



2022

Focus Group Report

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EXECUTIVE SUMMARY

New Orleans' cultural traditions shape the unique character of our city and region, making it a place where people want to live, learn and work. Locally-owned businesses are a stabilizing presence throughout Greater New Orleans' five parishes, providing community gathering places and linking neighbors. For these and other reasons, StayLocal is devoted to raising the visibility and viability of our place-based businesses.

The success and retention of independent businesses are vital for New Orleans' economic future, as well as its sense of community, character, and place. But Southeast Louisiana is not an easy place to run a business, and the cascading disasters of recent years, including the impacts of the Covid pandemic and Hurricane Ida, further threatened the viability of many local businesses. Supply chains have been disrupted, operational costs have increased, and staffing has become more challenging for many.

In January of 2022, we sat down with five business owners representing a range of business types, sizes, ages and locations throughout metro New Orleans. This report documents the outcomes of that facilitated discussion where we explored how the business owners are coping with the ongoing impacts of the pandemic and Hurricane Ida, and how the economic climate might influence outcomes for our independent businesses in 2022.

METHODOLOGY

The research was conducted collaboratively with the Urban Conservancy and StayLocal staff. Staff developed the focus of the study, chose participants, and worked with researchers on the interpretation and analysis. The focus group participants were chosen to represent the diversity of small business owners. The two-hour focus group was facilitated by Dr. Pam Jenkins, Research Professor of Sociology, Emerita and included a variety of questions about the effects of the pandemic and Ida and the focus group participants' views of their futures as local business owners in New Orleans.

A focus group is an often-used qualitative method that allows for the participants to build upon the thoughts of others and to document their differences.¹ The researchers reviewed the transcript for common codes (ideas) related to the lived experiences.² These codes were then developed into larger overall themes.

The participants included a mix of restaurant, retail and service participants and varied by sector, race, ethnicity, and length of time in business. The participants included: an owner of an established full-service pet care provider with multiple locations; an owner of a catering business; the CEO of a construction supply company based in metro New Orleans and with offices throughout the Gulf South; a husband and wife who co-own a green sector construction company; and a co-owner, with his wife, of a cafe.

KEY FINDINGS

- ▶ Businesses need improved communication technologies that provide access to timely information throughout cascading disasters.
- ▶ Staffing quality and retention has been difficult, even after increasing benefits and starting salary.
- ▶ Matters not directly related to their businesses such as Covid, childcare, evacuation, reliability of infrastructure, home repairs, etc. compete with owners' business-related priorities.
- ▶ Getting sick, supply chain breaks, and customers with expendable cash are all concerns of businesses.
- ▶ StayLocal's greatest contribution is bringing different businesses together and giving businesses a voice and connecting them to people, customers, City Hall, and other organizations.
- ▶ Dealings with city officials and representatives for permits/licensing, business tax, crisis management and communication to business owners were unanimously described as negative experiences.
- ▶ Each business owner stated that too many both in government and the community seem unaware of the contributions of the local business owner.
- ▶ A thriving business in 5 years looks like remaining open and moving toward a better, sustainable, healthy economy in New Orleans.

RECOMMENDATIONS

1. **Continuity Planning** - There is an opportunity to simplify continuity planning advice and sample plans.

Action: StayLocal will host a workshop on lessons learned from Hurricane Ida and the Covid pandemic which provides businesses tools to reconfigure their continuity plans.

2. **Support for New Technologies** - The permitting/licensing, tax and crisis management challenges, --named endemic problems specifically in Orleans Parish by participants--can be addressed in part with better communication through tech tools like group calls and text alert opt-ins for business owners.

Action: StayLocal will advocate for and support new technologies that manage public processes so business owners can more efficiently manage operations.

3. **Disaster-Attuned Growth Models** - Business owners in growth stage can create models for growth in the midst of disasters.

Action: StayLocal will support independent business owners preparing to pivot, expand, modulate or develop hybrid operations during disaster and post-disaster conditions.

4. **Improve Business Conditions for Orleans Parish Contracts** - The failure of the City to make timely payment for services rendered for procurement contracts leaves local business owners feeling underserved, ignored, taken for granted, and disrespected.

Action: StayLocal will systematically involve small business owners in advocacy with key city and regional agencies. Together with civic leaders and business owners, we'll assist development practices that will lead to better coordination with the City that will support and recognize small businesses.

5. **Retain Successful Independent Businesses** - Despite the above, only 1 of 5 business owners indicated that the struggles they encounter are cause to close, or to depart from New Orleans; in fact four of the five business owners plan to expand their businesses while remaining in New Orleans.

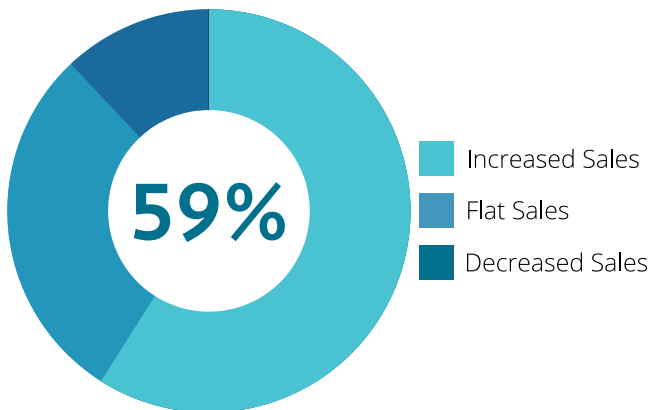
Action: StayLocal will continue marketing efforts that bring “shop local” and “choose local first” messages to New Orleanians and visitors.

CONTEXT

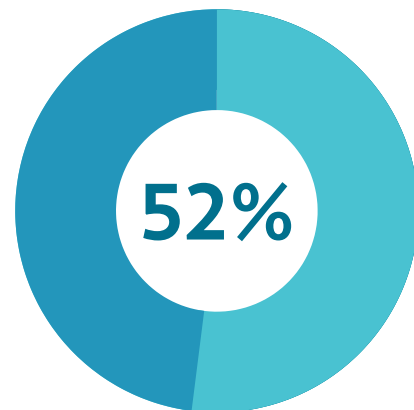
From 2014 to 2018, StayLocal conducted annual surveys of 100 metro-area businesses and published findings in “New Orleans Independent Business Trends” reports. These can be found at staylocal.org/reports-advocacy. This focus group is a continuation of that research. In 2018, the last year in which we published the Independent Business Trends Report, businesses reported that:

- ▶ A majority of all business respondents reported growth.
- ▶ A majority of independent businesses reported their most significant challenge was the cost of health insurance benefits.
- ▶ Many respondents reported difficulty finding quality employees.
- ▶ Competition from large, internet-based competitors remains a significant challenge for a majority of retailers.

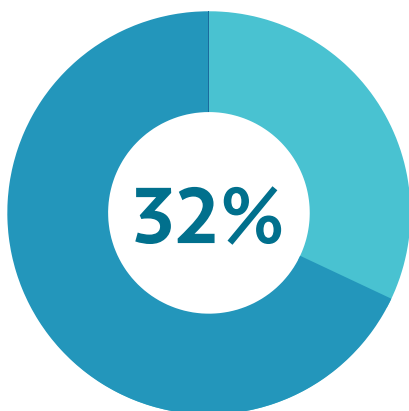
While these conditions still exist, the current climate is much different, and the focus group revealed a greater sense of insecurity and uncertainty about the future. While all five participants in the focus group are still in business and several are thriving, the conditions of the last two years placed enormous strain on their businesses. This report revealed a different set of findings than the previous survey.



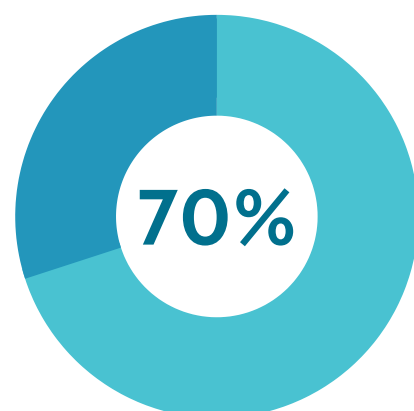
Change in annual revenue 2018



Health insurance benefits too costly



Difficulty finding quality employees



Competition from online mega-retailers

What's Top of Mind to New Orleans Business Owners?

(based on frequency of mentions)

Current Obstacles to Growth 41%

e.g. city policies, employment, and supply chain issues

"I would like to see a more business friendly city, in a true sense of being business friendly, not just as a political marker or tagline, but to assist for example with permitting... that process is so discouraging."

Dealing With Disasters 33%

e.g. hurricane mitigation, improved city communication, predicting consumer behavior

"How can I tap into new technology to compete when everything is fine, but also use the same technology to reach my customers when internet or other services are not working?"

Future Prospects 24%

e.g. stable economy, grid hardening, support for green sector

"I'd like to be bringing in global manufacturers to the city of New Orleans to show them an example of a city that is designed and built better. A city with long-term sustainability, and a city that has thought about what it means to be a business owner."

2%

Other

TOP OF MIND TO NEW ORLEANS BUSINESS OWNERS IN 2022

The purpose of the focus group was to discover the most prominent concerns for local, independent business owners; StayLocal provided a facilitator and an opportunity for five business owners to participate in an open conversation with their peers. From the two-hour conversation, there were 185 ideas contributed, which were compiled in a list by subject, and each assigned a separate code letter code, listed in order as the conversation unfolded, in Appendix A.

1. LIVING AND WORKING IN A DISASTER - HURRICANE IDA

The response to Hurricane Ida was familiar to these business owners who had been through many storms. Yet, each storm is different and the specific challenges of Ida provided opportunities for both growth and diminishing effects. Compounded by the pandemic which changed their businesses dramatically, these business owners adapted under the threat of hurricane; one even crowd-sourced funds to purchase new equipment to put to immediate use in evacuation.

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- ▶ *“I thought about it in two ways. One, how can I better prepare so we are up and running [when power is restored]? Then I thought, how can I tap into new technology to compete when everything is fine, but also use the same technology to reach my customers when internet or other services are not working?”*
▶ **Event caterer, New Orleans**
 - ▶ *We are forced to come up with contingency plans to make sure we have internet access, for example, because internet is primarily what my customer base expects from me. So, how do we maintain or quickly get electricity restored in our location?*
▶ **Cafe owners, New Orleans**
 - ▶ *This is my 16th year in business, and each hurricane season I learn something different. I thought I was prepared, with my own water purification system and stand-by generator, but Ida let me know differently. I had to get a second phone on a different phone provider in case a tower goes down (like AT&T's did).*
▶ **Pet boarding business owner, New Orleans**
 - ▶ *I know our mental health system has been lacking for a long time, but it has to be acknowledged that we are not the same [as other places]. If we want our residents and people that are native here and people who have been here long enough to experience catastrophes, if we want them to stay and be resilient and be fruitful, we have to support them in ways where maybe they don't even recognize they need support. There's no acknowledgement among leaders of these mental health struggles.*
▶ **Event caterer, New Orleans**

2. LIVING AND WORKING IN A DISASTER - COVID PANDEMIC

Business owners managed two years of ever-changing business landscapes due to the Covid pandemic. Mandatory shutdowns, occupancy limits and social distancing inside restaurants and offices, mask mandates and other rules complicated their needs to manage their expenses while retaining employees and keeping them safe. For some sectors, lack of tourists significantly reduced income. For everyone, personal and business responsibilities were constantly in competition for business owners' time.

More than any other time since the aftermath of Hurricane Katrina, the impact of these disasters was felt in every aspect of their business--employees, customers, how and even when they did their work. Each business had to think creatively about all these issues, and in one case, completely pivot their service provision. From price gouging to lack of staff, these events illustrate the struggles of the independent business owner.

The breadth of knowledge, creativity and flexibility that define this group shows what an asset small business owners are to this community and identifies the significant challenges that they face. The chronic and persistent hurricane season, compounded by the city's protocols, and the pandemic, resulted in customers shifting, employee difficulties, and cash flow issues.

► *"We represent many manufacturers from around the nation, and some even outside of the country. Because of the pandemic and the varied travel regulations between different municipalities and states, and due to the fact that people were just quitting jobs, these manufacturers couldn't get their salespeople to cover the area. So, we brought on roughly 15 new manufacturers that were looking for a salesforce to represent them. We improved our line card and increased the number of products and solutions we could bring to market."*

► **Construction product supplier, Kenner**

► *"My most significant impact was that I had to come to a realization regarding my customer base, which I thought of as diverse, because I would work medical offices, large events and weddings. But one thing that they had in common: all large groups. It wasn't until the pandemic that I realized the importance of being able to reach individual customers."*

► **Event caterer, New Orleans**

► *"Krewe of Red Beans* intentionally sought out certain businesses to participate so that those businesses could continue to get business and a revenue stream. I was fortunately one of those businesses that benefited from that organization and the effort to feed the frontline."*

► **Cafe owners, New Orleans**

*Krewe of Red Beans created an initiative to feed frontline workers, such as hospital staff and first responders, by hiring out-of-work musicians and other creatives to deliver meals provided by local restaurants. Krewe of Red Beans crowd sourced donations to fund the effort.

► *"I had to lay off employees, and then bring them back once I offered discounted rates to first responders, therefore generating some income. I felt like I was helping make a difference in what was happening around us. 'Pivot': that's the name of the game, right?"*

► **Pet boarding business owner, New Orleans**

3. FUTURE OF BUSINESS - REMAINING IN NEW ORLEANS

We asked about the future by asking business owners first, to imagine what would stop their business (questions about how they viewed their future are on the following page).

The answers showed their considerable knowledge of roadblocks, as they have experienced so many shocks and stressors as part of being a New Orleans business owner.

Every participant held a strong opinion about the City of New Orleans, although not every business owner works exclusively in, or lives in, New Orleans. The opinions were unanimously negative.

The questions about the future were answered about their own businesses and about the city. These business owners know that the future just doesn't depend on them, but also on the context of their environment.

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- ▶ *“City hall needs to work with us. We’re bringing them tax money that’s going to keep the city going. We’re not a burden. I think it would be so much easier if there were more online options, less showing up to City Hall in person, and if permit applications were streamlined.”*
▶ **Pet boarding business owner, New Orleans**
 - ▶ *“[Being paid on a city contract] is horrendous. We’re the lowest tier: the material men to the subcontractor, who is a subcontractor to a general contractor. To get paid in 120 days is not unusual, despite the fact that 120 days is not feasible for a small business. It’s so bad...when trying to find a partner to go into an opportunity, some people refuse the opportunity--they won’t work with the city anymore.”*
▶ **Construction and green infrastructure business owners, Slidell**
 - ▶ *“The travel ban has been very difficult. If there is another, it could end my business.”*
▶ **Pet boarding business owner, New Orleans**
 - ▶ *“I would like to see a more responsive city hall and city government that addresses and takes care of a basic service. I would like to see a more business friendly city, in a true sense of being business friendly, not just as a political marker or tagline, but to be business friendly. Permitting is hell right now. One Stop Shop, and that whole permitting process is so discouraging.”*
▶ **Cafe owners, New Orleans**

4. FUTURE OF BUSINESS - GROWING IN NEW ORLEANS

We also asked business owners about their future by asking each to imagine how they viewed their future, in broad strokes, undetermined by shocks, stressors and business interruptions --the blue sky version of their lives as business owners.

Overall, the businesses were cautiously optimistic, but concerned about how New Orleans would fare. These business owners know with their own work and support from their community, they can be successful.

Our recommendations for actions to take to improve the economic environment for businesses are on page 4.

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- ▶ *“I have too many barriers in New Orleans to be optimistic.”*
▶ **Event caterer, New Orleans**
 - ▶ *“Five years from now, ours will be a global business that is choosing to be headquartered here in New Orleans.”*
▶ **Construction and green infrastructure business owners, Slidell**
 - ▶ *“I’d like to be bringing in global manufacturers to the city of New Orleans to show them an example of a city that is designed and built better. A city with long-term sustainability, and a city that has thought about what it means to be a business owner.”*
▶ **Construction product supplier, Kenner**

SUMMARY

In summary, local independent businesses are cautiously optimistic about their future growth, but are fatigued by ongoing and persistent business interruptions due to the pandemic and Hurricane Ida. Most importantly, business owners do not feel supported by the City systems in place required to legally conduct business, and report time consuming steps required for routine transactions. Their desire to remain in New Orleans while expanding their companies here is hampered by frustrations in dealing with regulatory processes and uncertainty about consumer behavior.

Since 2001, the Urban Conservancy has collaborated on and led initiatives to strengthen the urban environment and local economy through equitable practices, and policies.

StayLocal is Greater New Orleans' independent business alliance, an initiative of Urban Conservancy which works with locally owned and operated businesses to create an environment for them to thrive through the independent research, education, and advocacy. StayLocal educates consumers on the benefits of keeping their dollars local; actively promotes independent shops and service providers; and helps businesses stay competitive through workshops, networking events, and policy initiatives.

The authors of this report include the Urban Conservancy and StayLocal staff Dana Eness, Maryann Miller, Matthew Ricchiuti. Pamela Jenkins (Research Professor of Sociology, Emerita) and Logan Dougherty (UNO graduate student) worked collaboratively with staff to co-design the project, the analysis and final report.

Full Transcript of Focus Group Available on Request

Much appreciation to:

- ▶ Michelle Ingram, founder of Zeus' Place, Zeus' Rescues and co-founder Freret Market
- ▶ Alonzo Knox, co-owner (with his wife) of Backatown Coffee Parlour
- ▶ Josh Loeske, CEO, Quality Sitework Materials
- ▶ Nicole Nixon, co-owner (with her husband) Ubuntu Constructo-Tech & Urban Resilience
- ▶ Sinnidra Taylor, founder Codey's Commissary, founder Crazy Waffles

for generously sharing their experiences as part of the focus group.

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APPENDIX A - DISCUSSION POINTS BY INSTANCE

StayLocal Focus Group Transcription January 12th, 2022		
Section	Total Count	185
A	Customer Issues during a disaster	8
	Ida	7
	Pandemic	1
B	Employees in a disaster	25
	Ida employee issues	8
	- Ida working conditions	4
	Importance of company culture	3
	Pandemic employee issues	10
	- Pandemic working conditions	7
	- Pay	3
C	The Future	44
	Future of own business	13
	- Business - negative	4
	- Business - positive	9
	Future of the city	9
	- City - Negative	7
	- City - Positive	2
D	Relationship with StayLocal	9
	Connection with other businesses and groups	4
	Marketing	3
	Personal support	1
E	Thoughts on business after Hurricane Ida	23
	Barriers to business	6
	- Supply chain issues	3
	Mitigation	6
	- Future mitigation measures to be adopted	4
	- Mitigation measures in place at the time of the storm	2
	Positive opportunities from hurricane	2
F	Thoughts on business during Covid	6
	Barriers to business	1
	Changing business strategies	4
G	Useful programs or models	4
	Those that they would like to see	1
	Those that were known or used	3
H	What would stop your business?	76
	City policies	17
	- Other issues	8
	- Permits	6
	- Timely payment	3
	Continuity plan	4
	- Formal	0
	- Informal	4
	Logistics	14
	- Covid	3
	- Customers	4
	- Project funding	4
	- Staff	1
	- Supply chain	2
	Personal struggles	3
- Childcare	1	
- Home repairs	0	
- Illness	2	

ENDNOTES

¹According to Creswell, qualitative data are “inductive, emerging, and shaped by the researcher’s experience in collecting and analyzing the data” (2012, p. 705).

²The researchers reviewed the transcript for common codes (ideas) related to the lived experiences. The coding method includes “aggregating the text or visual data into small categories of information, seeking evidence for the code from different databases being used in a study, and then assigning a label to that code” (Creswell, 2012, p. 3522).