



BRITISH COLUMBIA'S
Small Business Roundtable



Small Business Roundtable

4TH ANNUAL REPORT TO GOVERNMENT
OCTOBER 2009

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Message from the Small Business Roundtable

As we emerge from this economic downturn, British Columbia will be stronger and better prepared to capitalize on improved global markets

The Small Business Roundtable advocates on behalf of small business in British Columbia. Since 2005, we have held 34 consultations with communities across the province – listening to over 600 small business owners and representatives – and engaged in activities that further small business interests. This report highlights activities between March 2008 and March 2009.

During this year, small businesses in British Columbia experienced a sudden shift from a sustained period of strong economic growth to an economic downturn. An economic turnaround requires renewed business investment, innovative partnerships, improved consumer confidence, diversification and job creation.

In British Columbia, small business has the ability to positively influence the current economy by sheer numbers alone. Ninety-eight per cent of all businesses in B.C. are small businesses. The approximately 384,300 small businesses employ over one million people and are responsible for generating 34 per cent of the province's gross domestic product¹. With innovation and proven resiliency, B.C. small businesses can lead the way to prosperity.

This natural resilience, coupled with the B.C. government's continued commitment to help small businesses succeed, is helping small businesses to weather the economic storm. As we emerge from this economic downturn, British Columbia will be stronger and better prepared to capitalize on improved global markets.

In this report, we celebrate the success of small business in the province, outline the challenges facing small business in both the short and long term, report on our findings, and make recommendations to government and the small business community on ways to further improve the small business climate in British Columbia.

In closing, we would like to welcome our new chair, Honourable Iain Black, Minister of Small Business, Technology and Economic Development. We applaud the efforts of the two chairs who have contributed to the ongoing dialogue with the small business community over the past year. In their unique and enthusiastic ways, Honourable Kevin Krueger and Honourable Ida Chong strengthened the Small Business Roundtable's ability to listen and respond to the needs of B.C.'s small businesses.

Small Business Roundtable Board Members

¹2009 Small Business Profile, BC Stats

About Us

What is the Small Business Roundtable?

The Small Business Roundtable was established in 2005 with a mandate to provide small business with a voice in government by:

1. Engaging in a dialogue with small business to identify key issues and opportunities.
2. Developing recommendations to government and to small business owners on strategies to enhance the small business climate in B.C.
3. Championing small business interests in the province.

The Roundtable is chaired by the Minister of Small Business, Technology and Economic Development, and has 22 Board members selected for their leadership in the small business community. Information on Board members is provided on the Small Business Roundtable website at www.smallbusinessroundtable.ca.

Who we represent²

- 98 per cent, approximately 384,300, of all businesses in British Columbia are small businesses.
- Roughly 82 per cent of small businesses were micro-businesses with fewer than five employees.
- Small businesses provide nearly 56 per cent of all private-sector jobs in British Columbia.
- British Columbia small businesses shipped approximately \$11.9 billion worth of merchandise to international destinations in 2007, representing just over 38 per cent of the total value of goods exported from the province
- Women make up 34 percent of self-employed people in British Columbia, the fourth-highest rate in the country.

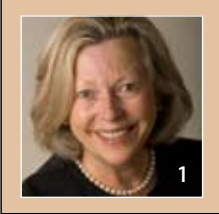
Breakdown of businesses in B.C., 2008

	# of businesses	% of total
Total small businesses	384,300	98%
Self-employed without paid help [†]	216,300	55%
Businesses with less than 50 employees	168,000	43%

[†]Incorporated self-employed are not included in this figure to avoid double-counting, since they are already included in the count of businesses with fewer than 50 employees.
Source: BC Stats, using data supplied by Statistics Canada

²2009 Small Business Profile, BC Stats

Who are we?



1. **Sue Adams**,
Managing Partner,
Bevendale Enterprises
WHISTLER



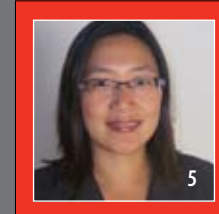
2. **Christina Anthony**, Director
and Portfolio Manager,
Odlum Brown Ltd
VANCOUVER



3. **Brenda Blair**,
Owner,
Blair Investments Ltd
CRANBROOK



4. **John Cameron**,
CEO, Rock Solid
Business Coaching Inc.
LANGLEY



5. **Cindy Choi**,
Manager,
Chan & Company
VICTORIA



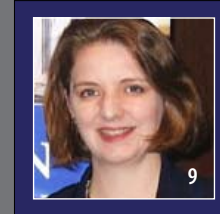
6. **Garnet Etsell**,
President, Coligny Hill
Farms Ltd & Spring
Meadow Farms Ltd.
ABBOTSFORD



7. **Robert Fine**,
Executive Director,
Economic Development
Commission of the
Central Okanagan
KELOWNA



8. **Garth Frizzell**,
CEO, Terra Cognita
Software Systems Inc.
PRINCE GEORGE



9. **Laura Jones**, Vice
President, BC & Yukon,
Canadian Federation of
Independent Business
VANCOUVER



10. **Linda Larson**,
Vice-Chair, Small
Business Roundtable
OLIVER



11. **David Littlejohn**,
Professional
Campground Operator,
Living Forest RV Park/
Oceanside Campground
NANAIMO



12. **Max Logan**,
Director of Government
Relations and
Membership Services
BC, Retail Council of
Canada
VANCOUVER



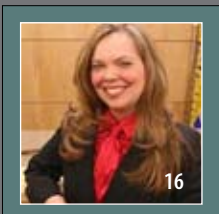
13. **Kelly McCormack**
Owner,
KDM Business Services
SMITHERS



14. **Mark Nairn**,
Owner/President,
Beamac Installations
Ltd.
WILLIAMS LAKE



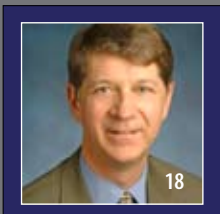
15. **Neal Norman**,
Owner/President, N.
Norman Ventures Ltd.
DAWSON CREEK



16. **Coralee Oakes**,
Quesnel & District
Chamber of Commerce
QUESNEL



17. **Murray Presley**,
Managing Partner,
Presley & Partners
Chartered Accountants
COURTENAY



18. **Mark Startup**,
President & CEO,
Retail BC
VANCOUVER



19. **Ian Tostenson**,
President/CEO, British
Columbia Restaurant
& Food Services
Association
VANCOUVER



20. **MJ Whitemarsh**,
CEO, Canadian Home
Builders' Association
of BC
BURNABY



21. **Chief Judy Wilson**, Neskonlith
Indian Band (Sk'emtsin)
CHASE



22. **John Winter**,
President and CEO,
British Columbia
Chamber of Commerce
VANCOUVER

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B.C. Small Business Successes

To celebrate the vital role of small business in the province, this report highlights eight small businesses, one from each region, that demonstrate B.C.'s entrepreneurial ingenuity. Small business is B.C.'s economic engine, and these inspiring stories showcase just some of the many small businesses making it happen.



One of the farmers who supply coffee beans to Level Ground Trading is shown a picture of himself on the back of the packaging used by the company.

Level Ground Trading

www.levelground.com

Vancouver Island/Coast Economic Region

Level Ground Trading began with the vision of improving the lives of small scale farmers in developing countries through fair trade. Today, the company provides consumers with premium coffee, dried tropical fruit and cane sugar directly from 2,000 farming families in five different countries – Colombia, Bolivia, Peru, Tanzania and Ethiopia.

President Hugo Ciro travels to producer regions to meet with farmers, co-operatives, and exporters, ensuring that farmers receive a fair and sustainable share of the total price the company pays for green beans – 40 per cent more than conventional coffee importers.

Level Ground also works to make a difference at home. The company uses 13 streams of recycling at its plant, where less than one grocery bag of garbage is created per week. Its customers can return their empty coffee packages, which are collected and shipped to a waste-to-energy facility in Burnaby. Level Ground Trading also sponsors over 100 community events each year.



This natural, fully landscaped double back lot with swimmable garden stocked with fish was built for a client who asked for a pond for his grandchildren. It includes a geyser and a split stream and is easy to maintain.

Ferrier's Water & Landscaping Inc.

www.ferriers-waterscapes.com

Kootenay Economic Region

Beautifying the southern Columbia Valley with sustainable landscapes and waterscapes is how Rick Ferrier, owner of Ferrier's Water & Landscaping Inc., describes his business.

Ferrier's serves the area from Canal Flats to Radium Hotsprings. The company specializes in designing and creating unique landscapes, waterscapes and gardens that integrate with the natural environment. Besides enriching clients' lifestyles and adding value to a property through curb appeal, Ferrier's is also a pioneer in applying water conservation strategies to its gardens.

Earning his clients' trust and having the freedom to create amazing landscapes and waterscapes is what Rick cites as his company's most significant achievement. He credits his success to an ability to envision the extraordinary and then work with clients to create something they can enjoy.



RFind Systems Inc.

www.rfind.com

Thompson-Okanagan Economic Region

RFind Systems Inc. helps manufacturers track and find their products – no matter where they are. And despite having only 13 employees, most of this Kelowna company’s customers are global organizations, who use RFind’s real time location system to know where everything is at all times.

RFind’s technology is unique. The company’s founders focused on developing cost-effective, scalable and reliable real-time location system products. The products are wireless and easy to put in place. With an asset, a server with mapping software and a responder that feeds information to the computer’s server, a customer can create a simple and cost-effective solution to locating products.

Besides its patented technology, the success of this small business depends on client contact expertise. Sharon Barnes, RFind’s CEO, says, “Effective communication is vital. We have to communicate at different levels, across many functional groups, lines of businesses, locations, time zones, languages and complex situations.”



This winner of an Angler’s Atlas photo contest was chosen from hundreds of pictures submitted annually by anglers using www.anglersatlas.com.

Angler’s Atlas (Goldstream Publishing Inc.)

www.anglersatlas.com

Cariboo Economic Region

When he was a biologist studying lakes, Sean Simmons realized there were vast amounts of information about lake floors that would be valuable to fishing enthusiasts – if only they could find it. The solution came ten years ago when Sean set up an agreement with the B.C. government to establish the right to publish bathymetric and topographic maps. He then developed a website, which offered free access to 15 maps at the beginning.

Today Angler’s Atlas provides maps for over 300,000 North American waterbodies, and other resource information, to anglers through its engaging website, www.anglersatlas.com. The site allows its 50,000 members to download free maps and contribute their own content, like photos, comments and map markers that can be viewed and used by others via GPS units or Google Earth. The company also sells hard copy maps and other products like backroad mapbooks.

With a staff of five, Sean attributes success to having access to sophisticated web expertise in the region as well as the emergence of open source technology.



The touring vessel Inside Passage is unique in Canada.

Prince Rupert Adventure Tours

www.adventuretours.net

Northcoast Economic Region

Every year, Prince Rupert Adventure Tours takes up to 10,000 people on waterborne wilderness tours – including the pristine wilderness of the Kluane National Park, home of the largest population of grizzly bears anywhere in the world.

But that's just one of the arms of West Coast Launch Ltd., which also runs the major water transportation business in Prince Rupert.

West Coast Launch is owned and operated by Doug and Debbie Davis. Over the past 20 years, the business has expanded to include water taxi services, six-hour sightseeing tours, vessel charters, harbour cruises and Prince Rupert Adventure Tours.

According to Debbie Davis, the success of the company lies in the support of the family. Taking on new and costly business ventures has been challenging, but with each member of the family contributing complementary skills, they have been able to take on new opportunities.

Their most recent business venture was the addition of a 72-foot catamaran touring vessel called the Inside Passage – built by B.C. shipbuilders with floor-to-ceiling glass for unobstructed views, and certified for 100 passengers.



Beginning with one pickup truck and a vision, Dahlen Contracting has developed into a multi-service company with a whole fleet of vehicles.

Dahlen Contracting Ltd.

Northeast Economic Region

Seven years ago, Carl and Shelley Dahlen were subcontractors with only one pickup truck – and a vision of going it on their own.

Today, they operate Dahlen Contracting Ltd., focused mostly on oilfield construction and maintenance. But the company is also in the residential rental and renovation business. Most recently, they added a residential and commercial landscaping division. And their single truck has become an entire fleet.

In a smaller community like Dawson Creek, diversification is the key to small business success. For the Dahlens, it was important to expand into varied sectors because of the cyclical nature of the oil patch.

The benefit of expanding into various sectors is that now the company can provide its 25 employees with year-round work, resulting in a workforce with multiple skills – and minimal employee turnover.



Meet 'Owly', the mascot of Invoke Media's web-based service Hootsuite.

Invoke Media

www.invokemedia.com

Mainland/Southwest Economic Region

Ryan Holmes' entrepreneurial instincts were right on the money in 2006 when the CEO of Invoke joined forces with Novare Res founders Dario Meli and David Tedman, creating today's Invoke Media, which now is a world leader in social media.

Invoke specializes in building some of the industry's top social media platforms. The White House is one of many clients using Invoke's application HootSuite, a web-based service that helps professionals manage their Twitter accounts. This summer HootSuite was recognized by Backbone Magazine and KPMG as one of the Top 20 Web 2.0 companies driving innovation and changing the way people use the Internet.

Other Invoke clients include the University of B.C., Texas Instruments, VanCity Credit Union, Electronic Arts, and the Gap.

David Tedman believes Invoke's magic ingredient is its employees. He calls his staff of 28 "the best team of people in Vancouver," no small compliment considering the city's reputation as the Silicon Valley of Canada.



In business since 1979, Avison Management Services has established a reputation for exceptional integrated resource management services.

Avison Management Services Ltd.

www.avison.bc.ca

Nechako Economic Region

Thirty years ago, Avison Management Services Ltd. began offering environmentally responsible services to the forest industry. Today the company still provides resource management through environmental leadership – but its scope has vastly expanded.

Their office is located in Vanderhoof - which, as the company points out, is the geographic centre of British Columbia. From there, they offer a broad spectrum of integrated land-based management services. Their clients come from many sectors, including forestry, agriculture, mining, oil and gas, wind power, environmental assessments and monitoring, and the public sector.

Adapting to emerging needs and business diversity are the two factors for achieving long-term success, says Stuart Sinclair, Avison's president. The firm has three partners – Sinclair, Bill Laforge and Brian Frenkel – and 30 highly trained employees, including registered professional foresters, fisheries biologists, fish and wildlife technicians, forest technicians, GIS technicians and microstation technicians.

The company continues to venture into new endeavours, such as helping clients reduce their environmental impact through greenhouse gas verification and carbon offset projects.

B.C. Small Business Challenges

Consumer confidence and access to capital

The economic downturn undermined consumer confidence and constricted the flow of capital. This has had an impact on almost every sector of the economy.

An economic turnaround requires renewed business investment, improved economic confidence, and overall job creation. In British Columbia, small business has the ability to positively influence the effects of the current economy by sheer numbers alone. To stimulate economic activity and job creation, small businesses are seeking improved credit conditions as well as improved overall business and consumer confidence.

Having access to capital is vital to the success of small businesses. For many, this can be a difficult challenge. The fact is small businesses are risky and hard to evaluate. This can make it difficult for small businesses to access the capital their companies need through traditional financial sources.

Labour shortage

The challenge of labour shortage has been temporarily reduced because of job losses and delayed retirement in almost all business sectors. However, small businesses recognize that this problem will recur with economic recovery. The majority of small businesses consider finding and retaining qualified workers the most significant challenge to the growth and survival of their business.

Regulation and time-consuming tax procedures

Governments rely on regulations to meet policy objectives that serve and advance the public interest and instill confidence in Canadian

markets and institutions, while supporting a fair and competitive economy. Unfortunately, complying with government regulations often imposes additional cost on businesses.

Despite the province's efforts to simplify and streamline the regulatory environment, red tape imposed by all three levels of government is still a problem for small businesses in British Columbia.

Need for training

Small businesses understand the need for training in managing their enterprises and helping their people to perform better. However, training takes a lot of time, effort and money – all of which are limited resources for small businesses. The challenge is to find a way to help businesses develop training plans that address these obstacles so small business can take advantage of training to further their growth and successes.

Broadband Internet access

Ensuring access to broadband internet in all areas of the province would improve productivity, increase research capabilities and expand target markets for all small businesses who wish to leverage this resource.

Mountain pine beetle

The mountain pine beetle epidemic in the Interior of British Columbia is an unprecedented forest health issue. The effect this epidemic has had on the Interior forest industry is a concern for all British Columbians, given its importance to the province's economic base. The repercussions for the communities and the small businesses that service the forest industry have been significant. The challenge now is to create more short- and long-term stability for these forest-dependent communities.

Our Performance

The Small Business Roundtable's mandate is to engage in dialogue with the small business community, identify key issues and opportunities, and develop recommendations to government and to the small business community on strategies to enhance small business growth and success.

To fulfill this mandate, the Roundtable conducts consultations with small businesses in all regions of the province. The focus is on identifying small business opportunities and challenges through the consultation processes outlined in the section below. Since its inception in 2005, the Roundtable has conducted 34 consultations around the province, engaging over 600 small business owners to identify key small business issues and opportunities.

In addition to consultations, the Roundtable undertakes a variety of other activities throughout the year that contribute to fulfilling its mandate.

Board meetings, video conferences, teleconferences

Four quarterly Board meetings are held each year, augmented by video conferences or teleconferences when necessary. The Board convenes to discuss issues that affect the small business community and to help develop strategies for government action.

Small Business Roundtable subcommittees

Over the past year, Roundtable members have partnered with government and other organizations to provide advice about developing products and services that meet the challenges small businesses face. Roundtable members serve on steering

committees and as Board members of other organizations – such as Junior Achievement British Columbia and Small Business BC – to review materials, develop project plans and provide advice to ensure products and services provide meaningful solutions for the small business community.

Small business climate action

The government of British Columbia established a target of a 33 per cent reduction in greenhouse gas emissions by 2020. As 98 per cent of all businesses in British Columbia are small businesses, they have an important role to play in meeting this target.

In 2008, the Small Business Roundtable established a subcommittee to focus on small business climate action issues. The goals of the subcommittee are to support small business in adopting climate action initiatives and in seizing new opportunities presented by climate change to develop new competitive advantages. To achieve these goals for the small business community, the climate action subcommittee has identified the need for:

- Simple, effective and accessible tools for businesses to use to achieve carbon neutrality.
- The means to remain current with what others are doing to leverage synergies.
- Consistent, ongoing public recognition of efforts made by small businesses.

The climate action subcommittee provides an ongoing advisory service to government to help them develop climate action strategies designed specifically for small businesses. For more information on climate

change solutions and to access “Green Business Success Stories” and other resources, visit www.livesmartbc.ca.

Small Business BC

Small Business BC is British Columbia’s key resource centre for business information and services. A member of the Small Business Roundtable sits on the Board of Small Business BC to advocate for the needs of the small business community.

Small Business BC is a not-for-profit society jointly funded by the federal and provincial governments to provide services and tools to the small business community. These include business information services, business registration, seminars, market research services, business plan advisory services, one-on-one export coaching, e-business services, library and business bookstore.

In addition, Small Business BC, in partnership with FrontCounter BC and the Community Futures Development Association of BC, delivers business seminars via video conferencing to 43 locations in 34 communities throughout British Columbia.

Building skills for small business

Human resource access, development and education are frequently raised during the small business consultations as key small business priorities.

In response, the provincial government provided \$1 million to a Building Skills for Small Business initiative to develop programs and tools specialized for small business owners. A steering committee, including members of the Small Business Roundtable, was established to guide the development and implementation of the initiative.

In 2008, some of these funds were used to develop a Human Resource Quiz and Resource Guide for identifying and

developing training strategies for small business owners. Roundtable members also provided advice on the development of a complementary Employers Toolkit. These tools are available on the WorkBC website as a suite of options to help businesses attract, retain and develop employees. To access these tools online, visit www.workbc.ca/looking_for_workers/index.htm.

In 2009, funds were allocated to the Leadership and Management Development Council of British Columbia to develop and deliver workshops and peer networks on recruitment and retention in six communities across the province. Funds were also committed to establish up to 20 new video conferencing centres at BC Chamber of Commerce sites. The addition of these sites to the existing video conference network in B.C. allows greater access to business workshops and seminars in communities across the province.

Small Business Month activities

For the second consecutive year, October 2008 was officially proclaimed Small Business Month in British Columbia. British Columbia’s small business owners are an important source of innovation, and an economic driver that has transformed the province into a national leader in the most amount of small businesses per capita.³

Small Business Month is a time to celebrate this growing sector by showcasing its strength and diversity. Included during the month was the joint observance of Small Business Week (October 19-25, 2008) with the rest of Canada. Sponsored by the Business Development Bank of Canada and the Canadian Chamber of Commerce, the Small Business Week theme was “A world without boundaries, open to new markets.” Small Business Month 2008 involved a series of events held throughout the province to highlight the importance of small business

³British Columbia held on to its first place ranking among the province in 2008, boasting 87.7 small businesses per 1,000 people. Source: Small Business Profile 2009, page 10.

in British Columbia. Many of the events were either attended or supported by Roundtable members. During the month, the Province also launched two tools for small businesses, developed in consultation with Roundtable members:

- Asia Pacific: A Small Business Guide to Exporting

This web-based planner was launched during a networking event hosted by S.U.C.C.E.S.S., a Vancouver based multi-service agency for immigrants. The planner was developed in partnership with Small Business BC to help small businesses take advantage of the export opportunities available to British Columbians. Our province is uniquely situated in North America to develop new trade relationships in Asia-Pacific countries and diversify our trade partners.

The Asia Pacific planner is available at www.bcexportasiapacific.ca.

- Guide to Doing Business with the Government of British Columbia

This web-based tool allows British Columbia entrepreneurs to explore opportunities to supply goods and services to the public sector. It explains in simple terms how the purchasing process works, and how to use services like BC Bid to become a successful vendor to government. The guide is available at www.resourcecentre.gov.bc.ca/stg/index.htm.

Junior Achievement of British Columbia

“Our business programs build young people’s confidence and workforce readiness, whatever career they pursue. They also develop important teamwork, leadership and entrepreneurial skills. We connect thousands of students to the example and encouragement of local business role models.”

Junior Achievement British Columbia president Jan Bell-Irving

During Small Business Roundtable Consultations, small business owners consistently identified a need to expand the education of our youth to include business, financial, and entrepreneurship training, and to provide them with the knowledge and tools they need to consider becoming the entrepreneurs of tomorrow.

In 2006, the provincial government provided \$2 million to Junior Achievement of British

Columbia (JABC) to expand the breadth and depth of their program delivery in the province over five years. The goal is to ensure the organization’s programs are available in all 60 school districts, and to increase the number of courses offered. JABC has successfully established a solid foundation for this expansion program and achieved some impressive results, particularly in regional expansion and increases in the number of programs delivered and in the number of

students participating in their programs. JABC is well positioned to achieve the 2010 expansion goals.

To ensure sustained and enriched program delivery that will inspire the next generation of business leaders, a further \$1 million was granted to JABC by B.C.'s Ministry of Small Business, Technology and Economic Development. This continued investment provides the necessary resources for the organization to focus on marketing, volunteer management, fund raising

and partner relations to ensure ongoing sustainability of existing programs, expansion to new schools (particularly in rural areas), and development of new programs focused on at-risk youth and Aboriginal youth.

The Roundtable has taken an active role in supporting this partnership. The vice chair of the Small Business Roundtable sits on JABC's board of directors to further strengthen the organization's ties to the small business community, and support its ongoing expansion activities.



Honourable Ida Chong presents a one-million dollar cheque to JABC during a presentation to a Junior Achievement class at Oak Bay High School in Victoria. Pictured from left to right: Honourable Ida Chong; Cindy Choi, Round Table Member; Greg Garnett, JABC Board Member and Chair, Vancouver Island Regional Committee; Anne Towers, Vice President of Program, JABC; Chad Jacques, JABC Host Teacher, Oak Bay High School; and Paul Hooper, JABC Volunteer.

Labour Market Agreement

Under the Labour Market Agreement, the federal government is providing the Province with about \$66 million a year until 2012-13. Through a variety of programs, these funds increase training for employed people who need essential skills or recognized credentials to reach their full potential in the marketplace. The funding also increases access to training for unemployed people

who are not receiving employment insurance.

About \$10 million per year of this funding was targeted to small business. The Roundtable worked with government to develop a program that addresses small business needs.

In spring of 2009, about \$17 million was invested in 10 small business pilot projects being delivered in all regions of the province. Some of these projects meet the needs of small businesses across all sectors, while others are targeted directly to the manufacturing, forestry, hospitality, construction, horticulture, and food service industries.

Consultation findings

The consultation processes has developed over the past four years and is designed to stimulate engaged discussions with small business owners. Our reporting for this report starts in October 2008 and captures all consultations to the end of March 2009.

The consultations give business owners the opportunity to speak directly to the minister responsible for small business. The Minister of Small Business, Technology and Economic Development chairs each consultation, assisted by the Roundtable's vice chair, Linda Larson. While all issues brought forward are given consideration, a short list of key issues raised is posted to the Roundtable website following each meeting (www.smallbusinessroundtable.ca).

This year, Roundtable discussions, which involved 100 small business participants, were conducted in seven communities: Kamloops, Saanich, Terrace, Prince Rupert, North Vancouver, Nanaimo, and Port Moody.

Due to the special efforts of Geri Collins of the Central Interior First Nations Community Futures Development Corporation, the inaugural **Aboriginal Business Roundtable** was held. Thirty-three participants from different parts of the province met with the Roundtable in Vancouver. The Roundtable obtained valuable insights to the specific issues and opportunities for this segment of the small business community. It is clear that the small business success factors for 203 First Nations communities in British Columbia

vary depending on location, population, and uniqueness. The small business sector already plays a major role in bringing revenues into these communities. With joint planning from all levels of government, industry, and other business sectors, many more jobs can be created.

In every community consulted, it was clear that the three key priorities for small business remain:

- 1) Human resource access, development and education.
- 2) Regulatory complexity.
- 3) Sales tax complexity and tax competitiveness.

Human resource access, development and education

Promotion of entrepreneurship and careers in skilled trades in grades K-12 is seen as an important means of addressing the province's skilled labour supply and expanding the small business sector. This was particularly evident in the northern communities we visited, where it was noted that career and trades training in high school could also provide an incentive for youth to stay in school. In several communities, it was noted that small businesses would benefit from the development of an apprenticeship and/or mentorship program for all industries.

Small business owners continue to advocate for changes in the temporary foreign worker program and for simplification of the immigration process.

Regulatory complexity

The overall tax and regulatory burden placed on small business by the various levels of government continues to be at the forefront of discussions with small business owners. Many business owners feel too much time is spent complying with regulatory requirements – time that could be invested in their businesses and employees. The provincial government's efforts to

address these concerns over the past four years are recognized by the small business community. However, we continue to hear that regulatory reductions are not always felt by small businesses.

Sales tax complexity and tax competitiveness

Since the onset of the economic downturn, the provincial government has shown that it understands this particular concern of small businesses. The small business income tax rate was reduced from 4.5 per cent to 2.5 per cent as of December 1, 2008, and by April 1, 2012, the small business income tax rate will be the lowest in Canada. With this announcement came the news that effective January 2010, the small business income threshold will be increased to \$500,000.

Many small businesses suggested harmonization of PST and GST to reduce the tax complexity and tax burden for small businesses. The Province of British Columbia has responded and will be implementing a harmonized sales tax on July 1, 2010. The Roundtable recognizes the overall benefits that harmonizing will bring to the B.C. economy. Although the transition will pose some difficulties in some business sectors, the Roundtable is encouraged that government is engaging affected industries to develop solutions.

Property tax and the assessment process were also key issues for small businesses. As in previous years, small business owners considered the property tax rates to be too high, especially compared with residential property taxes.

Other issues raised:

During the consultation process, we asked participants questions about specific issues that may be affecting their businesses, including climate action, training, innovation, and local opportunities. Here are some of the recurring priorities we heard:

Climate action

- Increase ways to measure individual businesses' carbon emissions.
- Make saving incentives clearer so businesses will do more.
- Create something like "EnergyPal" (modelled after BizPaL) - a site to find specific climate action topics incentives, and information on businesses that have been successful in achieving sustainability or have leveraged climate action into their business strategy.

Training

- Pressure on the federal systems to fast-track immigrant development programs and train new workers.
- Provide further training for succession planning and issues related to exit strategies and tax treatment for passing business on to others.

Innovation and local opportunities

- Find a way for small business owners to co-ordinate similar training to take advantage of group rates.
- Increase efforts to reduce crime against small businesses.

Small Business Roundtable Recommendations

Over the past year, the Small Business Roundtable has been working with the Ministry of Small Business, Technology and Economic Development to provide advice to government and the small business sector on issues, strategies, and potential action to support the efforts to build British Columbia as the most entrepreneurial economy in Canada.

Because of the economic downturn, 2008 posed some particularly difficult challenges for small businesses. The recommendations below acknowledge these difficulties but also point to areas where small business will be integral to British Columbia's ability to emerge from these challenging times stronger and more vibrant.

Recommendations to Government

As we look to the year ahead, it is important to bear in mind that while unemployment rates are currently high and businesses have had to tighten their belts, issues facing small businesses outlined in previous reports are still relevant and pressing matters. Access to labour, human resource training and development, accessibility of small business tools and services in all regions of the province, tax competitiveness, regulatory reform and climate action need to be addressed so small business is aligned for economic recovery.

The Roundtable recommends the government focus its small business strategy for the upcoming year on the following eight areas.

1. Training and Labour Development

- Continue to support leadership development for entrepreneurs, particularly in the areas of employment recruitment, retention and succession planning.
- Continue to support Junior Achievement programs in our school systems.
- Work with educators to raise their awareness of the importance of entrepreneurship and trades training programs.
- Assess small business needs when designing training programs under the Labour Market Agreements.

2. Continue to reduce regulatory burdens on small business

- Commit to permanent regulatory accountability and consider strengthening regulatory reduction reporting through legislation.
- Ensure the small business lens is consistently applied to all government policy and legislation changes.
- Continue to be diligent in reducing tax complexity.

3. Investigate ways small business can increase their access to capital

- Assist small business in exploring new ways to increase access to capital.

4. Leverage technology/innovation

- Continue to seek ways to reduce complexity and duplication among all levels of government through initiatives such as BizPaL, One Stop, and the Mobile Business Licence.
- Enhance small business online access to government programs and services through a centralized business focused portal.

5. Instill consumer and business confidence

- Continue to expand the reach of services to all regions of the province, through video conferencing centres and partnerships with local communities.
- Provide support to further develop economic strategies for First Nations and Aboriginal entrepreneurs.

6. Expand opportunities for small business to get involved in government initiatives

- Continue to promote government's open access to procurement opportunities for small business.
- Ensure that procurement policies and programs are small business friendly.

7. Increase access to foreign markets

- Build on the success of British Columbia's international trade outreach to expand trade.

8. Continue to support small business in climate action efforts

- Enhance government's online access to climate action information to provide a single, small business friendly source for climate action strategies and opportunities.

Recommendations to the Small Business Community

Until recently, small business had tremendous opportunities for growth and success in communities across British Columbia. The Roundtable's recommendations in previous years were made in the context of this positive business climate in the province.

The second half of 2008 brought a sudden economic shift, with sizable job losses, a sharp downturn in retail sales, fewer housing starts, and falling prices for the province's key commodity exports. Last year, the value of B.C.'s exports of goods and services fell sharply.⁴ This decline is largely due to the lack of demand for lumber products and has had a severe effect on B.C. forest companies and workers.

The Roundtable has tailored its recommendations to align with the current economic climate. For business sectors experiencing the greatest impact, it is hoped that these recommendations will be useful in developing business strategies under the current economic conditions and assist with recovery. For businesses in sectors experiencing economic improvements, these recommendations are aimed at highlighting opportunities for growth.

The Roundtable makes recommendations and suggestions for possible actions in six key areas.

1. Leverage government's resources; communicate to government

- Make yourself aware of, and make use of, the resources provided by the government. Below are just a few possibilities:

Small Business BC - www.smallbusinessbc.ca

One Stop Business Registry - www.bcbusinessregistry.ca

B.C. Government Resource Centre for Small Business - www.resourcecentre.gov.bc.ca/

BizPaL - www.bcbizpal.ca

2010 Commerce Centre - www.2010commercecentre.com/

Aboriginal Business Service Network - www.absn.ca/

First Citizens Fund - www.gov.bc.ca/arr/economic/fcf/

Aboriginal Business Entrepreneurship and Skills Training (BEST) Program - www.smallbusinessconsultant.ca/best/

Asia-Pacific Initiative - www.tted.gov.bc.ca/apti/Pages/default.aspx

Work BC - www.workbc.ca

Community Futures Development Corporation of Central Interior First Nations - www.cfdcofcifn.com

2. Human resources

- Where a business has gone from "not enough staff for business" to "not enough business for staff," consider options such as job sharing instead of laying off employees.
- Focus on creative employee retention programs.

For ideas, visit Work BC at www.workbc.ca/looking_for_workers/retaining_employees/index.htm.

- Where regionally viable, look to the Aboriginal community for potential employees. There are many provincial and federal programs available.

Work BC information: www.workbc.ca/looking_for_workers/recruiting_aboriginal/index.htm

www.workbc.ca/looking_for_workers/tool_kit/index.htm

Aboriginal Job Centre (federal): www.aboriginalcanada.gc.ca/abdt/apps/aboriginalemployment.nsf/pSiteHomeEn?openpage

- Discover ways to market your business to the young workforce.

⁴Statistics Canada, Provincial and Territorial Review, 2008 Preliminary Estimates, released April 27, 2009

3. Get involved

- Involve yourself in local community service groups and attend some of your City Council meetings. Get to know what is happening in your community at the planning level.
- Seek new avenues for business, consider procurement opportunities or expanding to foreign markets (www.bcbid.gov.bc.ca/open.dll/welcome).
- Support Junior Achievement programs in your area (www.jabc.org).
- Continue to seek opportunities for growth and development in your business. Be prepared for the coming economic upswing.

4. Develop your leadership skills and knowledge

- Identify your strengths and areas of improvement and decide what training would be of greatest benefit to you. Take the HR Quiz (hrskills.smallbusinesscheckup.com/home.html).
- Invest in finding the right marketing solutions for your business.
- Take advantage of information and training programs through websites - such as Small Business BC (www.smallbusiness.bc.ca), and WorkBC (www.workbc.ca).

5. Leverage new technologies

- Learn how to use new technologies to attract and retain customers.
- Take advantage of business process improvement training to increase your productivity.

The Business Development Bank of Canada has a lot of ideas on how to get started at www.bdc.ca.

6. Take advantage of green initiatives

- Look to online services such as Live Smart BC (www.livesmartbc.ca) to see how green initiatives can provide a competitive advantage and increase revenues for your business.
- Take advantage of programs that assess business operations to determine the most efficient uses of resources (www.bchydro.com/powersmart).

The Voice of Small Business is Being Heard

The Small Business Roundtable advocates to ensure small business needs are heard by the government. The Roundtable is pleased that the government has taken the following measures to improve the small business climate in B.C.

Ensuring tax competitiveness

British Columbia's corporate tax rate is among the lowest in North America. The following initiatives, introduced in the past year, enhance B.C.'s competitiveness by attracting highly skilled people, creating business opportunities, and enabling economic growth. Small businesses now account for one third of B.C.'s economic output, the highest of any province.

- As of December 1, 2008, the small business income tax rate was reduced to 2.5 per cent, resulting in a 44 per cent tax decrease for small business since 2001. The total savings to small business will be \$401 million in three years.
- Effective January 1, 2010, the small business threshold will go from \$400,000 to \$500,000. About 3,500 B.C. businesses will benefit from this threshold increase.
- The Province doubled the commission it pays to business for collecting the provincial sales tax and hotel room tax. That has added up to \$1,200 to a business's bottom line.
- Effective July 1, 2010, the Province will implement a harmonized sales tax which will eliminate the PST, significantly reducing administrative complexity and tax compliance costs for small business.

Reducing regulatory complexity

Over 151,000 regulations have been eliminated since 2001 to support small business growth, equating to a red tape reduction of 42 per cent.

Specific changes that help small business include:

- Revising the *Partnership Act* so all businesses are now eligible to register for limited liability partnerships.
- Streamlining liquor licensing and related administration to improve public safety and reduce red tape for businesses.
- Amending the *Employment Standards Act* to be more flexible and responsive to workers' and employers' needs.
- Streamlining the *Forest Practices Code* to reduce the regulatory burden on businesses while continuing to maintain high environmental standards.
- Amending the *Business Practices and Consumer Protection Act* to increase flexibility for travel agents to apply for a licence as a home-based business.
- Amending the *Motor Vehicle Act* to allow for a greater range of vehicles (bobcats, forklifts) to be used without a police-issued permit.
- Streamlining efforts, currently underway, to improve the social service tax and hotel room tax application and approval process, leading to increased customer service and decreased waiting times.

Breaking down barriers to doing business

The complexity of regulatory requirements imposed by multiple levels of government continues to be a challenge for small business. The provincial government has made great efforts to develop the following programs to streamline permit and licensing requirements for the startup and growth of small businesses.

- BizPaL - An online tool enabling businesses to simply and quickly identify federal, provincial and local government permits and licences required to start a particular business in a specific community. The Province successfully

met the 2008 goal of another 50 communities signed on with BizPaL. Information on BizPaL is available at www.bizpal.ca.

- **Mobile Business Licence** - The Mobile Business Licence is an inter-municipal licence that reduces red tape by allowing mobile businesses, such as contractors and caterers, to operate across participating municipalities. The Mobile Business Licence saves businesses time and money, municipalities see improved compliance and reduced business licence processing, and residents have a greater choice in service providers. Government's continued efforts to expand the licence throughout the province will add more opportunities for small businesses in participating municipalities.

Private-sector pension plan

Government is spearheading efforts to create a new private-sector pension opportunity for British Columbians who are without a retirement savings plan.

Labour market planning

The aging demographic in British Columbia – and all over the world – is leading to potential labour shortages in our province. B.C. has been a leader in making progress towards increasing the ability of skilled and trained people to work anywhere in Canada without having to re-certify their credentials.

- The Trade, Investment, and Labour Mobility Agreement, signed by Alberta and B.C. in 2006, has the potential to create thousands of new jobs in British Columbia. In addition, Canada's Agreement on Internal Trade, approved in December, 2008, allows all Canadians with a specific professional or occupational certification in one province or territory to be recognized as qualified to practice their profession in all provinces and territories where their profession or occupation is regulated. These new cross-Canada labour mobility provisions took effect April 1, 2009.
- Recruiting skilled workers from other countries through the British Columbia Provincial Nominee Program allows B.C. to encourage select workers and entrepreneurs to immigrate here, based on their ability to contribute to the local economy.
- The BC Skills Connect for Immigrants Program consists of career assessment and planning, workplace language upgrading and orientation, skill enhancements and mentorship. Since Skills Connect services began in July 2006, over 4,000 skilled immigrants have benefited from the program. The program has had an 80 per cent success rate in helping skilled immigrants find jobs in B.C. that match their skills.

Our Commitments Moving Forward

The Roundtable will continue to strive towards achieving its mandate:

- Continue the dialogue with the small business community through regional consultations and participation in local small business events. This is vital to remain current with changing conditions in the small business community.
- Support government programs that deliver tangible results to the small business community and advocate on behalf of small business interests.
- Continue to find ways to champion small business interests in the province.



BRITISH COLUMBIA'S
Small Business Roundtable