

November 14, 2005

Message From the Chair Emeritus—Dick Johanson

On Thursday afternoon last week, an inspired gathering of Business Council members and guests departed with a sharply etched awareness of what this Business Council is all about. Even more so was the realization of the possibilities ahead of us. Both our President, Dr. Alan Pierrot, and our Chief Executive Officer, Deborah Nankivell, made excellent presentations regarding our recent, current and proposed activities. They were followed by our meeting host and fellow member, CEO Dave McDonald, of Pelco. Rather than giving us a formal presentation, all of his remarks were in a direct response to questions posed by those in attendance. The validity of such a process was enabling his audience to gain a deeper insight into what has made Pelco one of the world's most successful businesses not only in the manufacturing and distribution of its product, but in the culture of his company. We saw this Council's vision of a regional transformation from good to great in action. Wouldn't it be something if we could be a part of inculcating into our entire region the standards that Dave McDonald and the Pelco folks maintain within their organization? That is the challenge of our Business Council.

\$250,000 Entrepreneur USA Competition

Those leading the efforts to develop an entrepreneurial and innovative culture in our community have been relentless. Through a variety of speaking events where cutting edge speakers spark new ideas and offer their perspectives on change to workshops and classes to develop social and urban entrepreneurs, the Lyles Center for Innovation & Entrepreneurship, led by Professor Tim Stearns, has changed the way we think about ourselves and our future. A current project is the \$250,000 Entrepreneur USA Competition. It takes the notion of American Idol to the world of business by accepting applications from across the country to be judged by experts. Imagine the national publicity not just for the winner, but for our community and region. The prize is \$250,000 to launch a business in Fresno. The objectives of the project are to:

- Attract contestants who represent businesses or business plans for high growth industries.
- Attract contestant business plans that fit our community's idea industry mix.
- Attract plans that will lure venture capitalists from outside Fresno to come see and experience the innovative fertility that exists here.
- Attract businesses that will be come Fresno--based. And stay Fresno-based!

Thank you to Gary Janzen for your as usual brilliant creative work and to those who have already invested in this powerful, fun and potential filled project: Cathy Frost, Doug Davidian, Robert Wood, Hal Kissler, Doug Weber, John Ostlund, Dr. Varoujan Altebarmakian, Cynthia Dowling & Bill Smittcamp.

If you are interested in investing or for more information, contact Beth Renge at the Lyles Center at 294-2045 or bethr@lylescenter.com. Fresno is open for business!

Are Businesses Fleeing the State?

It is often asserted that the regulatory environment in California is hostile to business and as a result businesses take their jobs, taxes and profits elsewhere. In order to find out how relocation affects employment change, the Public Policy Institute decided to examine the phenomenon within a broader context that also includes formation, expansion, contraction and closure. The researchers learned:

- While California does lose businesses and jobs to relocation, the effect on employment is negligible.
- Employment change is primarily driven by expansion and contraction of existing businesses and start-ups and deaths of existing ones.
- When companies move, they are more likely to move locally. Out of state relocations account for less than 4 percent of all moves captured in the database.

The study concluded that "To the extent that policy has a role to play in improving the business climate, the evidence suggests that efforts to foster the formation of new businesses and to help existing businesses survive and grow would be better placed than efforts to attract businesses from other states or to discourage businesses from leaving the state." (That is not to say that the regulatory environment does not need changing or does not create barriers to job growth and profitability.) The California Economic Policy is a quarterly series analyzing and discussing policy issues affecting the California economy. To receive issues by mail or electronically, visit www.ppic.org/main/maillinglist.asp.