



2009 IndustryFIRST Survey

Survey Report

In June of 2009, the Pitt County Development Commission [PCDC] sent a 16 question survey to 92 companies listed in our Manufacturers and Distributors Directory. We previously surveyed our industrial community in 2007, 1998 and 1990. PCDC solicits input from our local industries to gauge the local economy and identify industry needs and trends.

Surveys were emailed and faxed to Plant Managers and Human Resource Directors. Two follow-up emails and faxes were sent out as well. Thirty employers, 33% of the sample, returned our survey compared with 15% in 1990 and 30% in 1998 and 2007.

The respondents were diverse. Both large and small companies, multi-national and home-grown, responded. The companies are located throughout the county: nineteen from the Greenville area, six from Farmville, three from Ayden, and one from Winterville. One respondent was completely anonymous.

Overall, the responses indicate a positive outlook relating to future expansion plans but sales and employment figures from 2008-2009 were not as positive. PCDC will take concrete action in every area that we can. Some efforts are already underway, but we are prepared to take the lead or provide staff support to combat any negative business factor. It is important to us to be as responsive to our existing industries and community as we are to those companies we are recruiting.

Market and Sales

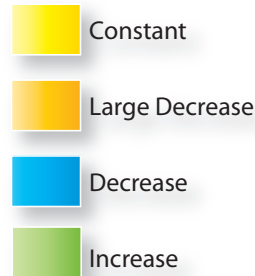
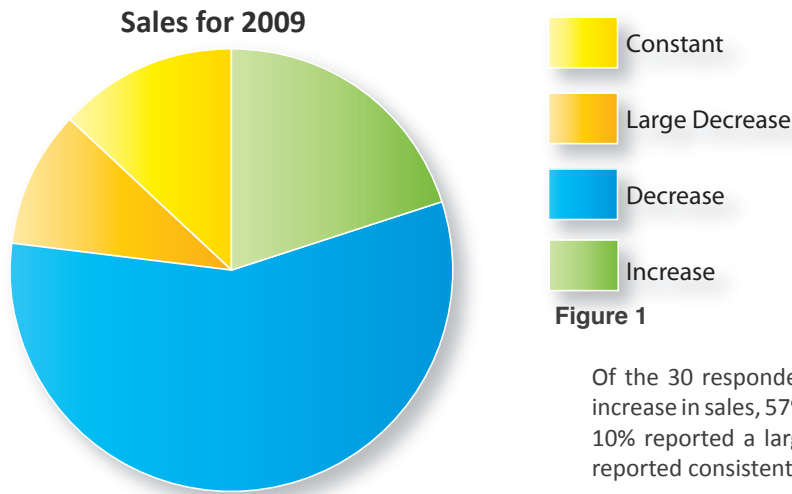


Figure 1

Of the 30 respondents, 20% reported an increase in sales, 57% reported a decrease, 10% reported a large decrease, and 13% reported consistent sales. [See Figure 1]

Market Information

Primary Markets

Primary sales by market

Local [50 miles]	20%
Regional [51-250 miles]	32%
National	43%
International	5%

Foreign Trade

Percentage of respondents that export product:

Yes	43%
No	50%
No Response	7%

E-commerce

Percentage of respondents that sell product over the internet:

Yes	40%
No	57%
No Response	3%

Factors that Affect Business

The top five issues that affect industry the most include [listed high-priority to low-priority]:

1. Cost of Materials
2. Buyer Financial Problems
3. Cost of Energy
4. Foreign Imports
5. Access to Capital [tie]
5. Domestic Competition [tie]
5. Transportation Costs [tie]

Following closely behind were issues such as:

- Worker Skills
- State & Federal Regulations

Many respondents noted the general economic downturn as a major factor that affected their business.

The top three factors that have a negative impact on profit include [listed high-priority to low-priority]:

1. Lack of Demand
2. Health Care Costs
3. Energy Costs

Life Cycle of Primary Product

77% of respondents say their products are growing or maturing with only 10% noting their product was declining.

Maturing:	50%
Growing:	27%
Declining:	10%
Emerging:	3%
No Response	10%

2009 Pitt County Manufacturing Firms Survey

Number of Surveyed Firms:	92
Responses:	30
Respondent's Location:	
Greenville:	19
Farmville:	6
Ayden:	3
Winterville:	1
Unknown:	1
Respondent's Size:	
Small [49 or less employees]:	13
Medium [50-499 employees]:	14
Large [500+ employees]:	2
Unknown:	1

Human Resources

Annual Payroll

19 respondents reported an annual payroll which totaled \$119,815,278. 53% of respondents noted a decrease in payroll, 27% noted an increase, 17% noted no change, and 3% chose not to respond.

53% of respondents noted that they had to involuntarily lay off some of their staff, while 43% did not. 3% of respondents did not answer. Out of the 53% who did implement layoffs, only 38% expected to rehire those same displaced workers in the upcoming year.

Employee Recruiting

60% of respondents reported having difficulty recruiting employees in the following categories [listed high-priority to low-priority]:

1. Skilled [machine operators, tooling]
2. Semi-Skilled [laborer, assembly]
3. Professional Management
4. Technical [engineering, MIS, IT]
5. Administrative [sales, data processing, clerical]

Workforce Training Needs

100% of respondents reported that the following competencies were the most important training needs for their current workforce [listed high-priority to low-priority]:

1. Communication Skills
2. Problem Solving
3. Reading/Writing Skills
4. Computer Skills
5. Math/Science Skills
6. Safety

Additional issues that were mentioned but not listed included teamwork skills, management/supervisor skills, electronic assembly, and quality inspection.

Expansion Outlook

Expansion Outlook

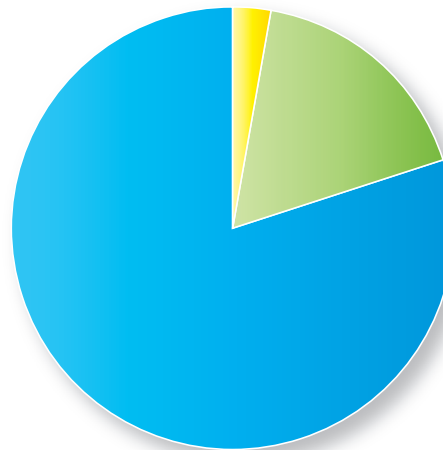


Figure 2

Companies were asked to forecast their business intentions in the next three years. Over half of the respondents expect to expand or stay the same. Only 1% of the respondents expected to downsize or close. Many of the companies that expected to expand noted they would add new equipment, add employees, add a new product line, or expand their facility. [See Figure 2]

Infrastructure Needs

30% of respondents reported infrastructure needs [listed high-priority to low-priority]:

1. Internet Access
2. Roads
3. Cost- Competitive Electric Rates
4. Sewer [tie]
4. Water [tie]

Telecommunications was also mentioned.

Competitive Edge

Companies were asked to note the most significant factors that their business plans to focus on within the next five years to remain competitive. They responded with [listed high-priority to low-priority]:

1. New Market Development
2. Add/Change Product Line
3. Expansion in Workforce [tie]
3. New Product R&D [tie]
3. Quality Assurance [tie]
6. New Technology
7. Workforce Skill Development

Industry Satisfaction

Of the 30 respondents, **77% were satisfied** with Pitt County's existing industry program, **3% were not satisfied**, and **20% chose not to respond**. Other comments included:

- "We appreciate all the emails keeping us posted on changes. Keep up the great job."
- "My biggest complaint is that quite often the focus is on bringing new industry to the area with tax and other incentives while small established businesses get virtually no support."
- "Continue to keep us informed on any business opportunities as it relates to new sales or cost savings."
- "There seems to be large amounts of stimulus money out [there], but I do not see it flowing into Pitt Co. industries, why not?"
- "Provide comparative information on salary and benefits."
- "Takes too long to get information."
- "Energy costs are a particular concern especially our electrical costs. Any help with this issue would be greatly appreciated."
- "Continue to arrange meetings between existing industries."
- Assist in controlling/monitoring government regulation and taxation in environmental and workers compensation jurisdictions."
- "Continue to promote business with companies in our area. Let others know the capabilities of industries in the area. Encourage them to use each other's products and services."
- "Look at tax cuts for businesses to help remain competitive with companies that got tax cuts to take jobs out of the country."