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## Supporting Business Succession in Your Community

Darrell Goertzen, Business Advisor

Venture Connect, subsidiary of Community Futures

November 6, 2018



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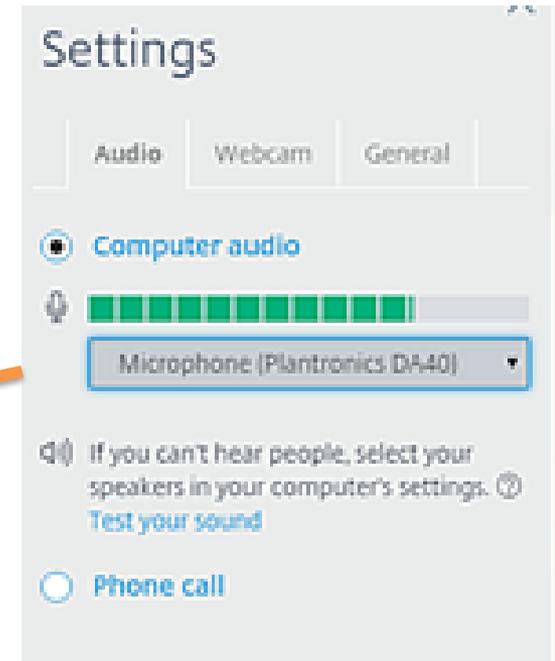
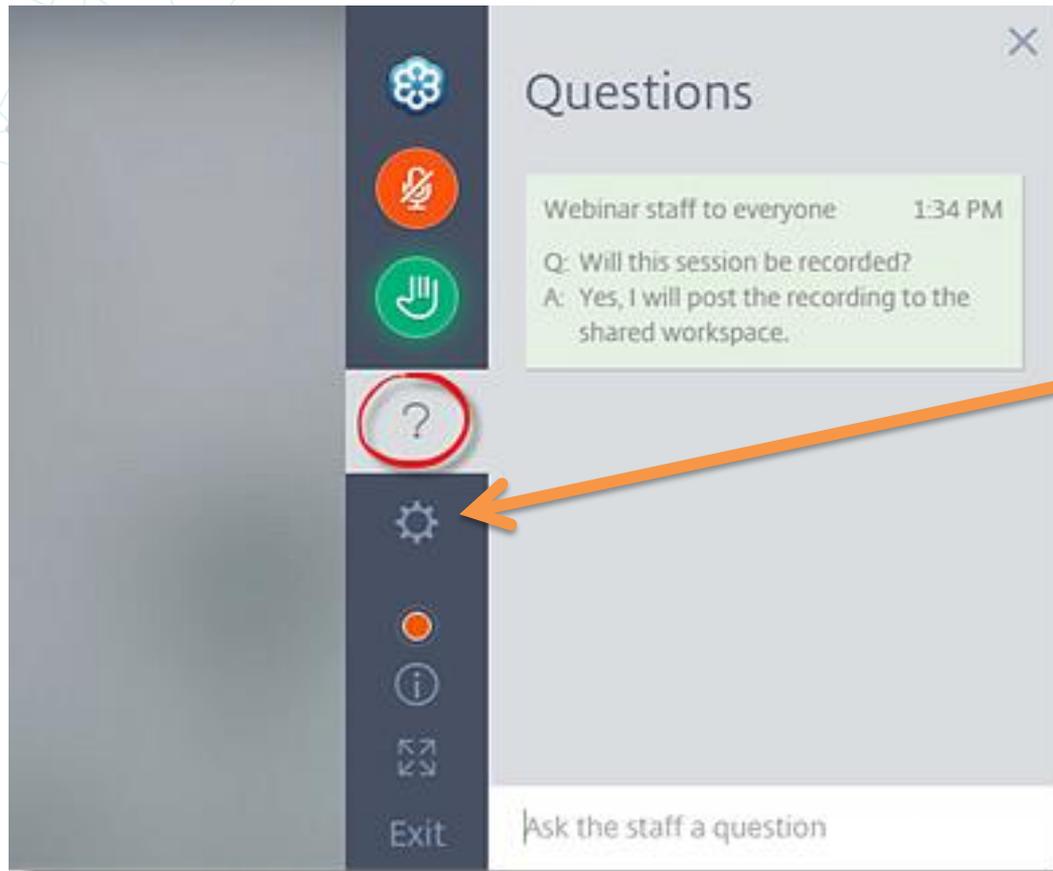
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# Session Recording

- View audio/screen recording of session
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- Visit [gov.bc.ca/economic-development](http://gov.bc.ca/economic-development) and look under “BC Ideas Exchange” for our Past Webinars recordings.



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  - What information you look for there
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  - Are there gaps?
- User experience research November & December
- Contact [economicdevelopment@gov.bc.ca](mailto:economicdevelopment@gov.bc.ca)



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# Exploring Demographics

What are the demographic trends that are contributing to the business succession crunch?

How are these factors made more severe in small or rural communities?



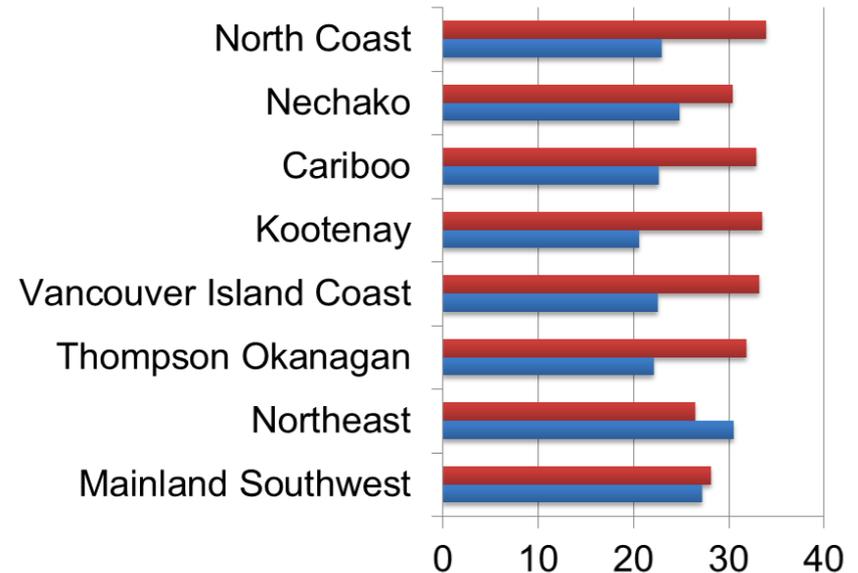
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# Exploring Demographics

- There is a shortage of both workers and entrepreneurs as the population ages...
- Population growth will be slow with most growth coming from international migration ... This is a global problem...
- Younger buyers are encouraged to start businesses rather than buy, often for affordability reasons
- Uncertainty as well as lifestyle choices are also reducing entrepreneurial spirit
- **Generation X** Numbers Fall Short to Replace **Baby Boomers** Creating Significant Labour and Entrepreneur Shortages



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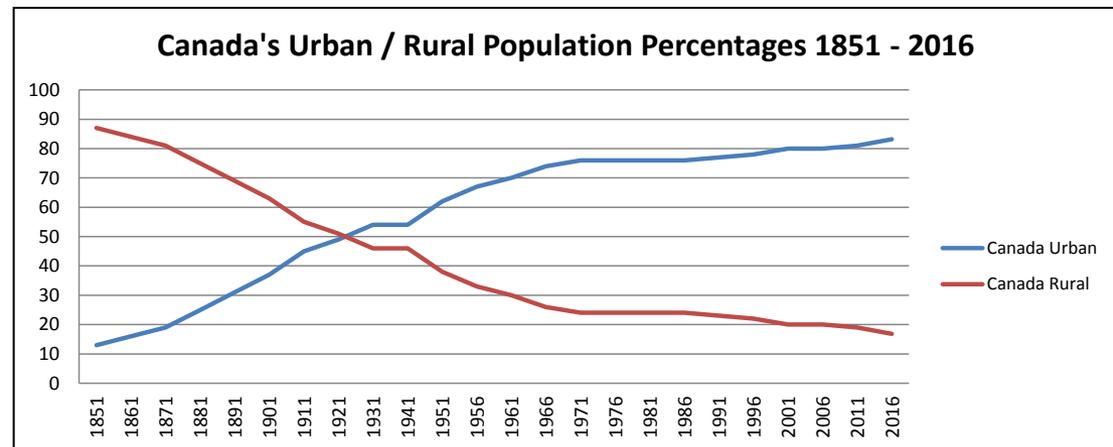


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# Rural BC Faces Additional Challenges

- While dips in BC's rural population have occurred over the past 150 years, none have been as pronounced as the dip between 1996 and 2001 and there is no recovery in sight.
- Census 2016 rural population numbers for BC are not yet available, however Census has provided Canada's rural population percentages which show a drop of 2% since the previous Census.

Year	BC's Rural Population
1986	598,365
1991	641,922
1996	667,112
2001	597,885
2006	602,187
2011	609,363



# Small Business is Suffering

- Small business numbers are slowly declining in all regional areas except for the lower mainland area.

Small Business Counts by Development Region	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vancouver Island/Coast	68,100	69,100	71,800	71,100	66,900	68,200	69,000	67,500	67,400	67,800
Thompson-Okanagan	48,500	48,600	53,000	48,300	50,800	49,600	49,600	46,100	46,500	44,300
Kootenay	16,200	13,800	14,800	14,500	14,800	13,000	13,200	11,100	12,200	14,400
Cariboo	13,300	14,400	12,200	13,400	12,700	12,400	10,600	11,700	10,900	11,900
North Coast & Nechako	7,700	6,800	6,600	6,500	7,000	6,900	6,400	5,500	6,000	6,100
Northeast	7,900	7,200	6,700	5,500	6,700	6,900	7,600	6,800	7,800	6,400
<b>Total Rural Business Growth</b>	<b>161,700</b>	<b>159,900</b>	<b>165,100</b>	<b>159,300</b>	<b>158,900</b>	<b>157,000</b>	<b>156,400</b>	<b>148,700</b>	<b>150,800</b>	<b>150,900</b>

- Communities have been built on a model for growth, declines in business #'s and aging populations make it difficult for service provision and quality of life. Empty storefronts and lack of shopping / service options are the end result.





# Business Transitions

What are the ingredients that make for a successful business succession/transition?



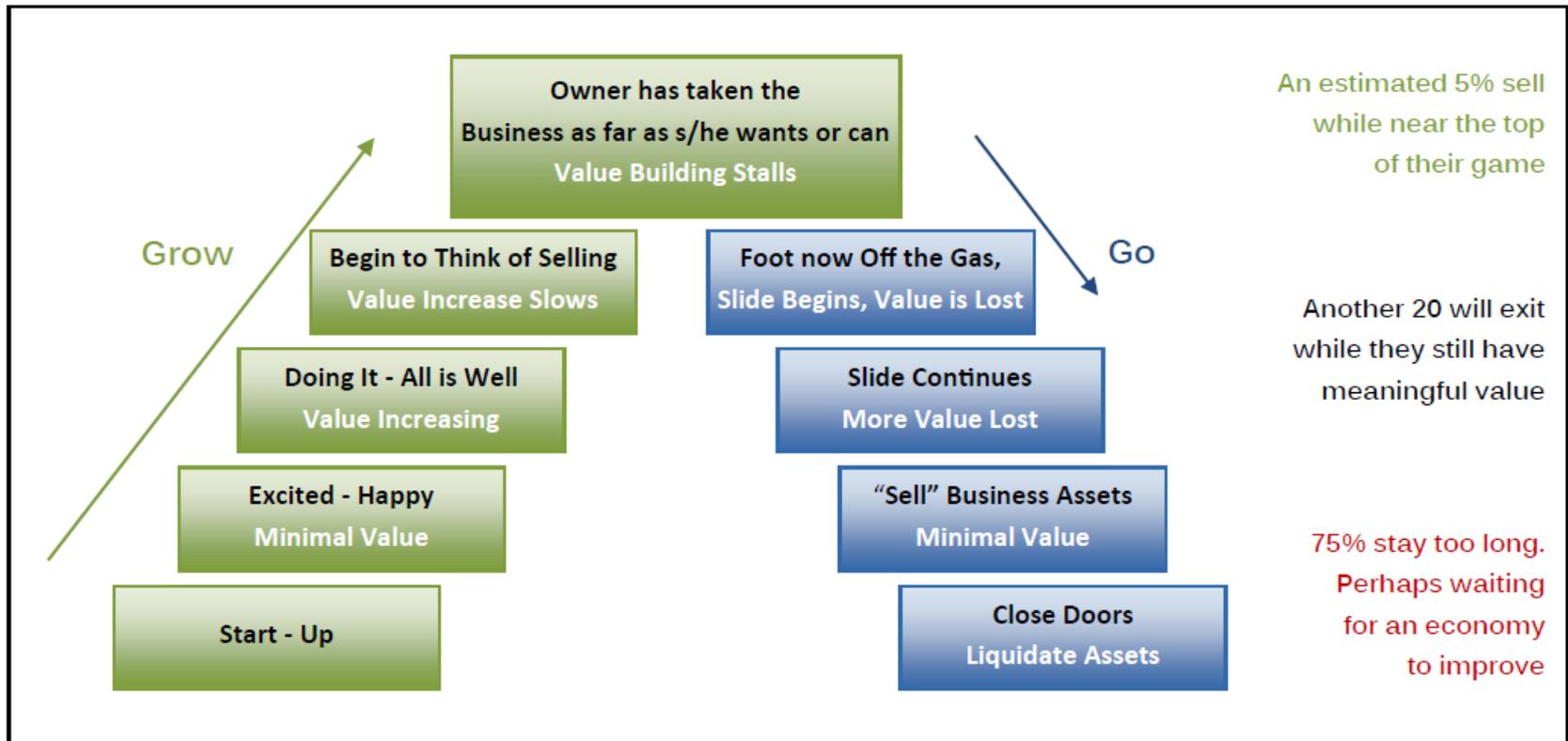
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# Mistake – Letting Things Slide

Only 5% of business owners sell at the peak strength of their business





# Understanding Buyers

Where do business buyers come from?

What are they looking for?



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# Understanding Needs

What can economic development officers or agencies do to understand the needs for business succession in their community?

What supports can economic development officers or agencies provide to business owners?



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# Community Actions

What supports can economic development officers or agencies provide to business owners?

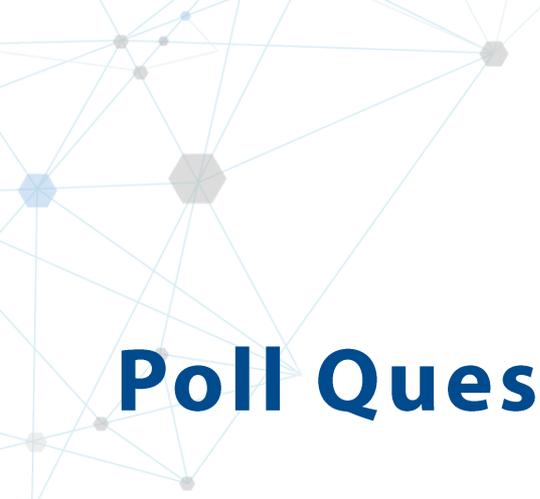
What supports can economic development officers or agencies provide to business buyers?



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# It Takes a Village

## Competition

- Buyer migration is an important segment of the market
- Intra province, inter province, international buyers are choosing the community as well as the business opportunity

## Attraction

- What is attractive about your community?
- How well are these features communicated to buyers “from away”

## Support

- Service providers (Accounting, Insurance, Banking, Realtors etc)
- Welcome services
- Business friendly

*It's a global competition for buyers*





# Measuring the Situation

What can be used to measure or evaluate the progress of their community's businesses in preparing for and going through with succession?



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# Supports for Ec Dev Officers

Where can economic development officers or agencies get more information or resources for their role in supporting business succession?



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# Aboriginal Financial Institutions

- Haida Gwaii Community Futures
- Tribal Resources Investment Corporation (TRICORP)
- Burns Lake Native Development Corporation
- Aboriginal Business and Community Development Centre (Prince George)
- Nuu-chah-nulth Economic Development Corporation
- Sto:lo Community Futures Corporation
- Tale'Awtxw Aboriginal Capital Corporation (North Vancouver)
- Native Fishing Association (North Vancouver)
- All Nations Trust Company (Kamloops)
- Community Futures Development Corp of Central Interior First Nations



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# Additional Resources to Assist You

venture  connect

<http://www.ventureconnect.ca>



<https://www.google.com/search?q=small+business+bc&btnG=Google+Search#q=small+business+bc+succession+planning>

<http://www.smallbusinessbc.ca/exiting-a-business/why-you-need-think-about-business-succession-planning-now>



<http://www.bizshift.ca/biz-buyout-loan.php>



BizBuyout Loan



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# Thank you!



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# Upcoming Webinars

November 22, 10am-11am PDT

## **BC Ideas Exchange Story Showcase**

<http://bit.ly/Nov22-3>

December 4, 10am-11:15am PDT

## **Strategic Planning in Economic Development**

<http://bit.ly/Dec4-3>

More at:

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- Please complete the Feedback Survey
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