

# Made In Alaska

## 2007 & 2009 SURVEYS

(Unscientific)

### 2007 Rural Start-up Survey

In January 2007, upon the request of the State of Alaska, Department of Commerce, Community and Economic Development, Office of Economic Development (DCCED/OED), Webb Consulting conducted a survey of the Made In Alaska (MIA) participants in Rural Alaska regarding business start-ups.

This 2007 survey was conducted on the phone polling rural Alaskans, and asked four questions of participants in the MIA program. Out of the 184 contacted, 108 participated in the survey. This reflects over a 58 percent response in participation. The survey was random and targeted only rural MIA participants.

The results of the survey were as follows:

#### Identified:

##### **1. How hard is it starting a business in "Rural Alaska"?**

1. There really are few business opportunities in the community where I live.	19	17.6%
2. I could not get anybody to help me develop my idea.	2	1.9%
3. I could not get money to help me get my business started.	6	5.6%
4. Even though I started a business, it is not doing very well.	12	11.1%
<b>5. I was able to start my business in rural Alaska just fine.</b>	<b>67</b>	<b>62.0%</b>
6. N/A or would not answer.	2	1.9%
	<b>108</b>	<b>100.0%</b>

##### **2. How did they get started financially?**

1. I was not able to get a loan because I have bad credit.	0	0.0%
2. I was not able to get a loan because I could not do all the required paperwork.	0	0.0%
3. I wasn't able to get a loan because I didn't have enough of my own money to put into it.	4	3.7%
4. The lender thought my idea was too risky or their terms were just unreasonable.	2	1.9%
<b>5. I started my business without going for a loan or I was able to get the loan I needed.</b>	<b>99</b>	<b>91.7%</b>
6. N/A or would not answer.	3	2.8%
	<b>108</b>	<b>100.0%</b>

##### **3. Do they plan to expand?**

1. I cannot get or keep good workers.	11	10.2%
2. My market is just too small to support expansion.	24	22.2%
3. I cannot get the financing I need to expand.	7	6.5%
<b>4. I am happy with the way things are right now - I do not want to expand.</b>	<b>45</b>	<b>41.7%</b>
5. N/A or would not answer.	21	19.4%
	<b>108</b>	<b>100.0%</b>

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### 4. If they could fix one thing what would it be?

1. I would get access to a larger market.	45	41.7%
2. I would improve access to business support services.	8	7.4%
3. I would improve access to financing.	8	7.4%
4. I would improve our workforce.	8	7.4%
5. I would cut the red tape.	13	12.0%
6. If it ain't broke - don't fix it. Everything is OK the way it is!	24	22.2%
7. N/A or would not answer.	2	1.9%
	<b>108</b>	<b>100.0%</b>

### **PROBLEMS Identified:**

**Transport & Shipping:** Rising energy prices this past year has made it difficult for Rural Alaska.

1. Sawmills have seen their annual diesel bill increase to \$16,250 from \$5,000.
2. Outside wholesale suppliers & shippers have increased their shipping rates 25-65%. The exception appears to be Southeast AK, where water ship rates have not increased noticeably.
3. The cost of gas/diesel has some MIA Permit Holders rethinking if they can afford to attend various venues.

**Marketing:** Difficulties were expressed with respect to the internet & all aspects of marketing.

1. Technology was a concern as the internet has only just been made available in the more remote locations of the state. The choices can be cost prohibitive (analog dial-up vs. satellite for DSL).
2. Marketing attempts at a local level, mainly local galleries & shops not being as supportive. It was difficult to convince the local merchants to carry their products as these businesses were looking for other items from around the state.
3. Marketing attempts overall; Not sure if internet is being utilized & state tourism doing enough. People who have internet access have expressed concern that the State and various tourist oriented organizations are not doing enough to promote their business interests via the internet. In addition, a number of respondents showed interest in learning on how to market their business better on the internet, as they felt there is room for improvement but not sure how to go about it.

**Workforce:** Difficulties hiring local workforce and trained people (e.g. trades).

1. Many people expressed continual frustration with a local population that lacks the initiative to work. Most seasonal jobs start out at \$10 p/hr (building & mechanical at \$25-\$40 p/hr). A number of Permit Holders surveyed stated that they end up employing "Outside" help (e.g. family & friends coming up to visit for the summer), as they have not been able to hire locally. This in turn creates animosity. Another challenge is once a local is hired, lack of work ethics.
2. Lack of training opportunities to rural communities for building and mechanical trades.
3. Concern has been expressed that programs are only available in Anchorage & Fairbanks. (Referring to other programs.)

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**Financing:** Limited finance options from outside institutions & conflicts with state grant programs.

1. Common remark was how difficult it was to obtain decent financing from institutions outside of Alaska once a business was established.
2. Confusion and concern regarding how the State's grant program is handled. Many surveyed participants felt the grants are rewarded to non-rural and large businesses only.

**Red Tape:** Government and financial bureaucracy are main areas of concern.

1. Frustration expressed primarily at the Borough & Local levels for small businesses.
2. Constant changes & confusion on State/Federal levels when it comes to logging, fishing & dairy industries. Existing Federal laws for dairy farming in Alaska are "antiquated" and very restrictive. A number of Permit Holders are pushing for the state to get exemptions passed, especially for organic dairies. Permit Holders surveyed in the logging industry in general were pleased with the state, but thoroughly frustrated with the endless red tape on the federal level.
3. Financial paperwork & hoops they have to go through.

### **2007 OVERALL COMMENTS:**

A handful of Permit Holders surveyed stated they are expanding and generally satisfied on all levels.

### **2009 Broad Survey**

In January 2009, the State of Alaska, Department of Commerce, Community and Economic Development, Office of Economic Development (DCCED/OED) conducted a broader second survey of the Made In Alaska participants.

This 2009 survey was done over the internet for 30 days through Survey Monkey and promoted to all MIA participants, both in the news letter and through email, in hopes of reaching a broader range of participants throughout Alaska. This survey was also conducted to further evaluate the program's effectiveness.

Questions asked by OED in order to fulfill the mission and goal of the MIA program:

1. Has the MIA program met its mission over the years?
2. Do Alaskans continue to support the program?
3. What else can be done?

These questions resulted in a ten question survey submitted to the MIA participants. The following are the questions developed to post on Survey Monkey through the month of January 2009.

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The questions of interest:

1. Importance of the MIA to Alaskans
2. The variety of products a manufacture develops
3. Measure the amount of product growth
4. Measures the average time (the longevity) of participants in the MIA Program
5. What category of business MIA entrepreneurs are in
6. Primary location of business
7. How often do they work their business
8. Average employment
9. How much is sold out of state
10. Allow the participants to give their ideas or opinions, may come up with some good suggestions

### 2009 OVERALL COMMENTS:

On average, of the 1,111 participants of the program 224 responded (over 20%) to the survey. The participants are generally happy with the MIA program and 100 of the participants (over 44%) rated the program at a value of 3.26 (4 being the Highest) to their business. The program has also shown stability in the amount of participants over the last five years, and growth in products by two to three items on average per participant.

The survey showed participants would like to see more:

- Promoting of the program through media,
- Support by local retailers,
- MIA trade shows to participate in, and
- Enforcement of MIA logo usage.

The MIA program will continue with its current marketing campaign and program for the next five years. For the program to meet demands of the participants and balance with the rising costs, additional funding may be considered for the program.

These considerations of the program are for continued:

- Maintenance of display cases
- Media exposure
- Workshops / Webinars
- Quarterly Newsletter,
- Manufacturer of the Year Award, including Awards dinner

Consideration of an increase in the \$25.00 annual program fee may need to be considered. This fee increase will help to offset some of the additional rising costs of doing business. The Office of Economic Development may also be able to obtain additional funding for the program to help offset these rising costs.

The following are the results of Survey Monkey's questionnaire.

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This survey represents over 20% of the average 1,111 participants of the MIA program.

## Q1. On a scale, 1 being the lowest, and 4 being the highest, rate the importance of the MIA Program to your business.

Answer Options Please select one.	1 None	2 Low	3 Medium	4 High	Rating Average	Response Count
	3	35	86	<b>100</b>	<b>3.26</b>	224
					answered question	224

Over 44% of participants find the MIA of high importance to their business.

## Q2. How many products do you manufacture and sell using the Made In Alaska labels and/or stickers?

Answer Options	Response Percent	Response Count
1 to 3	36.6%	82
4 to 7	19.2%	43
8 to 10	7.1%	16
More than 10	37.1%	83
	answered question	224

As reflected on this survey the amount of items sold seems to vary.

Over 36% manufacture 1 to 3 items  
Whereas 37% manufacture 10 items or more.

## Q3. Have you added any new items in the past three to four years, or do you plan on adding new items in the future? If so how many?

Answer Options	Response Percent	Response Count
1 Item	33.9%	76
2 Items	14.3%	32
3 Items	11.6%	26
4 Items or more	40.2%	90
	answered question	224

40% surveyed have added 4 or more items to their business, whereas overall, all participants with the exception of 1 or 2 businesses have increased the amount of products sold using the MIA logo in recent years.

## Q4. I have been with the Made In Alaska Program for:

Answer Options	Response Percent	Response Count
1-3 years	33.5%	75
4-7 years	27.2%	61
8-10 years	12.5%	28
10 years or more	26.8%	60
	answered question	224

66.5% of participants surveyed have been with the MIA program for 4 years or more.

Over 26% have been with the program for 10 years or more.

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### Q5. My core business focus is Manufacturing:

Answer Options	Response Percent	Response Count	
Retail Products (clothing products, book, gifts, making jewelry, canning fish products, making jam, Music CDs, photography, etc.)	85.3%	191	85% of participants surveyed produce for retail as their core business. NOTE: The other categories may reflect a portion of their sales.
Food Service Products (wholesale food, coffee cart products, making equipment, etc.)	8.0%	18	
Business to Business or Industrial Products	6.7%	15	
	answered question	224	

### Q6. My business is primarily:

Answer Options	Response Percent	Response Count	
E-Commerce	3.6%	8	
Home-based	48.7%	109	Over 48% of MIA participants are Home-Based businesses. Only 22% use E-commerce to sell their products.
A combination of Home-based and E-Commerce	22.3%	50	
Other (please specify)	25.4%	57	
	answered question	224	

### Q7. My business is:

Answer Options	Response Percent	Response Count	
Seasonal	14.3%	32	
Year-round	82.1%	184	82% of MIA participants sell their products year round.
Other (please specify)	3.6%	8	
	answered question	224	

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### Q8. Including myself and family members, I employ:

Answer Options	Response Percent	Response Count	
1-3 employees	85.7%	192	Over 85% have 1 to 3 employees working for their business which may represent 100% family owned and operated.
4-7 employees	8.9%	20	
8-12 employees	2.2%	5	
13-15 employees	0.9%	2	
15 or more employees	2.2%	5	
	answered question	224	The remaining 14 plus percent may support 4 or more additional jobs.

### Q9. On average what percentage of your MIA products are sold outside Alaska?

Answer Options	Response Percent	Response Count	
5%	30.4%	68	Over 30% of participants directly sell 5% of their products outside of Alaska.
10%	9.8%	22	
15%	4.0%	9	Of the 224 participants surveyed, 64.8% of the participants directly sell out of Alaska.
25%	9.4%	21	
50%	4.5%	10	
75% or more	6.7%	15	
Don't know	7.6%	17	
None	27.7%	62	
	answered question	224	

### Q10. How do you feel the Made In Alaska Program could be improved?

**EXAMPLE: more exposure, more brand awareness, etc... How would you fund these improvements, please explain? Currently, the annual fee is only \$25.**

Answer Options	Response Percent	Response Count	
Increase the Fees	9.4%	21	Although over 58% would like to leave it like it is, most of the commenter's want to: 1) increase the exposure of the program 2) inspect and/or enforce the program more.
Leave it like it is	58.9%	132	
I don't know	31.7%	71	
Comments		70	
	answered question	224	

NOTE: This survey reflects the opinions of participants in the Made In Alaska program and does not reflect the opinion of the State of Alaska. For information regarding this survey or the Made In Alaska program contact:

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