



Regional District of  
**Kitimat-Stikine**

# 2017 Stewart Business Walk Report

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## Executive Summary

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Business owners in Stewart were visited by volunteers, Regional District and District staff. Surveyors performed short, confidential questionnaires to gather preliminary information on the overall business environment, benefits and challenges of doing business in the area, and information regarding succession planning and business support services.

Trends that emerged from the business walk included a lack of succession planning in those looking to exit their businesses, a disinterest in accessing business support services to overcome challenges, business owners indicated a strong connection to the community and its residences, and the outlook on future business performance was positive in the eyes of the business owners surveyed.

Recommendations included stressing the importance of succession planning for business owners looking to exit their business, the opportunity to educate business owners on the importance of accessing business support services to overcome their challenges and what services are available to them, as well as continuing to nurture the connection to community that people have, and the need to educate on the use of digital and online tactics to connect business owners to procurement and marketing opportunities.

## Introduction

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A site visit survey, or business walk, was performed to provide the District of Stewart and the Regional District of Kitimat-Stikine personnel tools and information for business retention and expansion. This survey was meant to be a “snapshot” of the present economy and to indicate where business retention and expansion efforts could be focused, and was intended to open dialogue between business owners and economic development organizations.

Items on the survey were worded as positive statements or direct questions, and included the following topics:

- Growth (or lack thereof) of business
- Intention to leave the business and if there is a succession plan in place
- What business owners like most about doing business in the area
- Biggest challenges for doing business in the area
- What business support services have been previously accessed or what would be useful if accessible
- Interest in joining an online business community focused towards shopping local

Note: The complete survey questionnaire is included as an Appendix to this document.

## Methodology

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Common questions in a business walk survey (compiled from suggestions from the BC Economic Development Association and Provincial Economic Development branch) were gathered and prepared by the Regional District of Kitimat-Stikine's Economic Development Officer.

All businesses known to be doing business in Stewart were aggregated and a portion was randomly selected. Due to many businesses with headquarters outside Stewart and many being seasonal and it being the change in seasons, adaptations were made to incorporate the largest number of currently open and local businesses in the survey. In the interest of continuing dialogue and gathering incremental information from business owners to provide clearer conceptualization of the needs of all businesses in the area, the businesses that were visited, closed or open, were delivered an expanded survey to fill out and deliver to the Stewart office when complete; additional surveys were left at the office in case other businesses were missed. As not all expanded surveys have been completed and therefore the associated data have been omitted from this report.

Three teams of two people were assembled and assigned to efficient groupings of businesses and dispatched. A total of 24 businesses were surveyed of a known 93. (Note: of the 93 businesses, some have business licenses with the District of Stewart but not all are guaranteed to have addresses nor do business consistently in the region.)

The returned surveys were checked for missing information and responses that would cause errors. The responses were imported into Microsoft® Excel and errors were checked against the individual forms. Data analysis was completed using a business retention and expansion template in Excel.

## Trends

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The number of businesses surveyed was quite high with respect to the population of the community; additionally, the businesses surveyed can be identified as the businesses that stay operating the longest during the year, which can help identify trends of issues and benefits within the local business climate specific to non-seasonal businesses, and allowing a comparison for when seasonal businesses are surveyed in the future. The major trends are listed below, categorized into concerning trends and positive trends. Concerning trends are not negative as they allow for further discussion regarding what can be done to improve the local business environment. Positive trends are something to improve upon, and perhaps could be incorporated with business retention and expansion planning. Also, note that these trends are from a sample of business owners at a certain point in time and may not be reflective of all businesses and may be subject to change over time.

## Concerning Trends

The following trends allow for an opportunity for change in mindset of both local businesses and business support service organizations alike. Identification of challenges for business owners, what their needs are, and what business support services they've accessed in the past, and readiness to exit their business with a succession plan are all important indicators of what there is to do.

## Support Services

When business owners were asked about what their main challenge was, difficulties with staffing and dependence on the boom-and-bust cycle of the region were the most frequent answers (Figure 1). However, when asked what sort of business development services the business owners had accessed in the past, most business owners had not accessed any support services (Figure 2). When asked what support service they wanted, if available, most business owners were not interested in any business support service, but services mentioned ranged from summer staffing, finding year-round work, to marketing and professional services (Figure 3).

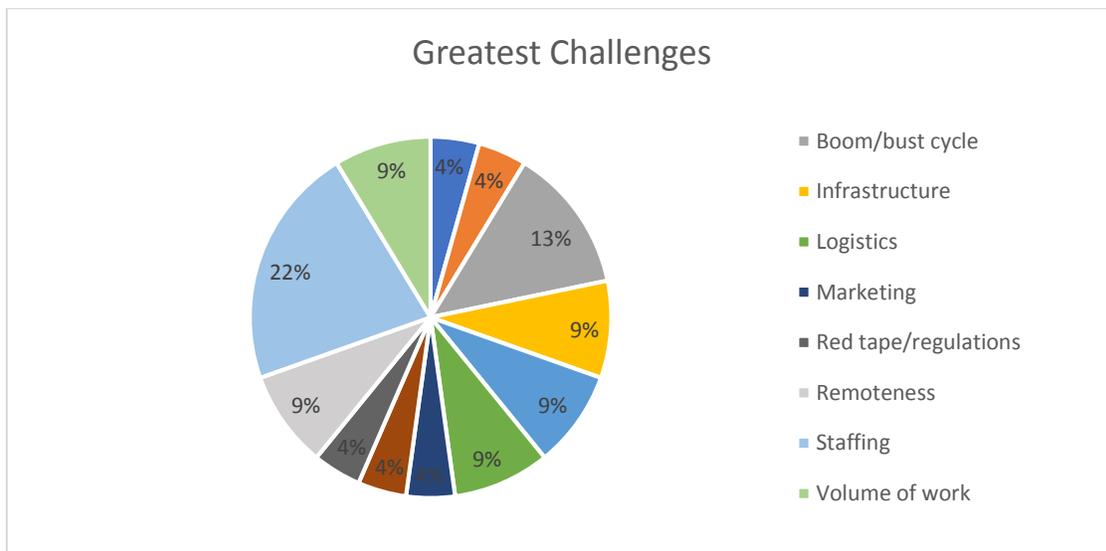


Figure 1. The main challenges for business owners.

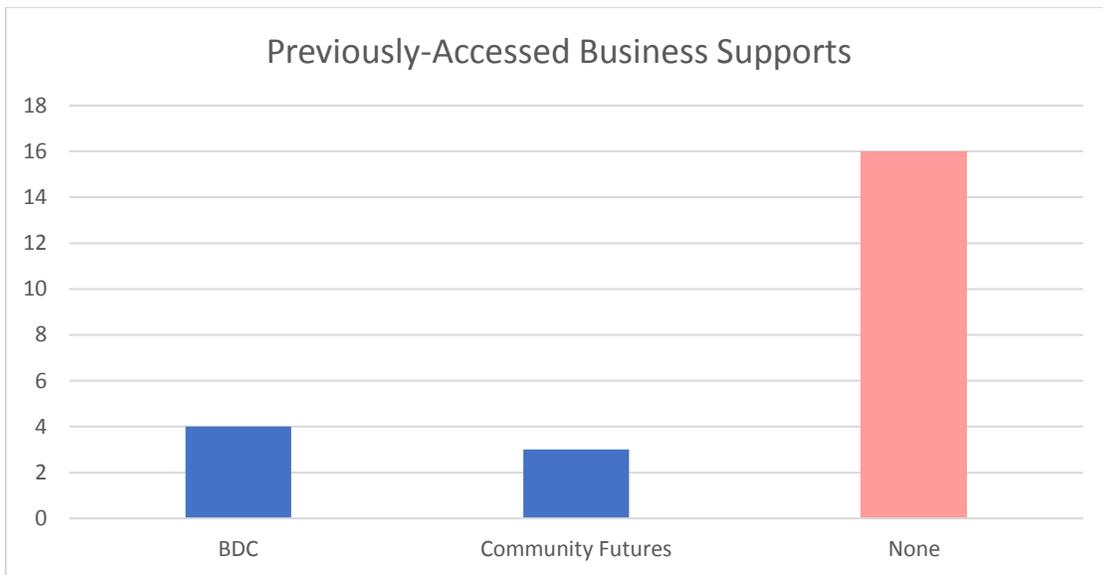


Figure 2. Business support services previously accessed by business owners.

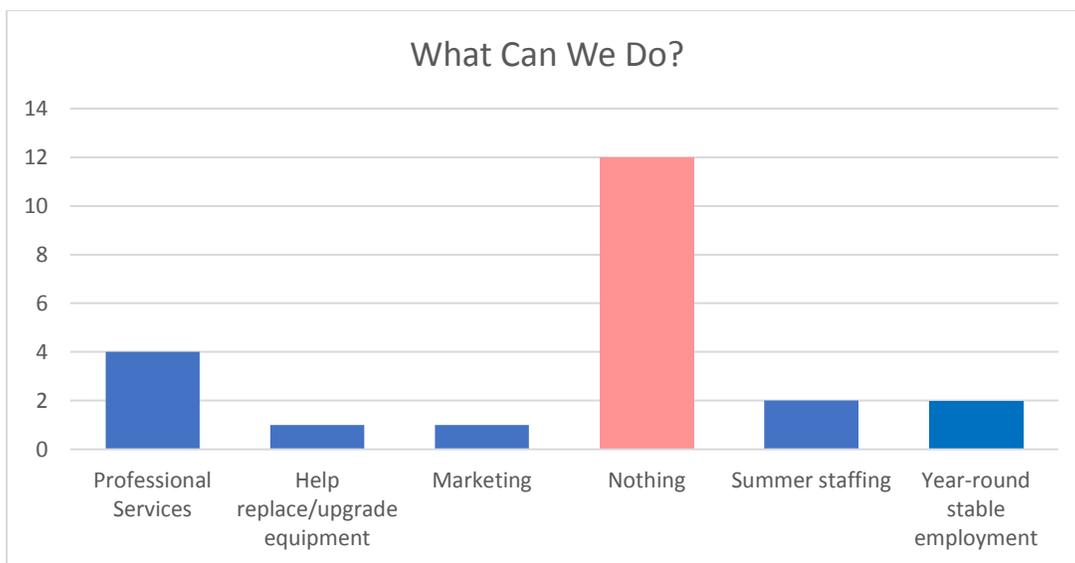


Figure 3. Business support services requested by business owners. Professional Services included accounting, finance and legal services.

Although it is concerning that most business owners have not accessed business support services in the past nor do they want help now, knowing that business support services have not been accessed to overcome the main challenges of businesses in the area presents the opportunity economic development staff have to connect the businesses that do want help to the organizations that fit their needs.

## Succession Planning

Another trend that emerged from the data was a lack of succession planning in those intending to exit their business in the next three to five years. Of the businesses surveyed, 4 business owners indicated a desire to exit their business; of these business owners, half of them did not have a succession plan (Figure 4).

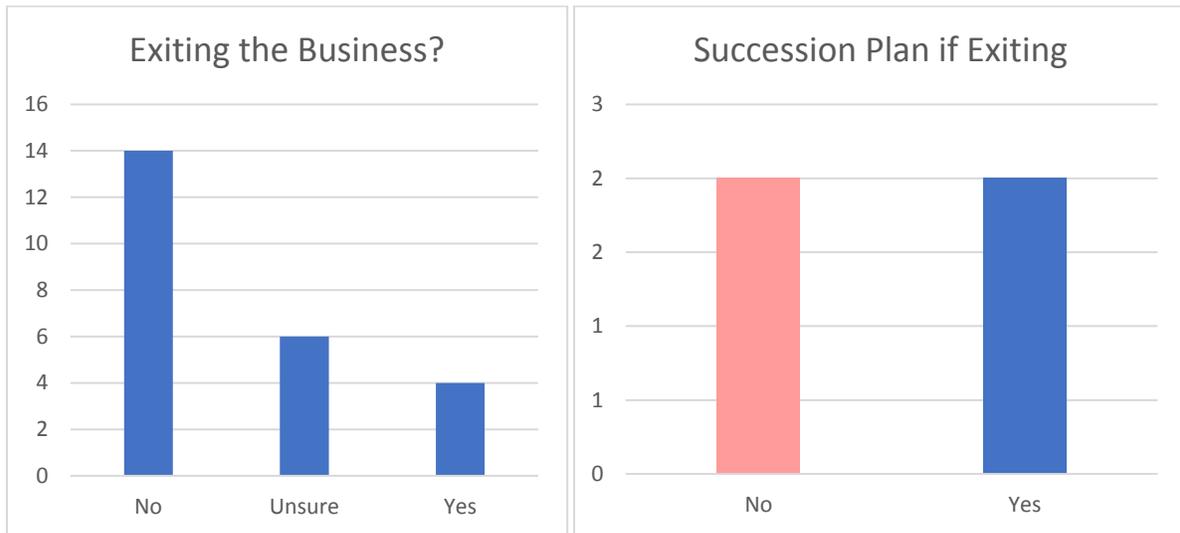


Figure 4. Business owners looking to exit their business in the near future, and the comparison of business owners who have and don't have succession plans for their exit.

Succession planning is beneficial to the local economy because when a business owner can sell their business or pass it on to an apprentice, the goods and services stay local and allow young entrepreneurs to become business owners and start contributing to the local economy. Contrarily, when a business owner does not have successor, there may be no benefits that come of their leaving.

Fortunately, not many business owners indicated they would exit their business in the next few years, and for those that did, economic development staff can work to gather support services that specialize in succession planning, so that business owners are given the tools on how to exit their business.

## Positive Trends

Business retention, expansion, and attraction are all important aspects to a local economy and the best way to attract business to a community is by having content business owners already living there. The attractive traits of business in Stewart from these interviews indicated a positive outlook for business in the next year to two years, a strong connection to the community, and most business owners staying in their businesses for the foreseeable future.

### ***Positive Outlook and Resiliency***

A challenge mentioned by business owners is the dependence on the boom-bust of the region, with industry having a major influence on the local economy. This could create a negative effect on business owners' attitudes and their expectations for business performance. However, when asked how they think business will be in the next three to five years, a majority expect growth and steadiness in performance. The positive attitude and resilience of the businesses surveyed shows a valuable trait of the business community in Stewart.

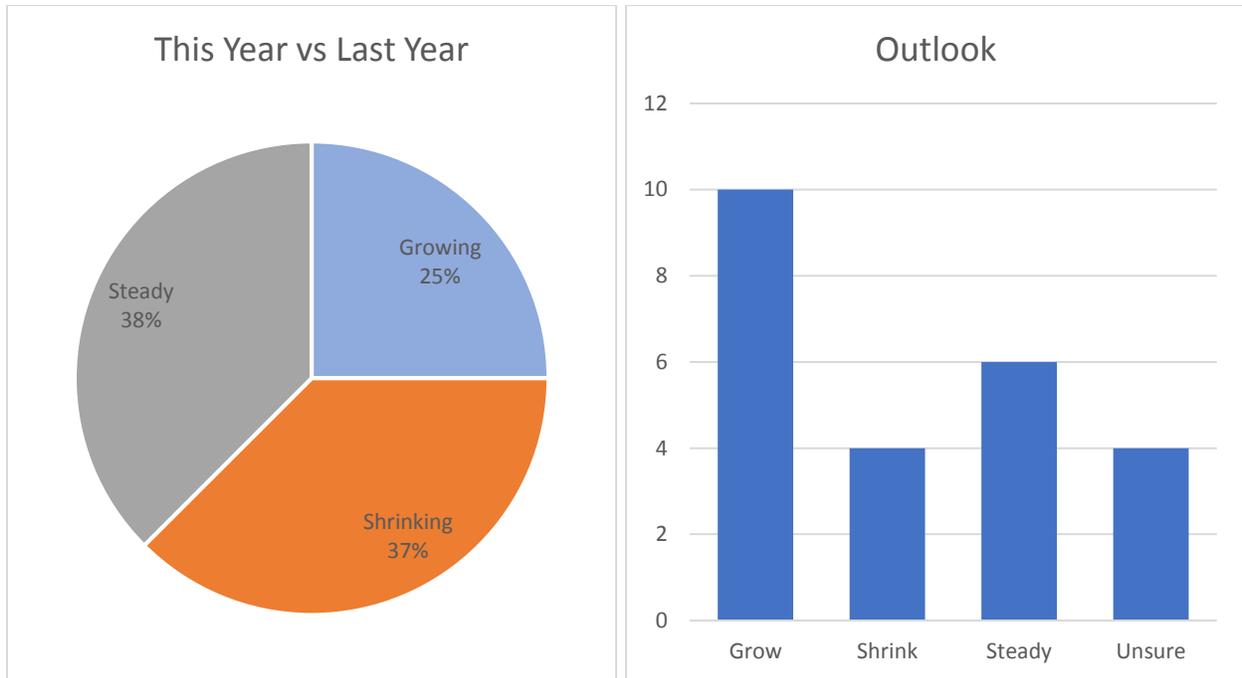


Figure 5. Business performance this year compared to last year and business owners' outlook on performance in the next few years.

### ***Community Connection***

Another positive aspect of Stewart's business community is their connection to the town and the people there. Location, Clientele, and Sense of Community are all responses indicative of a strong bond to Stewart and its people. Business owners see the virtue of community and do their best to stay because it's where they call home.

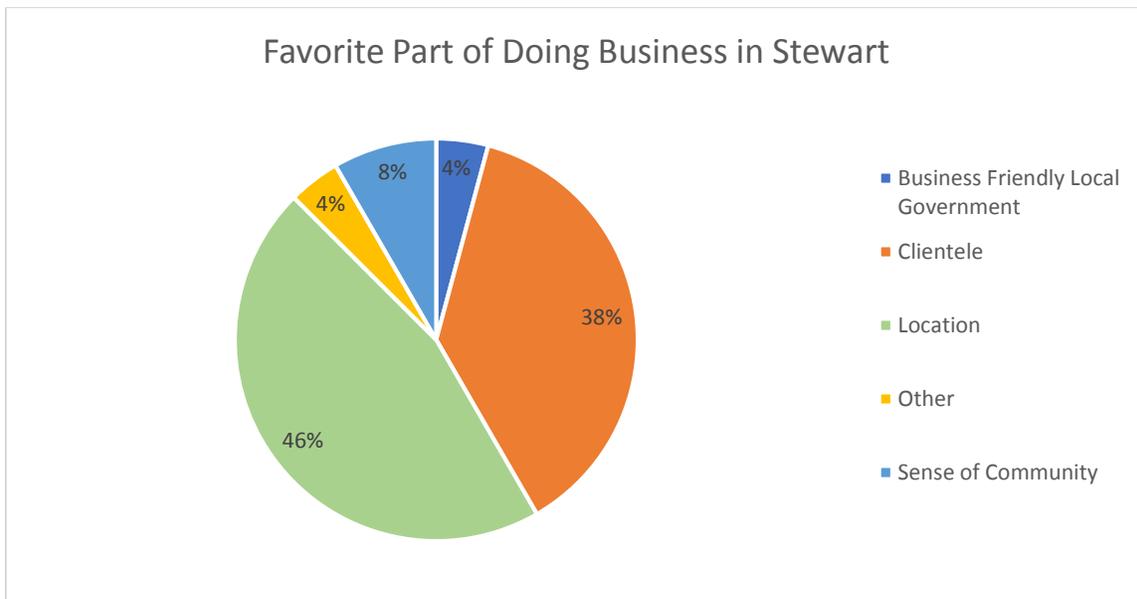


Figure 6. Business owners’ favorite aspects of doing business in Stewart.

The positive outlook and strong connection to the community are traits of a resilient and sustainable business community. These are positive trends that should be capitalized upon, by working to maintain the positive outlook and community bond while helping improve other elements of the business community.

## Recommended Actions

*The following recommended actions are suggestions only, inferred from analysis of the collected data, and should be a collaboration between local government and the business community.*

### Educating Business Owners

#### **Succession Planning**

A “red flag” that was raised during the surveys was the indication of a few business owners looking to exit their businesses without a succession plan in place. Efforts will be directed towards investigating connecting these business owners with resources that can help with replacing them in their business, so the local economy isn’t hit as hard as it would be if the business closed its doors.

#### **Business Development Seminars**

Economic development staff can help business owners by contacting organizations that are available for educational seminars in the region. With these educational sessions coming to their doorstep, and costs to business owners being reduced or covered where possible, even further barriers may be eliminated. Offering information on what supports are available to business owners to make tackling challenges such as expansion, financing, or staffing, may encourage them to access what they need. Events and

seminars allow for great networking opportunities that encourage collaboration and information sharing among local business owners to help each other find out what techniques work for different challenges and why.

## **Marketing**

### ***Supply Chain Connector and Love Northern BC***

Volume of work, especially for service and contractor businesses, is difficult to tackle as it relies on the number of people in town and on global economic influences, respectively. Another influence on volume of work is awareness of the existence of a business and the importance of spending locally. Increasing awareness of local businesses is key in this regard, and this can be handled by two existing programs offered in northern BC. For contractors and businesses in the industrial supply chain, the Supply Chain Connector is available at no cost and can help connect local businesses to procurement opportunities, and it can connect them to other businesses. For any local businesses, including industrial, Love Northern BC is a program that connects people with the local independent shops of the area. It also benefits owners with a professional, captivating online profile of their business and themselves fit with a professionally written story and professional photography session, as well as connection to exclusive resources and information sessions that can help optimize their business. Although a small majority of businesses surveyed were unsupportive of Love Northern BC, it is suggested that, with some education on the program, there would be strong uptake.

## Appendix A - The Survey

# STEWART BUSINESS WALK

DATE: OCTOBER 24, 2017

INTERVIEWER:

SCRIBE:

Script framework:

"Hello, my name is \_\_\_\_\_ and my partner is \_\_\_\_\_ and we are surveying businesses to find out how business is doing so we can identify where business resources can help support the business community. Do you have about 5 minutes to answer a few questions? Your answers will remain confidential."

**BUSINESS INFO – PLEASE FILL THIS OUT COMPLETELY OR GET BUSINESS CARD!**

BUSINESS NAME:

PERSON INTERVIEWED/POSITION: \_\_\_\_\_ / \_\_\_\_\_

BUSINESS OWNER'S NAME (MAY BE SAME AS PERSON INTERVIEWED):

TELEPHONE:

EMAIL:

### QUESTION ONE

Compared to this time last year, is your business:

Growing     Steady     Shrinking

Over the next year to two years, what do you expect your business to do?

Grow     Steady     Shrink

### QUESTION TWO

Do you plan to exit the business within the next three to five years?

Yes     No     Unsure

If yes, do you have a succession plan?

No     Yes: [describe succession plan] \_\_\_\_\_

### QUESTION THREE

What do you like most about doing business in Stewart?

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#### QUESTION FOUR

What is the biggest challenge your business faces?

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#### QUESTION FIVE

What business support services have you accessed in the past (for example, Community Futures, Business Development Bank of Canada, Small Business BC, etc.)?

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What can business support organizations in the area do to help your business thrive?

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#### QUESTION SIX

Would you have any interest in joining an online business community program that encourages people to shop local?

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#### QUESTION SEVEN

Is there any other information or follow-up that you would like from our Economic Development Officer?

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Thank you for completing this survey.