

City of Driggs

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Executive Summary

In an effort to help understand the niche manufacturing market and telecommuting industry the research team has accumulated data to determine the strengths, weaknesses, and opportunities of the city of Driggs. This data has been compiled in order to determine a plan that can be executed for the city of Driggs in order to help them increase their profitability and know what areas the city can improve in to attract new businesses and telecommuters.

Two types of industry data have been compiled in this report. The first one analyzed was the telecommuting industry and second was the niche manufacturing industry. The two industries that are best suited for the city of Driggs. In the telecommuting industry it was determined that the city of Driggs must improve on three aspects. These aspects are Internet capabilities, educational systems, and increasing the awareness of all that Driggs has to offer. These three aspects will take time to improve on, but there are steps that can be taken immediately and within the near future in order to accomplish these goals. It has been found that the city of Driggs already has fiber optic cables laid within the city that can be accessed. The elementary and high school education programs were compared to Idaho averages, and were found to be between 5-20 percent behind in categories tested by the Idaho State Assessment. The niche manufacturing industry was then analyzed. Many of the aspects within the city that needed improvement were similar to the telecommuting industry such as, Internet, city zoning, and the shipping and receiving of goods.

There is a strong foundation and competitive advantage that the city of Driggs already has laid. Some of these strengths include recreational activities readily available and low property taxes.

Best practices were found for both the telecommuting and manufacturing industries in Driggs. These results were based off of comparable cities that were researched and analyzed based on similarities shared with the city of Driggs. Best practices in the telecommuting industry showed that in order to attract telecommuters a city must have the desired lifestyle of a telecommuter. The city of Driggs offers this lifestyle, but is currently lacking a few key aspects to bringing in telecommuting. The first being awareness of what the city has to offer and the second being the Internet. Niche manufacturing was then analyzed to find the best practices. Outdoor gear manufacturing was focused on since the largest asset for Driggs is Grand Targhee ski resort. A few ski manufacturers were located that produce and disperse their own brands within the United States. These manufacturers found that producing and manufacturing products within the United States has its own advantages. It is important to note that in niche manufacturing you are not trying compete with foreign mass producers, rather you are producing quality products that have a local brand associated with them.

Scope & Purpose

The scope and purpose of this analysis and data is to give recommendations to the city of Driggs to help attract telecommuters and niche manufacturers. By attracting these two groups, Driggs will increase city revenues and help grow the economy of eastern Idaho. Our goal is to identify what brings manufacturers into specific regions, how to bring them there, and what they require in order to be successful. Specific industries will be identified that can be ran remotely from rural locations such as Driggs, and what competitive advantages branding “Made in Teton Valley” can bring to Driggs.

Methodology

Online data bases such as City-Data, FCC.Gov, and direct company websites were used to find information. Residents within the city and industry reports were also used while researching the manufacturing and telecommuting industries. The BYU-Idaho library catalog was used in order to access data in regards to the industry analysis of both manufacturing and telecommuting.

One way to learn how to grow a cities economy is by finding examples of cities that were as Driggs is now and have grown to be well known throughout the United States as desired communities to live and work in. Out of all of the cities that were analyzed five were included in this report: Delta, Colorado;, Holtville, California; Brush, Colorado; and Crested Butte, Colorado. All conclusions and recommendations included in this report have been based off of data that has been found, as well as those who were interviewed regarding the telecommuting and manufacturing industries.

Telecommuting Industry

Market Analysis: Telecommuting Industry

In the United States telecommuting is a growing practice. It is estimated that 2.8 million people in the U.S. call home their primary location for work. This does not include self employed or volunteer workers from home (Telework Research Network). Telecommuting is the practice of running a business or working for a company from the comfort of your home. Many businesses in the United States are becoming more and more open to the idea of having many of their employees work remotely. The reason for this increase in the telecommuting industry is the incentives for corporations to cut overhead costs by having their employee's work from home rather than an office. There is a wide range of what people consider to be telecommuting. There are employees who work from home one day a week, which is the largest population of telecommuters being 30 million people. There are approximately 20 million people who work part time from home (2-3 days a week). This rapidly growing industry is predicted to continue to grow as corporations try to incorporate "going green" incentives with cutting down on their employee's transportation as well as energy consumption at the work place.

In a May 2008 online survey, the Telework Coalition found that 87 percent of respondents would limit a job search based on potential commute costs. This is a vast amount of potential workers that limit themselves based on location and commuting. Telecommuting breaks this barrier to reaching staffing pools in geographic areas with lower salaries or higher talent concentration. Thirty-seven percent of information technology workers say they'd accept up to a 10 percent lower salary to work full-time from home (Silver). As a result, there is growth potential in the telecommuting industry within the United States. As technology and Internet speeds continue to improve there will continue to be a rise in telecommuters and companies looking for employees that can work from home.

Telecommuters have a subculture of their own, not everyone is capable of being productive and motivated while working from home. This is one of the largest reasons employers are tentative in letting their employees work from home. Employers are scared of losing control of their employees. Although, this can be true with certain employees it is shown through a study by the Office of Information Resources Management that 82 percent of telecommuters had a morale boost in their work that led to greater productivity (Santiago).

With a large increase in telecommuters there is opportunity for Driggs to attract them. Telecommuters choose to work from home based on the lifestyle they want to live rather than having their job become their life. Driggs offers a unique lifestyle. Telecommuters value family time and outdoor activities (Santiago).

Strengths Weaknesses, Opportunities and Threats

There are many strengths, weaknesses, opportunities and threats to telecommuting from Driggs, Idaho. Below is an analysis on each of the following areas.

Strengths

Driggs strengths are fundamentally in the lifestyle and outdoor activities that are made readily available in Teton Valley. Michael Bredell, the head salesman for Actions Products Inc. stated the reason he chose to telecommute from Driggs was for the lifestyle alone. Michael works in sales and runs this division of Actions Products Inc. Action Products is physically located in Maryland. He has experienced first hand the growth and potential for e-commuters across the U.S. Michael said, "the city of Driggs itself isn't known much and perhaps looking for more opportunities to promote it might bring the awareness among e-commuters, entrepreneurs and everyone in general." Michael is originally from Norway and was attracted to the area by his passion for the outdoors. He moved to the area in 1998 and since then he has enjoyed telecommuting (Bredell).

Another strength of telecommuting from the City of Driggs is the low property taxes. Since telecommuters place of business will be their home it is an added bonus for them to have low property taxes and real estate prices. Driggs in 2009 had a median real estate property tax, for houses with mortgages, of .5 percent (City Data). This is significantly lower than the average property tax in the United States, which is currently 1.38 percent.

Weaknesses

The city of Driggs strengths are based on the environment and recreational activities made readily available by the remote and rural location of Driggs. The rural location also plays a large role in the weaknesses of telecommuting in Driggs. Some of these weaknesses include, Internet speeds, lack of variety of businesses, large city budgets for upkeep.

One of the largest weaknesses for the city of Driggs lays in its current Internet capabilities. Current Internet speeds range from 256k-download speeds and 128k upload, to 10 mbps down and 512k up. This is quite slow when compared to larger city Internet speeds, which range from 256k download and 128k upload to fiber optics that can reach speeds of 100mbps both ways. Almost all of the businesses in Driggs are using satellite Internet that can be interrupted by bad weather. The most inexpensive Internet in Driggs with a reasonable speed was offered by Silverstar Communications and was 3m down and 512k up for \$59.95 (Silverstar Communications). These speeds would not be recommended for any business. Another weakness of satellite Internet is that some providers also have a Fair Access Policy (FAP). This means that the satellite company can limit a customer's amount of usage typically 150mb-200mb. The restrictions will be lifted within 8-12 hours, if the customer's usage in this period stays below the FAP threshold. This is done to ensure that all subscribers have fair and equal access to satellite Internet access and to ensure that bandwidth is not taken up disproportionately by a small percentage of subscribers. For casual users who just surf the Internet and have small downloads, FAP is not likely to affect them. However, for those who have regular bandwidth intensive activities, FAP will limit their ability to complete a large download in a reasonable amount of time (Isp Reviews).

The Federal Communications Commission states that the minimum requirements for stable household Internet is 4mbps down and at least 1mbps up. This target was derived from an analysis of user demands that were placed on the network. It is the minimum speed

required to stream a high quality video while leaving sufficient bandwidth for basic web browsing (Federal Communications Commissions).

One of the key factors in choosing a city to telecommute from lays in the educational system for the telecommuter's children. The city of Driggs educational programs are behind the state of Idaho's averages in certain areas. For example, Driggs 3rd grade results showed that 18 percent of students were below basic compared to 9 percent for state averages (City Data). Information from an Idaho state assessment that was done in the year 2007 in Driggs, Idaho showed that the elementary and high school educational programs are behind in reading, communication and mathematical curriculums compared with state averages (See appendix A for details). This data shows that there is a great deal of room for Driggs to improve its K-12 educational system in order to attract telecommuters with children.

Opportunities

Telecommuting as an industry is rapidly growing and many companies are becoming more and more open to the idea of having their employees work from remote locations. This presents opportunities for Driggs to attract these workers based on key aspects of the city.

First is the educational system in the city of Driggs. Using a weighted test average in the year 2009 city data compared test scores to the rest of the school districts in Idaho and was given a 44 on a scale of 0-100. This is a low score and leaves plenty of room for improving classroom education (City Data).

Second are Internet capabilities. Currently the Internet speeds in Driggs are very slow and unreliable since they are wireless or connected through satellite Internet. After speaking with Liz Acosta from Silverstar Communications it was discovered that there were fiber optic cables already laid in the city that can be tapped into for Internet speeds capable of reaching 100mbps down and up.

Threats

The largest threat for telecommuting in the city of Driggs is that telecommuters will chose another city to move into. One of the largest threats lies just over the hill, Jackson Hole, Wyoming. Jackson Hole is a more developed city with a larger reputation then the city of Driggs.

Another threat for telecommuters in Driggs is the risk of losing employment and not being located near a highly populated city to find replacement work quickly. Many telecommuters chose to live within 90 miles of a major city for this reason (Telework Research Network).

Strengths	Weaknesses
-Ideal quality of living for telecommuters Recreational activities Family oriented community -Low property taxes compared to other U.S. cities -Rural location	-Higher costs for consumer goods that are being brought into the city -Low internet speeds -Educational system
Opportunities	Threats
-Rapid growth within the industry -Room for improvement in the educational system -Fiber optics are available within the city -Population growth and high concentration of construction companies	-The threat of telecommuters choosing more established locations to live in that may be closer to headquarters or family

Best Practice Analysis: Telecommuting Industry

The following cities were analyzed for telecommuting practices: Delta, Colorado; Holtville, California; Brush, Colorado; Crested Butte, Colorado. These four cities meet certain criteria that made them comparable to Driggs, Idaho. The first criterion is that they must have a ski resort within a 30-minute drive. Second, the city must also have a strong farming community or located in an agriculturally rich area. The last criterion was that it must have a strong outdoor recreational environment.

Delta, CO.

The last census of Delta stated that in July 2007 the population was 6,927 people. The city is made up of 47.2 percent males (3,266) and 52.8 percent female (3,661) with a median resident age of 38.1 years compared to the Colorado median age of 34.3 years. The estimated median household income in 2009 was \$38,411.00 (an increase from they year 2000 which was \$27,415) compared to the states median salary of \$55,430. The races are broken down as follows:

- White alone - 6,256 (71.8%)
- Hispanic - 2,240 (25.7%)
- Two or more races - 82 (0.9%)
- American alone - 70 (0.8%)
- Asian alone - 54 (0.6%)
- Black alone - 6 (0.07%)

The following industries are driving the economy of Delta. See table below.

Most common industries in 2005-2009 (%)	Most common occupations (%)
<ul style="list-style-type: none"> ▪ Construction (18%) ▪ Retail trade (17%) ▪ Mining, quarrying, and oil and gas extraction (11%) ▪ Accommodation and food services (9%) ▪ Other services, except public administration (8%) ▪ Health care and social assistance (6%) ▪ Agriculture, forestry, fishing and hunting (6%) 	<ul style="list-style-type: none"> ▪ Other management occupations except farmers and farm managers (8%) ▪ Driver/sales workers and truck drivers (6%) ▪ Vehicle and mobile equipment mechanics, installers, and repairers (6%) ▪ Other production occupations including supervisors (5%) ▪ Building and grounds cleaning and maintenance occupations (4%) ▪ Cooks and food preparation workers (4%) ▪ Material recording, scheduling, dispatching, and distributing workers (4%)

(City Data)

One of the key aspects that was analyzed in looking at the comparable cities was the Chamber of Commerce involvement in the city. First broadband capabilities were analyzed. Comcast and Century Link are the major providers of Internet. In the business sector the average speeds are between 30-50 mbps compared to Driggs speeds of 1-10mbps. These speeds can be obtained through wireless Internet as well as land connections (City Data).

The Uncompahgre River is a large attraction for fisherman in the area and there are many fly-fishing shops that offer full day guided river trips.

The Chamber of Commerce in the area is active in trying to reach this goal of helping and building the business community for success. Programs and events have been created in order to help local business owners grow and attract potential businesses. A secret shopper program is implemented during the holiday season. Citizens pick up buttons to be worn on clothing and if a secret shopper, who is assigned by the chamber, spots them in a local business they are given a cash prize. This encourages community members to shop for their holiday gifts at local stores rather than traveling to larger cities. They have created networking events such as a lunch every month with a keynote speaker that gives business advice. The city holds a business expo semi annually. The business expo brings in banks, accountants, small business developers and technical colleges. Local businesses are invited to set up booths and network. The networking session is followed by a lunch with a speaker. During the holidays they host seasonal events including parades. These holiday events attract citizens from all over the state. A popular event that draws the most tourists is their annual parade of lights. The parade of lights consists of the city decorating main street and businesses set up booths offering free seasonal delicacies and regular goods and services (Sanchez).

Delta Colorado’s school districts were given a 5.5 out of 10 on the City-Data public school rating system in the year 2007 (City Data). Since then they have strived to increase student test results on the statewide assessment tests. In March 2011 they received the Governor’s Distinguished Improvement. These awards are given to those schools that demonstrate the highest student growth on the statewide assessment across three years. Crawford and Paonia Elementary schools were in the top eight percent for state assessment testing (Delta Schools).

Holtville, California

The population census of 2009 showed the population at 5,487. The population of the city contains 48.5 percent male (2659) and 51.5 percent female (2828). The median resident age is 30.0 years old compared to the median age of California, which is 33.3 years old. The different races in Holtville California are as follows:

- Hispanic - 4,223 (78.6%)
- White alone - 1,018 (18.9%)
- Two or more races - 82 (1.5%)
- Asian alone - 50 (0.9%)

The industries that are driving the economy of Delta are very similar to the city of Driggs they are displayed in the chart below.

Most common industries in 2005-2009 (%)	Most common occupations (%)
<ul style="list-style-type: none"> • Agriculture, forestry, fishing and hunting (30%) • Retail trade (8%) • Transportation and warehousing (8%) • Construction (8%) • Professional, scientific, and technical services (6%) • Utilities (5%) • Other services, except public administration (5%) 	<ul style="list-style-type: none"> • Agricultural workers including supervisors (13%) • Electrical equipment mechanics and other installation, maintenance, and repair occupations including supervisors (7%) • Building and grounds cleaning and maintenance occupations (7%) • Driver/sales workers and truck drivers (7%) • Other sales and related workers including supervisors (6%) • Laborers and material movers, hand (5%) • Law enforcement workers including supervisors (4%)

The city is on the northeast bank of the Alamo River formed by the floods of 1905-1907 when the Colorado River break made the river's course turn west and filled the low-lying depression of water now the Salton Sea. The old U.S. Route 80 once ran along Fifth Street through the center of town. A small obelisk in Holt Park, just north of Fifth Street gives the distances to various points to the north, east and west. U.S. Route 80 has been decommissioned and made as County Route S80 in California. The portion in and near

Holtville is now part of State Route 115. Holtville is on the east side of Imperial Valley, in the area's most fertile agricultural region, producing quality crops of carrots, lettuce, broccoli, cauliflower, melons, wheat and cotton.

Much of the east-west automobile traffic has been diverted to Interstate 8, about 2.5 miles to the south. Holtville is easily accessible through the Orchard Road interchange. The newly constructed State Route 7 connects Holtville with the factories and industrial areas of Mexicali and Baja California, Mexico.

Time Warner Company is the major provider in the area. Speeds average ranges from 1-15 mbps.

This is another city that has a proactive approach to helping local businesses expand and attract new businesses. Holtville Chamber of Commerce is involved in promoting businesses by organizing business showcases for the whole Imperial Valley. These showcases involve businesses establishing booths at the event center. The community is invited and businesses are encouraged to advertise their businesses through the use of coupons, free merchandise, and fliers. Holtville was known as the carrot capital of the world, until passed by Chinese farmers recently, capitalizing on this title they have a carrot festival that lasts an entire week. The festival starts on a Friday and recognizes outstanding citizens and businesses. Businesses are encouraged to attend (Goodsell).

Education in Holtville is one of the major assets to attracting business owners and telecommuters (Goodsell). Holtville High school was recognized by the California Department of Education as being a distinguished school with a high level of test results (California Department of Education). The education system as a whole was rated at a 6.4 out of 10 on by City-Data.

Brush, Colorado

The census of 2009 provided the population of the city limits, which is 5,391, an increase of 5.4 percent from the year 2000. The population is made up of 47.8 percent males (2578) and 52.2 percent females (2813). The median residential age is 35.4 years compared to the states median age of 34.3 years. The median household income in 2009 was \$38,692, which is an increase from the year 2000's income of \$31,333. The races of Brush have been segmented into the following:

- White alone - 3,101 (58.6%)
- Hispanic - 2,148 (40.6%)
- Two or more races - 32 (0.6%)
- Asian alone - 9 (0.2%)
- Black alone - 2 (0.04%)

The industries that are driving the economy of Delta are very similar to the city of Driggs they are displayed in the chart below:

Most common industries in 2005-2009 (%)	Most common occupations (%)
<ul style="list-style-type: none"> ▪ Manufacturing (27%) ▪ Agriculture, forestry, fishing and hunting (20%) ▪ Public administration (11%) ▪ Retail trade (10%) ▪ Wholesale trade (6%) ▪ Educational services (5%) ▪ Transportation and warehousing (4%) 	<ul style="list-style-type: none"> ▪ Construction laborers (7%) ▪ Food processing workers (7%) ▪ Electrical equipment mechanics and other installation, maintenance, and repair occupations including supervisors (7%) ▪ Other production occupations including supervisors (6%) ▪ Building and grounds cleaning and maintenance occupations (6%) ▪ Construction trades workers except carpenters, electricians, painters, plumbers, and construction laborers (5%) ▪ Law enforcement workers including supervisors (4%)

There are multiple options in the area in regards to broadband. The competition for customers and companies create great broadband services with averages speeds between 10 to 50 mbps. For enterprises speeds go up to 100-120 mbps.

Brush is a small city where agriculture and ranching still make up a large part of the local economy. The major community events of the year are the Morgan County Fair and the Brush Rodeo. The Brush Rodeo, held July 2–5, is known as the largest amateur rodeo in the world and brings contestants from all over the West.

The Chamber of Commerce is involved with the community by creating city events that help encourage growth and awareness (Colorado.com). They have created a newsletter that is sent out to residents of the community, over 2000 households, four times a year. These newsletters include promotions for businesses in the city and include coupons and gift certificates. Each resident that moves into the community is given a one and a half by two and three quarter inch booklet that is full of vouchers and coupons for local businesses. New residents are made aware of this booklet in the quarterly newsletter. Prospective businesses are given incentives to move into the city in the form of waiving utility fees or taxes ranging from months to some times years. A new form of local currency has been created and titled “Brush Bucks.” This form of currency is used as vouchers or gift certificates at local businesses that choose to participate in the program. Citizens purchase Brush Bucks from city offices for a dollar for dollar value. They then are able to spend this currency at local businesses and receive a 20 percent discount on the goods and services purchased. Local businesses then exchange Brush Bucks with the Chamber of Commerce for the original sale price of the goods purchased (Prascher).

Brush school district was given a 7.4 out of ten on City-Data. The Chamber of Commerce also works closely with the school district by hosting a dinner reception for teachers at the

beginning of each school year. This event hosts speakers to help teachers improve teaching skills and brainstorm together how to improve their educational system (Prascher).

Crested Butte, Colorado

The census of 2009 provided the population of the city limits, which is 1,673, an increase of 9.4 percent from the year 2000. The population is made up of 55.5 percent males and 45.5 percent females. The median residential age is 30.6 years compared to the states median age of 34.3 years. The median household income in 2009 was \$47,779, which is an increase from the year 2000's income of \$41,250. The races of Crested Butte have been segmented into the following:

- White alone - 1,600 (92.8%)
- Hispanic - 84 (4.9%)
- Other race alone - 18 (1.0%)
- Two or more races - 16 (0.9%)
- American alone - 6 (0.3%)

Most common industries in 2005-2009 (%)	Most common occupations (%)
<ul style="list-style-type: none"> ▪ Accommodation and food services (42.1%) ▪ Construction (11.6%) ▪ Real estate and rental (10.2%) ▪ Food and beverage (4.6%) ▪ Administrative and Support (3.7%) ▪ Professional, scientific, and technical (3.0%) ▪ Educational Services (2.5%) 	<ul style="list-style-type: none"> ▪ Management besides farming (13.2%) ▪ Building and grounds cleaning (7.4%) ▪ Other sales and related workers (6.7%) ▪ Other food prep and serving (5.6%) ▪ Supervisors and other personal care and service workers (5.6%) ▪ Cooks and food prep (5.6%) ▪ Waiters and waitresses (5.1%)

The broadband options within Crested Butte are primarily offered through Qwest, which provides Internet through century link. The offered speeds in Crested Butte peak around 40mbps and are advertised at \$29.99. Crested Butte is located 30 minutes outside of Gunnison, which provides a hub airport. It is around 230 miles west of Denver and is a small town that relies heavily on its ski resort for income. Crested Butte is the most comparable city to Driggs because of its remote location in the Rocky Mountains and distance from other populated cities. Crested Butte knows that its ski resort is its largest asset and seeks to capitalize on this by providing lodging and an active nightlife inside its small community (Schultz).

The Chamber of Commerce actively promotes tourism by hosting seasonal events in the city such as a fourth of July barbeque in the park, sidewalk sale, and a beer and chili fest. They also play a lead role in organizing athletic events in the state of Colorado such as the Bicycle Tour Colorado, which is known to be one of the most difficult cycling tours in all of Colorado (Colorado Adventure Biker). Butte Bucks a local currency has been established

by the Chamber of Commerce. This program works from the same dynamics as Brush Bucks. Many seasonal events are also hosted by the Chamber of Commerce such as the “light up night” which involves the lighting up of two large trees in the city to commence Christmas. Businesses are encouraged to set up booths to market to tourists as well as citizens who bring their children to see Santa (Pelinski).

The public school system was rated a 9 out of 10 by city data. Crested Butte Community School has been the recipient of the John Irwin School of Excellence Award, a recognition given to Colorado public schools ranked in the top eight percent for overall academic performance. The school also boasts above-average student performance on the ACT exam (Village Profile).

Conclusions

The first conclusion drawn from the analysis of comparable cities is that each one has a key asset that they capitalize on. Each city capitalized on its ski resort. Creating attractions in the town that would draw skiers from the resort into city limits did this. Most of the cities analyzed all had resorts or hotels located in town where skiers and travelers could stay.

Another key factor that was evident in each city was the Internet capabilities. The cities that were looked at were not relying on satellite Internet. They had multiple Internet providers in town that could provide speeds up to 40 mbps, which is the fastest Internet speeds besides fiber optics.

Each city that was analyzed had an active chamber of commerce that would hold city activities to promote local businesses. Annual activities are created around holidays or local city holidays, to bring together the community and help businesses better market themselves to locals.

The last conclusion that could be made about the cities was the fact that they were all seeking to make a reputation for their businesses online. Each city had articles written about them in popular recreational magazines. This helps to make people aware of what the city has to offer. For example, Crested Butte was advertised in a snowboard magazine article stating that it was one of the last true mountain towns in the United States.

Liz Acosta from Silverstar Communications created a map of the Teton Valley and where fiber optic Internet is available. Fiber has been placed in a significant portion of the valley and can be fed to a large percentage of the buildings. In Driggs the fiber cables primarily follow Main Street (see appendix c for details). The process by which a business would obtain fiber is by first determining the building to which the fiber would need to be routed to and then to contact the engineering department from Silver Star Wireless. They would then draw up a plan that would show how it would be done and the cost associated for the work. The source for this information was gained by speaking with Elizabeth Acosta from Silver Star Wireless (Acosta).

Research showed that Silver Star Wireless is the only fiber Internet provider in the Teton Valley. There are other Internet providers, but they offer satellite Internet only. Fiber has

advantages because it is not interrupted during a bad weather storm. Fiber is reliable and allows for a high degree of confidence for a business that depends on its Internet connection.

The term broadband is defined as, DSL, Cable, Fiber Optic, and some wireless tech. It can also be fast, but it depends on the provider and the speed available in the area (Itu.int).

The following graphic is an illustration of average speeds across the United States (Gigaom.com).

State	Q4 '10 Avg. Mbps	QoQ Change	YoY Change
1 Delaware	7.2	1.3%	-6.0%
2 Rhode Island	6.9	9.1%	27%
3 District Of Columbia	6.8	5.9%	12%
4 Utah	6.5	1.3%	17%
5 Vermont	6.0	-2.2%	2.0%
6 Massachusetts	6.0	1.0%	4.3%
7 California	5.9	2.2%	19%
8 Nevada	5.9	5.2%	6.0%
9 New Hampshire	5.8	-4.1%	3.8%
10 Indiana	5.6	1.8%	2.3%

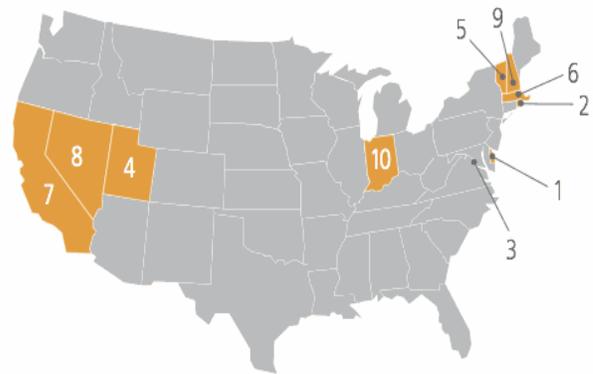


Figure 12: Average Measured Connection Speed by State

The following have been described as benchmarks for broadband connections throughout the United States. A bad or low Speed is equivalent to one Mbps, mediocre or normal is two-three Mbps, excellent is five mbps and above. Fiber optic cables provide exponentially faster speeds and are normally around 100 mbps (Federal Communications Commissions). The sufficient amount of Internet speeds to support a telecommuter would be 5mbps down and at least 1mbp up. The FCC defines that at 4 Mbps per second a person will be able to: “stream a high-quality—even if not high-definition—video while leaving sufficient bandwidth for basic web browsing and e-mail.”

Manufacturing Industry

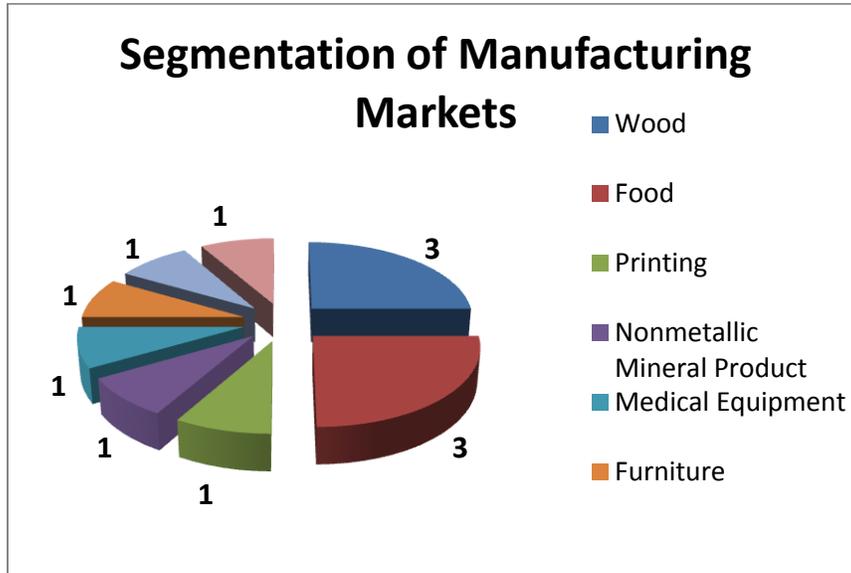
Market-City of Driggs Manufacturing

The following table is a list of manufacturers and producers in the city of Driggs. It was accessed from an online database and displays important information such as the amount of sales, and employees reported to the federal government. Included on the far right is the standard industrial classification code.

Company	Sales	#Empl	SIC
Peak Printing	0.31M	6	27520000 Commercial printing, lithographic
S Pendl Cafe & Bakery	0.11M	4	54610000 Retail bakeries
Alpine Wines	0.08M	2	20840100 Wines
Teton Valley Ceramics	0.03M	2	32699901 Art and ornamental ware, pottery
Carefree International	0.23M	2	50840204 Textile machinery and equipment
Twentytwo Designs LLC	0.20M	2	50910202 Skiing equipment
North Sculpture Company	0.17M	5	25220202 Panel systems and partitions, office: except wood
Action Products Inc	0.12M	2	38410000 Surgical and medical instruments
S Pendl Cafe & Bakery	0.11M	4	54610000 Retail bakeries
Knight Dental Lab Inc	0.10M	5	80720000 Dental laboratories
Idalia Mill & Bakery		2	54610000 Retail bakeries
Kerbs Cabinets LLC		2	24340000 Wood kitchen cabinets
Sportstech Inc		2	38420403 Braces, orthopedic
Kerbs Cabinets LLC		2	24340000 Wood kitchen cabinets
Raven Woodworks		1	17510101 Cabinet building and installation

(City Data)

The top performing companies in the area based on sales and number of employees is mostly service-oriented organizations: construction, landscaping, engineering, and retail stores.



Demographics: Driggs

The census of 2009 provided the population of the city limits, which is 1,439, an increase of 30.8% percent from the year 2000. The population is made up of 52.9 percent males and 47.1 percent females. The median residential age is 29.5 years compared to the states median age of 33.2 years. The median household income in 2009 was \$37,011, which is an increase from the year 2000's income of \$33,750. The races of Driggs have been segmented into the following:

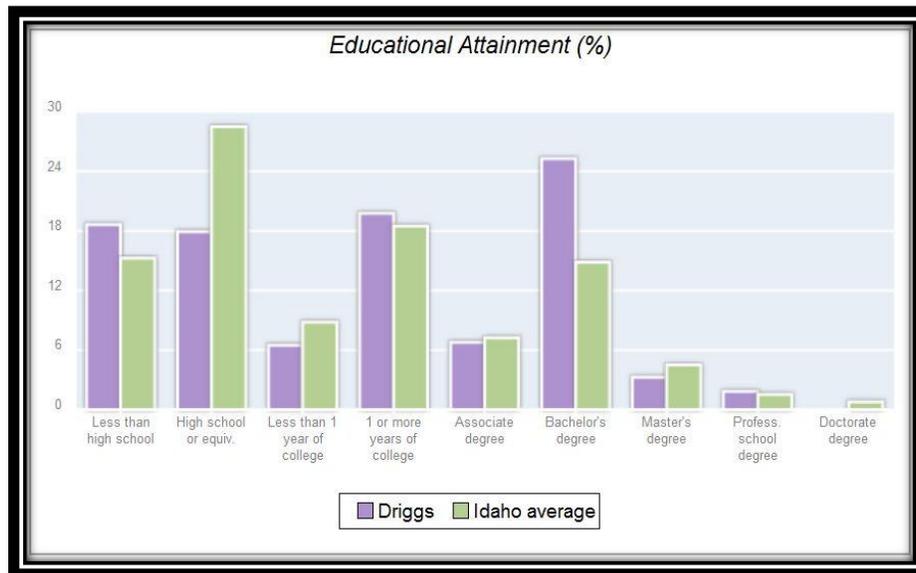
- White alone - 1,186 (70.8%)
- Hispanic - 489 (29.2%)

Education

The educational attainment achieved by the residents in Driggs is important to note.

- High school or higher: 81.4%
- Bachelor's degree or higher: 30.4%
- Graduate or professional degree: 5.1%
- Unemployed: 5.5%
- Mean travel time to work (commute): 25.0 minutes

The following graphs breaks down educational attainment into finer categories.



(City Data)

Best Practice Analysis: Manufacturing Industry

The following manufacturing companies were interviewed: 22 Designs, Teton Valley Ceramics, North Sculpture Company, and Pendl Café and Bakery. All of the businesses contacted were located by using City-Data, which displays manufacturers located in Driggs. Others were contacted but the owners did not respond. From all of the business owners that were spoken with none of them were able to identify a competitive advantage for operating in Driggs. Most of what is produced in Driggs is sent to fulfill online orders or long distance customers because Driggs doesn't have the market base. Most of the business owners live here because they were born here and it is home. They simply started a business later. One company mentioned their main office was in Brooklyn and they lived here because all of the work that they did was online. They said they came here to get away from mainstream business and that's why he liked it here. He also complained about the Internet speed and said, "If the city of Driggs is going to try and attract entrepreneurs we are going to need to have faster Internet." After all is said and done the real competitive advantage Driggs has over other cities is skiing, biking, fishing, and other outdoor recreational activities. If Driggs is going to attract entrepreneurs they need to focus on these attractions and improve their Internet speeds. They can also build their attractions to help draw a more diverse group of people.

The companies in the city of Driggs are trying to attract or sell specifically to a large market, more or less the entire U.S. They sell online, wholesale or in niche markets, but the majority of the market is almost never located in Driggs. People live and work in and from Driggs because they are able to enjoy the lifestyle and get away from mainstream cities, but these companies wouldn't survive unless they targeted markets outside of Driggs. Many

successful companies in Driggs don't sell many products to the city of Driggs. The majority of the companies in Driggs are small Ma and Pa companies that are having a hard time surviving. One gentleman moved from New York to Driggs to get away from the busy city life. He works entirely online, but still has an office in New York.

Comparable niche manufacturing businesses that could be ran from a rural location such as Driggs were analyzed and are included below.

Ramp Sports

Ramp Sports is a ski and snowboard company based out of Park City, Utah. The founder of Ramp Sports worked previously for an international ski company and has significant experience in the ski industry. Ramp Sports was started a year ago and the main office and warehouse are located in Park City. Being located in Park City allows them to be near major ski resorts and great mountains. They make custom skis, snowboards, ski poles, ski bindings, helmets, and accessories. There are a variety of skis available and are made for a variety of conditions that one would encounter on the mountain. They produce 14 different models and the average price of a pair of skis is \$440. The process of designing a ski, from the drawing board to the test production models is done in Park City. The actual manufacturing of skis takes place in factories located in Taiwan. The decision to manufacture the skis overseas was due to the cost associated with producing the skis here in the United States. It is important to note also that the founder had significant connections in Taiwan and was experienced in dealing with overseas manufacturing plants. Although their skis are manufactured in Taiwan, they are designed, tested, and assembled in Park City (Rampsports).

Bluehouse Skis

Bluehouse Skis is a Utah ski company based out of Salt Lake City, Utah. They were founded in 2007 and produce custom skis, ski bindings, and poles. Being based in Utah allows them to have access to great testing grounds and a market that understands the product. The skis that are available range from fat powder skis to more normal carving skis. They also produce skis that can be fitted with telemark bindings. Bluehouse currently manufactures 15 different models of skis and the average price is \$383. Of the 15 models, only one is made one hundred percent stateside, the Precinct, but all skis are developed, tested and assembled in Salt Lake City. Bluehouse Skis has the goal of bringing the production of the other models here to the states for a variety of reasons. They have found that there is a lack of quality and volume control with the manufacturing plants located overseas. Also, to produce a ski, from the drawing board to actual full-scale production, it takes six weeks to do it stateside. Producing a ski overseas takes four months or longer from start to finish. Bluehouse Skis is apparently trying to bring its quality up to a higher level and are not so concerned with the cost. This idea is embedded in their company culture and is the main driver behind the shift in their manufacturing locations. Also, the representative from Bluehouse mentioned that they are concerned with helping the local economy and keeping jobs stateside (Blue House Skis).

Praxis Skis

Keith O'Meara started Praxis Skis five years ago in Truckee, California. The company has since been located in a variety of small towns along the north shore of Lake Tahoe. Being located in the Lake Tahoe area provides access to twelve ski resorts and a target market of people who understand skiing. Praxis currently produces eight models of skis and the average price is about \$693. The skis produced are geared primarily for big mountain, deep powder skiing. Praxis is a specialty shop for skiers who need skis that perform in more extreme situations than normal. The process of designing and making skis all takes place in a small factory on the north shore of Lake Tahoe. They do not use overseas manufacturing plants in China or Taiwan. They have developed technology and skilled labor to produce their skis. Praxis emphasizes that they are skiers first who happen to make skis as well. They have developed this method of manufacturing skis so that they can control the quality and volume of their production runs. Unlike the other two ski companies mentioned, this company produces essentially tailored, custom skis and do not produce at large volumes (Praxis Skis).

Conclusions

From researching these niche manufacturers, locations are chosen based on three key aspects. First, the distance of the town chosen from favorite ski resorts. Being located close to a ski resort allows for manufacturers to test their products quickly and make necessary changes. Second, they are located in their target market. Communities are active outdoor recreational participants and are willing to support local brands. Third, manufacturing in rural locations allows for better quality control. It also allows for changes to be made to products much quicker than manufacturing across seas.

Recommendations

-Community leaders, residents, and business owners can contribute to the most immediate and influential change in a community by having a unified positive mentality for growth.

It is essential that residents, community leaders, and locally operated businesses are willing and ready to accept and do all that they can to help the city grow. A large majority of cities increase their industries simply by word of mouth from businesses currently being run in rural locations.

-Internet speeds need to be improved and made available by accessing the fibers laid within the city.

This can be done by contacting Liz Acosta and discussing plans to implement fiber optics in current businesses within the city.

-Improve the educational system in Driggs elementary schools and high schools.

One of the proven ways to improve public education is by increasing academic standards within the school system by having more tests and analyses to create awareness of student progress.

-Improve the city website.

Many successful cities that were analyzed had professional and user-friendly websites that were interactive and informative. Not only did they include information on current happenings with city rules and regulations, but also they were essentially advertising themselves and explaining why businesses should move to their city as well as residents. Driggs can come in contact with local Idaho web design companies such as KM Web Designs located in Boise, Idaho or visioninternet.com who are government website experts and have created many popular city websites such as: Park City, Utah; Diamond Bar, California; Telluride, Colorado and many other award winning websites.

-Marketing the city of Driggs.

Creating awareness and promoting the city itself should be a high priority. A great way to accomplish this can be by participating, engaging, and interacting with people at conventions, expos, and fairs. For instance, targeting events for skiing, snowboarding, fishing, and the outdoors in general will be ideal places to find those who would be immediately attracted to Driggs. This can also be done by contacting magazines, as well as advertising on popular travel agent websites such as: Travelocity, Ski.com, Snowpak.com, and alltrips.com.

-More events and programs promoting local businesses and tourism.

New programs and events that are created for the community and local businesses will not only provide opportunities for local businesses to expand, but will also attract tourists. Many of the comparable cities had creative and innovative ways to do this. Successful programs can be implemented immediately such as community currencies and seasonal events.

Appendix B

Interviews

Michael Bredall – Actions Products Inc.

E-Commuter

Michael does sales and runs that division for the company. Action Products is located physically in Maryland. He has experienced firsthand the growth and potential for e-commuters across the U.S. He said the city itself isn't known much and perhaps looking for more opportunities to promote it might bring the awareness among e-commuters, entrepreneurs and everyone in general. Michael is originally from Norway and was attracted to the area by his passion for the outdoors. He moved to the area in 1998 and since then he has been working and enjoying it. He had some ideas about potential businesses that could help the area for instance: CPA services and a prospective conference center for companies and events.

Erika Rice – Marketing Consultant

E-Commuter

Question: What type of work are you able to do from Driggs?

Answer: Marketing Consulting. My specific services include marketing strategy and planning, project management, website content development, public relations, copywriting, advertising, product management & training, catalog development, trade show marketing & management.

I travel about once/per quarter to check in with clients, work at their headquarters, have meetings or attend trade shows on the client's behalf. I try not to travel for business in the summer as a personal choice. I really enjoy the activities and community in the summer and want to enjoy the season. I also try not to travel for business from Nov-March because of the ski season and to avoid the bulk of winter travel hiccups.

When a client calls and says jump, however, I usually have to do just that!

I can do most of my work by dialing in remotely to a computer at a client HQ (to access databases, download/upload documents), email, cloud computing, phone, and sometimes Skype.

An interesting anecdote: Recently, I helped a client transition over to a VOIP (voice over internet protocol) phone system- where the phone lines are connected via the Internet. It's similar to Skype, but networked amongst a group with regular phone handsets.

This MA- based client was affected by an October power outage for 3 days, meaning phones and computers could not be powered-up. Because I was provided a VOIP handset and I was fully operational in my home office, all phone calls coming to the main number were forwarded to me. The client appeared as 'business as usual' and the re-route was seamless to the customer. It made me laugh when people asked 'how is the weather in Massachusetts today?'

Question: Do you see growth potential for E-commuters in Driggs?

Answer: I think Teton Valley has great potential for e-commuters. There are a plethora of jobs suited for working remotely-computer programming, web design, graphic design, industrial design, drafting, organizational consulting, IT/security monitoring, shared web/cloud software hosting, sales management and virtual administrative assistance.

The e-commuter has to have the right mixture of job and lifestyle desire- Teton Valley has to attract a worker who wants an outdoor lifestyle and the desire to live in a small community. It's a pretty exact formula, but I think there are a lot of people out there that fit.

The technology infrastructure is impressive here and often better than some of my colleagues who work remotely or are sales reps.

Question: What should be improved in Driggs to attract E-Commuters like you?

Answer: I've found it hard to have meetings with local clients in a private place. Coffee shops or restaurants are ok, but can be noisy, distracting or too public. It would be great to have a center (or library) where meeting rooms can be rented or used for a membership fee. I would also use a co-working space, a concept that is popular in mid-size cities around the country. Co-working spaces offer a new place to work (getting out of the home office) on one's own or collaboratively.

Production services are also limited. Peak Printing in Driggs is great, but is open limited hours and not on weekends. They also do not have remote upload/order capabilities. I generally work normal business hours, but there are times when I am working late at night or weekends and printing materials has to wait- it's a minor inconvenience.

I don't know if Teton Valley can support another 'print shop' at this point, but it is a concern if more telecommuters make TV their home.

I think Teton Valley (or Driggs) needs to maintain or increase 'nightlife'. I don't necessarily mean a bar/club atmosphere, but after-hours activities so that Driggs is not shut down at 6:05 PM. This is important to telecommuter's because they are often working at home, with limited personal interaction. Unless one is very introverted, it's great to have some options for getting out and about, eating out, meeting people and networking. Not sure this is the city's *responsibility*, but a lifestyle consideration.

Question: What attracted you to Driggs? How did you hear/discover Driggs?

Answer: I moved from Massachusetts in 2006 and visited a friend for about 5 days who was living in Alta. I was on an extended road trip and part of it involved scouting a new place to live. After visiting, I continued on with the rest of the journey and when it started to get cold, I decided to spend the winter in Teton Valley, fully expecting to move on to a new location in the spring. Instead of packing up the car again in May, I bought a lot in Driggs and built a house in

2008. Needless to say, this house included a spacious and functional home office for telecommuting!

Coincidentally, the friend I visited had also been telecommuting for about 5 years.

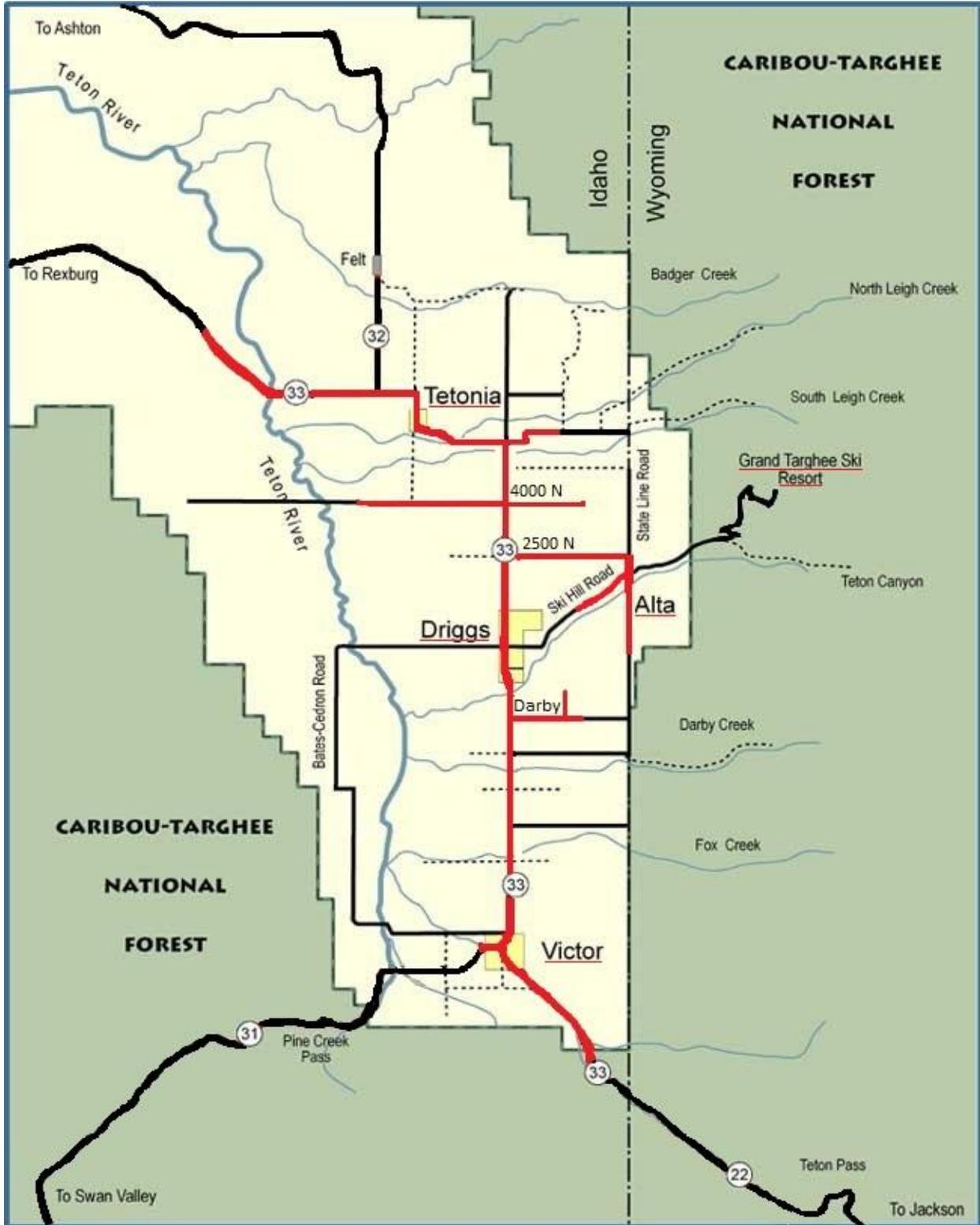
Chris Valiante – 22 Designs

Manufacturer

22 Designs moved into the Driggs area in 2006 from Jackson WY. They mainly did so to cut costs and still enjoy the outdoors that the city provides. After speaking with Chris about advantages of running a manufacturing business in Driggs he couldn't name any specific business advantages for being located in Driggs. The real advantage to him was the ability to be close to the mountain. On the other end, some of the disadvantages he found though were high expenses in shipping and receiving materials, as well as the extra timing needed for them to arrive to Driggs. Chris has had a very good experience in finding talent in the Driggs area. He said their business doesn't rely exclusively on the Internet but it is helpful to have a reliable service. They currently have Silverstar. Fiber optics in the area was spoken of and he was interesting about the idea. Lastly, when speaking about things that City can do for businesses he said that they could be more prepared and proactive in zoning and splitting land for potential manufacturing companies. They are looking to expand and buy land. He stated the areas that could be used for industrial lands don't seem developed by landowners yet.

Appendix C

Map of fiber optics available in Driggs



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