What we’re seeing right now

Broward businesses seem less optimistic about growth, but they are investing in their futures.
Don’t just hire an accountant. You deserve better.

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

Kaufman Rossin is pleased to collaborate with The Greater Fort Lauderdale Alliance

Contact Us
email@kaufmanrossin.com
954-566-4400
Methodology

The Greater Fort Lauderdale Alliance partnered with Kaufman Rossin to administer and analyze its 2019 Broward Executive Survey. This survey provides insight into the community of Broward businesses, identifying trends and common concerns.

Surveys were distributed to 6,816 email addresses, sourced from the database of D&B, 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. 113 responded. While we make several comparisons in this report to prior years’ data, it’s important to note that, while the list of leaders invited to respond remains similar, the specific respondents may not be the same from year to year.


Executive Summary

According to the United States Census, there are more than a quarter of a million businesses in Broward County, employing nearly 1 million people. As reported in October, from 2007 to 2018, the Alliance, working with its members, Broward County and other partners helped create or retain more than 32,000 direct jobs that are estimated to generate through direct, indirect and induced effects total employment of approximately 67,000 jobs.

According to Alliance President and CEO Bob Swindell, Florida’s tax structure remains an attraction to businesses, though incentives for relocation are perceived as lower than other states.

Swindell notes that growth, which surged after the Great Recession and peaked in 2015, is now more sustainable. “Florida is unique because we’re still experiencing a positive growth rate but at a slightly lower pace,” Swindell said. “We’re getting back on a sustainable track for growth, like we had before the recession.”

Annually, this survey gives us a chance to understand these businesses better. This year’s data, compared to recent years, demonstrates both challenges and opportunities. Some key learnings:

- Many business leaders remain concerned about recruiting and retaining talent.
- Optimism about growth isn’t as evident this year as in the past.
- Businesses seem to be planning for their futures, with Technology and Marketing as top investment categories.
Other Professional Services continues to be the dominant industry among survey respondents. However, this year technology has moved second place, displacing financial services which has slipped to #6 among survey respondents.
General optimism appears to be decreasing…

Just 65% reported that their business is in better health than a year ago; 75% of last year’s respondents said things were better than the prior year. Looking to the future, the trend continues, with “about the same” predictions more than twice as popular as last year.

HOW IS THE HEALTH OF YOUR BUSINESS TODAY, COMPARED TO A YEAR AGO?

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>Much better</td>
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<tr>
<td>Somewhat better</td>
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<td>About the same</td>
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<tr>
<td>Worse</td>
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</tbody>
</table>

32% 20% 41% 45% 21% 27% 6% 7%
HOW HEALTHY DO YOU THINK YOUR BUSINESS WILL BE IN ONE YEAR COMPARED TO TODAY?

- **Much better**: 21% (2018) vs. 37% (2019)
- **Somewhat better**: 14% (2018) vs. 45% (2019)
- **About the same**: 31% (2018) vs. 43% (2019)
- **Worse**: 4% (2018) vs. 4% (2019)
Projections of staff growth, previously trending upward, have decreased for the past three years.
Investment plans have changed, but the key challenge remains and may have worsened.

Over the past three years, both technology and marketing have grown as popular investment areas, with physical plant shrinking and R&D reappearing after slipping off the radar in 2017.

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>60%</td>
</tr>
<tr>
<td>Technology</td>
<td>56%</td>
</tr>
<tr>
<td>Recruitment</td>
<td>38%</td>
</tr>
<tr>
<td>Training</td>
<td>38%</td>
</tr>
<tr>
<td>Salaries/bonuses</td>
<td>36%</td>
</tr>
<tr>
<td>Benefits/healthcare</td>
<td>18%</td>
</tr>
<tr>
<td>Physical plant</td>
<td>12%</td>
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<tr>
<td>Research and development</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
</tbody>
</table>
Plans to invest in recruitment have been decreasing, which is counterintuitive since recruiting has been identified as the #1 top issue in all three years, and has steadily increased.

Why is recruitment such an issue? Financial conditions – both costs and salaries – are the top selected reasons for that challenge.

Other named challenges included immigration laws and work permits, as well as a lack of executive talent and salespeople.
These businesses have impact well beyond the county.

Just 13% do 100% of their business in Broward...

WHAT PERCENTAGE OF YOUR BUSINESS IS CONDUCTED IN BROWARD COUNTY?
...and when asked to check all markets that are important to their businesses, nearly half chose “the rest of Florida,” and more than a quarter selected “other countries.”

**WHAT MARKETS ARE IMPORTANT TO YOUR BUSINESS?**

- **Broward County**: 82%
- **South Florida**: 70%
- **Florida**: 49%
- **United States**: 42%
- **International**: 27%
Here’s what they don't like…and like…about doing business in Broward.

CONS

“There is little or no regard for protecting the environmental resources of the County even though most businesses benefit from it.”

“The workforce is very limited and we recruit from outside.”

“Traffic challenges and housing cost challenges to relocate people to the area.”

“Industry is not as diverse as the people. Still dependent on a few large companies and sectors. Not a lot of women in leadership roles.”
PROS

“The community is strong and growing. We also have local business leaders who are committed to making Broward County a great place to live and work.”

“We have good access to transportation and logistics needed to operate internationally.”

“The like-mindedness of many of the companies and flow of available opportunities to work together to grow the county.”

“No matter where you go in Broward County, whether it is private or government employees, most people are willing to go the extra distance to help you get results.”