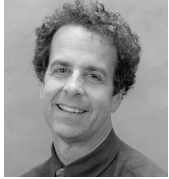


From the Chair

Marty Lombardi, WIB Chair



The Workforce Investment Board and the Greater Ukiah Chamber of Commerce sponsored a second economic development forum on November 4. Over 80 participants attended the morning-long session held at Mendocino College.

Dr. Robert Eyler, Director of the Center for Regional Economic Analysis, Sonoma State University, and Dan Ripke, Director of the Center for Economic Development at Chico State University, both familiar with Mendocino County economics, facilitated the forum, entitled *There's More to a Cluster than Grapes*.

Understanding an area's key industry clusters is an economic development tool that may be used to support the business community by identifying workforce training needs and determining what bureaucracy can do to assist business development within a particular cluster.

Ripke and Eyler set the stage for the identification of Mendocino County's predominate industry clusters and walked the participants through the process of highlighting the clusters they felt were the most significant in the county. Participants identified six major clusters for further delineation: organic agriculture, services for retirees, tourism, alternative energy, education, and public services.

The attendees were provided an opportunity to network and to work together collectively. The group was anxious to continue the conversation and to have the clusters studied in depth and supported by economic data. The outcome of any further study and data gathering may well lead to future presentations, highlighting one individual cluster at a time – a plausible next step in the cooperative effort between the WIB and the Chamber to examine economic issues in Mendocino County. Stay tuned.

WEST COMPANY: A BEST FRIEND OF SMALL BUSINESS

Small businesses and entrepreneurs in Mendocino County have an advocate and partner to turn to when they need advice, support, or training. West Company, a not-for-profit microenterprise development organization whose mission is to assist microbusinesses to grow, creating self-sufficiency and wealth, offers business development and management assistance for all stages of business ownership from feasibility studies through start-up and expansion. Because the organization encourages entrepreneurial thinking and creates local prosperity and job opportunities, the benefits of West Company's presence extends to all county residents.

West Company opened its doors in 1988, and since then, more than 400 start-up businesses and over 2000 existing businesses have benefited from its services, while 3,100 persons have attended the organization's entrepreneurial trainings. In just the five-

See *WEST COMPANY*, Page 2

MICROENTERPRISE: SMALL BUSINESSES, BIG POTENTIAL

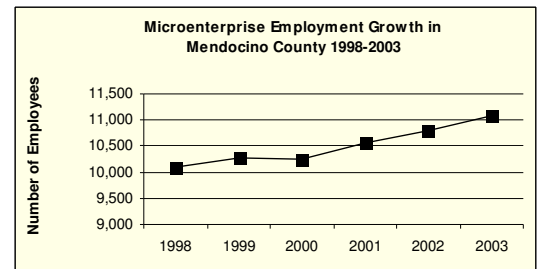
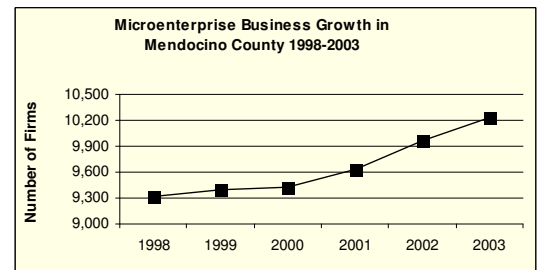
While the comings and goings of big box stores and large manufacturers in Mendocino County capture our attention, there is a driving force of community economic growth that generally doesn't make the headlines—*microenterprise*. Yet these small businesses and entrepreneurs account for more than 10,000 businesses, or 88 percent of all businesses in the county, and provide 24 to 26 percent of employment.

What is microenterprise? The Association for Enterprise Opportunity (AEO), a key organization in the microenterprise development industry, defines it as "a business with five or less employees, which requires \$35,000 or less in start up capital, and which does not have access to the traditional commercial banking sector."

An important contributor to local job creation, economic development, and poverty alleviation, microenterprise is a crucial ingredient to the health of the local economy. Data from the U.S. Census Bureau and California Employment Development Department indicates that over the six-year period from 1998-2003, the total number of microenterprises in the county grew by 9.8 percent and microbusiness employment grew at a rate of 9.7 percent.

Overall business growth for that time period was 9.1 percent, but without microenterprise, was only 3.9 percent. Similarly, the overall employment growth figures for the same time period drop to a mere 0.6 percent, when microenterprise is excluded.

The California Association for Microenterprise Opportunity describes microenterprise development as "a strong public investment with estimated returns ranging from \$2.06 to \$2.72 for every dollar invested," while AEO states, "By generating new economic activity, microenterprise also increases public tax revenues and private incomes, thereby reducing dependence on public assistance, which helps to shrink public budgets. These significant social and economic benefits far outweigh the cost of public and private investment in microenterprise development."



Sources: U.S. Census Bureau Nonemployer Statistics—Mendocino County, www.census.gov/epcd/nonemployer/; California Employment Development Department, Labor Market Information, Size of Business Report—Mendocino County, <http://www.calmis.ca.gov/htmlfile/county/mendo.htm>

WEST COMPANY: A BEST FRIEND OF SMALL BUSINESS

Continued from Page 1

year span between 1998 and 2004, West Company has helped 314 new businesses start up, creating 347 jobs. The spectrum of businesses receiving services during the past 17 years includes services, artists, retail, manufacturing, agriculture, and wholesale.

With offices on the coast and inland, West Company services are available to any individual or small business in the county.

Fees are based on a sliding scale and scholarships are available for participants who are eligible. Business development workshops, in 3-hour modules, address specific areas of planning for a business-start up or expansion. One-on-one consultation is available to help micro-business owners develop elements of their business plan, address issues specific to their businesses, or receive advanced business assistance. West Company also offers loan preparation services and access to microloans through partner lenders. A new service is a monthly business information radio show called "Taking Care of Business," which airs on KZYX & Z (88.3 FM in Fort Bragg, 90.7 FM on the coast and inland) on the third Thursday of each month from 7 to 8 p.m.

Customers are typically individuals who lack access to traditional business development resources. For many low and moderate-income entrepreneurs, West Company is the single local avenue they have for receiving the training and support that provides a chance to fulfill dreams of self-employment and successful business ownership. Other customers include existing business owners seeking to expand operations. Managing Director Stephen O'Mara, says, "West Company can assist the kitchen table start-up at-home business or the million dollar a year operation. The sound basics of business apply to all entrepreneurs regardless of their size. If a business has questions we can't respond to, we have resources we can refer to that meet the needs of almost any business situation."

The organization recently received county funding from the Community Development Block Grant Program to provide services to residents living in the unincorporated areas. Tony Shaw, the county Economic Development Coordinator, considers this program a key part of the county's economic development plan. "Growing new business within the county will be essential to providing goods, services, and employment for county residents and visitors. Some make the argument that it is much cheaper to grow our own business rather than trying to attract outsiders to move their businesses here. In the current economic climate, reducing the cost per job created becomes even more important. Not only do local businesses create jobs

for the owners and others, but the taxes on revenue earned stay here in the county as well."

West Company's ability to provide services and help microenterprise grow in Mendocino County depends on funding from federal and local government, banks, private foundations, and the community.

During the past several years, federal funding has steadily decreased, and foundation funding for non-profits in general has declined. As a result, West Company has found itself in the undesirable position of cutting programs and staff.

Pamela Patterson, West Company's Chief Executive Officer, states, "Private donations are always welcome, but needed at this time in the 17-year history of West Company. Our goal is to have 1000 Best Friend contributors to West Company at \$10 a month. We send an email newsletter to all donors that tells the stories of the entrepreneurs of Mendocino County so they can know how their dollars are helping to create this place we call home."

To learn more about West Company's services, contact the Fort Bragg office at (707) 964-7571 or the Ukiah office at (707) 467-5900. A variety of options for supporting West Company and local microenterprise are listed at the organization's

website, www.westcompany.org. Supporters can also call the phone numbers listed above for additional information.

MacDougall Music ...The Sound of Success

MacDougall Music is one example of a thriving beneficiary of West Company's expertise. Elizabeth MacDougall, a lifelong resident of Ukiah, is the sole proprietor of MacDougall Music in Ukiah. Elizabeth started her business as a piano teacher and performer in 1985. Her involvement with West Company began in 1988 when she took a course in small business development at Mendocino College.

Since then, Elizabeth has worked with West Company to expand her business services. She now has 25 students, a website (elizabethmacdougall.com), and products that include methods books for her students and a CD titled *New Perspectives*. Elizabeth is also a freelance musician and accompanist, who appears with the Ukiah Symphony Orchestra and in other community and private events.

Elizabeth finds that through the support of West Company, "It is possible to be prosperous while teaching music." She states, "Just like we need to have our pianos tuned, West Company does that for me, by helping me to refocus and tune things up in my business. I find it especially important as a sole proprietor to be able to get their advice." Elizabeth's next goal is to enhance her current website, using West Company's technology program for guidance.

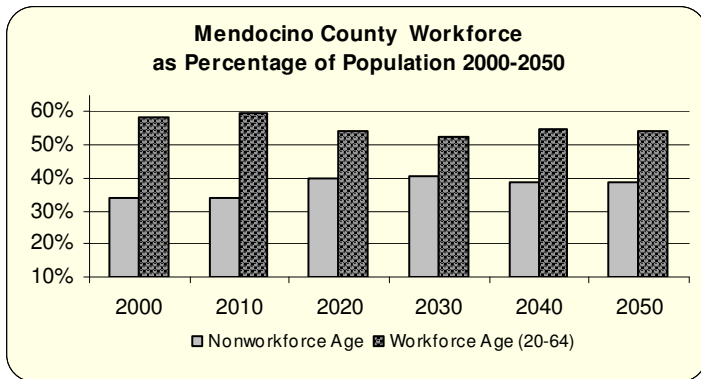
Familiar Names?

Some of the hundreds of businesses who have received West Company services...

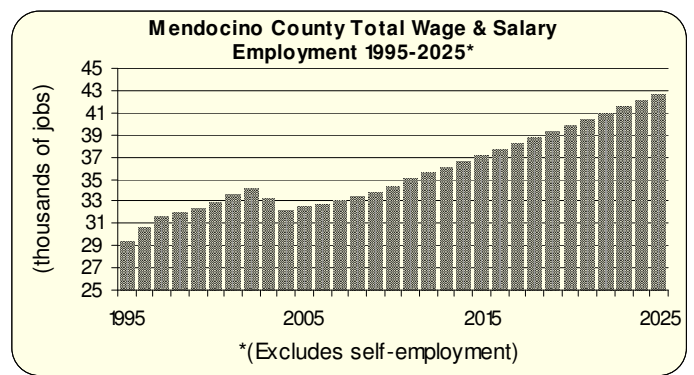
Art's Appliance Repair ~ Avatel Inc ~ BILLCO Medical Billing
~ Blue Ribbon Pets ~ Burrito Exquisito ~ Café Vienna ~
Cisneros Gardening Service ~ Clark Musical Instruments ~
Creative Life & Business Coaching ~ DJ Enterprises ~ Dynamic
Graphics ~ Elegancia Rodriguez ~ Elizabeth Estes Designs ~
Essentially Hair ~ Fort Bragg Music ~ Garden Path Weddings ~
Garth Miller Studio ~ Gordon's Auto Repair ~ Happy Woman ~
Hoyman-Browe ~ In Tents ~ Johnson's Custom Landscaping ~
Kimber Care Playschool ~ Leaves of Grass Bookstore ~ Main
Street Diner ~ Mendo Bistro ~ Mendocino Mustard ~ Moonlight
Jewels ~ OCO Time ~ Play It Again Video ~ Potter Valley Café
~ Ruby Slippers ~ Salon 309 ~ Sanchez Medical Billing ~
Servicios Mendoza ~ Sugar & Spice ~ Sylvan Woods ~ Telstar
Charters ~ Three Sisters ~ Tortilleria Barron ~ Ukiah Brewing
Company ~ Ukiah Propane ~ Ukiah Saw Shop ~ West Coast
Muffler & Tire ~ Yokayo Biofuels

A GLIMPSE INTO THE FUTURE: MENDOCINO COUNTY ECONOMIC AND WORKFORCE IMPACTS

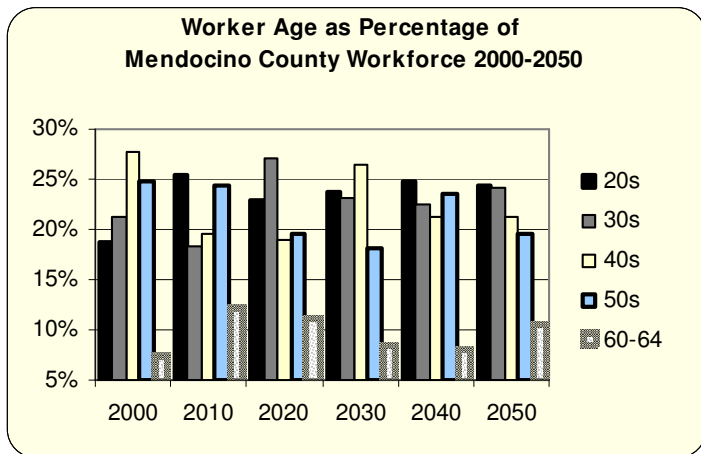
A variety of publications provide economic forecasts and workforce-related projections, generally for planning and development purposes. Forecasts from some of those publications are illustrated below, with a focus on the workforce's impact on the economy and economic impacts on the workforce.



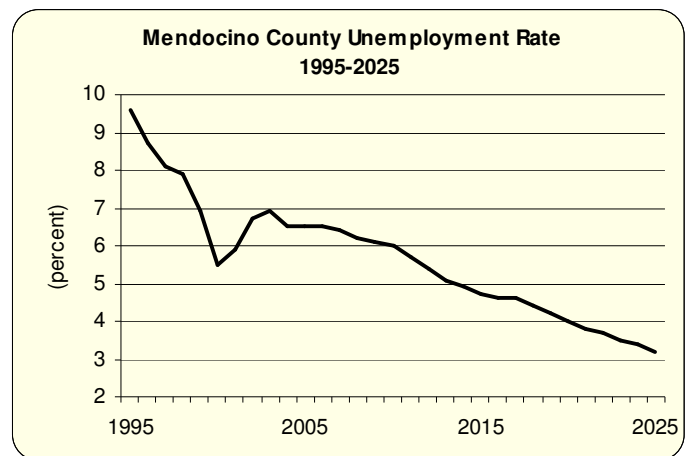
Source: California Department of Finance



Source: California Department of Transportation



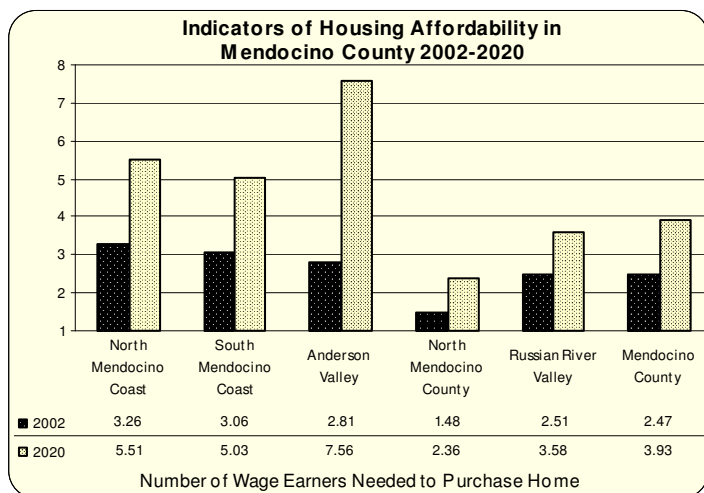
Source: California Department of Finance



Source: California Department of Transportation

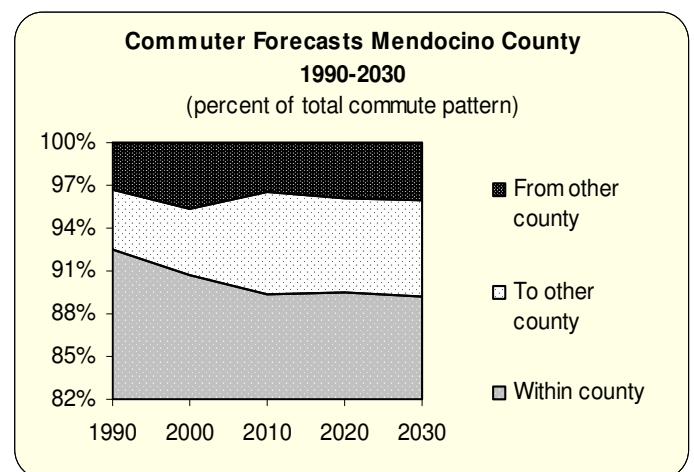
Population projections for California counties, reported by the California Department of Finance, cover race/ethnicity, gender, and age. The full report is available at <http://www.dof.ca.gov>.

The California Department of Transportation publishes an annual county-level socio-economic forecast for planning purposes and covers a wide range of indicators. It is available at <http://www.dot.ca.gov/hq/tpp>.



Source: Mendocino Council of Governments

Employment and housing projections are found in The Mendocino Council of Governments publication, *Wine Country IRP Final Report, IRP Actions to Address Jobs-Housing Imbalance and Imbalance Impacts*, available on the organization's website at <http://www.mendocinocog.org>.



Source: Metropolitan Transportation Commission Planning Section

The Metropolitan Transportation Commission in Oakland published *Commuter Forecasts for the San Francisco Bay Area 1990-2030*, available at www.mtc.ca.gov.



631 S. Orchard Ave.
Ukiah CA 95482



**BUSINESS OWNERS, OPERATING OFFICERS
& CHIEF EXECUTIVES**

Wanted!

Congress set up local Workforce Investment Boards to be business-driven. If you are interested in steering the workforce development system in Mendocino County, consider becoming a WIB member. Call 467-5506 for a board member packet and membership application.

WIB ADMINISTRATION

Phone: (707) 467-5506 Fax: (707) 467-5592
Web: www.mendowib.org

Colleen Henderson, WIA Coordinator
Julie Soinila, WIA Office Assistant

This is a quarterly publication for business leaders of Mendocino County. We invite comments and suggestions on this and future publications. **Please let us know if you prefer to receive this by email, or if you wish to be removed from our mailing list.**

To contact us regarding this publication, please call (707) 467-5506 or send an email to soinilaj@mcdss.org

*This publication is sponsored by the
Mendocino County Department of Social Services.*

WORKFORCE INVESTMENT BOARD MEMBERS

- Glenna Blake, Mendocino Transit Authority
- Patty Bruder, Strong Mountain, Inc; North Coast Opportunities
- Teri Cirillo, Brown-Forman Winery Operations/Fetzer Vineyards
- Joel Clark, Fetzer Vineyards
- Monte Hill, A.G. Edwards & Sons
- Madelin Holtkamp, Economic Development and Financing Corporation
- Gladys Houston, Coldwell Banker
- Pamela Jo Jensen, Ukiah Valley Association for Habilitation
- Bob Jordan, United Way of Sonoma-Mendocino-Lake Counties
- Leland Kraemer, Leland Kraemer Real Estate
- Judith Kvinsland, College of the Redwoods
- Martin Lombardi, Savings Bank of Mendocino County
- Richard Mack, S.T.E. P! Recyclers
- Cindy Miller, Mendocino Private Industry Council
- Sanford Nabahe, California Indian Manpower Consortium
- Belinda Nash, Employment Development Department
- Nona Olsen, Regional Occupational Program/MCOE
- Stephen O'Mara, West Company
- Lin Park, California Department of Rehabilitation
- Victoria Patterson, Victoria Patterson Consulting; Nuestra Casa
- Rachel Peugh, LINK Business & Personnel Services
- Steve Prochter, Mendocino County Department of Social Services
- Rick Radcliffe, Carpenters Union Local 751
- Meridith Randall, Mendocino College
- George Rau, Rau and Associates
- Camille Schraeder, Redwood Children's Services
- Kendall Smith, Mendocino County Board of Supervisors
- Janis Tappin, Personal Management Services
- Chuck Whitlock, Coast Rents
- Cindy Wysong-Brown, Ukiah Valley Medical Center