

CHAPTER 2: FINDINGS

This chapter presents survey results from the tabulation of 53 business visits by the Northfield CBC Task Force from October 2024 through February 2025. The chapter begins by describing the businesses visited and their characteristics. General survey results are then highlighted and discussed. A description of the community's examination of strengths, weaknesses, opportunities, and threats (SWOT analysis) is presented.

Characteristics of Businesses That Were Visited

Participants in the Northfield CBC Program visited 57 businesses (53 surveys were tabulated). This is an impressive accomplishment in an age of survey fatigue. The University of Minnesota Extension's CBC Program has averaged 43 completed business visits with former community participants (n=42 communities through 2017). Pages 4-6 provide a breakdown of the characteristics of those businesses that participated.

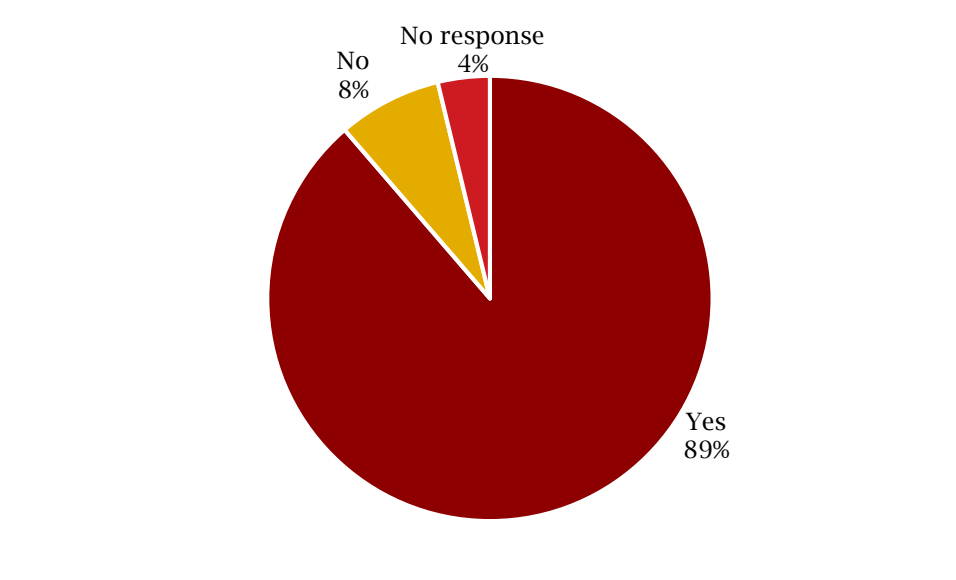


Figure 0-1. Is your business locally owned?

Out of the 53 businesses that participated, the vast majority (89%) were locally owned, only 8% of respondents said their business was not locally owned (Figure 2-1). Less than one-third of the businesses reported having another location outside of Northfield. When asked about the year that each business was established, their responses ranged from 2024 to as far back as 1866. The average age of businesses included in the survey was 37 years old.

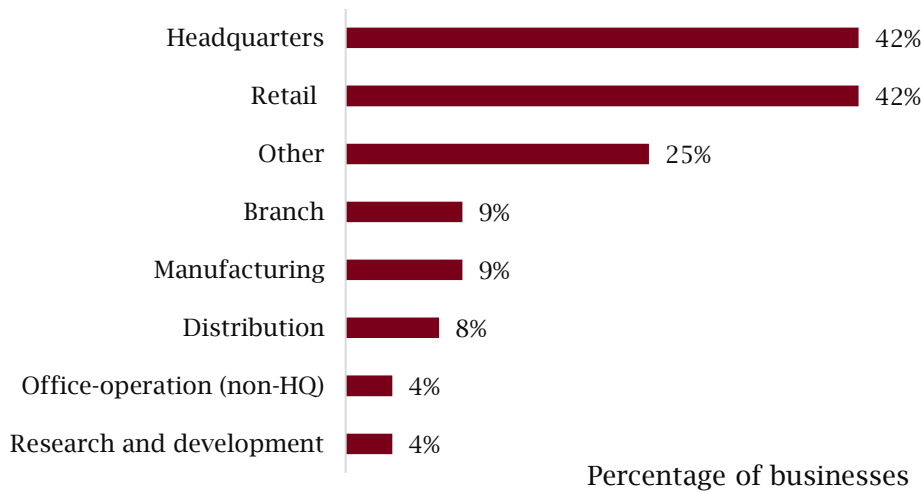


Figure 0-2. What type of facility is this?

When asked to identify the type of facility based in Northfield, most respondents said headquarters (42%) and retail (42%), with a quarter of the businesses (25%) reporting “other” (Figure 2-2). The businesses that participated were able to select multiple facility types. A large majority of businesses (70%) do not have multiple locations.

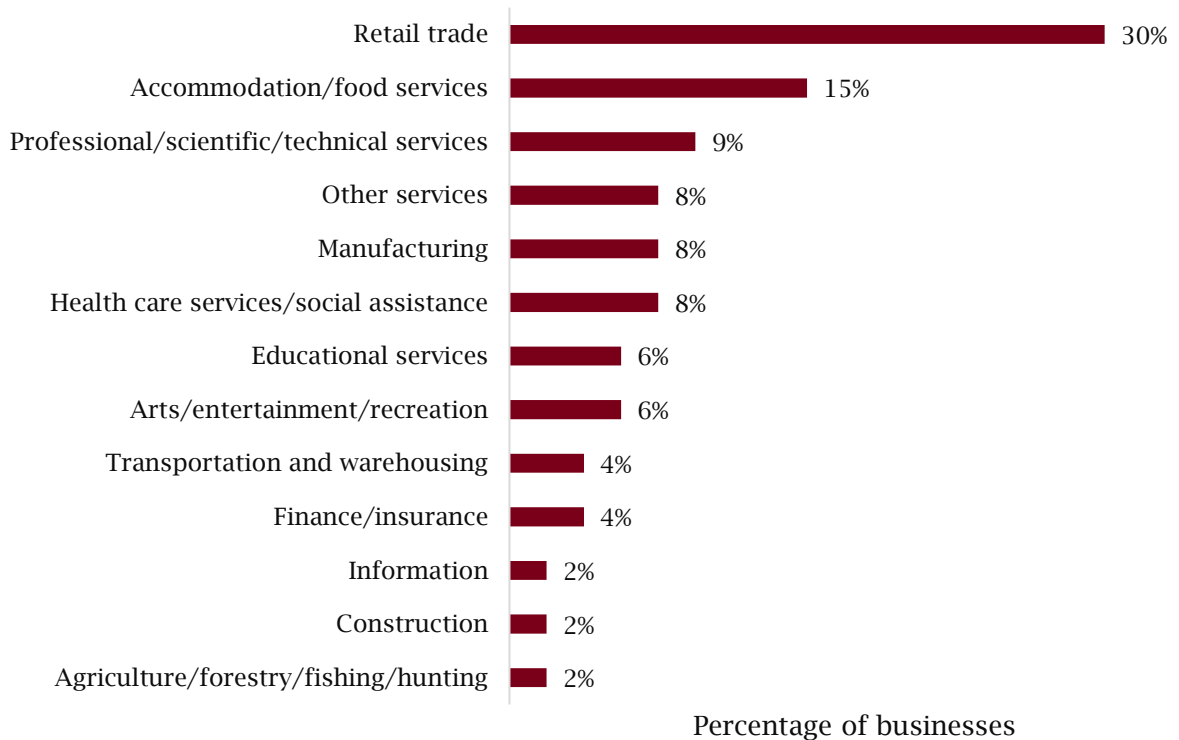


Figure 0-3. Which NAICS category best describes your business?

The businesses participating in the survey were also asked to identify which NAICS (North American Industry Classification System) category best describes their business. Survey respondents were able to choose more than one category. The most common categories selected included retail trade (30%) and accommodation/food services (15%; Figure 2-3). It is important to note that the distribution of survey respondents is not a perfect representation of the businesses in the Northfield community. As noted in Table 9 in the Minnesota Department of Economic Development (DEED)'s economic profile (see Chapter 6 or Tab 6), retail trade establishments account for only 11% of all businesses in Rice County (Northfield's location) despite 30% of the survey respondents claiming that as their NAICS category. Additionally, only 8% of survey respondents noted manufacturing, however, manufacturing accounts for over 20% of all employment in Rice County, more than any other industry. Retail trade employs over 2,700 people in the county, making it the fourth largest industry in terms of employment behind manufacturing, educational services, and healthcare/social assistance.

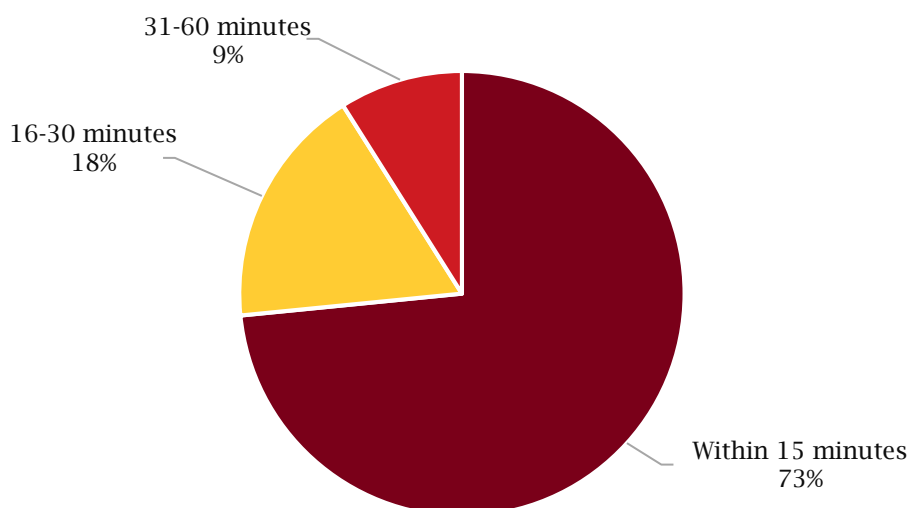


Figure 0-4. Please estimate the commute time for your employees.

Figure 2-4 shows the typical commute times for employees of businesses in the Northfield area. Over 70% of employees have a short commute, traveling less than 15 minutes to work, and over 90% of workers travel less than 30 minutes. This shows the interviewed Northfield businesses are drawing from a highly localized labor force with most employees living in or immediately surrounding the city. More information on commuting patterns for Northfield and Rice County are available in Figures 9-10 and Table 6 in the Northfield area profile prepared by Minnesota DEED (see Chapter 6 or Tab 6), which shows Northfield as a net importer of workers with most workers employed in the city commuting from outside the city.

Recent and Projected Changes for Businesses Surveyed

Many of the survey questions asked businesses about the changes they have made in recent years as well as changes they were expecting to make soon. This section of the report summarizes the responses from Northfield businesses.

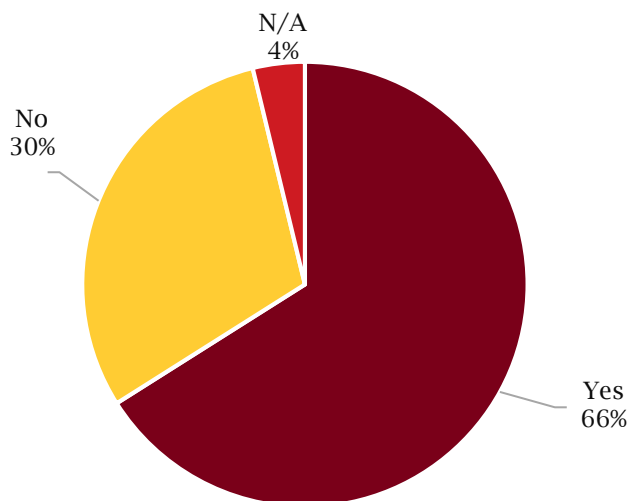


Figure 0-5. Do you have a written business plan?

When asked whether they have a business plan, about two-thirds (66%) of respondents answered yes (Figure 2-5). The remaining third either did not have a business plan or did not provide an answer.

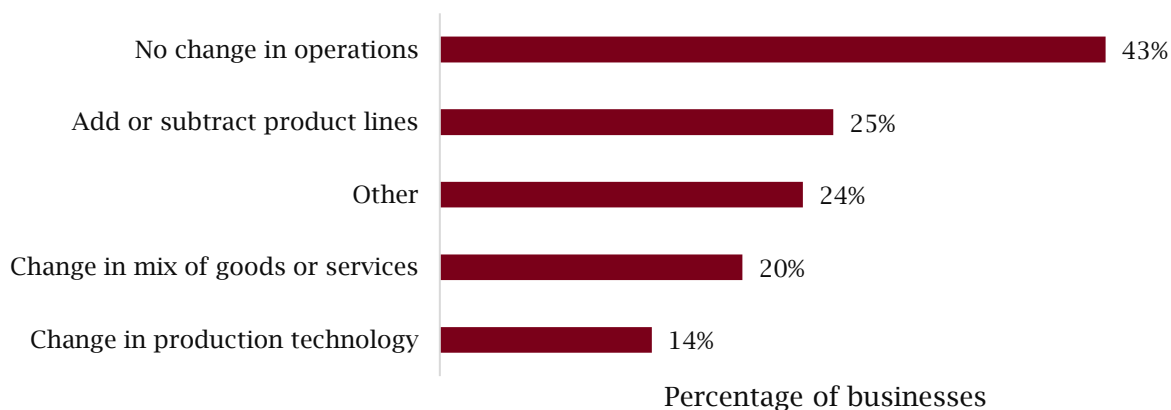


Figure 0-6. Are there any changes in your business plan for the next three years? (Select all that apply)

Furthermore, most Northfield business respondents reported some changes in their business plan for the next three years (Figure 2-6). Adding or subtracting product lines (25%) was the most common change, indicated by roughly one-quarter of businesses. Over 40% said they would not change any operations.

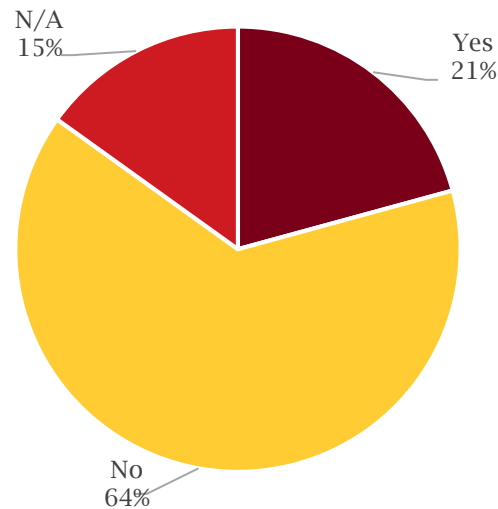


Figure 0-7. Does your business have a written transition plan for ownership, leadership, or both?

While many respondents have a business plan (66%), a much smaller portion of businesses that participated have a written transition plan (21%). As shown in Figure 2-7, 64% of businesses reported they did not have a written transition plan, and 15% did not provide an answer.

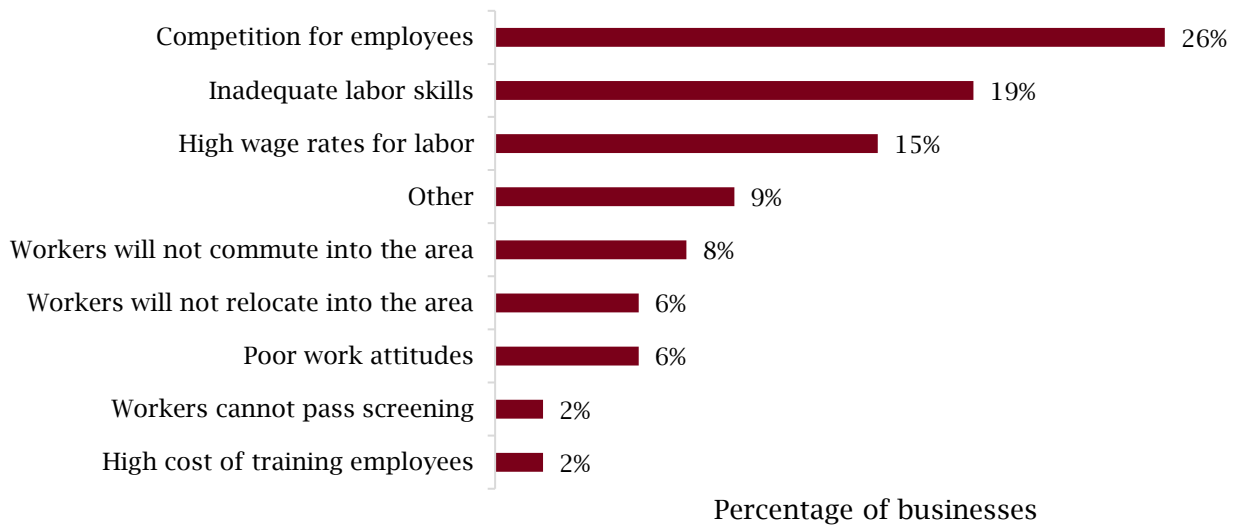


Figure 0-8. What are the three most important reasons for your recruiting problems?

When asked about the top reasons they had for difficulty in recruiting employees, the most common response was competition from other businesses for employees (26%; Figure 2-8). Other reasons included inadequate labor skills (19%) and high wage rates for labor (15%).

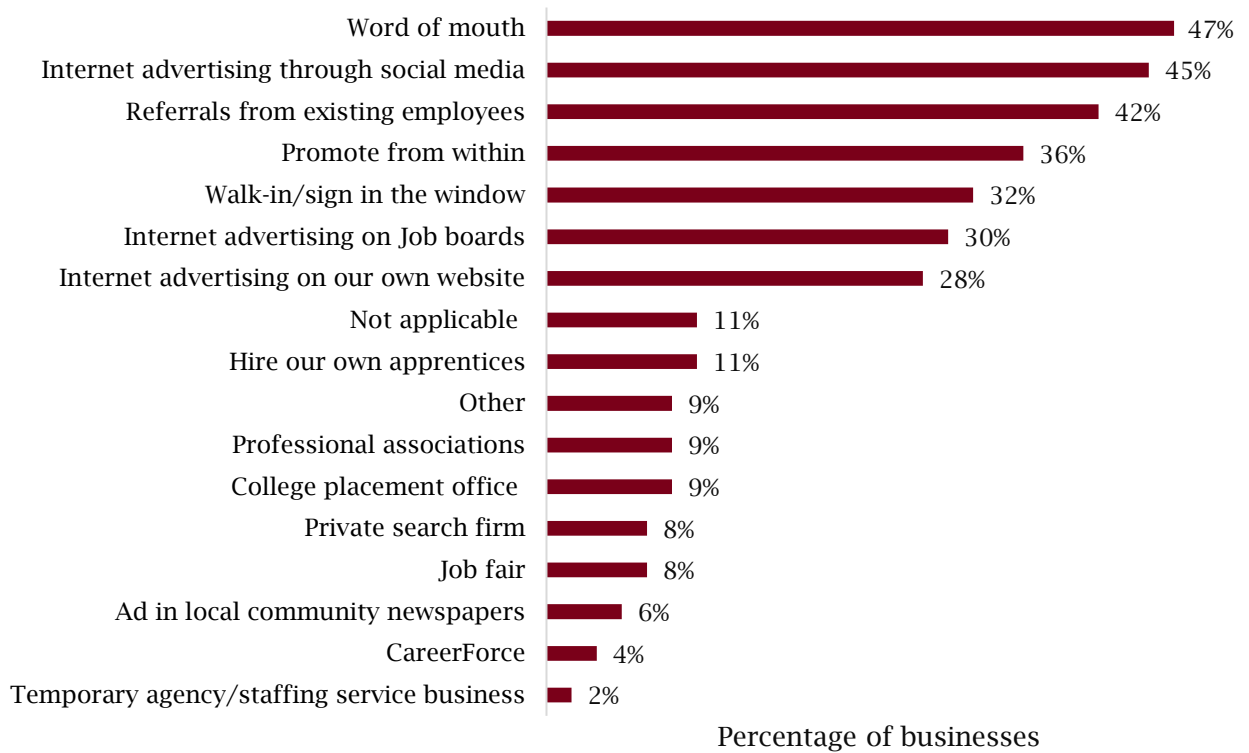


Figure 0-9. What resources are you using to locate new employees?

When asked what resources they are using to locate new employees, the majority of businesses said word of mouth (47%). Social media (45%), referrals (42%), and promotion from within (36%) were the next commonly used resources. As shown in Figure 2-9, only 4% of companies identified CareerForce (Minnesota's career development and talent matching resource) as a method of locating new employees. Northfield businesses seem to be underutilizing CareerForce as a resource for locating new employees, especially when compared to the average from past CBC communities. On average, among past participating CBC communities (from 1996 to 2025), 16% of businesses reported using CareerForce. Additionally, placement offices of four-year, community, or technical colleges were underutilized as resources by Northfield (9%) compared to past CBC communities (17%).

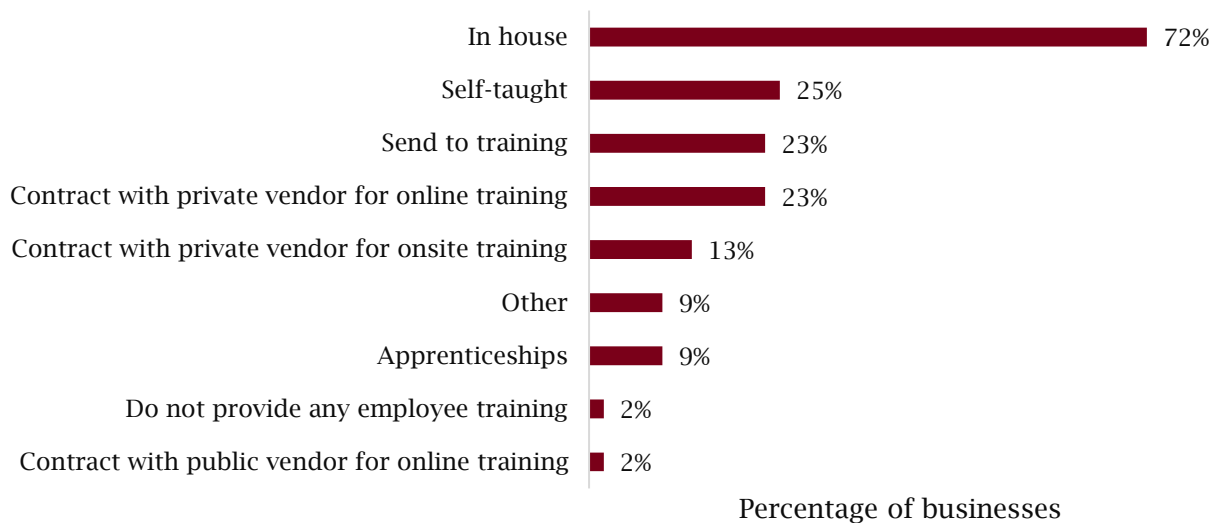


Figure 0-10. How do you currently train your employees?

The businesses that participated were also asked how they currently train their employees. As shown in Figure 2-10, in-house training (72%) is by far the most common method. This is consistent with the average for past CBC communities (75%). In a follow-up question, more than half of the 53 businesses that participated said they do not need external training for workers or managers.

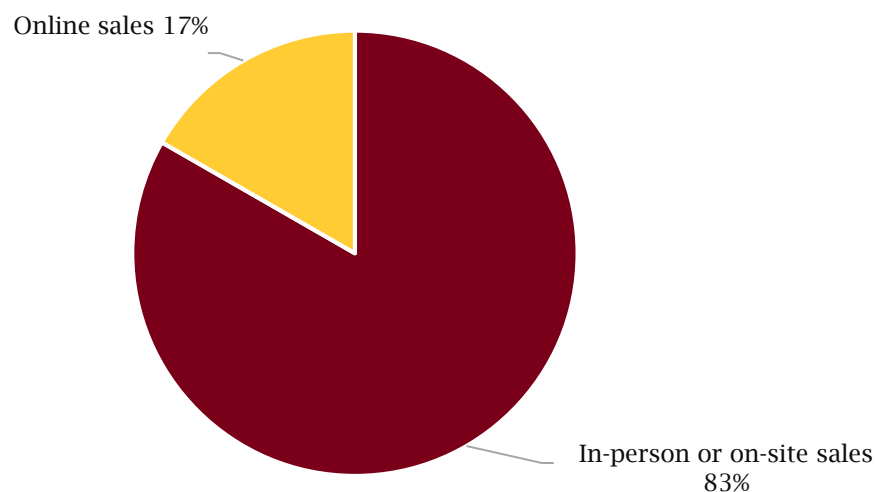


Figure 0-11. What percentage of your sales are online vs. in person?

Businesses were also asked to estimate the percentage of their sales that are online versus in person. On a non-weighted average basis, businesses reported that most of their sales are in person (83%), while about one-sixth of sales were online (17%; Figure 2-11).

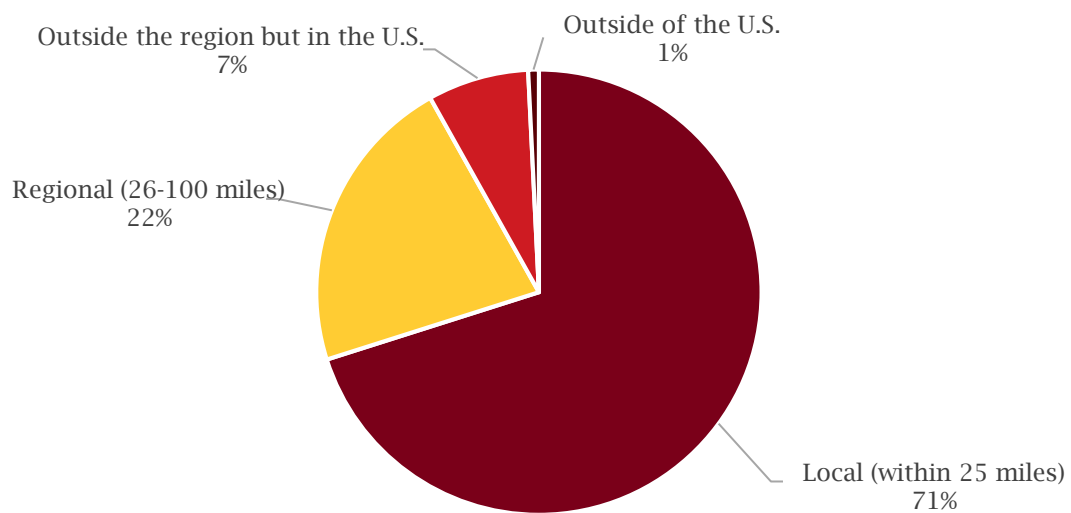


Figure 0-12. Please estimate the percentage of your gross sales coming from the following locations.

When asked about the estimated location of customers, visited businesses reported a large portion (71%) of gross sales coming from local areas within 25 miles (Figure 2-12).

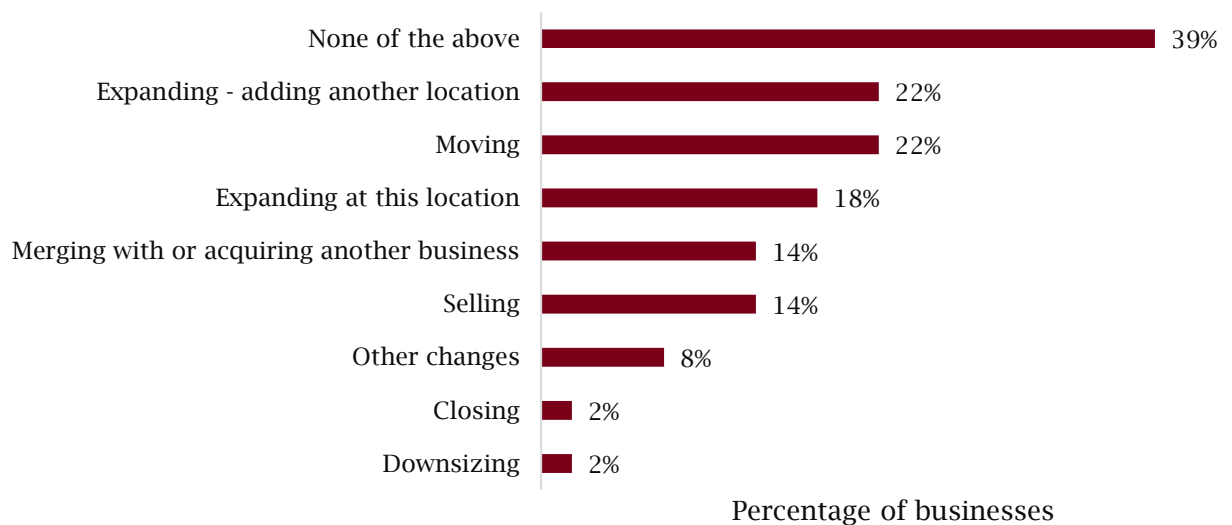


Figure 0-13. Are you currently considering any of the following future plans?

Northfield businesses were asked about their future plans. Of the survey respondents, 39% were not considering any changes. As shown in Figure 2-13, there were businesses that plan on moving (22%), adding another location (22%), expanding at their current location (18%), and merging with or acquiring another business (14%). In a follow-up question about properties that they currently rent or own, 55% of businesses that participated responded that they don't own or rent sufficient property to allow for expansion if necessary.

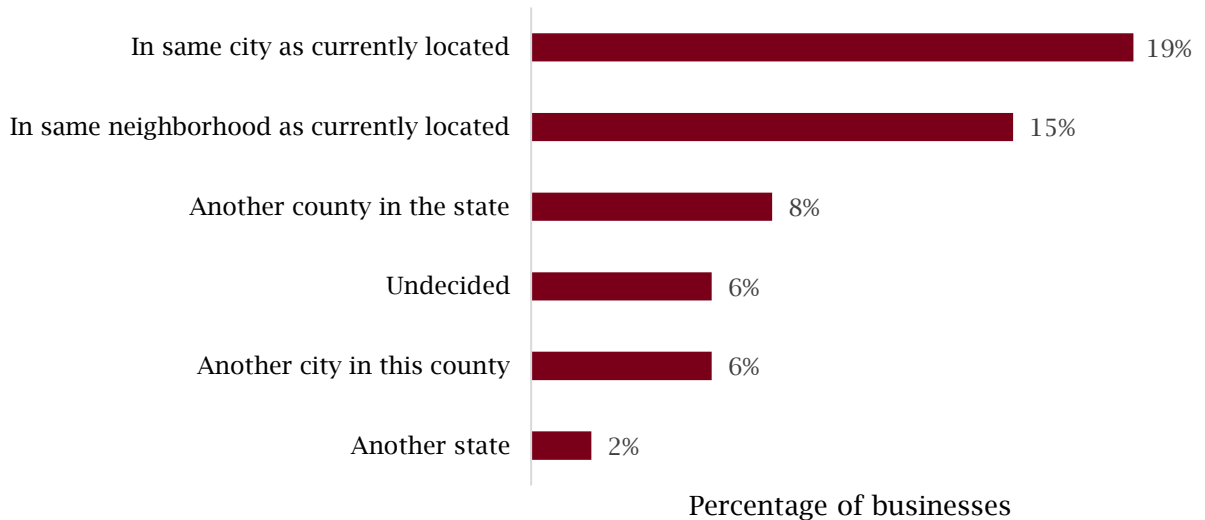


Figure 0-14. If moving or expanding to another location, where are you considering?

Northfield businesses that indicated plans to move or expand to another location were also asked what locations they are considering. As shown in Figure 2-14, 19% and 15% of the businesses are considering the same city and same neighborhood, respectively. Only 2% reported they were considering locations outside of Minnesota.

Community Satisfaction

The businesses were asked to rate Northfield as a place to do business as well as a place to live, using a scale from 1 to 5 with 1 being poor and 5 being excellent.

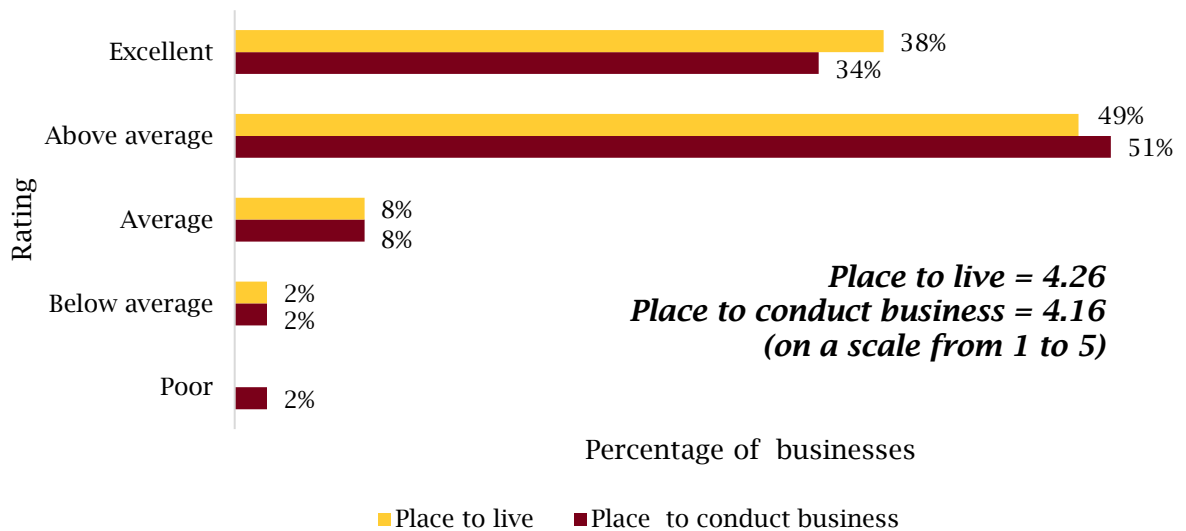


Figure 0-15. Rate Northfield as a place to live and conduct business.

Overall, participants in the Northfield CBC have a very positive view of their community as a place to live and a place to do business (Figure 2-15). Nearly 90% of respondents rated Northfield as an above average or excellent place to live. Furthermore, 85% of respondents rated Northfield as an above

average or excellent place to do business. The mean rating for Northfield is 4.26 out of 5 as a place to live and 4.16 as a place to do business. This compares to averages of 4.1 and 3.8, respectively, for past CBC communities.

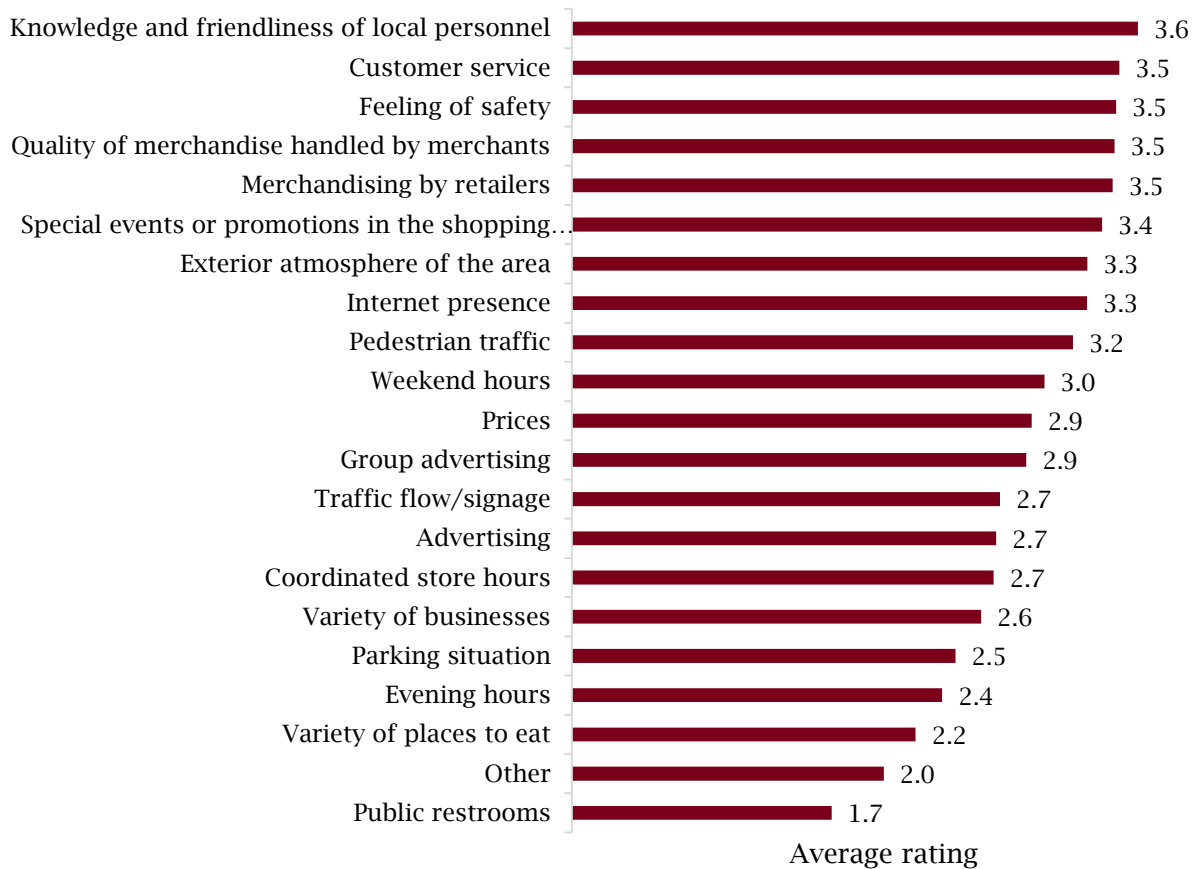


Figure 0-16. Rate the following factors about retail in Northfield.

Businesses participating in the survey were also asked to rate certain factors about retail in the Northfield community. Figure 2-16 shows the average rating for each factor on a scale from 1 to 4, with 1 being poor and 4 being excellent. The top-rated factors include personnel (3.6), customer service (3.5), and safety (3.5), as well as quality of merchandise (3.5) and merchandising (3.5). The lowest rated factors include public restrooms (1.7), variety of places to eat (2.2), evening business hours (2.4), and parking (2.5). The average rating for all factors is 2.9.

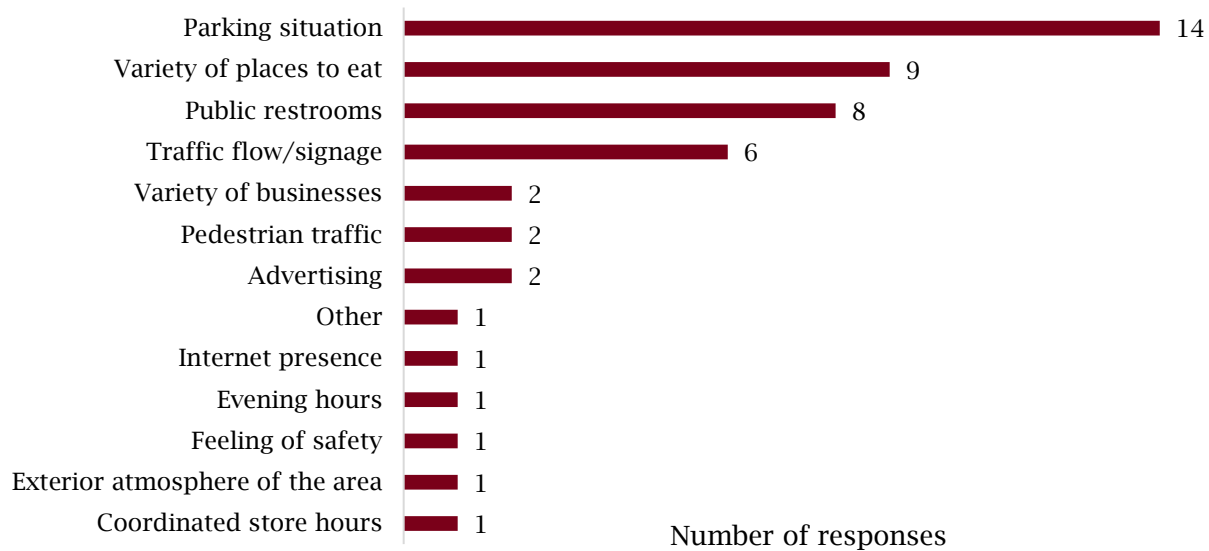


Figure 0-17. Which factor is the most important to be improved?

Additionally, businesses were asked which is the most important factor needing improvement. Out of the 53 businesses tabulated, 49 responded to this question. As shown in Figure 2-17, the top response was parking, chosen by 14 respondents, followed by a variety of places to eat (9), and public restrooms (8). Public restrooms were the item selected most (13 businesses) as the second most important factor needing improvement.

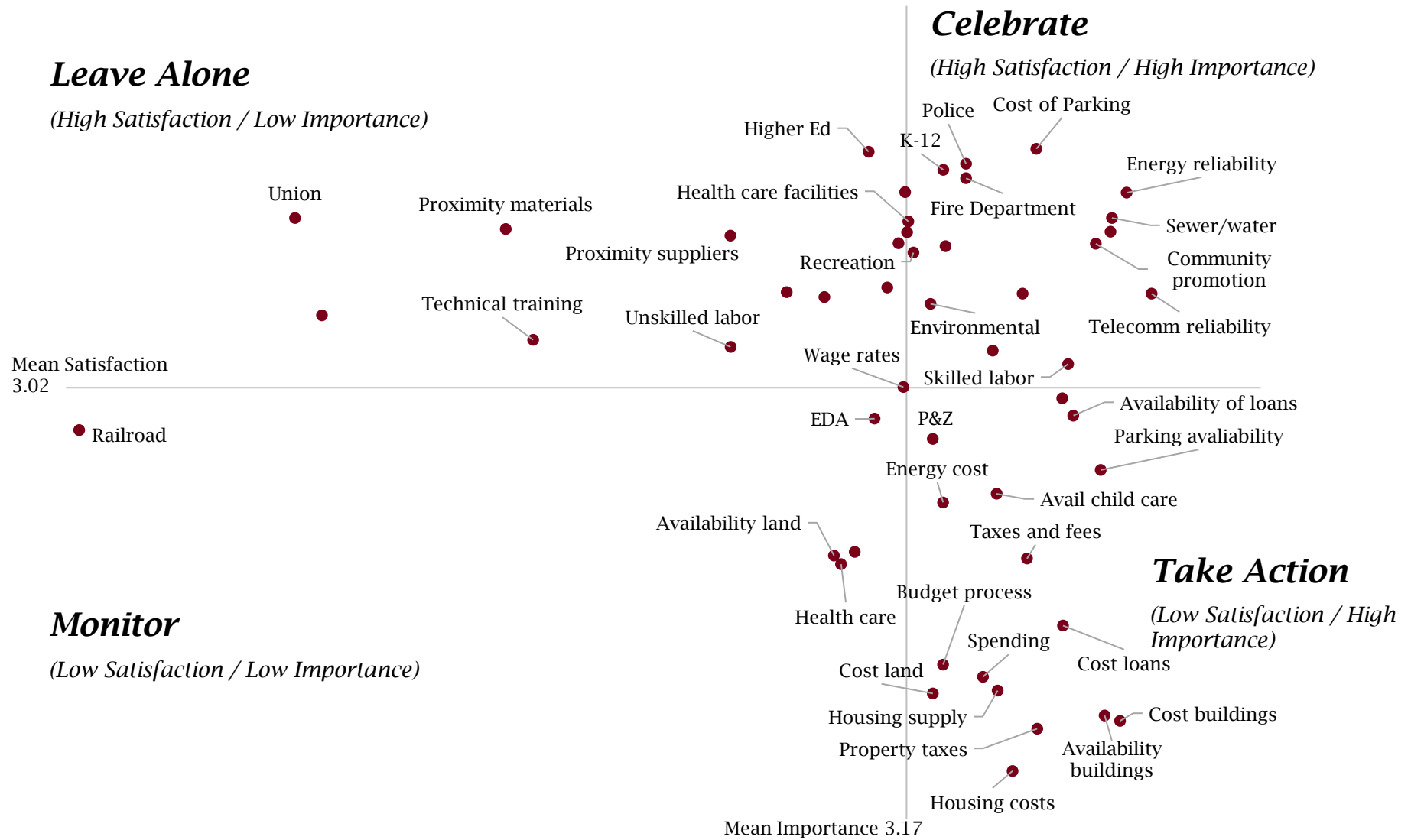


Figure 0-18. Business satisfaction and importance ratings of community factors

Questions 34 and 35 in the CBC survey asked businesses to consider 49 community factors. Question 34 asked businesses to rate the hypothetical importance of each factor if they were to select a new location for their business. Each factor is rated on a scale from 1 to 4 (1 = not at all important, and 4 = very important). Likewise, on Question 35, the businesses were asked to rate these 49 community factors again but this time to focus on their own satisfaction with these factors in their current location (i.e., Northfield).

Figure 2-18 shows all 49 community factors, though they are not all labeled. Factors on the far right are very important, and factors near the top have high levels of satisfaction. The graph is divided into four quadrants. The upper right quadrant, Celebrate, includes factors that have a higher-than-average importance and higher-than-average satisfaction. The lower right quadrant, Take Action, includes factors that are considered very important but have lower-than-average levels of satisfaction. The upper left quadrant, Leave Alone, includes factors with lower-than-average importance but high satisfaction. Finally, the lower left quadrant, Monitor, includes factors that are considered relatively unimportant and have lower-than-average satisfaction.

When determining which factors might warrant further attention, communities may consider focusing on those with higher-than-average levels of importance. Even if satisfaction levels are low for certain factors, it may not serve a community well to devote time and attention to fixing some factor if it is not highly important to local businesses.

Analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT)

A Research Review Meeting was held on April 18, 2025, at the University of Minnesota Saint Paul campus (see Chapter 5 for meeting details). The complete SWOT analysis from that review meeting is shown below in Table 2-1. There also was an expedited Research Review session held with participants in UMN Extension's Business Retention and Expansion Course on April 15, 2025.

Table 0-1. Summary of Northfield SWOT Analysis

	Survey Result	Survey Question #
Strengths	Community is a good place to live and do business	42, 43
	Strong feelings of safety	371
	Satisfaction with special events, recreation, cultural opportunities	37a, 35
	Quality of K-12 schools and higher education	35
	Local business support	35
	Fire, police, and sewer/water services	35
	66% of businesses have written business plans	24
	53% of businesses are planning to expand	27a
Weaknesses	75% rated shopping atmosphere highly	38
	Lack of public restrooms	37a
	Availability and cost of buildings	35
	Housing supply and cost	35
	Diversity of businesses and food options	37a

	Parking situation	37a, 39
	58% of businesses rent or lease	32a
Opportunities	Collaborate to improve parking	37a
	Assist with business succession planning	24
	Connect property owners and businesses looking to move or expand	29
	Expand training methods	18
	Taxes/public finance discussion	35
	Online sales	20
	Coordinate evening store hours	37a
Threats	River flooding	29
	2 out of 3 businesses have no succession plan	24
	21% of businesses are considering moving, 16% considering moving out of the city	28, 30
	Labor shortages	Review meeting
	42% of respondents have no planned technological innovations.	23
	External threats (e.g., economy, recession, trade, federal funding).	Review meeting