COLUMBIA BASIN BOUNDARY BUSINESS RETENTION AND EXPANSION PROJECT

REPORT ON BOUNDARY REGION BUSINESSES

MARCH 2013

Executive Summary

This report describes findings from a 110-question Business Retention and Expansion (BRE) survey conducted at 58 businesses in the Boundary region in 2012. BRE is an action-oriented and community-based approach to business and economic development. It promotes job growth by helping communities to learn about concerns of, as well as opportunities for, local businesses and to set priorities for projects to address those needs.

Key Research Findings

Select survey results are summarized below.

Survey Module	Finding
Company Information	The highest number of respondents businesses are classified as 'Retail and Wholesale Trade' under the North American Industry Classification system
	41% of companies have been in business for more than 20 years
Local Workforce	Respondents reported a total of 914 employees, 78% of whom are full-time
	40% of businesses expect the size of their full-time workforce to increase over the next 3 years and 4% expect it to decrease
	Skilled trades and retail/hospitality were most commonly listed as key training areas
Sales	Respondents reported a total of over $77 million in annual sales; however, the highest number of businesses (30%) indicated that their sales revenue is less than $100,000 per year
	31% of businesses expect that their sales will grow by between 10 and 24% over the next year
	78% of businesses make the majority of their sales to local customers
Facilities and Equipment	70% of businesses own the facility in which they operate
	46% of businesses plan to expand within 3 years with a total estimated expansion budget of over $37 million
Government Services	Government services that received the lowest ratings include access to airport facilities and access to suppliers
	Businesses indicated that approvals/permits and telecommunications are the government services most in need of improvement
Business Climate	Business climate factors that received the lowest ratings include the provincial tax structure and the overall business climate
	Businesses most commonly listed the region's small town culture/sense of community as its greatest strength
Assessment and Plans	71% of businesses rated the overall health of their company as good
	88% of businesses are at low risk of closing or downsizing
Issues of Regional Interest	The business competitiveness factors that are most important to respondents include energy costs, workforce skill development and improvement of customer services
	86% of businesses said that cost of living is a critical issue for their staff

Next Steps and Potential Actions

The results of this survey can be used by economic development organizations in the Boundary Region to inform short- and long-term business retention and expansion action planning. Many BRE programs ensure that follow-up actions occur as soon as possible following completion of the survey stage. This approach builds credibility, a sense of success and momentum to carry out long-term actions.

Research findings suggest that the following action areas have the greatest potential to improve the Boundary business climate:

Business expansion: Businesses are planning significant investment in expansion over the near term. Actions on this theme could involve assisting with site selection, connecting businesses to sources of financing, facilitating access to expansion support programs or liaising with governments to ensure approval processes meet the needs of local businesses.

Supply sourcing: Businesses are selling primarily to local customers, yet acquiring supplies primarily from outside the region. Additional research on this theme could help determine if there are opportunities to address barriers that prevent businesses from buying locally.

Training opportunities: Respondents acknowledged the importance of skilled staff to their business and identified trades and retail/hospitality as key professional development areas. Given the limited time and funding resources available to the types of small businesses that characterize the Boundary economy, any actions on this theme must consider business schedules and training budgets.

Employee and customer recruitment: The small and aging Boundary population was often discussed as an inhibitor of economic growth. Further, many businesses indicated that they have experienced challenges recruiting new employees, especially maintenance workers and hospitality/service personnel. Actions on this theme could involve assisting businesses and communities with coordinated recruitment initiatives targeted at other regions.

Succession and business planning: Engagement with formal business and succession planning is low in the region and, given the aging workforce, could be important to the future of the Boundary economy. Actions on this theme could involve offering basic courses or more targeted one-on-one support to businesses. Any opportunities should be aggressively advertised to ensure uptake.

Government services: Approvals, regulations and taxes administered by various levels of government were often cited by respondents as factors that inhibit business activity in the region. Additional research on this theme could help further inform the exact nature of businesses' perceptions regarding the regulatory barriers to their growth.

Wages: Data suggest that wages at many Boundary businesses are somewhat low. Raising wages could help improve recruitment of workers and retention of youth in the community. A potential action on this theme involves facilitating access to wage subsidy programs targeted at small businesses.

Contents

List of Figures

Project Overview

This report describes findings from a Business Retention and Expansion (BRE) survey conducted in the Boundary region in 2012. The Boundary Country Regional Chamber of Commerce (BCRCC) acted as the community lead for the Boundary region BRE project. The Columbia Basin Rural Development Institute (RDI) provided training, data analysis and report writing support.

The BRE Concept

BRE is an action-oriented and community-based approach to business and economic development. It promotes job growth by helping communities to learn about concerns of, as well as opportunities for, local businesses and to set priorities for projects to address those needs. Ultimately, communities will have greater success in attracting new businesses if existing businesses are content with local economic conditions and community support. Business development and job creation are key factors in fostering healthy and vibrant communities—depending on the characteristics of a community's economy, anywhere from 40 to 90 per cent of new jobs come from existing businesses.

Project Objectives

Objectives specific to the Boundary region BRE project were as follows:

1. To provide data on key challenges, issues and opportunities faced by businesses in the Boundary region.
2. To develop data-supported recommendations regarding important future focus areas for strengthening the area's business climate.

Research Considerations

The BRE Survey

The RDI has a licence agreement with the Economic Development Association of BC for BC Business Counts, a program that provides access to an online BRE survey, contact management, and reporting system called ExecutivePulse. Data presented in this report were collected as part of a comprehensive BRE survey that is aligned with surveys conducted by other participants in the BC Business Counts program across the province. Survey data can therefore be analyzed at a community, sub-regional, regional and provincial level.

The base survey, consisting of 94 questions, includes modules for company information, the local workforce, sales, facilities and equipment, and future plans for growth or succession. Based on feedback from a BRE regional advisory group, ten region-specific questions were appended to the base BRE survey. A number of sector-specific add-on surveys were also made available, consisting of approximately 20 questions each. Researchers verified each business' North American Industry Classification System (NAICS) code in advance of the interview to determine which sector-specific add on survey to include, if any. See Appendix A for a copy of the base BRE survey.

The Data Set

To generate an initial set of potential research participants, researchers reviewed local business license and Chamber of Commerce membership databases. A cross-section of businesses were selected based on size (small, medium, large) and type (according to the NAICS system). A total of 80 businesses were sent an invitation letter and copy of the BRE survey. Larger businesses received a follow-up invite by telephone. In total, 58 Boundary region businesses were surveyed for this project (a 73% response rate). Respondent businesses were located in Grand Forks and Regional District of Kootenay Boundary (RDKB) Area D (35), Christina Lake (8), Midway (7), RDKB Area E (6), and Greenwood (2).

Data Collection

Data were collected by local researchers, including and as directed by the BCRCC Executive Director, using structured interviews that lasted approximately one hour and twenty minutes. The process in total took approximately four hours per business, including setting up interviews, the interview itself, and data input.

Data Input, Analysis and Reporting

Data were entered into the ExecutivePulse system by researchers following interviews. To ensure confidentiality and data security, company-level data were only made accessible to RDI staff and the lead BCRCC researcher.

Quantitative data were analysed using descriptive statistics and qualitative data were analysed using the grounded theory method of generating key coding themes. Based on the results of data analysis activities, an initial set of recommendations was generated by RDI and then reviewed with BCRCC. Findings and related recommendations were assembled into this report by RDI researchers.

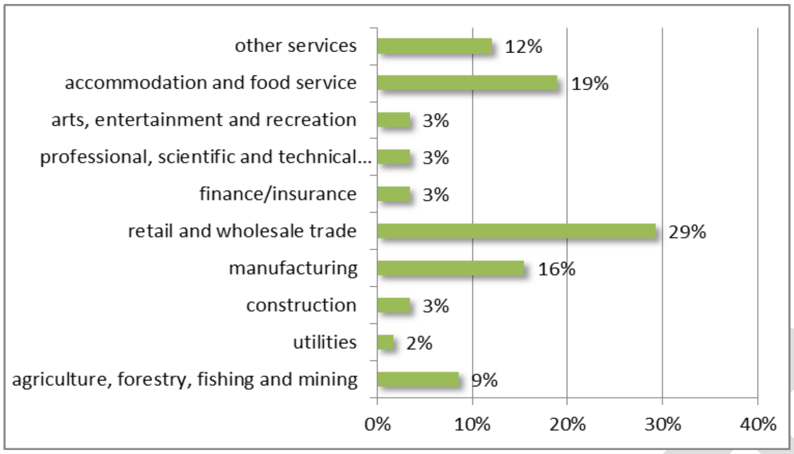
Research Findings

Company Information

Type of Product/Service Offered

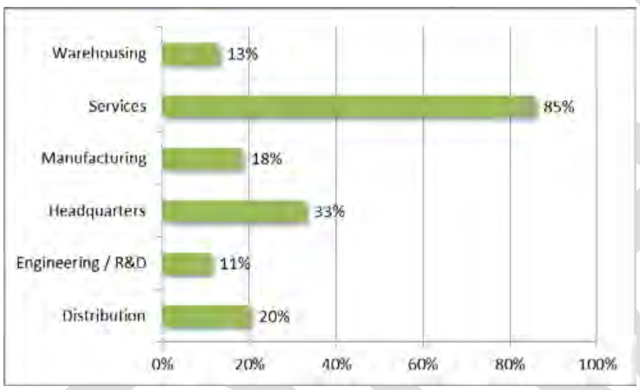
Interviewed businesses represented a diverse cross-section of industries. Most common were retail and wholesale trade (29% of respondents), accommodation and food service (19%) and manufacturing (16%).

Figure 1: NAICS code category



Eighty-five percent of respondents indicated that their facility fulfills a service function and 33% indicated that their facility serves as company headquarters. The remaining respondents indicated that their facility serves various other functions.

Figure 2: Function of facility



Competition

Seventy-nine percent of respondents reported that their competitors are primarily located within the community or region and 24% indicated that their competitors are located elsewhere in BC.

Figure 3: Location of competitors

When asked what factors make their company successful in the community, the highest number (41%) cited the quality of their staff/customer service. Twenty-eight percent said the quality of their products is a key factor in determining their success.

Figure 4: Success factors

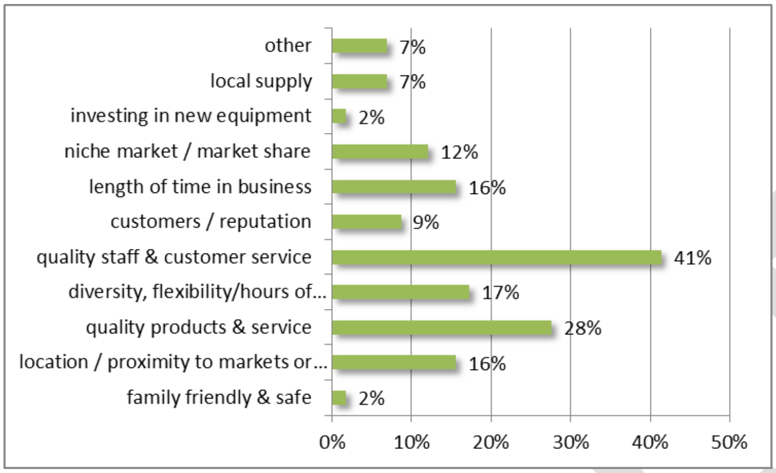
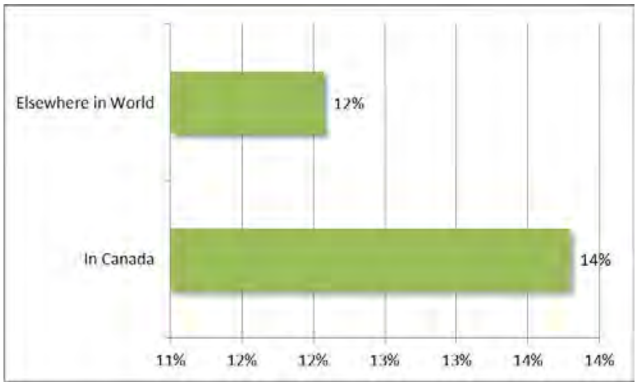


Figure 5: Key words in respondents' discussions of the factors that make them successful

Forteen percent of interviewed businesses indicated that their company has a similar location elsewhere in Canada and 12% indicated that their company has a similar location in another country.

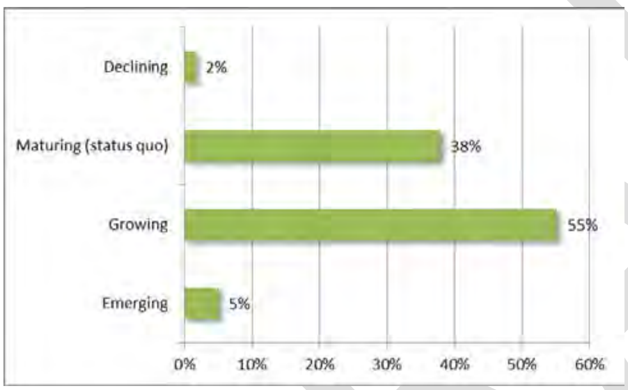
Figure 6: Other similar locations



Age and Life Cycle Stage

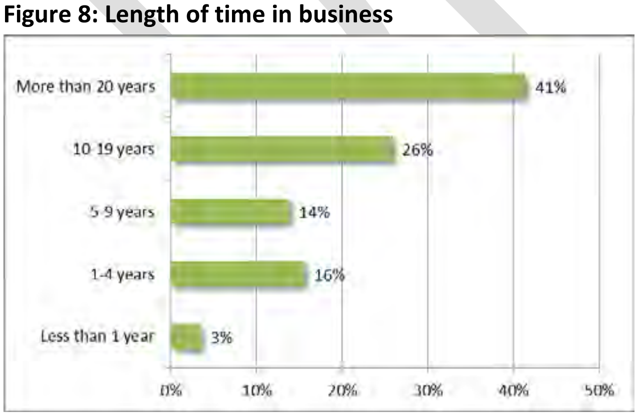
Over half of businesses (55%) indicated that they are in the 'growing' life cycle stage and 38% indicated that they are in the 'maturing' life cycle stage.

Figure 7: Life cycle stage



Forty-one percent of respondent businesses have been in business for more than 20 years and 3% are less than one year old.

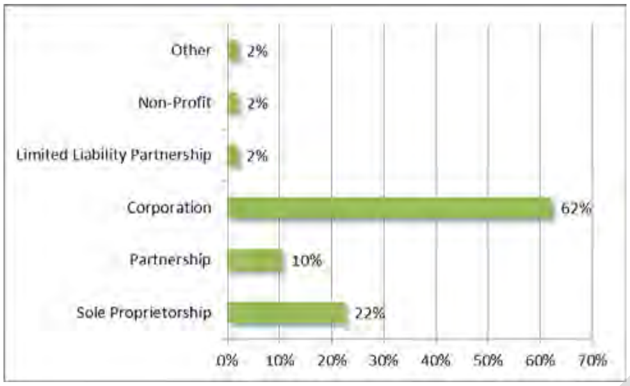
Figure 8: Length of time in business



Ownership and Management

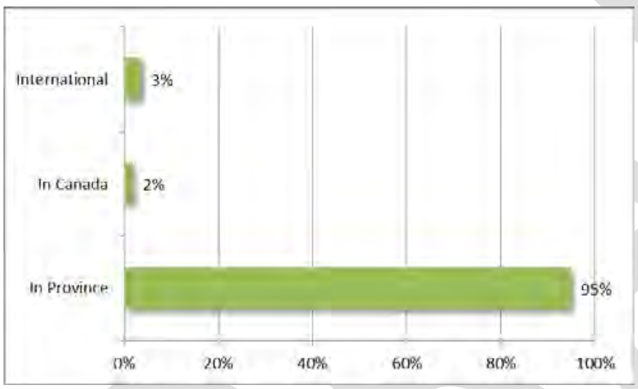
Most respondents (62%) indicated that their business is registered as a corporation and 22% indicated that they are a sole proprietorship. The remaining businesses are classified as a partnership (10%), limited liability partnership (2%), non-profit (2%) or other type of company (2%).

Figure 9: Type of company



The vast majority of respondents (95%) reported that their company is headquartered in BC.

Figure 10: Location of headquarters



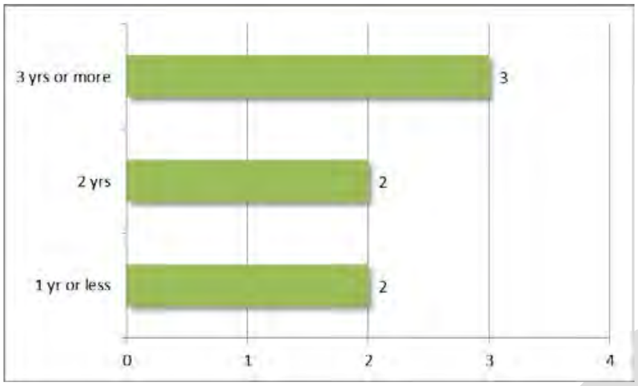
Twenty-six percent of businesses reported that their company has seen a recent ownership change, 17% reported a recent management change and 14% anticipate an ownership change in the near term. Of the businesses reporting a recent ownership change, 12 said the impact was positive and 2 said it was neutral. Of the businesses reporting a recent management change, 8 said the impact was positive and 1 said it was neutral.

Figure 11: Ownership and management changes

Succession and Business Plans

Of the businesses that expect to see an ownership change in the near future, 3 think the process will take 3 years or more, 2 think it will take 2 years and 2 think it will take 1 year or less.

Figure 12: Anticipated timeline for ownership change

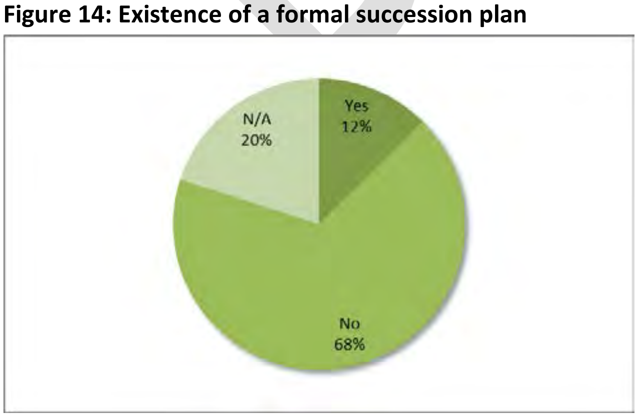


Again, of the respondents that anticipate a near-term ownership change, 2 expect to exit the business by selling it to another company, 3 expect to sell or transfer it to another non-family individual and 3 expect to sell or transfer it to a family member.

Figure 13: Anticipated exit strategy

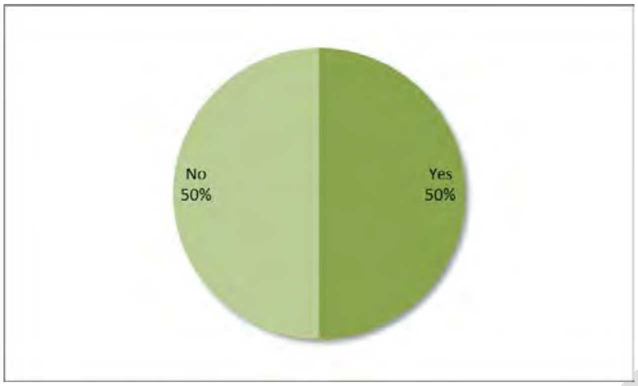
Twenty-two percent of respondents indicated that they have identified a successor but only 12% reported that they have a formal succession plan in place.

Figure 14: Existence of a formal succession plan



Engagement with business planning is stronger than that for formal succession planning—50% of businesses indicated that they have a current business plan.

Figure 15: Existence of a current business plan

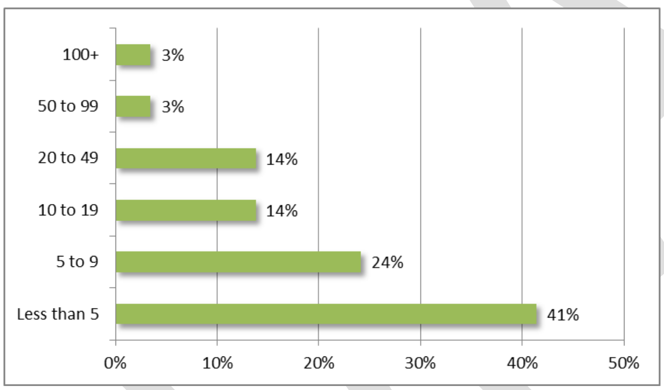


Local Workforce

Size of Workforce

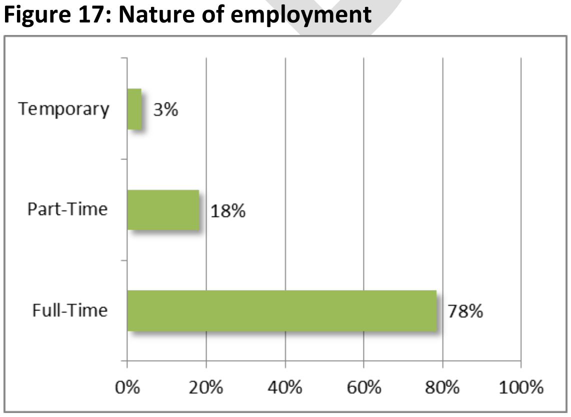
The 58 businesses interviewed reported a total of 914 employees. Sixty-five percent indicated that they have less than 10 employees and 3% indicated that they have more than 100 employees.

Figure 16: Total number of employees



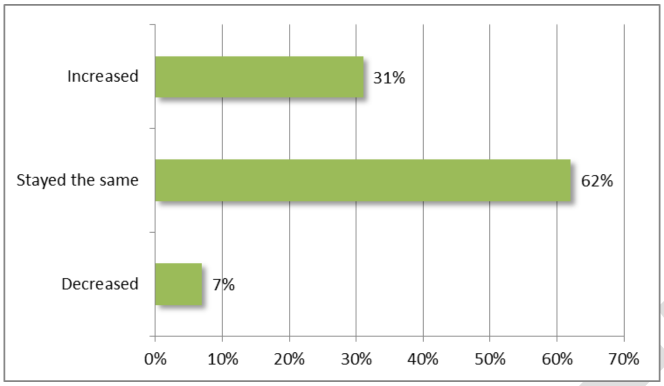
Over three quarters (78%) of positions at surveyed businesses are full-time, 18% are part time and 3% are temporary.

Figure 17: Nature of employment



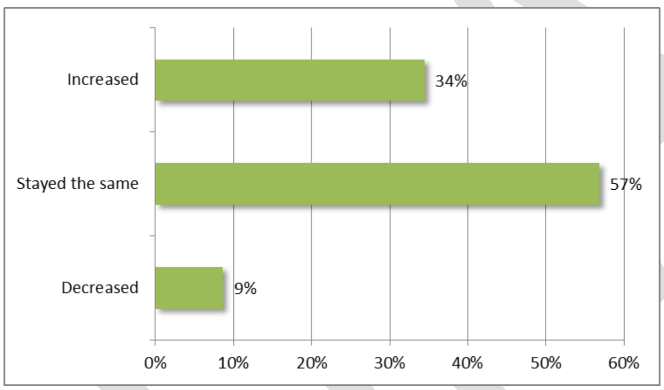
Sixty-two percent of respondents indicated that the number of employees at their facility is about the same as it was 10 years ago. Thirty-one percent reported that their workforce has increased in size over the same time period.

Figure 18: Employment trend over last 10 years



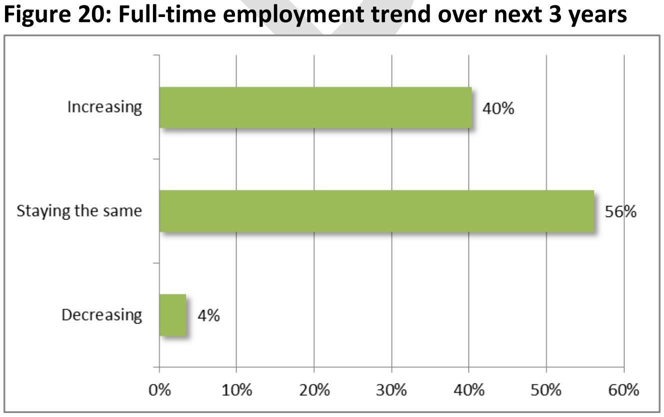
Respondents reported a similar trend specific to full-time employment over the last 3 years. Fifty-seven percent of businesses indicated that the size of their full-time workforce has stayed the same and 34% indicated that it has increased in size.

Figure 19: Full-time employment trend over last 3 years



Fifty-six percent of respondents expect that the size of their full-time workforce will stay the same over the next 3 years and 40% expect that it will increase.

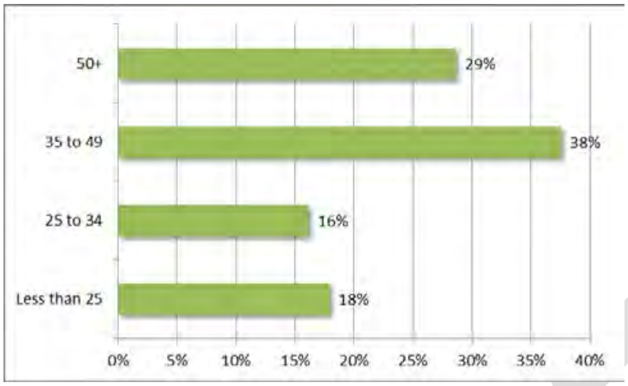
Figure 20: Full-time employment trend over next 3 years



Workforce Deomographics

The average age of workers in the Boundary region appears to be high, with 38% of respondents indicating that the majority of their essential employees are between 35 and 49 years of age, and 29% of respondents indicated that the majority of their essential employees are over 50.

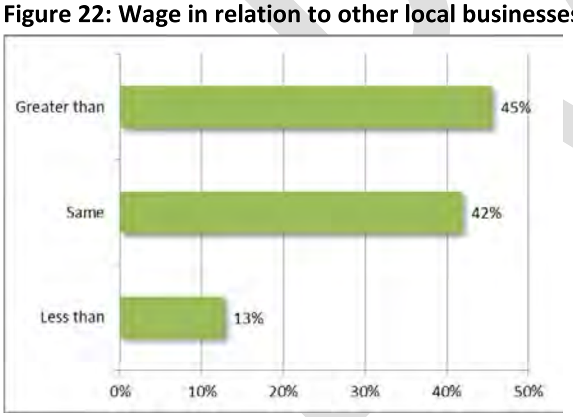
Figure 21: Age of majority of essential employees



Wages

When reporting on average wages for skilled or professional workers in the area, the highest number of respondents (50%) indicated that they pay under $20 per hour. For semi-skilled workers, the highest number of respondents (53%) indicated that they pay between $10 and $14 per hour. For entry-level workers, the highest number of respondents (69%) indicated that they pay between $10 and $12 per hour. Forty-five percent of businesses think they pay more than other businesses in the area and 42% think they pay about the same.

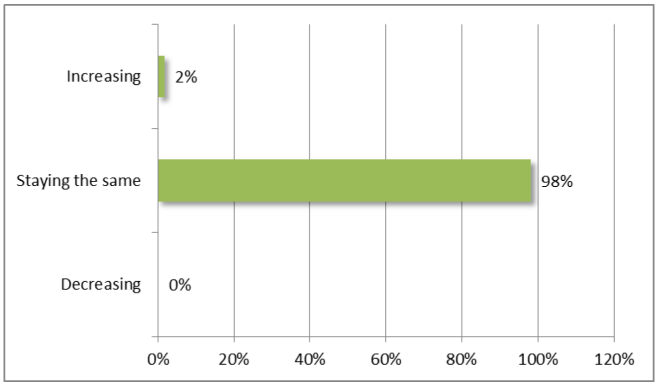
Figure 22: Wage in relation to other local businesses



Recruitment and Retention

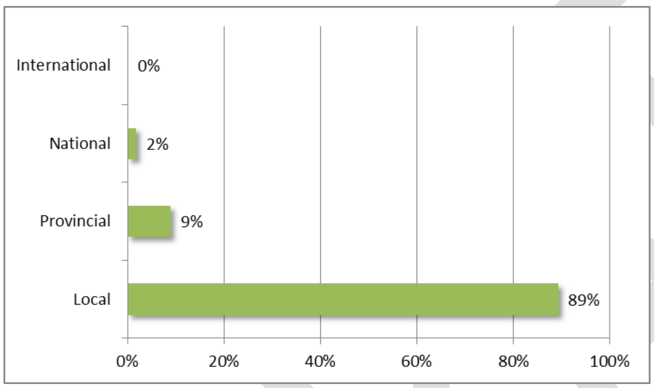
The vast majority of respondents (98%) reported that the number of unfilled positions at their facility is staying relatively constant.

Figure 23: Trend in unfilled positions



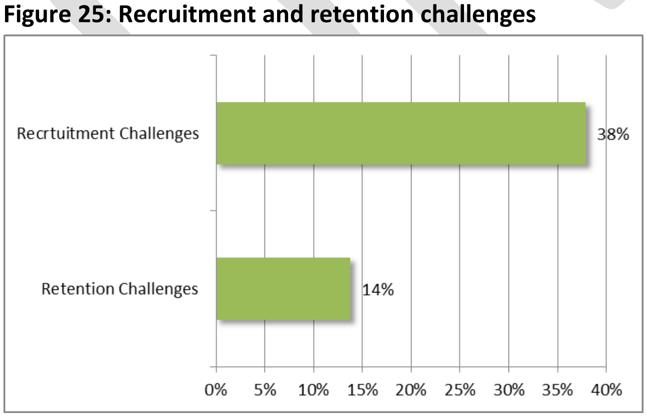
Eighty-nine percent of respondents indicated that they mainly recruit locally, 9% recruit provincially and 2% recruit at a national scale.

Figure 24: Location of workforce recruitment



Thirty-eight percent of respondents have experienced challenges recruiting new employees and 14% have experienced challenges retaining existing employees.

Figure 25: Recruitment and retention challenges



When asked what efforts their business has undertaken to recruit new employees, the highest number said that they formally advertise in papers, on the web or on job boards. Some also said that they rely on word of mouth advertising.

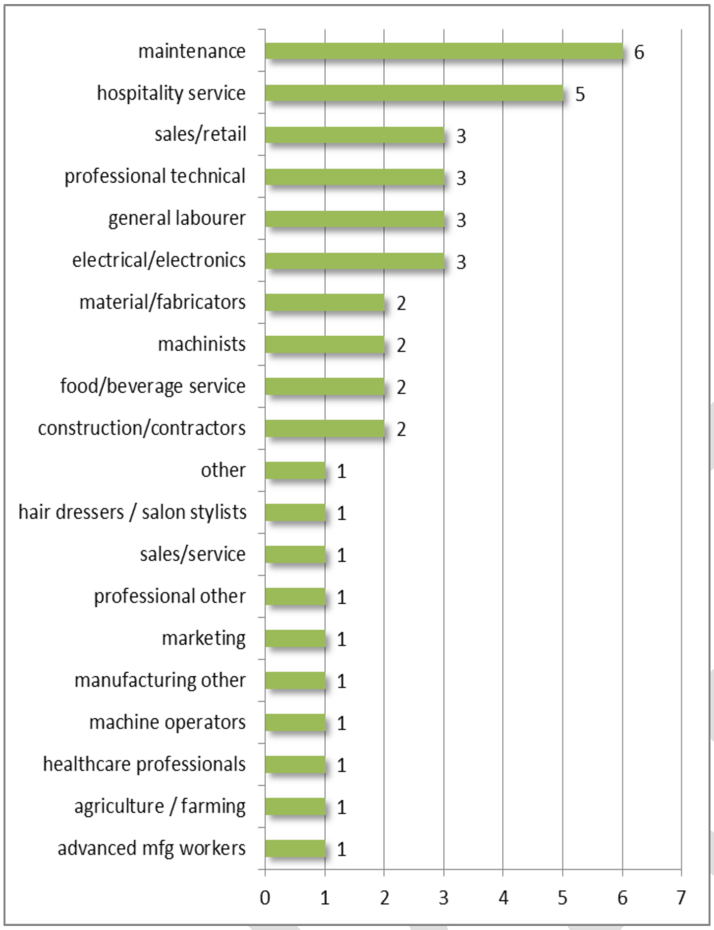
Figure 26: Key words in respondents' discussions of recruitment activities

When asked what efforts their business has undertaken to retain existing employees, the highest number (7) stated that they have focused on offering competitive wages. Others reported that they have offered benefits packages (5), allowed flexibility in workers' schedules (4), offered employee training opportunities (4) and/or developed a culture of respect in the workplace (3).

Figure 27: Key words in respondents' discussions of retention activities

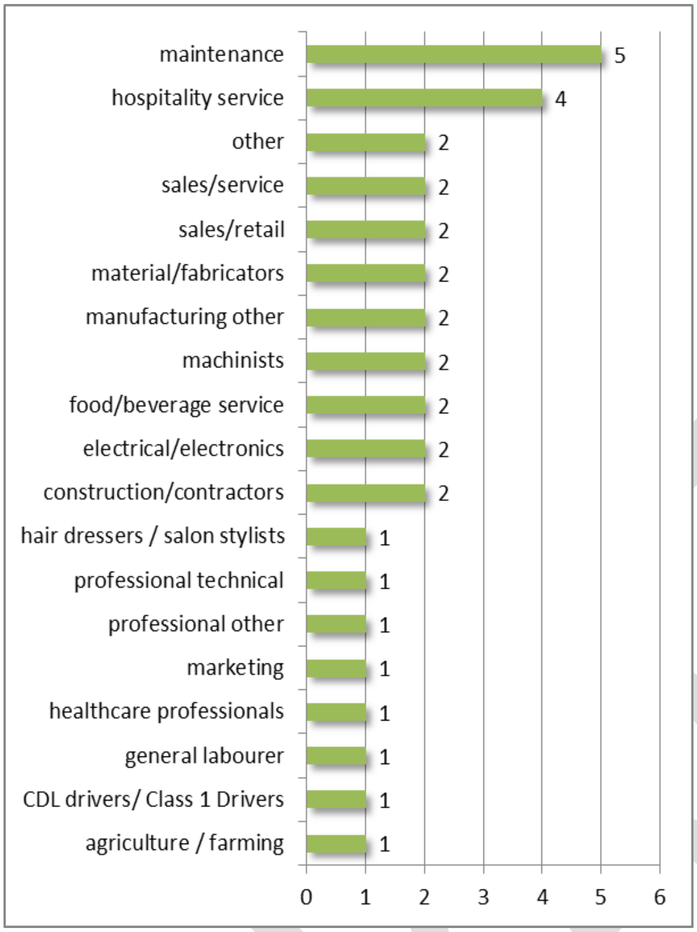
The most important current recruitment areas among surveyed businesses include maintenance workers (6 respondents) and hospitality/service workers (5).

Figure 28: Current recruitment areas



Anticipated furture recruitment areas are similar to current recruitment areas. Five businesses expect recruitment challenges with maintenance personnel and 4 expect challenges with hospitality/service workers.

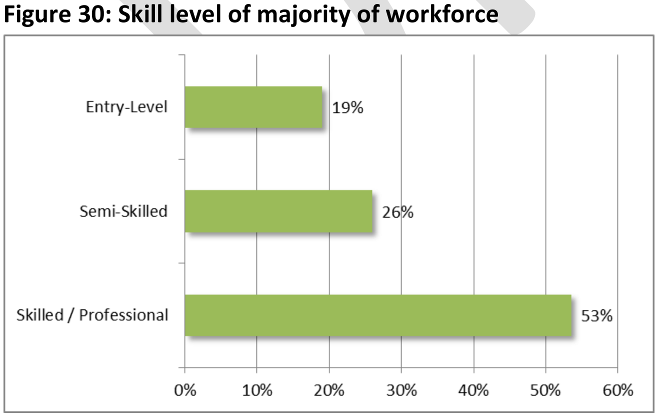
Figure 29: Future recruitment areas



Skills and Training

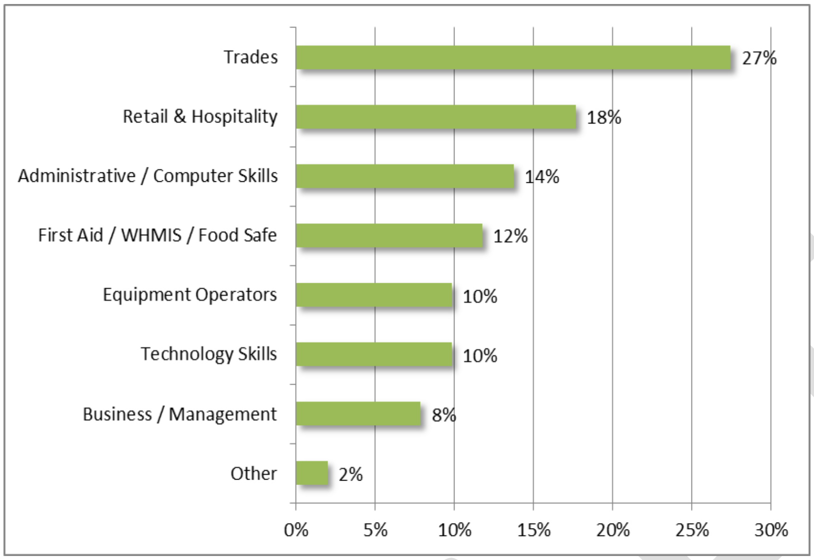
Over half of respondents (53%) indicated that the majority of their workforce is comprised of skilled or professional workers, 26% indicated that they primarily employ semi-skilled workers and 19% indicated that their workforce is primarily comprised of entry-level employees.

Figure 30: Skill level of majority of workforce



Only 28% of respondents indicated that their company has a training budget; however, 62% reported that there are areas of training or professional development that would be of benefit to their employees. Most commonly listed among these areas were specialized trades training (27% of respondents) and retail and hospitality training (18%).

Figure 31: Training or professional development needs

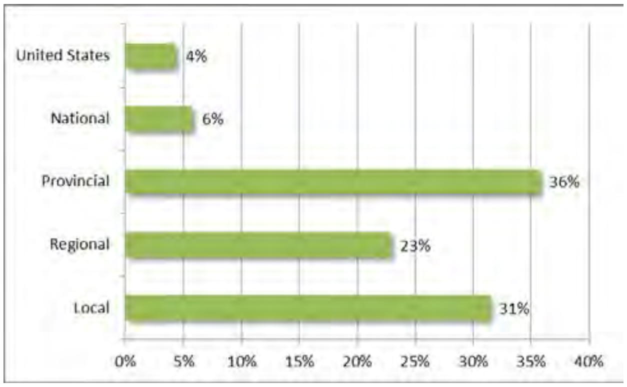


Thirty-nine percent of businesses interviewed prefer that their training be delivered through an in-person classroom or seminar-style format, 30% prefer individual coaching and 28% prefer online training/webinars.

Figure 32: Preferred modes of training

The highest number of respondents (36%) stated that they usually undertake training in other areas of of BC and 31% indicated that they primarily attend local training opportunities.

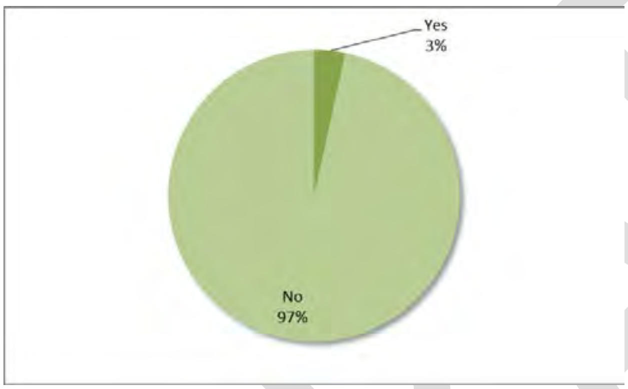
Figure 33: Usual training locations.



Unions

Two interviewed businesses reported union status.

Figure 34: Union status

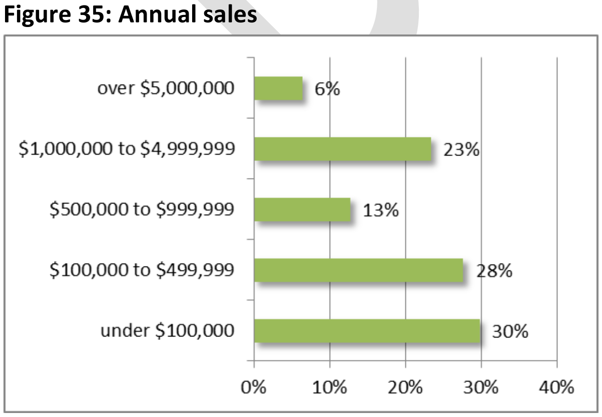


SALES

Market Size and Share

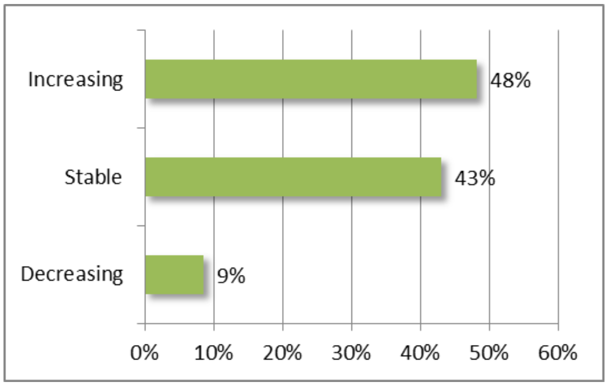
Interviewed businesses reported a total of over $77 million in annual sales; however, the highest number of respondents (30%) indicated that their sales are less than $100,000 per year. Six percent of respondents reported annual sales of over $5 million.

Figure 35: Annual sales



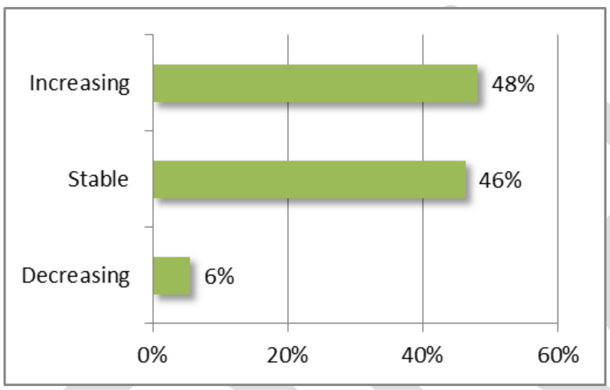
Almost half of respondents (48%) reported that the market for their product or service is increasing, 43% indicated that it is stable and 9% indicated that is decreasing.

Figure 36: Status of market for product or service



A similar trend was reported for respondents' share of the market for their product or service. Forty-eight percent indicated that it is increasing and 46% indicated that it is stable.

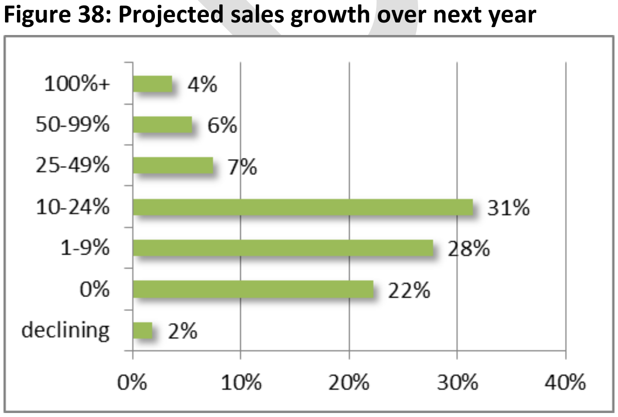
Figure 37: Status of market share



Growth

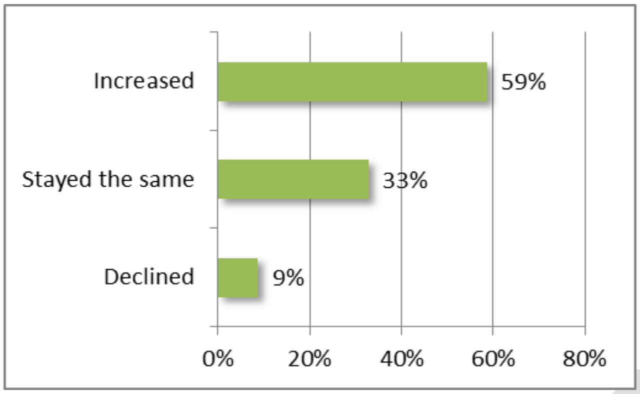
Most surveyed businesses project low to moderate growth in sales over the coming year. Thirty-one percent expect to see growth of between 10 and 24%. Only 2% expect sales to decline.

Figure 38: Projected sales growth over next year



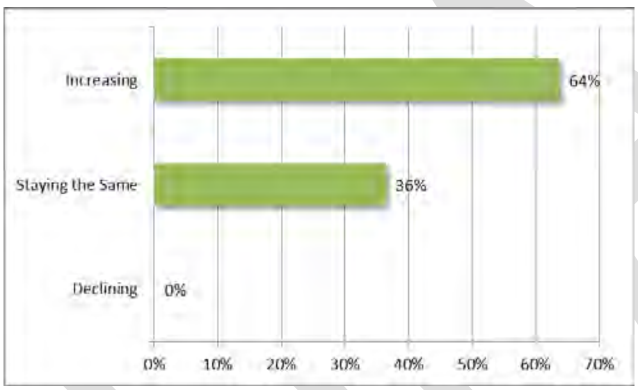
The majority of respondents (59%) indicated that their sales have increased historically, 33% reported that sales have stayed stable and 9% indicated that sales have declined over time.

Figure 39: Historic sales trend at facility



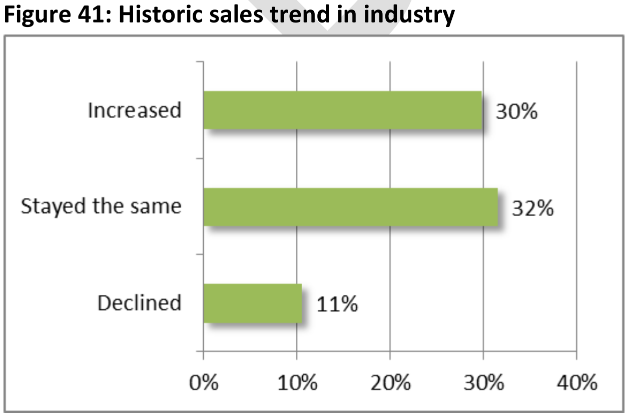
For businesses that have a parent company, the historic sales trend is slightly more positive. Of the 11 respondents for this question, 64% indicated that their parent company's sales have increased over time and 36% indicated that sales have remained stable.

Figure 40: Historic sales trend at parent company



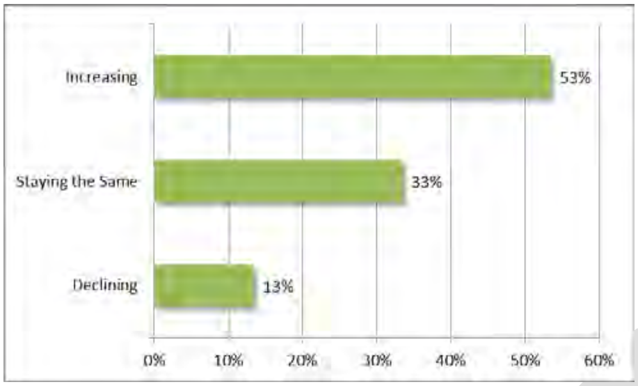
The historic sales trend for respondents' repective industries is less positive. Thirty percent of businesses indicated that sales have increased, 32% indicated they have been stable and 11% indicated they have been declining.

Figure 41: Historic sales trend in industry



Of the businesses that export to international markets, over half (53%) reported that their sales have been increasing over time, 33% reported that they have been stable and 13% reported that they have been declining.

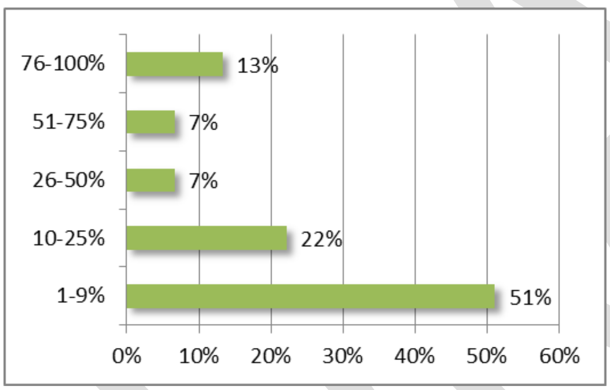
Figure 42: Historic export sales trend



Source of Sales

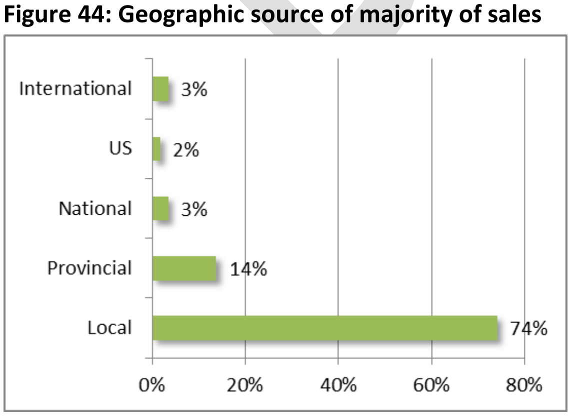
Data indicate that Boundary businesses have a relatively diverse customer base, with 51% of respondents indicating that less than 10% of their sales are generated by their top 3 customers.

Figure 43: Component of sales generated by top 3 customers



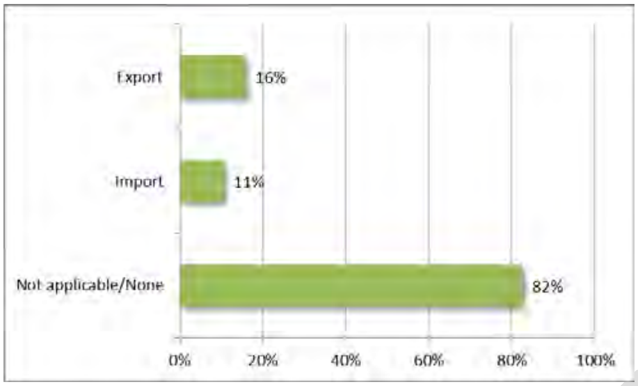
Boundary businesses also appear to be relatively dependent on local markets. Seventy-four percent of respondents indicated that the majority of their sales are to local customers.

Figure 44: Geographic source of majority of sales



Sixteen percent of interviewed businesses export products or services and 11% import. Eighty-two percent of respondents do not engage in international trade.

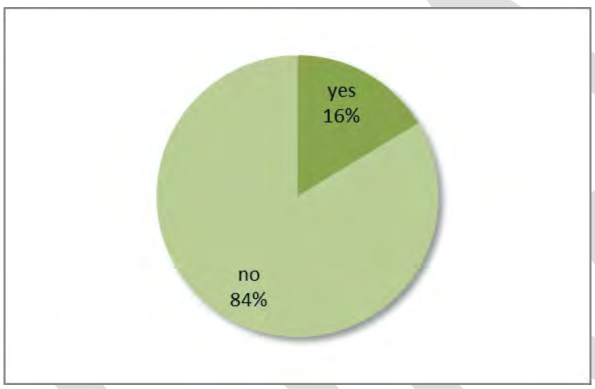
Figure 45: International trade status



Procurement

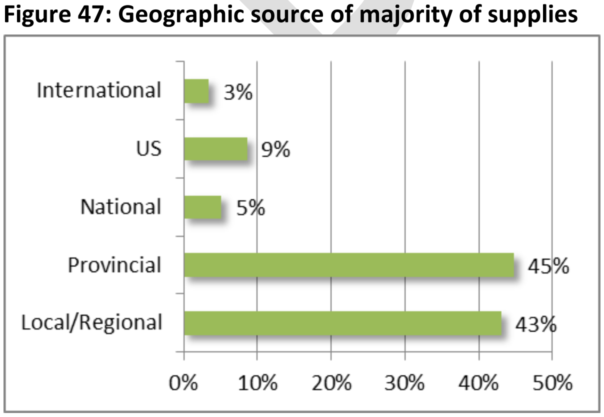
Eighty-four percent of respondents indicated that they do not engage in government procurement processes.

Figure 46: Engagement with government procurement processes



Forty-three percent of businesses interviewed reported that they acquire 50% or more of their supplies from local sources and 45% indicated that they source the majority of their supplies from elsewhere in BC.

Figure 47: Geographic source of majority of supplies

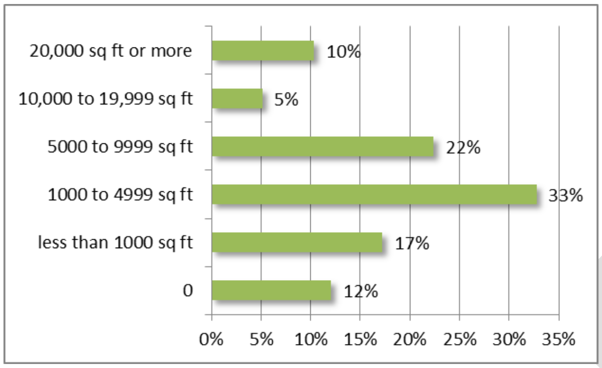


Facilities and Equipment

Size and Condition

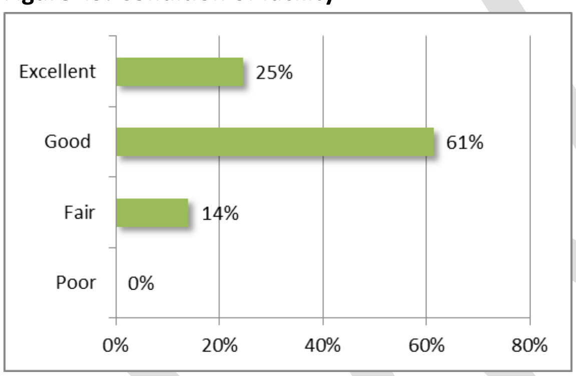
The highest number of respondents (33%) have facilities that are between 1,000 and 4,999 square feet in size. Twelve percent of respondents (likely home businesses) reported that they do not have a facility.

Figure 48: Size of facility



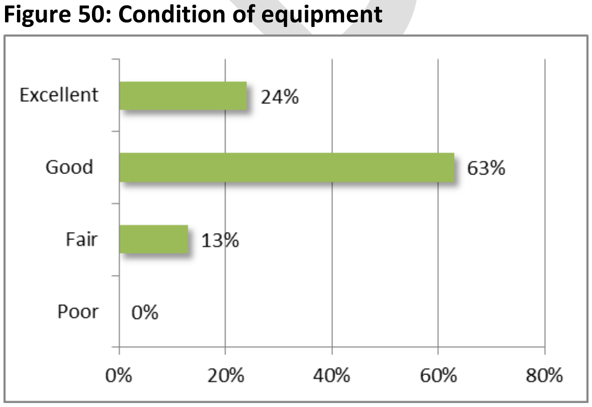
Eight-five percent of businesses indicated that their facility is in good or excellent condition. Notably, no respondents indicated that their facility is in poor condition.

Figure 49: Condition of facility



Similarly, 87% of businesses indicated that their equipment is in good or excellent condition.

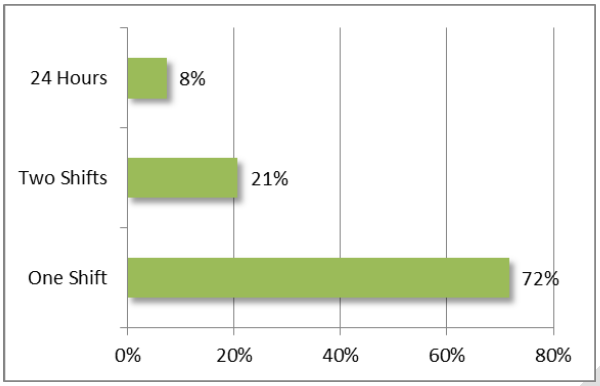
Figure 50: Condition of equipment



Shifts

Most businesses (72%) operate one shift per day. Twenty-one percent operate 2 shifts and 8% operate 24 hours per day.

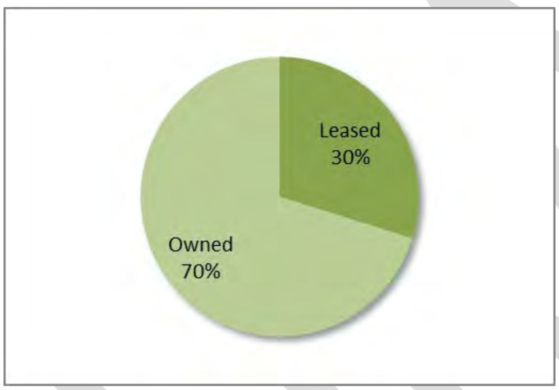
Figure 51: Number of shifts



Ownership

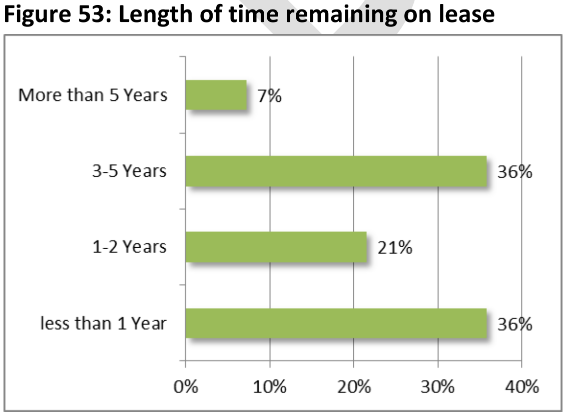
Seventy percent of respondents own their facility and 30% lease it.

Figure 52: Ownership status of facility



Of the businesses that lease their facility, an equal number (36% each) have less than one year and between 3 and 5 years remaining on their lease agreement. Eight-eight percent of respondents plan to renew the lease for their current facility.

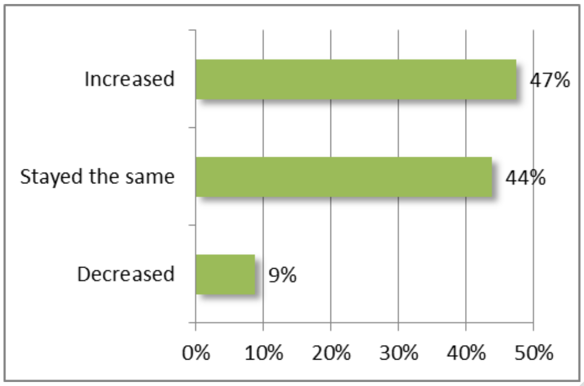
Figure 53: Length of time remaining on lease



Investment and Expansion

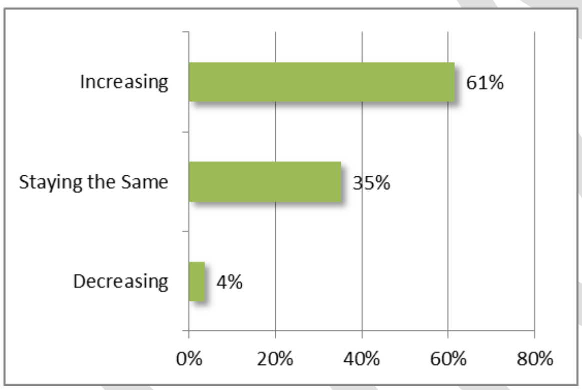
Forty-seven percent of respondents reported that investment in their facility has increased over the last 18 months and 44% reported that it has stayed the same.

Figure 54: Investment in facility (past 18 months)



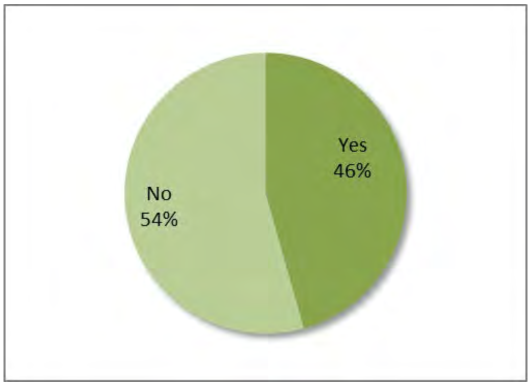
Investment in equipment seems to be higher among Boundary businesses. Sixty-one percent of respondents indicated that investment in their business' equipment has increased over the last 18 months and only 4% indicated that it has declined.

Figure 55: Investment in equipment (past 18 months)



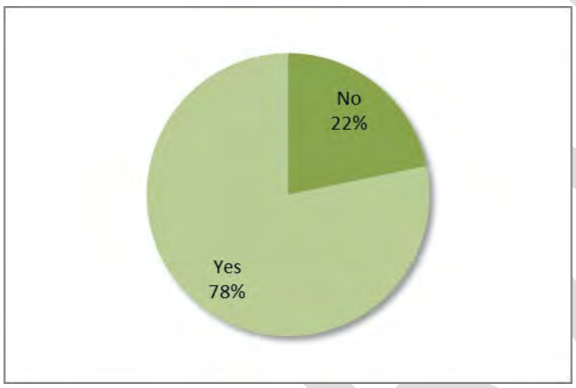
Just under half of interviewed businesses (46%) plan to expand within 3 years. Of those businesses, a strong majority (88%) plan to expand within the Boundary region and 83% expect the expansion process to take between 1 and 3 years.

Figure 56: Plans to expand within 3 years



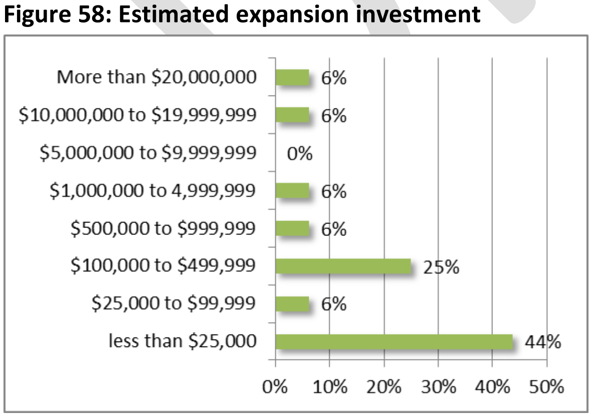
Of the businesses planning a near-term expansion, 78% reported that their current site will be adequate. Five businesses (22%) indicated that they will need to find a new site to support their expansion needs.

Figure 57: Adequacy of current site for expansion



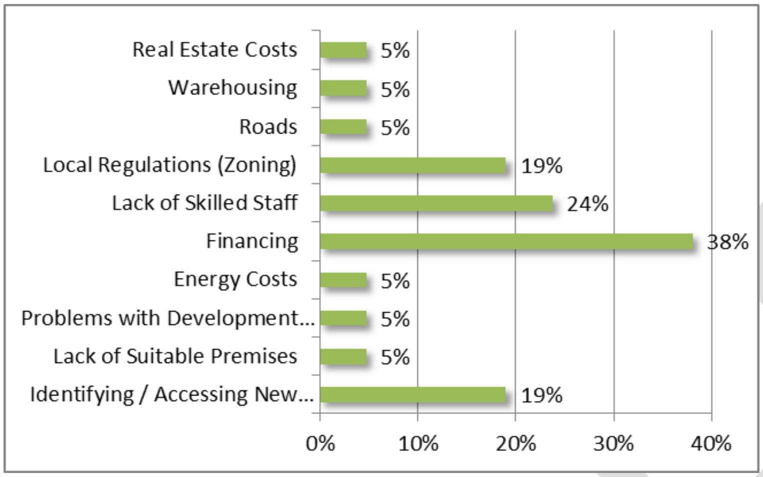
In total, the Boundary businesses interviewed plan to invest more than $37 million in expansion over the next three years. That being said, the highest number of businesses (44%) plan to spend less than $25,000.

Figure 58: Estimated expansion investment



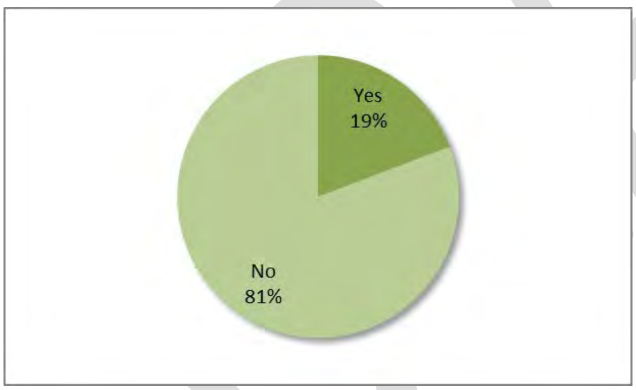
Respondents cited a variety of factors as barriers to their expansion. Most common were financing (38%), a lack of skilled staff (24%), identifying/accessing new markets (19%) and local regulations/zoning (19%).

Figure 59: Barriers to expansion of business



Five businesses have sought assistance with their expansion plans. Of those respondents, 1 has approach Community Futures, 1 has approached BC Hydro, 1 has approached the Business Development Bank of Canada and 2 have approached their local government.

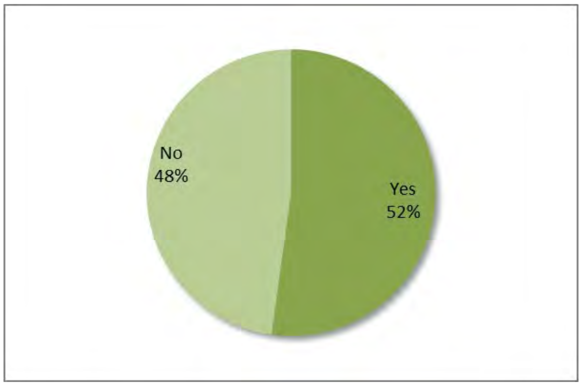
Figure 60: Expansion assistance sought



Energy Efficiency

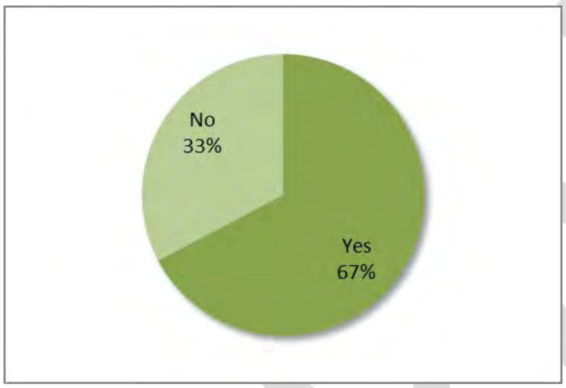
Over half of respondents (52%) are considering energy efficiency in their expansion plans.

Figure 61: Consideration of energy efficiency in expansion plans



Sixty-seven percent of businesses are aware of the energy efficiency resources made available through the BC Hydro Power Smart program.

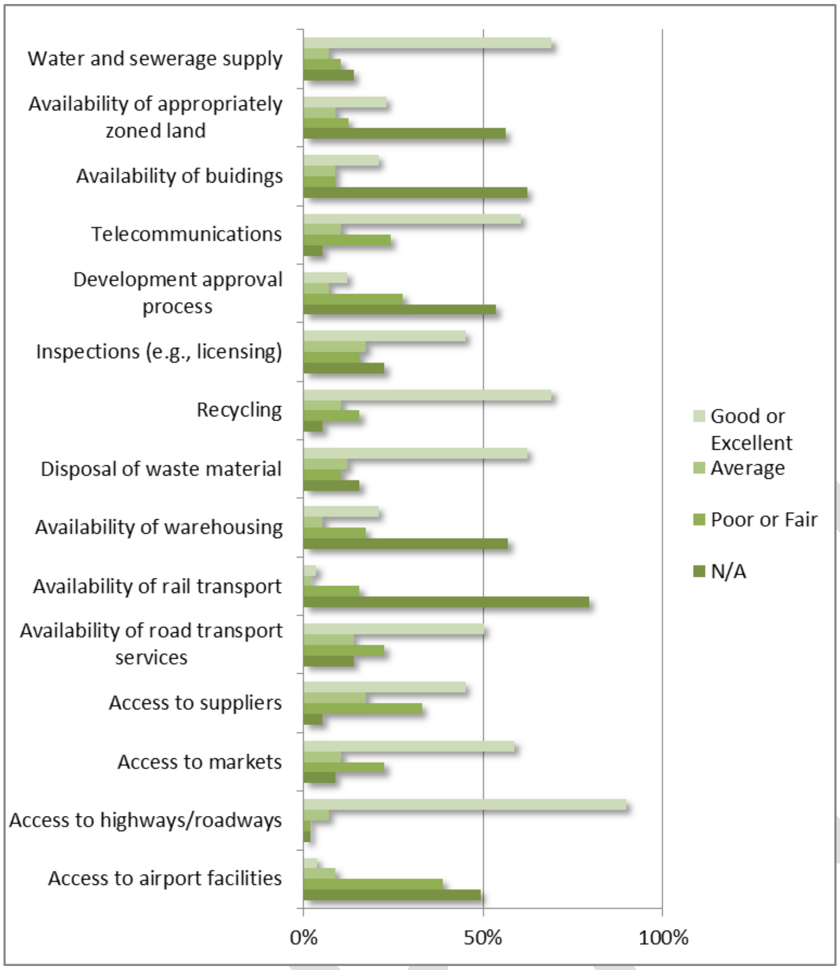
Figure 62: Awareness of BC Hydro Power Smart



Government Services

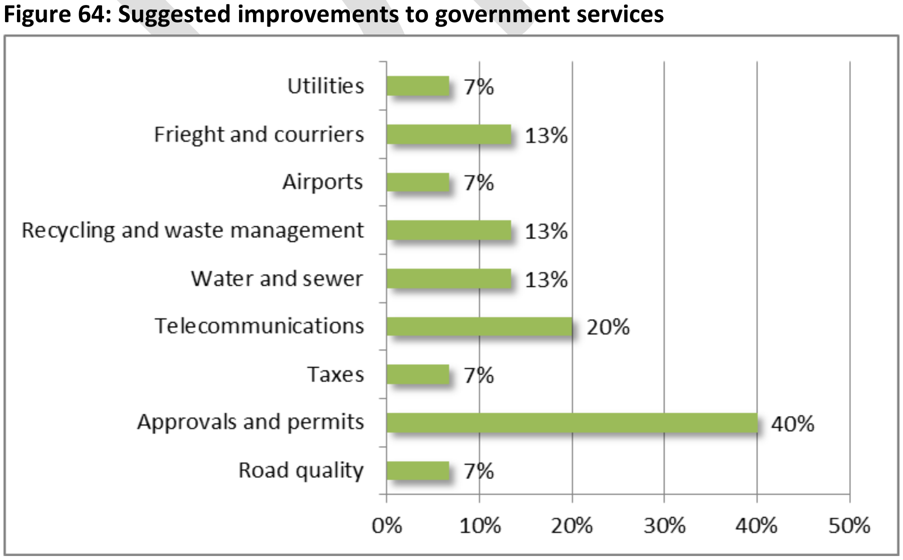
Respondents were asked to rate a list of government services as excellent, good, average, fair or poor. Respondents also had the option of indicating that a service is not applicable to their business. The services that received the highest number of excellent or good ratings include access to highways/roadways (90%), water and sewerage supply (69%) and recycling (69%). Services that received the highest number of fair or poor ratings include access to airport facilities (39%) and access to suppliers (33%). Services that the most respondents thought are not applicable to their business include availability of rail transport services (79%) and availability of buildings (62%).

Figure 63: Quality of government services



When asked to provide suggestions on how to improve government services, the highest number of respondents (40%) indicated that approvals and permits should be a focus area. Twenty percent also indicated that telecommunications services need improvement.

Figure 64: Suggested improvements to government services



Business Climate

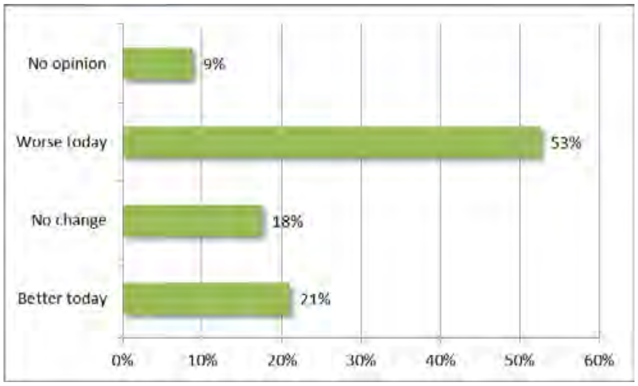
Quality of Business Climate

Respondents rated a list of business climate factors as excellent, good, fair or poor. Factors that received the highest number of excellent or good ratings include workforce quality (60%) and workforce stability (59%). Factors that received the highest number of fair or poor ratings include the provincial tax structure (72%) and the overall business climate (67%).

Figure 65: Business climate factors

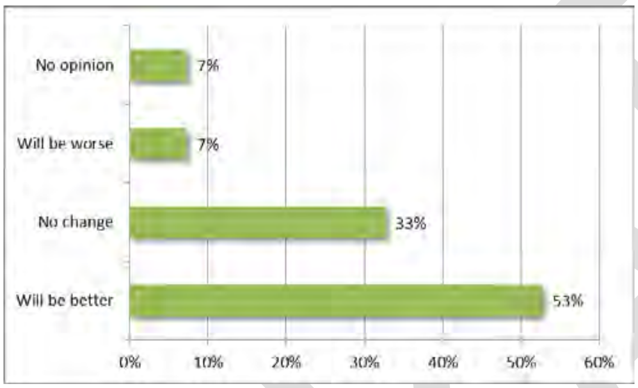
Over half of respondents (53%) felt that the Boundary business climate is worse today than it was 5 years ago. Twenty one percent thought it is better.

Figure 66: Business climate today vs. 5 years ago



The majority of respondents (53%) are optimistic that the business climate will better in 5 years. Seven percent thougt it will be worse.

Figure 67: Business climate 5 years from today



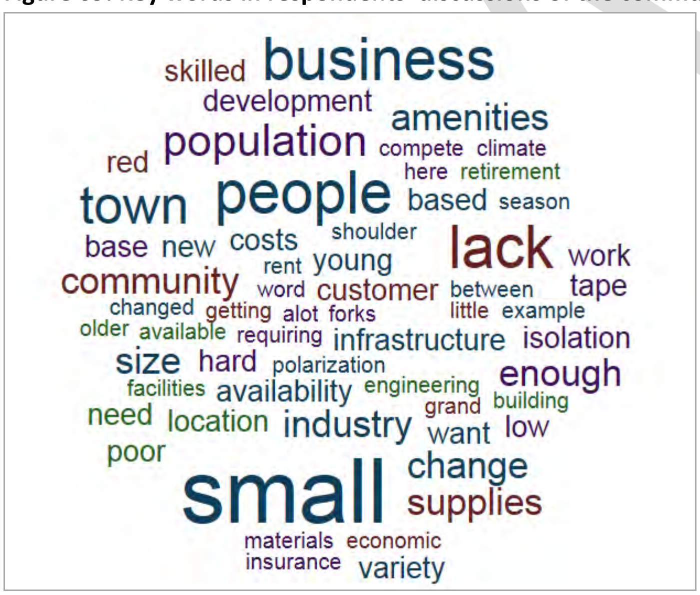
Strengths and Weaknesses of Business Climate

When asked to list the community's strengths as a place to do business, the highest number of respondents (45%) cited the small-town culture or sense of community. Many respondents (16%) also felt that the community is supportive of local businesses. For a full list of response themes, see Appendix B.

Figure 68: Key words in respondents' discussions of the community's strengths as a place to do business

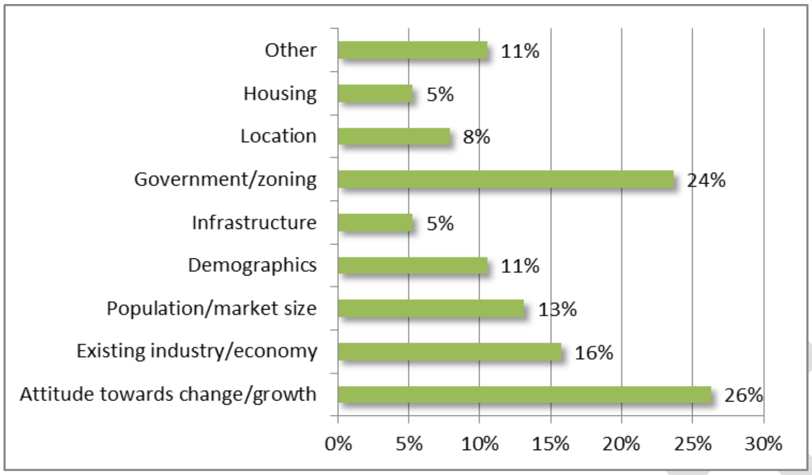
When asked to list the community's weaknesses as a place to do business, the highest number of repsondents (36%) spoke of the size of the community/population. Many other respondents (13% each) cited the aging population or a lack of employment opportunities.

Figure 69: Key words in respondents' discussions of the community's weaknesses as a place to do business



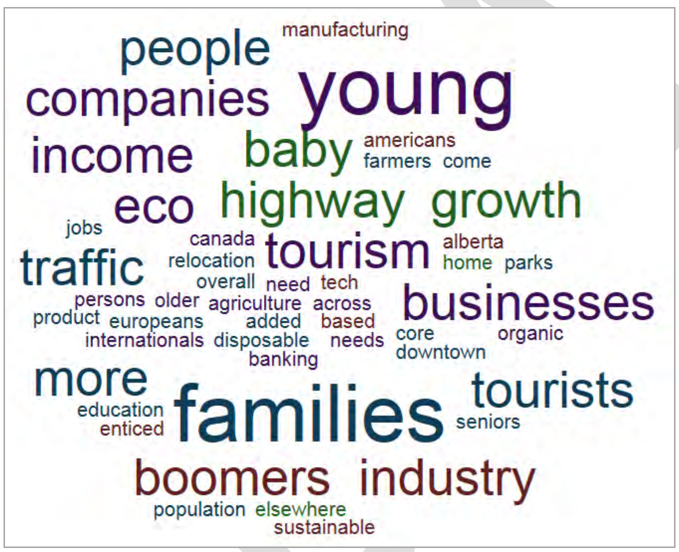
When discussing key barriers to growing the community's economy, the highest number of respondents (26%) cited a negative attitude toward change or growth among the local population. Twenty-four percent of businesses also discussed problems with government approvals or zoning.

Figure 70: Barriers to growth of the community's economy



Eighteen percent of respondents felt it is important to attract certain suppliers and 54% of respondents felt it is important to attract certain customers to the region. The customers that respondents commonly listed as important include tourists/amenity migrants (8 respondents), businesses from elsewhere (6), seniors (4), young people (4) and agriculture/wineries (3).

Figure 71: Key words in respondents' discussions of customers to attract to the area

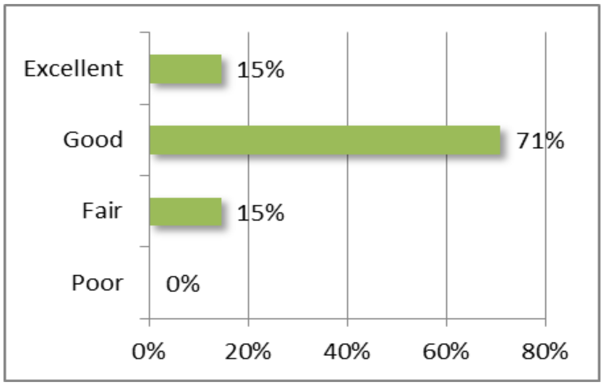


Assessment and Plans

Overall Health

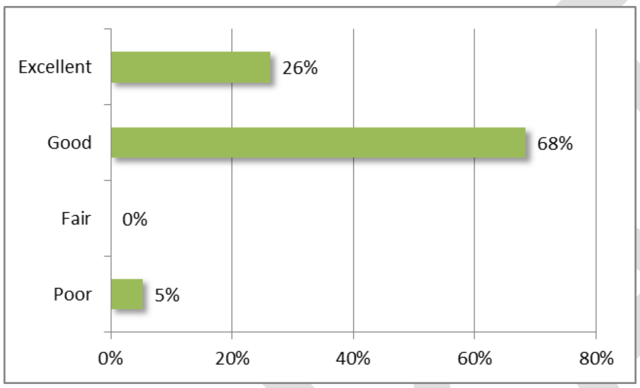
Seventy-one percent of respondents indicated the overall health of their company is good, 15% indicated it is excellent and 15% indicated it is fair.

Figure 72: Overall health of company



Of the businesses with a parent company, the majority (68%) reported that the health of their parent company is good.

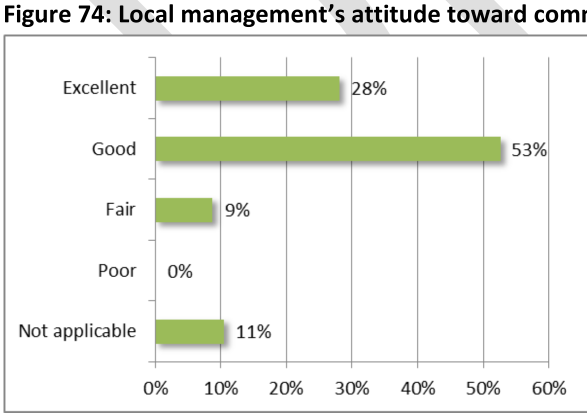
Figure 73: Overall health of parent company



Attitude toward Community

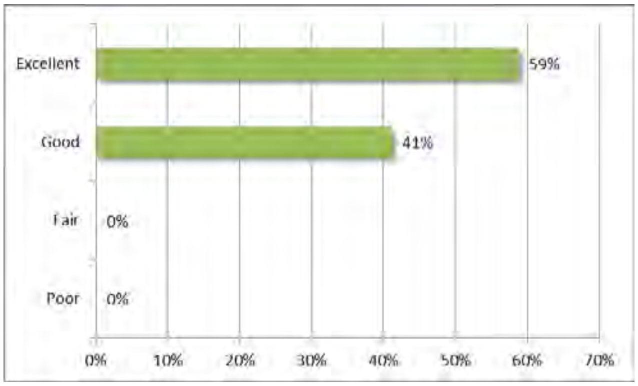
Fifty-three percent of respondents reported that their local management's attitude toward the community is good. Another 28% reported that it is excellent.

Figure 74: Local management's attitude toward community



Among parent companies, the attitude is more positive. Of 17 relevant respondents, 59% reported that their parent company's attitude toward the community is excellent and 41% reported that it is good.

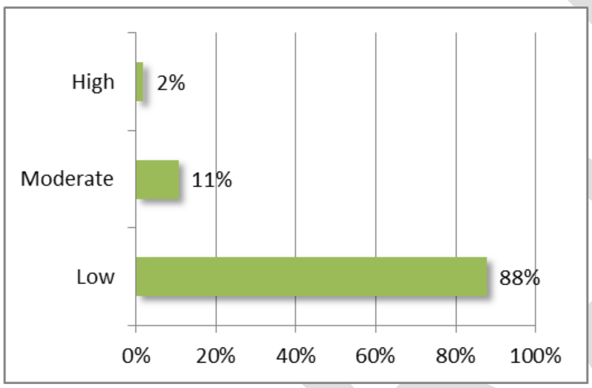
Figure 75: Parent company's attitude toward community



Risk of Closing or Downsizing

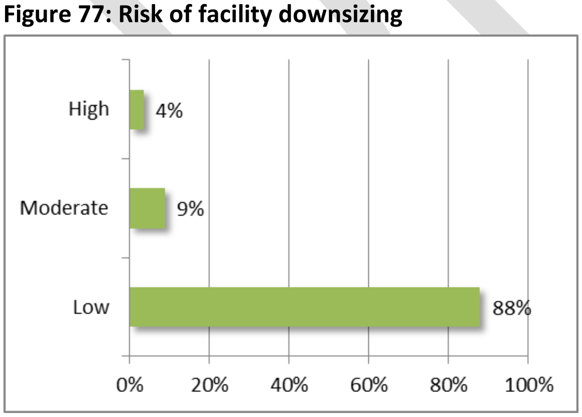
Eighty-eight percent of businesses interviewed indicated that the risk of their facility closing over the next one to three years is low.

Figure 76: Risk of facility closing



Similarly, 88% of respondents indicated that the risk of their facility downsizing over the next one to three years is low.

Figure 77: Risk of facility downsizing

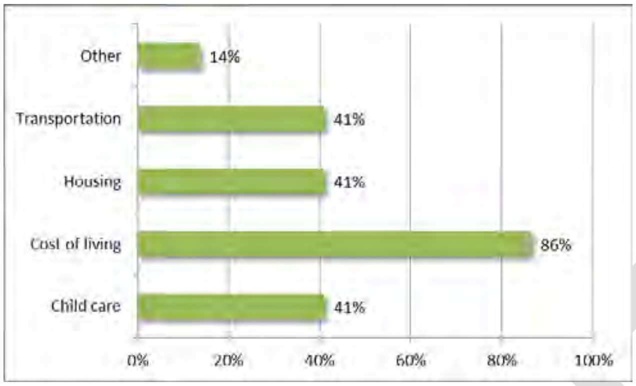


Issues of Regional Interest

Employees

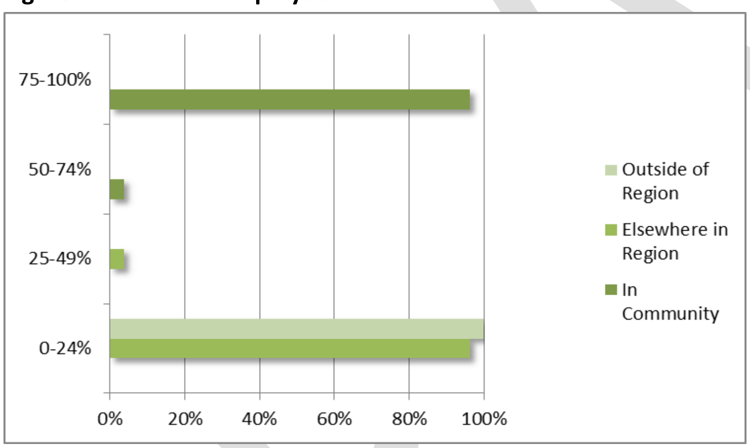
A strong majority of respondents (86%) indicated that cost of living is a critical issue for their employees. Many other businesses also cited transportation, housing and child care (41% each).

Figure 78: Critical issues for employees



The vast majority of employees at interviewed businesses live within the community. A small number of respondents (4%) indicated that a portion of their workforce lives elsewhere in the region.

Figure 79: Home of employees



Purchasing

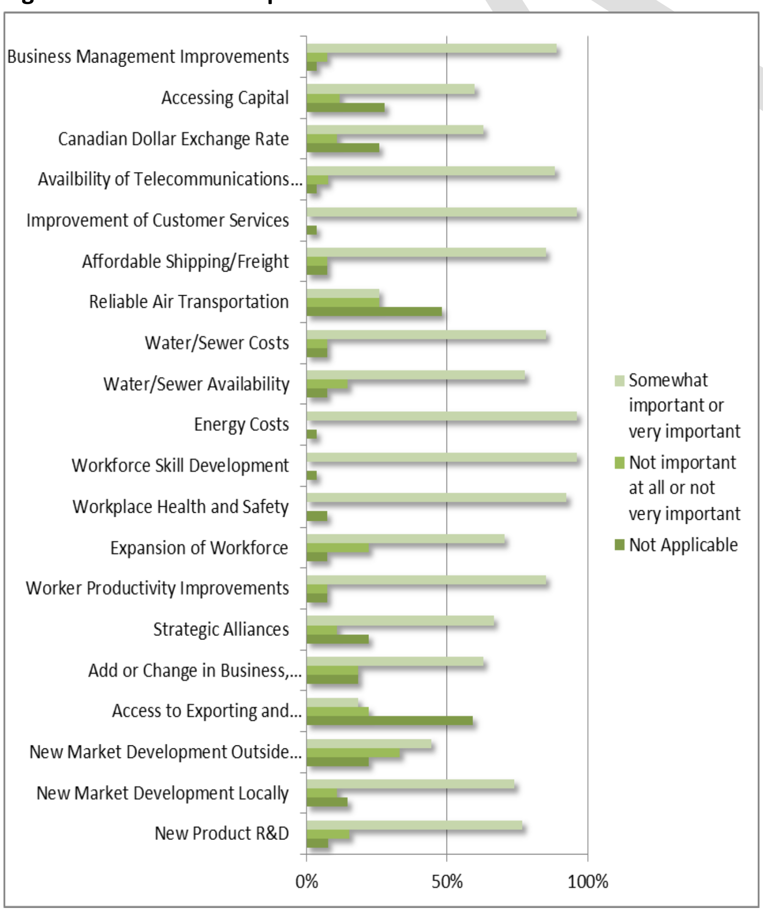
When reflecting on their reasons for purchasing supplies from out-of-area businesses, the highest number of respondents (83%) stated that the products they need are not available in the region. Several others (21%) also indicated that products tend to cost more from local suppliers.

Figure 80: Reasons for out-of-area purchasing

Business Competitiveness

From a list of business competitiveness factors, those that received the highest number of somewhat important or very important ratings include workforce skill development (96%), energy costs (96%) and improvement of customer services (96%). Those that received the highest number of not very important or not important at all ratings include new market development outside of the region (33%) and reliable air transportation (26%). The factors that most businesses thought are not applicable to their business include access to exporting and international markets (59%) and reliable air transportation (48%).

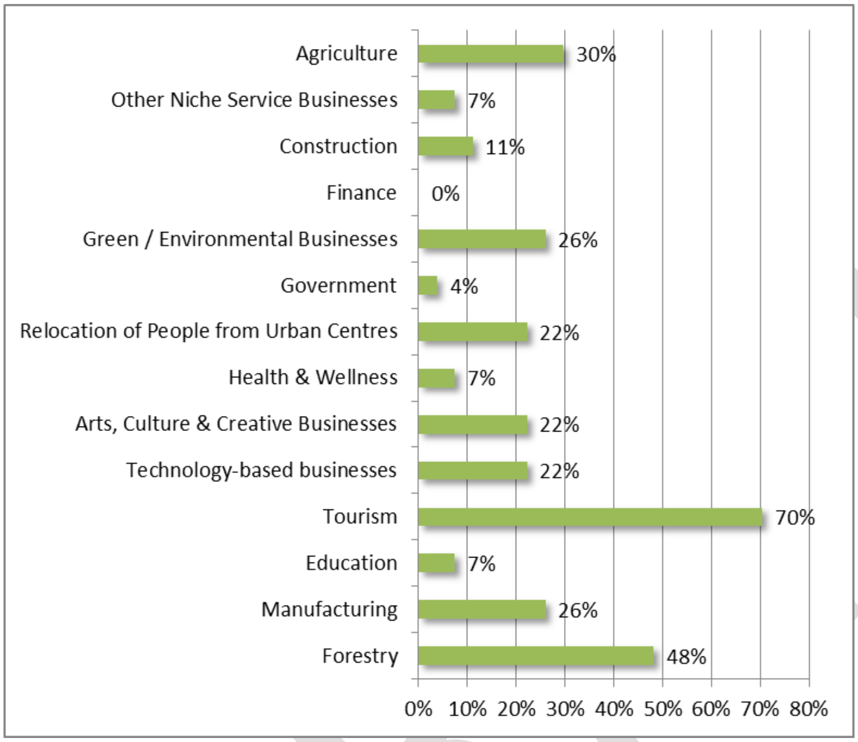
Figure 81: Business competitiveness factors



Economic Drivers

Respondents were asked to choose, from a list of economic drivers, those that they think have the most growth potential over the next 5 to 10 years. Factors that received the highest number of votes include tourism (70%), forestry (48%) and agriculture (30%). Notably, no respondents thought that the finance sector has high potential for growth over the near term.

Figure 82: Economic drivers with growth potential



Recommendations

Next Steps

The results of this survey can be used by economic development organizations in the Boundary Region to inform short- and long-term business retention and expansion action planning. Many BRE programs ensure that follow-up actions occur as soon as possible following completion of the survey stage. This approach builds credibility, a sense of success and momentum to carry out long-term actions.

Successful BRE programs pick an initial set of short-term actions that:

- can be completed in 6 months or less;
- are highly visible to businesses and the community as a whole; and
- have the potential for considerable impact with minimal input (i.e., the "low hanging fruit").

Many BRE actions also lead to long-term programs (e.g., a 'Buy Local' program), or ongoing plans and policies. Patience and a commitment to success over the long-term are critical in determining the success of these initiatives. For this reason, BRE should be thought of, and implemented as, a process as opposed to a one-time project.

BRE results can form the backbone of a community's economic development strategy and, in some cases, they are integrated into Official Community Plans (OCPs). Some communities form committees or action groups around the themes or action areas identified in the BRE report to ensure success in implementation.

The following steps could further support links to planning and action:

1. Prepare a follow-up report compiling current research findings alongside other relevant regional economic development research to identify common themes and further develop recommended actions.
2. Host a business stakeholder forum to present findings and prioritize actions. Ensure participation by businesses outside of Grand Forks by hosting forums in the rural areas, if needed.
3. Host a facilitated action planning session with economic development stakeholders and industry representatives.
4. Based on results from the forums and planning session, finalize priority actions, develop related action plans, update existing economic development plans and develop relationships with a broader network of support providers (at regional, provincial and national scales) to support implementation.
5. Establish a monitoring program to assess the impact of implementation efforts.

POTENTIAL ACTION AREAS

Business expansion

Boundary businesses are planning significant investment in expansion over the near term, about half of which will be spent on real estate and half of which will be spent on equipment/ technology. Since many businesses indicated that adequate financing is inhibiting their expansion, this trend could strengthen if access to financing were improved in the region. Actions on this theme may involve assisting in the location of potential expansion sites, connecting businesses with potential sources of financing, educating businesses of the types of expansion support available from external organizations or working with governments to ensure their approval processes meet the needs of local businesses (see 'Government services', below).

Supply sourcing

Less than half of respondents purchase the majority of their supplies from local suppliers, yet almost three quarters sell primarily to local customers. Combined, these two findings indicate that businesses' purchasing policies may be shrinking the Boundary economy by sending sales revenue out of the region. Though most respondents indicated that their reason for out-of-area purchasing is related to the availability of necessary supplies in the region, additional research on this theme could help determine if there are in fact opportunities to address some of the barriers to businesses buying locally.

Training opportunities

A lack of skilled staff was commonly cited as a barrier to expansion of businesses and the vast majority of respondents said that workforce skill development is important to the competitiveness of their business. Professional development areas most often listed by businesses include skilled trades and retail/hospitality. Uptake on training opportunities can be low in the region due to the limited time and financial resources available to the types of businesses that characterize Boundary Country (generally few employees with limited sales and no funds dedicated to training). Therefore, any actions on this theme must consider business schedules and training budgets. Educational and training institutions in the region could be approached as potential collaborators in meeting businesses' training needs.

Employee and customer recruitment

The small and aging Boundary population was often discussed as an inhibitor of economic growth. Further, about a third of businesses indicated that they have experienced challenges recruiting new employees, especially maintenance workers and hospitality/service personnel. Currently, respondents primarily recruit locally; therefore, actions on this theme could involve assisting businesses with recruiting further afield, either individually or as a business community. Recruitment initiatives could focus on young families and amenity migrants (two key 'customers to attract' as identified by respondents) and could promote the factors that respondents identified as strengths of the region (e.g., sense of community, support for local businesses).

Succession and business planning

Business and succession planning are critical to the health and longevity of businesses, yet only 12% of respondents indicated that they have a formal succession plan and half do not have an up-to-date business plan. Since the Boundary workforce is aging, business succession could have a significant impact on the regional economy over the near- to medium-term. Open, instructive training sessions have the potential to provide a base level of support to a large number of businesses; however, given the importance of individual circumstances in business and succession planning, a more targeted, one-on-one assistance program could result in greater overall benefit by providing a higher level of support to 'at-risk' businesses. These opportunities should be aggressively advertised to ensure uptake among local businesses.

Government services

Approvals, regulations and taxes administered by various levels of government were often cited by respondents as factors that inhibit business activity in the region. Additional research on this theme could help further inform the exact nature of businesses' perceptions regarding the regulatory barriers to their growth. Sharing the results of this research with governing bodies could help them understand how they can better support business activities in the Boundary region.

Wages

Data suggests that wages at many Boundary businesses are somewhat low, with the average reported skilled or professional wage being $22.48/hour and the average semi-skilled wage being $15.48/hour. Raising wages could help improve recruitment of workers and retention of youth in the community. A potential action on this theme involves facilitating access to wage subsidy programs targeted at small businesses.

APPENDIX A: THE BRE SURVEY

COLUMBIA BASIN RDI

COMPANY INFORMATION	Key: ❑ = Select Multiple, ❍ = Select One

1. Description of products/services:
   ____
   ____

2. Who are your competitors (local, regional, national, international)?
   ____
   ____

3. What are the factors that make your company successful here?
   ____
   ____

4. Life cycle stage of firm's primary product/service:
   ❍ Emerging ❍ Growing ❍ Maturing ❍ Declining

5. What is this company's ownership status?
   ❍ Privately owned ❍ Publicly owned

6. What is this company's legal status?
   ❍ Sole proprietorship ❍ Partnership ❍ Corporation ❍ Limited liability partnership (LLP) ❍ Non-profit ❍ Other

   If *Other*, please specify:
   ____
   ____

7. Location of company's headquarters:
   ❍ In Province ____________

   ❍ Elsewhere in nation ____________

   ❍ Outside Canada ____________

8. How long has this facility operated
   ❍ <1 Year ❍ 1-4 Years ❍ 5-9 Years ❍ 10-19 Years ❍ >20 Years

9. Name of parent company, if different:
   ____

10. Functions located at this facility:
    ❑ Distribution ❑ Engineering/RD ❑ Headquarters ❑ Manufacturing ❑ Services ❑ Warehousing

11. Does this company have another Canadian location that provides a similar product/service as the local operation:
    ❍ Yes ❍ No

    Similar Canadian notes:
    ____
    ____

12. Does this company have another location elsewhere in the world that provides a similar product/service as the local operation:
    ❍ Yes ❍ No

    Similar world notes:
    ____
    ____

 http://www.executivepulse.com Last Generated On: 7/2/2012 Page 4 of 13

13. Has the local facility changed owners in the past 5 years?
❍ Yes ❍ No

14. If *Yes*, describe the local impact of the change in ownership:
❍ Positive ❍ Neutral ❍ Negative

15. Has the local facility changed management in the past 5 years?
❍ Yes ❍ No

16. If *Yes*, describe the local impact of the change in management:
❍ Positive ❍ Neutral ❍ Negative

17. Is an ownership change pending for this facility?
❍ Yes ❍ No

18. If *Yes* what is the anticipated time frame:
❍ 1 year or less ❍ 2 years ❍ 3 years or more

19. If *Yes*, how do you intend to exit the business?
❍ Sell/transfer to a family member ❍ Sell/transfer to a non-family member ❍ Sell to another company ❍ Close the business down ❍ Other
____

20. What is your age group (estimate by interviewer - do not ask)
❍ Over 65 ❍ 60-65 ❍ 55-59 ❍ 50-54 ❍ 45-49 ❍ 44 and under

21. Have you identified a successor to your business?
❍ Yes ❍ No

22. Is there a formal succession plan?
❍ Yes ❍ No ❍ Not applicable

23. If *Yes*, have you been assisted in preparation of a succession plan?
❍ Yes ❍ No

24. If *Yes*, by whom:
❍ Accountant ❍ Banker ❍ Business partner ❍ Lawyer ❍ Online Internet Resources ❍ Personal financial planner ❍ Spouse ❍ Other
____

25. Does this firm have a current business plan?
❍ Yes ❍ No

26. Company information notes:
____
____

LOCAL WORKFORCE Key: ❑ = Select Multiple, ❍ = Select One

27. Total number of employees at this facility:
______________________ Full-time employees
______________________ Part-time employees
______________________ Temporary employees
______________________ Total employees

28. Estimated total payroll for this location.
$ ______________________

29. Historical employment trend:
❍ Increasing ❍ Staying the same ❍ Declining

30. Projected number of employees at this facility in one year:
____

31. Projected number of employees at this facility in three years:
____

32. How did the number of staff change, if at all, in the last 3 years?

1 = Increased
2 = Stayed the same
3 = Decreased

Staff	1	2	3
Full time:	❍	❍	❍
Part time:	❍	❍	❍
Casual:	❍	❍	❍

33. How do you expect the number of staff to change, if at all over the next 3 years?

1 = Increased
2 = Stayed the same
3 = Decreased

Staff	1	2	3
Full time:	❍	❍	❍
Part time:	❍	❍	❍
Casual:	❍	❍	❍

34. Is the number of unfilled positions:
❍ Increasing ❍ Stable ❍ Decreasing

35. Does the company provide a training budget in order to upgrade employee's skills?
❍ Yes ❍ No

36. Where does the company attract the majority of its workers from?
❍ Locally ❍ Provincially ❍ Nationally ❍ Internationally

37. Percent of workforce:
_______________ % Skilled/Professional
_______________ % Semi-skilled
_______________ % Entry-level

38. Average hourly wage:
$ _______________ Skilled/Professional
$ _______________ Semi-skilled
$ _______________ Entry-level

39. Describe the wage scale here compared to all other firms locally:
❍ Greater than ❍ Same as ❍ Lower than

40. Describe the majority of essential personnel at this location:
❍ Less than 25 ❍ 26 - 34 ❍ 35 - 49 ❍ 50 or older

41. Do you have problems retaining employees?
❍ Yes ❍ No

Employee retention notes:

____
____

42. Is the company experiencing recruitment problems with any employee positions or skills?
❍ Yes ❍ No

If *Yes*, in which category(s)?
☐ Administrative/Clerical ☐ Advanced Mfg Workers ☐ Agriculture/Farming ☐ Assembler/Line Workers ☐ CDL Drivers ☐ Construction/Contractors ☐ Electrical/Electronics ☐ Food/Beverage Service ☐ General Laborer ☐ Graphics Arts/Printing ☐ Healthcare Professionals ☐ Hospitality Service ☐ Machine Operators ☐ Machinists ☐ Maintenance ☐ Manufacturing/Other ☐ Marketing ☐ Material/Fabricators ☐ Mechanics ☐ Plant Managers / Operators ☐ Prof/Info Tech/Programming ☐ Professional/Other ☐ Professional/Technical ☐ Sales/Retail ☐ Sales/Service ☐ Other ☐ None

Other (specify job roles/titles):

____
____

43. Do you anticipate future recruiting difficulties i.e. 3-5 year?
❍ Yes ❍ No

If *Yes*, in what area(s)?
☐ Administrative/Clerical ☐ Advanced Mfg Workers ☐ Agriculture/Farming ☐ Assembler/Line Workers ☐ CDL Drivers ☐ Construction/Contractors ☐ Electrical/Electronics ☐ Food/Beverage Service ☐ General Laborer ☐ Graphics Arts/Printing ☐ Healthcare Professionals ☐ Hospitality Service ☐ Machine Operators ☐ Machinists ☐ Maintenance ☐ Manufacturing/Other ☐ Marketing ☐ Material/Fabricators ☐ Mechanics ☐ Plant Managers/Operators ☐ Prof/Info Tech/Programming ☐ Professional/Other ☐ Professional/Technical ☐ Sales/Retail ☐ Sales/Service ☐ Other ☐ None

Other (specify job roles/titles):

____
____

44. Union status:
❍ Yes ❍ No ❍ Not applicable

45. If *Yes*, what is the status of labor-management relations?
❍ Excellent ❍ Good ❍ Fair ❍ Poor

46. Are there any areas of training or professional development that would be of benefit to you or your employees?
❍ Yes ❍ No

If Yes, what are they?

____
____

47. When you do attend training/certification, where do you usually access the training?
☐ Local ☐ Regional ☐ British Columbia ☐ Rest of Canada ☐ United States

48. What modes of education/training work best for you?
☐ Classroom ☐ Individual coaching ☐ Online/ Webinar training ☐ Other ________________

COLUMBIA BASIN RDI

49. Are you aware of any anticipated trends, technologies, significant changes that will be occurring in your industry that will require new skills?
❍ Yes ❍ No

50. Workforce notes:
____
____

SALES Key: ❑ = Select Multiple, ❍ = Select One

51. Annual sales at this facility:
$ ________________ ❑ Annual sales private

52. Is the market for your product:
❍ Increasing ❍ Stable ❍ Decreasing

53. Is the market share (compared to your competitors) of your company's products:
❍ Increasing ❍ Stable ❍ Decreasing

54. What is the projected sales growth in the next year at this facility?
❍ Greater than or equal to 100% ❍ 50 - 99% ❍ 25 - 49% ❍ 10 - 24% ❍ 1 - 9% ❍ 0% ❍ Declining

55. Historical sales trend:

Please use the following rating scale:
1 = Increasing; 2 = Staying the same; 3 = Declining; 4 = Not applicable

Historical sales trend	1	2	3	4
At this facility	❍	❍	❍	❍
At the parent company	❍	❍	❍	❍
Within the industry	❍	❍	❍	❍

56. Sales trend notes:
____
____

57. Percent of total sales generated by top 3 customers:
❍ 76 - 100% ❍ 51 - 75% ❍ 26 - 50% ❍ 10 - 25% ❍ 1 - 9%

58. Do you engage in government procurement:
❍ Yes ❍ No

59. Please identify the source of your sales by percentage:
________________ % Local / Regional
________________ % Provincial
________________ % National
________________ % United States
________________ % International

 http://www.executivepulse.com Last Generated On: 7/2/2012 Page 8 of 13

60. Please identify the source of your supplies by percentage:

________________ % Local / Regional

________________ % Provincial

________________ % National

________________ % United States

________________ % International

61. International trade status:

☐ Import ☐ Export ☐ None ☐ Not applicable

62. Historical export sales trend:

○ Increasing ○ Staying the same ○ Declining ○ Not applicable

63. Sales notes:

____

____

FACILITY/EQUIPMENT

Key: ☐ = Select Multiple, ○ = Select One

64. What is the square footage of your current facility?

________________ sq/ft

65. Status of facility:

○ Owned ○ Leased

If *Leased*, what is the length of term remaining

○ <1 Year ○ 1 - 2 Years ○ 3 - 5 Years ○ > 5 Years

66. Are you planning on renewing current lease?

○ Yes ○ No

If *No*, why not

____

____

67. Facility condition:

Please use the following rating scale:
1 = Excellent; 2 = Good; 3 = Fair; 4 = Poor

Facility condition	**1**	**2**	**3**	**4**
Condition of facility	○	○	○	○
Condition of equipment	○	○	○	○

68. Describe the operations at this site:

○ One shift ○ Two shifts ○ 24 hours ○ Other

If *Other*, please specify:

____

____

69. Historical investment trends:

Please use the following rating scale:
1 = Increasing; 2 = Staying the same; 3 = Declining

Historical investment trends	**1**	**2**	**3**
Over past 18 months in the *facility*	❍	❍	❍
Over past 18 months in the *equipment* at this facility	❍	❍	❍

70. Is there room for expansion at this site?
❍ Yes ❍ No ❍ Maybe

71. Are you aware of BC Hydro Power Smart resources that are available to you?
❍ Yes ❍ No

72. Does the company plan to expand in the next three years?
❍ Yes ❍ No

Will it be in this community?
❍ Yes ❍ No

Is your current site adequate for the proposed expansion?
❍ Yes ❍ No

$ ________ Estimated total investment

________________ Approximate percentage equipment/technology

________________ Approximate percentage real estate

________________ Estimated facility size increase (sq/ft)

Estimated timeframe for expansion
❍ < 1 Year ❍ 1-3 Years ❍ > 3 Years

73. What, if any, are the major constraints on your expansion? (Please check all that are applicable)
❑ Broadband access ❑ Energy costs ❑ Energy reliability ❑ Finance ❑ Identifying and accessing new markets ❑ Lack of skilled staff ❑ Lack of suitable premises ❑ Local regulations e.g. zoning ❑ Problems with DAs ❑ Roads ❑ Transport/freight ❑ Warehousing ❑ Other (please specify): ________________

74. Have you approached anybody in local/provincial/federal government or business development organizations to discuss your expansion plans?
❍ Yes ❍ No

75. If *Yes*, which have you approached?
❑ BC Hydro ❑ BC Ministry responsible for Economic Development ❑ Chamber of Commerce ❑ Community Futures ❑ Local Council ❑ Local Economic Development Office ❑ Other (please specify): ________________

76. Have you factored improvements in energy efficiency in your expansion plans?
❍ Yes ❍ No

77. Facility/Equipment notes:

____

____

GOVERNMENT SERVICES	Key: ❍ = Select One

78. Please rate the following:

Please use the following rating scale:
1 = Excellent 2 = Good 3 = Average 4 = Fair 5 = Poor 6 = N/A

Services	1	2	3	4	5	6
Access to airport facilities:	❍	❍	❍	❍	❍	❍
Access to highway/roadway:	❍	❍	❍	❍	❍	❍
Access to markets:	❍	❍	❍	❍	❍	❍
Access to suppliers:	❍	❍	❍	❍	❍	❍
Availability of road transport services:	❍	❍	❍	❍	❍	❍
Availability of rail transport:	❍	❍	❍	❍	❍	❍
Availability of warehousing:	❍	❍	❍	❍	❍	❍
Disposal of waste material:	❍	❍	❍	❍	❍	❍
Recycling:	❍	❍	❍	❍	❍	❍
Inspections (eg: licensing):	❍	❍	❍	❍	❍	❍
Development approval process:	❍	❍	❍	❍	❍	❍
Telecommunications (tel, Internet, Cell)	❍	❍	❍	❍	❍	❍
Availability of buildings for lease or purchase	❍	❍	❍	❍	❍	❍
Availability of appropriately zoned land:	❍	❍	❍	❍	❍	❍
Water and sewerage supply:	❍	❍	❍	❍	❍	❍
Other (please specify): ____________	❍	❍	❍	❍	❍	❍

79. Do you have any suggestions on how to improve any of the services and infrastructure listed above?
❍ Yes ❍ No

If *Yes*, how?
____
____

80. Municipal services notes:
____
____

BUSINESS CLIMATE Key: ❍ = Select One

81. Please rate the following:

Use the following rating system:
1 = Excellent
2 = Good
3 = Fair
4 = Poor
5 = No opinion

	1	2	3	4	5
Workforce quality:	❍	❍	❍	❍	❍
Workforce availability:	❍	❍	❍	❍	❍
Workforce stability:	❍	❍	❍	❍	❍
Local government:	❍	❍	❍	❍	❍
Local tax structure:	❍	❍	❍	❍	❍
Province tax structure:	❍	❍	❍	❍	❍
Workers compensation rates:	❍	❍	❍	❍	❍
Economic development:	❍	❍	❍	❍	❍
Cultural/Recreational amenities:	❍	❍	❍	❍	❍
Housing:	❍	❍	❍	❍	❍
K - 12 education:	❍	❍	❍	❍	❍
Colleges/Universities:	❍	❍	❍	❍	❍
Technical training:	❍	❍	❍	❍	❍

82. Notes on business climate rankings:

____

____

83. Please rate the local business climate:
❍ Excellent ❍ Good ❍ Fair ❍ Poor

84. What are the community's strengths as a place to do business?

____

____

85. What are the community's weaknesses as a place to do business?

____

____

86. Are there any barriers to growth in this community?
❍ Yes ❍ No

If *Yes*, what are they?

____

____

87. Are there suppliers you think could locate in this region?
❍ Yes ❍ No

If *Yes*, please list:

____

____

88. Are there customers that we should attract to this region?
❍ Yes ❍ No

If *Yes*, please list:

____

____

89. Please compare the local business climate today versus 5 years ago:
❍ Better today ❍ No change ❍ Worse today ❍ No opinion

If *worse today*, why?

____

____

90. Please forecast the condition of the local business climate 5 years from today:
❍ Will be better ❍ No change ❍ Will be worse ❍ No opinion

91. Business climate notes:

____

____

ASSESSMENT

Key: ❍ = Select One

92. Rate the following:

Please use the following rating scale:
1 = Excellent; 2 = Good; 3 = Fair; 4 = Poor; 5 = Not applicable

Rate the following	1	2	3	4	5
Facility's overall health	❍	❍	❍	❍	❍
Overall health of the parent company	❍	❍	❍	❍	❍
Local management's attitude toward the community	❍	❍	❍	❍	❍
Parent company's attitude towards the community	❍	❍	❍	❍	❍

93. Rate the risk:

Please use the following rating scale:
1 = Low; 2 = Moderate; 3 = High

Rate the risk	1	2	3
Facility closing in the next 1 - 3 years	❍	❍	❍
Facility downsizing in the next 1 - 3 years	❍	❍	❍

94. Are there any local expansion plans in the next 12 - 18 months?
❍ Yes ❍ No

95. Assessment notes:

____

____

Appendix B: Data Tables

Company Information

Industry Classification		
agriculture, forestry, fishing and mining	5	9%
utilities	1	2%
construction	2	3%
manufacturing	9	16%
retail and wholesale trade	17	29%
finance/insurance	2	3%
professional, scientific and technical services	2	3%
arts, entertainment and recreation	2	3%
accommodation and food service	11	19%
other services	7	12%
Total	58	100%

Location of Competitors		
Local/regional	46	79%
Elsewhere in BC	14	24%
Elsewhere in Canada	6	10%
International	8	14%
Unique Respondents	74	

Success Factors		
family friendly & safe	1	2%
location / proximity to markets or amenities	9	16%
quality products & service	16	28%
diversity, flexibility/hours of operation & prices	10	17%
quality staff & customer service	24	41%

customers / reputation	5	9%
length of time in business	9	16%
niche market / market share	7	12%
investing in new equipment	1	2%
local supply	4	7%
other	4	7%
Unique respondents	58	

Life Cycle Stage		
Emerging	3	5%
Growing	32	55%
Maturing (status quo)	22	38%
Declining	1	2%
Total	58	100%

Ownership Status		
Public	2	3%
Private	56	97%
Total	58	100%

Type of Company		
Sole Proprietorship	13	22%
Partnership	6	10%
Corporation	36	62%
Limited Liability Partnership	1	2%
Non-Profit	1	2%
Other	1	2%
Total	58	100%

Location of Headquarters		
In Province	55	95%

In Canada	1	2%
International	2	3%
Total	58	100%

Length of Time in Business		
Less than 1 year	2	3%
1-4 years	9	16%
5-9 years	8	14%
10-19 years	15	26%
More than 20 years	24	41%
Total	58	100%

Function of Facility		
Distribution	11	20%
Engineering / R&D	6	11%
Headquarters	18	33%
Manufacturing	10	18%
Services	47	85%
Warehousing	7	13%
Unique respondents	99	

Other Similar Locations		
In Canada	8	14%
Elsewhere in World	7	12%

Ownership and Management Changes		
Recent ownership change	15	26%
Recent management change	10	17%
Pending ownership change	8	14%

Exit Strategy	
family sale/transfer	3
non-family sale/transfer	3
another company sale/transfer	2
close business	0
other	0

Respondent Age (Estimated)		
over 65	2	5%
60-65 yrs	9	23%
54-59 yrs	6	15%
50-54 yrs	6	15%
45-49 yrs	4	10%
44 yrs & under	12	31%
Total	39	100%

Successor Identified		
Yes	9	22%
No	32	78%
Total	41	100%

Formal Succession Plan		
Yes	5	13%
No	27	68%
N/A	8	20%
Total	40	100%

Current Business Plan		
Yes	23	50%
No	23	50%
Total	46	100%

Local Workforce

Number of Full-Time Employees		
Less than 5	37	64%
5-9	7	12%
10-19	6	10%
20-49	4	7%
50-99	2	3%
100+	2	3%
Total	58	100%

Number of Part-Time Employees		
None	17	29%
Less than 10	37	64%
More than 10	4	7%
Total	58	100%

Number of Temporary Employees		
None	51	88%
Less than 10	6	10%
More than 10	1	2%
Total	58	100%

Number of Total Employees		
Less than 5	24	41%
5 to 9	14	24%
10 to 19	8	14%
20 to 49	8	14%
50 to 99	2	3%
100+	2	3%
Total	58	100%

Employment Trend Over Last 10 Years		
Decreased	4	7%
Stayed the same	36	62%
Increased	18	31%
Total	58	100%

Full-Time Employment Trend Over Last 3 Years		
Decreased	5	9%
Stayed the same	33	57%
Increased	20	34%
Total	58	100%

Part-Time Employment Trend Over Last 3 Years		
Decreased	3	5%
Stayed the same	41	71%
Increased	14	24%
Total	58	100%

Temporary Employment Trend Over Last 3 Years		
Decreased	0	0%
Stayed the same	53	93%
Increased	4	7%
Total	57	100%

Full-Time Employment Trend Over Next 3 Years		
Decreasing	2	4%
Staying the same	32	56%
Increasing	23	40%
Total	57	100%

Part-Time Employment Trend Over Next 3 Years		
Decreasing	2	4%
Staying the same	36	63%
Increasing	19	33%
Total	57	100%

Temporary Employment Trend Over Next 3 Years		
Decreasing	1	2%
Staying the same	51	93%
Increasing	3	5%
Total	55	100%

Trend in Unfilled Positions		
Decreasing	0	0%
Staying the same	56	98%
Increasing	1	2%
Total	57	100%

Training Budget		
Yes	16	28%
No	42	72%
Total	58	100%

Location of Workforce Recruitment		
Local	50	89%
Provincial	5	9%
National	1	2%
International	0	0%
Total	56	100%

Skilled/Professional Employees as % of Workforce		
Less than 25%	17	29%
25-49%	10	17%
50-74%	9	16%
75-100%	22	38%
Total	58	100%

Semi-Skilled Employees as % of Workforce		
Less than 25%	32	55%
25-49%	11	19%
50-74%	10	17%
75-100%	5	9%
Total	58	100%

Entry-Level Employees as % of Workforce		
Less than 25%	43	74%
25-49%	4	7%
50-74%	6	10%
75-100%	5	9%
Total	58	100%

Average Wage of Skilled/Professional Employees		
Under $20	11	50%
$20-$29	8	36%
$30-$49	3	14%
$50+	0	0%
Total	22	100%

Average Wage of Semi-Skilled Employees		
$10-$14	10	53%
$15-$19	4	21%

$20-$24	1	5%
$25 or more	4	21%
Total	19	100%

Average Wage of Entry Level Employees		
$10 to $12	9	69%
$13 to $15	1	8%
$15 to $20	1	8%
$20 to $25	2	15%
Total	13	100%

Wages in Relation to Other Businesses in the Region		
Less than	7	13%
Same	23	42%
Greater than	25	45%
Total	55	100%

Age of Majority of Essential Employees		
Less than 25	10	18%
25 to 34	9	16%
35 to 49	21	38%
50+	16	29%
Total	56	100%

Retention Challenge		
Yes	8	14%
No	49	86%
Total	57	100%

Recruitment Challenge		
Yes	22	38%

No	36	62%
Total	58	100%

Current Recruitment Areas	
admin/clerical	0
advanced mfg workers	1
agriculture / farming	1
assembler/line workers	0
CDL drivers/ Class 1 Drivers	0
construction/contractors	2
electrical/electronics	3
food/beverage service	2
general labourer	3
graphic arts/printing	0
healthcare professionals	1
hospitality service	5
machine operators	1
machinists	2
maintenance	6
manufacturing other	1
marketing	1
material/fabricators	2
mechanics	0
plant managers/operators	0
professional/info tech/programming	0
professional other	1
professional technical	3
sales/retail	3
sales/service	1
engineers	0

hair dressers / salon stylists	1
other	1
Total	41

Future Recruitment Areas	
admin/clerical	0
advanced mfg workers	0
agriculture / farming	1
assembler/line workers	0
CDL drivers/ Class 1 Drivers	1
construction/contractors	2
electrical/electronics	2
food/beverage service	2
general labourer	1
graphic arts/printing	0
healthcare professionals	1
hospitality service	4
machine operators	0
machinists	2
maintenance	5
manufacturing other	2
marketing	1
material/fabricators	2
mechanics	0
plant managers/operators	0
prof/info tech/programming	0
professional other	1
professional technical	1
sales/retail	2
sales/service	2

engineers	0
hair dressers / salon stylists	1
other	2
Total	35

Union Status		
Yes	2	3%
No	56	97%
Total	58	100%

Professional Development Needs		
Administrative / Computer Skills	7	14%
Technology Skills	5	10%
Trades	14	27%
Equipment Operators	5	10%
Retail & Hospitality	9	18%
First Aid / WHMIS / Food Safe	6	12%
Business / Management	4	8%
Other	1	2%
Total	51	100%

Usual Training Location		
Local	22	31%
Regional	16	23%
Provincial	25	36%
National	4	6%
United States	3	4%
Total	70	1

Preferred Training Mechanisms		
Classroom/Seminar	32	39%

Individual Coaching	25	30%
Online Webinar/Training	23	28%
Apprenticeship	1	1%
Trade Shows/Conferences	1	1%
Total	82	100%

SALES

Annual Sales		
under $100,000	14	30%
$100,000 to $499,999	13	28%
$500,000 to $999,999	6	13%
$1,000,000 to $4,999,999	11	23%
over $5,000,000	3	6%
Total	47	100%

Status of Market for Product/Service		
Decreasing	5	9%
Stable	25	43%
Increasing	28	48%
Total	58	100%

Status of Market Share		
Decreasing	3	6%
Stable	25	46%
Increasing	26	48%
Total	54	100%

Projected Sales Growth Over Next Year		
declining	1	2%
0%	12	22%

1-9%	15	28%
10-24%	17	31%
25-49%	4	7%
50-99%	3	6%
100%+	2	4%
Total	54	100%

Historical Sales Trend: This Location		
Declined	5	9%
Stayed the same	19	33%
Increased	34	59%
Total	58	100%

Historical Sales Trend: Parent Company		
Not Applicable	45	80%
Declined	0	0%
Stayed the same'	4	7%
Increased	7	13%
Total	56	100%

Historical Sales Trend: Industry		
Declined	6	11%
Stayed the same	18	32%
Increased	17	30%
Total	41	72%

Sales from Top 3 Customers (%)		
1-9%	23	51%
10-25%	10	22%
26-50%	3	7%
51-75%	3	7%

76-100%	6	13%
Total	45	100%

Government Procurement		
yes	9	16%
no	48	84%
Total	57	100%

Source of Sales: Local		
0%	8	14%
under 50%	7	12%
50 to 99%	11	19%
100%	32	55%
Total	58	100%

Source of Sales: Provincial		
0%	34	59%
under 50%	16	28%
50 to 99%	6	10%
100%	2	3%
Total	58	100%

Source of Sales: National		
0%	46	79%
under 50%	10	17%
50 to 99%	2	3%
100%	0	0%
Total	58	100%

Source of Sales: United States		
0%	51	88%

under 50%	6	10%
50 to 99%	1	2%
100%	0	0%
Total	58	100%

Source of Sales: International		
0%	53	91%
under 50%	3	5%
50 to 99%	2	3%
100%	0	0%
Total	58	100%

Source of Supplies: Local / Regional		
0%	16	28%
under 50%	17	29%
50 to 99%	12	21%
100%	13	22%
Total	58	100%

Source of Supplies: Provincial		
0%	24	41%
under 50%	8	14%
50 to 99%	18	31%
100%	8	14%
Total	58	100%

Source of Supplies: National		
0%	43	74%
under 50%	12	21%
50 to 99%	2	3%
100%	1	2%
Total	58	100%

Source of Supplies: United States		
0%	45	78%
under 50%	8	14%
50 to 99%	5	9%
100%	0	0%
Total	58	100%

Source of Supplies: International		
0%	54	93%
under 50%	2	3%
50 to 99%	1	2%
100%	1	2%
Total	58	100%

International Trade Status		
Not applicable/None	47	82%
Import	6	11%
Export	9	16%
Unique Respondents	57	

Export Sales Trend		
Not Applicable	37	71%
Declining	2	4%
Staying the Same	5	10%

Increasing	8	15%
Total	52	100%

Facilities and Equipment

Size of Facility		
0	7	12%
less than 1000 sq ft	10	17%
1000 to 4999 sq ft	19	33%
5000 to 9999 sq ft	13	22%
10,000 to 19,999 sq ft	3	5%
20,000 sq ft or more	6	10%
Total	58	100%

Ownership Status		
Leased	17	30%
Owned	40	70%
Total	57	100%

Length of Time Remaining on Lease		
less than 1 Year	5	36%
1-2 Years	3	21%
3-5 Years	5	36%
More than 5 Years	1	7%
Total	14	100%

Renewing Lease		
No	2	13%
Yes	14	88%
Total	16	100%

Condition of Facility		
Poor	0	0%
Fair	8	14%
Good	35	61%
Excellent	14	25%
Total	57	100%

Condition of Equipment		
Poor	0	0%
Fair	7	13%
Good	34	63%
Excellent	13	24%
Total	54	100%

Number of Shifts		
One Shift	38	72%
Two Shifts	11	21%
24 Hours	4	8%
Total	53	100%

Investment in Facility (past 18 months)		
Decreased	5	9%
Stayed the same	25	44%
Increased	27	47%
Total	57	100%

Investment in Equipment (past 18 months)		
Decreasing	2	4%
Staying the Same	20	35%
Increasing	35	61%
Total	57	100%

Room for Expansion		
Yes	36	64%
No	17	30%
Maybe	3	5%
Total	56	100%

Awareness of Energy Efficiency Resources		
Yes	37	67%
No	18	33%
Total	55	100%

Expansion Plans (Next 3 Years)		
Yes	26	46%
No	31	54%
Total	57	100%

Expansion in Community		
No	3	12%
Yes	22	88%
Total	25	100%

Adequacy of Current Site for Expansion		
No	5	22%
Yes	18	78%
Total	23	100%

Estimated Expansion Investment		
less than $25,000	7	44%
$25,000 to $99,999	1	6%
$100,000 to $499,999	4	25%

$500,000 to $999,999	1	6%
$1,000,000 to 4,999,999	1	6%
$5,000,000 to $9,999,999	0	0%
$10,000,000 to $19,999,999	1	6%
More than $20,000,000	1	6%
Total	16	100%

Component of Expansion Investment for Equipment		
0%	0	0%
under 50%	4	50%
50 to 99%	2	25%
100%	2	25%
Total	8	100%

Component of Expansion Investment for Real Estate		
0%	0	0%
under 50%	0	0%
50 to 99%	4	100%
100%	0	0%
Total	4	100%

Size of Facility Expansion		
Less than 3000 ft2	1	33%
3000 ft2 or more	2	67%
Total	3	100%

Timeframe for Expansion		
Less than 1 Year	4	17%
1-3 years	19	83%
More than 3 Years	0	0%
Total	23	100%

Barriers to Expansion		
Broadband Access	0	0%
Energy Reliability	0	0%
Identifying / Accessing New Markets	4	19%
Lack of Suitable Premises	1	5%
Problems with Development Approvals	1	5%
Energy Costs	1	5%
Financing	8	38%
Lack of Skilled Staff	5	24%
Local Regulations (Zoning)	4	19%
Roads	1	5%
Warehousing	1	5%
Real Estate Costs	1	5%
Unique Respondents	21	

Sought Expansion Assistance		
Yes	5	19%
No	21	81%
Total	26	100%

Considering Energy Efficiency in Expansion Plans		
Yes	12	52%
No	11	48%
Total	23	100%

GOVERNMENT SERVICES

Government Services							
	N/A	Poor	Fair	Average	Good	Excellent	Total
Access to airport facilities	49%	33%	5%	9%	4%	0%	100%

Access to highways/roadways	2%	0%	2%	7%	53%	36%	100%
Access to markets	9%	14%	9%	10%	48%	10%	100%
Access to suppliers	5%	5%	28%	17%	41%	3%	100%
Availability of road transport services	14%	9%	14%	14%	47%	3%	100%
Availability of rail transport	79%	12%	3%	2%	3%	0%	100%
Availability of warehousing	57%	10%	7%	5%	17%	3%	100%
Disposal of waste material	16%	2%	9%	12%	55%	7%	100%
Recycling	5%	7%	9%	10%	53%	16%	100%
Inspections (e.g., licensing)	22%	10%	5%	17%	40%	5%	100%
Development approval process	53%	16%	12%	7%	10%	2%	100%
Telecommunications	5%	12%	12%	10%	50%	10%	100%
Availability of buildings	62%	0%	9%	9%	17%	3%	100%
Availability of appropriately zoned land	56%	9%	4%	9%	21%	2%	100%
Water and sewerage supply	14%	5%	5%	7%	59%	10%	100%

Recommended Improvements to Government Services		
Road quality	1	7%
Approvals and permits	6	40%
Taxes	1	7%
Telecommunications	3	20%
Water and sewer	2	13%
Recycling and waste management	2	13%
Airports	1	7%
Freight and couriers	2	13%
Utilities	1	7%
Unique Respondents	19	

Business Climate Factors

Business Climate Factors					
Business Climate Factors	**Excellent**	**Good**	**Fair**	**Poor**	**No Opinion**
Workforce Quality	10	25	14	4	5
Workforce Availability	4	19	22	9	2
Workforce Stability	3	31	16	4	2
Local Government	6	24	15	6	5
Local Tax Structure	2	13	21	10	9
Provincial Tax Structure	0	7	25	17	7
Workers Compensation Rates	0	15	13	14	14
Economic Development	0	10	15	17	14
Cultural / Recreational Amenities	2	27	21	4	2
Housing	0	27	13	10	6
K-12 Education	3	21	13	6	13
Colleges / Universities	1	2	12	19	22
Technical Training	1	4	11	17	22
Overall Business Climate	0	16	34	5	0

Community's Strengths as a Place to do Business		
Culture/ sense of community	22	45%
Support for businesses	8	16%
Workforce	2	4%
Existing industry	6	12%
Tourism	5	10%
Location	6	12%
Lifestyle	2	4%
Land availability	2	4%
Weather	5	10%
Other	6	12%
Unique Respondents	49	

Community's Weaknesses as a Place to do Business		
Size of community/population	19	36%
Age of population	7	13%
Employment opportunities	7	13%
Amenities	4	8%
Attitude towards change/growth	5	9%
Infrastructure	2	4%
Workforce	2	4%
Government/approvals	3	6%
Location	5	9%
Out of area shopping	4	8%
Choice/cost of products	6	11%
Shipping	2	4%
Other	7	13%
Unique respondents	53	

Barriers to Growth		
Yes	41	73%
No	15	27%
Total	56	100%

Barriers to Growth of Community		
Attitude towards change/growth	10	26%
Existing industry/economy	6	16%
Population/market size	5	13%
Demographics	4	11%
Infrastructure	2	5%
Government/zoning	9	24%
Location	3	8%
Housing	2	5%
Other	4	11%
Unique respondents	38	

Important to Attract Suppliers		
Yes	10	18%
No	47	82%
Total	57	100%

Important to Attract Customers		
Yes	29	54%
No	25	46%
Total	54	100%

Customers to Attract		
Seniors	4	16%
Tourists/Amenity migrants	8	32%
Young people	4	16%

Agriculture & Wineries	3	12%
Businesses from Elsewhere	6	24%
Total	25	100%

Business Climate Today vs 5 Years Ago		
Better today	12	21%
No change	10	18%
Worse today	30	53%
No opinion	5	9%
Total	57	100%

Business Climate 5 Years from Today		
Will be better	29	53%
No change	18	33%
Will be worse	4	7%
No opinion	4	7%
Total	55	100%

Assessment and Plans

Company's Overall Health		
Poor	0	0%
Fair	8	15%
Good	39	71%
Excellent	8	15%
Total	55	100%

Parent Company's Overall Health		
Not applicable	38	67%
Poor	1	2%
Fair	0	0%

Good	13	23%
Excellent	5	9%
Total	57	100%

Local Management's Attitude Toward Community		
Not applicable	6	11%
Poor	0	0%
Fair	5	9%
Good	30	53%
Excellent	16	28%
Total	57	100%

Parent Company's Attitude Toward Community		
Not applicable	40	70%
Poor	0	0%
Fair	0	0%
Good	7	12%
Excellent	10	18%
Total	57	100%

Risk of Facility Closing		
Low	50	88%
Moderate	6	11%
High	1	2%
Total	57	100%

Risk of Facility Downsizing		
Low	50	88%
Moderate	5	9%
High	2	4%
Total	57	100%

Expansion Plans (Next 12 Months)		
Yes	19	34%
No	37	66%
Total	56	100%

Issues of Regional Interest

Critical Issues for Employees		
Child care	9	41%
Cost of living	19	86%
Housing	9	41%
Transportation	9	41%
Other	3	14%
Unique Respondents	22	

Home of Employees			
	In Community	Elsewhere in Region	Outside of Region
0-24%	0%	96%	100%
25-49%	0%	4%	0%
50-74%	4%	0%	0%
75-100%	96%	0%	0%
Total	100%	100%	100%

Reason for Out of Area Purchasing		
Product not available here	20	83%
Quality of product available here	1	4%
Higher costs locally	5	21%
No control/Head office decision	2	8%
Unaware of local vendors	1	4%
Other	2	8%
Unique respondents	24	

Business Competitiveness Factors

	Not Applicable	Not Important at All	Not Very Important	Somewhat Important	Very Important	Total
New Product Research and Development	2	1	3	7	13	26
New Market Development Locally	4	3	0	10	10	27
New Market Development Outside of Region	6	5	4	7	5	27
Access to Exporting and International Markets	16	4	2	2	3	27
Add or Change in Business, Products or Services	5	0	5	11	6	27
Strategic Alliances	6	1	2	17	1	27
Worker Productivity Improvements	2	0	2	9	14	27
Expansion of Workforce	2	0	6	12	7	27
Workplace Health and Safety	2	0	0	5	20	27
Workforce Skill Development	1	0	0	10	16	27
Energy Costs	1	0	0	10	16	27
Water/Sewer Availability	2	1	3	7	14	27
Water/Sewer Costs	2	0	2	9	14	27
Reliable Air Transportation	13	5	2	4	3	27
Affordable Shipping/Freight	2	2	0	8	15	27
Improvement of Customer Services	1	0	0	5	21	27
Availability of Telecommunications Infrastructure and Services	1	1	1	6	17	26

Canadian Dollar Exchange Rate	7	2	1	9	8	27
Accessing Capital	7	2	1	11	4	25
Business Management Improvements	1	1	1	14	10	27

Economic Drivers with Growth Potential		
Forestry	13	48%
Manufacturing	7	26%
Education	2	7%
Tourism	19	70%
Technology-based businesses	6	22%
Arts, Culture & Creative Businesses	6	22%
Health & Wellness	2	7%
Relocation of People from Urban Centres	6	22%
Government	1	4%
Green / Environmental Businesses	7	26%
Finance	0	0%
Construction	3	11%
Other Niche Service Businesses	2	7%
Agriculture	8	30%
Other	0	0%
Unique Respondents	27	