

2017 HINTON BUSINESS VISITATION STUDY 2 YEAR FOLLOWUP



Fall 2017

Presented by
Community Futures West Yellowhead

Community Futures West Yellowhead

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Business owners in the community of Hinton

Western Economic Diversification

Board and staff of Community Futures West Yellowhead

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**PRESENTED BY
COMMUNITY FUTURES WEST YELLOWHEAD**

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1. OVERVIEW

Community Futures West Yellowhead (CFWY) is a non-profit business organization offering business coaching, business training, business financing and community economic development in the communities of Jasper, Hinton, Edson, Grande Cache and Yellowhead County. Governed by a Board of Directors comprised of two municipal councilors from each of the communities we serve, CFWY has been offering the Community Futures program to the region for over 30 years.

The business visitation program determines the needs and opportunities for business growth in the community and region through the systematic approach of a Business Retention and Expansion study. It creates research and information that collaborates with community engagement to address community needs and opportunities.

Business Retention and Expansion (BRE) is a community economic development tool used to encourage growth and stability for existing businesses. BRE incorporates structured business surveys that serve as a mechanism to build dialogue with local businesses with the aim to identify sustainability and viability of rural communities.

The main goals of BRE are to:

- Identify major regional and community themes that are impacting rural businesses
- Contribute to the local economy by developing data that is current and relevant to community economic development goals
- Facilitate the gathering of data that can lead to effective strategic planning for community economic development and new businesses
- Understand and address urgent business issues through action
- Act as a business attraction strategy
- Increase communication between business support organizations and the business community
- Build recommendations for future implementation

The Hinton Business Visitation Study completed in 2015 was one of five business visitation studies completed in the region by Community Futures West Yellowhead since 2014. In 2015, 258 businesses were interviewed on key areas including:

- Part A: Type of Business
- Part B: Questions on Labour
- Part C: Business Conditions and Local Trends
- Part D: Future Business Plans
- Part E: Information and Community Factors

Results from the 2015 Hinton Business Visitation Study are available for further review on the Community Futures West Yellowhead website at <http://westyellowhead.albertacf.com/business-visitiation-studies>

From the results of the 2015 study, five main areas of recommendations were made based on the business interviews:

Area 1: Increase Community Engagement

- Goal 1: Perform quarterly business walks to engage with local businesses and stakeholders
- Goal 2: Facilitating regular stakeholders' meetings to recommit community leaders to the overall community vision
- Goal 3: Encourage businesses to engage and communicate regularly with Hinton stakeholders to be proactive to issues or red flags, acknowledging areas of needed improvement and making positive changes
- Goal 4: Designate an individual or group to conduct interviews with closing or relocating businesses. Record the information and direct red flags to appropriate departments and stakeholders.
- Goal 5: Educate employers on best practices while doing business with a higher minimum wage, including retention of staff

Area 2: Celebrate and Encourage Business in Hinton

- Goal 1: Create a formalized welcome package for new businesses in Hinton and conduct interviews to find out what brought the business to the community.
- Goal 2: Create a support a formalized group of community stakeholders to monitor the community's progress and ensure the town's strategic direction stays relevant to Hinton's priorities and needs
- Goal 3: Create incentives for business development in key areas
- Goal 4: Focus on the retail and food business in Hinton in emergent issues

Area 3: Increase communication

- Goal 1: Assist business owners with key topics and training on hot topic issues such as customer service in a non-threatening and passive way
- Goal 2: Create an interactive campaign for the people of Hinton about the advantages of living in Hinton. Hinton residents are the best ambassadors for the community.
- Goal 3: Increase communication with the general public through social media.

Area 4: Think strategically

- Goal 1: Create an Opportunity Development Fund or discretionary incentive available to the Hinton business community to be accessed for community projects
- Goal 2: Create a community asset inventory to take strategic advantage and a proactive approach to addressing current and future challenges and opportunities

Area 5: Invest in the future

- Goal 1: Develop and invest in youth entrepreneurship programming and continue to develop a leaderful community
- Goal 2: Support and create a regional economic development alliance

These recommendations were updated one year after the Hinton Business Visitation Study with a report stating the accomplishments of various organizations in the Hinton area in 2016.

Two years after the initial study, Community Futures West Yellowhead went back to the original businesses to complete a follow up interview with a focus on the proposed recommendations from 2015 and to capture the state of their business in 2017.

2. METHODOLOGY OF 2017 FOLLOW UP SURVEY

A survey of seven questions were designed by representatives from Community Futures West Yellowhead, Town of Hinton and Hinton and District Chamber of Commerce for the follow up survey. The questions are available in Appendix A of this document. Interviews were completed during the fall of 2017. It's important to note that this study was conducted during Fall 2017, which also happened to be during the municipal elections. Many of the comments with businesses were greatly influenced by this occurrence.

The majority of the interviews were completed by face to face discussions, usually at the business location, or by phone if the owner had to be reached by alternative means.

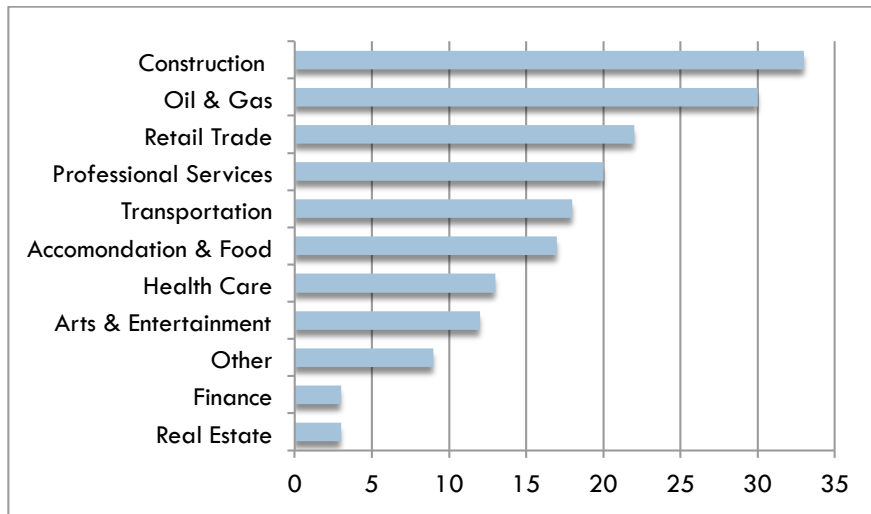
The Hinton business visitation two year follow up was designed as a continuation of our 2015 business visitation study. A total of 258 Businesses were interviewed in 2015. Of these 258 businesses, a total of 180 businesses participated in the follow up study.

FIGURE 1

Total # of businesses interviewed in 2015	258
Breakdown of those businesses in 2017	
# of businesses interviewed	180
# of businesses interviewed in 2015, but were closed in 2017	23
# of businesses from the 2015 survey that were unable to be contacted, or declined the interview	55

INDUSTRY OF SURVEY PARTICIPANTS FOR FOLLOW UP

FIGURE 2 - N = 180



3. KEY FINDINGS

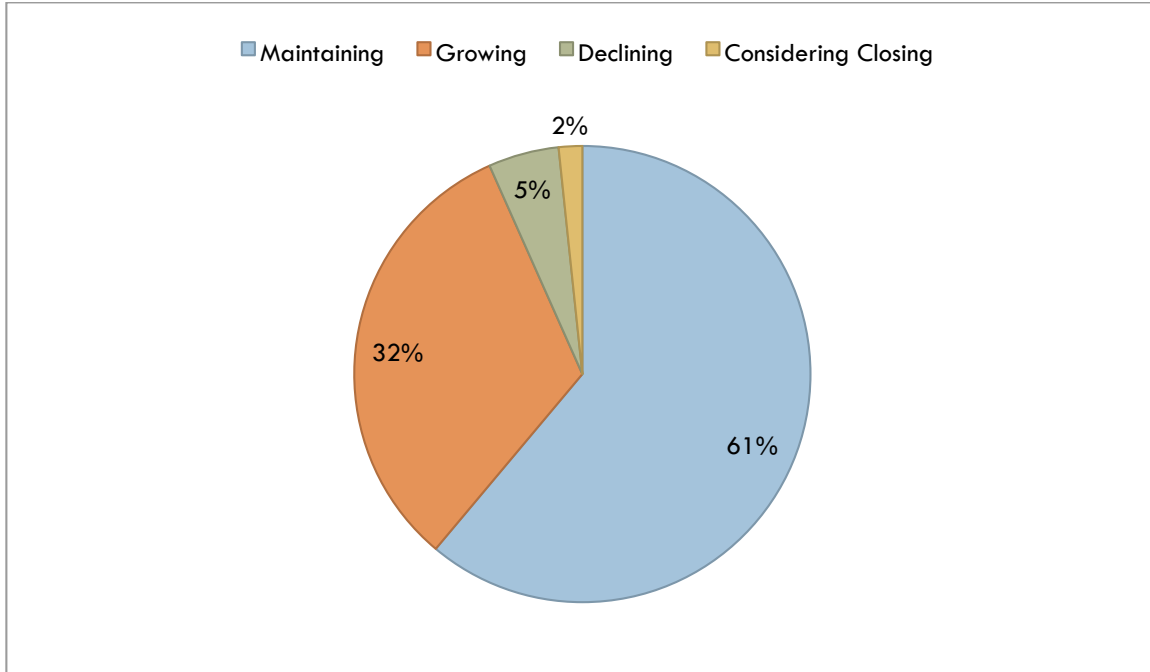
3.1 IS THIS BUSINESS OPEN OR CLOSED?

Of the 258 businesses interviewed in the initial study, 23 businesses were closed. The reasons for closing varied from illnesses in the family, moving away from Hinton, industries becoming obsolete with advancements in technology, changing their career focus, and some were simply unable to make their business sustainable.

3.2 HOW WOULD YOU CATEGORIZE THE STATE OF YOUR BUSINESS?

Businesses were asked to categorize the state of their business at the time of the interview as maintaining, growing, declining, or considering closing.

FIGURE 3 - N = 180



3.3 BUSINESS HEALTH OVER THE PAST 2 YEARS

OVER THE PAST TWO YEARS, DID THE FOLLOWING BUSINESS FACTORS INCREASE, STAY THE SAME OR DECLINE?

3.3.1 NUMBER OF CUSTOMERS

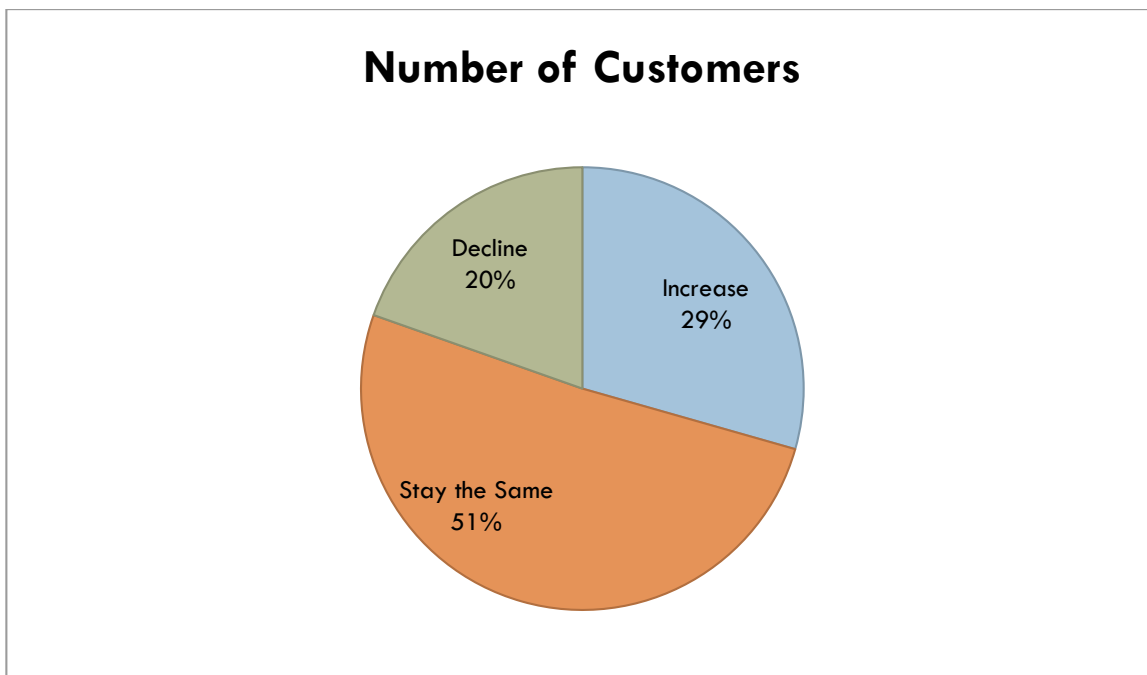
OVER THE PAST TWO YEARS

Two years ago, businesses were asked to predict what would happen to their businesses for the next two years. Of 258 businesses, 63% predicted that they would see an increase in the number of customers over the 2015 – 2017 period, 29% predicted it would stay the same, and 8% predicted it would decline. It should be noted that the initial survey in 2015 involved 258 interviews, while the follow up focused on 180 interviews. There is a large number of businesses (n=78) who completed the 2015 interview but did not complete the follow up. As a result, caution should be used when comparing answers from the 2015 survey to the 2017 survey given the percentage of businesses who did not participate in the follow up question.

Businesses were asked to reflect on the past two years of their business on a number of factors including:

- Number of customers
- Sales – Total Revenue
- Profits
- Number of employees both full time and part time

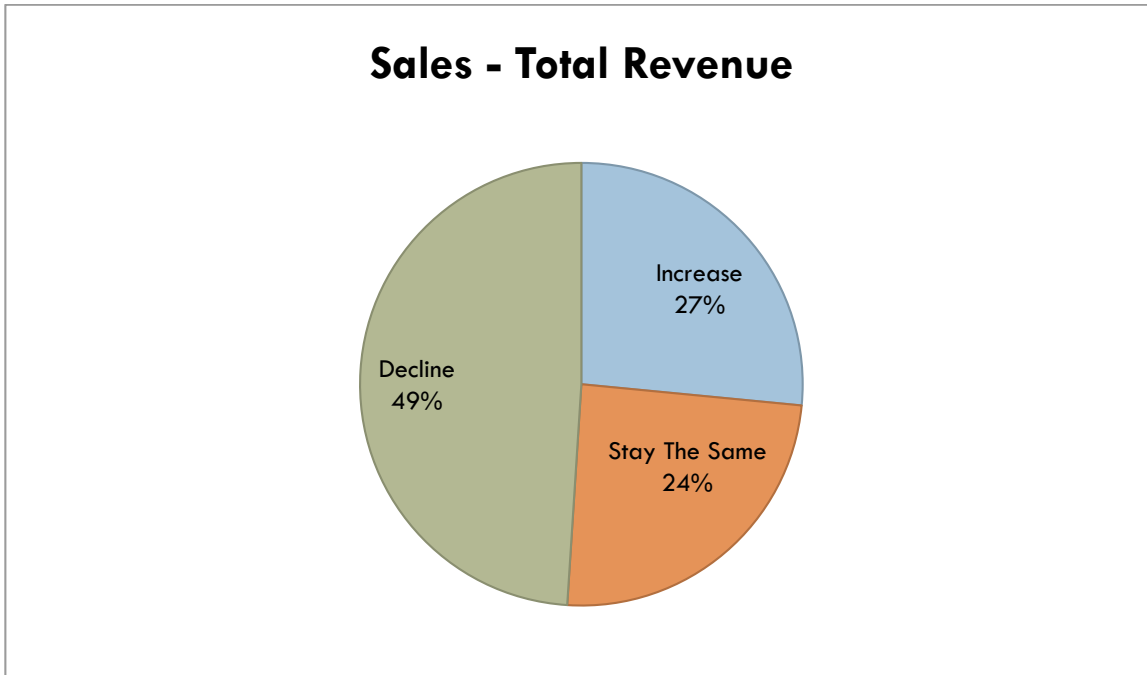
FIGURE 4 - N = 180



92 (51%) of the businesses interviewed reported that their number of customers **stayed the same**, 52 (29%) indicated an **increase**, and 36 (20%) noted a **decline**.

3.3.2 SALES – TOTAL REVENUE OVER THE PAST TWO YEARS

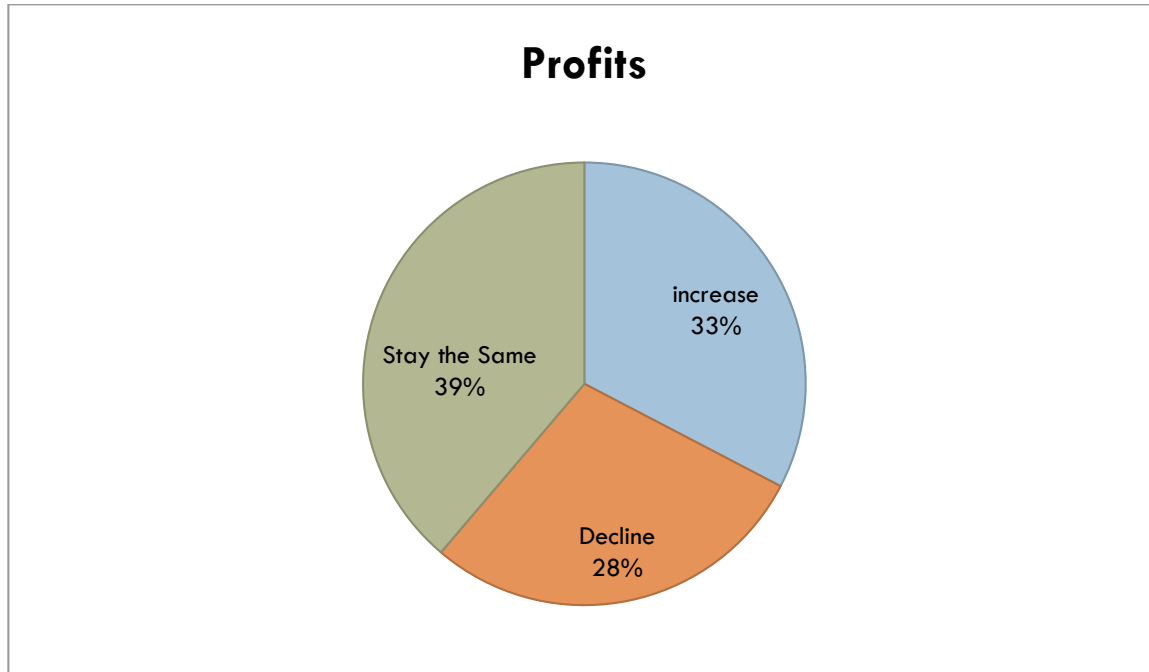
FIGURE 5 - N = 180



Total Revenue **declined** for 88 (49%) of businesses, while 49 (27%) reported an **increase** and 43 (24%) **stayed the same**.

3.3.3 PROFITS OVER THE PAST TWO YEARS

FIGURE 6 - N = 180



In 2015, 61% of businesses predicted that they would see an increase in profits, 33% predicted they would stay the same, and 6% predicted a decline.

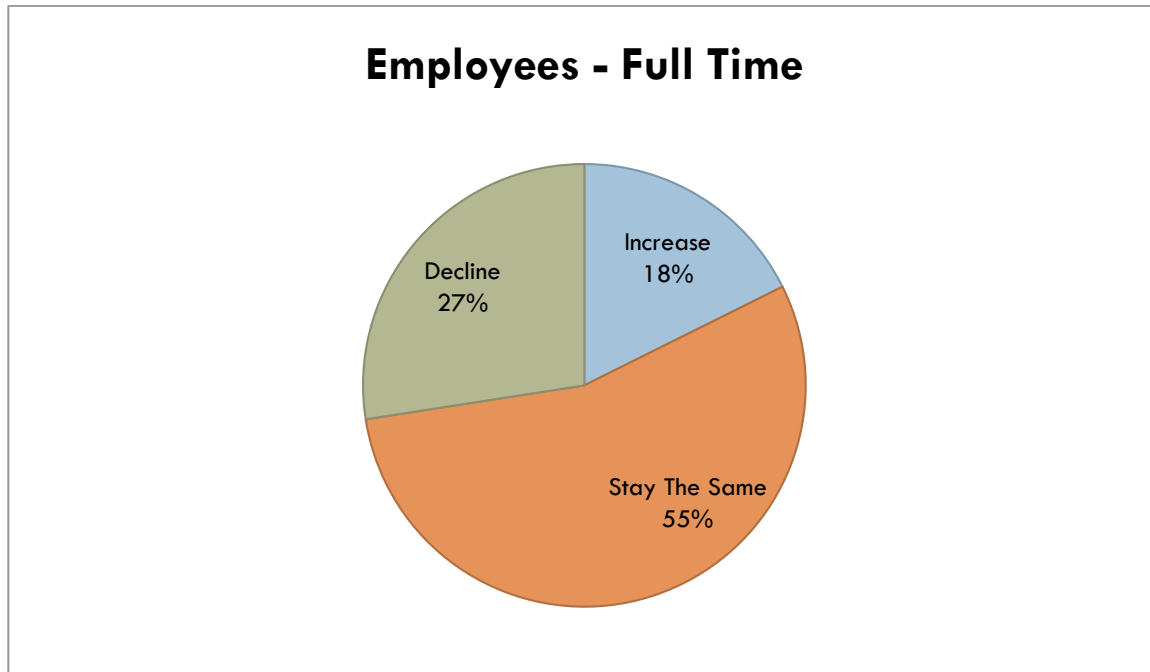
Though a decline was indicated for the previous question, 70 (39%) of businesses reported that profits **stayed the same**, 59 (33%) **saw an increase** and 51 (28%) found that profits had **declined**. There seemed to be a disconnect with some businesses with the correlation between revenue and profits.

3.3.4 EMPLOYEES – FULL TIME OVER THE PAST TWO YEARS

EMPLOYEES FULL TIME

In 2015, 39% of businesses predicted a 39% increase in employees between 2015-2017, 56% predicted they would retain the same number of employees, and 5% predicted a decline.

FIGURE 7 - N = 180

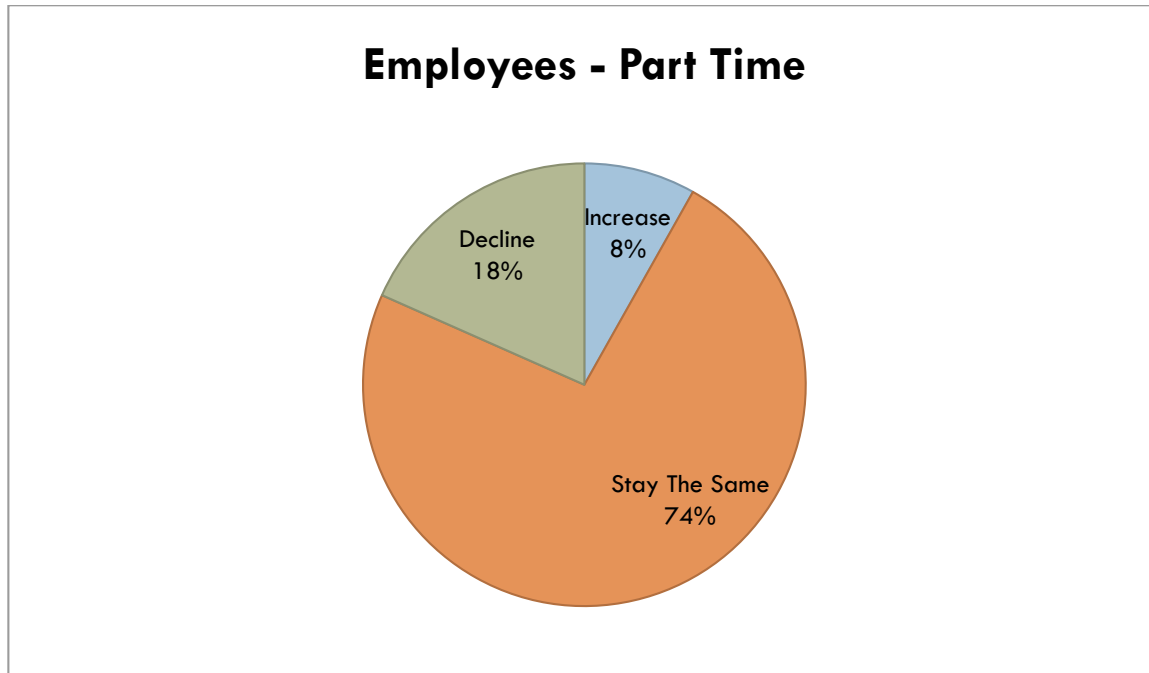


Most employers 99 (55%) found that their employee situation **stayed the same**. 49 (27%) saw a **decline**, and 32 (18%) saw an **increase**.

3.3.5 EMPLOYEES – PART TIME OVER THE PAST TWO YEARS

EMPLOYEES PART TIME

FIGURE 8 - N = 180



Part time employees was the least affected question in this survey. 133 (74%) retained the **same number** of part time employees, 32 (18%) **declined** and only 16 (9%) saw an **increase**.

3.4 PERCEPTION OF GROWTH IN HINTON

Businesses were asked to rate on a scale of 1 to 5 (with 1 being the least or no growth and 5 being the most growth) their perception on whether there has been growth in a number of factors over the past two years in Hinton. The areas of growth were selected based on the goals and objectives recommended in the 2015 initial study.

IN THE PAST TWO YEARS, HAVE YOU SEEN GROWTH IN THE FOLLOWING AREAS IN HINTON? PLEASE RATE THEM FROM 1 TO 5 WITH 1 BEING THE LEAST OR NO GROWTH AND 5 BEING THE MOST GROWTH.

FIGURE 9 - N = 180

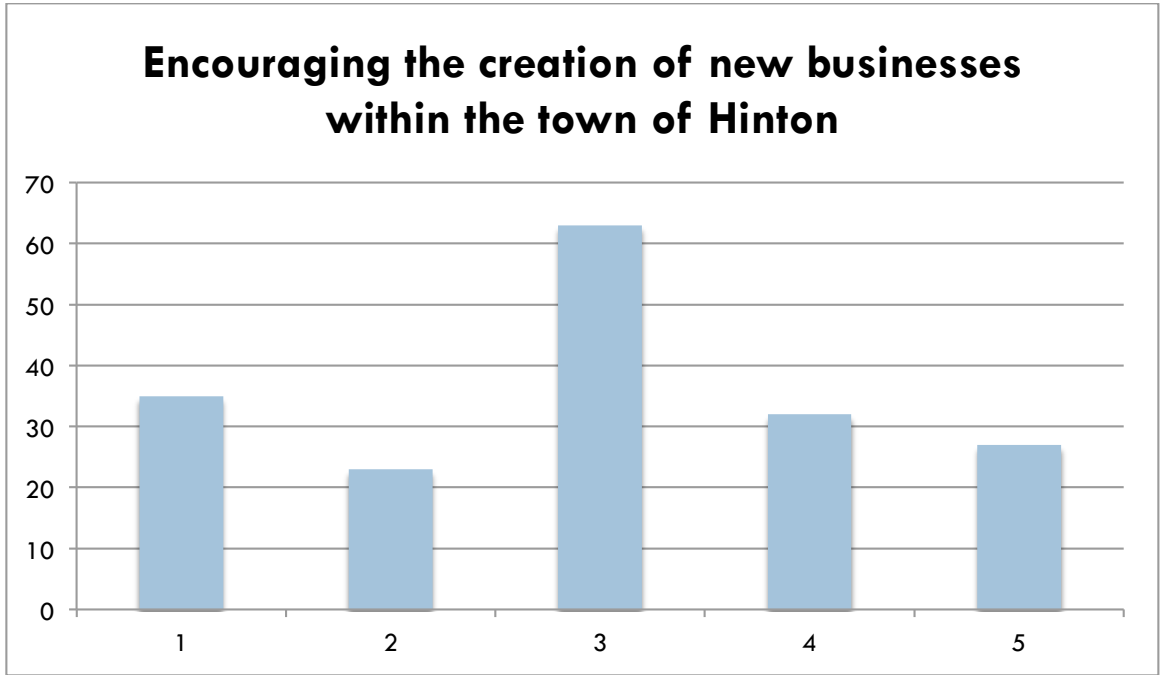


Average Rating – 3

This area focused on increased community engagement (goal #1) and increased communication (goal #3) between business support organizations in the Town of Hinton.

There is an increase in engagement in business support organizations and the business community in the town of Hinton with a number of opportunities available to the business communities such as new communications staff at the Town of Hinton, Hinton Business Support meetings once a month, Hinton and District Chamber of Commerce meetings and events, creation of Facebook pages such as Community Futures West Yellowhead's and the creation of the Hinton and Region Economic Development Coalition (HREDC). However, as seen in all our Business Visitation studies in the West Yellowhead, there is improvement for organizations to communicate more effectively between the business community and business support organizations and the business community also needs to take an active role in seeking information that they are looking for through provided channels.

FIGURE 10 - N = 180

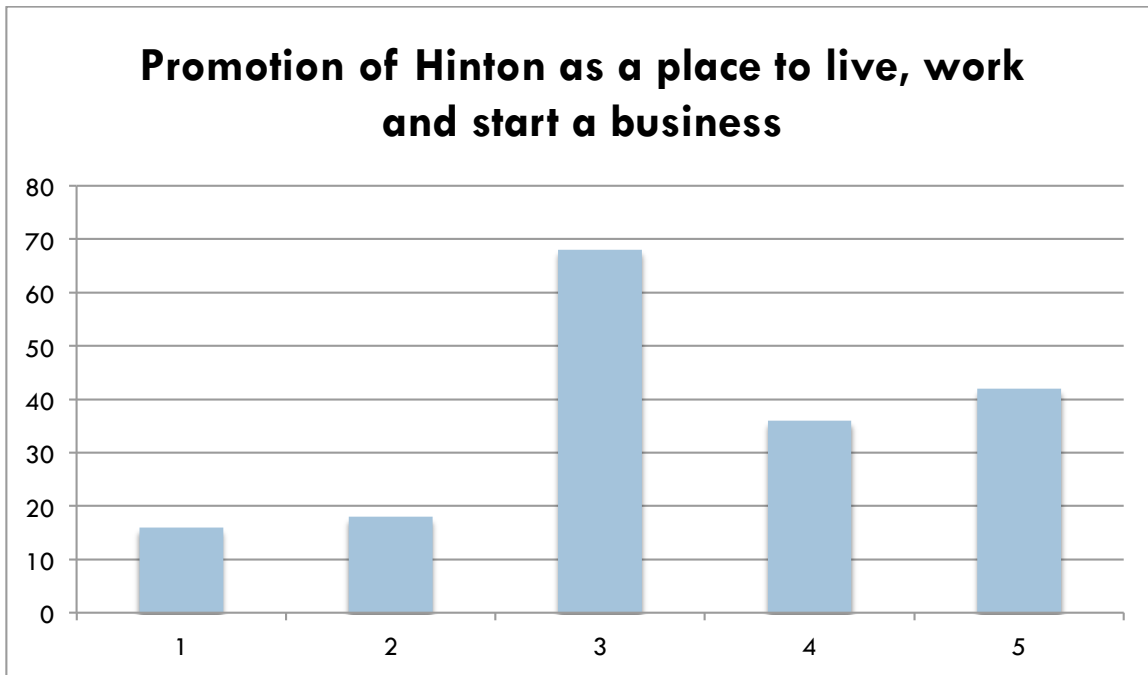


Average Rating – 3

This area focused on encouraging business within the town of Hinton (Goal #2)

A review of business licenses issued by the Town of Hinton, between 2015 and 2017 shows that business growth was stable with 568 business licenses issued in 2015, 575 in 2016 and 281 in 2017. This shows that growth in the business community is maintaining and consistent.

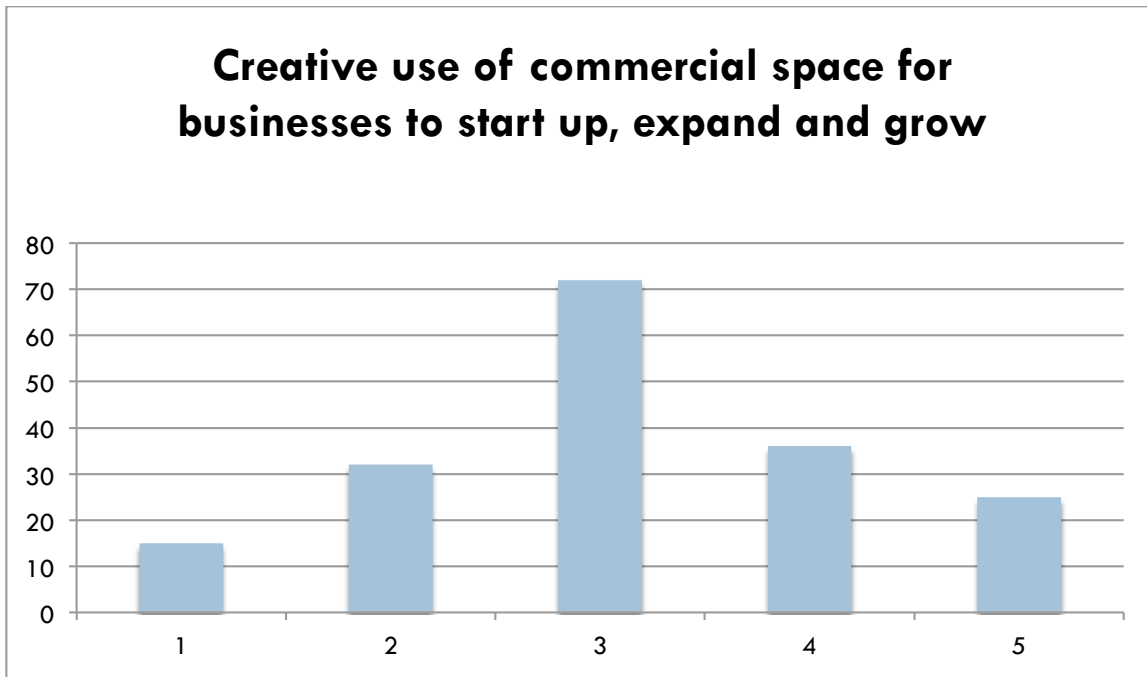
FIGURE 11 - N = 180

**Average Rating - 3.5**

This question focused on investing in the future in Hinton (Goal #5)

A number of businesses named the #HintonFirst campaign as a great way to promote living, working, and operating a business in Hinton.

FIGURE 12 - N = 180

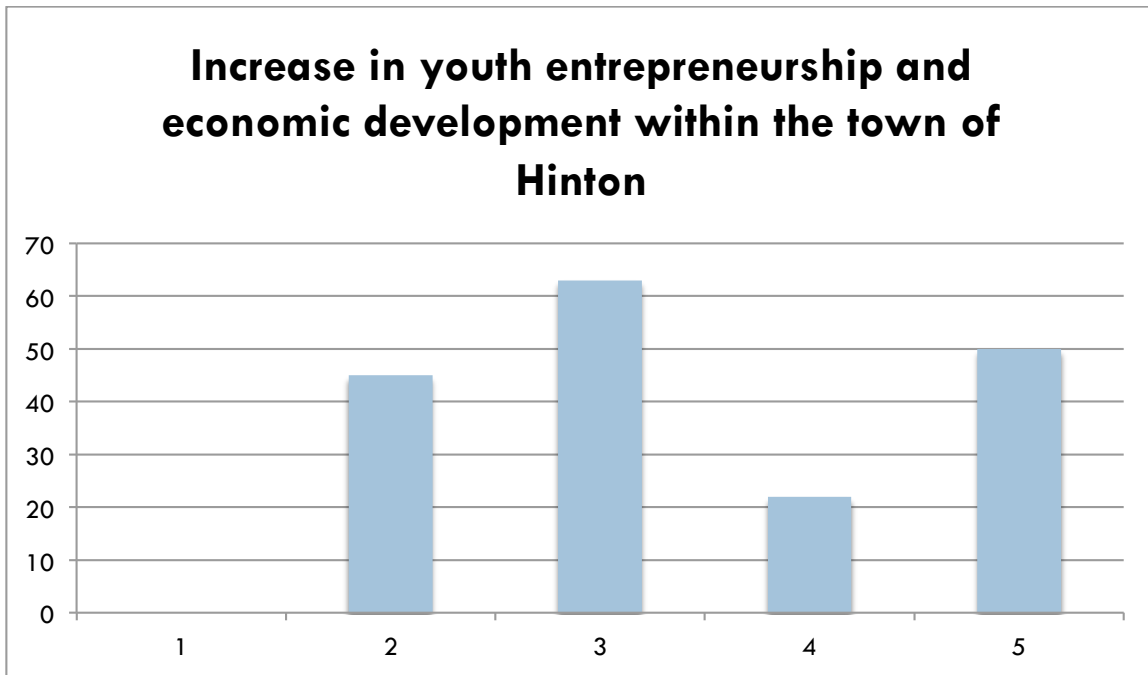


Average Rating – 3

The creative use of commercial space is related to the goal of thinking strategically (goal #4).

The biggest change in the commercial space in the community of Hinton has been in the transformation of the Green Square on the hill. The renovation of both the former IGA building and the former Landmark building in the Green Square has increased the number of businesses in the hill shopping area. In addition to this, the #HintonFirst market held every Saturday in the summer months for the past two years increased traffic to the area and has made the Green Square a vibrant commercial area. However, there is noticeable change in the opposing direction for the valley district shopping area as a number of businesses have closed leaving empty store fronts in this shopping area. It is difficult in Hinton with the lack of one central downtown area like other communities of similar size and the presence of three main shopping areas in the mall, valley and on the hill.

FIGURE 13 - N = 180

**Average Rating - 3.5**

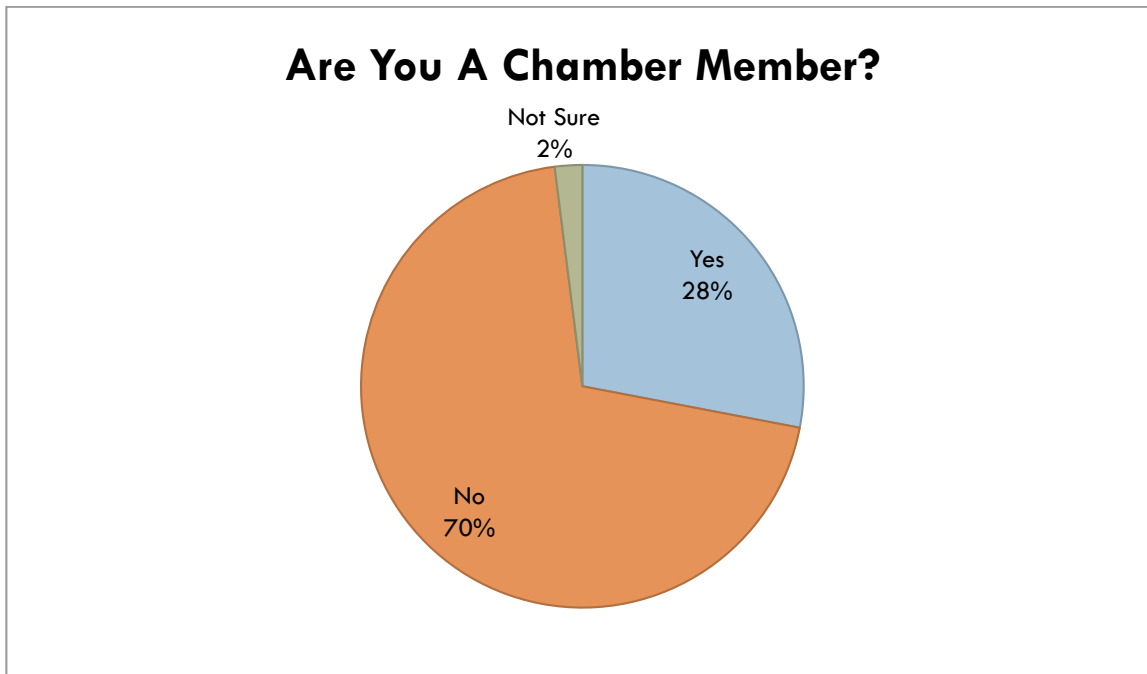
Youth entrepreneurship is related to thinking strategically (goal #5) and is an area of focus of many of the business support organizations in the community such as the Hinton and District Chamber of Commerce, Community Futures West Yellowhead and the Business Support Network.

With the increase in Junior Achievement programming in the community and especially The Company Program organized by Junior Achievement and the Hinton and District Chamber of Commerce, youth entrepreneurship has increased as a priority area in the past year. These efforts are being noticed by the business community in this follow up study.

4. BUSINESS COMMUNITY RELATIONSHIPS WITH THE HINTON AND DISTRICT CHAMBER OF COMMERCE

A number of questions were asked on behalf of the Hinton and District Chamber of Commerce to generate feedback on their current activities and to allow for recommendations to the organization.

FIGURE 14 - N = 180



50 (28%) of the businesses interviewed were members of the Hinton & District Chamber of Commerce and 126 (70%) of the businesses interviewed were not. 4 (2%) businesses were not sure if they currently held memberships.

The general consensus among members was that the Hinton & District Chamber of Commerce does a great job of sending information and offering benefits and opportunities to existing members.

IF NO; WHY NOT? (N = 126)

Those who were not active Chamber members felt as though they didn't know enough about the Chamber. Many indicated that they would welcome the opportunity to learn more information if it was presented to them. A few indicated on site visits with information would be a great benefit to their business.

IF YES; WHAT ARE THE MAIN ACCOMPLISHMENTS OF THE CHAMBER OVER THE PAST TWO YEARS? (N =50)

- #HintonFirst Campaign
- Monthly Meetings
- Guest Speakers
- Networking Opportunities
- Stay Another Day Campaign
- Public Market
- Business Gala

The study found that the Hinton First campaign was a huge win among businesses. Those that mentioned it found that it greatly increased the traffic to their stores, and they really appreciated the local initiative that supported their businesses.

Overall, businesses who were members appreciated the monthly meetings, guest speakers, and networking with other business owners. The speed networking was mentioned, as well as the Stay Another Day campaign, the public market, and the business gala.

WHAT WOULD YOU LIKE TO SEE THE CHAMBER SET AS A GOAL FOR THE NEXT TWO YEARS? (N=60)

44 (24%) of businesses that were not currently Chamber members indicated that they felt as though they were "too small" of a business to benefit from a Chamber membership. 16 (9%) of businesses felt as though an "Associate Membership" at a lower rate for less benefits would be a good idea.

WHAT KINDS OF GOALS OR INITIATIVES SHOULD THE CHAMBER SET TO ENCOURAGE YOUR MEMBERSHIP? (N=96)

Visibility was a big factor for businesses.

56 (31%) of businesses commented that they would like to see more information about the Hinton & District Chamber of Commerce. 24 (13%) commented that they didn't know anything about the Hinton & District Chamber of Commerce at all.

Businesses commented that if there was a smaller investment to become a member, but with the understanding that less benefits would be available, they would likely have a membership. 16 (9%) of organizations mentioned having a "friends of the chamber" style of membership.

RECOMMENDATIONS:

Though many businesses indicated time as a key factor for not holding a current membership, businesses that were not Hinton & District Chamber of Commerce members indicated that they did not feel as though they knew enough about it, and what its benefits to membership were. They indicated that they would like to see more face to face interaction, and recruiting of members. If provided with the information at their place of business, they would consider signing up. It would be beneficial to review the membership structure in an attempt to increase membership.

5. BUSINESS COMMUNITY RELATIONSHIPS WITH THE TOWN OF HINTON

As partners in the follow up study, the Town of Hinton also included a number of questions in the interview to get feedback from the business community.

WHAT CHANGES OR PROGRAMS WITHIN THE TOWN OF HINTON HAVE SUPPORTED YOUR BUSINESS? (N = 21)

There was some confusion among businesses regarding the role of the Town of Hinton, versus the Hinton & District Chamber of Commerce. 14 (8%) of businesses commented on Chamber of Commerce initiatives such as The Public Market, and even the effectiveness of the Tourist Information Booth when asked this question.

14 (18%) Businesses appreciated the facilities such as the rec centre, and the new performing arts venue.

4 (2%) of businesses indicated that The Community Grant Fund was something that they were really proud to have in our community.

3 (2%) Business mentioned the Hinton and Region Economic Development Coalition (HREDC).

ARE THERE ANY WAYS THAT YOU WOULD FEEL BETTER SUPPORTED BY THE TOWN OF HINTON? (N = 99)

16 (9%) of businesses commented that they wished the tender process was easier for their business. They feel as though that the town hires out of town businesses for a lot of projects, when they feel as though their own local businesses should be supported first.

8 (4%) of businesses stated that bylaws need to be easier to understand and publicized more.

4 (2%) of businesses mentioned that an Economic Development Officer would be a great position to have at the town.

56 (31%) of businesses wanted to see more visibility and information delivered to them.

3 (2%) Businesses felt as though more activity in the valley would be appreciated.

Recycling Waste Removal came up with a total of 4 (2%) of the businesses.

8 (4%) of businesses mentioned the need for better roads.

RECOMMENDATIONS

For the most part, businesses felt both the Hinton & District Chamber of Commerce and the Town of Hinton were on the right track and supported their businesses, though more information and visibility in the community would go a long way towards public engagement. It's also important to note that many businesses were confused between the role of the Chamber and the role of the Town of Hinton. An advertising campaign identifying the roles of each organization would be a great benefit to the community.

CONCLUSION

The Business Visitation Study is designed to capture and record a snapshot of a moment in time that sheds light on the health of the local business community. This study helps community partners become more aware of the local issues that are a concern to businesses, as well as receive affirmation that programs designed to help local businesses are on the right track. This study is meant to be used as a tool to guide community partners towards the best possible experience for businesses in the local community.

APPENDIX: A

Name of Business: _____

NAICS Code: _____

To be completed prior to interview:

1. Is this business open or closed? _____
2. Is this a home based business? _____

If yes, continue to set up interview.

If no, are they closed?

If closed, do not continue with interview

Interview date: _____

1. How would you categorize the state of your business?
 - a. Growing
 - b. Maintaining
 - c. Declining
 - d. Considering closing

2. Over the past two years, did the following business factors increase, stay the same or decline:

	Increase	Stay the same	Decline
Number of customers	+	Stay the same	-
Sales – Total Revenue	+	Stay the same	-
Profits	+	Stay the same	-
Employees Full time	+	Stay the same	-
Employees Part time	+	Stay the same	-

3. In the past two years, have you seen growth in the following areas in Hinton? Please rate them from 1 to 5 with 1 being the least or no growth and 5 being the most growth.
 - a. Growing partnerships between business support organizations, the municipality and the chamber with the business community in Hinton;
 - b. Encouraging the creation of new businesses within the town of Hinton;
 - c. Promotion of Hinton as a place to live, work and start a business
 - d. Creative use of commercial space for businesses to start up, expand and grow
 - e. Increase in youth entrepreneurship and economic development within the town of Hinton
4. Do you have any comments to add on any of the areas listed above?
5. Are you a Chamber Member?
 - a. If Yes
 - i. What are the main accomplishments of the chamber in the past two years?
 - ii. What would you like to see the chamber set as a goal for the next two years?
 - b. If No
 - i. Why not?
 - ii. What kind of goals or initiatives should the chamber set to encourage your membership?
6. What, if any, programs or changes within the Town of Hinton have supported your business?
7. Are there any ways that you would feel better supported by the Town of Hinton?