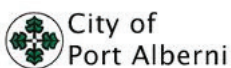


Port Alberni Business Survey Highlights 2013



City of
Port Alberni



Alberni Valley
CHAMBER
OF COMMERCE



Community
Futures
Alberni-
Clayoquot

Highlights from the 2013 Business Survey

Why the Survey?

The City of Port Alberni wanted to determine how the local business community was faring through challenging economic times, what aspects of business here were difficult and where opportunities for business expansion might exist. Additionally, the City wanted to understand what, if anything, it could do to assist in creating a better business environment.

Immediate Goals:

- Demonstrate the City's interest in the Business Community
- Demonstrate a commitment to address immediate concerns within our mandate

Longer Term Goals:

- Determine effective strategies to complement the current business community
- Strengthen Port Alberni as a "Place to do Business"
- Work with the Chamber of Commerce and Community Futures to improve the business environment

About the Survey and Our Process

The City of Port Alberni utilized the Business Retention Survey as developed by the Executive Pulse network who have a client base of over 6500 communities throughout Canada and the USA. The Executive Pulse Business Intelligence System is the most widely used database system for business retention and expansion available in North America. At the present time there are over ¼ million business retention and expansion profiles within the database. No other vendor serving the industry operates on this scale.

The City of Port Alberni through the office of the Economic Development Manager embarked on an aggressive campaign to visit and solicit key information from licensed businesses. The Alberni Valley Chamber of Commerce was contracted to carry out the interviews and between January and the end of July, 2013, 24% (175) licensed businesses in the City were interviewed.

With a myriad of questions the survey typically could be completed within 30 minutes however many participants used the time with the interviewer to discuss other issues of importance or simply to request specific future follow-up. It was not uncommon for an interview to last two hours.

Community Futures Alberni Clayoquot took the lead in creating the documents that summarized and highlighted the findings. The information provided from our entrepreneurs enabled us to create a list of priorities. The list provides direction to support our businesses and create an environment for success. The City of Port Alberni, the Alberni Valley Chamber of Commerce and Community Futures Alberni Clayoquot have worked together on this survey and are committed to addressing the issues that are within our respective mandates. We will work on items, engage individuals and agencies throughout our community and keep you informed.

City of Port Alberni
Alberni Valley Chamber of Commerce
Community Futures Alberni Clayoquot

Summary Results

Company Information

Lifecycle Stage

38% of the business owners indicated their primary product/service is in a growing stage, while 35% said they were in a maturing stage

Business Age

43% of the companies have been in operation for over 20 years while 16% were in operation 10 – 19 years. Businesses in operation for 5 – 9 years represented 19% and businesses in operation 1 – 4 years were 14%. 7% of the businesses sampled had been operating for less than a year

Ownership and Management

87% of the businesses interviewed indicated there has been no change in ownership in the past five years and 84% indicated there had been no change in management in the last five years. 77% of the business owners also indicated there was no ownership change pending

Planning

Only 39% of the respondents indicated they have a current business plan, 87% indicated they had not identified a successor for their business and 75% indicated they had no formal succession plan

Local Workforce

Current Employees

The businesses interviewed employed a total of 1,673 people. Made up of 1,023 full time employees, 603 part time employees and the remaining as temporary employees

40% described the majority of essential personnel at their location to be between the ages of 35 – 49 and 39% were described as being 50 years of age or older. The age groups of 26 – 34 and less than 25 were very similar, with responses being 11% and 10% respectively

Employment Trends – Historic

65% of the respondents indicated employment trends were staying the same, 18% said it had been increasing and 14% said declining

68% indicated their full-time staffing levels had stayed the same in the last three years while 16% said they had increased and 13% said they decreased

Employment Trends – Projected

60% expect the number of full time staff to stay the same over the next three years while 31% expect levels to increase and 6% expect it to decrease. The majority of the businesses also indicated that part time and casual staffing would stay the same over the next three years

Employee Retention and Recruitment

40% of the companies indicated they provide a training budget in order to upgrade employee skills

The vast majority (80%) of businesses responded that they attract the majority of their workers locally

On average, the hourly wage paid for skilled/professional staff was \$23.69, while the semi-skilled staff were paid \$15.22 and entry level employees \$11.44 per hour

90% of the companies indicated they have no problems retaining employees

75% of business owners indicated they were not experiencing any recruitment problems while 25% indicated they were having issues attracting the right personnel for their business.

Workforce Ratings

When asked to rate the workforce quality, 39% said good, 23% said fair and 25% said poor

The majority of companies rated the workforce stability as good (62%)

When asked to rate the workforce availability, 44% said good, 21% said fair and 22% said poor

Employee Skills

The skills sought after by the 25% of the businesses experiencing recruitment problems were relatively diverse. More popular skills sought ranged between professionals, food/beverage as well as sales/retail workers

Sales Information

Sales Market

Annual sales for the businesses that responded totaled \$117,776,000

43% of the businesses indicated the market for their product was stable, 38% said that it was increasing and 18% said it was decreasing

46% of the respondents indicated that their market share was stable, while 38% said that it was increasing and 14% said it was decreasing

Sales Trends

When asked to project sales growth in the next year, 44% projected sales growth between 1 – 9%, 21% projected 0% growth and 18% projected sales growth between 10 – 24%

45% of the businesses indicated that historical sales trends at their facility had been increasing, while 27% said they had been staying the same and 21% said sales had been declining

When asked the percentage of total sales generated by their top 3 customers, 15% indicated 1 – 9%, 15% said their top 3 customers represented 10 – 25% of their total sales and the largest percentage (56%) had no response

Facility & Equipment

Facility Ownership

48% of the interviewees owned their facilities while 52% leased

Of the respondents that were leasing premises, 21% had terms remaining of over five years, 26% had a term remaining of 3 – 5 years, 24% had a term of 1 – 2 years and 29% had less than a year remaining

70% of the business owners indicated that they were planning on renewing their current lease

Facility Condition

50% of companies rated the condition of their facilities as excellent and 36% rated their facility as good

85% of the interview respondents rated the condition of their equipment as excellent or good

41% of businesses said there was room for expansion at their site while 29% said there was no room for expansion at their site and 29% said there may be room for expansion

Expansion Plans

When asked if their company plans to expand in the next three years, 35% said yes while 65% said no

85% of those who indicated they were planning to expand said it would be in Port Alberni

Of those who were planning to expand in the next three years, 57% said their current site was adequate for the proposed expansion

Expansion Investment

Of the 35% of companies that are planning to expand in the next three years, the projected total investment in their expansion plans is \$1,045,000

Expansion Timeframe

49% of business owners were planning to expand in 1 – 3 years and an equal amount plan to expand in less than a year

Expansion Constraints

When asked what the major constraints on expansion plans are, the most popular constraints noted

- Identifying and accessing new markets (29%)
- Finance (22%)
- Lack of stable premises (21%)
- Lack of skilled staff (13%)

84% said they had not approached anybody in local/provincial/federal government or business development organizations to discuss expansion plans

Government Services - Ratings

Inspection & Licensing

When asked to rate inspections (e.g. licensing), 73% rated the service as good and 10% gave an excellent rating, while 9% said the service was fair

Development Approval Process

69% of interviewees said the development process was good, while 11% rated the process fair and 10% said the process was poor

Building Availability

60% of business owners said the availability of buildings for lease or purchase was good, 14% rated this topic as fair and 13% rated it as poor

Appropriately Zoned Land

When asked to rate the availability of appropriately zoned land, 68% rated it as good and 12% rated it as either fair or poor

Business Climate – Summary

Government & Taxes Ratings

When asked to rate the local government, it was almost evenly split between good (30%), fair (32%) and poor (28%)

Just 22% rated the local tax structure as good, while 33% rated it fair and 34% rated it poor

Economic Development Ratings

55% rated economic development as fair, good or excellent while 41% rated it as poor

Amenities and Housing Ratings

41% of the merchants rated the cultural/recreational amenities of the community as excellent while 44% rated them good

When it came to housing, 53% rated the subject as good while 29% rated as excellent

Education Ratings

42% rated K to grade 12 education system as good while 14% said it was excellent and 13% said fair

48% rated the colleges/universities in the community as good while 24% had no opinion

When asked to rate technical training in the community, 43% rated it as good and 31% had no opinion

Business Climate Ratings

42% rated the local business climate as fair, 29% rated as good and 26% as poor

When asked to compare the local business climate today versus 5 years ago, 41% said it was worse, 28% said it was better and 23% reported no change

75% of companies said the forecast for the local business climate 5 years from today will be better while 17% thought there would be no change

Community's Strengths as a Place to do Business

"Everything is here and we are on the verge of greatness" noted one merchant and another stated "Why wouldn't someone want to live here?"

- Friendly, loyal, small community committed to supporting the business community
- Affordability
- Location, lifestyle, environment and recreational opportunities

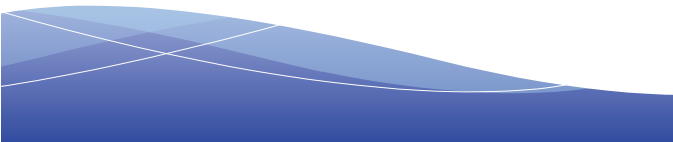
Other Supporting Strengths were noted

- Determined business community
- Good base of products and services
- Personal customer service
- Limited competition / captive audience
- Safe community
- Good access to labour

Community's Weaknesses as a Place to do Business

- Negative attitudes, poor reputation outside community, old time thinkers and change resisters
- Municipal taxes or conversely no tax incentives, city hall closed to ideas and slow in application processes, red tape and regulations
- Economics, not a lot of high income earners, unemployment and limited job opportunities
- Proximity to other markets and out of town shopping
- Derelict and empty buildings
- Appearance of community and lack of a beautification strategy
- Too many economic / business areas
- Low population / lack of customers
- Lack of specialty businesses and / or diversity creating need for shopping elsewhere
- Transportation and access to support inbound shoppers

Note: Percentages may not always equal 100% due to rounding and or no responses.



SURVEY ADDENDUM

Port Alberni Waterfront

Merchants were asked to focus on the Waterfront and were asked two questions.

- 1) What barriers exist that stop people from taking advantage of the Waterfront?
- 2) What activities or amenities could be added to the Waterfront to encourage more business from the travelling public?

Most merchants commented on the Harbour Quay area and trends emerged:

- Signage and awareness, image and location
- Closeness to the mill

Amenities needing attention mentioned most often:

- Lack of parking and RV parking
- Stores need to keep consistent hours
- More and better retail shops
- Safety
- "Clean it up"

There was a general feeling that the lack of signage made it very difficult, even for those who wished to go to the Quay, to find it. The lack of promotion of Port Alberni is noted throughout the survey and this was highlighted again when it comes to specific assets and amenities the community has. A general lack of awareness of the Quay's existence was noted time and again.

Then the concern became what people would see on their way to or upon arrival at the Quay. Visual images along the way are a concern with some noting you "have to drive through a slum to get there." Another went on to say "people don't want to stop in 'dirty old Port Alberni. "Image Problems", beautification, or lack thereof, were mentioned numerous times and a theme emerged for a beautification process to be established for the community as a whole.

Alberni Valley Chamber of Commerce

Merchants were also asked "What can the Alberni Valley Chamber of Commerce do to improve your business?"

Overwhelmingly the response is to "Market and Promote" the community. While marketing and promotion is often attached to tourism attraction it was evident the merchants were seeking a more holistic approach that would support the community and all elements of the business community.

The merchants also noted education and communication on business support services as priorities in the area of Chamber benefits and the value and importance of shopping locally.

Many merchants also noted the importance of the Chamber's Ambassador Program.

For full survey results and to
follow our progress please visit:

www.portalberni.ca



*Thank you to all the merchants who participated
in the survey. Your time and insight is
greatly appreciated.*

