WHAT WE’RE SEEING RIGHT NOW

Newer businesses and larger ones are arriving on the scene. The much-discussed skills gap is affecting some... but only for specific job categories.
Don’t just hire *an accountant*.

You deserve better. Kaufman Rossin is proud to partner with successful business leaders to help improve performance and minimize risk.

*Kaufman Rossin is proud to be a part of The Greater Fort Lauderdale Alliance of South Florida.*
Methodology

The Greater Fort Lauderdale Alliance partnered with Kaufman Rossin to administer and analyze its 2016 Broward Executive Survey. For five years this partnership has provided insight into the community of Broward businesses, identifying trends and common concerns.

Surveys were distributed to more than 5,000 email addresses, sourced from the database of Hoovers, a D&B Company, and both The Alliance and Kaufman Rossin’s proprietary databases. The recipients were identified as Broward business owners, CEOs, or the decision maker for Broward operations.

116 responses were received, with 83 completing all questions. Respondents came from a range of industries. Top 5 were Hospitality, Technology, Financial Services, Real Estate and Healthcare.
Executive Summary

> Broward businesses are optimistic.
76.5% believe their businesses will be healthier this time next year.

> The business community is growing.
Responses from new businesses – up to 2 years old - increased from 2.5% to 8.7%.
More larger businesses participated: 40% reported more than 50 employees, compared to less than 30% last year.

> Priorities showed an interesting shift.
Marketing and technology continue as top investment priorities.
But this year training surpassed recruitment for their 3rd investment priority.

> Businesses are trying to hire.
61% expect to increase staff this year. But they are having difficulty finding qualified employees. When asked about top challenges:

- 42% chose finding qualified professional employees
- 38% chose finding skilled workers
- 17% chose filling technology positions.

Business leaders like the friendly business climate and collaboration between business and government. But they have concerns about affordable housing, and the complexity of navigating the municipal network.
Business leaders are optimistic… but not quite as much as in the past.

A majority told us their businesses are healthier today than last year…but not as many as before.

65% of respondents reported that the health of their business is better today than it was last year, but last year over 76% thought so.

Similarly, most expect a positive future…but not as many as before.

76.5% of these leaders expect their business to be healthier next year, compared to 90% last year, and 81% the year before.
There’s a desire to staff up, but there may be issues.

61.5% projected staff increases in 2016, compared to slightly less in 2015.
The right people are hard to find – but only in specific skill areas.

Many studies talk about the skills gap: for certain job categories, there simply aren’t enough qualified workers. We asked our survey respondents whether this was true for their businesses, and which categories it affects.

Interestingly, 20% reported they don’t have problems hiring. The top areas with issues were **Sales, Management, Accounting and Customer Service**.
Different methods are in play to improve recruitment.

Top cited successful tactics were the traditional ones – increased salaries, improved benefits, and flexible work hours are each being used successfully by more than half the sample. But in a second tier, three more innovative techniques got positive reviews: on-line postings, proactive targeting and social media.

![Bar chart showing the success rates of various recruitment methods](chart.png)
What will leaders focus on this year?

They’ll need to keep the new hires they’re acquiring.

Retention efforts, which go hand-in-hand with recruitment, showed similar range in the tactics being used. Most successful was improving salaries and benefits, which aligns with the new hire efforts above.

And providing individualized feedback seems to provide real retention power, with annual performance reviews, ongoing performance feedback and individual development plans all showing successful results for a significant majority of those using the techniques.

What are you doing to retain and develop employees?

- Structured new hire training
  - Haven’t tried: 26%
  - Planning to try: 19%
  - Using successfully: 54%
  - Using with poor results: 1%
  - Stopped using: 5%

- Internships
  - Haven’t tried: 32%
  - Planning to try: 17%
  - Using successfully: 35%
  - Using with poor results: 12%
  - Stopped using: 5%

- Mentoring
  - Haven’t tried: 26%
  - Planning to try: 15%
  - Using successfully: 52%
  - Using with poor results: 5%
  - Stopped using: 1%

- Individual development plans
  - Haven’t tried: 18%
  - Planning to try: 17%
  - Using successfully: 61%
  - Using with poor results: 4%
  - Stopped using: 4%

- Ongoing classroom training
  - Haven’t tried: 37%
  - Planning to try: 14%
  - Using successfully: 44%
  - Using with poor results: 4%
  - Stopped using: 1%

- Annual performance reviews
  - Haven’t tried: 8%
  - Planning to try: 9%
  - Using successfully: 74%
  - Using with poor results: 5%
  - Stopped using: 4%

- Ongoing performance feedback
  - Haven’t tried: 12%
  - Planning to try: 11%
  - Using successfully: 71%
  - Using with poor results: 6%
  - Stopped using: 1%

- Partnering with colleges/universities
  - Haven’t tried: 44%
  - Planning to try: 23%
  - Using successfully: 18%
  - Using with poor results: 9%
  - Stopped using: 2%

- Internal social media
  - Haven’t tried: 46%
  - Planning to try: 12%
  - Using successfully: 38%
  - Using with poor results: 2%
  - Stopped using: 1%

- Internal networking programs
  - Haven’t tried: 49%
  - Planning to try: 9%
  - Using successfully: 36%
  - Using with poor results: 5%
  - Stopped using: 1%

- Increased salaries and benefits
  - Haven’t tried: 7%
  - Planning to try: 7%
  - Using successfully: 77%
  - Using with poor results: 4%
  - Stopped using: 5%
They must invest wisely in their businesses.

Investment areas remained similar to last year, with a significant deepening of interest in training and recruitment. Technology and marketing remained top of the list, but with less emphasis.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>66.7%</td>
<td>75.0%</td>
</tr>
<tr>
<td>Technology</td>
<td>57.1%</td>
<td>63.8%</td>
</tr>
<tr>
<td>Training</td>
<td>45.2%</td>
<td>36.9%</td>
</tr>
<tr>
<td>Recruitment</td>
<td>44.0%</td>
<td>37.5%</td>
</tr>
<tr>
<td>Salaries/bonuses</td>
<td>39.3%</td>
<td>38.8%</td>
</tr>
<tr>
<td>Physical plant</td>
<td>20.2%</td>
<td>18.8%</td>
</tr>
<tr>
<td>Benefits/healthcare</td>
<td>11.9%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Research and development</td>
<td>9.5%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>
They need to plan for challenges and risks.

Respondents’ top challenges were consistent with their investments, with recruitment and retention taking the top spots. But other areas where more than 20% saw top challenges were risk-related: regulation, healthcare and fraud.

Rate these challenges to your business success

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Top challenge</th>
<th>Somewhat challenging</th>
<th>Got this one solved</th>
<th>Not important to me</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental sustainability</td>
<td>2%</td>
<td>23%</td>
<td>26%</td>
<td>49%</td>
</tr>
<tr>
<td>Staying on top of new technology</td>
<td>17%</td>
<td>56%</td>
<td>19%</td>
<td>8%</td>
</tr>
<tr>
<td>Protecting my business from fraud</td>
<td>20%</td>
<td>45%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Affordable training for employees</td>
<td>14%</td>
<td>44%</td>
<td>29%</td>
<td>13%</td>
</tr>
<tr>
<td>Keeping up with regulatory changes</td>
<td>25%</td>
<td>30%</td>
<td>26%</td>
<td>19%</td>
</tr>
<tr>
<td>Developing new products or markets</td>
<td>21%</td>
<td>50%</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>Developing new funding sources</td>
<td>16%</td>
<td>32%</td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td>Insurance/healthcare</td>
<td>23%</td>
<td>42%</td>
<td>26%</td>
<td>9%</td>
</tr>
<tr>
<td>Finding qualified professional employees</td>
<td>42%</td>
<td>38%</td>
<td>16%</td>
<td>6%</td>
</tr>
<tr>
<td>Finding skilled workers</td>
<td>38%</td>
<td>38%</td>
<td>16%</td>
<td>8%</td>
</tr>
<tr>
<td>Filling technology positions</td>
<td>17%</td>
<td>19%</td>
<td>34%</td>
<td>30%</td>
</tr>
<tr>
<td>Retaining qualified employees</td>
<td>25%</td>
<td>43%</td>
<td>26%</td>
<td>6%</td>
</tr>
</tbody>
</table>
The best of Broward
The worst of Broward