

Identifying Companies at Risk

It is extremely important to determine what early warning signals can identify companies at risk of downsizing or leaving a community all together. If the community can intervene early in the process, then many times, resources can be pulled together to assist the company with the issues that would cause it to relocate elsewhere.

Red flags can include:

Company factors:

- **Declining sales/employment**
- **Increasing sales/employment**
- **Obsolete or land-locked facilities**
- **Older production/technology equipment**
- **Other in-state or out-of-state facilities**
- **Capital investment elsewhere**
- **Facility and site expansion plans**
- **Lease of property/lease expiration**
- **Non-local corporate ownership**
- **Gradual corporate downsizing**
- **Recent ownership changes**
- **Loss of supplier contracts**
- **Union contract expirations**

Industry factors:

- **Industry undergoing consolidation**
- **Industry facing rapid change**
- **Lack of needed skilled labor**

Attitudinal factors:

- **Negative attitudes about the community**
- **Lack of business support in the community**

Without an active visitation program, and an infrastructure in place to resolve issues, these companies might never be identified, and news about their downsizing or exit from the area will come too late.

Footnote: Examples of survey tools that can be used are in Section 5.