



# COLUMBIA BASIN BUSINESS RETENTION AND EXPANSION PROJECT

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*REPORT ON NAKUSP BUSINESSES*

*FALL 2013*



*The Columbia Basin Rural Development Institute, at Selkirk College, is a regional centre of excellence in applied research and information provision focused on strengthening rural communities in the Columbia Basin-Boundary Region. Visit [www.cbrdi.ca](http://www.cbrdi.ca) for more information.*



*Nakusp and Area Development Board (NADB) is an incorporated non-profit society whose purpose is to further the development of the Nakusp region in the tourism, social, education, forestry, heritage/arts/culture and economic sectors. Visit [www.nadb.ca](http://www.nadb.ca) for more information.*

## EXECUTIVE SUMMARY

This report describes findings from a 94-question Business Retention and Expansion (BRE) survey<sup>1</sup> conducted at 46 businesses in the Nakusp area in between January and May 2013. BRE is an action-oriented and community-based approach to strengthening relationships with business and informing economic development efforts. 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
<b>Company Information</b>	The highest number of respondents businesses are classified as 'Retail and Wholesale Trade' under the North American Industry Classification system
	57% of companies have been in business for more than 20 years
	10 businesses plan to transfer ownership in the next 3 years
<b>Local Workforce</b>	Respondents reported a total of 551 employees, 64% are full-time
	33% of businesses expect the size of their full-time workforce to increase over the next 3 years and 7% expect it to decrease
	Retail/hospitality and skilled trades were most commonly listed as key training areas
<b>Sales</b>	55% of businesses expect that their sales will grow by between 1 and 9% over the next year
	60% of businesses make the majority of their sales to local customers
	58% of businesses source their supplies elsewhere in BC or Canada
<b>Facilities and Equipment</b>	82% of businesses own the facility in which they operate
	37% of businesses plan to expand within 3 years with a total estimated expansion budget of over \$42 million
<b>Government Services</b>	Top rated government services include access to roadways, access to markets, recycling and disposal to waste services
	Businesses indicated that ferry services and utilities are the government services most in need of improvement
<b>Business Climate</b>	Business climate factors that received the highest ratings include K-12 education and cultural / recreational amenities
	Businesses most commonly listed Nakusp's location as its greatest strength
	The business competitiveness factors that are most important to respondents include new market development locally and workforce skill development
	89% of businesses said that cost of living is a critical issue for their staff
<b>Assessment and Plans</b>	64% of businesses rated the overall health of their company as good
	87% of businesses are at low risk of closing or downsizing

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<sup>1</sup> The 30 question short survey was administered to some businesses.

## NEXT STEPS AND POTENTIAL ACTIONS

The results of this survey can be used by the Nakusp and Area Development Board to inform short- and long-term business retention and expansion action planning. In addition, a number of businesses would benefit from one-on-one follow-up support (i.e. to support expansion, to minimize risk of closure, to assist with succession planning).

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

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

*Succession planning:* Engagement with formal succession planning is low in the region and, given a number of Nakusp businesses report a pending change in ownership, effective succession planning support could be important to the future of the Nakusp economy. Actions on this theme could involve offering succession planning workshops or more targeted one-on-one support to 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. Local government could explore the effectiveness of current business approval processes and explore development approval best practices in other jurisdictions. Improvements could be implemented based on the results of these assessments.

*Supply sourcing, exporting & government procurement:* 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. In addition, a relatively low number of businesses indicated they export to external markets and / or engage in government procurement. Workshops could be offered to raise awareness of these opportunities.

*Recruitment and retention initiatives:* Over two-thirds of businesses indicated that they have experienced challenges both recruiting and retaining employees. Actions on this theme could involve assisting businesses and the community tap into coordinated regional recruitment and marketing initiatives, focusing recruitment efforts on identified groups, expanding the scope of recruitment activities (i.e. beyond local, beyond word of mouth), and undertaking additional research on the nature of retention challenges.

*Training opportunities:* Respondents acknowledged the importance of skilled staff to their business and identified retail/hospitality and trades as necessary areas of professional development. Given the limited time and funding resources available to the types of small

businesses that characterize the Nakusp economy, any actions on this theme must consider business schedules and training budgets.

*Infrastructure:* Businesses identified infrastructure as the primary barrier to growth in their community. Compiling existing research, particularly in regards to energy and transportation infrastructure, would provide an opportunity to more clearly define the issues and identify possible solutions.

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## PROJECT OVERVIEW

This report describes findings from a Business Retention and Expansion (BRE) survey conducted in the Nakusp area between January and May 2013. The Nakusp and Area Development Board acted as the community sponsor for the 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 BRE project are as follows:

1. To strengthen the relationship between the community and its businesses.
2. To identify and provide follow-up support to businesses who are positioned to expand or are at risk for closure.
3. 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<sup>2</sup>, 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

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<sup>2</sup> Long and Short BRE Surveys are available at: <http://cbrdi.ca/research-areas/applied-research/business-retention-expansion/>

base BRE survey. 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.

### **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 was selected based on size (small, medium, large) and type (according to the NAICS system). A total of 60 businesses were contacted and asked to participate in interviews. In total, 46 businesses were interviewed for this project between January and May 2013 (77% response rate). The short survey instrument was used for the majority of businesses and the long survey instrument was used only for larger businesses.

### **DATA COLLECTION**

Data were collected by two volunteer researchers, including and as directed by the Local BRE Lead, 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 local BRE lead, all of who had signed a confidentiality agreement with Selkirk College.

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 the Nakusp and Area Development Board. Findings and related recommendations were assembled into this report by RDI researchers.

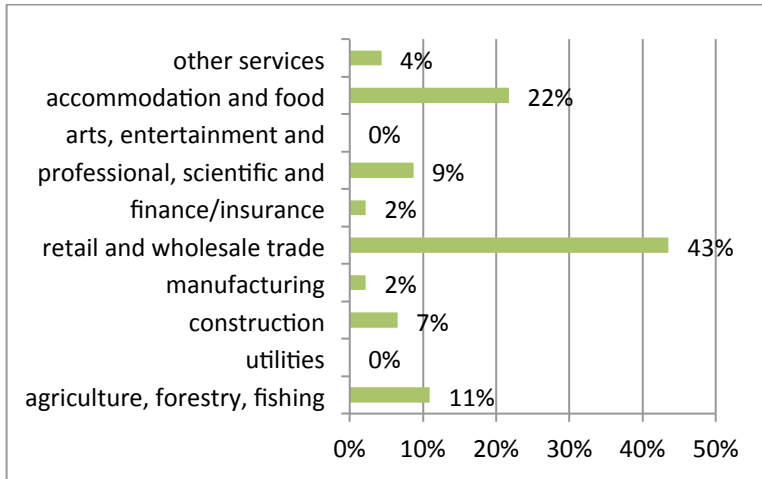
# RESEARCH FINDINGS

## COMPANY INFORMATION

### *Type of Product/Service Offered*

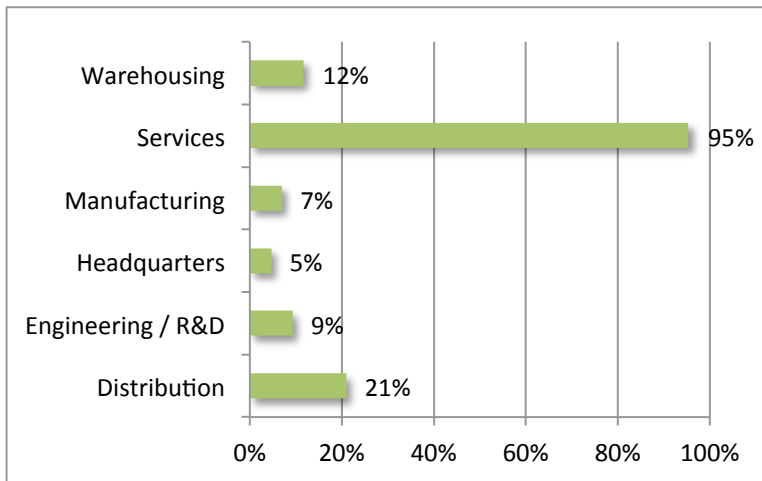
Businesses interviewed represented a diverse cross-section of industries. Most common were retail and wholesale trade (43% of businesses) and accommodation and food services (22%).

**Figure 1: NAICS code category**



Ninety-five percent of respondents indicated that their facility fulfils a service function. In addition, 21% indicated that their facility serves a distribution function. The remaining respondents indicated that their facility serves various other functions.

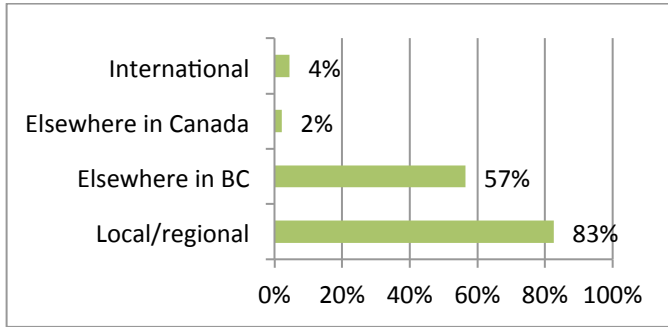
**Figure 2: Function of facility**



### *Competition*

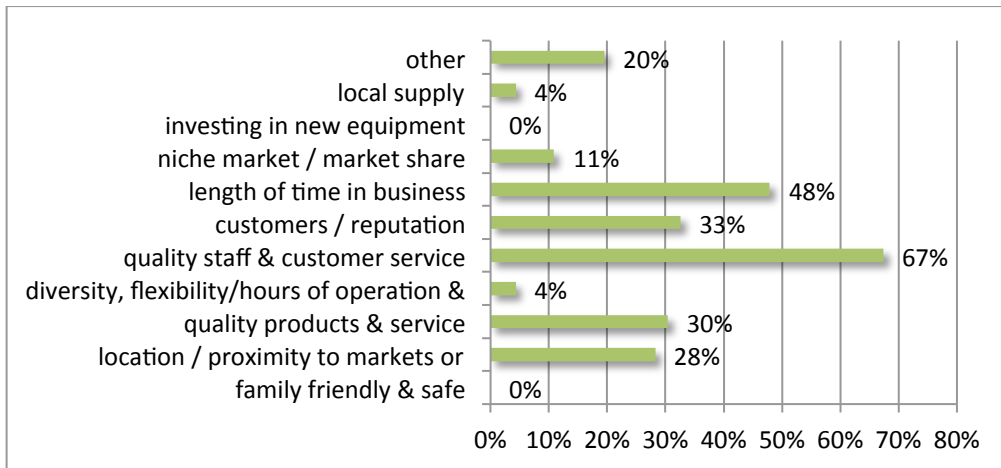
Eighty-three percent of respondents reported that their competitors are primarily located within the community or region. Fifty-seven percent of employees indicated that their competitors are located elsewhere in BC.

**Figure 3: Location of competitors**



When asked what factors make their company successful in the community, the highest number of respondents (67%) cited the quality of their staff and customer service. Forty-eight percent mentioned their length of time in business and thirty percent said their quality products and service were a key factor in their success.

**Figure 4: Success factors**



**Figure 5: Key words in respondents' discussion of success factors**



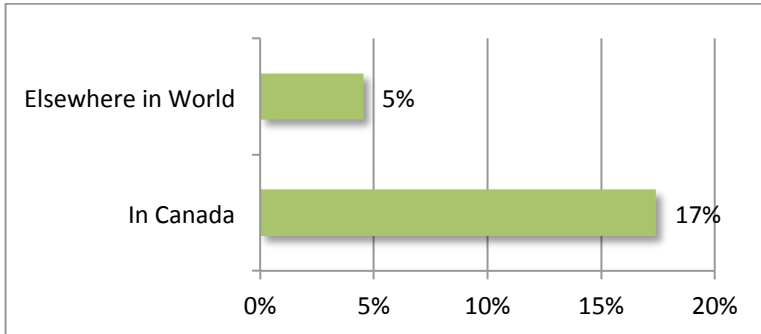
*“We’re a long time business. Excellent customer service. We know our clients very well and service them.”*

*“Customer service. Location and a regular loyal clientele”*

*“Location, service, well run organization. Many repeat visitors. We take care of our guests well.”*

Seventeen percent of interviewed businesses indicated that their company has a similar location elsewhere in Canada and 5% indicated that their company has a similar location in another country.

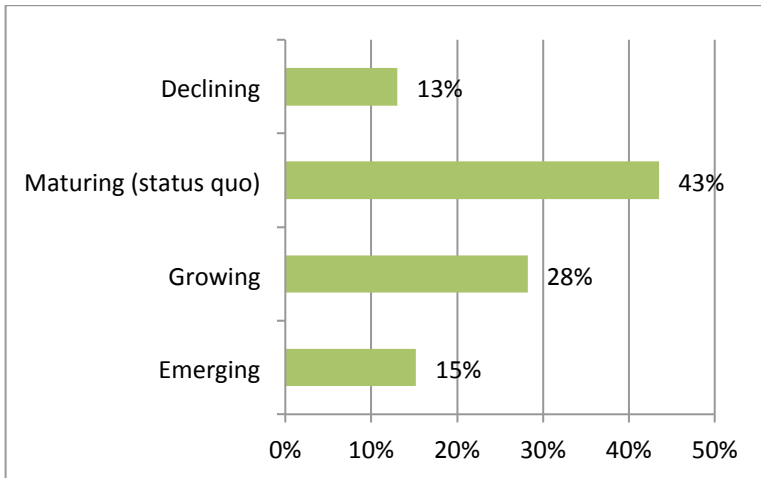
**Figure 6: Other similar locations**



*Age and Life Cycle Stage*

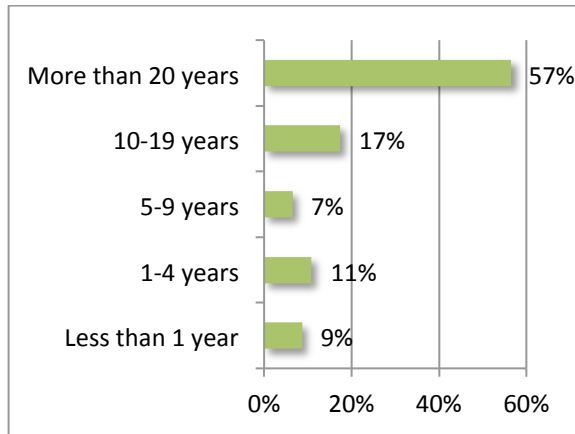
Forty-three percent of businesses indicated that they are in the “maturing” stage of the business life cycle. Twenty-eight percent indicated that they are in the “growing” stage of the business life cycle.

**Figure 7: Life cycle stage**



Fifty-seven percent of the businesses interviewed have been in operation for more than 20 years, while 9% of respondent businesses are less than one year old.

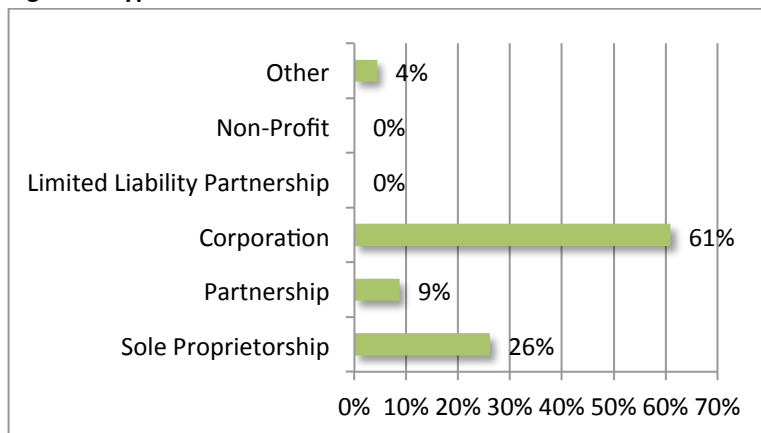
**Figure 8: Length of time in business**



*Ownership and Management*

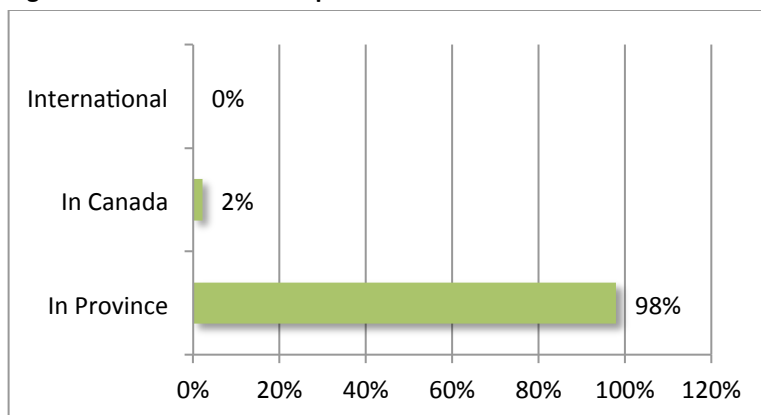
A majority of respondents (61%) indicated that their business is registered as a corporation and 26% indicated that they are a sole proprietorship. The remaining businesses are classified as either a partnership (9%) or other type of company (4%).

**Figure 9: Type of business**



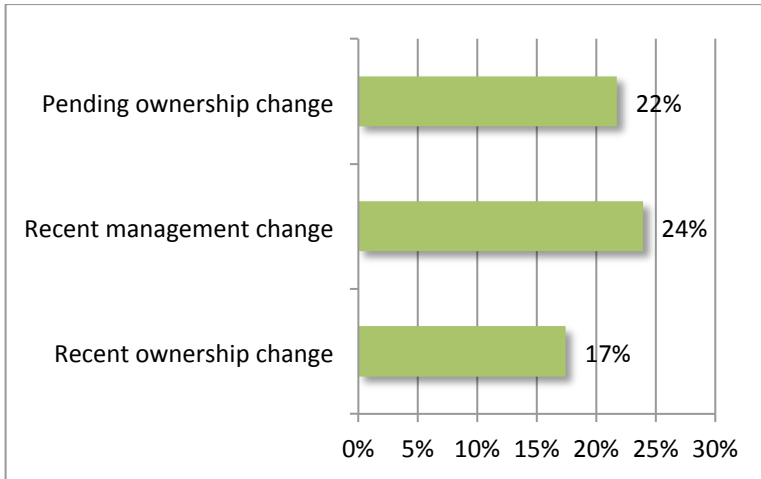
The vast majority of respondents (98%) reported that their company is headquartered in BC.

**Figure 10: Location of headquarters**



Seventeen percent of businesses reported that their company has seen a recent ownership change, 24% reported a recent management change, and 22% anticipate a change in ownership in the near term. Of the businesses reporting a recent ownership change, all 8 said the impact was positive. Of businesses reporting a recent change in management, 9 said the change was positive and 2 said it was neutral.

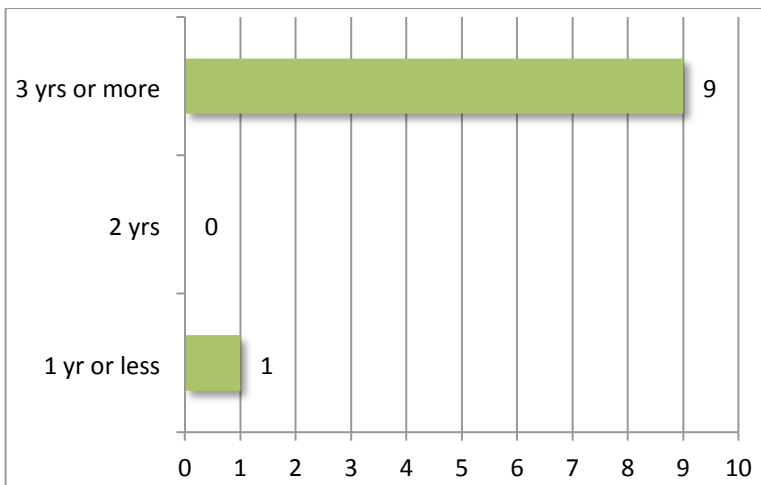
**Figure 11: Ownership and management changes**



*Succession and Business Plans*

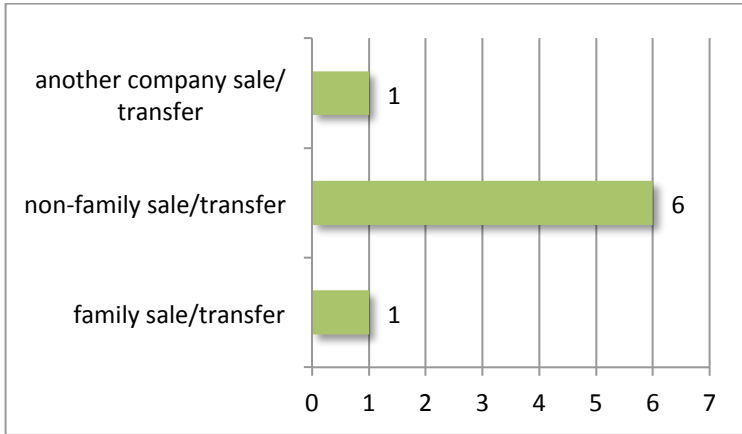
Of the 10 businesses that expect to see an ownership change in the near future, 9 indicated the process will take three or more years and 1 thinks it will take one year or less.

**Figure 12: Anticipated timeline for ownership change**



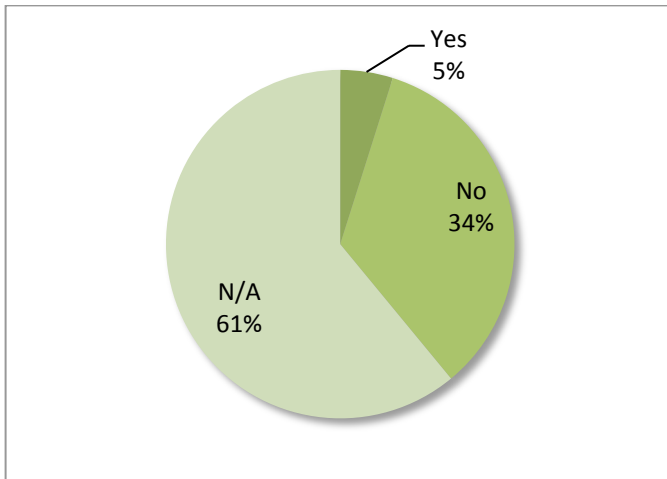
Again, of the respondents that anticipate a near-term ownership change, 1 expects to exit the business by selling it to another company, 6 expect to sell or transfer it to another non-family individual, and 1 expects to transfer it to a family member.

**Figure 13: Anticipated exit strategy**



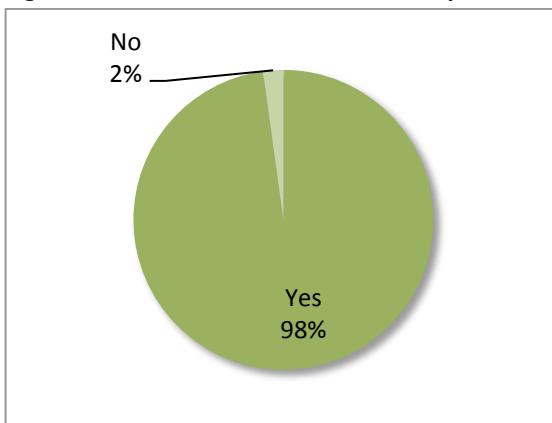
Of the 46 businesses interviewed, 1 has identified a successor and only 2 have reported that they have a formal succession plan in place and were assisted in the development of their plans.

**Figure 14: Existence of formal succession plan**



Engagement with business planning is substantially stronger than that for formal succession planning—98% of businesses indicated that they have a current business plan.

**Figure 15: Existence of current business plan**



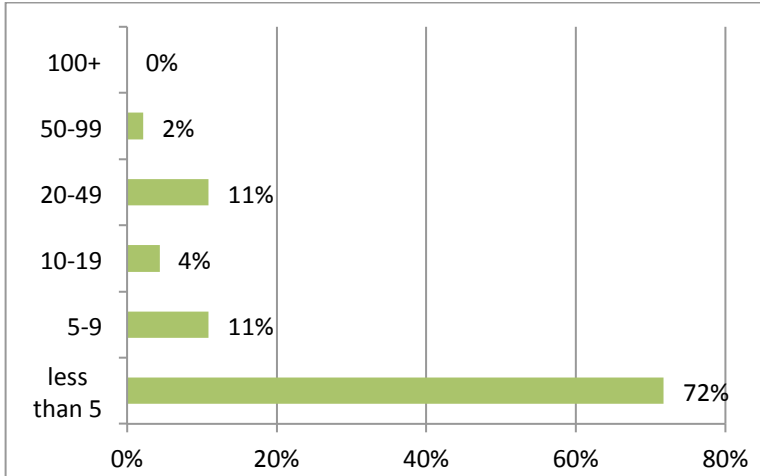


## LOCAL WORKFORCE

### *Size of Workforce*

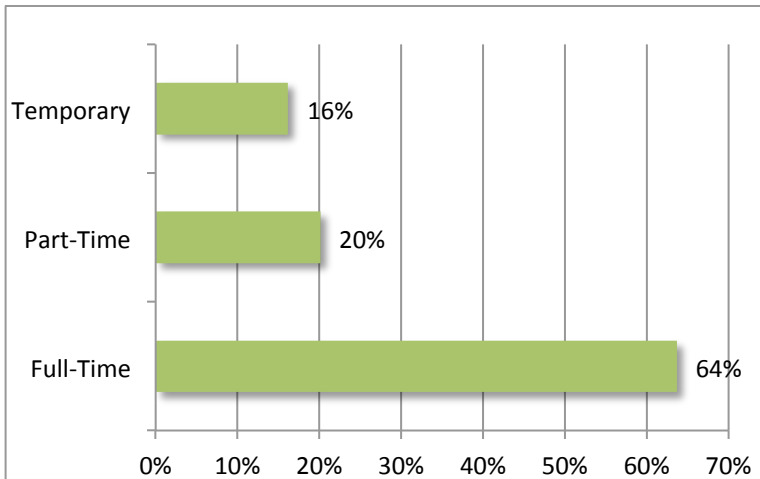
The 46 businesses interviewed reported a total of 551 employees. Eighty-three percent indicated that they have less than 10 employees and 2% indicated they had between 50 and 99 employees.

**Figure 16: Total number of employees**



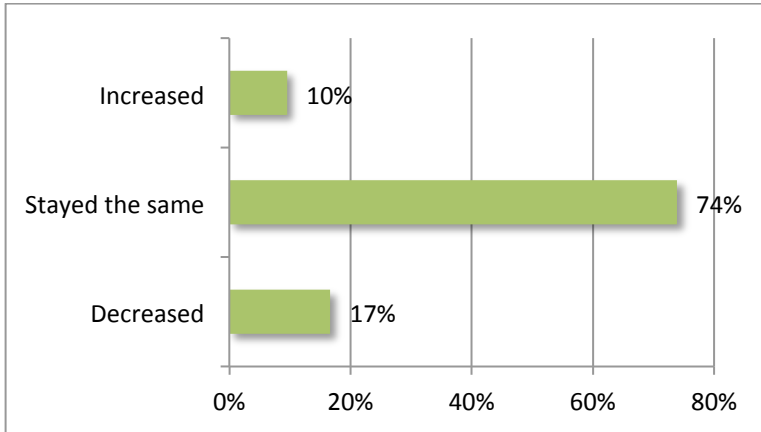
Sixty-four percent of positions at surveyed businesses are full-time, 20% are part-time, and 16% are temporary.

**Figure 17: Nature of employment**



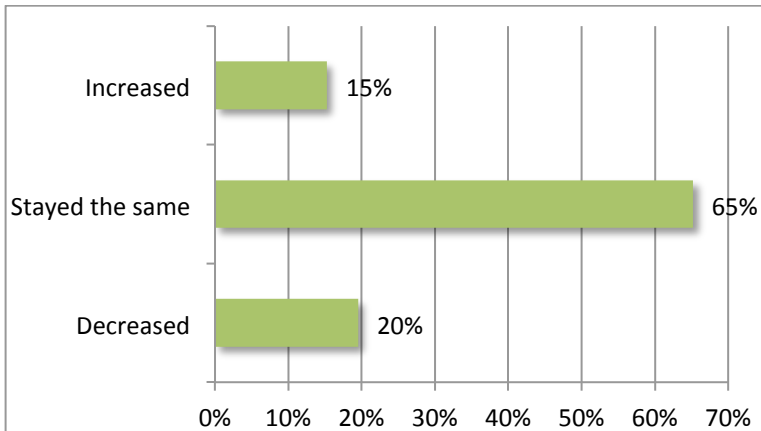
Seventy-four percent of respondents indicated that the number of employees at their facility is about the same as it was 10 years ago. Over the same time period, ten percent indicated that their workforce has increased in size and seventeen percent reported that the workforce has decreased in size.

**Figure 18: Employment trend over last 10 years**



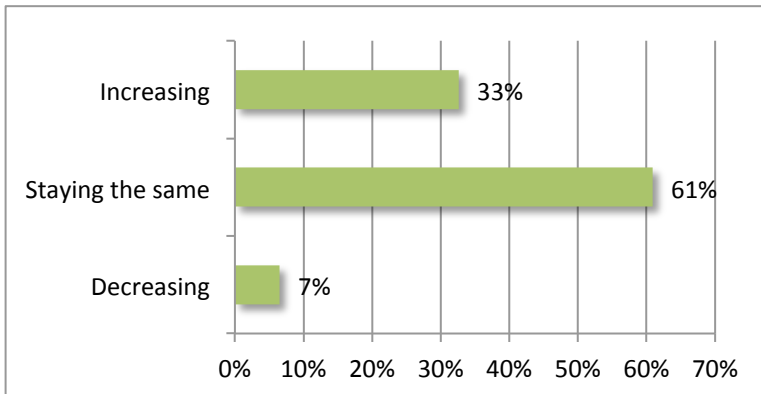
Respondents reported a similar trend specific to full-time employment over the last 3 years. Sixty-five percent of businesses indicated that the size of their full-time workforce has remained the same, while 15% and 20% of businesses reported an increase and decrease, respectively.

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



Sixty-one percent of respondents expect that the size of their full-time work force will stay the same over the next 3 years and 33% expect that it will increase.

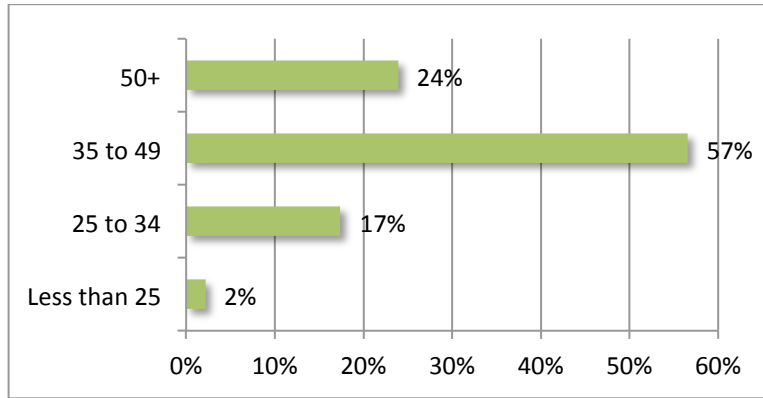
**Figure 20: Full time employment trend over next 3 years**



### Employees

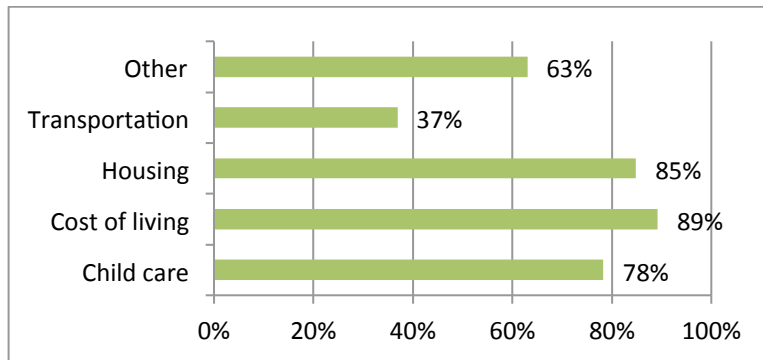
Fifty-seven percent of respondents indicate the majority of their essential employees are between 35-49 years of age, and 24% of respondents indicate that the majority of their essential employees are over 50.

**Figure 21: Age of the majority of essential employees**



When asked which issues they believed were critical to their employees, respondents cited various areas of concern. Businesses indicated that the cost of living (89%), housing (85%), and child care (78%) were particularly significant.

**Figure 76: Critical issues for employees**

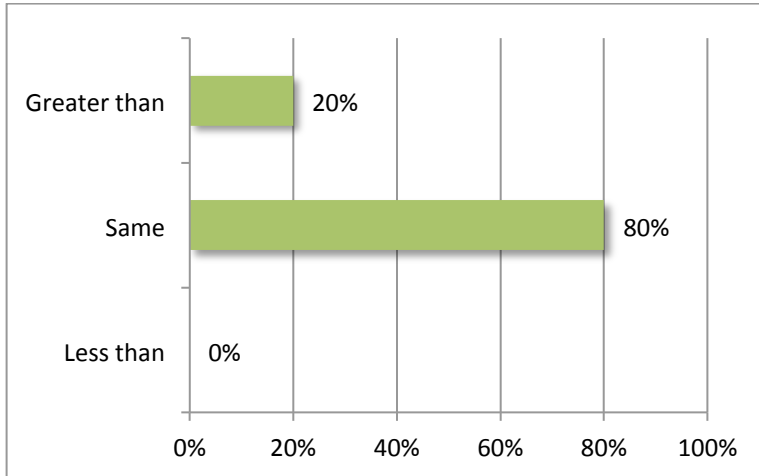


The vast majority of employees at interviewed businesses live within the community (93%). One business indicated that between 25% and 49% of their employees live outside the region.

### Wages

When reporting on average wages for skilled or professional workers in the area, the highest number of respondents (46%) indicated that they pay between \$30 and \$49 per hour. For semi-skilled workers, the highest number of respondents (48%) indicated that they pay between \$20 and \$24 per hour. For entry level workers, the highest number of respondents (55%) indicated that they pay between \$10 and \$12 per hour. Twenty percent of businesses think that they pay more than other businesses in the area and 80% think they pay about the same.

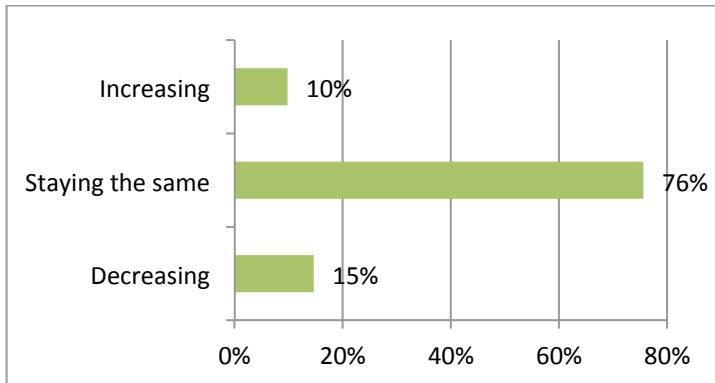
**Figure 22: Wages in relation to other businesses in the region**



*Recruitment and Retention*

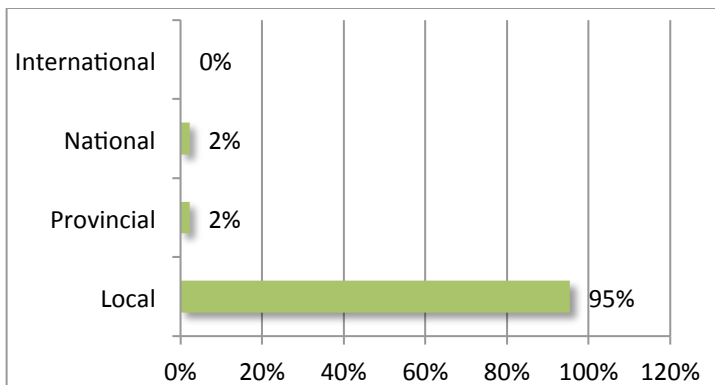
The majority of respondents (76%) reported that the number of unfilled positions at their facility is staying relatively constant.

**Figure 23: Trend in unfilled positions**



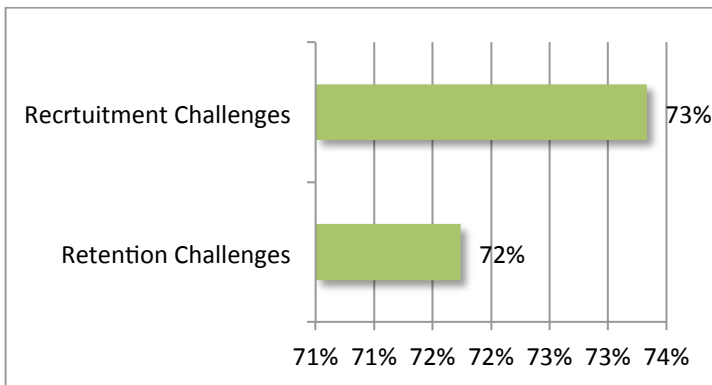
Ninety-five percent of respondents indicated that they mainly recruit locally, 2% recruit provincially, and 2% recruit at a national scale.

**Figure 24: Location of workforce recruitment**



Seventy-three percent of respondents have experienced challenges recruiting new employees and 72% have experienced challenges retaining existing employees.

**Figure 25: Recruitment and retention challenges**



When asked what efforts their business has undertaken to recruit new employees, 51% said they rely on word of mouth advertising, 21% rely on newspaper advertisements, and 21% use formal advertising.

**Figure 26: Key words in respondents' discussion of recruitment activities**



*“Really hard to find good workers in the community. Owners are the main full time employees.”*

*“Entry level staff are always local students that are still in school. Once they graduate they leave the area. So in particular the casual/seasonal staff “change regularly. Full time staff not at all very stable. Owner operators represent the most Full time.”*

*“Perception for young mechanics is they make more money in the Oil Patch. Cannot get mechanics even though there are jobs available. Often secondary employment for spouse is not available.”*

When asked what efforts have been undertaken by the business to retain existing employees, respondents reported offering competitive wages (5), providing employee training opportunities (5), and offering benefits packages (4). Nineteen respondents reported using “Other” methods to retain employees.

**Figure 27: Key words in respondents' discussion of retention efforts**

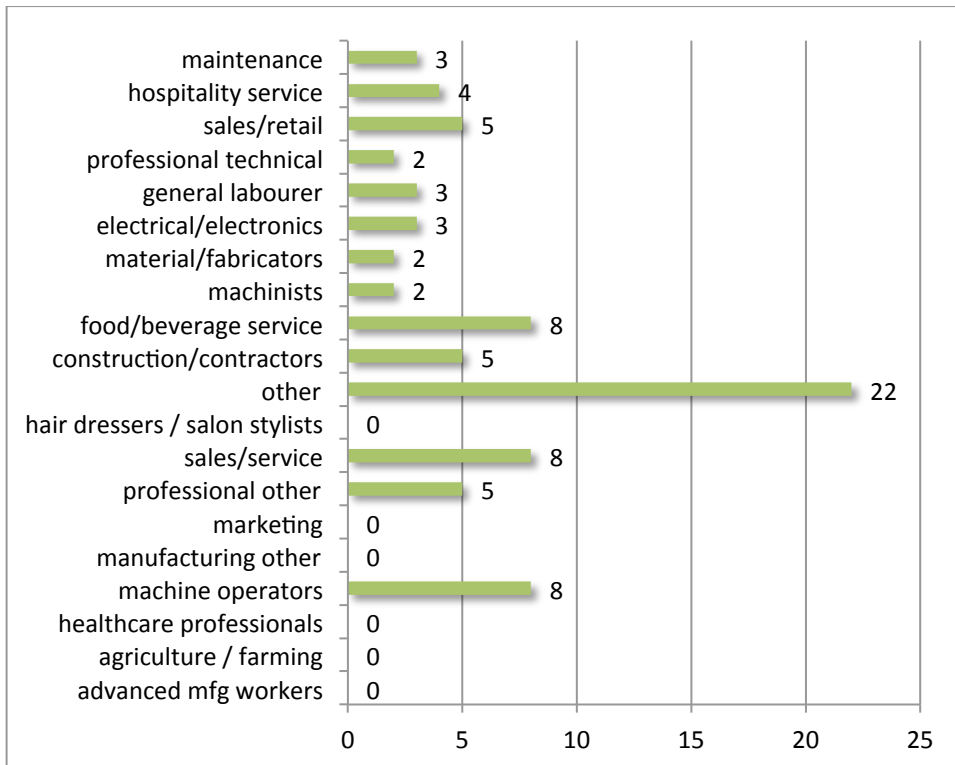


*“Not a big pool of local qualified workers. Our existing employees are great and have worked for us for a very long time. New employees are hard as there is no loyalty to the business and no real work ethic. Often do not show up when required. Hard to find dedicated workers. The ones we have we do our best to keep happy so they will stay.”*

*“Great wages and benefits. Great place to work. Have been very successful in recruiting and keeping good employees.”*

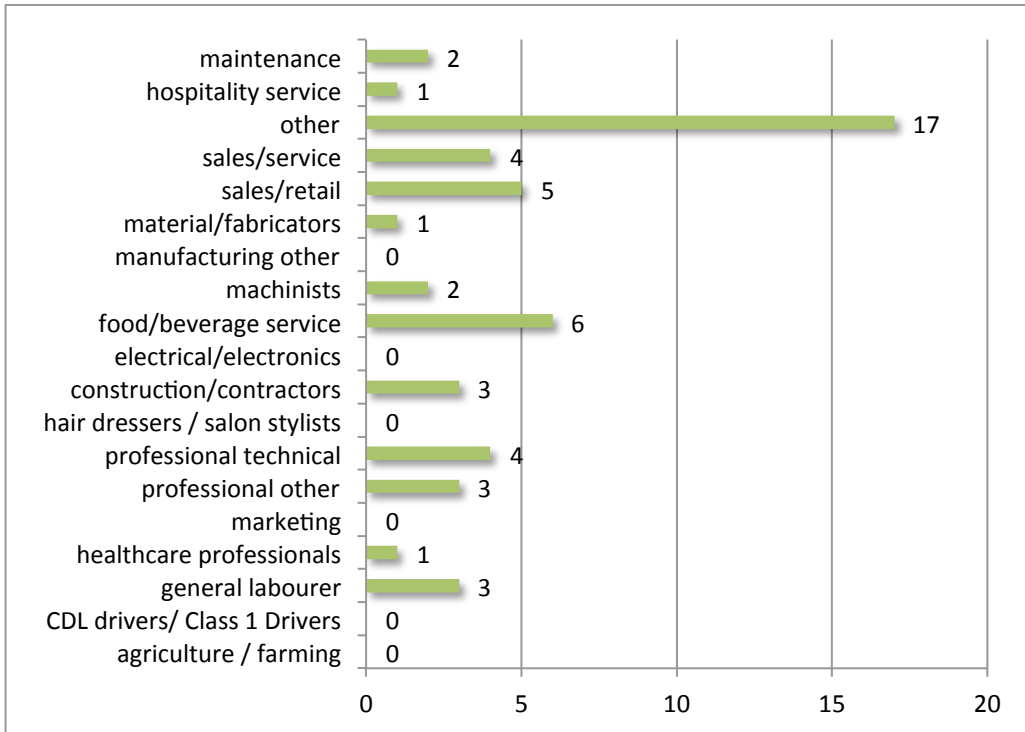
The most important current recruitment areas among surveyed businesses include food and beverage service, machine operators, sales and retail, and other areas not listed in this survey.

**Figure 28: Current recruitment areas**



Anticipated future recruitment areas are fairly similar to current recruitment areas. Six businesses expect recruitment challenges with food and beverage service and 5 expect challenges with sales and retail. Seventeen respondents expect recruitment challenges in some “Other” recruitment area.

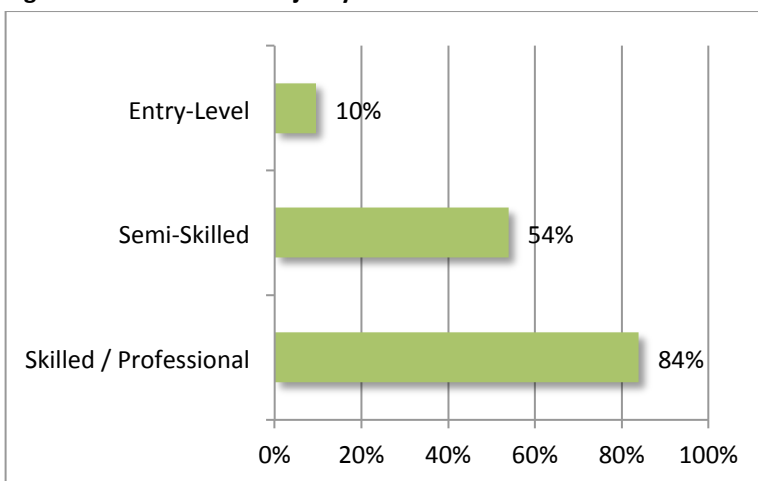
**Figure 29: Future recruitment areas**



### Skills and Training

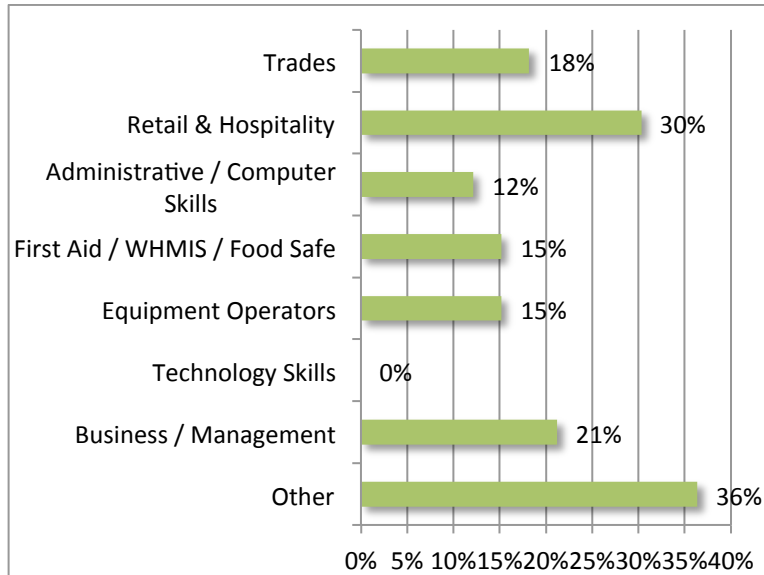
Eighty-four percent of respondents indicated that the majority of their workforce is comprised of skilled or professional workers, 54% indicated that they primarily employ semi-skilled workers and 10% indicated that their workforce is primarily composed of entry-level employees.

**Figure 30: Skill level of majority of workforce**



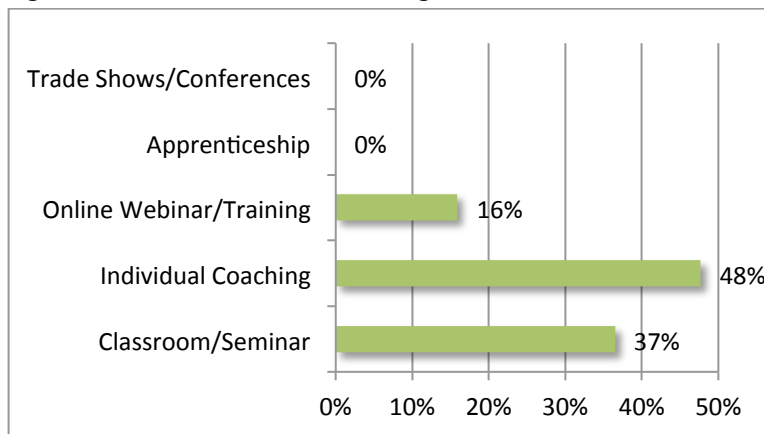
While 59% of respondents indicated that their company has a training budget, 72% reported that there are areas of training or professional development that would be of benefit to their employees. Commonly listed among these areas were retail and hospitality (30%), business/management (21%), trades (18%), and “other” training needs<sup>3</sup>.

**Figure 31: Training or professional development needs**



Forty-eight percent of businesses interviewed prefer that their training be delivered through individual coaching, 37% prefer in-person classroom or seminar-style training, and 16% prefer online training or webinars.

**Figure 32: Preferred modes of training**

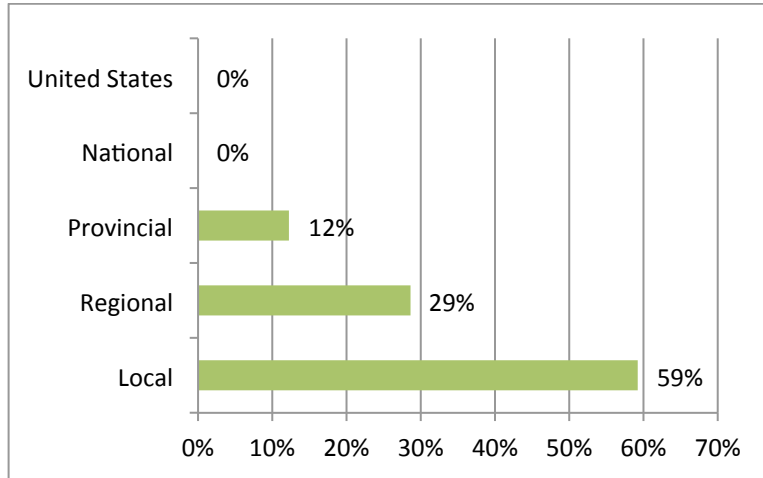


<sup>3</sup> The majority of qualitative comments coded as ‘other’ included specific areas or skilled such as Hygienists, marketing, fallers, door & window installation, improved work ethic, health & wellness.



The highest number of respondents (59%) reported that they primarily attend local training opportunities. Twenty-nine percent undertake training within the region and 12% attend training in other areas of BC.

**Figure 33: Usual training locations**

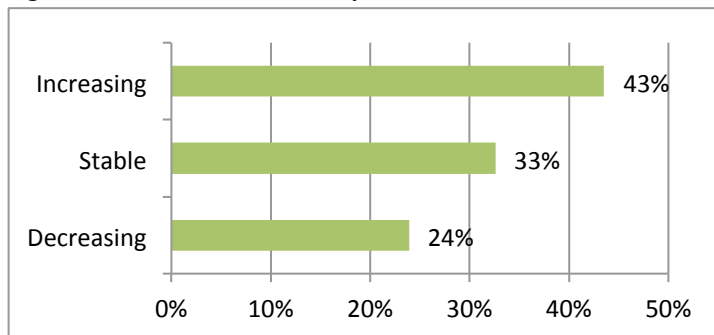


## SALES

### Market Size and Share

Forty-three percent of respondents reported that the market for their product or service is increasing, 33% indicated that it was stable, and 24% said it was decreasing.

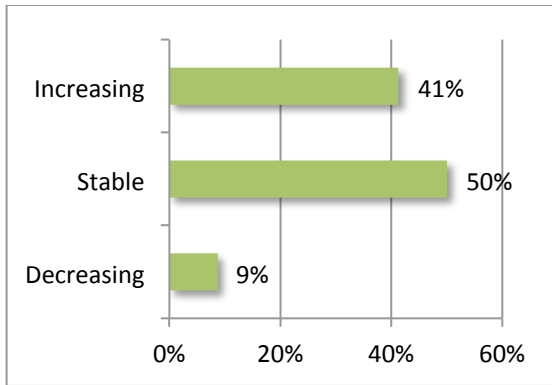
**Figure 34: Status of market for product/service**



*“We have had a significant growth in the last year and will continue to do so. We continue to see growth from our local market as our product has improved substantially.”*

Half of survey respondents reported that the market share for their product or service is stable, while 41% indicated that it was increasing. While the majority of respondents indicate the status of the market for their product and / or service is stable or increasing (76%), some qualitative comments also detail the impact on sales of ferry delays, mine closures, and the closure of the Music Fest.

**Figure 35: Status of market share**



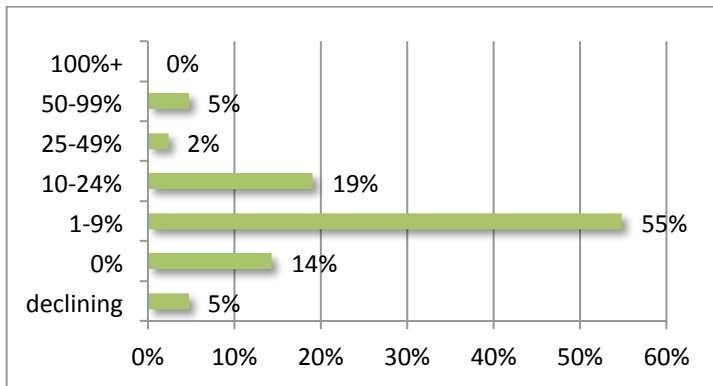
*“Ferry delays (lots of them in summer) long line ups affect the number of people coming through the community. Due to downturn in economy, closure of Roca mines and the closure of Music Fest we have had less tourists through the area the last 2 years. Seems to be a lot driving through the community but not staying.”*

*“We’ve seen a drop in sales as the tourists have not been coming to our community as much. Music Fest closure impacted the June to Sept peak period a lot. Usually the Peak periods cover the costs for the year. Has been a real challenge the last few years.”*

### Growth

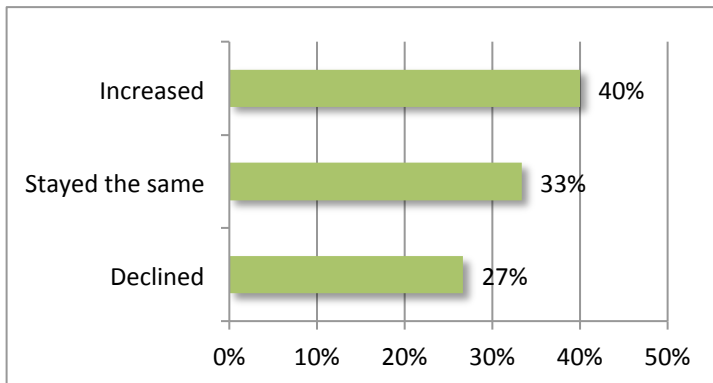
Most surveyed businesses project low to moderate growth in sales over the coming year. Fifty-five percent expect to see growth of between 1 and 9%. Only 5% expect sales to decline.

**Figure 36: Projected sales growth over next year**



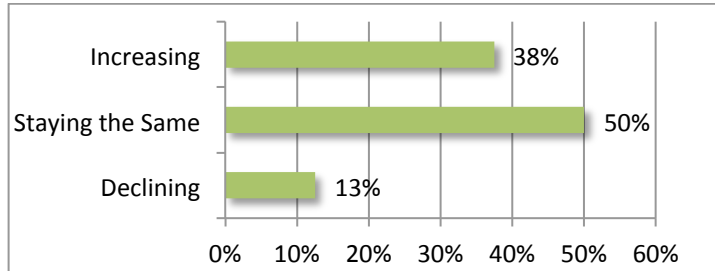
Forty percent of respondents indicated that their sales have increased historically, 33% reported that sales have stayed stable, and 27% indicated that sales have declined over time.

**Figure 37: Historic sales trend at facility**



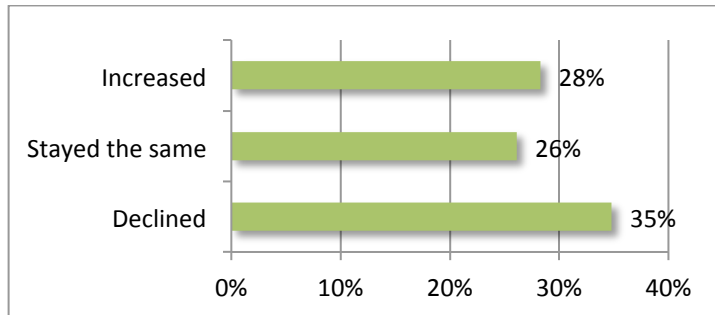
For the 8 businesses that have a parent company, 38% indicated that their parent company's sales have increased, 50% reported their sales have remained stable, and 13% indicated a decrease in sales over time.

**Figure 38: Historic sales trend at parent company**



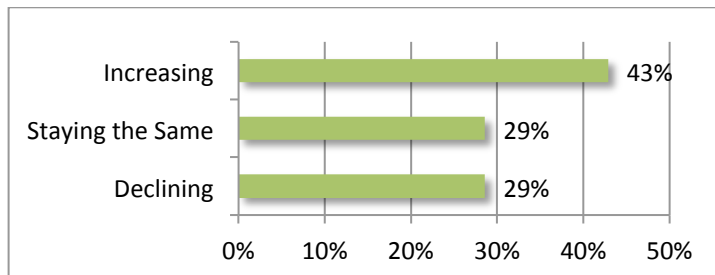
The historic sales trend for respondents' respective industries is less positive. Thirty-percent of businesses indicated that sales have increased, 26% indicated that they have been stable and 35% indicated that they have been in decline.

**Figure 39: Historic sales trend in industry**



Of the 21 businesses that engage in export activities<sup>4</sup>, 43% reported that their export sales have been increasing over time, 29% reported that they have been stable, and 29% reported that they have been declining. It is interesting to note that only 2 companies reported to having international export trade status.

**Figure 40: Historic export sales trend**

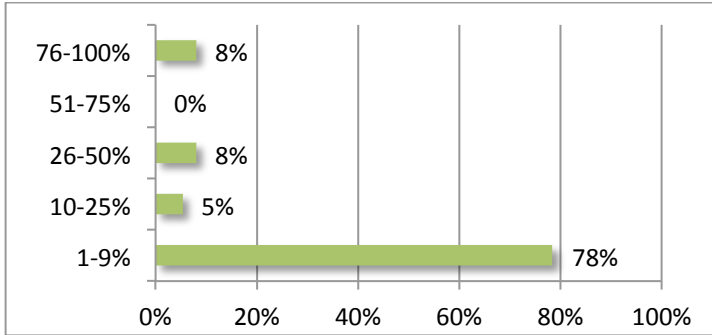


<sup>4</sup> A number of hospitality businesses responded to the Historic Export Sales Trend Question, explaining the high number of respondents for this question compared to data indicating only 2 businesses have international trade status

### Source of Sales

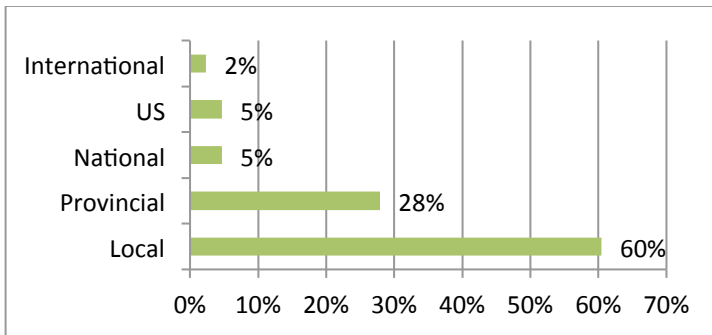
Data indicate that Nakusp businesses have a diverse customer base, with 78% of respondents indicating that less than 10% of their sales are generated by their top three customers.

**Figure 41: Component of sales generated by top 3 customers**



Nakusp businesses also appear to be relatively dependent on local markets. 60% of respondents indicate that the majority of their sales are to local customers.

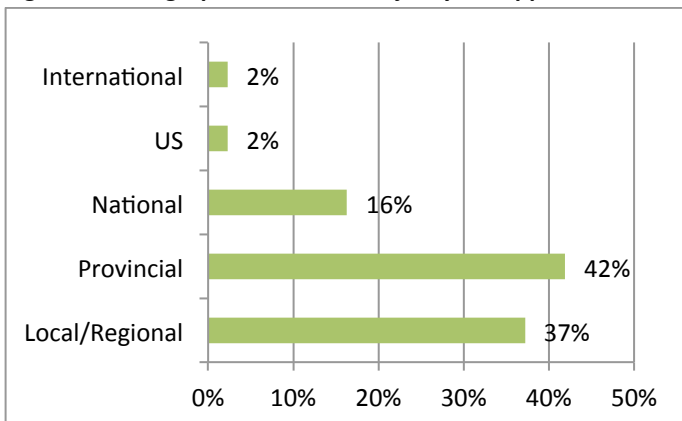
**Figure 42: Geographic source of majority of sales**



### Purchasing

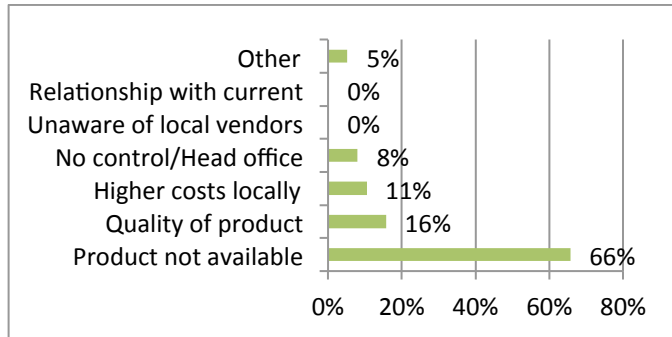
Nakusp businesses source the majority of their supplies provincially (58%), locally (55%), or nationally (16%).

**Figure 42: Geographic source of majority of suppliers**



When reflecting on their reasons for purchasing supplies from out-of-area businesses, the highest number of respondents (66%) stated that the products they needed are not available in the region. Several others (16%) cited the quality of products available locally as a reason for out-of-area purchasing.

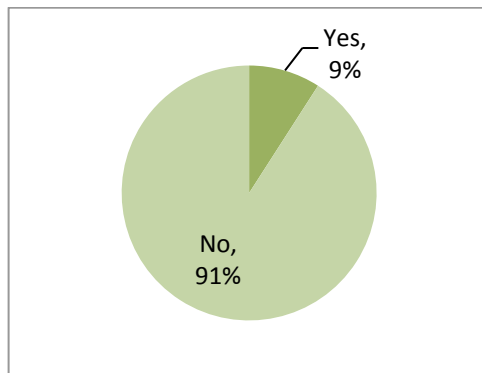
**Figure 43: Reason for out-of-area purchasing**



### Procurement

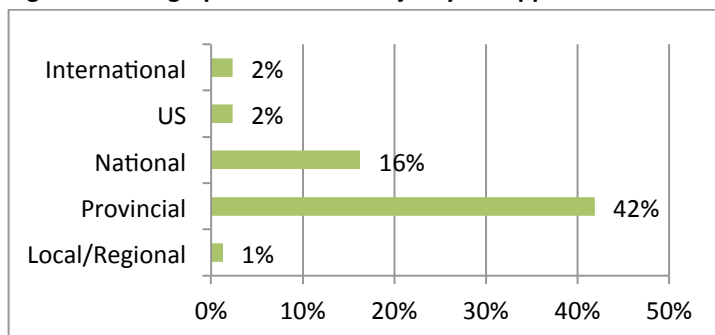
Ninety-one percent indicated that they do not engage in government procurement processes.

**Figure 44: Engagement with government procurement processes**



Forty-two percent of businesses interviewed reported that they acquire 50% or more of their supplies from sources from elsewhere in BC. Only 1% of respondents indicated that they purchase a majority of supplies from local sources.

**Figure 45: Geographic source of majority of supplies**

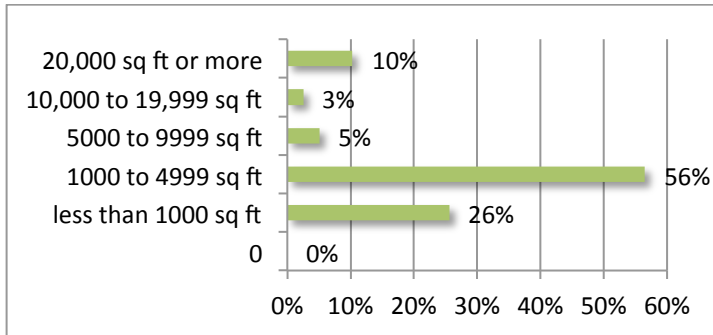


## FACILITIES AND EQUIPMENT

### Size and Condition

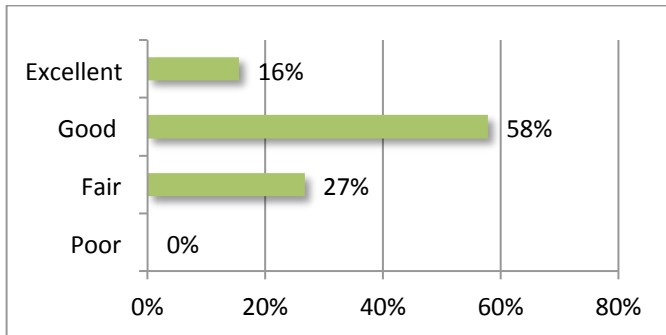
The highest number of respondents (56%) have facilities that are between 1,000 and 4,999 square feet in their size. Twenty-six percent of respondents reported a facility of less than 1,000 square feet.

**Figure 46: Size of facility**



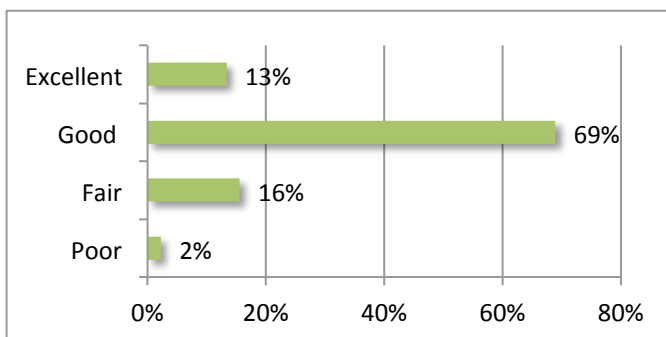
Seventy-four percent of businesses indicated that their facility is in good or excellent condition. Notably, no respondents indicated that their facility is in poor condition.

**Figure 47: Condition of facility**



Similarly, 82% of businesses indicated that their equipment is in good or excellent condition.

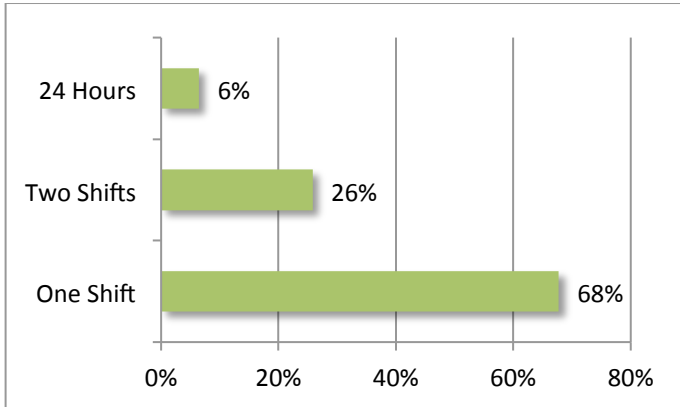
**Figure 48: Condition of equipment**



### Shifts

Most businesses (68%) operate one shift per day. Twenty-six percent operate two shifts and 6% operate 24 hours per day.

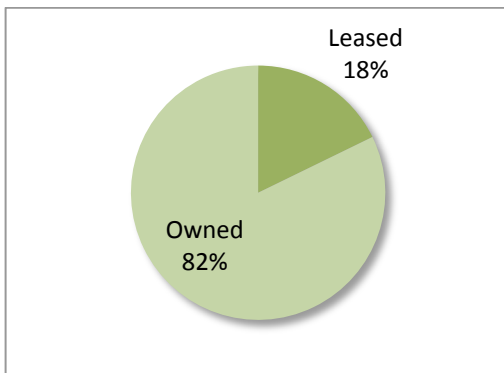
**Figure 49: Number of shifts**



### Ownership

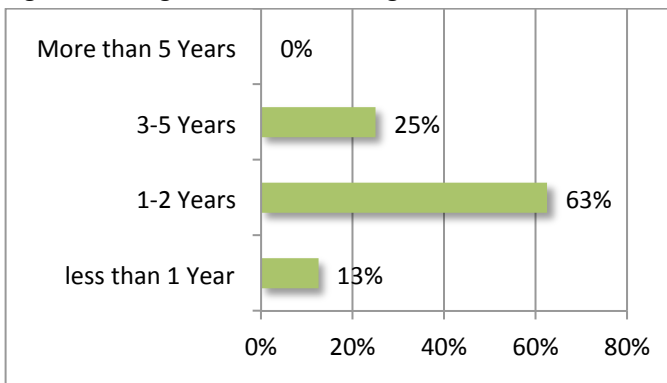
Eighty-two percent of respondents own their facility and 18% lease it.

**Figure 50: Ownership status of facility**



Of businesses leasing their facility, 63% have one to two years remaining on their lease agreement. Seventy-eight percent of respondents plan to renew the lease for their current facility.

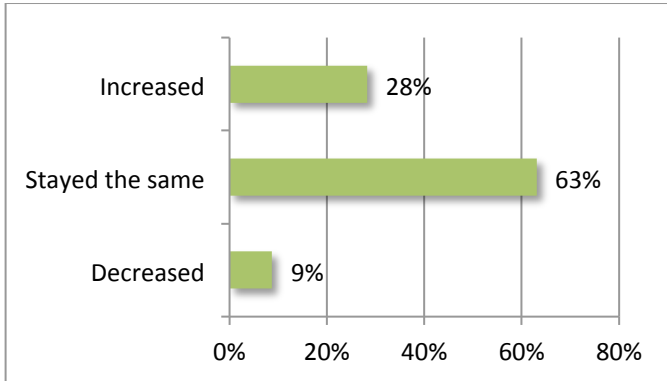
**Figure 51: Length of time remaining on lease**



### Investment and Expansion

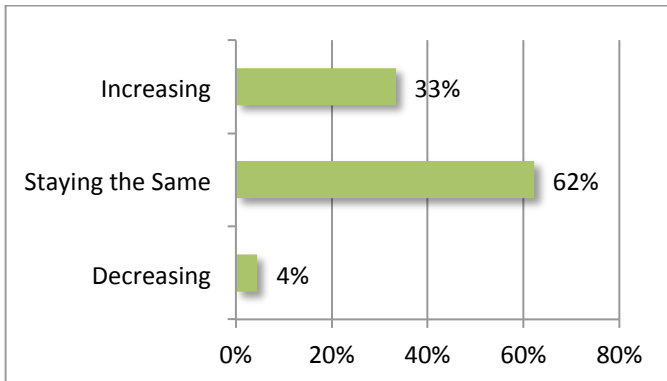
Sixty-three percent of respondents reported that investment in their facility has remained stable over the last 18 months and 28% reported that it has increased.

**Figure 52: Investment in facility (past 18 months)**



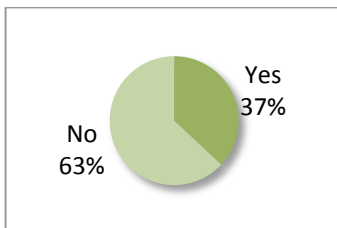
Similarly, 62% of respondents' investment in equipment have remained stable over the last 18 months, while 33% indicated that it has increased. Only 4% indicated that it has declined.

**Figure 53: Investment in equipment (past 18 months)**



Of the businesses interviewed, 37% report plans to expand within 3 years. Of those businesses, the majority (94%) plan to expand within the Nakusp area. In terms of timeframe for expansion, 46% expect the process to take between 1 and 3 years, 31% plan to expand within 1 year, and 23% believe they will take more than 3 years to expand.

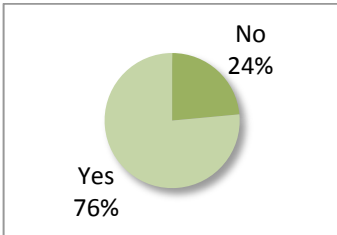
**Figure 54: Plans to expand within three years**





Of the businesses planning a near term expansion, 76% reported that their current site will be adequate. Four businesses (24%) indicated that they will need to find a new site to support their expansion needs.

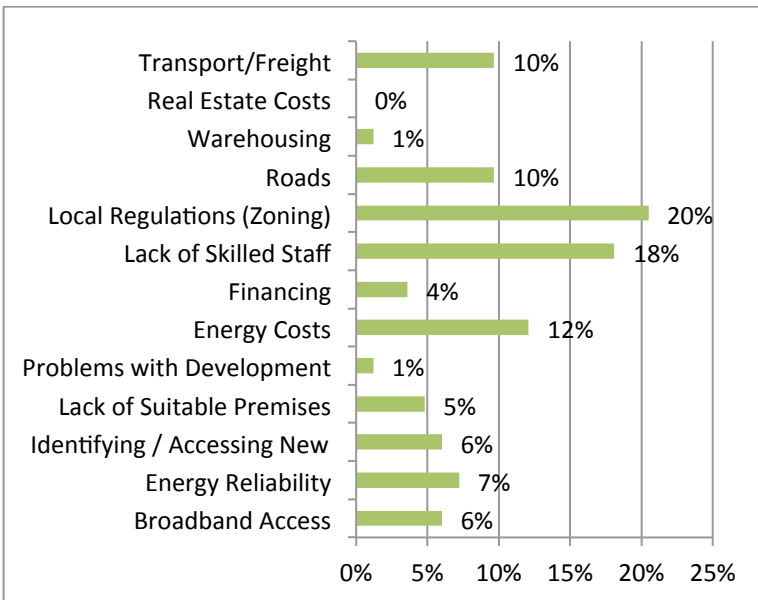
**Figure 55: Adequacy of current site to support expansion**



Respondents cited a variety of factors as barriers to their expansion. Most common were local regulations/zoning (20%), a lack of skilled staff (18%), energy costs (12%), transport/freight (10%), and roads (10%).

*“Would not know where to move location as no industrial lots available. No motivation by area leadership to develop this area, even though there is a good demand.”*

**Figure 56: Barriers to expansion of business**



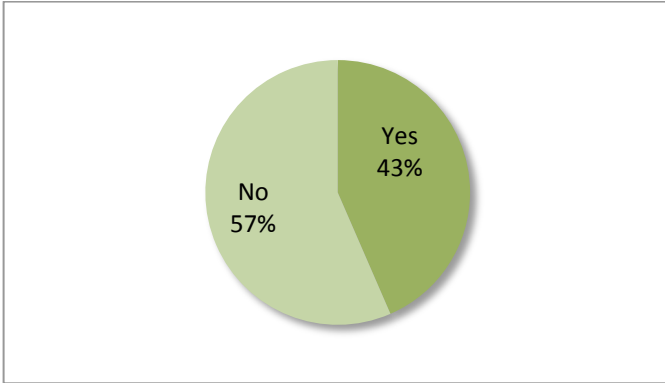
*“We would like to expand as we have the demand for it. However, we need the skilled labor and the will from local govt to cut red tape and regulations in order to proceed.”*

*“Would expand. By laws and OCP does not allow. No flexibility what so ever.”*

*“Energy costs are through the roof. Have done everything we can to be efficient. There is no competition so we are at the mercy of Hydro. Really hard to earn enough to do required repairs and maintenance of building. No need to expand.”*

Ten businesses have sought assistance with their expansion plans. Of those respondents, 7 have approached their local government, 3 have approached the BC Ministry responsible for Economic Development, 2 have approached BC Hydro, 1 has approached Community Futures, and 3 have approached other groups or organizations. See Appendix B for further details.

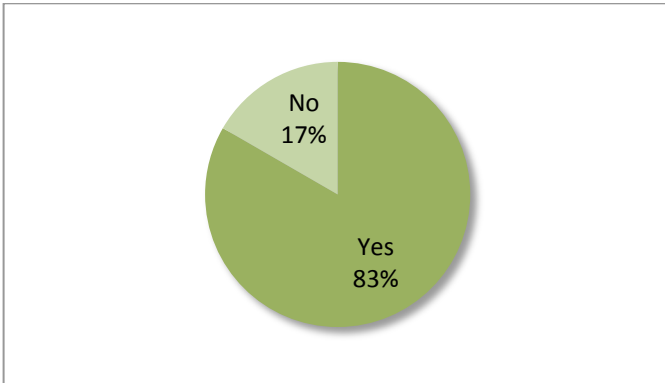
**Figure 57: Expansion assistance sought**



*Energy Efficiency*

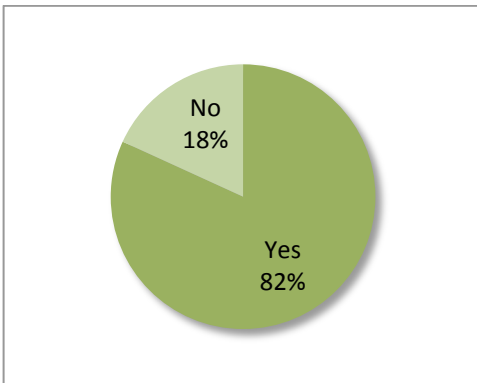
A majority of respondents (83%) are considering energy efficiency in their expansion plans.

**Figure 58: Considering energy efficiency in expansion plans**



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

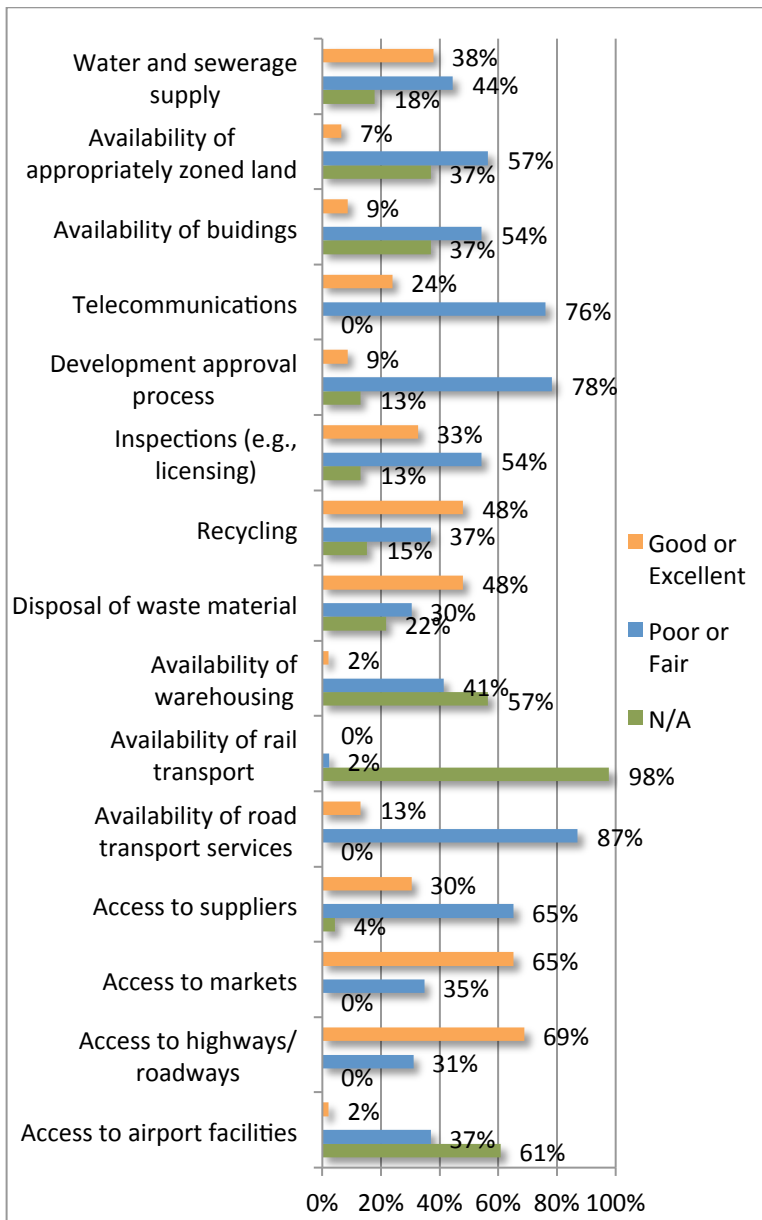
**Figure 59: Awareness of BC Hydro Power Smart**



## 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 (69%), access to markets (65%), recycling (48%), and disposal of waste material (48%). Services that received the highest number of fair or poor ratings include availability of road transport services (87%), development approval processes (78%), and telecommunications (76%). Services that the most respondents thought are not applicable to their business include availability of rail transport services (98%), access to airport facilities (61%), and availability of warehousing (57%).

**Figure 60: Rating of government services**



*“Ferry System needs to be much more efficient in Peak tourist season, this is where we actually make our living. Would make the delivery of goods much cheaper.”*

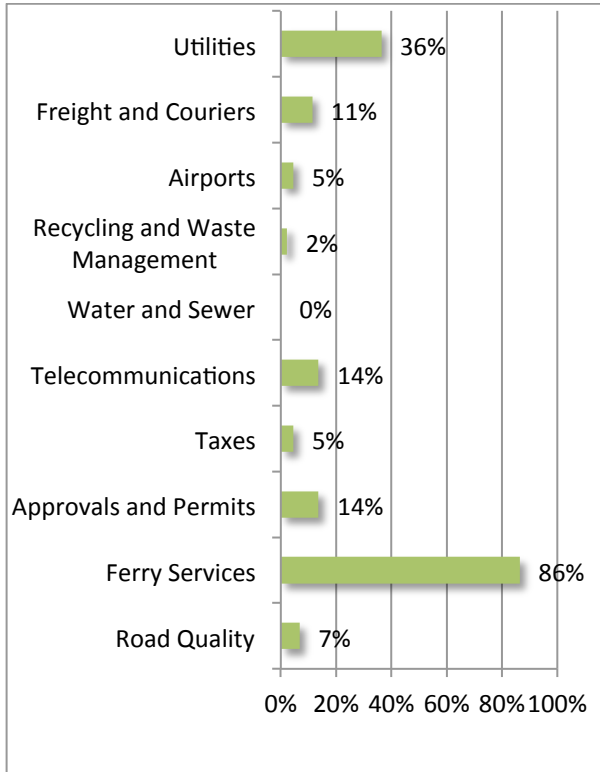
*“Municipality must be more proactive in assisting businesses. Must be cooperative and look for solutions rather than putting up barriers. Need to have someone dedicated to Economic Development.”*

*“An industrial Park is very much needed and would provide the much needed space for expansion and growth of our business along with that of others in the community.”*

*“Cellular phone coverage is needed throughout the district. Not available in a lot of areas. This also affects the Internet availability and broadband components as well”.*

When asked to provide suggestions on how to improve government services, the highest number of respondents (86%) indicated that ferry services should be a focus area. Thirty-eight percent also indicated that utilities services needed improvement.

**Figure 61: Suggested improvements to government services**



*“Need to make it easier for folks to get here both for tourism and if they are wanting to start a business. The Ferry system must be maintained and improved if we are wanting more people to move to the area. The delays and waits are negative to potential buyers who would like to relocate to our area.”*

*“Must ensure that the Ferry service stays stable. Getting goods to and from markets critical for our business.”*

*Power Outages always seem to happen at the most Inconvenient time and have been lasting for longer periods. We pay a big amount to Hydro for our power, we need better systems.”*

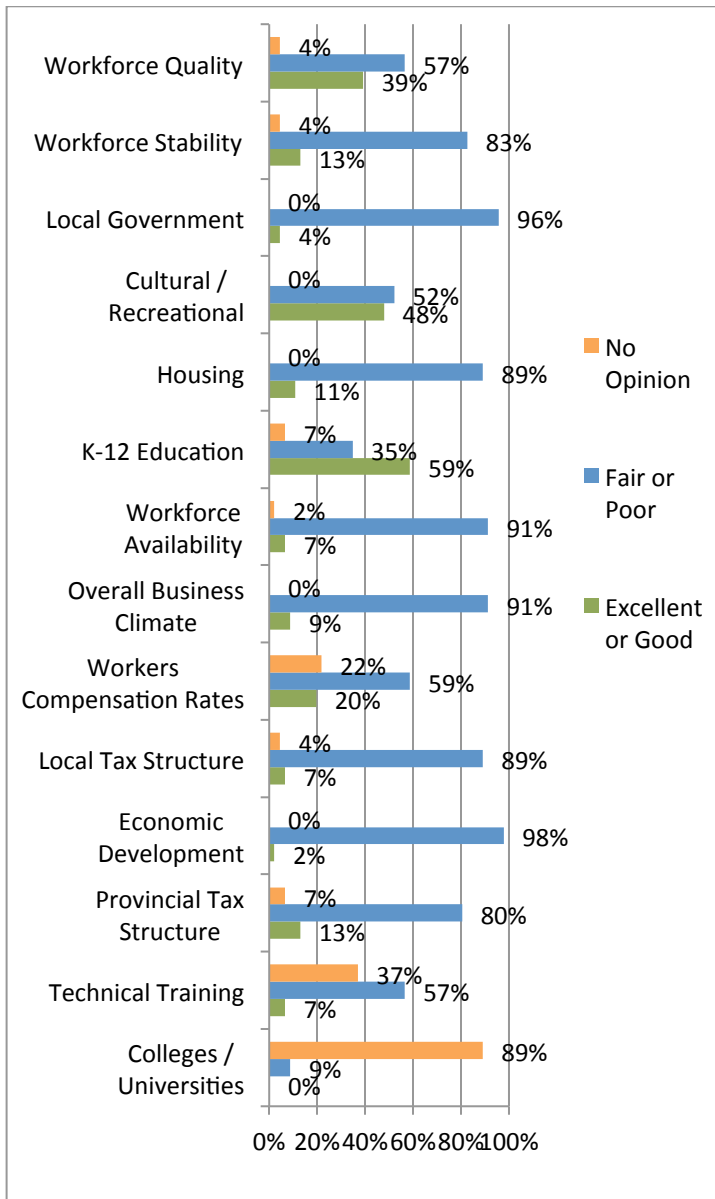
*“Cellular phone coverage is needed throughout the district. Not available in a lot of areas. This also affects the Internet availability and broadband components as well.”*

## 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 K-12 education (59%) and cultural/recreational amenities (48%). Factors that received the highest number of fair or poor ratings include economic development (98%) and local government (96%).

### Quality of Business Climate

Figure 62: Business climate factors



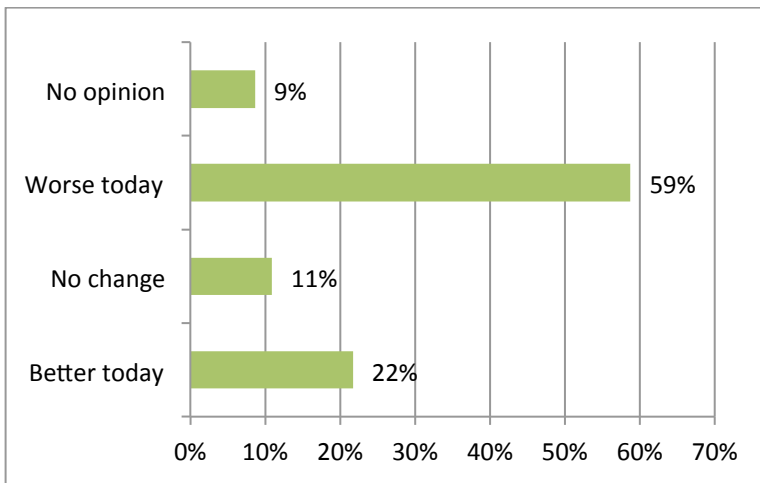
*“Community is not overly welcoming to new ideas. Does not promote entrepreneurial ventures. In fact often makes the process hard and inefficient with no real desire to help or offer alternate solutions. We have to do a business plan, community should do one as well. Needs someone who's dedicated job is economic development.”*

*“Was a challenge to understand all the rules and regulations needed to open store front. Everyone “busy” did not get assistance with all the paper work. Often calls not returned had to make many phone calls to get attention. Was told it was up to me to figure it out. Would be helpful to have someone who would assist and care about new businesses.”*

*“Lack of” skilled workers to pull from for jobs, no training availability for those who are trainable.”*

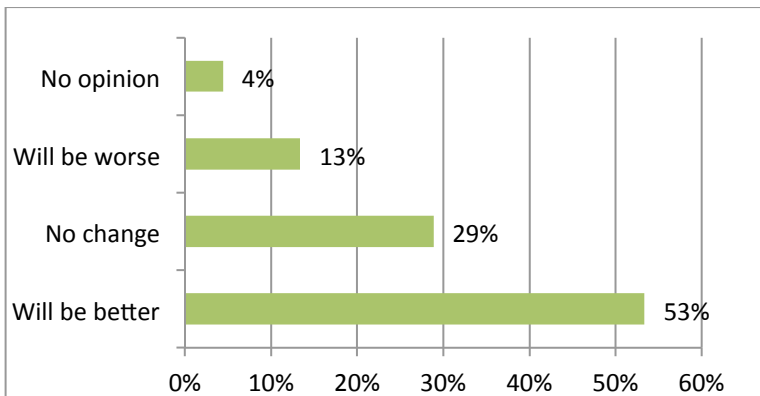
Over half of respondents (59%) felt that the Nakusp business climate is worse today than it was 5 years ago. Twenty-two percent thought it was better.

**Figure 63: Business climate today vs. 5 years ago**



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

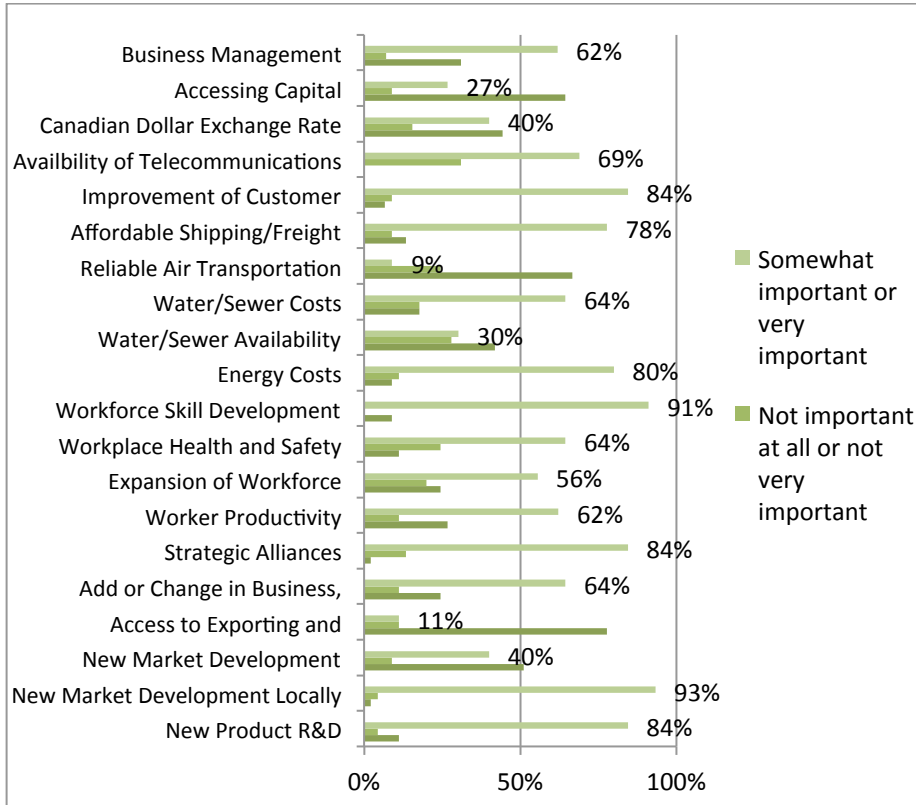
**Figure 64: Business climate 5 years from today**



### *Business Competitiveness and Productivity*

From a list of business competitiveness factors, those that received the highest number of somewhat important or very important ratings include new market development locally (93%) and workforce skill development (91%). Those that received the highest number of not very important or not important at all ratings include availability of telecommunications infrastructure and services (31%) and water/sewer availability (28%). The factors that most businesses thought are not applicable to their business include access to exporting and international markets (78%) and accessing capital (64%).

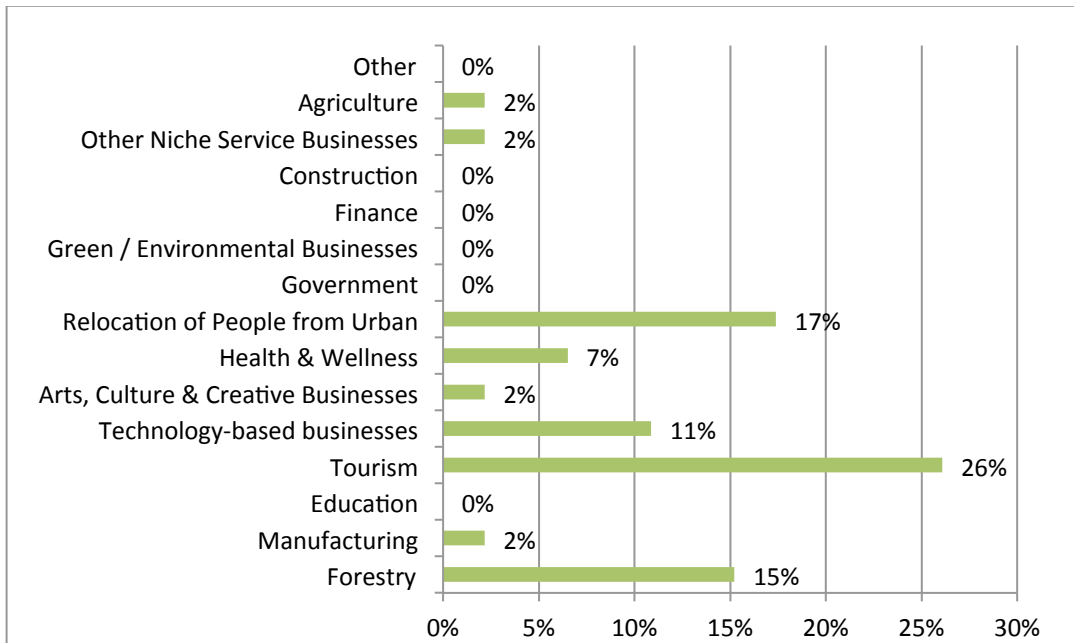
**Figure 65: Business competitiveness factors**



*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.

**Figure 66: Economic drivers with greatest growth potential**



Factors that received the highest number of votes include tourism (26%), relocation of people from urban centres (17%), and forestry (15%). Notably, no respondents thought that the construction, finance, green/environmental businesses, government, or education sector have high potential for growth over the near term.

### *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 (89%) cited location. Also commonly mentioned were lifestyle (43%) and culture/sense of community (22%). For a full list of response themes, see Appendix B.

**Figure 67: Key words in respondents' discussion of the community's strengths as a place to do business**



*“Location. We have wonderful natural beauty and views. The life style is very laid back. Can still basically leave your car unlocked. A good community, the people are great.”*

*“Personal touch, businesses really try to know your name and needs. Cooperation from the businesses is excellent. I'm actually surprised at the availability of supplies etc..”*

*“People want to live here. Access to excellent fibre supply. great outdoor facilities and indoor sports facilities for a small community. NO RUSH HOUR. Wonderful location to raise a family.”*

When asked to list the community's weaknesses as a place to do business, the highest number of respondents (38%) spoke of government/approvals. Other commonly cited weaknesses include the size of the community/population (29%), infrastructure (24%), and attitudes toward change and growth in the community (20%).





**Figure 70: Key words in respondents' discussion of customers to attract to the area**



*“Albertans that want to retire here. They are the ones who are actually using our services the most.”*

*“Actively pursue tour operators who would in turn bring more tourism through the area.”*

*“Relocation of people who want a more relaxed community.”*

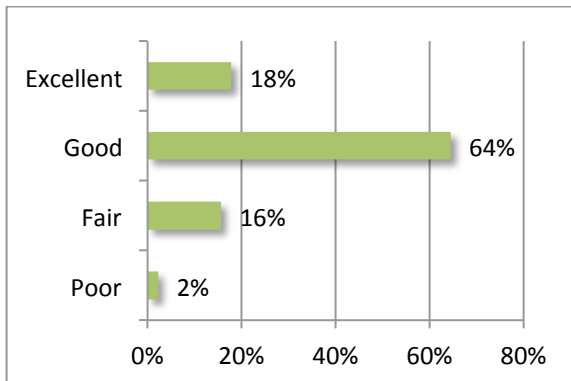
*“Young families that can earn income through technology.”*

## ASSESSMENT AND PLANS

### Overall Health

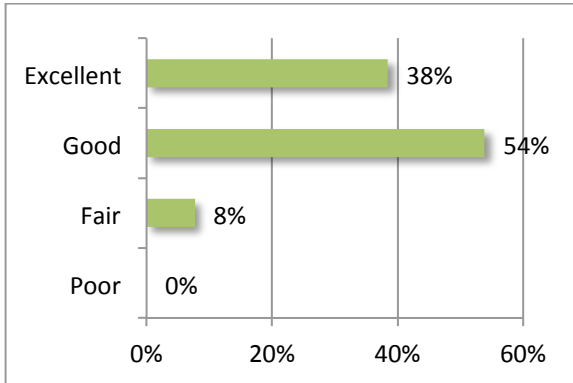
Sixty-four percent of respondents indicated that the overall health of their company is good, 18% indicated it is excellent, 16% indicated it is fair, and 2% indicated it is poor.

**Figure 71: Company's overall health**



Of the 10 businesses with a parent company, the majority (54%) reported that the health of their parent company is good.

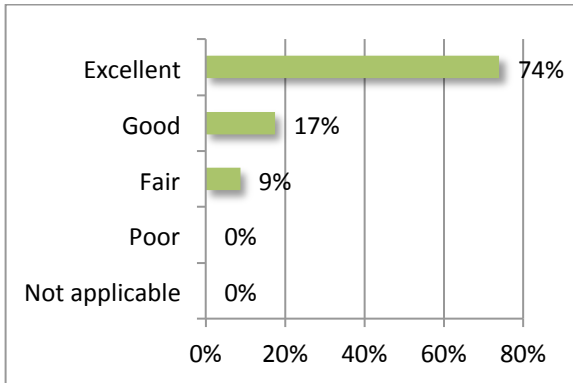
**Figure 72: Overall health of parent company**



*Attitude toward Community*

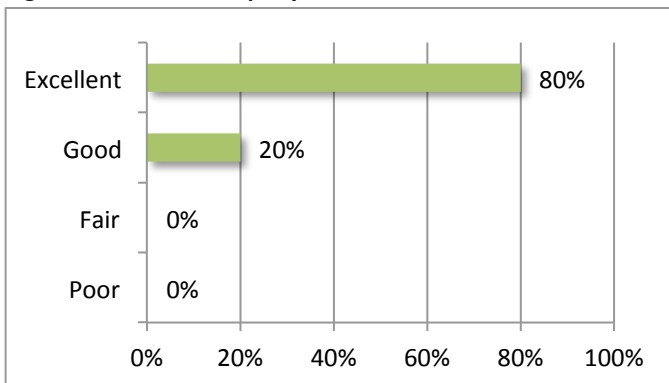
Seventy-four percent of respondents reported that their local management’s attitude toward the community is excellent. Another 17% reported that it is good.

**Figure 73: Local management's attitude toward community**



Of the 10 relevant respondents with parent companies, 80% indicated that their parent company’s attitude toward the community is excellent and 17% reported that it is good.

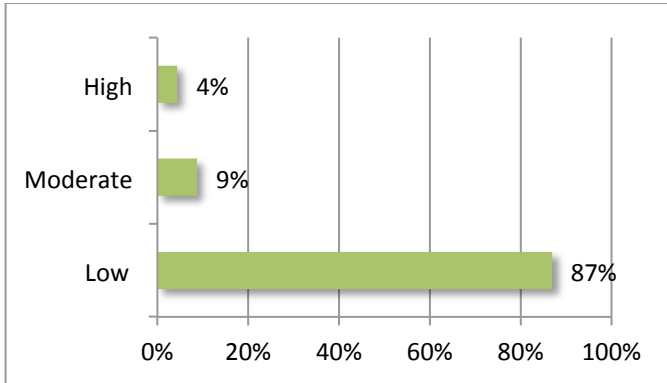
**Figure 74: Parent company's attitude toward local community**



### *Risk of Closing or Downsizing*

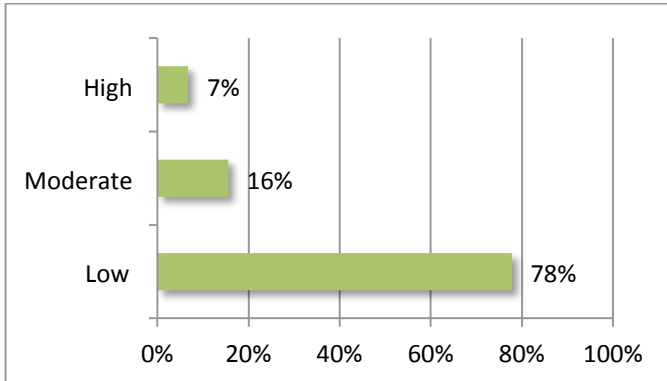
Eighty-seven percent of businesses interviewed reported that the risk of their facility closing over the next one to three years is low.

**Figure 75: Risk of facility closing**



Similarly, a significant majority of respondents (78%) indicated that the risk of their facility downsizing over the next one to three years is low.

**Figure 76: Risk of facility downsizing**



## RECOMMENDATIONS

### NEXT STEPS

The results of this survey can be used by economic development organizations in the Nakusp area 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 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.
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*

Nakusp businesses are planning significant investment in expansion over the near term, with substantial spending focused on real estate and equipment/ technology. Since many businesses indicated that they will need a new site to meet their expansion needs or identified a lack of

suitable premises as a barrier to expansion, this trend could strengthen if businesses were assisted in gaining access to appropriate sites for expansion. As such, actions on this theme may involve assisting in the identification of potential expansion sites and educating businesses of the types of expansion support available from external organizations. In addition, as local government “red tape” and inefficient approval processes were often cited as a barrier to economic development, efforts to improve the collaboration between businesses and local government should be undertaken, as to ensure approval processes meet the needs of local businesses (see *‘Government Services’*, below).

#### *Succession Planning*

Business and succession planning are critical to the health and longevity of businesses, yet only 5% of respondents indicated that they have a formal succession plan in place. Since a significant number of businesses reported a pending change in ownership, the need for assistance in succession planning is particularly pressing. 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 Nakusp.

#### *Supply Sourcing*

While only 1% of respondents indicated they purchase the majority of their supplies from local or regional suppliers, a majority sell primarily to local customers. Combined, these two findings indicate that businesses’ purchasing policies may have significant impact on the Nakusp economy. Though most respondents indicated that their reason for out-of-area purchasing is the availability of necessary supplies, additional research on this theme could help determine if there are in fact opportunities to address some of the barriers to buying locally.

#### *Recruitment Initiatives*

Over two thirds of the businesses interviewed reported that they have experienced challenges recruiting new employees, particularly machine operators and sales/service personnel. In addition, a similar number of respondents indicated challenges retaining their employees. As such, actions on this theme could involve assisting businesses with recruiting further afield (as respondents primarily recruit locally), focusing recruitment efforts on tourists/amenity migrants and businesses from other areas (two key ‘customers to attract’ as identified by respondents), and promoting the factors that respondents identified as strengths of doing business in Nakusp (e.g., location, lifestyle, culture/sense of community). In terms of retaining employees, as responses

discussing this issue were extremely varied, additional research on this theme may provide greater insight into businesses' retention challenges.

### *Training Opportunities*

A lack of skilled staff was commonly cited as a barrier to expansion of businesses and the vast majority of respondents identified workforce skill development as important to the competitiveness of their business. The professional development "areas for improvement" most often listed by businesses include retail and hospitality, business/management, and trades. 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 the Nakusp area (generally, few employees and often, 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.

### *Infrastructure*

Throughout the survey, Nakusp businesses highlighted infrastructure as a particular area of concern. Energy and transportation infrastructure were commonly mentioned as the most significant barriers to growth in the community. In addition, regular power outages and limited ferry services have had serious implications on the Nakusp business community. While immediate actions for this theme are unclear, additional research could help further inform the exact nature of businesses' perception regarding infrastructure and help determine if there opportunities to address this barrier to growth.

## APPENDIX A: DATA TABLES

### COMPANY INFORMATION

Industry Classification		
agriculture, forestry, fishing and mining	5	11%
utilities	0	0%
construction	3	7%
manufacturing	1	2%
retail and wholesale trade	20	43%
finance/insurance	1	2%
professional, scientific and technical services	4	9%
arts, entertainment and recreation	0	0%
accommodation and food service	10	22%
other services	2	4%
Total	46	100%

Location of Competitors		
Local/regional	38	83%
Elsewhere in BC	26	57%
Elsewhere in Canada	1	2%
International	2	4%
Unique Respondents	67	



<b>Success Factors</b>		
family friendly & safe	0	0%
location / proximity to markets or amenities	13	28%
quality products & service	14	30%
diversity, flexibility/hours of operation & prices	2	4%
quality staff & customer service	31	67%
customers / reputation	15	33%
length of time in business	22	48%
niche market / market share	5	11%
investing in new equipment	0	0%
local supply	2	4%
other	9	20%
Unique respondents	46	

<b>Life Cycle Stage</b>		
Emerging	7	15%
Growing	13	28%
Maturing (status quo)	20	43%
Declining	6	13%
Total	46	100%

<b>Ownership Status</b>		
Private	44	98%
Public	1	2%
Total	45	100%

<b>Type of Company</b>		
Sole Proprietorship	12	26%
Partnership	4	9%
Corporation	28	61%
Limited Liability Partnership	0	0%
Non-Profit	0	0%
Other	2	4%
<b>Total</b>	<b>46</b>	<b>100%</b>

<b>Location of Headquarters</b>		
In Province	45	98%
In Canada	1	2%
International	0	0%
<b>Total</b>	<b>46</b>	<b>100%</b>

<b>Length of Time in Business</b>		
Less than 1 year	4	9%
1-4 years	5	11%
5-9 years	3	7%
10-19 years	8	17%
More than 20 years	26	57%
<b>Total</b>	<b>46</b>	<b>100%</b>

<b>Function of Facility</b>		
Distribution	9	21%
Engineering / R&D	4	9%
Headquarters	2	5%
Manufacturing	3	7%
Services	41	95%
Warehousing	5	12%
Unique respondents	64	

<b>Other Similar Locations</b>		
In Canada	8	17%
Elsewhere in World	2	5%

<b>Ownership and Management Changes</b>		
Recent ownership change	8	17%
Recent management change	11	24%
Pending ownership change	10	22%

<b>Exit Strategy</b>	
family sale/transfer	1
non-family sale/transfer	6
another company sale/transfer	1
close business	1
other	2

<b>Respondent Age (Estimated)</b>		
over 65	2	5%
60-65 yrs	2	5%
54-59 yrs	4	9%
50-54 yrs	12	27%
45-49 yrs	14	32%
44 yrs & under	10	23%
<b>Total</b>	<b>44</b>	<b>100%</b>

<b>Successor Identified</b>		
Yes	1	2%
No	41	98%
<b>Total</b>	<b>42</b>	<b>100%</b>

<b>Formal Succession Plan</b>		
Yes	2	5%
No	14	34%
N/A	25	61%
<b>Total</b>	<b>41</b>	<b>100%</b>

<b>Current Business Plan</b>		
Yes	45	98%
No	1	2%
<b>Total</b>	<b>46</b>	<b>100%</b>

## LOCAL WORKFORCE

Number of Full-Time Employees		
Less than 5	33	72%
5-9	5	11%
10-19	2	4%
20-49	5	11%
50-99	1	2%
100+	0	0%
Total	46	100%

Number of Part-Time Employees		
None	19	41%
1-10	25	54%
More than 10	2	4%
Total	46	100%

Number of Temporary Employees		
None	32	70%
1-10	13	28%
More than 10	1	2%
Total	46	100%

Number of Total Employees		
Less than 5	21	46%
5 to 9	15	33%
10 to 19	3	7%
20 to 49	5	11%
50 to 99	1	2%
100+	1	2%
Total	46	100%

<b>Employment Trend Over Last 10 Years</b>		
Decreased	7	17%
Stayed the same	31	74%
Increased	4	10%
Total	42	100%

<b>Full-Time Employment Trend Over Last 3 Years</b>		
Decreased	9	20%
Stayed the same	30	65%
Increased	7	15%
Total	46	100%

<b>Part-Time Employment Trend Over Last 3 Years</b>		
Decreased	10	26%
Stayed the same	23	59%
Increased	6	15%
Total	39	100%

<b>Temporary Employment Trend Over Last 3 Years</b>		
Decreased	9	33%
Stayed the same	14	52%
Increased	4	15%
Total	27	100%

<b>Full-Time Employment Trend Over Next 3 Years</b>		
Decreasing	3	7%
Staying the same	28	61%
Increasing	15	33%
Total	46	100%

<b>Part-Time Employment Trend Over Next 3 Years</b>		
Decreasing	5	13%
Staying the same	22	58%
Increasing	11	29%
Total	38	100%

<b>Temporary Employment Trend Over Next 3 Years</b>		
Decreasing	5	18%
Staying the same	21	75%
Increasing	2	7%
Total	28	100%

<b>Trend in Unfilled Positions</b>		
Decreasing	6	15%
Staying the same	31	76%
Increasing	4	10%
Total	41	100%

<b>Training Budget</b>		
Yes	26	59%
No	18	41%
Total	44	100%

<b>Location of Workforce Recruitment</b>		
Local	42	95%
Provincial	1	2%
National	1	2%
International	0	0%
Total	44	100%

<b>Skilled/Professional Employees as % of Workforce</b>		
Less than 25%	2	6%
25-49%	3	10%
50-74%	6	19%
75-100%	20	65%
<b>Total</b>	<b>31</b>	<b>100%</b>

<b>Semi-Skilled Employees as % of Workforce</b>		
Less than 25%	5	19%
25-49%	7	27%
50-74%	3	12%
75-100%	11	42%
<b>Total</b>	<b>26</b>	<b>100%</b>

<b>Entry-Level Employees as % of Workforce</b>		
Less than 25%	17	81%
25-49%	2	10%
50-74%	2	10%
75-100%	0	0%
<b>Total</b>	<b>21</b>	<b>100%</b>

<b>Average Wage of Skilled/Professional Employee</b>		
Under \$20	2	8%
\$20-\$29	8	33%
\$30-\$49	11	46%
\$50+	3	13%
<b>Total</b>	<b>24</b>	<b>100%</b>



<b>Average Wage of Semi-Skilled Employees</b>		
\$10-\$14	2	9%
\$15-\$19	3	13%
\$20-\$24	11	48%
\$25 or more	7	30%
Total	23	100%

<b>Average Wage of Entry Level Employee</b>		
\$10 to \$12	12	55%
\$13 to \$15	4	18%
\$16 to \$20	5	23%
\$21 to \$25	1	5%
Total	22	100%

<b>Wages in Relation to Other Businesses in the Region</b>		
Less than	0	0%
Same	36	80%
Greater than	9	20%
Total	45	100%

<b>Age of Majority of Essential Employees</b>		
Less than 25	1	2%
25 to 34	8	17%
35 to 49	26	57%
50+	11	24%
Total	46	100%

<b>Critical Issues for Employees</b>		
Child care	36	78%
Cost of living	41	89%
Housing	39	85%
Transportation	17	37%
Other	29	63%
Unique Respondents	46	

<b>Location of Employees</b>			
	In Community	Elsewhere in Region	Outside of Region
0-24%	0%	67%	0%
25-49%	0%	33%	100%
50-74%	7%	0%	0%
75-100%	93%	0%	0%
Total	100%	100%	100%

<b>Retention Challenge</b>		
Yes	33	72%
No	13	28%
Total	46	100%

<b>Recruitment Challenge</b>		
Yes	33	73%
No	12	27%
Total	45	100%

<b>Current Recruitment Areas</b>	
admin/clerical	1
advanced mfg workers	0
agriculture / farming	0
assembler/line workers	0
CDL drivers/ Class 1 Drivers	0
construction/contractors	5
electrical/electronics	3
food/beverage service	8
general labourer	3
graphic arts/printing	0
healthcare professionals	0
hospitality service	4
machine operators	8
machinists	2
maintenance	3
manufacturing other	0
marketing	0
material/fabricators	2
mechanics	4
plant managers/operators	0
professional/info tech/programming	0
professional other	5
professional technical	2
sales/retail	5
sales/service	8
engineers	0
hair dressers / salon stylists	0
other	22
<b>Total</b>	<b>85</b>

<b>Future Recruitment Areas</b>	
admin/clerical	1
advanced mfg workers	0
agriculture / farming	0
assembler/line workers	0
CDL drivers/ Class 1 Drivers	0
construction/contractors	3
electrical/electronics	0
food/beverage service	6
general labourer	3
graphic arts/printing	0
healthcare professionals	1
hospitality service	1
machine operators	5
machinists	2
maintenance	2
manufacturing other	0
marketing	0
material/fabricators	1
mechanics	4
plant managers/operators	0
prof/info tech/programming	1
professional other	3
professional technical	4
sales/retail	5
sales/service	4
engineers	0
hair dressers / salon stylists	0
other	17
<b>Total</b>	<b>63</b>

<b>Union Status</b>		
Yes	3	5%
No	55	95%
Total	58	100%

<b>Professional Development Needs</b>		
Administrative / Computer Skills	4	12%
Technology Skills	0	0%
Trades	6	18%
Equipment Operators	5	15%
Retail & Hospitality	10	30%
First Aid / WHMIS / Food Safe	5	15%
Business / Management	7	21%
Other	12	36%
Total	49	148%

<b>Usual Training Location</b>		
Local	29	59%
Regional	14	29%
Provincial	6	12%
National	0	0%
United States	0	0%
Total	49	1

<b>Preferred Training Mechanisms</b>		
Classroom/Seminar	23	37%
Individual Coaching	30	48%
Online Webinar/Training	10	16%
Apprenticeship	0	0%
Trade Shows/Conferences	0	0%
Total	63	100%

## SALES

Annual Sales		
under \$100,000	0	0%
\$100,000 to \$499,999	0	0%
\$500,000 to \$999,999	0	0%
\$1,000,000 to \$4,999,999	0	0%
over \$5,000,000	1	100%
Total	1	100%

Status of Market for Product/Service		
Decreasing	11	24%
Stable	15	33%
Increasing	20	43%
Total	46	100%

Status of Market Share		
Decreasing	4	9%
Stable	23	50%
Increasing	19	41%
Total	46	100%

Projected Sales Growth Over Next Year		
declining	2	5%
0%	6	14%
1-9%	23	55%
10-24%	8	19%
25-49%	1	2%
50-99%	2	5%
100%+	0	0%
Total	42	100%

<b>Historical Sales Trend: This Location</b>		
Declined	12	27%
Stayed the same	15	33%
Increased	18	40%
<b>Total</b>	<b>45</b>	<b>100%</b>

<b>Historical Sales Trend: Parent Company</b>		
Not Applicable	31	79%
Declined	1	3%
Stayed the same'	4	10%
Increased	3	8%
<b>Total</b>	<b>39</b>	<b>100%</b>

<b>Historical Sales Trend: Industry</b>		
Declined	16	39%
Stayed the same	12	29%
Increased	13	32%
<b>Total</b>	<b>41</b>	<b>100%</b>

<b>Sales from Top 3 Customers (%)</b>		
1-9%	29	78%
10-25%	2	5%
26-50%	3	8%
51-75%	0	0%
76-100%	3	8%
<b>Total</b>	<b>37</b>	<b>100%</b>

<b>Government Procurement</b>		
Yes	5	9%
No	41	91%
<b>Total</b>	<b>46</b>	<b>100%</b>

<b>Source of Sales: Local</b>		
0%	0	0%
under 50%	13	33%
50 to 99%	15	38%
100%	11	28%
<b>Total</b>	<b>39</b>	<b>100%</b>

<b>Source of Sales: Provincial</b>		
0%	0	0%
under 50%	19	61%
50 to 99%	12	39%
100%	0	0%
<b>Total</b>	<b>31</b>	<b>100%</b>

<b>Source of Sales: National</b>		
0%	0	0%
under 50%	10	83%
50 to 99%	2	17%
100%	0	0%
<b>Total</b>	<b>12</b>	<b>100%</b>

<b>Source of Sales: United States</b>		
0%	0	0%
under 50%	2	50%
50 to 99%	2	50%
100%	0	0%
<b>Total</b>	<b>4</b>	<b>100%</b>

<b>Source of Sales: International</b>		
0%	0	0%
under 50%	2	67%
50 to 99%	1	33%
100%	0	0%
<b>Total</b>	<b>3</b>	<b>100%</b>



<b>Source of Supplies: Local / Regional</b>		
0%	0	0%
under 50%	13	45%
50 to 99%	11	38%
100%	5	17%
Total	29	100%

<b>Source of Supplies: Provincial</b>		
0%	0	0%
under 50%	13	42%
50 to 99%	15	48%
100%	3	10%
Total	31	100%

<b>Source of Supplies: National</b>		
0%	0	0%
under 50%	15	68%
50 to 99%	4	18%
100%	3	14%
Total	22	100%

<b>Source of Supplies: United States</b>		
0%	0	0%
under 50%	8	89%
50 to 99%	1	11%
100%	0	0%
Total	9	100%

<b>Source of Supplies: International</b>		
0%	0	0%
under 50%	4	80%
50 to 99%	1	20%

100%	0	0%
Total	5	100%

Reason for Out of Area Purchasing		
Product not available here	25	66%
Quality of product available here	6	16%
Higher costs locally	4	11%
No control/Head office decision	3	8%
Unaware of local vendors	0	0%
Relationship with current supplier	0	0%
Other	2	5%
Unique respondents	38	

International Trade Status		
Not applicable/None	44	96%
Import	0	0%
Export	2	4%
Unique Respondents	46	100%

Export Sales Trend		
Not Applicable	12	36%
Declining	6	18%
Staying the Same	6	18%
Increasing	9	27%
Total	33	100%

## FACILITIES AND EQUIPMENT

Size of Facility		
	0	0%
less than 1000 sq ft	10	26%
1000 to 4999 sq ft	22	56%
5000 to 9999 sq ft	2	5%
10,000 to 19,999 sq ft	1	3%
20,000 sq ft or more	4	10%
Total	39	100%

Ownership Status		
Leased	8	18%
Owned	37	82%
Total	45	100%

Length of Time Remaining on Lease		
less than 1 Year	1	13%
1-2 Years	5	63%
3-5 Years	2	25%
More than 5 Years	0	0%
Total	8	100%

Renewing Lease		
No	2	22%
Yes	7	78%
Total	9	100%

<b>Condition of Facility</b>		
Poor	0	0%
Fair	12	27%
Good	26	58%
Excellent	7	16%
Total	45	100%

<b>Condition of Equipment</b>		
Poor	1	2%
Fair	7	16%
Good	31	69%
Excellent	6	13%
Total	45	100%

<b>Number of Shifts</b>		
One Shift	21	68%
Two Shifts	8	26%
24 Hours	2	6%
Total	31	100%

<b>Investment in Facility (past 18 months)</b>		
Decreased	4	9%
Stayed the same	29	63%
Increased	13	28%
Total	46	100%

<b>Investment in Equipment (past 18 months)</b>		
Decreasing	2	4%
Staying the Same	28	62%
Increasing	15	33%
Total	45	100%

<b>Room for Expansion</b>		
Yes	19	43%
No	23	52%
Maybe	2	5%
Total	44	100%

<b>Awareness of Energy Efficiency Resources</b>		
Yes	36	82%
No	8	18%
Total	44	100%

<b>Expansion Plans (Next 3 Years)</b>		
Yes	17	37%
No	29	63%
Total	46	100%

<b>Expansion in Community</b>		
No	1	6%
Yes	16	94%
Total	17	100%

<b>Adequacy of Current Site for Expansion</b>		
No	4	24%
Yes	13	76%
Total	17	100%

<b>Estimated Expansion Investment</b>		
less than \$25,000	0	0%
\$25,000 to \$99,999	0	0%
\$100,000 to \$499,999	2	40%
\$500,000 to \$999,999	0	0%
\$1,000,000 to 4,999,999	2	40%
\$5,000,000 to \$9,999,999	0	0%
\$10,000,000 to \$19,999,999	0	0%
More than \$20,000,000	1	20%
Total	5	100%

<b>Component on Expansion Investment for Equipment</b>		
0%	0	0%
under 50%	1	50%
50 to 99%	1	50%
100%	0	0%
Total	2	100%

<b>Component of Expansion Investment for Real Estate</b>		
0%	0	0%
under 50%	0	0%
50 to 99%	2	100%
100%	0	0%
Total	2	100%

<b>Size of Facility Expansion</b>		
Less than 3000 ft2	0	33%
3000 ft2 or more	2	67%
Total	2	100%

<b>Timeframe for Expansion</b>		
Less than 1 Year	4	31%
1-3 years	6	46%
More than 3 Years	3	23%
Total	13	100%

<b>Barriers to Expansion</b>		
Broadband Access	5	6%
Energy Reliability	6	7%
Identifying / Accessing New Markets	5	6%
Lack of Suitable Premises	4	5%
Problems with Development Approvals	1	1%
Energy Costs	10	12%
Financing	3	4%
Lack of Skilled Staff	15	18%
Local Regulations (Zoning)	17	20%
Roads	8	10%
Warehousing	1	1%
Real Estate Costs	0	0%
Transport/Freight	8	10%
Unique Respondents	83	100%

<b>Sought Expansion Assistance</b>		
Yes	10	43%
No	13	57%
Total	23	100%

<b>Considering Energy Efficiency in Expansion Plans</b>		
Yes	20	83%
No	4	17%
Total	24	100%

## GOVERNMENT SERVICES

<b>Government Services</b>							
	N/A	Poor	Fair	Average	Good	Excellent	Total
Access to airport facilities	61%	17%	20%	0%	2%	0%	100%
Access to highways/roadways	0%	9%	22%	0%	60%	9%	100%
Access to markets	0%	7%	28%	0%	54%	11%	100%
Access to suppliers	4%	39%	26%	0%	24%	7%	100%
Availability of road transport services	0%	67%	20%	0%	11%	2%	100%
Availability of rail transport	98%	2%	0%	0%	0%	0%	100%
Availability of warehousing	57%	35%	7%	0%	0%	2%	100%
Disposal of waste material	22%	13%	17%	0%	46%	2%	100%
Recycling	15%	13%	24%	0%	46%	2%	100%
Inspections (e.g., licensing)	13%	15%	39%	0%	30%	2%	100%
Development approval process	13%	54%	24%	0%	9%	0%	100%
Telecommunications	0%	50%	26%	0%	20%	4%	100%
Availability of buildings	37%	43%	11%	0%	9%	0%	100%
Availability of appropriately zoned land	37%	48%	9%	0%	7%	0%	100%
Water and sewerage supply	18%	7%	38%	0%	36%	2%	100%

<b>Recommended Improvements to Government Services</b>		
Road Quality	3	7%
Ferry Services	38	86%
Approvals and Permits	6	14%



Taxes	2	5%
Telecommunications	6	14%
Water and Sewer	0	0%
Recycling and Waste Management	1	2%
Airports	2	5%
Freight and Couriers	5	11%
Utilities	16	36%
Unique Respondents	79	

## BUSINESS CLIMATE

Business Climate Factors			
Business Climate Factors	Excellent or Good	Fair or Poor	No Opinion
Workforce Quality	39%	57%	4%
Workforce Availability	7%	91%	2%
Workforce Stability	13%	83%	4%
Local Government	4%	96%	0%
Local Tax Structure	7%	89%	4%
Provincial Tax Structure	13%	80%	7%
Workers Compensation Rates	20%	59%	22%
Economic Development	2%	98%	0%
Cultural / Recreational Amenities	48%	52%	0%
Housing	11%	89%	0%
K-12 Education	59%	35%	7%
Colleges / Universities	0%	9%	89%
Technical Training	7%	57%	37%
Overall Business Climate	9%	91%	0%

<b>Business Competitiveness Factors</b>						
	Not Applicable	Not Important at All	Not Very Important	Somewhat Important	Very Important	Total
New Product Research and Development	5	1	1	23	15	45
New Market Development Locally	1	0	2	13	29	45
New Market Development Outside of Region	23	1	3	12	6	45
Access to Exporting and International Markets	35	2	3	3	2	45
Add or Change in Business, Products or Services	11	1	4	25	4	45
Strategic Alliances	1	3	3	26	12	45
Worker Productivity Improvements	12	1	4	19	9	45
Expansion of Workforce	11	1	8	16	9	45
Workplace Health and Safety	5	1	10	14	15	45
Workforce Skill Development	4	0	0	23	18	45
Energy Costs	4	1	4	10	26	45
Water/Sewer Availability	18	5	7	11	2	43
Water/Sewer Costs	8	3	5	7	22	45
Reliable Air Transportation	30	6	5	3	1	45
Affordable Shipping/Freight	6	1	3	7	28	45
Improvement of Customer Services	3	1	3	19	19	45
Availability of Telecommunications Infrastructure and Services	0	4	10	20	11	45
Canadian Dollar Exchange Rate	20	5	2	10	8	45
Accessing Capital	29	3	1	5	7	45
Business Management Improvements	13	2	1	18	8	42

<b>Economic Drivers with Growth Potential</b>		
Forestry	7	15%
Manufacturing	1	2%
Education	0	0%
Tourism	12	26%
Technology-based businesses	5	11%
Arts, Culture & Creative Businesses	1	2%

Health & Wellness	3	7%
Relocation of People from Urban Centres	8	17%
Government	0	0%
Green / Environmental Businesses	0	0%
Finance	0	0%
Construction	0	0%
Other Niche Service Businesses	1	2%
Agriculture	1	2%
Other	0	0%
Unique Respondents	46	

<b>Community's Strengths as a Place to do Business</b>		
Culture/ sense of community	10	22%
Support for businesses	2	4%
Workforce	0	0%
Existing industry	0	0%
Tourism	0	0%
Location	41	89%
Lifestyle	20	43%
Land availability	2	4%
Weather	0	0%
Other	4	9%
Unique Responses	79	

<b>Community's Weaknesses as a Place to do Business</b>		
Size of community/population	13	29%
Age of population	1	2%
Employment opportunities	4	9%
Amenities	3	7%
Attitude towards change/growth	9	20%

Infrastructure	11	24%
Workforce	3	0%
Government/approvals	17	38%
Location	3	7%
Out of area shopping	4	9%
Choice/cost of products	1	2%
Shipping	2	4%
Other	14	31%
Unique respondents	45	

<b>Barriers to Growth</b>		
Yes	45	98%
No	1	2%
Total	46	100%

<b>Barriers to Growth of Community</b>		
Attitude towards change/growth	4	9%
Existing industry/economy	12	27%
Population/market size	13	30%
Demographics	5	11%
Infrastructure	32	73%
Government/zoning	11	25%
Location	1	2%
Housing	1	2%
Other	8	18%
Unique respondents	44	

<b>Important to Attract Suppliers</b>		
Yes	22	39%
No	35	61%
Total	57	100%

<b>Important to Attract Customers</b>		
Yes	33	83%
No	7	18%
Total	40	100%

<b>Customers to Attract</b>		
Seniors	1	2%
Tourist/Amenity migrants	19	46%
Young people	2	5%
Agriculture & Wineries	1	2%
Businesses from Elsewhere	8	20%
Total	31	76%

<b>Business Climate Today vs 5 Years Ago</b>		
Better today	10	22%
No change	5	11%
Worse today	27	59%
No opinion	4	9%
Total	46	100%

<b>Business Climate 5 Years from Today</b>		
Will be better	24	53%
No change	13	29%
Will be worse	6	13%
No opinion	2	4%
Total	45	100%

## ASSESSMENT AND PLANS

<b>Company's Overall Health</b>		
Poor	1	2%
Fair	7	16%
Good	29	64%
Excellent	8	18%
Total	45	100%

<b>Parent Company's Overall Health</b>		
Not applicable	31	70%
Poor	0	0%
Fair	1	2%
Good	7	16%
Excellent	5	11%
Total	44	100%

<b>Local Management's Attitude Toward Community</b>		
Not applicable	0	0%
Poor	0	0%
Fair	4	9%
Good	8	17%
Excellent	34	74%
Total	46	100%

<b>Parent Company's Attitude Toward Community</b>		
Not applicable	33	77%
Poor	0	0%
Fair	0	0%
Good	2	5%
Excellent	8	19%
Total	43	100%

<b>Risk of Facility Closing</b>		
Low	40	87%
Moderate	4	9%
High	2	4%
Total	46	100%
<b>Risk of Facility Downsizing</b>		
Low	35	78%
Moderate	7	16%
High	3	7%
Total	45	100%

<b>Expansion Plans (Next 12 Months)</b>		
Yes	16	37%
No	27	63%
Total	43	100%