

# **2013-2014 Survey of Kimberley Business**



Prepared by Mike Gaurnery  
Manager, Kimberley and District Chamber of Commerce  
July 2014

## **Executive Summary**

The City of Kimberley and the Kimberley & District of Chamber of Commerce, under the 2012-2013 Fee for Service Agreement, collaborated on a survey of Kimberley businesses to develop a better understanding of the current business climate, as well as challenges and opportunities to business growth. The survey was based on a best practice approach known as Business Retention and Expansion survey (BR&E).

The Chamber surveyed 52 business owners from August 2013 – January 2014 through in-person interviews (see survey in Appendix A). The questions and survey methodology were based on tools developed by the Rural Development Institute at Selkirk College and adapted to the Kimberley context. The Chamber worked collaboratively with the City Economic Development Office to refine the methodology and finalize the survey questions.

Survey information was inputted into the Executive Pulse online system, an economic development software licensed by the Rural Development Institute for use by communities within the Columbia Basin. Executive Pulse enables summary analysis at the community level, as well as summation of information on a basin-wide regional level to inform policy and research. Recognizing the competitive nature of survey information, data is non-identifiable and access is limited to the City Economic Development Office, the Chamber Manager, and the Rural Development Institute.

During the survey business owners were advised that they did not have to answer questions that they were not comfortable answering. The interviews were approximately 1 hour, scheduling, and uploading of survey responses required approximately 4 hrs per business. Businesses were also provided with a Business Survey Resources Sheet (see Appendix B).

Overall responses suggest that the business environment in Kimberley is positive and improving. The survey identified several systematic challenges that will inform City and Chamber activities to enhance the business environment, such as access to skilled staff and to financing. The survey provides baseline data that will enable measurement of progress in future years when the survey is repeated.

## Introduction

This report is broken into three sections based on areas that data that was gathered. They are:

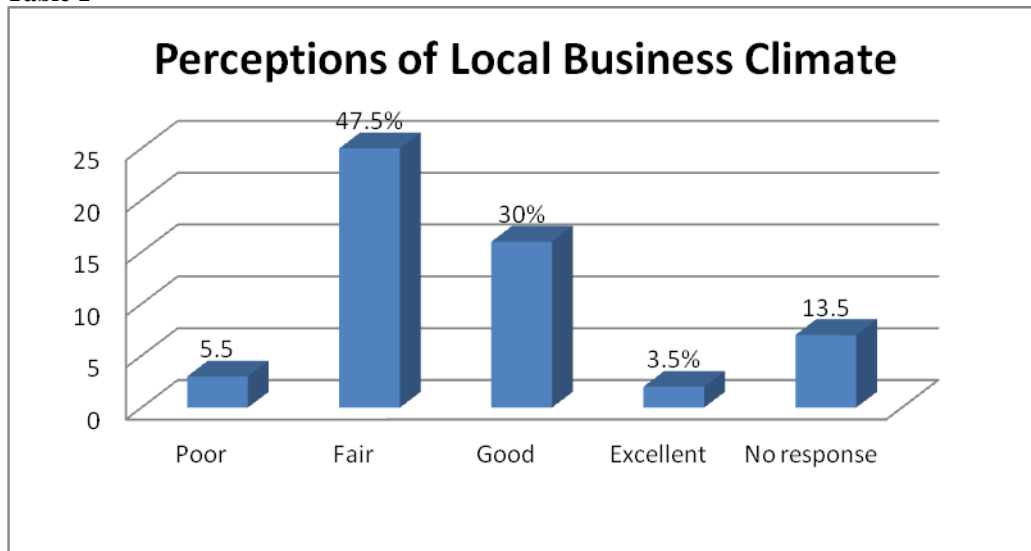
1. Business Climate;
2. Business Growth and Sales; and
3. Facility/Equipment/Constraints.

## Business Climate

Table 1 illustrates overall perceptions of the business climate. Owners were asked to rate the business climate on a scale of poor to excellent, purely based on the opinion of the business owner.

The results suggest that the business climate is perceived to be Fair-Good. Poor and Excellent rated 3<sup>rd</sup> and 4<sup>th</sup>.

Table 1

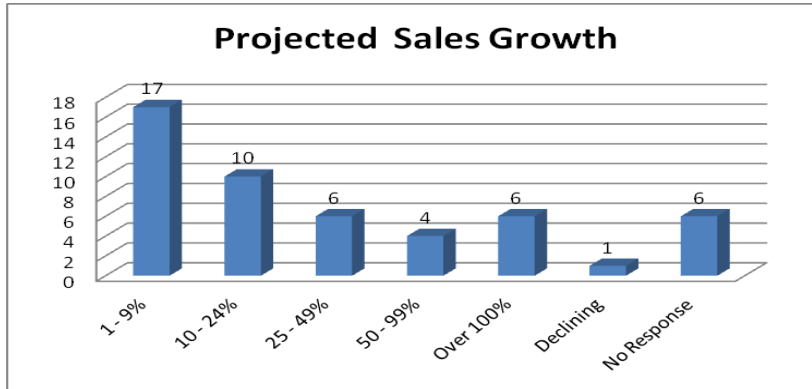


## Business Growth and Sales

Table 2 illustrates businesses' outlook on future activity. Respondents were asked "What is your business' projected sales growth in the next year?"

The results suggest the majority of businesses anticipate growth in sales next year, with 50% of respondents anticipating sales growth equal to, or greater than 10%. Only one respondent thought their sales would decline in the next year.

**Table 2**



The result of Tables 1 and 2 seem contradictory. While perceptions of the overall

business climate are Fair-Good, the overwhelming response based on anticipated sales is a business climate that is leading to growth of individual sales growth.

This result may suggest that the business climate is healthier than perceived. Perceptions of the business are particularly important because they affect investment decisions as well as perceptions of overall community health.

### **Business Growth and Sales for New Ownership in 10 years & Market Outlook**

Table 3 illustrated the sales growth for businesses who anticipated a change in ownership over the next ten years.

- 1 – 9 % Growth – 8 businesses
- 10 – 24 % Growth – 3 businesses
- 25 – 49 % Growth – 3 business
- No Response – 1 business

This suggests that Kimberley has good investment prospects and that change in ownership is not necessarily due to lack of sales. This is consistent with the reality of an aging population in which long-standing entrepreneurs have the desire to do other things in life are reasons for this trend. The Market Outlook bolsters this assessment.

**Table 3**

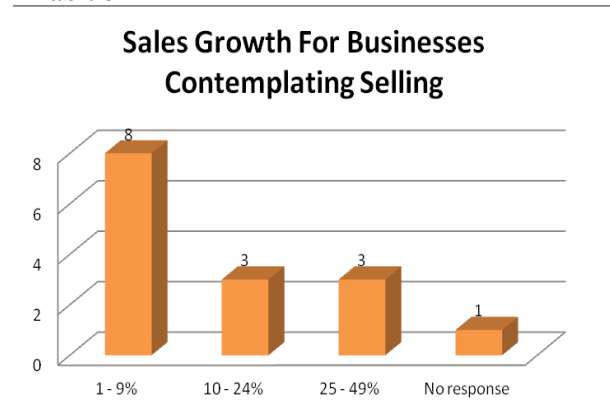
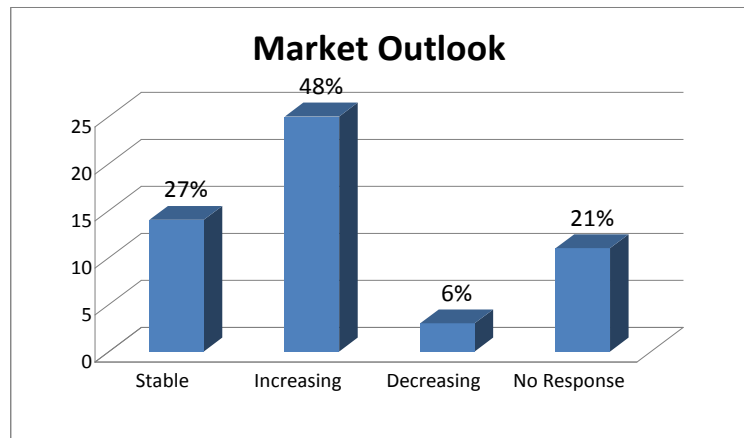


Table 4 illustrates perceptions of businesses' perceptions of the outlook in their industry. When asked about the overall growth of their own industries 25 answered growing and 14 answered stable. 3 suggested a decrease in the overall market and there 11 without response.

**Table 4**



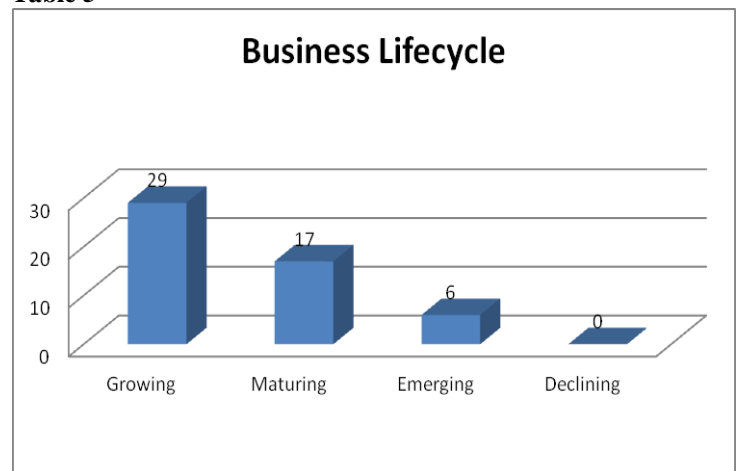
### Stage in the Business Lifecycle

Table 6 illustrates the distribution of surveyed businesses over the phases of lifecycle.

Businesses reported being in stages of their Lifecycle consistent with the sales growth figures provided earlier. Although the question did not refer to sales, we asked about if the business is growing, mature (status quo), a new emerging business, or declining in scope. The numbers closely correlate to sales growth figures and corroborate a healthy business climate.

Growing: 56%  
Maturing: 33%  
Emerging: 11%

**Table 5**

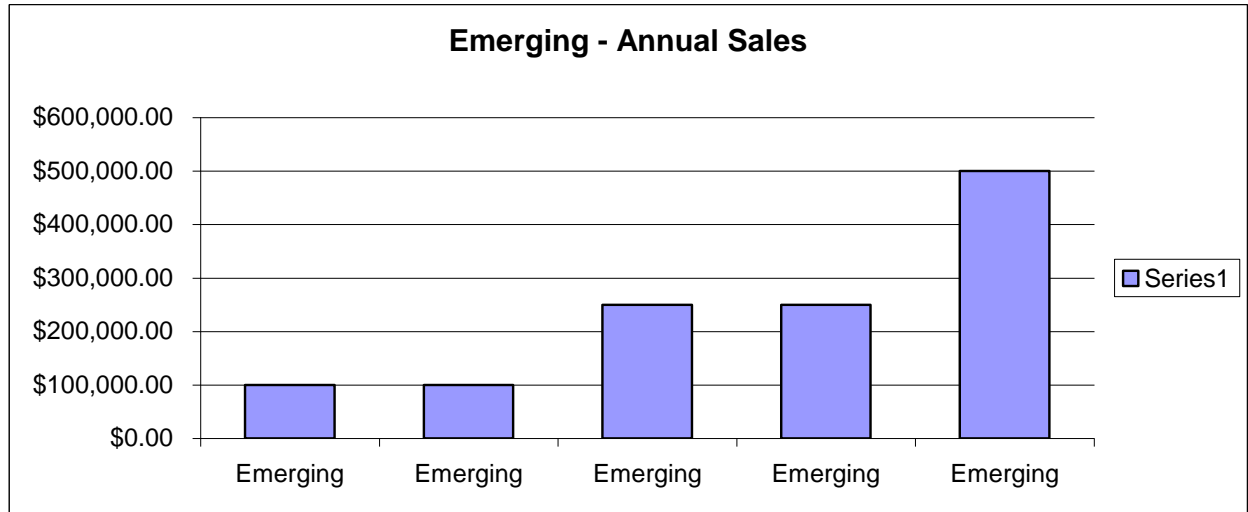


## Gross Annual Sales Ranges

### Emerging Businesses

The annual sales for businesses reported as emerging are illustrated in Table 6. These are positive signs for start up businesses in Kimberley.

Table 6



*Emerging businesses are upstart businesses with one year or less of financial records.*

20% has sales of \$250,000 - \$500,000.

40% have sales of \$100,000 - \$250,000.

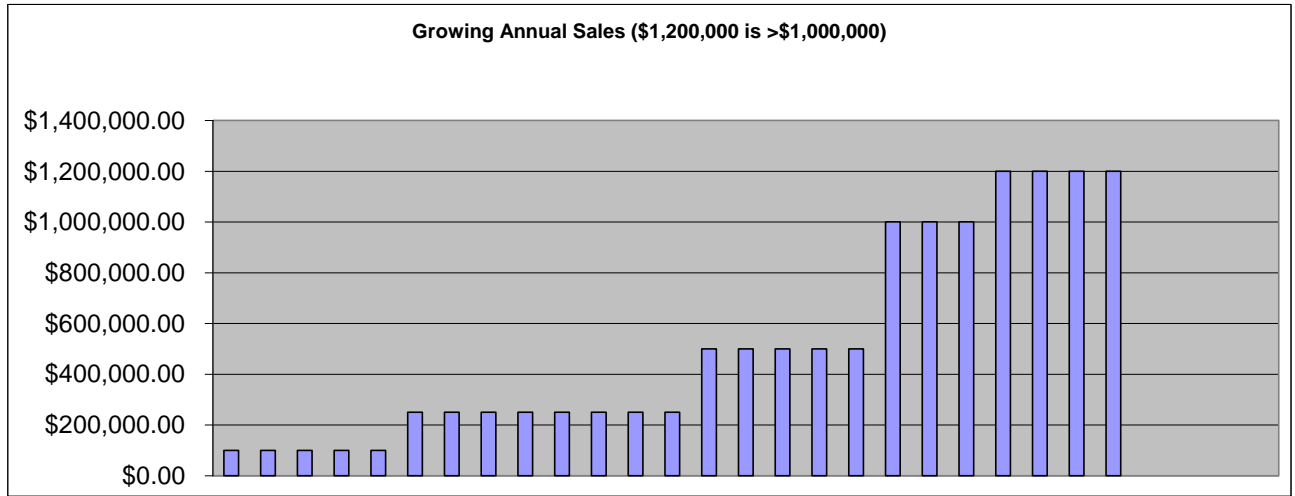
40% have sales of less than \$100,000.

### Growing Businesses

The annual sales for businesses reported as growing are illustrated in Table 7.

\$1,200,000 represents the question of sales greater than \$1,000,000. \$1,200,000 was arbitrary to represent distinction between the \$500,000 - \$1,000,000 range.

**Table 7**



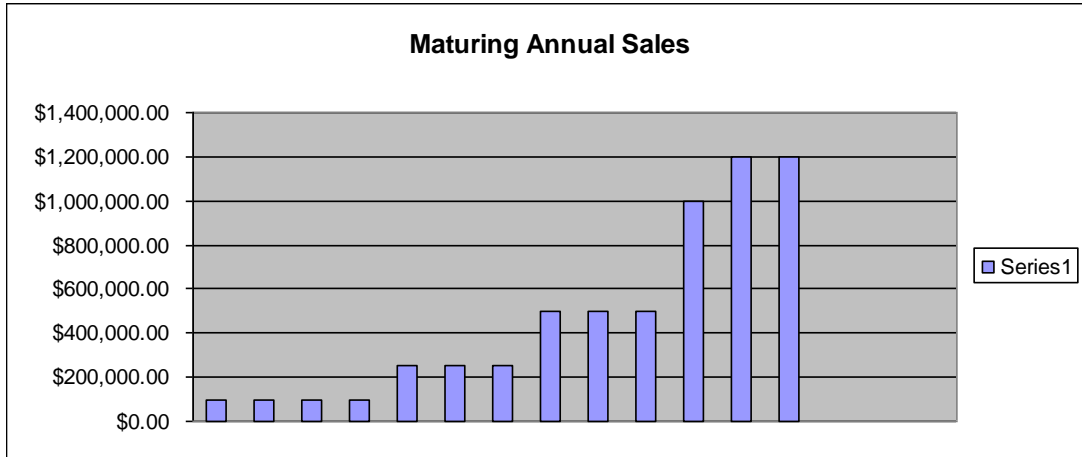
Growing businesses are considered businesses that are established with a forecast of increased sales. Four businesses surveyed declined a response.

- 14% have sales over \$1,000,000.
- 10% have sales of \$500,000 - \$1,000,000.
- 17% have sales of \$250,000 - \$500,000.
- 27% have sales of \$100,000 - \$250,000.
- 17% have sales under \$100,000.

**Maturing Businesses**

Maturing businesses were identified by the respondents as those without the expectation of significant growth. Table 8 illustrated the annual sales for businesses reported as mature.

**Table 8**



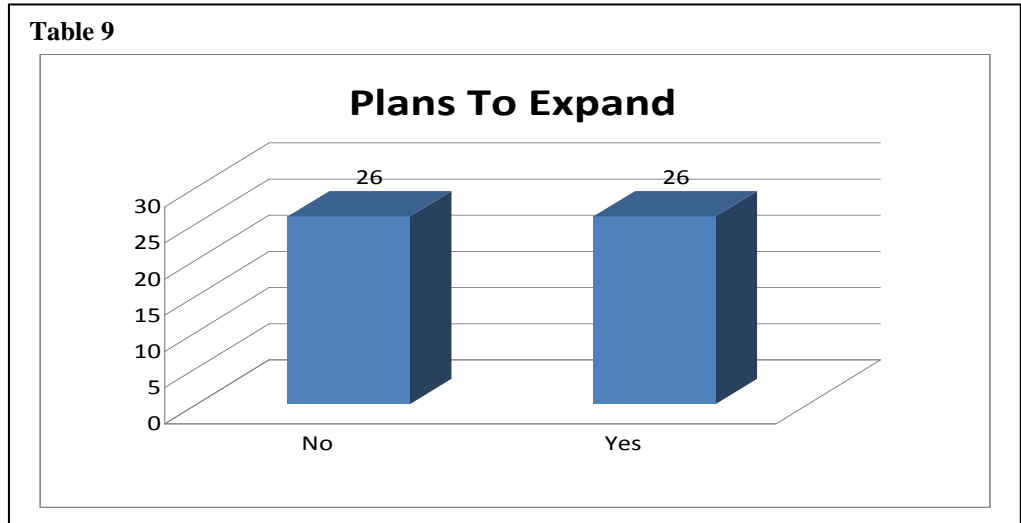
- Three businesses declined to answer.

- 12.5% have sales greater than \$1,000,000.
- 6% have sales of \$500,000 - \$1,000,000.
- 19% have sales of \$250,000 - \$500,000.
- 19% have sales of \$100,000 - \$250,000.
- 25% have sales of less than \$100,000.

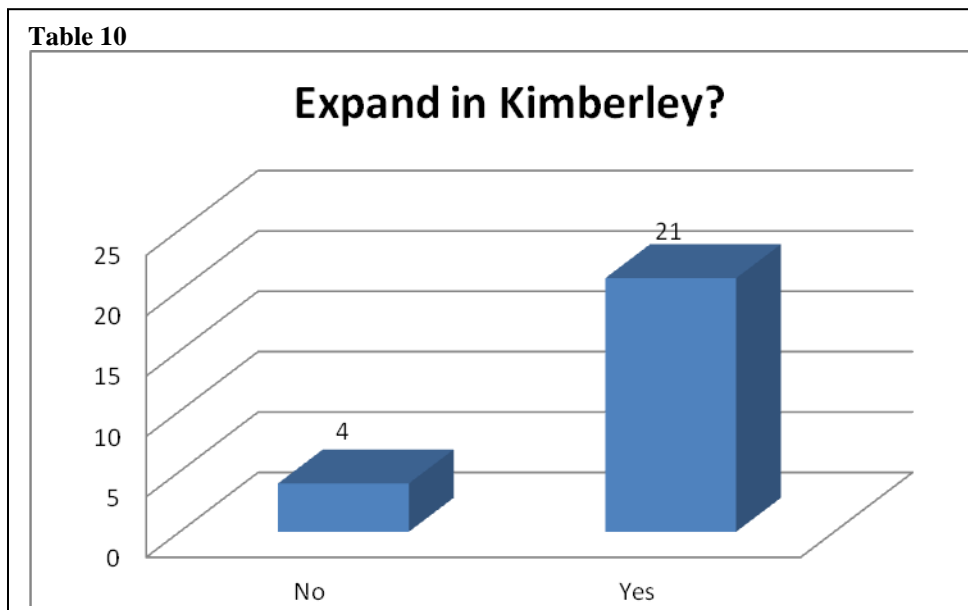
## Constraints & Expansion

### Expansion

When asked if the company plans to expand in the next 3 years the answers were evenly split, as illustrated by Tabl 9.



For those businesses who declared an intent to expand, Table 10 illustrates the response about intent to expand in Kimberley.

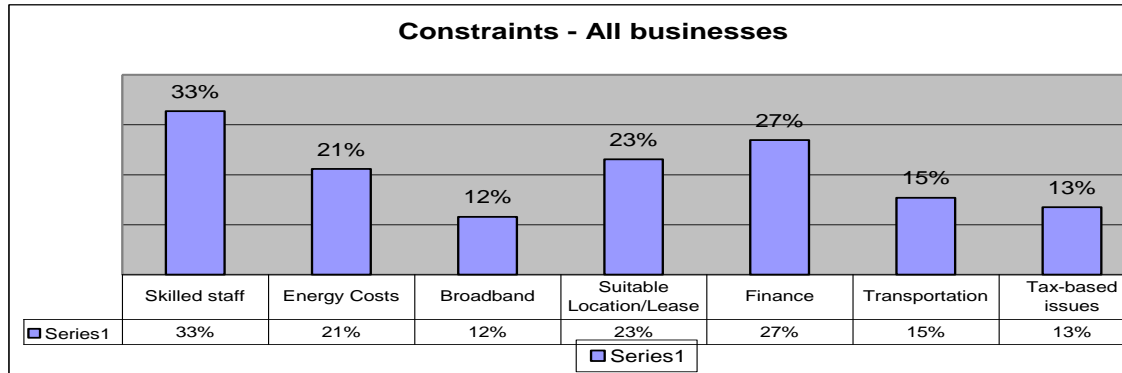




## Constraints to businesses

Table 11 illustrates which constraints affect business owners in operations and planning.

Table 11



Obtaining/training skilled staff and Finance assistance are rated as the two highest constraints.

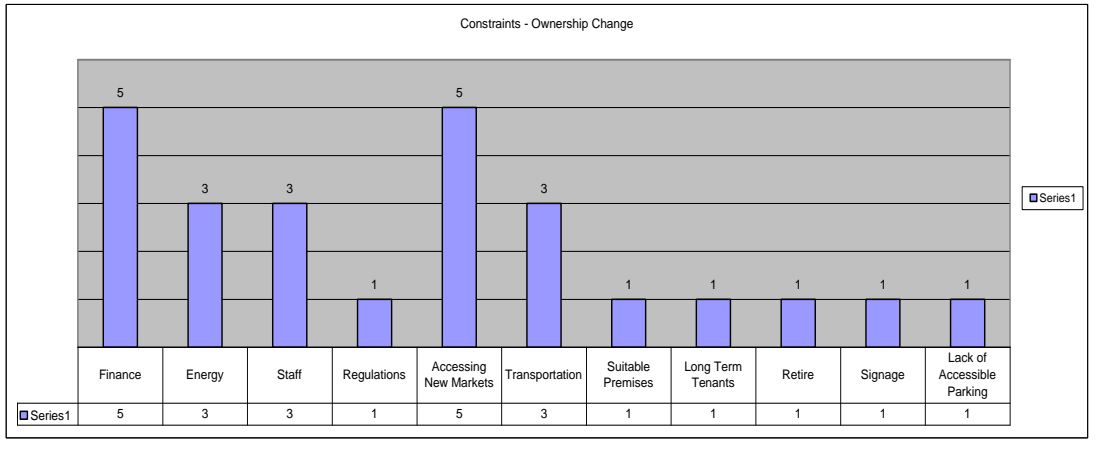
Some possible responses to address these issues include:

- An Ambassador program to assist Tourism-based employees, as well as all business sectors working with Customer Service. This will develop employees with more knowledge of Kimberley, empower staff with the goals of Kimberley and enhance the experience of visitors.
- Increase awareness of business financing programs from banks, credit unions, BDC, and Community Futures East Kootenay. More information both in workshops and online programming may assist business owners programming dollars and business mentoring.
- Fuel discounts for vehicles are available through Chamber of Commerce memberships. This would be one tool available for those business owners that are under the criteria for gasoline discounts.
- Energy efficiency program that exists with both Fortis BC and BC Hydro. Identifying relevant programs for building and business owners may assist this constraint.

## Challenges to Business Transition Over Next 10 years

Table 12 illustrates perceived constraints to a successful Ownership Change over the next 10 years.

**Table 12**



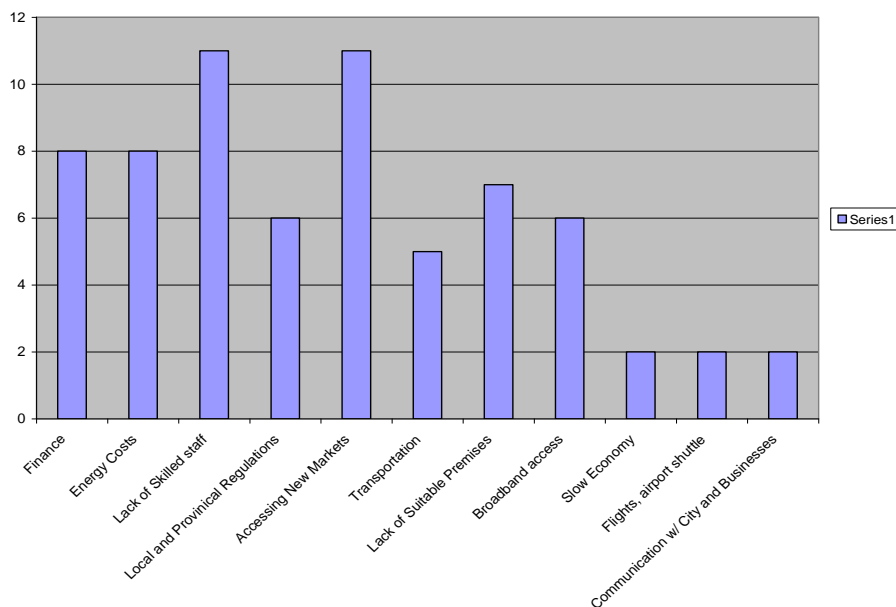
- Finance and Accessing New Markets – 5 Each
- Energy, Staffing, and Transportation – 3 Each

These are issues worth monitoring and discussing with business owners. Services are available through organizations like Export Development Canada and Community Futures to address several of the highest frequency challenges.

## Constraints of Businesses with no ownership change identified

For those businesses in which no change in ownership was anticipated within 10 years, Table 13 illustrates the most significant Constraints. Maintaining and recruiting skilled staff and Accessing New Markets are rated highest with Finance and Energy Costs in 2<sup>nd</sup>. Lack of Suitable premises closes out the Top 5.

**Table 13**

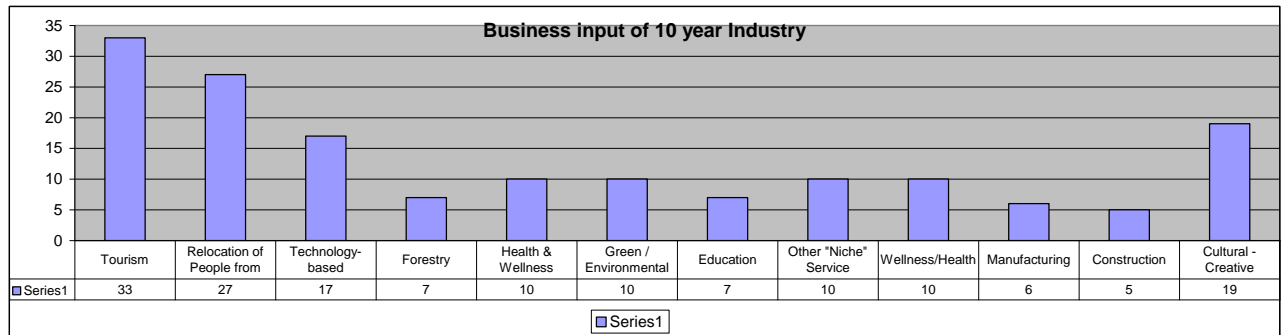


## Business Owners Forecast

### Industry impact in the next 10 years.

Table 14 illustrates those industries that business owners thought would have the largest impact on Kimberley in the next 10 years.

**Table 14**

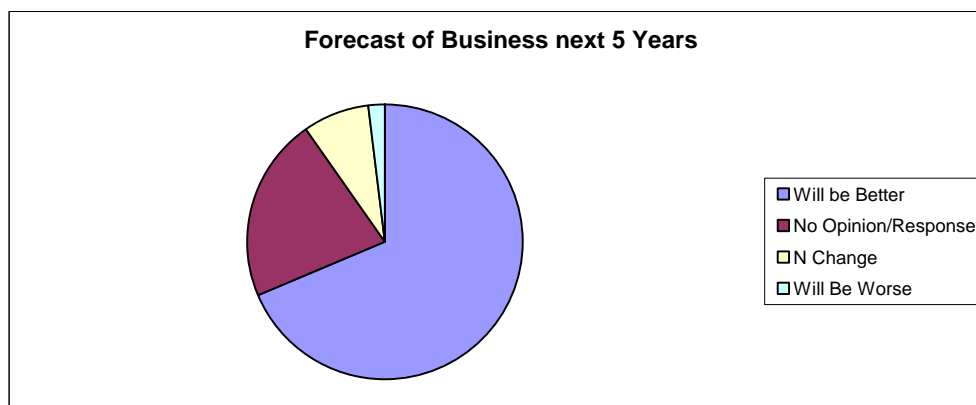


Respondents believe that Tourism will be the primary Industry affecting Kimberley during the next ten years, with Relocation of People from Urban Centres being 2<sup>nd</sup>, and Cultural and Creative Arts being 3<sup>rd</sup>.

### Forecast of the business climate in the next 5 years

Table 15 illustrates that businesses are optimistic about business in Kimberley over the next five years. The favourable outlook is consistent with sales figures identified earlier in the report. It also suggests that negative perceptions about Kimberley's business climate are not widely held.

**Table 15**



This is an optimistic forecast from businesses owners.

## **Conclusion and Recommendations:**

- Follow up with a Business Walk Survey from Executive Pulse with the same businesses surveyed. It's a shorter survey with discussion points that can be included with the information provided from the BR&E. In three years, conduct a follow up survey for businesses planning to expand and see how constraints they identified have been addressed and find out how their expansion has affected their business.
- Continue with Kimberley Ambassador Program to strengthen the skills sets of frontline staff. It is advantageous to be aware of WorkBC programming as well as other skill development programs that the community can use effectively for training and employment. These include Aboriginal Human Resource Development Training (First Nation & Métis), awareness of College of the Rockies partnerships with the community and relevant training, CBT programming for skills development, Micro Business Training, Community Futures East Kootenay, Columbia Basin Alliance for Literacy and other local agencies.
- Correct the perception that Kimberley does not have a viable business environment. This can be done with expanding the role of the Chamber of Commerce, more engagement through business networking, and overall knowledge of what is working in the community with follow up surveys. We also support the "one-stop" shop approach for businesses to use as streamline approach to access the appropriate forms, memberships, licensing, and local professional group information (e.g. Downtown Business Association, Restaurant Coalition, Chamber membership, Business licensing, et al).