

# Town of Drayton Valley and Brazeau County

Business Visitation Program

Final Report

August 4, 2011

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# 1 Executive Summary

The Town of Drayton Valley, Brazeau County and Village of Breton have initiated a Business Visitation Program with the goal of fostering the stability and growth of resident businesses. The project ran from March to June of 2011 and involved outreach to approximately 800 businesses across all sectors of the economy. Millier Dickinson Blais was retained to support data collection and to provide an in-depth analysis on the dynamics of the local business climate as interpreted through the business visitation survey results. This report presents a data summary and offers a series of themes and proposed actions which encourage the engagement of the community, government, and business organizations, to work in partnership for future development of the local economy.

In addition to the focus on local businesses, emphasis was placed on those that self-identified their operation as “home-based”. Both the Town and County have an interest in understanding the unique needs of this business type in an effort to inform programs and supports that may foster business growth beyond a home-based status.

Another key sector that has been closely examined is that of agriculture. A separate survey was issued to local farmers in Brazeau County. The data is presented as part of this broader business visitation report to reflect the direct but distinct role that farms play as a key contributor to the local economy.

Four key theme areas are identified in this report:

- **Stable and skilled workforce: as economies shift and the battle for talent is fuelled by aging populations, worker mobility, declining populations and smaller youth populations, communities must place significant emphasis on talent attraction, retention and development.**
- **Market Access: local market opportunities can be increased through market expansion both at the local level where supply chains can begin to draw from local suppliers, and more broadly in the export markets where new market opportunities exist.**
- **Communications and Outreach: access to information can be somewhat challenging, due in part, to the sheer magnitude of information available. Accurate dissemination and outreach to local businesses will serve to ensure information access and promote networking, relationship building and collaboration.**
- **Agriculture: This strong local sector offers unique and distinct economic contributions and requires a tailored approach to address specific business needs.**



Overall the survey responses indicate that the business community of Town of Drayton Valley, Brazeau County and Village of Breton is highly satisfied with the local business climate and community assets. Businesses appear to be steadfast and committed to strengthening local competitiveness.



## 2 Introduction

Brazeau County and the Town of Drayton Valley collectively recognize the importance of gaining a comprehensive understanding of the business make-up, labour force needs, and future retention and expansion plans of local companies. To that end, the economic development departments have undertaken a business visitation program. The Brazeau County Economic Development department has been incorporating business visitations into their work plan since 2006 having completed surveys in 2006 and 2009. The Town of Drayton Valley, through a collaborative partnership with Brazeau County, has used this time to conduct its first comprehensive business visitation survey.

Each municipality has been faced with the economic volatility accompanying the oil and gas industry in Alberta and seeks to understand the current position and future direction of these and other industries that make up the local business base. The Business Visitation Project (2011) supports the following broad objectives and goals and assists the municipalities to:

- gain a better understanding of the challenges and opportunities for local businesses in order to strengthen retention and expansion efforts;
- respond to industry and business needs;
- develop and strengthen relationships between local businesses and economic development offices;
- identify immediate individual business concerns, known as 'red flag' issues;
- improve communications between the County/Town and local businesses; and
- create a current listing of local businesses with contact information within the prescribed area

In addition, this report is meant to assist the municipalities in developing annual work plans and, as such synthesizes the data collected to develop an action plan with goals, resources and proposed partners. When implemented, these actions will improve the local business climate and assist in retaining and expanding existing businesses.

### 2.1 Town of Drayton Valley and Brazeau County

Brazeau County and the Town of Drayton Valley, located approximately 150km southwest of Edmonton, are separate municipalities with a history of cooperation and collaboration. Founded as an agricultural community, the discovery of the West Pembina oil field and the area's access to the Rocky/Clearwater as well as Whitecourt forests led to the development of strong forest products and oil and gas services sectors. However, with the downturn experienced in forestry in recent years and the loss of 130 jobs following the closure of the Weyerhaeuser oriented strand board mill in 2007, the Town of Drayton Valley launched the Bio-Mile. The Bio-Mile project targets economic diversification by



attracting businesses in the bio-economy. Focus is on businesses that would be attracted by the access to wood and agricultural crop fibre for a bio-refinery to produce energy and manufacture construction products.

## 2.2 Business Visitation Program

A Business Visitation Program is a fundamental element of what is commonly known as a Business Retention and Expansion (BR+E) program. Used across multiple jurisdictions and communities, to gain knowledge and understanding of existing and planned local business activity, BR+E is a community-based, volunteer-driven economic development tool used to encourage the growth and stability of the local businesses.

The demonstrated commitment to this resource-intensive process is often recognized by local business and the broader community as a means of demonstrating appreciation for local business and to inform future policy and decision making. The one-on-one outreach to local businesses creates opportunities to forge strong relationships between economic development and the business community.

A thorough analysis of the data collected allows for the extraction of important trends and issues that can drive strategic actions. When implemented, these actions will improve the local business climate and help retain existing businesses, help others to expand and continue to attract high levels of business investment to the area.

## 2.3 Project Organization

While Statistics Canada reports 2,275<sup>1</sup> businesses in the Drayton Valley and Brazeau County, the municipalities' collective information sources estimate approximately 800 resident businesses to target for the business visitation program. In total three surveys were used, a long form survey which was used for in-person interviews, a short form survey completed through telephone interviews, and the Brazeau County agricultural survey which was completed through in-person interviews. For the purpose of this report, excluding Chapter 5 which shares the results of the agricultural survey, the findings are only for the long and short-form surveys.

A total of 108 businesses were interviewed in person and participated in a 'long form' survey and asked to respond to questions related to:

- Home based business activities
- Labour force
- Skills needed

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<sup>1</sup> Drayton Valley BIO-ARCC Feasibility Study Phase I February 2011



- Business development
- Exporting activities
- Local services needed
- Business attraction

A total of 484 surveys were completed in total using both long and short-form surveys. For the purpose of this report, data references for the combined survey responses of 484, will be presented (Combined Survey). Finally, an online survey was distributed to the agricultural community requesting them to identify the specific issues and needs of the agricultural industry in Brazeau County. Interviews were conducted by local staff as well as by Foundation Research, a consumer research firm located in Toronto, ON. The data analysis and report were prepared by Millier Dickinson Blais Inc., an economic development consulting firm with extensive experience conducting business visitation programs in municipalities throughout Canada.

Past business visitation projects in Brazeau County generated 282 responses (2006), a 92.4% response rate and 179 responses (2009), a 69% response rate. Response rates are based on the number of businesses licensed to do business in Brazeau County. Drayton Valley requires businesses to purchase annual business licenses.

## 2.4 Data Analysis and Methodology

The Business Visitation Project included 161 short form telephone interviews in Brazeau County, 278 in Drayton Valley, 41 in Village of Breton and 4 that did not identify location. Seventy-two long form interviews were conducted in Brazeau County with 36 in Drayton Valley and 0 participating in Village of Breton. Finally, 48 businesses participated in the face-to-face agricultural survey conducted in Brazeau County.

The surveys were structured to identify issues in key areas such as:

- Company Information
- Business Climate
- Future Plans
- Business Development
- Workforce Development



Within these key areas responses have been summarized with select questions also being cross-tabulated<sup>2</sup> to further inform findings. All survey responses were entered into a data management database provided by Foundation Research. The results of the Business Visitation Survey were collected and analyzed by location and industry including total (all businesses), Brazeau County and Drayton Valley. While the Village of Breton was also a location selection used in the survey, there were no responses.

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<sup>2</sup> Cross-tabulation refers to the investigation of one question based on the response of another question. As an example, Question 7 asks, “In which sector is your business?”. A cross tabulation looks at responses in subsequent questions for each industry indicated in Question 7.

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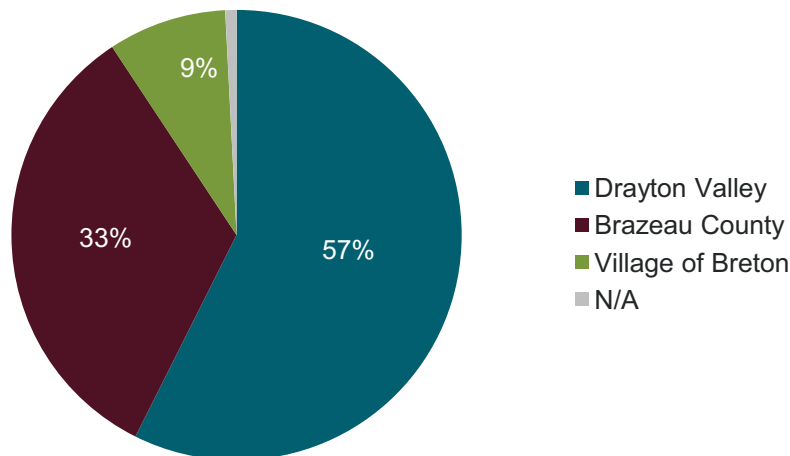
## 3 Survey Results

A summary of survey results, cross-tabulated by respondent location, is presented in this chapter. The analysis is focused on questions where significant results were identified. It should be noted that not all businesses responded to all questions, and some questions received multiple responses (both quantitative and a qualitative), or no responses. All survey results can be found in Appendix C.

### 3.1 Company Information by Location

This section presents responses to questions asked in the Company Contact Information portion of both the long-form and the short-form surveys. Results indicate that the Town of Drayton Valley, Brazeau County and Village of Breton all have vibrant business communities that are actively engaged in the growth and development of the local economy. Figure 1, illustrates the total percentage of businesses, by location. Clearly, much of the business development is occurring in Drayton Valley, having 57% of the businesses surveyed located in that community. Generally speaking, there has been a recent boom in the Drayton Valley economy. Between 2000 and 2009, 36% of the businesses surveyed were established, with an additional 5% of the businesses being established after 2010. This was a dramatic increase from the decade prior

FIGURE 1 THE PERCENTAGE OF COMPANIES IN EACH LOCATION (COMBINED SURVEY: 484 RESPONSES)



when 21% of the businesses were established. This data suggests that there has been considerable growth throughout the area in the past decade and that this growth continues to occur.



FIGURE 2 IN WHAT YEAR WAS YOUR BUSINESS ESTABLISHED? (COMBINED SURVEY: 484 RESPONSES)

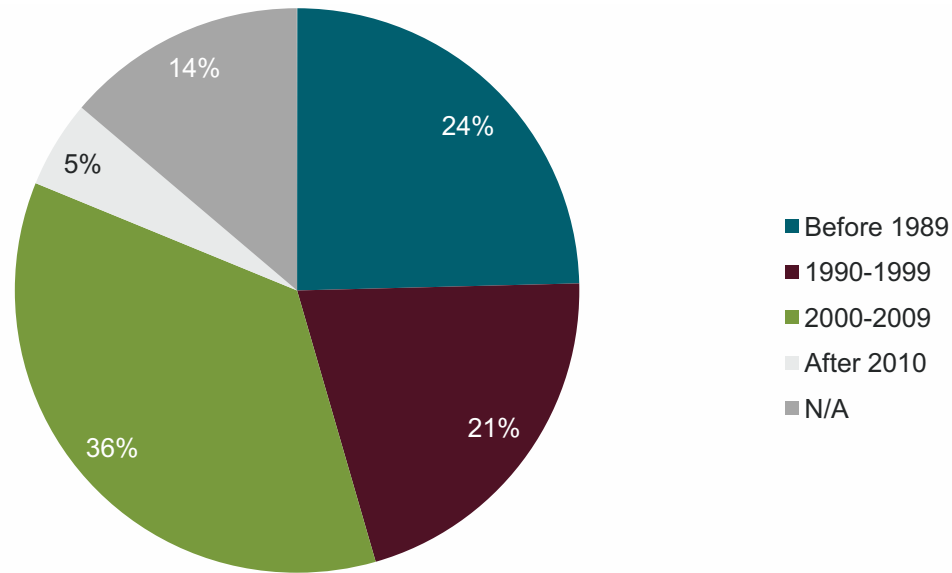
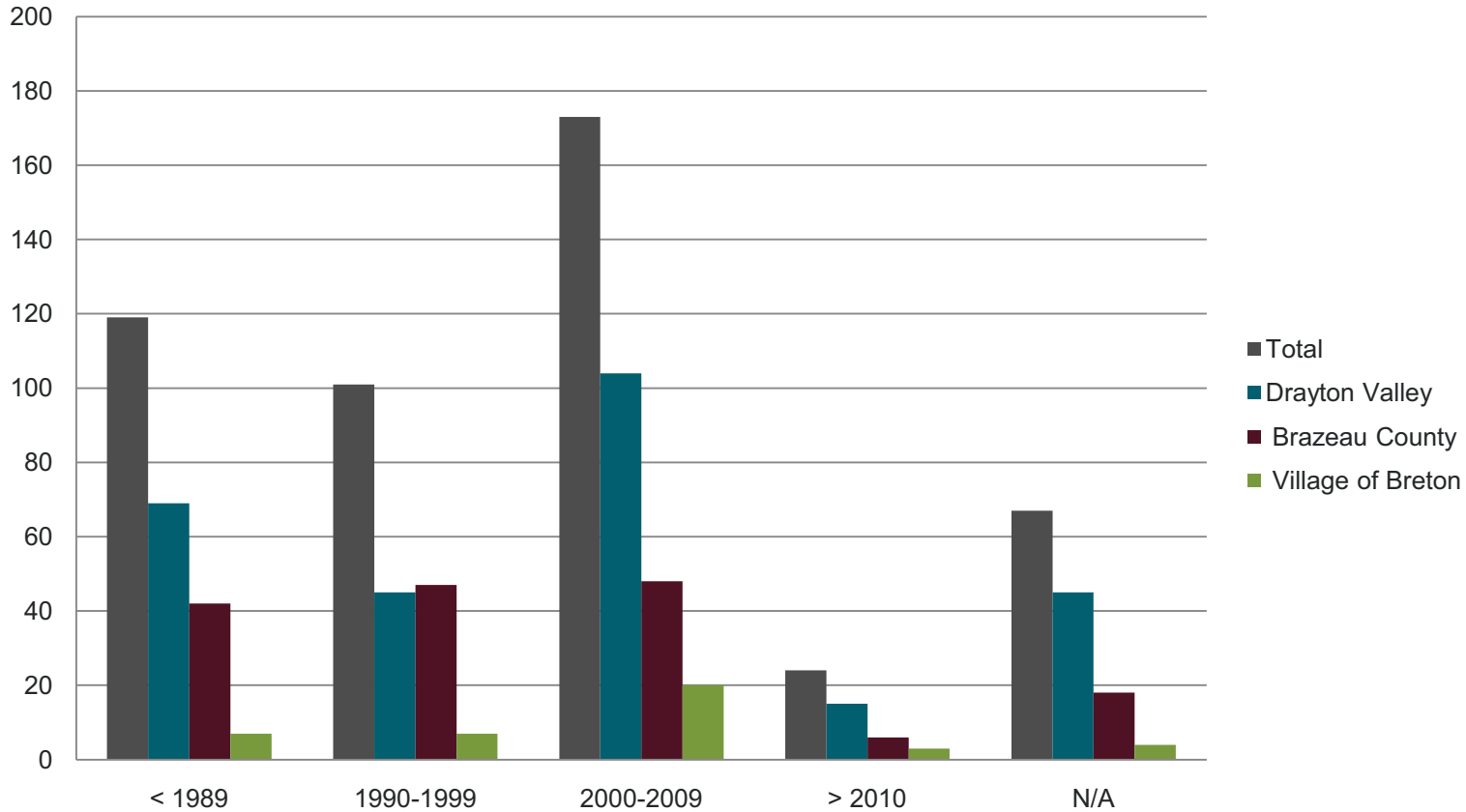


Figure 3 breaks down this data further, and reveals the level of growth in each of the communities; with each of the communities having quite distinctive growth patterns over the past 20+ years. Firstly, Drayton Valley's growth significantly slowed in the 90's with the number of businesses created at just over 40. This is in stark contrast to the growth the community experienced after 2000 with business creation more than doubling to over 100 businesses.

Brazeau County, on the other hand, has not seen such a dramatic growth in its economy. From 1990 to 2010 the number of businesses established among respondents roughly stayed the same at just over 40. Although this means that there wasn't the level of growth that dominated in Drayton Valley, it can be seen that there is a steady pace of development throughout this 20 year period.



FIGURE 3 IN WHAT YEAR WAS YOUR BUSINESS ESTABLISHED? (COMBINED SURVEY: 484 RESPONSES)



Finally, the Village of Breton, like Drayton Valley (but not nearly to the same scale) has seen a doubling of their growth from 1990-1999 to 2000-2009. The number of businesses that were surveyed and that had been established between 1990 and 1999 was under 10, whereas, in 2000-2009 this number jumped to 20.

### 3.2 Industry Information by NAICS

By understanding the sector breakdown of the local economy, we can better understand which sectors are experiencing growth and the change that has been occurring. Later in this document we develop this sector breakdown of the economy more comprehensively, but for now this section seeks to provide an overall snapshot of the economy through examining the NAICS classifications of the business respondents surveyed.



FIGURE 4 SECTOR BREAKDOWN OF SURVEY RESPONDENTS (COMBINED SURVEY 484 RESPONSES)

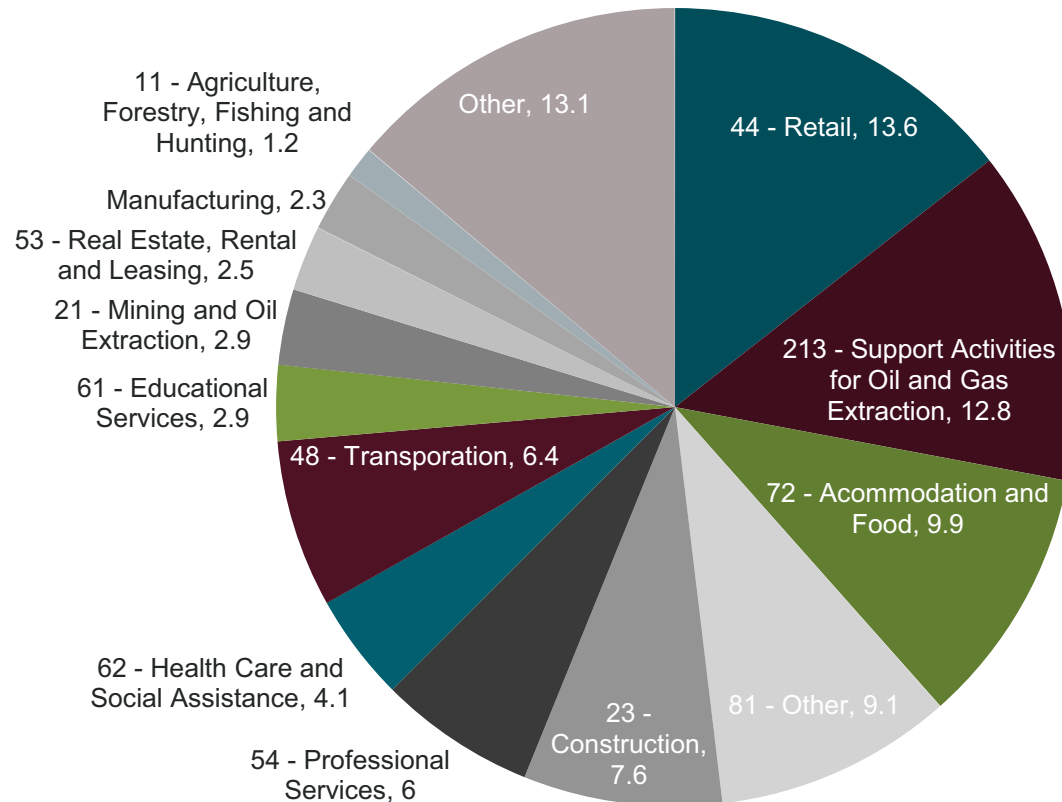
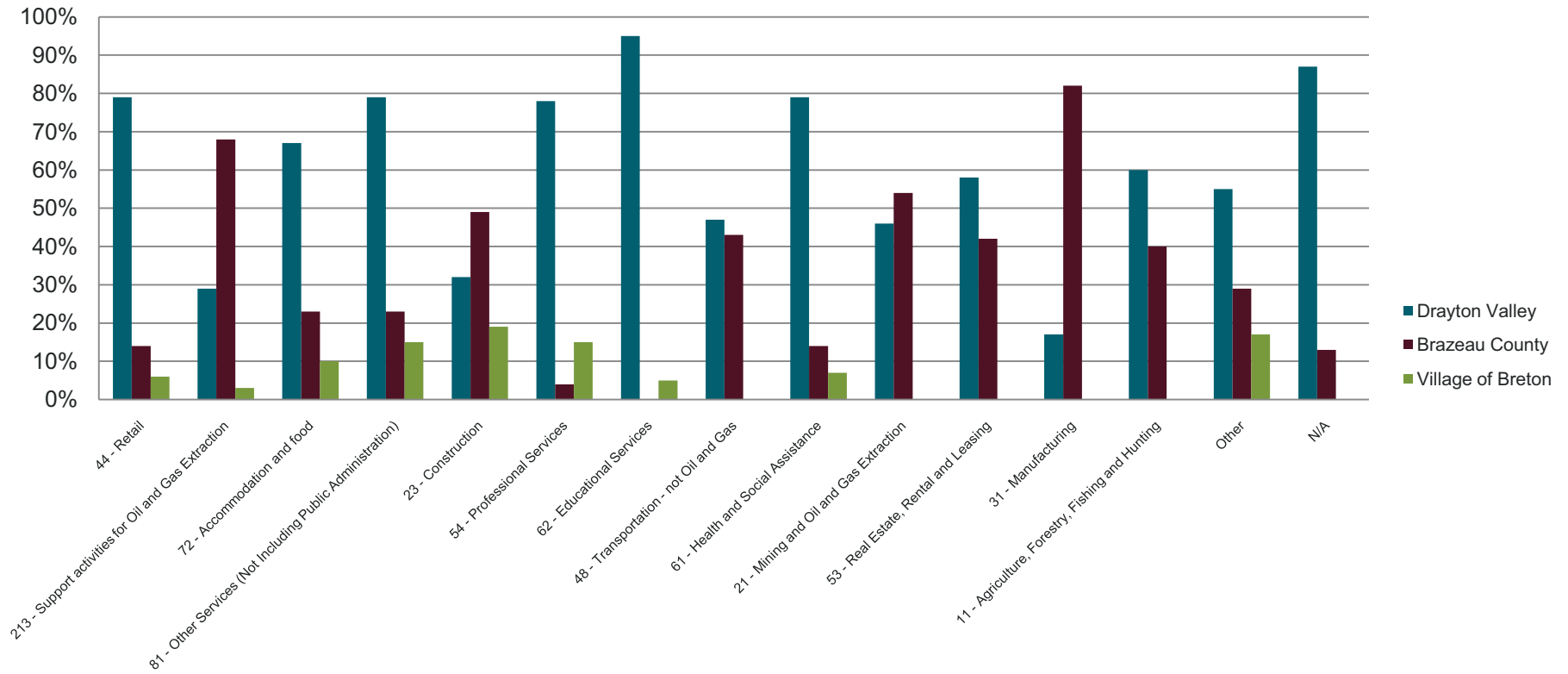


Figure 4 highlights the sector breakdown, by percentage, of all of the respondent businesses. The largest sector surveyed was the retail sector at 13.6% closely followed by "other" sectors at 13.1%. Other sectors that are vitally important to the local economy include Support Activities for Oil and Gas Extraction at 12.8%, Accommodation and Food at 9.9% and Other Services (excluding Public Administration).



In the figure below, this information is further analyzed to include where each of these sectors is clustered geographically. Drayton Valley is clearly the service centre of the area providing much of the retail, accommodation, professional services, and educational services to the other communities. Brazeau County and the Village of Breton are heavily invested in the oil and gas extraction, manufacturing and transportation components of the economy.

FIGURE 5 SECTOR BREAKDOWN (SURVEY 484 RESPONSES)



Comparing the results to the 2009 survey conducted by Brazeau County further reinforces the differences between Brazeau County and Drayton Valley. In the 2009 survey of 258 businesses, almost 40% were in agriculture, forestry and oil and gas services while only 5% were in retail trade.



### 3.3 Labour Force Information

The labour force information section of the business survey collected detailed information about the labour trends in Brazeau County, the Town of Drayton and the Village of Breton. The next section will highlight some of the key findings of this analysis and presents it in both overall numbers and a breakdown by location.

#### 3.3.1 Number of Employees per firm

To begin, Figure 6 below represents the percentage of businesses surveyed by number of employees. This question was only asked in the long-form surveys and therefore only has 108 respondents. Most of the businesses in region are small businesses consisting of between 1 to 4 people with this employee range common in 41% of the businesses surveyed. An additional 25% of the businesses have between 5 and 9 employees, meaning that 66% (or two thirds) of the businesses surveyed have between 1 and 9 people employed.

FIGURE 6 TOTAL NUMBER OF EMPLOYEES EMPLOYED PER FIRM (LONG FORM SURVEY: 108 RESPONSES)

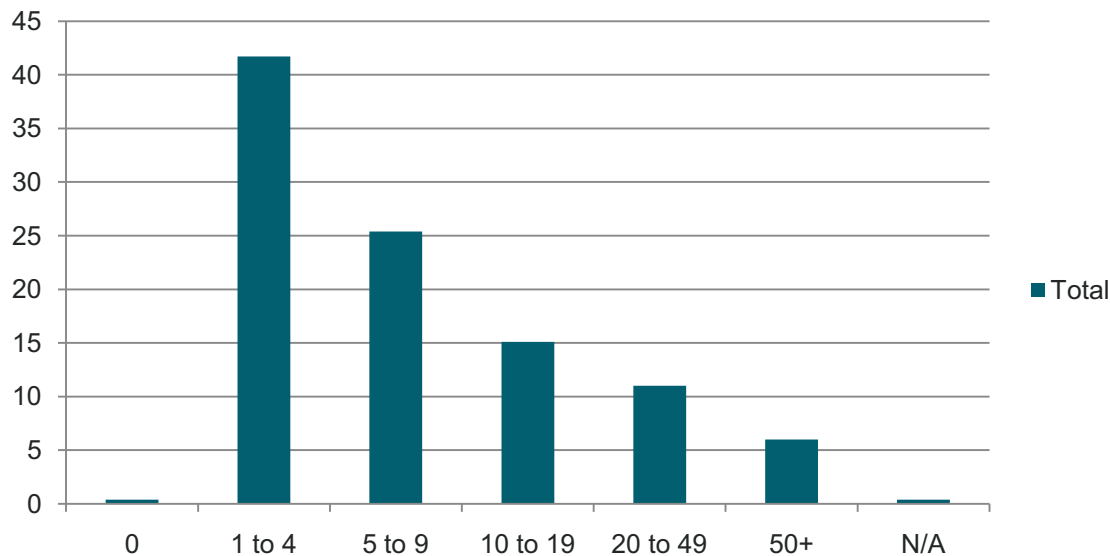
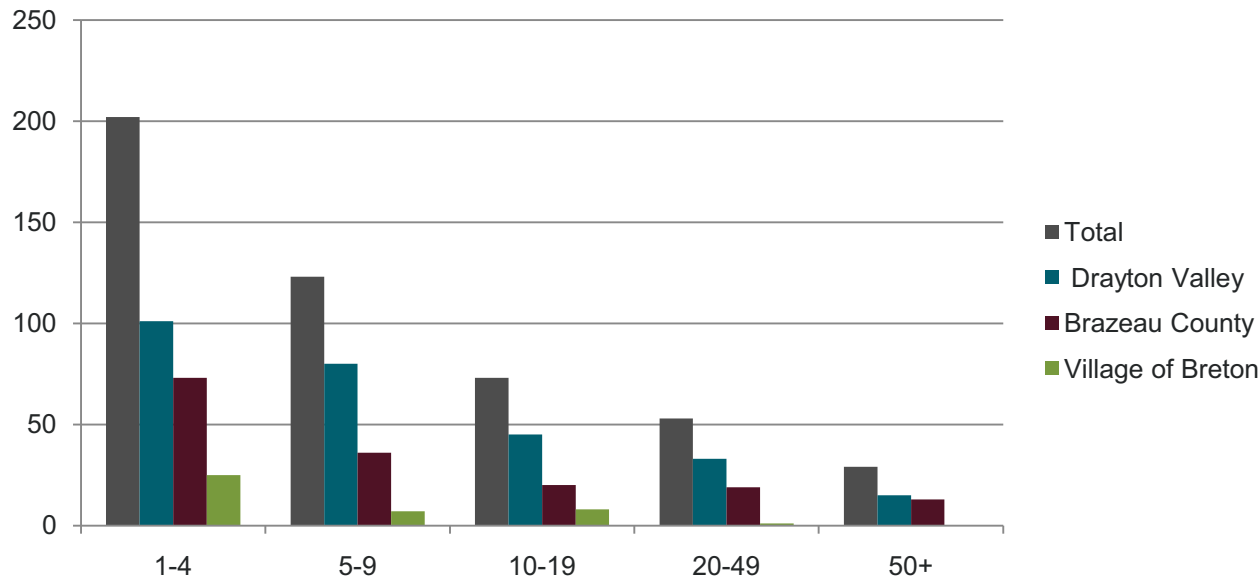




FIGURE 7 TOTAL NUMBER OF EMPLOYEES EMPLOYED PER FIRM (COMBINED SURVEY: 484 RESPONSES)



It is interesting to note in Figure 7 above that, as you would expect, there are more firms that have a small number of employees in the larger centres (namely Drayton Valley). However, when examining larger firms, Brazeau County and Drayton Valley have a relatively equal number primarily due to the extraction activities that are occurring in Brazeau County.

### 3.3.2 Age of workforce by location

The survey also allowed us to develop an in-depth demographic understanding of the workforce in the region and the results of this are depicted in this section. In Figure 8, the overall number of employees by age is examined. Drayton Valley, Brazeau County and the Village of Breton have a relatively young labour force with the majority of the business respondents noting that their employees are between 20 to 40 years of age. This bodes well for the continued development of the area into the future.



FIGURE 8 OVERALL AGE OF WORKFORCE (LONG FORM SURVEY: 108 RESPONSES)

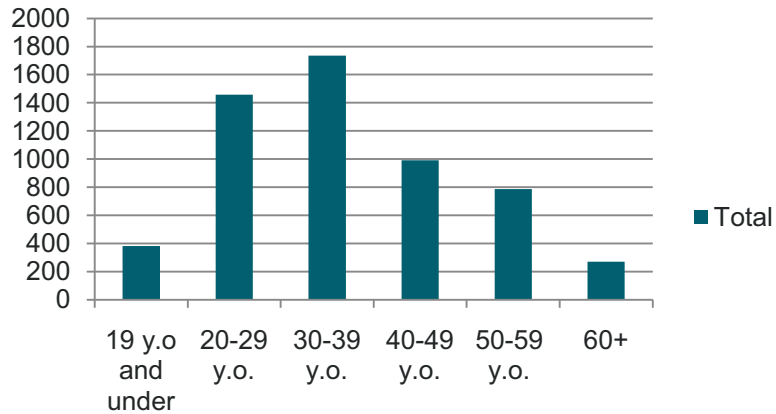
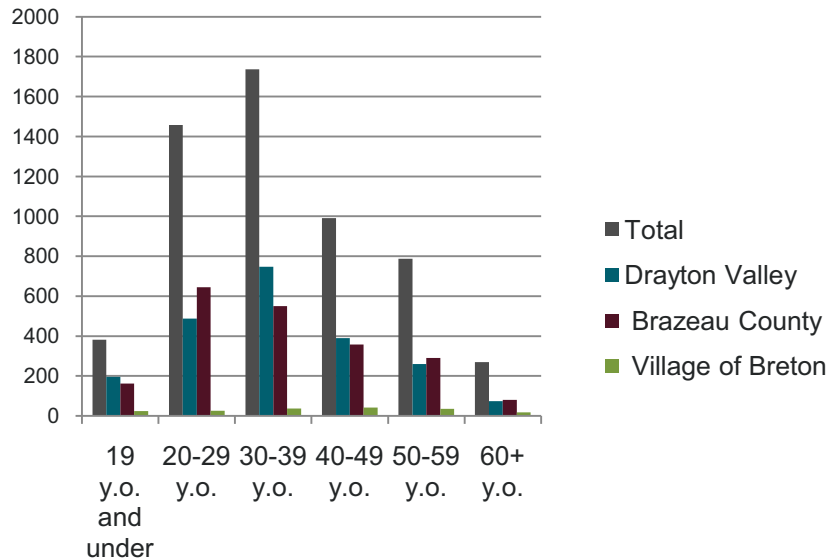


FIGURE 9 AGE OF WORKFORCE BY LOCATION (LONG FORM SURVEY: 108 RESPONSES)



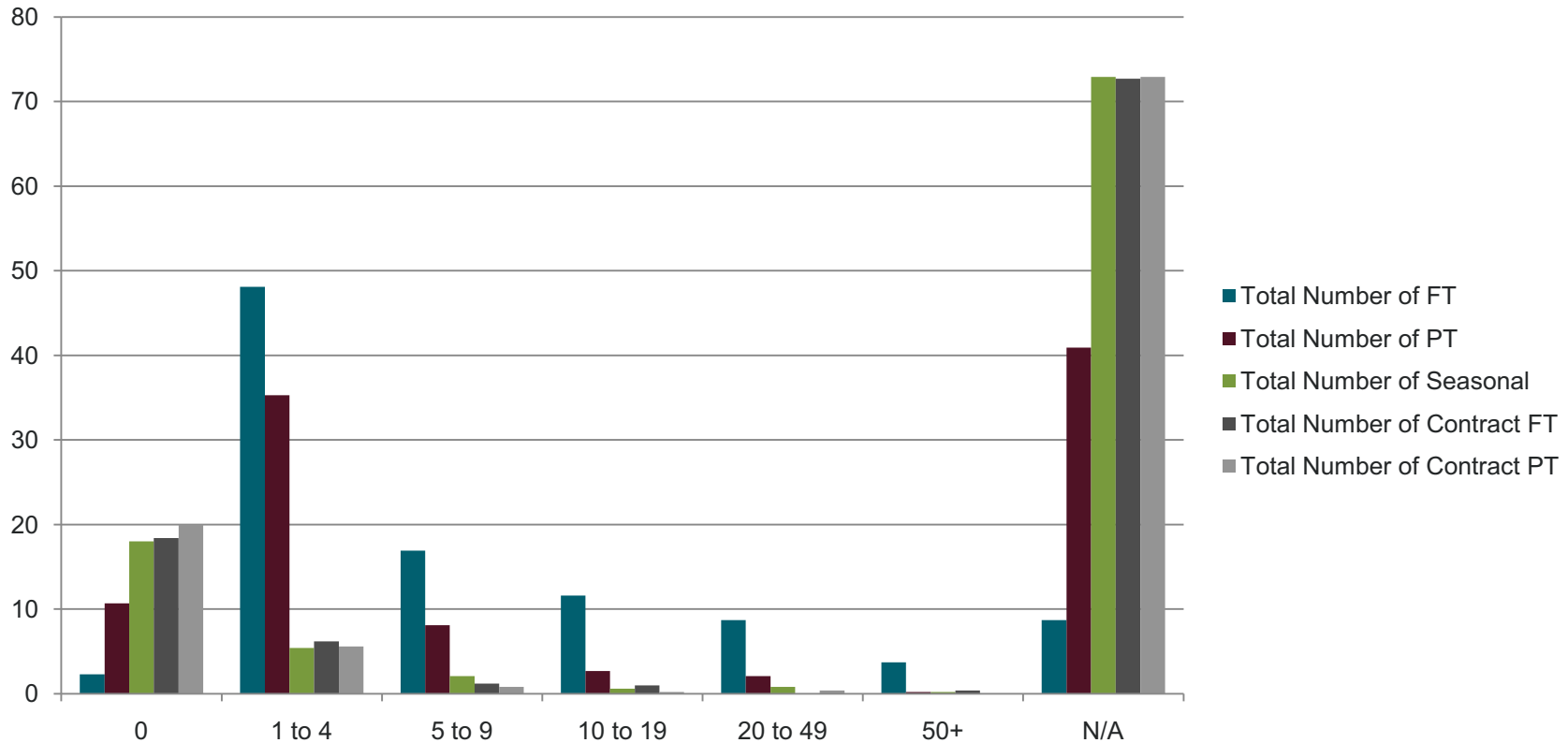
The age of the workforce is also broken down by community where it can be seen that many of the young workers (particularly those aged 20-29) work in Brazeau County, which largely coincides with the presence of oil and gas extraction activities that are taking place in the rural regions, as well as the support activities associated with this sector. These results appear to be consistent with the 2009 survey conducted by Brazeau County which found 29% of the workforce to be between the ages of 21 – 30. It is interesting to note that in comparison to the rest of Canada, which is contending with an aging population and a shift toward an older workforce due to the baby-boomer generation, all of the locations surveyed have a young workforce that will aid the community in continuing to grow and develop into the future.

### 3.3.3 Employment Types

The next section seeks to highlight the trends in employment types throughout the region. Generally speaking, most respondents highlighted that their staff is largely composed of fulltime workers with some also having a number of part-time employees. This is also consistent with the 2009 survey which reported 87% of workers as full time workers. Very few of the respondents noted that they had seasonal or contract employees, with the vast majority of these responses resulting in a N/A response.



FIGURE 10 EMPLOYMENT TYPE BREAKDOWN BY NUMBER OF EMPLOYEES PER FIRM (COMBINED SURVEY: 484 RESPONSES)

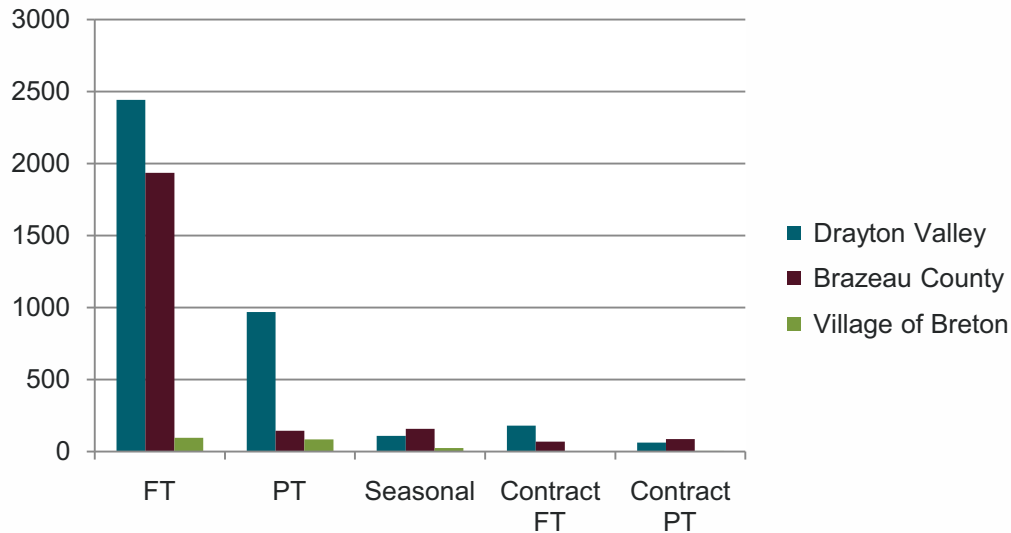


Of those that did have seasonal and contract employees, the majority of these companies had between 1 to 4 employees.

When this data is analyzed by location it is seen that the majority of fulltime employees work in Drayton Valley and Brazeau County with just a fraction of the fulltime workers being employed in the Village of Breton. In addition, almost all of the part-time workers work in Drayton Valley. With that being said, when examining the numbers of seasonal and contract workers the number of workers that are employed throughout the three locations are relatively equal.



FIGURE 11 EMPLOYMENT BREAKDOWN BY LOCATION (COMBINED SURVEY: 484 RESPONSES)



### 3.3.4 Employee Commuter Patterns

Over 50% of the total workforce in Drayton Valley and the surrounding area commute and do not reside in the community where they are employed. Brazeau County has the vast majority of commuters with 40 business respondents stating that some of their workers commute. However, as can be seen in Figure 12, more business respondents stated that their employees reside in Drayton Valley than commute. Commuter patterns are important in understanding the economic patterns of a region. When a workforce resides in the community that they work this typically translates to their income enhancing the local community by paying for goods and services and taxes.

In terms of where specifically these employees commute from, Figure 13 summarizes the home communities the respondents highlighted. A significant number of the local workforce commutes from the surrounding areas but others travel from as far away as Edmonton and even Moose Jaw.



FIGURE 12 EMPLOYEE COMMUTER PATTERNS (DOES YOUR BUSINESS EMPLOY PEOPLE WHO COMMUTE?) (LONG FORM SURVEY: 108 RESPONDENTS)

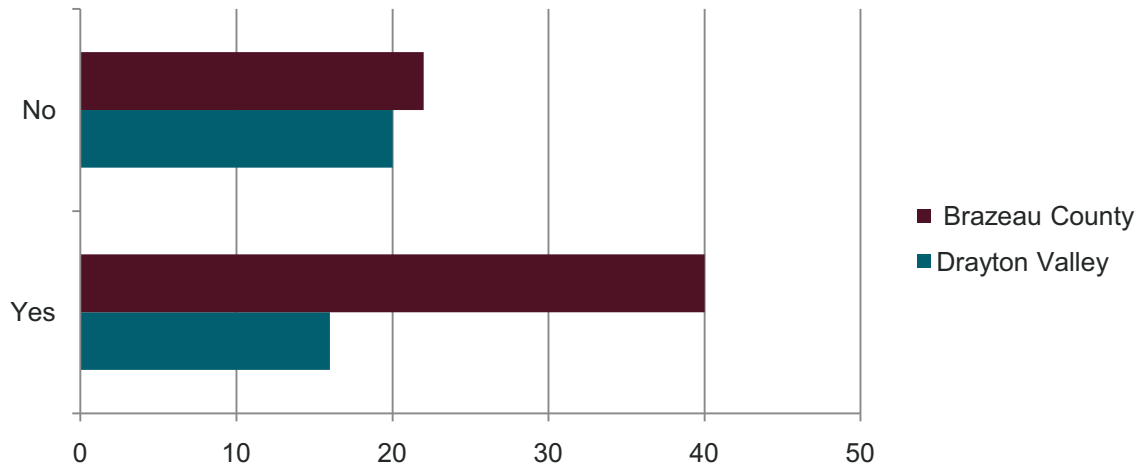


FIGURE 13 IF YOUR EMPLOYEES COMMUTE, WHERE DO THEY COMMUTE FROM? (LONG FORM SURVEY: 484 RESPONSES)

	TOTAL	LOCATION - Drayton Valley	LOCATION - Brazeau County
TOTAL	56	16	40
Edmonton	4	1	3
Edson	4	0	4
Entwistle	4	0	4
Evansburg	8	3	5
Red Deer	5	1	4
Rimbey	4	1	3
Tomahawk	3	1	2
Warburg	8	4	4
Parkland County	4	0	4
Other	43	10	33

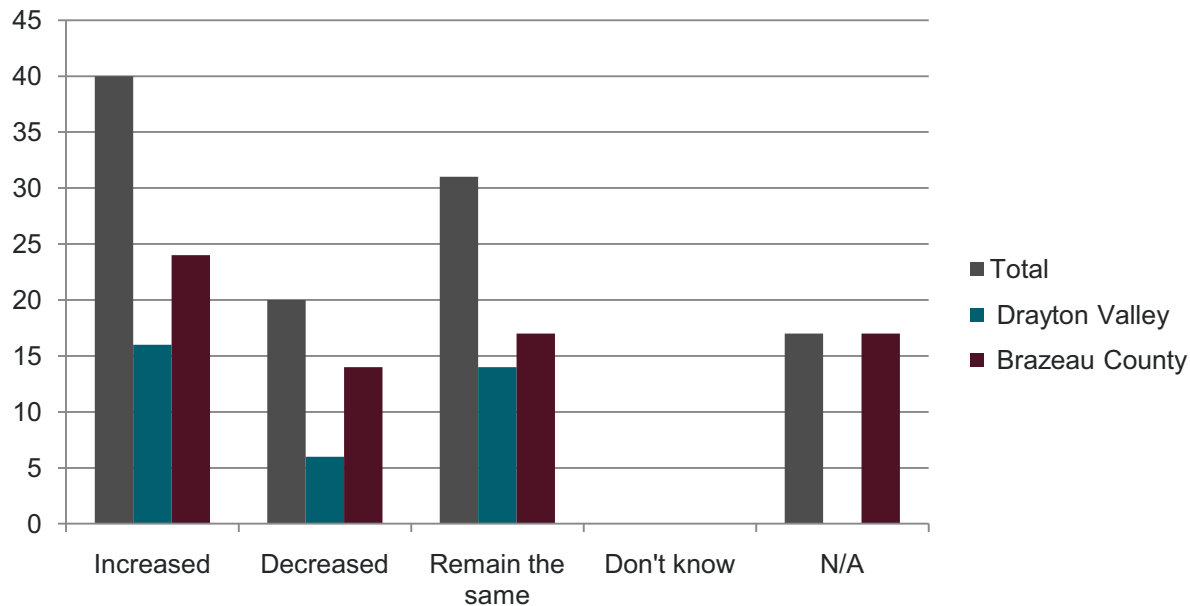


## 3.4 Skills Needs

### 3.4.1 Labour Demand

Businesses in both Drayton Valley and Brazeau County have followed a similar pattern in changes to the number of employees over the past three years. Roughly twice as many businesses saw employee numbers increase as compared to those that saw a decrease. Similarly, the workforces of many of the businesses remained stable over the past three years.

FIGURE 14 IN THE LAST 3 YEARS DID THE NUMBER OF EMPLOYEES IN YOUR BUSINESS INCREASE, DECREASE OR STAY THE SAME?  
(LONG FORM SURVEY: 108 RESPONSES)

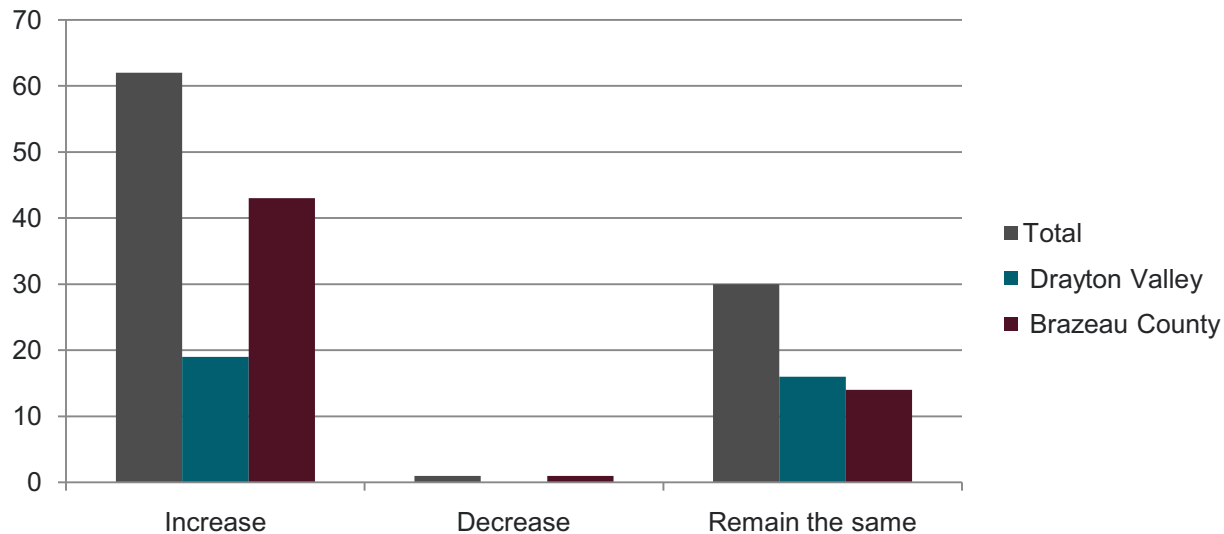


Virtually no businesses anticipate any reduction in staff size. Businesses in Brazeau County are quite optimistic about increases. This optimism was also expressed in the 2009 survey where 87% of businesses anticipated expansion in the



next 5 years. Businesses in Drayton Valley are less optimistic and are split between expectations of increase or remaining the same.

FIGURE 15 DURING THE NEXT 3 YEARS, DO YOU ANTICIPATE THE NUMBER OF EMPLOYEES IN YOUR BUSINESS WILL INCREASE, DECREASE, OR STAY THE SAME? (LONG FORM SURVEY: 108 RESPONSES)



In general, most respondents rated the availability of workers in the Drayton Valley-Brazeau County area as fair to poor. Very few respondents described the availability of workers as excellent or even good. Businesses in Brazeau County stated greater difficulty in finding workers than those in Drayton Valley.

Businesses cited difficulties in finding individuals with appropriate experience and a general shortage in the labour force as the two leading reasons for difficulties in finding workers. This is especially noteworthy in Brazeau County.



FIGURE 16 HOW DO YOU RATE THE AVAILABILITY OF WORKERS IN THIS AREA FOR YOUR BUSINESS NEEDS? (LONG FORM SURVEY: 108 RESPONSES)

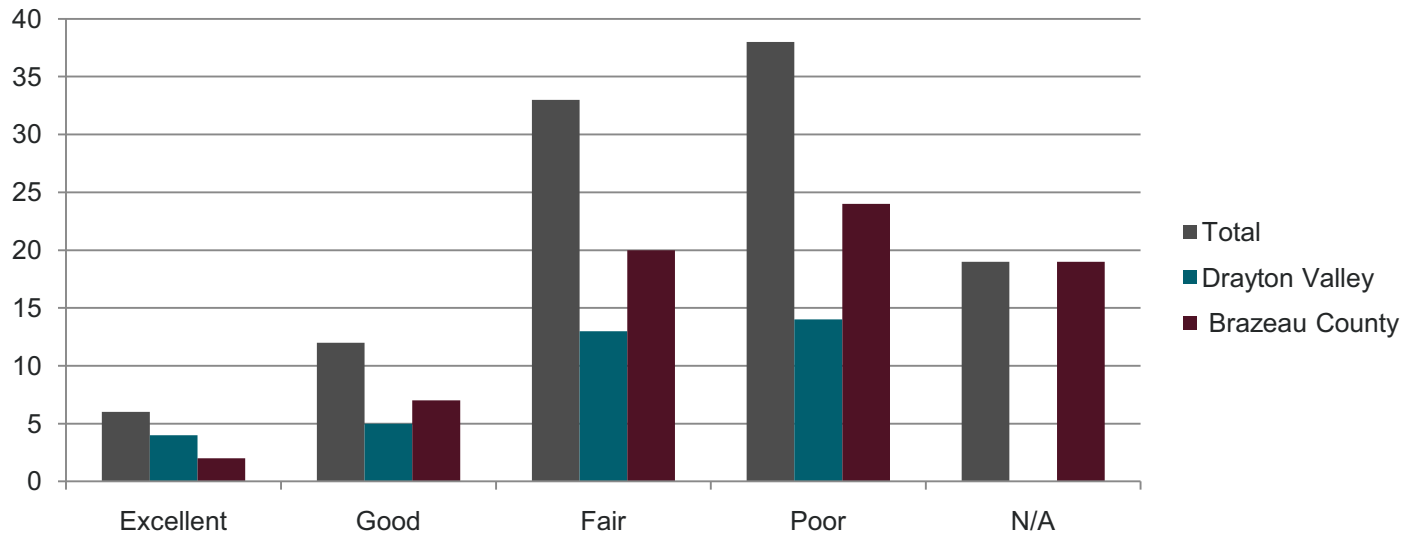


FIGURE 17: WHY IS IT DIFFICULT TO FIND WORKERS WITH APPROPRIATE SKILLS? (LONG FORM SURVEY: 108 RESPONSES)

	TOTAL	Drayton Valley	Brazeau County
Hard to find workers with appropriate experience	14	5	9
Shortage in labour force	11	1	10
Competing with oilfield for workers	5	2	3
Youth not willing to work in trades	4	0	4
Workers on foreign work visas	3	2	1
Other	11	6	5
N/A	13	2	11



Response to this question was low. There is no clear indication that businesses do or do not have difficulties in attracting and/or retaining employees, in either Drayton Valley or Brazeau County. There is a minor differential in favour of businesses in Brazeau County that do not have difficulty attracting or retaining workers. More business respondents from Drayton Valley claimed difficulties in this area than not. These differences are minor; in fact, there is an almost equal split between businesses who do have difficulty and those who do not. This indicates that there may not necessarily be any attributes particular to the area that makes attraction or retention difficult.

For businesses that did have difficulty key reasons cited for these difficulties included wages and competition. Clearly the pool of available labour in the area is limited and businesses must compete with each other for top talent. Wages would be a part of that competition, and in a region dominated by the high-paying Oil and Gas sector these are two perennial challenges for businesses in other sectors in the region.

FIGURE 18 DOES YOUR BUSINESS HAVE DIFFICULTY RETAINING AND/OR ATTRACTING EMPLOYEES? (LONG FORM SURVEY: 108 RESPONSES)

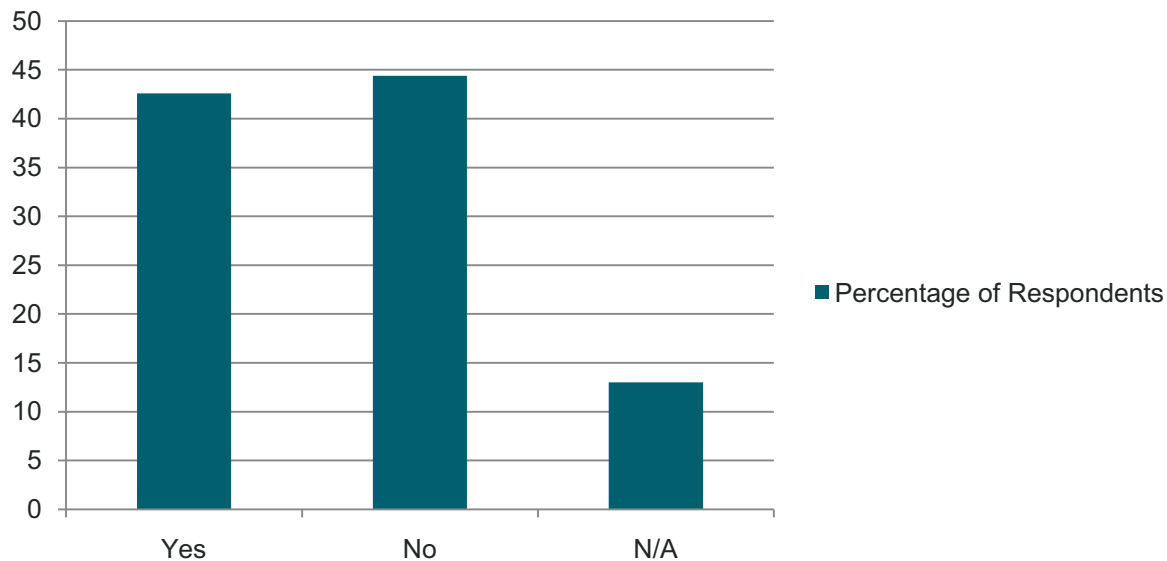




FIGURE 19 DOES YOUR BUSINESS HAVE DIFFICULTY RETAINING AND/OR ATTRACTING EMPLOYEES? (LONG FORM SURVEY: 108 RESPONSES)

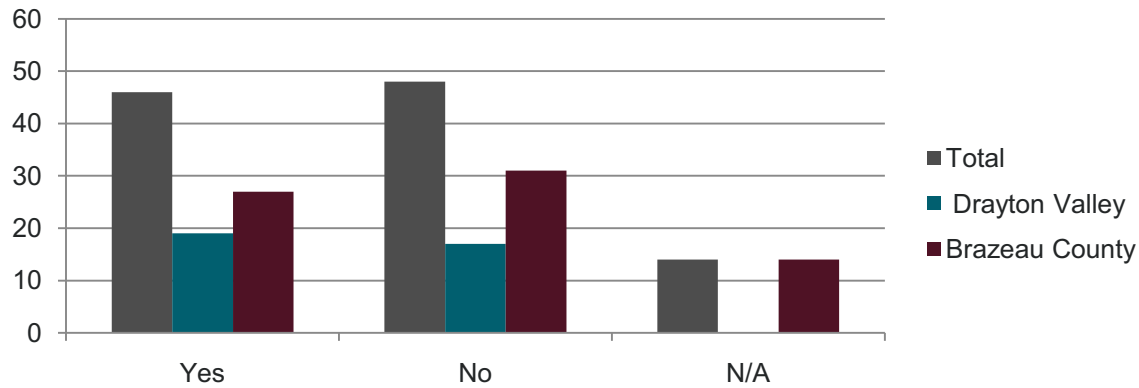


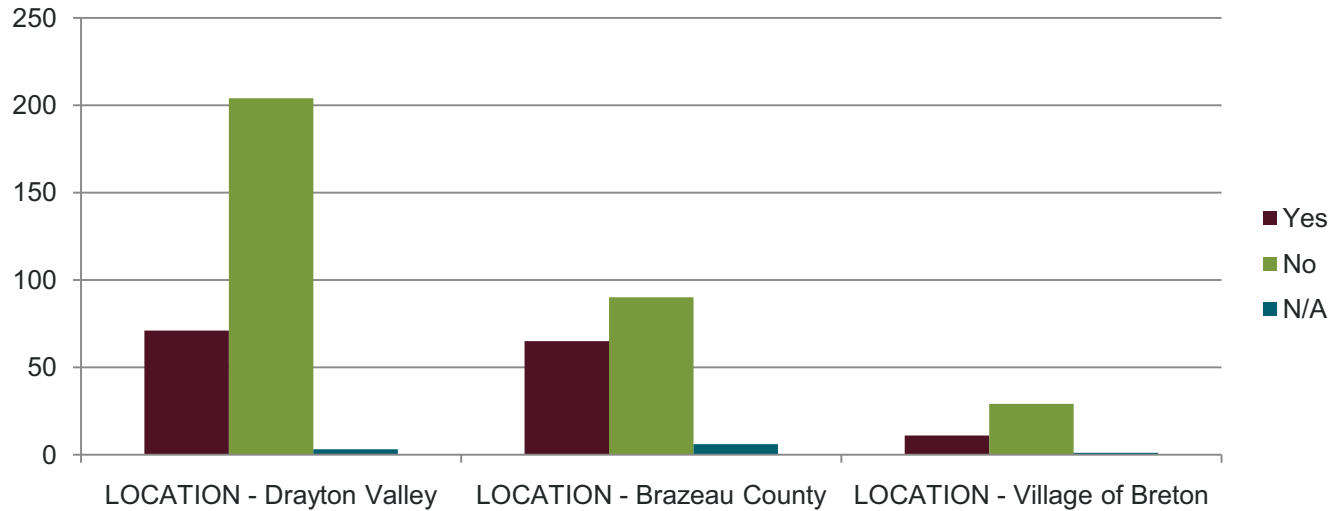
FIGURE 20 IF YOU HAVE DIFFICULTY RETAINING AND/OR ATTRACTING EMPLOYEES, WHAT ARE THE REASONS FOR THESE DIFFICULTIES? (LONG FORM SURVEY: 108 RESPONSES)





Overall, more businesses are not experiencing a labour shortage, this is particularly evident with respondent businesses from Drayton Valley. This is a positive sign for the area in general, however there is no way to validate which businesses may be experiencing shortages or to what extent those shortages are being felt.

FIGURE 21 ARE YOU CURRENTLY EXPERIENCING A LABOUR SHORTAGE? (COMBINED SURVEYS: 484 RESPONSES)

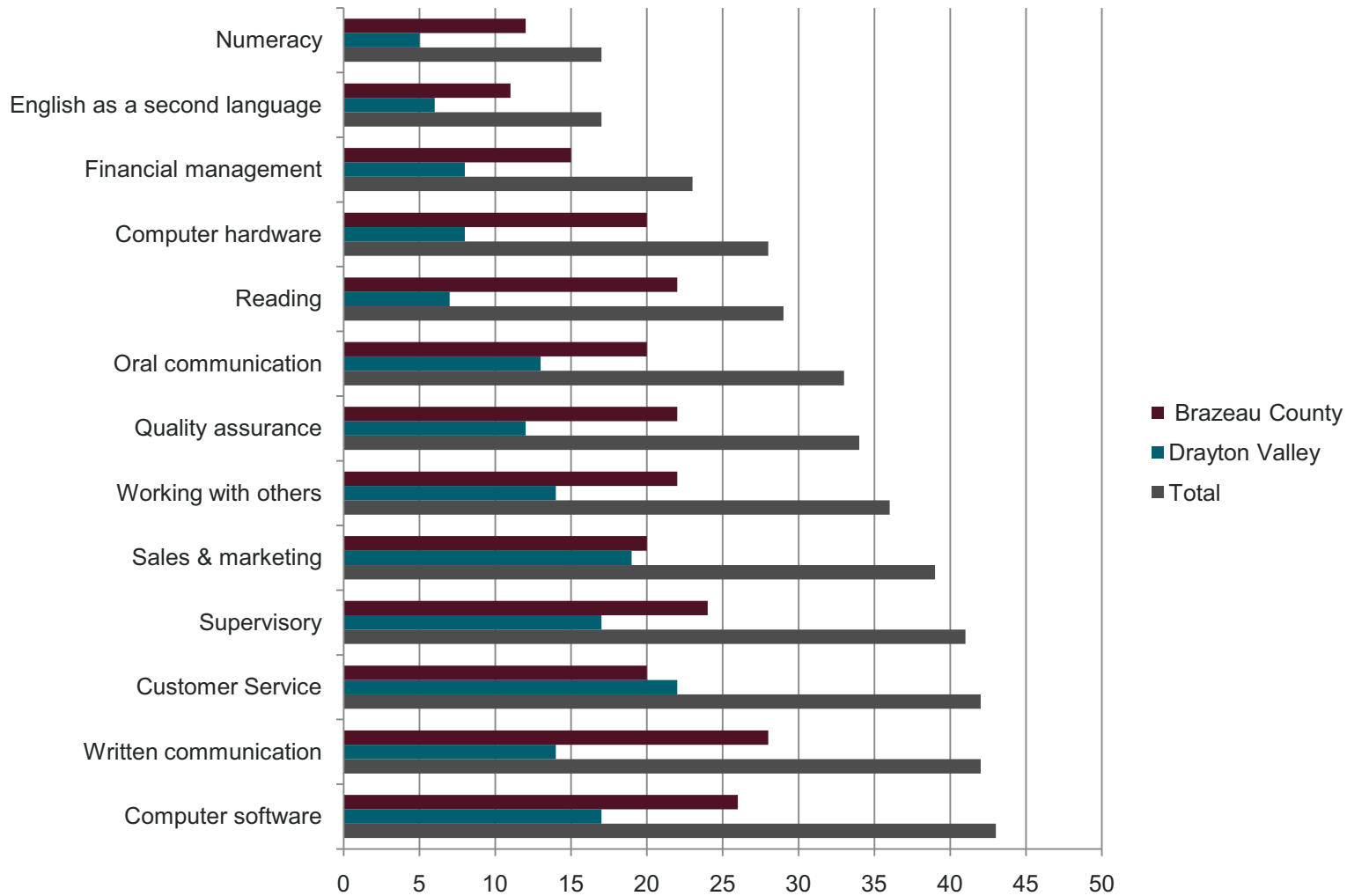


### 3.4.2 Skills Assessment

Businesses in Drayton Valley identified a desire to build employee's skills in customer service, sales & marketing, supervision, and computer software. Customer service and sales & marketing were less important to businesses in Brazeau County where emphasis was placed on written communications and computer software. Supervision was identified in both communities. All of these skills factored higher in overall rankings while lower ranked skills included numeracy, English as a second language, and financial management. Skills training in reading and computer hardware were not identified as important in Drayton Valley but they are fairly highly ranked for businesses in Brazeau County.



FIGURE 22 WHAT SKILLS ARE NEEDED IN YOUR COMPANY? (COMBINED SURVEY: 484 RESPONSES)



Overwhelmingly, responses from Drayton Valley focus on the benefit of customer service training. This may be related to the concentration of service sector and retail industry found in the community. Other responses for Drayton Valley include



companies that provide in-house training or have specialized training for their own business. Many Drayton Valley businesses responded that they would benefit from training and skills development, but not in an area listed, suggesting a need for further research and investigation. Businesses from Brazeau County were less specific in their responses, though there is some interest in customer service training, but also in health and safety training and driver training for trucker licensing. Again, respondents from Brazeau County also indicated their business would benefit from training, but not in any of the listed areas.

FIGURE 23 WOULD YOUR WORKERS BENEFIT FROM TRAINING AND SKILLS DEVELOPMENT, IF SO IN WHAT AREAS? (LONG FORM SURVEY: 108 RESPONSES)

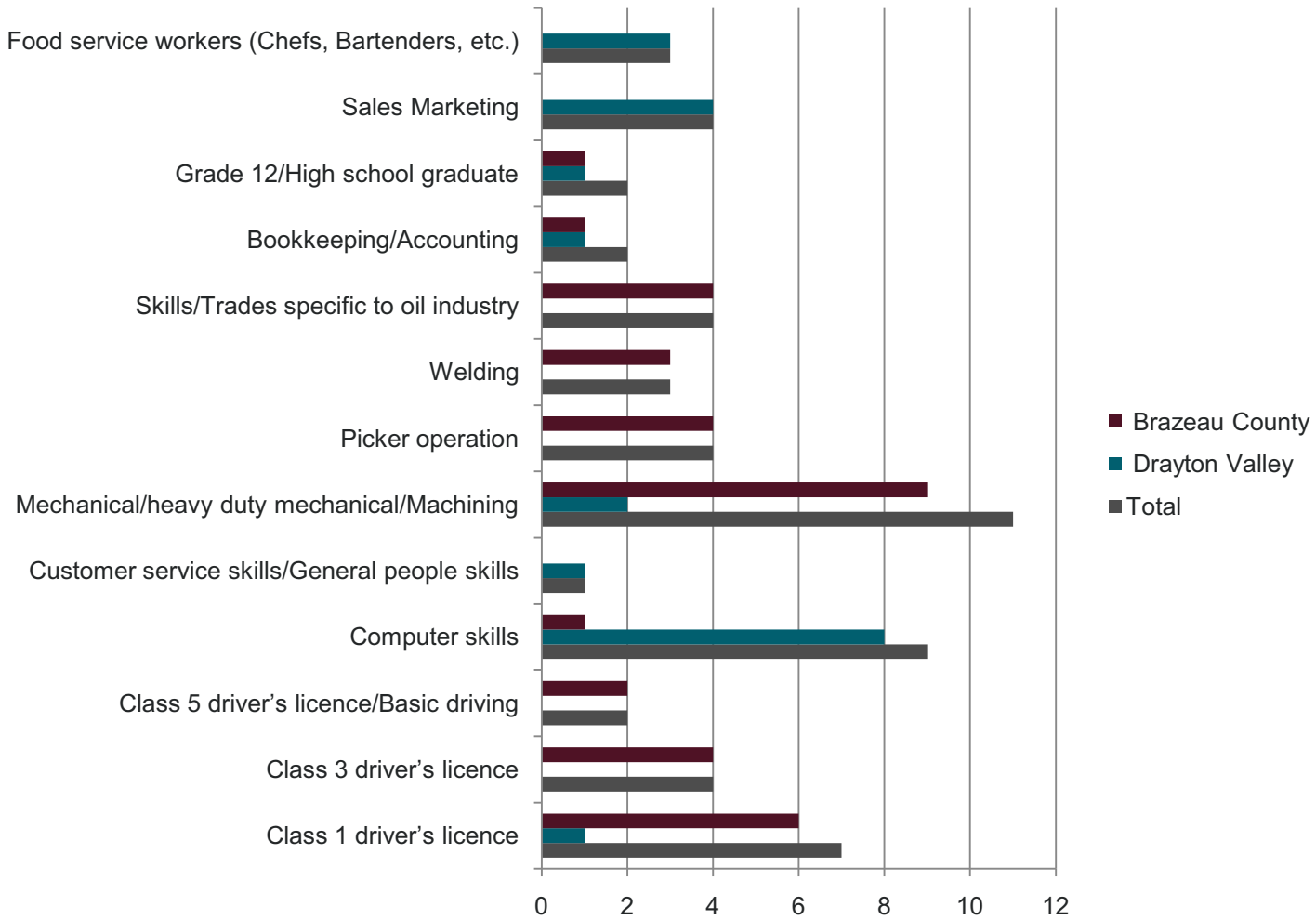


Respondents had the opportunity to self-identify additional areas for training and skills development. Brazeau County identified mechanical/heavy duty mechanical training, driving training, welding, and picking operations. Most of these were highlighted as important areas only by Brazeau County businesses. Drayton Valley respondents emphasized computer skills training, sales marketing skills, and various office or service skills. Gaining a greater understanding of the specific training needs and measures that could be considered to support local businesses with workforce development is necessary.



FIGURE 24 WHAT SKILLS DOES YOUR BUSINESS REQUIRE? (LONG FORM SURVEY: 108 RESPONSES)

FIGURE 25 WHAT SKILLS ARE THE HARDEST TO FILL? (LONG FORM SURVEY: 108 RESPONSES)





### 3.4.3 Training Requirements/Training Access

Businesses in both Drayton Valley and in Brazeau County provide job related training to their employees. Given the clear importance of job related training, it is useful to understand where the training takes place. Most businesses require some form of customized training and therefore provide in-house, business-specific training. Brazeau County businesses that need to train their employees externally most often do so through a local training facility, whereas businesses in Drayton Valley utilizes distance education. When sending employees away for training, Drayton Valley businesses most often access training in major urban centres: Edmonton, Calgary, and Red Deer. Businesses in Brazeau County have more options for training locations, including major urban centres, but also other nearby locations, including local community colleges in neighbouring communities.

FIGURE 26 DO YOUR EMPLOYEES RECEIVE JOB RELATED TRAINING? (LONG FORM SURVEY: 108 RESPONSES)

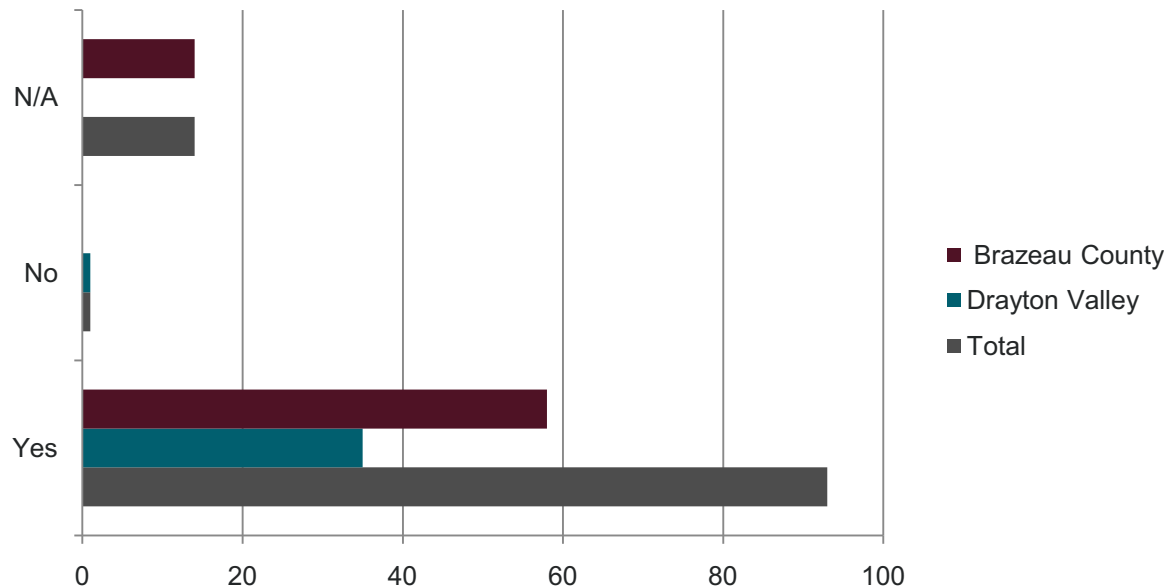


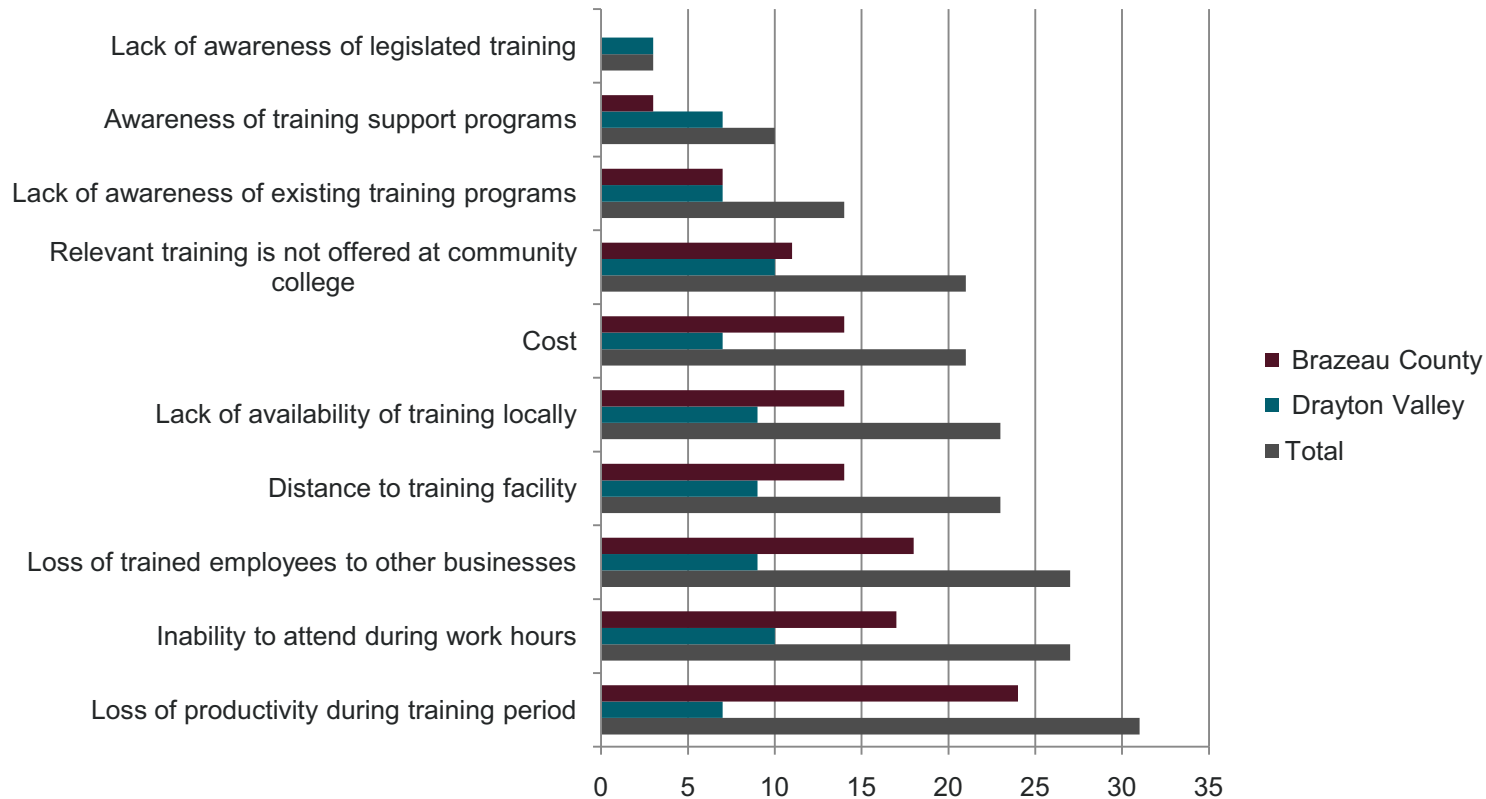


FIGURE 27 WHERE DO THEY RECIEVE TRAINING? (LONG FORM SURVEY: 108 RESPONSES)

Businesses in Brazeau County identified loss of productivity during the training period as a challenge. They further expressed concern of losing trained employees to other businesses. This is a significant challenge to a business, especially in light of potential shortages of labour also being experienced. Businesses in Drayton Valley have a broader range of challenges, including the risk of losing employees, but also the lack of relevant training available at any local training college or facility. Drayton Valley businesses are also challenged by finding time to allow their employees to go for training. Many of them cannot send their employees during work hours – similar to businesses that cannot send their employees due to the loss of productivity during the training period. This is indicative of the very tight labour market where businesses in the area do not have flexibility in their staffing levels.



FIGURE 28 BARRIERS TO TRAINING (LONG FORM SURVEY: 108 RESPONSES)



### 3.5 Business Development

The business development segment of this report will outline the important trends in business retention characteristics such as site availability and satisfaction and services satisfaction. This section aims to inform the actions and recommendations that are shared at the end of this report and designed to support the region’s ability to develop strong business retention and attraction strategies into the future.

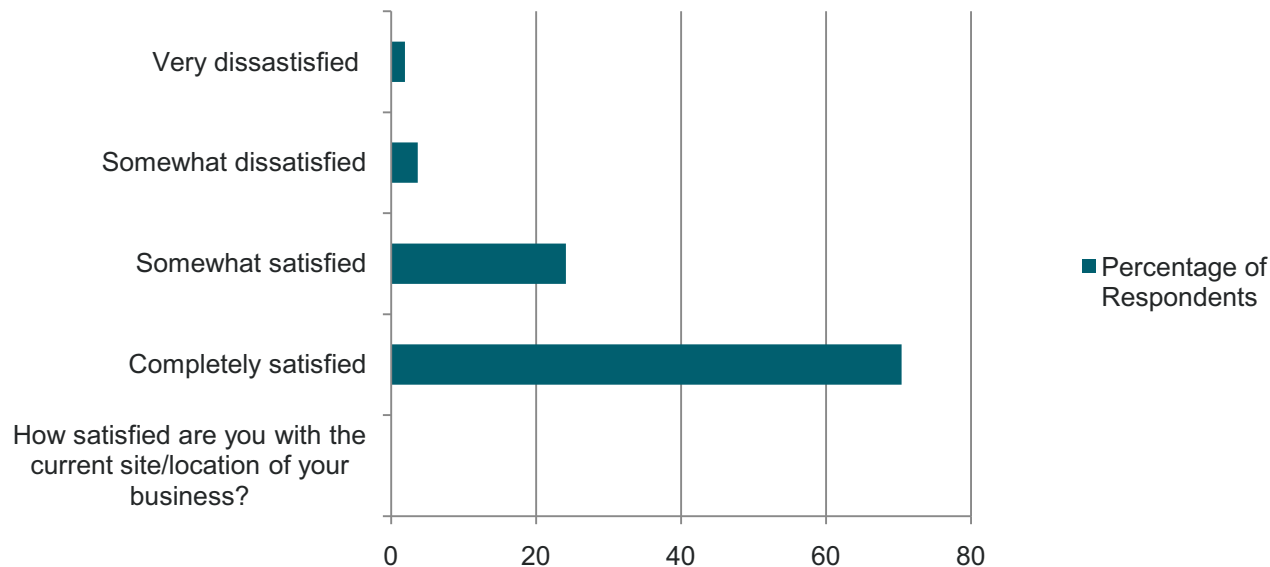


### 3.5.1 Business Retention

#### 3.5.1.1 Site satisfaction

In order to retain businesses a community must have sites that are conducive to business development and growth. Figure 16 highlights the quality of sites located in Brazeau County and Drayton Valley and finds that the majority of businesses in the region are quite satisfied with their current site.

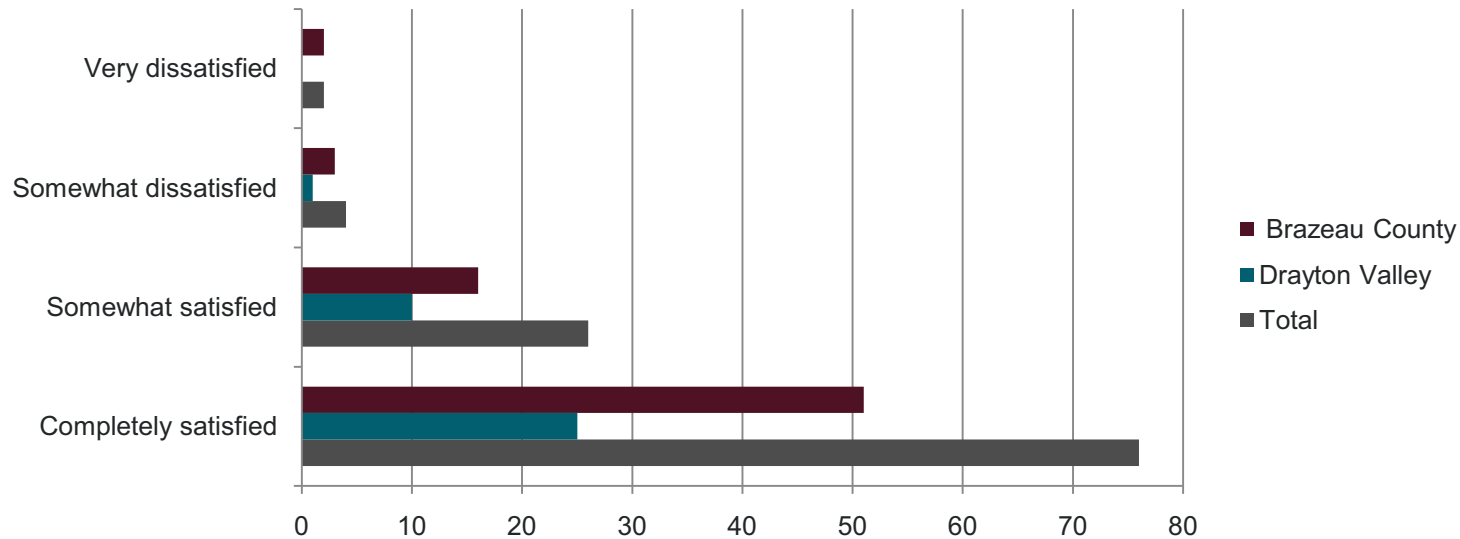
FIGURE 10 HOW SATISFIED ARE YOU WITH YOUR CURRENT COMPANY SITE? (LONG FORM SURVEY: 108 RESPONSES)



When this is examined more closely, the respondents that are located outside of Drayton Valley are particularly satisfied with their locations, at over 50 respondents stating they are completely satisfied and an additional 15 stating they are somewhat satisfied. In 2009, similar results were compiled and illustrated that 97% of businesses in Brazeau County were happy being located in the County. Respondents located in Drayton Valley were also relatively satisfied with their locations with very few commenting that they were either somewhat dissatisfied or very dissatisfied.



FIGURE 29 HOW SATISFIED ARE YOU WITH YOUR CURRENT BUSINESS SITE? (LONG FORM SURVEY: 108 RESPONSES)



### 3.5.1.2 Services Needed

This next section seeks to highlight the demand for business services that are and can be provided by local government and non-government organizations. Overall, the respondents were particularly interested in courses related to marketing and customer service, with website design, small business accounting and business plan development also high on the priority list of many of the respondents.

It is interesting to note that financing does not seem to be a major concern for businesses in Brazeau County and Drayton Valley. There is still interest in developing financing services but it is significantly less than the interest in marketing and customer service courses. However, in terms of respondents located outside of Drayton Valley financing was important, as were benefits and pensions for the unemployed.

Of lesser importance is human resources and employee relations which seemingly signify that human resource management is not a significant challenge.



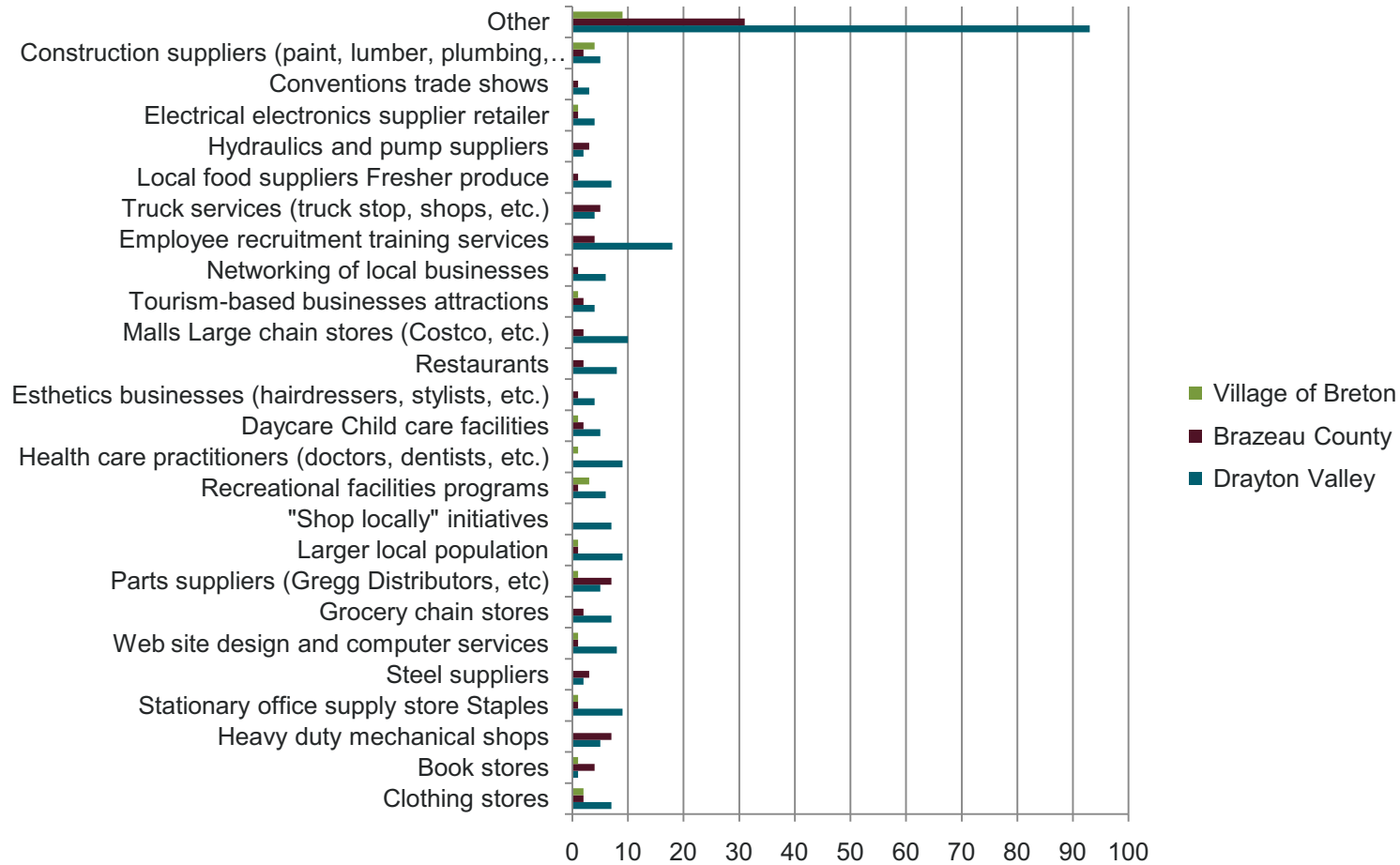
FIGURE 30 WHICH OF THE FOLLOWING TOPICS, BUSINESS OR SERVICE COURSES WOULD HELP YOU IN OPERATING YOUR BUSINESS?  
(LONG FORM SURVEY: 108 RESPONSES)



The survey also examined which services/businesses that were currently absent in the community but were seen as beneficial. The findings of this question are presented in Figure 31.



FIGURE 31 WHAT ARE THE THREE SERVICES OR BUSINESSES THAT CURRENTLY DO NOT EXIST IN OUR COMMUNITY THAT WOULD BENEFIT YOUR BUSINESS? (COMBINED SURVEY: 484 RESPONSES)



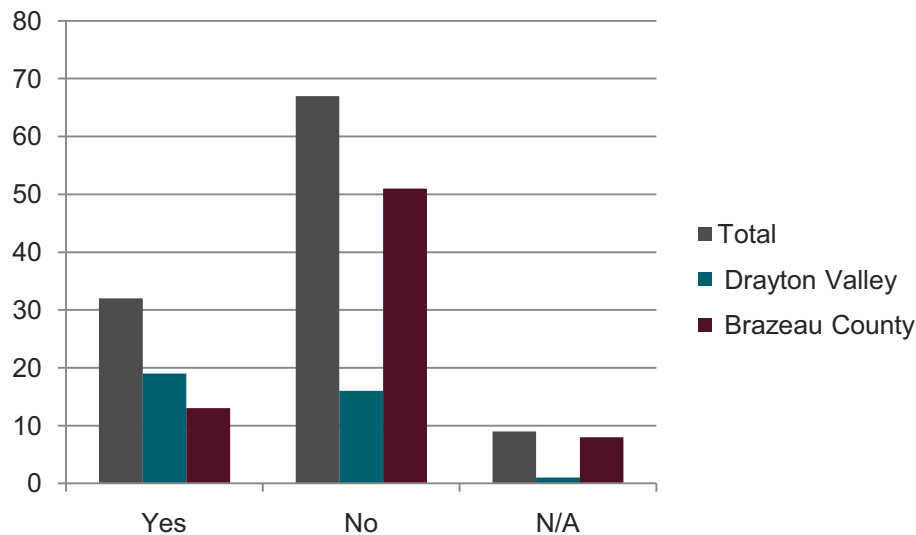
It is important to note that responses are quite varied with a significant portion of the respondents indicating they did not feel as though these options would particularly benefit their businesses, but had additional businesses in mind (as is denoted in the large number of responses in the "other" category). Of the services and businesses identified employee



recruitment training services was the most commonly highlighted, especially by businesses located in Drayton Valley. Health care practitioners, large chain stores and a larger local population were also identified by the business respondents.

As well as being interested in the service and business gaps that exist in the region, the survey also sought to develop an understanding around businesses' internet usage in the area. The figure below illustrates the number of respondents that buy and/or sell products online. As can be seen most of the businesses in Brazeau County do not utilize the internet to buy or sell products. Interestingly, this is in stark contrast to the 81% of businesses in Drayton Valley that reported buying and selling products online in 2009. However, the results of this survey do coincide with the 2009 results for marketing online where 61% of businesses in Brazeau do not market online. The evidence seems to be pointing to the fact that Brazeau based businesses are less likely to use the internet for buying or selling. However, this pattern is quite different in Drayton Valley where more respondents do utilize the internet to buy or sell products than do not.

FIGURE 32 DO YOU BUY AND/OR SELL PRODUCTS FOR YOUR BUSINESS OVER THE INTERNET? (LONG FORM SURVEY: 108 RESPONSES)

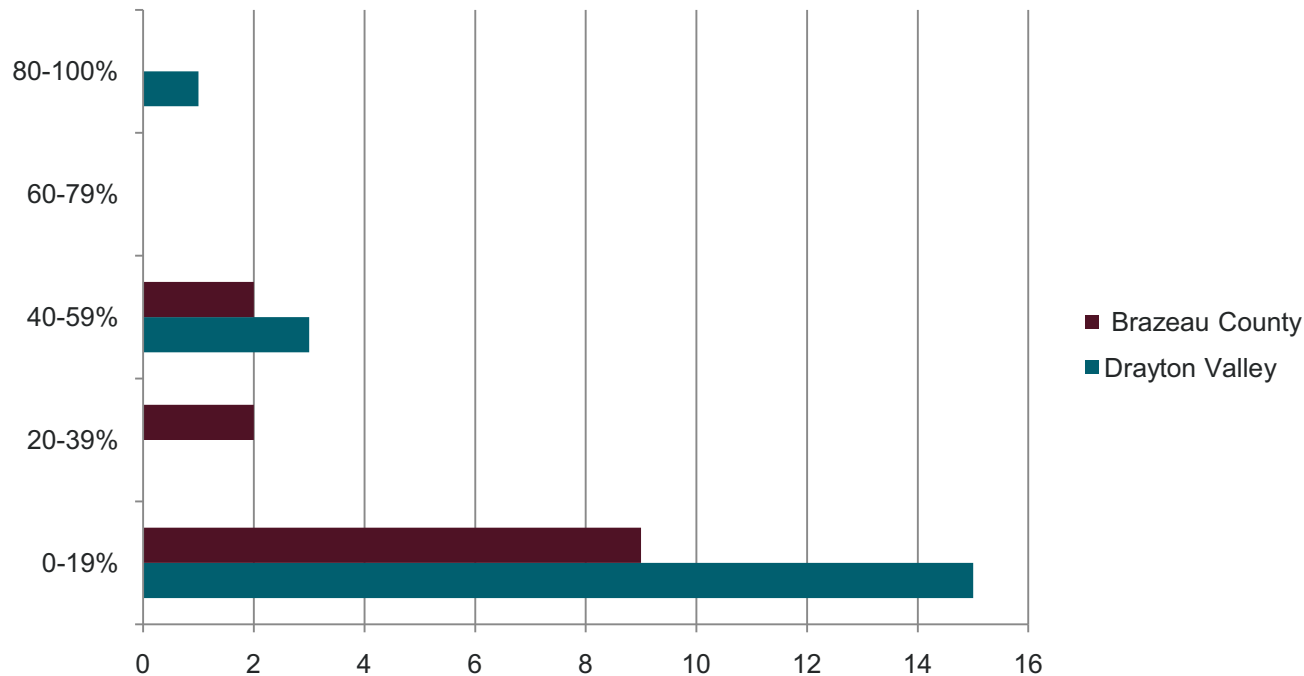


The respondents who do utilize the internet for buying and/or selling products generally do not use it for the vast majority of the business they conduct, as the graph below demonstrates. Of the business respondents that stated they do utilize



the internet less than 20% indicated doing all of their buying and/or selling online. Of the companies in Brazeau County that utilize the internet, a higher percentage of their buying and selling is done online, with multiple companies signifying that they conduct 20-39% and 40-59% respectively, of their business online.

FIGURE 33 HOW MUCH OF WHAT YOU SELL AND/OR BUY DO YOU DO OVER THE INTERNET? (LONG FORM SURVEY: 108 RESPONSES)



### 3.5.2 Business Attraction

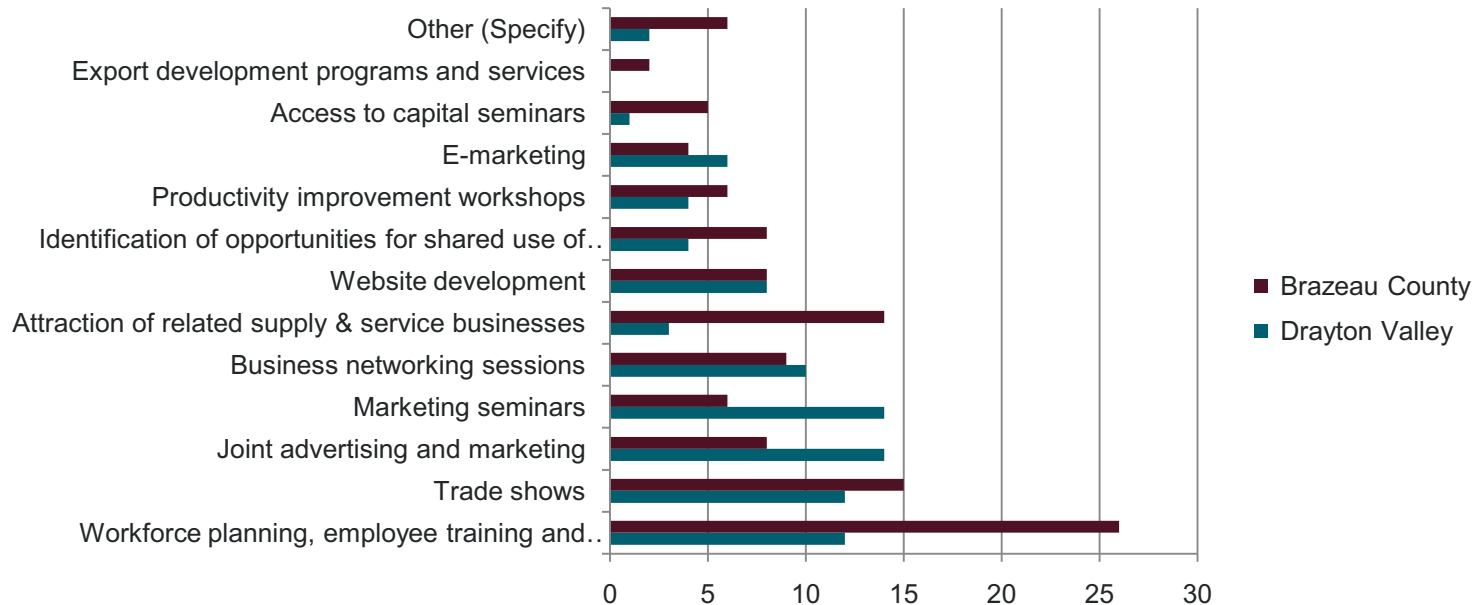
Business attraction is a fundamental component of a strong and dynamic local economy. It is vitally important for communities to attract new investment into their area in order to continue to remain competitive and to provide a high quality of life for local residents.. Findings of the business survey in relation to key factors that are pivotal to business attraction are presented in the next section.



### 3.5.2.1 Sector Supports

In order to attract new business to a community strong supports must be developed by local service providers to ensure the necessary programming and expertise is available. Figure 22 highlights the responses in relation to how local business associations and economic development offices could assist local business. Overwhelmingly, the respondents pointed to the need for assistance in workforce planning and employee training, as well as the attraction of new businesses related to supplying and servicing existing business.

FIGURE 34 HOW COULD LOCAL BUSINESS ASSOCIATIONS ASSIST YOU IN DEVELOPING YOUR BUSINESS? (LONG FORM SURVEY: 108 RESPONSES)



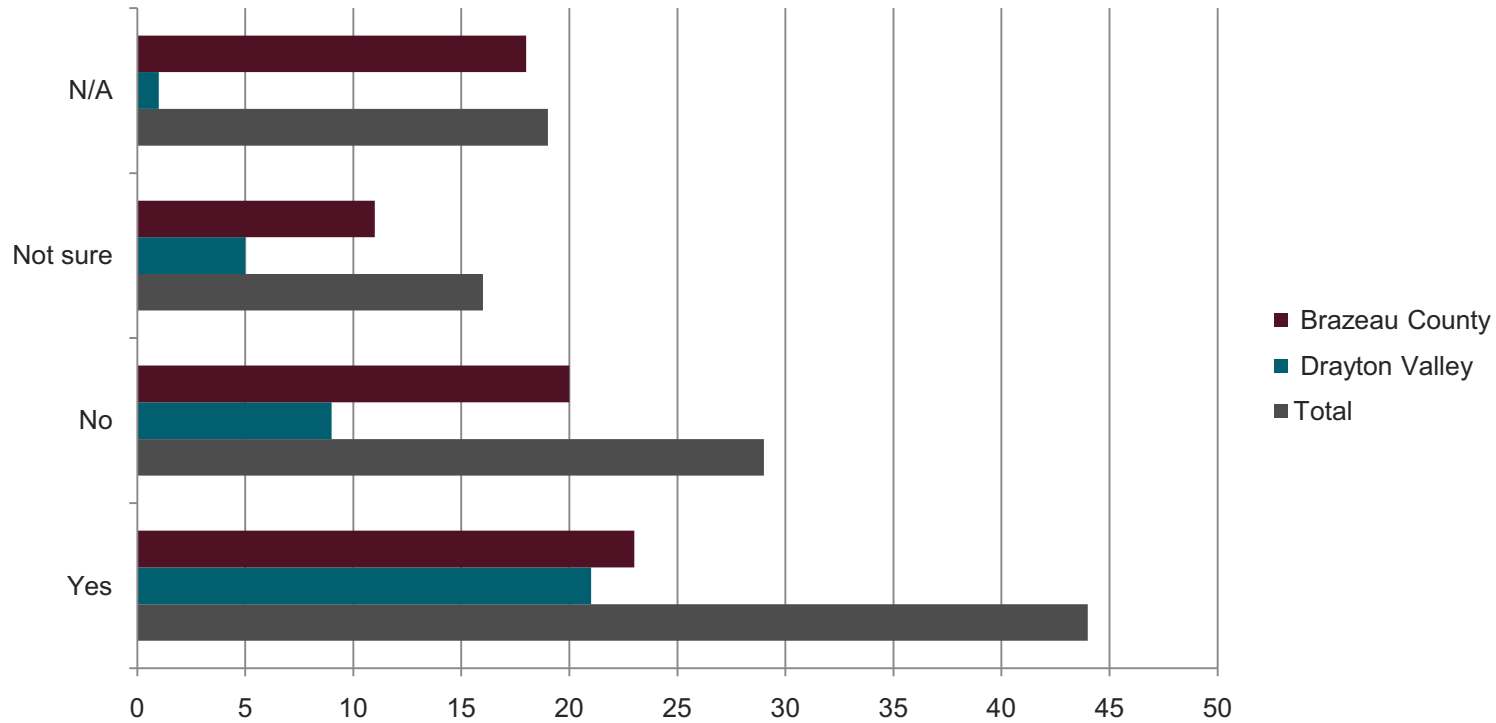
### 3.5.3 Mentoring

Another integral component of a strong business attraction platform is the assistance of the business community, typically through a business mentoring program. Many of the business respondents in Brazeau County felt that a business



mentoring program would benefit the businesses in the community. The support for a business mentorship program was more pronounced in Drayton Valley as can be seen in Figure 23.

FIGURE 35 WOULD A MENTORING PROGRAM BENEFIT THE BUSINESSES IN YOUR COMMUNITY? (LONG FORM SURVEY: 108 RESPONSES)





In terms of the topics in which mentorship assistance would be beneficial the respondents were generally divided in terms of location, with businesses from outside of Drayton Valley highlighting the importance of human resources, production, logistics and technical. In comparison, the respondents located in Drayton Valley focused on the importance of human resources, marketing and business plan support in marketing programs. This speaks to the point that businesses located within and outside of Drayton Valley have relatively different needs in terms of services they would like to see provided.

FIGURE 36 IN WHICH OF THE FOLLOWING AREAS WOULD A MENTORSHIP PROGRAM BE OF ASSISTANCE? (LONG FORM SURVEY: 108 RESPONSES)

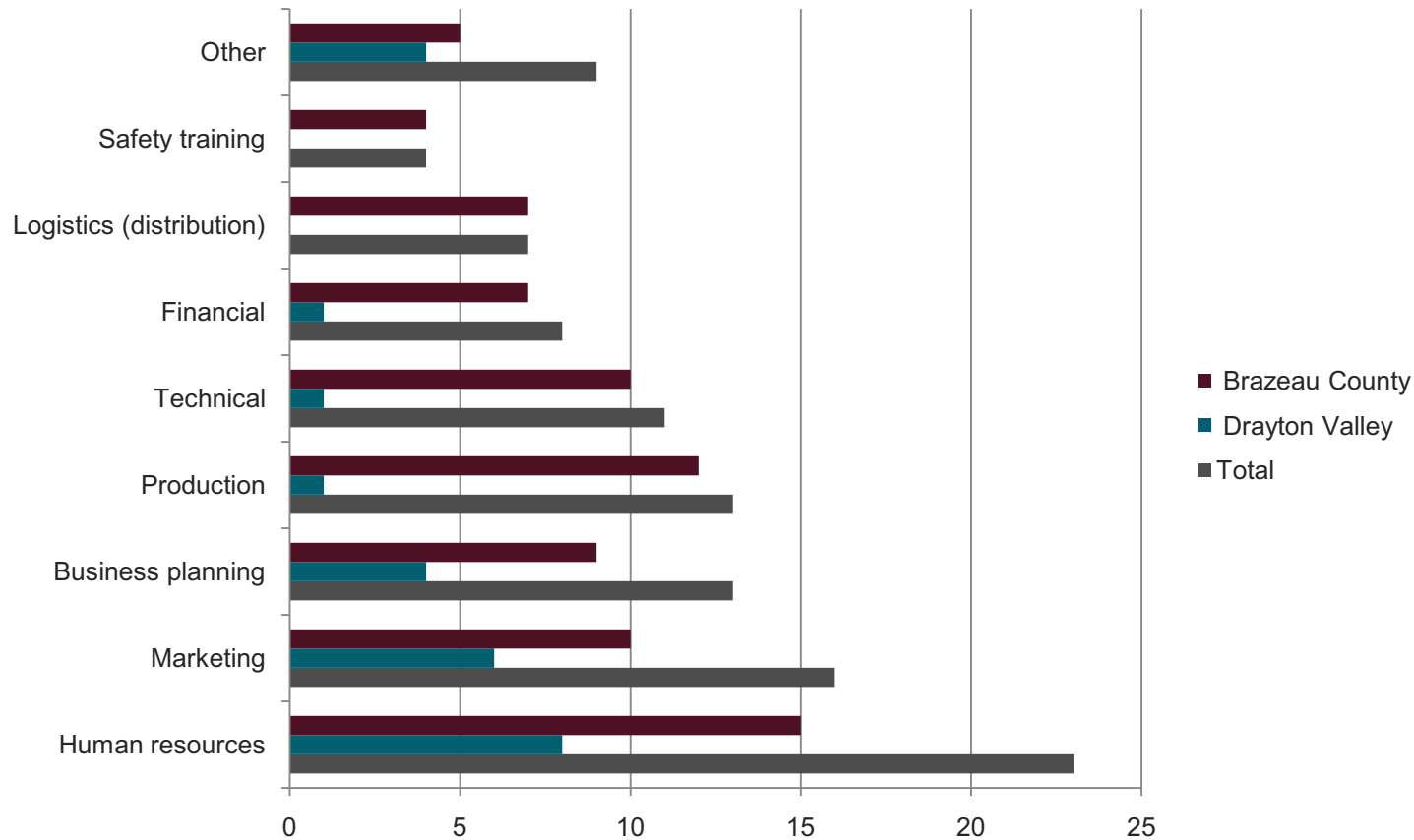
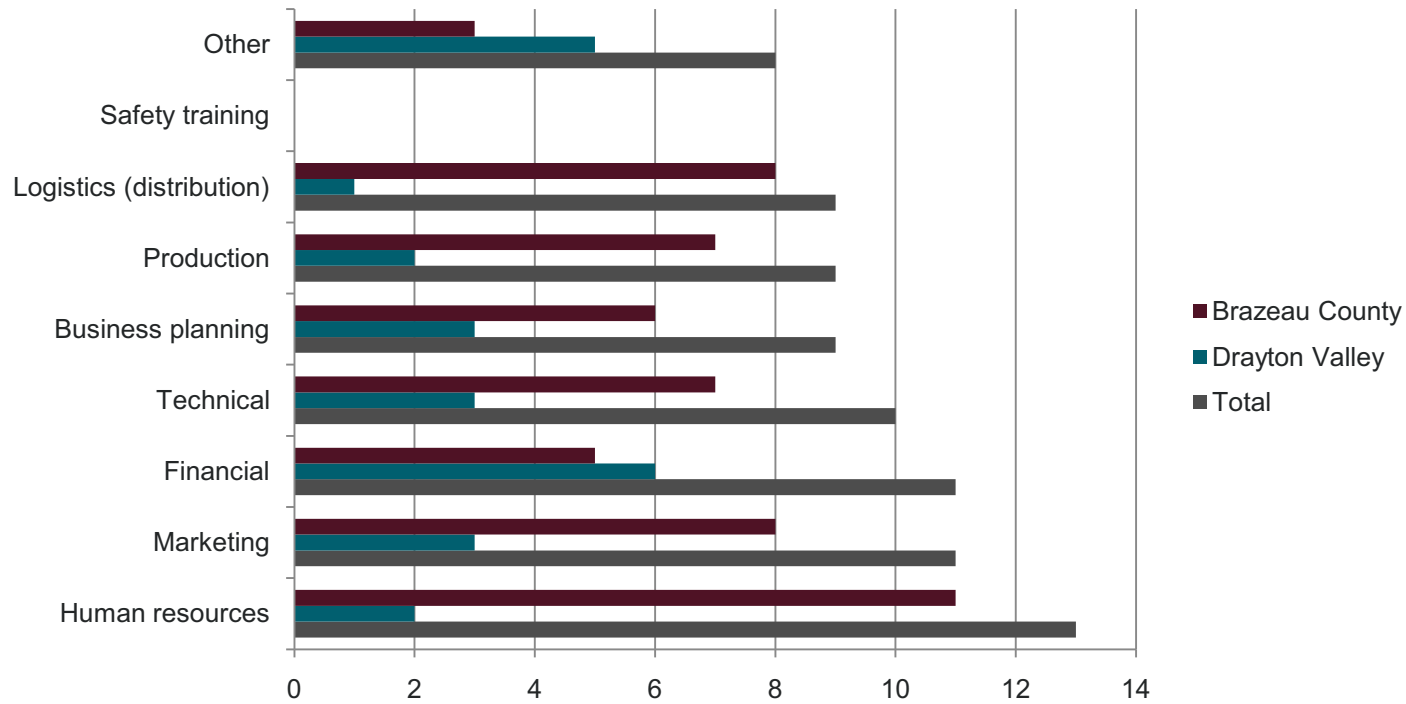




FIGURE 37 WOULD YOUR COMPANY BE WILLING TO BE A MENTOR? IN WHICH AREAS? (LONG FORM SURVEY: 108 RESPONSES)



Very few of the businesses surveyed indicated a willingness to become business mentors. However, there were a select number that were extremely interested. When asked which particular subjects they would be interested in offering mentoring support, the respondents from outside of Drayton Valley highlighted areas including human resources, logistics and marketing, with the business respondents from within Drayton Valley selecting financial matters, as well as technical and marketing areas.



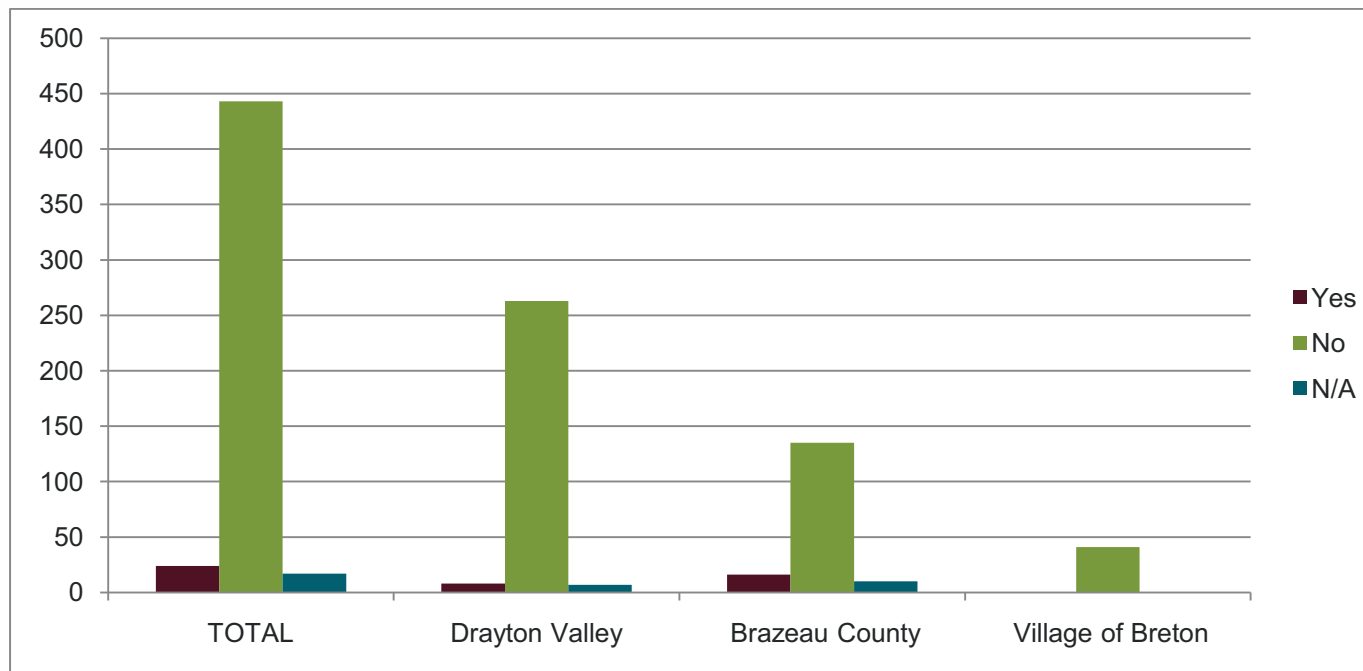
## 3.6 Exporting

This segment of the report highlights the current exporting activity in Brazeau County. Although the information gathered is limited by the lower response rate, it does provide a brief snapshot of the export industries in the region and provide a jumping-off platform for further strategy development to support exporting market penetration.

### 3.6.1 Export Markets

Generally speaking, very few businesses in Brazeau County and Drayton Valley export products or services. Of the 484 businesses surveyed less than 25 businesses stated that they participate in the exporting of products or services. Most of the businesses that do export are located in Brazeau County.

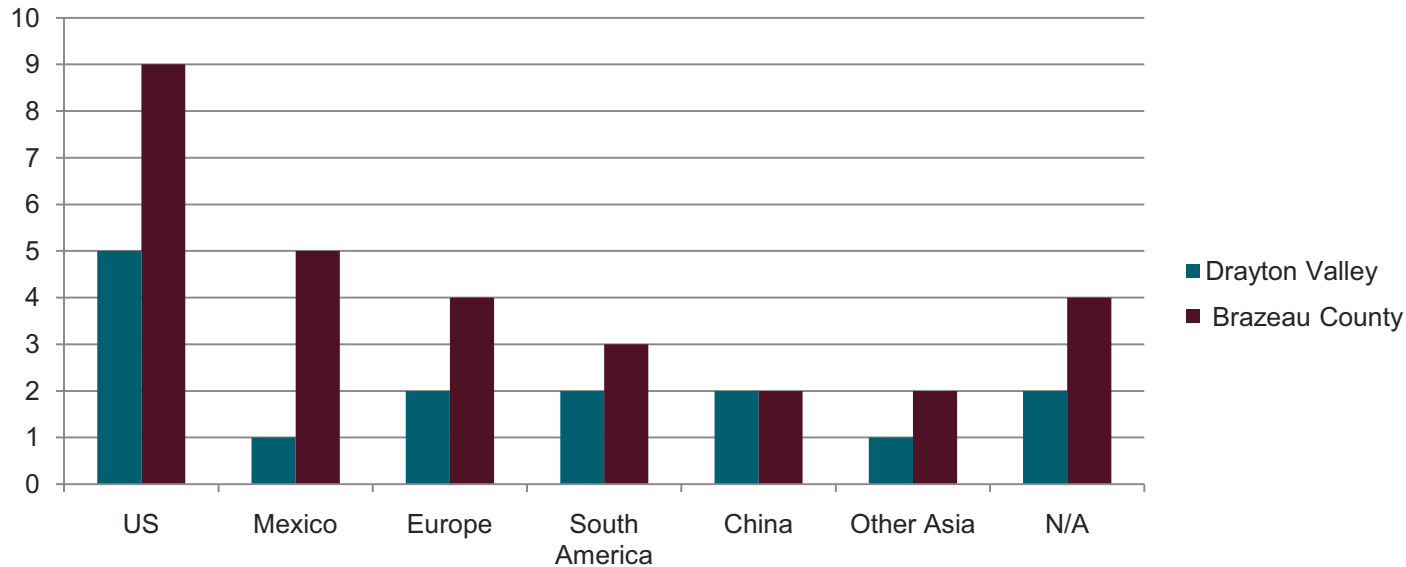
FIGURE 38 ARE YOU CURRENTLY EXPORTING ANY PRODUCTS OR SERVICES? (COMBINED SURVEY: 484 RESPONSES)





The businesses that do export were asked to identify which markets they export their goods and services to. The figure below illustrates that most of the exporting activity is with the United States. Five companies located in Brazeau County are currently exporting to Mexico, and four are exporting to European Markets.

FIGURE 39 WHERE DOES YOUR COMPANY EXPORT? (COMBINED SURVEY: 484 RESPONSES)



### 3.7 Import Replacement

Businesses in Brazeau County noted that they import numerous products and services from outside of the local area including industrial products such as steel, chemicals, trucks, mechanical parts and equipment. Office supplies also make up an area where imports are significant.

When asked where businesses were importing from, almost 80% of respondents indicated Edmonton. There is also a larger portion of the import areas that is highlighted under "other". It can be inferred that these imported items are probably specialty items that are imported from overseas, excluding the U.S.



FIGURE 40 WHAT DO YOU IMPORT? (LONG FORM SURVEY: 108 RESPONSES)

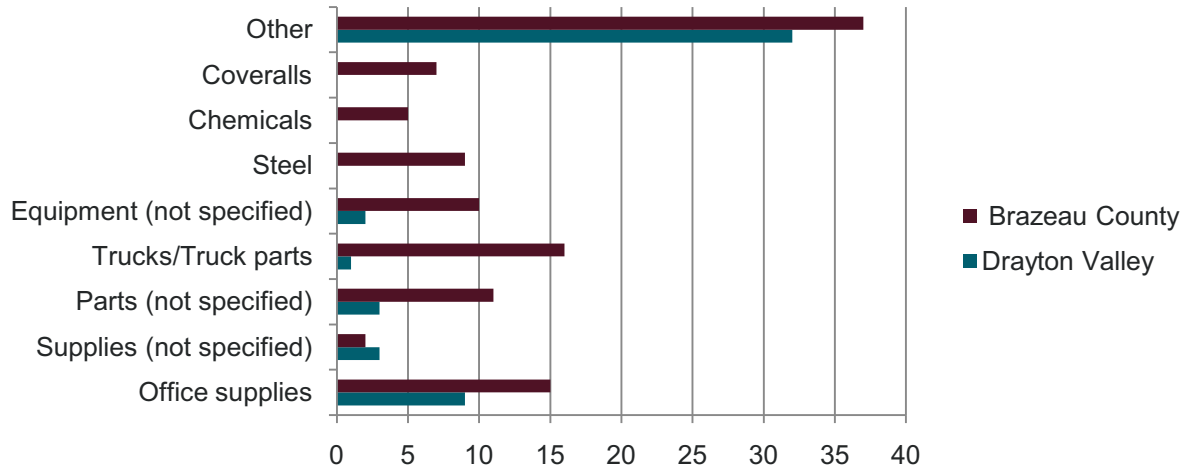


FIGURE 41 WHERE DO YOU IMPORT THESE PRODUCTS FROM? (LONG FORM SURVEY: 108 RESPONSES)

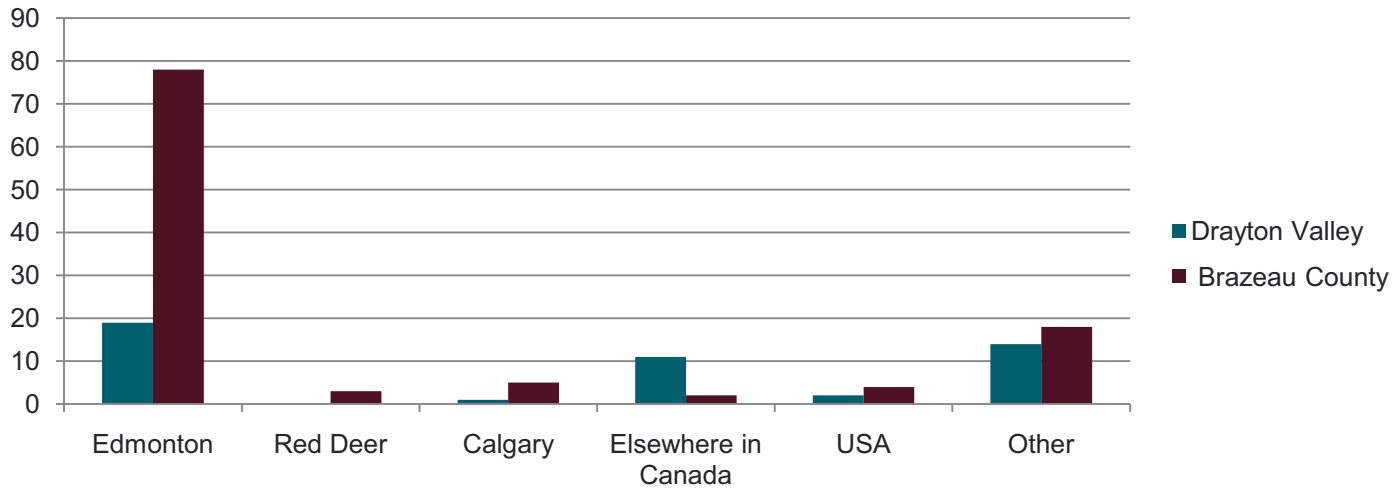
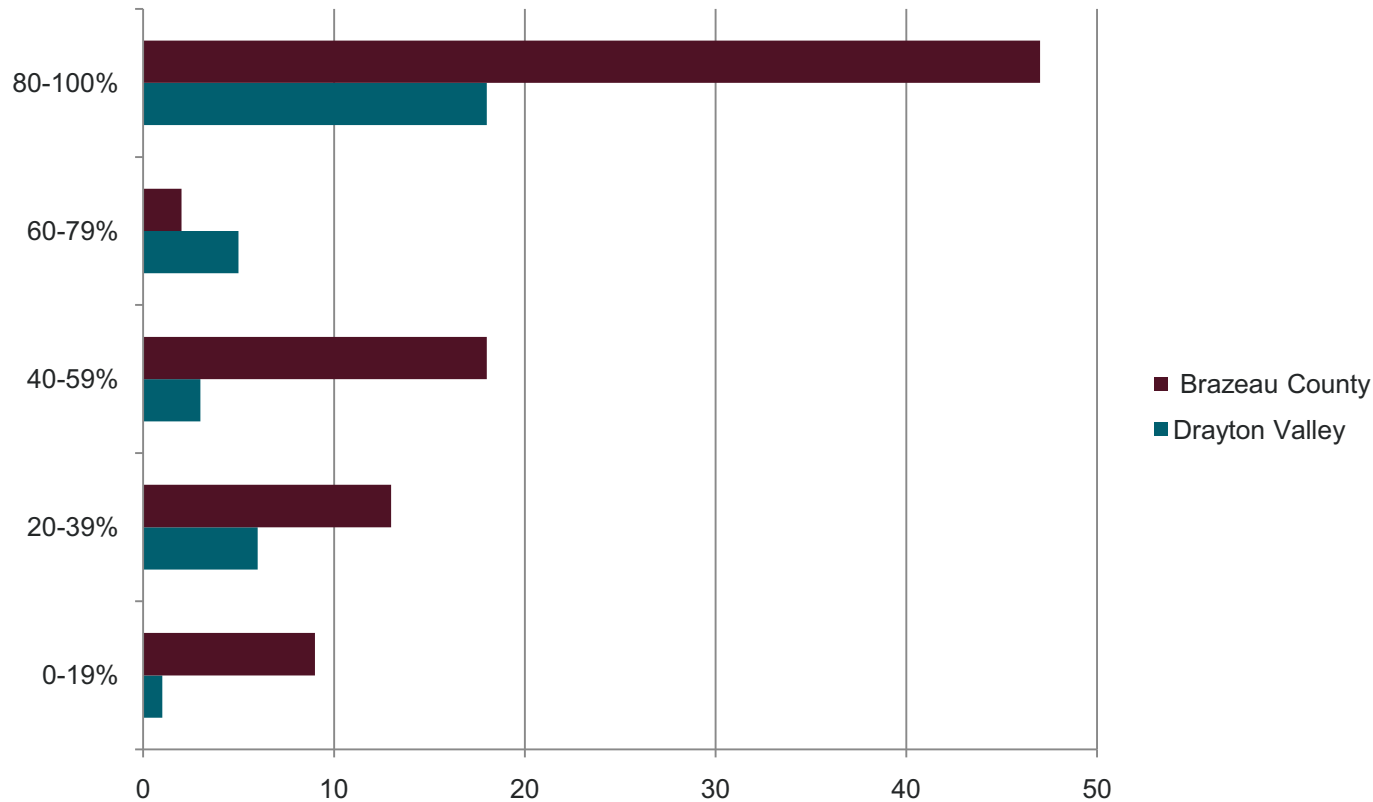




FIGURE 42 WHAT PERCENTAGE OF THE GOODS AND SERVICES YOU USE IN A YEAR DO YOU IMPORT? (LONG FORM SURVEY: 108 RESPONSES)

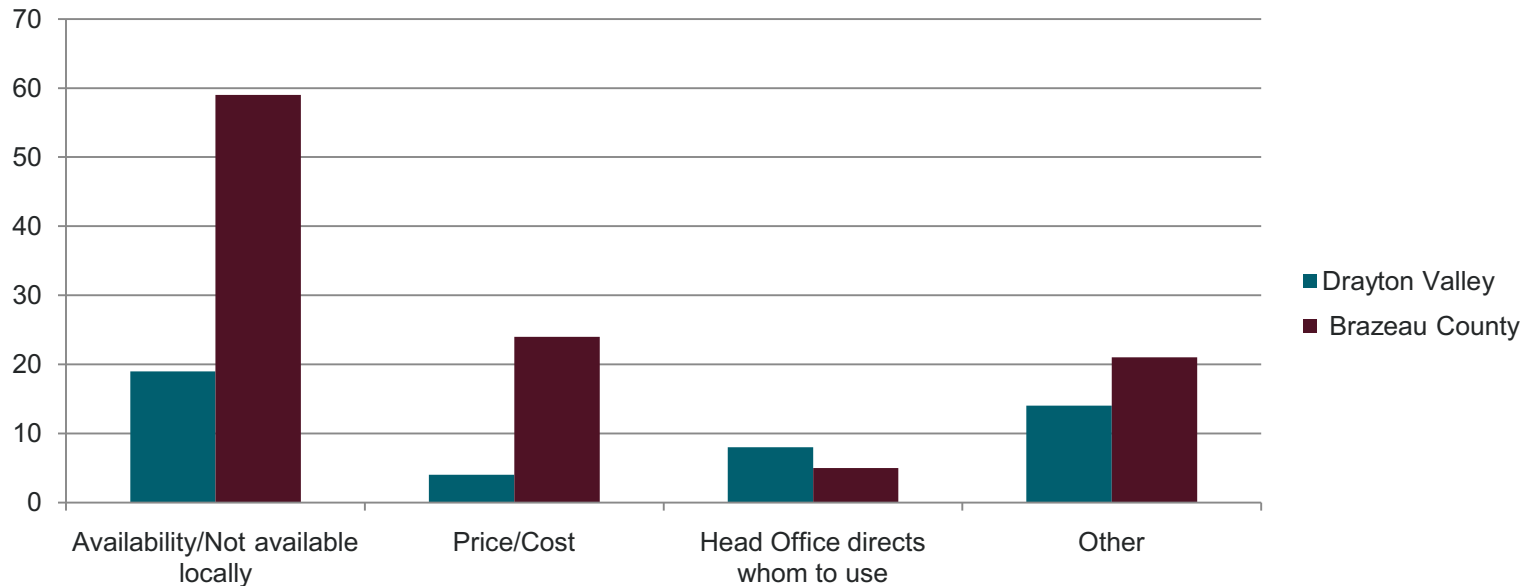


Perhaps not surprising, the vast majority of the products that are currently used by local businesses are imported from outside of the community. Of the respondents that stated they import products, many indicated this to be between 80%-100% of the products they use. This is particularly true with businesses that are located in Brazeau County and is probably associated with the reasons that have already been highlighted (that most of the products businesses in Brazeau County import are specialty industrial products that cannot be found in the local community). With this being said, the next figure examines the reasons why companies import their goods and overwhelmingly it is seen that the



products needed by companies are not available locally. Identification of the specific products that are being imported may create new business opportunities for the local area, supporting a business attraction strategy.

FIGURE 43 WHAT ARE YOUR REASONS FOR IMPORTING? (LONG FORM SURVEY: 108 RESPONSES)



## 3.8 Trends and Future Plans

Trends and future plans will examine the future plans of the business community in the region with emphasis on succession planning, expansion, potential closures or sale.

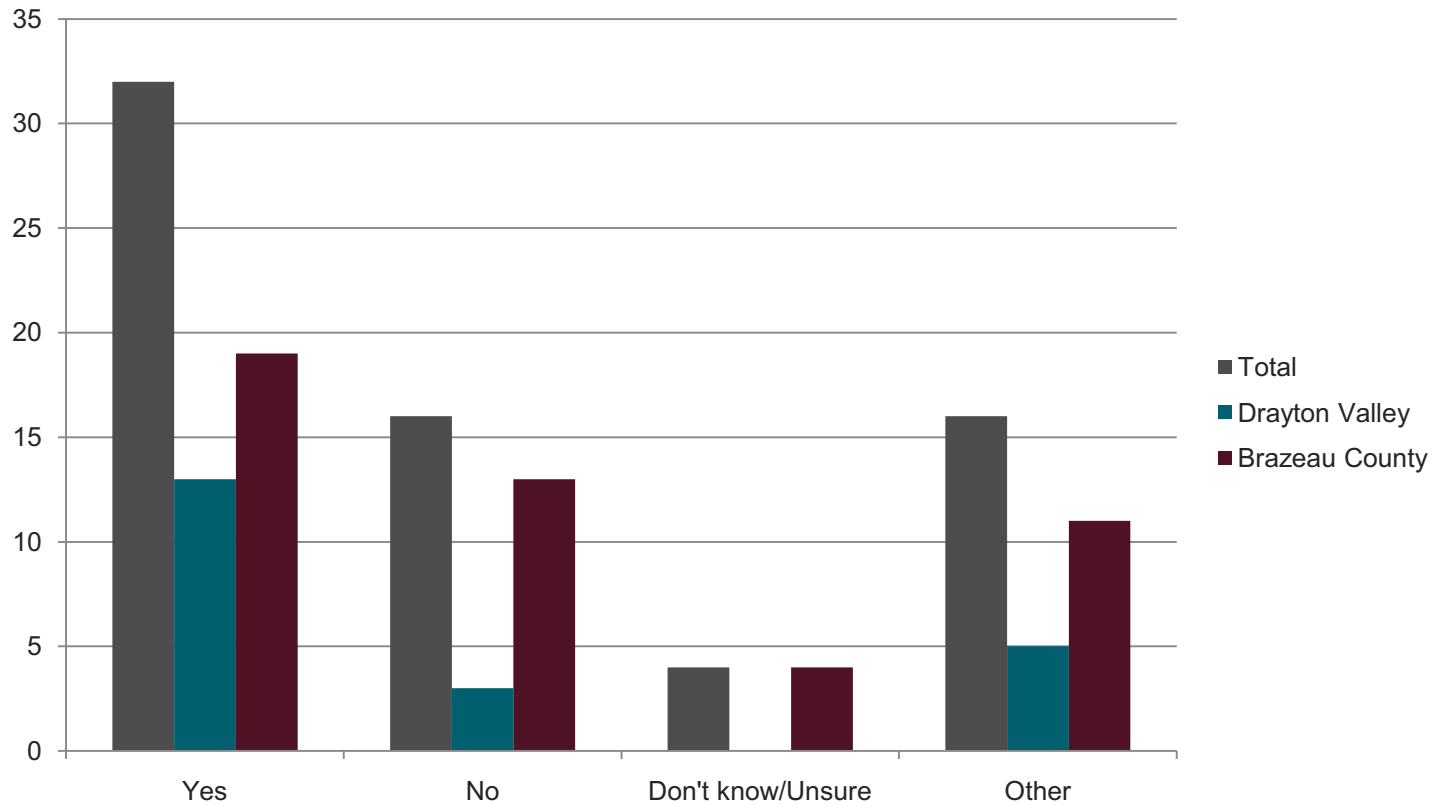
### 3.8.1 Business Succession/Future Development

Of the businesses surveyed only 32 businesses, out of 108 (or 29%) stated that they had succession plans in place. There appears to be a general misunderstanding as to the importance and necessity of having a succession plan as respondents either did not know if there was a formal succession plan in place for the company or did not see it as being applicable to their business.



This may be linked to the fact that a high percentage of the businesses surveyed indicated that they have no plans to close or sell in the near future. Given the general demographics of the area being younger, this bodes well for the region.

FIGURE 44 DOES YOUR BUSINESS HAVE A SUCCESSION PLAN IN PLACE? (LONG FORM SURVEY: 108 RESPONSES)



Of the business owners that are thinking of selling or closing, most were due to age and retirement, while a few also stated that although they are not actively seeking to sell or close, if an offer was made to them they would be open to selling their business.



FIGURE 45 ARE YOU LOOKING TO CLOSE OR SELL YOUR COMPANY IN THE NEXT 5-10 YEARS? (LONG FORM SURVEY: 108 RESPONSES)

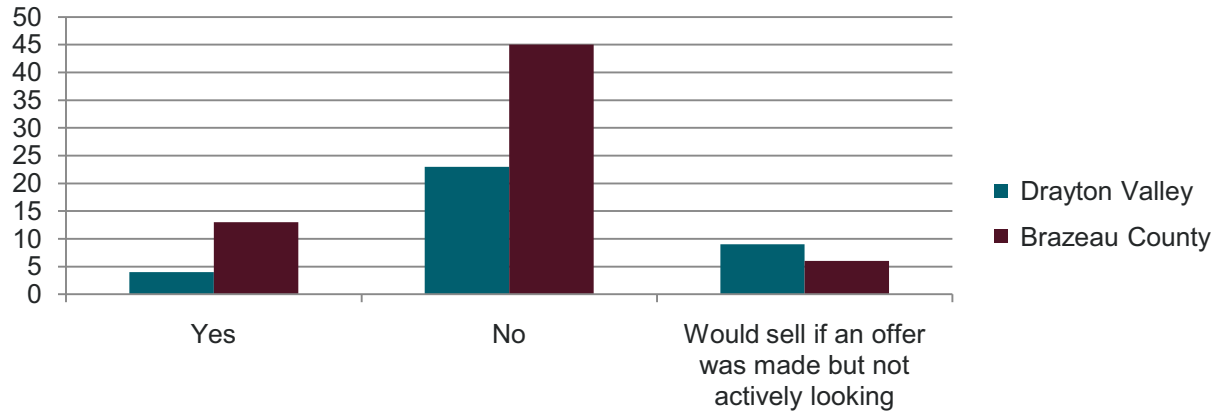
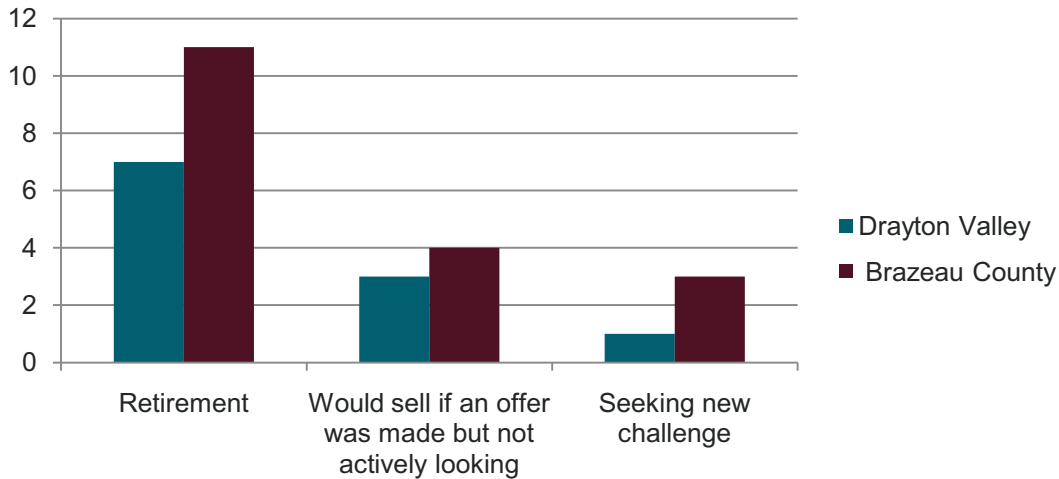


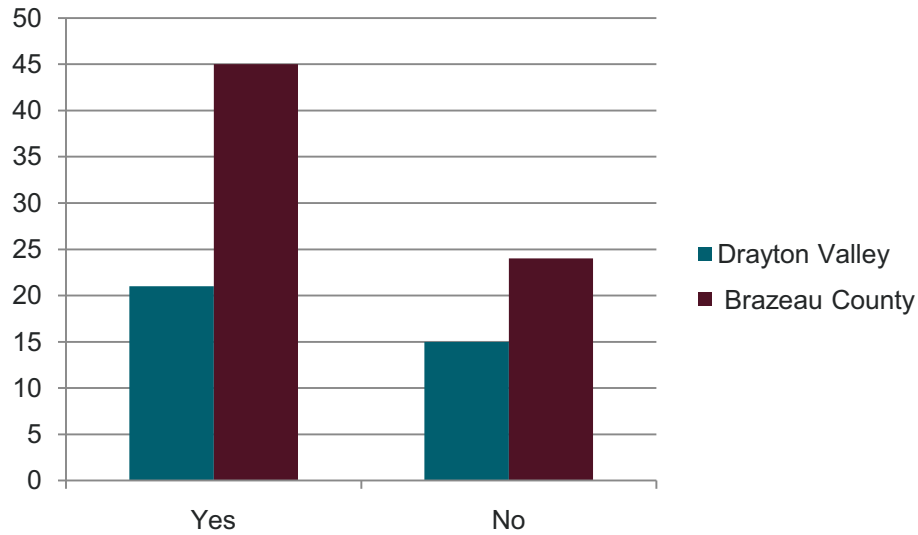
FIGURE 116 WHY ARE YOU LOOKING TO CLOSE OR SELL? (LONG FORM SURVEY: 108 RESPONSES)



In addition, many of the businesses actually have plans to expand. Out of the 108 surveyed 66 businesses indicated that they are looking to expand in the future, with a majority of these expansions taking place in Brazeau County.



FIGURE 47 DOES YOUR BUSINESS HAVE FUTURE EXPANSION PLANS? (LONG FORM SURVEY: 108 RESPONSES)



Overall, it is evident that the business community in Brazeau County and Drayton Valley is growing and thriving. There are significant differences when analyzing the individual areas because of the types of businesses that dominate in each of the areas. This places greater emphasis on developing strategies that recognize and respond to the specific needs.

The next section of this report will analyze key survey responses in terms of sector and industry with hopes of providing clarity and further analysis into the business trends being seen throughout the region.

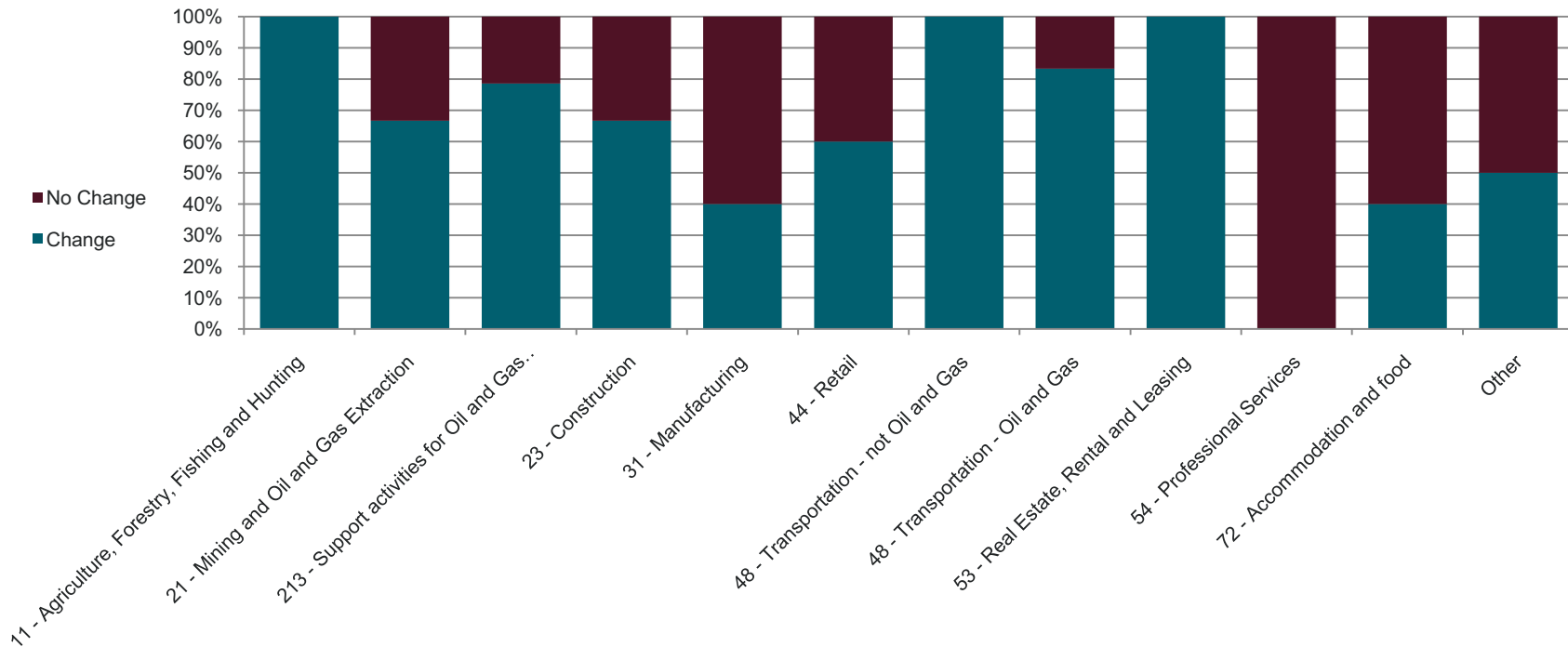


## 4 Survey Results – By Industry

The following charts display the survey results as it relates to industry of respondents. Examining responses by industry places a greater emphasis on development of solutions and supports that target specific sectors and industries.

### 4.1.1 Changes in Number of Employees

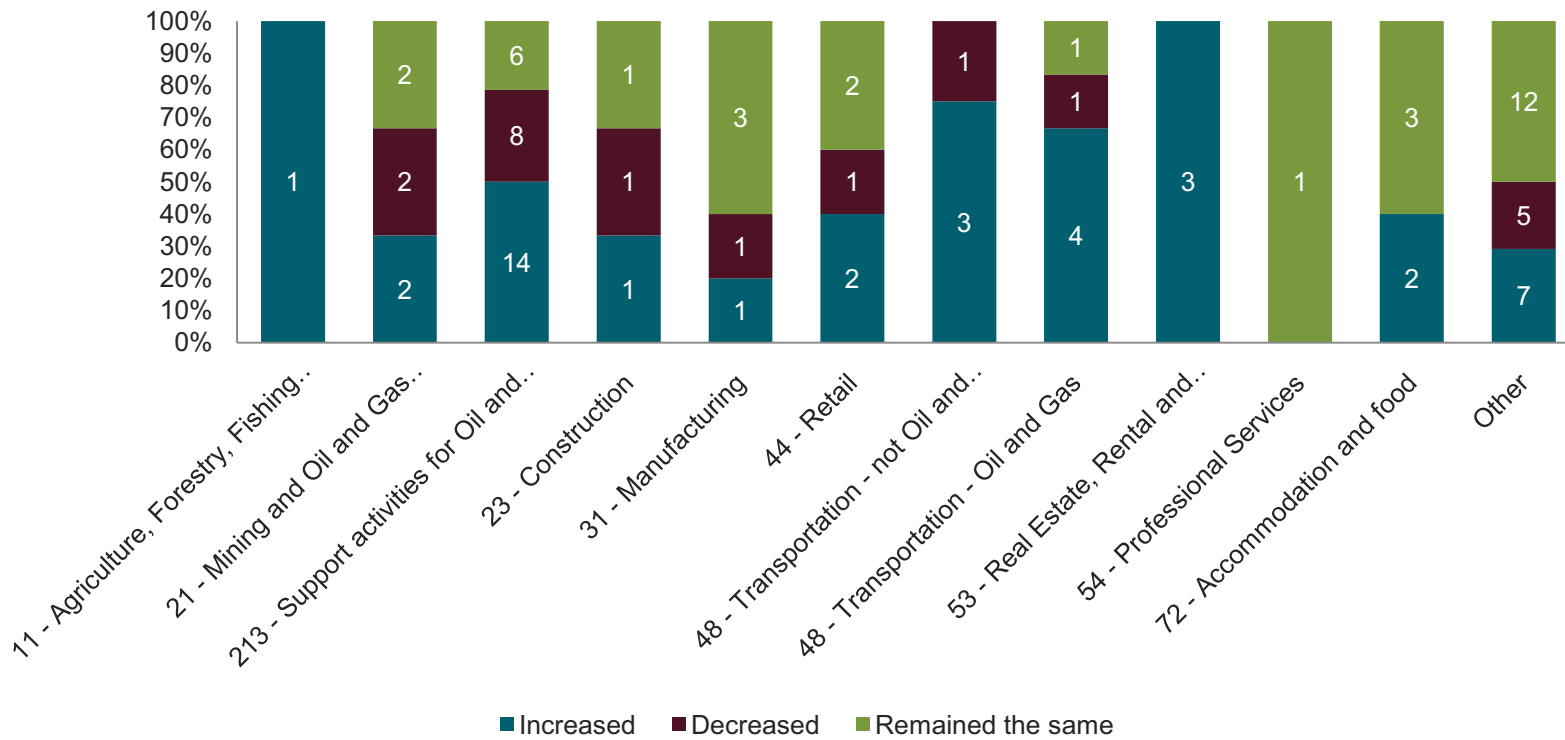
FIGURE48: IN THE LAST THREE YEARS DID THE NUMBER OF EMPLOYEES IN YOUR BUSINESS CHANGE OR REMAIN THE SAME? (LONG FORM SURVEY: 108 RESPONSES)





Most sectors represented in the regional economy experienced some change in number of staff over the last three years. Responses represented in Figure 42 are not differentiated by whether that change was an increase or decrease, only that the business did experience some change over the time period. This view highlights which sectors have been changing in recent history. Some sectors saw a low number of responses from businesses, and therefore when represented as a percentage the few responses can appear significant, but represent the input from only one or two businesses. The Agriculture, Forestry, Fishing, & Hunting sector is an example of this effect: only 1 business responded from this sector, and that business experienced some change. Likewise, only 2 businesses from the Professional Services sector responded, and neither experienced any change. Consideration needs to be given to where responses came from and how this compares to the structure of the overall economy in Drayton Valley.

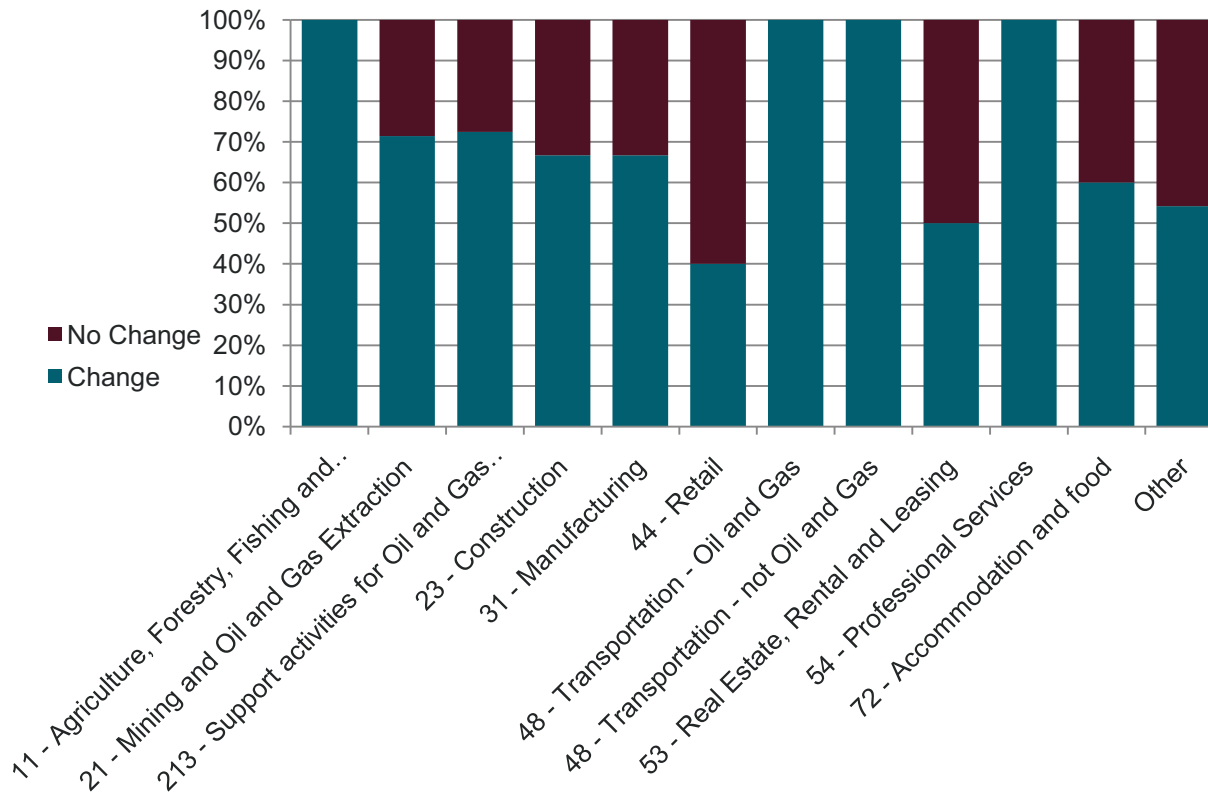
FIGURE 49: IN THE LAST THREE YEARS DID THE NUMBER OF EMPLOYEES IN YOUR BUSINESS INCREASE, DECREASE, OR REMAIN THE SAME? NUMBERS REPRESENT NUMBER OF RESPONSES. (LONG FORM: 108 RESPONSES)





Based on survey responses, most sectors experienced staffing increases with the most noteworthy sector being Support Activities for Oil and Gas Extraction; of 28 businesses responding (the most responses by any one sector) 50% experienced an increase in number of employees over the past three years. Clearly this is a dynamic sector within the regional economy. Likewise, Transportation also experienced stronger employee growth versus decrease or no change. This is also reflected in respondent’s expectations for future growth.

FIGURE 50: DURING THE NEXT THREE YEARS DO YOU ANTICIPATE THE NUMBER OF EMPLOYEES IN YOUR BUSINESS TO CHANGE?  
(LONG FORM: 108 RESPONSES)





Expectations for future changes in number of employees are high and reflective of past trends, with shifts expected in the Oil & Gas sector (including Support Activities), and the Transportation sector. Figure 38 presents further clarification of these anticipated changes. Every respondent, less one, anticipates either an increase or at least stability over the next three years. Growth expectations for the Transportation and Oil and Gas industries are strong. Businesses in other industries – e.g. Construction and Manufacturing – anticipate growth, but fewer responses make it difficult to determine the strength of those expectations, especially given the lack of noteworthy change trends over the past three years, based on survey responses.

FIGURE 51: DURING THE NEXT THREE YEARS DO YOU ANTICIPATE THE NUMBER OF EMPLOYEES IN YOUR BUSINESS GOING TO INCREASE, DECREASE OR REMAIN THE SAME? NUMBERS REPRESENT NUMBER OF RESPONSES. (LONG FORM: 108 RESPONSES)

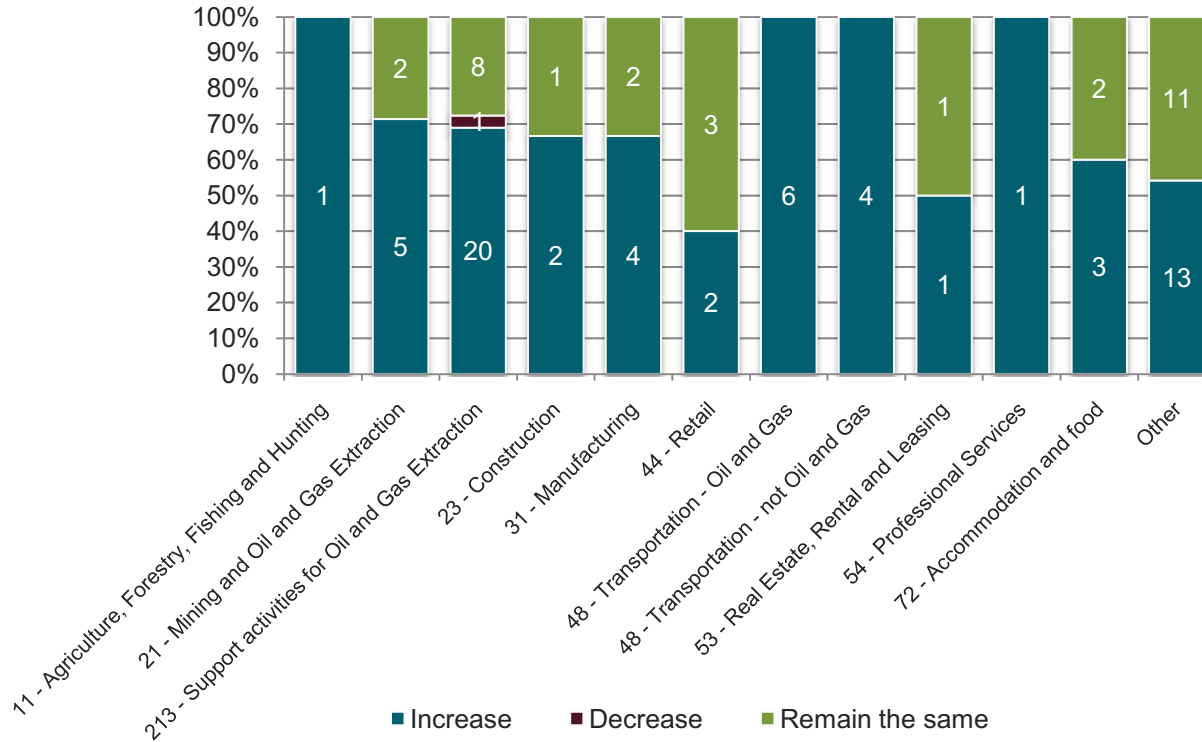
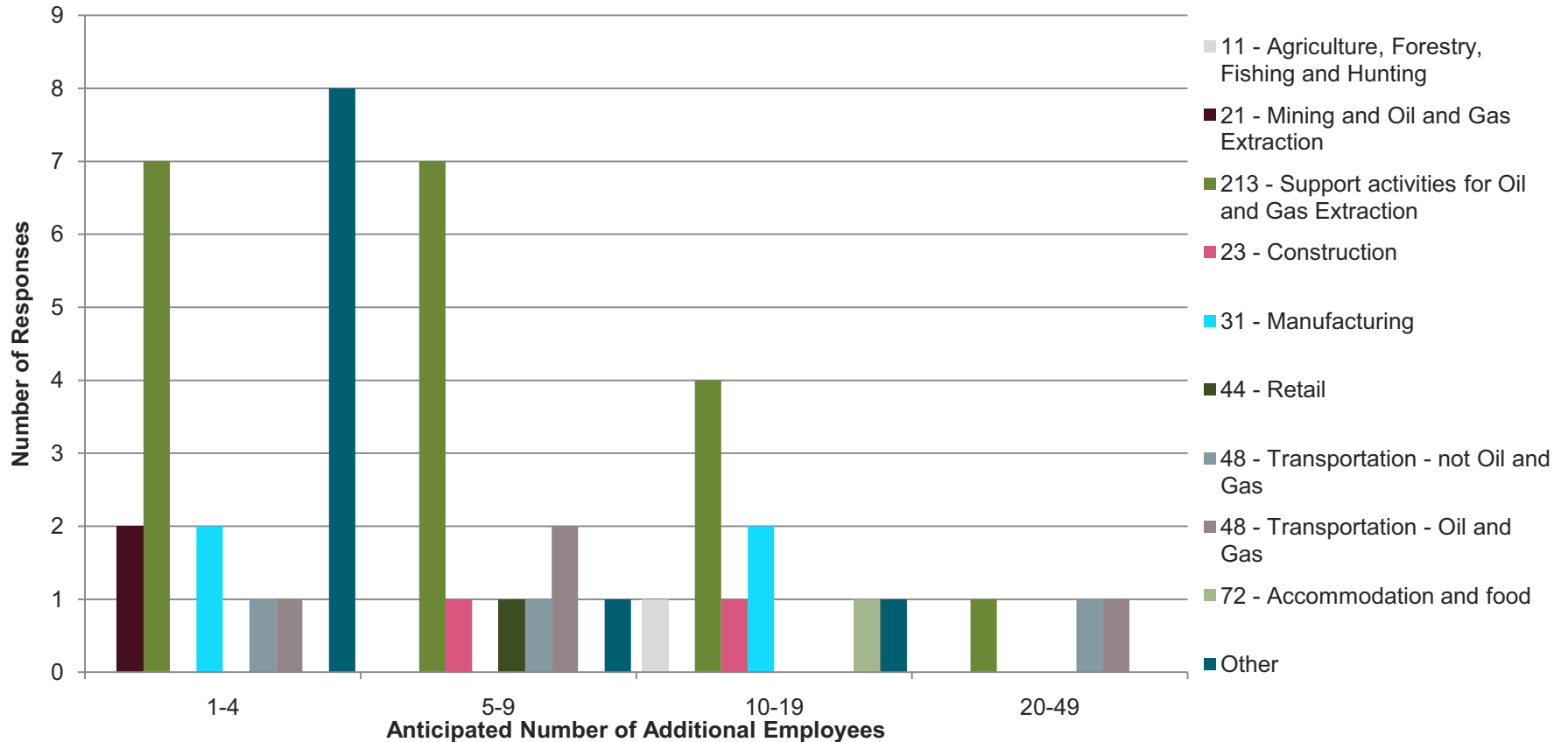




FIGURE 52: ANTICIPATED NUMBER OF ADDITIONAL EMPLOYEES, BY SECTOR (LONG FORM SURVEY: 108 RESPONSES)



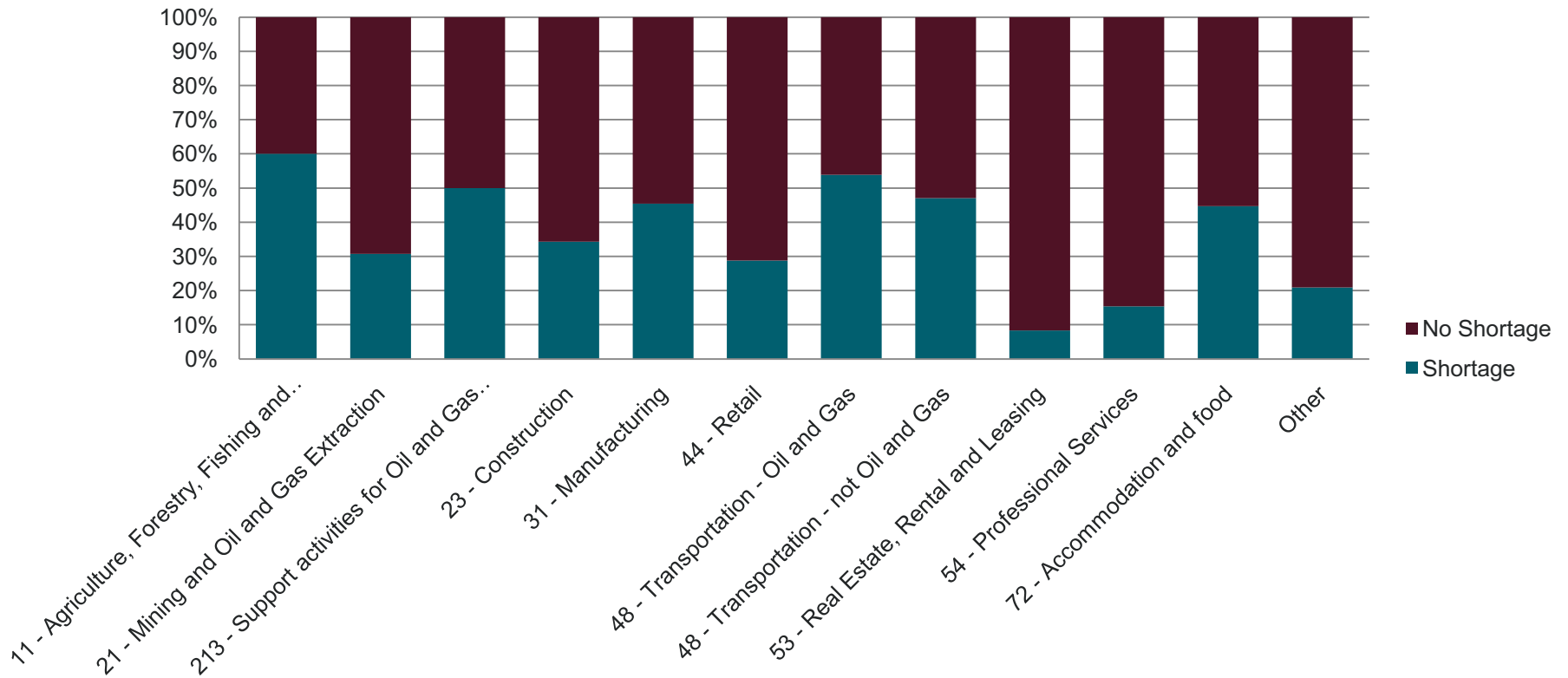
Drilling further into the data reveals the number of employees that businesses anticipate adding over the coming three years. Most respondents expect to add anywhere from 1 to 4 employees. The 'Other' category for sectors shows that across all other sectors not specified here, the vast majority expect small increases of 1-4 employees over the short term. Again, it is clear that, based on responses to the survey, the Support Activities for Oil & Gas sector is expected to



experience the greatest employment growth. What is critical to note with this chart is the difference in categories across the horizontal axis. The height of each column does not necessarily reflect the most number of additional employees in that sector. For example – two businesses in the Transportation sector anticipate adding anywhere from 20-49 employees each in the next three years, or 40-98 additional employees across the region. This is a significant increase, and merits the same consideration as businesses anticipating adding 1-4 employees.

### 4.1.2 Labour Shortage

FIGURE53: IS YOUR BUSINESS CURRENTLY EXPERIENCING A LABOUR SHORTAGE? NUMBERS REPRESENT NUMBER OF RESPONSES.(LONG FORM SURVEY: 108 RESPONSES)





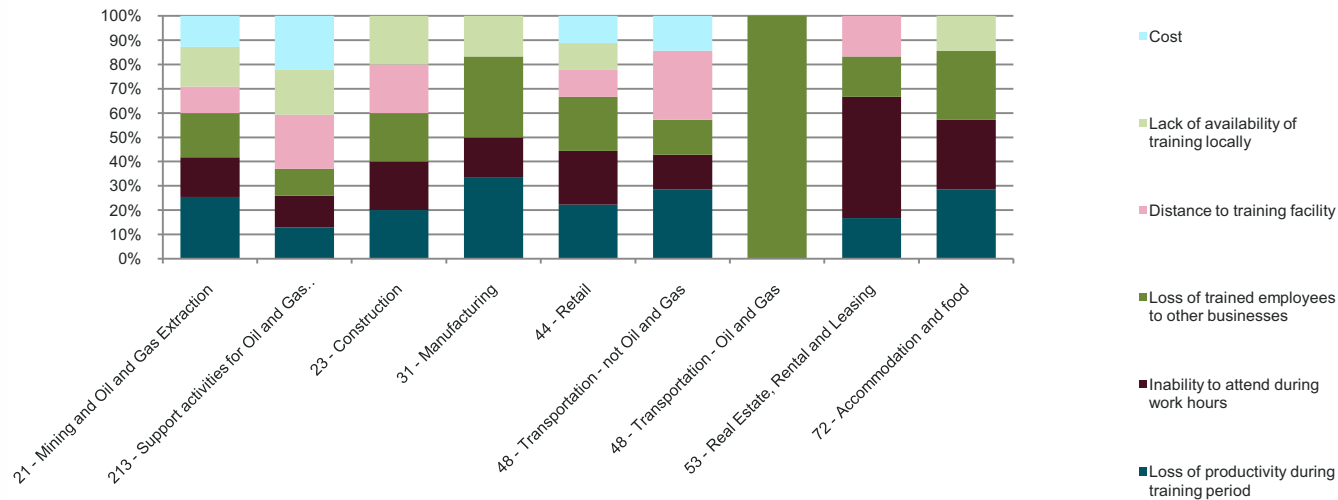
Related to expectations for business growth is the matter of labour availability. While several sectors are seeing shortages of labour, the majority of respondents are not. Based on survey responses, across all sectors, 37% of businesses in the region are experiencing a labour shortage, while 63% are not. Notable sectors that claim some shortage of labour include Support Activities for Oil and Gas Extraction, Construction, Transportation, and Accommodation and Food.

### 4.1.3 Barriers to Employee Training

It is oftentimes a challenge for businesses to provide adequate and relevant employee training, and there are a variety of reasons for these challenges in this region. Most challenges are related to the loss of productive time or simply that businesses cannot release employees during regular work hours. To a lesser degree, cost is also a concern. Employers also identified the risk of losing the trained employee to other businesses. Issues of training availability or distance to an appropriate facility are also significant.

Figure 48 highlights barriers to employee training, grouped by industry sector. For example, the two leading barriers to training for employees in the Manufacturing sector are the ‘Loss of productivity during training period’ and ‘Loss of trained employees to other businesses’. Again, these results should direct decision makers in providing specific programs and support for simultaneously improving employee training and retention.

FIGURE 54: BARRIERS TO EMPLOYEE TRAINING, GROUPED BY INDUSTRY SECTOR (LONG FORM SURVEY: 108 RESPONSES)





## 5 Home Based Business

A summary of the Home Based Business results of the Business Visitation Survey are presented in this section highlighting key data emerging from the survey. While not all questions asked in the home based business section of the survey are presented in the main report, questions with significant results are described. It is important to keep in mind the small respondent size when reviewing the findings presented in this section.

### 5.1 Home Based Business Information

There were a total of eleven home-based businesses that responded to the survey. Eight businesses were located in Brazeau County, with three businesses located in Drayton Valley. The majority of the business were privately owned (8), with two Canadian Corporations (1 in each Brazeau County and Drayton Valley) and one family owned business. The majority of businesses do not want to expand and do not export their products (10 respectively). Five businesses were established between 1990 and 1999, with four more businesses opening after 2000.

The main industries that describe the home based businesses are:

- **Mining, Oil, Gas Extraction**
- **Construction**
- **Automotive and Mechanical Repair**

These three industries account for 81% of the home based businesses surveyed.



FIGURE 55: WHAT ASSISTANCE FROM ECONOMIC DEVELOPMENT OFFICES WOULD HOME-BASED BUSINESSES PREFER FOR THEIR INDUSTRY?

Potential assistance from Economic Development Offices	Number of Respondents Interested
Trade Shows	5
Joint Advertising and Marketing	3
Business Networking Sessions	2
Workforce Planning, Employee Training and Attraction	2
Productivity Improvement Workshops	2
E-marketing	2
Access to Capital Seminars	1
Attraction of Related Supply and Service Businesses	1
Identification of Opportunities for shared use of Building, Infrastructure	2

The majority (45%) of the home based businesses surveyed would like to see economic development offices assist their industry through trade shows. Marketing and business workshops also represented important services that were of interest to small business owners.

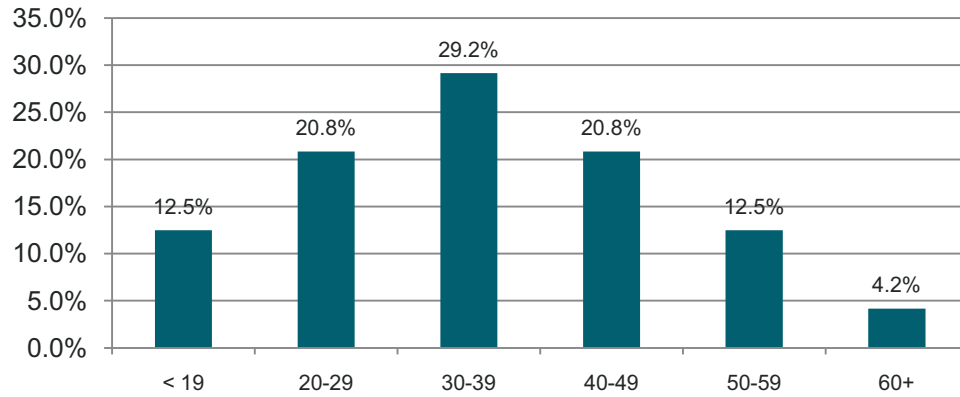
## 5.2 Workforce Characteristics

When asked about how many employees each business had, 63% of the businesses reported a size of 1-4 employees. In Brazeau County, one home based business reported a labour force of over 50 employees. This highlights the importance of developing a standard definition of home based business in the region. Generally speaking, a home based business is a small, single employee (owner) business. However, this definition may not have the nuance needed to take into consideration the plethora of business ventures in the region. Greater examination of this definition is needed.

Projected retirement in ten years revealed that two businesses expected to see 1-9 employees retire within that time frame. The average age of the labour force within the home based businesses is between 30 and 39.

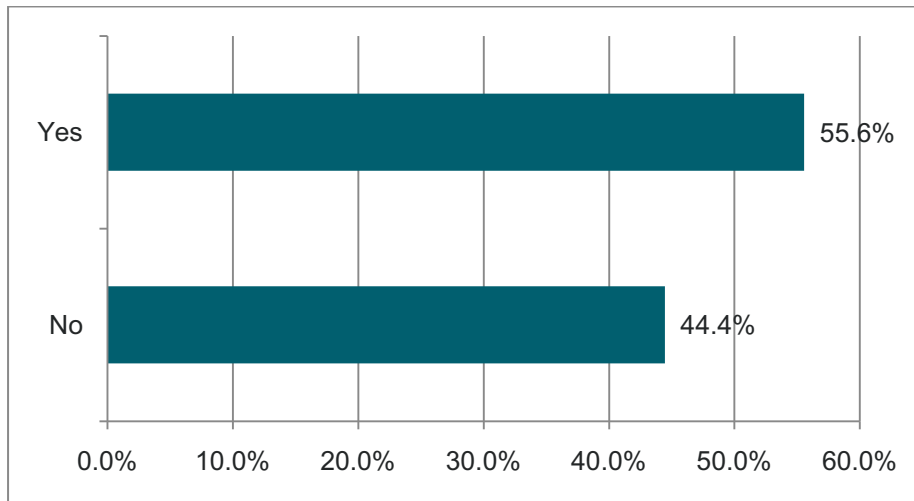


FIGURE 56: LABOUR FORCE OF HOME-BASED BUSINESS BY AGE



The majority of businesses reported that their employees commute to Brazeau County/Drayton Valley to work. Several employees reported either that they lived or worked a second job in surrounding areas outside of the county such as Parkland, Ponoka and Yellowhead County.

FIGURE 57: PERCENTAGE OF EMPLOYEES THAT COMMUTE TO WORK FROM OUTSIDE BRAZEAU COUNTY





Most of the businesses reported that their employee growth has remained the same and will remain the same over the next three years. The majority of those businesses rated the quality of their workforce good, with average turnover rates.

Only two businesses in Brazeau County expect an increase in employees in the next three years.

## 5.3 Training and Mentoring Results

Seven home based businesses reported that they need to train 1-4 employees themselves. The majority of the training required is in computer, customer service and heavy duty mechanical skills. When asked about areas where workforce improvement was needed the majority of responses indicated reading and written communication. Clarity is needed to verify what specific training may be needed in these areas. For example, improvement may be needed in reading levels or comprehension of materials.

Every business reported that their employees did have some kind of training. When asked where their employees received training the top responses were in-house training or institutional training through Community Colleges and Universities.

The top three barriers to training that the businesses reported were cost, distance to training facility and availability of

FIGURE 58: WHAT TRAINING IS NEEDED BY HOME BASED BUSINESS?

local training. This is reflective of the response given when asked if businesses would use local training to which the majority replied yes.

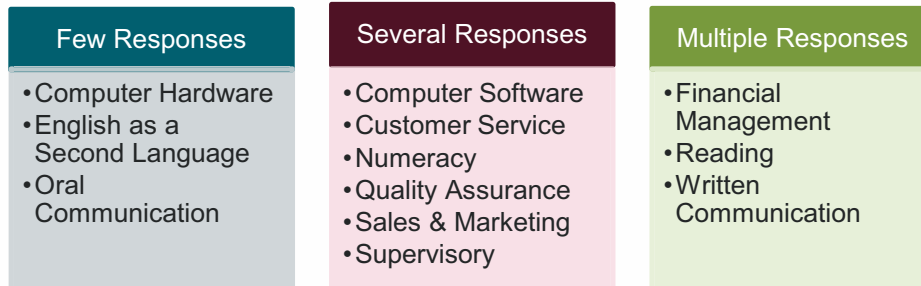
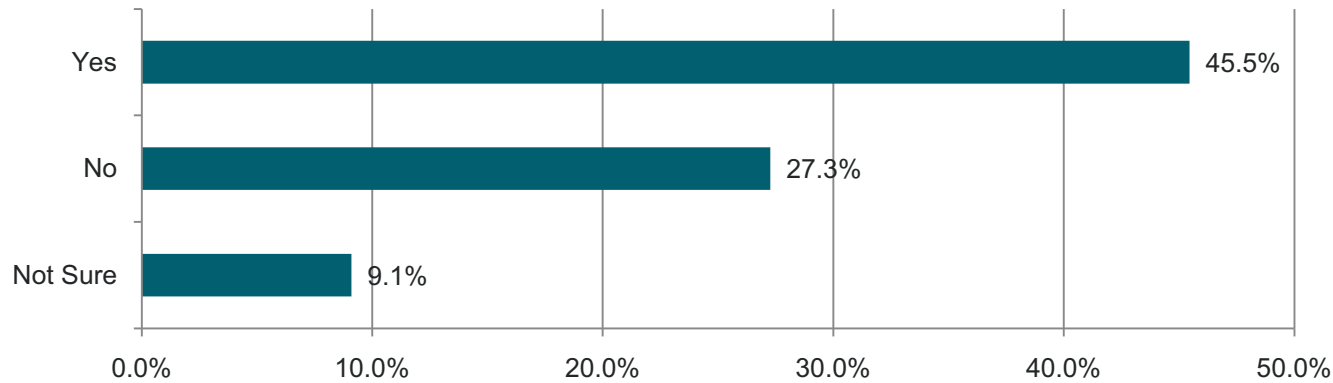




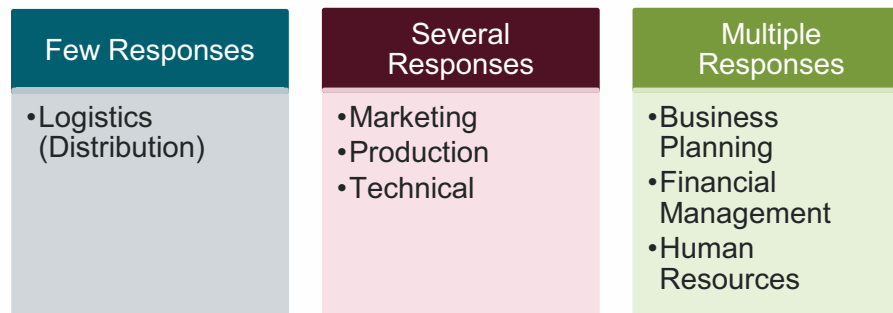
FIGURE 59: WOULD A MENTORING PROGRAM BENEFIT YOUR BUSINESS?



For the 81.9% of businesses that responded to this question, local training opportunities can attend to the top three barriers by providing an option that is closer to home and cost effective. Another barrier to training was that several businesses (6) require customized training in which institutions and existing training programs do not provide. This creates an opportunity for local training providers to develop customized training or for the introduction of alternative learning such as distance or on-line training.

Five of eleven businesses indicated that a mentoring program would benefit their business specifically in the areas of human resources, business planning and financial management. That relationship reflects two types of home based businesses, the businesses that require mentoring and the businesses that can offer that mentoring.

FIGURE 60: AREAS OF MENTORING REQUESTED BY BUSINESSES





## 5.4 Import and Export

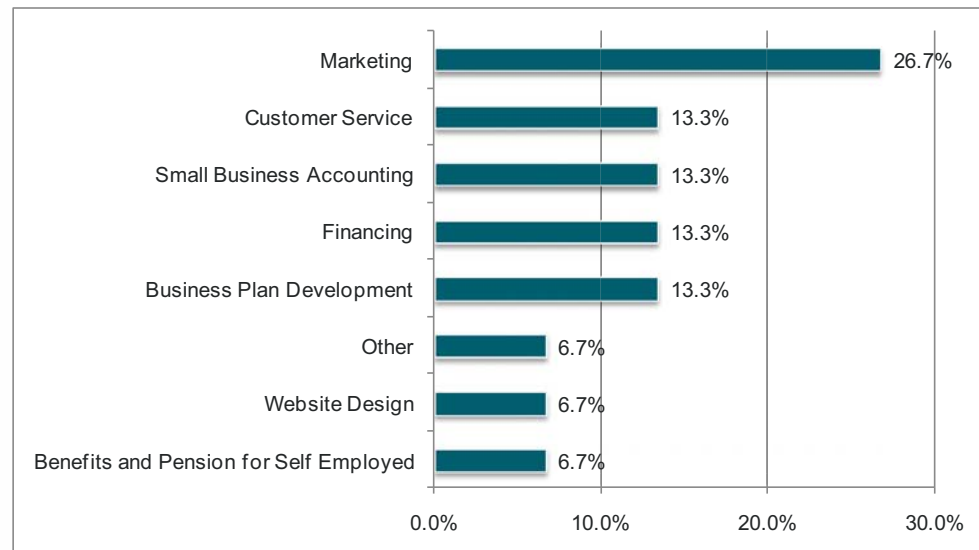
The home based businesses import goods and services more often than exporting their products. Only one of eleven businesses is exporting outside of Alberta. Imported goods and services coming to the businesses are primarily from Edmonton and Calgary. The main reason for importing goods and services is the lack of availability of those products locally and the cost of the product. E-commerce is also present among the home based businesses, with three businesses selling and buying their products over the internet.

## 5.5 Business Retention and Expansion

When asked if the business was expected to close or sell in the next five years, the majority (72%) said no. For those that indicated they do expect to close or sell during this period, they cited retirement as a contributing factor. Expansion plans among the home based businesses is sparse with only three businesses claiming to have an expansion plan in place. Succession plans presents a problem to home based businesses as nine businesses claimed they did not know what a succession plan is.

Marketing plans are the most present plans among the home based businesses with 5 businesses currently following a marketing plan. Marketing between the home based businesses is also the highest priority of needed help when operating their business.

FIGURE 61: WHERE IS THE MOST HELP NEEDED IN OPERATING A BUSINESS?





## 6 Agricultural Survey Summary

### Details of farming operations

The Brazeau County Agriculture Service Board conducted a survey of farmers throughout the County. The survey was administered through both telephone and face-to-face interviews. A total of 48 individuals responded, the majority of which are involved in Cattle Ranching and Farming. Most respondents described their farming activities as either exclusively Cattle or Cattle and Crops (including Hay, Grains, etc).

FIGURE 62: FARM ACTIVITIES, BY NAIC CODE

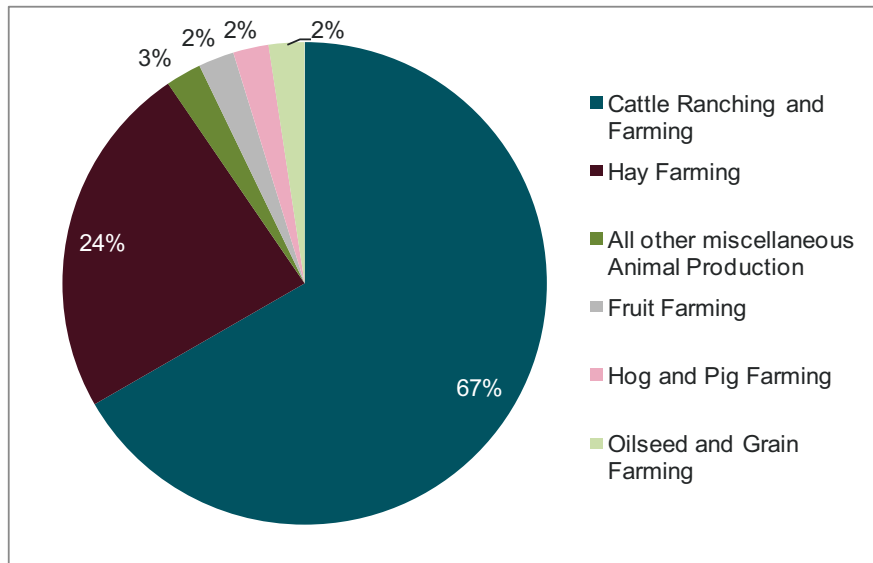
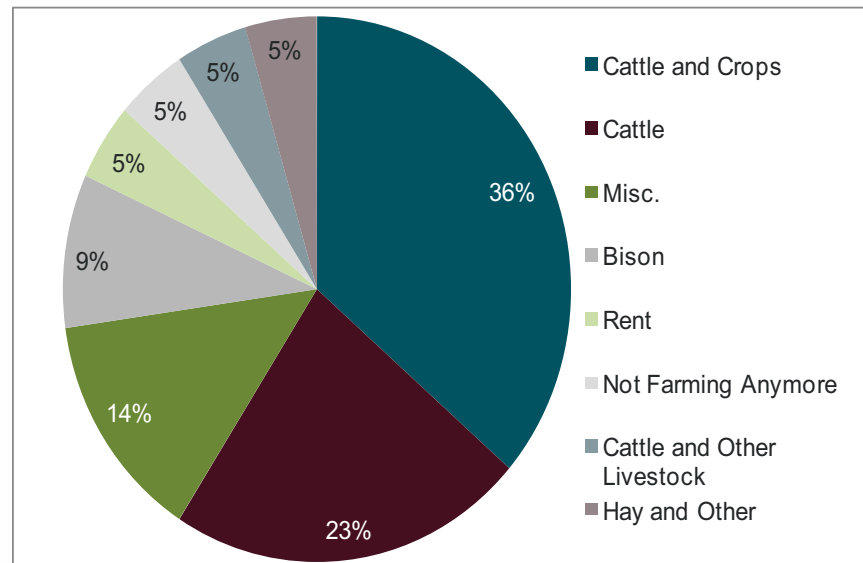


FIGURE 63: FARM ACTIVITIES, BY RESPONDENT DESCRIPTION



Most respondents' farming operations were less than 250 acres, with many around one or two quarter sections<sup>3</sup>. A small percentage of respondents had farming operations in excess of 1500 acres, or roughly 10 quarter sections. Most respondents farm 100% of their land themselves. Similarly, most respondents do not sharecrop their land with another farmer – across all responses, the average is 10% of available land. The most common response was 0%. Of those

<sup>3</sup> A quarter section is roughly equivalent to 160 acres.



respondents that did claim to sharecrop with another farmer, the average is 58% of land is shared. Conversely, most respondents lease some land from another farmer for their operations; roughly 37% of farmers lease over one section<sup>4</sup>.

FIGURE 64: PERCENTAGE OF LAND OWNED THAT IS ALSO PERSONALLY FARMED

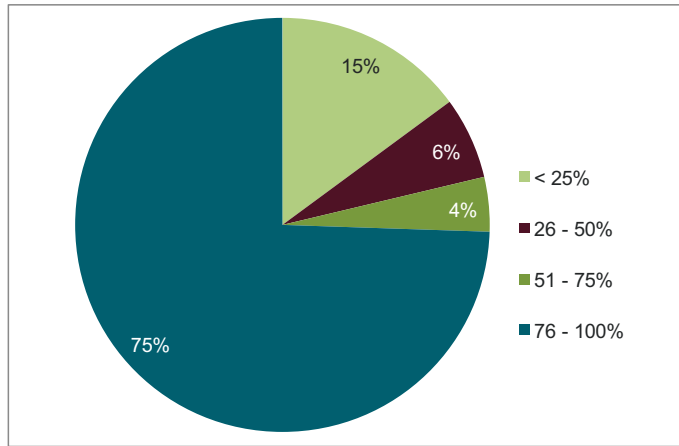
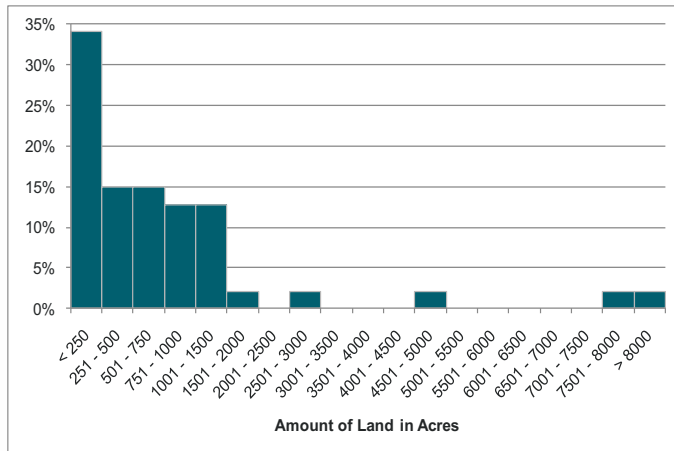


FIGURE 65: AMOUNT OF LAND IN RESPONDENTS' FARMING OPERATIONS



<sup>4</sup> One section is roughly 640 acres.



FIGURE 66: AMOUNT OF LAND RENTED FROM ANOTHER FARMER

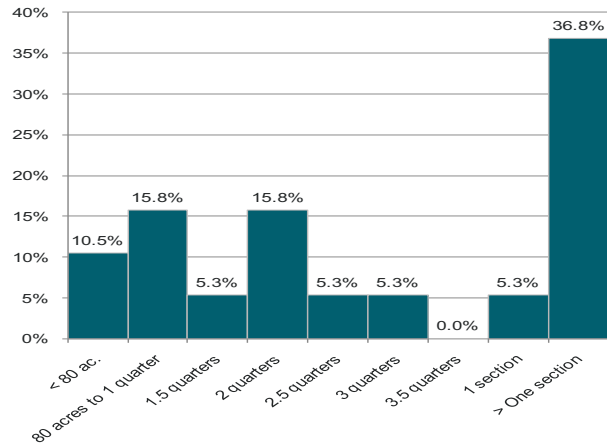
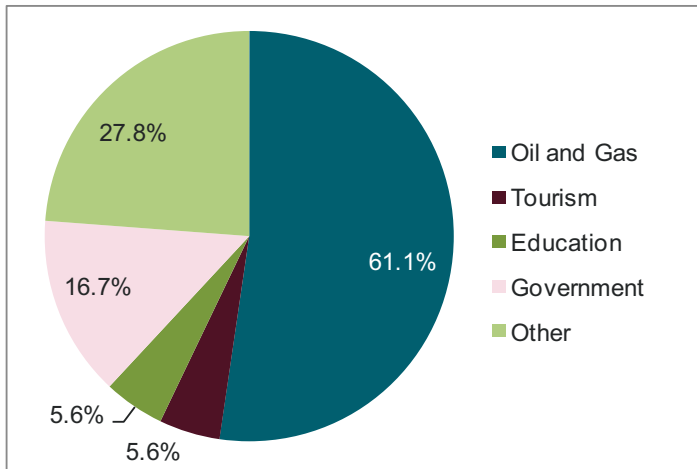


FIGURE 127: INDUSTRY OF EMPLOYMENT OF RESPONDENTS WORKING OFF THE FARM



The majority of respondents are farmers (53%) however, 38% of respondents work off the farm. Most of these work in the Oil and Gas sector, some in Government, and others in education or other industries. As reflected in this figure, the total percentage exceeds 100%, indicating that some respondents may have selected employment in more than one sector.

**Expansion plans**

When asked if they were planning on changing their farming operation in the next five years, 64% of respondents said they were not going to, while 36% said yes. For crop farmers, most are currently producing hay (78% of responses); other responses include oats, barley, grain, and

canola. Crop farmers disclosed very little of their future crop of choice, though a few respondents cited asparagus, canola, peas and lentils as possibilities. When asked if they would be adding new land to their farming operation only seven responses were received, six of which said they would not be acquiring new land, but would be turning over



existing crop land. For livestock farmers 85% said they were not considering carrying a different type of animal, with the other 15% indicating they were. Currently most respondents raise beef cattle; other stock includes dairy cows, sheep, elk and bison. Of those few farmers considering adding stock, possible new animals include chickens, hogs, sheep and goats.

### Problems for farmers

When surveyed about problems for existing farmers in Brazeau County, most farmers cited the highest impacts came from Commodity Prices, Land Availability, the Price of Equipment and Weather. Most noteworthy were the lower ratings of problem areas such as Price of Fuel, Feed or Seed considered a low- to medium-impact issue for existing farmers, and the Price of Land was also considered mainly a medium-impact issue. When asked how Brazeau County could aid farmers in overcoming these challenges, responses include: Quit subdividing or only subdivide unproductive land, and make pro-agriculture decisions at the County level.

Challenges facing individuals who want to start farming are significant.. Of the selection offered, only the weather received moderate recognition as slightly less challenging than the other aspects of farming. The challenges with the highest impact on new farmers are all related to Price – Price of Land, Price of Fuel, Seed, and Feed, and the Price of Equipment. Even Commodity Prices ranked high as impacting anyone interested in entering the farming business.

FIGURE 68: PROBLEMS FOR EXISTING FARMERS IN BRAZEAU COUNTY

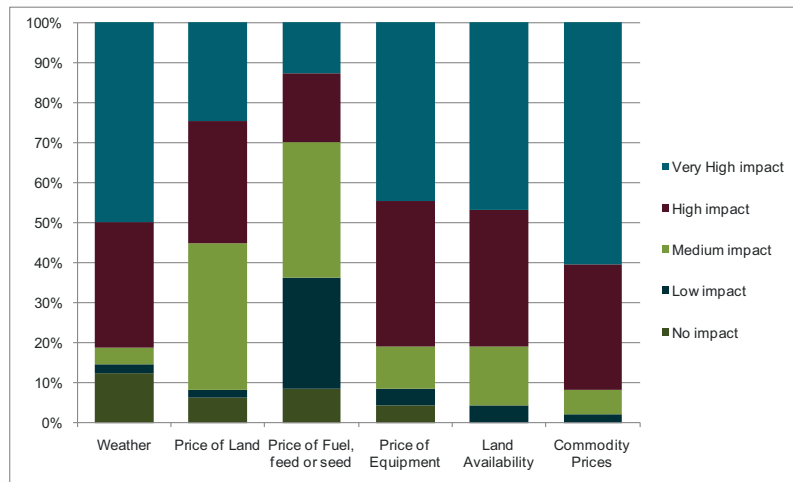
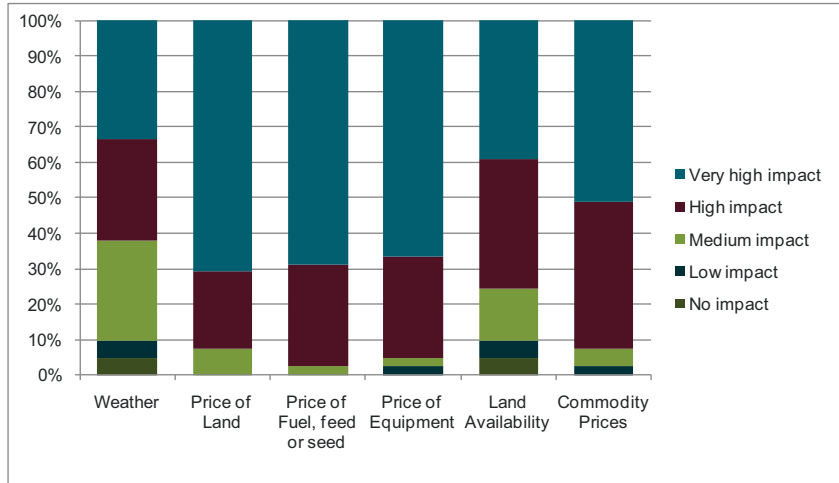




FIGURE 69: CHALLENGES FACING INDIVIDUALS WHO WANT TO START FARMING



### Succession Planning

One of every ten farmers who responded expects to retire in the next 5 years. One third of respondent farmers expect to retire in 5-10 years, and over 40% expect to retire in more than 10 years. Overall retirement does not figure prominently in the near future plans for many farmers in Brazeau County with over 75% of respondents at least 5 years away from retirement. There is an excellent opportunity here for offering succession planning services early on to allow farming operations time to work towards the change in leadership. This also indicates that many of the responses collected from this survey are from individuals that will be relying on agriculture-oriented service for the mid-to-long-term future. Of those planning on retiring in the next five years, half of them intend to pass the farm on to their family, while almost 30% will be selling the farm entirely. Only about 20% of respondents intend to subdivide their land.

Farmers were also asked, if they intended on moving off their farm in the next five years, where they would be moving to. Over 80% of respondents did not specify where they would go, but noted they would not be moving to any small local towns.



FIGURE 70: RETIREMENT PLANS OF BRAZEAU COUNTY FARMERS

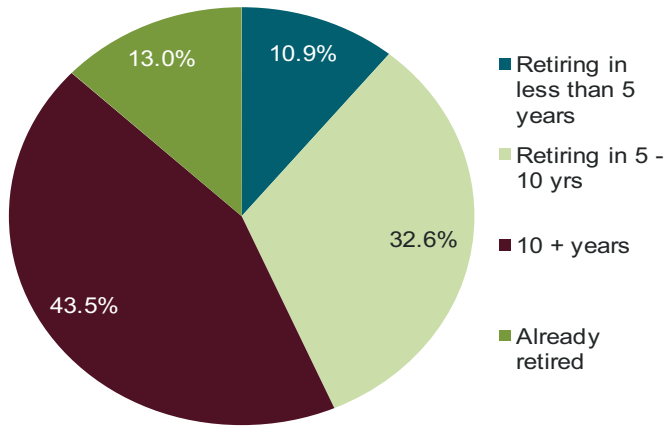


FIGURE 71: PLANS FOR FARMERS LOOKING TO RETIRE WITHIN 5 YEARS

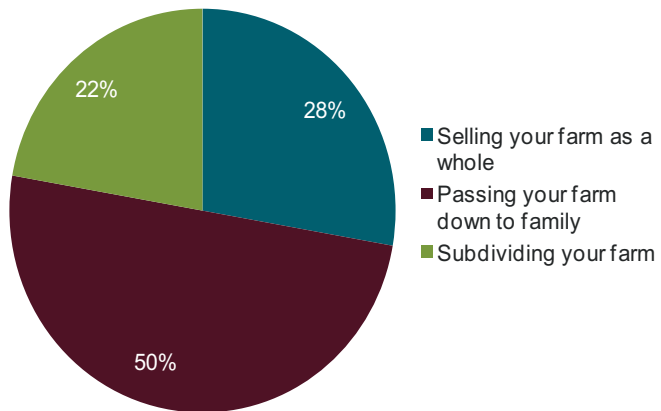
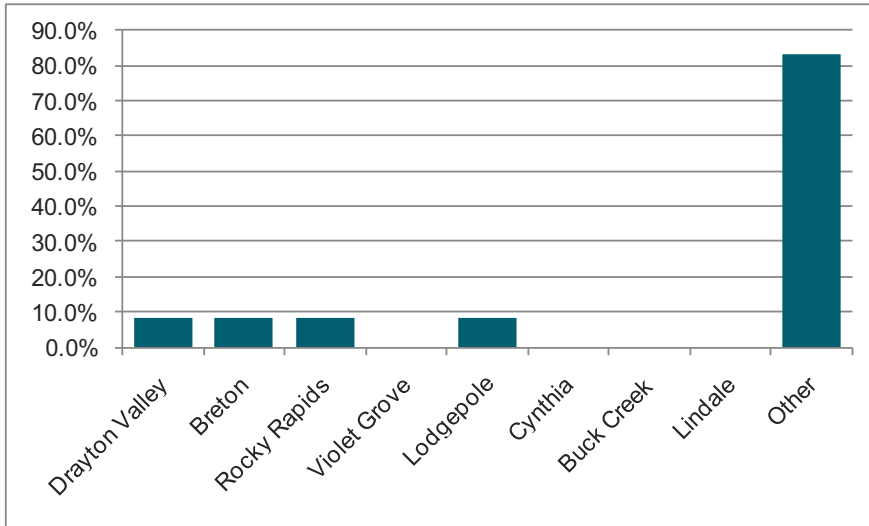




FIGURE 72: INTENDED DESTINATION FOR THOSE FARMERS MOVING OFF THEIR FARM IN THE NEXT 5 YEARS



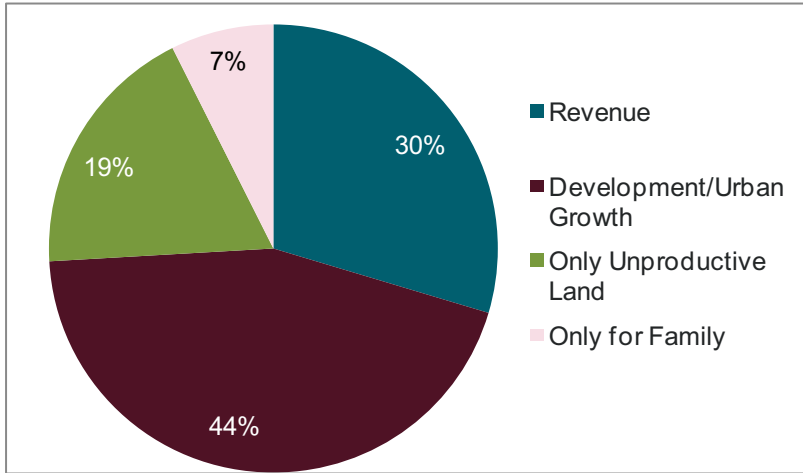
### Subdivision of Farmland

When asked directly if they believed farmland should be subdivided, 54% of Brazeau County farmers said yes, 46% said no. Most respondents are amenable to land being subdivided for urban growth and development purposes. Many respondents (30%) believe it is the farmer's right to use his land as best meets the farmer's revenue needs. A few farmers qualified their answers by stating a preference for only under-producing or unproductive farmland to be subdivided.

Respondents were asked – if they plan on subdividing their land, how many parcels do they plan on creating, and of what size. There were few responses, but the most common were only one or two parcels and the typical size was around 5 acres. Only one respondent hopes to subdivide his land into as many parcels as possible, and a few respondents hoped to create several large parcels – in the area of a quarter section.



FIGURE 73: ACCEPTABLE REASONS FOR SUBDIVIDING FARMLAND



### Opinions on Farm Viability

The vast majority of Brazeau County farmers note that the minimum size for a viable farm operation, be it cattle or mixed, is at least a quarter section. Opinion on the number of head of cattle for a viable farm operation is more evenly split for farmers interested in selling their product locally – anywhere from 50 to over 250 head. However, for farmers who want to sell their product at auction the majority of respondents suggest a minimum of 200 head of cattle, even up to more than 250.

FIGURE 74: MINIMUM SIZE OF A VIABLE MIXED FARM SELLING LOCALLY.

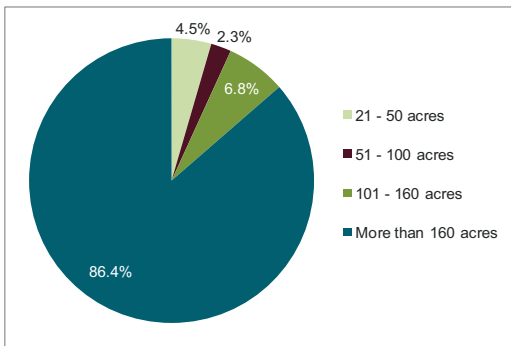




FIGURE 75: MINIMUM SIZE FOR A VIABLE CATTLE FARM SELLING AT AUCTION OR TO A BROKER

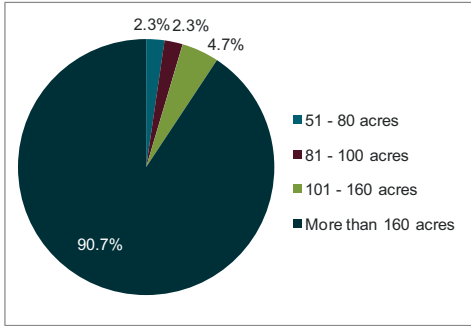


FIGURE 76: MINIMUM NUMBER OF CATTLE FOR A FARM SELLING LOCALLY

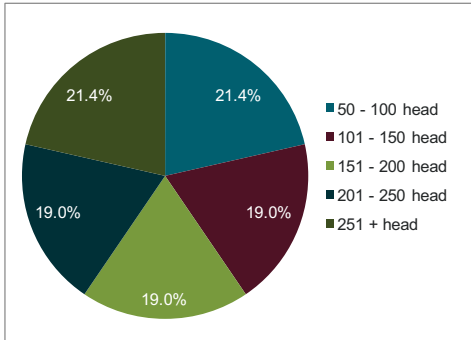
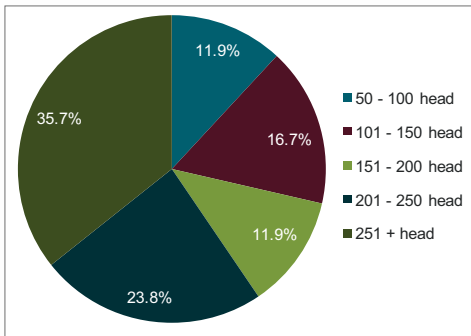


FIGURE 77: MINIMUM NUMBER OF CATTLE FOR A FARM SELLING AT AUCTION





Interestingly there is some variation in opinion on the minimum amount of land for growing and selling mixed vegetables locally. Nearly a third of respondents think a farm under 10 acres will suffice for a viable local vegetable operation, and 56% of respondents are of the opinion that anywhere up to 20 acres is sufficient. However, a fairly substantial number of surveyed farmers (23%) were of the opinion that at least 100 acres are necessary for a successful operation. While opinions diverge on this matter the majority is of the opinion that a smaller operation is viable for producing and selling vegetables locally. This variation does not exist in the responses on the amount of land necessary for a viable operation selling meat locally with 93% of respondents observing that at least 100 acres are needed for this type of operation.

FIGURE 78: MINIMUM AMOUNT OF LAND FOR A VIABLE FARM SELLING MIXED VEGETABLES LOCALLY

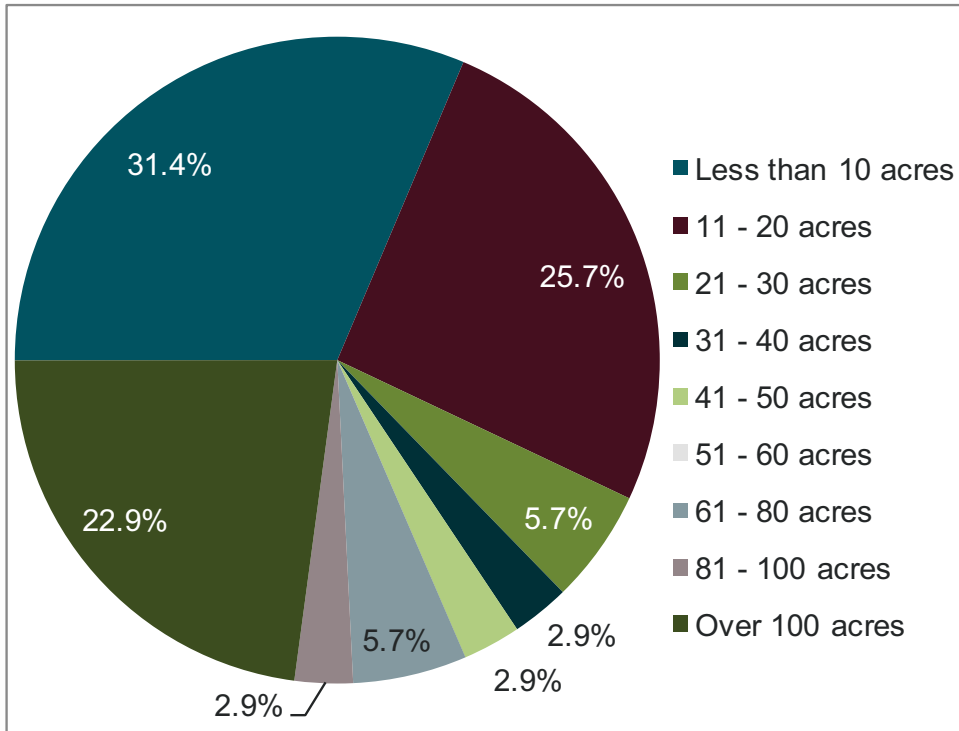
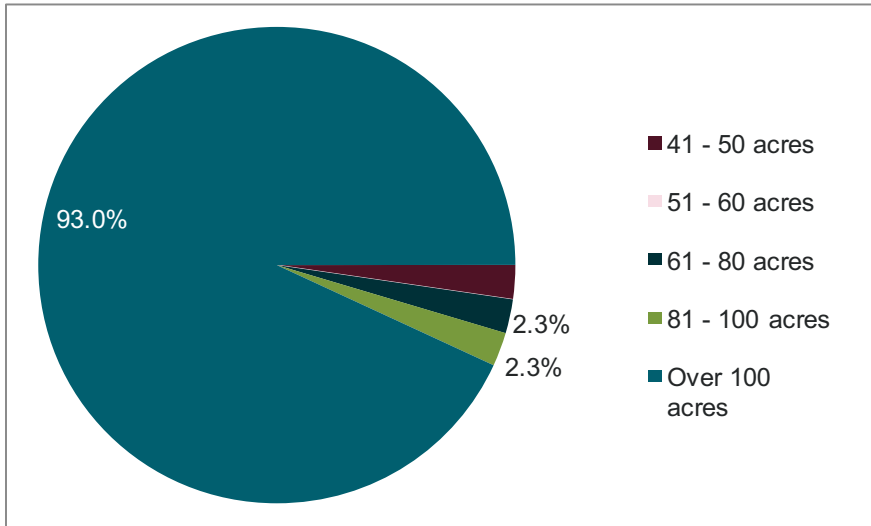




FIGURE 79: MINIMUM AMOUNT OF LAND FOR A SUCCESSFUL FARM SELLING MEAT LOCALLY



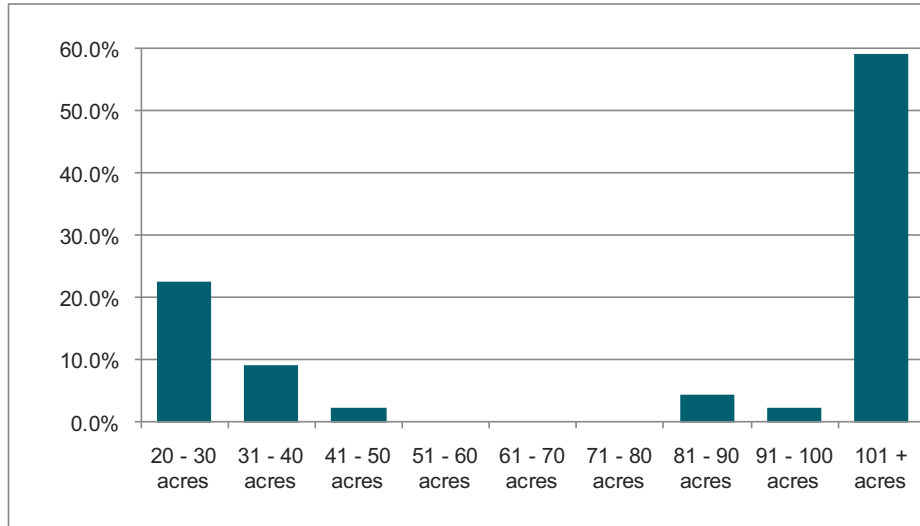
### General Topics

There is an interesting divergence of opinion on the minimum size of parcel that should be considered an Agricultural parcel. Nearly 60% of respondents feel that a minimum of 100 acres should be the standard for an agricultural parcel that balances farm viability and allows for new farmers to begin farming without being burdened by high land costs. At the other end of the spectrum, however, over 20% feel that 20-30 acres is a reasonable standard for an agricultural parcel. Between these two extremes there is little consistency of opinion. The results seem to indicate a split between local farmers on the expectations for current farming operations and the definition of an agricultural parcel (Figure 73).

Finally, farmers requested a variety of subject areas to be offered as courses by the Brazeau County Agricultural Department. Many said they didn't know or were unsure – but this doesn't necessarily mean they aren't interested in further training, but simply that they had not considered it before. Many others requested courses on farming in general, weed control/spraying techniques, alternative crops, and livestock or pasture management.



FIGURE 80: SUGGESTED MINIMUM SIZE FOR AN AGRICULTURAL PARCEL OF LAND





## 7 Summary of Key Themes

Overall, the survey respondents from Brazeau County, Drayton Valley and the Village of Breton have generally positive attitudes towards the region as a place to do business and are satisfied with their current location. Businesses surveyed are largely focused on the local market with very few businesses exporting outside of the area.

Businesses in the region reflect positively about the future with most businesses planning for increase sales revenue and expanding operations. This is true across all locations, industries and business types. However, with this anticipated growth several themes emerged from the survey highlighting businesses current and future needs:

### 7.1 Stable and Skilled Workforce

Across all businesses, industries and geographic areas the most prominent set of needs emerging from this survey center on workforce development. Although responses to workforce questions highlighted in the survey were somewhat inconsistent, it was apparent that workforce challenges exist throughout the surveyed areas. Improving the skills and training of workers was identified as important across a variety of industries, as was the ability to retain workers that have been trained. One of the key challenges facing the region is the competition for skilled workers which generally deters businesses from investing a substantial amount of time and money into the training of employees for fear that they will leave the business for higher paying work. Another key trend witnessed throughout the workforce was the substantial component of the labour force that commutes long distances to work in the area. This also presents possible threats to the stability of the local workforce. It is important that the Town of Drayton Valley, Brazeau County and the Village of Breton have access to a relevant stable and skilled workforce.

### 7.2 Market Access

Businesses surveyed are highly focused on the local market. Only a handful of businesses export products outside of the local economy and most businesses import a substantial part of the services and products they need. In order to generate sustainable growth and development in the area, it is important to build supply chain linkages within the local economy and assist new business growth to support and supply existing local business. While local market development is an important function of economic development, increased awareness on export markets should also be encouraged. The vision for future business development within the region will have increased market opportunities driven by both internal and external market access.



## 7.3 Communications and Outreach

Overall the business visitation initiative was well received by the business community across the region. The opportunity to connect with local businesses is an important step in establishing a link between economic development staff and the business community. For Drayton Valley this was the first time a comprehensive business visitation initiative has been undertaken. The goal of the communications and outreach theme is to further strengthen local relationships and to promote economic development offices as partners in information dissemination and program development.

## 7.4 Agricultural Development

Farmers are a hardworking, proud group, and farmers in Brazeau County are no exception. While the agricultural sector in Brazeau County is not the leading industry, it still comprises a strong part of the local culture and community identity.

As with many sectors of the economy, farming is changing. Attention is required to not only support the agricultural sector, but to address its unique business needs respecting its established character and strengths. Efforts towards building a skilled and stable workforce are necessary, as is awareness of market expansion opportunities. This will provide a much needed boost to local farmers who are seeking local solutions to address business needs.

Farming and agri-businesses can benefit from service delivery investment in many of these areas, but the farming community requires a tailored approach to build a strong connection. Based on survey results the local Brazeau County farmers indicate they seek minimum support from the County, but can stand to gain a great deal from any small investments made on their behalf. It is important to offer farmers a strong business visitation program that utilizes in-person contact and understanding from someone who can 'speak their language'.

The increasing cost of land and demand for more land for urban growth purposes is also constraining farmers and presenting unusual challenges for the long-term viability of their operations. Attention needs to be given to understanding the effects of land division decisions on farm operations immediately and over the longer term.

Finally, investment should be directed towards building a broad range of skills for local farmers. Courses can and should be offered, but tailored – both in timing and in content – for agricultural participants. Attention should be given to understanding the competitive advantages of Brazeau County agricultural sector and courses provided that help farmers advance their farming practices. Farmers are looking for training in alternative crops, how to run smaller farming operations, and how to develop and sell to a more local demand base for their products. Training is also needed for succession planning – given the evolving nature of agriculture, plans will need to be continually updated and adjusted for changing market conditions and government regulations. Helping local farmers chart their way through these changes will serve to strengthen the sector, increase its competitive advantage, and build a more resilient agricultural sector.



## 8 Action Plan

### 8.1 Recommendations, Implementation and Action Plan

Through the recession of 2009 almost twice the number of business respondents experienced an increase in the number of employees over those that experienced a decrease. In the next 3 years a large majority of businesses will increase their payroll. As the demand of skilled labour continues to rise and employers face recruitment and retention challenges workforce development becomes a high priority for economic development in Drayton Valley and Brazeau County.

To that end, we have identified 4 key themes to guide our recommendations:

- **Stable and skilled workforce focused on placing significant emphasis on talent attraction, retention and development.**
- **Market Access focused on increasing market expansion both at the local level where supply chains can begin to draw from local suppliers, and more broadly in the export markets where new market opportunities exist.**
- **Communications and Outreach focused on accurate, relevant and current information dissemination and outreach to local businesses**
- **Agriculture focused on supporting local agricultural sector**

These strategic actions have been informed by the knowledge gathered as part of the research process.

#### **Theme 1: Stable and Skilled Workforce**

**Businesses within the Town of Drayton Valley, Brazeau County and the Village of Breton have access to a relevant stable and skilled workforce.**

#### **Actions:**

Assist businesses in accessing the Temporary Foreign Workers Program.

#### **Resources and Partnerships:**

Staff time needs to be allocated to meetings with representatives from the Temporary Foreign Workers Program. The Chamber of Commerce may take a lead role in organizing information sessions for local companies.



Facilitate access to online career and educational portals and information sessions to connect High School and post-secondary students to local employment opportunities.	Economic Development staff should allocate time to meet with the Chamber of Commerce, local industry associations, High School representatives and Campus Alberta to facilitate access to existing career and job portals in Alberta and ensure that local opportunities and access to support services are readily available.
Strengthen skills development opportunities for current and future workforce	Staff time will be needed to forge relationships with existing education and training organizations to inform local capacity and gaps in training and skills availability
Develop a comprehensive understanding of current and projected labour force supply and demand	Staff time will need to be allocated to identify community partners and potential funding sources that may support undertaking this research.

### Theme 2: Market Access

**Businesses within the Town of Drayton Valley, Brazeau County and the Village of Breton will have increased market opportunities driven by both internal and external market access.**

<b>Actions:</b>	<b>Resources and Partnerships:</b>
Identify existing programs and develop information sharing opportunities that inform export opportunities and how to access to foreign markets	Economic Development staff can contribute to this initiative by identifying existing programs and available information within the provincial and federal government. The Chamber of Commerce and other business organizations can serve as partners to facilitate the information sharing sessions.
Examine gaps in local supply chain to inform a business attraction strategy	Economic Development staff will require data and time to develop an understanding of the gaps that exist in the local supply chain.
Promote and support access to tradeshow/missions to facilitate increased market access	Economic Development staff will need to collaborate with municipal council members and local businesses to develop an action plan for targeting specific opportunities for expanding market access.

### Theme 3: Communications and Outreach

**The local economic development departments will be recognized as partners in information dissemination and program development supporting local economic activity.**



Actions:	Resources and Partnerships:
Utilize the core understanding gained through the business visitation program to identify and enhance relationships between local business and economic development	Economic Development and local intermediaries including Chamber of Commerce and business associations will allocate staff time and necessary resources to develop a comprehensive communication strategy that promotes direct outreach and interaction with local businesses.
Improve direct access and communication to local businesses through the use of electronic and social media devices.	Economic Development staff time will be dedicated to utilizing social media messaging, website, newsletters, etc. to create a regular communication stream that shares relevant information, celebrates local business success stories, and promotes available supports and services.
Develop information services directed towards services and programming needs that have been identified during the business visitation	Economic Development staff time is needed to demonstrate that concerns, suggestions, issues and opportunities identified by the survey participants are being responded to.
Co-hosting local information and networking sessions for businesses	Economic Development staff time is needed to create an awareness campaign and outreach strategy that specifically targets this group; survey evidence indicates this is an area that requires particular attention.
<b>Theme 4: Agricultural Development</b> A strong local sector that offers unique and distinct economic contributions and is supported by a tailored approach that addresses business needs.	
Actions:	Resources and Partnerships:
Maintain strong and positive relationships with local farming businesses	Economic Development staff time is required to forge relationships with farmers. Collaborate with other service providers focused on agriculture to maximize outreach opportunities.
Review current land division policies for their immediate and longer-term impacts on farming	Joint task force within municipal staff - Planning, Economic Development and Members of Council. Commission further work to explore the long-term impacts of existing and updated land division policies.



Develop programs and services for training in skills development and success planning.	Staff time will be needed to forge relationships with existing education and training organizations to inform local capacity to deliver required training.
Promote local farm products and services through a branding strategy for Brazeau County agriculture	Municipal resources required to build a branding/marketing strategy for Brazeau County. Partner with regional and provincial marketing strategies (e.g. "Alberta Beef")
Create programs and services for new and small farming operations	Partner with province and not-for-profit agriculture agencies to provide high-level direction for farmers dealing with changing operating environment.



## 9 Recommendations

### 9.1.1 Lessons Learned and Promising Practices – Brazeau County and Town of Drayton Valley

There were several key lessons learned throughout the business visitation process.

- It is important for business visitation surveyors to be trained and engaged in the interview process.
  - **This initiative provided an opportunity to reach out to local businesses, beyond the completion of a survey but rather to engage in a conversation that led to a greater understanding of business needs, business development plans, and areas where support should be directed. Individuals completing the survey must be active in the conversation to minimize survey error and to avoid conflicting responses. For example, businesses that state they are home-based but employ 50+ employees should be probed to ensure an accurate understanding of their operation.**
- Clearly developed definitions must be provided to those administering the survey.
  - **One of the key challenges exposed in the business visitation was the lack of understanding in some of the questions. This was especially seen in terms of the responses given around type of business. Many of the responses to this question were invalid largely because the definitions were not understood in the context of how the survey was administered and responded to. For example, responses pertaining to identification of home-based businesses. In order to ensure complete accuracy is it important to develop clear definitions and understanding between all stakeholders that are involved in the creation, dissemination, administration and analysis of a business visitation, particularly if these stakeholders are from a variety of organizations and fields.**
- It is important to continue to build relationships between the local municipalities and the business community.
  - **The commitment from Brazeau County to their local business community has been demonstrated through their ongoing support of the business visitation process and it is extremely positive that Drayton Valley is also committed to ensuring that positive and long lasting relationships are forged between the municipality and local business. The importance of continuing to develop these relationships and ensure that the municipalities are informed and positioned to respond to business needs is essential in maintaining a strong, competitive economic climate.**



- Collaboration among municipalities to conduct a regional business visitation program offers great value.
  - **Brazeau County, the Town of Drayton Valley and Village of Breton partnered to carry out this regional initiative. By doing so, they created the opportunity to maximize human and financial resources. The findings create a greater understanding of what is happening at the broader regional level, while also informing local activity and thus supporting both locally driven and regionally focused strategies.**