



Nelson and Area

**BUSINESS RETENTION &
EXPANSION**

FINAL REPORT

November 2010

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A. SUMMARY

BACKGROUND

The Business Retention and Expansion (BRE) Program took the pulse of businesses in Nelson & area during the Summer and early Fall of 2010. The Nelson and Area Economic Development Partnership received feedback from more than 200 Nelson & area businesses through in-person and on-line surveys. This report provides information on the background, key themes, results and recommendations of the 2010 BRE program. It also compares results, where possible, to a similar BRE survey undertaken in 2000.

The BRE overall goal is to build a **positive** business environment for the **success** of local **businesses** and ultimately the success of the **community**.¹

The goals of BRE are to:

- **Accurately assess** the needs of business
- **Provide assistance** to business that will help them to survive economic difficulties and assist them with expansions that add new jobs
- **Build cooperation** and consensus among local government, economic development organizations and businesses

This BRE program is an initiative of the Nelson and Area Economic Development Partnership. Established in 2005, the Nelson and Area Economic Development Partnership is an economic initiative developed and coordinated through the cooperation of the City of Nelson, Regional District Areas E and F, Community Futures Central Kootenay, and the Nelson and District Chamber of Commerce. The Partnership was formed so that local and community economic development opportunities could be pursued jointly, efficiently and effectively.

The BRE results will play a critical role in informing the strategies and actions of the Economic Development Partnership and its partner agencies in the years to come. This analysis and report was completed by Mike Stolte (mstolte@theCIEL.com) of the Centre for Innovative & Entrepreneurial Leadership (CIEL).

FINDINGS AND KEY THEMES

Holding Pattern Although Cautiously Optimistic

- The global economy was cited as the largest threat to local businesses. 7 in 10 businesses anticipated staying the same size over the next 6 months. 22% had plans to hire compared to 8% that were anticipating downsizing. Within 3 years, businesses felt they would marginally increase the number of full-time employees from 7.3 to 7.5 and part-time employees from 5.3 to 6. This represents roughly 475 full time and 1,663 part time jobs for the RDCK, one third of which (or approximately 132 full time and 462 part time) would be in the NAEDP area.²

¹ BRE is proven to be one of the most effective economic development tools (50-90% of jobs come from pre-existing business [Source: BRE International]).

² Analysis conducted by George Penfold based on BC Stats 2009

- About half of businesses saw revenues increase in the last three years compared with 63% of respondents in 2000. 23% saw revenues decline (vs. 18% in 2000) while 26% saw revenue growth remain flat (vs. 17% in 2000). Profitability increased for 46% of businesses. An equal number of businesses (27%) saw profits either stay the same or decrease.
- In terms of expansion and renovation, one-third of businesses did not foresee investing any money over the next 3 years while one-third had plans to spend \$20,000 or more. Five percent of businesses expected to invest more than \$500,000 in renovation or expansion activities.

Constant Adaptation

- Businesses reported constantly having to offer new products and services to remain competitive. 54% of businesses have had to make significant changes to their product or service mix in the last 3 years. The speed of change is increasing. About the same number expect to have to make major changes in the next two years.

Super-Networked

- There was a move away from traditional advertising (radio, TV, brochures, ads) to a more networked marketing (social media, other internet advertising, web-sites) from the 2000 survey, although only one in four businesses have taken advantage of social media marketing (e.g. Facebook, LinkedIn, Twitter, etc.)
- Almost 68% of 2010 respondents belonged to a business or trade organization compared with only 27% in 2000. This represents a tremendous change. Of those that belonged to a business association, 71% belonged to the Chamber of Commerce while 46% belonged to an industry or trade organization.
- Businesses also reported relying on on-line and personal networks for their recruiting efforts while relying less on traditional HR efforts and out of town ads.

“Right-Sized” Businesses

- 73% of businesses felt they were in the right-sized facility compared with 63% in 2000. Only 25% felt their facilities were too small compared with 31% in 2000. In 2000, 6% of businesses felt their facilities were too large, a number 4 times higher than the 1.6% in 2010.
- Half of businesses planned on expanding in the next 3 years in the 2000 survey. In 2010, just 38% of businesses report expansion plans in the next 3 years. However, just 1.6% of businesses were considering downsizing in

2010, compared to almost 5% in 2000. 57% of businesses planned on staying the same size in this year's survey compared with just 39% in 2000.

Business Experiencing Fewer Difficulties Compared to 2000

- A smaller percentage of businesses reported experiencing difficulties in 2010 than in 2000. Property taxes were seen as the biggest problem (affecting 32.6% of businesses, slightly higher than 2000). However, the percentage of businesses reporting problems with by-laws, income taxes, licensing procedures and zoning regulations were about half of the 2000 numbers.

Cost of Living, Housing Affordability & Child Care Critical Employee Issues

- Cost of living was cited as a critical employee issue by 63% of employers followed by housing (43%), child care (24%) and transportation (15%). Only one in four employers said their employees faced NO critical issues.

Fewer than Half of Employees Live in City of Nelson

- Fewer than half (48%) of employees in the businesses that were surveyed live in the City of Nelson. 22% live in the Balfour and Bonnington area, 13% Bonnington to the Junction & Slocan Valley, 9% Castlegar/Trail and 8% Ymir/Salmo.

Tourism, Influx of Urban Refugees Predicted to Drive Economy in Next Decade

- Tourism was seen by 66% of businesses to be one of the top two drivers of the Nelson and area economy over the next decade. Rounding out the top 5 predicted economic drivers were relocation of people from urban centres (48% of businesses), arts & culture (22%), technology-based businesses (19%), and health and wellness businesses (17%).

How Can We Help?

- 36% of respondents were interested in getting more information on networking opportunities with local business. Other information that businesses expressed interest in were succession planning (34%), seminars/events/ keynotes (32%), information on making business more environmentally sustainable (29%) and peer mentorship opportunities (25%).

RECOMMENDATIONS

Training and Business Building

Employers expressed interest in accessing training for their employees, particularly in areas such as customer service and human resources (including staff motivation, productivity, and innovative HR practices). Employers also expressed interest in improving their own understanding of succession planning, environmentally sustainable business practices, and social marketing / networking opportunities. Opportunities to offer joint training in areas such as customer service for businesses in the tourism and service industry also presented themselves as a result of the interviews.

The BRE has pointed to a need to improve coordination and promotion of existing training opportunities. To address this, key organizations offering training in the region (such as KAST, Selkirk College, Community Futures) could collaborate in order to identify existing opportunities and gaps, and how to most effectively address the training needs identified through the BRE and other sources of information.

Networking

The BRE confirmed that many businesses currently participate in opportunities to network, online or through business and trade organizations. Given this interest and the cost effectiveness of such activities, it is recommended that targeted networking opportunities be developed for specific types of businesses (eg. home based or sector-specific), that an increase in the number and quality of existing networking opportunities be considered, and that promotion of existing opportunities be improved.

In terms of regional networking, ongoing and increased efforts to coordinate regional economic efforts, and to promote the activities and programs of the members of the NAEDP is recommended in order to bolster their effectiveness. The BRE points to the potential to maximize economic development efforts by targeting businesses with similar attributes. For instance, development of a business incubator specific to home-based business could support that growing sector. Similarly, an effort to build ties across the sectors identified by the BRE as having the largest growth and economic development potential could yield better results than more isolated or smaller scale efforts.

Marketing

There is a good degree of awareness around the Buy Local campaign, but results of the BRE point to a need to continue to educate local consumers and businesses of its benefits. Several potential import substitutions were identified through the BRE, given that availability is a key barrier to businesses supporting the Buy Local initiative. It is recommended that the Buy Local campaign be continued, as well as evaluated (particularly in terms of the potential impact of larger businesses considering import substitution in order to increase local resiliency).

The results of the BRE survey repeatedly underline the importance of tourism for the local economy. As a result, more collaboration with destination marketing organization (DMO) activities and Selkirk College to promote the region as a whole, to increase coordination of key touristic activities (mountain biking through provision of maps and trail development, for instance) and to better understand and demonstrate how non-tourism businesses might benefit from the strength of this sector is recommended. The Roger Brooks (Destination Development) Tourism report should continue to be implemented as several of its recommendations are echoed in the BRE results (for example, the importance of signage, need for infrastructure such as public restrooms, etc). Given the key nature of tourism to Nelson & area, the Tourist Centre should consider Sunday openings and later hours.

In broader terms, it is recommended that the results of the BRE be widely promoted amongst business and other groups so that the benefits of this exercise be maximized.

Planning, Infrastructure, Research & Other

Significant difficulties flagged by BRE survey respondents should be followed up immediately, and businesses indicated to be considering relocation should be contacted to attempt retention. Increased business to local government dialogue on the implications of property taxes is recommended as this came out strongly as a key challenge for local business. Given the confirmation that cost of living, housing, child care and transportation are key challenges to employees (and therefore to employers), it is recommended that NAEDP join the Social Planning Action Network (SPAN) as well as collaborating more with social and non-profit sector inter-agency meetings to share information, study the impact of the high cost of living (including housing) on business, and co-develop strategies to address these issues.

Several longer term efforts are recommended to address key infrastructure and planning issues flagged through the BRE, such as maintaining a commercial land inventory for the region, and publishing a commercial rental inventory. Efforts to increase Castlegar airport reliability and to review the impacts of freight costs and availability could be very beneficial to the region. NAEDP should coordinate with those responsible for ongoing transit studies in order to transmit BRE findings on regional transit impacts on workforce (public bus schedules linking up with necessary services, for example).

As a result of BRE findings, investigations in several other areas are also recommended in the longer term, including: the experience of other jurisdictions with free internet hot zones downtown; expansion of parking options with City; overnight courier service to Nelson; and cost-effective child care options.

An analysis of the business license list to ascertain change in business types over 10 years could complement the results of the BRE. It is recommended that the BRE be conducted again in the next 3-5 years in order to check in. Create economic development survey for business and broader community.

Growth & Success

The BRE has flagged a need for public education in a variety of areas. Workshops open to businesses and the public on topics such as “Getting to Know your Businesses & the Economy” on different aspects of the community’s economic pillars (e.g. panel of 3-4 businesses in areas of manufacturing, retail, contractors, health & wellness, green, education, consultants, tourism, etc) with NAEDP providing some context (e.g. # of businesses, contribution to the economy, current make-up and actual drivers of our economy, etc.) could be very useful; as well as sector-specific meetings (eg. manufacturing, tourism, social service). More specific individual requests for information raised through the BRE (related to succession, peer mentorships, etc) should of course be followed up directly.

Continuation of efforts informing the community of value of, and necessity of a healthy and growing business sector is recommended, as is profiling and recognizing key businesses who have built their sectors and the success of the community through collaboration. Adoption of ‘innovation and learning’ as a key to success in business should be encouraged. Ongoing recognition of social services and co-operatives as contributors to economy and viable options for enterprise is also recommended. To continue strengthening succession transitions, innovative succession solutions should be investigated (such as possible loan forgiveness or loan guarantee for young purchasers via CBT), and links between succession of businesses with Invest Kootenay efforts to attract investors should be enhanced.

In order to share results and build short-term and strategic long-term actions, meetings with Area E & F Directors and regional Chambers of Commerce should be held, and other regional jurisdictions (Trail, Castlegar, Creston, etc.) should be encouraged to participate in similar BRE efforts in order to facilitate better comparison and collaboration. The Selkirk Loop initiative should be joined up with NAEDP, DMO and other local and regional tourism efforts. The NAEDP should play an enhanced ‘brokering’ role linking businesses to business and sector to sector.

Efforts to reinforce the City/RDCK approach to treating businesses as ‘clients’ rather than ‘applicants’ in a move to make Nelson and area more business-friendly is recommended (e.g. greater involvement of City/RDCK staff in ongoing BRE and economic development efforts, presentation of findings to key staff, refinement of building/planning/engineering processes, review of permitting processes with some business owners, etc). Expansion of downtown revitalization efforts with businesses playing key role (look at possible local tax concessions as incentives) could also be beneficial.

Future areas for NAEDP efforts could include taking a facilitative or leadership role on key and new issues that may have a larger impact (e.g. Cody Caves closing), working for the continuation and promotion of CBT’s summer student program, or carrying out a trial ‘parking program for visitors’ or a trial ‘dog program for visitors’. It could also be beneficial to conduct research & educate on the impacts of rising fuel prices on a per sector basis.

B. METHODOLOGY

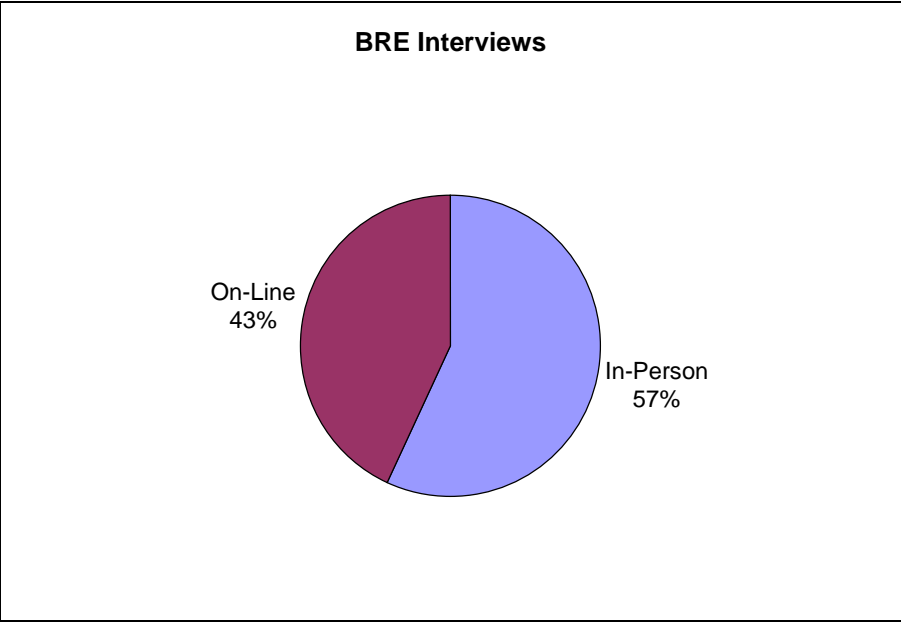
In order to properly take the pulse of Nelson and Area businesses, the Economic Development Partnership formed an ad hoc BRE Advisory Committee. The BRE Advisory Committee is made up of area businesses, Nelson & District Chamber of Commerce, City of Nelson, Selkirk College, and Community Futures (see Appendix for list). The Advisory Committee set a target of 200 businesses to complete the BRE Survey [In 2000, when BRE first took place in Nelson, about 190 businesses were surveyed.] The goal was to conduct a minimum of 100 in-person interviews and an additional 100 via Survey Monkey. The Advisory Committee set out to interview a good cross section of the Nelson and Area business community, approximating the City of Nelson business license list. In addition, businesses in Areas E & F (+ some beyond), tourism businesses, non-profit organizations, and co-operatives were added to the list, recognizing their contribution to the local economy.

A dedicated staff person, Shandi Miller, working out of Community Futures, conducted the bulk of the in-person interviews. Each of the Advisory Committee members also conducted interviews.

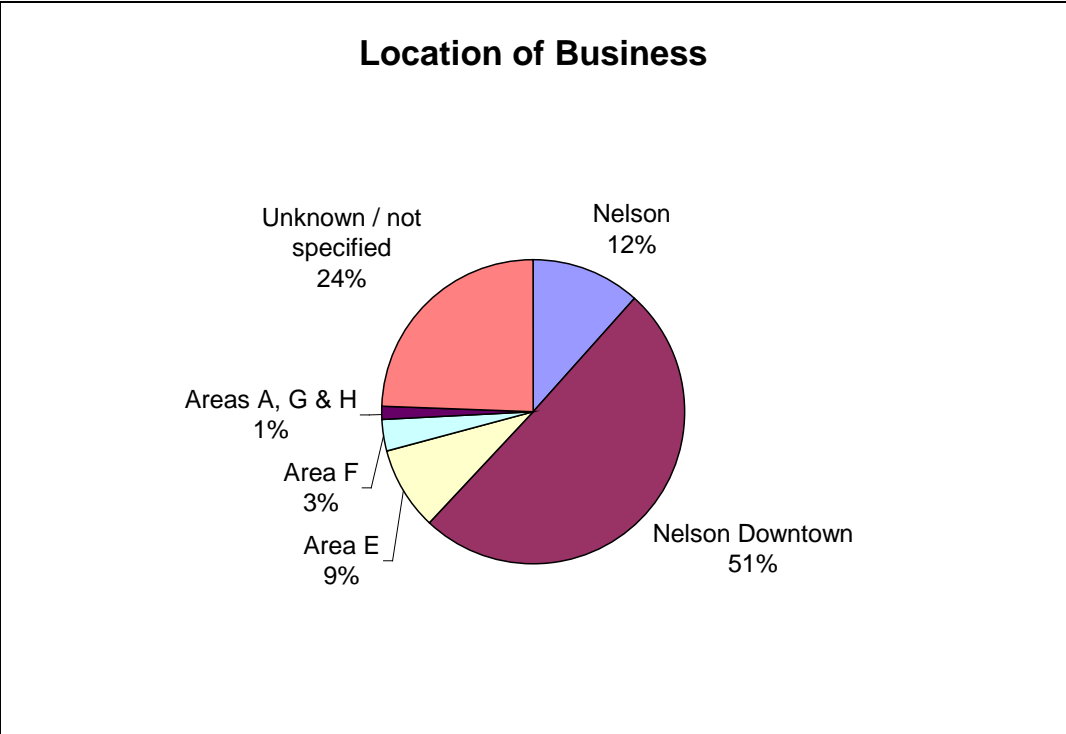
In all, 207 businesses completed surveys. (118 in-person interviews were conducted. Another 89 businesses responded to the BRE survey online).



Tom Thomson, BRE Advisory Committee Member interviews business owner Russell Stock



The Advisory Committee also tried to achieve geographical balance in accessing businesses.



Development of the Survey

The 2000 BRE survey was lengthy, taking between 1 to 3 hours to administer face-to-face. The BRE Advisory Committee felt that this survey should be shorter and more focused, emphasizing qualitative open-ended questions to ensure rich answers.

By examining the BRE 2000 Survey and those from other jurisdictions, the survey was refined over a period of several weeks by the Advisory Committee. In the end, the survey could be conducted in 20-40 minutes or self-administered over a 15-20 minute period on-line.

Where possible, the survey was sent out in advance to those being surveyed. Confidentiality was guaranteed. A training guide for interviewers was developed based on the BRE 2000 experience and drawing upon best practices from elsewhere. In addition, a training session was offered to interviewers.

The specific survey sections and areas addressed within each section are outlined below:

Sections	Areas included
1. Introduction	BRE background, survey time requirement, confidentiality clause, business contact info
2. Background	Type of business, ownership, years in business, leased/owned/home-based, marketing, affiliations
3. Present Conditions and Issues of Business	Facilities, specific difficulties, competitive advantages, success factors, challenges, innovation through new products/services, revenues, profits
4. Local Business – Buy Local	Geographic source of revenues, costs, reasons for not purchasing locally, identification of import substitution opportunities
5. Staffing - Human Resources	Current & future employment expectations, location of employees, housing affordability for employees, recruitment methods, fulfilling HR needs, training requirements
6. Investment & Innovation	Internal investments, productivity measures, effectiveness of measures, expected future investments
7. Sustainability	Measures towards environmental sustainability, cost savings, future intended investments, impediments to making investments in sustainability
8. Succession and the Future	Succession plans, key employee plans, expansion plans, relocation and destination plans, downsizing plans, means of expansion, anticipated problems/issues
9. Growth and the Future	Expected drivers of Nelson & area economy, sectors having most potential for growth, greatest challenges in the next few years, greatest potential for growth, ways sponsors can support success, urgent issues that need attention, additional information requirements, other comments

C. RESULTS— HIGHLIGHTS

This section provides a brief overview of the survey results for each of the sections contained within the survey.

Part 2 – Background

2.1 Type of business

- New descriptions of business were added in the 2010 survey to acknowledge some business types that are a substantial part of Nelson & area's business community: consulting, cultural & creative, health & wellness, professional services, forestry/silviculture.
- A number of social services organizations, co-operatives and social enterprises were also targeted (the BRE Advisory Committee acknowledged they play a significant role in the local economy) for the survey.

2.4 Owned/ Leased/ Home- based

- In all, 22% of respondents were home-based. One third of businesses owned their facilities while 45% were in leased premises.

2.5 Methods of Business Promotions

- There was a move away from traditional advertising (radio, TV, brochures, ads) to a more networked marketing (social media, other internet advertising, web-sites) from the 2000 survey although only one in four businesses have taken advantage of social media marketing (e.g. Facebook, LinkedIn, etc.)

2.6 Networks and Affiliations

- Almost 68% of 2010 respondents belonged to a business or trade organization compared with only 27% in 2000. This represents a tremendous change. Of those that belonged to a business association, 71% belonged to the Chamber of Commerce while 46% belonged to an industry or trade organization.

Part 3 – Present Conditions and Issues of Business

3.1 Size of Facilities

- 73% of businesses felt they were in the right-sized facility compared with 63% in 2000. Only 25% felt their facilities were too small compared with 31% in 2000. In 2000, 6% of businesses felt their facilities were too large, a number 4 times higher than the 1.6% in 2010.

3.2 Difficulties

- A smaller percentage of businesses reported experiencing difficulties in 2010 than in 2000. Property taxes were seen as the biggest problem (affecting 32.6% of businesses, slightly higher than 2000). However, the percentage of businesses reporting problems with by-laws, income taxes, licensing procedures and zoning regulations were about half of the 2000 numbers.

3.3 Competitive Advantages

- Reputation, quality and knowledge were listed as the top three competitive advantages of businesses (same as 2000). Location increased in importance (from 6th to 4th) while the importance of price dropped from 5th to 6th.

3.4 Biggest Factors or Qualities in Business Success

- Customer service was acknowledged as the biggest success factor by a large margin.

3.5 Major Challenges

- The three largest challenges mentioned by businesses were having enough qualified employees, competition and having high transportation and freight costs.

3.6 & 3.7 Significant Change

- 54% of businesses have had to make significant changes to their product or service mix in the last 3 years. About the same number expect to have to make major changes in the next two years.

3.8 & 3.9 Revenues & Profits

- About half of businesses saw revenues increase in the last three years compared with 63% of respondents in 2000. 23% saw revenues decline (vs 18% in 2000) while 26% saw revenue growth remain flat (vs 17% in 2000). Profitability increased for 46% of businesses. An equal number of businesses (27%) saw profits either stay the same or decrease.

Part 4 – Buy Local

4.1 & 4.2 Local Revenue and Purchases

- About half of all revenues come from local sales followed by elsewhere in BC (15%), international (13%), within Canada (11%) and Alberta (13%). One third of inputs (services, products and materials) are purchased locally (followed by elsewhere in BC (23%), international (19%), within Canada (17%), and Alberta (9%).

4.3 & 4.5 Reasons for Not Purchasing Locally

- Availability (53%) was cited as the largest reason for not purchasing locally followed by price (21%) and service (5%). Almost half of

businesses indicated they would like to be able to source more local suppliers (a detailed list is included within the report).

Part 5 – Staffing & Human Resources

5.1 & 5.3 Current & Projected Number of Employees in 3 Years

- Employers were cautiously optimistic about hiring, projecting small gains over the next 3 years (on average, moving from 7.3 to 7.5 F/T employees and from 5.3 to 6.0 P/T employees)

5.2 HR Plans in next 6 Months

- Almost 7 of 10 employers anticipated staying the same size over the next 6 months. 22% said they would likely hire, outnumbering by almost 3 times those who planned on downsizing (7.9%). 6.3% of businesses were planning to move to more flexible HR arrangements (e.g. contractors).

5.3 Critical Issues for Employees

- Cost of living was cited as a critical employee issue by 63% of employers followed by housing (43%), child care (24%) and transportation (15%). Only one in four employers said their employees faced NO critical issues.

5.5 Where Employees Live

- Fewer than half (48%) of employees in the businesses that were surveyed live in the City of Nelson. 22% live in the Balfour and Bonnington area, 13% Bonnington to the Junction & Slocan Valley, 9% Castlegar/Trail and 8% Ymir/Salmo.

5.7 Recruiting New Employees

- Word of mouth (78%) and local ads (42%) were still the methods of choice for recruiting, similar to 2000 numbers. 26% of businesses were using the internet to recruit (up from 10% in 2000). At the same time, using traditional HR departments and employees ads in major centres had fallen by half from 2000.

5.8 Special HR Measures

- More than 6 in 10 businesses have had to use special measures to accommodate their work force in the last 3 years. 40% have offered higher pay, 31% have offered flex time, 20% more training and 18% more time off.

5.9 & 5.11 Additional Training Required

- Almost 2 in 3 businesses said they require additional training. 80% of business said that if training were convenient, available and affordable they would take it. Customer service, social marketing and sales/marketing were the most frequently listed training needs.

Part 6 – Investment & Innovation

6.1 Investment over the Last 3 Years

- Two of three businesses have invested in capital purchases in the last 3 years with 55% adding technology upgrades, 36% making investments in training, 27% in expansion of facilities.

6.2 Increasing Productivity & Competitiveness

- The internet was seen as the best method of increasing productivity and competitiveness, cited by over half of businesses. Staff training (41%) networking (39%) and conferences/ trade shows (38%) were the next most popular answers.

6.3 Most Effective Means of Increasing Productivity

- Staff training was seen as the most effective means of increasing productivity doubling all other answers. Streamlining process and workflow, word of mouth, networking, increasing quality of service, and investing in technology also garnered significant responses.

6.4 Plans to Invest in Expansion or Renovations in Next 3 Years

- One in three businesses plan on investing NO new money in expansion or renovations over the next 3 years. Meanwhile, one in three businesses plans on investing more than \$20,000. Five percent of businesses had plans on investing \$500,000 or more.

Part 7 – Sustainability

7.1 & 7.2 Steps Toward Environmental Sustainability

- 75% of businesses have taken steps towards sustainability in the last 18 months. Of these businesses, 83% employed recycling and waste reduction measures, 51% energy reduction measures and 47% sourcing environmentally friendly goods or services.

7.3 Any Cost Savings?

- 34% of businesses had achieved no cost savings while 29% had achieved some savings. 21% said it was too early to tell, while 16% were unsure.

7.4 & 7.5 More Investment in the Future?

- Only 37% of businesses plan on making more investments over the next 18 months to make their businesses more environmentally sustainable. The primary reason cited for this was that businesses did not know where to start.

Part 8 - Succession & the Future

8.1 & 8.2 Intention to Sell or Retire

- 37% of business plan on selling or retiring over the next 10 years. 16% of respondents said they would never retire. Only 8% of businesses have a written succession plan although an additional 24% of businesses are in the process or creating one.

8.4 Expansion Plans

- Half of businesses planned on expanding in the next 3 years in 2000. In 2010, just 38% of businesses saw expansion plans in the next 3 years. However, just 1.6% of businesses were considering downsizing in 2010, compared to almost 5% in 2000. 57% of businesses planned on staying the same size in this year's survey compared with just 39% in 2000.

8.4, 8.5 & 8.6 Relocation of Business

- In 2000, 16% of businesses had relocation plans in their future. In 2010, the number was just 10%. Of those considering relocation, 70% would do it in the Nelson area, 15% elsewhere in the Kootenay Boundary. 15% of those relocating would do it outside the area. Among the reasons cited were: be closer to markets, be more competitive, difficulty in attracting skilled employees, high property taxes, high housing costs, be more competitive, lack of industrial land, and number of power outages.

8.9 Anticipated Problems with Resizing

- The affordability of space was cited by 15% of businesses as a possible problem with resizing. Zoning (12%), timing (11%), financing (10%) and labour (9%) were also frequently cited problems. In contrast, the 2000 surveyed revealed businesses anticipating far more problems with resizing with one in three worried about financing, 22% about zoning/regulations and 18% labour.

Part 9 – Growth & Success

9.1 Predicted Drivers of Local Economy

- Tourism was seen by 66% of businesses to be one of the top two drivers of the Nelson and area economy over the next decade. Rounding out the top 5 predicted economic drivers were relocation of people from urban centres (48% of businesses), arts & culture (22%), technology-based businesses (19%), and health and wellness businesses (17%).

9.2 Greatest Potential for Growth

- Tourism, tech-based business and green/environmental businesses were seen as the three most promising areas for business or economic growth.

9.3 Greatest Challenges & Threats to Your Business

- Concerns about the threat of the global economy dwarfed all other responses on this question by at least a 3:1 margin. Freight/transportation/fuel costs, more local competition, rising cost of parts/materials and ingredients rounded out the top 4 responses to this question.

9.7 Additional Info Requested

- 36% of respondents were interested in getting more information on networking opportunities with local business. Other information that businesses expressed interest in were succession planning (34%), seminars/events/ keynotes (32%), info on making business more environmentally sustainable (29%) and peer mentorship opportunities (25%).

D. RESULTS –DETAILED RESULTS & GRAPHS

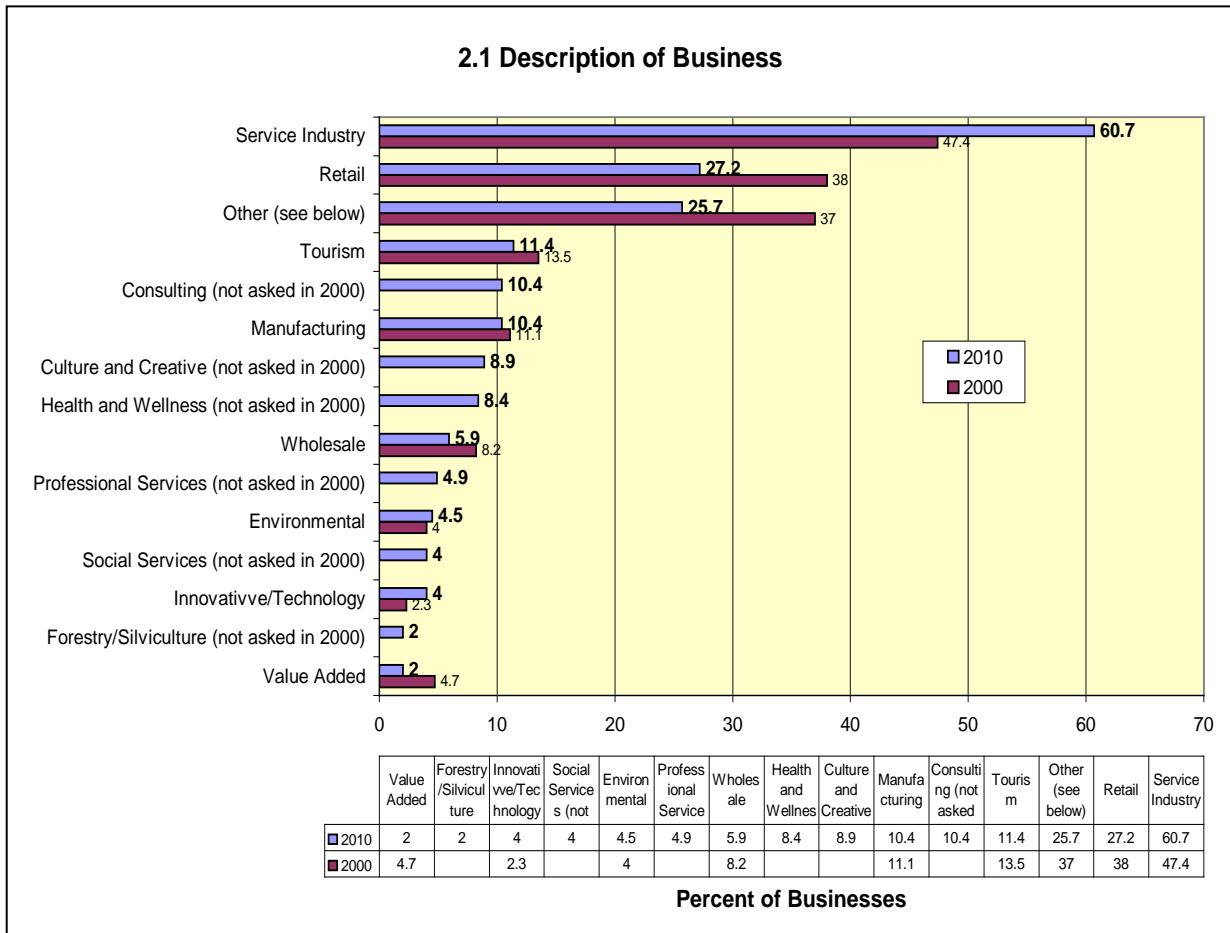
PART 2 – BACKGROUND

2.1 What best describes your business services?

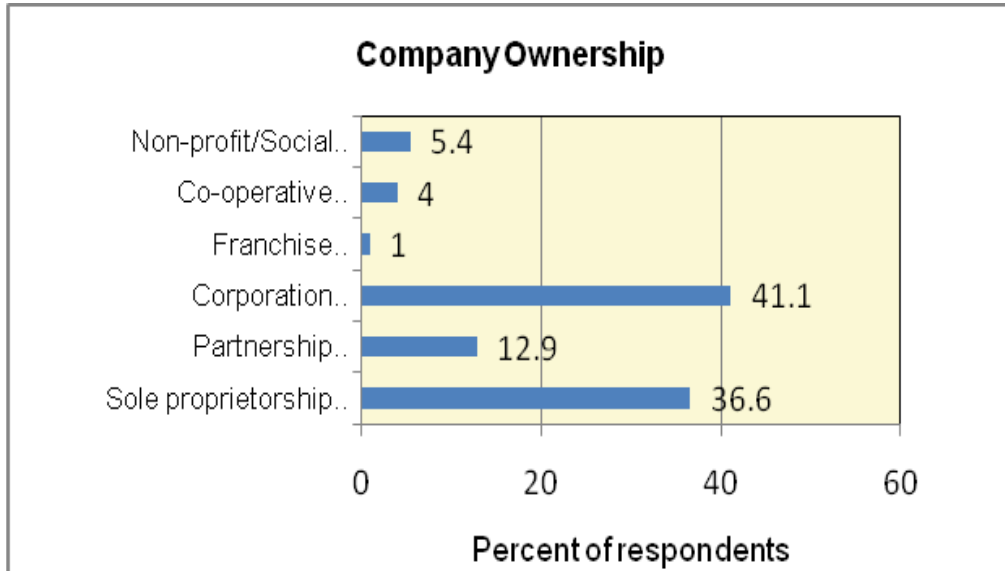
The top four responses are:

- service
- retail
- other
- tourism

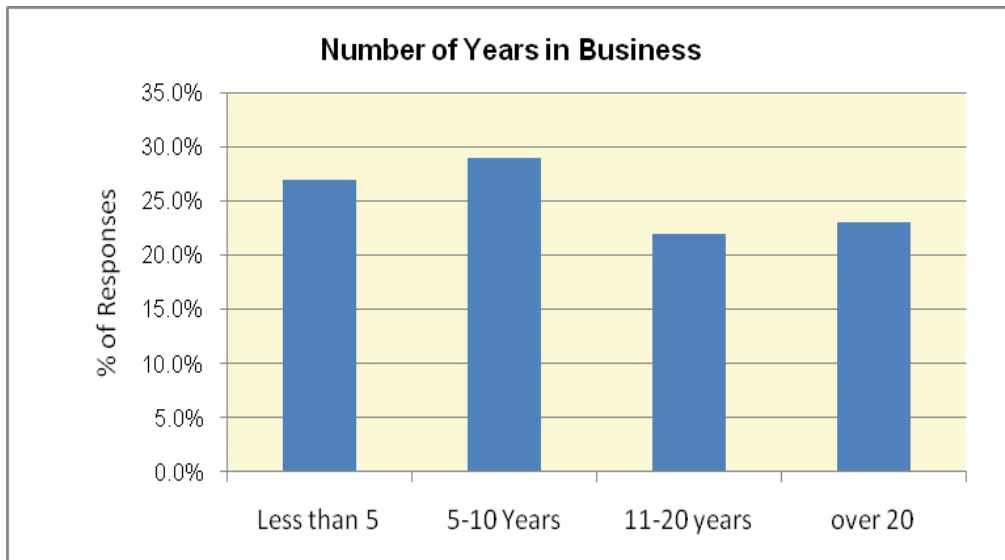
These are quite interrelated – a service industry may also be retail or it may be a tourism business. Many of the individual comments in "other" are service, tourism or retail as well.



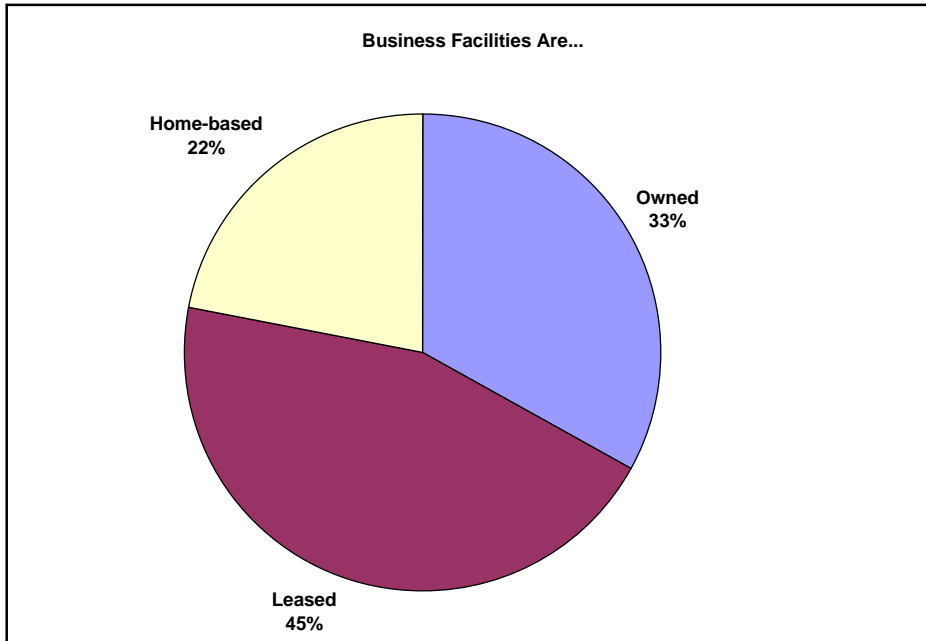
2.2 Describe company Ownership



2.3 Number of Years in Business



2.4 Your local business facilities are...



	Number	Percent
Owned	70	33
Leased	96	45
Home-based	45	21
Total	211	100

2.5 By what methods do you promote or market your business?

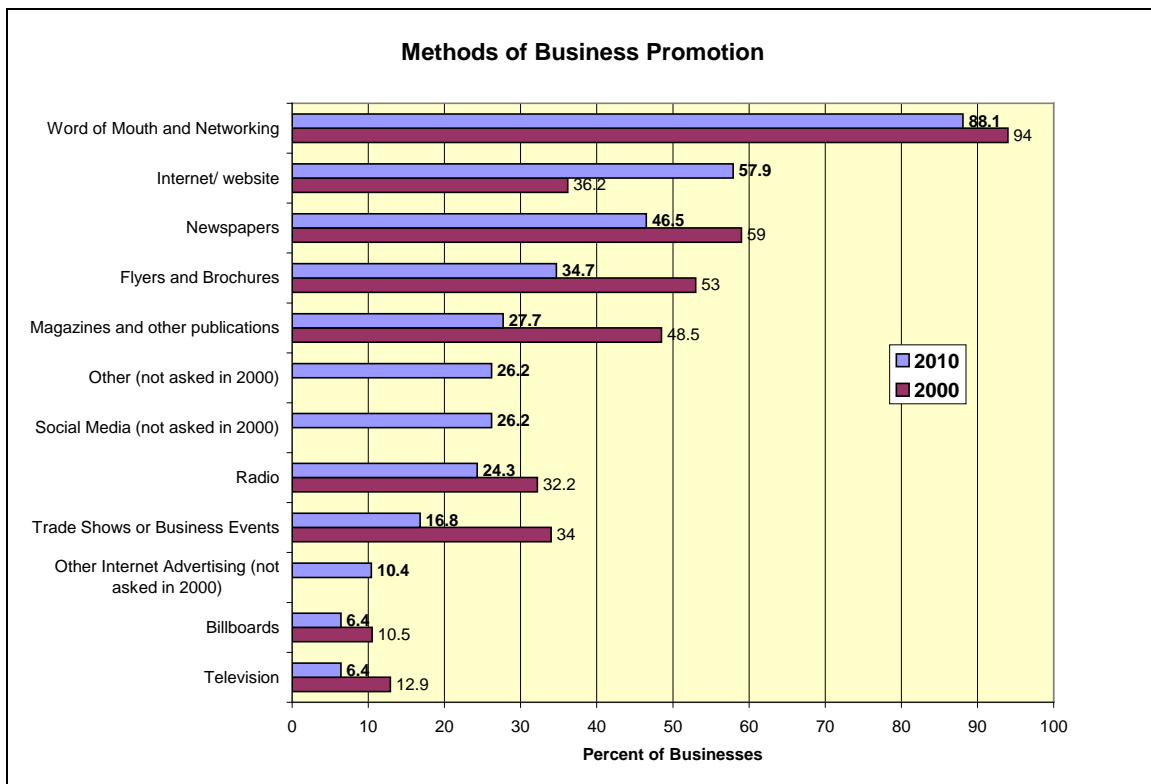
The top three responses for 2010 are:

- Word of mouth (by far)
- Internet
- Newspapers

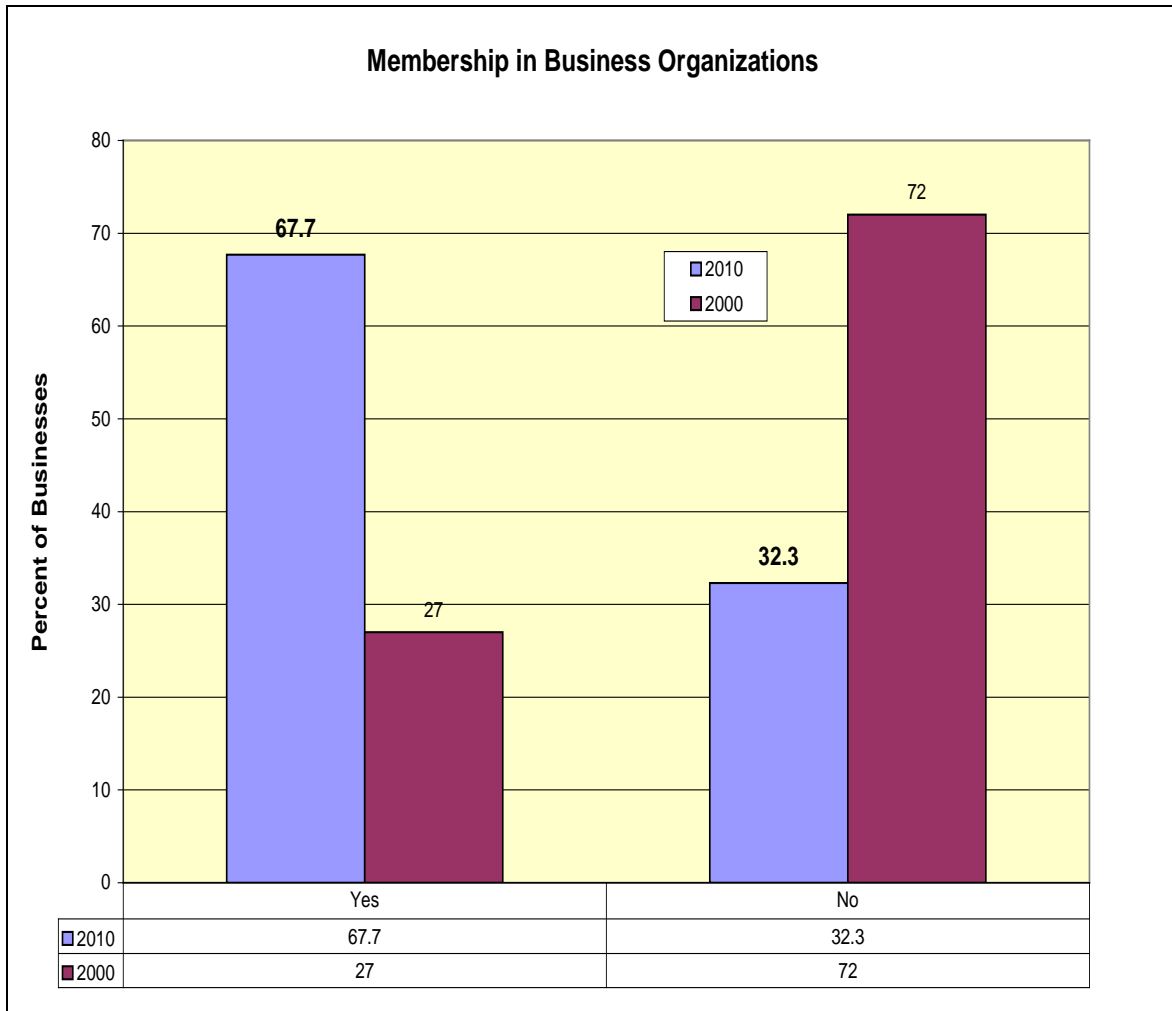
Since 2000, the internet overtook newspapers, flyers, and magazines.

The "other" comments give dozens of individual methods, for example:

- "Bus bench on Vernon Street (very effective)"
- "Hosting of charitable events"
- "Publishing technical papers at international conferences"
- "Vehicle signage"



2.6 Do You Belong to Business Or Trade Organizations?



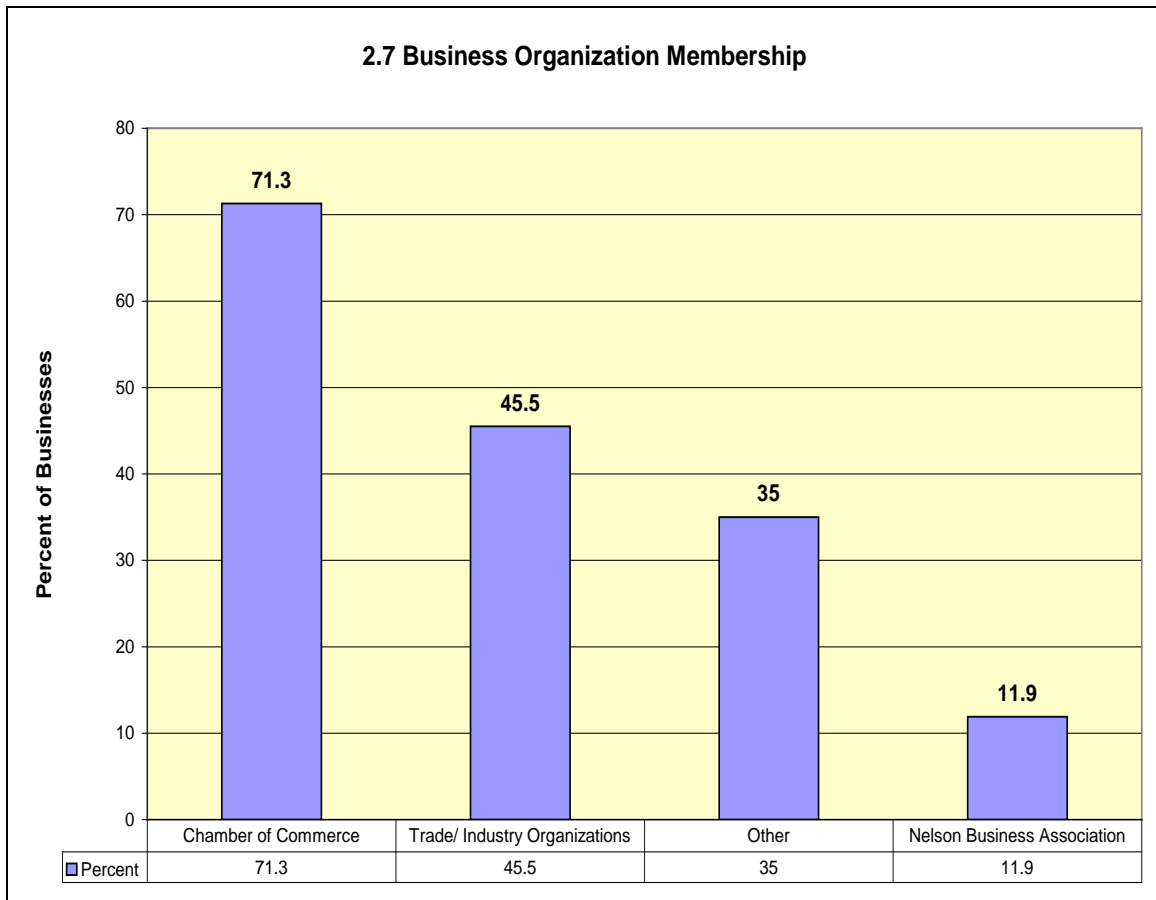
2.7. If Yes to Previous Question, To Which Do You Belong?

The four choices came out in the following order:

- Chamber of Commerce
- Trade/ industry organizations
- Other
- Nelson Business Association

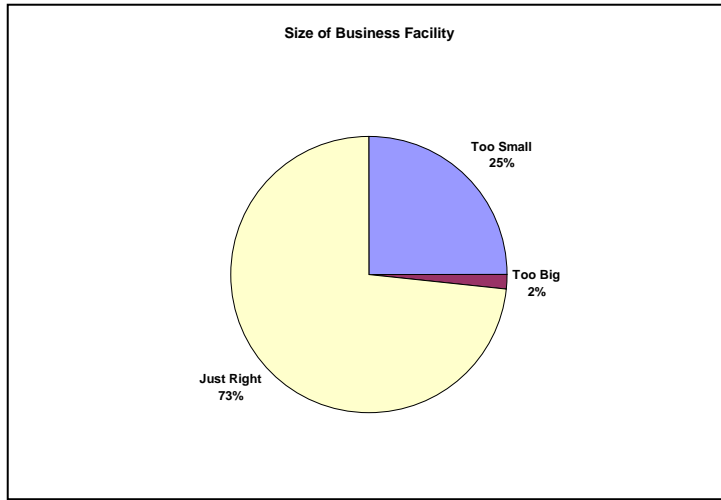
Many of the responses under "other" were actually single mentions of specialized trade organizations or professional organizations. Examples:

"B.C. Restaurant Association"
"Forest Nursery Association of B.C."
"Artisans of Crawford Bay"
"B.C. Bed and Breakfast Guild"



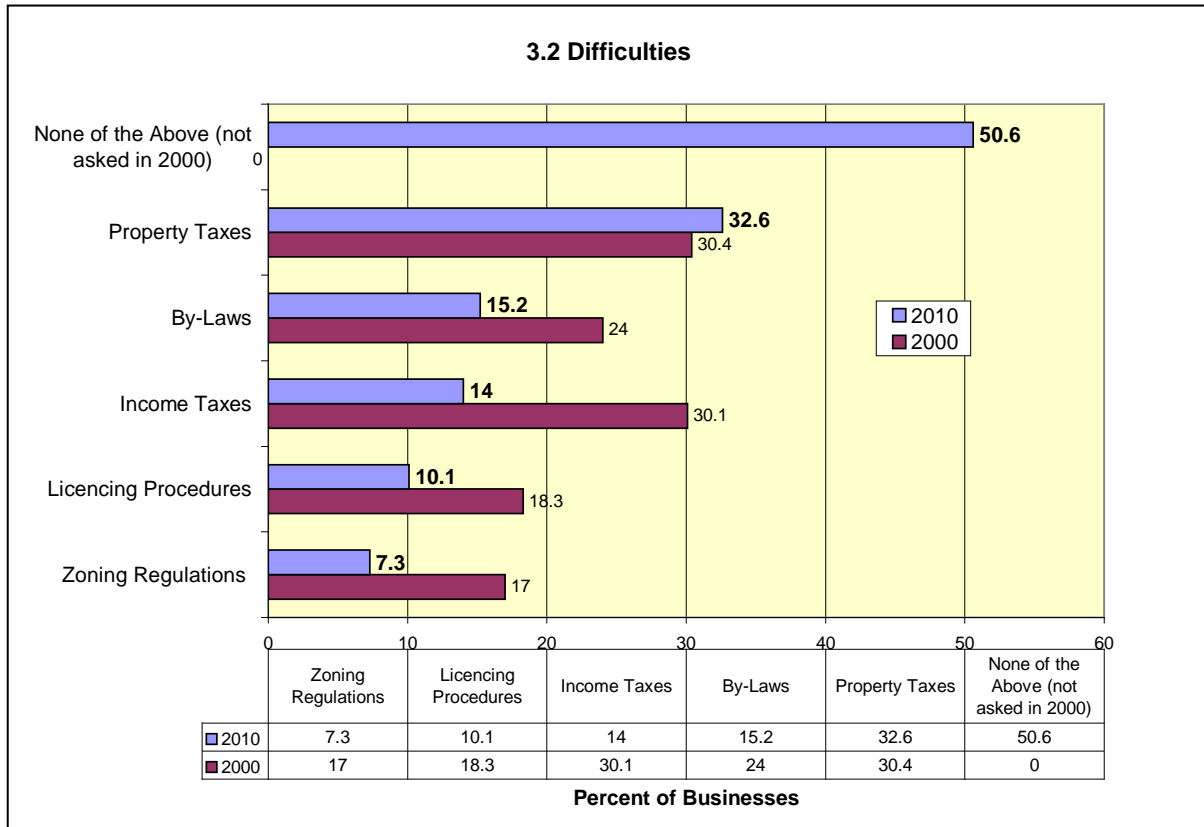
PART 3 – PRESENT CONDITIONS AND ISSUES OF BUSINESS

3.1 Are Your Facilities...



3.1 Size of Facilities				
	2010		2000	
	Number	Percent	Number	Percent
Too Small	48	25.1	53	31
Too Big	3	1.6	10	6
Just Right	140	73.3	108	63

3.2 Do Any of the Following Present Difficulties?



3.3 What Are Your Competitive Advantages?

The top three responses, in both 2000 and 2010, were:

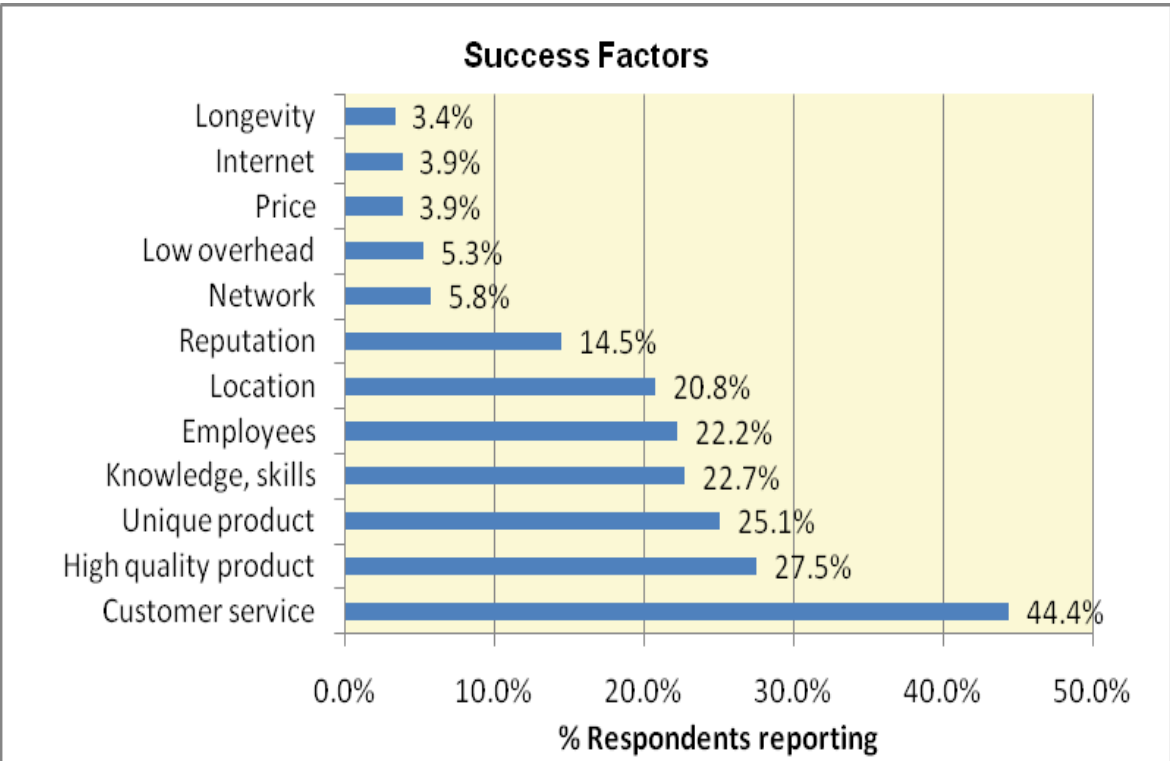
- Reputation
- Quality
- Knowledge

Most of the comments under "other" were actually variations on those main themes. For example:

- "Been around 14 years"
- "My business is very unique to Nelson"
- "Customer service, ethics"
- "Community involvement"



3.4 What are the three biggest factors (or unique qualities) in the success of your business?



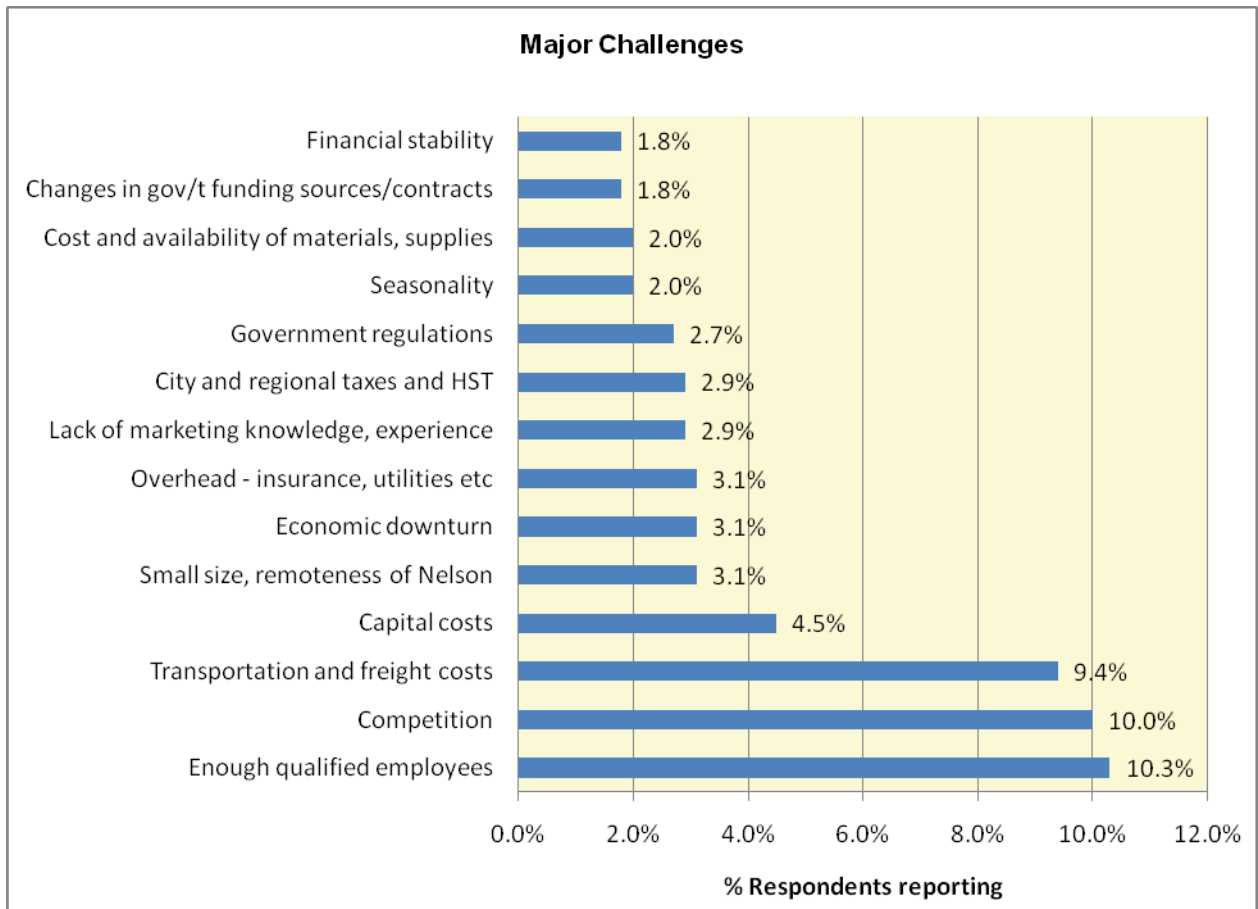
The top categories were:

- Customer Service
- Quality product
- Unique Product

The categories in the above graph were not given as choices to the participants. It was an open-ended question asking for a written response only. The categories above were derived from the trends in the written responses. A response was included in the "other" category if it was relatively unique, and there were dozens of those. As an indication of the diversity of those responses, here are some examples:

- "Communicate with accountants regularly"
- "Receiving a SummerWorks B.C. grant"
- "We are non-profit so don't pay federal taxes"
- "Affordability of housing"
- "Eco-certified wood"

3.5 What are the three largest challenges facing your business?



The top scores were:

- Not enough qualified employees
- Competition
- Transportation and freight costs

The "other" category in this section had these items with several mentions each:

- Lack of Parking
- Lack of space to expand
- High rent/lease costs
- Unreliability of airport
- Big box and Kelowna/ Spokane competition
- Lack of tourists
- Off-Baker Street location

3.6 Have you added new products or services in the last 3 years that significantly affect or change your business?

More than half of all respondents have added new products or services in the last 3 years that significantly affected or changed their business.

Respondents were asked to list the services or products they have added. Those responses were quite specialized, mentioning a great variety of things specific to particular businesses.

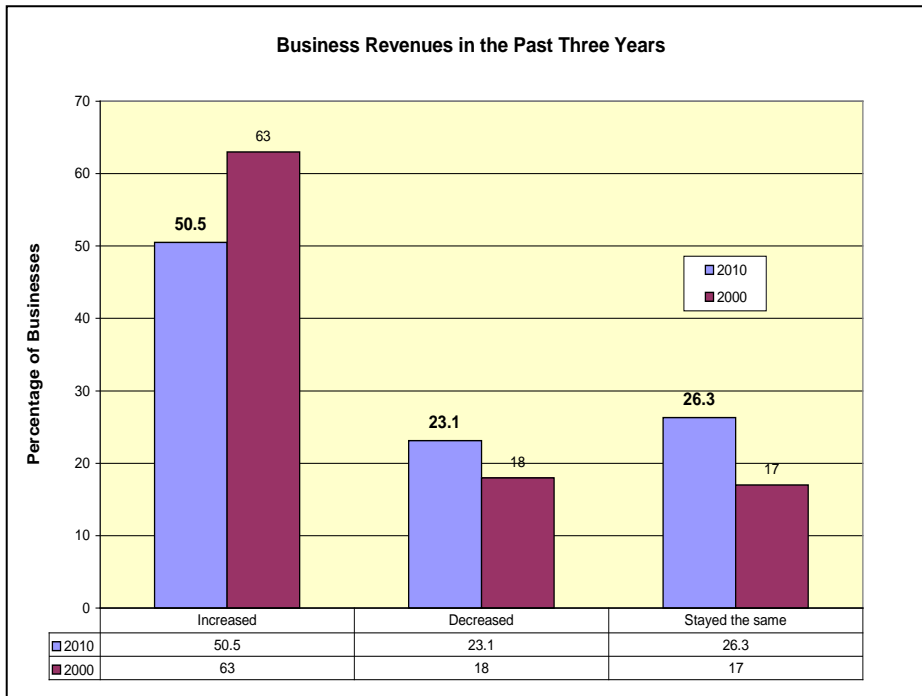
3.7 Do you anticipate adding new products or services in the next two years that significantly affect or change your business?

More than half of all respondent intend to add new products or services in the next two years that will significantly affect or change their business.

Respondents were asked to list the services or products they intend to add. Those responses were very specialized, including a great variety of things specific to particular businesses. Examples:

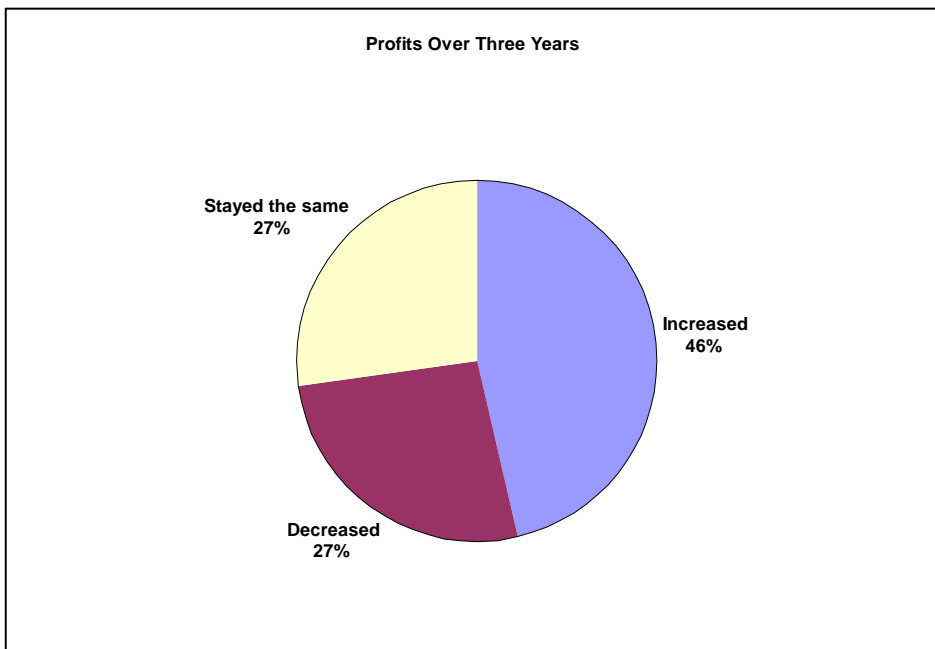
- "Bigger digital printer"
- "GPS system in carts"
- "Building our own reception centre"
- "Adding a B&B"

3.8 Have Business Revenues Over the Past Three Years....



3.9 Have Profits Over the Past Three Years....

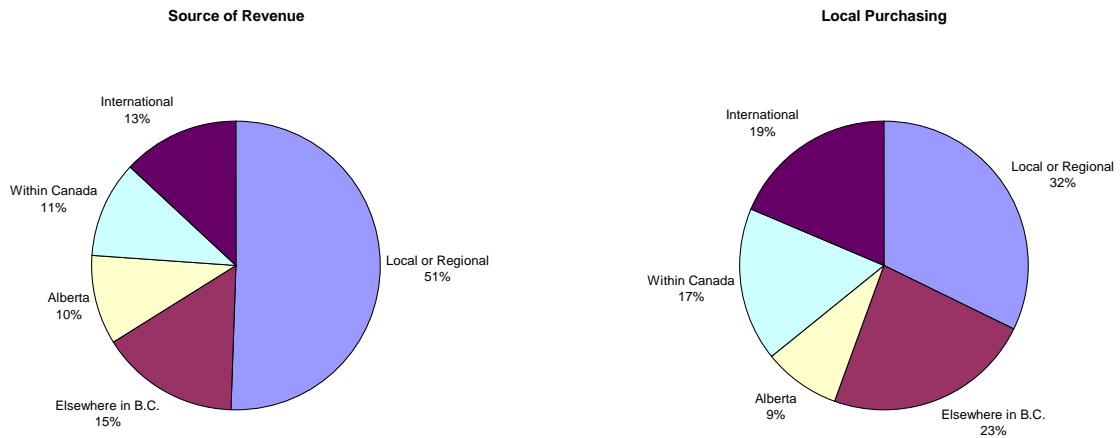
Profits Over Three Years		
	Number	Percent
Increased	84	46.4
Decreased	48	26.5
Stayed the same	49	27.1



PART 4 – LOCAL BUSINESS, BUY LOCAL

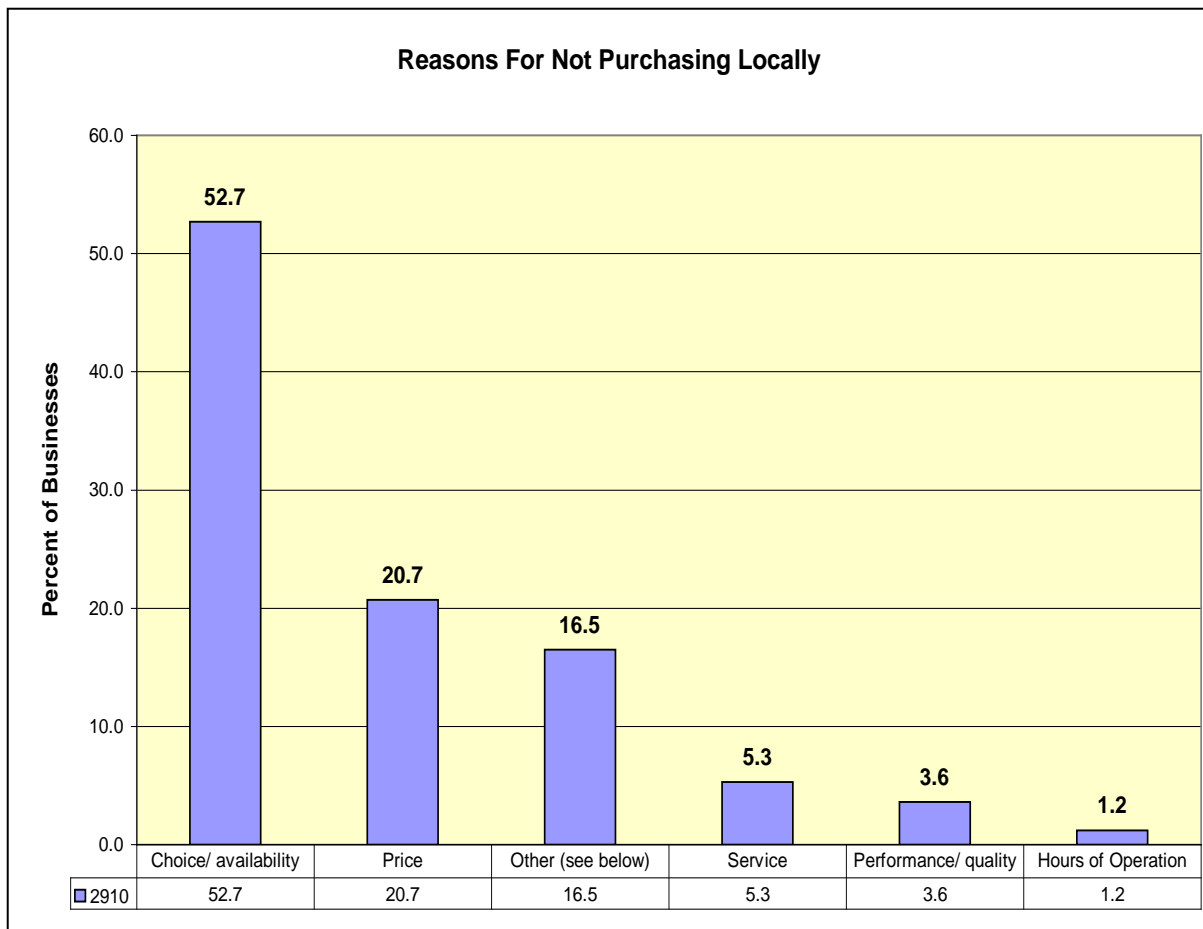
4.1 Estimate your percentage of business revenue from the following locations *and*

4.2. What percent of the three major services, products or materials used in your business are purchased in the following locations



4.1 Source of Revenue			4.2 Purchase Location		
	Number	Response average		Number	Response average
Local or regional	178	51%	Local or regional	166	32%
Elsewhere in B.C.	127	15%	Elsewhere in B.C.	140	23%
Alberta	93	10%	Alberta	57	9%
Within Canada	81	11%	Within Canada	83	17%
International	77	13%	International	74	19%

4.3 If you are not purchasing goods and services locally, why not?

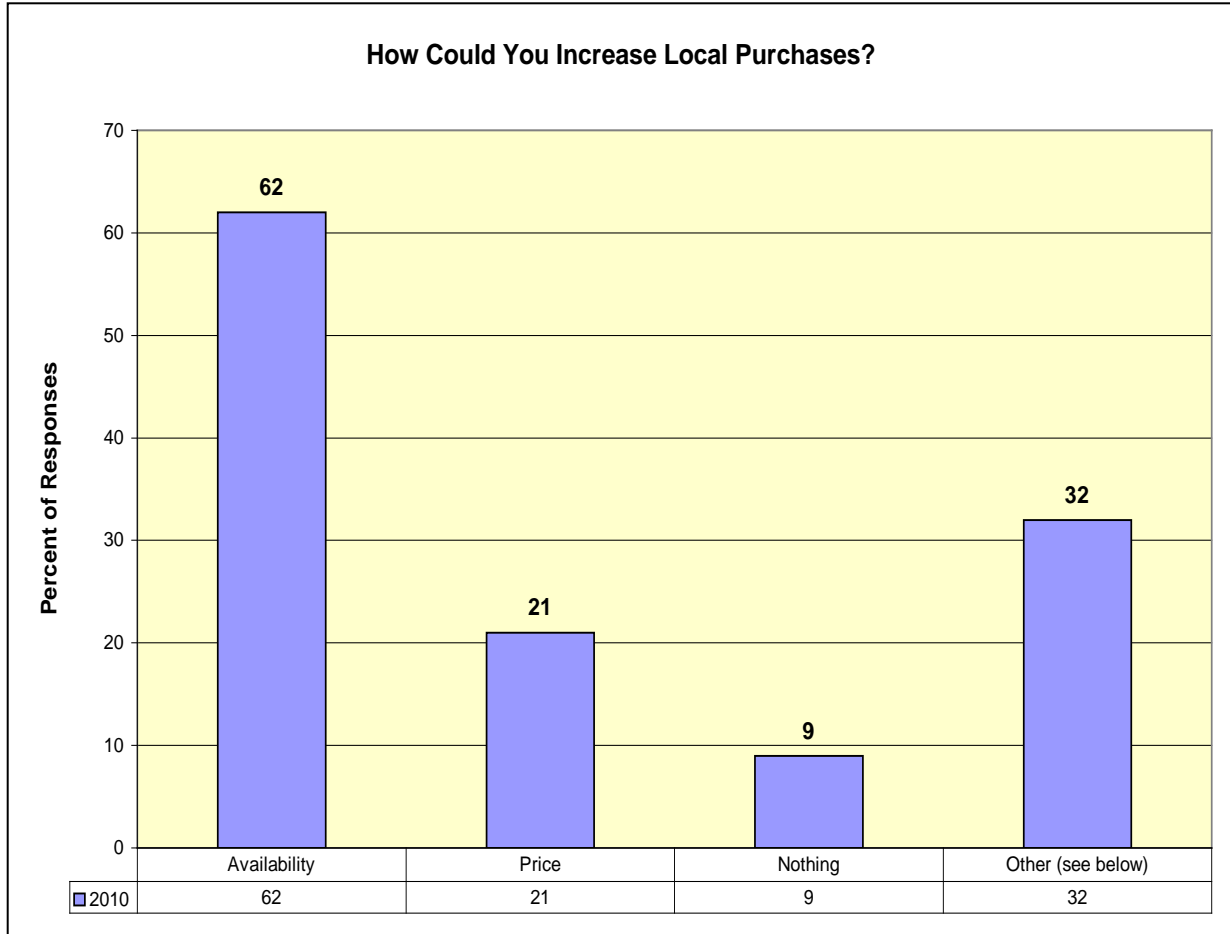


The top responses were:

- Choice and availability
- Price
- Other
- Service

The "other" responses were specialized reasons pertaining to specific. Many of them were other ways of stating the responses above, mainly choice and price.

4.4 If goods are purchased outside of the local area, what can be done to increase your volume of local/regional purchases?

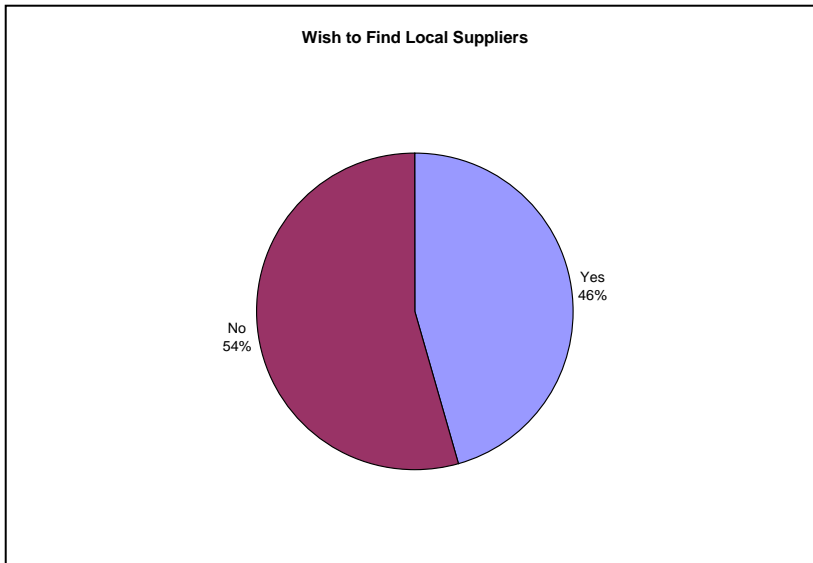


The responses in order of frequency were:

- Availability
- Price
- Nothing
- Other

The "other" responses were individual specialized suggestions, but most of them were, one way or another, about availability or price. Many mentioned specialized products not available locally.

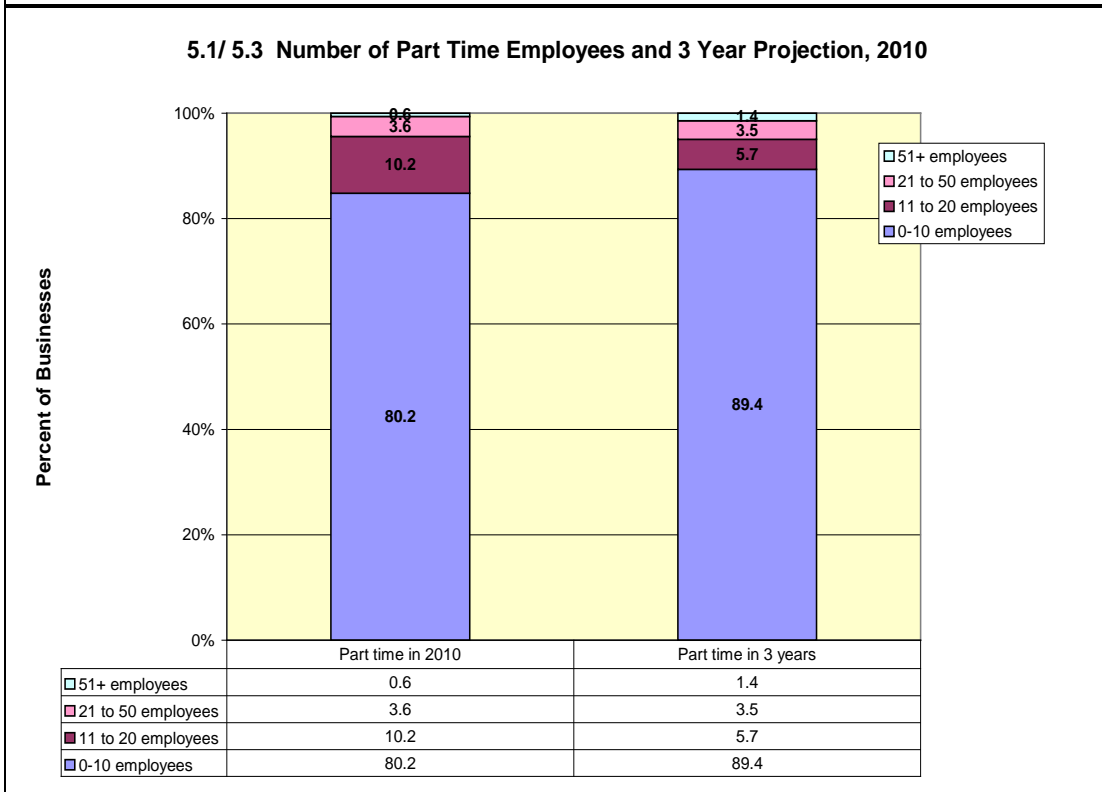
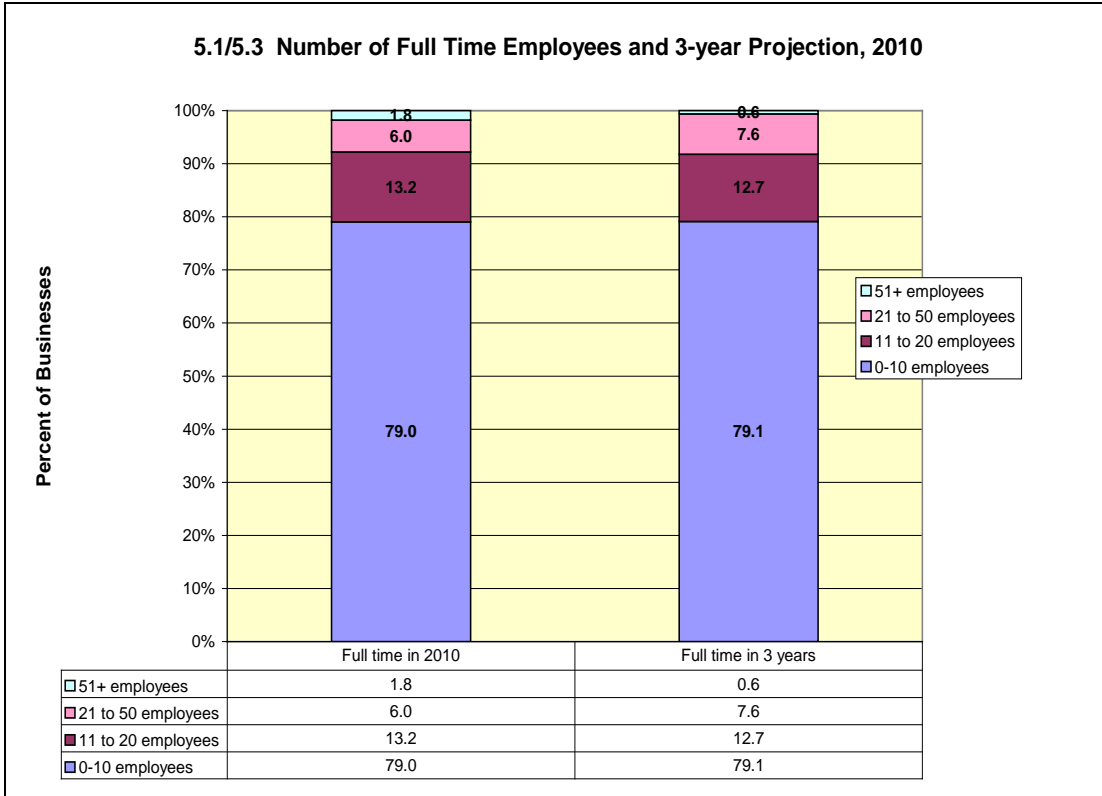
4.5 Are there any products, supplies or services you wish to find suppliers for locally/ regionally?



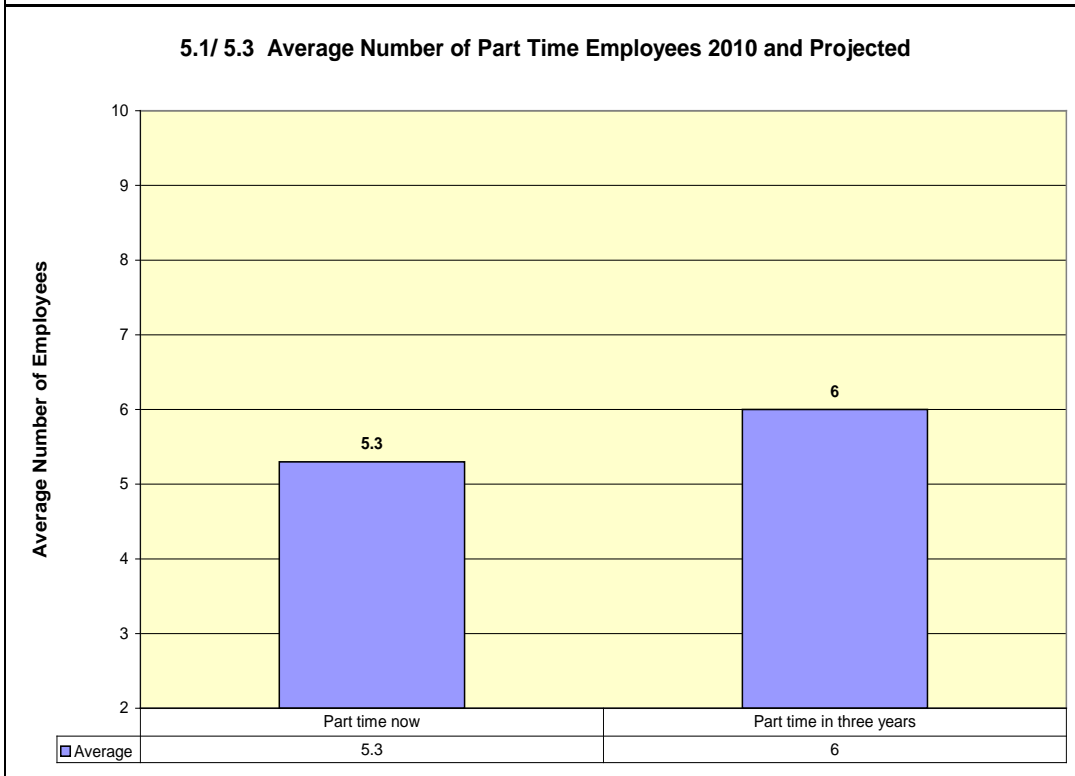
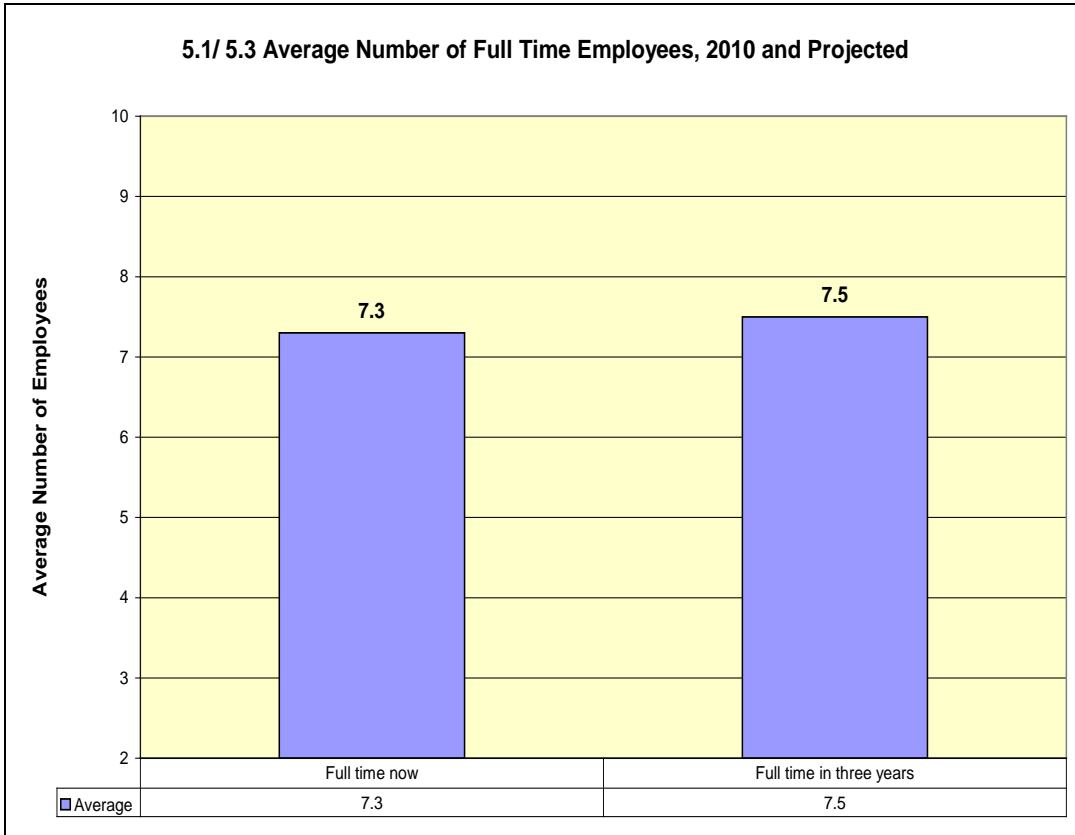
Most answers were individual specialized suggestions (see question 4.4 as well).

PART 5 – STAFFING AND HUMAN RESOURCES

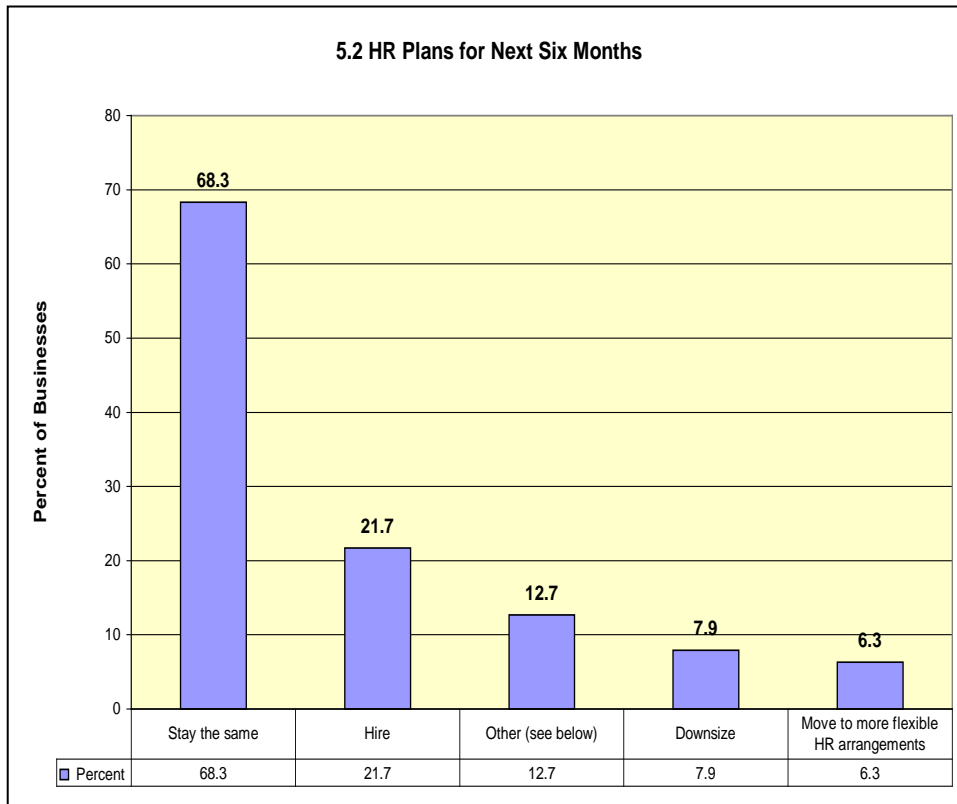
5.1 and 5.3 How many full time / part time employees do you have in 2010, and how many do you project in three years?



5.1 and 5.3 Average number of full time / part time employees in 2010, and average number projected in three years?



5.2 With respect to employees, in the next six months do you plan to...



The responses in order of frequency were:

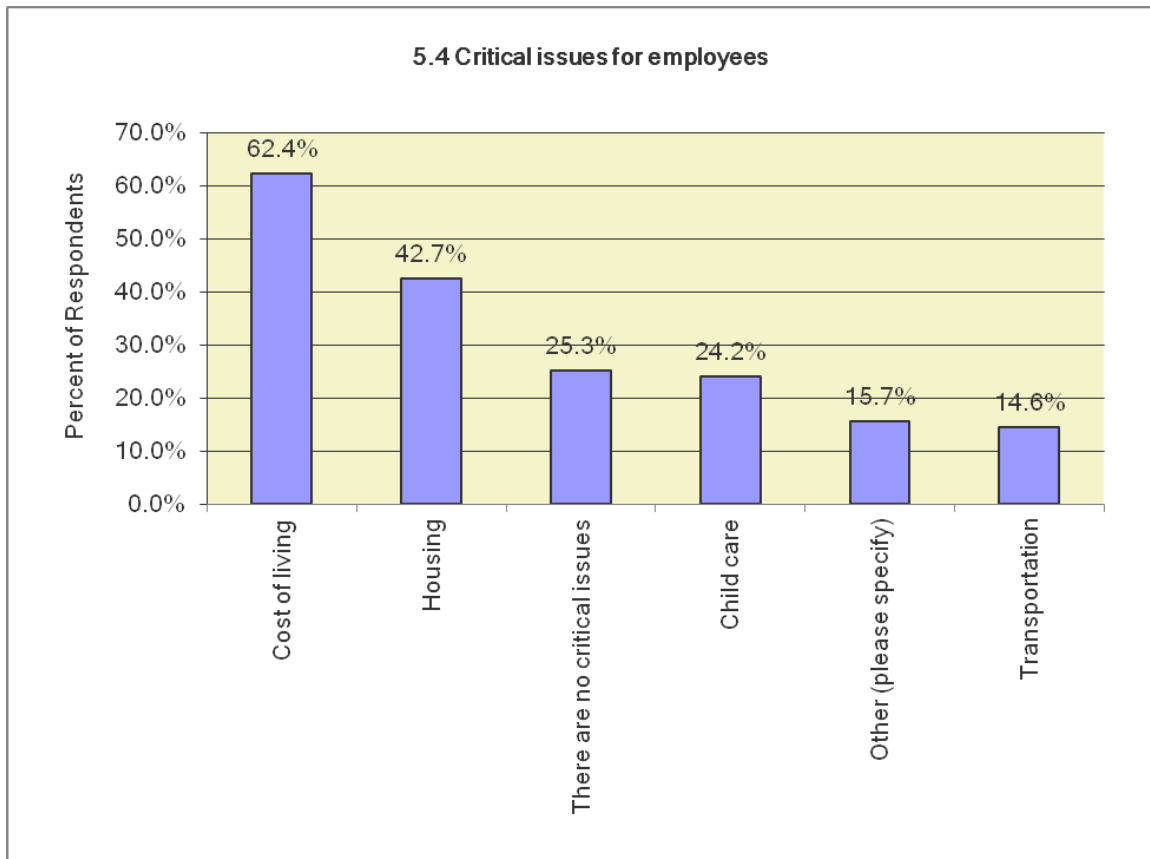
- Stay the same
- Hire
- Other
- Downsize
- Move to more flexible HR arrangements

The "other" responses were individual specialized suggestions.

5.4 What are critical issues for your employees?

The responses in order of frequency were:

- Cost of Living
- Housing
- None
- Child care
- Other
- Transportation



Here are some examples of "other" responses. There were several mentions of wages.

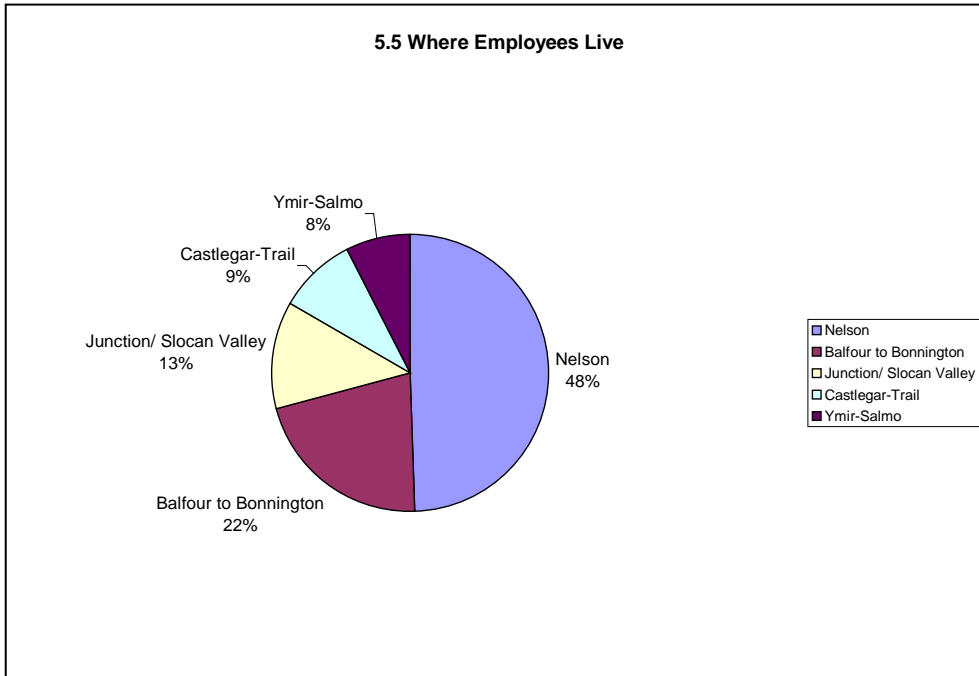
"Wages. They want competitive wages."

"Improved bus system"

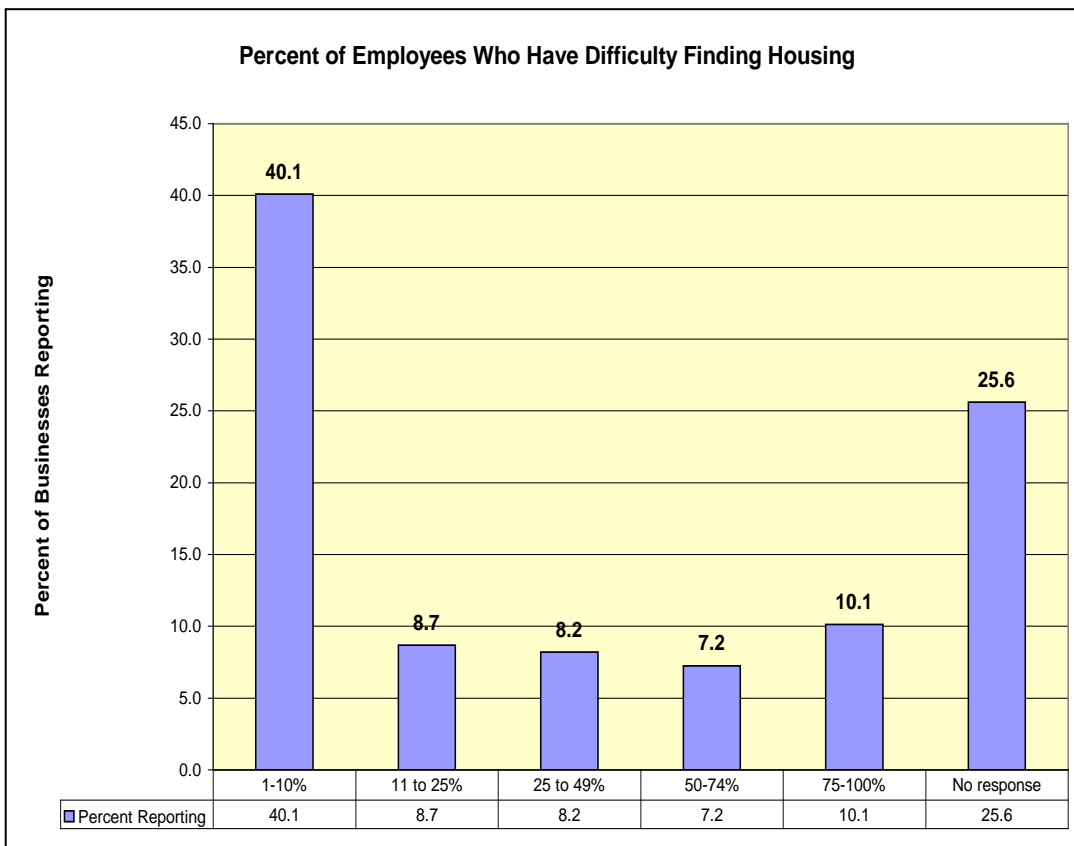
"They're worth more than I can afford to pay them"

"Lack of skill, experience, or training"

5.5 What percentage of your employees live in...



5.6 What percentage of your staff/employees are finding it difficult to obtain adequate housing (e.g. affordable, nearby, etc.)?

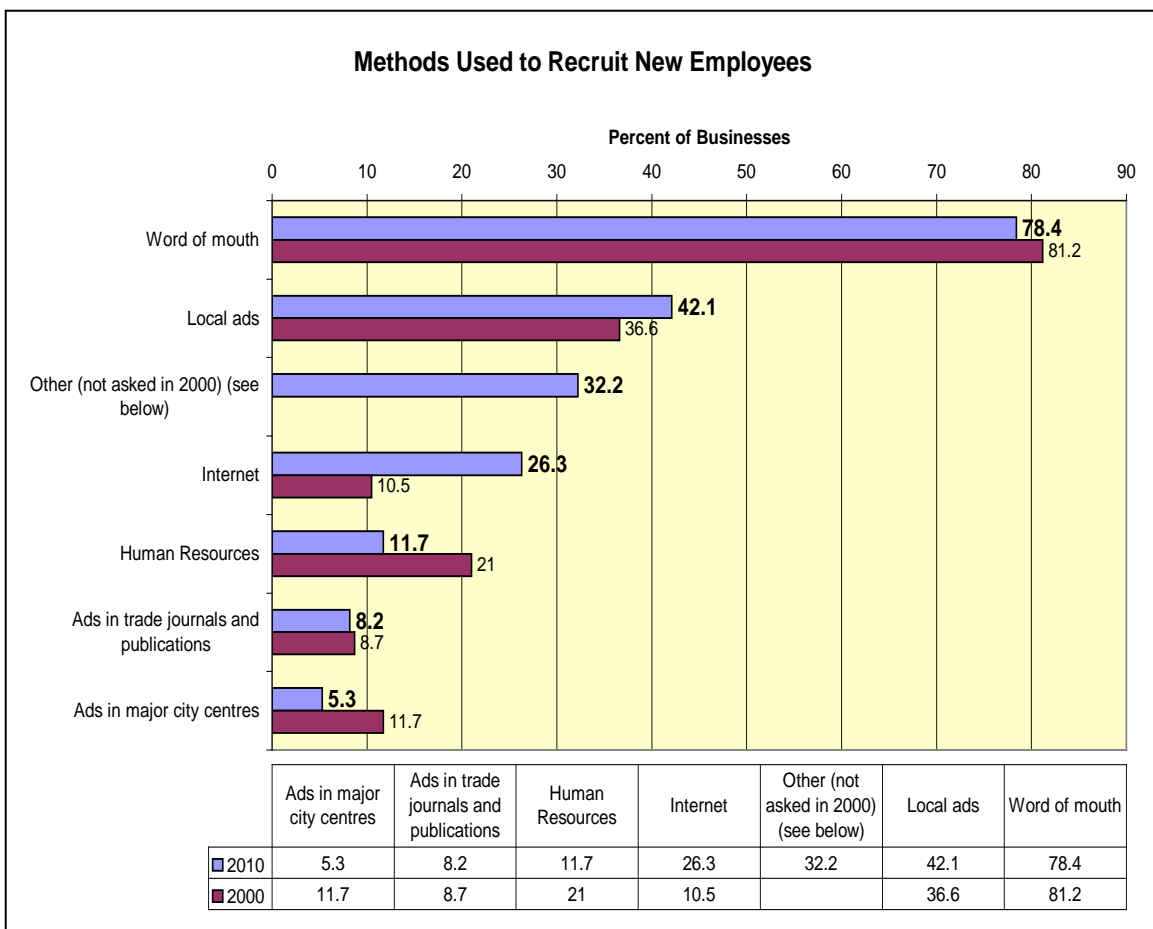


5.7 By what methods do you recruit new employees?

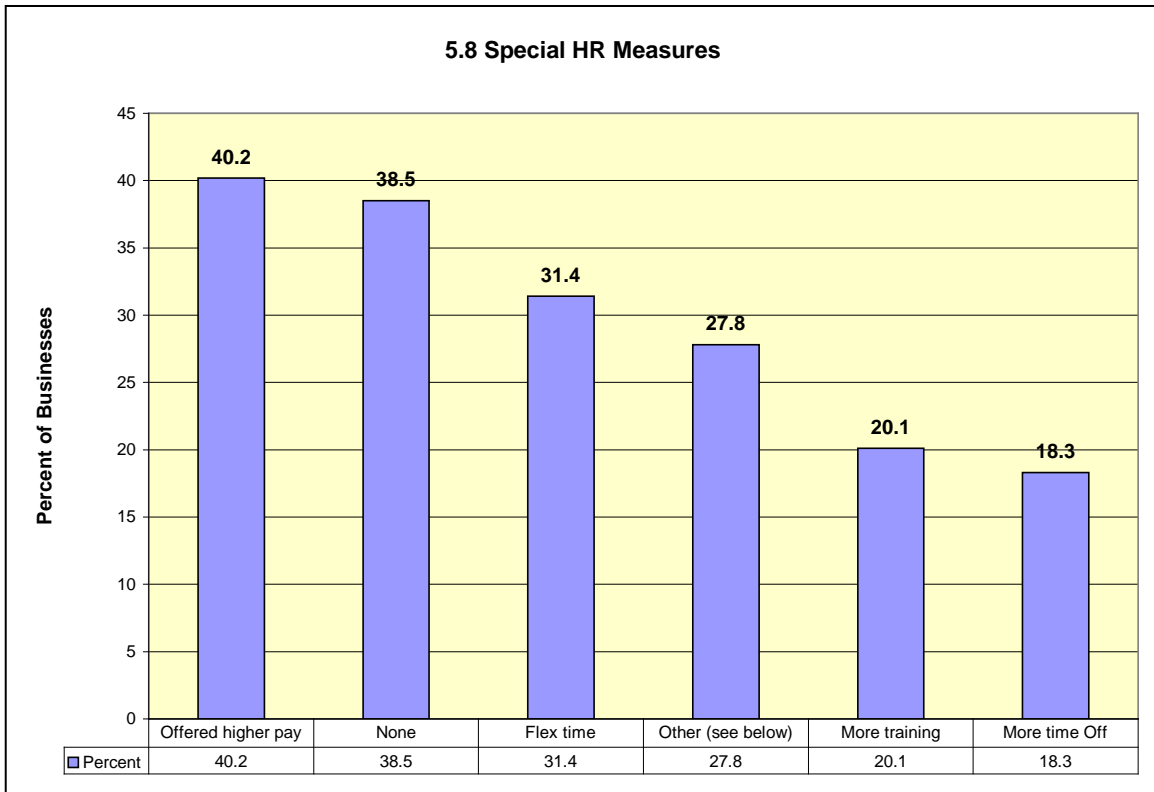
The responses in order of frequency were:

- Word of mouth
- Local ads
- Other
- Internet

In the "other" section KCDS was mentioned several times, as was the reliance on people dropping off resumes.



5.8 In the last 3 years have you taken any special measures to fulfill your HR needs?

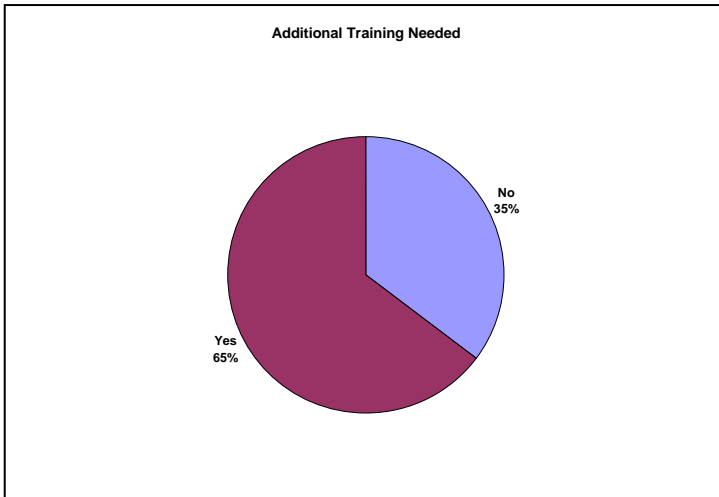


The responses in order of frequency were:

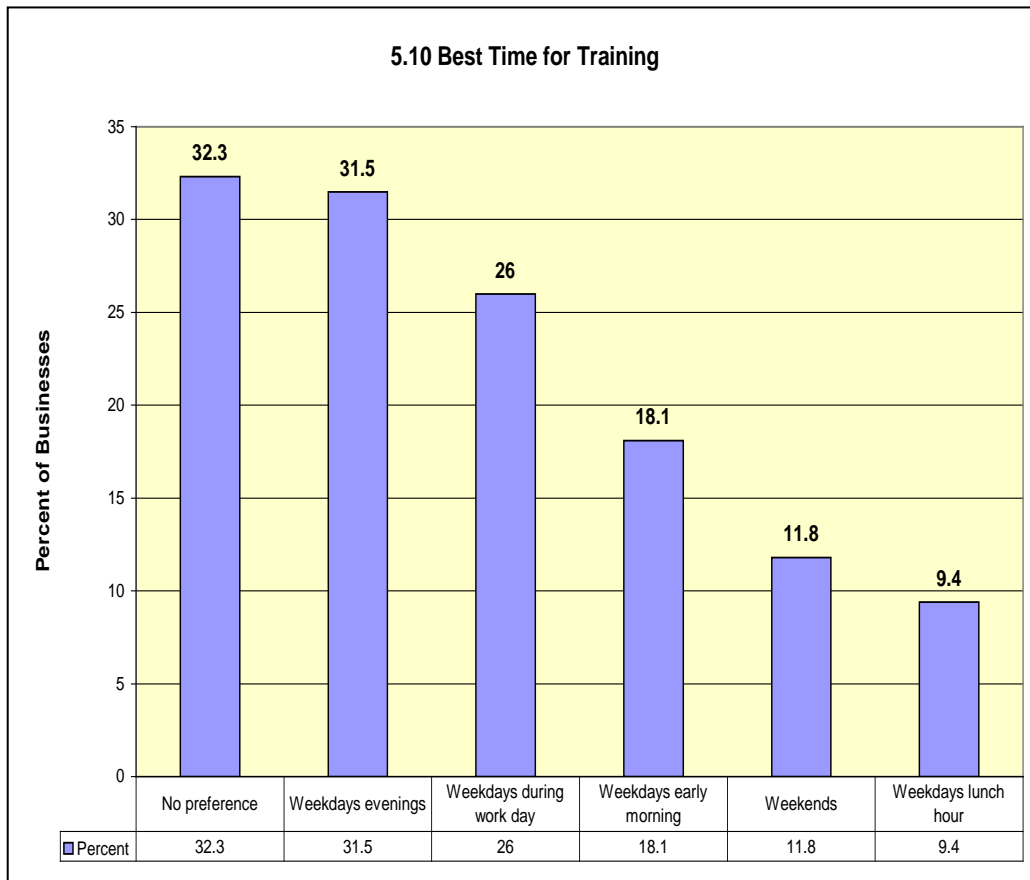
- Offered higher pay
- None
- Flex time
- Other
- More training
- More time off

For the most part, the "other" responses were essentially different ways of stating the items listed above.

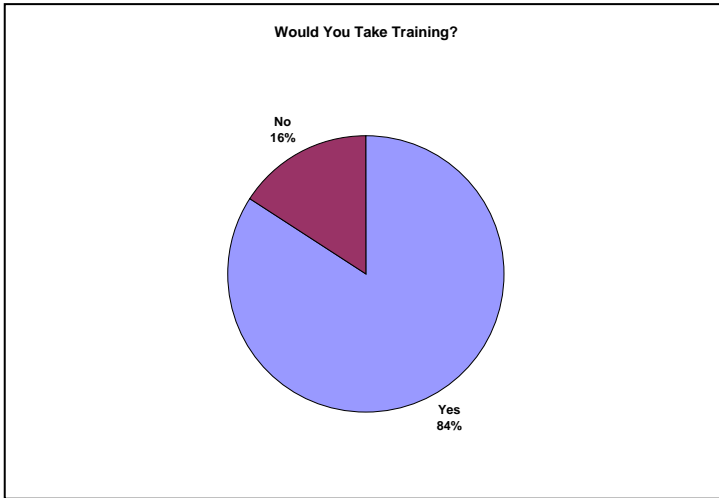
5.9 Do you feel you or your staff may require additional training?



5.10 If training were available, what would be the best time to provide it to meet your needs?

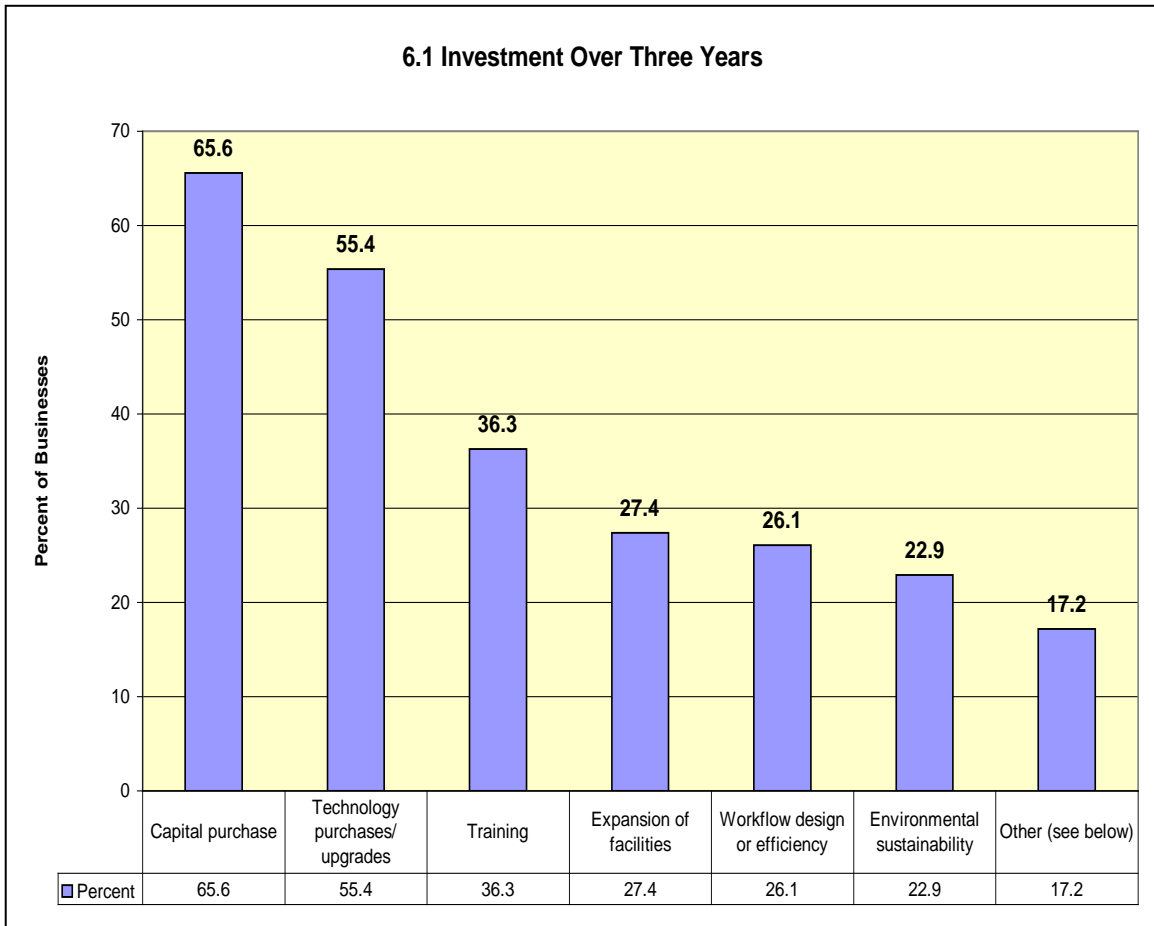


5.11 If training were available, convenient and affordable, would you take advantage of it?



PART 6 – INVESTMENT AND INNOVATION

6.1 Over the last 3 years, has your business expended significant resources investing in...

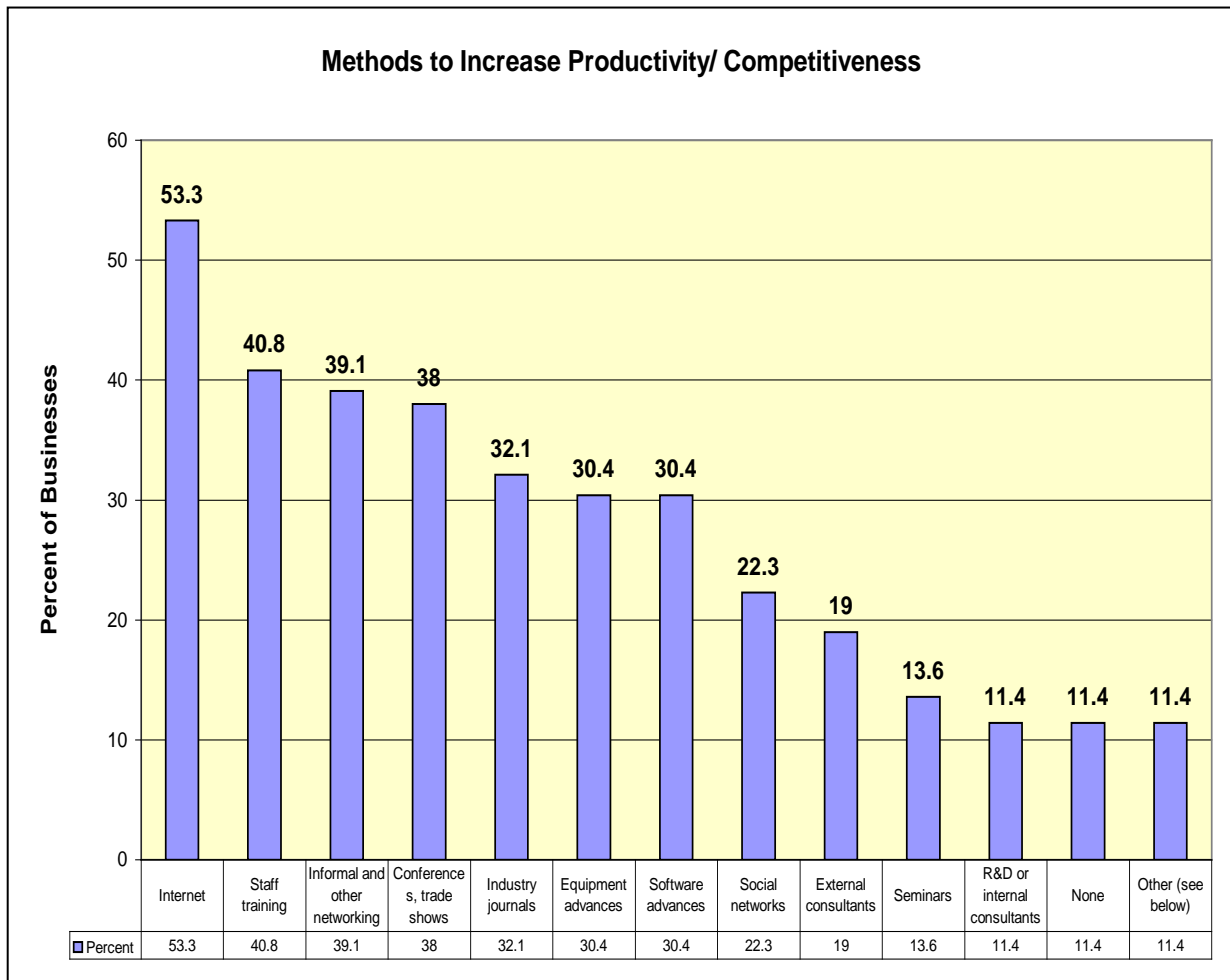


The answers in order of frequency were:

- Capital purchase
- Technology purchases or upgrades
- Training
- Expansion of facilities
- Workflow design and efficiency
- Environmental Sustainability
- Other

Many of the "other" responses were variations on improvements to facilities or equipment.

6.2 Which of the following do you use to increase productivity/competitiveness?

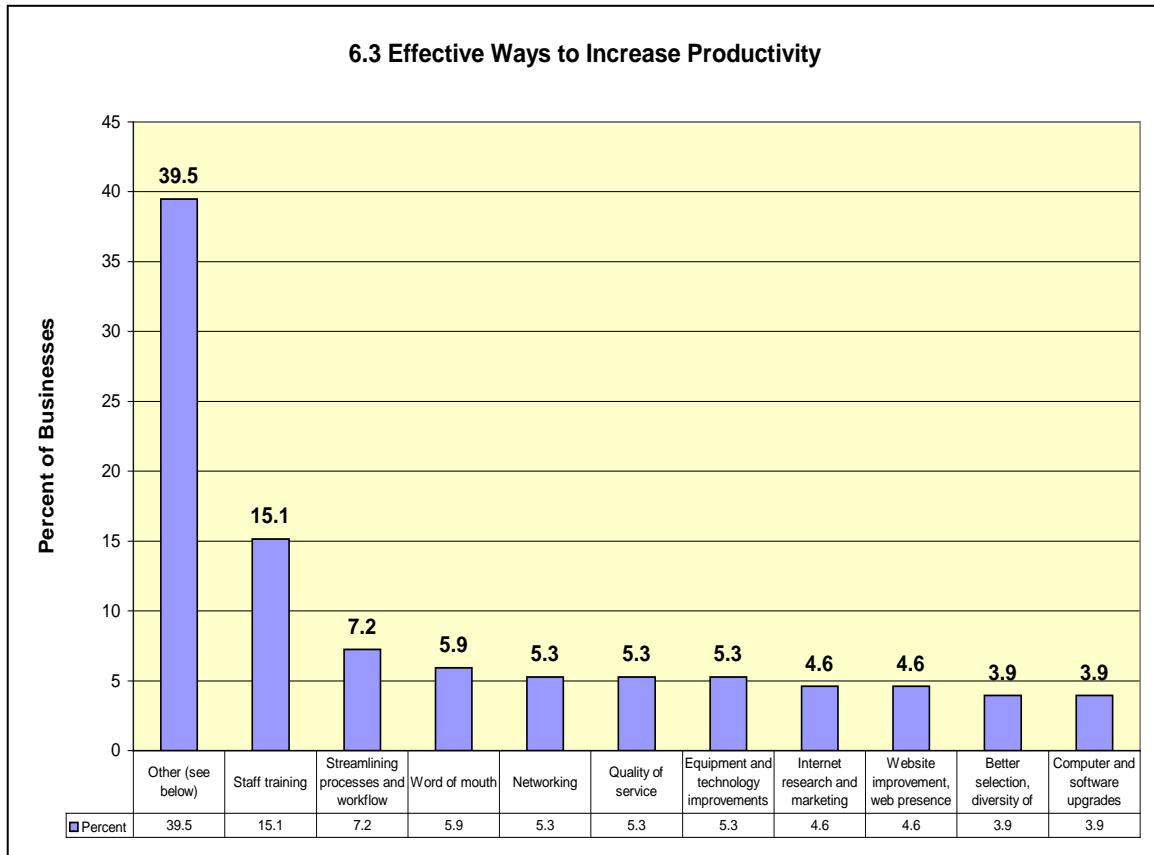


The top responses were

- Internet
- Staff training
- Informal and other networking
- Conferences and trade shows
- Industry journals
- Equipment advances
- Software advances

Most of the "other" responses actually belonged in one of the above categories.

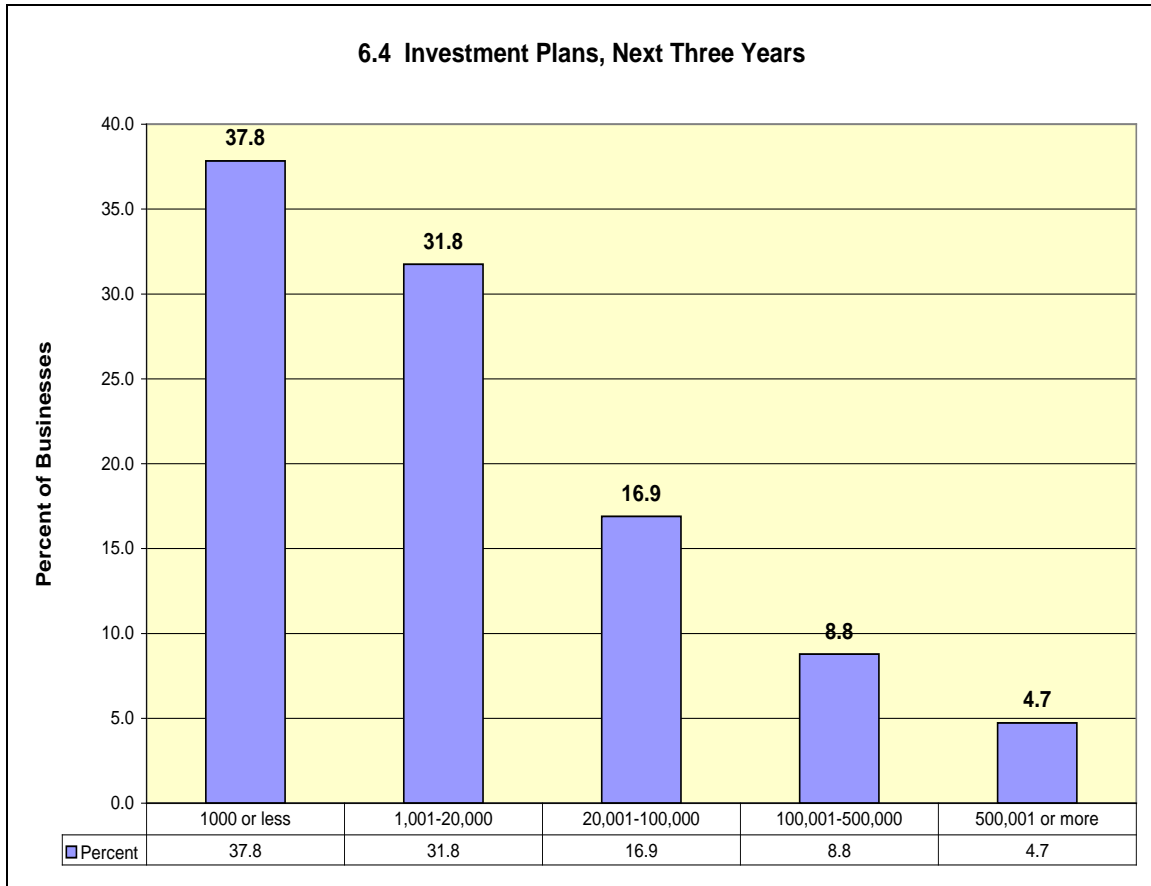
6.3 What measures have been most effective in increasing your competitiveness and/or productivity?



The categories in the above graph were not given as choices to the participants. It was an open-ended question asking for a written response only. The categories above were derived from the trends in the written responses. A response was included in the "other" category if it was relatively unique, and there were 60 of those. As an indication of the diversity of those responses, here are some examples

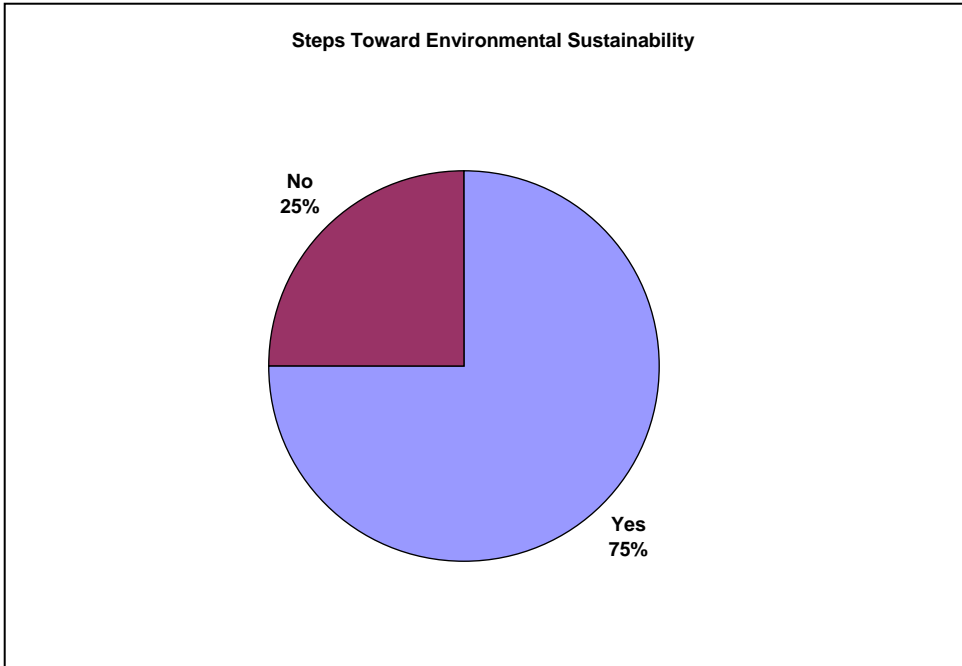
- "Changing how staff are paid - from hourly to piece rate"
- "Hiring people who are passionate about our business"
- "Just doing it"
- "Raising my hourly rate"
- "Doing books at home"

6.4 How much do you expect to invest in expansions and renovations over the next 3 years?

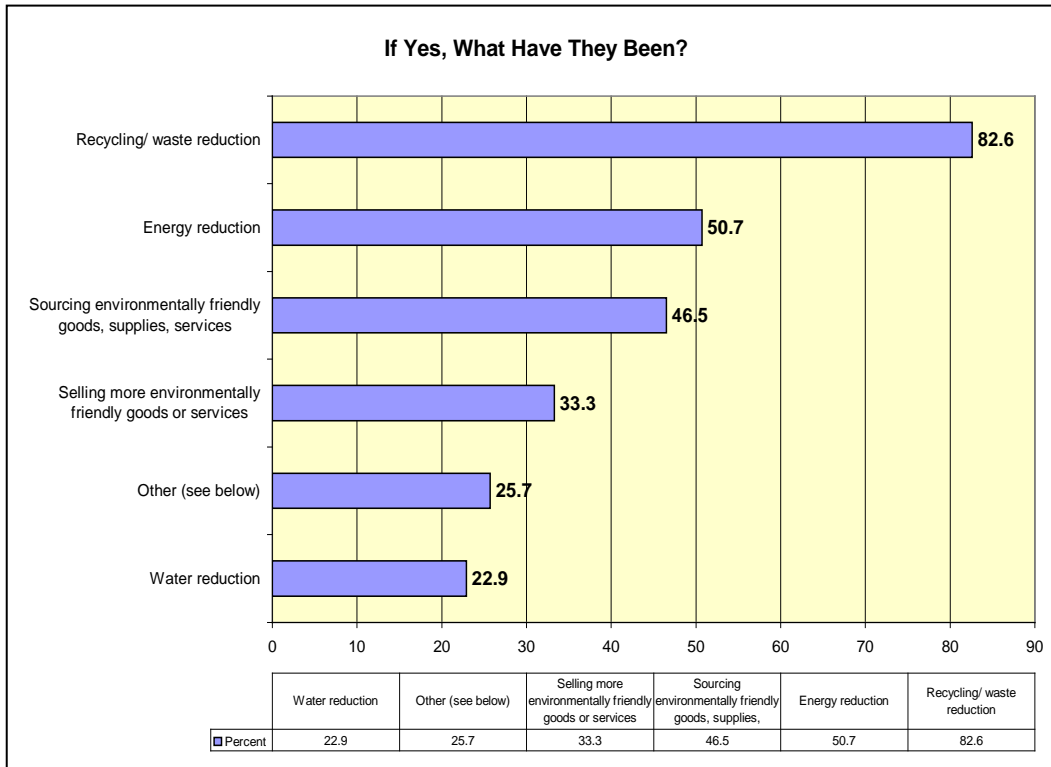


PART 7 – SUSTAINABILITY

7.1 Have you taken any measures to make your business more environmentally sustainable in the last 18 months?



7.2 If yes, what have they been?



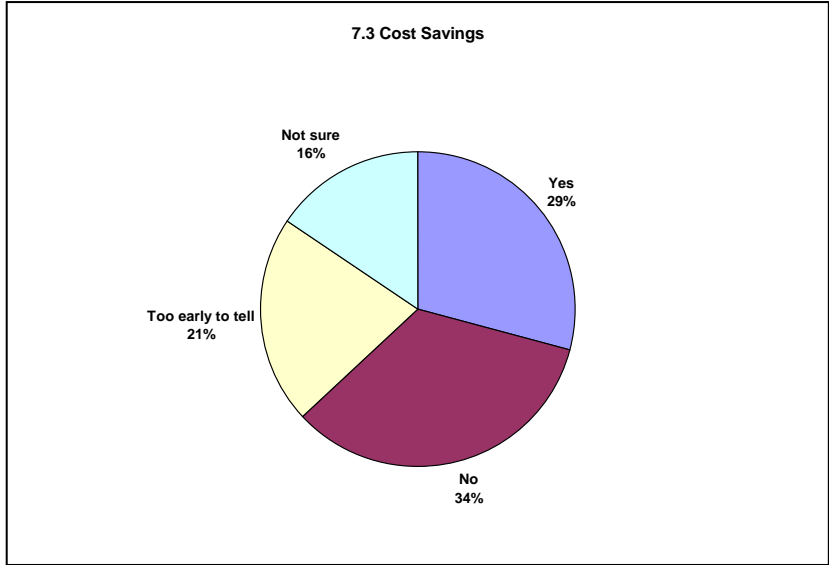
The top responses were:

- Recycling
- Energy reduction
- Sourcing environmentally friendly goods

In the "other" responses, composting was mentioned several times. Otherwise, most responses were variations on the three themes listed above.

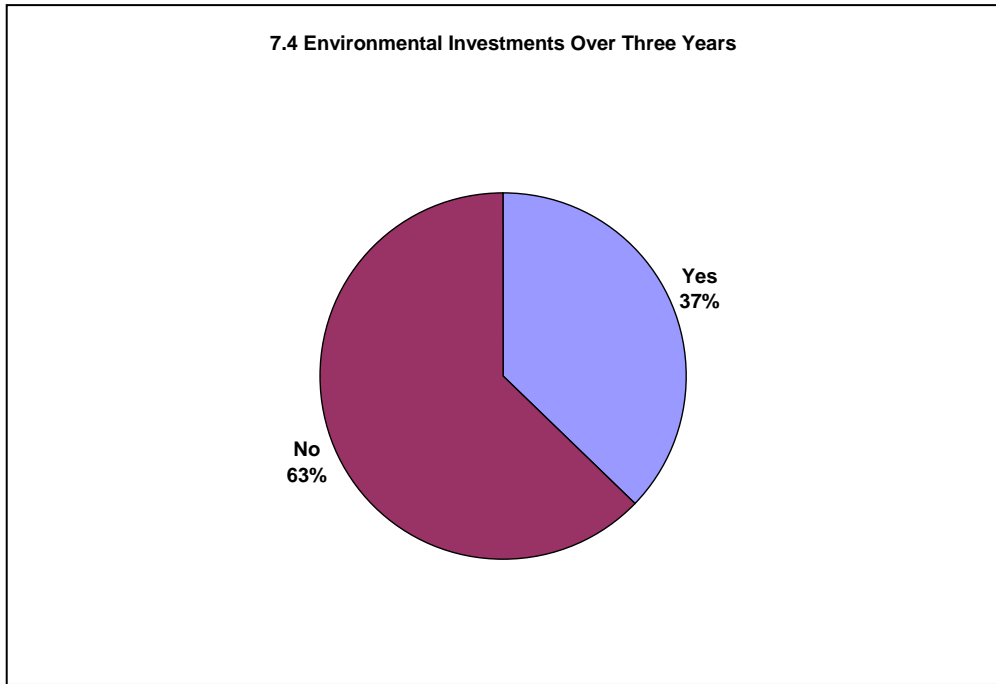
7.3

If yes, have you realized cost savings?

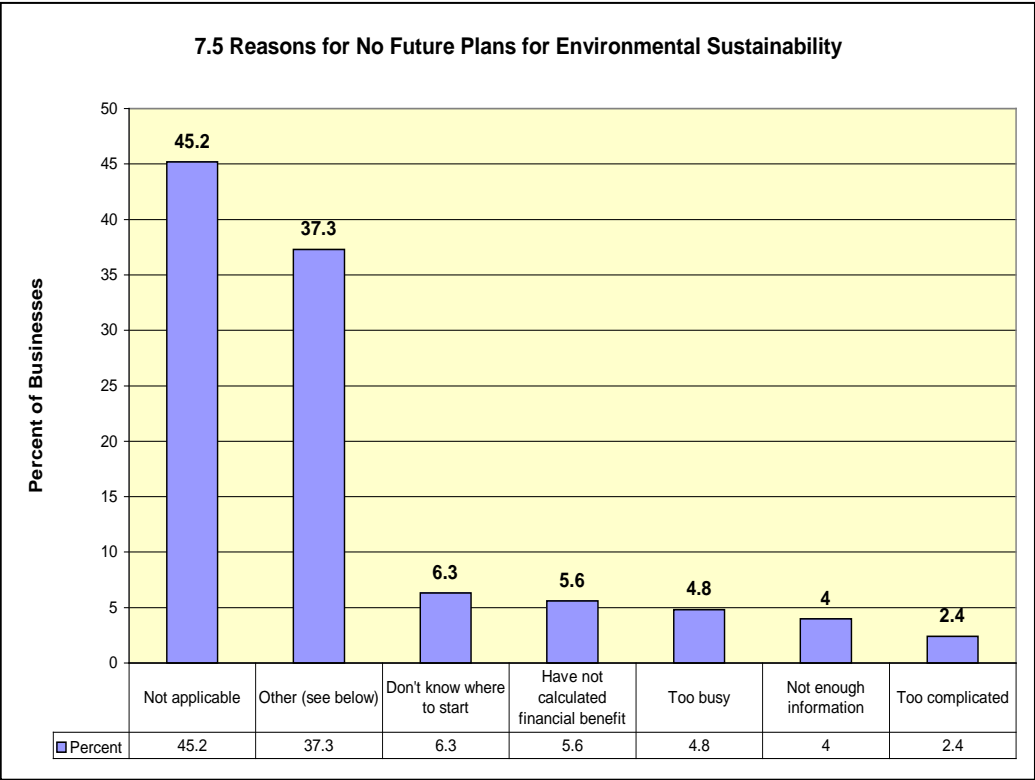


	Number	Percent
Yes	41	29.1
No	48	34
Too early to tell	30	21.3
Not sure	22	15.6

7.4 Over the next 3 years, do you plan on making significant investments to make your business more environmentally sustainable?

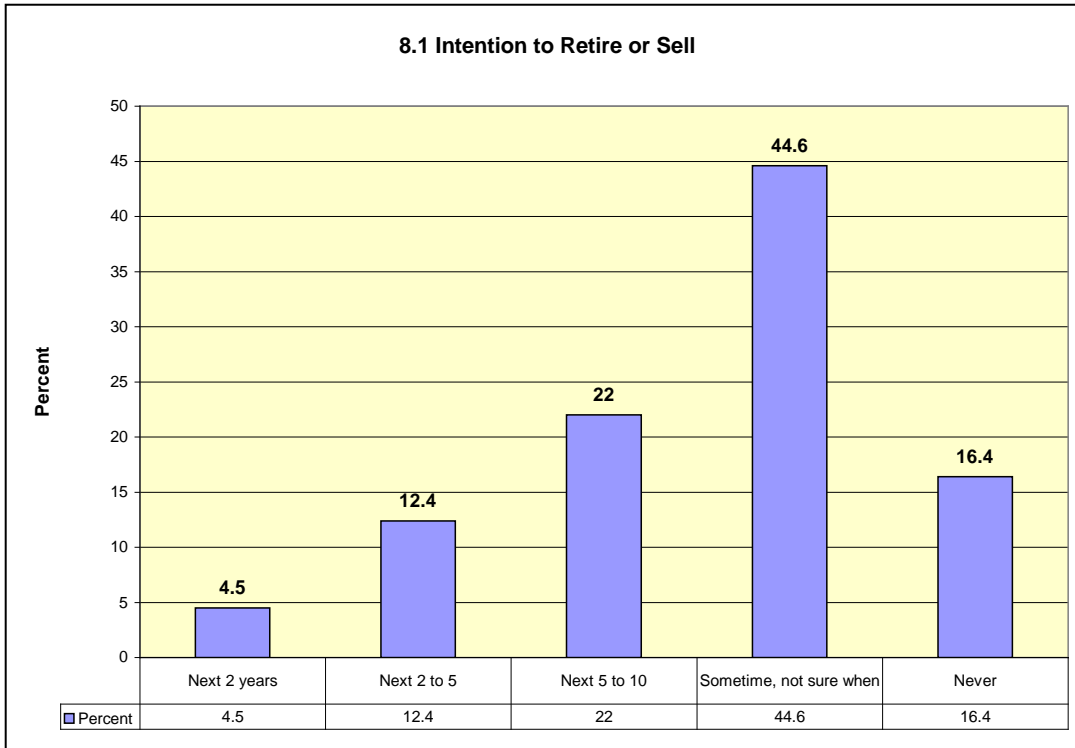


7.5 If you have not taken any measures to make your business more environmentally sustainable in the past and have no plans to do so in the next 18 months, why not?

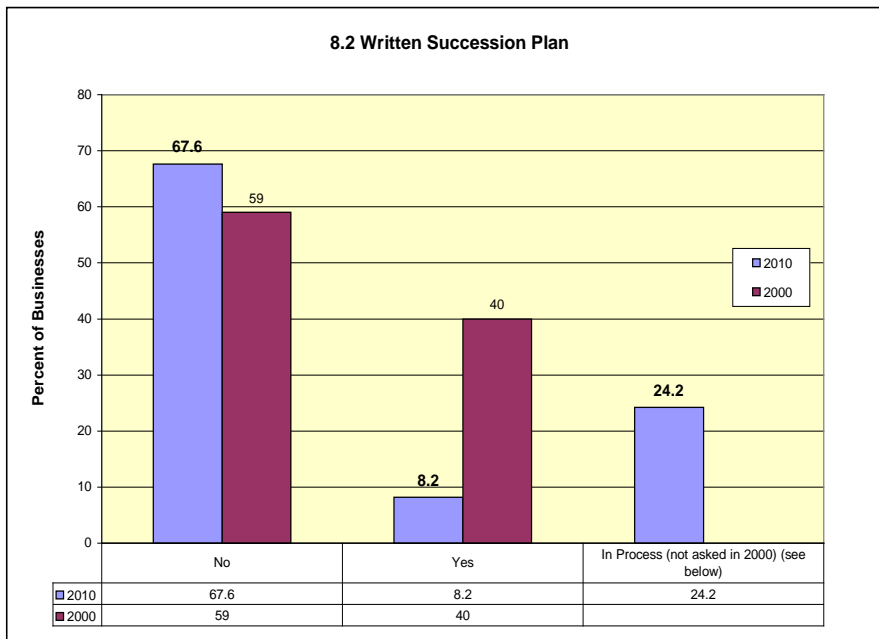


PART 8 – SUCCESSION AND THE FUTURE

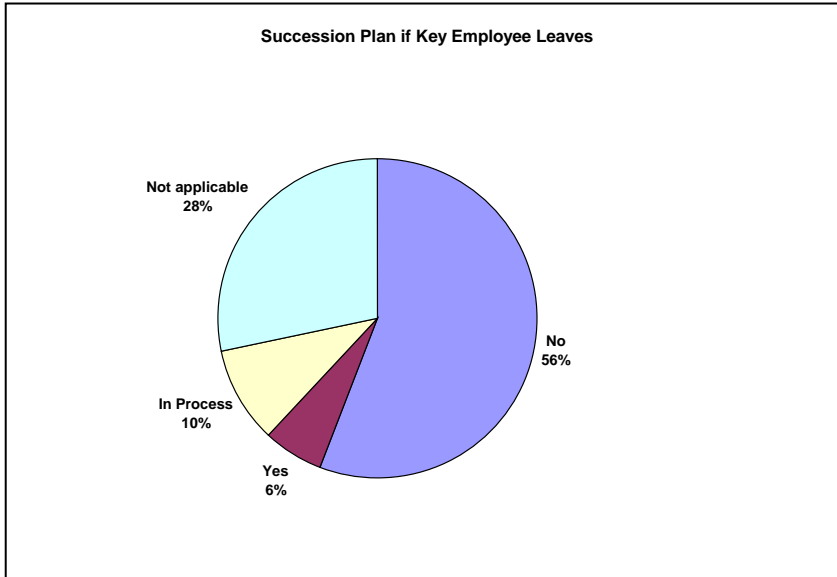
8.1 Are you planning on retiring from or selling your business?



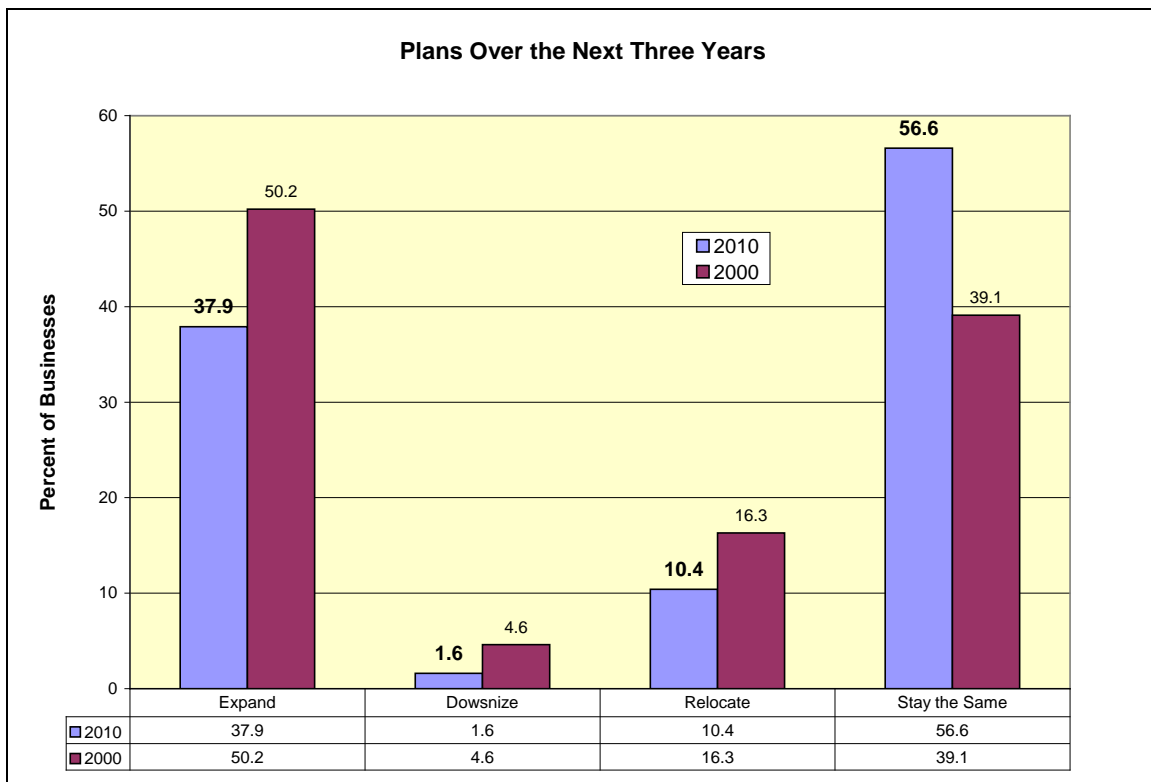
8.2 Do you have a written business succession plan for your business?



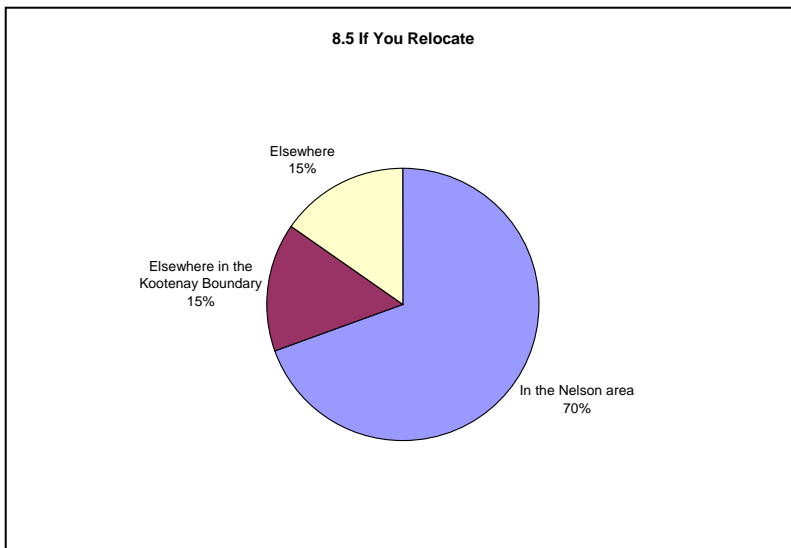
8.3 Do you have a written key employee succession plan for your business in the event that a critical or key employee leaves?



8.4 Within the next 3 years do you plan to...



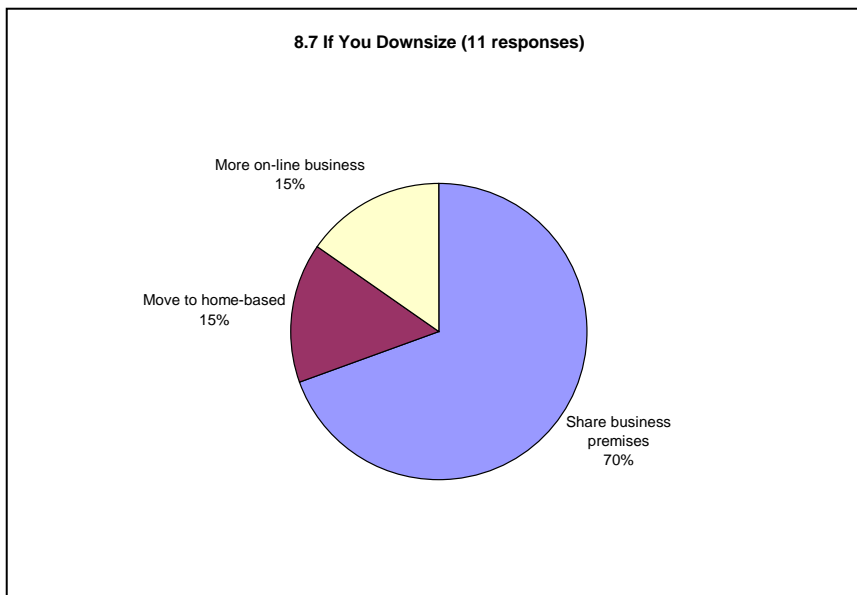
8.5 If your business relocates, it will be...



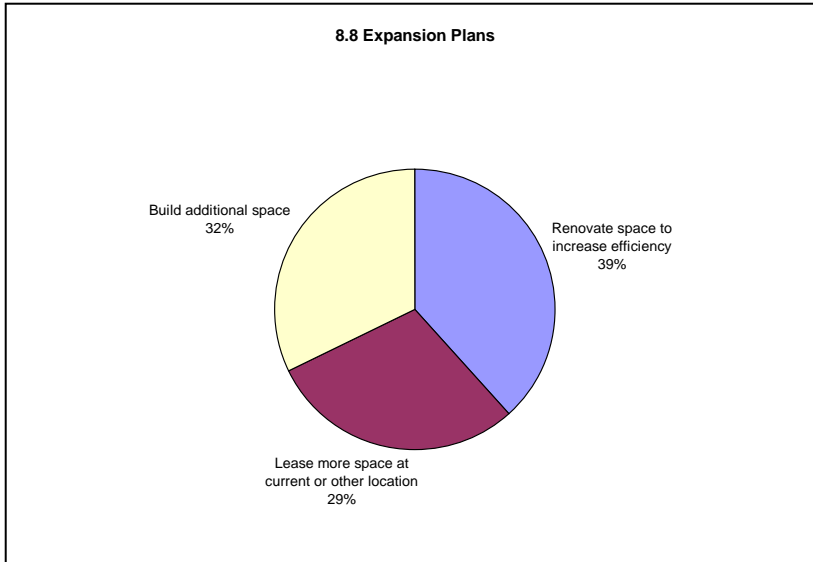
8.6 If your business relocates outside the Nelson area, why will it do so?

Only 14 people answered this question, and the responses were various and showed no particular trend.

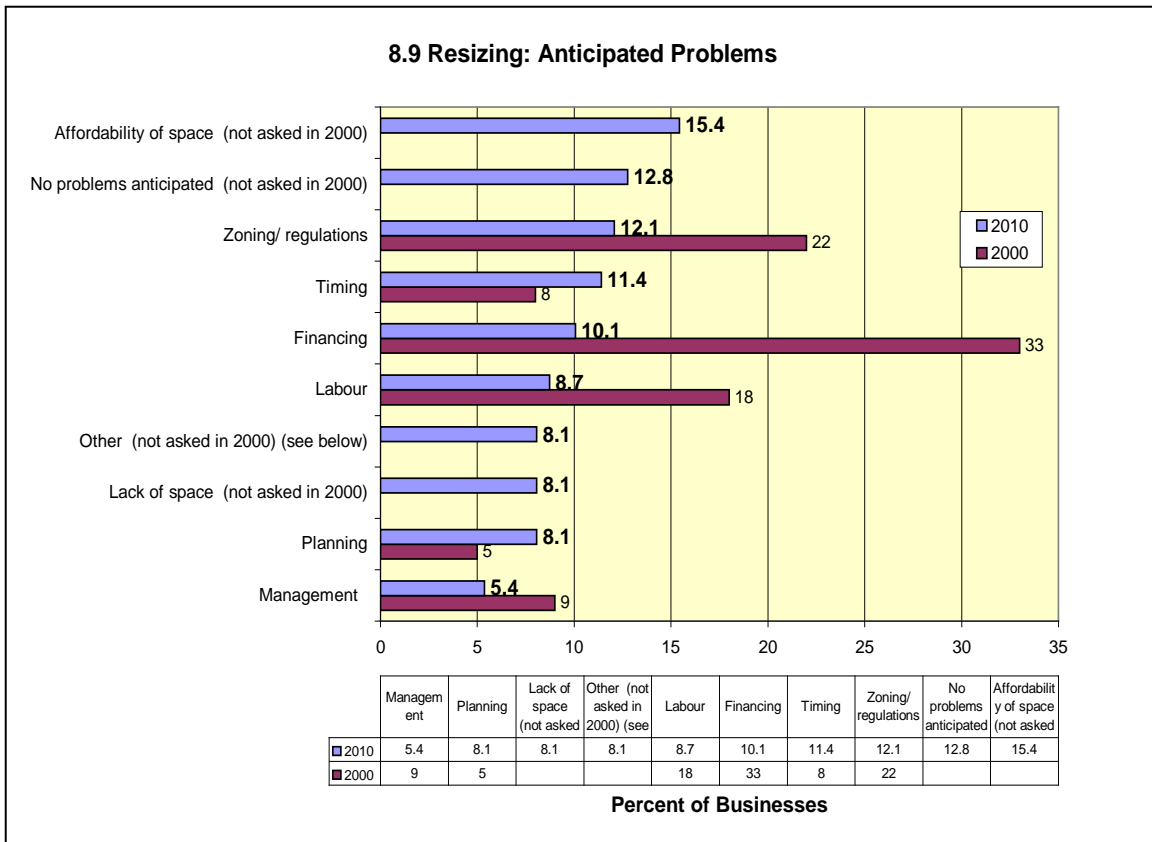
8.7 If your business downsizes, what will it most likely do?



8.8 If expanding, do you plan to...

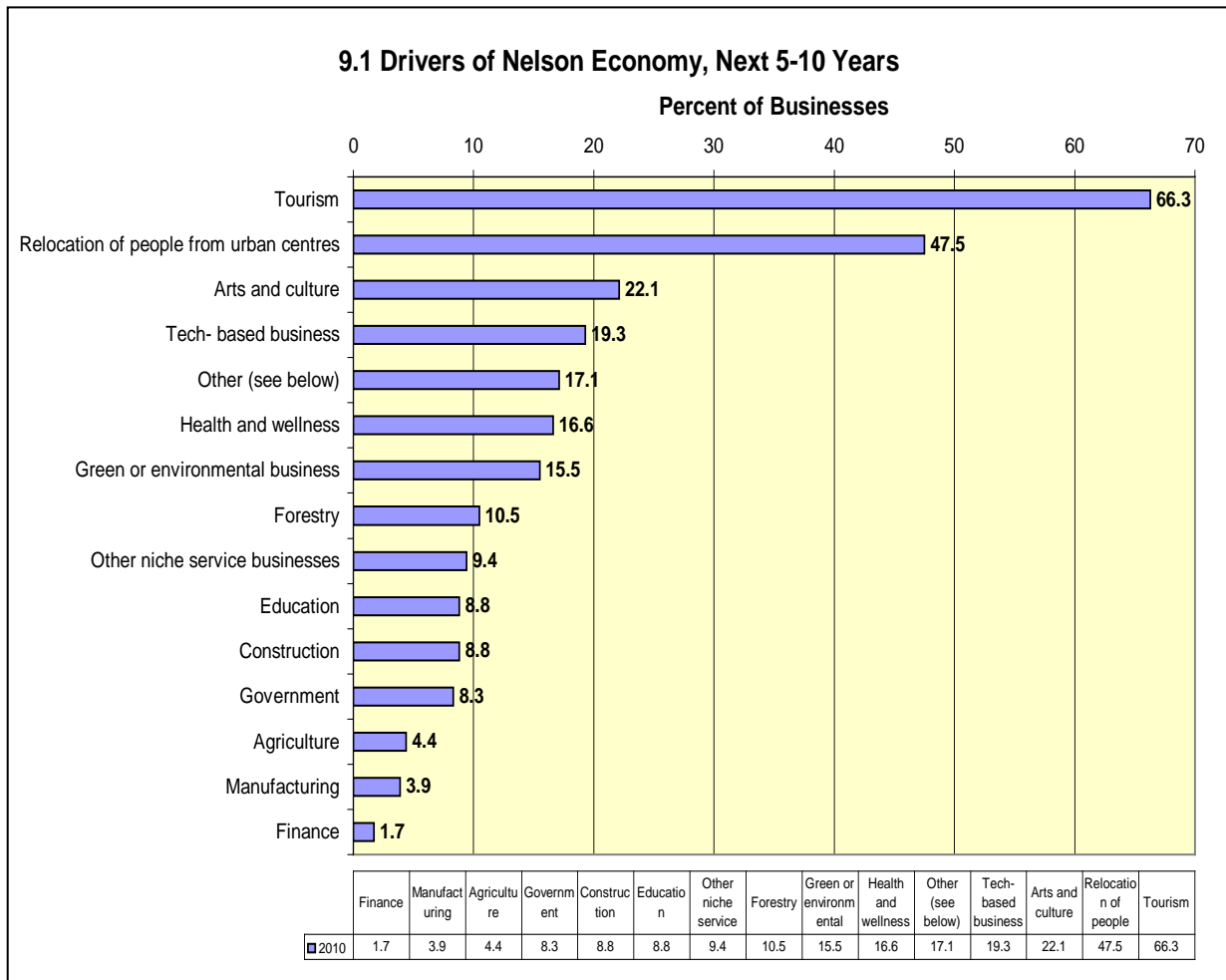


8.9 If resizing do you anticipate any problems?



PART 9 – GROWTH AND SUCCESS

9.1 What do you believe to be the two most important drivers or engines of the economy in Nelson and area over the next 5 - 10 years?

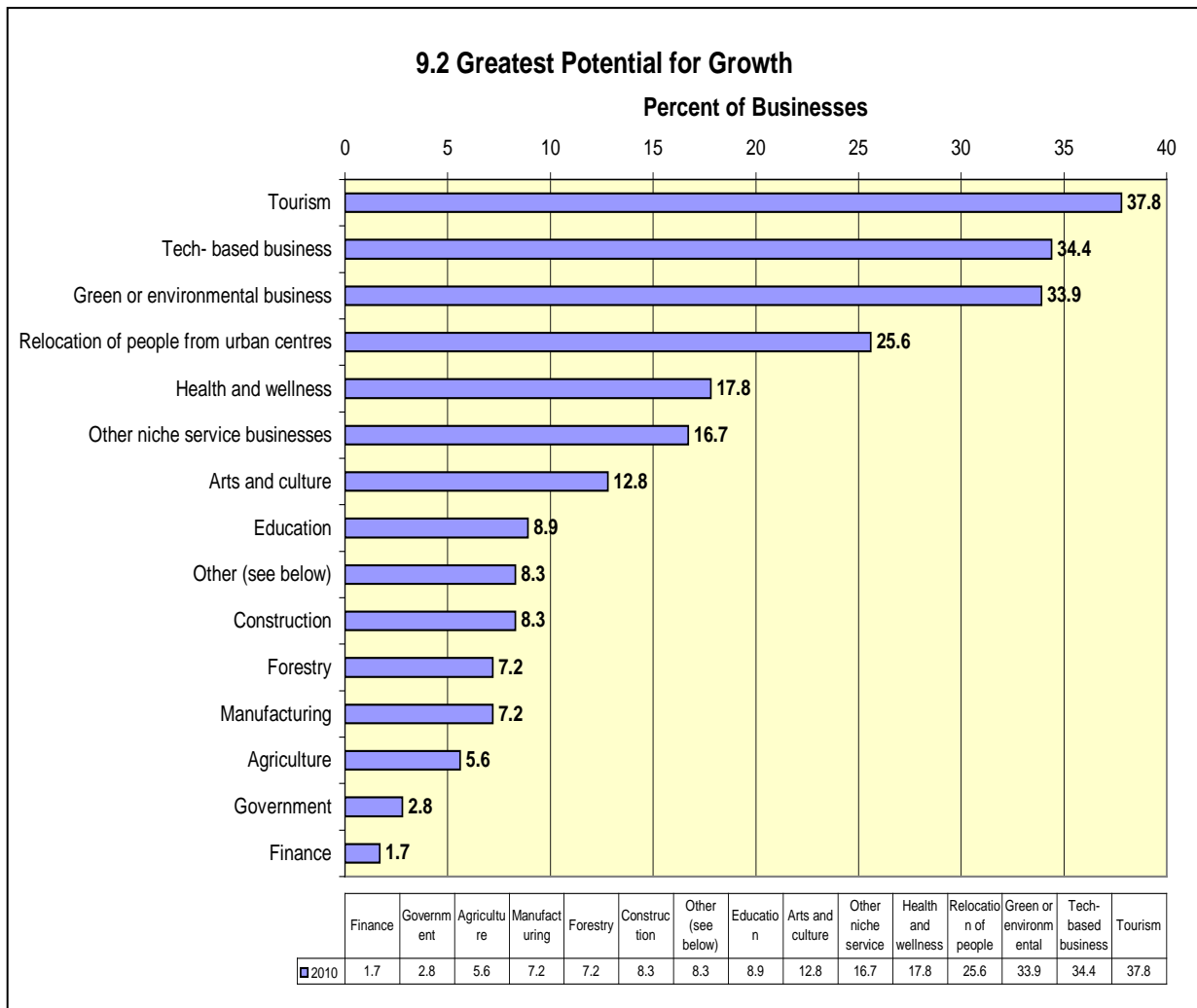


The top responses were:

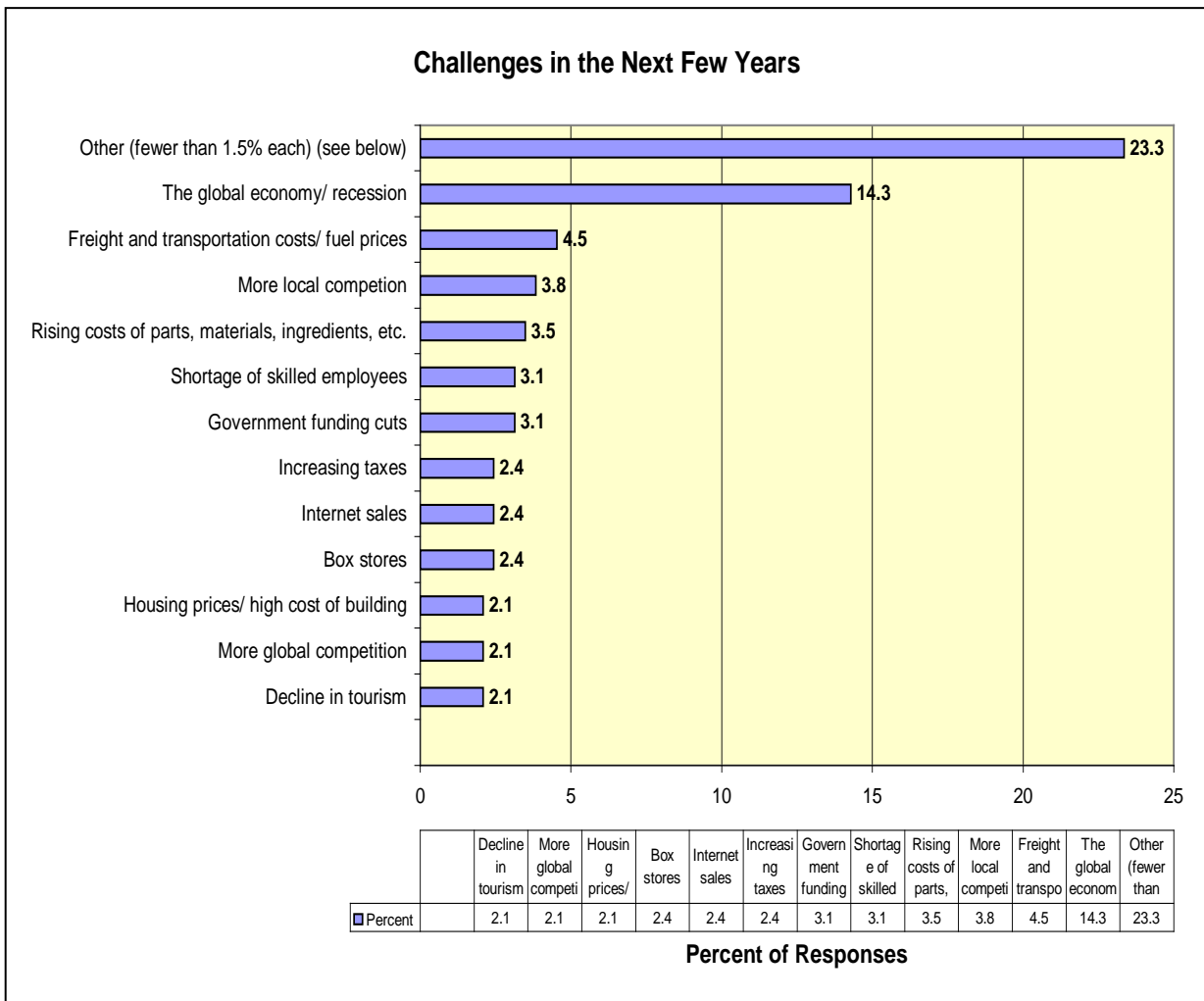
- Tourism
- Relocation of people from urban centres
- Arts and culture
- Tech-based businesses

Of the 30 "other" responses, 10 mentioned marijuana. The remainder were mostly variations on those listed above.

9.2 Which two of the following offer the greatest potential for growth?



9.3 What are the greatest challenges or threats your business will face in the next few years?



The categories in the above graph were not given as choices to the participants. It was an open-ended question asking for a written response only. The categories above were derived from the trends in the written responses. A response was included in the "other" category if it was relatively unique, and there were dozens of those. As an indication of the diversity of those 66 responses, here are some examples:

- "Global warming"
- "Keeping up with the demand"
- "Shutting down or relocation of ferries"
- "Personal toll—time, energy"
- "Not diversified enough if we lost a major client"
- "Balancing paying our taxes while still trying to make a profit for two people to live on."

9.4

What aspects of your business have the greatest potential for growth?

Again this was an open-ended question asking for written response and the responses were as varied as the number of respondents. The following areas were mentioned numerous times each:

- Internet sales
- Manufacturing
- All aspects
- Promotion of tourism
- Working with other businesses in the sector (e.g. tourism)
- Green economy
- New products and services

9.5 Can you suggest any ways the Economic Development Partnership, the City/RDCK, Community Futures, Chamber of Commerce, Selkirk College or other players can support your growth?

Respondents gave a great variety of responses. The following areas were mentioned often:

- Marketing partnerships
- Tourism promotion & co-ordination
- Business mentoring
- Training and seminars in a variety of areas
- Lower taxes and fees
- Increased lending/ financing opportunities

9.6 Are you facing any urgent issues that require immediate attention, such as relocation, closing, employee layoffs, or problems with expansion?

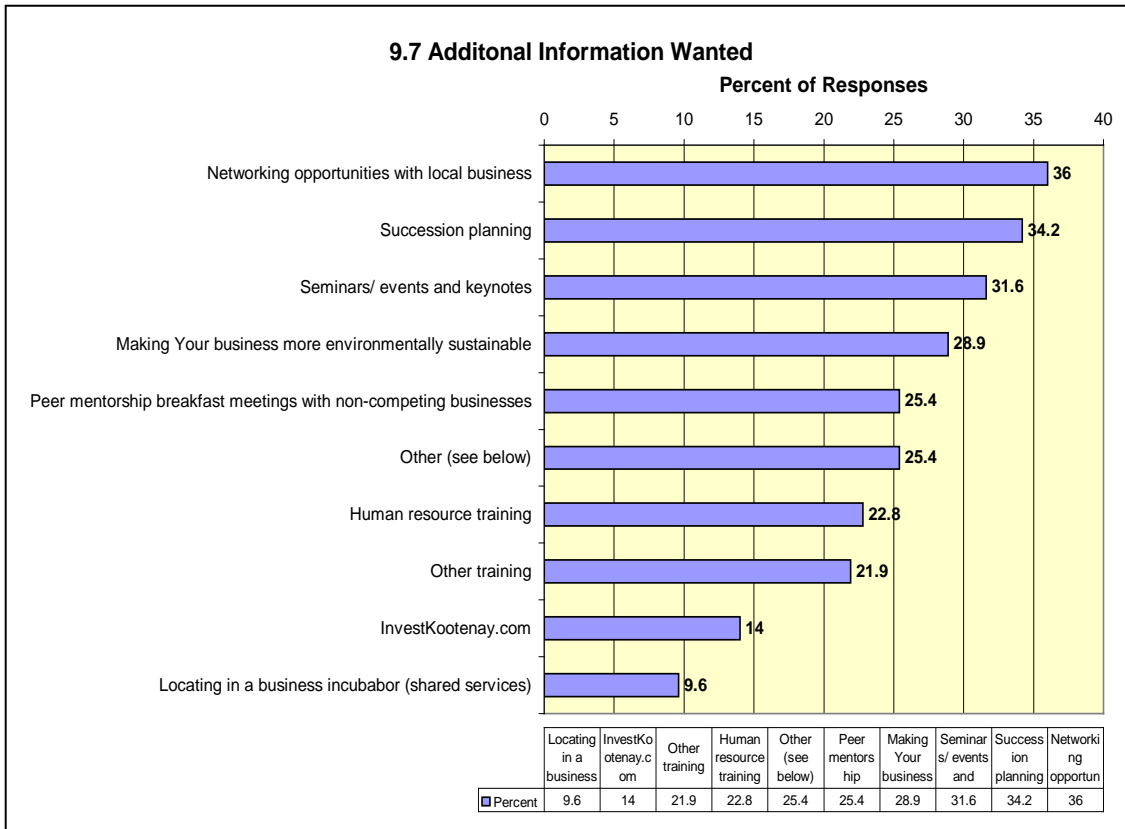
These responses were quite personalized and specific. They tended to focus around:

- Relocation and the availability of space
- Cash flow challenges
- Cost of living and real estate in Nelson
- Government regulation or programs

NOTE: The NAEDP was made aware of those businesses that indicated they were experiencing immediate issues and wished to be contacted.

9.7

Would you like additional information on any of the following?



9.9 Other Comments

This question provoked a variety of comments on all aspects of this survey, mostly corroborating matters already commented on in other sections. Participants made the following comments about the BRE process:

- "Ten years is too long to go without doing the survey. Interested in how this round compares with 10 years ago."
- "I found this survey helpful for clarity, intention and purpose. Thank you!"
- "It's good that you are doing this!"
- "None - interviewer was awesome and tactful (:)"
- "Really glad that we're included in this survey. Social services often forgotten."
- "Thank you for letting me be a part of this."
- "Thank you for reaching out and having me participate in this survey!"
- "This was neat. I like the fact that it's local. Questions made us think - helped us to see what our competitive advantages are."
- "Useful - put some good ideas in my head."

There were no negative comments about the BRE questionnaire or process.

E. Detailed Recommendations

Focus	Short-Term	Long-Term
Training & Business Building	<ul style="list-style-type: none"> <input type="checkbox"/> Offer Customer Service training <input type="checkbox"/> Offer Going the Extra Mile (efforts to increase employee motivation) training <input type="checkbox"/> Offer Productivity & Innovation workshops (sharing best practices + what works with the top businesses) <input type="checkbox"/> Offer Innovative HR practice workshops <input type="checkbox"/> CF, Chamber, NBA & Selkirk College to review efforts to more effectively promote training activities <input type="checkbox"/> Offer Sustainability workshops (possibly partnering with Transition Nelson and others) on key issues (e.g. impact of peak oil, higher fuel prices, tourism, Future-Proofing your Business, etc.) <input type="checkbox"/> Offer Succession workshops <input type="checkbox"/> Offer Social networking and social marketing workshops 	<ul style="list-style-type: none"> <input type="checkbox"/> Sustained training efforts for top requests and needs mentioned <input type="checkbox"/> Work with KAST, Selkirk College and others to enhance mentoring, apprenticeship & training opportunities (e.g. business students with businesses), business to business, etc.
Networking	<ul style="list-style-type: none"> <input type="checkbox"/> Strategy to integrate home-based businesses into broader business community & increase networking opportunities <input type="checkbox"/> Expansion of peer mentoring program to include a program for sectors (e.g. tourism, newer businesses, technology-based businesses, green businesses, and possibly co-ops and/or social enterprises) <input type="checkbox"/> Better promotion of existing peer mentoring efforts <input type="checkbox"/> Increase number of networking activities 	<ul style="list-style-type: none"> <input type="checkbox"/> Investigate feasibility of business incubator to accommodate growing home-based business sector <input type="checkbox"/> Assist in building stronger ties amongst sectors identified as having largest growth potential and economic development potential (e.g. tourism, technology-based businesses, etc.) <input type="checkbox"/> Strategy and long-term plan to increase number and quality of networking opportunities <input type="checkbox"/> More efforts to increase & coordinate regional economic development efforts <input type="checkbox"/> Increase efforts to share NAEDP, Chamber, City, CF happenings through already existing (newsletters) and new social media (Facebook, on-line newspapers, etc.) avenues, possibly employing a multimedia summer student to set up
Marketing	<ul style="list-style-type: none"> <input type="checkbox"/> Follow-up on 'Buy Local' (import substitution) suggestions <input type="checkbox"/> Continue 'Buy Local' campaign, especially education local consumers and businesses of benefits <input type="checkbox"/> Sharing and promotion of BRE results with business and other sectors/ communities <input type="checkbox"/> Continue implementing Roger Brooks (Destination Development) Tourism report to build healthy & vital downtown (e.g. signage, infrastructure [restrooms], etc.) 	<ul style="list-style-type: none"> <input type="checkbox"/> Continuation and evaluation of 'Buy Local' efforts <input type="checkbox"/> Quantify impact of having larger businesses consider import substitution (if feasible, build program around this to increase local resiliency) <input type="checkbox"/> More focus on destination marketing organization (DMO) activities and how non-tourism businesses might be able to tie into benefits <input type="checkbox"/> Recognition and support for growth of mountain biking as a key tourism growth component (e.g. maps, trail development, etc.) <input type="checkbox"/> Promotion of region as a whole working with DMO, Selkirk College, etc. <input type="checkbox"/> Tourist Centre to look at Sunday openings and later hours
Planning, Infrastructure, Research & Other	<ul style="list-style-type: none"> <input type="checkbox"/> Immediate follow-up of those businesses that had indicated significant difficulties and requests for immediate follow-up <input type="checkbox"/> Perform analysis of business license list to ascertain change in business types over 10 years <input type="checkbox"/> More business to local government dialogue on implications of property taxes <input type="checkbox"/> Join Social Planning Action Network (SPAN) in developing solutions for employee issues of cost of living, housing, child care and transportation <input type="checkbox"/> Join inter-agency meetings to share information <input type="checkbox"/> Approach 'relocation-focused' business 	<ul style="list-style-type: none"> <input type="checkbox"/> BRE commitment in next 3-5 years to check in. <input type="checkbox"/> Ongoing commercial land inventory for region <input type="checkbox"/> Published commercial rental inventory <input type="checkbox"/> Efforts to increase Castlegar airport reliability <input type="checkbox"/> Review impacts of freight costs and availability <input type="checkbox"/> More study of impact of high cost of living and housing costs on business (strategy to follow) <input type="checkbox"/> More study on regional transit impacts on workforce (e.g. times linking with other necessary services, etc.) with a strategy to follow <input type="checkbox"/> Investigate experience of other jurisdictions

	<p>about issues to determine if solvable</p>	<ul style="list-style-type: none"> <input type="checkbox"/> with free internet hot zones downtown <input type="checkbox"/> Investigate expansion of parking options with City <input type="checkbox"/> Investigate overnight courier service to Nelson <input type="checkbox"/> Investigate cost-effective child care options <input type="checkbox"/> Continue to push Ministry to investigate linking Highway 3A with Lakeside Drive <input type="checkbox"/> Create economic development survey for business and broader community <input type="checkbox"/> Look at alternating Wednesday market between blocks of Baker St.
<p>Growth & Success</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Respond to requests around information on succession, peer mentorships, etc. <input type="checkbox"/> Education on current make-up and drivers of our economy (e.g. tourism is only 7% of GNP vs. the driver) <input type="checkbox"/> Sector meetings (e.g. manufacturing, tourism, social service – see Special Reports in Appendix 8) to share results and build short-term & strategic long-term actions <input type="checkbox"/> Share results with area E & F directors and regional chambers to inform, and build short-term & strategic long-term actions <input type="checkbox"/> Awards and profiling of key businesses who have built their sectors and the success of the community through collaboration <input type="checkbox"/> “Get to Know your Businesses & the Economy” workshops (open to other businesses and the public) on different aspects of the community’s economic pillars (e.g. panel of 3-4 businesses in areas of manufacturing, retail, contractors, health & wellness, green, education, consultants, tourism, etc.) with NAEDP providing some context (e.g. # of businesses, contribution to the economy, etc.) <input type="checkbox"/> Recognition of social services and co-operatives as contributors to economy and viable options for enterprise 	<ul style="list-style-type: none"> <input type="checkbox"/> Investigate innovative succession solutions (e.g. possible loan forgiveness or loan guarantee for young purchasers via CBT) <input type="checkbox"/> Enhancement of efforts to link succession of businesses with Invest Kootenay efforts to attract investors <input type="checkbox"/> Encouragement of other regional jurisdictions (Trail, Castlegar, Creston, etc.) to participate in similar BRE for better comparison, collaboration, etc. <input type="checkbox"/> Continuation of efforts informing the community of value of, and necessity of a healthy and growing business sector <input type="checkbox"/> NAEDP to play enhanced brokering role linking business to business and sector to sector <input type="checkbox"/> Tie in Selkirk Loop with NAEDP, DMO and other local tourism efforts <input type="checkbox"/> Reinforce City/RDCK approach treating businesses as ‘clients’ rather than ‘applicants’ in move to make Nelson and area more business-friendly (e.g. greater involvement of City/RDCK staff in ongoing BRE and economic development efforts, presentation of findings to key staff, refinement of building/planning/engineering processes, review of permitting processes with some business owners, etc.) <input type="checkbox"/> Take facilitative or leadership role on key and new issues that may have a larger impact (e.g. Cody Caves closing) <input type="checkbox"/> Work for continuation and promotion of CBT’s summer student program <input type="checkbox"/> Trial ‘parking program for visitors’ <input type="checkbox"/> Trial ‘dog program for visitors’ <input type="checkbox"/> Research & education on the impacts of rising fuel prices on a per sector basis. <input type="checkbox"/> Expand downtown revitalization efforts with businesses playing key role (look at possible local tax concessions as incentives) <input type="checkbox"/> Adoption of “innovation and learning” as a key success pillars - possibly promoted in workshops, profiling of innovative businesses, awards, adoption publicly as a key pillars of success, etc. (with so many businesses having to change, these 2 factors will play critical role in success and failure of businesses)

F. APPENDICES

Appendix 1

Nelson & Area Business Retention & Expansion (BRE) 2010

Advisory Committee Members

- Linda Tynan, City of Nelson
- John Dooley, City of Nelson
- Vi Kalesnikoff, Selkirk College
- Randy Horswill, Nelson Home Building Centre
- Randy Richmond, Spearhead Timberworks
- Paul Wiest, Community Futures
- Lisa Cannady, Community Futures
- Jocelyn Carver, Kootenay Co-op
- Tom Thomson, Chamber of Commerce
- Judy Banfield, Mountain Baby
- Shandi Miller, Community Futures
- Jeff Hunt, Pacific Insight
- Glenn Sutherland, Sutherland Financial
- Mike Stolte, Centre for Innovative & Entrepreneurial Leadership (CIEL)
- Kate Tognotti, Selkirk College

Appendix 2 - Survey

The Nelson and Area Economic Development Partnership is conducting a Business Retention and Expansion (BRE) Survey to take the temperature of the current business climate.

The data collected will be used to plan upcoming economic development strategies for the area. This is your chance to have a say about what types of economic development programs and services will best serve your business in the coming years.

This survey should take approximately 20 - 30 minutes.

Please ensure all questions and possible answers are read and understood. For many questions there is more than one possible answer. PLEASE CHECK ALL ANSWERS THAT APPLY TO YOUR BUSINESS SITUATIONS. Thank you.

1. Company Information - this information is optional and will remain confidential. You will be contacted only at your request.

Name:

Company:

Email Address:

Phone Number:

2. BACKGROUND

1. What best describes your business services?

- | | |
|---|---|
| <input type="checkbox"/> Tourism | <input type="checkbox"/> Service Industry |
| <input type="checkbox"/> Retail | <input type="checkbox"/> Mining/Smelting |
| <input type="checkbox"/> Wholesale | <input type="checkbox"/> Forestry/Silviculture |
| <input type="checkbox"/> Value Added | <input type="checkbox"/> Professional Services |
| <input type="checkbox"/> Global Marketing | <input type="checkbox"/> Arts, Culture & Creative |
| <input type="checkbox"/> Innovative/Technology | <input type="checkbox"/> Health and Wellness |
| <input type="checkbox"/> Environmental | <input type="checkbox"/> Social Services |
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Consulting |
| <input type="checkbox"/> Other (please specify) | |

2. Describe company ownership

- | | |
|--|---|
| <input type="checkbox"/> Sole proprietorship | <input type="checkbox"/> Franchise |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Co-operative |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Non-profit/Social enterprise |

3. Number of years in business

4. Your local business facilities are

- Owned
- Leased
- Home-based

5. By what methods do you promote or market your business?

- | | |
|---|--|
| <input type="checkbox"/> Radio | <input type="checkbox"/> Flyers and brochures |
| <input type="checkbox"/> Newspapers | <input type="checkbox"/> Billboards |
| <input type="checkbox"/> Magazines and other publications | <input type="checkbox"/> Trade shows or business events |
| <input type="checkbox"/> Television | <input type="checkbox"/> Social media marketing (Facebook, LinkedIn, etc.) |
| <input type="checkbox"/> Website | <input type="checkbox"/> Other internet advertising |
| <input type="checkbox"/> Word of mouth and networking | |
| <input type="checkbox"/> Other (please specify) | |
| <input type="text"/> | |

6. Do you belong to trade or business associations?

- Yes
- No

7. If yes to previous question, to which do you belong?

- Chamber of Commerce
- Nelson Business Association
- Trade/Industry specific organization
- Other (please specify)
-

3. PRESENT CONDITIONS AND ISSUES OF BUSINESS

1. Are your present facilities

- Too small
- Too large
- Just right

2. Do any of the following present difficulties?

- | | |
|---|--|
| <input type="checkbox"/> Zoning regulations | <input type="checkbox"/> Income taxes |
| <input type="checkbox"/> City and/or regional district bylaws | <input type="checkbox"/> Property taxes |
| <input type="checkbox"/> Licensing procedures | <input type="checkbox"/> None of the above |

3. What are your competitive advantages?

- | | |
|---|-------------------------------------|
| <input type="checkbox"/> Price | <input type="checkbox"/> Suppliers |
| <input type="checkbox"/> Location | <input type="checkbox"/> Employees |
| <input type="checkbox"/> Quality | <input type="checkbox"/> Reputation |
| <input type="checkbox"/> Knowledge | |
| <input type="checkbox"/> Other (please specify) | |

4. What are the three biggest factors (or unique qualities) in the success of your business? (e.g. unique product/service, quality of labour, business services available, capital costs, getting people into and out of region, getting freight in and out of region, suitable location to own/lease, etc.)

1.
2.
3.

5. What are the three largest challenges facing your business? (e.g. competition, quality of labour, business services available, capital costs, getting people into and out of region, getting freight in and out of region, suitable location to own/lease, etc.)

1.
2.
3.

6. Have you added new products or services in the last 3 years that significantly affect or change your business?

Yes

No

Comments (optional)

7. Do you anticipate adding new products or services in the next two years that significantly affect or change your business?

Yes

No

Comments (optional)

8. Have business revenues over the past three years

Increased

Remained the same

Decreased

9. Have profits over the past three years

Increased

Remained the same

Decreased

4. LOCAL BUSINESS - BUY LOCAL

1. Estimate your percentage of business revenue from the following:

% regional or local	<input type="text"/>
% sales elsewhere in BC	<input type="text"/>
% sales from Alberta	<input type="text"/>
% sales within Canada	<input type="text"/>
% sales internationally	<input type="text"/>

2. What percent of the three major services, products or materials used in your business are purchased

% regional or local	<input type="text"/>
% within rest of BC	<input type="text"/>
% within Alberta	<input type="text"/>
% within Canada	<input type="text"/>
% Internationally	<input type="text"/>

3. If you are not purchasing goods and services locally, why not?

<input type="checkbox"/> Price	<input type="checkbox"/> Choice/availability
<input type="checkbox"/> Performance/quality	<input type="checkbox"/> Hours of operation
<input type="checkbox"/> Service	
<input type="checkbox"/> Other (please specify)	

4. If goods are purchased outside of the local area, what can be done to increase your volume of local/regional purchases?

5. Are there any products, supplies or services you wish to find suppliers for locally/regionally?

<input type="checkbox"/> No
<input type="checkbox"/> Yes

If yes, provide details of requirements

5. STAFFING - HUMAN RESOURCES

1. How many employees and/or contractors do you currently have (including self)?

Full-time

Part-time

2. With respect to employees, in the next 6 months do you plan to

Downsize

Stay the same size

Hire

Move to more flexible HR arrangements (e.g. contractors, part-time, etc.)

Other (please specify)

3. How many employees and/or contractors do you foresee having in the next 3 years (including self)?

Full-time

Part-time

4. What are critical issues for your employees?

Housing

Cost of living

Transportation

There are no critical issues

Child care

Other (please specify)

5. What percentage of your employees live in

The City of Nelson

Areas E & F (Balfour to Bonnington)

Area H (Junction/Slocan Valley)

Castlegar/Trail, etc.

Ymir/Salmo area

Other

6. What percentage of your staff/employees are finding it difficult to obtain adequate housing (e.g. affordable, nearby, etc.)?

7. By what methods do you recruit new employees?

- Local ads
- Word of mouth
- Human resources
- Other (please specify)
- Internet
- Ads in major city centres
- Ads in trade journals and publications

8. In the last 3 years have you taken any special measures to fulfill your HR needs?

- No
- Offered higher pay
- More time off
- Other (please specify)
- More training
- Flex time

9. Do you feel you or your staff may require additional training?

- No
- Yes

If yes, provide details of training needed (e.g. sales, social marketing, finance, customer service, strategic planning, etc.)

10. If training were available, what would be the best time to provide it to meet your needs?

- Weekdays - early morning
- Weekdays - during work day
- Weekdays - during lunch hour
- Weekdays - evenings
- Weekends
- No preference

11. If training were available, convenient and affordabe, would you take advantage of it?

- Yes
- No

If no, describe the reason(s) why not

6. INVESTMENT AND INNOVATION

1. Over the last 3 years, has your business expended significant resources investing in

- Training
- Capital equipment purchases
- Technology purchases/upgrades
- Environmental sustainability measures (water, waste, power reduction, etc.)
- Expansion of facilities
- Workflow design or efficiency (e.g. lean manufacturing processes, etc.)
- Other (please list details)

2. Which of the following do you use to increase productivity/competitiveness

- | | |
|---|--|
| <input type="checkbox"/> Seminars (e.g. Kootenay Association of Science & Technology) | <input type="checkbox"/> Internet |
| <input type="checkbox"/> Staff training | <input type="checkbox"/> Equipment advances |
| <input type="checkbox"/> Conferences, trade shows | <input type="checkbox"/> Software advances |
| <input type="checkbox"/> Informal and other networking | <input type="checkbox"/> External consultants |
| <input type="checkbox"/> Social networks (Facebook, LinkedIn, etc.) | <input type="checkbox"/> R & D (or internal consultants) |
| <input type="checkbox"/> Industry specific trade journals (including on-line) | <input type="checkbox"/> None - it's business as usual |
| <input type="checkbox"/> Other (please specify) | |

3. What measures have been most effective in increasing your competitiveness and/or productivity?

4. How much do you expect to invest in expansions and renovations over the next 3 years (in \$ terms)?

7. SUSTAINABILITY

1. Have you taken any measures to make your business more environmentally sustainable in the last 18 months?

- Yes
- No (skip to question 4)

2. If yes, what have they been?

- | | |
|--|--|
| <input type="checkbox"/> Water reduction | <input type="checkbox"/> Sourcing more environmentally friendly inputs (goods, supplies, services) |
| <input type="checkbox"/> Energy reduction | <input type="checkbox"/> Selling more environmentally friendly goods/services |
| <input type="checkbox"/> Recycling/waste reduction | |
| <input type="checkbox"/> Other (please specify) | |
-

3. If yes, have you realized cost savings?

- | | |
|---------------------------|---|
| <input type="radio"/> Yes | <input type="radio"/> Too early to tell |
| <input type="radio"/> No | <input type="radio"/> Not sure |

4. Over the next 3 years, do you plan on making significant investments to make your business more environmentally sustainable?

- Yes
- No

5. If you have not taken any measures to make your business more environmentally sustainable in the past and have no plans to do so in the next 18 months, why not?

- | | |
|--|--|
| <input type="checkbox"/> Too busy | <input type="checkbox"/> Have not calculated financial benefit |
| <input type="checkbox"/> Too complicated | <input type="checkbox"/> There is no financial benefit |
| <input type="checkbox"/> Not enough information | <input type="checkbox"/> Not applicable |
| <input type="checkbox"/> Don't know where to start | |
| <input type="checkbox"/> Other (please specify) | |
-

8. SUCCESSION AND THE FUTURE

1. Are you planning on selling or retiring from your business?

- In the next 2 years
- In the next 2-5 years
- In the next 5-10 years
- Sometime, but not sure when
- Never

2. Do you have a written business succession plan for your business?

- No
- In process (details)
- Yes

3. Do you have a written key employee succession plan for your business in the event that a critical or key employee leaves?

- No
- Yes
- In process
- Not applicable

4. Within the next 3 years do you plan to

- Expand
- Downsize
- Relocate
- Stay the same (skip to section 9 - GROWTH AND SUCCESS)

5. If your business relocates, it will be

- in the Nelson area (including Areas E, F, H)
- elsewhere in the Kootenay/Boundary
- elsewhere
- not applicable

6. If your business relocates outside the Nelson area, why will it do so?

7. If your business downsizes, what will it most likely do?

- Share business premises
- Move into a home-based business situation
- More on-line business
- Not applicable

Other

8. If expanding, do you plan to

- Renovate current space to increase efficiencies
- Lease more space (at current location or other location)
- Build additional space
- Not applicable

9. If resizing do you anticipate any problems?

No anticipated problems

Labour

Financing

Management

Zoning/regulations

Lack of space

Planning

Affordability of space

Timing

Not applicable

Other (describe)

9. GROWTH AND SUCCESS

1. What do you believe to be the two most important drivers or engines of the economy in Nelson and area over the next 5 - 10 years?

- | | |
|--|--|
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Relocation of people from urban centres |
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Government |
| <input type="checkbox"/> Education | <input type="checkbox"/> Green or environmental businesses |
| <input type="checkbox"/> Tourism | <input type="checkbox"/> Finance |
| <input type="checkbox"/> Technology-based business | <input type="checkbox"/> Construction |
| <input type="checkbox"/> Arts, culture and creative business | <input type="checkbox"/> Agriculture |
| <input type="checkbox"/> Health and wellness | <input type="checkbox"/> Other niche service businesses (e.g. services to seniors) |
| <input type="checkbox"/> Other | |
-

2. Which 2 of the following offer the greatest potential for growth?

- | | |
|--|--|
| <input type="checkbox"/> Forestry | <input type="checkbox"/> Relocation of people from urban centres |
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Government |
| <input type="checkbox"/> Education | <input type="checkbox"/> Green or environmental businesses |
| <input type="checkbox"/> Tourism | <input type="checkbox"/> Finance |
| <input type="checkbox"/> Technology-based business | <input type="checkbox"/> Construction |
| <input type="checkbox"/> Arts, culture and creative businesses | <input type="checkbox"/> Agriculture |
| <input type="checkbox"/> Health and wellness | <input type="checkbox"/> Other niche service businesses (e.g. services to seniors) |
| <input type="checkbox"/> Other (please specify) | |
-

3. What are the greatest challenges or threats your business will face in the next few years?

4. What aspects of your business have the greatest potential for growth?

5. Can you suggest any ways the Economic Development Partnership, the City/RDCK, Community Futures, Chamber of Commerce, Selkirk College or other players can support your growth?

6. Are you facing any urgent issues that require immediate attention, such as relocation, closing, employee layoffs, or problems with expansion? (Please describe what the problem is, how urgent it is, and what your suggestion is for handling it)

7. Would you like additional information on any of the following?

- | | |
|---|---|
| <input type="checkbox"/> Information on making your business more environmentally sustainable | <input type="checkbox"/> Succession planning |
| <input type="checkbox"/> Networking opportunities with local business | <input type="checkbox"/> Human resource training |
| <input type="checkbox"/> Locating in a business incubator (some shared services) | <input type="checkbox"/> Other training |
| <input type="checkbox"/> Peer mentorship breakfast meetings with other (non competing) businesses | <input type="checkbox"/> Seminars/events and keynotes |
| <input type="checkbox"/> InvestKootenay.com | |
| <input type="checkbox"/> Other | |

8. If you would like us to follow up with you, please provide your name, phone number and email address.

9. Other comments



Nelson & Area Business Retention & Expansion (BRE) Initiative



Keeping Business in Our Own Backyard

2010



Agenda



- Why business retention and expansion... the key to economic development
- Outline our Nelson & Area business retention and expansion program
- Results
- Next steps...




Goal of BRE



Build a positive **business environment** for the **success** of **local businesses** and ultimately the success of the **community**

Keys to Successful BRE



- Knowing what businesses need
- Delivering what businesses need

What is BRE?

- Cornerstone to an economic development strategy
- Focus on the needs of businesses already in your community
- Gathers key information from your employers
- BRE is proven to be one of the most effective economic development tools (50-90% of jobs come from pre-existing business [Source: BRE International]).
- Builds relationship between business & with community economic development people

Goals of BRE

- **Accurately assess** the needs of business
- **Provide assistance** to business that will help them to survive economic difficulties and assist them with expansions that add new jobs
- **Build cooperation** and consensus among local government, economic development organizations and businesses



2010 BRE Program



```
graph TD; A[Business Advisory Team] --> B[Develop survey process and tools]; B --> C[Survey businesses]; C --> D[Analysis of needs]; D --> E[Follow-up assistance]; D --> F[Implementation of needed R&E initiatives];
```

□ Steps: **Consult > Listen > Respond**

BRE Advisory Committee



- o Linda Tynan, City of Nelson
- o John Dooley, City of Nelson
- o Vi Kalesnikoff, Selkirk College
- o Randy Horswell, Nelson Home Building Centre
- o Randy Richmond, Spearhead Timberworks
- o Paul West, Community Futures
- o Lisa Cannady, Community Futures
- o Jocelyn Carver, Kootenay Co-op
- o Tom Thomson, Chamber of Commerce
- o Judy Banfield, Mountain Baby

Missing:

- o Shandi Miller, CF
- o Jeff Hunt, Pacific Insight
- o Glenn Sutherland, Sutherland Financial
- o Mike Spote, CIEL
- o Kate Tognotti, Selkirk College


Steps



- o Formation of Business Advisory Team
- o Hiring of Survey Analyst & Surveyor
- o Completion of Survey Tool
- o Develop Communications Plan
- o Conduct Interviews with Businesses
- o Initial Analysis of results
- o Sharing of results with community


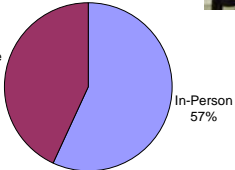
The Survey

- o Introduction
- o Background
- o Present Conditions and Issues of Business
- o Local Business – Buy Local
- o Staffing - Human Resources
- o Investment & innovation
- o Sustainability
- o Succession and the Future
- o Growth and the Future

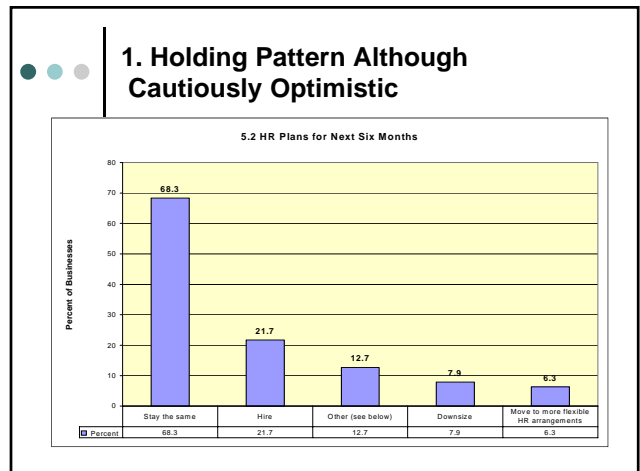
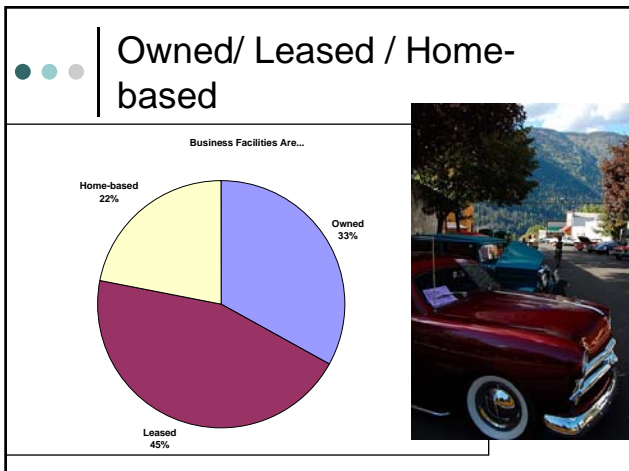
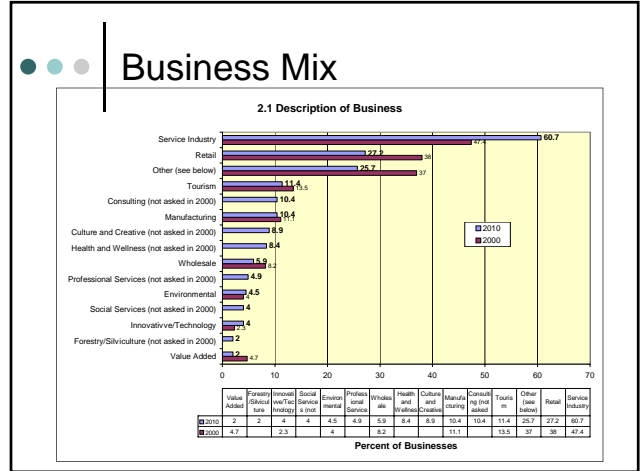
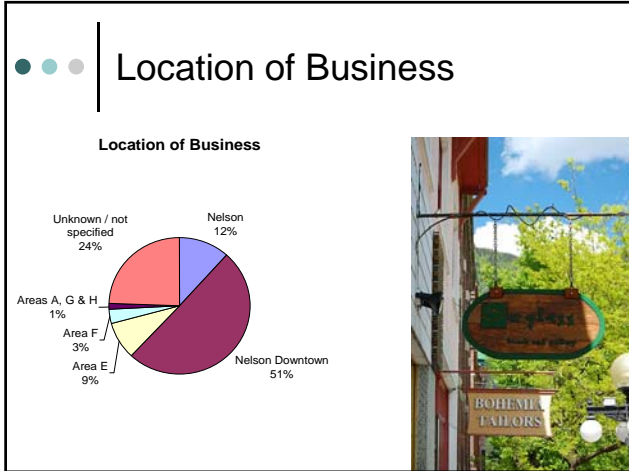


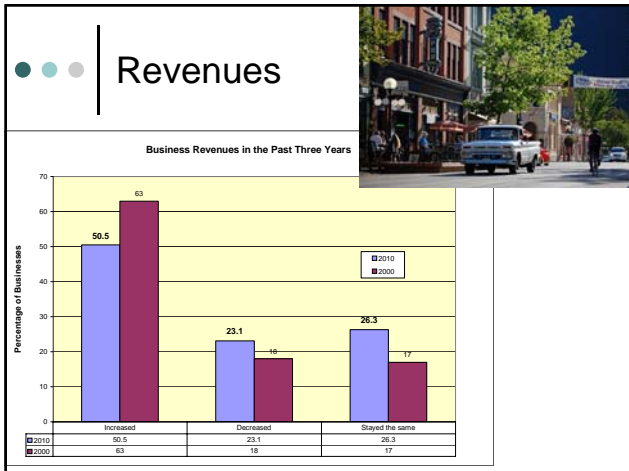
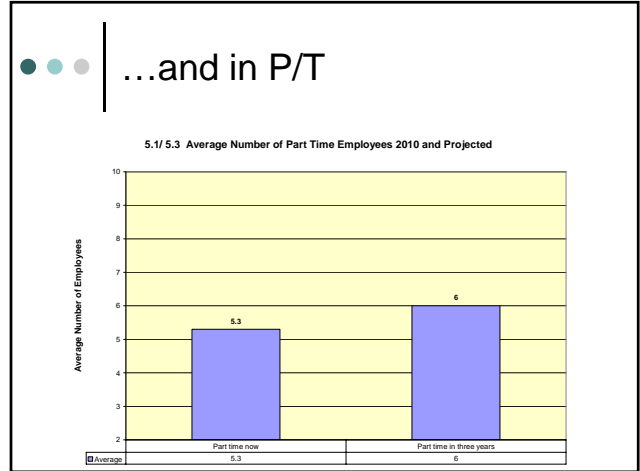
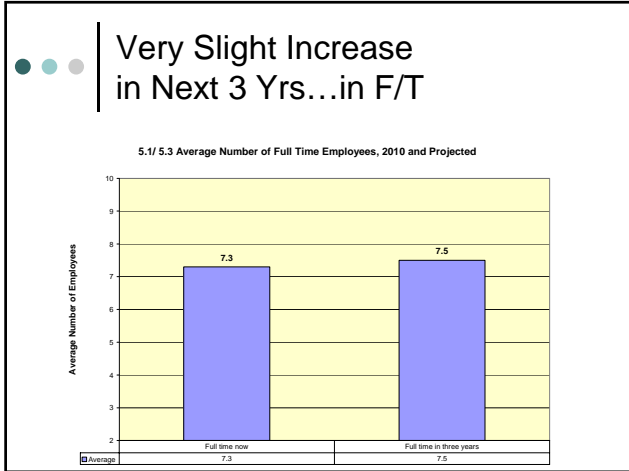
207 Businesses Surveyed

BRE Interviews

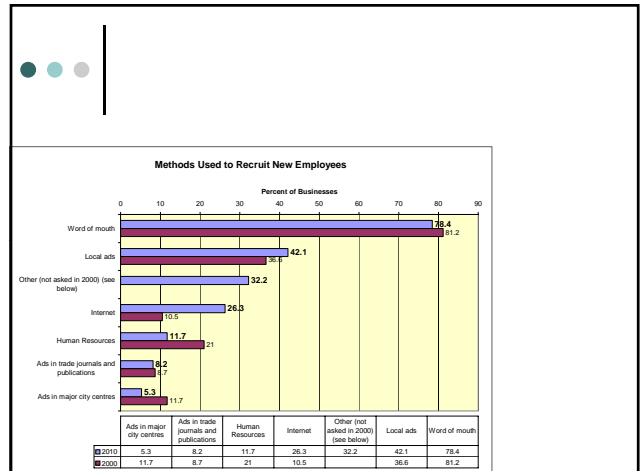
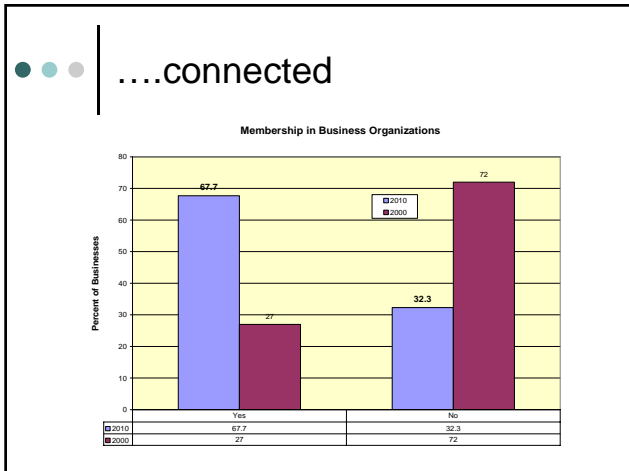
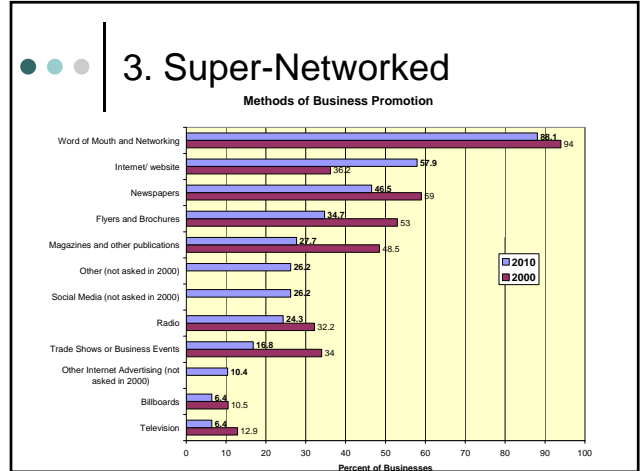
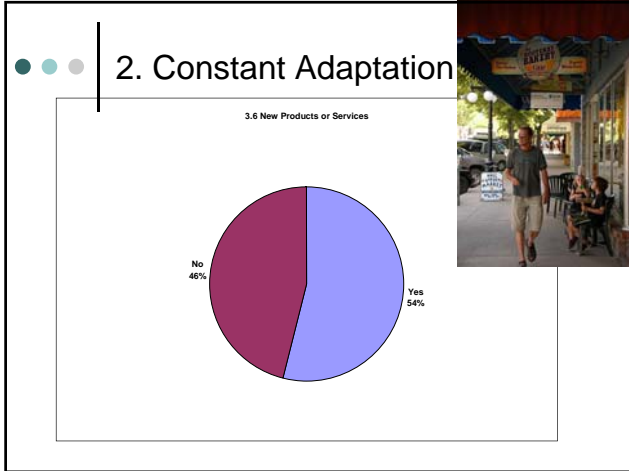
Interview Method	Percentage
On-Line	43%
In-Person	57%

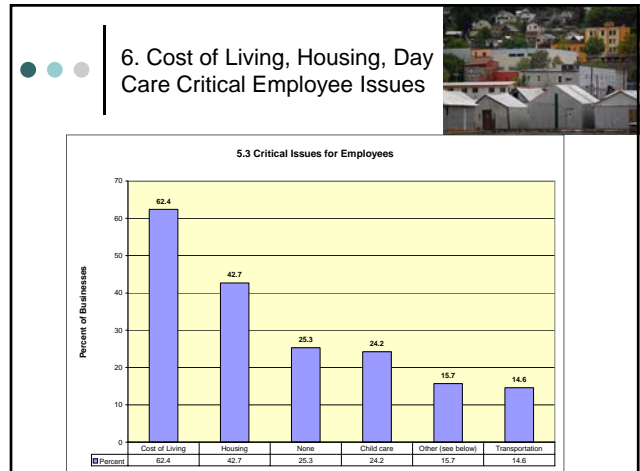
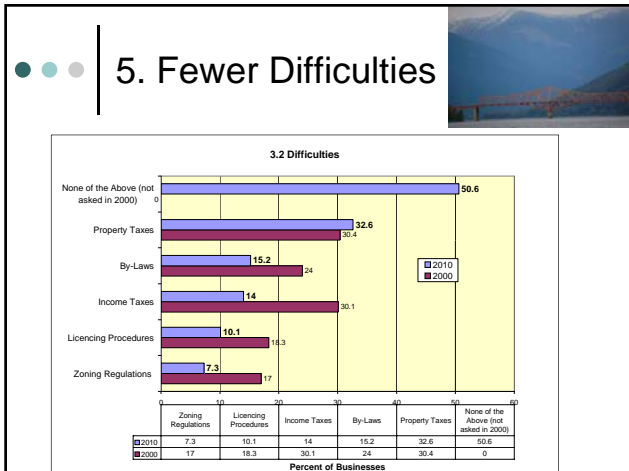
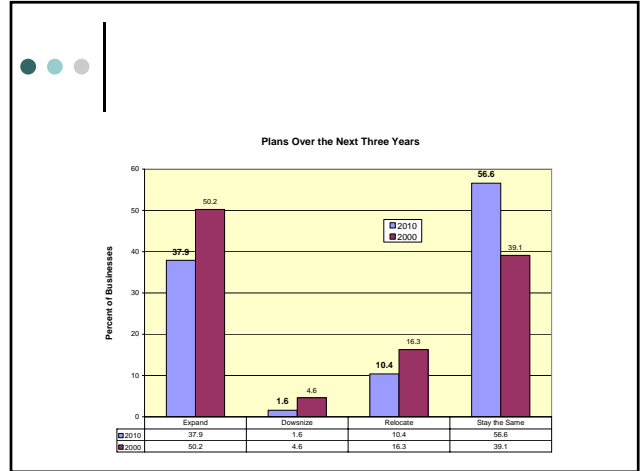
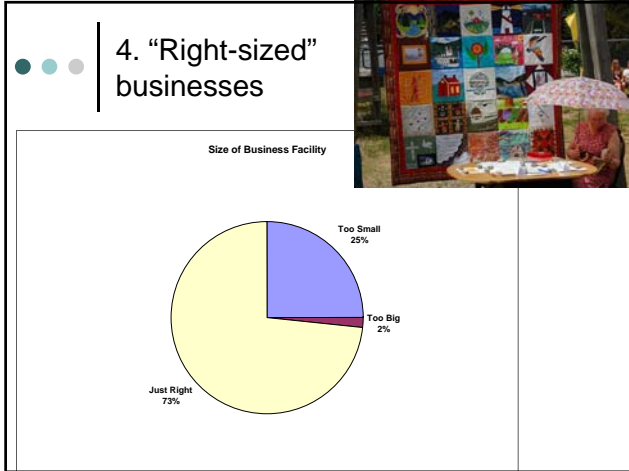




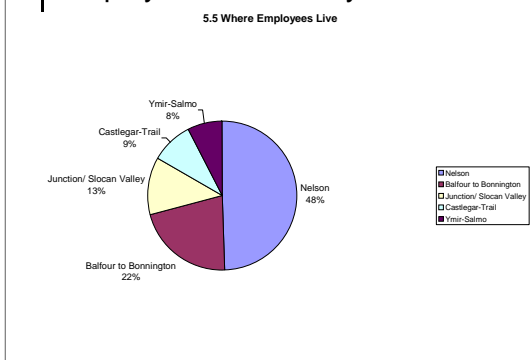
Investment in Expansion & Renovation over next 3 Years

- 1/3rd to spend \$0
- 1/3rd between \$0 & \$20 k
- 1/3rd more than \$20 k
- 5% over \$500,000

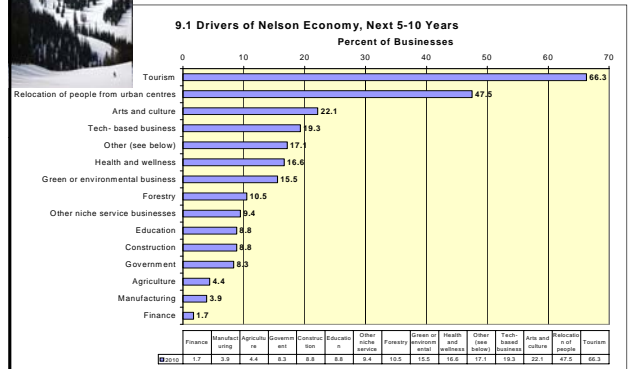




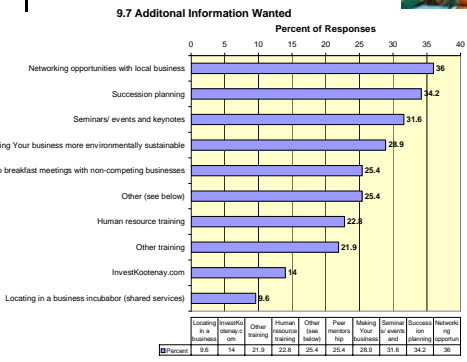
7. Fewer than Half of Employees Live in City



8. Tourism Predicted as Key Driver of Local Economy over Next Decade

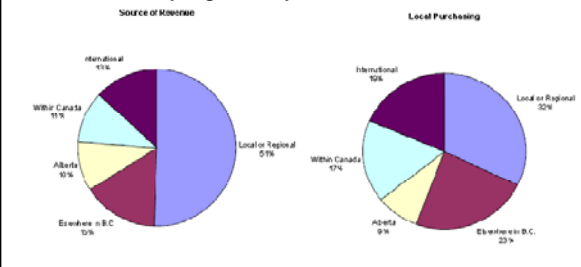


9. How Can we Help?



Buy Local

- Availability (53%), price (21%) and service (5%) top reasons for not buying locally





Other Interesting Stuff



- 3 largest challenges: qualified employees, competition, & trans/freight costs
- 75% have taken action to become more environmentally sustainable (recycling/waste reduction, energy reduction, sourcing env. friendly)
- 37% plan to retire or sell in next 10 years
- 6 of 10 businesses had to use special measures to accommodate workforce (higher pay, flex time, training)
- Staff training best way to improve productivity
- 2 of 3 businesses say they need additional training (customer service, marketing/sales & social media marketing top 3)
- Global economy seen as biggest threat



Next Steps



- Report back to Advisory Committee
- Report back to Nelson & Area Economic Development Partnership
- Immediate Follow-up (already happening)
- Short-term actions
- Long-term actions, programs & strategies integrated into NAEDP planning



Nelson & Area Business Retention & Expansion (BRE) 2010

Appendix 4 - Special Reports

A special analysis was conducted on the following geographic areas & sectors:

- Businesses Located in Areas E & F** – 22 businesses (11% of total)
- Tourism Businesses** – 24 businesses (12% of total)
- Manufacturing Businesses** – 21 businesses (10% of total)
- Social Service Providers** – 8 businesses (4% of total)

Although the sample sizes are too small to provide a definitive picture, they do provide some useful insights and point to possible trends/issues. The following presents some highlights (and deviations from total sample of 207 businesses).

a) **Businesses Located in Areas E & F**

- 41% of these businesses surveyed were tourism businesses; 18% manufacturing
- 86% belong to a businesses or trade association
- Fewer difficulties - 67% experiencing no difficulties; zoning and property taxes were a problem for 19%
- 73% of businesses saw location as a competitive advantage
- 2/3rds anticipate needing to change products/services significantly in next 2 years
- 41% have had revenues decrease in last 3 years
- 77% intend to stay the same staff size over the next 6 months; 18% plan to hire, 4.5% to downsize
- 50% report cost of living critical issue for employees; 35% housing, 35% transportation, 15 % child care
- 32% of employees live in City of Nelson, 36% in Areas E & F, 9% Area H, 7% Castlegar/Trail, 9% Ymir/Salmo
- 94% of businesses use word of mouth to recruit, 52% use local ads
- Over the last 3 years, 47% have offered higher pay, 47% more flex time, and 30% more training as incentives
- 83% of businesses have made capital purchases to improve productivity
- 18% of businesses in Areas E & F plan on spending more the \$500,000 in next 3 years on expansion or renovation
- 47% of business owners plan to retire or sell within the next 10 years. None of these have a succession plan ready or in the works.

- 81% of businesses believe relocation of people from urban centres will be one of the two most important drivers of the economy over the next decade in Nelson and area; 76% cite tourism
- 67% of business believe that tourism offers one of the two most potent areas for growth; 24% cite health and wellness
- Business located in Areas E & F are more likely to anticipate problems with labour (31%) and financing (23%) than other businesses when resizing

b) Tourism Businesses

- Tourism businesses were in 'owned' premises 53% of the time (higher rate), 35% leased
- Used more outlets of promotion and much higher rates of usage; 79% used web, 71% flyers, 55% magazines, 50% newspapers, 42% social media
- 91% belong to a businesses or trade association (100% belong to Chamber, 46% an industry association, 5% Nelson Business Association)
- 35% felt their premises too small
- More difficulties - 39% experiencing difficulties with property taxes, 26% by-laws, 26% licensing
- Reputation (91%), location (87%) and quality (87%) three largest competitive advantages
- 68% have had to change products/services significantly in last 3 years
- 60% anticipate needing to change products/services significantly in next 2 years
- 35% have had revenues decrease in last 3 years
- 38% or revenues are generated from local/regional customers; 16% elsewhere in BC, 20% Alberta, 11% elsewhere in Canada; 16% internationally
- 77% intend to stay the same staff size over the next 6 months; 4.5 % plan to hire, 18% to downsize
- 61% report cost of living critical issue for employees; 50% housing, 46% transportation, 36 % child care
- 38% of employees live in City of Nelson, 26% in Areas E & F, 13% Area H, 6% Castlegar/Trail, 4% Ymir/Salmo
- 82% of businesses use word of mouth to recruit, 59% use local ads, 35% use internet
- Over the last 3 years, 50% have offered higher pay, 33% more flex time, and 22% more training as incentives
- 70% of businesses feel they or their staff require additional training
- Tourism businesses report spending more resources on web, search engine optimization, web research, and at special events

- 59% of businesses plan to stay the same physical size over the next 3 years; 36% plan to expand, 0% plan to downsize
- 77% of businesses believe tourism will be one of the two most important drivers of the economy over the next decade in Nelson and area; 41% cite relocation of people from urban centres while 27% list arts and culture

c) Manufacturing Businesses

- Other than word of mouth (100%) manufacturing generally had lower rates of promotional usage than other surveyed businesses: 38% web, 24% magazine
- 57% belong to businesses or trade association
- 35% felt their premises too small
- 63% anticipate needing to change products/services significantly in next 2 years
- 35% have had revenues decrease in last 3 years; 45% have had profits decrease (40% have had profits increase)
- 49% of revenues are generated from local/regional customers; 13% elsewhere in BC, 11 Alberta, 9% elsewhere in Canada; 18% internationally
- 19% of goods/services are purchased locally; 32% elsewhere in BC, 16% Alberta, 8% elsewhere in Canada; 24% internationally
- 60% intend to stay the same staff size over the next 6 months; 30% plan to hire, 5% to downsize
- 63% report cost of living critical issue for employees; 53% housing, 16% transportation, 5 % child care
- 39% of employees live in City of Nelson, 18% in Areas E & F, 18% Area H, 10% Castlegar/Trail, 10% Ymir/Salmo
- 74% of businesses use word of mouth to recruit, 58% use local ads, 21% HR departments
- Over the last 3 years, 42% have offered higher pay, 32% more flex time, 16% more time off, and 11% more training as incentives
- 50% of businesses feel they or their staff require additional training
- 83% of businesses have made capital purchases to improve productivity; 44% technology upgrades, 28% training, 39% environmental sustainability measures, 44% workflow design measures
- Only 8% (2 of 24) manufacturing businesses plan on spending more the \$500,000 in next 3 years on expansion or renovation
- 31% of businesses plan to retire or sell within the next 10 years. None of these have a succession plan ready or in the works.
- 63% of businesses plan to stay the same physical size over the next 3 years; 37% plan to expand, 0% plan to downsize

- 74% of businesses believe relocation of people from urban centres will be one of the two most important drivers of the economy over the next decade in Nelson and area; 68% cite tourism
- 53% of business believe that technology-based business offers one of two most potent areas for growth; 37% cite tourism; 37% list green businesses

d) Social Services Providers

- More networked than other businesses (83% belong to a industry/trade/business group)
- They see employees as their key advantage
- Their biggest threat is identified as government funding
- They have had to be more responsive to change than other businesses surveyed (71% have had to change significantly in last 3 years, 86% anticipate having to change again in next 2 years)
- They are more likely NOT to buy local (mainly because of price considerations)
- 83% intend to stay the same size; 17% expect to increase staff
- They are on average larger than businesses surveyed by 2.5 times averaging 17 F/T and 16 P/T staff
- They all (100%) cite cost of living as a critical issue for their employees (67% housing, 50% child care, 50% transportation).
- 83% hire using local ads and word of mouth
- Over the last 3 years, 60% have offered higher pay, 40% more training & 20% more flex time as incentives
- 100% would take training if available, affordable and relevant
- Staff training and using internal consultants were seen as the most useful ways of attaining productivity gains
- 2/3rds plan on spending no money on renovation or expansion; 1/3rd will spend more than \$20,000
- 75% looking to expand services
- The sector suggested more keynotes/seminars and networking events as way NAEDP and its partners could best assist them
- Other comments:
 - “Be aware of who we are”
 - “Recognize value of sector and communicate this”
 - “Trade info on what’s happening”