

Brazeau Business

Quarterly Business Newsletter
ISSUE 03 April 2011



Manufacturing/Exporting

Well, it is great to see the economy start rolling again and the parking lots in the hotels full to capacity. Considering what is happening globally, we can consider ourselves fortunate that the economy is turning around.

The theme of this month's newsletter is manufacturing and exporting. We have a number of manufacturing companies in Brazeau County that for the most part, serve the oil and gas, forestry and agriculture industries but are also producing some very creative things on the side. If you would like to explore expanding your manufacturing capabilities or enter into the world of exporting your products, Productivity Alberta is a great place to start. Check out the information on Productivity Alberta inside the newsletter.

Our next newsletter will be in July when I truly hope that you are either far too busy working to read it, or taking a well deserved vacation. Please know that we appreciate any input that you can provide about the newsletter. Our contact information is on the back page.

Quote

"Even if you are on the right track, you'll get run over if you just sit there."

Will Rodgers

"If the Community is happy, then they support your business. If your business is doing well then you can give back even more to the Community."

Magic Johnson

Help for your business is..... everywhere



Productivity Alberta is your immediate connection to the latest in productivity improvement tools, resources and services. We are an industry-guided initiative, working collaboratively with organizations across the province. We connect you to everything you need to kick start and enhance productivity and competitiveness in your business.

In addition to helping businesses one-on-one, we also look at the bigger picture. We provide direction and input on the development of productivity policies. These policies help to foster an environment in Alberta more conducive to productivity growth and competitiveness.

Our vision is to make sure Alberta becomes known as one of the most productive and innovative regions in the world. And we'll succeed by working together with experts from industry, government and other associations to create a globally competitive environment for Albertans to prosper and thrive.

Productivity Alberta is truly the hub of collaboration. All things in relation to productivity come together here to help your business achieve excellence.

There are many complex definitions of productivity, but basically it's about how your organization reaches its full potential. It's about working smarter, not harder. Productivity measures how efficiently a business transfers its resources into high quality goods or services at a lower cost.

You may be surprised to learn Alberta is lagging when it comes to productivity growth. Even though the province has maintained high productivity in terms of Gross Domestic Product (GDP), the productivity growth rate over the past 10 years has left Alberta behind the U.S., the rest of the provinces and most countries in the European Union. Some of the reasons for this lag include:

- A lack of awareness about the importance of productivity
- A gap in leadership and management capability
- Poor production processes
- Minimal investment in new equipment and technology

Alberta needs to do better. So the Government of Alberta has been investigating how best to implement policies and initiatives to help businesses improve their productivity and global competitiveness. Productivity Alberta is the answer. We bring together the talents and efforts of people and organizations across the province to tackle our productivity challenges head on.

To contact Productivity Alberta, check out their website at:

<http://www.productivityalberta.ca>

Or contact them at:

Productivity Alberta
5th floor, Commerce Place
10155 - 102 Street NW
Edmonton, AB T5J 4L6

Tel: +1 780 427 6648

Fax: +1 780 422 2091

Grants and Loans for Small Business

I am often asked if there are grants for business. Just to clarify there is no 'free money' for starting a business. However, there are some programs out there that will aid those businesses that can demonstrate innovation and passion towards what they want to do or are currently doing.

If you would like to explore some potential funding opportunities, check out the following websites.

Small Business Finance Centre
<http://www.grants-loans.org/alberta-grants.php>

Canadian Business Government Services For Entrepreneurs

<http://www.canadabusiness.ca/>

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.



Do you want to do business abroad?

The Canadian Trade Commissioner Service (TCS) offers Brazeau County businesses a window to markets around the world.

From a base of 18 offices in Canada, the TCS has more than 900 trade commissioners working in more than 150 cities in almost 90 countries, including 23 cities in the United States alone, including Seattle. TCS offers four key services to export-ready companies:

- Preparing for International Markets.
- Assessing Market Potential.
- Finding Qualified Contacts.
- Resolving Problems.

The Virtual Trade Commissioner (VTC) is a gateway to a world of information online. This customizable on-line tool provides access to business leads, sectoral news, timely market and sectoral information, contacts and services according to your specific industry sectors and foreign markets of interest. To register, visit www.tradecommissioner.gc.ca

The TCS works closely with other federal departments and agencies, commercial partners like the Business Development Bank of Canada (BDC) and Export Development Canada (EDC), as well as provincial and territorial counterparts and stakeholders. Export Development Canada is Canada's export credit agency, offering innovative financing, insurance and risk management solutions to help Canadian exporters and investors expand their international business.

To see how your local Trade office can assist you with your international business initiatives, please contact:

Canadian Trade Commissioner
Suite 725, Canada Place
9700 Jasper Avenue
Edmonton, Alberta T5J 4C3
Tel: (780) 495-2944
Fax: (780) 495-4507
Email: edmtn@international.gc.ca
Website: www.tradecommissioner.gc.ca

Temporary foreign workers certified in Alberta trades can apply for permanent residence.

The federal government limits the number of people Alberta can nominate for permanent residence. In 2011, Alberta is allowed to nominate 5,000 people. With limited numbers, Alberta's focus will be on nominating people who currently work in permanent jobs, those who have job offers, and those with the skills and qualifications in occupations that are in demand in Alberta

Before this change, workers in the optional trades applied for permanent residence with their employers. Workers in the compulsory trades had the option to apply either directly or with their employers. This change will simplify the application process for temporary foreign workers in both compulsory and optional trades applying to the Alberta Immigrant Nominee Program. For details on how to apply to the Alberta Immigrant Nominee Program's Compulsory and Optional Trades Category, visit albertacanada.com/ainp.

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.

Alberta's 2010 Export Facts

(source: Alberta's International Merchandise Exports Sept 2010)

Top countries exported to in order of dollar value

United States
China
Japan
Mexico
South Korea
Netherlands
Australia
Russia

Top products exported in order of dollar value

Crude Oil
Natural gas in gaseous state
Polymers of ethylene (nes), in primary forms
Wheat (nes) and meslin
Heavy Oil (not crude) e.g. diesel
Propane, liquefied
Canola
(nes=not elsewhere specified)

Top 5 sources of product development funding and support for Canadian innovators.

By Treena Hein

Canadian Manufacturing—Design Engineering

<http://www.canadianmanufacturing.com/design-engineering/case-studies/funding-innovation-24099>

February 23, 2011

While it's all well and good to say, "Be Innovative," any company that has traveled down the long, often murky road of new product development knows innovation has a price tag attached. For Canadian SME's in today's economy, betting the business on a "maybe" can involve more risk than reward.

However, Canadian businesses don't have to bear all the risk alone. In fact, it's safe to say there have never been more resources available to Canadian companies to help them make their innovative ideas a reality. The following is an overview of five options available to help both start-up and established firms secure funding and support services, as well as how to best to access each type of assistance.

1. IRAP

The mandate of the National Research Council of Canada Industrial Research Assistance Program (IRAP) is helping SMEs with the goal of generating profits through development and commercialization of innovative, technology-driven new or improved products, services, or processes. Based on the company's profile and needs, IRAP can provide advisory services, technological expertise, as well as financial assistance. Instead of an application process, companies contact one of IRAP's 240 Industrial Technology Advisors as a first step.

"These highly skilled individuals assist clients through every aspect of the innovation process, from concept to product, providing technical and business advice, referrals and other innovation services as needed," says IRAP Director General Tony Rahilly. "They are experienced mentors."

As the process proceeds, IRAP may invite a funding proposal from the company, followed by an assessment of business, financial and management capabilities; potential to achieve the expected results; and technical aspects of the project. Based on the findings, an agreement is reached, which details the project objectives and activities being funded, as well as the conditions of contribution, the expected results and conditions for payment. "Money is provided on a cost-incurred cash flow basis," Rahilly says.

Financial support may also be provided by IRAP's Youth Employment Program (run in collaboration with Human Resources and Skills and Development Canada).

"We also have small funds available for feasibility studies and investigation of markets where companies work in partnership with community agencies," notes Rahilly.

2. Business Development Bank of Canada

BDC is a Crown corporation that helps SME's grow through providing financing, venture capital and consulting services. Spokesperson Geoffrey King says there are several reasons why BDC is one of the best choices among lending institutions for companies seeking to develop innovative technologies or processes.

"We specialize in commercial financing with highly flexible solutions which are structured to protect cash flow," he says. "BDC also has expertise in financing for intangible investments, such as innovation, R&D, mergers and acquisitions, and market expansion." He adds that chartered banks will ask for tangible collateral before lending large sums of money for developing innovation, but they may lend a smaller amount in conjunction with BDC.

King notes that, through its venture capital division, BDC actively seeks opportunities to invest directly in technology companies, or indirectly in technology-related funds.

"We are open to examining start-ups and will go the extra kilometre to evaluate intangible assets. We do both seed deals and are present at later stages of development," King says. "We can provide more lending flexibility than other banks, including variable payment structures, the possibility to defer capital payments and mixed or subordinate financing."

www.bdc.ca/en/solutions/financing/Pages/fs_innovation.aspx

3. Sustainable Development Technology Canada

The SD Tech fund is aimed at supporting the late-stage development and pre-commercial demonstration of clean technology solutions focused on the current priority areas of natural resources, clean energy, agriculture, and soil & water. "In addition, SDTC's SD Business Case' reports (see website) should be used to identify additional priority investment areas," says SDTC Director of Applications Zoltan Tompa.

The application process is "stage-gated" to ensure that applicants are given timely feedback and can invest resources accordingly, notes Tompa. In the first phase, companies submit a Statement of Interest. Those that typically receive strong consideration include a clear description of how the technology is innovative from an environmental, economic and technological perspective; a compelling argument that explains how the proposed technology can augment or replace the competition in the marketplace; and a good summary of the anticipated environmental benefits.

"Applicants also must have secured strong consortium partners that have demonstrated expertise in commercializing technology," Tompa says. To help applicants, SDTC has produced a two-part 'Statement of Interest Webinar' available on the fund's website.

A limited set of applicants are invited back to submit a "detailed proposal" for the second phase of deeper



evaluation. "The detailed proposal demands an even greater emphasis on path to market and commercial viability," Tompa notes. "The project, financial and marketing capabilities of the proponent and level of commitment from consortia partners are also evaluated in an onsite due diligence visit."

www.sdtc.ca

4. Scientific Research and Experimental Development (SR&ED) Tax Incentive Program

One of the largest programs of its kind, SR&ED is a federal tax incentive program that encourages Canadian businesses of all sizes and in all sectors to conduct R&D in Canada.

"Because it's a tax credit claimed after the work is done, it is critically important that companies start an SR&ED file before or shortly after beginning their R&D process," says Todd Louie, director of taxation at Sheldon Milstein Tax Consultants Ltd. in Toronto. "In this file, keep track of all time spent in the process, details of methodology used, communications within and outside of the company pertaining to R&D, dated drawings, photographs, and anything else pertinent."

To receive the tax break, "First of all, the company must demonstrate the attempt to create or even slightly improve upon a technological advancement," Louie says. "Note that the tax credit is not based on whether it's been successfully realized or whether commercial success has been achieved at the time of claim. It is about rewarding the attempt, and the size of company and resources available to it are taken into consideration."

Companies seeking the tax credit must also show evidence of the investigation the company undertook in creating or improving the technological advancement – and the investigation must demonstrate technological competency. That is, suitably trained or educated individuals at the company must have taken a systematic and scientific approach to solving the problem. "For example," says Louie, "this might have involved testing to what extent a certain component or material was found to be superior to another."

Louie stresses that many companies wrongly assume that their R&D efforts won't qualify for the tax credit. "Keep in mind that SR&ED is the largest single source of federal government support for industrial R&D, and what you are doing may easily qualify," he says.

www.cra-arc.gc.ca/sred

5. Provincial Programs

Alberta – Through the Energy and Environment Innovation Program, Alberta Innovates 'Energy and Environment Solutions', the province offers financial support to encourage collaborations within industry consortia and university/industry partnerships. It also supports individual inventors with smaller grants to help with engineering designs, building prototypes and securing patents.

www.albertainnovates.ca

Don't be a statistic

70% of family owned businesses fail when they are passed down to the next

Workshops for Family Businesses

Creating Pathways for Entrepreneurial Families and the Alberta Business Family Institute are pleased to present Gary Coskey's workshop series in Brazeau County.

April 19th, 2011 Retirement, Philanthropy and Setting Up a Foundation

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.

May 5, 2011 – The 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.

June 9th, 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 completing the transition plan and ensuring that the trusted advisor continues to develop strong relationships with the family and successors.

These workshops are not specific to one industry they are geared toward oil & gas, forestry, agriculture and tourism.

Place: Lakeview Inns and Suites Oak Room

Time: 8:30 am - 4:30 pm

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

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

It's Business Visitation time again!

Brazeau County Council recognized what a tremendous tool the Business Visitation Import Replacement program (BVP) is for planning for our future economic development projects. It is also a terrific way for us to gauge the economic health of our area.

At last fall's economic strategic planning session, Council felt that the BVP program should be done every two years and that it should be done in conjunction with the Town of Drayton Valley and the Village of Breton. In the past, neither the Town nor the Village participated in a Business Visitation Program. Therefore, we really only had a snapshot of about 1/2 of the entire business community. This year, both the Town and Village will be undertaking Business Visitation programs that will be compatible with ours and the analysis and reports derived from the data will provide a far truer picture of the economic health of our community.

Information from this project will inform us of what our businesses are requiring in the way of skills and vocational training, future land and building expansions etc. The information that you provide will help us work with educational institutions and provincial departments to meet your current and future needs.

In order to tackle this very large project, we will be utilizing the skills of 4 Interviewers, Angie Spence, Helen Kellher-Empey, Nicole Zabloski, and Heather Cokes. The interviews will be done in person and will take place over April and May to catch businesses during breakup. We will be using two forms; a long form for the resource based businesses and the businesses which service them, and a short form which will be done via telephone through a company called Foundation Research. The businesses which will be receiving telephone surveys from Foundation Research will include, professional businesses, hotels, restaurants, retail establishments, etc.

During the last week of March you will be contacted to set up an interview time with either one of the Interviewers or with Foundation Research.

Please take the time to speak with these people. The information that you will be providing will be kept confidential and used strictly for program development and economic analysis.

Frequently Asked Questions about the Business Visitation Program.

Frequently Asked Questions

Q: What will you use this information for?

- To develop a comprehensive listing of what businesses are located in the County, what industries they are in, how many employees they have, etc.
- To determine which businesses in the County, are looking to expand and incorporate that information for future land use planning.
- To determine which factors and trends are impacting the businesses in both a positive and negative way, thus utilizing this information in future business retention and expansion projects.

Q: Will this information be used to tax me more?

- No. This information is used only by the County for planning programs. It will not be shared with any other department within at the Municipality.

Q: Who will see the information about my business? (that I am going to tell you?)

- The interviewer who interviews you will then enter your information into a data base which will then go to the firm of Millier Dickenson and Blais for reporting back to the municipality. Your data will be kept at the municipality and will not be shared.
- We will **not sell or give** this information to anyone who would solicit fundraising or marketing dollars from you.

Q: Why do you want to know if I am exporting to another country?

- This information is helpful when we are working with the Alberta Economic Development Trade Office to know who already has built relationships in another country. Many times, your neighboring business is doing something that would be mutually beneficial to both your business that you are unaware of. With this knowledge we can help to facilitate partnerships that will help you both succeed.

Q: Why do you want to know if I am importing anything?

- We will be looking at all the goods and services that are being imported into the community which will tell us if there is a gap in the businesses located here. We will then include that type of business in our Business Attraction Program. We don't want to attract businesses that compete with our existing businesses. We want to attract businesses that will help to grow and expand our existing businesses.

Q: Why do you want to know if I plan on selling or closing my business?

- What you do and why you do it is your personal business. If a number of similar companies are deciding to close up shop in 5 years for retirement, etc. , then we can assume that we are going to have a void in an area that is important for our economy and other businesses. We would like to find a way to prevent that.

Q: Why do you want to know the ages of my employees?

- Similar reasons as the question above. We know that there is a severe labour shortage now and if we see that 20% of our current labour force is going to retire in 5 years, the labour shortage just became that much more devastating, and we need to address it.

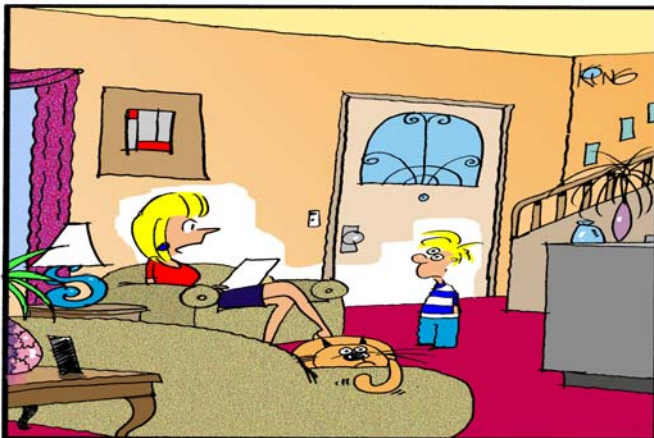
Q: Does that mean that if a business that is my competitor comes to the community you will not let them set up business?

- No, we cannot control free enterprise. But, we will not actively attract a business that is already servicing the community, unless that business is beyond its capacity and people have to leave the community for their product or service. A good example of this is a Doctors shortage if you can't get a Doctors appointment for weeks, then this is an indicator that we need more doctors. Another good example is hotels, if all the rooms are booked this is an indicator that we need more.

Q: Why do we need to worry about economic development if our community is booming?

- We are fortunate to have a great economy today. However recently we faced the worst economic downturn in decades; this is the challenge that faces all resource based communities. Often times, we need the services of economic development more in a booming economy due to increase of labour and housing shortages.
- Another reason is that oil & gas is not our only industry. We also have a struggling agriculture industry that has been faced with numerous set backs over the years, and the demand for recreation and tourism in our area is growing leaps and bounds. As our community grows the need for health care, social, educational and personal services also grows and we have to try and keep that balance. This is why economic development is so much more than just attracting businesses.

Remember that we are not as concerned about the information obtained from individual businesses as we are the information from all the businesses collectively. Once compiled, this information will be used in planning programs & services to meet the needs of you - our business community.



"No, I didn't download you off the Internet, I gave birth to you. End of discussion!"

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.

What we can't do for you:

- Predict the economy
- Get your taxes lowered

Upcoming Events

Retirement, Philanthropy and Setting up a Foundation—April 19, 2011

Lakeview Inns and Suites Oak Room 8:30 am—4:30 pm includes lunch and refreshments.

\$25.00

To register please contact Angie at 780-542-7777

12 Steps to Business Succession Planning—May 5, 2011

Lakeview Inns and Suites Oak Room 8:30 am—4:30 pm includes lunch and refreshments.

\$25.00

To register please contact Angie at 780-542-7777

Brazeau County AGM—Rocky Rapids Hall—May 17, 2011

Beef on a bun dinner at 6:00 pm Meeting from 7:00—9:00 pm

The Trusted Advisor—June 9, 2011

Lakeview Inns and Suites Oak Room 8:30 am—4:30 pm includes lunch and refreshments.

\$25.00

To register please contact Angie at 780-542-7777

Welcome to the
following new
Brazeau County
Business



Beltech Design Services -
Ken Belyea - provides multi-
disciplinary drafting & design ser-
vices for Brazeau County and sur-
rounding area

Note: Only Businesses who have given their permission
to be listed in this newsletter are.

Brazeau County Economic Development Department

Director of Economic Development: Kelly Starling
kstarling@brazeau.ab.ca

Assistant: Angie Spence
aspence@brazeau.ab.ca

780-542-7777