

2015



**CENTRAL
OKANAGAN**
ECONOMIC
DEVELOPMENT
COMMISSION

Central Okanagan Business Walk

Findings

October 1, 2015



Executive Summary:

The Central Okanagan Economic Development Commission (COEDC) facilitated the first Business Walk in Canada in October, 2012. To date, the COEDC has conducted six Walks, which in total represent 1,574 business visits. The Business Walk is one method used by the COEDC to gather information from the business community and identify programs to facilitate business growth.

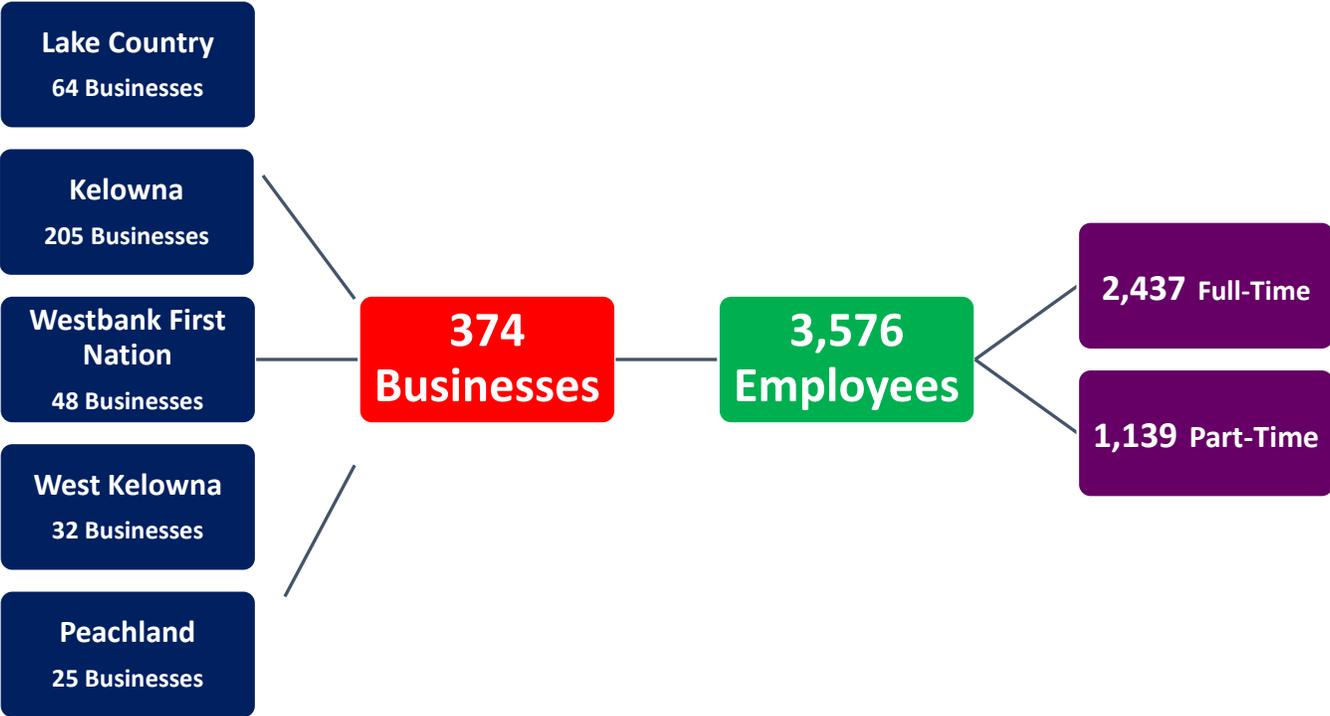
The information obtained captures the pulse of businesses throughout the region, connects business support agencies to the business community, communicates industry intelligence to multiple civic and business stakeholders and identifies opportunities for COEDC's Business Enhancement programming.

Outcomes from Business Walks to Date Include:

- One-on-one post-walk assistance provided to 160 companies across all sectors;
- The Ministry of Jobs Tourism and Skills Training is using the Business Walks program as a best practice;
- Following the May, 2013 Walk to Manufacturers, the COEDC facilitated a Business Beyond Borders session to 25 Okanagan manufacturers to address employee recruitment and retention strategies;
- Information from the Manufacturers' Walk also provided industry intelligence to District of West Kelowna staff in the facilitation of a Manufacturers' Round Table session;
- The COEDC created a Central Okanagan Manufacturers Resources Guide, and a Central Okanagan Guide to Recruitment & Training Resources for Manufacturers;
- Reports communicate barriers to conducting business and program opportunities identified through the Business Walk to municipalities, Chambers of Commerce/Board of Trade and business improvement associations throughout the region. These have included issues such as the need for information related to truck routing, signage, recruitment and training, local development plans, networking and buy-local campaigns.
- Since the Business Walk was introduced in Canada by the COEDC, more than 40 communities throughout British Columbia and Alberta have conducted Business Walks.

October 1, 2015 Business Walk:

Within a three hour blitz on October 1st, more than 65 business and civic leaders walked door-to-door and connected with 374 businesses throughout Lake Country, Kelowna, Westbank First Nation, West Kelowna and Peachland. 3,576 full and part-time employees were represented by the businesses visited.



This fourth annual Central Okanagan Business Walk helped kick off Small Business Month in Canada, providing generally positive feedback on the local business environment and information that can be used by Central Okanagan business service providers in developing their programs and services.

2015 Business Walk Highlights:



94% positive about business environment



31% request more access to information on hiring/human resources



17% plan to retire or sell in next 5 years



38% don't have a succession plan



Looking for more information on community developments, building permits, zoning changes



COEDC & partners to follow-up with 84 businesses

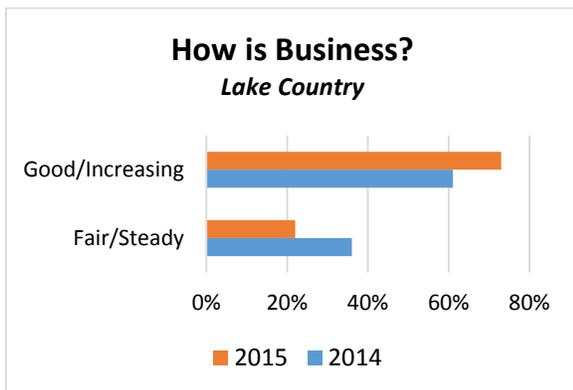
Findings by Area:

Lake Country



The 64 businesses visited in Lake Country once again demonstrated an optimistic business outlook with 22% describing their business environment as Fair/Steady and 73% as Good/Increasing for a combined total of 95%.

While this is close to the combined total of 97% in Lake Country during the 2014 Business Walk, note that this year more said Good/Increasing compared to 2014.



Lake Country businesses represented a much larger number of employees than other areas of the Central Okanagan - 864 employees including 588 full-time and 276 part-time. This is due to the large number of employees at several wineries visited (40+ per winery) and the 167 workers at BC Tree Fruits alone. These employee numbers also point to the economic importance of agriculture in the District.

Of the 56 businesses that provided a response when asked if they planned to sell or retire in the next 5 years, 13% of respondents said yes.

Of the 50 businesses that provided a response when asked if they had a succession plan, 46% said no.

When asked what the greatest challenge for their business was, the largest number of comments (23%) related to hiring/human resources issues. Other frequently mentioned comments related to parking and traffic flow, particularly on Main Street.

Kelowna – Rutland

Rutland walkers visited 54 businesses in the area representing 345 employees (214 full-time and 131 part-time employees.) 32% of the businesses said their environment was Fair/Steady and 65% said it was Good/Increasing, for a combined total of 97%, up from 96% in 2014.

The most common challenges expressed by Rutland businesses were marketing-related. “No one knows where we are,” “Gaining clientele and growing as a business” and “Creating more awareness” were typical comments. The challenge of “Increased competition” was mentioned several times including competition from “Online businesses.” A number of Rutland businesses said their environment could be improved with additional safety and beautification projects.

When asked, “Do you plan to retire or sell your business in the next 5 years?” 21% of the 44 respondents said they did plan to retire or sell, and 64% of respondents said they did not. Of the 51 businesses that responded when asked, “Do you have a succession plan in place?” 39% said they did not.

80% of the businesses expressed the need for information to help them grow; 23% wanted

information related to hiring/human resources and 30% wanted a range of “Other” information, mainly related to marketing and advertising.



Walkers Carmen Sparg, representing the Kelowna Chamber of Commerce, left, and Wendi Swarbrick, representing the Uptown Rutland Business Association, far right, interview Evelyn Enns of The Co-Operators in Rutland.

Kelowna – Capri

2015 was the second Business Walk to include businesses in the Kirschner/Spall area (Capri) with the addition this year of the Spall Plaza, Prospera Centre and Cooper Centre malls.

41 businesses were visited representing 538 employees – 387 full time and 151 part time employees. This is one of the highest employee representations in the Business Walk due to large numbers of employees recorded for Paladin Security (200), Princess Auto (50), Toys R Us (45) and PetSmart (37).

Business was described as Fair/Steady or Good/Increasing for 95% of businesses. Although this is close to last year’s total of 96%, this year more businesses (68%) rated their environment as Good/Increasing compared to 48% in 2014.

The greatest challenges for businesses cited are marketing-related, reflected in almost half of responses. “Getting customers in the door,” “Letting people know we are here,” “Advertising and exposure” were typical comments. “Increasing competition” from new local storefront businesses, big box stores and online businesses were also mentioned. The next greatest challenge related to employees – both “Finding people” and “Finding *qualified* people.”

When businesses were asked if they planned to retire or sell the business in the next five years, 21% of the 33 respondents said yes.

Of the 10 businesses that responded when asked if they had a succession plan, 6 said no.

Additional information would be valued by 96% of the Capri businesses with succession planning, hiring/human resources, marketing and business planning being the greatest areas of need.



Business Walkers Myles Bruns, Province of British Columbia (left), Valentina Trevino, Central Okanagan Economic Development Commission; Sandra Bird, Women’s Enterprise Centre and Cheryl Fast, Community Futures were among the volunteer Walkers in the Capri area. Team members met up at the new “Michel’s Montreal Smoked Meats” restaurant on Kirschner Road. Entrepreneur Michel Tremblay is on the right.

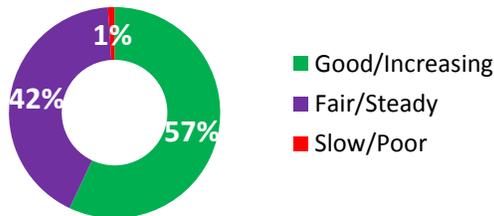
Kelowna - Downtown



Downtown Kelowna teams connected with significantly more businesses in 2015 than in 2014 – 81 versus 54 last year. This larger sampling described an even more positive business environment – 99% said business was Fair/Steady (42%) or Good/Increasing (57%).

How is Business?

Kelowna-Downtown



Approximately 800 full and part-time employees were represented by the businesses visited. Some of the larger employers reported were SunFM (70) and The Lodging Company (57).

When asked what their greatest challenges were, frequently mentioned were day-to-day management issues such as “Keeping up with trends,” “Managing clients’ expectations,” “Trying to keep a steady pace” and “The flow of business is a challenge – crazy ups and downs.” Although parking – a major challenge reported in the 2012, 2013 and 2014 Business Walks – was mentioned less often this year, 10% of

businesses surveyed indicated parking-related issues had significant impact on their business.

A number of advertising/marketing challenges were identified including, “Need help branding our downtown location,” “Increased competition downtown” and “Need more walk-in traffic.” While just a few businesses mentioned staffing issues as their greatest challenge, when it came to what information they would like access to locally, 33% said they wanted information related to hiring/human resources. A wide range of “Other” information was also cited including commercial development plans, demographics and sources of financing.

When asked if they planned to retire or sell their business in the next 5 years, 14% of the 78 respondents said yes. Of the 38 respondents to the question, *Do you have a succession plan?* 18% said no.

Kelowna – Pandosy/Mission



28 businesses were seen in the Pandosy/Mission area representing 134 full-time and 45 part-time employees. A slight decline in the current business environment was indicated with 92% providing a rating of Fair/Steady or Good/Increasing compared to 97% in 2013 and 2014. This year significantly more businesses provided a Fair/Steady rating (46% compared to 30% last year) and fewer businesses said Good/Increasing (46% compared to 67%).

As in previous Walks, parking issues were the greatest challenge for roughly 25% of the respondents including lack of parking and the need for customers to deal with parking meters installed within the last year. Competition – from new storefront businesses, big box stores and online shopping options – was also mentioned by 25% of the businesses.



Jim Grant of Grant Thornton and Raghwa Gopal, representing the COEDC “walked” in the Pandosy/Mission area.

Asked if they planned to sell or retire in the next 5 years, 31% of the 26 respondents said they did plan to sell or retire and 69% said no. 57% of the businesses responded to the question about succession planning with 25% saying they had a succession plan in place and 69% saying they did not.

The Pandosy/Mission businesses said they would like access to additional information on a wide range of topics from hiring/human resources, business planning and succession planning to local development plans and exporting.

Westbank First Nation



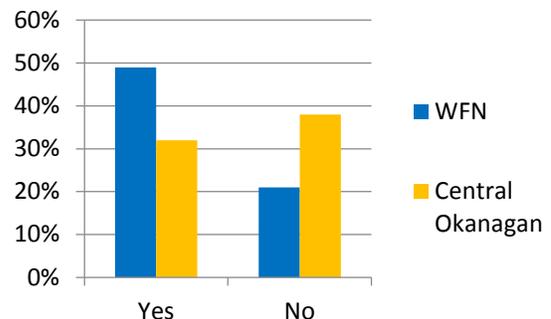
48 businesses were called on by the Westbank First Nation (WFN) Business Walk teams this year, representing 250 full-time and 199 part-time employees. The business environment was rated as Fair/Steady or Good/Increasing for 89% of these businesses, down from 95% in 2014.

As has been a trend in previous Business Walks, the greatest challenges reported by WFN businesses were related to marketing and exposure (51%). Businesses are looking for ways to “Drive traffic into the store,” “Let people know we are here,” and for “Better exposure.” “Location” was a challenge for several businesses due to “Poor access from the highway” and/or what they felt was inadequate signage. A number of businesses referred to increasing competition from online stores and big box stores.

While staffing issues were not reported by any of the businesses as a major challenge, when asked what information they would like access to locally 36% of respondents said they would like information related to hiring/human resources.

18% of the WFN respondents said they planned to retire or sell within the next 5 years, while 58% said they did not plan to retire or sell. 49% said they had a succession plan in place – considerably higher than the average of 32% for the region – while 21% said they did not.

**Succession Plan in Place?
Westbank First Nation**



Unlike the 2014 Walk when many businesses said they wanted to be more informed and involved in the WFN community, this was mentioned by only one business this year.

West Kelowna



Thirty-two businesses were seen in West Kelowna representing 216 full and part-time employees. 28% of the businesses rated their environment as Fair/Steady and 59% said business was Good/Increasing for an overall rating of 87%, down from 97% in 2014.

Asked what their greatest challenges were, several themes were mentioned by businesses in West Kelowna. 31% referred to issues related to marketing, sales and increased competition; 25% to location/access challenges, 16% referred to finding qualified employees and high rent or lease rates was a significant challenge for 13%.

Only 3 business operators said they planned to retire or sell in the next 5 years. Of 24 respondents to the question, *Is there a succession plan in place?* 42% said there was not.

69% of all the businesses seen in West Kelowna said they wanted access to more information; of these 41% specifically wanted information on hiring/human resources. Less frequently requested information related to a range of topics from how to utilize social media to building permits and general business planning.

Peachland



The 25 businesses called on in the District of Peachland represented 85 full-time employees and 87 part-time employees. This almost equal division of full and part-time workers reflects the seasonal nature of the community.

Peachland businesses described a more positive environment than in 2014 – 92% said business was either Fair/Steady or Good/Increasing compared to 87% last year. This year more businesses said Fair/Steady (36% compared to 27% in 2014) and fewer said Good/Increasing (56% compared to 61%).

Asked what their greatest challenges were, Peachland businesses commented on several factors: 28% cited challenges associated with operating in a seasonal community including “Staying busy in shoulder seasons” and being “Run off their feet in high summer season.” 24% referred to difficulty finding “Good staff”. Another 28% commented on issues related to transportation and beautification including lack of speed bumps, poor beach maintenance, and concerns about losing business with the proposed bypass route.

The need for additional information by Peachland businesses was greatest in the area of hiring/human resources (desired by 38%) and business planning (29%).