

Town of Herndon: Business Survey

Summary Report

Contents

- **Project Background**
- Herndon Business Environment
- Town Attributes
- Labor Pool
- Key Indicators
- Economic Development
- Town Departments/Programs
- Information
- Respondent Profile
- Conclusions

Project Objectives

Quantitative and qualitative assessment

Project Objectives

The primary objective of the survey was to assess overall satisfaction with the delivery of services within the Town of Herndon. Business contacts were asked questions covering a variety of topics that included perceived advantages and disadvantages of living in the Town, satisfaction with features and aspects of the Town, perceptions of the workforce, and satisfaction with the Town's support of business.

Specifically, the project focused on the following objectives:

- Develop a survey instrument (based upon previous questionnaires) to measure the overall satisfaction of businesses with the delivery of town services and solicit feedback;
- Complete a pre-test of the survey instrument and data collection process and, upon completion, modify the instrument and process as necessary to ensure that the study will provide adequate and accurate information;
- Programming of the survey questionnaire CATI software and web-based survey software for data collection, implementation of quality assurance guidelines, and training and briefing interviewers on the study;
- Conducting a statistically valid survey of Town of Herndon businesses measuring the selected services and behaviors;
- Provide additional insight into the overall key project objective;
- Computing response frequencies, cross-tabulations, and additional analysis as required;
- Preparing a detailed report of results in graphical format for presentation to the project team;
- Providing a copy of the final dataset in Excel format with a data dictionary;
- Other objectives as identified by the Town of Herndon and PMG in the course of the project.

Contents

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- Key Indicators
- Economic Development
- Town Departments/Programs
- Information
- Respondent Profile
- Conclusions

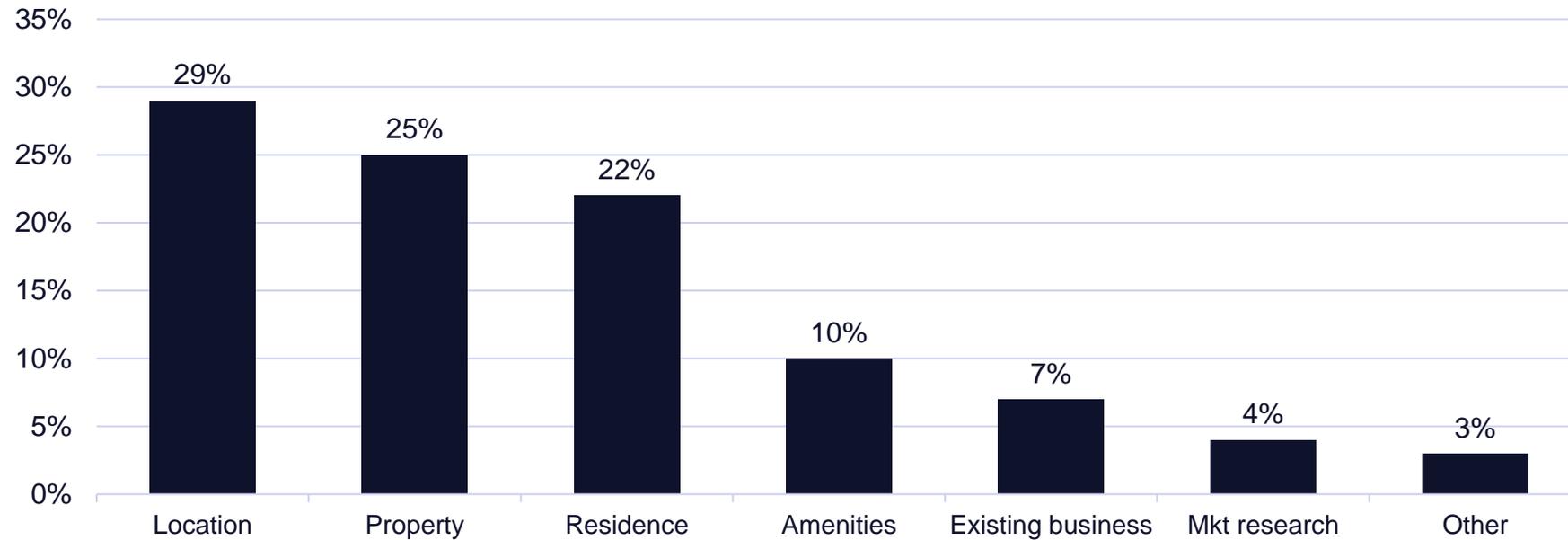
Survey sample

Overview of survey sample characteristics

- Of 155 survey sample, 24% residents of Herndon
- \$2.35MM revenue / 10 employees (avg.)
- Been in business 17 years (avg.)
- Ownership: 6% public / 94% private
- 7% home-based
- 37% of revenue generated in Herndon (avg.)

Reason for locating in Herndon

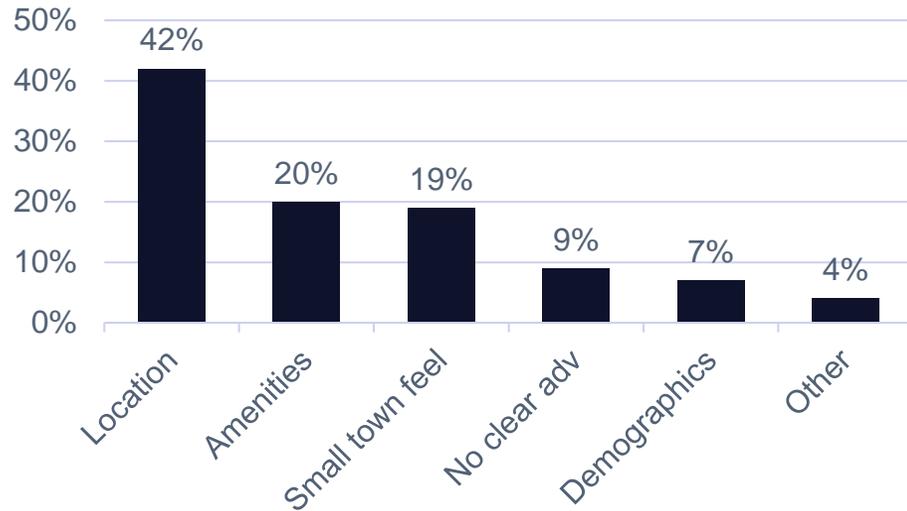
What prompted you to locate in the Town?



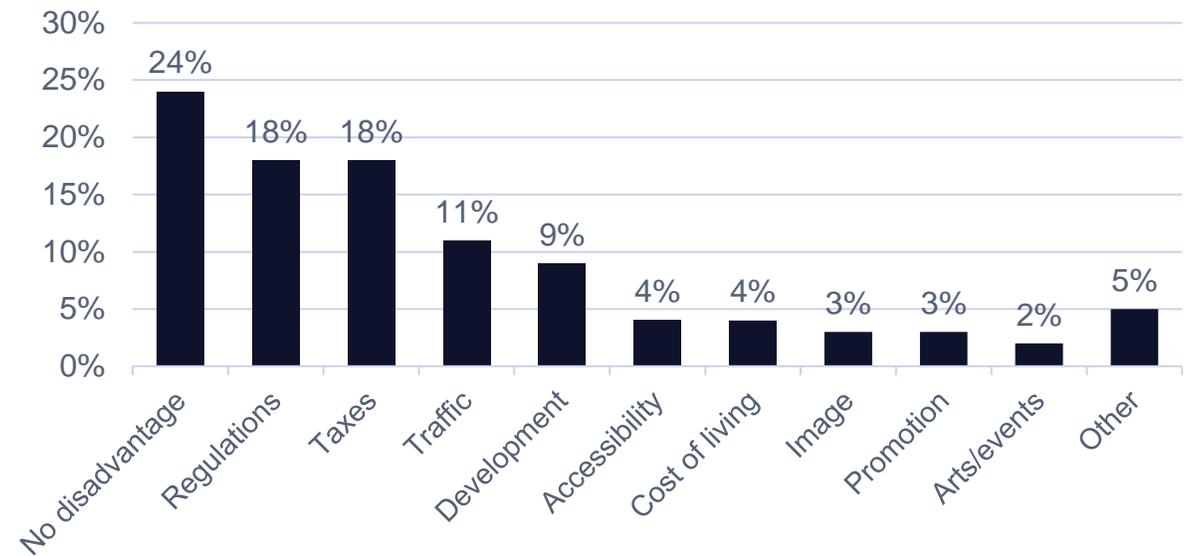
Advantages and disadvantages of Herndon as a place to conduct business

What do you see as the advantages of the Town of Herndon as a place to conduct business? / And what do you see as the disadvantages of Herndon as a place to conduct business?

Advantages

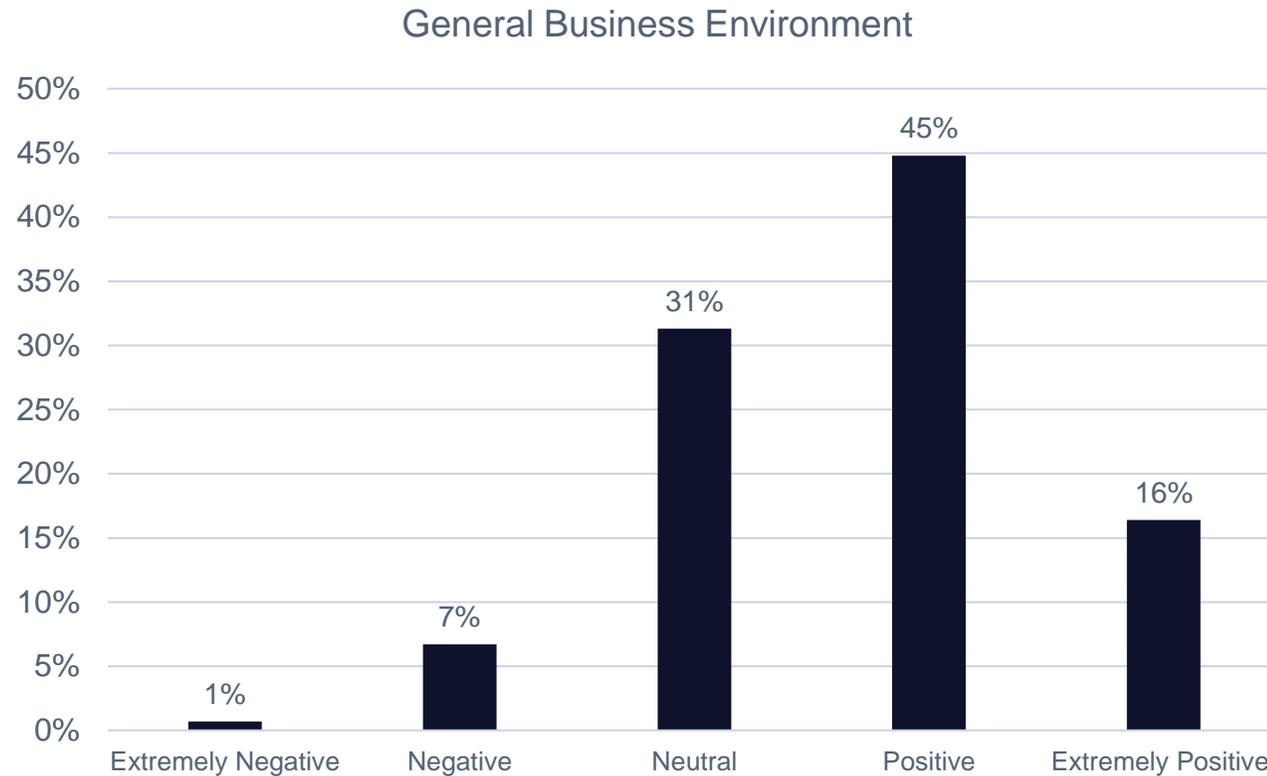


Disadvantages



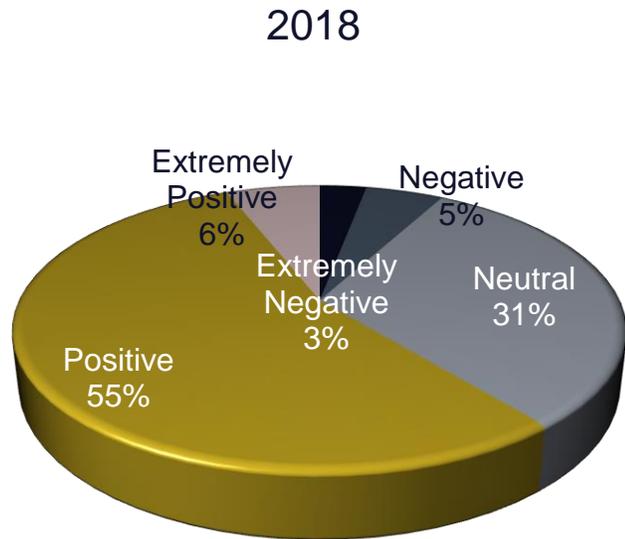
General business environment in the Town

Would you describe the general business environment in the Town of Herndon as extremely negative, negative, neutral, positive, or extremely positive?

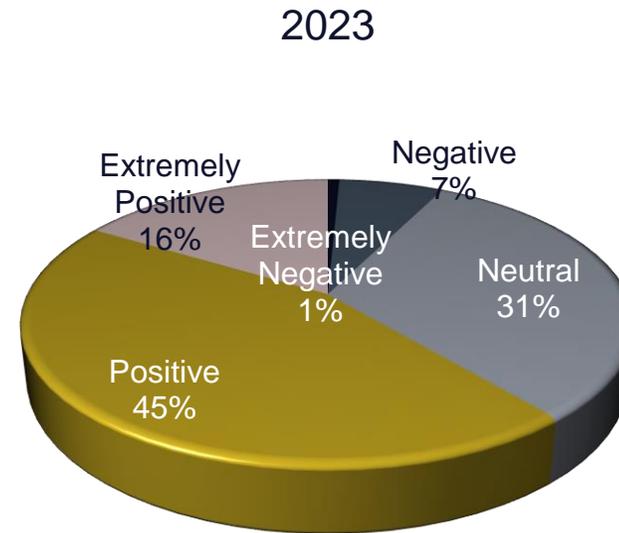


General business environment: 2023 compared to 2018

Would you describe the general business environment in the Town of Herndon as extremely negative, negative, neutral, positive, or extremely positive?



■ Extremely Negative
■ Negative
■ Neutral
■ Positive
■ Extremely Positive



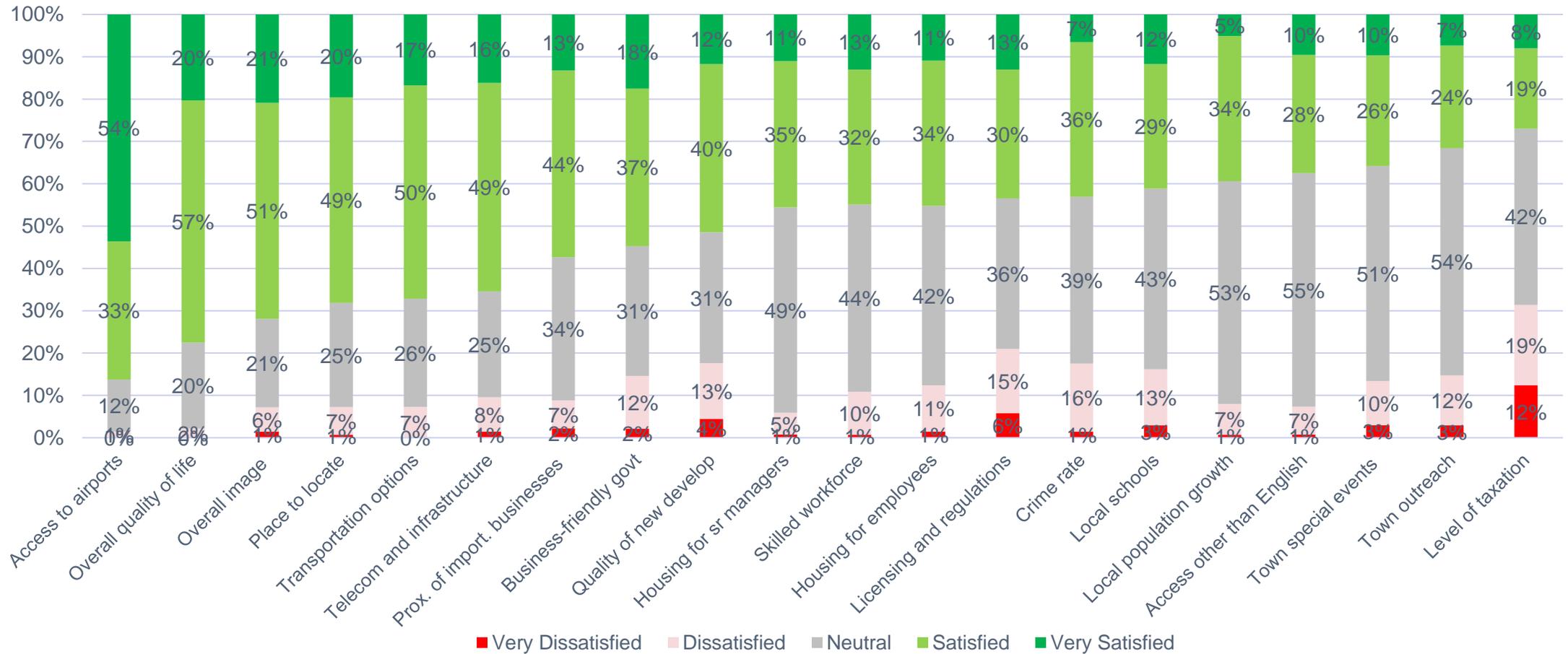
■ Extremely Negative
■ Negative
■ Neutral
■ Positive
■ Extremely Positive

Contents

- Project Background
- Herndon Business Environment
- **Town Attributes**
- Labor Pool
- Key Indicators
- Economic Development
- Town Departments/Programs
- Information
- Respondent Profile
- Conclusions

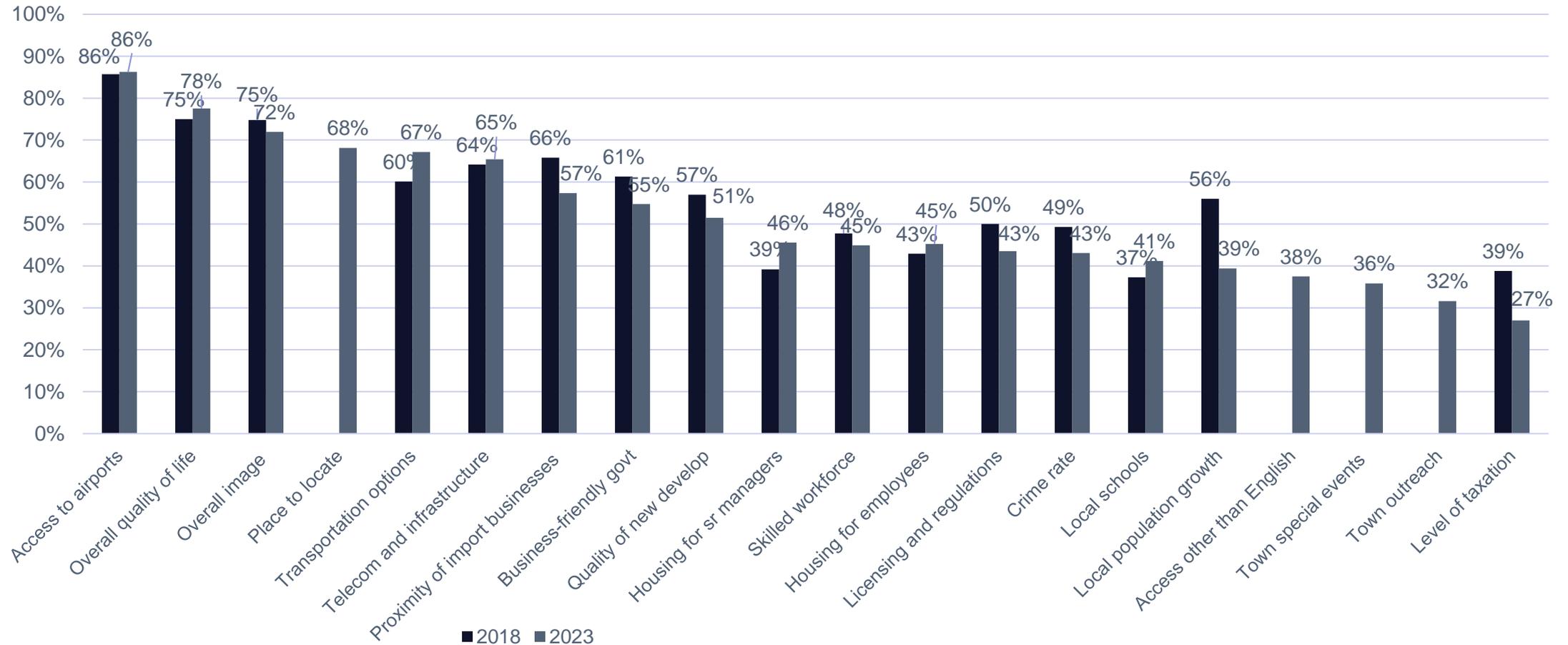
Level of satisfaction – Town attributes

Please indicate your level of satisfaction with each of the following:



Satisfaction – Town attributes 2018 compared to 2023

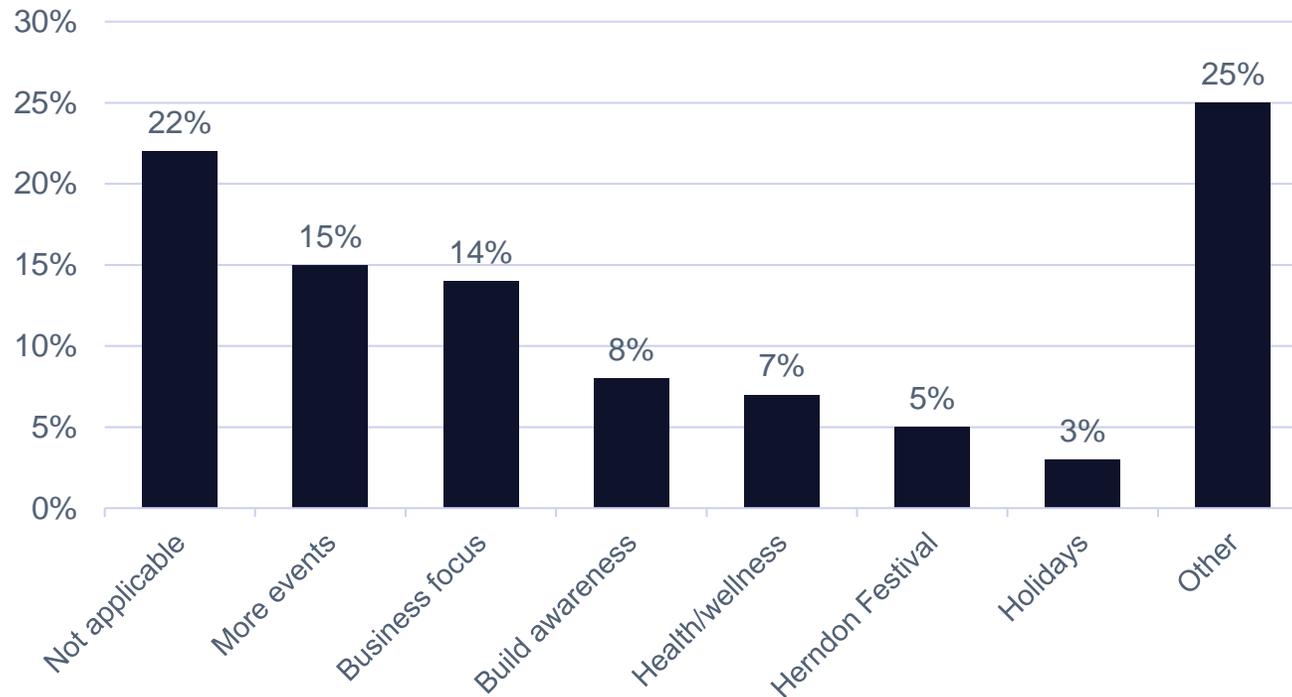
Please indicate your level of satisfaction with each of the following: (top 2 box percentages)



NOTE: Several attributes were added in the 2023 survey – they had no comparative statistic for 2018.

Suggestions for Town special events

What suggestions do you have for Town special events that would attract customers to your business?

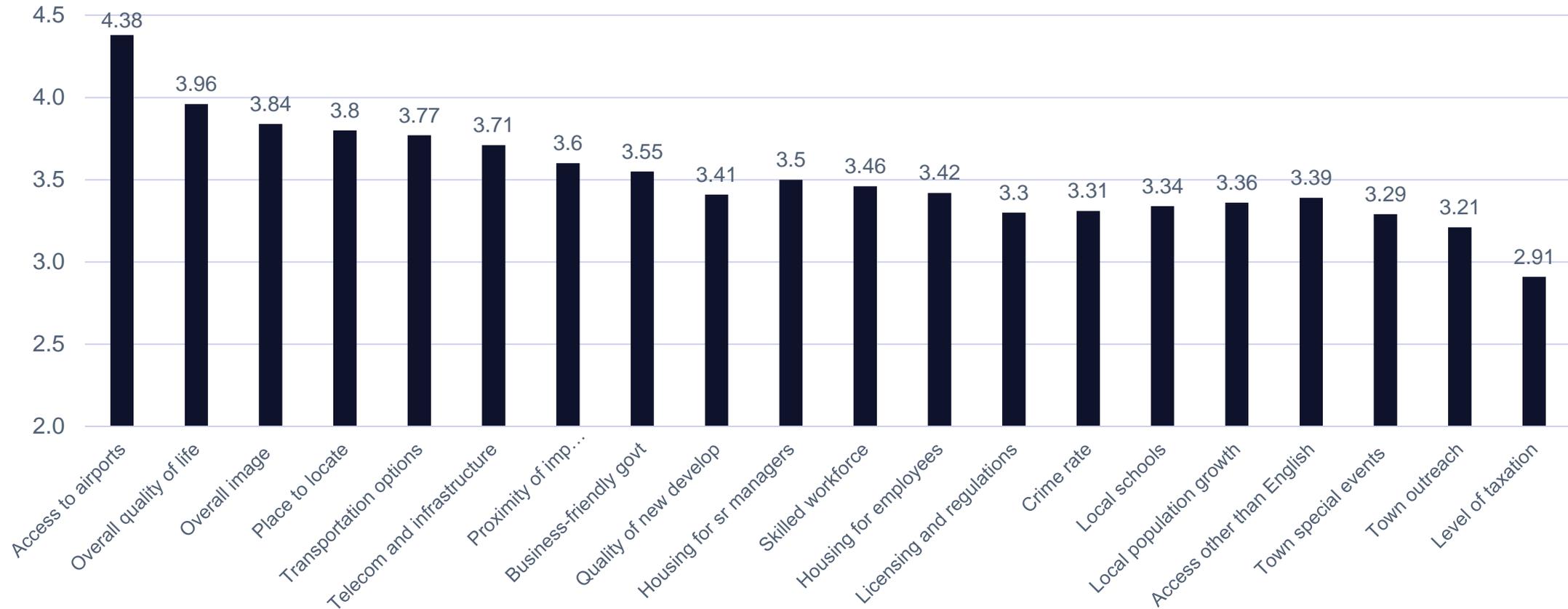


Other

- 2nd Saturdays!
- Allow local arts organizations slots to perform and set themselves apart in the community.
- Allow new, mid-scale businesses, to become operational.
- Do more, hire professionals to run them, don't let it become some weird "members only" event.
- Have our professionals perform at an event
- How about some cultural events?
- I'd like to see some events in the other shopping centers not in the historic district.
- Keep parking accessible for businesses downtown. Designated spaces for customers, during special events.
- Need additional special events.
- Pride! And maybe some skate events!
- Restarting Bark Bash, other community events.
- Taste of the Town 2nd Saturdays with off site alcohol and live bands
- Events specific to immigrant population
- Food trucks and caterers without physical locations in Herndon get prime location on special events, priorities should be given to Herndon businesses

Average performance ratings

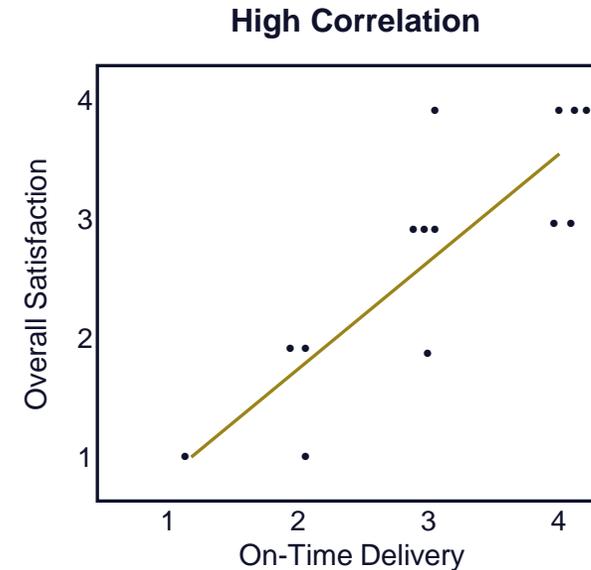
Numeric average using 1 for very dissatisfied, 2 for dissatisfied, 3 for neutral, 4 for satisfied and 5 for very satisfied



Determination of importance

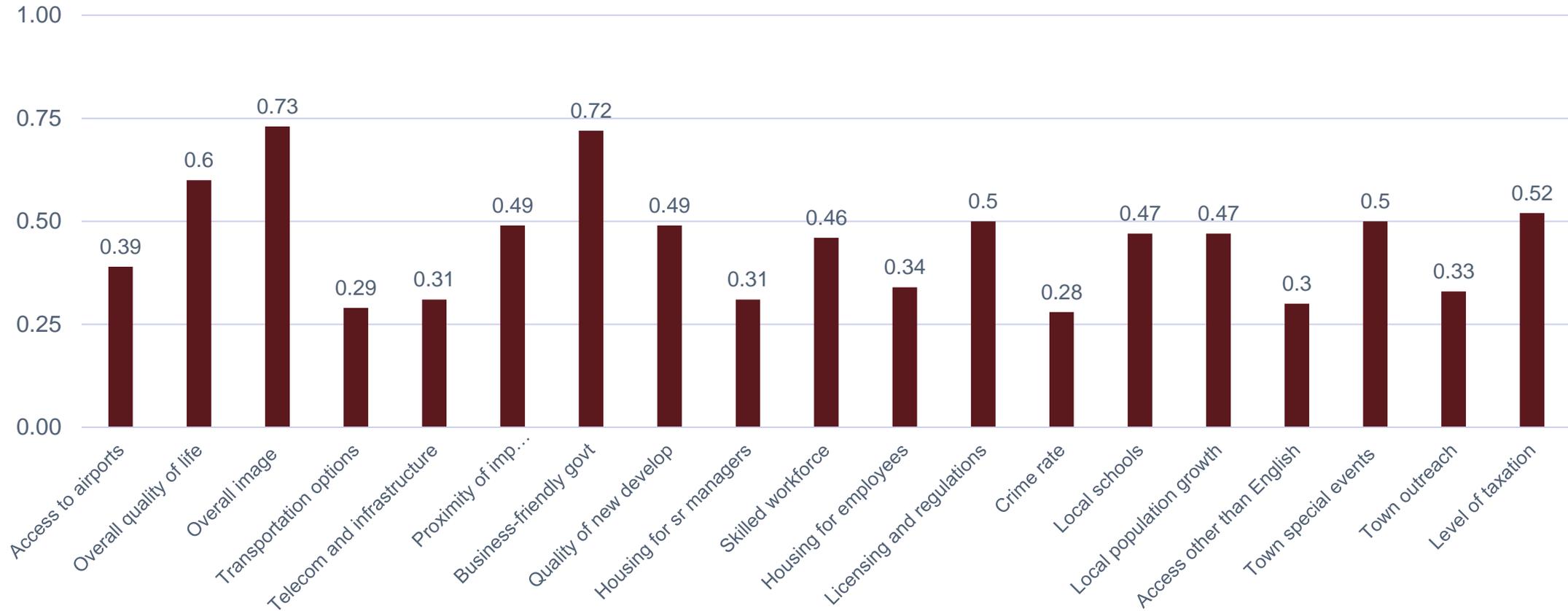
Understanding what is really driving perceptions of Herndon as a place to do business

Derived importance is the correlation between the rating of any single performance attribute – such as on-time delivery or technical support – and an outcome such as overall customer satisfaction. If an attribute tends to move in sync with the outcome, there is a high correlation. If the attribute moves independently of the outcome, there is a low correlation. So, if customers tend to rate on-time delivery high when they are very satisfied and rate it low when they are dissatisfied, there is a high correlation between the two measures. This would suggest that on-time delivery is a strong driver of customer satisfaction, thus an important attribute. Correlation is expressed on a scale ranging from 0.0 to 1.0.



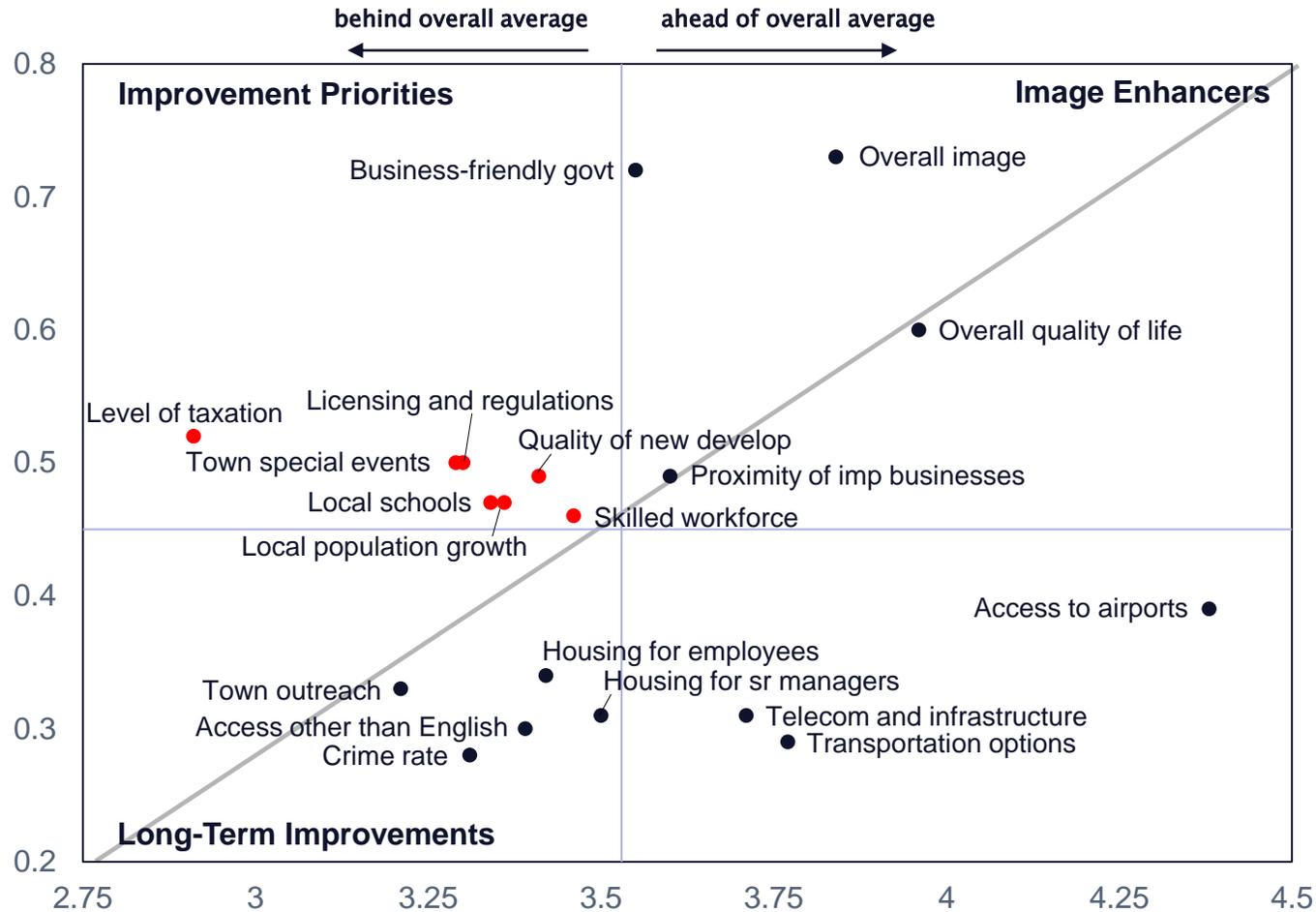
Importance calculation

Correlation with overall satisfaction with overall evaluation of Herndon as a place to locate a business



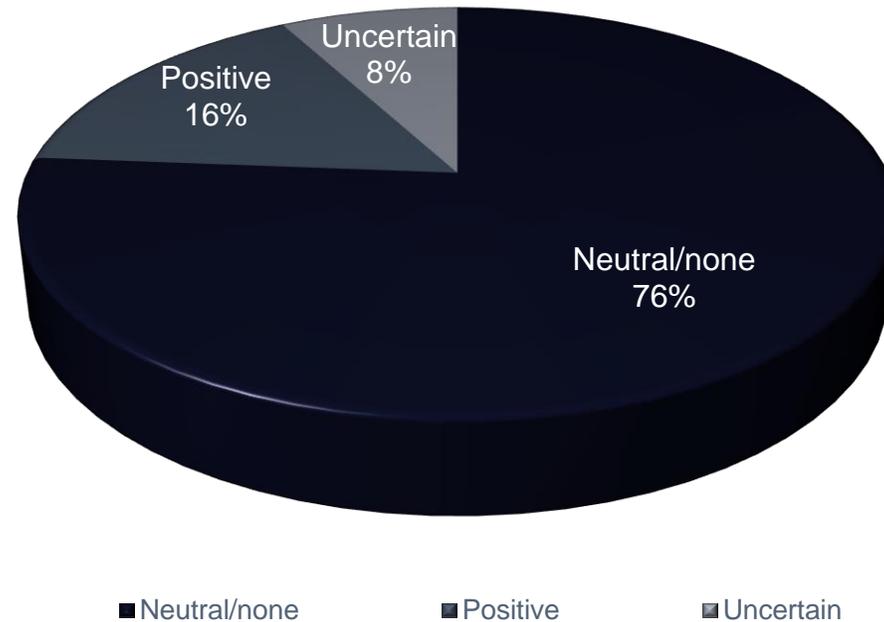
Performance Improvement Map – Town attributes

Performance vis-a-vis importance



Impact of Metro Silver Line

What has been the impact of the Metro Silver Line on your business?



Contents

- Project Background
- Herndon Business Environment
- Town Attributes
- **Labor Pool**
- Key Indicators
- Economic Development
- Town Departments/Programs
- Information
- Respondent Profile
- Conclusions

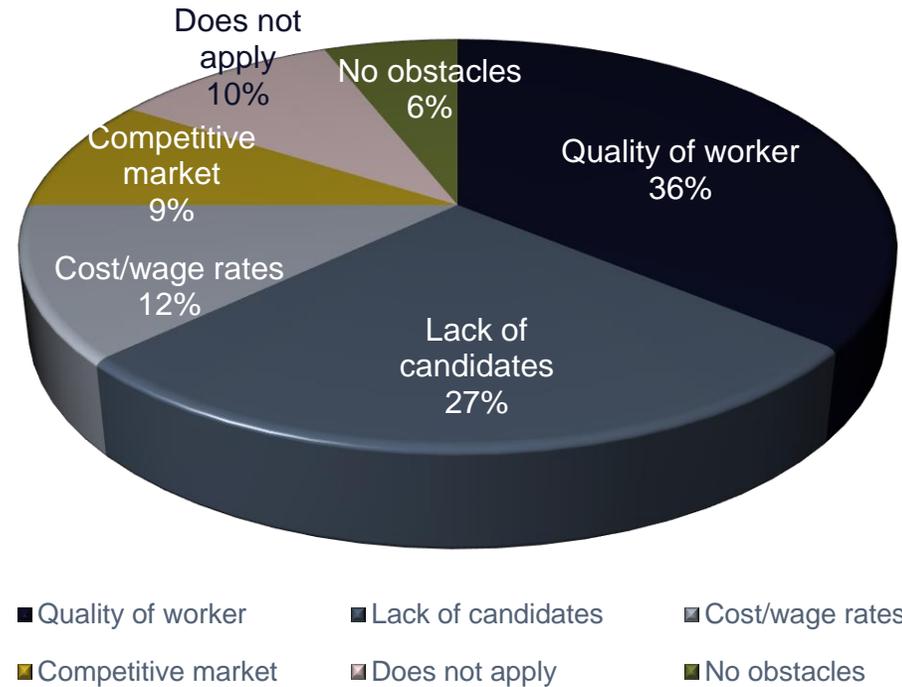
Ratings of regional labor pool

Please rate the labor pool in the region in the following areas:



Obstacles/concerns surrounding the labor pool

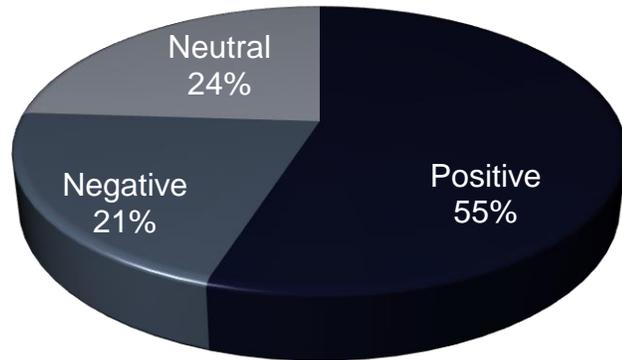
What is the biggest obstacle or area of concern surrounding the local labor pool, in your experience?



Access to, and source of, labor

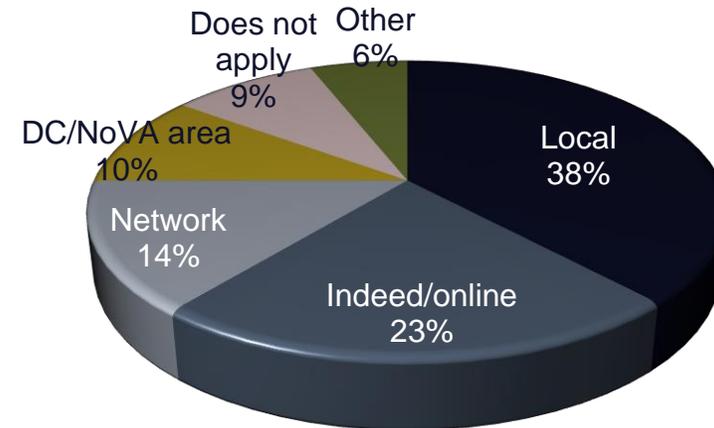
Do you feel you have access to a good labor pool as a direct result of your business being located in the Town of Herndon? Please explain. / Where do you draw labor from, predominately?

Access to Labor Pool



■ Positive ■ Negative ■ Neutral

Source of Labor



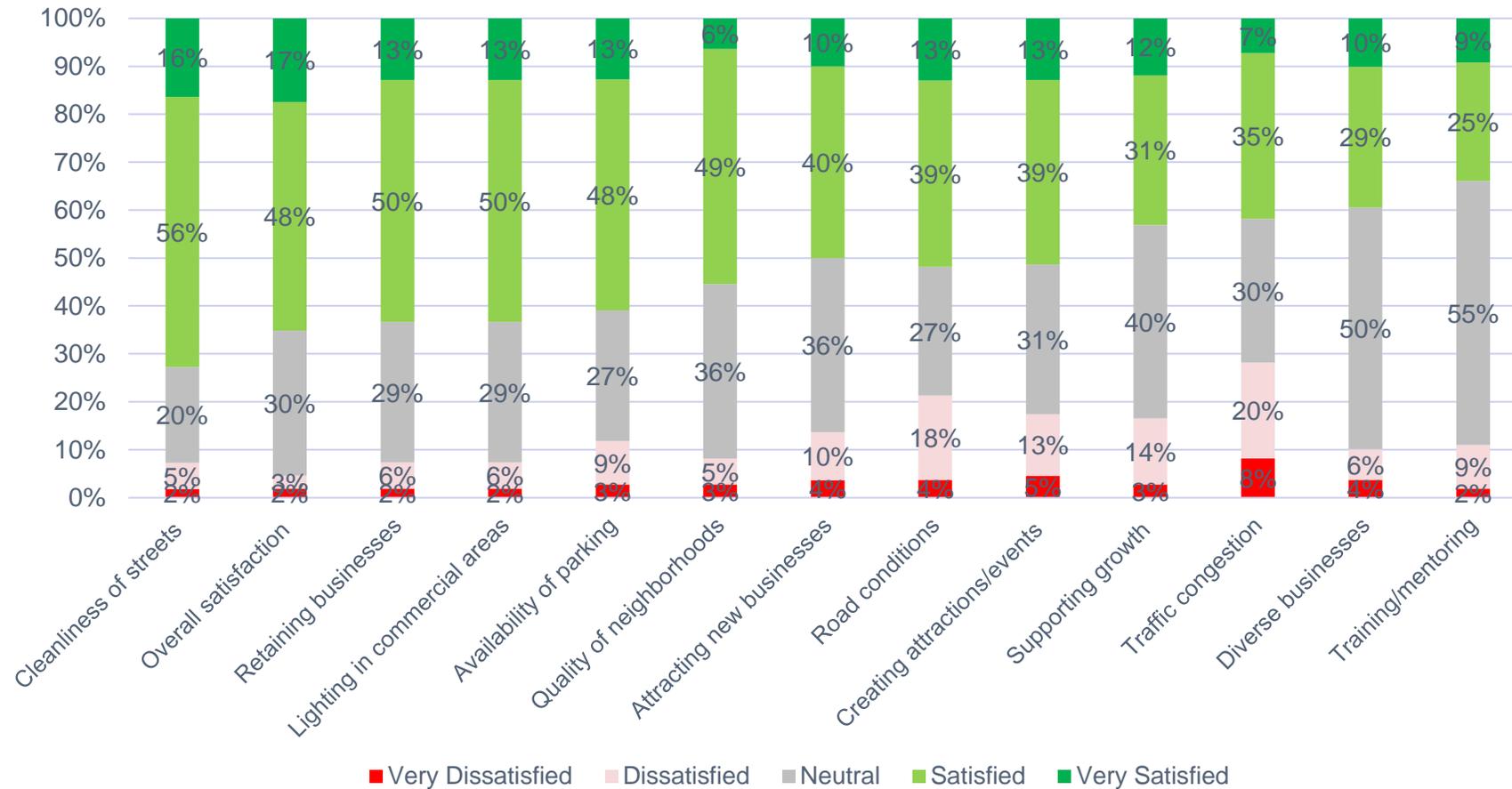
■ Local ■ Indeed/online ■ Network
■ DC/NoVA area ■ Does not apply ■ Other

Contents

- Project Background
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- Town Attributes
- Labor Pool
- **Key Indicators**
- Economic Development
- Town Departments/Programs
- Information
- Respondent Profile
- Conclusions

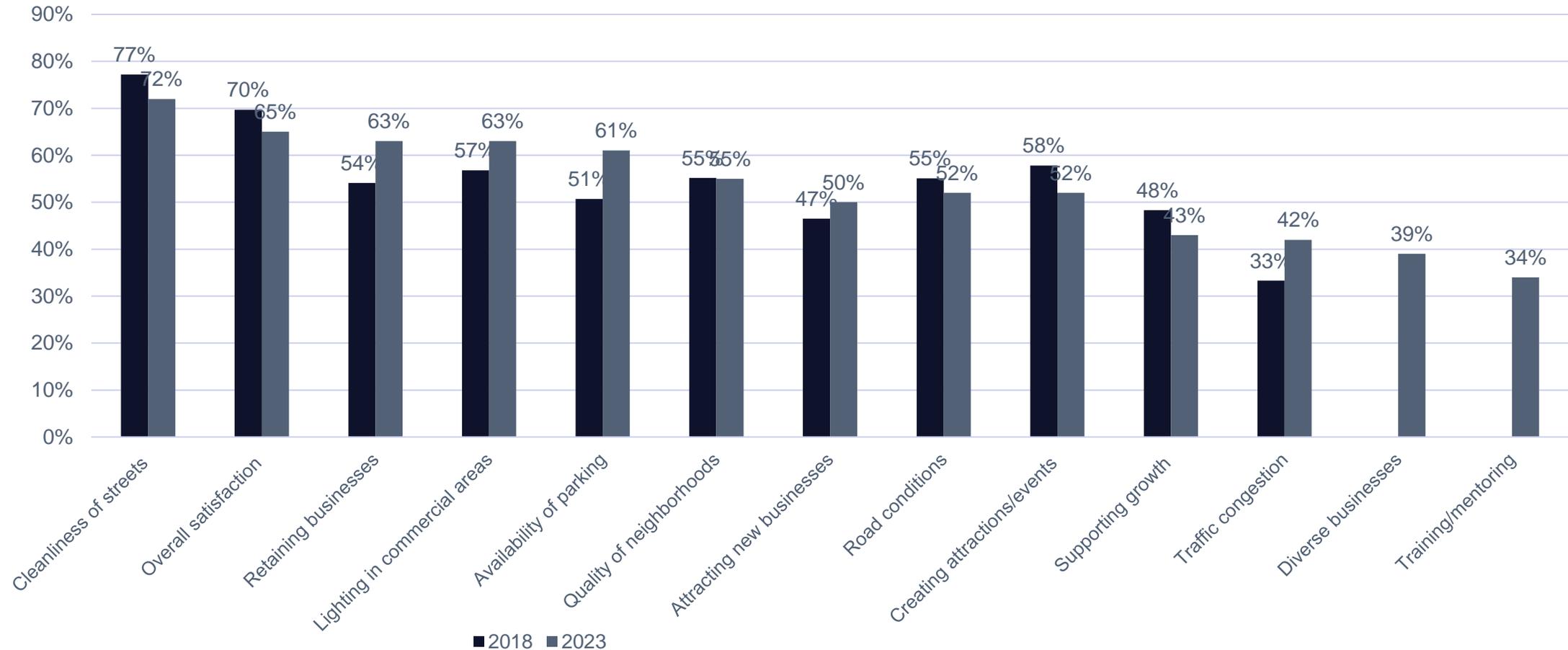
Satisfaction – outcomes/ indicators

Now, still using a 1 to 5 scale where a 1 indicates Very Dissatisfied and a 5 indicates Very Satisfied, how satisfied would you say your business is with the Town of Herndon in the following areas?



Satisfaction – outcomes/ indicators

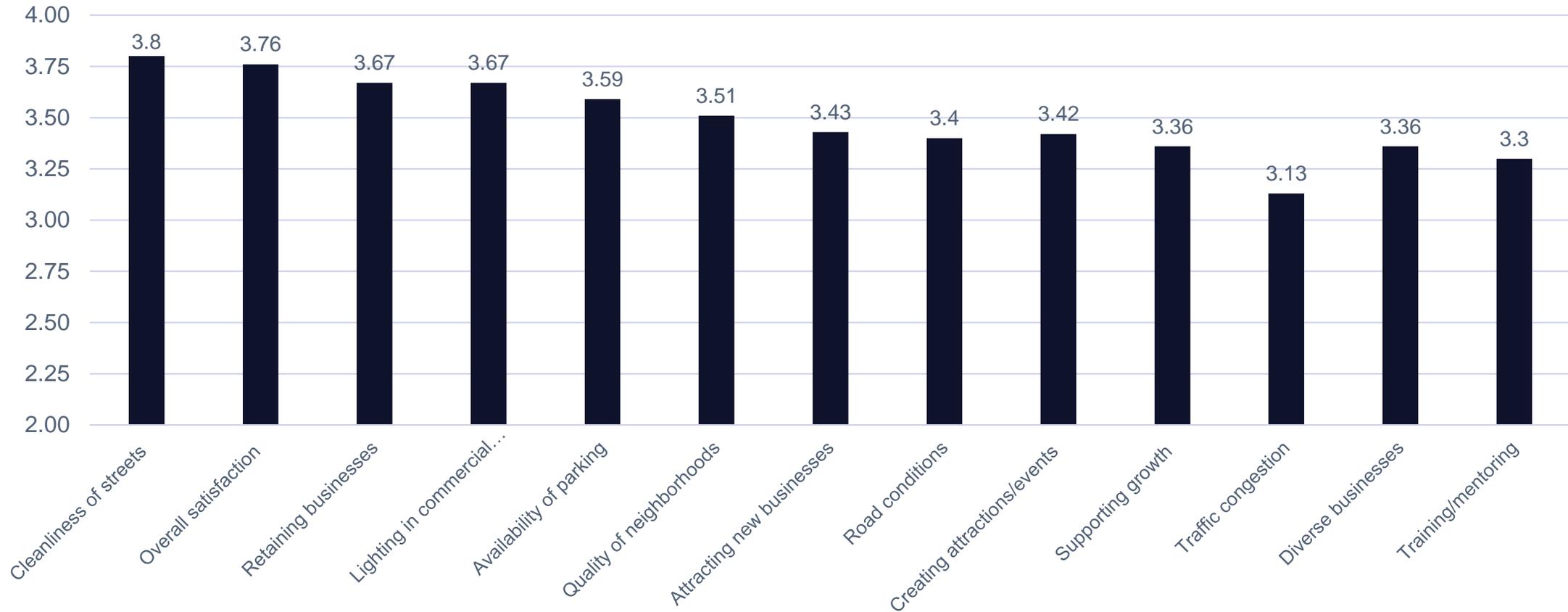
Please indicate your level of satisfaction with each of the following: (top 2 box percentages)



NOTE: Two attributes were added in the 2023 survey – they had no comparative statistic for 2018.

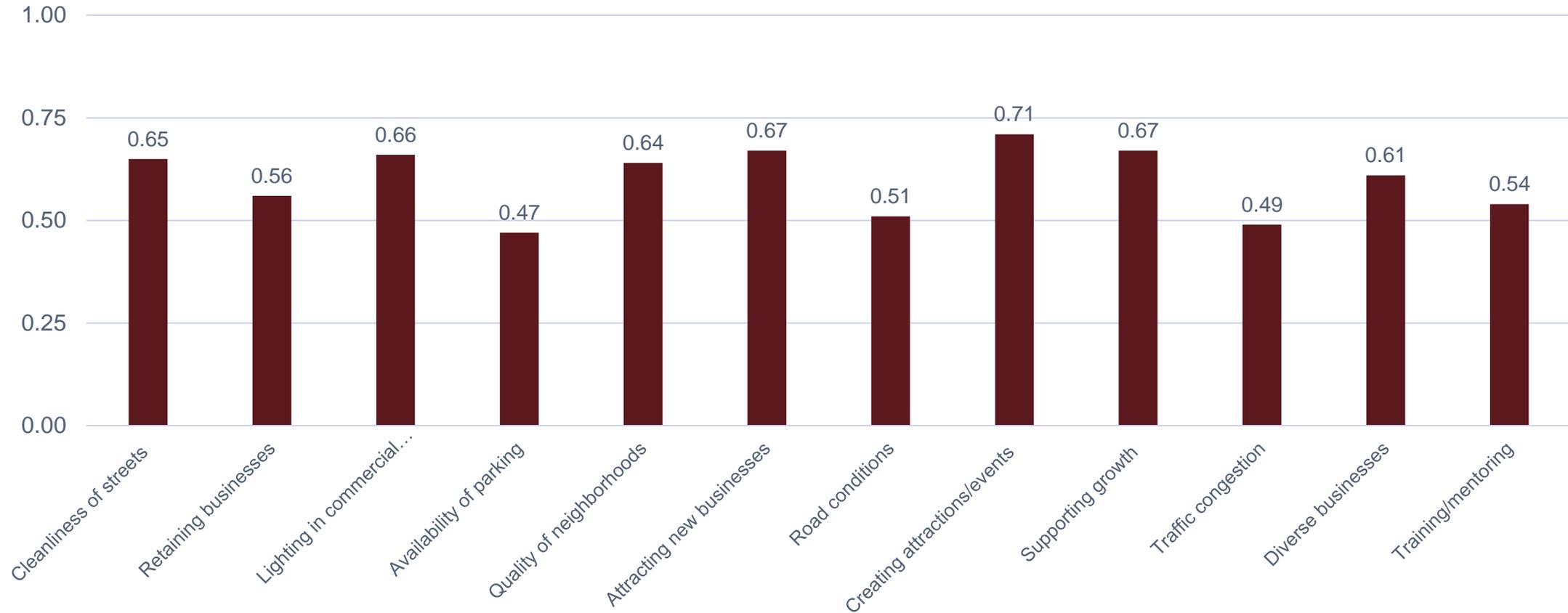
Average performance ratings

Numeric average using 1 for very dissatisfied, 2 for dissatisfied, 3 for neutral, 4 for satisfied and 5 for very satisfied



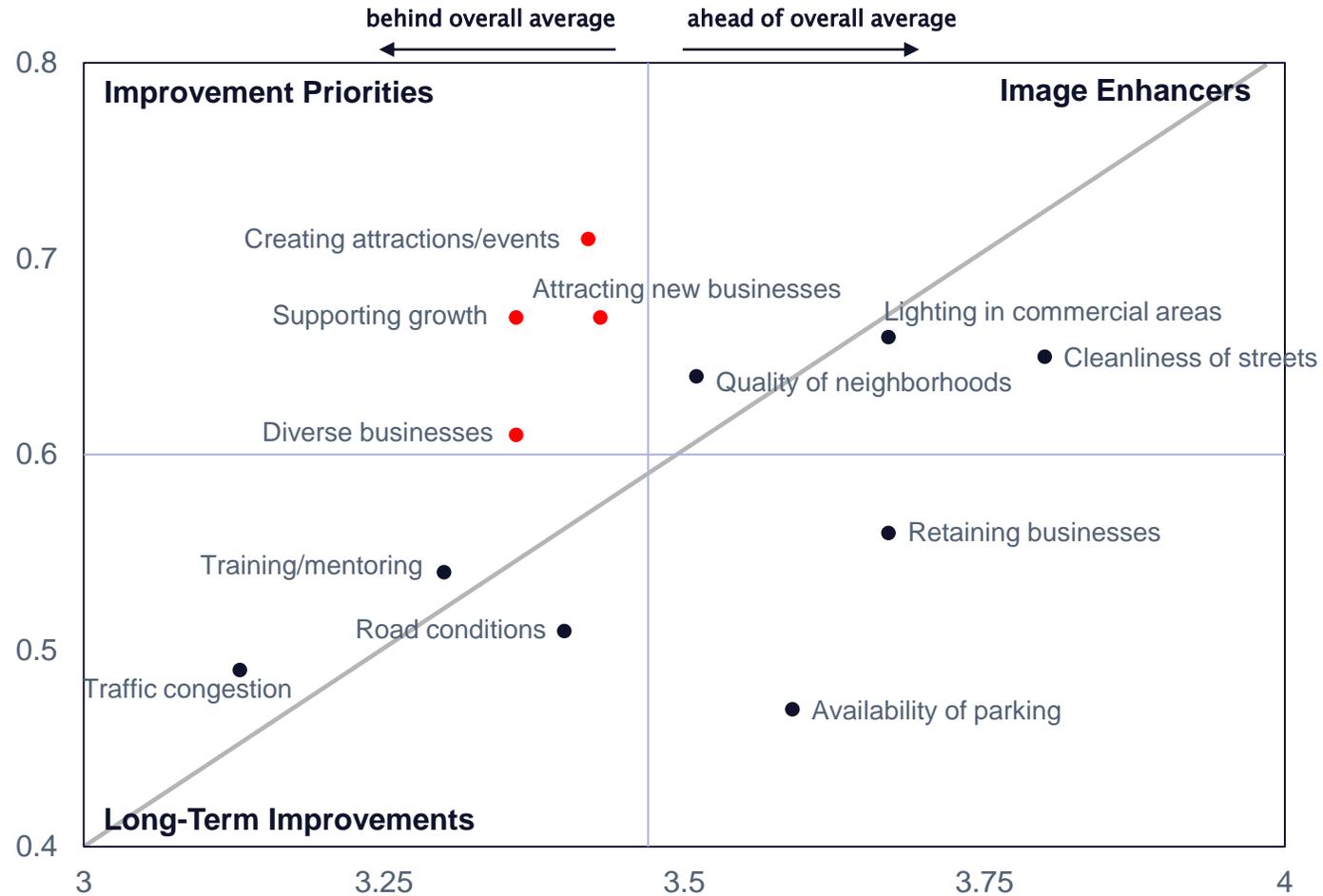
Importance calculation

Correlation with overall satisfaction with the performance of the Town of Herndon



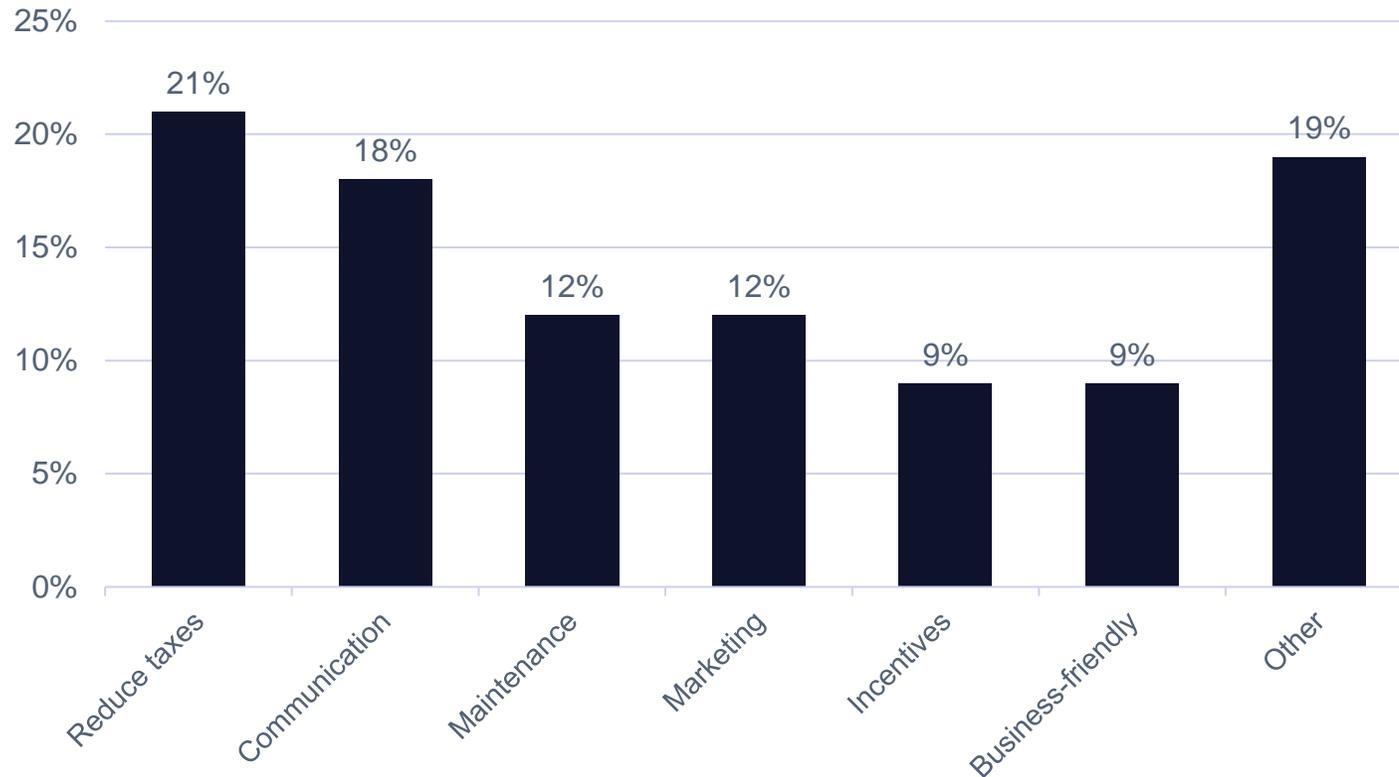
Performance Improvement Map - outcomes

Performance vis-a-vis importance



Making the Town more attractive to business

What can the Town of Herndon do to be more attractive to business?



Other

- Educate business of the HDRB fabric in the Town for businesses that plan to move in. The time and cost impact due to HDRB is a big negative for many potential building purchases.
- Focus on business growth that support my business. We need to be more than residential and restaurants.
- I've heard the massage therapists are having more difficulty with licensing.
- Keep the old Town feel forever!
- Maybe hold a job fair in Town of Herndon
- Opportunities for activities for diverse and lower income families.
- Provide technology training to youth/adult/seniors so that they can become or continue to be more productive to the workforce.
- We have been here 15 years. Does the Town even know we are here? How would we know?

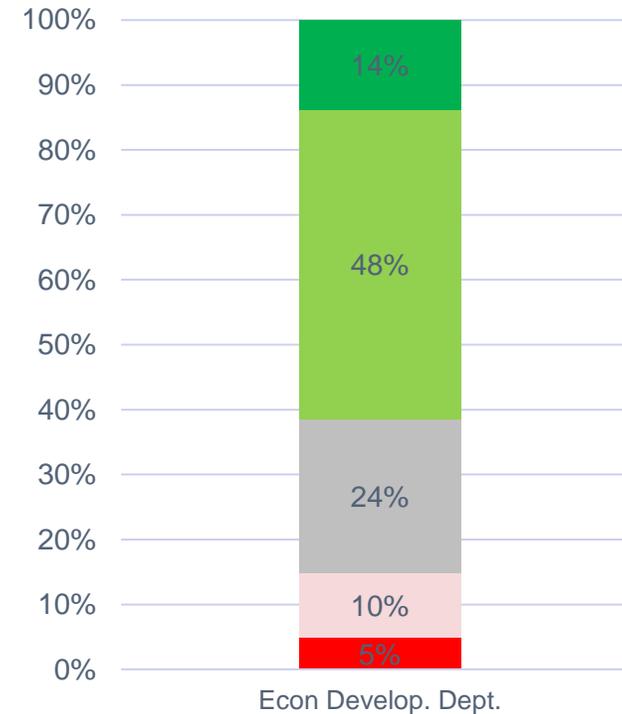
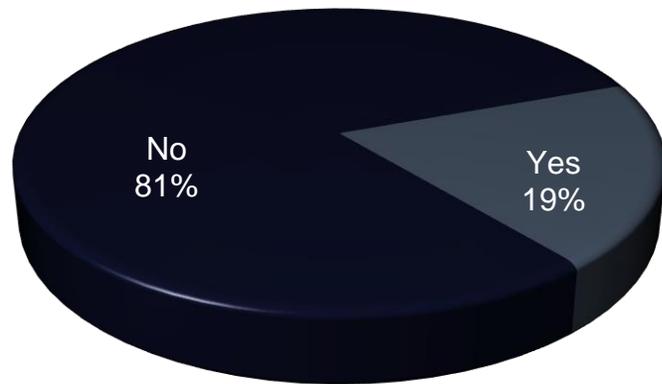
Contents

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- Herndon Business Environment
- Town Attributes
- Labor Pool
- Key Indicators
- **Economic Development**
- Town Departments/Programs
- Information
- Respondent Profile
- Conclusions

Interaction and satisfaction with the Economic Development Department

Have you interacted with the Town's economic development department in the past 12 months? / Please indicate your level of satisfaction with the Town of Herndon's economic development department

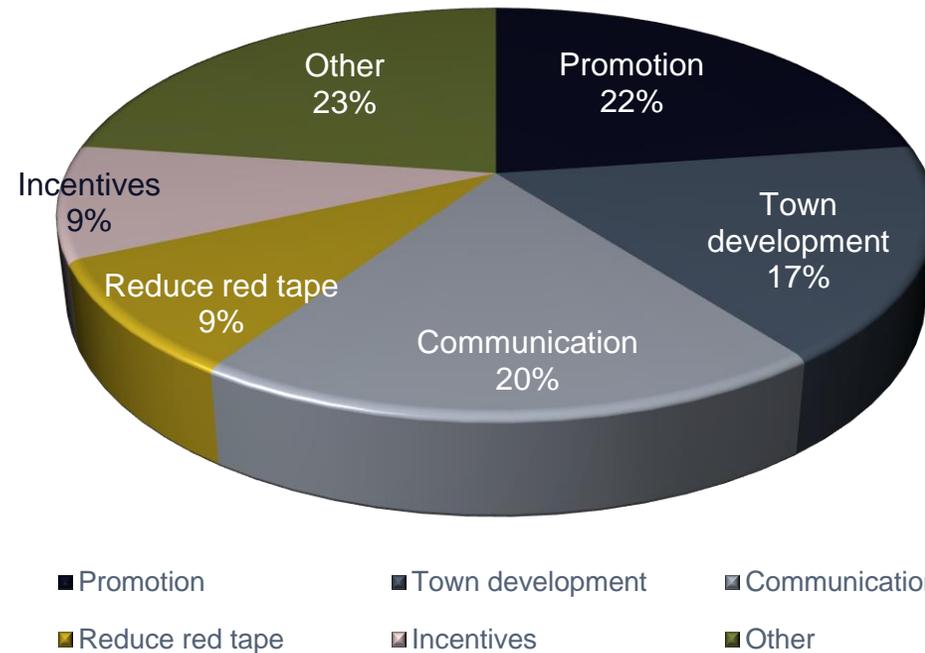
Interaction



- Very Dissatisfied
- Dissatisfied
- Neutral
- Satisfied
- Very Satisfied

Services or programs provided by economic development

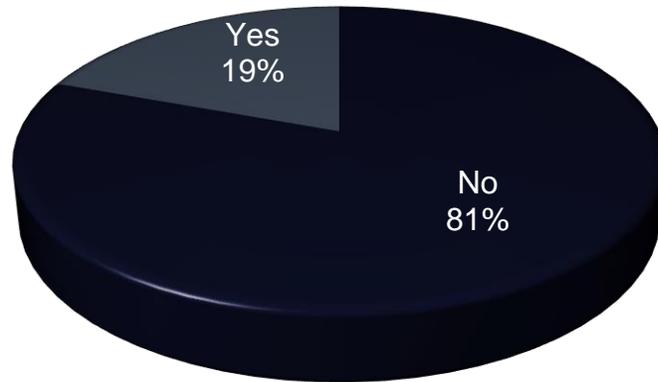
What services or programs can the Town's economic development department provide to best assist local business?



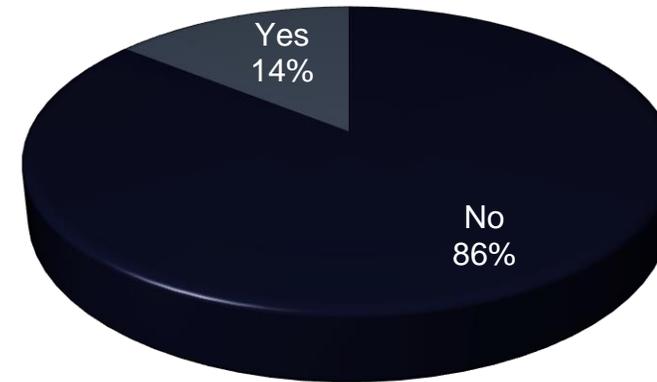
Recognition and use of the Mason Enterprise Center

The Town recently launched the Mason Enterprise Center - Herndon, a business accelerator program located at Office Evolution. Have you heard about the Center? / Has your business used the services of the Mason Enterprise Center?

Heard About Center

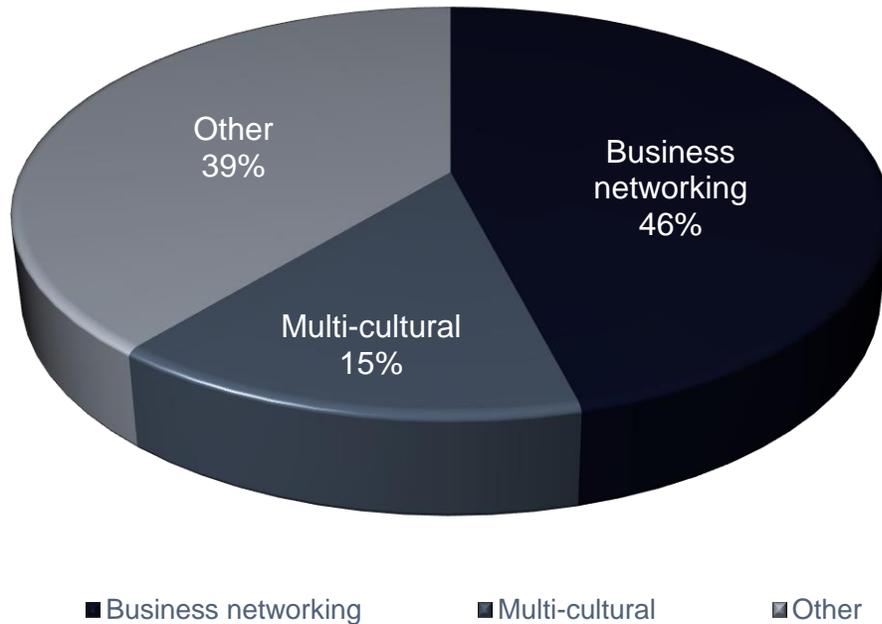


Used Services



New programs/ events taking advantage of diverse community

What new programs or events would be helpful for the Town to launch to take advantage of its diverse businesses and community?



Other

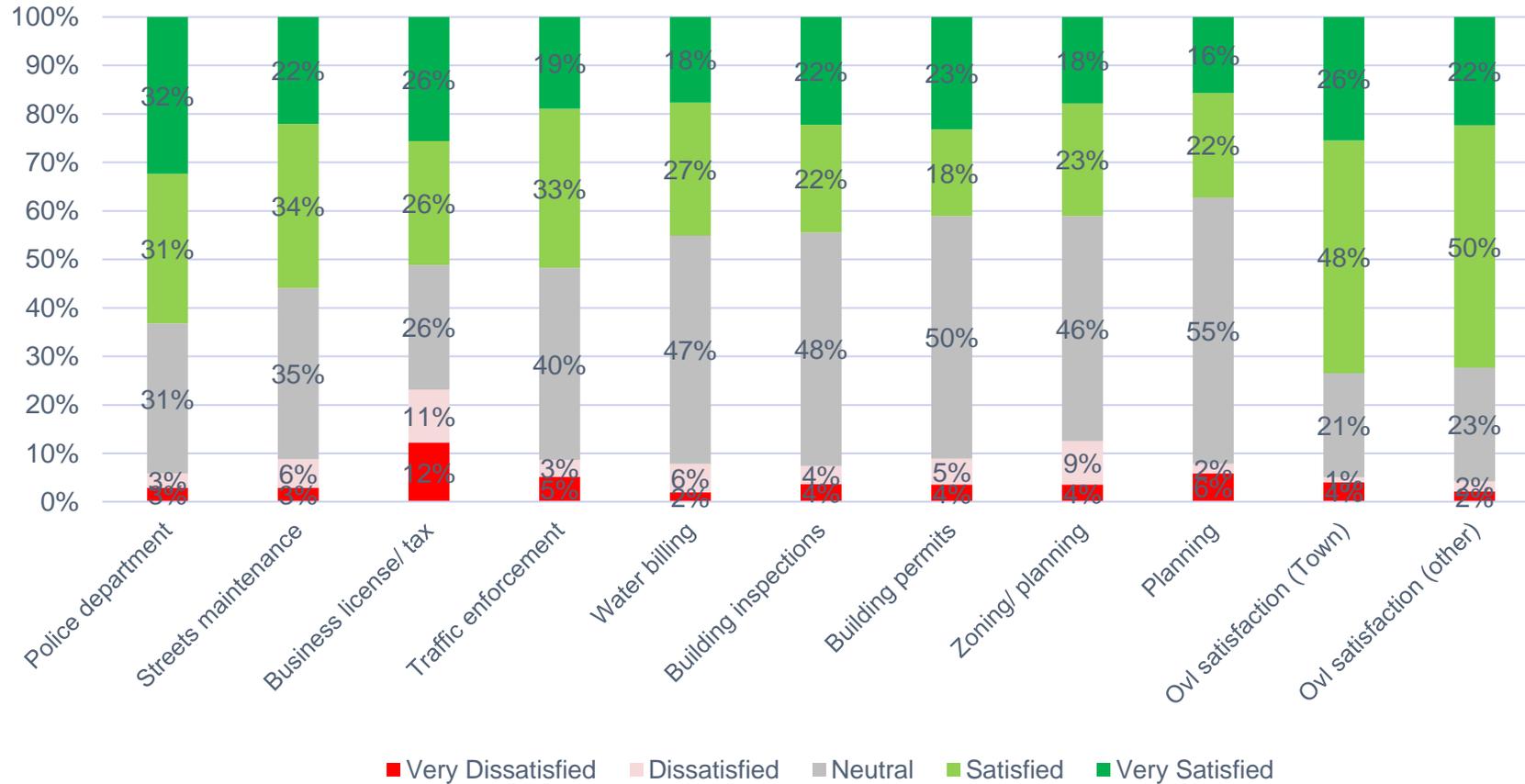
- The empty spaces on Center St., losing the florist, lots of vape shops & beauty parlors, not taking advantage of Fairfax General District Court days, losing the Virginia Workers Compensation Commission, not even trying to be a remote Social Security hearing location, hosting high school golf tournaments at Centennial, underutilization of Community Center (pool for hydrotherapy), bike club outings starting & ending in Town, music on the bricks by the old city hall on summer evenings.
- Educational programs. Festivals that allow businesses to contribute and advertise with a lower cost of entry.
- Entrepreneur pitches
- ESL education
- There are very few businesses in the Town of Herndon that are children-friendly, or specifically for children. A lot of families in Herndon travel outside of Herndon to do activities with their kids.
- Local marketing
- More advertisements of what the town can do for businesses.
- Open houses, elevate chamber. Public awareness campaign. Econ Dev committee disbanded - why?
- Park with sports activity in it, picnic area, walking, running, lake with chairs and fire pits
- We love the Mason Center!

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- Conclusions

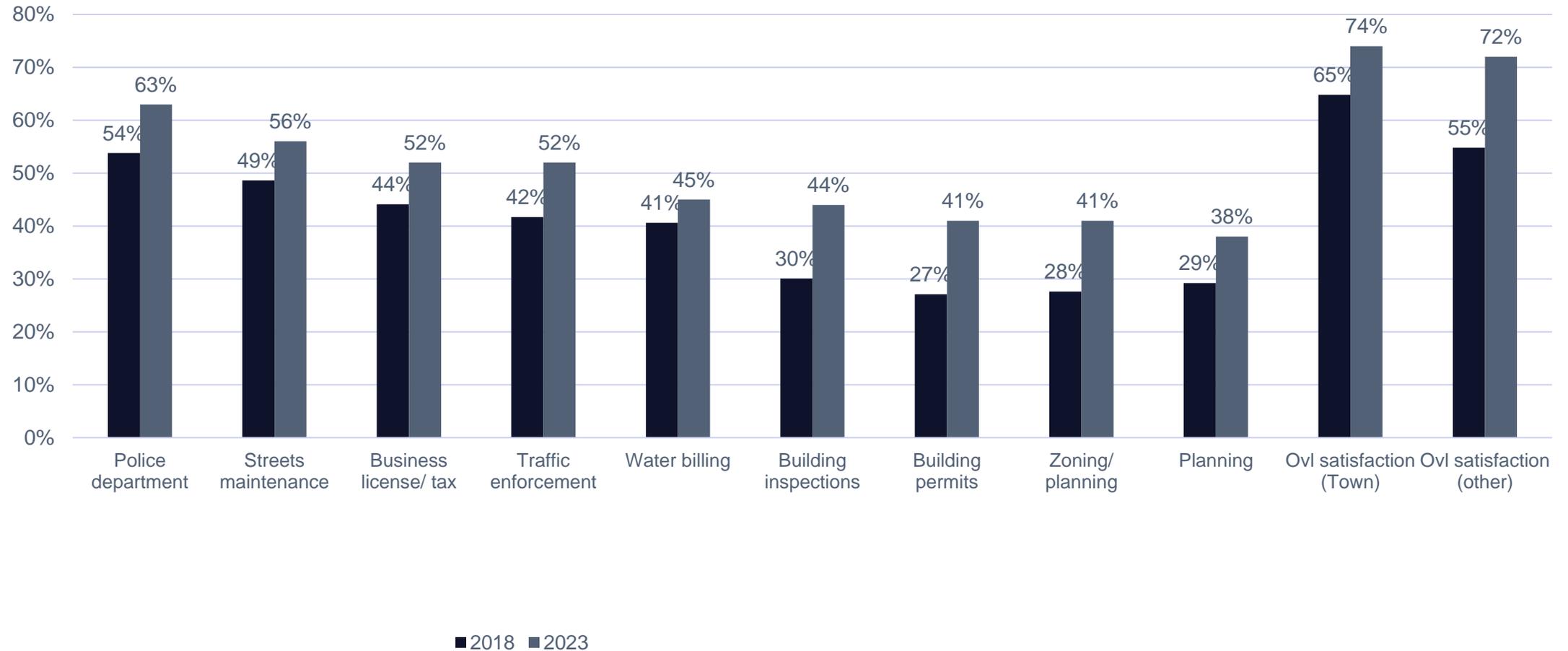
Satisfaction – departments or programs

For each of the following services, Town departments or programs, please indicate your satisfaction with the service on a 1 to 5 scale, from Very dissatisfied to Very satisfied.



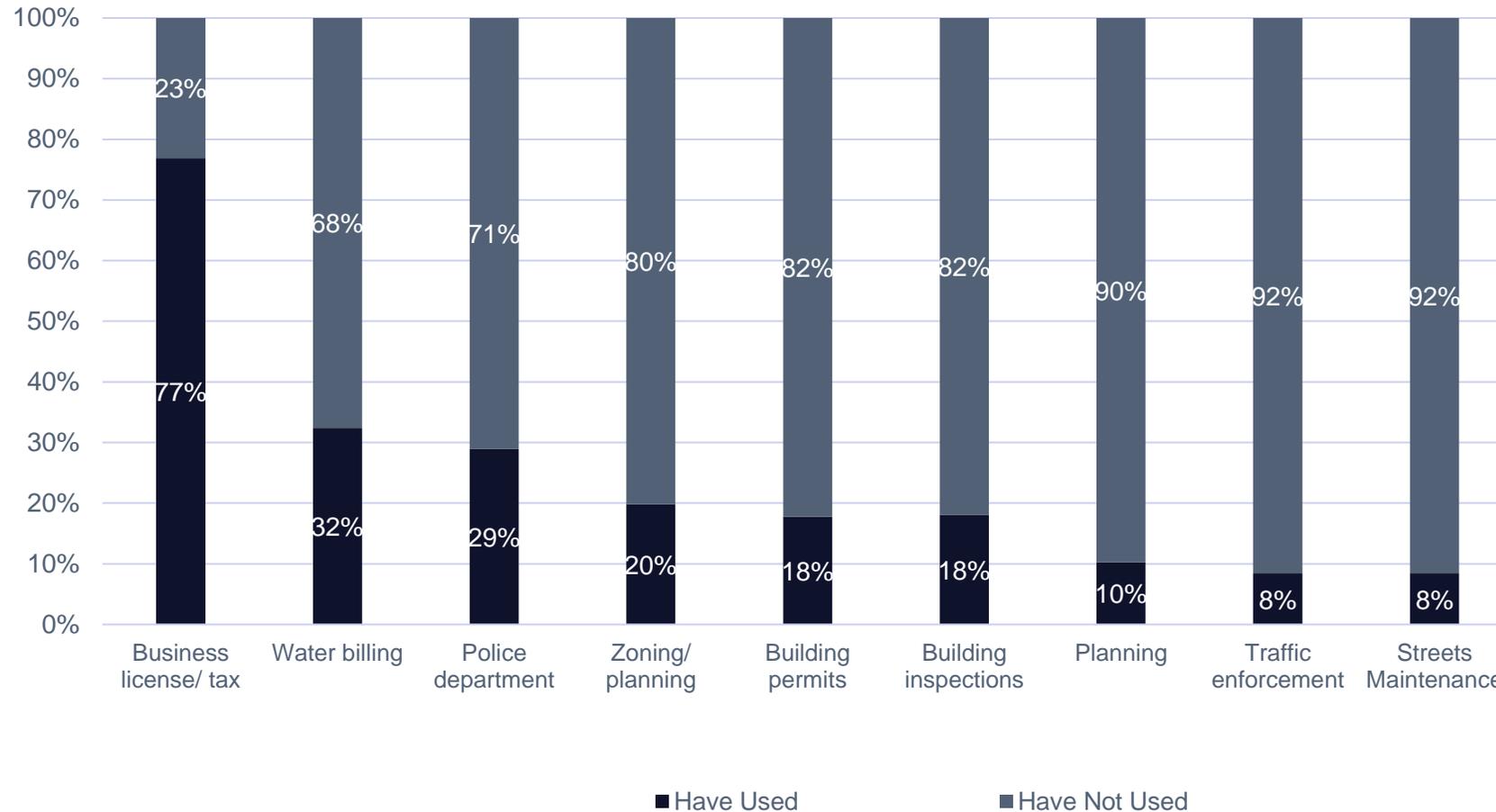
Satisfaction – departments or programs

Please indicate your level of satisfaction with each of the following: (top 2 box percentages)



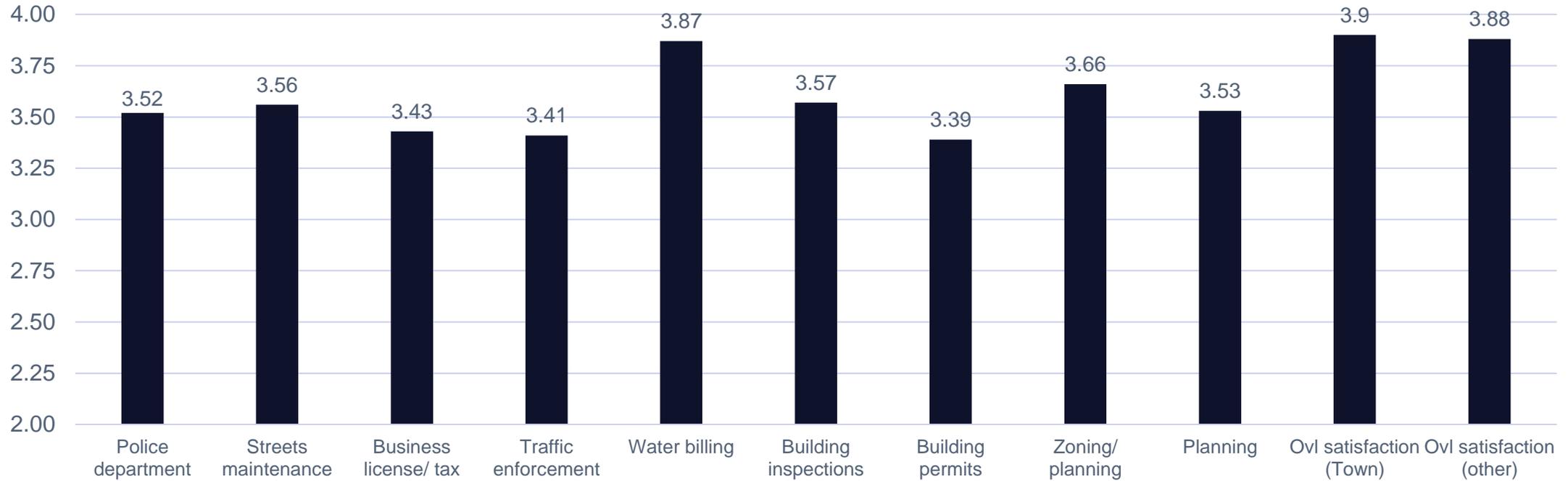
Services, department and program usage

For each of the following services, Town departments or programs, please indicate if your business has used the service or program within the past 2 years.



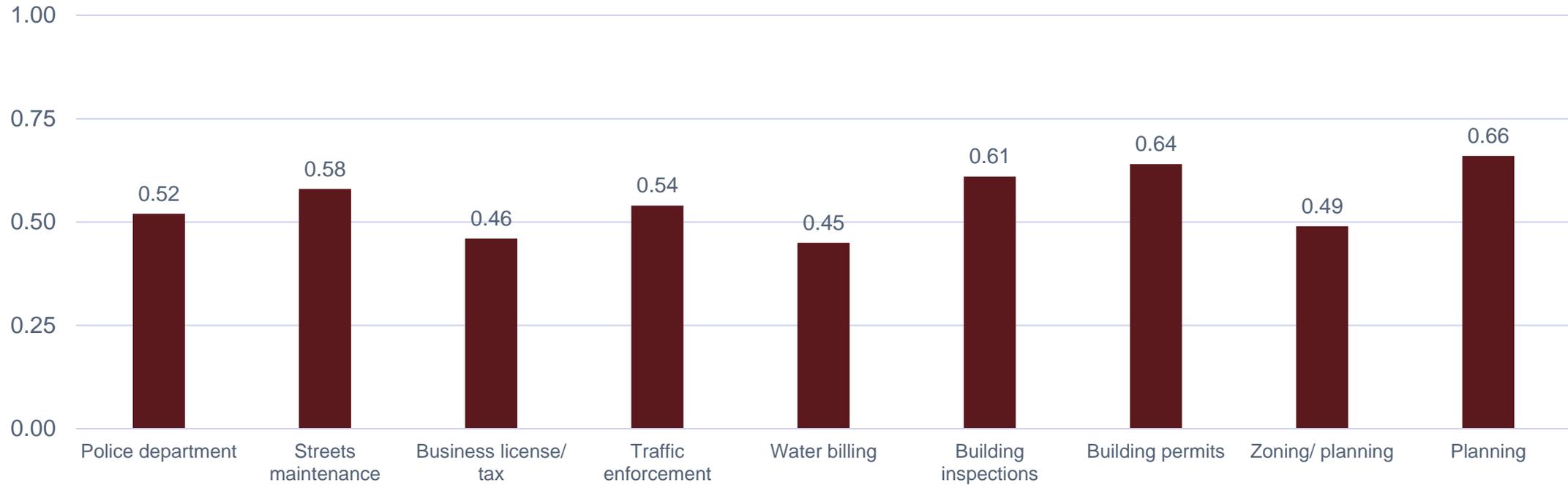
Average performance ratings

Numeric average using 1 for very dissatisfied, 2 for dissatisfied, 3 for neutral, 4 for satisfied and 5 for very satisfied



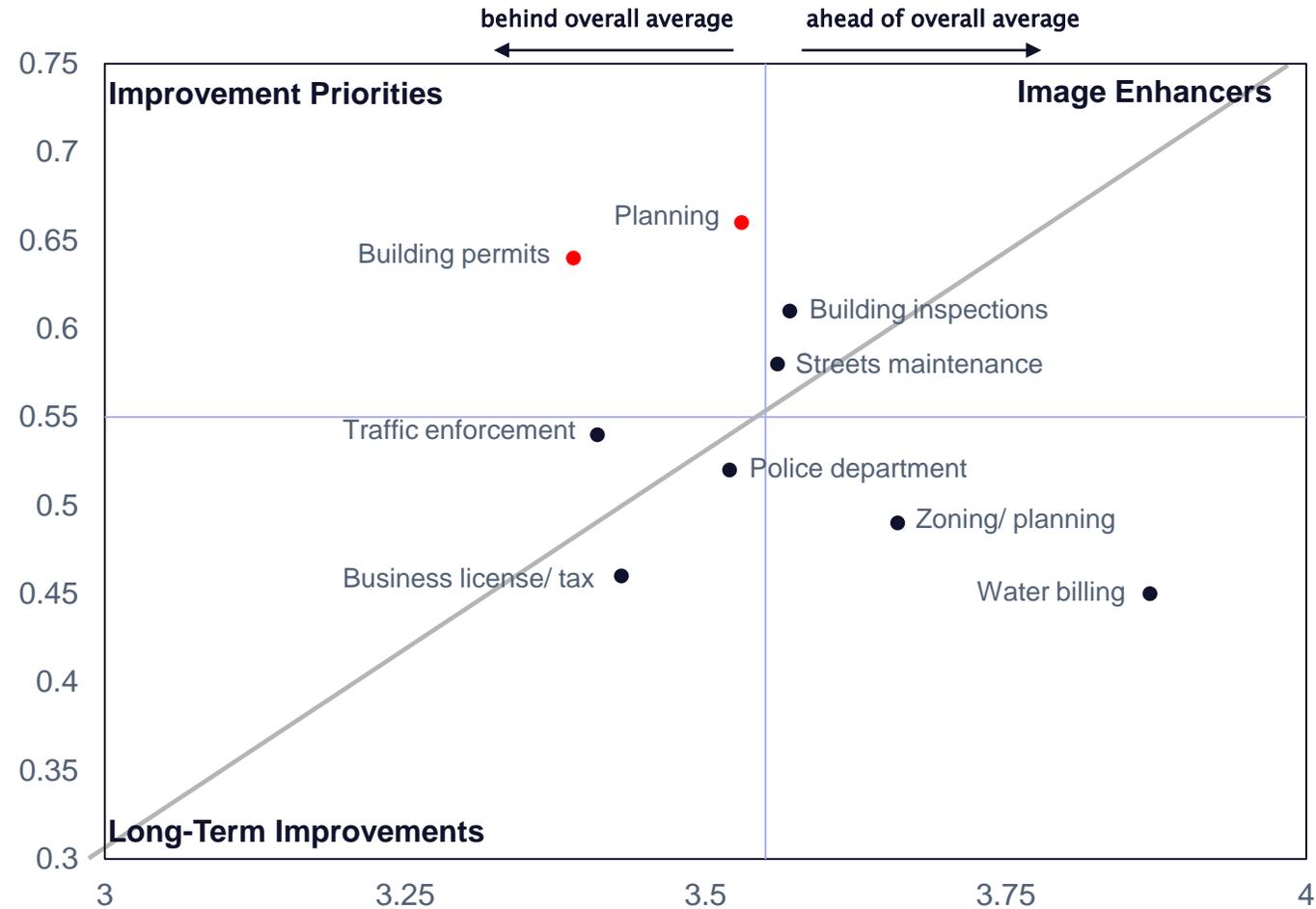
Importance calculation

Correlation with overall satisfaction with Town services



Performance Improvement Map – departments/ programs

Performance vis-a-vis importance

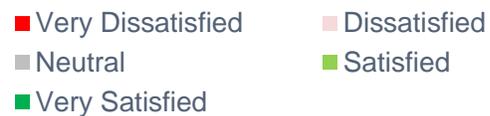
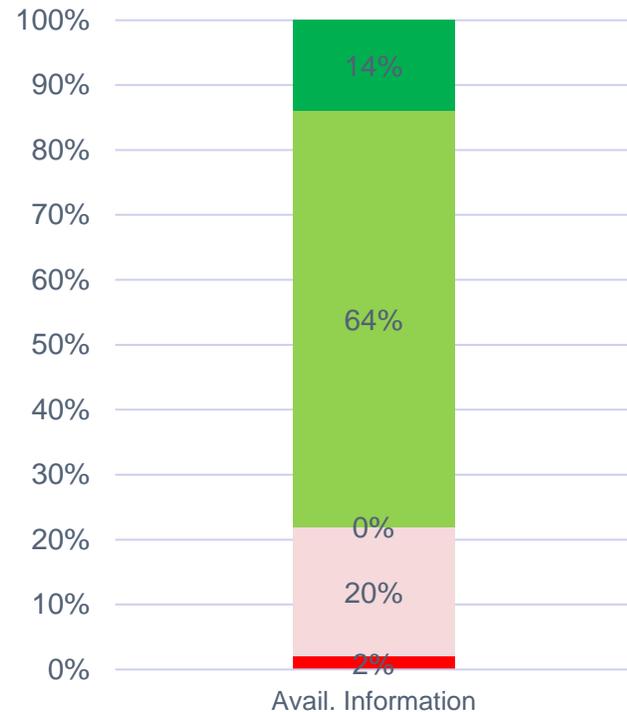


Contents

- Project Background
- Herndon Business Environment
- Town Attributes
- Labor Pool
- Key Indicators
- Economic Development
- Town Departments/Programs
- **Information**
- Respondent Profile
- Conclusions

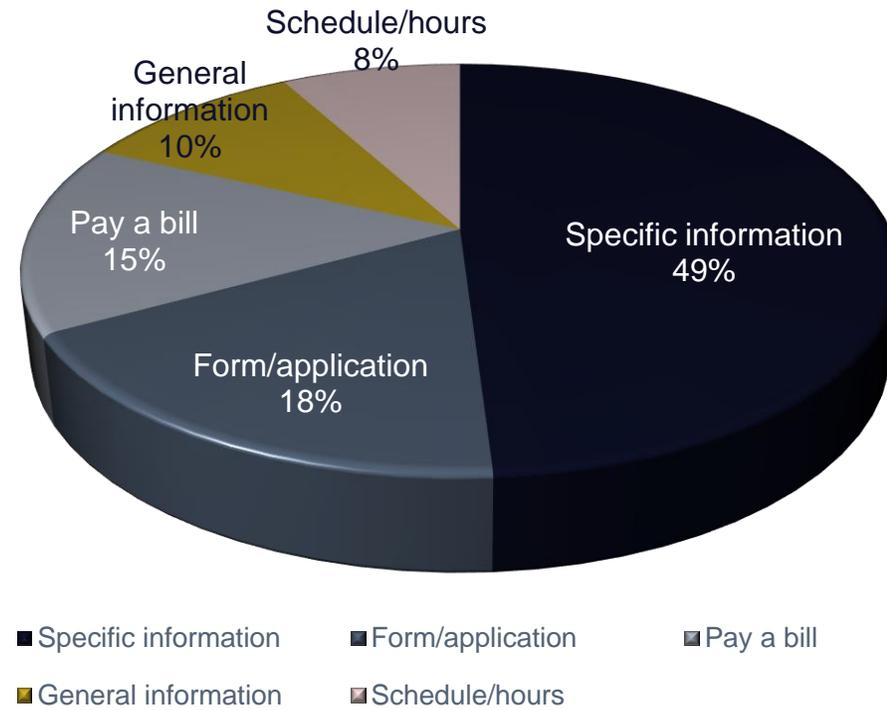
Satisfaction with available information; use of website

Please indicate your level of satisfaction with the information available to you about Town of Herndon's services and events. / In the past 6 months, have you visited the Town of Herndon's website at: www.Herndon-VA.gov?



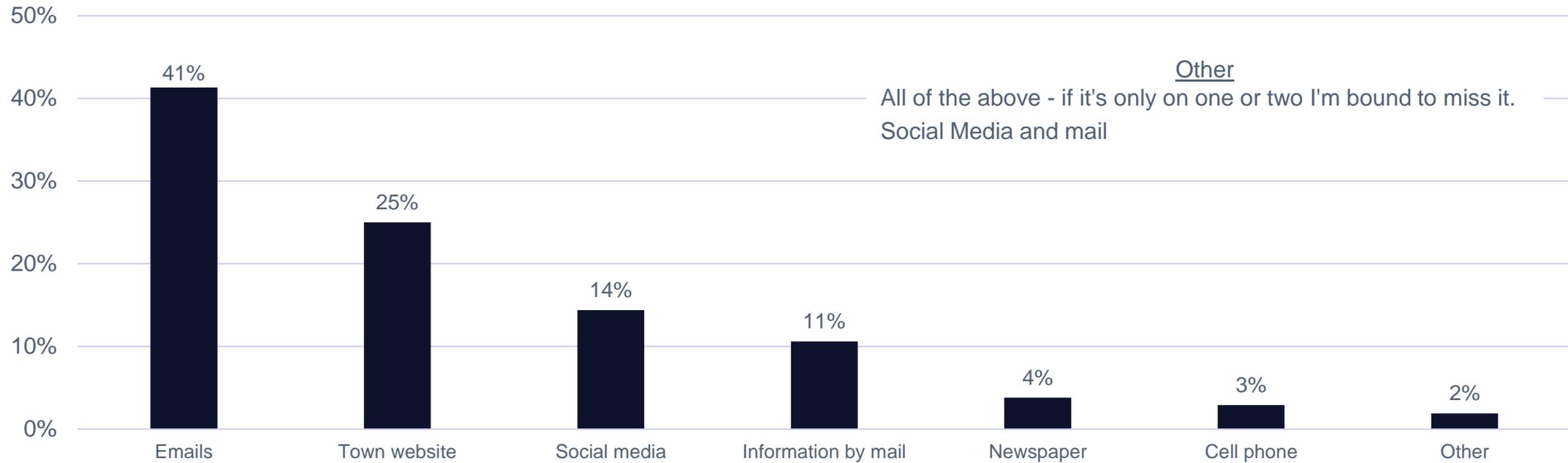
Purpose for visiting the website

For what purpose did you visit the website?



Best way to learn about Town actions

Which ONE of these is the BEST way for you to learn about Town actions that may impact you and your business?

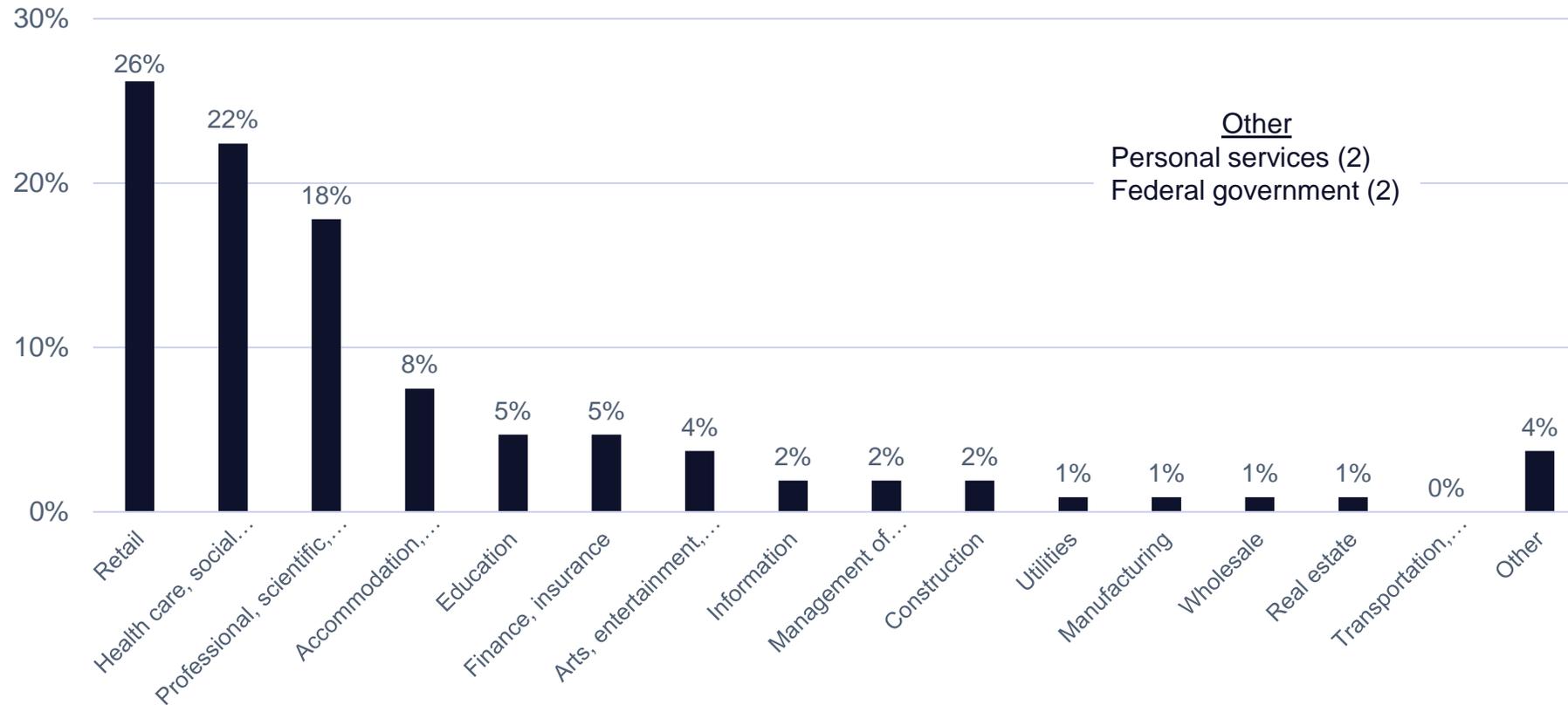


Contents

- Project Background
- Herndon Business Environment
- Town Attributes
- Labor Pool
- Key Indicators
- Economic Development
- Town Departments/Programs
- Information
- **Respondent Profile**
- Conclusions

Profile – NAICS classification

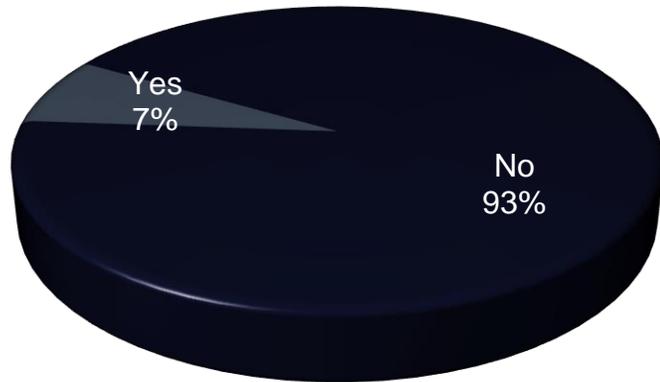
Which of the following categories best describes your business?



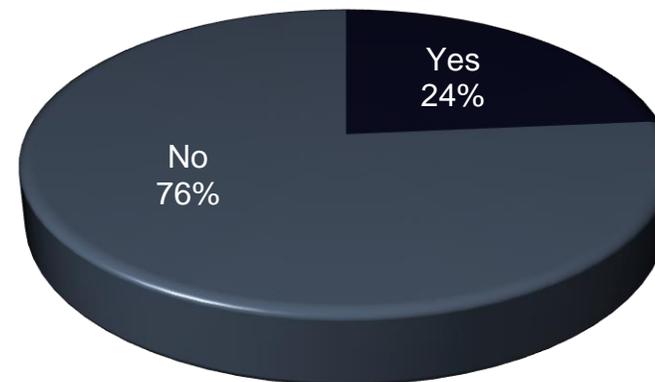
Profile – Business location and residency

Are you a home-based business? / Are you a resident of the Town of Herndon?

Home-Based



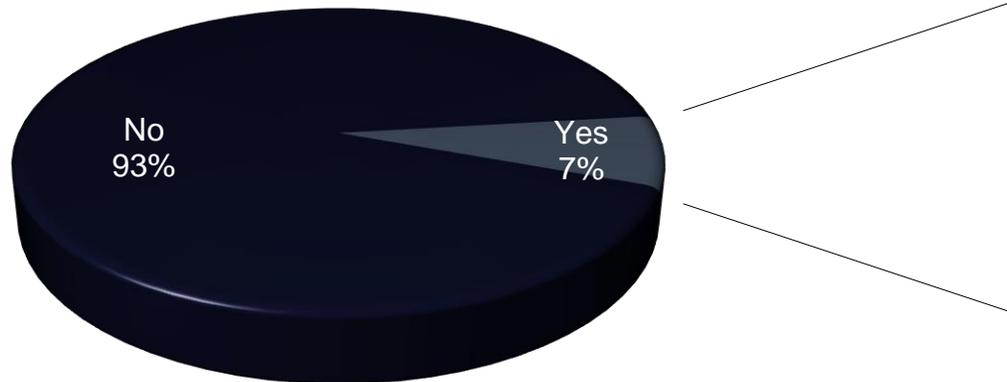
Resident



Plans to relocate business

Do you plan to relocate your business/ office outside of Herndon in the next 12 months? / What is the main reason for the decision to move?

Plan to relocate



Reason for decision

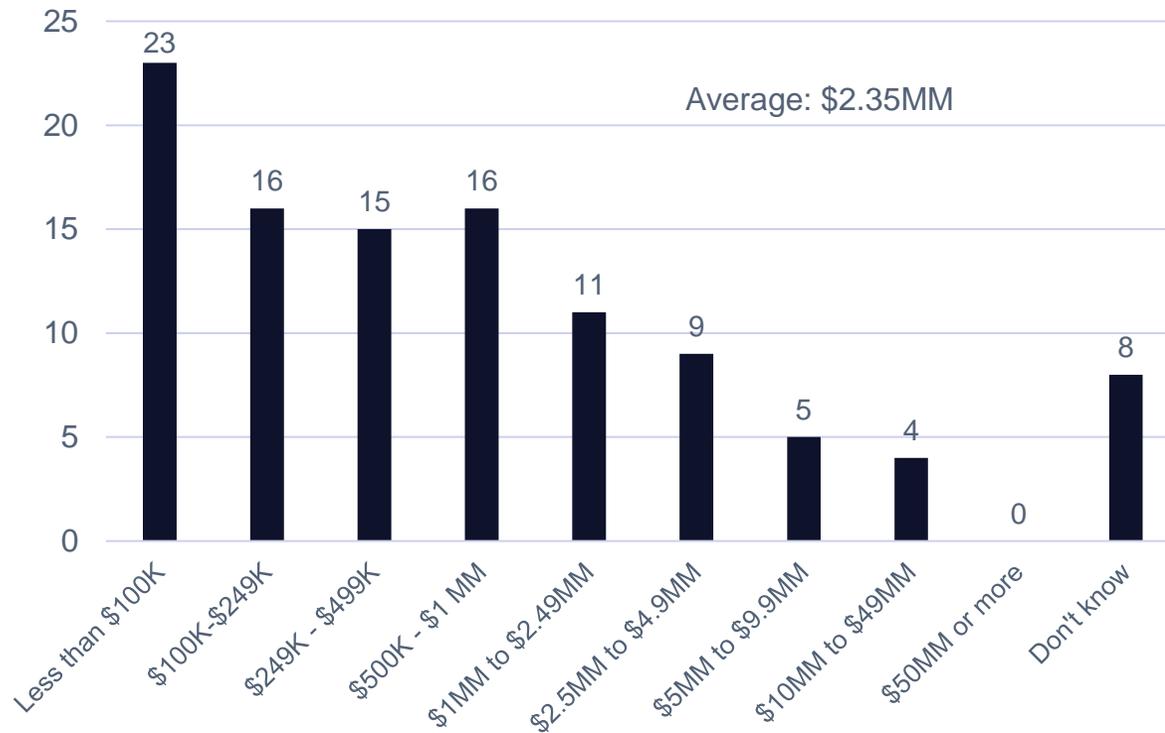
Better access to opportunities necessary for our business' success.
Building has been sold, new landlord raising rent too high to maintain business in this location.
Retirement ;)
Merging with another business with office in City of Fairfax
Our lease is up and if we can move and get a better deal I will do it
I'll be closing. It's been fun but I'm ready for a career change.
High taxes on small business

NOTE: Reason for moving asked of respondents indicating they were planning to relocate within the next 12 months

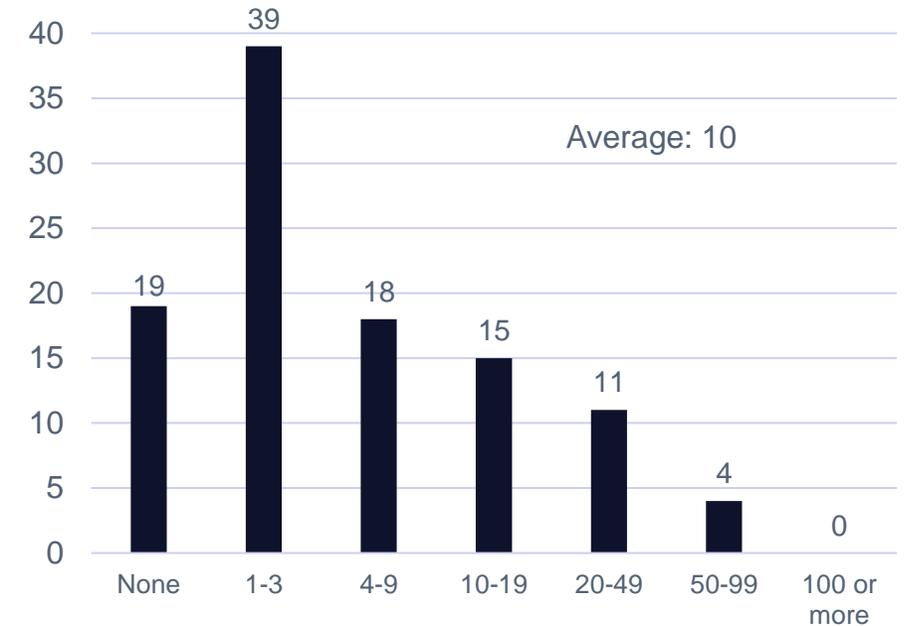
Profile – revenue and employees

What is the approximate sales/ gross revenue that the local office of your business generates, or the value of the business they are responsible for? / How many people do you employ locally (FTEs)?

Sales/ Gross Revenue



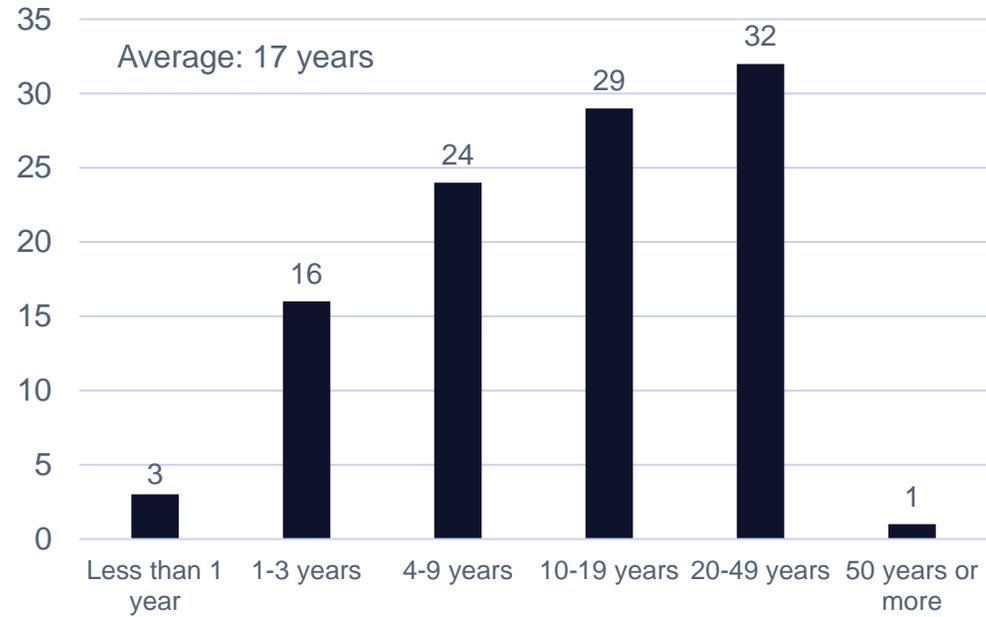
People Employed



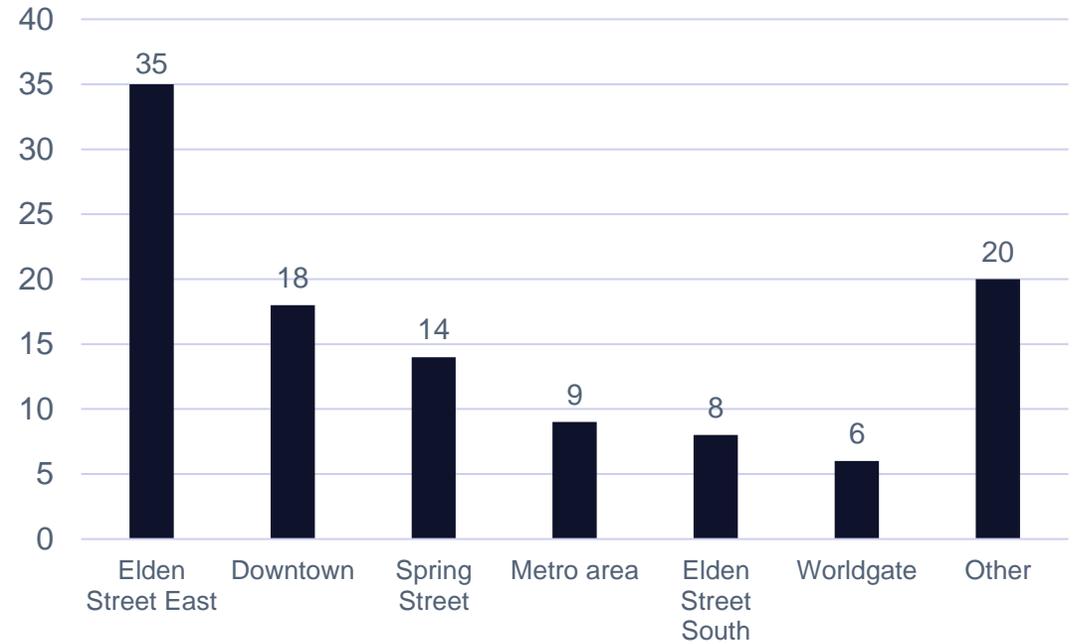
Profile – tenure and location

How long have you been in business locally? / In what part of town is your business located?

Time in Business



Location

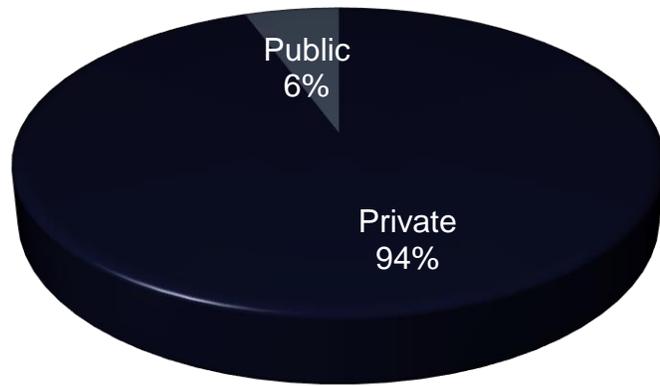


Other includes: Home (2), Herndon parkway (6), Elden Street North? by Mellow Mushroom, Elden Street, Elden Street near Reston, Residential near cemetery, Presidents Row, Station Street, Near the Post Office on Grove, Van Buren St., SugarOak, Exchange Place

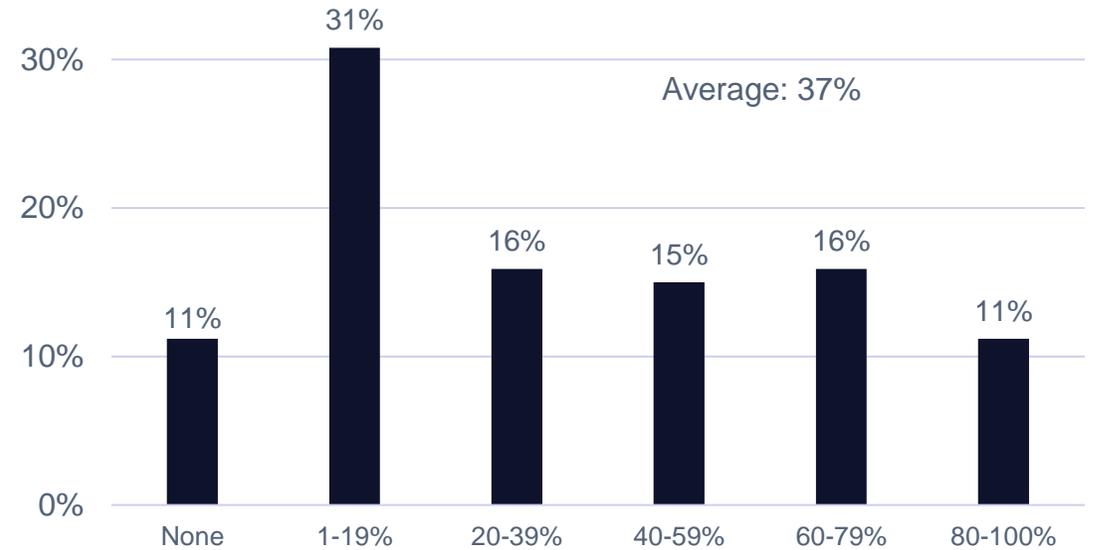
Profile – business ownership and revenue source

Is your company publicly or privately held? / What percentage of your company's total business is generated by customers in the Herndon area?

Public or private



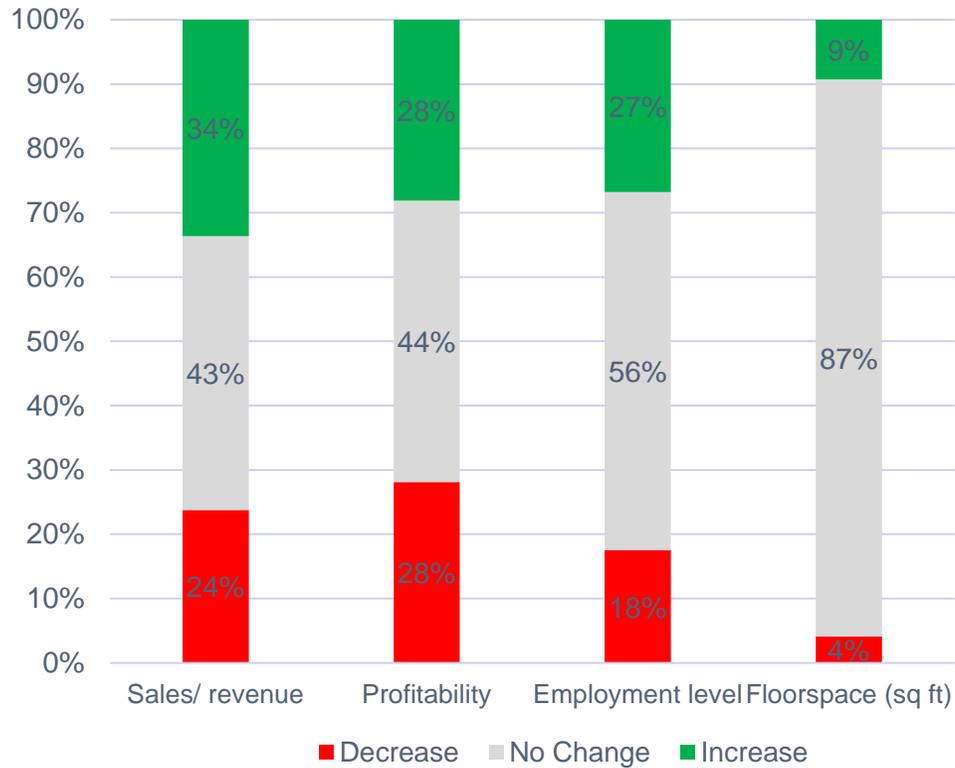
Percentage of business



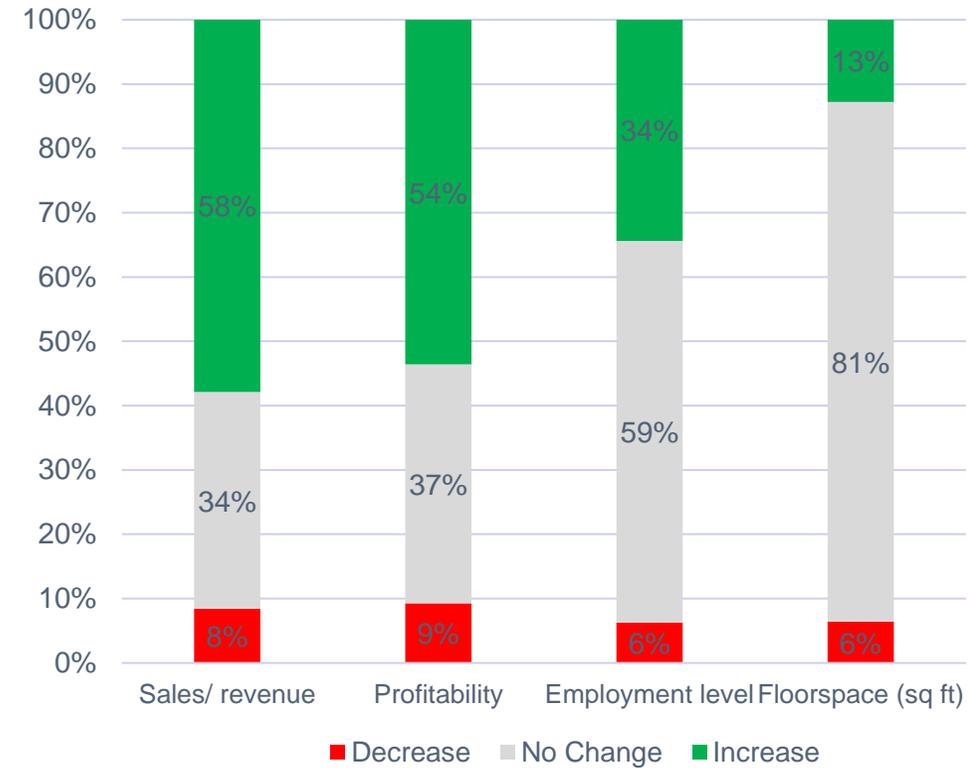
Profile – performance history and projections

For each of the following areas, please indicate whether your business has experienced an increase, decrease or no change over the past 12 months. / For each of the following areas, please indicate whether your future projections call for an increase, decrease or no change over the next 12 months.

Past 12 months



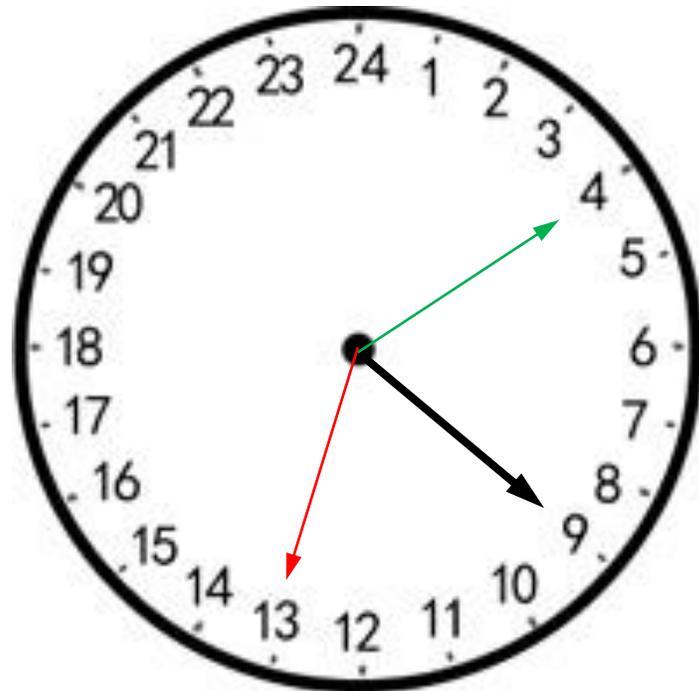
Future projections



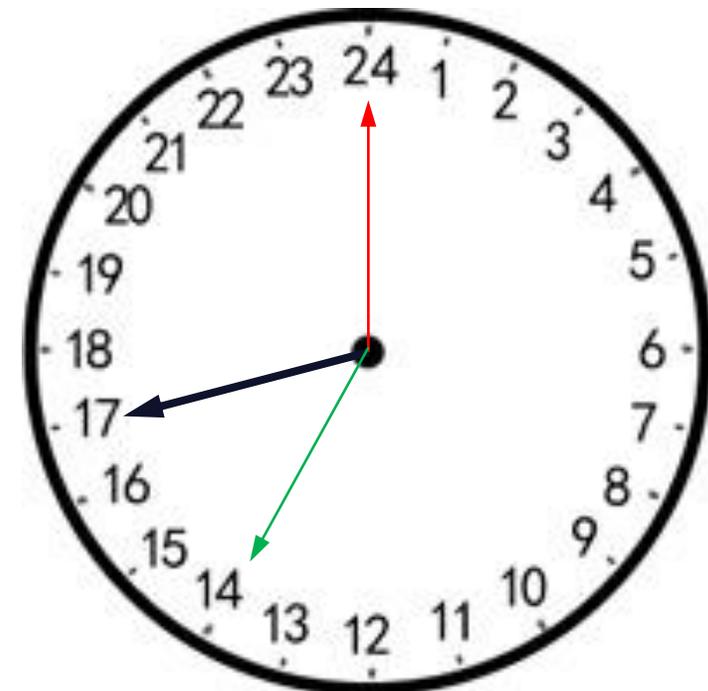
Profile – normal operating hours

What are your normal hours of operation? (use a 24-hour clock)

Open



Close



→ Earliest
→ Average
→ Latest

NOTE: Dark/thick line is average opening/ closing times. Other arrows indicate earliest or latest times reported

Contents

- Project Background
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- Town Attributes
- Labor Pool
- Key Indicators
- Economic Development
- Town Departments/Programs
- Information
- Respondent Profile
- **Conclusions**

Conclusions

The survey was completed in July 2023. responses were gathered by URL and were available to businesses in Herndon in five languages: English, Korean, Persian, Spanish, and Urdu, although all respondents chose to complete the survey in English. The results presented in this presentation are based on a survey sample size of 155, in excess of the 150 target.

1. Perceptions of the Town

- Business locate in Herndon due to: convenience/location (29%), available space/property (25%), being place of residence (22%), amenities/people (10%), buying an existing business that was located there (7%), market research that identified need (4%), and other reasons (3%)
- Perceived advantages of Herndon include: location (42%), town amenities (20%), small town feel (19%), demographics (7%), no clear advantages (9%) and other (4%)
- Perceived disadvantages of Herndon as a place to conduct business include taxes (18%), government/regulation (18%), roads/traffic (11%), growth/development (9%), transportation (4%), cost of living (4%), image (3%), lack of business promotion (3%), arts/events (2%), other (5%), and those seeing no disadvantages (24%)
- 61% (82/134) see Herndon as having a positive or extremely positive business environment, with 10% more seeing the environment as extremely positive than in 2018
- Among 20 attributes describing the Town, businesses were more than 75% satisfied or very satisfied with access to airports, overall quality of life and the overall image of the Town.
- Among the 16 attributes evaluated in both 2018 and 2023, the largest rating difference (top 2 box combined percentage) was in local population growth, which declined from 56% in 2018 to 39% in 2023
- Comparing average ratings and importance (as determined by overall evaluation of Herndon as a place to do business) suggests that a handful of areas should be considered as priority areas for potential improvement:
 - Level of taxation
 - Town special events
 - Licensing and regulations
 - Local schools
 - Local population growth
 - Quality of new development
- The Metro Silver Line has had no impact or neutral impact for 77% of businesses

Conclusions (cont.)

2. Labor

- Of the five attributes of the area's labor pool evaluated in the survey, highest ratings were received for quality, attitude and productivity; lowest rating were received for availability and stability
- Primary concerns about the labor pool were quality of worker (36%), lack of candidates (27%), wage rates (12%), competitive market (9%). 16% indicated that the labor pool does not apply because they have no employees, or they saw no obstacles or concerns about the local labor pool
- 55% had positive comments about having access to a good labor pool, compared to 21% with negative comments (24% were neutral)
- Labor is drawn from local areas (38%), online sources – largely Indeed.com (23%), personal networks (14%) the DC and northern VA region (10%) and 6% other; 9% indicated it does not apply since they have no employees

3. Outcomes

- Among outcomes or indicators of Town performance, the majority of respondents were satisfied or very satisfied with:
 - Cleanliness of streets, retaining businesses, lighting in commercial areas, availability of parking, quality of neighborhoods, and attracting new businesses
- They were least satisfied with training/mentoring, attracting diverse businesses, traffic congestion and supporting growth
- Among the 11 outcomes evaluated in both 2018 and 2023, 5 were rated higher in 2023 than 2018. The largest difference in average ratings was availability of parking which increased from 51% to 61% over the five-year period
- Comparing average ratings and importance (as determined by overall satisfaction with the performance of the Town of Herndon) suggests that a handful of areas should be considered as priority areas for improvement:
 - Creating attractions/events
 - Supporting growth
 - Attracting new businesses
 - Attracting a greater diversity of businesses
- When asked what the Town could do to be more attractive to business, answers included reduce taxes (21%), communication (18%), renovation/maintenance (12%), marketing (12%), incentives (9%), business friendly environment (9%), other suggestions (19%)

Conclusions (cont.)

4. Economic Development

- Of those who have interacted with the economic development department in the last 12 months, 62% were satisfied or very satisfied
- Suggested services or programs that would best assist local business included:
 - Promotion (23%), cooperation/communication (20%), town economic development (17%), reduce red tape (9%), financial incentives (9%), and other (23%)
- 19% of Herndon businesses have heard of the Mason Enterprise Center, and 14% of those have used the Center's services
- Suggested new programs or events include business networking (46%), multi-cultural events (15%), and other (39%)

5. Town Services

- Nine Town services were evaluated. Of those, the majority of businesses were satisfied or very satisfied with: police department, streets maintenance, business license/tax and traffic enforcement
- All services were rate higher in 2023 than in 2018. The largest differences were in building inspections (up 14 percentage points from 27% in 2018) and building permits (also up 14% from 27% in 2018)
- Comparing average ratings and importance (as determined by correlation with overall satisfaction with Town services) suggests that a handful of areas should be considered as priority areas for improvement:
 - Building permits
 - Planning

Conclusions (cont.)

6. Information

- 78% of businesses are satisfied or very satisfied with information available about the Town's services and events
- 44% of businesses have visited the Town's website in the past 6 months.
- Businesses visited the Town's website for:
 - Specific information (49%)
 - Get a form or application (18%)
 - Pay a bill (15%)
 - General information (10%)
 - See schedule or operating hours (8%)
- Of six options listed, businesses prefer emails as a way to learn about Town actions that may affect them. The second most preferred option is the Town website

7. Descriptive/Firm-o-graphics

- 7% of businesses plan to relocate in the next 12 months
- Most businesses responding to the survey were retailer (n=28), health care (n=24) and professional offices (n=19)
- 24% of respondents were residents of Herndon
- Responding businesses average 10 employees and revenue of \$2.35MM
- 94% of survey participants are privately held businesses
- On average, 37% of their revenue is generated by customers in the Herndon area
- In the past 12 months, 34% of responding businesses have seen an increase in revenue and 28% have seen an increase in profitability. However, 58% forecast an increase in revenue and 54% forecast an increase in profitability

Comments / Questions?

Priority Metrics Group

History of helping our clients grow

Company Overview

Formed in 1993

PMG began in order to bridge the gap between market research and business strategy.

Grown Through High Value Services

Generating insight and growth for our clients has enabled PMG's growth.

PMG Customer Insight™

PMG's initial focus was on customer satisfaction and value and the range of services expanded based on client demand.

Since 1993, PMG has consistently delivered high value solutions through our practical approach to any organizational issue. PMG principals have a wealth of real-world experience in marketing strategy development and implementation, market research, market analysis, competitive intelligence, innovation, commercial due diligence, new product development and business growth.

