

Kootenay Boundary Productivity Project

Business Engagement Report

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Project Overview

The Kootenay Boundary Productivity Project is designed to address businesses productivity and innovation challenges by working with business support organizations that will be provided with tools to facilitate the creation of productivity strategies for business. Community Futures Central Kootenay is the lead agency working in partnership with other Kootenay Boundary business support agencies such as; community futures, chambers of commerce, community colleges, science associations and regional trusts.

The project goals are as follows:

- build awareness within the local business community regarding the need to address productivity issues
- develop methodologies for SMEs in creating a productivity strategy that focuses on:
 - o improving the quality of workers' skills
 - o facilitating the flow of skilled workers into and within the labour force
 - o increasing the productivity of people in the workplace
 - enhancing innovation for SMEs
 - o assessing the productivity of SME's physical capital
- facilitate the development of productivity plans for 30 Kootenay Boundary based businesses
- create the framework for a pilot initiative that would assist employers in addressing their productivity issues as identified within their productivity plans

The findings of the project will be shared at the 2012 Community Futures Provincial Conference, which will be hosted in Nelson BC on September 30, 2012.

Business Engagement Process & Methodology

The solicitation of small and medium sized enterprises (SMEs) feedback on the development of a business productivity strategy was conducted. This involved five focus group sessions that were held in the Kootenay Boundary area: Revelstoke, Cranbrook, Nelson, Grand Forks and Trail. These sessions included representation from SMEs, community futures offices, chambers of commerce, and economic development agencies. The purpose of the focus group sessions were to gauge businesses knowledge and understanding of business productivity, and furthermore determine their interest in creating a productivity strategy for their business.

In advance of the meeting participants were provided with an agenda (see Appendix A). A total of 39 individuals participated in the meetings. These sessions involved a short presentation that provided an overview of the Kootenay Boundary Productivity Project, and laid out some challenges for business productivity from a Canadian context. The presentation also provided participants with background information on key productivity drivers, and introduced a number of web based productivity enhancement tools (see Appendix B - *Productivity Presentation*).

Following this presentation focus group participants were asked to answer these questions:

- a. What do you consider to be the key issues that are impacting business productivity in Canada?
- b. Do you feel there are opportunities to enhance productivity in your business, if so what are they?
- c. What would motivate business owners to assess and act on productivity opportunities/ gaps?
- d. What would hold back business owners from addressing productivity improvement?
- e. What type of assessment would help to identify productivity opportunities/gaps?
- f. How can business support organizations assist in implementing strategies to enhance productivity?

At the end of the session participants were thanked for their participation and asked if they were interested in participating in future productivity dialogues. General consensus was a keen interest in continued participation.

Focus Group Meeting Summary Notes

Notes from all five sessions were completed and distributed to participants (see Appendix C). The following is a summary of the discussion notes from all 5 sessions. The information from these notes will help guide the development of the productivity diagnostic tool that will be administered to participating SMEs.

Discussion Area Number 1. - Issues impacting business productivity:

The discussion regarding this question focused on three themes: general issues, human resources, and technology and innovation. Covered under the general issues were a number of infrastructure challenges such as transportation and highways, access to reliable power, and costs for logistics such as shipping. One particular issue that was cited in the West Kootenay region was access to reliable air transportation in and out of the region - often flight cancellations or delays resulted in lost productivity.

Business owners also expressed the challenge of having the time to focus on issues of productivity. They often cited that they didn't have the time or the knowledge to help address productivity challenges. In their opinion too much time was spent working in the activities of the business rather than strategically on the operation of the business. Business owners also felt they didn't have the knowledge or understanding of how they could assess their productivity. They were very interested in the idea of assessment and in creating benchmarks that could measure outcomes from implementing productivity strategies. An outside assessment from an expert in the field was also seen as a service that would be useful in assessing productivity challenges within the business.

Human resources is a relatively hot topic for employers. The issues of how to engage employees, motivate them and create a stronger sense of ownership within the business were areas of challenge that employers would like to address. There was also concern expressed regarding the ageing workforce and the potential loss of knowledge from the experienced workers that would be exiting due to retirement. The time and effort required to recruit and hire a skilled employee is particularly challenging for SMEs as this role is typically filled by the owner.

Technology and innovation are key challenges for business owners trying to keep on top of new technology advances. More importantly, how can these advances be applied to the business, and will they generate positive results. The lack of local technical support for new software was also noted as an issue. Owners also expressed the challenge of finding the financial resources needed to purchase new technologies. In correlation to this challenge is the ability to assess whether the purchase of new technologies would translate into savings for the business.

The following are highlighted notes for Question 1 from all five focus group sessions:

<u>General</u>

- Challenge of efficient access to markets and lack of adequate infrastructure, such as highway system (road closures), telecommunications, reliability of power and unreliable airport
- Shipping challenges and high shipping costs both in and out of region
- Market saturation, too much competition within relative business sector
- Cost and time to address or implement productivity measures
- Need to view our business from different perspective an independent or expert eye
- Often in crisis mode; more reactive than proactive; lack of long term vision
- Overall management ability, as owner of small business the challenge of needing to know everything about business operations, taxes, finance, human resources etc.
- Employers and staff having time to keep current with necessary skills (ie. computer training), and trying to manage incoming/outgoing communications
- Lack of adequate investment in plant and equipment, and efficient use of inventory
- Productive measures may not be viewed as successful to business owners and/or their employees

Human Resources

- Lack of work ethic, commitment and loyalty in employees, and a sense of entitlement
- Time and effort is required to effectively manage staff
- New employees lack basic skills customer service, math, writing, communications, critical thinking and problem solving
- How to deal with toxic employees
- Issues of employees not willing to do tasks they believe are below their skills, or willing to change
- Aging workforce and future retirement of key employees with skills is creating challenges
- Younger employees have high turnover rate and lack of work ethic, but more adept to new technology

- Generation gap between older and younger workers can cause conflict in the workplace
- Employee succession planning is becoming a big issue
- Shortage of skilled workers; spending significant time trying to find skilled workers
- Employees are not as engaged in the business as they need to be. Everyone should see themselves as a stakeholder in the business.
- Profit is seen as a negative to employees they sense that owners are getting rich off them. Better understanding of the business and the importance of profitability
- Remoteness of businesses outside this region presents a challenge in recruiting employees

Technology/Innovation

- Knowing what trends/new developments are on their way, what their potential is and how to execute them
- Lack of local training and technical support to run software
- Older workers hold on to the old processes and are more resistant to new technology
- Younger employees adapt to new technology
- Lack of financial resources available to invest in technology
- How to navigate through all the regulatory issues
- Get businesses in the same industry to network and share information

Discussion Area Number 2. - Opportunities for productivity enhancement:

The SMEs that participated in the focus group discussion felt that if they could focus on their human resources this could produce the greatest short-term benefit for productivity gains. Implementing proven practices that would improve overall workplace culture could greatly enhance productivity. Specifically, effective ways to recruit, train and engage their workforce was seen as a high priority. In terms of engagement, a particular area of interest to business owners was how to effectively facilitate dialogue with employees on workplace practices - getting their perspective on how operations can run more efficiently.

Customer feedback was also seen as an important aspect that can result in greater productivity. Mechanisms to create customer loyalty programs and methods of collecting customer feedback in terms of products and services were viewed as opportunities to create greater efficiency.

Succession planning and the subsequent transfer of knowledge were viewed as very important to the ongoing operations. Creating effective ways to mentor and train new employees is critical when facing the loss of a senior employee. Business owners also indicated the need to develop an effective succession plan for themselves.

The following is a summary of the discussion:

- Knowledge transfer between new and seasoned employees idea of job procedure manuals that capture knowledge
- Find effective ways to motivate employees: employee advancement, profit sharing, bonus systems, reward programs, avenues for employee feedback
- Create an effective HR program that targets smaller businesses
- Mentors for business owners and employees
- Ongoing investment in training for owners and employees
- Learn how to keep up with the latest technology
- On-line resources guide that can save the business owner time
- Gain feedback from your client on how to be more productive
- Conduct exit interviews to better understand why employees are leaving
- Create a company culture that is committed to success and a sense of ownership in employees; facilitate dialogue
- Create a customer loyalty program
- Business ownership succession planning
- Develop an effective method to recruit skilled employees

 Need to find leading practice or best practice within your industry and then go out to visit them

Discussion Area Number 3. - Challenges to implementing productivity measures:

The challenges associated with implementation can be condensed to time, cost and motivation. From the business owner's perspective, the time associated with implementing a productivity strategy can be viewed as challenging. Combined with this is the fear of change and the negative implications on staff morale; there is a sense that this fear could actually lead to reduced productivity.

Cost was often expressed as an impediment by the focus group participants. Several examples were cited where a business had invested in productivity measures, for example technology upgrades that did not produce any substantive cost savings or in fact reduced productivity. There needs to be a clear understanding of the costs and benefits in the decision-making process for implementing productivity measures.

In terms of motivation, a key component is the rewards associated with implementation of productivity measures. A number of business owners said that what would really motivate them is if they could see a clear reward in terms of profitability or cost savings. A major influence in adapting productivity measures as stated by focus group participants was word-of-mouth validation from business peer group members.

The following is a summary of the discussion:

- Need to develop long term business plan and implement it
- Time and Cost; needs to be affordable, not overly time consuming and show value
- Finding training and the right resources to help address productivity
- Avoid creating a long list that might overwhelm the business owner; focus on the quick wins
- There has to be employee buy-in and the right work culture to be effective; working more effectively does not result in job loss
- Implementing a productivity plan once its developed; getting the momentum to implement the plan
- Trying to connect employee goals with overall productivity goals
- Finding the right employee training

Discussion Area Number 4. - Assessment tool:

The focus group participants indicated that the greatest value for the assessment tool is not necessarily the final output, but rather the process of completing the assessment tool, and the fact that it would provoke thought and discussion on how to enhance business productivity. The assessment tool should provide a basis for creating an overall productivity strategy. In terms of the assessment tool design, most participants felt that it needs to be user-friendly and not take more than an hour to complete. Participants agreed that upon completing an assessment there needs to be a debriefing to help interpret the results that are generated.

The following is a summary of the discussion:

- The best value will be in the workshop, not the tool itself
- Tool should be easy to follow, user friendly, affordable, not too time consuming (30 – 40 minutes) and provide concrete recommendations
- Tool should be used by employers and employees and should have a tracking system for assessing productivity measures
- Provides cost benefit analysis for productivity measures
- Provides practical examples of how to achieve greater productivity
- Offer local delivery of assessment tool in the form of a workshop, peer session and/or one-on-one delivery
- Tool should identify employee opportunities and challenges as they pertain to productivity
- Tool should help provide a vision for your business and define best practices

Discussion Area Number 5. - How can service providers play a role in

implementation:

Business service providers in the region can play a very important role in helping to interpret the assessment tool results and provide follow-up in terms of creating a productivity strategy for the business. Business owners are unclear about the various resources that may be available to them to help implement productivity measures and finance the costs associated with those measures. Business service providers could be an important link between the business owner and potential resources that exist for the business. Most businesses saw value in group sessions where they could interact with

peers. However, in addition to these group sessions it was they strongly recommended that a one-on-one productivity business counsellor be available as a follow-up service.

The following is a summary of the discussion:

- Provide debriefing to the assessment
- Develop a speaker series short one-hour sessions during lunch or breakfast
- Provide training in the form of online training, short and practical courses, customized training and employee succession planning
- Offer productivity training available for employees that is specific to the business
- Keep sessions affordable
- Create a program similar to the 'CASE' counsellors program
- Provide one-on-one counselling services after the assessment is completed
- Help owners to develop a plan that will focus on a couple of key items
- Coordinate peer groups, mentors and networks between business owners
- Assist businesses in accessing productivity resources
- Offer financial resources to help offset costs

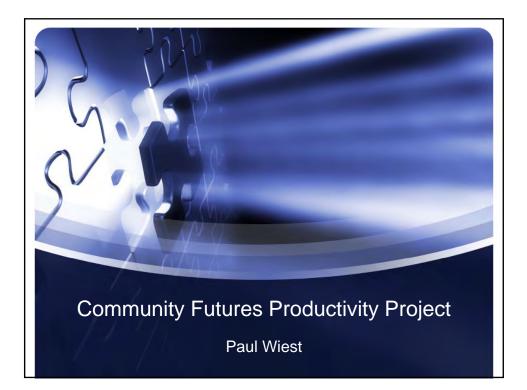
Appendix A

Focus Group Agenda

- 2. Introductions
- 3. Introduce the Kootenay Boundary Productivity Initiative
- 4. Overview of Project
- 5. Background Research
- 6. Focus Group Questions
 - a. What do you consider to be the key issues that are impacting business productivity in Canada?
 - b. Do you feel there are opportunities to enhance productivity in your business, if so what are they?
 - c. What would hold back business owners from addressing productivity improvement?
 - d. What would motivate business owners to assess and act on productivity opportunities/ gaps?
 - e. What type of assessment would help to identify productivity opportunities/gaps?
 - f. How can business support organizations assist in implementing strategies to enhance productivity?
- 7. Next Steps
- 8. Wrap Up

Appendix B

Project Presentation









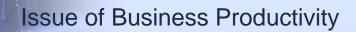








Importance of Productivity Productivity is the relationship between the output of goods and services and the inputs of resources Productivity is about working "smarter" producing more output for each hour on the job. Productivity growth is the most important source of long-term economic growth



- Canada's competitiveness ranking has declined to 12 place
- Recent study "we'd earn \$8,500 more a year if we had matched U.S. productivity growth over the past 20 years"
- Canadians are among the world leaders in work effort



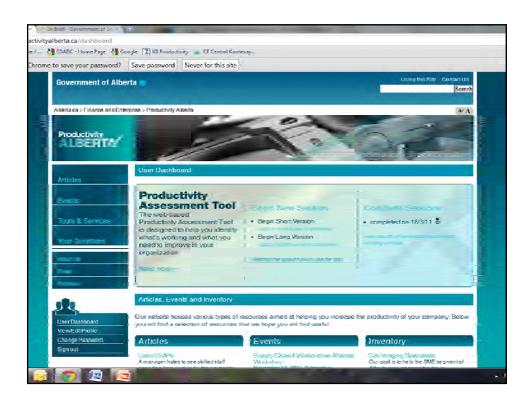








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rmance Working	This workplace productivity tool is designed for the owners/managers of small to medium businesses. It will not provide a 'scientific' analysis of your business's performance but it will show where you can make improvements in your business practice. For in-depth analysis, a range of more sophisticated tools are available on the market. Improving workplace productivity involves exploring all the ways that a workplace can do things better and smarter. Each workplace will have its own way to achieve this.						mondays and leav
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vers of workplace							Paid parental lear calculator
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<u>d resources</u> vorkplace starter	productivity of your business. Each of these drivers have a separate section in the questionnaire which you can access from the links below or as a whole with a diagram at the end representing your regults. They are:						Best practice resources
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ielp business info	 Encouraging Innovation and the Use of Technology 						Skills Highway
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	Organising Work						Do you want to k
p Resource Centre	 Networking and Collaboration 						these pages are
mployment equity	Measuring What Matters						Eubscribe to our
nalance	Complete full questionnaire online						Related Inform









Appendix C

Focus Group Notes

Focus Group Meeting Notes January 12, 2012 Cranbrook, BC

Issues impacting business productivity:

<u>General</u>

- Lack of a long term vision for productivity
- Business owners tend to focus on the short-term rather than long-term plans
- Challenge of working on your business rather than in your business
- Not enough time in the day to work on your business
- Not fair to compare Canada to countries such as the US, which has a large economy of scale
- U.S has a competitive advantage just in terms of market size
- Infrastructure and logistics are a real challenge for example shipping goods or providing services outside of the region
- Procurement is a challenge, as is lack of suppliers within the region increased cost of shipping and loss of time to get goods
- Lack of loyalty from local customers
- Customers from outside the region are more loyal than Kootenay clientele

Human Resources

- Restructuring of apprenticeship program resulted in a reduction of resources for apprentices and the employer
- Some apprentices don't complete their training
- Lack of commitment to their work by employees
- There is a sense of entitlement by employees
- Work ethic is an issue
- Lack of essential skills (writing, numeracy, working with others)
- Shortage of skilled workers
- Finding the right person to fill vacant positions
- Spending significant time trying to find skilled workers
- Time loss due to employee turn-over and the resulting recruitment of replacement staff
- Need employees who can think on their own
- Young people can lack work ethic, yet very tech savvy
- Generation gap between old school and new school thinking, can result in conflict within the workplace
- Lack of field experience by newly skilled workers

<u>Technology</u>

- When it comes to technology adoption, business owners can't adopt to what they don't know
- Business owners working in isolation results in lack of knowledge
- Need to better utilize what is available for information on the internet
- Getting businesses in the same industry to network and share information on technology
- How do we get money to invest in technology when banks won't finance it
- What holds back innovation?
 - Availability of local resources (product and people)
 - o Money
 - Government regulation, for example no local resource person to assist in CSA approval process
- How to navigate through all the regulatory issues. Forces businesses to go underground or not innovate at all

Opportunities for productivity enhancement:

- Knowledge transfer like European model take what we can learn and pass it on
- Conduct exit interviews to better understand why employees are leaving
- Businesses need to adopt measures as described in the book 'The Toyota Way'
- On-going investment in employee training, like in Germany
- Need to invest in our people
- Create a company culture that is committed to success
- Create a sense of ownership in employees
- Maximize market opportunities to grow the business
- Internet provides a great resource for finding how to address productivity
- Develop an effective guide of helpful on-line resources that can save the business owner time
- Need to create customer loyalty program
- Facilitate a dialogue to share perspectives within the company
- Create an effective human resource program that targets smaller businesses

Challenges to implementing productivity measures:

- Challenge of trying to find a balance between working on your own versus hiring someone
- Issue of work culture it's about creating the right environment that can allow productivity to happen
- Getting our employees' honest input and suggestions
- Getting employee to buy into the implementation
- Need to develop long term business plan and implement it
- Need to show value for the time
- Business owners need to know what's in it for them
- Implementing a productivity plan once its developed; getting the momentum to implement the plan

Assessment Tool:

- The best value will be in the workshop, not the tool itself
- Peer session is the best value to the business owner
- Look at offering local delivery of assessment tool in the form of a workshop
- Short version workshop is better as it is hard to do a full day
- Discussions such as this focus group provides a forum to get ideas to increase productivity

How can service providers play a role in implementation:

- Be good to have businesses that could benefit from the program participate
- Convince businesses to bring a buddy
- Assist businesses in accessing productivity resources
- Create networks between business owners

Participants

Ray Joubert, Economic Development for Tobacco Plains Indian Band

Robert Howard, Cutting Edge Industries

Wayne Gamborski, Canada Glullam

Mike Sanderman, Canadian Purcell Machinery

Sherry Jackson, Hot Shots

Pat O'Connell, Powermech

Will Nixon, Basin Business Advisor

Patti Phillips, Consultant

Nikki Bradshaw, Community Futures East Kootenay

Jill Bain, Community Futures East Kootenay

Paul Wiest, Community Futures Central Kootenay

Cathy Gaudord, Community Futures East Kootenay

Pauline Swanson, Community Futures East Kootenay

Focus Group Meeting Notes December 15, 2011 Grand Forks, BC

Issues impacting business productivity:

<u>General</u>

- For businesses there is a disconnect between productivity and success
- Productive measures may not be viewed as successful to business owners and/or their employees
- Businesses tend to be more reactive than proactive
- Businesses need to keep productivity as a high priority, but tend to get caught up in the day-to-day operation of the business
- Businesses are not in the habit of measuring their success relative to other businesses, and are fine with the status quo
- Understanding the need for productivity i.e. in terms of sales or number of new clients needed to achieve increased profitability

Human Resources

- Employees like to do things their way and resist change
- It's hard to get employees to understand the need for change
- Employees can be isolated in their view, in terms of output and productivity
- There is a greater sense of understanding the need for productivity if the business is situated in a competitive market place. This is not necessarily the case for some businesses in Grand Forks
- Lack of basic work ethic for younger employees, different than the older workers
- Younger employees are more apt to adopt new technology
- Employee succession planning is becoming a big issue
- Sense of entitlement, that employees are 'owed' something
- People often say 'it's not my job'
- The 'crab in the bucket' mentality can pull the keen employees down
- Laid back work culture, "I could work harder, but why?"
- Look to hire people with the right attitude, then train them
- How to assess a job applicants' people skills

Technology Adaptation

- Resistance by the business owner to purchase new technology because of the financial outlay
- Older workers hold on to the old processes and are more resistant to new technology
- Younger employees adapt to new technology. They don't question why, and they don't care to know why
- Time and effort required to implement new technology

Opportunities for productivity enhancement:

- Creating the opportunity for employee advancement can be motivation for professional development, this in turn leads to productivity
- Create a systematic approach for accessing and implementing new innovative
- Find the best ways to motivate employees
- Develop human resource training that is tied to productivity
- How to effectively facilitate knowledge transfer between new and seasoned workers
- Create methods for capturing work processes
- Mentors are motivating for an employee; assign mentors to new employees
- The Business Development of Canada's 'CASE' counselling service was a great program. This type of service is lacking for business today
- Mentors for business owners
- Human resource mentor program
- Being aware of what employees are doing during their slow times
- Basic computer training for owners and employees
- Courses on how to keep up with the latest in technology

Challenges to implementing productivity measures:

- Finding the right training for our employees
- Frustration by employees when trying to understand new work processes
- Getting employees to take ownership in making change
- Lack of understanding by employees if we work more effectively does that result in job loss
- Trying to connect employee goals with overall productivity goals
- Using profit sharing or bonuses is challenging as it creates an expectation even when targets are not met
- Motivation for businesses to invest in professional development what is the payback
- Creating a safe environment for employees to make suggestions
- How can you set up an expectation for innovation
- Overcome working in isolation of others, both in terms of the employee and the business owner

Assessment Tool:

- Self assessment of our business
- Keep assessment concise
- Tracking system for assessing productivity measures
- Helps provide a vision for your business
- Measuring employee engagement
- Assessing creativity within your workforce

How can service providers play a role in implementation:

- Provide debriefing to the assessment
- Create a program like the 'CASE' counsellors program
- Offer business training programs regarding technology advancements
- Employee engagement training
- Business peer mentorship
- Employee succession planning
- Mentors for business owners
- Human resource mentor program
- Offer financial resources to help offset costs to implementing productivity initiatives within a business

Participants

Paul Wiest, Community Futures Central Kootenay Sarah Winton, Community Futures Boundary Susan Harris, CIBC Leda Leander, Boundary Family and Individual Services Society Mark Grimm, Grand Forks Credit Union Barb Falk, Pharmasave Jim Holmes, Roxul Todd Benson, Investors Group Wendy McCulloch, Community Futures Boundary

Focus Group Meeting Notes January 16, 2012 Nelson BC

Issues impacting business productivity:

<u>General</u>

- Effective management of incoming and outgoing communications
- Employees and staff spending too much time trying to manage e-mail
- Keeping current on computer skills for employees and owners
- Lack of adequate investment in plant and equipment
- Better ergonomics within the workplace
- Time management by the owners
- Too often in crisis management rather than developing business
- Don't set aside time to look at or address productivity issues

Human Resources

- Sales representatives not generating new business, instead they focus too much time on existing clients
- Skill levels of employees below what is required in the job
- Remoteness of businesses outside of Nelson presents a challenge in recruiting employees
- Finding the right employees who possess work ethic required for the position
- Generation gap between older and younger workers can cause conflict within workplace
- Younger employees attitude, lack of commitment to the job
- Challenge of employees with hidden motivation, for example employee whose goal is to get enough weeks to qualify for Employment Insurance
- Lack of employee engagement and loyalty
- Employees need to have a better understanding of the financial model of the business
- Lack of adequate communication skills

Logistics & Infrastructure

- Getting goods shipped in a timely manner both in and out of region
- Expense of shipping items
- Lack of reliability of nearby airport
- People in or out via air in winter season is very difficult
- High cost of regional air travel relative to other regions
- Reliability of Nelson power, causes damage to systems
- Businesses need to invest in back-up systems due to lack of power reliability
- Need to give employees the proper tools (equipment) to be productive

Innovation/Technology

- Ideas are easy to come up with but execution is the challenge
- How to assess new ideas that may lead to innovation

- Knowing what is on its way, i.e. trends, new development in software etc.
- Business owners need to be exposed to innovation
- Need for better systems of inventory control
- Don't know the potential that may exist from new technology (don't know what you don't know)
- Lack of local training to run software
- Businesses are happy where they're at
- Lack of technical support at a local level
- Lack of understanding of technology such as working "in the cloud"

Opportunities for productivity enhancement:

- Need to find leading practice or best practice within your industry and then go out to visit them
- Engage your client to get feedback on how your business can be more productive hotel industry is very effective at this
- Build awareness of what is productivity and how it can translate into profits
- Practical courses that can help improve productivity
- Establish job procedure manuals for different tasks
- Resource person and manual that businesses can access
- List of resources that are available

Challenges to implementing productivity measures:

- Having the willingness to try things to see if they work
- Challenge is how to foster ideas from the bottom up, rather than top down
- Need to know what you're measuring
- Need for benchmarking
- Blinded by the cost of adopting new technology or innovation
- Finding the right tools that work for my particular business
- Need employee buy-in to make effective change
- Finding the right employee training

Assessment tool:

- Offer personal one-on-one delivery of the tool
- Make it affordable to use
- Demonstrate how productivity measures can save money in the future
- Offer practical solutions for business owners
- Illustrate to business owner how you can invest time and generate a resulting pay-off
- Education on other productivity tools, links to other sites of interest
- Define best practices within various industries

How can service providers play a role in implementation:

- Need to offer short, practical courses on productivity
- Coordinate peer groups of businesses that are implementing productivity initiatives
- Offer productivity training available for employees customized training specific to your business

- Facilitate cooperative training opportunities
- · Provide specialists to assist with specific productivity issues within the business

Participants

Sarah Bedo, Kootenay Co-op Dierdrie Lang, Kootenay Co-op Val Semeniuk, Kootenay Moon Furniture Glenn Sutherland, Sutherland & Associates Financial Services Chuck Bennett, The Black Press Bob Wright, Kootenay Career Development Services Joyce Mackie, Ainsworth Hot Springs Karen Lemoel, Ainsworth Hot Springs Paul Wiest, Community Futures Central Kootenay John LeBleu, Prestige Lakeside Resort Ryan Martin, Hume Hotel Lorelei Weinerth, Hume Hotel Tom Thomson, Nelson & District Chamber of Commerce

Focus Group Meeting Notes November 28, 2011 Revelstoke BC

Issues impacting business productivity:

<u>General</u>

- Participating businesses see themselves operating at a productive level
- Revelstoke is at a competitive disadvantage relative to other areas
- Challenge of efficient access to markets
- Lack of adequate infrastructure, such as highway system (road closures)
- Shipping challenges both in and out of region
- High shipping costs
- Having the time to access the issues affecting my businesses' productivity
- Market saturation, too much competition within relative business sector
- Cost and time to implement productivity measures
- Need to view our business from different perspective different eyes
- Where to find new business opportunities
- Efficient use of inventory
- Overall management ability, as owner of small business the challenge of needing to know everything about business operations, taxes, finance, human resources etc.
- Lack of collaboration with other businesses i.e. co-op advertising

Human Resources

- The ability of employees to do critical thinking and problem solving
- Lack of work ethic
- Lack of basic sales skills such as customer service, up-selling
- Time and effort required to effectively manage staff
- Hard to find employees who are proactive rather than reactive
- New employees lack basic life skills customer service, math, writing, communications
- Aging workforce is creating challenges, future retirement of key employees
- Better understanding of the business and the importance of profitability
- Lacking a sense of employee loyalty
- Employees are not as engaged in the business as they need to be
- Hard to understand employee needs what motivates them
- High turnover for Generation X employees
- In the service industry employees have a lot of control this can be an issue if the employee has a poor attitude
- Sense of entitlement, feeling that employer owes them something
- Not willing to do tasks they believe are below their skills
- Profit seen as a negative to employees sense that owners are getting rich off them
- Preference to hire new employees for fit and teach skills later

Opportunities for productivity enhancement:

- Create an effective strategy for training employees
- Guide for creating effective job descriptions and procedure manuals
- · How to effectively teach good employment practices
- Succession planning for baby boomer employees
- Business ownership succession planning taking employees to owners
- How to understand financial statements for employees (importance of business profitability)
- Building career advancement plans
- Proper recruitment techniques
- Cross training of employees
- Creating employee incentive plans
- Creating employee recognition programs
- Sales techniques to increase overall sales
- How to collect data on customer buying habits
- How to effectively incorporate technology advancement, i.e. point of sales systems and client management software
- Effective ways of collecting customer feedback
- Developing employee engagement programs within your business
- Employee coaching skills for business owners
- Employer feedback mechanisms

Challenges to implementing productivity measures:

- Time and Cost, needs to be affordable and not overly time consuming
- General consensus: there is lack of time to focus on productivity issues
- Finding training to help address productivity
- For employee training, owner needs to see the return on investment
- Avoid creating a long list that might overwhelm the business owner
- Focus on the quick wins

Assessment tool:

- Easy to follow user friendly
- Provides concrete recommendations
- Not too long 30 to 45 minutes to complete
- Provides cost benefit analysis for productivity measures
- Provides examples of how to achieve greater productivity

How can service providers play a role in implementation:

- Develop a speaker series short one hour sessions during lunch or breakfast
- Keep sessions affordable
- Help owners to develop a plan that will focus on a couple of key items
- Provide option of online training sessions
- One-on-one counselling services, after completing assessment
- Offer a "CASE" counselling service, similar to what the Business Development Bank had back in the 1980s and 1990s

Participants

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Focus Group Meeting Notes December 8, 2011 Trail BC

Issues impacting business productivity:

<u>General</u>

- Too busy putting out fires to focus on productivity issues
- Need an independent eye on my business, someone to review business operations and workflow
- Expert to review business operations, with technical knowledge of industry
- Someone with no industry knowledge to review business, take a non-conventional view of the business
- Better understanding of how to benchmark productivity
- Need to set aside time to work on my business rather than in it
- High cost of shipping goods in and out of the region
- Better telecommunication infrastructure, for example Waneta Industrial Park does not have enough phone lines to service businesses in the park. Furthermore, cell coverage is very poor in that area
- Regulatory compliance is becoming more time consuming and therefore negatively impacting productivity

Human Resources

- Lack of skilled people
- Sense of entitlement from employees
- Lack of work ethic
- Inflexibility within the labour force
- High staff turnover rates
- Poaching of workers from other employers
- Retaining employees once you have trained them
- Turnover is a big cost to the business investing time to train an employee only to lose them once they are efficient
- Negative work culture from tenured employees pulls down the productivity of new employees
- Employees ingrained in the way we do things
- Culture change needed
- Loss of skills due to retirement of older workers knowledge loss
- Need to find a balance between experience and skills
- Lack of employee engagement in the company
- Everyone should see themselves as a stakeholder in the business
- Issue of employees that are not willing to change
- How to deal with toxic employees
- From the employees view, profits by the business owners is a dirty word

• How to change perception of profits, that in fact it benefits the employee

Technology/Innovation

- Resistance to change is present for both the employee and owners
- Understanding the cost benefit of adopting new technology
- Lack of local training resources for new equipment
- Difficult to make the investment into new technology or equipment when there is no local support
- Willingness to spend the time and money, but the issue is how to best make that investment in technology
- Challenge buying technology that will meet my specific needs
- Lack of resources to invest in technology
- Investment of time to learn new computer programs or adopt new systems

Opportunities for productivity enhancement:

- Develop an effective method to recruit skilled employees. In the Kootenays it can be hard to find employees with specific skills required for the job
- Effective methods to engage employees
 - profit or shared ownership
 - o bonus systems
 - employee reward programs
 - o avenues for employee feedback
- Dialogue for pushing the productivity agenda within a business
 - Productivity should be a monthly discussion with employees
 - Create the opportunity for the owner to work with other business people
 - o Communicating sales and production targets
 - On-going review of productivity targets -did we meet them and if not, why?
- Creating ways to involve customers in providing productivity suggestions
- For employee, creating mechanism for mutually setting targets, quality expectations, engagement with customers

Challenges to implementing productivity measures:

- It is a struggle as to how to get started to implement productivity measures
- Foster innovation within the business, how does innovation become an on-going occurrence within the business and how do you measure its success
- Time and effort required to implement the strategy
- Need to see that it will produce results
- Finding the right resources (both online and local resources) to assist in developing a strategy

Assessment tool:

- Time it takes is not an issue, if it helps improve productivity it is worth the time spent
- Having success stories would help inspire productivity
- Creating a way to see the financial benefit from the assessment
- Include questions around potential saving from energy efficiency
- Most important component is identifying employee opportunities and challenges as they pertain to productivity
- Have employees participate in the assessment

Participants

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