

Lakes Region Planning Commission SWOT Analysis & Recommendations

The results of a SWOT survey administered to the CEDS Committee were presented to the Committee in late April, at which time they were discussed and prioritized. The SWOTs appear in priority order according to the votes of Committee members on the table on the following pages. In addition, a brief summary of the SWOT survey results and the Committee's SWOT discussion is included after the SWOT table. Based on the SWOT analysis and Committee discussion, Camoin Associates drafted the following recommendations to guide the region through the remainder of its CEDS process:

1. Draft the economic development vision statement next – what does the Lakes Region want to be in 10, 20 years? What will it be known for, what kinds of industries will exist here, what kinds of jobs will the region offer, what kind of workforce will it have (in terms of age and education)? Be specific and build on key assets or strengths, things that are unique about the region. Most of your goals, objectives and strategies will naturally flow from the vision statement.
2. Although not ranked highly by Committee members, we suggest that LRPC consider environmental awareness of residents and businesses as a key strength around which to build the region's economic development vision statement. It potentially complements the top two strengths chosen by the Committee (the region's natural beauty and NHCTC partnerships with local businesses) as well as the region's relative strength in construction trades to provide a basis upon which the region can build a reputation as a center for development of new "green" building technologies and other products and processes that conserve energy and help protect the environment, as well as a center for training in how to utilize such processes and products.
3. Building on the above, consider developing an incubator for start-ups in development of green technologies.
4. Further building on the environmental theme, consider promoting the development of niche eco-tourism businesses, "green" accommodations facilities, organic niche agriculture, sustainable

forestry businesses, etc. to further the region's brand as a center for environmental consciousness. This effort should start with educating businesses of the value of "going green." Conduct some market research on environmentally friendly tourism, organic farming and sustainable timber harvesting to use in these education efforts. Consider starting a grant or loan fund for businesses to convert to use of clean energy, renewable resources or other more environmentally friendly business processes.

5. Use the industry cluster analysis to develop a list of target industries. They should be a mix of industries the region already has strengths in and industries the region currently lacks, but would like to build to support its vision. In finalizing this list, consider the over-reliance on tourism and retail that the Committee deemed the region's #1 weakness.
6. If LRPC has not already done so, conduct a detailed assessment of the region's workforce in conjunction with local/regional workforce investment boards, school boards and institutions of higher learning in Central NH. Formulate a joint plan to address the needs of the target industries the region wishes to retain/attract.
7. If LRPC has not already done so, conduct a detailed assessment of the region's affordable housing needs, based on an inventory of its existing stock, or rely on existing studies if they have been done. Use the CEDS process to identify and bring together key stakeholders who can influence the situation. Share the target industry list with them and the workforce development plan to indicate what future housing needs may look like.
8. Encourage regional economic development organizations to jointly create, fund and administer a "Lakes Region Network of Retired Executives" with the goal of advising new entrepreneurs and growing small companies on issues such as strategic business decisions, identifying and attracting investors, marketing, long-range planning, etc.

SWOT Table

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> 1. Natural beauty, lakes, mountains (16) 2. NH Community Technical College partnerships with LRGH and other local businesses to establish business-specific training programs (9) 3. Local and regional economic development councils' support for business growth (9) 4. Internet access – Belknap is best wired county in the state (8) 5. Safe and friendly place to raise a family or retire (7) 6. Strong tourism industry with long history (6) 7. Niche manufacturing of high-end specialty products and contract manufacturing for aerospace, computer components and digital printing (4) 8. Location – near Boston, offers diverse outdoor recreational options (4) 9. Vibrant non-profit sector (3) 10. Strong sense of community (3) 11. Local and regional planning commission's focus on orderly growth (2) 12. Welcoming business community (2) 13. Accessibility – airport, I-93 (2) 14. Rural New England character and charm (1) 15. Low overall tax burden (1) 16. Strong work ethic (1) 17. Low cost of doing business compared to more urban areas in NH and New England (1) 18. Lakes Region General Hospital partnerships with local institutions of higher learning to strengthen training in medical professions (1) 19. Environmental awareness of many residents & businesses (0) 20. CDFA tax credits (0) 21. Traditional independence of towns (0) 	<ol style="list-style-type: none"> 1. Over-reliance on tourism and retail sectors, which typically provide low-wage jobs (12) 2. Lack of affordable housing for workforce, local communities not supportive of workforce housing (12) 3. Labor force – lack of abundant supply of quality employees, highly skilled workers, shrinking workforce due to demographic changes (11) 4. Lack of support for quality education statewide, reliance on local property taxes only for school funding, local conflicts over support for schools (8) 5. Poor growth management at local level – not enough coordination at County level, not enough regional “smart growth,” inconsistent support and guidance for growth across the region, unbalanced strip and big box development detracts from New England charm (7) 6. Lack of professional opportunities for young adults; out-migration of young adults (7) 7. Growing wealth disparity and poverty in some areas (6) 8. Inability to offer combination of workforce and capital quickly enough to allow companies to grow (5) 9. Provincial attitudes toward economic development and change in general (4) 10. High energy costs (3) 11. High real estate costs (3) 12. Seasonality, lack of cultural activities in the winter make it difficult to attract people year-round (3) 13. High property taxes (2) 14. Lack of year-round customer base (1) 15. Road systems – poor quality and lack of local road connectivity to major thoroughfares in many areas (1) 16. Some town governments are not business-friendly; permitting can be cumbersome (0) 17. Aging population perpetuates increase in demand for low-wage service jobs (0)

OPPORTUNITIES

1. Tap into expertise of significant retiree population in the area – many are former CEOs, entrepreneurs, academics or policy wonks and they could be a major resource for young entrepreneurs and small companies looking to grow (16)
2. Digital age allows people to work remotely, making the Lakes Region a more viable location for a variety of businesses (14)
3. Growing retiree population creates demand for more health care jobs and cultural and entertainment jobs (10)
4. Conversion of old mill buildings into “cool spaces” for creative businesses (9)
5. Capture more of Boston Brain Trust and Boston seed capital by targeting businesses that sell to larger companies in Boston area (7)
6. Granite Media Center fostering growth of media industry (movies, animation, etc) (4)
7. Trend of people who grew up in the Lakes Region returning later in life after becoming successful (3)
8. Large number of retirees could fill needs of seasonal employers (3)
9. Over-development and cost of real estate in southern NH will make Lakes Region more attractive (3)
10. Vacationers moving to Lakes Region permanently after visiting brings in professionals with diverse backgrounds (2)
11. New conference & convention center at Lakes Opechee Inn will be largest venue in NH and can draw trade shows and conventions (0)

THREATS

1. Rising cost of living combined with fixed incomes of many seniors could lead to increased poverty among this age group and more demand for public assistance to care for them (16)
2. Second home market and influx of affluent retirees could continue to drive up housing costs (11)
3. Continued increase in health care costs and malpractice insurance costs for doctors could be compounded in the region because aging population will require more health care services as the industry is becoming less profitable and more difficult to work in (11)
4. Changes in travel market could erode Lakes Region's tourism economy (i.e., trend of cottages converting to condos) (9)
5. New business activity that could be harmful to the environment – could threaten viability of tourism and region's identity (8)
6. Continued decline of manufacturing sector in U.S. (8)
7. International ownership of corporations makes it difficult to influence location or re-location decisions (5)
8. Weather patterns affect the tourism industry (skiing, ice fishing, boating, etc) (3)
9. Newcomers that have a different perspective on quality of environment, sense of community, cultural heritage (2)
10. NH business profit tax is a disincentive that could undermine desire for businesses to locate in the state (1)
11. Federal immigration restrictions could impact availability of seasonal tourism labor (0)

Summary of SWOT Survey

The Lakes Region Planning Commission retained Camoin Associates to design a survey to solicit the opinion of members of the CEDS Committee on the strengths, weaknesses, opportunities and threats (SWOTs) of the region from an economic development perspective. The survey was administered in early April 2007. Eighteen members of the CEDS Committee responded to the survey. Camoin Associates compiled and organized the responses into four categories: strengths, weaknesses, opportunities, and threats. Most of those responses are presented in the table on the previous pages. Included here are summary tables of two specific questions, as well as an overall summary of what the SWOT survey responses said to us.

Table 1. Economic Development Factors	Strength 1=strong 5=weak
Natural Environment	1.31
Location	1.88
Involvement of Major Employers in Economic Development	2.25
Availability of Financing for Businesses	2.33
Telecommunications Infrastructure	2.50
Public Support for Economic Development	2.56
K-12 Educational System	2.63
Quality of Labor Force	2.75
Institutions of Higher Learning	2.75
Tax Structure	2.81
Political Culture/Environment	2.88
External Perception of Business Climate	2.88
Availability of Vacant, Shovel-Ready Land	2.94
Availability of Quality Vacant Buildings/Space	2.94
Public-Private Partnerships	3.00
Land Use Regulations/Zoning	3.13
Real Estate Prices	3.31
Ability to Attract/Retain Workers	3.31
Transportation Infrastructure	3.56
Cost of Utilities	3.88
Accessibility of housing	4.13

Source: LRPC SWOT Survey, Camoin Associates

One of the questions asked survey respondents to rate the strength of a number of economic development factors in the Lakes Region. The average score of each of these factors is shown in Table 1 above. As shown in the table, the factors that were deemed most significant

strengths were the region's natural environment and its location. The factors that were scored as weakest were the cost of utilities and the accessibility of housing.

Another question asked survey respondents to rank the viability of a number of business sectors in the Lakes Region. Table 2 below shows the average score of each sector, with tourism ranking strongest. There were no sectors scored as "weak" by respondents, but comparatively speaking, manufacturing scored the lowest.

After analyzing the SWOT survey results, Camoin Associates devised the following short paragraph to highlight what we feel are the most significant economic development themes reflected in the responses:

Table 2. Industry Sector	Viability 1=strong 5=weak
Tourism (Accommodations, Restaurants, Recreation, Entertainment)	1.80
Construction	2.20
Health Care	2.20
Retail	2.27
Finance, Insurance, Real Estate (FIRE)	2.33
High-Tech	2.40
Manufacturing	3.20

Source: LRPC SWOT Survey, Camoin Associates

The Lakes Region attracts many visitors, which sustain its important tourism industry, as well as many wealthy and older residents—both retirees and second home owners. This success and the region's reliance on tourism has contributed to weaknesses in the local economy, such as a lack of diverse professional work opportunities, especially for younger professionals; high housing costs; lack of year round economic activity; and lack of a highly skilled workforce. The region should build on its natural beauty, low cost of doing business, telecommunications infrastructure and high quality of life and harness opportunities presented by demographic changes, particularly by transforming the growing population of highly educated and experienced retirees into a resource for fostering and supporting young entrepreneurs and growing companies, with the ultimate goal being to diversify the local economy and build industry sectors other than manufacturing, tourism and low-wage service industries.

Summary of SWOT Discussion

The CEDS Committee met in late April 2007 to review the results of the SWOT survey and discuss what they mean and the possible CEDS goals and objectives that might be developed based on the SWOT analysis. The following is a summary of key discussion points:

- **Over-reliance on Tourism Industry:** How can we diversify tourism to include higher wage jobs with low environmental impact? What level of tourism growth can realistically be achieved and be sustainable, both environmentally and economically? The CEDS should include strategies aimed at strengthening the tourism industry in these ways and we should consider whether or not we want to encourage additional growth of this industry.
- **Environmentally Friendly & Clean Energy Business:** Why do we not already see more entrepreneurial activity around environmental and clean energy ideas? It seems that the environment is an issue that brings lots of people together and is a key part of our identity. Addressing the high cost of utilities by promoting alternative energy for homes and buildings could be a business opportunity.
- **Agriculture & Forestry:** Another important part of maintaining our region's natural beauty, which is an important strength, is to make sure the "working landscape" (agriculture and forestry) is sustained. Growing niche agriculture could be supported by better direct marketing to consumers through farmers' markets. Local wood processing could support forestry and keep our timber here.
- **Affordable Housing:** The "real question" is how to make the provision of affordable housing realistic in the marketplace – how to incentivize property owners and developers to do it since the costs are often prohibitive.
- **Workforce Development:** What are the labor force needs of the region, so we can focus our efforts therein, since it seems to be a

weakness? How can we use partnerships to address workforce issues?

- **Building on Retiree Expertise:** The expertise of the growing retiree population could be a significant resource for entrepreneurs and growing companies. How do we harness the expertise, energy and civic-mindedness of this growing segment of our population?
- **Structures for Implementation:** An important question is how do we define the intermediate steps to achieve goals identified through this process? What impediments stand in the way of achieving the goals we set? Which organizations, entities in the region should be responsible for implementing the various aspects of the CEDS? How do we build this implementation structure? The CEDS should include this information.