

Fall 2016

2016 Grande Cache Business Visitation Study



Community Futures West Yellowhead

2016 GC BVS

Fall 2016

This document is the third part of a Business Retention and Expansion series written on the community of Grande Cache. To view the other parts to this series please visit westyellowhead.albertacf.com.

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Grande Prairie Regional College

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Executive Summary:

This is the third component to the Grande Cache Business Visitation Study. The initial study took place in Grande Cache in 2014 and consisted of a 5-question interview targeted across the entire business community. A focus was placed on businesses with a day to day presence in the community. Interviews were conducted face to face with business owners and great care was taken through community stakeholders to ask the right questions to gain the most information, producing a snapshot in time and benchmark data for the community. 148 businesses were initially interviewed through this process and a series of recommendations based on the businesses feedback were presented to the community as a valuable business retention and attraction tool.

In 2015 CFWY went back to the original stakeholders and completed a follow-up on all projects originally recommended from the 2014 study. A large portion of the recommendations had been acted on or completed and the full report is available on the CFWY webpage.

Moving into 2016, CFWY went back into the field to follow up with the original 148 businesses. In a similar interview style, 5 questions were asked of the existing businesses. Questions on their current past experiences, challenges and opportunities of doing business in Grande Cache were important as precursor to the original study.

The town of Grande Cache has experienced excessive change since the initial research project began in 2014, including the closure of the major employer in the community, the fall of oil prices, changing government regulations in forestry and caribou territories as well as the downturn in the provincial economy. The information originally collected has become a useful baseline moving forward on a more challenging environment for multiple Grande Cache businesses.

This report looks in depth into the business community trends from 2012-2016, a time of great change in Grande Cache. It accurately describes the business climate in the words of the business owners themselves. In the 2016 study CFWY could interview 84 of the original businesses, as well as follow up with an additional 21 businesses that had closed or relocated from the area. Unfortunately, the remaining 43 businesses have closed or were unreachable at the time of the survey.

In 2014 the business community identified the following key themes as priorities:

- Community Pride
- Business licenses for home based Businesses
- Mixed communications from the town
- A need for business resources on a local level
- An increased shop local initiative
- The impact of the oil and gas sector on the community
- The need to diversify the local business community

In 2016 business owners were asked to rate their perceived level of movement on each of the 2014 key topics. Overall the business community had only noticed slight changes; however, through research in the community during the 2015 one year follow up, it is apparent that changes have been made in Grande Cache by community stakeholders.

The study shows a downward trend in the number of consumers in Grande Cache. This decline is disheartening as tourism numbers traveling through Highway 40 North, known as the 'Route to Alaska', have reported an increase of travelers. Increasing signage for the community and encouraging more highway travelers to venture from the main highway was recommended in the 2014 Grande Cache Business Visitation Study. The Ministry of Transportation has been working closely with the municipality of Grande Cache and has recently struck ground on the creation of a new traffic light across highway 40 at the main intersection of Grande Cache and highway 40. This development combined with newly designed signage by the Town of Grande Cache seem to suggest that there is support from multiple levels of government to assist with tourism inclusion in Grande Cache.

2014-2016 has been more challenging for Grande Cache businesses to keep the level of staffing previously maintained in 2012-2014. Part time positions have been largely eliminated from most workplaces and full time positions, that were already reduced in 2012-2014 have been further reduced in 2016, with 45% of businesses interviewed overall reporting a reduction in full time staff.

Only 9% of businesses in Grande Cache have seen consistent growth in number of customers since 2012. Looking at sales total revenue, only 16% of Grande Cache businesses saw growth in their sales total revenue from 2012-2014, with 69% reporting no growth or declining revenue. In 2014-2016, 55% reported a further decline from 2012-2014 numbers in their sales total revenue.

With recent developments and a community vitality study initiated by the town and the province, it is hard to speculate what the future holds for the businesses in Grande Cache. Community Futures West Yellowhead continues to support the business community through services and support and has been working closely with members of the supporting organizations and key stakeholders of the community.

Introduction:

In the fall of 2014 Community Futures West Yellowhead, in partnership with the Town of Grande Cache and the Grande Cache Rural Alberta Business Centre (RABC) interviewed 148 businesses operating in Grande Cache, Alberta. CFWY could utilize the active business license list to ensure that the sample size accurately represented the business market in terms of types of businesses having a day to day presence in Grande Cache. This study examined challenges and opportunities of doing business within the small community, as well as an action plan based on recommendations and data from the original interviews. In 2015, a follow up report specifically looked at what steps had been taken on the recommendations from the earlier work. The original results from 2014 and the one year follow up can be found in the 2014 Grande Cache Business Visitation Study¹.

Since 2014, the community of Grande Cache has experienced several changes. Some of these major events include the closing of the local mine, the town's major employer; a major drop in the price of oil has decreased the oil and gas presence Alberta wide; and most recently the recommendation from Grande Cache's town council to pursue a viability study from the Government of Alberta². The information collected in 2014 is a benchmark moving forward with attraction and retention within the community. This report looks at the original 148 businesses whom were interviewed in 2014. Their original results, used as baseline data, are then compared to their 2016 comments to correlate and contrast the changes within the community.

In 2014, five questions were developed to gain feedback from local businesses in Grande Cache. These questions focused on topics including opportunities and challenges of running a business in Grande Cache and overall community improvements to encourage new business in the area.

In 2016, five additional questions were created to gather information from the same businesses interviewed in 2014 on distinct changes over the past two years (2014-2016) regarding both their individual businesses and the business community in Grande Cache. For some questions, information was gathered to compare the original answers from 2014 to the answers gathered in 2016.

The information collected is intended to build dialogue with local business with the aim to identify issues, goals and potential opportunities. The Grande Cache Business Visitation Study findings are available to the community and should be treated as a community document.

In 2014 the Grande Cache residential vacancy rate was 20%, rising to 40.6% in 2015, showing a distinctive outward migration of residents from the community. At the time this report was published official 2016 numbers were unavailable; however, in interviewing local real estate professionals CFWY was told that vacancy rate is continuing to grow. The local business

¹ The 2014 Grande Cache Business Visitation Study and the 2015 community follow-up can be viewed online at www.westyellowhead.albertacf.com under Business Visitation Studies, <http://westyellowhead.albertacf.com/business-visitation-studies>.

² More on the viability review can be found in this online CBC news article from June 18, 2016: <http://www.cbc.ca/news/canada/edmonton/alberta-coal-town-grande-cache-may-no-longer-be-a-town-1.3641310>

population has dropped by 58% since 2014³ with specific industries once thriving in the community, now virtually non-existent. Cornerstone businesses in the community have closed or plan to close within the next 6 months and there is some indication that school enrollments have declined for 2016.

³ The 2014 Active Business Licence list provided by the town of Grande Cache featured 180 businesses total, information provided by the Government of Alberta economic Dashboard show 147 businesses active within the community in 2015 (<http://regionaldashboard.alberta.ca/region/grande-cache/#/>), which is the most recent documentation available at this time.

Distinctive Changes Since 2014:

Coal and Mining Industry:

In late 2014 the Grande Cache Coal mine was sold to a Chinese firm and shortly after metallurgical coal, their biggest export, experienced a large decrease in price. This change led eventually led to a massive layoff situation of 175 employees in early February 2015. The company announced that it would end mine production on December 24, 2015 and consequently led to approximately 220 layoffs.

Coal Power Changes:

Recent changes to the provincial and federal governments have developed a Climate Change Advisory Panel for the province of Alberta. This provincial plan looks to phase out coal fired power in the province of Alberta by 2030. HR Milner Power of Grande Cache has had their generating station operations negatively affected.

Oil and Gas Industry:

The downturn of the oil and gas industry in Alberta has negatively impacted all of the communities within the West Yellowhead region. In 2014 Grande Cache was experiencing growth in its oil and gas sector, now in 2016 with prices hovering at \$40 per barrel, the industry has significantly scaled back its Grande Cache operations.

The Forest Industry:

Forestry has historically been a larger industry in the community of Grande Cache, at present both the caribou recovery strategy and the mountain pine beetle infestation are posing significant challenges to operation around Grande Cache. The community's proximity to caribou ranges designated as a priority area for caribou habitat restoration. The mountain pine beetle continues to expand into the West Yellowhead area posing potential issues and requires strategic operations in order to continue and minimize impact. A task force consisting of multiple levels of government and private interests are currently analyzing the area working towards a common goal.

Methodology:

The 2014 Business Visitation Study consisted of a five 15-minute interview based on five targeted questions. Business owners were encouraged to be honest and forthcoming with their feedback, with interviewers asking for potential solutions to all identified problems. Detailed notes were taken for each of these interviews and the responses of these interviews formed the 2014 Grande Cache Business Visitation Study. The responses from the initial questions were then gathered and compiled by NAICS code⁴ to look specifically at targeted industries. All information gathered in this study from individual answers to the names of the businesses who participated is confidential and was not to be shared with the public. The 2014 survey is available in Appendix A of this document.

Data entry of the surveys was completed by the staff of Grande Prairie Regional College in Hinton, Jasper and Edson. This allowed for an objective partner to view the data confidentially and make sure that there was consistency in entering the data from survey to survey.

The data collected provides a snapshot and benchmark for the business community. The intention of the follow up 2016 is to compare the data collected in 2014 and further develop the trends in not only the community, but the region overall. In 2016, CFWY made a concerted effort to follow up with the specific 148 originally interviewed businesses. Unfortunately, not all the businesses originally interviewed in Grande Cache still remained operational in the community. In total, of the original 148 businesses, 105 businesses in total were interviewed in the 2016 study. Of those 105 only 84 were still operational. CFWY could track down an additional 21 businesses from the original 148 that had closed over the two-year time frame, and information on those businesses can be found later in this report.

Figure #1:

Total # of businesses interviewed in 2014	148
Breakdown of those 148 businesses in 2016:	
# of businesses interviewed	105
# of businesses interviewed in 2014 but were closed in 2016	21
# of businesses from the 2014 survey that refused to answer the survey or were unable to be contacted during the 2016 interviews	22

⁴ The North American Industry Classification System (NAICS Codes) are used by business and government to classify business establishments according to type of economic activity.

The 2016 Follow up Business Visitation Study asked the following questions:

1. How would you categorize the state of your business?
 - a) Growing
 - b) Maintaining
 - c) Declining
 - d) Considering closing
2. A) Over the past two years have the following business factors increased stayed the same or declined:
 - a) number of customers
 - b) sales total revenue
 - c) profits
 - d) number of part time employees
 - e) number of full time employeesB) If any of those business factors increased or decreased what was the principle reason for the change?
3. In the past two years, have you seen growth in the following areas in Grande Cache.⁵
 - a. Marketing and enhancing local tourism opportunities
 - b. Home based business opportunities
 - c. Signage and way-finding for businesses in the community
 - d. Coordination of business support organizations and events for the business community
 - e. Shop local initiatives
 - f. The impact of the oil and gas industry in the community
 - g. Economic development initiatives
4. In terms of the business community relationship with the Town of Grande Cache, what can the town:
 - a. Keep doing to improve business in the community:
 - b. Start doing to improve business in the community:
 - c. Stop doing in relation to the business community:
5. Do you have any final comments that you would like to share?

⁵ This question is based on the original recommendation made in the 2014 study. CFWY aimed to measure the success of the recommendations two years later.

Of influence on the results of the follow up study was the decision by the Town of Grande Cache to contact the Ministry of Municipal Affairs to undertake a Viability Study. This decision occurred part way through the 2016 interviews and thus, influenced the interviews.

In the first week of June 2016 the Town of Grande Cache announced that they would be undertaking a viability study through the provincial government to fully grasp the town's financial and infrastructure situation⁶. The review sought from the Ministry of Municipal Affairs involves looking at governance, finances, infrastructure and services to determine whether changes are required for the community to remain viable. The town announced that aging infrastructure, an anticipated reduction in assessment and capital requirements will continue to put the municipality in an "increasing unstable financial position"⁷. The viability study started on June 27, 2016 with a public meeting and is expected to continue for approximately 12-18 months. Interviews were conducted during the announcement, and it became a topic of conversation often brought up by business owners in Grande Cache.

Interviews finished in early September of 2016 with the analysis process starting shortly thereafter. The final study is set to be released in the Fall of 2016.

While in the original 2014 study, analysis was conducted by sector, CFWY made the decision in 2016 not to complete analysis by sector. Given the small number of businesses that completed the survey, we felt that it became too easy to identify individual businesses when dividing the data by sector. CFWY has made general observations by sector when appropriate and when the numbers are sufficient to make observations while protecting confidentiality of the business community.

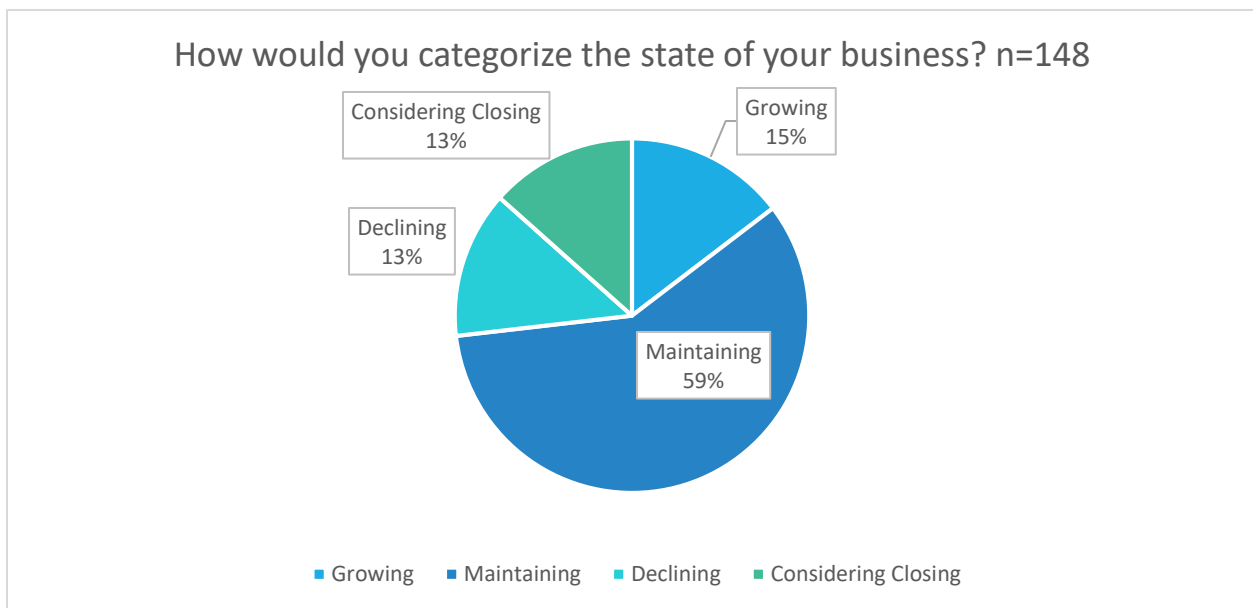
⁶ A viability review or study is a process undertaken by the Ministry of Municipal Affairs where a municipality governance, finances, infrastructure and services are reviewed to determine whether changes are required for the community to remain viable. Typically, the viability review consists of two phases, the viability determination phase and the viability plan phase. The process involves community feedback and takes approximately 12-18 months to complete. If the town is found to be not viable in its current state, the most likely course of action would have Grande Cache reverting to a hamlet and being absorbed by neighbouring Municipal District of Greenview.

⁷ Full press release documents referring to the initial announcement of the viability review can be found at www.grandecache.ca.

Question 1: State of Business:

In 2014 Grande Cache businesses were asked if they felt that their business was growing, maintaining declining or if they were considering closing. At that time 59% of participants categorized their business as maintaining⁸, with multiple businesses stating that they were unsure how long they could continue at that level. The oil and gas sector and transportation sectors both reported growth in their industries at that time. An alarming 26% of businesses within Grande Cache reported that they were declining or considering closing in fall 2014. Changes were already happening in the short time between collecting the data and presenting the report with four prominent businesses in town closing their doors during that time.

Figure 2: 2014 Findings



The 2016 survey was aimed to be answered by the original 148 businesses who took part in the 2014 survey. Taking a better look at the community, CFWY was able to track down 105 of those previous businesses, with only 84 still operational within the community. Looking more closely at the 'state of your businesses question' two years later in 2016 (Figure 3) with the remaining business community, they have primarily categorized themselves as maintaining (28%) with a large population declining or considering closing (26%). A small number of businesses categorized themselves as growing (10%), and although not the primarily purpose of the study CFWY is aware of two small businesses that opened during that time frame. While some variation of businesses opening and closing is a natural course of a community, numbers such as these presented in Grande Cache point to drastic community changes. The Grande Cache business community declined by 58% in a span of two years (2014-2016), suggesting major changes have influenced the community and business community.

⁸ State of businesses 2014 results can be viewed on Pg. 21 of the 2014 Grande Cache Business Visitation Study

CFWY was interested in finding out more about the movement of the state of each individual business. The changes and shifts describe the state of businesses and create visible trends useful in deeper exploration of the business community overall. The following statements look at the businesses that described themselves as growing, maintaining, declining and considering closing and looks at where they are now in the business cycle.

Businesses growing in 2014: Where are they now?

In 2014, 15 % of the businesses reported that they were growing. Now in 2016 those same businesses that reported growth are primarily maintaining. 35% of the growing businesses in 2014 now classify themselves as maintaining. Ten percent still identify themselves as growing with 45 % considering closing or already closed in the community. Some degree of new businesses will struggle within the first few years of businesses, typically 15% fail in year one of business and 30% by the second year⁹; unfortunately, the 2014 Grande Cache Visitation Study did not collect data on the age of the business¹⁰. However, it is safe to assume that not all of the businesses that identify themselves as growing in 2014 were new businesses.

Businesses maintaining in 2014: Where are they now?

In 2014, 59% of businesses reported that they were maintaining. Now in 2016 only 42% of those businesses who had identified themselves as maintaining, still identify as maintaining. 25% identify themselves as declining and 29% identified as considering closing or have already closed in the community.

Businesses declining in 2014: Where are they now?

In 2014, 13% of Grande Cache businesses identified as declining. In 2016 75% of those businesses reported that they were considering closing or had already closed. Only 14% stated that they were maintaining the same levels as 2014.

Businesses considering closing in 2014: Where are they now?

In 2014 13% of Grande Cache businesses were considering closing. Now in 2016, 80% of those businesses who identified that they were considering closing in 2014 are now closed. 20% reported that they are maintaining the same level as 2014 business and have not yet closed.

⁹ Statistics on small business in Canada provided by Industry Canada, Success rates for small businesses and entrepreneurs.

¹⁰ The age of the businesses was graphed in the following studies completed by CFWY: 2014 Jasper BVS, 2015 Hinton BVS, and 2016 Edson BVS. The 2014 Grande Cache BVS and 2015 Yellowhead County BVS followed a shorter format than the other studies completed by CFWY during the same time frame. For a full list of 2014 Grande Cache BVS questions please see appendix A of this document.

Figure # 3: 2016 follow up responses

Figure 3 below shows the movement of the 2016 response to the state of businesses reported in 2014. Each 2014 business was classified as either growing, maintaining, declining or considering closing, Figure 3 shows the response movement of each of these businesses through the business cycle.

2014 Responses	2016 Responses				
	Growing	Maintaining	Declining	Considering Closing	Closed
Growing	10%	35%	10%	5%	40%
Maintaining	4%	42%	42%	16%	13%
Declining	9%	14%	14%	25%	50%
Considering Closing	0%	20%	20%	0%	80%

Question 2: Distinct Changes:

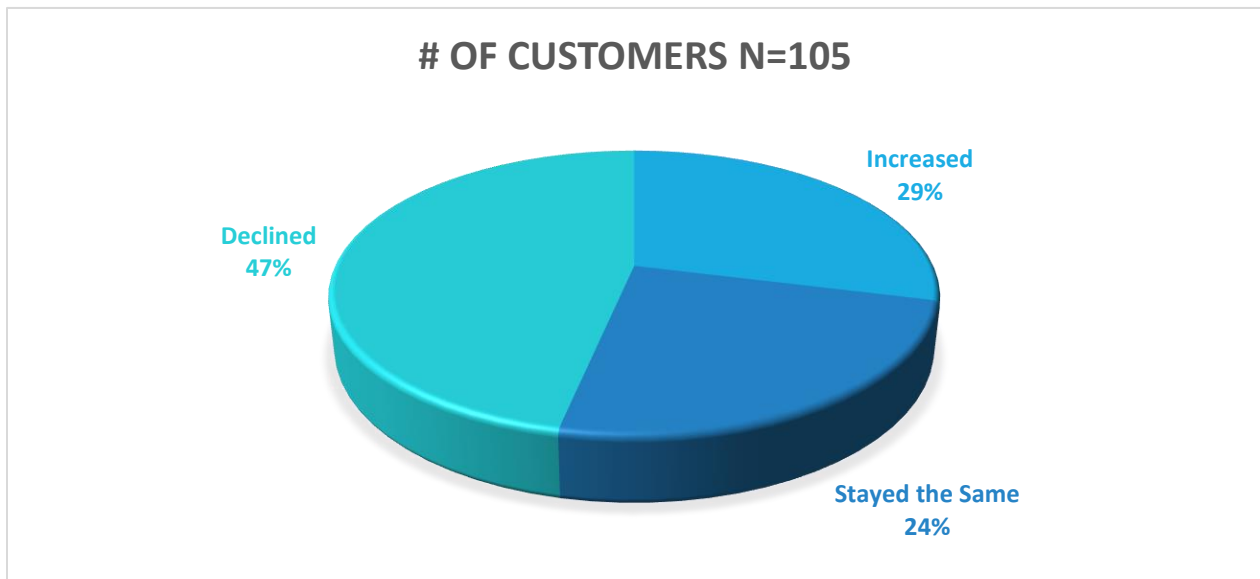
In 2014 business owners were asked about their number of customers, profits, sales revenue and employee numbers. These factors were individually rated by businesses to determine if they increased, stayed the same or declined over the previous two-year period. In 2014 the period in question was 2012 through 2014. Looking ahead to the present survey the question was revisited with the same businesses looking for a comparison on the last two-year period, from 2014 through 2016.

Number of Customers:

In 2014, the 43% of businesses interviewed responded that they experienced a decline over the 2012-2014 timeframe with only 16% reporting that they had an increase in the number of customers over the two-year period. In 2014, this increase was mostly contributed to an augmented presence from the oil and gas sector in the community.

Looking ahead to the 2016 results we can see that the downward trend has continued through 2014-2016.

Figure # 4: Number of Customers in 2016



Looking at the graph above (Figure 4) the decline from the 2014 numbers showing a downward trend in the number of customers in Grande Cache. This decline is disheartening as tourism numbers traveling through highway 40 North, known as the 'Route to Alaska', have reported an increase of travelers on the Highway 40 North¹¹. Increasing signage for the community and

¹¹ The highway 40 route through Grande Cache provides a 'Scenic Route to Alaska' that has been made a priority for Canada's 150th celebration by the Government of Alberta and Travel Alberta. More information on the route including the most recent travel numbers can be found on the Alberta Culture and Tourism website, <http://culture.alberta.ca/tourism/research-and-statistics/statistics/provincial-tourism-statistics/>

encouraging more highway travelers to venture off the main highway was recommended in the 2014 Grande Cache Business Visitation Study. The Ministry of Transportation has been working closely with the municipality of Grande Cache and has recently struck ground on the creation of a new traffic light across highway 40 at the main intersection of Grande Cache and highway 40. This development combined with newly designed signage by the Town of Grande Cache seem to suggest that there is buy in from multiple levels of government to assist with tourism inclusion in Grande Cache.

Reported increase in 2014: Where are they now?

In 2014 16% of businesses reported an increase in the number of customers. In 2016 9% of those same businesses reported increased numbers of customers from 2014-2016, showing that 9% of businesses in Grande Cache have seen consistent growth since 2012. 18% felt that they had maintained the same level of customers in the 2014-2016 period as they did in 2012-2014.

Reported decline in 2014: Where are they now?

In 2014 43% of businesses reported that they had seen a decline in the number of customers over the 2012-2014 timeframe. 50% of businesses that stated that they had maintained the number of customers in 2012-2014 have now noticed a decline from 2014-2016. 28% stated that their business had noticed a continued to decline in number of customers from 2012-2014, with 20% stating that they had maintained their lower 2012-2014 through to 2016.

In 2016, 29% of businesses interviewed reported an increase in the number of customers over the past two years indicating that there are consumers actively supporting businesses in Grande Cache. However, only 8% of food and accommodation businesses reported an increase in the number of customers during that time frame. By comparison, retail and construction industries saw growth in number of customers, both hovering at 31% reporting growth. However, these increases are not necessarily attributed back to sales and profits. In the case of retail, consumers are more likely to 'shop around' for the best deal visiting multiple locations before making a purchase. In the case of the construction industry, the comments pertaining to the rise in number of customers are attributed back to smaller projects that are more of a necessity than a want; for instance, roofs are being repaired, but siding upgrades are not being made a priority. This trend follows the provincial spending habits of Albertans who as a whole have been cutting back discretionary spending during the same timeframe¹².

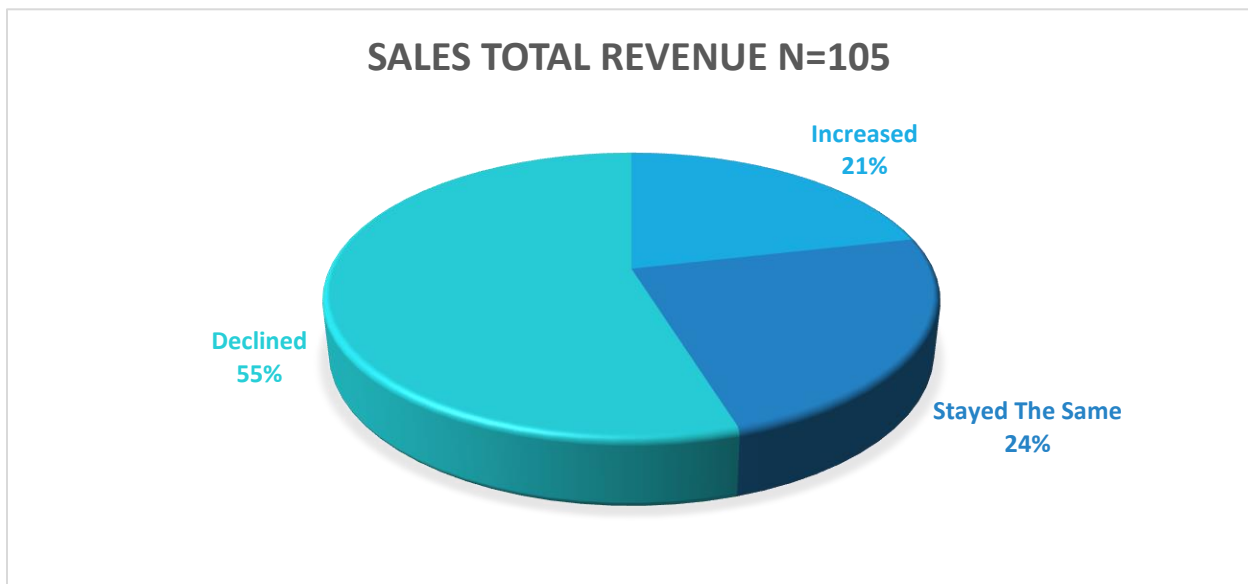
¹² ATB's Chief economist has published 'The Alberta Economic Outlook' for Q4 2015 and Q1 2016 have produced a provincial snapshot of Albertan consumers retail habits during that time frame, for more information please see, <http://is.atb.com/poitraschow?s=spending&x=0&y=0>

Sales Total Revenue:

In 2012 through 2014 only 16% of Grande Cache businesses interviewed in the 2014 study saw growth in their sales total revenue. Most businesses reported stagnant operations (35%) with an additional 34% of businesses stating that their sales total revenue had declined.

Looking ahead to 2016, 21% of businesses interviewed reported marginal growth in their sales total revenue since 2014; however, 55% reported a decline in the sales total revenue overall. This suggests that overall the businesses had marginally improved their sales total revenue since 2012. However, a larger number of businesses reporting maintaining levels of sales total revenue in 2012 -2014 are now experiencing a higher rate of decline in 2014-2016.

Figure # 5: Sales Revenue in 2016



The industry most affected by the decline in sales total revenue was the food and accommodation sector where 26% of those businesses interviewed reported a decline. This is followed closely by the retail sector and the professional services sector. The construction industry reported the most growth in sales total revenue overall with 33% of the growth reported in sales total revenue coming from that industry. When asked, what contributed to the growth specifically in the construction industry, most businesses interviewed in 2016 accredited their long standing status and positive reputation regionally and in the community to their success.

Reported increase in 2014: Where are they now?

17% of businesses reported that they are still seeing increases in sales total revenue beyond the 2012-2014 numbers. 14% that reported that sales total revenue was consistent in 2012-2014 stated that their numbers had improved in 2014-2016.

Reported decline in 2014: Where are they now?

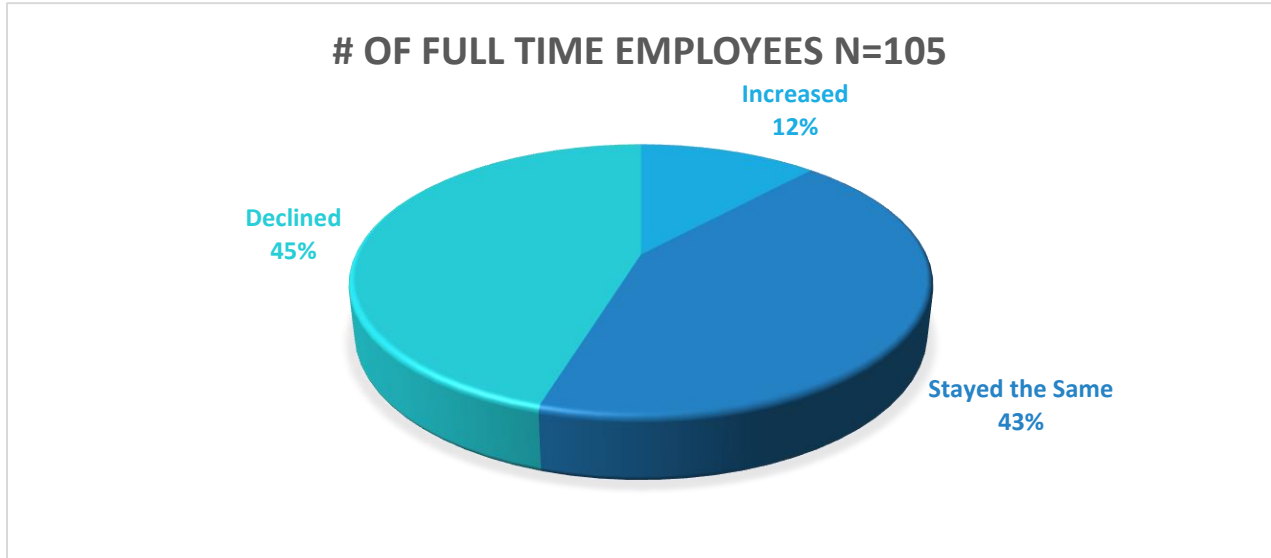
36% of businesses who reported a decline in revenue from 2012-2014 showed a further decline in 2014-2016. Only 4% reported a slight increase above declining levels of 2012-2014 when polled in 2016.

Number of Employees:

Looking at the 2014 numbers for Grande Cache employees, the time frame from 2012-2014 held a consistent level of staffing during that time frame. 59% of businesses interviewed in 2014 identified that their level of staffing stayed the same during those years. This is mostly attributed to having a reduced staff load as a normal operating principle and only ever employing key staff members, but it also points to the hopeful nature of Grande Cache business environment. Comments from the 2014 survey included themes of wanting to employ locals and give back to the community in which businesses live and work. During the 2012-2014 time frame the retail sector maintained the most number of employees in Grande Cache with 65% of retail businesses claiming that they had kept a consistent number of staff. The construction sector also reported high retention numbers, with 80% of the construction businesses maintaining the same level of full time staff for that time frame. This was unlike the oil and gas sector who even in 2014 were reporting reductions of full time staff and a shift towards more contracted small businesses to lower costs.

Looking ahead to the timeframe of 2014-2016, businesses interviewed in 2016 stated it has been more of a challenge for Grande Cache businesses to keep the level of staffing previously maintained in 2014. Part time positions have been largely eliminated from most workplaces and full time positions, that were already reduced in 2012-2014 have been further reduced in 2016, with 45% of businesses interviewed overall reporting a reduction in full time staff. A small 12% reported an increase in full time staff, many citing the return of essential workers who had been laid off in the 2012-2014 timeframe.

Figure 6: Number of Full Time Employees 2014-2016



In the 2014 study, the retail sector in 2014-2016 was the hardest hit for reductions in full time staff positions with 37% of the sector reporting a decline in the number of full time staff. These numbers were further justified by the reduction of the sales total revenue reported by the retail sector for the same time frame. The food and accommodation sector was able to largely maintain their number of full time employees with 28% of the sector reporting that their staffing level had stayed the same. Looking comparatively at the data this suggests that the cuts in 2012-2014 in this sector removed all extra positions, theoretically creating a leaner work force moving into 2014-2016.

Data was collected based on the number of part time employees but not in a substantial amount to quantify results. Most businesses in Grande Cache identified themselves as not currently having part time staff. This is a definite change from earlier 2012-2014 reporting where part time positions grew in the community by 15%. At that time the trend was largely accredited to structural changes in staffing models to adapt to a changing economy with some employers moving towards part time casual and contract positions to decrease overhead.

Reported increase in 2014: Where are they now?

22% of businesses who reported growth in the number of staff from 2012-2014 continued to see growth between 2014-2016. However, 22% also had their number of employees decline from 2014-2016.

Reported decline in 2014: Where are they now?

42% of businesses who reported maintaining staffing levels through 2012-2014 have now experienced a decline in number of staff from 2014-2016. 20% of businesses who experienced a decline in 2012-2014 experienced further declines in number of staff in 2014-2016.

Question 3: Recommendations updates from the 2014 Study

The 2014 Business Visitation Study made many recommendations based on the results of the interviews with the business community. These recommendations were updated in 2015; one year after the original study. In 2014, seven themes were identified as needing improvements in 2016, the businesses originally interviewed in 2014 were asked if there was an improvement since 2014 on these recommendations in the community. In the 2014 Grande Cache Business Visitation Study several factors were identified as being key themes of interest for local business owners.

These themes were:

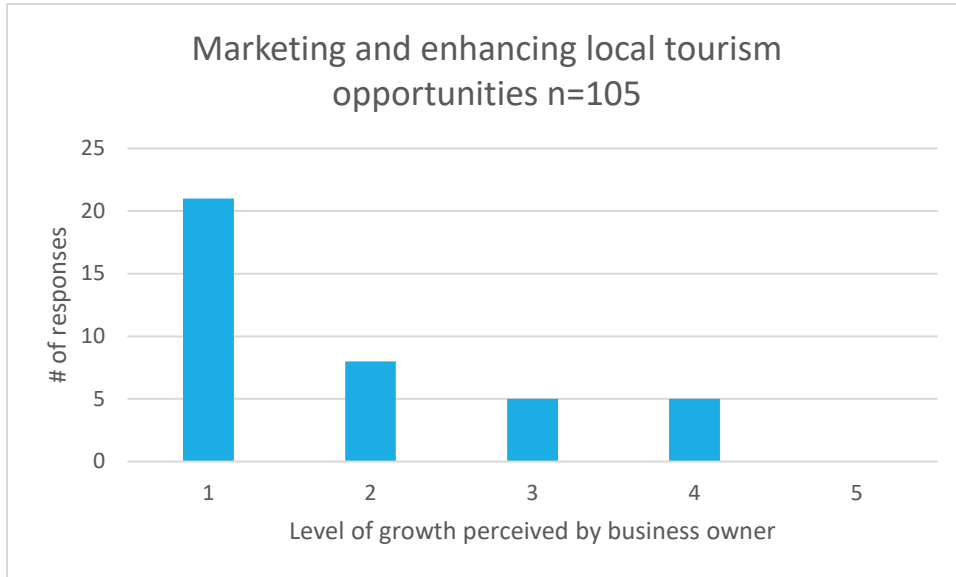
- Community pride
- Business licenses for home based businesses
- Mixed communications from the town
- A need for business resources on a local level
- An increased shop local initiative
- The impact of the oil and gas sector on the community
- The need to diversify the local business community

For the 2016 survey CFWY followed up with business owners on their perception of change in the community with respect to the above factors, specifically in the timeframe of 2014-2016. The survey asked businesses to rate each of the factors on a scale of 1-5 with one being the least amount of growth and 5 being the most amount of noticeable growth in the community.

This question is not to discourage or diminish the actions and accomplishments of those working towards positive economic growth in the community, but rather to gauge the perceived level of growth from the perspective of the Grande Cache business community.

Marketing and Enhancing Local Tourism Opportunities:

Figure 7:



Average Rating Level: little growth perceived

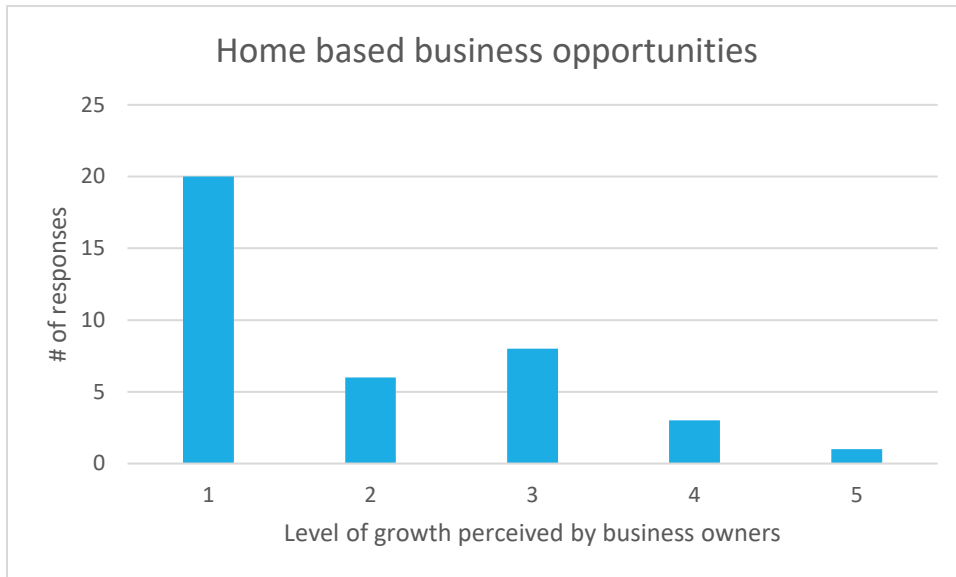
Goal: Market and enhance local tourism opportunities

- Conduct a market survey of tourists over a one-year season
- Complete a directed community marketing plan, focusing on consistent branding and targeted demographics
- Promote Grande Cache as a place to live work and play through various multimedia sources

Grande Cache has continued to promote itself with its Visitor Information Centre and their social media presence. Unfortunately, due to budgetary restraints various marketing projects have been put on hold. A working group composed of members of the Chamber of Commerce, Wilmore Wilderness Foundation, local business owners and town of Grande Cache employees have been meeting with the intent of increasing marketing of the town through various outlets. Some information is being collected at the Visitor Information Centre on travelers experiencing the town, this information will be used to help improve the overall visitor experience.

Home Based Business Opportunities:

Figure 8:



Average Rating Level: marginal perceived growth

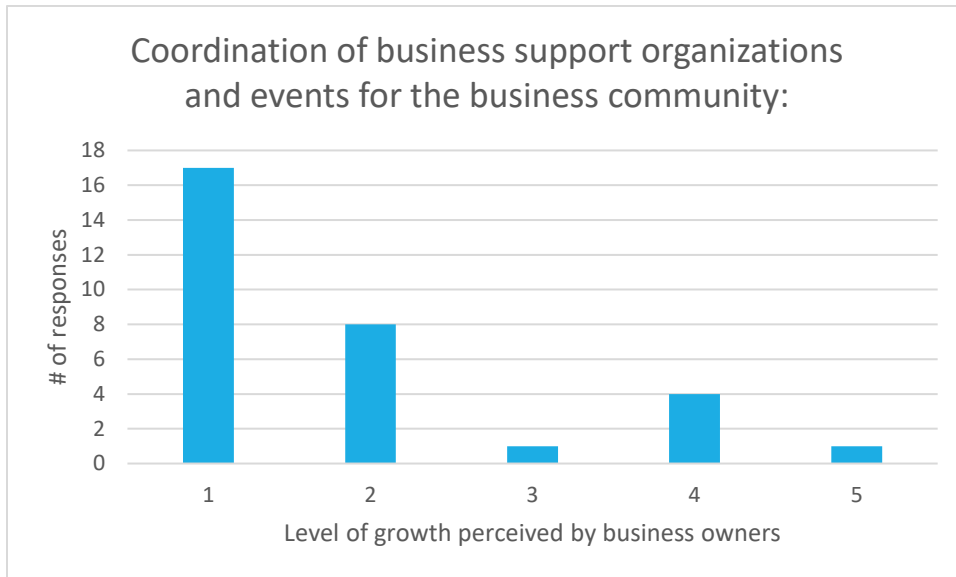
Goal: Review Home Based Business (HBB) Bylaws:

- Review current pricing structure for Home-Based Business
- Provide resources for starting a business and growing a home-based business into store front operations
- Include home based businesses in online business directory

There have been changes to the price associated with home based business licensing within the municipality of Grande Cache. A resource area for small businesses has been set up in the foyer of the town office and resources are available for business owners or those wishing to open a business within the community. The MD of Greenview has taken on the task of categorizing and updating an online business directory that will cover the region and will be made available to the town of Grande Cache.

Coordination of Business Support Organizations and Events for the Business Community:

Figure 9:



Average Rating Level: marginal perceived growth

Goal: Coordinate events for business to business mentoring

- Establish mini seminars and community open forums for businesses on key topics
- Encourage dialogue between key stakeholders and the business community
- Provide networking events and information fairs to inform Grande Cache residents of local opportunities and resources

Though the community vitality study the town of Grande Cache has facilitated community discussions on the future of the town. Relationships around marketing initiatives are currently under way and include key community stakeholders.

Shop Local Initiatives:

Figure 10:



Average Rating Level: marginal perceived growth

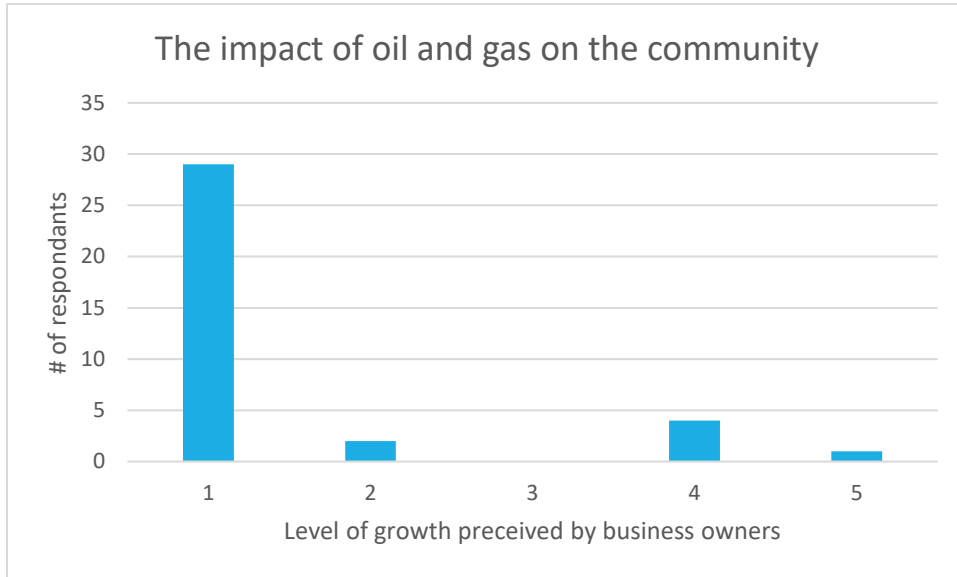
Goal: Shop Local Initiatives

- Develop and distribute a shop local program
- Create an up to date online business directory
- Create a distinctive shop local brand for Grande Cache and create awareness and community buy in

A series of shop local articles appeared on the Town of Grande Cache website in 2015 citing reasons why locals should spend their money at Grande Cache businesses. There is a need for future shop local initiatives in the business community.

The Impact of Oil and Gas on the Community:

Figure 11:



Average Rating Level: little to no perceived growth

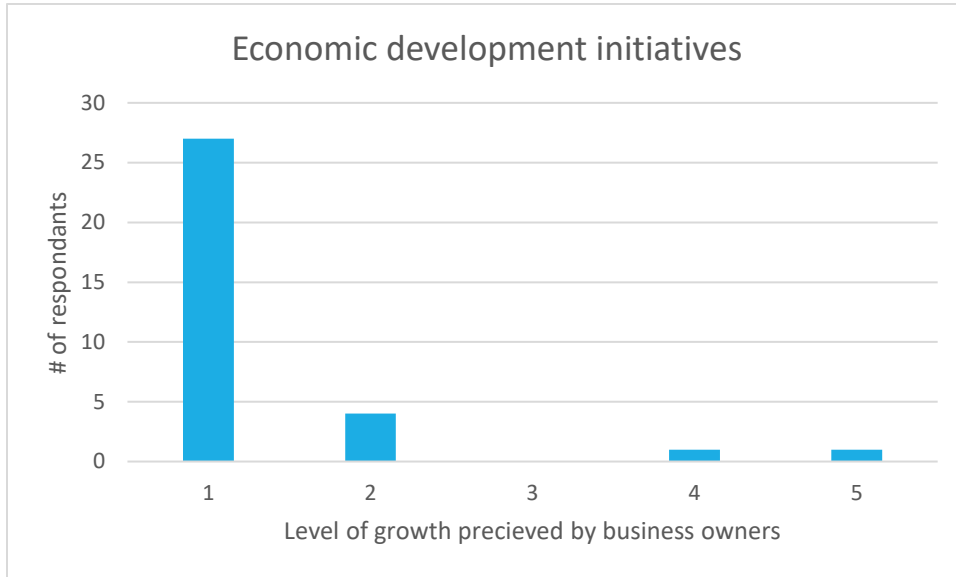
Goal: Oil and Gas Impact on the Community

- Create opportunities for more community involvement and relationship building
- Review bylaws on parking large vehicles within the town boundaries
- Encourage local businesses to accommodate oil and gas workers

Currently the oil and gas sector in the community is reduced from its 2014 size. With multiple businesses serving this industry closing this will likely only be an issue moving forward if the sector grows; however, now this goal is less of a priority.

Economic Development Initiatives:

Figure 12:



Average Rating Level: little to no perceived growth

Goal: Create a 0.5 Economic Development Position

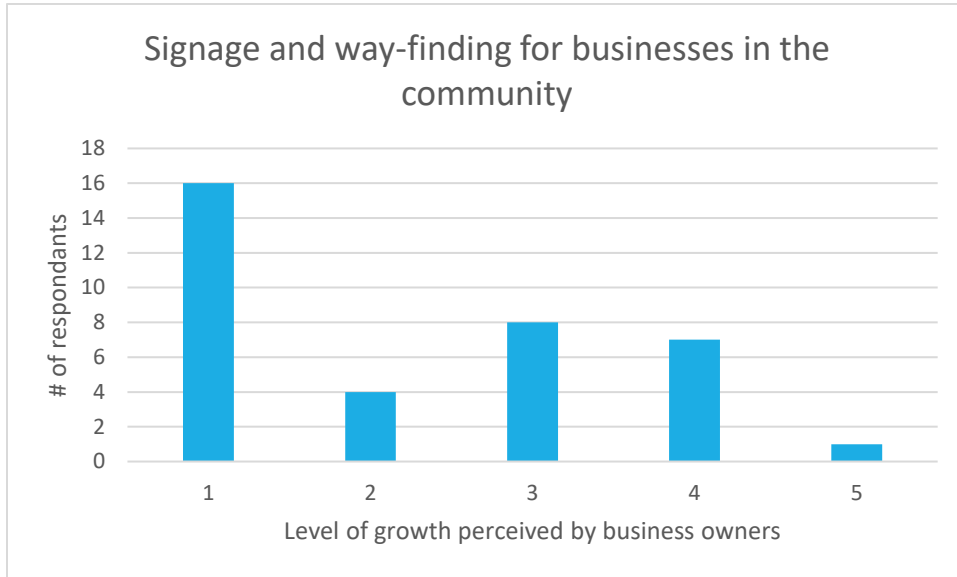
- Create a 0.5 position within town administration to directly supervise community economic development
- Define and formalize a local economic development process
- Create a resource for local business owners assisting with communications
- Create downtown revitalization and beautification initiatives

The neighboring MD of Greenview has hired a full time Community Coordinator with an office located within Grande Cache. Both the MD of Greenview and Town of Grande Cache are developing a partnership on creating a tourism experience with the dinosaur tracks found on the Grande Cache Coal site. It is hoped that there will be a product developed for Grande Cache and area by 2017.

Currently the downtown core is experiencing a higher than normal amount of vacant store fronts.

Signage and Way-Finding for Businesses in the Community:

Figure 13:



Average Rating Level: substantial growth perceived

Goal: Community Signage (Communications)

- Re-evaluate current community signage
- Examine downtown core for ease and transition into the community
- Look at community way finding and signage to key tourism priorities

New signs are planned for the community of Grande Cache to create a bigger impact attracting highway traffic into the community.

Question 4: Business Feedback on Relationships with the Town of Grande Cache

The final question listed on the 2016 Business Visitation Study was focused on the relationships between the business community and municipality of Grande Cache. It looked for comments from businesses on what the town should continue doing, what they should start doing and stop doing to improve the business community. Overall these questions were challenging for businesses to answer. A high percentage of businesses simply answered that they didn't know what the municipality could do presently to overcome some of the obstacles currently in place and potentially in the foreseeable future.

What can the municipality *keep doing* in terms of the business relationship with the town of Grande Cache:

Multiple responses for this question hovered around the idea of the municipality 'moving forward'. Comments mentioning nurturing a higher community moral and actively progressing on pre-scheduled advances, made up the majority of the feedback. Specific examples of keeping events going, continuing with new signage and downtown beautification initiatives were made by business owners. Other more concrete examples included attracting a new grocery store, increasing promotions around the Death Race and pushing for community wide high speed internet.

Overall the question was not met with a lot of positivity, multiple businesses stated that they didn't have an answer on what the municipality 'could keep doing'. One suggestion of 'lowering rates at the recreation center' was made by a local retail business, justification being that it would be an attempt to “increase moral” in a time of change for the municipality. Throughout the comments the main theme was apparent that businesses want the municipality, primarily elected officials, to 'keep trying' to promote normality and the best quality of life attainable for their residents. It is nicely summed up by a comment from a long-standing business owner, 'the municipality should continue to be leaders in the community'.

Summary of key themes:

- The municipality should maintain high community standards and upgrade resources when possible
- Keep active events moving forward and nurture new events that support 'community'
- Look for opportunities to increase community moral for residents

What can the municipality *start doing* in terms of the business community?

This question received more engaged community responses, the most prevalent theme being that the business community want to focus efforts on attraction and retention of residents and community visitors. This idea presents itself hand in hand with the idea of promoting the community and increasing the tourism capacity for the community. The construction industry overall felt strongly that locals should be hired for municipal contracts wherever possible, citing recent projects that were awarded to out of town companies through the tender process. Another topic of need by the business community was the development of a broadband internet system, businesses felt that this would increase their productivity and overall likeability of the community. Communications through the town were also a topic of concern for businesses with comments requesting more “on the street action” from municipal leaders and more awareness for grants and business incentives from all levels of government. Businesses felt that lobbying the government in terms of challenges locally in delaying with coal and energy changes, caribou territory, and instating the Northern Living Tax Allowance to the community, were necessary steps to enhance the relationship with the business community.

Businesses suggested making Grande Cache a hub for a new technology or alternative energy source attracting new industry and talent to the community. The most uplifting comments came from businesses who felt that it was up to the local business community to “step up” and “grow the pie”, looking at “what can we (the local business community) can do for the town”.

Summary of key themes:

- Develop an attraction and retention strategy with measurable results
- Increase communications with business owners
- Lobby the government on specific challenges facing Grande Cache
- Develop broadband internet service in the community
- Consider investing in Grande Cache as a hub for a new development

What can the town *stop doing* in relation to the business community?

This section's comments focused on three main categories: local consumerism, management changes, and perceived spending habits.

Comments specifically aligned with local 'shop local' ideals focused on the town's purchasing habits and suggested that they hire more local contractors spending a greater portion of tax payer dollars within the town limits. One of the construction businesses that CFWY interviewed was specific that local companies should be given an advantage in the tender process, making the comment "hire locals first, not just to fix the mistakes of Grande Prairie businesses". Generic comments of increasing local shopping rounded out responses for each of the business sectors.

Management challenges appeared as the largest theme throughout this question. Comments regarding the economic impact of closing the airport, managing finances and resource ramifications were prevalent in this section. Comments regarding lower service standards within the town and not taking a public stand on government lobbying were made by multiple industries. Businesses said that the town wasn't making progress moving forward, "not hindering but also not helping", the perception being that the town is "not focused on the new" but more "sitting back waiting for what was old to keep coming". Concerns on the number of staff employed by the town due to its current financial situation and the perception that the town is somehow restricting the types and amount of businesses able to open in the community, "stop restricting types of businesses from setting up shop in Grande Cache". This section also suggests that local elected officials should be more assertive promoting Grande Cache, "We need ambassadors to promote Grande Cache not quiet councilors."

The final theme presented as a concern was the town's community expenditures. Businesses were concerned with increases in both water and property tax being too much for the community to handle. One businesses expressed that "45% water increases and 200% property tax increases in 10 years is too much for GC to handle". Businesses suggested rent controlled properties, and decreasing "needless spending", would make a positive impact.

Summary of key themes:

- Generate and promote a social procurement policy
- Become publicly more assertive as a municipality
- Explore alternative methods of revenue generation to avoid tax increases on small business

This completes the end of the 2016 Business Visitation Study.

For more information on the Grande Cache Business Visitation Series please contact:

Community Futures West Yellowhead

221 Pembina Ave, Hinton Alberta

www.westyellowhead.albertacf.com

Appendix A:

2014 Business Survey

2014 Business Visitation Study- Grande Cache, Alberta

Date: _____

Company Name: _____

Main Contact: _____

Phone Number: _____

Email address: _____

Web address (URL): _____

For office use only: NAICS code: _____ Date of Meeting: _____ Visit Number: _____ Outreach Specialist: _____
--

This Business Visitation study is brought to you by :



Disclaimer (Notice to Survey Respondents):

· The Originator of this survey is solely responsible for its contents. **Your response to the survey is voluntary and all responses are confidential.** If you are asked in the survey to reveal your identity or the identity of the organization on whose behalf you are responding and do not wish to do so, please do not respond to the survey. Your response will be used by the survey Originator only for the purpose identified by the Originator.

· If you are given an opportunity to submit free-form responses to a survey, please provide relevant and responsible responses; refrain from disparaging, offensive, harassing or otherwise inappropriate language; and refrain from including any sensitive information of any kind (e.g., credit card or bank account information).

1. How would you categorize the state of your business? **(Circle)**

- e) Growing
- f) Maintaining
- g) Declining
- h) Considering closing

Comments: _____

2. In your opinion, what could be done to improve Grande Cache's Business Environment? **(Circle)**

<ul style="list-style-type: none"> a) Availability of capital / financing b) Availability of qualified personnel c) Workforce training programs d) Post Secondary institution e) Changes to K-12 Education f) Local tax structure g) Public service improvements h) Introduce high speed internet i) Improve local roads and highways 	<ul style="list-style-type: none"> j) Public transportation k) Healthcare l) Greenways / bike paths m) Workforce housing n) Reduced regulations o) Expedited permitting p) Food availability / choices q) Other: (Please Specify) _____
--	---

Comments: _____

3. What one change would help make your business more successful? **(Circle)**

<ul style="list-style-type: none"> a) Better marketing b) Better use of social networking c) Lower operating costs d) Lower transportation costs 	<ul style="list-style-type: none"> e) Better suppliers f) Better management g) Other: _____
--	--

Comments: _____

4. What do you like about doing business in Grande Cache? **(Circle)**

- a) Location
- b) Community
- c) Clientele
- d) Other: _____

Comments: _____

5. Over the last two years, did the following business factors increase, stay the same, or decline? **(Circle)**

	Increased	Stayed the same	Declined
Number of customers	+	same	-
Sales-total revenue	+	same	-
Profits	+	same	-
Employees- full time	+	same	-
Employees- part time	+	same	-

a) If any of these business factors increased or decreased, what is the principal reason for the change?

Appendix B:
2016 Survey

Date: _____

Company Name:

Main Contact:

Phone Number: _____

Email address: _____

Web address (URL): _____

For office use only:

NAICS code: _____

Date of Meeting: _____

Visit Number: _____

Outreach Specialist: _____

This Business Visitation study is brought to you by :



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Please Initial: _____

1. How would you categorize the state of your business? **(Circle)**

- a) Growing
- b) Maintaining
- c) Declining
- d) Considering closing

Comments:

2 a) Over the last two years, did the following business factors increase, stay the same, or decline? **(Circle)**

	Increased	Stayed the same	Declined
Number of customers	+	same	-
Sales-total revenue	+	same	-
Profits	+	same	-
Employees- full time	+	same	-
Employees- part time	+	same	-

b) If any of these business factors increased or decreased, what is the principal reason for the change?

3. In the past two years, have you seen growth in the following areas in Grande Cache. Please rate them from 1 to 5 with 1 being the least or no growth and 5 being the most growth

- h. Marketing and enhancing local tourism opportunities ____
- i. Home based business opportunities ____
- j. Signage and way-finding for businesses in the community ____
- k. Coordination of business support organizations and events for the business community ____
- l. Shop local initiatives ____
- m. The impact of the oil and gas industry in the community ____
- n. Economic development initiatives ____

Comments:

4. In terms of the business community relationship with the Town of Grande Cache, what can the town:

- a. Keep doing to improve business in the community:

- b. Start doing to improve business in the community:

- c. Stop doing in relation to the business community:

5. Do you have any final comments that you would like to share?

Thank you for participating in the 2016 Grande Cache Business Visitation Study.