



February 16, 2009

**TO: Senator Joe Balyeat, Chair, Senate Business, Labor and Economic Affairs Committee  
Members of the Senate Business, Labor and Economic Affairs Committee**

**RE: SB 388 Incumbent Worker Training**

For several years, a unique group of partners including Montana Economic Developers Association, Montana Department of Commerce, the Governors Office of Economic Development, Montana Department of Labor and over 78 Outreach Specialists has worked together to coordinate the highly successful Montana Business Expansion and Retention (BEAR) program.

The BEAR Program supports and strengthens local companies and enhances a community's business climate. While business recruitment is a well-known and highly effective economic development tool, business expansion and retention (BEAR) is at least as essential to Montana's continued economic growth. *The most growth, wealth creation and expansion capabilities exist within our homegrown businesses that were conceived, incubated and grown in Montana.* These are the businesses the BEAR program targets working in conjunction with the Incumbent Worker Training Program.

To accomplish our goal of strengthening and supporting existing businesses, BEAR Teams have been created all over the state. BEAR Teams are a cooperative partnership of local economic, community and workforce development organizations and individuals. In the BEAR process once a business has been interviewed by team members, an assessment team reviews the interview data and makes referrals and recommendations to the business owner. The business owner then chooses to access the resources that they believe will have the most positive impact on their business.

In the attached 2008 BEAR Annual Report you will see that the BEAR Program has been successful in meeting a variety of business owner needs. The BEAR Program utilizes software provided by ExecutivePulse to record and track the large amounts of data the Outreach Specialists generate on each visit. Of particular interest to you as you consider SB 388 is the pressing need that has been identified by Montana business owners through this data for workforce and workforce training support. You will note on page four of the attached report that overwhelmingly, the need Montana businesses have requested most often is for workforce assistance and workforce training. Of the 429 businesses interviewed, 265 listed this as a major need for their business. The second need, with 55 listed, was in the area of entrepreneurship and management.

To conclude, the Montana BEAR Program has proven success identifying and filling the needs of Montana's businesses and workforce. Of utmost importance to the ongoing success of the BEAR program and the businesses it serves is continued and expanded access to incumbent worker training assistance for Montanan's. SB 388 would provide essential training and assistance to the hard working citizens of our state.

Sincerely,

Mike O'Rourke and Gloria O'Rourke  
Co-Directors  
Montana BEAR Program

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# BEAR

montana business expansion and retention

The Montana Bear Program is a partnership with the Governor's Office of Economic Development, Montana Department of Commerce, Montana Department of Labor, ExecutivePulse and MEDA.

## ANNUAL REPORT FOR 2008

### THE MONTANA BEAR PROGRAM IS PROVING ITS SUCCESS

*Proving Success in Growth: The chart below demonstrates an increase in Outreach Visits to businesses. In 2006 there were 142 total visits, 233 in 2007 and rose to 275 in 2008. Overall program outreach visits have almost doubled since 2006.*

Productivity By Date of Outreach Visits in Montana for 2008

Month, Year	Records	Percent
January 2008	49	18%
February 2008	29	11%
March 2008	24	9%
April 2008	16	6%
May 2008	16	6%
June 2008	35	13%
July 2008	23	8%
August 2008	24	9%
September 2008	14	5%
October 2008	13	5%
November 2008	17	6%
December 2008	15	5%
	<b>275</b>	<b>100%</b>

### Proving Success in Growth by Geography

**North Central Montana: 58 visits; South Central Montana: 123 visits**

**Southwest Montana: 43 visits; Western Montana: 51**

Note: Several Eastern Montana BEAR Teams were trained in December 2008 and will begin outreach visits in 2009.

2006 Counties	Visits	2007 Counties	Visits	2008 Counties	Visits
Flathead County	83	Flathead County	27	<b>Flathead County</b>	<b>12</b>
Yellowstone County	34	Yellowstone County	69	<b>Yellowstone County</b>	<b>80</b>
Butte/Silver Bow	19	Butte/Silver Bow	8	<b>Butte/Silver Bow</b>	<b>35</b>
Anaconda/Deer Lodge	1	Anaconda Deer Lodge	2	<b>Anaconda Deer Lodge</b>	<b>3</b>
Cascade County	5	Cascade County	48	<b>Cascade County</b>	<b>46</b>

		Park County	12	Park County	16
		Wheatland County	1	Wheatland County	1
		Musselshell County	1	Musselshell County	1
		Missoula County	20	Missoula County	4
		Ravalli County	17	Ravalli County	24
		Mineral County	10	Mineral County	0
		Lincoln County	5	Lincoln County	5
		Lake County	3	Lake County	6
		Fergus County	5	Fergus County	7
		Hill County	3	Hill County	3
		Judith County	2	Judith Basin County	1
				Choteau County	1
				Big Horn County	1
				Carbon County	8
				Stillwater County	15
				Sweet Grass County	1
				Broadwater County	1
				Gallatin County	3
				Lewis and Clark County	1

Total visits 2008

275

***Proving Success in Growth through Outreach Specialists***

- ▶ Number of active Outreach Specialists in 2006: 25
- ▶ Number of active Outreach Specialists in 2007: 64
- ▶ Number of active Outreach Specialists in 2008: 78

**Outreach Specialists in 2008 with 3 or more visits**

Alfrey, Tom	12	Johnson, Deanna	3
Axtell, Nancy	13	Judd, Vicki	5
Bailey, Kathie	5	Klaman, John	3
Barney, Lad	8	Kramer, Melissa	16
Bertolino, Joel	10	Mantooth, Carrie	8
Cannon, Kathleen	13	McIntyre, Tracy	4
Detrick, Dale	4	McNeill, Linda	30
Erickson, Todd	3	Moody, Kathy	56
Foster, Julie	4	Mousley, Heather	7
Gardner, DeLynn	8	Pulver, Amyee	11
Gorman, Thomas	3	Smitham, Jim	13
Hanken, Susan	15	Steele, Vickie	6
Hardy, Barbara	17	VanTighem, Steve	18
Hartman, Kendall	16	Zdinak, Andy	21
Hays, Rae Lynn	3		
Helvik, Rebecca	8		
House, Adele	53		

***Proving success in Summary Report Comparisons:***

**Summary Reports – Comparison of 2006, 2007 and 2008**

	1/1/2006 – 12/31/2006	1/1/2007 – 12/31/2007	1/1/2008 – 12/31/2008
Generated Referrals:	119	233	515
Successfully Closed Referrals:	86	125	429
Time Spent (in hours):	178	243	590
Estimated Total Increase in Revenues:	\$0	\$30,000	\$51,800
Jobs Created:	18	139	4
Jobs Retained:	0	10	24

***Proving success in referrals generated, closed and still in progress.***

Referral status	Count in 2006	Count in 2007	Count in 2008
Open	15	113	122
Successfully closed	70	106	357
Unable to close	34	14	36
	119	233	515

Referral type	2006		2007		2008	
	Count	Percent	Count	Percent	Count	Percent
Information only	70	81%	65	52%	156	36%
Project driven	16	19%	57	46%	273	64%
Not Yet Determined	0	0%	3	2%	0	0%
	86	100%	125	100%	429	100%

The following is a list of current referral agencies that have responded to requests for assistance:

ACCU-TAX	Great Falls Development Authority	Montana Tech
Billings Job Service	Great Falls Job Service	Montana World Trade Center
Business Improvement District	Green Valley Designs	MSU
Butte Chamber of Commerce	Headwaters RC&D	MSUGFCollege of Technology Outreach & Workforce Development
Butte Job Service	Job Service	NWTACC Northwest Trade Adjustment Assistance Center
Cascade County	John P Mabie CPA	PPL
Centene Corp.	Lisa A. King	Ravalli Republic
City of Great Falls	Livingston First Interstate Bank	SCORE
Consulting	Livingston Job Service	TransTech Center
CynRoc	Maverick Group	URA
Department of Commerce, International Trade & Relations Bureau	Missoula Job Service	Wendy J. Weissman, CPA, PC
Department of Labor and Industry Workforce Services Division	Montana Apprenticeship & Training Program	Zee Creative
MT Dept. of Commerce	Montana Manufacturing Extension Center	Montana Tech
dStudio 12	Montana Procurement and Technical Assistance	
Flathead Electric Cooperative	Montana State University-Billings	

**Summary of type of Need Addressed:**

Type of Need	Count in 2006	Count in 2007	Count in 2008
Domestic/global marketing and sales	11	17	45
Entrepreneurship/management	16	33	55
Environment/government regulations	6	6	3
Financing/capital	7	15	15
Foreign trade zone	0	0	1
Information technologies	0	1	2
Local government services	5	5	25
Location assistance	2	0	4
Operations/production	6	12	8
Product development	0	1	0
State government	0	2	0
Transportation/logistics/supply chain	1	0	1
Utility	2	0	5
Workforce/training	30	33	265
	86	125	429

**Business Owners ranked Worker's Comp, Health Care and Workforce Availability as their highest concerns:**

Workman's Compensation Rates	Response	Count	Percent
	Excellent	4	2%
	Good	55	22%
	Fair	77	31%
	Poor	73	30%
	No opinion	37	15%
		246	100%

Health Care	Response	Count	Percent
	Excellent	5	2%
	Good	40	16%
	Fair	64	26%
	Poor	115	46%
	No opinion	24	10%
		248	100%

Workforce Availability	Response	Count	Percent
	Excellent	17	7%
	Good	62	25%
	Fair	77	31%
	Poor	79	32%
	No opinion	13	5%
		248	100%

### Industries Served 2008:

NAICS Codes	1/1/2006 - 12/31/2006		1/1/2007 - 12/31/2007		1/1/2008 - 12/31/2008	
	Count	Percent	Count	Percent	Count	Percent
11 - Agriculture, Forestry, Fishing ...	3	3%	6	3%	6	2%
21 - Mining, Quarrying, and Oil and ...	1	1%	1	0%	2	1%
22 - Utilities	0	0%	0	0%	2	1%
23 - Construction	9	8%	24	10%	18	7%
31 - Manufacturing, (food, beverage,...	5	4%	3	1%	9	3%
32 - Manufacturing, (wood, paper, et...	1	1%	8	3%	9	3%
33 - Manufacturing, (primary and fab...	9	8%	29	12%	11	4%
42 - Wholesale Trade	6	5%	14	6%	6	2%
44 - Retail Trade, (motor vehicle, f...	9	8%	29	12%	24	9%
45 - Retail Trade, (sporting goods, ...	6	5%	32	14%	34	12%
48 - Transportation and Warehousing,...	12	10%	9	4%	3	1%
51 - Information	6	5%	6	3%	12	4%
52 - Finance and Insurance	2	2%	5	2%	12	4%
53 - Real Estate and Rental and Leas...	5	4%	3	1%	4	1%
54 - Professional, Scientific, and T...	13	11%	13	6%	33	12%
56 - Administrative and Support and ...	3	3%	4	2%	7	3%
61 - Educational Services	0	0%	3	1%	4	1%
62 - Health Care and Social Assistan...	11	9%	23	10%	29	11%
71 - Arts, Entertainment, and Recrea...	2	2%	2	1%	7	3%
72 - Accommodation and Food Services	4	3%	5	2%	16	6%
81 - Other Services (except Public A...	8	7%	14	6%	22	8%
92 - Public Administration	4	3%	0	0%	5	2%
	119	100%	233	100%	275	100%

### BUSINESSES VISITED ACCORDING TO SALES:

Businesses with under \$500,000 in sales: 176  
 Businesses with \$500,000 to \$1 million in sales: 30  
 Businesses with \$1 million to \$5 million in sales: 45  
 Businesses with \$5 million to \$10 million in sales: 9  
 Businesses with \$10 million to \$25 million in sales: 8  
 Businesses with \$25 million to \$50 million in sales: 3  
 Businesses with \$50 million to \$75 million in sales: 2  
 Businesses with \$75 million on up in sales: 2

## ***BUSINESS OWNER FEEDBACK ON BEAR***

*Here is what Montana business owners said about the program:*

- ❖ Add the word "extremely" to your satisfaction survey. Your program is amazing.
- ❖ This program allows business owners to work "on" their business rather than just "in" their business.
- ❖ I wish I had contacted the Bear program sooner as I believe we would have benefited more from some of the resources and suggestions as a result. The assistance we received with staff recruitment and supervisory training was invaluable.
- ❖ The BEAR program has helped me to greatly expand my services.
- ❖ I believe that the concept of helping small business in Montana to retain valuable staff by assisting the business to train their staff so as to make them more efficient at what they do will benefit the business, its customers, the employee and the state as a whole has a lot of merit.
- ❖ The Bear program has worked and continues to work very well for us since we are a new and growing business. We have been able to get funds for training that we otherwise would not be able to have afforded and we have made some great contacts through our training as well.
- ❖ A company of our size has a limited budget to pay for training opportunities. With assistance from BEAR, we were able to leverage our funds to offer excellent training to more of our staff.
- ❖ The BEAR program does not have enough training dollars. It needs more funding.
- ❖ The BEAR Program is very useful for business owners as it provides the resources to access the business tools/information we need, but are not always able to find.

### ***In Conclusion:***

The BEAR program began in Billings in 2001 and spread to Kalispell, Great Falls and Butte. With the purchase of Executive Pulse data access for the entire state in 2006, the Governor's Office of Economic Development (GOED) paved the way for the statewide BEAR (Business Expansion And Retention) Program to flourish. Now working as a partnership, the GOED, Montana Department of Commerce, Montana Department of Labor and MEDA administer the statewide program. Thanks to incredible dedication and professionalism on the part of individual BEAR teams all across the state, businesses are getting much needed support, which plays a key role in the growth and stability of Montana's economy. The MEDA BEAR Working Group has been a tremendous asset in the implementation of the program statewide.

Part of the success in 2008 was due to an Incumbent Worker Training Grant pilot program that was operated in Billings, Livingston and Lewistown. It is hoped that legislation will be successful to allow this pilot program to be implemented statewide.

Respectfully submitted,

Michael O'Rourke    Gloria O'Rourke  
Montana BEAR Statewide Coordinators

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ARE YOU  
**OPEN**  
FOR BUSINESS?

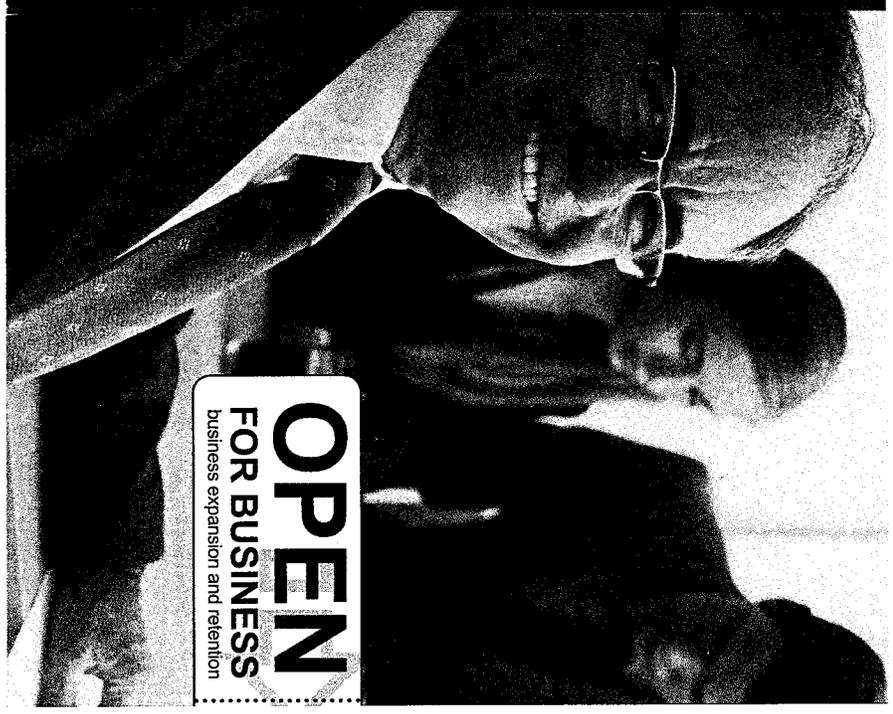
Are you open to insights and advice?  
Would you like information on how to expand  
your business? The Business Expansion and  
Retention (BEAR) program offers business  
owners like you the opportunity to share  
insights into what it takes to grow a business  
in your area. If you're open-minded about  
receiving advice from experts that can help  
expand your business and refine its operations  
or open to the idea of sharing your unique  
expertise with business owners in your  
community, the BEAR program is for you.

**BEAR**

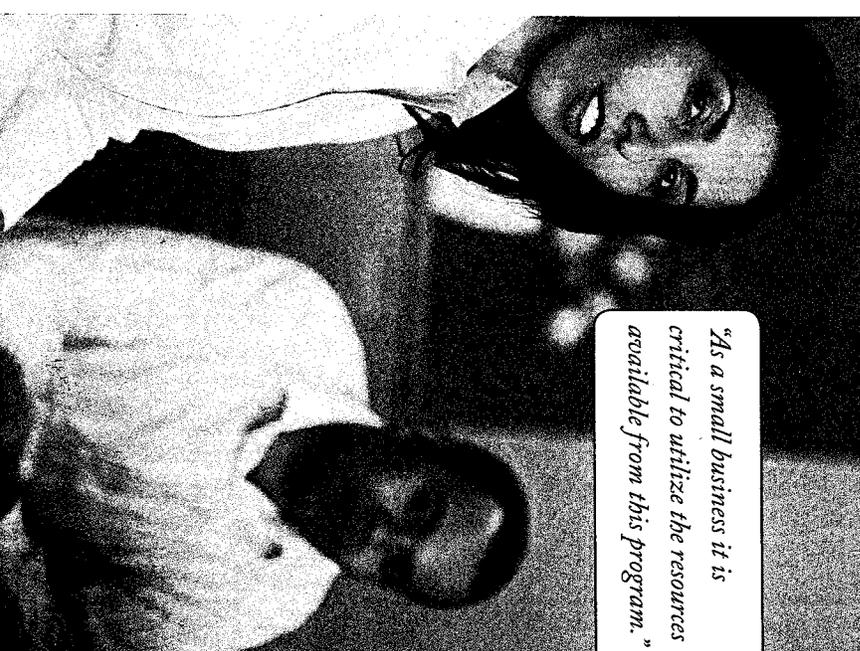
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**OPEN**  
FOR BUSINESS  
business expansion and retention



*"As a small business it is critical to utilize the resources available from this program."*

As a business owner, you and your business contribute to the health and vibrancy of your local economy. The BEAR program is the tool to support you and create future successes for your business.

The BEAR program's collaborative, community-wide team offers experts, uniquely knowledgeable about your local economy that can help you expand your business or refine its operations.

The BEAR program's resource referrals assist businesses in evaluating growth potential, addressing areas of concern and referring them to resources they might otherwise not know existed.

#### BEAR OFFERS ASSISTANCE WITH:

Marketing Plan

Government Contracts

Business Plan

Information Technology

Financial Management

Human Resources

Energy Auditing

Strategic Planning

Inventory

Supply Chain

Customer Service

Legal & Regulatory

Insurance

Business Development

Website Development

Public Relations

#### the five BEAR steps

- 1 Area business people volunteer and receive training to be mentors.
- 2 Local business owners apply and are selected to be interviewed to become clients.
- 3 Trained volunteers interview the selected businesses to assess overall business health.
- 4 The BEAR assessment team reviews the interview information and identifies need.
- 5 Suggested resources contact business owner to discuss support.



Over a 100 business owners just like you have taken advantage of the BEAR program. They've received assistance in areas such as workforce training, business management, global and domestic marketing, and acquiring financial support.