and the business community.

Where there is an economic development organization that has an active business retention and expansion program, Chamber staff or senior volunteer(s) should be encouraged to be part of the visitation teams. Establishing a relationship, via the site visits, gives the business an opportunity to meet a Chamber representative and the staff member the opportunity to make a follow-up contact. Such contact also puts the Chamber at the table when addressing business-related issues. ■