Innovation, Business and Rural Development

Labrador Tourism
Business Retention & Expansion (BR&E)

Department of Innovation, Business and Rural Development
In Partnership with
Destination Labrador

2013.12.17

CONTENTS

INTRODUCTION

Department of Innovation, Business and Rural Development

The *Department of Innovation, Business and Rural Development* (IBRD) is the lead agency for economic development in Newfoundland and Labrador. Its vision is a vibrant, diverse and sustainable economy with productive and prosperous regions throughout the province.

Part of IBRD's mandate includes: (1) supporting the diversification of the provincial economy, and (2) the creation and maintenance of a competitive economic environment that encourages and supporting private sector business growth and long-term sustainable employment opportunities for the people of the province. One of the tools used by IBRD to achieve its mandate is Business Retention and Expansion.

Destination Labrador

Destination Labrador Inc. (DL) is a well-established Destination Management Organization based in Happy Valley-Goose Bay, in the province of Newfoundland and Labrador originally founded in 1992. As a partnership-based tourism industry association, DL represents a diverse tourism sector with substantial public and private investments in recreational fishing, adventure cruises, outdoor adventure and sight-seeing tourism product sectors.

DL's mandate is to support business/organization partners, tour operators, receptive tourism operators, travel media, and Labrador tourism stakeholders through partnership-based initiatives that support the growth of a viable and sustainable world-class travel destination. Destination Labrador supports its industry stakeholders through partnership marketing programs and, capacity building initiatives such as training, product development and advocacy support.

The Board of DL is comprised of regional representatives from each of the four major regions of Labrador (North, West, Central, and Straits/South). For more information, visit www.destinationlabrador.com .

BR&E Background

Business Retention and Expansion is an internationally recognized economic development tool that focuses on the retention and expansion of existing businesses. Local businesses are visited and interviewed by economic development practitioners to identify and address issues that may result in relocation, downsizing, closure or limit expansion. BR&E is based on the philosophy that existing businesses are the key to regional economic prosperity, as they contribute up to 85 per cent of economic activity in a region. BR&E benefits businesses as they obtain a free confidential analysis to assist with their future planning and provided an option to receive a follow up on any identified issues. At the same time, the program benefits municipalities and industries, etc., as it links them to common and local business concerns.

In 2010 the Department of Innovation, Business and Rural Development (IBRD) implemented a new approach with BR&E as a business counseling tool for the Department, resulting in a 76 question interview guide. The interview guide is structured around common key themes which are critical considerations for business diagnostic and counseling such as:

- Marketing and Sales
- Operations
- Location
- Finance and Accounting
- Human Resources and Management

- Future Plans

A second tool developed in 2010 was a formal action plan report known as a follow-up guide. This report outlines alternatives/recommendations to address identified issues uncovered using the diagnostic interview guide outlined above. The follow-up guide is presented to the clients for feedback and direct input.

Since October 2011, pilot initiatives have been developed to test advancements in the BR&E process with regard to facilitating industry development. These initiatives focused on working with industry organizations to identify common themes related to business challenges or barriers. Industry organizations then played a role in implementing solutions/action plans to address these barriers, based on data collected by the department. Working in this fashion with the industry organizations allows for greater sharing of data which enabled both IBRD and industry groups to better define their main objectives in support of their mandates.

INITIATIVE BACKGROUND

In March 2013, the destination management organization for Labrador, *Destination Labrador* was invited to partner with *Department of Innovation, Business and Rural Development (IBRD)* in the delivery of tourism sector Business Retention and Expansion (BR&E) in Labrador. Through an Expression of Interest process, thirteen (13) businesses decided to participate in the BR&E. The following report captures the aggregate findings of identified issues and concerns of tourism based businesses who participated in BR&E interviews from approximately May to November 2013.

BR&E Initiative Objectives

The purpose of this initiative is to:

- Look holistically at tourism operations in Labrador and uncover issues that may limit future plans and overall growth and success
- Increase the level of business professionalism
- Increase revenues and profitability for tourism operators
- Provide industry and community stakeholders information on common business issues and challenges, and
- Improve regional capacity by facilitating development of a competitive and strategic tourism sector

BR&E Initiative Deliverables

1. *Each tourism operator received*:
    - One-on-one, on-site consultation sessions with IBRD staff regarding marketing and sales, operations, finance and accounting, human resources and management and future plans.
    - A report provided by IBRD staff including a prioritized action plan, and developed with the operator.
    - Follow up care from IBRD, if required by the operator, to provide the operator the opportunity to share ideas, feedback and ongoing advice and counseling services.

2. *Initiative summary report of aggregate findings.*

METHODOLOGY

Phases of Initiative

The BR&E initiative is implemented in phases including team development, orientation and training, business visitation and follow-up, data analysis and report compilation. During all phases, team meetings were held for the purpose of collaboration, monitoring and evaluation.

Phase 1 – Preparation, March – April 2013

During the Preparation Phase the Steering Committee and Interview Team were assembled and businesses were invited to participate in the program.

Phase 2 – BR&E Interviews, May – July 2013

The interview teams scheduled visits with the participating businesses to conduct the BR&E Interview. During these 2-3 hour interviews, team members asked the questions and recorded the responses, using the BR&E Interview Guide (IG).

Phase 3 – Follow Up, August – October 2013

Following the visitations, using the BR&E Follow-up Guide (FG), the interview team met to discuss the responses, and collaborated with the business owners on developing immediate action plans or FG to be provided to the business during the follow-up sessions. A copy of the final action plans is submitted to each client.

Phase 4 – Data Gathering, Input and Analysis, October – November 2013

Once all interview visitations were completed, the responses were provided to IBRD for data input and analysis. A summary final report will be produced and shared with industry partners for discuss and sector development planning.

Steering Committee & Interview Team

The Steering Committee was responsible for implementation and included representatives from Destination Labrador and the Department of Innovation, Business and Rural Development.

The BR&E Interview Team was responsible for conducting interviews with business operators and holding follow up meetings to discuss issues. The BR&E Interview Team included staff from IBRD corporate and regional offices.

Steering Committee and Interview Team members included:

Steering Committee Members	Organization
Kevin Hartley - Analyst	IBRD
Jamie Pye - EDO	IBRD
Randy Letto - Executive Director	Destination Labrador
Keith Small - Business Development Manager	Destination Labrador

Interview Team	Contact Information
Kevin Hartley – Analyst - Lead	IBRD
Jamie Pye – EDO	IBRD
Max Mullins – EDO	IBRD
Ina Jefferies – EDO	IBRD
Sheryl Colbourne – EDO	IBRD

Targeted Businesses & Call of Interest

While the targeted number of participants for this pilot project was 10 operators/organizations, 13 businesses registered to participate in the BR&E process.

The promotion of the BR&E initiative was completed in two stages. On April 17, 2013, an introduction email was sent by Destination Labrador to its partners giving a brief overview. This email was followed by a phone call. (A copy of the Call for Interest Letter is attached in **Appendix A**.) A second email was sent April 24, 2013, with the Call of Interest (COI) document attached. Follow-up phone calls were made on the 25th and 26th of April to those businesses that expressed interest to Destination Labrador.

The COI was initially distributed by Destination Labrador to its partners and then to other tourism operators in Labrador. The selection process was based on a first come-first served basis using selection criteria as follows:

- Be a provincially licensed, Labrador-based tourism operation;
- Be open for operations at least 90 consecutive days a year;
- Meet all provincial regulatory requirements;
- Have liability insurance and follow safety procedures and policies;
- Be accessible year-round through the following communication tools: phone, e-mail, website, and/or fax; and
- Be engaged in marketing their product or service.

The Selection Committee reserved the right to ensure equal representation of business types and geographical location.

Interviews and Confidentiality Agreement

The heart of BR&E is the interview with business owners by two members of the interview team. During the interviews, key business issues were uncovered. In addition to demonstrating a pro-business attitude and an appreciation of each business' contribution to the community, the visits allowed for specific business follow-up action if requested.

The interview guide contained 76 questions that addressed the following topics:

- General Business Information
- Marketing and Sales
- Operations
- Current Location
- Finance and Accounting
- Human Resources and Management
- Future Plans
- Conclusion
- Follow-Up Meeting
- Interview Comments

Businesses were encouraged to ask questions and, if they wanted to skip a question at any time, they could do so without explanation. To further protect privacy, all team members completed a *Confidentiality Agreement* before joining the team and again with each business before conducting the interview. By doing this, they committed to the principle of confidentiality and to keep individual responses confidential. Businesses also signed an agreement to participate.

Data Entry, Analysis & Final Report
IBRD staff completed all data entry, data analysis and prepared the final report related directly to the BR&E process. All partners will be invited to post the report on their websites and participating and targeted companies will be notified of where the final report can be viewed. Participating businesses will receive a thank-you letter.

RESEARCH FINDINGS SUMMARY

The details of Research Findings can be reviewed in **Appendix B**. Not all responses to questions total 100%, as not every business answered all questions. In some cases rounding of figures or multiple answers to the same question will show a discrepancy. It should also be noted that 13 respondents is a small sample size and is not statistically representative of the entire tourism industry in the region. Therefore, general conclusions about the full tourism industry in the region should not be drawn. The research findings represent the responses of the participants in the project at the time the BR&E interviews were conducted. These findings could however identify potential gaps and opportunities to explore further.

General Business Information
The businesses that participated were predominately from the Straits to Happy Valley-Goose Bay regions. Demographic information of the tourism businesses showed they were fairly experienced. Of the 13 businesses interviewed, 6 (46%) indicated they had been in business for more than 10 years, 4 (32%) had been in operation for 5-10 years, and just 3 (22%) had been in business 2-4 years. A majority of businesses, 58%, indicated they were incorporated, 33% operated as sole proprietorships and one venture operated as a partnership. It is not surprising that all indicated their primary industry sector was Tourism. Main product offerings for businesses included accommodations 8 (62%), tours/package/guide services 7 (54%), food & beverage 5 (39%), and retail/gift shop 2. Additionally, 9 (75%) of those responding placed themselves in the aboriginal category and 3 (25%) businesses were women owned.

- *Opportunity to explore further with businesses their current knowledge and uptake of aboriginal programs and services such as Aboriginal Business Development Program (ABDP) or the Nunacor Business Centre.*

Marketing and Sales
With regard to Marketing and Sales, respondents indicated that, overall, they are somewhat optimistic about their current and projected sales. 77% of respondents indicated that total gross dollar **sales** have been increasing over the past 3 years. Looking to the future, 54% of respondents felt that current sales **projections** were expected to be higher than last year and 31% felt they would be about the same over the next 12 months. Related to income levels, approximately 30% (4) of respondents indicated that last years sales were under $100K, 39% (5) sales ranged from $100K - $500K and 23% (3) were $500K - $1M. Only one business indicated annual sales greater than $1M.

Markets for the respondents were wide and varied as a majority of businesses indicated they get most of their customers from either: other parts of the province, Atlantic Canada, the rest of Canada, the US.

Exporting for the BR&E interview is defined as selling to tourists from outside of the province of Newfoundland and Labrador. Only three respondents indicated they get 40%-79% of customers locally while the equivalent said from international markets. However, approximately 54% of respondents indicated they have a product or service that could be exported. 44% of the operators indicated they were **exporting** or preparing to export. Another 22% of respondents indicated not interested in exporting and another 11% are no longer exporting. Interestingly, 52% indicated they do not know whether they are exporting or had no response. Lastly, 62% of respondents said they wanted to learn more about exporting.

Most respondents appear attentive to the industry and customer needs. Nearly 70% of respondents indicated they do receive market trend information for their industry and a variety of methods are used to identify customer needs. These include customer comments (including cards and informal), customer complaints, trade publications and general internet web searches most prominently.

A **Unique Selling Proposition** (USP) is an aspect of a product or service that differentiates it from similar products or services. 77% of operators indicated they could identify their USP with their location and excellent customer service being most cited. Nearly 54% of respondents said they needed to expand their product line and 39% said maintain current level. Only one felt a need to decrease their product line.

Competitive advantage is a business's strength(s) relative to your competition. Over 85% of respondents indicated that *customer service* was their main competitive advantage, while more than 77% felt that *location* was key to their business success. A *variety* of services being offered was felt to be a main advantage to nearly 62% of the respondents while 46% felt that *branding* was a main competitive advantage.

With regard to how businesses **promote** themselves, word-of-mouth was the greatest response at 92%, while a website, business cards and flyers was next at 85% each. E-mail and trade shows were 69% each. Other tactics used include sponsorships, periodicals, point of sale, radio and TV advertising being the least.

As would be expected for this industry, the most common business **distribution** method for these operators is done Direct to Consumer (85%). Other methods used were roughly even across all categories at approximately 39% each. This included Third Party Agent/Broker, Partnerships, Distributorship, and Retailers.

Tourism businesses often engage in group **packaging** between operators as a means collaboratively to promote each other. 61% felt there were some packaging issues. Some issues identified included: being inexperienced, i.e. their first time; want to do more; determining pricing; not having HR resources internally to coordinate, and want more information and help.

67% offered an informal **warranty or guarantee** with their product offering.

With regard to **pricing**, the operators are primarily establishing their pricing structure using a two pricing strategies with 69% of responses indicating pricing <u>at market rates</u> or a <u>cost-plus (margin)</u> approach at 77%. Two operators are using premium pricing (above market).

A number of issues were identified under marketing and sales. Nearly 70% indicated that they do not currently have a **marketing plan**. That being the case, 85% did indicate the number of customers they have an issue. Only 31% of the businesses conduct regular **competitive**

analysis. Approximately 62% of respondents do not have a **branding** strategy for their business and nearly 85% indicated they do not feel they have any **intellectual property** (**IP**) for their venture.

- *Opportunity to explore further with all tourism industry operators to gauge interest in training in general or assistance related to planning such as marketing and business plans, succession plans and human resource planning.*
- *In an effort to expand customer markets, there may be an opportunity to provide more information on tradeshows and best practices. This could involve Destination Labrador, Hospitality Newfoundland and Labrador, Department of Tourism, Culture and Recreation, and IBRD.*

Operations

Business operations include all processes that business undertake in order to get its' products/services into the hands of its customers. With regard to effective and efficient operations, 69% of the respondents indicated they do not have some sort of **quality management program** in place, and 73% of respondents indicated they did not have a **productivity improvement program**. Considering the nature of the business sector, this may not be unusual.

In terms of major **operational challenges**, computer software and website development was an area with a majority of businesses (80% and 67% respectively) expressing a concern. Other areas identified include Transportation (i.e. ferry & air) at 75% while softer operational issues such as R&D, Purchasing, and Risk Management had response rates of 71%, 67% and 60% respectively. Half of the businesses felt that inventory management and energy use are major issues. Some comments captured for this question included: would like to be closer or on a highway; paying a lot of money for phone system; Internet too slow; need a computerized booking system.

For many businesses, energy costs can be significant. In terms of **energy** concerns, 33% of the respondents have had an energy audit, and 90% of them plan to take measures to reduce energy costs.

The **compliance** with federal, provincial, municipal and other various organizations (i.e. CRA, WHSCC) does not appear to be an issue for the tourism operators who responded. However, the participation of respondents with Workplace Health, Safety and Compensation Commission's programs such as *Early and Safe Return to Work* or *Prime*, seem low with with participation rates of 15% and 31% respectively. 39% indicated they did not participate in any WHSCC programs.

- *Discussions are currently underway between HNL, TCR and IBRD on how lean principles can be applied to the provincial tourism industry.*
- *Approach NL Hydro to provide information sessions and programming materials to all tourism businesses on energy assessment on rebate program.*
- *Opportunity to work with WHSCC to provide information sessions with tourism operator on programs.*

Current Location

A business's physical facility and location can be critically important factors, all of which impact on marketing and operational issues. This is especially true for tourism based businesses. Just over 90% of respondents said they own their facility. When asked to identify **facility limitations**, the highest response was *energy consumption* at 67%. The next limitations identified were *inadequate land for* development (50%) and their *building* condition (40%). Other slight limitations include *property tax* (38%) *geographic location* (33%), *and parking* (30%) according to responses. There was a response rate of approximately 20% each for other minor issues such as *facility size*, *inadequate utilities*, and *inadequate services*.

Businesses were asked if they were experiencing any location issues or barriers that impact the productivity and/or competitiveness of their firm. The highest selected response was *signage* and *available warehousing* at 50% each. Other categories included *transportation costs* and *quality of life* at 44% each and *road quality* 38%. (Note: The responses on road quality may include views about roads in general throughout the region.) The responses that identify municipal issues specifically were relatively low. For example, *waste disposal* and *water/sewer capacity* had response rates of 25% each; *zoning regulations* 13%, and *municipal permits* at 13%.

As direct business issues, access to markets and access to suppliers (25% and 14% respectively) were noted. The category of other was checked at a rate of 50%. Some of the associated comments included: adequate accommodations in area, daily waste disposal, and would like more info on suppliers for goods. (*Note: Other comments have not been listed for risk of identifying the business.)*

- *The observations related to development of business and marketing plans in this report could assist in addressing some of these issues.*

Finance and Accounting

Monitoring and planning the **financial management** of any business is critical to any businesses success and is a skill many business owners have an issue with understanding and often rely on outside financial experts to provide that service. On average, a majority (75%) of respondents indicated they used financial reports, including balance sheets, income and cash flow statements, to assist in decision making. While nearly 70% of respondents do regular financial planning, 58% of the businesses engage the services of a professional to advise on tax planning. It is interesting that 58% of respondents conducted some form of research and development within their business.

When asked about the main **financial challenges** currently facing their ventures, the order of responses include: securing long-term financial capital (58%); preparing a proposal for funding (50%); managing cash flow (46%); securing a short-term line of credit (42%); determining working capital position (33%); liquidity 20%; and collecting receivables (18%). The last item is not surprising where tourism operations typically operate on immediate payment system verses a credit or account system. Some comments provided on challenges to accessing lending suggested that a security requirement was an issue or obtaining refinancing to pay off creditors.

- *Some* of these *issues such as accessing financing and proposal writing could be addressed in the following section* ***Future Plans*** *under development of a business plan.*

Human Resources and Management
The BR&E interview has a significant focus on the HR component of operating a business. Increasingly, human resource issues are facing business owners globally, as businesses and countries compete to attract employees and retain their current staff to meet their needs. With this in mind, 85% of operators responding indicated they do not have a human resources plan for their venture. Additionally, 54% do not have an employee incentive program, 62% do not have a HR policy manual and 62% do not have job descriptions for all positions. In terms of recruiting new employees, 50% of respondents have difficulty. Interestingly, only 25% have difficulty retaining current staff.

The number and type of **employees** varies greatly amongst operators. It should be noted a few respondents have no employees and there are a couple of hotel operators; therefore, with such a small sample size, both will skew the findings to some degree. The tourism industry makes a significant contribution to employment activity. The total number of employees for all companies was 146. The average number of full-time employees is four (4) with an approximate average of seven (7) employees each for all other categories such as part-time, seasonal and contract. Not surprisingly, nearly half of all employees are seasonal workers. This would be consistent with the nature of tourism operations**.**

As is usually the case with small businesses, most of the owners indicate they are actively engaged in the day to day operations. They wear many hats that range from directing operations, financial management, customer service, HR management and marketing. A few businesses are able to hire managers to run the operations on a daily basis.

One indicator of how a business is doing is its staffing levels. **Staffing** levels for these operators appears to be very positive with all operators indicating that staff levels have increased or remained consistent (69% and 31% respectively) in the **past** two years. They also expect the number of staff to increase or remain the same in the **next** two years.

Some businesses are reporting current staff **vacancies** across several vacancy levels. Though 33% of respondents have zero vacancies now, another 33% reported having 1 to 2 vacancies and another 33% have 3 to 5 vacancies. The vacancies are currently service related staff such as **cooks/kitchen staff, front desk, waitresses and housekeeping staff**.

It is interesting that 85% of the responding businesses anticipate vacancies in the **next** 3 years. However, 75% of businesses reported not having difficulty **retaining** employees. This may suggest a possible inconsistency. However, based on some discussions made during the interview, some clients indicated several anticipated vacancies will be new positions. In a few instances, it seems some turn-over is considered normal and not considered a difficulty. With regard to **recruiting** new employees, half responded they had difficulty attracting new staff. Of all the businesses expecting vacancies, 43% of respondents feel they will have 2-3 vacancies and 42% expect 5-7 vacancies in the next 3 years. The types of vacancies anticipated are largely the same as what is currently reported above. Other positions identified include **night security, inventory, guides and person to answer phones**.

From the list of techniques for recruiting, "word of mouth" was the most popular of businesses at 85% responses, while 62% use an employment agency, and 31% use the internet. Other techniques included government, newspaper advertising and radio with 23% responses each.

Employee and management **training** is critically important for a business to be competitive and productive. 75% of respondents felt their management and employees required training. Some areas mentioned for training included local tourism information, first aid, and courses offered by Hospitality Newfoundland and Labrador (HNL). All of the tourism operators indicated they would consider using trainees and/or apprentices.

The operators were asked how they determine training needs for the organization. The most common responses were: management makes the training decisions at 69%, while 46% of operators indicate their training needs are based on mandatory requirements. Another 23% indicate training needs are determined through employees' requests. Performance review was the lowest method used at 15%.

Workplace Essential Skills (WES) provides the foundation for all other skills and enables employees to perform and excel in their positions. When asked if employers **assess** their employees in the area of WES, 67% of respondents indicated they do not assess skills such as reading text, writing skills, and computer skills. 50% do not assess mathematical. Continuous learning and thinking skills scored only 38% and 33% responses respectively. Oral communications and working with others scored 9% and zero per cent respectively. Note: *Because of employees' sensitivities, operators express difficulty in assessing <u>formally</u> their staff's competencies in reading, writing, and math skills. Many indicated they are assessing but are doing so in <u>informal</u> ways such as observations made during the hiring process and/or on-the-job.*

Employers were asked if workplace essential skills negatively **impact** their business competitiveness. Overall, WES was not considered an issue. For most of the nine skill categories listed, 80%-100% indicated these skills did not negatively impact their competiveness. The exceptions were oral communications and working with others where 36% and 18% respectively indicated they were an issue.

- *Explore opportunities to share workers, especially ones that are identified as skilled part-time workers, (ex. Cooks) and conduct information sessions with tourism operators on process of pursuing foreign workers as an option and trainees.*
- *Though the findings in this report give an indication of some operator's staff vacancy needs, there is an opportunity to conduct further research with more companies specifically on what their current and future labour needs.*
- *HNL is currently involved in a study examining the impact of workplace essential skills. The finding of that study should be considered as well for identification of opportunities and resources.*

Future Plans
Planning can provide the tools to assist in decision making of where you want the business to go and how you will get there. In this context, it is interesting that **half** of respondents indicated they <u>do not</u> have a current business plan or a current succession (ownership) plan to help guide their business or to assist in decision making. Keep in mind that nearly 78% of the businesses who participated have been in business for longer than 5 years, and that 46% are greater than 10 years.

When speaking of succession planning many think in terms of transfer of the business ownership. There is another aspect related to employee succession, i.e. the filling of key positions and/or the transfer of knowledge within an organization existing employees. 92% of respondents indicated they <u>do not</u> have an employee succession plan.

Despite half of the businesses not having a business plan, 39% of respondents said they do plan on expanding in their current business location, over the next 3 years, while 46% indicate they plan on staying the same. The nature of these expansion plans include responses of: market expansion and addition of services at 39% each; and increase staff, equipment/technology, additional product lines and increasing floor space had recorded responses rates of 31% each.

With regard to **expansion**, 75% of respondents indicated they were experiencing challenges. Some issues identified included: competition, soft tourism market, booking transportation, acquiring ownership of land, a need to invest strategically with best information available and the most common response was access to financing and marketing expertise. When asked what **assistance** could help overcome those challenges, individual responses included: information or training on business planning, floor planning, financial services, marketing and investment advice and information, knowledge of what resources IBRD could provide.

As mentioned, 46% of respondents indicated they plan on **staying the same** over the next three years. When asked what challenges will result in those staying the same, a sample of individual responses included: having adequate staff, access to capital, transportation issues, not enough to accommodation capacity in peak season, have plans to conduct retrofits to bring up occupancy levels, getting most from employees, being more efficient, reviewing and changing menus, and Mealy Mountain Park needs to happen. Businesses were also asked what **assistance** could help address those challenges. Responses typically focused on financial and marketing issues such as: financial assistance with repairs; secure long-term land lease; assistance with marketing and pricing; and need working capital.

Collaboration and partnerships can be an effective way to grow your business. The operators indicated that the most popular forms of collaboration would be around joint staff training (85%) and cooperative marketing (77%). The following received in equal response rate of 46%: association memberships, group purchasing and staff sharing. Other areas for collaboration included: product and service distribution (39%), joint tendering (31%) and lastly equipment sharing (23%). Related to collaboration and sharing, 91% of the businesses expressed an interest in receiving mentoring.

- *As discussed above under Marketing & Sales, opportunities to encourage and educate business owners on development of business plans for strategic planning and accessing financing.*
- *Work with AES and IBRD to create awareness of new succession planning tool with tourism operators in Labrador.*
- *Opportunity for multiple stakeholders such as Destination Labrador, Hospitality Newfoundland & Labrador, Department of Tourism, Culture and Recreation, and IBRD to discuss how formal or informal business networks could be developed, allowing businesses to work together for mutual benefit.*
- *Opportunity to explore with DMO's and HNL for current and retired members of tourism organizations to provide mentoring services.*

Concluding Remarks

The businesses were given an opportunity to provide any final comments. Most of those comments reiterated the issues or comments already expressed during the interview. Some other comments about the process in general included:

- Interested in seeing or knowing more about what IBRD has to offer for programs and services (1 response)
- Interview touched on everything (1 response)
- Issues being encountered: length of season; land lease; transportation (1 response)
- Need for mentor/consultant (1 response)
- Staffing could be an issue (1 response)
- Want to partner with other hospitality operations to access training for staff (1 response)
- Will be expanding product offering (1 response)

OBSERVATIONS ON FINDINGS

As mentioned previously, thirteen respondents is too small a sample size to make any statistical inferences in relation to the entire tourism industry in the region. However, the information collected in this report can provide valuable understanding of some common issues and how to more strategically explore additional research by government and/or of other industry stakeholders to best advance the interests and development of the tourism industry, either provincially or regionally. It is within this context the following observations are made.

General Business Information

Nine of the 13 businesses interviewed indicated having aboriginal status. This status enables the companies to avail of specific programming such the **Aboriginal Business Development Program (ABDP) -** http://www.aadnc-aandc.gc.ca/eng/1375201178602/1375202816581 or the **Nunacor Business Centre** - http://www.nunacor.com/home/business_centre.htm both of which provide support for business development.

1.0 Through the ABDP, businesses can receive business support services related to business, market and financial planning, training and mentoring services, all of which have been identified as priority areas by most of the participating businesses. *There may be an opportunity to gain additional information by asking businesses of their current knowledge and uptake of all aboriginal programs and services.*

2.0 Ten of the 13 businesses interviewed have been in business 5 or more years. Most have experienced growth in the last three years and expect this to continue next year. These businesses have substantial experience and have indicated an interested in maintaining or expanding their businesses over the next three year period. These owners could benefit from other experienced business owners who could offer valuable insight and knowledge either in a one-on-one mentoring approach or in a group setting. There could be an *opportunities to explore industry based mentoring through a formal establishment of mentoring services with industry associations. This is discussed further under Future Plans #16.*

Marketing and Sales

3.0 As other recent BR&E studies have shown, most businesses lack a business and market plans. This is noteworthy when approximately most of the businesses indicated they plan on expanding or staying the same over the next three years. *Opportunities could be explored with all tourism industry operators to gauge interest in training or assistance related to all forms of business planning such as business and marketing plans, succession plans and human resource planning.*

4.0 *Further inquiries can be made to businesses on their training needs such as scope and format of training assistance.* It should be noted, that training and development of marketing plans would also specifically address any possible issues related to understanding competitive advantage, customer base, branding and having effective promotion and pricing strategies. Once it is determined what businesses' training needs are, existing information and educational services can be reviewed to assess opportunities and gaps in training.

5.0 It is difficult to draw conclusion on the figures obtained related to exporting. This is a case where respondents may have answered more than one category, and determining whether they clearly understood exporting in the context of the tourism industry. Interestingly, only 3 respondents indicated they obtain 40%-79% of customers are from international markets, i.e. outside of Canada while 62% of respondents said they wanted to learn more about exporting. Anecdotally, some business owners spoke of a softening of tourism numbers and may be looking at opportunities to expand their customer base. Some specifically asked about obtaining more information on trade shows and how and when they can be attended*. There may be an opportunity to provide more awareness on tradeshows and best practices that could involve Destination Labrador, Department of Tourism, Culture and Recreation, and IBRD.*

Operations

6.0 Most of the businesses indicated they do not have quality management or productivity improvement programs. With the tourism industry being service based, this is not unusual. However, the application of lean strategies is being adapted to cover all industries. *Discussions are currently underway between HNL, TCR and IBRD on how lean principles can be applied to the provincial tourism industry. Any outcomes from these discussions will be shared.*

7.0 Many businesses discussed issues related to computer software and website development as part of operational challenges. Specifically, a number of operators indicated the need for online registration systems. There are resources available through HNL to address some of these issues. Energy usage was identified as an issue by some with 11 respondents indicating they plan in taking measures to reduce energy costs. Discussions have been had with an Energy Efficient Analyst with NL Hydro which has new programming that includes providing assessments for businesses and the potential for rebates on energy retrofits. *There could be an opportunity to approach NL Hydro to provide information sessions and programming materials to all tourism businesses. (Note: HNL is currently partnering with NL Power to present a webinar on their New Ways to TakeCHARGE of your Business program.) In addition, regional IBRD staff is available to speak with businesses to explore other informational and financial options.*

8.0 While most operations indicated they were in compliance with all regulatory agencies, 5 operators indicated they were not accessing any WHSCC programs such as *PRIME* or *Early and Safe Return to Work* programs. *There may be an opportunity to work with WHSCC to provide information sessions with tourism operators.*

Current Location

9.0 A number of current facility limitations were identified ranging from energy consumption, building condition, geographical location, etc. Any resolution of these issues should be completed in the context of holistic business review that would start with business plan that would consider all aspects such as operations, marketing, human resources and financial considerations. There were some issues or barriers that impact the productivity and/or competitiveness such as signage, available warehousing and quality of life. Transportation issues were raised such as road quality, difficulty getting a ferry reservation during peak season and cost of transporting good in. These are issues that are not new but may require further public consultation. Some issues identified included access to markets and suppliers. Some of t*hese issues can be considered and addressed in the section* ***Future Plans*** *below under business collaboration options.*

Finance and Accounting

10.0 Many of the businesses indicated a good knowledge of financial management. When asked what were the most prevalent financial challenges currently being faced the most common responses centered on securing long-term financial capital, preparing proposals for funding, managing cash flow and securing short-term line of credit. The access to capital and good planning are largely a function of having a sound business and marketing plan when approaching lenders. *The observations related to development of business and marketing plans in this report could help address these issues.*

Human Resources and Management

11.0 It was noted that all business indicated that their staff levels have increased or remained consistent in the past two years and anticipate levels to increase or remain the same in the **next** two years. However, recruitment and retention of employees appears to be a growing concern as demand increases and labour availability shrinks. As noted, 66% of the respondents indicated currently having 1-5 vacancies. In addition, 85% felt they will have 2-7 vacancies in the next three years. Many of the existing and anticipated vacancies are trained front line staff in both the accommodation and food beverage areas of tourism. During interviews, some owners expressed concerns about accessing seasonal or part-time or full-time workers because of decreasing available workers, part-time hours were not sufficient to meet the worker's needs and some did not want full-time positions. *Opportunities could be explored to share workers, especially ones that are identified as skilled part-time workers, ex. cooks. Anecdotally, availing of foreign workers was also discussed by some business operators to address staff vacancies. More information sessions could be shared with tourism operators on process of pursuing this option.*

Half responded they had difficulty attracting or r**ecruiting** new employees. Although 75% indicated they do not have difficulty **retaining** employees, the increasing demand and competitive labour pool will likely place pressures on businesses to keep their existing workers*. In this regard, there may be an opportunity for awareness or education in Human Resource Planning, especially where 85% of operators responding indicated they do not have a human resources plan. AES & IBRD could be engaged to assist.* As well, 62% do not have a HR policy manual, 62% do not have job descriptions for all positions and 54% do not have an employee incentive program. The development of a Human Resource plan would help address retention and attraction issues as well as make businesses think long-term in their business planning. See http://www.nlhrmanager.ca/ for more information.

12. 75% of respondents felt their management and employees required training. Some areas mentioned for training included local tourism information, first aid, and courses offered by HNL. *Though this gives an indication of some operator's needs, there is an opportunity to conduct further research with more companies specifically on their current and future labour needs.* Skills development for the region can be planned around the findings.

Future Plans

13. Despite half of the business not having a business plan, 39% of respondents said they do plan on expanding in their current business location, over the next 3 years, while 46%

indicate they plan on staying the same. *As discussed above under Marketing & Sales, opportunities to encourage and educate business owners to develop business plans.* This process could greatly increase the businesses competitiveness and sustainability. The development of a sound business plan could help address planned expansion issues that were identified related to operational issues such as staffing and new equipment, market development, and access financing.

14. Nearly half of the businesses responded they were more than ten years in operation, yet approximately 90% indicated having no succession plan. This topic is increasingly becoming a critical issue as business owners need to plan an exit strategy for themselves. (Note: HNL recently held a webinar on succession planning on November 20, 2013.) This is important not only for the owner's but is important for the employees, the tourism industry and the communities that will rely on the continuation of those operations for maintaining and advancing economic development. The Department of Advanced Skills and Education (AES) is developing free online training modules to assist business owners plan and develop all aspects of a succession plan. *With these resources scheduled to be in place by December 2013, there may be an opportunity to work with AES and IBRD to create awareness of this tool with tourism industry in Labrador. Visit* http://www.aes.gov.nl.ca/empservices/default.html#online to see other online workshops offered by AES to address Human Resource issues.

15. Many of the respondents indicated interest in collaborating with other business to jointly address common issues. Some areas that had the greatest interest for collaboration included joint staff training and cooperative marketing. Other areas identified included association memberships, group purchasing and staff sharing. *There may be an opportunity for multiple stakeholders such as Destination Labrador, Hospitality Newfoundland & Labrador, Department of Tourism, Culture and Recreation, and IBRD to discuss how formal/informal business networks or a cooperative model could be developed, allowing businesses to work together for their mutual benefit.*

16 Related to the idea of collaboration, approximately 90% of respondents expressed an interest in receiving mentoring. Though this a topic often discussed, there are few resources available to meet the needs of businesses. Some of the resources now available include:

- ***Newfoundland and Labrador Organization of Women Entrepreneurs* (NLOWE):** http://www.nlowe.org/Default.aspx?pageId=646001
- ***The Entrepreneurs' Forum NL*:** http://www.entrepreneursforum.com/
- The Canadian Council for Aboriginal Business offers an **Aboriginal Business Mentorship Program (ABMP):** https://www.ccab.com/aboriginal_business_mentorship_program

Another opportunity that could be explored is the current and retired members of tourism organizations such as the DMO's and HNL. The may be a natural fit with all parties having an invested interest to advance the tourism industry with a sharing of critical knowledge and insight of the industry. The Department of Tourism, Culture and Recreation and IBRD could provide input into developing a mentoring system.

APPENDIX A

Call for Interest – Labrador Tourism BR&E Project

- Are you a tourism operator interested in growing your business but not sure where to begin?

- Do you want to increase your profits but you're not sure where to invest resources for the biggest return?

- Are you interested in becoming more competitive but need professional guidance?

- Would you like to increase the marketability of your tourism product but are unsure of your market/product match?

If you answered 'yes' to any of these questions, you need to read on about how a new initiative can help you get beyond these questions and help you achieve your business goals!

The Labrador Tourism Region BR&E Project

Destination Labrador and the Department of Innovation, Business and Rural Development (IBRD) are partnering to offer ten (10) tourism operators in Labrador an opportunity to participate in a business initiative aimed at improving their competitiveness and growth.

The initiative will provide business development resources and supports to tourism operators through a:

Business Retention and Expansion Diagnostic
Operators will work one-on-one with an IBRD Economic Development Officer (EDO) to look holistically at their business operations and uncover those issues that may limit future plans and overall growth and success.

Tourism operators will receive:

- One-on-one, on-site consultation sessions with the EDO regarding marketing and sales, operations, finance and accounting, human resources and management and future plans.
- A report provided by the EDO including a prioritized action plan, developed with the operator.
- Follow up care, if required, by the EDO to provide the operator the opportunity to share ideas or feedback.

NOTE:
Upon project completion and analysis of data from the participant cluster, Destination Labrador will determine if a follow-up program to address collective concerns is warranted. Participants in this BR&E project will have first choice to participate in any follow-up projects.

Project Eligibility

The Labrador Tourism BR&E project is ready to proceed and is currently registering interest from tourism operators in Labrador.

Ten (10) tourism operators will be selected on a first come-first served basis showing interest and meeting the defined selection criteria as outlined below. Please note that the Selection Committee reserves the right to ensure equal representation of business types and geographical location.

Selection Criteria for Tourism Operators

Interested operators will submit the attached application form and demonstrate that they meet the project selection criteria as outlined below.

Operator must:

- Be a provincially licensed, Labrador-based tourism operation
- Be open for operations at least 90 consecutive days a year.
- Meet all provincial regulatory requirements.
- Have liability insurance and follow safety procedures and policies.
- Be accessible year-round through the following communication tools: phone, e-mail, website, and/or fax.
- Be engaged in marketing their product or service.

Project Timelines

Space is limited for this project - only 10 existing tourism operators will be accepted. Preferential acceptance will be given to past Destination Labrador Marketing partners from 2011-2013. The anticipated project timeline will be April 2013 running through until June 2013.

By participating in this exciting business initiative, operators will be equipped with the knowledge, tools and guidance they need to achieve their organizational goals. This project is offered at *no cost* to operators. Any follow-up projects will require a partnership fee (TBD based on project cost) but participation will be optional.

For more information on eligibility and other program details, please contact Keith Small, Business Development Manager, Destination Labrador at keith@destinationlabrador.com or (709) 896-6507.

Apply now! You will be provided with real solutions to your specific business concerns.

APPENDIX B

RESEARCH FINDINGS

NOTE: Not all responses to questions total 100%. This may be due to not every business answered all questions. In some cases rounding of figures or multiple answers to the same question will show a discrepancy. The figures presented are based on the valid responses to any given questions. In some cases, companies did not answer all questions for various reasons such chose not to or was deemed inapplicable.

GENERAL BUSINESS INFORMATION

The first section of the interview covers background information on the business and its products and services.

1. In what year did your business begin operations in Newfoundland and Labrador?

Summary of answers show businesses:

Less than 1 year old	*0%*
2- 4 years old	*22%*
5-10 years old	*32%*
More than 10 years old	*46%*

2. What is the legal form of your organization?

Corporation	*58%*
Sole Proprietorship	*33%*
Partnership	*8%*

3. What do you consider the primary industry sector for your business?

Tourism	*100%*

4. What are the main products and/or services provided by your business?

Accommodations	*62%*
Tours/Packages	*54%*
Food & Beverage	*39%*
Retail/Gift Shop	*15%*

5. Business owners in certain categories may be eligible for targeted programs and services. Do you fall within any of the following categories?

Aboriginal	*75%*
Women in Business	*25%*

MARKETING AND SALES

6. A marketing plan details the necessary actions to achieve one or more marketing objectives. Does your business have a current marketing plan?

Yes	*33%*
No	*67%*

7. Do you receive market information and/or trend information regarding your industry?

Yes	*69%*
No	*31%*

8. **Do you consider the number of customers you have an issue for your business?**

Yes	*85%*
No	*15%*

9. How do you identify your customers' needs?

Customer Surveys	*8%*
Comment Cards	*46%*
Customer Database	*23%*
Customer Complaints	*69%*
Sales Calls	*0%*
Informal Customer Comments	*80%*
Focus Groups	*15%*
Trade Publications	*46%*
Internet	*62%*
Marketing Publications	*15%*
Do NOT identify customer Needs	*0%*

10. Competitive analysis is an assessment of the strengths and weaknesses of current and potential competitors. Do you conduct regular competitive analysis?

Yes	*31%*
No	*69%*

Who are your main competitors? - *Because information collected for this question could identify specific businesses involved in the BR&E program, this information is not made public. The details are not provided to ensure confidentially.*

11. **Competitive advantage is your strength(s) relative to your competition. What is the competitive advantage of your business?**

Price	*23%*
Customer Service	*85%*
Branding	*46%*
Variety	*62%*
Efficiency	*15%*
Transportation Links	*39%*
Location	*77%*
Low carbon footprint	*23%*
Other	*0%*

12. **Do you need to expand, decrease or maintain your business product line?**

Expand	*54%*
Maintain	*39%*
Do not know	*8%*

13. **A unique selling proposition is an aspect of a product or service that differentiates it from similar products or services. Can you describe the unique selling proposition(s) of your product(s) or service(s)?**

Yes	*77% (Most common responses related to location and service.)*
No response	*23%*

14. **Is there a warranty or guarantee associated with your product(s) and/or service(s)?**

Yes	*67% (Mainly informal, attempt to resolve issue.)*
No	*33%*
No Response	*0%*

15. **A brand strategy creates a solid brand identity for your company which will differentiate you from the competition. Do you have a brand strategy?**

Yes	*38%*
No	*62%*

16. **Intellectual property includes trademarks, patents and copyrights. Does your business have any intellectual property registered?**

No	*85%*
Yes	*15%*

17. How do you set the price for your product(s) and/or service(s)?

Above Market	*15%*
Below Market	*8%*
At Market	*69%*
Margin	*77%*
Would like more Info	*8%*
Other	*0%*

18. Do you have any packaging-related issues?

Yes	*61%*
No	*31%*
Would like more info	*8%*

19. How do you promote your product(s) and/or service(s)?

Periodical Ads	*46%*
Radio Ads	*23%*
TV ads	*8%*
Website	*85%*
Flyers	*85%*
Trade shows	*69%*
Sponsorship	*15%*
Word of Mouth	*92%*
Email	*69%*
Point of Sale	*15%*
Business Cards	*85%*
More information	*15%*
Other	*8%*

20. How do you distribute your product(s) and/or service(s)?

Direct to customer	*85%*
Third-party	*39%*
Partnership	*46%*
Distributor	*39%*
Retailers	*31%*

21. During the past 3 years, what has been your total gross dollar sales trend?

Increasing	*77%*
Decreasing	*23%*

22. What were your gross sales last year?

$0-$29,000	*15%*
$30,000-$99,999	*15%*
$100,000-$499,999	*39%*
$500,000-$999,999	*23%*
$1,000,000-$4,999,999	*8%*

23. What are your sales projections for the current fiscal year as compared to last year?

Higher	*54%*
About the same	*31%*
Lower	*8%*
Do not know	*8%*

24. Please indicate the approximate percentage of your business' total current sales in each of the following markets: *Number of responding companies by market category.*

	Percentage of total sales					
Markets	**0-19%**	**20-39%**	**40-59%**	**60-79%**	**80-100%**	**No Response**
Within the Community	4	1	1	2	-	5
Within the Province	5	4	-	1	-	3
Within Atlantic Canada	5	3	-	2	-	3
Rest of Canada	6	3	-	1	-	3
Within United States	5	3	-	-	-	5
Within Other Countries	5	1	1	2	-	4

25. Exporting is defined as sending or transporting a product or service to another country or province for trade or sale. Which of the following best describes your current exporting status?

Currently exporting	*33%*
Preparing to export	*11%*
Not interested in exporting	*22%*
No longer exporting	*11%*
Do not know	*22%*
No Response	*31%*

26. If applicable, can you describe any export-related issues you have had or are currently experiencing?

- *No response* *(11)*
- *No issues to date* *(1 response)*
- *People who sell packages* *(1 response)*

27. Does your company have a product or service that could be exported?

Yes	*54%*
No	*46%*

28. Are you interested in learning more about exporting or growing your existing export markets?

Yes	*62%*
No	*38%*

OPERATIONS

29. Quality management programs ensure that all the activities necessary to design, develop and implement a product or service are effective and efficient. Do you have a quality management programs?

Yes	*31%*
No	*69%*

30. Do you have any productivity improvement program(s) in your business?

Yes	*9%*
No	*73%*
Do not know	*18%*

31. Do you currently face major operational challenges with any of the following?

Inventory Management	Yes	50%	No	50%
Purchasing	Yes	67%	No	33%
Workplace health	Yes	40%	No	60%
Overtime	No	31%	No Response	69%
Research/development	Yes	71%	No	29%
Tech. Improvements	Yes	50%	No	50%
Computer software	Yes	80%	No	20%
Website development	Yes	67%	No	33%
Electronic commerce	Yes	40%	No	60%
Transportation	Yes	75%	No	25%
Production	Yes	0%	No	100%
Plant layout efficiencies	Yes	0%	No	100%
Energy use	Yes	50%	No	50%
Branch sales office			No	100%

Franchise Issues			No	100%
Risk Management	Yes	60%	No	40%
Other	Yes	50%	No	50%

Comments:

- Would like to be on a highway
- Paying a lot of money for phone system
- Internet too slow
- Need computerized booking system

32. Have you completed an energy audit for your business?

Yes	*33%*
No	*58%*
Do not know	*8%*

33. Do you plan to take measures to reduce energy costs for your business?

Yes	*92%*
No	*8%*

34. Does your organization participate in any of the following Workplace Health, Safety and Compensation Commission programs?

Early and Safe Return to Work	*Yes 15%*	*No Response 85%*
PRIME	*Yes 31%*	*No Response 69%*
None	*Yes 39%*	*No Response 62%*
Do not know	*Yes 8%*	*No Response 92%*
Other	*Yes 8%*	*No Response 92%*

35. Eligibility for funding requires good standing with various organizations. Is your business in compliance with the following?

Workplace compensation	*92%*
Federal/Provincial permits/regulation	*92%*
Municipal permits/regulations	*92%*
Revenue Canada	*91%*
Other	*15%*

CURRENT LOCATION

36. Does your business own or lease the facility?

Own	*91%*
Lease	*9%*

37. Do you anticipate any problems renewing the lease?

No	*8%*
No Response	*92%*

38. Which, if any, limitations exist with your current facility?

Size	*Yes*	*20%*
	No	*80%*
Inadequate Utilities	*Yes*	*22%*
	No	*78%*
Energy Consumption	*Yes*	*67%*
	No	*33%*
Property Taxation	*Yes*	*38%*
	No	*63%*
Geographic Location	*Yes*	*33%*
	No	*67%*
Bldg. Condition	*Yes*	*40%*
	No	*60%*
Inadequate Services	*Yes*	*22%*
	No	*78%*
Parking	*Yes*	*30%*
	No	*70%*
Inadequate Land	*Yes*	*50%*
	No	*50%*

39. Is your organization experiencing any location issues or barriers that impact the productivity and/or competitiveness of your firm?

Zoning Regulations	*Yes*	*13%*
	No	*88%*
Municipal Permits	*Yes*	*13%*
	No	*88%*
Water/Sewer Capacity	*Yes*	*25%*
	No	*75%*
Road Quality	*Yes*	*38%*
	No	*63%*
Transportation Costs	*Yes*	*44%*
	No	*56%*
Quality of Life	*Yes*	*44%*
	No	*56%*
Signage	*Yes*	*50%*
	No	*50%*
Access to Markets	*Yes*	*25%*
	No	*75%*
Access to Suppliers	*Yes*	*14%*
	No	*86%*
Availability of Warehousing	*Yes*	*50%*
	No	*50%*
Waste Disposal	*Yes*	*25%*
	No	*75%*
Other	*Yes*	*50%*
	No	*50%*

Comments:

- Comment omitted to ensure confidentiality of client
- Adequate accommodations area
- Daily waste disposal
- Would like more info on suppliers for goods

FINANCE AND ACCOUNTING

40. Which of the following financial reports do you use to assist in making business decisions?

Balance Sheet	*Yes*	*62%*
Income Statement	*Yes*	*77%*
Cash Flow	*Yes*	*85%*
None	*Yes*	*15%*

41. Do you conduct regular financial planning for your business?

Yes	*69%*
No	*31%*

42. Do you receive professional advice regarding tax planning for your business?

Yes	*58%*
No	*42%*

43. Do you conduct regular research and development within your business?

Yes	*58%*
No	*42%*

44. Do you currently face challenges with any of the following?

Determining working capital position	*Yes*	*33%*
Managing cash flow	*Yes*	*46%*
Liquidity	*Yes*	*20%*
Collecting receivables	*Yes*	*18%*
Preparing proposal for funding	*Yes*	*50%*
Securing short-term line of credit	*Yes*	*42%*
Securing long-term financial capital	*Yes*	*58%*
Other	*Yes*	*33%*

HUMAN RESOURCES AND MANAGEMENT

45. A human resources plan contains information regarding strategies, plans and programs required to attract, motivate, develop, reward and retain the best people to meet organizational goals and objectives. Does your business have a human resources plan?

Yes	*15%*
No	*85%*

46. How many employees fall into each of the following categories?

	Full-time	Part-Time	Seasonal	Contract	Total
Sub -Total	*34*	*18*	*67*	*27*	*146*
Avg.	*4*	*6*	*7*	*7*	
% of Total	*23%*	*12%*	*46%*	*18%*	

47. Please briefly describe the role of each business owner?

Because information collected for this question could identify specific businesses involved in the BR&E program, this information is not made public. The details are not provided to ensure confidentially.

48. Please briefly describe the role of the key management team

Because information collected for this question could identify specific businesses involved in the BR&E program, this information is not made public. The details are not provided to ensure confidentially.

49. How did the number of staff change, if at all, in the past two years?

Increase	*69%*
Remain the Same	*31%*

50. How do you expect the number of staff to change, if at all, in the next two years?

Increase	*39%*
Remain same	*61%*

51. How many vacant positions are there at your current location?

Zero	*33%*
One	*22%*
Two	*11%*
Three	*22%*
Five	*11%*

Please list any vacant positions.

- *2 full time* (1 response)
- *Cooks/kitchen staff* (1 response)
- *Front desk position* (1 response)
- *Front desk receptionist; chamber maid* (1 response)
- *Needs another waitress* (1 response)

52. How many vacant positions or new positions do you anticipate at your current location in the next three (3) years?

Zero	*14%*
Two	*29%*
Three	*14%*
Five	*14%*
Six	*14%*
Seven	*14%*

Please list any jobs for which you anticipate vacancies or new positions.

- *As transportation improves, Labrador gets busier* (1 response)
- *Cooks/kitchen staff* (1 response)
- *Don't anticipate a lot of vacant positions* (1 response)
- *Expecting to triple staff to 12* (1 response)
- *Kitchen, wait staff* (1 response)
- *Night security: stock coolers, answer phones*
- *Rotate a guide* (1 response)

53. Overall, does your business have difficulty recruiting new employees? If Yes, for which positions?

Yes	*50%*
No	*50%*

54. How do you recruit new employees?

Newspaper ad	*23%*
Radio	*23%*
Word of Mouth	*85%*
Personal	*23%*
Employment Agency	*62%*
Career Fairs	*8%*
Internet	*31%*
Government	*23%*

55. Overall, does your business have difficulty retaining employees? If Yes, for which positions?

Yes	*25%*
No	*75%*

56. How are employee and/or management training needs determined in your business?

Employee Survey	*0%*
Mandatory Requirements	*46%*
Employee requests	*23%*
Management decision	*69%*
Performance reviews	*15%*
Do Not Know	*0%*
Would like to know more	*8%*

57. Do your employees and/or management require training?

Yes	*75%*

If Yes, specify which areas (responses recorded).

- Always need for future training (1 response)
- HNL; first aid (1 response)
- Not at this point (1 response)
- Staff needs to be more informed about local area (1 response)

58. Would you consider using trainees and/or apprentices?

Yes	*100%*

59. Do you currently have an employee incentive program?

Yes	*46%*
No	*54%*

60. Do you have human resource policy manual for employees?

Yes	*38%*
No	*62%*

61. Do you currently have job descriptions for all positions?

No	*38%*
Yes	*62%*

62. Workplace essential skills provide the foundation for learning all other skills and enable people to evolve with their jobs and adapt to workplace change. Do you currently assess the following workplace skills of your employees?

Reading Text	*Yes*	*33%*
	No	*67%*
Document Use	*Yes*	*17%*
	No	*83%*
Math Skills	*Yes*	*50%*
	No	*50%*
Writing	*Yes*	*33%*
	No	*67%*
Oral Communications	*Yes*	*91%*
	No	*9%*
Working with others	*Yes*	*100%*
	No	*0%*
Continuous Learning	*Yes*	*63%*
	No	*38%*
Thinking Skills	*Yes*	*67%*
	No	*33%*
Computer Skills	*Yes*	*33%*
	No	*67%*

63. Which, if any, of these workplace essential skills negatively impact the productivity and/or competitiveness of your firm?

Read Text	*Yes*	*0%*
	No	*100%*
Document Use	*Yes*	*0%*
	No	*100%*
Math Skills	*Yes*	*10%*
	No	*90%*
Writing	*Yes*	*0%*
	No	*100%*
Oral Communications	*Yes*	*36%*
	No	*64%*
Working with others	*Yes*	*18%*
	No	*82%*
Continuous Learning	*Yes*	*0%*
	No	*100%*
Thinking Skills	*Yes*	*20%*
	No	*80%*
Computer Skills	*Yes*	*10%*
	No	*90%*

FUTURE PLANS

64. A business plan is a formal statement of a set of business goals, the reasons why they are believed attainable, and the plan for reaching those goals. Does your business have a current business plan that is used to guide operations?

Yes	*50%*
No	*50%*

65. A succession plan includes the process of: (a) identifying and preparing employees to fill key positions within an organization before the positions are vacant and/or (b) planning for transfer of ownership. Does your business have a succession plan for:

(a) Employees	*Yes*	*8%*
	No	*92%*
***(b)* Ownership**	*Yes*	*42%*
	No	*50%*

66. Within the next three years, which of the following do you plan to do? (Red flags)

Expand in Current location	*Yes*	*39%*
Remain the same	*Yes*	*46%*
Downsize	*Yes*	*8%*
Relocate	*Yes*	*0%*
Close	Yes	0%

67. Why do you plan to downsize, relocate or close?

- Comment omitted to ensure confidentiality of client.

68. What assistance, if any could help prevent the downsizing, relocation or closure of your business?

- *No responses recorded*

69. What challenges, if any, will result in your business staying the same over the next three years?

- Adequate staff; transportation issues (1 response)
- Not enough to accommodate for peak season (1 response)
- Planning retrofits to bring up occupancy levels (1 response)

70. What assistance, if any, could help your business overcome challenges resulting in your business staying the <u>same</u> over the next three years?

- Financial assistance with repair (1 response)
- Long term lease (1 response)
- Marketing and pricing (1 response)
- Need working capital; there is opportunities for contractors in area (1 response)

71. If you plan on expanding your business, what is the nature of the expansion?

Increase floor space	*Yes*	*31%*
Additional services	*Yes*	*39%*
Market expansion	*Yes*	*39%*
Increase staff	*Yes*	*31%*
Additional product Line	*Yes*	*31%*
Invest in equip/technology	*Yes*	*31%*

72. Is your business currently experiencing challenges with expansion plans?

Yes	*75%*
No	*25%*

73. What assistance, if any, could help your business overcome challenges with its expansion plans?

- Business planning; floor planning
- Financial services
- Wanted to find out what resources IBRD have to offer his business

74. If you are interested in pursuing opportunities or addressing challenges in collaboration with other businesses, please indicate in which areas?

Cooperative marketing	*Yes*	*77%*
Product or service distribution	*Yes*	*39%*
Joint Staff training	*Yes*	*85%*
Staff sharing	*Yes*	*46%*
Joint tendering	*Yes*	*31%*
Group purchasing	*Yes*	*46%*
Equipment sharing	*Yes*	*23%*
Assoc. membership	*Yes*	*46%*

75. Mentoring involves receiving advice and guidance from experienced people involved in business or business development. Would you be interested in receiving mentoring?

Yes	*91%*
No	*9%*
Do Not Know	*0%*

CONCLUSION

76. Do you have any other comments? (Responses recorded)

- Interested in seeing what IBRD (1 response)
- Interview touched on everything (1 response)
- Length of season; land lease; transportation (1 response)
- Mentor/consultant (1 response)
- Staffing could be an issue (1 response)
- Want to partner with other hospitality operations to access training for staff (1 response)
- Will be expanding product (1 response)