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CONTINUED  
FROM 7.2.96  
TO 7.23.96

CONTINUED  
FROM 6.4.96  
TO 7.2.96

May 15, 1996

City Council  
Sacramento, California

Honorable Members in Session

SUBJECT : IDENTIFICATION OF MARKET OPPORTUNITIES FOR SMALL  
BUSINESSES SUPPLYING GOODS AND SERVICES TO LARGER  
SACRAMENTO - AREA EMPLOYERS

LOCATION & COUNCIL DISTRICT City

STAFF RECOMMENDATION:

This report is for information only; no action is required.

SUMMARY:

This report summarizes the inter-industry supplier study now being conducted, including the early indications based on the completion of a pilot study. The end result will be identification of market opportunities for small businesses supplying goods and services to larger Sacramento - area employers. If development of supplier firms is successful, the leakage of dollars outside the region will be reduced and there will be an increase in the multiplier effect in our economy.

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FOR COUNCIL MEETING OF: June 4, 1996

BACKGROUND

Sacramento has been working hard to diversify our economy and make it less dependent on government. We have had some good successes in attracting what are known as primary producers - those manufacturers that produce products out of raw materials. For example, there has been the attraction of Apple Computers, Hewlett-Packard, Packard Bell, JVC, and the retention of existing companies such as Campbell Soup and the Blue Diamond Growers. These primary producers have the greatest impact on the economy in terms of the jobs multiplier. Theoretically, the multiplier effect causes these basic or primary jobs of those companies to add as many as 2.5 to 3.0 jobs within the