



Second Stage Firm Growth Surveys

Report of Findings

This report presents findings from a survey instrument administered to support the University of Wisconsin Oshkosh Growth Management Academy pursuant to funding by the U.S. Department of Defense, Office of Economic Adjustment.

Any options, findings, and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the Department of Defense-Office of Economic Adjustment.

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1.0 Introduction

The Northeast Wisconsin regional economy is distinguished by several unique characteristics that draw both on history and strengths. The region is noted first for its strong concentration of manufacturing employment, as evidenced as the home of world-class brands and facilities such as Kohler Company, Oshkosh Corporation, and Plexus. The region also boasts a considerable agricultural heritage and links to an extensive food processing infrastructure. Other regional strengths exist in finance and insurance, healthcare, and transportation. Each of these strengths have contributed to a regional economy of some international renown that provides a high quality of living for its more than one million residents.

The Northeast Wisconsin's business community is also distinguished by two other historically-driven characteristics. The first is the strong presence of several medium-and-large-sized private, family-owned businesses across all industry sectors. This is not necessarily unusual in a local context but this has had a significant impact on historical business formation and growth. Similarly, the Northeast Wisconsin regional economy is dominated by the influence of small businesses as 93 percent of firms in the region employ fewer than fifty employees (Quarterly Census of Employment and Wages Employer File, Fourth Quarter 2016, U.S. Bureau of Labor Statistics). Taken together, these two defining characteristics have driven the creation of firms with deep roots and locally-grounded markets.

A common theme of discussions regarding economic development in the region has stressed the need to both stimulate more entrepreneurship in the region and to provide for the succession needs of its family- and privately-held businesses. Each of these needs is also represented in this survey's focus on second-stage firms. These firms represent the frontier of potential business growth in the region and have needs that may distinguish their owners from the traditional entrepreneur.

1.1 About the UW Oshkosh Growth Management Academy (GMA)

The University of Wisconsin Oshkosh (UW Oshkosh)—in partnership with the I-41 Corridor Initiative Program Steering Committee—has developed a program to assist second stage companies: the Growth Management Academy (GMA). Through Phase 1 U.S. Department of Defense, Office of Economic Adjustment Defense Industry Adjustment grant support, UW Oshkosh completed the planning process for these programs with a business plan, budget, advisory board, program measurement and evaluation framework; as well as conducting pilot classes of the program to test programming elements and effectiveness.

The Growth Management Academy is a comprehensive program that includes general training sessions with follow-up tailored one-on-one meetings with second stage businesses in Northeast Wisconsin. The Growth Management Academy program will run over a six-month period and consists of three educational sessions targeting key growth topics as a foundation to the individual, customized portions of the program. Key topic areas are Financial, Marketing and Organizational Development/Human Resources. These sessions will be taught by a team of industry leaders. Its programming focus is on how to manage growth and diversify into new

markets. Delivery of the program is led by the UW Oshkosh Business Success Center utilizing expertise from the campus and regional community to connect resources with specific programming for second stage companies. Key partners include SBDC, Wisconsin Family Business Forum, the UWEX Business Intelligence Teams and service providers such as banks and accounting firms.

The Growth Management Academy (GMA) helps businesses throughout Northeast Wisconsin which are in the second stage growth phase of their business.

1.2 Report Design and Summary of Key Findings

The report that follows discusses the findings of a survey of second-stage businesses located in a four-county area of Brown, Fond du Lac, Outagamie, and Winnebago County. Representatives of these firms were asked to provide a variety of feedback on the growth expectations of their firms and common challenges. The report will first focus on the specific insight gathered through this survey and then supplement this information with other comparison data and insights. Understanding the needs of these firms is essential both to the success of the Growth Management Academy and other entrepreneurship initiatives throughout the region.

At a high level, the survey responses revealed several critical findings, including:

- The survey discovery process yielded a relatively small number of firms within the five-county area that could be considered to be “second-stage” as indicated by modest levels of employment and significant recent revenue growth. Of this small sample, only forty firms shared their perspectives. This does not inherently limit the value of the survey results, but does speak to one central concern regarding the region’s entrepreneurial ecosystem. Several groups and previous analyses have pointed to a lack of viable prospect firms as one of the capacity issues hindering startup activity in Northeast Wisconsin. The survey results and response rate, taken as a whole seem to confirm this assertion.
- The majority of respondent firms are concentrated in two markets – Fond du Lac and Green Bay – and largely identified in two industry sectors – manufacturing and service. While the service sector designation can be used to account for the activities of a variety of firms, most firms within the survey sample fall into the personal services category. This potentially points to a more significant level of awareness of growth issues in these industry sectors and markets.
- The respondent firms place a high priority on leadership and governance with most firms having active boards of directors and engaged leaders. Leadership succession is viewed as a low priority.
- The respondent firms present a relatively conservative business position with respect to growth. Expectations of revenue and profit growth in the next year are relatively modest and capital investment or market expansion are viewed as medium priorities.

This again points to the presence of a number of mature, local market-oriented firms in the sample.

- Access to talent is a significant concern among the firms, with most offering relatively traditional incentives including performance bonuses and flexible scheduling as incentives to retain top performers.

The average outlook for the firms represented is not inherently distinctive when compared against the perspectives of other firms in the region compiled in previous surveys and research. This is not to suggest that the firms selected for inclusion or their strategies do not fit our understanding of a second-stage firm. Rather, the survey points to the challenge faced by the Growth Management Academy and other business outreach efforts in the region to build awareness of firm and market growth potential.

The analysis that follows is organized in four sections. The general characteristics of responding firms will be considered first. Section two will review the organizational priorities and concerns of these firms. The third section will consider growth expectations and the firms' ecosystem perspectives. The final section will offer recommendations for consideration by the Business Success Center and other organizations.

2.0 Survey Design and Respondent Characteristics

The survey analyzed here was designed first to support the planning efforts of the UW Oshkosh Growth Management Academy. Therefore, the primary aim is to solicit the perspectives of firms that may be suitable candidates for assistance. To this end, staff from the Business Success Center collaborated to both identify a suitable sample of target firms and to design the survey instrument.

More than 400 firms were identified for potential inclusion in the survey sample as they met each of three selection criteria. Firms needed to employ at least ten employees and report annual revenue of at least \$500,000 in revenue. Prospective firms were further qualified by excluding firms that are either franchises or subsidiaries of parent companies. Revenue growth rates were also assessed where possible and compared to regional averages. Applying each of these secondary criteria yielded a full sample of 268 target firms.

The survey instrument, which is attached as an appendix to this analysis was designed following the example of a number of comparable national instruments. Questions were selected that evaluate firms' ability to identify and respond to growth opportunities by examining governance structures and leadership perspectives among other characteristics.

The survey was administered by phone and email in June - August 2017. Respondents were first invited to register responses by phone with an electronic alternative also offered. These two approaches yielded the receipt of thirty-one phone and seventeen electronic responses. Completion rates among the electronic respondents varies widely resulting in the collection of forty complete responses across all collectors.

This yields a generalized response rate of 14.9 percent, which is significantly lower than the thirty percent typically associated with the collection of a statistically significant sample. The low response rate can be attributed to several potential factors, including the time of year, wide study area, and a general lack of awareness of the Growth Management Academy program. It is assumed that a reissue of this survey instrument following the completion of the first Academy cohort will yield greater awareness. The response rate issues should be kept in mind when considering the significance of the findings that follow.

2.1 Firm Characteristics

Respondents were first asked to provide general information regarding industry sector and market orientation. These responses were further supplemented by other supporting data, as discussed below. These characteristics suggest that the sample firms are at least partially representative of firms throughout the region with a few notable exceptions.

2.1.1.1 Respondent Industry Sectors and Location

The respondent firms were first identified by industry sector. This was a self-selected measure and represents primary sector activities. It is important to note that most firms identify activities in a number of industry sectors.

Industry Sector	Respondent Count	Respondent Percentage	Regional Percentage
Manufacturing	12	30.0%	7.0%
Service	14	35.0%	32.7%
Retail Trade	2	5.0%	11.9%
Wholesale Trade	3	7.5%	7.2%
Technology	1	2.5%	2.1%
Education	3	7.5%	8.7%
Transportation	5	12.5%	3.8%

The first notable observation is that survey respondents are overwhelmingly represented by firms in the manufacturing and services sectors. Similarly, the industry composition of the survey sample differs significantly from the industry composition of firms in the five-county region. This disparity persists when further controlling for employment levels. This presents a clear respondent bias in the survey sample as manufacturers were significantly more likely to respond than firms in any other specific industry sector.

One other disparity is important to note. The inclusion of health care providers, another of the region's largest industry sectors was restricted to two firms, only one of which provided a full panel of responses. This does not inherently limit the value of the survey findings as health care providers typically operate in local markets and compete for more limited market share. Similar growth constraints exist for many of the personal service firms included among the service sector respondents.

Respondents were next identified by primary location. This information was obtained through a secondary source and was not provided by the respondents themselves.

Location	Count	Percentage
Appleton	4	14.3%
Fond du Lac	9	32.1%
Green Bay	12	42.9%
Oshkosh	2	7.1%
Other	1	3.6%

Small sample effects can also be observed when considering firm locations. Primary addresses could only be confirmed for 28 of the 49 partial respondents. Of those firms, the wide majority of respondents are located in either Fond du Lac or Green Bay. While this is not inherently

troubling, the geographic concentration of firms in a small number of markets may limit their exposure to and awareness of assistance programs. This may also further constrain firms’ growth perspectives given the relative health of their respective markets.

2.1.2 Firm Size, Age, and Market Orientation

Secondary data was further utilized to estimate firm annual revenue and average employment, as presented below. It is again important to note that this data is not available for all respondent firms.

Annual Revenue	Count	Percentage
\$1-\$10m	18	85.7%
\$10m-\$50m	2	9.5%
\$50m +	1	4.8%

Average Employment	Count	Percentage
Less than 25	11	35.5%
25-50	17	54.8%
50+	3	9.7%

The majority of respondent firms could be considered to be “small businesses” both in terms of revenue and employment. The wide majority of firms reported less than \$10 million in revenue and fewer than 50 employees in 2016. Each of these is consistent both with our working definition of a second-stage firm and the typical structure of a firm in Northeast Wisconsin. Two important outliers exist. First, one firm was estimated having annual revenue exceeding \$50 million and three firms employed more than fifty employees. Neither of these characteristics necessarily eliminate those firms from consideration as second stage firms. Rather, we can assume that the perspectives and experience of these firms may be different than their smaller brethren.

Firm Age	Count	Percentage
5 to 9 Years	1	2.6%
10 to 19 Years	7	17.9%
20+ Years	31	79.5%

Respondents were also asked to estimate the age of their firms. This is represented in the table above. We first see that there is only one young firm included in the sample. The clear majority of respondents suggested that their firms were more than twenty years old. This again is consistent with our understanding of the majority of small businesses in the region.

The age distribution of respondent firms also raises a question as to whether the thirty-one firms that have operated for more than twenty years could be considered to be second-stage growth firms. The answer is not entirely clear, but literature on firm growth behavior has

suggested that firms can change growth strategies under a change in ownership, leadership or shift in market orientation. This suggests that the perspectives of these firms are still valuable.

Primary Market	Count	Percentage
Local	14	35.0%
State	5	12.5%
Regional	7	17.5%
National	10	25.0%
International	4	10.0%

One final, general characteristic that respondents were asked to provide is their principal market orientation. We see a far more even distribution of markets here with a slight plurality of firms identifying a local market followed by those who serve a national, regional, or statewide market. It is less likely for firms to identify a primarily international market but this is again consistent with regional norms and points to another potential growth awareness opportunity.

There is a stark correlation between industry sector and market identification with manufacturing firms far more likely to align with a regional or national market than service providers who overwhelmingly identified local markets. This is consistent with our understanding of how these firms operate and also speaks to the need for different growth strategies. A nationally-oriented manufacturing firm may be able to grow by offering their product lines to new vendors, for example. These firms can also consider exporting to international markets as one of a large number of potential strategies.

Service sector firms that primarily serve local markets may face competition within their market for a small potential customer base. Appropriate growth strategies for these firms may include diversification or development of new services or the opening of new locations, for example. This suggests that the objectives of the Growth Management Academy may need to be tailored to account for these diverse market realities.

The general image of the firm presented among the respondents is that of a mid-tier, mature firm that exists within a closely defined market. This, on its face does not meet our working definition of a second-stage growth firm. We must next consider the leadership and organizational structure of these firms in order to learn more about how these firms view their growth potential.

3.0 Organization Structure and Priorities

The next section of questions that survey respondents were asked relates both to their leadership structure as well as their operational priorities. Understanding each of these is critical to our assessment of the region’s second-stage growth potential as those firms that are guided by leadership focused on stability may not be as willing to consider new markets or innovation as others. Similarly, not all firms may have the organizational capacity to leverage new opportunities.

3.1 Firm Leadership Structure and Assessment

Respondents were asked three questions as it pertains to firm leadership. They were first asked to assess the level of activity of their board of directors. Respondents were also asked to assess both the skill level of leadership as well as the firms’ leadership succession needs. Each of these questions attempts to assess who drives growth expectations within a firm. The presence of an active board of directors and new leader may present tension within an organization, for example. The findings of these questions again restate our general characterization of a conservative business position.

Board Structure and Activity	Count	Percentage
We don't have a board of directors.	8	20.5%
The board is active and meets monthly.	7	17.9%
The board is active and meets quarterly.	15	38.5%
The board is somewhat active and meets once or twice a year.	9	23.1%

The majority of firms in the sample reported having a board of directors. However, the characterization of these boards cannot be considered to be overly active, based on the average frequency of meetings. Firms whose board of directors meet more frequently may view their directors as carrying a strategic responsibility for plotting the direction of the firm. Boards that meet less frequently are assumed to have a more fiduciary orientation. This characterization does not necessarily pertain to every firm and every circumstance. However, the continuum is consistent with the more modest prioritization expressed elsewhere.

3.1.1 Leadership Skill and Succession

Respondents were next asked to assess the skill level of current leadership as well as to identify any succession needs or concerns. Several recent discussions throughout the region have suggested that many family-owned and privately-held firms have either considered leadership transitions or may experience succession concerns in the next five-to-ten years. This assertion is consistent with broader concerns regarding the aging of the region’s population and points both to a notable challenge and potential growth opportunity.

Leadership Confidence	Count	Percentage
Our leaders are skilled and adept at achieving company goals.	14	66.7%
Our leaders are skilled but struggle in certain areas.	5	23.8%
Our leaders require additional training.	2	9.5%

It is first important to note that a relatively small number of respondents (21) provided insight into both this and a subsequent question regarding succession needs. This may be due to the discomfort of a leader respondent providing a self-assessment or firms not wishing to publicly air such assessments. It is also notable that no electronic respondent answered either of these questions.

We find that organizations are generally confident in the skill level of their existing leadership. It is important to note two distinctions. First, respondents were asked to assess their leaderships’ ability to achieve company goals. This assessment is not specifically focused on growth potential. Similarly, we see that seven respondents suggest that leadership could improve in some way without specifying any areas of improvement. It is therefore difficult to draw any conclusions about leadership ability and growth potential without further information.

Succession Needs	Count	Percentage
Our company is not expecting any changes in the next five years.	8	38.1%
We have not discussed any succession needs.	4	19.0%
Leaders were recently brought into the company to guide the transition.	5	23.8%
We have considered and adopted a formal succession strategy to manage changes in the future.	4	19.0%

Respondents were also asked to identify their firms’ perspectives on leadership succession. This has been identified as a priority by a number of regional organizations such as the UW Oshkosh Family Business Forum and local SCORE chapters. We see that the perspective of firms is split both in terms of the importance of succession and responses to it. Nine of the respondent firms have recently taken some action to facilitate leadership transitions where others either view this as a low priority or have not considered any potential implications.

It is quite likely that the eight firms who do not anticipate any changes are either guided by younger leaders or have previously experienced a transition. This perspective again matches the characterization of mature firms in the region. It is possible that these responses would differ if firms were asked to consider their succession needs in a longer time period, such as ten years.

3.1.2 Organization Sales Structures

A third aspect of firms’ organizational structures was also explored in the survey as respondents were asked to identify who within their organization is responsible for sales activities and whether they anticipate any changes in this structure in the coming year. This may identify firms who are considering expanding their market footprint or share as a growth strategy.

Sales Staff	Count	Percentage
The principal of our organization is our only salesperson.	12	30.8%
Three or fewer salespersons.	13	33.3%
We have a department of four to six salespeople.	4	10.3%
We have a department of seven or more salespeople.	10	25.6%

Three in ten firms responded that the owner is the principal salesperson. This is common in small firms where the owner or principal in the organization is its primary face. Other firms report having sales staff proportional to total employment. It is unsurprising that firms with a national or international market orientation report having larger sales staffs and service-oriented firms are far more likely to have their owners serve as their primary salespeople. Responses to this question again point both to market orientation as well as present capacity to leverage growth. Most firms in the sample seem well-equipped to pursue new opportunities.

Sales Staff Change	Count	Percentage
We anticipate adding more people to our sales staff.	23	33.8%
We anticipate fewer sales people than last year.	4	5.9%
We are going to implement new sales/service technology	24	35.3%
We are going to improve our sales/service technology	4	5.9%
We will invest in sales training in 2017	1	1.5%
None	12	17.6%

Respondents were next asked to identify any changes to their sales capacity they are adopting this year. It is important to note that respondents could and did provide multiple responses to this question. We see that several firms report no change in sales staff. This response is as likely to come from firms with large existing sales department and small firms with no additional staff. These firms are both confident of their existing capacity and have not identified sufficient opportunity to add staff.

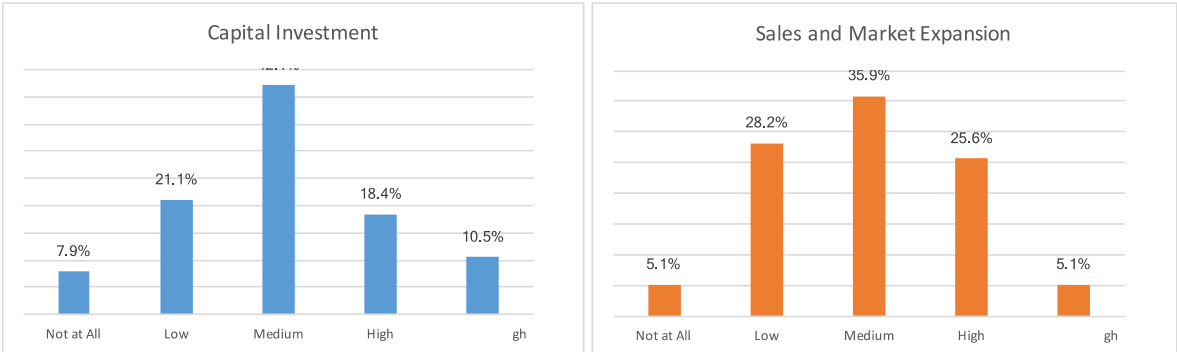
Conversely, more than two-thirds of respondents reported adding sales capacity either through the addition of staff or the introduction of new technology. These responses were not mutually exclusive with nineteen of the firms who reported adding staff also introducing new technology. This is not unusual as firms who add staff also consider adding technology or solutions to encourage more collaboration or add efficiency within their operations.

Customer Service Changes	Count	Percentage
Our customer service department is functioning well and requires no change.	19	70.4%
Our sales staff handles customer service, and will continue to do so in 2017.	3	11.1%
We will expand our customer service staff.	0	0.0%
We will upgrade our customer service technology.	5	18.5%

Respondent firms were also asked to identify changes in their customer service operations in 2017. The majority of firms anticipate no change in this area other than a marginal increase in technology adoption. This general response is consistent with our understanding of business strategy as most firms place a lower priority on customer service functions and tie expansion of these services with other growth strategies.

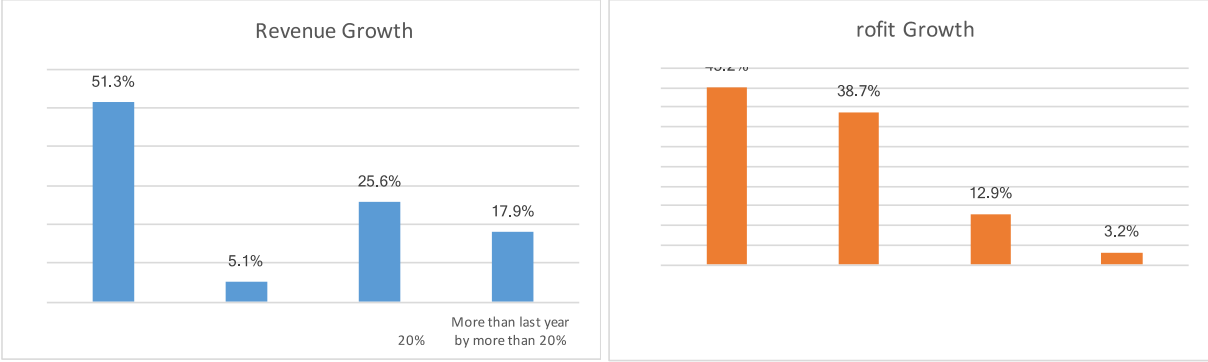
3.2 Organizational Perspectives and Priorities

The next series of questions firms were asked to respond to relate both to their organizational priorities and expectations for 2018. A number of closely related topics were addressed in this series and range from fiscal expectations to operational priorities. A separate but related series of questions related to workforce and innovation needs will be discussed separately.



The two charts above illustrate the respondent firms' positions in prioritizing capital investment and market expansion as core growth strategies. We see that both charts are normally distributed, suggesting that the average firm has some interest in both of these areas. Market expansion is viewed as a slightly higher priority with 30.7 percent of respondents seeing this as high or extremely high whereas only 28.9 percent of respondents viewed capital investment the same way. General sentiment in favor of capital investment was higher, however, indicating that a majority of firms are considering movement in this area. This finding is consistent with earlier responses supporting technology adoption in sales and customer service.

The relatively higher support of capital investment is consistent with activity in the manufacturing sector as reported by the Northeast Wisconsin Manufacturing Alliance and others. It may also be consistent with a more conservative business position as firms may decide to prioritize the expansion or modernization of existing operations over speculative spending to pursue new markets. We shall see this theme repeated when we consider these firms’ perspectives on the role of innovation.



Firms were also asked to provide their expectations for fiscal changes as measured both by revenue growth and increased profitability. In each case, a large share of firms report expectations close to the status quo in both terms. Conversely, five percent of firms reported a decrease in revenue and three percent reported a decrease in profitability. In each case, these responses can be attributed to two firms in the first case and a single firm in the second. This again reflects the difficulty in drawing definitive conclusions from a small survey sample. These responses are consistent with previous expectations regarding sales and market expansion as firms recognize the payoff of investment in these areas.

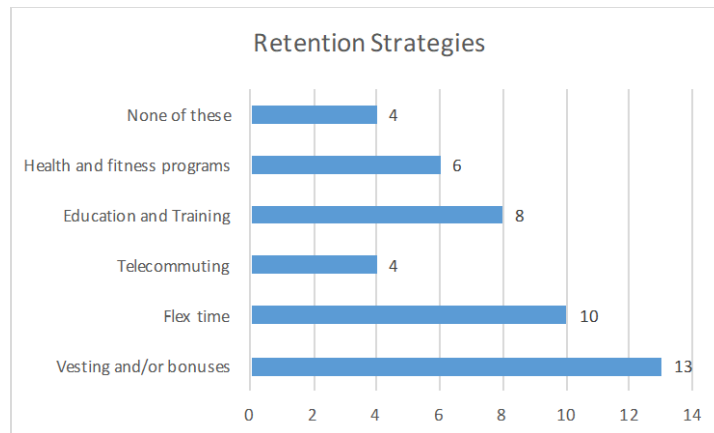
3.3 Talent and Innovation Perspectives

A final area of business strategy that the respondents were asked to consider is the role that talent and innovation play in their organizations. Concerns regarding workforce availability and quality are a frequent topic of conversation within the region and are not unique to this market. Many of the most common concerns are associated with an aging population and increased competition among firms for qualified talent. This has further increased awareness of successful retention strategies and has prioritized professional development and promotion from within in many organizations. The survey respondents echo many of these concerns.

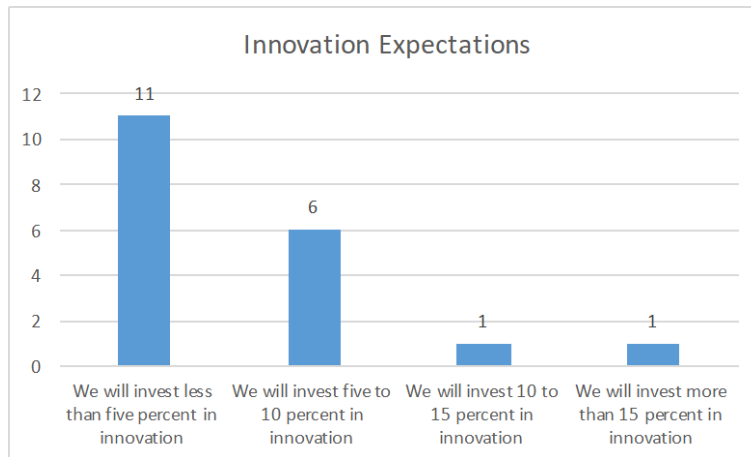
Workforce Concerns	Count	Percentage
No concerns. We are fully staffed and expect to remain so throughout the year.	12	22.6%
We are worried about finding the right talent to fill our jobs.	23	43.4%
We have good talent, but worry about keeping them in a competitive market.	9	17.0%
We anticipate reducing staff because of expense.	5	9.4%
We are concerned about employee turnover and how it affects our business.	4	7.5%

It is again important to note that respondents were able to provide multiple responses to this question. Roughly eighty percent of respondents expressed some level of concern regarding talent availability within the region. This is consistent with the level of concern reported in the Northeast Wisconsin Manufacturing Alliance Manufacturing Vitality Index, Manpower surveys, and other comparable reports.

Within these concerns, we see that the majority of firms report concern regarding the recruitment of talent where slightly fewer firms identify retention or turnover as greater priorities. It is also interesting to note that five firms anticipate reducing staff. This is consistent with previous responses both regarding changes in sales staff as well as relatively weak expectations of revenue growth. While firms recognize that the addition of staff may be necessary to grow market share, these same firms are concerned about their ability to do so effectively.



Firms were finally asked to identify what they were doing to retain skilled talent. The chart above suggests that the respondents are aware of many of the most common retention strategies and prioritize financial incentives such as performance bonuses and paid time off over other alternatives. It is important to note that some of the strategies offered such as telecommuting or health and fitness programs may not be appropriate for all firms or industries. This does reinforce the priority that firms place on talent retention within the region.



Respondent firms were asked to provide their perspectives in one final area of strategy – the importance of investment in innovation. This subject is closely tied to perspectives on talent strategies as investment in talent and innovation are typically considered to be inversely related. We see here that most firms who responded to this question anticipate investing less than ten percent of their profits in innovation activities this year. This finding is again consistent with previous conclusions as firms reported relatively flat expected earnings and have prioritized capital investment and market expansion as preferred strategies. This represents a relatively conservative position and points to another opportunity for increased awareness in the region.

Additional research in this area is recommended as conversations with regional leaders such as the Forum for Innovation and Wisconsin Manufacturing Extension Partnership suggest that firms may be reluctant to invest in innovation if they are not aware of specific applications or if they have not received requirements from customers to do so. A general reluctance to innovate may also be connected to the distribution of firms across industry sectors and a difference in perspective as to what innovation means and what it looks like.

4.0 Ecosystem Perspectives

The final area that respondent firms were asked to offer their perspectives on was both the general influence of the economy and political system on their firms and the degree to which they utilize services offered by regional partners such as the Business Success Center. These ecosystem assessments are important as they point to both the perception of exogenous barriers to growth as well as the capacity of regional partners to support further expansion.

Economy Influence	Percentage
I don't anticipate any significant change to our business because of the economy.	25.0%
I anticipate that the economy will have a positive effect on business in 2017.	37.5%
I anticipate that the economy will have a negative effect on business in 2017.	8.3%
The economy directly affects our business.	16.7%
We have ways of adapting to economic shifts and, therefore, minimize the economy's effect on our business.	12.5%

We first see that firms are generally optimistic regarding the state of the economy and its impact on firm performance. The table above also suggests a potential confusion in survey design. Taken separately we see that nearly as many respondents predict a negative or null effect as a positive effect. We also see that most firms believe that the state of the economy impacts their business and that several firms have developed strategies such as market diversification to account for shifts. This assessment is consistent with macroeconomic outlooks offered by national entities including the Conference Board and Federal Reserve Bank Open Market Committee that suggest that the nation's general economic condition is positive with little immediate concern of recession. It is difficult to interpret these responses further without understanding the dynamics of specific markets.

Government Concern	Percentage
About the same as last year	42.9%
Government will be more of a concern than last year.	19.0%
Government will be less of a concern than last year.	9.5%
Government will have a positive effect on my business this year.	14.3%
Government will have a negative effect on my business this year.	14.3%

Perspectives regarding the impact of politics and government are consistent with economic assessments. Firms see little change from 2016 with the same number seeing government intervention as being positive and negative. This again presents a number of potential interpretations. First, these responses suggest that the 2016 presidential election had little impact on assessments of government. Similarly, we see a degree of uncertainty regarding the impact of future government action. The timing of the survey also has some bearing on responses to and the interpretation of this question as one may assume that the respondents may view the role of government more positively if made aware of potential benefits and programs. This presents another opportunity for the Growth Management Academy.

5.0 Conclusion and Recommendations

The findings presented in this report require careful and deliberate interpretation. It is tempting to assume first that the perspectives of the companies who responded to the survey are either reflective of the general business climate of Northeast Wisconsin or are outliers in a region that holds a variety of opinions on growth. Conclusions of this type oversimplify the narrative that has been presented here and, in turn, may minimize the potential of the Growth Management Academy.

What the results of the Second Stage Growth survey presented here ultimately depict is both the uncertainty faced by many firms in a rapidly changing marketplace and the need for more information regarding new opportunities, new markets, or new strategies. Many of the firms included in the survey sample appear to be content with their existing strategies – that what is working now is good enough. We are far more likely to hear this perspective from family-owned firms or those in the personal services sector than we may in other, outwardly-focused firms. It is likely that the survey sample overrepresented these specific perspectives.

Other conversations throughout Northeast Wisconsin focused on topics ranging from export promotion to succession strategies have frequently remarked on the lack of awareness that many of the region's business owners have of growth opportunities ranging from strategic partnerships to market expansion. This is not unusual in small firms where the owner may carry multiple roles. As ownership of these firms transfers either through family succession or sale, we should expect to see a new generation of leaders who may be open to considering these new possibilities.

To this end, the general recommendation of this report is for the Growth Management Academy and other similar entities to take a proactive role in both identifying the region's more dynamic businesses and owners and engage them in a conversation regarding actionable strategies to scale their firms. This will require the active engagement of a variety of voices and experts in a diversity of fields. It is also important to note that this survey also revealed a common truth in many business development efforts, namely that most firms insist on the presentation of a customized solution before considering a new strategy. This will again require the GMA to incorporate some aspect of mentorship to encourage more discussion and to assist interested firms in both translating and scaling recommended strategies to their specific enterprise.

The development of an initiative of this type is both more rigorous and resource-intensive than others, but it is highly recommended in order to overcome the information and capacity gaps apparent in the second stage growth firms in the region. The focus of these efforts should be the sustained expansion of at least five to ten firms per year, measured both by revenue and employment growth. Similar goals have been adopted by economic development organizations in the region and would represent a concerted effort to encourage the increased scaling of businesses throughout Northeast Wisconsin.

