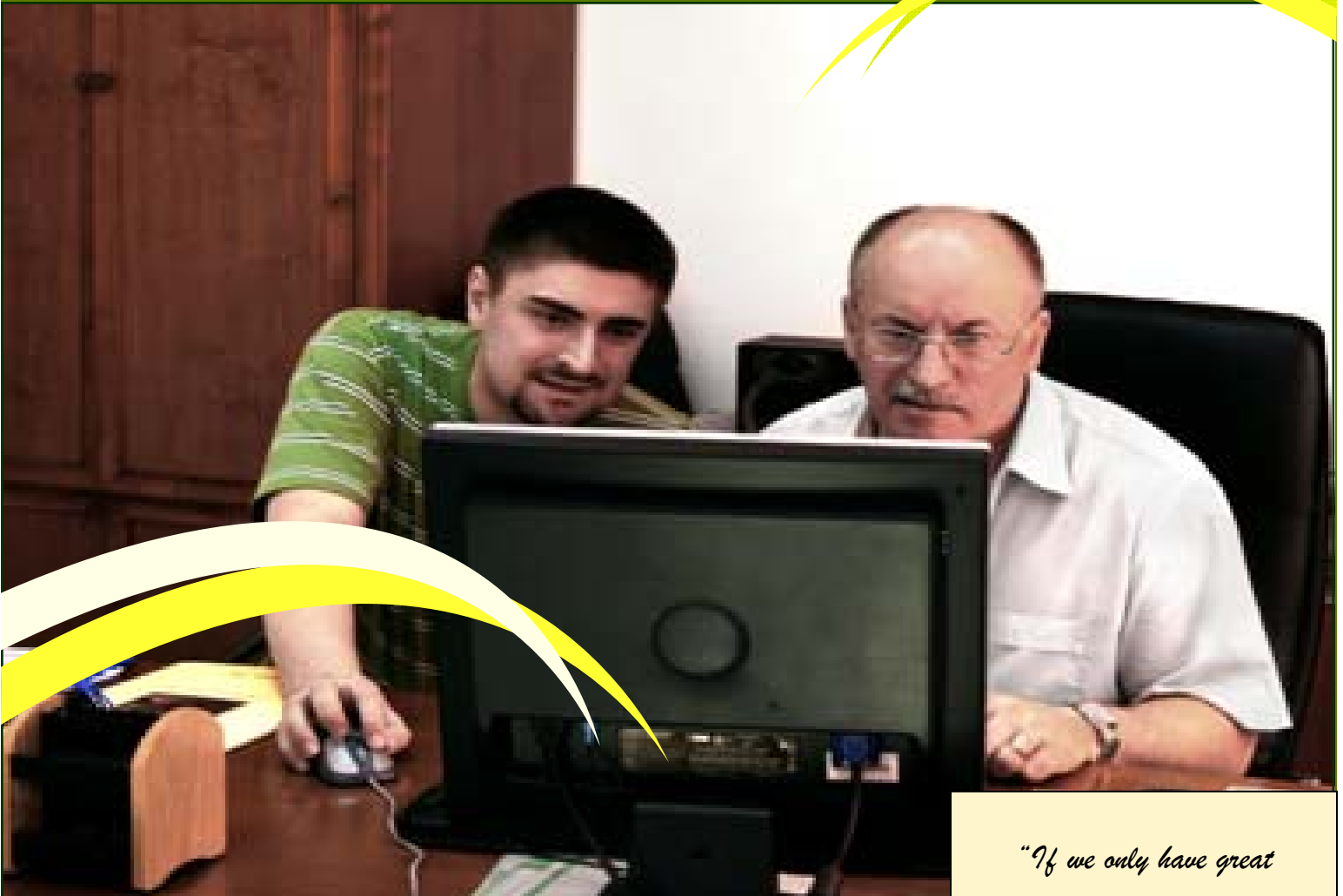


Brazeau Business

Quarterly Business Newsletter
ISSUE 05 October 2011



The fall of every year for Brazeau County departments is spent planning and budgeting for the upcoming year. Just as it is difficult for you to predict what next year brings for your business, it is also difficult for our departments to predict the economy and the weather. However, it's as important for you to deliver the best product and service to your clients as it is for us to deliver our best to you—our clients, and just like yourselves, our crystal ball can't foresee everything.

In the Economic Development department we like to base our predictions on what our experts in business—you the business community tell us. Therefore, we are utilizing the information gathered in the Business Visitation Survey to plan our programs in business retention, business attraction and community development. We extend our heartfelt thanks for taking the time to share your very important information with us. You have passed us the ball and now it is our responsibility to ensure that we use it to help strengthen the economy in our community.

"If we only have great companies, we will merely have a prosperous society, not a great one. Economic growth and power are the means, not the definition of a great nation."

- Jim Collins

"The deed is everything, the glory naught."

- Johann Wolfgang von Goethe

Help for your business is.....
everywhere

WORKSHOPS FOR FAMILY OWNED BUSINESSES

October 27th, 2011 - Passing the Torch - 12 Steps of Succession Planning

Succession planning is a natural process, in a successful business that can and should be positive and empowering. The main focus is to give an overview of the 12 steps of succession planning and to provide materials and templates that will enable business owners to confidently begin and get through the process. From Step 1, Determining the Owner-Manager Commitment to Step 12, Final Review and Re-evaluation, this program is delivered with an interactive, informative approach to the succession planning process.

On October 27th Brazeau County is hosting "Passing the Torch - 12 Steps of Succession Planning" presented by Creating Pathways for Entrepreneurial Families, the rural project of the Alberta Business Family Institute, Alberta School of Business, U of A. The cost is \$25.00 and includes lunch and refreshments. For more information or to register please call Angie at Brazeau County – 780-542-7777.

November 8th, 2011 – The Trusted Advisor

A trusted advisor is the person the family turns to at a time of crisis. They are accountants, lawyers, insurance brokers, investment advisors and many more. They are specialized in their fields of expertise and generalists in other areas that impact the family business. This program is designed to provide professionals with an in-depth understanding of the unique issues facing family business owners and the family circle. It will provide practical tools and checklists that add value to an advisor's technical expertise as they work alongside families in the development of a transition plan. In addition, the tools and checklists will assist the trusted advisor in providing the monitoring required to completing the transition plan and ensuring that the trusted advisor continues to develop strong relationships with the family and successors.

On November 8th Brazeau County is hosting "The Trusted Advisor" presented by Creating Pathways for Entrepreneurial Families, the rural project of the Alberta School of Business Family Institute, Alberta School of Business, U of A. The cost is \$25.00 and includes lunch and refreshments. For more information or to register please call Angie at Brazeau County – 780-542-7777.

November 29th, 2011 – The Road to Retirement – Financial and Legacy Planning

There are many ways to create a meaningful retirement. This program looks at financial, legacy and lifestyle planning. For many, retirement includes philanthropy and the involvement with or establishment of a foundation. This comprehensive and informative one day program will help the exiting generation through the retirement process and assist with the set up and implementation of the next phase of life.

On November 29th Brazeau County is hosting "The Road to Retirement – Financial and Legacy Planning" presented by Creating Pathways for Entrepreneurial Families, the rural project of the Alberta Business Family Institute, Alberta School of Business, U of A. The cost is \$25.00 and includes lunch and refreshments. For more information or to register please call Angie at Brazeau County – 780-542-7777.

The times and place for all the Workshops are as follows:

Place: Lakeview Inns and Suites Oak Room

Time: 8:30 am – 4:30 pm, registration starting at 8:00am

Cost: \$25.00 per workshop - includes lunch and refreshments

To Register please contact Angie at Brazeau County 780-542-7777

Sponsored by





Fall 2011 Schedule of Video Conference Sessions at Community Futures (Stony Plain Office)

Taxation/Accounting

- E-Commerce & Taxation—Oct. 4, Dec. 6—\$10
- GST Basics—Nov. 1—\$10
- Non-Profit Organizations and Taxation—Nov. 15—\$10
- Income Tax Basics for the Incorporated Business—Oct. 11, Nov. 22—\$10
- Income Tax Basics for Sole Proprietors & Partnerships— Oct. 18, Nov. 29—\$10
- Small Business Accounting Basics—Oct. 27—\$15
- Small Business Accounting Brown Bag Workshop—Nov. 23—\$50
- T4/T4A Year-End Preparation—Dec. 13—\$10
- How to Prepare for the Bank—Dec. 15—\$15

Marketing & Sales:

- Promotional Strategies—Oct. 5—\$20 Secrets of Successful Selling-Nov. 24-\$10
- How to Be a Consultative Seller—Oct. 12-\$15 Effective Web Design-Nov. 2-\$15
- Get More Clients, Free! - Oct. 6—\$20 Search Engine Optimizatoni-Nov.23-\$15
- Market Research—Oct. 19—\$40
- Visual Merchandising Basics—Oct. 20—\$20
- What’s in a Brand? Everything! - Oct. 26—\$10
- 15 Steps to Successful Networking—Nov. 3—\$10
- Creating a Powerful Vision that Works—Nov. 8—\$10
- On-Line Advertising-Getting the Most Bang for Your Buck— Dec. 14-\$15

Business Startup

- Selling to the Alberta Government—Oct. 5—\$10
- Is Franchise Ownership Right for You? - Oct. 19—\$15
- Growing Alberta’s Local Food Market—Nov. 2—\$15
- Doing Business with the Government of Canada— Nov. 9—\$10
- So you Want to be an Entrepreneur? - Nov. 19—\$20
- Preparing a Business Plan—Dec. 7—\$40

Business Transition

- Hiring Temporary Foreign Workers-What you Need to Know—Oct. 25—\$10
- Working ON Your Business, not IN Your Business—Nov. 17—\$10
- Show me the Money! - Nov. 30—\$20
- How to Make More Money By Partnering—Dec. 8—\$15

Human Resources

- Group Benefits—Oct. 13—\$20
- Improve Your Communication Skills, Improve Your Bottom Line— Nov. 9—\$15
- HR Basics—Nov. 16—\$20
- Playing in the Sandbox: Relationship Building—Dec. 7—\$20

****All small Business Learning Sessions are held via VIDEO CONFERENCE at Community Futures Capital Region :**

5006—50th Street
Stony Plain, Alberta T7Z 1Y4
780-968-7013
karlag@cfcapitalregion.ca

For a detailed description of each session and to register, visit the Training Calendar at: www.cfcapitalregion.ca
On-line registration prior to session is required.

Brazeau County Economic Development Department Services for Businesses

Brazeau County has always believed that our existing businesses are the backbone of our economy and have focused on helping them to grow and expand. Business Retention has been our # 1 priority.

What we can do for you:

Advertise your business for free on the directory located on the Brazeau County Website—
www.brazeau.ab.ca

Advertise your business for free in the Home Based Business and Agricultural Directory (specifically for home based and ag businesses) which are distributed via welcome packages that are given out to every new resident and business in the County.

Information referral services on organizations both provincially and federally that are available to help your business to grow.

Business assistance is given to any Brazeau County business seeking information on exporting, importing, patents, etc.

New businesses are recognized in the Brazeau Newsletter and this newsletter.

Host workshops that are specific to the needs of the business community.

Along with our services to businesses, our Economic Development Department works on business attraction initiatives, industry diversification initiatives, and strategic partnerships.

Our community is made up of numerous family businesses that were started back in the 60's and 70's. The matriarchs of these businesses belong to the baby boomer generation and will soon be looking to retire and pass the torch down to their children or grandchildren. Here are some facts about family owned business:

Family owned business:

- Generates approximately 60% of Canada's Gross Domestic Product
- Employs 6 million workers in Canada (both full-time and part-time)
- Creates 70% of all new jobs in North America
- Provides 55% of all charitable donations.

Staggering, isn't it? Yet, 70% of family-owned businesses fail before they are passed on to the second generation. That figure jumps to 88% for third generation succession and 97% for fourth. (*Family Business Institute*).

"The will to win, the desire to succeed, the urge to reach your full potential... these are the keys that will unlock the door to personal excellence."

- Eddie Robinson

Report: Future of Family-Owned Businesses Questionable in Canada

By: KJ Mullins-Digital Journal, March 14, 2011

The future of Canadian family businesses may suffer by a lack of succession planning, according to the results of PwC's latest Global Family Business Survey. Less than 50 percent of Canadian family business owners plan on passing their business to the next generation. With only

48 percent of family business leaders in Canada planning to pass the torch to their children many are looking at selling their business or pass the reins to a non-family member. That is a significant change of 90 percent from 2007.

Within five years slightly more than a quarter (27 percent) of owners are planning on changing ownership of their business. Over 50 percent are planning to sell their company to a private equity investor or a management team.

"It's possible that the global downturn led people to re-evaluate their plans. People are thinking harder about whether family members have the talent to take over the business," says Tahir Ayub, Canadian leader of PwC's Private Company Services practice in a press release. "Another factor is that succession is happening much later. The natural successor may be in their fifties when the owner is ready to transition out of the business."

Half of the study's respondents said their companies were owned by the first generation; 34% by the second generation; and only 16% by the third or more generations. According to Sharon Duguid, director, Centre for Family Business and Entrepreneurs, PwC the longer a business is in the family the less likely it will survive and more likely that the younger generations are in running the company.

Tension is one reason that family businesses may be failing. From family members not keeping others in the loop on key business issues to how those family members involved in the active business perform tension is a key element. Only 27 percent of respondents admitted to having conflict resolution procedures in place.

"Tension can be a good thing when it provokes necessary conversations, but when those discussions never happen, it can lead to the collapse of family businesses," says Duguid. "People tend to wait until they have a conflict until they start thinking about conflict resolution strategies and then wish they had a formal system already in place."



Naylor Group Inc.
Oakville, Ontario



By: Tahir Ayub, Canadian Private Company Services Leader, PwC, January 28, 2011

In 1984, Tom Hitchman bought a little business that was struggling. At the time, it was doing about \$2 million worth of sales and had 12 employees. He went on to build Naylor Group into a leading family-owned mechanical/electrical/communication contractor, growing sales to \$56 million this year and staff 250 people. Today, the company specializes in two specific areas: mechanical/electrical service of primarily owner-occupied and institutional buildings and construction/design-build projects. Most recently, it has been involved in solar installations both on buildings and in ground-mount installations. Naylor Group now has four offices in Cambridge, Brampton, Oakville and Richmond Hill, Ontario.

Tom's children, Lauren and Greg, got their start in the business as teenagers, working in the summers through high school and university. "I remember having a conversation with my father when I was in university and deciding that I did want to work in the family business," says Lauren, now 28. "But we also decided that I would work outside of the company first, to get broader experience." She worked as an analyst at Manulife Financial and in sales at Xerox. For his part, Greg has worked his way up the ranks, focusing on the technical side of operations and holding several varied roles in the business. Greg also worked at another business in the call center area—part of this experience included managing a 150 person call center for three months in Bangalore, India.

That early conversation with Lauren came out of a succession planning strategy Tom Hitchman was already in the process of implementing. "About 10 years ago, I engaged PwC (Pricewaterhouse Corporation) because I wanted to give the children the opportunity to take over the business," says Tom. "I also felt that if they didn't, then as a family we would have to sell it. In that case, we had to bring in younger managers to have a viable business on a go-forward basis and to continue to build value. The plan was to develop those managers, have them get their MBAs, and they could either be there for my children should they decide to stay in the business or by having a strong management team in place, they would help sell it."

Tom was in his early fifties at the time and knew that if he wanted to continue to build value and grow the business, he needed to prepare to transition to younger talent. He owned 100% of the company in a holding company, but in 2001, he modified the ownership structure and created a family trust which now owns the business. Lauren and Greg are beneficiaries. "We weren't just talking about succession, we created a structure that clearly indicated they would be the future owners of the company," says Tom. That sent a signal to the rest of the organization as well. "By setting up a proper transition for succession and doing it early, it's not just a benefit for my children, it benefits the younger people in the company to know this is a family business and there are people in their late twenties who are going to take over," says Tom. "In effect, you are telling them this is a great company to build a career with over the next 30 or 40 years. That's huge."

It was at that point that the Hitchmans also established and put into effect a family charter in order to avoid any conflicts that might arise. "The charter provided guidelines around how to deal with conflict, and addressed things like spouses working in the business," says Lauren. "We made decisions early on about what the future would look like as we began working together as a family and set processes in place."

They also have a family council and once a year, a third-party consultant meets with both the children and Tom individually and then again together to discuss where they are as a group and talk about plans going forward. One of those plans is for Tom to move out of the day-to-day operations within the next three to four years and into a more strategic role as chairman.

"Working with a facilitator has been very helpful," says Greg. "The key to the success of the transition is communication. You have to be proactive. A third-party can help ensure everyone gets their points across and brings everything to the table. One of the exercises Lauren and I are working on is writing down exactly how we want to run the business in terms of the decision-making process and level of authority we will have. It's important to do that before you have the responsibility and before any emotion is attached to decisions. This way we have an agreed-upon process before any decision has to be made."

The succession planning process has also had unexpected benefits. "By giving Lauren and Greg more responsibility and having them show their capability and earning their respect of their peers, we also realized the potential of our younger people. As a result, they will likely move along faster than they might have otherwise," says Tom. Taping into that talent and energy will be critical to Naylor meeting its aggressive growth strategy of increasing revenues to \$100 million by 2016. "As an outgoing leader you have to show your future managers the destination of the company and help prepare them to get there."



"A corporation is a living organism; it has to continue to shed its skin. Methods have to change. Focus has to change. Values have to change. The sum total of those changes is transformation."

- Andrew Grove

2011 Business Visitation Survey Results.

In our last issue of Brazeau Business News, we were able to report on the participation rate of the businesses that were surveyed in Drayton Valley, the Village of Breton and Brazeau County. All the data, which was shared with the people doing the survey, was given to MillierDickensonBlais to analyze and extrapolate recommendations as to how the Town of Drayton Valley and Brazeau County can help the existing businesses to grow and prosper.

The Business Visitation report and its recommendations were delivered to the Town of Drayton Valley and Brazeau County Councils at a joint council meeting held on August 29th. The Councils will choose which recommendations their Economic Development Departments should pursue during the 2012 budget deliberations in November.

The recommendations are as follows:

Stable and Skilled Workforce.

- Assist businesses in accessing the Temporary Foreign Workers Program.
- Facilitate access to online career and educational portals and information sessions to connect High School and post-secondary students to local employment opportunities.
- Strengthen skills development opportunities for current and future workforce.
- Develop a comprehensive understanding of current and projected labour force supply and demand.

Market Access

- Identify existing programs and develop information sharing opportunities that inform export opportunities and how to access foreign markets.
- Examine gaps in the local supply chain to inform a business attraction strategy.
- Promote and support access to tradeshow/missions to facilitate increased market access.

Communications and Outreach

- Utilize the core understanding gained through the business visitation program to identify and enhance relationships between local business and economic development.
- Improve direct access and communication to local businesses through the use of electronic and social media devices.
- Develop information services directed towards services and programming needs that have been identified during the business visitation.
- Co-hosting local information and networking sessions for businesses identified as indeterminate.

Agriculture Development

- Maintain strong and positive relationships with local farming businesses.
- Review current land division policies for their immediate and longer-term impacts on farming
- Develop programs and services for training in skills development and succession planning.
- Promote local farm products and services through a branding strategy for Brazeau County agriculture.
- Create programs and services for new and small farming operations.

The entire Business Visitation Program Final Report can be downloaded from our website at:

<http://www.brazeau.ab.ca/departments/economic-development>



Highlights from the Business Visitation Program

Note: unless otherwise noted, the statistics below represent the entire business community of Drayton Valley, Brazeau County and Breton.

- 57% of all businesses were established between 1990—2009.
- 66% of the businesses surveyed have between 1—9 employees—small business is the stable base of our community.
- The majority of the workforce in the community is between the ages of 20—40 which bodes well for the future of our community, when the rest of Canada is facing an aging population issue.
- 87% of workers are full time.
- 50% of the total workforce commutes to work.
- The majority of businesses cited that the availability of workers in the area was fair to poor.
- Businesses stated that the reasons that quality workers were difficult to find were predominantly due to a lack of appropriate experience, and a labour shortage.
- Difficulty in attracting and retaining labour was attributed to wages and competition.
- The skills Brazeau County businesses stated were the hardest to fill are trades and Class 1 drivers.
- The skills that Drayton Valley businesses stated were the hardest to fill are computer skills and sales marketing.
- Businesses overwhelmingly stated that help in the areas of workforce planning, employee training and attraction of businesses related to supplying and servicing existing business would be beneficial.
- Many businesses stated that they would benefit from a mentoring program focusing on the areas of human resources, business plan support and marketing.
- Less than 25% of businesses export products or services.
- The vast majority of goods and services used by businesses are imported, generally from Edmonton and include: steel, chemicals, trucks, equipment and office supplies.
- Only 29% of businesses have succession plans in place.

The Agriculture Community

Brazeau County treats agriculture as a business and included in the Business Visitation Survey the opportunity for area farmers to share the information from their industry.

- 32.6% of farmers in our community are already retired from farming.
- 23.9% plan on retiring in less than 10 years.
- When asked if farmland should be subdivided 54% said yes and 46% said no. Many (30%) believe it's the farmer's right to use his land as best meets the farmer's revenue needs.
- Over half of the farmers surveyed state that a viable living of selling vegetables to be sold locally can be done on less than 20 acres.

The final report can be downloaded at <http://www.brazeau.ab.ca/departments/economic-development>

8 Reasons why Brazeau County is a great place to do business?

1. No Business licenses
2. No municipal business tax
3. Competitive non-residential property tax
4. Open for business attitude
5. Free marketing services through the website and home based business and agricultural directory.
6. Economic Development Department to serve you
7. Industry Diversification workshops
8. Facilitation of federal and provincial resources pertaining to Foreign Direct Investment.
9. We love our businesses.

What's new with you?

Let us know what exciting things are going on with your company. Perhaps you are manufacturing something new and exciting or are you going through a name or ownership change. Don't leave it up to the coffee shop to spread the news—sometimes they just don't get it right. Let us know and we will print it in the next Brazeau Business News which is mailed to every business in Brazeau County.

Upcoming Events

Passing the Torch—12 Steps of Succession Planning

October 27, 2011

Lakeview Inn and Suites Oak Room - 8:30am to 4:30pm

Cost: \$25.00 per person (refreshments & lunch included)

To register contact Angie at 780-542-7777

The Trusted Advisor

November 8, 2011

Lakeview Inn and Suites Oak Room - 8:30am to 4:30pm

Cost: \$25.00 per person (refreshments & lunch included)

To register contact Angie at 780-542-7777

The Road to Retirement—Financial and Legacy Planning

November 29, 2011

Lakeview Inn and Suites Oak Room - 8:30am to 4:30pm

Cost: \$25.00 per person (refreshments & lunch included)

To register contact Angie at 780-542-7777

We are offering the quarterly Brazeau Business Newsletter as an e-newsletter. You can subscribe to the newsletter by going to www.brazeau.ab.ca/subscribe. Every three months, you will be notified via email, that the newsletter is available. You can then click on the link contained in the email, and read the newsletter on line or print it at your printer. If this service interests you, please go to www.brazeau.ab.ca/subscribe and subscribe for the Quarterly Business Newsletter.

Welcome to the
following new
Brazeau County
Business



Revcon Oilfield Constructors is an Alberta based, privately owned business. They specialize in mechanical construction ranging from small well pads, large scale shutdowns, drilling rental equipment and project management. Their high quality standards and safety performance record is what sets them apart from their competitors.
Contact Dave Szatkowski
780-497-8586.

Brazeau County Economic Development Department

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Assistant: Angie Spence

aspence@brazeau.ab.ca

780-542-7777

