

# Clarkson Consulting Group

## Summary of findings

The purpose of this memo is to convey the Clarkson Consulting Group (CCG) recommendations to each of the Burt Symposium action/research teams, to see whether the teams agree with them. Each team convener is asked to send Stub Estey ([stub@clarkson.edu](mailto:stub@clarkson.edu)) a short email or fax (fax # 315-268-6694) with comments or changes to the Goals, Initiatives, and Indicators listed below.

The first Annual Burt Symposium was held in May of 2003, to establish a North Country collaborative for education, environment, and economic vitality. As a result of the symposium ten action/research teams were created; each team's focus was on a specific sector within the North Country. Each action/research team was set with the task of developing a goal and a number of initiatives that will improve their particular sector; focusing on improving the education, environment, and economics of the North Country.

The Steering Committee for the symposium wanted to ensure that a useful set of indicators is established to measure the success of the initiatives set by each action/research team. The Clarkson Consulting Group (CCG) was asked to review, rationalize and consolidate the indicators developed by the Action/Research teams.

CCG met with each individual team and developed a set of 38 recommended indicators it believes would effectively track the progress of the initiatives of each team. All of the recommended indicators formulated are specific to the team's sector and all but nine can be represented by available quantifiable data; those other nine indicators will require further research to develop sufficient data<sup>1</sup>.

A listing of your team's goals, initiatives and indicators follows. Please look them over and provide feedback to Stub Estey as indicated above.

## Food and Agriculture

Conveners Bill VanLoo and Judy Aldrich

### **Goal #1: turn around the steadily declining farming industry in the North Country**

#### ***Initiatives***

- Educate farmers to utilize their land in more efficient ways
- Produce products that are in demand in the North Country

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<sup>1</sup> See Appendix 1 for a listing of recommended indicators.

## **Goal #2: Better utilize local university resources**

### ***Initiatives***

- Rent freezer space from the universities
- Work with food providers for each university
- Encourage local universities to offer agricultural classes or agricultural research projects.

## **Goal #3: Improve the quality of life for the agricultural workforce.**

### ***Initiatives***

- Increase the farmer's profits and therefore increase the pay for the employees
- Increase the level of technology on the farms.

### ***Indicators***

The indicators that Dr. Shuman developed for food and agriculture sectors are:

- The number of farms
- The number of farm acres
- The number of agricultural employees
- Payroll of agricultural employees
- Livestock leaks out of the area
- The number of jobs in agricultural
- The year ended farm receipts.

Our recommendation would be to temporarily use all of the indicators that Dr. Shuman laid out, except for the Livestock leaks indicator. This indicator was not clear and needed more clarification of what it is meant to measure. Our recommended indicators are:

- The number of farms in the North Country
- The number of farm acres
- The number of agricultural employees
- Payroll for agricultural employees
- Annual farm receipts
- Amount of food produced locally and purchased by the universities

## **Energy**

Convener Ann Hiedenreich

## **Goal #1: Increase energy efficiency in the North Country**

### ***Initiatives***

- Increase the number of private homes with the Energy Star® label
- Increase the number of New York State Energy Research and Development Authority (NYSERDA) sponsored energy audits

## **Goal #2: Use locally produced energy**

### ***Initiatives***

- Increase the number of people that are served by locally produced power
- Increase the number of municipal power companies.

## **Goal #3: Reduce carbon dioxide emissions in St. Lawrence County**

### ***Initiatives***

- Promote the use of green power
- Promote the use of alternative sources of transportation

### ***Indicators***

Dr. Shuman came up with indicators in the energy sector:

- Number of jobs in the energy field
- Niagara Mohawk's electricity sales pattern
- St. Lawrence Gas Company's sales pattern
- Niagara Mohawk's residential pattern

The energy team developed additional indicators they thought were significant to the local area. These indicators include:

- The percent of people served by locally owned and distributed energy systems
- The percent of people served by locally generated power
- The percent of new homes with the Energy Star label
- The number of local jobs in energy
- Energy savings through NYSERDA
- CO<sub>2</sub> Emissions

After further review, our consulting team developed a list of indicators that we feel have the most quantifiable and applicable properties. Our recommended indicators are:

- The percent of people served by locally owned and distributed energy systems
- The percent of people served by locally generated power
- The percent of new homes with the Energy Star label
- The number of local jobs in the energy field
- Percent of dwellings that have used the NYSERDA service

As specified we recommend all of the energy team's indicators except CO<sub>2</sub> emissions. We do believe a good research project would be to determine what factors

influence the quality of air in the North Country. This would provide more accurate information regarding pollution here and possible ways to combat it.

## **Education**

Convener: Jim Waterson

**Goal: Let everyone know what schools are doing in partnerships with the community**

### ***Initiatives***

- Create a handbook of initiatives between the partnerships and public schools, would act as a step by step process to connect local students to the community.

### ***Indicators***

The only indicator that the Education team has looked at to date is one that measures the correlation between students connected with the community and the dropout rate. The team wants to look at the opportunities that exist for local students in the community. Going along with this is creating a template for involving at risk students in an alternative education situation. They also plan on looking at attendance, test scores, etc. Although they only have one indicator at this point, they are aware of the indicators in Dr. Shuman's paper but they chose to focus more on determining what exists now and sharing this information.

When considering indicators for the Education team we recommend those that go along with both the goals and leakages of the industry:

- Dropout rate: Study the dropout rate of students in SLC and use this data as a measurement tool for future years.
- Number of students in Community Partnerships: If more students that are connected with the community, the dropout rate may be reduced. Specifically, look at the opportunities for students that exist within the community. Also a template can be created for involving at risk students in alternative education situations. Finally, analyze test scores and attendance for Partnership students. We believe this is a good indicator because it will show the relationship between the drop out rate and the effectiveness student partnerships in the community. Regent's Test Scores: Compare the average Regent's scores of high school students in SLC to the New York State average. The amount of state and federal aid should link directly to the Regent's scores and show how SLC is doing compared to the rest of New York State. Each specific school district should have this information making this indicator easily quantifiable.
- Standardized Test Scores: Study the progression of standardized testing scores of students throughout each school district.
- Out- of-County College Students: Look at the number of students that leave the county for college and come back to SLC after graduation. We

believe this indicator is relevant to the leakage; by showing how many people leave and come back the Education team will be able to quantify how many people are retained within the county after college. This data can be gathered using surveys of college graduates within SLC.

- **In-County College Students:** Study the attrition rate of local college students that stay in the county after graduation. Surveys may be used to quantify this, as each college in SLC will have updated records of their graduates.

## **Entertainment and Tourism**

Acting Convener: Susan Kramer

### **Initiative**

Build and support at least one outdoor theater for 400-1200 people. The possible locations of these venues are as follows: Ogdensburg, Waddington, and the Village of Canton as part of the Grasse River Heritage Project. An objective that supports this initiative is to determine the feasibility of the project. Another objective determined by the team is to find out if there are monetary resources available to support the project and if so, where these resources will come from. The team's final objective is to determine the needs within the community that would be met by an outdoor theater.

### **Indicators**

The team is taking a different approach to the project than that stated by Dr. Shuman in his paper. Dr. Shuman focused his indicators on the numbers of tourism jobs, tourism payroll, hunting and fishing licenses, and the top tourism attractions. Initially, the indicators established by the team for this project were as follows:

- Determine how many seats to sell for each event held in the theater(s).
- How many people are attending events?
  - How many are attending from outside SLC?
  - How many are attending from within SLC?
- How many local jobs are provided?
- How many local vendors will be used?
- Will they feature local talent in the theater(s)?
- Would the theater(s) increase the number of rooms reserved/hotels needed in the county?

After analyzing all of these indicators, we recommend the following:

- **Attendance:** How many people are attending events?
- How many are attending from outside SLC? Of these people attending from outside the county, would it increase the number of reserved hotel rooms? We believe this is a good indicator because if people are traveling to see an event at the theater, it is likely that some utilize local hotels and restaurants.

- **Local Vendors:** How many local vendors will be used? This indicator will work because it will lead to money staying in the county through these vendors.
- **Events per Season:** How many events will be held per season? This indicator can be quantified by how much funding is available and how much it will cost to hold each event. We feel this is important in order to do a break-even analysis for each event.
- **Ticket Sales:** How many tickets will have to be sold each year? This is also crucial in order to do a break-even analysis. From the break-even analysis the team can determine how much it will cost to attend an event, and also how many tickets must be sold to be profitable.
- **Local Employment:** How many local jobs will be provided? This indicator may be difficult to measure right now because the size of the venue has not yet been determined. If the theater has a small capacity we feel that this indicator should be discarded because it will not have much of an effect on the economy.

## **Retail Team**

Convener Mark Crosby

**Goal: Increase resource and knowledge sharing between the retailers in SLC to benefit both current and future entrepreneurs**

### ***Initiatives***

Retail information center where retailers from St. Lawrence County could obtain information and help from other retailers in the county

Create a fund among the small retailers that these businesses can draw from to continue or expand operations.

### ***Indicators***

The indicators presented in Dr. Shuman's paper are:

- Annual payroll among retailers in SLC
- Retail sector employment level

These seemed to be solid indicators, but in our discussion with Mark, we found that sector employment level could be misleading. The reason for this is that there are so many very small businesses with only 3 or 4 employees that even if these businesses are struggling, their employment level will not fall because they need these employees to continue operating. Mark and his team did formulate a few more indicators that could be more specific than annual payroll. Their indicators are:

- **Gross retail sales:** Put simply, this is how much the businesses are selling. If this number is rising, the health of the retail industry is improving.
- **Collection of sales tax by the state:** This measures the same thing as gross retail sales, but the data would be much easier to collect.

- Level of leakages in the industry: This indicator would determine how much business from inside SLC is going to outside retailers (such as Wal-Mart, Internet stores, etc). A positive gauge for retailers in SLC would be if this level were to decline.

Our final recommended indicators are:

- Annual payroll: Annual payroll is definitely a good indicator of the health of the industry and it is also easy to gather this type of information from the St. Lawrence County Chamber of Commerce. Increases in annual payroll within the industry are good for the retail sector.
- Collection of sales tax: Sales tax information can be gathered quickly and inexpensively from the state and the businesses themselves. This data gives essentially the same snapshot of the industry as gross sales would. The only problem with this indicator is that it would exclude sales to individuals and organizations that do not pay sales tax. However the fact remains one doesn't necessarily need to know exactly how much non-tax sales are, only that the initiatives are improving the industry. It still holds that if the collection of sales tax is going up, this is good for retailers in the county. If it is not going up, one would need to examine the trend of non-taxable sales.
- Leakages in the industry: It's damaging to the industry if people are going outside the county to purchase goods and services that they could receive from local retailers. The problem becomes how to calculate this number. It is obviously infeasible to locate every dollar that is spent on products outside the county. However, if a research project were undertaken to find a representative sample of these leakages there would be enough to track the progress of the local retailers. For example, tracking the sales tax collected from the larger stores, such as Wal-Mart, could show us something. If that number is increasing, the small retailers are losing more sales.
- Number of retail stores going out of business: As we indicated, the goal of the team is resource and knowledge sharing among retailers in the county. If the number of retail stores going out of business is rising, the team is obviously not accomplishing their goal.

## **FIRE**

Convener: Don Mesibov

**Goal: Increase the amount of money that is loaned to local individuals and businesses.**

### **Initiatives**

Seminars with various people from around the county (i.e. local business owners), and meetings with the banks in the county. The next step after this has yet to be determined because, as Don put it, if the banks are unwilling to cooperate, or there isn't a way for this trend to change, they will be back at square one, and looking for a new way to improve SLC.

## **Indicators**

The indicators for this sector in Dr. Shuman's paper are:

- Deposits in banking institutions
- Payroll in the FIRE sector
- Employment in the FIRE sector

These indicators all seemed reasonable to the FIRE sector in general, but none of them really tracked the goal of the team. However, deposits in the banks do fall into the one that Don and our group formulated. The goal of the team was to increase local lending, so the indicator Don suggested was the ratio of money coming into the banks from the county to the money loaned out by the banks inside the county.

Our overall recommended indicators for the FIRE team are:

- The lending ratio: The team's goal is to increase the lending ratio, so physically tracking it would be a good indicator. If the ratio of money loaned inside the county to money deposited inside the county is increasing, the FIRE team is accomplishing its goal.
- The difference between interest rates of local banks and national banks: If local banks are lending at a much lower rate than national banks, it will increase the incentive for companies outside SLC to receive loans from local banks. Therefore, if there is a wide gap in the interest rates, companies from inside the county will receive fewer loans that will in turn negatively affect the lending ratio.
- Payroll in the banking sector: It is important to keep in mind that the team also wants to improve the FIRE sector as well. Since they are focusing on the banking industry, a good indicator is the payroll within this industry. If this number is increasing, the health of the banking industry is also increasing.

## **Transportation**

Susan Kramer was the contact for the transportation action team

### **Goal #1: Improve the taxi, charter flight, and bus service throughout the county**

#### **Initiatives**

- Expand and coordinate county wide operations so that the services would be utilized to their fullest instead of having individual systems in each village, to cut costs and improve quality.
- For the bus and charter systems, conduct research to determine if these modes of transportation would be cost effective.

**Goal #2: Improve traffic patterns in and around the local villages and increase accessibility in and out of the North Country via a rooftop highway.**

**Initiatives**

- Look into bypasses for any of the affected villages (This initiative should be reconciled with the retail team, which is attempting to increase business. Bypassing these villages may go against that goal.)
- Initiatives for the rooftop highway aren't underway yet but there has been a lot of talk surrounding the topic. This would be a great project for the team to be involved in as it progresses.

**Goal #3: Utilize the rail system and perhaps a container facility**

[No initiatives at this time]

**Indicators**

- Number of people who utilize public transportation either internally or externally. This could be broken down even further to how many trips are used per mode of transportation. This would resolve the variability in how much each person actually uses each means of transportation.
- Quality of the transportation
- Determine what transportation services are used for, whether it be shopping, commuting to work, etc.
- Research the cost effectiveness of the charter flight service by finding out how many people and how often they would use this service if it were available. If it were found to be worth implementing the status would be monitored to make sure that it is actually useful to both the consumer and the supplier (Pilots).

Dr. Shuman's indicators included:

- Job trends in transportation
- Transportation payroll
- Passenger enplanements
- Vehicle accidents
- Registered vehicles.

We believe Susan's indicators measure things closely associated with what may be the team's goals. Dr. Shuman's indicators should not be discounted because they do give a general idea and direction to the team. Most of the other indicators are easy to quantify and should reflect how the team's goals and initiatives are progressing. Taking the indicators that Susan provided sets a focus for the team and may serve to narrow their initiatives. The five indicators we recommend for the team are:

- # Of people who use public transportation
  - # Trips per mode (The number of people who use transportation and trips per mode are the same but separate. You could have 100

people say they use public transportation but how often each one does is captured by the number of trips per mode.)

- Use of transportation\*
- Quality of transportation\*
- # Of jobs in transportation sector

## **Business Enterprises**

Convener: Brett Thatcher

### **Goal: Improve business opportunities for new and expanding businesses**

#### **Initiative**

- Create a vehicle for them to facilitate connections for financing, sales, etc. It should be noted that this current initiative is under reconsideration and a new one may be developed. This team is closely related to the retail team but the main difference is that this action team's focus is on production and manufacturing not retail.

#### **Indicators**

There are many indicators provided for this sector from Dr. Shuman's paper:

- Production and services employment
  - Payroll
- Net Out-migration of Tech/Prep students, engineers, Canton Tech students
- Number of locally owned establishments vs. "foreign owned"
- Longevity of business ownership
- Number of dba's or corporations established
- Number of cessations of businesses
- Intellectual property registrations – patents and trademarks
- Total sales volumes; percent local
- Pollutant measures
- Unemployment claims
- Percent of firms locally owned
- Percent of firms that purchase local goods/services
- Net trade deficit for the county for production goods
- Total invested capital; total invested locally
- Financial institutions lending to local enterprises

After looking over these indicators we selected the ones that we felt would provide the team with the best indication of how their initiatives are progressing. The five that we recommend are:

- Production employment/payroll
- Percent of firms that are locally owned
- Number of dba's established

- Number of cessations
- Total sales volume

These indicators are simple and closely related to the team's goal. Most of this information can either be found on the Merwyn Rural Services Institute (MRSI) disk or through the St. Lawrence Chamber of Commerce. The indicator that measures sales volume can be tracked by taking the tax records for the county because those will reflect how much business was done throughout the year.

## **Housing & Construction Team**

Convener: Kathy Mullaney

**Goal: Focus on mobile home residents as well as manufacturers in St. Lawrence County.**

### **Initiatives**

- Plug the leak created by the importation of mobile homes manufactured outside St. Lawrence County
- Develop a mobile home replacement program maximizing the use of locally produced material and labor
- Integrate a homebuyer-training program, with an emphasis on maintenance and repair.

### **Indicators**

- The percentage of the population in St. Lawrence County that permanently reside in mobile homes.
- Number of housing permits given to local contractors.

Indicators that have been provided through Dr. Shuman's paper are:

- The percent of occupied homes owned by residents
- Home vacancy rate
- The average sale value for one, two, and three bedroom homes
- Construction Payroll
- Construction Jobs

We believe that even though Dr. Shuman's indicators look at the housing and construction industries as a whole, some still have beneficial implications for this team. Both of the indicators that were developed by the team are specific to the project they intend to accomplish. They are both good indicators because they can easily identify whether this project is successful or not. We also believe that the home vacancy rate would be a good indicator because it will help evaluate the effectiveness of the group's last initiative, the integration of a home buyer training program, with an emphasis on

maintenance and repair. If individuals are more adept at home repair and maintenance, then there will be fewer homes left vacant. This team has decided to focus on the housing side rather than the construction side of this sector. Because of this, the indicators related to construction are not relevant. Therefore, the recommended indicators for the Housing team are:

- The percentage of the population in St. Lawrence County that permanently reside in mobile homes
- Number of housing permits given to local contractors
- The percent of occupied homes owned by residents
- Home vacancy rate

## **Health Team**

Convener: Sam Oberstein

To date Sam is the only member of this team; a group of people that are interested in this type of project needs to be established before a goal and initiatives can be developed. Criteria were established regarding the types of people that should be invited to the team. First, members should be people involved in the health care field, or associated with a health care institution. Secondly, members should be in a position to make decisions/changes in the health field for St. Lawrence County.

The next step is to determine what is currently being done in St. Lawrence County, so new members will be reassured that their time and efforts are not going “reinventing the wheel”. Groups and institutions with similar interests, such as the St. Lawrence County Health Initiatives, the Chamber of Commerce, and local hospitals, are being contacted to see what projects, if any, are presently being done in this sector. Once the above steps are completed then the team will be ready to start establishing the goals and initiatives the team wants to take to help improve their particular sector.

## Appendix 1

### Food & Agriculture:

- # Of farms
  - ~ Chamber of Commerce
- # Of farm acres
  - ~ Chamber of Commerce
- # Of agricultural employees
  - ~ Chamber of Commerce
- Payroll of agricultural employees
  - ~ Chamber of Commerce
- Amount of local food purchased by local universities
  - ~ From School Purchasing Records

### Energy:

- % Of people served by locally owned and distributed systems<sup>2</sup> [include footnote on each page with “research needed to develop data for indicator”]
  - ~ Survey and research needed
- % Of people served by locally generated power
  - ~ From Local power providers
- # Of new homes with energy star label
  - ~ From Energy Star
- # Of Jobs in energy sector
  - ~ Chamber of Commerce

### Education:

- # Of students that are connected with the community through partnerships
  - ~ Directly from local schools
- Average standardized test scores compared to state scores
  - ~ From state school board
- # Of students that attend college outside SLC and return to live in SLC\*<sup>3</sup>
  - ~ Survey or Alumni Boards
- # Of local college students that remain in SLC, after graduation\*
  - ~ Survey or Alumni Boards

### Entertainment & Tourism:

- # Of people attending each event
  - # From outside SLC\*
    - Would this increase # of hotel rooms/restaurant attendance
  - ~ Survey of people attending
- # Of local vendors used
  - ~ From theater records
- # Of seats sold per year

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<sup>2</sup> Research needed to develop data for indicator

<sup>3</sup> Research needed to develop data for indicator

- ~ From theater records
- # Of local jobs provided
  - Size of the arena?
    - ~ From theater records
- Estimated energy savings through NYSERDA
  - ~ NYSERDA audit records

Retail:

- Annual payroll
  - ~ Chamber of Commerce
- Local business cessations
  - ~ Chamber of Commerce
- Collection of sales tax
  - ~ Chamber of Commerce
- Leakage of retail sales\*
  - ~ Research needed

FIRE:

- Lending ratio
  - ~ Individual bank records
- Difference between interest rates of local banks and national banks rates
  - ~ Individual bank records
- Payroll in banking sector
  - ~ Chamber of Commerce

Transportation:

- # Of people who use public transportation
  - # Trips per mode
    - ~ Taxi and bus station records
- Use of transportation\*
  - ~ Surveys and research needed
- Quality of transportation\*
  - ~ Surveys and research needed
- # Of jobs in transportation sector
  - ~ Chamber of Commerce

Business Enterprise:

- # Of jobs in production and manufacturing
  - ~ Chamber of Commerce
- % Of firms that are locally owned
  - ~ Chamber of Commerce
- # Of Dbas established
  - ~ Chamber of Commerce
- # Of cessations
  - ~ Chamber of Commerce
- Total sales volume

~ Chamber of Commerce

Housing & Construction:

- % Of the population in St. Lawrence County that permanently reside in mobile homes
  - ~ County records
- # Of residential building permits given to local contractors
  - ~ County records
- % Of occupied homes owned by residents
  - ~ County records
- Home vacancy rate
  - ~ County records

~ Indicates possible source of information

\* Indicates a need for research